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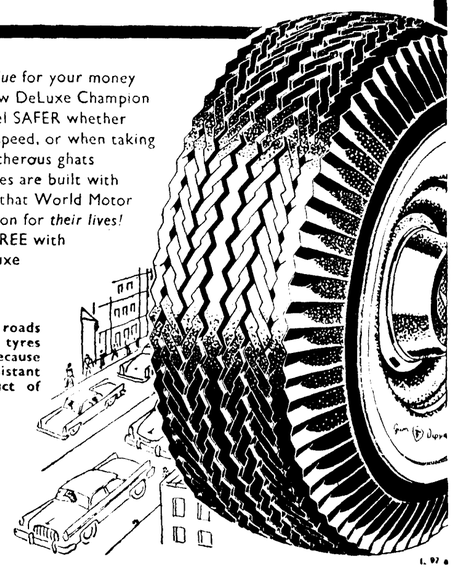

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TARGETS FOR COTTON TEXTILES

IN the fixation of targets for cotton textile industry in the third Plan, the leaders of mill industry, represented in the Indian Cotton Mills' Federation, have displayed striking signs of political maturity, in distressing contrast to the high sense of idealism that had characterised their approach to the subject in the second Plan. They seem to have been obsessed not by the needs of consumers but by the desires of politicians in power. This remark would appear to be strange to those who are not acquainted with the Indian political scene, for they may wonder how the politicians in a genuine democratic country could run counter to the wishes of consumers. But, in this country, the consumers do not yet count so much as the small sections of community that are compact, well organised and highly vocal. The numerically large number of handloom weavers and the equally large number of consumers of *khadi*—a symbol of sacrifice and piety—have greater pull with the policy-makers and planners than the mass of consumers or the rich tax gatherers for the Government. This minority of influential people has succeeded in securing for a couple of million handloom weavers and a few hundred thousand hand spinners a closed market at the expense of the dumb masses. Apparently, the millowners have realised that it is no use fighting for these masses, as it means incurring the displeasure of the political vested interests. This explains why, in their latest plan, they have lowered the target for *per capita* consumption of cloth. In 1955, they thought that 22 yards *per capita* should be the target to be reached in 1961. They gave many convincing reasons in support of their view and stuck to this figure even as late as 1958, when the cloth market was passing through one of its worst man-made depressions. But, subsequently, they began to waver and, by August 1959, they were ready to believe that even 20.3 yards would do for 1966. They have now gone still lower and think that a *per capita* consumption of 18.5 yards of cotton fabrics is all that would be possible in 1966, a figure which is only 2.5 yards higher than the average that obtained in this country during the depression years of the 'thirties and 1.5 yards more than the figure in 1948-59.

This is not all. The millowners have also come to believe that the politicians who demanded that a greater share of the cloth needed by the masses should be met by the costlier handloom products are, perhaps, right. Thus, in their Plan for the cotton textile industry for the second Plan period, they had set the overall production target at 10,000 million yards. Of this, they wanted 7,800 million yards (equal to 78 per cent. of the total) for the mill sector, leaving 2,000 million yards (20 per cent.) for the handloom sector and 200 million yards (2 per cent.) for the powerloom sector. This was to be the position in 1961. Now they say that, of the target of 9,500 million yards of cloth to be hit in 1966, it would be sufficient if the mills were given 6,200 million yards (equal to about 65.3 per cent. of the total) and that the handlooms and powerlooms could be given 2,800 million yards (about 29.5 per cent.) and 500 million yards (about 5.2 per cent.), respectively. Again, in their memorandum submitted to the Planning Commission in August 1955 and in the subsequent literature put out by them, they vigorously defended their case for the great bulk of production to be met by the mills. In contrast to this, in their memorandum to the same body four years later, they meekly observed that "it is not for the industry to determine how this extra production of 1,500 to 1,600 million yards) should be distributed between the two (the mill and handloom) sectors." They did, of course, try briefly; that, from the consumer's point of view, the mills were more economical than the handlooms. But their whole approach had changed, from that of a vigorous advocate with conviction in the justice of his case to that of a passive adviser. Their memorandum of August last gave one the impression that they wanted to be politically practical, that is, give the Planning Commission a plan which would appeal to it. The millowners' approach may be an admirable example of a desire to co-exist and co-operate with handlooms and powerlooms, but they are buying this peace at the expense of consumers in general. Instead of advocating a plan for plenty, and cheaper cloth, they have presented a plan which will perpetuate scarcity and make cloth even more costly.

It is true that, if one were to be guided by (*a*) the recent performance of the three sectors of the cotton textile industry and (*b*) by the availability of real resources (raw material, capital goods, and finance), one would be inclined to concede that the millowners' latest plan is quite realistic. Such a conclusion, however, would be superficial. It must be remembered, in this connection, that consumption of cloth has been artificially kept down by deliberate adoption of restrictive policies, such as high taxation on cloth, curbs on production of certain popular varieties in order to give protection to handlooms, and serious limitations on modernisation of plant and machinery to give peace of mind to the misguided workers. If today some of the bottlenecks appear to be serious and beyond speedy elimination, it is because of the lack of economic foresight and political courage on the part of the powers-that-be in the past. If these mistakes were repeated in the third Plan period also through a *status quo* in the textile policy, the bottlenecks would only grow in magnitude. And yet that is what the millowners and the planners are seeking to do. Unless a more forward-looking plan is adopted in regard to cloth from now on, there will be no incentive for the manufacturers of textile machinery, accessories, stores, etc., to plan in a manner that will comfortably take care of the mill industry's requirements in the coming years. As for raw cotton, the present shortage is a passing phase. Given a determined attempt by the agricultural and irrigation departments of State Governments, it should be possible to step up cotton production by a couple of million bales (over and above the normal crop of five million bales) in the next five years. The question is purely one of organisation and drive. As for finance, if a slight adjustment is made in the fiscal policy and if a textile policy which does not amount to penalising the efficient producer is pursued, it should not be difficult for a well-established industry like cotton textile to attract sufficient capital from investors.

One of the chief aims of planners should be to bring down the cost of living and raise the purchasing power of the rupee in the third Plan period. This would be possible only if the production of both food and cloth is raised to levels at which the supply is comfortable enough to prevent the operation of a sellers' market. An additional consideration so far as cloth is concerned is that it has to serve the important function of a foreign exchange earner. If the supply of cloth is maintained on a hand-to-mouth basis, as is the case now, the steadily expanding domestic demand will tend to keep up the prices above export parity and undermine the competitive capacity of Indian cotton manufactures in foreign markets. Surely, the planners cannot count on the present export incentive schemes being retained as a permanent feature of this country's export policy. Apart from the fact that these schemes are, in effect, not different from a multiple exchange rate system, they give a distorted picture of the country's economy and thereby encourage the adoption of wrong economic policies. Further, they are bound to be resented by other countries sooner or later.

If cloth is to become cheaper, it is obvious that more and more of it must be produced by the most efficient of the three sectors, that is, the mills. If mills are to reduce their costs, they should be encouraged to install up-to-date machines, capable of giving a high rate of production per worker. It is necessary to reconcile ourselves to the fact that, in this modern age, manufacture of cloth cannot be a labour-intensive industry. It cannot, if it is to be economic, provide direct employment to two to three million people in order to clothe 400 to 450 million people and to maintain an export market of the order of 800 to 1,000 million yards. It must also be borne in mind that India's aggressive neighbour, China, is rapidly stepping up its production of cotton textiles not by perpetuating its cottage industry but by taking to production on a mass scale through modern, highly automatic machines. At this rate, it will soon beat India not only in export markets but also by showing a larger *per capita* domestic consumption. If adequate recognition is given to all these considerations, it will be appreciated that the millowners' latest plan leaves much to be desired and that they will have done well to stick to their 1955 plan. There was no need for them to have been apologetic about that plan, for it was the Government that bungled by following unrealistic economic policies.

In advocating a bigger target for cotton textiles to be reached mainly through mills, we are not unaware of the fact (*a*) that even now the Planning Commission is keen on a target which is some 200 million yards less than that finally recommended by the millowners, and (*b*) that adequate allowance must be made for consumers' growing preference for rayon and synthetic fibres. There is, however, no great difference between the millowners and the Planning Commission and what little there is, is only over minor details. The most important point is that the millowners have compromised their stand by acquiescing with the Commission in regard to the role of handloom industry. The

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country must be warned that this cottage sector is being given a bigger role than it can undertake and that larger sums will have to be spent by way of subsidy and cheap credit than has been the case in the second Plan period. As will be seen from the I.L.O. study of this textile sector, reviewed on page 12 of this issue, the lot of handloom weavers has hardly improved, despite all the assistance that has been given to them. The State Governments have miserably failed to prevent the mushroom growth of handlooms. It is a pious hope to assume, as the Indian Cotton Mills' Federation does, that the recommendations of the Kanungo Committee will be faithfully implemented and that an increase of 1,000 million yards in the production of handloom cloth will be achieved in the next five years without any addition to the number of persons and looms employed in this cottage sector and merely through the introduction of improved types of handlooms. The Government of Madras State, the largest producer of handloom cloth, has practically refused to implement the recommendations of the Kanungo Committee and Mr. Kanungo himself has not been able to do anything in this matter, even though he has been a minister of commerce in the Central Government. As far as the consumers' preference for newer fibres is concerned, it is easy to exaggerate this factor. In any case, their share in the clothing needs of common people will continue to be small for several years to come. Cotton fabrics will undoubtedly constitute their principal clothing requirement.

One redeeming feature of the plan for the development of cotton mill industry during the third Plan period, however, is that the Planning Commission itself is agreed that the addition to productive capacity should be brought about through automatic machines. We would even go a step further and suggest that the industry must draw up a plan for consolidating its position by eliminating the uneconomic units and by integrating the smaller units into big combines that can resort to mass production of cloth. Indeed, our suggestion for a bigger production target does not necessarily mean a proportionate increase in looms and spindles, but introduction of new types of machinery and new process of production, leading to better varieties of cloth at lower prices. The greatest defect in the present approach of millowners and the Planners alike is that they have tried to work out the target on the basis of what the people can afford to spend on cloth, instead of on the basis of minimum *per capita* needs of the people. Unless the latter basis is taken, the textile plans and policies will continue to be unrealistic.

COMMUNITY PROJECTS

IT is surprising that the National Conference on Community Development, which met at Srinagar last month, should have felt a certain sense of "unhappiness" over the seventh evaluation report on community development projects. Apparently, the delegates had lost all capacity for taking genuine criticism in good spirit, which is a fundamental prerequisite for national progress. It is true that the report does point to some defects in the organisation of community projects. But, then, it is not something which might not have occurred to other impartial observers. All that the report does is to give a statistical shape and a local colouring to a general impression. It is also true that the report deals with a very small sample of projects; 18 blocks were selected for special study. But this circumstance, as all students of statistical sampling methods know, cannot invalidate altogether the conclusions which otherwise stand the test of impartial scrutiny.

If the Conference expected to be presented with a flattering report, it could have undertaken the task itself; only, it would have meant a dangerous sense of complacency, not critical evaluation. Indeed, the delegates, one would have thought, would be happy to have the report, which, in its present form, is a safe guide to the solution of the chief problem to which the Conference addressed itself, namely, increase in agricultural production. The report throws much light on the shortcomings in the rural sector. In fact, this is a measure of its value. After all, if there are grave defects in agricultural organisation in community development areas which have received massive governmental aid, assistance and attention, the position should be much worse in regions not so happily placed. Having decided that increase in food production should get first priority in community projects, the Conference might, with advantage, have scanned the report for possible guidance.

What is the report's verdict on agricultural situation? It is an unvarnished account of lack of irrigation facilities, inadequate supply of essential materials and public apathy. The report notes that the lack of irrigation facilities is cited as a problem in the largest number of blocks, 14 blocks out of 18 blocks it studied. Extension of irrigation facilities has fallen short of anticipated levels. It is, however, recognised that the programme for irrigation is forging ahead in a few blocks. But pests and diseases and soil erosion are a serious problem in a few other blocks. Reviewing the adoption of improved cultural practices, such as line sowing, Japanese method of paddy cultivation, seed treatment and intensive manuring, the report observes that these practices "seem to be spreading very slowly, even if one notes only the number of blocks in which they have come into vogue." Shortages of fertilisers and of improved seeds and lack of adequate irrigation facilities have been cited as reasons for the slow pace of adoption of superior cultural practices. These defects deserve to be remedied early in the interests of rapid increase in agricultural output.

There is much scope for improving the machinery for the distribution of such essential articles as seeds, fertilisers, pesticides and agricultural implements. At present, the distribution centres are not always easily accessible to all villages. There have also been complaints of delay in the supply of material. The report observes that "the blocks have not yet been able to administer all the functions of supply and distribution, many of which are still in the hands of the departments of the State Governments; and, except in respect of fertilisers, the blocks have not yet fully succeeded in entrusting the job to co-operatives." Clearly, unless these defects are remedied through prompt attention to details of distribution of prerequisites of farm production, there can be no rapid improvement in agricultural output. The Conference did well to recommend that, during agricultural seasons, the *Gram Sevak* (the village level worker) should be relieved of all other duties, so that he devotes his undivided attention to agricultural programme. If he knows his job thoroughly, he should be able to function as an effective liaison officer between agriculturists and agencies for the distribution of fertilisers, pesticides and other essential means of stimulating agricultural production.

Two aspects of rural economic activity, cattle breeding and fisheries, have received special attention in the report. It would appear that, in several blocks, there is no definite programme for increasing the acreage under fodder crops. And yet, as the report itself warns, the "upgrading of breeds will fail to show significant results in the performance of animals, unless it is accompanied by necessary improvement in the quality and quantity of feeds supplied to them." As regards fisheries, the general picture, it is stated, is not a "particularly satisfactory one." The report observes: "In the older blocks, where schemes for the development of pisciculture had been undertaken in the initial period with great enthusiasm, the tempo of work slowed down perceptibly with the inauguration of the post-intensive phase or the Stage II." The result of this neglect is that the supply of spawn and fry has decreased in some areas; the tanks and ponds have not been kept under repair and renovation on a regular basis. The work in this field, according to the report, has also been hampered by conflicting claims of jurisdiction by different departments. Surely, pisciculture, which is an important adjunct to any food production drive, deserves better treatment.

In the ultimate analysis, community development projects depend for their success on the general attitude of the rural community towards measures designed to change their environment. The desire for improvement and co-operation and qualities of leadership are essential for progress. How do people react to community project administration? This is a vital question, on the right answer to which depends all social and economic progress. The question is not a purely academic one, for much store is set by rural industries, service co-operatives and co-operative farming. The Conference has approved of a scheme under which one industrial estate will be set up for every 15 development blocks by the end of the third Plan and one rural industrial centre for every five blocks if adequate finances are available, otherwise one centre for every ten blocks. The State Co-operative Ministers' Conference, which was also held in Srinagar last month, approved of a proposal for establishing 3,000 to 4,000 experimental co-operative farms. The objective seems to be the establishment of 20,000 joint co-operative farms, covering an area of two million acres, by the end of the third Plan. All this elaborate programme—apart from the wider question whether it is economically expedient to implement it—must come to a sorry end, if the general attitude of the community is one of apathy and indifference to developmental efforts. And, yet, the tragic fact seems to be that the rural community shows no signs of willingness to respond enthusiastically to governmental measures designed to change their life and environment.

The report does not present a flattering picture of public co-operation. The participation of *panchayats* in planning work is inadequate. The presidents of some *panchayats* are so powerful that they create a gulf between themselves and the people for whom they work. In many *panchayats*, meetings are seldom held to discuss public issues; in some of them, the only meetings that were held were those for electing office-bearers. Voluntary contributions have no doubt been made by the public. But they do not always represent genuine sacrifice; there have been cases "where buildings which are of no value to the donors have been presented for public purpose." There has also been a tendency to "inflate" public contribution through inclusion of irrelevant items, presumably in order to win official applause.

In many blocks, the general attitude of the people is that community development is a governmental affair; "since the Government is out to develop the rural areas, it should do everything without seeking any contribution from the people." In a few blocks, the majority of the people are not "convinced about the necessity and utility of the programme." It is true that there are blocks or groups of people in some blocks who have a healthy awareness of the importance of community development projects. But, on the whole, the people's attitude and reactions in most of the blocks are "not yet generally favourable to the success and growth of the C.D. programme." The basic philosophy and approach of the programme, it is stated, "are, therefore, inadequately subscribed to by the people in these areas." This is by no means a very encouraging picture. It suggests that much uphill work lies ahead of the administrators and rural reformers. The need for an intensive educational campaign is clearly indicated. There is no reason why the Programme Evaluation Organisation should not try to find out if at least the new generation, now at school, has a better appreciation of what is being done for the rural areas. Perhaps, such examination will also reveal the refinements that could be built into the system of rural education, with a view to instilling in the pupils a sense of constructive co-operation and leadership.

It is, however, pleasant to turn to the organisational study of nine successful *panchayat* and seven successful co-operative societies. Successful *panchayats* are found in prosperous villages; they are also lucky in respect of leadership. By far the most important reason why they are successful seems to be that they are "favourably situated in respect of communication and contact with towns"; "good roads and frequent bus service have brought the outside world nearer to them." This shows what efficient means of communication can do to community development. Successful co-operative societies also owe their success partly to the location in prosperous villages. Two other factors responsible for their success are: (1) services of trained or experienced secretary; (2) prompt arrangements for meeting the loan requirements of members; the secretary is empowered to give "hand loans" upto Rs. 50 recoverable in five monthly instalments against the personal security of the borrowing member and without reference to the managing committee. This indicates a promising line of reform of the rural co-operative structure, for it implies availability in adequate numbers of persons of honesty and social outlook to hold positions of administrative responsibility.

MARKET GOSSIP

IT is, perhaps, symptomatic of the malady afflicting general insurance in India that the number of companies closing down is on the increase. During the last two years, as many as seventeen companies, the majority of them foreign, have wound up their business. The decision of the Directors of the New Asiatic Insurance Company Ltd., one among the bigger general insurance companies of this country, to close down its business with effect from Friday, 1st July 1960, comes as a climax to the disquieting trend which has been in evidence for some time now.

It is stated that the Company will not do any fresh business except that of Birla Brothers, an allied concern. It will, however, continue to be responsible for policies and cover issued prior to that date and will continue to service them. The closure will be effected gradually by stages spread over a period extending more than one year. Initially, retrenchment notices will be issued to about 25 per cent. of the staff.

Unhealthy practices and unfair competition, which have rendered general insurance business unremunerative, are said to be the reason for the closure of the New Asiatic. It is noteworthy that, since 1955, the Company has not made any distribution to its shareholders. This explains why the Company's share of Rs. 5 paid-up is nominally quoted at only Rs. 2.76 on the Bombay Stock Exchange. There has been no business in this share since 26th February 1959. The Directors of the Company are understood to be planning to divert the Company's funds to some profitable channels which are not lacking these days. It is not known whether the demand of general insurance employees for nationalisation of their undertakings also has anything to do with this decision. But it will be only human nature, if this demand has created a sense of exasperation and disgust among employers.

One more major insurance company belonging to the Birla group and another outside this group are also understood to be planning to wind up their business, while many smaller units appear to be contemplating merger with bigger companies. These developments have caused considerable anxiety among employees too. Their representatives point out that about one-seventh of the general insurance employees in the country have already been thrown out of employment by the total and partial closure of over 40 units in the past few years.

Whatever the reasons for this trend, the very fact that even some of the bigger companies find it no longer worth their while to continue their business shows that there is something basically wrong with the way general insurance business is being carried on or controlled. That general insurance, which is directly connected with industrial and commercial progress, should stagnate and disintegrate when industrial development is gathering momentum is a strange paradox. Ever since the nationalisation of life insurance, which has been the mainstay of many units, insurance companies have become anæmic and general insurance has failed to keep pace with the increase in industrial production. Thus, while industrial production rose by 14 per cent. during the period 1955-58, the index of general insurance rose by only 8 per cent. The increase in industrial production in 1959 was even greater and the trend is buoyant. And, what is more, there is every reason to expect a more rapid economic growth in the next five years. It is surprising that, when new industries and new factories are springing up almost every day, general insurance, which should show a corresponding rise, should be in a despondent mood.

The consensus of opinion among insurers is that the present-day condition of the insurance market is due to unhealthy competition and many malpractices which, in spite of the Code of Conduct, continue to plague the trade. Insurers in this country, it is said, have yet to develop the fraternal spirit. Instead, suspicions and mutual distrust mark their relations. There is a virtual scramble for business, resulting in indiscriminate underwriting which leads to top-heavy acquisition costs, growing overhead expenses and increasing loss ratio, especially in the marine and accident departments.

There are undoubtedly too many general insurance companies in the country in relation to the size of the insurance market. The total direct gross annual premium of all the companies is only about Rs. 29 crores. This is small, as compared with other countries much smaller than ours. The volume of business available is directly dependent on the degree of industrialisation and, considering the pace of development in the country, it is not too much to hope that insurance business in India too will show substantial increase. As the country advances industrially, there will be plenty of scope for insurers covering new types of risks in such fields as machinery and employers' liability. But for this insurers must put their house in order first. It is no secret now that controls have failed to check malpractices. Twenty-two years of official regulations have not succeeded in achieving the desired objective. The entire question needs fresh thinking on the part of Government and insurers alike.

Sheet Glass Industry

With the increasing tempo of general construction programmes in the coming years, the demand for sheet glass is bound to be larger and larger. One estimate places the aggregate domestic requirements of sheet glass in 1963 at 171 million sq. ft., as against about 100 million sq. ft. in the current calendar year. The annual installed capacity actually existing at present is, however, put at not more than 107 million sq. ft. (on the basis of one shift working 300 days in a year), the number of units engaged in production being four (Hindusthan Pilkington Glass Works, Asansol, Seraikella Glass Works, Kandra, U.P. Glass Works, Bahjoi, and Indo-Asahi Glass Company, Bhurkunda). In view of the wide gap between current capacity and future demand thus, the Government of India has granted licences to two new units (Madras Glass Works and Indo-Belgian Glass Works, both of Madras) with an annual capacity of 18 million sq. ft. and 7.2 million sq. ft., respectively; these have not yet commenced production. Lately, the Government has approved of one more sheet glass manufacturing project, submitted by Mr. C. C. Desai on behalf of Cotton Agents, a Birla-managed concern. The project envisages the setting up of a 26.8 million sq. ft. capacity factory in the Saurashtra region of Gujarat State with the technical collaboration of Messrs. Komplex of Hungary. A welcome feature of the project is that it entails no immediate foreign exchange spending, since the Hungarian firm has agreed to supply the complete plant and other equipment worth Rs. 40 lakhs against payment in rupees. It is, however, not known how long Hungary will keep these rupees in India. If it is going to use the rupees for buying goods from India almost as soon as they are made available, then there will be very little net relief to the foreign exchange position of the country.

The Indian glass industry has been enjoying tariff protection since 1950, the rate of protective duty currently levied being 70 per cent. *ad valorem*. Thanks to protection and the efforts of manufacturers, the capacity of the industry has registered a notable rise, from a bare 20.4 million sq. ft. in 1950 to 106.56 million sq. ft. in January 1960. Following the expansion in capacity, production also has risen; it stood at 80.57 million sq. ft. in 1959, which compares favourably with 11.09 million sq. ft. in 1950. What is more, the range of products manufactured by this industry has, we are told, also widened and the quality of sheet glass has undergone considerable improvement, though there are some complaints about waviness, blisters, bubbles, scratches and uneven thickness.

Consequent on the notable rise in production as also due to heavy restrictions on imports (which, too, must have provided a stimulus to production), imports of sheet glass have declined perceptibly, from Rs. 143.43 lakhs (about 31 million sq. ft.) in 1951-52 to just Rs. 27.34 lakhs (5.79 million sq. ft.) in 1957, Rs. 3.58 lakhs (620,000 sq. ft.) in 1958 and Re. 1.8 lakh (200,000 sq. ft.) in 1959. Owing to heavy restrictions on imports, foreign competition, as Dr. S. K. Muranjan, Member, Tariff Commission, stated in the course of his speech at the public enquiry into the question of continuance of protection to the sheet glass industry, held at Bombay on Wednesday this week, has lost its force. Nevertheless, the industry has pleaded for continuing protection for a further period of five to six years. The plea is based on three grounds: (a) costs of raw materials (sand, soda ash, limestone and salt cake) are higher than those in foreign countries; (b) the domestic units, being small, cannot secure economies of large-scale production; and (c) productivity of labour in India is comparatively low.

Whatever may be the justification or otherwise for extending the period of protection—this question will be decided by the Tariff Commission—the sheet glass industry must endeavour to fulfil one of the obligations on the part of a protected industry, that is, reduction in the cost of production, accompanied by an improvement in quality comparable to that of imported variety, so that some relief is afforded to consumers at whose expense it enjoys protection. Dr. Muranjan did well to draw special attention to this obligation. In fact, he mentioned that, during the last two or three years, certain manufacturers had raised the selling prices of sheet glass.

Another I.F.C. Investment in India

Addressing the shareholders of Assam Sillimanite Ltd. at their annual meeting held in December last, Mr. S. M. Wahi, Chairman of the Company, disclosed that the refractory project of the Company had been sanctioned by the Government and that the International Finance Corporation had agreed to provide the foreign exchange component of the total cost of the project amounting to Rs. 1.55 crore. The International Finance Corporation has now officially announced its decision to invest $1,365,000 (equivalent of Rs. 65 lakhs) in the Company for expansion of operations to manufacture high-grade refractory bricks and shapes. The investment will be in U.S. dollar notes bearing interest at the rate of 6½ per cent. payable in dollars and maturing between 1965 and 1974. In addition, the I.F.C. will participate in the profits and receive an option on shares which are quoted on the Calcutta Stock Exchange.

Assam Sillimanite Ltd. is a young company, having been incorporated in 1951, and is engaged in mining and processing for export sillimanite, magnesite and kyanite, minerals used in high temperature furnaces employed by the steel, glass and ceramic industries. The Company's production is enjoying good demand and, in fact, last year it was not able to fulfil all the orders. The Company has now undertaken a refractory project and has obtained licence to produce 44,720 tons of refractories per annum. It has entered into a technical collaboration agreement with a West German firm. This project holds promise of a bright future, because there is good demand for refractories in this country. The present installed capacity of refractories in India is 444,000 tons per annum, while the requirements by the end of the second Plan itself are reckoned at one million tons, that is more than twice the installed capacity. Imports have recorded a steep rise from Rs. 30 lakhs in 1953 to Rs. 3.30 crores in 1959. There is thus an obvious necessity for augmenting the indigeneous production. The production by the Company's new plant will, therefore, fill a part of the industrial need for this high-temperature furnace material. All raw materials for this project are locally available. It is estimated that the first two years of full operation will bring about a net annual foreign exchange saving equivalent to the I.F.C.'s dollar investment.

The plant will be located at Ramgarh, Bihar State, which is very near the centre of an area of rapidly increasing industrialisation. It will provide employment for 560 persons, including 50 skilled and 35 technical and managerial employees. The construction will be financed in two stages. The first stage will be partly financed by the issue of additional shares and the second stage out of the retained earnings and issue of additional shares. The authorised capital of the Company has already been raised from Rs. 1 crore to Rs. 1.60 crore by the creation of 600,000 equity shares of Rs. 10 each to provide for the issue of additional capital. The present issued and paid-up capital is Rs. 30 lakhs.

The I.F.C.'s investment in Assam Sillimanite is its thirtieth investment, bringing the total to $30.5 million in projects located in 13 countries. When the news reached Calcutta, the shares of Assam Sillimanite gathered some strength and are being currently quoted at Rs. 12. The Company has yet to declare its maiden dividend.

Fresh Burden on Kerala Plantations

The latest modification of the Kerala Government's proposal to increase the land tax on plantation estates in the State does not mean any relief to planting companies. Presenting the State's budget on the 24th inst., the Finance Minister of Kerala announced a fivefold increase in the basic tax on land in respect of all plantation holdings—rubber, coffee, tea, cardamom, coconut, arecanut and pepper—having an area of five acres and above from Rs. 2 per acre to Rs. 10 per acre. The anticipated revenue from this increased levy was Rs. 80 lakhs. On Wednesday this week, the Finance Minister modified this proposal slightly, under which the first two acres of plantation holdings of five acres and above would be exempted from the increased rate of plantation tax. This would mean that, if a person has a holding of six acres, he would be required to pay a basic tax of Rs. 2 per acre on the first two acres and at Rs. 10 per acre on the remaining four acres, making a total land tax of Rs. 44 on his holding, whereas, under the earlier proposal, he would have paid Rs. 60. This modification is expected to reduce the yield by Rs. 10 lakhs. While the modification would mean some sizable relief to small holders, the big estates do not get a corresponding relief; it is almost negligible. For, irrespective of the extent of the holdings, the relief from the increased levy is only on two acres or Rs. 16.

The most disturbing feature of this increased levy is that it is payable not only on the actual area planted but even on the reserve lands. In most cases, the uncultivated area is twice as much as the actual planted area, so that the actual burden on the planted area is not Rs. 10 per acre, but Rs. 30 per planted acre. To the extent of this increase the earnings from the planted area will, therefore, be affected.

A more glaring anomaly of this levy is brought out in the case of tea. The impost works out to Rs. 3 per 100 lbs. of manufactured tea, which is 50 per cent. more than the cess on tea levied by the Tea Board. In the case of coffee and rubber, the enhanced levy will put up the cost by Rs. 5 per 100 lbs.

It may be argued that the total burden on the plantation industry under the modified proposal is only Rs. 70 lakhs and that it can well afford to bear this. In fact, the Kerala Finance Minister justified the levy saying that the yield from plantations being several times that from ordinary land, nobody would dispute the ability of plantation owners to contribute a greater share to the common pool of the Government's resources. The least that can be said about this argument is that it bears no relationship to reality. For this is not the only levy on the industry. It is the latest on a series of punitive imposts on plantations at the Centre and State levels. Tea estates, for instance, are taxed on 40 per cent. of their income by the Centre and the balance is taxed by the State. Rubber and coffee are exempt from Central income-tax, but the State Government levies agricultural income-tax on the entire income. All the three crops have, in addition, to bear land tax levied by State Governments, besides various other imposts. It may be noted, in this connection, that agricultural earnings from plantations in Kerala bear the highest tax per rupee. It is higher than that in any other State and for any other crop. Moreover, it was only three years ago that the Communist Government added to the industry's fiscal burdens by steeply increasing the rate of taxation on the larger properties.

Further, the additional land levy comes at a time when the industry is pleading for tax relief, in order that it may be able to implement its expansion and development schemes. For companies which have large developmental programmes and hold additional reserve land for this purpose, the increased land tax in Kerala would amount to payment on land which does not actually earn anything. It is said, in some cases, the additional burden would completely wipe out the tenuous surplus which the industry has been able to earn after the last increase in agricultural income-tax, super-tax and surcharge on super-tax. The enhanced land levy would, therefore, mean a heavy blow to the plantation companies. The need for raising production is great in rubber in particular. In the circumstances, unless the Kerala Government revises its proposal, planting companies may

(Continued on page 47)

EQUITIES FIRM

FURTHER RISE IN CASH SCRIPS

(From Our Own Correspondents)

BOMBAY, *30th June*

EQUITIES on the Stock Exchange presented a cheerful note during the week under review. While the boom in cash counters noted in the previous weeks continued, the speculative buying in the forward list once again revived, notwithstanding the addition of two more scrips to the list of shares which were subject to payment of special deposits at the last settlement. Tata Ordinaries, Centurys, Tata Locomotives, among the cleared securities, Alembic Chemicals, Anil Hardboards, Baroda Rayons, Colour Chems, Dhrangadhras, Greaves Cottons, Hind Cycles, Jyoti, New India Industries, Premier Tyres, Radio Lamps and Standard Batteries were among those in the cash list which were in the limelight and made impressive gains over the week. It is true that there was heavy profit-taking at the higher levels and the closing levels were well below the peak. Some of the prominent counters even suffered sizable losses over the week, but the underlying sentiment did not suffer any change for the worse, which indicates that the operators were not unduly perturbed by the widespread labour unrest in the country, particularly the threatened strike by the Central Government and the railway employees which would have a crippling effect on the economy if it were to materialise.

On Friday last, the President of the Stock Exchange fixed special deposit making-up prices for two more scrips, namely, Premier Construction and Tata Locomotive. The special deposit making-up prices for these were Rs. 340 and Rs. 235, respectively, while the usual making-up prices in the case of these two scrips were Rs. 360 and Rs. 255 and their closing prices on that day were Rs. 362 and Rs. 257. The special deposit making-up prices of the other five scrips fixed at the previous settlement were unchanged.

The latest making-up prices and closing prices for the last settlement of these scrips, as compared with the special deposit making-up prices, are as follows:

	Closing prices on 24-6-60	*Make-up prices*	*Special deposit making-up prices*
	Rs.	Rs.	Rs.
Khatau	480	480	370
Standard	1,720	1,720	1,325
Alcock	324	325	330
Telapur	368	370	330
Rayon	572	554x.d.	544.60x.d.

The Stock Exchange remained closed today [illegible]nt of half-yearly closing of accounts of [illegible]

Tata Ordinaries recorded a smart rise from [illegible]54.25 to Rs. 159.50 on Tuesday before heavy [illegible]laking brought them down to Rs. 157.75, [illegible]recording a net gain of Rs. 3.50 over the [illegible]. Indian Irons were pushed up early in the [illegible] of from Rs. 24.52 to Rs. 24.80, but the earlier [illegible]Srin[illegible] were more than wiped up when the scrips [illegible]ried yesterday at Rs. 24.32.

Textile shares were generally firm, despite the reaction during the last two days. Bombay Dyings closed with a gain of 60 nP at Rs. 67, after touching a high of Rs. 67.80. Centurys advanced from Rs. 509 to Rs. 534.50, before receding close at Rs. 516. Kohinoors moved between Rs. 354 and Rs. 342.50 and closed almost unchanged over the week at Rs. 344.50. Simplex finished at Rs. 180, after being marked up from Rs. 177 to Rs. 185. Central Indias gained Rs. 2 to Rs. 107 and Finlays Rs. 2 to Rs. 320. Khataus recorded a loss of Rs. 15 to Rs. 480, while Morarjees put on Rs. 5 to Rs. 335 and Mysore Spinnings Rs. 8.50 to Rs. 92.50. New Greats added Rs. 4 at Rs. 178, Podars Rs. 5 at Rs. 160 and Simplex Rs. 3 to Rs. 129. Standards provided a notable exception with a drop of Rs. 26 over the week to Rs. 1,700, the highest level touched being Rs. 1,885. In the cash section, Dawns recorded a rise of Rs. 7.50 to Rs. 122, while Mafatlal Fines shed Rs. 60 to Rs. 1,470 and Sassoon Spinnings Re. 1.70 to Rs. 68.30.

A marked rise of Rs. 5.80 in Ahmedabad Electrics to Rs. 89.50 was the highlight of trading in electricity shares, which ruled generally firm. Surat Electrics recorded a gain of Rs. 2 to Rs. 89. Tata Hydros improved by a rupee to Rs. 103.50, Andhra Valleys by Rs. 5 to Rs. 1,002.50 and Tata Powers by Rs. 5 to Rs. 1,030.

In the sugar group, Belapurs advanced from Rs. 373 to Rs. 376.50 before finishing at Rs. 375. Phaltans improved by Re. 1 to Rs. 194. While Walchandnagars were unchanged at Rs. 302.50, Maharashtra Sugars suffered a slight reaction to Rs. 243.50.

Digvijays continued to be a bright feature in an otherwise listless cement section. Maintaining the last week's upward trend, the shares scored a further 10 points to Rs. 168. Associated Cements moved narrowly between Rs. 144 and Rs. 141.50, while Orissa Cements were a shade quiet at Rs. 13.44. Ashoka Cements made a further gain of Re. 1 to Rs. 11.

Engineering shares presented a mixed trend. [illegible]uation of the previous week's downward [illegible]ock Ashdowns fell by Rs. 12 to Rs. 313, Locomotives rallied from Rs. 253 to before closing at Rs. 262. Premier recorded a fall of Rs. 12.50 to [illegible]s wiping out the previous week's gain. In sympathy, Indian Hume Pipes were marked down by Rs. 6 to Rs. 180. Cooper Engineerings were lifted up by Rs. 7 to Rs. 171, while Larsen and Toubros, after touching Rs. 45, shaded off to Rs. 43.75. Mahindras were steady at Rs. 23.76. Mukand Irons hardened by Re. 1.53 to Rs. 25.65.

Shipping shares continued to rule quiet, Scindias shaded off to Rs. 15.88 and Great Easterns to Rs. 17.92. Among automobiles, Hindustan Motors declined by 28 nP to Rs. 20.64, while Premier Automobiles looked up from Rs. 155.25 to Rs. 161 before closing at Rs. 157.

In the miscellaneous group, Bombay Burmahs gained strength from Rs. 595 to Rs. 610, but soon reacted to close at Rs. 598. National Rayons suffered a setback from Rs. 572 *cum-div.* to Rs. 539 *ex-div.*, which, on a *cum-div.* basis, showed a loss of Rs. 17.60 over the week, following the Chairman's disclosure at the annual general meeting on Thursday last week that the Company had no *intention of issuing right shares in the foreseeable* future. Gwalior Rayons, too, were marked down by Re. 1.25 to Rs. 42, while Baroda Rayons moved into the limelight with a spurt of Rs. 8 to Rs. 145. While Tata Chemicals were steady at Rs. 18.04, Tata Oils gave way to Rs. 85 from Rs. 88, to which level they had climbed up from last week's closing of Rs. 86.20, despite the increase in net dividend from Rs. 3.25 per share to Rs. 4.025 for the year ended 31st March 1960, in consonance with the encouraging results of the company for the year. Alembic Chemicals recorded a gain of Rs. 42 to Rs. 279, while Amar Dyes lost Rs. 30 to Rs. 470. Anil Hardboards picked up Rs. 25 to Rs. 405. Colour Chems gained Rs. 20 to Rs. 490 and Dhrangadhras Rs. 20 to Rs. 175. Indian Dyestuffs closed lower at Rs. 740 after being pushed up from Rs. 780 to Rs. 960, reflecting the market's disappointment over the announcement of a modest maiden dividend of 6 per cent., subject to tax, for the year to March 1960. While Ceat Tyres were lower by Rs. 10 at Rs. 275, Premier Tyres improved by Rs. 13 to Rs. 104. Voltas reacted to Rs. 262 after gaining ground from Rs. 273 to Rs 281. West Coast Papers gave way from Rs. 222 to Rs. 205.

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Madras Stock Exchange

MADRAS, *29th June*

Fairly active conditions prevailed on the Madras Stock Exchange during the week under review, thanks mainly to sustained investment buying. The increase in the British bank rate by 1 per cent. to 6 per cent. did not have any effect on the behaviour of trading, in view of the announcement simultaneously made by the Reserve Bank of India that the Bank rate would remain unchanged at 4 per cent. Leading scrips in both the cleared and cash lists came in for good attention. Sugars were in the limelight. Teas were distinctly steady, notwithstanding the absence of any particularly encouraging advices from the auction centres. Coffees and rubbers, too, looked up. Textiles were well favoured, though there was an element of caution induced by the news that negotiations between the labour unions and management of textile mills in the region on the question of implementing the Textile Wage Board's recommendations had failed. Operators welcomed the move of the States' Minister for Industry and Labour to commence a conference of the interests concerned to discuss the issue. Barring cement shares, miscellaneous industrials ruled firm.

In the sugar section, United Breweries continued to elicit good enquiries and rose by Rs. 2.50 to Rs. 104. Cauverys advanced by Re. 1.75 to Rs. 142.75. East India Distilleries spurted by Re. 1.75 in the initial sessions of the week, but gave way subsequently and finished at Rs. 57.75. Indias closed higher by 50 nP at Rs. 12.10 *ex-div.* Travancores put on 10 nP to Rs. 11.80. Mysores, however, declined by 32 nP to Rs. 50.80. The pronounced rally in Deccans witnessed in the previous week was virtually arrested during the week under review. Actually, the quotation eased by 30 nP to Rs. 15.10.

Among teas, Coorg teas spurted by 40 nP to Rs. 5.80 *cum-div.* The Company has declared a dividend of 20 per cent. taxable (equivalent to 14 per cent. tax-free) for the year ended March 1960, as against 20 per cent. tax-free last year. Chembras hardened by 35 nP to Rs. 4.80, and their move to issue bonus shares at the rate of one share for every two shares held and following the decision of the Directors of the Company to pay a taxable dividend of 20 per cent. for the year ended March 1960 (equivalent to 14 per cent. tax-free), as against 15 per cent. tax-free for the previous year. Kil Kotagiris gained 30 nP to Rs. 5.65, Parksides 25 nP to Rs. 27 and Peermades 15 nP to Rs. 23. United Nilgiris gathered 10 nP to Rs. 22. Blue Mountains were better by 3 nP at Rs. 4.93. But Perikaramalais, which had gone up from Rs. 3.73 to Rs. 3.75 earlier in the week, closed a shade lower at Rs. 3.72, following the announcement by the Company a taxable dividend of 13¼ per cent. (equivalent to 9.45 per cent. tax-free) for the year ended March 1960, which compares unfavourably with 12½ per cent. tax-free for the previous year.

Coffee Lands provided a bright spot in the coffee section, the quotation advancing by 63 nP to Rs. 25.75. Consolidated Coffees scored a gain of 30 nP to Rs. 26.10. Ouchterlony Valleys moved up gradually by 5 nP to Rs. 4.98. Rajendras were maintained at Rs. 16.25, so also Balanoors at Rs. 17.75 and Cowcoodys at Rs. 6.05. Anaparals, however, were subdued at Rs. 4.78.

In the rubber group, Kallasas were marked up by 40 nP to Rs. 5.80. The Directors of the Company have declared a dividend of 22½ per cent. taxable (15.75 per cent. tax-free) for the year ended February 1960, as compared with 20 per cent. tax-free for the previous year. Pullangodes gathered 7 nP to Rs. 1.95. Cochin Malabars remained subdued for the major part of the week, but rose to Rs. 5.65 today, the net gain over the week being 5 nP. Thirumbadis put on 3 nP to Rs. 1.73. Midlands were fully steady at Rs. 12.65, Malankaras at Rs. 20.75 and Vaikundams at Rs. 30.25.

A *feature of trading* in the textile section was the revival of sizable buying enquiries for the newly quoted scrip, South India Viscoses, which had been distinctly easy in the previous week. The shares spurted by Rs. 8 to Rs. 153.50. Coimbatore Cottons strengthened by Rs. 6 to Rs 167. Venkateshas climbed up by Rs. 4 to Rs. 150 *cum-div.*, following the announcement of a dividend of 30 per cent. taxable (or 21 per cent. tax-free) for 1959, as against 16 per cent. tax-free for 1958. Rajalakshmis and Virudunagars improved by a rupee each to Rs. 79 and Rs. 47.50, respectively. Buckinghams hardened by 50 nP at Rs. 296 inspired by the announcement of an interim dividend of 3½ per cent. for the year 1960. Bangalore Woollens were steady at Rs. 195, Coimbatore Pioneers at Rs. 369 and Dhanalakshmis at Rs. 223. Premiers were done at Rs. 238, same as last week. The Company has announced a dividend of 18 per cent. taxable (or 12.6 per cent. tax-free) for the year ended March 1960, as compared with 12 per cent., tax-free for the previous year. Lakshmis fell by Rs. 3.25 to Rs. 162.75. Travancore Rayons closed lower by 48 nP at Rs. 37, after touching Rs. 37.75 in the beginning of the week. Maduras lost by 10 nP to Rs. 32.75.

In the miscellaneous section, Rallis staged a smart rally of Rs. 8 to Rs. 124 on enlarged support. Tube Investments continued to make headway, the quotation rising by Rs. 5 to Rs. 325 over the week. Textools moved up by Re. 1.50 to Rs. 173. Ashok Leylands gathered 39 nP to Rs. 8.95. Aluminium Industries, which had initially risen from Rs. 23.15 to Rs. 23.25, receded to the last week's level at the close. Among chemicals, Mettur Chemicals were higher by 35 nP at Rs. 12.70. Travancore Chemicals were pushed up by 10 nP to Rs. 15.50. F.A.C.Ts gained 5 nP to Rs. 10.50. Mysore Chemical Manufacturings and Mysore Fertilisers were firm, the former at Rs. 25 and the latter at Rs. 9.90. In the cement group, Orissas fell by 25 nP to Rs. 13.30, following the news regarding reduced dividend of 11 per cent. taxable (or 7.7 per cent. tax-free) for 1959, as against 15 per cent. tax-free for 1958. Andhra Cements dropped 15 nP to Rs. 11.10. India Cements declined from Rs. 6.90 to Rs. 6.83, before finishing at Rs. 6.87.

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Calcutta Stock Exchange

CALCUTTA, *29th June*

Following a decline in buying interest, quiet conditions were again in evidence on the Calcutta Stock Exchange during the week under review. On selected attention, there were several features, but generally buying was cautious and the tendency for profit-taking more prevalent, following New Delhi's concern at the excessive speculation and at the rapid appreciation in the scrips of the new flotations, especially those with foreign collaboration. A point for particular attention in market circles was the reported New Delhi intention to expedite some of the new industrial projects in the private sector with foreign collaboration. However, the further upward revision in the U.K. Bank rate, it was thought, would lead to a similar step in India whenever anti-inflationary measures were being planned. Notwithstanding the fact that a huge block of shares in speculative Indian Irons have passed into hands with greater holding power, the scrip resumed the downtrend and this was an index that the realisation that prices had moved too high had *come to stay. The delay in the announcement* of the retention prices and the Government's desire to cost-examine accounts in the first instance were also factors that chilled enthusiasm in the leading counter. A review of the retention prices raised in November last by Rs. 5 a ton was due in April, and the delay and Government's desire to examine costs as late as now irritated market circles, as it was thought possible that this delay would in turn lead to delay in dividend announcement.

EASTERN BRANCHES OF LLOYDS AND NATIONAL AND GRINDLAYS TO MERGE

Negotiations are now in progress for the merger of the branches of Lloyds Bank Ltd. in India, Pakistan and Burma with National and Grindlays Bank Ltd. The Boards of Directors of the two banks consider that such a merger would be in the interests of both the banks. The aim is to make the merger effective from 1st January 1961 and a further statement will be issued as soon as possible.

Lloyds Bank has twenty-one branches in these three countries and the consideration for the merger of these will be the issue of shares of National and Grindlays to Lloyds Bank. Lloyds Bank will, however, maintain its interest in the banking business of the territories concerned, where it has long established and strong ties, through the medium of its shareholding and by representation on the Board of National and Grindlays. As the shares to be offered to Lloyds will constitute a substantial percentage of the capital of National and Grindlays, the Directors of the latter bank will submit the proposals for the approval of their shareholders before implementing the merger.

NEWS IN BRIEF

THE present trade agreement between India and Italy, which was due to expire at the end of last month, has been extended by one more year, that is, up to the end of June 1961.

Enfield India Ltd., Tiruvottiyur, Madras, has been licensed to produce 6,000 scooters a year from 1961. The Company, the only motor-cycle manufacturing unit in West and South-East Asia, is now producing about 5,000 motor cycles annually.

The Government of Orissa has decided to open fair-price shops for retail sale of life-saving drugs in rural areas. These shops, which will be attached to village hospitals, are expected to supply costly medicines to patients at cost price.

A four-man committee has been set up by the Government of India, under section 15 of the Industries (Development and Regulation) Act, to investigate into the affairs of the India Electric Works, Calcutta.

The Government of India has informed the Andhra Pradesh Government that the proposal to set up a newsprint factory at Bodhan in Nizamabad district is not technically feasible. The Government is, however, considering the possibility of setting up a paper plant at Bodhan.

A sum of Rs. 2 lakhs has been sanctioned by the Central Government for giving awards and financial assistance to artisans, technicians and others with inventive skill, in pursuance of the recommendation of the Invention Promotion Board. The Board was set up by the Ministry of Commerce and Industry some time back to encourage inventions in the sphere of small industries.

In order to provide incentives for promoting the use of cottonseed oil, the Government of India has decided to grant the manufacturers of vegetable products a rebate of 3 per cent. in the Central excise duty, if the proportion of cottonseed oil used in the production of such products is in excess of 10 per cent. If this proportion exceeds 10 per cent., a rebate of 5 per cent. will be given.

Sanction has been given by the Union Government for raising the annual capacity of the proposed coal mining plant, to be set up by the Heavy Engineering Corporation at Durgapur in the third Plan period, from 30,000 tons as originally envisaged to 45,000 tons. About 150 engineers and 50 semi-skilled workers are being sent to Russia for training in the working of such plants. The Durgapur plant is expected to go into production by the end of 1962.

A proposal to set up at Jamshedpur an alloy and special steel plant in the private sector has been submitted to the Government by the Tata Iron and Steel Company. The plant will have an initial capacity of 100,000 tons of ingots annually. This will be the second plant of its kind in the country, the first being proposed to be set up at Durgapur in the public sector, with an initial annual capacity of 80,000 ingot tons.

The establishment of the tonnage oxygen plant at the Rourkela steel factory has been completed, with the commissioning of the third unit of the plant last week. The oxygen plant, the first of its kind in India, will supply low-cost pure oxygen to the iron and steel plant for the manufacture of ingot steel by the L.D. process, apart from providing nitrogen to the fertiliser plant, now under construction. The present production capacity of the plant is about 300 tons of oxygen and 540 tons of nitrogen per day.

Well over 100,000 tons of pig iron has been sold by the Durgapur Steelworks since its blast furnace went into operation in December 1959. Out of the quantity sold, the steelworks despatched 105,496 tons of pig iron of different grades, valued at about Rs. 2.29 lakhs, up to 15th June. This is inclusive of 3,973 tons of pig iron exported to the U.K., earning a foreign exchange of £79,460. Despatches of billets from the steelworks are expected to start shortly.

The possibilities of producing liquid fuel from low-grade coals and blast furnace gases are now being investigated at the Indian Institute of Technology at Kharagpur. A 100-gallon-per-day capacity pilot plant for the production of synthetic fuel from coal has been designed and fabricated in the Department of Chemical Engineering of the Institute. Its working will provide data for the design, construction, operation and maintenance of a commercial plant.

A proposal to set up an atomic power station near Bina in Madhya Pradesh, as a joint venture of the M.P., U.P. and Rajasthan States, is being considered by the concerned Governments. The region, which this station is designed to serve, is expected to have a shortage of 400 m.w. of power by the end of the fourth Plan. The proposed atomic station, with two reactors of 150 m.w., capable of being doubled subsequently, is expected to meet this shortage. This system will be interconnected with the existing and proposed hydel systems in the region.

Durgapur in West Bengal State has been suggested as the most suitable site for locating the proposed first alloy and steel plant in the public sector, according to the engineering consultants, Messrs. Dastur & Co. The consultants had been asked to examine the suitability of four sites, namely, Bhilai, Rourkela, Durgapur, and Bhadravati in Mysore. The initial capacity of the proposed plant will be 80,000 tons ingots per annum, but will be expanded in two stages to have an ultimate capacity of 300,000 tons. The capital cost of the plant, expected to go into production by about 1963-64, is estimated at Rs. 35 crores, including the foreign exchange component of Rs. 20 to 25 crores.

The Government of India has wound up the Rehabilitation Finance Administration with effect from 30th June 1960. The Chief Administrator, Rehabilitation Finance Administration, has now been vested with all powers and duties of the Administration, including, in particular, the power to recover loans granted by the Administration in the same manner as hitherto. The Administration, set up in 1948 under an Act of Parliament, has been in existence for the last 12 years, giving loans to displaced persons from East and West Pakistan to enable them to settle in business or industry. The total amount advanced by the Administration to such displaced persons aggregated over Rs. 11 crores.

The Joint Select Committee of the Andhra Pradesh Legislative Council has recommended that acreage, and not income, should be the basis for the fixation of ceiling on land holdings. It has prescribed four-and-a-half times the "family holding" as the ceiling for a family of not more than five members. Every member in excess of five will entitle the family to have an additional family holding. The family holding has been fixed as six acres of the best land or 72 acres of the worst class. For the purposes of this Act, land in the State is classified into eight categories. The first four are wet lands, class V lands are areas depending on precarious sources or irrigated dry land, and the last three classes are dry lands. The family holding will be six acres of A class, eight acres of B class, ten acres of C class, 12 acres of D class, 24 acres of E class, 26 acres of F class, 48 acres of G class and 72 acres of H class. The ceiling on future acquisition is placed at three times the family holding.

The total increase in population in India between 1951 and 1976 will be 206 million (from 362 million to 568 million), as compared with an increase of 138 million, assumed in the beginning of the current Plan, according to the latest estimates of the Central Statistical Organisation. In the third, fourth and fifth Plans, the economy will have to provide for 23 million, 46 million and 63 million more people, respectively, than had been anticipated. According to the C.S.O., the population was 391 million in 1956 and would be 431 in 1961. The assumptions made in the current Plan for the corresponding years were 383, 408, 433 and 465 million. The growth rate is expected to go up from 15.8 per 1,000 per annum in the first Plan and 19.1 in the current Plan to 21.4 in the next Plan. Even in the fourth Plan, the rate will not be much less than the rate in the current Plan. In the fifth Plan, the rate is expected to decline sharply to 14.7. The marked increase in growth up to the end of the third Plan is attributed to the assumption that the death rate will decline more sharply than the birth rate.

The Attorney-General of India, Mr. M. C. Setalvad, is reported to have informed the Government of India that the draft Bill for the amalgamation of uneconomic collieries is constitutional. The Bill will be introduced in the next session of the Lok Sabha, which will begin on 1st August. There are now as many as 500 uneconomic collieries in India. More than three years ago, a committee, headed by Mr. Balvantray Mehta, M.P., recommended that these should be amalgamated into economic units, each with an output of at least 10,000 tons and an area of 100 acres. Since it has not been possible to bring about amalgamation on a voluntary basis—only 22 colliery owners volunteered for amalgamation—the Government has taken recourse to legislation. Under the draft Bill, a commission will be set up to draw up a detailed amalgamation plan and supervise its execution. Amalgamated collieries will be owned and managed by the proprietors of the constituent collieries and at no stage does the Government intend to take over the ownership. In case an owner of a colliery persists in his refusal to join an amalgam of other collieries, his colliery will be transferred to the "amalgamated colliery" on payment of a reasonable price.

A group of 11 senior Indian industrial executives and technicians connected with the sugar industry left New Delhi on 22nd June to study the latest developments in the production and marketing of sugar in the Philippines, Puerto Rico and the United States. The team, sponsored by the National Productivity Council, is undertaking the trip under the auspices of the U.S. Technical Co-operation Mission. Mr. D. R. Narang, Managing Director of Basti Sugar Mills of Uttar Pradesh, is the leader of the team which includes two representatives of sugar mill workers, the chief chemist of a co-operative sugar factory and the Director of the National Sugar Institute, Kanpur. Among the subjects to which the members of the team will pay particular attention during the course of their 50-day trip are modernisation in plants and processes used in the sugar industry, better methods of cultivating and harvesting sugarcane, utilisation of the by-products of the industry, including production of alcohol from molasses, and manufacture of sugar machinery.

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From Abroad

A proposal to introduce decimal coinage in New Zealand is under the active consideration of the Government.

Of late, Switzerland has become the most important foreign industrial investor in Argentina, second only to the U.S., according to the Argentine President Frondizi, who is currently on a visit to Switzerland.

PERSONAL

MR. Jehangir J. Ghandy, Special Director of the Tata Iron and Steel Company Ltd., left for Geneva to attend the conference of the International Standardisation Organisation.

Mr. William T. Turner, who has retired from service as the U.S. Consul General in Bombay, a post which he had held for the last six years, left for Washington last week.

Mr. James Duncan Fraser, the newly-appointed Deputy High Commissioner for the U.K. in Bombay, will take charge of his assignment on the 8th inst. vice Mr. E. G. Norris, who left Bombay in March last.

Mr. Inderjit Singh, Joint Secretary, Special Reorganisation Unit of the Union Ministry of Finance and Secretary of the Committee of Plan Projects, has left for the U.S. to study organisation and methods work in that country.

Sir Matthew Slattery, who is now Chairman of Short Brothers and Harland Limited in the U.K. and Chairman of the Bristol Aircraft Company until recently, has been appointed a full-time Chairman of the British Overseas Airways Corporation, with effect from the 29th inst. He succeeds Sir Gerard d'Erlanger, who has resigned "because of business commitments." Sir Wilfred Neden, a member of the B.O.A.C. Board, has been appointed a part-time Deputy Chairman.

The Pakistan International Airways will buy four Boeing jets for its overseas service during the next five years. It also proposes to introduce a jet service between the East and West wings of Pakistan by next year.

The Eastman Kodak Company, New York, paid out last year $313,000 to its workers for adopted suggestions on how to improve products or manufacturing methods. About 40 per cent. of the 37,000 ideas submitted were accepted. About one-fourth of the employees submitted suggestions.

Two leading nuclear power groups in the U.K., the Atomic Power Constructions and the G.E.C.-Simon-Carves Atomic Energy Group, have announced their decision to form a combine. A new company is expected to be set up shortly; it will design and build nuclear stations in the U.K.

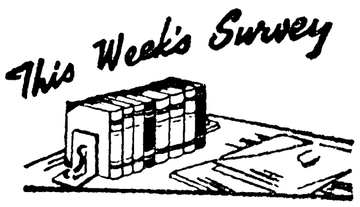
A leading Japanese shipping line, the Nippon Yusen Kaisha, has decided to open a new liner service between Indonesia and Western Europe from August next. The new service will replace the Dutch-owned ships which have been banned by the Government of Indonesia from calling at Indonesian ports.

The prices of most varieties of jute yarns in the U.K. have been reduced by about £5 per ton, following a decline in raw jute prices in Pakistan. The price of jute cloth has also been revised downward. In the past few months, it will be recalled, prices had moved up on account of dearer raw materials.

A seven-man delegation, representing the British Institute of Directors, which unites directors and managers of the largest industrial and financial companies in the U.K., has gone to Moscow to study the system of management and planning in Russia. The visit is at the invitation of the State Scientific and Technical Committee of the U.S.S.R. Council of Ministers. The delegation is led by Mr. Harold Drayton, a Director of the Midland Bank Ltd. and Treasurer of the Institute of Directors.

The Ceylon Tea Propaganda Board has recommended to the Government to agree to India's proposal that Ceylon should pay 53 per cent. and India 47 per cent. of the costs of the joint Indo-Ceylonese tea export promotion campaign in America. The expenses are now equally shared by the two countries. India proposed the revision on the plea that Ceylon teas were gaining ground in the U.S., while Indian teas were losing. It was India's view that contribution to the campaign fund should be related to the actual exports of each country. Originally, India had suggested that Ceylon pay 59 per cent. of the costs, but, as this was not acceptable to the Ceylonese Government, the compromise 53-47 formula was proposed. The Ceylon Tea Board considered the Indian request at its recent meeting and decided to recommend its acceptance by the Government.

The second Five-year Plan of Pakistan (1960-65), as was finally approved by the Economic Council on 21st June 1960, was launched on the 1st inst. The Plan entails a total outlay of Rs. 1,900 crores which represents a rise of Rs. 820 crores as compared with the first Plan outlay of Rs. 1,080 crores. It is proposed to set up two steel plants in Pakistan during the second Plan period. If the Plan is implemented successfully and fully, the national income of Pakistan is expected to increase by 20 per cent. in the next five years. After allowing for the rise in population, the improvement in the per capita income is estimated at 10 per cent. The Plan envisages achievement of self-sufficiency in food by augmenting the output by over 20 per cent. (from 13.2 million tons to 16.6 million tons), improvement in balance of payments by about Rs. 45 crores, creation of three million new job opportunities, acceleration of the economic growth of the relatively less developed areas, reorientation and expansion of education, health and social welfare facilities, and provision of better housing facilities, particularly for lower income groups.



WEST GERMAN AID

A WELCOME promise of fresh aid to India has been made by W. Germany. This is a sequel to the visit of the Union Finance Minister, Mr. Morarji Desai, who spent a week towards the close of last month discussing India's economic problems with the representatives of the W. German Government. An official *communique* issued from Bonn reveals that German assistance in the second and third Five-year Plans figured prominently in the discussions. The W. German Government has announced its readiness to make available, *on a multilateral basis*, credit to the tune of $30 million, in addition to the $70 million already provided in August last. This assistance will be of considerable help in bridging the gap in India's balance of payments. The Federal Government has also agreed to defer by four years, at the first instance, two-thirds of the liabilities under the Rourkela project maturing on 31st March 1961. It has also confirmed its readiness to assist in the expansion of the Rourkela steel works under the third Plan. It has further agreed to "secure for such orders larger than normal commercial terms of payment."

It is not clear whether the scope for participation of W. German industrial firms in India's expansion plans was specifically examined by the representatives of the two Governments. Recently, the Federal Minister for Economic Affairs, Dr. Erhard Ludwig, pointed out that some of the largest German enterprises, and what was no less important, many medium-sized firms had agreed to set up plants in India in partnership with Indian capital. He emphasised that what an underdeveloped country needed was the inflow of investments, technical knowledge and skill rather than mere aid. He, however, added that his Government could render only indirect assistance for the flow of German capital to India which would be determined by differential interest rates and other factors. Despite this obvious limitation, there is great scope for German participation in India's industrial programmes. Perhaps, the exploration of the possibility for such co-operation will yield encouraging results. But this is a sphere in which the representatives of India's private trade and industry should take the initiative, though the two Governments could do much to promote non-official co-operation between the two countries.

MAN-MADE FIBRES

The rapid development of man-made fibres the world over and the increasing popularity of these fibres in apparel-making as well as for industrial purposes were well brought out by Mr. D. N. Shroff, President of the Silk and Art Silk Mills' Research Association, in his speech at the tenth annual general meeting of the Association held at Bombay last week-end. The statistics quoted by Mr. Shroff reveal that there are 17 recognised classes of man-made fibres, of which some 30 to 40 modifications are being produced in perhaps 100-200 different varieties. The aggregate world consumption of such fibres in 1959 was over 14.21 million bales of 478 lbs. each, as against 9.44 million bales in 1953. The increasing uses to which man-made fibres are being put are clearly evident from the recent U.S. data furnished by Mr. Shroff. Man-made textiles, we are told, have found thousands of uses in apparel wear, home furnishings, and furnishing in cars, railway coaches and buses. The consumption of man-made fibres for men and boys' wear has increased fivefold in the last twenty years and that for industrial purposes by over 43 per cent. in the last ten years. Man-made fibres are used extensively for making motor tyres, filters, conveyor belts, driving belts, fire-hose, ropes, sails, fishing nets and other equipment, as well as in hospital and medical applications. Viewed thus, there is no exaggeration whatever in the statement of Mr. Shroff that persons who believe that man-made fibres are a luxury "are rather holding an obsolete and orthodox outlook in this nuclear age."

In keeping with the world trend, the man-made fibre industry in India, too, has expanded in recent years, though the pace of expansion has not been as fast as that elsewhere. The aggregate installed capacity of the industry in January 1960 stood at 101.20 million lbs. (viscose yarn, acetate and staple fibre combined) on the basis of one-shift working and 300 working days a year, as against just 30.06 million lbs. in 1955. Following the expansion in capacity, actual production has also risen from 27.98 million lbs. in 1955 to 82.92 million lbs. in 1959. Despite such a notable increase in output, the *per capita* consumption of man-made fibres continues to be low, being 0.4 lb. (1959), as compared with the *per capita* world consumption of 2.2 lbs. (1958). The coming years are, however, expected to witness a more significant expansion, according to Mr. Shroff. It may be noted here that the Government of India has approved of schemes for installing additional capacity to produce 78 million lbs. of yarn out of man-made fibres. The capacity includes 43 million lbs. of art silk yarn, 16 million lbs. of staple fibre yarn, 10 million lbs. of synthetic fibre yarn and 9 million lbs. of rayon tyre cord. The schemes are scheduled to materialise fully some time during the third Plan period. The Development Council for Art Silk Industry has recommended a production target of 325 million lbs. in the third Plan, of which filament yarn accounts for 184 million lbs. and staple fibre for 141 million lbs. The former consists of 140 million lbs. of viscose yarn, 24 million lbs. of acetate rayon, 10 million lbs. of cuprammonium and 10 million lbs. of synthetic fibres. The target for staple fibre comprises 130 million lbs. of viscose, 8 million lbs. of acetate and 3 million lbs. of cuprammonium.

When the man-made fibre industry is on the threshold of a new era of expansion and development thus, an association like the Silk and Art Silk Mills Research Association has certainly a notable part to play. It is, therefore, gratifying to learn from Mr. Shroff that the testing laboratories of the Research Institute run by the Association have already established a good record of service, in that they have tested more than 2,000 samples of textiles and issued 1,300 certificates on various aspects of testing. The laboratories are well equipped with up-to-date instruments. The Association has also undertaken to carry out the testing of art silk fabrics samples meant for export purposes. Further, the Association proposes to set up a technical institute for imparting training in the technology of silk and man-made textiles. Such an institute will doubtless help build up a cadre of competent technologists and technicians.

ONE MORE ENGINEERING UNIT EXPANDS

The progress of engineering concerns in recent years has been encouraging, despite the severe shortage of steel. With the completion of the expansion programmes of the two units in the private sector and the coming into production of the public sector units, the shortage of steel is slowly disappearing and this opens up a vista for the expansion of the old engineering units and the growth of new ones. Many of the old units are already thinking of diversifying their processing and fabricating activities. One of the latest entrants to this field is the Raymon Engineering Works Ltd., Calcutta. This Company was incorporated in November 1954 and received certificate for commencement of business in December 1955. It has been granted licence (this was in May 1959) to manufacture components for rolling stock, points and crossings, railway steel sleepers, pressed steel tanks, structural steelwork fabrication and cranes.

The manufacture of rolling stock and other equipments for the railway holds promise of a bright future, with the prospect of a sizable growth in railway traffic during the third Five-year Plan when the developmental programmes get into their stride. That the Raymon Engineering Works is well fitted to undertake the job is indicated by the fact that its factory at Santragachi, near Calcutta, is one of the most modern ones, with easy accessibility to raw materials and facilities for movement of finished goods from the factory. Power and water supply are assured. In fact, the Company has already an "educational order" from the railways for the supply of 250 freight wagons by the end of September 1960, of which 21 wagons have already been manufactured and delivered. The Company is assured of technical collaboration from the West German firm of Hoesch Export G.m.b.H. and its associates.

The production programme of the Company includes the manufacture of 1,000 wagons per annum, in the first instance, as against a licensed capacity of 14 wagons per day, production of rolling stock components, points and crossings at the rate of 900 tons per annum in the first two years, and the setting up of a pressed steel shop with a production target of 5,000 tons per annum of pressed fittings for rolling stock and pressed steel sleepers. It has a steel structural fabrication shop, with a capacity of 1,200 tons per annum and this will be expanded to a capacity of 4,500 tons per annum. The manufacture of cranes is also being taken up with a production target of 90 five-ton cranes per annum. It is also proposed to set up a grey iron foundry for the manufacture of cast iron sleepers with an initial target of 5,000 tons per annum. The Company's rolling stock section is already in production and, while the points and crossings shop is expected to commence production early in 1961, the pressed steel shop will be in operation within the next six months.

The capital outlay on the whole manufacturing programme is Rs. 1.30 crores. Of this, Rs. 1 crore will come from the issue of share capital and Rs. 30 lakhs will be provided as loan by the Industrial Finance Corporation of India. Of the issued capital of Rs. 1 crore, the managing agents, directors and friends have have already subscribed to Rs. 40.06 lakhs in ordinary shares of Rs. 10 each. The balance of Rs. 59.94 lakhs is now being offered to the public, made up of 399,400 ordinary shares of Rs. 10 each and 20,000, 6½ per cent. redeemable cumulative preference shares of Rs. 100 each. The preference shares will carry a dividend of 6½ per cent. after deduction of tax as prescribed from time to time. For full details of this issue *vide* pages i to iv of our last issue. The list for public subscription opened on 27th June and will close on 4th July 1960 or earlier at the discretion of the Directors. 50 per cent. of the paid-up value is payable on application for equity or preference shares and the balance on allotment. Part of the capital to be raised will be utilised to reduce the Company's present borrowings from banks.

Judging from the encouraging prospects for engineering units, in general, and the present investment climate, the Company's issue, which is only a small one, can be expected to be heavily oversubscribed. The Company has an influential board of directors and expects to receive large orders from the Railway Board for wagon manufacture on completion of the "ducational order" on hand. The Company can also expect to get large orders for rolling stock equipments, points and crossings, sleepers, etc., from the railways. On the basis of the existing trends, the Directors are of the opinion that, barring any unforeseen circumstances, the Company should be in a position to declare its maiden dividend on the equity shares in about 1962.

EXPORT PROMOTION

The need for diversifying the structure of India's foreign trade was emphasised by Mr. Y. B. Chavan, Chief Minister of Maharashtra, while inaugurating the annual general meeting of the All-India Exporters' Chamber in Bombay on the 28th inst. He pointed out that concerted efforts should be made to expand exports of finished goods. Larger imports of heavy machinery, industrial raw materials and food materials required for promoting the process of industrialisation, according to him, would not be possible, unless utmost attention was given to increase the volume of exports. Mr. Chavan made a fervent plea for close co-operation between the Government and the trade interests in attaining this objective.

Mr. N. L. Kara, President of the Chamber, in his address, generally welcomed the emphasis laid in the Government's policy on promoting the tempo of diversification of exports. He, however, struck a note of warning that, in the anxiety to diversify exports, the importance of increasing, or at least maintaining, the exports of traditional items should not be lost sight of. Outlining the problems facing the exports of traditional items, Mr. Kara observed:

"In the matter of tea, one is constrained to observe that we lag behind, amongst other things, in the matter of the right type of propaganda and publicity. Although this country is by far the largest exporter of tea, we have lost ground to our Southern neighbour and good quality tea is now associated with the name of that country. In cotton piecegoods, although our performance last year was satisfactory, we should consider ourselves fortunate if we succeed in reaching a figure of 600 million yards at the end of this year. The cause of this decline is the failure of the Indian cotton crop, depriving us of cheap raw material which was our strong point with regard to foreign competition. In jute goods and manufactures, it is imperative to find new uses of jute components by research or experiment and undertake demonstration of the superiority of this fibre over substitutes which are constantly springing up."

There is considerable truth in what Mr. Kara says, except his description of Indian Cotton. It is wrong to describe that cotton as "cheap." While it is essential not to concentrate the country's efforts on the export of a limited range of commodities—the fortunes of which are open to wide fluctuations in the world market—the traditional items are bound to have a major share in India's foreign trade, for a long time to come. Therefore, the country can ill-afford to forget the importance of such goods as tea, jute, cotton piecegoods, hides and skins, vegetable oils and oilseeds, for earning foreign exchange.

The Government has introduced a series of export promotion measures and incentive schemes with a view to boosting exports. Although Mr. Kara welcomed these measures in a general sense, he pointed out that, in many instances, they were "deficient and framed in a manner indicating lack of adequate knowledge of the mechanism of export trade." He complained that, in many cases, the total benefits of export promotion measures accrued to the manufacturer, who "is not the actual exporter of the goods, but only the supplier of goods for export," and, in other cases, it was provided that the export must be undertaken by the manufacturer himself, if the export promotion benefits were to be derived. He regretted that "no importance seems to be attached to the actual export performance undertaken by the exporter and which comprises a variety of activities, such as propaganda, publicity, market research and salesmanship." He added, "this methodology of leaving out the actual exporter of goods from the benefit of the incentives does not seem to have a parallel in any other country." Mr. Kara, however, did not elaborate the lines on which he would like to have the exporters associated with the incentive schemes.

Mr. Kara appeared to be in favour of the proposed scheme for the registration of exporters. He, however, wanted that, in the implementation of the scheme, "undue restrictions are not placed in the way of registration—in fact utmost freedom is necessary." He felt that the importance of this scheme lay not in the initial act of registration, but more in the subsequent act of de-registration adopted when the subscriber was found guilty of any malpractice. In other words, he wanted the authorities promptly to punish those found guilty of malpractices. This is, indeed, a sensible point. A regulation is useless, unless it is properly enforced. Mr. Kara was of the further opinion that, apart from exporters, the scheme of registration should also cover those engaged in the penultimate act of manufacturing goods for export." This, according to him, would impose a voluntary obligation of pre-inspection by the manufacturer himself at the production stage.

AN UNNECESSARY STRIKE

One wonders whether it was beyond the capacity of the Bombay Port Trust authorities and the B.P.T. General Workers' Union, which called the lightning strike of the Flotilla crew, paralysing shipping in the port for six days, to avert the strike. The Union Minister for Transport, Dr. P. Subbarayan, by whose intervention the strike was called off on Tuesday, apart from using his good offices, does not appear to have done anything which the parties themselves could not have done.

The strike was resorted to for the reinstatement of six workers suspended by the authorities and to get the 31 demands submitted by the Union conceded by the Port Trust authorities. Failing in its attempts to bring about a settlement, the Union Government referred the dispute to the Industrial Tribunal, Bombay, and prohibited the continuance of the strike. The situation took a serious turn, when the workers ignored the ban. It was thought that the Union Government would issue a declaration of emergency in the Port and prosecute the workers for defiance of the Government order. Such a necessity was happily averted by the intervention of the Union Minister for Transport. The strike has been called off on a partial fulfilment of the demands. It has been agreed that the six workers should be granted leave with full pay for such period till a committee set up to enquire into the charges made against them submitted its findings. It has also been agreed that, out of the 31 demands which the Union had submitted, those which the Port Trust had already accepted would be implemented forthwith and that the rest would be taken up for consideration on 1st July. The demands on which agreement could not be reached would be referred to adjudication.

Could not the parties themselves, through negotiation, have arrived at this understanding, which sounds a reasonable one, and thereby prevented the strike? The Union would appear to have been out for a show of strength, while the Port Trust authorities, in their anxiety not to submit to coercion, seem to have overlooked the intensity of feeling among the workers. The result is a heavy loss to the country. For six days, ships carrying foodgrains and fertilisers were stranded in mid-stream, and many ships were held up in the port. A strange feature of the present situation in the country is that no one misses a chance to emphasise the need for placing national interests above sectional interests. But it is always the former that go by default.

UNION RIVALRY IN THE SOUTH

The joint move of the All-India Trade Union Congress and the *Hind Mazdoor Sabha* to call out an indefinite strike by workers employed in the 80 cotton mills in Coimbatore district with effect from the 15th inst. is most deplorable. The provocation for the move might have come from the breakdown of talks held on 23rd June between the representatives of millowners and workers in the Madras State on the issue of implementing the Wage Board's recommendations. But the strike call is, as Mr. G. Ramanujam, Vice-President of the Indian Trade Union Congress, has rightly termed, premature and misconceived, revealing lack of appreciation of the latest position. This is especially so, as the Union Labour Minister has given a clear assurance that he would see to it that the recommendations were implemented and also as the Madras State Minister for Industries and Labour has proposed to convene shortly a fresh conference of the interests concerned to discuss the matters under dispute. It will be recalled that, when the I.N.T.U.C. served strike notice a few weeks ago, these two rival unions refused to join that move and boldly stated that they believed in the principle of negotiations and that a strike was unnecessary to settle the dispute with millowners. Why then do they think now that a strike is necessary, especially after Mr. Nanda's categorical assurance? The answer undoubtedly is inter-union rivalry. They apparently want to establish their hold over the workers in South India and cause discomfiture to the I.N.T.U.C. Here is a clear instance to show how innocent workers become the victims of power-politics, mere pawns in the hands of politicians.

The talks on the issues arising out of the Wage Board's award held at Coimbatore last week have, as already stated, failed, thanks to the divergence of opinion between the labour spokesmen and the millowners' representatives. The stand taken by labour was that the millowners must agree to pay an increase of Rs. 8 in wages with effect from 1st January 1960 and that the question of dearness allowance should be settled either by negotiation or through voluntary arbitration. The millowners, however, pleaded their inability to concede these demands, but agreed to pay the increase in wages with effect from 1st June 1960, provided there was an overall agreement on the other issues covered by the Wage Board award.

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I.L.O. AND POPULATION EXPLOSION

MR. N. H. TATA HIGHLIGHTS THE PROBLEM

IN his speech at the forty-fourth session of the International Labour Conference, held at Geneva recently, Mr. Naval H. Tata, Indian employers' delegate, raised many issues of far-reaching importance to the future working of the I.L.O. In the context of the population explosion currently being experienced by many developing countries, threatening to depress further the already low living standards, the standard-setting activities of the I.L.O., Mr. Tata pointed out, lose their value and importance. If the population growth overtakes the rate of capital formation and production, he averred, no matter how much scrutiny is exercised by the I.L.O. in regard to the ratification of conventions, consumers in general and the working class in particular will face an era of diminishing standards of living. The I.L.O., Mr. Tata admitted, was not directly concerned with the population problem, but he felt that it was the duty of the organisation, devoted as it is to the promotion of workers' welfare throughout the world, to make them conscious of the impact of rising population on living standards. No amount of flogging, according to him, could make an employer pay better and higher wages, if the economic imbalances created by the pressure of population shook the very foundations of the national economy, making the value of money unreal in terms of its purchasing power. He urged the I.L.O. to undertake studies in the assessment of prospective wage structures in the light of estimates of population growth made by the U.N.

Mr. Naval Tata made out a convincing case for more attention being given to rural development by the developing countries. Many nations, according to him, have succumbed to the fascination for industrial expansion, ignoring entirely the need for developing the rural economy which, in most underdeveloped countries, has to sustain the bulk of the population. This has tended to make development lopsided. In the past, he pointed out, the I.L.O. had concentrated its attention more on the industrial worker, but it has now shown a lively interest in the welfare of the worker in rural areas. This interest should take concrete shape as a programme of rural development. Mr. Tata suggested that the starting point should be full-fledged and active collaboration between the I.L.O. and the F.A.O., as both of them were concerned with rural development. He made the following suggestions in this regard:

1. The I.L.O. should evolve a special rural development programme for a fairly long period of five to ten years.
2. The I.L.O. Conference should give its unqualified blessings to the programme by recommending the grant of necessary funds for the purpose.
3. A special effort should be made to allocate a substantial grant to finance this programme, far beyond the limits and resources available under the Expanded Programme of Technical Assistance.
4. A programme embracing vocational training, productivity, management development in cottage sector, research facilities, co-operatives and agricultural workers' education may be worked out for giving proper impetus to the movement.
5. A team of international experts should be invited to chalk out the programme of operational activities.

In the opinion of Mr. Naval Tata, no single action of the I.L.O. can do so much good for the happiness and well-being of the working classes as its complete identification with programmes of rural development. By so doing, the I.L.O., according to him, will also be able to widen its franchise to include a massive number of workers engaged in agriculture who have so far remained outside the sphere of its influence. Even if the process of launching vigorously the rural programme resulted in a slowing down of the standard-setting activities, he felt it was still worthwhile doing so in the interest of greater good of a larger number of rural workers.

Hours of Work

Regulation of hours of work has been a subject in which the I.L.O. has been interested from its very inception. Mr. Tata put the question of regulation of hours of work in the proper perspective when he said that, as far as the developing countries were concerned, the proposal for reducing working hours to 40 a week would result in neutralising the benefits of any improvement in productivity resulting from the current efforts, in this direction, of the I.L.O. and the member-countries. It will also take away from the worker a fruitful means of improving his pay packet through schemes of incentive payment related to productivity. It would be fatal, therefore, for the national well-being of underdeveloped countries to go in for a reduction in working hours at this juncture, when mounting population pressure called for the exploration of all avenues of higher production.

Besides, as he pointed out, if past experience is any guide, a reduction in working hours can hardly be achieved by means of an international instrument. Even the 48-hour week Convention adopted by the I.L.O., as early as 1919, has so far been ratified by no more than 27 countries while the 40-hour week Convention has received only four ratifications in the course of 25 years. It is, therefore, obvious that efforts to regulate hours of work by means of universally applicable instruments have not proved successful. In the face of these facts, a fresh attempt to have one more instrument on the subject would, according to Mr. Tata, only lower the prestige of I.L.O. Conventions. There is nothing to prevent an industry, if circumstances warrant it, from introducing shorter working hours through a process of collective bargaining.

Housing for Workers

Mr. Tata made some constructive suggestions regarding housing for workers, a subject in which the I.L.O. is deeply interested. In his opinion, housing is primarily a responsibility of either the Government or local authorities, as it concerns all sections of the people. Employers have only a limited obligation and they should be called upon to fulfil it in specific circumstances under which, in their own interest or in the interest of their workers, housing becomes an unavoidable responsibility. The slow progress of housing programme for workers in India and other developing countries is due, according to him, to two factors. First, construction of houses for workers is beyond the means of many employers. Second, it is not a remunerative investment proposition. While the claim of workers for the provision of housing is understandable, to ignore the needs of the other sections of the community, which are equally great, in preference to the industrial worker, is against the tenents of social justice. If, however, the Government wanted that the claims of industrial workers deserved special consideration, he suggested that it should give tax relief to industries, so as to enable them to divert some funds to housing or make special contributions towards a trust fund formed for the specific purpose of taking care of industrial housing.

The best approach to the problem of workers' housing, according to Mr. Tata, is for the Government and local authorities, and employers to a limited extent, to help workers to form co-operative housing societies for construction of houses suited to their requirements. These houses could, in course of time, become the property of the workers concerned. A great merit of this scheme is that it would give the worker freedom to own and live in the house built for him without being left to the mercy of an outside agency on termination of employment.

(*Concluded from next column*)

monetary machine working more slickly than it has done before, voices are being raised to ask whether the machine is not overdoing itself. Why should not production in essential sectors of the economy be allowed to rise when this particular extra output is wanted? It is a fair criticism and the gospel of the political opposition. But Mr. Amory will have to face those critics on his own side who ask why should not sterling obtain temporary relief through the International Monetary Fund to enable the U.K. to import the machine tools and other equipment needed to increase engineering exports—any measure in short, rather than this cutting down of an expanding economy the moment it begins to expand.—*All Rights Reserved.*

STORM AFTER WARNING

CREDIT SQUEEZE TIGHTENED

(From Our Own Correspondent)

LONDON, *24th June*

THE rise in the Bank Rate to 6 per cent. gave no one a shock, as the City had been waiting for at least a fortnight for a further tightening of the credit squeeze. But nobody had expected the tightening to be quite so severe as to include the addition of a further 1 per cent. call of special deposits from the clearing banks, particularly since the total of bank advances had at last stopped rising. But, of course, the Chancellor, who is firmly committed to the policy that a step taken in time is better than two steps taken too late, is not satisfied with holding advances at their present level. He is determined to drag them down.

LONDON LETTER

At the moment, there is a conflict between City philosophy which is quite prepared to accept restrictions when the need for them becomes patent and the Chancellor's new philosophy to introduce the restrictions before the need for them becomes evident and thereby hope to avoid any further inflation and shorten the period during which the restrictions may have to operate.

Highest in Western World

The United Kingdom now has a Bank rate higher than any other Western country: 1 per cent. higher than Germany, 2 per cent. higher than France and 2½ per cent. higher than the United States. The three months Treasury Bill rate here is nearly 4¾ per cent., and that compares with a rate in France of 3 per cent., in the United States of just over 2½ per cent. and in Western Germany of a fraction over 4¾ per cent. But there is no question now that London is becoming the Mecca for hot money. Sterling has shot up against all Continental currencies and against the dollar, and, with the added knowledge that gold is no longer flowing out of the country, the external state of sterling is as strong as it could be.

The Chancellor sees no ground for complacency in all this. He is aware of an acute shortage of labour, particularly in the southern part of Great Britain, and a spring reduction in unemployment substantially exceeding that of last year; he is aware of an inadequate labour supply in key industry after key industry; he is aware that the joint-stock banks under pressure to increase their special deposits with the Bank by £73 million by the middle of this month did so rather by the sale of securities than by the reduction of advances—and he is determined to try the force of the monetary weapon to the full. His new squeeze will not be operative for a month when half the deposits will be called, with the other half four weeks later. And given his analysis of the situation on the need to close down on all bank credit, his measures are not Draconian. He is giving the banks plenty of time to find their special deposits and, meanwhile, he is telling industry they must pay more for the luxury of borrowing.

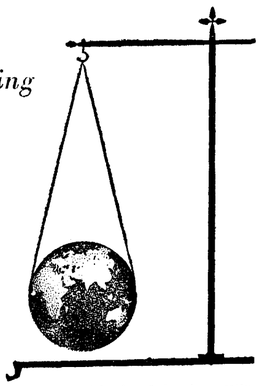
Public Sector

Finally, to show the concern with which the Chancellor views the danger of rising costs, he is clamping down on the public sector of investment. Total investment in this sector for the current year 1960-61 is £1,700 million. The Chancellor's decision is that this same figure must remain the ceiling for next year, that is, 1961-62. Naturally, the Chancellor is open to criticism for attacking those branches of investment subject to public enterprise and leaving unchecked those branches where private decisions alone count—but the Chancellor's answer is that he will do the best he can where he can, with as little dislocation to the national economy as possible.

If the Treasury analysis is correct, then not only will inflation be forestalled but the balance of payments ought to become stronger, whether through some diminution of the growing tide of imports or increased selling pressure for exports, as a result of the restricted home market. Thus, the next trade figures—those for the second quarter of the year, are going to be studied with exceptional interest.

All this does not go on without controversy. Now that Mr. Heathcote Amory has got the

(*Continued in previous column*)



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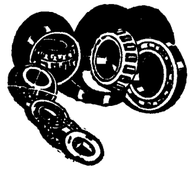

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RELAXATION OF EXCHANGE RESTRICTIONS

FURTHER SUBSTANTIAL PROGRESS MADE IN MANY COUNTRIES

ARTICLE I of the Articles of Agreement of the International Monetary Fund had envisaged the prospect of the establishment of the multilateral system of current payments and the abolition of foreign exchange restrictions. The Fund is now happy to record, in its eleventh annual report on exchange restrictions released this week, that it is becoming increasingly possible for many of the Fund's members to visualise, in practical terms, the consummation of this hope. A large percentage of world trade and payments is now being carried out in accordance with the principles set forth in Article I and this percentage, the I.M.F. says, continues to grow. The I.M.F. report records with satisfaction the substantial progress made, during 1959 and the first four months of 1960, in reducing or eliminating exchange restrictions on a wide front. The beneficial effects of the widening scope of currency convertibility, the Fund's report says, have been felt in many areas. The evolution towards freer, more orderly, and less discriminatory trade and payments has been strongly supported by a high level of economic activity, expanding international trade and the general maintenance of monetary stability. It is heartening to find that this progress is not confined to highly industrialised countries alone. Many other member countries of the Fund have also taken active steps to achieve better trade and payments conditions. Recent developments in trade and payments have not merely reduced the scope of restrictions but also changed the nature of these restrictions. The aforesaid progress towards the establishment of the multilateral system of current payments has thus laid a firmer basis for a smoothly functioning international monetary system.

The most important step taken in this direction, which, as the I.M.F. describes it, is of key importance, was the introduction of external convertibility of currencies by several countries towards the end of 1958. Today, the currencies of about half of the Fund's members are convertible for virtually all non-residents. A number of countries, however, still have some restrictions on current payments, but these, according to the I.M.F., are of an insignificant nature and have also been simplified. The external convertibility has worked well without any setbacks. The rates of externally convertible currencies in exchange markets throughout the world have shown only minor fluctuations during the past twelve months. In fact, most of the Western European currencies have generally been strong in terms of the U.S. dollar. Late in 1959 and early in 1960, several Western European central banks raised their discount rates, thereby influencing not only their internal situation but also the international flow of funds through the exchange markets. An important consequence of the recent changes in the international monetary system, the I.M.F. says, is that international financial transactions and the rates in foreign exchange markets are again sensitive to relatively small changes in the major money markets.

Restrictive Systems Modified

Following the introduction of convertibility of currencies, most of the countries have also modified their restrictive systems further. These modifications were of a twofold nature, namely, (1) the systems of non-resident accounts and currency regulations have been simplified, as many of the rules governing these had become meaningless or redundant, and (2) discriminatory restrictions, initially based on the distinction between convertible and non-convertible exchange settlements, have been reduced substantially. The majority of the Fund members are now said to have achieved the elimination of dollar discrimination through liberalisation of dollar imports and several other members have announced steps that will lead to the final abolition of dollar discrimination during the current year.

Notwithstanding this very real progress, the I.M.F. says, discrimination, including that arising from bilateralism, "continues to play an important role in the import policies of many countries." In a few countries, it is maintained for balance of payments reasons, while in others, "protectionist considerations, especially in regard to agriculture, are now frequently hindering its elimination." The Fund has not relaxed its efforts in achieving the elimination of discrimination, when it is maintained for balance of payments reasons or when it is practised through the exchange system.

As a concomitant of the move to external convertibility, central banks in Western Europe have declared their readiness to guarantee, through official intervention, that the U.S. dollar quotations in their markets shall not exceed the officially established margins, most of which are about 0.75 per cent., leaving to arbitrage the task of ensuring orderly cross rates with other currencies. In accordance with these arrangements, other currencies, if they move in opposite directions in relation to the dollar, may fluctuate in terms of one another within the limits in excess of the margins set forth in Article IV, Section 3(i) of the Fund Agreement. This technical situation was regularised by the I.M.F. in July 1959, through its following decision:

"The Fund does not object to exchange rates which are within 2 per cent. parity for spot exchange transactions between a member's currency and the currencies of other members taking place within the member's territories, whenever such rates result from the maintenance of margins of no more than 1 per cent. from the parity for a convertible, including externally convertible, currency."

Multiple Currency Practices

As regards multiple currency practices, the I.M.F. reports that considerable progress has again been made during the last twelve months in eliminating and reducing the use of these practices. This has been achieved in two directions. In some countries, the complex multiple rate systems have been replaced by a single rate, while in others there has been a further simplification of the existing multiple rate systems. As a result of these changes and of the reforms made in earlier years, the number of complex multiple currency systems has been reduced substantially. Those countries which had in earlier years substituted single exchange rates for complex multiple rate systems, found their experiences with their new exchange systems during 1959 satisfactory and most of them were able to strengthen their internal reserves. There were, however, some exceptions to the general trend. For some countries, such as Cuba, Korea and the Philippines, introduced multiple currency practices. Commenting on the present trend in this regard, the I.M.F. observes:

"While resort to multiple currency practices has been greatly reduced in the last few years, restrictions have not yet been completely eliminated. In some countries, bilateral agreements and restrictions on trade and payments have been continued. In others, advance deposit requirements for imports have been imposed and export and import taxes have been introduced, in part as substitutes for multiple currency practices. Nevertheless, the exchange rates and more appropriate fiscal and monetary policies, give promise of further progress in limiting the use of exchange restrictions.

"In Latin America, where multiple rates were most common in the post-war period, the use of multiple currency practices has diminished greatly in the last few years, and complex systems now survive in only a few countries. Authorities in most Latin American countries that have had experience with multiple rate systems now regard them as unsatisfactory. On the other hand, a number of countries outside Latin America have, during the past few years, introduced multiple currency practices or made their existing systems more complex. Although these new practices may be intended as temporary measures designed to avoid the introduction, or even permit the relaxation, of trade and exchange restrictions, they involve the danger of proliferation of exchange rates, which, if allowed to go unchecked, may hamper economic development, create distortions within the economy, and hinder the balanced expansion of international trade."

Bilateral Payments

Another welcome development during the past twelve months and over was the persistent decline in the number of bilateral payments arrangements. As many as 53 bilateral payments arrangements are said to have been terminated by member-countries during the sixteen months ended April 1960. Of these, 37 were with other Fund members and 16 with non-member countries. At the same time, member countries introduced 15 fresh bilateral payments arrangements. In addition, six new bilateral payments arrangements were established by two countries for the channeling of payments related to specified sectors of their trade with certain other countries, although most of their trade continues to be settled on a convertible basis. The general liberalisation of international payments resulting from the introduction of external convertibility, the I.M.F. points out, has made it easier to dispense with bilateral payments arrangements. Nevertheless, it adds, Fund members still maintain some 260 bilateral payments agreements, of which 102 are with the other Fund members and 158 with non-member countries (mainly in the Eastern bloc). Though these arrangements may appear arithmetically large, they cover, according to the I.M.F., a relatively small proportion of the international payments of all but a few of those countries. In recent years, members of the Fund have been able to eliminate increasingly bilateral payments arrangements with State-trading countries. However, these arrangements frequently give rise to appreciable discrimination against Fund members and continue to be a source of concern to the Fund. The Fund has been sparing no efforts in bringing home to the members the need for reduction of bilateralism. It is noteworthy that, even where bilateral payments agreements have been eliminated, bilateral trade agreements have been generally maintained. In many countries, these trade agreements cover commodities not subject to import liberalisation. The I.M.F., therefore, emphasises that, as in other aspects of restrictions, it is important that "the gains to be derived from the establishment of a multilateral system of payments should not be frustrated by action in the trade field."

It will be recalled that the I.M.F. had, in its earlier reports, drawn attention to the growing practice of countries using advance deposits for imports as a prerequisite to obtaining import or exchange licences or to clearing goods through customs. While a significant use of this practice is at present followed in Chile, Colombia, Ethiopia, Greece, Israel, Nicaragua, Paraguay, the Philippines and Uruguay—in six of these countries, the advance deposits for some imports exceed 100 per cent. of the import value. The I.M.F. notes with satisfaction in its latest report that they were reduced or eliminated in some countries during the past twelve months. Drawing attention to the drawback of this practice, the I.M.F. says:

"Experience during the past few years has indicated that these devices are not very effective in reducing the demand for imports. The main reasons for this appears to be that the additional cost of importing which arises from the requirements is not very significant and that importers generally appear to have ready access to credit facilities to finance the deposits. As a method of monetary control, advance deposits for imports may be useful in absorbing liquidity from the economy for a short period after their introduction. Generally, however, they create a central bank liability in relation to importers, and therefore, once they have been imposed, it may be difficult to eliminate them without inflationary consequences. Moreover, the temporary absorption of funds resulting from advance import deposits may mislead Governments into believing either that the funds in question can be used for current spending or that the use of the regular fiscal and other monetary tools can be neglected."

Capital Payments

Over the past few years, several countries have liberalised payments of a capital nature and this trend has continued during the past twelve months also. Recording the steps taken in various countries in this direction during the year, the I.M.F. report observes:

"In Saudi Arabia, all limitations on the movement of capital by residents and non-residents were removed. Many countries which now maintain controls largely for the purpose of screening capital movements, and which have recently achieved considerable liberalisation of current transactions, also further liberalised capital transactions. In Austria, blocked balances as at the end of October 1959 belonging to residents of most countries were released, and many types of capital payments due to non-residents that were previously available only for credit to such accounts are now authorised freely for remittance abroad. Increased facilities were announced in Denmark for the repatriation of capital funds and balances held by non-residents, in addition to the facilities already available to foreign banks. In Finland, also facilities for the repatriation of blocked accounts held by non-residents have been extended. In Italy, Italian companies may now, subject to certain conditions, invest abroad. Regulations in the Netherlands governing transactions in securities have been liberalised, and other authorised capital transactions are now channelled through the official exchange market. In Sweden also, the regulations concerning transactions by residents in foreign securities have been liberalised. Similar measures had been taken earlier in other Western European countries. In a number of other Fund member countries, mostly outside Europe, capital movements may take place freely through free exchange markets."

In view of the progress made in the aforesaid directions, several member-countries of the I.M.F. which are at present availing themselves of Article XIV of the Articles of Agreement are in a better position to implement in full the obligations of Article VIII. Accordingly, the Fund is presently engaged in studying the various aspects of such a step and is looking forward to the formal acceptance of Article VIII status by a number of countries in the near future.

THE U.S. AND "THE SPLIT" IN WESTERN EUROPE

PROSPECT OF A SOLUTION NOT RULED OUT

[No solution has so far been found to the trade split between the Common Market countries and the "Outer Seven." But much hopes are being pinned on the G.A.T.T. which commenced its sittings in May last to bring about a solution under its framework. The following article taken from the "Report on Western Europe," prepared by the Economic Research Department of the Chase Manhattan Bank, before the G.A.T.T. negotiations started, provides an interesting account of the train of events leading to the above conclusion.—ED.]

RECENT events in Western Europe have made it clear that there will be no quick solution to the split between the Common Market "Six" and the "Outer Seven." They have also made it extremely unlikely, however, that there will be any serious tariff discrimination between the two groups this year.

The U.S. has emerged as the pivot point for negotiations between the "Six" and the "Seven." And the U.S. attitude hints that the solution, when it comes, will not be bounded by the limits of the European continent, nor even by the Atlantic Community, but will be hammered out under the global framework of the General Agreement on Tariffs and Trade (G.A.T.T.) and under the eyes of all 41 of its members.

The train of events that leads up to these conclusions began early in March, when Professor Walter Hallstein, President of the Common Market Commission, proposed that the "Six" accelerate their time-table of economic integration. Tariffs among the "Six" would be cut by 20 per cent. on 1st July 1960 instead of 10 per cent. At the same time, member countries would take the first step toward a common external tariff eighteen months ahead of schedule. These moves would introduce the first significant tariff discrimination against outsiders considerably earlier than had been expected.

As earnest of its liberal intent, the Common Market Commission included in the package an offer to cut the final common external tariff provisionally by 20 per cent. pending the results of the forthcoming G.A.T.T. negotiations.

Backing from Washington

The U.S. endorsed the speed-up proposal during Chancellor Adenauer's visit with President Eisenhower in March—before it had been approved by the Governments of the six Common Market countries. This touched off a sharp reaction from the "Seven," who opposed the speed-up. The envoys of the "Seven" and then Prime Minister Macmillan stated their opposition in Washington.

The "Seven" object to the Hallstein proposal, because they feel that the common external tariff, when it comes into force, will place them at a real trading disadvantage. For example, British automobiles entering Germany now face the same tariff as French autos—just under 13 per cent. By the end of the transition period, however, the tariff on British cars is slated to rise to 29 per cent., while the tariff on French cars will have disappeared entirely.

Although Britain now sells less than 15 per cent. of its exports to the "Six," British exporters have been counting on the continental market to absorb a larger share in the future.

Other members of the "Seven" depend still more on exports to the "Six." More than one-fourth of Austrian exports go to Germany alone, and Switzerland sends 39 per cent. of its exports to the Common Market.

The "Six" feel that the "Seven" tend to exaggerate the importance of tariffs as a determining factor in trade, and that the Common Market will expand trade far more than it will divert it.

The Paris Meeting

In this atmosphere, on 29th March representatives of 18 European nations, as well as the U.S., Canada, and the Common Market met in Paris to discuss ways of mending the split. The "Seven" proposed reciprocal tariff concessions. The "Six" remained aloof, pending ratification of the speed-up by all member governments. The U.S. suggested further study of the effects of the speed-up, and the meeting adjourned to reconvene within two months.

Less than a week later the German Government decided to delay approval of the Hallstein proposal, taking the view that it was more important to achieve a basis for negotiating with the "Seven" than to speed up the Common Market.

This made it impossible to meet the 1st July deadline and took some of the pressure off the "Seven," who had until then drawn little encouragement from Washington or Paris.

In both cities the U.S had affirmed its neutrality, but continued support for the Common Market's speed-up proposal made the U.S. appear to have lined up behind the "Six."

A Neutral Policy

Actually, the U.S. policy cuts deeper than that. With its world-wide commitments, the U.S. cannot afford to take sides—neither between the "Six" and the "Seven" nor between Europe and the rest of the free world.

Nations outside of Europe want to avoid any European or "Atlantic" solution to the split which leaves them on the outside. Australia wants no new machinery set up that might detract from G.A.T.T. New Zealand, too, wants any tariff concessions exchanged among the Atlantic powers to be passed along through G.A.T.T. Argentina has insisted on representation at future talks.

An important related issue, aid to underdeveloped areas, has already been put into a wider framework. The eight original members of the Development Assistance Group were joined by a ninth—Japan—when they met in Washington recently to plan the first steps toward a global approach to aid.

A G.A.T.T. Solution

All this makes it quite unlikely that any solution to European trade problems will be forthcoming when the 21 members of the North Atlantic community meet again in May to resume talks about resolving the split, and suggests that the most productive meeting ground for the "Six" and the "Seven" may be the G.A.T.T. negotiations which will start this fall and continue through 1961.

The Germans have ruled out any move by the Common Market toward a common external tariff this summer, and this not only allows more time for all concerned to study the issue of "Sixes" and "Sevens," but also gives the "Six" a priority issue to work out among themselves.

The Hallstein acceleration plan is far from a dead issue. In the first place it goes beyond tariff fixing, including proposals for greater coordination of social, agricultural, and trade policy as well. In the second place, Europeans are generally convinced that the start on the dismantling of trade barriers inside the Common Market has already proved beneficial to all six members; and this sentiment clearly favours further tariff liberalisation.

It is important to remember that it was not protectionist influence that stalled the Hallstein proposals, but just the opposite—the distaste of some members who would have had to raise their tariffs.

This is particularly true of the Germans. Like the Benelux countries, Germany generally will have to raise tariffs to reach the Common Market average. Unlike Benelux, however, Germany cut most of its tariffs by 25 per cent. after the Rome Treaty was signed; and these 25 per cent. cuts will have to be restored when the first step is made towards the common external tariff. This could result in significant tariff increases for a country already beset with worries over inflation.

The first weeks of spring have brought forth no solution to the trade split between the "Six" and the "Seven." But they have not been entirely barren. Events have drawn attention to the possibility of a world solution to the problem of "Sixes" and "Sevens," rather than a European or an Atlantic solution. Even more important, they have shown that both the "Six" and the "Seven" still place Western unity ahead of trade differences.

HANDLOOM INDUSTRY IN INDIA

I.L.O. REVIEWS RECENT TRENDS AND PROBLEMS

THE Indian Branch of the International Labour Office deserves to be complimented on its painstaking study of the handloom weaving industry in India, with special reference to Madras State. The study is not only timely but also highly useful, now that the question of apportioning the prospective rise in demand for cloth during the third Plan period among the mills, handlooms and powerlooms is being considered by the planners. The study is quite comprehensive in coverage, in that it (a) gives a historical sketch of the recent developments in the industry; (b) examines the series of problems confronting it in the fields of production, marketing, credit, organisation and socio-economic conditions of weavers; (c) analyses the measures taken in recent years to assist the industry, especially since the inauguration of Five-year Plans and the setting up of the Cess Fund (in 1953); and (d) assesses the progress achieved as a result of these measures. This factual and objective review of the I.L.O., it is to be hoped, will greatly facilitate the task of assigning a proper role to the handloom sector of India's textile industry.

The survey of the position of handloom industry clearly underlines the fact that the preservation and improvement of this industry will be conducive to the general economic development of the country. For one thing, the industry is highly labour-intensive in character, providing as it does employment for about 1.5 million weavers (at the rate of 1.25 worker per loom for 1.2 million active handlooms out of the 2,674,900 looms registered in 1959); the total population depending on the industry is placed at 10 million (August 1958). For another, the industry fulfils a felt need in the Indian economy, its current annual output rate of 1,800 million yards being sufficient to meet over 28 per cent. of the estimated domestic cloth offtake of 6,400 million yards. It may be noted here that, in certain specialised fields such as carpets, silk *saris*, solid-bordered *dhotis* and *angavastrams*, coloured *saris* from medium yarn, double-yarn towels, *lungis* and Madras handkerchiefs, the handlooms will always have a place, even if the present policy of State protection is withdrawn and the industry is left to the free play of competition with mills and powerlooms. And what is more, the industry has shown, according to the I.L.O. Study, remarkable adaptability to the challenge of the times, in production techniques (throw-shuttle to fly-shuttle and more recently towards still improved types of looms), the variety in production catering even to foreign consumers, and its methods of organisation.

State Aid

Nevertheless, the progress in the development of the handloom industry has not been as rapid or as steady as it ought to have been and much of what has been achieved is as a result of State initiative and provision of a closed market for the handlooms. The I.L.O. has done well to highlight this aspect. The State has been assisting the development of handloom industry through reservation of spheres of production, a ceiling on the capacity of the mill sector, imposition of a cess on mill-made piecegoods on top of a heavy excise duty from which handloom goods are exempt, arrangements for the supply of raw materials, co-ordination of research, training, etc., grant of loans and subsidies, remission of all direct and indirect taxes, and rebate on sales of handloom cloth. The total expenditure on handlooms met out of the Cess Fund (by way of loans and grants) in the more important States during the period 1953-54 to 1957-58 is given below:

(In lakhs of Rs.)

Andhra Pradesh 417.9; Assam 31.7; Bihar 132.2; Bombay 198.5; Kerala 75.1; Madras 636.7; Madhya Pradesh 104.7; Mysore 118.8; Orissa 70.8; Punjab 22.1; Rajasthan 26.4; West Bengal 104.5; Uttar Pradesh 191.0.

N.B.—The scheme of grants is mainly intended for development, training, research and marketing activities, while loans are meant for working capital and commercial operations.

The I.L.O. Study also supports the well-known criticism that the stability of handloom industry has been established at the cost of consumers. To quote it:

"It is well recognised that the prices of handloom fabrics are higher than those of mill products. In other words, the same varieties could be produced at cheaper rates by mills. There is a limit to increasing the productivity of handlooms and lowering the cost of their end-products, and no amount of improvement will make the handloom goods cheaper than mill goods. The incidence of reservation of spheres of production, the rebate scheme and the excise duty on mill cloth is ultimately borne by the consumer."

The I.L.O. further points out that the large weaving population dependent upon the handloom industry is, at the same time, the *raison d'etre* for a State policy of protecting and fostering this industry and an impediment to a quick solution of the problem of handlooms. It no doubt feels that extensive subsidising of the industry and the population dependent upon it would seem to be called for till a time comes when employment opportunities in other fields expand to such an extent as to drain away considerable numbers off depressed industries like the handlooms, agriculture and several handicrafts. But it emphasises the need for a comprehensive long-term plan aimed at freezing the looms at their present strength, improving productivity and thus freeing the underemployed and "sweated" women and children among weavers, and introducing power in the industry in stages when cloth consumption in the country begins to rise in future years.

Solutions To Problems

The Indian Branch of the I.L.O. has offered solutions to some of the pressing problems confronting the handloom industry. On the organisational side, it does not seem to be satisfied merely with the present official policy of encouraging and assisting the substitution of middlemen by co-operative weavers' societies. It advocates assistance to looms outside the co-operative fold also. In its considered opinion, apart from purchase and sale depots and financial aid through finance corporations, the formation of joint-stock companies of master weavers and a separate co-operative marketing organisation for these looms will be useful. As regards production, the I.L.O. Study makes the following suggestions:

Yarn supply: The problem has been tided over due to improvement in the general situation. So far as disparity in yarn prices is concerned, the policy of setting up co-operative spinning mills may alleviate the situation, but caution should be exercised to ensure that there is no oversupply of yarn in the market. In regard to Madras State, the complementary character of the spinning mill industry may be utilised in obtaining collective contracts for the supply of yarn for the handlooms. An ideal solution would be to allot a definite number of spinning units to the handlooms as part of future textile policies.

Techniques of production: A general conclusion is that, in spite of the impressive advance made in introduction of improved methods and appliances, there is still considerable scope in this direction. Higher productivity is a must if the industry is to stand on its own feet. To reduce the quantum of work on preliminary processing, it has been suggested that centralised warping and sizing sheds should be set up. The possibility of weaving sheds where handloom weaving can be carried on also might be explored, especially in view of the fact that, under the conditions obtaining in industrial co-operatives and master weavers' *karkhanas*, the per-loom production is higher.

Power and automatic processes: The use of these, suggested by the Textile Enquiry Committee, has raised controversy in recent years, mainly due to the fear that such a change will lead to unemployment. Even though in the short run these fears may be genuine, it is at the same time true that, in the long run, only these methods will enable the industry to prosper. There are several inherent characteristics of the weaving population which inhibit a change-over to power and automatic processes. These are, briefly, the size of the population involved, the limited market and the family-nature of the occupation. But these difficulties may become less acute in the future due to growing population and increase in cloth consumption.

The I.L.O. considers that the existing financial assistance to handlooms is inadequate. It wants an upward revision in the limit for granting working capital loan from Rs. 300 per loom (in the co-operative sector) to Rs. 500, the establishment of a co-operative financing agency (as separate from a finance corporation for looms outside the co-operative field), and a strengthening of the resources of the apex societies in their marketing and purchase activities.

Economic Conditions of Weavers

A brief reference is made in the I.L.O. Study to the economic conditions of weavers. While employment has been extended and underemployment reduced, there has not been any increase in the weavers' standard of living, because there has not been any substantial rise in real earnings mainly on account of a rise in the price level. The following statement shows the percentage of weavers belonging to various monthly earning groups in April 1956 and December 1958:

Earning group (Rs.)	April, 1956	December, 1958
0-10	5.9	4.8
11-20	13.0	9.0
21-30	17.5	11.5
31-40	17.1	12.4
41-50	12.2	13.3
51-60	10.9	12.8
61-70	6.6	8.3
71-80	5.9	6.6
81-90	3.9	5.1
91-100	2.8	4.7
Over 100	4.8	11.5

Characterising the continued low level of wages as a serious problem, the I.L.O. says that it "becomes all the more complex, because of the fact that any increase in wages will go towards increasing the price of handloom cloth which will adversely affect its competitive position *vis-a-vis* mills; this is the crux of the problem concerning weavers' earnings." Elucidating this point, it observes:

"Much leeway still remains to be made in regard to economic conditions of weavers. Data regarding their family budgets reveal the grim fact that, even for their subsistence, they have to borrow. In a much truer sense, the possibility of a better life for the weaver is intimately bound up with the prosperity of the industry and it would seem that the weavers' low standard of living will have to continue for some time to come. The only palliative measure adopted so far is the housing colonies. Even here, the repayment of instalments due on houses were found to be in arrears, in view of the low earnings of the weavers. In this connection, it may be worthwhile to consider giving these houses on a low rental basis. Another measure to assist the weaver might be the adoption of the thrift fund (contributed on a yardage basis) scheme, in force in Madras State, in other States also. It has been seen that the weavers in the industrial co-operatives and handloom factories represent the loomless weavers. At present, these weavers are not admitted to weavers' co-operative societies, since possession of a loom is an essential prerequisite and in view of the State policy of not encouraging an increase in handlooms. Setting up industrial co-operatives has been the only measure adopted so far for these weavers. Besides, the erection of weaving sheds attached to weavers' societies from surplus looms has also been suggested."

The I.L.O. is quite correct when it says that the significant improvement in the sales of handloom cloth in recent years has been due, to a pre-eminent extent, to three factors, namely, excise duty on mill cloth, reservation of spheres of production and rebate on sale of handloom cloth. It seems to suggest that these measures should be continued for some time to come. Supporting, in particular, the rebate on sale of handloom cloth, the I.L.O. recalls the view of the Handloom Seminar held at Madras in June last year that even a reduction in the rate of rebate has had very adverse effects on the quantum of sales. It also feels that the continuance of the rebate would seem essential from another viewpoint also, this being that even a short-term slump in the industry will lead to a worsening of the conditions of weavers, neutralise the progress made so far and widen the handicap that the industry has *vis-a-vis* the mills and the powerlooms.

The need for adopting measures designed to give a certain amount of support to handloom weavers cannot be disputed, but only it should not be at the expense of either the more efficient mills or the consumer. It is certainly not economics to penalise one sector for the sake of benefiting another sector, especially when that sector is capable of delivering goods to the community at a much cheaper cost. If this cottage industry is not to be condemned to the status of a relic of primitive economy or as a symbol of sweated labour with a miserably low standard of living, it has no alternative but to shrink in size by the adoption of improved methods of production. Palliatives or such short-cut remedies as those designed to promote sales of cloth will only perpetuate the present uneconomic character of the industry.

LABOUR DISPUTE IN MADRAS

Following the strike notices served by the Coimbatore District Textile Workers' Union on the managements of 80 mills in that region with effect from the 15th inst., the Madurai Textile Workers' Union have also served similar notices on 23 mills in the area, to be effective from the same date, if the Wage Board's recommendations are not implemented. The Madras Labour Union has also served a notice of strike on the management of the Buckingham and Carnatic Mills. The Union claims a membership of 12,500 out of the total 14,500 workers employed.

All clerical staff unions in Madras have been asked by the Tamilnad Textile Staff Co-ordination Committee to serve strike notices on their employers. Further, they have been asked to make "effective preparations" for conducting the strike from the 15th inst.

STILL MORE SCRAPPING OF MACHINERY

CONTROVERSY OVER MARKING OF IMPORTS

From Our Special Correspondent

MANCHESTER, 21*st June*

MANCHESTER LETTER

ANYONE who assumed that the current reorganisation scheme in the Lancashire cotton and allied industries would mark the end of scrapping of machinery was answered by Mr. S. L. Mason, Chairman of the Rayon Weaving Association, at what will probably be the last annual meeting of this organisation. "The phase of scrapping looms is by no means completed," he declared. "We must have the most up-to-date equipment; new looms, both automatic and *non-automatic*, must run on shifts; so must automatic looms already installed; but if this must inevitably result once again in overproduction, large-scale investment in re-equipment will be approached with little enthusiasm."

Planning to avoid overproduction was the answer, he asserted, and year by year old looms and other machinery would need to be scrapped. As the new plant was installed and output increased by the extension of shift-working, the old machines should be thrown out on becoming redundant.

Raising another vital point, Mr. Mason discussed the amalgamations now taking place in the industry, both in firms and associations. The industrial and commercial pattern in the whole country, he said, was changing rapidly and in every industry power was becoming concentrated more and more in the larger groups. The weaving section, he urged, by strengthening its links vertically, must get closer to its suppliers and its customers and by organising itself into larger weaving units, combine flexibility with mass production.

Future of the Board

A draft scheme for the merging of the functions of the Rayon Weaving Association with the Cotton Spinners' and Manufacturers' Association will soon be ready, he confirmed. The vital interests of the man-made fibre weavers would be preserved, while there is apparently wholehearted support for the amalgamation within the membership of both organisations.

It is somewhat strange that one of the first salvos to be fired against the Cotton Board, now that the time is approaching for the regular five-yearly review of its activities, should have come from the man-made fibres section. The annual report of the Rayon Weaving Association referred to the much greater impact which the Cotton Board was likely to have on this branch as the various sectors of the textile trade are drawn closer together.

Without quite putting into words a suggestion that the Board shoud be radically overhauled, if not abandoned in its present forms, the Association said: "There may be no advantage in the future in having interposed between the industry and the Government a body on the lines of the Cotton Board." On occasions there could even be disadvantages from the industry's viewpoint, the report added, as it could be a channel into which the Government could steer matters when it wished to avoid dealing directly with the industry itself.

Showing the Origin

Marking of imported textiles is a topic on which considerably divergent views are being expressed within the industry. Many traders feel that some indication should be given to the ultimate consumer of the origin of the goods available, so that an opportunity is presented to differentiate between purchases. Others contend that the buyer is not really interested in this aspect of the garment and that, in any case, it is virtually impossible to mark the majority of goods effectively.

Among those who take the latter view is the Cotton and Rayon Merchants' Association, which has submitted a detailed memorandum on the matter to the Committee on Consumer Protection. This document sets out the function of the converter, emphasising that to him grey cloth is just as much a raw material as cotton is to the spinner and yarn to the weaver. The conversion of cloth, in fact, is entirely in the hands of such traders, who specify or select the construction of the fabric and the nature of the finish to be given to it.

The Association boldly asserts that it has no evidence of any complaint on the part of either the consuming public or retailers of inferior quality due to the use of imported grey cloth. "Nor," it adds, "has it any evidence of any true consumer interest in the origin of grey cloth."

The major argument presented by the Merchants' Association in their case is that the marking of products with their grey cloth origin would be administratively cumbersome and impossible to police. Pointing out that tens of thousands of manufacturers make finished cloth into countless types of consumer goods, the Association observes that there are many accessories in garments which often have different origins in themselves, while several types of cloth are often used in the same garment and these again may have different origins. The cost of marking would be immense and the difficulty of detecting offenders would be equally complicated.

American Imports Threat

A new threat to British textile weavers—this time from the United States—is disclosed in the annual report of the Rayon Weaving Association. It describes "a tremendous growth" in imports of American man-made filament fabrics in the early months of this year, following the relaxation of dollar restrictions.

Up to November last, arrivals of United States cloth were negligible, amounting to only 156,000 yards in the first eleven months of 1959. In the following three months, the report reveals, imports aggregated 1,743,000 yards, and if maintained at the February level, would reach an annual rate of 10½ million yards—nearly double the volume of all retained filament fabric imports in 1959.

"This development constitutes a serious menace to British filament weavers," comments the Association.

Most of the imports are understood to be lightweight nylon fabrics. Ways and means of meeting the threat have already been discussed with representatives of British Nylon Spinners Ltd.

Retained imports of spun rayon fabrics have been steadily increasing over the last few years. In 1959, the rise was mainly due to a large increase in arrivals from Italy, coupled with smaller increases from Western Germany and Spain.

In Ten Years' Time

Few other industries have been so frequently investigated as the cotton mills of Lancashire. The latest in a long line of surveys has been prepared by the Research Department of a London merchant banking organisation. With considerable daring, the authors seek to estimate the future economic size of the industry, forecasting cloth production of cotton and man-made fibres by 1970 at approximately 2,440 million square yards which represents a rise of about 16 per cent. from the 1958 level.

On the apparel side, demand during the next decade should be affected by the anticipated rise in population of about 5 per cent. In this connection, it is important to remember that, in the 20 to 35 age group, the population should increase by nearly 12 per cent. By 1970, disposable consumer income could reach a figure of nearly £18,000 million—roughly 35 per cent. higher than in 1958. Expenditure on clothing, on the same ratio, could rise by some 27 per cent., from 950 million square yards in 1958 to 1,200 million square yards in 1970.

The demand for household fabrics is also likely to increase in accordance with the growth in population. The survey forecasts that, by 1970, a rise of over 6 per cent. above the 1958 level may take place, representing 560 million square yards, as against 525 million square yards.

In the industrial category, demand should rise in line with industrial production by just over 3 per cent. per annum, so that in this section usage of cloth is likely to increase from 625 million square yards to around 900 million square yards.

"Future prospects for exports do not look favourable at all" is the comment of the authors of the report on the overseas trade position, stressing that competition from Japan is becoming more intense. This is already strongly evident in Australia, while in Britain's second largest market, West Africa, not only is there mounting Japanese competition but India has also increased its shares of the available business. Chinese rivalry may also be encountered in the decade ahead.

In 1958, Lancashire's exports of cotton goods amounted to about 25 per cent. of its production, but the world figure was nearer 12 per cent. By 1970, the authors forecast, exports of cotton and synthetic fabrics are liable to be running at between 250 million and 350 million square yards annually.—*All Rights Reserved.*

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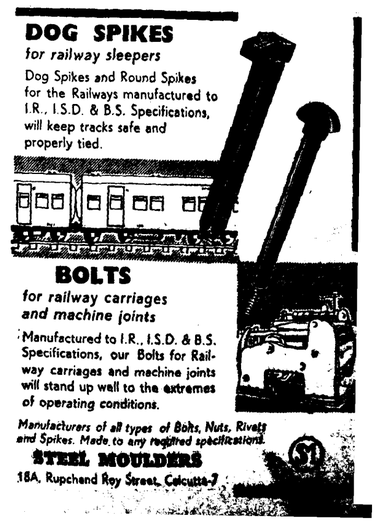

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PRICE CONTROL ON COTTON HAS ALWAYS BEEN INEFFECTIVE

NOMINEE SYSTEM WILL ONLY MAKE MATTERS WORSE

By N. Chakravarty

PRICE control on cotton was imposed in 1943 as a corollary to a similar measure on cloth introduced in the same year. Control on cloth was finally lifted in 1953, but that on cotton was retained for the reason that, when supply was short, mills must be helped to get the raw material at lower rates to enable them to hold the price line of cloth and that cotton should not be allowed to compete with food crops for the limited supply of land available for cultivation. But, controls notwithstanding, prices of Jarilla and Vijay—two principal varieties of Indian cotton—crossed their respective ceilings by Rs. 100 to 175 in 1948, 1949, 1950 and 1951 when availability was insufficient. While Jarilla prices remained lower thereafter due to higher production, Vijay again pierced the ceiling by Rs. 60 in 1956. This year the rates of these and several other varieties have ruled Rs. 150 to 175 over the ceilings due to a major crop failure. The forces of supply and demand have determined the prices. The statutory ceilings have not, in any way, checked the rising prices when cotton has been in short supply.

The reason for this failure is not far to seek. Of several stages through which cotton passes, the primary one is *kapas* (unginned cotton), the second is ginned cotton and finally yarn and cloth. The present control order applies only to the second stage and the two outer ends remain free from any price restrictions. As *kapas* is out of control, its prices must necessarily fluctuate by the supply and demand position. Cloth prices have, therefore, to be based on purchases of cotton, which is dependent on *kapas* rates and these rates may have no relation with official ceilings on cotton. The mills have to respect the ruling rates and adjust accordingly. The prices of coarse and lower medium cloths have risen by 25 to 30 per cent. over the last eleven years. The cotton control policy has proved to be basically unrealistic and redundant. It has not been able to play the role for which it was designed. The cotton trade is concerned with the controlled stage—ginned cotton—and is responsible for storage and distribution of the entire cotton crop of the country. It is the vital link between the grower and the manufacturer. The mills are prohibited from purchasing *kapas*. The trader is expected to buy it at whatever rate the grower demands, do the ginning and deliver the cotton to mills at officially fixed rates which may be lower than the *kapas* purchase parity. As a result, the trader becomes the victim of an extremely perilous position.

Implications

Thus, the actual implications of the present control policy are: (*a*) The grower shall not be concerned with the control prices of cotton; he is free to dictate the price of *kapas*. (*b*) The mills readily pay the prices of cotton based on *kapas* rates. In the absence of price control on yarn and cloth, the prices of these are safely raised and the consumer ultimately pays all increases in the prices of cloth. It is, therefore, a pertinent question to ask: For whose benefit is the Government so vigorously pursuing the illogical policy of price control? The situation, therefore, requires to be reviewed from the true perspective. Evidently, as no section of our people derives any real benefits from this policy, price control on cotton should be abolished immediately. The present system of quota allocation to mills, however, may be retained, in order to regulate purchases by them and help in the equitable distribution of cotton among the mills. This measure, coupled with a judicious import and export policy, is sufficient to hold the prices of indigenous cotton at reasonable levels.

It is said that there is a possibility of stricter controls by introducing the "nominee system" through which all Indian cotton would be distributed to the mills. Apparently, the authorities want to tighten the controls further and plug the loopholes in a desperate attempt to enforce the ceilings. But more and more controls are no answer to the problem created by an acute shortage of cotton. So long as prices of *kapas* on the one side, and yarn and cloth, on the other, are allowed to be determined by their supply and demand position, the prices of ginned cotton cannot be successfully controlled. If pre-sale survey of ginned cotton which is a part of the "nominee system" is enforced, then, as soon as *kapas* prices tend to rise beyond the ceiling parity of cotton, widespread mixings will be resorted to in a bid to keep the rates of cotton within the fixed schedule. The adverse effects of this scheme, if put into action, will be far too many. In the first place, as *Commerce* pointed out a few weeks ago, the admirable efforts of the Indian Central Cotton Committee in the direction of purifying seeds and maintaining the improvement in quality of cotton will be nullified. Secondly, a discrimination against cotton will have been made in relation to all other agricultural commodities and this will act as a marked disincentive for its intensive cultivation and higher production. Thirdly, cotton trade all over the country will come to a standstill; this will result in great unemployment, affecting numerous people. And, fourthly, the mills would have to accept cotton the quality of which cannot be selected by them. This situation will be wholly abhorrent to the manufacturers, since they will then be compelled to utilise unsuitable cotton which, in turn, will disrupt production and lead to lower efficiency, thereby resulting in increased costs. It is imperative for the mills to have the freedom to procure the right type of cotton of their own choice in order to ensure sustained quality production.

Increase in Ceilings

An increase in ceilings is another alternative that is being suggested as a solution to the present situation. Reports from New Delhi suggest that the authorities prefer this course, evidently on the score that it is the lesser of the two evils. If a general rise in ceilings of cotton is granted to recognise the fact that the present prices which are above the ceilings are legitimate, then the very purpose of the control policy stands defeated. If, again, in future, supply falls short of demand and prices pierce the revised ceilings, the new prices would have to be given due official recognition. This sort of action is only a palliative and not a cure. Ultimately, it may render the problem a vicious and chronic one.

The impracticability of successfully enforcing price control on cotton will be very clear from the table below. Besides, the utility of such modes of restrictions on price of cotton has long outlived itself. At the last meeting of the Cotton Advisory Board, while stray suggestions were advanced for an upward revision of floors and ceilings, the majority in the Board, including the Indian Cotton Mills Federation, the Ahmedabad Millowners' Association and the Cotton Buyers' Association, was in favour of decontrol of prices. It is to be hoped that the Government will take prompt steps in this direction and, without hesitation, do away with the price control on cotton.

EGYPTIAN COTTON

Reports from Bonn state that an Egyptian delegation will visit West Germany in search of official long-term commitments to buy Egyptian cotton at guaranteed prices. Such an arrangement, it is pointed out, although in line with Egypt's State-controlled system of handling bilateral trade, would be strictly opposed to Germany's free trade system under which private importers buy cotton customs-free from any source, in any amount, and at any price they care to agree to. German trade quarters believe that the Egyptian system, although it accounts for 70 per cent. of Egypt's exports, will not replace the system by which Germany imported $14 million worth of Egyptian cotton in 1959, out of total German imports from Egypt worth $22 million. Egypt seems to be seeking guaranteed cotton markets in the free world, because it has found that Russia and its satellites are no longer satisfactory outlets.

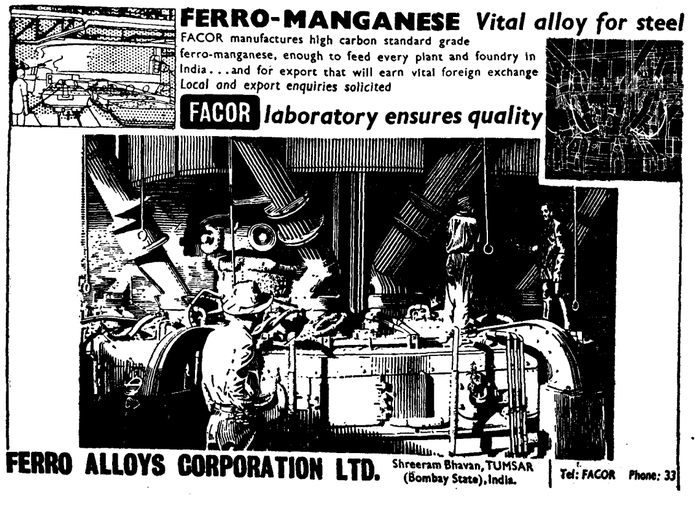
Barter deals have enabled Russia and satellites to take excessive amount of Egyptian cotton which they have used to dump on free world markets at less than the purchase price, thus underselling Egypt. This narrowed free world markets for cotton sold by Egypt and depreciated the value of Egyptian currency abroad. Further barter deals with individual countries of the free world are said to have been impaired by the Communist resale price pressure.

(*Continued on page 37*)

Table showing availability of Indian cotton to mills from current crop and consumption, as well as actual prices prevailing in the Bombay Ready Market

Year	Availability to mills from current crop	Consumption by mills	Actual prices in Bombay		Statutory ceilings of	
	(In thousand bales of 392 lbs.)		*Jarilla*	*Vijay*	*Jarilla*	*Vijay*
			Rs.	Rs.	Rs.	Rs.
1947-48	..	2,863	673 to 752	748 to 925	530	..
1948-49	1,429	3,125	660 to 705	810	620	690
1949-50	2,470	2,540	Nominee system	805 to 965	620	690
1950-51	2,820	2,520	865	965	770	840
1951-52	3,290	2,990	835 to 575	945 to 725	820	925
1952-53	3,090	3,610	660 to 794	790 to 950	820	925
1953-54	4,180	3,890	660 to 794	831 to 950	820	925
1954-55	4,700	4,140	695 to 750	820 to 900	820	925
1955-56	3,720	4,370	763 to 805	875 to 1,000	820	925
1956-57	4,550	4,660	795 to 825	860 to 910	820	925
1957-58	4,808	4,433	770 to 775	895	820	925
1958-59	4,520	4,500	650 to 780	771 to 911	820	925
1959-60	3,600*	4,250*	960 to 990	1,060 to 1,075	820	925

* Estimated.



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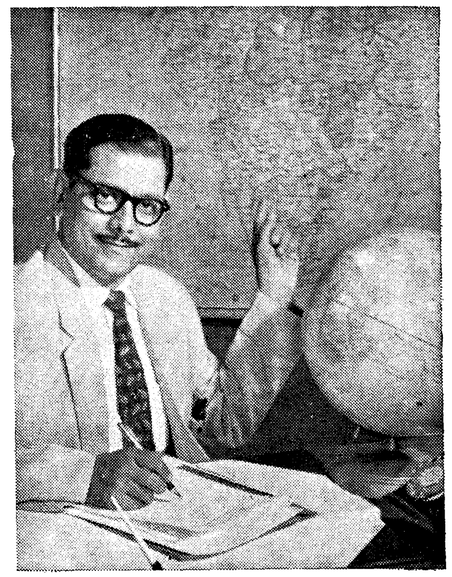

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SUGAR CO-OPERATIVES IN BOMBAY

THEIR PRESENT POSITION AND FUTURE DEVELOPMENT

A MOST striking feature of development in the Indian sugar industry in recent years has been the setting up of a large number of factories by cane growers on co-operative basis. This is the result of Government's policy of giving high priority to co-operatives in preference to joint-stock companies and providing enormous financial assistance, as well as managerial personnel. Actually, during the 1958-59 season, 21 co-operative factories were in the stage of production, though the total quantity of sugar manufactured was no more than 9.3 per cent. (179,000 tons, to be precise) of the aggregate sugar output of 1,904,000 tons, according to the latest annual Administration report of the Bombay State Co-operative Bank Ltd. The number is expected to increase to 31 by the end of the current Plan period (March 1961), the estimated daily cane-crushing capacity and actual annual rate of sugar output being 31,000 tons and 420,000 tons, respectively. Out of these, the erstwhile Bombay State alone will account for 21 units, including the 14 mills which were in production during 1958-59.

The progress in the establishment of co-operative sugar mills is thus quite notable, but, as mentioned at the outset, it must be attributed largely to official patronage and spoon-feeding. A very large part of the funds required for starting the sugar co-operatives has been met by the State, partly through direct contribution to the equity capital by the State Governments concerned and partly through loans granted by the State-owned and State-controlled Industrial Finance Corporation (I.F.C.), as well as other financing agencies. This aspect is clearly borne out by the following table which relates to the 17 units registered in the last year of the first Plan (this number excludes one factory which was registered but had not received factory licence) during 1958-59:

(In lakhs of rupees)

Owned resources—		
Government		178.00
Members		349.61
Funds		216.93
Deposits		91.68
	Total	836.22
Borrowings—		
I. F. C.		579.26
C. F. A.		585.12
	Total	1,164.38
Working capital		2,088.91†
Fixed capital expenditure		1,697.17
Cane purchased		529.98
Manufacturing expenses		74.42
Profit earned		6.05*
Total daily cane-crushing capacity	(tons)	15,300
Sugar output	(tons)	136,079

I.F.C.—Industrial Finance Corporation of India.
C.F.A.—Central Financing Agencies.
* Out of the 17 units, 11 factories earned a total profit of Rs. 20.68 lakhs, while 5 units incurred a loss of Rs. 14.63 lakhs and one unit neither made profit nor incurred loss.
† Most of this is provided by co-operative banks.

Bombay State

In the Bombay State, the 14 co-operative sugar mills working during 1958-59 together produced 134,000 tons of sugar, that is, 74.9 per cent. of the output in the co-operative sector of the country, and 42.0 per cent. of production (319,000 tons) in the State. One factory completed the erection of machinery but could not commence operation, two received factory licences but only one placed orders for equipment during 1958-59, and one unit had to wait for the licence. After the close of the year, proposals were submitted to the Central Government for licensing four societies, including the one which had been on the waiting list since October 1956. Out of the 18 societies presently registered in the old Bombay State, 12 were financed by the Apex Co-operative Bank, two by Central Co-operative Banks and one by a commercial bank, while, in the case of the remaining societies, the financing agency will be decided after the licence is obtained.

Although the number of co-operative sugar mills engaged in production in Bombay State during 1958-59 was larger at 14, as against 9 in the previous season, and the installed capacity was augmented by a little over 50 per cent. from 1,315,000 tons of cane to 2,010,000 tons of cane, the quantity of cane actually crushed rose only by 24.2 per cent., from 962,000 tons to 1,195,000 tons. This was due to three factors. First, four factories financed by the Apex Bank were suffering from teething troubles. Secondly, the oldest factory experienced shortage of cane on account of inadequate water-supply. Thirdly, the cane supply in Ahmednagar and Nasik districts was adversely affected by disease. Nevertheless, the sugar output was higher by 30.8 per cent. at 1,349,377 bags, thanks to the improvement in the percentage recovery of sugar from 10.83 to 11.41.

Heavy Borrowings

The co-operative sugar mills rely exclusively on their financing agencies for working capital requirements, but they are expected to raise, over a period, their own capital resources and reduce their dependence on outside borrowings for financing capital expenditure. Justifying such an expectation, the Report observes:

"The factories are expected to raise share capital from their members at the rate of Rs. 1,000 per acre and are assured of a contribution to their share capital of Rs. 19 lakhs by the Government. In addition to the contribution to the share capital, the members are expected to place at the disposal of their factories compulsory non-refundable deposits at a rate fixed by the Board of each factory for each year. The deposit money fixed per ton of cane crushed is deducted by each factory out of the price payable for cane to the member. Each factory is also expected to build up reserves and other funds out of profits. Thus, over a period, the sugar co-operative factories are expected to rely on their own resources for financing capital expenditure. In the initial stage, however, the pace of capital formation is inevitably slow on account of difficulties experienced by cultivator-members in squeezing savings out of modest earnings for fully paying for the shares and by the factories in acquiring deposits from their members and ploughing back funds out of profits on account of teething troubles in connection with the operation of their plants. On the other hand, the rise in capital investment during the past three years has necessitated capital resources of a high order. The main source of bridging the gap is, therefore, the Industrial Finance Corporation which sanctions loans to each factory against the security of fixed assets and the guarantees of the Central and State Governments."

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The working of five units (Pravara, Rahuri, Ashok, Ganesh and Shri Ram) which can be said to have attained normal operational efficiency, the Administration Report points out, justified expectations. During 1958-59, we are told, these factories augmented their own resources by Rs. 128.50 lakhs to Rs. 372.67 lakhs, whereas, at the close of 1955-56, the total was Rs. 166.06 lakhs only. Their net investment at the close of 1958-59 was Rs. 598.19 lakhs, of which 62.37 per cent. was financed by the factories themselves. In the case of six factories (Girna, Bhogawati, Shetkari, Kodinar, Warna and Panchganga) which were expected to have trial runs in 1958-59 and of which one could not, the main sources of capital formation were the share capital and the reserves, deposits constituting a fraction of their own resources. The aggregate owned resources of these factories, therefore, amounted to Rs. 171.34 lakhs only, as compared with their net capital expenditure of Rs. 473 lakhs.

The aggregate loans sanctioned by the I.F.C. to the five factories mentioned earlier till the end of 1958-59 amounted to Rs. 231.50 lakhs, of which Rs. 210.50 lakhs were drawn, while the outstandings at the close of the year were Rs. 195.03 lakhs. The remaining six factories were sanctioned loans by the I.F.C. to the extent of Rs. 335 lakhs. It was also expected that additional loans for Rs. 50 lakhs would be sanctioned by the I.F.C. in view of the rise in capital investment. Out of the sanctioned limits, the factories drew Rs. 274 lakhs. The gap between the resources made up of owned funds and loans from the I.F.C. and the capital investment was bridged by the Bombay State Co-operative Bank.

B.S.C.B's Role

The role of the Bombay State Co-operative Bank in financing the capital expenditure of the aforesaid 11 factories continued to be dynamic during 1958-59, inasmuch as it provided funds pending receipt of loans sanctioned by the I.F.C. and also medium-term loans for amounts left uncovered by owned resources and the I.F.C's lendings. The Bank also granted cash credit even when a loan application was under the consideration of the I.F.C., the whole object being to ensure that finance should not be a bottleneck and that the erection of the plant should not be delayed. On their part, the factories ensured that the available capital expenditure was postponed. The total amount outstanding on account of loans sanctioned pending receipt of money from the I.F.C. was Rs. 114.78 lakhs as on 30th June 1959, while that on account of medium-term loans against Government guarantee aggregated Rs. 200.90 lakhs (including Rs. 29.40 lakhs allowed for payment of deferred instalments).

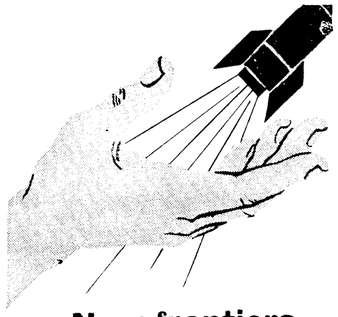
Further, the Bank also provided working capital to sugar co-operatives. The total loans sanctioned to the five factories in Group A amounted to Rs. 313 lakhs, made up of Rs. 35 lakhs pledge credit, against which the outstandings as on 30th June 1959 were Rs. 156.57 lakhs made up of Rs. 27,000 under clean, Rs. 1.07 lakh under hypothecation and Rs. 155.23 lakhs under pledge credit. Out of the six factories in Group B, which were expected to be in production for the first time during the year under review, one did not and two had only a very short season, and the remaining three had a trial season full of teething troubles. Credit sanctioned amounted to Rs. 251 lakhs, that is, clean credit Rs. 21 lakhs, hypothecation credit Rs. 45 lakhs and pledge credit Rs. 185 lakhs; but the utilisation was poor and the outstandings on the last day of 1958-59 were Rs. 10.57 lakhs, Rs. 14.52 lakhs and Rs. 25.34 lakhs, respectively, making a total of Rs. 50.43 lakhs only.

The credit limits sanctioned by the State Co-operative Bank reached a new massive level of Rs. 12.73 crores in 1958-59, as compared with Rs. 9.13 crores in 1957-58, while outstandings at the close of the year were of the order of Rs. 5.23 crores, as against Rs. 4.45 crores a year before. The exact position is summarised below:

(In lakhs of rupees)

	Sanctioned limits for		Outstandings on	
	1958-59	1957-58	30-6-59	30-6-58
For capital expenditure :				
Cash credit pending receipt of I.F.C. loans	385.00	362.25	114.78	186.97
Fixed loans against Government guarantees	...	137.50	...	2.63
Special loans without Government guarantees	...	19.69	...	20.28
Medium-term loans against Government guarantees	323.07	59.44	200.90	58.74
Total	708.07	578.88	315.68	268.62
For working capital	564.00	334.00	207.00	176.09
Grand total	1,272.07	912.88	522.68	444.71

(Continued on page 47)



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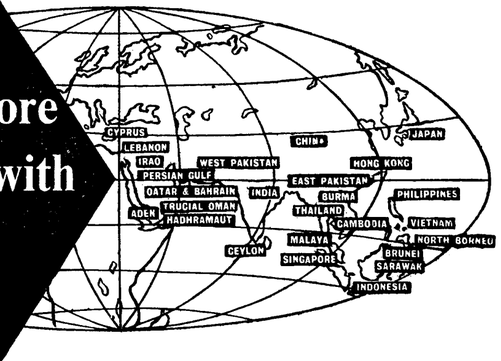

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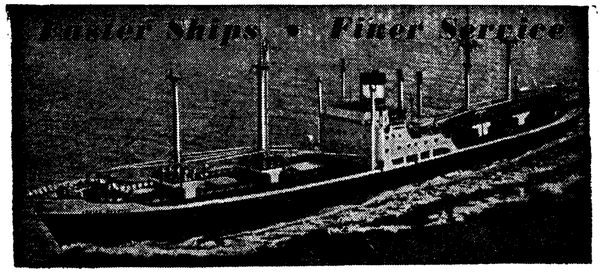

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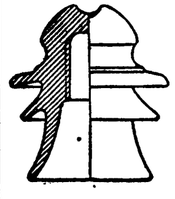

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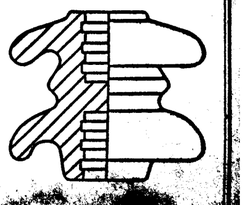


THE BUSINESSMAN AND GOVERNMENT IN THE UNITED STATES

By Clarence B. Randall

[While Chairman of the Board of Directors of the Inland Steel Company, Chicago, Mr. Randall served as Chairman in 1953-54 of the Commission on Foreign Economic Policy (the so-called Randall Commission) which made recommendations to the President in the field of foreign economic policy. Subsequently, he served as Special Consultant to the President (1954-56) and, upon his retirement from business in 1956, he became Special Assistant to the President and Chairman of the Executive Branch's Council on Foreign Economic Policy.]

IN order to understand the contribution which a businessman can make to our (that is, the U.S.) Government, and the close relationship that must always exist between our Government and our economy, one must understand the American business system itself. Let me review some of the salient principles of our programmes of production as I see them.

Different people use different terms for describing private capitalism as practised in the United States. For myself, I like to call it a system of private opportunity and private responsibility. This private responsibility must be linked with public responsibility. A nation cannot retain its integrity, if private business does not have a sense of public consciousness which it shows by paying taxes honestly, by participating in public affairs, and by serving the Government when called.

Our way of life is based upon the proposition that, so far as possible, decisions that affect the economy should be taken by individual citizens, and not by the Government. We believe that each citizen should have freedom of choice in all matters that affect his own economic welfare, and to the maximum extent compatible with our collective security, that of the nation. The worker, for example, may select the position which he likes best from all those available, while the employer may select for a particular job any worker he prefers from all those who ask to be employed. Either the worker or the employer may terminate the relationship at any time.

Competitive Efforts

Carrying forward this principle of free choice by the individual, we believe in the free market. Each citizen may make his own decision as to what he will buy and when he will buy it. The sum total of all such decisions by all of the people when taken together determines the goals for industry, and establishes the rate of production. To protect his own interest, the manufacturer must, therefore, endeavour at all times to produce the highest quality of goods at the lowest possible prices. Competitive efforts by others who have similar products compel him steadily to improve his operating practices.

The capital required for the building of a plant and the purchase of equipment, as well as for the carrying on of production is secured from the public, and not from the Government. Shares of stock in the enterprise are offered for sale to the people, and here again there is complete freedom of choice. One man may decide to spend at once all that he earns, while another may decide to set aside prudently a certain part of what he earns as savings for the future. From such savings he may buy shares of stock in a particular enterprise if he has confidence in the management and believes that the venture will succeed. On the contrary, he may refuse to buy if he believes that the project will fail.

More Stockholders Than Employees

From this it follows that good management will succeed, and bad management fail. That this system is effective and that good management does attract the savings of the multitude of investors is proven by the fact that today many of our large companies have more stockholders than employees.

Carrying forward this principle of the free market, under which each person may buy the goods of his choice whenever and wherever he wishes, the United States has moved steadily ahead on opening its markets to the goods of other nations by the reduction of trade barriers. We favour the gradual reduction of tariffs and the relaxation of quotas. We believe that the consumer who buys needs protection from inefficiency at home, and we want him to be able to buy goods from abroad if they are better and cheaper. I would be the first to admit that not all businessmen have been happy about this programme, but it is now, in my opinion, firmly established in the national policy of the United States. From this it will be seen how closely the welfare of business and the welfare of the nation are interwoven.

Our Government does not have a direct part in either the ownership or the control of production. Its role is solely to guard by every means in its power freedom of choice for the individual citizen and the privilege of personal decision. We abhor the use of Government funds to subsidise business. We believe that no private industry which must have public support is entitled to survive, but, on the other hand, we abhor monopoly just as vigorously. We look to the Government to make sure by law that no person or group shall by private action interfere with freedom of choice by others. In other words, our Government is the servant of industry, but never the master.

Our Government does, however, have one special responsibility towards the economy and towards business, and that is the task of preserving the financial integrity of our country. A sound fiscal policy must at all times be pursued. Confidence in the stability of the dollar is the very bedrock upon which the expansion of our economy through private effort must for ever rest. In addition to this, our Government has the responsibility of guaranteeing and distributing to the industrial community the statistics about the economy which are so vital in all forward planning.

Government's Responsibility

Quite properly, our Government does take particular pains to stimulate the beginnings of new enterprises, those which have good ideas but small capital. For that reason, it maintains competent staffs of technical advisers, and, under certain circumstances, offers moderate-sized loans. Many a young man returning from military service at the close of the war owes his start in civilian life to the help he thus obtained.

The Government also has a vital interest in the development of our foreign trade. For those businessmen who are prepared to extend their operations into other countries, either by investing their capital overseas or by exporting their products, the Government makes available guarantees against such risks as war, expropriation, and the convertibility of currencies, and extends modest credits to those who are exporting their commodities. We must not forget, moreover, that the Government is itself the largest single customer of industry. Each year, it purchases enormous quantities of goods on the basis of awarding the orders to those who make the lowest bids.

All of this brings it to pass that businessmen are constantly visiting Washington, and Government officials are constantly visiting factories. This in itself has been a valuable medium for the interchange of thought between officials and businessmen, with a resultant benefit in the forming of policy. This closely interlocked relationship between day-to-day operation of the economy and the day-to-day administration of the Government has expedited the process of causing business executives to close their desks and enter Government itself, thus sharing the responsibility for taking the decisions that affect the entire economy.

Businessman's Contribution

Let me suggest, therefore, the values, in my judgment, which a businessman may contribute to Government. First of all, he brings with him his own expert knowledge of just how the economy functions, and of what activities of Government are appropriate in dealing with industry. He is apt to hold strong convictions on this subject based upon his own experience, but he is also apt to change some of those opinions after he has once participated in Government and faced the problems from the other side of the relationship. He is a much better man in Government, in my opinion, because of having had a part in the industrial regime himself.

In addition to this knowledge and experience, he brings skill in management. Just as a general must know military science, and an admiral naval science, so the officer who is to take heavy responsibility in the expenditure of large sums of public moneys requires a talent for, and special training in, administration. Not all men are born possessing this gift, and not all those who have it receive an opportunity to test their talent in the stress of practical experience. Business is such a testing ground. Private enterprise to survive must choose wisely men who are qualified to become administrators, must give them the required training, and must prove their skills in the daily competitive struggle. It is reasonable to expect, therefore, that those who have demonstrated outstanding capacity for administration in the business world will be able to adapt their skills to the discharge of similar responsibilities in Government.

Let me repeat that I do not mean for a moment that a man whose whole career has been spent in Government may not come to possess these same qualities in high degree, but a Government facing great tasks must seek this talent and experience wherever it may best be found.

Blending of Qualities

I hold the view that the unique strength of our administrative staff at this time in the United States lies in the fact that we rely upon a team of officials which is made up in part of career men, and in part of those drawn into Government from other careers. I like the blending of the qualities provided by the businessman with those possessed by the career professionals.

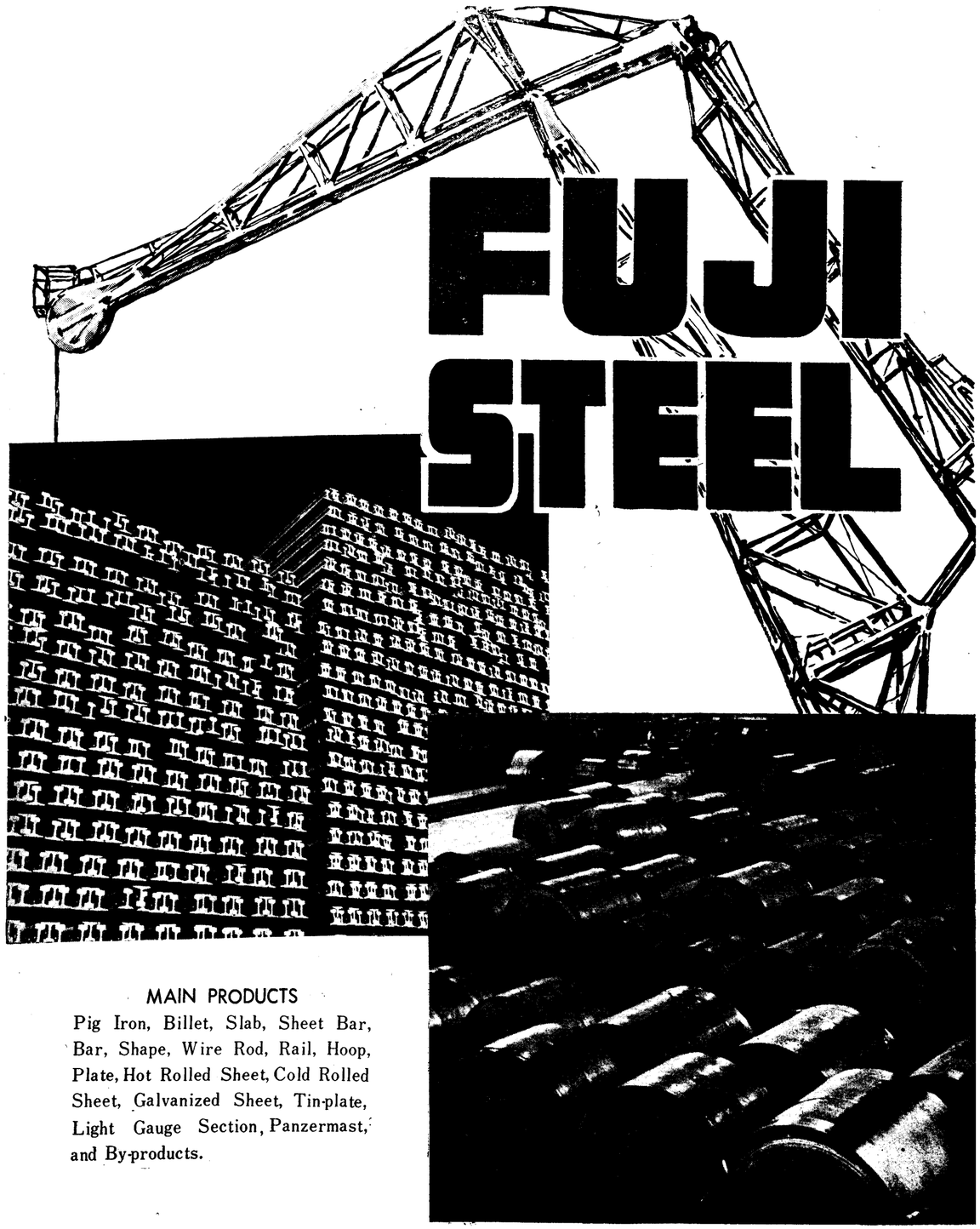
In a typical staff within one of our important departments, the two types of individuals will be found working side by side in a spirit of cordial friendship and mutual respect. Together they make a strong team. The businessman contributes knowledge of industry and the habits and skills of administration, while the career officer contributes knowledge of Government practices, warm perception of human values and political relationships, and great singlemindedness of purpose. Together they make a combination that results in better effort than would be true if either group were called upon to provide the entire staff.

Direct participation in Government in Washington in the forming of public policy is not, however, the only important field in which businessmen are called upon for service these days. They are also invited to accept positions of responsibility in representing our country abroad. But this is not all. Businessmen are often requested by Government to undertake short-term assignments and to serve as consultants on special problems, while still continuing their activities with their own enterprises. This is a practice which has been adopted by nearly all of the departments that are represented in the President's Cabinet.

High Level Commissions

The President also from time to time establishes high level commissions drawn from industry and other segments of the general public to make recommendations to him on specific matters. This programme which I have outlined, where businessmen take an active part in forming Government economic policy and participate in carrying out our important international commitments, has one weakness. We are all aware of it and know that steps must be taken to set it right. It is this. The businessman tends to give too short a time to his public service. Torn in his loyalty between his responsibility to his company and his desire to serve his country, he adopts too often the compromise of entering Government and leaving again before he has fully mastered his new duties and discharged his new responsibilities. This must be corrected. The environment of Government differs in many ways from that of industry. A substantial period of time is required to absorb the new subject matter, to learn the new administrative procedures, and to acquire confidence in the discharge of the new duties. Executives who thus volunteer their services must be persuaded to accept appointments for longer periods than has been the current practice. In my opinion, two years is the absolute minimum

(Continued on page 31)



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PROGRESS OF U.K. STEEL INDUSTRY

COMPETITIVE CONDITIONS FORESEEN IN SIXTIES

TRUE to its rich historic traditions, the British steel industry is preparing itself to meet the competitive conditions which it feels will develop in the current decade. In his foreword to the annual report (for 1959) of the British Iron and Steel Federation, the President, Mr. Richard Summers, avers that the "sixties will bring a much more competitive steel market." He feels that, as technical progress speeds up, steel will face a widening range of substitute materials, such as concrete, plastics and aluminium. But the British steel industry, according to him, is confident that "it can expand its markets in the face of this challenge."

Reviewing the developments in British steel industry in 1959, the report notes that the industry produced 20.18 million tons (ingot), as against 19.57 million tons in 1958. The total output of pig iron was 12.58 million tons, as compared with 12.97 million tons in 1958, which was, for statistical purposes, a 53-week year. In the current year, crude steel production is expected to reach and even exceed 24 million tons and pig iron production 16 million tons. Despite the impact of recession in 1958-59, when the domestic use of steel declined, the industry maintained the development programme at a very high rate. In each of the years, capital expenditure was running at a rate of about £100 million. In the current year, it is expected to spend £120 million. The industry, says Mr. Summers, is "committed in the most direct way possible to the belief in Britain's expanding economy."

Transport

Expansion of steel industry implies, as is well known, increased transport capacity. The report records that, during 1959, a number of wagons for the carriage of steel and raw materials were built and further attention was paid to the future building programme. For raw materials traffic, the current building programme is influenced by changes in companies' requirements. For some years past, it is stated, there has been an increasing use of tippler wagons for iron ore, resulting in a shortage of this type and in supplies of hopper wagons. To meet the changed circumstances, consideration is now being given to the use of tippler wagons of 33-35 tons carrying capacity. The British Transport Commission continued its development work on an automatic coupling to meet all operating requirements.

Over the year as a whole, cost changes were not appreciable. There were some increases in the cost of wages and of purchased materials and services. At the same time, certain cost savings accrued to companies from reductions in the price of ferro-manganese and a reduction in the ingot levy used to finance the operations of the Industry Fund. The main purposes of the Industry Fund are: (1) to bear the losses involved in the sale to the industry at home trade prices of higher cost imports of pig iron, scrap and semi-finished steel; (2) to carry temporary or abnormal elements in the cost of imported ore so as to ensure reasonable stability of selling prices; (3) to provide funds for central research, training, accident prevention and other appropriate common services; (4) to provide assistance on marginal high cost transaction when this can be justified in relation to the demand situation, the comparative cost of imports, and the need to make the best use of production capacity, and (5) to provide finance for investment in ore shipping and overseas ore field companies. It is noteworthy that the use of the Fund for these purposes is subject to the general principle that the Fund is not designed to subsidise high cost producers at the expense of low cost producers, or to distort long-term economic forces.

Iron and Steel Board

The way in which the British iron and steel industry functions today illustrates an example of a combination of private initiative and public control. Although the steel industry has been denationalised, the Iron and Steel Act, 1953, which provided for such denationalisation, has established the Iron and Steel Board with the duty of "exercising a general supervision over the industry, with a view to promoting the efficient, economic and adequate supply under competitive conditions of iron and steel produced." The Board, however, is not a branch of the Government. It does not own the industry either. It is an independent statutory authority, with specific responsibilities and the powers necessary for their discharge. The members of the Board are appointed by the Minister for Power for a specified period. Describing the functions of the Board, in an article in the *Manchester Guardian*, Sir Cyril Musgrave, Chairman of the Board, observes that, in the first place, the Board ensures that the scale of development is adequate to meet national requirements. From time to time, it submits to the Minister special reports on the subject. It is ready at any time to take action for seeking additional production facilities if it thinks them necessary. The Board's second responsibility for development arises from its duty to promote efficient and economic production. This requires an examination of individual development projects. The rule is that all capital projects costing more than £100,000 need the Board's consent, which can be withheld if the project seems likely to prejudice seriously the efficient and economic development of the industry. The Board's other functions include keeping prices under constant review. So far, this has been discharged by the exercise of its statutory right to fix maximum prices in the home market. The Board's aim is to fix prices that are appropriate to conditions of maximum efficiency.

Research

To revert to the Federation's annual report. The report refers to the research and manpower problems in the industry. It notes that research and development work continued on a wide variety of projects, the activities of individual companies being assisted and supplemented by the work performed centrally by the British Iron and Steel Research Association. Last year, the Association extended the study of the problems of automatic control in rolling and forging operations, the control of combustion in the open hearth furnace and the control of electric power in ore furnaces. A pilot plant was commissioned for research into the behaviour of blast furnace changes and more work was carried out on the direct reduction of ore and the pre-refining of blast furnace metal.

Reviewing the manpower problems, the report notes that industrial relations remained good throughout the year. Over the year 1959, the number of workers increased by 9,800 to 308,700 and average weekly earnings by £1 8*s.* to £14 16*s.* Training problems continue to receive increasing attention. The report records that the scheme for training Indian members of the staff of the British-built steel works at Durgapur is the largest single project undertaken under the Colombo Plan. Already, 150 Indians have received training; another 200 are expected to be trained in the U.K. The Federation is also arranging to give assistance in starting up production at the Durgapur works. Companies are releasing members of their staff for service at the Durgapur works for periods ranging from six months to two years. Over 50 men from Britain were working at Durgapur by the end of 1959 and more are being seconded in the current year.

Industry's Attitude

The industry recognises that competition, both from other producing nations and from materials other than steel, is likely to be more severe in the future. In the next few years, this competition seems likely to influence some sections of the industry more than others, but, in the longer term, the probability is that all steel products will be affected, as world supply is brought into balance with demand and technical progress increases the availability of substitutes. Attention is being devoted to problems of market development in the light of these circumstances. The report observes that it would, however, be wrong to suggest that the industry's attitude to market development is simply defensive. Steel, according to it, is very much on the offensive in many markets and is making considerable inroads into fields hitherto dominated by other materials.

INDIAN SHIPPING

In the course of his speech at the annual meeting of the Indian National Shipowners' Association last week, the Union Minister for Transport and Communications, Dr. P. Subbarayan, revealed that the Government had accepted the recommendation of the National Shipping Board, namely, that tankers should be acquired exclusively for the public sector. The acceptance of this recommendation, according to the Minister, closely follows the refinery agreements with oil companies which provide that the companies should utilise Indian flag tankers owned either by the Government or by the public sector companies. He added: "Even otherwise, the tanker trade is a tricky one, because one side of the voyage is always in ballast and it not only requires large capital but also a regular tie up with oil companies who control the cargoes exclusiveiy. Because of these handicaps, the Government of India agree with the Board that the development of tanker trade should be left to the public sector exclusively."

The Minister agreed that the opportunity for carrying American foodgrains to India "comes to us in a big way." Accordingly, he urged the shipowners to acquire as many ships as they could for lifting the cargo. He did not rule out the possibility of time-charter for transport of the cargo, but felt that the opportunity should be utilised to augment Indian tonnage. As regards freight rates to be paid by Government departments, he said that they could not pay a rate higher than the world rates. In this connection, he paid a tribute to Indian shipping companies which generally agreed to carry cargo at competitive freight rates. It was only on this basis, he added, that the Government could answer possible allegations of flag discrimination.

PIPELINE IN SAHARA

An oil pipeline, which stretches for almost 500 miles across the barren Sahara desert, is rapidly nearing completion and is expected to begin operation this year. Current estimates are that within three to four years it will be supplying nearly 20 per cent. of France's domestic petroleum requirements. An important step in the construction of the line will be completed soon with the installation of five Worthington Corporation main line pumps in the pipeline's first collecting station at In Amenas, close to the Libyan border. The 24" pipeline will have a capacity of 150,000 barrels of crude oil per day. The pumps are made by the same company, Societe Worthington of Paris, France, which manufactured a large number of pumps and compressors for the Campo Duran-San Lorenzo pipeline in Argentina. The pumps for the North African pipeline are the largest ever made by the company. Societe Worthington is the French associate of Worthington Corporation (U.S.A.). French contractors are building the pipeline under the supervision of Bechtel Mediterraneenne. European subsidiary of the Bechtel Corporation of the U.S. Construction has involved serious technical problems such as laying pipes across shifting sand dunes. Problems such as these have been compounded by lack of water, shortage of local labour, sand storms and transportation difficulties. The 485-mile long pipeline will terminate at La Skhirra on the Tunisian coast. From there, the crude oil will go by tanker to refineries in France.

NEW MINING MACHINES

Mining engineers in the U.K. are working on the possibility of all work on coal faces being done by machines, Mr. B. L. Metcalf, a past President, told the Association of Mining, Electrical and Mechanical Engineers at its annual convention held recently at Blackpool, England. The completely mechanised face has long attracted the mining engineer. Mr. Metcalf said one of the most difficult problems was to get a power-loading machine to steer itself. The Coal Board's mining research establishment had devised a coal-sensing probe, using measurement of the intensity of gamma rays, to determine the thickness of coal left on the floor by the machine. It was possible that geophysical methods would play an increasing part in the siting of new collieries and in the development of existing ones. In Cannock Chase, a survey had accurately mapped a subterranean valley filled with heavily waterlogged pebble beds. It was shown to be deeper than expected, and its finding, confirmed by a bore hole, may have averted a costly and dangerous situation. It was also probable that electrical or seismic methods would be developed for relatively short-range prospecting underground. A nucleonic probe, based on the gamma-ray technique, had been devised by the Coal Board's research establishment to locate the position of coal seams in a bore hole.

LARGEST BRIDGE

Work is to start shortly in the U.K. on a concrete bridge with the largest pre-stressed clear span in the world. It will carry a motor road over the River Medway in south-east England. Built to a design accepted by the Royal Fine Art Commission, the bridge will be of light and graceful appearance. Construction will take about two and a half years. The bridge, with its approach viaducts and their abutments, will be nearly two-thirds of a mile long, with a central span of 500 ft. The span will be 100 ft. above water. Two additional river spans—one on each side of the centre span—will give the bridge itself a total length of 1,125 ft. In addition to the motorways and two carriageways, the bridge will also have separate cycle tracks and footways. The bridge itself will be an outstanding example of pre-stressed concrete engineering. Compared with its main span of 500 ft., the next largest in the world is the Coblenz Bridge over the Moselle, which has a main span of 403 ft.

BHILAI'S LIMESTONE MINES

Mechanisation of limestone mines of the Bhilai Steel Project at Nandini has been completed. Mechanised mines went into operation on 23rd June in presence of senior officers of the Bhilai project including, among others, Mr. Suku Sen, General Superintendent, Mr. P. P. Dani, Indian Chief Engineer, Mr. N. V. Goldin, Soviet Chief Engineer, Mr. R. M. Ray, Senior Deputy General Manager, and others. After mechanical blasting of quarry, big boulders were lifted up by power shovels, loaded into wagons and transported to crushing plant where the boulders were crushed to different sizes in two crushers and conveyed to a huge storage yard by rubber conveyor belts. Nandini is situated 14 miles north of the steel works and is already connected by rail. Mechanised mines will supply 750,000 tons of limestone annually to the steel works. Limestone is an important raw material for production of pig iron and steel.

NEW PRODUCTS AND PROCESSES

Liquid Fuel From Coal

THE possibilities of producing liquid fuel from low-grade coals and blast furnace gases are now being investigated at the Indian Institute of Technology, Kharagpur. A 100-gallon-per-day capacity pilot plant for the production of synthetic fuel from coal has been designed and fabricated in the Department of Chemical Engineering of the Institute. Its working will provide data for the design, construction, operation and maintenance of a commercial plant. The design features of the pilot plant and results obtained, during its initial operations, have been published in the latest issue of *Research and Industry*, a monthly journal published by the Council of Scientific and Industrial Research, New Delhi.

The Fischer-Tropsch process is used in the pilot plant for converting coal into liquid fuel. Flexibility with respect to formation of different products is the characteristic of this process. In this process, coal is gasified to produce water gas, a mixture of carbon monoxide and hydrogen, and the mixture reacted to produce liquid fuel along with a range of oxygenated compounds (alcohols, aldehydes, acids, ketones, etc.).

The use of blast furnace gas for synthetic oil production is another possibility of considerable economic importance. The gas contains about 30 per cent. carbon monoxide. Experts at the Institute of Technology have estimated that if only 20 per cent. of the blast furnace gas produced in a one-million-ton steel plant is used it would be possible to obtain about 40,000 tons of liquid fuel at one-third the cost incurred in the process using coal. With steel production reaching six million tons by 1960-61, this source can yield more than 240,000 tons of liquid fuel. Since Independence the consumption of petroleum products has trebled to six million tons in 1959. At present, different types of crude oil are imported into the country at an annual cost of Rs. 100 crores. By 1967, it is estimated that the country's oil requirements would reach 14 million tons.

Freeze-drying

A new system of desiccation by means of congelation has now been in use, for a short time in Switzerland by a big firm of manufacturers of concentrated soups. Through the action of freezing, the cells of the vegetables open and the extraction of water can take place more easily and without drying up the produce. As a result of this protective process of drying, it is possible to obtain a product that needs only to be cooked for four or five minutes, and which resembles, as closely as is possible, a fresh vegetable that one has just cooked. The colour of the product does not change, nor does its consistency, and the vitamins and other oligo-elements are preserved. Furthermore, it is not necessary to cook such products that have been dried by means of congelation for any length of time, whereas those vegetables which are preserved in accordance with the drying methods in use upto the present required to be cooked for 15 or 20 minutes. For this reason, the concentrated sauces launched on the market a few months ago by the firm are claimed to have obtained great success.

Metal Polish

The life of the abrasive heads of polishing mops and bobs—the traditional tools of the metal-finishing industry for producing high-grade surface finishes—can be greatly extended, it is claimed, by bonding abrasive powder to them with a new kind of cement. In addition to prolonging the life of the polishing mops, the new product is claimed to produce a surface finish so fine that the time for subsequent finishing operations, and thus the costs, are considerably reduced.

It is understood that the method of applying the cement to the mop is similar to that used for other cold cements. No priming coat is necessary, the material being simply applied to the mop surface by brush, the edges being treated to about half an inch down the sides. The coated mop is then rolled in an abrasive powder and stoved for about four hours. Both the cement and the special abrasive supplied with it is to be marketed under the name Nupol.

Alloy for Furniture Manufacture

A new extrusion alloy developed by the Aluminum Company of Canada, Ltd., expressly for use in furniture manufacturing, has produced highly satisfactory results. The new alloy, called Tube-Alloy, makes it possible to extrude aluminium tubing easily and economically in an almost limitless variety of shapes—square, triangular, octagonal and asymmetrical designs. In addition, the tubing can be heat-treated to strength levels equalling those of extruded and drawn tubing alloys. This development puts at the disposal of furniture manufacturers an alloy which is not only economical but provides designers with much more latitude in achieving appealing styles.

Miniature Oil Refinery Developed

A miniature oil refinery, which can be carried on a truck and backed up to a well or crude oil pipeline, has been designed by an engineering company at Kansas, U.S.A. The refinery has a capacity of about 200 barrels of oil a day, operates with electric motors and dispenses with water as cooling is done by air. The total plant weighs only about 15 tons. Use of the refinery is envisioned in areas where lack of transportation prevents economical movement of oil to large refiners.

INDIA SUGARS AND REFINERIES LTD.

CHAIRMAN'S SPEECH AT THE ANNUAL GENERAL MEETING

PRESIDING over the Twenty-sixth Annual General Meeting of the shareholders of the India Sugars and Refineries Ltd., held at the Registered Office of the Company at No. 5, Deenadayalu Street, Madras-17, on Monday, 20th June 1960, the Chairman, Rukn-ul-Mulk S. Abdul Wajid, gave a brief resume of the activities of the Company during the year ended 30th September 1959.

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

"FELLOW MEMBERS,

"On behalf of the Directors and management of the Company and myself, I have great pleasure in welcoming you all to this, the twenty-sixth annual general meeting of the Company. The Directors' report and the audited accounts for the year ended 30th September 1959 have been in your hands for some time past and, with your permission, I shall take them as read.

Record Output

"From the accounts you would no doubt realise that this has been another year of steady progress and continued prosperity under the present management. The factory produced 176,470 bags of sugar during the year, an all-time record in the history of your Company. As against this record, the production of sugar, when the present Managing Agents took over, was less than 65,000 bags.

"From the point of view of profits also, this has been a very satisfactory year. As against a profit of rupees five lakhs and odd for the previous year, this year the Company made a net profit of Rs. 16,82,632. This has been thus one of the best years for the Company from the point of view of earnings also. I must say that this commendable result is not a little due to the ability, efficiency and business acumen of the management, especially of Mr. Mahavirprasad Morarka, to whom our deep thanks are due in no small measure.

"Another point about the progress which I wish to mention, which you must have already noted in the Directors' report, is that the Salar Jung Sugar Mills Ltd., a subsidiary of your Company, has been rehabilitated, its production has increased and it has started making some profit in its working.

Capacity to be Raised

"Apart from these, I am glad to inform you that your Directors and Managing Agents have decided to expand the productive capacity of the factory still further and for that purpose, necessary application for Central Government's approval has been made. When that is sanctioned, we might have to come before you with our detailed proposals and may have to ask your sanction for further capital increase.

"I am also glad to inform you that during the year, your Company has won the three writ petitions filed in the Mysore High Court against certain levy of cane cess. The Mysore Government afterwards enacted further legislation to give validity to their action. Now the matter is pending before the Courts for further adjudication.

"I am sure you would all agree with me that our management deserves congratulations for all their efforts and industry. I would be failing in my duty if I were not to mention about the co-operation your Company has received from the cane growers, merchants, its staff and labour.

"Now, gentlemen, permit me to refer briefly to some of the points raised by one of our shareholders, Shri R. Sundram Iyer, who has sent you a circular letter dated 4th June 1960. It is true that the Company had received those three letters from him and had also given him the reply to those points. In fairness to everyone, it would have been better if our reply was also circulated among the shareholders. Since that has not been done, I would briefly explain the position.

"The first point raised therein is about the power-of-attorney given by the Managing Agents to the Superintendent of the factory, Mr. C. D. Choudhary. It has been alleged that since he has been given complete powers of management, he is a 'manager' within the meaning of Section 2(24) of the Companies Act, 1956, and thereby a change must be deemed to have occurred in the constitution of the Managing Agents which require Government's approval and since no such approval was obtained, the Managing Agents ceased to exist. Therefore, he says that the Managing Agency commission debited to the profit and loss account was not in order.

Answers to Charges

"The answer to this is that Shri C. D. Choudhary is not given and does not possess complete power of management and he is not a manager within the meaning of Section 2(24) of the Companies Act, 1956. Mr. C. D. Choudhary is only a constituted attorney who has been delegated limited powers to look after the affairs of the Company on behalf of the Managing Agents. He is not having management of the whole, or substantially the whole, of the affairs of the India Sugar Agencies Private Ltd. Your Directors have also taken legal opinion on this subject and they are advised that there has been no change in the constitution of the Managing Agents as envisaged by Section 346 of the Companies Act, 1956, and as such the question of Government sanction does not arise. Since there is no change in the constitution of the Managing Agents, the Managing Agents have not ceased to be as such and they rightly continue as Managing Agents of the Company. In these circumstances, the commission debited to the profit and loss account for the year under report is in order.

"The second point is about our investment in the shares of Messrs. Gannon Dunkerley & Co. Ltd. This investment was made on 13th April 1951, that is about 10 years back. A sum of Rs. 9 lakhs and odd is shown as fully paid shares of Messrs. Gannon Dunkerley & Co., Ltd. These were bought by us on the strength of an auditor's certification of their proper value. I have long back dealt with this subject in my speech at the general body meeting held in March 1954. The transaction was disclosed to you in our balance-sheet for the year ended 1951 and your specific approval was sought by a special resolution to give your Directors powers to invest moneys of our Company in shares and debentures of other companies. We have been receiving dividends on our investment and the shares are considered to be a valuable investment. This point too has been referred to the legal adviser and the Directors are advised that none of the provisions of the Companies Act and Articles of Association of the Company have been contravened, as alleged.

Selling Agency Agreement

"The third point raised in the letters is about the cancellation of the selling agency agreement.

"The Company has a binding agreement with our selling agents for a definite period of time duly approved at an extraordinary general meeting of the shareholders held on 9th September 1957. The Company is not competent to vary or terminate an agreement validly entered into unilaterally, though it may be of financial advantage to the Company.

"With regard to the provision for taxation, I may mention that keeping in view the carried forward losses of the year 1956-57, the provision made is adequate.

"I now thank you all for patiently hearing me and, with your permission, I now formally move the adoption of the Directors' report and audited accounts for the year ended 30th September 1959."

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

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STATE REGULATION OF INSURANCE

U.S. SENATE'S ENQUIRY

INSURERS in the U.S. are anxiously awaiting the findings and recommendations of the Senate enquiry into the insurance industry. The enquiry, which was conducted by the sub-committee on anti-trust and monopoly of the Committee on the Judiciary of the U.S. Senate (Upper House), is of more than national importance. For, although it concerns itself with the relations between the insurance industry and the State in America, the enquiry is of interest to insurers throughout the world. Underlining the importance of this enquiry, *The Review*, the well-known insurance magazine in the U.K., for instance, comments: "It does not need emphasis how important are these proceedings to the world of insurance and how vital it is, particularly, to the American insurance market.... The interests of the insurance world as a whole are bound up almost as much as those of the American market with the outcome of the enquiry."

Insurance occupies a commanding position in the trade and industry of the U.S. Having had its origin in the sale of contracts of indemnity, insurance has now grown into one of the largest and most important branches of commerce in the U.S. Perhaps, no modern commercial enterprise directly affects so many persons in all walks of life as does insurance. It affects the home, the family, the occupation or business of almost every person in the U.S.

Even more important is the relative position of insurance in the national economy of the U.S. In 1958, insurance premiums were equal to over eight per cent. of the national income and over 40 per cent. of the estimated Federal revenues. The total assets of U.S. life insurance companies alone exceeded $106 billions which were equal to nearly half the assets held by all manufacturing industries in 1957. In fact, the impact of investments of insurance companies is felt throughout the economy. Many States have, therefore, set limits on such investments. In the State of New York, for insurance, the law prohibits investments by any insurer in the bonds of any one institution in exceeding five per cent. of the total admitted assets of the insurer. Life insurers must not invest over 3 per cent. of their admitted assets in common stock and must limit investments in common shares of any one company to two per cent. of that concern's outstanding stocks.

Both the Administration and the public in the U.S. have been ever vigilant against monopolistic tendencies developing in any branch of the U.S. economy. Anti-Trusts Laws are the statutory instrument invoked for curbing monopolistic trends. Anti-Trust Laws is a description commonly applied to a group of statutes comprising the Sherman Act, the Clayton Act, the Robinson Patman Act and the Federal Trade Commission Act. These play a crucial role in prohibiting price-fixing agreements and controlling competition, monopolies, unfair trade practices and unfair discrimination between consumers.

Insurance and Anti-Trust Laws

Prior to June 1944, the U.S. Courts had held that insurance was not commerce and was, therefore, not subject to these laws, except where they were violated by agreements to "boycott, coerce or intimidate." The insurance practice of establishing rates, policy forms, maximum commission scales and agency limitations was not challenged as a violation of the Anti-Trust Laws until November 1942, when the Attorney General secured an indictment against the members of the South-Eastern Underwriters' Association. In August 1943, the Federal District Court dismissed the indictment on the ground that the business of insurance was not trade or commerce within the meaning of the Sherman Act and that the Courts therefore had no jurisdiction over it. On appeal, the U.S. Supreme Court reversed the decision of the District Court and reinstated the indictment, thereby holding that the business of insurance was commerce within the meaning of the Sherman Act.

The Supreme Court decision produced great confusion in insurance circles where it was felt that a literal compliance with the Anti-Trust Laws would destroy co-operation in insurance business and that competitive rate wars would be forced on them.

The Congress, however, favoured exemption of insurance from Anti-Trust Laws and it passed legislation to that effect. The Administration was, on the other hand, opposed to blanket exemption. After considerable debate, the McCarran Act—Public Law 15—was passed and received the President's approval in March 1945. In substance, this law granted insurance companies exemption from the application of the Sherman Act and other Anti-Trust Laws until 1st January 1948, except in the case of agreements to "boycott, coerce or intimidate."

Public Law 15 explicitly stated that, after 1st January 1948, the Anti-Trust Laws would be applicable to the business of insurance to the extent that such business was not regulated by State laws. This has been interpreted in the past to mean that, if the States were to regulate and supervise the business of insurance within their respective borders in the public interest, their actions would not be construed as violation of the Anti-Trust Laws. Insurers in the U.S., however, closely examined the far-reaching effects of the Anti-Trust Laws when applied to their business and, in due course, drafted various model statutes designed to provide the States with adequate powers to regulate insurance rates after 1st January 1948. In many directions, constructive alterations were made in the practice of insurance following the passage of Public Law 15.

Aim of Enquiry

The present enquiry is a factual one. One of its principal aims is to determine whether the existing system of dual Federal and State supervision of the insurance industry serves the public interest best. It will also examine whether the McCarran Act—Public Law 15—has fulfilled its purpose. When the Act was passed in 1945, Congress had expressed the desire that a review should be undertaken, after a reasonable period of time, to determine whether the Act has proved effective in protecting the public interest in the field of insurance. The enquiry is in pursuance of this wish of the Congress.

Several important issues have come up for examination. In the first place, is there competition in the industry? Secondly, are rates realistically responsive to competition or arbitrarily maintained through the medium of rating bureaus? Thirdly, are companies, which desire to deviate by offering lower rates than bureau rates approved by the State Insurance Department, hindered by restraints imposed by the States or the industry? Fourthly, what is the extent of State regulation of insurance advertising? Finally, does the Federal Trade Commission consider State regulation adequate to protect the public interest in the business of insurance or does it advocate fresh Federal legislation for regulation of the insurance industry?

Representatives of almost every section of the insurance industry gave evidence before the Committee. The case for marine insurance was submitted by Mr. Miles F. York, President of the American Institute of Marine Underwriters. Mr. John W. Gwynne, Chairman of the Federal Trade Commission and Mr. Robert A. Bicks of the Anti-Trust Division, Department of Justice, also gave evidence on behalf of the Commission and the Division.

The primary object of insurance legislation anywhere is to ensure security of the companies which is the best way of safeguarding the public (policyholders') interest. For this purpose, the premium rates must be maintained at reasonable levels, so as to protect insurance companies against disastrous losses, leading, perhaps, to significant insolvencies with consequent loss to policyholders. The underlying object of insurance regulation is to help companies maintain an appropriate rate level and yet leave freedom to compete. Insurers the world over are watching with closest interest how the U.S. Congress proposes to bring these apparently conflicting concepts into harmony. In a way, the future of insurance, in general, all over the world, is involved in the resolution of this problem.

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LIFE INSURANCE FOR WOMEN

Women, despite their longer life expectancy, have not been a favourite of life insurance companies. This is because of the fear, which statistics have proved to be unfounded, that, being weaker than their male partners and exposed to the additional hazard of child-birth, the risk in the case of female lives is greater. Consequently, policies on female lives usually carry higher premium rates. The fact that most women do not have independent incomes and are not in need of insurance protection is also responsible for the comparatively low coverage of women.

Recent trends in life insurance in advanced countries, however, indicate a distinct change in insurance thinking regarding life cover for women. In Britain for instance, many insurance companies had reduced premium rates for female lives last year. Further reductions have been announced in the past few weeks. This is evidence not only of the actuarial acceptance of the fact that women have longer life expectancy but also a reflection of the change in economic and social conditions. Particularly, the modern tendency for both husbands and wives to pursue careers is stimulating demand for life insurance for women.

Commenting on the trend of life insurance for women, the Insurance Correspondent of the *Financial Times*, London, observes:

"The primary purpose of life assurance is to make provision for dependants in the event of the death of the breadwinner. Life policies are used to a great extent also as a means of saving. When both husband and wife work, commitments are entered into which depend for their fulfilment on the joint financial resources. This is one reason why many more policies are being effected by married women. However, there is a distinct indication that many of the policies taken out by wives on their own lives are aimed at the accumulation of savings.

"It is not only the married woman for whom life assurance is proving attractive. Several insurance companies have devised policies of particular interest to the young unmarried woman. These usually consist of an endowment assurance which will normally mature after a fixed term of years, but which contains a number of attractive and interesting options. One of these options permits the policyholder to continue the assurance in force after the fixed period expires, in order to provide an increased cash sum or annuity at age 55 or 60.

"These policies issued to single women do not overlook the fact that most young persons will marry before the policy has been in force for many years. Policies include options which are exercisable on marriage. Provided that the policy has been in force for a minimum of two years, marriage during the original period attracts the payment of a cash bonus. This bonus is calculated at a fixed amount for each year for which premiums have been paid up to the time of the marriage.

"Another important marriage option permits a policy on the husband's life to be substituted for the original contract. The substituted policy is issued for the absolute benefit of the wife, and without evidence of the husband's health at the time."

Both ordinary whole-life and endowment assurances, with or without profits, are available to women in Britain. As the number of women employed increases and their earnings rise to become a substantial part of the family income, life insurance policies on female lives in India will increase both in number and the amount covered. Policies on female lives are, therefore, certain to provide a large field for insurance sales in future.

GENERAL INSURANCE IN 1959

The year 1959 has not proved very bright for general insurers in India. Preliminary estimates indicate that their premium collection will be higher by about Rs. 1.25 crores, but expenses too have gone up by about 10 per cent. This suggests that most insurers will not be able to show higher profits for the year.

Although the quantum of risks has been higher, thanks to about 20,000 more trucks and cars having come to the market during the year, the experience of the motor department has, in many cases, proved to be very disappointing. The claims ratio has gone up considerably in respect of comprehensive and third-party cases with the result that the accident department has not proved remunerative to many insurers, particularly to smaller units. The comprehensive rates were raised two years ago by about 40 per cent. only in the Bombay City and Delhi regions.

The fire department has again proved to be the major source of income, thanks to low claims and more business coming from the Pool. The returns from the miscellaneous department continue to be unsatisfactory. Although some units are reported to have secured more reinsurance business from the London market, the overall picture continues to be gloomy. Despite the code of conduct, the unofficial rebating system continued unabated.

The outlook for 1960 is also not very encouraging. The fire rates have been reduced by about 10 per cent from this year. With four Government companies competing successfully in the general and reinsurance business, insurers fear that they will have to pass through another difficult year.

AIR TRANSPORT IN COMMERCE

PROSPECTS FOR AIR-LIFTING CARGO BRIGHT

By Wing Commander R. Vaughan-Fowler, R.A.F. (Retd.)

FOR those in industry and commerce the only interest in air transport is how can it serve their particular transport requirement. It is contended that the air transport carriers have lamentably failed to bring the real services of air transport to the notice of industry and commerce. This may, at first sight, appear to be a sweeping statement. If it is analysed it will be found that practically the whole of the air transport industry propaganda is directed to capture passenger traffic, in particular in the luxury class. Occasionally there are references to cargo such as "We Fly It—They Buy It". Catch phrases are not likely to impress any solid business organisation.

Air transport has three distinct services to offer, the first and at present most important is that for passengers. Approximately 90 per cent. of the air service operators' income comes from the passengers. Naturally, these services are of tremendous value to industry and commerce, as they enable executives and salesmen to move quickly around the world to attend to important business matters. Secondly, there are the air mails which have come to be taken for granted, so that they are seldom appreciated in these days. The fact that letters can be delivered half-way round the world within forty-eight hours of being written, is undoubtedly helping to speed the progress of business as well as increase the flow of industrial production. If the best use is made of air mail services is a debatable point, they are certainly not given the publicity they deserve, few are aware as to how they can be used to the best advantage.

Thirdly, there is cargo carriage by air which should be divided into two distinct classes. Cargo at present carried is really practically "Express Freight" and is mostly booked as "fill-up" load in the passenger airliners. Commercial cargo loads, which means bulk shipments of manufactured products or consumable goods, including fresh food, are handled, but not in any thing like the quantity they should be. There are a few special cargo services also. One or two operators are all cargo carriers. But cargo the world over is mostly carried as secondary load in passenger airliners. For the majority in industry and commerce, the idea of sending their products by air is either disregarded, because the mechanics of it are not understood, or it is deemed to be far too costly. Decisions not to send by air are frequently taken without any deep study to analyse the facts.

The First Years

Air transport started on 1st March 1919, as a Royal Air Force operation, carrying air mail and newspapers between Folkestone in England and Cologne in Germany, where the British Army of Occupation had its headquarters. This was a daily service and was flown by R.A.F. serving personnel using de Havilland DH9A aircraft. On 11th November 1919, civil air services were started, with a service from Paris to London operated by Aircraft Transport and Travel Limited. Shortly afterwards, other services connected London with Brussels and Amsterdam; several operators were then in competition.

From these early beginnings up to 1945, air transport progressed comparatively slowly and, although the British did pioneer international air routes to Australia and South Africa, the services offered were flown in short stages with several night stops *en route*. Aircraft of those days had extremely short range. Also, their payload was so small it was virtually impossible to operate at a profit. The aerodrome and air route facilities were very primitive. Mechanical reliability was fair but not good, navigational aids hardly existed, and a very great deal depended entirely on the skill of the pilot. Travel by air was an adventure and the time-saving, although considerable over long distance as compared to sea journeys, was not so remarkable as to make the adventure attractive.

Second World War

The Second World War demanded of the aircraft industries that air transport must be developed, so that the maximum military loads could be carried. In addition, with vast oceans between countries and areas of land impassable due to enemy occupation, air transports had to be given tremendous range, whilst, at the same time, lifting loads previously regarded as beyond the ability of aircraft. Naturally, Governments poured millions of treasure into research and development, the cost not being the important factor in time of war when the achievement of the objective is all that matters. Industry and commerce have, therefore, to thank the last war for the magnificent air transports that are with us today. Also the whole conception of airlift changed completely during the years 1939-45.

Before the war, who would have thought that air transports would be crossing and re-crossing the North Atlantic every day in such number, that they actually carry more passengers across the "Duck Pond" than the great ships that have for a hundred years and more had the privilege of carrying all the travellers? Today, the air services between Europe and America carry more passengers than the ships. Likewise, even in 1946, had anybody told us that a flight would be made from London to Bombay non-stop in 8 hours and 5 minutes in an aircraft capable of carrying at least 30,000 lbs. of payload, we would have laughed at them. Nevertheless, this flight has already been achieved by Air-India International with their first Boeing 707 powered by Rolls-Royce 'Conway' engines. Admittedly, the actual payload was not carried for cash as the flight was for delivery of the aircraft, but this does not alter the fact that it could have carried a paying load.

Air Cargo Tomorrow

Air cargo has never received any serious attention either from the airline operators or from the manufacturers of aircraft. Cargo has been regarded as a secondary load, convenient as a fill-up for passenger airline services. In some cases, when all cargo movement has been planned or considered, passenger aircraft have been stripped of their internal fittings and converted for use as all cargo air transports. This approach is completely wrong, because cargo requires special handling and it is not economical to use converted aircraft.

The first and most important feature in a cargo aircraft is ease of loading. This can only be achieved by loading at either the front or the rear end or at both ends. Side loading restricts the size of the package and requires that it shall be inserted into the hold and then have its direction of movement changed 90° to position it in the hold. This is a complicated movement, requiring quite a number of skilled loaders as well as mechanical aids both outside and inside the aircraft. Time and money are wasted.

During last year, the manufacturers have realised the need for an all cargo commercial aircraft, and several are being designed and built. Stress is laid on the word "commercial," because, if a military air transport is considered, its specification will be entirely different from that of a commercial vehicle. The military require higher speed, stronger structure to carry exceptionally heavy concentrated loads, also a variety of aircraft performance needs none of which a commercial operator could possibly use or require. To build these into the aircraft is costly and increases the capital value as well as increasing the operational cost per hour for every hour the aircraft flies. So why carry them around?

As we know air cargo today, the average cheapest rate is about 14 cents per ton-mile. At this rate, only a very limited range of commercial goods can stand the cost of air carriage in their ultimate sale price.

At present, there are two or three cargo aircraft under development. One of these is of particular interest, as it will carry a payload of 100,000 lbs. for a range of 3,000 miles at a cruising speed close on 600 m.p.h. 9,000 cubic ft. of cargo hold is available with rear loading. A well organised load can be loaded or unloaded in under ten minutes by a small team of loaders!

Large Cut in Rates Possible

The direct operating costs of this aircraft which include all items of expenditure concerned with the actual flight are estimated to amount to 3 cents per ton-mile, a ton-mile being the carriage of one ton for a distance of one mile. The normal practice is to double the direct cost to cover overheads and all indirect expenses of operation. This would mean adding another 3 cents, but, to be on the safe side, it is suggested this overhead figure shall be increased by 33⅓ per cent., that is one more cent, making a grand total of 7 cents per ton mile.

This is a 50 per cent. cut in the air cargo rates. When these cargo aircraft are delivered in 1961 onwards, this will bring airlift within the financial reach of a large range of industrial products. Those operators who have made a special study of air cargo estimate that, if the present air cargo rate is cut by 40 per cent., their cargo traffic would be increased by 300 per cent. One operator of all cargo services, who is probably best qualified to judge, is confident that the increase of cargo moving by air would amount to 500 per cent. If this is achieved, then air cargo, as a source of income for air transport, will be as important as passengers.

As more and more industrialists and business organisations become accustomed to the use of airlift, air cargo will become by far the larger source of income. This will probably take five years from the introduction of the new all cargo air transports.

To ensure air cargo success, it is necessary for the operators to study the needs of the shippers. They must employ special research experts to go into the problems of airlift for different kinds of goods. A great deal of research work is necessary on both sides.

Here it is relevant to relate the experience of one manufacturer in the United States. The idea of making use of air transport was discarded, because of the cost. Thereafter, one of the directors who was not convinced that the Board had reached the correct answer, made a personal study lasting two years. He discovered that the company's sales organisation and distribution had been planned more than fifty years before and was based on the railway system, which did not coincide with their largest sales areas as they exist today. By replanning the sales structure of the company, he was able to reduce distribution costs by millions of dollars per annum. Enormous base distributing centres were found to be unnecessary, their elimination saved millions of dollars in locked up capital. The company's output is now distributed by air cargo service. Admittedly, the products concerned are highly specialised as well as costly—instruments of all kinds for industry, including optical goods. But the example conclusively proves the sort of thing that research can bring to light and how it can pay big dividends.

Advantages of Airlift

One of the stock advantages of air transport is summed up in the word 'speed.' The real importance of speed in respect of cargo is that the goods can be delivered in days instead of months or weeks. Goods in transit represent locked up capital. Retailers are faced with holding large stocks, but they can reduce stocks to suffice for one week's requirement, provided replenishments can be delivered in three or four days.

Perishable goods are natural cargo for airlift also, their producers can extend their market area by thousands of square miles by using airlift. In India, we have the example of the mango which without airlift could never be sold in the capitals of Europe and America. This is, of course, a luxury item, but it is also an important product of the country, and can become a valuable foreign exchange earner. Transportation of mangoes during the season means substantial loads for the air carriers. It is sound business for them to encourage this class of traffic.

The world over, there are products in the seasonal or perishable class. It requires co-operation between the air carriers and the producers to present these perishable goods for sale in all the markets of the world.

Those who produce delicate instruments or equipment that requires expensive packing to protect it in transit will find that by intelligent use of airlift they can adopt light packing. There are substantial cash savings to be made in the packing costs which will probably more than offset the cost of the air freight. Some products can be sent by airlift without any packing.

Recently, a manufacturer explained how difficult it is to ensure safe delivery of radio equipment. Frequently the packing cases are damaged in rail transit so the retailer becomes involved in essential repairs to the sets before they can be sold and delivered to the customers. Here is a case for airlift which would entirely eliminate the damage factor in the sales problem. It is quite certain that, in practice, the radio manufacturer would find it far cheaper to use airlift. Naturally, the ins and outs of the airlift have got to be carefully explained to the shipper, together with the detailed cost

(Continued on page 47)

NATIONAL RAYON CORPORATION LIMITED

CHAIRMAN DRAWS ATTENTION TO DELAY IN DISTRIBUTION OF RAYON YARN QUOTAS

TIRE CORD SCHEME WELL UNDER WAY

ADDRESSING the Thirteenth Annual General Meeting of the shareholders of the National Rayon Corporation Ltd., held at Bombay on Thursday 23rd June, 1960, Mr. Kasturbhai Lalbhai, Chairman, observed that, although the price and distribution controls of rayon yarn were equitable and fair and in the larger interests of the weaving industry, the considerable delay in the distribution of quota certificates and cards, apart from necessitating the holding of large stocks by producers, was causing much hardship to consumers of yarn. He urged that the Government offices entrusted with the task of issuing quota certificates and cards should be adequately staffed, so as to facilitate quick distribution of yarns to intending consumers.

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

"GENTLEMEN,

"It gives me great pleasure to welcome you this evening and to place before you for adoption the 13th annual report of the Directors and the statements of accounts for the year ended the 31st December, 1959. These were circulated and have been in your hands for over a month now and if you will permit me, they may be taken as read.

"The report covers all the salient points regarding the working of the Company during the year. The accounts also give the figures of the preceding year for comparison and I will, therefore, confine myself only to making a few general observations by way of further elucidation.

"The higher turnover this year amounting to about Rs. 90 lakhs was principally due to the increase in production as already reported. A sizable portion of the increase, however, pertains to the additional excise duty due to increase in its rates and also due to lower stocks of yarn at the close of the year.

"The figure of cost of raw materials consumed appears lower than that of the preceding year in spite of increased production and requires some explanation. As you are perhaps aware, caustic soda is one of the principal raw materials required for the manufacture of rayon yarn. The Company's caustic plant having worked at its full capacity during the accounting year, the Company had not to use any imported caustic soda. Under the item of cost of raw materials consumed, the figure of the preceding year includes the cost of imported caustic soda, whereas, for the accounting year, only the cost of salt, the raw material required for the manufacture of caustic soda, has figured, the other items of operating costs having been debited to respective heads of accounts. This, combined with a few other factors, accounts for the lower figure of cost of raw materials though there has been all-round increase in the production of different products during the year.

Operating Costs

"The slight increase that you find in the 'operating' costs and 'other' expenses are in proportion to the increased production all round.

"You will have also observed from the report that we have recommended payment of dividend on the preference shares at Rs. 5 per share, subject to deduction of tax at the rate of 30 nP. in a rupee as prescribed under Section 18(3) (d) of the Indian Income-tax Act. The Board had to consider the new system of deduction of tax from dividends (as introduced by the Finance Act, 1959, and being amended by the Finance Bill, 1960) so far as it affects the rights of dividends of preference shareholders. Though different interpretations are possible, the Board hold the view that the preference shareholders should continue to receive the same gross amount per share as they used to receive under the old system of taxation. The Company has declared dividends on preference shares accordingly and you are hereby requested to confirm the same.

"You must be aware that the price and distribution of rayon yarn are practically controlled due to shortage of this material in the country. It appears this position will continue for quite a few years to come. While we have nothing to say about the price and distribution control of yarn which is quite equitable and fair and in the larger interests of the weaving industry. I wish the Government offices entrusted with the issue of necessary quota certificates and cards are adequately staffed with a view to facilitating quick distribution of yarn to intending consumers. As it is, even though the scheme of controlled distribution has been in operation for over a period of two and a half to three years, the office entrusted with the work still takes about two to three months to distribute necessary cards to the consumers thereby necessitating holding of large stocks in the godowns of the Company to the considerable detriment of the genuine consumers concerned. Incidentally, I may add that we are strictly adhering to the selling rates which were approved by the Government and which are in vogue for the last three years.

Tire Cord Scheme

"As already reported, the tire cord scheme which unfortunately was delayed for about a year and a half for reasons beyond our control, is now well under way and we hope to be in production sometime in the second half of 1961. You must have already observed from the reports appearing in the newspapers that the tyre manufacturing industry is growing at a fast rate in the country and by the time we are in production, we believe the country's requirement of tire cord yarn would be much more than what we had anticipated when we embarked upon this scheme. We do not, therefore, expect difficulty in marketing the product.

"The full utilisation of chlorine, co-product in caustic soda chlorine plant, is still an unsolved problem, because we have not on hand sufficient numbers of cylinders and containers for filling in the liquid chlorine for supplying it to users all over the country. Their turnround from the moment they leave our factory till the empties are back with us is not as fast as we wish, and this serves as a handicap to clear the chlorine stocks that accumulate on production. Efforts to get more containers are being made and also to try to utilise chlorine for manufacturing different allied chlorine compounds for marketing them on a commercial scale, but the stage is not yet ready beyond research on pilot plant level.

"As regards raw materials position, I may say that in spite of the tight foreign exchange, the Government has adopted a policy which ensures reasonable supplies of all the important raw materials required by the industry and this has enabled us to maintain a fair inventory of raw materials like pulp, sulphur and other processing chemicals. The prices of raw materials were fairly well maintained during the report year. There was a slight decrease in the price of sulphur but this reduction has been offset by the increase in price of coal and more recently by levy of a surcharge on railway freight on coal.

Managing Agents' Remuneration

"The Central Government have accorded their approval to the reappointment of Messrs. Chinai and Company Private Ltd., as Managing Agents of the Company but have reduced the tenure of their office from 10 to 5 years and have fixed the following sliding scale of remuneration subject to a minimum of Rs. 50,000 per year in the event of absence or inadequacy of profits in any one year:

10 per cent on the first Rs. 10 lakhs or fraction thereof,
9 per cent on the next Rs. 10 lakhs or fraction thereof,
8 per cent on the next Rs. 10 lakhs or fraction thereof,
7 per cent on the next Rs. 10 lakhs or fraction thereof,
6 per cent on the next Rs. 10 lakhs or fraction thereof,
5½ per cent on the next Rs. 25 lakhs or fraction thereof.
5 per cent on the next Rs. 25 lakhs or fraction thereof, and
4 per cent on any sum over one crore of rupees.

Your Board, at their meeting held on the 12th May, 1960, have approved of these modifications and have executed a new Managing Agency agreement. Very shortly, a circular letter will be issued to all the shareholders embodying the details of the executed agreement.

"The workers of your Company have recently presented us with a 'charter of demands' asking for substantial increase in the scales of their wages and for further concessions in the conditions of service. The emoluments now being paid to our workers and the service conditions they have been enjoying are not only fair and better than those prevailing in the industries operating in the vicinity of our factory but compare very favourably with the emoluments paid by many of the progressive and leading industrial units in the country. I only hope that at the time of negotiations better counsels will prevail and that a settlement satisfactory to all the interests concerned would be reached to usher in a fairly long period of industrial peace and harmony in the industry.

Incorrect Rumours

"I am sorry to state that some interested parties have been spreading rumours about the activities of the Company which are incorrect. It is quite true that the Company is investigating the project for the manufacture of rayon grade pulp but it is still in its exploratory stage and even if the Company ultimately decided to go in for one, it is unlikely that the pulp to be manufactured here will be cheaper than the imported pulp. The main objective for going in for manufacturing of pulp is to make the industry, as far as possible, self-sufficient in respect of its main raw materials.

"About the persistent rumours for the issue of fresh capital, I may assure the shareholders that no such issue is under contemplation at present.

"Before I conclude, I must say a word or two about the workers and the staff whose efficient work, I must admit, has been largely responsible for the smooth running of the whole plant and satisfactory working of the organisation.

"With these few words, I commend the report and the statements of accounts for adoption and propose the following resolution:

"The Thirteenth Annual Report and the Statements of Accounts for the year ended the 31st December, 1959, be and they are hereby adopted."

"Thank you, gentlemen."

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

INTERNATIONAL SYMPOSIUM ON POLYMERS

The latest trends, and discoveries, in synthetics were discussed at an international symposium on macromolecular chemistry—the science of polymers—held recently at Moscow University. Among 1,500 scientists from 26 countries who took part in the six-day session were 62 leading specialists from the U.K. They included Sir Harry Melville, Secretary of the Department of Scientific and Industrial Research, and representatives from universities, research institutes and leading concerns engaged in plastics and synthetic fibre manufacture. Other specialists included 84 from the U.S.A., 56 from France. There were big delegations from all other leading industrial countries.

The reports were grouped under three heads: synthesis of polymers, polymerisation and polycondensation processes, and chemical transformation in polymer chains. Under the latter the question of polymers with semi-conductor qualities were discussed.

Soviet papers on this subject aroused exceptional interest as their claim to have developed such polymers at the Soviet Institute of Oil-Chemical Synthesis had aroused much interest in the West. A report on this was presented by a group of six Soviet scientists headed by Alexander Topchiev, Vice-President of the Soviet Academy of Science.

NUCLEAR POWER FOR ANTARCTICA

The U.S. plans to have a nuclear power plant operating in the Antarctica early in 1962. The Atomic Energy Commission has issued an invitation for design, fabrication, and on-site testing of the proposed portable 1,500 kilowatt reactor. It will be located in the Mcmurdo Sound area. The reactor will be moderated and cooled with light water, and will be of the pressurised or boiling water type. It is expected to replace diesel engines in the production of electricity, thus easing the problem involved in transporting diesel fuel to the remote region.

KAMANI ENGINEERING CORPORATION LTD.

CHAIRMAN, MR. R. H. KAMANI ENVISAGES A BRIGHT FUTURE

AN all-time record production, technical collaboration for railway electrification work and further development in the manufacture of Mark II "Tractamount" road rollers with latest improvements were some of the highlights of the progress made by Kamani Engineering Corporation Ltd., to which particular attention was drawn by Mr. R. H. Kamani, Chairman of the Corporation, in his speech at the Fourteenth Annual General Meeting held in Bombay on 24th June 1960. The rising trend in earnings, he said, was maintained this year also.

The following are extracts from Mr. Kamani's speech:

"It is encouraging to note that the gross profit made by your Company during the year under review has reached a record figure of Rs. 19.49 lakhs. This has successively gone up from a figure of Rs. 4.59 lakhs for the year 1955-56, which means that there has been more than a fourfold improvement in three years.

Record Production

"In keeping with the trend of progress, your factory achieved another record monthly production of 1,601 tons during the month of December 1958, against the earlier record of 1,000 tons achieved in May 1958. The high production achieved during the year under review is maintained and still being improved upon, as is evident from the working of the past eight months of the year 1959-60, and this is actually about 20 per cent. higher than the corresponding period of the year under review. Efforts are being made to increase the production still further, as due to continued improvements in process and methods we have ample capacity for producing more with the existing plant and facilities.

"Having presented to you a brief picture of the financial and production achievements of the year under review and the production trends of the current year, I would like to take this opportunity of conveying to you the highlights of important events of the current year. In doing so I am limiting myself only to the achievement during the current year, as the important achievements for the year under review have already been included in the Directors' report.

Foreign Technical Collaboration

"You will be glad to know that your Company has been successful in securing foreign technical collaboration with a Belgian firm and, with their technical assistance, your Company has been the first Indian company to secure a contract for supply and erection of traction overhead equipment for electrification of railway lines. The first contract received by your Company is for supply and installation of 25 kV A.C. traction overhead equipment over the Kharagpur-Tatanagar section of the South-Eastern Railway at an approximate value of Rs. 56 lakhs. I am hopeful that this will open a completely new field of activity to be pursued by your Company in future to participate in the larger railway electrification projects of the Indian railways, especially in the third Plan.

Export Drive

"The Export Sales Department which was established only last year for exporting the products of your Company has achieved encouraging results. Considerable sales promotion work has been done and some of the most difficult obstacles, in the way of export of Indian heavy engineering goods abroad, in the face of very acute international competition have been studied and partly overcome. The Export Promotion Directorate and the Engineering Export Promotion Council, set up by the Government of India, have both given us considerable help and I have every hope that the remaining obstacles and difficulties will be solved soon. These efforts have resulted in securing the first order for export of our galvanised structures, which has been successfully executed to Thailand.

New Model "Tractamount" Road Rollers

"Figures for the tentative allocations for the expenditure during the third Five-year Plan for 'road development,' reveal that an amount of Rs. 250 crores has been set aside under this head which coupled with the estimated requirements for the 20-year development plan for roads, is very encouraging. In the light of this, our new Mark II Kamani-Twose Tractamount Road Roller, which has been successfully developed and will be taken for production soon, is expected to be very popular and useful in supplying the necessary machinery not only at a fraction of the cost of imported road rollers but also in saving considerable foreign exchange.

Improvement in Production Technique

"The research and development department of your Company has been actively working on the improvements in the process and methods of production, product improvement and new product development. As a result of their studies it has become possible to improve quality, increase production and at the same time achieve economy by using the existing plant and personnel facilities. It is further hoped that by introducing diversification and increasing the present production level, further economy in our costs would be achieved by utilising our surplus capacity to the full, without increasing any major capital expenditure. In this way, your Company is getting ready for taking care of the increased requirements of development in the third Five-year Plan period. It is gratifying to note that the technical excellence and know-how attained by your Company in the field of transmission line engineering has attracted some enquiries from foreign countries for getting our technical know-how and collaboration to start similar manufacturing activities there. These proposals are under active consideration of your Company. Side by side, your Company is actively pursuing and negotiating with some foreign manufacturers of world-wide reputation, for technical collaboration and 'know-how' to develop further industrial activity in line with your Company's present activities.

Imports

"In spite of the acute shortage of foreign exchange and import restrictions, as you may have already observed from the Directors' report, your Company during the year under review has secured import orders of almost double the value as compared to the previous year. However, you will be glad to know that in the present year also this rising trend has been maintained and an import order for one of our foreign principals at a value of Rs. 7 crores has been secured from an important national project.

Contribution to the Plan

"As the second Five-year Plan is nearing completion, the achievement made by the nation proves the soundness and the foresight of our planners, in so far as most of the targets set for the Plan have been completed in time. It is specially noteworthy to observe that such huge projects like Bhilai Steel Plant, were completed in time and that your Company in its own turn contributed towards the early completion of this project of great national importance, for which it received due appreciation for its efforts from the Government. The tentative targets set for the third Five-year Plan, have now been acclaimed by several world authorities to be achievable by our nation specially in light of our previous performance.

Encouraging Future

"The third Five-year Plan target of increasing the installed capacity for electric power generation by 6 million kilo-watts indicates a very encouraging future for the activities of your Company. In fact, the full impact of the industrial revolution in our country will be felt during the third Five-year Plan period and all efforts will be made by your Company to actively participate in it.

"This encouraging record of achievements in the past and hopes for a bright future, are a proof positive of the good efforts and co-operation of the workers and the staff of your Company, and the backing and support that your Company has received from all of you from time to time."

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

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SEN-RALEIGH INDUSTRIES OF INDIA LIMITED

LIGHT ENGINEERING MANUFACTURE TO BE TAKEN UP

CHAIRMAN, MR. ABHIJIT SEN, REVIEWS PROGRESS

THE Tenth Annual General Meeting of Sen-Raleigh Industries of India Ltd. was held at Calcutta on 23rd June 1960. Addressing the shareholders on the occasion, Mr. Abhijit Sen, Chairman of the Company, said that the time had come for the Company to diversify its manufacturing activities by taking to such allied lines of light engineering as were considered essential to the development of the country and where capacities were granted more easily and fed to the fullest extent by release of raw materials. He, however, assured the shareholders that bicycle manufacture would continue to be the main line of the Company's activity.

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

"It is with pleasure tinged with sorrow that I welcome you to the tenth annual general meeting of the Company. It gives me pleasure to report that the Company's operations once again show a satisfactory trend, but it is with the deepest regret that I have to record that the hand that guided the destinies of the Company to this stage is no longer at the helm of our affairs. The sudden loss of the Chairman and founder of this Company has removed from the scene an almost legendary figure in the annals of the bicycle trade and industry in the Indian sub-continent. He entered the bicycle trade at the turn of the century, when the bicycle was considered a luxury, and after devoting his whole life to the pursuit of popularising the bicycle as the only means of personal transport for the people of this country, he left the world satisfied in the knowledge that his efforts had not been in vain and independent India had recognised the need for bringing cycling to the masses. It was not for nothing that he was acclaimed as the father of the Indian bicycle trade and industry by the admiring trade of the country.

"The Directors' report and accounts of the Company for the period ended 30th September 1959, have been circulated and, with your approval, I shall take these as read. You will find that, with an improvement in the level of production—largely of complete bicycles—there has been a corresponding improvement in the trading results of the Company and this has allowed your Directors to recommend a higher rate of dividends for ordinary shares.

"A matter, I am sure, that has been engaging the minds of all members is the effect on this Company of the merger in the U.K. of the bicycle and moped interests of our Associates—Raleigh Industries Ltd. and Tube Investments Ltd. The merger does not affect the separate identity of this Company and your Company will continue to manufacture and market bicycles and freewheels under the Raleigh concessions granted to them exactly as it has been doing in the past.

A Record Year

"Once again the year 1959 was a record year for the bicycle industry in India, and it is a happy thought that, whilst the overall increase in production of the industry over the previous year (including the performance of the small-scale sector) was of the order of 30 per cent. for bicycles, your Company was able to achieve an expansion of approximately 50 per cent. in its production and sales of bicycles over its 1958 figures, although the import level of materials was not substantially in excess of 1957 levels.

"No little part in the improved working was played by a more consistent import licensing policy—a consequence of the assurance held out by the Minister for Industries to the Cycle Manufacturers' Association of India in March 1959 that simpler and more effective import licensing procedures were on the way. We are grateful to the Commerce and Industries Ministry for moving with the times and introducing a rational import licensing policy which has remained with us now for over a year and has helped considerably in fostering expansion of industries.

"The demand for bicycles and particularly for the products of your Company shows no sign of slackening. If retail margins are any guide to consumer preferences, the past financial year must have seen an unprecedented demand for our products, for, in spite of the fact that much larger deliveries were effected during the period, the retail margins maintained a uniformly high average throughout the year. This demand has continued into the present year which also opened on a note of high optimism and not even the imposition of an excise duty on various bicycle components—notably Rs. 2 per freewheel and Rs. 4 per rim with an overall impact of Rs. 10 on a complete bicycle—has resulted in a slackening of demand for bicycles, in spite of the fact that most manufacturers took this opportunity to adjust their prices to counter rising costs as well as excise levies. In line with other manufacturers, prices of our products were also adjusted.

Future Activities

"Your Company's future activities are necessarily linked partly with the present industrial policy followed by the Government of India, and partly with the development of the third Five-year Plan which is now gradually taking shape. Very recently the Government have issued various notifications on the revised procedures relating to industrial licensing which, for the first time in many years, give a fairly clear picture of what industries Government feel would require immediate development and what industries are now considered by the Government to be so developed that issue of industrial licences should be restricted. The bicycle industry falls within the latter category where applications for expansions or for new capacity may be rejected for the time being without reference to the Licensing Committee.

"In view of this, it is time to think along lines of branching out into such allied lines of light engineering manufacture as are considered more essential to the development of the country by the Government of India at the moment, and where capacities are granted more easily and fed to the fullest extent by release of raw materials. Our reputation for quality and for technical ability in developing light engineering production would stand us in good stead to obtain industrial licenses and capacities in such lines and would allow a fuller utilisation of our resources.

"Diversification into new lines of manufacture is expected to help turnover considerably and reduce overheads, as there is better scope for obtaining material requirements in these lines and production could grow. Diversification would not mean a shift from our main line of activity which is and will remain the manufacture of bicycles and its components and accessories—and first call on the resources of the Company would always be for expansion in the bicycle industry, provided capacities were available and could be fed adequately with material.

Long-term Outlook for Bicycles

"Whilst the immediate prospects of bicycle expansions are clouded, it is only right to mention that the long-term prospects of obtaining further capacities in this industry appear brighter. From information available, the targets for the third Five-year Plan period for bicycles are expected to be double those of the present Plan period. In planning for our future full consideration is being given to doubling our own capacities wherever practicable, should industrial sanctions for such capacities be forthcoming.

"A new development in the Indian bicycle scene has been the successful operation of a bicycle export pool organised by the Cycle Manufacturers' Association of India which in its first year of operation came very near to reaching a self-imposed target of export for complete bicycles. It is a pleasure to be able to report that your Company played a prominent part in helping to achieve the export target and its share of India's bicycle export business in 1959 was nearly 70 per cent. In general, there was appreciation of the quality of your Company's products in the markets where these were introduced.

Agreement With Labour

"On the labour front, a three-year agreement was concluded with the recognised union in August 1959 and the effects of this agreement will be evident in the next few years. Whilst the Company's own relations with its workers were generally satisfactory, intra-union and inter-union strife for leadership continued, and on more than one occasion in the year under review and even as recently as last month, smooth operation of the factory was marred by violent clashes and unbridled rowdyism. It is unfortunate that different shades of political opinion or different views on trade unionism can so far affect workers that forgetting the basic tenet of the solidarity of the worker, there are these outbursts of violence which can neither benefit the worker individually or collectively nor the company where they serve. It is hoped that good sense will prevail amongst the different sections of workers and that the quieter conditions that have followed the immediate disturbances at Asansol have come to stay with us for good. Workers should realise that violence cannot effect a reconciliation between divergent shades of opinion—far less can violence ever completely annihilate a divergent point of view.

"I have to report the retirement of Mr. L. C. Clarkson, who as Works Director of Raleigh Industries Ltd., had been one of the first people concerned with the planning of the Indian factory. His place is filled on our Board by Mr. L. L. Roberts who is the present Works Director of Raleigh Industries Ltd., in-charge of home and overseas factories.

Whole-time Director

"With the expansion of activities of the Company, it has been considered necessary by your Board to appoint a whole-time Director, and the Company has been very fortunate in obtaining the consent of Mr. D. Chakraverti to join its Board. He joins this firm after a distinguished career in civil aviation both in India and abroad. He brings to the Company an administrative and technical experience which will benefit the Company greatly in its development schemes.

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

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

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NEW PUBLICATIONS

Indian Capital Market. General Editor: K. C. Lalwani. Published by Artha Vanijya Gabesana Mandir, 12, Duff Street, Calcutta-6. Pages: 159. Price: Rs. 5.00.

THIS is both a descriptive and critical account of the Indian capital market. The general editor, K. C. Lalwani, has given a readable account of the major developments in the capital market, with special reference to post-war period. The institutional structure of the market, specialised financial institutions, investment climate, monetary policy, and developmental planning are among the subjects which have been treated in the book in so far as they impinge upon the growth of the capital market. He describes how an unfortunate development in post-war years has been the steady growth of a climate which has been adverse to private investment activities. He notes that, in post-war years, a widespread feeling has developed that private enterprise is tolerated rather than accepted as an instrument of development. There is no doubt there is much truth in his observation. The fact that the capital market has shown some signs of revival in recent months should not blind one to the defects in general economic policies. Indeed, if the climate were more favourable, the capital market would be in a much better shape today.

A notable observation made by the editor is in respect of a proposal for fixing a ceiling on personal incomes. Although the matter is not seriously debated now, it does come up occasionally in the meetings of leftist parties. In this connection, the author says: "The suggestion for fixing a ceiling on personal incomes will undoubtedly damp private initiative, and tax concessions, however great and elaborate, will hardly be adequate to maintain it. If incentive is to be maintained and yet funds are to be diverted into investment channel, both private and public, mere reliance on tax programme will not do. It will have to be supplemented by physical checks on the consumption of non-essentials, supplemented by a reasonable reward for investment." Again, referring to deficit financing, the editor warns that such financing will increase the cost of planning and introduce serious economic instabilities. He rightly feels that what is needed is the creation of necessary conditions in the private sector which will induce people to save and invest more and more.

The Investor's India Year-Book 1960. Compiled by Messrs. Place, Siddons, and Gough (Private) Ltd., Stock and Share Brokers, Calcutta. Published by Orient Longmans Private Ltd., Calcutta. Price: Rs. 20.

The spiralling of equity prices on the various stock exchanges in India during the last few months, in which almost every equity on the joint-stock list, has taken part, has baffled many an investor. The shares of the most prosperous units in various industries, the back-benchers with disappointing performances, and even of those which will take a few years to commence production have all forged ahead, with the result that an ordinary investor, much less the uninitiated, is hardly able to discriminate and choose a suitable investment. It is in such circumstances that publications of the kind under review can be of help to discriminating investors who wish to consult the past performance of scrips and ascertain their intrinsic merits.

The Investor's India Year Book, now in its forty-sixth edition, has a unique place in this field. While there is a growing tendency on the part of compilers of year-books to cover every possible joint stock company, the *Investor's India Year-book* has always been selective in the choice of companies for coverage, while giving at the same time a wide variety of them and enlarging the list year after year, so that it makes the job of the investor a little easier. The latest edition provides within its 400 pages the statistical data, capital history, board of directors, objects and activities, etc., of over 550 companies, the shares of which are quoted on the principal stock exchanges of India. The data in most cases are as up-to-date as possible.

Another main feature of the publication is the illuminating review of the progress of the economy in general and of the leading industries in particular, which adds to its utility to the investor. Besides, it contains the terms of business of brokers in Calcutta, list of trustee investments, definition of approved investments, and list of Government of India, State Government, Corporation and port trust loans. In short, the publication continues to hold its position as one of the most authentic and useful compendium on the subject. The printing and get-up of the publication leave nothing to be desired. It is moderately priced considering the high cost of paper and printing.

Practical Problems in Advanced Accountancy, Parts I and II. By K. S. Gadre. Published by Panchsheel Prakashan, 'Krishna Niwas,' 281, Frere Road, Bombay-1. Pages: 832 (both parts together). Price: Part I Rs. 10; Part II Rs. 7.50.

Students of advanced accounting, costing, etc., definitely require the assistance of key books and solved papers. The books under review (bound separately) make a happy departure from all other guides for they not only solve the problems but also enable the students to make a correct approach to their subject.

In Part I of the book, the author, Mr. K. S. Gadre, has solved, among other things, questions on receipts and payments, depreciation, repair, reserves, etc.; final accounts of cinema theatres, farmer's flock, criticism of accounts on sale or return, investment, voyage; single entry; departmental and branch accounts; self-balancing of ledgers; hire purchase accounts and some important theoretical problems.

Solutions for problems under royalty accounts, insolvency, partnership and liquidator's accounts form part of the second part. The author has worked out problems in all the sections of a partnership account, such as admission, retirement and dissolution of partners, piecemeal distribution of cash, division of profits and final accounts.

The books are primarily intended for B.Com. students. But they will also be of use to the Intermediate students of Chartered Accountants' course and other diploma examinations of B.Com. standard.

Controls on Company Finance. By B. J. Sims. Published by Sweet and Maxwell Ltd., 2 and 3 Chancery Lane, London. Agents in India: N. M. Tripathi Private Ltd., Princess Street, Bombay-2. Pages: 144. Price: 25s.

In all democratic countries, Governmental control of joint-stock companies has been steadily increasing. A great deal of financial control is exercised by the Governments through regulations of capital issues and borrowings by joint-stock enterprises. Mr. B. J. Sims, the author of the book under review has explained the general principle and controls exercised by the United Kingdom Government on joint-stock companies. Since Indian regulations are also based on similar procedure in the U.K., the book must have a certain appeal to Indian readers too. Mr. Sims has described the capital issues control, general extent of control, general exemptions and procedure and enforcements. The last part of the book must be of interest to those British companies which want to invest their funds abroad, for it deals with exchange control and transfer of companies abroad. The appendices of the book give the relevant statutes, orders, and forms of applications to the authorities administering Capital Issues Control. The book is a good guide to those who are in charge of the finances of joint-stock companies."

Industrial Organization. By Bimal C. Ghose. Published by the Oxford University Press, Oxford House, Apollo Bunder, Bombay-1. Pages: 305. Price: Rs. 8.00.

This little book has a twofold objective; one, to help students taking up a course of study in industrial organisation to have an insight into the problems and the factors bearing on the structure of modern industries; two, to enable the general reader to get acquainted with the problems of industrial structure and development.

It falls into two parts. The first deals with the general structure of industries and the second with the growth of industries in India in general and six major industries, namely, cotton, textiles, jute, sugar, iron and steel, coal and tea, in particular.

The book is meant to be an introductory one. The author has succeeded in compressing, in the short compass of 300 pages, a good deal of information. It should prove useful to both students and the general reading public.

Purchase Tax. By A. T. Grieve. Published by Sweet and Maxwell Ltd., 2 and 3 Chancery Lane, London. Agents in India: N. M. Tripathi Private Ltd., Princess Street, Bombay-2. Pages: 208. Price: 25s.

Students of taxation will find the book under review an illuminating guide to the working of purchase tax in the United Kingdom. Although purchase tax, in the form in which it is found in the United Kingdom, does not prevail in this country, the book is bound to be read with interest by students of comparative fiscal systems. The author describes the administration of the tax, registration and accountability of assessees, calculations of tax, legal provisions relating to sales, accounting arrangements and general aspects of purchase tax affecting a trader. As the author himself pointed out, it is not a legal textbook, though it will be of assistance to lawyers and accountants. For people in this country, its appeal is somewhat academic. Interested students will find in the book material that will help them understand the system of taxation which has been in operation in the U.K. for nearly 20 years now.

Journal of the Institution of Engineers (India) Monthly. Editor: B. Seshadri. Published by the Institution, 8, Gokhale Road, Calcutta. Price: Rs. 2.50.

This monthly journal contains articles of highly technical nature. Under three broad sections, namely, mechanical, electrical and general engineering, technical problems are discussed by experts in the field. In the February 1960 issue there is an interesting article on "Philosophy of Engineering" by Mr. Baleshwar Nath. In his article, the author discusses the general nature of engineers and their ingenuity and the need for their multi-faced training. The journal will help engineers keep abreast of latest developments in their field and stimulate research effort.

India and Disputes in the United Nations. By B. V. Govinda Raj. Published by Vora & Co. Publishers Private Ltd., 3, Round Building, Bombay-2. Pages: 280. Price: Rs. 12.00.

If for no other reason, this publication should be welcomed on the score that it brings together, under a single cover, the basic facts about the international disputes brought before the U.N. in which India has been vitally interested. The author has tried to investigate the basis, the purpose, applicability and consistency of India's foreign policy with reference to the settlement of international disputes. He has also tried to evaluate India's contribution towards the growth of the U.N.O. and international law.

City Merchants' Letter-Writer. By C. H. Hamilton. Published by the Author, P. O. Box No. 1706, Dar-es-Salaam, British East Africa. Agents in India: New Book Co. Private Ltd., Dadabhoy Naoroji Road, Bombay, 1. Pages: 208. Price: Rs. 5.

The book under notice contains as many as 290 business letters written specially for the benefit of city merchants. It includes, among others, correspondence with banks and other merchants. This small book of letters will be of immense help to the average merchant. It will also serve as a good guide to those who wish to improve their trade correspondence.

Outline of Exchange Control in India

The Reserve Bank of India has just published a brochure entitled the *Outline of Exchange Control in India* which replaces the earlier publication *Summary of Foreign Exchange Regulations*, issued in 1946 and revised in 1951. The *Outline* brings the regulations up-to-date and presents them against a wider setting.

The booklet is divided into ten chapters. The opening chapter deals with the functions of exchange control, its evolution since its introduction in 1939 and its purpose in the context of the Five-year Plans. This is followed by a chapter on the constitution and the organisation of the control, including machinery for dealing with breaches of regulations. There are separate chapters setting out detailed aspects of the control as applied to imports and exports of merchandise, various private and business payments abroad including facilities available for foreign travel, imports and exports of gold, silver, jewellery, precious stones, carpets, curios and currency notes (Indian and foreign). Of special interest to investors is the chapter on foreign investment in India where the policy in regard to admission of foreign capital and the facilities available for capital repatriation and transfer of profits from India are referred to.

The outline is intended not only for the general public within the country but also those outside who would like to have an idea, however brief, of the basis, the nature and the broad contents of the Indian Exchange Control.

The handbook is priced at Re. 0.50 and can be had from the Administrative Officer, Economic Department, Reserve Bank of India, Bombay-1.

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INDIA'S FOREIGN TRADE IN THE FIRST QUARTER

A COMMODITY-WISE ANALYSIS

THERE was no appreciable change in the structure and pattern of India's foreign trade in the first quarter of 1960, as compared with either the previous or the corresponding quarter of 1959, although there were considerable variations in the value of trade. The data, analysed here, are based on figures published by the Department of Commercial Intelligence and Statistics, Calcutta. The two tables on this page show at a glance the trend of trade in the first quarter of the current year, as against that in the previous quarter and in the corresponding quarter of 1959. The total earnings from exports amounted to Rs. 153 crores during January-March 1960, which were Rs. 20 crores higher than those in the corresponding quarter of 1959, but Rs. 36 crores lower, as compared with the previous quarter, namely, October-December 1959. Similarly, imports at Rs. 209 crores were Rs. 14 crores higher than those in January-March 1959, but lower by about a similar amount, as compared with the previous quarter. In other words, both exports and imports in the quarter under review were greater than in the same period of 1959, but smaller than in the last three months of that year. As usual, the imports were considerably in excess of exports, with the result that the balance of trade was adverse to the tune of Rs. 56 crores.

Among exports, groups of commodities comprising "manufactures," "food," "crude materials" (including metallic ores) and "oils and fats" showed some improvement in relation to their performance in the corresponding quarter of 1959, although they were well below the levels reached in the final quarter of 1959. Exports of mineral fuels, chemicals and machinery items were considerably higher than in the previous and corresponding quarters. In the sphere of imports, the food group registered a sizable decline, followed by manufactures. Imports of manufactures as well as machinery and transport equipment were greater than in the corresponding quarter, but they could not maintain the tempo registered in the previous quarter. Imports of crude materials (including petroleum and metallic ores), chemicals, oils and fats were distinctly higher than in the previous and corresponding quarters, thanks to some liberalisation in import restrictions.

In the field of exports, the total earnings from foodstuffs and tobacco amounted to Rs. 50 crores in round sum, as against Rs. 41 crores in the first quarter of 1959 and Rs. 70 crores in the previous quarter. Tea, India's major foreign exchange earner, fetched Rs. 23 crores, which was higher by Rs. 3 crores, as compared with the first quarter of the previous year. This, however, indicated a fall of over 50 per cent. from the previous quarter, when tea exports touched about Rs. 50 crores. Exports of coffee were higher at Rs. 141 lakhs, as against Rs. 133 lakhs and Rs. 109 lakhs, in the corresponding quarter and the previous quarter, respectively. Shipments of cashew kernels rose to Rs. 434 lakhs, from Rs. 347 lakhs in January-March 1959 and Rs. 339 lakhs in October-December 1959 and spices to Rs. 634 lakhs, from Rs. 203 lakhs and Rs. 410 lakhs, respectively. Overseas sales of tobacco went up to Rs. 534 lakhs, from Rs. 466 lakhs and Rs. 83 lakhs.

Exports of manufactured goods aggregated Rs. 61 crores in the first quarter of the current year, as against Rs. 55 crores in the first quarter of 1959 and as much as Rs. 74 crores in the previous quarter. Earnings from jute goods exports improved to Rs. 33 crores, from Rs. 31 crores and Rs. 30 crores in the first and last quarters of 1959, respectively. Exports of cotton fabrics amounted to Rs. 15 crores. These were higher by Rs. 2.5 crores, as compared with the corresponding quarter of 1959, but Rs. 6 crores lower than in the previous quarter. The total exports of silk and woollen fabrics were lower at Rs. 22 lakhs, as against Rs. 26 lakhs and Rs. 29 lakhs, respectively, in the two quarters taken, as mentioned above, for comparison.

In the group of crude materials, exports of raw cotton showed a fall from Rs. 479 lakhs in the corresponding quarter to Rs. 292 lakhs, but were more or less the same as in the previous quarter. Exports of manganese ore declined from Rs. 337 lakhs in January-March last year to Rs. 260 lakhs, but they too were a shade higher by Rs. 11 lakhs, as compared with the previous quarter. Iron ore fared better at Rs. 441 lakhs (as against Rs. 250 lakhs and Rs. 342 lakhs) and so also hides and skins at Rs. 329 lakhs (as against Rs. 275 lakhs and Rs. 318 lakhs). Sales of mica moved down from Rs. 242 lakhs and Rs. 264 lakhs to Rs. 215 lakhs and so also wool and other animal hair.

Among mineral fuels, exports of petroleum products staged a smart rally to Rs. 130 lakhs, from Rs. 90 lakhs in January-March 1959 and Rs. 71 lakhs in October-December 1959. Shipments of coal at Rs. 125 lakhs were lower by Rs. 11 lakhs but higher by Rs. 14 lakhs, as compared with the corresponding quarter last year and the previous quarter, respectively. Among vegetable oils, exports of castor oil rose perceptibly to Rs. 188 lakhs, from no more than Rs. 21 lakhs and Rs. 146 lakhs, respectively; whereas those of groundnut oil and linseed oil suffered a considerable setback.

A notable improvement was recorded in the exports of engineering goods and machinery, which amounted to Rs. 378 lakhs, as against a mere Rs. 51 lakhs in the corresponding quarter of last year and Rs. 277 lakhs in the previous quarter. The most outstanding item in this group were power-generating machines (including re-exports) which fetched Rs. 245 lakhs, as against Rs. 3 lakhs only and Rs. 99 lakhs in the respective comparable periods. There was a marked increase in the exports of electric fans also. Exports of textile machinery and sewing machines were also well maintained.

A significant feature of import trade was the sharp decline in food materials from Rs. 32 crores in the first quarter of 1959 and Rs. 33 crores in the previous quarter to Rs. 22 crores. This fall was mainly due to smaller intake of wheat, though rice imports were higher.

In the sphere of imports of machinery, mining, construction and other industrial machinery accounted for Rs. 22 crores, as against Rs. 19 crores in corresponding quarter last year and as much as Rs. 25 crores in the previous quarter. Imports of metal working machinery at Rs. 836 lakhs were considerably higher than those in the first quarter 1959 (Rs. 671 lakhs), but lower, as compared with those in the previous quarter. The total intake of power generating machines was lower at Rs. 557 lakhs, as against Rs. 708 lakhs and Rs. 632 lakhs. Imports of manufactures (including iron and steel, non-ferrous metals and textile fabrics) which went up from Rs. 48 crores in the first quarter of 1959 to Rs. 50 crores in the last quarter of that year, declined to Rs. 47 crores in the quarter under review. There was a distinct increase in imports of raw materials (including cotton, jute, metal ores and scrap, and petroleum); they rose to Rs. 54 crores, from Rs. 35 crores in the first quarter of 1959. Imports of chemicals as well as oils and fats also registered handsome improvements.

TABLE—I

Exports (including re-exports)

(Value in lakhs of rupees)

	1960 first quarter	1959 final quarter	1959 first quarter
Manufactures	61,06	73,68	55,48
Of which :			
Leather	7,08	8,25	5,24
Cotton yarns	1,22	1,50	1,28
Cotton fabrics	15,45	21,26	12,51
Jute goods	33,31	30,00	31,25
Silk and woollen fabrics	22	29	26
Cement	21	21	33
Iron and steel	41	80	54
Footwear	87	80	86
Machinery, etc.	3,78	2,77	51
Of which :			
Textile machinery	4	4	5
Diesel engines	3	5	3
Sewing machines	15	16	6
Electric fans	29	10	9
Furniture	9	10	10
Power—generators (non-electric)	2,45	99	3
Food and tobacco	50,40	70,35	40,94
Of which :			
Tea	23,22	49,75	20,11
Coffee	1,41	1,09	1,33
Oilseed cake, etc.	5,60	7,11	4,34
Cashew kernel	4,34	3,30	3,47
Spices	6,34	4,10	2,03
Tobacco	5,34	83	4,66
Tobacco manufactured	23	28	14
Crude materials	29,80	30,47	29,06
Of which :			
Hides and skins	3,29	3,18	2,75
Wool, etc.	2,65	3,86	2,66
Raw cotton	2,92	2,91	4,79
Oilseeds	1,33	44	1,01
Wood	60	66	60
Mica	2,15	2,64	2,42
Iron ore	4,41	3,42	2,50
Iron and steel scrap	1,16	1,53	76
Manganese ore	2,60	2,49	3,37
Natural gums, lacs	2,28	2,00	2,01
Mineral fuels	2,54	1,82	2,25
Of which—			
Coal	1,25	1,11	1,36
Petroleum products	1,30	71	90
Chemicals	1,59	1,38	1,12
Of which :			
Essential oils	73	69	44
Pharmaceuticals	25	23	17
Oils and fats	2,34	6,63	1,40
Of which :			
Castor oil	1,88	1,46	26
Linseed oil	5	159	26
Groundnut oil	12	3,10	61
Grand total (including others)	153,00	189,09	133,39

TABLE—II

Imports

(Value in lakhs of rupees)

	1960 first quarter	1959 final quarter	1959 first quarter
Manufactures	47,43	50,33	47,72
Of which :			
Iron and steel	20,65	20,31	20,80
Copper and alloys	4,52	5,58	3,20
Rubber manufactures	43	49	18
Textile fabrics and made-up-articles	4,20	3,94	5,77
Paper and board	2,83	2,60	1,94
Aluminium and alloys	1,45	1,20	1,14
Lead and tin	1,81	2,32	1,33
Zinc and alloys	1,76	1,35	1,25
Machinery, etc.	60,88	67,42	60,65
Of which :			
Power generators (non-electric)	5,57	6,32	7,08
Agricultural machinery	16	12	33
Tractors	1,22	1,02	38
Metal working machinery	8,36	8,94	6,71
Mining, construction and other industrial machinery	21,60	24,62	18,90
Railway vehicles	3,64	2,82	6,67
Motor vehicles	6,47	7,16	6,27
Aircraft	1,77	3,34	1,07
Food	22,64	32,97	31,68
Of which :			
Wheat	9,03	19,57	19,53
Rice	4,64	2,13	1,86
Milk and cream	29	1,65	1,50
Fruits and vegetables	6,05	7,01	4,87
Fish	1,28	77	98
Crude materials	53,94	51,05	34,86
Of which :			
Petroleum	9,86	4,46	1,64
Petroleum products	13,05	24,21	13,15
Cotton	12,63	6,53	6,12
Wool, etc.	2,82	1,61	2,32
Jute	2,23	60	25
Pulp, waste paper	1,57	2,12	1,72
Crude rubber	2,24	1,83	1,52
Wood	1,60	68	38
Metal ores and scrap	91	1,12	59
Chemicals	21,84	19,28	18,10
Of which :			
Caustic soda	83	2,65	1,74
Soda ash	55	57	27
Fertilisers	4,21	1,93	3,06
Dyeing, tanning colouring materials	2,54	2,44	2,11
Oils and fats	1,24	1,23	75
Grand total (including others)	209,03	223,48	194,82

INDO-HUNGARIAN TRADE

A new trade and payments agreement between India and Hungary, which was signed in New Delhi last week, came into force with effect from the 1st inst. The new agreement, which replaced the one originally signed in 1954, and later extended upto the end of last month, will remain valid for three and a half years. Under the agreement, all transactions between the two countries of both commercial and non-commercial nature will be financed in non-convertible Indian rupees. Trade between the two countries will thus be on a balanced basis.

The important items of exports to Hungary will be tea, coffee, tobacco, vegetable oils, mica, shellac, oilseeds, jute and coir products, iron ore and steel billets, de-oiled meals, semi-tanned and processed skins, leather, cotton, woollen and silk fabrics, handloom and handicraft products, sports goods, shoes, light engineering goods, railway equipment, textile machinery and veneers.

Imports from Hungary will mainly consist of various types of capital goods and machinery for small-scale industries, heavy electric generating sets, photographic sensitised materials, tools such as pneumatic tools, precision tools, etc., components of electric supply meters, pharmaceuticals and drugs in bulk, material testing instruments, garage tools, machine tools, refractory bricks, radio transmitting and receiving tubes and radio parts.

It may be noted that, in 1959, India had an adverse balance in its trade with Hungary, amounting to Rs. 166 lakhs, thanks mainly to a sharp increase in the imports (of machinery and manufactures of metals, etc.) from that country. The trend of imports from and exports to Hungary during the last four years is given in the following table:

(Value in lakhs of Rs.)

	1959	1958	1957	1956
Imports	239	62	77	78
Exports	73	61	30	51
Balance of trade	—166	—1	—47	—27

The new trade and payments agreement is designed to increase and diversify India's trade with Hungary to the advantage of both.

The Government of India has decided to participate in the International Autumn Trade Fair at Vienna, scheduled to be held from 4th to 11th September next. The object of the participation is to help build not only the demand for traditional Indian exports, but also to publicise our growing export potential in regard to manufactured goods. Vienna, being centrally located in Europe, the Fair, it is hoped, would provide an excellent opportunity for creating the much-needed awareness about India's exportable products. Besides, Austria is a member of the European Free Trade Association (E.F.T.A.) and participation in the Vienna Fair has thus acquired added importance. Manufacturers and exporters who like to take part in organising the India Pavilion at this Fair, may send their list of exhibits to the Director of Exhibitions in the Union Ministry of Commerce and Industry, New Delhi, for approval, latest by the 25th inst.

Notices

ORISSA CEMENT LIMITED

RAJGANGPUR

NOTICE IS HEREBY GIVEN THAT THE Tenth Annual General Meeting of the Members of the Company will be held at the registered Office of the Company at Rajgangpur, on Friday the 2nd September, 1960, at 3 p.m., to transact the following business:

1. To receive and adopt the audited Balance Sheet and Profit and Loss Account for the year 1959 and the Report of the Directors and Auditors thereon.
2. To declare a dividend. (The dividend as declared would be payable to all the shareholders registered in the books of the Company as on 10th September, 1960.)
3. To elect a Director in place of retiring Director, Shri Kamalnayan Bajaj.
4. To elect a Director in place of retiring Director, Shri J. Dalmia.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and pass the following Special Resolution with or without modification as thought fit (Explanatory Note attached).

   "RESOLVED by way of Special Resolution that the rental with effect from 1st March, 1959 of 20 single-room quarters belonging to Kalinga Textiles Private Ltd. an Associate of the Managing Agents of the Company, at the monthly rental of Rs. 10 per quarter be and is hereby ratified and approved. Further RESOLVED that the Directors be and are hereby authorised to rent and continue to rent such number of quarters belonging to Messrs. Kalinga Textiles Private Ltd., as are required and for such period as considered necessary on monthly rental not exceeding Rs. 10 per quarter."
7. To consider and pass the following Special Resolution with or without modification as thought fit (Explanatory Note attached).

   "RESOLVED by way of Special Resolution that Article 118 of the Articles of Association of the Company be and is hereby amended as follows:

   '118(*a*) The seal on share certificates shall be affixed in presence of such persons as are authorised from time to time to sign the share certificates in accordance with the provisions of The Companies (Issue of Share Certificates) Rules, in force for the time being.

   (b) On instruments other than share certificates the seal shall not be affixed except in presence of a Director or any other person or persons authorised in that behalf by the Board, who shall sign every instrument to which the seal shall be affixed'."
8. To consider and pass the following Special Resolution with or without modification as thought fit (Explanatory Note attached).

   "RESOLVED by way of Special Resolution that, in addition to transactions already authorised, approval be and is hereby accorded to transactions being made with Hind Ceramics Limited, an Associate of Dalmia Agencies Private Ltd., Managing Agents of the Company, in regard to the following:

   (i) Purchase by the Company from the said Hind Ceramics Limited, of Sanitarywares, Pipes, Fittings and other goods manufactured by the latter Company at the prevailing market rates; and gypsum moulds usable as gypsum in the Cement Works at prices not exceeding those at which gypsum is purchased from other sources.

   (ii) Sale to or purchase from the said Hind Ceramics Limited, of spare parts, equipments, store materials or other articles required by one and available with the other; and

   (iii) Deputation to or from the said Hind Ceramics Ltd. of any personnel including foreign technicians, when required.

   PROVIDED that payment for all goods and services of personnel shall be made within one month of the date of supply or sale of the goods and in case of personnel within the month following the month or part thereof for which remuneration may be payable."

The Share Transfer Book of the Company will remain closed for 27 days from 15th August to 10th September, 1960 both days inclusive.

Every shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a Shareholder. The proxies should, however, be deposited at the Registered Office of the Company not later than 42 hours before the commencement of the meeting.

By Order of the Board,
For ORISSA CEMENT LIMITED,
For DALMIA AGENCIES PRIVATE LIMITED,
J. DALMIA,
Director,
Managing Agents.

Dated 24th June, 1960.

ORISSA CEMENT LIMITED

Explanatory Notes regarding Special Items 6, 7 and 8 of the Agenda of Annual General Meeting

Item 6: Section 360 of the Companies Act, 1956 provides that the approval of the Shareholders should be taken before entering into contract for the sale, purchase or supply of any property to an Associate of the Managing Agents. The Company has taken 20 Nos. of single-room quarter on rent at Rs. 10 per month per quarter from Messrs. Kalinga Textiles Private Ltd., an Associate of the Managing Agents, with effect from March, 1959, as this Company urgently required quarters for the accommodation of its workers and shall be requiring till the Company constructs its own quarters or makes any suitable arrangements. Approval of the shareholders is sought for payment of rent of the above 20 Nos. of quarters from March, 1959 till date and continuation of the above arrangement for payment of rent on quarters belonging to Messrs. Kalinga Textiles Private Ltd., for the Company's use for such periods as Directors deem fit.

The Managing Agents of the Company are interested in Messrs. Kalinga Textiles Private Ltd., as the above Company is an Associate to them. Shri V. H. Dalmia, Director, is also interested in the above Company as first Jointholder of 1,000 Preference Shares of Kalinga Textiles Private Ltd. though the shares are held by him on behalf of Dalmia Jain Trust in the capacity of Managing Trustee. Shri J. Dalmia, Director, is also indirectly interested as his relatives hold shares in the above Company.

Item 7: Under the Companies (Issue of Share Certificates) Rules, 1960, the common seal of the Company has to be affixed on every share certificate in the presence of two Directors or persons acting on behalf of the Directors, who are required to put their signatures on the share certificates. Under the Articles of Association of the Company, at present, one Director must sign every document on which the seal of the Company is affixed. It is proposed to amend the Article 118 of the Articles of Association of the Company so that the seal can be affixed in the presence of all persons other than Directors, who are authorised for this purpose by the Board. This would facilitate the prompt issue of share certificates.

Item No. 8: The Company is building quarters and one more septic tank to cope with the expansion of the colony. For this purpose, sanitary fittings and stoneware pipes for underground drainage will be required which are manufactured by Hind Ceramics Ltd. Similarly, Hind Ceramics Ltd. want to purchase firebricks, etc., from the Company. Hind Ceramics Ltd. have got similar type of Gas Producer as that of the Company. They have also installed tunnel kilns working practically on the same principle as those installed at Rajgangpur by the Company. Therefore, it may become necessary from time to time to have purchase and sale transactions with each other for supply of spare parts and other materials in case of emergencies and also deputation of personnel between each other when required. For this purpose, sanction of the shareholders is necessary by way of Special Resolution.

Hind Ceramics Ltd. being an Associate to the Managing Agents of the Company, Sarvashri J. Dalmia and V. H. Dalmia are interested, they being Directors of Managing Agents. Further, Shri V. H. Dalmia is also interested as a joint holder of 2,000 Preference Shares of Hind Ceramics Ltd. as one of the Trustees of Dalmia Jain Trust.

By Order of the Board,
For ORISSA CEMENT LIMITED,
For DALMIA AGENCIES PRIVATE LIMITED,
J. DALMIA,
Director,
Managing Agents.

BURN AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the Sixty-sixth Ordinary General Meeting) of the Company will be held on Friday, the 29th July, 1960, at 11 a.m., at the Registered Office, 12, Mission Row, Calcutta, to transact the following business:

1. To receive and adopt the Audited Accounts for the year ended 30th April, 1960, and the Directors' and Auditors' Reports thereon.
2. To declare a dividend on the ordinary shares. The dividend, if declared, will be paid on or after the 4th August 1960 to the Shareholders whose names are on the Company's Register on the 29th July, 1960, or to their mandatees.
3. To appoint a Director in place of the retiring Director.
4. To appoint Auditors and fix their remuneration.

The Ordinary Share Register of the Company will be closed from the 21st July, 1960 to the 29th July, 1960, both days inclusive.

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

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

CALCUTTA, *1st July, 1960.*

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 15th July 1960 to the registered shareholders as at that date, half-yearly interest due on the Preference Shares at the rate of 6 per cent. per annum.

Preference Share Transfer Books will be closed from 11th July to 15th July 1960, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE) LTD.,
Managing Agents.

ALLEPPEY, *24th June,* 1960.

THE STANDARD COAL CO., LTD.

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the members a Dividend on the Ordinary Shares at 15 per cent. per annum for the year ended 31st December 1959, subject to deduction of tax.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *24th June* 1960.

LARSEN AND TOUBRO WELL MAINTAINS PROGRESS

MARKED RISE IN EARNINGS—OUTLOOK BRIGHT

THE substantial progress made by Larsen and Toubro Ltd. (Managing Agents: L. & T. (Management) Private Ltd., Bombay) in the past few years has not only been maintained during the year ended 31st March 1960 but the pace of increase in earnings has actually gathered momentum. The gross profit, for instance, which had steadily grown from Rs. 15.96 lakhs (1953-54) to Rs. 36.06 lakhs in 1958-59, has shot up to Rs. 49.05 lakhs, representing an increase of Rs. 12.99 lakhs or 36 per cent. over that for the previous year. This sharp rise in profit during the year under review is due to the marked expansion of Rs. 42.40 lakhs in sales and services, in refreshing contrast to the decline of Rs. 1.15 crores noted in 1958-59, and a sizable increase of Rs. 3.84 lakhs in "other income."

The improvement in sales and services has been achieved as a result of the completion of large contracts together with a further increase in production and servicing activities. The performance of the Company would have been far more encouraging but for the fact that import restrictions continued to make it difficult to develop further the sales of imported machinery. The Company, however, continued developing its manufacturing, workshops and servicing facilities at Powai and, during the year under review, there was an encouraging increase in the output from these production centres. "Having adapted itself to meeting the demands from industrial enterprises in India, both in the matter of supply of plant and machinery, partly or wholly of indigenous make, and in the matter of erection and service of such equipment," the Directors observe in their report, "the Company has been able to employ fully its various engineering facilities with satisfactory results to the Company."

After making a larger provision of Rs. 4.17 lakhs for managing agency commission, as against Rs. 3.10 lakhs in respect of the previous year, and of Rs. 7.09 lakhs (Rs. 5.10 lakhs) towards depreciation, and setting aside Rs. 16 lakhs for taxation, as compared with Rs. 16.60 lakhs a year ago, the net profit amounts to Rs. 21.78 lakhs, which is nearly double that (Rs. 11.26 lakhs) for the previous year. As much as Rs. 8.07 lakhs, or 37 per cent. of the net profit, have been added to the reserves. This amount consists of Rs. 2.50 lakhs to the general reserve, Rs. 1 lakh to the dividend equalisation reserve and as much as Rs. 4.57 lakhs to the development rebate reserve. A dividend of 18 per cent. on the 600,000 old ordinary shares of Rs. 10 each, coupled with a proportionate dividend at the same rate for a period of six months on the 200,000 new shares issued in August 1959, both subject to deduction of tax, has been recommended by the Directors. On a tax-free basis, this is equivalent to 12.6 per cent. and is more or less the same as that paid for 1958-59 on a lower capital. Last year, it may be noted, a dividend of 12.5 per cent. was paid on 500,000 old shares and a proportionate dividend for four months on the 100,000 shares issued in December 1958. The Directors have also recommended a gross dividend of 7.15 per cent. on the 5 per cent. tax-free preference shares, so that, after deduction of tax at source, the shareholders may get the same net dividend of 5 per cent. as before. The Directors feel that "it is reasonable that preference shareholders should be placed in such a position that the Company should bear the deduction made compulsory by Section 18(3D) of the Income-tax Act and those shareholders should receive the fixed percentage of dividend, namely, 5 per cent, as before." A resolution to that effect will be placed before the shareholders at the forthcoming annual general meeting to be held on 22nd July, for their approval. The dividends on preference and ordinary shares together absorb Rs. 6.25 lakhs more than in the previous year, as will be evident from the comparative table at the foot of column 1.

By resorting to gradual development of manufacturing, workshop and servicing facilities, in keeping with the country's desire and determination to place itself on the world industrial map, instead of strictly confining itself to whatever import business in machinery that could be had, the Company has been able to improve its profit-margin in the past few years. In other words, the rise in profit is a hard-won achievement and not the result of any speculative enterprise, in which money is made quickly or lost equally quickly. L. and T. is an admirable example of how a small company could and should grow into a large company, without upsetting the interests of its shareholders even for a period of a few years.

The ratio of the Company's gross profit to sales and services which had stood at 6 per cent. in 1956-57, had gone up to a high of 15.3 per cent. in 1959-60.

The Company acquired further shares during the year under review in its four associated companies, namely, Alu Capsules Private Ltd., Engineering Construction Corporation Private Ltd., India Crown Cork Company Private Ltd. and Viking Transport Private Ltd., following which these companies became its subsidiaries. The dividends received from these subsidiaries during the year amounted to Rs. 2.26 lakhs. The Company also acquired during the year a substantial shareholding in Messrs. Willcox (Buckwell-India) Private Ltd., New Delhi, the authorised dealers in North India for Caterpillar Tractor Company, Peoria, U.S.A. Together with Tractors (India) Ltd., Calcutta, the Company now holds a controlling interest in Messrs. Willcox (Buckwell-India) Private Ltd.

Consequent on the issue of 200,000 new ordinary shares of Rs. 10 each in August 1959, the paid-up capital of the Company has gone up to Rs. 95 lakhs, as against which the reserves and surplus aggregate Rs. 27.62 lakhs. Borrowings from banks and others stand at Rs. 55.12 lakhs and other current liabilities and provisions at Rs. 211.33 lakhs. The borrowings and other current liabilities are more than adequately covered by current assets at Rs. 332.21 lakhs. There has been an addition of Rs. 25.57 lakhs to the gross block during the year under review; this is on top of Rs. 13.82 lakhs added in 1958-59. This has raised the value of gross block to Rs. 78.02 lakhs. This has been written down to Rs. 49.49 lakhs. Besides, capital work-in-progress amounts to Rs. 7.88 lakhs.

The outlook for the Company is promising. With the further development of industries in India, as envisaged in the third Five-year Plan, the Directors confidently expect that the Company's engineering facilities will continue to be required and are hopeful that the Company will continue to show satisfactory results.

The Rs. 10 fully paid-up ordinary shares of the Company have been a bright feature of the Bombay share market and are presently being quoted at Rs. 43 *cum-div.* On an *ex-div.* basis and at the current rate of dividend, the yield on them is 3 per cent. per annum, free of tax.

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales, servicing, etc.	3,20.65	2,78.25	3,03.29	3,27.14
Other income	17.18	13.34	12.81	13.45
Expenses	2,88.78	2,55.53	3,78.12	4,04.73
Gross profit	49.05	36.06	27.98	19.86
Managing Agents' commission...	4.17	3.10	2.42	1.89
Provision for—				
Depreciation	7.09	5.10	3.73	2.58
Taxation	16.00	16.60	12.00	9.40
Net profit	21.78	11.26	9.83	5.99
Excess provisions written back..	1.02	0.57	2.20	1.12
Expenses of previous years written off	0.87	...	1.83	0.67
To reserves	8.07	4.30	3.68	1.58
Dividends—				
5 per cent. preference ...	1.07*	0.75	0.75	0.75
Ordinary	12.60	6.67	5.78	4.12
	(18%)*	(12½%)	(12½%)	(10%)
Carry forward	0.56	0.37	0.28	0.27

* Subject to deduction of tax.

SHAW WALLACE EARNS RECORD PROFIT

NET DIVIDEND SHADE HIGHER

THE year ended 31st December 1959 has turned out to be the most successful for Messrs. Shaw Wallace and Company Ltd. (Chairman, Board of Directors: Mr. S. M. Smith, Calcutta). Its sales have increased over the year by Rs. 91 lakhs to a peak of Rs. 6.38 crores, income from agency and other commissions and allowances by Rs. 7.06 lakhs to Rs. 51.69 lakhs and other income, such as dividends from subsidiaries, income from trade investments, etc. by Rs. 1.91 lakhs to Rs. 19.74 lakhs. Though the larger turnover is accompanied by an all-round increase in expenses of over Rs. 36 lakhs to Rs. 6.44 crores, the gross profit is substantially higher at Rs. 65.22 lakhs, representing a rise of Rs. 13.73 lakhs over that for 1958. This, in fact, is a record profit earned by the Company so far.

After making a larger provision of Rs. 8.56 lakhs for depreciation (as against Rs. 7.04 lakhs a year ago) and of Rs. 22.32 lakhs for taxation (as against Rs. 21.75 lakhs in respect of 1958), the net profit amounts to Rs. 34.34 lakhs, which compares very favourably with Rs. 22.70 lakhs earned in 1958. "While the Company is expanding satisfactorily," the Chairman, Mr. S. M. Smith, stresses in his review appended to the Directors' report, "prudence demands that amounts should be set aside to finance this expansion." Accordingly, the Directors have set aside Rs. 10 lakhs to the general reserve, which had received Rs. 7.50 lakhs a year before, besides raising the allocation to the development rebate reserve from Rs. 1.62 lakh to Rs. 5.32 lakhs and utilising a larger sum of Rs. 3 lakhs to write off investments (as against Rs. 2 lakhs used for this purpose last year). Even after such a large conservation, the Directors have been able to recommend an increased dividend of 15 per cent., subject to deduction of tax, on ordinary shares, as compared with 10 per cent., free of tax, for the previous year. On a tax-free basis, this dividend at 10.5 per cent. compares a little favourably with that for 1958. The ordinary dividend absorbs Rs. 11.25 lakhs, as against Rs. 7.50 lakhs a year ago, and the dividend on the 6 per cent. taxable preference shares Rs. 4.50 lakhs, leaving a surplus of Rs. 5.15 lakhs to be carried over, including Rs. 4.87 lakhs brought in from 1958.

The dividend on preference shares needs some explanation, in view of the differing views on deduction of tax, particularly on taxable preference shares. The Directors have declared a dividend of 6 per cent., subject to deduction of tax, as provided in Section 18(3D) of the Income Tax Act. No income-tax payable by the Company has been deducted. Explaining their decision, the Directors observe:

"Eminent Calcutta counsel has given it as his opinion that only one deduction on account of income-tax should be made from the gross preference dividends. The Company's solicitors share this view and they advise that the Articles of Association of your Company provide that only one deduction of tax should be made at one of the varying rates, applicable to the shareholders according to his or its status, under Section 18(3)(D) of the Income-tax Act 1922, the tax so deducted to be paid to the Government by virtue of the changes in legislation. Your Board have accepted the advice of the Company's solicitors, but the Company's auditors hold a different opinion and have consequently qualified their report."

The auditors' (Messrs. Lovelock and Lewes) views on the provision for preference dividend in the accounts, given in their report, are:

"The Directors have paid the preference dividend for the half-year ended 31st December 1959 and have made provision in these accounts for the payment of the preference dividend for the half-year ended 31st December 1959. The dividends so paid and provided for amount to Rs. 4,50,000, being six per cent. on the paid-up preference share capital of the Company. In our opinion, the amount payable in terms of Article 4 of the Articles of Association is Rs. 3,60,000, being six per cent. on the paid-up preference share capital less Indian income-tax at the current rate."

In other words, the Auditors are of the view that the taxable preference dividends should be subjected to two deductions, namely, (1) Company's own income-tax and (2) the tax payable by shareholders on the dividend at source. This opinion had already been corroborated by Mr. R. K. Dalal, the well-known auditor and chartered accountant of Bombay.

The Company, as readers may already be aware, has widespread interests, and there has been a sizable progress in most of the fields. The extensions to the Company's fertiliser factory in Madras were completed in October 1959 and the new acid plant has been in production since then. The production of both superphosphates and sulphuric acid was higher at 26,849 tons and 9,459 tons, respectively, as compared with 23,839 tons and 7,396 tons in 1958, despite the fact that only a few weeks' production was obtained from the new plant. It is expected that, with both units working to capacity, the production of superphosphates will exceed 70,000 tons. Sales of insecticides and fungicides, manufactured by Sandoz Products and Tata Fison, has increased by 50 per cent. The production of glue has considerably risen from 12,495 cwts. in 1958 to 20,124 cwts. in 1959. The Company has plans to expand its activity into the synthetic branch and to erect a plant to manufacture urea formaldehyde, which is particularly useful in the plywood trade. The tea companies under the Company's management have had a successful year and income from this source shows an appreciable improvement.

The Tinplate Company of India Private Ltd., of which Shaw Wallace and Company are the Managing Agents, has raised its output from 57,877 tons (in 1958) to 67,900 tons, notwithstanding the fact that its difficulties have not been resolved. Nevertheless, plans for expansion of the Company's Golmuri Works are under scrutiny, but the Chairman says that it is too early to give an indication of the final outcome.

The raisings of coal by the collieries under the Company's management have gone up slightly, from 1,896,923 tons to 1,912,949 tons, but despatches have dwindled from 1,853,957 tons to 1,849,610 tons.

The two flour mills under its management have had a successful year. Their production and sales of wheat products were a record. Thanks to the slight recovery in shipping during 1959, the Company's income from this source has gone up by 30 per cent. The Company's import business has, however, been affected by the continued restrictions on imports.

The outlook for the Company, so far as the current year is concerned, is reasonably satisfactory and, according to the Chairman, the results of the first half of the current year have been satisfactory.

There has been an addition of Rs. 35.70 lakhs to the Company's block account during the year, bringing the total cost thereof to Rs. 118.31 lakhs. This has been written down to Rs. 92.25 lakhs. The investments (at or below cost) stand at Rs. 181.15 lakhs, of which quoted investments account for Rs. 105.93 lakhs and unquoted investments for Rs. 75.22 lakhs. The market value of the quoted investments is Rs. 96.04 lakhs. The depreciation is more than covered by an investment reserve of Rs. 16 lakhs. The other current assets aggregate Rs. 366.46 lakhs. The total assets thus amount to Rs. 643.37 lakhs, as against which borrowings from banks and others and other current liabilities are of the order of Rs. 442.78 lakhs. These leave a net asset of Rs. 200.59 lakhs, represented by a paid-up capital of Rs. 150 lakhs and reserves and surplus of Rs. 50.59 lakhs.

At the current market value of Rs. 25 *cum-div.*, the Rs. 10 paid-up ordinary shares of the Company give a yield of 4.39 per cent. per annum, free of tax.

DAMODAR VALLEY CORPORATION

A sum of over Rs. 605 lakhs was earned as revenue by the Damodar Valley Corporation from the sale of power produced by its network of power houses, in the year 1959-60. The cumulative sale of power during this period was about 1,312.5 million kw.h. In 1958-59, the quantity of power sold was lower at about 1,080.8 million kw.h. and the revenue earned Rs. 476.7 lakhs. The D.V.C. power system at present consists of four power houses—one thermal and three hydel stations. The Bokaro thermal power station has an installed capacity of 150,000 kw., which will increase to 225,000 kw., when the fourth unit is commissioned this year. The hydel stations at Tilaiya, Maithon and Panchet have an installed capacity of 104,000 kw. The total ultimate installed capacity of D.V.C. power houses, including the Chandrapura and Durgapur thermal power stations, at present under construction, will be 729,000 kw.

ALCAN ENFIELD ALLOYS LTD.

Aluminium Limited of Canada and Enfield Rolling Mills Ltd., announce the joint formation of a new company to acquire the secondary aluminium smelter at Bradford, Yorkshire, presently operated by Enfield Rolling Mills (Aluminium) Ltd. The new company, to be known as Alcan Enfield Alloys Ltd., will have an issued capital of £500,000, of which 50 per cent. will be owned by Enfield Rolling Mills Limited, and will produce from scrap and primary aluminium a large range of foundry alloys not normally produced at the primary aluminium smelters of Aluminium Company of Canada Limited, the principal subsidiary of Aluminium Limited.

Alcanuk Limited, the fully owned subsidiary of Aluminium Limited responsible for the distribution of Alcan primary aluminium and various other materials in the United Kingdom, will market the alloys produced by the new company. No change is anticipated in the existing management and personnel of the Secondary Smelter Organisation which will transfer to the new company. The Managing Director of Alcan Enfield Alloys Limited will be Mr. W. W. Kee.

Kamani Bros. Private Ltd., has obtained a licence from the Government of India to set up a plant for the manufacture of reclaimed rubber. It is learnt, A new company will be formed shortly to undertake this project. The factory will be located at Kurla, near Bombay. The plant, which will produce reclaimed rubber from rubber waste, will have an annual capacity of 5,000 tons. The promoters expect the plant to go into production in 1961. The authorised capital of the new company will be Rs. 50 lakhs and the issued capital Rs. 30 lakhs. The Company is expected to enter the capital market next September. Efforts are under way to secure foreign collaboration for the venture. Kamani Bros. Private Ltd., will be managing agents of the proposed company.

BUMPER RESULTS BY CALICO MILLS

GROSS PROFIT EXCEEDS RS. 2 CRORES

THE working of the Ahmedabad Manufacturing and Calico Printing Company Ltd., popularly known as Calico Mills (Managing Agents: Messrs. Karamchand Premchand Private Ltd., Ahmedabad), during the year ended 31st March 1960 has proved to be the most encouraging in the last many years, despite the high prices of both Indian and foreign cotton, the higher wage bill and the increase in the overall cost of production. This has been due to the pick-up in the offtake of cloth since August 1959, the larger exports, and modernisation of plant and machinery. The sales of the Company reached almost Rs. 10 crores, representing an increase of Rs. 84 lakhs over the previous year, and its gross profit crossed, probably for the first time in its 80-year history, the 2-crore mark to Rs. 2.04 crores, a rise of Rs. 45 lakhs over that for 1958-59. The net profit, too, at Rs. 104.42 lakhs, shows a marked rise of Rs. 37.08 lakhs over the year.

In consonance with the encouraging results, the Directors have raised the distribution to ordinary shareholders to a gross dividend of Rs. 31 per share of Rs. 125 each or 24.8 per cent., from Rs. 22 per share or 17.6 per cent. paid for the previous year. In view, however, of the statutory obligation to deduct tax at source under the Finance Act 1959, the net dividend works out to only 17.36 per cent., which is a fraction less than that for 1958-59. The dividend for the year under review includes a distribution of Re. 1 per share to be paid out of the tax-exempt dividend reserve created out of the past year's profit. The dividend on the 4½ per cent. tax-free first preference shares has been grossed, so that after deduction of tax, it would give the same net return as before, while those on the 4½ per cent. taxable second and third preference shares are subject to deduction of income-tax. The ordinary and preference dividends together require Rs. 52.51 lakhs, that is, Rs. 14.89 lakhs more than last year, while the net amount conserved to the reserves (after taking into account the withdrawals from reserves) is sizably lower at Rs. 8.23 lakhs, as against Rs. 14.60 lakhs last year. But, after these appropriations, there is still a large surplus of as much as Rs. 21.89 lakhs, as against only Rs. 3.14 lakhs brought in. This shows that the Directors could have easily raised the net dividend on ordinary shares if they had wanted to.

The progress of the Company since 1956-57 is well brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	9,99.51	9,15.65	8,49.67	8,52.56
Other income	10.78	4.23	4.30	4.92
Closing stocks of finished goods and work-in-process	1,29.51	1,48.90	1,51.71	1,72.55
Raw materials consumed ...	2,97.04	2,96.18	3,22.52	3,23.02
Other expenses	5,11.76	4,41.87	4,03.25	3,48.22
Gross profit	2,04.47	1,59.14	1,28.20	1,86.23
Managing Agents' remuneration.	15.37	10.88	8.93	14.87
Provision for—				
Depreciation	25.66	30.17	18.63	17.40
Taxation	59.03	50.75	36.37	68.32
Net profit	1,04.42	67.34	64.27	85.64
To reserves	8.23	14.60	29.34	32.34
,, bonus to employees ...	23.00	21.09	20.00	20.10
Transfer from reserves ...	4.65	...	30.00	...
Dividends—				
Preference	1.36*	1.32	1.32	1.32
Ordinary	51.15	36.30	35.20	33.00
	(24½%)*	(17½%)	(20%)	(24%)
Carry forward	21.89	3.14	9.28	1.18

* Subject to deduction of tax

The larger sales during the year under review reflect in part the successful efforts of the Company in the export field. In a bid to capture the export markets, the Company's sales staff made a study of the markets in the East and the West. On the basis of this study, the Company created distinctive designs to suit the tastes of foreign consumers. The results achieved during the last six months of the year are said to be satisfactory, especially in view of the fact that a proportion of the exports consisted of superior varieties of cloth dyed and printed with special wash and wear and other finishes.

With a view to increasing exports, the Company purchased a textile mill in Kalol, namely, Kalol Mills Private Ltd., having 16,824 spindles and 320 looms. The entire production of this mill was earmarked for export. Unfortunately, however, the export prices were substantially lower than the domestic prices even after allowing for export incentives. Further, the production of export varieties had to be curtailed on account of the cut in quota of Indian cotton to this mill. The Directors fear that cloth exports may have to be reduced further and the foothold established in foreign markets may be lost. This would be a tragedy, having regard to the fact that the country is badly in need of larger exports.

There is a growing demand in this country and abroad for pre-shrunk, crease-resisting and other chemically processed cloths. The Directors were of the view that it would be advantageous to the Company to utilise its experience in cloth processing and special finishing of grey cloth produced by hand and power loom industry, by having a separate unit for such purpose. With this object in view, the Company has purchased the entire shares of Rajindra Dyeing and Printing Mills Private Ltd., which has a small processing unit at Ahmedabad. It will be necessary to re-equip the unit in order to make it an efficient and modern independent cloth processing plant.

The buildings for the Company's polyvinyl chloride and calcium carbide plants have been completed and erection of machinery is proceeding satisfactorily. The plants are expected to go into production during 1960-61. The Company issued during the year under review 7 per cent. first mortgage debentures for the amount of loan (in foreign currencies) taken from the I.C.I.C.I. to provide a part of the finance required for this project. The outstanding amount of loan from the I.C.I.C.I. as at the end of the year is equivalent to Rs. 47.17 lakhs. The Company has been given permission to issue debentures of the second series for Rs. 1.48 crores for the purpose of borrowing from banks against the security of these debentures.

The Company's financial position is quite impressive. The paid-up capital of Rs. 2.36 crores is supplemented by reserves and surplus aggregating Rs. 3.13 crores. The borrowings and other current liabilities and provisions, at Rs. 4.58 crores, are more than adequately covered by current assets amounting to Rs. 5.32 crores. The gross block of the value of Rs. 8.05 crores, including an addition of Rs. 1.23 crores during the year, has been well written down to Rs. 4.75 crores.

The Rs. 125 fully paid-up ordinary shares are being currently quoted at Rs. 978 *cum-final div.*, as against Rs. 593 *cum-div.* a year ago. On an *ex-div.* basis, the shares offer a yield of 2.2 per cent. per annum, free of tax.

THE BUSINESSMAN AND GOVERNMENT IN THE UNITED STATES

(*Concluded from page 18*)

for such a tour of duty, and four to eight years highly desirable.

If I were asked to offer a permanent solution to this problem, it would be this. I would hope that Government would invite business organisations to select each year a substantial number of young men who would be loaned to Government for training. They would be placed throughout all of the various departments and would be assigned to older men as assistants. Here they would be taught the procedures and traditions of our form of government and would devote two years of their lives to this civilian service. We have no hesitancy in asking young men to make a similar sacrifice for training in military preparedness, and it seems to me high time that we should recognise that serving one's country in time of peace is equally as important, and equally as noble, as serving it in war.

After two years of Government apprenticeship, the young men would return to their companies. There they would go forward with their personal development and, in due course acquire experience in management and other industrial skills. Eventually, at middle life those who had successfully demonstrated superior ability would be available on demand to fill important administrative posts for our country and, upon their return to Government their early training would make them ready for immediate service. Broad partnership between business and Government makes inevitably for a more stable economy and a stronger nation. Industry requires a wise Government, and, in the administration of its public affairs, the nation needs a strong industrial base. The drawing into parallel of these two forces is desirable from every point of view. The process has begun auspiciously in the United States. There will be no turning back. The participation of businessmen in the forming of public policies in the administration of public affairs has come to stay in our country.

SYNOPSES OF COMPANY REPORTS

Belsund Sugar Co., Ltd.

THE directors of the above Company (*Managing* Agents: Messrs. Bangur Brothers Ltd., Calcutta) present the audited accounts of the Company for the year ended 30th September 1959.

After providing Rs. 1,88,809 (Rs. 68,489) for depreciation the accounts reveal a profit of Rs. 6,63,224 (Rs. 7,13,756). To this has been added the amount transferred from development reserve of Rs. 1,00,000 (*nil*), unclaimed dividends forfeited Rs. 9,791 (*nil*) and the amount brought forward from the previous year of Rs. 66,832 (Rs. 74,946) making a total of Rs. 8,39,847 (Rs. 7,88,702). Out of this sum, *provision for* taxation absorbs Rs. 2,06,000 (Rs. 4,12,000) leaving a balance of Rs. 6,33,847 (Rs. 3,76,702) at the credit of profit and loss account. This amount the directors recommend should be appropriated as under:—

To transfer to development rebate reserve Rs. 1,78,726 (*nil*), to transfer to general reserve Rs. 50,000 (Rs. 50,000) and to pay a dividend at Re. 1.40 (Re. 1.00 per share, free of tax) per share, subject to deduction of tax, for the year ended 30th September 1959 absorbing Rs. 3,63,818 (Rs. 2,59,870) leaving to be carried forward to next year Rs. 41,303 (Rs. 66,832).

The factory commenced crushing on the 8th December, 1958 and concluded on the 4th May, 1959 with a total crush of 31,20,771 mds. of cane as compared to 24,91,495 mds. of cane in the previous year. The quality of cane available was normal and the recovery was 10.15 per cent., as compared to 10.47 per cent. in the previous year.

The minimum cane price was Re. 1.44 per maund at the factory gate and Re. 1.31 per maund at outstations. Cane cess was levied at 19 nP per maund and Cane Co-operative Societies commission was 5 nP per maund of cane.

The extension of factory increasing the crushing capacity to 1,200 tons per day is practically completed and it is expected that 1960-61 season shall be started with full extended capacity.

Season 1959-60: Due to shortage of sugar in the country, the Government of India announced incentive by way of granting rebate on early cane crush and as such the crushing for the season 1959-60 started earlier in November, 1959 and the Company's factory has concluded the season with a higher crush at 35 lakh maunds.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,49,050	Gross block ...	43,95,189
Reserves ...	10,53,726	*Less*—Depreciation ...	27,45,553
Provision for taxation ...	6,04,035		
Liabilities ...	54,52,981	Net block ...	16,49,636
Profit and loss account (surplus) ...	41,303	Stock ...	20,10,477
		Stores, etc. ...	9,88,695
		Book debts ...	31,33,457
		Investments	12,07,275
		Cash ...	1,11,555
Rs.	*91,01,095*	Rs.	*91,01,095*

Saran Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co. Private Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 31st March 1960.

The results for the year, after providing for all charges, including provisions for taxation and depreciation and adjustments, show a surplus of Rs. 2,48,587 (Rs. 1,25,490). From this amount the directors have transferred to rehabilitation reserve Rs. 2,00,000 (Rs. 87,800) leaving a balance of Rs. 48,587 (Rs. 37,690). With the balance brought forward from the previous year of Rs. 21,828 (Rs. 21,638) there is an available balance of Rs. 70,415 (Rs. 59,328). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend of 35 (25 nP per share, free of income-tax) nP per share, subject to deduction of tax, for the year ended 31st March 1960, absorbing Rs. 52,500 (Rs. 37,500) leaving to be carried forward Rs. 17,915 (Rs. 21,828).

Since the directors' last report, the supply position of pig iron and steel *Roller Shafts* has improved and this has made a significant contribution to the improvement in trading results of the year under report. The Company has, however, not been successful in obtaining cast iron *Roller Shells* at competitive rates from outside. These are still being cast in the Company's foundry, and the production has been fully maintained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block ...	31,29,091
Reserves ...	11,05,251	*Less*—Depreciation ...	21,37,426
Provision for taxation ...	4,32,160		
Liabilities ...	24,25,113	Net block ...	9,91,665
Profit and loss account (surplus) ...	17,915	Stock-in-trade	6,78,193
		Stores, etc. ...	16,05,381
		Loose tools ...	33,553
		Book debts ...	9,83,502
		Investments	49,875
		Cash ...	2,38,270
Rs.	45,80,439	Rs.	45,80,439

Radha Krishna Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. A. G. Guruswamy Naidu and Co., Peelamedu, Coimbatore) present the audited accounts of the Company for the year ended 31st December 1959.

The year's trading has resulted in a profit of Rs. 16,99,089 (Rs. 9,28,908). Out of this the following amounts have been paid or provided for: Bonus to staff and operatives for 1959 and part payment of arrears of dearness allowance to staff Rs. 1,36,716 (*nil*), to wealth-tax for the year 1958 Rs. 30,548 (Rs. 49,147), to managing agency remuneration at 10 per cent. on the net profits of the Company Rs. 1,19,117 (Rs. 54,121) and to depreciation on the fixed assets of the Company Rs. 3,78,602 (Rs. 3,87,701) which leaves a balance of Rs. 10,34,106 (Rs. 4,87,086). Adding to this the previous year's balance brought forward of Rs. 3,407 (Rs. 3,877) the total amount available for distribution is Rs. 10,37,513 (Rs. 4,90,963). The directors recommend to dispose of this amount as follows:—

To transfer to contingency reserve Rs. 2,60,000 (Rs. 1,76,366), to transfer to development rebate reserve Rs. 1,07,447 (*nil*) and to pay a dividend at the rate of 9 (6 per cent. tax-free) per cent. subject to deduction of income-tax, on the paid-up capital of the Company as at 31st December 1959, absorbing Rs. 5,67,405 (Rs. 3,11,190) leaving to be carried forward to next year Rs. 2,661 (Rs. 3,407).

The directors wish to report that trade conditions which were depressing till the middle of the year under review *improved* considerably thereafter making it possible for the Mills *to turn* the corner and show satisfactory results in its working. In respect of cotton, the most important raw material for the Mills, scarcity conditions prevailed during the year with the *attendant* consequence of increased prices and the position has still not eased and continues to cause anxiety to the mills. Sales of yarn and cloth for export are much larger this year, since considerable attention was paid for placing our products in foreign markets with a view to build up and develop export business, although the margin of profit was low. However, this has been off-set to a certain extent by the premium received on exports under the Export Incentive Scheme initiated by the Central Government. Although, there was no power cut during the year under review, the mills had to foot a heavier electricity bill on account of an increase in the rates.

The directors are glad to inform that the South India Viscose Limited is expected to go into production by 1961 and this Company's heavy investments in the shares of that Company will begin to bear fruit and yield its benefits in the coming years.

The directors inform that the Central Government has been pleased to approve the re-appointment of Messrs. A. G. Guruswamy Naidu and Co., as the managing agents of the Company for a further period of 5 years from the 16th August 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,10,600	Gross block	1,10,86,808
Reserves ...	18,67,447	*Less*—Depreciation ...	66,04,305
Liabilities ...	37,77,426		
Profit and loss account (surplus)	2,661	Net block ...	44,82,503
		Stock-in-trade	41,37,551
		Stores, etc. ...	2,25,072
		Book debts ...	11,34,628
		Investments	19,15,125
		Cash ...	63,255
Rs.	1,19,58,134	Rs.	1,19,58,134

Coimbatore Pioneer Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. T. R. Narayanaswami Naidu & Co., Peelamedu, Coimbatore) present the audited accounts of the Company for the twenty-fifth financial year ended on 31st December 1959.

The year's working has resulted in a gross profit of Rs. 25,00,000 (Rs. 18,83,614) after charging all the working expenses, bonus to employees and workmen, interest on borrowed capital, but before charging managing agent's commission on net profit and depreciation. After providing for managing agent's commission on net profit Rs. 2,09,808 (Rs. 1,47,867), for normal and shift depreciations Rs. 5,36,752 (Rs. 5,05,293) and for development rebate, and reserve on new machinery installed during the year Rs. 2,53,440 (Rs. 1,41,775), the net profit for the year is Rs. 15,00,000 (Rs. 10,88,679) only. Adding to this the amount brought forward from the previous year of Rs. 7,779 (Rs. 599), there is a sum of Rs. 15,07,779 (Rs. 10,89,279) available for distribution, which the directors recommend to be disposed of as under:—

To provision for taxes Rs. 8,45,000 (Rs. 6,75,000), to provision for Silver Jubilee expenses Rs. 25,000 (*nil*), to payment of a dividend of 6½ (6½ per cent. free of tax) per cent. free of tax *on cumulative* preference shares absorbing Rs. 9,286 (Rs. 6,500) and to payment of a dividend on equity shares at 25 (20 per cent. free of tax) per cent. subject to deduction of tax *absorbing* Rs. 5,00,000 (Rs. 4,00,000) leaving a balance to be carried forward to next year of Rs. 1,28,493 (Rs. 7,779).

The directors are glad to report that the mills worked in full complement of the *installed* capacity without any break.

The mills at Peelamedu worked for 304 days, spinning cotton yarn of counts 40s to 100s and the mills at Perianaickenpalayam worked for 305 days, spinning 20s to 40s yarn.

Quota for import of foreign cotton was granted by the Textile Commissioner in accordance with the policy of Government of India in regard to allocations on the basis of past consumption during the basic year and under the Export Incentive Scheme. Towards the latter part of the year, restrictions were imposed *on* the purchase of Indian cotton in view of poor crop. Although the parity in price between cotton and yarn was narrow during the first half year, the margin improved in latter part of the year. The working of the Company shows the business accumen and the foresightedness of the personnel in charge of the management of the Company.

This Company was incorporated on 21st March, 1935 and the certificate of business was obtained on 1st August, 1935. The Company has so far convened 24 annual general meetings. The directors now present the 25th year's annual accounts. They desire to celebrate the Silver Jubilee of the Company during August, 1960.

The Company was incorporated with an initial capital of Rs. 5,00,000 constituting Rs. 4,00,000 equity capital and Rs. 1,00,000 preference capital. Without calling for any public subscription, the equity capital was increased to Rs. 20,00,000 by capitalising reserves and issuing bonus shares at the rate of 4 bonus shares of Rs. 100 each to each of the equity shares of Rs. 100 each *held by* its members.

The installed capacity of the Company to start with was 6,000 spindles and the same has been raised to 27,226 spindles at Peelamedu and 12,320 spindles at Periamaickenpalayam.

Licence has been obtained under expansion schemes for a further installation of 10,000 spindles at 'B' mills. The machineries for the above have been ordered and the construction of buildings for housing the above installation is in progress.

All the frames at the Peelamedu *mills have* been modernised with latest equipments and foreign manufacturers of machinery and technical personnel have visited the mills and have recorded their appreciation of the *mills* and its efficient maintenance.

Successful arrangements have been made for purchasing on deferred payment basis, machineries for both the mills under the expansion scheme and latest auxiliary machineries for the production of high quality yarn in the mills. The estimated cost will be about to Rs. 45 lakhs.

The Company has acquired lands *adjoining* the mills at Peelamedu—both for expansion of the mills and for constructing houses under the housing scheme, for the employees of the mills.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Gross block	97,89,504
Reserves ...	22,23,665	*Less*—Depreciation ...	54,27,110
Provision for taxation ...	5,45,424		
Liabilities ...	56,27,538	Net block	43,62,394
Profit and loss account (surplus) ...	1,28,493	Stock-in-trade	20,04,514
		Stores, etc.	3,10,576
		Book debts	15,90,541
		Investments	22,75,772
		Cash ...	81,323
Rs.	1,06,25,120	Rs.	1,06,25,120

Raja Bahadur Motilal Poona Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Mukundlal Bansilal & Sons, Bombay) present the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year after deducting managing agents commission Rs. 74,318 (Rs. 50,000), depreciation *on* fixed assets Rs. 5,61,587 (Rs. 2,73,000) and development rebate reserve Rs. 1,59,968 (Rs. 1,03,953), amounts to Rs. 5,21,741 (Rs. 238). With the balance brought forward from the previous year of Rs. 10,581 (Rs. 10,343) there is a total amount of Rs. 5,32,322 (Rs. 10,581). Out of this amount, the directors have appropriated to arrears of depreciation on fixed assets in respect of previous years Rs. 5,31,036 (*nil*) leaving a balance of Rs. 1,286 (Rs. 10,581) to *be carried* forward to the next year.

The programme of rehabilitation is in progress and a sum of Rs. 26,35,846 was spent in construction of buildings and installation of new *machinery*.

In reference to the application made by the Company to the Government of India for the approval of the reappointment of Messrs. Mukundlal Bansilal & Sons as managing agents of the *Company*, the Government suggested certain modifications in the proposed agreement, viz., reduction of the period of reappointment to five years, and payment of *managing agency commission* at the rate of 10 per cent. on its first profit of Rs. 10,00,000 and scaled down thereafter as per the Government Press Note No. 20.3 of 23rd October 1959 subject to a minimum *remuneration of* 50,000 in the event of absence or inadequacy of profits in any one year. Their appointment as managing agents was approved by the Government with effect from 16th *August* 1960 and the managing agency agreement has been executed on the said modified terms.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,21,000	Gross block ...	1,22,00,423
Reserves ...	22,65,286	*Less*—Depreciation ...	53,26,619
Liabilities ...	63,29,957		
Profit and loss account (surplus) ...	1,286	Net block ...	68,73,804
		Stock-in-trade	30,63,743
		Stores, etc. ...	7,59,745
		Book debts ...	5,56,579
		Investments	53,052
		Cash ...	1,10,606
Rs.	1,14,17,529	Rs.	1,14,17,529

Travancore Cements Ltd.

The directors of the above Company (Managing Agents: Essel Private Ltd., Kottayam, Kerala State) present the audited accounts of the Company for the year ended 31st December 1959.

The working of the Company for the year has resulted in a net loss of Rs. 88,787 (profit of Rs. 5,83,192) after charging Rs. 5,61,497 (Rs. 4,11,686) on account of depreciation on the fixed assets and transferring a sum of Rs. 3,85,937 (Rs. 1,423) by way of reserve for development rebate with a view to have the benefit of the development rebate of Rs. 5,14,583 in the Income-tax assessment. The profit before deducting the development rebate is Rs. 2,97,150 as against the profit of Rs. 7,34,615 of last year.

The lower profit of the year was mainly due to the following circumstances:—

The *White Cement Plant* was installed and commissioned during the period under report. During the period of installation, the production of cement had to be stopped from the end of February 1959 to the beginning of May 1959, and the capacity production of *White Cement* could be *obtained* only by the middle of July. The marketing of the Company's *White Cement* naturally took some time, though the quality is admitted to *be* the best. The entire production could not be sold during the year and considerable stocks are on hand.

During the year the Company had to provide Rs. 50,000 by way of gratuity fund to its employees and also had to incur higher expenditure on account of interest payments, medical expenses to employees and advertisement charges.

The profit and loss account of the Company shows a net loss of Rs. 88,787 (Rs. 5,83,192). After deducting this from the balance of profit brought forward from 1958 of Rs. 2,67,873 (Rs. 3,24,681) there is available balance of Rs. 1,79,086 (Rs. 9,07,873). The directors propose to transfer from deferred taxation reserve Rs. 1,50,000 (*nil*) making up a total of Rs. 3,29,086 (Rs. 9,07,873).

Out of this amount, the directors recommend payment of a dividend at 6 (6 per cent. free of income-tax) per cent. per annum, subject to deduction of tax, for the year 1959 absorbing Rs. 3,00,000 (Rs. 3,00,000) leaving a balance of Rs. 29,086 (Rs. 2,67,873) after providing Rs. 3,00,000 for taxation and Rs. 40,000 for reserve for contingencies.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Gross block	1,37,88,664
Reserves ...	11,77,360	*Less*—Depreciation ...	57,99,082
Liabilities ...	62,04,297		
Profit and loss account (surplus)	29,086	Net block ...	79,89,582
		Stock-in-trade	17,16,569
		Stores, tools, etc. ...	22,39,957
		Book debts ...	3,96,850
		Investments	48,948
		Cash ...	18,837
Rs.	1,24,10,743	Rs.	1,24,10,743

Manar Estates Ltd.

The directors of the above Company (Managing Agents: Vasantha & Co. (Trichy) Private Ltd., Thillainagar, Tiruchirapalli) submit the audited accounts of the Company for the year ended 31st March 1960.

Tea: A crop of 1,35,236 (1,52,175) lbs. of green tea leaves was harvested and delivered to Messrs. National Tea Plantations (Private) Limited. Koderi, Katary P.O. (Nilgiris), for the year ended 31st March 1960 against an estimate of 1,30,000 (1,25,000) lbs. for the year.

Coffee: The coffee crop harvested during the year was about 51 (5) tons against an estimate of 45 (3) tons. This is a record crop for the Company since its inception.

The Company earned a net profit of Rs. 96,108 (net loss of Rs. 28,759) for the year under review. This together with the balance brought from the previous year of Rs. 896 (Rs. 13,446) amounts to Rs. 97,004. A final available balance of Rs. 18,396 after transferring Rs. 40,000 from general reserve, Rs. 10,000 from emergency and contingency reserve and Rs. 10,000 from dividend equalisation reserve. The directors now recommend to appropriate this amount as under:—

To payment of bonus relating to earlier years Rs. 4,159 (*nil*), to transfer to general reserve Rs. 10,000 (*nil*), to transfer to provision for taxes Rs. 30,000 (*nil*) and to pay a dividend of 10 (5 per cent. free of tax) per cent. subject to tax absorbing Rs. 35,000 (Rs. 17,500) leaving to be carried forward to next year Rs. 17,845 (Rs. 896).

Estimate for 1960-61: It is estimated that the coffee crop will be about 15 tons and tea crop about 1,35,000 lbs. of green tea leaves. The fall in estimate of coffee crop is due to the poor blossom the estates had this year, after the harvest of bumper crop during last year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Gross block	3,43,044
Reserves ...	26,500	*Less*—Depreciation ...	21,726
Provision for taxation ...	30,670		
Liabilities ...	52,702	Net block ...	3,21,318
Profit and loss account (surplus) ...	17,845	Stock-in-trade	1,17,721
		Loose tools, etc. ...	1,938
		Book debts ...	4,978
		Investments	6,000
		Cash ...	25,762
Rs.	4,77,717	Rs.	4,77,717

Mim Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit, after charging all expenses and crediting the amount of a claim under the hail insurance policy, of Rs. 23,040 (Rs. 30,079). With the balance brought forward from last year of Rs. 5,657 (debit of Rs. 27,148) there is a total amount available for appropriation, of Rs. 28,697 (Rs. 2,931). The directors have transferred to development rebate reserve Rs. 372 (Rs. 761) leaving a balance of Rs. 28,325 (Rs. 5,657 including Rs. 3,487 being forfeited unclaimed dividends). The directors now recommend that a dividend of Rs. 10.00 (*nil*) per share subject to tax be paid absorbing Rs. 15,900 (*nil*) leaving a balance to be carried forward, of Rs. 12,425 (Rs. 5,657). The West Bengal Entry Tax levied during the year amounted to Rs. 7,292.

A record crop of 2,493 (1,978) maunds was secured, which was particularly satisfactory in view of the hail damage, assessed at 1,24,5500 maunds, which was sustained early in the year. The market for Darjeeling teas was considerably less favourable than in the previous year and the crop sold at an average price of Rs. 3.46 nP per lb., compared with the average price of Rs. 3.93 nP per lb. received for the 1958 crop.

An increase in the minimum wage became effective on 28th September 1959, male and female labourers and minors receiving increases of 8 nP, 9 nP and 5 nP per day, respectively.

Estimates for the current season have been framed for a crop of 2,500 maunds to cost Rs. 6,25,758 and it is hoped that this figure will, in fact, be exceeded. By the 15th May 1960, 33,333 Kgs. (919 maunds) had been harvested compared with 28,612 Kgs. (788 maunds) to the same date last year.

On 19th December, 1959 the Company became a subsidiary of Andrew Yule & Co., Ltd. Andrew Yule & Co., Ltd. will cease to act as managing agents of the Company with effect from 15th August, 1960 and the proposal to appoint them as secretaries and treasurers of the Company for a period of 5 years from that date has been approved by the Central Government.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Gross block	5,41,385
Reserves ...	3,51,372	*Less*—Depreciation ...	2,25,783
Provision for taxation ...	468		
Liabilities ...	2,98,181	Net block ...	3,15,597
Profit and loss account (surplus) ...	12,425	Stock of tea	1,70,348
		Stores, tools, etc., ...	90,058
		Book debts ...	1,80,638
		Investments	2,147
		Cash ...	62,658
Rs.	8,21,446	Rs.	8,21,446

Tezpore Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1959.

The Company's profit for the year is Rs. 10,71,325 (Rs. 6,18,720). After providing for taxation on profits of the year Rs. 4,38,529 (Rs. 2,58,214) there remains a balance of Rs. 6,32,796 (Rs. 3,60,506).) To this is added the *amount brought forward* from the previous year of Rs. 40,539 (Rs. 36,041) and provision for taxation no longer required of Rs. 12,895 (*nil*) making a profit available for appropriation of Rs. 6,86,230 (Rs. 3,96,547). Out of this the following appropriations have been made or are *recommended by* the directors:—

To amount transferred to general reserve Rs. 2,00,000 (Rs. 75,000), to amount transferred to development rebate reserve Rs. 19,370 (Rs. 16,708), to payment of dividend at 20 (12½ per cent. free of tax) per cent. on the ordinary shares subject to income-tax absorbing Rs. 3,96,576 (Rs. 2,47,860) and to payment of dividend at 8 (8 per cent. free of tax) per cent. on the cumulative preference shares subject to income-tax absorbing Rs. 16,440 (Rs. 16,440) leaving to be carried forward a balance of Rs. 53,844 (Rs. 40,539).

The total crop produced by the Company was once again a record one and it is satisfactory to note that a record was also achieved by each of the three divisions. Despite a very discriminatory market throughout the season it is gratifying to be able to record that the Company showed a satisfactory increase, as compared with 1958, in the average prices obtained over the season for its teas.

The buyers continue to be very selective in their purchases and the Company therefore pursues year by year a policy of trying to raise the standard of its manufacture still further, whilst at the same time effecting economies in expenditure wherever these can be made without adverse effect on quality.

Crop.—The final 1959 outturns were:— Bahipookri division 20,317 (19,062) maunds, Orang division 10,105 (10,043) maunds and New Purupbari division 6,268 (5,918) maunds.

The average sale price realised for season 1959 was Rs. 2.13 per lb. compared with the 1958 average of Rs. 1.92 per lb.

The estimates for season 1960 provide for the production of a crop of 33,000 maunds at a total cost on revenue account of Rs. 46,34,830. Capital expenditure for 1960 is estimated at Rs. 2,16,490.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,88,380	Gross block ...	51,14,115
Reserves ...	15,86,078	*Less*—Depreciation ...	22,83,115
Provision for taxation ...	7,07,000		
Liabilities ...	17,57,675	Net block ...	28,31,000
Profit and loss account (surplus) ...	53,844	Stock of tea	19,14,800
		Stores ...	5,94,635
		Book debts ...	7,38,191
		Investments	82,501
		Cash ...	1,31,850
Rs.	62,92,977	Rs.	62,92,977

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

COMPANY MEETINGS AND DIVIDENDS

NEW BELBHOOMI COAL CO., LTD. Annual General Meeting, Calcutta, 4th July 1960. Dividend: Re. 1.50 per share (includes interim dividend of Re. 0.55 per share), subject to deduction of tax. Transfer books remain closed from 17th June to 4th July 1960, both days inclusive.

COIMBATORE PIONEER MILLS LTD. Annual General Meeting, Peelamedu, Coimbatore, 6th July 1960. Dividend: 25 per cent. or Rs. 25.00 per share, subject to deduction of tax. Transfer books remain closed from 22nd June to 6th July 1960, both days inclusive.

TIDE WATER OIL CO., LTD. Annual General Meeting, Calcutta, 6th July 1960. Dividend: Rs. 2.20 per share (includes interim dividend of Re. 0.70 per share), subject to deduction of tax. Transfer books remain closed from 28th June to 6th July 1960, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 7th July 1960. Dividend: Rs. 13.50 per share (includes interim dividend of Rs. 5.00 per share), subject to deduction of tax. Transfer books remain closed from 22nd June to 7th July 1960, both days inclusive.

BALASORE TEA AND RUBBER CO., LTD. Annual General Meeting, Madras, 11th July 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax, payable on 12th July 1960. Transfer books will remain closed from 4th to 11th July 1960, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Annual General Meeting, Madras, 11th July 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax, payable on 12th July 1960. Transfer books will remain closed from 4th to 11th July 1960, both days inclusive.

INDIAN GALVANIZING CO. (1926) LTD. Annual General Meeting, Calcutta, 13th July 1960. Dividend: *Nil*. Transfer books will remain closed from 6th to 13th July 1960, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 13th July 1960. Dividend: 21-3/7 per cent. or Rs. 2.14 per share, subject to deduction of tax. Transfer books remain closed from 28th June to 13th July 1960, both days inclusive.

DHARAMSI MORARJI CHEMICAL CO., LTD. Annual General Meeting, Bombay, 14th July 1960. Dividend: Rs. 10.00 per share, subject to deduction of tax, payable on and from 21st July 1960. Transfer books remain closed from 15th June to 14th July 1960, both days inclusive.

PODAR MILLS LTD. Annual General Meeting, Bombay, 15th July 1960. Dividend: Rs. 12.00 (includes bonus of Rs. 2.00 per share) per ordinary share, subject to deduction of tax, and Rs. 3.00 (includes bonus Re. 0.50 per share) per share on new ordinary shares, subject to deduction of tax, payable on and after 16th July 1960. Transfer books remain closed from 1st to 15th July, 1960, both days inclusive.

SENDRA COAL CO., LTD. Annual General Meeting, Calcutta, 15th July 1960. Dividend: Re. 0.35 per share, subject to deduction of tax, payable on or after 29th July 1960. Transfer books will remain closed from 8th to 15th July 1960, both days inclusive.

SHAW WALLACE AND CO., LTD. Annual General Meeting, Calcutta, 15th July 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 6th to 15th July 1960, both days inclusive.

METAL BOX CO. OF INDIA LTD. Annual General Meeting, Calcutta, 20th July 1960. Dividend: Re. 1.60 per share (final) subject to deduction of income-tax. Transfer books remain closed from 1st to 20th July 1960, both days inclusive.

METTUR INDUSTRIES LTD. Annual General Meeting, Madras, 22nd July 1960. Dividend: 30 per cent. or Rs. 30.00 per share, subject to deduction of tax. Transfer books remain closed from 1st to 22nd July 1960, both days inclusive.

ATTOCK OIL CO., LTD. Annual General Meeting, London, 22nd July 1960. Dividend: 2s. 8d. per share (includes interim dividend of 1s. per share) free of United Kingdom income-tax for the year ended 31st December 1959, payable on 4th August 1960.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 22nd July 1960. Dividend: Re. 1.80 per share, subject to deduction of tax, payable on or after 3rd August 1960. Transfer books remain closed from 20th June to 14th July 1960, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Dividend of 25 per cent. or Rs. 2.50 per share, subject to deduction of tax, for the year ended 31st December 1959.

COMPANY REGISTRATIONS

PEGASUS PREMA PRODUCTS (INDIA) PRIVATE LTD. Business: Manufacturers and dealers in stencil papers, inks, pens, pencils, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Plot No. 10, off Haines Road, Bombay.

RAJA BRUSH INDUSTRIES (PRIVATE) LTD. Business: Manufacture of brushes. Authorised capital: Rs. 5,00,000. Private company. Address: G. 97, Lokamanya Nagar, Mahim, Bombay 16.

GHERZI EASTERN PRIVATE LTD. Business: Consulting engineers, architects, surveyors, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Neville House, Graham Road, Ballard Estate, Bombay 1.

Notices

THE OSMANSHAHI MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual General Meeting of the Shareholders of The Osmanshahi Mills Limited will be held at the Registered Office of the Company at 269/270 John's Lane, Gunfoundry, Hyderabad, on Friday, the 29th day of July 1960, at 3-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 30th September 1959.
2. To appoint a Director in place of Shri Nadirsha B. Chenoy, who retires by rotation under Clause No. 101 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956. Shri Nadirsha B. Chenoy who has attained the age of 79 years, offers himself for re-election and to consider and, if thought fit, to pass the following Ordinary Resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and is hereby given.

   ORDINARY RESOLUTION

   "RESOLVED that Shri Nadirsha B Chenoy who has attained the age of 79 years and who retires by rotation under Clause No. 101 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956 be and is hereby re-elected a Director of the Company and that the age limit prescribed under Section 280 of the Companies Act, 1956 shall not apply to him."
3. To appoint a Director in place of Rai Bahadur Srikishen Sookhdeve Malani who retires by rotation under Clause No. 101 of the Articles of Association of the Company and Section 256 of the Companies Act, 1956 and is eligible for re-appointment and offers himself for re-election.
4. To appoint a Director in place of Shri M. Fariduddin who was co-opted on the Board of Directors on 11th December 1959 as a Director under Clause No. 93 of the Articles of Association of the Company and who will hold office as a Director till the 37th Annual General Meeting. In respect of his re-appointment a notice under Section 257 of the Companies Act, 1956 has been received by the Company and is hereby given.
5. To appoint a Director in place of Shri M. M. Thakore who was co-opted on the Board of Directors on 5th March 1960 as a Director under Clause No. 93 of the Articles of Association of the Company and who will hold office as a Director till the 37th Annual General Meeting. In respect of his re-appointment a notice under Section 257 of the Companies Act, 1956 has been received by the Company and is hereby given.
6. To appoint Auditors for the current year and fix their remuneration.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The Transfer Books of the Company will be closed from 18th July 1960 to 29th July 1960, both days inclusive.

By Order of the Board,
For THE OSMANSHAHI MILLS LIMITED,
For BANSILAL BISESARDAS PRIVATE LIMITED,
M. C. MIMANI,
Director,
Managing Agents.

HYDERABAD-A.P., *4th June* 1960.

Note.—The relative Explanatory Statement pursuant to Section 173 of the Companies Act 1956 in respect of items No. 2, 4 and 5 of the Notice has been posted to each Shareholder individually to his last given address.

INDIAN RAILWAYS

GLOBAL PROCUREMENT PROGRAMME FOR ROLLING STOCK

No. G.P. 23 of 1959-60

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to obtain from established and reliable manufacturers:—

40 Nos. Broad Gauge Diesel Locomotives—2600 H.P.

Tender documents are obtainable from the office of the undersigned, Director General, India Store Department, Government Buildings, Bromyard Avenue, Acton, London W-3, and Director, India Supply Mission, 2536, Massachusetts Avenue, N.W. Washington 8, D.C., on payment of Rs. 27.00 per set. Other I.R.S. Drawings and specifications can be had on additional payment from the Research Design and Standards Organisation, Simla-2.

Offers should reach the undersigned not later than 12 noon on the 24th August, 1960.

QURBAN SINGH,
Director, Railway Stores,
Railway Board, State Entry Road,
New Delhi-2.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER NO. S-8

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers, a quantity of about 75,000 tons of Steel Materials such as Plates, Sheets, etc.

The tender documents can be had on payment of Rs. 15 per copy (or equivalent) from any of the following offices during working hours on or after July 1, 1960.

1. The Director, Railway Stores, Ministry of Railways (Railway Board), State Entry Road, New Delhi.
2. The Director General, India Stores Department, Government Buildings, Bromyard Avenue, Acton, London W-3.
3. The Director, India Supply Mission, 2536, Massachusetts Avenue, N.W., Washington 8, D.C.

Tenders will be received by the undersigned upto 12.00 hours on the 16th August, 1960 and opened in the office of the Railway Board on State Entry Road, New Delhi, on the same day.

QURBAN SINGH,
Director, Railway Stores,
Railway Board, State Entry Road,
New Delhi.

NEW DELHI, 23*rd June* 1960.

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED AN Interim Dividend of 3 per cent., subject to deduction of Tax under Section 18(3) (D) of the Income-tax Act, 1922, on the Company's Preference Shares in respect of the year 1960, payable to Members whose names appear in the Preference Share Register on the 15th July 1960. Warrants will be posted on or after that date to the addresses or in accordance with the instructions, recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 8th to the 15th July 1960, both days inclusive.

By Order of the Board,
SHAW WALLACE & COMPANY LIMITED,
D. F. R. MALLOWS,
Director.

4, BANKSHALL STREET,
CALCUTTA 1, 22*nd June* 1960.

MINERVA MILLS, LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Fortieth Annual General Meeting of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Tuesday the 26th day of July 1960, at 4-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December 1959.
2. To appoint Directors in place of those who retire but are eligible for re-appointment.
3. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 1st July 1960 to 22nd July 1960, both days inclusive.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Detailed Notice of the above Meeting has been published in the Press and is also being posted to the shareholders individually.

By Order of the Board,
N. SIRUR & CO. PRIVATE LTD.,
Managing Agents,
N. D. SIRUR,
Managing Director.

BOMBAY, *9th June,* 1960.

THE BENGAL PAPER MILL CO., LTD.

THE BOARD OF DIRECTORS OF THE above Company has decided to recommend to the forthcoming Annual General Meeting, the payment of the following final dividends for the year ended 31st December 1959:—

Cumulative Preference Shares ...	5%	Subject to deduction of Indian Income-tax.
'A' Cumulative Preference Shares	5%	
'B' Cumulative Redeemable Preference Shares	3%	
Ordinary Shares	20%	

(The total dividend on the Ordinary Shares for the year 1959 will therefore be 32%.)

THE BENGAL PAPER MILL CO. LTD.,
H. P. DHANUKA,
Director.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *27th June,* 1960.

HOWRAH MILLS COMPANY, LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Thirty-fifth Annual General Meeting of Members will be held at the Registered Office of the Company, 4, Clive Row, Calcutta, at 12-00 noon on **Friday, the 12th August, 1960, for the following purposes:—**

(1) To receive and consider the Audited Accounts for the year ended 31st March, 1960, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
(2) To declare Dividends.
(3) To appoint a Director in place of one retiring.
(4) To appoint Auditors and to fix their remuneration.

Notice is also given that the Share Transfer Books of the Company will be closed from the 26th July, 1960, to the 12th August, 1960, both days inclusive.

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

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

4, CLIVE ROW,
CALCUTTA-1, *24th June,* 1960.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, *29th June*

Conditions in the short-term money market have once again become very stringent. While the bulk of the banks' funds is still locked up in industrial advances and the pace of return of money from agricultural centres is slow, banks' own requirements for window-dressing purposes at the half-yearly closing of accounts have caused a severe pull on the market this week. Consequently, interest rates are being held firm at the ceilings. Inter-bank call money is unchanged at 3½ per cent. and house money at seven days' notice at 3¼-3½ per cent. Short-term deposits for one to six months are being offered the self-same rate of 3¼-3½ per cent. The 91-day Treasury Bill rate, too, is being maintained at 2.745 per cent. per annum, for the ninth week in succession.

Tenders for Rs. 2 crores of Treasury Bills at yesterday's sales aggregated no more than Rs. 2 crores and these represented only renewals. Tenders for a further sum of Rs. 2 crores have been invited for next week. Intermediate Treasury Bills sold between 22nd and 25th June amounted to Rs. 7 lakhs, the same as in the corresponding period of the previous week, and at the same discount rate of 2.696 per cent. per annum. These are being offered this week also.

The Reserve Bank of India statement for the week ended 24th June 1960 discloses a further contraction of Rs. 23.20 crores. This is on top of a decline of Rs. 21.53 crores in the previous week. Notes held in the Banking Department are higher by Rs. 5.23 crores, so that the fall in total notes issued is of the order of Rs. 17.98 crores. This is covered by a decline of Rs. 5 crores in foreign securities and of Rs. 15 crores in rupee securities and a rise of Rs. 2.02 crores in rupee coin. The drop in foreign securities is offset fractionally by the rise of Rs. 71 lakhs in balances held abroad, so that the net fall in total foreign assets has brought them down to Rs. 157.48 crores, while a year ago they stood at Rs. 192.56 crores. Deposits of the Central Government have dwindled by Rs. 30.01 crores, while deposits of other Governments and banks have gone up by Rs. 9.13 crores and Rs. 7.16 crores, respectively. Loans and advances to Governments show a drop of Rs. 6.37 crores and other loans and advances Rs. 43 lakhs. Investments are higher by Rs. 10.36 crores, while holdings of Government Treasury Bills have declined by Rs. 17.37 crores.

A decline of Rs. 11 crores in demand deposits and an increase of Rs. 2.13 crores in time deposits is shown by the Scheduled banks' statement for the week ended 17th June 1960. Almost the whole of the net fall of Rs. 8.87 crores is accounted for by banks other than the State Bank of India. Inter-bank borrowings are lower by Rs. 2.34 crores and borrowings from the Reserve Bank by Rs. 6.13 crores. A fractional increase of Rs. 36 lakhs is noted in advances and even this is mainly due to the rise of Rs. 1.12 crores on State Bank's account. Investments are practically unchanged, while cash balances are lower by Rs. 1.20 crores, consequent on the decline of Rs. 4.84 crores in the State Bank's portfolio.

The Gilt-edged market continues to be listless, due to persistent stringency in the short-term money market. 3 per cent. 1986 Conversion Loan has, however, staged a spurt of 55 nP to Rs. 73.70 and 3 per cent. 1970-75 has hardened by 5 nP to Rs. 90.90. Following the suspension of sales by the Reserve Bank last week, due to proximity of half-yearly interest payment, 4 per cent. 1979 has improved by 10 nP to Rs. 100.30. Other counters show no change. State loans too are devoid of any interest.

The rupee continues to maintain its hardening tendency in terms of the U.S. dollar, in sympathy with the further recovery in sterling abroad. Banks' selling rate for U.S. T.T. (ready) has declined from Rs. 477.50 to Rs. 477 and their buying rate from Rs. 474.25 to Rs. 473.75 per $100. In New York, spot sterling has improved from 280.29-280.32 cents to 280.56-280.59 cents, while three months' forward has declined from 279.56-279.59 cents to 279.33-279.36 cents.

ELECTROLYTIC ZINC RALLIES

(From Our Own Correspondent)

CALCUTTA, *28th June*

The feature in the metal market during the week under review was the abrupt upward trend in electrolytic zinc. While shortage was acute, there was a spontaneous increase in demand, as the issue of permits for virgin copper led to more enquiries for zinc for making brass. Demand from bucket galvanisers was also moderate. The local quotation steadily rose from Rs. 154 to Rs. 160 a cwt. and, in Bombay, the price was even higher at Rs. 162. The Government was also in the market with two enquiries aggregating 1,325 tons. On the London Metal Exchange, the price hardened from £90⅜ to £91⅜ a ton but closed at £90⅜.

Demand for copper scrap was at a low ebb here, in view of further releases of permits for the virgin metal. Berry quality scrap declined to Rs. 216 a cwt. from Rs. 220, and utensil scrap was unchanged at Rs. 200 a cwt. Copper scrap importers were concerned in that permit-holders were not lifting their quotas. There was a similar situation in regard to brass scrap imports and the need for Government to give up control over distribution of copper and brass scrap was being voiced.

Tin was steady here throughout the week at Rs. 544 a cwt. Demand was fair, and there were further arrivals. In London, the price closed at £795 a ton, after being higher at £797 and opening at £796.

Lead here was quiet at Rs. 66 a cwt. Demand was *nil*, but stocks were good.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, *29th June*

A distinctly firm trend was in evidence in the bullion market during the week under review. Silver took the lead in reviving the upward trend. Early in the week, there were reports of formation of a bull syndicate at Calcutta and, as the week progressed, this syndicate was said to have tightened its hold on silver. There were also some short-covering and buying against option deals in the local market. The failure of disarmament talks at Geneva on Monday was also interpreted bullishly. In sympathy with the white metal and induced by the reported purchase of a large quantity by a prominent spot house, gold also moved up. Even reports of a sale of 10,000 tolas by a Madras operator yesterday and rumours of large contraband arrivals failed to have any effect.

Reflecting good demand for gold, the average daily offtake during the week was higher at 5,000 tolas, as against 3,000 tolas in the previous week, while arrivals were smaller, being 3,250 tolas, as against 4,000 tolas. The floating stocks of gold are estimated at 30,000 tolas. In silver, the daily average offtake was 12 bars, that in the past week being 45 bars, whereas arrivals were of the order of 22 bars, as against 10 bars. The floating stocks are reported to be around 500 bars.

In the gold section, *Ashad* (July) settlement began the week at Rs. 126.12, as against the previous close of Rs. 126.25, and firmed up on good support to touch a high of Rs. 127.50 today before finishing 25 nP lower. The net rise over the week was Re. 1. Since the quotation for this settlement was above Rs. 127 yesterday and today, the bulls were required to pay a margin of Rs. 60 per tola on their net long positions. *Shravan* (August) settlement advanced in the course of the week from Rs. 126.65 to Rs. 127.75 and wound up the week at Rs. 127.50. The rate for transferring commitment from *Ashad* to *Shravan* settlement, which had widened in favour of bears from 40 nP on Wednesday last to 47 nP on Monday this week, declined to 22 nP yesterday. It was, however, slightly higher at 25 nP today.

Ready gold, which had been quoted at a discount under the *Ashad* settlement since 16th June, came to command a premium this week which was about 38 nP towards the close. The actual closing rate for the metal was Rs. 127.62, as against Rs. 125.87 a week before.

Ashad settlement in silver evoked good buying enquiry and moved up from Rs. 214.12 to Rs. 216.56 today. The closing was a shade lower at Rs. 216.12. During the week, *Shravan* settlement rose from Rs. 214.37 to Rs. 216.37 and *Bhadrabad* settlement from Rs. 215.12 to Rs. 217.31. Both these settlements touched the highest levels for the week today, namely, Rs. 216.75 and Rs. 217.56, respectively. The carry-forward rate for *Ashad* settlement was unchanged at 25 nP, while that for *Shravan* settlement widened from 75 nP to 94 nP.

Induced by buying orders, ready silver firmed up from Rs. 215.62 on Wednesday last week to Rs. 216.31 today. Towards the close, however, the metal encountered some selling and finished lower at Rs. 215.87. The net rise over the week was Rs. 2.62.

Both ready and forward silver in the London bullion market continued to remain unchanged during the week under review also, the former at 79½d. and the latter at 79d. Silver in New York, too, was unaltered at 91.375 cents. Ready gold in London eased from 250s. 6d. to 250s. 2½d., owing to the firmness of the pound sterling *vis-a-vis* the dollar. The latest available world price for gold is $35.08½-$35.10½, as against $35.08-$35.10 a week before.

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

	20-6-60 (closing)	High	Low	22-6-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	127.62	127.87	125.50	125.87
Forward:				
Ashad	127.25	127.50	125.87	126.25
Shravan	127.50	127.75	126.37	126.65
Sovereign	85.62	85.75	85.50	85.75
SILVER				
Ready (.996 fine)	215.87	216.31	213.62	213.25
Forward:				
Ashad	216.12	216.56	213.81	214.12
Shravan	216.37	216.75	214.06	214.37
Bhadrapad	217.31	217.56	214.87	215.12
London:	20-6-60			21-6-60
Silver Ready	79¼d.	—	—	79¼d.
Silver Forward	79d.	—	—	79d.
Gold "	250s. 2½d.	250s 5½d.	250s 1½d.	250s. 5½d.
New York:				
Silver	91⅛ cents	—	—	91⅛ cents

SLOW TRADING IN KIPS

(From Our Own Correspondent)

MADRAS, *27th June*

There was no change in the kip market during the week under review. Trading was slow and importers were trying to force down prices. Top class tanners were not willing to reduce prices, but may have to, in view of other tanners accepting lower prices for their production partly due to financial reasons. Demand for buff calf from the U.S.A. was not sustained. Buff hides ruled steady, while cow calf was weak.

Shipment business in tanned skins was small. Prices ruled nominally unchanged.

COTTON FUTURES TOUCH STATUTORY CEILING

(From Our Own Correspondent)

BOMBAY, *29th June*

Official trading in cotton futures continued to be suspended during the week under review also. In private trading, the price trend was mainly influenced by rumours as to when exactly the announcement raising the ceiling price for cotton would be made. On Saturday, reports that the announcement would be made touched off a wave of selling and the Jarilla August Contract rallied to touch the statutory ceiling of Rs. 820. This level, however, attracted profit-taking and the contract receded to Rs. 815. It fluctuated between Rs. 815 and Rs. 818 in subsequent sessions.

Traders are greatly disappointed over the delay in the announcement of the ceiling prices. It is considered that once the ceiling is raised the problem of permitting hedge trading in new crop would be rendered easy. It would also obviate the necessity of appointing Government nominees for marketing the next season's crop.

Business in the spot market continued to be active. In fact, the spurt in futures price led to a rally in ready prices too. In spite of this, mill buying was extensive. Spinners were selective in buying. They were keen to purchase good quality cotton even at advancing prices, lest they should have to purchase cotton of indifferent quality after 1st August. Ready lots of Vijay, Digvijay, Co2, Surti, Laxmi, Jaydhar, etc., met with ready absorption. Wagad and Kalyan were also well favoured.

Among foreign cotton, Sudans, East African B.P. 52 and Mwanza new crop and U.S. styles came in for business. The export front was quiet.

Cotton sowings are reported to have commenced in some regions. While in some others, notably Punjab, sowing has been almost completed. In the Punjab, farmers are reported to have sowed more of 320F and L.S.S. and less of LL. 54. The general condition of plants is said to be satisfactory. More rains are needed in Vidarbha, Moglai and areas for sowing operations to commence.

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

Hubli Laxmi 1,095; Jaydhar 1.045; Co2 1,112; Sudan XG3S 1,950; B.P. 52 1.395; September shipment Mwanza 1,168; c.i.f. September shipment.

The Karachi cotton futures market remained subdued during the week under review. Values receded on speculative selling prompted by reports of good weather favouring larger sowings. The slackness of export demand too acted as a damper. N.T.R.G. July contract receded from Rs. 68 last week-end to Rs. 67-9. The January Contract was quoted 6 annas less at Rs. 68-4.

In contrast to the easy trend noted last week, Alexandria cotton futures market ruled firm during the week under review. The main influencing factor was reports of renewed demand from Communist countries. The expectation of better demand from the free-world countries also imparted strength to the market. In the spot market, premiums hardened on good export enquiries.

Weather reports were generally favourable but the crop is about two weeks late, as compared with last year. Leaf worm has made its appearance but adequate measures are said to be being taken to combat it.

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

Karnak: July 78.40; November 76.27; January 75.85.

Ashmouni: June 65.80; August 65.80; October 65.10.

Cotton futures in Liverpool made handsome gains during the week. Early in the week, the nearby July position came under pressure, thanks to liquidation. Later, however, trade covering and fresh buying on American account in new crop imparted strength to the market. The earlier losses were more than made good and the market closed with most positions showing gains, as compared with the previous week-end quotations. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being the last week-end quotations:

American cotton one inch staple contract: July 22.65 (22.25); October 22.35 (22.30).

Sudan: July, September, November 35.50.

Quiet conditions prevailed in the New York cotton futures market during the week. Trading was dull and was mainly in the nature of squaring up operations in the maturing July Contract. The undertone was, however, fairly steady. Crop reports indicated generally satisfactory conditions for the growing plants except in Oklahoma and north-western Texas.

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

(In cents per lb.)

	28-6-60	21-6-60	14-6-60
Spot	34.25	34.25	34.25
July	32.85	32.90	32.82
October	31.07	31.09	31.09
December	31.18	31.13	31.13

BEMBERG YARN FORGES AHEAD

(From Our Own Correspondent)

BOMBAY, *29th June*

A sharp rise in prices of Cupressa Bemberg yarn was the feature of trading in the yarn market during the week under review. The rise followed short-covering on fears that some operators were determined to take delivery of ready stocks tendered against the maturing June contract. There was also strong bull support induced by fears of reduced imports from abroad consequent on the dock labour strike and the reported large sale by a leading foreign producer to Continental

countries. Thanks to short-covering and strong bull hold, the *badli* payable by bears to bulls for transferring commitment from June delivery to August position widened considerably from Rs. 87 to Rs. 121 on Monday, so that the Board of the Bombay Yarn Merchants Association and Exchange had to arrange for a special clearing at the rate of Rs. 2,948 on Monday. The *badli* widened further in the subsequent sessions also and stood at Rs. 143 today. In sympathy with Bemberg yarn, indigenous art silk yarn prices, too, recorded an improvement. Staple fibre yarns were well maintained on encouraging advices from consuming countries. Cotton yarns were fully steady.

Cupressa Bemberg yarn (60×1) June delivery forged ahead from Rs. 2,020 to Rs. 2,090. August contract spurted by Rs. 14 to Rs. 1,947. Spot Cupressa picked up 31 nP to Rs. 9.37. 120 Japan was firm at Rs. 5.65, as also 150 Japan at Rs. 5.78. 120 Italy at Rs. 6 and 150 Italy at Rs. 6.06. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade advanced by 31 nP to Rs. 5.06. 120 Bt. cones 1st grade put on 16 nP to Rs. 6.16.

Staple fibre yarn (60×1) August contract met with good support and rose from Rs. 719 to Rs. 734. June position gained a rupee to Rs. 715. Spot Centurys gathered 6 nP to Rs. 3.66 and Citys 3 nP to Rs. 3.78. 80×2 *Paramounts (imported)* were fully steady at Rs. 12.25.

In the cotton yarn section, ten counts Gokaks were firm at Rs. 19. Twenty counts Moderns recorded a rise of 50 nP to Rs. 23.50. Gokaks improved by 25 nP to Rs. 23.25. Forty counts Minaxis advanced by 37 nP to Rs. 30.37 and Maduras by 25 nP to Rs. 31.50. Sixty counts were unchanged, Raghuvamshis being quoted at Rs. 56.50 and Finlays at Rs. 58.50. Among 80s, Finlays and Mahendras were done at Rs. 82.82 and Rs. 73.75, respectively, same as last week.

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

	29-6-1960	22-6-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 Kg.)		
June	2,090	2,020
August	1,947	1,933
60/1 Cupressa Bemberg spot (per lb.) ..	9 37	9.06
120 Japan (per lb.)	5 65	5 65
150 Japan (per lb.)	5 78	5 78
120 Italy (per lb.)	6 00	6.00
150 Italy (per lb.)	6 06	6.00
Staple fibre yarn—		
40×2 June (per case of 200 lbs.)	715 00	714.00
August	731.00	719 00
40×2 Kohinoor (per lb.)	3 84	3.85
40×2 Century	3.66	3 69
Cotton yarn (per bundle of 10 lbs.)—		
10s Gokak	19.00	19 00
20s Modern	23 50	23.00
40s Minaxi	30.37	30.00
60s Finlay	58.58	58.58
80s Modern	75 59	70.00

CASTOR BUOYANT

(From Our Own Correspondent)

BOMBAY, 29th *June*

Virtually buoyant conditions prevailed in the oilseeds market during the week under review. Castorseeds forged ahead on reports of substantial U.S. enquiries for castor oil. The rally was, however, arrested today, on rumours that Brazil has re-entered the American market for castor oil. Groundnuts moved up in view of the tight statistical position and sustained support extended by both local and upcountry interests. The section, however, wound up the week on a subdued note on account of some profit-taking. Linseed made handsome gains, thanks mainly to better season advices. Cottonseeds also were pushed up in sympathy with the trend in other seeds.

The bullish trend witnessed in the previous week gathered further momentum in the castorseed section on fresh bear covering, during the week under review. The distinct improvement in the castor oil exports to the U.S. during the half-year ended June 1960 (estimated unofficially at about 30,000 tons, a record level) led the trade to take a highly optimistic view of the export position in the next few months. In these conditions the pressure of floating supplies of the old crop did not make any impression. Castorseed September contract spurted from Rs. 176.25 to Rs. 180.25 by yesterday; it, however, receded to Rs. 178.50 today, albeit at a net gain of Rs. 2.25 over the week. Ready Madras rose gradually from Rs. 34 to Rs. 35 by yesterday, but lost ground later to close the week at Rs. 34.87. Oil commercial advanced from Rs. 18.25 to Rs. 18.69 initially but moved down to wind up the week at Rs. 18.56.

Pronounced scarcity of spot supplies was the major factor behind the bullish trend in the groundnut section. Crushers and *vanaspati* manufacturers were keen buyers. Oil prices also touched new high levels on sustained support by North Indian operators. At the close of the week, the forward contract tended to drift to lower levels, but the spot section in seeds and oils continued to present a firm front. August 1960 contract, which had wound up last week at Rs. 215.75, rose gradually to touch Rs. 220.25 by Tuesday. It, however, fell to Rs. 219.25 today. Nizam bold strengthened steadily from Rs. 46.12 to Rs. 47.50. Oil ex-mill improved by 62 nP to Rs. 24.37, after moving in a narrow range over the week. Railway receipts closed higher by 50 nP at Rs. 24.

Notwithstanding the absence of any fresh overseas enquiries for linseed oil, the linseed section witnessed firm conditions. Linseed September 1960 contract, which had wound up at Rs. 33.94 last week-end, advanced to Rs. 34.69, before closing at Rs. 34.59. Linseed Bold ready put on 62 nP to Rs. 33.87. *Linseed oil rose by 19 nP to* Rs. 16.94.

The uptrend in other seeds and also in raw cotton market induced some enthusiasm in the cottonseed section. Cottonseed 25 oil mill 1960 contract rallied to Rs. 15 per khandi the week at Rs. 162.

The following table shows the closing prices of arrivals and today's compared with those of the two previous weeks:

	29-6-1960	22-6-1960	15-6-1960
	Rs.	Rs.	Rs.
Groundnut			
August 1960	219 25	216 75	216.50
Nizam bold	47 50	46 12	46.25
Coromandel ready ..	47 75	46 75	46 50
Khandesh quality ..	47 75	46 75	46.50
Oil ex-mill ready* ..	24 37	23 75	23.75
Railway receipts* ..	24 09	23.59	23.50
Castorseed			
September 1960	178 50	176.25	174.25
Ready Madras	34 87	34 00	33.50
Ready Kanpur	33 75	33.06	32.25
Oil B.S.S.†	19 02	19 44	18.75
Oil commercial*	18.56	18.25	17.75
Linseed			
September 1960	34 59	33.94	34.01
Bold ready	33 87	33.25	32 62
Oil ready†	16 94	16.75	16 37
Cottonseed			
September 1960	163 00	157.50	155 00
Niger seed	37 25	37 00	34 50
Kardi seed	24 75	24 00	24.00

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are in terms of candy, except linseed which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

FOODGRAINS MOVE UP

(From Our Own Correspondent)

HAPUR, 27th *June*

Under the lead given by gram on continued firm advices from the Punjab and peas and *arhar* on good outside buying support, all grains evidenced a distinctly steadier to firm trend during the week under review. Arrivals of wheat and coarse grains in the local market were still small and, contrary to earlier feelings that the cultivators were retaining their produce, it was gathered that the Meerut region had now become deficit in wheat and other grains.

Wheat at Hapur registered modest gains towards the week-end to be quoted on Monday at Rs. 15.62 a maund for average quality and upto Rs. 17 for superior farm produce, as against Rs. 18 and Rs. 19.50, respectively, on the corresponding date last year. Daily arrivals of wheat were about 500 maunds which were all lifted by consumers at the aforesaid prices and, as the prevailing prices were still higher than the procurement prices (Rs. 13-Rs. 15) fixed by the Government, no Government purchases were possible here during the week. The wheat purchased by the State Government in the Kanpur region is, however, reaching here for reserve and such stocks here have mounted to 30,000 maunds. The supply position of rice was reported to be satisfactory, stocks with trade and Government being pretty heavy. The week-end prices were:—*sela basmati* Rs. 31 to Rs. 35; *mainpuri* Rs. 23; *ramajwayan* Rs. 24.50; *raimunia* Rs. 25.50.

Gram recorded further fractional gains during the week to Rs. 14.62 a maund on firm Punjab advices, although the local stock of gram with trade increased to 35,000 maunds, due to continued arrivals from outside and the State Government's reserve of gram was also heavy at 1.1 lakh maunds. Corresponding prices of gram last year were Rs. 13.25 a maund. Barley recorded modest gains to Rs. 11.87 and *bejhar* to Rs. 11.12 to Rs. 11.75 a maund and arrivals of these grains at Rs. 75 maunds daily average were small. *Jowar* white continued steady at Rs. 14 to Rs. 15. Some rains in week-end have helped *sawani* sowings which includes that of maize, *bajra* and *jowar*.

Continued buying enquiry from east U.P. and Bihar accounted for further gains in peas prices which now ruled Rs. 11.25 for *dara* quality and Rs. 11.87 to Rs. 12.25 for superior white quality. Peas *dal* was quoted at Rs. 13.25 a maund. Daily arrivals of peas were about 700 maunds and local stock mounted to 93 *khatties* of about (800 maunds each), as against 42 *khatties* on the corresponding date last year when peas *dara* was quoted at Rs. 13 a maund. *Arhar* registered a sharp gain of about Re. 1 a maund on support from grinders and, with arrivals of about 200 maunds, local *arhar* stock was put at 26 *khatties*. *Arhar* was quoted at Rs. 14 a maund, as against Rs. 17.62 a year before when *arhar* stock was 27 *khatties*. Total arrivals of peas in the current season were 98,000 maunds and that of *arhar* 21,000 maunds, the corresponding figures last year being 106,000 maunds and 27,500 maunds respectively. Other pulses also sought higher levels in sympathy with peas and *arhar* and were now quoted at:—*urd* Rs. 18.75 to Rs. 19.50; *moong* Rs. 19.75 to Rs. 21.75; *massoor* Rs. 14 to Rs. 18 a maund.

EXPORTERS EVINCE MORE INTEREST IN TEA

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

COCHIN, 21st *June*

Sale No. 24:—A smaller quantity consisting of 1.5 million pounds was offered in Sale No. 24 held on Tuesday, 21st June 1960. Although a number of rush teas were still catalogued, later invoices showed an improvement in quality. There was a better general demand than last week and exporters showed more interest. There was a useful support for plain and low medium descriptions which are quoted steady. However, towards the close of the sale these descriptions were irregularly easier. Mediums, particularly those with improved quality, met with keen interest and sold at firm to dearer rates. Better quality highgrowns sold well and advanced in prices. Below best quality were still difficult to sell and often easier. Black leaf brokens and fannings were in good demand and occasionally dearer. C.T.C. types and legg-cut teas continued to sell at firm rates. Whole leaf grades tended slightly easier. The following are the quotations.

	1960 Rs.	1959 Rs.
Low medium	1.55-1.60	1.50-1.58
Medium	1.65-1.75	1.55-1.65
Good medium	1.75-1.85	1.75-2.05
Quality	1.85-2.50	1.85-2.48

The average price realised in Sale No. 24 was Re. 1.73 per lb., the same as in the previous sale, and compared a little favourably with Re. 1.71 fetched in the corresponding sale of last year.

Export Quota:—At present, there are sellers at 2 nP per kilo with probable buyers, last business being registered at 2 nP per kilo.

Dust Sale 'X':—Sale No. X held on Thursday, 23rd June 1960, totalled 600,000 pounds. The market met with a fair general demand and prices were generally easier for all descriptions. Plainer and low mediums met with fair enquiry and eased by 10 nP to 15 nP, whilst colourey mediums were easier by 5 nP to 10 nP. There was fair support for highgrowns which were irregularly 10 nP to 15 nP easier. There was useful enquiry for C.T.C. types and legg-cut teas, although these sold at slightly lower rates than last. There was less demand for black grainy descriptions which also shared in the decline.

The average price realised in Dust Sale 'X' was Re. 1.70 per lb., as against Re. 1.77 in the previous sale and Re. 1.55 in the corresponding sale of 1959.

Colombo:—Just over 7 million pounds were offered and met with a good demand. Highgrowns and mediums opened irregularly easier, but firmed up as the sale progressed and at the close were firm on last week's rates. Lowgrowns and plainest kinds advanced 5 to 10 cents.

London: North Indian and other growth:—In Monday's sale, there was a good demand and the few best new season's Dooars sold were at fully firm to dearer rates. African teas were steady, except the poorest sorts.

Ceylon and South Indians:—In Tuesday's sale, there were 31,353 packages, catalogued and 7,445 of these were from South India. The market met with a good demand and prices were fully firm.

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

"*Sale* 25:—1.8 million lbs. Good demand for plain and low medium brokens, which are about steady. Similar fannings 5 to 10 easier. Medium and good medium steady. Highgrown brokens neglected. Fannings restricted enquiry."

GENERAL DEMAND FOR TEA GOOD

(From Our Own Correspondent)

CALCUTTA, 28th *June*

Good general demand was in evidence during the export sale held yesterday and prices advanced. The very steady conditions during yesterday's sales in London, where Dooars tea of the new season provided the strongest feature, were noted with enthusiasm.

Yesterday's export offerings here amounted to 35,276 packages, of which only 70 chests were of old manufacture and the balance represented new season's teas. Teas from Assam were better in quality and, therefore, attracted particular attention. Keen competition met C.T.C. Assams with improved quality. These lots contained a few bright liquorings. Fannings teas were in good demand and prices improved. Prices of whole leaf grades added some gains, and tippy teas were well supported at firm rates. Cachar and Dooars brokens and fannings were fully steady with small addition to prices here and there. O.Fs received more attention. Excepting the brighter liquoring teas which were about firm, other orthodox B.O.Ps were irregular. Flavoury Darjeelings met with good attention, but others in Darjeelings were subjected to withdrawals on lack of adequate attention. Legg-cut teas were also withdrawn, as although there was greater demand, prices declined. The quotations per kg., inclusive of excise duty, were: clean black pekoe Rs. 5.00 to Rs. 5.20, plain fannings Rs. 4.20 to Rs. 4.40, and plain B.P. Rs. 4.30 to Rs. 4.50. Quotations were limited to these three categories, as other representative teas were not significant.

Export quota changed hands at 2¼ nP per kg. However, when sellers raised the price to 2¼ nP per kg., there were no buyers.

JUTE GOODS REACT

(From Our Own Correspondent)

CALCUTTA, 28th *June*

A corrective reaction was in evidence in prices of both jute goods and fibre during the week under review and, although the fluctuations were narrow, closing levels were lower on balance. Even at the decline, overseas buyers of goods did not rush in to buy, and that was an index to show that prices must come down further before overseas buyers could be attracted to enter into larger commitments against replenishment of stocks. Australia again showed interest in cornsacks, and at one time covering business in heavy goods was swift. A fair quantity of heavy goods was also bought for internal consumption. Cuban buyers accepted a substantial quantity in heavy cees for delivery between August and October. Nominal interest was continued to be shown by U.S. buyers. Advices from the U.S. burlap market were quiet, and it was reported from New York that the downtrend was kept in check by the release of higher burlap consumption figure for the month of May. Heavy 40" 10 oz. hessian gradually moved down to 11.50 cents a yard (including duty) from 12.00 cents. At 8.75 cents a yard, the lighter hessian recorded a fall of 0.25 cent.

More interest was shown by mills in new crop against early delivery. Reports of damage to crop as a result of heavy rains in some districts aided discounting. Rains during the week were fairly widespread, and these resulted in rumours that damage to standing crops was anticipated. However, mills were not worried about these rumours. It was noted that Pakistan proposed to increase fibre production from 250,000 tons to 380,000 tons a year and raise the loomage of mills to 12,000 from 8,040 as at present during the second Plan period commencing on 1st July 1960.

Some covering business was reported in heavy goods on Tuesday last, but this was not sufficient to maintain prices. Therefore, ready B. twills moved down to Rs. 133.15 from the previous day's level of Rs. 134 and hessian 40" 10 oz. to Rs. 47.50 from Rs. 48. On the following day, business was done in cornsacks with Australia for delivery before September. The futures market was bearish and, as a result, ready B. twills sagged to Rs. 132 and hessian 40" 10 oz. to Rs. 47. Selling pressure soon followed and, despite the report of good business with Cuba in heavy cees, prices moved down on Thursday. B. twills were thus quoted at Rs. 131.25 and hessian 40" 10 oz. at Rs. 46.75. On Friday, although business passing was small, prices hardened on account of the gain in fibre prices on that day. Accordingly, ready B. twills were pushed up to Rs. 132.35 and ready hessian 40" 10 oz. to Rs. 46.65. The hardening tendency was only a temporary feature and during the week-end, B. twills closed lower at Rs. 132 and hessian 40" 10 oz. at Rs. 46.50. Yesterday, prices eased further. Business passing was limited and enquiries were few and far between, B. twills fell to Rs. 129.75 and hessian 40" 10 oz. to Rs. 45.90.

As stated, mills showed fair interest in new crop, and were not eager to buy old crop. A feature in some of the deals was the guaranteed shipment clause. June-July Assam bottoms opened at Rs. 42.50 (old crop) and, after moving down to Rs. 39.50, closed at Rs. 40. Northern bottoms closed lower on balance at Rs. 40 after moving down to Rs. 39.00 from Rs. 41.50. The latest quotations for the outstanding 1959-60 crop against June-July delivery as compared with those of a week ago in brackets, are:

	Middles Rs.	Bottome Rs.
White:		
Selected Assam	42.50 (47.00)	40.00 (44.50)
Ordinary Assam	42.00 (46.50)	39.50 (44.00)
Northern	41.50 (46.00)	39.00 (43.50)
Dosal (.. ..	41.00 (45.00)	38.50 (43.00)
Cuttack	43.00 (48.00)	40.50 (45.50)
Murshidabad	40.00 (44.50)	37.50 (42.00)
Bihar, Jungli and U.P. ..	39.50 (44.00)	37.00 (41.50)
Tossa:		
Ordinary Daisee	43.50 (47.50)	41.00 (45.00)
Murshidabad	42.50 (46.50)	40.00 (44.00)
Assam-Agartala	44.00 (48.00)	41.50 (46.00)
Mesta:		
Daisee	41.00 (45.00)	38.50 (42.50)
Jungli	39.50 (44.00)	37.00 (41.50)
Bimli f.a.q.	Rs. 38.00 (42.50)	
Pucca bales: 1st marks ..	Rs. 245.00 (260.00) per bale ready.	

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 27th *June*

Quiet to steady trend prevailed in the sugar market during the past week. The week-end prevailing prices were Rs. 115.50 per bag and retail Re. 1.19 per seer in the open market. There are reports that the Government of India had almost decided not to decontrol sugar at present. Trade circles are very critical of this decision which, it is said, has absolutely no justification, as production this year has been in excess of requirements. The sugar merchants have been appealed to observe a token strike on 7th July as a mark of protest to the Government's failure to decontrol the commodity.

After early gains of about Rs. 3 to Rs. 4 a bag, sugar declined to Rs. 116 to Rs. 116.50 per bag towards the week-end in the Muzaffarnagar market. In retail, it was quoted at Re. 1.19 to Re. 1.25 per seer in open market, as against the controlled price of Re. 1.04. A substantial quantity of sugar out of the last two months' release has not been lifted.

Sugar also continued steady around Rs. 117 per bag in the Kanpur market during the week.

Khandsari improved by a rupee per maund during the week on good buying enquiry from Saurashtra and Kutch. The Punjab, too, was interested in inferior quality. Loading, however, was restricted to Gujarat. The week-end prevailing prices in the Muzaffarnagar market were: *khandsari* inferior Rs. 28 to Rs. 30; superior Rs. 31 *khandsari* Rs. 32; crystal *khandsari* Rs. 36 to Rs. 40.50; and crystal *boora* Rs. 44 a maund.

Ready *gur* recorded a hardening trend during the week on good outside demand, despite restricted loading facilities. Fresh demand was reported from Punjab besides support from consuming areas of the South. Daily arrivals averaged about 250 maunds from rural areas which were of dry quality and were readily lifted. Local stock, however, is stationary around 21,000 maunds, as against 60,000 maunds on the corresponding date last year when *gur* was quoted at Rs. 21.50. Prevailing prices were: dry *gur* Rs. 15.75; *kotha* dry-wet Rs. 15.25; *shakker* Rs. 18 a maund.

Good demand from Punjab and Gujarat accounted for a sharp rise in *gur* prices in the Muzaffarnagar market during the week. Daily arrivals of *gur* and *shakker* were about 1,500 maunds and stock was put at 1.5 lakh maunds, the corresponding figure last year being heavy at 2.25 lakh maunds. The week-end prevailing prices were: *Chaku* ready Rs. 17.75; *khurpa* Rs. 7 to Rs. 9; *bana minja* Rs. 16.50 to Rs. 18.50 per maund.

Future *gur* ruled bullish during the week in line with ready prices. *Fagun* opened at Rs. 13.25 last Monday and was quoted today at Rs. 13.43, having touched the highest at Rs. 13.45.

ATUL PRODUCTS LIMITED

HEAVY CAPITAL OUTLAY PROPOSED, SAYS CHAIRMAN

ADDRESSING the shareholders of The Atul Products Limited at their Twelfth Annual General Meeting held at Ahmedabad on 25th June 1960, Mr. Kasturbhai Lalbhai, Chairman of the Company, indicated that the proposed expansion programmes would involve a capital outlay of Rs. 6 crores and that the completion of these plans would place the Company on a sound footing.

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

"GENTLEMEN,

"The Directors' report, the statement of accounts and other papers relating to the working of the Company during the year 1959 have been circulated to you and they have been in your hands for some time. If you will, therefore, kindly agree, we will take them as read for the purpose of this meeting.

"You will please see from the statement of accounts that the Company has been able to maintain its progress. As against the sales of Rs. 2,89,51,998 for the year 1958, this year the sales stand at Rs. 3,53,81,501. The profits for the year, subject to depreciation, stand at Rs. 1,01,56,503. Out of this, the Board has made a provision of Rs. 19,71,626 for depreciation for the year, of Rs. 3,00,000 for development rebate reserve and of Rs. 45,00,000 for income-tax for the years 1958 and 1959. The Board has also transferred a sum of Rs. 9,50,000 to the depreciation reserve fund. This leaves a balance of Rs. 24,72,946, including the carry forward of the last year, and the Board has recommended that Rs. 24,00,000 be utilised in paying a dividend of Rs. 12 per share (subject to deduction of tax), and Rs. 72,946 be carried forward to the next year's accounts.

Stable Prices

"I had referred last year to our policy that, as far as possible, we should maintain a stable level of prices for the products that we sell. In consonance with this policy, except for some minor changes, this year also we have maintained these prices at the level of previous years. However, we have been fortunate this year in realising a substantial increase in the quantum of production and sales, with a corresponding rise in the profits. You will be glad to know that the plants are so satisfactorily organised now, that I am confident that we will be able to maintain this level of production and go even further, if the Government would find it possible to enable us to obtain sufficient raw materials for this purpose. However, the uncertainty in this matter, to which I had referred last year, still continues and hampers our efforts.

"We had several schemes last year, either under consideration or in hand. Among them, a sulfuric acid plant is now ready and will get into production this July. A small nitric acid plant is in the process of erection. Foundations are being laid for buildings for the BON acid plant and the caustic soda plant and the equipment is due to be received before the end of the current year. As far as schemes for the manufacture of intermediates and fast colour bases are concerned, we have been granted manufacturing licences for them only recently. Fortunately, we had already started work on these schemes and, therefore, we are fairly well advanced for their implementation. Even then, I am afraid, that these plants will not be ready before the end of 1962.

Heavy Investment

"You will be glad to know that along with them, we propose to put up a second plant for production of Azo dyes. I may mention that all these programmes would involve an investment of nearly Rs. 6 crores. However, when they are completed, they will place our Company on a sound footing and would also help us to increase the quantity and the range of production.

"In the course of the next year, we may require some additional investment for Atic Industries Private Limited also. The Board of that Company has decided to go in for a plant for the manufacture of Benzanthrone, an important raw material required in the manufacture of Vat dyes.

"I had referred last year to certain other developments. The construction of a new dam is in hand, and the Central Water and Power Commission has sanctioned the scheme for a second power house. I should say in this connection that these days the provision of a power house is rather costly, but there is such an acute shortage of power from public supplies that even with a risk of some disadvantage in return on the investment, your Board is inclined to increase our own facilities for power. At the same time, we have also contracted to purchase 4000 kw. power from the Utran power station.

"The development of the village attached to the factory is also proceeding as planned. Our aim is to make it a model village, with all the requisite facilities. You will be glad to know that the visitors to Atul are impressed with what we have done in this direction.

Gujarat State

"In the end, I would like to refer to the creation of the new State of Gujarat. Some of us did not want to have it, and some of us did. But, now, it is there, and we have to make the best of the situation. We have started with a number of serious handicaps. We have a deficit on the revenue side and do not have sufficient irrigation facilities, sufficient power and sufficient roads. We have, therefore, to have a huge capital expenditure. But these handicaps or obligations should not deter us. We should remember that whatever Gujarat has achieved in the past, was done against odds which were heavier than the present ones. Also, today the State itself is interested in the economic well-being of the people and is prepared to go a long way in helping them to improve their conditions. It is possible, of course, that everyone may not agree with the details of the blue-print adopted by the State, and some of us might even be dissatisfied with the ways in which they are being implemented. However, we have to think of the people as a whole and, if need, be prepared to suffer inconveniences or make sacrifices for the attainment of our objective. Many of us have been thinking of entering into new business or manufacturing lines. Now is the time to get into these fields; now is also the time to make investments in or for the activities that the State may undertake, because it is for us to see that the new State gets as much support as we can give it. It is certainly true that Gujarat is not rich in natural economic resources as some of the other States are. But that is all the more reason that we should utilise all other resources to the best advantage."

COTTON

(Concluded from page 14)

Recent Egyptian efforts to break the vicious circle have been threefold: (1) User-country certificates to prevent Russian and satellite re-exports were introduced. (2) External value of the Egyptian pound was improved by reducing the discount on the "cotton" pounds from 23 per cent. to 13 per cent., and by reducing the surcharge on Egyptian resident purchase of foreign exchange for paying import duty from 27.5 per cent. to 20 per cent. (3) Restrictions on barter deals were introduced to increase Egypt's direct cotton sales to user-countries.

Egypt's cotton policies in the past two seasons have led to a decline in the free world's share in its exports and a corresponding increase in the share of communist countries. For instance, last year, the U.S. took only 1.5 per cent. of total Egyptian exports while Russia accounted for 25 per cent. and other communist countries for 20 per cent. Increased Egyptian cotton sales to the free world could remedy the situation. The forthcoming approach to Germany is one of Egypt's efforts in that direction.

Commenting on this, the *Cotton Trade Journal*, of Memphis, U.S.A., observes: "Increased German purchases of Egyptian cotton depend on German needs for Egyptian cotton, competitiveness in price and terms of trade. This means German private trade has to be prompted, pleased and pampered. Bonn, although sympathetic toward Egyptian cotton selling, can help little."

An agreement providing for the implementation of the Wage Board's recommendations has been signed by the Delhi Cloth Mills and the *Swatantra Bharat Mills* with the Textile *Mazdoor Sangh* affiliated to the Indian Trade Union Congress. Under the agreement, the workers of the two mills will get an increase of Rs. 8 per month in their basic wage with effect from 1st January 1960. The back-pay for the first six months aggregating Rs. 7 lakhs, will be disbursed shortly. Besides this increase in basic wage, a part of the dearness allowance of Rs. 51 will also be merged with the basic pay of workers.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 24th June, 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	30,66,65,000
National Agricultural Credit (Stabilisation) Fund	4,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	62,41,17,000
(2) Other Governments	18,56,34,000
(b) Banks	114,67,46,000
(c) Others	99,92,47,000
Bills Payable	29,42,37,000
Other Liabilities	61,52,37,000
Rupees	457,12,78,000

ASSETS	Rs.
Notes	58,65,35,000
Rupee Coin	1,14,000
Subsidiary Coin	1,14,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	20,05,57,000
Balances held abroad*	14,47,01,000
Loans and Advances to Governments†	43,82,52,000
Other Loans and Advances	121,56,70,000
Investments	230,58,53,000
Other Assets	17,55,57,000
Rupees	457,12,78,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments

The item 'Other Loans and Advances' includes Rs. 12,54,20,0004 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	38,65,35,000	
Notes in circulation	1835,98,74,000	
Total Notes issued		1874,64,09,000
Total Liabilities	....	1874,64,09,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	142,60,89,000	
Total of A		260,76,92,000
B. Rupee Coin		127,17,31,000
Government of India Rupee Securities		1486,39,86,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1874,64,09,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st S-t., 1939 (pre-war)	17th June 1959	10th June 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation,	172.37	1859.19	1880.72	1880.06	1737.79
Notes held in Banking Department	35.05	33.43	10.29	22.26	32.73
Foreign Securities	59.50	148.01	148.01	163.01	178.01
Rupee Securities	87.89	1501.40	1501.40	1496.40	1315.75
Banking Department					
Deposits of:					
Government of India	14.39	92.42	71.07	57.99	49.82
Other Governments	..	9.23	8.75	29.47	18.29
Balances held abroad	10.06	13.70	15.55	11.66	15.62
SCHEDULED BANKS					
Demand Liabilities	134.36	796.81 (15.02)†	786.79 (16.00)†	779.09 (15.15)†	758.13 (28.74)†
Time Liabilities	102.24	1199.06 (23.06)†	1173.87 (24.42)†	1198.58 (24.54)†	1021.17 (28.62)†
Borrowings from Reserve Bank	..	45.09 (13.61)‡	51.22 (13.21)‡	45.17 (13.72)‡	4.92 (3.46)‡
Borrowings from State Bank	..	13.59	14.18	14.03	6.57
Cash in India	6.70	46.97	48.48	47.71	48.98
Balances with Reserve Bank	25.17	104.24	103.02	90.04	73.20
Balances with other banks in current account in India	..	14.90	15.81	15.48	14.08
Money at call and short notice in India	..	27.95	29.48	27.95	42.35
Investments (at book value)	..	740.43	740.54	746.24	634.66
Advances and bills	105.9	1133.82	1133.46	1127.71	999.58
STATE BANK					
Deposits	87.76	632.11	631.61	622.17	530.74
Investments	51.99	388.94	388.83	394.27	311.97
Advances	40.35	218.71	217.59	214.85	194.12
Cash	14.69	34.37	39.21	26.92	32.06

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	24th Dec., 1959	3.25	4
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	2	3
Canada †		3.24	3.26
Ceylon	16th Dec., 1959	2.50	3
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1959	6	6
France	23rd April, 1959	4.50	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	2nd Dec., 1959	6.94	7.3
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6.50
Portugal	12th Jan., 1944	4.50	2
South Africa	9th Jan., 1959	4.50	4
Spain	11th April, 1960	4.25	5.75
Sweden	16th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	23rd June 1960	5	6
U.A.S.R.	1st July, 1936	3	4
U.S.A.	3rd June, 1960	4	3.50
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 24th June, 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,50,00,000
Deposits and Other Accounts		631,47,19,000
Borrowings from Other Banking Companies, Agents, etc.		15,000
Bills Payable		10,55,70,000
Bills for Collection being Bills receivable as per contra		1,63,00,000
Acceptances, Endorsements and Other Obligations per contra		2,21,11,000
Other Liabilities (including Inter-Office Adjustments)		7,16,33,000
Total	Rs.	668,86,29,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		34,17,18,000
Balances with other Banks		3,72,02,000
Money at Call and Short Notice		35,55,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	379,67,52,000	
Other Authorised Investments	3,52,01,000	
		383,19,53,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	203,08,82,000	
Bills Discounted and Purchased	12,74,62,000	
		216,75,11,000
Bills Receivable being Bills for Collection as per contra		1,63,00,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,21,11,000
Premises less Depreciation		1,25,20,000
Furniture and Fixtures less Depreciation		4,25,86,000
Other Assets (including Inter-Office Adjustments)		18,16,12,000
Total	Rs.	668,86,29,000

Scheduled Banks*

Statement of Affairs for the week ended 17th June 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		15,02,30,000
(ii) Other demand liabilities		781,78,80,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		23,65,50,000
(ii) Other time liabilities		1172,99,71,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		11,88,46,000
(ii) Time liabilities		1,00,50,000
Borrowings in India from the Reserve Bank of India‡		47,06,57,000
Cash in India		(13,60,70,000)
Balances with the Reserve Bank in India		46,97,00,000
Balances with other banks in current account in India		104,21,00,000
Money at call and short notice in India		14,89,51,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		27,91,52,000
Advances in India		740,42,81,000
Inland Bills, purchased and discounted in India		979,67,09,000
Foreign Bills, purchased and discounted in India		109,80,50,000
		44,02,85,000

* Provisional.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
6th April	2.00	2.00	2.00	2.770	99.305
13th April	2.00	2.04	2.00	2.770	99.310
19th April	2.00	2.00	2.00	2.770	99.305
26th April	2.00	2.75	2.00	2.770	99.310
27th to 30th Apr.*	2.01	—	2.01	—	99.326
3rd May	2.00	2.82	2.00	2.745	99.325
10th May	2.00	2.00	2.00	2.745	99.310
11th to 14th May*	0.05	—	0.05	—	99.326
17th May	2.00	2.00	2.00	2.745	99.310
24th May	2.00	2.80	2.00	2.745	99.325
25th to 28th May*	1.25	—	1.25	—	99.326
31st May	2.00	2.25	2.00	2.745	99.325
1st to 4th June*	3.05	—	3.05	—	99.326
7th June	2.00	2.00	2.00	2.745	99.310
8th to 11th June*	2.15	—	2.15	—	99.326
14th June	2.00	2.00	2.00	2.745	99.310
15th to 18th June*	0.07	—	0.07	—	99.326
21st June	2.00	2.02	2.00	2.745	99.315
22nd to 25th June*	0.07	—	0.07	—	99.326
28th June	2.00	2.00	2.00	2.745	99.310
Total amount outstanding	34.65	..	34.65	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 17th June 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Deposits:—	
(a) Central Government	12,24,52,000
(b) Provincial Governments	72,40,000
(c) Banks	17,61,82,000
(d) Others	88,17,78,000
Bills Payable	1,88,000
Other Liabilities	16,45,91,000
Rupees	1,40,85,44,000

ASSETS	Rs.
Notes	16,56,52,000
Rupee Coin	27,000
Subsidiary Coin	32,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
*Balances held outside Pakistan**	37,16,54,000
Loans and Advances to Governments	12,50,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	4,50,91,000
Investments	59,65,65,000
Other Assets	10,16,63,000
Rupees	1,40,85,44,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,56,52,000	
Notes in circulation	361,06,03,000	
Total Notes issued	....	377,62,55,000
Total Liabilities	....	377,62,55,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,56,79,000	
Silver Bullion	....	
Foreign Securities	70,99,94,000	
India Notes representing assets receivable from the Reserve Bank of India	13,01,61,000	138,68,34,000
B. Rupee Coin	5,69,31,000	
Government of Pakistan Securities	229,24,81,000	
Internal bills of exchange and other commercial paper	....	233,01,15,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,62,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	5,90,66,000
Total Assets	....	377,62,55,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 78.21 per cent.

EXCHANGE RATES

	24th June 1960	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	s. 1-5½	1-5⅛
Sellers T. T. D.D. upto six months	s. 1-5⅜	1-5⅛
Buyers T.T. *spot to nine months*	s. 1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s. 1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D.	Rs. 477.00	477.75
Buyers T.T.	Rs. 473.75	474.25
London on New York	s. 2.8056-2.8060	2.8030-2.8032
London on Paris	Fcs. 13.75[-13.75½]	13.74[-13.74½]
London on Berne	Sw. Fcs. 12.1065-12.1085	12.0995-12.0925
New York on London	s. 280.610-280.540	280.290-280.320

CLEARING HOUSE RETURNS

Centre	Week ended 24th June 1960 Number of Cheques	Amount Rs.	Week ended 17th June 1960 Number of Cheques	Amount Rs.
Bombay	3,52,985	81,65,70,000	3,86,000	87,47,00,000
Calcutta	1,79,000	75,25,00,000	1,80,000	76,86,00,000
Madras	39,891	11,88,41,807	99,706	12,84,85,303
All Centres—				
1957-58	..	..	41,672,000	80,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,004,000	100,88,05,00,000
Jan., 1960	..	..	4,302,000	9,98,20,00,000
Feb., "	..	..	4,295,000	9,43,59,00,000
Mar., "	..	..	4,431,000	10,12,71,00,000
April "	..	..	4,536,000	10,42,01,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	11th June 1960	4th June 1960	13th June 1959	April 1960	April 1959	Percentage of Increase(+) or Decrease(—) in April, 1960 as compared with April, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	120.6	120.4R	120.0	118.6	113.1	+ 4.9	119.0	115.2
Cereals	192	106.9	106.8	101.1	103.8	99.0	+ 4.8	104.1	106.8
Pulses	43	88.9	89.4R	90.3	89.2	92.2	— 3.1	93.6	103.9
Fruits and Vegetables	23	121.9	129.0	134.8	136.7	121.6	+ 12.4	127.8	117.0R
Milk and Ghee	84	125.0	122.9R	123.6	114.7	115.0	— 0.3	113.3	107.3
Edible Oils	47	138.6	138.3R	132.5	138.2	125.6	+10.1	130.4	124.8
Fish, Eggs and Meat	17	118.4	118.0R	109.7	118.0	107.0	+10.3	112.0	108.4R
Sugar and *Gur*	48	137.7	136.0	149.3	139.7	128.0	+ 9.1	147.9	127.2
Others	50	159.2	159.0R	163.7	159.9	150.8	+ 6.0	167.9	151.3
Liquor and Tobacco	21	109.2	109.3R	98.7	103.1	97.5	+ 5.7	99.5	95.4
Tobacco	—	107.0	108.3R	95.0	101.2	95.8	+ 5.4	97.9	93.8
Fuel, Power, Light and Lubricants	36	118.5	118.4R	115.6	118.7R	115.7	+ 2.6	116.5	113.4
Industrial Raw Materials	155	138.6	142.0R	120.0	134.0	116.2	+15.5	122.7	115.6
Fibres	61	142.0	150.4	100.8	130.0	108.0	+20.4	113.3	103.0
Oilseeds	60	142.0	141.0R	135.0	141.2	127.4	+10.9	134.5	127.0
Minerals	2	98.2	97.3	98.3	98.2	101.4*	— 3.2	97.8	106.0
Others	32	128.4	129.4	112.5	130.7R	111.7	+17.0	121.6	109.2
Manufactures	280	118.3R	109.0	117.8R	108.5	108.5	+ 8.6	111.6	106.4R
Intermediate Products	47	126.5	126.3	108.1	122.2	108.4	+13.7	113.8	110.3
Finished Products	249	118.4	118.2	109.2	116.9R	108.5	+ 7.7	111.3	105.1R
Textiles	147	119.5	119.1R	104.4	116.3	103.2	+12.7	107.8	103.8R
Cotton	—	125.4*	125.4*	113.2*	124.0*	112.3*	+11.0	118.9*	117.8R
Jute	—	113.4	112.1	86.3	103.0	88.8	+23.2	90.6	86.4
Woollen	—	104.2*	104.2*	104.2*	104.2*	104·2	—	104.2	105.4
Silk and Rayon	—	102.7*	102.7R	95.5*	102.5*	95.7*	+ 7.1	96.4	98.2
Metal Products	12	148.3	148.3	143.3	148.3	148.8	— 0.3	144.4	146.1
Chemicals	20	104.7	105.2	106.7	104.5R	109.4	— 4.5	106.9	106.8
Oil Cakes	10	131.0	130.5	143.5	139.1	139.2	— 0.1	143.8	136.0
Machinery and Transport Equipment	31	110.4	110.4R	106.0	110.6R	106.1	+ 4.2	106.2	103.9R
Others	30	114.7	114.5	113.0	114.7	112.9	+ 1.6	113.4	113.7
All Commodities	1,000	122.8	123.1R	116.2	120.5	112.9	+ 7.6	117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised. *Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1958-59	1957-58	(In thousand tons) 1958-59	1957-58
Cereals—					
Rice	final	81,590	79,447	29,721	24,886
Wheat	final	30,966	29,300	9,694	7,741
Jowar	final	42,608	42,203	8,689	8,546
Bajra	final	26,690†	27,993††	3,454†	3,789††
Barley	final	8,164	7,549	2,640	2,228
Maize	final	10,314	9,819	2,990	3,036
Ragi	final	6,211†	6,192††	1,800†	1,877††
Small millets	final	12,156	11,845	2,048	1,671
Total cereals	final	219,633	213,133	61,295	53,004
Pulses—					
Gram	final	24,840	22,862	6,826	4,979
Tur	final	5,890	5,690	1,662	1,412
Other Kharif pulses‡	final	16,075†	15,597††	1,567†	1,559††
Rabi pulses‡	final	12,784	11,269	2,178	1,726
Total pulses	final	58,970	55,478	12,208	9,507
Total foodgrains		278,603	268,611	73,503	62,511
Oilseeds—					
Groundnut	final	15,305†	14,575††	4,390†	4,812††
Castorseed	final	1,178†	1,203††	108†	112††
Sesamum	final	5,510†	5,500††	392†	511††
Rape and *Mustard*	final	6,288	6,979	1,069	923
Linseed	final	3,708	3,129	490	249
Total oilseeds	final	31,002	30,389	6,919	6,051
Fibres—					
Cotton*	final	19,825	19,998	4,705	4,789
Jute A.	final	1,707†	1 611††	4,548†	5,158††
Mesta A.	final	706†	825††	1,098†	1,488††
Sannhemp	final	813†	807††	80†	81††
Other crops—					
Potato	final	822	794	2,819	1,966
Sugarcane	final	4,636	5,080	70,915	68,019
Ginger (Dry)	final	37†	38††	13†	12††
Pepper (Black)	final	232†	230††	25†	28††
Chillies (Dry)	final	1,479	1,575	242	302
Tobacco	final	896	872	263	237

Source: Ministry of Food and Agriculture. ‡ Excluding Tur. § Excluding Gram and Tur.

* In thousand bales of 392 lbs. each. R.=Revised.

A.—In thousand bales of 400 lbs. each.

†—For 1959-60. ††—For 1958-59

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Three months ended March 1959	1960
Exports	570,56	615,78	132,55	149,24
Re-exports	8,40	6,96	84	3,76
Total Exports	578,96	622,74	133,39	153,00
Imports	864,18	887,38	194,82	209,03
Overall Balance of Trade	—285,22	—264,64	—61,43	—56,03
Exports—				
Tea	136,54	126,39	20,11	23,22
Jute yarns and manufactures	103,82	110,75	24,54	33,55
Cotton yarns and manufactures	52,63	66,14	13,79	16,67
Metallic ores and metal scrap	30,35	34,42	8,06	9,57
Cotton, raw and waste	21,20	16,37	4,79	2,92
Oils—vegetable, mineral and animal	12,35	17,06	2,39	3,64
Fruits and vegetables	21,16	21,08	5,35	6,02
Tobacco	16,29	13,91	4,80	5,56
Mica	9,34	10,31	2,32	2,15
Wool and other animal hair	9,35	12,22	2,66	2,65
Gums, resins and lac	7,16	7,96	2,01	2,28
Spices	8,83	10,17	2,63	6,34
Hides and skins, raw	7,35	10,95	2,75	3,29
Imports—				
Machinery of all kinds	188,92	196,21	45,50	48,41
Iron and Steel	97,80	84,01	20,80	20,05
Oils—vegetable, mineral and animal	80,23	82,62	15,55	24,75
Chemicals, drugs and medicines	65,28	85,20	18,10	21,84
Electrical goods and apparatus	49,04	50,01	11,80	11,24
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	13,16	11,79
Cotton, raw and waste	30,66	34,76	6,12	12,63
Fruits and vegetables	17,43	16,52	4,87	6,05
Paper, pasteboard, etc.	8,26	9,07	1,94	2,83
Dyes and colours	8,76	9,54	2,11	2,54
Spices	2,84	2,52	85	68
Woollen and worsted fabrics	30	23	4	7
Cotton fabrics	1,05	1,19	29	25

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During May, 1960	91.7
	Corresponding month, 1959	98.3
	Eleven months ended May 1960	985.1
	Corresponding period, 1959	957.8
Stocks	At the end of May 1960	82.0
	Corresponding month, 1959	99.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1958-59	854.9
	July-April, 1959	771.8
	July-April, 1960	696.5
	April, 1959	65.6
	April, 1960	62.0
	March, 1960	220.0
For Internal Consumption	1958-59	184.1
	July-April, 1959	210.6
	July-April, 1960	19.5
	April, 1959	23.3
	March, 1960	2.1
	RAW JUTE	(In 000 bales)
Consumption by Mills	May 1960	532
	Corresponding month, 1959	503
	Eleven months ended May 1960	5,765
	Corresponding period, 1959	5,535
	1956-57	6,072
	1957-58	6,154
	1958-59	5,014

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units Generated‡	Total Units Sold
1955-56	715	8,866.8	7,185.8
1956-57	769	9,977.8	8,103.1
1957-58	824	11,176.9	9,021.1
1958-59	813	12,837.0	10,360.7
January 1959	811	1,156.2	930.2
February "	811	1,074.6	888.5
March "	813	1,171.1	927.4
April "	813	1,241.6	956.9
May "	813	1,201.5	999.4
June "	816	1,227.4	969.3
January 1960	850	1,252.1	1,055.5
February "	..	..	1,022.5

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

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

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	12,586	2,295	1,023	219	108	58	207	24	196	427	30	389	52	180
1957-58	14,314	2,389	1,229	214	105	52	219	25	212	502	39	476	47	194
1958-59	14,366	2,655	1,296	208	92	36	221	23	184	488	36	514	45	118
1959-60	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	432	43	94
February "	12,018	2,431	1,184	186	80	33	201	21	169	432	34	466	45	106
March "	14,365	5	1,296	206	92	36	221	23	184	483	36	514	46	118
April "	1,285	218	122	23	13	3	16	4	12	51	4	41	2	12
May "	2,534	422	263	43	24	6	33	4	33	96	6	82	3	26
June "	3,723	616	386	59	32	9	45	6	48	142	11	122	7	36
July "	4,935	842	500	72	37	11	58	8	65	186	16	165	12	46
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February "	13,847	2,399	1,226	182	77	32	208	22	169	522	72	471	48	119
March "	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131

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

INDUSTRIAL PRODUCTION

Industries.		1958	1959*	October 1959	November 1959	December 1959	January* 1960	January 1959
Major Industries—								
Coal	million tons	45.34	47.03	3.61	3.79 K	4.30	4.12	4.09
Steel (Ingots and Metal for castings)	thousand tons	1,813	2,423	214 K	232	250 K	—	154
Yarn	million lbs.	1,666	1,723	143	155	154	144	151
Cloth	million yds.	4,927	4,025	414	391	435	418	430
Cement	million tons	6.07	6.82	0.57	0.60	0.67	0.65	0.50
Jute	thousand tons	1,060	1,051	88	88	94	88	92
Paper and paper boards	thousand tons	253	294	27	28	—	28	23
Matches§	thousand cases	626	648	53	58	59	—	48
Sugar	thousand tons	1,957	2,083	20	179	431	—	445
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	376	438	35	40	44	—	51
Electric lamps	millions	30.47	34.84	2.53	2.93	3.20	2.85	2.68
Dry cells	millions	158.34	187.3	15.70	18.21	19.37	16.04	14.80
Power transformers	k.v.a.	1,126,800	1,057,200	79,600	80,000	97,900	—	106,000
Electric Motors	h.p.	624,000	573,600	37,000	43,600	52,000	—	54,600
Electric fans	Nos.	636,000	727,200	50,100	67,600	71,200	—	62,400
Radio receivers	Nos.	198,108	214,920	16,511	20,141	21,878	—	14,384
Storage batteries	Nos.	355,200	440,400	32,100	35,000	40,600	—	32,700
Copper conductors	tons	7,488	6,318	392 K	375 K	540 K	—	275
Winding wires	tons	2,076	2,848	196 K	233 K	244 K	—	238
Rubber and plastic Ins. cables and flexibles	million yds.	128.76	167.80	13.54 K	12.91 K	12 64 K	—	14.84
Insulators—H.T.	Nos.	761,200	957,600

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Weight	1959	1960	1960
		June	June	May
		30th	30th	31st
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ALL INDIA.				
1. Total	100	101	101	150
2. Government of India ..	100	100	100	150
3. State Government ..	100	100	100	150
4. Municipal, Port Trust, etc. ..	100	100	100	150
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101	101	100	101
PREFERENCE SHARES—ALL INDIA.				
6. Total	89	89	90	92
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	174	174	175	150
8. ‡*Agriculture and Allied activities: Total**	177	177	176	164
9. Tea Plantations	172	173	170	160
10. Coffee Plantations	208	207	213	194
11. Rubber Plantations	179	181	183	160
12. *Mining and Quarrying: Total*	159	160	164	142
13. Coal	121	122	125	115
14. Other Mining	185	185	191	171
15. *Processing and Manufacturing: Total*	188	188	188	153
16 ‡*Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	190	189	187	140
17. Sugar	195	196	191	129
18. Cotton Textiles	152	151	149	118
19. Jute Textiles	94	95	93	96
20. Silk and Woollen	1117	1119	1,091	535
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	198	198	201	176
22. Iron and Steel	162	163	170	167
23. Transport Equipment ..	406	407	411	255
24. Electrical Machinery ..	137	138	139	129
25. Machinery other than Transport and Electrical ..	220	216	214	196
26. Basic Industrial Chemicals ..	205	202	196	151
27. *Processing and Mfg. (Others): Total**	186	188	189	149
28. Cement	145	146	147	136
29. Paper	225	234	235	198
30. *Other Industries: Total** ..	112	111	113	116
31. Electricity Generation and Supply	82	81	85	91
32. Trading	121	120	120	100
33. Shipping and Other Transport	114	112	119	130
34. Construction	223	224	225	198
35. *Financial: Total*	329	320	315	280
36. Banks	169	168	169	172
37. Insurance	184	183	184	191
38. Investment Trusts	145	141	142	130
	92	92	94	97
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	180	179	179	154
40. Calcutta	160	161	162	144
41. Madras	189	189	192	165
42. Delhi	227	229	230	174

* Including "Miscellaneous." † Including "Edible and Vegetable Oils."

IRON AND STEEL PRODUCTION (In Tons)

	Year	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended 31st March,	1957	1,155,500	1,073,600	797,500
Do. 31st March,	1958	1,098,300	1,106,800	786,900
Do. 31st March,	1959	1,137,500	1,149,900	884,700
Do. 31st March,	1960	1,066,400	1,032,700	1,215,100
February 1959 ..		106,500	107,300	89,700
March ..		127,400	123,600	84,800
April ..		130,600	124,200	93,300
May ..		128,800	116,400	91,400
February 1960 ..		134,400	130,400	103,600
March ..		142,100	146,100	123,000
April ..		127,700	125,200	99,900
May ..		122,500	120,500	93,000
Indian Iron and Steel Co., Ltd.				
Year ended 31st March,	1957	695,156	532,315	441,483
Do. 31st March,	1958	733,945	507,580	410,558
Do. 31st March,	1959	959,933	608,305	496,217
Do. 31st March,	1960	1,058,612	827,072	660,695
February 1959 ..		83,715	61,987	50,202
March ..		95,262	70,887	59,707
April ..		86,826	61,182	40,151
May ..		94,105	57,483	49,470
February 1960 ..		92,715	71,494	57,286
March ..		98,640	80,287	75,812
April ..		90,876	74,896	44,751
May ..		83,903	71,579	56,406

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,819
1958*	1,524	928,666	7,797,585
Oct. 1958 ..	179	94,261	997,851
Nov. " ..	165	42,579	215,964
Dec. " ..	128	42,102	180,558
Jan. 1959 ..	171	66,726(163)	320,358(163)
Feb. " ..	93	33,930(66)	271,360(66)
Oct. " ..	168	68,371(158)	278,181(156)
Nov. " ..	147	48,718(114)	267,071(114)
Dec. " ..	128	76,754(121)	402,393(121)
Jan. 1960 ..	141	73,891(135)	423,077(134)
Feb. " ..	133	62,075(123)	412,797(123)

† In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.
*Figures relate to all states and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita Income (Rs.)
India† ..	'58-'59	398.00	..	11,690	293 6
Pakistan ..	'58-'59	86.80	..	2,084	240
Burma ..	1958	20.02	Kyats 4,344	436	216
Ceylon ..	1957	9.1	..	507	557
Japan ..	1957	90.96	Y. 8,252,000	10,915	1,200
Philippines ..	1958	23.1	Ps. 9,222	2,209	956
New Zealand ..	1958	2.28	£(N.Z.) 902	1,069	4,688
Australia ..	1958	9.80	£(A.) 4,625	4,920	5,021
U.K. ..	1958	51.60	18,230	24,310	4,711
U.S.A. ..	1959	177.1	$ 403,900	193,064	10,901
Canada ..	1958	17.00	$ 24,660	13,691	7,112
France ..	1958	44.05	F. Fr. 17,910,000	17,470	3,926
W. Germany ..	1958	52.1	Dm. 178,400	20,050	3,848
Italy ..	1958	48.07	Lr. 13,126,000	10,120	2,078
Norway ..	1957	3.49	Kr. 23,290	1,560	4,470
Sweden ..	1958	7.43	Kr. 54,910	5,084	6,870
Netherlands ..	1958	11.10	Gns. 36,180	3,830	3,440
Denmark ..	1958	4.50	Kr. 28,250	1,960	4,355
Switzerland ..	1958	5.10	Sw. Fr. 28,300	3,130	6,137

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, February, 1960.
† Based on the seventh issue of the annual paper on national income (at 1948-49 prices); Source: Central Statistical Organisation.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

		All-India (Base: 1939=100)	Ahmedabad (Base: July 1951=100)	Bombay (Base: 1934=100)	Calcutta (Base: 1944=100)	Kanpur (Base: 1939=100)	Nagpur (Base: 1939=100)	Calcutta (Base: August 1933=100)	Madras City (Base: 1936-39=100)	Delhi (Base: 1944-45=100)	Ajmer (Base: 1944-45=100)	Gauhati (Base: 1944-45=100)	Jamshedpur (Base: 1944-45=100)	Jabalpur (Base: 1944-45=100)	Bangalore (Base: 1944-45=100)
1958	January ..	392	306	309	333	92	101	351	162	107	103	114	117	99	115
	February ..	396	305	313	334	95	103	349	169	106	104	102	117	100	114
	March ..	397	311	314	344	94	99	357	165	106	91	96	119	98	106
	April ..	395	321	315	351	95	96	354	169	99	87	97	120	98	103
	May ..	392	322	314	346	89	96	347	113	100	89	100	120	100	114
	June ..	397	309	320	339	94	102	363	116	111	99	105	125	107	124
	July ..	396	316	324	342	93	103	366	124	115	103	113	125	107	126
	August ..	396	325	324	412	93	98	370	124	115	103	113	125	108	121
	September ..	397	412	329	340	94	103	367	126	106	94	105	125	108	140
	October ..														
	November ..														
	December ..														
1959	January ..	422†	296	300	365	105	127	393	129	117	94	115	149	109	134
	February ..	427†	299	306	376	105	123	394	127	116	94	120	110	134	
	March ..	417	307	309	377	99	122	384	126	107	94	121	105	135	
	April ..	417	409	306	412	97	124	377	126	107	94	121	104	137	
	May ..	419	408	307	398	95	121	377	121	107	94	121	104	138	
1960	January ..	422†	422	304	369	96	125	355	127	121	107	99	125†	111	144
	February ..	427†	418	304	355	98	126	369	124	122	107	97	121†	111†	144
	March ..	423†	414	287	339	97	125	392	125	119	101	100	122†	109†	144
	April ..	424†	424	291	346	..	..	397	127	119	101	103	..	109	..

* Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	National Savings Certificates: 5-Year A	7-Year B	12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates: 3½% F	4% O	15-Year Annuity Certificates G	Total
	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Outstandings	Receipts	Receipts	Receipts	Outstandings H
1956-57	3,00	6,01	163,08	..	(176,97)	196,50	25,38	—38,82	44,28	..	43	1,32	225,88	440,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	284,32	569,77
1958-59	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,28	590,08
1959-60	1,54	3,17	99,14	83,09	221,63	201,48	254,91	19,79	—41,29	41,68	10,84	21,76	66	2,90	296,62	667,36
January 1959 ..	1,80	3,93	122,83	9,07	155,09	14,37	218,71	21,27	—40,52	42,79	57	10,60	5	2,32	24,07	559,17
February ..	1,78	3,87	120,95	9,04	143,14	14,93	219,39	21,13	—40,60	42,62	64	11,14	5	2,36	25,22	566,41
March ..	1,73	3,79	119,11	11,66	152,48	22,29	226,92	21,01	—40,69	42,57	65	11,64	6	2,41	34,68	581,75
April ..	1,70	3,72	117,25	8,36	157,31	16,39	226,90	20,88	—40,74	42,49	63	12,26	11	2,50	23,52	585,08
May ..	1,68	3,65	115,60	5,71	162,02	15,68	224,88	20,76	—40,80	42,39	51	12,79	5	2,54	21,98	589,48
June ..	1,65	3,59	114,16	6,03	167,24	15,80	224,23	20,61	—40,86	42,33	42	13,19	3	2,56	22,40	589,70
January 1960 ..	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19,96	—41,28	41,84	1,13	19,77	5	2,81	23,59	630,20
February ..	1,52	3,21	101,09	7,57	210,61	16,04	234,25	19,87	—41,28	41,75	1,05	20,79	6	2,86	25,71	636,66
March ..	1,51	3,17	99,14	13,09	221,63	29,24	254,91	19,79	—41,29	41,68	98	21,76	6	2,90	43,47	667,36
April ..	..	..	..	..	..	..	..	..	..	41,58	1,63	23,16	9	2,94	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five-Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of March 1960 is rupees Fifty-one lakhs. 10-Year Cumulative Time Deposits commenced from 2nd January 1959 and the outstandings at the end of March 1960 is rupees Thirty lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.30
3 % Loan	1938-39	116,17,46,000	1963-65	97.95
3 % Loan	1950	30,33,10,000	1964	98.00
2½ % Fd. Loan	1943	1,15,11,76,000	1966-68	95.85
3 % Dev. Loan	1945	1,15,05,82,000	1970-75	99.90
2½ % Loan	1946	45,63,07,000	1960	99.90
2½ % Loan	1946	57,00,69,000	1961	98.50
2½ % Loan	1946	14,77,45,000	1962	98.50
2½ % Loan	1947	75,86,72,000	1962	98.00
3½ % N. P. Bonds	1953	75,29,00,000	1961	100.05
3½ % N. P. Loan	1954	1,58,17,95,000	1964	99.90
3½ % N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.90
3½ % Loan	1956	87,27,38,000	1962	99.95
3½ % N. P. Bonds	1956	63,51,83,000	1967	99.90
3½ % Loan	1956	66,63,53,000	1974	99.70
3½ % N.P. Bonds (4th Series)	1957	56,99,30,000	1967	100.85
4 % Loan	1957	49,17,27,000	1972	101.30
3½ % Loan	1958	58,55,92,000	1963	99.95
3½ % Loan	1958	80,00,00,000	1968	99.45
3½ % Loan N.P.B.	1958	84,33,90,000	1968	100.65
4 % Loan	1958	49,51,44,000	1973	101.20
3½ % Loan	1959	1,02,91,60,000	1969	99.20
4 % Loan	1959	80,93,00,000	1979	100.30
NON-TERMINABLE LOANS				
2½ % Loan	1896-97	8,93,34,000	M.	72.50
2½ % Loan	1946	2,48,91,35,000	K.	73.70
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.20
4 % Andhra	1956	6,56,15,000	1st Sept. 1968	100.20
4½ % Andhra	1958	5,48,81,000	15th July 1970	102.00
4 % Andhra	1959	6,60,00,000	19th Aug. 1971	99.75
3 % Bombay	1949	5,49,88,000	1st Aug. 1962	97.55
3 % Bombay	1950	2,83,50,000	31st July 1960	99.60
3½ % Bombay	1951	2,87,53,000	17th Sept. 1962	99.60
4 % Bombay	1952	5,19,35,000	15th July 1963	101.00
4 % Bombay	1953	3,45,85,000	1st Aug. 1964	100.90
4 % Bombay	1955	9,75,28,000	1st Sept. 1967	100.90
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100.75
4½ % Bombay	1957	6,57,25,000	16th Sept. 1969	102.60
4½ % Bombay	1958	6,58,50,000	15th July 1970	102.45
4½ % Bombay	1958	4,35,25,000	15th July 1971	102.60
4 % Bombay	1959	6,60,00,000	19th Aug. 1971	100.90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100.00
4½ % Bihar	1958	2,76,71,000	13th Oct. 1970	101.50
4 % Bihar	1959	3,50,00,000	19th Aug. 1971	99.75
3½ % Cochin	1938	30,00,000	1st June 1958-61	98.00
3½ % Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94.50
4 % Hyderabad	1955	2,15,46,000	1st Sept. 1967	100.20
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.20
3 % Madras	1946	2,78,44,000	14th Sept. 1960	99.60
2½ % Madras	1946	2,61,77,000	1st Sept. 1961	98.60
3 % Madras	1947	4,96,25,000	31st Aug. 1960	99.60
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	99.45
4 % Madras	1952	10,32,71,000	15th July 1963	100.40
4 % Madras	1953	5,24,81,500	1st Aug. 1964	100.30
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.10
4½ % Madras	1958	5,55,57,000	15th July 1970	102.05
4 % Madras	1959	8,50,00,000	19th Aug. 1971	99.75
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101.60
2 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,32,47,000	15th July 1963	100.45
4 % Mysore	1955	3,54,04,000	1st Sept. 1967	100.15
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.10
4½ % Mysore	1957	3,34,36,000	16th Sept. 1969	102.00
4½ % Mysore	1958	5,51,51,000	15th July 1970	102.00
4 % Mysore	1959	5,50,00,000	19th Aug. 1971	99.75
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	95.70
3 % M.P.	1950	1,01,45,000	31st July 1960	99.50
3 % M.P.	1951	1,02,51,000	17th Sept. 1962	98.50
4 % M.P.	1953	1,10,18,000	15th July 1963	100.50
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100.00
4½ % M.P.	1958	2,19,31,000	15th July 1970	101.50
4 % M.P.	1959	3,30,00,000	19th Aug. 1971	99.75
4 % Saurashtra	1955	3,56,23,000	1st Sept. 1967	100.20
4 % Saurashtra	1956	2,70,80,000	3rd Sept. 1968	100.20
4 % Kerala	1953	3,25,61,000	15th July 1963	99.90
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	99.90
4½ % Kerala	1958	3,26,38,000	15th July 1970	101.00
4 % Kerala	1959	4,40,00,000	19th Aug. 1971	99.70
2½ % U.P.Z.A.	1952	45,63,93,000Z	..	53.25
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	92.25
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	99.60
2½ % U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½ % U.P.	1951	1,87,38,000	17th Sept. 1962	99.25
3 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.40
3 % U.P.	1953	5,58,25,000	15th July 1963	100.50
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	100.20
4 % U.P.	1956	8,48,40,000	3rd Sept. 1968	100.20

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	99.00
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,35,870	4	1913*	1960	D
80,00,000	4	1913	1974	99.50
85,25,000	4	1914	1975	99.50
10,00,000	4	1915*	1960	
10,00,000	4	1915*	1960	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
28,25,000	3½	1925*	1960	
10,00,000	4	1929*	1959	
12,50,000	3½	1930*	1980	D
12,50,000	3½	1931*	1961	
12,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1966	
20,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000C	3½†	1921	1981	82.00
48,02,300C	3½	1921	1981	144.00N
60,00,000C	4‡	1921	1991	95.00
60,00,000	3½	1925	1965	99.00
25,00,000	3	1938	1968-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
60,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1960	99.60
1,00,00,000†	4	1956	1966	99.60
50,00,000	3	1951	1981	81.75
1,50,00,000	2½	1953	1961	99.75
1,00,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
1,00,00,000	4	1956	1966	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1989	99.50
50,00,000	4½	1959	1989	99.00
STERLING LOANS				
£892,800	5	1923	1953-83	£80.00
£901,000	5	1924	1954-84	£80.25
£835,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,86,000	3	1947	1977	A
3,00,000H	3	1949	1979	
45,00,000H	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1901	1961	
20,00,000	4	1902	1962	
40,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1910	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50
25,00,000	4	1916	1976	N
40,00,000	4	1919	1947-79	118.00
68,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	5	1927	1957-79	98.00N
10,00,000	5	1936	1966	
STERLING LOANS				
£566,600		1909	1958	£95.50
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1924	1964	99.25
35,00,000	3½	1925	1965	96.00
30,00,000	4	1926	1956	91.75
60,00,000	5	1927	1963	98.00
20,00,000	3	1928	1963-65	91.75
80,00,000	4	1942	1962	100.00
1,02,00,000	4	1958	1968	99.25
75,00,000	4½	1958	1968	101.00
50,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
20,00,000	4	1912-18	1974	99.50
10,00,000	5	1920	1980	119.00N
8,25,000	3½	1947	1977	87.75
2,50,000	3½	1948	1978	87.75
4,00,000	3½	1950	1965	95.00
5,00,000	3½	1957	1977	100.00
2,00,00,000	3½	1951	1966	98.00
1,30,00,000	4	1952	1962	100.00
1,00,00,000†	4	1952	1962	100.00
1,00,00,000†	4	1956	1966	99.85
2,50,00,000	4	1955	1967	100.00
1,50,00,000	4	1958	1968	100.00
20,00,00,000	4	1958	1968	100.00
400,00,000	4½	1958	1979	101.60
4,00,00,000	4	1959	1971	100.00
CALCUTTA				
Rs.				Rs.
10,00,000	3½	1922	1962	108.00
33,91,000	3	1925	1965	95.00
60,00,000	3	1936	1966	91.00
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
16,38,000	3½	1951	1961	99.25
66,88,000	3½	1951	1966	98.50
87,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1979	100.00
2,27,72,000	4	1956	1976	—
73,56,000	4½	1958	1968	100.50
1,87,32,000	4	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1959	7,65,48,000	15th July 1970	102.05
4 % U.P.	1959	8,30,00,000	19th Aug. 1971	99.75
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.15
4½% Rajasthan	1958	2,79,86,000	15th July 1970	101.75
4 % Rajasthan	1959	3,25,00,000	19th Aug. 1971	99.75
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½% Orissa	1958	3,27,71,000	15th July 1970	101.80
4 % Orissa	1959	3,85,00,000	19th Aug. 1971	99.75
4½% M. Bharat	1958	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100.00
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.25
4 % W. Bengal

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	..	1,47,22,620	44,03,340	−32,02,956	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.15	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,99,483	1,15,30,968	77,34,952	−13,00,519	Gulabchand Jain, Esq. (Chairman).	50,596	1,021	B. R. Cotton Mills ..	67.00	100	*Nil*	*Nil*	*Nil*		12	Y.
2,50,98,090	2,49,77,965	9,34,84,561	4,90,54,873	30,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,329	Bombay Dyeing & Mfg. Z	67.00	25	2.50	2.50	3.50†		3	Y.P.
10,00,000	39,40,350	78,54,033	46,74,455	47,570	Ramnarain Sons Private Ltd. ..	44,784	860	Bradbury Mills	120.00	50	15.00	7.50	5.00		12	Y.P.
1,22,95,200	8,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd. ..	1,26,752	2,698	Century Spg. & Mfg. ..	150.00	100	12.50*	12.50*	7.50		3	Y.
30,00,000	39,04,950	1,21,43,644	75,88,437	61,304	Cowasjee Jehangir & Co. Pvt. Ltd ..	31,460	680	Couria Spg. & Wvg. ..	122.00	50	7.50F	5.00	10.00		3	Y.
30,00,000	26,75,578	93,59,338	50,09,907	12,102	Ramnarain Sons Private Ltd. ..	43,960	..	Dawn Mills	120.00	100	15.00	15.00(e)			12	Y.P.
24,00,000	13,61,000	85,42,424	64,50,661	−16,24,876	Puranmal Bubna Sons	47,356	928	Edward Textiles	290.00	200	*Nil*	*Nil*	*Nil*		12	Y.
29,98,050	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman) ..	46,620	886	Elphinstone Spg. & Wvg. ..	320.00	100	20.00	16.00	23.00†		12	Y.
50,00,000	65,75,460	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd. ..	63,215	784	Finlay Mills	322.50	100	15.00	15.00	21.50†		12	Y.
60,00,000	62,35,257	1,00,35,144	68,02,387	10,233	James Finlay & Co., Ltd. ..	45,768	1,020	Gold Mohur Mills Ltd. ..	160.00	100	20.00	20.00	25.00		12	Y.
12,00,000	1,17,23,947	1,94,91,703	1,40,31,408	−6,27,490‡	K. M. D. Thackersey, Esq. (Chairman	45,448	1,120	Hindoostan Spg.& Wvg. Mills	4,825.00 / 965.00	1,000 / 250	350.00* / 87.50*	350.00 / 87.50	350.00(e) / 87.50(e)		3	Y.P.
3,00,00,000	1,16,525	5,09,02,595	3,68,18,422	−57,69,994	Agarwal & Co.	2,50,414	6,412	India United Mills	13.00 / 0.75 / 0.10	0 100. / 0 1. / 0 10.	*Nil* / *Nil* / *Nil*	*Nil* / *Nil* / *Nil*	*Nil* / *Nil* / *Nil*		12 / 3 / 3	Y.
15,00,000	97,77,876	1,83,86,241	1,06,85,120	17,439	K. M. D. Thackersey Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,270.00 / 1,050.00N	500 / 500	325.00* / 162.50*	325.00 / 162.50	200.00(e) / 100.00(e)		3	Y.P.
80,85,000	81,19,346	2,83,99,051	2,54,17,423	25,727	Khatau Makanji & Co. (Pvt.) Ltd. ..	1,00,000	1,500	Khatau Makanji Spg. & Wvg. ..	480.00	100	10.00(c)	10.00	16.00†		6	Y.P.
1,00,00,000	1,00,60,696	3,81,90,145	2,95,67,372	27,909	Kilachand Industries Ltd.	1,20,504	1,846	Kohinoor Mills	344.50	100	18.00	10.00	9.50†		12	Y.
66,47,350	38,85,220	1,43,57,502	70,49,840	28,992	N. Sirur & Co. Private Ltd. ..	49,200	644	Modern Mills	285.00	100	14.00(c)	15.00	21.50†		6	Y.P.
91,75,000	44,00,000	2,84,52,913	2,06,23,269	2,38,354	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. & Wvg. ..	539.00(d)	100	14.00	14.00	22.00†		12	Y.P.T.
2,41,12,100	1,73,11,840	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation ..	..	100	..	11.20	21.27†		12	Y.
24,00,000	11,16,887	85,71,833	48,70,077	−11,98,634	W. H. Brady & Co., Ltd.	45,944	480	New City of Bombay Mfg. ..	126.00	100	5.00	*Nil*	*Nil*		12	Y.P.
90,00,000	77,589	1,10,42,353	63,37,095	−10,72,122	Sahu S. P. Jain, Esq. (Chairman) ..	49,012	963	New Great Spg. & Wvg. ..	178.00	100	12.50F	10.00			3	Y.
48,00,000	57,19,187	1,76,89,754	1,15,83,583	36,484	Ramnarain Sons Private Ltd. ..	69,232	1,190	Phoenix Mills	147.00	100	10.00	18.00*(c)	12.00*†		12	Y.P.
45,00,000	42,97,687	59,65,529	31,05,108	16,105	Podar Mills Private Ltd.	32,600	930	Podar Mills	140.00	100	15.00	*Nil*			12	Y.
30,00,000	..	39,30,573	17,12,113	−1,38,358	R. A. Podar, Esq. (Chairman) ..	..	..	Sassoon Spg. & Wvg. ..	68.50	10	2.00	2.00	2.50†		12	Y.
37,70,100	1,21,80,082	2,81,99,010	1,54,24,391	215	M. L. Investments Corp. Private Ltd.	96,482	2,127	Shree Niwas Cotton Mills ..	265.00	100	8.00	10.00	15.00†		12	Y.P.
80,00,000	51,53,455	1,73,14,168	73,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Simplex Mills	180.00	50	8.50	8.50	5.00(e)		3	Y.
42,00,000	51,49,184	2,17,18,726	88,84,031	−5,14,171	M.	47,736	1,178	Standard Mills	1,700.00	100	22.50*	20.00	29.00*†		12	Y.P.
1,00,75,000	2,51,54,903	3,87,61,421	2,23,24,758	91,528	Mafatlal Gagalbhai & Sons ..	97,988	2,409	Standard Mills	240.00	100	9.00	10.00	14.00†		12	Y.P.
1,00,00,000	99,94,067	3,16,61,074	1,74,64,096	1,506	Tata Industries Private Ltd. ..	75,036	2,000	Svadeshi Mills	360.00	100	25.00	25.00	36.00†		12	Y.
36,00,000	76,44,279	1,98,34,474	1,09,47,826	28,062	James Finlay & Co., Ltd. ..	40,328	850	Swan Mills	405.00	100	30.00	30.00	40.00†		12	Y.T.
65,57,875	50,22,987	2,58,77,176	1,04,22,639	17,025	Tata Industries Private Ltd. ..	61,572	1,775	Tata Mills	46.50	25	2.00	1.50	2.50†		12	Y.P.
10,00,000	61,80,867	87,18,091	66,81,803	27,690	Mangaldas Mehta & Co. Private Ltd.	50,056	958	Victoria Mills Ltd.	307.50	100	23.00*	20.00*			12	Y.P.
13,00,000	1,02,12,480	1,70,02,864	1,20,08,754	−17,05,239	Mr. K. M. D. Thackersey (Chairman)	54,664	1,262	Western India Spg. & Mfg. ..	4,400.00	1,000	325.00	325.00	325.00(e)		12	Y.P.
AHMEDABAD																
40,00,000	25,61,894	1,94,97,024	79,03,196	11,155	Tata Industries Private Ltd. ..	49,168	1,016	Ahmedabad Advance Mills ..	166.00	100	5.00	5.00	4.90 (c)		6	Y.P.T.
15,00,000	1,05,99,528	1,39,03,837	79,95,508	....	P. M. Hutheesing & Co., Ltd. ..	42,788	950	Anna Mills	525.00	100	25.00	25.00			12	Y.P.
60,00,000	2,25,20,206	2,85,00,200	1,40,42,200	1,58,312	Narottam Lalbhai & Co. ..	66,412	1,216	Arvind Mills	1,304.00	100	35.00*	28.00*C'	40.00†		12	Y.P.
20,40,000	45,04,840	1,24,06,618	83,06,445	58,595	Mangaldas & Brother (Pvt.) Ltd. ..	25,008	892	Aryodaya Ginning & Mfg. ..	465.00	200	*Nil*	25.00*C'			12	Y.P.
20,00,000	1,81,87,353	1,17,93,184	70,40,009	957	Lalbhai Dalpatbhai & Co. ..	37,363	915	Asoka Mills	750.00	100	30.00	20.00*C'			12	Y.P.
2,00,75,000	2,91,52,234	7,57,08,350	3,30,13,664	21,88,941	Karamchand Premchand Pvt. Ltd. ..	1,39,129	2,385	Calico	1,050.00	125	30.00	25.00	22.00	31.00†	3	Y.P.
60,00,000	57,33,353	1,47,84,607	1,06,56,148	2,093	Triumphal Bhogilal & Co., Ltd. ..	45,836	866	New Commercial Mills ..	615.00	250	25.00*	27.00*			12	Y.P.
36,00,000	1,17,39,343	1,79,58,248	1,14,51,119	1,31,046	Mafatlal Chandulal & Co., Ltd. ..	51,112	967	New Shorrock Spg. & Wvg. ..	2,030.00	125	30.00	35.00*			12	Y.P.
15,00,000	66,41,837	75,47,286	39,87,374	228	Jagabhai Bhogilal Nanavaty & Co...	26,840	572	Rajnan Mills	400.00	100	20.00	20.00			12	Y.P.
30,00,000	96,83,634	1,52,06,703	76,85,614	....	Lalbhai Dalpatbhai & Co. ..	32,328	640	Raipur Mfg.	775.00	100	35.00*	25.00*C'	35.00†		12	Y.P.
48,75,000	25,46,744	1,41,19,837	79,09,285	11,900	Rohitbhai Chhabibhai, Esq. (Chairman)	33,156	648	Rohit Mills	290.00	100	8.00*	8.00*			12	Y.P.
63,75,900	2,95,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co. ..	94,128	1,819	Shri Ambica Mills	1,415.00	100	25.00	30.00*	45.00†			
29,25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad Br.) Ltd. ..	36,828	720	Shorrock Spg. & Mfg. ..	880.00	100	20.00	22.00*			12	Y.
35,00,000	39,43,859	1,34,04,632	92,68,120	25,810	Haridas Ashratlal & Co. Ltd. ..	41,056	780	Vijaya Mills	690.00	500	40.00*	40.00*			12	Y.
WEST BENGAL																
15,00,000	3,15,002	39,15,585	25,08,902	41,582	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	9.37	10	0.60	0.50			12	Y.P.T
7,11,280 / 1,80,620 / 1,70,000	1,56,980	85,52,765	62,49,897	−1,66,477	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bangal Luxmi Cotton Mill ..	35.00N	40	4.00	*Nil*	*Nil*		3	Y.P.
24,00,000	5,14,800	1,26,22,086	56,02,340	60,410	Kettlewell Bullen & Co., Ltd. ..	42,912	841	Bowreah Cotton Mills ..	175.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28,50,000	29,20,848	1,50,29,025	80,01,726	4,01,050	Kettlewell Bullen & Co. Ltd. ..	43,064	500	Dunbar Mills	217.00	100	*Nil*	*Nil*	*Nil*		12	Y.T.
50 08,000	8,02,433	88,00,719	43,90,719	34,072	Birla Brothers Private Ltd. ..	4,852	206	Jay Shree Textiles Ltd. ..	16.44	1	0.50	0.65	0 80†		3	Y.P.
1,65,00,000	2,07,51,444	4,18,09,599	1,43,09,599	76,764	Birla Brothers Private Ltd. ..	76,040	1,993	Kesoram Cotton Mills ..	10.12N	10	1.00	0.50	*Nil*		6	Y.
0.19,47,750 / D.3,00,000	78,492	50,99,822	32,33,579	−5,21,450	Hazareenul Hosrala]	23,036	795	Ramgoria Cotton Mills ..	2.37N	1D	0.15	*Nil*	*Nil*			
SOUTH INDIA AND OTHER CENTRES																
30,00,000	5,43,855	73,05,065	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd. ..	8.90	10	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	2,25,000	35,29,380	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd..	42,656	1,055	Anglo-French Textiles Ltd. ..	107.00	100	6.00	6.00	11.00		12	Y.
11,98,800	1,41,381	46,98,882	23,73,699	....	Saina & Co.	24,800	..	Asher Textiles Ltd.	212.80	100	12.50	6.00	6.00†		6	Y.
72,00,000	16,98,790	1,92,55,835	68,19,240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh ..	36,136	725	Azam Jahi Mills	65.00	100	8.50	*Nil*	4.00†		9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,60,251	Binny & Co. (Madras), Ltd. ..	46,210	1,157	Banzalore Woollen, Cotton and Silk Mills	195.00	100	10.00'C'	10.00	10.00		12	Y.P.
35,00,000	74,79,507	1,41,35,323	1,10,21,274	1,04,207	Birla Brothers Private Ltd. ..	39,896	1,094	Birla Cotton Spg. & Wvg. ..	18.00N	10	1.50	0.75	10.00		3	Y.
1,78,47,800	3,24,73,971	8,05,30,469	4,79,98,276	2,31,371	Binny & Co. (Madras), Ltd. ..	1,29,288	2,758	Binnikinddan & Carnatic ..	207.50	100	10.00	10.00	*Nil*		12	Y.T.
20,00,000	18,500	61,33,580	36,05,678	−2,79,050	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	10.00	10	0.50(c)	*Nil*	*Nil*		12	Y.P.
15,00,000	5,29,316	53,02,782	23,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg. ..	161.00cd	100	20.00	12.50	15.00	17.00†	3	Y.
30,00,000	31,64,314	81,45,632	66,08,885	−3,20,080	Berg, Sutherland & Co. Private Ltd.	27,624	589	Cawarpore Textiles	6.75	5	0.25	*Nil*	*Nil*		12	Y.P.
9,95,560	5,81,000	21,83,064	9,92,227	2,836	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Canvery Spg. & Wvg. Mills Ltd.	14.50cd	10	0.90	0.90	0.90		12	Y.P.
35,00,000	23,90,147	1,11,51,577	41,62,473	....	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	107.00	100	9.00'C'	6.00	6.00†		12	Y.P.
18,15,000	7,95,195	39,19,553	24,39,633	100	T. A. R. Chettiar Sons & Co. ..	23,400	..	Coimbatore Murugan Mills ..	98.00	100	..	..	..		12	Y.P.
90,00,000	22,23,016	97,80,503	47,27,110	1,28,493	T. K. N. Naidu & Co.	30,516	..	Coimbatore Spg. & Wvg. ..	360.00cd	100	20.00	20.00	25.00†		12	Y.P.
20,76,900	5,070	1,37,50,700	58,79,844	−15,77,632	R. G. S. Naidu & Co.	70,268	307	Coimbatore Spg. & Wvg. ..	60.00	50	*Nil*	*Nil*	*Nil*		3	Y.P.
46,87,500	10,87,622	4,53,59,203	1,50,69,402	−81,23,525	Tata Industries Private Ltd. ..	1,15,188	2,032	Cauvasi India	107.00	100	*Nil*	*Nil*	*Nil*		3	Y.
39,66,125	24,30,000	1,10,07,940	51,48,557	15,442	R. Hanumanthappa & Son ..	36,586	500	Davangere Cotton Mills ..	114.00	100	9.00	9.00	9.00		6	Y.P.T
9,88,36,255	24,09,69,62	12,81,86,690	7,47,89,681	2,84,684	B. R. Charat Ram & Co. Private Ltd	1,16,636	2,223	Delhi Cloth & General Mills ..	36.00 / 2.50	25 / 100	2.00 / 10.00*C'	2.00 / 10.00	2.50† / 17.50†		3	Y.P.
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	223.00	10	1.00	0.75	1.25†		9	Y.P.
63,00,000	1,21,34,314	1,74,48,903	1,53,07,259	95,889	Berg, Sutherland & Co. Private Ltd.	48,432	1,194	Elgin Mills	29.25	10	1.00	0.50	0.50†		12	Y.
48,81,000	28,48,948	1,87,03,402	91,62,787	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	144.00	100	8.00	8.00	6.00†		12	Y.
40,00,000	33,84,700	1,11,82,815	81,40,802	7,074	J. H. Mehta, Esq. (Chairman) ..	29,572	680	Gaekwar Mills Ltd.	267.00	100	10.00	10.00			3	Y.P.
2,50,00,000	63,35,960	6,90,92,185	3,48,54,000	12,62,955	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon	42.00	10	*Nil*	*Nil*	1 00		3	Y.P.
10,00,000	1,96,883	1,84,62,247	1,21,05,123	....	K. L. Saksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	116.00	100	6.00	5.00(e)	7.00†		12	Y.
3,80,000	10,66,553	25,60,221	20,68,008	....	G. V. Naidu & Co. Ltd. ..	23,784	..	Janardana Mills	69.00	50	3.00	..	..		12	Y.
16,54,000	15,02,599	57,19,937	33,88,096	7 012	Mr. Bhairuratan Damani (Managing Director)	21,148	512	Jam Shri Ranjitsinghji ..	1,800.00	1,000	40.00	..	..		6	Y.
16,86,170	13,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	10.75	5	1.25	0.75	0.75		12	Y.
4,63,65,300	3,07,35,097	4,65,66,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd. ..	56,184	1,635	Jiyajeerao Cotton	15.52	10	0.25	0.25	0.07		3	Y.P.
57,20,000	24,71,788	1,69,79,998	49,33,767	55,806	Kothari & Sons	53,128	1,200	Kothari Textiles	12.50	10	1.00	*Nil*	1.00†		12	Y.P.
32,00,000	54,31,394	1,85,23,883	1,35,53,555	26,609	M.	51,908	1,245	Lakshmi Cotton Mfg.	499.00	250	15.00	15.00	25.00†		12	Y.P.
71,00,000	75,85,950	2,87,35,610	1,63,68,558	1,84,650	G. K. Naidu & Co.	1,10,800	200	Lakshmi Mills	164.00 / 82.00	100 / 25	10.00 / 5.00	6.00 / 3.00	6.00† / 3.00†		3	Y.
4,25,50,000									1,070.00	100	15.00	15.00	29.00*†		12	Y.P.
60,00,000	1,42,22,327	2,18,48,643	1,46,79,309	6,549	Navinchandra Purshotamdas&Co Ltd.	51,996	896	Mafatlal Fine Spg.&Mfg. Co. Ltd	32.65	15	2.25	*Nil*	1.875†		12	Y.
1,75,02,450	4,06,87,853	6,25,73,138	4,25,78,138	2,04,614	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	428.00cd	100	20.00	20.00	25.00	30.00†	12	Y.
60,00,000	29,59,000	63,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd. ..	10.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
29,80,884	5,87,771	91,04,981	51,02,332	−7,73,351	N. Sirur & Co. Private Ltd. ..	39,996	704	Minerva Mills	75.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
54,01,550	31,55,146	1,71,94,769	78,31,236	1,98,098	M.	52,498	962	Model Mills (Nagpur) ..	65.00	250	..	..	..		6	Y.P.
24,55,500	40,02,018	1,17,67,314	71,35,958	33,826	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. & Mfg. ..	92.50	50	9.00*	5.00	5.00		3	Y.P.
15,61,780	..	29,12,641	17,88,314	3,966	K. Tipperadriah (Chairman) ..	6,000	..	Mysore Spun Silk Mills ..	6.25N	10	*Nil*	..	..		3	Y.
21,50,000	50,71,752	63,08,658	41,45,965	21,683	J. H. Mehta, Esq. (Chairman) ..	18,776	445	Navsari Cotton & Silk Mills Ltd.	220.00	100	12.00	12.00			12	Y.P.
97,32,500	39,30,568	1,76,35,575	87,86,683	−10,70,571	Bansilal Bisseradas Pvt. Ltd. ..	37,788	902	Omnamahali Mills	11.00	100	*Nil*	*Nil*	*Nil*		9	Y.
4,40,00,000 / 8,80,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,500	..	Palani Andavar Mills	149.50 / 209.25	50A / 75B	9.00 / 13.50	10.00 / 15.00	15.00† / 22.50†		12	Y.P.
15,00,000	..	87,30,108	19,70,048	−21,38,882	.. .. ..	27,960	..	Pankaja Mills Ltd.	60.00	100	*Nil*	*Nil*			12	Y.
63,10,000	18,67,447	1,10,36,008	60,34,305	2,661	K. G. Gurusamy Naidu & Co. ..	40,704	801	Radhakrishna Mills	23.18xd	25	3.00	1.50	2.25†		12	Y.
30,00,000	28,53,800	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	78.00xd	50	4.50	3.00'C'	3.75†		12	Y.P.
16,14,300	14,00,000	58,40,286	30,96,406	....	Ramco Agencies Private Ltd. ..	36,036	..	Rajapalayam Mills	135.00	100	12.00	11.25			3	Y.
22,32,300	11,30,083	56,78,589	28,55,667	958	Rayalaseema Textile Corporation Co.	21,200	..	Rayalaseema Mills	112.50	100	10.00	10.00	10.00†		3	Y.P.
10,00,000	6,03,527	54,79,563	33,71,779	3,264	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.	25.21xd	10	1.20	1.50	2.20†		12	Y.
86,49,700	22,19,813	99,50,095	66,57,521	23,084	D. B. Viswambhariah, Esq. (Mg. Director)	42,924	840	Sri Krishnarajendra Mills ..	75.50	50	7.00	4.50	4.00		3	Y.
15,00,000	8,63,84,002	1,15,51,972	88,02,187	81,06,195	Birla Brothers Private Ltd. ..	56,212	1,244	Sutlej Cotton Mills	97.50	10	8.00	8.00	8.00		3	Y.
17,50,000 C / 1,87,50,000 PC	2,35,38,071	6,38,55,415	1,96,96,173	2,94,461	M.	4,13,216	2,000	Swadeshi Cotton (Kanpur) ..	8.50 / 8.62	100 / 10P.C.	0.75 / 1.15	*Nil* / 0.40			12	Y.I
1,60,00,000	70,91,584	4,47,94,208	2,70,17,829	2,29,084	Escorts & Sons (Travancore) Ltd. ..	..	..	Travancore Rayons	37.25	10	1.00	1.25	2.00†		12	Y.P.
13,50,720	8,54,000	20,41,565	15,00,441	661	Mocqli Ramjee & Sons	18,000	..	Trichinopoly Mills	11.75	10	0.90	0.75	1.25†		12	Y.
21,00,000	38,41,000	91,30,905	57,96,375	17,798	B. K. Chetty & Brothers	44,424	270	Vasanta Mills	238.50	100	12.00	12.00	16.00†		12	Y.I
22,00,000	12,58,816	1,94,82,373	1,33,00,940	−11,21,284	The Bombay Co. (Private) Ltd.	49,880	1,369	Vishnu Cotton	110.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
‡—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. C'—On Increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share: 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
CEMENT														
71,03,070	6,32,106	1,58,24,523	61,14,905	5,585	Andhra Engineering Co. (Private) Ltd. ..	Andhra Cement Co.	11.12cd	B. 10	1.00	0.75			12	Y.P.
58,90,098	3,22,500	1 72,94,932	6,73,669	2,814	S. P. Jain, Esq. (Chairman) ..	Ashoka Cement Ltd.	11.00	10	*Nil*	*Nil*			3	Y.T.
20,33,79,515	9,81,63,028	40,30,85,790	14,66,78,575	92,495	Cement Agencies (Private) Ltd.	Associated Cement Companies ..	142.00	100	9.00	8.50*C'	11.00†		7	Y.T.
84,40,816	42,000	1,90,39,819	24,56,957	1,146	Tendulkar Industries Private Ltd.	Bagalkot Cement Co., Ltd. ..	8.52	10	0.60	0.70			12	Y.
1,44,22,130 / 5,00,000	50,19,587	1,36,21,549	50,18,652	....	Hari Brothers Private Ltd. ..	Dalmia Cement (Bharat

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1956	1957	1958	1959	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP	Rs.	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
PAPER														
57,43,031	18,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Balkarpur Paper and Straw Board Mills	66.75	25	*Nil*	*Nil*	*Nil*	2.50†	6	Y.P.
45,00,000	41,25,866	2,20,92,169	1,62,34,169	54,751	M.	Bengal Paper Mills	104·00	25	2.50	3.12	5.50	3.00†	12	Y.P.T.
45,00,000	65,47,004	2,32,06,898	1,93,23,856	54,751	Andrew Yule & Co., Ltd.	India Paper Pulp	21·37	10	1.30-25	1.40	1.00	1.00	3	Y.
25,00,000	33,79,739	1,52,01,952	90,32,785	43,704	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	24·50	10	1.00*	1.00*	1.00	1.25*	3	Y.
1,40,82,500	91,58,789	9,65,23,424	2,36,15,053	1,69,091	Birla Brothers Private Ltd. ..	Orient Paper	46·75	10	0.62	1.50	1.50	1.50†	3	Y.P.T.
1,25,50,670	86,26,921	1,04,16,390	1,14,73,940	75,301	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	29·12	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000 }	8,39,123	77,35,534	43,04,381	6,122	Baforia & Co.	Star Paper Mills	13·37	O. 10	1.05	0.60	0.60	0.30†	9	Y.P.
*A*10,00,000 }							13·37	A. 10	*1.05*	*0.60*	0.60	0.30†		
2,15,50,240	56,23,786	5,27,08,634	1,40,50,912	72,313	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	18·45	10	0.50	0.50	0.65	0.65†	6	Y.P.
85,00,000A. }							79·37	A. 10	1.12	2.38*	2.38*	2.50*		
55,04,800B. }	4,02,35,833	7,26,02,665	4,02,88,475	1,01,113	F. W. Heilkers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	39·87	B. 10	1.12*	2.38*	2.38*	2.50*	3	Y.P.T.
4,37,500P.O. }							4·12	P.O. 2½	0.12	0.24	0.24	0.25*		
99,98,875	4,70,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman) ..	West Coast Paper Mills Ltd. ..	265·00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
SAW MILLS AND TIMBER														
12,90,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	5·19	3	*Nil*	*Nil*			9	Y.
89,25,000 }	3,45,21,358	5,63,39,009	2,47,17,106	67,223	Wallace & Co.	Bombay-Burmah Trading Corpn.	1,580·00	Ord125	40.00	47.50K	22.50	23.75	5	Y.
42,00,000 }							2,175·00	New50	13.75	19.00K	9.00	9.50		
20,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	29·12	10	3.00	2.75	2.50	2.50†	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	17,72,056	45,74,076	33,32,251	45,327	P. L. Saraogi, Esq. (Chairman) ..	Balrampur Sugar	2·35	5	*Nil*	0·25	0.25	0.40†	6	Y.
12,00,000A. }	34,01,264	62,73,328	39,92,829	10,49,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	135·00N	A.100	10.00	10.00	10.00		4	Y.T.
8,00,000B. }							11·50N	B. 10	1.00	1.00	1.00			
19,49,050	10,53,728	43,95,189	27,45,553	41,305	Bangur Bros., Ltd.	Belsund Sugar	15·00	7½	1.00	1.00	1.00	1.40†	9	Y.
15,00,000	14,05,503	23,44,258	14,90,918	5,149	Cotton Agents Private Ltd. ..	Bharat Sugar	15·50	10	1.50	1.50	1.00	1.50†	6	Y.P.
32,00,000	30,00,940	1,05,64,273	71,64,575	14,180	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	10·00	*Nil*	*Nil*	*0.25*	*Nil*		6	Y.P.T.
30,00,000	65,53,414	1,66,89,434	1,04,13,264	—10,28,179	Begg, Sutherland & Co. Private Ltd.	Champaran Sugar	10·75	*Nil*	*Nil*	*Nil*	*Nil*		10	Y.P.
30,10,000	40,35,304	84,98,942	63,37,829	16,960	Begg, Sutherland & Co. Private Ltd.	*Champaran* Sugar	10·75	*Nil*	*Nil*	*Nil*	*Nil*		10	Y.P.
9,58,252	2,20,184	23,65,378	18,66,328	—34,928	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9·50N	10	0.50	*Nil*	0.50		8	Y.T.
60,00,000	70,17,300	2,22,36,623	1,35,51,285	39,855	Machraj & Co. Private Ltd. ..	Hindusthan Sugar Mills ..	31·00	100	15.00	15.00	15.00	15.00†	6	Y.P.
18,00,000	14,41,216	88,56,210	54,42,213	9,576	Mr. Tulsidas Kilachand (Chairman)	Kesar Sugar	150·00	40	4.00	7.00	4.00	4.20†	7	Y.P.
7,89,120	28,58,620	52,91,471	30,83,160	6,246	Cotton Agents Private Ltd. ..	New India Sugar Mills	32·00N	10	2.50	2.50	2.50	3.65†	6	Y.P.
11,00,000	14,84,234	49,29,289	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd. ..	New Savan	6·50	10	0.37	0.37	0.25	0.37†	5	Y.
18,88,200 }	48,26,135	78,03,274	29,12,884	24,741	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	335·00N	100	20.00	20.00	20.00		6	Y.
36,176 }							50·00N	25	5.00	5.00	5.00			
77,52,960	76,35,199	2,61,13,706	1,41,64,041	16,455	Cotton Agents Private Ltd. ..	Oudh Sugar	195·00	100	11.00	12.50	12.50	18.25†	7	Y.P.
9,00,000	23,02,570	51,13,941	35,72,535	4,000	M.	Partabpore Co.	15·00	*10*	*0.75*	*Nil*	*Nil*	*Nil*	10	Y.P.
63,59,400	20,22,096	88,23,036	36,83,281	3,91,544	Govan Bros. (Rampur) Private Ltd.	Rana Rajund Sugar	14·37	10	1.50	1.50	1.25	1.20†	10	Y.
9,00,000	6,30,752	29,26,300	23,93,205	1,403	M.	Ryam Sugar	15·75	10	1.75	1.50	1.50		6	Y.P.
11,99,000	16,90,877	48,13,634	26,02,230	20,614	M.	Samastipur Central Sugar ..	13·25	10	1.75	*Nil*	0.25		6	Y.
29,09,000	23,94,373	1,26,84,427	80,62,270	41,428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	14·56	10	1.00	1.00	1.00	1.50†	7	Y.P.T.
10,02,115	*24,660*	84,19,315	15,98,051	1,196	B. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors) ..									
15,89,000	13,52,481	35,59,550	20,58,359	40,666	Sitalpore Sugar	Shri Sitaram Sugar	6·66	10	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.
5,00,000	43,66,902	1,88,27,976	97,43,200	44,460	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	68·00	10	1.00	0.50			8	Y..
16,00,000	9,72,016	35,64,066	27,87,195	50,290	M.	United Provinces Sugar ..	18·25	10	3.00	5.00	5.00	7.25†	9	Y.
								10	0.60	0.75	*1.00*		9	Y.
Other Centres														
80,00,000	26,55,000	91,38,886	28,74,622	22,959	Rangarao & Co.	Andhra Sugars Ltd.	26·00	10	1.00	1.25	1.50	2.00†	9	Y.
92,84,500	6,25,000	91,67,780	45,84,457	21,247	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	143·50	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
70,49,650	1,36,94,058	1,59,69,486	1,07,41,336	75,919	W. H. Brady & Co., Ltd. ..	Belapur Company	375·00	50	16.00	18.00	20.00*	21.50†	9	Y.
17,50,000	16,17,192	44,93,634	27,37,735	5,189	A. H. Bhiwandiwalla & Co. (Bombay)	Bhopal Sugar Industries Ltd.	*20.10*	*10*	*1.50*	2.00	2.00	2.50†	9	Y.P.
37,50,000	16,97,191	88,92,715	57,50,845	2,07,295	Private Ltd.	Shree Changdeo Sugar	23·00	12·50	5.00	2.25	2.25	2.90†	9	Y.
92,84,000	86,55,500	1,86,36,345	71,19,655	96,541	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	15·70	5	0.75	0.72½"C"	0.90	0.90	5	Y.P.
£800,000	£1,575,463	£1,950,379	£1,101,544	£32,296	Parry's Holdings Private Ltd. ..	East India Distilleries & Sugar	*£1*	*Sh. 3*	*Sh. 3*	*Sh. 4*	*Sh.4*		9	Y.P.T.
15,98,500	25,45,860	48,87,880	29,79,997	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	*80.00*	100	6.00	10.00	10.00	10.00†	6	Y.P.
63,97,650	9,79,343	91,36,670	27,89,266	5,62,866	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	12·00xd	10	1.12	1.00	1.00	1.25†	9	Y.P.
27,04,654	17,21,816	1,36,50,912	16,14,400	156	B. S. Ind. Corpn. Private Ltd.	Jaypore Sugar	12·25	10	0.60	0.60	0.60		6	Y.P.
39,24,100	97,90,290	3,52,12,096	64,84,323	91,745	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	22·00	10	0.75	0.75	0.75	1.50†	9	Y.P.
67,50,000	49,93,558	1,46,05,021	66,20,929	1,61,904	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	243·50	50	100.00*	100.00*	17.00*	21.00†	9	Y.P.
31,79,280	99,00,189	1,62,19,219	1,01,73,932	45,172	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	50·50	10	2.00	*2.00*	*3.00*	2.00†	9	Y.
50,00,000	54,93,178	1,29,64,898	73,75,195	63,804	Malaiial, Ajit and Kanjilal Pvt. Ltd.	Phulan Sugar	101·00	50	9.00	12.00*	10.00	13.50†	9	Y.
10,50,000	2,46,586	78,05,159	39,38,780	59,442	Anderson Wright Ltd.	*Rammuzeer, Cane and Sugar* ..	26·25	10	2.00	1.50	1.50	2.14†	8	Y.P.T.
20,00,000	2,47,500	24,70,665	13,97,551	788	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5·00N	10	*Nil*	0.30	0.30	0.30	3	Y.
0-20,00,000 }	43,67,914	1,37,22,721	65,29,942	79,364	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	100·00	O. 50	12.00	12.00	12.00	8.50†	9	Y.P.T.
D-4,00,000 }							30·00	D. 50	3.00	3.75	3.75	3.75†		
80,00,000	20,67,000	67,37,434	30,49,961	1,06,833	Parry & Co., Ltd.	*Travancore Sugars*	11·50	10	1.00	1.00	1.00	1.00†	7	Y.P.
1,01,00,000	1,24,16,022	3,47,34,505	1,29,06,490	1,77 732	Walchand & Co. Private Ltd. ..	Walchandnagar Industries ..	302·50	100	21.00	21.00	21.00	20.00†	9	Y.P.T.
TRANSPORT														
80,00,000	99,30,970	1,22,58,916	20,71,675	88,927	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co. ..	90·50	100	7.50	5.00	6.00		10	Y.P.
1,00,00,000 }	1,09,44,724	3,99,08,572	1,77,61,898	3,17,991	Dinshaw (Private) Ltd.	Bharat Line‖	10·00	10	0.60	1.20*	1.20*		12	Y.
80,00,000 }	2,04,75,067	8,76,20,428	1,74,30,547	3,34,489	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	*Great Eastern Shipping Co.* ..	17·92	10	1.00	1.50	1.80	1.05	6	Y.P.
£655,580	£936,735	£6,311,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	19·06	5(New)			0.90	0.525		
2,47,50,000	2,59,52,958	18,77,40,719	4,00,93,455	*2,09,413*	*Lionel Edwards (Private) Ltd.* ..	India Steamship Co.	67·00	£10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
11,38,57,558	9,29,60,987	32,02,26,725	8,35,84,307	3,59,994	M.	Scindia Steam Navigation Co. ..	14·38	20	1.00	1.00	1.00	1.00	3	Y.P.
5,40,800O. }							15·38	10	1.00	1.25	1.25	1.30†	6	Y.T.
2,10,200P.O. }	20,01,702	12,33,452	8,75,376	1,40,960	R. R. Alyer, Esq. (Manager)	Walford Transport Ltd.	3·50	O. 1	0.14	0.14	0.14		3	Y.
							2·37	P.O. 1	0.12	0.12	0.12			
UNCLASSIFIED (Bombay)														
5,57,00,000	1,46,48,754	5,77,10,152	2,04,19,200	2,09,89,272	S. H. Turner, Esq. (Chairman) ..	Hindustan Lever	42·50	10	1.25	1.40	1.50	2.40†	12	Y.
21,07,000	9,13,024	1,17,36,431	72,51,407	—4,82,050	Birla Brothers Private Ltd. ..	Hind Cycles	142·00	100	..	12.50F	7.00	*Nil*	3	Y.P.T.
14,08,840	4,80,479	34,27,150	21,85,078	16,437	Choonilal Manilal Private Ltd. ..	Estrela Batteries	57·00	50	3.00	3.50*	*3.00*	3.50*	3	Y.P.
99,00,250	20,22,470	1,31,68,987	....	58,613	Premchand Roychand & Sons ..	Industrial Investment Trust ..	74·00	100	5.00	5.50	6.00	6.00†	12	Y.
1,00,00,000 }	33,17,365	48,22,945	16,84,812	6,237	A. N. Haksar (Esq. (Mg. Director)	Killick Industries	112·00	100	11.00	11.00	13.00	9.00†	11	Y.
24,82,500 }														
2,27,85,475	84,40,713	4,77,85,451	2,21,25,834	2,71,968	Asco-Auto Private Ltd.	Premier Automobiles	157·00	100	6.00	6.00	4.00	9.00†	6	Y.T.
26,00,200	14,59,766	65,97,395	18,24,590	30,126	Polson Agencies Private Ltd. ..	Polson Ltd.	157·00	100	12.50	10.00	10.00	15.00†	12	Y.
2,75,00,000	1,77,59,354	4,62,08,135	1,92,16,142	4,25,613	Mr. A. Tyabjee and Mr. S. Gothberg	Wenger India Match Co., Ltd. ..	245·00	100	11.00*	11.00*	11.00*	16.00*†	12	Y.
45,00,000	66,41,300	11,56,665	5,47,970	1,56,267	Jehangir P. Patel, Esq. (Chairman) ..	W. H. Brady & Co., Ltd	334·25	150	22.50	25.00	25.00	35.00†	12	Y.
Other Centres														
62,50,000	2,04,06,139	3,80,98,591	1,10,43,880	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	19·37	O. 10	0.50	0.90	0.90	1.00	3	Y.P.T
79,99,901	85,47,000	1,10,09,415	43,70,708	48,624	*Seshasayee Bros. (Tyre.) Pvt. Ltd.* ..	Aluminium Industries Ltd. ..	29·12XR	10	1.25	1.25	1.25	1.25	3	Y.P.
30,00,000	36,44,175	36,06,360	25,56,551	2,24,965	Turner Morrison & Co. Private Ltd. ..	Amalgamations Ltd.	21·94	10	2.00*	1.80*	1.50	2.00	3	Y.
30,00,000	20,24,770	40,25,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd.	18·50	10	1.25*	1.25*	1.25*	1.80†	12	Y.
20,00,000	85,34,600	1,05,71,881	42,22,342	1,64,774	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India ..	6·25N	10	1.20	0.60	0.60		3	Y.P.T.
2,46,78,690	25,65,610	2,20,70,296	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director) ..	Ashok Leyland Ltd.	8·85xd	5	0.30	0.30	0.30	0.40†	12	Y.
80,01,400	78,56,719	74,47,499	38,77,499	5,03,161	M.	Balmer Lawrie & Co., Ltd. ..	217·00	100	15.00	12.50	20.00		12	Y.
12,00,000	22,50,218	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	*Bengal Flour Mills Co., Ltd.* ..	41·50	10	2.50	2.50	2.50	4.50†	12	Y.
30,00,000	7,79,721	64,19,036‖‖	....	55,032	Lovelock & Lewis	Birds Investment Ltd.	14·00	10	1.00	0.50	0.70	1.10†	9	Y.P.
45,97,020	45,04,814	1,17,84,974	48,55,817	2,15,949	W. Fullan Scott, Esq. (Mg. Director) ..	Britannia Biscuits	217·00	100	15.00	12.50	20.00	1.40	3	Y.P.T
8,35,00,000	1,58,58,664	3,62,78,515	2,65,54,009	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd. ..	41·50	10	0.10	*Nil*	*Nil*	*Nil*	12	Y.P.
87,50,000	....	8,46,250	....	2,892	F. Acutis, Esq. (Mg. Director) ..	Ceat Tyres of India Ltd.	275·00	75	..	..	..	*Nil*	12	Y.
1,38,80,000	13,29,305	1,93,57,545‖‖	3,84,488	4,37,268	Andrew Yule & Co., Ltd.	Clive Row Investment	8·56	10	1.38	0.75	0.75	0.88‖‖	3	Y.
3,00,00,000	5,12,37,540	9,62,33,768	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director ..	Dunlop Rubber Co. (India) Ltd. ..	46·87	10	1.50	1.62	1.62	2.15†	12	Y.P.T.
16,20,630	56,26,391	43,40,889	19,18,152	26,195	Mr. K. G. Khanna	Dyer Meakin Breweries	20·37	5	0.56	0.60	0.75		6	Y.
51,26,000	57,17,047	1,60,66,711‖‖	....	3,52,237	Bird & Co. Private Ltd.	Eastern Investments Ltd. ..	138·00	100	9.00	9.00	9.00	14.00†	12	Y.P.
14,55,519	1,99,926	39,40,800	3,59,610	9,980	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	18·00	*10*	*Nil*	*Nil*	*Nil*		12	Y.P.
14,08,000	10,35,000	36,71,778	20,74,054	32,966	Macneill & Barry Ltd.	Gannon Dunkerley & Co., Ltd. ..	216·00	100	4.00	12.00	15.00		6	Y.P.
40,00,000	4,78,500	70,95,403	41,39,847	19,40,721	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	24·00xd	10	2.00	1.50	2.00	2.80†	12	Y.P.
80,00,000	19,20,000	29,97,548	14,24,655	1,57,026	P. E. G. Woodbine Parish, Esq. ..	*Gillanders Arbuthnot & Co., Ltd.*	11·69	10	1.50	1.00	1.00	1.00	3	Y.P.
80,00,000	15,67,354	34,54,988	18,51,718	50,181	B. D. S. Syndicate	Great Eastern Hotel	260·00	250	15.00	15.00			3	Y.P.
4,96,13,250	19,51,174	5,80,44,564	2,86,58,883	5,18,731	Birla Brothers Private Ltd. ..	Hindustan Motors	20·00	10	*Nil*	*Nil*	*Nil*	0.50	3	Y.P.
80,00,000	18,64,623	99,48,437	33,67,174	1,31,125	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass ..	35·75	10	*Nil*	0.60	0.60	1.20†	10	Y.
3,97,67,760	2,01,79,740	9,72,38,273	3,00,11,654	23,42,051	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	28·56	10	0.70	0.70	0.70	1.20†	12	Y.P.T.
2,25,77,700	1,84,79,720	2,76,16,780	1,20,12,729	*40,60,510*	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	33·87	10	1.50*	1.50*	1.50*	1.50*	3	Y.P.T.
5,87,970	6,14,570	17,46,166	10,03,568	97,031	M.	Indian Rubber Manufacturers ..	18·00	10	0.62	0.62	..	..	3	Y.P.
2,00,00,000	99,92,076	5,56,57,893	2,14,74,994	9,72,883	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	39·43	10	..	1.00	1.00	1.50†	9	Y.
29,88,250	29,950	49,20,112	15,93,066	2,457	Birla Gwalior Private Ltd.	Indian Plastics Ltd.	11·50	10	0.25	0.37	*Nil*	*Nil*	3	Y.P.
15,16,00,000	9,37,84,091	10,98,89,615	2,47,39,240	24,64,029	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	12·62	10	0.80	0.70	0.70	0.80	3	Y.
2,00,00,000	72,02,100	41,08,517	14,59,807	5,40,165	J. D. K. Brown, Esq. (Mg. Director) ..	Jardine Henderson	70·00	100	7.50	2.50	2.50	5.00	3	Y.P.
40,00,0000. }	85,87,572	29,99,955	11,94,783	2,49,742	M.	McLeod & Co.	220·00	O. 100	8.00	12.50	12.50		12	Y.P.
5,00,000D. }							0.80	D.O.10	0.80	0.75	0.75			
1,45,32,785	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26·75	10	2.12*	2.12*	2.12*	2.75†	9	Y.P.
3,15,00,000	1,46,50,151	3,09,15,145	1,12,73,518	19,33,761	K. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	42·25	10	1.62	1.75	1.75	1.75	9	Y.P.
6,56,250	6,92,500	11,29,680	5,97,482	8,949	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	24·50	10	0.90	1.25	1.50	1.80	3	Y.P.
10,00,000	3,41,884	17,87,071	9,84,534	200	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	13·35	10	1.50	1.50	1.25	1.25	3	Y.
2,00,00,000	1,15,35,505	3,85,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director) ..	Union Carbide India Ltd.	*39.50*	10	1.50	1.40	1.40	1.80†	12	Y.
59,97,500	72,77,820	1,71,19,737	47,07,165	46,185	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co. ..	27·62	10	2.00*	2.00	2.00	3.00†	3	Y.T.
40,00,000	28,64,825	82,88,459	26,90,674	26,079	Do.	National Rolling & Steel Rope ..	15·00	10	0.60	0.60	1.00	1.00†	6	Y.T.
49,97,064	9,15,876	83,55,363	33,67,559	14,523	K. N. Mookerjee, Esq.(Mg. Director)..	National Rubber Manufacturers Ltd.	15·50xd	10	..	1.00	0.60'C'	0.85†	12	Y.
79,37,000	80,51,804	1,80,38,655	71,48,230	9,59,940	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	22·62	10	0.70	0.90	1.10		12	Y.P.T
7,00,000	6 22,000	11,21,560	5,03,722	36,772	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5·60GR	1	0.15	0.20	0.20	0.20	3	Y.
2,20,00,000	46,43,xxx	1,17,35,731	38,12,488	35,818	P. C. Vink, Esq. (Mg. Director) ..	Phillips India Ltd.	27·87	10	..	0.34	0.65	1.80†	12	Y.
2,25,00,000	40,500	66,75,840	30,89,526	2,54,744	M. P. A. Pasapati, Esq. (Mg. Director)	Rallis India Ltd.	120·00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
25,00,000 O. }	50,000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd.	Radio Lamp Works Ltd.	130·00	*100*	*Nil*	7.50	9.00	5.00	3	Y.P.
12,72,780 D. }							1·70		..	1.18	2.00			
2,50,80,000	2,20,45,000	14,54,58,965	5,52,72,716	3,773	Sahu Jain Ltd.	Rohtas Industries	38·81	10	1.50	1.50	2.00	1.50	3	Y.P.T
4,78,200 }	99,259	31,10,822	9,26,551	28,722	Sathe Food Inds. (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd.	100·00N	100	5.00	6.00	6.00	6.00	3	Y.P.
5,13,400 }							50·00N	50	2.50	3.00	3.00	3.00		
70,00,000	38,73,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	21·75xd	10	0.60	0.60	0.60	0.80†	9	Y.P.
40,00,000	99,89,310	1,32,79,069	76,26,926	5,51,574	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20·50	10	1.50	1.50	1.50	1.80†	6	Y.P.
75,00,000	45,78,890	1,17,50,336	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co. Ltd.	25·10	10	1.00	1.00	1.00	1.50†	12	Y.P.
15,00,000	94,66,0568	1,15,70,593	24,22,541	4,919	J. K. Agents Private Ltd.	Straw Products Ltd.	13·00	10	1.25	1.25	1.25		12	Y.
9,98,980	24,025	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	Accounts Closed	Reference
						PLANTING; PRODUCE AND RUBBER								
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore) Pvt. Ltd.	Balahalidih Coffee & Produce Co., Ltd.	9.00	5	1.25	1.25	1.25	0.625†	6	Y.P.
3,00,000	2,55,000	4,24,393	45,350	1,648	Planting Agencies (Private) Ltd. ..	Balasadies Plantations	2.47	2	0.21	0.45	0.25	0.15	5	Y.P.
66,61,279	20,25,000	59,55,428	6,98,019	15,281	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8.75	5	0.75	0.62	0.30‰	0.45	3	Y.P.
22,50,000	30,56,661	50,61,795	13,20,047	1,29,919	Consa Coffee Estates (Secretaries).	Coffee Lands and Industries ..	25.25	10	2.50	4.00	2.00	2.50†	6	Y.P.
71,55,000	62,55,504	1,51,08,273	35,93,779	79,971	R. C. Paterson, Esq.	Consolidated Coffee	26.00	10	2.00	4.00	2.00	2.50†	6	Y.P.
4,00,000	5,67,423	12,42,869	60,301	3,461	Associated Planters Private Ltd. ..	Cottanad Plantations	24.00	10	1.50	1.75	1.50	1.50	3	Y.P.
10,00,000	9,84,043	30,12,231	6,39,976	21,458	A. V. Thomas & Co., Ltd. ..	Highland Produce	15.25	10	2.00	0.75	1.50		12	Y.P.
8,00,000	7,27,800	20,48,083	3,37,382	6,065	A. V. Thomas & Co., Ltd. ..	Kaleetia Estates	12.10	10	2.00	2.00	1.00‡C	1.25†	4	Y.P.
4,00,000	3,00,000	9,64,554	1,45,547	12,518	Peirce Leslie & Co., Ltd. ..	Kumeredo Estates Ltd. ..	6.00	2	0.40	0.50	0.40‡C	0.40†	10	Y.T.
15,50,000	4,77,280	10,94,033	3,70,608	11,147	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	20.75	10	3.25	2.25	1.70‡C	1.60	3	Y.
40,50,000	14,80,388	89,24,890	11,08,400	88,714	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12.65	10	2.00	2.00	1.00‡C	1.00	3	Y.P.
3,45,000	4,13,450	16,31,926	2,76,986	46,375	A. V. George & Co., Ltd. ..	Neenmony Rubber	20.00ex	10	1.50	0.75	1.50	1.50†	12	Y.P.
2,00,000	3,25,000	9,55,544	69,409	1,908	Associated Planters Private Ltd. ..	Nilambur Rubber Co.	19.25	10	1.50	1.50	2.00		12	Y.P.T.
19,45,980	22,83,423	48,92,125	10,62,959	3,088	Peirce, Leslie & Co., Ltd. ..	Onchiyam Valley Estates ..	4.08	2	0.50	0.60	0.20	0.30†	10	Y.P.T.
16,50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.	Pulkanode Rubber	1.05ex	2	0.30	0.10	0.08	0.10	3	Y.P.
18,50,000	8,49,874	47,74,372	4,48,809	44,924	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	22.25ex	10	2.50	2.00	2.00	2.00†	6	Y.P.
5,50,170	3,00,000	8,87,755	1,00,510	12,500	Peirce Leslie & Co., Ltd., ..	Sevamalai Estates Ltd. ..	1.10	2	1.50	0.30	0.25‡C	0.50†	11	Y.
12,00,000	1,35,000	18,24,855	88,427	15,743	Pateo Agencies	Sangameshwar Coffee Estates Ltd.	2.47	2	...	...	0.18	0.18	3	Y.P.T.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	7.40	10	0.60	0.60	0.60	0.60	3	Y.P.T.
2,50,000	2,75,000	6,14,713	47,038	28,430	A. V. George & Co., Ltd. ..	Thamarapally Rubber	27.50ex	10	3.00	3.00	3.00	3.60†	12	Y.P.
6,15,000	5,75,000	22,57,695	1,88,203	7,572	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 0.12½	1	0.05	0.10	0.07†	0.07†	3	Y.T.
6,00,000	66,742	11,54,801	5,03,190	2,248	Kapen Thomas, Esq. (Mg. Director)	Travancore Rubber	14.50ex	10	2.00	1.50	2.00	1.00†	12	Y.
41,00,000	15,07,158	88,12,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7.77	10	0.75	0.40	0.50	0.75†	12	Y.P.
20,00,000	1,50,000	22,16,859	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	22.25ex	26	2.00	1.00	1.50	2.00†	12	Y.
6,00,000	4,56,000	17,45,808	1,02,210	8,282	P. L. J. Joseph, Esq.	Vellimalai Rubber Co.	6.15	5	0.75	0.62½	0.50	0.50	2	Y.P.T.
2,29,000	4,29,000	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd. ..	Udayagiri Rubber Co. Ltd. ..	17.00ex	10	0.75	0.60	0.75	1.50†	12	Y.P.
6,50,010	2,91,970	9,65,557	53,718	885	M.	Vaikuntam Rubber Co., Ltd. ..	30.25	10	3.50	3.50	3.00	2.50†	12	Y.
12,00,000	11,40,982	14,75,172	86,074	1,56,210	Peirce, Leslie & Co., Ltd. ..	Wattyfully Estates Ltd.	5.40ex	2	0.30	0.15	0.30	0.30	8	Y.
6,95,000	2,44,161	14,25,129	77,072	2,109	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	7.90	10	12.1	1.00	0.50	0.50	3	Y.P.T

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

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,51,970	1,17,07,488	45,26,971	25,002	B. N. Elias & Co. Private Ltd. ..	875	Agarpara	12.19	10	0.25	0.25	0.50		3	Y.P.T.
6,00,000	11,72,140	68,39,056	45,04,188	1,92,440	McLeod & Co., Ltd.	450	Alexandra	180.00	100	10.00	10.00			12	Y.P.T.
30,00,000	2,79,200	1,26,70,290	99,41,085	—1,88,265	McLeod & Co., Ltd.	1,264	Alliance	110.00	100	Nil	Nil	Nil		3	Y.P.
49,50,700	72,61,000	3,09,77,421	2,26,98,087	2,15,974	Duncan Brothers & Co., Ltd.	2,591	Angus-India	250.00	100	7.00	10.00	12.50		3	Y.P.
40,00,000	87,33,926	1,51,39,985	70,19,427	45,140	Bird & Co. Private Ltd. ..	818	Auckland	144.00	100	Nil	5.00	20.00	7.00†	3	Y.P.T.
20,00,000	28,83,885	1,07,52,148	71,05,868	4,265	Birla Brothers Private Ltd.	959	Bally	220.00	100	2.00	6.00	10.00		3	Y.P.
£275,000	£625,819	£1,617,018	£1,023,550	—£67,468	Sir John R. Bucknall (Chairman)	1,859	Baranagore	229.00	45	Nil	Nil	Nil†		3	Y.P.
28,00,000	30,71,100	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd. ..	820	Belvedere	150.00	100	2.50	7.50	13.50†		12	Y.P.
45,00,000	29,71,745	88,96,991	38,45,988	—8,72,266	Sawalram & Nazarmull ..	600	Bengal	10.75	10	Nil	0.50			3	Y.P.T.
91,25,000	£1,04,584	6,43,29,072	1,84,13,977	39,095	Birla Brothers Private Ltd.	1,575	Birla	50.50	10	1.00	1.00	1.00		4	Y.P.
30,00,000	23,36,695	1,19,81,167	72,84,770	65,451	Andrew Yule & Co., Ltd. ..	991	Bhadge-Budge	123.00	100	Nil	5.00	15.00†		10	Y.P.
7,47,880	4,000	45,18,657	34,32,120	—6,20,965	Duncan Brothers & Sons	502	Calcutta Jute Mfg. ..	8.00	10	Nil	Nil			12	Y.P.T.
18,00,000	27,51,250	84,60,050	40,11,678	20,120	Do.	816	Caledonian	140.00	100	Nil	15.00	12.00†		11	Y.P.
60,16,400	70,87,859	2,11,45,451	1,20,71,737	—97,140	James Finlay & Co., Ltd. ..	600	Champdany	115.25	100	Nil	Nil	7.00		3	Y.
35,95,000	23,19,096	86,22,904	50,62,749	20,473	Andrew Yule & Co., Ltd. ..	830	Cheviot	141.50	100	Nil	5.00	12.50†		11	Y.P.
80,15,000	38,42,800	1,09,82,980	50,87,035	2,33,694	McLeod & Co., Ltd.	500	Chitavalsah	14.37	10	1.10	1.25	1.50†		7	Y.P.T.
24,00,000	9,00,000	81,69,984	47,13,237	—3,11,818	Shaw Wallace Investment Co., Ltd	949	Clives	12.87	10	Nil	Nil			3	Y.P.
31,49,200	89,72,881	1,39,88,257	81,31,405	—6,42,070	Bird & Co. Private Ltd.	766	Dalhousie	130.00	100	Nil	Nil	Nil		3	Y.P.T.
28,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd. ..	779	Delta	147.00	100	Nil	6.00	14.00†		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,837	98,729	McLeod & Co., Ltd.	500	Empire	16.31	10	0.75	1.00	1.25‡		7	Y.P.T.
21,00,000	74,82,310	2,61,26,629	1,59,43,058	1,94,546	Ketulwall Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd.	370.00	100 Old	10.00	20.00	20.00		4	Y.P.T.
21,00,000								270.00	50 New			10.00			
31,32,100	19,22,948	1,27,75,074	68,81,071	1,66,649	Rangur Bros., Ltd.	1,014	Fort William	24.50	10	1.50	1.50	1.50		3	Y.P.T.
	....	2,23,71,685	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11.63	10	Nil	Nil	Nil		3	Y.P.
10,80,000	29,50,815	69,22,327	43,80,330	1,51,070	M.	607	General Ind. Society Ltd.	29.00	10	60.00§	2.00			12	Y.T.
24,00,000	44,12,950	2,41,02,831	1,66,19,415	85,780	Macneill & Barry Ltd.	1,394	Gouripore	262.00	100	2.50	20.00	25.00	10.00†‡	3	Y.P.
40,00,000	68,76,238	1,88,25,777	75,98,466	2,98,065	Rangur Bros., Ltd.	1,078	Hastings	93.00	100	5.00	5.00	5.00		3	Y.P.
10,50,000	21,42,845	72,60,481	33,26,713	49,754	Bajinath Bajoria	720	Hooghly	Nil	Nil	Nil	0.60			3	Y.P.
65,62,500	30,16,723	2,35,30,950	1,55,45,188	58,083	Jardine Henderson Ltd. ..	1,949	Howrah	92.37	Nil	Nil	5.00			3	Y.P.T.
52,50,000	21,20,000	3,02,67,618	1,67,42,015	1,07,899	Ramdutt Ramkissendas ..	2,272	Hukumchand	19.75	7.50	1.50	1.50	1.50		3	Y.P.
87,50,000	20,35,465	1,52,35,168	98,25,868	62,038	M.	790	India	14.63	12.50	0.37	15.62	1.24	0.75††	3	Y.
24,00,000								150.00	100	Nil	6.00	20.00			
'B' 19,20,000	28,86,835	1,97,87,286	1,32,70,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	137.00	'B' 100	Nil	5.00	20.00†		12	Y.P.T.
30,00,000								82.00	100	Nil	Nil	Nil			
'B' 24,00,000	10,09,317	1,78,28,517	1,12,70,090	—13,68,526	Jardine Henderson Ltd.	1,527	Kankinarrah	74.00	'B' 100	Nil	Nil	Nil		12	Y.P.T.
23,00,000	49,10,000	1,43,71,155	98,71,118	1,63,584	McLeod & Co., Ltd.	703	Kelvin	140.00	100	9.00	12.50	14.00‡C†		3	Y.P.
54,00,000	22,19,630	2,20,06,065	1,32,49,119	10,158	Anderson Wright Ltd.	1,530	Khardah	19.81	10	3.00	3.00	20.00‡		3	Y.P.T.
57,58,750	30,85,624	2,41,09,199	1,17,28,522	61,870	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	160.00	100	Nil	5.00	10.00	7.00††	3	Y.P.T.
24,48,000	29,25,000	1,30,28,849	63,01,868	—7,58,162	Bird & Co. Private Ltd.	931	Lansdowne	128.00	100	Nil	Nil	Nil		3	Y.P.
85,00,000	23,68,855	80,88,615	39,14,027	69,142	Bird & Co. Private Ltd.	840	Lawrence	143.00	100	Nil	Nil	2.00	7.00††	3	Y.P.
31,55,200	28,13,291	2,34,62,530	1,45,89,024	2,82,597	M.	1,294	Megna	11.81	10	0.50	1.75	1.00	0.60††	3	Y.
29,58,900	24,36,302	1,64,53,185	94,33,205	—11,60,635	M.	816	Naihati	68.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	18,14,870	86,84,253	54,27,490	4,929	Howrah Trg. Co., Private Ltd. ..	475	Ludlow	12.00	10	0.25	0.25			10	Y.T.
35,70,000	39,51,326	48,49,737	12,31,272	19,604	Andrew Yule & Co., Ltd. ..	852	National	26.75	10	0.75	0.75			10	Y.P.
28,35,000	31,71,872	59,70,247	26,86,043	1,38,623	McLeod & Co., Ltd.	816	Nellimarla Jute	12.25	10	0.90	1.00	1.40†		7	Y.P.T.
1,24,24,350	1,98,88,995	8,59,25,995	3,28,63,717	1,415	Sahu Jain Ltd.	1,765	New Central	29.12	10	Nil	Nil	1.50	1.50‡C†	3	Y.P.
16,79,880	48,05,192	1,86,11,669	1,06,11,669	55,452	Bird & Co. Private Ltd.	667	Northbrook	19.00	10	Nil	Nil	1.25	0.75††	3	Y.P.T.
66,79,500	25,55,918	2,22,21,595	1,17,01,456	10,981	Macneill & Barry Ltd.	1,092	Nuddea	55.00	50	Nil	2.50	5.00	1.00††	3	Y.P.
24,91,000	24,34,794	76,55,874	54,33,690	26,919	Andrew Yule & Co., Ltd. ..	401	Orient	125.00	100	Nil	3.50	12.00†		12	Y.
25,00,000	10,23,000	99,89,885	68,43,37	72,61,540	M.	400	Presidency	5	5	0.30	0.37½	0.50†		7	Y.T.
20,00,000	17 976	31,75,367	9,96,846	2,706	Birla Brothers Private Ltd.	305	Rameshwara	9.31	10	Nil	Nil	Nil		3	Y.P.
49,50,000	4,76,545	1,24,61,131	66,72,920	—82,85,851	Jardine Henderson Ltd. ..	1,276	Reliance	6.50	10	Nil	Nil	Nil		3	Y.P.T.
2,50,000	5,462,258	£1,477,123	£800,152	£41,990	Thomas Duff & Co. (India) Pvt. Ltd	2,018	Samnagur	19.50	51	Nil	5%			12	Y.P.
80,00,000	19,67,300	1,24,50,550	91,05,888	69,510	Fagarla Mora & Co., Ltd.	911	Shree Ambica	25.75	10	0.50	0.50	0.60		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd	401	Soorah	23.75	10	1.50	1.50	2.50†		12	Y.P.
£500,000	£285,778	£1,263,067	£703,019	£52,248	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	10.50	51	Nil	3%			12	Y.P.
55,98,600	55,90,024	1,06,68,647	46,70,750	75,586	Bird & Co. Private Ltd.	1,378	Union	182.00	100	Nil	15.00	20.00	7.00††	3	Y.P.T.
£400,000	£248,618	£1,276,859	£551,723	£35,105	Thomas Duff & Co. (India) Pvt. Ltd	1,231	Victoria	10.50	51	3%†	5%†			12	Y.P.
2,50,000	6,20,000	82,20,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	3.94	1	Nil	0 25†			5	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	32,36,200	1,09,35,072	77,39,072	38,129	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	24.37	10	1.25	1.25	1.50		3	Y.
12,00,000	6,14,541	25,95,554	22,74,606	—2,25,549	Jardine Henderson Ltd. ..	Barares Coke	15.31	10	0.37	0.50	Nil		3	Y.
9,45,850	83,000	5,69,350	1,317	1,317	Kajwali Mayll & Co.	Bengal Bhatdee	1.00	10	Nil	0.60			13	Y.
1,00,00,000	1,84,79,081	6,08,53,688	4,08,54,445	10,20,411	Andrew Yule & Co., Ltd. ..	Bengal Coal	337.00	100	17.50	17.50	25.00†		10	Y.P.
40,00,000	4,09,888	24,41,502	22,16,745	—1,08,736	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	18.00	10	Nil	Nil			3	Y.
40,00,000	10,28,599	1,44,83,707	77,59,407	2,139	Sahu Jain Ltd.	Bharat Collieries	6.00	10	0.60	0.60			6	Y.P.T.
7,15,000	10,15,172	49,60,946	34,44,101	—4,92,536	M.	Bhulabarasee	7.31	10	Nil	Nil			12	Y.T.
7,50,000	24,88,188	49,61,177	28,34,991	20,179	F. W. Heilgers & Co. (Private) Ltd.	Borea	22.75	10	0.75	0.75	Nil		12	Y.P.
80,02,480	1,77,88,238	4,68,82,424	2,17,98,561	1,10,738	Bird & Co. Private Ltd.	Burrakur	19.50	10	0.37	0.37½	1.50†		12	Y.P.T.
48,97,000	25,860	55,50,477	17,50,583	10,789	Hindustan Investment Corpn. Ltd.	Central India	12.69	10	0.50	0.50			2	Y.
3,00,000	12,80,590	49,56,445	38,71,883	23,820	M.	Central Kurkend	8 00 N	10	0.70	0.50			12	Y.
6,00,000	1,54,873	6,36,341(k)	....	941	F. W. Heilgers & Co. (Private) Ltd.	Charlia	3.69	4	0.20	0.20	0.12†		12	Y.
16,00,000	....	67,48,962	32,76,325	—28,096	Macneill & Barry Ltd.	Dhemo Main	8.19	10	Nil	Nil			12	Y.
£240,300	£370,709	£1,094,395	£794,405	£9,662	Jardine Henderson Ltd.	East Indian	31.12	61	1.50	1.00	1.25†		4	Y.
29,85,760	1 05,82,578	4,59,53,874	3,22,76,059	33,005	Macneill & Barry Ltd.	Equitable	29.62	10	1.50	1.50			12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,83,296	48,989	Bhatter's Agency Ltd.	Ghusick and Musla ..	14.00N	10	Nil	Nil			3	Y.
12,00,000	1,01,130	45,83,854	27,06,115	—5,18,177	Kilick Industries Ltd.	Hinoo-Rampur	23.00	50	Nil	Nil			7	Y.
8,00,000	2,50,000	24,57,868	19,66,774	283	Macneill & Barry Ltd.	Hurriladih	14.31	10	Nil	Nil			12	Y.
20,00,000	3,47,880	37,02,776	8,03,670	20,442	Bird & Co. Private Ltd.	Karanpura Collieries ..	210.00	100	Nil	5.00	5.00		3	Y.P.
5,00,000	19,74,255	52,22,175	39,91,045	1,27,146	Andrew Yule & Co., Ltd. ..	Katras Jherriah	39.62	10	0.50	0.50	0.50	2.50††	1	Y.
11,00,240	68,338	16,86,967	10,94,188	13,871	H. V. Low & Co. (Private) Ltd.	Kunrdi	7.25N	10	Nil	Nil			3	Y.
9,00,000	10,22,763	28,59,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15.00N	10	0.12	1.00			4	Y.
7,48,240	2,50,000	13,72,682	10,20,509	34,346	Tanjia Brothers Private Ltd. ..	Nasira	8.81	10	0.75	0.75			12	Y.
17,76,230	23,80 925	1,62,05,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd. ..	New Beerbhoom	23.87	10	0.75	1.00	1.50†		10	Y.P.
6,00,000	70,179	33,16,876	22,81,914	1,34,222	Octavius Steel & Co., Ltd. ..	New Manbhoom	13.31	10	0.50	0.50			3	Y.P.
1,15,000							24.50N	10	1.50	1.50	1.50	1.00††		
1,87,500	5,54,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd. ..	North West	18.00N	7.50	1.12	1.12	1.12	0.75††	8	Y.
2,50,000	15,50,815	3,97,666	2,77,666	42,423	F. W. Heilgers & Co. (Private) Ltd.	Ondal	11.50	10	0.50	0.50			12	Y.P.
6,24,000	1,39,015	29,18,119	11,33,398	3,885	Deepchand Kishenlall	Parasea	18.00N	10	0.50	0.50			12	Y.P.T.
15,75,000	20,89,600	68,60,103	44,84,103	32,585	Shaw Wallace & Co., Ltd. ..	Pench Valley	23.87	10	2.00	2.00	1.00		3	Y.
22,89,600	32,78,697	1,47,44,992	1,01,35,389	5,489	B. N. Elias & Co. Private Ltd. ..	Rameegunge	16.19	10	0.75	1.00	1.00		3	Y.
13,50,000	9,36,365	42,17,417	32,81,212	24,849	Shaw Wallace & Co., Ltd. ..	Rewa	24.87	10	1.00	1.00			12	Y.
37,50,000	38,22,000	3,02,53,214	2,87,37,781	96,873	M.	Samla Collieries	9.50N	10	0.90	0.50			12	Y.
2,50,000	....	13,29,678	12,57,285	8,802	M.	Searsole	1.66	2.50	0.12	Nil			1	Y.
2,50,000	9,63,442	20,19,618	48,361	48,361	Andrew Yule & Co., Ltd. ..	Seebpore	31.50	7	1.75	1.75			12	Y.P.
8,00,000	4,54,665	11,88,809(K)	....	9,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9.00	10	0.25	Nil	0.35†		12	Y.
93,31,480	1,06,75,745	6,19,30,781	2,90,93,472	54,866	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	9.25cd	10	1.50	0.75			12	Y.T.
17,50,000	8,47,303	41,74,987	19,33,899	19,788	Bird & Co. Private Ltd.	South Karanpura ..	12.12	10	0.75	0.75	0.90†		3	Y.
2,50,000	15,01,611	1,09,570	29,610	14,796	F. W. Heilgers & Co. (Private) Ltd.	Standard	14.04	10	1.00	1.25			12	Y.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,963	Williamson Magor & Co., Ltd. ..	Union	13.63	10	0.37	0.25			12	Y.
40,95,000	1,68,505	76,01,906	29,99,433	7,982	Hindustan Investment Corpn. Ltd.	Western Bengal	8.25	10	0.50	0.40	0.40		12	Y.
7,00,000	....	59,74,151	29,10,909	—4,58,709	Macneill & Barry Ltd.	West Jamuria	6.50	10	Nil	Nil			12	Y.

M—Managed by the Board of Directors. † Less income-tax. * Including bonus. (k) Investments. 'C'—On increased capital.
§ General Industrial Society Ltd.—The dividends or 1956 and 1957 are on shares of Rs. 300 each which have since been sub-divided into shares of Rs. 10 each. K—On old capital.

MARKET GOSSIP

(Concluded from page 3)

be compelled to curtail their development programmes. It is quite obvious that the increase in levy is aimed at reducing the earnings of large holdings. But the Kerala Finance Minister seems to have overlooked the fact that it is the large plantations which are more economic and provide gainful employment for a vast number of his State's population. Any additional burden on the already overburdened big estates only invites the risk of making them uneconomic and driving capital out of the industry and, perhaps, the State as well.

Tin Agreement

The prolonged uncertainty about the future of the International Tin Agreement has now been set at rest. After deliberating secretly for a month at New York, the United Nations Tin Conference unanimously approved on Friday last week the draft of a new Agreement which will run for five years, that is, from 1st July 1961 to 30th June 1966. Before it comes into force, the new Agreement has, of course, to be ratified by at least fifteen member-countries, including not less than nine consumer-nations. But such ratification is taken for granted. It is stated that Japan and West Germany, which do not belong to the existing Agreement, have decided to join the new one, while the U.S. and Soviet Russia will continue to remain outside.

Two important changes have been incorporated in the new Agreement. First, the Buffer Stock's maximum size is to be reduced from 25,000 to 20,000 tons. There is, however, no change in the provision laying down that export controls are to be imposed only when the Buffer Stock contains at least 10,000 tons of tin. At the end of 1959, the latest date for which figures are available, the Stock amounted to 10,650 tons. Secondly, the percentages of the total export quota allotted to each of the producing countries are revised. Thus, Bolivia's share is reduced from 19.4 to 18.0 per cent., while the shares of all others are slightly raised.

Besides the aforesaid changes, the new Tin Agreement is believed to contain several clauses

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up Value of Share Rs. or £	Recorded for Share 1956	1957	1958	1959	Dividend for Year	Remarks
15,00,000	1,08,00,000	8,86,012	Allahabad Bank	[illegible]	100	[illegible]				12	Y.E.
14,40,000				170 00	50	9 00	9 00	9 00	9 00		
1,01,000				62 00	100	9 00	9 00	9 00	9 00		
40,73,800	19,72,220	19,501	Andhra Bank	30 00	100	5 00	5 00	5 00	5 00	6.12	A
1,00,00,000				65 00	25	3 00	3 00	3 00	3 00		
25,00,000	1,50,06,625	1,02,801	Bank of Baroda	53 00	100	7 00	7 00	6 50	6 50	12	Y.
2,50,00,000				48 00	100			1 50	3 00		
50,00,000 'A'	3,10,00,000	12,47,743	Bank of India	57 00	50	8 00	8 00	8 00	8 00	6.12	R.L.Y.
30,00,000	56,30,000	43,473	Canara Bank Ltd.	58 00	50 'A'	—	—	8 00	8 00		
12 47,775	18,00,000	14,361	Canara Banking Corporation Ltd.	50 00	50	5 00	5 00	5 00	7 50	12	Y.P.
'A' 5,99,620				50 00	50	5 00	5 00	5 00	7 50	12	Y.P.
'B' 16,00,000	35,00,471	28,596	Canara Ind. & Bkg. SyndicateLtd.	185 00	100 'A'	15 00	15 00	15 00	30 00		
'C' 2,00,000				14 00	10 'B'			15 00	30 00	12	Y.
2,02,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd.	1 85	10 'C'	0 15	0 15	0 15	0 30		
2,02,50,000				47 00	25	3 50	3 50	3 50	4 30	12	R.L.Y.
50,00,000	52,00,000	5,69,301	Dawkaran Nanjee Banking Co.	47 25	25	3 50	3 50	3 50	4 30		
1,25,00,000	10,00,000	29,895	Hindustan Commercial Bank	55 00	50	3 00	3 00	3 50	2 50	12	Y.
50,00,000	2,30,000	5,510	Hindustan Mercantile Bank	18 87	50	Nil	Nil	Nil	Nil	12	Y.
60,60,000				17 00	50	Nil	Nil	Nil	Nil	12	Y.
22,40,000	84,01,884	80,143	Indian Bank	173 00	100	13 00	15 00	13 00	15 00	12	Y.
74,53,000	59,36,660	1,76,012	Indian Overseas Bank	118 00	80	9 75	12 00	10 40	15 00	5.12	R.L.Y.
15,00,000	15,00,000	28,839	Pandyan Bank Ltd.	160 00	100	10 00	10 00	10 00	12 00		
1,25,00,000	1,47,50,000	3,18,839	Punjab National Bank—K	33 00	25	1 87	1 87	2 50	3 12	12	Y.
5,62,50,000	7,20,00,000	55,87,499	State Bank India	19 12	10	1 00	1 00	2 00	2 50	12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	393 00	100	16 00	16 00	16 00	20 00	12	Y.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank	5 44	5	0 44	0 44	0 44	0 57	12	Y.
2,08,43,647	83,70,000	1,81,565	United Bank of India	68 00	50	3 50	3 75	3 75	5 00	12	H.
				9 50	10	0 20	0 30	0 30	0 45	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

				Dividend (per cent.)							
£5,000,000	£5,500,000	£463,855	Chartered Bank	£2-10-0	£1	15†	15†	15†	15†	12	Y.
H.K. $78,974,750	£10,949,165	£132,295	Hongkong and Shanghai Banking Corporation	£6/4	H.K. $125	5*	3½*7	3*	3*	12	Y.
£24,809,506	£24,950,000	£569,125	Lloyds Bank	£2-10-0	£1	15†	13†	12½*C	12*	12	Y.
£3,421,875	£3,000,000	£301,488	National and Grindlays Bank Ltd.	£1-18-0	sh. 12½	15†	15†	15†	12½†	12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. XI—Ex-Right.
£—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
17,50,000	6	1st December and 1st June	Carew & Co.	1933	96.00	1st June .. 1965
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1960
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99.00	27th December .. 1960
15,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82.50	1st November .. 1952-62
55,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Barrakur Coal Co.	1947	85.00	30th June .. 1967 (e)
47,50,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (e)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	30th May and 30th November	Bangal-Nagpur	1897	85.00	15th November .. 1966 (b)
65,31,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.50	1st March .. 1973 (e)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99.00	1st April .. 1967-72
20,61,000	5	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89 00	31st March .. 1965 (e)
2,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		95.50	14th June .. 1960
66,25,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100.25	31st March .. 1975
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (e)
25,37,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.25	1st January .. 1970 (e)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85.00	31st December .. 1977
13,80,000	5	1st January and 1st July	Sijua (Dhanbad) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (e)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,75,000	5	1st April and 1st October	Tata Power	1940	99.00	1st July .. 1970
3,50,09,000	4	1st April and 1st October	Tata Power		86.75	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94 00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	105.00	1st January .. 1966-71
29,18,000	6½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98 25	1st July .. 1957-62
10,00,000	4½	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	97.75	1st October .. 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99.50	31st December .. 1960 (e)
JUTE						
33,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90.00	30th June .. 1969
8,00,000	5	1st January and 1st July	Calcutta	1949	87.00	31st July .. 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
30,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99.00	31st March .. 1969 (e)
5,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (e)
30,00,000	5	30th June and 31st December	Howrah Mills Co., Ltd.	1955	95.00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1948	90.00	31st December .. 1964 (e)
25,00,000	5½	30th June and 31st December	Naihati	1952	99.00	31st March .. 1967 (e)
5,00,000	6½	15th November and 15th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
20,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	82.00	30th September .. 1965 (e)
12,00,000	5½	30th June and 31st December	Union	1937	95.00	31st March .. 1967
10,00,000	5½	31st January and 31st July	Waverley	1925	80.00	31st July .. 1959
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
£821,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£148,806		1st April and 1st October		1933	£74.10N	1st October .. 1974
5,50,000	3½	30th June and 31st December	Kalakhal-Lalabazar Railway	1945	35.00	31st December .. 1959 (e)
4200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (e)
4,14,13,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st September .. 1968
PLANTING						
8,75,000	6T.F.	31st March and 30th September	Nilgiri Tea		95.50	1st April .. 1958-68†
5,00,000	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.50	1st July .. 1959-68
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1942	92.00	31st December .. 1965
82,00,000	4½	1st January and 1st July	Associated Hotels of India	1942	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100.00	1st September .. 1964-69(e)‡
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	100.00	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00N	1st February .. 1964
15,98,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1918	85.00N	1st July .. 1964
58,00,000	4	15th March and 15th September	Dalhousie Properties	1938	89.00	15th September .. 1966
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	78.00N	31st March .. 1966
3,04,45,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1946	82.00	1st January .. 1973 (e)††
97,88,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105.25	30th June .. 1969 (e)‡
2,00,00,000	5½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	102.75	1st January .. 1975
14,00,000	5½	2nd January and 2nd July	Meyer Chemical Industries	1946	82.75	30th September .. 1964
9,34,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	650.00	30th September .. 1976 (e)
45,60,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (e)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1964
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100.50	30th June .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92.00	31st December .. 1965-70
10,00,000	5½	30th June and 31st December	Rohtas Industries Ltd.	1946	99.00	31st December .. 1961 (e)
80,00,000	6	January and July	Shree Gopal Paper Mills Ltd.	1954	95.00	15th July .. 1966
4,00,00,000	5½	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	96.00	16th February .. 1961 (e)
25,00,000	5	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	101.50	1st May .. 1968 (e)‡‡
		30th June	Tata Chemicals Ltd.	1945	97.00	1955-65

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963, on six months' notice.
† Option to repay at par on six months' notice, on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 29th June, 1960.

	Closing quotation 23-6-1960	High	Low	Closing quotation 29-6-1960
TEXTILES	Rs.	Rs.	Rs.	Rs.
Alum. Corp. (100)	161.00	166.00	160.00	166.00
Apollo (2)	1.51	1.48	1.42	1.46
Bardia Eastn (75)	117.00	118.00	128.00	145.00
Bombay Dyeing (25)	66.50	67.50	66.20	67.00
Ess Essey (50)	170.00	176.25	170.00	175.25
Central India (100)	100.00	109.00	101.00	107.00
Century Mills (100)	560.00	564.50	508.50	546.00
Cooch Cp. (100)	135.00	—	—	122.00
Dawn (50)	111.50	121.00	115.00	122.00
Edward Textile (200)	290.00	—	—	290.00
Hindustan (50)	59.50	62.00	59.50	63.00
Finlay (100)	318.00	320.00	317.00	320.00
Gokak (100)	142.50	145.00	141.00	144.00
Gold Mohur (10)	222.50	—	—	225.50
Gwalior Rayon (100)	42.25	43.50	42.00	42.00
Ind. Untd. Gold. (1)	1.64	1.90	1.66	1.78
Ind. Untd. Ord. (10)	13.52	13.80	13.11	13.60
Indian Rayon (37.50)	66.00	71.00	61.00	69.00
Indore Malwa (100)	118.00	120.00	118.00	120.00
Khatau (100)	495.00	510.00	489.00	499.00
Kohinoor (100)	344.00	354.00	342.50	344.50
Lakshmi (250)	500.00	500.00	499.00	499.00
Mafatlal (100)	1,120.00	1,215.00	1,050.00	1,070.00
Minerva Mills (100)	75.00	—	—	75.00
Model Nagpur (250)	55.00	—	—	55.00
Morarji (100)	320.00	340.00	325.00	335.00
Mysore (50)	84.00	92.50	90.00	92.50
National Rayons (100)	572.00	576.00	559.00	630.00xd
New City (100)	126.00	—	—	126.00
New Great (100)	174.00	178.00	172.00	178.00
Phoenix (100)	145.00	147.00	145.00	145.50
Podar Mills (100)	155.00	160.00	154.50	160.00
Raymond Woollen (100)	114.00	130.00	114.50	126.00
Sasoon Silk (10)	9.52	—	—	9.52
Sasoon Spg. (10)	70.00	75.00	68.00	68.50
Shrinivas (100)	265.00	269.00	265.00	265.00
Simplex (50)	177.00	185.00	175.00	180.00
Standard (100)	1,725.00	1,885.00	1,690.00	1,700.00
Swadeshi (100)	245.00	254.50	242.50	246.00
Swan (100)	460.00	463.00	457.50	463.00
Tata Mill (25)	40.25	47.50	45.00	46.50
Vikram (100)	110.00	—	—	110.00
Western India (1,000)	4,400.00	—	—	4,400.00
BANKS				
Bank of India (50)	98.00	98.00	96.50	97.70
Do. (New (50))	98.50	—	—	98.50
Bank of Baroda (50)	82.00	82.00	80.50	81.00
Central (25)	47.50	47.50	46.75	47.00
Central 'A' (25)	48.25	48.50	47.25	47.25
Dena Bank (50)	55.00	—	—	55.50
Punjab National (10)	19.00	19.12	19.00	19.12
Union Bank (5)	5.92	5.88	5.64	5.64
United Com. (50)	68.50	68.50	67.70	68.00
ELECTRIC COS.				
Ahmedabad (100)	83.70	90.50	85.00	89.50
Amalgamated (10)	10.20	10.24	10.16	10.24
Andhra Valley (1,000)	997.50	1,003.75	992.50	1,002.50
Bom. Sub. El. (100)	87.00	—	—	87.00
Surat (100)	87.00	89.00	87.00	89.00
Tata Hydro (100)	102.50	104.00	102.00	103.50
Tata Power (1,000)	1,025.00	1,040.00	1,022.50	1,030.00
INSURANCE COS.				
British India (10)	14.12	—	—	14.12
Empire of India (100)	208.75	—	—	208.75
Ind. Mercantile (50)	45.00	—	—	45.00
Jupiter (15)	7.24	—	—	7.24
New India (15)	63.20	63.50	62.50	62.50
Vulcan (10)	19.00	19.00	18.75	18.76
STEEL COS.				
Ind. Iron (10)	24.52	24.80	24.20	24.32
Mukund Iron (10)	24.12	27.25	24.24	25.05
Tata Steel Ord. (75)	154.25	159.50	153.50	157.75
SUGAR COS.				
Belapur (50)	373.00	376.50	368.00	375.00
Bhopal (10)	26.10	—	—	26.10
Champion (12.50)	32.50	33.00	32.50	33.00
Phaltan (50)	193.00	203.00	191.50	194.00
Walchand Ind. (100)	302.50	320.00	301.25	302.50
CEMENT COS.				
Associated Cts. (100)	142.50	144.00	141.50	142.00
Digvijay (100)	158.00	180.00	160.00	168.00
MISCELLANEOUS				
Alcock Ashdown (100)	325.00	330.00	310.00	313.00
Bom. Burmah (125)	595.00	610.00	591.50	598.00
Do. (New) (50)	201.25	217.50	200.00	217.50
Br. B. Petrol (4 sh.)	1.78	1.92	1.74	1.74
Br. I. Corpn. (5)	7.40	7.88	7.64	7.76
Cooper Engg. (100)	164.00	171.00	164.00	171.00
Colour Chem. (100)	470.00	500.00	470.00	490.00
Hind Cycle (100)	120.00	145.00	125.00	142.00
Hindustan Lever (10)	40.75	43.25	41.00	42.50
Hindustan Motors (10)	20.92	21.08	20.52	20.64
I. C. & Invest. Corporation (100)	73.50	—	—	73.50
Indian Dyestuff (100)	785.00	1,000.00	730.00	740.00
Indian Copper (2 sh.)	5.20	5.29	5.08	5.08
Ind. Inv. Tr. (100)	73.80	74.00	73.80	74.00
Killick (100)	114.50	118.00	110.50	112.00
Larsen & Toubro (10)	43.50	45.00	42.75	43.75
Mahindra & Mahindra (10)	23.00	24.00	23.24	23.76
New Central Jute (10)	30.00	—	—	30.00
Polson (100)	161.00	161.50	155.00	157.00
Pre. Automobiles (100)	165.25	165.00	154.50	157.00
Premier Con. (50)	565.00	573.00	552.50	552.50
Scindia (20)	15.96	16.12	15.84	15.88
G. B. Shipping (10)	18 24	18 24	17.92	17.92
Shivrajpur (10)	75.50	75.50	71.50	71.50xd
Sirpur Paper (10)	17.92	19.12	18.12	18.48
Tata Chemicals (10)	17.96	18.64	17.96	18.04
Tata Locomotive (100)	253.00	269.50	251.75	262.00
Tata Oil (25)	86.20	89.00	85.00	85.00
Textmaco (10)	27.40	—	—	27.40
Voltas (100)	276 00	282.00	262.00	262.00
W. I. Match (100)	240.00	247.00	237.00	245.00
W. Coast Paper (100)	222.00	225 00	205.00	205.00

GOVERNMENT SECURITIES	23-6-1960 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	29-6-1960 Rs.
2½% 1961	98.50	—	2.53	98.75
2½% 1960	99.75	—	2.50	99.75
2½% 1962	98.25	—	4.58	98.25
2½% 1976	83.25	—	4.30	83.25
3 % 1964	98.00	—	3.48	98.00
3 % 1965-66	97.95	5.68	5.45	97.95
3 % 1966-68	97.85	5.76	5.58	97.85
3 % 1970-75 1st Dev.	90.80	4.10	4.80	91.00
3 % 1988 Con. Loan	78.50	—	4.08*	78.65
3½% 1961 N.P. Bonds	100.05	—	3.48	100.05
3½% 1964 N.P. Loan	99.90	—	3.51	99.95
3½% 1966 N.P. Bonds	99.90	—	3.52	99.90
3½% 1982	99.65	—	3.40	99.65
3½% 1967 N.P. Bonds	99.55	—	3.51	99.65
3½% 1974	99.70	—	3.78	99.55
3½% 1967 N.P. Bonds	100.80	—	3.79	99.70
3½% 1969 Loan	99.20	—	3.65	100.80
3½% 1968	99.50	—	3.60	99.20
3½% 1963 N.P. Bonds	100.05	—	3.57	99.50
3½% 1968 N.P. Bonds	100.65	—	3.50	100.00
4 % 1960-70	100 30	—	3.67	100.65
4 % 1972 Loan	101.25	2.75	3.95	100.30
4 % 1973 Loan	101.20	—	3.87	101.30
4½% 1979 Loan	100.30	—	3.97	101.20
			3.98	100.30

* Current Income x.d.—Ex-dividend. x. r.—Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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APPROACH TO THIRD PLAN PRAGMATIC

THE third Plan has had considerable advance publicity almost in all its details, thereby robbing its Draft Outline, officially made public this week, of its freshness. The objectives, the investment targets, the shares of the public and private sectors, employment prospects and sources of finance have all been referred to in the Press from time to time and fairly well commented upon. They have also been discussed by foreign observers, including the three financial experts deputed by the World Bank. For the Government, this is a distinct advantage, as the gains are greater than the losses. While the Draft Outline may make stale reading to many and is certainly devoid of the surprise element, the public has been spared of shocks. The widespread discussion that has taken place in the past eighteen months or so has prepared the public in this country as well as the leaders in friendly foreign countries for a ready acceptance of the large magnitude of the third Plan. Two years ago, the very mention of Rs. 10,000 crores as the probable size of the third Plan led to a violent shaking of heads and drew the retort that it would be far more overambitious than the second Plan, even though this figure was not very much above the one mentioned in the introductory chapter to the second Plan containing a *discussion of the long-term goal of* doubling India's *per capita* national income (at constant 1950-51 level of prices) by 1973-74. To a very large extent, this reaction was the outcome of the serious foreign exchange crisis of 1957 and 1958, the violent changes in fiscal policy, the failure of foodcrops for three successive years and the consequent rise in domestic price levels. Today, however, the size of the third Plan (Rs. 10,200 crores) does not evoke much criticism. Most people have reconciled themselves to it as something inevitable and necessary although its successful implementation depends, to a greater extent than the second Plan, on the availability of foreign aid and the domestic price level is 20 per cent. higher than about five years ago, carrying a clear warning that the scope for deficit financing is severely restricted.

What is this transformation in public sentiment due to? In the first place, the Government, particularly Prime Minister Nehru, has been successful in moulding public opinion to receive a plan of this magnitude by frequently emphasising that, unless there was an investment of Rs. 10,000 crores in the third Plan, the country would be overwhelmed by its rapidly expanding population. Secondly, the skilful softening of the harsh features of taxation, a somewhat friendly approach to the private sector and the widening of investment opportunities as the second Plan gathered momentum, have gone a long way towards winning the support of the vast majority of business men for a bigger plan. Thirdly, China's "leap forward" and its aggressive designs towards India have opened the eyes of the public as a whole to the urgency of rapid development of the Indian economy. There is no exaggeration in saying that the Chinese danger has won more supporters to the heavy industry complex of the third Plan than all the other arguments put forward by the Prime Minister and other planners. The powers-that-be will, of course, deny and demur at this explanation. Nevertheless, there is a lot of truth in it. And, fourthly, a feeling has come to prevail that India's friends abroad, especially in the Western world, are willing to help it in its attempts at becoming economically strong through democratic means. There is no doubt that, unlike in the case of the second Plan in its early stages, the authorities of this country have striven hard to obtain the co-operation of the developed countries for the third Plan. It is also true to say that the latter countries themselves, for political, social and economic reasons, have been taking keener interest in India's third Plan. The current international political situation has highlighted the importance of India—a poor, young democratic country—succeeding in its plans for economic development.

India badly needs large investments of the order contemplated in the third Plan, if it is to break the vicious circle of poverty and population. The growth of population has turned out to be significantly greater than was envisaged at the time the second Plan was drawn up. The *following figures* graphically bring out the change that has taken place and the projection into the future on the basis of the revised estimates prepared by the Central Statistical Organisation:

(In millions)

	1951	1956	1961	1966	1971	1976
Second Plan estimates	362	384	408	434	465	500
C.S.O. estimates	362	391	431	480	528	568

The aforesaid projections of the Central Statistical Organisation, which are necessarily very tentative, are based on the following view of trends of birth, death and growth rates:

(Per 1,000 per annum)

| Rate | 1951-56 | 1956-61 | 1961-66 | 1966-71 | 1971-76 |
|---

has four other aims which are summed up elsewhere in this issue. One of them is to achieve self-sufficiency in foodgrains and an increase in production of other agricultural commodities sufficient to meet the requirements of domestic industries and exports. There can be no disagreement on this view. Another aim is to expand basic industries like steel, fuel and power and establish machine-building capacity, so that the requirements of further industrialisation can be met within a period of 10 years or so mainly from the country's own resources. In other words, the third Plan seeks to place the country firmly on the road to self-sustained growth. There can be no quarrel with this general objective also; only, it should be sought to be realised in a practical manner. The attainment of this objective depends, to a very large extent, on the willing and wholehearted co-operation of the developed countries and the readiness with which the Government of India is willing to adapt its economic policies to facilitate such co-operation. Although the supply of entrepreneurial, managerial and technical personnel in the country has increased in recent years, it is insufficient both qualitatively and quantitatively. Similarly, the country is still heavily dependent on foreign sources for know-how and plant and machinery required for the establishment of heavy industries. There seems to be only a partial recognition of this crucial dependence on foreign countries in the Draft Outline. In trying to obtain foreign help, the authorities in this country must be careful to see that they do not, even unwittingly, get entangled in the cold war between the two power blocs in the developed areas of the world. Russia and Eastern Europe would appear to be trying to exploit the keenness of our public sector to enter the sphere of heavy industries in a big way. The Government of India must guard itself against leaning too heavily on these countries to the political ideologies of which it does not subscribe. At the same time, the democratic countries in the West will do well to appreciate the peculiar circumstances in which only the public sector in this country can establish certain heavy industries. Consequently, the Governments of these countries must think of breaking new ground in their attitudes and policies, in order to be able to render effective help to our public sector to fulfil its industrial programme. The Government of India, too, must explore the possibilities of taking as its partners the big industrial companies in the U.K., the U.S., West Germany and other free countries and these companies in turn must readily extend their co-operation. There is nothing new in this suggestion. There are already a few instances of such co-operation, as, for instance, the Bhopal Heavy Electrical project and the Industrial Explosives project in Bihar. One would like to see more such arrangements in regard to the industrial projects earmarked for the public sector.

The fourth aim of the third Plan is "to utilise to the fullest extent possible the manpower resources of the country and to ensure a substantial expansion in employment opportunities." As a general objective, this, too, is not objectionable. But this must be subject to three important qualifications. One, its realisation should not hamper export industries, as they have to compete in world markets which are being increasingly filled with goods turned out on the basis of highest possible productivity per worker. Two, it should not interfere with efficient production of such essential articles of consumption as cloth and sugar, inasmuch as they enter into the cost of living of people. If these items cost more as a result of the adoption of labour-intensive principle, then they will, in course of time, raise the cost of living to such an extent as to result in inflationary complications. This is true also of basic industries. Third, it should not stand in the way of efficient utilisation of raw materials and processing of food as, for instance, crushing of sugarcane, oilseeds and hulling of paddy. Although the Planning Commission has acknowledged the need for reconciling the claim for extensive employment with the necessity for efficient production, it has not actually done so in its programme for industrialisation. To give an instance. In spite of all the overwhelming evidence of wastage of resources in the cotton textile industry, it has continued to give prominence to handlooms and *Ambar Charka*. This is one of the few distressing aspects of the third Plan, where the lessons of the first two Plans have not been learnt.

The fifth and the last aim of the third Plan is "to bring about a reduction of inequalities in income and wealth and a more even distribution of economic power." On this objective, the approach is more realistic than in the second Plan as well as in some of the proposals that were contemplated by the Congress Party some time ago. From a description of the meaning of socialist pattern of society—this is a notable feature of the Draft Outline—as well as of the various measures already introduced to give effect to this old social objective and those that still remain to be taken, one gets the impression that the Planning Commission (of which the Prime Minister is the Chairman) is not in favour of any more radical measures in the sphere of either fiscal policy or private ownership. It has, of course, expressed itself in favour of co-operatives, small and medium enterprises wherever possible, but, at the same time, it has not ruled out the establishment of big industries in the private sector. On the whole, the Planning Commission's approach to, and perspective of, the third Plan is pragmatic, though much will depend on the emphasis placed in actual practice on the qualifications it has made to its observations.

GOVERNMENT EMPLOYEES

BARRING some fortunate development this week-end, the public will face a strike by public servants. This is an unprecedented situation in the country. A strike of this kind might have been expected in 1931 or 1942. But it did not take place. And that is a sad reflection on human nature. What all the political urge of finer patriotic emotion failed to bring about in those hectic years, the more mundane economic urge, reinforced by the demagogic skill of a few political leaders, is about to accomplish. A strike by Government employees is, however, too serious an issue to be discussed in purely economic terms, for it cuts at the root of all national existence. And yet, the stage is now all set for throwing the country's constitutionally constituted Government out of gear, thereby paving the way for the emergence of the conditions which have marred national life in many Asian countries.

It is easy to set down the events which have been largely responsible for the psychological climate for the Government employees' strike. No one now doubts that the Government has raised more hopes than it can reasonably fulfil. Determined to implement, at first, its concept of a "Welfare State," then of a socialist pattern of society, the Government has taken upon itself a wide range of functions which it might have done well to let severely alone for others to perform. The result is a proliferation of the ranks of Government employees and quasi-Government employees. Between March 1951 and March 1959, the number of civilians (excluding the personnel employed in the railways and a few other sections of the Government) increased from 580,000 to 719,000. Again, between 1948 and 1957, the number of Central Government employees (including railway personnel) has increased from 1.44 million to 1.77 million; inclusive of several quasi-Governmental employees, the number is probably close to, or will even exceed, two million. In other words, notwithstanding partition which, by itself, could have been expected to reduce the ranks of Government employees, the number of civil servants has moved up sizably. Indeed, impartial observers, who include public servants with over two decades of service under different regimes, feel that many Government departments are overstaffed.

A deplorable feature of the situation is that, whereas civil expenditure has increased steeply, thereby imposing a heavy burden on the taxpayer, the employees are not happy over their position or prospects. Excluding the railways, the administrative expenditure met from revenue has increased from Rs. 109 crores in 1955-56 to Rs. 185 crores in 1960-61; the overall increase in the 1956-61 period is of the order of Rs. 200 crores. And yet, the fact remains that the salaries of Government employees, especially of the lower ranks, suffer by comparison with those of, say, banks or certain insurance offices or leading industrial establishments. It is true that the conditions of service in the public sector and in the private sector are not strictly comparable, inasmuch as Government servants have a great deal of security which, despite all industrial legislation, is not available to employees in private offices. Nevertheless, their incomes are low and, what is more to the point, have been rendered lower still in real terms through increase in living costs. This gives the economic explanation for the present discontentment. But that does not constitute a justification for the strike.

The Government has been rightly accused of creating conditions which permit unfavourable comparisons to be made between the public and private sectors in the matter of emoluments to employees. By queering the pitch of welfare amenities, by insisting that fair wages must be paid, irrespective of whether the private employers (or the consumers) have the capacity to pay them or not, and by laying down that bonus payments are not an ex-gratia payment but a factor that neutralises high living costs, the Government and industrial tribunals have been largely responsible for the relatively high level of wages unrelated to productivity in the private sector. It is a pardonable human frailty, if public servants cast envious glances at the higher incomes in the private sector. And what is, perhaps, equally understandable is that they should reach the conclusion that the strike weapon, which has brought such benefits to private employees, would be no less effective in their case.

The mystical phrase "need-based" wage—this is computed at Rs. 125, as against Rs. 80 conceded by the Central Pay Commission—has caught the imagination of the public employees. A resolution, emphasising the social urgency of a need-based minimum remuneration, adopted by the fifteenth Indian Labour Conference, is now cited as scriptural authority for the demand. But it may be wondered whether a resolution adopted by the Conference tantamounts to its virtual acceptance by the Government. Generally speaking, the proceedings of these labour conferences are in the nature of broad lines of policy, rather than an obligatory decision for immediate implementation. Apart from this consideration, there is the more important question of the cost of implementing this minimum wage formula, as well as of the other demand for automatic adjustments for rise in living costs. The Pay Commission computed that the cost of implementing the demand for "need-based" wage (Rs. 125) and of other consequential changes in salaries would be of the order of Rs. 84 crores per year. Taking into account the increase in staff which has taken place since the period for which the Commission collected its data, the cost of acceptance of the demand is now placed at Rs. 100 crores per annum. There will also be inevitable repercussions in the sphere of civil expenditure at the State level, which will go up by another Rs. 100 crores. Nor will the chain reaction stop at the State level. Municipalities, quasi-governmental organisations and enterprises, as well as even some industrial managements may have to give suitable increments in salaries. All this, according to some estimates, will add another Rs. 200 crores to the wage bill. In all, it may go up by Rs. 400 crores or Rs. 2,000 crores over the next five-year period. This will mean about 25 per cent. cut in the real achievements of the third Plan. Thus, the consequences of the acceptance of the need-based wage formula could well-nigh mean a brake on national economic progress.

While urging the Government to review the demands of its employees in as sympathetic a light as possible, we wish to emphasise strongly that it should not, in the wider national interests, surrender to the threat. A strike by public employees will bring to a halt the machinery of the Government to which they have sworn loyalty. The nation will stand by the Government in its attempts to ensure that the public are not held to ransom by its servants who, led by their silver-tongued leaders, are taking the country to the precipice of national downfall. In no country, whether democratic or totalitarian, will a similar strike be tolerated. The U.S. Public Law 330, for instance, declares that no person shall hold office in the Government or Government-owned corporation, if he participates in a strike or asserts the right to strike. In his letter to the National Federation of Federal Employees, commending the constitution of the Federation which provides that it shall not take part in or support strikes against the Government, President Roosevelt said: "Upon employees in the Federal service rests the obligation to serve the whole people, whose interests and welfare require orderliness and continuity in the conduct of Government activities. This obligation is paramount. Since their own services have to do with the functioning of the Government, a strike of public employees manifests nothing less than an interest on their part to prevent or obstruct the operations of the Government until their demands are satisfied. Such action looking towards the paralysis of Government by those who have sworn to support it is unthinkable and intolerable." This is precisely the position which the country expects the Union Government to adopt towards its misguided workers.

MARKET GOSSIP

THE publication of the Draft Outline of the third Plan this week has had no perceptible effect on share markets. These are no doubt depicting a quiet trend now, with almost all market leaders well below the peak levels touched in recent days. But this is primarily due to the impending indefinite strike by Central Government employees. Hitherto, the operators thought that the strike might not materialise and that somehow it would be averted. This hope, however, has now receded. They have now begun to worry about its repercussions on the business in their markets. The prospect of no means of communications at all between one centre and another or of very considerably delayed communication is surely not a very pleasant one for them. "No letters! No telegrams! No telephones! No trains! Then, how are we to do business!" Thus, exclaimed one of the brokers. There would be a serious dislocation of business on stock exchanges if the strike were to materialise, for neither remittances nor delivery of shares from upcountry clients and *vice versa* would be possible. Inter-market business also will come to a standstill. Trade and industry will be seriously handicapped, as movement of raw materials and finished goods, not to mention food, will come to a halt. There will be a rise in the cost of living of people in the cities and towns, as prices of essentials will shoot up. Already several parts of the country are suffering from scarcity of coal and, if the strike turns out to be a prolonged one, production would fall, resulting in a heavy loss to the community in general. Still, the equities have not gone down appreciably, apparently because there are many even now who are not taking the prospects of strike seriously. Further, the investors are in no hurry to book their profit.

Following the decision of the postal authorities to suspend acceptance of registered letters from Friday the 8th inst., the Bombay Stock Exchange has advised its members to carry forward the business of their upcountry clients in the next settlement. In the case of cash shares, the date for delivery will be extended on merits of individual cases.

Last week, a leading speculator tried to boost the shares of Tata Steels. He had spread a rumour that an increase in steel retention prices was imminent. The Company's proposal to put up a plant for the manufacture of stainless steel was also suitably played up. The shares, once again, crossed the Rs. 160-mark only to come down during yesterday and today. The production performance of the Company in recent months has not been as encouraging as was expected. This is attributed mainly to shortage of coking coal of the requisite quality. There may also be other factors responsible for production not coming up to the level based on the Company's doubling of productive capacity. One would soon know about them when the Directors' report and statement of accounts of the Company for 1959-60 are published. Secondly, the Government is unduly holding up its verdict on the retention prices. And, thirdly, there are reports of persistent attempts on the part of leftists to break the unity of workers in Jamshedpur. A few days ago, the I.N.T.U.C.'s leadership was challenged by the rival union leader under the Industrial Disputes Act. This was, however, not upheld by the authorities of the Bihar State Government. Nevertheless, he is still trying his best to break the hold of the I.N.T.U.C. through its well-known leader, Mr. Michael John.

Indian Irons, too, have been losing ground, for the first two reasons mentioned above.

Third Plan and Share Markets

There is no reason to believe that the Draft Outline of the third Plan has any new bearish implications to the share markets. The expansionary character of the Plan, in terms of investments and opportunities for the private sector, has already been the prime force of the sharp rise in equity values in recent months. There is nothing in the Draft Outline to detract the markets from this line. True, the provision for deficit financing is only Rs. 500 crores, as against Rs. 1,200 crores estimated to have been incurred in the second Plan. But this is not a bearish point for more reasons than one. First of all, it is too early to gauge the size of deficit financing that will be required, for it will depend upon a number of factors, more especially on the success achieved in agricultural and industrial production. The original estimate of deficit financing in the second Plan was Rs. 800 crores, but it has now turned out to be 50 per cent. higher. Secondly, less deficit financing need not necessarily lead to lower equity prices, as it would mean a sounder economy and better margin of profits for a variety of industries. And, thirdly, even the authors of the Plan have not proceeded on the assumption that there would be a fall in price levels during the third Plan period. Indeed, their concern is to prevent a further rise in prices.

On the whole subject of price policy, the Draft Outline has only made some cursory observations, the substance of which is that every effort should be made to hold the price line by a combination of methods, despite the upward pressure that would be exerted, in the ordinary course, by the progressive step up in investment which the Plan envisages. The conclusion of the Commission on this question is this:

"Price policy as well as the techniques of price regulation raise complex issues. They involve a balancing of several conflicting claims. Prices, incomes and costs are closely inter-related. It is essential, therefore, to ensure that the regulatory devices adopted function effectively and in a co-ordinated way. There is scope within limits for varying the techniques that might be used for securing the right relationship between prices, but Government must be in a position to exercise control effectively at all strategic points, should the situation so warrant."

More will be heard on this subject when the Committee of the National Development Council which is examining this problem submits its views. These may have some repercussions on equities.

The interpretation of socialist pattern of society in the Draft Outline carries no new terrors to the share markets. Although the Planning Commission says that "the basic criterion in determining social policies and the lines of economic advance should be not private profit or the interests of a few but the good of the community as a whole, it also concedes that "a socialist pattern of society has to be based on increased production, realised through the use of modern science and technology and on equitable distribution of income and wealth." A perusal of the Commission's discourse on reducing disparities in income and wealth shows that it appreciates that the more important aspect of this problem "is represented by the need to create conditions under which rapid growth can be achieved alongside a marked reduction in economic and social inequalities." In fine, the Commission is prepared to recognise the value of incentives for increasing savings and production.

The next important aspect of the Plan pertains to taxation. The Draft Outline gives no room for hoping for any relief in taxation. On the contrary, it has provided for an additional taxation target of Rs. 1,650 crores which will involve considerable effort on the part of the Central and State Governments to broaden their tax structure. Of this target, the share of State Governments is placed at Rs. 550 crores. The stress is, however, on indirect taxation and not on direct taxation, as will be seen from the following extract:

"The limits of taxation over a particular period cannot, obviously, be decided upon only in terms of the requirements by way of investment and other developmental outlays. On the other hand, a plan of the dimensions envisaged cannot be put through without an adequate tax effort. The two aspects of the problem, namely, needs and practical possibilities, have to be viewed together. It is essential, in this context, to consider and balance economic as well as other considerations. On the whole, the additional tax target of Rs. 1,650 crores is within the limits of practicability, in view of the expected increases in national income, and especially in food production. It is also the minimum required, considering that every source of finance has to be fully drawn upon for carrying through the accepted programmes of development.

"The details of tax measures to be adopted will have to be decided upon in the light of the emerging economic situation. It is clear, however, that the third Plan will necessitate increases both in direct and in indirect taxation, as also measures to raise the surpluses of public enterprises.

"As regards income and corporation taxes, further increases in yields will have to be sought mainly through a tightening of tax administration, watch on expense accounts of companies, and other measures to check tax evasion. Indirect taxes and increases in the prices of products of public enterprises will, it must be recognised, tend to raise prices and costs, but this is part of the calculated sacrifices that have to be made."

Indirect taxation, too, will, in certain cases, tend to restrict the profit-margins of industries. And, when it does, it will adversely affect the equities of the industries concerned. But the hope, nay, expectation, is that, in most cases, it will be passed on to consumers. The planners themselves expect that to be done, as they want consumption to be restrained. Further, where the turnover of industries expands, as it generally will in a rapidly growing economy, the higher indirect taxation on them and the resultant contraction of profit-margin, if any, may be neutralised by the increase in business.

On the question of credit creation, however, the Planning Commission is in favour of strict control. Emphasising that inflationary financing of public outlays must be kept down to the barest minimum, it adds:

"It should be noted, in this connection, that it is not sufficient to keep down budgetary deficits; what is essential is to ensure that credit creation in the aggregate, both for the public and for the private sector, is limited to what the economy can absorb at a fairly stable level of prices."

Accordingly, operators in share markets must be prepared for continuance of tight credit restrictions in the coming years.

Coal in Third Plan

Investors in coal shares, who scan the Draft Outline of the third Plan, are not likely to find it rewarding. Beyond emphasising the need for a higher target for coal than in the second Plan, the Outline gives no indication of how it will be achieved, or what is in store for the private collieries. The demand for coal by the end of the third Plan, it is stated, will be of the order of 97 million tons. It is admitted that the target of 60 million tons, fixed under the second Plan, will not be reached, though the "necessary investment required for attaining production of this order will have been made by then." The report points out that, while in the second Plan a sizable contribution towards the additional production required could be obtained from existing workings, mostly in the private sector, the order of increase indicated in the third Plan will call for the opening of a number of new mines in virgin areas and this will entail a great deal of effort and capital investment. No decision, however, has been taken as to the distribution of the target as between the public and the private sectors. The whole question, it is stated, is "under examination; its distribution field-wise and grade-wise has also to be gone into in detail." Clearly, much will depend on a realistic decision on this issue, considering that it is the absence of such decision and the heavy weightage given to the public sector that was largely responsible for the non-fulfilment of targets in the second Plan. Be that as it may, for the present, a provision of Rs. 128 crores has been made for the coal programme in the public sector. In addition, some provision for raising coal is included in the allocation of Rs. 200 crores for the Bokaro steel plant and its ancillary facilities.

Appropriately enough, the report has emphasised that the "most important" objective of the coal programme in the third Plan should be to ensure adequate supplies of coking coal required for the steel industry and of high grade non-coking coal required for railways and certain other industries. The exact requirements of the steel industry, the sources of supply and the steps to be taken to ensure their full availability, it is stated, are now being gone into by a special committee. The additional requirements of coking coal for this industry during the third Plan are, however, estimated at 11 million tons, while the additional requirements of high grade non-coking coal are placed at 10 million tons. These are expected to come mainly from the Jharia and Raniganj coalfields, which are at present wholly in the private sector. It is recalled that, during the second Plan, the private sector was allowed to raise an additional 10 million tons from existing mines and immediately contiguous areas.

The contribution which the private sector could make during the third Plan, it is stated, is under examination. After scrutiny of the expansion proposals put forward by individual collieries in the private sector, a phased programme for achieving additional production will be made. It is tentatively assumed that the private sector could raise about 16 million tons. As regards other grades of coal, they will have to come largely from outlying coalfields like Karanpura in Bihar and the coalfields in M.P., Orissa and Andhra Pradesh. The precise demand for inferior grades cannot be foreseen. In any case, their production could be easily stepped up; transport rather than ability to increase raisings is likely to be the limiting factor.

Central Government's New Loans

As was anticipated in these columns a fortnight ago, the Central Government has just come out with its borrowing programme for the current year. It knows full well that the money market is still tight and that the banks do not have much surplus funds. If, nevertheless, it has invited subscriptions to two new loans for an aggregate amount of Rs. 175 crores, it is because it is not unduly worried whether or not the market's response is poor or generous and also because it has to redeem the two maturing loans, of which one of them, the 2½ per cent. 1960, falls due on the 15th inst., besides one of the former Hyderabad Government loans. All the three loans—2½ per cent. 1960, 4 per cent. 1960-70 and 2½ per cent. Hyerabad 1955-60—are tenderable for conversion into any one of the two new loans that are now offered, namely, 3½ per cent. 1966 bonds and 4 per cent. 1980 loan.

Contrary to our expectations, the issue price of both the loans are below par. The six-year 3½ per cent. bond is being offered at a discount of 25 nP and the 20-year 4 per cent. loan at a discount of 10 nP. On this basis, the yields on these loans are as follows:

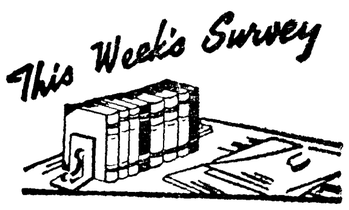
	Current yields	*Redemption yield*
3½ per cent. 1966	3.51	3.55
4 per cent. 1980	4.00	4.01

These yields are slightly more favourable to investors than those available on the comparable existing loans. It is surprising that the Reserve Bank did not care to pull up the Gilt-edged market even slightly before announcing the new loans, so that it could keep the issue prices in the round figure of par. It may be noted here that, last year, the terms of the loans were more favourable to the Government. The rate of 3½ per cent. was offered for a 10-year loan and the issue price was Rs. 99.85. Similarly, the 4 per cent. 20-year loan was issued only at par. All these factors go to suggest that the monetary authorities are not in favour of artificially keeping down the rates of interest. Some in market circles even go to the extent of interpreting this as an indicator of a probable increase in the Bank rate in the forthcoming busy season. This inference is apparently drawn on the ground that, as the Bank could not rule out the necessity for a higher Bank rate either late this year or early next year, it did not want to be accused by investors, in such an event, that it deliberately misled them by keeping down the interest rates through open market operations

(Continued on page 88)

A CORRECTION

Apropos our reference to general insurance companies in these columns last week, we have been informed by the authorities of the Ruby General Insurance Company, Ltd. that it is not correct to say that one more major insurance company, belonging to the Birla Group is planning to wind-up its business. The only other insurance company of this group is the Ruby and we are assured that this company has no such intention.



CYCLE INDUSTRY

IN terms of both quantum of output and quality of its products, the cycle industry has reason to be proud of its achievements. The industry's output is now running at an annual rate of some 1.2 million, including 200,000 cycles in the unorganised small-scale sector, as against a mere 500,000 in 1955. There has been a substantial increase in the indigenous content of the vehicles; the import pack value is only about Rs. 2 to Rs. 5 per vehicle, as against Rs. 80 a few years ago. The industry is well set on its way to reaching the target of 1.25 million under the second Plan. Provisional estimates place the target for the cycle industry in the third Plan at 2.5 million. Given the necessary raw material and other essential conditions, the industry should be able to give in the third Plan as good an account as it has done in the second.

The cycle is becoming a chief means of personal travel not only in towns but in rural areas. It is, therefore, of the utmost importance that the pipeline between the manufacturers and the numerous consumers of this product is well fed with equipment that will prevent a cycle from remaining idle for want of necessary repairs. Appropriately enough, in his presidential address at the annual meeting of the Cycle Manufacturers' Association of India, held at New Delhi this week, Mr. Bishamber Das Kapur emphasised that increased production of cycles implied larger requirements of components, spares and replacements. The industry, on its part, according to Mr. Kapur, is fully alive to its responsibility in the matter of supply of spare parts. It is actively engaged in the development of ancillary industries to which it imparts its technical know-how and guarantees the purchase of their products. All this is in keeping with the Government's economic policy of encouraging small-scale units. In implementing this policy, the large-scale industry, which provides the nucleus round which the small-scale units are organised, should not lose sight of the importance of quality of equipment. After all, the cycle is essentially a poor man's vehicle. And any decline in its quality will mean a loss which he can ill-afford to bear.

A notable feature of the industry is that it was able to build up a modest export trade last year by sending out about 7,500 cycles. This year, a target of 10,000 cycles has been fixed. Mr. Kapur acknowledged the assistance rendered by the Government in the shape of drawback in import duty and rebate in railway freight, etc. It would, however, appear that there are considerable difficulties in getting the refunds to which exporters are entitled. The Government will do well to streamline the administrative procedure concerned. A prosperous export trade, however, can be built up only on the basis of quality and competitive prices. From this point of view, it is doubtful if the existence of too many units is conducive to economic production. Mr. Kapur complained that newcomers were being encouraged by the Government although existing manufacturers could implement expansion programme in a short time; the latter were also in a position to expand tool-making capacity. The industry cannot, of course, ask for a blanket ban on entry of new units into its fold. But, at the same time, there is no point in allowing more manufacturers to be established, when the number of existing producers is large enough to prevent development of monopolistic tendencies. The most important aim should be to ensure conditions for production of cycles at prices which will compete in world markets. Accordingly, there is justification for the demand that existing manufacturers must be given the first choice of expanding their production facilities. Further, the Government should ensure that the industry has easy access to its raw material requirements. Steel, of course, should not cause much difficulty, though, even here, some planning by the chief steel works in the production of the specialised equipment the cycle industry requires for its production will be helpful. Considerable difficulty, according to Mr. Kapur, is experienced in obtaining such consumable stores as electro-plating salts, nickel anodes and polishing belts. These specific disabilities deserve the Government's attention, so that they could be removed and the industry enabled to increase its output.

PAKISTAN'S FINANCES

In their report to the Work Bank President, the "Three Wise Men" (Sir Oliver Franks, Mr. Hermann J. Abs and Mr. Allan Sproul) stated that they were impressed by the determination with which Pakistan's Finance Minister, Mr. M. Shoaib, was approaching the fiscal problem. A further proof of this statement is provided by the Pakistan Government budget for the current fiscal year (July 1960-June 1961), announced by Mr. Shoaib through a broadcast from the Rawalpindi station of Radio Pakistan on Thursday, 30th June. Thus, despite the continued mounting burden of defence expenditure and the pressing need for meeting large-scale capital expenditure, the Finance Minister of Pakistan has endeavoured to provide greater attraction than was afforded in 1959-60 to investors to participate in the economic build-up of the country. He has also sought to check expenditure on luxury and non-essential articles by enhancing taxes on such goods; incidentally, such increases, together with a few other new taxation measures, are expected to yield an additional net annual income of Rs. 9.90 crores. Further, he has announced the introduction of prize bond scheme as an encouragement to saving, with the ultimate object of bolstering the resources for financing the second Five-year Plan.

Five substantial fiscal concessions have been accorded to industrial and commercial firms. First, the period of tax holiday for new companies using mainly indigenous raw materials and investing 50 per cent. of their profits in expansion of plant facilities is extended from two to four years, generally, and to six years in the case of units set up in East Pakistan as well as in certain other undeveloped areas of West Pakistan. Second, the companies (both domestic and foreign) which receive dividends from companies enjoying tax holiday will have to pay only a super-tax on their dividend income at the rate of 15 per cent. and will no longer pay income-tax; the rate is to be reduced further for companies resident in countries with which Pakistan has tax treaties. Third, the tax payable by companies is reduced from 55 to 50 per cent. and, in respect of those companies which do not declare dividends in Pakistan also, the rate of tax is lowered from 60 to 55 per cent. Fourth, the varying rates of corporate tax (15 to 20 per cent.) are done away with and, instead, a uniform rate of 16 per cent. is to be levied. Fifth, the reorientation of company tax includes a 5 to 10 per cent. cut in tax payable by industrial and commercial concerns started after the partition and replacement of the complicated system of dividend taxation by a system which adds all dividends to income and brings them to taxation in the normal course. In order to avoid the hardship to small investors as a result of the latter measure, the first Rs. 1,000 of dividend income are to be exempted from taxation. Besides these concessions to companies, the middle class investors are afforded relief, in that the investment allowance for the purpose of calculating tax-free income is stepped up from Rs. 8,000 to Rs. 12,000.

While all these measures will doubtless give a fresh boost to economic activity, the financial position of Pakistan will continue to be pretty strained. For the high level of expenditure on defence persists. Such expenditure, it is common knowledge, is largely unproductive and so inhibits the economic progress of Pakistan. Out of every Rs. 10 that the Government of Pakistan gets as revenue (excluding that from its railways), as much as Rs. 5.70 are earmarked for defence. The actual provision in the 1960-61 budget is Rs. 98.59 crores out of the anticipated aggregate revenue receipts of Rs. 171.37 crores. A cut in defence spending will release more funds for economic programmes. The Finance Minister has not been able to bridge the yawning gap between the estimated Plan outlay of Rs. 172 crores in the current year and the available resources amounting to a bare Rs. 63 crores or a deficit of Rs. 109 crores. The whole of this deficit is expected to be met by way of foreign assistance. It is, however, doubtful whether this expectation will be fulfilled.

The Pakistan Government's budget for 1960-61 discloses a nominal revenue surplus of Rs. 1.51 crores, with estimates of receipts and expenditure placed at Rs. 171.37 crores and Rs. 169.76 crores, respectively. The surplus would have been in the nature of Rs. 7.64 crores but for the transfer of Rs. 6.13 crores earned by the Railways to a separate railway fund consequent on the constitution of the Railway Board following the eventual separation of the Railway budget from the Central budget. The capital budget reveals a deficit of Rs. 14 crores, with receipts (including foreign assistance) estimated at Rs. 165 crores and outlay at Rs. 179 crores. Setting off the revenue surplus of Rs. 1.51 crores, the overall deficit in the budget for the current year comes to Rs. 12.50 crores. The major part of this deficit, to the extent of Rs. 9.90 crores, is to be covered from the additional tax measures, the balance of Rs. 2.60 crores being met out of the previous year's cash balance.

INDO-U.S. TAX CONVENTION

It is now reasonable to assume that the Indo-U.S. tax convention which seeks to eliminate double taxation and to promote the flow of private investment from the U.S. to India will soon become effective. On Tuesday last week, the U.S. Under-Secretary of State, Mr. Douglas Dillon, most emphatically urged the ratification of the convention. Testifying before the Senate Committee on Foreign Relations, Mr. Dillon sought to stress that the convention would make an important contribution to sound economic relationship between the two countries. India, he declared, was one of the few less developed countries in which conditions were particularly favourable for economic growth. Emphasising that the success of the Indian experiment towards economic progress was of vital concern to the Americans, he said: "One of the ways in which we hope to support the endeavour of the Indian Government to attract more private capital is by concluding the tax convention which is now before your Committee." Many months have elapsed since the Governments of the two countries reached an agreement on the draft of the tax convention, and it is to be hoped that Mr. Dillon's forceful plea will move the U.S. Congress to give speedy action to the approval of the convention.

Although the U.S. has concluded tax treaties with quite a number of countries—the treaties are, of course, with the more fully developed countries with only two exceptions—the one negotiated with India is unique, in that it provides for a U.S. credit to tax incentives accorded by the Indian Government to attract new capital. Under existing U.S. laws, a credit is granted against income-tax only to taxes actually paid to the country where the income is earned. If a foreign country gives tax exemption to encourage new investments, no credit is allowed against U.S. tax liability. The Indo-U.S. convention, however, allows a credit against U.S. tax even for the exemption from tax granted by India. Explaining the importance of the provision, Mr. Dillon observed:

"The main corrective in the new tax-sharing provision is the policy of granting credit for foreign taxes, a policy by which we give foreign tax authorities a first claim on income arising under their jurisdiction. By the tax-sharing principle, we concede to them the further power not only to tax but to forgo taxes. The credit for tax exemption leaves the foreign tax authorities free to exempt new investments from taxation, secure in the knowledge that these exemptions will not be nullified by the operation of the U.S. tax credit mechanism."

The Indo-U.S. tax convention, with its tax-sharing principle, will surely go a long way towards generating interest in private investment opportunities in India. But the actual extent to which U.S. private investment supplements India's own resources in its developmental effort will depend entirely on the steps that the powers-that-be in this country will take to improve the investment climate for both domestic and foreign private enterprise.

PRODUCTIVITY DRIVE

The Regional Productivity Conference held at Madras, under the auspices of the Madras Productivity Council on 28th June, should serve to promote productivity consciousness in Southern India. The Conference, which was inaugurated by Mr. V. V. Giri, was attended by nearly 350 delegates from the four Southern States of Madras, Andhra, Mysore and Kerala. Thanks to the vigorous efforts of the National Productivity Council (N.P.C.), there has, of late, been a new-found interest in productivity. Politicians and administrators, industrialists and trade union leaders, have all been freely using the jargon of productivity experts. To the extent this is an indication of the grad

realisation that, in the final analysis, it is the level of productivity which influences and determines the national wealth, *per capita* income and standards of living, it is a welcome development.

But recognition of the importance of higher productivity is only the first step in increasing productivity which is the aim of the productivity drive launched by the N.P.C. Its success pre-supposes active co-operation between workers, management and the Government. In spite of the vigorous propaganda undertaken by the N.P.C., there are still workers and their unions who look upon the productivity movement with suspicion as something which will rob them of their job or force more work out of them without any additional monetary benefit. Among managements, too, there are a few who think that productivity improvement calls for heavy investment in new machinery. Both these views are wholly erroneous.

The best way to convince workers and management is to demonstrate by experiments conducted at the unit level that productivity improvement does not necessarily lead to unemployment, nor call for larger investment. The suggestion made by Mr. Manubhai Shah, Union Minister for Industry, who also attended the Conference, that some 30 industrial units of Madras City should be selected for the application of productivity methods is worth trying. The drive for educating and training every section in the several fields of industry, including inter-plant studies and field work, contemplated by the Regional Council, will surely give a fillip to the movement in the South.

The N.P.C. is thinking in terms of expanding the technical services offered by it. It is proposed to have eight regions, instead of five as at present, each region having an exclusive directorate. The question of establishing an all-India Institute for training industrial engineers is also being actively considered. It is to be hoped that the Council will decide in favour of setting up such an institute, as it has a very important role to play in ensuring the success of the productivity movement. For higher productivity is largely a function of better organisation of work, which involves the application of the latest techniques in industrial engineering and management. An all-India institute which imparts training in the application of these techniques can do much to improve the quality and effectiveness of productivity methods adopted in industrial units in the country.

CANADA-INDIA REACTOR

The Canada-India reactor (C.I.R.) at Trombay, which is expected to reach criticality any time this or next week, is an outstanding example of co-operation between any two friendly countries. Built on the model of the NRX reactor on the Chalk river in Canada, the C.I.R. project is expected to provide most of India's requirements for isotopes and a powerful facility for physical and engineering research. The reactor is a concrete symbol of the Canadian Government's genuine interest in India's economic progress. Besides the fact that it has agreed to finance 50 per cent. of the cost of this Rs. 10-crore project, Canada has made available to this country its own nuclear technical know-how and also trained 45 Indian scientists at the Chalk river reactor, thereby creating a body of skilled nuclear physicists in this country.

The reactor is fuelled with natural uranium in the form of long rods sheathed in aluminium. In common with NRX, it is moderated with heavy water and cooled with ordinary fresh water. The reactor is housed inside a large steel rotunda, 120 ft. in diameter and 133 ft. in height. Auxiliary equipment for the reactor, the control room, etc., are housed in a building surrounding the rotunda which is so designed as to contain any escape of radioactivity into the outside atmosphere in case of any accident. The core of the reactor is an aluminium tank, with about 200 tubes going through for fuel elements. Some of these positions can be used for isotope production, irradiation of materials, etc. The reactor has a maximum heat output of 40 megawatts. A maximum thermal flux of above 6×10^{13} neutrons/cm²/sec can be obtained at the reactor core, and about 1.5×10^{13} neutrons/cm²/sec at the beam holes.

The C.I. reactor will be the second reactor to reach criticality in Trombay. It may be recalled that Apsara, India's first reactor, attained criticality on 4th August 1956. The latter is designed to operate at a maximum power level of 1,000 kw.; its thermal flux is about 3×10^{13} neutrons/cm²/sec. A third reactor, called Zerlina or zero energy reactor, which has maximum power level of 100 kw. is also coming up at Trombay. This is designed for lattice investigations and new assemblies; it is also expected to reach criticality shortly. By far the most powerful of the three reactors is, of course, the Canada-India reactor which will enable the Atomic Energy Establishments staff to carry out experiments to study the effects of high neutron flux and temperatures on the properties of the fuel elements, moderators and the materials used in the construction of power reactors. It will also enable fuel elements of new design to be tested in the actual conditions of neutron flux available in a power reactor. Thus, it will provide India the facility necessary for designing and building its own nuclear power reactors. Experiments for breeding thorium into U233 have been planned. These are of great importance inasmuch as India's atomic energy programme is based on thorium, of which the country has abundant supply. The reactor is one of the most powerful radio-isotope producers in the world. It will not only make India self-sufficient in all reactor-produced radio-isotopes but also make it possible for this country to export them.

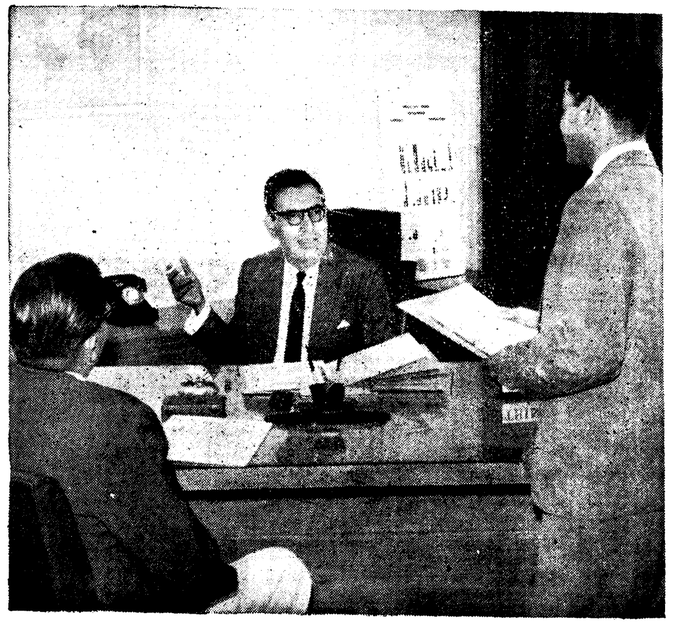
E.F.T.A. COMES EFFECTIVELY INTO BEING

The European Free Trade Association (E.F.T.A.) came effectively into being on 1st July 1960, when the first reduction, one of 20 per cent., in the Customs tariffs on industrial products traded between members came into force. E.F.T.A.—sometimes referred to as "the Seven"—consists of seven nations: Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the United Kingdom. The convention establishing E.F.T.A. was initialled in Stockholm in November 1959 and came into force on 3rd May 1960, when member-Governments deposited their instruments of ratification. Its headquarters are in Geneva.

The aims and purposes of E.F.T.A. are economic expansion, full employment, the rational use of resources, financial stability, and a higher standard of living. Starting on 1st July with the first tariff cuts of 20 per cent., the Stockholm convention will progressively establish a free market between the members of the association. This will be achieved by the abolition of tariffs and other obstacles to trade in the industrial products of members over a period of 10 years, or earlier, if so decided (there are special provisions for trade in agricultural produce and fish). In so far as the member States still have import restrictions, these quotas will also be relaxed. But each country will be free to decide its own external tariffs.

The Government of India has announced the rules providing for nomination facilities to holders of national savings certificates and depositors in the post office savings bank, involving amounts exceeding Rs. 5,000. The rules will come into force on 1st August 1960. Under the rules, holders of 12-year, 7-year and 5-year national savings certificates, 10-year national plan certificates and depositors in the post office savings bank and the cumulative time deposit scheme will be entitled to nominate a person or persons to receive the amounts due to them, in the event of the death of the former without the production of legal proof of title and to the exclusion of the rights of all other persons. The right of nomination, however, is being given only to individual holders/depositors, including minors who purchase certificates or have an account in their own names. The facility will not be available to the holders of certificates purchased by two persons jointly or by institutions or by a person on behalf of a minor.

ADDING TO INDIA'S ECONOMY



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SEARCHING FOR LIGHT

LONDON LETTER

(From Our Own Correspondent)

LONDON, 30*th June*

CONTRARY to many reports that have appeared in the Press recently, the British Government is not considering abandoning its objections to the Common Market and entering the European Commodity unconditionally. The Minister of State at the Board of Trade, Mr. Erroll, has spent several days in Western Germany on a goodwill mission to develop Anglo-German trade. But the real purpose of the visit has been to see whether, in private negotiations, it is possible to move faster and further to resolving the impasse created by the co-existence of the Six and Seven.

For the British Government accepts that both the European Community (the Six) and the European Free Trade Association (the Seven) have come to stay. They have given up the hope of fusing one with the other, following on the failure of the Trade Committee in Paris to reach an agreement. All that came out of that Committee was a decision to set up a study group to examine various devices for relieving the immediate difficulties which the various countries will have as a result of the tariff programmes of the Six and the Seven, and to examine possibilities of reciprocal tariff concessions in the forthcoming G.A.T.T. tariff negotiations. For the British Government, the failure of the Committee to reach a settlement of the long-term problem was crucial. Now the Government is going out of its way to emphasise that it is not against the Common Market. "We welcome it," said Mr. Erroll, "because of the increase in prosperity it will bring and because of its unifying political effects." But the Government has noted that, in the last two years, the trade of Germany with other members of the Six has increased much more than the trade with any member of the Seven, and, indeed, in the first three months of this year, German imports from other Common Market countries have increased by 45 per cent. And, when the Minister of State began to illustrate various problems which would affect Anglo-German trade, he revealed the concern which the Government has about letting things take their course. The Germans have been warned that Common Market tariff reduction is a two-edged weapon, and that there are several items of German production which will feel greater competition through the reduction of tariffs within the Six without countervailing advantages of a reduction of tariffs with the Seven —e.g., the motor car industry. But it is no use drawing attention to this sort of difficulty, for it has already been accepted by the Common Market countries. Nor, really, is it any use explaining to the West European countries of the Six that we have different methods of protecting our agriculture from those used on the Continent, that we have problems of Commonwealth relations and so on. The truth of the matter is that the Government is disturbed about the division of Europe and has got no immediate answer.

The Common Market countries have 160 million customers. The E.F.T.A. have 90 million customers. But the Government is now determined to make the best it can of its 90 million and to seek by one means or another to get the best terms for these 90 million with the other 160 million. It has now declared, to silence rumours to the contrary, that the U.K. will not abandon its agreement with the other members of the E.F.T.A. and the Commonwealth.

It has thus been established both that the British Government is upset about the failure to obtain a long-term agreement with the European Economic Community and that it does not intend to try to save itself by entering that Community with or without the other members of the Seven. The intention now is to regard the new series of Trade Committee meetings as small beginnings to bridge the gap between the two. Nor is time on the side of the U.K., for, with every six months that passes, the Six are being drawn closer together by the schedule of tariff reductions. For the time being, Britain must abide by the G.A.T.T., and the Government sees, in the forthcoming meetings of the G.A.T.T., an opportunity for the negotiation of substantial reductions in tariffs. That is the one gleam of light at the moment. "We shall be ready" the Government has declared, "to accept important tariff reductions over a wide range of our imports for comparable reductions in tariffs against our exports." So there for the moment the division of Europe rests.—*All Rights Reserved.*

U.K.'S NEW LOAN TO INDIA

Britain has offered India a loan of £10,000,000. Announcing this, in a written reply in the House of Commons on 30th June, the Minister of State for Commonwealth Relations, Mr. C. J. M. Alport, said: "The United Kingdom have offered a loan of £10,000,000 to the Government of India, to be made under Section 3 of the Export Guarantees Act. The intention is that India should be able to draw on this loan to make payment for a broad range of her imports from the United Kingdom. The loan is being offered in response to an approach by the Government of India to the United Kingdom for early assistance in meeting India's foreign-exchange requirements for 1960-61, the final year of the second Five-year Plan. In addition, the United Kingdom will later join in consideration of India's need for assistance during the current year with the consortium (United States, Canada, Japan, and Federal Republic of Germany, in addition to Britain) which met under the aegis of the International Bank to concert assistance to India in 1958 and 1959."

This new loan of £10,000,000 (Rs. 13.33 crores) is in addition to previous measures since 1958 of general balance-of-payments help. Like these previous loans, it is not tied to new projects. The earlier loans were £28,500,000 (Rs. 38 crores) in December 1958 and £19,000,000 (Rs. 25.33 crores) in November 1959, bringing the total of British aid of this kind to £57,500,000 (Rs. 76.67 crores) in two years.

In addition, the United Kingdom Government has lent £15,000,000 (Rs. 20 crores) specifically towards the cost of the Durgapur steelworks (1958) and £3,000,000 (Rs. 4 crores) towards the Assam pipeline (1959)—in each case supplementing private finance from the United Kingdom for these projects—giving a grand total of £75,500,000 (Rs. 100.67 crores).

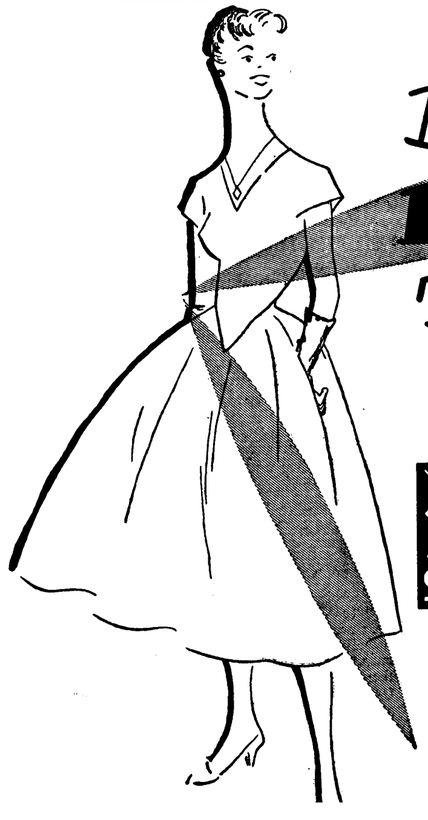
The most valuable aspect of the new loan is that it can be used quickly by India to pay for general imports from the United Kingdom.

Of loans totalling just over £100,000,000 (Rs. 133.33 crores) made to independent Commonwealth countries under the Export Guarantees Act during the last two years, £75,500,000, or three-quarters, has been authorised for India. Approximately 1¼ per cent. of the national income of the United Kingdom already goes to benefit the less-developed countries by means of public lending and private capital investment.

SURPLUS ON U.K. BALANCE OF PAYMENTS

The United Kingdom earned a surplus on its current balance of payments in the first quarter of this year of £46,000,000. This compares with a surplus of £19,000,000 a year ago and a deficit of £18,000,000 in the fourth quarter of last year. The surplus on visible trade—or the excess of exports over imports—in the first quarter of this year was £3,000,000, as compared with deficits of £17,000,000 in the first and fourth quarters of last year.

Government net expenditure on invisibles—that is, on items other than those entering into physical trade—was £19,000,000 greater than a year earlier, but the net surplus on other invisible items was £26,000,000 higher. Overall net invisible income, therefore, increased in the first quarter of this year by £7,000,000 as compared with a year earlier.



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AMERICAN LETTER

RETAIL SALES AT RECORD HIGH LEVELS

MR. ROCKEFELLER *VERSUS* MR. NIXON

From Our Special Correspondent

NEW YORK, 30*th June*

THERE were no economic repercussions to the snub President Eisenhower received when his visit to Tokyo was called off. However, it did leave a black mark and the opposition party is trying to make the most of it. The stock market which is supposed to be a barometer of business to come, did not behave too badly. The general conception was that that the traditional "summer rally" was at hand. The first half-year on the New York Stock Exchange saw nothing but a record of losses. Prices since 31st December were off by about $15,000 million. Oils, rails and steels experienced their greatest losses in this period.

But there are many bright spots. Retail sales rose to a record high during the first five months of the year. The total volume of $87,240 million exceeded the similar 1959 figure by 3.2 per cent. All major retail classifications exceeded the 1959 figures. The only exceptions were dealers in lumber, building materials and hardware, but this decline was small.

Price Level

The consumer price index rose again in May. This makes 11 increases in 14 months. The small increase in May resulted largely from rising food prices and from the continual gain in prices for services, such as hospitalisation insurance and physicians' visits. Price analysts remain confident of relative stability ahead.

The investing U.S. public, both private and institutional, did not do too badly. Dividends paid by publicly-owned corporations in the first five months of the year were $4,600 million, or 7 per cent. above the same 1959 period. May, typically, is a month of small dividend disbursements. Yet payments were $355 million, as compared with $330 million in May 1959. It indicates a better industrial climate.

Business in general is good, but, at this mid-year term, it has not come up to previous expectations. There are vague suggestions that the situation will improve within the next two or three months, but the experts do not say how or why. No fault can be found with the overall level of industrial production, employment, personal income, consumer spending and capital spending.

Yet, there are definite soft spots, such as inventories, manufacturers' new orders and construction. There has been a considerable slump in residential building, as compared with 1959. Previous tight money policy may have had a good deal to do with this and easier money, as of recently, has not had a chance to assert itself in the mortgage markets. There is a fair chance that some improvement in the housing picture should show up in the next few months. This area is a mainstay of U.S. economic activity and it is very important as a barometer.

Presidential Campaign

The Presidential campaign is now in full swing. Vice-President Richard M. Nixon is competing with New York Governor Nelson Rockefeller for the Republican Presidential nomination. Mr. Nixon has been speaking of sound economic growth and has been attacking Governor Rockefeller on addition to "growthmanship" which means Government action to stimulate the nation's growth rate. Mr. Nixon is charging that critics of the present rate of increase in gross national product are "playing what is rapidly becoming the most fashionable political parlour game of our time—growthmanship."

This is a very interesting development. Vice-President Nixon is presented favourably by President Eisenhower as his natural successor and he hopes to have him nominated as the Presidential candidate at the forthcoming convention of the Republican Party. Mr. Nixon believes and insists that U.S. industrial and economic growth would develop faster and more effectively with a minimum of Government intervention. The Vice-President has no private fortune to speak of.

By contrast, Governor Nelson Rockefeller of New York is a member of one of the richest families in the United States. Unlike his father and grandfather, Mr. Rockefeller is a spender who believes in Government interference in a big way. He raised New York State taxes and by this and other policies he has antagonised the majority of the New York State Legislature. He seems to have no conception of money.

I knew Mr. Rockefeller years ago when he started his Latin-American development programme. He made sense then up to a point, but all his projects revolve round spending money without too much regard for what that is going to do in the long run. He and his charming wife still spend a good deal of time on their farm in Venezuela.

Mr. Nixon's proposals for promoting U.S. economic expansion were viewed by most observers as "middle-of-the-road." Once defence needs are met, the Vice-President said, reform of the Federal tax structure to stimulate private enterprise "must be the first order of business for a new Administration." He also calls for growth but not inflation, if possible.—*All Rights Reserved.*

MORE AGREEMENTS WITH D.L.F.

The U.S. Development Loan Fund simultaneously signed seven loan agreements on 30th June 1960, covering loans aggregating $89.2 million (Rs. 42.4 crores) for enterprises in India. Five loans are for power generating facilities, one is to a development bank (the I.F.C.) and one is for the importation of American-made jeep and truck parts. Approval of all these loans, except the one for auto parts, had previously been announced.

Under past agreements between the Governments of India and the United States, a total of Rs. 42.1 crore in Indian currency also has been made available to four of the power projects and the Development Bank. These rupees are derived from the sale proceeds of U.S. agricultural products supplied to India under Public Law 480.

The road transport loan is for $13.1 million (Rs. 6.2 crores). This loan will enable private manufacturing firms in India to procure American-made auto parts to be assembled into jeeps and trucks in India. Firms will receive licences from the Government enabling them to import components and pay U.S. suppliers with dollars provided by the D.L.F. Auto components to be imported will consist mainly of frames, axles, transmissions, differentials and wheels. These will be combined with other components manufactured in India to produce 5,000 jeeps, 800 jeep station wagons, 800 jeep trucks, 800 Dodge one-ton trucks and 6,000 Dodge 3-ton trucks.

CHEMICAL COMPANY OFFERS STOCK TO EMPLOYEES

The Monsanto Chemical Company, St. Louis, is joining the ranks of American business concerns which make their shares available for purchase by their employees. The firm, one of the largest in the industry, will offer 450,000 shares of its common stock. Each employee will be able to subscribe for shares equal to 30 per cent. of his annual earnings. In order to build up funds for purchasing the stock, employees may make deposits with the Company over a three-year period and receive interest at the rate of four per cent. Directors and officers of the firm are, however, not eligible to participate in the plan.

UNDERSEA OIL STORAGE

An underwater oil storage system which may some day make possible fuelling stations at various points for navy ships, submarines and aircraft is being pioneered by the U.S. Navy. In the first experiment to be undertaken, a rubber container capable of holding 1,200 barrels of oil was towed into the Gulf of Mexico off Louisiana and anchored on the sea floor 52 feet below the surface. The 50,080-gallon container is 22 feet wide and 70 feet long. It is held to the ocean floor by a tubular steel frame and nylon harness.

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INDIA'S NATIONAL INCOME UP BY 42 PER CENT. IN TEN YEARS

PROGRESS UNDER FIRST AND SECOND PLANS

[Elsewhere in this issue appears a detailed summary of the draft outline of the Third Five-year Plan. We are publishing on this page extracts from an official survey of the progress achieved in different sectors of the economy during the first and second Plans, so that readers may have the necessary background against which they can view the draft Third Plan.—ED.]

THE total investment in the economy during the first two Plans will be a little over Rs. 10,000 crores. Outlay in the public sector will amount to about Rs. 6,560 crores. The details are given below:

Outlay and investment in first and second Plans:

(Rs. crores)

	First Plan 1951-56	Second Plan 1956-61 (anticipated)	Total 1951-61
Public Sector outlay	1,960	4,600	6,560
Public Sector investment .. .	1,560	3,650	5,210
Private Sector investment ..	1,800*	3,100*	4,900
Total Investment	3,360	6,750	10,110

* These are estimates revised in the light of fuller information and are in lieu of the estimates of Rs. 1,600 crores in the First Plan and of Rs. 2,400 crores in the Second Plan and are exclusive of transfer from the public sector.

These figures do not include investments financed out of resources transferred from the public sector.

Increase in National Income

During the first Plan, owing largely to the progress recorded by agricultural production, the national income increased by 18 per cent. The second Plan represented a larger and a more broadbased effort than the first. The benefits of a number of projects undertaken during this period will be realised in the early stages of the third Plan. Foreign exchange difficulties experienced in the second year of the Plan led to its reappraisal in 1958-59, the revised outlay in the public sector being Rs. 4,500 crores in place of Rs. 4,800 crores. The outlay likely to be achieved by the end of the Plan is Rs. 4,600 crores. The increase in national income over the second Plan period is expected to be about 20 per cent. Over the ten years, 1951-61, national income (at constant prices) will have increased by about 42 per cent., *per capita* income by about 20 per cent. and *per capita* consumption by about 16 per cent. The infrastructure of the economy has been strengthened considerably, creating conditions for more rapid development in future.

Agriculture

Agricultural production trends since 1949-50 are summarised in the following table:

Index of Agricultural Production

(1949-50=100)

	1950-51	1955-56	1958-59	1960-61 (expected)
All commodities ..	95.6	116.9	132.0	135.0
Food crops	90.5	115.3	130.0	131.0
Other crops	105.9	120.1	136.0	143.0

The table shows that there is a rising trend, with agricultural production going up by about 40 per cent. between 1950-51 and 1960-61. But variations from year to year have been considerable. The increase in the production of major agricultural commodities has been as follows:

Commodity	Unit	1950-51	1960-61 (likely achievement)
Foodgrains—			
Cereals and pulses ..	Million tons	52.2*	75.0
Oilseeds	Million tons	5.1	7.2
Sugarcane—*gur*	Million tons	5.6	7.2
Cotton	Million bales	2.9	5.4
Jute	Million bales	3.3	5.5

* Estimates of production adjusted for changes in statistical coverage, etc., up to 1956-57.

A wide range of agricultural programmes has been implemented. The most significant decision taken under the first Five-year Plan was to introduce extension services throughout the country as an integral part of the community development movement. By the end of the first Plan, these services were established in 1,064 community development blocks, comprising 150,000 villages and a population of about 30 million. At the end of the second Plan, the community development movement will have spread to about 3,100 development blocks, comprising nearly 400,000 villages and a population of about 200 million. The programme will extend to all rural areas in the country by October 1963. At the end of the second Plan, the extension organisation at the block and village level will consist of about 31,000 village level workers and about 28,000 extension officers at the block level for agriculture, animal husbandry and other fields of development.

The expansion of the co-operative movement is illustrated by the increase in the number of primary agricultural societies from about 105,000 in 1951 to about 183,000 in 1958-59. During this period, the total membership of these societies increased from 4.4 million to 12 million. The number of village *panchayats* increased from about 83,000 to about 178,000.

The total irrigated area will increase from 51.5 million acres in 1950-51 to 70 million acres in 1960-61. About 4,000 seed farms are being established during the second Plan, as part of a programme for covering the entire cultivated area with improved seeds. The consumption of nitrogenous fertilisers will increase from 55,000 tons (in terms of nitrogen) in 1950-51 to 360,000 tons in 1960-61. Among other agricultural programmes in which there has been progress, reference may be made to the reclamation of 3.9 million acres of waste land, extension of green manuring to 22 million acres and soil conservation programmes extending to 2.7 million acres. Considerable progress has been made under the composting programme in urban and rural areas, as also in carrying out programmes of development for livestock, fisheries, milk supply, vegetable and fruit cultivation, forests and agricultural and animal husbandry research.

Industry and Minerals

The growth of industrial production since 1951 is shown in the following table:

Index of Industrial Production

	1951	1955	1956	1959
All commodities ..	100	122.4	132.6	151.1
Cotton textiles	100	111.9	117.5	111.5
Iron and steel	100	113.3	119.4	163.1
Machinery	100	163.9	215.0	424.3
Chemicals	100	159.0	171.1	214.0

Among the features of industrial development during the past decade which may be noted are the progress made in basic capital and producer goods industries, especially machinery and engineering industries. With the completion of three new steel plants in the public sector, the total finished steel capacity created will increase to 4.5 million tons, as compared with one million tons at the beginning of the first Plan, and 1.3 million tons at the beginning of the second Plan. There has been considerable increase in the production of essential industrial materials like cement, coal, aluminium, etc. The country is now producing steadily increasing quantities of machine tools and machinery for use in agriculture and for cotton textile, jute, cement, tea, sugar and vegetable oil industries. By the end of the second Plan, much of the equipment required by the railways will be available from indigenous production. The aggregate value of all kinds of industrial machinery produced in the country has risen from Rs. 11 crores in 1951 to about Rs. 79 crores in 1958. The corresponding figures for electrical equipment are Rs. 20 crores and Rs. 71 crores, respectively. A beginning has been made in the production of heavy electrical equipment. Chemical industries, including heavy chemicals, drugs and pharmaceuticals, fertilisers, etc., have also recorded progress. Under the second Plan, programmes for the modernisation of the jute and cotton textile industries have been undertaken. In a number of industries, the import component has been materially reduced.

Some idea of the progress likely to be achieved in 1960-61 in the production of important producer goods may be obtained from the following table:

Producer Goods

Commodity	Unit	1950-51	1960-61 (likely production)
Finished steel	Million tons	1.0	2.6
Aluminium	'000 tons	3.7	17
Diesel engines	Thousands	5.5	33
Electric cables (ACSR) conductors	Tons	1,674	18,000
Nitrogenous fertilisers (N) ..	'000 tons	9	210
Sulphuric acid	,,	99	400
Cement	Million tons	2.7	8.8
Coal	,,	32	53
Iron ore	,,	3	12

The increase in production in certain important consumer goods industries is shown in the table below:

Consumer Goods

Commodity	Unit	1950-51	1960-61 (likely production)
Cotton textile—mill cloth ..	Million yards	3,720	6,000
Sugar	Million tons	1.10	2.25
Paper and paperboard	'000 tons	114	320
Bicycles (organised sector only) ..	Thousands	101	1,050
Automobiles	Number	16,500	53,500

The manufacture of a number of new products was established in the country for the first time, e.g., industrial boilers, milling machines and other types of machine tools, diesel road rollers, industrial explosives, sulpha and antibiotic drugs, D.D.T., newsprint, etc. Overall industrial production is expected to record an increase of about 120 per cent. between 1950-51 and 1960-61.

Along with large and medium-sized industries, there has been considerable development in the field of village and small industries for the promotion of which special measures were initiated in the first and second Plans. Between 1950-51 and 1960-61, the production of handloom cloth will have increased from about 742 million to about 2,125 million yards, of *khadi* from over 7 million to about 80 million yards, and of raw silk from about 2 million to about 3.7 million lbs. Production of a number of small-scale industries like builders' hardware, hand tools, sewing machines, electric fans and bicycles also registered sizable increases. Small Industries Service Institutes have been set up in all States. In addition, 42 extension centres have been established in association with these industries. About 60 industrial estates, comprising 700 small factories, will have been set up by the end of the second Plan.

Power

The installed generating capacity will increase from 2.3 million kw. in 1950-51 to 5.8 million kw. by the end of 1960-61. The number of towns and villages electrified will have increased from 3,687 in 1950-51 to 19,000 by 1960-61.

Transport and Communications

The decade 1951-61 has been a period of considerable expansion in transport. The rehabilitation of the railways, which had suffered much damage on account of the war and the partition, was the main objective during the first Plan. During the second Plan, the railways have undertaken extensive development associated with the building up of basic industries like steel, coal and cement. From 91 million tons in 1950-51, the total freight traffic originating on the railways is expected to increase to 162 million tons by the end of the second Plan. About 1,200 miles of new railway lines are likely to be added, 1,300 miles of railway track doubled and 880 miles electrified by 1960-61. The number of locomotives is expected to increase from 8,200 in 1950-51 to 10,600 by the end of 1960-61, coaches from 19,200 to 28,900 and wagons from 199,000 to 354,100.

There has also been appreciable progress in road development. The mileage of surfaced roads will increase from 97,500 miles in 1950-51 to 144,000 miles in 1960-61. The number of commercial vehicles in the country will have nearly doubled during the period, the estimated number in 1960-61 being about 200,000, as against 116,000 in 1950-51. The shipping tonnage will increase during the period from 390,000 g.r.t. to about 900,000 g.r.t.

The expansion of communication services during the first two Plans is illustrated by the increase between 1950-51 and 1960-61 in the number of post offices from 36,000 to 75,000, of telegraph offices from 3,600 to 6,300 and of telephone connections from 168,000 to 475,000. Notable advances have also been made in the development of the telephone industry, meteorology and overseas communications services.

I.M.F. GIVES CREDIT TO GUATEMALA

The Government of Guatemala has entered into a one-year stand-by arrangement with the International Monetary Fund which authorises drawings up to $15 million in support of the country's currency. The Guatemalan currency unit is fully convertible under Article VIII of the Fund Agreement. The member has a quota of $15 million, and has not previously drawn upon the Fund's resources.

The Guatemalan quetzal has been at parity with the United States dollar since 1924, without restrictions on its exchange. For the past three years, the freedom and stability of Guatemala's exchange system has been maintained, despite a considerable decline in the country's foreign exchange income. The reduction in Guatemala's receipts from abroad stems primarily from a substantial drop in the price of coffee, the country's principal export product, from 1957 through 1959. During the same period, there was a marked decline in United States grants of assistance and in the inflow of foreign capital to Guatemala. Domestic financial policies were not fully adjusted to lower exchange receipts, and a balance of payments deficit ensued.

In November 1959, the Guatemalan Government undertook certain measures to strengthen the country's reserve position, and these have recently been reinforced. The reserve requirements against bank deposits have been increased and limitations on central bank rediscounts have been established. The Guatemalan Government aims at a balanced budget in fiscal 1960-61 by means of revenue measures and a further reduction of expenditures. The stand-by arrangement with the Fund will help Guatemala maintain the traditional stability of the quetzal by providing a second line of reserves, while the stabilization measures are taking effect.

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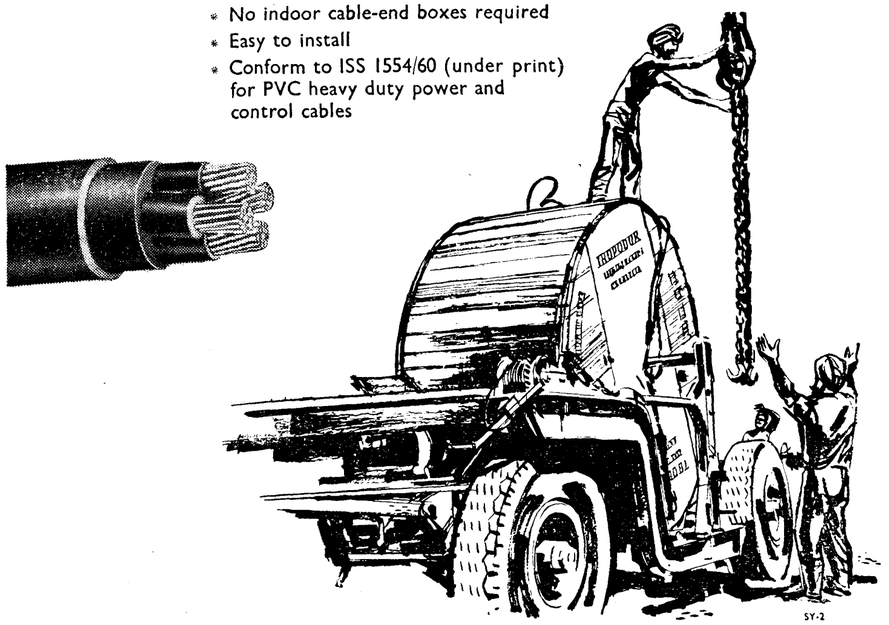

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PROGRESS OF SERICULTURE INDUSTRY

RAW SILK OUTPUT RISES, BUT SHORTAGE PERSISTS AND PRICES RULE HIGH

IT is surprising that, although more than six months have elapsed since the Working Group on Sericulture Industry submitted its report to the Government of India (in December 1959), it has still not been released for publication. The Group, it will be recalled, was set up in April last year, with Mr. H. C. Dasappa, M.P., as Chairman, to evaluate the progress made so far under the second Five-year Plan and to suggest the target for the third Plan. The Group consisted of eight members representing Parliament and silk industry. The Government might not have found the time for studying the report carefully, but it could at least have made available to the public a summary of the important recommendations made by the Group and the new schemes formulated by it.

While one has to await the publication of the Working Group's report for a comprehensive account of the progress made in the implementation of the development programme for the sericulture industry, a brief reference may be made of the broad trends in this sector in recent years. Although the production of raw silk has expanded under the two Plans, the pace of expansion has slowed down since the second Plan began. The average annual rate of increase in output during the first four years of the second Plan (1955-59) was just 52,425 lbs., as against 130,877 lbs. recorded in the preceding four years (1951-55). The quantity of silk (mulberry and non-mulberry) actually produced during the calendar year 1959 was 3,366,840 lbs., as against 3,395,434 lbs. in 1958, 3,157,140 lbs. in 1955 and 2,533,633 lbs. in 1951. The net rise in production over the period 1951-59 was thus 833,207 lbs. The rise is accounted for by both mulberry silk and non-mulberry silk. The output of the former has increased from 1,952,822 lbs. in 1951 to 2,427,056 lbs. in 1955, 2,534,173 lbs. in 1958 and 2,534,692 lbs. in 1959. The production of non-mulberry silk went up from 580,811 lbs. in 1951 to 730,084 lbs. in 1955 and 861,261 lbs. in 1958, but declined to 832,148 lbs. in 1959.

Trend of Silk Output

The following table gives the breakdown figures relating to the output of the different kinds of silk during the year 1959, as compared with what was produced in 1958, 1955 and 1951:

(In lbs.)

	1959	1958	1955	1951
Mulberry silk:				
Filature	280,313	291,095	319,224	249,714
Charka	1,986,450	2,036,828	2,107,832	1,703,108
Cottage basin ..	197,376	137,579	..	..
Duplon	70,053	68,671	..	..
Total ..	2,534,692	2,534,173	2,427,056	1,952,822
Non-mulberry silk:				
Tassar	360,559	354,190	307,340	254,030
Eri	285,189	300,033	295,068	226,281
Muga	186,400	207,038	157,670	100,500
Total ..	832,148	861,261	730,084	580,811
Grand total ..	3,366,840	3,395,434	3,157,140	2,533,633
Silk waste:				
Mulberry	1,197,156	1,293,332	1,137,935	1,024,264
Non-mulberry ..	443,327	861,361	730,084	580,811
Total ..	1,640,483	2,154,693	1,868,019	1,605,075

Various schemes for the improvement and development of the sericulture industry were in operation during the first Plan period, but it is since the commencement of the second Plan in April 1956 that a larger effort in all directions has been made. But, despite these efforts, the rate of increase in raw silk output has slowed down, as mentioned earlier. Under the Plan, more than 300 schemes, envisaging a total outlay of Rs. 4 crores, are being implemented by the State Governments in co-operation with the Central Silk Board. The schemes cover establishment of mulberry graft nurseries, demonstration farms and basic seed stations for both foreign and indigenous races, as well as expansion of the existing ones; provision of loans and subsidies to rearers for improving irrigation facilities through sinking wells; installation of cold storage plants and incubation chambers; introduction of improved mountages; setting up of production-cum-training centres for reeling and spinning; replacement of *charkas* by cottage basins; modernisation of filature machinery; development of silk conditioning and testing houses at Bangalore and Calcutta; opening of training institutes, introduction of sericulture as a basic craft in schools and inter-State study tour for both rearers and students; establishment of voluntary cocoon markets, silk marketing co-operative and rearers societies, and sericulture research stations. The objective of all these schemes is to make quantitative and qualitative improvement in the production of raw silk which primarily depends upon the improvement in food plants, rearing, seed production, reeling and spinning.

Notwithstanding the implementation of the various development schemes under the second Plan, the actual extent of the rise in silk production has not been much, so that the leeway to be made up is still quite considerable. Thus, as against the targets fixed for 1960-61, namely, three million lbs. for mulberry silk and one million lbs. for non-mulberry silk, the actual output in 1959 was, as already stated, 2,534,692 lbs. and 832,148 lbs., respectively, the shortfall to be covered in the current year alone being 465,308 lbs. of mulberry silk and 167,852 lbs. of non-mulberry silk.

Productivity Declines

It may be noted here that the increase in the production of mulberry silk since the commencement of the first Plan has not been commensurate with the expansion in acreage under mulberry cultivation, as is evident from the figures given below:

	1950	1958	Percentage rise
Area under mulberry cultivation (acres) ..	114,994	185,515	60.8
Production of mulberry silk (lbs.)	2,127,148	2,534,173	19.1

The foregoing figures reveal that the productivity of mulberry silk industry has declined. Explaining the reasons for the decline, the *Silk Newsletter*, published by the Central Silk Board, observed sometime ago:

"The decline in the productivity as revealed by the data is evidently due to the fact that area under mulberry cultivation has increased far more in proportion to the increase in production. It has, however, to be remembered here that, ordinarily, an increase in area under cultivation occurs as a result of diversion of marginal lands and lands without adequate irrigation and other facilities. This is bound to result in lower productivity in yield. Though no data is available to show whether there has been an increase in irrigated area under mulberry cultivation, it could be safely stated that irrigated area under mulberry cultivation is practically negligible as compared to the total area. Secondly, production of raw silk depends as much on the area under mulberry crops as on successful rearing of mulberry silkworms under climatically favourable conditions. Incomes available from other crops under given local conditions also influence the area to be brought under cultivation. This could be judged to some extent by the market trend of prices. As regards mulberry silk, the bulk production is on *charkas*.

"... the index of prices showed an increase of 38 per cent. in case of *charka* raw silk in Bangalore silk market in 1958-59 as compared to 1952-53. The index of prices of other commodities, however, increased by 11.7 per cent. as a group and individually by 12.7 per cent. in the case of food articles and 15.9 per cent. in the case of industrial raw materials. This shows that production of mulberry silk could not take advantage of higher prices available to rise up in supply as compared to increase in area under mulberry cultivation. No data is available to suggest whether the supply of reeling cocoons or reeling facilities were inadequate to step up production of raw silk. However, it is clear from the data that an integrated approach is necessary for the development of silk at its various levels of production."

The decline in the productivity of the mulberry silk industry may also be attributed partly to the poor progress made in the sphere of silkworm seed output. As against the estimated annual requirements of over one million ounces, the actual production of examined seeds during 1958 was no more than 474,000 ounces, or 47.4 per cent. of the total requirements. Similarly, the actual output of non-mulberry seed was just 25 per cent. of the annual demand. The requirements and actual output, respectively, of the different kinds of non-mulberry seed during 1958 were: *Tassar* seed: 495,500 ozs. and 8,630 ozs.; *eri* seed: 44,000 ozs. and 9,100 ozs.; *muga* seed: 30 million ozs. and 7.5 million ozs. Viewed thus, the Central Silk Board has done well to set up a Central Silkworm Seed Station at Srinagar to preserve stock races and to evolve new races of silkworms meant for P_2 (grandparent). The hill-rearing stations at Coonoor, Kalimpong, B.R. Hills and K.R. Hills are also striving to produce disease-free layings and maintain good races.

In the sphere of raw silk reeling, efforts are being made to replace primitive *charka* with the improved cottage basins. In 1959, the newly introduced cottage basins produced a total of 197,376 lbs. of raw silk, as against 137,579 lbs. in 1958 and 122,494 lbs. in 1957. With regard to the reeling of non-mulberry silk, the programme for replacing crude contrivances like *natwa* and *bhir* with improved ones are under way. The All-India Sericulture Training Institute and the three regional institutes are doing good work in imparting training to sericulture candidates. There are at present three research institutes (at Berhampore in West Bengal, Channapatna in Mysore and Titabar in Assam) which are engaged in the task of evolving new and improved silkworm races, so that the yield and quality of reeling cocoons show significant improvement. In order to modernise the sericulture industry on scientific lines, the Silk Board has been sponsoring visits of sericulture experts from foreign countries, particularly Japan, and sending out Indians for study in the two premier silk producing countries, namely, Japan and China. Efforts are also being made by the Board to drive home the concept of better sericulture among silkworm rearers and reelers through the publication of a quarterly journal, issue of scientific and informative brochures for dissemination of scientific literature, and distribution of illustrated releases.

Trend of Prices

Despite the improvement since 1951, the production of raw silk (both mulberry and non-mulberry) falls short not only of the targets but also of the estimated domestic requirements of about 4.00 million lbs. Consequently, sizable quantities of raw silk continue to be imported from abroad. The imports during 1959 aggregated 341,997 lbs. valued at Rs. 61.45 lakhs. They are, of course, higher than the quantity imported in the previous year (124,047 lbs. worth Rs. 24.81 lakhs) but are much below the high level of imports in 1951, namely, 1.21 million lbs. worth Rs. 2.60 crores. In view of the deficit in supplies, the prices of raw silk produced within the country continue to be markedly higher than those imported from abroad. The latest available quotation for filature raw silk in the Bangalore silk market is as high as Rs. 40-Rs. 42 per lb., as against the f.o.b. value of Rs. 20.28 (landed cost with duty is Rs. 32.45) for the Japanese 20/22 A grade silk.

The sericulture development schemes, as already stated, are being implemented by the State Governments in co-operation with the Central Silk Board. In order to meet the financial outlay on these schemes, the Union Government gives loans and grants as is indicated below:

(In lakhs of rupees)

	Grants	Loans	Total
1956-57	33.35	27.27	60.62
1957-58	32.77	22.47	55.24
1958-59	41.87	24.37	66.24
1959-60	40.00	11.36	51.36
1960-61 (Budget)	40.00	21.36	61.36
Tota ..	187.99	106.83	294.82

While the grants and loans made available by the Centre to the States for the development of sericulture industry have been on a liberal scale, the expenditure actually incurred by the State Governments is low. During the first three years of the second Plan, as against the total amount of Rs. 182.10 lakhs sanctioned, the amount spent was only Rs. 78.58 lakhs. It would be interesting to know the reasons for the inability of the States to utilise fully the assistance received from the Centre.

MADRAS AND U.P. MILLS TO IMPLEMENT WAGE BOARD AWARD

Thanks to the efforts of Mr. R. Venkataraman, Minister for Labour and Industries, Government of Madras, agreement has at last been reached between the management and labour in the State's textile industry on the issue of implementing the recommendations of the Wage Board. The agreement was signed on 30th June after four days of negotiations. The terms of the agreement, which, it is said, will be in full discharge of the liabilities and obligations arising out of the Wage Board's award, are as follows:

A flat increase of Rs. 8 in basic wage will be implemented in full effect from 1st January 1960, at least three-fourths of arrears being paid before *Deepavali* in October next. The other flat increase of Rs. 2 is to be paid by 1st January 1962.

Three-fourths of the dearness allowance, which at present amounts to about Rs. 45, will be merged with basic pay.

Dearness allowance in future will be regulated for the excess points over 340 at the following rates in nP per point: From 1st June 1960: 21; 1st June 1961: 23; 1st June 1962: 24; 1st January 1963: 26. The present D.A. is 19 nP per point.

The new mills will also pay the aforesaid increases over and above the existing wages and

(*Continued on page 83*)

REDUNDANCY IN TEXTILE FINISHING SECTOR TO BE TACKLED

TRADING PROFITS OF MILLS IMPROVE

From Our Special Correspondent

MANCHESTER, *28th June*

MANCHESTER LETTER

A SCHEME to deal with plant redundancy in the textile finishing trade has been completed, according to informed sources within the Lancashire cotton industry. An official statement is likely this week. In his review accompanying the full accounts of the Bleachers' Association, Mr. Philip L. Wright (Chairman) said that, despite all the complex difficulties involved, a "workable scheme" was being evolved.

Efforts to evolve a redundancy scheme for the various sections of the textile finishing trade have been going on for nearly 12 months. When details of the machinery scrapping programmes in spinning and weaving were announced last summer, it was stated that a complementary plan for finishing would follow—probably in the autumn. During subsequent negotiations, it became apparent that a similar scheme based on compensation for dismantled plant presented major difficulties. Those involved could not produce a formula offering a simple system of payment for machines on the basis of the earlier project. No basic plant such as spindles and looms could be brought into the programme. But it appears that an arrangement has been reached satisfying all branches.

During the months of planning, numerous talks have taken place within the various sections and at Government level. A final hitch can yet delay an announcement, but the sponsors of the scheme are anxious to declare their intentions as soon as possible. There have been complaints from companies engaged in printing, bleaching and dyeing that the impact of reorganisation in spinning and weaving has put them at a disadvantage and the sooner redundancy is dealt with the better.

Seasonal Business

Among the problems encountered in drawing up proposals have been the varying types of machinery used in the separate sections of textile finishing, and the seasonal nature of much of the business, which makes plant redundant at some periods of the year and in short supply at others. From all accounts, however, the "skeleton in the cupboard," as it was described last week by Mr. George Spencer, Chairman of the British Cotton and Wool Dyers' Association, is to be dragged out of hiding within the next few days. The success of the reorganisation plan in the earlier processes of spinning and weaving makes it more vital than ever that obsolete machinery in finishing should be scrapped and the whole chain of production, from raw materials to finished articles, streamlined to meet the requirements of modern textile trading.

Those whose daily task is to sift the financial results of industrial companies have lately become accustomed to expect encouraging reports from concerns predominantly connected with cotton. The recent revival in activity in the Lancashire industry and the better margins which have been available since the final quarter of last year are now being fully reflected in the returns coming to hand. Even these observers, however, lifted their eyebrows last week when the statements by several important companies were received. The sunshine certainly glowed from these accounts, which did no more than justify the frequent predictions of good tidings to come, which had been widely made in the earlier months of the year.

The following table contrasts the recent experience of these particular companies showing the trading profits earned, before taxation, during the past three years:

	1959-60	1958-59	1957-58
	£	£	£
Porritts and Spencer	1,227,981	912,454	846,564
Taylor and Hartley	204,639	105,837	244,703
Bleachers' Association ..	946,429	520,059	662,962
Fine Spinners	1,917,064	770,813	2,108,659
Lancashire Cotton Corporation.	*1,946,818	2,076,271	3,229,921

* Half-year only.

It should be emphasised that the figures for the Lancashire Cotton Corporation represent only six months' trading and indicate very clearly the substantial gains made by this group, which has for long been among the leaders of British industry, let alone the textile section. Already confident forecasts are being made as to the size of annual profit figures still to come and, if current order lists can be trusted, there is no reason to suppose that subsequent business will be any less remunerative than that secured in the past nine months or so.

That the Government chose the same day to reveal its plans to cope with inflation must have been disappointing to those investors who were counting on capital gains from their textile holdings. Despite the overwhelmingly successful results shown, prices of the shares were marked down in sympathy with the uncertain tone of stock markets as a whole.

Manpower Surprise

Now that the holiday season has arrived, its usual impact on output has to be faced. On this occasion, the effect of whole districts being idle is of more consequence than sometimes in the past, particularly as there is such constant pressure for supplies. The implications of shift-working, now being used on a wider scale, also have to be borne in mind in discussing the outlook.

The more significant aspect of the situation was the rise of more than a thousand in the number of operatives available for employment in the spinning and weaving branches. To some extent, this may have been a reaction after the sharp decline of nearly 4,000 in the labour force in the previous month, but, as the increase followed the final completion of the scrapping programmes, it created a good deal of local discussion.

Manpower figures are invariably influenced by the seasonal holidays and a decline has been generally anticipated during the summer months. The position will undoubtedly be carefully watched this year in the light of the changed circumstances and the widespread efforts being made to expand the rate of output per worker. As compared with April 1959, the total manpower is about 17,500 down, but, in both waste spinning and doubling, the numbers employed are slightly higher than twelve months ago.

Cotton Research Policy

An assurance that there was no bar against the employment of African scientists on the staff of the Empire Cotton Growing Corporation was given at the annual meeting in Manchester by Lord Derby, President of the Corporation. He told the meeting that the policy of the organisation was to have Africans working for it. One was already employed in research work and he hoped that more would follow. The statement was made after Sir Geoffrey Nye, Agricultural Adviser to the Secretary of State for the Colonies, had said that it would be fatal for the Corporation if it were to be looked upon as a "closed shop" for expatriates.

Lord Derby commented on the increase in output of raw cotton during the past year in the eight territories administered by the Corporation. Production, he said, had increased by nearly 50 per cent. on the previous year and had reached a record of over 1,500,000 bales. This was nearly 250,000 bales more than the total quantity of cotton used annually by British spinners.

New Merger Move

Two textile giants are involved in a £2 250,000 merger announced this week which, if accepted, will give J. and N. Philips Ltd., the Manchester drapery group, control over Horrockses, Crewdson and Co. Ltd., the Preston spinning and weaving firm, whose fabrics are world-famous. This follows a move to co-ordinate the activities of the companies announced in March. The current bid offers one new ordinary share of 5*s.* 0*d.* in Philips and 32*s.* 6*d.* in cash for each £1 ordinary stock in Horrockses. The statement indicated that acceptances representing 36 per cent. of Horrockses' capital are already assured, together with the £168,950 of Horrockses' £1,000,000 ordinary stock already held by Philips, so that voting control is certain.

In the six months to the end of February, Horrockses report a small loss on trading, but the Philips group announces that turnover in the current trading period is higher than a year ago and forecast that profits should justify a 7½ per cent. dividend on capital as increased by the issue to Horrockses' stockholders.

Little Export Variation

Output per worker in the Lancashire cotton industry may be running at a higher level as a result of the changes brought about by the redundancy schemes, but nothing seems to jolt the overseas trading position out of its rut. After five months of 1960, exports are just about holding their own, but arrivals of foreign cloth and yarn are still mounting. The May returns shows no appreciable variation from recent trends. Shipments of woven fabrics dwindled a little to below 30,000,000 square yards and over the five months aggregated 146,836,000 square yards. This compared with 143,928,000 square yards last year.

A significant change has lately taken place in yarn exports. Those of cotton fibres are generally around the 2,000,000 lbs. mark monthly, while shipments of man-made fibre yarns amounted to 4,866,000 lbs. in May and 4,651,000 lbs. in April.

Imports of cotton grey cloth alone again exceeded 50 million square yards last month and total cloth arrivals were 61,742,000 square yards. This brought the five-month aggregate of all types of fabrics imported to 297,230,000 square yards, as against 196,603.000 square yards last year, of which grey cloth amounted to 243,837,000 yards, as against 167,656,000 yards.

Arrivals of finished cotton goods so far this year are not far short of double last year's quantity, being 53,393.000 square yards. Cotton yarn imports have also shown a marked expansion from 9,609,000 lbs. to 16,648,000 lbs. In the man-made fibres branch, yarn arrivals have gone up from 1,273,000 lbs. to 4,757,000 lbs. and cloth imports have risen from 13,815,000 square yards to 22,981,000 square yards.—*All Rights Reserved.*

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1959-60—A SEASON OF RECORDS FOR WORLD COTTON

OUTLOOK FOR NEXT YEAR REASONABLY OPTIMISTIC

THE 1959-60 world cotton season, which will end on 31st July, will go down in the annals of the fibre as a season of records. Production, consumption and trade during the season are all expected to be at peak levels. Surplus there still is—in the United States—but, even so, the excess of disappearance over production during the last four seasons has enabled the U.S. to reduce its holdings to more manageable proportions. The latest estimates of U.S. stocks at the end of the present season place them at a little more than half the peak witnessed in 1956. What is even more important, this reduction has not been accompanied by any heavy build-up of stocks in other producing countries.

The reduction in cotton surplus in recent years can be attributed to numerous factors but, according to the annual review of the world cotton situation published by the International Cotton Advisory Committee, Washington, and published in its bulletin *Cotton* for April-May 1960, it has been made possible, in large part, by curtailment of production, a high level of exports to communist countries and a marked increase in consumption in several parts of the world. At the beginning of the season, now fast drawing to a close, stocks were down by more than a million bales, as compared with a year ago and about five million bales below the 1956 peak of 22.30 million bales (each bale—478 lbs. net weight) and lower than at any time since 1953. The following table indicates the supply and disappearance of cotton during the three seasons, namely, 1957-58, 1958-59 and 1959-60, the figures for the last mentioned season being preliminary:

Supply and Distribution

(In million bales)

	1959-60 (Preliminary)	1958-59	1957-58
Opening Stocks			
United States	8.9	8.7	11.4
Other net exporters	3.4	3.9	3.0
Net importers	5.2	6.1	6.2
Total	17.5	18.7	20.6
Production			
United States	14.6	11.5	11.0
Other countries	16.5	17.6	16.9
Total supply	31.1	29.1	27.9
	48.6	47.8	48.5
Consumption			
United States	9.1	8.7	8.9
Other countries	21.7	20.4	20.5
Total	30.8	29.1	28.5
Net exports to Communist countries	1.2	1.2	1.3
Destroyed	0.1	0.1	0.1
Total disappearance	32.1	30.4	29.9
Ending stocks	16.5	17.5	18.7
Exports			
United States	6.5	2.8	5.7
Other countries	8.0	8.7	6.9
Total	14.5	11.5	12.6

Maldistribution of Production

Much has been said of the chronic tendency towards surplus but there is an equally important aspect to this problem, namely, the maldistribution of productive resources. Production during the season was the highest ever. Yet there is scarcity in the midst of plenty and some countries are currently experiencing difficulties in obtaining sufficient cotton to meet the needs of their domestic textile industries. India is the classic example where, due to inordinately low yields, resort has had to be taken to large-scale purchases abroad. In such countries the need to step up production becomes imperative if dislocation of the domestic textile industry is to be averted.

Efforts to stimulate production, in the context of world surplus situation, are justified, in some instances, on the ground that increased domestic consumption has been at the expense of exports which many countries still consider vital to their overall economies. Pakistan and Brazil fall into this category. On the other hand, some countries are still restricting production in the interests of maintaining equilibrium both at home and abroad. The typical example here is the U.S.

In some countries, notably Mexico and the Central American republics, cotton cultivation was affected by the collapse in cotton prices at planting time and apprehension over future trend. In others—India, Pakistan and Uganda, for example, production suffered due to adverse weather. Only in a few instances have there been any real increases—in Brazil, the Sudan, Egypt, Colombia and Spain and on balance, production in the free world outside the U.S. is lower by over a million bales from last season and at the lowest point for several years. The maintenance of record high yields and a marked expansion in acreage accounts for the increase of over three million bales in the U.S. crop which has more than offset the fall in output in other countries, resulted in a net increase in total production by some two million bales to 31 million bales.

Upsurge in Consumption

An encouraging aspect of the cotton situation this season is the upsurge in consumption. This is a welcome trend, as the ultimate solution of the surplus problem lies in increasing consumption. Total free world consumption during the current season is estimated to aggregate 30.8 million bales, as compared with 29.1 million bales in 1958-59, the largest single increase in any one season since the Korean crisis.

The rise in consumption is the result of many factors of which two deserve special mention. The first is a broadening of demand for textile in many countries at the retail level, consequent on their movement to a high level of economic activity. Secondly, in several countries, textile manufacturers had cut their stocks of cotton to low levels due to the depression in their industry for two consecutive years. Consequently, when the demand for textiles picked up unexpectedly, there was a perceptible rise in the offtake and consumption of cotton. In fact, the improvement in consumption has been almost universal.

The upswing in the United States came much earlier than in other countries, with the main increase taking place last season. Although, on a seasonally adjusted basis, the daily rate seems to have levelled off recently, consumption is estimated to exceed 9 million bales, as compared with 8.7 million in 1958-59.

Western Europe is enjoying a textile boom and, with consumption at peak levels in many countries, aggregate consumption should be around 7.5 million bales—an increase of about 10 per cent. In the United Kingdom, despite the contraction in the labour force, cotton yarn output is substantially higher mainly on account of the elimination of short-time working and an increase in productivity. On the Continent, the real upswing dates from the end of last season. A contributing factor here has been the marked increase in cotton textile exports but rising imports are a source of concern in some countries.

Yarn production curtailments have been progressively relaxed in Japan and cotton consumption is now almost back to its pre-recession level. However, in view of rising inventories and the weakness in textile prices recently, present optimism is tempered by some apprehension over the future and leaders of cotton industry have renewed their warnings against the dangers of overproduction. In India, the sharp reduction in mill stocks of cotton cloth put the industry in a strong position and, although the situation is now obscured by the acute shortage of indigenous cotton, on all other counts, the situation appears favourable.

International Trade

Not only production and consumption but also the international trade has been at record level. Exports are expected to be round 14.5 million bales. These are three million bales higher than the performance in 1958-59. The main reasons for the rise in exports are lower price, higher consumption and the crop failure in India. With the prospect of lower price, imports by most countries were held to the minimum in the last season, with the excess of consumption over imports, amounting to 800,000 bales, having been met by drawing on stocks. In order to maintain even the recession level, therefore, imports had to increase by this amount. But consumption in net importing countries was also up by a million bales or more and imports had to increase accordingly. The shortfall in production in India means that its imports will be about double the normal level, thus adding about half-a-million bales to exports from other countries. It is also probable that the present price situation may induce importers to carry higher stocks resulting in a further addition to exports this season.

The impressive increase in U.S. exports this season was inevitable, owing to reduced availabilities in other countries, but price developments have also been important. Exports from the U.S. this season are expected to exceed 6.5 million bales which will result in a further liquidation of stocks in that country. Aggregate exports of other countries are expected to be slightly lower in the neighbourhood of 8 million bales, as against 8.7 million bales in 1958-59. The reason for this decline is not lack of demand. Either due to smaller crops or lower opening carryover stocks or both, many exporting countries could not match last season's exports. Mexico, the Central American countries, Peru, Pakistan, Greece and Uganda are typical examples. In others, exports could only be maintained at last season's level by reducing stocks to the point where the interests of domestic textile industries might be impaired. In some countries, particularly Egypt, Turkey and Syria, however, larger crop and the availability of stocks from last season's crop, hold out the probability that exports will increase.

Trade With Red Bloc

Exports to the communist countries, amounting now to about 1.5 million bales annually, have been of mutual benefit to participating countries and a major factor in the reduction in the world cotton surplus. Nevertheless, it introduces a further element of uncertainty into any realistic appraisal of cotton's future. The development of trade with these countries seems to have been related to the tendency for consumption to exceed production in recent years and, ignoring others, perhaps equally important but less tangible influences, the same is likely to be true for the period immediately ahead. This is but one reason why the situation in these countries warrants, according to the I.C.A.C., continued vigilance by the rest of the free world. Proceeding, the review draws attention to the less favourable aspect of trading relationship with the communist countries, namely, the competition in the field of cotton textiles. Exports of cotton textiles from Mainland China, after successive gains upto 1958, have currently fallen off; but there are reports that the U.S.S.R. is more actively engaged in Far Eastern markets. The unknown factors, however, are, as the review rightly says, whether and when China will eventually reassert in the export market and what ambitions the U.S.S.R. and Eastern Europe have towards an expanded market for cotton textiles.

Future Prospects

Discussing the prospects for the next season, the authors of the annual review of cotton for the International Cotton Advisory Committee make the following points in regard to production, consumption, trade and price:

"*Production*: Acreage in many countries is likely to increase this year, that is 1960-61 which, other things being equal, should result in a larger world crop. In the U.S., the maximum acreage which can be planted to cotton remains virtually unchanged but underplantings are expected to be less this year. Using the same yield as in the last two seasons, production would come out at roughly 15 million bales. Elsewhere, improved cotton prices and a ready offtake would seem to argue for some increase in cotton acreage this year and recent reports confirm this in many countries. A key factor in the production outlook is India where the target for 1960-61 under the second Five-year Plan is for a crop of about 5 million bales. However, based on normal plantings of some 20 million acres and average yields, the potential seems to be somewhat less than this but still around a million bales more than what was harvested during the present season.

"*Consumption*: In the U.S., most observers are of the opinion that consumption may have temporarily reached its peak.

"Western Europe is proceeding apace with programme for the rationalisation of the textile industry designed to make the industry more competitive. At the other end of the line, there is almost universal recognition of the importance attached to promotion in developing cotton's potential market. Cotton Council International's programmes are currently in operation in eleven countries. Although such developments, allied to the economic integration of Western Europe within the framework of the Common Market and the Free Trade Area, will be potent influences on the long-term outlook for cotton textiles, they may not be without significance even in the short run. Demand next season will be governed by the economic climate generally on which opinion seems to be reasonably optimistic, at least for 1960. If this is the case, then, on balance, the facts seem to point to a continuing high level of consumption during the rest of this year.

"In Japan, the reappearance of a surplus and consequently little chance of any further relaxation of production controls, are in sharp contrast to the situation earlier in the season and caution against any undue optimism is warranted in speculating upon the industry's future. In India, everything hinges on a return to more normal cotton production, in which case, the future becomes

(Continued on page 86)

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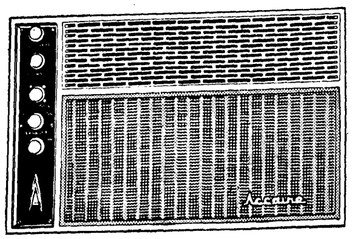

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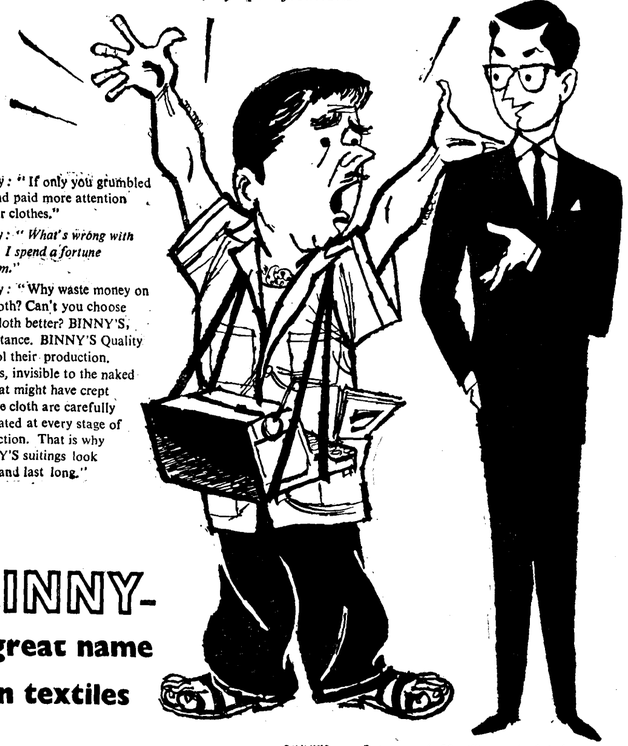
Scruffy and Smarty

Scruffy: *"I shall be saddled with a typewriter all my life. And look at my qualifications."*



Smarty: "If only you grumbled less and paid more attention to your clothes."

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TOKEN STRIKE BY SUGAR DEALERS

IMMEDIATE ABOLITION OF CONTROLS URGED

UGAR merchants, agents and brokers in the different parts of India will have observed, the time these lines appear in print, a one-y token strike to protest against the Govern-ent's failure to lift controls on sugar. ne objective of the strike is twofold: draw the attention of the authorities to the nsiderable hardship caused by controls to the numerable persons who were formerly depend-ig mainly on sugar trade for their living; and highlight the fact that the continuance of ntrols has not only not been benefiting the nsumer but actually been working against his terest. Addressing a Press conference in mbay on 30th June, Mr. Parsram Parumal, resident of the Bombay Sugar Merchants' sociation, observed as follows:

"With the imposition of controls on sugar, the ntire normal channel of distribution, namely, the ade, has been eliminated, with very serious con-equences of maldistribution and unemployment. ecause of the defective distribution system under ontrols, sugar does not reach the rural areas in equired quantities, with the result that a large ajority of consumers in interior areas have to pay igher prices in black market, as much as Rs. 150 o Rs. 200 per bag (the officially fixed wholesale ssue price for D29 grade sugar in Greater Bombay s Rs. 116.08 for bag). The maldistribution inher-nt in controls on a commodity like sugar has given scope for anti-social elements to exploit the con-umers. What has happened is that, apart from a ew big cities, the general consumer has not bene-fited at all by the controls."

Reiterating the plea for removal of controls on sugar, Mr. Parsram Parumal said:

"It is rather inexplicable why the Central Government is deferring abolishing present controls. Some State Governments like Gujarat have rightly realised the abnormality of controls in the present context and are understood to have approached the Centre for taking necessary steps to effect decontrol .... Controls on sugar should be removed forth-with. If decontrol is effected, consumers through-out the country will get sugar at a fair, normal price. Thousands of traders and a vast number of dependents such as brokers, *mucadams* and labourers will get employment, which, in reality, is a fundamental obligation of our democratic Government."

Output Rises Markedly

The plea for decontrol of sugar may appear to be justified, but it is doubtful whether the present time is opportune for giving effect to it. The statistical position of sugar has, of course, improved perceptibly. The production perform-ance of mills in the current season has been much better than expected in the beginning of the season. The quantity of sugar actually pro-duced upto 4th June 1960 amounted to 2,404,000 tons, as against 1,918,197 tons in the correspond-ing period of 1958-59. As on this date, four mills were still crushing. The aggregate output for the whole season is estimated at 2,410,000 tons, representing a rise of 491,803 tons as compared with the last season's total. It may be recalled that Mr. S. K. Patil, Union Minister for Food and Agriculture, stated in Parliament in March last that the sugar output would be higher by just 200,000 tons. The increase has actually turned out to be double this figure. The all-India first estimate of production made by the Directorate of Economics and Statistics also placed the net rice at no more than 300,000 tons.

The improvement in sugar production is more than the shrinkage in the opening stocks with mills, so that the total available supply is larger than that in the previous season, as is indicated below:

(In thousand tons)

	1959-60	1958-59
Open stocks	174	336
Production	2,410	1,918
Total supplies ...	2,584	2,254
Exports	*Nil*	19
Supplies available for domestic consumption ...	2,584	2,235
Per capita availability (lbs.) ...	14.39	12.57
Population (in million)	403	398

Stocks Large

As against the total available sugar supply of 2,584,000 tons in the current season, the consumption requirements are placed at 2,050,000 tons on the basis of actual despatches upto 31st May which aggregated 1,123,000 tons, as against 1,229,000 tons in the same period during the 1958-59 season. The closing stocks at the end of the current season (31st October 1960) are, there-fore, expected to be of the order of 534,000 tons. These are about 360,000 tons more than those on 1st November 1959 and 198,000 tons more as com-pared with the stocks held on 1st November 1958. It may be noted here that the closing stocks of sugar on 31st May 1959 stood at 1,412,000 tons, as against 1,006,000 tons a year before. Even after meeting the requirements of the 250,000-ton buffer-stock which Mr. Patil has been wanting to build, there will still be left a siz-able opening balance of 284,000 tons when the new season begins on 1st November.

Despite the highly encouraging sugar sup-ply position thus, some sugar circles feel that a sudden plunge towards decontrol would not be desirable during the off season, more especially now because of two considerations. One, free movement of sugar is often interrupted by heavy rains. Two, it is too early to say anything about the size of the sugarcane crop that will be har-vested in the ensuing season. It would, there-fore, be better if the decision to decontrol sugar is postponed till the commencement of the next season when a clear picture of the cane crop position can be had.

Other Points to be Noted

There are also a few more points to be noted in this connection. In comparing the pro-duction this year with the previous year, one must remember that the 1958-59 season was a poor one. There are hardly any stocks of sugar in the pipeline now and it is a moot point whe-ther the stocks available after the provision for buffer-stock will be sufficient to take care of the normal stocking requirements of the trade. Again, the population to be served and the pur-chasing power in the hands of people are greater than two or three years ago. Having regard to all these factors, the risk involved in decontrol should be taken only when it can serve as an effective stimulus to increased production. Mr. Patil has made it abundantly clear that, when the time comes, controls on sugar will not re-main for 24 hours. The sugar industry and trade can accordingly proceed on the assumption that sugar will be free of all controls very soon after the beginning of next season, provided, of course, the cane crop position promises to be satisfactory.

There is no doubt that the abolition of con-trols on sugar at the right time will lead to en-larged availability of sugar for consumption. For the sugar mills will then be in a position to take full advantage of the freedom to buy cane in competition with *gur* and *khandsari* manu-facturers. This assumption will be true only if the Government does not fetter the hands of in-dustry by insisting on gentleman's agreements in regard to prices. It may be that prices of sugar will tend to rise immediately after decontrol is announced, but the authorities should not get perturbed. On the contrary, they should have the patience to wait for some rea-sonable time for the free market forces to func-tion and bring about equilibrium between sup-ply and demand. For, once production goes up markedly, prices will definitely come down and stand at reasonable levels. What is more, the very building up of a buffer-stock of 250,000 tons as proposed by Mr. Patil, together with the free movement of the commodity from one place to another, can be expected to impart stability to the sugar market. Another important assump-tion here is that neither the authorities nor the industry should talk about, let alone act, ex-porting sugar. India has no real surplus of sugar for export. Nor will it have any for some years to come. The aim should be to bring down the price of sugar for the domestic consumer by establishing a sustained comfortable supply position. Let it be remembered that India has to implement a third Five-year Plan, involving a huge investment of Rs. 10,000 crores to Rs. 11,000 crores. There must be an adequate supply of food and consumer goods to meet the purchasing power generated by an investment expenditure of this magnitude. Sugar belongs to the category of both.

"KHANDSARI" MANUFACTURE

The U.P. State Planning Research and Action Institute has designed, in collaboration with the National Institute of Sugar Technology, Kanpur, a new device which, it is claimed, will augment re-covery of *khandsari* sugar from cane from the usual level of 5.5 per cent. to 7.5 per cent.; the recovery is expected to be raised further to 8 per cent. on the basis of experiments now being conducted. The device is the introduction of an improved six-roller crushing unit with hydraulic pressure attachment. The design of the unit has already been released to machine manufacturers for producing it on a com-mercial scale.

Another improvement effected in the process of *khandsari* manufacture is the introduction of a wet bagasse furnace designed by the Kanpur Institute. This device burns wet bagasse directly without getting it dried and can be usefully adopted in open pan sugar factories. It is said to have a positive advantage over the conventional furnace in effecting saving in drying cost, as well as in overall economy by keeping the unit in operation non-stop.

A NEW TYPE OF SUGAR

A new type of sugar that prevents dental cavities has been developed by a French dental expert, Dr. Dubois Prevost, chief of the laboratory at the Bichat Hospital in Paris. The type is pro-duced by just adding a little egg white to sugar. Normally, sugar, Dr. Dubois Prevost says, is responsible for dental cavities which affect about 15 per cent. of children from 3 to 6 years, 61 per cent. from 7 to 15 years and 90 per cent. of adults. According to him, the natural product "Lysozyme," found largely in egg white, is a more powerful bactericide than antibiotics and kills the microbes which cause cavity-producing acids.

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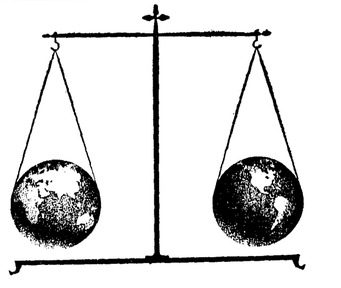

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EMPLOYMENT AND WAGE STATISTICS

SOME SERIOUS DEFICIENCIES IN THE EXISTING SYSTEM OF COLLECTION

By A Statistician

MOST of the economic statistics in India are a by-product of administration and originate in the very process of implementing certain laws, rules and regulations, or in discharging functions assigned to executive agencies. Very few statistical series are ordered with the sole purpose of meeting the statistical needs and, even here, the data collected may not conform on all fours to the conceptual framework. Adoption of existing concepts, definitions, and distinctions may vitiate the results of such enquiries and investigations, as the empirical equivalents of the terms and definitions may be at variance with the theoretical concepts. The existing concepts, definitions and distinctions are usually employed as a compromise, partly because of lack of any other alternative definitions and concepts and partly because they may have become familiar and acceptable by usage, custom and convention.

Quality of data, therefore, depends on how far the data conform to the conceptual framework and the accuracy and precision with which they are collected and observed. This is true in both the situations—whether a separate and direct enquiry is conducted or the information originates as a by-product of administration. It will thus be seen that quality of data cannot be guaranteed, unless it is ensured that the various concepts, definitions and terms employed conform to the theoretical framework in their empirical equivalents and utmost care is exercised to ensure accuracy and completeness in collection and observation. Such a thing hardly exist even in a fully developed statistical system and hence all information collected is subject to varying degrees of errors arising out of non-conformity with the theoretical framework and inaccuracies in observation. In what follows an attempt has been made to examine the employment and wage statistics, the two important statistical series, in India.

Employment Statistics

Statistics of employment in factories are collected as a by-product of administration and enforcement of the Factories Act, 1948 and the Rules framed thereunder. These employment statistics are collected on the principle of "at work" in respect of all persons coming within the definition of a "worker" as defined in Section 2(1) of the Factories Act, 1948. The Factories Act, 1948 is primarily a social legislation, designed to regulate the conditions of work and service and to provide certain basic welfare facilities and, in order that the benefits of its various provisions may accrue to as many persons as possible, the term "worker" has been so defined that any "person employed, directly or through any agency, whether for wages or not, in any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work incidental to, or connected with the manufacturing process, or the subject of the manufacturing process," is a worker within the meaning of the Factories Act, 1948.

The definition, as can be seen, is comprehensive and flexible and any person, irrespective of the nature of work performed by him, can be brought within the ambit of the definition, provided it can be proved to the satisfaction of the executive and judicial authorities that the person was employed on any kind of work "incidental to or connected with the subject of manufacturing process." This comprehensiveness and flexibility in practice mean unfettered freedom to the factory-owners to include persons who cannot be strictly called "operatives" as understood in common parlance. There would be little harm if all the factory owners include uniformly the same categories of personnel, but, in the absence of any definite guidance provided by the Act or the Rules in the matter, the factory owners include all those persons whom they consider as "workers" within the definition of the Act. In some establishments, clerical, watch and ward staff and directional and supervisory personnel are included, while they are excluded in others. There is no uniform practice and hence the statistics of employment in factories do not precisely relate to the employment of skilled and unskilled operatives as is commonly believed. It is a mixed bag and no one knows the relative proportions of various categories of personnel included. Incidentally, it may be mentioned that, at a recent conference of Chief Inspectors of Factories held at Ranchi, a decision was taken to expand the scope of the definition of "worker" under the Factories Act so as to cover maximum number of employees, some of whom are excluded at present from the purview of the Act.

These employment statistics are collected according to the principle "at work." According to this principle, the average employment per day is calculated by dividing the aggregate number of attendances on all working days by the number of working days in the year. Partial attendances for less than half a shift of working day are neglected for calculating the average daily employment, while partial attendances for half or more than half a shift are counted.[1] It is not clear how partial attendances for less than half a shift can be neglected, because "attendance" is a characteristic which cannot be neglected, excluded, or divided. Either it is there or it is not there. Apart from causing diminution in the total employment figures, such exclusion of partial attendance is not tenable on conceptual grounds.

"At Work" Principle

Employment statistics computed according to the principle "at work" are not useful in gauging the employment situation or indicating the trends of employment, as these statistics are always on the lower side and hence fail to reflect correctly the changing employment position. These may be useful for calculating "average earnings" and "productivity per manhour" but these are certainly not relevant for measuring employment position. When employment statistics are used for measuring the employment situation, the presumptions are that so many persons are attached to a particular industry from which they derive their livelihood and hence are not available for employment. It is these presumptions implicit in the use of employment statistics for measuring employment situation that render the data collected according to the principle "at work" useless for economic analysis. The International Labour Office, in its publication *Employment, Unemployment and Labour Force Statistics* has made the following observations:

> "It is recommended that the statistics of employment in establishments should include all persons attached to the establishments, regardless of age, and regardless of whether or not these persons are actually at work on the date to which the statistics relate." (Chapter VI, page 50.)

In order to collect statistics of employment in factories according to the concept of "employment" enunciated by the I.L.O., it is necessary to collect data with reference to a point of time and not a period of time. The establishments should be asked to report the total number of persons on roll *as on* a particular date/day whether (a) at work, (b) on paid or unpaid sick, holiday or vacation leave, (c) on temporary layoff due to lack of work or lockout, (d) on temporary furlough due to stoppage of work because of sudden breakdown of machinery, fire, civil commotion, epidemics or shortage of raw materials and fuels, (e) on strike. In order to get an idea of the seasonal change in employment, the figures may be collected *as on* the last working day of each quarter of the year instead of collecting two figures of average daily employment—one six-monthly and one-yearly average—based on the concept of "at work." Moreover, from the standpoint of reportability it is easier to report the number of persons on roll *as on* any specified date than to calculate the average daily employment by aggregating total attendances and dividing these by the total number of working days in a period.

It is more than a decade since the Factories Act was amended to give statutory recognition to the principle of leave with wages, but this improvement in the conditions of service does not find its reflection in statistics of employment collected under the Factories Act and the Rules framed thereunder. The other industrial matters such as abolition and reduction of posts; and suspension, dismissal, termination and retrenchment due to lockout, strike, lack of work or any other reason have been regularised by the provisions contained in various State and Central Labour laws such as Industrial Disputes Acts, Industrial Relations Acts, Industrial Employment (Standing Orders) Act, 1946, Minimum Wages Act, etc. All these developments mean that, if a worker is "not at work," it does not necessarily imply that he is not "employed" or attached to the industry or is available for employment elsewhere.

Statistics of employment in mines are also collected according to the principle "at work" under the provisions of the Indian Mines Act, 1952 and the Rules framed thereunder and the above remarks equally apply to the data relating to employment in mines. However, in the Censuses of Government Employees conducted by the Central and State Governments, the concept of employment adopted is more in conformity with the I.L.O. recommendations. The data collected refer to the number of persons holding the posts as on a particular date whether at work, on leave, deputation, etc.

The importance of employment statistics in a developing economy like India where large expansion of employment opportunities is one of the objectives of development, hardly needs special emphasis. These employment statistics are being increasingly used for the formulation of programmes and their evaluation. There is an urgent need to change the basis of collection, if the series of employment statistics has to be more meaningful and useful.

Statistics of wages paid to workers employed in factories, railways, tramways, motor omnibus services, docks, wharves, jetties, inland steam vessels, mines, quarries, oilfields, plantations, and workshops[2] are collected as a by-product of administration of Payment of Wages Act, 1936, the various provisions of which are mainly designed to ensure prompt payment of wages and regulate deductions and fines to the workers or persons employed in the industrial establishment mentioned above. The Act covers all the workers employed in the "Industrial establishments" as defined in Section 2 (ii) drawing wages or salaries not exceeding Rs. 400 per month.[3] Here exclusion or inclusion of any class or category of workers is not based on any principle or criterion as is provided under the Factories Act, 1948, but on the amount of wages or salaries drawn for a particular wage period. No distinction is made between manual and non-manual workers. En passant, it may be noted that there is no correspondence between the number of workers included for calculating average daily employment under the Factories Act, 1948 and the number of workers for which wage statistics are computed and compiled under the Payment of Wages Act, 1936. The implications of these divergences will presently be commented upon.

Term "Wages" Defined

The term "wages" has been defined in clause (vi) of Section 2 of the Act and, according to this definition, "wages" include "all remuneration, capable of being expressed in terms of money" and "any bonus or other additional remuneration of the nature aforesaid which would be so payable and any sum payable to such person by reason of his termination of his employment, but does not include—

(a) the value of any house accommodation, supply of light, water, medical attendance or other amenity, or any other service excluded by general or special order of the State Government;

(b) any contribution paid by the employer to any pension fund; or provident fund;

(c) Any travelling allowances or the value of any travelling concession;

(d) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment; or

(e) any gratuity payable on discharge."

Section 7 of the Act authorises certain permissible deductions from wages and such deductions may be made on account of—

(a) Fines.

(b) Absence from duty.

[1] In some of the States like Madhya Pradesh, Bombay, etc.

[2] The appropriate Governments (Central and State) have extended the provisions of the Act to factories, industrial establishments and plantations as defined in clauses (i) to (iii) of Section 2 of the Act, in accordance with the threefold classification of subject fields provided in the Constitution and the existence of particular economic activities.

[3] Prior to 1st April 1958, the limit was Rs. 200 per month.

(c) Damage to or loss of goods, expressly entrusted to the employed person, for custody; or for loss of money for which he is required to account.

(d) Housing accommodation supplied by the employer.

(e) Amenities and services supplied by the employer, excluding the tools and raw materials required for the purpose of employment.

(f) Recovery of advances or adjustments of overpayments.

(g) Income-tax payable by the employed persons.

(h) Decree passed by the order of a competent court or other competent authority.

(i) Subscriptions to and for repayment of advances from any provident fund to which the Provident Fund Acts, 1925 applies or any recognised provident fund as defined in Section 58A of the Indian Income-tax Act, 1922 or any other provident fund approved by the State Government.

(j) Payments to co-operative societies approved by the State Government or to a scheme of insurance maintained by the Indian Post Office; and

(k) Contributions to War Savings Scheme approved by the State Government or purchase of securities of the Government of India.

The purpose of mentioning all these legal provisions *in extenso* is to give an idea of the nature and scope of "wage statistics" collected under the Payment of Wages Act, 1936. Clause (vi) of Section 2, read with Section 7 of the Act, defines the scope of wage statistics as collected under the Payment of Wages Act, 1936. The annual return prescribed under the Act and Rules framed thereunder provides for the collection of following data:

(a) Number of days worked during the year

(b) Average number of persons employed daily during the year classified by sex and "age group" categories adopted under the Factories Act, i.e., adults, adolescents and children

(c) Gross amount paid as remuneration to these persons including deductions under Section 7(2).....of which the amount due to bonus is.....and that due to money value of concession is.....

(d) Total wages paid including deductions under Section 7(2) on following accounts, viz.,

(i) Basic wages including bonus

(ii) Dearness and other allowances in cash

(iii) Arrears of wages in respect of the previous years paid during the year.

(e) Number of cases and amount realised as,

(i) Fines

(ii) Deductions for damage or loss

(iii) Deductions for breach of contract

(f) Disbursement from fines fund.

Independent Estimates

From the above data collected in these returns, independent estimates of following statistics can be framed on the presumption that all the deductions made under Section 7(2) of the Act have been included in basic wages and overtime payments:

(a) Basic wages including overtime payments.

(b) Dearness and other allowances in cash.

(c) Arrears of wages in respect of the previous years paid during the year,

(d) Bonus, and

(e) Money value of concessions.

The expressions "basic wage" and "concessions" have not been defined anywhere in the Act, Rules or form of return and, in the absence of any precise definitions, these are to be understood and interpreted in their usual meanings and connotations. It is not clear whether,

(i) the "basic wage" is computed according to the definitions of "wages" given in Section 2(vi) of the Act, and,

(ii) the exceptions or exclusions specified in the provisions (a) to (e) of Section 2(vi) have been taken into account while computing "gross amount paid" along with the deductions under Section 7(2) of the Act.

It will thus be seen that from the data collected, no estimates of wages conforming to the definition of "wages" as given in Section 2(vi) can be framed, as the "basic wages and overtime payments" reported are inclusive of following two deductions which are excluded from the definition of "wages" as given in Section 2(vi):

(i) deductions for house accommodation supplied by the employer; and,

(ii) deductions for such amenities and services supplied by the employer.

As the data are collected on paid and not payable basis (received and not-accrual), the "wages" reported as paid do not relate to the period for which the return is submitted. For example, bonus paid during the year may relate to any of the previous years. Similarly, when there are industrial disputes with regard to wages, overtime payments, etc., the amount paid out as wages during the year may not reflect what actually accrued.

Estimates of Wages

In the absence of clear instructions and directions, the factory owners and employers furnish the returns according to the interpretations which they place on these various concepts, definitions and expressions used in the form of return. It is common knowledge that, even when elaborate instructions are issued for filling up mailed questionnaires, the respondents in a majority of cases do not fill in the forms strictly in accordance with these instructions, with the result that the information that one gets in these returns is of doubtful validity. Be that as it may, on the basis of provisions in the Act, Rules and the design of the form, the following estimates of wages can be built up:

(i) Gross *real* earnings received, the time of accrual being immaterial; and,

(ii) Gross *money* earnings received, the time of accrual being immaterial.

These two estimates are no doubt useful to know the total gross receipts either in real or monetary terms of labour employed, but the information collected does not help in building up the following estimates of wages which are more significant from the standpoint of economic analysis:

(i) Gross *real* earnings accrued, the time of receipt being immaterial;

(ii) Gross *money* earnings accrued, the time of receipt being immaterial;

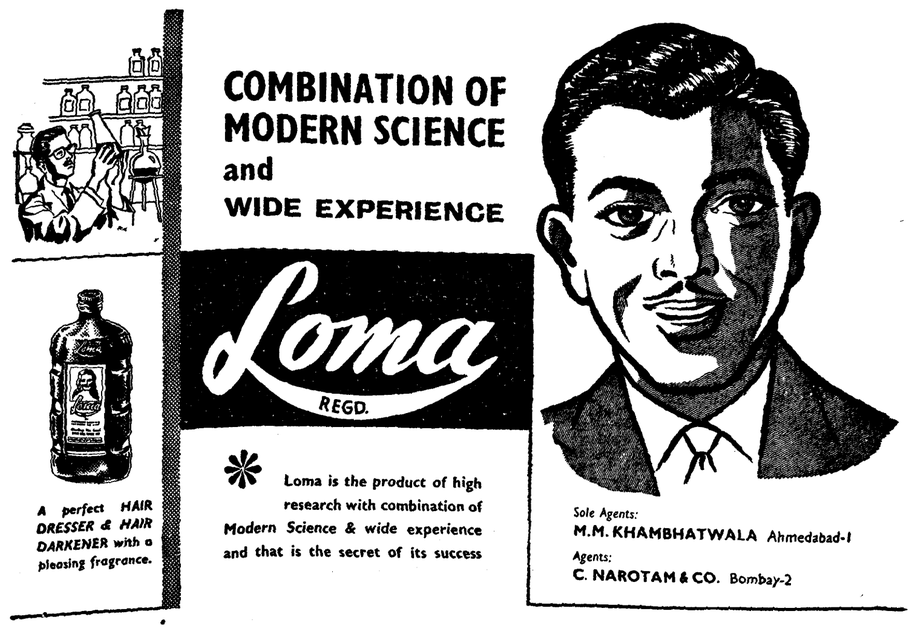
(iii) Net disposable income or money earnings; and

(iv) Average money income or earnings.

As the data are collected on paid and not payable basis and as no independent and separate estimates of *all* deductions made on account of various items listed in Section 7(2) of the Act excepting for three items, i.e., fines, damage and breach of contract, it is not possible to build up these estimates. The estimates of "net disposable income or earnings" and "average money earnings" are important and significant from the standpoint of economic analysis and particularly national income. They can be put to wide variety of uses.

As stated earlier, the statistics under the *Payment of Wages Act, 1936 relate only to those* workers or employees who receive less than Rs. 400 per month and not to all "workers" as defined and covered under the Factories Act, 1948. Though the instructions in the revised forms clearly state that the "average number of various categories of workers" to be reported in the return under the Payment of Wages Act, 1936 should relate to those for whom wage statistics are reported (those receiving less than Rs. 400 p.m.), generally the factory owners or employers report the same average number as given in the annual return under the Factories Act, 1948. This lack of correspondence was more pronounced when the upper limit was Rs. 200 p.m. and it still continues, of course, on a lesser scale, under the present limit of Rs. 400 p.m. This limitation of data precludes calculation of gross real or money earnings. In the past, a number of important studies were conducted to measure earnings and real earnings of workers in specified employments (factories, mines, workshops, etc.) on the basis of data collected under the *Payment of Wages Act, 1936* and conclusions were drawn and recommendations were made. In view of the several limitations of wage statistics discussed above, the conclusions and recommendations hardly need any comments. There is an imperative need to have an independent and separate series of wage statistics free from non-statistical considerations. In the context of economic planning and development, the need for such a series hardly requires any special emphasis. The Central Government has already brought into force the Collection of Statistics Act, 1953, which empowers both Central and State Governments to collect various types of labour statistics. With these statutory powers, the Central and State Governments should evolve an integrated programme for the collection of labour statistics which would be more in conformity with the conceptual framework.

[1] In some of the States like Bombay, Uttar Pradesh, etc.



THIS IS AN ANNOUNCEMENT AND NOT AN OFFICIAL COPY OF THE PROSPECTUS

1. Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

2. A Licence has been obtained from the Central Government for the establishment of this new Industrial Undertaking of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

The Subscription List will open at 10 a.m. on 18th July 1960 and will close at 2-30 p.m. on 25th July 1960 or earlier at the discretion of the Directors, but not before the close of banking hours on 23rd July 1960.

JAYANT PAPER MILLS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

The Company was incorporated on 29th April 1960.

It has obtained a certificate to commence business on 23rd June, 1960.

AUTHORISED CAPITAL .. .. Rs. 1,00,00,000

Divided into 1,00,000 Equity Shares of Rs. 100 each.

ISSUED CAPITAL .. .. Rs. 25,00,000

Divided into 25,000 Equity Shares of Rs. 100 each, out of which :

(1) 3,850 Equity Shares of Rs. 100 each have already been subscribed by the Promoters, Directors and their friends and associates.

(2) 8,650 Equity Shares of Rs. 100 each have been agreed to be subscribed by the Promoters, Directors and their friends and associates.

(3) The balance of 12,500 Equity Shares of Rs. 100 each are offered for public subscription.

The amount payable in respect of the Shares is as follows :—

Rs. 25 with application per share, Rs. 25 within one month from the date of allotment, and the balance of Rs. 50 in such calls as may be determined by the Directors, provided that no call shall exceed Rs. 25 and that there shall be an interval of at least three months between any two calls.

The whole of the said issue of 12,500 Equity Shares has been underwritten as stated below.

DIRECTORS

1. MR. MULRAJ KERSONDAS, Merchant, Kamani Chambers, Ballard Estate, Bombay.
2. MR. CHANDRAKANT MULRAJ KHATAU, Industrialist, Laxmi Building, Ballard Estate, Bombay.
3. MR. MANEKLAL CHUNILAL, Merchant, Little Gibbs Road, Malabar Hill, Bombay 6.
4. H.H. BHAGWATSINGHJI OF UDAIPUR, Maharaja of Udaipur, Shambu Vilas Palace, Udaipur.

   MR. HIRALAL NANABHAI SHROFF, Alternate Director for H.H. Bhagwatsinghji of Udaipur, Solicitor, Lentin Chambers, Dalal Street, Fort, Bombay.
5. MR. DHIRAJLAL MAGANLAL, Share-broker, 71, Giri Kunj, Marine Drive, Bombay.
6. MR. HARGOVINDAS RAMJIBHAI MEHTA, Industrialist, c/o Jayant Paper Box Factory, Khorshed Building, Sir P. M. Road, Bombay 1.
7. MR. BHAGWANDAS POPATLAL SHAH, Industrialist, c/o Jayant Paper Box Factory, Khorshed Building, Sir P. M. Road, Bombay 1.
8. MR. RAVINDRA MULRAJ, Merchant, 9, Babulnath Road, Bombay 7.
9. MR. CHANDRAKANT NANDLAL KOTHARI, Industrialist, c/o Jayant Paper Box Factory, Khorshed Building, Sir P. M. Road, Bombay 1.

BANKERS

1. THE UNITED COMMERCIAL BANK LTD., Dr. Dadabhoy Naoroji Road, Bombay 1.
2. THE BANK OF BARODA LTD., Apollo, Street, Fort, Bombay 1.
3. THE CENTRAL BANK OF INDIA LTD., Mahatma Gandhi Road, Fort, Bombay 1.

MANAGING BROKERS TO THE ISSUE:

MESSRS. DHIRAJLAL MAGANLAL PURSHOTTAMDAS, Stock Exchange Building, Apollo Street, Fort, Bombay 1.

BROKERS TO THE ISSUE

1. MESSRS. VALJI DHANJI, 19, Stock Exchange Building, Apollo Street, Fort, Bombay 1.
2. MESSRS. CHIMANLAL J. DALAL & CO., 107, Stock Exchange New Building, Dalal Street, Bombay 1.
3. MESSRS. KANTILAL PURTAPSHI, 97, Stock Exchange Building, Apollo Street, Fort, Bombay 1.
4. MESSRS. GIRDHARLAL K. FOZDAR, 85, Stock Exchange Building, Apollo Street, Fort, Bombay 1.
5. MESSRS. ISHWARLAL KANTILAL & CO., Stock Exchange Annexe Building, Dalal Street, Fort, Bombay 1.
6. MESSRS. JAMNADAS KHUSHALDAS & CO., Stock Exchange Building, Apollo Street, Fort, Bombay 1.
7. MESSRS. RAMANBHAI LALBHAI SHETH, 5, Stock Exchange New Building, Apollo Street, Fort, Bombay 1.
8. MR. INDRALAL MADANLAL JHUNJHUNWALLA, Agakhan Building, Dalal Street, Fort, Bombay 1.

SOLICITORS

MESSRS. HIRALAL SHROFF & CO., Lentin Chambers, Dalal Street, Fort, Bombay 1.

AUDITORS

MESSRS. J. L. BHATT & CO. (Chartered Accountants), Yusuf Building, Veer Nariman Road, Fort, Bombay 1.

REGISTERED OFFICE

HARIPURA, OPP. JAIN TEMPLE, SURAT.

1. OBJECTS OF THE COMPANY

The Company has been formed for carrying on, *inter alia*, the business of manufacture of straw paper, Kraft Liner and base paper for Textile Tubes and Cones.

2. PROSPECTS

On the basis of figures of production and imports during the last five years, the consumption of papers and boards in the country has increased at the rate of approximately 14 per cent. on an average every year. At this rate, the consumption is expected to be of the order of 4,50,000 tons by the end of the Second Plan period. With the installed capacity of 2,66,800 tons, the production in 1958 amounted to 2,53,011 tons. It is expected that with the installation of new units and expansion of the existing units in the country, it will be possible to achieve the target of 3,50,000 tons by 1960-61 period. If the increase in the consumption continues to be maintained at the present rate by the end of the Third Plan period, the annual demand may be as much as 7,00,000 tons. For production of this order, the installed capacity should be raised to 9,00,000 tons during the Third Plan period. Against these requirements, licences have been granted to increase the capacity, but inspite of it, it is expected that there would be a shortfall of about 90,000 tons in the expected installed capacity of 4,50,000 tons to be achieved during the Second Plan period. It will, therefore, be necessary to create new capacity of 5,40,000 tons during the Third Plan period. The installed capacity of the proposed plant to be established by the Company will be 15 tons per day (24 hours) and it is proposed to manufacture 3,600 tons of paper per annum.

3. MACHINERY AND PLANT

The Government of India has kindly granted Import Licence No. 998973/YEN/HQ dated 28th January 1959, valued at Rs. 8,50,000 under the Japanese Yen Credit Programme for the import of the plant and machinery. The said licence has been issued in favour of Messrs. Jayant Paper Box Factory, the promoters of the Company. Pursuant to the said licence an order has been placed with Messrs. Futami Trading Co. Ltd., Osaka, Japan, for the supply of the plant and machinery manufactured by Messrs. Saito Iron Works Ltd., Yoshihara, Sizuka, Japan, and the said order has been confirmed and accepted under Contract Note No. 5047 dated 13th February, 1960. As per the said contract shipment of the plant and machinery will be effected after eight months, and if the shipments are made in time, the plant and machinery are expected to reach at the site of the Company's proposed factory at Utran during March 1961, and according to the present expectations, the Company's plant is proposed to go into production from the third quarter of 1961.

4. MINIMUM SUBSCRIPTION

The minimum amount, which in the opinion of the Directors must be raised by the issue of shares in order to provide the sums required to be provided as per paragraph 5 of Schedule II to the Companies Act, 1956, and upon which the Directors will proceed to allot shares is Rs. 12,50,000 being the whole amount of the public issue.

5. RESOURCES AND DISBURSEMENTS

The total funds available with the Company will be as follows:—

	Rs.
Share capital already subscribed by the Directors, Promoters and their friends and associates	3,85,000
Share capital agreed to be subscribed by the Directors, Promoters and their friends and associates ...	8,65,000
Share capital of the issue to the public	12,50,000
Total Rs.	25,00,000

This amount of Rs. 25,00,000 will be utilised approximately as under:—

	Rs.
Main plant and accessories from Japan with freight, insurance, etc.	10,00,000
Purchase of land and construction of the factory, godowns, offices, etc.	7,00,000
Electric installation	1,00,000
Water treatment plant and tube-wells	2,00,000
Boiler and steam piping	1,00,000
Preliminary expenses (inclusive of expenses of this issue)	1,00,000
Working capital	3,00,000
Total Rs.	25,00,000

Additional finances, if any, required for working capital when the factory goes into production will be available by way of loans from Banks or other sources.

6. PRELIMINARY EXPENSES

The estimated preliminary expenses (inclusive of expenses of this issue estimated at Rs. 50,000) are Rs. 1,00,000.

7. PURCHASE OF LAND

A suitable site for the factory at Utran near Surat admeasuring 30 Acres and 2 Gunthas has been agreed to be sold to the Company by Messrs. Western India Industrial Agencies Private Ltd. at or for the sum of Rs. 91,000 under an Agreement dated 2nd June 1960.

8. ELECTRICITY, POWER AND WATER

The Promoters of the Company have been assured of supply of required electric power for the Company's factory from the South Grid Utran Power Station at Utran. The Company will have also adequate water-supply facilities from the river Tapti, which is close by the site of the Company's proposed factory.

9. MANAGING AGENTS

By a resolution dated 26th May 1960 the Company has been authorised to appoint, subject to the approval of the Central Government, the said Western India Industrial Agencies Private Ltd. as the Managing Agents of the Company for a period of fifteen years and at the rate of commission of ten per cent. per annum on the annual net profits of the Company with a minimum remuneration of Rs. 36,000 per year. The requisite application for the approval of the Central Government has been forwarded. The subscribed capital of the said Company is Rs. 10,000 divided into 100 shares of Rs. 100 each, and Mr. Mulraj Kersondas, Mr. Ravindra Mulraj, Mr. H. B. Ajmera and Mr. C. R. Mehta are the Directors of the said Company.

10. DIRECTORS

By the Articles of Association, the number of shares fixed as qualification of a Director is holding of Shares of at least Rs. 5,000 in the Company.

11. REMUNERATION OF DIRECTORS

The remuneration of a Director for his services rendered shall be such amount not exceeding Rs. 200 as the Directors may fix, for every meeting of the Board attended by him.

12. VOTING RIGHTS

The Equity Shareholders when present in person shall have one vote on a show of hands and on poll, when present in person or by proxy, shall have one vote per share held by him.

13. PROFITS

On the basis of the existing prices and after allowing costs, overheads, depreciation and other foreseeable contingencies, in so far as these items can at present be estimated, the Directors expect that in the absence of any unforeseen circumstances, the Company should be in a position to pay reasonable dividends on the issued equity shares of the Company. The Company will get the benefit of the development rebate and exemption from tax under Section 15C of the Indian Income-tax Act.

14. UNDERWRITING AND BROKERAGE

The whole of the present public issue of Rs. 12,50,000 consisting of 12,500 Equity Shares has been underwritten, the names of the Underwriters and the amount of the shares underwritten by them being as stated below:—

		Amount underwritten in lacs of Rupees
1.	Messrs. Dhirajlal Maganlal Purshottamdas ...	2.5
2.	Messrs. Valji Dhunji ...	1.0
3.	Messrs. Chimanlal J. Dalal & Co.	1.5
4.	Messrs. Kantilal Purtapshi	1.0
5.	Messrs. Girdharlal K. Fozdar	1.5
6.	Messrs. Sterling Investment Corporation ...	1.0
7.	Messrs. Ishwarlal Kantilal & Co.	1.5
8.	Messrs. Jamnadas Khushaldas & Co. ...	1.0
9.	Messrs. Ramanbhai Lalbhai Sheth	1.0
10.	Indralal Madanlal Jhunjhunwala	0.5
		12.5

and underwriting commission at the rate of 1½ per cent. of the nominal value of 12,500 Equity Shares underwritten is payable to the said Underwriters. In the opinion of the Directors, the resources of the Underwriters are sufficient to discharge the underwriting obligations. Brokerage will be paid by the Company to the Underwriters, to the members of the recognised Stock Exchanges and to Banks at the rate of 1 per cent. of the nominal value of the aforesaid 12,500 Equity Shares allotted in respect of applications bearing their stamp in the space provided therefor in the application form. Brokerage will also be paid by the Company to the Managing Brokers at the rate of 50 nP per share on all the said 12,500 Equity Shares offered to the public and actually allotted.

15. INSPECTION OF DOCUMENTS

The consent of the Central Government under the Capital Issues (Control) Act, 1947, the Licence referred to above, the Agreement dated 2nd June 1960 in respect of the said land, the said Contract Note No. 5047 dated 13th February, 1960, as also the Agreements with the abovementioned Underwriters can be inspected at the Registered Office of the Company during the hours of 11-30 a.m. and 2-30 p.m. on working days

16. No amount of shares have been issued or agreed to be issued as fully or partly paid up otherwise than in cash.

17. No payment is to be made to Messrs. Jayant Paper Box Factory, the promoters of the Company, except for reimbursement of actual preliminary expenses incurred by them, and no profit or benefit has been given to any other person or promoters of the Company.

18. INTEREST OF DIRECTORS

Mr. Mulraj Kersondas and Mr. Ravindra Mulraj, who are Directors of the Company, are also Directors and members of the said Western India Industrial Agencies Private Ltd., who are proposed to be appointed the Managing Agents of the Company and from whom the Company has agreed to purchase the said land at Utran, and are accordingly interested.

Mr. Hargovindas Ramjibhai Shah, Mr. Bhagwandas Popatlal Shah and Mr. Chandrakant Nandlal Kothari, Directors of the Company, are partners of Messrs. Jayant Paper Box Factory, who are to be paid the amount of preliminary expenses incurred by Messrs. Jayant Paper Box Factory, and they are accordingly interested.

Mr. Dhirajlal Maganlal, a Director of the Company, is a partner of Messrs. Dhirajlal Maganlal Purshottamdas, who have underwritten Equity Shares of the Company of the nominal value of Rs. 2,50,000 and who are also the Managing Brokers to the present issue, and he is accordingly interested.

Mr. Hiralal Nanabhai Shroff, Alternate Director for H.H. Bhagwatsinghji of Udaipur, a Director of the Company, is the proprietor of Messrs. Hiralal Shroff & Co., Attorneys for the Company, and is accordingly interested.

19. APPLICATION FOR SHARES

All applications must be for a minimum of five shares or a multiple thereof. Applications for shares shall be made on the application form attached to the Prospectus (or on a printed copy thereof) and delivered, accompanied with proper payment, before the close of the subscription list to any of the Company's Bankers at their Head Offices or any of their Branch Offices mentioned on the application forms between 10-30 a.m. and 2-30 p.m. on working days. Further copies of the prospectus and application forms will be available during office hours on working days from the Managing Brokers and the Underwriters and Brokers to this issue mentioned above.

20. AUDITORS' REPORT

The Company's Auditors have on 25th June 1960 made a Report stating that no accounts of the Company have been made up in respect of any period since the incorporation of the Company.

Dated, 30th June 1960.

BIRDS cover a wide field

The Birds/Heilgers group do not produce steel. But they provide the vital raw materials that go into the making of steel—iron ore, coal, manganese ore, limestone, dolomite, refractories... They do not grow jute but their mills turn out jute goods for a variety of uses. Their interests cover a wide field from paper to engineering... coal to electricity.

Their production units are today engaged in a programme of expansion to step up output to meet the increasing demands of India's industries. And their laboratories are constantly at work to improve their products... to explore new applications.

Through their service to the country for nearly 100 years, Birds have become a significant part of India's industrial scene.

BIRD & COMPANY (PRIVATE) LIMITED

and

F. W. HEILGERS & COMPANY (PRIVATE) LIMITED

Chartered Bank Buildings, Calcutta-1

CUBA TAKES OVER THREE FOREIGN OIL REFINERIES

BACKGROUND TO PRESENT CONFLICT

*[The seizure of the American-owned Esso and Texaco oil refineries and the British-controlled Shell refinery by the Cuban Government, last week, is, perhaps, the most serious international development of its kind in recent years. This is a sequel to the alleged refusal of the three refineries to process Russian crude oil which Cuba has contracted to import in exchange for Cuban sugar. A less known fact in this part of the world is that the three refineries have to receive from the Cuban Government some $60 billion being arrears of foreign exchange in respect of their crude oil imports into Cuba in recent months. Reprisals by the U.S., in the shape of a cut in the import of sugar which it buys from Cuba under a quota system have been the subject of speculation. The Cuban Prime Minister, Dr. F. Castro, has, however, warned that any such action would be followed by confiscation of American-owned 36 sugar mills of the total value of $100 million; the overall American investment in Cuba is placed at $850 million. Against this background, the following account of the Cuban oil crisis, which appears in the July issue of the Petroleum Press Service, will be read with interest.—*ED.]

FOLLOWING their refusal to handle Russian crude oil in their Cuban refineries, the republic's three main oil refiners and distributors, whose three refineries have a combined capacity of over 80,000 b/d, have been threatened by the revolutionary Government of Dr. Fidel Castro with confiscation of their properties. (They have now been taken over by the Cuban Government, as mentioned in the introduction—ED.) This threat heightens the tension between the Government (which came into power at the beginning of 1959) and the oil industry generally which has existed since November 1959 when the Government seized company records and announced a new oil law which brought oil exploration to a halt and gave the Government powers to impose quotas on refinery production and prices. The Government's strong nationalism and hostility to U.S. capital, and its predilection for trading with the Communist bloc, have led it to adopt policies which will, unless modified, not merely cripple the existing Cuban oil industry, but also intensify the country's various economic difficulties.

Russian Crude

The present crisis stems directly from the Government's request in May to the three main refiners to take about 300,000 tons, or, say, 11,000 b/d, each of Russian crude for the last six months of this year—a total amount equivalent to about one half of their combined present rate of throughput. The companies concerned are Jersey Standard's Panama associate, Esso Standard Oil SA with a 35,000 b/d plant near Havana, Royal Dutch/Shell's Cuban associate, Cia Petrolera Shell de Cuba with a 27,000 b/d plant also near Havana, and the Texas Group's associate, Texas Co. (W.I.) Ltd. with a 20,000 b/d plant at Santiago de Cuba. Texas' plant was completed only in 1957, the Shell one started operation early in 1957 and Jersey Standards' was increased in capacity from 9,000 b/d in 1957, their building and extension being induced by the favourable terms of the Refinery Law of 1954 supplemented by further decrees in 1955. Together the three refineries produce a volume of products roughly equivalent to local demand but the output does not coincide with the pattern of local trade and there are therefore imports and exports amounting to about 5 million barrels a year each. Domestic crude production is insignificant (less than 1,000 b/d) and imports of crude of about 25 million barrels a year come almost entirely from Venezuela where affiliates of all three companies have substantial production, including appreciable shut-in capacity. (Sinclair also markets but does not refine in Cuba.)

The companies have, not surprisingly, insisted on their right to continue to choose their own sources of crude supply on the basis of normal commercial considerations. This decision rests on a principle and has been taken despite the fact that the companies have, for many months now, been shipping supplies without receiving payment. In effect, they have been extending the Government a credit in foreign exchange which has already reached a total of about $60 million. After the extension of this facility the request to handle Russian oil could hardly be received sympathetically even though the Government's present lack of foreign exchange was a primary reason why the request was made.

Confiscation

Dr. Castro has reacted to the companies' stand by declaring that, if they will not take the Russian oil, not only will the dollar credits not be repaid, but the refineries, whose value is estimated at about $75 million, may be confiscated by the Government. Dr. Castro claims that the Russian oil is to be available to the Government at prices below world market levels, and without any [illegible] as a result of the trade concluded between Cuba [illegible]

LALBHAI SHETH, Building, Apollo Street,

ary. Oil is by far the most important item to be supplied by the U.S.S.R. against deliveries of Cuban sugar, but is not specified as one of the categories of goods to be supplied against the 12-year line of credits of up to $100 million to be granted at 2½ per cent. interest. Russian crude supplies have already begun to arrive in Cuba.

If the refineries are nationalised they will presumably be administered by the Cuban Petroleum Institute, whose President is Señor Gutierrez, a Mexican geologist. The Institute is a Government organisation set up last November under the Institute of Agrarian Reform with very wide but ill-defined functions, which include not only exploration for and production of crude, but also regulation of and participation in refining and distribution. It is already operating the 2,500 b/d Cabaiguan refinery (reported to have been increased to 6,000 b/d capacity under certain conditions) and the 500 b/d Bacuranao plant, each confiscated from supporters of the previous regime. The Institute is using the small marketing organisations of these two expropriated concerns to sell gasoline imported from Russia under the February trade agreement. Additional outlets for Russian products are also expected to become available to the Institute as a result of a recent decree cancelling restrictive selling agreements between the oil companies and their dealers/distributors or direct consumers, on settlement of dealers' outstanding debts.

As already indicated, the Government's threat to the oil marketing and refining companies follows its action under the new oil law promulgated last November which has halted all exploration by private companies. Oil production in Cuba goes back as far as 1864, when the Bacuranao field in Havana province was discovered, but has risen only slowly and unevenly to a peak of 544,000 barrels in 1957, since when it has declined to 344,000 barrels in 1958 and about 190,000 barrels in 1959. Production is mostly from structures less than 2,000 ft. below the surface, which give only a small yield per well and tend to become exhausted rapidly. Present production comes mainly from the Jatibonico field in Camaguey province, discovered in 1954, which has recently been yielding about 400 b/d of 14° A.P.I. gravity crude from a depth of about 1,100 ft., and unless new fields are discovered production seems certain to decline.

Drilling

With today's knowledge and techniques, Cuba has hitherto been regarded as moderately promising geologically and, apart from its domestic market of over three million tons a year and a small ocean bunkering trade, it would be well situated—only about 1,500 miles from New York—for supplying part of the U.S. East Coast market. Consequently the passage of a more favourable mineral law in 1938 encouraged greatly increased exploration in the early post-war years, followed by a further wave of activity after the discovery of the Jatibonico field and the granting of additional incentives to exploration in 1954. Altogether, by the end of 1958, over $50 million had been spent in exploration and drilling in Cuba (and also offshore) by a large number of companies, including affiliates of Atlantic, Gulf, Jersey Standard, Royal Dutch/Shell, Standard of Indiana, Standard of California, and Texaco, as well as several small independents. Results, however, were disappointing, and the failure to make any commercial discoveries at all in 1958 and 1959 was already leading to a sharp scaling down of exploration expenditure when work was halted almost completely as a result of Law 635 of November, 1959.

Internal consumption of petroleum products, estimated at 3.28 million metric tons in 1959, has risen by an average of nearly five per cent. a year over the past five years. That it has not risen faster is largely the result of the country's economic difficulties. Cuba is the world's largest sugar exporter, and depends on sugar for more than three-quarters of its total export earnings. In consequence its economy has suffered from the low prices that have, on the whole, prevailed in recent years. Moreover, Cuba's economic difficulties have in the past two years been compounded by political factors. While the agreement concluded with Russia in

Estimated Inland Consumption of Petroleum Products

('000 metric tons)

	1955	1956	1957	1958	1959	% Increase 1954-59
Motor Gasoline	600	650	700	700	770	+28
Kerosine	100	100	110	120	110	+10
Gas/diesel oil	300	350	390	390	420	+68
Fuel oil	1,500	1,550	1,750	1,840	1,810	+17
Other products	100	150	100	140	140	+40
Total	2,600	2,800	3,050	3,190	3,280	+26
% Increase over previous year	0	+7.7	+8.9	+4.6	+2.8	

February to sell one million tons of sugar a year for five years to 1964 at world prices has helped dispose of actual and prospective sugar surpluses, the anti-American attitude of the Government has generated resentment in the United States, where the Administration has been under increasing pressure to cut Cuba's quota in the protected U.S. market, which normally takes more than half of Cuba's exports. As U.S. sugar prices are substantially above world free market levels, Cuba's large quota amounts to the equivalent of a subsidy of over $100 million a year, and any withdrawal of its quota rights would gravely complicate its already serious balance of payments problems. But the closer linking-up with Communist countries with all its consequences in a territory at the heart of the Western Hemisphere and only 100 miles from Florida can only increase provocation towards such a step.

Economic Policy

The Government's attempts to reduce its dependence on sugar by diversifying the economy and building up exports of other products has hardly had time to bear fruit but this has been made doubly difficult by the Government's frequently expressed dislike of U.S. commercial interests which has dried up the flow of new foreign investment capital and brought to a halt several schemes already in progress, including important projects for developing the island's iron, nickel and cobalt resources. At the same time, publicity about political tension has crippled the hitherto rapidly expanding tourist traffic.

Thus, during 1959, gold and foreign exchange reserves declined at a dangerous rate and made necessary the introduction at the beginning of this year of drastic licensing restrictions on imports, together with the imposition of surcharges of up to 100 per cent., and, as already indicated, delays of several months in the payment of remittances abroad. A new state foreign trade bank has been set up to promote exports and to provide facilities for essential imports, and the commercial banks have had to impose severe credit restrictions. These measures have been to a certain extent effective, and the balance of payments position has improved a little this year, although the problems of high unemployment and inflation are still far from solution.

Nevertheless, the Government is pressing on with heavy expenditure on social services, building and armaments, with the result that the budget for 1960 totals 600 million pesos (1 peso: $), 100 million more than last year's record. The Government is also pursuing a radical land reform programme, and has ambitious plans for the establishhent of state owned industries, assisted by credits for equipment of $100 million equivalent from Russia, $20 million equivalent from Czechoslovakia and $60 million equivalent from Continental Import-Export Co. N.V., a Dutch financial group. The Government is also setting up a Central Planning Board to regulate existing Cuban manufacturing industries, which have geen enjoying a boom owing to the restrictions on imports.

Cuba's revolutionary Government is not faced with an easy task. It has inherited a legacy of past corruption, with some hostile neighbours and a basically weak economy heavily dependent on foreign capital and an annual sugar crop. While some of its stern measures have doubtless been inevitable in the circumstances, others have clearly been misjudged—notably the arrangements for nationalisation of some mainly U.S. owned properties. Its harsh attitude to the oil industry is certainly misconceived, and if pushed to extremes is bound to further complicate its economic difficulties.

Notices

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

Extension of date for submission of coupons and applications in respect of "A" Second Preference shares and new Ordinary shares.

NOTICE IS HEREBY GIVEN THAT THE extended period for submission of *coupons* in respect of the "A" Second Preference shares and the new Ordinary shares in terms of the Company's Circular dated the 12th October 1959 expires on the 30th June 1960. As some shareholders have not yet exercised their right to obtain shares by submitting the requisite coupons, the Directors have extended the period for submission of coupons to 29th July 1960, and the Company's bankers have accordingly been authorised to receive applications on and after the 1st July 1960 upto but not later than the 29th July 1960 in respect of such coupons. Provided that along with each such application with the required coupons and the moneys to be received with such application interest at the rate of 9 per cent. per annum (which the Directors have decided to charge) shall be paid to the Company's bankers as under:—

(i) For applications with coupons from *resident* shareholders from 16th December 1959 to the date of payment; and

(ii) For applications with coupons in the case of *non-resident* shareholders from 1st June 1960 to the date of payment.

The Directors have also resolved that the last date for receiving applications in respect of "A" Second Preference *shares* and new Ordinary *shares* from the *non*-resident shareholders which was 30th June 1960 be extended upto 29th July 1960 provided that along with each such application and the moneys to be received with such application interest at the rate of 9 per cent. per annum thereon (which the Directors have decided to charge) from 1st day of April 1960 to the date of payment shall be paid to the Company's bankers.

No application in respect of coupons received from resident shareholders on and after the 16th December 1959 and from non-resident shareholders on and after the 1st June 1960 and no application in respect of right "A" Second Preference shares and new Ordinary shares received from non-resident shareholders on and after the 1st April 1960 will be entertained by the Directors unless interest is paid as aforesaid. No such application will be entertained after the 29th July 1960.

Dated at Bombay this 29th day of June 1960.

By Order of the Directors
For and on behalf of
THE TATA IRON AND STEEL COMPANY LIMITED,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
By their Constituted Attorney,
V. G. MOKASHI.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD.

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the Seventy-sixth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, the 22nd July, 1960, at noon, to consider the Accounts of the Company for the year ended 31st December, 1959, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 8th July 1960 to 22nd July, 1960, both days inclusive.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, *21st June*, 1960.

Note:—A member entitled to attend and [illegible]e at this meeting is entitled to appoint a [illegible]xy to attend and vote in his stead. Such [illegible]y need not be a member of the Company.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER NO. S-8

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers, a quantity of about 75,000 tons of Steel Materials such as Plates, Sheets, etc.

The tender documents can be had on payment of Rs. 15 per copy (or equivalent) from any of the following offices during working hours on or after July 1, 1960.

1. The Director, Railway Stores, Ministry of Railways (Railway Board), State Entry Road, New Delhi.
2. The Director General, India Stores Department, Government Buildings, Bromyard Avenue, Acton, London W-3.
3. The Director, India Supply Mission, 2536, Massachusetts Avenue, N.W., Washington 8, D.C.

Tenders will be received by the undersigned upto 12.00 hours on the 16th August, 1960 and opened in the office of the Railway Board on State Entry Road, New Delhi, on the same day.

QURBAN SINGH,
Director, Railway Stores,
Railway Board, State Entry Road,
New Delhi.

NEW DELHI, *23rd June* 1960.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD.
TIRUCHIRAPALLI

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Twentieth Annual General Body Meeting of the shareholders of the Company will be held at the Registered Office of the Company, Tennur, Tiruchirapalli, on Saturday, the 27th August 1960, at 4 p.m., to transact the usual business and special business as per notice individually posted to the shareholders.

The Register of Members and the transfer books of the Company will be closed from 2nd August 1960 to 27th August 1960 (both days inclusive).

The Directors at their meeting held on 30th June 1960 have recommended the payment of the following dividends to the members for the year ended 31st March 1960.

4½% less tax final dividend on 5,60,000 old equity shares which with the 4½% less tax interim dividend already paid makes a total dividend of 9% and *pro rata* dividend @ 9% per annum less tax on 1,39,968 new equity shares;

2¾% less tax final dividend on first and second preference shares which together with the 2¾% free of tax interim dividend makes a total dividend of 5½%, besides relevant tax refund certificates.

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For further particulars, please apply to nearest Branch or Head Office.

Branches at Bombay and all important commercial centres in South India.

The dividends when declared will be made payable on and after 27th August 1960 to the shareholders whose names stand on the Register of Members on 27th August 1960 or to holders of dividend mandates. Members are requested to intimate change of address, if any.

Members are requested to attend the meeting in person or by proxy. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(By Order of the Board of Directors),
SESHASAYEE BROTHERS (PRIVATE) LIMITED,
Manging Agents & Chief Engineers.

TIRUCHIRAPALLI, *30th June* 1960.

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTY-EIGHTH ANNUAL GENERAL MEETING of the Members of Jessop & Co., Ltd., will be held at the Registered Office of the Company on Friday, the 29th July, 1960, at 3 p.m., for the transaction of the following business:—

1. To receive and consider the Accounts, together with the Reports of the Board of Management and Auditors, for the year ended 31st October, 1959.
2. To declare a Dividend.
3. To appoint Auditors and fix their remuneration.
4. To transact any other business of an Ordinary General Meeting.

AS A SPECIAL BUSINESS

5. To appoint Joint Auditors of the Company for the year ending 31st October 1960.

Explanatory Statement

A notice has been received under Section 190(1) of the Companies Act 1956 from a Member proposing that Messrs. Lodha & Co., Chartered Accountants, be appointed as Joint Auditors of the Company for the year ending 31st October 1960, with Messrs. Lovelock & Lewes.

Similar notices have also been received from some other members proposing that Messrs. G. Basu & Co., Chartered Accountants, be appointed as Joint Auditors of the Company for the year ending 31st October 1960, with Messrs. Lovelock & Lewes.

The Ordinary Share Transfer Registers of the Company will be closed from 15th July to 29th July, 1960, both days inclusive.

By Order of the Board,
A. K. THAKUR,
Acting Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *2nd July*, 1960.

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

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Management has sanctioned the payment of an interim dividend on 5 per cent. Cumulative Preference Shares for the half-year ended 30th April 1960 subject to the deduction of Income Tax at prescribed rates in accordance with the provisions of the Finance Act 1960.

Preference Transfer Register will be closed from 15th July to 29th July 1960, both days inclusive.

Dividends will be paid only to the registered Shareholders or their mandatees.

By Order of the Board,
A. K. THAKUR,
Acting Secretary.

63, NETAJI SUBHAS R[illegible]
CALCUTTA, *2nd July* 1.

SCIENTIFIC RESEARCH IN W. EUROPE

COUNTRIES URGED TO CO-OPERATE FOR MUTUAL BENEFIT

AN eminently readable report on the problems of scientific co-operation in W. Europe with many valuable suggestions for improving scientific research and its application to industry, has been presented to the Organisation for European Economic Co-operation (O.E.E.C.) by Mr. D. Wilgress, a former head of the Canadian delegation to the O.E.E.C. Historically speaking, Europe, particularly W. Europe, is the original home of scientific advancement. But it now runs the risk of being left behind in the scientific race in which the U.S. and the U.S.S.R. are ahead of it. The problem is not only one of increasing research effort but of translating the results from the laboratory into the workshop in the factory. In varying degrees, this sums up the problem in all countries, whether they belong to the group of industrially advanced countries or to the underdeveloped regions. Although Mr. Wilgress's report deals specifically with Europe, it is not without its significance to underdeveloped countries like India, where the problem is also one of extending scientific research and bringing the benefits of such research to agriculture and industry.

Russia

Mr. Wilgress, whose report is based on his findings in France, the Netherlands, Denmark, Sweden, Norway, Switzerland, Italy, Belgium, W. Germany, the U.K. and Ireland and also Yugoslavia, Greece, Turkey, Austria, Portugal and Spain, found that "in the last three years, there has come about an increasing awareness of the need for greater activity in science and technology." Mr. Wilgress, however, found that, apart from notable exceptions, "there is comparatively little co-operation between Governments in relation to science and technology." He warns that this is an attitude which European countries can no longer afford to adopt. He argues that, if Europe admires the mass production techniques in the U.S., it should also appreciate the fact that those techniques are the result of vast achievements in applied research on which the U.S. is spending some $9,000 million every year. Referring to the scientific progress in Russia and China, he observes:

"For a long time the great number of scientists and engineers being produced each year in Russia were discounted on the grounds that their quality could not be high. The "sputnik" demonstrated two years ago that there was quality as well as quantity in the Russian effort. Since then, we have had other evidence of Russian advances, such as the offer of a civilian transport aircraft to European airlines and reports from visitors to the Soviet Union of solid achievements in other technical fields. Among such achievements there may be mentioned a continuous casting process for steel, a whole series of electronic devices, a novel and highly economical method of producing gears, new methods of welding, electronic spark machining, the development of advanced turbines, a new material for turbine blades, very thin glass-insulated copper wire, refrigerators and cooling units operating on a new principle, small-sized thermo-electric generators, advanced power transmission techniques, and new machines for the cultivation of cotton and tobacco. These examples are sufficient to indicate that it may not be very long before the Soviet Union commences to invade the markets of the world with advanced technical appliances and machines as well as possibly with some special types of consumer goods. Hitherto, Soviet exports have disturbed the markets for certain primary products, such as grain, aluminium and tin, and hence have affected adversely those countries depending largely on the export of these primary commodities. When the Soviet Union commences to ship abroad finished goods, these exports will come into direct competition with the products of European industry. It is a possibility to which the European countries cannot remain indifferent.

"China also is on the threshold of great achievements in science. They are putting into force a beautifully phased programme which commences with those now attending the secondary schools. These will be followed through by an expansion of the institutions for teaching science and technology until China is producing more scientists and engineers than Russia. In twenty-five years from now such a programme is bound to show results. They are likely to make China a first-class economic power."

Reviewing the educational problems in Europe, Mr. Wilgress notes that, throughout Europe, he found a marked shortage of secondary school teachers for science and mathematics. Again, many countries were producing only half the number of engineers required and most were taking steps to double the output in the next ten years. Only in Germany, the overall shortage was not so acute as in other countries. A notable experiment in the field, according to Mr. Wilgress, is the upgrading of eight technical colleges to near University standard in the U.K., the main feature of education being the "sandwich" system, whereby studies are interspersed with practical work in factories. In Central and Northern Europe, the German system of technological institutes is well entrenched. The drawback of this system is the length of time required to produce highly qualified engineers. It is "becoming increasingly realised that something in between these university trained engineers and the graduates of technical schools is required." Industry is also asking for men younger than those now completing the university courses. Information from Russia, it is stated, is tending to confirm that only one-third of the 60,000 engineers being produced annually are of the European standard; the rest taper off to something in between university and technical school standard. European countries should, the author says, learn from one another as to the best means whereby the need for technical men, lower than the university graduates but higher than those trained by technical schools, could be met.

Europe

Throughout Europe, pride of place is being given to fundamental research. Mr. Wilgress has no quarrel with that. Only, he would like to see more contract or sponsored research of the type that is undertaken in N. America, where some research in universities takes place as a result of contract with certain private sponsoring bodies which agree to pay for it. He concedes that it is important to preserve the absolute priority of fundamental research and to uphold the freedom of the universities. But, consistent with these two basic principles, he feels, "sponsored research by university professors should be encouraged throughout Europe." Each professor and each university can decide "how far to allow sponsored research to go before it begins to interfere with the primary aim of a university which is to pass on existing knowledge to succeeding generations and to unearth new knowledge." In many cases, it would be worthwhile to appoint a research secretary in the university. He could handle enquiries from private firms and put them in touch with the individual professors.

Unlike in the U.S., a feature of research activity in Europe is the organisation of research associations among firms in the same branch of industry to undertake research on a co-operative basis. The process has been carried furthest in the U.K., where there are now 46 such research associations organised and supported by the Department of Scientific and Industrial Research. In Germany and the Netherlands, too, many research associations have been sponsored. Mr. Wilgress feels that, in those countries where only a few research associations have been set up, the Governments should take the initiative in organising such associations on the British model. At the same time, he observes that there are obvious limitations on the extent to which research associations can do sponsored research. By their very nature, the research associations are the negation of the competitive spirit—the main feature of the North American economy. They foster that "cartel" spirit, which is a feature of the European economy. They are apt to lead the members to conclude that all that is possible is being done for them in the way of research. Canadian experience has shown that whenever there is a close connection between a private firm and a particular research project, no difficulty arises in exploiting the results of the research which the firm regards as being due to their own initiative. Hence the importance of efforts to promote the more widespread use of contract or sponsored research by concerns unable to afford research establishments of their own.

Sponsored Research

Gradually there are springing up in Europe facilities for contract or sponsored research outside of the universities. The most notable example is the Norwegian Central Institute for Industrial Research, where contract research is done for industry in addition to background research paid for by the Government. This is the best example for other small countries to follow but would not be suitable for larger countries. Here, besides the universities, reliance must be placed on the facilities provided by the laboratories of the research associations or by the private institutions that are slowly establishing themselves in Europe. The Battelle Memorial Institute of Columbus, Ohio, have now a laboratory at Geneva, Switzerland, for undertaking contract research in fundamental science, and another at Frankfurt, Germany, for contract research in applied science. The latter was established with the active help of the German authorities and its annual turnover is said to have reached 4,000,000 Deutschemarks. Arthur D. Little, Inc., have opened a laboratory in Scotland. Other sponsored research institutes in the United Kingdom are the Fulmer Research Institute and the Sondes Place Research Institute.

The main work of applied research—apart from specialised defence and other establishments maintained by Governments—will always be carried on in the laboratories of the large industrial concerns. Many of these concerns in Europe are spending over one million dollars a year on research. The first thing that each country should do, according to Mr. Wilgress, is to draw up a national science policy. Again, a proper balance should be maintained between fundamental and applied research. The ideal line of progress in respect of applied research by private firms is (1) membership of a research association; (2) sponsored or contract research in a laboratory; (3) establishment of a research laboratory by the firm itself. So far as the O.E.E.C. is concerned, he avers that it is primarily an economic organisation and should confine itself to economic issues. Nevertheless, it could do much to promote co-operation in science. Thus, there are several topics worthy of discussion either in the Committee for Scientific Research or in *ad hoc* conferences arranged by the Committee for the purpose. One such question is the means whereby medium and small-sized manufacturing enterprises can be made more research-minded. The Governing Committee for Scientific and Technical Personnel should continue the valuable work of improving the quality and quantity of scientists and engineers. Until the Committee for Scientific and Technical Personnel and the Committee for Applied Research are merged, there should be a scientific advisory committee, a purely advisory body.

Emphasising the importance of selecting the right type of men for positions of responsibility in research institutions, Mr. Wilgress observes that "it requires a touch of genius to be a good research leader." He adds:

"Initiative, energy, and imagination are prerequisites. The same qualities are demanded of those placed in charge of the leading scientific institutions. In addition, they must possess administrative ability and a sound basic knowledge of science. After this it is essential that they be given proper scope. Throughout my travels, I found, on the one hand, active men in charge of scientific institutions who were impatient only because they could not get things done quickly enough. On the other hand, I found men of the right type frustrated by the hampering effects of bureaucratic control and the lack of a clear line of authority."

As Mr. Wilgress rightly observes, science is a field in which the "driving type" of men should be allowed to flourish within the limits of the results the sponsors wish them to achieve. In his experience, he has found a "number of examples of splendid work resulting from "the right man being given plenty of rope." He also found "examples of stultified growth due to too much tocing the line of Government rules and regulations." Appropriately enough, he urges governments to recognise that expenditure on science is a form of national investment and that the best returns will come if financial and bureaucratic controls are not allowed to hamper those responsible for the execution of scientific policy.

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BRANCH OFFICES AT ALL PORTS OF INDIA

RECLAIMING WASTE WATER

Seventy million Americans already are using second-hand water for domestic purposes and engineers and public health officials are now exploring the possibilities of salvaging greater amounts of water discharged by municipal and industrial treatment plants. This was revealed in a report released by the Senate Select Committee on National Water Resources, which cited the necessity for improving techniques both for combating stream pollution and for the salvage and reuse of waste water as demands on limited water supplies increase. The report by a group of internationally-known sanitary engineers pointed out that while no U.S. city is yet salvaging water directly from its waste outlets, the prospects of such a practice will increase when natural water sources become more difficult to find, or expensive to develop. The report cites that treated effluent is frequently as good and sometimes of better quality than other raw water supplies available to a community.

Industry already is using salvaged water where it is cheaper than to develop water from a natural source. For example, the Bethlehem Steel Company is now salvaging 110 million gallons of water per day from the sewers of Baltimore for industrial cooling use in a nearby plant. Agriculture is already using water salvaged from 125 municipal treatment plants throughout the country, though none of it goes for irrigating crops directly used for human food. The report states that recent experiments at Los Angeles show great promise for using highly treated effluent to recharge ground water sources when these are depleted by overdraft. The process embraces alternative means of recharge either by spreading treated effluent in shallow ponds from which it soaks into the ground or through injecting it directly into groundwater strata via wells. Percolation through the ground strata helps to complete the purification process. There are still problems which must be worked out before the process can be adopted for use. While bacteria travel not more than 100 feet from the point of recharge, chemical pollutants from industrial wastes move long distances underground. Also, much has yet to be learned about the degradation of the quality of the quality of the water from repeated reuse.

The Los Angeles experiments indicate that water can be salvaged by this method at a cost of less than half the $40 per acre-foot Los Angeles is paying for the importation of water from the Colorado River, some 200 miles away.

HEAVY ENGINEERING CORPORATION

The first annual meeting of the Heavy Engineering Corporation, set up by the Government to develop heavy engineering projects in the public sector, which was held in New Delhi on 28th June, under the chairmanship of Mr. A. Nagaraja Rao, Chairman of the Corporation, reviewed the progress made so far in setting up the foundry forge and heavy machine building plants at Hatia, near Ranchi and the coal mining machinery plant at Durgapur. It was disclosed that all preliminary arrangements for setting up these factories, such as acquisition of land, levelling of sites, building of residential and office accommodation, godowns, etc., were well under way. Besides processing negotiations for securing detailed working drawings for the heavy machine building and coal mining machinery projects and the purchase of equipment required for the first stage of these projects from the U.S.S.R., the Corporation has also made necessary arrangements for local constructions and for receiving the plant and equipment for these projects as well as for the foundry forge project which is being undertaken in collaboration with Czechoslovakia.

The three projects are designed to manufacture items of heavy machinery for the iron and steel industry, mineral oil industry, general engineering items like heavy cranes, excavators, grinding equipment and press and forging equipment and coal mining machinery. They will also undertake to meet some of the requirements of heavy castings and forgings for others. A total investment of about Rs. 150 crores (excluding the cost of townships and working capital) would be required for the three projects.

NAHORKATIYA

In the Nahorkatiya area, one of the two areas of Oil India Private Ltd. in Upper Assam, 63 wells have been drilled so far by the Assam Oil Company's drillers. Many of these wells have been completed in record time. Thus, one well, 9,050 ft. deep, was drilled in less than nine days. Construction of the Oil India township, Zaloni, is progressing steadily. It will have the first gas turbine power station in India. The largest crude oil pipeline in India, which connects Upper Assam oilfields and the proposed public sector refineries at Nunmati (Assam) and Barauni (Bihar), begins from a place near this township. Extending over an area of 825 acres, Zaloni is divided into two major sectors—an industrial area (300 acres) and housing area (525 acres). One of the highlights of the housing area is that all houses, including labour quarters, are provided with electric lights, gas-cooking *chulas*, water tap, built-in cupboards and sanitary w.c. There is a good drainage system for both the areas.

NEW PRODUCTS AND PROCESSES

New Teleprinter

A NEW high-performance teleprinter claimed to be smaller and lighter than any other commercially available today, has been displayed at the British Exhibition in New York recently. A radio-version of this machine was the first to be used on board a commercial airliner on a scheduled passenger flight because it is so reliable in non-level positions. The new teleprinter was seen in operation in the official British Government exhibit. Occupying the ground floor rotunda in the Coliseum building this was a central prestige display reserved for outstanding examples of British scientific and engineering equipment. Space in this exclusive section could not be bought by individual manufacturers—all exhibits were selected on their merits alone. A striking feature of the new machine is said to be its size—15 in. wide, 13 in. deep and 11 in. high—the same size as an ordinary typewriter, and the weight is 55 lbs., about half that of earlier machines. Speeds of 100 words a minute can be transmitted, but a simple gear change will adapt it to the more commonly used speeds of 60, 66 or 75 words a minute. Attention has been paid to reducing maintenance costs and lubricating intervals have been extended by the use of self-lubricating bearings in the machine. Another major feature is the exceptional versatility. Incorporating numerous technical innovations the machine provides facilities which are of special interest in processing data.

Push-button Biscuit-making

Think of a recipe for a biscuit. Press a few buttons—and soon hundreds of thousands of the biscuits are dropping into their packing cases ready for despatch to countries all over the world.

The technique of push-button biscuit making was shown recently in the English cathedral city of Carlisle by a family firm who pioneered biscuit making by machine in 1831. Then the founder of the firm, Jonathan Dodgson Carr, "printed" biscuits on a kind of hand printing press. It cut out many biscuits from one square of dough instead of each having to be cut by hand. That was the beginning of modern biscuit making. Now, in what is claimed to be the most modern biscuit-making plant of its kind anywhere, Carrs have introduced automation right from the start of manufacture. One man in the main control room can now select any one of at present 80 recipes—later on a limitless number—and electronic controls then do the rest. The recipe on a punched card is fed into a system of electronic controls which "order" all ingredients such as flour, sugar, glucose, fats and water. Exact amounts are fed into mixers in any predetermined order. Automatic control from mixers onwards through such processes as baking and packing and labelling have been general in this factory for some years. Automation in the initial stages of manufacture has recently been introduced.

Electronic Moisture Meter Designed

An electronic moisture meter has been designed at the Shri Ram Institute for Industrial Research, Delhi, which enables accurate determination of the moisture content of different materials and there is no drift in the meter readings even after prolonged use. A special advantage of the S.R.I. moisture meter is that, by suitably modifying the plates of the electrodes, it can be used for determining the moisture content of materials like carboxy methyl cellulose, pulp, soil, grain, etc., in bulk. The residual moisture content in textiles, paper and other similar materials has an important bearing on their physical characteristics such as elasticity, rigidity and swelling. The measurement and control of moisture content at different stages during manufacture are, therefore, of great importance in textile, paper and other similar industries and moisture meters are usually installed at different stages. Thus, in textile industry the moisture content is determined for warp yarn, before embossing and resin treatment and after the resin-treated fabric has been dried. Moisture meters are also installed on textile slashers, tenter frames and pickers. Factory trials with the instrument are said to have shown it to be comparable to imported moisture meters.

Automatic Copying Machine

The first fully automatic copying machine which produces high-quality copies on ordinary plain paper by automatic xerography—electrical photography—was recently demonstrated in London. Designed as the latest form of equipment for the modern office, it requires no exposure setting. It will copy from anything written, typed, printed or drawn and also produces, in black and white, from all colours, including reds and blues. Xerography is a completely dry process and the prints emerge six a minute ready for use. As the operator does not handle the copy paper or re-handle the original for multiple copies the machine is similar in principle to a short run duplicator which needs no special master copy or stencil. The original can be anything from a letter to a bound book. All that the operator does is to lay the document on a recessed glass plate, dial the number of copies required and push a button. When the machine has made the ordered number of copies it automatically shuts itself off. The machine is not intended to be for casual use and is, therefore, not in direct competition with small desk-top copiers. It was shown at the Hanover Fair held in April where two units were sold to German banks and it will be on display at the Business Efficiency Exhibition in London in October.

Anti-corrosion Compound

A new liquid zinc anti-corrosive compound for use on iron and steel and other metal surfaces is stated to have chlorinated rubber and zinc dust of extremely small particle size as its base. One of the more important advantages claimed for it is freedom from settling out; it requires no more than normal stirring, before use.

The manufacturers, MacCleaster Chemical Company, London, state that it can be applied by brush, spraying or dropping and that it can be applied to rusted surfaces and even to surfaces which have previously been painted provided that they have been subjected to scraping or wire-brushing. The manufacturer also claims that the compound has above-average flexibility and abrasion resistance and although not designed to be specifically heat-resistant will withstand a dry temperature of 200 degrees Centigrade and a wet temperature of 120 degrees Centigrade. Fire retardant properties are said to be good. It is stated that the compound is equally efficient as a single coat system or as a primer and gives a good "key" for the top decorative finish. Particularly suitable for structural steelwork, the compound can also be used for marine applications and since the dried film is non-toxic it can be used for the protection of water tanks.

Dip Pumps

An Austrian firm, specialising in the manufacture of up-to-date pump plants, has developed a dip pump which, it is claimed, is not affected by sand and can therefore be used for the transport of water from wells and boreholes, if the distance between the water surface and the ground is above 7.5 m. The pump consists of an underwater motor and a directly connected vertical rotary pump above it. The unit is suspended freely within the well or the borehole on the bottom end of the pressure conduit. The motor is of the "semi-wet system", i.e., with a dry stator and a wet rotor, separated by a multi-layer casing. In normal type motors for an output upto 10 h.p. the weight of the rotor and the residual longitudinal thrust of the pump are supported by a grease encased cup and cone bearing; for higher outputs an auxiliary pump with relieving plate is foreseen. The new pump has given excellent results in automatic and continuous operation, even if the water conveyed has a high sand content. Such pumps are mainly used in waterworks, for the lowering of the phreatic water level in deep-drilling operation and mining, etc.

Novel Refrigerator

Plastic foam which entraps an insulating gas, instead of air, in its tiny bubbles is claimed to be twice as efficient as previous foams. The first use of the gas-filled foam, in a new home refrigerator, increased interior storage space by 21 per cent. without changing external dimensions. A plastic resin and an isocyanate are mixed in the presence of a catalyst and freon. The first two react and the heat of their reaction vaporises the freon, the inert gas familiar from its use in many household fridges. The freon converts the mixture into foam and is itself trapped in the bubbles.

The refrigerator, made in the U.S. is claimed to be the first "no frost" gas mechanism. It eliminates frost in the cold compartments by cooling air outside them and extracting the moisture. The cooled, dried air then circulates within the refrigerator. The mechanism halts periodically to permit the moisture on the outside cooling coils to melt and evaporate.

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GROUP INCENTIVE BONUS SCHEME

ENFIELD INDIA'S COMMENDABLE EFFORT

ALTHOUGH the principle that wages should be related to productivity has been generally accepted as sound, most of the industrial undertakings in the country have yet to adopt the system of remuneration which links wages to productivity. Enfield India Ltd., Madras, the one and only unit in India manufacturing motor cycles, is one of the few firms which have introduced an incentive bonus scheme. Though young in years—it was established late in 1955—Enfield India has already earned a reputation for efficiency, and cordial labour-management relations.

At present, the firm gives employment to 1,200 workmen, including the sales and service staff. With the implementation of the expansion programme, which the Company has planned, another 1,000 persons will be provided with jobs. Enfield India Ltd. has a licensed capacity of 5,000 motor cycles per annum. The present production, which averages over 400 vehicles per month, is close to this figure. The Company hopes to step up production to about 7,000 motor cycles per annum from next year.

The management of the Company believes that these expansion programmes could not be implemented without the full and willing co-operation of the workers. It has, therefore, endeavoured to do whatever is within its capacity to increase the material welfare of workers. It is said that, from 1st January 1959, the management had agreed to pay wages and dearness allowance on a scale which compares favourably with that prevalent in other well-established industries. Besides, the Company also pays other allowances and amenities such as a 25 per cent. extra payment on the basic wage for night shift, attendance incentive, additional leave with wages for festival holidays and sickness at rates higher than what the law provides. In addition, milk and eggs are supplied to workers engaged in arduous jobs. Uniforms and boots are given to certain categories of employees. The Company also advances loans to the co-operative canteen and credit society of the employees. The incentive bonus scheme, which was formally inaugurated by Mr. K. Kamraj, Chief Minister of Madras, on 24th June, is the latest in the series of measures taken by the Company to promote the productivity and welfare of its workers.

Prepared by Experts

The incentive scheme has been scientifically evolved, after an intensive work study spreading over a period of eighteen months, by Messrs. Ibcon (Private) Ltd., the well-known firm of industrial consultants. The Group Incentive Bonus Scheme, as the name suggests, applies to groups of men working together on different manufacturing, assembling, etc., operations. The number of workmen in each group is determined by the volume and type of work. Each individual member of a group works for the common good of the group. The scheme is being introduced group by group as the preliminary arrangements pertaining to each group get completed. Initially, the scheme covers only daily-rated employees. Later on, monthly-rated employees, including supervisory and executive staff, will also be included.

The improvement in efforts put in is measured by the standards of performance for various operations established by time study. By measuring with a stop watch the actual time taken by the normal workers and adding to these normal (actual) times allowances for factors which affect work such as rest and relaxation for fatigue, personal needs, unavoidable delays, etc., standard performance or standard man-hours are fixed. These standards, which are established under a specific set of conditions existing at the time the study is undertaken, are kept unchanged as long as the conditions prevail. But, if any technical changes affecting materials, tools, equipment, methods, specifications, etc., occur, the operations will be restudied and new standards established to reflect the change.

Standard Defined

Standard performance is defined as something which is within the normal capacity of the average workman, if motivated, to achieve. However, it is common knowledge that, in this country, the average actual performance in engineering industries is as low as 40 to 50 per cent. of this standard. In Enfield India Ltd., it is claimed that it has been about 55 per cent.

According to the scheme, every workman in an incentive group will get 2 per cent. of his basic earnings for the month as incentive bonus for every 1 per cent. increase in the productivity of the group in which he works. There will be some workmen who are not directly engaged in production, but engaged in indirect work. Indirect groups will be formed of such workmen and a workman in an indirect group will be eligible for the same percentage of bonus as that of the direct group to which his indirect group is attached.

Performance Index

The output of a group is measured in terms of standard man-hours by applying standards of performance to the production of the group. The input, expressed in terms of actual man-hours, is measured by the number of men in the group and the number of hours each has worked in the group. Performance of each group is obtained by comparison between the output and input of the group. The performance index of the group is obtained as follows:

$$\frac{\text{Output in standard man-hours}}{\text{Input in actual man-hours}} \times 100$$

To illustrate, when the production of a group is 40 units of a given item, whose standard of performance is two standard man-hours per unit and the actual man-hours put in for the production by the group is 100 man-hours, then the group output is $40 \times 2 = 80$ standard man-hours and group performance index is $\frac{80}{100} \times 100 = 80$ per cent.

Bonus per cent. is related to the performance index. Although, from the definition of standards of performance, it is evident that 100 per cent. performance index is what is attainable by normal workmen, the management has decided to give incentive bonus for any improvement above the level of 55 per cent. performance index. The maximum bonus of 90 per cent. of the basic wage will be given for the standard performance, namely, 100 per cent. performance index. A linear scale has been adopted for working out bonus per cent. at different performance levels above the 55 per cent. index.

For the purpose of working out bonus per cent., performance of groups will be calculated for a period of one calendar month. Output of the group will be calculated by applying standards of performance to the certified production. Input of each group will be worked out from the "attendance and group disposition" reports submitted by section supervisors.

The performance index of the group will be obtained by dividing the total output of the group in standard man-hours for the month by the total input of the group in actual man-hours attendance for the month and multiplying it by 100. The bonus per cent. applicable to the group is determined from a "Bonus per cent. and Performance Chart."

For Individual Members

The bonus earnings of individual members in a group is calculated as follows: If the output of a group for a particular month is 500 standard man-hours and the input is 625 man-hours the performance index works out to $\frac{500}{625} \times 100 = 80$ per cent. Assuming that the bonus per cent. applicable to 80 per cent. performance index is 50 per cent., the workers in the group will get 50 per cent. of their basic wages as incentive bonus.

As considerable preliminary arrangements have to be made, the scheme is being introduced section by section. Initially, it has been introduced in the tinkering and polishing sections and it is expected that, before the end of the year, the majority of workmen would be brought under the incentive scheme.

The results of the working of the scheme in the sections where it was introduced have been very encouraging. Within a short period of one month, productivity in the section increased from 55 per cent. to 88 per cent. The workmen in the group got for the month of May an incentive bonus equivalent to 66 per cent. of their basic wages. This certainly is an indication of the remarkable results which the scheme is capable of yielding in future.

By introducing the scheme, the management of Enfield India Ltd. can legitimately claim credit for having taken a major step towards achieving more production, higher productivity and better rewards for labour. While the workers get immediate cash benefit for better efforts, the Company and the country benefit by higher productivity and lower costs. The success of the scheme depends on mutual effort and understanding between the management and workers. It is to be hoped that these will be forthcoming in abundant measure from both parties to make the scheme a complete success and an example worthy of emulation by other industrial undertakings.

"RECREATION"—THE FASTEST GROWING INDUSTRY IN THE U.S.

It may be news to many that the fastest growing industry in the U.S. today is that which caters to the leisure and recreation of the 66 million Americans at present gainfully employed and their families. According to a study made by the firm of Francis I. DuPont and Company, one of the U.S.'s leading investment companies, "leisure spending" by Americans will reach the record total of $43,000 million this year, which is $2,000 million higher than last year's spending. The figure is expected to rise continuously and reach $50,000 million mark before the end of the 1960s.

The American labour force is constantly growing. More than 66 million persons now are gainfully employed, all of whom, without exception, enjoy paid vacations each year. In addition, in nearly all industries, the basic, 40-hour, five-day work-week, prevails. On top of this, Americans enjoy high pay scales and living standards—which all adds up to ample leisure time and enough money to spend.

The DuPont study revealed that there is a clear trend toward active leisure in sports as well as in other pastimes. The fastest growing sports in the U.S. today are hunting, fishing, archery and skiing. Golfing and bowling also are on the increase. Water sports such as skindiving, swimming and boating, show signs of increasing popularity.

With the growth of active sports, a relative decline in "spectator" sports such as baseball and boxing has occurred. With television available at home, attendance at motion picture houses also is falling off. Even so, the study shows, "spectator" activities still hold a high place in American leisure-time habits.

An interesting trend brought to light by the study is that the increasing stress on "participation sports" has not dimmed interest in cultural pursuits. There has been a noticeable increase in book reading, for instance, as well as in spending for records, phonographs and similar equipment. More time is also being devoted to the theatres, the opera and concerts; outlays for these purposes last year were nearly double what they were a dozen years ago. And photography, long a hobby with many Americans, still ranks as a major leisure pursuit.

The growth of the "recreation" industry, the study points out, is furthered also by a shift in the public attitude with regard to financing leisure activities. With high employment and income, people seem to have little reluctance to finance their recreation through credit.

The breakdown of America's principal leisure-time outlays is as follows: gardening and other home, "do-it-yourself" projects, $12,000 million; travel $10,400 million; television, radio, phonographs and records $3,800 million; reading material $3,300 million; fishing $2,600 million; boating $2,500 million; spectator amusements $2,200 million; swimming and other aquatic equipment and activities $1,300 million; 'dining out' for pleasure $1,100 million; hunting $1,000 million; bowling $1,000 million; golf $800 million; and photography $700 million.

The study points to some possible changes ahead in American recreational activities. New leisure pursuits could come to the fore as time goes by. Recreational standards and interests are bound to be influenced by continuing social and economic progress.

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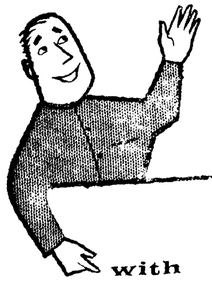

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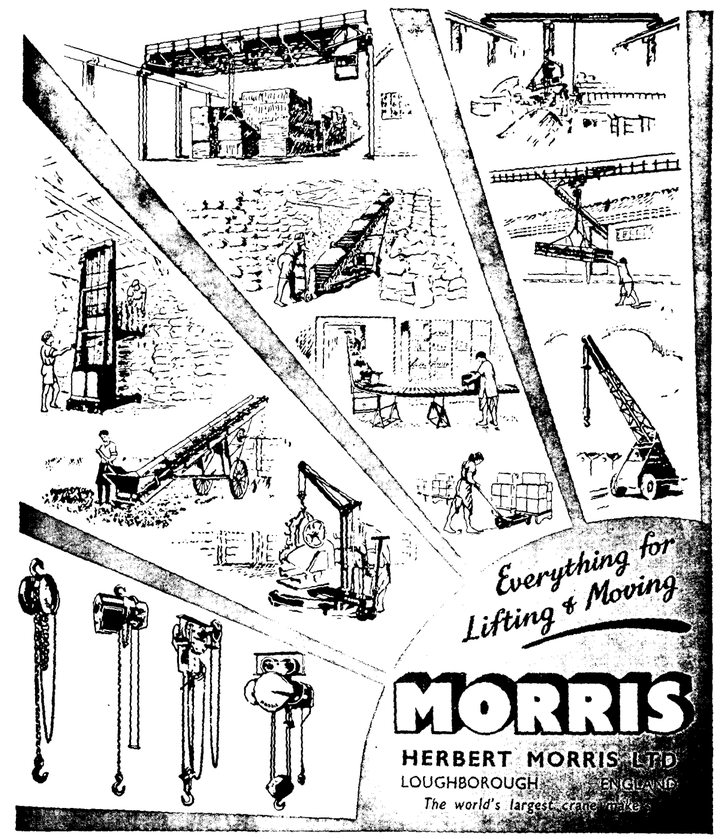

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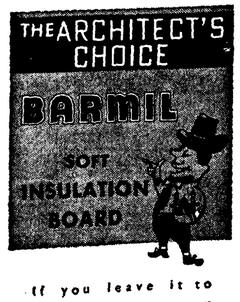

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LAC EXPORTS PICKING UP

TRADE WANTS BUFFER STOCK FOR STABILISING INTERNAL PRICES

THERE are unmistakable signs of an improvement in production and exports of lac of late. The *baisakhi* lac crop of the current year—the official revised estimates for which were announced last month—shows a perceptible increase, from 650,000 maunds in the 1959 season to 800,000 maunds, or by about 23 per cent. Production in all the major producing States rose substantially, Bihar accounting for 398,000 maunds (as against 334,000 maunds), Madhya Pradesh for 230,000 maunds (204,000 maunds), West Bengal for 105,000 maunds (66,000 maunds) and Maharashtra for 40,000 maunds (16,000 maunds). In terms of value, the exports of lac amounted to Rs. 6.29 crores in 1959-60, as against Rs. 5.70 crores in 1958-59. This is particularly encouraging, when viewed against the background of growing competition from Thailand, apart from the impact of synthetic substitutes being developed in industrially advanced countries.

There is no denying the fact that the recent signs of improvement in the lac industry and trade owes its origin to the efforts being made by the Indian Lac Exporters' Association, ever since its inception in May 1958. The Association, it may be recalled, came into being at a time when the lac trade was caught in a virtual debacle. There had been wide fluctuations in the price of lac, with prices gradually drifting to lower levels. Shellac prices declined sharply from the year 1954: the highest Calcutta prices of T. N. shellac recorded during each of the years from 1954-55 to 1958-59 were, respectively, Rs. 177, Rs. 163, Rs. 130, Rs. 90 and Rs. 75, and the lowest prices during these years were Rs. 105, Rs. 145, Rs. 111, Rs. 80 and Rs. 55, respectively. When the Association was formed in 1958, prices had reached rockbottom, and the prospects were that they would decline further. The formation of the Association, it is claimed, had itself a heartening effect on the market, and prices rose immediately. Soon after its formation, the Association fixed minimum export prices, and adopted steps necessary for securing their adherence by all concerned. Export prices, therefore became stabilised and predictable to a certain extent. The chief drawback of shellac from the point of view of the industrialist, namely, violent price fluctuations, was sought to be thus remedied.

Synthetic Substitutes

As Mr. C. R. B. Menon, President of the Indian Lac Exporters' Association, pointed out, while addressing the second annual general meeting of the Association held at Calcutta last week, the principal reason why the consumption of shellac had declined was that it had been ousted from many industries and uses by the innumerable synthetic resins, especially plastics, which had been developed in foreign laboratories in recent years. These synthetic resins offered several advantages, such as stable prices, consistency of quality and adequate and regular supply. But they would not have so easily displaced shellac in many countries, Mr. Menon observed, but for the violent prices fluctuations to which shellac was subject as a result, primarily of speculative activity. He claimed that the efforts of the Association for ensuring stable export prices for lac enabled many factories, which had previously abandoned shellac, to resume its use. Mr. Menon disclosed that the Association's efforts in this direction were greatly assisted by the Government of India which gave export licences only to those who obtained a "price scrutiny slip" from the Association. This compulsion enabled it to keep a close watch on the quality and price of each and every consignment exported and to make its regulatory measures effective. The Association also received the co-operation of importers' organisations—especially in the U.S. and the U.K., in return for which it gave anxious consideration to the views they had to express from time to time.

Another important step taken by the Association is the establishment of a fund for financing research in discovering new uses of lac and giving publicity to them. A sum of Rs. 10 lakhs has been collected for this purpose. A part of it will be utilised for subsidising publicity and research in the U.S., part for the grant of scholarships in the U.K., and part for financing research in India.

Price Disparity

Mr. Menon stressed that an important problem which the Association had to face during the major part of its existence had been the disparity between the minimum export prices and the internal prices of lac. This divergence, he said, had in some months been of the order of 10 to 15 per cent. to the disadvantage of importers in foreign countries. He realised that this had been a source of understandable concern for manufacturers abroad, who consumed shellac. He disclosed that, in order to eliminate this divergence, the Association drew up a comprehensive scheme for maintaining a buffer stock designed to stabilise internal prices. Although the scheme was submitted to the Government of India in 1958, it had not yet made any progress. Mr. Menon urged the Government of India to give early and serious consideration to the proposed scheme. Meanwhile, the Association itself has established a separate fund for the purpose of the buffer stock. Contributions to this fund are being met from a fluctuating levy imposed on exports. The accumulations so far have amounted to Rs. 5 lakhs. It would only be legitimate to expect that the Government would not cold-shoulder a scheme drawn up at the initiative of the exporters themselves.

Although the Association has been successful in imparting a certain amount of stability to prices, it cannot be claimed that the problem has been completely solved. For, in the last few weeks, prices have tended to move down. Currently, the pure T.N. shellac is quoted at about Rs. 69, as against about Rs. 78 in the beginning of the year. Commenting on this trend, Mr. H. P. Lohia, Vice-President of the Association, stated that this phenomenon was largely of a seasonal character. The floating stocks had started accumulating in the wake of a bumper *baisakhi* crop. Mr. Lohia, however, observed that a large part of the bumper crop had been absorbed without creating serious disequilibrium. He endorsed the plea made by Mr. Menon for the establishment of a buffer stock to check wide fluctuations in lac prices.

Mr. Lohia felt optimistic about the prospects for exports of lac in the current year. He was of the opinion that the export target of Rs. 7 crores per year laid down in the second Plan would be fulfilled in time. The trend of export sales so far has been satisfactory. During the first five months of 1960, the total quantity of lac exports improved from 157,231 packages in the corresponding period in 1959 to 186,134 packages.

Research Schemes

Details of some of the schemes for research, sponsored by the Association, were given by Mr. Lohia. One of them seeks to find out through research in the U.K. the possibilities of producing useful combinations of lac which will extend the use of lac in conjunction with synthetic resins, rather than in competition with them. A similar project is proposed to be introduced in West Germany, through the good offices of Dr. Kalkhof-Rose, who, besides being the most important customer of Indian lac, is himself an

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...chemist and plastics chemist. In India itself, the Association proposes to set up a Shellac Information Bureau, with Dr. B. L. Manjunath as Director. The Bureau is expected to popularise the use of lac as a raw material in indigenous industries, besides disseminating information on new applications of shellac in the field of lamination, adhesives, paints, etc. It is also likely to assist materially in the Association's research work by preparing digests and abstracts of past research and maintaining a reference library. The organisation of the proposed Research and Testing Laboratory of the Association may also be entrusted to the Bureau.

The Indian Lac Cess Committee, too, has been co-operating with the Association in organising some useful schemes. These include the establishment of a Research Co-ordinating Committee. Arrangements are also being made for annual inspection of the activities of the Indian Lac Research Institute by Dr. L. A. Jordan, the Technical Adviser to the Association. Besides, the Committee has decided to organise, in collaboration with the Association, a study into the cost of production of lac, improved crop forecasts and the plantation of *kusmi* trees in certain selected areas in the country.

BUILDERS HARDWARE INDUSTRY

A plea to permit actual users in the builders hardware industry to import their raw materials, until the new steel plants, particularly the Rourkela factory, which would supply flat products, came into full operation, was made by Mr. Ajoyendu Paul, Chairman of the Builders Hardware Industries Association, in his address to the sixth annual general meeting of the Association held at Calcutta on the 1st inst. The industry, like other steel fabricating industries, he added, was a victim of acute shortage of raw materials. At present, the industry got its quota either from the Development Wing or from the State Governments. According to Mr. Paul, the current allotment was hardly sufficient to meet even 50 per cent. of the consuming capacity of the industry. Some relief was obtained now and then, he pointed out, by securing some industrial scrap, imported by commercial importers, but, at times, at a heavy cost. Apart from increasing the general supply position, Mr. Paul wanted to make efforts simultaneously to ensure that indents of fabricators were expeditiously supplied by the producers. Though there was an overall shortage, he suggested that each factory should get some material every month on a regular basis, with a view to ensuring continued production and employment.

At present, there are 60 factories engaged in the manufacture of builders' hardware items and employing on an average about 15,000 workers. The industry, Mr. Paul claimed, was in a position to meet the country's entire demand in respect of all the items of builders' hardware and fittings, such as hinges, padlocks, padbolts, tower-bolts, etc. While this may be so, it is necessary to point out that the quality of these products is still not upto the mark. This is particularly true of hinges which wear off much sooner than the imported ones. Mr. Paul must, therefore, impress upon his colleagues in the industry to take appropriate measures for improving the durability, fineness and finish of their products.

Mr. Paul stressed that the industry should now concentrate its efforts to diversify its production pattern, particularly in view of the national building programme envisaged for the third Plan and the export promotion drive. He suggested that manufacturers should take up new items, such as hydraulic door closure, superior types of butt hinges, cabinet hardware and mortise locks as well as other door and window fittings required for modern house construction.

There has of late been some increase in the exports of builders' hardware. The following table shows at a glance the trend of exports since 1956:

Year	(Lakhs of Rs.)
1956	19.05
1957	20.97
1958	20.90
1959	24.60
1960 (first 5 months)	8.22

The exports have been mainly to countries in South-East Asia, West Asia, Africa, Europe, West Indies and Cyprus. Mr. Paul held the view that prospects for further expansion of exports of builders hardware were promising, provided the industry was given, in addition to the existing export promotional facilities, adequate supply of steel. He also wanted that the steel consumed for export products should be supplied at retention prices. This, in our view, is quite a reasonable demand.

GHANA REMOVES IMPORT RESTRICTIONS

The Government of Ghana has removed the import restrictions previously imposed for balance-of-payments reasons. Ghana is the second Contracting Party of the G.A.T.T. among the less-developed countries to renounce the use of such restrictions, the first being the Federation of Malaya, which had announced its decision a few weeks ago. Under the provisions of the G.A.T.T., Contracting Parties are allowed to restrict imports in order to safeguard their balance of payments and monetary reserves. The Agreement, however, requires that such restrictions should be progressively relaxed as conditions improve and should be eliminated when conditions no longer justify their maintenance.

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DRAFT OUTLINE OF THE THIRD PLAN

SALIENT FEATURES SUMMARISED

A TOTAL investment of Rs. 10,200 crores in the economy—Rs. 6,200 crores in the public sector and Rs. 4,000 crores in the private sector; a Plan outlay of Rs. 7,250 crores in the public sector; a rise of national income of over 5 per cent. per annum; a production of 100 to 105 million tons of foodgrains and a capacity target of 10 million tons of steel ingots; an increase in the total generating capacity of power from 5.8 million kw. to 11.8 million kw.; creation of additional employment for 13.5 million people; extension of the community projects and co-operative movements to cover all the villages in the country; free and compulsory education for all children in the 6-11 years age group and the provision of minimum amenities to all rural areas including drinking water, roads linking each village to the nearest main road or railway station and a village school building, which may also serve as a community centre and provide facilities for the village library, are some of the goals which the Planning Commission have set before the country in the draft outline of India's Third Plan released to the Press this week. The following is an official summary of the Draft outline:

A Tentative Framework

The Outline presents the third Plan in its broad framework. It takes into consideration the present needs of the national economy, progress realised since independence and the perspective of development during the next 15 years or so.

The Outline, it is explained, has a twofold purpose. It is intended to serve as a basis for consideration by Parliament and State Legislatures and all sections of public opinion of the objectives and priorities of the third Plan and the targets to be achieved in different fields of development, and also to give an indication of the magnitude of the national effort needed in the coming years. It is also intended to assist the Central Ministries and the State Governments in working out their more detailed proposals for the final version of the third Plan to be submitted to Parliament early next year. All estimates in the Outline are necessarily tentative and will be reviewed in the next few months in the light of further discussions and comments.

The First and Second Plans

Over the past decade, through the Five-year Plans, India has endeavoured to harness her natural resources and energies of her people to the tasks of national development. From the beginning, it has been stressed that the objective of planned development was not only to increase production and attain higher levels of living, but also to secure a social and economic order based on the values of freedom and democracy in which "justice, social, economic and political, shall inform all the institutions of the national life." The first and second Five-year Plans which were formulated with these objectives in view marked the first phase in this endeavour.

The first Plan sought to strengthen the economy at the base, by repairing the damage caused by the war and the partition and by establishing the basic social and economic policies for economic development according to the Directive Principles of State Policy laid down in the Constitution. Among the important steps initiated in this Plan, the community development movement and the programmes for land reform deserve special notice. In continuing and further developing the approach set out in the first Plan, the second Plan aimed at a larger increase in production, in investment and in employment. It placed emphasis on accelerating the rate of growth of the national economy, building up basic industries, increasing employment opportunities, reducing the disparities in income and wealth and preventing the concentration of economic power. The national income increased by 3½ per cent. per annum in the first Plan and 4 per cent. per annum in the second Plan.

Aims of the Third Plan

The third Plan represents another important phase in the development of the country's economy. Its broad aims are:

(i) to secure during the next five-year period a rise in national income of over 5 per cent. per annum, the pattern of investment being designed also to sustain this rate of growth during subsequent Plan periods;

(ii) to achieve self-sufficiency in foodgrains and increase agricultural production to meet the requirements of industry and exports;

(iii) to expand basic industries like steel, fuel and power and establish machine-building capacity, so that the requirements of further industrialisation can be met within a period of 10 years or so mainly from the country's own resources;

(iv) to utilise, to the fullest extent possible, the manpower resources of the country and to ensure a substantial expansion in employment opportunities; and

(v) to bring about a reduction of inequalities in income and wealth and a more even distribution of economic power.

Self-sustaining Growth

One of the principal objectives of the third Plan is to secure a marked advance towards self-sustaining growth. Basically, self-sustaining growth implies that savings and investment in the economy rise sufficiently to secure a high rate of growth of income on a continuing basis. An important aspect of this problem, however, is that of creating within the country the capacity to produce the capital goods and equipment necessary to support the scale of investment proposed. In determining the pattern of investment in the third Plan, this consideration has been kept in mind.

Self-sustaining growth can only be achieved by balanced development both in agriculture and industry. Incomes and employment cannot rise sufficiently without industrialisation. On the other hand, an industrial revolution cannot be achieved without a radical improvement in agricultural productivity. The third Plan calls for effort both to enlarge the capital base and to raise the output of food and raw materials.

In a country in which there is under-utilisation of manpower, expansion of employment opportunities becomes an important objective in itself. Increased production itself is to some extent dependent upon a better utilisation of the available manpower. Considerable emphasis is, therefore, given in the Plan to increasing employment opportunities.

Socialist Pattern

Another important objective of the Plan is to devise means for reducing inequalities in incomes and wealth, the aim being to bring a "socialist pattern of society" in which all citizens will have the fullest opportunity for a rich and diverse life and for the development of their full potentialities. The term "socialist pattern of society" implies that the basic criterion in determining social policies and the lines of the economic advance should be not private profit or the interests of a few but the good of the community as a whole. Reduction in inequalities in income and wealth has to be achieved through a large variety of measures and institutional changes undertaken as part of the Plan. The pattern of investment, the direction to economic activity given by State action, the impact of fiscal devices used for mobilising resources, the expansion of social services, the institutional changes in the sphere of land ownership and management, and growth of the co-operative sector under State sponsorship—all these determine the points at which new incomes will be generated and the manner of their distribution. It is the essence of a planned approach that all these measures are harmonised and brought to a focus in a manner that would ensure an enlargement of incomes and opportunities at the lower end and a reduction of wealth and privilege at the upper end.

Population Problem

According to latest estimates, the population in 1966 will be 480 million, instead of 434 million assumed in the Second Plan Report. In an economy with low levels of income and consumption, high rates of population growth severely limit the pace of economic development. It is essential, therefore, to stabilise the population. The accelerated growth of population also emphasises the urgency of more rapid economic development.

Priority for Agriculture

The Plan emphasises that, in the scheme of development, the first priority necessarily belongs to agriculture. The importance of achieving self-sufficiency in foodgrains and meeting the requirements of industry and export is one of the major aims of the third Plan. Agricultural production has to be increased to the highest levels feasible, so that the incomes and levels of living, as the rural population rises, should keep pace with incomes in other sectors.

The Plan provides for an outlay in the public sector of Rs. 1,025 crores for agriculture and community development and Rs. 650 crores for major and medium irrigation. Investment by the private sector (exclusive of assistance received from the public sector) is estimated to be of the order of Rs. 800 crores. As the Plan proceeds, if larger resources are needed for assuring a more rapid advance within the rural economy, specially through the fuller use of manpower, these will be made available.

Agricultural production is to be stepped up by 30 to 33 per cent., depending upon the targets which may be finally decided as a result of work on area agricultural plans. The targets of production proposed for some of the important agricultural commodities are as follows:

Commodity			Annual production 1960-61 (Expected)	Annual production 1965-66 (Target)
Foodgrains	..	.. (million tons)	75.0	100-105
Oilseeds	..	.. (million tons)	7.2	9.2-9.5
Sugarcane (in terms of gur)	..	.. (million tons)	7.2	9.6-9.2
Cotton	..	.. (million bales)	5.4	7.2
Jute	..	.. (million bales)	5.5	6.5

In addition, measures will be taken to increase the production of food articles like fruits and vegetables, milk, fish, meat, eggs, as also of other commodities like coconut, arecanut, cashewnuts, pepper, cardamom, tobacco, lac and timber.

The target proposed for foodgrains would allow for consumption of about 15 ozs. of cereals and 3 ozs. of pulses per capita per day, besides providing some margin against emergencies. The target for raw cotton is expected to be sufficient to provide about 17.5 yards of cotton textile per annum per capita and in addition, allow for some exports.

The net irrigated area is proposed to be expanded to about 90 million acres by the end of the third Plan, as against 70 million acres expected at the end of the second Plan. About 40 million acres will be covered by dry farming techniques. Soil conservation measures are to be extended to an additional area of 13 million acres. The consumption of nitrogenous fertiliser is to be increased from 360,000 tons in terms of nitrogen in 1960-61 to one million tons in 1965-66. Plant protection measures will be extended to 75 million acres. The community development programme will be extended to the entire rural area by October 1963: the programme of co-operative development will be intensified and finance through co-operative agencies is expected to play a considerable part in increasing agricultural production.

Large-scale Industry

A high priority is also being given to industry, power and transport because development in these fields is vital for lifting the economy to a higher level and for its accelerated growth. Beyond a stage, the growth of agriculture and the development of human resources alike hinge upon advances made in industry. Public sector outlay in large-scale industry and mineral development will be Rs. 1,500 crores and private sector investment (exclusive of assistance from the public sector) is expected to be Rs. 1,000 crores.

Special emphasis is placed on heavy industries which will help make the economy self-sustaining, namely, steel and machine building and the manufacture of producer goods. Necessary measures are also proposed to be taken to expand the production of consumer goods.

Steel

Developments in iron and steel are linked with the capacity target of 10.2 million tons in terms of steel ingots and 1.5 million tons of pig iron for sale. The additional capacity and output in this field are expected to be realised almost entirely in the public sector. The Bhilai, Rourkela and Durgapur steel plants are proposed to be expanded, contributing jointly 5.5 million tons of steel ingots. The Plan also provides for a fourth steel plant in the public sector to be started at Bokaro.

Machine Building

Proposals for machinery and engineering industries during the third Plan include heavy machine building plant, foundry forge, coal mining machinery plant, heavy machine tool factory, doubling of the output of Hindustan Machine Tools, Bangalore, expansion of the Heavy Electrical Project in Bhopal, two additional heavy electrical projects and scheme for the production of high pressure boilers and precision instruments. Machinery manufacturing programmes in the private sector are expected to supplement considerably the efforts of the public sector. Near self-sufficiency is expected in regard to textile, sugar, cement and paper machinery.

Fertilisers

The production of nitrogenous fertilisers is to be stepped up from 210 thousand tons of nitrogen at the end of the second Plan to one million tons at the end of the third Plan and of phosphatic fertilisers from 70 thousand tons to 400-500 thousand tons in terms of P.O.

Coal

Production of coal is to be increased to 97 million tons at the end of the third Plan, as against the target of 60 million tons at the end of the second Plan.

Oil

On the basis of the present proved reserves, the Naharkatiya area is expected to produce 2.75 million tons of crude oil per year. Provision has been made both for the completion of refineries at Nunmati and Barauni for processing the Naharkatiya crude oil and also for further exploration, with a view to obtaining additional production of crude oil from Cambay and other areas where prospects appear to be favourable.

Among the other important industrial targets which have been proposed are:

		Annual production 1960-61	Annual production 1965-66
Aluminium	(thousand tons)	17.0	75.0
Cement	.. (million tons)	8.8	13.0
Paper	(thousand tons)	320.0	700.0
Sulphuric acid ..	(thousand tons)	400.0	1,250.0
Caustic soda	(thousand tons)	125.0	340.0
Sugar	.. (million tons)	2.5	3.0
Cotton textiles (mill cloth)	.. (million yards)	5,000.0	5,800.0
Bicycles (organised sector)	(thousand Nos.)	1,650.0	2,000.0
Sewing machines ..	(thousand Nos.)	300.0	450.0
Automobiles	.. (Nos.)	53,500.0	100,000.0

Village and Small Industries

There is considerable emphasis on the development of village and small industries. Provision has been made for positive forms of assistance like facilities for training, technical know-how, supply of credit and raw materials, etc. Production of cloth in the decentralised sector is proposed to be increased from about 2,600 million yards in 1960-61 to 3,500 million yards in 1965-66. The number of industrial estates is expected to increase from 60 in the second Plan to 360 in the third Plan. In the programmes for small-scale industries, the emphasis will be on promoting their development in small towns and rural areas and on linking them up more closely with large-scale industries as ancilliary or feeder units.

Power

As regards power, it is proposed to increase the total generating capacity from 5.8 million kw. at the end of the second Plan to 11.8 million kw. at the end of the third Plan. The programme for power includes a project for nuclear power generation of 300 thousand kw. It is expected that 15,000 additional towns and villages will be electrified during the third Plan bringing the total to 34,000.

Transport and Communications

It is expected that the railways will be able to carry goods traffic to the extent of about 235 million tons in 1965-66 as against 162 million tons in 1960-61. One thousand two hundred miles of new railway lines will be constructed. Under the road development programme, it is proposed to expand surfaced roads from 144,000 miles in 1960-61 to 164,000 miles in 1965-66. The expansion of road transport will be mainly in the private sector. It is estimated that the number of commercial vehicles will go up from about 200,000 to about 300,000. The shipping target proposes to add about 200,000 g.r.t. to the tonnage of 900,000 g.r.t. expected to be achieved at the end of the second Plan.

Social Services

It is proposed to provide for free and compulsory primary education in the age group 6-11 years. Making allowance for slow progress in women's education in certain backward areas, it is estimated that the proportion of pupils to the number of children will go up from 60 to 80 per cent. in age group 6-11, from 23 to 30 per cent. in the age group 11-14 and from 12 to 15 per cent. in the age group 14-17. The total number of students in schools will go up from 41 million in 1960-61 to 60 million in 1965-66.

Scientific and technical education will be given increasing support. The intake capacity of engineering colleges and polytechnics will increase from 37,200 at the end of the second Plan to 53,500 at the end of the third Plan.

The number of registered doctors will increase from 84,000 to 103,000, of hospitals and dispensaries from 12,600 to 14,600 and of primary health centres from 2,800 to 5,000. The number of family planning centres will increase from 1,800 to 8,200.

Low-income Group Housing

Programmes for low-income group housing, housing for industrial workers, slum clearance and slum improvement and acquisition and development of land for housing will be expanded and housing finance for housing will be provided through Housing Finance Corporations.

Local Development Works

The third Plan includes a programme of local development works for enabling all rural areas to provide themselves with certain minimum amenities. These are (a) adequate supply of drinking water, (b) roads linking each village to the nearest main road or railway station, and (c) village school building which may also serve as a community centre and village library.

Outlay and Investment

For achieving the above targets, the Draft Outline envisages a total investment of Rs. 10,200 crores in the economy during the third Plan period. Of this amount, Rs. 6,200 crores will be in the public sector and Rs. 4,000 crores in the private sector. The total outlay in the public sector will be Rs. 7,250 crores. A sum of Rs. 200 crores is expected to be transferred from the public sector for capital formation in the private sector. In the following table, the total outlay and investment in the third Plan are compared with those of the second:

(Rs. crores)

	Public sector: Plan outlay	Public sector: Current outlay	Public sector: Investment	Pr vate sector	Total investment
Second Plan ..	4,600	950	3,650	3,100*	6,750
Third Plan	7,250	1,050	6,200	4,000*	10,200

* Exclusive of Rs. 200 crores of assistance transferred from public sector.

Note: Two expressions in common use may be briefly explained:

(1) *Investment* is expenditure on the creation of physical assets (e.g., buildings, and plant and equipment), including expenditure on personnel required for putting up these assets. The expression corresponds broadly to expenditure on *capital account*.

(2) *Current outlay* corresponds broadly to expenditure on revenue account on plan schemes; it is expenditure other than that classified as 'investment'.

The general pattern of investment in the second Plan is being continued in the third. But, in the public sector, there is greater emphasis on agriculture, industry and power and on certain aspects of social services. The distribution of plan outlay in the public sector in the second and third Plans is given in the following table:

(Rs. crores)

	Outlay: Second Plan	Outlay: Third Plan	Percentage: Second Plan	Percentage: Third Plan
(1) Agriculture and minor irrigation ..	320	625	6.9	8.6
(2) Community development and co-operation ..	210	400	4.6	5.5
(3) Major and medium irrigation	450	650	9.8	9.0
(4) Total (1), (2) and (3) ..	980	1,675	21.3	23.1
(5) Power	410	925	8.9	12.8
(6) Village and small industries	180	250	3.9	3.4
(7) Industry and minerals ..	880	1,500	19.1	20.7
(8) Transport and communications	1,290	1,450	28.1	20.0
(9) Total (5-8) ..	2,760	4,125	60.0	56.9
(10) Social services	860	1,250	18.7	17.2
(11) Inventories	..	200	..	2.8
(12) Grand total ..	4,600	7,250	100	100

The allocation proposed at present is necessarily provisional. They are intended to assist the Central and State Governments in undertaking detailed studies of their programmes and projects and in establishing priorities within each sector. It is stated that for approved programmes and targets under agriculture, village and small industries, primary education, technical education, special works programmes for utilising manpower resources, etc., additional domestic resources will be made available, if found necessary, after examination by States and Ministries.

In respect of approved projects for which substantial external finance is required, once the necessary foreign exchange in found, every effort will be made to find the requisite internal resources. Out of the total outlay in the public sector of Rs. 7,250 crores, Rs. 3,600 crores will be in the Centre and Rs. 3,650 crores in the States. Central assistance to States is estimated at Rs. 2,500 crores.

Resources for the Plan

The step-up in investment from a total of Rs. 6,750 crores in the second Plan to a total of Rs. 10,200 crores for the third Plan will call for a large effort for mobilising domestic resources. National income is expected to increase during the third Plan period at a rate of over 5 per cent. per annum. It is from this source that the additional demands for investment and for consumption have to be met.

The Plan aims at raising the level of investment in the economy from about 11 per cent. of national income by the end of the second Plan to about 14 per cent. by the end of the third Plan. The rate of savings in the economy is at present about 8 per cent. of national income. This has to be raised to about 11 per cent. by the end of the third Plan, the balance representing inflow of resources from abroad.

The third Plan starts, unlike the first two, with a low level of foreign exchange reserves. There is no further scope for drawing on these reserves. Moreover, the level of prices now is more than 20 per cent. above the level at the beginning of the second Plan. Both these considerations demand that inflationary financing of public outlays must be kept down to the barest minimum.

On the other hand, the situation now is in several respects more favourable than in the earlier plans. There has been a substantial step-up in investment over the last 10 years. There has been substantial progress in irrigation, power and transport.

While in the second Plan most of the public sector projects were in the construction stage, in the third Plan they will be functioning and will yield surpluses. These surpluses can and must be drawn upon for financing further investment. The enlargement of educational and training facilities that has already taken place and will proceed further in the third Plan will yield increasing returns in the years to come. The supply of entrepreneurial talent, managerial experience and skills is also on the increase.

It is emphasised that the problem of finding resources for a plan is not to be viewed as one of drawing upon some fixed or static pool. To an extent, resources grow as the economy develops. Despite the stresses and strains of the last few years, the progress that has been achieved provides the basis for a larger effort in the coming years. The vicious circle of poverty and low levels of saving and investment can be broken only by more effective mobilisation of potential resources and by a continuous channelling of the consequential gains in production into investment.

The Scheme of Financing

The scheme of financing the third Plan outlay in the public sector is given in the table below:

(Rs. crores)

	Second Plan	Third Plan
(1) Balance from revenues on the basis of existing taxation	(—) 100	350
(2) Contribution of the Railways on the existing basis	150*	150
(3) Surpluses of other public enterprises on the existing basis	†	440
(4) Loans from the public	800	850
(5) Small savings	380	550
(6) Provident funds, betterment levies, steel equalisation fund and miscellaneous capital receipts	213	510
(7) Additional taxation, including measures to increase the surpluses of public enterprises.	1,000	1,650
(8) Budgetary receipts corresponding to external assistance	982	2,200
(9) Deficit financing	1,175	550
Total ..	4,600	7,250

* Inclusive of increased fares and freights.
† Included in (1) above.

Additional Taxation

The fulfilment of the additional taxation target of Rs. 1,650 crores over the five year period is vital for the successful implementation of the Plan. Tax revenues in India now total about 8.5 per cent. of national income. With the normal increases in tax yields and with the additional taxation proposed for the third Plan, the proportion should go up to about 11 per cent. This cannot be considered an excessive increase in the tax burden when the developmental activities of Government are being rapidly accelerated. Nevertheless, an additional target of Rs. 1,650 crores will involve considerable tax effort on the part of the Central and State Governments, the share of the States being about one-third of the total.

The third Plan will necessitate increases both in direct and in indirect taxation, as also measures to raise the surpluses of public enterprises. As regards income and corporation taxes, further increases in yields will have to be sought mainly through a tightening of tax administration, watch on expense accounts of companies and other measures to check tax evasion. Indirect taxes and increases in the prices of products of public enterprises will no doubt tend to raise prices and cost to some extent, but this is part of the calculated sacrifices that have to be made.

Deficit Financing

A distinction is, however, made between the effect of indirect taxes as compared to that of deficit financing on prices. Indirect taxation "works off" the inflation potential by raising prices, deficit financing builds up the inflation potential further. Deficit financing is, therefore, proposed to be limited to Rs. 550 crores in the third Plan as against Rs. 1,175 crores in the second.

Foreign Exchange

The third Plan, with its emphasis on rapid industrialisation, would involve a considerable amount of foreign exchange expenditure. It is estimated that the direct foreign exchange component of the Plan will be of the order of Rs. 1,900 crores. In addition, it will be essential to provide for imports of about Rs. 200 crores worth of components, balancing equipment, etc., needed to increase the production of capital goods within the country. Thus, for the Plan and for imports of components, etc., foreign exchange of the order of Rs. 2,100 crores is needed.

The estimates made at this stage show that, even if the Plan requirements are not taken into account, the balance of payments position, because of the repayments of capital and payment of interest due in the third Plan period, would show a deficit of Rs. 500 crores. The requirements of foreign exchange in the third Plan period would thus come to Rs. 2,600 crores. To this total of Rs. 2,600 crores have to be added the estimated receipts of Rs. 600 crores by way of P.L. 480 commodity assistance from the U.S.A. On this basis, the total balance of payments deficit for the third Plan would come to about Rs. 3,200 crores.

As to the prospects of securing external assistance of the order required, no prediction can be made. The Plan will have to be flexible and the commitments in regard to foreign exchange expenditure will have to be made only on the basis of external resources that are clearly in sight. The fact that the commencement and execution of projects both in the public and private sectors will depend upon the external assistance that is forthcoming highlights the need for keeping ready, well in advance, a sufficient number of projects that can be executed as soon as the necessary foreign exchange has been secured. Any delay in utilising the external assistance offered cannot but upset the schedule for increased production during and by the end of the third Plan period.

The balance of payments difficulties the country is facing are not a temporary or fortuitous phenomenon. They are part and parcel of the process of development. For a period, the excess import requirements have to be met from external assistance. But it is important to aim at a progressive reduction in the imbalance, so as to eliminate it within a foreseeable period. This is not to suggest that no inflow of resources from abroad would be desirable after this period. Commercial capital inflows can and should continue, but the reliance on special aid programmes has to

(Continued on page 83)

GOVERNMENT OF INDIA

3½ PER CENT. BONDS 1966

ISSUE PRICE RS. 99.75 PER RS. 100 (NOMINAL). REPAYABLE ON 18th JULY 1966.

4 PER CENT. LOAN 1980

ISSUE PRICE RS. 99.90 PER RS. 100 (NOMINAL). REPAYABLE ON 18th JULY 1980.

Subscriptions to the above bonds and loan will be received simultaneously and will be limited to a total of Rs. 175 crores (approximately). Subscriptions may be in the form of (i) cash/cheque or (ii) securities of the 2½ per cent. Loan 1960 or 4 per cent. Loan 1960-70 or 2¼ per cent. Hyderabad Loan 1955-60, which will be accepted for conversion at the following rates :—

2½ per cent. Loan 1960 .. .. *Rs. 100 for Rs. 100 (Nominal)*
4 per cent. Loan 1960-70 .. .. Rs. 100.30 for Rs. 100 (Nominal)
2¼ per cent. Hyderabad Loan 1955-60 .. .. .. Rs. 84.75 for Rs. 85.71 or O.S. Rs. 100 (Nominal)

Interest will be paid on the 2½ per cent. Loan 1960, 4 per cent. Loan 1960-70 and 2¼ per cent. Hyderabad Loan 1955-60 tendered for conversion up to 17th July 1960 inclusive.

The new bonds and loan will bear interest from 18th July 1960. Interest will be payable half-yearly on 18th January and 18th July.

Subscription lists will open on 18th July 1960 and close on 20th July 1960 or earlier without notice.

Applications for the bonds and loan will be received at:—

(a) Offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi;
(b) Branches of the State Bank of Hyderabad conducting Government business and those at Mancherial, Nagarjunasagar, Purli Vaijnath and Sailu;
(c) Branches of the State Bank of Mysore in the State of Mysore except at Bangalore, Mangalore and Gulbarga; and
(d) Branches of the State Bank of India at Mangalore and in other places in India, except at the places mentioned in (a), (b) and (c) above.

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

THE MYSORE SUGAR COMPANY, LTD.

SPEECH OF CHAIRMAN, MR. B. M. KRISHNAN, AT ANNUAL GENERAL MEETING

ADEQUATE REHABILITATION ALLOWANCE FOR SUGAR INDUSTRY URGED

THE Twenty-sixth Annual General Meeting of the Mysore Sugar Company, Limited, was held at the Registered Office of the Company at Bangalore on Tuesday, 28th June 1960, under the chairmanship of Mr. B. M. Krishnan, I.A.S. (Retd.), Chairman and Managing Director of the Company. Moving the adoption of the report and the accounts, the Chairman made the following speech at the meeting:

"GENTLEMEN,

"It gives me great pleasure to welcome you to this the twenty-sixth annual general meeting of the shareholders of the Mysore Sugar Company, Limited. Copies of the Directors' report and the audited statements of accounts for the year ended 30th June 1959 have already been circulated to you in advance and I shall, with your permission, take them as read. You will notice that the pattern of presentation of accounts has been slightly modified so as to show separately and at a glance the financial results of working of the different lines of activities of the Company.

"A word of explanation is perhaps due for the delay in convening this meeting which should, in the ordinary course, have been held before 31st March 1960. This has been due to reasons beyond the control of your Directors. The audit of the Company's accounts by the officers of the Commercial Audit Department took more time than was anticipated and the final comments of the Comptroller and Auditor-General on our accounts, which a Government company is required to publish along with its accounts, were received only in the middle of May 1960. The meeting could not, therefore, be convened earlier. Since the audit comments are published, your Directors have thought it advisable to publish their replies also for the information of shareholders.

Sugar Stocks Decline

"The downward trend in the country's sugar production, which set in during the 1957-58 season, continued during 1958-59 also, and production declined to 19.18 lakh tons, in spite of an increase in the number of factories. In the face of the increasing demand for sugar, the unsatisfactory production, which was mainly due to inadequacy of cane supplies to factories, led to a tightening of control measures. The result is that the responsibility for distribution of sugar and for regulating its price at various levels has once again passed on to the State Governments. With the fall in production, the programme for export of sugar for earning foreign exchange received a setback and the original export quota of 1,00,000 tons had to be drastically cut to a nominal 12,500 tons. How precarious the position was could be gauged from the fact that the carryover stock at the end of the 1958-59 season had come down to about 1½ lakh tons, as against 4 to 5 lakh tons usually held by factories at the end of every season.

"As against the above discouraging picture, it is gratifying to note that the performance of the industry during the current season has shown a remarkable improvement, with production reaching 24 lakh tons, which is nearly 5 lakh tons more than what it was in the previous year. This has been possible largely because of the incentives given to the industry in the new sugar policy announced by the Government of India on 25th October 1959. Under this new policy, the price of sugarcane has been raised by three annas a maund and factories which show an increased production are given a rebate of 50 per cent. in the basic excise duty on that part of the production which is in excess of the average of the preceding two seasons. The higher production has enabled the authorities to raise the level of monthly release for consumption and, consequently, the supply position is now eased. The country can now be said to have turned the corner in regard to its sugar position in respect of production and, given the proper incentives, there is no doubt that production will rise further in the coming season and thus pave the way for an early decontrol of sugar.

"The target of 22½ lakh tons of sugar fixed for the second Five-year Plan has been proved to be not too ambitious under the conditions now obtaining and a much higher target of 30 lakh tons has been envisaged for the third Plan. In order to achieve this, the Government of India propose licensing additional capacity. This opportunity has been seized by us to revive the pending expansion programme of our factory at Mandya. After a thorough examination of the cane potential of the Mandya area and taking into consideration the several advantages we already possess, your Directors have formulated a scheme for achieving an overall crushing capacity of 4,000 tons of cane per day. This scheme envisages stepping up the capacity of the Mandya factory to 3,000 tons, partly by rehabilitation and partly by expansion, and transferring the remaining capacity of 1,000 tons to a branch unit to be set up in the Maddur region. Necessary applications for licences under the Industries (Development and Regulation) Act have been submitted to the Government of India and the matter is under their active consideration. In regard to Mandya unit, we have already been asked by them to formulate definite proposals to procure the units necessary for expansion from manufacturing sources available in India and the matter is receiving urgent attention.

"With its existing seven factories, Mysore is currently self-sufficient in sugar on the basis of the present controlled system of distribution. According to my information, at least two factories, including our own, wish to expand and about half a dozen new factories are also likely to come up in the co-operative sector. When all these factories go into production before the end of the third Plan, Mysore State will not only become fully self-sufficient but may well be faced with a surplus, the disposal of which is likely to create a problem, especially when every other State in South India has plans for starting new factories. In these circumstances, it becomes necessary to guard against an uncoordinated overall expansion of the sugar industry in South India, which may soon cease to be a deficit region.

Tariff Commission's Report

"A matter of significance to the industry has been the publication recently of the report of the Tariff Commission which had gone into the cost structure of sugar and the claim of the industry for a suitable allowance in the sugar price on account of rehabilitation of plant and machinery. The main recommendations of the Commission, which have been accepted by the Government, fall short of expectations and have naturally given cause for concern. A return of 12 per cent. on capital employed, to meet a variety of commitments like bonus and gratuity to workers, directors' remuneration, interest on borrowed capital, taxation, and, finally, dividend to shareholders, can hardly be considered adequate in the sugar industry. On the burning question of rehabilitation allowance, the Commission has expressed itself against inclusion of any element of rehabilitation allowance in sugar price on a uniform basis. In my address to you last year I had stated at length the problem of rehabilitation of sugar plant, which is of recent origin so far as our industry is concerned, and I do not wish to cover the same ground again. Suffice it to say that the need for rehabilitation has now been well recognised and has also received judicial support. It is too late in the day to argue that rehabilitation should be met from normal depreciation or other extraneous sources. This is a matter which is of vital importance to the future of sugar industry and calls for reconsideration, especially as it has a vital bearing on the price linking formula. On the question of the share of the cane growers in the price of sugar, for purposes of application of the price linking formula prescribed by the Government of India for the 1958-59 season, which was the origin of the reference to the Tariff Commission, the Commission has not thrown any light. Our plea has been that the percentage share of sugar price to be passed on to growers under the formula needs to be revised after giving credit for adequate rehabilitation allowance in the sugar cost. It now remains to be seen in what way the formula will be modified having regard to the ever-expanding needs of the industry.

Company's Working

"I shall now deal with the working of your Company. From the report and accounts in your hands, you would have seen that the Company had another year of successful working. Production of sugar in our Mandya factory during 1958-59 came to 35,771 tons which is 3,749 tons less than the peak production of 39,520 tons recorded in the previous year. The quantity of cane actually crushed was 3,48,814 tons, while the percentage of sugar recovery was 10.24. The corresponding figures for the previous season were 3,79,545 tons and 10.40 per cent., respectively. The duration of the season was also shorter, being 217 days, as against 239 days for which the factory worked in 1957-58. The fall under these heads accounts for the drop in production. However, the quantity of sugar sold was more than that in any previous year and the total value realised was also the highest.

"As in previous years, the statutory price of sugarcane continued to be Re. 1.44 per maund (Rs. 39.20 per ton) for delivery at the factory gate. Over and above this price, suppliers are eligible for a deferred price calculated according to the price linking formula. Although the 1958-59 season closed a year ago, the decisive 'X' factor in the formula is yet to be announced in its final form. Consequently, it was a problem how to close our financial accounts for the relevant year. Pending assessment of the exact liability on this account, an assumed figure, based on a rough calculation, has been provided for and debited in the accounts, which will admit of payment of additional price upto about Rs. 5 per ton. The additional price of Rs. 3 per ton paid for the previous year's supplies did not satisfy the cane growers and, after reconsideration, a further payment of Re. 1.20 per ton was made in June 1959, raising the additional price from Rs. 3 to Rs. 4.20 per ton. The cost of this extra payment amounting to Rs. 4,50,890 has been absorbed in the accounts of the year under review.

Financial Results

"The financial results of the year's operations have resulted in a net profit of Rs. 6,54,699 after making adequate provisions for depreciation and development rebate, taxation and rehabilitation. This is almost on par with the net profit of Rs. 6,87,575 reported in the previous year, although there has been a sizable drop in the gross profits from Rs. 45,70,846 to Rs. 31,89,054. The decline in earnings is to be attributed mainly to the rise in sugar manufacturing costs, resulting from lower percentage of sugar recovery, and increased costs on account of items like additional cane price, salaries and wages. Another important factor that is responsible for the fall in profits is that, against the year's profit, a loss of Rs. 3,37,688 had to be set off incurred on the disposal, during the year under review, of our export quota of 1,000.3 tons of sugar released out of the 1957-58 season's production, in terms of the Sugar Export Promotion Act, 1958.

"As shareholders are aware, the procedure relating to payment of dividend has been radically altered by the Finance Act, 1959, under which income-tax is to be deducted at source out of the dividend declared and the system of grossing up of dividend by shareholders is discontinued. In the altered circumstances, it has become necessary to make a departure from our normal practice of declaring a 20 per cent. dividend—a practice which your Company has consistently followed during the last two decades. After careful consideration, your Directors have decided to raise the dividend for 1958-59 to 30 per cent., subject to deduction of tax, so that shareholders may be compensated for the loss arising from the abolition of grossing and may receive a net return which is a little more than what they have been accustomed to get in the past. Consequent on the unavoidable delay that has occurred in convening the General Meeting, your Directors have, in anticipation of your approval, already paid the dividend recommended by them, treating it as an interim dividend. This will now have to be confirmed as the final dividend for the year.

Amenities to Labour

"Efforts in the direction of affording greater amenities to labour and of promoting better labour-relationship continue to be made by your Company. During the year under report, the second phase of the Swarnasandra housing colony was completed by the Labour Housing Board under which 116 tenements were made available for occupation, in addition to the 496 houses built under the first phase a few years ago. Another block of 184 houses is nearing completion. Our employees pay only 50 per cent. of the prescribed rent for these houses, the remaining 50 per cent. being met by the Company as a subsidy. The policy of issue of foodgrains on subsidised basis is also being continued. The Company's high school, where free education is imparted to the children of employees and cane growers, is being steadily expanded and a new high school building at a cost of nearly Rs. 3 lakhs is now under construction.

"The agitation for additional bonus, which has now become an annual feature, was repeated in respect of the year 1957-58. Contrary to the accepted principle of settling industrial disputes by arbitration, the management's offer to refer the issue to arbitration was turned down by labour which persisted in its demand and threatened a strike. Your Directors finally agreed to grant an additional bonus of two months' pay as Silver Jubilee bonus, over and above the bonus of four months' pay already paid. The problem of bonus to employees in the sugar industry is somewhat complicated. Here, the cane growers, who constitute an integral part of the industry, also come in for a share of profits and the usual bonus formula for determining the surplus profit available for grant of bonus to workers cannot be automatically applied in our case. There is as yet no authoritative formula for determining the relative claims of cane growers and workers for bonus and we look forward to some guidance, on this important issue, from the Central Wage Board for the Sugar Industry which is examining the question of the principles on which bonus is to be granted in the sugar industry.

"The proposal for utilisation of bagasse obtained in our sugar factory for the manufacture of superior quality paper under the auspices of the Mandya National Paper Mills Ltd. has materialised and it is expected that the Paper Mills would go into production by about the middle of next year. Under a thirty-three year agreement entered into between your Company and the Mandya National Paper Mills Limited on 21st September 1959, we have agreed to release our bagasse for paper manufacture in exchange for coal of equivalent calorific value to be supplied by the Paper Mills for being used as substitute fuel in our factory boilers, in addition to royalty. In pursuance of this understanding, action is being taken to install a large multi-fuel boiler in our factory at a cost of nearly Rs. 18 lakhs, of which a small portion amounting to about 10 per cent. will be contributed by the Paper Mills. As a gesture of our goodwill towards the new undertaking, your Company has subscribed for shares of the value of about Rs. 4 lakhs in the Paper Mills and the latter has reciprocated by providing a place for one of our nominees on its directorate.

Cellulose Acetate Project

"You may recall that, in my speech last year, I had referred to the problem of our large alcohol potential and had posed the question why we should not embark on some useful and remunerative schemes of development which would solve our alcohol problem, on the lines indicated in the report of the Alcohol Committee. I am very happy to announce that your Directors have now under active consideration a scheme for the establishment of a new industry at Mandya designed to manufacture cellulose acetate flakes and moulding powders. They are advised that this is a promising line of manufacture, for which there is bound to be great demand from the growing plastics and raw film industry in our country. The Government of India have promised to grant a licence, provided certain conditions are fulfilled, and we are almost at the stage of finalising our efforts very early when we will be moving the Central Government for the final licence. This will be a major project involving heavy capital outlay and calling for foreign collaboration, both on the financial and technical sides. Negotiations with certain foreign firms who have taken a lively interest in the proposal are in progress and there is every possibility of our being able to secure excellent foreign collaboration for this new venture.

"Let me also mention another line of development that is finalised. We have a well-equipped workshop attached to our factory and its present operations are confined to maintaining the sugar machinery in an efficient condition. We are advised that it has potentialities to do something more and, therefore, we have obtained from the Government of India a licence to work it as a unit for manufacturing chemical plant and machinery. We hope to reorganise the workshop as a manufacturing unit very early.

"Golden Syrup"

"There is yet another line of expansion which I should place before you, though it may appear to be inconsequential against the background of our activities connected with the manufacture of sugar and alcohol. I refer to our excellent product which is already familiar to you all in the name of 'Golden Syrup'. It has all along been a showpiece and presentation article. With the stoppage of imports, it has assumed significance in the consumers' market. Negotiations have, therefore, been completed to put it on the all-India market through the good offices of Messrs. Spencer & Co. Ltd. A resolution to approve the deal is before you. May I add that this may, though in a small way, be a product that could be exported to earn foreign exchange which the country is in dire need at present.

"From what I have already said, you will appreciate that we are on the eve of embarking upon a number of development schemes calculated to achieve a many-sided expansion of our activities which will put Mandya prominently on the industrial map of India. In the first place, there is the proposal for expansion of our sugar plant and for starting a branch factory designed to secure an overall crushing capacity of 4,000 tons of cane per day and double the present production by nearly 35,000 tons of sugar. The scheme for conversion of our bagasse into paper is well under way and, though this industry is not sponsored and run by us, we will still be closely associated with it. By far the most important scheme which we have under consideration is the project for manufacture of cellulose acetate based on our alcohol. Detailed project report for the scheme is now under preparation by experts. Closely allied to this project is a proposal for further expansion of our distillery so as not only to take care of the anticipated increased production of molasses but also to provide the basic raw material for the proposed new industry.

Financial Resources

"The implementation of the above schemes of expansion and new projects naturally call for large financial resources. While your Company undoubtedly enjoys high credit and can raise funds by borrowing, the magnitude of the capital that would be needed for the cellulose acetate project would necessitate our going to the capital market for raising fresh capital. Details in regard to this matter are yet to be finalised and I am, therefore, not in a position to say anything at this stage. There is also the pending question of reorganisation of the capital structure. Certain definite proposals in this behalf have been submitted by your Directors to the Government of Mysore who hold majority share interests in our Company and, if these are concurred in by them, action will be taken to implement them as soon as possible.

"In my speech last year, I referred to the proposal for celebrating the Silver Jubilee of the Company. A committee consisting of all interests connected with the Company has since made certain proposals calculated to benefit not only the employees of the Company but also the shareholders and cane growers. The proposals cover a wide range of schemes of a beneficial nature such as construction of hospital, maternity home, high schools and a community hall and grant of weightage increments to employees, institution of Silver Jubilee gold medals under the auspices of the Mysore University, issue of bonus shares and grant of token bonus to the large body of cane growers. Your Directors have generally accepted the proposals and the question of implementing the same in a phased manner, consistent with the financial resources of the Company, is now under the consideration of your Directors. In fact, some items in the proposed programme have already been covered, like grant of Silver Jubilee bonus to staff and employees and presentation of Silver Jubilee wallets to shareholders and others connected with the working of the Company.

"Before I conclude, it is my pleasant duty to acknowledge the valuable assistance and co-operation received by me from my colleagues on the Board. The employees of the Company, from the General Manager downwards, have all continued to serve the Company loyally and efficiently and thanks of the management are due to them. The Company is also thankful to the large body of cane growers from whom it has received unstinted co-operation. Above all, the Company is grateful to the Government of Mysore for their continued solicitude towards it."

The report and accounts for the year 1958-59 were adopted and the interim dividend of 30 per cent., subject to tax, already paid, was confirmed as the final dividend for the year. The retiring Directors, Mr. H. K. Veeranna Gowdh and Mr. L. Siddappa, were re-elected unopposed. The meeting also accorded its consent to the appointment of Messrs. Spencer & Co. Ltd., Madras, as sole agents for the sale of Golden Syrup for a period of three years.

With a vote of thanks to the chair, the meeting terminated.

H. MAHARUDRIAH,
Secretary.

BANGALORE, *Dated 29th June* 1960.

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

THE INDIAN BANK LIMITED

(MADRAS)

(Estd: 1907)

HEAD OFFICE:

'Indian Bank Buildings', North Beach Road

MADRAS-1

24 LOCAL OFFICES

Branches covering the whole of South India. Branches also at Bombay, Calcutta, New Delhi, Poona, Colombo, Penang, Kuala Lumpur, Malacca and Singapore

AUTHORISED CAPITAL	Rs. 1,00,00,000
SUBSCRIBED CAPITAL	Rs. 88,60,000
PAID-UP CAPITAL	Rs. 82,98,990
RESERVE AND OTHER FUNDS (Including Share Premium)	Rs. 83,01,884
DEPOSITS (As on 31st December, 1959)	Rs. 43,92,73,211

ALL TYPES OF BANKING BUSINESS INCLUDING FOREIGN EXCHANGE TRANSACTED.

London Agents: **WESTMINSTER BANK LIMITED**

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G. S. SUNDARAM
Secretary

Notices

THE TATA OIL MILLS COMPANY LIMITED, BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-SECOND ANNUAL GENERAL MEETING of THE TATA OIL MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay, on Tuesday, the 2nd August, 1960 at 4-30 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and audited Profit and Loss Account and Balance Sheet for the year ended 31st March 1960.

(2) To declare dividends on Preference and Ordinary Shares.

(3) To appoint a Director in place of Mr. A. D. Shroff who retires by rotation and is eligible for re-appointment, and to consider and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto, as prescribed by Section 173 of the said Act;

"RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Mr. A. D. Shroff who retires by rotation and is eligible for re-appointment, and who is a director, officer, member and an associate of Tata Industries Private Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint an ex-officio and a special director to the Board) be and is hereby re-appointed a Director of the Company."

The reasons which make the above resolution necessary are more fully set out in the Explanatory Statement referred to above which Explanatory Statement for the purpose of Section 261 shall be deemed to be incorporated in this Notice.

(4) To appoint a Director in place of Mr. F. H. Kemple who retires by rotation under Article 151 of the Company's Articles of Association and is eligible for re-appointment.

(5) To appoint Auditors and to fix their remuneration.

Notes:—(a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under item No. 3 set out above, is annexed hereto.

(b) *A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.*

(c) The Transfer Books of the Company will be closed from Monday, the 20th June 1960 to Friday, the 15th July 1960, both days inclusive.

(d) If dividends on shares as recommended by the Directors are passed at the meeting, payment of such dividends will be made at the State Bank of India, on and after 3rd August 1960, to those members whose names are on the Company's register on 15th July 1960.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
P. A. NARIELWALA,
Director.

BOMBAY, *27th June*, 1960.

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

The following Explanatory Statement as required by Section 173 of the Companies Act, 1956, sets out all material facts relating to the special business under item No. 3 mentioned in the Notice dated 27th June 1960:

Mr. A. D. Shroff is a Director of the Company who retires by rotation and is eligible for re-appointment. A special notice has been received from some members as required by Sections 190 and 261 of the Companies Act, 1956, proposing the re-appointment of Mr. A. D. Shroff as a Director in accordance with the provisions of Section 261. As set out in the special notice received by the Company, the reasons which make the above resolution necessary are as follows:—

The Managing Agents of the Company, Tata Industries Private Ltd., are authorised by the Articles of Association and the Managing Agency Agreement to appoint an ex-officio and a special director to the Board. Since Mr. A. D. Shroff is a director, officer, member and an associate of the Managing Agents, his appointment as a Director of the Company, who retires by rotation, can be made only by a Special Resolution of the Company in terms of Section 261 of the Companies Act, 1956. Mr. A. D. Shroff joined the Board on 18th March 1938 and has for the last several years been associated, as one of the Directors of the Managing Agents, with the management of the affairs of the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a Member of the Board, it is desirable that he be re-appointed a Director.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
P. A. NARIELWALA,
Director.

BOMBAY, *27th June*, 1960.

BHARTIA ELECTRIC STEEL COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-first Annual General Meeting of the Shareholders of Bhartia Electric Steel Company, Ltd., will be held on Tuesday, the 26th July, 1960, at 4 p.m. at the registered office of the Company at 4 Old Court House Street, Calcutta-1, to transact the following businesses:—

1. To receive, consider and adopt Directors' Report and the Audited Profit and Loss Account of the Company for the year ended 31st December, 1959 and the Balance Sheet as on that date and the Auditors' Report thereon.
2. To declare dividend.
3. To appoint Directors in place of Shri R. L. Bhartia and Shri P. R. Bagri, who being longest in office retire by rotation but being eligible for re-appointment, offer themselves for re-appointment.
4. To appoint Auditors for the year 1960 and to fix their remuneration.
5. To consider re-appointment of Shri R. L. Tantia who, having been appointed in the course of the year, ceases to be a Director as per Section 260 of the Companies Act, 1956.
6. To consider and, if thought fit, to pass with or without modification the following resolutions:—

As Special Resolutions:

(1) "Resolved that the words 'ordinary share' wherever appearing in the Memorandum, Articles of Association, Share Certificates issued by the Company or elsewhere be and are hereby substituted by the words 'equity share.'"

(2) "Resolved that the name of Shri Rameshwar Lal Tantia which was omitted due to inadvertence, be inserted after the name of Shri Prem Ratna Bagri in Article 90 of the Articles of Association of the Company, as adopted by special resolution on 30th November, 1959, and it be deemed that the name of Shri R. L. Tantia was there on the date of adoption of the said Articles."

EXPLANATORY STATEMENT

Item No. 6(1)

The Companies Act, 1956 as stated in Section 85 thereof provides for only two kinds of share capital, viz. preference share capital and equity share capital. The ordinary shares of the Company are the equity shares and it is therefore necessary to term the ordinary shares in accordance with the provisions of the Companies Act. It is proposed to replace the word 'ordinary' by the word 'equity' in the Memorandum of Association, Articles of Association of the Company and also in the Share Certificates of the Company or elsewhere wherever it appears.

Item No. 6(2)

Shri R. L. Tantia has been appointed an additional Director of the Company with effect from 12th November, 1959. But in the Articles of Association of the Company adopted by the shareholders by a special resolution passed on the 30th November, 1959, the name of Shri Rameshwar Lal Tantia was inadvertently omitted while printing from Article 90. It is necessary that the said printing mistake be corrected.

Directors' Interest

The Directors of the Company have no interest in the aforesaid resolutions except as will appear from the said resolutions.

Note:—1. The Regiser of Members and Share Transfer Books of the Company will be closed from 12th July to 26th July, 1960, both days inclusive.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

By Order of the Board,
N. K. SARAF,
Secretary.

4, OLD COURT HOUSE STREET, CALCUTTA-1,
Dated the 21st June, 1960.

THE BENGAL PAPER MILL CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the one hundred and thirty-sixth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Thursday, the 28th July 1960, at noon, to consider the Accounts of the Company for the year ended 31st December, 1959 and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 11th July 1960 to 28th July 1960, both days inclusive.

By Order of the Board,

THE BENGAL PAPER MILL CO., LTD.,
H. P. DHANUKA,
Director.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *4th July* 1960.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

THE INDIA SUGARS AND REFINERIES LIMITED

5, DEENADAYALU STREET, MADRAS-17.

To

THE SHAREHOLDERS.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the shareholders of the Company will be held on Saturday, the 6th August 1960, at 4 p.m. at the Factory of the Company at Hospet to consider, and if thought fit, to pass the following Resolutions, with or without modifications:—

As Ordinary Resolution:

RESOLVED that the draft of the proposed Agreement with the Managing Agents approved by the Central Government (Ministry of Commerce and Industry, Department of Company Law Administration, Government of India), New Delhi, in its letter No. 9 (227)-C. III/59, dated 11th April 1960 now placed before the meeting and signed by the Chairman for purposes of identification be and is hereby approved and RESOLVED FURTHER that the Directors be and are hereby authorised to have the said Agreement duly executed for and on behalf of the Company.

As Special Resolutions:

1. RESOLVED as a Special Resolution that the Memorandum of Association of the Company be and is hereby altered as follows:—

   In place of the existing clause 2 of the Memorandum of Association of the Company the following clause be and is hereby substituted:—

   "The Registered Office of the Company will be situated in the Mysore State."

2. RESOLVED as a Special Resolution that the Registered Office of the Company now situated in the City of Madras in Madras State shall stand removed to Bangalore City in Mysore State.

You are requested to attend the meeting in person or by proxy. You may appoint one or more proxies and your proxy need not be a member of the Company. Forms appointing proxies may be filed with the Company at its Registered Office by 4 p.m. on the 4th August 1960.

By Order of the Board,

FOR THE INDIA SUGARS AND REFINERIES LTD.,
S. ABDUL WAJID,
Chairman.

MADRAS. *Dated 20th June* 1960.

THE INDIA SUGARS AND REFINERIES LIMITED

5, DEENADAYALU STREET, MADRAS-17.

To

THE SHAREHOLDERS.

DEAR SIR/MADAM,

Extraordinary General Meeting to be Held on Saturday the 6th August 1960.
Explanatory Note in Accordance With Section 173 of the Companies Act, 1956

ORDINARY RESOLUTION

At the Extraordinary General Meeting of the shareholders of the Company held on 9th January 1960, the members accorded their consent to the reappointment of the India Sugar Agencies Private Ltd., as Managing Agents, subject to the approval being obtained from the Central Government. It was then explained to the members that Resolution 2 given notice of for that meeting, authorising the Directors to execute the Managing Agency Agreement be deferred, pending receipt of the sanction of the Central Government.

We have now received sanction of the Central Government for the reappointment of the Managing Agents, the India Sugar Agencies Private Ltd., and the principal terms of the draft Agreement to be entered into with them are enumerated below:

(i) *Period of appointment*: Five years from the 16th August, 1960.

(ii) *Remuneration*: The remuneration payable to the Managing Agents will be in accordance with following scale of commission on the net profits of our Company computed in the manner laid down in Sections 349 to 351 of the Companies Act, 1956, subject to a minimum remuneration of Rs. 30,000 per annum (Rupees Thirty thousand only per annum) in the event of absence or inadequacy of profits in any one year, namely:—

(a) 10 per cent on the first Rs. 10 lakhs or fraction thereof;

(b) 9 per cent on the next Rs. 10 lakhs or fraction thereof;

(c) 8 per cent on the next Rs. 10 lakhs or fraction thereof;

(d) 7 per cent on the next Rs. 10 lakhs or fraction thereof;

(e) 6 per cent on the next Rs. 10 lakhs or fraction thereof;

(f) 5½ per cent on the next Rs. 25 lakhs or fraction thereof;

(g) 5 per cent on the next Rs. 25 lakhs or fraction thereof;

(h) 4 per cent on any sum over one crore of rupees.

As required by Section 302 of the Companies Act, 1956, an abstract of the proposed agreement and memorandum specifying the concern and interest of Directors has been sent to members.

Sri M. R. Morarka, Director of the Company, is interested, being the Managing Director and member of the India Sugar Agencies Private Ltd. Out of the total of 15,000 Equity shares of Rs. 10 each of the India Sugar Agencies Private Ltd., Sri M. R. Morarka holds 750 shares.

Sri Ratanlal Morarka is interested, being the Director and member of the India Sugar Agencies Private Ltd. Out of the total of 15,000 Equity shares of Rs. 10 each, Sri Ratanlal Morarka holds 600 shares.

A copy of the draft Managing Agency Agreement is available for inspection at the Registered Office of the Company and at the Factory at Hospet on all working days other than Saturdays between the hours 3 p.m. and 5 p.m. and between the hours 10 a.m. and 12 noon on Saturdays.

SPECIAL RESOLUTIONS 1 AND 2.

After the reorganisation of the States, Hospet Town, where the Company's Factory is situated, has come within the territorial jurisdiction of Mysore State. Consequently the larger part of Company's work with the Government Departments will be with the Mysore State Government at Bangalore. It is considered advantageous to locate the Registered Office of the Company also at Bangalore in Mysore State so that closer contact can be had with the Factory and also for efficient and economic administration of the Company's affairs. Hence these two Special Resolutions are placed before the Company in General Meeting.

The first Special Resolution will require confirmation of Court before it becomes effective as it involves an alteration of the Memorandum of Association of the Company. The second Special Resolution, if passed, can therefore be given effect to only after such confirmation is obtained.

By Order of the Board,

FOR THE INDIA SUGARS AND REFINERIES LTD.,
S. ABDUL WAJID,
Chairman.

MADRAS, *Dated 20th June* 1960.

DRAFT OUTLINE OF THE THIRD PLAN

(*Concluded from page 79*)

be steadily reduced and after a period of years dispensed with.

Private Investment

Investment in the private sector covers not only organised industry, mining, electricity and transport, but also large and dispersed fields like agriculture, village and small industries, rural and urban housing, etc. The following table sets out the likely levels of investment in the private sector in the second and third Plans:

(Rs. crores)

	*Second Plan**	*Third Plan**
Agriculture (including irrigation)	675	850
Power	40	50
Transport	135	200
Village and small industries	225	325
Large and medium industry and minerals ..	700	1,050
Housing and other construction	1,000	1,125
Inventories	525	600
Total ..	3,300*	4,200*

* Inclusive of Rs. 200 crores transferred from the public sector by way of assistance.

The third Plan envisages a substantial step up in private investment mainly in the field of large and medium industries—from Rs. 700 crores in the second Plan to Rs. 1,050 crores in the third Plan. Increased investments in the other sectors are relatively small and it is assumed that they be financed from their normal sources which include savings by agriculturists, by those engaged in arts and crafts and in trade in small industries.

Under the Plan, there is a considerable scope for the private sector in the industrial sphere. This is due in the main to the wide opportunities provided by the expansion of the economy under the impact of successive Five-year Plans. One of the main objectives of policy is that the opportunities which thus arise for private enterprise should be availed of by a large number of comparatively small and middle *entrepreneurs* and that possible trends towards concentration of economic power should be checked in the early stages.

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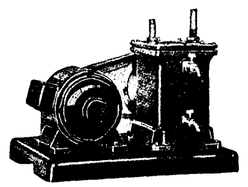

Sole Agents:

TOSHNIWAL BROTHERS (PVT.) LTD.

198, Jamshedji Tata Road, Bombay 1

Branches:

AJMER CALCUTTA DELHI MADRAS

TEXTILES

(*Concluded from page 60*)

D.A. as provided for by the Coimbatore New Mills Award. The new mills are defined as mills covered by the Ramaswami Gownder State Tribunal's Award and such other mills as have accepted that Award in regard to wages and D.A. which are paid on a phased programme.

Questions connected with rationalisation, as well as the basis for distribution of gains of rationalisation, as recommended by the Wage Board, will be referred to three regional bipartite committees for Madras, Coimbatore and Madurai regions.

The above agreement is expected to benefit over 105,000 workers out of the 120,000 workers employed in about 130 mills in Madras State. It has been roughly computed that the immediate liability to the textile industry in the State as a result of the agreement will be an expenditure of Rs. 48 lakhs towards arrears of basic wages and a recurring additional monthly liability of Rs. 10 lakhs.

The Buckingham and Carnatic Mills, which employs about 15,000 workers, has, however, expressed its inability to accept the terms of the agreement. The management of the mills wants that the extra allowance which it has been paying over and above other mills should be set off in the increase now envisaged, while the spokesmen for labour say that the workers are entitled to the increase in addition to the existing privileges.

In view of the agreement thus reached, the contemplated strike by workers from the 15th inst. will not materialise. The strike call, it will be recalled, had been given by the All-India Trade Union Congress (Communists) and the *Hind Mazdoor Sabha* (Socialists).

Three days after the above agreement was signed, the Uttar Pradesh Labour Tripartite Conference, held at Naini Tal on the 3rd inst., unanimously agreed to grant a wage increase of Rs. 6 per month in Kanpur and Saharanpur and Rs. 8 in Modinagar with retrospective effect from 1st January 1960. The increased wages from January to June are to be paid in monthly instalments spread over the remaining six months. The total additional annual liability is put at Rs. 40 lakhs. The issue of wage increase in the other non-Kanpur mills, the question of rationalisation and other allied matters have been referred to the U.P. Chief Minister, Dr. Sampurnanand, for arbitration.

COTTON TEXTILE INCENTIVE SCHEME

The Cotton Textile Incentive Scheme has been extended upto 31st March 1961. The Scheme was introduced in October 1958 and provides for the grant of licences for the import of coal-tar dyes, textile chemicals and gums against the exports of cotton textiles and handloom fabrics by mills and handloom co-operatives.

As a measure of further incentive to export promotion, the rate of import entitlements in the case of exported handloom and hand printed fabrics have been raised with effect from 1st April this year—from Rs. 10 to Rs. 15 for every one hundred yards of handloom and hand printed fabrics exported. As regards exports by weight, the rise will be from Rs. 7.50 to Rs. 10 per pound. In the case of mills earning import entitlements under the Incentive Scheme, the Government has decided to relax on merits the face value and other restrictions in regard to import of certain types of dyes. While applying to the Textile Commissioner for import entitlements, the mills should specifically state what relaxations are required by them. The relaxation will not, however, apply to dyes which are now banned for import and will be subject to the condition that the dyes and chemicals so imported shall be utilised by the mills only for their own consumption and not sold to anybody else.

The basic period for calculating the import entitlements of mills, which have newly entered the export field, has been fixed as 1st July 1959—30th June 1960, or Rs. 2,000 per loom, whichever is higher.

The Government of India has decided to extend to screen printed furnishing fabrics, the procedure under Rule 191-A of the Central Excise Rules, 1944, for export out of India of articles under claims for rebate of duty on the excisable goods used in their manufacture. This procedure is already applicable to ready-made apparel, tents, sugar products, cotton bags, umbrellas, chaddars, pillow cases, table covers and several other articles. The Government has also decided to permit the manufacture in bond of screen printed furnishing fabrics for the purpose of export, under Rule 191-B of the abovementioned rules. For further information, the manufacturers of these fabrics who wish to export them out of India under these procedures are required to contact the Collectors of Central Excise in whose jurisdiction their factory is situated.

MONEY STILL IN GOOD DEMAND

(From Our Own Correspondent)

BOMBAY, 6th *July*

Stringency in the short-term money market continues. One thought that after the turn of the half-year at least there would be some signs of the customary slack season. But this has not materialised. Although a few banks say that some money is returning from the mofussil centres, the momentum of such influx is not large enough to make any significant impression on the state of the market. Most of the banks are still short of funds in relation to the current demand for credit. Further, a feeling is growing among them that the next busy season would witness extremely tight conditions. Accordingly, none of them is eager to lower the rates of interest on deposits, not even for such extremely short-term deposits as one week house money or one month's deposit. Even inter-bank call money is unchanged at 2¾ per cent., not to mention the other rates, which are all at the ceiling under the inter-bank agreement on deposits. Thus, house-money at seven days' notice is quoted at 3¼-3½ per cent. and one to six months deposits at 3¼ to 3½ per cent.

The 91-day Treasury Bill rate, too, is unaltered at 2.745 per cent. per annum—a rate that has stayed put since 3rd May 1960. The invitation was for Rs. 2 crores and the amount offered also was exactly the same, suggesting that these Bills are being supported only by special sources. There were no sales of 91-days intermediate Treasury Bills during the period from 29th June to 2nd July 1960. Although the Central Government's new loans have been announced, the authorities have not thought it necessary to discontinue the sale of Treasury Bills, both the intermediates and those under weekly tenders.

There has been a further, albeit small, fall in notes in circulation. The Reserve Bank's statement for the week ended 1st July 1960 shows a decline of Rs. 1.47 crores, as against Rs. 23.20 crores in the previous week. As this has been accompanied by a fall of Rs. 8.11 crores in notes held in the Banking Department, the total notes issued show a fall of Rs. 9.57 crores during the week under review. This decline has been balanced on the assets side by a cancellation of Rs. 10 crores in rupee securities, against which there has been a rise of Rs. 42.40 lakhs in rupee coin. There is no change in foreign securities, but since the balances held abroad in the Banking Department show a small fall of Rs. 88.00 lakhs, the total of foreign assets is down at Rs. 156.59 crores. There is a sizable fall of Rs. 7.74 crores in the deposits of the Central Government, but those of other Governments, banks and "others" have gone up by Rs. 9.13 crores, Rs. 7.16 crores and Rs. 42.13 crores, respectively. Other liabilities, however, have gone down by Rs. 51.88 crores. Loans and advances to Governments stand reduced by Rs. 11.70 crores, while other loans and advances have gone up by Rs. 8.50 crores. The advances to Scheduled banks against usance bills still stand at a sizable figure of Rs. 13.01 crores; this is included in the total of other loans and advances amounting to Rs. 130.06 crores. While there is a reduction of Rs. 16.95 crores in Government Treasury Bills, there is an increase of Rs. 26.52 crores in investments. A notable feature of the Reserve Bank's weekly statement under review is the addition of Rs. 10 crores to the National Agricultural (Long-term Operations) Fund, which now stands at Rs. 40 crores.

The latest available statement of scheduled banks is for the week ended 24th June 1960. This statement, as compared with that for the previous week, shows a marked rise of Rs. 16.26 crores in time deposits but a fall of Rs. 9.89 crores in demand deposits, resulting in a net rise of Rs. 6.37 crores in total deposits. Of this increase, the share of the State Bank of India is Rs. 2.36 crores. Borrowings from the Reserve Bank have gone down by Rs. 4.83 crores to Rs. 40.25 crores and those from the State Bank are also down by Rs. 24.12 lakhs. Both advances and bills purchased and discounted have declined, the former by Rs. 3.68 crores and the latter by Rs. 4.28 crores, making a total decline of Rs. 7.96 crores in bank credit. The share of the State Bank in this decline is of the order of Rs. 1.98 crores. Investments show a minor fall of Rs. 70 lakhs and so also money at call and short notice of Rs. 76 lakhs. Total cash is better by Rs. 2.70 crores. Since the cash balances of the State Bank alone are higher by Rs. 3.52 crores. This means that there must have been a decline in the cash position of the other scheduled banks.

The most important development of the week, so far as the Gilt-edged market goes, is the announcement of the Central Government's borrowing programme. As the terms and other conditions of the new loans are analysed in our "Market Gossip" section, it is not proposed to make any comments on them here. We, however, reproduce below the official notification for purposes of record:

"The Government of India has announced the simultaneous issue of the following two new loans for a total sum of Rs. 175 crores: (A) 3½ per cent. bonds 1966—issue price Rs. 99.75 per cent. and repayable at par on the 18th of July 1966; and (B) 4 per cent. loan 1980—issue price Rs. 99.90 per cent. and repayable at par on the 18th of July 1980.

"Interest on the new loans is payable half-yearly on the 18th of January and the 18th of July and will be liable to tax under the Indian Income-tax Act, 1922.

"Subscription lists will open on 18th of July 1960 and close on the 20th of July 1960, but may be closed earlier without notice as soon as the total subscriptions to the bonds and loan amount to Rs. 175 crores approximately. Government reserve the right to retain subscriptions upto ten per cent. in excess of the notified amount.

"Subscriptions may be in the form of cash/cheque for securities of the 2½ per cent. loan 1960 or 4 per cent. loan 1960-70 or 2½ per cent. Hyderabad loan 1955-60 (H.E.H. the Nizam's Government 2½ per cent. O.S. rupee loan 1365-70F.) which will be accepted for conversion at Rs. 100 (nominal), Rs. 100.30 per 100 (nominal) and Rs. 84.75 per Rs. 85.71 or O.S. Rs. 100 (nominal) respectively."

The announcement of the new loans has not had any perceptible effect either way on the Gilt-edged market, which continues to be dull with a limited turnover. There has been a rise of 10 nP in 3 per cent. 1963-65 to Rs. 98.05 and of 5 nP in 3½ per cent. 1963 to Rs. 100. A fall of 5 nP in 3½ per cent. 1965 and 4 per cent. 1979 to Rs. 99.85 and Rs. 100.25, respectively, is noted. Another loan to record a fall is 3½ per cent. 1969 which at Rs. 99.10 shows a loss of 10nP. No change is noticed in State Government loans.

The pound sterling in the New York market showed a slight improvement both in the spot and three months' forward. The rate for spot sterling has improved from 280.56-280.59 cents to 280.78-280.81 cents. Similarly, three months forward has risen from 0.19 cents to stand at 279.52-279.55 cents. In sympathy with this trend, the rupee, too, has strengthened slightly in terms of U.S. dollars. Thus, although there is no change in the banks' buying rate for U.S. dollars in India, which stays put at Rs. 473.75 per $100 for ready T.T., their selling rate, is Re. 0.25 lower at Rs. 476.75.

BULLION PRICES SAG AFTER INITIAL RISE

(From Our Own Correspondent)

BOMBAY, 6th *July*

The bullion market ruled firm during the first four sessions of the week, but developed a sagging tendency yesterday which persisted today too. In the earlier sessions, both gold and silver met with excellent support induced by reports of Chinese incursion into Nepalese territory. The support came chiefly from Delhi and Calcutta operators, while fresh offerings were limited. Even the warning given on Friday the 1st inst., by the President of the Bullion Association that the Government of Maharashtra was viewing with concern the recent firmness of bullion and that it might levy margin in *Bhadrapad* (September) settlement on both the metals failed to have any significant effect. Consequently, prices of gold and silver registered a handsome improvement. Yesterday, however, the market staged a retreat on apprehensions that the present margin in silver *Shravan* (August) settlement would be made stringent by making it operate on *ex-parte* basis. The apprehensions led some operators to apply put options as well as to effect sales in silver with the object of rebuying at lower prices. Gold also encountered selling. Values, a result, declined. Today, silver continued to rule easy, while gold was steady. The closing rates for the two metals were higher than those at the end of last week.

Both daily average arrivals and offtake of gold during the week were smaller than those in the previous week; they amounted to 2,000 tolas and 3,170 tolas, as against 3,250 tolas and 5,000 tolas, respectively. The floating stocks of gold are estimated at 25,000 tolas. Similarly, in the case of silver, the daily average arrivals and offtake were smaller, being 16 bars and 7 bars, as against 22 bars and 12 bars. The floating stocks of silver are reported to be around 500 bars.

Ashad settlement in gold moved up from Rs. 127.25 to Rs. 129.53 on Monday the 4th inst., but tended to recede thereafter and touched Rs. 128.56 yesterday. Today, however, it recovered to Rs. 128.97 before finishing at Rs. 128.84. *Shravan* settlement fluctuated between Rs. 127.50 and Rs. 129.22 and wound up the week at Rs. 128.59. A striking feature of trading in the two contracts was that the rate for transferring commitments from *Ashad* to *Shravan* settlement, which was hitherto in favour of bears, turned against them from Friday onwards. The actual rate today was 25 nP.

Ready gold began the week at Rs. 128.06, as against the previous closing of Rs. 127.62, and, after advancing to Rs. 129.84 on the 4th inst., eased to Rs. 128.94 yesterday. Today, it improved to Rs. 129.28 but closed lower at Rs. 129.15. The net gain over the week was Re. 1.53.

In the silver section, *Ashad* settlement moved up from Rs. 216.12 to Rs. 217.75 on Monday but declined subsequently and stood at Rs. 216.71 today. *Shravan* and *Bhadrapad* settlements finished today at Rs. 216.97 and Rs. 217.59, respectively, as against Rs. 216.37 and Rs. 217.31 on Wednesday last. The highest levels touched were Rs. 218.06 and Rs. 218.75.

Ready silver was well supported in the earlier sessions, the quotation rallying from Rs. 215.87 to Rs. 217.56. It, however, started declining yesterday and touched a low of Rs. 216.56 today. The closing rate was 19 nP higher.

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

	6-7-60 (closing)	High	Low	29-6-60 (closing)
	Rs.	Rs.	Rs.	Rs.
GOLD				
Ready (.999 fine)	129.15	129.84	127.87	127.62
Forward:				
Ashad	128.84	129.53	127.50	127.25
Shravan	128.59	129.22	127.56	127.50
Sovereign	85.75	—	—	85.62
SILVER				
Ready (.999 fine)	216.75	217.56	215.62	215.87
Forward:				
Ashad	216.71	217.75	215.87	216.12
Shravan	216.97	218.06	216.25	216.37
Bhadrapad	217.59	218.75	217.25	217.31
London:	5-7-60			28-6-60
Silver Ready	79½d.	—	—	79¼d.
Silver Forward	79d.	—	—	78¾d.
Gold	250s. 0¼d.	250s 2¼d.	250s¼d.	250s. 2¼d.
New York:				
Silver	91¼ cents	—	—	91¼ cents

NEW SEASON'S COTTON POLICY EAGERLY AWAITED

(From Our Own Correspondent)

BOMBAY, 6th *July*

For the sixth week in succession, official trading in the cotton futures market remained suspended. Unofficially, some transactions were of course, put through. The quotation for the Jarilla August contract hovered around Rs. 818-819, as against the statutory ceiling of Rs. 790.

Cotton circles are eagerly awaiting New Delhi's announcement of the cotton policy for the next season which is expected in about five or seven days. Meanwhile, there are various rumours of what the new policy would be. Some feel that the Government will concede the trade demand for an upward revision in the ceiling prices of cotton. Mr. Madan Mohan Ruia, President of the East India Cotton Association, who had been to New Delhi last week to hold talks with the officials concerned, is reported to have emphasised the need for broadening the new crop hedge contract and making the basic staple length, 13/16" instead of 25/32" as at present. The view is supported on the ground that a major portion of the Jarilla crop is of staple length 13/16" and, if the basis of a contract is a variety which is grown in large quantity, then it is bound to give a correct idea of the price. For broadening the contract, Mr. Ruia says, "We will have to raise the 'on' allowance and make it more than 25/32" which is at present allowed."

Meanwhile, the Government of India has extended the cotton textile export incentive scheme up to the end of March 1961. It has also raised, with effect from 1st April last, the rate of import entitlements (coal-tar dyes, chemicals and gums) in the case of exported handloom and hand-printed fabrics from Rs. 10 to Rs. 15 for every 100 yards exported. In the case of exports by weight, the rise is from Rs. 7.50 to Rs. 10 per 25 lbs. No mention is made of the mill interests' plea for enhancing the percentage of import entitlement from 66⅔ to 75 per cent.

The spot market continued to be quite active. Some mills which had not yet fully utilised their quotas were interested in buying Kalyan, Co2, Surti, L147 and other varieties. A few mills were reported to have bought choice cotton in upcountry centres, in view of the non-availability of good quality cotton in the local market. Among foreign cottons, there was demand for Sudan, B.P. 52, Mwanza (new crop) and African U.N.U.G. American and Egyptian cottons, however, were quiet.

Recent reports from the cotton growing tracts suggest that the crop in the Punjab is progressing well, thanks to timely rains. Sowing operations in Khandesh, Vidarbha and Broach regions are proceeding satisfactorily on account of good rains and now a few days' break is required to complete sowings. Sowings on a small scale have just begun in the Ujjain district.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri, the figures in brackets giving last week's rates:

Hubli Laxmi 1,120 (1,095); Jaydhar 1,025 (1,045); Co2 1,140 (1,112); Sudan XG3S 1,875 (1,950); B.P. 52 1,400 (1,395); September shipment Mwanza 1,170 (1,168).

A firm trend was in evidence in the Karachi cotton futures market during the week under review. The firmness was engendered by hopes of excellent demand from the domestic textile industry, expecially from mills set up lately, in view of the tax concessions accorded by the Finance Minister in the Pakistan Government budget for 1960-61. Enquiries from overseas countries were also expected to broaden in the coming weeks. Consequently, cotton prices registered an improvement. N.T.R.G. July contract, which had receded from Rs. 68 to Rs. 67-9 last week, moved up and touched a high of Rs. 70-4 on Monday this week. The January contract advanced by Rs. 11 to Rs. 68-15. The following are the latest available rates—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 91; Punjab *Deshi* 87-8; 4F Punjab R.G. 80-2; N.T.R.G. 82-2; S.G. 87-2; 289F Punjab R.G. 90-2; S.G. 96-2; A.C. 139; R.G. 91-2; S.G. 97-2; Lassini R.G. 96-2; S.G. 101-2.

The Alexandria cotton futures market ruled easy during the week on reports that the progress of the new crop continued to be excellent in both upper and lower Egypt. Export business was a bit slack, as the West European and Indian interests were buying only small quantities of cotton. The export discount rate for old crop cottons was lowered from 11½ to 11 per cent., while that for new season's crop continued to remain unchanged at 6 per cent. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: July 78.42; November 75.70; January 75.45.

Ashmouni: August 65.50; October 64.43; December 64.40.

Cotton futures at Liverpool continued to maintain a steady trend during the week under review also. There was some trade covering against commission house liquidation. The absence of hedging also imparted strength. Even the termination of the Liverpool dock strike failed to have any effect. Early in the week, there were scattered attempts at inter-month switchings between the intermediate deliveries, but they were unsuccessful. The latest available quotations—in pence per lb.—from Liverpool are given below:

American cotton one inch staple contract: July 22.65; October 22.50.

Sudan: July 35.50.

Values tended to move up in the New York cotton futures market during the week under review. New crop cotton met with some trade demand. Forward deliveries elicited enquiries from commission houses, while offerings were small. Cotton exports from the U.S., up to 21st June aggregated 6,305,685 bales, as against 2,588,901 bales in the corresponding period of 1958-59. The U.S. Commodity Credit Corporation has reported that the total entries into the 1959 cotton loan choice B programme as on 24th June were 334,946 bales, while repossessions were 288,245 bales, so that the net loan stocks amounted to 46,701 bales.

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

(In cents per lb.)

	5-7-60	28-6-60	21-6-60
Spot	34.25	34.25	34.25
July	32.94	32.85	32.90
October	31.09	31.07	31.09
December	31.21	31.18	31.13

BEMBERG YARN EASY

(From Our Own Correspondent)

BOMBAY, 6th *July*

The pronounced rally in Cupressa Bemberg yarn prices noted last week was arrested during the week under review. In fact, there was a setback. This followed sales by those who had previously bought large quantities at high prices. Indigenous yarns, however, were steady on reports of shortage of supplies. Staple fibre yarns tended to move up, thanks to some overseas enquiries for staple linen cloth. Cotton yarns were well maintained, with selective buying in some counts from local and upcountry consumers.

The Government of India has announced that the allocation of indigenous art silk yarn to the powerloom weaving units for the July-September 1960 quarter will be made on the basis of the number of loom-shifts worked by the units during the October-December 1959 quarter on art silk yarn. The basic period for loom-shift purpose for allocation of yarn during the July-September period has not been changed; it has been kept the same as was considered during the April-June 1960 period. In the case of units which are submitting monthly returns in the prescribed form regularly to the office of the Textile Commissioner, the rate of allocation will be two lbs. per loom per shift while the units which are not submitting such returns will get 0.9 lb. per loom per shift, provided they submit the returns in the prescribed WAS-1 form along with their applications. The allocation will only be made to such units as are holding valid installation permit and/or registration certificate from the Office of the Textile Commissioner, Bombay, to work powerlooms on art silk/staple fibre yarn. Card holders for the July-September quarter who are unable to procure the supplies directly from indigenous manufacturers are required to approach the Honorary Secretary, Association of Man-made Fibre Industry, Ewart House, Bruce Street, Fort, Bombay, before 31st August 1960 for supply of yarn against the allocation cards issued to them.

Cupressa Bemberg yarn (60 x 1) August contract fell by Rs. 10 to Rs. 1,937. June delivery went off the board at Rs. 2,150, as against Rs. 2,090. Spot Cupressa lost 12 nP to Rs. 9.25. 120 Japan was a shade lower at Rs. 5.64. 150 Japan dropped 9 nP to Rs. 5.69. 120 Italy, however, rose by 6 nP to Rs. 6.06, and 150 Italy by 13 nP to Rs. 6.19. Among indigenous yarns, 120 Bt. cones 1st grade put on National Rayons 150 Bt. cones 1st grade put on 10 nP to Rs. 5.16. But 120 Bt. cones 1st grade shed 4 nP to Rs. 6.12.

Staple fibre yarn (60 x 1) August contract attracted good attention and improved by Rs. 6 to Rs. 740. Spot Centurys hardened by 5 nP to Rs. 3.71. Spot Citys and Kohinoors were firm at Rs. 3.78 and Rs. 3.84, respectively.

In the cotton yarn section, 10 counts Gokaks were unaltered at Rs. 19. 20 counts Gokaks rose by 75 nP to Rs. 24. 40 counts Minaxis advanced by 7 nP to Rs. 30.44. 60 counts Raghuvamshis were steady at Rs. 56.50, as also Finlays at Rs. 58. Eighty counts Moderns changed hands at Rs. 75.50, same as last week. Finlays were firm at Rs. 82.82 and Mahendras at Rs. 73.75.

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

	6-7-1960	29-6-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 Kg.)		
August	1,937	1,947
October	1,935	—
60/1 Cupressa Bemberg spot (per lb.) ..	9 25	9 37
120 Japan (per lb.)	5 64	5 65
150 Japan (per lb.)	5 69	5 78
120 Italy (per lb.)	6 06	6 00
150 Italy (per lb.)	6.19	6 06
Staple fibre yarn—		
August	740 00	734 00
40 x 2 Kohinoor (per lb.)	3 84	3 84
40 x 2 Century	3 71	3 66
Cotton yarn (per bundle of 10 lbs.)—		
10s Gokak	19 00	19 00
20s Minaxi	—	23 50
40s Winaxi	30 44	30 37
60s Finlay	58 00	58.58
80s Modern	75.50	75 50

CASTOR FIRM

(From Our Own Correspondent)

BOMBAY, *6th July*

Distinctly firm conditions continued to prevail in the oilseeds market during the week under review. The rally in castorseeds, witnessed last week, remained unabated till close of the week, when values tended to drift downwards owing mainly to pressure of floating supplies. Groundnuts, which were buoyant in the previous week, lost some ground in the middle of the week, but they recovered subsequently, thanks mainly to the pronounced scarcity of spot supplies. Linseed were also cheerful for most part of the week. But they came in for some selling at the close. Cottonseeds spurted to new high levels in view of the tight statistical position.

Recent trends in the world supply position of vegetable oils have been given in the 1960 issue of the Commonwealth Economic Committee's annual review, *Vegetable Oils and Oilseeds*. According to this publication, total world supply of vegetable oils rose by 4 per cent. to last annual peak in 1959, as compared with 1958. Of this, Commonwealth countries accounted for 23 per cent. The world output of edible oils, particularly soya-bean oil, continued to rise, but the production of palm crops (edible industrial oils) had declined since 1956, following the fall in world copra harvests. Output of industrial oils—of which linseed was by far the most important—staged a recovery in 1959. Besides, world production of all the main edible oilseed crops, except olive oil and sesame, reached new record level during the year 1958-59.

To revert to the market trend. There were encouraging reports of foreign enquiries for castor oil, particularly from the U.S., the U.K., and some countries of the Commonist bloc. Shippers continued to extend good support, in view of their belief that Brazil will not be able to offer any sizable supplies in the American market for castor oil at least for another two months. The sharp increase in prices of seeds and oils was arrested, however, at the close of the week, mainly on account of enlarged arrivals from Gujarat and Bihar. There was some profit-taking, too. In these conditions, castorseed September 1960 contract, which had closed last week at Rs. 178.50, rose gradually to Rs. 183.50 by Friday, but tended to move down later on to close at Rs. 181.12, with a net gain of Rs. 2.62. Ready Madras improved by 50 nP to Rs. 35.37. Oil commercial hardened from Rs. 18.56 to Rs. 19, before winding up the week at Rs. 18.81.

The major factor behind the strength in groundnuts is the relatively low arrivals. Crushers and *vanaspathi* manufacturers were keen buyers even at high levels. Spot section in seeds and oils, which had maintained a firm front in the previous week, however, came in for selling pressure, although the general undertone was distinctly bullish. This was due mainly to some slackness in the export enquiries for seeds, oils and oilcakes. Groundnut August 1960 contract, which had wound up last week on a strong note at Rs. 219.25, after an initial rally, came down to Rs. 217.50 by Saturday. The trend was, however, reversed subsequently to close higher at Rs. 219.25. Nizam bold closed at Rs. 47, as against Rs. 47.50 last week-end. Oil ex-mill lost 37 nP to close at Rs. 24.

There was no fresh development in the linseed section. But it was generally well maintained, thanks to the pronounced strength in other sections. Export front for linseed oil continued to be dull, in view of the disparity between domestic and world prices for linseed oil. Linseed September 1960 contract improved initially from Rs. 34.59 to Rs. 34.81, but closed today on a subdued note at Rs. 34.47. Bold ready rose from Rs. 33.87 to Rs. 34, but gave way subsequently to finish the week at Rs. 33.50. Linseed oil closed 7 nP lower at Rs. 16.87, after touching Rs. 17.

Cotton seeds made headway from Rs. 163 to Rs. 163.50 on sustained speculative support and in sympathy with the trend in the raw cotton market.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	6-7-1960	29-6-1960	22-6-1960
Groundnut	Rs.	Rs.	Rs.
August 1960	219 75	219 25	215 75
Nizam bold	47 00	47 50	46 12
Coron andol ready	47 25	47 75	46 75
Khandesh quality	47 50	47 75	46 75
Oil ex-mill ready*	24 00	24 37	23 75
Railway receipts*	23.87	24.00	23.50
Castorseed			
September 1960	181 12	178 50	176 25
Ready Madras	35.37	34 87	34 00
Ready Kanpur	34 25	33 75	33 00
Oil B.S.S.†	20 31	19 62	19 44
Oil commercial†	18.81	18.56	18 25
Linseed			
September 1960	34 47	34 59	33 94
Bold ready	33 50	33 87	33 25
Oil ready†	16.87	16.94	16.75
Cottonseed			
September 1960	163 50	163 00	157.50
Niger seed	37.50	37 25	37 00
Kardi seed	25.00	24 75	24.00

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are in terms of candy, except linseed which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

TEAS WELL SUPPORTED

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

COCHIN, 28th *June*

Approximately 1,840,000 lbs. were offered in Sale No. 25 held on Tuesday, 28th June 1960. The quality of highgrown and good medium descriptions showed an improvement, while from other districts, it continued to be of a "rush" description. There was good general demand.

Highgrowns met with only fair support and were irregularly easier by 10 nP, with light liquoring sorts in this category neglected. Fannings received better support. Improved quality good mediums and mediums were the strongest feature of the sale and sold at fully firm to dearer rates, while plainer kinds in this category were taken up at prices which were barely steady. Plain and low medium brokens were absorbed readily at about last rates, but similar fannings declined. Black leaf brokens were in demand at occasionally lower rates, with similar fannings tending easier.

CTC. types and legg-cuts came to a slightly lower market. Orange pekoes were barely steady, but F.Ps and pekoes eased by 10 nP to 15 nP. The quotations were:

	1960	1959
	Rs.	Rs.
Low mediums	1.55-1.60	1.45-1.55
Mediums	1.65-1.75	1.55-1.70
Good mediums	1.75-1.90	1.75-2.05
Quality	1.80-2.55	1.85-2.58

Substantial business in export quota has been done at 2 nP per kilo.

A total of 762,000 lbs. was offered in Sale "Y" held on Thursday, 30th June 1960. There was good general demand at easier rates. Highgrowns came to an irregular market, but those with improved quality were sold well. Coloury good mediums received active support at a drop of 5 nP, the plainer kinds in this category taking a bigger drop. Mediums and low mediums declined by 5 nP-15 nP, but these descriptions strengthened as the sale progressed and at the close were easier by 5 nP-10 nP. Residuals shared in this decline. CTCs legg-cut teas and similar types were in demand, with the cleanly sorted grades selling at last rates. Those with fibre generally eased in price.

The forthcoming auctions are: Export Sale No. 26—Tuesday 5th July 1960—1,772,000 lbs.; Dust Sale "Z"—Thursday 7th July 1960—708,000 lbs.; Export Sale No. 27—Tuesday 12th July 1960—1,662,460 lbs.; Export Sale No. 28—Tuesday 19th July 1960—1,675,000 lbs.

In sale No. 2 held at Calcutta, 35,276 packages were offered. They met with good demand. Commons were firm to dearer, whilst bright liquoring sorts were well supported. C.T.Cs with improved quality were considerably dearer. Darjeelings met with selective enquiry. In the dust sale, 13,763 packages were offered and these met with good demand. Darjeelings and C.T.C. teas were very strong, but others came to a slightly weaker market.

Approximately 7 million pounds were offered at Colombo. There was strong demand. Dimbulas were irregular and mainly lower following quality, whilst mediums eased by 2/5 cents but their fannings were stronger. Lowgrowns were irregularly easier. Improved quality Uvas were dearer, particularly those offered ex-estate, whilst their fannings met with keen competition and were appreciably higher.

In Monday's auction in North Indian and other growths held at London, there was active demand for the new season's Dooars at higher rates. Best Africans were dearer, while others were about steady.

In Tuesday's sale, 5,847 packages of South Indian teas were on offer. With buyers following quality closely, prices were unchanged on last week's rates.

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

"In Sale No. 26 held on Tuesday the 5th inst., 1.75 million lbs. were offered. There was useful demand, particularly for low medium brokens which were firm. Other brokens were easier by 5 nP to 10 nP. Fannings were the weakest feature, while improved quality was dearer."

RAW JUTE AND JUTE GOODS MOVE DOWN

(From Our Own Correspondent)

CALCUTTA, 5th *July*

Quiet conditions were in evidence in the jute markets during the week under review. As buyers were reserved, both jute goods and raw jute recorded sizable falls. Continuous rains fell in several jute districts, including 24 Parganas, during the week, but these subsequently encouraged sellers to refrain from discounting quotations further, as, although damage as a result of floods have not so far been received, it was feared that some damages should have been caused. Mills did not display interest in the old crop and the assumption that mills had enough raw jute in order to carry on production up to the new crop was deduced in market circles. In fact, from the nature of the quantity on offer during the week, it was believed that a good portion of the old crop still remained to be marketed, but that mills reduced production only in an attempt to lower prices of fibre, since it was becoming no longer profitable to produce goods by purchasing fibre from the present bullish market. It was these factors, as well as the mills' preference to do business in early new crop rather than ready old crop, that induced this week's fall and it would appear that the stage has been reached for fibre prices to come down to more realistic levels.

Reports from Assam showed that prospects for the new crop had considerably improved, following bright sunshine earlier in the week. This had done immense benefit to the standing crop, as sunshine was required after the recent heavy showers. The mills desired to enter into commitments in the new crop business in northern quality for delivery in August, in view of the fact that good commitments in Assam jute had already been made. However, sellers of Northern fibre were few and far between, since it is usual for despatches from northern districts earlier in the season being affected and delayed by floods. The main transport from northern districts to mills' stations is the railways, whereas Assam jute would move by riverine transport. On the other hand, not all offers for delivery commencing from October met with response. This was so because of the expectation that prices for these deliveries would come down further.

During the week, business that passed in goods with foreign buyers was little. Corncacks

tinued to attract Australian interest. It was not anticipated that the higher trend of burlap consumption in May would be repeated in June, as this period was usually slack in that country. This anticipation followed the not-too-heavy volume of business put through with U.S. buyers during this month. In the market, stocks had been built following news of higher consumption in May in anticipation of more interest from American buyers. China was in the market for small quantities of heavy goods now and then. The London report that following the recession in fibre prices in Pakistan, it was proposed to reduce most jute yarn prices by £5 a ton, was in keeping with the present sentiment in the fibre market.

On Tuesday last, in the goods market, buyers were reserved. As a result, ready hessian 40" 10 oz. fell from Rs. 45.90 to Rs. 45.50. Cornsacks were bought by Australia and in B. twills internal buyers were active. Ready B. twills, therefore, hardened from Rs. 129.75 to Rs. 131. On the following day, there was little or no buying interest, and selling pressure soon set in. As a result, B. twills declined to Rs. 127.75 and hessian 40" 10 oz. to Rs. 45.15. The market was closed on Thursday, being a bank holiday, but, by the time the market reopened on Friday, fair enquiries from overseas markets had been received. Soon covering business followed and interest in ready and near goods was greater than in extended delivery goods. Ready B. twills rose to Rs. 130.75 and hessian 40" 10 oz. to Rs. 45.65. Towards the week-end, covering business continued and hessian 40" 10 oz. was better at Rs. 45.75. However, B. twills were fractionally lower but steady at Rs. 130.50. Conditions were quieter yesterday, in view of a weaker fibre market. B. twills eased to Rs. 129.25 and hessian 40" 10 oz. to Rs. 45.50. The markets are closed today on account of the *Id* holiday.

On reports of good rains in jute districts, fibre prices fell. Old crop jute was neglected and in new crop early delivery jute was favoured. The latest quotations for the new crop (1960-61) per 100 kgs. for delivery periods as marked hereunder are:

	Middles	*Bottoms*	*Shipment*
White:	Rs.	Rs.	
Assam selected	106.00	99.25	Aug.-Sept.
Ordinary Assam ..	104.50	97.75	"
Northern	103.25	96.50	"
Desal	100.50	93.75	"
Cuttack	106.00	99.25	Sept.-Oct.
Murshidabad ..	97.75	91.00	Aug.-Sept.
Bihar, Jungli and U.P.	96.50	89.75	"
Tossa:			
Ordinary Daisee	104.50	97.75	Sept.-Oct.
Murshidabad	103.25	96.50	"
Assam-Agartala	106.00	99.25	"
Mesta:			
Daisee	89.00	83.00	"
Murshidabad	88.50	81.75	"
Bimli f.a.q.	..	..	Rs. 83.00
Pucca bales:			
1st Mark	..	..	Rs. 230.00 per bale ready.

SELECTIVE BUYING IN TEAS

(From Our Own Correspondent)

CALCUTTA, *5th July*

In the tea sale for domestic consumption held here last week, dusts on offer aggregated 13,763 chests of new season's teas, in addition to 750 chests of the last season's. Conditions were mixed. Although there was fairly good demand, attention was selective. Thus, while C.T.C.s met with keen competition and recorded handsome addition to prices, orthodox teas were sold at prices below brokers' valuations. The smaller stronger liquoring teas also eased, as were Legg-Cut Dooars teas. The latter teas were difficult to sell towards the close. There was good demand for Darjeelings, prices of which hardened. The quotations per kg. inclusive of excise duty were: medium Assam C.T.C. Rs. 5.20 to Rs. 6.00 and medium Dooars Rs. 4.10 to Rs. 4.30 Best Assam C.T.C. and medium Assams were unquoted.

Leaf on offer, amounting to 205 chests of new season's teas and 113 chests of last season's, eased, although demand was good.

Good note was taken of the steadier conditions in auctions in Mincing Lane held last week. The new season's offerings in London attracted good attention and New Dooars crossed brokers' valuations. Ceylonese and South India teas in London also attracted good buying. This was not surprising, since U.K. stocks of tea were only 140.9 million lbs. in the week ended 24th June, as against 143.7 million lbs. in the previous week.

That the tea crop in North India and East Pakistan in the year 1960-61 would show a marked decline in view of the unusually drought conditions in the months of April, May and earlier part of June has not been in doubt. According to a recent estimate from Dacca, output in East Pakistan would be 10 million lbs. lower as compared with the actual output of 65.8 million lbs. in 1959-60.

BASE METALS FIRM AGAIN

(From Our Own Correspondent)

CALCUTTA, *5th July*

Base metals recorded further addition during the week, following good demand and shortage of ready supplies. The highest addition to price was recorded in electrolytic zinc which closed at Rs. 171 a cwt., as against the opening of Rs. 160.50. The Bombay quotation was even higher at Rs. 177. Local demand was higher than supply. The Government was in the market for a small tonnage, but what added significance was the fall in the number of offers and the quantity offered from abroad for shipment to India. Reports from abroad indicated that the U.S. proposal to raise import duties on zinc and lead had not yet affected the market trend. On the London Metal Exchange, zinc closed fractionally higher at £90¾ a ton, as against the opening of £90½. In New York, the quotation was fractionally higher.

In London, electrolytic copper opened at £258 a ton and gave way to close at £254. The recession followed the termination of the port strike at Liverpool and of the recession of the strike threat in other British ports. Locally, demand for copper scrap was insignificant. Copper scrap prices at Rs. 216 for the berry quality and Rs. 200 a cwt. for utensil scrap remained unchanged.

Tin opened at Rs. 544 a cwt. and gained to close at Rs. 548, although the supply position had improved consequent on recent receipts at ports. The upward trend closely followed the London Metal Exchange where tin closed substantially higher at £808, after opening at £798.

In line with the general trend, virgin lead here was also firm. It advanced from Rs. 65 to Rs. 68 a cwt.

KIPS DULL

(From Our Own Correspondent)

MADRAS, *4th July*

The kip market remained dull during the week, because export trading was selective and small. A few isolated sales of f.a.q. cow calf at very low prices to the U.K. upset the market, and importers lost confidence in the prices at origin which, it was felt, would result in lower prices for some more time. Buff hides ruled steady and demand for buff calf was poor. Enquiries for low grade cow hides for inland trade were good except on light weights.

Though there was some demand for tanned goat light weights, shipment business was poor, as the importers were bidding reduced prices without booking orders. The tanned sheep market was quiet for semi-prime class and weak for middle class.

Shipments during June were: 2,690 bales tanned cow hides, 199 cow calf, 67 buffs, 203 buff calf, 548 goat and 352 sheep to the U.K.; 96 cow, 97 cow calf, 65 buff calf, 460 goat and 381 sheep to the Continent; 66 buffs, 96 buff calf and 152 goat to the U.S.A.; 1 goat and 68 sheep to Japan.

The next tanned skins public sale in the U.K. has been postponed to 17th August. Some importers in Germany have arranged to have periodical tanned skins public sales in Hamburg, and the first of the series will take place on 5th September 1960.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, *4th July*

Sugar prices ruled quiet during the week, thanks to easy supply position and slack demand, and prices eased by about Re. 1.25 per bag to Rs. 115 per bag and in retail sugar was being quoted at Re. 1.15 per seer. In view of marked increase in sugar production, trade circles have once again started clamouring for decontrol of the commodity. These circles point out that with sugar production in the current season at about 24.10 lakh tons and with last year's carryover of about 1.7 lakh tons, the total availability will be over 25.17 lakh tons. Total consumption is likely to be 20.50 lakh tons and a surplus of 5.33 lakh tons is expected.

Weak tendency was witnessed in sugar prices during the week under review and prices eased by Re. 1 per bag to Rs. 116 per bag against controlled prices of Rs. 112.50 per bag. A further quota of 2 lakh tons has been released by the Government. Trade circles were of the view that decontrol of sugar would bring down sugar prices further. Sugar prices also ruled quiet in the Kanpur market at almost unchanged price levels.

Despite slack demand and loading restrictions, *khandsari* prices improved by about Rs. 2 per maund and *khandsari* crystal was quoted still higher. Stocks of *khandsari* in the Muzaffarnagar market were put at about 70,000 maunds and week-end prevailing prices were: inferior Rs. 30 to Rs. 32, superior Rs. 33 to Rs. 39, crystal *khandsari* Rs. 38 to Rs. 41, *boora* from crystal Rs. 44.50 a maund.

Ready *gur* prices sought lower levels as demand has subsided due to loading restrictions. Daily arrivals in the market are poor at an average of 100 maunds mostly of dry quality which are being lifted by Punjab through road. Local stock of *gur* of *kotha* dry-wet quality is almost stationary at 21,000 maunds. There was heavy rainfall in the region and the cane crop has benefited much. Prevailing prices were: dry Rs. 15.19, *kotha* dry-wet Rs. 15, *shakker* Rs. 17.75 a maund.

Gur prices ruled steady at Muzaffarnagar due to support from Gujerat for *Chaku* quality, while Minja was in request from east U.P. and South. *Shakker* attracted demand from the South and Rajasthan and *dara* quality was quoted at Rs. 19 to Rs. 21, and *masala* at Rs. 21 to Rs. 22 a maund.

Forward *gur* prices were bullish during the week on support from speculators of Kasgunj and Narlea. Opening at Rs. 13.43, *gur fagun* touched the highest of the session at Rs. 13.81 and is presently quoted at Rs. 13.75.

* * * *

The Government of India has released 200,000 tons of sugar. There will be no release for free sale from factories in Uttar Pradesh, Bihar and Punjab except a small quantity which will be released to each factory for sale to its employees. Allotments of sugar to Madhya Pradesh, Rajasthan, Uttar Pradesh, Bihar, West Bengal, Orissa, Madras, Kerala, Maharashtra, Gujerat, Himachal Pradesh, Assam, Manipur and Tripura, from factories in the controlled region, will be made only to nominees of the State Governments. In the case of Punjab and Jammu and Kashmir, allotments will be made direct to the State Governments or to their nominees. Allotments to Delhi will continue to be made on the existing basis. Allotments will be made at prices fixed. The controlled ex-factory price for U.P. and North Bihar factories is Rs. 37.85 per maund and for factories in Punjab and South Bihar Rs. 38.35 per maund for ISS D-29 grade with the prescribed price differentials for other grades. The fixed f.o.r. destination prices in respect of allotments made to Kanpur and Calcutta will be Rs. 38.60 and Rs. 39.85 per maund respectively for sugar of ISS D-29 grade.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, *4th July*

Firm conditions continued in the foodgrain market during the week ending 4th July, on lower arrivals of *rabi* grains and better demand from east and north U.P. Firm trend in gram prices in Punjab also acted as a bullish factor. Fairly heavy rains were received in the week-end which would benefit already sown *kharif* crops and would enable large scale *sawani* sowings. Wheat prices at Hapur recorded gains of about Re. 1 per maund to be quoted on Monday at Rs. 17 a maund for average quality and upto Rs. 18.25 for superior farm produce. Daily arrivals of wheat were small at about 200 maunds and arrivals were further hampered by rains. Arrivals were hardly sufficient to meet local needs and as prevailing prices were much higher than controlled Government procurement prices at Rs. 13 to Rs. 15 a maund, Government purchases were not possible. However, wheat purchased in other regions is reaching here for storage on Government account.

Rice prices also recorded modest gains during the week in line with general bullish trend in grain prices. Supply position of rice was satisfactory and stock with trade was put at 21,000 maunds. Prevailing week-end prices were: *sela basmati* Rs. 32 to Rs. 36, *mainpuri* Rs. 24, *ramajwayan* Rs. 25, *raimunia* Rs. 26 and *gadda* Rs. 21 a maund. Gram prices registered further sharp gains of about Re. 1 per maund on firm advices from Punjab. It is understood that the State Government in order to check this rising trend in gram prices has offered to sell one lakh maunds of gram stocked here. Local stock of gram with trade was put at 35,000 maunds. Barley prices improved 63 nP per maund. *Bejhar* prices sought lower levels during the week. Arrivals of these grains were poor in the market. Sowings of maize and other *sawani* crops were in full swing and week-end prevailing prices were: gram Rs. 15.19, barley Rs. 12.75, *bejhar* Rs. 11.75 to Rs. 12.75, *jowar* Rs. 14.25 to Rs. 16, *guwar* Rs. 13 to Rs. 13.25 a maund.

Good outside demand and firm advices from other centres accounted for further hardening trend in peas which is now quoted at Rs. 12.25 a maund for average quality, Rs. 13.12 for superior farm quality and Rs. 14 for peas *dal*. Daily arrivals of peas have dropped to about 500 maunds and local stock in the week-end was put at 93 *khatties* of about 800 maunds each. *Arhar* prices also improved fractionally to Rs. 14 a maund and with daily arrivals at an average of 100 to 150 maunds, *arhar* stock mounted to about 26 *khatties*. While average quality of *arhar* is attracting outside support, superior quality is being lifted by grinders for *dal*. Prices of other pulses also improved due to paucity of local stocks and in sympathy with bullish trend in peas and *arhar* prices and prevailing prices on Monday were: *urd* Rs. 19 to Rs. 20, *moong* Rs. 20 to Rs. 22.25, *massoor* Rs. 15 to Rs. 18 a maund.

COTTON

(Concluded from page 62)

more reassuring. Elsewhere, although the rate of increase has slowed down perceptibly in most countries, there are few signs that output has yet reached its optimum.

"*Trade*: Any increase in aggregate production next season must be set against the much reduced carryover so that, as things stand at the moment, no drastic change in export availabilities is contemplated. The prime determinant of actual exports will be consumption. Assuming continuation of the present rate of consumption and a return to more normal net imports by India, it is calculated that exports next season would be something over 12 million bales to which must be added net shipments to the communist countries which have averaged about 1.2 million bales in the last three years. All things considered, therefore, prospects seem to be for a relatively high level of cotton trade though, no doubt, below the present record.

"**Price**: The key factor in the price outlook is demand. Given the maintenance of the present level of consumption and continued active interest on the part of the communist countries, the price outlook is far from discouraging.

"Governmental actions will continue to influence the price trend. Cotton price supports in the United States will be lower. The export subsidy will be cut from 8 to 6 cents per pound which, together with the lower level of price supports, is expected to make U.S. cotton available in world markets at prices near those prevailing this year. The minimum resale price for old crop cotton will be raised to 115 per cent. which is likely to strengthen the market early in the season until the new crop is available in quantity. From October, carrying charges will be increased to 20 cent points per month from the 15 cent points in operation this season. Looking further ahead, under present legislation, the choice A and B programmes will no longer be in effect for the 1961-62 season and cotton price supports will be at not less than 70 per cent. nor more than 90 per cent. at the Secretary's discretion. However, in view of the impending elections next November and for other reasons, it is impossible to say what will be the likely effect of these provisions on the cotton market."

The review concludes that, on the whole, the outlook for the next season seems to be a reasonably optimistic one.

PUBLIC SECTOR INDUSTRIAL AND MINERAL PROJECTS

THE following is a list of industrial and mineral projects which the Public Sector proposes to carry out/or take up in the Third Plan, according to the *Draft Outline* published this week:

A. Projects Under execution and carried over from the Second Plan

(i) *Industry:*
- Completion of the three steel plants (Bhilai, Rourkela and Durgapur).
- Rourkela Fertiliser Factory.
- Heavy Machinery Plant at Hatia, Ranchi.
- Foundry Forge Shop at Hatia, Ranchi.
- Mining Machinery Plant at Durgapur.
- Heavy Electrical Project, Bhopal.
- Drug Projects:—Synthetic Drugs Plant at Sanatnagar; Antibiotic plant near Rishikesh; Phyto-chemicals in Kerala; Surgical Instruments Plant near Guindy.
- Organic Intermediates Plant near Panvel.
- Expansion of Hindustan Antibiotics.
- Trombay Fertiliser Project.
- Andhra Fertiliser Project near Kothagudium.
- Naharkatiya Fertiliser Project.

(ii) *Coal:*
- Coal Programmes of the National Coal Development Corporation.
- Washeries at Bhojudih and Patardih.

(iii) *Minerals:*
- Neiveli Lignite Project.
- (*a*) Fertiliser Plant.
- (*b*) Briquetting and Carbonisation Plant.
- (*c*) Thermal Power Plant.
- Kiriburu Iron Ore Project.

(iv) *Oil:*
- Oil India-Crude Oil Pipeline.
- Refineries at Numati and Barauni.

B. New Projects for which external credits are already assured.
- Expansion of Heavy Machinery Plant.
- Expansion of Mining Machinery Plant.
- Second and Third Heavy Electrical Projects.
- Expansion of Foundry Forge at Hatia.
- Expansion of Bhilai Steel Works.
- Heavy Machine Tool Project.
- Precision Instruments Project.
- Raw Film Project, Nilgiris.
- Projects for the manufacture of watches.

C. New Projects included in the Plan for which foreign credits have not yet been arranged.

(i) *Steel:*
- (*a*) Expansion of Rourkela Steel Plant.
- (*b*) Expansion of Durgapur Steel Plant.
- (*c*) Alloy and Tool Steels Plant.
- (*d*) Bokaro Steel Plant.
- (*e*) Ancillary facilities (coal, other mineral raw materials, power and transport) linked with (d) above.

(ii) *Other Industries:*
- Heavy Structurals Project.
- Heavy Plate and Vessel Works.
- Expansion of Hindustan Machine Tools, Jalahalli.
- Expansion of Heavy Electrical Project, Bhopal—Second and Third Phases.
- Additional capacity for fertilisers.
- Expansion of Visakhapatnam Shipyard and construction of Dry Dock.
- Security Paper Mill at Hosingabad.
- Expansion of Hindustan Cables, Rupnarainpur.
- Second Shipyard at Cochin.

(iii) *Coal:*
- New Programme of the National Coal Development Corporation.
- Expansion of Singareni Collieries.
- Central Workshop for Repairs and Maintenance.
- Central Ropeway schemes.
- Additional Washing capacity for coking coal.
- Expansion of Neiveli Mine output.

(iv) *Other Minerals:*
- Project for Sulphur from Pyrites.
- Balladila Iron Ore Project.
- Exploitation of Sikkim Copper deposits.
- Exploitation of Khetri and Daribo Copper deposits.
- Exploitation of Panna Diamonds.
- Beneficiation Programmes for Manganese Ores.
- Expansion of Geological Survey of India.
- Expansion of Indian Bureau of Mines.

(v) *Oil:*
- Oil Exploration and distribution programmes.

(vi) *Other Schemes:*
- State Government projects, e.g., expansion of Mysore Iron and Steel Works, Praga Tools, Nepa Mills, Durgapur Coke Ovens and expansion of Kolar Gold Mining undertakings.
- Loan assistance to Plantation Industries.
- Introduction of Metric System.
- Programmes of National Industrial Development Corporation, National Productivity Council and Indian Standards Institution.
- Loans to Institutional Financing Corporations.
- Industrial Townships.

(Continued on next page)

PRODUCTION OF MAJOR ORGANISED INDUSTRIES AND MINERALS

PROGRESS AND TARGETS

Name of Industry	Unit	1950-51 production	1955-56 production	1960-61 Estimated capacity	1960-61 Estimated production	Targets for 1965-66 Capacity	Targets for 1965-66 Production
A. METALLURGICAL INDUSTRIES							
1. Iron and steel—							
(i) Steel ingots	Mill. tons	1.4 (*a*)†	1.7 (*a*)†	6.0	3.5	10.2	9.5
(ii) Finished steel	..	0.98	1.3	4.5	2.6	7.5	6.9
(iii) Pig iron for sale	..	0.35	0.38	0.9	0.9	..	1.5
(iv) Alloy, tool and special steels (finished)	'000 tons	..	..	40	40	200	200
(v) Grey iron castings	Mill. tons	..	..	..	—	1.2	1.2
(vi) Steel castings	..	..	..	0.10	0.05	0.20	0.20
(vii) Steel forgings	'000 tons	..	..	60	35	200	200
2. Ferro-manganese	..	..	..	150	100	220	200
3. Ferro-silicon	..	..	—	5	6	40	40
4. *Aluminium*	..	3.68	7.3	17.5	17.0	82.5	75.0
5. Copper (fire refined and electrolytic)	..	..	7.3†	7.2	7.9	18.4	18.4
6. Lead	..	..	2.2	6.0	3.5	8.5	8.0
7. Zinc	..	..	..	Nil	Nil	15	15
B. MECHANICAL ENGINEERING INDUSTRIES							
8. *Industrial machinery (b)*							
(i) Cotton textile	Rs. crores	—	4.0	10.0	9.0	22.0	20.0
(ii) Cement	..	..	0.34†	1.1	0.8	4.5	4.5 to 5.0
(iii) Sugar	..	..	0.19	10.5	4.4	11.0 to 12.0	10.0
(iv) Paper	..	..	..	0.7	..	2.5	2.5
(v) Dairy	..	..	..	0.25	..	8.5	6.5 to 7.0
(vi) Industrial boilers	..	..	..	3.7	—	2.5	2.5
(vii) Cranes	'000 tons	..	..	2.5	0.6	29.0	25.0
(viii) Machine tools	Rs. crores	0.29	0.72†	7.0	1.5	60	60
(ix) Heavy machinery building (steel and chemical machinery)	'000 tons	..	..	..	5.5	30.0	30.0
(x) Coal mining machinery	..	..	..	..	..	80	(*c*)
(xi) Heavy plate and vessel works (pressure vessels, heat exchangers and other types of chemical plant and equipment)	..	..	..	..	..	45	30
9. Structural fabrication (including heavy structural shop)	..	..	..	..	..	30–40	30
10. Precision instruments—industrial and scientific	Rs. crores	..	90	500	250	1,100	1,000
11. Surgical instruments	Mill. pieces	..	..	0.7	0.7	23	12
12. Watches	'000 nos.	..	..	..	..	2.5	2.5
13. Railway rolling stock—						360	240
(i) Locomotives—steam	Nos.	—	500‡	300	295	300	1,175‡
" diesel	..	..	..	..	..	100	434‡
" electric	..	..	..	..	..	60	232‡
(ii) Wagons (in terms of 4-wheelers)	..	2,924	41,966 ‡	26,000	20,000	33,500	109,886‡
(iii) Passenger coaches	..	479	4,384‡	1,300	1,210	1,420	7,837‡
14. Automobile and ancillary industries—							
(i) Passenger cars	'000 nos.	16.5	25	20	20	30	30
(ii) Commercial vehicles	..			28	28	60	60
(iii) Jeeps and station wagons	..			5.5	5.5	10	10
(iv) Automobile ancillaries including trailers	..	..	..	0.7	—	3.5	2.5
(v) Motor cycles and scooters	..	..	1.5	24	16	48 to 60	50
15. Ball and roller bearings	Mill. nos.	0.08	0.9	1.6	2.4	8.0	12.0 (*d*)
16. Earth moving equipment—							
(i) Crawler tractors	Nos.	..	..	..	..	600	500
(ii) Dumpers and scrapers	..	..	..	..	..	600	500
(iii) Shovels	..	..	..	..	..	125	100
17. Road rollers	..	..	..	800	350	800	700
18. Agricultural implements and machinery—							
(i) Power-driven pumps	'000 nos.	34	37	184	86	184	150
(ii) Diesel engines	..	5.5	10	62	33	72	66
(iii) Tractors	..	..	..	3.5	2.0	12.0	10.0
19. Bicycles	Mill. nos.	0.10	0.51	2.2	1.05	2.2	2.0 (*e*)
20. Sewing machines	'000 nos.	33	111	288	300	500	450 (*f*)
21. Welding electrodes	Mill. r. ft.	..	..	600	350	1,080	900
22. Shipbuilding (expansion of Hindustan shipyard, dry dock and second shipyard)	'000 G.R.T.	..	50‡	20	20	50 to 60 (DWT)	50 to 60 (DWT)
C. ELECTRICAL ENGINEERING INDUSTRIES							
23. Electric transformers (below 33 kva.)	Mill. kva.	0.18	0.63	2.2	1.35	4.0	3.5
24. Electric motors (200 h.p. and below)	Mill. h.p.	0.10	0.27	1.25	0.8	3.0 (*g*)	2.5 (*g*)
25. Electric cables and wires—							
(i) A.C.S.R.	'000 tons	1.7	8.7	28	18	55	44
(ii) V.I.R. and plastic coated	Mill. core yds.	39.4	86.9	500	250	800	600
(iii) Paper insulated	Miles	..	..	1,000	750	4,500	4,000
(iv) *Dry core cables*	"	..	525	470	470	2,000 to 2,500	2,000
(v) Coaxial cables	..	..	..	..	..	300	300
26. Electric fans	Mill. nos.	0.19	0.29	2.2	0.9	2.8	2.5
27. House service metres	..	..	0.25†	0.6	0.45	2.5	2.1
D. CHEMICAL AND ALLIED INDUSTRIES							
28. Fertilisers—							
(i) Nitrogenous (in terms of nitrogen)	'000 tons	9	79	234	210	1,000	1,000
(ii) Phosphatic (in terms of P_2O_5)	"	9	12	82	70	500	400
29. Heavy chemicals—							
(i) Sulphuric acid	"	99	164	521	400	1,500	1,250
(ii) Soda ash	"	45	81	304	240	530	450
(iii) Caustic soda	"	11	35	150	125	400	340
(iv) Calcium carbide	"	..	3†	28	20	67	60
(v) Sodium hydrosulphite	"	..	..	4	3.5	12	10
(vi) Hydrogen peroxide	"	..	..	3	2	9.5	8
30. Miscellaneous chemical products—							
(i) Carbon black	..	..	..	..	..	30	30
(ii) Industrial explosives—							
(*a*) Blasting explosives	"	..	..	5	5	20	20
(*b*) Safety fuses	Mill. coils	..	..	8.9	7.0	25.0	25.0
(*c*) Detonators	Mill. nos.	..	..	..	..	80	80
(iii) Rubber chemicals	'000 tons	..	..	2	—	3	3
31. Dyestuffs	Mill. lbs.	..	4.0	19.2	11.5	22.4	18.0
32. Drugs and pharmaceuticals—							
(i) Sulpha drugs	Tons	..	83†	393	150	1,000	1,000
(ii) Penicillin	Mill. meg. units	..	6.6	45	40	205	120
(iii) Streptomycin	Tons	..	..	..	..	150	150
(iv) P.A.S.	"	..	40†	126	100	400	400
(v) Anti-dysentery drugs	"	..	6.0†	74	30	150	75
(vi) I.N.H.	"	..	1.0†	33	30	100	100
(vii) Organic intermediates	"	..	..	..	..	24,000	24,000
(viii) Phyto-chemicals	..	..	..	..	..	76.40	76.40
(ix) Insecticides, D.D.T.	..	..	284	2,800	2,800	2,800	2,800
33. Plastics (polythylene P.V.C., polystcrene and others)	'000 tons	..	0.7	19.2	11.5	85.0	74.0
34. (i) Soap	..	106	102*	254*	380	254*	500
(ii) Synthetic detergents	..	..	..	7.2	2.0	12.5	10.0
35. Raw films, cinematographic, etc.	Mill. sq. metres	..	..	..	..	10.0	..
36. Rubber manufactures—							
(i) Automobile tyres	Mill. nos.	..	0.9	1.76	1.5	3.7	3.0
(ii) Bicycle tyres	"	..	5.78	16.9	14.0	38.6	31.0
37. Synthetic rubber	'000 tons	..	..	..	..	30	30
38. (i) Paper and paper board	"	114	187	363	320	820	700
(ii) Newsprint	"	..	4.2	30	28	120	120
(iii) Security paper	Tons	..	..	..	..	1,500	1,500
39. Cement	Mill. tons	2.7	4.6	10.0	8.8	15.0	13.0
40. Refractories	..	..	0.28	0.87	0.6	2.0	1.6
41. Electric porcelain (H.T. and L.T. insulators)	'000 tons	..	4.3	..	8.4	30	24
42. Glass and glassware (including opthalmic glass)	"	92.0	125	457	240	615	440
43. Petroleum products	Mill. tons	..	3.6	5.3	4.6	8.0	7.4
44. Power and industrial alcohol	Mill. gallons	8.5	15.6†	45	25	(crude oil) 60	(crude oil) 50
45. Industrial gases—							
(i) Oxygen	Mill. c. ft.	..	..	1,000	700	2,300	1,650
(ii) Acetylene	"	..	..	156	100 to 110	250	200
E. TEXTILE INDUSTRIES							
46. Cotton—							
(i) Yarn	Mill. lbs.	1,179	1,640	2,100	1,900	2,250	2,250
(ii) Cloth (mill)	Mill. yds.	3,720	5,102	5,300	5,000	5,800	5,800
47. Jute	'000 tons	892	1,150	1,200	1,100	1,200	1,100
48. Rayon and staple fibre—							
(i) Rayon filament	Mill. lbs.	0.4	16.0	52.3	47.0	140.0	140.0
(ii) Staple fibre	..	..	14.0	48.0	42.0	75.0	75.0
(iii) Chemical pulp	'000 tons	..	..	..	..	100.0	90.0
49. Woollen manufactures—	Mill. lbs.	18.00	..	..	..	..	..
(i) Woollen and worsted yarn	..	..	21.7	67	34	67	52
(ii) Woollen cloth	Mill. yds.	..	15.0	48	23	48	35
(iii) Wool tops	Mill. lbs.	..	..	10	—	31.5	31.5
F. FOOD INDUSTRIES							
50. Salt	Mill. tons	2.7	3.0	3.9	3.55	6.5	5.4
51. Sugar	"	1.12	1.86	2.28	2.25	3.0	3.0
52. Vegetable oils—							
(i) Solvent extraction of oilcakes	'000 tons	..	..	936 (cake)	36 (oil)	2,000 (cake)	160 (oil)
(ii) Cotton seed oil	"	..	..	415 (seed)	37 (oil)	850 (seed)	100 (oil)
53. Vanaspati	"	153	276	434	350	*550* (seed)	*500* (oil)
G. MINERALS							
54. Coal	Mill. tons	32†	38†	..	53	..	97
55. Iron ore	"	3.0†	4.7†	..	12	..	32

* Organised sector only. † Relates to calendar year. ‡ Relates to the five-year period.
(*a*) Inclusive of metal for castings. (*b*) Except in the case of cotton textile machinery, the capacity and production under this head are related to the demands for original equipment. (*c*) Actual production will be linked, by and large, with the programme for expansion of steel capacity. (*d*) By working the capacity on three shifts. (*e*) Additional 0.5 million bicycles are expected to be produced in the small-scale sector. (*f*) Another 150,000 sewing machines will be produced in the small-scale sector. (*g*) These figures are for 300 h.p. and below.
N.B.—Capacity for engineering industries is estimated on the basis of double-shift operation.

U.S. BUSINESS PLANS RECORD OUTLAYS

U.S. business has been steadily increasing capital outlay plans for this year to a record high, with the emphasis heavily on modernisation for greater efficiency rather than on expansion of output. Manufacturers are planning to expand capacity by about 5 per cent this year, and contemplate further slow expansion for the next few years. This was reported recently by the economic staff of McGraw-Hill Publishing Company, New York, on the basis of a survey conducted in late March and early April.

Sharp competition from imported products and in the world markets and high and rising labour costs are among the reasons given for the emphasis in business spending, particularly in the manufacturing industries, on replacement and modernisation rather than on expansion.

All industry plans to spend 70 per cent. on machinery and equipment but only 30 per cent. on buildings. Manufacturers, however, plan to spend an even higher percentage—80 per cent.—on machinery and equipment and only 20 per cent. on buildings. A break-down of the planned new plant and equipment expenditures of all manufacturing concerns revealed that 65 per cent. of the planned spending would go for replacement and modernisation and only 35 per cent. for expansion.

All major lines of manufacturing, the survey found, expect a physical expansion in sales this year, with the average for all lines estimated at 8 per cent. Estimates of increased sales ranged, by industry, all the way from a 4 per cent. increase for petroleum refining to 22 per cent. for iron and steel.

All U.S. business, the McGraw-Hill report said, plans to spend $37.868 million this year on new plant and equipment. This represents a 16.4 per cent. increase over the 1959 actual total of $32 543. It is also $852 million higher than was reported in an earlier Government survey made in late January and February. The previous record high for capital outlays was $36,960 million in 1957. Of the total anticipated capital outlays of $37,868 million for 1960, all manufacturing accounts for $15,243 million. The manufacturing companies' planned outlays are 26 per cent. more than actually spent last year.

Actual new plant and equipment expenditures during the first quarter of this year were at the seasonally adjusted annual rate of $35,300 million. They were expected to rise in the second quarter to an annual rate of $36,900 million, according to a Government analysis. If the target reported by the McGraw-Hill survey is to be fulfilled, the annual rate of business spending in the fourth quarter would have to rise to a record high of nearly $39,000 million.

Already U.S. business has big capital expenditures programmed for the next few years, according to the McGraw-Hill survey. Scheduled thus far was $34,763 million for 1961, $32,828 million for 1962, and $33,330 million for 1963.

One good guide for the longer-term future of the capital spending sector of the economy, the survey points out, lies in the plans that corporations have for their research spending. This year, all U.S. industries have budgeted more than $9,500 million for research and development, a boost of 6 per cent. over last year. Of the total research spending this year, manufacturing industries will spend $9,139 million and non-manufacturing industries $415 million. By 1963, industry expects to be spending $10,226 million. These figures are exclusive of spending for research facilities, which are expected to run to some $682 million this year.

U.S. manufacturers as a whole, the report said, estimate that about 12 per cent. of their 1963 sales will be of new products—goods not manufactured last year. Machinery makers, for example, estimate that at least one-quarter of their 1963 sales will be of new products.

MARKET GOSSIP

(*Concluded from page 51*)

on the eve of the new loans of the Central and State Governments.

Whatever may be the merits of this speculation, the response to the new loans is bound to be only modest, for reasons already mentioned. Even the State Bank may not be very enthusiastic about investing in these loans, as the P.L. 480 funds are no longer being kept with it. Banking circles feel that, apart from conversions, their cash subscriptions, which will be almost wholly for the short-medium-dated six-year loan, may not exceed **Rs. 15 crores. The L.I.C., Provident Funds and other investors may take up a sizable amount of** the 29-year loan. Nevertheless, the share that would have to be absorbed by the Reserve Bank to make up the total of Rs. 175 crores would be quite large. This the Bank is in a good position to do, for, apart from the P.L. 480 funds and the special deposits of banks of 10 per cent, it had calculated in 1956 and 1959 a very large part of its portfolio of Government loans.

Cuban-U.S. Economic War!

It looks as though a virtual economic war between Cuba and the U.S. has now been touched off, following the Cuban Government's seizure on Friday, 1st July, of the American-owned Esso and Texaco refineries, as also the British-owned Royal Dutch-Shell Refinery, under the pretext that the refineries had refused to refine Russian crude oil. The seizure violates Cuba's own decrees of 2nd November 1954, establishing a 20-year operational period for the refineries and affording them freedom to supply and refine their own crude oil. Just five days after this move—on Wednesday the 6th inst.,—the Cuban Government approved of a law authorising the appropriation of all property owned by American firms or citizens in Cuba. This law, it is said, can be put into effect whenever deemed necessary in the national interest. Under the law, the property expropriated will, of course, be paid for but only in bonds carrying interest at not less than 2 per cent. per annum and redeemable in not less than 30 years.

Justifying the above law, the Cuban Government has accused the U.S. "of constant aggression with political aims against the fundamental interests of the Cuban economy." As an instance of such aggression, it points to the latest move of the U.S. Congress to authorise the President to adjust, until 31st March next, sugar import quotas in order to assure an adequate supply in case Cuba cannot fulfil its quota or if the U.S. imports from that country are cut off or reduced. The U.S. President is now empowered to reduce Cuba's sugar quota and to compensate for the reduction by enhancing imports from other countries under the quota arrangement, with preference given to the five smallest suppliers: Haiti, Panama, Costa Rica, the Netherlands and Formosa.

The accusation of constant aggression hurled against the U.S. by Cuba is, to say the least, baseless. It was Cuba itself, under the leadership of Dr. Fidel Castro, which first drove a wedge into the long and historic cordial relationship with the U.S. Apart from openly denouncing the U.S. as supporting Cuban counter-revolutionaries and threatening to nationalise U.S. investments, Cuba concluded an agreement with Soviet Russia under which Russia is committed to buy large quantities of Cuban sugar at a low price and accepted a credit of $100 million for the purchase of machinery and equipment, as well as provision of technical assistance.

The present Cuban Government is not at all justified in criticising the U.S. move to cut its sugar quota. Why should the U.S. continue to pay a heavy subsidy of as much as $100 million a year to Cuba on its purchases of Cuban sugar when the officials and the Press in Cuba go on vilifying the U.S. and moving closer economically and politically to the Soviet Union? It may be noted here that the price at which Russia buys Cuban sugar, namely, 2.78 cents per lb., is not only less than the world price and the cost of producing it in Cuba (4.00 cents per lb.) but also ludicrously low as compared with the high subsidised price of 5.25 cents paid by the U.S. It may also be noted that Cuba's one-third share of the U.S. sugar market, which is worth about $450 million a year, is its principal source of overseas earnings.

An important question that is now posed before sugar circles is as what would happen to the world sugar market if the American President has exercised his authority and cut Cuba's sugar quota for 1960 by 700,000 tons. Some fear that Cuba will turn out to be a more aggressive seller. But, despite such sales, sugar prices may not suffer a setback. For Cuba has already announced a minimum selling price of 3.00 cents per lb. Moreover, to the extent the U.S. increases its intake of sugar from the aforesaid five smallest suppliers, as well as the Philippines, the quantity available in the "free" sugar market will be reduced.

PUBLIC SECTOR PROJECTS

(*Concluded from previous page*)

D. Projects on which preparatory work should continue with a view to decisions in due course.

(i) *Industry*:

Heavy Compressors and Pumps Projects.
Basic refractories project.
Ball and Roller Bearings Project.
Additional capacity for Machine Tools.
Second Heavy Structurals Project.
Second Plate and Vessel Works.
Marine Diesel Engine Project.

(ii) *Minerals*:

Products Pipelines for Mineral Oils.
Lubricating Oils Project.
Coal Washeries for non-coking coal.
Low temperature Carbonisation Plants for soft coke.
Neiveli Lignite high temperature carbonisation plant and connected facilities for pig iron production.

E. Projects of a contingent nature

New refinery for fresh Oil findings.
Crude Oil Pipelines.
Government participation in Indo-Stanvac project for oil Exploration and in Oil India's programmes for Expansion of Oil Production.
Piping of Naharkatiya Natural Gas.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 7th July, 1960.

	Closing quotation 29-6-1960	High	Low	Closing quotations 7-7-1960
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Mfg (100)	166 00	165 00	155 00	165 00
Apollo (2)	1 46	1 70	1 50	1 62
Baroda Rayon (75)	145 00	167 00	146 00	159 00
Bombay Dyeing (25)	67 00	69 50	67 10	67 80
Bradbury (50)	126 25	132 50	126 25	130 00
Central India (100)	107 00	111 00	107 00	112 00
Century Mills (100)	516.00	557 50	513 50	515 50
Coorla Sp. (100)	133 00	—	—	133 00
Dawn (50)	122 00	132 00	125 00	128 00
Edward Textile (200)	290 00	325 00	290 00	325 00
Elphinstone (50)	63 00	66 00	63 00	66 00
Finlay (100)	329 00	327 00	323 00	324 00
Gokak (100)	144 00	146 00	140 50	141 00
Gold Mohur (10)	222 50	227 50	222 50	226 25
Gwalior Rayon (100)	42 00	43 00	40 75	41 25
Ind. Cable Cord (1)	1 78	1 88	1 68	1 72
Ind. Untd. Ord (10)	13 60	13 76	13 32	13 40
Indian Rayon (37 50)	69 00	72 00	68 00	70 00
Indore Malwa (100)	120 00	124 00	118 00	122 00
Khatau (100)	480 00	512 50	490 00	490 00
Kohinoor (100)	344 50	353 00	344 50	346 25
Lakshmi (250)	490 00	—	—	490 00
Mafatlal (100)	1,070 00	1,095 00	1,003 75	1,003 75
Minerva Mills (100)	75 00	—	—	75 00
Model Nagpur (250)	55 00	—	—	55 00
Morarji (100)	335 00	385 00	335 00	375 00
Mysore (50)	92 50	90 00	81 00	84 00
National Rayons (100)	539 00xd	554 00	538 50	549 00
New City (100)	126 00	137 50	127 00	137 50
New Great (100)	178 00	178 00	176 50	178 00
Phoenix (100)	145 50	147 00	145 00	146 00
Podar Mills (100)	160 00	162 00	158 00	158 00
Raymond Wool-len (100)	126 00	125 50	122 00	122 00
Sassoon Silk (10)	9 52	—	—	9 52
Sassoon Spg. (10)	68 30	72 00	66 70	68 70
Shrinivas (100)	265 00	268 00	260 00	261 00
Simplex (50)	180 00	181 00	179 00	179 00
Standard (100)	1,780 00	1,730 00	1,045 00	1,002 00
Svadeshi (100)	246 00	253 00	246 00	246 00
Swan (100)	483 00	490 00	470 00	485 00
Tata Mill (25)	46 50	48 00	44 00	45 00
Vishnu (100)	110 00	115.00	110 00	115 00
Western India (1,000)	4,400 00	—	—	4,400.00
BANKS				
Bank of India (50)	97 70	97 80	96 00	96 00
Do. (New (50)	98 50	99 00	98 00	98 50
Bank of Baroda (50)	81 00	82 00	81 00	81 00
Central (25)	47 00	47 00	44 50	46 00
Central 'A' (25)	47 25	49 00	47 25	49 00
Dena Bank (50)	53 50	53 50	52 50	52 50
Punjab National (10)	19 12	19 20	19 00	19 20
Union Bank (5)	5 84	5 76	5 40	5 55
United Com. (50)	68 00	68 30	67.70	68 00
ELECTRIC COS.				
Ahmedabad (100)	89 50	92 00	88 00	89 00
Amalgamated (10)	10 24	10 12	10 04	10 04
Andhra Valley (1,000)	1,092 50	1,015 00	1,007 50	1,015 50
Bom. Sub. El (100)	87 00	89 50	86 70	86 70
Surat (100)	89 00	90 00	89 00	90 00
Tata Hydro (100)	103 50	106 00	103 50	106 00
Tata Power (1,000)	1,030 00	1,075 00	1,030 00	1,042.50
INSURANCE COS.				
British India (10)	14 12	—	—	14 12
Empire of India (100)	268 75	—	—	284 75
Ind. Mercantile (20)	45 00	—	—	45 00
Jupiter (15)	7 24	—	—	7 24
New India (15)	62 50	62 70	61.70	62 00
Yulcan (10)	18 76	—	—	18 76
STEEL COS.				
Ind. Iron (10)	24 32	24 44	23 60	23 60
Mukund Iron (10)	25 65	26 75	25 25	25 25
Tata Steel Ord. (75)	157.75	160.75	156 25	156.50
SUGAR COS.				
Belapur (50)	375 00	375 00	368 00	369 50
Bhopal (10)	26 10	—	—	26 10
Chamdeo (12 50)	33 00	33 50	33 00	33 50
Phaltan (50)	191 00	195 00	189 50	190 00
Walchand Ind. (100)	302 50	310.00	303 75	305.00
CEMENT COS.				
Associated Cts (100)	142 00	144 25	142 25	143 00
Dhrolaj (100)	168 00	170 00	165.00	165.00
MISCELLANEOUS				
Alcock Ashdown (100)	313 00	319 00	290 00	290 00
Bom. Burmah (125)	598 00	612 00	602 50	607 50
Do. (New) (50)	217 50	225 00	215 00	220 00
Bir B. Petrol (4 sh.)	1 74	1 81	1 74	1 78
Bir I. Corpn. (5)	7 76	7 88	7 40	7 44
Cooper Eng. (100)	171 00	171 50	170 00	170 00
Colour Chem. (100)	450 00	505 00	440 00	445 00
Hind Cycle (100)	142 00	143 00	130 00	134 00
Hindustan Lever (10)	42 50	43 75	42 50	43 50
Indore Malwa (100)	20 64	21 04	20 48	20 88
I. C. & Invest. Corporation (100)	73 50	73 50	70 00	70 00
Indian Dyestuff (100)	740 00	750 00	720 00	730 00
Indian Copper (2 sh.)	5 08	5 20	5 12	5 18
Ind. Inv. Tr. (100)	74 00	74 00	72 00	72 00
Killick (100)	112 00	111 50	109 00	109 00
Larsen & Toubro (10)	43.75	43 50	42 25	43 00
Mahindra & Mahindra (10)	23 76	24 00	22 24	22 48
New Central Jute (10)	30 00	30 00	28 50	28 50
Polson (100)	157 00	161 00	158 00	158 00
Pre. Automobiles (100)	157 00	163 50	157 00	162 50
Premier Con. (80)	352 50	362 00	353 50	358 50
Scindia (20)	15 88	16 00	15 36	15 44
G. E. Shipping (10)	17 92	18 08	17 92	18 04
Sidvrajpur (10)	71 50xd	72 00	70 00	70 50
Sirpur Paper (10)	18 48	19 96	18 72	19 08
Tata Chemicals (10)	18 04	18 10	17 96	18 16
Tata Locomotive (100)	262 00	270 50	262 00	268 50
Tata Oil (25)	85 00	86 50	82 00	82 50
Texmaco (10)	27 40	—	—	27 00
Voltas (100)	262.00	271 00	262 00	268 50
W. I. Match (100)	245 00	248 00	245 00	243 00
W. Coast Paper (100)	205 00	210 00	200 00	200 00

GOVERNMENT SECURITIES	29-6-1960 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	7-7-1960 Rs.
2½% 1961	98 50	—	3 88	98 55
2½% 1960	95 75	—	2 75	100 00
2½% 1962	98 05	—	3 62	98 05
2½% 1976	83 25	—	4 20	83 25
3 % 1964	98 00	—	3 48	98 00
3 % 1963-65	97 95	—	3 42	97 95
3 % 1966-68	95 85	3 63	3 58	95 90
3 % 1970-75 1st Dev.	91 00	3 76	3 80	90 90
3 % 1966 Con. Loan	73 65	4 10	4 07*	73 90
3½% 1961 N.P. Bonds	100 05	—	3 48	100 05
3½% 1964 N.P. Loan	99 95	—	3 51	99 95
3½% 1965 N.P. Bonds	99 90	—	3 52	99 90
3½% 1966	99 85	—	3 40	99 85
3½% 1967 N.P. Bonds	99 55	—	3 57	99 55
3½% 1974	99 70	—	3 78	99 70
3½% 1967 N.P. Bonds	100 80	—	3 65	100 80
3½% 1969 Loan	99 20	—	3 62	99 10
3½% 1968	99 50	—	3 57	99 50
3½% 1963 N.P. Bonds	100.00	—	3 50	100 00
3½% 1968 N.P. Bonds	100 65	—	3 47	100 65
4 % 1960-70	100 30	—	3 95	100 30
4 % 1972 Loan	101 30	2 75	3 87	101 30
4 % 1973 Loan	101 20	—	3 87	101 20
4 % 1979 Loan	100 30	—	3 98	100 20

* Current coupon. x.d.—Ex-dividend. x. r.—Ex-Right.

COMMERCE

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

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RESOURCES FOR THE THIRD PLAN

THE Draft Outline of the third Plan is a masterpiece of economic writing on the problems of development of an underdeveloped economy managed by a Government with a distinctly socialist outlook. For it fully observes the first dictum taught to students of economics that, as their subject belongs to social science, they should not be dogmatic in their observations and that they should take care to qualify them suitably for all possible contingencies. Whichever chapter of the Draft Outline is taken for study, one finds it replete with hedges and qualifications, so much so that the impression that one gets is that its authors have taken particular note of the various criticisms levelled against their previous efforts, particularly the second Plan, and tried to safeguard themselves this time. Another impression that one gets is that the Plan is very tentative, especially in regard to the resources aspect. It is essentially a plan based on the minimum needs of the country rather than on firm estimates of the resources available. The assumptions made in the chapter on resources for the Plan are extremely nebulous and are liable to prove to be wide of the mark as the Plan is actually worked. There is a frank admission of this lacuna by the authors themselves. Indeed, in one place, namely, about the resources for the private sector side of the Plan, they candidly observe that "it is not possible, with the data available, to present a meaningful scheme of financing" development in this sector and that "considerable guesswork is involved" particularly in regard to the finances required for the investment programmes covering the large and medium industries, which, in our opinion, constitute the core of the private sector. This is no criticism of the Plan, for, after all, the country has to be pushed forward on the road of economic progress at a pace fast enough to overtake the growth of population. "The inadequacy of resources relatively to needs," as the Draft Outline aptly remarks, "is inherent in the fact of underdevelopment and effective mobilisation and use of the resources available are the very basis of development." It is on this basic assumption that the third Plan has been drafted and the object of discussing the resources for the Plan in a special chapter is only to indicate the broad lines along which they could be raised. Every effort has to be made by the Government to secure the funds along those lines.

Obviously, stung by the criticism that practically the entire amount of additional taxation raised during the second Plan period has been swallowed up by the enormous growth of non-Plan expenditure, the planners have made a separate provision for such expenditure under the heading "current outlay," as distinct from "investment outlay." For the benefit of those who might have missed this distinction, clearly brought out in the summary of the Plan published in our last issue, it may be added that, while "investment" means expenditure on the creation of physical assets, including expenditure on personnel required for putting up these assets, "current outlay" corresponds to expenditure on revenue account on plan schemes. They have reminded their critics through this innovation that the latter did not make any allowance in their criticisms for the inevitable expansion in administrative and other incidental expenditure when the public sector takes up such a large investment programme of Rs. 4,000 to Rs. 5,000 crores. It must be admitted that this contention is partially true, but the fault was that of the planners and the Government, for they did not stress this point effectively. While they seem to have learned from experience now, they seem to be making another mistake. They are not stressing the point that the Plan prepared by them is, in fact, a (Rs.) 11,250-crore plan and not a (Rs.) 10,200-crore Plan. The sum of Rs. 1,050 crores described as "current outlay" has, after all, to be found and is provided for in the resources budget. Surely, the authorities themselves are to be blamed, if, later on, they are accused of misleading the public by disguising this fact by making such a fine distinction between "current outlay" and "investment." Another important point to be made, in this connection, is that no such distinction has been made in regard to the private sector investments and only one figure of Rs. 4,000 crores is shown. Can it be seriously contended that the Plan expenditure in this sector, too, will not have the equivalent of "current outlay" as defined above? It is necessary to draw attention to this question even at this stage, lest the private sector should be blamed of having made off with the cream in case its expenditure turned out to be more than the share allotted in the Plan.

The formidable nature of the task set by the third Plan is vividly brought out when one looks at it from the resources angle. Broadly speaking, the resources aspect falls into two divisions, the internal and external. Both suffer from quite a few imponderables, which the authors of the Plan themselves have acknowledged. There has to be a rise of nearly 40 per cent. in the rate of domestic savings, assuming that about 21.5 per cent. of the investment contemplated will be met by external assistance. In order to bring about such a sharp rise in savings, there will have to be considerable restraint on consumption. This will be possible, only if the wholehearted co-operation of the public, especially industrial and agricultural workers, is forthcoming in a spirit of understanding and appreciation. There are, however, serious limitations to the fulfilment of this criterion in a young democracy with an adult franchise and with scores of leftist politicians out to exploit the discontentment among the people to realise their ambitions for power. The feeling of restlessness that we now see among the middle class and working class is a grim pointer which cannot be overlooked or lightly dismissed as a temporary aberration. Realism, therefore, demands that adequate provision is made in the Plan for plentiful supply of food, sugar, cloth and housing at prices which will not add any further to the cost of living. This is an essential prerequisite for the "take-off stage" for a democratic economy. Unfortunately, there are no indications in the Draft Outline that the planners are fully aware of it. There is undoubtedly full emphasis on agricultural production, particularly in regard to foodgrains, but the same cannot be said of the other necessities of life.

The scheme for financing the third Plan calls for careful scrutiny. While reserving this for a subsequent article, one preliminary observation may be made here. The first impression that one gets is that the planners have made liberal provisions under almost each heading pertaining to internal resources. This is particularly true of surpluses to be obtained from public sector enterprises on the existing basis and of additional taxation. If the Draft Outline had given at least an approximate idea of how as large a sum as Rs. 2,090 crores can be found under these heads, it would have been easier to examine the practicability or otherwise of the proposition. As it is, it seems to us that it would be a Herculean task to raise as much as Rs. 1,650 crores in five years, or Rs. 330 crores per annum, by way of additional taxes and additional surpluses from the public sector enterprises, without aggravating inflationary pressures and after leaving sufficient resources for the private sector to fulfil the targets set for it. These additional taxes, etc., it must be borne in mind, are to be on top of those that have been imposed in the second Plan. Since this is a highly exaggerated picture of feasible new taxation and capacity to squeeze the public through the public sector enterprises, deficit financing will have to be far more than the sum of Rs. 550 crores mentioned in the Plan.

Foreign assistance to the third Plan is of crucial importance. It is estimated that such assistance will have to be of the order of Rs. 3,200 crores. This total, which is roughly equal to one-third of the total cost of the third Plan, is made up of Rs. 500 crores required to pay for the obligations falling due during the third Plan period, Rs. 1,900 crores for covering the cost of machinery and equipment for projects included in the Plan, Rs. 200 crores for buying components, intermediate products and balancing equipment necessary to increase the production of capital goods within the country and Rs. 600 crores for buying foodgrains partly for consumption and partly for building up buffer stock. The last mentioned amount has been secured, thanks to the generosity of the United States. It has been assumed that exports and invisible incomes will be sufficient to take care of the imports needed for maintaining the economy on the basis of investments upto the end of the second Plan period. This assumption is not unrealistic. But one does not know how the figure of Rs. 1,900 crores mentioned above has been arrived at. It is to be hoped that there has been no underestimation of the foreign exchange cost of the various projects included in the Plan.

What are the prospects of getting foreign assistance of the size mentioned above? The Draft Outline is non-committal. It clearly says that "no prediction can be made." Proceeding, it observes;

> "The Plan will have to be flexible and the commitments in regard to foreign exchange expenditure will have to be made only on the basis of external resources that are clearly in sight. The fact that the commencement and execution of projects both in the public and private sectors will depend upon external assistance that is forthcoming highlights the need for keeping ready, well

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advance, a sufficient number of projects that can be executed as soon as the necessary foreign exchange has been secured. Any delay in utilising the external assistance offered cannot but upset the schedule for increased production during and by the end of the third Plan period."

The planners, of course, cannot say how much foreign assistance will be forthcoming. They can only indicate the quantum of aid required to fulfil the Plan. It is for the Government of India to explore the ways and means of finding the foreign exchange. In recent months, the leaders of friendly foreign countries have expressed a keen desire to see India go forward economically as a democratic nation. Several missions, consisting of administrators, economists, financiers and business men, have visited this country and spoken highly of India's attempts to raise its living standards and break the vicious circle of poverty and low levels of saving and investment. They have raised high hopes among the people of this country that they can expect sizable assistance from their countries. India has now placed before them sufficiently in advance the draft of its third Plan indicating its requirements, so that they may not complain of having been caught unawares, a grievance for which there was some justification so far as the second Plan went. It is now up to them to respond readily and generously.

ROAD TRANSPORT

THE large increases in agricultural and industrial production which are expected to take place in the period of the third Five-year Plan naturally imply that corresponding facilities for their movement should be created. In the period of the second Plan, some pockets of acute shortage of transport developed, with the result the authorities as well as the public became more than ever convinced that any neglect of this vital sphere would inevitably mean a slowing down of the tempo of economic progress. Another notable lesson of the second Plan is that road transport could be a valuable adjunct to rail transport. Indeed, in the latter half of the second Plan, the climate of opinion underwent a marked change in favour of road transport which won some deserved concessions from the Government. It was also a source of not inconsiderable gratification that the country could exceed the targets for roads fixed under the Nagpur plan.

To those who expected that these notable achievements would be improved upon in the third Plan, the proposed allocation for roads will come as a serious disappointment. The allotment for roads has been merely maintained at Rs. 250 crores (exclusive of local road development programmes) which is the same as that provided under the second Plan. But this is much less than what the country would need, in order to implement what has now come to be known as the chief engineers' plan for roads. This plan seeks to consolidate and extend the achievements under the Nagpur plan which contemplated construction of 123,000 miles of surfaced roads and 208,000 miles of unsurfaced roads; by the end of the second Plan, achievement will have exceeded these targets, inasmuch as 144,000 miles of surfaced roads and 250,000 miles of unsurfaced roads will have been constructed. The chief engineers' plan, which is a projection of the road programme into the next 20-year period (1961-81), contemplates targets of 252,000 miles of surfaced roads and 405,000 miles of unsurfaced roads, the cost of the entire programme being Rs. 5,200 crores. Lest anyone should think that it is an ambitious plan, it is necessary to point out that, even after it is implemented in its entirety, many villages will still be four miles from a metalled road and 1½ miles from any road and it will take much larger effort to bring a road to every village.

Be that as it may, assuming that only one-fourth of the 20-year plan could be implemented in the third Plan period, the allotment for roads should be Rs. 1,300 crores. As against this sum, the actual allotment, as stated already, is only Rs. 250 crores. This is expected to raise the surfaced roads, including the national highways, by only 20,000 miles to 164,000 miles. This is actually less than the increase of 22,000 miles in the second Plan and 24,500 miles in the first Plan at the commencement of which the road mileage stood at 97,500. It will thus be noted that, in physical terms, the construction of roads is expected to be smaller than in either of the first two Plans. This is unfortunate as road-building has a large employment potential, besides being a first class national investment. It has been computed that investment on roads yields a return of 8 to 12 per cent., so that they could quickly yield the surplus necessary for further investment. Clearly, a substantial increase in the present allotment to roads is both necessary and justified. It may be pertinent to add here that road mileage in India is dismally low, being only 82 per 100,000 of our population, as against 115 in Ceylon, 384 in the U.K., 1,502 in France and 1,834 in the U.S.

Next to road-building, the aim should be the creation of the appropriate climate in which road transport can come into its own. The Draft Outline has fixed modest targets for the manufacture of different varieties of automobiles. The targets for 1965-66 are 30,000 passenger cars, 60,000 commercial vehicles (inclusive of 4,000 units by ordnance factories), 10,000 jeeps and station wagons, 48,000 motor vehicles, scooters and 3-wheelers, as against an estimated production of 20,000, 28,000, 5,500 and 16,000 units, respectively, in 1960-61. If full allowance is made for replacement of existing vehicles, the bulk of which are overaged and deserve to be treated as scrap, and for the growth in road traffic, these targets are on the low side. But what is even more important is that the fixation of targets must be followed by adequate foreign exchange allocations, in order to ensure that the capacity in the industry is fully utilised. Further, a steady offtake of motor vehicles implies facilities for economic operation of motor transport. There is no doubt that the scope for the expansion of motor transport is particularly large in a country of India's size and population. It has been estimated that, by the end of the third Plan, after making allowance for the transport of about 80 million tons of goods traffic by bullock carts and 18 million tons by water transport, there will be a balance of about 300 million tons of traffic to be handled by rail and road transport. Estimates of what the railways could be expected to carry vary. The Draft Outline places it at 235 million tons, whereas non-official estimates put it at about 220 million tons. The balance will have to be carried by road transport, besides some 220-235 million tons of feeder traffic to railways and 18 million tons of feeder traffic to water heads. It is, therefore, imperative that road transport should be upgraded to a level, at which it is able to move the large volume of traffic that will fall to its lot.

Although several measures have been adopted in recent years in order to improve the climate for the development of road transport, much still remains to be done. Restrictions on the movement of road transport which have been imposed by executive order should be removed. The Inter-State Transport Commission should be given more powers, so that it could be an effective instrument for the development of inter-State transport. Above all, the tax burden on road transport should be reduced. Indeed, no other country in the world taxes motor vehicles more heavily than India; the overall tax burden works out to about 7.25 nP per ton-mile for petrol-driven trucks and 4.28 nP per ton-mile for diesel trucks which cost approximately twice as much as the former. Over the ten-year period ending 1960-61, the revenue from taxation of motor vehicles has gone up from Rs. 47.37 crores (Centre Rs. 34.82 crores and State Governments Rs. 12.55 crores) to Rs. 143.00 crores (Centre Rs. 102.00 crores and State Governments Rs. 41 crores). Motor transport is a veritable milch-cow for the Exchequer. But what the authorities have failed to realise is that they could get a larger revenue through a reduction in tax burden which would give a fillip to automobile transport.

There is a growing section of non-official opinion in the country which feels that the Government is partial to the Railways in the matter of capacity allotment under the plans and of allocation of available foreign exchange. There is no doubt that the Railways are the single largest national undertaking and, by reason of the fact that they render in some ways a unique form of service, they deserve to be developed. But one wonders whether the scope for economy was fully examined before the Commission made its provisional allotment of Rs. 1,220 crores to the Railways. The more important point, however, is that, in arriving at any decision on the question of conflict between the interests of road and rail transport, no attempt should be made to support one at the expense of the other. The Government should decide the issue purely by economic considerations. It must be remembered that road transport is as much a national asset as the Railways. Further, its capacity to provide employment is very large. In its memorandum submitted to the Neogy Committee, the Council of the Indian Roads and Transport Association has adduced evidence to show that, for every 1,000 million ton-miles of traffic, the employment potential in road transport is seven times what it is in rail transport and that the net return to the State is three times larger. An additional advantage of encouraging road transport, assuming that it will be allowed to stay in the private sector, is that the Government's goal of "a more even distribution of economic power" and "diversification of the occupational structure" in the country will be effectively served. These facts show that road transport deserves all the attention and assistance the Government can give it.

The point has been made often enough that, in respect of some goods and over certain routes, there is now a pronounced preference by the public for road transport. It was neatly brought home by Mr. S. H. Turner, Chairman of Hindustan Lever, in the course of his speech at the last annual meeting of the Company. He no doubt acknowledged the improvement that had taken place in the service rendered by the Railways. But the chief point he made is perhaps typical of the experience of many manufacturers. Whereas, in 1950, the Company's normal method of despatch of finished goods was by rail, last year, 50 per cent. of its despatches were made by road; this had cut the average transit time from 21 days to 5 days. Explaining the economics of this change, he said:

"It was common experience in those days that, for several days, we got no wagons and then had sixteen in one day. We also had to tie up a good deal of our dealers' capital. The man in a small town, who had to take full wagon-load of *vanaspati*, might well find himself with four or five months' requirements on his hands at once; and for this tying up of our dealers' capital, of course, we had to pay either in bigger discounts or in letting them make larger profits on stocks in their hands whenever we had to raise our prices. Road journeys normally involve no transhipment, whereas rail transport involves transhipment whenever there is a break of gauge; and road journeys are door to door, whereas with rail, even though we have sidings, our dealers do not, so that there is always an extra handling at their railway station. Finally, with road contractors we are usually able at a price to get them to accept responsibility for damage; the railways are very chary of accepting responsibility, and their employees are correspondingly careless. When we make a claim on our road carriers, it is settled within days, and usually in full. When we claim on the railways, it takes an average of six months before a decision is obtained and we do not recover more than half our losses."

Experience of other countries also suggests that road transport is preferred to rail transport. In the U.K., between 1938 and 1959, total goods transport (by road and rail) increased from 24-26 million ton-miles to 42.3 million ton-miles; the share of road transport increased from 8-10 million ton-miles to 24.6 million ton-miles. This means that, whereas in 1938, road transport accounted for only about 33 per cent. of the total traffic, its share jumped to 56 per cent in 1959. In the U.S., which is a better comparison with India because of its size, highways carried about 1,650 million tons in 1954, as against 1,228 million tons carried by Railways. The share of road transport was thus larger. A similar trend should be expected in this country, too, in the coming years. Nor need such a trend be deplored, for it will ensure better and more economic distribution of goods, as well as larger employment opportunities. While the Railways will always remain an important segment of transport economy, it is economically indefensible that road transport should be penalised by heavy taxation and other restrictions and the user denied access to the prompt and efficient service that it can render.

MARKET GOSSIP

THE best development of the week is the failure of the strike of Government employees and railway workers to assume any serious proportions. It is, indeed, gratifying to find that the vast majority of public servants have refused to respond to the call of strike and chosen to remain loyal to the Government. Even among those who have stayed away from work, a substantial number must have been influenced by the fear of intimidation by the militant minority among them. All sections of public opinion have condemned the strike as unwarranted. The lack of public support and sympathy for the strikers was clearly evident in Bombay City on Thursday when the general strike, carefully organised by all the leftist trade unions, turned out to be a big flop. They had promised to paralyse all activity in the City, but nothing of that sort happened.

Ever since the strike began, postal services, however, have been seriously disorganised. This is so, at least in Bombay City. We have not been able to get any of our regular weekly letters or the newspapers that come by post. Consequently, we could not include in this issue our customary London Letter and upcountry market reviews. The posting of this number itself has been held up by a day.

Although people all over India have had to put up with some minor inconveniences and the strike has not been peaceful in several parts of the country, the consensus of opinion is that the strike is a failure and that the Government has shown both courage and firmness in facing the threat held out by the combined might of the Socialist and Communist Parties. Now that it is as clear as daylight that the public is opposed to the strike, the minority of workers who are still staying away from their places of duty will do well to return to work without any further delay. By staying at home, they are doing a disservice to themselves more than to the public.

Equities Firm

In the share markets, those bulls who did not get frightened last week by the call for an indefinite strike of Government employees must be a happy lot now. Equities have, once again, resumed their upward trend on a fairly wide front. Not only the "growth shares" such as chemicals and engineerings have been moving forward but also the old industrials, namely, textiles, cements, sugars, plantings and steels which were generally sticky all along. Chartists predict that, unless the Government makes any harsh moves against the share markets or the private sector in general, the upsurge noted this week might well be the beginning of a new bull phase for most of the scrips. The fact, however, is that, in the vast majority of cases, equities are overvalued and highly vulnerable to any adverse developments that may occur. The current values provide no cushion in yields for unforeseeable contingencies. To assume that, between now and the next four years, when a number of new industrial concerns that have been formed in the last 10 or 12 months will be in a position to pay their maiden dividends, everything will be smooth sailing is to take a good deal for granted. In this connection, the following quotation from the latest issue of the *Share Market Report* of Messrs. Maconochie & Co., Madras, is worth pondering:

"The full force of the bull community's fervour has been diverted to the cash scrips, perhaps mainly on account of the fact that they are free from the vexatious inhibitions of the forward market. This apart, the technical position has also been favourable—perhaps directly responsible—for such diversions. At times like the present, when confidence in the future of equities reigns supreme, it would be idle to anticipate disinvestment selling, not to speak of bear sales. Holders have come to treasure their investments with such concern that they can hardly think of parting with them for any price. It is exactly this situation that the bull community has exploited. However, it is an open question whether anyone, apart from the professional jobbers, have benefited by the heady rise that has been seen in the past few weeks and further whether an indefinite continuation of this state of affairs is healthy.

"While we can understand the rise in the value of shares of the old well-established companies, we see no rhyme or reason for the precipitous rise in that of the new issues. Under the best of circumstances, not one of them can come into the production stage in the next year or two, nor can a return be expected for at least three to four years from now. To discount the future so far ahead, especially with the mercurial national and international situation, can only be possible under conditions bordering on insanity. No doubt, the rich speculators are playing for big stakes and can probably pull off a few fast ones. But it remains to be seen whether the ordinary investor will stand to derive any benefit from the continuance of the present state of affairs. For a large part, few of them have really benefited and therefore much of the current excitment on stock markets is empty effervescence. Restoration of sobriety, which seems almost impossible now, is an urgent necessity, if the faith of the investor in stock exchanges, is to be fostered.

"It might be argued that, in a fast developing economy, with inflation as its central axis, such a state of affairs is inevitable. May be so; but one would have thought things will be different under a 'regulated' economy. Perhaps, in the near future, several factors will emerge which will correct the market vision. Until then, we would advise our clients to be highly selective and to take profit on their holding of new issues. In September, several new issues are expected and there can come a time when the glut of such issues would act as the much needed deterrent to further price pushing."

Synthetics and Chemicals

The investing public is eagerly awaiting the results of its application for the shares of Synthetics and Chemicals Ltd. It is now more than 40 days since the list closed on 4th June 1960. The Company has issued no official communication to the Press about the exact number of applications, the total number of shares asked for and the amount received by them. But we reliably learn that the total applications alone are in the neighbourhood of 260,000. as against only 165,500 shares offered to the public, that more than half the applications are small ones and that the total amount of application money is of the order of Rs. 24 crores.

In view of the continued high level of premium still obtaining in the market, it is but natural if every one who has applied for this share wants to know where he stands and count his book profit at least. But, in view of the heavy applications, the management of the Company can well claim that it is almost impossible to come to a decision so quickly as all that. Quite a few smaller companies than Synthetics and Chemicals and many established companies that offered new shares to the public have, of course, taken as long as 2½ to 3 months to announce the allotment results and issue refund orders. But Kilachands and Firestones will rise in the esteem of the public further, if they can somehow expedite the procedure of allotment and the refund of excess money. Here is a chance for them to establish another record in the history of new capital issues.

Because of the long time taken by company managements in this respect, an impression has come to prevail that they are deliberately delaying action, so that they could earn the benefit of interest which is by no means negligible. In the case of the Company under reference, the income by way of interest could well be Rs. 30 lakhs, if all the application money were to be retained for three months.

As usual, some are even suggesting that the Government should do something to stop this "exploitation" by company promoters of the "get-rich-quick" mentality of investors. These persons do not, of course, see the other side of the picture and fail to realise the difficulties confronting company managements. The tabulation of applications and the decision on the basis of equitable allocation in consultation with the Stock Exchange authorities, which will strain the best of brains in an issue like that of Synthetics and Chemicals, are a time-consuming process. Then, the preparation of hundreds of thousands of refund orders alone will take several weeks, even assuming that the companies concerned employ temporary hands or ask their staff to work overtime. Then, the post office has to handle all the letters which have to be sent by registered post—surely a source of windfall to Dr. Subbaroyan's Ministry. The post office, too, has its limitations and accepts, so we are told, only a specified number of registered letters per day per office, as decided by previous arrangement. The other side of the picture is thus by no means so simple as is assumed by the critics. Nevertheless, if the Directors of Synthetics and Chemicals manage to overcome all these difficulties and expeditiously dispose off the applications, they will have set an excellent example for others.

Cotton Ceilings

It is common knowledge now that the delay in the announcement of the new floor and ceiling prices for raw cotton for the new season commencing 1st September next has caused considerable disappointment to both traders and farmers. They have been anxiously awaiting the Government's decision for too long and it is quite understandable that they have begun to be despondent. The delay is attributed to Mr. Morarji Desai's absence from the country. Now that the Finance Minister has returned, an announcement can be expected soon but perhaps not until the present emergency situation created by the strike of Government employees comes to an end.

Very few people doubt the possibility of an upward revision in floor and ceilings. Those who favour higher floor and ceiling prices argue that the present rates, which were fixed when the crop situation and the general economic and agricultural conditions were quite different from what they are now, have become unrealistic. If the Government is not willing to agree to the suggestion that price control should be abolished, it should at least be prepared to modify the ceilings substantially. The failure of the Government to enforce price controls effectively—it has never succeeded in doing so—is evident from the well-known fact that spot prices are not only above but substantially higher than the ceilings. The following table gives an idea of the disparity between the ceilings and the actual prices paid by buyers:

(In rupees per candy of 784 lbs.)

Quality		Ceiling	Market price*	Difference
Jarilla	Fine 25/32"	820	950	+130
Vijay	,, 27/32"	970	1,100	+130
Kalyan	,, 25/32"	870	975	+105
Dhollera	,, 3/4"	780	940	+160
Laxmi	,, 7/8"	1,045	1,120	+ 75
Jaydhar	,, 27/32"	975	1,060	+ 85
Surti	,, 7/8"	1,020	1,120	+100
Western Farm	,, 13/16"	890	1,020	+130

*Unofficial.

The high prices paid by consumers of cotton only indicate that official fiats cannot for long prevent the inexorable law of supply and demand from reasserting itself.

If the ceilings cannot be enforced, it is argued, the next best thing to do is to raise their levels so as to legalise the transactions that are going on in spite of the ceilings. Further, it is pointed out that the raising of the floor and ceiling prices would also give an inducement for farmers to produce more cotton. In fact, this is said to be the only method of stimulating cotton production and relieving the acute shortage in cotton. A leading firm of cotton merchants puts the case for higher ceiling prices thus:

"The crying need of the day is to create a favourable climate for a substantial increase in production and for that the first step in the right direction would be to assure the farmers of an equitable return. Since there is very little scope to increase the acreage under cotton—in view of the country's food requirements—all efforts should be aimed at increasing the yield. Intensified cultivation costs more and, unless the farmer sees a possibility of recovering the additional expenses, he will not make any special effort. Hence a substantial increase in present prices is imperative."

Although it is expected that the Government would not ignore the convincing case for a substantial rise in floor and ceiling prices, expectations of the probable range of increase vary. One source is of the opinion that the floor and ceiling prices of Fine Jarilla 25/32"—the basis of the hedge contract—would be raised by Rs. 55 and Rs. 80 per candy to Rs. 550 and Rs. 900, respectively. Corresponding changes in the floor and ceiling of other varieties are also expected.

Aid for Developing Nations

India and other underdeveloped countries must certainly be thankful to Mr. Douglas Dillon, U.S. Under-Secretary of State, for having vigorously urged the economically advanced nations to supply "plenty of capital" to assist the less-developed areas. Addressing the special ministerial meeting of the United Nations Economic and Social Council at Geneva on Monday this week, Mr. Dillon declared that the future economic growth of the free industrialised countries would be high enough "not only to enable the underdeveloped countries to continue increasing their own standards of living while maintaining adequate security and financial stability but also to provide the substantial volume of outside capital, both private and public, which developing countries can effectively use to supplement their own resources." Indeed, he was confident that the capacity to assist as well as the will to assist would be there and, so, the difficulties in obtaining external capital for sound development would not be a significant limiting factor to the progress of the less-developed areas in the years ahead. It is to be hoped that events will bear out this robust optimism of Mr. Dillon.

It must be noted that mere capital cannot accelerate the tempo of economic activity in these areas. For there are several other limitations which threaten to thwart progress, unless energetic action is taken on a global scale. Special mention may be made here of the problems of preparing and implementing technically sound and economically feasible development projects, improving Government administration, training manpower in industrial skills, and achieving higher health and education standards. Mr. Dillion did well to draw attention to this aspect and to call upon the United Nations, with its special fund aid programme for operational and executive personnel, the expanded programme of technical assistance, the specialised agencies and other international institutions, to be of great help. "These activities," to quote him, "all form part of an international partnership for economic growth to which the United States is dedicated."

Whatever may be the scale of economic assistance rendered by the capital-exporting countries and the world organisations, it will simply be of no avail if the Governments of the nations receiving such aid fail to view the economic problems in their correct perspective without importing into them political considerations. Dogmatic economic planning, as Mr. Dillon very pertinently warned, overcontrols national economics. To quote him: "Economic goals can illuminate the road to progress, so long as they leave ample freedom to productive economic forces and sufficient scope for flexible and indirect instruments of economic policy." Mr. Dillon also endorsed the emphasis of the 1959 *U.N. World Economic Survey* on the need for sound monetary and fiscal policies as a prerequisite for economic growth in all countries, as well as the view that, in the less-developed areas, these policies should be reinforced by adequate access to external resources to help economic development proceed without serious limitations or unmanageable pressures on balance of payments.

A Unique Venture

India, which is fortunate to have got quite a few friendly foreign countries to build steel plants in this country, has reason to feel gratified that the idea of international participation in the industrialisation of developing countries is catching up. The decision of a group of British and West German firms jointly to build a steel works at Azna in Northern Iran goes a step further, in that there is no precedent for such co-operation between British and German manufacturers. An Anglo-German consortium has already been formed to build the steel works in Iran which will have an annual production capacity of 300,000 tons of steel. An agreement involving DM. 800 million (about £70 million) has also been signed. The British partners in the joint venture are headed by the Metallurgical Equipment Export Company [M.E.E.Co.]. Other participating members are

(*Continued on page 139*)

EQUITIES SURGE FORWARD

STEELS AND TEXTILES WELL SUPPORTED

(From Our Own Correspondents)

BOMBAY, 14*th July*

THE share market, which was in a vacillating mood last week, put on a distinctly cheerful appearance during the week under review, with most equities surging forward. Operators would appear to have taken an optimistic view of the outlook for industries in the next few years. This view is apparently based on the expanding nature of investments and opportunities for private sector as envisaged in the Draft Outline of the Third Plan. Operators were also inclined to discount any possibility of a rise in Bank rate as was feared by many immediately after the British Bank rate was stepped up three weeks ago. Expectations of the Central Government employees' strike fizzling out, encouraging bank results for the first half of 1960, rumours of a rise in the dividend of Tata Steel, persistently high offtake of textiles, reports regarding the steadily increasing trend of production in engineering industries and hopes of higher earnings of electricity companies as revealed by the Tata Group of companies, all contributed to the firmness of the share market. Bargain hunting by investors, short-covering and fresh bull support to selected counters were quite conspicuous. Turnover, as a consequence, was large, with most equities, as already stated, registering gains.

The settlement business on Friday the 8th inst. disclosed a fall in the *budla* charges for practically all the leading counters as compared with those at the close of the previous settlement. The reduction in *budla* rates, together with the removal of one more scrip (National Rayons) from the special deposit list by the Stock Exchange authorities, was interpreted by some to mean that the bull position was getting liquidated. Meanwhile, the attention of the market is focussed on the forthcoming meeting of the L.D.C. Investment Committee at Bombay scheduled for Monday the 18th inst.

Among steels, Tata Ordinaries attracted good support induced by rumours of a higher net dividend of about Rs. 7 (gross dividend of Rs. 10) for the year 1959-60, as against Rs. 6.80 paid in 1958-59 and by reports that the Company had obtained official sanction for the Rs. 6-crore stainless steel project which, it was said, would be made a subsidiary of the main Company by issuing shares to the existing shareholders. The quotation for Ordinaries jumped up from Rs. 156.50 to Rs. 162.25 today before finishing at Rs. 161.75. The net gain over the week was Rs. 5.25. In sympathy with Tata Steels, Indian Irons hardened in the course of the week from Rs. 23.60 to Rs. 24.32, though the closing was a shade lower at Rs. 24.12.

Textiles were very active and handsome gains were recorded. *Standard Mills were particularly* sought after and forged ahead from Rs. 1,662 to Rs. 1,840 today before finishing at Rs. 1,832, or a net advance of Rs. 170 over the week. Kohinoors strengthened by Rs. 23.75 to Rs. 370; at one time today, they were higher still at Rs. 372. Central Indias scored a gain of Rs. 21, today's closing rate being Rs. 133. Shree Niwas hardened by Rs. 19 to Rs. 280. Ahmedabad Advances by Rs. 16.25 to to Rs. 181.25, Indores by Rs. 15.90 to Rs. 133 *ex-div.*, Centurys by Rs. 13.50 to Rs. 529, Svadeshis by Rs. 12 to Rs. 258 and Gokaks by Rs. 8 to Rs. 149. Simplex put on Rs. 7 to Rs. 186, reflecting the market's satisfaction at the dividend of Rs. 7.50 (taxable) per share on the increased capital for the year ended March 1960. In the previous year, it will be recalled, a dividend of Rs. 5 had been paid out of the reserves. Finlays and Osmanshahis gathered Rs. 6 each to Rs. 330 and Rs. 60, respectively. Swans rose by Rs. 5 to Rs. 490, Podars by Rs. 4 to Rs. 162, Mysores by Rs. 3.50 to Rs. 87.50 and Tata Mills by Rs. 3 to Rs. 48. Bombay Dyeings began the week at Rs. 67.90, as against the previous close of Rs. 67.80, and gradually moved up to touch Rs. 70.40 today. Modern Mills jumped up by Rs. 14 to Rs. 103, following the latest move of Sirur group to establish a bemberg yarn manufacturing unit in the Mysore State.

Sugar and cement shares elicited good enquiries. Among the former, Belapurs rallied from Rs. 369.50 to Rs. 373, after being lower at Rs. 367 on the opening day of the week. Walchandnagars moved up from Rs. 305 to Rs. 312.50 today before closing at Rs. 310. Phaltans spurted by Rs. 3 to Rs. 193. Bhopals improved by 65 nP to Rs. 26.75 and Changdeos by 14 nP to Rs. 33.60. Among cements, Digvijays increased by Rs. 8.50 to Rs. 177.50. Associated Cements rose from Rs. 143 to Rs. 148 today. Towards the close, however, they were a shade easy at Rs. 147.50. Orissas gained 75 nP to Rs. 14.08.

Under the impetus of better working results, ata Powers in the electricity section firmed up by .s. 33.75 to Rs. 1,076.25 and Hydros by Re. 1.50 to :s. 107.50. Andhra Valleys were steady at Rs. 1,000. The total revenue from power supply of the three companies during the year ended March 1960 was nigher at Rs. 3.53 crores, Rs. 1.58 crore and Rs. 1.97 crore, as against Rs. 3.21 crores, Rs. 1.53 crore and Rs. 1.90 crore, respectively, in 1958-59. Bombay Suburbans found buyers at Rs. 89.50, as against Rs. 86.70.

Engineering shares were well fancied. Alcock Ashdowns climbed up by Rs. 30 to Rs. 320. Jaipur Metals spurted by Rs. 16 to Rs. 131. Tata Locomotives advanced by Rs. 10.50 to Rs. 277 and Premier Constructions by Rs. 6.50 to Rs. 365. Larsen and Toubros registered a rise of Rs. 3 to Rs. 46. Kamanis gathered Rs. 2.18 to Rs. 20.12 *ex-div.* and Mahindras 76 nP to Rs. 23.24.

In the shipping group, Scindias gained 28 nP to Rs. 15.72, but Great Easterns softened by 20 nP to Rs. 17.88. Among automobiles, Premier Automobiles elicited excellent support and hardened by Rs. 11 to Rs. 173.50. Hindustan Motors picked up 72 nP to Rs. 21.28.

A sharp rise of Rs. 105 to Rs. 835 in the quotation for Indian Dyestuffs characterised the trading in the miscellaneous section. Amar Dyes jumped up by Rs. 57 to Rs. 495 *ex-div.*, following the optimistic note struck by the Chairman on the Company's expansion plans and outlook. Bombay Burmahs continued to be well supported, today's closing rate of Rs. 649 being higher by as much as Rs. 41.50 as compared with that prevailing on Thursday last week. Anil Hardboards advanced by Rs. 42.50 to Rs. 420, Colour-Chems by Rs. 40 to Rs. 485, Poly-Chems by Rs. 35 to Rs. 305, West Coast Papers by Rs 20 to Rs. 220, Alembics by Rs. 17.50 to Rs. 495 *ex-div.*, National Rayons by Rs. 16.50 to Rs 565.50 and Dhrangadhra Chemicals by Rs. 13.50 to Rs. 173.50. Voltas improved by Rs. 12.50 to Rs. 276. Wimcos rose by Rs. 6 to Rs. 249. Tata Oils gained Rs. 2.50 to Rs. 285 and Tata Chemicals 68 nP to Rs. 18.84. *Gwalior Rayons* were better by 75 nP at Rs. 42. Two new shares were included in the list of the Stock Exchange this week—Philips Carbon on Friday at Rs. 18.76 and Dalmia Irons on Wednesday at Rs. 10.76. Today's closing rates for these two scrips were Rs. 20.48 and Rs. 11.72, respectively.

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Madras Stock Exchange

MADRAS, 12*th July*

The Madras Stock Exchange ruled easy in the earlier sessions of the week under review but picked up some strength subsequently. The earlier easiness followed the suspension of all deliveries by the Exchange with effect from the 7th inst. on account of curtailment of postal services. It was feared that the strike might upset economic activity at least for some time. Consequently, some selling ensued and shares tended to move down. In the later sessions, however, the stern attitude adopted by the Government and the lack of good response for the strike call in many parts of the country led to some revival of buying which pushed up prices, though the volume of transactions actually put through was limited. Sugars were held firm. Coffees and rubbers were steady. Tea shares, however, were generally subdued, notwithstanding reports of good export enquiries for tea. Textiles were well sustained on good investment support. Several miscellaneous industrials made handsome gains.

A feature of trading in the sugar section was the rally in India Distilleries from Rs. 58.25 to Rs. 61.50 on reports of a right issue. In a circular distributed to shareholders, the Company states that negotiations for arranging the required loan capital to construct the new fertiliser factory at Ennore are proceeding satisfactorily and that the consent for the issue of new capital and the licences for that part of the plant and machinery which has to be imported have been already obtained. Cauvery s were maintained at Rs. 143.50, as also Indias at Rs. 12.65, Travancores at Rs. 11.80 and United Breweries at Rs. 104. Mysores were fully steady at Rs. 56.80, on rumours of a right issue, following the statement of the Company's Chairman regarding expansion plans and reorganisation of capital structure. Deccans elicited good attention during the major part of the week, thanks to reports that the Company had received an offer for the purchase of its Samalkot factory at Rs. 36 lakhs, as against the book value of Rs. 31.

In the tea section, Devsholas suffered a loss of 50 nP to Rs. 31.50. Kil Kotagiris fell by 20 nP to Rs. 5.45. *United Nilgiris* eased by 8 nP to Rs. 21.87. Chembras shed 5 nP to Rs. 5.55 and Waterfalls 3 nP to Rs. 4.17. Blue Mountains dropped 2 nP to Rs. 4.95, after remaining steady in the initial sessions.

Among coffees, Balanoors moved down by 55 nP to Rs. 15.70 *ex-div.* Consolidated Coffees receded by 10 nP to Rs. 26. Coweoodys and Rajendras were quiet at Rs. 6.05 and Rs. 16, respectively. Coffee Lands, however, picked up 2 nP to Rs. 25.79. Ouchterlony Valleys were a shade better at Rs. 5.06.

Cochin Malabars, in the rubber group, encountered some selling and fell by 23 nP to Rs. 8.25. The directors of the Company have declared a final dividend of 10 per cent. (taxable), making a total of 17½ per cent. (taxable), (equivalent to 12.25 per cent. tax-free) for the year ended February 1960, as against 15 per cent. (tax-free) for the previous year. Malankaras were neglected at Rs. 20.50. Midlands at Rs. 12.65 and Vaikundams at Rs. 39.20.

Among textiles, Coimbatore Cottons were marked up by Rs. 3 to Rs. 170 on hopes of higher dividend. Bangalore Woollens strengthened by a rupee to Rs. 197. Lakshmis gathered 50 nP to Rs. 163. Premiers rose by a like amount to Rs. 238.50. Maduras scored a gain of 25 nP to Rs. 32.90. Travancore Rayons put on 15 nP to Rs. 37.25. Metturs changed hands at Rs. 429. Pankajas at Rs. 60 and Cannanores Rs. 161. South Indias, which were firm in the previous week, lost a rupee to Rs. 157. Buckinghams declined by a similar amount to Rs. 205. Loyals shed 50 nP to Rs. 34.

In the miscellaneous section, F.A.C.Ts gathered 3 nP to Rs. 10.65 mainly in view of the proposal to expand the installed capacity of the Company. Metur Chemicals were held steady at Rs. 12.75, as also Mysore Fertilisers at Rs. 9.90, and Mysore Chemicals at Rs. 25. Textools spurted by Rs. 6.50 to Rs. 179.50. Spencers hardened by 50 nP to Rs. 21.25. Tube Investments were fully steady at Rs. 325, Standard Motors at Rs. 16.70, Western India Plywoods at Rs. 303 and Mysore Papers at Rs. 24.50.

THE CENTRAL BANK OF INDIA, LIMITED

Profits for the half-year ended 30th June, 1960

The Net Profit of the Central Bank of India, Limited, for the half-year ended 30th June, 1960, subject to audit, including the sum of Rs. 18,82,560.07 brought forward from the last year's account, amounts to Rs. 83,87,334.74 which the Directors have resolved to dispose of as follows:

To pay an *ad-interim* dividend at the rate of Rs. 2·10 per share, subject to tax, for the half-year ended 30th June, 1960, as against Rs. 1.90 per share (subject to tax) paid for the corresponding period last year	Rs. 26,46,000.00
To carry forward to next half-year's account subject to provision for taxation	Rs. 57,41,334.74
	Rs. 83,87,334.74

JAYANT PAPER MILLS

In the context of the rapidly expanding production of corrugated containers, cartons and various packing materials, there is great need for manufacturing in India the raw materials that are used to make these products. The three important raw materials are kraft liner for corrugated boards, sack paper bags for packing fertilisers, chemicals, cement, milk powder, etc., base paper for textile tubes and cones, and straw paper. Practically the entire requirements of the packing industry, excepting some quantity of straw paper produced by a Bhopal firm, are being met from imports. The aggregate annual demand for the aforesaid three raw materials is now estimated at about 15,000 tons which is expected to rise to as much as 50,000 tons by the end of the third Plan (1965-66). Viewed thus, the project for setting up a factory at Utran near Surat in Gujarat State to manufacture kraft liner, straw paper, and base paper for textile tubes and cones is, indeed, well conceived. The factory will be put up by the Jayant Paper Mills Ltd., incorporated on 29th April 1960. Mr. Mulraj Kersondas is its Chairman.

The authorised capital of the Company is Rs. 1.00 crore and issued capital is Rs. 25 lakhs, divided into 25,000 shares of Rs. 100 each. Of this amount, the promoters, directors, and their friends and associates have already subscribed Rs. 3.85 lakhs and also agreed to subscribe another Rs. 8.65 lakhs, or a total of Rs. 12.50 lakhs. The balance of Rs. 12.50 lakhs is proposed to be offered for public subscription. The subscription list will open on Monday the 18th inst. For more details, one may refer to pages 68 and 69 of our last issue.

The aggregate capital outlay of the factory is Rs. 25 lakhs, of which Rs. 10 lakhs represent the cost of the main plant and accessories (as well as freight, insurance, etc.) which will be supplied by Messrs. Futami Trading Company, Osaka, Japan. The manufacturing firm is Messrs. Saito Iron Works Ltd., Yoshihara, Sizuka, Japan. Out of the Rs. 10 lakhs, a sum of Rs. 8.50 lakhs has been advanced by the Central Government under the Japanese yen credit programme and this is to be repaid as soon as the capital is subscribed.

The Chairman of the Company disclosed at a Press conference on Tuesday this week that the factory was scheduled to commence production from September 1961. Initially, the installed capacity of the factory is 4,500 tons of kraft liner, base paper and straw paper, but suitable provision is made to permit doubling of the capacity later, as the demand grows. The rate of actual output in the initial stages will be 3,600 tons per annum.

The chief raw material required to manufacture kraft liner, straw paper, and base paper for textile tubes and cones is kraft pulp, which accounts for 50 per cent. of the total consumption. This will be imported. The other raw materials are straw, waste paper and sugarcane bagasse. All these are available within the country.

In view of the excellent demand—current and future—for the Jayant Paper Mills' products and considering that the Company has already plans to expand the present capacity and to install machinery to produce other types of paper, the capital issue of the Company will doubtless meet with overwhelming success.

NEWS IN BRIEF

A PINE oil factory, the first of its kind in India, has been set up at Hoshiarpur. Pine oil is at present being imported.

The thirteenth All-India Plastics Manufacturers' Conference, scheduled to be held in Bombay on the 15th and 16th inst., has been postponed due to unavoidable circumstances.

The Government of Madras proposes to establish five more co-operative sugar mills in the different parts of the State during the third Plan period, in addition to the existing three such units.

A synthetic drug plant will be set up at Hyderabad, with the collaboration of the Soviet Government. This was disclosed by Mr. D. Sanjeevayya, Chief Minister of Andhra Pradesh, in the Legislative Assembly this week.

The Government of Maharashtra has constituted a committee with the State Minister for Revenue as Chairman, to examine the desirability of implementing a scheme for democratic decentralisation in the sphere of rural administration.

Negotiations between the Governments of India and Russia for the import of Soviet petroleum products have reached an advanced stage and an agreement is expected to be signed shortly. Meanwhile, foreign oil refineries in India have decided not to refine Soviet crude oil.

A Calcutta firm, Messrs. Blackwoods India Ltd., belonging to the group of the J. and K. Organisation, has commenced the manufacture of portable typewriters, costing Rs. 600 each—a brief reference to which was made in these columns in the issue dated 25th June 1960. The plant has a production capacity of 12,000 typewriters per annum. These typewriters, it is claimed, contain only nine per cent. of foreign components.

A negotiating committee has been set up by the Madras Government with Mr. T. N. Lakshminarayanan, Labour Commissioner, as Chairman, to evolve a formula "linked to price and yield" in solving the labour dispute in the plantation industry in the State over the question of granting bonus for 1959. The spokesmen of both labour and plantation owners will be represented in the Committee. The Committee is expected to submit its report to the Government by the end of this month.

A proposal to relax taxes and duties at least for a period of ten years in the case of industries to be set up in the proposed Kandla free-trade zone has been made by the Jaipur Chamber of Commerce and Industry. This is one of the many suggestions received by the Government on the question of setting up the Kandla free-trade zone. The Vijaya Chamber of Commerce, Virudhunagar, has suggested the processing of food products and iron and steel in the zone.

The number of automobiles, including motor cycles, manufactured in India rose by over 50 per cent. to 32,247 during January-June 1960, as compared with the corresponding period of 1959. Of this, the output of cars at 9,218 was almost double that during the first half of last year. The production of commercial vehicles moved up by 50 per cent. to 12,213. Scooter production amounted to 5,838, as against only 2,008. The production of jeeps and motor cycles also was much higher at 3,045 and 1,933, respectively, as against 2,628 and 1,363 last year.

The Government of India has assumed control of the India Electric Works Limited, Calcutta, under Section 18A of the Industries (Development and Regulation) Act, and has appointed Mr. S. C. Banerji, Development Officer, Ministry of Commerce and Industry, to take over the management of the undertaking. This action has been taken on the recommendation of the four-man Committee of Enquiry set up last month to investigate into the affairs of the Company. Of late, there has been a steady fall in production and the workers have gone on a stay-in strike from 10th June. The Committee of Enquiry recommended that, in the interest of the Company and its employees and to maintain production, the Government should immediately assume control of the undertaking.

The Andhra Legislative Assembly has passed the Ceiling on Agricultural Holdings Bill. The Bill fixes a ceiling at four and a half times the family holding. The extent of family holding ranges from six acres of land in Class A to 72 acres in Class H. The exemptions include efficiently managed farms, consisting of compact blocks, lands held by religious, charitable and educational institutions, co-operative farming societies approved by the Government and other co-operative societies including land mortgage banks, orchards, tea, coffee or rubber plantations and sugarcane farms maintained and operated by sugar factories. Compensation has been provided for in the case of lands taken over by the Government, as five times the gross income for the first four-and-a-half family holdings in excess of the ceiling, four times the gross income for the next four-and-a-half family holdings and three times the gross income for the balance of the holdings.

The Government of India has statutorily fixed maximum prices for the different categories of woollen worsted yarn under the provisions of the Industries (Development and Regulation) Act, 1951. The prices fixed for worsted hosiery yarn of counts range from 2/12s to 2/48s spun from various grades of wool tops from 48/50s to 70s. These prices will be effective from 2nd July 1960. During the recent past, the manufacturers of woollen hosiery have been experiencing considerable difficulties in securing adequate supply of hosiery yarn at reasonable prices. This question has been under Government's consideration for some time now and the present step of fixing statutory prices has been taken to help the manufacturers of woollen hosiery. Towards the end of last month, the Government had announced their decision to grant *ad hoc* additional licences for import of raw wool and wool tops to manufacturers of woollen hosiery yarn.

* * * *

From Abroad

The United Arab Republic has decided to import 53,000 tons of sugar from Cuba.

The Government of Malaya has decided to ban imports of South African goods from next month onwards.

Indonesia will launch next year a seven-year plan for economic development with an aggregate capital outlay of $3,000 million.

The next session of the Colombo Plan Conference will be held at Tokyo from 31st October to 17th November 1960.

Norwegian shipowners have so far turned down all the recent offers of Sovfracht, the Russian chartering agency, to charter tankers for Cuba or any other destination.

The largest engineering company in Holland, Vereenigde Machine Fabrieken NV, has secured a big order from East Pakistan for the supply of a complete sugar factory with an ultimate daily cane-crushing capacity of 1,500 tons.

Four out of ten West German earners, that is, 8.9 million persons, pay no income-tax this year, as against 10.3 million last year. The reduction is not due to tax increase, but rather to increased earnings, which put 1.4 million earners into higher —and taxable—income brackets.

Total exports (f.o.b.) from Japan rose by 20 per cent. to $1,842 million (about £658 million) during the first six months of the current year, as compared with the corresponding period of 1959. Imports (c.i.f.) were higher by 29 per cent. at $2,243 million (£800 million).

A three-year trade agreement has been signed between Russia and Indonesia, under which Indonesia will buy Soviet road-building and agricultural machinery, tractors, machine tools, ferrous rolled goods, newsprint, chemical and oil products. Russia will buy from Indonesia rubber, raw hides, vegetable oils, spices, coffee and other traditional Indonesian exports.

A textiles finish which prevents ink, milk, coffee, fruit juices, and other watery liquids from penetrating into the fabric has been developed by a West German chemical company. The liquids remain on the surface and can be eliminated with tissue paper, blotting paper, or a rag. The new finish also protects the textiles to a certain extent against oily liquids, fat, or other dirt.

The West German Government has decided to present, in the next session of Parliament, a Bill which seeks to enable it to set up a DM. 1,500-million fund for helping the underdeveloped countries. One-third of the total resources is expected to be raised from the sale of Volkswagen shares and the remainder from the five years' interest on European Recovery Programme counterpart funds.

A £3½-million scheme for the development of sugar planting at Kemenda in Ghana has been launched jointly by the Industrial Development Corporation and the Agricultural Development Corporation. To begin with, eight varieties of sugarcane have been planted. A new factory, with a capacity to produce 20,000 tons of sugar annually, will also be established. The current rate of sugar consumption in Ghana is about 40,000 tons a year.

The Standard Oil Company of New Jersey in the U.S. has decided to take into consideration, when dealing with tanker owners and brokers, whether they have chartered ships to Communist countries. The move, it is said, will place difficulties in the way of Cuban imports of Soviet oil, besides affecting brokers in the U.K. and Norway who are at present handling charters for shipping Soviet oil to Japan and other countries.

Strict controls over prices and distribution of tea have been enforced in Pakistan, under an ordinance promulgated last week. Accordingly, all forms of forward speculative transactions in tea at the internal auctions have been banned. Any forward transaction outstanding immediately before the promulgation of the ordinance would be considered void. The ordinance empowers the Controller-General of Prices to maintain separate registers for the registration of bidders, importers, wholesalers and retailers of tea. It also authorises him to fix maximum prices of tea at all stages.

The U.S. Export-Import Bank has granted Japan two loans aggregating $52 million. Of this, $40 million will be used to purchase 250,000 bales of cotton from the U.S. This quantity represents one-fifth of the total purchases of 1,250,000 bales proposed to be made by Japan from the U.S. during 1960-61, the remaining one million bales being financed by private sources in the U.S. and Japan. The second loan of $12 million will be given to the Toyoto Motor Car Company for financing the purchase, in the U.S., of machine tools, lathes, forging machines, and other equipment. This loan is repayable in instalments over a period of ten years.

The amalgamation of the world-wide organisations of the Peninsular and Oriental Steam Navigation Company and Orient Lines has been taken a stage further by the formation of a new company in Australia—P. and O.-Orient Lines of Australia Pty. Arrangements have been made for the P. and O. to buy the share capital of its former agents in Australia, Macdonald Hamilton & Co., Pty., and the management and staff of that Company hitherto engaged on P. and O. group business, together with the Australian management and staff of the Orient Company, will join the new organisation. Mr. A. J. M. M. Crichton and Mr. F. I. Geddes, both of whom are Directors of P. and O. and of Orient Lines, who are responsible for completing the integration plans and final details, are now in Australia.

A total of 68,579,000 Americans had jobs in June—an all-time high employment level. This figure was 1,371,000 higher than May's. Record numbers of teen-age and college-age youths, their current school terms over, joined the labour force in June seeking summer jobs. Most of these young people found such work, swelling the employment totals. Labour Department experts, in announcing the employment figures this week, called America's greatly expanding teen-age population a harbinger of a changing pattern for the next decade which will see youthful predominance in the labour force. So substantial was the upsurge in the number of youthful job applicants, these experts said, that the effect was to increase the overall unemployment as well as employment totals. While more than half of the summer job seekers found work, to bring total employment up, the remainder caused the unemployment total to rise. The June unemployment figure was about 4.4 million. The Labour Department gave the following additional information: about one million of the June increase in jobs was in agriculture. The average factory work-week in June was 40 hours. Average weekly earnings of factory production workers was up about 23 cents from May, to a total of $91.60.

PERSONAL

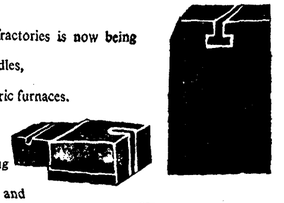
MR. Morarji Desai, Union Finance Minister, has returned after a five-week tour of Yugoslavia, Poland, Czechoslovakia, West Germany, Russia and the United Arab Republic.

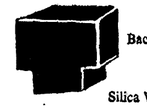
Mr. B. C. Shroff has been elected President of the All-India Exporters' Chamber for 1960-61. Mr. Chinoobhai C. Javeri has been elected Vice-President, and Mr. K. K. Sheth and Mr. Jayant M. Shah Honorary Secretaries.

Mr. R. S. Mani, at present Ambassador to Chile, has been appointed Ambassador to Burma. He will take over charge of his new assignment in October next.

Refractories for all purposes...

The Kumardhubi range of refractories is now being increasingly used for boilers, coke ovens, ladles, high temperature fire furnaces and electric furnaces.





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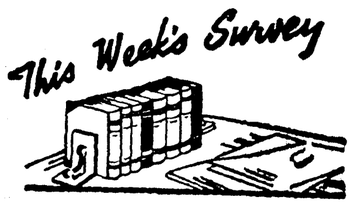


TARGET FOR SHIPPING

FOR all the brave talk in early post-independence years, elaborate resolutions adopted by the Government, solemn promises made by official spokesmen and eloquent reports submitted by special committees, Indian shipping is likely to make only a poor show in the third Plan. It was once believed that shipping would form part of the "hard core" of the Plan and thereby receive not only generous allocation but high priority. Indian shipping, which expanded by about 89,000 tons to 480,000 g.r.t. in the first Plan and is expected to improve by 420,000 tons to 900,000 g.r.t. in the second Plan, will move up by only 200,000 tons (after meeting replacement requirements placed at 170,000 tons) to 1,100,000 g.r.t. in the third Plan. If this is all the increase that is foreshadowed for a vital national industry, such as shipping, it is certainly a most disappointing target. There is a touch of understandable bitterness, if not righteous indignation, in the statement issued by Mrs. Sumati Morarjee, ex-President, Indian National Steamship Owners' Association, who declared that "viewed in the background of the ultimate objective of two million g.r.t., as recommended by the Shipping Policy Sub-Committee over 13 years ago, the attainment of the target of 1.1 million tons, that is, about half that figure, after nearly twenty years of independence, would be most disappointing to all those who have interest in one of India's foremost industries, viz., shipping." And yet, that is the target which the Draft Outline of the third Plan, with 50 per cent. larger overall outlay than its predecessor, has vouchsafed for Indian shipping.

In terms of financial provision, shipping gets an allotment of Rs. 55 crores (exclusive of Rs. 4 crores expected to be available from Shipping Development Fund and Rs. 7 crores from shipping companies); in the current plan, about Rs. 54 crores will be spent on shipping, as against Rs. 18.7 crores spent on it in the first Plan. The proposed target of expenditure is about 50 per cent. of the Rs. 119 crores (inclusive of Rs. 14 crores by shipping companies) which the National Shipping Board had deemed necessary for reaching a target of 1.42 million tons. The Board's modest target has now been scaled down, both in terms of tonnage and finances. Mrs. Sumati Morarjee's concern is that the lower target now accepted by the Planning Commission, "would automatically rule out any acquisition of tonnage for participation in the foodgrain deal, not to mention the fact that there could be no question of augmenting the liner tonnage." Clearly, in the absence of larger allotment, the target for shipping cannot be stepped up. The Draft Outline, however, ends its note on shipping with the remark that "the question of making an additional allotment for shipping will be considered before the Plan is finalised." Here lies some glimmer of hope, for it suggests that the last word has not been said on the programme for shipping. The Government, it is to be hoped, will see its way to accepting at least the modest target recommended by the National Shipping Board.

TAX LAW

Some relevant issues have been raised by the Committee of the Indian Merchants' Chamber in its representation to the Government on the provisions of Taxation Laws (Amendment) Bill 1960. Based on the recommendations of the Direct Taxes Administration Enquiry Committee (Chairman: Mr. Mahavir Tyagi), the Bill seeks to tighten the provisions of the income and other fiscal laws and also to soften the rigour of the secrecy provisions which now govern the relations between an assessee and the taxing departments. Exception has been rightly taken by the Committee to the practice whereby the reports of imporant committees like the Tyagi Committee, are being implemented in a piece-meal fashion. Not infrequently, as soon as a committee submits its report, the Government seizes upon the recommendations which find favour with it and proceeds to implement them without realising that they may be part of a wider reform the committee may have suggested. This certainly is true of the way the Government implemented the Taxation Commission's report and this is what it is apparently doing in respect of the Tyagi Committee's recommendations.

Two specific points to which the Committee has drawn attention deserve notice. In the first place, the Committee has taken exception to the proposal to disallow development rebate to road transport vehicles and office appliances. The proposal is presumably intended to supersede the decisions of the Bombay and Kerala High Courts upholding the claims of assessees for development rebate for these two items. Apart from the wider question whether the Government should choose to amend the law over minor issues in which judicial verdict has gone against it, there is the relevant point whether it is right to deny the fiscal concession to these two important items—motor vehicles and office appliances. Both of them are in the nature of capital assets, and, while motor vehicles speed up transport at a time when it is so important to economic progress, office appliances help promote expeditious execution of routine work. Secondly, although the Bill has rightly enlarged the list of the industries to which the benefit of Section 56A applies, it has excluded viscose rayon from the list. The Committee points out that, if the benefit were extended to viscose rayon, it would go a long way towards obtaining foreign collaboration for this industry. In particular, it has urged the inclusion within the list of electrical, electrotechnical and electronic industries. These industries, many branches of which are still in their infancy in India, deserve all the assistance the Government can give them.

The Committee's chief criticism is, however, directed against the virtual abandonment of the secrecy provisions in the Bill. It recalls how the Income-tax Investigation Commission held that the proposal to invest the Department with power to give publicity to the cases of assessees guilty of understatement of their incomes should be dropped, because such power "may possibly be used in some cases unjustifiably to the detriment of the credit of the person concerned." The Committee doubts whether any "useful purpose" will be served by giving publicity to persons on whom a penalty has been imposed for fiscal offences. It says: "It may also be mentioned that penalty may be imposed even in cases of failure to comply with the provisions of the Act, which may not be wilful, deliberate or fraudulent." In many cases, the assessees, in order to avoid litigation and mounting costs, may not resort to the procedure of appeals to the higher tribunal. In the case of such assessees, the publication of their names, as the Committee points out, would "not only be detrimental to their interests but amount to an infliction of a further punishment." As regards the provision for making available the information regarding assessments to third parties, the Committee fails to see how it can help detect concealed income; "on the other hand, the information so available would only encourage business rivals and disgruntled employees or ex-employees to make use of such information to the detriment of the assessee concerned." Other countries like the U.K., W. Germany and Japan do not have a provision of this kind on the statute book, though the problem of tax evasion and tax avoidance is not unknown in these countries. By abandoning the time-honoured secrecy provisions in fiscal law, the Government would be creating needless opportunities for public prying into private secrets, which is neither conducive to public morality nor beneficial to public revenues.

SUGAR IN THIRD PLAN

The production target of three million tons of white sugar fixed in the Draft Outline of the third Five-year Plan is a conservative one for three important reasons. First, the target does not take into account the nutritional requirement of sugar which is estimated by experts at nearly 23.00 lbs. per capita, as against 13.87 lbs., assumed by the Planning Commission. Secondly, no allowance is made for a possible increase in consumption of sugar, if its price is brought down to a reasonable level, as, indeed, it must be. Finally, provision is not made for earmarking a portion of sugar output for purposes of buffer stock. The production target for sugar seems to have been just based on the Development Council's estimate of sugar consumption made in February last on the assumption that 2,506,000 tons of sugar would be required for a population of 480 million at the existing rate of consumption, 214,000 tons required to cover increase due to changes in dietary habits, and 251,000 tons needed to meet the demand due to increase in the purchasing power of the people. In other words, the Planning Commission has ruled out the question of sugar export.

The target of three million tons fixed in the third Plan is, of course, shown as representing a rise of 33 per cent. as compared with the anticipated output of 2.25 million tons in the last year of the second Plan, that is, 1960-61. But this figure of 2.25 million tons is clearly out of date. For the quantity of sugar actually produced in the current season (1959-60) is estimated at 2.41 million tons and some in the sugar trade expect the output in the ensuing season (1960-61) to be still higher at 2.60 million tons. If this expectation were to prove correct—reports from the cane growing tracts indicate that it may well do so—the net addition to sugar production in the third Plan period would be no more than 400,000 tons.

The production target of 9.20 million tons (in terms of raw sugar or *gur*) fixed for sugarcane is also a conservative one. Expressed in terms of actual cane, the target comes to about 91.08 million tons, taking a recovery of 10.1 per cent. This figure is substantially lower than the target of 100 million tons suggested by the Indian Central Sugarcane Committee in March 1959. Even this target itself was an underestimate, because it estimated the cane requirements for seed, chewing and other purposes at only 10 per cent. or 10 million tons, as against the actual requirement of 18 to 19 per cent. of the crop harvested all these years. Making allowance for this requirement, the Planning Commission's target of 91.08 million tons of cane leaves, in fact, just 75 million tons for making both white sugar and brown sugar (*gur* and *khandsari*). Will this quantity be sufficient to fulfil the output targets of the finished products of cane, that is, three million tons of white sugar and five million tons of *gur* and *khandsari*, by the last year of the third Plan? We wonder. No estimate of capital expenditure to be incurred for reaching the aforesaid targets is given in the Draft Outline. Indeed, there are far too many gaps and loose ends in the Draft Plan so far as this important industry is concerned.

The Draft Outline also makes a brief reference to sugar machinery industry. It envisages an expansion in the production of sugar machinery, in terms of value, from Rs. 4.4 crores in 1960-61 to Rs. 10.0 crores in 1965-66. The bulk of this expansion will be met by the capacity already licensed which is estimated to reach Rs. 10.50 crores as at the end of 1960-61. The capacity target for 1965-66 is Rs. 11 crores. In other words, no significant increase in investment in this branch of capital goods industry is envisaged in the third Plan period. The targets, it is said, are related to the demands for original equipment. As a sizable part of existing sugar mills will need renewals and replacement, it is a moot point whether this capacity will be sufficient to take care of the country's total requirements of sugar machinery in the next Plan period. It is for the sugar industry now to examine the provisions made in the third Plan critically and bring to light their shortcomings.

FINANCES OF MAHARASHTRA

The financial position of the new State of Maharashtra is quite sound, despite the initial strain of reorganisation. This is the impression one gets from the perusal of the Government's budget estimates for the current year (1960-61), presented by Mr. S. K. Wankhede, Finance Minister, to the first session of the Legislative Assembly on Monday the 11th inst. The estimates disclose a nominal deficit of Rs. 16 lakhs, with revenue receipts placed at Rs. 100.97 crores and expenditure at Rs. 101.13 crores. The deficit is certainly negligible, considering the rising tempo of expenditure on Plan schemes, the mounting debt charges and the normal growth in administrative expenses. These factors have necessitated a high level of revenue expenditure for 1960-61, namely, Rs. 101.13 crores, as against Rs. 82.20 crores in 1958-59 (Report of the Finance Committee). As compared with the marked rise in expenditure, the revenue receipts of the Government have increased by just Rs. 1.91 crores, from Rs. 99.06 crores in 1958-59 to Rs. 100.97 crores (estimated) in 1960-61.

The revenue deficit in the 1960-61 budget may, however, actually turn out to be larger than anticipated (Rs. 16 lakhs), following the proposed upward revision in the dearness allowance of Government servants drawing a monthly salary up to Rs. 300 with retrospective effect from 1st May 1960. The Finance Minister has not proposed any additional tax measures to cover the deficit and expand the revenue.

The capital expenditure for the current year is estimated at Rs. 59 crores (including the expenditure met from the State Road Fund, as well as that on loans and advances sanctioned by the State Government). The major portion of this expenditure, to the tune of Rs. 44.30 crores, will be financed from the State's share in small savings collections (Rs. 13 crores), loans from the Central Government and other bodies like the Reserve Bank (Rs. 18.30 crores), and Bombay State road, milk and provident funds, recoveries of loans and advances, and other capital receipts (Rs. 13 crores). The deficit on capital account thus comes to Rs. 14.70 crores. This is proposed to be met by open market borrowing and withdrawal from reserves.

The Maharashtra Government had a cash balance of Rs. 7.34 crores as its share on 1st May 1960, out of the erstwhile Bombay State's total cash balance of Rs. 11.80 crores. The public debt liability out of the composite State's total of Rs. 258 crores (end of February 1960) is quite heavy, being Rs. 160.04 crores. Nevertheless, Mr. Wankhede is confident that Maharashtra "will come to enjoy the same financial strength and resilience as its predecessor, the composite Bombay State, after it has overcome the initial strain of reorganisation." This confidence is, perhaps, based on the ground that the economy of the State is strong and buoyant. The review made by Mr. Wankhede reveals that Maharashtra is a highly urbanised and industrial State, with over 8,000 registered factories employing about 700,000 daily workers and 4,000 joint-stock companies with a total paid-up capital of Rs. 314 crores. It is also favourably placed in regard to industrial raw materials such as cotton, oilseeds and salt, as well as in minerals like manganese, coal, bauxite, and iron.

In his speech, Mr. Wankhede declared that the State of Maharashtra was set fair to achieving 100 per cent. performance in respect of the second Plan targets. The Plan expenditure actually incurred during the first four years of the Plan is put at Rs. 147.27 crores which, together with the budget estimate of Rs. 66.77 crores for 1960-61, brings the total anticipated outlay for the whole Plan period to Rs. 214.04 crores. This represents a rise of Rs. 9.63 crores as compared with the allocation of Rs. 204.41 crores. The third Plan outlay is expected to be larger than this figure. The Government of Maharashtra, Mr. Wankhede said, would implement a bigger and better third Plan for the welfare of the people. The draft outline of the Plan, we are told, is to be submitted to the Planning Commission before the end of next month.

GOVERNMENT EMPLOYEES' STRIKE

Even the last-minute bid to avert the strike having failed, the Central Government servants, the largest single bloc of employees in the country, went on strike with effect from midnight on Monday as scheduled. The promulgation of the Essential Services Maintenance Ordinance, which declared the strike illegal, did not deter them from stopping work. The Prime Minister's broadcast went unheeded. Neither appeals to patriotism nor awareness of the grave economic consequences of the strike prevented them from taking the unprecedented step they did. Throwing discretion and good sense to the winds and disregarding the national interest, the Central Government employees and Railway workers invoked the strike weapon to get their demands conceded.

While the strike is certainly ill-advised, considering the irreparable damage it does to the national economy, it is not correct to dub the strike as merely political and to view it as a bid to upset the Government. The issues involved must be seen clearly and in the proper light. It is true that the agitation has been spearheaded by political parties which are rivals to the one in power. But it is directed against not the Government as legally constituted authority but the Government as employer. In essence, it is, therefore, a dispute between employer and employee. But the fact that the employer is the Government and the employees are public servants invests the dispute with features which ordinary industrial disputes do not have.

Nowhere in the world public servants enjoy the right to strike. As a result of the Government's venturing into commercial and industrial fields, its employees now fall into two broad categories; those who serve in Government departments, and those who work in industrial and commercial establishments owned by the Government. While the former cannot claim to have the right to strike, as they form part of the machinery which governs the country, there is no reason why the latter category of employees should not be treated on a par with workers in the private sector. Even here a distinction should be drawn between undertakings like the Post and Telegraphs, which offer service for which no alternatives are available, and whose employees should not be allowed to strike, and undertakings, like railways for whose services substitutes are available in the form of road and air transport and whose employees should not, therefore, be denied the privilege of using the strike weapon even as a last resort.

All those who fall under the category of Government servants as defined above have got to realise that the strike is a right they have to forgo in return for the privileges associated with Government service. At the same time, the Government, too, should reconcile itself to the fact that the expansion of public ownership inevitably involves some limitation of its arbitrary powers in relation to its employees.

The issues involved in the present strike are now well known. While the Government's case for not conceding the demands of the employees is strong enough, equally forceful is the case of the employees who, along with all those whose incomes are fixed, have to struggle hard to strike a balance between sluggish incomes and soaring living costs. Nevertheless, there was still room for compromise and both parties should share the blame for precipitating the chaotic situation which now obtains.

But one cannot help feeling that the Government has to thank only itself for its employees turning to the war-path. For the discontent among its employees is not a spontaneous overnight eruption; it has been brewing for more than a decade. A proper machinery for dealing with the grievances of Government employees was a long-felt need. The Second Pay Commission had recommended for this purpose a machinery similar to the Whitley Council in the U.K. Since matters have come to a head now, the Government is reported to be actively considering the proposal. The Government has also been slow and tardy in implementing the recommendations of the Pay Commission. If it had promptly given at least such of those concessions which it has now offered, it could have averted the unpleasant developments that have now arisen. No wonder the impression that it is difficult to get things done by the Government unless its hands are forced is growing from strength to strength.

Even the worst developments have some good in them. The present conflict has highlighted the confused areas of Governmental thinking and functioning and, as Mr. Asoka Mehta pointed out, to push it back into darkness without clearing the confusion will be storing trouble for the future. But the first step in that direction has to come from those who called the strike. They must call it off unconditionally without any further delay. The Government has already conferred several benefits on its employees as well as those of the railways.

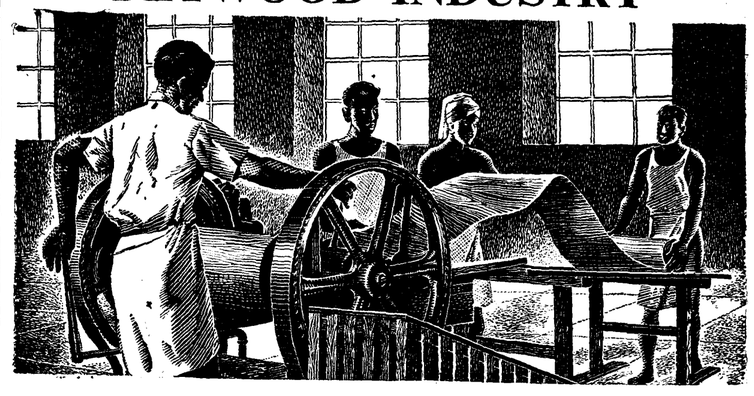
INDIA'S FOREIGN TRADE

The value of India's foreign trade was at a higher level in the first five-month period in the current year than in the corresponding period of 1959, thanks to an improvement in exports. During the five months ended May 1960, exports aggregated Rs. 256 crores which compare favourably with Rs. 223 crores in the same period of the previous year. Imports, however, declined from Rs. 390 crores to Rs. 372 crores. As a result mainly of the expansion of exports (by Rs. 33 crores) and a simultaneous reduction in imports, albeit to a smaller extent (that is, by Rs. 18 crores), the adverse balance of trade fell from Rs. 167 crores to Rs. 117 crores.

It is particularly gratifying to note that exports have started picking up. During the

(Continued on page 139)

How banking serves the PLYWOOD INDUSTRY



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ECONOMIC REALITIES IN U.S.-CUBAN RELATIONS

CHARGE OF U.S. AGGRESSION BASELESS

By A Special Correspondent

OLD myths die hard, and logic too often is ignored when it comes to assessing international relations that have become charged with such emotional overtones as allegations of economic aggression or imperialism. It would be difficult to find a situation which more clearly bears these unfortunate truths than the one that concerns Cuba and the United States today. If ever there was a situation that called for clear thinking and a proper appreciation of the economic realities involved, it is this one. Relations between Cubans and North Americans, from which both have benefited, have been too friendly too long to be allowed to be obscured by clouds of invective or semantic misunderstandings.

Let us note, first of all, that Cuba historically has enjoyed one of the highest standards of living in Latin America. Indeed, Cuba's annual *per capita* income of more than $300 has compared favourably with that of most countries around the world, including more than a few in Europe. For the years 1956-57, Cuba's annual rate of economic growth was in the neighbourhood of six per cent., one of the highest in the world. If the dislocations of revolution, followed by the policies of the present Cuban Government, have tended to reduce both the *per capita* income and the growth rate in the past year, the United States can hardly be blamed for this.

As a matter of fact, the record shows that American public policy has consistently favoured Cuba, and American private investments have contributed markedly to Cuba's economic progress. As far back as 1934, for instance, when the United States was setting up its quota system on sugar imports, President Roosevelt urged a system that "would contribute to the economic rehabilitation of Cuba." This is a policy which has been continued under every U.S. President since. From 1933 to 1959, Cuba's annual sugar sales to the United States more than doubled—from 1,573,000 tons to 3,215,000 tons. This was the largest increase achieved by any single producer, domestic or foreign.

Under the favourable quota, Cuba has consistently furnished more than one-third of the annual U.S. sugar supply, and at prices notably higher than the going world quotations. Under its quota arrangements, the United States was taking about half of Cuba's annual sugar production at a price that meant an extra $100 million or so a year for Cuban coffers. When the United States cut the Cuban quota last week, and announced projected import increases from other producers, it was thus acting to protect its supplies, which have been so largely bound up with Cuban production.

U.S. Property Expropriated

Here, we come up against the nub of the present situation. For it was the Cuban Government which had embarked on what some have likened to a programme of "economic aggression" against the United States. American investments worth some $500 million had already been expropriated with little or no prospect of adequate compensation, or had been "intervened"—which is much the same thing in that it means a management take-over by Cuban authorities. What is more, Cuban officials had been continually threatening a continued take-over of American properties, including sugar lands and mills.

Meanwhile, the Cuban Government was negotiating trade agreements with the Soviet Union and other Communist lands which threatened to bring into the Western Hemisphere the influences of an aggressive and expansionist international Communist movement —hardly a situation calculated to instil U.S. confidence in Cuban actions or intentions. It is pertinent to remember, in this connection, that the intervention and expropriation of U.S. private investment by their very nature have effectively stopped any further flow of U.S. private capital to Cuba. And Mr. Castro's anti-U.S. moves and tirades have virtually killed the once-thriving U.S. tourist trade, historically a top dollar earner for Cuba.

In addition, the Cuban Government has imposed severe import restrictions which have been strangling Cuban trade with the United States. Cuban imports from the United States, which averaged $50 million a month in 1958, have dropped to $23 million a month, and few U.S. exporters have been paid for even this amount.

Now, no one—least of all the U.S. Government or people—quarrels with Cuba's or any nation's right to try to raise its standard of living. When the Castro regime took over, it found abundant sympathy in the United States for its avowed aims. When the Castro Government started to attack the United States and U.S. investments, it not only started to vitiate this sympathy, but it also flew in the face of the facts.

Extent of U.S. Investments

U.S. investments have done much to help Cuba advance. If the $1,000 million in private U.S. investments in Cuba had been raised through taxes, it would have required $150 from each of Cuba's 6.5 million citizens. According to a 1959 survey, U.S. companies in Cuba provided jobs for 87,500 Cubans. Including the families of these employees, this meant that nearly 500,000 people gained their livelihood, in effect, from U.S. investments. U.S. firms in Cuba paid their workers an average yearly salary of $2,000—well above the Cuban national average.

Only about 320 positions in U.S. companies in Cuba—less than half of one per cent.—were held by employees sent from the United States. Indeed, Cubans held more than 90 per cent. of the supervisory, professional and technical positions in these companies. And all of this still does not take into account the housing facilities, schools, medical care, vacations, pension plans, insurance and other benefits accruing to Cuban employees of U.S.-owned or backed companies. Nor does it take into account the expansion of internal Cuban business made possible by the very presence in Cuba of the U.S. enterprises.

In 1955, the last year for which complete figures are available, U.S. companies in Cuba spent $451 million—equivalent to $70 for each Cuban. This figure represents one-quarter of Cuba's national income that year. A good part of the $451 million—some $64 million of it, equivalent to $10 for each and every Cuban—went directly to the Cuban Government as taxes. The tax payments of U.S. companies represented 20 per cent. of the total tax revenue at the disposal of the Cuban Government. And this obviously meant that more money was available in Cuba for schools, hospitals, roads and other public services and facilities.

Profits Ploughed Back

Of course, U.S. companies profited from their investments in Cuba. If they had not, they would not have been there. It is significant, however, that, in 1955, U.S. investors sent back to the United States the relatively meagre total of $21 million, including not only profits and dividends, but also interest payments, fees and royalties. This total represented but three per cent. of the total U.S. investment in Cuba. The larger portion of U.S. earnings remained in Cuba, to the further benefit of the Cuban economy.

It also should be noted that the U.S. investments in Cuba have not been concentrated in just one or two industries, but have been diversified and expanded over the years to more fully meet Cuban needs. Even in the well-publicised case of sugar, about 75 per cent. of all Cuban land planted to sugarcane has been owned by Cubans, as has 60 per cent. of the milling capacity. Chargeable largely to the Cubans themselves, they found sugar a highly profitable cash crop, responsible for 75 per cent. of Cuban export earnings.

Not in Sugar Alone

U.S. investments, however, have increasingly gone into other Cuban industries and economic sectors. In the period 1929-59, U.S. investments in Cuban agriculture actually decreased by 50 per cent., while U.S. investments in Cuban manufacturing doubled. In 1929, U.S. investments in mining and petroleum was almost non-existent, but in 1959, it amounted to $270 million.

U.S. investment in Cuba has resulted in a wide variety of locally made consumer items, from pencils to building materials, and including tyres, bottles, wire, cement, light bulbs and others. In addition, the U.S. Government was working toward helping the Cubans establish a bagasse paper industry and a kenaf fibre industry.

All of this indicates the diversification that U.S. investments and public policy have helped bring to the Cuban economy. It should also be noted that these investments helped to reduce Cuban dependence on imports, and to increase the Cuban export potential. They thus helped build up foreign exchange for Cuba and helped lead to a favourable Cuban trade balance. Today, again, through no fault of the United States but largely because of the Cuban Government's actions, Cuban foreign exchange reserves are down to an estimated $40 million or less—and Cuba is said to owe that much and more in foreign trade debts.

The importance of private investment as an economic stimulant has been too well documented and is too widely recognised, in principle, to need further elaboration here. One need only note at this point that it is recognised even by such an inter-governmental lending agency as the United Nations World Bank, whose affiliate, the International Finance Corporation, is dedicated to the task of promoting the flow of constructive private investments to developing lands.

U.S. Policy

As far as U.S. public policy is concerned, it has manifested itself just in the past year or so in the wholehearted support given the Inter-American Development Bank, to which the U.S. would be the largest contributor, and through which it would co-operate with its American friends to the south for the acceleration of Latin American development. This, of course, is in addition to the loans made available to Latin America over a period of many years by such U.S. agencies as the Export-Import Bank, and the continuing U.S. co-operation with the technical assistance and other economic programmes of the Organisation of American States.

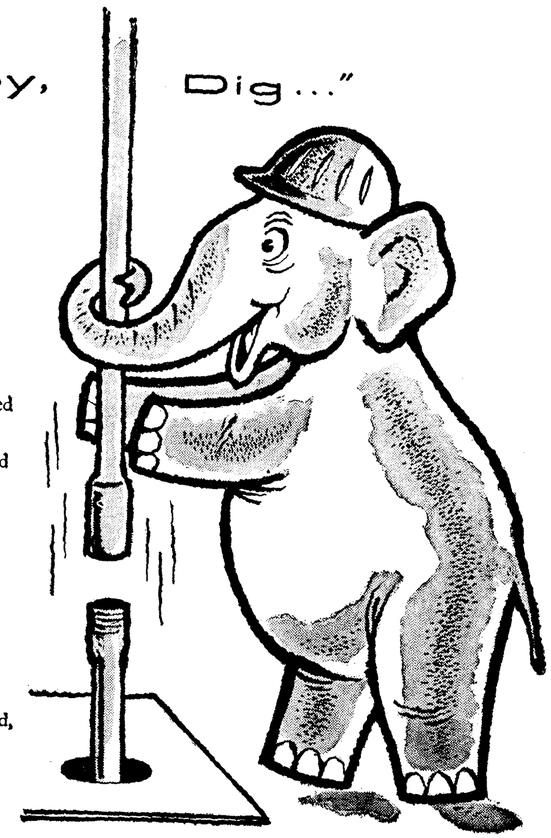
One can hardly claim, on the basis of this record, that the United States has been insensitive to the economic needs or desires of its Latin American neighbours, the Cubans included. After all, entirely apart from public policy or political aims, North Americans remember that, throughout the nineteenth century, foreign capital poured into the United States and helped build manufacturing plants, develop oil and mineral resources, expand transportation systems, and, generally, strengthen the U.S. economy. Between 1800 and the present time, direct foreign investment in the United States has grown from $60 million to $15,000 million—and it continues to increase even today.

By trading and instinct, the people of the United States desire to co-operate with all other nations in the achievement of political, economic and social amity and progress around the world. Doing this does not necessarily imply universal agreement on all things or on all policies; but it does require a reciprocal understanding among nations.

It is to be hoped that this understanding will soon be forthcoming from the Cuban Government, and that the longstanding friendship of the peoples of Cuba and the United States, which has never wavered as far as the U.S. is concerned, will once again become the dominant element in the U.S.-Cuban relations.

Memoirs of an Elephant—2

"Dig Boy, Dig..."



As I told you before—in the 1880s
I made a great discovery by
stepping into a pool of oil. Soon,
these human beings started
drilling holes into the earth to try
and find more of this precious fluid.
Very hardworking men they were.
All the time, day and night, they used
to be at this drilling job. When
the first well was being drilled I used
to see one Willie Leova Lake
stand at the well site and shout
"Dig Boy, Dig"—I think he was
trying to encourage the workmen.
"Dig Boy, Dig" became such
a familiar phrase in the locality,
that I believe the place eventually
came to be known as "Digboi".
Work on this first oil well was started,
I remember, in 1889. When
they completed it they had taken
14 months—and they had drilled
to a depth of 662 feet. Today,
things have changed completely. The AOC
can drill a 10,000-foot well in less than 10 days. When I asked
one of the AOC men how they are able to do this he tells me it is "experience",
"know-how", "technical development" and a few other things.
One thing more. I think the AOC took the clue from the words
"Dig Boy, Dig" because they have been digging ever since.
Today, about 1000 wells have been drilled by
them in this area—all, they say, to unearth that
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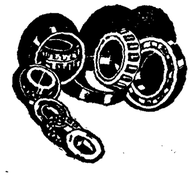

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A. C. BHAT,
General Manager

RESERVE BANK'S OPEN MARKET POLICY

OBJECTIVES, PROCEDURES AND OPERATIVE TECHNIQUES

THE tempo of economic activity in India will be greatly accelerated in the next five years, what with a total investment of Rs. 10,200 crores envisaged in the Draft Outline of the third Plan. Inherent in such a situation is considerable inflationary potential, which, if it is not held in check, is bound to jeopardise the functioning and progress of essential productive sectors of the economy. It is this consideration that invests the open market operations of the Reserve Bank of India with special significance. For the operations play the important role of a full-fledged credit instrument for influencing the availability and cost of credit. Moreover, they assist the Governments—Central and State—in their financing operations and, to this end, maintain an orderly market for Government securities. These are the two broad objectives of the open market operations. How far and to what extent the two objectives have been achieved since the Reserve Bank began open market operations soon after it was set up in 1935 are detailed in a comprehensive article published in the June issue of the *Reserve Bank of India Bulletin*.

The Reserve Bank's review reveals that the objectives of the open market policy have varied from time to time, conditioned, obviously, by the changing economic situation and the trends in the money and capital markets. Broadly speaking, the operations have not been designed to suit the role of a full-fledged instrument of credit policy, inasmuch as they have been used mainly to assist the commercial banks to tide over seasonal monetary stringency and, only on rare occasions, they have been used deliberately for the purpose of restraining credit. The Bank has sought to restrict credit when necessary through other monetary measures, including selective credit controls. In other words, open market operations have been more for the purpose of assisting the Government in its borrowing operations, as well as for maintaining orderly conditions in the Government securities market, than for influencing the availability and cost of credit. The objectives of what is called "grooming" the market (such as acquisition of securities nearing maturity in order to facilitate redemption) and of making available on tap a variety of loans to broaden the gilt-edged market have been more prominent.

In Line with Monetary Policy

Nevertheless, the Reserve Bank claims that the open market operations have been generally in line with its monetary policy. To quote it:

"The operations have tended to affect the volume of securities available for trading and thereby influenced directly the prices and yields of the particular issues that were bought or sold and indirectly also those of all the maturity groups. On the whole, the Bank has succeeded in avoiding violent fluctuations in gilt-edged prices. Further, these operations have had the general effect of keeping the Bank in closest touch with the market and of being able to fill the gaps in supply and demand, with a view to broadening the market."

The two tables at the bottom of the page give statistical data relating to the Reserve Bank's open market operations during the sixteen-year period 1944-45 to 1959-60 and their effect on the trends in prices of and yields on representative Government securities since 1946. Statistics relating to the years preceding 1944-45 have not been given, because the open market operations assumed significant dimensions only from that year. In the earlier years of the Bank's existence, the open market operations were undertaken on a very restricted scale and were mainly in the nature of seasonal open market purchases to relieve the pressure on the money market. Table I shows that, during the period 1944-45 to 1959-60, the Reserve Bank's purchases and sales of Central Government securities aggregated Rs. 927 crores and Rs. 897 crores, respectively, resulting in a net purchase of Rs. 30 crores. During the first Plan period and the first four years of the second Plan, the Bank made *net* sales of securities worth Rs. 251 crores, the total purchases and total sales being Rs. 309 crores and Rs. 560 crores, respectively. In view of the heavy sales thus, the prices of Government securities moved down, though a recovery was in evidence during the years 1959 and 1960, as Table II indicates.

During the war and post-war years, open market operations in India were geared, as in several foreign countries, to the pursuit of cheap money policy and to raise maximum amounts through borrowings with the objective of assisting in the financing of the war. Thus, the operations in the war period were mainly in the nature of 'tap' sales of Government loans and, during post-war years, the operations resulted in large purchases of Government securities, especially in busy seasons, in a process of monetisation of the bank-held Government debt for releasing funds to meet the pent-up demand of trade and industry. The operations had inflationary consequences, particularly in the period following the Korean war, though, in some years, there was the neutralising effect of the balance of payments deficit. The credit expansion during the 1950-51 busy season was so large that the Reserve Bank had to announce, simultaneously with the raising of the Bank rate in November 1951, a change in its open market policy whereby seasonal finance was to be provided to banks not by making purchases of Government securities outright but by granting temporary accommodation against the collateral of Government securities. This constituted a fundamental change in the Bank's policy of open market operations, as it "restored to the Bank the initiative in regard to the open market operations which it had lost in the post-war years."

More Flexible and Meaningful

Since the above change, the open market operations of the Reserve Bank have been more flexible and meaningful. The Bank says:

"In general, the Bank has sought to maintain orderly conditions in the gilt-edged market with a minimum of buying and selling and has operated on a large scale only in the event of a serious imbalance between demand and supply. It has not been the Bank's policy normally to lend support to prices of loans, either of the Central or State Governments, and, by and large, Government securities have been allowed to find their own levels. Even the new flotations were generally allowed to quote below their issue prices. Broadly, the Bank follows the market trends and, though it is able to influence them in the desired direction, it does not try to swim against the market currents. Since November 1951, the Bank's purchases of securities have been mostly switches, which are operations involving purchase of one security against sale of another, as distinct from outright purchase or sale of a security. These switch transactions are generally done with the Bank's brokers. Whatever support was given was more or less of a 'discriminating' nature and of a temporary duration. The operations were directed mainly to meet the requirements of the market of particular loans or to enable banks and other institutional investors to adjust their investment portfolios.

"....to an important extent, the Bank's open market operations have been used as a means of creating the necessary market conditions for the flotation of new loans. Through open market operations, the Bank facilitates the repayment of a maturing loan by acquiring sufficient quantities of the loan through purchases spread over a fairly long period before the repayment date. The object of such purchases is to facilitate redemption of the loan and to ensure the success of the new loan flotations. In order to avoid an undue efflux of cash, such purchases are usually made against contra-sales of other suitable securities. Some purchases (or sales) of a 'grooming' nature are also undertaken in the case of loans of corresponding maturities to bring the yields thereon in line with those on the new loans. Through a judicious handling of the gilt-edged market, the Bank has enabled the Government to raise the period of maturity of the new flotations in recent years.

"In a developing economy, with a series of plans, there has been little scope for open market operations of an anti-cyclical character. Besides, the greater part of the Bank's comparatively short period of working has coincided with abnormal periods such as the war, post-war transition and the partition. Consequently, anti-cyclical policies have not been significant in the conduct of open market operations by the Reserve Bank, although the need to correct inflationary and deflationary tendencies has certainly influenced the Bank's open market policies throughout."

Conditions Favourable

The Reserve Bank is inclined to feel that the legal and institutional setting for the conduct of open market operations in India is on the whole favourable. There are at present no restrictions on either the quantity or the maturity of Government securities which the Bank can buy, and the Bank enjoys full discretion in this respect. Section 17(8) of the Reserve Bank of India Act authorises the Bank to engage in the purchase and sale of securities of the Central Government or of a State Government of any maturity, or of such securities of a local authority as may be specified by the Central Government on the recommendations of the Central Board. While the Bank has no power to deal in shares, it can buy and sell shares of the State Bank or of any other bank, or financial institution notified by the Central Government. By and large, the operations have been undertaken in Central Government securities and, to a very limited extent, in State Government securities. The Bank's capacity to conduct open market operations was greatly augmented after the war as a result of the increase in the volume and varieties of securities following the vast growth of public debt. This process was further aided by the large-scale Government borrowing undertaken to finance the development programmes under the Five-year Plans. At the end of March 1960, the Bank had an investment portfolio (exclusive of *ad hoc* Treasury Bills and non-marketable securities) of about Rs. 350 crores, the bulk of which was in the form of Central Government securities.

With respect to the institutional setting also, the present conditions in India are considered to be "generally suitable" for the conduct of open market operations. Thus, the financial markets in India—at Bombay, Calcutta and Madras—though they are not so well developed and closely integrated as those in Britain and the U.S., are sufficiently broad and active to enable the Reserve Bank to buy and sell Government securities in appropriate amounts without wide price fluctuations. Again, the purchase and holding of Government securities are fairly widespread, albeit largely confined to institutional investors such as banks, the Life Insurance Corporation, charitable trusts, joint-stock companies, and provident and pension funds. The banks (including the State Bank of India) are the most important. The money

(*Continued on page 139*)

TABLE I

Operations in Central Government Securities with the Public on the Reserve Bank's Investment Account

(In crores of rupees)

Financial year	Purchases	Sales*	Net purchase (—) or sales (+)
1944-45 ..	34.97	10.24	— 24.73
1945-46 ..	45.77	70.30	+ 24.53
1946-47 ..	95.35	33.06	— 62.29
1947-48 ..	75.76	23.42	— 52.34
1948-49 ..	121.84	30.42	— 91.42
1949-50 ..	89.22	70.68	— 18.54
1950-51 ..	155.06	98.79	— 56.27
1951-52 ..	66.60	54.78	— 11.82
1952-53 ..	12.66	13.86	+ 1.20
1953-54 ..	17.77	39.91	+ 22.14
1954-55 ..	29.94	57.94	+ 28.00
1955-56 ..	21.97	37.92	+ 15.95
1956-57 ..	47.47	28.30	— 19.17
1957-58 ..	24.01	89.23	+ 65.22
1958-59 ..	65.10	154.05	+ 88.95
1959-60 ..	23.31	83.64	+ 60.33
Total ..	926.80	896.54	— 30.26

* Include sales out of the special issues purchased by the Reserve Bank from the Central Government.

TABLE II

Trend of Prices and Yields

As at the end of March	3% 1970-75 Loan			3% Conversion Loan 1986 or later	
	Price	Yield (per cent.) Earlier date of redemption	Yield (per cent.) Later date of redemption	Price	Yield (Flat) per cent.
	Rs.			Rs.	
1946 ..	101.81	2.90	2.91	..	..
1947 ..	102.25	2.87	2.88	101.31	2.96
1948 ..	99.25	3.05	3.04	97.88	3.06
1949 ..	100.00	3.00	3.00	97.94	3.06
1950 ..	100.00	3.00	3.00	97.00	3.09
1951 ..	94.62	3.38	3.32	92.88	3.23
1952 ..	87.38	3.97	3.82	80.88	3.71
1953 ..	86.69	4.07	3.89	82.56	3.63
1954 ..	86.75	4.11	3.92	82.81	3.62
1955 ..	86.94	4.15	3.93	80.62	3.72
1956 ..	89.69	3.94	3.75	76.75	3.91
1957 ..	87.31	4.24	3.98	74.25	4.04
1958 ..	86.25	4.45	4.11	71.00	4.23
1959 ..	91.05	3.98	2.73	74.00	4.05
1960 ..	92.10	3.93	3.67	73.20	4.10

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

A copy of the Prospectus having attached to it the documents required by section 60 of the Companies Act, 1956, has been delivered for registration to Registrar of Companies, Kerala, Ernakulam.

The subscription list will open at 10 a.m. on the 25th of July 1960, and will remain open at least for 15 days and thereafter will be closed at the discretion of the Directors.

The Shares of the Company previously issued are dealt in and officially quoted on the Madras Stock Exchange. Application will be made forthwith to the Madras Stock Exchange to include the shares of the present issue also for being dealt in and officially quoted on the Madras Stock Exchange.

RUBY RUBBER WORKS LIMITED

CHANGANACHERRY

(INCORPORATED ON 7TH SEPTEMBER, 1955 UNDER THE COMPANIES ACT, 1913)

CAPITAL PREVIOUSLY PAID-UP .. .. Rs. 11,42,855

PRESENT ISSUE Rs. 2,50,000 Divided into 25,000—10 per cent. (subject to deduction of income-tax) Cumulative Preference Shares of Rs. 10.00 each.

The amount payable in respect of each share is Rs. 5.00 on application and Rs. 5.00 on allotment.

The present issue of 10 per cent. Preference Shares were first offered to the existing Equity shareholders in proportion to their current holdings, i.e., 10 Preference Shares for every 36 Equity Shares and applications in terms of the Prospectus are now invited from the public for shares not taken up by the existing shareholders.

BOARD OF DIRECTORS

SRI V. O. MARKOS, Kottayam.
SRI P. R. SUBRAMANYAM, Bombay.
SRI M. G. ACHUTHAN NAIR, Trivandrum.
SRI JOSE A. KALLIVAYALIL, Bangalore.
SRI A. K. THAMPY, Madras.
SRI KUNCHERIA T. MARATTUKALAM, Changanacherry.
SRI THOMAS T. MARATTUKALAM, Madras.
SRI MATHEW T. MARATTUKALAM, Changanacherry.

MANAGING AGENTS

RUBY INDUSTRIES (PRIVATE) LTD., Changanacherry.

BANKERS

(1) STATE BANK OF TRAVANCORE, Changanacherry.
(2) INDIAN OVERSEAS BANK LTD., Kottayam.
(3) THE CATHOLIC BANK OF INDIA LTD., Changanacherry.
(4) THE PALAI CENTRAL BANK LTD., Changanacherry.

LEGAL ADVISERS

MESSRS. JOSEPH & MARKOS, Lawyers, Kottayam.

AUDITORS

(1) M/s. HARIHARAN & CO., Chartered Accountants, Bombay.
(2) M/s. SRI O. THOMAS, Chartered Accountant, Kottayam.

MANAGING BROKERS

(1) M/s. P. R. SUBRAMANYAM, 70-A, Stock Exchange Bldg., Apollo Street, Fort, Bombay-1.
(2) M/s. G. M. PYNE, 14, India Exchange Place, Allahabad Bank Bldg., Calcutta.
(3) M/s. MACONOCHIE & CO., P.B. No. 291, Mercantile Bank Building, Madras-1.

UNDERWRITERS

M/s. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay-1.

REGISTERED OFFICE

RUBYNAGAR POST, CHANGANACHERRY, KERALA STATE.

OBJECTS, HISTORY AND BUSINESS

The Company was incorporated on 7th September 1955 to acquire and take over the lands, buildings, machinery, equipments, etc., of the Concern known as "RUBY RUBBER WORKS" situated at Changanacherry with its goodwill and the various sales depots situated throughout India. The Company obtained its Certificate of Commencement of Business on 9th January 1956 and acquired the above-mentioned "RUBY RUBBER WORKS" and has been carrying on the business of manufacturers of rubber goods and selling the same directly and through various depots. The Factory is at present producing cycle tyres and tubes, tyre retreading materials, hose pipes of all varieties (plain, delivery, armoured suction pressure, pneumatic, tool hoses, etc.) industrial sheetings, car materials, automobile parts, cycle rubber parts, all varieties of moulded goods required for various industries, rice polishers, ebonite goods, all varieties of extruded goods, etc. Ruby's extruded quality tread rubber (tyre retreading compound) enjoys a wide popularity throughout India among retreaders. The Company has been registered as a supplier to the Director General Supplies and Disposal, Delhi, and is supplying various rubber products to various Government Departments, Central as well as States, various Railways, semi-Government Firms and automobile and cycle manufacturers throughout India.

EXPANSION

With a view to more efficiently serve the large volume of customers in the States of Mysore and Andhra and in view of the steady rise in the demand for the rubber goods being manufactured by the Company, the Board of Directors of the Company have decided to establish and operate a branch factory at Bangalore. Sanction has been received from the Government of India as per Licence No. L/30-4/N-23/60 of 24th February 1960, authorising the Company to produce at the Bangalore Factory 9,00,000 lbs. of tyre retreading materials like tread rubber, camel back, cushion compound, etc. The requisite land for the Bangalore Factory measuring 8 acres has been purchased for Rs. 20,000 and is situated on the Bangalore-Bannerghatta Road about 1½ miles outside the city boundary. Construction of office premises costing about Rs. 25,000 is nearing completion and the factory buildings and godowns to be constructed are estimated to cost about Rs. 75,000. For the requisite machinery, viz., two mixing mills, two extruders, one small size Three-Bowl Calender Machine and one Solution Mill orders have already been placed with Fabricators in India and together with other machinery under fabrication in the Company's Workshop at Changanacherry, the total cost of machinery for the Bangalore Factory is estimated to cost round about Rs. 75,000.

OBJECTS OF THE ISSUE

To meet the cost of the machinery, buildings and land referred to above, estimated to cost in the aggregate Rs. 2,00,000 and to provide for a portion of the working capital required to the extent of Rs. 50,000, the present issue is made. For further working capital estimated at Rs. 1,00,000, the same could be covered by borrowing facilities from Commercial Banks.

PAST WORKING

Year ended 30th June	*Capital Paid-up*	*Turnover*	*Net Profit before Depreciation and Taxation*	*Depreciation*
	Rs.	Rs.	Rs.	Rs.
1956 (6 months working)	6,47,720	6,53,619	91,757	32,837
1957	8,97,280	15,36,625	1,99,236	71,831
1958	10,92,985	17,42,532	2,30,235	70,259
1959	11,36,230	25,87,667	2,65,407	1,11,865
1960	11,42,855	31,00,000	..	..

RECORD OF DIVIDENDS

Year ended	*Dividend on Equity Shares*	*Dividend on Preference Shares*
30-6-1956 ..	7½% tax-free.	6½% tax-free.
30-6-1957 ..	9% „ „	6½% „ „
30-6-1958 ..	9% „ „	6½% „ „
30-6-1959 ..	6% taxable.	6½% „ „
30-6-1960 ..	Not yet declared.	Declared 9.3% taxable (6½% tax-free) for half-year ended 31st December 1959 and 10% taxable (7% tax-free) for half-year ended 30th June 1960 to holders of record 30-6-1960.

Prospectus copies may be had from the Registered Office or from the Managing Brokers.

TEXTILE EXPORTS UNDER THE THIRD PLAN

CERTAIN PREREQUISITES FOR THEIR SUCCESS

By A Special Correspondent

INDIA'S emergence as a leading exporter of cotton textiles is of recent years. It happened under the fortuitous circumstances of the last war when it moved into the international market vacated temporarily by major textile exporting countries like Japan and Britain due to their preoccupations with the war. There was, in fact, a rapid increase in India's export of cotton piecegoods during the war years and, for some time, it became necessary for the Government to regulate the sendings as a safeguard against domestic scarcity. The tempo of Indian exports reached the peak in 1950 when as much as 1,072 million yards of cloth was sold abroad. This record had not been attained before nor has it been realised in the subsequent years.

Exports of Indian cloth during the period of the world conflict were essentially a windfall, but, today, they constitute a vital support to the national economy. The partition of the country in 1947 forced both the industry and the economic policy-makers to strive for an alternative outlet for 800 million to 1,000 million yards of cloth annually. Perhaps, even more decisive than this consideration is the need to use cotton textiles as prolific earners of foreign exchange for financing development schemes involving a huge outlay on imported capital equipment. The Planning Commission has provided for the earning of external resources during the current Plan period at the average rate of Rs. 75 crores a year through exports of cotton manufactures. The performance of the industry in this respect since the beginning of the present Plan is indicated below:—

Year	*Earnings* (Rs. crores)
1956	48
1957	59
1958	40
1959	54

World Market

In the light of these disappointing figures, it would be most pertinent to consider how best the planners' targets relating to exports and external earnings can be realised. Before proceeding to examine this issue further, it is, however, necessary to make a brief study of the prospects for cotton textiles in the world market. Since the end of the last war, there has been a remarkable change both in the volume and the pattern of the international trade in cloth. Many countries that had long been content to import their clothing requirements have set up their own textile mills, with some of them actually entering the world market as competitors of older exporters. The tendency to establish the textile industry, while it is most pronounced in cotton-growing countries, is becoming almost universal. Supply of home-grown cotton is no longer considered an indispensable pre-condition for starting such an enterprise. Generous help is being given by the textile machinery producers of different countries for making such undertakings possible.

In the result, the total volume of cloth entering the world market is steadily on the decline, as the following figures bear out:

Year	(*Million yds./sq. yds.*)
1937-39 (average)	6,407
1950	5,512
1951	5,673
1952	4,603
1953	4,596
1954	5,209
1955	4,681
1956	4,570
1957	5,002
1958 (estimated)	4,855
1959 (provisional)	5,232

Since pre-war, the decline in the volume of cloth exports is nearly 1,500 million yards a year—a large figure indeed taking into account the fact that the world population during this period has increased considerably. It has risen from 2,151 million in 1938 to 2,795 million in 1957—the year for which the latest figures are available. At the same time, the total volume of cloth produced by different countries has increased a good deal. "World production of cotton cloth," wrote a competent authority a few years ago, "has increased more than threefold since the years 1882-84 and, including cloth woven from man-made fibres, has increased fourfold. The total figure amounted in 1955 to approximately 50 milliard square yards. During the same period the population of the world, roughly calculated, has only doubled. It is only possible to sell the increased production because the consumption per head has risen."

The scale of increase in the output of (*a*) cotton piecegoods and (*b*) of cloth produced from man-made fibres is shown below:—

Production of Cotton Piecegoods

(*1,000 metric tons*)

	1956	1957	1958	1959
Non-Communist world ..	4,110	4,180	3,940	4,040
Communist countries ..	1,580	1,520	1,640	1,910
World total ..	5,690	5,700	5,580	5,950

Production of Rayon Piecegoods

(*1,000 metric tons*)

	1956	1957	1958	1959
Non-Communist world ..	900	900	875	875
Communist bloc ..	107	113	120	125
World total ..	1,007	1,013	995	1,000
Grand total ..	6,697	6,713	6,575	6,950

The various figures so far quoted lead us to certain significant conclusions. First, although the activity of the world textile industry is on the increase consequent on the rise in the rate of consumption, this is not reflected in the world trade in textiles. In fact, the tendency is the other way round, with the possibility of the decline becoming increasingly pronounced with the passage of years. This, as has already been observed, is due to an increasing number of countries starting their own textile industries as the first step towards their industrialisation and protecting their nascent enterprises with high tariffs and stringent import restrictions. The progress made by some of the Communist countries in this direction is conspicuous, as the following figures relating to the production of cotton piecegoods bear out:

(In million yards)

	1955	1956	1957	1958	1959
China	3,816	5,040	5,524	7,008	8,968
U.S.S.R.	6,456	5,964	6,120	6,332	6,332

The phenomenal rise in China's production in recent years has relegated India to the fourth position among the major producers of cotton textiles. Both these Communist countries are fast developing into formidable exporters of cloth, their competition threatening to become almost irresistible since they appear to be uninfluenced by considerations of profit and loss.

Change in Varieties

We are thus presented with the spectacle of more and more countries making a desperate bid to annex for themselves as big a share of the declining world market for textiles as they can. In this scramble, only the fittest can hope to survive. As in our own country, there is a gradual change in consumer taste abroad and the scope for the export of coarse grey goods is likely to narrow down in the coming years. Finer fabrics produced in the colours and designs fancied by the overseas buyers alone can secure ready and assured sales. Market research is thus essential if India's export trade in cloth is to achieve any measure of stability at a relatively high level. It goes without saying that the prices of our products should also be competitive.

Secondly, we should take into account the astonishing rise in the popularity of the piecegoods of man-made fibres. Although the primacy of King Cotton is still absolute, it is no longer possible to ignore the capacity of artificial fibres to contribute to the clothing requirements of man. It is pointed out that the proportion of cotton piecegoods entering the world market has declined from 24 per cent. in the pre-war period to about 18 per cent. of the world production, while the international trade in non-cotton fabrics has been expanding since 1952 at an annual rate of 15 per cent. Countries like Japan, which do not grow their own cotton, have taken full advantage of the man-made fibres in maintaining their textile output.

These facts must be borne in mind when drawing up export programmes for textiles under the third Plan. The export target of 1,000 million yards of mill cloth *per annum* has persistently remained elusive and it would be a misplaced optimism to expect that the situation will be any better in the coming years. The following figures show India's export performance since the first Plan period in cotton mill cloth:

1951, 732 million yards; 1952, 543 million yards; 1953, 593 million yards; 1954, 804 million yards; 1955, 692 million yards; 1956, 684 million yards; 1957, 839 million yards; 1958, 581 million yards; 1959, 810 million yards; and 1960 (January-March) 185 million yards.

These figures indicate that even an export target of 800 million yards *per annum* under the next Plan will be sufficiently ambitious and will call for the utmost exertion for realising it.

The Government of India has shown its earnestness about promoting the export of textiles by granting various incentives. But the problem is essentially one of achieving efficient and economical production, so that Indian textiles abroad might stand competition both in price and quality. Modernisation of the productive equipment thus acquires considerable importance. Sanction has been accorded for installing 3,000 automatic looms in the mills to facilitate cloth exports and this number is likely to be acquired by the end of the current Plan. Permission given to mills some time ago to install 2,500 automatic looms a year for three years as a step towards the replacement of the existing looms is certainly most welcome. Equal attention should be paid to the production of a bigger volume of superior quality cloth in required colours and patterns in order to meet the changing tastes of the overseas customers. Exporting countries like Japan are able to maintain their lead in the world market largely on account of their ability to please their foreign buyers in every way.

Resilience in Cost

Price is another decisive factor and the Indian exporter cannot gain any advantage in this respect unless the industry is able to achieve a great measure of resilience in its cost structure. The persistent shortage of home-grown cotton and the consequent need for imports of foreign cottons at high prices greatly limit the scope for keeping costs at a reasonable level. Shortages of Indian cotton have led to a fantastic rise in prices which have often gone out of world parity, thus saddling the industry with a heavy financial burden. Self-sufficiency in cotton is thus one of the major factors that will greatly help the country's efforts to secure a bigger share in the world trade in cloth.

Similarly, the tendency to inflate the wage bill without linking productivity to wages is hardly consistent with the plea for a more vigorous export drive. It is the right of labour, as indeed it is the right of every member of the community, to secure a reasonable standard of living. Great progress has been made by the cotton mill workers in this direction and the fact that the wage increase recommended by the Central Wage Board has been readily endorsed and implemented in most of the textile centres, with the City of Bombay giving the lead, is an unmistakable indication that labour has been receiving a fair deal from the employers. It, therefore, behoves the workers to co-operate with the management in implementing the Central Wage Board's other vital recommendation, namely, rationalisation. It is only through the introduction of improved methods and techniques of working that the cost of labour can be kept at a reasonable level.

To conclude, although the picture presented by the international trade in textiles is by no means bright, it is quite possible for India to achieve an export target of 800 million yards of cloth annually during the third Plan period, if full advantage is taken of the conditions favourable to the industry. Far greater attention will have to be given to the supply of cotton if the export promotion schemes are to yield the desired results. Similarly, machinery modernisation and rationalisation should be undertaken with vigour, in order to secure the twofold benefit of efficiency and economy in production. At the same time, greater attention should be given to the changing tastes of the consumers abroad and exports adjusted accordingly. More and more branches of the Cotton Textiles Export Promotion Council should be established in different parts of the world where textiles are imported. The Indian offices should hold frequent shows of Indian fabrics and adopt all the well-known methods of publicity with a view to popularising them. All this will need more money which should be made readily available. Only then can we expect to realise the export target and retain it over a period of years.

MORE ON REORGANISATION SCHEME FOR TEXTILE FINISHING

NO GOVERNMENT AID UNLESS MINIMUM TARGETS ARE REACHED

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 5*th July*

AFTER ten months of intensive effort, the sponsors of reorganisation in the Lancashire cotton textile finishing trade have finally satisfied both the Government and the industry by producing proposals to cope with redundancy. Those who complained that the earlier schemes in the spinning, doubling and weaving sections were complicated will find the new document even more problematical. This is by no means the fault of its authors, but is mainly because no basic unit of machinery such as a spindle or loom exists in finishing.

This particular aspect was the stumbling block from the beginning and it has taken much time and trouble to evolve a satisfactory alternative. There are, moreover, several important variations in these proposals compared with the schemes drawn up for the producing sections. Although Mr. A. G. B. Burney, the Cotton Board's Reorganisation Director, pooh-poohed the idea that the changes were the result of experience gained in the former plan, it is significant that certain revised methods would seem to answer some of the criticisms aimed against the earlier arrangements. For instance, the Cotton Board has been given power to reject applications to scrap machinery if it is felt that the balance of the section concerned might be prejudiced if they were accepted. This was one of the aspects of the original schemes which provoked opposition, particularly among merchants who have complained that the unrestricted disposal of machinery has created artificial shortages in particular branches, especially in the weaving of speciality cloths.

Other ways in which the new scheme differs from its predecessors include the scrapping of complete production units only, as opposed to partial dismantling, and the "package system" of collecting all applications to scrap and then assessing the situation at the end of three months. The initial "participation period" will start when the schemes are confirmed by the Board of Trade, probably about the beginning of August. On this assumption the Cotton Board will notify acceptances early in November and will then decide whether a further opportunity to scrap should be provided.

No Aid, Unless . . .

The most vital factor of all concerns the reaching of minimum targets for scrapping. In the spinning, doubling and weaving schemes, basic targets were set and, until these were reached, no sectional plan could be put into operation. In finishing, the trade is faced with a different challenge. No Government aid will be given unless the target is attained. Nor can any firm, once it has registered its plant for scrapping, withdraw from the scheme. If the minimum is not secured, the trade itself will bear the whole cost of disposing of its redundant machinery.

When the Cotton Board distributed circulars in February, calling for returns on which to base its estimates for these schemes, the figures disclosed surplus capacity of approximately 30 per cent. The minimum scrapping terms have been set at about 20 per cent. In the woven cloth section, the aim is to scrap machinery capable of finishing 534.5 million linear yards annually; in the yarn processing section, the minimum is 25,200,000 lbs. Within the main figure in the cloth finishing branch, sub-sectional targets have been fixed, comprising 68.2 million yards in bleaching, 284.2 million yards in dyeing, raising and finishing, and 88.8 million yards in machine printing. The difference between these sectional totals and the overall minimum, amounting to 93.3 million yards, may be found from any sub-section. It is important to realise that the cost of each individual scheme will have to be borne by the firms remaining in the sub-section, if it does not attain its own minimum target, irrespective of the fact that the overall minimum for the woven cloth section is reached.

Compensation payable to owners of production units which are closed down and whose machinery is scrapped will amount to half the written-down value of the plant used in the finishing activities of the unit on the effective date of the earlier schemes, that is, 24th April 1959, plus 3*s.* per £1 of the turnover of the unit during its last complete financial year, ending not later than 31st October 1959 less the cost of direct materials.

In contrast to the earlier phase of cotton reorganisation, the finishing branches will have to wait longer to find whether any re-equipment subsidy will follow their redundancy arrangements. Again, perhaps the Government is being wary, after being accused of handing out vast sums of money to the producing sections.

Not only is the Treasury making sure that an adequate minimum of plant will be dismantled before announcing its readiness to contribute two-thirds of the cost, but the current schemes do not include any provision for modernisation grants. The Board of Trade is standing on the side-lines to watch the response to the redundancy projects before deciding whether similar subsidies should be offered to the finishers as in the case of spinning, doubling and weaving.

Owners of finishing plant will be place in the particular sub-section in which they hold most capacity. For example, a production unit consisting of 30 per cent. bleaching and 70 per cent. dyeing will be placed in the dyeing sub-section. A unit employing 45 per cent. printing, 30 per cent. dyeing and 25 per cent. bleaching will go in the printing category.

Final Closing Dates

The scheme provides that production units must be closed down by the last day of the sixth month following acceptance of scrapping applications. This means that those who register their production units for closing in the initial participation period will have, up to the end of May 1961, to effect their closure. Whether a subsequent participation period, which will be for a maximum of three months for any section or sub-section, will be authorised by the Cotton Board depends on the first response. In any case, the final scrapping programme must be completed by the end of 1961.

The sponsors of the redundancy arrangements are keen to ensure secrecy about the progress of the scheme. Unlike the weekly bulletins which were issued last August, intimating the volume of plant submitted for scrapping in the producing sections, there will be no official pronouncement until the targets are reached and the full details will not be available until at least early November.

Even the agreement between the employers and trade unions on the question of compensation for displaced workers shows a marked difference from the pact in the spinning and weaving sections. Men with three years' service in the industry will get a minimum payment of £10 and women £6. Graded rates of compensation will then apply according to length of service in the trade, reaching a maximum of £4 10*s.* per year for men and £2 15*s.* per year for women with thirty years' service and over.

How the Snowball Grew

While the "new" reorganisation scheme—that dealing with textile finishing—is the affair of the moment, information is still coming to hand about the effect of the redundancy arrangements in the producing branches. It is just a year since Mr. W. T. Winterbottom began the "snowball" of scrapping in spinning when he announced that the Fine Spinners and Doublers group intended to register at least a million spindles for disposal under the scheme. His statement with this year's accounts gives the full story.

Final scrapping figures for the combine were 1,494,000 mule equivalent spindles, 146,000 doubling spindles and 1,007 looms, involving the complete closure of 15 spinning units and seven doubling units. The percentage of spindles and looms scrapped was 57 in spinning, 65 in doubling and 36 in weaving, as compared with the group's capacity before the launching of the schemes. On the re-equipment side, Mr. Winterbottom discloses that decisions already taken by the group involve the addition of 130,000 ring spinning spindles, 6,500 doubling spindles and 650 automatic looms to its streamlined capacity. Installation of new plant during the next five years, he says, will be accompanied by still further scrapping.

Compensation for dismantling machinery under the scheme will aggregate £1,138,000 and the group should also receive more than 15 per cent. of that figure in sales of scrap. Offset against these receipts are the levies to be paid on running mills, but the final outcome of the transactions should provide a cash gain to aid the modernisation plans already under review.

On the value of the reorganisation schemes as a whole, Mr. Winterbottom says: "I am firmly convinced that an assessment at the present time is the only one that really matters. Whether they are to prove worth while depends more than anything on the initiative and enterprise of those left in the industry." The schemes, he adds, are bold and imaginative, giving a solid hope of building the industry into a sound commercial enterprise with adequate rewards for all engaged in it.—*All Rights Reserved.*

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COTTON PRODUCTION IN THIRD PLAN

WAYS AND MEANS OF IMPROVING YIELD

THE draft third Five-year Plan has fixed the target for raw cotton at 7.2 million bales (of 400 lbs. each) to be achieved by the end of 1965-66. As compared with the original proposal of 7.8 million to 8 million bales put forward by the National Development Council, this may appear to be more realistic, although neither past experience nor future prospects suggest that it will be easy of achievement. Of course, one should not judge the target in the Draft Outline from the production of about 3.8 million bales in the current season, as it is an abnormally low one caused by extremely disappointing weather conditions. But assuming that the normal crop is about 5.2 million bales, the Plan aims at a 40 per cent. increase in the production of cotton during the five-year period. Since the possibility of expansion of area under cotton is limited, the increase has mainly to come through improvement in the yield per acre.

It may be noted here that the figure of 7.2 million bales is the same as that recommended by the Central Cotton Committee at its meeting on 26th September 1959 and compares with the target of 6.5 million bales fixed in the second Plan. There is, of course, no prospect of this target being reached by 1960-61, when the second Plan period comes to an end.

An account of how cotton production is proposed to be stepped up in the third Plan period is given in an article entitled "Planning of Cotton Production in India" by Dr. B. L. Sethi, Secretary, Indian Central Cotton Committee, contained in the latest issue of the *Indian Cotton Growing Review*, published by the Committee. The Plan target is sought to be achieved both by the expansion of acreage under cotton cultivation, mostly in project areas, and by intensive cultivation. Expansion of area is expected to result in an increase in production of 500,000 bales, provision of extra irrigation facilities is expected to yield another 700,000 bales. Application of fertilisers will give another 400,000 bales. Use of improved seeds, plant protection, improved cultural practices and contour bunding are expected to result in an increase in production of 100.000 bales each. It is fully realised that better seeds, manure, plant protection facilities, improved agricultural implements and adequate, cheap credit should be made available to the growers if cotton production is to increase. For the provision of better seed, the Indian Central Cotton Committee had recommended a scheme, whereby the various cotton tracts are to be covered in five or six stages by suitable, improved seed sold in sealed bags. This would also ensure purity and quality of the crop. The application of fertilisers to cotton has great possibilities for improving yield, by as much as 25 to 30 lbs. per acre, according to the author of the article.

Shortage of Fertilisers

The use of fertilisers is increasingly becoming popular now, but it is limited by the paucity of supplies available after meeting the needs of food crop. The question of establishing a large number of factories producing chemical fertilisers is under consideration. Simultaneously, the use of manure and compost in larger measure is sought to be encouraged. In dry areas, where the yield of cotton is poor, contour bunding is to be undertaken on a larger scale. The bunds would not only prevent soil erosion but also conserve moisture. The experience of cotton farmers in Texas (U.S.) shows that rotation of crops results in high yield. These methods deserve closer study in India because, in this country, too, large areas are cultivated under dry conditions.

Dr. Sethi is of the view that, if seasonal conditions are normal and the abovementioned measures are taken, even as high a target as 7.8 million bales can be reached. The 'if' here must be given a capital 'I,' for, it is well known that weather has always been the most unpredictable factor in the Indian agriculture situation and it continues to remain so. In fact, the influence of weather in the case of a sensitive crop like cotton is so decisive that adverse weather can negative all the gains in production made through other ways. The adverse effect of inclement weather on the size and quality of the crop can, however, be mitigated, to some extent, by increasing the percentage of irrigated lands in the total cultivated area. But, a serious limitation here is that foodcrops have to be accorded first priority in new areas brought under irrigation. The possibility of increasing production, therefore, depends largely on the adoption of intensive cultivation, better farming methods, increased use of manures, chemical fertilisers and better seeds. If these are not given the attention they deserve, the third Plan target for cotton will continue to remain as elusive as it has been in the second Plan.

Not only quantitatively but qualitatively also it is possible, according to Dr. Sethi, to achieve self-sufficiency in cotton. In fact, according to him, the prospects of producing within the country all the cotton required for the manufacture of fine and superfine fabrics, which are at present imported, are bright and promising. For the results of breeding new strains comparable to foreign cotton have been quite encouraging. Strains with a staple length up to 1¼" have been successfully evolved. Notable among them are the Indo-American strains 170 Co.2 and 134 Co.2-M in Gujarat, M.C. U.1 and M.C. U.2 in Madras State, M.A. 5 in Mysore State and L.L. 54 in the Punjab. The production of these varieties almost doubled during the four years 1954-55 to 1957-58, as the following table reveals:

(In thousand bales of 392 lbs. each)

	1954-55	1955-56	1956-57	1957-58
Indo-Americans:				
170—Co. 2 ..	28	61	75	89
134—Co. 2-M ..	12	58	56	55
Madras Cambodia:				
M.C. U. 1 ..	119	156	150	121
M.C. U. 2 ..	4	14	32	56
M.A. 5	11	16	16	17
Total ..	174	305	329	338

While on the basis of staple length these cottons are considered comparable to those imported from the U.S. and East Africa, they cannot completely replace imported cottons for spinning fine fabrics since they lack in yarn strength. But, says Dr. Sethi, experiments conducted at the Committee's technological laboratory showed that, by combing to the extent of 20 per cent., by using efficient high draft system with double roving and by spraying with Syton emulsion, it is possible to upgrade the spinning performance by 25 per cent. It is, however, too early to say whether this will be an economic proposition, for, as the author himself points out, the processing of the aforesaid varieties will require considerable capital investment. It is said that, for 400,000 bales, the provision of combers and high draft equipment will cost some Rs. 11 crores. Be that as it may, further breeding for the evolution of strains with the desired fibre length has resulted in the isolation of highly promising strains such as I.S.C.67 and 9030G which will replace 170 Co.2 and M.C. U.1, respectively. With a view to encouraging their production, these cottons were exempted from price control upto 1958-59, but they were brought under price control in 1959-60. The Working Group set up by the Ministry of Commerce and Industry to examine the question of stepping up the production of these cottons during the third Plan period was of the view that output of these cottons could be raised to 340,000 bales from the present level of 310,000 bales.

As regards the possibility of replacement of 1.3/16" staple cotton imported from Egypt and Sudan for the manufacture of superfine fabrics, the Sea Island Andrews cotton acclimatised to the conditions in Kerala is said to be of a quality comparable to Egyptian Karnak. As the cultivation of cotton is new in the high rainfall areas of Mysore and Kerala States, the problem is one of extending its cultivation under proper supervision. The development of this cotton is at present being carried out under the Sea Island Cotton Development Scheme. This cotton covered an area of 3,900 acres in the current season. The Third Plan production target for it is fixed at 225,000 bales to be raised from an area of 450,000 acres. This target is not difficult to achieve, says Dr. Sethi, provided suitable areas are demarcated and careful attention is devoted from the stage of land preparation to the harvesting of the crop.

U.S. COTTON ACREAGE

The U.S. Department of Agriculture has estimated the area planted for the next season's American cotton crop at 16,306,000 acres, as against 15,690 000 acres in the current season. This confirms the widely held view that raw cotton would be planted under the programme which permits farmers to extend their acreage beyond the basic allotment, provided they are prepared to accept lower price supports.

According to the latest estimates, world stocks of raw cotton at the end of the current month, which completes the 1959-60 season, would be around 16.5 million bales—a reduction of rather more than 1 million bales compared with a year ago. Stocks will then represent about six months' supply—rather lower than normal.

The cotton surplus has been reduced by nearly 6 million bales in the past four years, mainly as a result of curtailment of output in the U.S. Controls have been introduced to restrain farmers from growing unlimited crops, while in several other countries there has been a marked decline in output, due to the lower prices ruling.

The acreage due to be planted in many areas is expected to increase this year, and that, combined with improved harvesting methods, should bring larger crops.

Acreage in Mexico is expected to exceed 2 million, an increase of about 24 per cent. compared with last year. Similar expansions may occur in Central American countries. Although planting control is being maintained in Egypt, some increase in production of Karnak and medium staples is anticipated.

COTTON ANNUAL

The latest issue of the *Bombay Cotton Annual*, covering the cotton season 1958-59, published by the East India Cotton Association, maintains the high standard of the previous editions. In fact, the *Annual*—the latest one is the fortieth in the series—has already been recognised as an authoritative compendium of all matters relating to every branch of the cotton trade. It contains, as usual, statistical tables pertaining to crop, exports, imports, stocks, consumption etc. It is undoubtedly the most comprehensive reference manual on cotton and is a *must* for every one who has anything to do with cotton.

The only drawback of the publication is that it covers a period which is twelve months behind the running season. Perhaps, the range and exhaustiveness of the contents preclude publication of the Annual earlier. Nevertheless, one would wish that the gap between the date of publication and the period covered were smaller than it is at present.

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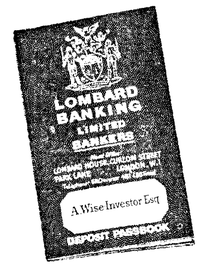

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SUGAR INDUSTRY IN BIHAR

THIRTEEN-MAN COMMITTEE TO DEAL WITH PROBLEMS

IT is reported that the Government of Bihar has constituted a special committee to enquire into the conditions of the sugar industry in the State, including cane cultivation. This action has come several months after the decision was taken, early in February, to be precise. The Committee consists of thirteen members, including the representatives of sugar mill-owners and cane growers. Its Chairman is Mr. L. P. Sahi, State's Deputy Minister for Industries. The Committee has been asked to examine and advise on the measures necessary for (*a*) raising the yield of sugarcane per acre and (*b*) improving the recovery of sugar. It has also been asked to study the issues relating to irrigation, manuring, establishment of seed nurseries, improvement of communications, provision of cheap and timely credit facilities, and co-ordination among cane growers, sugar factories and the Government agencies concerned.

Press reports do not indicate as to when the Committee is expected to complete its findings and submit the report. It would be very desirable if the Committee were to expedite its work, so that, on the basis of its recommendations, the Bihar Government can formulate the development programme for the third Five-year Plan.

The Bihar Government's decision to appoint the aforesaid committee was evidently prompted by its anxiety to check the declining importance of the sugar industry in the State. Despite all the loud talk of development and expansion, the production in sugar in the State has not only not registered any rise but actually tended to recede, though the trend of output was upward in the current and previous seasons. The quantity of sugar actually produced in 1939-40 was as much as 322,100 tons, a level never touched again since then. The following table indicates the trend of output during the first and second Plan periods:

Season	*Output* (Tons)
1950-51 (base year of the First Plan) ..	225,147
1951-52	223,078
1952-53	272,759
1953-54	145,842
1954-55	225,086
1955-56	319,202
1956-57	311,515
1957-58	274,550
1958-59	310,647
1959-60	308,103*

* Up to 15th April 1960 only.

It is true that the rate of sugar production in Bihar has gone up as compared with the base year of the first Plan, but it has been much slower than that noted in other States. This is evident from the fact that the percentage share of Bihar in the aggregate sugar production of the country has moved down from more than 20.4 in 1950-51 to a low of 13.4 in 1959-60, while that of several other States has increased, as, for example, from 11.0 to 17.1 in the case of Bombay and from 1.0 to 3.9 of the Punjab. In the past few years, two sugar mills have completely closed down in Bihar and two more units have shifted to centres outside the State. There are at present 28 sugar mills in the State.

Many sugar factories in Bihar are said to be working at a very low margin of profit or even losses. This is due largely to the heavy incidence of cane cost, which, in turn, must be attributed to the high minimum price fixed for cane and the poor quality of the crop. The average recovery of sugar per cent. in cane has suffered a distinct setback, notwithstanding the implementation of intensive cane development schemes during the last few years. Every 100 tons of cane crushed in factories in 1958-59 yielded no more than 9.79 tons of sugar, as against 9.91 tons obtained in 1957-58, 10.32 tons in 1950-51, and as high as 10.92 tons in 1942-43. The average recovery of 9.79 per cent. in 1958-59 was lower than the all-India average of 9.84 per cent. as well as 11.46 per cent. in Bombay, 10.36 per cent. in Mysore and 10.27 per cent. in West Bengal.

Thanks to the declining importance of sugar industry in Bihar, the production of cane has declined, from 5.17 million tons in 1940-41 to 4.50 million tons in 1957-58. Although it was higher at 6.04 million tons in 1958-59, the share of Bihar in the total cane crop of India was lower at 8.5 per cent., as against 10.2 per cent. in 1940-41. The decline in cane output has followed the reduction in the area sown to the crop, from 508,000 acres in 1940-41 to 376,000 acres in 1957-58; it was, however, larger at 405,000 acres in 1958-59. The average yield of cane per acre has, of course, recorded a rise from about 10.18 tons in 1940-41 to 14.9 tons in 1958-59; but the figure is lower than what is obtained in some other States, as, for example, 28.75 tons in Andhra Pradesh, 25.5 tons in Bombay, 24.7 tons in Mysore, and 24.3 tons in Madras. Even the per-acre yield obtained in the development zones in Bihar is lower than elsewhere, as the following table shows:

	Average yield per acre achieved in development zones during 1958-59	Average per-acre yield in whole State during 1958-59
	Tons	Tons
Bihar	14.9	19.4
Bombay	42.5*	25.5
Andhra Pradesh ..	33.4	28.8†
Mysore	26.0	24.7
Orissa	23.5	16.0
West Bengal ..	22.8	17.8
Kerala	23.8‡	15.9
Punjab	18.4	14.1
Uttar Pradesh ..	18.8	11.2

* Deccan canal zone. ‡ Factory area.
† Old development area.

A brief reference to the sugarcane development work in Bihar during the season 1958-59 may be made here. Sugarcane seed nurseries in the State, we are told, continued to supply certified seed of improved varieties. About 3,936,847 maunds of seed were distributed through factory nurseries and registered growers and village seedmen, in addition to 20,264 maunds supplied by the Central nurseries at Patna and Pusa. The number of village seedmen set up last year was 6,195, and the total of seed advances granted by sugar mills and unions was Rs. 56.39 lakhs. The cane development work also comprised top-dressing of cane in 79,377 acres with 73,202 maunds of ammonium sulphate, manurial demonstrations, intensive compost drive, distribution of better agricultural implements and provision of irrigation facilities. Out of a total area of 400,000 acres under sugarcane in 1958-59, 113,094 acres received proper irrigation. All the 300 State tube-wells in North Bihar were energised, but lack of *pucca* channels stood in the way of full utilisation of available facilities. Moreover, various cultivation practices such as autumn planting, pre-treatment of setts, planting in adequate soil moisture, eye-to-eye planting, early (mid-May) earthing and stubble harvest were being increasingly incorporated in the cultivation schedule of the farming community. Incorporation of trash with ammonium sulphate, press-mud, green and green manuring with *moong* type I and *rahar*-groundnut-cane rotation was getting popular.

U.S. CUTS CUBAN SUGAR QUOTA

As was anticipated, President Eisenhower has cut the import quota for Cuban sugar for the current calendar year by 700 000 short tons, that is, from the original figure of 3,119,655 tons to 2,419,655 tons. The cut has been enforced under the powers recently vested in him by the U.S. Congress. Out of the original quota, Cuba has already shipped or certified for shipment 2,379,903 tons of sugar, so that the quantity that can be exported from Cuba to the U.S. in the remaining months of 1960 is only 39,752 tons. As a result of the cut in the Cuban quota, the supply of sugar available for domestic consumption in the U.S. during 1960 will be smaller. This deficit is proposed to be filled by purchases from other free world suppliers. The reasons which led the U.S. Congress to authorise the President to readjust sugar import quotas and the Executive to take this action are explained by President Eisenhower as follows:

"Normally about one-third of our total sugar supply comes from Cuba. Despite every effort on our part to maintain traditionally friendly relations, the Government of Cuba is now following a course which raises serious questions as to whether the United States can, in the long run, continue to rely upon that country for such large quantities of sugar. I believe that we would fail in our obligations to our people, if we did not take steps to reduce our reliance for a major food product upon a nation which has embarked upon a deliberate policy of hostility towards the United States.

"The Government of Cuba has committed itself to purchase substantial quantities of goods from the Soviet Union under barter arrangements. It has chosen to undertake to pay for these goods with sugar—traded at prices well below those which it has obtained in the United States. The inescapable conclusion is that Cuba has embarked on a course of action to commit steadily increasing amounts of its sugar crop to trade with the Communist bloc, thus making its future ability to fill the sugar needs of the U.S. ever more uncertain.

"It has been with the most genuine regret that this Government has been compelled to alter the heretofore mutually beneficial sugar trade between the United States and Cuba. Under the system which has existed up to this time, the people of Cuba, particularly those who labour in the cane fields and in the mills, have benefited from the maintenance of an assured market in the United States, where Cuban sugar commands a price well above that which could be obtained in the world market. These benefits also reached many others whose livelihood was related to the sugar industry on the island.

"The American people will always maintain their friendly feelings for the people of Cuba. We look forward to the day when the Cuban Government will once again allow this friendship to be fully expressed in the relations between our two countries."

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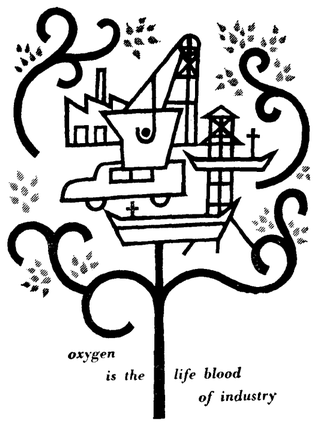

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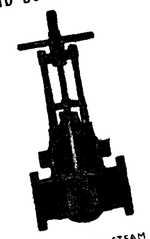

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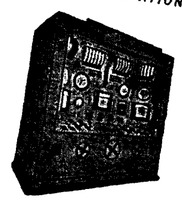

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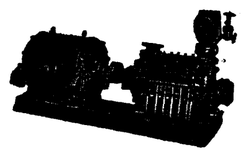

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CASHEWNUT PRODUCTION TO BE DOUBLED

KERNEL EXPORTS IMPROVE

INDIA has the distinction of being the largest supplier of cashew kernels in the world, accounting as it does for over 90 per cent. of the total world trade in this commodity. Although East Africa and, to a lesser extent, Brazil cultivate cashewnut trees and collect raw nuts on a commercial scale, the processing industry is concentrated mainly in India. The production of cashewnuts in this country is not sufficient to feed the existing cashewnuts factories. Consequently, Indian processers of cashew kernels have to depend on imports of nuts, mainly from East Africa, to a much greater extent than the total domestic production. Of late, however, the producing countries have been making efforts to establish their own processing units. This is bound to reduce the raw material supplies to the domestic cashewnut industry in course of time, which will, in turn, affect exports of one of the important dollar-earning commodities. The Spices Enquiry Committee (1953), which made a detailed study of the problems of, and prospects for, cashew industry, made it sufficiently clear that the immediate problem of the industry was to reduce India's dependence on foreign imports of nuts in shell by taking early steps to increase the domestic production of cashewnuts.

Trend in Production

There has been a marked increase in the output of raw nuts in the country during the last few years. The actual output of cashewnuts (in shell) aggregated 69,000 tons in 1958-59 and is expected to go up to 73,000 tons by the end of 1960-61, the final year of the current Plan. The production in the beginning of the second Plan was about 60,000 tons. Although there has thus been an increase in production, it has fallen far short of the second Plan target (revised) of 106,000 tons. In the third Plan, it may be noted, the total production is planned to be raised by as much as 106 per cent. to 150,000 tons. If the third Plan target is achieved, a major part of the requirements of the domestic cashewnut industry will be met, thereby relieving it of its dependence on foreign countries for the supply of raw nuts. This is particularly welcome, in view of the growing competition from the other producing countries in the processing field.

These targets are, however, of little significance, unless the State Governments make earnest efforts to promote the development of cashewnuts planting, as also organised marketing, on the lines suggested by the Spices Enquiry Committee. At present about 70 per cent. of cashewnuts are grown mainly in the west coast, the major areas being Kerala, South and North Kanara in Mysore, and Ratnagiri in Maharashtra. The rest is grown mainly in some regions on the east coast of Madras. The Spices Enquiry Committee drew pointed attention to the possibility of extending cashewnuts cultivation to Madhya Pradesh, Mysore, Andhra, Orissa, West Bengal and Andamans. Some of the State Governments have no doubt done something to encourage the cultivation of cashewnuts—which, incidentally, does not make any inroads into the area under food crops. But from the actual production results, it can be stated that what they have done is either inadequate or belated. In any case, details of the results of their efforts are not available.

The following table shows the recent trends in production and the target in the third Plan, as mentioned in the Draft Outline:

	(In tons)
1951-52*	60,100
1956-57	55,000
1957-58	60,000
1958-59	69,000
1960-61 (expected)	73 000
1965-66 (target)	150,000

*Estimated by the Spices Enquiry Committee. The other figures are from the Planning Commission.

Imports of Raw Nuts

Although India is by far the largest producer of cashewnuts, substantial quantities of raw nuts are, as already stated, being imported every year. In 1958, imports were of the order of as much as 120,000 tons (valued at about Rs 7 47 crores). This is equal to about double the domestic production. In the following year, however, they fell to 90 000 tons, valued at Rs. 6 07 crores, thanks mainly to the expansion in domestic production. Mozambique is the largest supplier of nuts to India, accounting for over 60 per cent. of our total imports. The other major suppliers are Tanganyika and Kenya. The following table shows the trend of imports during the last few years:

	Quantity (In tons)	*Value* (Rs. lakhs)
1950-51	54,000	285
1954-55	85,812	425
1957	95,000	737
1958	120,000	747
1959	90,000	607

As was mentioned at the outset, India leads the rest of the world in cashew processing. There are about 210 cashewnut factories in India, over 150 of them being concentrated in the Kerala State. Over 100 units are located in and around one town in Kerala, namely, Quilon, a port town. This is attributed mainly to easy accessibility to imports and ready availability of cheap and skilled female labour in that area. The industry employs about 80,000 workers.

In the course of processing, the nuts yield cashew oil; the total production of oil amounts to about 9,000 tons annually. The oil is directly used as a preservative in the painting of boats, fishing-nets, etc., and as a water-proofing agent. The oil and its distilled products are also used in the manufacture of insulating varnishes, adhesive ingredients, pigments for gums, inks, paints, varnishes and enamels. Export of this oil fetched Rs. 40 lakhs in 1959.

Rise in Exports

Exports of cashew kernels have been making steady progress in recent years. They fetched foreign exchange earnings to the tune of Rs. 15 crores annually during the last three years, as against Rs. 12 crores annually during 1952-56 and Rs. 10 crores in 1951. It may be noted, in this connection, that the increase in the output of almonds in Spain, as also other edible nuts elsewhere, last year, affected somewhat the price level of this commodity. Another disquieting feature of exports is the declining trend in the offtake by the U.K., Canada and Australia. The Cashew and Pepper Export Promotion Council, ever since its inception in 1955, has been making efforts to promote shipments of cashew kernels to foreign countries. Apart from the work normally dealt with, the Council has been operating an export promotion scheme, whereby exporters of kernels are assisted in securing allocations of tin-plates for fabrication of tins in which this commodity is exported, on the basis of their export performance. The scope of the scheme was widened last year to include box strappings and raw cashewnuts. The Council proposes to introduce a voluntary quality control scheme. The following table shows at a glance the recent trends in exports of cashew kernels to the major countries:

(Value in lakhs of rupees)

	1959	1958	1957
U.S.	1,060	1,094	1,096
U.S.S.R.	183	201	93
U.K.	78	94	115
Canada	55	56	61
West Germany	35	22	21
Australia	27	28	34
East Germany	23	2	17
France	11	3	..
Total (including others) ..	1,518	1,547	1,473

As the above table shows, the U.S. is the major buyer of cashew kernels from India Of late, the U.S.S.R. has also started buying sizable quantities. The exports of kernels are now confined to few markets. In fact, the need for diversifying the market for cashew kernels was particularly stressed by the Export Promotion Committee in its Report in 1957. There is reason to feel that the scope for expanding their exports, particularly to countries with high standards of living, is good. Cashew kernels, it may be noted, are being increasingly used in advanced countries for flavouring sweetmeats and cakes and in the preparation of chocolates. It may be recalled that the Indian Government trade delegation (leader: Mr. K. B. Lall), which recently visited Western Europe, disclosed that cashewnuts were becoming increasingly popular for cocktail parties and had been introduced for retail consumption with encouraging results by departmental stores in Switzerland. The delegation stressed that a substantial market for this commodity could be expected, if arrangements were made for export of cashewnut kernels in airtight packages and containers through departmental stores and import houses specialising in foodstuffs. Exports of cashew kernels from India to the European Common Market countries (West Germany, France, Italy and Benelux countries), no doubt, rose from Rs. 23 lakhs in 1957 and Rs. 38 lakhs in 1958 to Rs. 46 lakhs last year. But they are still small.

Survey of Belgian Market

In this context, mention may be made of a supplement, *Market Survey on Cashewnuts in Belgium*, brought out by the *Journal of Industry and Trade*, published by the Ministry of Commerce and Industry, Government of India. India's exports of cashewnuts to Belgium rose from Rs 1 lakh in 1957 to Rs. 3 lakhs in 1958, but they fell last year to Rs. 2 lakhs. The survey covers only upto 1958, but it is still useful in finding out the major trends in consumption of this commodity in Belgium. The survey has also analysed the price structure of the various types of kernels in the Belgian market, apart from briefly examining such related questions as packing and marking, distribution and marketing methods as well as import and other restrictions. According to this survey, the Belgian market for cashewnuts is totally supplied by imports—virtually all of Indian origin. The major portion of imports is used by chocolate manufacturers in the production of marzipan, and the rest for private consumption, usually in the form of roasted or salted nuts. Cashewnut is substituted for almond nut when manufacturers of marzipans consider the latter's price to be prohibitive. It is pointed out, however, that "the more reputable chocolate manufacturers never use cashewnuts in place of almonds, because, in their estimation, where taste and delicacy are concerned, these two kinds of nuts do not bear comparison."

On the question of packing, the survey observes:

"As the method of packing employed is considered perfectly suitable by those in the trade, there would seem to be no need for modifying it. There is, however, one point of some importance which should be raised. The exporter should always pay very close attention to the sealing of the tins, ensuring that they are absolutely airtight, for the least penetration of air would give rise to the hatching of tiny maggots in the cashew nuts which then become unsaleable. It has proved very difficult to discover those little leakages when the goods enter the country. When they do arise, the merchandise is apt to putrify and, as it cannot generally be declared damaged, no claim for loss can be made."

Apart from the questioning of packing and marking, the exporter should, the survey emphasises, devote particular attention to respect the time of delivery arranged by the buyer, "for their non-observance can cause considerable difficulty to the importer during certain festive seasons such as Christmas and New Year."

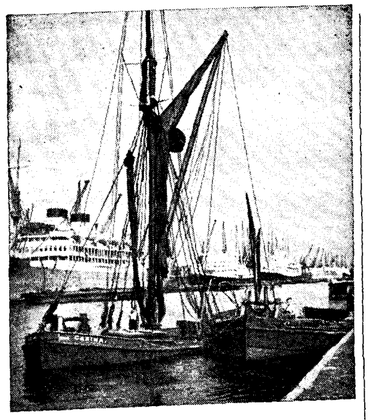
Future Demand

Commenting on the trend of future demand for cashewnuts in Belgium, the survey says as follows:

"It is very difficult, if not impossible, to make even an approximate estimation of the future sales of cashewnuts because the quantities imported will doubtless continue to depend to a very large extent on the fluctuation in the price of almond nuts. On the other hand, in view of the quality attributes of almonds, to which high-class marzipan manufacturers seem to attach much importance, it is uncertain whether an increased price differential between cashewnuts and almonds, made possible, say, by a cut in the price of cashewnuts, would positively help to expand sales for marzipan production. A small reduction in price might have little effect on sales; a larger reduction might give rise to retaliatory action by suppliers of almonds.

"It is equally uncertain whether a reduction in the price of roasted or salted cashewnuts would promote sales in this direction, in spite of the stimulus to demand by classifying them as a luxury item. In this instance, it would seem that the operative factor in expanding the volume of cashewnuts sold is an increase in the public taste for cocktails and other alcoholic drinks—a matter which lies outside the scope of this report."

It must, however, be pointed out that the so-called "public taste" can be stimulated only by ensuring greater and more effective publicity and propaganda. Therefore, one fails to understand why the survey holds the view that "publicity would not really serve any useful purpose." In respect of import and other restrictions, the survey points out that cashewnut imports are totally free from restrictions of any kind and the position is not likely to be changed in the foreseeable future. It, however, does not seem to have taken into consideration the probability of Belgium having to raise its import duty on kernels from the existing 5 per cent. to 7½ per cent., the level proposed for all the Common Market countries.



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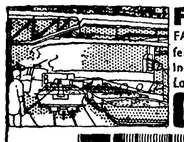
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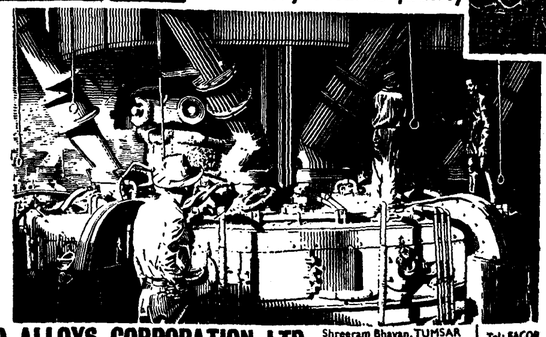
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ENGINEERING INDUSTRIES GET RS. 1,200 CRORES

PROGRAMMES UNDER THIRD PLAN

EXPANSION and diversification of capacity of the heavy engineering and machine building industries and increased production of steel, aluminium, mineral oils and other goods are among the objectives of the third Five-year Plan for engineering industries. The overall outlay envisaged for industrial and mineral programmes in the Draft Outline of the Plan is about Rs. 2,500 crores (net)—Rs. 1,500 crores in the public sector and Rs. 1,000 crores in the private sector. Of this total, the share of the metallurgical and engineering industries alone is Rs. 1,200 crores, while minerals receive Rs. 405 crores.

The development programmes for steel cover expansion of capacity for mild steel (rolled), for alloy, tool and special steels, including stainless steels (rolled), and for pig iron for sale. The requirements of finished steel and of pig iron for sale by 1965-66 are estimated at 7.3 million tons and 1.5 million tons respectively; the overall demand for alloy, tool and special steels is placed at 200,000 tons. The programmes, now included in the third Plan, envisage a capacity target of 10.2 million tons of mild steel ingots, 1.5 million tons of pig iron for sale and 200,000 tons of alloy tool and special steels (130,000 tons in the public sector and 70,000 tons in the private sector.

The contribution of the private sector towards the increased production of mild steel and pig iron for sale is expected to be relatively small. The principal contribution to be made by the private sector is in the sphere of scrap-based steel billets in electric furnaces. The additional output to be obtained in this manner is about 200,000 tons. A pig iron plant based on low shaft blast furnace techniques and use of coke from Neiveli lignite is also included in the Plan. Preparatory work on this scheme will continue, pending firm decisions to be reached in due course. This means that no provision has been made in the Plan for the expansion of either the T.I.S.Co. or the I.I.S.Co. Inclusive of the capacity of the main producers in the private sector (3 million tons) and small-scale electrical furnaces, the overall capacity as stated at the outset, is expected to be 10.2 million tons of steel ingots. The target capacity for steel ingots and free pig iron in the public sector is:

(In million tons)

Bhilai—steel ingots 2.5 and free pig iron 0.3; Durgapur—steel ingots 1.6 and free pig iron 0.3; Rourkela—steel ingots 1.8; Mysore Iron and Steel Works—steel ingots 0.1; Bokaro steel plant (new)—steel ingots 1.0; free pig iron 0.35. Total—steel ingots 7.0 and free pig iron 0.95.

Having regard to the limitations for the end-products planned for production in Bhilai, namely, rails and heavy structurals and also to the time lag normally allowed for reaching full output, the production of finished steel in 1965-66 is expected to be of the order of 6.9 million tons, though ingot production might be some 9.5 million tons. The overall investment outlay on main steel plants and ancillary facilities is placed at Rs. 571 crores. The provision actually made at present is Rs. 506 crores, which is expected to be supplemented by additional funds from the allocation for industrial townships separately made. Even so, there would be a marginal shortfall in relation to investment requirements mainly in respect of ancillary facilities. If required, upward adjustments would have to be made in respect of this Plan provision in due course.

Industrial Machinery

Much new capacity for industrial machinery, particularly foundry-forge capacity, is expected to be established in the public sector. Capacity for 45,000 tons of steel castings, 30,000 tons of grey iron castings and about 70,000 tons of steel forgings will be created at Ranchi. Further capacity will become available from foundries attached to the steel plants at Durgapur, Bhilai and Rourkela, to the Heavy Electrical Project, Bhopal, to the Mining Machinery Project, Durgapur and to Hindustan Machine Tools. A foundry is under construction in Chittaranjan Locomotive Works, too. The total capacity will reach 135,000 tons of grey iron castings, 73,000 tons of steel castings and 76,700 tons of steel forgings.

The Heavy Machinery Plant at Ranchi will, on its expansion to 80,000 tons output per year, be able to supply the bulk of the equipment required for adding to steel-making capacity at the rate of about one million tons annually. The mining machinery project at Durgapur will have an annual output of 45,000 tons of equipment. The programme for heavy electrical equipment envisages production of a wide range of electrical equipment sufficient to enable power generation to be increased at an annual rate of 2 million kw. from 1971 onwards. It is designed to produce heavy motors, rectifiers and control equipment; it will also produce high pressure boilers for thermal power plants, with an annual capacity of 19,000 tons. The production pattern in Chittaranjan will be diversified so as to produce electric locomotives, pressure vessels and allied equipment for fertiliser and chemical plants, components of heavy structurals and cranes.

Machine Tools

The demand for machine tools is expected to go up from the current level of Rs. 20 crores to Rs. 50 crores by 1965-66. Provision has been made for the expansion of Hindustan Machine Tools and Praga Tools and for the establishment of a new heavy machine tool unit. The combined output of these works and the ordnance factories will be Rs. 11 crores. The difference between this level of output and the target of Rs. 30 crores by the end of the third Plan will be left to be covered by the private sector. Among other programmes in the third Plan, mention may be made of a proposal for the manufacture of control instruments with an ultimate turnover of Rs. 20 crores, manufacture of optical glass and expansion of designs organisations in Hindustan Steel Ltd., and Sindri Chemicals and Fertilisers Ltd. In terms of value, the total output of machinery in the public sector is expected to go up to Rs. 200 crores per annum by 1965-66.

Oil

By the end of the third Plan, the demand for petroleum products, it is estimated, will go up to 10 million tons, as compared with 6.28 million tons in 1959. Oil India Ltd., which is exploiting the reserves in Assam, will achieve an annual production of 2.75 million tons of crude oil. The allocations suggested for the third Plan provide Rs. 115 crores for further exploration, with a view to establishing additional production. The Government of India has decided to invite foreign oil explorers to join the quest for oil in India, subject to mutually acceptable terms. Offers, it is stated, have been received in response to this invitation; they are under examination. Meanwhile, a provision of Rs. 5 crores has been made for oil distribution in the public sector.

Early in 1962, the State will be entering the field of petroleum refining. With the completion of the Nunmati and Barauni refineries, the share of the Government in indigenous refining capacity will be 34 per cent. of the total. The expected production from all refineries (including public sector refineries) by 1965 is 7.05 million tons, whereas estimated requirement by that year will be 9.96 million tons; there will thus be a deficit of 2.91 million tons. The chief products in expected production (in thousand tons) with figures in brackets indicating estimated requirements of these products in 1965 are: kerosene 1,100 (2,200); high speed diesel oil 1,300 (1,800); motor spirit 1,700 (1,300); aviation turbine fuel (300); aviation spirit 100 (60); furnace oil 1,700 (2,200); light diesel oil 500 (700); bitumen 400 (700); jute batching oil 100 (100); vaporising oil, mineral turpentine, solvent oil and paraffin wax 50 (100) and lubricants 100 (500). These figures suggest that, whereas there will be surplus in some products, there will be deficit in certain others. It is proposed to adopt technological and fiscal measures, in order to provide some solution for the problem of imbalance in the supply and demand for different petroleum products.

Private Sector

In the private sector, large-scale developments are proposed in respect of a wide range of engineering equipment. Targets have been proposed for agricultural machinery, construction equipment, electrical and transport machinery. It is emphasised that the targets for 1965-66 "should be achieved as quickly as possible on the basis of maximum indigenous content specified in each case." The "consortium approach" for manufacture of machinery, which has been adopted in respect of sugar mill machinery, may facilitate a speedy advance in these fields. Standard sizes are contemplated for machinery. Thus, the programme envisages 6 to 7 plants for cement mill machinery, with capacity for 500 tons per day, 4 large plants for paper mill machinery with 50 tons capacity per day, 4 small plants with 10 tons per day, 14 plants for sugar mill machinery capable of crushing 1,000 to 1,200 tons of sugarcane. The targets for the value of production by 1965-66 are: Rs. 4 to Rs. 5 crores for cement mill machinery, Rs. 6 to Rs. 7 crores for paper mill machinery and Rs. 10 crores for sugar mill machinery. For automobiles, the targets for 1965-66, with estimated production in 1960-61 in brackets, are: passenger cars 30,000 (20,000); commercial vehicles 60,000 (28,000); jeeps and station wagons 10,000 (5,500); motor cycles scooters and three-wheelers 48,000 (16,000). The target for commercial vehicles includes 4,000 units expected to be supplied by the Ordnance establishments.

Non-ferrous Metals

In the field of non-ferrous metals, aluminium is expected to continue to retain its dominant position in the third Plan. The target of 82,500 tons to be hit by 1965-66 is expected to be reached as a result of the projects already recommended for implementation, namely, (1) expansion of Indian Aluminium Company's plant at Hirakud by 10,000 tons per year; (2) establishment of a smelter at Rihand of 20,000 tons per year; (3) a smelter at Salem with a capacity of 10,000 tons; (4) a smelter at Koyna with a capacity of 20,000 tons; (5) expansion of the plant of the Aluminium Corporation of India by 5,000 tons per year. Among other non-ferrous metals, the production of zinc is expected to be achieved for the first time in India by the middle of the third Plan period. By then, the zinc smelter based on zinc concentrates from the Zawar mines is expected to be commissioned; its annual capacity will be 15,000 tons. Along with the increase in the mining of the lead-zinc ores for maintaining the zinc smelter in full operation, additional output of lead is envisaged. The zinc smelter is also being equipped to operate a by-product sulphuric acid plant based on smelter gases which will be used for the manufacture of phosphatic fertilisers. Finally, the production of electrolytic copper is also expected to commence in the early years of the third Plan period, with the commissioning of the unit at Ghatsila by the Indian Copper Corporation.

29 MILLION TONS OF CRUDE PROVED IN ASSAM'S NEW AREAS

An independent firm of internationally-known geological consultants, DeGolyer and MacNaughton, has confirmed that the recoverable crude oil reserves amounting to 29 million tons have so far been proved to exist in the Upper Assam areas to be developed by Oil India Private Limited. The estimate is based on the latest appraisal of potential production data obtained from Nahorkatiya and Moran oilfields. The additional reserves indicated, but not confirmed by testing hitherto, have been appraised at approximately 13 million tons. In addition, it is hoped that the further drilling planned will establish the presence of a further 20 million tons of recoverable reserves, and that together these reserves will enable the combined oilfields to produce at a maximum rate of three million tons per annum for an estimated minimum period of 15 years. The maintenance of this rate of production will, however, depend on the continued success of the drilling still to be carried out. It has been arranged that DeGolyer and MacNaughton will re-appraise the reserves at six-monthly intervals.

CALTEX REFINERY

A sizable decline of Rs. 16.47 lakhs to Rs. 1.55 crores in the profit (after provding for depreciation) of Caltex Refining (India) Ltd., (Managing Director: Mr. J. R. Price, Bombay) is reflected in the report and accounts of the Company for the year ended 31st December, 1959, notwithstanding the fact that there was a substantial increase in the total crude processed during the year; the throughput of 6.20 million barrels of crude resulted in 6.03 million barrels of refined products, as against 5.48 million barrels and 5.30 million barrels, respectively, in 1958. Out of this profit, the Directors have transferred Rs. 62.18 lakhs to tax equalisation reserve and Rs. 4.48 lakhs to development rebate reserve, leaving a balance of Rs. 88.79 lakhs to be carried forward to next year. In effect, no dividends are declared for last year.

This "less favourable" financial result is attributed to two factors. In the first place, the Directors decided, with effect from 1st October 1959, to surrender to the Government the Company's right to duty protection on motor spirit which represents As. 2 per gallon. It is pointed out that the effect of this surrender will "bear more heavily on future years." Secondly, the Government of India, it is stated, issued an order limiting the incidence of duty protection accorded by the Letter of Agreement governing operations of the refinery, to the estimated production figures referred to in the Letter of Agreement. For the purpose of applying this ceiling, the excise authorities include quantities that are exported from India under bond, and on which duty protection would not in any case have been received. The Directors do not agree that the order imposed reflects the meaning of the Letter of Agreement, nor that the method of implementing the order, as it affects exports under bond, is equitable. It would appear that "representations expressing these views have been made through the proper channels without success to date."

The balance-sheet total of the Company has increased from Rs. 14.80 crores to Rs. 16.32 crores. Besides ordinary capital of Rs. 4.50 crores, the Company has reserves and surplus aggregating Rs. 4.10 crores, debenture-stock (5½ per cent. 1966-70) of Rs. 2.0 crores, unsecured loans and other liabilities of Rs. 5.72 crores. Assets include fixed capital expenditure of Rs. 12.35 crores net after depreciation (Rs. 2.20 crores), book debts Rs. 2.43 crores and stores and stocks of Rs. 81.22 lakhs. The Company is still awaiting the sanction of the Controller of Capital Issues for the issue of Rs. 1.50 crores of preference capital designed to implement the agreement executed with the Government of India regarding the establishment of the refinery. It made the application to the Government as long ago as November 1958.

The Directors point out that the training of Indian employees to replace overseas personnel continued satisfactorily during the year and is reflected by the decrease in the number of overseas personnel from 47 at the start of the year to 30 as on December 1959. The high level of employee response to the numerous training and development programmes provided by the Company may be visualised by the fact that the refinery maintenance and repair work, carried out during a complete plant shutdown towards the end of 1959, was planned, scheduled and accomplished entirely by Indian staff. The "shutdown work," it is stated, was completed with an excellent standard of efficiency in two weeks' time.

ASIAN HIGHWAY MEETING

Another important step towards the eventual completion of an Asian Highway was taken in Bangkok this week when the Expert Working Group of the Economic Commission for Asia and the Far East on International Highways met at Bangkok from 4th to 6th July. This meeting of Zone I of the Asian Highway brought to an end the second series of such zonal meetings, which have been held in Bangkok, Dacca and Karachi. At the meeting just ended, experts from Burma, Cambodia, Laos, Federation of Malaya, Thailand and Viet-Nam reached final agreement on the routes to be included in their portion of the proposed Asian Highway network, and established certain priorities, e.g. for connecting adjoining countries and upgrading substandard routes. They also made a number of recommendations concerning uniform road signs and signals and provisions governing motor vehicles in international traffic. In reviewing the progress already made in the implementation of the project, the Working Group emphasised the tourist potential of the highway, and recommended that tourist officials be associated with Government experts in the development of international highways, particularly when dealing with such aspects as passports and frontier formalities.

The Expert Group spelled out the external aid which would be required for the development of the proposed routes, including equipment, construction materials and expert technical advice. It requested E.C.A.F.E. to use its good offices to obtain fellowships from international and other sources in order to enable engineers in direct charge of the international highways to visit Europe and America and observe current methods of operating international highways in those areas. A code on a uniform system of road signs and signals in the E.C.A.F.E. region was adopted, and the Expert Group further recommended the adoption of certain provisions applicable to motor vehicles in international traffic, including regulations concerning registration numbers, identification marks, and dimensions and weights of vehicles on international highways.

C.I. REACTOR

The Canada-India reactor reached criticality on 10th July. Announcing this at the Press conference in Bombay last week, Dr. H. J. Bhabha said that, in the next few weeks, various circuits would be tested, minor faults in instrumentation removed and the reactor power gradually raised to the maximum rated capacity of 40,000 kw.

Dr. Bhabha also announced that Bombay would soon have an "atomic garden" where radiation effects on plants and seeds will be studied on an experimental scale; it would be the second garden of its kind in the country, the first being in New Delhi. He said that, if each plant in this garden was grown separately and seeds and plants were mutated with radiation, they would be able not only to conduct experiments on plants and seeds, but would also be able to produce new species. In the New Delhi garden, they had already succeeded in producing new strains of wheat and rice. Radiation, he said, had enormous possibilities in such fields as sterilisation and food preservation. Among other things, it could help prevent the sprouting of potatoes kept in cold storage. Experiments in preserving mangoes had been in progress. If they succeeded, it would be a great boon to mango-growers. They would then be able to supply the fruit out of season and also export it. It would appear that experiments on silk cocoons, similar to those carried out in the U.S.S.R., would be undertaken. Through radiation, Russians were able to produce a better variety of silk within a shorter time.

EMPLOYERS' LIABILITY ASSURANCE CORPORATION LTD.

RECORD RESULTS ACHIEVED IN 1959

IN the course of his statement circulated along with the report and accounts of the Employers' Liability Assurance Corporation Ltd., for the year ended 31st December 1959, the Chairman points to the many advantages that will flow from the merger of the Corporation with the Northern Assurance Company Ltd. The benefits are ideal geographical distribution of business, balanced portfolio, the great financial strength of a joint undertaking and economics available to large units. Referring to the results for 1959, he says that the underwriting profit of £1.53 million and the total profit after taxation of £1.19 million are "the best results we have ever shown, the total profit being a record one."

The following are extracts from the Chairman's statement:

"First I must refer to the merger of the Corporation with the Northern Assurance Company Limited, which became effective last month. Your Board is very gratified that by it we—and we believe also our new partners—will obtain the following advantages which we consider to be of cardinal importance. First, the merged organisation will have an almost ideal geographical distribution of business. Secondly, its portfolio will be balanced satisfactorily as between Life, Fire, Accident and Marine insurance. Thirdly, there is the great financial strength of the joint undertaking. Fourthly, there are the economies, available only to really large units, that are bound to result from the combination of two organisations which in many parts of the world, and notably in the United Kingdom, can eventually operate with branch offices under one management and one roof.

Merger

"I want to say a little more about this aspect of the merger, as I think it right that you, as well as the staff of the Corporation, should be clear as to what policy is going to be followed. We and the Northern have stated that the interests of all members of the staff of each company will be fully protected. The Boards of both Companies are agreed that the first steps towards integration are to be considered without delay and are to be implemented as suitable occasions for joining forces present themselves from now on, but that no action shall be taken to this end without regard to the special circumstances of each territory and the rights and interests of the employees there of each of the two Companies. Any consolidation of management or reduction in staff numbers due to co-ordination of the two companies will be effected primarily by not filling vacancies caused by retirement or normal wastage. There may, however, turn out to be exceptional cases where two branches can be combined, without waiting for appointments to become vacant, but these will be on such terms as to take care of the interests of all concerned. It follows that we expect integration, though it is to begin as soon as practicable, to be a gradual but continuing process. It cannot, of course, be completed for a number of years. Without integration, the merger can only be partly successful. With it, essential economies are possible, but the protection of staff interests will always be our aim, and there is no doubt that those who are at present young in our service can look forward to the prospect that there will be many responsible positions to aim at in the much larger and expanding organisation.

"We are confident that our union with the Northern is going to be welcomed by the brokers and agents of both companies. They are in a position to appreciate the advantages of it that I have listed above. It is quite certain, moreover, that integration will have a very beneficial effect on the service which we can provide for them.

Results for 1959

"It gives me great pleasure to be able to report that the Corporation and its subsidiary companies earned for 1959 an underwriting profit of £1,530,398, and a total profit after taxation of £1,194,572. These are the best results that we have ever shown, the total profit being a record one. As was forecast in my letter to shareholders of the 22nd January, 1960, a second interim dividend (in lieu of a final dividend) has been declared for 1959 by your Directors, making with the first interim dividend of 2s. 6d. per share a total of 7s. per share, or 35 per cent., an increase of 1s. 6d. per share on the total paid for 1958. After provision for the net cost, £428,750, of this increased dividend, and placing £250,000 to contingencies account, the carry forward of our consolidated profit and loss account amounts to £1,806,199. £515,822 more than at the end of 1958.

Premium Income

"The total premium income of our Group increased by £2,559,619, or 6 per cent., to £44,515,855. Though much of this increase was in the United States, all major branches contributed to it, and there was an increase of over £650,000 in Fire premiums, which have more than doubled in volume in the past five years. Thus our management has most sucessfully carried out the policy laid down for it some years ago, that of developing our Fire account as rapidly as was consistent with sound underwriting. In considering 1959's results, the return to profitability of our Fire account should be set against the background of this resolute development, and the total underwriting profit for the year against the background of our steady all-round growth.

"Of the underwriting profit for 1959 the major part was earned in the United States of America. Many factors account for our success there, but I would like to call your attention especially to two important ones. First, there is the benefit that we have obtained from the care that has been taken for some years past in the underwriting of our business, especially the important classes such as compulsory motor insurance. Secondly, there is the saving that has been made by a further reduction in the ratio of our expenses to our premium income. This deduction reflects the benefit of mechanised processes, introduced some years ago and yielding more and more saving as the volume of business increases, but it is also due to constant supervision and examination of methods with a view to improving and standardising them on the most efficient and economical lines. Both are tributes to the careful and far-seeing management of our United States Branch. The prospects for the United States are still, particularly for motor business, rather unsettled, but we feel that the root sources of the striking recovery that we have made in the last two years are such as will help us in 1960 and in the future.

Staff

"Let me conclude by reminding you of the reference that I made last year to the work of Mr. Keysell and the officials and staff. I told you then how resolutely they were tackling the difficulties with which they were faced. It is pleasant to be able to point simply to the results that have been achieved, especially in the United States under the guidance of Mr. Frank J. Carey, in justification of my words. Certainly the profit of one year does not prove by itself the efficiency of an insurance company, but, in times which all must agree are arduous, I hope you will feel that so fine a recovery, is evidence that your affairs are in good hands."

SETTING UP NEW UNITS FOR MANUFACTURE OF GAS CYLINDERS

The Government of India has decided to permit the setting up of units for the manufacture of gas cylinders in the country. The decision has been taken, in view of the large-scale expansion in the production of various industrial gases likely in the next few years and the corresponding rise in the domestic demand of cylinders for bottling and transporting these gases. While the sizes and specifications of the cylinders vary according to the nature of the gases, it has been estimated that, by the end of the third Plan, about 100,000 cylinders would be required. By the end of the fourth Plan, the domestic requirement is expected to be double this number.

In forwarding their proposals to the Union Ministry for Commerce and Industry, for Government approval, intending *entrepreneurs* have been asked to indicate particularly what arrangements they have made for importing the required capital equipment. The Government would prefer import of capital equipment through the utilisation of the share of the foreign collaborator in the capital structure of the scheme. Import of capital machinery and equipment required for the project under long-term credit arrangements or long-term deferred payments acceptable to Government or through rupee payment arrangements will also be considered.

The applicants should also indicate the terms of royalty and other technical fee which involves payment in foreign exchange. Details regarding the manufacturing process, arrangements for securing the necessary raw materials, etc., should also be furnished. The proposals should be submitted before the end of 1960.

AMAR DYE-CHEM LIMITED

SPEECH OF THE CHAIRMAN, MR. A. K. DOSHI

THE following are extracts from the speech delivered by the Chairman, Mr. A. K. Doshi, at the Sixth Annual General Meeting of the Shareholders of the Amar Dye-Chem Ltd., held at Bombay on 11th July, 1960:

"GENTLEMEN,

"It is my proud privilege and pleasure to welcome you all here this afternoon to the sixth annual general meeting of the Company.

"As we are meeting soon after the historic event, before I start my speech, I would ask you to join me in paying our tributes to the two new States that have emerged, viz., Maharashtra and Gujarat, after the bifurcation of the erstwhile bilingual State of Bombay, and in praying that they may be rich in resources, talents and enterprise.

"The balance-sheet and profit and loss account for the year that ended on the 31st of December 1959 together with your Directors' report and the Auditors' report have been already sent to you separately. With your permission, I take them as read.

Year of Consolidation and Development

"The year under review may be considered a year of consolidation and development. It is the fourth year of our commercial production. The year's working has resulted in a sharp rise in profits. This is due, in large measure, to purposeful and profitable utilisation of enlarged resources rendered possible by the sustained demand for the full range of our products.

Balance Sheet and Profit and Loss Account

"I shall now proceed to deal with some of the salient features in the Company's balance-sheet and profit and loss account for the year 1959.

General Reserve Fund

"The exceptionally good profits have enabled your Directors to create a general reserve fund by transferring the substantial sum of Rs. 7,50,000 and it is not designed to meet any liability, contingency, commitment or diminution in value of assets known to exist at the date of the Balance Sheet, but available for utilisation towards redemption of the Preference Shares.

Development Rebate Reserve and Development Reserve

"It is to be recognised that the allocations for the year under report to the 'development rebate reserve' and 'development reserve,' amounting to Rs. 1,03,882 and Rs. 12,32,673 respectively, are profits ploughed back into the business of the Company. Such appropriation of earnings retained in the Company are essential elements in a capital-intensive industry like that of ours and especially so when the Company is engaged in a forward looking programme of expansion.

Depreciation Reserve

"Further, the amount of Rs. 8,81,573 is a provision for depreciation for the years 1956 and 1957 and is retained by way of providing against diminution in value owing to wear and tear. All these reserves and further increase in some of them are essential and are dictated by a policy of prudent stewardship of your affairs, as chemical plants are not calculated to possess good life. In this case, I must comment on the unsatisfactory depreciation allowances in the matter of chemical plants under the I.T. Act as they are prescribed by rules made when there were no chemical plants in India.

Sales

"The sales have been exceedingly satisfactory in the year under report, as they are 62 per cent. higher than those for the previous year. This is because we have an efficient distribution system, which apart from assuring proper offtakes also stimulates new demands.

Capital Expenditure for Fixed Assets

"As already intimated in the Directors' Report, we have built residential flats to accommodate on site, needy members of staff and new recruits, as it is extremely difficult for them to find accommodation in the over-congested city of Bombay and the suburbs roundabout. For these and other additions we have made capital expenditure to the extent of Rs. 12,66,696 and they were towards additions in the buildings, plants and machinery, etc., which were necessary to create proper plant and working facilities and to reduce the operational costs.

Recapitulation of the Ranges of Products Manufactured

"It would be interesting to recapitulate here how your Company's range of products have been placed on the market.

"*Amarthol Plant*: The first trial batch was charged in Amarthol Plant on 18th May 1956. After some trial runs, the regular production was started in the last quarter of 1956. Seven varieties were put on the market in 1956, four more were added during 1957 and 1958, making a total of eleven. The range was further expanded by adding three more items making a total now of fourteen important Amarthols. It can be safely asserted that your Company manufactures almost the full range of Amarthols, except one item, viz., Naphthol AS-LB, which may be added shortly.

"*Fast Base Plant*: At the fag-end of the year 1956, this plant was commissioned and only one item, viz., Fast Scarlet RC Base was made in 1956. During 1957 seven more products were added so that the total was brought up to eight. Six more important items were manufactured in 1958 and one more Base, viz., Fast Blue BB Base, was marketed in 1959. Thus, fifteen different varieties of Fast Developing Bases are now manufactured regularly.

"*BON Acid Plant*: This plant although ready in 1957 did not work satisfactorily till November 1958. There were mishaps twice. A new heating system has been installed and regular production has been established. The plant has worked for the whole year of 1959 and helped us to save foreign exchange of approximately Rs. 7,00,000 from the allocation of raw materials to us, which has been, unfortunately, stationary for the last three years, inspite of considerable increase in production. Due to foreign exchange difficulty, the Government of India finds it difficult to allot increased foreign exchange to meet our expanding requirements.

Progress of Production and Sales

"In spite of all these difficulties, the production and sales steadily mounted up, which could be seen from the following figures:—

	Production in metric tons (approximate) Amarthols and bases	*Net sales*
		Rs.
1956	83	3,85,200
1957	365	46,24,000
1958	400	1,06,28,000
1959	775	1,72,40,000

"During the year 1959, the performance of Fast Base Plant was excellent. The plant that was designed to make 300 metric tons is now capable, after certain modifications, of making about 600 metric tons and in some months, the average figure of 50 metric tons per month was reached. Want of raw materials is the only bottleneck for production to the full capacity.

Increase in the Authorised Capital

"You will have seen that your Directors are recommending that the authorised capital be increased by Rs. 4,00,00,000 and that this be done by creating 4,00,000 shares of Rs. 100 each, which shall, for the time being, remain unclassified. It is felt that an expansion in the authorised capital is necessary, taking a forward view of the Company's future requirements, and the creation of unclassified shares will allow the maximum flexibility in the capital structure.

Productivity Technique and Quality Control

"We are now busy standardising the quality of our products. Productivity techniques and quality control are being implemented at the factory. We are also developing a properly scheduled and planned scheme to prevent the incidence of breakdowns generally known as 'preventive maintenance.' In connection with all these endeavours, I sincerely hope that all our employees will extend their fullest co-operation so that maximum quality and quantity output could be achieved. I assure the employees that with uninterrupted production and better earnings of the Company, they will also get their due share in the prosperity of the Company.

Labour

"Relations between the employer and employees are getting harmonious and on favourable consideration of certain facilities and amenities the labour problem has eased. We hope the Incentive Scheme that is working satisfactorily will induce sense of realism, maturity and increased awareness of responsibilities in our common and joint endeavour. I presume we shall reach full production target in the near future and the country will be self-sufficient in the dyes manufactured by the Company. Efforts are also being made to enter into a 3/5 years' agreement with the labour union to guarantee industrial peace as recommended by our worthy and far-sighted Chief Minister, Mr. Yeshwantrao Chavan, who is also in charge of Industries portfolio.

Expansion and Diversification. T.P.M. Dyes, Beta Naphthol and Intermediates

"Expansion and Diversification for the Industrial Undertaking' is the principle adopted by your Directors. In course of time, a suitable programme is worked out for economic and rapid development. At present the expansion scheme for your Company is in the matter of products like T.P.M. Dyes, Beta-naphthol and Intermediates. I would like to review them here.

"*T.P.M. Dyes*: The technical Participants, Messrs. A.C.N.A., are working for the Company on designing of the plants for the manufacture of 500 tons of Basic and Acid Dyes of the T.P.M. series and we hope to order out the plant requirements and proceed with the installation as soon as possible.

"*Beta-naphthol*: Your Company hold licence for the manufacture of 1,000 tons of Beta-naphthol—a vital basic raw material for the manufacture of BON Acid, and with the approval of the Government, have decided to go ahead with this scheme.

"*Intermediates*: An ambitious and comprehensive scheme to manufacture important intermediates from basic raw materials has been submitted by your Company to the Government and the same is under their active consideration.

"Your Directors hope to execute all these projects with the minimum of foreign exchange either for technical know-how, or for plants, machinery and equipments. If the sheme is sanctioned by the Government, it will make your Company almost independent of most of the raw materials.

Research Laboratory

"It has been decided to establish up-to-date control and research laboratory at the factory. It shall test, improve and develop new processes discovered during the course of manufacture with respect to our products or make new researches for expansion. In course of time about 50 chemists will be working with the chief. It will be equipped with various pilot plants, so that products developed in the research laboratory may be tried on a pilot plant scale. Thus, you will see that we propose to go on expanding so that within a few years hereafter we shall not have to depend on foreign collaboration for improving our present processes and for the manufacture of additional ranges of dyestuffs. With the raw materials available from the central plant or with those of our own production and with the help of our own research staff, we hope to be completely independent in every possible manner in course of time.

Foreign Exchange for Expansion Programme

"I am glad to inform you that the Industrial Credit and Investment Corporation of India Limited have agreed, in principle, to grant to the Company a loan of Rs. 15 lakhs in foreign currency from the World Bank for expansion of not only our present lines of production, but for expansion of the projects which we have undertaken. With the help of this foreign exchange loan it will be possible for us to purchase new machinery and plant for our Basic and Acid colours projects, new BON Acid plant and partly for Beta-naphthol project also. Thus, your Directors have been successful in tiding over the foreign exchange difficulty which otherwise would have come in our way in successfully implementing our programme.

Thanksgiving

"Before I close, I would seize this opportunity to express our thanks to the staff and all the employees for their continued loyalty and efficient services. With the expansion programme in hand, we shall, I am sure, be faced with a number of problems, many of which may be somewhat different from those we have had to overcome in the past. I am, however, confident that we shall meet any challenge with which the future may confront us.

Thanking Co-Directors

"And I thank my co-Directors for their help and work and their advice in circumstances of business which are by no means easy, hedged about as we are, with taxes, restrictions and laws which tend to make the life of those who work in the private sector more and more difficult."

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

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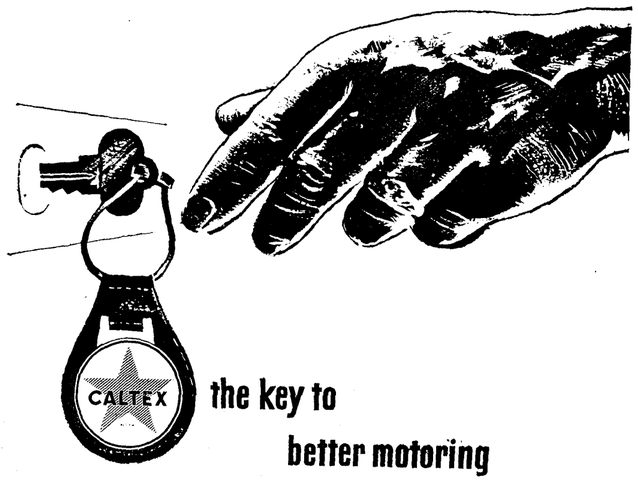

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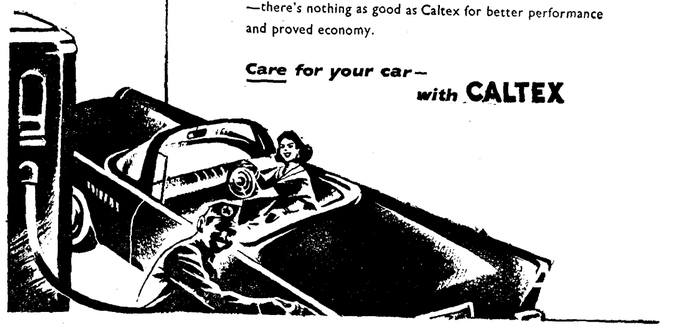

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AUTHORISED CAPITAL	Rs. 1,00,00,000
SUBSCRIBED CAPITAL	Rs. 88,60,000
PAID-UP CAPITAL	Rs. 82,98,990
RESERVE AND OTHER FUNDS (Including Share Premium)	Rs. 83,01,884
DEPOSITS (As on 31st December, 1959)	Rs. 43,92,73,211

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THE METAL BOX COMPANY OF INDIA LIMITED

REVIEW BY THE CHAIRMAN, MR. K. C. MAHINDRA

THE Twenty-seventh Annual General Meeting of The Metal Box Company of India Limited will be held on Wednesday, 20th July, 1960, at 59C, Chowringhee Road, Calcutta. The following is a copy of the Review by the Chairman, Mr. K. C. Mahindra, which has already been circulated to members:

"Once again, it is my pleasant privilege to review a successful year with sales at Rs. 830 lakhs, 19 per cent. over last year's. This increase was achieved notwithstanding unexpectedly poor offtake by the new fish canning and milk processing industries; it is substantially due to your Company's success in enlarging exports and sales of non-tinplate products, namely, plastics, industrial components and machinery made at the newly constituted Calcutta No. 2 Factory. The improved exports I anticipated last year have been realised: we registered a sevenfold increase. We sought markeas far and wide; during the year, we exported goods to Ceylon, Burma, Thailand, Iran, Hongkong, East Africa, Pakistan, Malaya, Italy, the Fiji Islands and Aden, with particular emphasis on the first four. Having established ourselves in these export markets, we can with confidence look forward to a further expansion this year, but for achieving this it is vital that the concessions on tinplate prices applicable last year for export purposes—but reduced progressively since December 1959—should be restored to their previous level.

New Excise Duty

"The new excises on tinplate and aluminium were not imposed until March and have had no effect on the year's operations. But, in view of the success I reported to you last year in effecting, in the face of rising costs, price reductions following greater operational efficiency, these imposts are most disappointing. Faced with the task of bridging a large gap between expenditure and revenue, and in pursuance of a policy of broadening the base of indirect taxation, the Finance Minister, in his latest budget, made use of the fact that there is scarcely any income group in urban India which does not purchase packaged goods; these heavy excises, added to the already abnormally high prices charged for tinplate and aluminium, will bear down upon poor and rich alike. However simple they may be as a device for collecting taxes, these excises have a damaging social side effect with repercussions on the nation's health. This step must adversely affect the province of the Health Ministry, since the most effective single remedy for the evil of food adulteration and the trade in spurious goods is pilferproof consumer packaging. Through its own Research Division, its Technical Development Section and its Technical Consultants overseas, your Company has played a leading part in developing the mass production and sales at economic rates of tamperproof containers which now constitute the major part of its business. The result: instead of being sold loose in unhygienic bulk containers which are a standing temptation to adulteration, an increasing volume of goods is being packed in factory-sealed consumer units. These branded consumer packages—containing from a few grams to a few kilos—may be Notampa-sealed Rigid Tubes, pockets made from heat-sealing aluminium foil laminate, bottles and cans sealed with R.S. closures, open top cans, diaphragm cans, scored cans or cans fitted with capsule overseals. Surely any Government which has declared its intention of beating the problem of food adulteration should encourage the use of these packages.

Sound Packaging at a Disadvantage

"What we find happening in reality is the imposition of a heavy excise on two of our essential raw materials for producing tamperproof packages. With the latest impositions, for example, tinplate will bear some 33⅓ per cent. in the form of excise, sales tax and the levy for the Steel Equalisation Fund. Likewise aluminium will now cost your Company—and ultimately the public—almost twice as much as it does manufacturers in the U.S.A. and U.K. Particularly affected by this increase will be the R.S. Closure which has been accepted in the last six years as the most efficient seal in preventing adulteration and substitution in the ethical drug, fruit drinks, and other beverages trades.

"It may be argued that the excise will not affect the current year's sales, and that there is no harm introducing deterrents against the use of materials in which the country is not yet self-sufficient. No doubt in short-term no damage may be done but the long-term implications are clear: self-sufficiency is in sight both in respect of tinplate and aluminium and there is a simple choice on the one hand between condoning adulteration and, on the other, of encouraging the use of packages which protect their contents from adulteration. By making the materials from which they are produced freely available at the lowest possible prices, much food adulteration could be prevented and the maximum use could be made of the country's installed capacity to protect consumer goods. My hope is that there will be some rethinking in high places and that these discouragements to sound packaging will either be removed altogether or substantially reduced.

Raw Materials

"At the beginning of the year under review, stocks of tinplate were so low that it was not possible to meet adequately the normal demands placed on us by our customers and, to keep packing industries supplied as far as possible, uneconomical sizes of plate had to be used. The position had an adverse effect on the efficiency of our operations.

"It was, indeed, fortunate that indigenous supplies were well maintained. Without these supplies, the delayed arrivals of imported materials would have had serious repercussions on our production.

"Towards the second half of the year, the stock levels had improved but the forward position was still a matter of grave concern. Past experience has shown that the availability of tinplate both at home and abroad can change at very short notice. It is, therefore, essential that we be permitted a stock level which will cover such vagaries.

"Furthermore, because of the length of the order books of foreign producers, it is essential, in today's conditions, that licences are granted for adequate quantities well in advance.

"Having regard to the relatively high capital-output ratio of secondary steel products, it is to be hoped that Government will make available as quickly as possible within the country a capacity of at least 250,000 tons of tinplate per annum. If this is not achieved over the next five years, the development of packaging will be held back.

"The position in respect of supplies of aluminium has also presented difficulties. It was not so many years ago that your Company was asked to make an all out effort to help develop the use of aluminium to provide an outlet for the increased production of aluminium envisaged at that time. Your Company made the effort and its consumption of aluminium increased from 327 tons in 1956-57 to 827 tons in 1959-60. It is hoped the new units licensed for the manufacture of primary aluminium will soon come into production.

"As a result of the efforts of the Company's Research Division, more and more ancillary materials are being developed from indigenous sources and the quality of these products is showing a marked improvement. However, although work is in hand on new formulæ, the supply position needs constant watching as a number of these materials are still dependent on a comparatively small percentage of imported constituents. As you can imagine, this will remain a frustrating experience for all concerned, until a more liberal attitude is possible towards the licensing of such materials.

"As in the past, the full resources of your Company will be concentrated on obtaining the desired materials to maintain its output but in the last analysis its success will depend upon the support received from the Government.

Developments

"I would again like to comment on the new Calcutta No. 1 Factory and I am pleased to report that the improvement in the operational efficiency mentioned last year resulting from the new premises has continued proving beyond all doubt the advisability of building a new factory which allowed of adequate space for well-laid-out equipment and a well designed flow from raw materials to finished products.

"At the rehabilitated old factory, reorganised as Calcutta No. 2, the expanded production of plastics envisaged there, embracing injection moulding, polyethylene extrusion, printing and bag-making, was implemented. I am pleased to report that the establishment of these processes was significantly devoid of the teething troubles normally expected with new projects which reflects well on those responsible.

"The Machinery Building Section of the Calcutta No. 2 Factory has been expanded and now produces for our customers an increased range of closing and ancillary equipment. In addition, it has undertaken the manufacture of individual production machines to help towards the conserving of foreign exchange that would otherwise be required to import the equipment. To the same end, it is undertaking the manufacture of spare parts. Development in these directions must be dependent on the availability of adequate machine tools. If these are supplied, there is the skill and knowledge present to make great progress.

"Your Company's efforts to provide industrial components for many of the new products which are now being manufactured in India continue and the Company's range of these products has widened considerably. It produces many such components which hitherto were imported from overseas.

"During the year, the Company's Technical Development Section was transferred from its existing premises to the Calcutta No. 2 Factory to provide space for the expansion of the Company's Research Division. This expansion was necessary to progress the development of indigenous raw materials and to increase the facilities to meet the manifold packaging problems encountered by our customers.

"The factory at Faridabad, New Delhi, has been completed and the transfer of equipment from the old premises at Azadpur will be effected shortly. Delay in moving was caused by the shortage of power at Faridabad and even now it can only be made available during restricted hours. It is hoped that this position will improve during the current year with the increase in power supply planned by Government.

Rights Issue

"As forecast in my last review, the rights issue at par in the ratio of two new shares for every five shares held was made in December 1959. The money so raised has already been fully utilised.

"It seems to us that, if a rights issue is made at an attractive price, extra care should be taken to ensure that, as far as possible no shareholder loses by his failure to take up the shares to which he is entitled. In our case, only 656 shares were not taken up by the shareholders entitled to them. The Directors decided to allot these to a Board of Trustees who promptly sold the shares at market prices. The profit on sale was then paid to the shareholders originally entitled to the rights shares. By this means, the best interest of all our shareholders was safeguarded.

Industrial Relations

"In the present stage of development, it would be most unusual if I had nothing to report in that most important field of employee relations. There has been a lot of activity. In the main, the good relationship normally found in the Company between management and employees has continued and almost without exception any dispute that has arisen has been settled on a bipartite basis. The negotiations on this basis show an awareness on the part both of management and employees that there must be 'give and take.' I hope that the employees are as proud of their Company as the Company is of the employees.

"The apparently inevitable rise in the cost of living led, during the year, to negotiations in respect of dearness allowance, apart from which, in certain cases, there has been a revision of grading schemes. In nearly all cases agreement was reached on a basis of understanding and friendliness to the mutual benefit of all concerned.

"Last year, it was reported that a revised production bonus had been introduced in Bombay. This has been extended to the other units in the Company with a substantial increase in productivity and a comparable increase in earnings.

"The Directors' offer to increase the level of contributions to the provident fund from 6¼ per cent. to 8⅓ per cent. was much appreciated by the employees of the Company.

"The only tripartite negotiations have been in respect of the hourly rated employees of the Madras Branch. Their demands are still under negotiation on a tripartite basis, but it is to be hoped that ultimate agreement will be reached without recourse to the time-consuming processes of the Industrial Courts.

"In the field of training, there has been considerable development and, as forecast in last year's review, the training staff of the Company has been substantially reinforced. Apart from the training organised within the Company, the Company has participated actively in all available spheres of external training. Only recently, the second course in the Primary Centre established under the Workers' Education Scheme sponsored by the Government was inaugurated in Calcutta at the Company's No. 1 Factory there.

"The Company again offered facilities for parties of employees to visit projects being developed under the Five-year Plans which were attended with continuing enthusiasm.

Staff

"In times of rapid economic expansion, a multiplicity of problems in running a business is to be expected, problems which seem to be inevitable and of a nature difficult to forecast. The officers and staff responded once again admirably to those which had to be faced during the year and I have ever-growing confidence in the ability of our officers and staff to deal satisfactorily with these problems as and when they arise.

"We continue to receive the benefit of overseas training in the U.K. with the Company's Associates there. Within India, we are participating more and more in Management and Technical courses being organised throughout the country and through facilities provided by the National Productivity Council.

"I would also like to make reference to successful efforts to promote social and sports activities within the Company, the importance of which should not be overlooked as a valuable contribution to the consolidation of a fine team spirit so essential to an effective organisation.

"I thank the officers and staff for a year of hard work and successful results.

Visits from Associates

"It was with great pleasure that, towards the end of the year, we welcomed to India Sir Harold Roxbee Cox, Deputy Chairman of The Metal Box Company Limited, England, accompanied by Lady Roxbee Cox, and also Mr. K. D. Brough, Managing Director of The Metal Box Company Overseas Limited. The purpose of their visit was, as representatives of our Technical Consultants, to see at first-hand the industrial expansion so rapidly progressing in India and the developments that had taken place in your Company with a view to assessing in which directions they could make the most effective contributions.

"Whereas we have had the opportunity of welcoming Mr. Brough from time to time over a considerable number of years, it was Sir Harold's first visit and, as a prominent industrialist and a renowned scientist, he evinced keen interest in all aspects of the Company's activities and India's progress. He has subsequently told me how impressed he was and for my part I would like to thank him for the refreshing results of his visit which helped to cement the growing mutual understanding and respect between members of your Company and those of its Associates in the U.K."

FORWARD MARKETS BULLETIN

(Monthly)

Published by Forward Markets Commission
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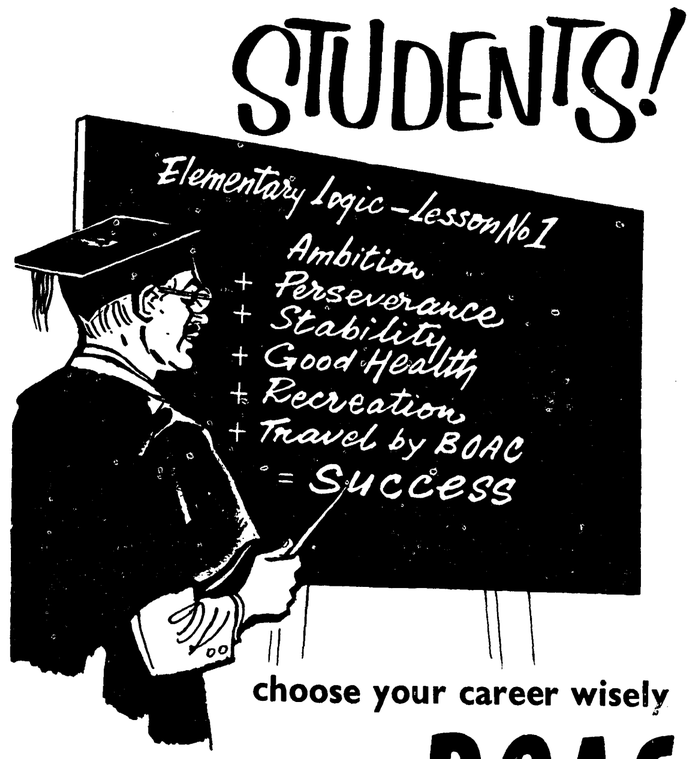

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ECONOMIC AND MARKETING RESEARCH

ITS DEVELOPMENT IN INDIA TRACED

By Shankar V. Borkar

DIRECTOR OF MARKETING AND RESEARCH,
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THERE is no bibliography of research work produced in India, nor is any literature available on the subject. The following information is therefore based on our own knowledge of the situation. The biggest and oldest research project in India, as in most other countries, is the census of population. Decennial census reports are available from 1881 onwards, the last (1951) providing us with much additional data not previously available. Preparations are now being made for the 1961 census, which will bring in still more information of a socio-economic value.

Apart from the census, the conduct of research studies, both economic and marketing, really commences from the period immediately following the First World War. In earlier years, studies were very few in number and confined to subjects of basic economic importance, such as the national income and the marketing of agricultural commodities. The sharp rise in prices which took place at the end of World War I led the Provincial Governments to conduct socio-economic enquiries amongst the working classes for measuring the cost of living. These initial family-budget enquiries were not very scientific and were confined to a few industrial centres. World War II also brought in its wake a sharp rise in consumer prices, which gave impetus for the conduct of working class family-budget enquiries, on more scientific lines, and the construction of a cost of living index.

Planning

The idea of planned economic development was taken up in 1938 by the Indian National Congress, which appointed a National Planning Committee with Mr. Jawaharlal Nehru as Chairman to suggest practical schemes for economic development. The Committee undertook a series of important studies on subjects such as rural and cottage industry, internal trade, transport, etc.

The Planning Commission was set up in 1950 to prepare a plan for the "most effective and balanced utilisation of the country's resources." In connection with the formulation of the first Five-year Plan (1950-51/55-56), the Planning Commission felt the need for reliable data relating to production, consumption, and other aspects of social and economic life in India, and a Central Statistical Organisation was established for the development and processing of statistics. The National Income Committee also was appointed in the same year to report on the national income and related estimates, to suggest measures for improving the quality of the available data, to collect further essential statistics and to recommend ways and means of promoting research in the field of national income. This Committee brought out its final report in 1954, giving estimates of national income for the years 1948-49 to 1950-51 based on a study of all economic activity. Annual estimates of national income have been made since then by the Central Statistical Organisation, using the method outlined by the National Income Committee.

The National Sample Survey was established by the Government of India in 1950 as a continuing sampling organisation to collect essential information through sample surveys. This organisation, working in collaboration with the Indian Statistical Institute, has been collecting data separately for the urban and rural areas of the country in consecutive rounds. They have published about 25 reports on ten rounds and their findings on the pattern of consumer expenditure provide the first national assessment of family budgets at various economic levels. The National Sample Surveys are described in a U.N. report as "the biggest and most comprehensive sampling enquiry which has so far been undertaken in any country of the world."

Special Studies

The Planning Commission and the State and Central Governments frequently organise special investigations into selected problems of development in co-operation with universities, schools of economics, social welfare agencies and other institutions. The Statistical Bureaus of State Governments also undertake a good deal of socio-economic research, mainly in rural areas.

Reports of Government departments and official *ad hoc* committees and commissions are available on such varied subjects as socio-economic conditions of selected States, towns and villages, particular manufacturing industries, rural and urban economic problems, industrial and agricultural labour, agricultural marketing, foodgrains distribution, transport conditions, the condition of the Press, export promotion, etc.

Besides the Plan for the public sector, the Planning Commission has formulated development programmes for 51 types of industries in the private sector, based on a comprehensive study of individual industries with respect to production, consumption, imports, exports, future outlook, etc.

The Tariff Commission was appointed by the Government of India in 1952. It considers the desirability of granting protection to specified industries and for this purpose investigates the working of those industries. The reports of the Commission provide a comprehensive picture of the situation in such industries with reference to markets, growth of demand, etc.

The Department of Research and Statistics of the State-owned Reserve Bank of India conducts studies to obtain information on developments in the economic sphere in general and in the financial and monetary fields in particular. The Department makes available to the public the results of its research work through the Bank's monthly bulletin and also provides a series of official reports and research publications. The Bank periodically carries out investigations of India's foreign liabilities and assets.

The National Small Industries Corporation was set up by the Government of India in 1955 to provide assistance to small industrial units. Among the various schemes which the Corporation undertakes are market research surveys for specific products. A number of such surveys have been carried out and their findings published by the Corporation.

Export Promotion Councils for different commodities were established by the Government of India in 1957 to stimulate exports. These Councils send out trade delegations to various countries to study market conditions for various commodities and publish reports of their findings. Market surveys are also carried out by Commercial Representatives attached to the Government of India Missions abroad. The reports of all these surveys are published and distributed to all manufacturers and exporters of the respective commodities through the Director of Export Promotion.

Census of Manufactures

Comprehensive data on industries are available in the Census of Manufactures annually undertaken since 1946 by the Directorate of Industrial Statistics. This census provides figures of quantum of output, number of persons employed, net value by manufacture and other details. The coverage of the census is being gradually expanded.

So far, we have dealt with official agencies engaged in economic and marketing research. It is clear that there has been a great spurt in research carried out by official agencies during the last decade and the trend is unmistakable that the Central and State Governments are relying more and more on research for formulating their plans and policies.

Private Agencies

Information is lacking on specific research jobs carried out by private agencies, but it is known that all kinds of marketing research work is being handled by them, although the total volume of such work continues to be small. It is only in recent times that a few of the largest producers of goods and services have undertaken their own marketing research. The bulk of medium and small-scale industries do not use marketing research beyond what is provided by the National Small Industries Corporation. The reason is not so much ignorance as a ready market and the high cost of thorough research work relative to other distribution expenses.

The practitioners in this field are a few private organisations, the leading advertising agencies, and some big manufacturers. Among the latter, a few have their own Marketing Research Departments, but others entrust their research work to their advertising agencies or to private research organisations.

A leading manufacturer of consumer goods has organised a Consumer Panel and a Dealer Panel to cater to his own needs. Both the panels are operated in a few cities. In the Consumer Panel, the same person is called upon four or five times a month to find out her purchases of certain types of articles. Thus, a continuous picture of buying habits over a period is obtained. The Dealer Panel is operated

(*Continued on page* 126)

ACC—8/60

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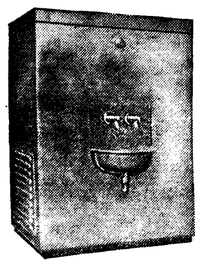

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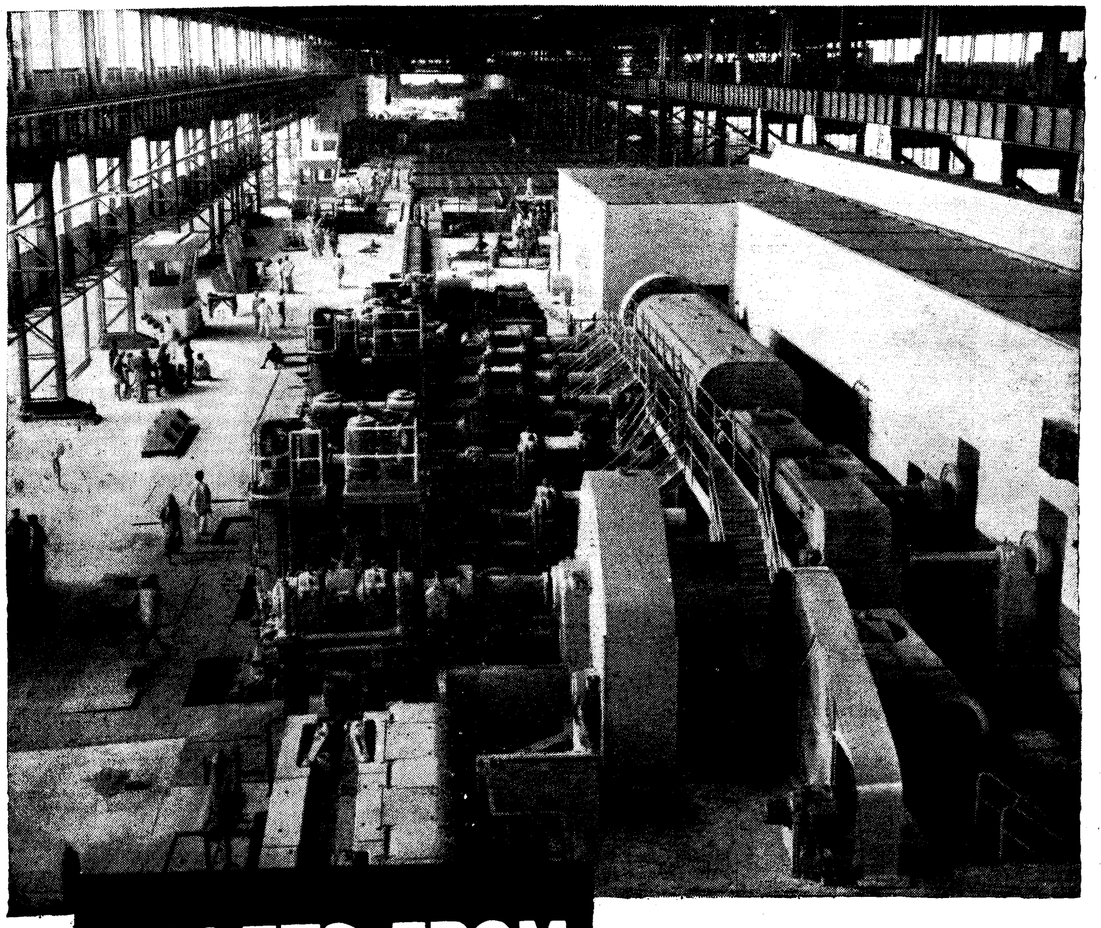

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BRITISH COMPANIES WORKING FOR INDIA

A DECADE OF TECHNICAL ASSISTANCE

U.N.'S SPLENDID RECORD

THE United Nations Expanded Programme of Technical Assistance (E.P.T.A.) completed ten years in 1959 and has now entered its eleventh year. There is no doubt that, during the past decade, the Programme proved to be increasingly well adapted to the needs of less-developed countries and territories and demonstrated its effectiveness as an instrument of international co-operation. With the accession, in 1959, of the International Atomic Energy Agency (I.A.E.A.), the E.P.T.A. now consists of nine participating organisations, namely, the United Nations Technical Assistance (U.N.T.A.), I.L.O., F.A.O., U.N.E.S.C.O., International Civil Aviation Organisation (I.C.A.O.), W.H.O., International Telecommunication Union (I.T.U.), World Meteorological Organisation (W.M.O.) and I.A.E.A., each representing a special field of competence. Together, they encompass almost every field of economic, social and scientific activity.

A disappointing development last year, according to the annual report of the U.N. Technical Assistance Board for 1959, however, was that contributions to the Programme fell substantially short of the level achieved in the previous year. For the first time since the beginning of the Programme, the amount of contributions pledged was less than that promised for the previous year and the actual payment of pledged contribution was less satisfactory than usual. Pledges aggregating $29.66 million represented about $1.65 million less than the amount contributed in 1958. Moreover, actual contributions amounted to only 89.1 per cent. at the end of the year, as compared with 92 per cent. in the previous year. Even more serious was the fact that, on 31st December 1959, approximately $4.7 million remained outstanding in respect of contributions pledged from 1954 to 1959. This is the largest amount outstanding in the history of the Programme.

The report points out that the administrative problems, arising from the pledging of contributions in currencies with restricted convertibility, continue to be burdensome. In order to make fuller use of the various currencies contributed, the Board decided that, beginning in 1960, the currency distribution of available resources should be taken into account in "earmarking" of funds within the allocations made to the participating organisations. While the recent decision of several Governments to make their contributions freely, or increasingly, convertible has relieved the administrators of the Programme of considerable labour and anxiety, the effectiveness of the Programme and the smoothness of its operation, the report adds, would be much improved if other Governments could do the same. There are, it points out, three ways in which Governments could greatly assist the effective operation of the Programme, apart from increasing their pledges: (1) by paying off outstanding arrears in contributions and local cost dues, (2) by paying contributions and local dues as early as possible in the financial year, and (3) by paying contributions, as far as possible, in convertible or readily usable currencies.

Operations

The decline in resources was reflected—although not as drastically as was originally feared—in the level of assistance rendered during the year. Operations under the Programme in 1959 reached a total of $32.84 million, representing a drop of almost one million dollars from the record level achieved in 1958. This was mainly reflected in a reduction in the number of experts in the various fields in which assistance is offered from 2,427 in 1958 to 2,291 in 1959. The amount spent on equipment declined from $3.2 million to $1.9 million. The number of fellowships awarded, on the other hand, increased by nearly 20 per cent. from 1,759 to 2,107.

Notwithstanding the appreciable decline in their number, the experts continued to be drawn from many different parts of the world. This wide geographical range of possible recruitment continues to be one of the most important advantages of the Programme. The 2,291 experts serving in 1959 were drawn from no less than sixty-four countries and territories. In addition to their technical qualifications, they brought to their work a great variety of linguistic and cultural experience. Year by year, the Programme is able to call on an increasing number of experts who have already had practical experience in its service in many less-developed countries. This experience normally brings with it better understanding of the problems of social and economic development and of the human factors which have to be taken into account in dealing with them. It usually makes for better adaptation to conditions of life and service in new environments and for the application of proved measures to analogous situations in other countries. The quality of the men and women who serve the Programme, according to the report, remains, its outstanding asset, and the maintenance of the quality its most important task.

As in previous years, the Programme reflected in 1959, the great care and skill devoted to its preparation by many officials of Government departments throughout the world and of various international agencies. It continued to cover a wide geographic range. As many as 102 countries and territories received assistance during 1959. The distribution of technical assistance among different regions of the world remained much the same, except for a further modest shift in favour of Africa, made possible mainly by slight reductions in the shares of Latin America and the Middle East.

At a time when resources were dwindling, it was only natural that there should be an ever greater concentration than hitherto on projects originating in previous years. In spite of this limitation, a number of new projects were initiated last year in almost every field of activity. Apart from several regional projects, there were sizable undertakings by U.N.T.A. in some thirty countries and territories, U.N.E.S.C.O. and W.H.O. in about twenty countries and territories and by the I.L.O., F.A.O., and I.C.A.O. (International Civil Aviation Organisation) in over ten countries and territories. New projects were also started in many countries by the International Telecommunication Union (I.T.U.) and World Meteorological Organisation (W.M.O.).

New Participant

An important source of new projects during the year under review was the International Atomic Energy Agency (I.A.E.A.) which participated in the Programme for the first time in 1959. Twenty-one countries received assistance from the Agency under the Programme, during the initial stages, mostly in the form of fellowships. The main fields of training were radio-isotope applications and reactor-engineering. Fellowships were also awarded for study in nuclear physics, radiation protection, instrumentation and geology of nuclear raw materials. In addition, a few experts were assigned in 1959 to advise Governments on the preparation of plans for peaceful uses of atomic energy.

In 1959, as noted above, technical assistance was provided to 102 countries and territories. In addition, some fifteen countries participated in regional or inter-regional projects, without having programmes of their own. The total obligations incurred during the year amounted to $32.84 million, including $6.30 million for administrative and operational service costs. The cost of the field programme, that is, direct projects costs thus amounted to $26.54 million. This fell short of the comparable expenditure in 1958 by about four per cent. Of the $26.54 million, F.A.O. contributed the largest share, $6.82 million, or 25.7 per cent. The U.N.T.A. ranked second, accounting for $5.85 million or 22 per cent. U.N.E.S.C.O. and W.H.O. were on a par, contributing $4.3 million (16.3 per cent.) and $4.44 million (16.8 per cent.), respectively. The I.L.O. share aggregated $2.87 million or 10.8 per cent.

Field Programme Costs

(In thousands of U.S. dollars)

	1957		1958		1959	
	Amount	%	Amount*	%	Amount*	%
By region:						
Africa	2,915	11.3	3,638	12.2	4,049	14.1
Asia and Far East	8,416	32.6	10,319	34.5	9,837	34.3
Europe	1,856	7.2	1,902	6.3	1,794	6.3
Latin America	7,215	28.0	8,218	27.5	7,575	26.4
Middle East	4,953	19.2	5,446	18.2	5,046	17.6
Inter-regional	437	1.7	404	1.3	369	1.3
Total	25,792	100	29,927	100	28,670	100
By fields of activity:						
Assisting Governments in formulation of Plans—basic survey of resources, etc.	3,601	14.0	3,985	13.3	3,704	12.9
Development of public utilities	2,269	8.8	2,450	8.2	2,460	8.6
Industrial production	2,399	9.3	2,359	7.9	2,437	8.4
Agricultural production	6,185	23.9	6,843	22.8	6,424	22.3
Auxiliary services to industry and agriculture	2,234	8.7	2,481	8.3	2,489	8.6
Health services	4,363	16.9	5,077	17.0	4,697	16.4
Education	2,031	7.8	3,700	12.4	3,436	12.2
Community development	1,791	7.0	2,073	6.9	2,045	7.0
Other social services	914	3.6	959	3.2	978	3.6
Total	25,792	100	29,927	100	28,670	100

* Including local costs.

The table in the previous column gives the regional distribution of the field programme costs and their distribution by major fields of activity. As is evident from the table, assistance to Africa both in absolute terms and as a percentage of the total programme, increased; it moved up from $3.4 million in 1958 to $3.75 million in 1959, from 12.2 per cent. to 14.1 per cent. This increase was accompanied by some reduction in assistance rendered to Latin America and the Middle East.

An analysis of the costs of the field programme according to the type of assistance given shows that provision of experts accounted for 75.9 per cent. of the costs in 1959, fellowships for 16.9 per cent. and equipment and supplies for 7.2 per cent. During the year experts were drawn from sixty-four different countries or territories. Almost 60 per cent. of them came from Europe, 15 per cent. from North America, 12 per cent. from Asia and the Far East, nine per cent. from Latin America and about five per cent. from the Middle East and Africa. In this respect, there was no significant change from the distribution of the previous year.

It is noteworthy that a significant portion of experts—more than twenty-five per cent.—continued to be drawn from the countries which are themselves receiving technical assistance. This underlines the multilateral and co-operative character of the Programme which sometimes finds expression in a real chain of aid.

India's Share

India, naturally, played an active role in this international give and take of technical assistance. In fact, year by year, the contributions pledged by the Government of India have been increasing progressively. Even in 1959, when the contributions of many Governments were lower than what they paid in the previous year, India pledged the same amount, that is, $525,000. At the end of March 1960, although total contributions outstanding aggregated $4.19 million, India had fully paid the amount it pledged.

As regards the benefits received, E.P.T.A. project costs in India during 1959 aggregated $2.48 million, as against $2.73 million in 1958 and $1.91 million in 1957. India's share in the 2,290 experts engaged under the E.P.T.A. in 1959 was 112. Of the 2,107 fellowships award during the year, India obtained 130. At the same time, this country received 54 scholars for studies under the expanded and regular programmes.

An objective evaluation of the activities of the Programme during the year under review on the lines suggested by the U.N. Technical Assistance Committee in 1958, revealed a picture containing both lights and shades. In some countries, especially in Latin America, the Programme made inadequate progress, because of unstable political conditions and financial problems of the Governments. In some others, defective programming and the absence of a central co-ordinating and evaluating authority for technical assistance, coupled with lack of national programmes, resulted in the countries obtaining only half the benefits which the E.P.T.A. could provide.

In some Asian countries, the implementation of the Programme was disappointing, because the Governments were not ready to carry out the projects which it had requested, and in others, there was difficulty in recruiting experts. Moreover, owing to change of personnel in the administrative machinery of the Government, there had been changes in the official attitude to particular projects and problems involved. The overall picture was, however, bright and definitely reassuring. The great majority of the Resident Representatives of the Programme in the main centres of activity were of the view that the Programme, taken as a whole, was making a valuable contribution to the recipient countries. Their overall appraisal can perhaps be best expressed in the words of a Resident Representative in an Asian country:

"I sincerely believe that, within its limitations and for the purpose for which it is intended, the technical assistance programme is an extremely valuable and effective device. It has overcome many difficulties and produces, in general, a very high quality of experts with good standards of performance; the so-called delays and obstacles to effective work appear to be those inherent in social change and those which come from the fact that Governments are beset with broad political, economic and social problems to which the application of technical assistance alone cannot produce solutions. The Government's appreciation is high, and the results and benefits are many."

In 1959, the E.P.T.A. was joined by a partner in the broad field of technical assistance, namely, the U.N. Special Fund. From the beginning, every effort was made to ensure close co-operation between the two Programmes, so as to enhance the overall effectiveness of their activities and avoid any possible duplication. Apart from structural differences, which have important implications, the Special Fund, as presently constituted, is distinguished from the E.P.T.A. in two respects. First, the resources of the Special Fund are wholly devoted to assisting in the pre-investment financing of natural resources surveys, research establishments and training institutes, whereas the operation of the E.P.T.A. cover a much larger area. Second, the Fund is specially enjoined to concentrate on relatively large projects. In practice, its minimum project is set at about $250,000 in order to eliminate any overlapping with the E.P.T.A. The Special Fund and the Programme complement each other in other ways also. For example, the Fund does not finance the establishment of basic Government services of a technical nature such as national, geological, agricultural or statistical services. At the same time, the advice and assistance provided by the E.P.T.A. in setting up such basic service prepare the ground for the next stage where projects can be usefully undertaken by the Special Fund. Similarly, a preliminary study by E.P.T.A. mission may help to define the framework of an intensive resource survey to be financed by the Special Fund.

Financial Outlook

As regards the financial outlook for the Programme, the report observes that, after the disappointments of 1959, there are grounds for encouragement in the fact that contributions pledged for 1960 are expected to reach approximately $33.4 million. This amounts to an increase of $3.74 million, or 12.7 per cent., over that pledged for 1959. It is the largest annual increase in absolute figures since the Programme began and is the result of larger contributions from twenty countries, including substantial increases from the two largest contributors, namely, the U.S. and the U.K. The increased contribution of the U.S. is partly due to a welcome decision to include in its pledge the matching of local cost contributions of recipient countries.

The financial recovery of the Programme in 1960 after the decline of its future last year according to the report, has gone some way towards averting the danger of failure to provide the volume of technical assistance approved by the Technical Assistance Committee. On the face of it, the increase in contributions will be sufficient to carry out the planned Programme for 1960 in full, with a small margin for safety. But the difficulty of utilising some currencies, it fears, may well lead to a shortfall in the fulfilment of the Programme.

Looking ahead to 1961-62, the report observes that a further increase, comparable to that achieved in 1960, will be needed, if the Programme is to fulfil its minimum responsibilities in the newly-independent countries without penalising others whose needs are hardly less urgent. On a long-range view, a gradual but assured expansion of the resources of the Programme towards the goal of $50 million a year would, says the report, at least enable it to keep pace with the increasing calls on its services which are now in prospect.

U.K. MINISTER ON I.L.O.

Addressing the International Labour Conference, recently held at Geneva, the British Minister of Labour, Mr. Edward Heath, said it was time to consider whether the I.L.O. was wise to use so much of its time and energy every year in the elaboration of more and more conventions and recommendations. "The time and energy devoted to meticulous preparation of texts is time and energy not devoted to some other activity of a more general, and perhaps more useful, character," he said.

The main question, according to him, was how practical help could best be given to improve the conditions of labour in those countries, including new members of I.L.O., where this help was most needed. What was really required was detailed practical guidance about particular problems.

In Mr. Heath's view, it was essential that financial contributions from member nations should increase, in order to enlarge I.L.O. technical assistance programmes in favour of the newly-emerging States in Africa and elsewhere.

This development of technical assistance, he maintained, was not only a matter of money. It also involved training and technicians, and the more highly developed member States should make training facilities available and provide the services of experts to go abroad.

"As a direct result of research by the Oil Industry, refining processes are becoming increasingly complex, for as a result of this research not only are new and more specialized products being produced, but methods have also been devised for more efficiently converting Crude oil to meet the constantly changing pattern of commercial requirements. With a capacity to refine 2.6 million tons of Crude oil per year, the Burmah-Shell Refinery is the largest in India."

Extract from a Burmah-Shell publication

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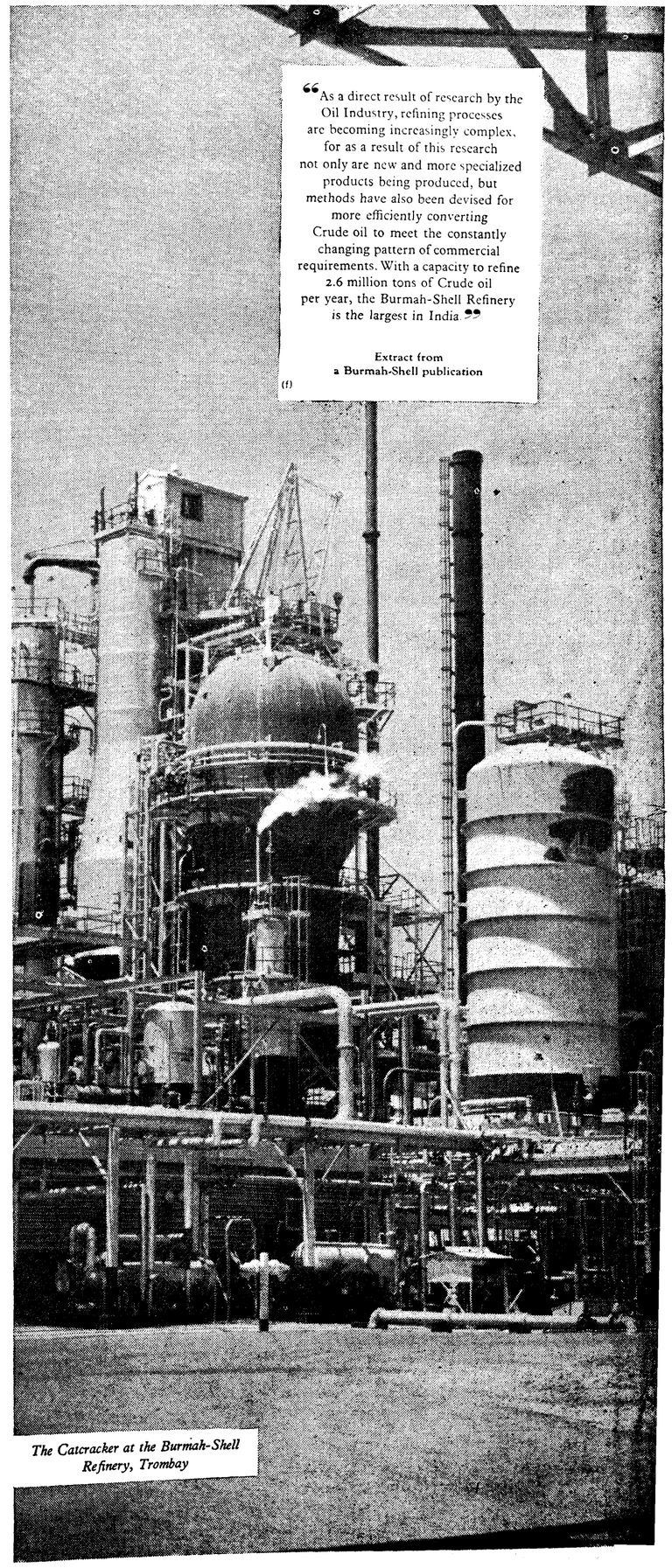

The Catcracker at the Burmah-Shell Refinery, Trombay

NEW PRODUCTS AND PROCESSES

Looms of Circular Form

A LOOM of circular form, designed by a Belgian inventor and costing about £3,500, is claimed to weave many types of yarn at a rate several times greater than that of conventional weaving machines. Four similar looms are reported to have been working on a commercial basis in Belgium during the last four years. Models based on a prototype at present being evaluated in the U.K. are due to be marketed early next year by Safety Research Services of Norwood Avenue, Shipley, Yorks. The machine stands 7 feet high and the weaver works on a platform several feet above the ground. Simplicity of design and operation is said to enable operators to be trained in a short time and one weaver can attend four to six looms. The loom will be of special interest, it is thought, to weavers of asbestos, cotton, jute and man-made fibres. Although primarily designed for "plain" and "semi-plain" manufacture, simple designs and colour effects may, it is stated, be incorporated in the weave.

Driving Trainer for Learner Motorists

A basic driving trainer, which will enable drivers to become completely at ease in a motor car and to get the "feel" of driving before venturing on the road, was demonstrated in London recently. The equipment is claimed to be unique because any type of car can be used and the characteristics accurately translated onto an 8 ft. × 4 ft. screen in front of the car. The screen shows a typical roadway complete with road signs, side roads, telegraph poles, hedges and trees. The driver, with an instructor beside him, can "drive" anywhere he chooses within the limits of the shadowgraph model. The trainer comprises a shadowgraph linked to the car's controls. A stationery point of light, level with the driver's eye, throws the picture on the screen from a disc on which the roadway model is built. The dics moves about the light source in response to the driver's use of the controls. This results in a highly realistic moving scene. The noise of the car is electronically simulated and a control panel, held by the instructor, reflects the pupil's use of gadgets such as the gears, clutch and brake. This means that where advanced driving techniques, such as double de-clutching, are being taught the instructor can see that they are carried out correctly. Attached to his panel is a speedometer showing the simulated speed in miles per hour. Should the driver touch the side of the road a buzzer sounds in the car. Additional refinements include a reaction timer measuring in tenths of seconds the time from the instructor signalling an emergency stop and the pupil depressing the brake pedal. To set up the trainer the car to be used is driven onto a ramp and the front wheels guided into a pair of swivel units. These allow the steering wheel freedom of movement throughout its full range. The normal steering "feel" of the car to be used can be obtained through adjustment of the units. The off-side unit is connected to the shadowgraph and by it the position of the car relative to the picture on the screen is dictated. The normal foot pedals are used but behind them are slipped three separate controls mounted on a panel designed for the particular car. When the driver used any foot control, the coincident pedal is actuated and this again affects the movement of the shadowgraph. For the driving school the advantages of the trainer are said to be many. It can be used irrespective of weather conditions such as ice, snow or fog and during the long winter evenings. Furthermore there is no wear and tear on the car, no insurance, no maintenance and no running costs except for a negligible amount of electricity.

New Method of Steel Frame Erection

Factory extensions and farm buildings are being provided in a hurry by a Bradford, Yorkshire, firm which has developed a new method of steel frame erection. In just one day the firm claims that eight men can erect the frame of a building 100 ft. by 40 ft. without the help of cranes and other expensive equipment. By comparison such a building erected by more conventional methods would take the same gang about a week. The new method employs rectangular hollow section steel girders which are hinged together at points corresponding to the apex of the roof and the eaves, to form the wall struts and roof span. For transport (the steelwork for an entire building can be loaded on to one lorry) each section is folded up rather like a carpenter's three-foot rule; on arrival at the site it is opened out and locking pins inserted at the hinges. With nothing more complicated than a rope and pulley-block each section can then be manœuvred into position and secured. Almost any material can be used for cladding the skeleton, but factories and farm buildings favour brickwork up to window height followed by asbestos sheet. Weighing only half as much as comparable normal steel structures but having the same strength and life, these frames are finding an increasing market all over Britain, and have excited enquiries from oversea countries including India and Australia. The savings in haulage costs and erection time put the price of these folding frames at about 30 per cent. cheaper than any other. At the moment spans from 9 ft. to 60 ft. are available, but drawings are being prepared to extend the present maximum span. In addition to industrial buildings the firm has also designed three different sizes and styles of bungalow to suit all classes from the working man to the executive.

Moulded Circuits

The development of a new method of producing circuits for radio and TV receivers and electronic equipment has been announced. Developed in France and not yet in commercial use, the method of production is claimed to represent a considerable advance in contemporary circuit engineering. The circuits are made from rigid phenol-formaldehyde mouldings with the circuit pattern produced as grooves and holes and into which a nickel-phosphorus alloy is deposited by a chemical plating technique known as the Kanigen process. All circuits, however complex, can be produced as channels and holes in the plastic base, it is stated, the nickel-phosphorus metal being deposited after "masking" the remainder of the base with a chlorinated rubber paint. The completed circuit can be used as a chassis and there is no need for separate sockets for such components as valves or condensers. The method of producing the new circuits is said to offer considerable advantages over that used for the conventional types. There are only four basic production stages—moulding of the base, sensitisation of the base, masking and plating—and it is claimed that it is possible to arrange manufacture on a continuous flow basis.

Novel Canteen Furniture

A Netherlands factory manufactures combined canteen tables and stool seats which can be whisked away under the table. This furniture is made of reinforced tubular frame with cross tubes. It is claimed to be of excellent workmanship, has a white bake-enamel finish and is provided with fireproof and washable heavy-duty plastic table tops and clear-varnished stool seats. The simplest design consists of one table and four stools but the furniture can be supplied in any length, number and arrangement of stools required. The furniture can also be supplied with a different table-top surfacing, e.g. washable polyvinyl or a different colour of varnish. If desired, the stool seats can be matched with this top-surfacing. This furniture is said to be especially suitable for use in canteens because each stool has its fixed place and can be swung out or in as required, any disorder in the position of the stools thus being avoided. At the end of the meal interval the canteen manager simply folds back the stools, wipes the tables and cleans the floor, and this takes little time as there are no chair legs.

New Method of Handling Cement

The Swedish system for bulk shipment and handling of cement based on the use of specially built vessels combined with loading and unloading installations ashore is being increasingly adopted.

Developed by two of Sweden's leading cement producers, the system has so far been "installed" in four vessels of about 2,000 tons each, while a fifth unit of 2,500 tons is nearing completion. There are loading installations at four cement works and unloading facilities at ten ports along the Swedish coast. From the works, the cement flows through a flexible tube on the quay down to a transverse screw conveyor on the ship and is distributed into the holds by longitudinal screw conveyors on deck. In the unloading harbour, the cement is transported from the holds by means of chain conveyors and screw lifts up to the transverse conveyor, which feeds the cement through a similar tube on the quay to the stationary transport equipment. Loading as well as unloading, is entirely mechanical, only one operator being required. For unloading in ports with small silos, a minor ship has been equipped for pneumatic transport of the cement into the silos.

Geodesic Measurement

A new method of geodesic measuring has been completed after years of research by a Swedish team of scientists connected with various natural sciences. Professor Arne Bjerhammar, of the Royal Technical Institute, Stockholm, head of the team, last week announced that with the new method it may be possible to determine the height of any given point on the surface of the globe within an inch or less. Using the indications of gravitation at different points of the earth and feeding the information into a data processing machine the scientists have succeeded in obtaining a basis on which to calculate the exact size and shape of the planet—a complicated problem, which has been subject of intense studies since the advent of modern science. It is claimed that the new system may have an important bearing on the calculation of the route of space rockets. Special instruments designed by the research team are at present being built. The problems of land surveying are expected to be greatly facilitated by means of the automatic methods used.

New Milling Machine for Colour Printing

A new electronically controlled automatic milling machine for use in milling in printing blocks used for colour printing in rotary printing machines has been developed in Norway. The new machine is said to enable the milling of some six to eight blocks to be performed automatically and simultaneously. This is important because for colour printing a number of blocks are necessary as two blocks are used on each colour on each press, and all areas outside the colour spots must be milled away. Previously all this milling work had to be done on each block separately and as a result consumed both labour and time, slowing down the production of the finished colour print. The new system is controlled by means of magnetic tape from which electrical impulses are automatically transferred to the milling machine. They make it possible, it is claimed, for colour prints to be produced for newspaper printing shops far more rapidly and much more cheaply than has hitherto been possible.

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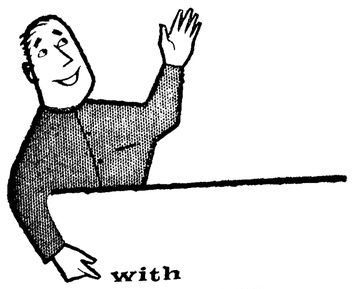

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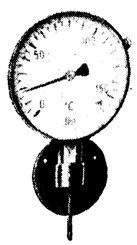

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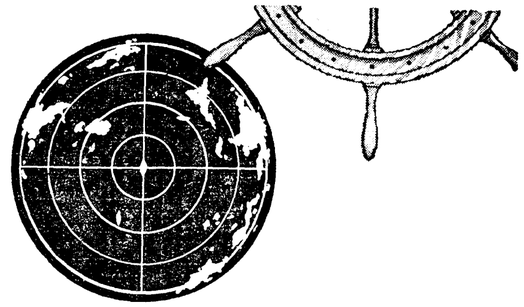

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NEW EMPHASIS ON AGRICULTURE

PRODUCTION TO GO UP THIRTY PER CENT.

A STRIKING feature of the investment pattern, proposed in the Draft Outline of the third Five-year Plan (1961-62 to 1965-66), is the emphasis laid on the development of agriculture and allied pursuits (for details *vide* last week's *Commerce*, pages 78-79). The total outlay in the public sector on agriculture, including irrigation as well as community development and co-operation, amounts to Rs. 1,675 crores, or 23.1 per cent. of the total outlay of Rs. 7,250 crores, the corresponding figures for the current Plan being Rs. 980 crores, or 21.3 per cent. of Rs. 4,600 crores. (This proposed outlay excludes Rs. 240 crores set apart for the development of fertilisers, and also the estimated private investment of Rs. 800 crores during the third Plan period.) The actual outlay on agriculture, etc., in the first Plan, it may be recalled, aggregated Rs. 654 crores, representing as much as about 33 per cent. of the total outlay of Rs. 2,012 crores. The allegation that, in the second Plan, greater attention had been devoted to the growth of non-agricultural sectors, seems to have induced the planners to give second thought on the role of agriculture in ensuring development with stability.

Admittedly, the agricultural situation in the country during the current Plan so far has not been quite satisfactory, even as compared with the first Plan. This, in fact has been particularly disquieting in the sphere of foodgrains. Prices have gone up in the second Plan period by about 20 per cent., largely as a result of a sizable shortfall in agricultural production; whereas at the end of the first Plan period, prices had been actually lower by about 13 per cent. than those at the beginning, thanks mainly to the virtual fulfilment of agricultural targets. Incidentally, those who believe that agricultural production can be stepped up without a corresponding increase in the outlay, but merely by relying on non-investment factors, are now perhaps wiser than they were. For the actual achievements in the field in the current Plan has fallen far short of the targets, revised upwards in November 1956 without making any provision for increasing the outlay on agriculture. Viewed thus, the pride of place reassigned to agriculture in the third Plan is quite understandable.

Principal Objective

The principal objective of the third Plan, so far as agriculture is concerned, is to attain "self-sufficiency in foodgrains and increase in agricultural production to meet the requirements of industry and exports." Accordingly, the total agricultural production is proposed to be raised by 30-33 per cent. The additional output of foodgrains in the next Plan is placed at about 25-30 million tons, that is, from an estimated production of 75 million tons in 1960-61 to 100-105 million tons by 1965-66. This is designed to provide about 15 ounces of cereals and three ounces of pulses *per capita* per day, besides providing for some margin against emergencies. It is also envisaged to expand the output of commercial crops, such as cotton, jute and tea.

The table given on this page shows at a glance the targets of production envisaged in the third Plan, along with the trend of production during the last ten years.

The targets which have been laid down for agriculture in the third Plan envisage large increases in production. But, when they are viewed against the background of the recent trends in agricultural production, there is reason to feel doubtful about the possibility of realising these targets. It is true that the overall trend has been upward. But the pace itself has been too slow. In respect of foodgrains, it is estimated that production will touch 75 million tons in 1960-61, which falls short of the revised target of 80.5 million tons by six per cent. or 5.5 million tons. The annual additional output in the second Plan period will thus be of the order of about two million tons. What is now proposed is an increase of 30 million tons over the following five-year period, or 6 million tons per year. This means a threefold annual increase, as compared with what took place in the second Plan period.

As regards commercial crops, it is doubtful whether the output of cotton could be stepped up to 7.2 million bales in the third Plan period, though more land will be brought under irrigation in cotton-growing belts. It is however, possible that the targets relating to oilseeds and sugarcane will be reached. Much, of course, depends on the vigour with which the agricultural programme is implemented. The following table shows the second Plan targets (revised), as compared with the actual production in 1958-59, the latest year for which official estimates are available:

	2nd Plan Target	*Production 1958-59*
Foodgrains (million tons) ...	80.5	73.50
Oilseeds (million tons) ...	7.6	7.0
Sugarcane (million tons) ...	7.8	7.2
Jute (million bales)	5.5	5.2
Cotton (million bales) ...	6.5	4.7

Agricultural Programmes

The experience of the second Plan shows clearly that much greater efforts will be called for in the third Plan, both in terms of investment and non-investment factors, including better organisation for effectively mobilising human and other resources in the rural areas. While the scope for bringing into cultivation new land is rather limited, greater attention should necessarily be given to intensive methods of cultivation. In this context, mention may be made of the lines of development programmes, proposed to be undertaken in the third Plan. The Draft Outline points out that the major programmes around which intensive work has to be organised in each area are: (1) irrigation, (2) soil conservation, dry farming and land reclamation, (3) supply of fertilisers and manures and (4) better ploughs and implements.

From large and medium irrigation projects, the additional area to be benefited will be about 13 million acres, or, after allowing for areas sown more than once, about 11.5 million acres during the third Plan period. It is considered that the minimum additional area to be benefited from minor irrigation schemes will be about 13.5 to 14 million acres (gross), about 10 million acres being irrigated from schemes financed by provisions under the agricultural programmes and about 3.5 to 4 million acres from those under the community development programme. The net area to be irrigated from these programmes will be 12 million acres. After making allowance for depreciation and the fact that some of the works undertaken are primarily for stabilisation of existing irrigation, the net irrigated area is expected to increase from about 70 million acres at the end of the second Plan to about 90 million acres at the end of the third Plan. Extension of irrigation on this scale, which could be further stepped up if the programme for the fuller utilisation of rural manpower resources is effectively implemented, will, it is said, provide considerable scope for the expansion of double cropping and for increase in yields. It may be pointed out that, in new areas where irrigation facilities are made available, attention should be given to the education of farmers in the technique of wet farming, apart from ensuring full utilisation of water resources.

The planners have suggested that, in the unirrigated areas, large-scale soil conservation and dry farming should be undertaken on the basis of mass participation. These schemes are expected to cover over 60 million acres, as is shown below:

	(Million acres)
Soil conservation with contour bunding	13
Other soil conservation programmes including river valley projects	2
Dry farming practices	40
Land reclamation	1
Reclamation of saline and alkaline lands	0.4
Flood control, drainage and avoidance of water-logging	5.0

Consumption of Fertilisers

Besides, it is proposed to increase the consumption of nitrogenous fertilisers from about 360,000 tons at the end of the second Plan to one million tons in terms of nitrogen, and of phosphatic fertilisers from about 67,000 tons to about 400,000-500,000 tons in terms of P_2O_5. The programmes relating to urban composting are estimated to benefit 24 million acres. The target for the additional area which should benefit from green manures is placed at about 50 million acres.

There are indications that greater attention will be devoted to promote the use of better ploughs and other implements by farmers. The Draft Outline observes, in this connection, that, with the studies which have already been made, it is proposed, in the coming months, to prepare a detailed development programme for agricultural implements as an essential feature of the third Plan. This will include measures relating to (*a*) selection and demonstration of the improved implements which have been already established, (*b*) training of village blacksmiths and carpenters in the repairs and manufacture of improved implements, and (*c*) closer co-operation between research and extension agencies and those engaged in the manufacture of implements industry, along with more satisfactory arrangements for the supply of steel and for transport and distribution. Arrangements are proposed to be made in every State for the establishment of at least one centre run by Government for the manufacture of agricultural implements of improved types to which other manufacturers can turn for technical advice, designs and other guidance. In the community development blocks also, the provision of facilities, including credit, for the adoption of improved implements has now to be taken up as a primary extension programme. In addition, steps will be taken to set up more seedfarms to cover an area of about 150 million acres in the third Plan. Similarly, pest and disease control schemes are also expected to cover an area of 75 million acres.

Another project is the programme for intensive agricultural development of selected districts. For the purpose, to begin with, one district is being selected in each State. In these districts, a concentrated effort will be made to reach all farmers through co-operatives and *panchayats* and to organise village production plans which will involve all agricultural families. In the past, the coverage in community development areas has been limited, because of time lags in the utilisation of irrigation, and inadequate supplies of fertiliser, improved seeds and credit. It is hoped to overcome these deficiencies in the selected districts, so that the total effort of the community can be developed as fully as possible.

Agricultural Production

	Units	1950-51	1955-56	1958-59	1960-61 (expected)	1965-66 (target)	Percentage increase in the 3rd Plan
Foodgrains	Million tons	50.0	65.8	73.5	75	100–105	33–40
Oilseeds	,,	5.1	5.6	7.0	7.2	9.2 to 9.5	28–32
Sugarcane	,,	5.6	5.9	7.2	7.2	9.0 to 9.2	25–28
Cotton	Million bales	2.9	4.0	4.7	5.4	7.2	33
Jute	,,	3.3	4.2	5.2	5.5	6.5	18
Coconut	Million nuts	n.a.	3,800	4,455	4,500	5,750	28
Arecanut	Thousand tons	n.a.	81	85	93	100	8
Cashewnut	,,	n.a.	55†	69	73	150	106
Pepper	,,	21	27	26	29	30	3
Cardamom	,,	1.5*	2.3*	n.a.	2.26	2.62	16
Lac	,,	n.a.	13.2‡	33	50	62	24
Tobacco	,,	257	250	283	300	325	8
Tea	Million lbs.	607	668	716	725	850	17
Coffee	Thousand tons	18.6	33.5	44	45	80	78
Rubber	,,	14	22	25	26.4	45	71

† Figures relate to 1956-57. * Unofficial estimate ‡ In terms of lakh maunds.

The International Industrial Development Centre at the Stanford Research Institute, California, has brought out a publication, entitled *Small Industry: An International Annotated Bibliography*. The bibliography, supported by a grant from the Ford Foundation, is the fourth in a series of publications by the Institute on the development of small industries. The book, which is the first comprehensive guide to international literature on small industry, is designed to aid in small industry development and to prevent duplication of effort by making available world-wide experiences in small industry problems to administrators and researchers. More than 1,100 books, articles, and pamphlet series are covered in the 218-page book, and many entries are sufficiently detailed that the reader need not refer to original sources. Annotations are organised in eight major subject areas, which are broken down into more than 100 sub-topics and completely cross-indexed.

The section entitled "Internal Management Problems of Small Industry" covers publications on financing, financial control, and industrial relations which are of practical value to small businessmen. Other sections on "Policy and Planning" and "Measures to Aid and Develop Small Industry" will be especially useful to development planners and technical advisors concerned with small industry in newly-industrialising areas. Also included are a directory of publishers and periodicals, and indices of authors and geographical place names. Compiled by Marian Crites Alexander-Frutshi, S.R.I. International economist, the book is available from The Free Press of Glencoe, Illinois at six dollars per copy.

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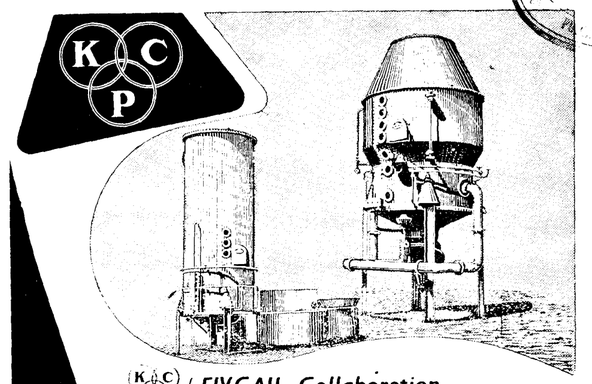
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ALL-ROUND GAIN IN RESULTS OF METAL BOX COMPANY

NET DIVIDEND COMFORTABLY MAINTAINED

AN ideal example of a dynamic industrial company is the Metal Box Company of India Ltd. (Managing Director: Mr. R. W. Westbrook, Calcutta), in that it is endeavouring to expand its production not only along its traditional lines but also by taking up the use of new products and processes that are competing in the sphere of packaging materials. Thus, besides maintaining its leadership in the field of tinplate containers, the Company has made impressive progress in the manufacture of non-tinplate products such as plastics, industrial components and machinery. It has also pioneered the use of aluminium as a packaging material by conducting research, so that India's dependence on imported tinplate may be reduced. Further, thanks to the efforts of the Company's research division, more and more ancillary materials are being developed from indigenous sources with a progressive improvement in their quality. Another line of advance made by the Company is in the export field. The Company's factories are keyed up to a high degree of efficiency through modernisation of plant and machinery. On the sales side, the Company maintains regular marketing research and offers advice and guidance on packaging to manufacturers of goods that have to be sold in tamper-proof containers. The excellent work which the Company is doing in all these directions is described by its Chairman, Mr. K. C. Mahindra, in his latest annual statement to shareholders circulated along with the Directors' report and statement of accounts for the year ended 31st March 1960 and published in full elsewhere in this issue. Yet another notable feature of the Company is the maintenance of cordial relations with its workers by the adoption of scientific management practices and prompt settlement of disputes through collective bargaining. In view of all these features, it is no wonder that the Company's shares are held in high esteem among investors.

Results Compared

The financial results of the Company for the year ended 31st March 1960 are quite encouraging. They show an all-round improvement. Sales, gross profit and net profit are all substantially above those for 1958-59 and constitute a record high. The dividend on ordinary shares has been maintained at the previous years' tax-free rate of 17½ per cent., by enhancing the gross dividend and that, too, on a higher paid-up capital. The following comparative table shows at a glance the Company's performance during the year under review against the background of the preceding three years' results:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	8,29.52	6,90.85	6,11.79	5,66.76
Other income	16.84	14.59	11.52	9.78
Stocks of finished goods	7.85	7.95	6.45	7.43
Raw materials consumed	4,41.26	3,78.79	3,41.96	3,27.60
Other expenses	2,81.95	2,22.66	1,91.98	1,79.04
Gross profit	1,23.07	1,11.59	88.38	79.32
Provision for—				
Depreciation	14.78	14.02	13.04	12.46
Taxation	51.00	56.90	39.00	38.00
Net profit	57.30	41.57	36.34	28.86
To reserves	18.25	17.50	14.22	7.31
Dividends—‡				
6% taxable preference	1.80*	1.24	1.24	1.33
Ordinary	36.11	20.12	20.58†	20.12
	(25%)*	(17½%)	(17½%)	(17½%)
Carry forward	23.97	19.34	16.63	16.34

* Subject to deduction of tax.
† Includes additional dividends of Rs. 40,000 for 1955-56.

Profit-margin

As compared with 1958-59, which itself was a good year for the Company, sales have gone up from Rs. 6.96 crores to Rs. 8.29 crores and gross profit (before taxation and depreciation) from Rs. 111.59 lakhs to Rs. 123.07 lakhs. The rise in gross profit has, however, slightly lagged behind that in sales, the ratio of such profit to sales being a shade lower at 14.8 per cent., as against 16 per cent. Four years earlier, that is, in 1955-56, the ratio was a little above 15 per cent. These figures bring out two things: one, the rise in profit is the result of expansion in turnover and not of any increase in the profit margin. And, two, despite modernisation and diversification of production, as well as scientific management and sales drive, the profit-margin is even slightly lower than at the beginning of the second Plan. This clearly reflects the effects of cost inflation, aggravated, to some extent, by the Government's policy of progressive increase in indirect taxation. Mr. Mahindra has, in his statement to shareholders, dwelt at some length on the adverse effects of the new excises on tinplate and aluminium. It is distressing to hear that aluminium will cost the Company almost twice as much as it does manufacturers in the U.S. and the U.K. If this is the case, how can Indian-made pharmaceuticals, fruit drinks and other beverages, canned fish and other foods packed in containers made in this country compete effectively in foreign markets or be sold in this country at reasonable prices?

The provision for depreciation has been well maintained. There is a slight relief of Rs. 5 lakhs, equal to about 9 per cent., in the provision for taxation, but this must have been more than offset by the increase in the amount absorbed by the dividend on account of tax to be deducted at source at the rate of 30 nP per rupee. It is noteworthy that the maintenance of net dividend at 17½ per cent., equivalent to a gross of 25 per cent. on a capital enhanced by issue of new shares, has not been at the expense of additions to reserves. The transfer to general reserve has been kept unchanged at Rs. 15 lakhs and that to development rebate reserve has actually been enhanced by Rs. 75,000 to Rs. 3.25 lakhs. Further, the surplus left to be carried forward at Rs. 23.97 lakhs is Rs. 4.63 lakhs more than the amount brought in.

Financial Position

The ordinary dividend is made up of an interim of 90 nP per share of Rs. 10 each on old capital and a final of Re. 1.60 per share on the new capital. It may be noted here that, in December last, the Company issued 460,000 shares of Rs. 10 each at par in the proportion of two new shares for every five held. Consequent on this, the paid-up capital has risen from Rs. 145 lakhs to Rs. 191 lakhs, which includes Rs. 30 lakhs in 6 per cent. taxable redeemable cumulative preference shares of Rs. 100 each.

The aforesaid paid-up capital is supplemented by reserves and surplus aggregating Rs. 188.72 lakhs; that is, every ordinary share of Rs. 10 is backed by about Rs. 11.68 reserves, reflected on the other side of the balance-sheet almost wholly by current assets. It must, however, be added that the reserves mentioned here include a sum of Rs. 57.00 lakhs, representing capital reserve created through revaluation of assets on 1st April 1956. Loans, current liabilities and provisions aggregate Rs. 204.50 lakhs, as against which there are current assets of the size of Rs. 373.64 lakhs, of which the major items are stock-in-trade Rs. 228.73 lakhs and book debts Rs. 106.81 lakhs. The fact that cash balances are only Rs. 19.77 lakhs and that there are no other liquid assets clearly reflects that the Company's resources are fully employed in its own business. The gross block of the value of Rs. 336.32 lakhs has been written down to Rs. 210.58 lakhs. In the last four years alone, the additions to block account were about Rs. 90 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are currently quoted at Rs. 42.25. The yield on this basis works out to about four per cent., free of tax.

(Concluded from next column)

ties and provisions are no more than Rs. 35.62 lakhs, which are covered more than three times by current assets at Rs. 109.82 lakhs, of which cash balances alone account for Rs. 31.64 lakhs.

It will be noted from the aforesaid analysis that the paid-up capital of the Company is small in relation to its turnover. Further, the Company's manufactures command a ready market, as they are quite popular and as the Company has a good sales organisation. It is, therefore, not surprising that the Company's shares (Rs. 100 paid-up) have been enjoying a very high premium on the Madras Stock Exchange. They are currently being quoted at Rs. 428 *cum-div.*, which, on an *ex-div.* basis, provide a yield of 5.1 per cent. per annum, free of tax.

The outlook for the Company, as is the case with all South Indian mills, is uncertain. While the high cost of production and scarcity of raw cotton continue to be a source of anxiety, the outcome of the present efforts at the Ministerial level to avert the threatened strike by mill workers over the question of implementing the Wage Board's award cannot be reckoned too optimistically.

METTUR INDUSTRIES PROFIT HIGHER

FINANCES SOUND

THE sharp rise in the price of raw cotton, consequent on scarcity of supplies, and the high cost of wages and other items continued to be a source of concern to cotton textile mills during the past year and had a restrictive effect on their profit-margin. Even so, mills have had a satisfactory year of trading, thanks to the improved offtake of cloth from August 1959 onwards and slightly higher price realisations. One of the units which have been able to earn a somewhat higher profit, despite the adverse factors, is the Mettur Industries Ltd. (Managing Agents: Messrs. W. A. Beardsell & Co. Private Ltd., Madras). During the year ended 31st March 1960, the Company made a gross profit of Rs. 47.98 lakhs, representing an increase of Rs. 1.88 lakhs over that for 1958-59. This improvement is on top of a rise of Rs. 4.38 lakhs recorded in the previous year.

Notwithstanding the successive increase during the last two years, the Company's gross profit for 1959-60 still falls very much short of the high of Rs. 60.75 lakhs touched in 1955-56, even though sales during the year under review were higher than those in 1955-56. This phenomenon reflects the rise in the cost of production. It is seen from a comparative study of results that, during the intervening period, the cost of raw materials and other items rose by 20 per cent., thus reducing the ratio of gross profit to sales from 39 per cent. in 1955-56 to 29.3 per cent. in 1959-60. In 1958-59, this ratio was 29.6 per cent. As readers are aware, this is a common phenomenon with all cotton mills and many other industries. But it may be noted that even this lower ratio of Mettur Industries is very much higher than the general average for cotton textile industry as a whole.

The net profit of the Company for the year under review shows a more marked rise (than the gross profit) from Rs. 11.36 lakhs (in 1958-59) to Rs. 25.49 lakhs, consequent on the sharp cut in the provision for taxation from Rs. 28.91 lakhs to Rs. 16.40 lakhs. The provisions for depreciation and Managing Agents' commission are slightly higher at Rs. 2.03 lakhs (as against Rs. 1.95 lakhs for the previous year) and Rs. 4.06 lakhs (Rs. 3.88 lakhs), respectively. The dividend has been raised from 25 per cent. to 30 per cent. Since the dividend for the year under review is subject to deduction of tax, unlike in the previous year when it was a tax-free distribution, the net dividend is sizably lower at 21 per cent. It may, however, be noted that the total distribution for 1958-59 was 75 per cent., but this included a special dividend of 50 per cent. paid in April 1958, which was distributed entirely out of the past reserves and not out of the year's profit. In fact, even to pay the normal dividend of 25 per cent. for the year, the Directors had to draw a sum of Rs. 9.75 lakhs from the general reserve. In contrast to this position, the dividend for the year under review has been fully earned and is fully covered by the net profit even after payment of Rs. 6.10 lakhs as bonus to staff. No addition has been made to the reserves, except a small sum of Rs. 21,000 to the development rebate reserve, as will be borne out by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	1,83.75	1,55.60	1,51.21	1,51.27
Other income	2.22	2.09	3.40	3.30
Closing stocks	1.53	1.64	1.54	1.74
Cotton consumed	59.32	56.49	57.73	55.30
Other expenses	58.67	55.10	55.17	52.44
Gross profit	47.98	46.10	41.72	46.84
Managing Agents' commission	4.06	3.88	3.50	3.91
Provision for—				
Depreciation	2.03	1.95	1.91	1.91
Taxation	16.40	28.91	19.40	23.50
Net profit	25.49	11.36	16.91	17.52
Transfer from reserves and provisions	0.81	39.82	0.14	..
To reserves	0.21	0.27	..	..
„ bonus	6.10	5.34	5.00	5.94
„ gratuity	0.54	0.45	..	..
„ dividend	18.00	45.00	12.00	12.00
	(30%)*	(75%)†	(20%)	(20%)
Carry forward	1.57	0.12	0.01	0.05

* Subject to deduction of tax.
† Includes a special dividend of 50 per cent. paid in April, 1958.

The Company's financial position continues to be quite sound, notwithstanding the heavy withdrawal from the reserves last year. The paid-up capital of Rs. 60 lakhs is supplemented by reserves and surplus aggregating Rs. 31.16 lakhs. The gross block of Rs. 68.46 lakhs has been written down by Rs. 51.49 lakhs, so that the net block is only Rs. 16.96 lakhs. The Company has no borrowings and the current liabili-

Continued in previous column)

INDIAN COPPER FARES WELL

SHAREHOLDERS GET A BETTER DEAL

THE results of the Indian Copper Corporation Ltd. (Managing Agents: Messrs. Gillanders Arbuthnot and Co., Ltd., Calcutta) for the year ended 31st December 1959 make pleasant reading. Although there was a sizable fall of 288 long tons in the production of refined copper to 7,553 tons and expenses recorded a sizable increase, both gross profit and net profit compare favourably with those for 1958. In fact, they are better than even those for 1957, when copper production reached a record level of 7,848 tons. Thus, the gross profit works out to £1,289,000 as compared with £1,070,000 for 1958 and £1,204,000 for 1957. The rise in net profit is even more impressive. After declining from £427,000 for 1957 to £381,000 for 1958, it has shot up to £588,000 for the year under review. This improvement has enabled the Directors of the Company to maintain the net dividend a shade higher than that for 1958. The proposed dividend is 27 per cent., subject to deduction of tax. Since 30 per cent. is the tax deductible at source, the net dividend is 18.90 per cent. This is better than the 18 per cent. tax-free dividend for 1958 and 1957, though still well below the 20 per cent., free of tax, for 1956. The dividend is well covered by the net profit, as will be clear from the following table showing the Company's progress since 1956:

(In thousands of £ sterling)

	For the year ended 31st December			
	1959	1958	1957	1956
Net sale proceeds after adjustment of stocks	3,342	2,958	3,018	3,273
Other income	57	81	74	59
Expenses	2,111	1,969	1,887	1,716
Gross profit	1,289	1,070	1,204	1,616
Managing Agents' remuneration	86	72	80	109
Depreciation	175	150	175	175
Taxation	440	467	522	885
Net profit	588	381	427	447
Provision for leave and furlough pay written back	..	..	16	..
To general reserve	125	125	175	175
„ development rebate reserve	56	51	..	..
Provision for gratuities and superannuation	..	7	15	..
Dividend	370 (27%)*	247 (18%)	247 (18%)	274 (20%)
Carry forward	107	71	120	115
Ore reserves (short tons)	4,203,547	4,034,147	3,850,757	3,424,594
Ore milled (short tons)	434,282	442,088	440,671	421,131
Copper content %	2.162	2.164	2.136	2.183
Refined copper (long tons)	7,553	7,841	7,848	7,628
Rolled products (long tons)	9,270	9,066	7,983	6,788

* Subject to deduction of Indian income-tax.

How was the Company able to register an increase in profit in the face of a fall in production and rise in expenses? The answer to the poser is to be found in the net sale proceeds which disclose a rise of £384,000 over that for the previous year. This in turn is due to the higher prices realised during the year under review on the Company's products as under:

(Per long ton)

	1959	1958
Copper ingots	£255	£222
Rolled brass	£275	£244
Yellow metal circles	£302	£273
Rolled copper	£362	£333

Another explanation for higher profit is provided by the increase in the production of rolled products. The Directors say that there was a good market, again, for brass sheets and strips. The only factor that had a restraining effect on production was the limited availability of zinc owing to import restrictions.

The overall operating cost, as already mentioned, rose further during the year under review. The increase was all round—extraction and development of ore absorbed £788,312 (as against £720,395 in 1958), ore treatment £744,350 (£707,231) and mine administration and general expenses £506,744 (£408,031).

The ore reserves at the end of 1959 recorded an increase of 169,400 tons over the year, but the pace of growth was somewhat lower as compared with that in 1958 and 1957. The Directors' report contains a lot of information of a technical nature in regard to ore development and other operations. It would be more useful if the significance of this information to the future of the Company is also explained in layman's language for the benefit of its shareholders.

The financial position of the Company as at 31st December 1959 is quite sound. The buildings, plant and machinery, etc., have been depreciated from £3,198,081 to £1,280,510. The net block (including £73,399 mining rights and permanent works, at cost) stands at £1,353,909. This is almost equal to the issued and paid-up capital at £1,371,300 in 13,713,000 stock units of 2*s.* each. Reserves and surplus aggregate £1,812,396. Current liabilities and provisions (including reserve for Indian income-tax 1960-61) total £2,574,329 as against which there are current assets of the order of £4,404,116, the surplus being as large as £1.83 million.

The Chairman's statement to shareholders at the forthcoming annual general meeting of the Company will, it is to be hoped, help one to get a clear picture of the prospects. The available information on the trend of copper market suggests that, in the current year, too, the Company will be able to realise satisfactory prices. After going down, to some extent, in the latter half of the first six months of 1960, the price of copper in the world markets is once again ruling at high levels. The political disturbances in South Africa and Congo and the disastrous earthquakes in Chile have tended to push up the prices of copper. Industrial relations, too, in the principal copper producing countries are still far from peaceful. In any case, there are signs of eagerness on the part of copper producers in the world not to let prices go down sharply and they are quite willing to regulate production, if need be, for that purpose. From the draft outline of the third Plan it seems that the Company has been permitted to go ahead with its plan for establishing an electrolytic plant. Although this project would cost about £700,000, the Chairman stated last year that the Company was in a position to find the necessary funds from its own resources. If this is the view of the management still, there is unlikely to be any issue of new shares in the near future. The only snag so far as this Company is concerned is the dispute with the Bihar Government regarding kyanite leases. The Company lost its case in the Patna High Court, but has appealed to the Supreme Court, where it is still pending. It is stated that the amount of this contingent liability cannot yet be determined. The outcome of this legal battle is, however, likely to have a profound effect on the market value of the Company's shares currently standing Rs. 5.15 *cum*-dividend on the Bombay Stock Exchange to yield a little over five per cent. free of tax. Even at this level, there are many confident supporters to this scrip, as it is still regarded to be relatively cheap in comparison with many other first class counters.

COMPANY REGISTRATIONS

A further rise in the number of newly-formed companies was recorded in 1959-60, according to statistics now available. The number of new companies registered during 1959-60 totalled 1,452, as against 1,095 companies formed during the previous year. Giving these figures and analysing them, an official Press note says:

"The level of new formations in 1959-60 was the highest during the last eight years and indicates that, with the progressive realisation of the significance of the various provisions of the Companies Act by the public, the trend of new registrations would steadily improve.

"Of the 1959-60 registrations, as many as 1,365 were private and 87 public companies. The authorised capital of these was Rs. 93.40 crores and Rs. 67.14 crores, respectively.

"A State-wise break-up shows that the highest number—399—of new companies was formed in West Bengal, followed by Madras where 342 new companies were registered. The number of new registrations in Bombay and Delhi was 293 and 141, respectively. New registrations in the other States ranged between 11 in Bihar and 45 in U.P.

"Broadly speaking, the industrial pattern of new companies remained unchanged. The two main industrial groups, namely, processing and manufacture and commerce (trade and finance) together accounted for 981 companies or about 68 per cent. of the new registrations during the year.

"The shift in favour of company management by board of directors as against other forms, which began with the enforcement of the Companies Act, was distinctly noticeable in 1959-60. Of the new registrations during the year, 924 companies were to be managed directly by boards of directors and 508 companies proposed to have managing directors. Only 14 companies preferred to have managing agents and three companies each were to have secretaries and treasurers and managers.

"Among the 1959-60 flotations were 31 giant companies with an authorised capital of Rs. 1 crore and above.

"The total number of companies at work in the country as on 31st March 1960 is estimated at 26,921, with a total paid-up capital of approximately Rs. 1,593 crores. Of these, the number of public limited companies is estimated to be 7,306 with an aggregate paid-up capital of Rs. 812 crores and that of private limited companies at 19,615, with a total paid-up capital of Rs. 781 crores."

COMPANY MEETINGS AND DIVIDENDS

PURTABPORE CO., LTD. Annual General Meeting, Calcutta, 18th July 1960. Dividend: *Nil*. Transfer books remain closed from 4th to 18th July 1960, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Annual General Meeting, Calcutta, 22nd July 1960. Dividend: 25 per cent. or Rs. 2.50 per share, subject to deduction of tax. Transfer books remain closed from 8th to 22nd July 1960, both days inclusive.

NIZAM SUGAR FACTORY LTD. Annual General Meeting, Hyderabad, Andhra Pradesh, 25th July 1960. Dividend: Rs. 5.40 per share, subject to deduction of tax. Transfer books remain closed from 11th to 25th July 1960, both days inclusive.

BHARTIA ELECTRIC STEEL CO., LTD. Annual General Meeting, Calcutta, 26th July 1960. Transfer books will remain closed from 12th to 26th July 1960, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 26th July 1960. Dividend: *Nil*. Transfer books remain closed from 1st to 22nd July 1960, both days inclusive.

BENGAL PAPER MILLS CO., LTD. Annual General Meeting, Calcutta, 28th July 1960. Dividend: Rs. 8.00 per ordinary share (includes interim dividend of Rs. 3.00 per share), subject to deduction of tax. Transfer books remain closed from 11th to 28th July 1960, both days inclusive.

SHREE DIGVIJAY CEMENT CO., LTD. Annual General Meeting, Sikka, Gujrat State, 28th July 1960. Dividend: Rs. 9.00 per ordinary share, subject to deduction of tax, payable on and after 29th July 1960. Transfer books remain closed from 4th to 28th July 1960, both days inclusive.

BASMATIA TEA CO., LTD. Annual General Meeting, Calcutta, 28th July 1960. Rs. 3.00 per share, subject to deduction of tax. Transfer books remain closed from 15th to 28th July 1960, both days inclusive.

RAJGARH TEA CO., LTD. Annual General Meeting, Calcutta, 28th July 1960. Dividend: Rs. 3.50 per share subject to deduction of tax. Transfer books remain closed from 15th to 28th July 1960, both days inclusive.

HOOLUNGOOREE TEA CO., LTD. Annual General Meeting, Calcutta, 28th July 1960. Dividend: Rs. 20.00 per share, subject to deduction of tax. Transfer books remain closed from 15th to 28th July 1960, both days inclusive.

BURN & CO., LTD. Annual General Meeting, Calcutta, 29th July 1960. Dividend: Rs. 28.50 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 21st to 29th July 1960, both days inclusive.

ASSOCIATED RUBBER INDUSTRIES LTD. Annual General Meeting, Bombay, 29th July 1960. Dividend: Rs. 10.00 per share (Rs. 7.00 net), subject to deduction of tax, payable on and after 16th August 1960. Transfer books will remain closed from 18th to 29th July 1960, both days inclusive.

WALFORD TRANSPORT LTD. Annual General Meeting, Calcutta, 29th July 1960. Dividend: 15 per cent. on preferred ordinary shares and 20 per cent. on ordinary shares subject to deduction of tax. Transfer books will remain closed from 20th to 29th July 1960, both days inclusive.

BENGAL ASSAM STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 29th July 1960. Dividend: Rs. 3.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 22nd to 29th July 1960, both days inclusive.

OSMANSHAHI MILLS LTD. Annual General Meeting, Hyderabad, 29th July 1960. Dividend: *Nil*. Transfer books will remain closed from 18th to 29th July 1960, both days inclusive.

CAUVERY SPINNING AND WEAVING MILLS LTD. Annual General Meeting, Madras, 30th July 1960. Dividend: 13 per cent. or Re. 1.30 per ordinary share, subject to deduction of tax, payable on and from 2nd August 1960. Transfer books remain closed from 16th to 30th July 1960, both days inclusive.

CALCUTTA STEEL CO., LTD. First Annual General Meeting, Calcutta, 30th July 1960. Transfer books will remain closed from 18th to 30th July 1960, both days inclusive.

TATA OIL MILLS CO., LTD. Annual General Meeting, Bombay, 2nd August 1960. Dividend: Rs. 5.75 per ordinary share, subject to deduction of tax, payable on and after 3rd August 1960. Transfer books were closed from 20th June to 15th July 1960, both days inclusive.

HOWRAH MILLS CO., LTD. Annual General Meeting, Calcutta, 12th August 1960. Transfer books will remain closed from 26th July to 12th August 1960, both days inclusive.

ORISSA CEMENT LTD. Annual General Meeting, Rajgangpur, 2nd September 1960. Dividend: 11 per cent. or Re. 1.10 per share, subject to deduction of tax. Transfer books will remain closed from 15th August to 10th September 1960, both days inclusive.

INDIA PAPER PULP CO., LTD. Final dividend of 85 nP per share, subject to deduction of tax, for the year ended 31st March 1960.

KUMARDHUBI FIRECLAY AND SILICA WORKS LTD. Dividend of Re. 1.80 per ordinary share, subject to deduction of tax, for the year ended 31st December 1959.

SRI BALASUBRAMANIA MILLS LTD. Taxable dividend of 15 per cent. for the year ended 31st December 1959. Transfer books remain closed from 27th June to 11th July 1960, both days inclusive.

LAKSHMI MILLS CO., LTD. Taxable dividend of 20 per cent. for the year ended 31st March 1960. Transfer books will remain closed from 19th July to 3rd August 1960, both days inclusive.

TIRUPATI COTTON MILLS LTD. Taxable dividend of 8 per cent. on the ordinary shares, for the year ended 31st March 1960. Transfer books will remain closed from 12th July to 10th August 1960, both days inclusive.

ANOTHER SUCCESSFUL YEAR FOR VICTORIA MILLS

NET DIVIDEND LOWER—MORE TO RESERVES

LARGER sales, lower stocks of finished goods, better gross profit and a marked rise in net profit are the outstanding features of the performance of the Victoria Mills Ltd. (Managing Agents: Messrs. Mangaldas Mehta & Co., Bombay) during the year ended 31st December 1959. As compared with the results for 1958, sales at Rs. 219.31 lakhs are *plus* Rs. 8.34 lakhs; stocks of finished goods as at the end of 1959 have contracted from Rs. 29.20 lakhs to Rs. 24.07 lakhs; gross profit has moved up from Rs. 14.17 lakhs to Rs. 17.24 lakhs; and net profit has staged an almost 50 per cent. rise, from Rs. 4.64 lakhs to Rs. 6.87 lakhs. All these constitute a creditable achievement, considering that it was only in the last quarter of 1959 that the cotton textile industry had definitely turned the corner, after the disastrous depression of 1957 and 1958. The earnings are, however, appreciably below those for 1956, even though sales in 1959 were markedly higher. Thus, in 1956, the Company was able to report a gross and net profit of Rs. 21.08 lakhs and Rs. 9.76 lakhs, respectively, when sales fetched only Rs. 203.84 lakhs. The contraction in profit-margin reflects the irreversible increase in expenses other than raw materials consumed. As compared with 1956, this item shows a rise of Rs. 15.44 lakhs or 14 per cent. The main elements of cost that have contributed to this growth are the "stores, colours, chemicals and spare parts" and the wage bill. The cost of cotton consumed is down as compared with both 1958 and 1956, as will be seen from the table below summarising the salient features of the profit and loss, as well as appropriation, accounts of the Company for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sale proceeds (gross)	219.31	210.97	202.92	203.84
Closing stocks	30.03	33.94	31.96	33.35
Cotton consumed	82.85	84.06	80.93	88.65
Expenses	119.62	116.67	104.45	104.18
Gross profit	17.24	14.17	10.49	21.08
Managing Agents' commission	1.19	0.91	0.50	1.75
Provision for—				
Depreciation	5.53	5.03	7.29	7.07
Taxation	3.65	3.60	0.45	2.50
Net profit	6.87	4.64	2.24	9.76
To reserves	2.72	1.71	1.74	3.25
,, provision for "set on" bonus				3.00
Transfer from reserve			3.52	
Dividends—				
4 per cent. preference	0.46*	0.32	0.32	0.32
Ordinary	3.20*	3.20	3.20	3.20
	(20%)*	(20%)†	(20%)†	(20%)†
Carry forward	0.77	0.28	0.87	0.46

* Subject to deduction of tax.
† Includes a cash bonus of 5 per cent.

The Company has more than maintained the transfers to essential provisions which are a first charge on gross profit. Depreciation has received Rs. 5.53 lakhs and taxation Rs. 3.65 lakhs. The rate of dividend has only been maintained at 20 per cent. per annum for the fifth year in succession, but, since this is subject to deduction of tax at 30 per cent., the net dividend is substantially lower at 14 per cent. The net profit is, of course, large enough to permit even a net dividend of 20 per cent., but the Directors have thought it wise to conserve the increase in net profit by enhancing the transfers to reserves and leaving a larger undistributed surplus. This policy is justifiable, since an important item that contributed to the improvement in net profit was a premium of Rs. 2.39 lakhs (*nil* in the previous year) under the export incentive scheme, a fortuitous source of income depending upon the Government's whims and fancy. In any case, the Company had to provide Rs. 2.04 lakhs for statutory development rebate, which, as its name itself suggests, is compulsory under our tax laws.

The Company under review is one of the cotton mills with a strong financial position. Its reserves and surplus at Rs. 65.29 lakhs are more than 2½ times the paid-up capital of Rs. 24 lakhs. Since the ordinary capital is only Rs. 16 lakhs, every ordinary share (of Rs. 100 each) has a clear fourfold cover in reserves and surplus. The preference capital of Rs. 8 lakhs (in shares of Rs. 25 each) is entitled to a tax-free preference dividend of only 4 per cent. This, it may be noted in passing, was created out of the reserves of the Company in the past through issue of bonus shares. The Company has now decided to capitalise a further, albeit small, sum of Rs. 1.60 lakhs and issue one ordinary share of Rs. 100 each in the proportion of one for ten. This issue is subject to the permission of the Government. Unsecured loans and current liabilities (inclusive of provisions) amount to Rs. 60.04 lakhs, as against which there are current assets aggregating Rs. 105.22 lakhs. Of the latter, stock-in-trade and book debts are the largest items, standing at Rs. 42.77 lakhs and Rs. 36.37 lakhs, respectively. The smallest item is "cash balances," with a mere Rs. 79,257 to its credit, a striking commentary on the stringency of the money market. The position of block account is: gross Rs. 108.96 lakhs, *less* depreciation Rs. 64.84 lakhs, that is, net Rs. 44.12 lakhs. In the last four years alone, the Company has incurred a capital expenditure of Rs. 42.04 lakhs. This will give one an idea of the amount the Company has spent on modernisation of its mills. It will also be noted that the value of net block is only Rs. 2.08 lakhs more than the additions made during the past four years.

ROYAL DUTCH-SHELL FINANCES IN 1959

The 1959 Annual Report of Royal Dutch-Shell Group of oil companies has just been received and makes interesting reading. In 1959, as in previous years, the Group has shown that its resources were such as to enable it to keep its leading place in the oil industry. The gross income of the Group from sales of oil and chemicals throughout the world for 1959 totalled £2,631 million. The Group's financial results can only be seen in true perspective by setting against this gross income the various large sums necessary for day-to-day operations, for research and capital expenditure, for taxes paid to Governments, and for the payment of dividend to shareholders.

What are these various sums, and what is left after they have been deducted from gross income? First, sales taxes, excise duties and similar levies, handed over to the Governments concerned, are included in the gross income. To this must also be added income and profits taxes and various other taxes payable to Governments throughout the world. For the year 1959 these sums amounted in round figures to £861 million or 32.7 per cent. of the total money that came in.

Operating, selling and administrative expenses of all kinds, including purchases of oil, royalties, salaries and wages, and retirement and other benefits to employees, amounted to £1,307 million or 49.7 per cent. Capital expenditure and working capital accounted for a further £396 million or 15.1 per cent. Dividends to shareholders formed no more than 2.5 per cent. of the gross income.

The trading results of Shell Group of companies in 1959 have been achieved not without problems and challenges and intense competition which remains the order of the day. Contrary to common belief, the oil industry continues to be one of the most competitive businesses.

New technique are continually being introduced in each of the principal branches from exploration to ultimate distribution, and these techniques are the applied results of research. That is why Royal Dutch-Shell Group companies, among the leaders in the field, are currently spending some £20 million a year on research and employ about 5,500 people in their international laboratories. Competition is ever present throughout the oil industry and the consumer benefits accordingly wherever he may be.

From the Royal Dutch-Shell Group's annual report for 1959 it is evident that the Group is international in character in a world beset with national prejudice. It is international in its operations as well as in its staff which are spread throughout the world. The great spread of Shell interests throughout the world enables them to take risks in any one country to an extent not open to any individual Government which is usually restricted in its operation to its own national territory, or to any other commercial concern which does not have the same spread of activity as Royal Dutch-Shell Group and no other company has.

Of all the world's companies, the Royal Dutch-Shell Group is by far the most international in scope, association and spirit. Teamed in partnership by two holding companies, one Dutch (the Royal Dutch Petroleum Company) and the other British (the Shell Transport and Trading Company Ltd.), the Royal Dutch-Shell owns or partly owns 500 world-wide subsidiaries and produces 14 per cent. of the world's oil (excluding Russia). The Group employs over 250,000 employees spread throughout the world and has wells in 17 countries, 47 refineries, the world's biggest tanker fleet, and marketing interests in 76 countries.

A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them — in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to 1889 and closely associated with the rapid development taking place today.

India; Aden; Dubai; Sharjah and Abu Dhabi, Muscat; Qatar; Bahrain; Kuwait; Saudi Arabia; Jordan; Iraq; The United Arab Republic (Syrian Region); Lebanon; Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

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SYNOPSES OF COMPANY REPORTS

Sri Kannapiran Mills Ltd.

THE directors of the above Company (Chairman: Mr. G. Venkataswami Naidu, Coimbatore) submitted the audited accounts of the Company for the 13th year ended 31st December 1959.

The Company's working for the year after charging all working expenses interest and depreciation of Rs. 1,46,728 (Rs. 1,51,388) has resulted in a net profit of Rs. 2,90,781 (Rs. 1,48,087). The Company has paid out of this Rs. 6,837 (Rs. 1,414) as wealth-tax and Rs. 682 (Rs. 7,901) as donation and charity leaving a balance of Rs. 2,83,262 (Rs. 1,28,046 after transferring Rs. 25,824 from general reserve). The directors disposed of this balance as follows:—

To transfer to machinery development rebate reserve Rs. 1,09,226 (Rs. 50,909), to transfer to general reserve Rs. 42,444 (*nil*) and to payment of a dividend of 10 (6 per cent. tax-free) per cent. subject to tax absorbing Rs. 1,31,592 (Rs. 77,137). The dividend for the year comes to 70 nP per share, net, against 60 nP per share, paid in the previous year.

The result of the working of the company for the year must be considered very satisfactory when compared with other textile units in the district. The crisis which has been persistent in the Textile Industry since two years showed a slight improvement in the latter half of the year, which has been responsible mainly for the increase in profits.

Further there was no power cut during the year with the result there was a saving in the lay off wages. Production potential was improved by the addition of ten ring frames. The total installed capacity at the close of the year was 21,532 spindles.

The firm of Managing Agents was automatically dissolved on the death of Sri K. Krishnaswami Naidu. The Board has, subject to the approval of the Central Government, appointed Sri K. Ramachandran the sole surviving partner of the managing agents as Director-in-charge till the approval of the Central Government for appointing new Managing Agents are obtained. The Board is applying to the Central Government for approval to appoint Messrs. K. Venkataswami Naidu and Co. consisting of Sri R. Ramachandran, Sri K. Devadas and Sri K. Dorairaj as partners, as managing agents of the Company, on the terms and conditions set forth in the draft agreement approved by the Board.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,17,124	Gross block	45,36,078
Reserves ...	6,47,786	*Less*—Depreciation ...	12,34,344
Liabilities ...	24,81,107	Net block ...	33,01,734
		Stock-in-trade	6,43,126
		Stores, etc. ...	77,896
		Book debts ...	2,97,297
		Investments	53,080
		Cash ...	72,884
Rs.	44,46,017	Rs.	44,46,017

Sivanandha Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. S. R. P. Ponnuswamy Chetty and Sons, Coimbatore) submitted the audited accounts of the Company for the year ended 31st December 1959.

The working of the Mill during the year was quite satisfactory. The mill was running on 3 shifts with an installed capacity of 25,088 spindles and the average number of spindles worked during the year was 22,092. A major portion of the machinery ordered for in respect of the installation of 6,272 spindles sanctioned under the normal expansion scheme was received and erected. These additional spindles would go into production shortly.

The year's trading resulted in a net profit of Rs. 7,70,147 (Rs. 4,65,817) after deducting all working expenses, interest and providing Rs. 7,73,016 (Rs. 5,77,600) for depreciation on the assets of the company. Adding to this Rs. 3,118 (Rs. 4,266) being the balance of profit of last year, there is a sum of Rs. 7,73,264 (Rs. 4,70,083) available, which the directors recommend may be appropriated as follows:

To pay a taxable dividend of 22 (15 per cent. tax-free) per annum for the year 1959 absorbing Rs. 2,20,000 (Rs. 1,49,966), to provision for taxes Rs. 5,50,000 (Rs. 3,17,000) and balance to be carried forward Rs. 3,264 (Rs. 3,118).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	54,79,563
Reserves ...	6,93,527	*Less*—Depreciation ...	33,71,779
Provision for taxation ...	8,75,000	Net block ...	21,07,784
Liabilities ...	27,62,597	Stock-in-trade	15,22,347
Profit and loss account (surplus) ...	3,264	Stores ...	61,044
		Book debts ...	11,07,300
		Investments	3,25,050
		Cash ...	2,10,863
Rs.	53,34,388	Rs.	53,34,388

New Commercial Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Tricumlal Bhogilal & Co., Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year amounts to Rs. 31,34,489 (Rs. 30,03,784). From this amount is to be deducted managing agents' remuneration of Rs. 1,84,772 (Rs. 1,40,240), depreciation Rs. 6,21,074 (Rs. 6,18,110), transfer to development rebate reserve of Rs. 27,220 (Rs. 8,835), to statutory development rebate reserve of Rs. 81,662 (Rs. 26,505), to provision for taxation Rs. 7,18,000 (Rs. 8,35,000), to tax deducted on interest of securities Rs. 8,140 (Rs. 6,799) and donations and charities Rs. 32,117 (Rs. 26,136). This leaves a balance of Rs. 14,61,504 (Rs. 13,42,159) to which is added the amount brought forward from last year of Rs. 2,092 (Rs. 20,815) making a total of Rs. 14,63,596 (Rs. 13,62,974). Out of this, the directors have appropriated to provision for bonus contingency Rs. 5,10,000 (Rs. 4,71,919) leaving a balance of Rs. 9,53,596 (Rs. 8,63,492 after providing Rs. 27,563 for additional tax for 1951). The directors recommend to dispose of this amount as follows:

To payment of dividend at Rs. 5.72 (Rs. 4.00 per share free of tax) subject to deduction of tax at Re. 1.72 per share on 5,250 redeemable cumulative second preference shares for the year ended 31st December 1959 absorbing Rs. 30,030 (Rs. 21,000), to payment of dividend at Rs. 36 (Rs. 27 per share including a bonus of Rs. 7 per share, free of tax), subject to deduction of tax per share, on 25,200 ordinary shares for the year ended 31st December 1959 absorbing Rs. 9,07,200 (Rs. 6,80,400) and to provide for charity account Rs. 10,000 (Rs. 10,000) leaving a balance to be carried forward to next year's account of Rs. 6,366 (Rs. 2,092 after transferring Rs. 1,50,000 to contingency fund). The directors recommend that as preference shareholders are entitled to a dividend of 4 per cent. per annum free of income-tax and in view of the provisions of the Finance Act 1959 and the Finance Bill 1960, the Company should bear the deduction made compulsory by Section 18 (3D) of the Indian Income-tax Act, and provision has been made accordingly.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	68,25,000	Gross block	1,57,37,865
Reserves ...	27,76,707	*Less*—Depreciation ...	1,12,77,222
Provision for taxation ...	28,47,452		
Liabilities ...	1,12,21,250	Net block ...	44,60,643
Profit and loss account (surplus) ...	'6,366	Stock-in-trade	67,83,789
		Stores, etc. ...	13,84,575
		Book debts ...	96,30,945
		Investments	11,71,872
		Cash ...	2,44,951
Rs.	2,36,76,775	Rs.	2,36,76,775

Raymond Woollen Mills Ltd.

The directors of the above Company [Managing Agents: Messrs. J. K. (Bombay) Private Ltd., Bombay] submit the audited accounts of the Company for the year ended 31st December 1959.

The Company's operations for the year under review after meeting all manufacturing and overhead expenses, provision for normal depreciation amounting to Rs. 6,80,000 (Rs. 4,60,000) and managing agents' commission amounting to Rs. 3,22,163 (Rs. 1,48,405) have resulted in a net profit of Rs. 32,17,926 (Rs. 17,75,339). To this amount has been added the balance brought forward from the previous year amounting to Rs. 2,20,527 (Rs. 11,792) making a total of Rs. 34,38,453 (Rs. 18,27,527 including refund of taxes Rs. 40,396). From this the directors have made the following provisions and appropriations:—

To provision for bonus to employees for the years 1956-58 Rs. 2,20,000 (*nil*), to depreciation [against arrears of normal depreciation of past years] Rs. 2,20,000 (Rs. 2,25,000), to development reserve Rs. 2,40,000 (Rs. 4,00,000), to provision for taxation [income-tax and super-tax] Rs. 13,50,000 (Rs. 2,92,000), to investment depreciation reserve Rs. 60,000 (Rs. 40,000) and to reserve fund No. 2 Rs. 2,50,000 (Rs. 6,50,000) leaving an available balance of Rs. 10,98,453 (Rs. 9,45,527 after including Rs. 7,25,000 transferred from reserve fund). Out of this sum the directors recommend payment of the following dividends for the year ended 31st December 1959:—

A dividend on 5 per cent. tax-free cumulative preference shares for the year 1959 at the rate of Rs. 7.143 per share, subject to deduction of tax at the rate of Rs. 2.143 per share absorbing Rs. 1,78,575 (Rs. 1,25,000) and a dividend on ordinary shares at the rate of Rs. 11.50 (Rs. 8.00 per share, free of income-tax) per share, subject to deduction of tax absorbing Rs. 8,62,500 (Rs. 6,00,000) leaving a balance to be carried forward to the next year of Rs. 57,378 (Rs. 2,20,527). The operating results for the year under review show a substantial increase in the profits before taxation at Rs. 32.18 lakhs as against Rs. 17.75 lakhs in the previous year. The allocation to depreciation is higher at Rs. 6.80 lakhs as against Rs. 4.60 lakhs in the previous year due to the calculation of depreciation for the full year on new plant and machinery installed during 1958 and also due to further capital expenditure on new plant and machinery installed during the year under review. A further allocation of Rs. 2.20 lakhs from the appropriation account has been made for depreciation against the arrears of normal depreciation of past years. An amount of Rs. 2.40 lakhs has been transferred to the development reserve account in accordance with the requirements of the Income-tax Act.

Raw Materials:—The prices of wool tops showed an upward trend during the year under review but this Company was able to cover a substantial quantity of its requirements at advantageous prices during the earlier part of the year. The import quotas for raw materials for the woollen industry were somewhat lower than in the previous year.

The Company's Mills have been experimenting on the use of indigenous raw wool for manufacture of certain varieties of worsted suitings with encouraging results and have been assured of the fullest encouragement and help from the Government in setting up of a plant for combing of Indian wool for manufacture of woollen cloth.

Sales:—The gross turnover for the year under review showed a substantial increase at Rs. 262.25 lakhs as compared to Rs. 216.72 lakhs in the previous year. It will be interesting to note that the Company's export sales rose from Rs. 0.06 lakh in 1958 to Rs. 10.16 lakhs in 1959 and sales through retail showrooms in Bombay rose from Rs. 6.61 lakhs in 1958 to Rs. 13.05 lakhs in 1959, due mainly to the Company opening, during the year under review, its own air-conditioned sales depot at J.K. Building, Ballard Estate. There has also been a further increase, in the percentage of high quality fancy suitings manufactured by the Company during 1959 as compared to the previous year. The increase in turnover and higher percentage of high quality fancy suitings manufactured during the year, coupled with the favourable prices of raw materials, has resulted in the increase in the net profits during the year under review.

The Company has been making every endeavour to promote its sales in the export markets. The reports of the Company's sales representative who recently visited the Middle East, Africa and the Continent as well as the orders which the Company has been receiving from these countries indicate that the products manufactured by the Company have been well received and compare very favourably with other foreign manufactures in quality, finish and range. The Company also received further orders for woollen suitings from the U.S.S.R. through the State Trading Corporation of India Ltd.

J. K. Engineers' Files:—The Company's factory for the manufacture of *Engineers' Steel Files* worked satisfactorily during the year under review. The expansion programme in this branch for doubling the capacity of the factory at a total cost of approximately Rs. 4.50 lakhs is expected to be completed during the current year.

The term of office of the existing managing agents of the Company, Messrs. J. K. (Bombay) Private Ltd., will expire on 15th August 1960 under the provisions of the Companies Act, 1956. The Company has, after obtaining the approval of the shareholders, taken steps to obtain the consent of the Central Government to their reappointment for a further term of ten years.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,00,00,000	Gross block	1,69,60,794
Reserves ...	19,70,000	*Less*—Depreciation ...	81,75,000
Provision for taxation ...	16,64,151	Net block ...	87,85,794
Liabilities ...	1,40,10,683	Work-in-progress ...	1,47,241
Profit and loss account (surplus)	57,378	Stock-in-trade ...	1,08,08,223
		Stores, etc ...	16,30,270
		Book debts ...	35,67,541
		Investments	22,99,018
		Cash ...	4,64,125
Rs.	2,77,02,212	Rs.	2,77,02,212

Sendra Coal Co., Ltd.

The directors of the above Company [Secretaries: Messrs. F. W. Heilgers and Co. (Private) Ltd., Calcutta] present the audited accounts of the Company for the year ended 31st December 1959.

The profit and loss account after providing for all charges and making a provision of Rs. 58,055 (Rs. 16,619) for taxation including Rs. 16,033 (*nil*) in respect of previous years, shows a profit of Rs. 17,096 (loss of Rs. 5,273). To this is added the balance brought forward from the previous year of Rs. 355 (Rs. 628) and the amount transferred from general reserve of Rs. 16,000 (Rs. 5,000) making a total available balance of Rs. 33,451 (Rs. 355). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the ordinary shares at 3½ (*nil*) per cent. per annum, subject to deduction of tax absorbing Rs. 28,000 (*nil*) and by carrying forward Rs. 5,451 (Rs. 355).

The dividends on investments are the total amount actually received during the year. The purchases of investments made during the year have not yielded full income in certain cases in the year under review.

Revaluation of Fixed Assets.—In order to bring the value of the buildings of the Company back to their actual written down value based on the original cost, the directors have authorised the writing down of the said asset by a sum of Rs. 16,751 by debiting the reserve for revaluation of fixed assets account in the year under review in the same proportion as the asset was written up in 1948.

Colliery.—The directors are pleased to report that the buyers have paid the final instalment of Rs. 1,30,000 towards the purchase price, in January 1960.

The Karanpura Mining Syndicate.—During the year ended 31st December 1959, 1,91,578 (1,80,082) tons of coal were raised and 1,83,528 (1,80,627) tons were despatched. The managing contractor continues to raise and sell coal from Religara Colliery and this arrangement continues to work satisfactorily.

Investments.—The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange with the exception of 7/60th share in The Karanpura Mining Syndicate for which no quotation is available. The market value of investments for which quotations are available together with the unquoted investment as valued by the directors amounts to Rs. 11,57,311.

As reported earlier, the Company has changed its business to that of an investment company and the managing agents resigned with effect from 15th March 1959.

Secretaries.—In pursuance of the special resolution passed at the general meeting of the Company held on 4th January 1960, Messrs. F. W. Heilgers and Co. (Private) Ltd., were appointed secretaries of the Company for a period of five

years with effect from 1st January 1960, at a remuneration of Rs. 500 per mensem.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Gross block	35,740
Reserves ...	4,54,685	*Less*—Depreciation ...	28,867
Provision for taxation ...	61,735		
Provision for wealth-tax	4,153	Net block ...	6,873
Liabilities ...	44,914	Investments	11,88,809
Profit and loss account (surplus) ...	5,451	Book debts	1,42,051
		Cash ...	33,185
Rs.	13,70,918	Rs.	13,70,918

Runglee Rungliot Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts disclose a working profit of Rs. 33,252 (Rs. 98,364). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 1,500 (*nil*) to development rebate reserve, there is a balance at the credit of the profit and loss account amounting to Rs. 44,085 (Rs. 65,523 after transferring Rs. 18,000 to buildings and machinery reserve). The directors recommend that a dividend of 10 (30) per cent. (subject to deduction of tax) be declared at the annual general meeting, leaving Rs. 30,085 (Rs. 23,523) to be carried forward.

Tea crop was 1,91,120 lbs. as compared with 1,96,080 lbs. in 1958. The average selling price realised was Rs. 3.09 per lb. as against Rs. 3.45 per lb. in the previous year.

Estimates for 1960 provide for a crop of 83,460 kilograms (1,84,000 lbs.) at an outlay of Rs. 5,39,670, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,40,000	Gross block ...	4,63,373
Reserves ...	5,02,500	*Less*—Depreciation ...	2,11,663
Provision for taxation ...	93,473		
Liabilities ...	87,721	Net block ...	2,51,710
Profit and loss account (surplus)	30,085	Expenditure in progress ...	3,668
		Stock of tea	67,008
		Stores, etc. ...	45,694
		Book debts ...	95,314
		Investments	2,27,439
		Cash	1,62,946
Rs.	8,53,779	Rs.	8,53,779

Belvedere Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts, after charging all expenses and taking credit for E.P.T. post-war refund, show a profit of Rs. 12,12,070 (Rs. 6,29,414) of which provision for taxation requires Rs. 5,80,000 (Rs. 58,000) leaving a net profit of Rs. 6,32,070 (Rs. 5,71,414). From this amount the directors have transferred to development rebate reserve Rs. 1,782 (Rs. 2,285), to general reserve Rs. 1,50,000 (Rs. 3,00,000) and to contingencies reserve Rs. 21,000 (*nil*) leaving a balance of Rs. 4,59,288 (Rs. 2,69,129). With the balance brought forward from last year of Rs. 16,240 (Rs. 6,111) there is a total amount available for distribution of Rs. 4,75,528 (Rs. 2,75,240). The interim dividends on preference shares at 3.5 (*nil*) per cent. absorbed Rs. 24,500 (*nil*) and on ordinary shares at Rs. 5.00 (Rs. 2.50 per share, free of tax) per share, absorbed Rs. 1,40,000 (Rs. 70,000) leaving a balance of Rs. 1,64,500 (Rs. 2,05,240). The directors now recommend payment of final dividends on preference shares at 3.5 (7 per cent. free of tax) per cent. absorbing Rs. 24,500 (Rs. 49,000) and on ordinary shares at Rs. 8.50 (Rs. 5.00 per share free of tax) per share, absorbing Rs. 2,38,000 (Rs. 1,40,000) leaving a balance to be carried forward of Rs. 48,528 (Rs. 16,240).

The directors, at their meeting on 23rd May 1960, decided to transfer Rs. 21,000 to contingencies reserve to be applied to the payment of a further dividend of Rs. 3.00 per share to the preference shareholders in the event of the resolution passed on 25th November 1959 being ratified under Section 106 of the Companies Act, 1956. The period within which such ratification was required has however now expired without the requisite ratification having been received from the ordinary and preference shareholders. Payment of a further preference dividend under the resolution referred to will not therefore be possible, but the directors have decided not to reverse the transfer of Rs. 21,000 to contingencies reserve.

In view of the disparity between the prices of raw jute and finished goods, and the probability of production having to be curtailed until the new crop which has been delayed by the drought arrives, results for the current year are likely to be less favourable.

During the year orders were placed for modern slip draft spinning machinery to supply the warp yarns for 87½ per cent. of the mill's complement of looms. Additional orders have subsequently been placed for modern slip draft machinery to supply the weft yarns on a similar basis.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,686	Gross block	98,01,914
Reserves ...	30,71,190	*Less* Depreciation ...	56,63,641
Provision for taxation ...	6,35,264		
Liabilities ...	10,78,321	Net block ...	41,38,273
Profit and loss account (surplus)	48,528	Stock-in-trade	25,04,206
		Stores, etc. ...	8,81,998
		Book debts ...	7,11,892
		Investments	83,626
		Cash ...	13,308
Rs.	83,33,303	Rs.	83,33,303

British India Electric Construction Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year [including items relating to previous years] after providing for taxation and depreciation, was Rs. 3,44,937 (Rs. 3,51,534) to which is added the balance brought forward from 1958 of Rs. 68,189 (Rs. 77,782) making a total of Rs. 4,13,126 (Rs. 4,29,316). The Board has transferred Rs. 32,907 (Rs. 8,706 to development rebate reserve and Rs. 1,80,726 (Rs. 2,52,421) to general reserve, leaving a balance of Rs. 1,99,493 (Rs. 1,68,189) available for distribution, which it is recommended be dealt with as follows:—To pay a dividend of 25 (20 per cent. free of tax) subject to deduction of tax, absorbing Rs. 1,25,000 (Rs. 1,00,000) leaving a balance to be carried forward of Rs. 74,493 (Rs. 68,189).

Operations.—Although there was an increase in the turnover as compared with 1958, profits were reduced, largely by the implementation of the Third Omnibus Engineering Tribunal Award which is reflected in the increase in labour costs. The increase in the turnover was attributable to higher production of switchgear, although as forecast last year, there was a reduction in the sales of motors.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Gross block	24,63,921
Reserves ...	7,72,971	*Less*—Depreciation ...	14,48,244
Provision for taxation ...	4,77,104		
Liabilities ...	42,65,258	Net block ...	10,15 677
		Stocks ...	24,59,500
Profit and loss account (surplus) ...	74,493	Work-in-progress ...	8,27,655
		Goods in transit ...	88,584
		Book debts	16,83,882
		Investments	2,500
		Cash ...	12,028
Rs.	60,89,826	Rs.	60,89,826

Associated Rubber Industries Ltd.

The directors of the above Company (Managing Agents: The Associated Agencies Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1959.

At the last meeting the directors expressed the hope that production and sales during 1959 were expected to be higher and that as a consequence the gross earnings will also be better. The working results for the year have more than justified these anticipations. Sales have increased from Rs. 19,52,160 to Rs. 31,94,178 because of an all round increase in the demand for the products of the Company from both indigenous and foreign consumers and indigenous industrial units. This substantial increase in demand for the Company's products could be met because of modernisation of machinery and equipment in earlier years and rationalisation of methods of production during the year under review. While a considerable portion of the Company's plant at Bhavnagar has been modernised, the work of modernisation has not yet been completed and is being continued in this year as well.

The gross earnings for the year amounted to Rs. 7,33,126 (Rs. 2,85,869). Adding to this the balance brought forward from previous year's account of Rs. 10,606 (Rs. 10,183) and provision of previous years not required Rs. 31,000 (Rs. 9,694) there is a total amount of Rs. 7,74,732 (Rs. 3,05,746). After providing for depreciation on fixed assets Rs. 1,46,331 (Rs. 1,09,319), depreciation on loose tools and equipment Rs. 27,591 (Rs. 19,455), managing agents' commission Rs. 48,154 (Rs. 9,405), taxation Rs. 1,93,000 (Rs. 49,000), doubtful debts Rs. 3,500 (*nil*), development rebate reserve Rs. 30,430 (Rs. 8,325), bonus for 1956 and 1957 paid this year Rs. 57,190 (Rs. 41,321 for 1955), underwriting commission and share issue expenses Rs. 10,525 (*nil*), depreciation under-provided in previous years Rs. 62,045 (*nil*) and debenture redemption reserve Rs. 60,000 (*nil*) the amount available for disposal is Rs. 1,35,966 (Rs. 68,908). Out of this sum, the directors recommend the following dividends for the year ended 31st December 1959:—

Payment of proposed dividend at Rs. 7 per share (net) on 5,750 7 per cent. tax-free preference shares, absorbing Rs. 40,250 (Rs. 19,850). payment of tax on the preference dividend of Rs. 17,250 (*nil*), payment of proposed dividend of Rs. 7 (Rs. 7) per share (net) on 7,500 ordinary shares, absorbing Rs. 52,500 (at 7 per cent. free of tax on 5,250 old ordinary shares absorbing Rs 36,750 and on 2,250 new ordinary shares [from the date of allotment] absorbing Rs. 1,702) and payment of tax on the ordinary dividend absorbing Rs. 22,500 (*nil*) leaving a balance to be carried to next year's account of Rs. 3,466 (Rs. 10,606).

Preference shareholders are entitled to get a net return of Rs. 7 per share as per the terms of issue of these shares. Therefore the Company has to bear the deduction of tax made compulsory by the Finance Act of 1960 under Section 18(3D) of the Income-tax Act. To make the position quite clear and beyond question the directors recommend that the Articles of Association of the Company be suitably amended.

As mentioned earlier there was a sustained and increasing demand for the products of the Company throughout 1959. In the case of many products the production could not be increased sufficiently to meet fully the increased demand. This was because modernisation of equipment and rationalisation of production were not completed in 1959. The off take of automobile components continues to increase and modernisation has become necessary in this section of the Company's undertaking. The directors have already taken this work in hand during 1960.

There was a welcome improvement in the issue of licences for import of raw materials and this improvement enabled the Company to progressively increase the production of *Synthetic Rubber Cots* and *Aprons* for the textile industry and satisfy to a greater extent the demand for these products. From January 1960 Messrs. Inarco Private Limited, the Company's joint Company with Messrs. Armstrong Cork Co., Ltd., have commenced operations and it is expected that Messrs. Inarco Private Ltd.'s new factory at Bombay will go into production before the end of 1960.

The plant for dipped latex goods worked more regularly in 1959 than in the earlier years and the Company has supplied large quantities of gloves to trade and Government departments. Manufacture of goods from latex is difficult even in temperate climates but in this country with its high and varying temperatures and its dust storms, difficulties of production increase. The Company's dipped latex products are of highest quality and have been very well received by the consumer.

The oldest unit in the Company's plant is the footwear manufacturing department. In this case it is with satisfaction that the directors have to report progress in all directions. During the year under report export of footwear showed further increase. Reorganisation and modernisation of the footwear section is well in hand and the new machinery for which orders has been placed last year has already arrived in India.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,25,000	Gross block	22,10,441
Debentures ...	8,00,000	*Less*—Depreciation ...	9,31,437
Reserves ...	2,60,060		
Provision for taxation ...	1,72,267	Net block ...	12,79,004
Liabilities ...	10,67,451	Stock-in-trade	9,90,987
		Stores, etc. ...	5,61 335
Profit and loss account (surplus) ...	3,466	Books debts	5,79,292
		Investments	2,00 130
		Cash ...	17,496
Rs.	36,28,244	Rs.	36,28,244

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

ECONOMIC AND MARKETING RESEARCH

(*Concluded from page 114*)

by conducting continuous surveys among a list of shopkeepers to ascertain the movement of stocks from their shelves over a period of time. It is likely that, in the next few months, a research organisation may establish a consumer panel in a major city to cater to all those who need the service. To start with, the demand for such a service is likely to be small.

There are a number of private organisations which conduct research studies continuously. The National Council of Applied Economic Research has shot into prominence by undertaking comprehensive research on important subjects. Their techno-economic surveys of Madras, Bihar and Madhya Pradesh and research on the present and future demand for energy, for agricultural commodities, and for consumer goods have made useful contributions in the respective fields. The Association of Indian Trade and Industry, Bombay, has also provided us with valuable studies on the financial trends in important industries. The Indian Institute of Public Opinion, New Delhi, is gathering and analysing public opinions on selected economic and political problems. The Tata Institute of Social Sciences has conducted surveys on shopping habits and conveniences of the public, on the drink problem in urban areas and other socio-economic problems. The special field of study of the Demographic Training and Research Centre is the population problem.

Among the pioneering studies made by our Company is the "Thompson Index of Markets" in which we have evaluated the market potential of 504 individual towns of over 20,000 population in terms of index numbers. The 12 economic indicators on which the index numbers are based were brought together from diverse sources and involved much effort to extract data which were not available before. This work is under publication.

Since most manufacturers use marketing research only occasionally, much has still to be learned about the preferences and habits of urban households, while knowledge of rural markets is even more incomplete. Today, the consumer industries are on the threshold of new developments for the satisfaction of many consumer wants and it is certain that, as time goes by, the practice of marketing research will be needed on an increasingly wider scale.

STRINGENCY IN MONEY STAYS

(From Our Own Correspondent)

BOMBAY, *13th July*

There is nothing new to report about the trend of short-term money market. The stringency still continues. With only four more days left for the list for the Central Government's new loans to open, the banks are conserving their resources. It must be remembered that, on the 18th inst., when the list opens, the Life Insurance Corporation, the Provident Funds and other investors will draw on their deposits with banks, in order to subscribe to the new loans. Further, several banks will themselves be investing in new loans even by borrowing from the Reserve Bank, if need be. The next week will, therefore, witness an aggravation of the present stringency, with many banks rushing to the lender in the last resort for sizable accommodation. It is also stated that the demand for funds from indigenous moneylenders doing *hundi* business is rather very keen, as the Reserve Bank is believed to be applying its screw on them also through the commercial banks which discount their *hundis*.

These temporary considerations apart, the demand for credit from industries continues to be on a high scale. The increase of nearly five lakh tons in sugar production which has gone to boost the stocks with sugar mills has tied up something like Rs. 150 crores more than last year in sugar advances alone. On top of this, more and more American cotton is coming which requires a larger amount of finance than the corresponding volume of domestic cotton. Then there is the increase in the domestic production of chemicals and scores of new products. With all this, it is not going to be easy for banks to bring down the level of their loans and advances during the remaining months of the so-called slack season.

If the short-term interest rates for deposits do not reflect the continuing pressure for bank credit, it is because of the ceilings fixed under the inter-bank agreement. The fact that even inter-bank rate is as high as 3½ per cent. during mid-July is a good enough indication of the stringency in the market. The rates for other deposits are the self-same as in past weeks.

There is no change in the 91-days' Central Treasury Bills rate either. The results of weekly tenders show that, as against an invitation for Rs. 2 crores, tenders aggregated Rs. 2.02 crores, the average rate of accepted tenders being 2,745 per cent. per annum. There were no sales again of 91-days' Intermediate Treasury Bills during the period 7th to 9th July 1960. Apparently because of the Central Government's loans next week, no tenders for Treasury Bills have been invited for that week. Tenders for Rs. 2 crores of Bills, however, will be accepted on Monday the 25th inst. Successful tenderers should make payment on 29th July 1960. But sales of Intermediates are being continued. They will be available right from 13th July 1960 to 23rd July 1960 at Rs. 99.326 per cent.

After the slight contraction noted in the week ended 1st July 1960, notes in circulation have gone up by Rs. 15.59 crores in the week ended 8th July 1960. As notes held in the Banking Department are lower by Rs. 16.71 crores, the total notes issued are down by Rs. 1.12 crores.

There is no change in foreign securities held by the Issue Department, but balances held abroad have gone up by Rs. 13.08 crores, so that the total foreign assets stand at Rs. 169.67 crores. The improvement doubtless reflects the loan of £10 million granted by the British Government for financing the second Plan now in its last year.

Reflecting, in part, the aforesaid credit, the Central Government's deposits with the Reserve Bank have moved up by Rs. 14.60 crores to Rs. 69.27 crores. Deposits of other Governments are down by Rs. 5.83 crores, but those of banks have improved by Rs. 2.12 crores. Loans and advances to Government have risen by Rs. 3.00 crores and so also other loans and advances by Rs. 3.87 crores. Advances to scheduled banks against usance bills, however, are actually a shade lower at Rs. 12.71 crores.

The Scheduled Banks' statement for the week ended 1st July 1960 show only modest changes as compared with that for the previous week. Net demand and time deposits have risen by Rs. 2.95 crores and Rs. 3.12 crores, respectively. Borrowings from the Reserve Bank are nevertheless higher by Rs. 2.36 crores at Rs. 42.61 crores. This is because bank credit is up by Rs. 1.79 crores and so also investments by Rs. 4.75 crores. Cash balances are better by Rs. 2.10 crores, but money at call and short notice is down by Rs. 2.18 crores. These movements in liquid assets reflect, to some extent, window-dressing by banks at the time of half-yearly closing.

The Gilt-edged market was dull and featureless. There was some selling in 3 per cent. 1970-75, and 3½ per cent. 1965, as a result of which both declined by 5 nP to Rs. 90.85 and Rs. 99.80, respectively. These sales were apparently by investors who wanted to make some room for the new loans in their portfolio. At the same time, there were some buying enquiries for the extremely short-dated loans, presumably from those who do not wish to convert the maturing loans into new ones. Thus, a rise of 5 nP was recorded in 2½ per cent. 1961, 2½ per cent. 1962 and 3½ per cent. 1961 to Rs. 98.55, Rs. 98.05 and Rs. 100.05, respectively. The State loans remained unchanged.

In the foreign exchange market, the rupee reflected the strength of the pound sterling abroad. In terms of dollars, the Banks' selling rate for U.S. T.T. ready remained unchanged at Rs. 476.75 per $100, while their buying rate was a shade higher by 25 nP at Rs. 473.50. In the New York market, spot sterling was fully steady to firm till the 12th inst., when it stood at 280.82-280.88 cents per £, but dropped 0.11 cent to stand at 280.71-280.75 cents on the 13th inst. Three months' forward sterling, too, moved in that fashion and closed at 279.39-279.43 cents per £, as against 279.52-279.43 cents a week earlier.

SPECIAL MARGIN ON BULLION

(From Our Own Correspondent)

BOMBAY, *13th July*

The warning given last week by the President of the Bullion Association that the Maharashtra Government might levy special margin in *Bhadrapad* (September) settlement on both gold and silver has proved correct. For, on Thursday this week, the Government announced the imposition of special margin on all outstanding long positions with effect from Friday the 8th inst., on the following basis:

	Closing rate	*Rate of margin*	*Exemption limit*
Gold (Rs. per tola) ..	125-127	20	1,000 tolas
	127-129	25	1,000 ,,
	Above 129	50	500 ,,
Silver (Rs. per bar) ..	212-214	750	50 bars
	214-216	1,500	50 ,,
	Above 216	2,000	50 ,,

The move of the Maharashtra Government has apparently been prompted by the anxiety to check the upward tendency in bullion prices. But, despite the margin, the two precious metals continue to rule firm, today's closing rates being markedly higher than those at the end of last week. The renewed firmness is due to sustained support lent by bulls who fear that the floating stocks of gold and silver in the city might dwindle considerably as a result of the virtual suspension of arrivals following a possible prolongation of the strike by the employees of the Union Government and the Railways. The reports that several bars of silver were recently despatched to Calcutta have also imparted strength. The upward trend in gold is, of course, halting, thanks to hedge selling by spot operators against their purchases in ready, and on news that a leading operator of Madras has recently sold 4,000 tolas in ready.

The daily average arrivals and offtake of gold during the week under review amounted to 3,920 tolas and 2,700 tolas, respectively; the corresponding figures for last week were 2,000 tolas and 3,170 tolas. The floating stocks of gold are reported to be around 25,000 tolas. The daily arrivals of silver were 14 bars, same as last week, while the offtake was of the order of 6 bars, as against 7 bars. The floating stocks of silver are estimated at 500 bars.

In the gold section, *Ashad* settlement went off the board at Rs. 128.75 on the 9th inst., after touching Rs. 129 on the opening day (Thursday the 7th inst.), as against Rs. 128.84 on Wednesday last week. *Shravan* settlement met with good support and advanced from Rs. 128.59 to Rs. 129.62 yesterday and, after easing to Rs. 129.19 today, finished higher at Rs. 129.50. The rate for transferring commitments from *Ashad* to *Shravan* settlement continued to be in favour of bulls on the opening day but turned against them in the subsequent two sessions. The actual rate was 7 nP on Friday and 3 nP on Saturday.

Ready gold began the week at Rs. 129.06, as against the previous closing of Rs. 129.15, and gradually moved up to touch Rs. 129.75 yesterday. After declining to Rs. 129.19 the same day, it recovered to Rs. 129.50 today. The net gain over the week was 91 nP.

Ashad settlement in silver was well supported and improved from Rs. 216.71 to Rs. 219.12 on Monday. It, however, ran off the board higher at Rs. 218.72 on the same day. *Shravan* settlement spurted from Rs. 216.97 to Rs. 219.81 yesterday and, after declining to Rs. 218.62, moved up to Rs. 219.44 today. The closing rate was a shade lower at Rs. 219.31. A striking feature of trading in the two contracts was that the rate for transferring commitments from *Ashad* to *Shravan* settlement, which was hitherto in favour of bears, turned against them on Monday; the actual rate when the *Ashad* settlement ran off the board was 3 nP. *Bhadrapad* settlement fluctuated between Rs. 217.25 and Rs. 220.25 before winding up the week at Rs. 219.94.

Ready silver attracted good attention, the quotation rallying from Rs. 216.75 to Rs. 219.69 yesterday. Opening at Rs. 219.31 today, it softened to Rs. 218.87 but strengthened to Rs. 219.31 towards the close. The net gain over the week was Rs. 3.44.

Forward silver in the London bullion market rose by ¼*d.* to 79½*d.* during the week, while ready silver continued to remain unchanged at 79½*d.* Silver in New York was unaltered at 91.375 cents. Ready gold in London eased from 250s. 0½*d.* to 249s. 3*d.* on the 7th inst., owing to the firmness of the pound sterling *vis-a-vis* the dollar, but recovered to 249s. 11½*d.* yesterday. The latest available world price for gold in London is $35.09-$35.11.

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

	13-7-60 (closing)	High	Low	6-7-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs
Ready (.99 fine)	129 56	129.75	128 56	129.15
Forward:				
Ashad	128 75*	129 00	128 31	128 84
Shravan	129 50	129 62	128 31	128 59
Sovereign	85.75	85.75	85.50	85.75
SILVER				
Ready (.996 fine)	219.31	219 69	216.94	216.75
Forward:				
Ashad	218 72†	219 12	217 06	216 71
Shravan	219 31	219 81	217 12	216 97
Bhadrapad	220 25	220 25	217 25	217 59
London:	12-7-60	—	—	5-7-60
Silver Ready	79½*d.*	—	—	79½*d.*
Silver Forward	79½*d.*	79½*d.*	79*d.*	79*d.*
Gold	249s 11½*d.*	249s 11½*d.*	249s. 3*d.*	250s. 0½*d.*
New York:				
Silver	91¼ cents	—	—	91¼ cents

* On 9-7-1960. † On 11-7-1960.

DEMAND FOR SHORT-STAPLES BROADENS

(From Our Own Correspondent)

BOMBAY, *13th July*

Official trading in cotton futures continued to be at a standstill during the week under review. With the hedge contract price ruling above the effective ceiling of Rs. 790, for the non-delivery period, no business could be put through officially. Transactions were of course done in private, as usual. The August contract hovered round Rs. 818.

Unless the hedge contract quotation declines to Rs. 790 no official trading is possible till 1st August when the delivery period starts. Thereafter, the contract can rise up to Rs. 820, the statutory ceiling. It is now taken for granted that the contract will go off the board at the ceiling price of Rs. 820, as its predecessor did.

The trade was disappointed that the eagerly awaited announcement regarding ceiling and floor prices did not materialise so far. It is believed that the floor and ceiling for the basic variety (Jarilla fine 25/32") would be raised by Rs. 55 per candy and Rs. 80 per candy, respectively, with appropriate changes in the floors and ceilings of other varieties.

The trade is convinced that only higher ceiling can make normal business in cotton possible in the new season. Already, it points out, futures trading is at a standstill on account of the ceiling while spot prices rule mostly above the ceiling.

A notable development of the week in the spot market was the keen interest evident in short-staple cotton. Upcountry mills, especially those from Punjab, Delhi and U.P., were regular buyers of short-staple varieties like Bengal *Deshi* and Wagad. This renewed interest was attributed to the shortage of staple varieties which forced mills to go in for shorter staples. Long-staple varieties also were in good demand. Vijay, Laxmi, Surti, Co2, etc. were well-favoured. The only limiting factor seemed to have been paucity of stocks.

Mill interest in foreign cotton was well maintained. Sudan, both medium and higher qualities, and East African cotton attracted attention. Traders noted with interest the reported purchase of 25,000 bales of Uganda cotton by China. This was said to be the first time China purchased Uganda cotton.

Reports from Punjab and Rajasthan indicate satisfactory crop conditions. The crop is stated to be progressing well. In some regions, sowings of Bengals are ahead of last year. Recent rains have proved beneficial to cotton in Gujerat, Madhya Pradesh and Maharashtra. The present lull in monsoon is also said to be good to the crop.

It is reported that the Government of India is negotiating with the U.S. Government for the import of cotton in return for ferro-manganese. Under a barter agreement concluded some time ago, India was to supply ferro-manganese and import wheat to augment her food stocks. With the conclusion of the recent agreement with the U.S. for the supply of 17 million tons of foodgrains, India is now negotiating for the supply of cotton in place of wheat as the former commodity is in short supply in the country. An agreement is likely to be reached shortly. The quantity that will be imported, it is said, will be round about 50,000 bales.

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

Laxmi 1,061; CO2 1,100; Digvijay 1,105; Wagad 970.

The Karachi cotton futures market ruled distinctly bullish during the week. Speculative buying, based on the entry of China in the spot market, resulted in a flare up in futures values. Under pressure of buying, N.T.R.G. July firmed up from Rs. 70-4 last week-end to Rs. 79-8. The January contract improved from Rs. 68-15 to Rs. 72-6.

Large-scale buying by China led to a spurt in ready prices. China was reported to have purchased over 40,000 bales in the course of last week. Ready stocks dwindled rapidly and prices of available lots rallied. The market was closed yesterday on account of the delay in clearing. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 91; Punjab *Deshi* 87-8; 4F Punjab Roller 94-5; S.G. 98-5; L.S.S. Punjab Roller 97-5; S.G. 103-5.

Cotton futures in Alexandria market succumbed to selling during the week under review. Bearish weather advices and the absence of export enquiries accelerated the downward trend of prices. The export price discount for old crop was reduced from 11½ per cent. to 11 per cent. while the discount for new crop was unchanged at 6 per cent.

Total exports from the beginning of the season till the end of May aggregated 1,078,491 bales of 720 lbs. each, as against 938 028 bales exported during the same period last year. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week-end rates:

Karnak: July 76.70 (78.42); November 74.00 (75.70); January 73.60 (75.45).

Ashmouni: August 63.80 (65.50); October 62.87 (64.43); December 62.85 (64.40).

Liverpool cotton futures market ruled barely steady during the week. Fluctuations were narrow, within a five-to-ten-points range. Long liquidation and hedge selling were offset to some extent by buying of new crop on American account. Advices from yarn and cloth market were unencouraging. The following are the latest available quotations—in pence per lb.—from Liverpool:

July 22.50; October 22.45; July (Sudan) 35.50.

Quiet conditions prevailed in the New York cotton futures market during the week. Volume of business was small and price movements were

irregular. Some squaring up was noted in the July contract by spot interest. Commission house buying was reported in new crop.

The Department of Agriculture estimated the acreage under cotton in the 1960-61 season at 16,306,000 acres, which is three per cent. more than in the current season. The estimate was in line with general expectation and did not have any effect on the market.

It is reported that cotton crop progress ranges from moderately rapid in the eastern half of the cotton belt to extremely rapid in the western half. Temperature, generally speaking, has been above normal for a prolonged period from California to central Texas. The crop reflects the ideal weather it has enjoyed so far.

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

(In cents per lb.)

	12-7-60	5-7-60	28-6-60
Spot	34.20	34.25	34.25
July	32.98	32.94	32.85
October	30.93	31.09	31.07
December	31.10	31.21	31.18

YARN IMPORTS LOWER

(From Our Own Correspondent)

BOMBAY, 13*th July*

The yarn market ruled fully steady during the week under review. Art silk yarn attracted good support on fears of decline in floating stocks in the market, following reduced arrivals of yarn from abroad. The quantity of art silk yarn actually imported into Bombay port during the month of June was estimated at 2,509,382 lbs., as against 3,320,090 lbs. in the previous month. Imports of synthetic yarn and cotton yarn were also lower at 187,490 lbs. and 19,335 lbs., respectively, the corresponding figures for the month of May being 298,000 lbs. and 30,356 lbs. Even reports that the upcountry traders were not inclined to make any large purchase in view of the strike by Union Government and railway employees did not have any effect. Staple fibre yarns met with enlarged demand. Cotton yarns were firm, thanks to rising tendency in cotton prices and on encouraging reports from piecegoods market. Exports of cotton yarn from Bombay port during June 1960 amounted to 322,130 lbs., as against 583,611 lbs. in the previous month. Exports of cotton sewing thread aggregated 31,454 lbs., as against 51,610 lbs.

Cupressa Bemberg yarn (60 x 1) August 1960 contract spurted by Rs. 13 to Rs. 1,950. October contract advanced by a like amount to Rs. 1,965. Spot Cupressa rose by 6 nP to Rs. 9.31. 150 Japan was well supported, the quotation rallying from Rs. 5.69 to Rs. 5.94. 120 Japan were done at Rs. 5.62. 120 Italy were firm at Rs. 6.06, as also 150 Italy at Rs. 6.19. Indigenous yarns were somewhat easy. National Rayon 150 bright cones first grade declined by 7 nP to Rs. 5.69. 120 bright cones first grade declined by 3 nP to Rs. 6.09.

Staple fibre yarns (40 x 2) August contract changed hands at Rs. 738. October contract was done at Rs. 748. Spot Centurys strengthened by 3 nP to Rs. 3.74. Citys gained 2 nP to Rs. 3.80. Kohinoors were fully maintained at Rs. 3.84.

In the cotton yarn section, ten counts Gokaks put on 25 nP to Rs. 19.25. Twenty counts New Greats were firm at Rs. 23.50 and Gokaks at Rs. 24. Forty counts Minaxis hardened from Rs. 30.44 to Rs. 30.87. Maduras were steady at Rs. 31.87. Among sixty counts, Finlays climbed up from Rs. 58 to Rs. 59.59. Raghuvamshis were firm at Rs. 56.50. Eighty counts Moderns and Finlays were both steady, the former at Rs. 75.50 and the latter at Rs. 82.82. Mahendras, however, encountered some selling and eased by 75 nP to Rs. 73.

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

	13-7-1960	6-7-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 Kg.)		
August	1,950	1,937
October	1,965	1,952
60/1 Cupressa Bemberg spot (per lb.) ..	9 31	9 25
120 Japan (per lb.)	5 62	5 64
150 Japan (per lb.)	5 94	5 69
120 Italy (per lb.)	6 06	6 06
150 Italy (per lb.)	6.19	6.19
Staple fibre yarn—		
40 x 2 August	738.00	740.00
40 x 2 Kohinoor (per lb.)	3.84	3.84
40 x 2 Century	3.74	3 71
Cotton yarn (per bundle of 10 lbs.)—		
10s Gokak	19.25	19 00
20s Gokak	24 00	24 00
40s Minaxi	30 87	30 44
60s Finlay	59 59	58 00
80s Modern	75 50	75.50

GROUNDNUT FIRM

(From Our Own Correspondent)

BOMBAY, 13*th July*

The oilseeds market continued to display distinctly firm conditions during the week under review, with groundnut and cottonseed futures touching new high levels. The tight supply position of groundnuts was further aggravated by the Government employees' strike and the consequent scarcity of arrivals from upcountry centres. Castorseeds which witnessed a sharp break in values in the early part of the week moved up at the close mainly on account of shortage of supplies as a result of transport difficulties. Linseed also moved up on good speculative support. Cottonseeds were held firm.

In the groundnut section, conditions continued to be buoyant, as already mentioned. Apart from the tight statistical position, crushers and *vanaspati* manufacturers were keen buyers. Besides, bullish weather reports from some of the producing centres imparted considerable strength. Reports that Karnataka Conference Lines had decided to raise the freight for both oil and cake by 10s. per ton from October next, however, have led to some caution in trading. In these conditions, groundnut August 1960 contract which had wound up last week at Rs. 215.75 rallied gradually by Rs. 3.75 to Rs. 223.50. Nizam Bold closed higher by a rupee at Rs. 48. Coromandel ready closed at Rs. 48, as against Rs. 47.25 last week-end. Khandesh quality put on 50 nP over the week to Rs. 48. Oil ex-mill which had finished at Rs. 24, after moving in a narrow range, closed higher at Rs. 25. Railway receipts rose from Rs. 23.87 to Rs. 24.75.

Steady conditions prevailed in the castorseed section. However, in the beginning of the week, castorseeds were weak mainly on account of lack of U.S. enquiries for castor oil and also reports about supplies of some castor oil in the American market from Brazil. Besides, traders feared that the strike might upset the shipping schedule. But the sentiment improved subsequently mainly on account of shortage of arrivals and also revival of some encouraging overseas advices. Castorseed September 1960 contract which had wound up at Rs. 181.12, after an initial decline, improved and closed today at Rs. 182.25. Ready Madras, however, closed today lower by 25 nP at Rs. 35.25 after moving in a narrow groove. Oil B.S.S. lost 6 nP over the week to Rs. 20.25; but oil commercial rose by 6 nP to Rs. 18.87.

There was hardly any notable development in the linseed section, but the values moved up on account of strength in other seeds and oils. The overseas demand for linseed oil continued to be dull in view of the wide disparity in the Indian and world prices for linseed oil. Linseed September 1960 contract rose from Rs. 34.47 to Rs. 34.75, after moving both ways in a limited range. Bold ready improved by 27 nP to Rs. 33.87. Linseed oil put on 38 nP to Rs. 17.25.

In sympathy with the uptrend in the prices of other major seeds, cottonseed continued to make headway. Cottonseed September 1960 contract closed today higher at Rs. 165, as compared with Rs. 163.50 last week-end.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	13-7-1960	6-7-1960	29-6-1960
	Rs.	Rs.	Rs.
Groundnut			
August 1960	223.50	219.75	219.25
Nizam bold	48.00	47.00	47.50
Coromandel ready	48.00	47.25	47.75
Khandesh quality	48.00	47.50	47.75
Oil ex-mill ready*	25.00	24.00	24.37
Railway receipts*	24.75	23.87	24.00
Castorseed			
September 1960	182.25	181.12	178.50
Ready Madras	35.25	35.37	34.87
Ready Kanpur	34.25	34.25	33.75
Oil B.S.S†	20.25	20.31	19.62
Oil commercial†	18.87	18.81	18.56
Linseed			
September 1960	34.75	34.47	34.50
Bold ready	33.87	33.50	33.87
Oil ready†	17.25	16.87	16.94
Cottonseed			
September 1960	165.00	163.50	163.00
Niger seed	38.00	37.50	37.25
Kardi seed	24.50	25.00	24.75

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

NARROW FLUCTUATIONS IN PEPPER

(Messrs. Parekh and Co.)

BOMBAY, 13*th July*

Since 22nd June, when our last report was issued, the fluctuations in Malabar black pepper have been narrow without any reportable developments. Ungarbled seesawed between Rs. 1,875 and Rs. 1,800. July delivery fluctuated following alternate bouts of selling by longs and buying by shorts in view of the proximity of the due date. Weak holders liquidated their July commitments, while the bulls switched their holdings to August at a premium of about Rs. 12½. Garbled moved from Rs. 322½ to Rs. 315. The highest and the lowest at Calicut were Rs. 1,950 and Rs. 1,850 respectively.

There was a flutter in the market on the 2nd inst. on the news that some sales of about 300-400 tons were made to Czechoslovakia and Poland. But it proved of short duration as the exporters were able to cover the quantity without much difficulty from the holders and growers who were tired of waiting for higher prices which failed to materialise so far. The bulls in India as elsewhere are trying to bolster up prices by spreading rumours that the coming crop of Malabar is damaged and that the crop will be shorter and that Russia and other East European countries are buyers of Malabar irrespective of price levels. Crop in Malabar is reported to be satisfactory so far. Nobody is giving much credence to a shorter crop as it is too early to say anything definite on the point.

Market analysts say that, as on 1st August, about 5,000-6,000 tons will be available for export and that there will be neither shortage nor tight position as to the supply. The growers who were able to market their pepper at a surprisingly high price during the earlier part of the season are, however, holding on to their stocks in anticipation of higher prices. It is possible that they may hold on until September. Thereafter, they are sure to come out to liquidate their holdings in view of the proximity of the new crop.

Singapore, after moving up to Str. $235 for black, came down to Str. $220 to improve to Str. $230. The fluctuations were erratic for want of support from consuming countries. There are reports from almost all the consuming countries that consumers are resisting higher prices and that they have reverted to their old habit of buying hand to mouth. Heavy consignments from Singapore to Europe and the U.S.A. is also a depressing factor. The increase in the bank rate to 6 per cent. in the U.K. is also a contributory factor. All Singapore is watching closely the coming crop of Lampong in Indonesia and the selling policy of the Government. There are unconfirmed reports that the Indonesian Government is negotiating with Russia some barter business in rubber, copra, spices, etc., but nothing is definitely known so far. There is a tussle between bulls and bears in Singapore. Bears, however, have failed in the first round. They were forced to cover at loss their June sales both in Lampong and Sarawak white.

Spot in New York is also reported to be erratic. Holders are reported making efforts to push up the prices in order to interest the grinders but so far, all their efforts have proved abortive. Spot fluctuated from $0.68 to $0.61. Grinders are sidelining either because they have their pipelines full for their autumn requirements or they preferred to buy hand to mouth in view of ample world supply for the remaining part of the year. Presidential election campaign in the U.S.A. from July onwards is also said to be responsible for slow consuming movements.

The future of the market depends upon the buying policy of the grinders in the U.S.A. and Europe. If they place larger orders for buying during the coming week or two against their autumn requirements, there are chances of some interesting developments. Otherwise, pepper is likely to remain a trading market with small fluctuations for the remaining part of the year, the consumers' interest being hand to mouth as they will be able to replenish their stock whenever necessary from the consignments which the holders from Singapore are regularly sending to U.S.A. to place the local bears in a tight corner for ultimate squeeze. Ready pepper in Bombay is nominally quoted at Rs. 235 per Bengal maund.

TEAS IMPROVE SLIGHTLY

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

COCHIN, 5*th July*

In Sale No. 26 held on Tuesday, 5th July, 1,75 million lbs. of tea were offered. A slight improvement was noticeable in highgrown and good medium teas, though there were still a number of rush teas on offer. The market met with useful demand. Plain and low medium brokens were well spported at firm rates, while their fannings shed 5 nP to 10 nP. Plainer medium and good medium brokens were irregularly easier by 5 nP to 10 nP. Their fannings declined further and were the weakest feature of the Sale. Improved quality highgrowns and better liquoring teas were sold at fully firm to dearer rates. However, plainer descriptions in this category met with less support and registered a drop of 10 nP to 15 nP. Black leaf descriptions were in good demand and were quoted firm to dearer. There was useful enquiry for legg-cut and C.T.C. types which were sold at slightly lower rates than last. Whole leaf descriptions were easier, but organge pekoes ruled steady on last week's rates. The quotations were:

	1960	1959
	Rs.	Rs.
Low medium ...	1.55-1.60	1.48-1.58
Medium ...	1.65-1.75	1.60-1.75
Good medium ...	1.80-1.95	1.80-2.10
Quality ...	2.00-2.50	2.00-2.60

The export quota market remains unchanged, with last business registered at 2 nP per kilo.

Sale 7 in tea dust was held on Thursday, 7th July. Offerings aggregated 700,000 lbs. The market met with fair general demand, but prices were generally easier for most descriptions. Good mediums, mediums and low mediums were irregularly easier by 5 nP to 10 nP. The milled and residual grades met with less support and declined by 10 nP. Highgrowns evoked limited enquiries and were irregularly easier by 10 nP to 15 nP following quality. Black leaf descriptions ruled steady on last week's rates, while C.T.C. types and legg-cut teas continued to be in demand and were quoted firm.

The forthcoming auctions are: Export Sale No. 27—Tuesday, 12th July—1,662,460 lbs. Dust Sale 'AA'—Thursday 14th July—760,000 lbs. Export Sale No. 28—Tuesday, 19th July—1,675,000 lbs. Export Sale No. 29—Tuesday, 26th July—1,650,000 lbs.

No sales were held at Calcutta this week.

Another large sale aggregating 7¼ million lbs. was held at Colombo. The teas met with less demand. Dimbula and Dickoya brokens declined by 40 to 50 cents per lb. Below best declined by 15 to 20 cents per lb. Medium brokens were 5 cents lower, but all corresponding fannings met with strong demand and were sold at dearer rates. Teas from the Uva district elicited strong enquiry and were dearer, particularly the B.O.P. fannings grade.

Monday's sale in North Indian and other growths at London contained 16,500 chests, of which 2,500 chests came from North India. The North Indian offerings included a much publicised break which had been flown to the United Kingdom and represented the first of the second flush teas. The sale opened to an active demand and prices were fully firm to dearer and the airborne tea realised 9/3*d.* per lb. Offerings of Ceylon and South Indian growths amounted to 31,000 packages, of which 10,835 packages were from South India. Good teas continued to sell well and the better types were quoted steady. Others, however, tended to rule slightly easier.

WORLD SHEEP POPULATION RISES

TREND OF RAW WOOL OUTPUT UPWARD

ACCORDING to the results of the thirteenth annual questionnaire prepared by the Commonwealth Economic Committee and the International Wool Trade Organisation, the world's sheep population increased during 1958-59 for the twelfth consecutive season. At 728 million, the total numbers in the non-communist countries were about one per cent. higher than in the previous season. Taking into account the estimated numbers in the Soviet Union, Eastern Europe and China, the world's sheep population in 1958-59 is estimated at nearly 960 million, or 2½ per cent. more than the revised figure for the previous year.

Sheep numbers in Australia recovered from the check which they had sustained in the previous season and rose by 2 per cent. to a new all-time record of 153 million. In recent years, the growth of the Australian flocks appears to have been due chiefly to the development of new pastures and to improvements in water-supplies, fencing, feed and sheep mobility on existing pastures. Scientific and technical advances in reducing losses from diseases, pests and parasites, as well as rabbit control, continue to be important in sustaining sheep numbers. In New Zealand there was a 2 per cent. rise in numbers to 47 million in 1958-59; the expansion in this country over the past few years has been very striking and has been due mainly to increases in the carrying capacity of the land through aerial top-dressing, application of fertilisers and better pasture seeds to hill country, rabbit eradication, chemical weed control, closer fencing and generally better husbandry. Numbers in South Africa are officially given at 38½ million, much the same as in the previous season; widespread drought had an adverse effect on sheep farming in considerable areas of the Union.

U.S. and S. American Countries

In the United States, numbers showed a 2 per cent. increase at the January 1960 enumeration when compared with a year earlier; this was the third successive rise to be recorded since the low point reached in 1957. Among the South American countries, numbers in Argentina are officially estimated to have risen by 3 per cent. to 48 million in 1959, despite the effects of the serious flooding in the northern part of the country in the spring of that year. The same floods caused even more severe damage in Uruguay and sheep numbers there fell to just over 21 million, according to the June 1959 census; this figure was 9 per cent. less than at the previous census in 1956. In Brazil, too, substantial losses from floods were experienced in the State of Rio Grande do Sul, the main wool producing region of the country.

In Western Europe, total sheep numbers showed a further slight increase in 1958-59 as, compared with a year earlier. The United Kingdom total in June 1959 (27½ million) was 6 per cent. higher than in the previous year. Sheep numbers in Yugoslavia also rose by 6 per cent. during the same period, and there were smaller increases reported from Spain, Italy, Greece, the Irish Republic and a number of other countries.

In most of the carpet wool producing areas of the Middle East and North Africa, numbers appear to have been much the same as in 1957-58, apart from Turkey, where a marked increase took place. However, in Syria and Iraq, numbers were reported to have been reduced, owing to disease. The estimated total in India at 39.5 million is the same since 1955-56.

In the Communist Group

In the communist group of countries as a whole, sheep numbers showed a further rise last season to an estimated 231 million, or 8 per cent. more than in 1957-58. In the Soviet Union, there was a rise of 8 per cent. to 130 million, and in Bulgaria an increase of 12 per cent., but on balance, total flocks in the other East European countries were only slightly higher. For mainland China, official figures of sheep numbers have now been published up to 1957, which show rather higher totals than had previously been estimated; the only figures formerly available were combined totals for sheep and goats. For 1958 and 1959, however, estimates have again had to be made on the basis of the combined totals, assuming that 54 per cent. of the latter consisted of sheep, the same percentage as in 1957; the 1959 estimate of 60.8 million represented an increase of 4 per cent. over the previous year. At January 1960, sheep numbers in the Soviet Union were given as 136 million, representing a further increase of 5 per cent. on the previous year's total.

World production of raw wool during 1959-60 is now estimated at some 5,600 million lbs., greasy basis; this represents an increase of 5 per cent. as compared with the previous season's total of 5,350 million lbs., and constitutes a new record. On a clean basis, the current season's production is estimated at some 3,180 million lbs., also a 5 per cent. increase on 1958-59. The output of merino wool is estimated to have risen by nearly 6 per cent. and that of crossbred and carpet types by 4 and 5 per cent., respectively.

Wool production in the non-communist world (that is, excluding the Soviet Union, Eastern Europe and China) is put at just over 4,500 million lbs., greasy basis, or 4 per cent. more than the previous season's total of 4,337 million lbs. Australia has again accounted for the major part of the increase; the latest official estimate of that country's clip, made in December, put the total at 1,690 million lbs., or 6 per cent. higher than in the previous season, but it now seems certain that this figure will be exceeded.

In New Zealand, production is expected to increase by 5 per cent. to 565 million lbs., but, in South Africa, the latest estimate of the South African Wool Board is that output will be only about 2 per cent. higher than the previous season's figure of 314 million lbs. In both Australia and New Zealand, climatic conditions have been generally favourable during the past season, but parts of South Africa have suffered severely from drought. The latest estimate of the Argentina Wool Federation puts production in that country at some 434 million lbs., or 3 per cent. above that of last season; despite a 20 per cent. reduction in the provinces of Corrientes and Entre Rios, and a fall of about 15 per cent. in Santa Cruz (Patagonia), output in other parts of Argentina has shown a marked rise.

In Uruguay, this season's clip is much smaller than normal and inferior in quality, following the damage caused by last year's disastrous floods. It is, however, difficult to assess the exact size of the clip, due to the hold-up in sales resulting from the uncertainties over the Government's exchange and financial reforms at the end of last year, but production is tentatively estimated at some 150 million lbs., or 14 per cent. less than in the previous season. In the United Kingdom, the Ministry of Agriculture's estimate for 1959-60 amounts to 128 million lbs; this is 9 million lbs. more than in the previous season and constitutes a post-war record, but it should be recalled that the present season's figure includes an exceptionally heavy amount of skin wool, due to heavy slaughterings following last summer's drought.

Wool Production in India

Output in the United States this season has shown a rise of 8 per cent. as compared with a year earlier to a total of 316 million lbs., greasy basis; it is the first time that the 300 million lbs. mark has been exceeded since 1956-57. In Western Europe, too, production has risen somewhat this season, due largely to favourable climatic conditions over practically the whole continent. Among the carpet wool producing countries of the Middle East, little change has been reported, apart from a sharp rise of about 10 million lbs. in Turkish output, bringing production in that country above the 100 million lbs. level. India's estimated production at 76 million lbs. is the same as in previous year, though the provisional estimate for 1959-60 shows an increase of 2 million lbs.

Production in the Soviet Union, China and Eastern Europe in the 1959-60 season is expected to show a further increase estimated at about 8 per cent. Wool production in 1959-60 reached a new peak of some 765 million lbs. Production in Eastern Europe showed only a small rise of some 2 per cent. to just under 150 million lbs. In China, there is estimated to have been a further rise due to increasing sheep numbers, although no production figures for that country have yet been issued.

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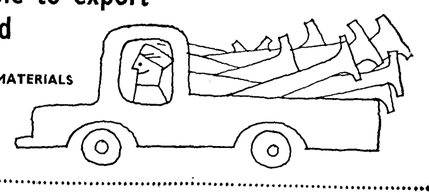

IMPORTED STUFF
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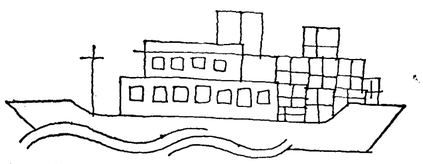
and balancing
plants.



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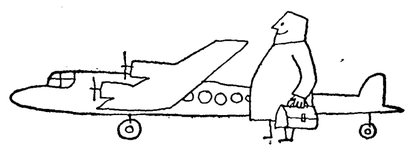
offices in foreign
countries etc.



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MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 8th July, 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		40,00,00,000
National Agricultural Credit (Stabilisation) Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		69,27,13,000
(2) Other Governments		14,05,81,000
(b) Banks		117,56,55,000
(c) Others		130,70,74,000
Bills Payable		18,24,72,000
Other Liabilities		9,25,39,000
	Rupees	400,10,15,000

ASSETS	Rs.
Notes	15,32,96,000
Rupee Coin	1,27,000
Subsidiary Coin	4,45,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	4,09,34,000
Balances held abroad*	26,67,02,000
Loans and Advances to Governments†	34,92,87,000
Other Loans and Advances	133,93,29,000
Investments	256,61,28,000
Other Assets	19,07,87,000
Rupees	400,10,15,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments

The item 'Other Loans and Advances' includes Rs. 12,71,35,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	13,82,96,000	
Notes in circulation	1850,11,27,000	
Total Notes issued	....	1863,94,23,000
Total Liabilities	....	1863,94,23,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	143,00,89,000	
Total of A	....	260,76,92,000
B. Rupee Coin	....	126,77,45,000
Government of India Rupee Securities	....	1476,30,86,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1863,94,23,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	24th June 1960	17th June 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1835.99	1859.19	1860.99	1713.56
Notes held in Banking Department	35.05	38.65	33.43	32.11	34.45
Foreign Securities	59.50	143.01	148.01	163.01	178.01
Rupee Securities	87.89	1486.40	1501.40	1486.40	1325.73
Banking Department					
Deposits of:					
Government of India	14.39	62.41	92.42	52.10	50.47
Other Governments	..	18.36	9.23	34.49	16.60
Balances held abroad	10.06	14.47	13.76	9.51	14.65
SCHEDULED BANKS					
Demand Liabilities	134.36	786.81 (14.90)†	796.81 (15.02)†	787.79 (18.36)†	762.00 (23.77)†
Time Liabilities	102.24	1216.31 (24.05)†	1199.06 (23.06)†	1198.68 (24.22)†	1028.34 (29.61)†
Borrowings from Reserve Bank	..	40.25 (13.54)‡	45.09 (13.61)‡	36.53 (12.40)‡	2.67 (1.45)‡
Borrowing from State Bank	..	13.16	13.59	13.85	4.99
Cash in India	6.70	46.57	46.97	47.66	48.08
Balances with Reserve Bank	25.17	107.34	104.24	95.17	90.52
Balances with other banks in current account in India	..	15.90	14.90	15.30	15.56
Money at call and short notice in India	..	27.18	27.95	30.73	38.80
Investments (at book value)	..	739.72	740.43	745.68	636.20
Advances and bills	105.9	1125.86	1133.82	1125.17	985.23
STATE BANK					
Deposits	87.76	634.47	632.11	628.88	536.03
Investments	51.99	388.89	388.04	394.09	314.98
Advances	30.35	216.73	218.71	214.12	188.70
Cash	14.69	37.89	34.37	39.69	41.81

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

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	24th Dec., 1959	3.25	4
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.24	3.26
Ceylon	16th Dec., 1959	2.50	3
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	16th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	2nd Dec., 1959	6.94	7.3
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6.50
Portugal	13th Jan., 1944	2	2
South Africa	8th Jan., 1959	4.50	4
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1958	4.50	6
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July, 1936	8	4
U.S.A.	3rd June, 1960	4	3.50
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 24th June, 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,20,00,000
Borrowings from Other Banking Companies, Agents, etc.		634,47,49,000
Bills Payable		10,000
Bills for Collection being Bills received/able as per contra		10,55,70,000
Acceptances, Endorsements and Other Obligations per contra		1,63,00,000
Other Liabilities (including Inter-Office Adjustments)		2,21,11,000
		7,16,31,000
Total .. Rs.		668,86,29,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		31,17,08,000
Balances with other Banks		3,72,05,000
Money at Call and Short Notice		53,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	379,07,02,000	
Other Authorised Investments	9,82,01,000	
		388,89,03,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	203,98,83,000	
Bills Discounted and Purchased	12,71,67,000	
		216,73,41,000
Bills Receivable being Bills for Collection as per contra		1,63,00,000
Constituents' Liabilities for Acceptances, Endorsements and other Obligations per contra		2,21,11,000
Premises less Depreciation		1,25,20,000
Furniture and Fixtures less Depreciation		1,25,00,000
Other Assets (including Inter-Office Adjustments)		18,46,12,000
Total .. Rs.		668,86,29,000

Scheduled Banks*

Statement of Affairs for the week ended 24th June 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		11,90,12,000
(ii) Other demand liabilities		771,90,08,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		24,95,33,000
(ii) Other time liabilities		1,192,25,73,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		11,41,34,000
(ii) Time liabilities		1,72,00,000
Borrowings in India from the Reserve Bank of India‡		40,24,95,000
Cash in India		(13,54,29,000)
Balances with the Reserve Bank in India		46,57,09,000
Balances with other banks in current account in India		107,34,32,000
Money at call and short notice in India		15,90,27,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		27,17,89,000
Advances in India		739,72,31,000
Inland Bills, purchased and discounted in India		976,30,86,000
Foreign Bills, purchased and discounted in India		105,88,55,000
		43,86,33,000

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
19th April	2.00	2.00	2.00	2.770	99.305
26th April	2.00	2.75	2.00	2.770	99.310
27th to 30th Apr.,*	2.01	—	2.01	—	99.326
3rd May	2.00	2.82	2.00	2.745	99.325
10th May	2.00	2.00	2.00	2.745	99.310
11th to 14th May*	0.05	—	0.05	—	99.326
17th May	2.00	2.00	2.00	2.745	99.310
24th May	2.00	2.30	2.00	2.745	99.325
25th to 28th May*	1.25	—	1.25	—	99.326
31st May	2.00	2.25	2.00	2.745	99.325
1st to 4th June*	3.05	—	3.05	—	99.326
7th June	2.00	2.00	2.00	2.745	99.310
8th to 11th June*	2.15	—	2.15	—	99.326
14th June	2.00	2.00	2.00	2.745	99.310
15th to 18th June*	0.07	—	0.07	—	99.326
21st June	2.00	2.02	2.00	2.745	99.315
22nd to 25th June*	0.07	—	0.07	—	99.326
28th June	2.00	2.00	2.00	2.745	99.310
6th July	2.00	2.00	2.00	2.745	99.310
12th July	2.00	2.02	2.00	2.745	99.325
Total amount outstanding	34.65		34.65		

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 24th June 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		4,15,00,000
Deposits:—		
(a) Central Government		11,47,77,000
(b) Provincial Governments		92,34,000
(c) Banks		19,43,22,000
(d) Others		87,78,02,000
Bills Payable		53,89,000
Other Liabilities		15,39,32,000
Rupees		142,69,56,000

ASSETS	Rs.	Rs.
Notes		11,31,18,000
Rupee Coin		28,000
Subsidiary Coin		35,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		....
Balances held outside Pakistan*		31,69,14,000
Loans and Advances to Governments		11,65,00,000
Provincial Governments' Debtor Balances		88,96,000
Other Loans and Advances		4,31,88,000
Investments		69,29,60,000
Other Assets		10,53,17,000
Rupees		142,69,56,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,31,18,000	
Notes in circulation	356,69,01,000	
Total Notes issued	....	367,91,19,000
Total Liabilities	....	367,91,19,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	70,06,38,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin	3,97,98,000	138,34,78,000
Government of Pakistan Securities	219,68,37,000	
Internal bills of exchange and other commercial paper	....	
		223,66,35,000
II. Held with the Reserve Bank *of India pending transfer to* Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,03,000	
Government of India Securities	1,00,99,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	367,91,19,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 39.13 per cent.

EXCHANGE RATES

		12th July 1960	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	s.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.50	476.75
Buyers T.T.	Rs.	473.25	473.25
London on New York	s.	2.8072-2.8075	2.8077-2.8080
London on Paris	Frs.	13.794-13.761	13.754-13.754
London on Berne	Sw. Fcs.	14.5000-14.5025	12.1240-12.1260
New York on London	s.	280.710-280.750	280.780-280.810

CLEARING HOUSE RETURNS

Centre	Week ended 8th July 1960 Number of Cheques	Amount Rs.	Week ended 1st July 1960 Number of Cheques	Amount Rs.
Bombay	3,50,571	76,65,16,000	3,34,254	72,20,87,000
Calcutta	—	—	1,47,000	75,11,00,000
Madras	94,976	12,20,89,132	90,706	12,84,85,303
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Feb., 1960	..	..	4,205,000	9,43,59,00,000
Mar., ,,	..	..	4,431,000	10,12,71,00,000
April ,,	..	..	4,536,000	10,42,01,00,000
May ,,	..	..	4,588,000	10,19,66,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	25th June 1960	18th June 1960	27th June 1959	April 1960	April 1959	Percentage of Increase(+) or Decrease(−) in April, 1960 as compared with April, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	120.4	120.0R	118.5	118.6	113.1	+4.9	119.0	115.2
Cereals	192	104.0	107.3	103.8	99.0	94.9	+4.8	104.1	106.8
Pulses	43	90.2	89.3	95.3	89.4R	96.2	−7.1	93.1	108.9
Fruits and Vegetables	23	116.8	121.3	138.8	136.7	121.6	+12.4	127.8	117.0R
Milk and Ghee	84	115.2	116.6R	112.2	114.7	115.0	−0.3	113.8	107.3
Edible Oils	47	141.2	140.6	131.3	138.2	125.5	+10.1	130.4	124.3
Fish, Eggs and Meat	17	122.0	121.5	114.7	118.0	107.0	+10.3	112.0	108.4R
Sugar and *Gur*	48	140.1	138.0	148.3	139.7	128.0	+9.1	147.9	127.2
Others	50	144.4*	142.4	159.0	159.9	150.8	+6.0	167.9	151.3
Liquor and Tobacco	21	110.5	108.5	99.0	103.1	97.6	+5.7	98.5	95.4
Tobacco	—	109.1	106.9	97.4	101.2	95.8	+5.4	97.9	93.8
Fuel, Power, Light and Lubricants	38	118.6	118.6	115.6	118.7R	118.7	+2.6	116.5	115.4
Industrial Raw Materials	185	138.9	139.1R	120.2	134.0	119.5	+12.1	123.7	115.6
Fibres	61	138.3	140.0	110.2	130.0	108.0	+20.4	108.0	108.0
Oilseeds	60	147.5	145.7R	135.2	141.2	127.4	+11.0	134.6	127.0
Minerals	2	98.3	98.2	98.3	98.2	101.4*	−3.2	97.8	106.0
Others	32	126.5*	127.7*	112.8	130.7R	111.7	+17.0	121.0	109.2
Manufactures	290	120.0	120.3	109.3	117.8R	103.5	+8.6	111.7	108.4R
Intermediate Products	41	129.0	127.0	108.3	123.2	108.4	+13.7	113.8	110.3
Finished Products	249	119.2	119.8	109.6	116.9R	102.5	+7.7	111.3	108.1R
Textiles	147	119.6	120.8	104.0	116.3	103.2	+12.7	107.8	103.3R
Cotton	—	126.7*	126.3*	113.3*	124.6*	112.8*	+11.0	116.9*	117.8R
Jute	—	110.6	116.4	87.3*	105.0	83.6	+28.2	90.6	86.5
Woollen	—	106.2*	106.2*	104.2	104.2*	104.2	—	104.2	105.6
Silk and Rayon	—	102.7*	102.7*	93.8*	102.5*	95.7*	+7.1	96.4	93.2
Metal Products	12	148.3	148.3	143.3	148.3	148.3	+3.5	144.4	143.1
Chemicals	20	104.1	104.4	107.5	104.5R	109.4	−4.5	106.9	106.8
Oil Cakes	10	132.4	131.4	145.1*	139.1	139.2	−0.1	143.8	136.0
Machinery and Transport Equipment	31	110.8	110.8	105.9	110.6R	108.1	+4.2	106.2	103.9R
Others	30	114.7	114.7	113.2	114.7	112.9	+1.6	113.4	113.7
All Commodities	1,000	122.9	122.8R	115.6	120.5	112.0	+7.6	117.1	112.9

Note :—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at th group Index.
R—Revised. *Estimate

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Fore-cast	(In thousand acres) 1958-59	1957-58	(In thousand tons) 1958-59	1957-58
Cereals—					
Rice	final	81,590	79,447	29,721	24,885
Wheat	final	30,966	29,300	9,694	7,741
Jowar	final	42,608	42,203	8,589	8,246
Bajra	final	26,699†	27,999††	3,484†	3,780††
Barley	final	8,154	7,549	2,640	2,238
Maize	final	10,314	9,819	2,990	3,036
Ragi	final	6,211†	6,192††	1,860†	1,877††
Small millets	final	12,156	11,848	2,048	1,671
Total cereals	final	219,633	213,133	61,295	53,004
Pulses—					
Gram	final	24,840	22,862	6,826	4,979
Tur	final	5,890	5,690	1,662	1,412
Other Kharif pulses‡	final	16,075†	15,597††	1,567†	1,550††
Rabi pulses‡	final	12,784	11,209	2,178	1,726
Total pulses	final	58,970	55,478	12,208	9,507
Total foodgrains		278,603	268,611	73,503	62,511
Oilseeds—					
Groundnut	final	15,305†	14,575††	4,390†	4,812††
Castorseed	final	1,178†	1,203††	108†	112††
Sesamum	final	5,510†	5,500††	392†	511††
Rape and Mustard	final	6,288	5,979	1,069	923
Linseed	final	3,708	3,129	430	240
Total oilseeds	final	31,002	30,339	6,919	6,051
Fibres—					
Cotton*	final	19,825	19,996	4,705	4,738
Jute A.	final	1,707†	1 811††	4,548†	5,158††
Mesta A.	final	706†	825††	1,098†	1,488††
Sannhemp	final	813†	807††	80†	81††
Other crops—					
Potato	final	822	794	2,819	1,966
Sugarcane	final	4,836	5,080	70,915	68,019
Ginger (Dry)	final	37†	36††	13†	12††
Pepper (Black)	final	232†	230††	25†	26††
Chillies (Dry)	final	1,478	1,576	332	362
Tobacco	final	896	872	268	237

Source : Ministry of Food and Agriculture.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A.—In thousand bales of 400 lbs. each. R.—Revised.
†—For 1958-59 ††—For 1957-58
†—For 1959-60.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Three months ended March 1959	1960
Exports	570,56	615,78	132,55	149,24
Re-exports	8,40	6,96	1,39	3,76
Total Exports	578,96	622,74	133,39	153,00
Imports	864,18	887,38	194,82	209,03
Overall Balance of Trade	−285,22	−264,64	−61,43	−56,03
Exports—				
Tea	136,54	126,39	20,11	23,22
Jute yarns and manufactures	103,82	110,75	24,54	33,55
Cotton yarns and manufactures	52,63	66,14	13,79	16,67
Cotton, raw and waste	80,35	34,42	8,06	9,57
Oils—vegetable, mineral and animal	21,20	16,37	4,79	2,92
Fruits and vegetables	12,35	17,96	2,30	3,64
Tobacco	21,16	21,08	5,35	6,02
Mica	16,29	13,91	4,80	5,56
Wool and other animal hair	9,34	10,31	2,45	2,15
Gums, resins and lac	7,16	7,95	2,01	2,28
Spices	8,83	10,17	2,63	6,34
Hides and skins, raw	7,35	10,95	2,73	3,29
Imports—				
Machinery of all kinds	188,92	196,21	45,50	48,41
Iron and Steel	97,80	84,01	20,80	20,65
Oils—vegetable, mineral and animal	80,23	82,62	15,55	24,75
Chemicals, drugs and medicines	65,28	85,20	18,10	21,84
Electrical goods and apparatus	49,04	50,01	11,80	11,24
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	13,16	11,79
Cotton, raw and waste	30,66	34,76	4,15	12,63
Fruits and vegetables	8,26	9,67	1,94	6,05
Paper, pasteboard, etc.	8,76	9,54	2,11	2,33
Dyes and colours	2,84	2,52	85	2,54
Spices				68
Woollen and worsted fabrics	30	28	4	7
Cotton fabrics	1,05	1,19	29	25

EXPORTS OF TEA

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	30	389	52	180
1957-58	14,314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	104
1958-59	14,366	2,655	1,296	206	92	36	221	23	184	483	36	514	45	113
1959-60	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131
January 1959	11,784	2,223	1,083	166	70	30	180	19	151	394	32	422	43	94
February ,,	13,018	2,431	1,184	186	80	33	201	21	169	433	34	466	45	103
March ,,	14,365	5	1,296	206	92	36	221	23	184	483	36	514	46	113
April ,,	1,289	218	122	23	13	3	18	2	17	48	5	41	1	12
May ,,	2,534	422	262	43	24	6	33	4	33	96	6	82	3	26
June ,,	3,723	618	386	59	32	9	45	6	48	142	11	122	7	38
July ,,	4,935	842	500	72	37	11	58	8	65	186	16	165	12	45
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February ,,	13,847	2,399	1,226	182	77	33	208	22	169	522	72	471	48	119
March ,,	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131
April ,,	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11

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

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

INDUSTRIAL PRODUCTION

Industries.		1958	1959*	November 1959	December 1959	January* 1960	February* 1960	February 1959
Major Industries—								
Coal	million tons	45.34	47.03	3.79 K	4.30	4.12	4.30	3.94
Steel (Ingots and Metal for castings)	thousand tons	1,813	2,433	232	250	260	246	182
Yarn	million lbs.	1,686	1,723	155	144	139	139	137
Cloth	million yds.	4,927	4,925	391	435	418	403	392
Cement	million tons	6.07	6.82	0.60	0.67	0.65	0.59	0.50
Jute	thousand tons	1,060	1,051	88	94	88 K	87 K	84
Paper and paper boards	thousand tons	253	294	28	30	28	28	22
Matches§	thousand cases	626	648	58	59	53	56	47
Sugar	thousand tons	1,957	2,083	179	431	498	474	411
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	376	438	40	44	51	—	37
Electric lamps	millions	30.47	34.84	2.93	3.20	2.88	3.20	2.71
Dry cells	millions	16.84	18.37	1.58	19.37	16.02	16.58	14.94
Power transformers	k.v.a.	1,126,800	1,060,800	79,300	101,900	88,500	—	86,100
Electric Motors	h.p.	624,000	573,600	43,600	52,000	45,900	—	50,000
Electric fans	Nos.	636,000	727,200	67,600	71,200	58,900	—	51,100
Radio receivers	Nos.	198,108	214,920	20,141	21,578	15,300	—	15,474
Storage batteries	Nos.	355,200	442,800	35,000	41,700	39,100	—	32,500
Copper conductors	tons	7,488	5,768K	375 K	886 K	610 K	—	565
Winding wires	tons	2,076	2,940K	253 K	231 K	348 K	—	214
Rubber and plastic Ins. cables and flexibles	million yds.	128.76	1,532.4 J	129 1 J	126.4 J	145.3 J	—	12.59
Insulators—H.T.	Nos.	751,200	973,200	80,000	1,00,000	93,800	—	82,300
Insulators—L.T.	million Nos.	6.07	5.82	0.55	1.07	1.03	—	0.26
Diesel engines—Vehicular	Nos.	4,260	8,712	870	900	829	891	598
Do. —Stationary	Nos.	25,764	30,048	2,414	2,716	2,700	2,833	2,388
Chemical Industries—								
Salt	million mds.	112.55	85.20	0.89	1.37	1.42	4.01	4.16
Caustic soda	tons	57,192	69,744K	7,807 K	7,904 K	8,100 K	7,830 K	4,825
Soda ash	tons	89,436	93,528K	7,372 K	8,344 K	9,349 K	—	7,989
Chlorine liquid	tons	20,064	24,780K	2,492 K	2,624 K	2,338 K	—	1,666
Bleaching powder	tons	6,504	5,184K	377 K	378 K	517 K	—	423
Bichromates	tons	3,444	4,320	422	397	468	—	300
Sulphuric acid	tons	228,584	280,776	26,621	31,198	30,000	—	20,351
Superphosphate	tons	166,848	244,404	24,730	23,976	25,000	—	16,344
Non-ferrous Metals—								
Aluminium	tons	8,182	17,053	1,496	1,553	1,475	—	1,429
Antimony	tons	527	664	45	50	51	50	10
Copper (virgin metal)	tons	7,841	7,642	711	371	600	719	466
Lead (virgin metal)	tons	3,335	3,895	330	305	330	—	346
Gold	thousand ozs.	170	165	15	14	450Kgs	414Kgs	14
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	205,212	251,904

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 2nd July 1960	25th June 1960	27th June 1960	4th July 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101·2	101·1	101·1	100·9
2. Government of India	101·2	101·0	100·9	100·8
3. State Government	102·7	102·7	102·7	102·4
4. Municipal, Port Trust, etc.	100·0	100·0	100·0	99·8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101·0	101·1	101·1	101·7
PREFERENCE SHARES—ALL INDIA				
6. Total	88·3	88·7	89·8	91·9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	175·8	175·4	175·9	152·9
8. *Agriculture and Allied Activities: Total**	177·0	177·5	179·2	163·9
9. Tea Plantations	170·3	171·9	174·1	159·3
10. Coffee Plantations	210·9	209·5	209·0	186·3
11. Rubber Plantations	183·1	181·4	182·0	160·9
12. *Mining and Quarrying: Total*	159·3	160·9	163·2	149·0
13. Coal	125·2	122·9	124·1	117·7
14. Other Mining	184·4	186·9	190·0	170·4
15. *Processing and Manufacturing: Total*	189·7	189·1	189·6	156·6
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*††	190·3	190·5	190·5	143·8
17. Sugar	195·2	194·2	194·1	172·5
18. Cotton Textiles	155·5	155·7	154·5	120·8
19. Jute Textiles	92·1	92·7	96·4	97·8
20. Silk and Woollen	1035·5	1124·0	1138·9	612·5
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	199·7	198·2	199·5	180·2
22. Iron and Steel	162·7	161·7	167·5	169·8
23. Transport Equipment	475·1	464·2	462·4	256·8
24. Electrical Machinery	136·1	138·0	138·1	131·3
25. Machinery other than Transport and Electrical	222·0	221·7	214·3	199·7
26. Basic Industrial Chemicals	214·3	205·1	197·6	151·8
27. *Processing and Mfg. (Others): Total**	169·3	168·1	168·4	151·4
28. Cement	168·9	164·8	164·1	125·3
29. Paper	232·8	233·8	236·2	202·2
30. *Other Industries: Total**	113·3	113·3	112·5	117·9
31. Electricity Generation and Supply	83·4	82·7	82·3	91·3
32. Trading	121·3	121·1	121·5	105·7
33. Shipping and Other Transport	113·3	115·9	114·4	120·3
34. Construction	315·3	315·3	317·5	300·2
35. *Financial: Total*	169·0	168·7	168·1	171·9
36. Banks	183·8	183·7	184·2	190·1
37. Insurance	147·2	145·6	140·1	134·8
38. Investment Trusts	91·9	90·8	95·6	97·9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	182·0	180·7	180·8	157·1
40. Calcutta	160·3	160·8	161·9	145·6
41. Madras	196·7	196·6	199·9	168·1
42. Delhi	230·6	229·7	230·2	176·8

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,106,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Do. 31st March, 1960	1,568,400	1,533,700	1,215,100
March 1959	127,400	123,600	84,800
April "	130,600	124,200	93,300
May "	128,800	116,400	91,400
June "	115,700	114,300	88,100
March 1960	142,100	146,100	123,000
April "	127,700	125,200	99,900
May "	122,500	129,500	93,900
June "	120,200	121,700	92,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,589	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,053,612	827,072	660,695
March 1959	95,262	70,887	59,707
April "	86,826	61,182	40,151
May "	94,105	57,483	49,470
June "	78,795	62,511	49,296
March 1960	98,640	90,367	74,819
April "	90,876	74,806	44,751
May "	83,903	71,579	56,406
June "	80,127	69,140	55,737

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957	1,630	889,371	6,429,819
1958	1,524	828,566	7,797,585
1959	1,523	692,514	5,605,079
Nov. 1958	165	42,579	215,964
Dec. "	126	45,103	180,558
Jan. 1959	171	66,752(163)	329,356(163)
Feb. "	93	33,990(66)	271,253(66)
March "	166	67,503(155)	356,093(155)
Nov. "	147	48,718(140)	267,071(140)
Dec. "	128	76,754,(121)	492,393(121)
Jan. 1960	141	73,891,(135)	423,077(134)
Feb. "	123	62,976(123)	412,797(123)
March "	125	47,700(114)	475,558(114)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.
*Figures relate to all states and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* Income (Rs.)
India†	'58-'59	398.00	..	11,690	293.6
Pakistan	'58-'59	86.80	..	2,084	240
Burma	1958	20.02	Kyats 4,344	436	216
Ceylon	1957	9.1	..	507	557
Japan	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines	1958	23.1	Ps. 9,232	2,209	956
New Zealand	1958	2.28	£ (N.Z.) 962	1,069	4,688
Australia	1958	9.80	£ (A.) 4,625	4,929	5,051
U.K.	1958	51.60	£ 18,230	24,310	4,711
U.S.A.	1959	177.1	$ 403,900	193,064	10,901
Canada	1958	17.00	$ 24,660	12,991	7,112
France	1958	44.05	F. Fr. 17,910,000	17,470	3,926
W. Germany	1958	52.1	Dm. 176,400	20,050	3,848
Italy	1958	48.07	Lr. 13,128,000	10,125	2,078
Norway	1957	3.49	Kr. 23,290	1,560	4,470
Sweden	1958	7.40	Kr. 54,910	5,084	6,870
Netherlands	1958	11.10	Grs. 30,180	3,820	3,440
Denmark	1958	4.50	Kr. 28,250	1,960	4,355
Switzerland	1958	5.10	Sw. Fr. 28,300	3,130	6,137

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, February, 1960.
† Based on the seventh issue of the annual paper on national income (at 1948-49 prices); Source: Central Statistical Organisation.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	Air India (1940=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1948=100)	Delhi Base (1940=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1948=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	98	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	350	244	294	85	99	327	106	91	95	102	98	98	106
1955 "	96	328	217	246	78	96	321	99	83	87	98	88	103	103
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116	395	274	313	98	120	384	124	113	103	103	123	108	131
1959 "	121	412	309	340	98	132	384	133	120	106	98	125	108	140
January 1959	117	396	301	323	103	127	368	130	122	107	94	115	109	134
February "	118	390	300	326	102	129	364	127	126	108	94	120	110	134
March "	117	401	290	320	99	129	364	127	126	105	95	121	105	135
April "	117	400	296	313	95	130	364	128	119	101	95	121	104	137
May "	119	406	307	328	95	131	371	131	116	103	96	125	104	138
January 1960	122†	422	304	360	96	135	385	137	121	107	99	120	111	144
February "	122†	418	294	355	98	136	389	139	122	107	97	121†	109	144
March "	122†	414	287	330	97	135	392	138	119	104	101	118†	109	145
April "	122†	421	..	316	97	136	392	138	117	101	103	118†	109	145
May "	..	421	..	311	..	..	..	..	..	..	..	..	..	..

* Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	National Savings Certificates 5-Year A	7-Year B	12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits	10-Year Treasury Savings Deposit Certificates 3½% F	4% G	15-Year Annuity Certificates G	Total
	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Outstandings	Receipts	Receipts	Outstandings Receipts H
1956-57	3,00	6,01	163,68	..	176,97	196,59	25,38	—38,82	44,25	43	1,32	225,88	449,17
1957-58	2,22	4,73	143,15	71,45	174,88	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	509,77
1958-59	1,76	3,80	119,10	87,15	152,78	191,76	231,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,23	500,08
1959-60	1,51	3,17	99,14	83,99	221,65	201,18	254,91	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
January 1959	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	589,17
February "	1,78	3,87	120,95	9,64	143,14	14,93	219,39	21,13	—40,80	42,62	58	11,14	5	2,36	25,22	566,41
March "	1,73	3,79	119,11	11,66	152,48	22,29	229,92	21,01	—40,69	42,57	65	11,68	6	2,41	34,68	581,75
April "	1,70	3,72	117,25	6,36	157,31	16,39	226,90	20,88	—40,74	42,49	63	12,26	11	2,50	23,52	585,09
May "	1,68	3,65	115,69	5,71	162,02	15,68	224,83	20,76	—40,80	42,39	51	12,79	5	2,54	21,98	585,46
June "	1,65	3,59	114,16	6,03	167,24	15,89	224,23	20,61	—40,86	42,33	42	13,19	3	2,56	22,40	589,70
January 1960	1,54	3,24	102,61	7,18	204,92	15,15	232,02	19,96	—41,28	41,84	1,13	19,77	5	2,81	23,59	630,20
February "	1,52	3,21	101,99	7,57	210,64	16,94	234,25	19,87	—41,28	41,75	1,05	20,79	6	2,86	25,71	636,66
March "	1,54	3,17	99,14	13,09	221,63	29,24	254,91	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April "	1,51	3,17	97,55	6,47	226,11	17,47	253,58	19,68	—41,35	41,58	1,03	23,16	5	2,93	26,16	670,9
May "	..	..	..	..	..	..	..	..	..	41,50	1,06	24,19	5	3,01	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five-Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of April 1960 is rupees Fifty-seven lakhs. 10-Year Cumulative Time Deposits commenced from 2nd January 1959 and the outstandings at the end of April 1960 is rupees Thirty-four lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100·30
2½ % Loan	1938-39	116,17,46,000	1963-65	98·05
3 % Loan	1950	30,33,10,000	1964	98·00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95·85
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	98·85
2½ % Loan	1946	45,63,07,000	1960	99·90
2½ % Loan	1946	57,00,69,000	1961	98·55
2½ % Loan	1946	14,77,48,000	1976	83·50
2½ % Loan	1947	72,85,72,000	1962	98·05
3 % N. P. Bonds	1953	75,29,00,000	1961	100·05
3½ % N. P. Loan	1954	1,58,17,95,000	1964	99·90
3½ % N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99·80
3½ % Loan	1956	87,27,36,000	1962	99·65
3½ % N. P. Bonds	1956	63,81,83,000	1967	99·60
3½ % Loan	1956	66,63,53,000	1974	99·70
3½ % N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100·85
4 % Loan	1957	49,17,37,000	1972	101·30
4 % Loan	1958	58,59,92,000	1963	100·00
4½ % Loan	1958	30,00,00,000	1968	99·45
3½ % Loan	1958	34,33,90,000	1958	100·65
3½ % Loan N.P.B.	1958	49,51,44,000	1973	101·20
4 % Loan	1959	1,02,91,00,000	1969	99·10
4 % Loan	1959	80,93,00,000	1979	100·25
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,34,000	M.	72·50
3 % Loan	1946	2,48,91,35,000	K.	73·85
STATE LOANS				
4 % Andhra	1955	6,00,16,000	1st Sept. 1967	100·20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100·20
4½ % Andhra	1958	6,48,81,000	15th July 1970	102·00
4½ % Andhra	1959	6,50,00,000	19th Aug. 1971	99·75
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	97·55
3 % Bombay	1950	2,58,50,000	31st July 1960	99·60
3½ % Bombay	1951	2,87,53,000	17th Sept. 1962	99·00
3½ % Bombay	1953	5,19,35,000	15th July 1963	101·00
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100·90
4 % Bombay	1954	9,72,58,000	31st Sept. 1967	100·90
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100·75
4½ % Bombay	1957	6,57,22,000	15th Sept. 1969	102·60
4½ % Bombay	1958	6,58,09,000	15th July 1970	102·65
4½ % Bombay	1958	4,36,25,000	15th July 1971	102·05
4½ % Bombay	1959	6,60,00,000	19th Aug. 1971	100·90
4 % Bihar	1956	1,64,02,000	1st Sept. 1967	100·00
4 % Bihar	1956	2,12,41,000	3rd Sept. 1968	100·00
4½ % Bihar	1958	2,76,71,000	15th Oct. 1970	101·50
4½ % Bihar	1959	3,30,00,000	19th Aug. 1971	99·75
3½ % Cochin	1936	30,00,000	1st June 1956-61	98·00
3½ % Cochin Bridge (New)	1936-37	1,77,08,700	1956-66	94·50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100·20
4 % Hyderabad	1956	2,15,02,000	3rd Sept. 1968	100·20
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99·60
2½ % Madras	1946	3,81,77,000	1st Sept. 1961	98·60
3 % Madras	1946	1,28,25,000	31st July 1960	99·60
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	99·45
4 % Madras	1953	10,33,71,000	15th July 1963	100·40
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100·30
4 % Madras	1956	10,47,17,000	1st Sept. 1967	100·10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100·10
4½ % Madras	1958	5,55,57,000	15th July 1970	102·05
4½ % Madras	1959	8,90,00,000	19th Aug. 1971	100·75
3 % Mysore(f)	1932	2,98,85,200	1st Dec. 1953-63	101·60
3 % Mysore(f)	1936	5,99,73,000	30th Apr. 1956-61	99·80
4 % Mysore	1953	3,33,47,000	15th July 1963	100·45
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100·15
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100·10
4½ % Mysore	1957	3,34,36,000	15th Sept. 1969	102·00
4½ % Mysore	1958	5,51,61,000	15th July 1970	102·00
4 % Mysore	1959	5,50,00,000	19th Aug. 1971	99·75
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	95·70
3 % M.P.	1950	1,01,45,000	31st July 1960	99·50
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	98·50
3½ % M.P.	1953	1,10,18,000	15th July 1963	100·30
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100·00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100·00
4½ % M.P.	1958	2,19,31,000	15th July 1970	101·50
4½ % M.P.	1959	3,30,00,000	19th Aug. 1971	99·75
4 % Saurashtra	1955	3,56,23,000	1st Sept. 1967	100·20
4 % Saurashtra	1956	3,70,80,000	3rd Sept. 1968	100·10
3 % Kerala	1953	3,25,61,000	15th July 1963	99·90
4 % Kerala	1955	2,22,08,000	3rd Sept. 1968	99·90
4 % Kerala	1956	3,26,38,000	15th July 1970	101·60
4½ % Kerala	1959	4,40,00,000	19th Aug. 1971	99·70
2½ % U.P.Z.A.	1952	45,63,93,000Z	..	53·25
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	92·25
3 % U.P.	1945	2,17,06,000	15th Sept. 1950	97·50
2½ % U.P.	1946	2,16,39,000	1st Sept. 1961	97·75
3½ % U.P.	1951	1,87,38,000	17th Sept. 1962	99·25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100·40
4 % U.P.	1953	5,58,25,000	15th July 1963	100·50
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	100·20
4 % U.P.	1956	8,48,40,000	3rd Sept. 1968	100·20

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,51,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1967	
75,00,000	4	1908	1968	99·60
40,00,000	4	1909	1970	
66,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,19,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1914	1974	99·50
85,25,000	4	1914	1975	99·50
10,00,000	4	1915*	1960	
55,00,000	4	1915	1975	
61,50,000	4	1920*	1960	
11,51,000	4	1924*	1960	
18,25,000	2½	1926*	1960	
35,00,000	2½	1929*	1959	
12,50,000	2½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,50,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1938*	1968	
10,00,000	3½	1941	1971	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99·00
76,90,100	4	1915	1975	99·00
50,00,000C	3††	1921	1981	82·00
68,02,300C	6‡	1921	1981	144·00N
60,00,000C	4‡	1921	1991	95·00
60,00,000	3½	1925	1965	99·00
25,00,000	3	1938	1963-68	93·00
50,00,000	3	1945	1975	85·00
50,00,000	3	1946	1976	84·75
50,00,000	3	1946	2006	74·00
50,00,000	2½	1947	1977	79·50
50,00,000	3	1948	1978	83·75
50,00,000C	3	1950	1980	82·00
1,00,00,000	3	1950	1980	90·00
50,00,000	3	1950	1980	99·60
50,00,000	3	1951	1981	81·75
1,50,00,000	2½	1952	1981	99·75
50,00,000	4	1953	1983	100·00
50,00,000	4	1953	1983	97·50
50,00,000	4	1954	1984	97·25
90,00,000	4	1955	1985	97·25
50,00,000	4	1956	1986	97·25
78,00,000C	4	1956	1986	97·25
1,24,00,000	4½	1957	1987	99·50
1,30,00,000	4½	1958	1988	99·00
1,00,00,000	4	1959	1989	99·50
50,00,000	4½	1959	1989	99·00
STERLING LOANS				
£592,500	5	1923	1953-83	£80·00
£901,000	5	1924	1954-84	£80·25
£835,100	5½	1932	1962	£91·00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	A
9,86,00,000	3	1949	1979	
3,00,00,000	3	1949	1979	
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Latest Available Quotation Rs.
Rs.		**BOMBAY**		Rs.
20,00,000	4	1901	1961	
20,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1906	1966	97·75
20,00,000	4	1908	1968	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
75,00,000	4	1913	1973	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97·50
25,00,000	4	1915	1975	N
40,00,000	5	1919	1957-76	113·00N
66,00,000	5	1920	1955-80	
25,00,000	5	1925	1956-86	115·00N
25,00,000	4	1927	1961-70	98·00N
10,00,000	3	1936	1966	
£566,600		1909	1968	£95·50
£338,000		1910	1970	£95·50N
Rs.		**CALCUTTA**		Rs.
50,00,000	4	1934	1944	99·25
25,00,000	2½	1935	1945	96·00
30,00,000	3	1936	1966	91·75
50,00,000	3	1937	1962	96·00
20,00,000	3	1938	1963-68	91·75
1,00,00,000	4	1938	1968	100·00
1-02,00,000	4	1956	1968	99·25
75,00,000	4½	1958	1968	101·06
65,00,000	4½	1959	1974	99·75

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
20,00,000	4	1913-18	1974	99·50
10,00,000	5	1920	1980	113·00N
3,25,00,000	3½	1947	1977	87·75
2,50,00,000	3½	1947	1977	87·75
2,50,00,000	3½	1950	1965	95·00
5,00,00,000	4	1952	1964	100·00
2,00,00,000	3½	1951	1966	98·00
1,00,00,000†	4	1952	1964	99·85
1,00,00,000†	4	1956	1966	99·85
2,50,00,000	4	1955	1965	100·00
1,50,00,000	4	1956	1966	100·00
2,00,00,000	4½	1957	1969	101·60
4,00,00,000	4½	1958	1970	101·60
5,00,00,000	4½	1959	1971	100·00
CALCUTTA				
Rs.				Rs.
10,00,000	3½	1932	1962	108·00
20,00,000	3½	1925	1965	95·00
60,00,000	3	1936	1966	91·00
47,50,000	3½	1937	1967	91·00
21,10,000	3½	1942	1972	92·00
16,33,000	3½	1951	1961	99·25
66,33,000	3½	1951	1966	98·50
87,86,000	4	1952	1962	97·75
72,50,000	4½	1954	1979	100·00
2,22,72,000	4	1955	1985	—
73,86,000	4½	1958	1968	100·50
1,67,32,000	4½	1958	1970	—
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107·00N
15,00,000	3½	1952	1962	107·50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,48,000	15th July 1970	102·05
4 % U.P.	1959	8,80,00,000	19th Aug. 1971	99·75
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100·15
4½% Rajasthan	1958	2,79,98,000	15th July 1970	101·75
4½ % Rajasthan	1959	3,85,00,000	19th Aug. 1971	99·75
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100·00
4½% Orissa	1958	2,57,71,000	15th July 1970	101·80
4½ % Orissa	1959	3,85,00,000	19th Aug. 1971	99·75
4 % M. Bharat	1953	1,04,77,000	15th July 1963	100·25
4 % M. Bharat	1956	1,11,26,000	3rd Sept. 1968	100·00
4½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	99·25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100·40
4 % W. Bengal	1953	9,80,23,000

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	..	1,47,32,620	44,03,340	—32,02,956	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.80	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman).	50,556	1,021	B. R. Cotton Mills	35.00	100	*Nil*	*Nil*	*Nil*		3	Y. P.T.
2,50,08,000	3,40,77,964	9,34,84,561	4,90,54,873	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,14,492	4,320	Bombay Dyeing & Mfg. Z	69.40	25	2.50	2.50	3.50†		12	Y.
10,00,000	29,40,386	78,24,032	48,74,455	47,276	Ramnarain Sons Private Ltd. ..	44,784	860	Bradbury Mills	139.00	50	15.00	7.50	5.00		3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd. ..	1,26,752	2,693	Century Spg. & Mfg. ..	528.00	100	22.00	22.00	31.50†		12	Y.P.
90,00,000	29,04,929	1,21,43,644	73,38,437	61,364	Cowasjee Jehangir & Co. Pvt. Ltd ..	31,466	680	Cooria Spg. & Wvg. ..	135.00	100	12.50*	12.50*	7.50		3	Y.
90,00,000	25,73,572	93,59,335	50,99,007	12,102	Ramnarain Sons Private Ltd. ..	43,960	..	Dawn Mills	139.50	50	7.50†	5.00	10.00		3	Y.
34,00,000	18,61,000	85,42,424	64,50,661	—16,84,478	Puranmal Bubna Sons	47,356	928	Edward Textiles	200.00	200	15.00	15.00(e)			12	Y.
29,98,050	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman) ..	46,920	886	Elphinstone Spg. & Wvg. ..	61.00	50	*Nil*	*Nil*	7.00†		12	Y.
50,00,000	65,75,469	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	324.00	100	20.00	15.00	21.50†		12	Y.
50,00,000	52,35,257	1,02,35,144	68,02,387	10,233	James Finlay & Co., Ltd. ..	45,768	1,029	Gold Mohur Mills Ltd.	226.25	100	15.00	15.00	21.50†		12	Y.
12,00,000	1,17,23,947	1,94,91,703	1,40,31,408	—6,27,490	K. M. D. Thackersey, Esq.(Chairman)	45,448	1,120	Hindoostan Spg.& Wvg. Mills	4,000·00 992.50	1,000 250	350·00* 87.50*	350·00 87.50	35.00·00(e) 87.50(e)	70.00‡ 17.50‡	3	Y.P.
5,00,00,000 D.50,00,000	1,16,525	5,09,02,595	3,68,18,422	—57,69,984	Agarwal & Co.	2,50,414	6,412	India United Mills	0·10 13.72 1·00	0·10D. *Nil* *Nil*	*Nil* *Nil* *Nil*	*Nil* *Nil* *Nil*	*Nil* *Nil* *Nil*		12	Y.
18,00,000	97,77,876	1,83,36,241	1,28,55,126	17,439	K. M. D. Thackersey Esq.(Chairman)	57,672	1,152	Indian Mfg.	2,270.00 1,050·00N	1,000 500	325·00* 162·50*	325.00 162·50	200.00(e) 100·00(e)	35.00‡ 17.50‡	3	Y.P.
50,85,000	81,10,346	3,52,99,051	2,54,17,423	23,727	Khatau Makanji & Co. (Pvt.) Ltd ...	1,00,000	1,500	Khatau Makanji Spg. & Wvg...	100.00	100	10.00(e)	10.00	16.00†		6	Y.P.
1,00,00,000	1,00,60,696	3,81,90,145	2,95,67,372	27,909	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	382.00	100	18.00	10.00	9.50†		12	Y.
46,47,350	38,85,220	1,43,57,502	70,49,810	24,992	N. Sirur & Co. Private Ltd. ..	40,200	644	Modern Mills	103.00	50	5·00'C'	3.00	5.00†		12	Y.
91,76,000	44,00,000	2,84,52,913	2,05,23,269	2,38,354	Piramal Sons Private Ltd.	71,604	1,642	Morarjee Goculdas Spg. &Wvg..	283.00 552.50	100 100	14.00 14.00	14.00 14.00	22.00† 21.27‡		12	Y.P.T.
2,41,12,100	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation ..	—	100	..	11.20			12	Y.
24,00,000	11,16,837	83,71,833	48,70,077	—11,98,634	W. H. Brady & Co., Ltd.	45,044	480	New City of Bombay Mfg. ..	137.50	100	5.00	*Nil*	*Nil*		12	Y.P.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman) ..	49,012	952	New Great Spg. & Wvg. ..	178.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
48,00,000	57,19,167	1,76,58,754	1,15,83,593	36,434	Ramnarain Sons Private Ltd. ..	69,232	1,190	Phoenix Mills	485.00	100	12·50F	10.00	10.00		3	Y.P.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd.	32,600	930	Podar Mills	157.00	100	10.00	18.00*(e)	12.00*†		12	Y.
10,00,000	..	32,20,575	17,12,113	—1,88,358	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mill	9·52	10	0·25	*Nil*	*Nil*		12	Y.
37,70,100	1,21,80,082	2,81,69,010	1,84,24,391	215	M. G. Investment Corp. Private Ltd.	99,488	2,127	Sassoon Spg. & Wvg. ..	71.00	10	2.00	2.00	2.50†		12	Y.P.
80,00,000	51,53,455	1,74,14,168	73,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,486	1,620	Shree Niwas Cotton Mills ..	279.00	100	8.00	10.00	15.00†		3	Y.
42,00,000	21,46,184	3,17,12,726	88,86,081	—5,14,171	M.	47,736	1,178	Simplex Mills	180.00	50	8·50	8.50	5.00(e)		12	Y.P.
1,09,75,000	2,51,54,993	3,87,61,421	2,23,24,758	91,528	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	1,175.00	100	22·50*	20.00	29.00*†		12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd. ..	75,036	2,000	Svadeshi Mills	252.00	100	9.00	10.00	14.00†		12	Y.
36,00,000	76,44,279	1,98,34,474	1,09,47,826	26,062	James Finlay & Co., Ltd.	40,328	550	Swan Mills	490.00	100	25.00	25.00	36.00†		12	Y.T.
65,57,875	80,22,987	2,58,77,176	1,04,22,689	17,025	Tata Industries Private Ltd. ..	61,572	1,775	Tata Mills	46.50	25	2.00	1.50	2.50†		12	Y.P.
16,00,000	64,52,308	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	372.50	100	23.00*	20.00*	20.00†		12	Y.P.
12,00,000	1,02,12,489	1,79,02,964	1,30,98,754	—17,05,239	Mr. K. M. D. Thackersey (Chairman)	54,664	1,262	Western India Spg. & Mfg. ..	4,400.00	1,000	325.00	325.00	325.00(e)	70.00‡	12	Y.P.T.
AHMEDABAD																
8,00,000	23,61,804	1,94,97,024	79,03,199	11,155	Tata Industries Private Ltd. ..	49,168	1,016	Ahmedabad Advance Mills ..	181.25	100	5.00	5.00	4.90 (e)		6	Y.P.T
5,00,000	1,02,99,853	1,39,02,837	79,96,508	....	P. M. Hutheesing & Co., Ltd.	42,768	920	Aruna Mills	525.00	100	25.00	25.00			12	Y.P.
3,00,000	2,95,20,296	2,85,00,021	1,46,42,359	18,312	Narottam Lalbhai & Co. ..	66,417	1,218	Arvind Mills	1,455.00	100	40.00	28·00'C'	40.00†		12	Y.P.
5,40,000	45,04,840	1,24,96,618	83,06,442	88,395	Mangaldas & Brother (Pvt.) Ltd. ..	55,908	892	Arvindava Ginning & Mfg. ..	465.00	200	*Nil*	25·00'C'			12	Y.P.T.
3,00,000	1,81,57,252	1,17,28,184	70,40,099	957	Lalbhai Dalpatbhai & Co.	37,568	915	Asoka Mills	702.50	100	30.00	20·00'C'			3	Y.P.
1,25,00,000	2,91,51,534	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd. ..	1,39,120	2,380	Calico	1,997.00	125	30.00	25.00	22.00	31.00†	12	Y.P.
1,00,000	27,76,707	1,57,37,865	1,12,77,229	9,996	Triumlal Bhoglal & Co., Ltd. ..	45,836	866	New Commercial Mills	5700·00xd	250	25.00*	27.00*	36.00†		12	Y.
1,00,000	1,17,29,442	1,79,38,243	1,14,51,119	1,21,046	Mafatlal Chandulal & Co., Ltd. ..	51,112	907	New Shorrock Spg. & Wvg. ..	2,030.00	125	30.00	35.00*			12	Y.P.
5,00,000	65,41,937	75,47,288	39,87,874	228	Jagabhai Bhoglal Nanavaty & Co..	26,840	572	Nutan Mills	400.00	100	20.00	20.00			12	Y.
3,00,000	99,88,884	1,29,66,703	76,85,844	....	Lalbhai Dalpatbhai & Co.	32,928	640	Rajpur Mfg.	175.00	100	8.00*	8.00*			12	Y.P.
1,75,000	25,48,744	1,41,19,837	79,09,285	11,900	Rohitbhai Chhabhai Esq.(Chairman)	33,156	648	Rohit Mills	195.00	100	8.00*	8.00*	45.00†		12	Y.P.
3,75,000	2,95,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co. ..	94,128	1,819	Shri Ambica Mills	1,455.00	100	25.00	30.00*			12	Y.
9,25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad) Ltd.	36,828	720	Shorrock Spg. & Mfg.	880.00	100	20.00	22.00*			12	Y.P.
10,00,000	39,43,859	1,34,94,632	92,66,120	25,810	Haridas Achratlal & Co. Ltd. ..	41,056	780	Vijaya Mills	655.00	500	40.00*	40.00*			12	Y.
WEST BENGAL																
5,00,000	3,15,002	29,15,585	25,08,902	41,532	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	7.62	10	0.60	0.50			12	Y.P.T
7,11,280 1,80,620 1,70,000	1,56,980	85,52,765	62,49,997	—1,68,477	D. N. Bhattacharjee, Esq. (Mg. Director)	35,016	935	Bengal Luxmi Cotton Mill ..	35.00N	40	4.00	*Nil*	*Nil*		3	Y.P.
4,00,000	5,14,800	1,36,22,086	56,02,340	60,419	Kettlewell Bullen & Co., Ltd. ..	42,912	841	Bowreah Cotton Mills	180.00	100	*Nil*	*Nil*	*Nil*		12	Y.T.
3,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co. Ltd. ..	43,064	500	Dunbar Mills	230.00	100	*Nil*	*Nil*	10.00†		12	Y.T.
2,08,500	8,02,433	88,00,719	43,09,719	34,072	Birla Brothers Private Ltd. ..	4,852	206	Jay Shree Textiles Ltd. ..	30.81	10	0.75	0.25	0.25		3	Y.P.
3,00,000	2,07,51,444	4,18,09,599	1,43,09,599	76,764	Birla Brothers Private Ltd. ..	75,040	1,992	Kesoram Cotton Mills	10.12N	10	1.00	0.50	*Nil*		6	Y.
9,47,750 5,00,000	78,492	50,99,822	32,33,579	—5,21,450	Hazaresmul Hosrailal	23,036	795	Rampooria Cotton Mills ..	2.37N	1D	£0.15	*Nil*	*Nil*			
SOUTH INDIA AND OTHER CENTRES																
10,00,000	5,43,855	73,05,065	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd. ..	8.90	10	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	2,25,000	35,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd...	42,656	1,055	Anglo-French Textiles Ltd. ..	107.00	100	6.00	6.00	11.00		6	Y.
1,98,600	1,41,281	45,98,882	22,78,699	....	Seina & Co.	24,800	..	Asher Textiles Ltd.	212.80	100	12.50	6.00	6.00†			
72,00,000	16,98,790	1,92,55,835	68,19,240	2,081	The Industries (I.F.) Department, Government of Andhra Pradesh ..	36,136	725	Azam Jahi Mills	69.50	100	3.50	*Nil*	4.00†		9	Y.
21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras) Ltd. ..	46,240	1,157	Banzalore Woollen, Cotton and Silk Mills	197.00	100	10.00·C'	10.00	10.00		12	Y.P.
35,00,000	74,79,507	1,41,85,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd. ..	39,806	1,094	Birla Cotton Spg. & Wvg. ..	18.00N	10	1.50	0.75	10.00		3	Y.
78,47,500	3,24,73,971	8,05,80,460	4,78,98,274	2,61,371	Binny & Co. (Madras) Ltd. ..	1,20,288	2,758	Buckingham & Carnatic	205.00	100	10.00	10.00	10.00		12	Y.P.T.
20,00,000	18,500	51,23,680	26,05,678	—2,79,050	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	10.00	10	0.50(e)	0.50	0.50		3	Y.
10,00,000	5,29,316	53,02,782	33,76,104	10,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	191.00(e)	100	20.00	12.50	15.00	17.00†	12	Y.
35,00,000	31,64,314	81,45,832	66,08,685	—8,29,080	Begg, Sutherland & Co. Private Ltd.	37,924	689	Cawnpore Textiles	6 81	5	0.25	*Nil*	*Nil*		3	Y.P.
9,36,560	6,01,000	38,20,059	13,33,867	15,034	C. R. Srinivasan, Esq. (Chairman) ..	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	14·50cd	10	0.90	0.90	0.90	1.30†	12	Y.
25,99,600	23,90,147	1,11,51,577	41,02,473	....	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	170.00	100	9·00'C'	6.00	6.00†		12	Y.P.
18,15,000	7,25,195	39,16,552	24,29,633	....	T. A. R. Chettiar Sons & Co. ..	39,546	..	Coimbatore Murugan Mills	98.00	100	20.00	20.00	25.00†		12	Y.P.
80,00,000	22,23,765	97,89,594	64,27,110	1,28,402	T. R. N. Naidu & Co.	70,268	307	Coimbatore Pioneer Mills	351.50	100	20.00	20.00			12	Y.
20,76,900	5,076	1,37,50,700	86,79,844	—15,77,632	R. G. S. Naidu & Co.	1,15,288	2,032	Coimbatore Spg. & Wvg.	50.00	100	*Nil*	*Nil*	*Nil*		3	Y.
46,87,500	10,87,622	4,53,59,203	1,50,69,402	—81,23,525	Tata Industries Private Ltd. ..	36,588	300	Davangere Cotton Mills	122.00 114.00	100 100	*Nil* 9.00	*Nil* 9.00	*Nil* 9.00		3	Y.
3,00,000	24,30,000	1,16,07,949	51,48,533	15,442	R. Hanumanthappa & Son ..	..	..	Delhi Cloth & General Co. Ltd.	37.00	25	2.00	2.00	2.50†		6	Y.P.T
38,36,225 1,00,565	24,09,63,62	12,81,36,990	7,47,89,631	2,84,694	B. R. Charat Ram & Co. Private Ltd	1,16,636	2,338	Dhanalakshmi Mills	224.00	25 100	0.16 10.00·C'	0.25 10.00	0.25† 17.50†		12	Y.
48,80,010	29,05,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Elgin Mills	20.06	10	1.00	0.75	1.25†		9	Y.P.
63,00,000	1,21,34,814	1,74,54,303	1,53,07,559	95,880	Begg, Sutherland & Co. Private Ltd.	48,452	1,194	Gokak Mills	147.50	100	8.00	8.00	6.00†		12	Y.
48,81,000	28,48,948	1,87,03,402	91,62,727	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gaekwar Mills Ltd.	206.00	100	10.00	10.00			12	Y.
40,00,000	52,84,700	1,11,82,618	81,40,803	7,074	J. H. Mehta, Esq. (Chairman) ..	29,572	680	Gwalior Rayon	41 25	10	*Nil*	*Nil*	1.00		3	Y.P.
80,00,000	63,35,000	6,30,81,165	3,68,54,000	13,62,955	Birla Gwalior Private Ltd.	..	..	Indore Malwa United	123·00xd	50	5.00	5.00(e)	7.00†		12	Y.P.
50,00,000	1,96,680	1,64,52,347	1,21,05,123	....	K. L. Seksaria, Esq. (Chairman) ..	51,152	1,356	Janardana Mills	69.00	50	3.00	..			12	Y.
8,90,000	10,66,553	35,60,221	20,68,005	....	G. V. Naidu & Co. Ltd.	23,784	..									
15,54,000	15,02,599	57,13,957	33,83,095	7 012	Mr. Bhairoratan Damani (Managing Director)	21,148	512	Jam Shri Ranjitsinghji	1,580.00	1,000	40.00				6	Y.
16,86,170	13,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	10·75	5	1.25	0.75	0.75		12	Y.
63,65,300	3,07,35,097	4,65,6o,270	3,36,57,227	2,53,345	Birla Gwalior Private Ltd.	1,01,184	1,635	Kamani Tubes	52.12	10	3.00	2.50	3.00†		3	Y.P.
67,20,000	25,71,768	1,69,79,998	49,33,767	55,806	Kothari & Sons	53,136	300	Kothari Textiles	12.20	10	1.00	*Nil*	1.00†		12	Y.P.
32,00,000	54,31,394	1,98,63,685	1,48,17,868	26,609	M.	51,908	1,243	Lakshmi Cotton Mfg.	505.00	250	15.00	15.00	25.00†		12	Y.
71,00,000 35,50,000	83,80,980	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	1,050·00 82.00	50 25	10.00 5.00	6.00 3.00	6.00 3.00	10.00† 5.00‡	3	Y.
58,00,000	1,42,22,327	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas&Co Ltd.	51,996	896	Mafatlal Fine Spg.&Mfg. Co. Ltd	1,110.00	100	15.00	18.00	29.00*†		12	Y.P.
75,02,480	4,06,37,833	6,25,73,138	4,25,73,138	2,04,614	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	32 65	10	2.25	2.25	1.875†		12	Y.
60,00,000	29,59,000	68,45,576	51,49,267	1,57,266	W. A. Beardsell & Co. (Private) Ltd.	29,856	603	Mettur Industries Ltd.	428.00cd	100	20.00	20.00	25.00	30.00†	3	Y.P.
29,30,854	5,37,771	91,02,338	57,95,981	—7,72,251	N. Sirur & Co. Private Ltd. ..	39,936	704	Minerva Mills	75.00	100	*Nil*	*Nil*	*Nil*		12	Y.T.
94,91,850	21,56,146	1,71,94,769	78,81,658	1,85,008	M.	52,408	952	Model Mills (Nagpur)	55.00	250	9.00*	5.00	5.00		6	Y.
24,83,500	40,62,618	1,17,67,314	71,85,956	33,826	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. & Mfg.	87.50	10	*Nil*				2	Y.
13,61,780	..	29,12,641	17,83,314	3,986	K. Tipperudrian (Chairman) ..	40,000	..	Nahoor Spg. & Wvg. Mills ..	6.25N	10	0.50	0.50	0.50		3	Y.
21,50,000	50,71,752	63,06,688	41,46,986	21,889	J. H. Mehta, Esq. (Chairman) ..	18,776	446	Navsari Cotton & Silk Mills Ltd.	41.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
57,23,300	19,78,217	1,77,24,075	67,40,513	....	Banalal Biesarias Pvt. Ltd. ..	37,788	902	Osmanshahi Mills	149.50	50A	9.00	10.00	15.00†		9	Y.
14,00,000 15,00,000	16,56,928	78,14,710	36,35,783	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	209.25 60.00	75B 100	13.50 *Nil*	15.00 *Nil*	22.50†		12	Y.P.
15,00,000	..	37,30,105	19,70,048	—21,28,862	.. ..	27,980	..	Pankaja Mills Ltd.	29.25	25.00	2.00	1.50	2.25†		12	Y.
63,10,600	18,67,447	1,10,36,803	66,04,305	2,661	A. G. Gurusamy Naidu & Co. ..	60,704	301	Radhakrishna Mills	78.00xd	50	4.50	5.00'C'	3.75†		12	Y.P.
30,00,000	28,53,890	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	52.00	100	12.00	8.00			3	Y.
16,14,300	14,00,000	58,40,286	20,96,405	....	Ramco Agencies Private Ltd. ..	36,036	..	Rajapalayam Mills	112.50	100	10.00	10.00	10.00†		12	Y.
22,32,300	11,20,038	56,78,526	28,55,667	958	Ravalasseema Development Co. ..	21,200	..	Ravalaseema Mills	25.21xd	10	1.20	1.50	2.20†		12	Y.
10,00,000	6,93,527	54,79,563	33,71,779	8,261	S. R. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd.								
36,69,700	23,19,813	99,50,094	66,87,523	23,094	D. R. Vivambhartaih, Esq. (Mg. Director)	42,924	340	Sri Krishnarajendra Mills ..	76.00	50	7.00	4.50	4.00		3	Y.
15,00,000	8,63,34,092	1,15,51,972	88,02,187	31,06,195	Birla Brothers Private Ltd. ..	86,212	1,244	Sutlej Cotton Mills	97.50	10	6.00	6.00	6.00		3	Y.
1,50,00,000 50,00,000 P.O	2,35,28,071	6,33,82,415	1,96,98,173	2,961	M.	4,12,216	2,090	Swadeshi Cotton (Kanpur) ..	8.50 8.62	100. 10P.O.	0.75 1.15	*Nil* 0.40			12	Y.P.
60,00,000	70,91,584	4,47,94,206	2,70,17,829	2,29,084	Emcete & Sons (Travancore) Ltd. ..	..	..	Travancore Rayons	37.25	10	1.00	1.25	2.00†		12	Y.P.T.
18,98,730	8,64,000	20,41,565	15,00,441	661	Mooljl Ramjee & Sons	19,000	..	Trichinopoly Mills	11.75	10	0.90	0.75	1.25†		12	Y.
21,00,000	38,41,000	91,20,605	57,96,376	17,798	R. K. Chetty & Brothers	44,424	270	Vasanta Mills	238.50	100	12.00	12.00	16.00†		12	Y.P.
32,00,000	12,58,816	1,94,82,373	1,33,00,940	—11,21,284	The Bombay Co. (Private) Ltd. ..	49,880	1,369	Vishnu Cotton	114.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.

§—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. O'—On increased Capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
CEMENT														
71,03,070	6,32,106	1,58,24,523	61,14,905	5,585	Andhra Engineering Co. (Private) Ltd...	Andhra Cement Co.	11.35cd	B. 10	1.00	0.75			12	Y.P.
59,90,092	3,22,500	1,72,94,932	6,73,669	2,314	S. P. Jain, Esq. (Chairman) ..	Ashoka Cement Ltd.	11.08	10	*Nil*	*Nil*	0.45		12	Y.
20,33,79,516	9,81,63,028	40,30,35,720	14,66,78,575	92,495	Cement Agencies (Private) Ltd. ..	Associated Cement Companies ..	147.00	100	9.00	8.50'C'	11.00†		7	Y.T.
24,40,816	42,000	1,90,39,819	24,56,957	1,146	T

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
PAPER														
57,43,031	18,87,920	2,66,44,147	2,05,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills	66 75	25	*Nil*	*Nil*	2 50†		6	Y.P.
44,30,000	49,70,029	2,34,13,600	1,67,71,800	1,35,198	M.	Bengal Paper Mills	102 00	25	3 12	5 50	8 00†		12	Y.P.T.
63,00,000	65,47,004	2,32,06,898	1,03,23,856	54,751	Andrew Yule & Co., Ltd.	India Paper Pulp	21 37	10	1 40	1 00	1 00		3	Y.
25,00,000	33,79,739	1,52,01,952	96,32,785	43,794	M. D. Shivanandappa, Esq. (Chairman)	Mysore Paper Mills	45 20	10	1 50	1 50	1 50†		3	Y.P.T.
1,40,82,500	91,38,720	9,65,23,424	2,36,15,953	1,69,091	Birla Brothers Private Ltd. ..	Orient Paper	28 25	10	1 25	1 25			12	Y.P.T.
1,25,50,670	86,20,921	1,94,16,399	1,14,73,940	75,301	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	28 25	10	0 60	0 60	0 30†		9	Y.P.
50,00,000 }	8,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	{ 13 31xd O. 10 13 31xd A. 10		0 60	0 60	0 30†		9	Y.P.
4'10,00,000 }					Birla Brothers Private Ltd. ..	Sirpur Paper Mills	29 29 10		0 50	0 65	0 65†		6	Y.P.
2,15,25,340	56,23,786	5,27,98,634	1,40,50,912	72,313			29 87 A. 10		2 38*	2 38	2 50†			
56,00,000A. }							39 87 B. 10		2 38*	2 38*	2 50†		3	Y.P.T.
56,04,800B. }	4,02,35,633	7,26,92,665	4,02,88,475	1,01,113	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	4 12	P.O. 24	0 24	0 24	0 25*			
4,37,500P.O. }							216 00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
99,98,875	4,70,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman) ..	West Coast Paper Mills Ltd. ..								
SAW MILLS AND TIMBER														
13,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3 12	3	*Nil*				9	Y.
89,25,000 }	3,45,21,358	5,63,39,009	2,47,17,106	67,223	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 614 00 Old 125 820 00 New 50		47 50K	22 50	23.75		5	Y.
42,00,000 }							29.75xd	10	2.75	2.50	2.50†		9	Y.
90,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products								
SUGAR (U.P. and Bihar)														
14,00,000	17,72,056	45,74,076	33,32,351	45,327	P. L. Saraogi, Esq. (Chairman) ..	Baltarnpur Sugar	3 50	5	0 25	0 25	0.40†		6	Y.
12,00,000A. }	84 01,264	62,73,828	39,92,829	10,49,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	{ 135 00N A. 10 14 50N B. 10		10 00	10 00			4	Y.T.
3,00,000B. }							13 41	7½	1 00	1 00	1 40†		9	Y.
19,49,050	10,53,725	43,95,189	27,45,553	41,303	Banzur Bros., Ltd.	Belsund Sugar	16 37N	10	1 50	1 00	1 50†		6	Y.P.
13,00,000	14,05,503	23,44,258	14,99,918	5,149	Cotton Agents Private Ltd. ..	Bharat Sugar	10 25	10	*Nil*	0 25	*Nil*		6	Y.P.T.
32,00,000	30,06,740	1,52,64,278	1,05,44,575	14,180	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	10 25	10	*Nil*	*Nil*	*Nil*		10	Y.P.
30,00,000	65,53,414	1,66,89,434	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	15 44	10	*Nil*	1 00	1 50†		6	Y.
20,14,000	40,35,304	84,98,942	43,37,829	16,099	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	29 37	10	*Nil*	0 50			6	Y.T.
9,58,252	2,93,564	28,55,378	18,68,328	—34,928	K. C. Thapar & Bros. Private Ltd.	Dooria Sugar	9 50N	10	*Nil*	0 50	0 50		6	Y.P.
60,00,000	70,17,000	2,22,85,620	1,03,51,283	39,855	Bachraj & Co. Private Ltd. ..	Hindusthan Sugar Mills	317 00	100	15 00	10 00	15 00†		7	Y.P.
18,00,000	14,41,216	88,56,210	54,42,213	9,576	Mr. Tulsidas Kilachand (Chairman) ..	Kesar Sugar	200 00	40	7 00	4 00	4 20		6	Y.P.
7,80,100	28,58,929	53,91,477	30,83,160	6,246	Cotton Agents Private Ltd. ..	New India Sugar Mills	32 00N	10	2 50	2 50	3 65†		6	Y.P.
11,00,000	4,58,234	49,29,280	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd.	New Savan	6 50	10	0 37	0 50	0 37†		5	Y.
18,33,200 }	48,26,135	78,03,274	29,12,884	24,741	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill ..	{ 35 00N	100	20 00	20 00			6	Y.
36,175 }							50 00N	25	5 00	5 00			7	Y.P.
77,52,960	76 35 199	2,61,13,706	1,41,64,041	16,455	Cotton Agents Private Ltd.	Oudh Sugar	100 00	100	12 50	12 50	18 25†		7	Y.P.
9,00,000	23,02,870	51,19,041	35,72,535	4,006	M.	Purtabpore Co.	13 00	10	*Nil*	*Nil*	*Nil*		10	Y.P.
63,59,400	20,22,090	88,22,036	36,85,281	3,91,544	Govan Bros. (Rampur) Private Ltd...	Raza Bolund Sugar	13 25	10	1 50	1 25	1 20†		10	Y.
8,00,000	6,30,752	29,26,309	23,93,295	1,403	M.	Rvam Sugar	15 75	10	1 50	1 50			6	Y.
11,99,000	16,90,877	48,13,634	26,03,230	20,614	M.	Samastipur Central Sugar	12 75	10	1 00	1 00	1 50†		6	Y.
99,09,000	23,94,873	1,36,84,427	80,62,270	41,428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	15 00	10					7	Y.P.T.
10,02,115	24,660	34,19,315	15,98,051	1,196	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	6 50	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	12 00	10	0 50				8	Y.
8,00,000	43,66,902	1,83,27,975	97,43,200	44,480	Cotton Agents Private Ltd.	Upper Ganges Sugar	68 00	10	5 00	5 00	7.25†		6	Y.P.
16,00,000	9,72,016	25,84,066	27,87,195	50,290	M.	United Provinces Sugar	18 25	10	0 75	1 00			9	Y.
Other Centres														
80,00,000	26,55,000	91,38,886	28,74,622	22,959	Rangarao & Co...	Andhra Sugars Ltd.	26 00	10	1 25	1 50	2 00†		9	Y.
39,84,500	6,25,000	91,67,380	4,84,457	21,247	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	143 50	100	*Nil*	*Nil*	*Nil*		6	Y.P.
70,49,650	1,36,94,958	1,59,69,486	1,07,41,336	75,919	W. H. Brady & Co., Ltd.	Belapur Company	370 00	50	18 00	20 00*	21 00†		9	Y.
17,50,000	15,17,192	44,93,634	27,37,735	5,189	A. H. Bhiwandiwalla & Co. (Bombay)	Bhopal Sugar Industries Ltd. ..	28 00	10	2 00	2 00	2 00†		9	Y.P.
37,50,000	16,97,191	83,92,712	57,50,845	2,07,295	Private Ltd.	Shree Chamunder Sugar	33 50	12 50	2 25	2 25	2 90†		9	Y.
39,84,000	19,65,500	71,19,855	46,64,341	66,641	Parry & Co., Ltd.	Deccan Sugar & Abkhari	15.85	5	0 724 C	0 90	0 90		5	Y.P.T.
£800,000	£1,575,453	£1,950,379	£1,101,544	£82,206	Parry's Rohlings Private Ltd.	East India Distilleries & Sugar	61 50	£1	Sh. 3	Sh. 4	Sh.4		6	Y.P.
15,93,900	25,45,860	48,87,880	29,79,097	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	89 00	100	10 00	10 00	10 00†		6	Y.P.
63,97,650	9,79,348	81,86,670	27,80,256	5,62,856	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	12 45	10	1 00	1 00	1 25†		6	Y.P.
21,79,280	99,00,189	1,62,19,219	1,01,73,032	45,172	B. M. Krishnan, Esq. (Mg. Director)	Jeypore Sugar	17 25	10	0 60	0 60			6	Y.
50,00,000	54,93,178	1,39,64,898	73,75,195	63,804	Mafatlal Apte and Kantilal Pvt. Ltd.	K. C. P. Ltd.	125.00	10	0 75	0 75	1 50†		6	Y.P.
16,59,820	41,08,386	78,05,159	39,38,780	59,442	Anderson Wright Ltd.	Maharashtra Sugar Mills Q ..	100 00	10	17 00*	17 00*	21 00†		9	Y.P.
20,00,000	2,47,500	24,70,565	13,97,551	788	Govan Bros. (Rampur) Private Ltd. ..	Mysore Sugar	56 80	10	2 00	3 00*	3 00†		6	Y.T.
0-20,00,000 }	48,67,914	1,37,22,721	65,29,942	79,364	Walchand & Co. Private Ltd. ..	Phaltan Sugar	194 50	50	12 00*	10 00	13 50†		8	Y.P.T.
D-4,00,000 }						Ramnagar, Cane and Sugar ..	26 25	10	1 50	1 50	2 11†		8	Y.
20,00,000	20,67,000	67,37,434	30,49,961	1,06,833	Parry & Co., Ltd.	Rampur Distillery & Chemical Co., Ltd	100 00N	100	6 00	6 00	6 00		3	Y.
1,01,00,000	1,24,16,022	8,47,34,595	1,29,06,496	1,77,732	Walchandnagar Industries	Ravalgaon Sugar Farm	{ 30 00 D. 50		3 75	3 75	3 75†		7	Y.P.
TRANSPORT							11 80		1 00	1 00	1 00†		9	Y.P.T.
20,00,000	90,41,220	1,16,88,916	20,83,663	26,410	Andrew Yule & Co., Ltd.	Travancore Sugars	312 50	100	21.00	21.00	29.00†			
1,00,00,000	1,09,44,724	3,99,08,572	1,77,61,898	3,17,991	Dinshaw (Private) Ltd.	Walchandnagar Industries								
60,00,000 }	2,04,75,067	8,76,20,428	1,74,30,547	3,34,489	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bengal-Assam Steamship Co.	85.00	100	5 00	6 00	3.00†		10	Y.P.
£655,580	£936,735	£5,811,271	£3,588,891	—£192,506	Kilburn & Co. Private Ltd.	Bharat Line	9.48	10	1 20*	1 20*			12	Y.
2,47,50,000	2,59,52,958	18,77,40,170	4,09,93,455	2,09,413	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	{ 11 88	5(New)	1 50	1 25	1 50		6	Y.T.
11,38,57,258	9,29,69,987	32,02,26,725	8,35,84,307	3,59,994	M.	Scindia Steam Navigation Co. ..	66 00	£10	*Nil*				12	Y.
3,40,800 }	21,45,788	13,10,577	9,03,867	1,67,197	B. R. Alyer, Esq. (Manager) ..	Walford Transport Ltd.	3 25	O. 1	0 14	0 14	0 20†			
3,10,200P.O. }							2 50	P.O. 1	0 12	0 12	0 15†		12	Y.
UNCLASSIFIED (Bombay)														
5,57,00,000	1,46,48,754	5,77,10,152	2,04,19,200	2,09,69,272	S. H. Turner, Esq. (Chairman) ..	Hindustan Lever	43 50	10	1 40	1 50	2 40†		12	Y.
31,07,000	9,13,024	1,17,30,451	72,15,407	—4,82,050	Birla Brothers Private Ltd. ..	Hind Cycles	134 00	100	12 50*	7 00	*Nil*		3	Y.T.
14,98,840	4,80,479	20,41,354	21,35,078	16,437	Choonilal Manilal Private Ltd. ..	Estrela Batteries	69 00	100	5 00	5 00	5 50†		9	Y.P.
99,99,250	20,22,470	1,31,66,087	....	58,613	Premchand Roychand & Sons ..	Industrial Investment Trust ..	73 00	100	6 00	6 00	6 00†		12	Y.
1,00,00,000 }	33,17,365	48,22,945	16,84,812	6,237	A. N. Haksar [Esq. (Mg. Director) ..	Killick Industries	110.00	100	11 00	13.00	9.00†		11	Y.
24,92,500 }							172 50	100	6 00	4 00	9 00†		6	Y.T.
2,27,65,475	84 40 713	4,77,85,451	2,21,25,834	2,71,968	Asro-Auto Private Ltd.	Premier Automobiles	159.00	10	10 00	10 00	15.00†		12	Y.P.
26,00,200	24,50,766	65,97,395	18,34,590	30,136	Poison Agencies Private Ltd. ..	Poison Ltd.	247.50	100	11 00*	11 00*	16 00*†		12	Y.
2,75,00,000	1,77,59,354	4,62,08,135	1,92,16,142	4,26,813	Mr. A. Hydari and Mr. S. Gothberg ..	Western India Match Co., Ltd. ..	330.00	150	25.00	25.00	35.00†		12	Y.
45,00,000	66,42,290	11,66,665	5,47,970	1,56,267	Jahangir P. Patel, Esq. (Chairman) ..	W. H. Brady & Co., Ltd.								
Other Centres														
62,50,000	2,04,96,139	3,89,98,591	1,10,43,880	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd..	18.50	O. 10	0.90	0.90	1.00		3	Y.P.T
79,99,901	35,47,000	1,10,99,415	48,70,708	48,624	Seahassaree Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd.	22 80	10	1 25	1 25	1 25		3	Y.
80,00,000	36,44,175	35,06,360	22,59,355	2,24,865	Turner Morrison & Co. Private Ltd. ..	Angelo Bros., Ltd.	20 44	10	1 80*	1 50	2 00		3	Y.
30,00,000	20,24,770	40,25,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd.	18 50	10	1 25*	1 25*	1 50†		3	Y.P.T.
80,00,000	35,34,600	1,05,71,381	42,22,343	1,54,774	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India	8 95	5	0 30	0 30	0 40†		12	Y.
2,46,78,660	25,63,610	2,20,70,206	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director) ..	Ashok Leyland Ltd.	218 00	100	12 50	20 00	5 00†		12	Y.
80,01,400	78,56,719	74,47,192	38,77,499	5,05,161	M.	Balmer Lawrie & Co. Ltd.	42.00xd	10	2 50	2 50	2 50†		12	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,095	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	13 75	10	0 50	0 70	1 10†		9	Y.P.
20,00,000	7,79,721	54,19,086‡‡	....	55,032	Lovelock & Lewis	Birla Investment Trust	84 75	10	1 00	1 20	1 40	0.60†	3	Y.P.T.
45,97,020	45,04,814	1,17,34,974	48,53,817	2,16,949	K. Jellan Scott, Esq. (Mg. Director) ..	Britannia Biscuits	7 36	5	*Nil*	*Nil*	*Nil*		12	Y.P.
8,25,00,000	1,58,58,664	3,62,78,515	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director) ..	British India Corporation Ltd. ..	281 25	75		*Nil*			12	Y.
87,50,000	....	8,48,250	2,892	27,205	F. Acutis, Esq. (Mg. Director) ..	Ceat Tyres of India Ltd.	8 75	10	0 75	0 75	0.83†		3	Y.
1,38,80,000	13,29,605	1,93,57,645‡‡	....	3,84,488	Andrew Yule & Co., Ltd.	Clive Row Investment	45 44	10	1 62	1 62	2.15†		3	Y.P.T.
2,00,00,000	5,12,87,5.9	9,62,33,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	20.15	5	0 60	0 75			6	Y.
16,20,630	58,26,391	48,40,849	19,18,152	26,195	Mr. K. G. Khanna	Dyer Meakin Breweries	138.00	100	9 00	9 00	14.00†		12	Y.P.
51,28,000	57,17,047	1,60,56,711‡‡	....	3,52,237	Bird & Co. Private Ltd.	Eastern Investments Ltd.	18 00	10	*Nil*	*Nil*			12	Y.P.
14,55,519	1,99,926	39,40,350	3,59,610	8,930	S. Sankaran, Esq. (Mg. Director) ..	Enfield India Ltd.	231 00	100	12 00	15 00			12	Y.
14,08,000	10,85,000	36,71,778	20,74,064	32,966	Macneill & Barry Ltd.	Gances Rope Co. Ltd.	24.00xd	10	1 50	2 00	2.60†		12	Y.P.
40,00,000	4,78,500	70,95,403	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	11 81	10	1 00	1 00	1 00		3	Y.P.
65,00,000	89,23,955	29,97,548	14,24,655	1,57,026	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	250.00	250	15.00	*Nil*			3	Y.
30,00,000	15,67,354	84,93,988	58,81,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	21 18	10	*Nil*	*Nil*	0 50		3	Y.P.
4,96,13 250	19 51,174	5,80,44,564	2,86,53,383	5,18,731	Birla Brothers Private Ltd. ..	Hindustan Motors	10 00	10	0 60	0 60	1.20†		10	Y.
80,00,000	16,64,523	99,48,477	33,67,174	1,31,125	Talukdar Law & Co. Private Ltd. ..	Hindusthan Tillington Glass ..	9 ..	10	0 ..	0 70	1.20†		12	Y.P.T.
3,97,67,760	2,01,79,710	9,72,38,723	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman) ..	Indian Aluminium Co., Ltd. ..	24 50	10	1 50*	1 50*	1 50†		12	Y.P.T.
2,35,77 700	1,84,79,720	2,76,16 730	1,20,12,739	40,00,510	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	34.50	10	0 62				3	Y.P.
8,27 970	6,14,579	17,46,166	10,08,558	97,031	M.	Indian Rubber Manufacturers ..	18 00	10	1 00	1 00	1.50†		9	Y.
2,00,00,000	99,02,076	5,56,27,809	2,14,74,994	9,72,583	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	40 50	10	*Nil*	*Nil*	*Nil*		9	Y.
29,88,250	19,20,950	49,20,112	15,93,066	2,457	Birla Gwalior Private Ltd.	Indian Plastics Ltd.	12 00	10	0 70	0 70	0 60		3	Y.P.
15,16,00,000	9,87,84,091	10,93,89,615	2,47,39,240	24,64,029	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	72 50	100	2 50	2 50	5.00		3	Y.P.
2,00,00,000	72,02,100	41,08,517	14,59,807	5,40,165	J. D. K. Brown, Esq. (Mg. Director) ..	Jardine Henderson	220.00	O. 100	12 50	12 50			12	Y.P.
50,00,000 }	85 87,572	29,69,955	11,94,783	2,49,742	M.	McLeod & Co.	{	D.O. 10	0 75	0 75				
5,00,00D }							27 00	10	2 12*	2 12*	2.75†		9	Y.P.
1,45,82,750	1,13,19,046	60,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	42 25	10	1 75	1 75	1.75	2.50*0†	9	Y.P.
1,61,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	E. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	34.50	10	1 25	1 50	1 60		3	Y.P.
6,56,250	6,92,500	11,38,583	9,07,395	8,849	M. J. L. D'Sa (Chairman)	Mysore Lamp Works	13 35	10	1 00	1 25	1 25		3	Y.
10,00,000	3,41,884	17,87,071	9,84,534	200	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	13 35	10	1 40	1 40	1.80†		12	Y.
2,00,00,000	1,15,35,505	3,85,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director) ..	Union Carbide India Ltd.	49 00	10	2 00	2 00	2 00		3	Y.T.
59,97,500	1,19,25,397	1,19,56,797	47,01,155	46,193	Associated Ind. Dev. Co. (Pvt.) Ltd. ..	National Insulated Cable Co. ..	27 31	10	1 50	1 50	1 50†		3	Y.T.
40,00,000	28,64,825	82,88,459	26,90,674	26,079	Do.	National Rolling & Steel Bopes ..	15.00	10	0 70	0 70	1 00†		6	Y.P.
49,97,064	9,15,876	83,55,363	33,67,559	14,523	K. N. Mookerjee, Esq.(Mg. Director) ..	National Rubber Manufacturers Ltd.	17 75xd	10	0 90	1 10	1 10		12	Y.
79,97,000	80,51,304	1,30,38,655	71,43,230	9,59,940	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	23 87	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
7,50,000	6,87,000	11,21,850	5,03,722	66,772	Parry & Co., Ltd.	Parrys Confectionery Ltd.	5.45CR	1	0 20	0 20	0.20		3	Y.
2,20,00,000 }	46 43,956	1,17 35,731	38,12,438	35,818	P. C. Vink, Esq. (Mg. Director) ..	Phillips India Ltd.	30 75	10	0 84	0 85	1 80†		3	Y.
2,23 00 000 }	40.500	66,75,349	30 89,526	2,54,744	M. P. A. Paspatti, Esq. (Mg. Director)	Rallis India Ltd.	133.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
25,00,000 O. }	50.000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd.	Radio Lamp Works Ltd.	126.00	100	7 50	9 00	5.00†		8	Y.P.
1,72,750 D. }							38 37	10	2 00	2 00	1 50			
3,20,30 000 }	2,20,45,000	14,54,58,965	5,52,72,716	3,778	Sahu Jain Ltd.	Rohtas Industries	{ 100 00N	100	6 00	6 00	6.00		3	Y.P.T.
4 73,200 }	99,259	31,10,322	9,26,551	28,722	Sathe Food Inds. (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd.	50 00N	50	3 00	3 00	3.00		3	Y.P.
5 18,400 }							21 25xd	10	0 80	0 80	0 80†		9	Y.P.
70,00,000	38,73,198	2,58,69,675	82,19,131	1,60,686	M.	Sen-Raleigh Industries	20 50	10	1 50	1 50	1 80†		9	Y.P.
40,00,000	96,89,310	1,32,79,069	76,26,922	5,51,274	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	25 00	10	1 00	1 00	1.50†		12	Y.
75,00,000	45,78,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman) ..	Straw Products Ltd.	12 75	10	1 25	1 25			12	Y.
15,00,000	94,66,0568	1,15,70,598	24,22,541	4,919	J. K. Agents Private Ltd.	Travancore Oxide Glass	8 00N	10	*Nil*	0 40	0 60†		12	Y.
9,98,960	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Tractors (India) Ltd.	35 50	10	2 00	2 25	3.00†		6	Y.
22 89,270	12,50,000	12,58,953	8,25,089	10,67,057	M.	Tube Investments of India Ltd. ..	325 00	100	10 00	10 00	10.00†		7	Y.
2,49,99,600	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar, (Chairman)	T. Stanes & Co., Ltd.	32 00	10	2 00	2 00	2.75†		9	Y.P.
11,56,300	14,70,739	12,72,077	6,76,530	41,782	E. H. Stanes, Esq. (Mg. Director) ..	United Breweries	104 00	10	20 00	60 00	60.00(s)		3	Y.P.
8,00,000	12,00,000	36,58,720	29,58,716	27,831	Vital Mallya, Esq. (Chairman) ..	Western India Plywoods Ltd. ..	303.00	100	10 00	19 00	10.00		3	Y.P.
27,00,000	14,07,880	78,12,229	23,59,007	16,554	A. K. Kaderkutty, Esq. (Mr. Director)									

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. † Subject to taxation K.—Includes an additional dividend Rs. 7.00 per old share and Rs. 3.00 per new share.
Q.—Maharashtra Sugar subdivided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250.
S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955.
T.—The reserves of Straw Investment. Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.
H.—Olive Row Investment. Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.
(a)

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	Accounts Closed	Reference
					PLANTING ; PRODUCE AND RUBBER									
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore) Pvt. Ltd.	Balakaddin Coffee & Produce Co., Ltd.	9·00	5	1·25	1·25	1·25	0·625†	6	Y.P.
3,00,000	2,35,000	4,24,393	43,350	1,643	Planting Agencies (Private) Ltd. ..	Balmadies Plantations	2·47	2	0·21	0·45	0·25	0·15	5	Y.P.
26,91,270	20,25,000	50,55,438	6,98,019	15,281	Peirce, Leslie & Co., Ltd.	Goelum Malabar	8·25	3	0·75	0·52	0·30'C'	0·45	2	Y.P.
22,50,000	30,58,661	59,01,756	11,30,047	1,28,449	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries ..	26·00	10	2·50	4·00	2·00	2·50†	6	Y.P.
71,55,000	63,55,504	1,51,68,273	35,93,779	79,071	R. C. Paterson, Esq.	Consolidated Coffee	26·00	10	2·00	4·00	2·00	2·50†	6	Y.P.
4,00,000	5,67,423	12,42,809	60,501	3,461	Associated Planters Private Ltd..	Gotland Plantations	14·00	10	1·50	1·75	1·50	1·50	3	Y.P.
18,00,000	9,34,043	30,13,231	6,39,976	21,458	A. V. Thomas & Co., Ltd. ..	Highland Produce	15·25	10	2·00	0·75	1·50		12	Y.P.
8,00,000	7,27,800	20,48,083	3,37,352	6,995	A. V. Thomas & Co. Ltd. ..	Kalkutta Estates	12·10	10	2·00	2·00	1·00'C'	1·25†	4	Y.P.
4,00,000	3,00,000	9,61,554	1,15,517	12,518	Peirce Leslie & Co., Ltd. ..	Kumrankole Estates Ltd. ..	6·00	2	0·10	0·50	0·40'C'	0·40†	10	Y.T.
13,50,000	4,77,380	20,94,033	3,70,098	11,167	K. T. Thomas Kaliatsar Esq. ..	Malankara Rubber	24·50	10	3·25	2·25	1·70'C'	1·60	3	Y.
40,50,000	14,80,398	88,24,800	11,08,400	83,748	A. V. Thomas & Co. Ltd. ..	Midland Rubber	12·60	10	2·00	2·00	1·00'C'	1·00	3	Y.P.
8,35,000	4,13,450	16,31,926	2,70,266	40,425	A. V. George & Co., Ltd. ..	Seimeny Rubber	29·00(d)	10	1·50	0·75	1·50	1·50†	12	Y.P.T.
2,00,000	3,28,000	9,55,544	66,409	1,908	Associated Planters Private Ltd..	Silangton Rubber Co.	19·75	10	1·50	1·50	2·00		12	Y.P.T.
10,45,980	22,82,423	48,92,125	10,66,950	3,088	Peirce, Leslie & Co., Ltd. ..	Southerbury Valley Estates ..	5·05	2	0·20	0·60	0·20	0·30†	10	Y.P.T.
16,50,000	2,29,315	21,56,112	5,52,520	72,398	Anjanwall & Co., Ltd.	Pullanzole Rubber	1·95xd	2	0·30	0·10	0·08	0·10	3	Y.P.
13,50,000	8,49,874	47,74,372	4,48,809	44,924	A. V. Thomas & Co., Ltd. ..	Rajapuri Rubber	21·80	10	2·50	2·00	2·00	2·00†	6	Y.P.
5,50,170	3,00,000	8,87,733	1,22,210	12,560	Peirce Leslie & Co., Ltd.,	Savannali Estates Ltd.	3·00	2	1·50	0·30	0·25'C'	0·30†	11	Y.P.T.
12,00,000	1,35,000	18,24,855	68,427	15,748	Pasco Agencies	Sanzameshwar Coffee Estates Ltd.	2·47	2			0·18	0·18	3	Y.P.T.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	3·00	2	0·90	0·60	0·60	0·60	3	Y.P.
2,50,000	2,75,000	6,13,713	47,098	28,139	A. V. George & Co., Ltd. ..	Thamaraiuly Rubber	3·00	10	3·00	3·00	3·00	3·00†	12	Y.P.
9,15,300	5,75,000	23,57,605	1,88,203	7,572	Peirce, Leslie & Co. Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1·25xd	1	0·12½	0·05	0·10	0·07†	9	Y.T.
6,00,000	66,712	11,51,891	5,03,190	2,234	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	12·75	10	2·00	1·50	1·00	1·00†	12	Y.
41,00,000	15,07,158	80,12,000	18,50,057	71,529	Anjanwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7·85	10	0·75	0·40	0·50	0·75†	12	Y.P.
20,00,000	1,55,000	32,16,659	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	22·25xd	25	3·00	1·00	1·50	2·00†	12	Y.
5,00,000	4,56,000	17,45,808	1,02,210	6,282	P. I. J. Joseph, Esq.	Vellanad Rubber & Co.	6·00	5	0·75	0·62½	0·50	0·50	2	Y.P.I.
2,29,000	4,29,000	10,00,702	1,07,202	23,330	A. V. George & Co., Ltd. ..	Edayacurl Rubber Co. Ltd.	17·00xd	10	3·50	3·50	0·75	1·50†	12	Y.
8,80,010	2,91,950	9,65,557	38,718	585	Do.	Valkunlam Rubber Co., Ltd. ..	30·25	10	3·50	3·50†	3·00	2·50†	12	Y.
12,00,000	11,40,982	14,72,172	89,034	1,56,210	Peirce, Leslie & Co., Ltd. ..	Wartyvally Estates Ltd.	3·10xd	2	0·30	0·15	0·30	0·30	3	Y.P.T.
6,95,000	2,44,101	14,25,129	77,672	2,109	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	7·00	10	12·1	1·00	0·50	0·50	3	

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

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,51,970	1,17,27,488	45,26,971	25,002	B. N. Elias & Co. Private Ltd. ..	879	Azarpara	11·87	10	0·25	0·25	0·50		3	Y.P.T.
6,00,000	11,72,140	68,39,056	43,04,188	1,92,649	McLeod & Co., Ltd. ..	456	Alexandra	180·00	100	*Nil*	*Nil*	*Nil*		5	Y.P.
30,00,000	2,79,500	1,25,00,000	99,41,083	—1,88,065	McLeod & Co., Ltd. ..	1,264	Alliance	110·00	100	7·00	10·00	12·50		3	Y.P.
49,20,700	72,61,060	3,09,77,421	2,26,93,087	2,15,974	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	266·00	100	*Nil*	5·00	20·00	7·00†‡	3	Y.P.T.
40,00,000	57,33,926	1,51,39,985	70,19,427	43,140	Bird & Co. Private Ltd ..	810	Auckland	161·00	100	2·00	6·00	10·00		3	Y.P.
20,00,000	28,83,985	1,07,82,145	71,05,858	4,265	Birla Brothers Private Ltd. ..	958	Bally	260·00	100	*Nil*	*Nil*	10sh.†		3	Y.P.
£275 000	£656,819	£1,617,018	£1,028,550	—£67,968	Sir John H. Burder (Chairman)	1,889	Barnagore	133·00	£5	*Nil*	*Nil*	*Nil*		3	Y.P.
28,00,000	30,71,130	98,01,814	56,63,641	48,328	Andrew Yule & Co., Ltd. ..	820	Belvedere	147·00	100	2·50	7·50	13·50†		12	Y.P.T.
40,00,000	29,71,745	58,94,891	35,42,988	—5,73,255	Booramull Nazarmull	600	Bengal	10·75	10	*Nil*	0·50			6	Y.P.
91,26,000	2,61,94,584	6,43,29,672	2,94,15,072	29,065	Birla Brothers Private Ltd.	1,373	Birla	1·00	10	*Nil*	1·00	1·00		3	Y.P.
86,00,000	23,36,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	1·00	10	*Nil*	5·00	15·00†		12	Y.P.T.
7,47,380	4,000	45,18,857	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg. ..	128·00	10	*Nil*	*Nil*			3	Y.P.
18,00,000	27,51,570	84,60,059	49,11,678	30,163	M.	616	Caledonian	129·00	100	*Nil*	15·00	12·00†		11	Y.
50,16,400	76,57,559	2,11,45,431	1,20,71,737	—92,149	James Finlay & Co., Ltd. ..	800	Champdany	8·00	10	*Nil*	*Nil*	7·00		11	Y.P.
15,05,000	23,19,006	86,22,804	59,82,749	20,473	Andrew Yule & Co., Ltd. ..	530	Cheviot	116·00(xd)	100	*Nil*	5·00	12·50†		7	Y.P.T.
20,15,000	38,42,800	1,09,82,980	59,87,035	2,33,504	McLeod & Co., Ltd. ..	900	Chitavaisah	12·87	10	1·10	1·25	1·50†		8	Y.P.
34,00,000	9,00,000	81,89,984	47,13,327	—2,11,818	Birla Krishna Investment Co., Ltd	969	Clive	12·87	10	*Nil*	*Nil*			3	Y.P.T.
81,49,200	89,72,331	1,39,88,257	61,31,405	—6,42,070	Bird & Co. Private Ltd.	766	Dalhousie	130·00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
58,00,000	41,29,373	1,02,71,184	54,61,668	18,524	Andrew Yule & Co., Ltd. ..	779	Delta	138·00	100	*Nil*	6·00	14·00†		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,837	93,729	McLeod & Co., Ltd.	800	Dempire	16·31	10	0·75	1·00	1·25†		7	Y.P.T.
21,00,000 }	74,32,110	2,61,26,629	1,59,43,058	1,94,546	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd.	{370·00 / 220·00	100 Old / 50 New	10·00	20·00	20·00 / 10·00		3	Y.P.T.
21,00,000 }															
84,32,100	19,22,948	1,27,75,074	68,81,071	1,66,649	Bangur Bros., Ltd.	1,014	Fort William	25·00	10	1·50	1·50	1·50		3	Y.P.
		2,23,71,685	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11·31	10	*Nil*	*Nil*	*Nil*		3	Y.P.
10,80,000	29,50,315	69,22,327	43,80,330	1,81,070	M.	607	Generalind, Society Ltd.	209·00	10	60·00‡	2·00			12	Y.T.
24,00,000	44,12,950	2,41,02,831	1,66,19,415	85,780	Macneill & Barry Ltd. ..	1,394	Gouripore	370·00	100	2·50	20·00	25·00	10·00†‡	3	Y.P.
40,00,000	68,76,233	1,38,25,777	75,98,466	2,98,063	Bangur Bros., Ltd.	1,078	Hastings	93·00	100	5·00	5·00	6·00		3	Y.P.
16,80,000	21,42,815	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooghly	14·00	10	*Nil*	*Nil*	1·00		3	Y.P.T.
35,62,500	35,16,723	2,35,30,920	1,36,44,188	58,053	Jardine Henderson Ltd. ..	1,940	Howrah	22·62	10	*Nil*	*Nil*	*Nil*		3	Y.P.
52,50,000	81,20,000	1,89,57,018	1,67,42,018	1,07,439	Ramkrishna Kanoi Sons	2,272	Hukumchand	19·25	7·50	1·50	1·50	1·50		3	Y.
87,30,000	20,35,465	1,52,85,168	93,25,868	62,038	M.	790	India	14·22	12·50	0·87	16·62K	1·25	0·75††	3	Y.
24,00,000 }	28,80,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhaity	{110·00 / 137·00	100 / 100	*Nil* / *Nil*	5·00 / 5·00	20·00† / 20·00†		12	Y.P.T.
30,00,000 }								81·50	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
'B' 24,00,000 }	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kankinarrah	85·00	'B' 100	*Nil*	*Nil*	*Nil*			
28,00,000	49,10,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	149·00	100	9·00	12·50	14·00'C'†		3	Y.P.
54,00,000	22,12,630	2,29,09,095	1,52,40,119	10,158	Anderson Wright Ltd.	1,530	Khardah	20·00	10	8·00	10·00	20·00‡		3	Y.P.T.
57,58,750	80,85,644	2,41,09,199	1,17,25,523	51,370	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	161·00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
34,48,000	29,28,028	1,30,23,840	63,01,868	—7,58,162	Bird & Co. Private Ltd.	840	Lawrence	125·00	100	*Nil*	*Nil*	2·00	7·00†‡	3	Y.P.
28,00,000	23,58,455	99,88,615	59,14,027	60,304	Bird & Co. Private Ltd.	840	Lawrence	137·00	100	0·50	1·75	1·00	0·50†‡	3	Y.
31,65,200	28,13,291	2,34,62,530	1,45,89,024	2,82,507	M.	1,294	Megna	12·81	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
39,98,900	34,36,392	1,64,53,185	94,33,205	—11,50,035	M.	816	Naihati	68·00	100	*Nil*	*Nil*			10	Y.P.
20,00,000	13,14,378	36,84,252	24,27,490	4,929	Howrah Tea Co., Private Ltd.	425	Naskarpara	12·00	10	0·25	0·25			10	Y.P.
35,00,000	39,51,326	48,49,737	13,31,873	19,004	Andrew Yule & Co., Ltd. ..	852	National	23·75	10	0·75	0·75			7	Y.P.T.
26,25,000	31,71,872	59,70,247	28,86,043	1,36,623	McLeod & Co., Ltd.	816	Nellimarla Jute ..	12·75	10	0·90	1·00	1·40†		3	Y.P.
1,28,24,350	1,98,88,905	3,59,25,949	1,26,63,717	1,413	Bahu Jain Ltd.	1,705	New Central	28·00	10	...	1·50	1·50'C'†		3	Y.P.
16,79,850	48,95,102	1,36,11,662	66,57,100	$5,452	Bird & Co. Private Ltd.	587	Northbrook	14·13	10	*Nil*	*Nil*	1·25	0·75††	3	Y.P.
66,79,500	25,55,018	2,22,21,595	1,17,01,456	10,981	Macneill & Barry Ltd.	1,092	Nuddea	53·00	50	*Nil*	2·50	2·00	1·00††	3	Y.
24,91,000	24,34,794	76,55,874	54,31,680	20,010	Andrew Yule & Co., Ltd. ..	601	Orient	153·00	100	*Nil*	2·50	12·00†		11	Y.
22,00,000	10,23,000	99,09,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	4·50	5	0·30	0·37½	0·50†		7	Y.T.
30,00,000	17,976	91,75,267	9,98,946	2,706	Birla Brothers Private Ltd. ..	806	Rameshwara	8·41	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
49,50,000	4,75,546	1,24,61,131	66,72,920	—$8,95,851	Jardine Henderson Ltd.	1,276	Reliance	6·44	10	*Nil*	*Nil*	*Nil*		12	Y.P.
5,00,000	£462 265	£1 477 132	+800 182	£41 990	Thomas Duff & Co. (India) Pvt. Ltd	1,073	Ramnagar	10·50N	£1	*Nil*	5%†			3	Y.P.
36,00,000	19 67 300	1 24 50 550	91 85 688	69 510	Bagaria Mors & Co., Ltd. ..	911	Shree Ambica	24·00	10	0·50	0·50	0·50		12	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd	401	Soorah	22·19xd	10	1·50	1·50	2·50†		12	Y.P.
4800,000	£336,778	£1,263 087	£ 703,019	£29 248	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	10·50N	£1	*Nil*	3%†			3	Y.P.T.
85,98,600	65,90,024	1,06,88,547	46,70,750	75,848	Bird & Co. Private Ltd.	1,328	Union	100·00	100	*Nil*	15·00	20·00	7·00†‡	3	Y.P.
6400,000	£548 918	£1 276,939	£551,728	£86,105	Thomas Duff & Co. (India) Pvt. Ltd	1,831	Victoria	10·50N	£1	5%†	5%†			5	Y.P.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	4·31	1	*Nil*	*Nil*	0·25†			

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	$2,36,200	1,09,35,072	77,39,072	39,129	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	24·75	10	1·25	1·25	1·50		3	Y.
12,00,000	6,14,541	$5,95,654	$3,74,696	—2,35,349	Jardine Henderson Ltd.	Bararee Coke	15·25	10	0·37	0·50	*Nil*		12	Y.
4,49,350	58,000	9,25,107	5,59,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	6·00	10	0·90	0·60	25·00†		3	Y.P.
1,00,00,000	1,84,79,081	6,08,53,688	4,68,54,445	10,20,411	Andrew Yule & Co., Ltd. ..	Bengal Coal	328·00	100	17·50	17·50			12	Y.
2,25,000	4,09,838	24,41,502	22,16,748	—1,05,735	Andrew Yule & Co., Ltd. ..	Benzal-Nagpur	18·25	10	*Nil*	0·60			6	Y.P.T.
40,00,000	10,28,289	1,44,83,027	77,59,407	2,120	Rahu Jain Ltd.	Bharat Collieries	5·87	10	0·60	*Nil*	*Nil*		12	Y.T.
7,15,000	10,19,172	49,80,046	$4,96,101	—4,92,536	M.	Bhulanbararee	6·50N	10	0·75	0·75	1·50†		12	Y.P.
7,50,000	24,88,188	49,61,177	28,34,991	20,179	F. W. Heilgers & Co (Private) Ltd.	Borrea	22·75	10	0·37	0·37½			12	Y.P.T.
90,92,480	1,77,68,238	4,58,82,424	2,17,08,561	1,10,738	Bird & Co. Private Ltd.	Burrakur	10·69	10	0·50	0·50			3	Y.
49,97,000	82,900	85,20,477	17,60,581	10,769	Hindustan Investment Corpn. Ltd.	Central India	12·31	10	0·70	0·80			12	Y.
3,00,000	12,90,590	49,56,445	$3,71,383	23,320	M.	Central Kurkend	8·00	10	0·70	0·80			12	Y.
6,00,000	1,54,873	6,36,341(k)	941	F. W. Heilgers & Co (Private) Ltd.	Churia	8·90xd	4	0·20	0·20	0·12†		3	Y.	
16,00,000		57,44,902	32,76,326	—28,095	Macneill & Barry Ltd.	Dimmo Main	9·10	10	*Nil*	*Nil*			4	Y.
£240,000	£370,709	£1,094,395	£791,405	£9,582	Jardine Henderson Ltd.	East Indian	31·75	£1	1·50	1·00	1·25†		12	Y.P.T.
29,83,760	1 02,32,676	4,59,53,874	3,22,76,059	38,005	Macneill & Barry Ltd.	Equitable	29·75	10	1·50	1·50			3	Y.
10,00,000	1,40,469	14,24,422	4,83,296	46,369	Bhatter's Agency Ltd.	Ghusick and Mcalla ..	14·00N	10	*Nil*	*Nil*	*Nil*		6	Y.P.
12,00,000	1,01,159	43,53,954	27,56,116	—5,15,177	Killick Industries Ltd.	Hingir-Rampur	23·00	50	*Nil*	*Nil*			12	Y.
3,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14·00	10	*Nil*	*Nil*	5.00		12	Y.
20,00,000	3,47,660	37,92,776	8,93,679	20,442	Bird & Co. Private Ltd.	Karanpura Collieries ..	206·00	100	*Nil*	6·50	6·50	3.50†‡	2	Y.P.
5,00,000	19,74,258	52,22,175	39,91,046	1,27,146	Andrew Yule & Co., Ltd. ..	Katras Jharriah	49·75	10	*Nil*	*Nil*			1	Y.
11,00,240	68,356	16,66,967	10,94,167	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	7·25N	10	0·12	1·00			6	Y.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	15·00N	10	0·75	0·75			6	Y.
7,48,240	2,30,000	13,72,632	10,20,599	24,346	Tantia Brothers Private Ltd. ..	Nazira	8·81	10	0·75	1·00	1.50†		10	Y.P.
17,76,250	23,83,525	1,52,03,775	1,01,37,015	81,185	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	23·87	10	0·50	0·50			3	Y.
6,00,000	76,179	33,18,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd. ..	New Manbhoom ..	13·37	10	0·50	0·50				
1,15,000 }	3,84,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd. ..	North West	{24·37N / 16·00N	10 / 7·50	1·50 / 1·13	1·50 / 1·13	1.50 / 1.12	1.00†‡ / 0.75†‡	3	Y.
1,87,500 }														
7,50,000	15,80,815	3,97,666	2,77,666	42,423	F. W. Heilgers & Co. (Private) Ltd.	Ondal	11·50	10	0·50	0·50			12	Y.P.
8,14,000	1,39,915	29,18,119	11,33,398	3,885	Deepchand Klahenlall	Parasea	16·00	10	0·50	0·50			12	Y.P.T.
15,75,000	20,39,600	68,60,103	44,84,193	32,685	Shaw Wallace & Co., Ltd. ..	Pench Valley	22·87	10	2·00	2·00	1.00		3	Y.
23,89,500	32,78,897	1,47,24,092	1,01,33,289	5,489	B. N. Elias & Co. Private Ltd.	Rameegunge	15·87	10	0·75	1·00	1.00		3	Y.
18,50,000	6,58,345	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd. ..	Rewa	24·75	10	1·00	1·00			12	Y.
37,50,000	38,22,000	1,07,55,214	26,37,721	66,872	M.	Samla Collieries	9·00N	10	0·90	0·50			12	Y.
2,50,000	40,000	14,79,978	12,67,285	8,302	M.	Searsole	1·62	2·50	0·12	*Nil*			3	Y.
2,50,000	9,63,442	29,63,206	25,96,206	$2,19,618	Andrew Yule & Co., Ltd. ..	Seebpore	31·50	7	1·75	1·75			12	Y.P.
8,00,000	4,54,665	11,88,890(K)	.....	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9·00	10	0·25	*Nil*	0.35†		12	Y.
65,21,450	1,06,26,746	6,10,30,781	2,90,93,472	54,868	Industries (U. P.) Department (Govt. of Andhra Pradesh)	Singareni	9·25xd	10	1·50	0·75			12	Y.T.
17,50,000	8,47,303	41,74,967	19,33,899	19,788	Bird & Co. Private Ltd.	South Karanpara ..	12·50	10	0·75	0·75	0.90†		8	Y.
5,00,000	15,61,511	1,89,970	2,010	14,796	F. W. Heilgers & Co. (Private) Ltd.	Standard	15·50	10	1·00	1·25			12	Y.
3,50,000	2,80 000	19,15 700	14,79,400	1,77,962	Williamson Magor & Co., Ltd. ..	Union	13·00	10	0·37	0·25			12	Y.
49,98,000	1,56,505	59,74,151	29,16,009	7,992	Hindustan Investment Corpn. Ltd.	Western Bengal	8·06	10	0·50	0·40	0.40		3	Y.
7,00,000	....	....	....	—4,85,709	Macneill & Barry Ltd.	West Jamuria	6·50	10	*Nil*	*Nil*			12	Y.

M—Managed by the Board of Directors. † Less income-tax. * Including bonus. (k) Investments 'C'—On increased capital.

General Industrial Society Ltd.—The dividends or 1956 and 1957 are on shares of Rs. 300 each which have since been sub-divided into shares of Rs. 10 each. K—On old capital.

MARKET GOSSIP

(*Concluded from page 91*)

Simon-Carves, the Electric Furnace Company, Wellman Smith Owen Engineering and Taylor Woodrow. Demag, a great name in German steel industry, in association with Krupps, which is also equally famous, heads the consortium. Other German participants are Siemens, A.E.G. and Hochtief. For West German steel industry, the Azna project is said to be the biggest of its kind, next only to the Rourkela steel works in India.

Although the agreement has been signed, detailed contracts covering various aspects of construction have yet to be worked out and finalised. Both M.E.E.Co. and the German concerns in the consortium are reported to have obtained the necessary export credit guarantee from their respective Government Credit Guarantee Departments. It is, however, not known whether the limit of five years set by the Berne Union for the guarantee period has been observed in this case. The German concerns are reported to have also obtained an assurance that they will continue to have their risks covered from another guarantee fund set up by the W. German Government. This fund, it is said, guarantees credits granted for purposes deemed to be of special importance to the German economy.

BANKING

(*Concluded from page 98*)

market in India is also comparatively well developed, though there is no active market for bills, either commercial or Treasury.

In buying and selling securities, the Reserve Bank does not deal with the public direct, but only through "approved brokers," of whom there are now twelve in Bombay, eight in Calcutta and ten in Madras. The list of approved brokers is revised from time to time and selection of brokers is made on the basis of reputation, financial standing, volume of business done, etc. By buying through only authorised brokers, the Bank is able to protect itself against the risk of defective title, difficulties regarding enforcement of contracts, etc., and to get the advice of persons who have an intimate knowledge of the market on market conditions and information on day-to-day happenings in the market.

The

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Balance
15,00,000	1,00,00,000	3,86,012	Allahabad Bank	321 00	100	15 00	18 00	18 00		12	Y.P.
14,58,000				125 00	50	9 00	9 00	9 00			
1,81,000	10,73,220	10,301	Andhra Bank	99 25	100	6 00	6 00	8 00		9,12	H.
40,78,100				82 50	25	5 10	5 10	6 40			
1,00,00,000	1,50,00,625	1,02,801	Bank of Baroda	85 50	50	7 00	6 00	7 00		12	Y.
25,00,000				48 50	25'B'	...	1 50	3 50			
2,50,00,000	8,10,00,000	12,47,743	Bank of India	106 50	50	8 00	8 00	8 00		6,12	R.L.Y.
60,00,000'A'				98 50	50'A'	8 00	8 00	8 00			
36,00,000	56,30,000	42,473	Canara Bank Ltd.	80 00	50	5 00	5 00	7 50		12	Y.P.
12 47 775	18,00,000	14,361	Canara Banking Corporation Ltd.	71 00	50	5 00	5 00	7 50		12	Y.P.
'A' 5 99,620				188 00	100 'A'	15 00	5 00	20 00			
'B' 15,00,000	35,00,471	28,596	Canara Ind. & Bkg. Syndicate Ltd.	17 75	10 'B'	...	15 00	2 00		12	Y.
'C' 2,00,000				1 88	1 'C'	0 15		0 20			
2,62,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd.	52 00	25	2 50	0 15	4 30		12	R.L.Y.
A.52,50,000				53 00	25	2 50	2 50	4 30			
50,00,000	82,00,000	5,69,301	Devkaran Nanjee Banking Co.	53 00	50	3 00	3 50	2 50		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank	19 00	50	Nil	Nil			12	Y.
50,00,000	2,30,000	5,519	Hindustan Mercantile Bank	17 00	50	Nil	Nil	Nil		12	Y.
60,60,800				175 00	100	15 00	13 00		00		
22,40,000	84,01,884	80,143	Indian Bank	150 00	50	12 00	10 00	15 00		12	Y.P.
74,53,040	59,36,660	1,76,012	Indian Overseas Bank	175 00	100	10 00	10 00	12 00		6,12	R.L.Y.
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	39 00	25	1 87	2 50	1457		12	
1,25,00,000	1,47,50,000	3,18,830	Punjab National Bank—K	19 00	10	5 00	2 00	3 00		12	Y.
5,62,50,000	7,20,00,000	55,87,499	State Bank India	331 00	100	16 00	16 00	20 00		12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	5 68	5	0 44	0 44	0 57		12	Y.
2,00,00,000	1,75,00,000	1,04,095	United Commercial Bank	68 00	50	3 75	3 75	5 50		12	H.
2,58,43,647	83,70,000	1,81,565	United Bank of India	5.56	10	0 30	0 30	0 43		13	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£5,000,000	£5,000,000	£463,355	Chartered Bank	£2-12-0	£1	15†	15†	15†		12	Y.
H.K.$78,974,750	£10,949,165	£132,295	Hongkong and Shanghai Banking Corporation	£63	H.K.$125	31*7	3*	3*		12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-1-3	£1	13†	12½'C'	12†	6†	12	Y.
£3,421,875	£3,000,000	£301,488	National and Grindlays Bank Ltd.	£1-17-3	sh. 12½	15†	15†	12½†		12	Y.

† Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. xr—Ex-Rights.
£—The final dividend of £1-12-0 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
17,56,000	6	1st December and 1st June	Carew & Co.	1933	98 00	1st June .. 1963
4,00,000	6½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	94 00	28th February .. 1960
10,00,000	6	1st August and 1st February	Kavaigaon Sugar	1942	99 00	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Kavaigaon Sugar (New)	1944	82 50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
COAL						
20,00,000	6	30th'April and 31st October	Bharat Collieries	1944	99 00	30th June .. 1964
20,00,000	6½	30th June and 31st December	Burrakur Coal Co.	1947	85 00	27th June .. 1967 (c)
47,86,000	6½	15th June and 15th December	Equitable Coal Co.	1953	100 00	14th December .. 1969 (c)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	88 00	15th November .. 1966 (b)
65,31,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100 50	1st March .. 1972 (c)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99 00	1st April .. 1967-77
59,61,000	6	1st June	Tata Mills	1951	92.00	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89 00	31st March .. 1968 (c)
2,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		95.50	14th June .. 1969
98,25,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100 25	31st March .. 1975
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (c)
53,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98 25	1st January .. 1970 (c)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85 00	31st December .. 1970
15,80,000	5	1st January and 1st July	Sijua (Jharriah) Electric Supply Co., Ltd.	1951	91 00	30th June .. 1976 (c)
2,00,000	5½T	31st March and 30th September	South Madras Electric Supply	1939	95 00	1st April .. 1969-74
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	82 50	30th September .. 1958-68
47,73,000	5	1st April and 1st October	Tata Power	1940	99 00	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		86.75	15th September .. 1966-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1946	94 00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Quest, Keen, Williams Ltd.	1958	105 00	1st January .. 1966-71
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98 25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84 00	31st May .. 1971
5,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	97 75	31st October .. 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99 50	31st December .. 1960 (c)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	92 00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91 00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1946	78 00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90 00	30th June .. 1964
9,00,000	5	31st January and 31st July	Calcutta	1949	87 00	31st July .. 1959
10,09,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88 50	30th June .. 1966
30,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1951	90 00	31st March .. 1969 (c)
6,86,000	5	15th January and 15th July	Empire	1951	90 00	15th July .. 1966 (c)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	95 00	31st March .. 1970
35,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90 00	31st December .. 1964 (c)
25,00,000	5½	30th June and 31st December	Naihati	1952	90 00	31st December .. 1967 (c)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92 00	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1946	88.00	31st December .. 1964
20,00,000	5	30th March and 30th September	Reliance Jute Mills Co., Ltd.	1950	92 00	30th September .. 1965 (c)
12,00,000	5½	30th June and 31st December	Union	1937	95 00	31st March .. 1967
10,00,000	5½	31st January and 31st July	Waverley	1925	80.00	31st July .. 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
$821,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£148,806		1st April and 1st October		1938	£74.10N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1959 (c)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (c)
4,14,18,000	4½	1st March and 1st September	Scindia Steam Navigation	1940	97.00	1st September .. 1962
PLANTING						
8,75,000	6T.F.	31st March and 30th September	Nilgiri Tea		95.50	1st April .. 1958-68†
5,00,000	9T.F.	1st January and 1st July	Kallar Rubber Co., Ltd.	1958	100.50	1st July .. 1959-68
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1946	92.00	31st December .. 1965
22,00,000	4½	1st January and 1st July	Associated Hotels of India	1946	85.00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100.25	1st September .. 1964-69(c)§
2,00,00,000	5½	1st April and 1st October	Calico Oil Refining (India) Ltd.	1955	100 00	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1916	85.00N	1st February .. 1964
15,88,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1938	82 00	1st July .. 1968
30,00,000	4	15th March and 15th September	Dalhousie Properties	1946	78.00N	15th September .. 1960
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82 00	.. 1966
2,84,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	105 25	1st January .. 1973 (c)††
97,89,000	6½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101 00	30th June .. 1969 (c)‡
5,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	102 75	1st January .. 1975
14,00,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	83 75	30th September .. 1964
8,34,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	650 00	30th September .. 1976 (c)
45,90,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 00 (per note)	31st December .. 1967 (c) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85 00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100 50	30th June .. 1965-70
1,50,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92 00	31st March .. 1961 (c)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	90 00	31st December .. 1959
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95 00	15th July .. 1966
50,00,000	6	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	99 00	16th February .. 1961(c)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	100 00	1st May .. 1963 (c)‡‡
25 00,000	5	30th June	Tata Chemicals Ltd.	1945	97 00	1955-65

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1961 onwards. This Company has option to redeem debentures at 101 per cent. on 1st May 1963, on six months' notice.
‡‡ six months' notice, on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 14th July, 1960.

	Closing quotations 7-7-1960	High	Low	Closing quotations 14-7-1960
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	165 00	181 25	165.00	181.25
Apollo (2)	1 62	1 84	1 58	1 84
Baroda Rayon (75)	159 00	165 00	155 00	163 50
Bombay Dyeing (25)	67 80	70 40	67 60	70 40
Bradbury (50)	130 00	—	—	130 00
Central India (100)	112 00	135.00	112 00	133 00
Century Mills (100)	615 50	631 00	616 50	629.00
Cocrin Sp. (100)	123 00	—	—	133.00
Dawn (50)	128 00	131 00	125 00	131 00
Edward Textile (200)	325 00	—	—	325 00
Elphinstone (50)	66 00	66 00	62 00	64 00xd
Finlay (100)	324 00	331 00	324 00	330 00
Gokak (100)	141 00	151 00	144.00	149 00
Gold Mohur (10)	226 25	—	—	226.25
Gwalior Rayon (100)	41 25	42 00	40 25	42 00
Ind. Untd. Defd. (1)	1 72	2 02	1 72	2 02
Ind. Untd. Ord. (10)	13 40	14 56	13 36	14 36
Indian Rayon (37 50)	70 00	71 00	70 40	74 00
Indore Malwa (100)	122 00	135 00	123 00	133 00xd
Khatau (100)	400 00	497 50	485.00	498.00
Kohinoor (100)	348 25	372 00	345 50	370 00
Lakshmi (250)	490 00	505 00	490 00	505 00
Mafatlal (100)	1,003 75	1,130 00	1,035 00	1,115 00
Minerva Mills (100)	75 00	—	—	75 00
Model Nagpur (250)	55 00	—	—	55 00
Morarji (100)	375 00	390 00	375 00	383 00
Mysore (50)	84 00	89.00	84 00	87 50
National Rayons (100)	570 00	587 00	540 00	565.50
New City (100)	137 50	—	—	137 50
New Great (100)	178 00	180 00	176 00	178 00
Phoenix (100)	146 00	146 00	145 00	146 00
Podar Mills (100)	158 00	161.00	157 00	162 00
Raymond Woollen (100)	122 00	126 00	121 50	126 00
Sasoon Silk (10)	9 62	—	—	9 82
Sassoon Spg. (10)	66 70	71 50	66 70	71 00
Shrinivas (100)	261 00	281 00	258 00	280 00
Simplex (50)	179 00	186 00	178 00	180 00
Standard (100)	1,695 00	1,810 00	1,655 00	1,832 00
Svadeshi (100)	246 00	258 00	246 00	253 00
Swan (100)	485 00	490 00	482.50	490 00
Tata Mill (25)	45 00	48 50	44 00	48 00
Vishnu (100)	115 00	115 00	114 00	114 00
Western India (1,000)	4,400 00	4,900 00	4,400 00	4,900 00
BANKS				
Bank of India (50)	98 00	100 50	97.00	100 50
Do. (New (50)	98 50	—	—	98 50
Bank of Baroda (50)	87 00	86 00	81 00	85.00
Central (25)	46 00	53 00	46 00	53.00
Central 'A' (25)	49 00	54 00	49 00	54 00
Dena Bank (50)	52 50	53 00	52 50	53 00
Punjab National (10)	19 20	19 20	19 00	19 00
Union Bank (5)	5 55	5 76	5 56	5.76
United Com. (50)	68 00	—	—	68.00
ELECTRIC COS.				
Ahmedabad (100)	89 00	88 20	86 00	86 50
Amalgamated (10)	10 01	—	—	10 04
Andhra Valley (1,000)	1,015 50	1,005 50	997 50	1,000 00
Bom. Sub. El. (100)	86 70	89 50	86 70	89 50
Surat (100)	90 00	—	—	90 00
Tata Hydro (100)	106 00	107 50	105 75	107 80
Tata Power (1,000)	1,042 50	1,076 25	1,035 00	1,076.25
INSURANCE COS.				
British India (10)	14 12	14 12	12.76	12.76
Kmpire of India (100)	268 75	—	—	268 75
Ind. Mercantile (20)	45 00	45.50	43.50	45 50
Jupiter (15)	7 24	—	—	7 24
New India (15)	62 00	62.50	61.70	62 20
Vulcan (10)	18.70	19.20	18.70	19 20
STEEL COS.				
Ind. Iron (10)	23 60	24 32	23.40	24 12
Mukund Iron (10)	25 25	26 75	25 25	26 10
Tata Steel Ord. (75)	156 50	162 25	157.50	161.75
SUGAR COS.				
Belapur (50)	369 50	373 00	367 00	373 00
Bhopal (10)	26 10	26 75	26 25	26 75
Chandeo (12 50)	33 50	33 50	33 25	33 00
Phaltan (50)	190 00	195 00	189 50	193 00
Walchand Ind. (100)	305.00	313.75	301.25	310.00
CEMENT COS.				
Associated Cts. (100)	143 00	148 25	142 00	147 00
Digvijay (100)	165.00	174.00	164.50	173.50
MISCELLANEOUS				
Alcock Ashdown (100)	290 00	328 00	290 00	320 00
Bom. Burmah (125)	607 50	652 00	600 00	649 00
Do. (New) (50)	220 00	235 00	220 00	232 50
Br. B. Petrol (4 sh.)	1 78	1 82	1 70	1 72
Br. I. Corpn. (5)	7 41	7 56	7 24	7.56
Cooper Eng. (100)	170 00	170 00	167 00	168 00
Colour Chem. (100)	415 00	500 00	412 50	485 00
Hind. Cycle (100)	133 00	134 50	132 00	133 50
Hindustan Lever (10)	43 50	—	—	43 50
Hindustan Motors (10)	20 56	21.32	20.48	21.28
I. C. & Invest. Corporation (10)	70 00	—	—	70 00
Indian Dyestuff (100)	730 00	800 00	732 50	835 00
Indian Copper (2 sh.)	5 12	5.40	5 08	5 36
Ind. Inv. Tr. (100)	72 00	—	—	73 00
Killick (100)	109 50	110 00	109 00	110 00
Larsen & Toubro (10)	43 00	46 00	43 00	46 00
Mahindra & Mahindra (10)	22 48	23 84	22 00	23 24
New Central Jute (10)	28 50	28 50	27 80	27 80
Polson (100)	158 00	160 00	159 00	160 00
Pre. Automobiles (100)	165 50	175 50	161 00	173 50
Premier Con. (80)	358 50	369 00	357 00	365 00
Scindia (20)	15 44	15.80	15 24	15 72
G. E. Shipping (10)	18 00	18 08	17 80	17 88
Shivalpur (10)	70 50	71 00	67 00	71.00
Sirpur Paper (10)	19 08	21 20	19 28	21 12
Tata Chemicals (10)	18 16	18 92	18 00	18 84
Tata Locomotive (100)	266 50	279 00	266 50	277 00
Tata Oil (25)	82 50	85.00	82 00	85 00
Texmaco (10)	27 00	—	—	27 00
Voltas (100)	263 50	277 00	264 00	276 00
W. I. Starch (100)	243 00	250 00	240 00	249 00
W. Coast Paper (100)	209.00	257 00	200.50	229.00

GOVERNMENT SECURITIES	7-7-1960 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	14-7-1960 Rs.
2½% 1961	98 55	—	4 01	98.55
2½% 1960	100 00	—	2 75	100.00
2½% 1962	98 05	—	3.52	98 05
2½% 1972	83 25	—	4 17	83 50
3% 1964	98 00	—	3 48	98 00
3% 1963-65	97 05	3.63	3.40	98 00
3% 1965-68	95 00	3.76	3.60	95 85
3% 1970-75 1st Dev.	86 00	4.12	3.80	90.85
3% 1986 Con. Loan	73 00	—	4.08*	73 75
3½% 1961 N.P. Bonds	100 05	—	3.48	100 05
3½% 1964 N.P. Loan	99 95	—	3.51	99 95
3½% 1965 N.P. Bonds	99 90	—	3.53	99.80
3½% 1962	99 85	—	3.49	99 85
3½% 1967 N.P. Bonds	99 55	—	3.57	99.55
3½% 1966	99 70	—	3.53	99 70
3½% 1967 N.P. Bonds	100 00	—	3.65	100 00
3½% 1969 Loan	99 10	—	3.62	99 10
3½% 1968	99 50	—	3.57	99 50
3½% 1963 N.P. Bonds	100 00	—	3.50	100 00
3½% 1968 N.P. Bonds	100 05	—	3.47	100 05
4% 1960-70	100 30	2.15	3 95	100 30
4% 1972 Loan	101 30	—	3 87	101 30
4% 1973 Loan	101 20	—	3 87	101 20
4% 1979 Loan	100 25	—	3 98	100 25

* Current Income. x.d.—Ex-dividend. x. r.—Ex-right

COMMERCE

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

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ACTION ON OIL

THERE is an unfortunate tendency among some commentators in this country as well as abroad to compare the Government of India's endeavours to get more petroleum products at lower prices with the Cuban Government's actions in the same field. Even the Cuban Premier, Dr. Fidel Castro, has sought to quote the Indian Government's request to the three foreign oil companies—Burmah-Shell, Stanvac and Caltex—to refine Russian crude in their refineries as a justification for his violent action against these companies. This is not fair to India. While it is true that the Government of India would have been glad to see its proposal for refining Russian crude accepted by the oil companies, it has not, unlike the Cuban Government, retaliated against them when they gave a firm negative reply. Dr. Castro would have done a distinct service to all the capital-hungry and technologically-backward underdeveloped countries had he retracted his step and followed India's example of respecting its agreements with the oil companies and getting them modified only where possible through mutual negotiations. In fairness to the Government of India, it must be said that no political considerations are involved in its desire to buy oil from Russia. This cannot be said of the developments in Cuba. Again, the Government of India has not broken any of its international or bilateral agreements or understandings, as the Cuban Government has done in regard to sugar. And, thirdly, India has been trying to buy Russian oil long, long before the rift between Cuba and the U.S. began.

The Indian attempt at diversifying the sources of its oil supplies is based solely on economic considerations. For some time past, the Russians have been competing hard for selling their oil in several parts of the world, including Western Europe and Japan. It would be perfectly natural if the Government of India tried to avail itself of the benefits of this trend in world oil markets either to augment its revenue from oil or to bring down the cost of oil to consumers. Having regard to the set-up of oil companies in the free world and the close co-operation with which the big oil combines work, as well as to the restrictions on imports of oil on account of scarcity of foreign exchange, these benefits cannot be had for the mere asking. No manufacturer willingly surrenders his margin of profit. He has to be proded from time to time in various ways, without unduly dampening his spirit of enterprise and desire to expand his activities. This is exactly what the Government of India has been trying to do with the oil companies. It is not alone in doing so, for there are other countries, too, which keep on pressing the oil companies to accept a lower margin of profit. Oil is a complicated big business, involving a lot of give and take.

The Indian Government's efforts to raise its domestic production of oil and reduce its dependence on outside sources, as well as to bring down the *national* cost of oil, are comparable, if a comparison is to be made with those of the Italian Government. The only difference is that, whereas Signor Enrico Mattei, President of Italy's State-controlled ENI-AGIP Oil Corporation, took advantage of Persia's quarrel with the Anglo-Iranian Oil Company, during the period of Dr. Mossadeq's Government, for building up his Corporation's business and breaking up the monopoly of Anglo-American oil companies in the Middle East, Italy and certain other European countries, Mr. K. D. Malaviya, India's Minister for Oil, is working hard to establish a public sector oil enterprise right from prospecting down to marketing by trying to take full advantage of Russia's competition for securing a share of the world trade in oil. This is an important difference, because Russia is politically, and even economically to a considerable extent, antagonistic to the free world. This automatically brings the cold war prejudices into the Indo-Russian oil deals and distorts the picture, more especially because of Mr. Malaviya's pronounced bias for the public sector and his apparent leanings to Russia and the Eastern bloc countries. Somehow or other, he has, by the tone and content of his observations both in and outside Parliament, created the impression that he is unduly harsh on the foreign oil companies and soft towards the Russians, the Rumanians and the Polish. In several of his statements, he has tried to present the Western oil companies to the public in adverse light, even though they have readily given up some of the advantages they had secured in their refinery agreements. As readers are aware, Burmah-Shell took the lead in this respect and was quickly followed by Stanvac. After some interval, Caltex, too, fell in line with the other two. Further, all the three companies have reduced their prices from time to time. It is estimated that, as a result of these reductions and the surrender of duty protection for the refineries, the Exchequer has benefited to the tune of Rs. 20 crores per annum or Rs. 100 crores for five years. This is not a small amount and meets the major part of the cost of developing the oil industry in the public sector.

The oil companies are not unjustified in refusing to refine the Russian crude, nor was it injudicious on the part of the Government to have asked them whether they would accept the outside crude, for both the parties have their own problems. The foreign exchange position is so precarious that purchase of Russian crude against payment in non-convertible rupees would mean some significant relief, albeit temporary, to India. The second advantage is that the cost of Russian crude is cheaper than that imported by the oil companies. In view of these, the Government was perfectly right in asking the companies to use the Russian crude, even though, under the agreement with them, they have every right to take crude from their own sources of supply. The companies, too, have equally valid reasons for refusing to comply with the Government's suggestion. In the first place, all the three oil companies having refineries in this country are integrated enterprises. They have invested enormous sums all over the world on prospecting, mining crude oil, refining, and marketing of the finished products. How will it pay them, if they are asked to use the raw material produced not by them but by someone else? They might have agreed to accept the Russian crude, if their sources of supply had a deficit. But they, too, have a surplus of crude. Secondly, these companies have invested heavily in India itself on transport, refining, storage, and marketing of oil, whereas the Russians have not done so. The latter can, therefore, afford to undercut the foreign oil companies. In fine, the suggestion that they should refine Russian crude is something very similar to asking a sugar refinery with its own sugarcane farms and marketing organisation to accept its competitor's surplus sugarcane, leaving its own cane to stand in the fields and dry up as wood. And, thirdly, if the oil companies were to agree to the Indian Government's request to refine outside crude, they would be confronted with a similar request from the Governments of many other countries where they have refineries, as has already been the case in Cuba. Surely, it would be too heavy a sacrifice for these companies to make and it would not be fair on the part of India to expect from them such a sacrifice.

While the oil companies have turned down the Government's offer of Russian crude, they have agreed to pass on the benefit of lower crude prices to India by reducing the prices of their refinery products through a special discount. The discount given by Burmah-Shell alone, according to one report, will mean a saving of about Rs. 150 lakhs per annum. Stanvac also is stated to have cut its prices to levels that are quite competitive with Russian quotations. If Caltex has not already done so, it will soon follow suit. It would appear that the lower prices have been in force since 1st June 1960. If that were so, it is not clear why the oil companies did not make this fact known to the public earlier and why they waited for Mr. Malaviya to announce his deal with Russia first. They probably do not wish to take the initiative in these matters, lest they should be accused of interference by the Minister. In any case, it would appear that, in terms of price, the country has not lost much by not using the Russian crude.

As the consumption of petroleum products is rapidly expanding and as there is a shortage of kerosene and diesel oil, the Government's agreement with Russia signed on the 15th inst., providing for the import of 1.5 million tons of these products over a period of 3½ years, is to be welcomed. No indication of the cost of this oil in terms of foreign exchange is available yet, for Mr. Malaviya has not disclosed the price he is paying for it, except to say that it is quite competitive with that charged by the oil companies here. At the current world prices, the aforesaid quantity will cost roughly about Rs. 40 crores. The payment for this oil will be in non-convertible rupees under the Indo-Soviet trade agreement, which is for a period of five years from 1st January 1959. Under this agreement, it is the responsibility of Russia to exchange the rupees for Indian goods and it can do so within six months of the accrual of rupees to its special account with the Reserve Bank of India or with any other banks authorised to deal in foreign exchange. A bilateral trade

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agreement of this sort has its own merits and demerits into which we shall not go here. Suffice it to say that it gives a temporary relief to the country's balance of payments position and provides a direct incentive to Russia to buy Indian goods. It is, however, a moot question whether India has a real surplus of goods which it could not have easily exported to other countries in return for convertible foreign exchange. This debatable issue apart, it is important to stress that, having concluded such an agreement, India must strive hard to increase the production of goods in which Russia is interested, so that the surplus available for other export markets is not curtailed. There will be no real benefit to the country from agreements of the aforesaid nature, unless the total exports of India increase at least to the extent necessary to cover the imports under them.

Another equally important point that requires to be stressed is that it is unwise, both politically and economically, to regard, much less describe, the imports of oil under reference as necessary for offering healthy competition to the oil companies. This argument implies two things: (a) the oil companies are not playing fair by the consumer, and (b) the imports that have now been arranged with Russia are large enough to create a buyers' market. Neither of these assumptions will stand the test of scrutiny. To take the first. It is a well-known fact that the Government has used the benefit of reductions in the selling prices of oil companies as well as of the protective duties surrendered to bolster its own revenue and refused to yield any of that surplus to consumers. It is also difficult to reconcile Mr. Malaviya's desire today to reduce the price of diesel oil with the substantial increase in excise duty on that fuel imposed by his Cabinet colleague, Mr. Morarji Desai, in his last budget; the latter simply turned a deaf ear to all opposition to this additional levy. Again, the selling prices of all oil products are fixed by the oil companies in consultation with the Government and they cannot vary it either way without the consent of Government. As for the second assumption, the imports from Russia cover only a part of the increase in demand and will not be sufficient to enhance the supplies to such an extent as to bring about a real buyers' market. Even assuming for argument's sake that the assumption is correct, would it be right for a country with a large investment programme, envisaging a heavy import surplus for several years to come, to indulge in bilateral agreements of dubious nature for creating a buyers' market in a commodity the price of which can be easily regulated, thanks to the efficient marketing system organised by the existing producers and distributors?

INDUSTRIAL POLICY IN THIRD PLAN

ALTHOUGH there will be no substantial departure from the industrial policy pursued in the period of the second Plan, the third Plan period may be expected to witness some toning down of the emphasis on State initiative which has gathered much momentum in the current Plan. This is the overall impression one gets from the draft outline of the third Plan. But it is not, of course, based upon any unequivocal declaration in favour of private enterprise in the draft outline. Indeed, the report reiterates the view that the "expansion of industry will continue to be governed by the Industrial Policy Resolution of April 1956." This Resolution, though not incapable of varying interpretations, has, by and large, assigned a distinctly larger role to the State. A narrow interpretation of this Policy will certainly leave less room for private initiative and effort than is either good for national economy or for the State itself. It is, therefore, with some satisfaction that one reads the affirmation of the wholesome principle that the "roles of public sector and private sector are conceived of as supplementary and complementary to one another." If this assurance governs the implementation of the Government's industrial policy, there is hope that some of the graver pitfalls into which the Party in power allowed itself to fall in the past twelve years will be avoided.

The draft outline avers that there is a "considerable" role for the private sector in the industrial sphere. It proceeds to point out that this is due, in the main, to the wide opportunities provided by the expansion of the economy under the impact of successive five-year Plans. Only, it reiterates the familiar view that "one of the main objectives of policy is that the opportunities which thus arise for private enterprise should be availed of by a large number of comparatively small and middle *entrepreneurs* and that poss ble trends towards concentration of economic power should be checked in early stages" It, however, recognises that, in the present phase of development, well-established firms have certain advantages in the shape of better access to capital market and to sources of foreign collaboration and also that modern technology favours large-sized firms or plants in certa n directions. Nevertheless, it adds: "From the broader social angle, however, it is essential that there should be a wide diffusion of enterprises in the private sector and new entrants should be encouraged and, at the same time, concentration of economic power and monopolistic tendencies should be countered effectively."

It will thus be clear that, despite its recognition of the indisputable benefits of large-scale production, the draft outline favours the medium and small-scale sectors. Herein lies an essential contradiction in Government's industrial policy. It is true that ample opportunities should be provided for the entry of new men into the ranks of industrialists. But, when the report refers to the need for curbing monopolistic tendencies, it is, perhaps, raising a false alarm. The fact is that there are no monopolistic enterprises in the country today. The so-called large-scale units are extremely small in relation to their counterpart in Western countries. Further, some aspects of the Government's industrial policy itself serve to discourage competition, as, for instance, when new large-scale units are not allowed to be set up in particular industries, thereby leaving the field free for the existing enterprises.

No one denies that small-scale industries have a large role to play in any economy, whether advanced or underdeveloped. The chief weakness of the Government's policy towards small-scale units is that they are regarded as a diminutive version of large-scale industry. In other words, they are treated as weaker rivals to organised industry. It is this attitude that makes the Government give special assistance to the small-scale sector. The Japanese team of experts, which visited India recently, stated, in effect, that such assistance might prove costly to the Exchequer, besides making the recipients continually remain inefficient. What is, therefore, essential is a certain change in the official angle. The only way in which small-scale units can find an enduring place in industrial economy is by becoming adjuncts to organised industry. This is the direction in which they have come into their own in the West. It is the complementary, rather than the competitive, character of the relationship between the two segments of the industry that deserves to be recognised and promoted. The draft outline rightly stresses the need for a "progressive and efficient decentralised sector closely integrated with agriculture as well as with large-scale industries." By "progressive," it is hoped, is meant that small-scale units should be technologically modern. The report does well to stress that small units "will be assisted to improve their organisational and technical efficiency." But what is, perhaps, open to objection is the statement that the "relative contributions of small and large units in meeting the growing requirements of the community will be defined as part of the common production programmes for various industries." Presumably, this means the continuation of the present policy of delimitation of the sphere of the organised industry; an instance of such delimitation is to be found in the restriction on the production of *saris* and *dhotis* by the mill sector. Whatever might be the short-term benefits of such a policy, there is no doubt that it cannot be continued for long without deleterious effects on economic progress, especially when it is supplemented by heavy taxation on the large-scale sector to subsidise the small-scale sector. It is wrong to argue that small-scale units should be encouraged, even if their technological level is low, because they serve to increase employment. For, in the final analysis, higher levels of technology lead to wider employment opportunities, though they may cause some disequilibrium in the initial periods.

Little exception will, however, be taken to the general emphasis on regional development and to the broad objectives of industrialisation contained in the Plan. The draft outline points out that "balanced development of different parts of the country and the stress on extending the benefits of development to the more backward regions are part of the accepted policy of the Government." To the extent that irrigation, power and road projects have been initiated in different parts of the country, the path to a wider industrial prosperity has been laid. This policy should be continued in the third Plan and subsequent periods. The report also recognises that areas which are particularly backward deserve special attention. Referring to regional development, it observes: "Regional development is often thought of in terms of States. This tendency to identify 'States' with 'regions' is natural, because planning by State Governments has an important role and the programme included in the plans of States and implemented by them have a close bearing on the levels of living of the people." But it is necessary to recognise that the identification of "regions" with "States" often leads to parochialism which must be strongly deprecated. After all, States have been formed on the basis not of natural divisions but of linguistic homogeneity. Regional development, therefore, implies active co-operation among States when a particular region cuts across State boundaries.

In the scheme of development envisaged by the Plan, industry, together with power and transport, gets a priority next only to that of agriculture. In the field of industry itself, special emphasis is placed on the development of those industries "which will help to make the economy self-sustaining, namely, steel and machine-building and the manufacture of producer goods." Necessary measures, it is stated, are also being taken to expand the production of consumer goods. Again, efforts will be made towards increasing the use of indigenous raw materials, natural and processed. The draft outline points out that, in the third Plan period, "when attention and resources will have to be devoted to the development of production which will reduce the requirements of foreign exchange for the operation of industries at the levels already reached, it will not be possible to allow significant expansion in industries, such as the rayon industry, which are largely dependent on the import of raw materials and whose expansion, therefore, at present swells the demands for foreign exchange on maintenance account." More specifically, the scheme of priorities will be:

(1) Completion of projects envisaged under the second Five-year Plan which are under implementation or were deferred during 1957-58 owing to foreign exchange difficulties;

(2) expansion and diversification of capacity of the heavy engineering and machine building industries, alloy tool and special steel, iron and steel and ferro-alloys; and step-up of output of fertilisers;

(3) increased production of major producer goods like aluminium, mineral oils, basic organic and inorganic chemicals and intermediates;

(4) fuller utilisation of existing installed capacity, where there are wide gaps between capacity and production or where, by multiple-shift operation, it is possible to economise investments and achieve better output-investment ratios;

(5) increased production from domestic industries of commodities required to meet essential needs like essential drugs, paper, cloth, sugar, vegetable oils and housing materials.

Actual industrial progress will, of course, depend mainly on the way decisions based on the broad lines enunciated in the Plan are taken and implemented. Further, it cannot be too strongly emphasised that it is of the utmost importance to the success of the Plan that the right climate for investment prevails in the country. The total investment in industry (large-scale and small-scale) and minerals is of the order of Rs. 2,935 crores—industry and minerals Rs. 2,500 crores (Rs. 1,500 crores in public sector and Rs. 1,000 crores in private sector) and village and small-scale industries Rs. 435 crores (Rs. 160 crores in public sector and Rs. 275 crores in private sector). Thus, the investment in private sector is placed at Rs. 1,275 crores or an average of Rs. 255 crores per year. Investment of this order necessarily implies that the existing industries are able to build and plough back sufficient reserves into expansion, besides supplementing their resources by drawing on the capital market where new entrants as well as the Government will be competitors for available savings. All this means that the overall climate for investment should be kept under constant review and prompt decisions on appropriate fiscal reliefs taken from time to time.

MARKET GOSSIP

A STRIKING feature of the share markets is the further marked rise in the value of certain selected cash scrips, as well as in a few forward counters, especially T.E.L.Co. Almost all the well-known chemical and plastic scrips have marched forward. They are too numerous to be listed here. The most outstanding among them are Union Carbides, Associated Batteries, Alkali, and Tata Chemicals. The new favourites such as Amar Dyes, Indian Dyestuffs, Colour-Chems, and Poly-Chems, have still not lost their charm. Among rayons, Gwalior Rayons have spurted from Rs. 40 a few days ago to Rs. 48; at one time, they even touched Rs. 50. In the engineering section, Larsen and Toubros have scored several points. Guest, Keen Williams is another counter which has appreciated sizably. In the automobile section, besides T.E.L.Cos, both Hindustan Motors and Premier Automobiles have received fresh support. Paper shares also are to the fore again. The recently floated popular issues such as Philips Carbon Black, Asian Cables and Hindustan Aluminium are commanding a fantastically high premium. In contrast to this, the shares of companies belonging to the old industries of India such as cotton textiles, iron and steel, sugar, cement, coal and planting are not evoking much attention.

Speculation Less?

It is not possible to say whether the rise in prices of the scrips mentioned above is due to heavy buying or absence of sellers, because no data on turnover of shares are published by the stock exchanges. There is an impression that much of the rise is attributable to scarcity of sellers and the rise in prices is not fully representative of turnover. Every rise in price only seems to encourage investors to hold on to their scrips in the hope of getting still better prices. Further, the companies of the scrips mentioned above are all doing well and have plans for further expansion. This has led investors confidently to expect issue of additional shares either at par or at a modest premium and payment of good dividends after the plans are implemented. Another interesting point that deserves to be mentioned here is that, since appreciation in the value of these cash scrips is rapid and heavy, there is a large element of speculation in them also. It is quite possible for one to buy any of these scrips, stick to the purchases for a while and dispose them off as soon as a substantial gain is seen. Again, there are some who sell their investments when prices reach attractive levels in the hope of buying them back at lower levels. Neither the former is keen on taking delivery, nor the latter on giving delivery. And, what is more, brokers are quite willing to oblige their customers by not insisting on delivery. Since there is always a certain amount of floating stock on blank transfers, it is quite feasible to meet the demands of those who wish to take delivery. In this way, a considerable amount of forward business is taking place in the cash scrips also.

Then, there are, of course, those who buy shares on the basis of advance information, take delivery of them with the help of bank credit and sell them when they climb up to the levels expected. In these days, with almost every company having some plan or scheme of expansion, there must be quite a few privileged people buying shares on inside information, making quite a lot of easy money. It will, therefore, be wrong to come to the conclusion that speculation in the share markets has declined, simply because the popular speculative counters have been moving only within a narrow range. In fact, with scope for speculation greatly restricted in bullion and commodity markets, where heavy margins and their frequent imposition by the Government have made the position of operators extremely uncomfortable, speculators have turned their attention more and more to shares. The controls on stock exchanges are less severe and can, in any case, be easily evaded. In addition, the scope for making quick profits ranging between 25 and 100 per cent. has turned out to be greater in shares than in bullion and commodities.

Wadias' New Ventures

Having successfully implemented the modernisation and expansion programmes of Bombay Dyeing and placed it at a level where it ranks high with any of the first class mills in the world and with practically no scope for widening their activities in their traditional field of textiles, thanks to the restrictive policies of the Government, the well-known managing agency house of Nowrosjee Wadia and Sons have turned their attention to chemical industry, which offers a variety of wide outlets for enterprising industrialists. The Wadias are, of course, already in this industry, too, in that they are the first, and only one so far, to establish a factory for the manufacture of hydrogen peroxide. They have just completed the programme for doubling the productive capacity of National Peroxide Ltd., in which Bombay Dyeing also has an interest.

Encouraged by the success that has attended this new enterprise of theirs, Wadias have, it is reliably learned, finalised their plans for establishing two more chemical industries. But these companies will be separate from Bombay Dyeing and will confer no direct benefit to the shareholders of the latter company. One of them—named the Sturdia Chemical Company, Ltd.—will manufacture precipitated and activated calcium carbonate used by the paper, rubber, paint, ink and toilet industries. It will have both technical collaboration and capital participation from a leading British manufacturer—John and Sturge of Birmingham. The factory will be located near Dehra Dun in Uttar Pradesh, where plenty of limestone in its purest form is found. The capital outlay on this project will be about Rs. 30 lakhs. Although a public limited company, its share capital will be privately subscribed, probably because it is not large enough to invite public subscription.

The other chemical company to be floated by the House of Wadias is known as Potanium Ltd. Involving a capital outlay of Rs. 3 crores, it will manufacture titanium dioxide in collaboration with one of the largest chemical manufacturers in the U.K., namely, La Port Industries. The plant will be established in the west coast of Maharashtra, near Ratnagiri, where there is a plentiful supply of ilmenite sands, the principal raw material. Titanium dioxide is considered as the pigment of the future. It is an industrial raw material used in a large number of processing industries—paints, rubber, textiles, printing ink, enamelware, soaps, leather and linoleum. The productive capacity of the factory may be in the neighbourhood of 4,500 tons per annum. A part of the capital required will be raised through public subscription.

New Loans

The response to the new loans of the Central Government is said to have been extremely poor. It would appear that several banks, including one of the "Big Five," did not apply at all for these loans. Another big bank applied for only a few lakhs worth of the short-dated loan. Technically speaking, of course, the loans have been fully subscribed and the Central Government got Rs. 175 crores, including conversions amounting to Rs. 74.25 crores, but this is largely due to heavy subscriptions by the Reserve Bank. The negligible response to the new loans portends difficult credit conditions in the forthcoming busy season. It also suggests that the State Governments will find it difficult to get their requirements in full when they enter the market next month. Almost every State has planned for a large borrowing programme. The States with loans maturing this month have advised the investors to hold on to them till the details of their new loans are finalised in consultation with the Reserve Bank. The latter may have a tough time in pruning the demands of States to levels that can be reasonably borne by institutional investors and by itself. There is no doubt that, this year, the Reserve Bank will have to take up a substantial part of loans of States as well, inasmuch as the special deposit system has practically crippled the capacity of commercial banks to oblige their respective State Governments. The current basis of Gilt-edged yields suggests that the State Governments will have to pay the investors more than they did last year.

T.E.L.Co.

In his annual statement to the shareholders of the Tata Locomotive and Engineering Company, Ltd. (T.E.L.Co.), the Chairman, Mr. J. R. D. Tata, has raised some important issues in relation to the "cheap car" or "people's car" project. It would, perhaps, be wrong to say that the project is in an embryonic stage. For it has not reached even that stage. The public is in the dark as to the Government's intentions. The Jha Committee, on its part, was content to set down the broad considerations which must govern the implementation of the "small-car" programme and reduce the medley of proposals it received into five. But one once thought that the programme would be implemented in the private sector. Apparently, the Government, for reasons known to itself, wants to undertake the manufacture of this type of car in the public sector. If this is the real position—and it is by no means clear that it is—it is time there was some official explanation. It is true that Mr. Manubhai Shah, the Union Minister for Industry, has expressed himself in favour of a people's car in the public sector. It is not, however, known whether it means a firm decision or a mere trend in official thinking. What is noteworthy is that the draft outline of the third Plan does not contain any reference at all to the subject. A valid inference is that the Government is not irrevocably committed to the establishment of the small car project in the public sector. As Mr. Tata pointed out, "with the existing automobile industry able and willing to undertake the manufacture of a small car, there can be no possible reason for Government to allocate such a project to the public sector except on grounds of socialist ideology or dogma, which Government spokesmen, including the Prime Minister, have repeatedly and unequivocally disavowed as playing any part in their policies."

Surely, if no firm decision has been reached—it is to be hoped that the Government's mind has not been unilaterally made up—the Government will certainly be well advised to re-examine the question on its merits, which will tantamount to a fresh investigation of the proposals it has received from the private sector.

Irrespective of whether the project is assigned to the public or private sector, there is no doubt that the considerations to which Mr. Tata referred will apply. In the first place, it is not merely the low cost of a car that matters, for the cost of maintenance should also be taken into account. In this connection, Mr. Tata said: "It is no doubt possible to make a very light and low-powered car for, say, Rs. 1,000 or Rs. 1,500 less than the initial cost of the D.K.W. we have proposed or similar cars, but, if such a car is capable of only half the trouble-free mileage that a more sturdy car would give, or, to put it differently, if the cost of repairs and spare parts is twice as high for the same mileage in the case of the lighter car, then the unfortunate user will in fact have, over the life of his car, paid not a lower price but a much higher price." Secondly, families, as this journal has pointed out on several occasions in the past and as Mr. Tata reiterates now, are, on the average, much larger in India than in Europe. In other words, a car, which is only an improved version of a perambulator or toy vehicle, with an engine fitted into it, will not serve Indian social conditions. Thirdly, Indian roads are much inferior to those in Europe and, therefore, "more destructive." This is an argument in favour of a reasonably sturdy car, if the need for a small low-cost car is found to be absolutely essential.

Finally, the Government should bear in mind the implications of the project in terms of foreign exchange expenditure for capital as well as current account. It may be mentioned here that the Jha Committee computed that, if a 10,000-vehicle programme proceeded on the basis of an import of the complete vehicle and a progressive development of indigenous manufacture spread over four to five years, the annual requirements of foreign exchange would be: first year, Rs. 3 crores; second year, Rs. 2 crores; third year, Rs. 1 crore; fourth year and onwards, Rs. 50 lakhs. Investment in plant and machinery would involve a foreign exchange component of Rs. 4 to Rs. 5 crores. Although this is not beyond India's foreign exchange capacity, it is obviously necessary to give some priority to a programme which, other things being equal, involves the least expenditure in foreign exchange.

To the shareholders, Mr. Tata had much encouraging information to give. In its automobile division, the programme for the expansion of the Company's manufacturing capacity to 12,000 units a year is expected to be completed by the end of the current year. The average indigenous content of the vehicles has reached 78 per cent. Of significance to the Company's locomotive division is the Railway Board's assurance that the Indian Railways will require steam locomotives for many years to come. Although the price award for supply of locomotives for two years up to the end of the year under review falls short of the Company's expectations, the Railway Board and the Company have been able to agree on the prices of locomotives to be supplied during the remaining period of the agreement. It is noteworthy that the prices the Company will receive will be lower than those at which steam locomotives can be obtained from abroad.

A notable development is the move towards a further diversification of the Company's manufacturing programme. Arrangements for the manufacture of paper and pulp making machinery and power shovels have been completed. With the approval of the Government of India, the Company has concluded agreements for technical collaboration with Messrs. A. Johnson & Company, Stockholm, Sweden, for the manufacture of paper and pulp making machinery. The Company is now negotiating with other Indian concerns with a view to expanding the scheme, so as to manufacture a larger number of paper and pulp making units with a larger indigenous content. Again, with the Government's approval, the Company will manufacture power shovels in collaboration with the well-known American firm of Messrs. Harnischfegar International Corporation. Actual production is expected to start from the beginning of 1961. The additional capital requirements for these two projects will be met from the internal resources of the Company.

Besides diversifying its manufacturing activities, the T.E.L.Co. proposes to expand its capacity for the manufacture of trucks from 12,000 tons to 24,000 tons per annum, with an indigenous content of over 90 per cent. This is a major scheme of expansion, requiring a considerable amount of capital. Mr. Tata has disclosed that the Company will shortly submit its proposals to the Government for its approval and that the plan for meeting the capital expenditure will be placed before the shareholders in due course. From the targets for automobile industry in the draft outline of third Plan, it can be confidently inferred that the Government's consent to the Company's scheme will be readily forthcoming.

Cloth Prices and Exports

Two important questions are expected to figure prominently in the discussions at the forthcoming meeting of the Cotton Textiles Consultative Board at New Delhi scheduled for Friday the 29th inst.; the meeting was to have been held on Monday this week, but it had to be postponed on account of the Government employees' strike. The two questions relate to cloth prices and textile export incentive scheme. Opinions among millowners so far as the issue of prices is concerned seem to be fairly unanimous, while there would appear to have arisen a divergence of views on the export incentive scheme.

The millowners have noted the reported anxiety of the authorities at the persistently rising trend of cloth prices in internal markets. In fact, a Press despatch from New Delhi avers that the matter was considered by the Cabinet recently and, after a great deal of discussion, it was decided to take up the issue with the millowners themselves. One of the specific suggestions understood to have been made by the Government is that fair prices should be stamped on every piece of cloth in the same way as was being done during the control days in the past. This question is now engaging the serious attention of millowners. While the stand the industry should take at the Consultative Board's meeting is yet to be decided by the Committee of the Indian Cotton Mills' Federation, the general feeling is that the system of stamping prices on cloth may be followed, provided the Government (*a*) makes it voluntary, (*b*) takes into account the high unofficial premia paid by mills for cotton, as well as the enhanced incidence of wage rise and increase in the prices of stores and accessories, (*c*) extends the system to the decentralised sector also, and (*d*) exempts cloth meant for export.

On the question of export incentive scheme, the millowners, as already stated, are somewhat divided

(*Continued on next page*)

FORWARD SHARES SUBDUED

TEXTILES RECEDE

(From Our Own Correspondents)

BOMBAY, 21*st July*

THE firm trend of the share market noted last week abated somewhat during the week under review. This was the case particularly with the equities on the forward list, barring a few notable exceptions. The volume of business put through was comparatively small, as both investors and operators were not inclined to enter into large fresh commitments. In fact, several counters suffered a distinct setback. Apart from the realising pressure attracted at the high levels which many scrips had touched last week, there was also selling by some investment houses. The sentiment of the market was adversely affected by a few unhelpful factors. There were, for instance, rumours that the Tata Steel dividend might not be decided today, on account of the delay in the announcement of the revised retention prices by the Government. There were also reports that one blast furnace of the T.I.S.Co. had been closed for a few days for modification. Cotton mill shares encountered selling, on apprehensions of official measures to check the rising tendency in cloth prices. In the cash section, however, some speculative gains were recorded. Notable among the scrips were the usual chemical counters, Gwalior Rayons and Larsen and Toubro.

In the steel section, Tata Ordinaries began the week at Rs. 162 25, as against the previous closing of Rs. 161.75, and. after improving to Rs. 163 on Monday, receded to Rs. 160 yesterday. They recovered to Rs. 162.30 today but finished lower at Rs. 161. Indian Irons, however, attracted good attention and rose in the course of the week from Rs. 24.12 to Rs. 25.10, though the closing rate today was 20 nP lower at Rs. 25.40. The net gain over the week was Re. 1.28. Mukund Irons rallied from Rs. 26.10 to Rs. 28.50 yesterday, but eased to Rs. 27 today.

Among textiles, Kohinoors came in for profit-taking and dropped Rs. 16 to Rs. 354. Simplex fell by Rs. 7 to Rs. 179. Centurys shed Rs. 4.50 to Rs. 524.50 ; at one time yesterday, they were lower still at Rs. 522, after touching as high a level as Rs. 544 on Monday. Bombay Dyeings receded from Rs. 70.40 to Rs. 68.30, a fall of Rs. 2.10. Central Indias declined by Rs. 11 to Rs. 122. Shreenivas lost Rs. 8 to Rs. 272, Indores Rs. 6 to Rs. 127, Vishnus Rs. 5.50 to Rs. 119.50, Svadeshis Rs. 2 to Rs. 256 and Tata Mills Re. 1.50 to Rs. 46.50. Standard Mills, however, continued to be sought after and forged ahead from Rs. 1,832 to Rs. 1,920, the net gain over the past fortnight being Rs. 258. Khataus strengthened by Rs. 11.50 to Rs. 497.50. Gokaks and Finlays also attracted good support ; the former rose by Rs. 8.50 to Rs. 157.50 and the latter by Rs. 8 to Rs. 338. Ahmedabad Advances picked up Rs. 8.75 to Rs. 190. New Great's improved by Rs. 5 to Rs. 183. Elphinstones and Mysores gathered Rs. 2.50 each to Rs. 66.50 and Rs. 90, respectively.

A mixed trend was in evidence in the cement and sugar groups. Among the former, Digvijays receded by Rs. 3.50 to Rs. 170. Associated Cements eased by Rs. 2 to Rs. 145.50. Orissa shed 10 nP to Rs. 13.92. Ashokas and Jaipur Udyogs, on the other hand, rose by 60 nP each to Rs. 11.92 and Rs. 14.72, respectively. Bagalkots gained 24 nP to Rs. 8.36 and Dalmias 20 nP to Rs. 11.80. Among sugars, Walchandnagars dropped Rs. 3.75 to Rs. 306.25. Phaltans were quiet at Rs. 193. Belapurs met with excellent support early in the week and advanced from Rs. 373 to Rs. 400 on Monday. Subsequently, however, they climbed down and stood at Rs. 386 today. Bhopals recorded a rise of 75 nP over the week, today's closing rate being Rs. 27.50. Changdeos gathered 15 nP to Rs. 33.75.

Electricity shares came in for selling and tended to move down. Tata Powers receded by Rs. 16.25 to Rs. 1,060, after being lower still at Rs. 1,053.75. Hydros eased by Rs. 2.50 to Rs. 105. Ahmedabad Electrics lost Rs. 2 to Rs. 84.50. Andhra Valleys were quoted today at Rs. 1.007.50, as against Rs. 1,000 on Thursday last week.

The bank shares could not keep up the upward trend witnessed last week following the publication of encouraging half-yearly results. Bank of Indias declined by Re. 1.50 to Rs. 105, while 'A' shares advanced by Rs. 7.50 to Rs. 106. Centrals dropped a rupee to Rs. 52, 'A' shares easing from ts. 54 to Rs. 53.50. Barodas shed Re. 1 to Rs. 84. Jnited Commercials picked up Rs. 2 to Rs. 70. Jnions gathered 36 nP to Rs. 6.12.

Tata Locomotives provided the brightest spot in the engineering section, the quotation climbing up by Rs. 30.50 to Rs. 308.50. The rise followed hectic buying induced by encouraging prospects of expansion and new capital issue. Premier Constructions also spurted by Rs. 12 to Rs. 377 on hopes of some favourable announcement regarding the Company's capital reconstruction scheme. Khandelwal Alloys were pushed up by Rs. 37 to Rs. 137. Jaipurs Metals strengthened by Rs. 9 to Rs. 140. Larsen and Toubros hardened by Rs. 5.50 to Rs. 51.50. Mahindras gathered a rupee to Rs. 24.24 and Kamanis 44 nP to Rs. 20.56. Alcock Ashdowns, however, were subjected to selling and taken down from Rs. 320 to Rs. 310. Structurals receded by Rs. 20 to Rs. 32.

Shipping shares lacked support. Great Easterns declined by 40 nP to Rs. 17.48 and Scindias by 20 nP to Rs. 15.52. Among automobiles. Premier Automobiles were well favoured on publication of encouraging results and increased by Rs. 11.50 to Rs. 185. The total sales of the Company for the year ended 30th June 1960 were Rs. 20.89 crores, as against Rs. 17.42 crores in 1958-59. Hindustan Motors rose by Re. 1.80 to Rs. 23.08.

In the miscellaneous section, Colour-Chems receded by Rs. 15 to Rs. 470. Dharamsi Chemicals declined by Rs. 5.74 to Rs. 240 *ex-div*. Wimcos eased by Rs. 6 to Rs. 243. National Rayons shed Rs. 5.50 to Rs. 560. Bombay Burmahs were erratic. They moved down from Rs. 656 on the opening day of the week to Rs. 639.50 on Saturday, recovered thereafter and touched Rs. 657 today before finishing at Rs. 648. The net loss over the week is Re. 1. Baroda Rayons were lower by Re. 1.50 at Rs. 162. But Gwalior Rayons jumped up from Rs. 42 to Rs. 50 and finished at Rs. 48 a gain of Rs. 6 over the week. Tata Oils shed Rs. 2.50 to Rs. 82.50. Hindustan Levers lost 50 nP to Rs. 48. T. Manoklals, however, were keenly bid and jumped up by Rs. 95 to Rs. 520. Amar Dyes advanced by Rs. 32.50 to Rs. 527.50, Indian Dyestuffs by Rs. 30 to Rs. 865 and Bombay Potteries by Rs. 21 to Rs. 185. Anil Hardboards and Poly Chems rose by Rs. 15 each to Rs. 435 and Rs. 320, respectively. West Coasts picked up Rs. 8 to Rs. 228. Kemp and Co.s gathered a like amount to Rs. 418. Voltas gained Rs. 6 to Rs. 282. Philips Carbons improved by Rs. 2.76 to Rs. 23.24.

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Madras Stock Exchange

MADRAS, 20*th July*

The recovery in equities noted towards the close of last week gathered further momentum during the week under review, following the end of the Government employees' strike and the restoration of normalcy. Cleared scrips were particularly in the limelight. Turnover, of course, continued to be modest. Teas were well supported on firm advices from auction centres and reports that tea production in South India was higher by 10 million lbs. upto the end of May this year than the same period in the previous year. Coffees made handsome gains, thanks to the forecast made by the U.S. Department for Agriculture that world coffee crop in 1960-61 would fall by six million bags to 71 million bags, though it was considered that there might not be any immediate prospect of stepping up India's exports of coffee, in view of keen competition in robusta coffee from Uganda and Indonesia. Rubbers tended to move up in sympathy. Textiles were firm, induced mainly on account of growing internal demand for textile goods. Sugars met with some investment support. Cheerful conditions prevailed in the miscellaneous section as well.

Among teas, Nonsuch Teas were marked up by Re. 1.15 to Rs. 28. Blue Mountains spurted by 95 nP to Rs. 5.50. United Nilgiris improved by 38 nP to Rs. 22.25. Peermades rose by 25 nP to Rs. 23.50. Periakaramalais put on 11 nP to Rs. 3.78. Haileyburias picked up 5 nP to Rs. 15.30. Kil Kotagiris gathered a like amount to Rs. 5.50. Chembras were fully steady at Rs. 5.55, as also Parksides at Rs. 27.50. Devsholas were unchanged at Rs. 31.50. The Company has declared a final dividend of 15 per cent., taxable, making a total of 25 per cent., taxable (equivalent to 17.5 per cent. tax-free), for 1959, as compared with 25 per cent., tax-free for 1958. Neelamalais, however, shed 5 nP to Rs. 4.95.

In the coffee section, Balanoors advanced by a rupee to Rs. 16.70. Consolidated Coffees, which had remained easy in the previous week, elicited good enquiries and advanced by 80 nP to Rs. 26.80. Coffee Lands hardened by 21 nP to Rs. 26. Ouchterlony Valleys closed higher at Rs. 5.15, as against Rs. 5.06 last week-end. Cowcoodys were fully maintained at Rs. 6.05 and Rajendras at Rs. 16.

Cochin Malabars provided a bright spot in the rubber group, the quotation rising from Rs. 8.25 to Rs. 8.50. Vaikundams strengthened by 15 nP to Rs. 30.35. Kailasas were higher by 5 nP at Rs. 5.55. But Malankaras receded by 25 nP to Rs. 20.25. Midlands dropped 5 nP to Rs. 12.60.

In the textiles section, Lakshmis met with good support and advanced by Rs. 2.50 to Rs. 165.50. Bangalore Woollens improved by Rs. 2 to Rs. 199. Travancore Rayons increased by Re. 1.35 to Rs. 38.60. Cannanores closed today higher at Rs. 155.05 *ex-div*., as against Rs. 161 *cum-div*. last week-end. Buckinghams gathered a rupee to Rs. 206. despite the strike by workers in the B. and C. Mills with effect from the 15th inst., following the dispute between labour and millowners on the question of implementing the Textile Wage Board's recommendations. Loyals moved up by a rupee to Rs. 35. Coimbatore Pioneers were steady at Rs. 351.50, Dhanalakshmis at Rs. 224, Kotharis at Rs. 12.20 and South Indias at Rs. 157. Rang Vilas changed hands at Rs. 44.50. The Directors of the Company have announced a dividend of 5 per cent. taxable (equivalent to 3.5 per cent. tax-free) ; no dividend had been given last year.

Cements and chemicals were particularly firm in the miscellaneous section. Orissa Cements rose by 60 nP to Rs. 14 and Andhras by 50 nP to Rs. 10.85. India Cements put on 18 nP to Rs. 7.05. Dalmias were firm at Rs. 11.85. Among chemicals, F.A.C.Ts. advanced by Re. 1.65 to Rs. 12.30. Mettur Chemicals gathered 75 nP to Rs. 13.50. Mysore Fertilisers and Mysore Chemicals were quoted at the last week's level of Rs. 9.90 and Rs. 25, respectively. Among other miscellaneous industrials, Textools spurted by Rs. 6.50 to Rs. 186. Aluminium Industries hardened by Rs. 2.20 to Rs. 25. Ashok Leylands were higher by 40 nP at Rs. 9.35. Western India Plywoods, however, declined by Rs. 3 to Rs. 300.

MARKET GOSSIP

(Concluded from previous page)

in their opinions. One section is satisfied at the continuance of the scheme on the present basis and considers that the conditions obtaining at present do not warrant any modification. There is, however, another section which feels that, unless the percentage of import entitlement on the f.o.b. value of cloth exported is raised sufficiently from the existing level of 66⅔, not only will the high level of shipments attained in 1959—810 million yards, as against 581 million yards in 1958—not be maintained in the current and subsequent years but there will actually be a marked setback. In support of this view, it points to the keener and keener competition that is developing in world market. Naturally those who hold this view represent the mills which are endeavouring their best to export as much cloth as possible, even though the margin of profit is low as compared with what they would get on sales in the domestic market. These mills allege that there are many units in India, including those with several automatic looms, which are not at all interested in export business, because they are making handsome profits in the internal market itself. Accordingly, these units are not interested in the concessions granted under the export incentive scheme and their representatives may not be keen on supporting the demand of the representatives of predominantly export units for a larger quantum of incentives. A prominent millowner is reported to have said: Why should I bother about exports, when I am quite assured of an adequate domestic offtake which fetches me a decent profit? After all, the domestic consumers constitute the sheet-anchor of the cotton mill industry.

Both are right in a way, for, really speaking, the conflict is now between the demands of consumers and the need for foreign exchange. The question of questions is: Which comes first, the domestic market or the export market? The industry would be well advised to leave the matter to the Government for a decision. for it is the bungling by the Government in the last 10 years that has given rise to this dilemma.

Whimsical Weather

The proverbially fickle monsoon, which, through the centuries, has played hide and seek with agriculturists in India, continues to delight in the cruel pastime. Every year, the monsoon raises high hopes in the hearts of farmers only to be followed, almost without fail, by bitter disappointment as the weather takes an unexpected turn. Earlier optimistic crop estimates are found to be drastically reduced and the season ends with crops much below expectations. This year, the South-west monsoon started in good time and showed promising signs. But the dry weather, which we have been having for the past 10 to 15 days, is causing anxiety about the fate of crops based on monsoon.

So far as cotton is concerned, a crop that is most sensitive to weather, the 1960-61 season too seems to be destined to follow the pattern of the previous two seasons. Till the end of last month, crop progress, in most cotton growing regions, was reported as excellent. Weather conditions in June were ideal for sowing operations. It was, therefore, estimated that, if the favourable weather were to persist, it would be possible to harvest a crop of 5.5 million bales (of 400 lbs. each) on the same acreage that produced a mere 3.75 million bales in the current season. Messrs. Volkart Brothers, a leading cotton trading firm, summed up the progress of sowings till the end of June thus:

> "Unlike last year, monsoon rains started at exactly the right time and extended over the cotton growing areas in a most satisfactory manner. June weather conditions were thus nothing short of ideal for cotton sowings all over the rain-fed tracts. In the Punjab, where new crop cotton sowings were practically completed already by end of May, June saw a most satisfactory development of the young plants. Adequate irrigation water supplies, coupled with some showers, sent the new crop oft to an excellent start. In the Omras, in Gujerat and Saurashtra, timely rains soon enabled the farmers to start and complete new crop cotton sowings well within the time that is thought to be favourable. By end of June, most of the seed was in the ground and germination was reported to be satisfactory everywhere."

Their indication of the progress of sowings this year, as compared with last year, is as follows:

Areas	*End June 1960* Per cent.	*End June 1959* Per cent.
Khandesh	100	75
C.P./Berar ...	75-100	20-50
Madhya Pradesh ...	90	10
Broach	100	75
Surat	80	70

Unfortunately, the weather appears to have taken an adverse turn. The long drought currently being experienced is said to be fraught with dangerous consequences. Although a break in monsoon at this time of year is not unusual, the dry spell has lasted longer than usual. If this were to continue for a few more days, it could do much damage to the cotton crop.

The trade is anxiously watching the course of the weather. The trend of weather in the next few weeks will make or mar the cotton crop. The period is also of crucial importance to the cotton ther hedge trading should be permitted or not in the next season. It will also determine, to a large extent, the form and extent of distribution control on cotton.

As already stated, cotton is not the only crop that is likely to be affected by the drought. Groundnut is reported to have already suffered damage in Gujerat, Saurashtra, and Andhra. It is feared that, if the rains are delayed further, resowing might become inevitable. This deterioration in crop situation, coupled with announcement of export quota, is mainly responsible for the spurt in the price of groundnut withnessed this week; the ceiling has already been pierced.

NEWS IN BRIEF

A CENTRAL Employment Exchange has been opened at the headquarters of the Directorate-General of Resettlement and Employment, New Delhi.

A newsprint buffer stock is being built in Cochin by the State Trading Corporation, in order to meet the requirements of the Kerala newspapers against their quota allotments.

The all-India final official estimate of sugarcane for 1959-60 puts the current year's area and production at an all-time record of 5,178,000 acres and 75 038,000 tons in terms of cane (or 7,579,000 tons in terms of raw sugar, *gur*), respectively.

The village *panchayats* in the Punjab State have been given powers to impose new taxes. Accordingly, the *panchayats* are entitled to impose house tax and levy duty at the rate of not more than two per cent. on the transfer, sale, gift or mortgage of immovable property situated within their area.

The drugs factory, proposed to be set up with Soviet collaboration at Neriamangalam in Kerala State, will cost about Rs. 2-3 crores and will provide employment to about 1 200 persons. This was disclosed by the State Minister for Industries, Mr. K. A. Damodara Menon, in the Legislative Assembly.

A draft agreement seeking to place economic and commercial relations between the two countries on a basis more in accord with Nepal's wishes has been sent by the Government of India to Khatmandu. It will be the basis for further talks on the question at the official level. Broad principles that should govern trade relations between the two countries were agreed upon in March last.

The President has given assent to the East Punjab Holdings (Consolidation and Prevention of Fragmentation) (Second Amendment and Validation) Bill, 1960. The legislation intends to make provision for reservation of land for the benefit of village community. The State Government is empowered to revise or rescind a scheme prepared or confirmed under the Act. It is also authorised to recover consolidation cost from the lessees of long-term leases and the tenants of surplus land.

An automatic re-rolling plant to manufacture wire rods is being installed at Sonepat through the collaboration of Indian and American industrialists. It will have a capacity to turn out 10,000 tons of mild steel wire rods a month. The plant. when it goes into production in the first quarter of 1961, is likely to save foreign exchange to the extent of Rs. 8 crores annually. Wire rods are being imported in large quantities from foreign countries, the only existing plant is Indranagar (Tatanagar) being unable to cope with the full demand.

The Central Water and Power Commission is conducting investigations on the possibility of generating power from hillstreams in Himachal Pradesh, Jammu and Kashmir, Northern U.P., Assam, Tripura and Manipur for electrification of centres in isolated and remote areas. Surveys have also been undertaken recently to select appropriate sites for establishment of small hydro-electric units in these regions. A provision of Rs. 1.6 crores is likely to be made in the third Five-year Plan for the setting up of small hydro-electric units having a total installed capacity of 15,000 kw.

With a view to encouraging mechanised fishing techniques, the Government of Madras has sanctioned a sum of Rs. 1.4 lakh to purchase 50 marine diesel engines of five to seven h.p. for being given to fishermen for fitting them in the existing boats and also in boats that may be constructed by them. These engines will be given at a subsidised cost, namely, 50 per cent. of the actual cost of engines, after collecting a security deposit of Rs. 500 for each engine. The subsidised cost of the engines will be recovered in 30 instalments, spread over a period of three years on a slab scale, at 4½ per cent. interest.

Negotiations have been commenced between the representatives of the Indian and British Governments at New Delhi on the terms of a new British loan of £10 million, offered under the U.K. Credit Guarantee Scheme. The loan, which will be available upto the end of March next, is for meeting Indian commitments falling due in the U.K. and is not tied to any particular project. The usual period of repayment of such loans is 15 to 20 years. In view of its heavy burden of repayment during the next 15 to 20 years, the Government of India is believed to be keen on having the period extended to 25 years.

As a measure of export promotion, the Government of India proposes to grant drawback of duty on steel clips type 'U' for railway track at the rate of Rs. 52 per ton of steel content. In this respect, the Government has issued a draft notification inviting objections and suggestions, if any, before the 26th inst. Meanwhile it has been decided to allow drawback of customs and Central excise duty paid on raw materials used in the manufacture of biscuits, electric motors, and iron castings. Changes have been made in the rates of drawback for panel pins, plastic sequins, tin containers and fabrics containing *lurex* yarn. Further. items relating to pigments, colour paints, etc., have been changed from first schedule to the second schedule.

The U.S. Development Loan Fund has approved of a $2.5 million loan (Rs. 1.2 crore) to the Government of India to finance the foreign exchange cost of building a 27,000-kilowatt power plant for the Barapani hydro-electric project in Assam. The Assam Electricity Board will be the ultimate recipient of the loan. The main structure of the project will be a concrete dam 210 feet high, and 580 feet long on Umian river. The total cost of the project is estimated at Rs. 7.4 crores. The balance of Rs. 6.2 crores is expected to be met out of the counterpart funds accumulated by the U.S. through the sale of agricultural commodities to India under P.L. 480.

An arrangement has been entered into between the Government of India and the Motion Picture Export Association of America for greater collaboration between the film industries in the two countries. Under the present arrangement, the M.P.E.A. will seek to ensure a greater market for Indian films in the U.S. and other countries served by the M.P.E.A. Besides, the earnings of the U.S. films in India will be mostly utilised for the purchase or rent of Indian films, production and co-production of films in India as well as for investment in Indian Government securities. The earnings of the U.S. films in India are estimated at Rs. 50 lakhs annually The arrangement will be in force until March 1962.

The Government of India has sanctioned the setting up of a unit for radioactive tracer studies at tne Central Water and Power Research Station, Poona. The proposed unit will enable the development of utilisation of isotope techniques in the solution of hydraulic problems. By using these isotopes, it would be possible to determine ground water flow, permeability of the strata. and determination of the literal drift and sedimentation. Radioactive research has been found to be particularly useful for ascertaining the silt movement in the Bombay harbour. The experiments in the harbour consisted essentially of determining the movement of dredging material dumped on the sea. In the last four decades, the major channel of the Bombay harbour had to be frequently dredged to enable smooth passage of tenders and deep draft vessels, as the dredging material dumped into the sea is recirculated and finally redeposited in the channel. To discover safe dumping grounds at sea bed, the tests, based on radioactive stud es, were conducted by the Central Water and Power Research Station, Poona. Similarly, the studies can be used for finding out the movement of sand near Madras. Mangalore and other harbours. These studies will be conducted in co-ordination with the Atomic Energy Commission, Bombay.

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From Abroad

Industrial production in Russia went up by 10 per cent. in the first half of the current year, as compared with the corresponding period in 1959.

The Pakistan Council of Scientific and Industrial Research is claimed to have developed a new and cheaper synthetic substitute for cement, called *Pak Tol*.

A leading Dutch engineering company, Werkspoor N. V. in Amsterdam, has secured an order from Russia to supply all the installations for three complete urea production plants.

Soviet Russia has agreed to buy 700,000 tons of sugar from Cuba, if the latter gets into difficulties on account of the recent revision of the U.S. import quota for sugar.

The Government of Burma has decided to set up a jute baling factory to handle its surplus jute for export. The total output of jute in Burma during 1960-61 season is estimated at 32,000 tons, of which only 24,000 tons will be required for domestic consumption.

Orders for the supply of 42 airliners, worth £53 million, were received by the British aircraft manufacturers in the first six months of the current year, and the value of orders for aero engines for installation in foreign airliners was more than £3 million.

A proposal to launch a large-scale mutual aid programme to raise living standards in the Latin American countries was announced by President Eisenhower last week. The programme envisages a contribution which is said to be " substantial but not of unusual magnitude."

The International Finance Corporation has decided to invest $960,000 in an Italian company, the Magrini Maridionale Spa, which is constructing a new plant for manufacturing electrical equipments at Casavatore in southern Italy. This Company is a subsidiary of the Magrini, Bergamo, Italy.

West Germany has concluded a technical assistance agreement with Libya, under which it will depute experts to Libya later this year to advise on the development of agriculture, fisheries, tourist trade, etc. A joint W. German-Libyan training school for mechanics and electricians will also be established.

The World Bank will receive a 240-million dollar loan from West Germany's National Bank. This is the largest loan ever obtained by the Bank outside the U.S. The new loan will bear interest at the rate of 4½ per cent.—well below the current German market rate—and will be repayable in twelve years.

The U.K. Government has offered an immediate loan of £5 million to Pakistan—the first of a series of loans Pakistan expects from friendly countries—to help finance its second Five-year Plan. A substantial part of this loan is expected to be utilised for imports of British-made machinery and equipment for textile and jute mills in Pakistan.

President Nkrumah of Ghana has urged the independent African States to agree on a date for a total economic boycott against South Africa, as a mark of protest against the apartheid policy. In particular, he asked them not to allow South Africa to use their airfields and also to stop sending oil to South Africa through their harbours.

PERSONAL

PROF. M. S. Thacker, Secretary, Ministry of Scientific Research and Cultural Affairs. Government of India, has been elected Chairman of the Commonwealth Scientific Committee with effect from January 1961.

Mr. B. R. Tandon, I.C.S., has been appointed Secretary to the Union Ministry of Health vice Mr. V. K. B. Pillai. I.C.S., who is proceeding on four months' leave preparatory to retirement with effect from 1st August.

Dr. V. K. R. V Rao, who recently relinquished office as Vice-Chancellor of the Delhi University, has taken over charge as Director of the Institute of Economic Growth, an independent and autonomous research organisation run by the Delhi School of Economics Society, with Mr. V. T. Krishnamachari as the Chairman of its governing body.

The Pakistan Government proposes to negotiate separately on tariff concessions for Pakistan exports with the six members of the European Common Market. It is particularly interested in the reduction of the high tariffs imposed by West Germany, France and Italy on exports of tea, jute goods and cotton textiles. W. Germany is reported to have already responded favourably to Pakistan's plea.

It is reported that Soviet technicians have discovered "important" deposits of oil in north Afghanistan. The Government of Afghanistan is currently considering the possibility of setting up a refinery to process its crude oil. Afghanistan is expected to become an exporter of crude oil, and construct pipelines to India and Pakistan at a later stage.

The Japanese Government is currently working out a scheme to modernise or scrap all wartime standard vessels in its merchant fleet in about two years' time. There are at present 228 such vessels, accounting for 730,000 gross tons. Of this, about 230.000 tons will be modernised and 500.000 tons scrapped. It is estimated that a sum of 50,000 million yen will be required to scrap and build 500,000 tons. Half of this amount is expected to be provided by semi-official banks in the form of low-interest long-term loans. the remainder being covered by Government subsidies, proceeds from sales of scrap, and shipowners' own funds.

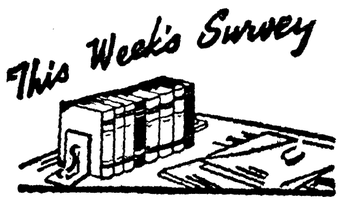
A Bill seeking to remove the existing credit ceiling has been prepared by the Government of Turkey. This decision, which has been taken by the Government after consulting the I.M.F. and O.E.E.C., has been made possible by the announcement made early this month by the U.S. Government to release a sum of £T1,052 million (£42 million) and other counterpart funds. It may be recalled that the restriction of overall banking credits to the total of the credits operative on 30th June 1958 was one of the important measures in the Economic Stabilisation Programme introduced by the Menderes Government in August 1958.

A new trade agreement between Japan and Britain was signed at London last week, after five months of negotiations. The U.K. has agreed to increase quotas for Japanese goods by £3 million. The goods include, among others, transistor radios, cameras and textiles. In return, it is expected that the British manufacturers should be able to expand their exports to Japan by about £3 5 million. Meanwhile, negotiations on a Treaty of Commerce have not been completed. Until this treaty is signed, the U.K. will continue to discrim nate against Japan, invoking Article XXXV of the G.A.T.T., and thus deny it most-favoured-nation treatment.

Wages in Europe are rising faster than those in the U.S.—but they are not expected to cause such a wage-price spiral as to make European goods less competitive in the U.S., according to a recent survey of the Chase Manhattan Bank. The survey points out that large capital investment and technical advances during the post-war years have given Europe large increases in productivity—"large enough in many industries to support the rise in wage rates and still give European producers a growing advantage in international markets.' According to it, despite the expanding tempo o wage increases in Europe. they are unlikely to reacl the U.S. levels in the foreseeable future.

In the course of a report on economic conditions in the Netherlands, the Organisation for European Economic Co-operation has asked the Government there to take effective steps for curbing inflation. The specific measures suggested include limitation of Government and local authority spending, a strict policy with regard to pay rises, an increase in tax. or hire purchase controls. and restriction of bank credit. The labour market in the Netherlands is becoming strained, says the report, and it will be difficult to maintain the rapid rise in production of the last two years. At the same time, demand is increasing faster than production. Public and private investment are rising and substantial wage increases are expected this year.

An agreement for technical and commercial co-operation between the E.M.I. Electronics of Britain and the Swedish aircraft company, the S.A.A.B., has been signed. Under this agreement, the S.A.A.B. will sell E.M.I. equipment in the industrial, automation, broadcasting, instrument and special tube fields in Sweden, Norway and Denmark through its sales organisation, S.A.A.B. Electronics, Stockholm. Likewise, E.M.I. Electronics will market S.A.A.B. products in the British Commonwealth and other countries. S.A.A.B. employs more than 8.000 workers and staff and its range of products include civil aircraft, helicopters, small cars and electronic equipment. The Company is engaged in a major programme for expanding automobile production.



SENATOR J. F. KENNEDY

WHO will be the next President of the United States? This is a question which is rather difficult to answer. So far as the Democratic Party is concerned, Mr. John Fitzgerald Kennedy, a sitting member of the Senate, has been chosen as the Party's candidate for the Presidency. Mr. Kennedy will run against the nominee of the Republican Party—most probably Vice-President Nixon—at the November Presidential election, the forty-fourth election since the U.S. developed from a small group of 13 independent colonies with fewer than four million inhabitants into a nation of 50 States with a population of nearly 180 million.

Whoever may become the chief executive of Americans, there may not be any significant change in the U.S. domestic and foreign policies. For, despite the spirited attacks directed against each other by the opposing parties, they do not seem to differ as dramatically as in the past. Both the Republicans and the Democrats, for instance, accept the broad ideals of American political democracy and the economic system of private enterprise, the disagreement being only within the framework of these fundamentals. Again, both support policies and programmes designed to assist the free world nations that have recently achieved independence. And they support assistance to developing areas through loans and grants, in order to enable them to grow stronger economically. On foreign policy, in general, the two parties as represented in Congress stand for the same basic principles.

The Democratic Party's choice of Mr. Kennedy as the Presidential candidate is to be widely welcomed from the point of view of India. If he is elected as the President, he will, there is no doubt, continue to evince the same keen interest which Mr. Eisenhower has been taking in India's economic development. Mr. Kennedy, as readers are aware, has long appreciated the problems and aspirations of India. In fact, he has been in the forefront of those calling for increased U.S. aid to India. It was he who, more than a year ago, introduced in the Senate a resolution which expressed the interest of that body in creating a special multination economic mission to study India's requirements of foreign assistance and recommend joint means by which the participants could more effectively aid the economic development of India. Here is what Mr. Kennedy said then: "India needs assurance of substantial, long-term assistance from the Western world.... As long as our efforts are aimed only at assuring short-term solvency, they only leave plans for an effective Indian development programme suspended in mid-air." Although his original resolution was later enlarged to include Pakistan, Burma, Afghanistan, Nepal and Ceylon and was not brought to a Senate vote, the Administration has reflected much of the sense of the resolution in its emphasis on increased aid to India (and Pakistan).

The interest of Mr. Kennedy in India and South Asia has gone beyond the floor of the Senate. In several public speeches, he called for increased U.S. assistance to India and other developing areas. The following is an extract from his speech at a gathering of U.S. and Indian experts held at Washington last year:

"India follows a route in keeping with human dignity and individual freedom.... It is our job to prove that we can devote as much energy, intelligence, idealism and sacrifice to the survival and triumph of the open society as the Russian despots can extort by compulsion in defence of their closed system of tyranny. We can give a convincing demonstration that we have not a propaganda or crisis interest but enduring long-term interest in the productive economic growth of the less developed nations."

There is thus sufficient indication to suggest that Mr. Kennedy, if he becomes the U.S. President, will reorient the Administration's foreign aid policy in such a way that India, as well as the other developing nations in the free world, will continue to receive substantial, long-term assistance, financial and technical. In this task, he will surely be supported by his Party to the maximum extent possible. The Party's "platform" programme of international and domestic objectives—adopted by the Democratic Convention on Tuesday last week made a special mention of India (as well as Pakistan) and said: "We recognise India and Pakistan as a major test of the capacity of free men in a difficult environment to master the age-old problems of illiteracy, poverty and disease. We will support their efforts in every practical way." Apart from the Party support, Mr. Kennedy will also be actively assisted by Mr. Lyndon B. Johnson, the Democratic Party's nominee for the Vice-Presidentship, and other sincere friends of India like Mr. Chester Bowles, a former U.S. Ambassador to India. It is, perhaps, significant that Mr. Kennedy has selected Mr. Bowles as one of his foreign policy advisers during his election campaign.

WAREHOUSING

A succinct account of the progress in the development of organised storage and warehousing of agricultural commodities in the country was given by Mr. B. B. Ghosh, the Union Food Secretary and Chairman of the Central Warehousing Corporation, while addressing the annual general meeting of the Corporation held at New Delhi on the 16th inst. The Corporation made all-round progress in 1959-60 in respect of the number of warehouses opened, stocks handled and advances made by banks to depositors. During the year under review, seventeen new central warehouses were commissioned, as against only nine in the beginning of the year. New warehouses were opened at Kozhikode, Guntur, Sriganganagar, Mangalore, Indore, Madras, Alleppey, Akola, Kotah, Cooch Behar, Nizamabad, Kolhapur, Cochin, Dalsinghsarai, Saharanpur, Coimbatore and Berhampur. The number of commodities handled rose from 30 to 60. The storage capacity available also increased from 383,000 maunds to more than 1.1 million maunds. Gross earnings from storage charges registered a fivefold increase, that is, from Rs. 76,193 in 1958-59 to about Rs. 3.81 lakhs in 1959-60. The maximum overall occupancy during the year was 83 per cent., and the minimum as high as 60 per cent.

Another favourable trend to which Mr. Ghosh drew particular attention was the increase in the number of producer-depositors taking advantages of the facilities given by the Corporation. He added that the main object of this organisation was to cater to the needs of the producers, either directly or through producers' co-operatives. He disclosed, in this context, that a central warehouse had been set up at Delhi, with a view to catering to the needs of the Federation of consumers' co-operatives.

With the increase in the volume of business handled by the Corporation, there was some improvement in the financial position. The warehouses which were started in 1958-59 showed a profit, while those started during the year under review, are expected to show a profit during the current year. The excess of expenditure incurred directly on the warehouses over earnings dropped from Rs. 1,25,000 during the previous year to a mere Rs. 19,000. Receipts from storage charges increased from Rs. 76,000 to Rs. 3.81 lakhs, as already mentioned. In this connection, Mr. Ghosh said: "There is justifiable reason to feel optimistic about the future. At the initial stage, most of the warehouses have had to be started in whatever accommodation was available on hire. As we make progress in our construction programme and succeed in having warehouses of economic size and as the total number of warehouses increases further, we can reasonably hope to realise not only our expenditure in the field, but also the expenditure on the headquarters organisation."

It may be noted that there was a significant increase in the number of shares subscribed as well. This, however, was due mainly to the purchase of 4,000 shares by the Life Insurance Corporation. Mr. Ghosh appealed to the scheduled banks in the country to participate in the venture to mutual benefit. He was of the opinion, and rightly so, that it was not desirable that a scheme of this nature should be left entirely or mostly to Government.

The expansion programmes of the Corporation are by and large only modest. The Corporation has conducted surveys of 68 additional centres all over the country for opening new warehouses. In fact, it has already undertaken construction of a number of warehouses. Construction of storage accommodation with an aggregate capacity of 212 800 maunds is nearing completion at Amravati, Sangli, Davangere and Warangal. It is stated that additional construction of a total capacity of 2,184,000 maunds was also undertaken during the year under review. During 1960-61, it is proposed to commission more warehouses with a total capacity of 1.4 million maunds, in addition to two cold storages with a capacity of 56,000 maunds each.

A notable achievement during the year was the provision for specialised storage of a number of commodities like gur, ginger, pepper and copra. Among the further schemes being considered by the Corporation are those for storage facilities for vegetable oils, molasses, wool and lac intended for export, cold storage in Delhi and Gauhati and storage of apples and potatoes at Theog in Himachal Pradesh. Apart from the storage and banking facilities provided to depositors, the Corporation further intensified its programme for training personnel. Two hundred and thirty-one persons were trained during the year in scientific storage, marketing, banking, accountancy and other allied subjects.

The expansion in the activities of the Central Warehousing Corporation was accompanied by a corresponding expansion in the activities of State Warehousing Corporations. These Corporations now have an issued share capital of Rs. 204.10 lakhs, of which the Central Corporation has so far subscribed Rs. 93.60 lakhs. The State Corporations set up new warehouses at 106 centres during the year, bringing the total number of such warehouses to 148. While Central Warehouses are set up at centres of export of inter-State trade, State Corporations' warehouses are established at places which are of importance to State trade only.

MAHARASHTRA

Elsewhere in this issue appears a factual review of the speech delivered by the Finance Minister of Maharashtra, Mr. S. K. Wankhede, on the occasion of presenting the budget for 1960-61 in the Legislative Assembly last week. While Mr. Wankhede has given a lucid exposition of the economic conditions in the State, he has sought to lay an exaggerated emphasis on the nature and extent of underdevelopment in the State. This is not quite understandable, unless, of course, this is meant to serve a political purpose, namely, to make out a claim for a larger share in the national cake of resources from the Centre. It cannot be denied that Maharashtra State is better placed than many other States in the economic map of India. As Mr. Wankhede himself has conceded, Maharashtra "inherits the premier position of the old Bombay State as a highly urbanised and industrial State." The Minister, however, contradicts himself in a way by playing up the relative backwardness of the different regions in the State through a recital of certain economic indicators relating to them, after excluding those pertaining to Greater Bombay for the purpose of his analysis. He has come to the conclusion from these premises that "the economic picture which the State presents is one of a few industrially developed cities, with a relatively underdeveloped countryside." While this contrast is quite striking, this is a contrast particularly true of the whole of India as well, especially of States such as West Bengal, Bihar, Madras, and Mysore. The wisdom of separating the indicators of economic growth of developed cities and of other backward regions within a State for examining the extent of development in that particular State is, therefore, open to question. It is patently propagandistic.

Be that as it may, the fact remains that, while Greater Bombay has been making great strides in the industrial sphere, the economic conditions in the other regions of the State continue to be relatively stagnant. The reasons for this are not far to seek. While Bombay City enjoys considerable natural advantages, apart from possessing well-developed social overheads and other factors favourable to the growth of industries, existing conditions deep in the hinterland of this premier port city are not conducive to the free flow of capital and other factors of production. Although decentralisation is a desirable objective, capital will naturally be shy of moving to those parts of the State which are lacking in adequate water-supply, power, transport and communications, to mention only a few determinants. For instance, in respect of roads, as Mr. Wankhede has admitted, even after spending Rs. 16 crores in the second Plan, the State is expected to achieve only 52.7 per cent. of the Nagpur Plan target by the end of 1960-61. It must be pointed out, however, that the situation is improving, with the discovery of mineral resources such as coal, iron ore and bauxite in the different parts of the State, and the commencement of hydro-electric schemes like the Koyna project.

What is, therefore, needed in this context is a positive policy for attracting capital to the interior and thereby encourage the establishment of industries there. It is highly regrettable that such a policy is conspicuous by its absence in the Finance Minister's budget speech. It would have been in keeping with his description of the economic picture of the State, if he had announced certain concrete proposals for inducing industrial entrepreneurs to move to the interior of the State.

It is, however, gratifying to note that Mr. Wankhede has emphasised the need for a "rigorous control on non-Plan expenditure." He considers this to be one aspect of the problem of increasing resources for development. The other aspect is that of directly increasing resources for Plan activities. This, according to him, is partly a question of further taxation. He has added that "while this will have to be resorted to, to some extent, Government is keen that the necessity for further taxation is kept to the minimum by the increasing participation of the people in the Small Savings Movement." Side by side with procuring of resources, the State Government will do well to practise utmost economy in its expenditure, with due priorities assigned to industrial development. Although the second Plan outlay in the State (Rs. 214.04 crores) is expected to exceed the original allocation by about Rs. 10 crores, this is being achieved by providing for larger expenditure under social services, community development, etc., where the return is practically nil. In the case of industries and mining, a large shortfall, that is, as much as 40 per cent., is anticipated. There is thus an urgent need for rearranging the priorities in the State Plan in such a way as to restrict the expenditure on unproductive schemes and to expand the investments on projects that will yield sizable surpluses for reinvestment.

POWER LINK ACROSS ENGLISH CHANNEL

The power link proposed to be constructed between Britain and France across the English Channel, apart from being a tour de force of modern engineering, is a remarkable example of international co-operation between two neighbours in the judicious use of their resources to mutual advantage. The cross-Channel submarine power cable link will connect the national electricity systems of Britain and France. This will enable the English housewife to cook food, at times, by melting Alpine snows and her counterpart across the Channel to heat her iron by coal from British collieries.

The cable connection will enable both the French and British networks to transfer to each other, according to needs, hundreds of megawatts of power. This is possible because of the marked dissimilarity in the patterns of electricity consumption in Britain and France. As planned at present, the connection will transfer 160 megawatts of power from one system to the other at peak periods. It will also transfer power, at other times, to meet conditions of surplus or shortage. The chief advantage of such a link is that, as one country can call upon the other for extra generating capacity, the necessity to build expensive additional plants in each country is obviated to the advantage of both.

Half the cable line will be laid by Britain and the other half by France. The Associated Electrical Industries Ltd. and the British Insulated Calender Cables Ltd. have already been given a £6,10,000-contract for laying the British half of the link by the British Central Electricity Generating Board. The other half will be laid by cable-making companies appointed by Electricite de France, the French counterpart of the British Board.

The connection between the 275,000-volt supergrid in the U.K. and the 225,000-volt French network will be by a direct current circuit of 160,000 kilowatts, with a 20 per cent. overload for isolated periods of 30 minutes. The direct current transmission will operate at 200,000 volts between poles, with its centre point earthed, and the cables will be insulated for a nominal voltage of 100,000 volts to earth. The normal, full load current will be 800 amperes. When complete, this submarine circuit will carry the heaviest D.C. load ever transmitted under water.

The channel connection will consist of two 30-mile submarine cables routed between a point near Dungeness, Kent, and Le Portel, a suburb of Boulogne in France with three-to-four-mile sections of land cable at each end. Converter stations able to rectify from alternating current to direct current and invert from direct current to alternating current are to be sited at Lydd, in Kent—from where connection will be made to the British grid system through a 275,000-volt line to Canterbury—and at Echinghen, near Boulogne. The D.C. circuit will go via underground cable from Lydd to a link-house at Dungeness. The circuit will also join the French 225,000-volt grid system by underground cable from the coast, at Le Portel, to the converter station at Echinghen. The depth of the Channel over the British half of the route reaches to a maximum of 20 fathoms, while the maximum in the French half is about 30 fathoms.

The cables themselves as developed successfully from sea trials are of the impregnated paper-insulated solid type. The land cable will be similar in design to the submarine cable, except that neither anti-twist types nor submarine anti-corrosion protection will be used. The armour wires will be considerably smaller in size. Each country will be responsible for its own land section and half of the submarine section from the coast to mid-Channel where the cables will be joined together.

The connection is one of the most ambitious submarine power transmission links ever to be installed. Work has already begun on the construction of the converter station at Lydd and, by 1961, when the manufacture and laying of the submarine and land cables will have been completed, a new reserve of power will be obtainable economically for both countries.

It is estimated that the cost of manufacturing and installing the direct current cables and associated equipment will be about £4.6 million. The power link will make available to Britain, at times of peak demand, the equivalent of generating plant capacity which, if it had to be installed, would cost about £8 million. The cross-Channel interconnection is expected to result in net annual savings of £250,000 to Britain alone.

MASTER PLAN FOR DELHI

The draft master plan for Delhi, published by the Development Authority, will be widely welcomed. For one thing, it is based upon surveys of the various aspects of the urban life in the city. It will, therefore, serve as a model of its kind for other urban planners. Secondly, the future of Delhi has more than a mere local significance. Being the capital of the country, the city should be well-planned and its standard of amenities in keeping with its national status. That today Delhi is far from being a national city is the opinion of all visitors to that centre. Neither the residential facilities for an average (as distinguished from an affluent) visitor nor the means of communication within the city itself are of an order that inspires people. The fact is that those who go to Delhi to represent their case to the Government, or for business, jobs or education, have reason to feel disappointed by the standard of amenities it affords.

The aim of the plan is to harmonise Old and New Delhi—no two areas situated so close to each other have been so further apart in spirit—to set right the adverse consequences of past unplanned growth and to regulate future development. The plan deals with four distinguishable areas: (1) Delhi-New Delhi areas (170 sq. miles); (2) rural areas (400 sq. miles); (3) metropolitan area including Ghaziabad, Faridabad, Bahadurgarh and Narela (800 sq. miles) and (4) national capital region (4,500 sq. miles). A study of Delhi's topography, it is stated, shows that there are definite limitations to expansion towards the north, because of swampy and floodable land, towards the south because of hilly and rocky land, and towards the south-west because of saltpetre in the soil. The only directions in which urban expansion can take place are towards the west, north-west and in Shahdara. There is no doubt that expansion must be planned and promptly executed. The city's population is growing. Out of the total population of 1.75 million in 1951, about 640,000 were economically active. By 1966, the working force in Delhi is expected to rise to one million, and by 1981 to two million, of which the working force in industry alone will be 525,000. It will be desirable, according to the master plan,

(Continued on next page)

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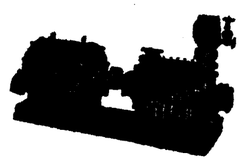
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LONDON LETTERS

THE TWO SIDES OF CONTROL

(From Our Own Correspondent)

LONDON, 15*th July*

EARLY this week, the Opposition in Parliament had the opportunity of slating the Government for their restrictive economic policy. "In quick succession," denounced the Shadow Chancellor, Mr. Wilson, "there had been a tight Budget, hire purchase restrictions, the reintroduction of the credit squeeze, the announcement about cuts in Government expenditure and a crisis level Bank Rate of 6 per cent... simply because production has increased."

It seemed a frightening indictment, especially when the point was rubbed, in that the credit squeeze had been put on at a time when industrial investment in manufacturing industry was still below the level of 1957. While, as for the cuts in Government expenditure, what could look worse than to point out that, if they had the money, anybody could build a public house or some other place of entertainment, while a school, because it came out of public money, would be denied as inflationary. The last, indeed, was the Opposition's sharpest barb, and the one that the Government could not answer.

The Government, declared the Opposition, were hagridden by the fear of renewed inflation; they could not achieve full employment without lurching into crisis; if wages attempted to rise as fast as productivity, then the Government "reacted like a group of frightened sheep." And with all this, while imports had risen 18 per cent. in the early part of this year against last year, exports had only risen 11.5 per cent.—while, in the Sterling Area, exports were continually on the decline: 4 per cent. last year and a further 2 per cent. up-to-date this year.

Then, abandoning logic, the Opposition spokesman declared that it was an internal boom that was pushing up imports and deflecting exports. So the case against the Government became one of denouncing them for taking anti-inflationary measures and denouncing the results of the inflation against which the Government were taking measures.

However, if one leaves the political byplay aside, it still looks a frightening indictment—but the very features which build it up made the props which the Chancellor of the Exchequer, Mr. Amory, used in justifying the Government's policy.

Mr. Amory has now decided to retire at the end of the present Parliamentary session, and this occasion was the last one in which he would be sustaining the Government's economy policy—his own creation. The Chancellor believes, indeed insists, that the main enemy now and in the years to come will be inflation. He is quite prepared to give the appearance of fluctuating policy, only he insists that it is not that. The policy remains a firm one throughout—to avoid inflation. "Sound planning," he said, "could only take place against a background of an economy kept in proper balance," and there we have, in a nutshell, Mr. Amory's economic policy—to keep the economy in proper balance.

How the late Lord Keynes would have thundered against such a philosophy! In his masterly analysis of the factors that motivated capitalist economies ("The General Theory, etc.") he pointed out that it is perfectly possible to keep an economy in balance at the lowest level of activity: unemployment may be rife, the standard of living may have sunk to a subsistence level, and the economy may be in proper balance. The problem of a modern capitalist State is not simply to keep the economy in proper balance, but to have that balance at the highest possible level of productive activity. Mr. Amory has not got the answer to that, and the Opposition, when in office, never showed that they had.

When the Chancellor of the Exchequer turned to the external position of the U.K., he made an interesting declaration of British policy towards Europe. The Government, he said "wished the Governments of the European Economic Community well in their constructive project. The British Government's desire was to see a single European system established in which all could participate. That desire was shared by their partners in the European Free Trade Association and by many in the Six." But, of course, the fact that everybody would like to achieve this happy result and the happy result has not yet been achieved, makes it clear that more is needed than aspirations.

As for Britain's position *vis-a-vis* the world, the Chancellor stressed that, in 1959, the balance of payment surplus on current account was not sufficient to pay for investments, and lending and other expenditure abroad. The country needed a bigger current surplus, but yet the rise in exports appeared to have levelled off. In the Government's view, we were still not earning enough to pay for the country's overseas commitments, including very heavy capital commitments to underdeveloped countries, and that, in Mr. Amory's view, was adequate justification for all the measures of internal credit control. Productive effort had got to be directed overseas.

Finally, the Chancellor laid down his articles of faith.

(1) the more promptly controlling action was taken the less drastic and the more effective;
(2) the balance of payments must be safeguarded, sterling strengthened, inflation warded off and price stability preserved;
(3) we must be able to compete in earning revenue overseas.

So this is how Mr. Amory will now go down into history. It is good, it is fine, but it is not progressive.—*All Rights Reserved.*

II

THE FETISH OF MULTILATERALISM

LONDON, 8*th July*

(Delayed in transit)

Two things have happened recently to worry the British Government into thinking that they must gird on once more the sword of multilateralism which they wielded with such effect in the days of post-war European recovery. In those days, many countries, quite certainly all the so-called "satellite" countries, tried to do deals with Britain which were more or less naked barter. These deals, favoured by interested Supply Departments in the U.K., broke down on the rock of Treasury resistance, a rock securely rooted in American support. However simple or advantageous a barter transaction might appear, it must be condemned because it was barter. Deals must be done on a cash basis on either side—the seller free to use his money where he wished. Devices such as non-transferable sterling had sometimes to be tolerated, but the Treasury was determined, and succeeded, in abolishing these as rapidly as possible. The British Treasury had the strongest conviction that the strength of sterling depended on its universal use, and that barter, which eliminated the use of sterling, would in the long run be detrimental to the country's interests.

One of the recent incidents which has made the issue alive again has been the barter transaction between Cuba and Russia, involving the swop of sugar against oil. America has her own oil reasons for opposing the transaction, but the British Government is against countenancing it, because of its own horror of barter. Accordingly, the British Government finds itself in complete sympathy with the oil interests concerned and this is likely to make her an automatic supporter of whatever American policy over Cuba may emerge.

But, in the second instance, Britain, to her surprise, finds herself taking an opposite stand to America. The instance is the growth of the Development Assistance Group, which is the "western" consortium which embraces countries adherent to the "west," such as Japan, concerned with devising the best machinery for co-ordinating aid to deserving developing nations. This week the Group is meeting in Germany, and Britain has been concerned at the spread of the system of tied credits, a common medium of extending such aid. If the U.S. or Germany, for instance, had wished to offer aid for development, it said to the recipient country that it might draw to the extent of x million dollars or reichmarks *only to be spent* in the creditor country. Now the U.K. cannot offer as much aid as the U.S., for instance, but the U.K. can often offer the same goods more cheaply, and the British Treasury regards it as quite contrary to British interests that development credits should be given that cannot in any circumstances be spent in the U.K. Such tied credits smack of barter. They mean that trade must be bilateral instead of multilateral, and, to put the matter on a high moral plain, aid, instead of being co-operative, becomes competitive.

West Germany had a balance of payments surplus last year of £450 million and the U.K. considers that a country with such a surplus should not tie any strings to whatever form of aid is given. The U.S.A. is not enjoying a surplus at present, but Britain's appeal to her is on the broad grounds of trade policy. America is a believer in the widest freedom of trade, and it pained the members of the British Delegation to argue with those they had thought were the very apostles of the creed of freedom.

It seemed to them immoral of the U.S. Treasury representatives to argue in defence of tied credits which they said were the only means by which a country with a balance of payments deficit could give aid. The American line on this was not quite the same as the German, since they had not attempted to support tied credits by countries with a favourable balance. But the rest of the world will find it hard to accept the idea of America as a weak trading country unable to extend aid abroad, unless the dollars are spent in the U.S.A.

At the moment, it does not seem as if the U.K. Delegation will get its way, but the effect of this on the British Treasury purists will be to make them resolve more than ever to defend the principle of aid to be freely expended in the markets of the world, but, at the same time, to make them cynical of the absence of true principles governing American trade policy.

As far as recipient nations are concerned, while it is comforting to be credited with currency which could be spent anywhere else in the world, they are likely to accept that it is up to them to make the best deal they can with each potential creditor. After all, a credit with strings to it is better than no credit at all.—*All Rights Reserved.*

I.C.I. TO SPEND £10 MILLION ON NYLON EXPANSION

The Imperial Chemical Industries of Britain is to spend £10 million to provide additional capacity for the manufacture of nylon polymer. Presumably the plant, which will have a capacity of about 15,000 tons a year, will be at Wilton. The decision to build this extra plant is said to have been based on the need to "meet the expected increase in demand for nylon from the textile and plastics industries," but a clearer indication of its purpose is suggested by the fact that it will produce nylon 6 polymer. The existing ICI capacity and the one at present under construction are all designed for the manufacture of nylon 66. But nearly two months ago, British Nylon Spinners, which is owned half by ICI and half by Courtaulds, and which obtains its supply of nylon polymer from ICI, announced that it planned to expand its Gloucester factory and that the products made in the extension would be of nylon 6 types. It thus seems clear that the output of the additional I.C.I. capacity will feed the B.N.S. extension which is scheduled to come into production in about thirteen months time, according to the B.N.S. statement. In that statement it was also revealed that the extension would include "further provision for the industrial yarn market, including tyres." Nylon type 6 is generally suitable for tyres and it can also be used in various forms of heavy industrial yarn. One new feature of the planned I.C.I. expansion is that it will include facilities for the making of caprolactam, which is the monomer from which the nylon 6 polymer is derived. Caprolactam has not hitherto been produced in this country.

SURVEY

(Concluded from previous page)

to find ways and means to make available opportunities for industrial employment to about 140,000 persons in towns and cities around Delhi, in addition to those who are expected to stay there anyway.

The housing shortage, which is already acute, will become worse with the passage of time, unless constructional activity is speeded up. Last year, the shortage was estimated at 100,000. And Delhi is a city, the population of which is increasing at the rate of 100,000 persons a year. It is computed that, by the end of the third Plan, provision will have to be made for about 25,000 houses for Government employees, 25,000 subsidised houses for low-income groups and for developed land for about 60,000 dwelling units for the same category to enable them to build their own houses. In addition, steps for developing land for about 16,000 houses for the higher-income groups will have to be taken.

Impressive and well-documented as the plan is, it can by no means be regarded as a blue-print for immediate implementation. There is no indication of what the schemes it recommends will mean in financial terms. Subsequent studies are expected to tackle this problem. Those in charge of administering the plan will have to face the difficult task of laying down some order of priority in which it should be implemented. The plan suggests the appointment of an *ad hoc* committee, consisting of representatives of U.P., Punjab and Delhi to advise the Government on its implementation. Perhaps the committee could acquire a national status through inclusion of one or two Members of Parliament. After all, since Delhi is the national capital, visitors from other parts of the country should find it an agreeable place during their sojourn. A master plan for Delhi should necessarily reckon with the problem of a large floating population. No serious thought seems to have been given to this aspect of the city's development.

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FOREIGN FINANCING FOR INVESTMENT PROJECTS

CRITERIA FOR ACCEPTANCE OF ASSISTANCE

By M. S. Parthasarathi

AN attempt is made in the course of this article to formulate certain criteria for judging any offer of foreign financial assistance for setting up investment projects in an underdeveloped country. The objective is to ensure that the country is not burdened with external debts which need not have been contracted at all. Incidentally, this will make certain that the country concerned accepts foreign assistance, only if the project for which aid is being offered passes certain economic tests. In any case, it is obvious that acceptance of foreign assistance can be justified only if its non-acceptance will lead to certain undesirable results or its acceptance will give rise to certain desirable results which cannot otherwise be obtained. The aid-giving countries and international organisations, as well as countries receiving aid, should be interested in seeing that international obligations between nations do not accumulate except on economically justifiable grounds. The growing volume of criticism in both aid-giving and aid-accepting countries on the misuse or wasteful use of foreign assistance makes a restatement of the principles that should govern the giving and acceptance of foreign aid important, particularly for India which is now on the threshold of the third Five-year Plan. Discussion hereafter will, therefore, be centred on the problems confronting this country.

Scheme in Third Plan

The third Five-year Plan, the broad outlines of which have now become public, assigns an important place to assistance from abroad in the scheme to raise resources for the public sector. (For details of the scheme, *vide* page 79 of *Commerce* dated 9th July 1960). Two objections are possible to this scheme of financing. One is that borrowings of one sort or another will be called upon to provide almost 65 per cent. of the outlays. This will add to the domestic debt burden of the Central and State Governments. The second and more serious objection is that this procedure also adds to the international debt burden of the country. This criticism is perfectly valid, particularly because the total foreign assistance expected for the third Plan is Rs. 3,200 crores, of which Rs. 300 crores is for the private sector, Rs. 500 crores to meet interest and repayment obligations and Rs. 200 crores in the form of P.L. 480 foodgrains for buffer stocks. Before proceeding further, it must be pointed out that there is no ground for entertaining any fears on account of a growing domestic public dept. Any student of economics knows that there is very little meaning to the size of a country's domestic public debt, such as to cause concern, apart from its impact on the distribution of incomes. A large internal governmental debt markedly shifts income from the working sections of the population, who are by and large non-holders of Government securities, to the non-active or comparatively less active sections. This may have two consequences. It will aggravate disparities in income, and it may act as a disincentive to greater effort by the active workers. Most modern tax systems are, however, designed to offset these effects, and many Western nations have only tolerable inequalities of incomes, and some of them are even socialistic, in spite of a huge domestic public debt. Moreover, most of the public debt is nowadays held by banks, life insurance and provident funds and other institutional investors, so that the transfer-of-incomes argument has little validity.

Drawbacks

Unlike domestic borrowings, loans from abroad, it can be argued, involve the country in some loss of real resources, taking the long run into consideration. In the first place, it is said that a country cannot borrow abroad without paying interest, so that repayment will exceed the principal by the amount of interest paid each year until the loan is finally cleared. As is well known, international price movements tend to disfavour an underdeveloped country over a period of time, with the result that the cost of imports will go up, thereby reducing the country's capacity to save out of current foreign exchange earnings to pay the interest on its foreign debt. This leads one to the second argument, namely that a country borrowing abroad will be put to loss of real resources. The terms of trade of a borrowing country, particularly if it is a developing country and an exporter mainly of primary products, tend to move against it, calling for larger exports to pay for the same quantity of imports. The chances of this happening cannot be overemphasised, since a developing country is at the same time trying to readjust the pattern of its foreign trade, and in so doing will find the traditional rigidities of world trade operating against it.

Not So Serious

But neither of these drawbacks of borrowing abroad is quite so serious. The argument that a foreign loan involves an ultimate drain on the ground that interest will have to be paid is somewhat specious, because, if domestic capital is entitled to receive interest, so is foreign capital, whether it is governmental, institutional or individual capital. Just as no individual will borrow unless he thereby hopes to make a profit, no nation will or must borrow abroad, unless the benefits thereof will outweigh the interest that will have to be paid. Thus, on balance, the ultimate and sole justification for seeking or accepting a foreign loan is that it will benefit the domestic economy after meeting the service charges on the debt.

As regards the second drawback, since international loans are generally in the currency of a country, nearly always in the currency of the lender, and not in terms of real resources or in terms of gold whose value can appreciate, the additional burden imposed by any worsening of the terms of trade will invariably be more than offset by the gradual tendency of prices in general to rise and thus depreciate the real value of any loan in terms of a specified sum of money. This, however, assumes that the unfavourable shift in the terms of trade will not force the borrowing country to devalue its currency. In fact, devaluation is the third, and worst, situation in which the borrowing country will find that it has to pay far in excess of what it borrowed to repay a foreign loan, how much in excess depending on the extent of the devaluation.

Ways of Borrowing

The three possibilities which may add to the real burden of the foreign debts of a country will not apply equally to all types of international borrowing. It is necessary here to point out that a country can contract an international debt in one of several ways. One, the Government of the country concerned can float a loan in an international money market, with the consent of the Government in whose jurisdiction the market is situated. This method of foreign borrowing is now very rarely resorted to or permitted. Two, the Government of the borrowing country can borrow from foreign governments, international agencies or foreign private financial institutions. All these loans will usually be in the currency of the lending country. Three, private businessmen in the borrowing country may seek loans from foreign and international lending institutions; these loans will usually be in foreign currencies too. Four, foreign private capital may be allowed to come into the borrowing country, either by itself or in partnership with native business men. It must be emphasised that the inflow of foreign private capital will land a country as much into debt with the rest of the world as outright borrowing by the Government of the country concerned, though the fact of the burden arising is not highlighted, as such transactions do not figure in the Governmental budget. They will, however, figure in the balance of payments, which is where one should look for gaining some idea of a country's international obligations. One point in favour of foreign private investment is that this is the only type of foreign capital inflow into a country which will not add to its international debt burden in the event of a devaluation of the borrowing country's currency.

Effect of Creeping Inflation

Before entering into a detailed analysis of whether it is worthwhile on economic grounds for a country to borrow abroad to finance investment projects, the one major factor which would favour a borrowing country in the long run needs to be re-emphasised. The general price level in all countries has a secular tendency to rise. This rise has on the average been about 2 per cent. a year even in the most prosperous and economically sound country. The result is that loans such a country gives to foreign countries depreciate annually at the same rate. Therefore, if the rate of interest is not excessive and if the terms of trade do not move too adversely, the borrowing country will find that the real burden of its international debt is getting reduced year by year. In the case of foreign private investment, this factor will operate even more in favour of the debtor country. Since it will be undergoing the processes of economic development, the debtor country will experience considerably higher price increases than will the creditor country. As private foreign investment will be in the debtor's currency, the real value of the original foreign investment will depreciate even faster. However, this may be more than offset by the larger profits of private investment. In addition, private foreign investment will be in industrial plant, buildings and other real property whose monetary value too, will appreciate all the time, perhaps keeping pace with, or very often outmatching, the general price level and the resultant depreciation in the value of the currency unit.

The foregoing preliminary considerations provide the background in which one can judge whether contracting international debts in one form or another to finance the economic development of an underdeveloped country is justifiable. One of the basic assumptions of this study is that an international debt is contracted only to finance productive investment. The question to be considered in this context is whether the product of foreign borrowing is of sufficient value and importance to warrant the additional international payment obligations being assumed by the country. It is, of course, possible that the borrowing country will fail to use a perfectly justifiable loan to good purpose or may even misuse it. These are administrative and political problems with which we are not concerned here. It is but reasonable to take it for granted that lending countries will, before giving a loan, evaluate the chances of the borrower putting the loan to good use. It is possible that creditor countries will make some allowance for waste in the utilisation of foreign assistance, but, after all, they stand to lose nothing, so long as the borrowing countries are in a position to honour the debt. It is therefore, incumbent on the borrower to take every factor into consideration before running up international obligations.

In the present situation of most underdeveloped countries, contracting, or trying to contract, external debts has almost become an essential part of their efforts to mobilise resources for development. The reasons are simple. Most underdeveloped countries unfortunately do not save enough to finance an investment programme which will set in motion within a short period of few years an automatic and self-generating process of economic expansion. Consequently, they have to depend on foreign loans to bridge the gap between available domestic savings and the minimum amount of investment needed to help the country go forward to the so-called "take-off" stage. Besides overall scarcity of savings, the pattern of production in backward economies is usually such that even the available or mobilisable domestic savings are in the form of resources which cannot be directly diverted to investment. The problem is to sell abroad domestic goods equivalent to and representing the savings available, over and above financing non-development imports, to pay for the import of additional capital goods, so that the domestic savings available can materialise into productive investment.

The Minimum Condition

It is logical, therefore, to expect underdeveloped countries seeking foreign loans to direct them into lines of activity which will make easier the task of mobilising increasing amounts of savings out of a rising national income and channelling them into investment. So long as this comprehensive objective is being accomplished, it can be asserted with confidence that foreign loans obtained have been utilised for a sound economic purpose. This statement, however, needs to be qualified. Evidently, a country will borrow abroad either to produce goods and/or services (in some cases) which will replace imports or which have a good and ready market abroad and can be exported to pay for the import of capital goods. The second alternative involves some risk as its success in expanding exports will depend a great deal on the international economic situation. Also, the domestic demand for the commodity in question may increase so much that the producer or producers feel no need to maintain or step up exports, though the interests of the country may demand that they should. In this eventuality, not only will the original purpose in contracting the loan not be realised, but even the servicing of the debt may have to be done out of the normal export earnings of the country. An investment of this type financed by a foreign loan, whether in full or only in part, can be justified only if the additional exports it helps in creating will pay for both interest payments and repayment of instalments of the principal falling due. It will be much better if, in addition, it also helps in transforming at least the extra money savings out of the additional income generated by that investment into additional real investment. In fact, such industries as can do this should be given preference. If it does not accomplish these things, it will be a misdirected and economically unjustifiable international debt. So long as a project satisfies the minimum condition, foreign assistance for the project should be welcomed, since new enterprises involving foreign collaboration, besides providing additional incomes, create new opportunities for nationals of the developing country to acquire technical and managerial skills, which will surely improve the total economic potential of the country.

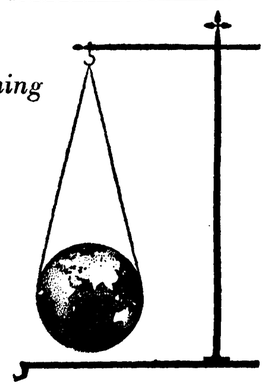
Producer and Consumer Goods

In trying to replace imports of manufactured commodities by home production, an underdeveloped country may seek either to process domestically available raw material or imported raw material. In either case, so long as domestic consumption of the commodity concerned does not show any abrupt jump, domestic production will be cheaper to the country as a whole, in terms of the foreign exchange which will have to be laid out on the commodity. However, where a country borrows abroad to set up such an industry, certain factors will have to be taken into consideration. Let us first examine the case of an industry which will process domestic raw material. If it is an industry which will turn out producer goods which can directly go into investment, ordinarily no further justification for seeking a foreign loan is needed. It is possible that, in the absence of anything definitely more worthwhile to establish, establishment of an industry producing consumer goods machines will be worthwhile, as it will be easier to export these machines to earn foreign exchange in the normal way to pay for extra machinery imports in the near future. This, of course, will have to be judged on an individual basis.

On the other hand, if the new industry to be set up with foreign aid is a consumer goods industry, it will be necessary to consider what the country was doing with its output of raw materials and what quantity of the finished product it was importing. If, on balance, the export of raw material was bringing in more foreign exchange than the cost of importing finished goods, the new investment to be financed by a foreign loan should not adversely affect the country's foreign exchange earnings from the export of raw material. In addition, it must earn sufficient additional foreign exchange to service the loan, either by export of the finished product or by a more economical use of the raw material, facilitating larger earnings from the export of raw material. It may very well be that, when the idea of a foreign loan for such an industry is first mooted, the preliminary conditions stipulated above will be fulfilled. As time passes, production may be expanded without any further loan to such an extent that servicing the debt becomes a charge on the general balance of payments since this particular industry's contribution to foreign exchange earnings may dwindle to nothing. If this type of expansion takes place, and if the original foreign financing was in the form of private investment, reinvestments will multiply the service charges to many times what it was originally, and all of it having to come out of the regular foreign exchange earnings.

In the case of an industry which will have to process imported raw material, the situation can become even worse. Even here, however, if the industry for which a foreign loan is being contracted will produce investment goods, the objections will apply only in so far as it does not produce the right type of investment goods or too much of the same type of investment goods. It is, therefore, necessary to evaluate the importance of the product to the economic development of the country, the recurring saving in foreign exchange after allowing for service charges by setting up domestic capacity as compared with recurring and perhaps increasing imports, and the chances of production expanding to undesirable levels, thereby adding to the service charges in foreign exchange and import requirements of raw materials and, consequently, diverting real resources from other more desirable uses. An industry using imported raw material may easily expand production to levels far in excess of the best year's import of the final product made from that raw material, requiring larger recurring foreign exchange outlay for the import of raw material to feed the domestic industry. It may be easy to cut down the import of the final product in a tight year if there were no counterpart domestic industry, but a similar reduction of raw material import will be much more difficult since domestic productive capacity will then be forced into idleness with the resultant labour and other kindred problems. All these contentions will have greater force, if the industry proposed to be set up with foreign loan assistance is a consumer goods industry, because such an industry

(*Continued on page 180*)



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COTTON TEXTILES IN THE THIRD PLAN

TARGET FOR DECENTRALISED SECTOR QUITE LIBERAL

THE Planning Commission expects the demand for cotton fabrics to rise by an average of 300 million yards per annum during the third Plan period. On this basis, the total domestic requirements of fabrics are estimated at about 8,500 million yards by 1965-66, as against the current annual consumption rate of about 7,000 million yards. In addition to the domestic demand of this order, the quantity of cloth required for export purposes is put at 800 million yards, which more or less represents the current rate of shipment. The aggregate requirements of cloth are thus placed by the Commission at 9,300 million yards. This compares with 7,610 million yards, the estimated production for 1960-61, the last year of the second Plan, that is, 1960-61. Accordingly, the Commission has fixed the target in the Draft Outline of the Third Plan, at 9,300 million yards. Of the additional 1,690 million yards of cloth, more than fifty per cent.—890 million yards, to be precise —has been earmarked for the decentralised sector of the cotton textile industry (handlooms, powerlooms, *Ambar charka* and *khadi*), leaving the balance (800 million yards) to be produced by the mills. The table below indicates the actual targets of production fixed for the two sectors:

(Yarn in million lbs. and cloth in million yards)

	1965-66 (Target)	1960-61 (Estimate)	1955-56 (Actual production)	1950-51 (Actual production)
Cotton yarn	2,250	1,900	1,640	1,179
Cloth:				
Mill	5,800	5,000	5,102	3,720
Handloom		2,125	1,471	742
Powerloom		405	273	148
Khadi	3,500	48	29	7
Ambar cloth ..		32	..	..
Total handloom, powerloom, etc...	3,500	2,610	1,773	897
Grand total cloth ..	9,300	7,610	6,875	4,617

The capacity targets of yarn and cloth for 1965-66 are 2,250 million lbs. and 5,800 million yards, respectively; corresponding estimated figures for 1960-61 are 2,100 million lbs. and 5,300 million yards.

It will be seen from the above table that, out of the 9,300-million-yard production target for cotton piecegoods to be reached by the end of the third Plan, the target envisaged for the decentralised sector of the textile industry is quite liberal, being 3,500 million yards. Its break-up as between the different segments, namely, handlooms, powerlooms in the handloom sector, other powerlooms and *khadi* (including that made from a mixture of *Ambar* and ordinary *charkha* yarn) is yet to be finally determined. For the handloom industry, however, a production target of 2,800 million yards by 1965-66 has been suggested and this represents a rise of 675 million yards as compared with the estimated output of 2,125 million yards in 1960-61. The additional quantity is proposed to be secured partly by bringing into active use about 200,000 looms which are at present idle and partly by improving productive efficiency through technological improvements, including gradual installation of semi-automatic looms, as well as by strengthening the structure of handloom co-operatives. With regard to the powerlooms in the handloom sector, it is proposed to concentrate on the installation of 13,000 powerlooms already approved during the second Plan period. The emphasis in organising the additional production of *khadi*, it is said, "will be on meeting local requirements of consumption, so that the difficulties of marketing large surplus quantities are avoided."

Progress Made So Far

The development programme for the decentralised sector of the cotton textile industry, as envisaged in the Draft Outline of the Third Plan, would appear to have been based on the progress reviews made by the handloom and *khadi* Working Groups. The reviews reveal that the production of handloom cloth has increased from 742 million yards in 1950-51 to about 2,125 million yards (estimated) in 1960-61 and that of traditional *khadi* from 7 million yards to 48 million yards. The estimated output of *khadi* cloth woven from a mixture of *Ambar* yarn and ordinary *charkha* yarn in 1960-61 is 32 million yards. The total number of handlooms in the co-operative sector has risen from 680,000 in the middle of 1953-54 to about 1.2 million at the beginning of 1959-60. Fuller employment, it is claimed, has been provided to approximately three million handloom [illegible] and part-time employment to nearly a million spinners, besides whole-time employment to carpenters, blacksmiths, etc., engaged in the manufacture and repair of equipment in *saranjan karyalayas*. It is said that marketing of *khadi* presented considerable difficulties during the latter half of the second Plan period and that sales of handloom cloth have also had occasional setbacks. The installation of powerlooms by co-operatives of handloom weavers has been slow. Thus, out of 13,000 powerlooms already sanctioned, only about 3,500 are expected to be installed by the end of 1960-61.

Spoon-feeding

It may be true that there has been a marked expansion in the output of handloom cloth during the last ten years, the estimate for 1960-61 being 2,125 million yards, as against 742 million yards in the base year of the first Plan (1950-51), or a rise of 1,383 million yards over the ten-year period. It must be noted that these figures are only estimates, the veracity of which is not free from doubt. The production figure for 1950-51, in particular, seems to be a gross underestimate. In any case, it is not a representative year, as yarn supply to handlooms in that year suffered a marked fall as the mills were busy with the Korean war boom. But this consideration apart, one wonders if the rise in production of handlooms would have been possible but for all the spoon-feeding by the State—reservation of markets in certain varieties of cloth *vis-a-vis* the mills, adequate yarn supply, full tax remissions, and active financial assistance in the form of loans, grants, rebate on sales, etc. The total expenditure on handlooms and powerlooms in the handloom sector during the second Plan period is put at as high as Rs. 32.1 crores and the allocation made in the third Plan is Rs. 36.0 crores.

In spite of all this State aid and encouragement, there is as yet no sufficient indication to prove that the productivity of the looms has registered any significant improvement. It is not surprising, therefore, that the prices of handloom fabrics continue to be higher than those of mill products, so that the incidence of reservation of spheres of production, the rebate scheme and the excise duty on mill cloth is ultimately borne by the consumer. It is, however, gratifying to note that the Planning Commission has emphasised in the Draft Outline that the role of subsidies, rebates on sales, and sheltered markets must be progressively reduced, and that efforts be directed more intensely towards improving the productivity of the worker through positive forms of assistance.

WOOLLEN GOODS EXPORT INCENTIVE SCHEME

The Export Promotion Directorate has revised the woollen goods incentive scheme of 21st October 1959 with effect from 1st April, 1960 without affecting the obligations undertaken by exporters under that scheme. Accordingly, exports of woollen goods and carpets made on and after 1st April 1960 are now governed by this Special Export Promotion Scheme for woollen goods for 1960-61. The exporters of carpets, druggets and rugs are now entitled to import raw materials—wool, wool tops, shoddy wool and permissible dyes and chemicals—only if they are registered under this scheme with the All-India Handicrafts Board. The import licences are issued on the following basis:

For dyes and chemicals: to the extent of 5 per cent. of the f.o.b. value of exports; these are issued to all registered exporters.

For woollen rugs and druggets and inferior carpets up to 10 per cent. and for carpets having more than 61 knots per sq. inch: 20 per cent. of the f.o.b. value of the exports; these licences are issued to the exporter/manufacturers and to the manufacturers nominated by the registered exporters.

The import licences will be normally issued on the basis of the past exports, though the All-India Handicrafts Board may also recommend issuing "Special Licences for Export Promotion" to the registered exporters on the basis of prospective exports against firm orders to the value of Rs. 25,000 or above. In the latter case, the exporter must export the required amount of goods within six months of the import of the raw material.

The scheme also applies to exports against payments in rupees under special arrangements. Exports to Nepal, Sikkim, Bhutan and Portuguese possessions in India are not taken into account.

Non-fulfilment of the export target fixed for the individual exporters without any good reason, within the specified period, will be taken into account at the time of the registration for the next or the subsequent period.

CARPET EXPORTS DURING 1959

India exported carpets worth about Rs. 5 crores during 1959, as against Rs. 4.65 crores in the previous year. Carpets earn the maximum foreign exchange for the country among the Indian handicrafts. A 2 per cent. decline in sales to the European countries at Rs. 2.93 crores was more than offset by an increase of 34 per cent. to the American countries. The American purchases aggregated Rs. 1.78 crores. Exports to African countries also recorded a rise. There was, however, a fall of 50 per cent. in exports to the Oceanic countries. Asian countries also bought less. The value of woollen carpets exported by India to some of the important countries during 1959 as compared with 1958 is given below

(In lakhs of rupees)

Countries	1959	1958
United Kingdom	269.05	282.15
West Germany	4.47	3.39
Switzerland	4.16	4.92
Belgium	3.89	1.76
U.S.S.R.	3.31	0.04
Norway	2.29	0.48
Denmark	1.07	1.24
U.S.A.	103.00	62.14
Canada	74.82	54.70
Singapore	8.29	10.52
Hong Kong	1.22	0.99
Kuwait	0.61	2.56
Australia	13.65	25.04
New Zealand	1.36	5.03
Other countries	7.66	10.39
Grand total ...	498.85	465.35

STRIKE IN B. AND C. MILLS

It is deplorable that the 15,000 workers of the Buckingham and Carnatic Mills in Madras have gone on an indefinite strike with effect from the 15th inst., despite the considerable spirit of accommodation shown by the management on the question of implementing the Wage Board award. When the millowners and labour leaders reached an understanding on the Wage Board award on 30th June last, the management of the B. and C. Mills expressed its inability to accept the terms of the agreement on the ground that its workers were given certain cash benefits which were not enjoyed by most other mill workers in the State (night-shift allowance, temporary war production bonus and one per cent. annual rise in wages of certain sections of workers) and which should be set off against the increase in wages recommended by the Board. Subsequently, however, the management agreed, thanks to the mediation of the Madras Minister for Labour and Industries, to give, in addition to the wage increase suggested by the Board, night-shift allowance and also to merge the war production bonus with the perfect attendance bonus, but stated that the one per cent. rise in wages now earned by workers would be frozen at the present level and be paid as personal pay. The spokesmen for labour, however, wanted the last item alone to be referred to arbitration, while the management contended that its offer was for an overall settlement and, if there was to be arbitration, such should be on all the three points.

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BOOM IN TEXTILE INDUSTRY ENDING?

VIEWS OF TWO LEADING MILLOWNERS

From Our Special Correspondent

MANCHESTER, *12th July*

SINCE the announcement of the redundancy plans in the cotton textile finishing trades was made, market discussions have persisted on an increasing scale. This section of the Lancashire textile trade has never been particularly keen to voice its opinions publicly, and attention has been directed towards the attitude likely to be adopted by the "little men" in their approach to the problems involved. It has been suggested that one of the objects of the plans now drafted is to encourage the merging of some of the smaller units or their absorption into the combines. The mere fact that compensation will only be paid for the scrapping of a complete production unit is an obvious pointer in this direction.

MANCHESTER LETTER

Those companies which have no desire to withdraw completely from the trade and wish to retain other assets they may have are thus faced with the problem of staying in and financing others to withdraw or making arrangements to combine their activities with suitable former competitors. The time factor, as in the previous schemes in the producing sections, is again of vital importance. Minds must be made up, in all probability by the end of October with the added incentive in this instance that, unless the minimum scrapping targets are attained, the whole financial burden of redundancy will be placed squarely on the shoulders of the trade itself.

Time for Reconsideration

Some explanation should be given regarding our comments last week which indicated that no firm could withdraw from the scheme after having registered its plant for scrapping. This is true once an acceptance has been received from the Cotton Board, which will not be until the end of the first participation period of three months. A change of mind within this time will be permitted, but approval of plans to scrap will be binding.

Some criticism has arisen on the terms of compensation payable to displaced operatives, but, as in the case of the earlier schemes, this agreement has been drawn up between the employers' organisations and the trade unions involved and has the backing of both official bodies. If textile finishing follows the pattern of the earlier processes, the works should eventually operate at much nearer full capacity and provide employment for not far short of the same number of operatives. At the same time, shift-working is not as easily managed as in spinning or weaving and more overtime is used to cope with sudden rushes of demand.

Everything in the scheme is being done to encourage speedy and effective disposal of units which, it is felt, can be dismantled without disturbing the efficiency of the industry. Arising from the experience gained in the earlier plans, provision is made for the setting up of realisation companies in any section. These would be non-profit-making organisations to facilitate early closing down of units and enabling firms to hand over their assets and receive suitable payments without having to wait for the lengthy legal processes which are often necessary in such matters.

Among the varying methods of eliminating surplus capacity in finishing suggested under the proposals, it is pointed out that a firm may acquire another firm and then dispose of one or more production units under its control. So long as registration of plant for scrapping is submitted during the participation period, there is no bar against recent acquisitions being included and firms may close down production units subsequently acquired.

Subsidy Decision Needed

It is no secret that a number of influential firms outside the main combines are not entirely happy about the proposals. They contend that the terms offered to finishers are far less generous than those provided in the spinning, doubling and weaving sections and the insistence of the authorities that whole units should be scrapped is not favoured. Another point on which there is controversy is the reluctance of the Government to assure the trade that a re-equipment subsidy will follow the successful elimination of surplus plant.

While it is believed more than likely that modernisation aid will eventually be available, the finishing sections do not appear to be offered quite the same incentives as the producing branches and there is more of an air of mystery about the current schemes. The "small men" generally assert that such programmes favour the "big boys" and it must be admitted that the flexibility of the combines gives them an advantage.

At the same time, as in the case of the earlier schemes, it is extremely unlikely that another opportunity of this kind, to be paid for withdrawing from the industry, will ever again be available. In the main finishing sections, surplus capacity averaging about 30 per cent. is known to exist; in particular sub-sections, it is even more, rising to nearly 50 per cent. Some methods must be adopted to consolidate the position and put an end to weak selling by small firms which are content to run their machinery into the ground.

Hard at Work

Figures issued in the Cotton Board's latest quarterly survey indicate clearly the aftermath of the redundancy schemes in Lancashire's spinning, doubling and weaving mills. Although the returns cover weekly average machine activity during the first quarter of the year, the introductory comment provides the postscript which is the vital factor. Machinery in place after the completion of the scrapping schemes at the end of March was 13,150,000 mule equivalent spinning spindles and 166,000 looms. This compares with about 25,400,000 spindles and 259,000 looms in April 1959.

How effective the reorganisation has been can be gauged from the further information that over 95 per rent. of the spindles and about 93 per cent. of the looms available were actually running at the beginning of the second quarter of the year. Average spindle hours worked per week increased from about 44 to 53 and from 52 to nearly 60 in the case of looms.

"This is a reflection of the expansion of shift-working and the increase would undoubtedly have been greater but for the fact that a considerable number of the workers displaced by the scrapping programme have not stayed in the industry," the review points out. The effect of a fall of over 17,000 in the manpower on the books of employers in twelve months has been comparatively small. The daily output rate in the first quarter of the year was ahead of the 1959 level in both spinning and weaving.

The trade situation is summed up by reports of no obvious decline in the length of order books, the maintenance of deliveries, and the continuation of retail sales of clothing at the excellent level established in the last quarter of 1959. "Despite the strong demand from the home market, there should be no general shortage of supplies with production and imports running at their current levels, though there may conceivably be difficulties in particular lines," the review adds.

Cotton Boom Ending?

A warning that the present boom in the cotton textile industry may only last another twelve months is contained in the annual report issued by Mr. Kenneth O. Boardman, Chairman of Boardman, Marden, Ltd., the Manchester firm of manufacturers and merchants. "Excellent trading conditions which we are experiencing at the moment seem certain to continue during this year," he forecasts. "By 1961 reserve stocks, which are at present negligible, should increase." Describing the Government's reorganisation scheme for the cotton industry as "successful in so far as it has eliminated a good deal of surplus machinery," Mr. Boardman says that it has yet to prove whether re-equipment will ensure full running for an infinite period in the face of Far Eastern and European competition. "If the world textile boom subsides, which may well be about the middle of 1961," he adds, "Lancashire being one of the dearest producers would be the first to be affected."

This warning was followed by Mr. James F. Simpson, Chairman of Simpson and Godlee Ltd., the Manchester textile manufacturing and merchant group, who said: "With all this apparent and real prosperity and amidst scenes of activity that have not been enjoyed since 1952, it may seem out of place to strike a cautious note. While our present position in regard to orders is a very great deal better than 12 months ago, nevertheless there is no dramatic increase in sales of textile goods over the counter in this country and there is no sign whatever of our shipping trade improving. In those two conditions, it is difficult to see where the improvement is coming from."—*All Rights Reserved.*

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WHITLEY COUNCILS FOR SETTLING DISPUTES

ARE THEY SUITED TO INDIAN CONDITIONS?

THE uneasy calm that now prevails after the recent storm of Central Government employees' strike is the appropriate occasion for some vigorous rethinking on the machinery for ensuring cordial and smooth relations between Government and its employees and for swift action to compensate for the long neglect of the problem which had precipitated the crisis. Whatever might have been the rights and wrongs of the strike, such a situation should not be allowed to arise in the future. The Government is reported to be actively considering the question of establishing staff councils on the model of the Whitley Councils, which are in vogue in the U.K., as was recommended by the Pay Commission. To the extent the question has been invested with a touch of urgency the strike has not been in vain.

What are these Whitley Councils? What is their role in the relationship between the Government and its employees? How do they function in the U.K.? Are they suited to the conditions in India? If not, what modifications are called for?

Before going into these questions, it might be appropriate to examine whether there is at all need for a machinery for settlement of disputes between Government and its employees. Since the Government is supposed to be fair to its employees—the Government itself being responsible for holding the scales even between different sections of the community and preventing the exploitation of one by the other—should it not be relied upon to be fair to its own employees? To this question, the second Pay Commission (Chairman: Justice Mr. Jagannadha Das) itself has given the answer. According to it, the Government is, no doubt, free from the profit motive in the usual sense. Even in industrial and commercial undertakings run by the Government, the profit motive is subordinated to wider considerations of public interest. But the community's pressure to keep down taxes and the desire for economy in Government expenditure might have the same effect as considerations of profit among private employers. Though divergently inspired, the ultimate result in both cases, the Commission points out, may be identical, namely, resistance to reasonable demands for increased remuneration or for improvement in conditions of service. The fact that the Government is increasingly undertaking industrial and business functions blurs the distinctions between the Government as employer and other employers.

Machinery Needed

Strike is a weapon which employees in the private sector can and do use to get their demands conceded. If Government servants are denied the right to strike, justice demands that there should be an alternative arrangement for securing equitable treatment. In the Commission's view, an adequate machinery for negotiation, redress of grievances and settlement of disputes should be established and there should be a reasonable provision for arbitration to which recourse can be had should a difference on a question of remuneration or some other particularly important condition of service remain unresolved.

Almost identical views were expressed by the first Pay Commission (Chairman: Justice Mr. Varadachariar), which had suggested that some machinery should be kept in constant operation to "secure co-operation, consultation, discussion and negotiation between the staff and the Government." In its view, it was wrong to think that anything in the nature of the Whitley system could not be usefully introduced in India. It, therefore, recommended the establishment of joint councils for Government employees on the lines of the Whitley machinery.

When these recommendations were first considered by the Government, it was decided that, in view of the changes then contemplated in the Central Secretariat services, it was premature to introduce such councils in the Ministries generally. The matter rested there until 1954, when the Government decided to establish Staff Committees (renamed Staff Councils in August 1957) in the Central Ministries. Each Ministry has now got two staff councils—a Senior Staff Council for class II and III employees and a Junior Staff Council for class IV employees.

These arrangements do not exist in the railways where staff relations have had an independent evolution. A permanent three-tier negotiating machinery was set up in pursuance of an agreement between the Railway Ministry and the employees' representatives. This machinery has been functioning since January 1952. The employees of the Posts and Telegraphs Department and the civilian staff of the industrial establishment under the Ministry of Defence have also been provided with machinery for consultation and negotiation. But there is no such machinery for the employees in industrial, commercial and financial undertakings owned and run by the Government. They are, however, covered by the Indian Trade Unions Act, 1926, and the Industrial Disputes Act, 1947, which do not make any distinction between the employees of Government and other employees. Thus, in law, the industrial staffs of the Government are well placed to secure satisfaction of their reasonable demands as any other employees. The arrangements in respect of other Government employees also might appear not unsatisfactory. But the chief criticisms of the existing machinery made by the employees are that (1) the will is lacking, on the part of the Government, to accept the principle of joint consultation as an effective instrument for prevention of disputes, (2) even where the machinery is well conceived, it is not being worked efficiently, (3) meetings are not held regularly nor decisions taken promptly or implemented, (4) some of the officers representing the administration do not have the right attitude towards the machinery which they are supposed to work.

Whitley Councils

The vast majority of Government employees, according to the second Commission, is of the view that the situation required the establishment of a machinery which, in form and spirit, largely resembled the Whitley machinery in the U.K.

This machinery consists of a National Whitley Council for the general classes of the civil service, and separate Departmental Councils for staff peculiar to a department. The object of the National Council is to secure "the greatest measure of co-operation between the State in the capacity of an employer, and the general body of civil servants in matters affecting the civil service, with a view to increasing efficiency in the public service combined with the well-being of those employed." Its constitution provides that "the scope of the National Council shall comprise all matters which affect the conditions of service of the staff." The National Council, which has a total strength of 54, is composed of two sides—official and staff—in equal numbers. The National Council is not concerned with purely departmental matters. For these, there is, in most departments, a Departmental Whitley Council, independently appointed, with official and staff sides on the lines of the National Council. Similarly, there are district or regional committees which deal with the purely local problems of the staff distributed throughout the

(Continued on page 180)

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NEW PUBLICATIONS

Unions and Union Leadership : Their Human Meaning. Edited by Jack Barbash. Published by Harper and Brothers, New York. Pages : 348. Price : $ 6.00.

THIS book is a collection of essays by a number of contributors ranging from newspaper reporters to educationists, economists, sociologist and psychologists. The editor, who is a professor at the School for Workers and Department of Economics, University of Wisconsin, has himself had experience as a union official, Government employee and labour affairs commentator. The main purpose of the book, in the editor's own words, "is to give the reader some feeling for and understanding of labour union as an enterprise made up of live human beings."

In addition to general aspects of the status of labour movement and its impact on society, specific issues such as bargaining relationship between unions and management, racketeering, communist penetrations of labour ranks, violence in labour disputes and Government intervention are dealt with in some detail. The editor's introductory comment, outlining the general framework of the book, enables the individual sections to be seen as part of a whole rather than as an unrelated assortment of essays.

The preparation of a book like this is by no means easy. The editor has to strike several sorts of balances, in the design of the volume as a whole, in choosing the contributors and subjects, so as to ensure objectivity and impartiality. However much one tries, it is difficult to avoid an element of personal bias and subjectivity in the selection of authors and topics. But it must be said to the credit of the editor that he has succeeded, by and large, in achieving an overall balance of viewpoints.

This book will be found useful by the general reader, as it presents the facts behind the news in labour matters, by students of labour problems because it gives a balanced picture of the current situation and by the trade unionists as it provides an insight into the wide variety of issues involved in labour movement.

Although the book is concerned with the situation in the U.S., parts of it have more than national relevance. For instance, bargaining relationship between unions and management, violence in labour disputes, Government intervention in disputes, etc., are topics of interest to Indian readers.

Tax Problems of the Family Company. By Milton Grundy. Pages : 157. Price : 17s. 6d.

Financial Problems of the Family Company. By A. R. English. Published by Sweet and Maxwell, 2 and 3 Chancery Lane, London. Agents in India : N. M. Tripathi Private Ltd., Princess Street, Bombay-2. Pages : 164. Price : 21s.

The elder Dombey in Charles Dickens's "Dombey and Son" saw in the birth of his son rich promise of continuing prosperity for his business. There is a certain pride and exclusiveness among those who are connected with family companies which, in many countries, have survived the ravages of time and economic vicissitudes. A family company, as is well known, is an enterprise which is owned predominantly, if not exclusively, by members of a family. The two books under review deal with the problems of the family company. Although they are written from the point of view of companies owned by families in Britain, the problems they deal with are similar to those met with in India. Many such companies function in this country; some of them are models of financial rectitude and good management. Nevertheless, they have certain peculiar fiscal and financial problems. They arise from the fact that the financial and fiscal affairs of the principal shareholders are intimately connected with those of the company itself. It is these problems that form the subject matters of the two books.

The first part of *Tax Problems of the Family Company* examines the impact of different taxes, such as income-tax, surtax, profits tax and estate duty, on a family company, while the second part deals with tax planning for the family company. Written in an extremely intelligible manner, the book is one which all those connected with family companies will do well to study.

Inflation and high taxation have made it difficult for family companies to find finance for development. Sometimes, the death of a principal partner may not only deprive the company of a source of finance but expose it to the difficulty of finding money for payment of estate duty. This, of course, is only one aspect of the financial problems of the family company. Mr. A. R. English, examines the sources and kinds of capital and the ways in which financial problems of a family company could be solved. Besides covering a very wide ground, the two books supplement each other admirably.

Supplement to The Law and Practice of Income Tax. By Sir Jamshedji B. Kanga and N. A. Palkhivala. Published by N. M. Tripathi Private Ltd., Princess Street, Bombay-2. Pages : 326. Price : Rs. 12.50.

Every book on taxation today has to keep pace with the numerous amendments that are introduced in the statutes in quick succession and the development of the case law which grows in volume because of half-baked amendments which invariably go to the Courts for a verdict on their proper construction and effect. This explains the need for the book under review, which supplements the fourth edition of the authors' book on income-tax—a publication which is one of the best commentaries on the Income-tax Act. This book is referred to not only by the assessees and the lawyers and accountants who guide them but also by the judges of the various courts in this country and by the Income-tax Department itself.

The amendments to the Income-tax Act during the years 1958 and 1959 are many and of a far-reaching nature. Not only the Finance Acts of these years but also the Income-tax (Amendment) Act 1959 have effected changes in the Act. The Finance Act 1959 abolished the legal fiction under which income-tax paid by the company is deemed to have been paid by the shareholders. A shareholder is now liable to pay income-tax as well as the super-tax on dividends he receives and gets no credit for the income-tax paid by the company. This abolition necessitated the amendment to Sections 12(1A), 16(2), 18(5), 20, 35(9), 49B, 49C, 51 and 58. The book contains a detailed table of cases, the Act with all the amendments, the commentary which is now added to the fourth edition, the rules under the Act, the notifications, orders, etc., pertaining to income-tax and a chapter on "Miscellaneous Statutes" which contains the Finance Acts 1958 and 1959. An index to the book would have facilitated easy reference. The publishers have taken pains to see that the binding of this supplement is better than that of the fourth edition.

The Eastern Purchasing Journal. Edited by A. R. Palit, 76, Sunder Nagar, New Delhi. Pages : 108. Price : Rs. 3.

Although there is no dearth of technical publications on the many facets of production, curiously, there is, in this country, a woeful lack of journals dealing with purchasing—one of the most important management functions. Purchasing has long ceased to be the simple act of buying some thing at a price which it was when production was less complex than it is today. It has now developed into a highly complex and specialised function which includes, among others, procurement through sub-contracting, hiring and barter deals. It enters into a large number of related and complementary activities connected with planning, production, sales and finance.

In view of the importance of purchasing in production planning, the journal under review, which is devoted exclusively to purchasing, is welcome. The first issue is very satisfactory. It serves a rich and varied fare. Various aspects of industry and Government purchasing are discussed by eminent contributors having intimate knowledge of purchasing. Mr. V. N. Rajan, I.C.S., Director-General of Supplies and Disposals, deals with central purchase and indigenous development. Dr. Lal. C. Verman, Director, Indian Standards Institution, underlines the interrelations between standards and purchasing. Mr. D. R. Mukherjee, I.R.S.E., discusses the various aspects of purchasing.

This journal is a must for firms having or planning to have purchasing departments. It will enable them to get to know the techniques of purchasing for profit.

Survey of Milk Production in the Jamia Development Circle in 1952-53 ; Rural Credit and Co-operation in the Jamia Development Circle in 1957-58 ; Size and Distribution of Holdings in Two Villages in the Delhi State in 1952-53 ; Survey of Rural Employment in Two Villages in the Delhi State in 1955-56. Published by the Jamia Institute of Agricultural Economics and Rural Sociology, Jamia Nagar, New Delhi.

The Jamia Institute of Agricultural Economics and Rural Sociology was established on the recommendations of the Indian Universities Commission of 1950, at Jamia Nagar in September 1952. Ever since its inception, this Institute has conducted several rural surveys under the guidance and supervision of its Director, Prof. M. Aquil. The publications under review are the direct outcome of such surveys conducted from time to time. It has selected Jamia Development Circle in Delhi as its area of rural economic and sociological investigations.

The survey pertaining to Milk Production deals with milk production and consumption in Jamia region, and the success and failure in milk production. This survey is supplemented with many useful tables and charts. The survey on Rural Credit and Co-operation is an interesting one. After studying the position regarding demand and supply of rural credit in Jamia Development Circle, the authors came to the conclusion that "what is lacking is not the number of co-operatives as such or the adequate availability of financial resources but proper approach and organisation. It is the human element both in its quantitative as well as qualitative aspects which is deficient in supply and which is holding back the progress of co-operatives." The survey on Rural Employment in Taimur Nagar and Madanpur in Delhi State underlines the general conditions of rural employment in those villages. The survey dealing with the size and distribution of holdings in Jasola and Khizrabad villages in Delhi State cover the size, sub-division and fragmentation of the holdings of owners and of various categories of cultivators and vegetable growers. The Institute deserves to be complimented on its good work in the sphere of rural economic investigation.

A Primer of the Theory of Administration. By Jaroslav Tuma. Published by H. L. Mathrawala, 219, Frere Road Bombay-1. Pages : 73.

Management has now attained the status of a science. It is, of course, a great art as well. After all, the management of a factory or any enterprise, for that matter, involves not only the knowledge of physical factors and the methods of arranging them but also of human beings and their motivations. Mr. Jaroslav Tuma has written an excellent introduction to the science, giving a bird's-eye view of some of the more important aspects of management. The topics dealt with include basic principles of administration, personal qualities of administrators, labour relations and methods of management. This is a good and remarkably well written book.

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SOME THOUGHTS ON PRODUCTIVITY MOVEMENT IN INDIA

NEED FOR FORMULATION OF A PUBLIC POLICY

By Dr. Om P. Nijhawan

THE concept, measurement and interpretation of productivity are somewhat new to India. In the industrially advanced countries like the United States, however, a considerable amount of work has already been done in this branch of social science. Technological innovations that form the very hub of increased productivity are sought to be introduced to yield increasing volume of production. Attempts have been made to determine the efficiency of various productive units and measures have been devised to work out new techniques to increase productivity. As a result of their efforts to increase productivity, most industries have introduced such measures as the introduction of quality control, time and motion study, standardisation of the product, etc. Efforts are also made to improve the relations between labour and management in the various segments of the economy.

This is, however, the traditional approach for increasing productivity that has been talked about for quite some time now in Western countries, and the same is being repeated in India. The National Productivity Council is doing useful work in India in trying to popularise these considerations and the "productivity movement" in general. In a recent Seminar held by the Council at New Delhi, many divergent viewpoints were expressed. While the management brought to the forefront its own problems, labour came out with complete unacceptability of the "productivity concept"—for according to it, the basic problem facing the Indian economy is the widespread unemployment and underemployment and the increase in the productivity of labour would not solve this basic problem—rather it would accentuate it.

It is not the intention of the writer to enter into any controversy with the labour or the management point of view. But there are certain basic considerations which were altogether ignored at the Seminar. For the National Productivity Movement to gain the required momentum, it is imperative to consider the factors which would help formulate a public policy. While it is not sought to minimise the importance of the factors discussed at the Seminar and the considerations mentioned above, it is necessary to add that there seems to be something lacking in the traditional approach and that is the consideration of some very important factors which may have implications to the formulation of a public policy with a view to enhancing the overall productivity of all producing units in the economy. It is the purpose of this paper to point out certain considerations on the "macro" level to help the formulation of public policy.

Potential and Effective Productivity

In approaching the question of productivity, it would seem most instructive to divide the objective—high productivity—into two parts, namely, potential productivity and effective productivity. The purpose of the separation is to enable a clear understanding concerning each category.

Productivity is defined in various ways; however, in the technical sense, it is a statistical concept showing the relationship between the output of the product and the input of some economic resources. Potential productivity generally refers to the *maximum feasible* long-run rate of production. Effective productivity, on the other hand, refers to actual productivity. While potential productivity is determined by the "state of industrial arts," effective productivity depends upon enterprise. Experience has shown that effective productivity is generally lower than potential productivity. One of the problems, then, is how to narrow the gap between effective and potential productivity or how effective productivity may equal or approach potential productivity.

Potential productivity requires close tie to full capacity and is traceable to autonomous factors. Lord Keynes has observed that the level of potential productivity that a country can attain at any given time depends significantly on the size of the capital goods industry it has already built. This, however, assumes constant technology. It may be pointed out that techniques have a tremendous bearing on potential productivity. Changes in techniques generally require the deepening of capital, resulting in a higher capital-output ratio. This, in turn, means that more capital will be required per unit of output, implying that productivity per employed worker would tend to increase. The new capital goods which give concrete shape to new techniques account for the increase in physical output. The problem of how to stimulate growth capacity becomes mainly a problem of how to advance techniques. Advance in technological know-how effects an upward shift in potential productivity.

Baseless Suspicion

There is a common suspicion, as was voiced at the National Productivity Council Seminar, that the application of new technology to the process of production reduces unit labour requirements and adversely affects the employment situation in the economy as a whole. In the long run, however, this is not true. There would generally be a certain amount of technological displacement in the beginning, but, in the long run, the actual employment situation would improve. Demand for additional equipment responsible for productivity gains will create new job opportunities in the industry supplying equipment. In case the productivity gains achieved in an industry are passed on in the form of price reduction, the purchasing power saved by the customers of the industry, if it has not been used for additional purchases from the same industry, will be spent on the products of other industries, thus stimulating the demand for labour. If the productivity gains are passed on to employers or wage earners within the industry in the form of higher profits or wages, there will be more investment or expenditure, with a resulting addition to job opportunities in other industries. The secondary repercussions of technological displacement, if allowed to unfold, will thus certainly provide at least full compensation for the primary technological labour displacement.

In an underdeveloped economy, there is actually a vast choice of what technique to use. Some of the modern techniques that may be used in the process of production might require capital-using tools and also big sums of money funds. The change of techniques in the process of production depends upon *entrepreneurs'* expectations and cost of production. Availability of funds, the purchasing power that has to be placed at the disposal of the *entrepreneurs* to bring together different factors of production into productive units, should not be allowed to become a bottleneck. In instances where *entrepreneurs* have choices to make between old and new techniques, some being more expensive than others, there are two considerations which control the choice in the long run: (1) The comparative per worker productivity of final output involved in the use of two techniques and (2) the availability of money which makes feasible the carrying out of the decisions. Each of these has a bearing on potential productivity. Financial institutions are thus placed in a new light. Their function is to make money available to *entrepreneurs*, so that they can bring about the most efficient combination of different factors of production.

Credit Policy

Thus, the recognition of the fact that high productivity depends upon technological developments and placing capital at the disposal of the *entrepreneurs* makes us focus our attention on formulation of public policy. The policy should aim at channelling these factors of production in the most effective manner. It may incidently be mentioned here that, while the Reserve Bank of India, in its effort to curb inflation, has taken various steps to impose selective credit controls, it has hardly taken any major positive steps to stimulate enthusiasm amongst the commercial banks to make available purchasing power for productive purposes through rationalisation and expansion of industry. This is just an example of the consideration that is important in the formulation of a public policy for increased productivity.

So far we have talked about the factors responsible for increasing potential productivity. It is important to focus attention on potential productivity, for it is only an increase in potential productivity which would be responsible for a higher standard of living. But, in most of the productivity discussions, attention is mainly focussed on the problem of narrowing the gap between effective and potential productivity. We must recognise that, with changing technology in a developing economy, the potential productivity must also increase at a rapid speed. It would, of course, mean that efforts at increasing effective productivity shall have to be doubly important to catch up with the potential productivity. But the idea of increasing potential productivity cannot be allowed to remain in the background.

Effective productivity, as has already been pointed out, depends upon the ability of an enterprise to utilise existing techniques. While our long-run concern is the growth in the level of potential productivity, in the short run the maximum utilisation of existing resources for higher rate of production is a matter of paramount importance. The cost of production and the propensity to save are important factors in the utilisation of full capacity, as, due to excess of savings and decrease in effective demand, some of the capacity may remain idle. These are, again, some of the considerations pertaining to effective productivity which one must take note of in formulating a public policy for increasing productivity.

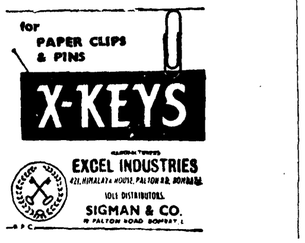
In fine, there are several factors that account for changes in productivity. In order to effect an increase in the rate of output, it would be necessary to see that the management utilises all the factors of production to yield maximum results. To accomplish this, it would, of course, be necessary to ensure that cordial relations exist between management and labour and that the man working on the job finds his work interesting and most suited to him. The real problem of management in increasing productivity is "how to make the man like his job"—whatever may be the nature of the job. These considerations fall under the "micro level" of effective productivity.

Sharing of Gains

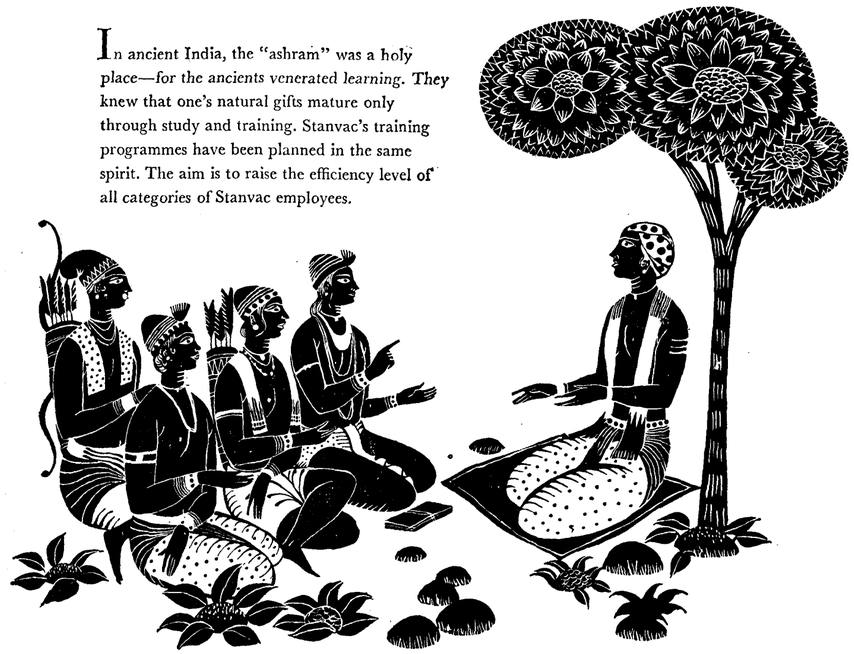
Another factor which is really important but not adequately emphasised by most people discussing productivity is the sharing of gains from increased productivity. The productivity in any sector of the economy can be expected to maintain its rising trend if the gains resulting from co-operation of various factors of production are shared more equitably. A great deal of mass enthusiasm can be created among workers, if they realise the benefits from the rise in productivity. Moreover, in an economy where production and productivity are rising, it is essential that consumer expenditure should increase which ultimately depends on the level of workers' current incomes.

Finally, it is extremely important to compile productivity data which are important for the formulation of public policy. The statistical information relating to productivity of various productive units is of over-riding significance in the case of India where charting of developmental plans and their frequent reappraisal have become almost a common phenomenon. Like the national income statistics, the productivity data aid in judiciously allocating resources in various spheres of the economy. The productivity data, in effect, help to bring out the degree of performance of a productive unit at different periods of time or as compared with similar units operating in different areas. Productivity data would also throw light on whether or not large-scale plants are more efficient than the medium or small size units. Such data would also eliminate speculation on whether or not capital-intensive plants are more productive than the labour-intensive plants producing identical products. Productivity data would also be useful for deciding whether it is economical to engage in the production of one type of product or product-mix.

The productivity movement in India is bound to gain momentum as a result of present endeavours. The formulation of a public policy on the "macro level" is, however, a need which cannot be ignored.



In ancient India, the "ashram" was a holy place—for the ancients venerated learning. They knew that one's natural gifts mature only through study and training. Stanvac's training programmes have been planned in the same spirit. The aim is to raise the efficiency level of all categories of Stanvac employees.



In 1959, Stanvac expended more than 48,500 man-hours to train employees in 30 subjects, ranging from basic courses in Business Management to advance courses in highly specialised phases of marketing, and technical branches of refining and exploration. Last year, as many as 18 Indian employees were sent overseas, for advanced training, while 22 employees received assistance for higher studies.

Moreover, Stanvac training programmes are not designed for employees only. To enlarge the trained personnel pool—a matter of national importance—Stanvac extends its training facilities to key groups outside the organisation. In pursuance of this policy, Stanvac provides training to Government-sponsored personnel. The number of such people trained in 1959 totalled 40.

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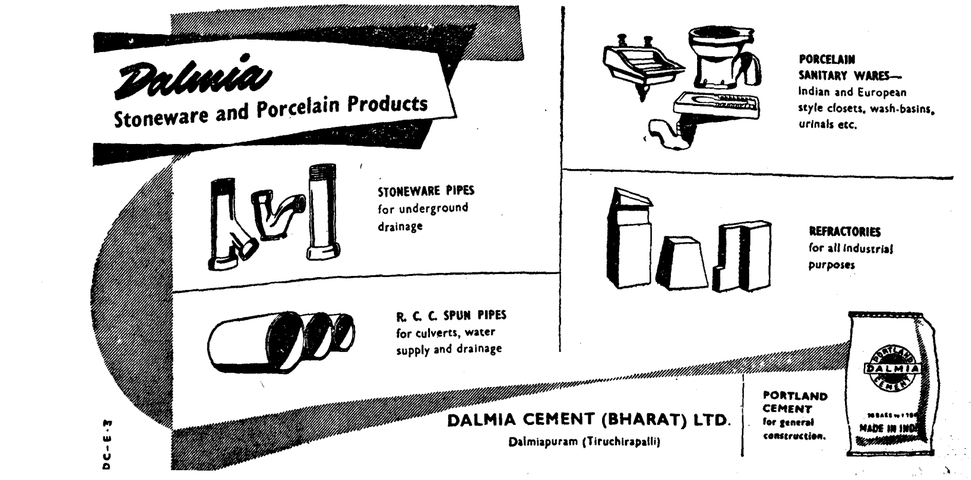

TATA LOCOMOTIVE AND ENGINEERING COMPANY LIMITED

IMPRESSIVE EXPANSION IN PRODUCTION AND SALES

MR. J. R. D. TATA'S STATEMENT TO SHAREHOLDERS

IT is proposed to expand the capacity of the Automobile Division of the Tata Locomotive and Engineering Company Limited, which produces Tata-Mercedes-Benz trucks, from 12,000 units to 24,000 units per annum. The necessary scheme has been drawn up and this will shortly be placed before the Government for approval. The capital expenditure involved will be substantial and the Directors will put up proposals to shareholders in due course. This information is given by Mr. J. R. D. Tata, Chairman of the Tata Locomotive and Engineering Company Limited, in his annual statement to shareholders, circulated along with the Directors' Report and Statement of Accounts for the year ended 31st March, 1960.

The following is the full text of the Statement:.

The Year's Results

"Production of all the Divisions has exceeded targets and the sales of the Company's products have been higher than at any time in the past. New construction and expansion have proceeded according to schedule. The programme of indigenous production of Tata-Mercedes-Benz vehicles has been completed in time and efficiency continues to increase all round. The results of the year have enabled your Directors to declare a gross dividend of 12.5 per cent. on ordinary shares. The net dividend in the hands of the shareholders after deduction of tax will be 8.75 per cent.

Profit and Appropriations

"The turnover for the year under review exceeded the previous year's figure by about Rs. 1.8 crores; and the net profits by Rs. 47 lakhs after providing Rs. 48 lakhs more for depreciation. The amount carried to the development rebate reserve has been reduced from Rs. 74.62 lakhs to Rs. 14.04 lakhs, because the value of new fixed assets installed was much lower than in the previous year. The large increase in taxation, from Rs. 13.25 lakhs to Rs. 93.30 lakhs, was due partly to higher profits and partly to the reduction in development rebate.

Expansion and Diversification of Activities

"The Company's plans for development foreshadowed in my speech last year are now taking concrete shape. Arrangements for the manufacture of paper and pulp making machinery and power shovels have been completed and production will commence shortly. The manufacture of these products, which will help your Company to utilise fully the available capacity in the General Engineering and Foundries Divisions, is expected to yield a fair margin of profit.

"The additional capital requirements for both the projects to manufacture paper and pulp making machinery and the P. & H. power shovels will be met from the internal resources of the Company.

The Automobile Division

"This year has been a period of outstanding activity and success in this Division. The expansion of our manufacturing capacity to 12,000 units a year has made satisfactory progress and is expected to be completed on schedule by the end of this year. It is gratifying for me to record that, as anticipated in my speech last year, we have fully discharged our commitment to establish in four years the manufacture of Tata-Mercedes-Benz vehicles, according to the phased programme approved by Government in 1954-55. The average indigenous content of our vehicles has reached 78 per cent. and we are now proceeding to increase this percentage still further by developing the manufacture of certain ancillary products and encouraging and assisting others to establish the manufacture of ancillary products or to increase their capacity. Members will be gratified to note the findings of the *Ad Hoc* Committee (Automobiles) on the progress and achievements of the Company, extracts from which are reproduced in the annual report. Not only have we kept strictly to the original schedule for developing indigenous manufacture, but side by side we have rapidly and systematically expanded the output and maintained the excellent quality and performance of the vehicles for which the Mercedes-Benz name is rightly famous all over the world.

"Despite the fourfold rise in the output of Tata-Mercedes-Benz vehicles, the demand has far outstripped supplies. With the industrial and agricultural development of the country, the requirements of vehicles for road transport will rise further year by year. Your Directors feel, therefore, that it is in the interests of the Company as well as of the country at large to expand the output of vehicles further as rapidly as possible. With this in view, a major scheme for increasing the output of Tata-Mercedes-Benz vehicles is in hand and proposals will shortly be placed before Government. Under this scheme the capacity of the Automobile Division will rise to 24,000 vehicles per year with an indigenous content of over 90 per cent. The capital expenditure involved will be substantial and your Directors will, in due course, put up proposals for meeting it.

DKW "Junior" Car

"In my speech last year, I had referred to the scheme submitted by the Company to Government for the manufacture of the DKW 'Junior' car. Although no decision has been announced as yet by Government, two important statements on the subject have been made public in recent months. The first is the report of the *Ad Hoc* Committee on the Automobile Industry published in January this year. While making no specific recommendations as to the selection of the make of car to be manufactured or the agency to be entrusted with the task, the Committee have recommended that the manufacture of a low cost car should be undertaken in the country and have indicated that the choice would lie between five proposals, including Telco's, amongst the twenty-five proposals received.

"One important feature of the Committee's report is that they have expressed themselves clearly against the project being undertaken in the public sector. At the end of March 1960, the Minister for Industry, in the course of a debate in the Lok Sabha, was reported by the Press as having announced that 'a car of the people to be manufactured by the people, for the people' would soon be produced. His somewhat cryptic statement was universally interpreted in the Press as meaning that the car would be made in the public sector, which seemed to be confirmed by his further statement that Government would try to take the help of the private sector for the production of component parts from their existing installed capacity.

"I am not sure I understand clearly what all this means. Possibly, Government have not made up their own mind on the subject. But if it is true that Government contemplate establishing the manufacture of a small car by the State and, if, as rumoured, the two reasons advanced for such a proposal are that the cars proposed by established manufacturers are too expensive and that Government find it difficult to choose between the many projects offered, I can only express concern and regret in regard both to the proposal and to the reasons advanced for it.

"With the existing automobile industry able and willing to undertake the manufacture of a small car, there can be no possible reason for Government to allocate such a project to the public sector except on grounds of socialist ideology or dogma, which Government spokesmen, including the Prime Minister, have repeatedly and unequivocally disavowed as playing any part in their policies.

Question of Price

"On the question of the price of the car, I trust Government will take note of the *Ad Hoc* Committee's view that such a car has to be cheap not only in initial cost but also in running and maintenance cost. When a user buys a car, he really buys a certain number of miles of road transportation. It is no doubt possible to make a very light and low-powered car for, say Rs. 1,000 or Rs. 1,500 less than the initial cost of the DKW we have proposed or similar cars, but, if such a car is capable of only half the trouble-free mileage that a more sturdy car would give, or, to put it differently, if the cost of repairs and spare parts is twice as high for the same mileage in the case of the lighter car, then the unfortunate user will in fact have, over the life of his car, paid not a lower price but a much higher price. Families are, on the average, much larger in India than in Europe, and road surfaces are much inferior and therefore more destructive. I sincerely hope that, if a small car is to be made at all, Government will approve of a reasonably roomy car, modern in design and rugged in construction, with a long and economical life built into it.

"In any case, I trust that, in arriving at a decision concerning any scheme for the manufacture of a cheap car, whether in the State or private sector, the Government of India will keep in mind, among other things, its implications in terms of foreign exchange expenditure for capital as well as current account. The *Ad Hoc* Committee (Automobiles) has rightly stated that the development of a new car presupposes that extra foreign exchange will be available and that the programme of development and expansion of the existing units will not be affected. They go further and recommend that only after certain other priority claims of the automobile industry and road transport have been fully met should any allocation of foreign exchange be made for the new programme. I trust these recommendations will find acceptance by Government.

Foundry and Forge Sub-divisions

"Members will note with satisfaction that the development of our Foundry and Forge Subdivision is progressively reducing our dependence on imported semi-finished materials. By the end of this year, all our requirements of high duty castings and a substantial part of our requirements of forgings for the manufacture of Tata-Mercedes-Benz vehicles will be produced in our own works. For the basic raw materials, namely, rolled steels of special quality, we are unfortunately still dependent to a large extent on imports. After the Rourkela steel plant goes into full production, about 65 to 70 per cent. of our requirements of steel should be available indigenously. But even thereafter materials worth about Rs. 700 per vehicle will still have to be imported. In this respect, what is true of the automobile industry is, in the main, true also of other engineering industries.

"It is unfortunate that, up to now, Government and the Planning Commission have laid so much more stress in regard to steel on the quantitative rather than the qualitative aspects of the country's requirements. The rapid industrial development and the economic strength of a country depend not so much on total self-sufficiency in ordinary, carbon steels but in the capacity and range of steel processing industries which themselves depend on quality steels and on machine tools and allied equipment. The automobile industry of India and other precision engineering industries will reach maturity and will cease to be a drain on foreign exchange resources only when all the raw materials and most of the machine tools used by the industry are made in the country. I earnestly hope that our planners and Government will keep this important aspect of the question in view when planning the future of the steel and engineering industries.

Locomotives

"Coming to the General Engineering Division in which locomotives are made, as mentioned in the report, the Railway Board have now indicated to the Company that the Indian Railways will require steam locomotives for many years to come. While the price which has been awarded by the Adjudicator for supplies of locomotives during the period of two years upto the end of the year under review falls short of our expectations, mainly because it excludes altogether the annual bonus to the staff, which is an appreciable element in our cost of production, it is gratifying to record that the Railway Board and the Company have been able to agree on the prices of the locomotives to be supplied during the remaining period of the Agreement. The price of the 325 locomotives to be delivered over a period of five years after the completion of the Agreement is still under negotiation but we have made it clear to the Railway Board that the price must be a fixed one subject only to agreed escalators as, in their interest as well as ours, there must be an end to the annual bargaining and bickering as well as the unmerited criticism which has characterised supplies of locomotives in the past few years.

"The prices which the Company will receive will in any case be lower than the prices at which similar steam locomotives can be obtained from abroad. As we have repeatedly explained in the past, the benefit of the depreciation allowed to us through prices in the past years, now flows back to the Railway Board in the shape of lower prices, as a result of lower written down value of plant and equipment.

The Future

"Whilst there is much that is encouraging in the assessment of the future, we must not forget the increased responsibilities that will have to be shouldered by us.

"If continuous progress is to be achieved, we have constantly to add to our resources in engineers, administrators and craftsmen as well as in up-to-date equipment. This is a somewhat obvious truth which, however, is not always fully appreciated in our country where industrial enterprises, particularly in the State sector, are too often visualised mainly in terms of money and machines. I am glad to say that, in your Company, very special attention has been paid to this vital problem and our skilled personnel, both in shops and offices, has been carefully employed, trained and developed along with our plant and machinery.

Housing

"The shortage of housing for the Company's workers which presents a growing problem in connection with the expansion of the Company and the increasingly heavy deficit between the costs of maintaining the colony and the rents recovered, have been a cause of growing concern. This question is receiving the urgent attention of your Directors. In the meanwhile, it is gratifying to note that the Government of Bihar, besides advancing housing loans to the industries in Jamshedpur, including your Company, are constructing a housing estate for industrial workers not far from the Company's works in Jamshedpur. It is hoped that some of the Company's workmen will be able to secure accommodation in the Bihar Government's industrial estate at Jamshedpur.

"As regards the problem of the heavy burden of maintaining the Telco Township, members will be pleased to learn that, in the conciliation settlement of 20th October, 1959, the Telco Workers' Union has agreed that 'the question of increasing the rates of rental chargeable for the Company's houses under construction in the sixth and following phases of construction be separately discussed and a suitable formula should be worked out for fair rents being fixed.'

Labour

"There have been no strikes or other disturbances to production during the year except for a minor one-day stoppage in the Welding Shop.

"The improvement in the industrial climate at Jamshedpur and particularly in the Telco Works is a gratifying development and we are anxious that it be maintained. On out part, we are convinced that the problems which inevitably arise in the labour field from time to time can be solved with mutual goodwill and confidence. I am particularly glad that, in the recent Conciliation Settlement with the recognised Telco Workers' Union, the Union have accepted the principle that any demands made on the Company should be examined on merits and without any undue emphasis on the practice of concerns in other industries in Jamshedpur which operate under materially different circumstances. It was also agreed that all difficulties between the management and the union would be resolved by peaceful and voluntary negotiations and that there would be no resort to direct action such as strikes, lockouts, go-slow and other coercive measures. In consideration of the acceptance of these principles, the Company agreed to an increase in the dearness allowance and sanctioned a scheme for the grant of sick leave in anticipation of the extension of the Employees State Insurance Scheme to Jamshedpur.

"In the engineering industry in which we operate, capital investment per employee is the highest in India. The very modern and expensive plant and equipment installed at the Telco Works offers to the employees an opportunity almost unparalleled in this country to attain high levels of productivity. The Company's ability to provide higher wages and better amenities and facilities depends on the effective utilisation of this equipment and I hope that, in the fu filment of this objective, we shall receive the wholehearted co-operation of the workers and their chosen representatives. It is only thus that increases in the emoluments of our workers, which are already among the highest in the country, can be maintained.

"Our thanks are due once more to our General Manager and all employees, whatever their degree of direct responsibility, for the results achieved. The initiative and the work that members of our staff have put in have been principally responsible for the Company's progress which is reflected in the Report and Accounts before you."

J. R. D. TATA,
Chairman.

BOMBAY, *6th July, 1960.*

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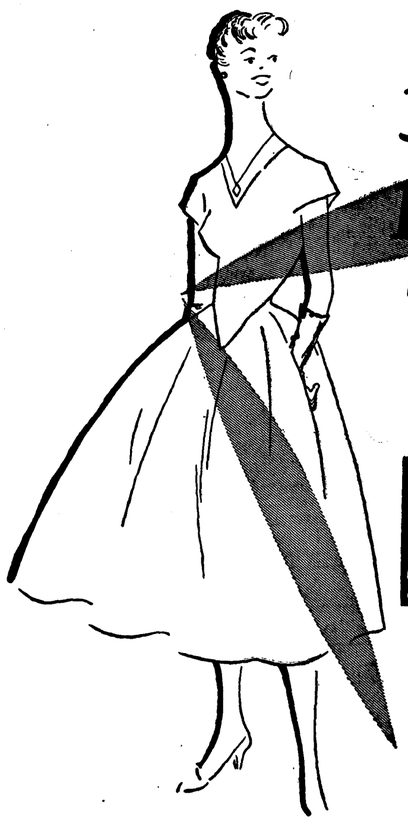

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LARGE INCREASE IN AREA UNDER IRRIGATION—NEW POWER SCHEMES

PROGRAMMES UNDER THIRD PLAN

IN the context of the continuing difficulties on the food and agricultural raw materials front, where shortages are being made up by imports and the grave scarcity of power in several areas where demand exceeds available supply, the large increases in irrigation and power potential which are expected to take place in the period of the third Plan acquire much new significance. The net effect of the programmes, according to the Draft Outline of the Third Five-year Plan, is that the total area under irrigation (from all sources) will rise to 90·0 million acres by the end of the third Plan from 70·0 million acres at the end of the second Plan, 56.2 million acres at the end of the first Plan and 51.5 million acres at the beginning of the first Plan. Installed power capacity is expected to go up to 11.8 million kw. by the end of the third Plan from 5.8 million kw. in 1960-61, 3.4 million kw. in 1955-56 and 2.3 million kw. in 1950-51.

Water Resources

Of the available water resources, only a fraction has been harnessed so far. These resources were computed in 1950 at 1,336 million acre feet, of which only 450 million acre feet are known to be "usable." By 1951, about 76 million acre feet or 17 per cent. of the "usable" flow had been utilised. By the end of the second Five-year Plan, 119 million acre feet or 26 per cent. of the "usable" flow will have been harnessed. An additional 41 million acre feet is likely to be used in the third Five-year Plan, bringing the proportion to about 35.36 per cent. Again, of the 51.5 million acres under irrigation at the beginning of the first Five-year Plan, about 22 million acres were irrigated from large and medium irrigation projects; the former are defined as those costing more than Rs. 5 crores and the latter as those costing between Rs. 10 lakhs and Rs 5 crores. It is estimated that, by the end of the fifth Five-year Plan (1975-76), it might be possible to bring about 85 to 90 million acres under irrigation from large and medium projects.

The estimated cost of major and medium irrigation schemes included in the first and second Plans is of the order of Rs. 1,400 crores and, on their completion, they are expected to irrigate about 38 million acres; by the end of the second Plan, about Rs. 770 crores will have been spent on these schemes—Rs. 380 crores in the first Plan period and Rs. 390 crores in the second Plan period. The irrigation potential created by the end of the first Plan period was 65 million acres, the gross and net utilisation being 3.3 million acres and 2·9 million acres; corresponding figures at the end of the second Plan will be 14·0 million acres, 10·5 million acres and 9.0 million acres, respectively.

The cost of completing the irrigation schemes taken up in the first and second Plans is placed at Rs. 620 crores, of which Rs. 470 crores will be provided in the third Plan, leaving the balance to be carried over to the fourth Plan. Besides Rs. 470 crores for continuing the schemes initiated in earlier years, a sum of Rs. 100 crores for new schemes (capable of creating a potential of 16 million acres and bringing actual utilisation to 13 million acres) has been provided for in the third Plan. In addition a sum of Rs. 80 crores has been provided for flood control and other measures; this is expected to benefit 5 million acres. Thus, the overall outlay on irrigation is Rs. 650 crores. With the outlay of Rs. 470 crores, an irrigation potential of 14 million acres will be created which, together with 3.5 million acres still remaining to be utilised at the end of the second Plan, will bring the total to 17.5 million acres. The total irrigation potential which will have been created by the end of the third Plan will be 28 million acres, though actual utilisation will be of the order of 23 million acres only.

The importance of prompt utilisation of irrigation potential, fixation of water rates at equitable levels, imposition of betterment levy and research in irrigation have been emphasised by the Planning Commission. It is important that, when an irrigation project is proposed for a new area, the State authorities should place the broad outlines and advantages of the scheme before the agriculturists of that area, in particular the structure of water rates, betterment levy, etc., which have to be paid by the beneficiaries. Education of public opinion along these lines, it is stated, will result in prompter utilisation of irrigation potential. Again, in order to ensure continuity in the development of water resources, projects and the areas which are likely to receive the benefit of irrigation should be determined and basic engineering surveys carried out in advance. Master plans for long-term development of irrigation should be prepared in each State to bring out clearly the ultimate potentiality of each project. It is proposed to enlarge the programme of irrigation research, in order to ensure maximum possible economies in the cost of construction by adopting improved techniques in design and construction and by proper choice of construction materials.

Power

Discussing the different ways of generating electric power, the Draft Outline points out that the suitable areas where coal-fired power stations can be located are places where large quantities of low-grade coal, not required by railways or industry are available. As a rule, hydel power is cheap. But it takes a longer period of time and larger outlay to set up hydel stations. They, however, require less foreign exchange resources. As new uranium deposits have become available, nuclear power stations have assumed particular significance. They are best located in areas which are distant from collieries and where fuel costs are high. The average production costs of electricity for hydro, coal-fired and diesel power stations are about 1·2 nP, 3 nP, and 25 nP per kw.h. respectively. The cost of atomic generation, estimated at 3.5 to 4 nP, will be comparable in areas remote from coalfields. The foreign exchange component of coal-based power stations is two to three times that of hydro station, while nuclear stations require considerably more foreign exchange than even thermal stations. The programme for the generation of power in the third Plan, as stated at the outset, aims at the creation of 11·8 million kw., as against the estimated capacity of 5·8 million kw. by 1960-61.

The break-up of the capacity in 1950-51, 1955-56, 1960-61 and 1965-66 is:

Installed Capacity

(In million kw.)

	1950-51	1955-56	1960-61*	1965-66*
State-owned public utilities	0.6	1.4	3.3	9.1
Company-owned public utilities	1.1	1.3	1.5	1.6
Self-generating indigenous establishments	0.6	0.7	1.0	1.1
Total	2.3	3.4	5.8	11.8

	1951	1956	1961*	1966*
Hydro plant	0.56	0.94	2·10	4·75
Steam plant	1.60	2·27	3.45	6.50
Oil plant	0.15	0·21	0.25	0·25
Nuclear plant	..	..	..	0.30
Total	2.31	3.42	5.80	11.80

* Estimated.

The third Plan envisages an outlay of Rs. 975 crores for power, of which Rs. 925 crores will be in the public sector and Rs. 50 crores in the private sector. The break-up of the outlay in the public sector is: hydro and thermal scheme Rs. 580 crores; atomic power Rs. 51 crores, uranium mining, fabrication and plutonium extraction plant Rs. 24 crores; transmission, distribution and rural electrification Rs. 270 crores. The foreign exchange component of the power programme in the third Plan is estimated at Rs. 270 crores.

By the end of the second Plan, the total number of towns and villages electrified in the country will be about 19,000, as against 7,400 at the end of the first Plan. The third Plan provides for the electrification of another 15,000 villages and towns at an estimated outlay of Rs. 105 crores. The following table gives the break-down in terms of population range and the number of towns and villages which will have been electrified by the beginning of the first, and the end of the first, second and third Plan periods:

Population	Total No. of towns (a)	No. electrified by March 1951	1956	1961 (b)	1966 (b)
Over 1 lakh ..	73	40	73	73	73
50,000—1 lakh ..	111	88	111	111	111
20,000 to 50,000 ..	401	240	366	399	401
10,000 to 20,000 ..	856	200	350	756	856
5,000 to 10,000 ..	3,101	258	1,200	1,800	3,101
Below 5,000 ..	556,565	3,687	7,400	19,000	34,000
Total ..	561,107	2,792	5,300	15,861	29,458

(a) 1951 census. (b) Estimated.

Several valuable suggestions for the implementation of power programme have been made in the Draft Outline. In the first place, it stresses that States should set up small committees to advise on rural development programmes. Secondly, "it is necessary that electricity undertakings in the public sector should earn reasonable surpluses and build up reserves for financing future development." Thirdly, the country's dependence on imports for electrical equipment is a serious obstacle to rapid development of power. But the programme for manufacturing such equipment, now undertaken in the public and private sectors, will serve to reduce such dependence; nevertheless, large imports will be necessary during the third Plan, as the manufacturing programme will not have gathered sufficient momentum. However, when the entire programme is completed, it will be possible to meet a substantial portion of the country's need in the fourth Plan for such equipment as hydraulic and steam turbines, boilers, alternators, motors, transformers and switchgear. Fourthly, the pace of investigation of power potential and load surveys in the country should be increased; by the end of the third Plan, only 11 per cent. of the total potential of 40 million kw. will have been exploited. Finally, the need for increased research on problems of generation, transmission and distribution of power and for a design organisation has been stressed. Research will be carried out in the Power Research Institute at Bangalore. A switchgear testing station is being set up at Bhopal for testing and developing designs of switchgear.

OUTLOOK FOR STEEL

The view that, in the context of the urgent need to develop heavy engineering industries, the expansion of steel capacity would remain an essential task for several future plans was expressed by Mr. Jehangir Ghandy, Director of the Tata Iron and Steel Company, Ltd., in the course of his address at the Defence Staff College, Wellington (Nilgiris) on 21st June last. In the third Plan the steel capacity will be increased to 9.3 million tons (or 3.3 million tons above the second Plan level). The Plan envisages expansion of the capacity in Bhilai steel plant to 2.1 million tons, in Rourkela plant to 1.8 million tons and in Durgapur plant to 1.6 million tons. A new integrated unit at Bokaro will yield 500,000 tons initially, Mysore Iron Works 100,000 tons and small-scale electric furnaces another 20,000 tons. No expansion beyond the existing three-million-ton capacity in the private sector is envisaged, although both Tatas and Indian Irons "had firmly indicated their desire to put down additional capacity." Commenting on this, he said: "My colleagues and I sincerely believe that the experience and the organisation the private sector in the steel industry has built up over the past 50 years can be put to still greater use in the country's service. I feel reasonably sure that the private sector will not be denied these opportunities, because, as the Prime Minister stated at his monthly Press Conference in March 1960, the approach should be pragmatic, the decision based on what can be done effectively and quickly in either the public or the private sector."

Discussing the technological problems of steel production in India, Mr. Ghandy pointed out that, while the country possessed large iron ore reserves, estimated at some 21,000 million tons of first grade iron ore, it had barely 2,000 million tons of coking coal. He added: "Considering that we need 1.5 tons of coking coal to make one ton of steel, the long-term outlook is grave indeed." In this connection, he called attention to advances made in France and South Africa in the matter of upgrading poorer grades. East Germany had also developed a process of producing pig iron by using lignite as fuel. This was of great interest to India, because there were, in the South, large deposits of lignite which could support a steel industry in the area. Another problem was the shortage of limestone in the vicinity of steel plants. At present, all the limestone for the steel plants was drawn from one area, the Sundergarh district (Orissa), except for Bhilai which obtained supplies from a nearby quarry at Nandini. In this connection, he urged the early construction of the Ranchi-Rourkela line which would help exploit several new deposits, including the one at Purnapani.

Mr. Ghandy next referred to two innovations which had been introduced in steel manufacture. In the first place, the L.D. process had been employed in Rourkela. Mr. Ghandy recalled how the Tatas had sent in 1953 a technical mission to Austria to examine this process for its possible adoption in India. At that time, it had not been fully developed. Later developments had made this process particularly attractive to plants where, as in Rourkela, large quantities of low-carbon steel were needed for making flat products; open hearth process had been employed in Bhilai and Durgapur where high carbon steels were needed in bulk for rails and structurals. The L.D. process was also attractive for the economies in capital cost and operating expenditure it made possible. Tatas would have adopted this process if they had been permitted to install additional capacity. The second innovation was the use of sintering to pre-treat iron ore before charging it to blast furnaces. This effected economy in blast furnace operations, particularly in reducing the consumption of coke and fluxing material.

VESPA SCOOTERS

The Draft Outline of the Third Plan has fixed the production target for motor cycles and scooters to be reached in 1965-66 at 50,000. The target represents a rise of 34,000, as compared with the anticipated output of 16,000 in 1960-61. This additional production is to be achieved by augmenting the capacity from about 24,000 in 1960-61 to anywhere between 48,000 to 60,000 partly by expanding the existing factories and partly by setting up new ones. The Government of India has already given a licence to Bajaj-Auto Private Ltd. of Bombay to manufacture 6,000 VESPA scooters and smaller three-wheelers per annum on single-shift basis. In fact, the Company commenced assembling operations last month. Mr. Ramkrishna Bajaj, a Director of the Company, disclosed at a Press conference in Bombay on Saturday last week, that the factory would reach the rated capacity by October 1960 and step up output from 500 units to 1,000 units per month by March next year when the factory will have been completely shifted to Poona.

The total cost of the plant and equipment is estimated at Rs. 75 lakhs, including the foreign exchange component of Rs. 30 lakhs which has been released to the Company out of the U.S. Development Loan Fund. The Company is expected to issue shares to the public in about two or three months' time. The amount of issue and other details are being worked out. The Poona factory will employ 800 persons per shift and, if two shifts are worked, about 400 to 500 more may be employed.

The foreign collaborators of Bajaj-Autos are Messrs. Piaggio & Co. of Italy, the pioneers in the manufacture of scooters in the world. The collaboration is purely technical and the indigenous firm will give some royalty on patent designs, etc., supplied by the Italian Company.

According to the present production programme of the Company as sanctioned by the Central Government, the indigenous content of scooters (and smaller three-wheelers) will be 40 per cent. by the end of next year and 75 per cent. by the end of 1963. The current price of the VESPA scooter is about Rs. 2,400—Rs. 2,500 (including all taxes). This compares with the price of about Rs. 1,200 for a similar scooter in Italy. The high price in India is said to be due to heavy import duty on components, freight charges, royalty, etc. Maintenance charges on the scooter are said to be low, because the vehicles gives 128 miles per gallon, with a maximum speed of 53 miles an hour.

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NEW PRODUCTS AND PROCESSES

Longer-life Exhaust Silencers

AMERICAN motor-car makers are trying two lines of attack on the problem of corrosion in exhaust silencers—the component with the shortest life in the whole car. American Motors, which pioneered the small American car, will fit ceramic-coated exhaust systems to its 1961 models. Ford is trying stainless steel. General Motors is waiting to see which system wins. Exhaust pipes and silencers take as much or more punishment than any other car part. They handle hot gases while the car is running; sulphur in the petrol mixes with water condensed from the exhaust and forms corrosive acid; and there is almost always condensed water to accelerate normal rusting when the car is idle. For this reason, cars used continuously, such as taxicabs, generally show a longer silencer life. Those in private cars frequently last only eight to 15 months, and there is a flourishing business in replacements for them. American Motors aims to make this unnecessary with an exhaust system which will last the life of the car.

In the ceramic process, the silencer assembly and tailpipe will be dipped in a thick mixture of water, borosilicates, borax, titanium oxide and other refractory materials. Then the whole thing is fired at 1,500 degrees Fahrenheit to produce an enamel coating three-thousandths of an inch thick. The additional cost is estimated at about $3.50 or £1 5s. per car.

New Commercial Use for Explosives

Explosives are steadily making their way into new fields in industry in the U.S. Originally they were useful only to the civil engineer. Explosive driving of nails and heading of riverts was the next step. One new use for them this summer is in flaring the ends of thick-walled stainless steel tubing. An exploding cartridge drives a blunt, tapered tool into the end of the tube, spreading it to take fittings. Experiments are under way by one company to use explosives to form metal up to three inches thick. (They have already been used to stretch thinner gauges.) In addition, explosives can now be used to compact metal powders, instead of using hydraulic pressure. Implosion, the inward pressure of an explosion, can reduce the diameter of cylindrical parts, making them more dense. Explosives have been used experimentally to force metals together to weld them. This latter use has the advantage that there is no "heat-affected zone" around the weld. There are also novel methods of using explosives for old purposes. A new cartridge for a kiln gun packs its slug in paper so it will not wear the steel gun barrel. A kiln gun is similar to an 8-gauge shotgun except that it fires a solid 3-ounce lead slug. The gun is fired into the mass of hard clinker that accumulates in a rotary cement kiln to break it up and permit its removal. The paper cover for the slug is claimed to reduce barrel erosion and pitting, increasing its life by as much as 200 per cent.

Furnascote

A range of surface coatings to protect the refractory bricks in boilers and furnaces has recently been developed by Corrosion of Southampton (U.K.), and is now being marketed under the name Furnascote. Development of the coatings has stemmed from research into the destructive action of acids, produced by the combustion of fuel oil, on firebricks. Several types of coating have emerged from this research, each designed to fulfil a particular function and to be effective within defined temperature ranges. They contain high proportions of zircon compounds and, according to the manufacturer, they have heat resistances up to 3,500 degrees F. Their lives vary with operating conditions, but it is claimed that in many cases furnace walls can be protected for "a period of years." Furnascote is not a mere refractory wash, it is declared, but creates a barrier 1/16 inch by ⅛ inch thick. The material can either be brushed or sprayed on and it is supplied in the form of a dry powder which is mixed with water prior to use. Although a single coating is said to give a satisfactory surface, the manufacturer points out that two coatings will last much longer. Firing of the furnace can start as soon as the coating has been applied. It is claimed that after fusing, the coating prevents cracking of the underlying refractories and that it forms an impermeable barrier to gasses and particles.

Electronic Apparatus for Yarn-testing

A Dutch firm manufactures a yarn-evaluating appartus for use in spinning mills, knitwear factories and weaving mills. This apparatus enables large amounts of yarn to be tested for spinning defects, uniformity and weaving qualities. The computer with its four counters classifies the defects found into four classes and determines the numbers in each class. It is also possible to cut off the spinning defects while simultaneously sorting them into class. Each spindle of a six-spindle bobbin winder is provided with a detector. Each detector consists of a measuring condenser with a free passage and a cutting mechanism. The yarns for testing have normal and abnormal variations of mass. These variations of the mass produce changes in the capacity of the measuring condenser which are converted by the detector into electric voltage variations. A computer compares the voltage variations caused by the abnormal mass variations with those due to normal mass variations. This results in a good comparison of quality which hitherto could only be estimated visually with the use of various accessories, the degree of reliability still varying. This apparatus enables 5,700 metres of yarn to be tested a minute at bobbin speeds of up to 950 metres a minute. The yarn is not lost in the operation but can be used afterwards in production as a cone.

Protective Clothing

Protective clothing which is moisture-repellent and gives special protection against radiation heat and direct heating is being produced by a Netherlands factory. It is therefore very suitable for fire and rescue squads, it is made of a woollen material which owing to a special scientific treatment has a high reflective and heat-resistant property. The material is moth and beetle-proof even in the tropics. The protective clothing is of the overall type with mittens to match. It has a high collar which partly protects the face but does not make it difficult to wear a helmet (with a visor if required). The sloping shoulders and sleeves prevent burning chips from catching. The overall is closed by a shielded zip-fastener. A waistline adjustment is provided on the inside. The special material and design of the outfit create an insulating layer of air protecting the wearer from sudden changes in temperature. The protective clothing can be quickly pulled over an ordinary suit and is washable. This light protective clothing, weighing about 2,400 g. (5.3 lbs.) remains flexible at all temperatures, thereby giving the wearer full freedom of movement for handling his material.

Dual Fuel Storage Cell

A line of research being pursued currently in the U.S. is development of a fuel cell which can be reversed and used as a storage battery if desired. A major battery company has signed contracts with 12 makers of material-handling trucks to use the cells instead of storage batteries. But commercial production is still three years away. This cell will pass pure oxygen over zinc electrodes in a solution of potassium hydroxide. Electricity is a byproduct of the ensuing chemical reaction which is basically the reverse of the normal electrolytic process. If a truck powered by the cell is to be used continuously, the zinc electrodes can be replaced as they are used up, in which case zinc is the fuel. Otherwise, current can be passed through the cell in the reverse direction during any idle period. This re-converts the zinc oxide to pure zinc, putting the cell in service again with its original electrodes. The cells are smaller and lighter than storage batteries of an equivalent capacity. First indications are that operating costs will be less than petrol or propane engines of the same power, but there are no estimates yet of initial cost.

New Uses for Wood

In this era when plastic materials enjoy so great a success, wood is sometimes rather neglected. And yet, this noble material has its place marked in modern interiors, to which it brings a note of comfort and of distinction, which no other material is capable of giving. In order to popularise the use of wood in the arrangement of interiors, both in private and public buildings, the decoration of show-cases and shop-windows and for various other purposes, a Swiss saw-mill and factory, which specialises in veneering, has launched a new kind of overlayed wood panelling under the name of "Laril." Instead of being smooth, the visible side of "Laril" is covered with a set of moulds or grooves, which give it a modern and comfortable look, and make it easy to place the panels in juxtaposition without any visible joints. Possessing stable dimensions and forms, "Laril," which is hygienic, sound-proof, and very easy to use, to tint, stipple or paint, is delivered in standardised panels and finds a large field for its application in the modern arrangement of walls and ceilings, in all kinds of places.

New Measuring Instrument

A well-known Swiss firm which specialises in the manufacture of measuring apparatus, is now producing instruments which make it possible to determine automatically the quantities of certain substances contained in certain compounds, in chemical laboratories. The principal advantages of these instruments are that they cut down the time required for these operations and yield exact and reproducible results, even when employed by unskilled staff. This firm also produces pH meters of great precision for determining the blood pH (i.e., the degree of acidity) for the control of the pulmonary function, as well as a recording potentiograph, which makes it possible to discover the presence of the most diverse substances and to determine their quantity up to a millionth part of a gram. An operation of this kind which formerly lasted from 8 to 15 minutes, can now be effected, with a still higher precision, in one minute only.

Silicon Switching Device

A new silicon switching device which will handle power far beyond the range of previous semi-conductors has been developed in the U.S. It will carry, it is claimed, currents ranging up to 50 amperes at up to 300 volts. It will block voltages below a certain value but at this point, or on receiving a "gate" signal, it will change to a conductor. Switching time is 600 millimicroseconds. The makers claim that it has many advantages over the thyratrons formerly used to control currents of this order.

New Type of Glass

A new type of glass is expected to yield fibres withstanding temperatures above 4,500° F. and with far higher tensile strength than present glass. The new mix has a lower silica content—generally under 50 per cent.—and increased amounts of alumina, zirconia and magnesia. It is under development at the University of Pittsburgh, U.S.

EMPLOYMENT AND LABOUR POLICY IN THIRD PLAN

PROBLEM OF UNEMPLOYMENT WILL PERSIST

THE Draft Outline of the Third Five-year Plan is commendably candid in its assessment of the employment potential of the Plan. The experience of the first and second Plans seems to have enabled the planners to view the employment aspect of planning in a clearer and more realistic light. The Draft Outline does not make any pretentions to wiping out the existing unemployment and providing jobs for all the new entrants to the labour market. Its aim is modest, namely, preventing the situation from deteriorating from bad to worse, while seeking, at the same time, to provide employment to those still unemployed in avocations other than the normal economic activities.

In the first place, the Plan does not specifically provide for the backlog of unemployment that will exist at the close of the second Plan. This blacklog will be higher by some two million persons than at the beginning of the second Plan. And, secondly, there is no full provision for the new additions to labour force that will take place during the third Plan period. These additions call for the creation of 15 million jobs. As against this, it is estimated that additional employment likely to be created in the third Plan will only be of the order of 14 million, 3.5 million in agriculture and 10.5 million outside agriculture. Thus, the objective of not allowing the employment situation to worsen during the Plan period will require the provision of one million jobs in addition to those directly flowing from the Plan investments. The following measures are proposed in the Draft Outline for creating the extra one million jobs:

(1) Extension of electricity to small towns with a population of 5,000 to 20,000 so as to enable expansion of small-scale industries with the use of power.

(2) Decentralisation of production in large enterprises, with a view to taking up a fair proportion of production by smaller enterprises or even by individuals on a family basis.

(3) Location of processing industries in rural areas.

(4) Increasing the scope of utilisation of manual labour by restricting the use of machinery in projects to only such operations as would have considerable advantage in terms of costs or the period of construction.

(5) Expansion of opportunities for work at the district and block levels by suitable adjustment and expansion of development programmes relating to agriculture.

(6) Development of co-operatives for credit, marketing and farming; establishment of democratic institutions and the development of scientific agriculture to provide work opportunities for educated young men in rural areas.

(7) Training of workers for special jobs so that they can be moved from place to place to supplement local labour for special jobs.

New Channels of Employment

These measures, the authors of the Draft Plan admit, are no answer to the needs of a number of persons who will still remain unemployed. Channels for employment will have to be opened to them which the normal economic activity of the country cannot provide. Hope for them lies, according to the authors of the Plan, in the fact that there are possibilities of work which, by raising the productivity of the assets of the community, may add to its income and wealth to an extent not less than the outlays incurred. There is plenty of scope for productive activities such as the improvement of small irrigation, clearing of land, contour bunding to prevent soil erosion, planting of trees on a large scale and improving and building village roads. It should be possible to organise such local works at a low cost on wages at subsistence rather than market level.

This type of activity should, in the opinion of the Planning Commission, contribute to increased production even within the Plan period. It is proposed to provide resources in the third Plan to offer scope for such experimentation on a wide scale. The real challenge, the planners rightly recognise, is not the provision of finance, although that too is important, but the ability to organise such works on a country-wide scale.

It is clear from what is said above that full employment is a goal still a long way off. Full employment is both the object and consequences of economic development. The pace of growth of employment opportunities is, therefore, necessarily set by the rate of economic progress. The authors of the Draft Outline fully realise the limitations on the expansion of employment opportunities as the following paragraph clearly brings out:

"An increase in agricultural production would lead to a reduction in underemployment rather than to the creation of new jobs in the rural areas. The increase in industrial production does not lead to a proportionate growth of opportunities for employment, because most of the new processes used in large-scale industries are based on high productivity techniques. The number engaged in trade is unduly high in underdeveloped economies and the expansion of commerce would generally serve to reduce underemployment rather than add significantly to new employment. In this situation, it would take a good deal of time to create conditions of satisfactory full employment."

The Only Remedy

The only remedy for the unemployment problem, the authors of the Draft Plan emphasise is the continuing expansion of the national economy at a high enough rate to create adequate employment opportunities in the urban areas and to provide conditions for a sustained growth of agricultural production which would reduce underemployment and offer greater opportunities of work for landless agricultural labour and similar occupational groups. In the transitional stage, it is necessary to maintain and indeed promote labour-intensive methods of production to the fullest extent, so long as this does not lead to a smaller aggregate production in the economy. This policy was accepted in the second Plan and will be continued in the third and subsequent Plans.

Providing employment is only the first step. Unless peaceful conditions of work are also created, the Plan objective of higher production will be difficult to realise. For securing peaceful conditions in industry, the Government has, for over a decade, taken upon itself the responsibility of providing facilities for promoting the amicable settlement of industrial disputes and has assumed powers of intervention for the purpose of maintaining industrial peace. It is now recognised that, while Government intervention is unavoidable to some extent in the present circumstances, real progress lies in the development of co-operative arrangements evolved by the parties themselves in response to the needs of changing situation. For the object is to secure not peace alone but higher levels of industrial efficiency and higher standard of living for the working class.

Code of Discipline

The trends in labour policy initiated after independence and during the first Five-year Plan were consolidated and developed during the second Plan. This period also made its special contribution towards the evolution of labour policy and the realisation of its basic aims. Special mention must be made here of a few recent developments of outstanding importance which provide the main content and direction of what needs to be done with regard to labour under the third Plan. First, the Code of Discipline in Industry. The Code, which applies both to public and private sectors, has been accepted voluntarily by all the central organisations of employers and workers and has been in operation since the middle of 1958.

It lays down specific obligations for the management and the workers, with the object of promoting constructive co-operation between their representatives at all levels, avoiding stoppages as well as litigation, securing settlement of disputes and grievances by mutual negotiation, conciliation and voluntary arbitration, facilitating the free growth of trade unions, discouraging careless operation or negligence of duty on the part of the worker, and eliminating all forms of coercion and violence in industrial relations. It is obvious that a new concept with such far-reaching aims in a difficult field will require a considerable period of earnest endeavour before it gets firmly established in practice. The results so far achieved are claimed to be encouraging both in terms of reduction of man-days lost owing to stoppages and of bringing about a general improvement in the climate of industrial relations. The deplorable consequences of inter-union rivalry for industry and workers alike are well known. They have been mitigated to some extent by the Code of Conduct which was drawn up and accepted by the representatives of workers' organisations two years ago. The failure to implement awards and agreements has been a common complaint on both sides and, if this were to continue, the Codes would be bereft of all meaning and purpose. A machinery for implementation and evaluation has, therefore, been set up both at the Centre and in the States to ensure observance by the parties of the obligations arising from the Codes and from any laws or agreements.

Secondly, the scheme of workers' participation in management. The object of the scheme is to give workers a sense of belonging in the industrial unit and to stimulate their interest in higher productivity. Joint Management Councils have been set up in 24 units. The main function of the Council is to bring about mutual consultation between employers and workers.

Thirdly, workers' education. A programme of workers' education has been undertaken through a semi-autonomous board. It is being run with the full co-operation of all the employers and workers' organisations.

Lines of Action

The coming years would witness the fuller impact of these ideas which have been tried and found useful during the second Plan period. The recommendations in the first and second Plans were the product of joint consultation and were based on agreements arrived at between the representatives of the organisations of workers and employers. It is stated that the policy and programmes for the third Plan also will be evolved on the same lines and on a number of issues agreement has already been reached. Action along the following lines is proposed to be taken during the third Plan period:

(1) Efforts will be made to reduce to the minimum the recourse to tribunals and courts. This will also be a remedy for the delays which still occur in the settlement of disputes. Ways will be found for increasing application of the principle of voluntary arbitration in resolving differences between workers and employers. Works committees will be strengthened and made an active agency for the democratic administration of labour matters within an agreed sphere. Adoption of an appropriate "grievance procedure" for all industrial establishments will receive special attention.

(2) Further steps will be taken to deal with certain unfortunate aspects of trade union rivalry.

(3) Large-scale expansion of the programme of workers' education will be attempted.

(4) The scheme of workers' participation in management will be progressively extended, so as to make it a normal feature of the industrial system.

(5) The objective of raising the level of productivity will be kept in the forefront. For this purpose, a Code of Efficiency and Welfare will be worked out. The Code, it is hoped, will help cultivate the right kind of attitude on the part of management and workers and will define, in concrete terms, the responsibilities of both for achieving these ends. Technical committees will be set up for ensuring that the programme of rationalisation is implemented smoothly and in accordance with agreed principles.

(6) Studies are proposed to be organised on (a) wage differentials, (b) the manner in which wages should be linked to productivity, (c) the techniques of measuring productivity, (d) norms on the basis of which gains in productivity should be shared.

(7) Coverage of the Employees' State Insurance Scheme will be extended.

(8) It is common knowledge that the situations in respect of workers' housing has not improved, despite the subsidised housing scheme which has been in operation for several years. The whole approach to the problem will be re-examined.

(9) Schemes will be initiated for expanding research facilities and widening the base for studies in matters pertaining to labour so as to fill the gaps in the information and understanding of the conditions and problems of workers.

Agricultural Workers

The most disappointing feature of the section on labour policy in the Draft Outline during the third Plan period is that it virtually overlooks agricultural workers. Apart from a passing remark that their needs and problems should receive special consideration in the third Plan, there is no indication in the Draft that any definite measures are contemplated to improve the conditions of agricultural workers. This is indeed regrettable. While legislations have been passed in quick succession conferring benefits after benefits on industrial workers, even the Minimum Wages Act has not been enforced for agricultural workers. The two agricultural labour inquiries undertaken in 1950-51 and 1956-57 have thrown much revealing light on the plight of agricultural workers. Nothing much has been done to improve their condition in the first and second Plans. It looks as though in the third Plan too agricultural workers would continue to remain the Cinderella they have so far been.

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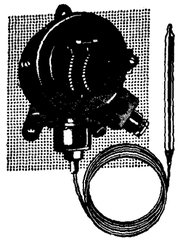
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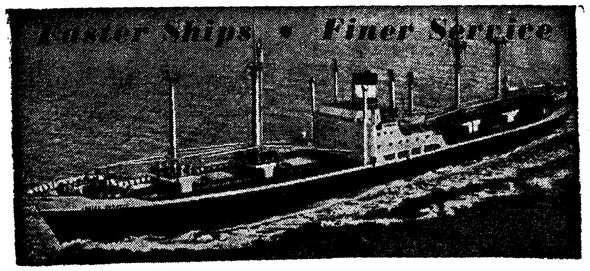

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ECONOMIC DEVELOPMENT OF MAHARASHTRA

STRESS LAID ON HARMONIOUS GROWTH OF ALL REGIONS

THE reorganisation of a State is not an end in itself; it is only a means to an end. its ultimate object is to promote the tempo of economic development through intensified efforts at mobilising the human and other resources and, thereby, to ensure a better standard of living for the people. An awareness of this goal is reflected in the speech made by Mr. S. K. Wankhede, the Finance Minister of Maharashtra, while piloting the first budget of the new State for 1960-61 in the Legislative Assembly last week; a brief account of the financial position of the State, as revealed in the Budget speech, has already appeared in the last issue of *Commerce*.

Appropriately enough, a large part of the Finance Minister's speech was devoted to the problems of, and prospects for, the economic development of the State. Mr. Wankhede stated at the outset that the economic picture which the State presented was one of a few industrially developed cities, with a relatively underdeveloped countryside. He rightly stressed that all plans for the economic development of the State would have to aim not only at the fuller exploitation of its natural and human resources for a balanced development of industry, agriculture and social services, but also at the harmonious growth as between the cities and their hinterland as among the different regions of the latter.

Area and Population

Maharashtra is the third largest State in the Indian Union, comprising as it does 10 per cent. of the total area and 9 per cent. of the population of the country. It has a population of over 32 million, spread over 35,526 villages and 373 towns. There are over 8,000 registered factories in the State, employing about 700,000 workers. The number of joint-stock companies in the State is 4,000, with a total paid-up capital of Rs. 314 crores. The principal industries are cotton textiles, general and electrical engineering, chemicals, sugar, vegetable oils (including hydrogenated oils), paper and paper boards and soap. The State is also favourably placed in regard to industrial raw materials such as cotton, oilseeds, and salt and, in minerals like manganese, coal and iron. It leads in the production of cotton, with over 26 per cent. of the total production of the country. In oilseeds also, the State accounts for about one-sixth of the area under oilseeds in the whole country. Salt is produced in the coastal districts, while manganese, coal and iron ore are mined in Vidharbha districts and, to some extent, in Ratnagiri district. The drilling operations undertaken at Kamptee (Nagpur) have proved the presence of about 300 million tons of good quality coal in the area. Further prospecting is likely to reveal deposits of the order of about 1,000 million tons. The prospecting operations for iron ore carried out at Redi in Ratnagiri district have also indicated reserves of about 20 million tons, which with further prospecting may come to the neighbourhood of about 50 million tons. The prospecting undertaken in the Udgeri hills of Kolhapur district have proved the existence of bauxite deposits at 5.7 million tons. These deposits will, we are told, provide useful raw material for an aluminium plant proposed to be set up in this area.

In the sphere of agriculture, although Maharashtra accounts for 38.5 per cent. of the total production of millets in the whole country, its output of superior foodgrains is too low, its share being no more than 4.4 per cent. in respect of rice and 3.9 per cent. of wheat. The area under irrigation is only 5.6 per cent. of the gross cropped area, as against about 17 per cent. in the whole country. Again, in regard to communications, the State is backward, the coverage by railways being only 2.24 miles and roads 17.57 miles per 100 sq. miles, as against 2.76 miles and 21.06 miles, in India as a whole.

Analysing the extent of concentration of economic activities in the capital, Mr. Wankhede stated that over 3,500 factories out of the 8,000 factories in the State were situated in Greater Bombay alone, employing about 450,000 daily workers, as against 700,000 daily workers. As much as about 3,494 joint-stock companies out of 4,000 in the State had also head offices in Greater Bombay. Besides, while the population served by a bank in the State as a whole was 40,000, in Greater Bombay, there was one banking office for every 14,000 persons. Thus, although Bombay City is highly industrialised, the other regions of the State are largely underdeveloped.

Mr. Wankhede made it clear that, owing to the high degree of development in Greater Bombay, the indicators of growth were higher on an average for the State, as compared with those for the country as a whole. This was particularly so in regard to *per capita* income, *per capita* power generation and consumption, and percentage of factory workers to total urban population. The national income of the State, Mr. Wankhede pointed out, was computed at Rs. 1,004 crores, as against Rs. 9,980 crores for the whole country for the year 1955-56. He observed that, since this accounted for about 10 per cent. of the country's national income, as against a population of 9.05 per cent. only, the *per capita* income in the State, excluding Bombay City, must be substantially lower than the *per capita* income for the country. He added that *per capita* power generation for the State was 71.01 kw.h., as against 31.42 kw.h. for the country. Power consumption was 59.90 kw.h., as against 26.06 kw.h. for the Indian Union. The percentage of factory workers to total urban population was 7.02, as compared with 4.99 for the whole country. If, however, the city of Bombay was not taken into account, these indices, according to Mr. Wankhede, would work out as follows: power generation 27.30 kw.h. *per capita;* power consumption 21.20 kw.h. *per capita;* factory employment 3.60 per cent. of urban population. Another important point made by the Minister was that, while the development achieved by a few cities and towns became at once conspicuous, the thing that was not so conspicuous was the fact that social and economic costs of concentration of population and industries called for large financial provisions for town planning, water and electricity supply, medical services, slum clearance, etc.

Progress of Second Plan

Although the progress of the various projects in the State under the second Plan was not satisfactory in the first three years (1956-57 to 1958-59), various steps had been taken to step up the Plan expenditure in the fourth and fifth years of the Plan. The total expenditure incurred during the first three years of the Plan, according to Mr. Wankhede, was only Rs. 87.93 crores, or 43 per cent. of the total Plan provision. This unsatisfactory progress of the Plan expenditure, he pointed out, was due to the fact that one year was lost due to 1956 reorganisation. Besides, on many of the schemes, which were included in the Plan, no preliminary work, such as survey and preparation of plans and estimates was done. The slow progress was also "due to dilatory procedures, delays in obtaining administrative and technical sanctions, insufficient delegation of powers and the total absence of periodical reviews of the Plan progress by co-ordinating officers."

The following table shows the expenditure incurred in the first four years of the second Plan period (1956-60) and the expenditure provided for in the current year's budget:

(Value in crores of rupees)

	Second Plan allocation	Expected expenditure upto 1959-60	Budget estimate for 1960-61	Total anticipated expenditure for five years
Agriculture and Community Development	50.76	43.29	18.82	62.11
Irrigation and power	70.03	44.34	23.30	67.64
Industries and mining	8.39	3.56	1.43	4.99
Transport and communications	12.43	13.43	5.58	19.01
Social services ..	47.87	37.96	16.89	54.85
Scientific and industrial research ..	5.93	2.03 2.66*	0.75	2.78 2.66*
	204.41	147.27	66.77	214.04

* Share of common schemes.

As a result of the various administrative measures taken and additional allocations made under various heads to expedite the implementation of Plan projects, the Plan expenditure is expected to have gone up to Rs. 147.27 crores, or 72 per cent. of the Plan provision, during the first four years of the current Plan. Provision is now made for and expenditure of Rs. 67 crores for 1960-61. The total expenditure is thus expected to be of the order of Rs. 214.04 crores for the five years, as against the total Plan allocation of Rs. 204.41 crores.

Reviewing the progress of the Plan during the first three years, the Finance Minister conceded that the execution of irrigation schemes, as also the utilisation of water resources by farmers, had been very slow. In order to protect agriculture from the vagaries of the monsoon, a large provision of Rs. 37.31 crores was made in the second Plan of Maharashtra for major and medium irrigation works. This included provision for spill-over works of Gangapur Stage I, Ranand Tank, Ghod and for a number of new irrigation works, namely, Vir dam project, Kadakvasla project, Mula, Girna, Warna, Bagh, Itiadoh, Khatepurna, Dina, Bor, Nalganga, Purna and Manar. Of these, Ranand Tank had been completed; Gangapur Stage I had also been practically completed. The construction of dam proper at Ghod had been finished, except for fixing spillway gates. All other projects were in different stages of execution. In addition to the major irrigation works, 32 medium irrigation projects were also included in the second Five-year Plan. Of these, only eight had been completed and work on the rest was in progress.

Even if all the available water resources in the State were impounded, Mr. Wankhede believed, the area that could be brought under irrigation was not likely to exceed 20 per cent. of the total cropped area. Dry farming techniques, therefore, should be promoted. Under countour bunding, Maharashtra, was likely to attain 80 per cent. of the target before the end of the Plan. Besides, 37 additional seed-farms were proposed to be set up in 1960-61. Thus, there would be 223 seed-farms by the end of 1960-61, as against the Plan target of 202 seed-farms.

Technical Personnel

In the field of industry, Mr. Wankhede dealt, in particular, with the steps taken to expand the training facilities for technical personnel. Post-graduate courses for (i) dam construction, irrigation and hydraulics, (ii) structural engineering and concrete technology, (iii) advanced electronics, and (iv) advanced metallurgy had been started at the College of Engineering, Poona, during the second Plan period. A post-graduate course in soil mechanics and foundation engineering would also be started during the current year. The Government of India had also decided to start a Central Engineering College at Nagpur with an intake capacity of 240 students from the current financial year. Two polytechnics with an intake capacity of 120 students each were established in the first two years of the Plan period at Sholapur and Karad. Two more polytechnics were being started from the current year, one with an intake capacity of 300 students at Bombay and the other with an intake capacity of 120 students at Jalgaon.

The progress of power schemes had been proceeding according to schedule. Mr. Wankhede stated that Khaparkheda first extension scheme had been completed and this would make available in the Vidarbha region 30 M.W. of power. An additional capacity of 30 M.W. would also be commissioned at Paras shortly. The Koyna Hydro-electric Project was making good progress. The road programme was also making remarkable progress. The total expenditure on roads had already exceeded the original provision of Rs. 10.43 crores. The State was expected to have 16,377 miles of metalled roads and 8,446 miles of non-metalled roads by the end of the current Plan. Mr. Wankhede averred, however, that still the State would have achieved only 52.67 per cent. of the Nagpur Plan target of 47,133 miles. It may be noted here that the Nagpur Plan target was exceeded by the country as a whole as early as in 1957.

SIMPLIFICATION OF LICENSING PROCEDURE

In order to ensure quicker disposal of applications for the establishment of new industries, the Government of India has further simplified the procedures for granting licences under the Industries (Development and Regulation) Act. Accordingly, it has been decided that, where a greater level of production can be achieved through the installation of a balancing plant or machinery, the requisite licence should be issued without prior reference to the Licensing Committee.

Earlier this year, the Union Ministry of Commerce and Industry, it may be recalled, had announced a list of 49 industries in respect of which licences for setting up fresh capacity would be issued freely. The list, which contained 22 engineering and 27 non-engineering industries, had been drawn up to facilitate the expeditious disposal of applications seeking Government's approval for setting up new units.

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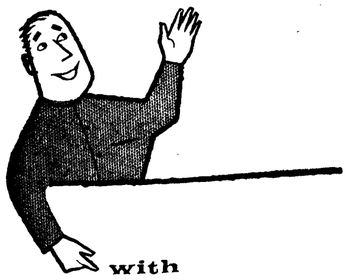

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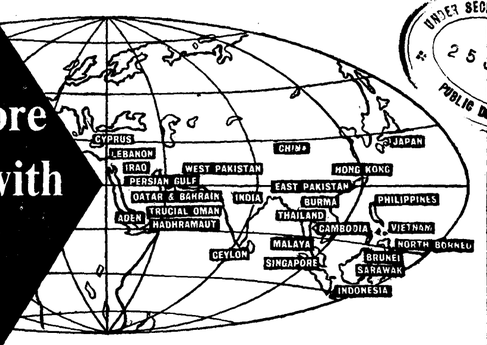

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TATA OIL'S RECORD RESULTS

HANDSOME RETURN TO SHAREHOLDERS

THE outstanding impression that one gets from a study of the statement of accounts, Directors' report and Chairman's statement of the Tata Oil Mills Company Ltd. (Director-in-charge: Mr. P. A. Narielwala, Bombay) for the year ended 31st March 1960 is that the Company has strongly established itself in the fields of soaps, toilets, and *vanaspati* and has emerged from the fire of intense competition as a finely welded and shining organisation. Keen competition is essential for keeping the private sector in excellent fettle, free from charges of black-marketing, corruption and inefficiency and for furthering its growth on the solid foundation of efficient service to consumers. But for the competition that it has had to go through from financially and technically superior manufacturers in this country, it is a moot point whether the Tata Oil would have been able to boast of the many-sided achievements it has to its credit today—improved plant and machinery, new lines of manufacture, a modern marketing division, a streamlined administrative machinery and a contented labour force. These acquisitions, coupled with the assured growth of the economy, thanks to the Five-year Plans, have enabled the management to view the outlook for this forty-year-old concern with confidence and optimism.

The Company's results for the year ended 31st March last are the best in its history. There is a marked expansion of well over a crore of rupees in sales which crossed the Rs. 8-crore mark by a comfortable margin. Net income from other sources, such as commission on sales of Tata Chemicals' products has also registered a substantial rise. Although cost of raw materials continued to go up, their judicious and timely purchases and the larger turnover have enabled the Company to report a handsome growth of about 40 per cent. in gross profit, from Rs. 54.69 lakhs to Rs. 74.19 lakhs. After setting aside Rs. 2.10 lakhs more than last year for depreciation and Rs. 4 lakhs more for taxation, the net profit is up by 68 per cent. at Rs. 28.72 lakhs. The ordinary dividend has been enhanced to 23 per cent. (Rs. 5.75 per share of Rs. 25 each) gross, which is equivalent to a net of 16.10 per cent. (Rs. 4.02½). Last year, the dividend was Rs. 3.25 per share or 13 per cent., free of tax, and the year before that it was just Rs. 2.50 per share or 10 per cent., free of tax.

The following table shows at a glance the important features of the profit and loss, as well as appropriation, accounts for the four years ended 31st March last:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	8,09.29	6,51.08	6,16.70	6,62.74
Other income	21.97	12.76	8.02	13.13
Stocks of finished goods and stocks-in-process	1,02.75	1,09.27	79.43	1,02.17
Raw materials and stores consumed	4,71.70	3,64.77	3,63.46	4,27.28
Other expenses*	2,87.37	2,45.87	2,29.29	2,03.98
Gross profit	74.19	54.69	35.25	34.50
Managing Agency commission	6.25	4.55	2.68	2.71
Provision for—				
Depreciation	13.47	11.30	10.80	10.30
Taxation	25.75	21.75	11.92	9.10
Net profit	28.72	17.10	10.15	12.39
To reserves	8.00	5.50	1.07	2.90
employees' gratuity	2.00	1.50	1.20	1.50
Dividends—				
4½ per cent. preference	1.34†	0.92	0.92	0.90
Ordinary	16.12†	9.11	7.01	7.01
	(23%)†	(13%)	(10%)	(10%)
Carry forward	0.46	0.12	0.05	0.10

* Inclusive of excise duty which amounted to *Rs. 43.35 lakhs* for 1959-60 and Rs. 39.06 lakhs for 1958-59.

† Subject to deduction of tax.

A notable piece of information to be gleaned from the aforesaid table is that the direct and indirect taxes paid by the Company aggregated no less than Rs. 69 lakhs during the year under review. This is exclusive of the tax to be deducted at source from both the preference and ordinary dividends.

The Directors have been quite generous to ordinary shareholders in recommending a gross dividend of 23 per cent. Thus, of the increase of Rs. 11.62 lakhs in net profit, no less than Rs. 7 lakhs are being utilised to meet the increase in dividend and only Rs. 2.50 lakhs are devoted to raise the transfers to reserves which at Rs. 8 lakhs consist of Rs. 2 lakhs to development rebate reserve, Rs. 1 lakh to general reserve and Rs. 5 lakhs to plant modernisation, and development reserve created for the first time this year. A more substantial addition to reserves would have been appropriate, considering that reserves and surplus, including the transfers now made but excluding the premium on shares amounting to Rs. 14.94 lakhs are no more than Rs. 54.93 lakhs, being equal to about 35 per cent. of the paid-up capital of Rs. 99.96 lakhs.

The Directors' report bring out the following points on the Company's working during 1959-60:

(1) There was, over the year, a steep rise in cost of all oils, coconut oil by 23 per cent., mowra oil by 18 per cent., groundnut oil by 17 per cent. and palm oil by 8 per cent. The Company, however, managed to buy at relatively more favourable prices. This, as already stated, was one of the factors responsible for the rise in profit.

(2) As compared with 1958-59, there was an increase of 11 per cent. in seeds crushing operations, of 11 per cent. in sales of laundry and toilet soaps, of 12 per cent. in the sale of glycerine, and of 21 per cent. in toilet products. The rise in *vanaspati* sales was small but encouraging. After a lapse of many years, the Company resumed sale of coconut oil in bulk at Calcutta. Exports of the Company's products rose from Rs. 19 lakhs to Rs. 30 lakhs. The groundnut meal produced by the Company has established a reputation both within the country and in foreign markets and is readily bought at a small premium.

(3) The sales agency agreement with Tata Chemicals has been renewed for three years from 1st July 1959.

(4) The Company has also a programme for expansion. It has bought a soap plant of a capacity of 7,500 tons per annum from Modi Sugar Mills, U.P., at a cost of Rs. 8.50 lakhs and is re-erecting it at a site outside Delhi. This new factory, due to be completed in the first half of 1962, will produce soaps, glycerine and *vanaspati*. The Amrut Oil Mills at Sewree, Bombay, has been taken over at a cost of Rs. 19.76 lakhs. This price covers a crushing mill, a soap plant, a *vanaspati* plant and nearly 15,000 square yards of additional land adjacent to the Company's Sewree factory. An order has been placed in Italy for a continuous soap plant. The expeller capacity is also being expanded both at Sewree and Tatapuram (Kerala). Good progress is being made with the erection of the fat splitting and fatty acid distillation plant at Tatapuram which will enable the Company to use certain non-edible oils in the manufacture of soaps. This plant, ordered from Germany, is scheduled to commence production some time next year. When all these programmes are completed, the Company's efficiency will improve further and its total capacity for laundry and toilet soaps, its principal manufacturing business, will be of the order of 45,000 tons per year or some 60 per cent. more than 10 years ago.

On the management side, the Company's departments in charge of production, marketing and sales, and purchases of raw materials have been reorganised and expanded. The Managing Director of Tata-Fisons Private Ltd., Mr. J. R. Jenk, has been appointed as Commercial Director to plan further activities for the future. Particular care is being paid to purchases of raw materials at different centres in the producing areas at appropriate seasons. The Chairman of the Company, Mr. J. R. D. Tata, says that the management is fully conscious of the fact that the overall success of its operations depends, to a considerable extent, on judicious buying of raw materials. A new technical development department has been formed to take care of all technical matters in the fields of product improvement and development, processing and plant equipment, and planning and erection of new production units.

The Rs. 25 paid-up ordinary shares are currently quoted at Rs. 84 *cum*-dividend and yield, on the basis of latest dividend, 5 per cent. per annum, free of tax.

The outlook for the Company is encouraging, as the market for the Company's products is steadily expanding. In this context, the following extract from Mr. J. R. D. Tata's statement to shareholders is relevant:

"Our long and slow climb of the last twenty years has now brought us, so to speak, to a new plateau, from which we enter the 'sixties and can view the road ahead. While I think it is unwise for any private enterprise to be unduly optimstic these days in view of the uncertainties and vagaries of economic trends and policies in the country, I feel we may look forward to continuous and perhaps accelerated progress in the years to come. Although there will no doubt be ups and downs in the working of the Company, we have the financial strength, the manufacturing resources and the organisation with which to overcome any temporary setback and continue from year to year to develop our business and widen the range of our activities. We have done much in recent years and particularly in the last year to organise ourselves to meet the opportunities and challenges of the future. . . ."

The following synopsis of the Company's balance-sheet as at 31st March 1960, as against the background of the position as at 31st March 1955, will give one an idea of not only the latest financial position but also the improvement that has taken place in the past five years:

(In lakhs of rupees)

	31-3-1960	31-3-1955
Liabilities		
Paid-up capital	99.96	99.96
Reserves and surplus	49.87	28.32
Borrowings and deposits	231.92*	107.12
Current liabilities and provisions	229.67	72.58
Assets:		
Gross block	267.49	184.17
Less—Depreciation	156.71	107.20
Net block	110.78	76.97
Investments	12.36	5.48
Current assets	307.71	201.64
Book debts	146.71	8.94
Cash	33.86	14.95
Total	611.42	307.98

*Includes 6 per cent. debentures of Rs. 50 lakhs.

The Company's management deserves to be complimented on the comprehensive information given in the Directors' report and statement of accounts in a very attractive manner. It is undoubtedly an excellent model for other joint-stock companies in this country to emulate. It gives a complete analysis of the Company's financial position and progress and contains illustrations, in attractive colours, of the various products made by it and the sources of raw materials. The Company's shares are widely held, there being no less than 6,826 ordinary shareholders and 1,962 preference shareholders. Of the ordinary shares, 2,772 holders are owning 1 to 5 shares each, 1,550 holders 6 to 10 shares, 941 holders 11 to 20 shares, 1,005 holders 21 to 50, 290 holders 51 to 100 and 268 holders 101 and over.

ASHOK PAPER MILLS LTD.

A new company, called Ashok Paper Mills Ltd., under the chairmanship of Dr. A. Ramaswamy Mudaliar, has been formed to establish a paper plant at Darbhanga in the Bihar State. The Company will install an integrated pulp and paper plant, with a daily (triple-shift) capacity of about 50 to 60 tons. It will manufacture all kinds of pulp, paper and paper boards, including writing and printing paper. Bagasse, sabi grass and bamboo will be used as raw materials by the plant.

The Company has already secured the collaboration of a French firm, Messrs. Empacel, which will supply the major portion of the plant and machinery. The other machinery and equipments, which are not available from indigenous manufacturers will be imported from the U.S. under Export-Import Bank Loan Programme. The French firm has also agreed to undertake the installation of the plant and its satisfactory operation and maintenance. The capital outlay of the project is estimated at Rs. 5.45 crores, of which building will cost Rs. 75 lakhs and plant and machinery Rs. 4.52 crores.

The authorised capital of the Company is Rs. 3 crores, divided into preference capital of Rs. 1 crore and equity capital of Rs. 2 crores. The preference capital is in 6½ per cent. tax-free, cumulative, participating and redeemable shares. The preference shares are redeemable any time after the 31st December 1970, but not later than 31st December 1975 at the option of the Company. The holders of the preference shares will also be entitled to participate in the profits at the rate of ½ per cent. for every one per cent. of dividend declared on equity shares above ten per cent., provided that the further participation by the preference shareholders will be restricted to 1½ per cent.

The issue capital of the Company will be Rs. 2.25 crores, out of which there will be 18 lakh equity shares of Rs. 10 each and 45,000 preference shares of Rs. 100 each. Equity shares of the face value of Rs. 96 lakhs have already been subscribed by the promoters, their friends and French participants. The Government of Bihar has given an undertaking that it will subscribe to and take up equity shares of Rs. 30 lakhs and preference shares of Rs. 20 lakhs out of the balance of the equity and preference shares if not taken up by the public as a result of this offer. In pursuance of this undertaking, the Bihar Government will apply for equity shares of Rs. 10 lakhs and preference shares of Rs. 20 lakhs.

HONGKONG AND SHANGHAI BANKING CORPORATION

The Board of Directors of the Hongkong and Shanghai Banking Corporation has declared an interim dividend of £1 5s. per share payable on 15th August. The transfer books will be closed from 29th July to 13th August both days inclusive.

AMBIKA SILK MILLS

SALES RISE, BUT PROFIT DECLINES

ALTHOUGH sales were higher, the gross profit of the Ambika Silk Mills Company Ltd. (Managing Agents: Messrs. Maganlal Bhagwandas and Company, Bombay) for the year ended 31st December 1959 is lower. Thus, while sales fetched Rs. 92.77 lakhs as against Rs. 85.43 lakhs for 1958, the gross profit has come down from Rs. 8.06 lakhs, which was a record, to Rs. 6.38 lakhs. This adverse result is the outcome of an appreciable increase in cost of production which more than neutralised the improvement in sale proceeds. The unsold stocks at the end of the year were also larger than a year earlier. The decline in profit is in contrast to the perceptible advance witnessed in 1958. Because of lower profit, the provision for taxation is down from Rs. 2.39 lakhs to Rs. 1.49 lakhs, but the transfer to depreciation at Rs. 3.08 lakhs is almost the same as that a year ago. The net profit has contracted from Rs. 2.04 lakhs to Rs. 1.48 lakhs. Consequently, the Directors have found it necessary to withdraw Rs. 1.19 lakhs from the general reserve, in order to permit the payment of dividend and to cover the transfer to statutory development rebate reserve, as will be seen from the comparative table published below:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sale proceeds of cloth and waste	92.77	85.43	66.82	62.40
Closing stock of cloth	10.23	8.51	9.62	8.36
Yarn, stores and spares consumed	64.32	53.07	43.02	41.94
Other expenses	27.73	25.34	20.96	19.65
Gross profit	6.38	8.06	5.98	6.36
Managing Agents' commission	0.33	0.49	0.32	0.42
Depreciation	3.08	3.13	2.78	2.15
Taxation	1.49	2.39	0.80	..
Net profit	1.48	2.04	2.08	3.79
From reserves	1.19	..	..	..
To reserves	0.34	0.76	0.90	2.60
Goodwill, etc., written off	0.22	..	..	..
Dividend	2.08	1.38	1.15	1.15
	(12%)†‡	(12%)*	(15%)	(15%)
Carry forward	0.03	..	0.11	0.08

* *On the higher capital of* Rs. 11.51 lakhs raised by a fresh issue of 3,815 shares of Rs. 100 each.

† Subject to deduction of tax.

‡ On the higher capital of Rs. 17.33 lakhs raised by a further issue of 5,775 shares of Rs. 100 each.

The proposed dividend of 12 per cent. is the same as that for 1958 but only so far as the rate goes, because, whereas, last year the dividend was free of tax, this year it is subject to tax. This means that the net dividend is lower by 30 per cent. at 8.4 per cent., free of tax. Another point to be noted in regard to the dividend for 1959 is that it is on a bigger capital following the issue of 5,775 new shares of Rs. 100 each at par. In 1958, too, the Company had enhanced its capital by issuing 3,815 new shares at par. Thus, in two years, it has more than doubled its paid-up capital, from Rs. 7.70 lakhs to Rs. 17.32 lakhs, in order to support the expansion in its manufacturing capacity. It has been progressively modernising the equipment in its mills. Besides, in 1958, it took to production of knitted fabrics, a new line of activity, and, in the year under review, it expanded this business by installing two more machines.

While the aforesaid table gives an idea of the rise in cost of production, the following extract from the Directors' report supplements it by showing precisely why the Company's working in 1959 was less profitable than in the preceding year:

"During the year under review, due to acute shortage of foreign exchange, Government further cut down quotas of import licences usually granted to the consumer mills. On the other hand, under the Export Promotion Scheme sponsored by the Government, incentives in the shape of import licences for import of art silk and synthetic yarns against exports of fabrics were given. The Company entered the export trade with a view to earning foreign exchange and thus obtaining its yarn requirements under the Export Promotion Scheme. However, the price realised for exports are very much lower than those prevailing in India, but the offsetting advantage in exports is grant of import licences for yarn under the Export Promotion Scheme. The Company exported during the year some of its cloth production and earned foreign exchange of Rs. 3,54,040.16 as value thereof. By reason of these exports, the Company has earned import licences, but the advantages of such imported yarn will be realised during the current year. Many items of fabrics manufactured by the Company are becoming increasingly popular in the foreign countries and a good demand has already been established. In order to establish direct contacts with consumers, the Directors thought it advisable to start a retail shop in some good shopping area in the City. Suitable premises were acquired and turned into a modern sales centre. It will be noticed from the accounts that a part of the amount paid (Rs. 67,300) for goodwill for acquiring the premises has been written off."

The financial position of the Company, as at the end of 1959, is satisfactory and reflects the growth in its activities. As already stated, the paid-up capital has been expanded further. At Rs. 17.39 lakhs, the capital account is well in balance with the net block account of Rs. 16.18 lakhs (gross block Rs. 38.69 lakhs *minus* depreciation Rs. 22.51 lakhs). The reserves and surplus aggregating Rs. 9.09 lakhs are equal to more than 50 per cent. of the paid-up capital. Secured loans (Rs. 17.33 lakhs), current liabilities and provisions come to Rs. 34.74 lakhs, as against which there are ample floating assets of the order of Rs. 44.52 lakhs.

STERLING GENERAL INSURANCE COMPANY

The year ended 31st December 1959 witnessed concerted efforts by the management of the Sterling General Insurance Company, Ltd. (General Manager and Managing Director: Mr. M. N. Seth) to stabilise the business of the Company by weeding out undesirable business connections and by greater control over underwriting. The Company also acquired a majority of shares in the Central Mercantile Assurance Company Ltd. which has thus become its subsidiary. As a result of drastic streamlining of business, the net premium declined by Rs. 11.70 lakhs to Rs. 44.80 lakhs. Net premium in the marine department was lower by as much as 45 per cent. and in the miscellaneous department by over 33 per cent. This was, however, offset, to some extent, by the increase in premium in the fire department by 21.7 per cent.

The upward trend of claims, which had characterised the 1958 accounts, was accentuated during the year under review. The ratio of claims to net premium was higher at 74.08 per cent. in 1959, as against 62.69 per cent. in 1958. The various corrective steps already taken are, however, said to be beginning to show results and the Directors hope to bring the situation under control by the end of 1960 or 1961. As regards expenses, the measures already initiated to curb the increase have had a beneficial effect, as is evident from the slowing down in the rate of increase in expenses in 1959.

As a result of stricter control over underwriting which resulted in an underwriting profit of Rs. 51.049, as against the loss of Rs. 5,000 in the previous year, and the higher profits realised on investments, the Company has been able to show a larger net profit of Rs. 2.15 lakhs, as against Rs. 1.40 lakhs in the previous year. The distribution to shareholders has been stepped up from 5 per cent., tax-free, for 1958, to 9 per cent. taxable or 6.30 per cent., tax-free, for the year under review. The sum required to pay this dividend is nearly twice as much as that for the 1958 dividend.

The following table summarises the working results of the Company for the past three years:

(In lakhs of rupees)

	1959	1958	1957
Fire:			
Net premium	17.23	14.26	12.71
Claims	7.09	6.26	5.84
Commission	0.90	0.92	0.82
Expenses of management	4.63	4.47	4.14
Fire fund	8.61	6.37	5.73
Marine:			
Net premium	3.04	5.57	4.60
Claims	4.56	3.69	2.80
Commission	−2.06	−1.31	−0.59
Expenses of management	1.99	2.01	1.83
Marine fund	2.41	3.39	3.44
Miscellaneous:			
Net premium	24.53	36.78	37.70
Claims	21.55	25.50	23.70
Commission	−4.05	1.17	3.02
Expenses of management	18.23	12.85	11.12
Miscellaneous fund	12.26	16.18	15.88
Profit (net)	2.15	1.40	1.20
Dividend	1.26	0.68	0.62
Provision for taxation	0.85	0.72	0.56
Carry forward	0.14	0.36	0.41

In spite of the reduction in net premiums, the Company has tried to strengthen its financial position by increasing the percentage of underwriting reserves. The following table reflects the progressive strengthening of underwriting reserves during the period 1955-59:

(Percentage of Departmental reserves to net Premium)

—	Fire	Marine	Miscellaneous	Total
1955	40	40	40	40
1956	45	68	42	45
1957	45	75	42	45½
1958	45	61	44	46
1959	50	79	50	52

After meeting claims and expenses of management and providing for departmental reserves, the accounts disclose an underwriting profit of Rs. 2.36 lakhs in the fire department and losses of the order of Rs. 47,000 and Rs. 1.38 lakhs in the marine and miscellaneous departments respectively, leaving a net underwriting profit of only Rs. 51,049. This, together with income from investments and other receipts amounting to Rs. 1.85 lakhs gives a gross profit of Rs. 2.36 lakhs. Out of this, a sum of Rs. 20,466 has been written off as bad debts. This leaves a net profit of Rs. 2.15 lakhs, which, along with Rs. 3,610 brought in from the previous year's account and Rs. 1,457 being dividend forfeited, makes available Rs. 2.20 lakhs for distribution. Out of this, Rs. 85,000 has been set apart as provision for taxation. The dividend of 9 per cent. subject to tax, will absorb Rs. 1.26 lakhs. A sum of Rs. 8,000 has been earmarked for staff gratuity and charity funds. The balance of Rs. 1,417 has been carried forward.

MARINE AND GENERAL INSURANCE COMPANY LTD.

An all-round expansion in business is reflected in the statement of accounts of the Marine and General Insurance Company Ltd. (General Manager: Mr. H. Norrington, Calcutta) for the year ended 31st December 1959. But this has not meant more profit for the Company, nor a better dividend for its shareholders. Both are lower, as we shall show presently.

The combined net premium income of the Company rose by Rs. 1.12 lakhs to Rs. 7.84 lakhs, an increase of about 17 per cent. All the three departments, namely, fire, marine and miscellaneous, shared in the increase in business. Along with the increase in premium, claims, as also commission and expenses, advanced, the former from Rs. 3.11 lakhs (claims ratio 46.3 per cent.) to Rs. 4.13 lakhs (52.7 per cent.) and the latter from Rs. 2.46 lakhs (36.7 per cent.) to Rs. 2.94 lakhs (37.6 per cent.). The higher claims ratio was due mainly to the continued heavy losses resulting from jute fires which showed no improvement, as compared with the previous year. The increase in claims and expenses have eaten into the profits of the Company which disclose a marked decline from Rs. 1.42 lakhs for 1958 to Rs. 75,956 for the year under review. The rate of distribution to shareholders has been stepped up to Rs. 7 per share of Rs. 50 paid-up but, as this is subject to tax, the net dividend is a shade lower at Rs. 4.90 per share, as compared with Rs. 5 per share (free of tax) for the previous year.

The following table indicates the salient features of the working of the Company during the three years 1957, 1958 and 1959:

(In lakhs of rupees)

	1959	1958	1957
Fire:			
Net premium	5.07	4.40	4.25
Claims paid and outstanding	2.68	1.51	2.16
Commission and expenses	2.19	1.71	1.64
Fire fund	3.03	2.07	2.62
Marine:			
Net premium	1.52	1.21	1.07
Claims paid and outstanding	0.90	1.10	0.30
Commission and expenses	0.24	0.13	0.21
Marine fund	1.77	1.46	1.33
Miscellaneous:			
Net premium	1.25	1.11	0.97
Claims paid and outstanding	0.55	0.50	0.37
Commission and expenses	0.51	0.47	0.35
Miscellaneous fund	0.63	0.56	0.48
Profit	0.75	1.42	1.23
Other income	0.57	0.66	0.41
Provision for taxation	0.70	1.00	0.65
Transfer to reserves	0.25	0.46	0.25
Dividend	0.70	0.50	0.50
	(14%)*	(10%)†	(10%)†
Carry forward	0.69	0.88	0.96

* Taxable. † Tax free.

It will be observed that the improvement in business recorded in 1959 is a continuation of the upward trend witnessed in the previous year.

The net premium income in the fire department increased from Rs. 4.40 lakhs in 1958 to Rs. 5.07 lakhs in 1959. Net claims paid and outstanding amounted to Rs. 2.68 lakhs. Commission and expenses aggregated Rs. 2.19 lakhs. As a result of the increase in premium, the reserve for unexpired risks increased by over Rs. 30,000 to Rs. 2.53 lakhs. A sum of only Rs. 40,734 has been transferred as profit to the profit and loss account, as against Rs. 1.11 lakhs in the previous year.

Business of the marine department continued to expand during the year. Net premium income amounted to Rs. 1.52 lakhs, as compared with Rs. 1.21 lakhs in 1958. Claims paid and outstanding were of the order of Rs. 90,287. Commission and expenses stood at Rs. 24,660. After setting apart Rs. 1.52 lakhs as the reserve for unexpired risks, being 100 per cent. of premium income, the accounts disclose a profit of Rs. 6,201.

In the miscellaneous department net premium increased by Rs. 13,802 to Rs. 1.25 lakhs. Thanks to the decline in claims ratio from 45 per cent. to 44.1 per cent. and commission and expenses of management from 43.1 per cent. to 40.9 per cent., this department was able to show a higher profit of Rs. 11,851, as against only Rs. 7,144 in the previous year. The provision for unexpired risks has been maintained at 50 per cent. of the premium income.

After making the departmental transfers to the profit and loss account and taking into consideration non-underwriting expenses, interest and other income, the accounts disclose a net profit of Rs. 75,596. This, together with Rs. 88,382 being the balance brought forward from previous years' account and Rs. 74,376 being surplus on sale of investments, gives a total of Rs. 2.38 lakhs. Out of this, Rs. 70,000 has been set apart as provision for taxation, Rs. 29,234 has been earmarked for general and investment reserves. The proposed gross dividend of Rs. 7 per share will absorb Rs. 70,000 leaving a balance of Rs. 69,120 to be carried forward.

Notice

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

IN CONNECTION WITH GLOBAL TENDER No. G.P. 22 for Wheelsets intending tenderers are requested to note that the quantities against item Nos. 1, 3, and 4 of the tender have now been amended to 212 Nos., 23772 Nos. and 4396 respectively. Offers should be submitted accordingly. The returnable date of the tender has been extended to NOT LATER THAN 12 NOON ON 31ST AUGUST 1960.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
New Delhi-2

SYNOPSES OF COMPANY REPORTS

Walford Transport Ltd.

THE directors of the above Company (Manager: Mr. R. R. Aiyer, Calcutta) submit the audited accounts of the above Company for the year ending 31st December 1959.

After writing off Rs. 51,652 (Rs. 54,636) for depreciation and setting aside Rs. 5,20,000 (Rs. 2,50,921) for taxes, the available profit for the year would be Rs. 5,16,837 (Rs. 3,33,896) including Rs. 1,40,960 (Rs. 1,35,400) brought forward from last year's account. It is recommended that this sum be dealt with as follows:—

To payment of a dividend of 15 (12 per cent. free of tax) per annum, subject to income-tax, on 2,10,200 preferred ordinary shares, absorbing Rs. 31,530 (Rs. 25,224), to payment of a dividend of 20 (14 per cent. free of tax) per annum, subject to income-tax, on 8,40,800 ordinary shares, absorbing Rs. 1,68,160 (Rs. 1,17,712) and to transfer to general reserve, Rs. 1,50,000 (Rs. 50,000 to contingency reserve) [thereby bringing it to Rs. 11,50,000] and to carry forward Rs. 1,97,197 (Rs. 1,40,960).

Compared to 1958, the turnover in 1959 was substantially higher. The volume for the year under review totalled Rs. 2.04 crores against Rs. 1.52 crores the previous year, or an increase of 34.2 per cent. Although there was some minor tax relief under the latest Finance Bill, the load is still heavy. The tax ratio represents 58.4 per cent. of gross profit, against 61 per cent. the previous year.

The flow of new vehicle inventory in the early part of 1959 was somewhat limited. It improved in the latter part of the year which enabled a better turnover. Considering the difficulties under which the manufacturers have to handle procurement and production problems, they have been sympathetic and helpful and deserve your appreciation and thanks. Our relations with them have always been most cordial. On account of the various development plans in the country and road transport expansion schemes, demand for most of the vehicle lines continues to be good. In the Finance Bill, however, Government has introduced a new excise duty on motor vehicles. The duty varies from Rs. 1,000 in the case of a small car to Rs. 4,275 in the case of a truck chassis. This is in addition to increased duty on diesel oil, automative engines, batteries, etc. Automobiles have thus become costlier either to own or to operate. Vehicle owners may thus be inclined to prolong the life of the existing vehicles by repairs rather than by replacements and, to this extent, there can be a purchase drop.

Operating expenses continue to be heavy and to increase due to various factors. Against this dealer margin was curtailed at the suggestion of the Government. The result is the narrowing down of net profit which can only be offset, to some extent, by increasing activities, and turn over where possible. The Company has in view strengthening of the existing branches and enlarging them wherever possible.

The paid up capital of the Company as compared to turn over in 1959 represents 5.1 per cent. It was possible to handle the higher volume only by utilising the reserves you built up with prudence in previous years supplemented by substantial bank borrowings. As in previous years, it has been found necessary to further strengthen the reserve to sustain the ability to handle increased turn over. Allocations have accordingly been made with the above objective in view.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,51,000	Gross block	13,10,577
Reserves ...	22,95,788	*Less*—Depreciation ...	9,03,867
Provision for taxation ...	9,41,062		
Liabilities ...	30,60,640	Net block	4,06,710
Profit and loss account (surplus)	1,67,197	Stock-in-trade	37,28,435
		Stores and goods in transit ...	4,35,256
		Work-in-progress ...	30,282
		Book debts ...	22,62,326
		Investments	1,27,080
		Cash ...	5,25,598
Rs.	75,15,687	Rs.	75,15,687

Bengal Assam Steamship Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1959.

Although the accounts, after charging all expenses, show an operating loss of Rs. 4,50,690 (profit of Rs. 4,73,540) there are credits in respect of fleet depreciation reserve in respect of block sales no longer required of Rs. 3,15,185 (*nil*), profit on sale of block Rs. 40,299 (*nil*) and profit on sale of investments Rs. 1,59,625 (*nil*) leaving a credit balance of Rs. 64,419 (Rs. 1,93,540 after providing Rs. 2,80,000 for taxation). With the balance brought forward from last year of Rs. 88,927 (Rs. 36,387), there is a total available sum for appropriation of Rs. 1,53,346 (Rs. 2,29,927). The directors have transferred to capital reserve Rs. 40,299 (*nil*) and to development rebate reserve Rs. 5,637 (*nil*). The directors now recommend that the following dividends be paid:—

On preference shares at 7 per cent. per annum, absorbing Rs. 21,000 (Rs. 21,000) and on ordinary shares at Rs. 3 (Rs. 6.00 per share, free of tax) per share, absorbing Rs. 60,000 (Rs. 1,20,000) leaving a balance to be carried forward of Rs. 26,410 (Rs. 88,927).

Ratification of the special resolution passed at the extraordinary general meeting of members held on 12th January, 1960 approving the alterations of the rights attached to preference shares has not yet been received from the requisite number of ordinary and preference shareholders. The dividends now recommended to shareholders are subject to deduction of tax before payment in accordance with the provisions of the Finance Act currently in force.

The Company's disappointing operating results are due to a considerable decrease in freight earnings. A substantial increase in earnings from jute carried from Assam was more than offset by a reduction in earnings from jute imports from Pakistan and a decrease in earnings from coal exports to Pakistan due to the cessation of the Company's contract for the carriage of coal in early 1959. Prospects for the current year are more satisfactory as earnings from the carriage of jute have been maintained and the carriage of coal exports to Pakistan has recommenced.

A Hire Purchase Agreement covering the sale over a period of five years of some units of the Company's fleet registered in East Pakistan was concluded during the year, and this has enabled the Company to purchase since the end of the year a new tug, which is particularly suitable for Assam waters.

In accordance with Section 330 of the Companies Act, 1956, Andrew Yule & Co., Ltd. will cease to act as managing agents on 16th August, 1960 and the Company has applied to the Central Government for approval of the appointment of Andrew Yule & Co., Ltd. as secretaries and treasurers of the Company with effect from that date. Approval has not yet been received but is expected shortly.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,00,000	Gross block	1,16,88,916
Reserves ...	96,44,220	*Less*—Depreciation	20,83,063
Provision for taxation ...	3,03,980		
Liabilities ...	10,90,304	Net block ...	96,05,853
Profit and loss account (surplus)	26,410	Stores ...	28,578
		Book debts ...	13,68,217
		Investments	1,58,500
		Cash ...	22,03,766
Rs.	1,33,64,914	Rs.	1,33,64,914

Hoolungooree Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit, after charging all expenses, of Rs. 2,92,908 (Rs. 3,47,160) of which taxation provision requires Rs. 98,000 (Rs. 1,65,000 including Rs. 9,000 for wealth tax) leaving a balance of Rs. 1,94,908 (Rs. 1,82,160). To this amount is added excess provisions of taxation in previous years now written back amounting to Rs. 10,360 (*nil*) and the balance brought forward from last year of Rs. 90,604 (Rs. 75,281) making a total available for appropriation of Rs. 2,95,872 (Rs. 2,93,583 including Rs. 9,000 transferred from investments realisation surplus and Rs. 27,142 being dividends forfeited). The directors have transferred to general reserve Rs. 25,000 (Rs. 50,000) and to development rebate reserve Rs. 21,203 (Rs. 729). The directors further recommend payment of a taxable dividend of Rs. 20.00 (tax-free dividend of Rs. 17.50 per share) per share, absorbing Rs. 1,74,000 (Rs. 1,52,250) leaving a balance to be carried forward of Rs. 75,669 (Rs. 90,604).

A crop of 14,619 maunds was secured and sold at an average price of Rs. 2.45 per lb. which compares with a crop of 15,259 maunds in 1958, sold at an average price of Rs. 2.32 per lb.

Estimates for the current year have been framed for a crop of 15,500 maunds to cost Rs. 24,04,783 but there has been a poor start to the season owing to shortage of rain and by 14th June, 1960, 27,394 kgs. (755 maunds) had been manufactured compared with 33,531 kgs. (924 maunds) to the same date last year.

Capital expenditure during the year was Rs. 3,57,537, of which approximately one-third represents the costs of implementing statutory welfare requirements in regard to labour and staff houses.

The Central Government have approved the re-appointment of Andrew Yule & Co., Ltd. as managing agents of the Company for a period of five years from 15th August, 1960 and the formal re-appointment was made by the Company at an extraordinary general meeting held on 23rd June, 1960. On 19th December, 1959, Andrew Yule & Co., Ltd. became the Company's ultimate holding Company.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,70,000	Gross block	32,83,007
Reserves ...	13,90,841	*Less*—Depreciation	14,80,249
Provision for taxation ...	1,85,175		18,02,758
Wealth-tax provision	8,968	Net block	6,64,277
Liabilities ...	6,97,840	Stock of tea	2,33,007
Profit and loss account (surplus)	75,669	Stores, etc.	2,04,786
		Book debts	12,493
		Investments	3,11,172
		Cash ...	
Rs.	32,28,493	Rs.	32,28,493

Rajgarh Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit, after charging all expenses, of Rs. 1,11,231 (Rs. 73,872) of which taxation provision requires Rs. 45,000 (Rs. 36,000 including Rs. 2,000 for wealth tax) leaving a balance of Rs. 66,231 (Rs. 37,872). To this amount is added excess provisions of taxation in previous years now written back amounting to Rs. 10,167 (*nil*) and the balance brought forward from last year of Rs. 38,792 (Rs. 41,480) making a total available for appropriation of Rs. 1,15,190 (Rs. 90,339 including Rs. 2,000 transferred from general reserve and Rs. 3,987 being dividends forfeited). The directors now recommend payment of a taxable dividend of Rs. 3.50 (tax-free dividend of Rs. 2.50) per share absorbing Rs. 70,000 (Rs. 50,000) leaving a balance to be carried forward of Rs. 45,190 (Rs. 38,792 after providing Rs. 1,547 to development rebate reserve).

A crop of 5,364 maunds was secured and sold in Calcutta at an average price of Rs. 2.47 per lb. which compares with a crop of 5,755 maunds in 1958, sold at an average price of Rs. 2.19 per lb.

Estimates for the current year have been framed for a crop of 6,000 maunds to cost Rs. 9,31,455 but due to shortage of rain, there has been a poor start to the season and by 14th June, 1960, 18,689 kgs. (515 mds.) had been manufactured compared with 34.400 kgs. (948 mds.) to the same date last year.

Of the capital expenditure during the year amounting to Rs. 2,01,030, almost half relates to the cost of implementing statutory welfare requirements in regard to labour and staff houses and hospitalisation facilities.

On 19th December, 1959, Andrew Yule & Co., Ltd., became the Company's ultimate holding Company. Andrew Yule & Co., Ltd., will cease to act as managing agents of the Company on 15th August, 1960 and their appointment as secretaries and treasurers of the Company for a period of five years from that date has been approved by the Central Government.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,00,000	Gross block	13,39,252
Reserves ...	8,46,039	*Less*—Depreciation ...	5,27,546
Provision for taxation ...	56,323		
Liabilities ...	2,92,838	Net block ...	8,11,706
Profit and loss account (surplus)	45,190	Stock of tea	2,77,123
		Stores ...	1,34,895
		Book debts	1,61,128
		Investments	2,938
		Cash ...	52,600
Rs.	14,40,390	Rs.	14,40,390

Basmatia Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit after charging all expenses, of Rs. 3,85,664 (Rs. 2,50,331) of which taxation provision requires Rs. 1,48,000 (Rs. 1,11,500 including Rs. 5,500 for wealth tax) leaving a balance of Rs. 2,37,664 (Rs. 1,38,831). To this amount is added excess provision for wealth tax in previous years now written back of Rs. 572 (*nil*) and the balance brought forward from last year of Rs. 40,495 (Rs. 44,923) making a total available for appropriation of Rs. 2,78,731 (Rs. 1,98,283 including Rs. 5,500 transferred from general reserve and Rs. 9,029 being forfeited dividends). The directors have transferred to general reserve Rs. 70,000 (Rs. 50,000) and to development rebate reserve Rs. 12,087 (Rs. 5,788). The directors now recommend payment of a taxable dividend of Rs. 3.00 (tax-free dividend of Rs. 2.00 per share) per share absorbing Rs. 1,53,000 (Rs. 1,02,000) leaving a balance to be carried forward of Rs. 43,644 (Rs. 40,495).

A crop of 7,611 maunds was secured and sold at an average price of Rs. 2.99 nP per lb. which compares with a crop of 7,439 maunds in 1958, sold at an average price of Rs. 2.62 nP per lb.

Estimates for the current year have been framed for a crop of 8,000 maunds to cost Rs. 11,70,251 but there has been a poor start to the season owing to shortage of rain and by 14th June, 1960, 25,171 kgs. (694 maunds) had been manufactured compared with 35,734 kgs. (985 maunds) to the same date last year.

Capital expenditure during the year was Rs. 3,10,605, of which more than a quarter represents the cost of implementing statutory welfare requirements in regard to labour houses, etc.

On 19th December, 1959, Andrew Yule & Co., Ltd., became the Company's ultimate holding Company. Andrew Yule & Co., Ltd. will cease to act as managing agents of the Company on 15th August, 1960 and their appointment as secretaries and treasurers of the Company for a period of five years from that date has been approved by the Central Government.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,10,000	Gross block	18,49,824
Reserves ...	11,57,780	*Less*—Depreciation ...	6,86,011
Provision for taxation ...	1,79,830		
Wealth-tax provision	5,111	Net block ...	11,63,813
Liabilities ...	15,80,139	Stock of tea	9,83,561
Profit and loss account (surplus)	43,644	Stores ...	1,87,485
		Book debts	4,92,213
		Investments	78,352
		Cash ...	5,71,080
Rs.	34,76,504	Rs.	34,76,504

Cauvery Spinning and Weaving Mills Ltd.

The directors of the above Company [Managing Agents: United Industries (Pudukkottai) Private Ltd., Madras] present the audited accounts of the Company for the year ended 31st March 1960.

The balance of profit brought forward from the previous year is Rs. 9,823 (Rs. 20,645). To this is added the net profit for the year ended 31st March, 1960 [after providing for depreciation and obsolescence of Rs. 3,99,093 (Rs. 3,99,342)] amounting to Rs. 5,61,182 (Rs. 2,40,678) making a total of Rs. 5,71,005 (Rs. 2,62,009) including Rs. 686 being excess provision for taxation). From this bonus for the year 1958-59 absorbs Rs. 75,887 (Rs. 51,121) and short provision in taxes Rs. 72 (*nil*) leaving a balance of Rs. 4,95,046 (Rs. 2,10,888). The directors have made the following appropriations:

To development rebate reserve Rs. 1,30,000 (Rs. 20,000), to provision for taxation Rs. 1,70,000 (Rs. 56,000), to payment of dividend at 8.93 (6¼ per cent. free of tax) per cent. subject to deduction of tax on preference shares absorbing Rs. 58,259 (Rs. 40,775) and to payment of dividend at 13 (9 per cent. free of tax) per cent. subject to deduction of tax on equity shares absorbing Rs. 1,21,753 (Rs. 84,290) leaving a balance to be carried forward of Rs. 15,034 (Rs. 9,823).

The working of the Mills should be considered satisfactory, particularly in view of the fact that there has been further increase in the dearness allowance paid to workers resulting in increased cost of production and that the rates realised for yarns during the first half of the year have been unremunerative. There has been considerable increase in the prices of cotton also.

During the year under review, a new blow room machinery has been installed which is expected to result in increasing further efficiency and the standard of the qualities of yarns.

Dividend: The Board recommends a dividend of 8.93 per cent. taxable on preference shares in order to enable the holder of these shares to obtain the same return as before and 13 per cent. taxable on equity shares.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,93,468	Gross block	68,26,050
Debentures ...	9,25,000	*Less*—Depreciation ...	33,32,807
Reserves ...	6,61,000		
Provision for taxation ...	1,70,000	Net block ...	34,93,243
Liabilities ...	23,49,676	Stock-in-trade	13,20,383
Profit and loss account (surplus) ...	15,034	Stores, tools, etc. ...	2,56,418
		Book debts ...	5,72,473
		Investments ...	31,757
		Cash ...	39,904
Rs.	57,14,178	Rs.	57,14,178

Calcutta Steel Co., Ltd.

The directors of the above Company (Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The Company has taken over the steel rolling mills previously owned by Messrs. Bhartia Electric Steel Co. Ltd., with effect from 1st of January 1960. Therefore, the profit and loss account reflects the results of working of the factory from 1st of January to 31st of March 1960. After providing for full depreciation allowed under law and Rs. 3,07,000 for taxation the net profit available is Rs. 3,53,035 which the directors recommend for disbursement as follows:—

To payment of a dividend at 50 nP per share, subject to deduction of tax, absorbing Rs. 2,50,000, leaving to be carried over to next year Rs. 1,03,035.

During the period under review, position of raw material supplies generally improved. This improvement is likely to continue in the current year as further production of billets becomes available from the integrated steel plants in public and private sectors. The directors are glad to report that this company has obtained a licence under the Industries Development and Regulation Act for manufacture of wire rods in lieu of other categories now manufactured. In the directors' opinion, production of wire rods should be comparatively more profitable. The capacity licensed is 3,000 tons per month on a single shift basis. Major part of machinery required for manufacture of wire rods has been procured and is under installation. The work is well in hand and production of wire rods is likely to start in the current year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Gross block	35,75,759
Provision for taxation ...	3,07,000	*Less*—Depreciation ...	95,632
Liabilities ...	50,50,858	Net block ...	34,80,127
Profit and loss account (surplus) ...	1,03,035	Block in progress ...	6,15,135
		Stock and raw materials ...	34,40,360
		Stores, etc.	7,07,320
		Book debts ...	21,85,041
		Investments	11,175
		Cash ...	21,735
Rs.	1,04,60,893	Rs.	1,04,60,893

Lakshmi Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. G. Kuppuswamy Naidu and Co., Coimbatore) present the audited accounts of the Company for the year ended 31st March 1960.

The profits, after providing Rs. 16,63,659 (Rs. 12,97,828) for depreciation and Rs. 5,48,640 (Rs. 3,98,447) for managing agents' remuneration and after adding thereto Rs. 1,54,659 (Rs. 86,370) brought forward from the last year's account amounted to Rs. 61,47,057 (Rs. 37,11,047). From this amount the directors have made the following appropriations:—

To donations paid Rs. 4,181 (Rs. 3,388), to provision for income-tax Rs. 20,00,000 (Rs. 12,00,000), to development debate reserve Rs. 3,75,000 (Rs. 9,00,000), to provision for work people's gratuity Rs. 1,00,000 (Rs. 75,000), to donation to Messrs. G. Kuppuswamy Naidu Charity Trust for education and medical relief Rs. 1,00,000 (Rs. 1,00,000), to depreciation reserve Rs. 3,20,000 (*nil*), to contingency reserve Rs. 1,00,000 (*nil*), to proposed dividends Rs. 14,91,000 (Rs. 12,78,000) and to income-tax deducted on dividends Rs. 6,39,000 (*nil*) leaving a balance of Rs. 17,876 (Rs. 1,54,659) which the directors recommend to be carried forward. The directors recommend payment of a dividend at 20 (20 per cent. free of tax) per cent. on the paid-up capital subject to the deduction of income-tax absorbing Rs. 21,30,000 (Rs. 12,78,000). The income-tax at 30 per cent. on the proposed dividends payable to Government amounts to Rs. 6,39,000 (*nil*) and the balance payable to the shareholders will be Rs. 14,91,000 (Rs. 12,78,000).

During the past year, 59,680 spindles were working in Coimbatore and 51,120 spindles in the Kovilpatti Mills. 100 automatic looms have been installed and are working in the Coimbatore Mill. With the previous 200 plain looms the Company's loomage has now risen to 300. The directors report that the installation of the full complement of 21,888 spindles at Palladam Mills was completed in October 1959 itself.

During the first half of the year, trade conditions were somewhat depressed but there was a definite improvement after August 1959. Still scarcity conditions in respect of Indian Cotton prevailed which resulted in control measures greatly handicapping the Mills' spinning programme. Electricity tariff has gone up by more than 10 per cent. and the wage bill is higher due to the increased cost of living index. In view of these facts the profits earned for the year should be considered quite satisfactory.

The directors are glad to inform that Messrs. South India Viscose Ltd. is expected to go into production by 1961 and this Company's investment will bring the expected benefits in the coming years.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,06,50,000	Gross block	3,03,40,881
Reserves ...	83,80,960	*Less*—Depreciation ...	1,58,77,356
Provision for taxation ...	44,16,333		
Liabilities ...	79,00,971	Net block ...	1,44,63,525
Profit and loss account (surplus)	17,876	Stock-in-trade	76,44,426
		Stores, etc. ...	5,25,910
		Book debts ...	59,21,363
		Investments	27,05,197
		Cash ...	1,05,719
Rs.	3,13,66,140	Rs.	3,13,66,140

Minerva Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. N. Sirur & Co. Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1959.

The result of the Company's operations during the year shows a loss of Rs. 14,285 (Rs. 7,99,852). To this is added the debit balance brought forward from the previous year of Rs. 7,73,251 (credit of Rs. 19,733) and the tax re-imbursed to the managing agents on agency commission foregone by them for the year 1951 Rs. 11,279 (Rs. 6,868 being refund of tax) making a total of Rs. 7,98,815 (Rs. 7,73,251). Deducting therefrom the refunds of insurance premia receivable in respect of previous years amounting to Rs. 59,733 (*nil*) there remains a debit balance of Rs. 7,39,082 (Rs. 7,73,251). The above debit balance is finally closed by transferring a like amount from the general reserve.

The improvement anticipated in the trading conditions did not materialise during the early part of the year under report, and the prices of coarse and medium varieties continued to be unremunerative till the middle of the year. It was only during the second half of the year under report that the markets revived and the margins began to improve. Although the working results of the year are not quite satisfactory, the deterioration which set in about two years ago was definitely halted. The management is now concentrating its efforts on putting the Mills on a sound profit-making basis. Some of the measures adopted for the purpose are (1) switching over a substantial part of the production from coarse and medium to superfine counts, and the consequent working of the spinning department on a temporary three-shift basis in order to absorb as far as possible the workers rendered surplus, (2) further rationalisation to the maximum extent possible in the various departments of the mills; (3) continuation of the programme of renovation and modernisation of plant and machinery. In pursuance of the above rationalisation programme, certain workers who were rendered surplus submitted voluntary resignations and were paid *ex-gratia* compensation amounting to Rs. 45,418. As the benefit of such rationalisation, which was effected towards the end of the ear under report, did not accrue in that year, but would be felt from this year onwards, the aforesaid compensation amounting to Rs. 45,418 has not been charged off to the profit and loss account for the year under report.

Early this year, the Mills availed themselves of the liberal allocation of foreign cottons made to the Textile Industry in view of the shortage of Indian cotton crop, and quite a sizeable spindleage was diverted to spinning super-fine counts over 60s, for which surplus *Combers* were purchased from the sister Mills in Bangalore, the Mysore Spg. & Mfg. Co. Ltd. This change in the pattern of production also enabled the Mills to effect further rationalisation in which—the directors are glad to state—labour willingly co-operated by arriving at a settlement with the management on the question of workloads, wages, etc.

Some of the new machinery like the *Barber Colman Spooler* and *Warper* was erected at the beginning of the current year and is now in operation. The Company has also received permission to install 144 automatic looms as replacement for old looms, and such replacement will form part of the second phase of the Company's programme of renovation and modernisation which will be undertaken as soon as the National Industrial Development Corporation Ltd., who have been approached, make the necessary finance available.

For many years past, the lack of adequate water facilities has been a severe handicap to the Mills, with the result that the bulk of the Company's products had to be sold in the grey state at unremunerative prices. The sister Mills, the Mysore Spg. & Mfg. Co. Ltd., have a sufficient supply of water from the water supply department, but do not have enough space for expansion of its own Bleach & Dye House. The directors of the two Companies therefore thought it advisable to pool the water supply of both the Mills at one place, that is, at the Bleach and Dye House on the premises of the Minerva Mills Ltd., and develop it into a full-fledged Processing Factory with an up-to-date *Bleaching, Dyeing* and *Mercerising* Plant, and also Printing Machinery for which a Printing Quota has been granted to the Mills. As such development programme involves heavy capital expenditure, it was considered not possible for the Company to undertake it in addition to the large renovation programme in its spinning and weaving departments. On the other hand, the Mysore Spg. & Mfg. Co. Ltd., was considered to be in a better position to undertake the development of the combined Dye and Bleach House where joint operations of bleaching, dyeing, mercerising and printing of cloth of both the Mills could be carried on more efficiently and economically. These are the circumstances that occasioned the proposal to sell to the Mysore Spg. & Mfg. Co. Ltd. the Bleach and Dye House of the Company and its adjuncts together with the dyeing and bleaching machinery for a total consideration of Rs. 8,88,958, and the proposal was approved by the Company at the Extraordinary General Meeting held on the 7th June, 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29,80,884	Gross block	1,05,10,931
Debentures ...	18,00,000	*Less*—Depreciation ...	50,74,410
Reserves ...	5,71,940		
Liabilities ...	89,09,800	Net block ...	54,36,521
		Stock-in-trade	46,71,824
		Stores, tools, etc. ...	11,61,594
		Book debts ...	18,69,628
		Investments	8,47,127
		Cash ...	1,38,775
		Miscellaneous expenditure	1,37,155
Rs.	1,42,62,624	Rs.	1,42,62,624

Purtabpore Co., Ltd.

The directors of the above Company (Calcutta) presented the audited accounts of the Company for the year ended 31st October 1959.

After making usual provisions for depreciation and development rebate the Company's results for the year show a profit of Rs. 2,81,058 (loss of Rs. 2,13,126). To this, a sum of Rs. 3,27,137 (*nil*) being profit on sale of agricultural land has been added. Transfers from general reserve and stock and stores reserve amounting to Rs. 25,000 (*nil*) and Rs. 1,00,000 (*nil*) respectively have also been added to this and hence the total surplus comes to Rs. 7,33,195. Against this the previous year's brought forward deficit amounting to Rs. 2,82,052 has been set and thus there remains a sum of Rs. 4,51,143 to the credit of profit and loss account which the directors recommend to distribute as follows:—

To transfer to rehabilitation reserve Rs. 3,27,137 (*nil*) and to pay a dividend on 60,000 10 per cent. cumulative preference shares of Rs. 10 each for the years 1956-57 and 1957-58 (subject to taxation) absorbing Rs. 1,20,000 leaving a balance carried forward to next year of Rs. 4,006 (debit of Rs. 2,82,052).

The quantity of cane crushed by the Company's factory during the season (1958-59) was 26,03,812 maunds with an extraction of 9.88 per cent. cane as against 24,90,615 maunds 25 seers with an extraction of 9.91 per cent. in the previous year. The sugar obtained during the season was 93,500 bags. The mills commenced crushing on 1st December 1958 and completed the season on the night of 16th April 1959.

The directors are glad to report that during the current crushing season (1959-60) the Mills have crushed 36,90,382 maunds of cane which is the highest quantity crushed since the start of the Mills with an extraction of 9.44 per cent. cane and the overall results are expected to be satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block	51,19,941
Reserves ...	23,02,870	*Less*—Depreciation ...	35,72,535
Provision for taxation ...	15,005		
Liabilities ...	5,83,672	Net block ...	15,47,406
Profit and loss account (surplus) ...	4,006	Work-in-progress ...	4,00,525
		Stock-in-trade	6,51,277
		Stores, tools, etc. ...	7,19,036
		Book debts ...	8,81,566
		Investments	1,470
		Cash ...	2,04,273
Rs.	44,05,553	Rs.	44,05,553

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

Notices

THE CENTRAL CACHAR TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Company will be held at the Registered Office, No. 4, Clive Row, Calcutta, on Thursday the 11th August 1960, at 3-15 o'clock in the afternoon, to consider and if thought fit to pass with or without modification, the following Resolutions, namely:—

1. (*As an Ordinary Resolution.*) "That Jardine Henderson, Limited be and are hereby re-appointed the Managing Agents of the Company with effect from the 15th August 1960, on terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Managing Agents, a draft whereof has been submitted to this Meeting and aproved, and which for purposes of identification has been signed by the Chairman thereof."
2. (*As a Special Resolution.*) "That the Articles of Association of the Company be altered in the manner following:—
   (1) Articles 132 and 133 shall be deleted and the following two new Articles 132 and 133 substituted therefor:—
   "132—Jardine Henderson, Limited are and shall continue to be the Managing Agents of the Company up to the 14th day of August 1965."
   "133—The terms upon which Jardine Henderson, Limited hold the office of Managing Agents up to the 15th August 1960 are embodied in an Agreement dated the 30th August 1957, made between the Company and the Managing Agents and the terms upon which the Managing Agents shall continue to hold office after the said 15th August 1960, shall be embodied in a separate Agreement to be entered into between the Company and the Managing Agents."
3. (*As a Special Resolution.*) "That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Jardine Henderson, Limited be and are hereby authorised to provide the Company with suitable furnished office accommodation at the Registered or Principal Office for the time being of Jardine Henderson, Limited in Calcutta and also, if so required by the Company, at any other place or places in which Jardine Henderson, Limited may be able to provide such accommodation, and the Company shall pay to Jardine Henderson, Limited a monthly sum of Rupees seventy per one hundred square feet of such accommodation PROVIDED that the Company shall be deemed to be the licensee of Jardine Henderson, Limited in respect of any accommodation so occupied and such licence shall be deemed to determine on the fourteenth day of August, one thousand nine hundred and sixty-five being the date on which the term of office of Jardine Henderson, Limited upon re-appointment expires or until the date such term of office expires whether by virtue of the Companies Act, 1956, or otherwise whichever is the earlier PROVIDED always that the Company shall neither have nor be deemed to have any exclusive right or occupation, enjoyment or use of any such accommodation and that Jardine Henderson, Limited shall always be entitled to determine the licence on giving to the Company thirty-one days' notice in writing, AND it is expressly declared that such licence is personal to the Company."

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

4, CLIVE ROW,
CALCUTTA-1, *9th July* 1960.

Note:—A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

Explanatory Statement, Memorandum of Interest and Abstract has been annexed to the copies of this Notice posted to Members.

RYDAK TEA SYNDICATE LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Company will be held at the Registered Office, No. 4, Clive Row, Calcutta, on Thursday the 11th August 1960, at 3-30 o'clock in the afternoon, to consider and if thought fit to pass with or without modification, the following Resolutions, namely:—

1. (*As an Ordinary Resolution.*) "That Jardine Henderson, Limited be and are hereby re-appointed the Managing Agents of the Company with effect from the 15th August 1960, on terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Managing Agents, a draft whereof has been submitted to this Meeting and aproved, and which for purposes of identification has been signed by the Chairman thereof."
2. (*As a Special Resolution.*) "That the Articles of Association of the Company be altered in the manner following:—
   (1) Articles 132 and 133 shall be deleted and the following two new Articles 132 and 133 substituted therefor:—
   "132—Jardine Henderson, Limited are and shall continue to be the Managing Agents of the Company up to the 14th day of August 1965."
   "133—The terms upon which Jardine Henderson, Limited hold the office of Managing Agents up to the 15th August 1960 are embodied in an Agreement dated the 30th August 1957, made between the Company and the Managing Agents and the terms upon which the Managing Agents shall continue to hold office after the said 15th August 1960, shall be embodied in a separate Agreement to be entered into between the Company and the Managing Agents."
3. (*As a Special Resolution.*) "That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Jardine Henderson, Limited be and are hereby authorised to provide the Company with suitable furnished office accommodation at the Registered or Principal Office for the time being of Jardine Henderson, Limited in Calcutta and also, if so required by the Company, at any other place or places in which Jardine Henderson, Limited may be able to provide such accommodation, and the Company shall pay to Jardine Henderson, Limited a monthly sum of Rupees seventy per one hundred square feet of such accommodation PROVIDED that the Company shall be deemed to be the licensee of Jardine Henderson, Limited in respect of any accommodation so occupied and such licence shall be deemed to determine on the fourteenth day of August, one thousand nine hundred and sixty-five being the date on which the term of office of Jardine Henderson, Limited upon re-appointment expires or until the date such term of office expires whether by virtue of the Companies Act, 1956, or otherwise whichever is the earlier PROVIDED always that the Company shall neither have nor be deemed to have any exclusive right or occupation, enjoyment or use of any such accommodation and that Jardine Henderson, Limited shall always be entitled to determine the licence on giving to the Company thirty-one days' notice in writing, AND it is expressly declared that such licence is personal to the Company."

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

4, CLIVE ROW,
CALCUTTA-1, *9th July* 1960.

Note:—A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

Explanatory Statement, Memorandum of Interest and Abstract has been annexed to the copies of this Notice posted to Members.

BARADIGHI TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Company will be held at the Registered Office, No. 4, Clive Row, Calcutta, on Thursday the 11th August 1960, at 3-45 o'clock in the afternoon, to consider and if thought fit to pass with or without modification, the following Resolutions, namely:—

1. (*As an Ordinary Resolution.*) "That Jardine Henderson, Limited be and are hereby re-appointed the Managing Agents of the Company with effect from the 15th August 1960, on terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Managing Agents, a draft whereof has been submitted to this Meeting and approved, and which for purposes of identification has been signed by the Chairman thereof."
2. (*As a Special Resolution.*) "That the Articles of Association of the Company be altered in the manner following:—
   (1) Articles 132 and 133 shall be deleted and the following two new Articles 132 and 133 substituted therefor:—
   "132—Jardine Henderson, Limited are and shall continue to be the Managing Agents of the Company up to the 14th day of August 1965."
   "133—The terms upon which Jardine Henderson, Limited hold the office of Managing Agents up to the 15th August 1960 are embodied in an Agreement dated the 30th August 1957, made between the Company and the Managing Agents and the terms upon which the Managing Agents shall continue to hold office after the said 15th August 1960, shall be embodied in a separate Agreement to be entered into between the Company and the Managing Agents."
3. (*As a Special Resolution.*) "That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Jardine Henderson, Limited be and are hereby authorised to provide the Company with suitable furnished office accommodation at the Registered or Principal Office for the time being of Jardine Henderson, Limited in Calcutta and also, if so required by the Company, at any other place or places in which Jardine Henderson, Limited may be able to provide such accommodation, and the Company shall pay to Jardine Henderson, Limited a monthly sum of Rupees seventy per one hundred square feet of such accommodation PROVIDED that the Company shall be deemed to be the licensee of Jardine Henderson, Limited in respect of any accommodation so occupied and such licence shall be deemed to determine on the fourteenth day of August, one thousand nine hundred and sixty-five being the date on which the term of office of Jardine Henderson, Limited upon re-appointment expires or until the date such term of office expires whether by virtue of the Companies Act, 1956, or otherwise whichever is the earlier PROVIDED always that the Company shall neither have nor be deemed to have any exclusive right or occupation, enjoyment or use of any such accommodation and that Jardine Henderson, Limited shall always be entitled to determine the licence on giving to the Company thirty-one days' notice in writing, AND it is expressly declared that such licence is personal to the Company."

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

4, CLIVE ROW,
CALCUTTA-1, *9th July* 1960.

Note:—A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

Explanatory Statement, Memorandum of Interest and Abstract has been annexed to the copies of this Notice posted to Members.

THE DESSAI AND PARBUTTIA TEA COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Company will be held at the Registered Office, No. 4, Clive Row, Calcutta, on Thursday the 11th August 1960, at 4-00 o'clock in the afternoon, to consider and if thought fit to pass with or without modification, the following Resolutions, namely:—

1. (*As an Ordinary Resolution.*) "That Jardine Henderson, Limited be and are hereby re-appointed the Secretaries of the Company with effect from the 15th August 1960, on terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Secretaries, a draft whereof has been submitted to this Meeting and approved, and which for purposes of identification has been signed by the Chairman thereof."
2. (*As a Special Resolution.*) "That the Articles of Association of the Company be altered in the manner following:—
   (1) Articles 133 and 134 shall be deleted and the following two new Articles 133 and 134 substituted therefor:—
   "133—Jardine Henderson, Limited are and shall continue to be the Secretaries of the Company up to the 14th day of August 1965."
   "134—The terms upon which Jardine Henderson, Limited hold the office of Secretaries up to the 15th August 1960, are embodied in an Agreement dated the 30th August 1957, made between the Company and the Secretaries and the terms upon which the Secretaries shall continue to hold office after the said 15th August 1960, shall be embodied in a separate Agreement to be entered into between the Company and the Secretaries.
3. (*As a Special Resolution.*) "That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Jardine Henderson, Limited be and are hereby authorised to provide the Company with suitable furnished office accommodation at the Registered or Principal Office for the time being of Jardine Henderson, Limited in Calcutta and also, if so required by the Company, at any other place or places in which Jardine Henderson, Limited may be able to provide such accommodation, and the Company shall pay to Jardine Henderson, Limited a monthly sum of Rupees seventy per one hundred square feet of such accommodation PROVIDED that the Company shall be deemed to be the licensee of Jardine Henderson, Limited in respect of any accommodation so occupied and such licence shall be deemed to determine on the fourteenth day of August, one thousand nine hundred and sixty-five being the date on which the term of office of Jardine Henderson, Limited upon re-appointment expires or until the date such term of office expires whether by virtue of the Companies Act, 1956, or otherwise whichever is the earlier PROVIDED always that the Company shall neither have nor be deemed to have any exclusive right or occupation, enjoyment or use of any such accommodation and that Jardine Henderson, Limited shall always be entitled to determine the licence on giving to the Company thirty-one days' notice in writing, AND it is expressly declared that such licence is personal to the Company."

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

4, CLIVE ROW,
CALCUTTA-1, *9th July* 1960.

Note:—A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

Explanatory Statement, Memorandum of Interest and Abstract has been annexed to the copies of this Notice posted to Members.

BARAREE COKE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Company will be held at the Registered Office, No. 4, Clive Row, Calcutta, on Thursday the 11th August 1960, at 4-15 o'clock in the afternoon, to consider and if thought fit to pass with or without modification, the following Resolutions, namely:—

1. (*As an Ordinary Resolution.*) "That Jardine Henderson, Limited be and are hereby re-appointed the Managing Agents of the Company with effect from the 15th August 1960, on terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Managing Agents, a draft whereof has been submitted to this Meeting and approved, and which for purposes of identification has been signed by the Chairman thereof."
2. (*As a Special Resolution.*) "That the Articles of Association of the Company be altered in the manner following:—
   (1) Articles 132 and 133 shall be deleted and the following two new Articles 132 and 133 substituted therefor:—
   "132—Jardine Henderson, Limited are and shall continue to be the Managing Agents of the Company up to the 14th day of August 1965."
   "133—The terms upon which Jardine Henderson, Limited hold the office of Managing Agents up to the 15th August 1960 are embodied in an Agreement dated the 26th July 1957, made between the Company and the Managing Agents and the terms upon which the Managing Agents shall continue to hold office after the said 15th August 1960, shall be embodied in a separate Agreement to be entered into between the Company and the Managing Agents."
3. (*As a Special Resolution.*) "That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Jardine Henderson, Limited be and are hereby authorised to provide the Company with suitable furnished office accommodation at the Registered or Principal Office for the time being of Jardine Henderson, Limited in Calcutta and also, if so required by the Company, at any other place or places in which Jardine Henderson, Limited may be able to provide such accommodation, and the Company shall pay to Jardine Henderson, Limited a monthly sum of Rupees seventy per one hundred square feet of such accommodation PROVIDED that the Company shall be deemed to be the licensee of Jardine Henderson, Limited in respect of any accommodation so occupied and such licence shall be deemed to determine on the fourteenth day of August, one thousand nine hundred and sixty-five being the date on which the term of office of Jardine Henderson, Limited upon re-appointment expires or until the date such term of office expires whether by virtue of the Companies Act, 1956, or otherwise whichever is the earlier PROVIDED always that the Company shall neither have nor be deemed to have any exclusive right or occupation, enjoyment or use of any such accommodation and that Jardine Henderson, Limited shall always be entitled to determine the licence on giving to the Company thirty-one days' notice in writing, AND it is expressly declared that such licence is personal to the Company."

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

4, CLIVE ROW,
CALCUTTA-1, *9th July* 1960.

Note:—A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

Explanatory Statement, Memorandum of Interest and Abstract has been annexed to the copies of this Notice posted to Members.

KAMARHATTY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT A GENERAL Meeting of the Members of the Company will be held at the Registered Office, No. 4, Clive Row, Calcutta, on Friday the 12th August 1960, at 11-00 o'clock in the forenoon, to consider and if thought fit to pass with or without modification, the following Resolutions, namely:—

1. (*As an Ordinary Resolution.*) "That Jardine Henderson, Limited be and are hereby re-appointed the Managing Agents of the Company with effect from the 15th August 1960, on terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Managing Agents, a draft whereof has been submitted to this Meeting and approved, and which for purposes of identification has been signed by the Chairman thereof."
2. (*As a Special Resolution.*) "That the Articles of Association of the Company be altered in the manner following:—
   (1) Articles 2A and 3 shall be deleted and the following two new Articles 2A and 3 substituted therefor:—
   "2A—Jardine Henderson, Limited are and shall continue to be the Managing Agents of the Company up to the 14th day of August 1965."
   "3—The terms upon which Jardine Henderson, Limited hold the office of Managing Agents up to the 15th August 1960, are embodied in an Agreement dated the 29th March 1957, made between the Company and the Managing Agents and the terms upon which the Managing Agents shall continue to hold such office after the said 15th August 1960, shall be embodied in a separate Agreement to be entered into between the Company and the Managing Agents."
   (2) Article 5A shall be deleted.
3. (*As a Special Resolution.*) "That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Jardine Henderson, Limited be and are hereby authorised to provide the Company with suitable furnished office accommodation at the Registered or Principal Office for the time being of Jardine Henderson, Limited in Calcutta and also, if so required by the Company, at any other place or places in which Jardine Henderson, Limited may be able to provide such accommodation, and the Company shall pay to Jardine Henderson, Limited a monthly sum of Rupees seventy per one hundred square feet or part of one hundred square feet of such accommodation PROVIDED that the Company shall be deemed to be the licensee of Jardine Henderson, Limited in respect of any accommodation so occupied and such licence shall be deemed to determine on the fourteenth day of August, one thousand nine hundred and sixty-five being the date on which the term of office of Jardine Henderson, Limited upon re-appointment expires or until the date such term of office expires whether by virtue of the Companies Act, 1956, or otherwise whichever is the earlier PROVIDED always that the Company shall neither have nor be deemed to have any exclusive right or occupation, enjoyment or use of any such accommodation and that Jardine Henderson, Limited shall always be entitled to determine the licence on giving to the Company thirty-one days' notice in writing, AND it is expressly declared that such licence is personal to the Company."
4. (*As a Special Resolution.*) "That consent be and is hereby accorded to McLeod Russel & Company, Limited an Associate of the Managing Agents as defined by Section 2(3) of the Com-

panies Act, 1956, and who maintain an office at 149, Leadenhall Street, London, E.C. 3, England, for the purposes of their business of management and administration of several companies of which they are appointed secretaries and agents, acting and continuing with effect from the 1st March 1961, until the 28th February 1964, to act as agent for the purchase in the United Kingdom and on the continent of Europe of goods from time to time required by the Company and to render services such as recruitment of technical personnel and execution of various commissions entrusted to them from time to time by the Company at a remuneration by way of an allowance calculated at the rate of ten shillings per registered loom per annum on the Company's loomage registered with the Indian Jute Mills Association payable by quarterly instalments in arrear on the last working day of March, June, September and December of each year; that no further sums whether by way of reimbursement of expenses or otherwise be paid to them as such agent as aforesaid other than interest on the balance from time to time outstanding on current account at the rate of 5 per cent. per annum or such higher rate as may be agreed upon subject to a maximum rate of 2 per cent. above the State Bank of India Advance Rate; that such appointment may be terminated by either party giving the other not less than six months' previous notice in writing of intention so to do.

The expenses estimated at £38,000 per annum incurred by McLeod Russel & Company, Limited in maintaining their London office are in the nature of salary and wages of personnel, insurance, rates and taxes, fuel, light, maintenance and repair of the premises, office furniture and equipment and items incidental thereto and the part which represents the proportion which may reasonably be attributed to the services rendered and work done on behalf of the Company will depend on the volume of the purchases effected and services rendered in relation to the total turnover in each year."

5. (*As a Special Resolution.*) "That this Meeting hereby authorises in conformity with the provisions of sub-sections (4) and (7) of Section 309 of the Companies Act, 1956, such authority to be effective as from the 1st April 1961, for a period of five years, payment to the Directors to be divided equally between them in respect of each financial year of the Company (as defined in Section 2(17) of the Companies Act, 1956) of an amount equal to 1 per cent. of the net profits of the Company for such financial year or part thereof computed in the manner referred to in Section 198(1) of the Companies Act, 1956."

6. (*As a Special Resolution.*) "That the following contract between the Company and an Associate of its Managing Agents as defined in Section 2(3) of the Companies Act, 1956, a draft whereof has for the purpose of identification, been subscribed by the Chairman of this Meeting be and the same is hereby approved and the Directors are hereby authorised to execute the said Agreement on behalf of the Company with all convenient despatch:—

> With The Kassipur Company Limited (an Associate of the Managing Agents) for sales of such manufactured jute goods in which the Company regularly trades or does business as may be required by the Associate as raw materials for the purpose of its business;

it being a term of the above contract that the prices at which transactions take place shall be based on rates which are not less favourable to the Company than the market rates or which are otherwise reasonable, and that payment shall be made to the Company by the Associate within one month of the date of supply or sale of goods."

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

4, CLIVE ROW
CALCUTTA-1, *9th July* 1960.

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

Explanatory Statement, Memorandum of Interest and Abstract has been annexed to the copies of this Notice posted to Members.

KANKNARRAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Company will be held at the Registered Office, No. 4, Clive Row, Calcutta, on Friday the 12th August 1960, at 11-15 o'clock in the forenoon, to consider and if thought fit to pass with or without modification, the following Resolutions, namely:—

1. (*As an Ordinary Resolution.*) "That Jardine Henderson, Limited be and are hereby re-appointed the Managing Agents of the Company with effect from the 15th August 1960, on terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Managing Agents, a draft whereof has been submitted to this Meeting and approved, and which for purposes of identification has been signed by the Chairman thereof."

2. (*As a Special Resolution.*) "That the Articles of Association of the Company be altered in the manner following:—

   (1) Articles 2A and 3 shall be deleted and the following two new Articles 2A and 3 substituted therefor:—

   > "2A—Jardine Henderson, Limited are and shall continue to be the Managing Agents of the Company up to the 14th day of August 1965."
   >
   > "3—The terms upon which Jardine Henderson, Limited hold the office of Managing Agents up to the the 15th August 1960, are embodied in an Agreement dated the 29th March 1957, made between the Company and the Managing Agents and the terms upon which the Managing Agents shall continue to hold such office after the said 15th August 1960, shall be embodied in a separate Agreement to be entered into between the Company and the Managing Agents."

   (2) Article 5A shall be deleted.

3. (*As a Special Resolution.*) "That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Jardine Henderson, Limited be and are hereby authorised to provide the Company with suitable furnished office accommodation at the Registered or Principal Office for the time being of Jardine Henderson, Limited in Calcutta and also, if so required by the Company, at any other place or places in which Jardine Henderson, Limited may be able to provide such accommodation, and the Company shall pay to Jardine Henderson, Limited a monthly sum of Rupees seventy per one hundred square feet or part of one hundred square feet of such accommodation PROVIDED that the Company shall be deemed to be the licensee of Jardine Henderson, Limited in respect of any accommodation so occupied and such licence shall be deemed to determine on the fourteenth day of August, one thousand nine hundred and sixty-five being the date on which the term of office of Jardine Henderson, Limited upon re-appointment expires or until the date such term of office expires whether by virtue of the Companies Act, 1956, or otherwise whichever is the earlier PROVIDED always that the Company shall neither have nor be deemed to have any exclusive right or occupation, enjoyment or use of any such accommodation and that Jardine Henderson, Limited shall always be entitled to determine the licence on giving to the Company thirty-one days' notice in writing AND it is expressly declared that such licence is personal to the Company."

4. (*As a Special Resolution.*) "That consent be and is hereby accorded to McLeod Russel & Company, Limited an Associate of the Managing Agents as defined by Section 2(3) of the Companies Act, 1956, and who maintain an office at 149, Leadenhall Street, London, E.C. 3, England, for the purposes of their business of management and administration of several companies of which they are appointed secretaries and agents, acting and continuing with effect from the 1st March 1961, until the 28th February 1964, to act as agent for the purchase in the United Kingdom and on the continent of Europe of goods from time to time required by the Company and to render services such as recruitment of technical personnel and execution of various commissions entrusted to them from time to time by the Company at a remuneration by way of an allowance calculated at the rate of ten shillings per registered loom per annum on the Company's loomage registered with the Indian Jute Mills Association payable by quarterly instalments in arrear on the last working day of March, June, September and December of each year; that no further sums whether by way of reimbursement of expenses or otherwise be paid to them as such agent as aforesaid other than interest on the balance from time to time outstanding on current account at the rate of 5 per cent. per annum or such higher rate as may be agreed upon subject to a maximum rate of 2 per cent. above the State Bank of India Advance Rate; that such appointment may be terminated by either party giving the other not less than six months' previous notice in writing of intention so to do.

The expenses estimated at £38,000 per annum incurred by McLeod Russel & Company, Limited in maintaining their London office are in the nature of salary and wages of personnel, insurance, rates, and taxes, fuel, light, maintenance and repair of the premises, office furniture and equipment and items incidental thereto and the part which represents the proportion which may reasonably be attributed to the services rendered and work done on behalf of the Company will depend on the volume of the purchases effected and services rendered in relation to the total turnover in each year."

5. (*As a Special Resolution.*) "That this Meeting hereby authorises in conformity with the provisions of sub-sections (4) and (7) of Section 309 of the Companies Act, 1956, such authority to be effective as from the 1st April 1961, for a period of five years, payment to the Directors to be divided equally between them in respect of each financial year of the Company [as defined in Section 2(17) of the Companies Act, 1956] of an amount equal to 1 per cent. of the net profits of the Company for such financial year or part thereof computed in the manner referred to in Section 198(1) of the Companies Act, 1956."

6. (*As a Special Resolution.*) "That the following contract between the Company and an Associate of its Managing Agents as defined in Section 2(3) of the Companies Act, 1956, a draft whereof has for the purpose of identification, been subscribed by the Chairman of this Meeting be and the same is hereby approved and the Directors are hereby authorised to execute the said Agreement on behalf of the Company with all convenient despatch:—

> With the Kassipur Company Limited (an Associate of the Managing Agents) for sales of such manufactured jute goods in which the Company regularly trades or does business as may be required by the Associate as raw materials for the purpose of its business;

it being a term of the above contract that the prices at which transactions take place shall be based on rates which are not less favourable to the Company than the market rates or which are otherwise reasonable and that payment shall be made to the Company by the Associate within one month of the date of supply or sale of goods.

By Order of the Board,
JARDINE HENDERSON LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *9th July* 1960.

Note:—A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

Explanatory Statement, Memorandum of Interest and Abstract has been annexed to the copies of this Notice posted to Members.

THE RELIANCE JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Company will be held at the Registered Office, No. 4, Clive Row, Calcutta, on Friday the 12th August 1960, at 11-30 o'clock in the forenoon, to consider and if thought fit to pass with or without modification, the following Resolutions, namely:—

1. (*As an Ordinary Resolution.*) "That Jardine Henderson, Limited be and are hereby re-appointed the Managing Agents of the Company with effect from the 15th August 1960 on terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Managing Agents, a draft whereof has been submitted to this Meeting and approved, and which for purposes of identification has been signed by the Chairman thereof."

2. (*As a Special Resolution.*) "That the Articles of Association of the Company be altered in the manner following:—

   (1) Articles 126 and 126A shall be deleted and the following two new Articles 126 and 126A substituted therefor:—

   > "126—Jardine Henderson, Limited are and shall continue to be the Managing Agents of the Company up to the 14th day of August 1965."
   >
   > "126A—The terms upon which Jardine Henderson, Limited hold the office of Managing Agents up to the 15th August 1960 are embodied in an Agreement dated the 29th March 1957, made between the Company and the Managing Agents and the terms upon which the Managing Agents shall continue to hold such office after the said 15th August 1960, shall be embodied in a separate Agreement to be entered into between the Company and the Managing Agents."

   (2) Article 127A shall be deleted.

3. (*As a Special Resolution.*) "That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Jardine Henderson, Limited be and are hereby authorised to provide the Company with suitable furnished office accommodation at the Registered or Principal Office for the time being of Jardine Henderson, Limited in Calcutta and also, if so required by the Company, at any other place or places in which Jardine Henderson, Limited may be able to provide such accommodation, and the Company shall pay to Jardine Henderson, Limited a monthly sum of Rupees seventy per one hundred square feet or part of one hundred square feet of such accommodation PROVIDED that the Company shall be deemed to be the licensee of Jardine Henderson, Limited in respect of any accommodation so occupied and such licence shall be deemed to determine on the fourteenth day of August, one thousand nine hundred and sixty-five being the date on which the term of office of Jardine Henderson, Limited upon re-appointment expires or until the date such term of office expires whether by virtue of the Companies Act, 1956, or otherwise whichever is the earlier PROVIDED always that the Company shall neither have nor be deemed to have any exclusive right or occupation, enjoyment or use of any such accommodation and that Jardine Henderson, Limited shall always be entitled to determine the licence on giving to the Company thirty-one days' notice in writing AND it is expressly declared that such licence is personal to the Company."

4. (*As a Special Resolution.*) "That consent be and is hereby accorded to McLeod Russel & Company, Limited an Associate of the Managing Agents as defined by Section 2(3) of the Companies Act, 1956, and who maintain an office at 149, Leadenhall Street, London, E.C. 3, England, for the purposes of their business of management and administration of several companies of which they are appointed secretaries and agents, acting and continuing with effect from the 1st March 1961, until the 28th February 1964, to act as agent for the purchase in the United Kingdom and on the continent of Europe of goods from time to time required by the Company and to render services such as recruitment of technical personnel and execution of various commissions entrusted to them from time to time by the Company at a remuneration by way of an allowance calculated at the rate of ten shillings per registered loom per annum on the Company's loomage registered with the Indian Jute Mills Association payable by quarterly instalments in arrear on the last working day of March, June, September and December of each year; that no further sums whether by way of reimbursement of expenses or otherwise be paid to them as such agent as aforesaid other than interest on the balance from time to time outstanding on current account at the rate of 5 per cent. per annum or such higher rate as may be agreed upon subject to a maximum rate of 2 per cent. above the State Bank of India Advance Rate; that such appointment may be terminated by either party giving the other not less than six months' previous notice in writing of intention so to do.

The expenses estimated at £38,000 per annum incurred by McLeod Russel & Company, Limited in maintaining their London office are in the nature of salary and wages of personnel, insurance, rates and taxes, fuel, light, maintenance and repair of the premises, office furniture and equipment and items incidental thereto and the part which represents the proportion which may reasonably be attributed to the services rendered and work done on behalf of the Company will depend on the volume of the purchases effected and services rendered in relation to the total turnover in each year."

5. (*As a Special Resolution.*) "That this Meeting hereby authorises in conformity with the provisions of sub-sections (4) and (7) of Section 309 of the Companies Act, 1956, such authority to be effective as from the 1st April 1961, for a period of five years, payment to the Directors to be divided equally between them in respect of each financial year of the Company (as defined in Section 2(17) of the Companies Act, 1956) of an amount equal to 1 per cent. of the net profits of the Company for such financial year or part thereof computed in the manner referred to in Section 198(1) of the Companies Act, 1956."

By Order of the Board,
JARDINE HENDERSON LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *9th July* 1960.

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

Explanatory Statement, Memorandum of Interest and Abstract has been annexed to the copies of this Notice posted to Members.

THE ASSOCIATED RUBBER INDUSTRIES LIMITED

REMINDER

MEMBERS ARE REMINDED THAT THE Seventeenth Annual General Meeting of the Company will be held at the Registered Office of the Company, Union Bank Building, 4th Floor, Apollo Street, Fort, Bombay, on Friday, the 29th day of July 1960, at 4-00 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1959.
2. To declare dividends on Preference and Ordinary Shares.
3. To elect Directors in place of those retiring.
4. To appoint Auditors for the current year and to fix their remuneration.

SPECIAL BUSINESS

To consider, and, if thought fit, to pass the following Resolutions as Special Resolutions.

5. "RESOLVED that pursuant to Section 360 of the Companies Act, 1956 the Company hereby approves of a contract being entered into between the Company and Azofen Private Limited, an associate of Associated Agencies Private Limited, the Managing Agents of the Company, in terms of the draft initialled for the sake of identification by the Chairman of the Company, the material terms whereof are as follows:—

   > One used boiler and two used autoclaves shall be sold and delivered by the Company to Azofen Private Limited on as is and where is basis. The delivery of the said machinery shall be made within six months from the date of the agreement. The price payable by Azofen Private Limited to the Company shall be Rs. 22,000/-."

6. "RESOLVED that the present Sub-Article (1) of Article 4 of the Articles of Association of the Company be deleted and the following Sub-Article be substituted therefor:

   > '(1) The said 25,000 7 per cent Cumulative Redeemable Preference Shares shall confer on the holders thereof the right out of the profits of the Company to a fixed cumulative preferential dividend at the rate of 7 per cent per annum tax-free on the capital for the time being paid up or credited as paid up thereon and the tax for the time being deductible at source on such dividend shall be paid by the Company on behalf of the holders of such shares.'"

Note:—(a) The Transfer Books of the Company will be closed from Monday, 18th July to Friday, 29th July, 1960 (both days inclusive).

(b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

By Order of the Board,
For and on behalf of
ASSOCIATED RUBBER INDUSTRIES LTD.,
FOR ASSOCIATED AGENCIES PRIVATE LTD.,
K. M. PREMCHAND,
Director,
Managing Agents.

UNION BANK BUILDING,
APOLLO STREET,
FORT, BOMBAY,
3rd June, 1960.

The dividends when sanctioned will be made payable on and after Tuesday, 16th August 1960, to those Shareholders whose names stand on the Register of Members on 29th July, 1960.

HOWRAH MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Company will be held at the Registered Office, No. 4, Clive Row, Calcutta, on Friday the 12th August 1960, at 11-45 o'clock in the forenoon, to consider and if thought fit to pass with or without modification, the following Resolutions, namely:—

1. (*As an Ordinary Resolution.*) "That Jardine Henderson, Limited be and are hereby re-appointed the Managing Agents of the Company with effect from the 15th August 1960 on terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Managing Agents, a draft whereof has been submitted to this Meeting and approved, and which for purposes of identification has been signed by the Chairman thereof."
2. (*As a Special Resolution.*) "That the Articles of Association of the Company be altered in the manner following:—
   (1) Articles 126 and 126A shall be deleted and the following two new Articles 126 and 126A substituted therefor:—
   "126—Jardine Henderson, Limited are and shall continue to be the Managing Agents of the Company up to the 14th day of August 1965."
   "126A—The terms upon which Jardine Henderson, Limited hold the office of Managing Agents up to the 15th August 1960 are embodied in an Agreement dated the 29th March 1957, made between the Company and the Managing Agents and the terms upon which the Managing Agents shall continue to hold such office after the said 15th August 1960, shall be embodied in a separate Agreement to be entered into between the Company and the Managing Agents."
   (2) Article 127A shall be deleted.
3. (*As a Special Resolution.*) "That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Jardine Henderson, Limited be and are hereby authorised to provide the Company with suitable furnished office accommodation at the Registered or Principal Office for the time being of Jardine Henderson, Limited in Calcutta and also, if so required by the Company, at any other place or places in which Jardine Henderson, Limited may be able to provide such accommodation, and the Company shall pay to Jardine Henderson, Limited a monthly sum of Rupees seventy per one hundred square feet or part of one hundred square feet of such accommodation PROVIDED that the Company shall be deemed to be the licensee of Jardine Henderson, Limited in respect of any accommodation so occupied and such licence shall be deemed to determine on the fourteenth day of August, one thousand nine hundred and sixty-five being the date on which the term of office of Jardine Henderson, Limited upon re-appointment expires or until the date such term of office expires whether by virtue of the Companies Act, 1956, or otherwise whichever is the earlier PROVIDED always that the Company shall neither have nor be deemed to have any exclusive right or occupation, enjoyment or use of any such accommodation and that Jardine Henderson, Limited shall always be entitled to determine the licence on giving to the Company thirty-one days' notice in writing, AND it is expressly declared that such licence is personal to the Company."
4. (*As a Special Resolution.*) "That consent be and is hereby accorded to McLeod Russel & Company, Limited an Associate of the Managing Agents as defined by Section 2(3) of the Companies Act, 1956, and who maintain an office at 149, Leadenhall Street, London, E.C. 3, England, for the purposes of their business of management and administration of several companies of which they are appointed secretaries and agents, acting and continuing with effect from the 1st March 1961, until the 28th February 1964, to act as agent for the purchase in the United Kingdom and on the continent of Europe of goods from time to time required by the Company and to render services such as recruitment of technical personnel and execution of various commissions entrusted to them from time to time by the Company at a remuneration by way of an allowance calculated at the rate of ten shillings per registered loom per annum on the Company's loomage registered with the Indian Jute Mills Association payable by quarterly instalments in arrear on the last working day of March, June, September and December of each year; that no further sums whether by way of reimbursement of expenses or otherwise be paid to them as such agent as aforesaid other than interest on the balance from time to time outstanding on current account at the rate of 5 per cent. per annum or such higher rate as may be agreed upon subject to a maximum rate of 2 per cent. above the State Bank of India Advance Rate, that such appointment may be terminated by either party giving the other not less than six months' previous notice in writing of intention so to do.
   The expenses estimated at £38,000 per annum incurred by McLeod Russel & Company, Limited in maintaining their London office are in the nature of salary and wages of personnel, insurance, rates and taxes, fuel, light, maintenance and repair of the premises, office furniture and equipment and items incidental thereto and the part which represents the proportion which may reasonably be attributed to the services rendered and work done on behalf of the Company will depend on the volume of the purchases effected and services rendered in relation to the total turnover in each year."
5. (*As a Special Resolution.*) "That this Meeting hereby authorises in conformity with the provisions of sub-sections (4) and (7) of Section 309 of the Companies Act, 1956, such authority to be effective as from the 1st April 1961, for a period of five years, payment to the Directors to be divided equally between them in respect of each financial year of the Company (as defined in Section 2(17) of the Companies Act, 1956) of an amount equal to 1 per cent. of the net profits of the Company for such financial year or part thereof computed in the manner referred to in Section 198(1) of the Companies Act, 1956."
6. (*As a Special Resolution.*) "That the following contract between the Company and an Associate of its Managing Agents as defined in Section 2(3) of the Companies Act, 1956, a draft whereof has for the purpose of identification, been subscribed by the Chairman of this Meeting be and the same is hereby approved and the Directors are hereby authorised to execute the said Agreement on behalf of the Company with all convenient despatch:—
   With The Kassipur Company Limited (an Associate of the Managing Agents) for sales of such manufactured jute goods in which the Company regularly trades or does business as may be required by the Associate as raw materials for the purpose of its business;
   it being a term of the above contract that the prices at which transactions take place shall be based on rates which are not less favourable to the Company than the market rates or which are otherwise reasonable, and that payments shall be made to the Company by the Associate within one month of the date of supply or sale of goods."

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

4, CLIVE ROW,
CALCUTTA-1, *9th July* 1960.

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

Explanatory Statement, Memorandum of Interest and Abstract has been annexed to the copies of this Notice posted to Members.

THE BOMBAY FIRE AND GENERAL INSURANCE COMPANY, LIMITED

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIFTH ORDINARY GENERAL MEETING of the Members of THE BOMBAY FIRE & GENERAL INSURANCE COMPANY LIMITED, will be held at the Registered Office of the Company, Henley House, Graham Road, Ballard Estate, Bombay, on THURSDAY, the 18th August 1960, at 3 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Revenue Accounts, Profit and Loss Account, Profit and Loss Appropriation Account and Balance Sheet for the year ended 31st December 1959.
2. To sanction the declaration of a Dividend.
3. To elect Directors in place of Mr. Nanoobhai Doongursee, Mr. F. H. Kemple and Mr. Surajratan Damani, M.P., who retire under Article 145 of the Articles of Association of the Company and offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will remain closed from the 12th August 1960 to the 18th August 1960 (both days inclusive).

A Member entitled to attend and vote at the General Meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself. The proxy need not be a Member of the Company.

By Order of the Board,
K. K. DASTUR,
Manager.

BOMBAY, 14*th July* 1960.

N.B.—The Dividend when sanctioned at the General Meeting will be paid on or after the 22nd August 1960, to those Members whose names stand on the Company's Registers on the 18th August 1960.

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

IN CONNECTION WITH GLOBAL TENDER No. G.P. 21 for Roller Bearing Axleboxes, intending tenderers are requested to note that the quantities against items No. 1, 2, and 3 of the tender have now been amended to 54360, 5912, and 8792 Nos. respectively. Offers should be submitted accordingly. The returnable date of the tender has been extended to NOT LATER THAN 12 NOON ON 29TH August 1960.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
New Delhi-2.

THE MYSORE PAPER MILLS, LIMITED
BANGALORE 9

NOTICE

IN CONNECTION WITH THE TWENTY-fifth Ordinary General Meeting of the Shareholders of the Company to be held on Friday the 7th October 1960 at 3 p.m. at the Mysore Chamber of Commerce Buildings, Kempegowda Road, Bangalore 9, the Share Transfer Books of the Company will be closed from 19th September 1960 to 7th October 1960, both days inclusive.

By Order of the Board,
C. V. RAMACHANDRA RAO,
Secretary.

ASIATIC BUILDINGS,
KEMPEGOWDA ROAD,
GANDHI NAGAR, P.O.
POST BOX No. 570,
BANGALORE 9.

MONEY USABLE
(From Our Own Correspondent)

BOMBAY, 20*th July*

Both the new Central loans, says an official Press note, have been fully subscribed. It contains no further information, except that the lists remained open on all the three days and were closed at 1-00 p.m. today (20th July 1960). Enquiries made in market circles reveal that the response to these loans from banks was only modest, if not poor. Unofficial estimates are that the banks all over India might not have taken more than Rs. 10 crores of loans against cash. It is also felt that a very substantial part of these two new issues must have been taken up, as usual, by the Reserve Bank.

The flotation of new loans has not had any disturbing effect on the short-term money market, as the banks were fully prepared to meet the withdrawals by the L.I.C., Provident Funds, and other investors for taking up these loans. It is, however, possible that a number of banks had gone to the Reserve Bank for accommodation. Confirmation of this development will be available only when the relevant weekly statement of the Reserve Bank is published. Demand for funds from trade and industries, however, continues to be good, being well in excess of the customary return of seasonal funds. The Inter-bank call money rate was fully maintained at 3½ per cent. House money at seven days' notice was quoted at 3½-3¾ per cent. and one to six months' deposit at 3¾-3¾ per cent.

There was no sale of 91 days' Treasury Bills by tender system. Although intermediate Treasury Bills were on offer, no sales were reported during the period 13th July to 16th July 1960.

A decline of Rs. 8.45 crores in notes in circulation and a rise of Rs. 9.24 crores in notes held in the Banking Department are the principal features of the Reserve Bank's statement (Issue Department) for the week ended 15th July 1960, as compared with that for the previous week. The net increase of Rs. 79.19 lakhs in total notes issued is covered by a corresponding rise in rupee coin.

There is no change in foreign securities held in the Issue Department, but balances held abroad in the Banking Department reveal a fall of Rs. 4.32 crores, thereby bringing down the total of foreign assets to Rs. 165.36 crores.

Deposits of the Central Government with the Reserve Bank show a modest rise of Rs. 4.97 crores, while those of other Governments are down by Rs. 3.15 crores. A substantial rise of Rs. 12.37 crores has occurred in the deposits of banks. Loans and advances to Governments have moved up from Rs. 34.92 crores to Rs. 37.15 crores. Other loans and advances have gone down by Rs. 1.10 crore to Rs. 132.83 crores, of which loans and advances to banks against usance bills account for Rs. 12.42 crores—a small reduction of Rs. 29 lakhs over the week. The only other notable change is a rise of Rs. 12.43 crores in investments.

The statement of affairs of Scheduled Banks for the week ended 8th July 1960 reveals, as compared with that for the previous week, an increase of Rs. 3.90 crores in inter-bank borrowings. While demand deposits have declined by Rs. 10.16 crores, time deposits have gone up by Rs. 2.11 crores. The net total deposits as at the end of the week under review aggregated Rs. 1,962.18 crores. A fortnight earlier, they stood even higher at Rs. 1,974.04 crores, the highest level seen so far. Bank credit is higher by Rs 10.68 crores at Rs. 1,138.34 crores. Investments are up by Rs. 4.57 crores at Rs. 749.04 crores. Money at call and short notice has improved by Rs. 3.03 crores to Rs. 28.02 crores, while total cash is fractionally lower at Rs. 155.13 crores.

The Gilt-edged market was dull and drab, with hardly any business passing. A comparison of today's closing rates for Central loans with those a week ago discloses variations only in two loans, 3 per cent. 1986 Conversion Loan and 3 per cent. 1970-75, with both of them down by 20 nP and 5 nP, respectively. There was no change in the value of State loans either.

In the foreign exchange market the rupee was slightly better in terms of the U.S. dollars, with Banks' selling rate for ready T.T. on New York being down from Rs. 476.75 to Rs. 476.50 per $100. Their buying rate was also lower by 25 nP at Rs. 473.25 per $100. In the New York market, the £ sterling commanded a better price, the latest rate being 280.95-280.98 cents per dollar, as against 280.71-280.75 cents a week earlier. Three months' forward sterling also improved, the latest rate being 279.46-279.49 cents, an increase of 0.07 cent over the week.

LINSEED FIRM
(Messrs. A. Bradley and Co.)

CALCUTTA, 11*th July*

The linseed market continued to be firmly held during the week and sellers were reserved. The local stock position was poor, with arrivals scarce and crushers working on hand-to-mouth basis.

The oil market was firm. Local buyers were showing interest for ready and forward deliveries, but sellers were not inclined to do any business, owing to scarcity of seeds.

The oilcake market showed no change. There was small daily turnover at prevailing rates, but shippers remained out of the market with overseas buyers pausing.

The latest quotations are: Ready Rs. 25.25 and Sept. futures Rs. 25.50 per maund.

"EX-PARTE" MARGINS ON BULLION
(From Our Own Correspondent)

BOMBAY, 20*th July*

The margin regulations in bullion enforced by the Government of Maharashtra with effect from the 8th inst., were tightened further during the week under review. Thus, as against the imposition of a special margin only on the outstanding long positions in gold and silver *Bhadrapad* (September) settlement, the Government has enforced *ex-parte* margins on entire purchases without offset of sales. The margins were made applicable in *Bhadrapad* and *Asho* (October) settlements from Monday the 18th and in *Shravan* (August) settlement from Tuesday the 19th inst. The rate of margin is Rs. 60 per tola in gold when the closing price is above Rs. 127 per tola and Rs. 3,000 per bar in silver when the price exceeds Rs. 213 per bar.

Evidently, the Maharashtra Government was provoked to stiffen the margins by the persistently rising tendency in prices of both the precious metals notwithstanding the imposition of special margin in *Bhadrapad* settlement as from Friday last week. In the silver section, *Bhadrapad* settlement jumped up from Rs. 217.94 on the 8th inst., to as high as Rs. 221.06 at one time on Friday the 15th and *Shravan* settlement from Rs. 217.34 to Rs. 220.25. Similarly, over the same period, the *Bhadrapad* settlement in gold advanced from Rs. 128.44 to Rs. 130.50. The spurt in prices followed renewed buying by bulls on fears of acute shortage of supplies developing in the next few weeks. Immediately after the Government of Maharashtra announced its decision to impose *ex-parte* margins, that is, on Saturday the 16th inst., there was liquidation by bulls which led to a sharp fall in prices, gold *Shravan* settlement touching Rs. 129.19, silver *Bhadrapad* Rs. 216 and *Shravan* Rs. 216.25. The downward trend gathered further momentum on Monday. Yesterday and today, however, the market picked up strength, with both gold and silver staging a recovery. The recovery in gold was quite notable with today's closing rates being higher than those prevailing a week ago. In the case of silver, however, the rise was not marked enough to make up the earlier losses. Consequently, today's closing rates are substantially lower as compared with those on Wednesday last week.

A striking feature of trading in the two contracts in silver was that the rate for transferring commitments from *Shravan* to *Bhadrapad* settlement, which was against bulls last week and early this week, turned in their favour from Saturday onwards. The rate actually widened considerably from 56 nP on that day to Re. 1.62 today.

Ready gold began the week firm at Rs. 129.56 and spurted on excellent enquiries to touch a high of Rs. 130.94 on the 16th inst. After declining to Rs. 130 on Monday, it recovered thereafter to Rs. 131.25 today before finishing at Rs. 131.12. The net gain over the week was Rs. 2.44.

Ready silver was well supported in the earlier sessions of the week, the quotation rising from Rs. 219.31 to Rs. 220.12 on Friday the 15th inst. Subsequently, it encountered selling and climbed down to Rs. 216.62 on Monday. It, however, recovered to Rs. 218.37 yesterday and to Rs. 220.50 today before closing at Rs. 220.06.

The daily average arrivals of gold during the week under review were lower than those in the previous week, being 2,625 tolas, as against 3,920 tolas, while the offtake was higher at 3,125 tolas, as against 2,700 tolas. The floating stocks of gold are estimated at 25,000 tolas. In the case of silver, there was no change in the daily average arrivals which stood at 14 bars, but offtake was larger at 9 bars, that in the previous week being 6 bars. The floating stocks of silver are reported to be around 450 bars.

Both ready and forward silver in the London bullion market were unchanged during the week, the former at 79¼*d.* and the latter at 79¼*d.* Silver in New York, too, was unchanged at 91.375 cents. Ready gold in London eased slightly from 249s. 11½*d.* to 249s. 10½*d.* The latest available world price for gold in London is $35.09¼-$35.11½, as against $35.09-$35.11 a week ago.

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

	20-7-60 (closing)	High	Low	13-7-60 (closing)
GOLD	Rs.	Rs.	Rs	Rs.
Ready (.99 fine)	131.12	131.25	129.25	129.56
Forward:				
Shravan	129.87	130.94	129.19	129.50
Sovereign	85.50	85.37	85.00	85.75
SILVER				
Ready (.996 fine)	220.06	220.12	216.62	219.31
Forward:				
Shravan	218.06	220.25	216.25	219.31
Bhadrapad	216.44	221.06	215.87	219.94
London:	13-7-60	—	—	12-7-60
Silver Ready	79¼*d.*	—	—	79¼*d.*
Silver Forward	79¼*d.*	—	—	79¼*d.*
Gold	249*s.* 10½*d.*	249*s.* 11½*d.*	249*s.* 10½*d.*	249*s.* 11½*d.*
New York:				
Silver	91-3/5 cents	—	—	91¼ cents

GOAT SKINS RECEDE
(From Our Own Correspondent)

MADRAS, 18*th July*

The kip market has remained unchanged. U.K. buying is selective. Tanned cow hides light weights F.A.Q. marks are weak, while other averages are fairly steady and top marks rule unchanged. Buff hides and cow calf are steady but buff calf weak.

Importers have not shown interest in tanned goat skins at shippers' ideas of prices, and are bidding the prices down. Prime sheep skins are slightly firmer and semi-primes shade weak. Demand for commons is negligible.

COTTON FUTURES FLARE UP
(From Our Own Correspondent)

BOMBAY, 20*th July*

For the eighth week in succession, official trading in cotton futures was at a standstill during the week under review. In private trading, the contract attracted hectic short covering prompted by the proximity of settlement with the result that it shot up to Rs. 6 above even the statutory ceiling of Rs. 820. This is a reflection of the statistical position of cotton. Never, perhaps, in the history of cotton trading at the E.I.C.A. has a Contract been quoted at a substantial premium over the ceiling rate. The Contract continued to be quoted Rs. 4 to Rs. 6 above the ceiling through most part of the week. The announcement regarding the new floor and ceiling prices was eagerly awaited. Mill demand for ready cotton was on a wider scale. Prices continued to rise. Turnover was, however, limited, thanks to paucity of offerings. Both short-staples and finer varieties like Surti, Digvijay, L 147, Laxmi, etc., were in demand. Market observers feel that if the present trend of mill buying were to persist, it was quite likely that most mills would have covered their requirements before 1st August when the order prohibiting sales above the ceiling comes into force. Spinners are apprehensive that the period between August and December will be one of extreme scarcity, in spite of the prospect of large quantity of foreign cotton coming into the country during the period.

Demand for foreign cotton was well maintained. Renewed buying was reported in East African cotton, especially B.P. 52. Mwanza also attracted attention. American and Sudan cotton evoked moderate interest.

There was a revival of export demand for Bengal *Deshi*. Japan was mentioned as persistent buyer of new crop Bengal *Deshi*. A sizable business was reported to have been put through.

Crops in the Punjab are reported to be progressing well. Canal water supply is adequate. There were good rains in U.P. and crops are doing well. This year's crop is said to be about 30 to 40 per cent. more in U.P. than last year. Sowings in Oomra district have been completed. Germination is good; plants are healthy.

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

Hubli Laxmi 1,125; Surti 1,115; Co2 1,100; B.P. 52 1,380; Mwanza 1,115.

The use of the metric system of weights in cotton transactions will become compulsory from 1st October 1960. Raw cotton is now sold in bales of varying sizes and prices are also quoted in various units. In 1958, Government had issued notifications permitting the use of metric system in the purchase of cotton and sale of cloth by textile mills. For a period of two years, the simultaneous use of the existing system was allowed. This period will end on 30th September 1960, after which only metric weights can be used in transactions in cotton. The adoption of the metric system of weights and measures in the cotton trade will provide an opportunity to standardise the size of the bale, and the unit in which prices are quoted.

The Government of India has also approved of the recommendations of the representative committee set up by the Textile Commissioner that, with the adoption of the metric system by the cotton trade, prices should be quoted in rupees per quintal 100 kgs.), and that the size of the standard bale should be 180 kilograms. The Government hopes that these recommendations will be accepted by the textile industry and cotton trade throughout the country.

A divergent trend was witnessed in the Karachi cotton futures market during the week under review. While the nearby July Contract attracted support based on considerations of tenders, the new crop January Contract eased on speculative selling induced by reports of favourable weather and satisfactory crop progress. The former improved from Rs. 79-8 to Rs. 84 while the latter receded from Rs. 72-6 to Rs. 70-10.

Spot prices too were lower. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 91; Punjab *Deshi* 87-8; 4F Punjab Roller 89-8; S.G. 93-5; LSS Punjab Roller 89-5; S.G. 94-5; N.T. Roller 93-5; S.G. 97-5; 289F Punjab Roller 99-5; S.G. 1.045.

In contrast to the easiness noted during last week, Alexandria cotton futures market ruled fairly firm during the week under review. Both the long-staple Karnak and medium-staple Ashmouni contracts improved perceptibly on buying attracted by the low level of prices. The rise would have been more marked but for bearish crop news. The latest available quotations—in tallaris per lb.—are as under:

Karnak: July 78.00; November 74.75; January 74.20. *Ashmouni*: August 63.95; October 63.20; December 63.10.

Cotton futures values in Liverpool ruled barely steady during the week in dull and featureless trading. Small trade covering orders and some speculative buying were offset by hedge selling. Prices remained unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July 22.50; October 22.40; December 22.35; March 22.40.

American cotton mixed growth contract: July 22.70; October 22.70; December 22.65; March 22.75.

Sudan: July, September, November 35.50.

Modest gains were recorded by cotton futures in the New York market. Buying was mainly based on the news that the Democratic Party's farm policy favoured the return to 90 per cent. parity price supports for basic commodities. Reports that,

when the Congress reassembles next month, attempts will be made to increase farm price supports imparted further strength to the market. The higher acreage under cotton forecast by the Department of Agriculture, last week, however, acted as a restricting influence. The uncertainty regarding the results of the coming Presidential election was also a factor which induced operators to be cautious.

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

(In cents per lb.)

	19-7-60	12-7-60	5-7-60
Spot	33.95	34.20	34.25
July	—	32.98	32.94
October	31.18	30.93	31.09
December	31.33	31.10	31.21

BEMBERG YARN RISES FURTHER

(From Our own Correspondent)

BOMBAY, 20*th July*

Barring staple fibre yarn and foreign art silk yarn which were somewhat easy, the yarn market depicted a firm trend during the week under review. Cupressa Bemberg yarn (60×1) was particularly strong, as the bulls who had bought large quantities in the past were holding tight to their stocks in expectation of better prices in the coming weeks. Indigenous art silk yarns also ruled strong, thanks to the Central Government's decision to extend the date for submitting applications by art silk powerloom weaving units for quotas against July-September 1960 by two weeks, that is, up to the 29th inst. Firmness of nylon yarns also imparted strength. Cotton yarns were well supported. Imported art silk yarn, however, tended to look down. Staple fibre yarn also lacked support in the absence of encouraging advices from consuming centres.

Cupressa Bemberg yarn (60×2) August contract advanced from Rs. 1,950 to Rs. 1,963. October delivery hardened by Rs. 16 to Rs. 1,981. Spot Cupressa was done at Rs. 9.19. 120 Italy gathered 13 nP to Rs. 6.19. But 120 Japan dropped 3 nP to Rs. 5.59 and 150 Japan 7 nP to Rs. 5.87. 150 Italy declined by 13 nP to Rs. 6 06. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade spurted by 19 nP to Rs. 5.28. 120 Bt. cones 1st grade rose by 16 nP to Rs. 6.25.

In the staple fibre yarn section, 40×2 August delivery receded from Rs. 738 to Rs. 733. October delivery lost Rs. 3 to Rs. 745. Spot Centurys eased by 6 nP to Rs. 3.68. Citys shed 3 nP to Rs. 3.77. 80×2 Paramounts (imported) were quiet at Rs. 12.75.

Among cotton yarns, ten counts Gokaks picked up 25 nP to Rs. 19.50. Podars were firm at Rs. 19. Twenty counts New Greats and Gokaks gained 25 nP each to Rs 23.75 and Rs. 24.25, respectively. Forty counts Minaxis rallied from Rs. 30.87 to Rs. 31.19. Maduras were fully maintained at Rs. 31.87. Deals in sixty counts were put through at higher prices, Raghuvamshis rising from Rs. 56.50 to Rs. 57 and Finlays from Rs. 59.59 to Rs. 60.60. Eighty counts Finlays were steady at Rs. 82.82, as also Mahendras at Rs. 73. Moderns, however, came in for selling and dropped a rupee to Rs. 74.50.

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

	20-7-1960	13-7-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 Kg.)		
August	1,963	1,950
October	1,981	1,965
60/1 Cupressa Bemberg spot (per lb.) ..	9.19	9 31
120 Japan (per lb.)	5.59	5 62
150 Japan (per lb.)	5.87	5 94
120 Italy (per lb.)	6.19	6 06
150 Italy (per lb.)	6.06	6.19
Staple fibre yarn—		
40×2 August	733.00	738.00
October	745.00	748.00
40×2 City (per lb.)	3.77	3.80
40×2 Century	3.68	3.74
Cotton yarn (per bundle of 10 lbs.)—		
10s Gokak	19.50	19.25
20s Gokak	24.25	24.00
40s Minaxi	31.19	30.87
60s Finlay	60.60	59.59
80s Modern	74.50	75.50

GROUNDNUT HITS CEILING

(From Our Own Correspondent)

BOMBAY, 20*th July*

Groundnuts continued to soar upward during the week under review, with the August contract, hitting the ceilings, for the first time, on Monday. Official dealings in this section thus came to a standstill since Tuesday. The sustained rally in groundnuts was mainly due to pronounced scarcity of supplies and distinctly bullish weather reports from producing centres. The announcement of the new export quota for H.P.S. groundnuts on Monday, too, induced further momentum. A Press note issued by the Joint Chief Controller of Exports, Bombay, states that the Government of India has decided to give repeat allotment of H P S. groundnut kernels to established shippers who wish to make further shipments, equal to 20 per cent. of their basic year exports after they have completed shipment against the current quotas. Co-operative societies of growers of groundnuts will also be given repeat allotment of H.P.S. groundnut kernels equal to the quantity previously allowed on the basis of acreage under cultivation during 1956, 1957 and 1958 after they have completed shipment of quotas against the current releases, if these societies wish to make further shipments. Shipment against repeat allotments granted thus will be allowed upto the end of December 1960. In case established shippers and co-operative societies are able to secure business in excess of the quantity remaining unutilised in their hands out of the current quotas, they will be granted on application repeat allotment for shipment upto the end of December 1960, on production of valid firm sale contract.

The measure has generally been welcomed by the traders. It is, however, pointed out that the timing of the announcement is rather inappropriate, coming as it does in the wake of an unprecedented spurt in prices and particularly at a time when the Forward Markets Commission has been reluctant to grant permission for the commencement of new contracts. The new allotment will obviously encourage bulls.

Side by side with the increase in Indian prices of groundnuts and oil, their world prices have also been moving upwards. Reports from London indicate that groundnut and oil prices were generally higher by 10 per cent. above the last year's level. This rise in prices is attributed mainly to small crops harvested at the close of 1959 in West Africa, which accounts for about 50 per cent. of total supply of groundnuts in the world market. It is said that the statistical position will continue to be tight until new West African crop is harvested at the end of the year.

The production of rapeseed and mustard in India during the latest crop year has shown slight improvement over the previous year. The All-India final estimate of rapeseed and mustard for 1959-60 puts the current year's area and production at 7,167,000 acres and 1,037,000 tons, as against the partially revised estimate of 6,021,000 acres and 1,025,000 tons for 1958-59. These show an increase of 1,146,000 acres or 19.0 per cent. in area and 12,000 tons or 1.2 per cent. in production. The increase in area during the current year is accounted for mainly by Uttar Pradesh—the major rapeseed and mustard producing State—and partly by West Bengal and Bihar and is due mainly to favourable weather conditions during sowing period this year than last year. This increase has, however, been offset to some extent by decrease in area reported from Punjab and Rajasthan attributed to unfavourable weather conditions at sowing time.

To revert to the trend in the local oilseeds market. As already mentioned, there were no official dealings, in futures contract, but privately the August 1960 contract was quoted at about Rs. 227, Rs. 2 above the ceiling level. Crushers and *vanaspati* manufacturers were keen buyers in the spot section. On top of this, overseas enquiries for cakes were encouraging. August contract, which had wound up at Rs. 223.50 last week-end, rose to Rs. 225 by Monday. Nizam bold spurted by 75 nP to Rs. 48.75. Oil ex-mill gathered 50 nP to Rs. 25.50.

In contrast, the castorseed section gave way, after an initial spurt. The setback is attributed to sizable bull liquidation, following the protracted absence of any sizable export enquiries for oil. Some operators also felt that arrivals would be larger, now that the Government employees' strike was over. September 1960 contract, which had finished last week at Rs. 182.25, eased to Rs. 181 today, after moving both ways between Rs. 182.25 and Rs. 180.37 over the week. Ready Madras, however, looked up by 25 nP to Rs. 35.50. Oil commercial was steady at Rs. 18.87.

In the linseed section, conditions continued to be quiet. Traders took note of the relaxation of restriction on exports of linseed and abolition of 20 per cent. retention tax on the export of edible oils in Argentina. The new system is designed to promote exports; but sufficient care has also been taken to protect its domestic crushing industry. With the linseed crop this year in Argentina estimated at 736,000 tons, a quantity of about 236,000 tons is expected to be available as exportable surplus In linseed, the September contract fell from Rs. 34.75 to Rs. 34.56. Bold ready, however, picked up 13 nP to Rs. 34, mainly on account of firm advices from rapeseed markets. Linseed oil gathered 7 nP to Rs. 17.32.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	20-7-1960	13-7-1960	6-7-1960
	Rs.	Rs.	Rs.
Groundnut			
August 1960	—	223 50	210 75
Nizam bold	48.75	48 00	47 00
Canvassed ready	49.25	48 00	47 25
Khandesh quality	49 25	48 00	47 50
Oil ex-mill ready*	25.50	25.00	24 00
Railway receipts*	25.25	24.75	23.87
Castorseed			
September 1960	181.00	182.25	181 12
Ready Madras	35.50	35 25	35 37
Ready Kanpur	34.50	34 25	34 25
Oil B.S.S.†	20.25	20.25	20 31
Oil commercial†	18.87	18.87	18 81
Linseed			
September 1960	34.56	34.75	34 47
Bold ready	34.00	33.87	33 50
Oil ready†	17.32	17.25	16.87
Cottonseed			
September 1960	—	165.00	163 50
Niger seed	38.50	38.00	37.50
Kardi seed	24.50	24.50	25.00

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are in terms of candy, except linseed which is in cwt. A candy is 560 lbs. except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

BLACK PEPPER WEAK

(Messrs. Parekh and Co.)

BOMBAY, 20*th July*

After moving within a narrow range without any definite trend for the last three weeks, Malabar black pepper eased under pressure of sellings by stale bulls following the easier advices from Singapore where the holders appeared to be feeling nervous in view of the proximity of the harvesting season of Lampong and owing to the continued absence of foreign demand from both the U.S.A. and Europe. The noteworthy features of the Indian market are: (1) slow inland demand; (2) resistance of consumers to higher prices; (3) trade's estimate of exportable surplus of about 6,000 tons of Malabar pepper as available on 1st August which is considered rather heavy, in view of the poor foreign offtake, owing to the keen competition by Singapore; (4) selling policy of growers and holders to come out to sell in a quiet market and to withdraw in a rising one, and (5) satisfactory news regarding the conditions of the coming Malabar crop.

Garbled at Cochin slipped from Rs. 327½ to Rs. 290 and ungarbled from Rs. 1,875 to Rs. 1.625. Calicut sagged to Rs. 1,725. August delivery on the trading ring collapsed to Rs. 292½, the highest being Rs. 352½. At the time of writing, however, there is some improvement, but it is considered to be a technical correction only. Ready ungarbled is now quoted at Rs. 1,675 with inquiries from the exporters who are reported to have sold some parcels to Russia. This sale, however, is lacking confirmation. As now Russia is having trade agreement with Indonesia, whenever the U.S.S.R. buys pepper, it will buy only after comparing the prices from India as well as from Indonesia. This means that there will be competition in future between Indonesia and India in selling pepper to the U.S.S.R. It is also possible that Russia may put one against the other for obtaining the lowest price. Lampong black pepper is being offered at $0.56½ without success by Singapore holders.

The important news of the week is the move on the part of some Chinese merchants to corner white pepper in Singapore, the total production of white pepper from Sarawak and Muntok being limited and thus easily manageable. But the trade in general is doubtful about the success of such enterprise for two reasons, among others. One is the resistance of higher price by consumers in Europe and the U.S.A. and the other is the heavy new production of Lampong black plus the coming new crop of Malabar. If the spread between the price of white and black is enlarged over Str. $150, there are all possibilities of black being turned into white. The latest prices for white and black in Singapore are Str. $300 and Str. $195, respectively.

The spot at New York has come down to $0.59 with grinders side-lining. August on the Exchange is quoted at $0.56. The wide difference in the price ideas between buyers and sellers on the Exchange denotes the weak undertone for the future. Autumn demand from the U.S.A. is still lagging behind and as such grinders prefer to side-line and to consume from their past high-priced inventories which are said to be rather large, particularly, with the big grinders. The coming months being the Presidential Election period in the U.S., the usual demand during July to November is likely to remain below the usual mark. Unsold consignments of black pepper to the U.S. from Singapore is a depressing factor. Demand from Europe is also unsatisfactory, because there are large quantities of unsold consignments lying in all the important ports of Europe.

Ready pepper in Bombay is nominally quoted at Rs. 225 per Bengal maund. Demand is unusually poor, as important consuming centres like Delhi, Amritsar, Calcutta and Kanpur are reported to be overstocked and the quotations there are much below the replacing parity.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 18*th July*

Steady conditions were witnessed in the foodgrains market during the week. This was due to reports of firm prices of gram in the Punjab and poor arrivals in the market following heavy rains all over the week. *Kharif* crop prospects were also adversely affected, due to exceptionally heavy rains in the last fortnight. The U.P. Food Minister, however, opined that the small increase in prices in the last few days was a normal feature at this time of the year and prices were still lower than what they were at this time last year and stock position of foodgrains in the State was satisfactory.

Wheat at Hapur recorded fractional gains to be quoted on Monday at Rs. 17 a maund for average quality and upto Rs. 18.25 for farm produce. Daily arrivals dropped to an average of 100 maunds, which were insufficient even for local requirements. Consequently, sales through fair price shops started increasing, but the quality offered there was reported to be poor.

Rice continued to rule steady and stocks with the trade were not heavy, as the State Government had purchased heavy surplus from the market. The U.P. Government has offered 100,000 tons of rice to other States, of which West Bengal had taken 25,000 tons and Bombay and Gujarat have asked for 13,500 and 5,500 tons, respectively. The week-end prevailing prices of rice here were: *sela basmati* Rs. 31 to Rs. 35; *ramajwayan* Rs. 25; *raimunia* Rs. 26; *mainpuri* Rs. 24.37; gadda Rs. 21.75 a maund.

Gram recorded fractional gains to Rs. 15.62 a maund and superior quality was quoted upto Rs. 15.75 and this rise was mainly due to higher Punjab advices. Stocks of gram here with trade were reported to be heavy at about 34,000 maunds and the U.P. Government has invited tenders to sell its local stocks of 107,000 maunds. Barley improved slightly to Rs. 13 and *bejhar* was also quoted higher at Rs. 12.25 to Rs 13 a maund. This was due to poor supply position and firmness of gram prices. *Jowar* and *guwar* ruled quiet at Rs 14-Rs. 15 and Rs. 12.50-Rs. 13, respectively, thanks to fall in ready demand. Heavy rains have marred prospects of maize crop and sowings in some areas have been unduly delayed.

Ready peas continued to record a rising trend during the week due to brisk outside demand mostly in the form of *dal* from Madras side, but loading restrictions hampered despatches. Daily arrivals of peas, too, were small and local stock is put at 90 *khatties*, as against the corresponding figure last year of 48 *khatties*. Total arrivals of peas here during the current season were put at 103,000 maunds. *Arhar* also ruled steady in sympathy with peas and local stock of peas is put at 26 *khatties*, as against 30 *khatties* last year. Other pulses also stayed steady and week-end prevailing prices were: Peas *dara* Rs. 12.37; old Rs. 12.12; farm white Rs. 13.25; peas *dal* Rs. 14.25; *arhar* Rs. 13.75 to Rs. 14; *arhar dal* Rs. 18.25 to Rs. 19.12; *urd* Rs. 20; *moong* Rs. 20.50 to Rs. 22.50; *Mussor* Rs. 15 to Rs. 18 a maund.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 18*th July*

Sugar ruled quiet during the week around Rs. 113 per bag and in retail at Rs. 1.12 per *seer* in the open market, the controlled prices of the commodity being Rs. 108.50 and Rs. 1.06, respectively. The supply position of sugar continues to be easy and trade circles are still clamouring for withdrawal of control on sugar, but the Government in consultation with millowners, is more inclined to follow "wait and watch" policy.

Despite easy supply position, sugar recorded modest gains in the Muzaffarnagar market, due to keen demand for crystal *boora*. The prevailing price was Rs. 116 per bag, as against the controlled price of Rs. 112.50. A quota of three *seers* per head a month was available in ration at the controlled price of Re. 1.04 per *seer*. Sugar in the Kanpur market, however, sought lower levels, due to easy supply position and slack demand. The prevailing prices in the week-end were Rs. 111 per bag.

On resumption of loading facilities after some week's lull, *khandsari* recorded fractional gains during the week on brisk demand from the consuming areas of the South, Saurashtra and Kutch and also from the Punjab. Traders expect further improvement in prices next month when festival demand would mount. The latest prevailing prices in the Muzaffarnagar market where *khandsari* stock was put at 60,000 maunds, were: inferior Rs. 30 to Rs. 32; superior Rs. 33 to Rs. 38.50; crystal *khandsari* Rs. 36 to Rs. 40, *boora* from crystal Rs. 44 a maund.

Owing to resumption of loading facilities, despatches of ready *gur* during the week were 15 wagonloads and prices improved fractionally to Rs. 16.12 for dry quality and Rs. 15.75 for *kotha* dry-wet stocks. *Shakker* was quoted at Rs. 19. Local stock of *gur* is now put at 18,000 maunds, the corresponding figure last year being 41,000 maunds. Total arrivals in the current season were put at 586,000 maunds, as against 661,000 maunds last year.

Heavy rains during the week have proved very beneficial to the cane crop.

Gur also improved fractionally in the Muzaffarnagar market during the week on good demand. *Chaku* quality was being converted into *shakker*. *Rana Minja* is attracting demand from M.P. Rajasthan and Jammu and Kashmir. Ready stocks of *gur* at Muzaffarnagar were now put at 120,000 maunds and prevailing prices were: *Chaku* dry Rs. 19 to Rs. 19.75; *kotha* dry-wet Rs. 17 to Rs. 18; *rana minja* Rs. 18 to Rs. 21.50; *shakker dara* Rs. 20 to Rs. 21; *masala* Rs. 20 to Rs. 22.50 a maund.

Future *gur* prices recorded a bullish trend on gra speculators purchases, but latest prices were noted slightly lower than the highest for the week ue to profit-taking sales. *Fagun* opened at s. 13.65, touched the highest of the week at s. 14.43 on Saturday and was today quoted at s. 14.22.

JUTES FINISH BETTER

(From Our Own Correspondent)

CALCUTTA, 19*th July*

With two virtual holidays necessitated by the general strike and the absence of public transport, quiet conditions were in evidence in the jute markets during the week under review. When the threatened strike by Central Government employees became a reality and many postal and railway facilities were withdrawn, buyers were disinclined to enter into any large commitments. However, with the gradual improvement in the strike situation, confidence soon returned and, towards the week-end, covering business was being done on a moderate scale. When the market opened on Tuesday a week ago, prices were low and, as covering business took place towards the week-end, closing levels were higher on balance. There were reports of the Government of India purchasing 6,000 bales of B. twills for despatch to various centres. Both the U.K. and the United States continued to show interest for small quantities of hessian. Earlier in the week, it was announced that output in June was lower at 89,100 tons, as against 91,700 tons in the previous month. The number of hours worked was only 200, as against 208. Production of hessian and miscellaneous constructions was almost the same at 37,400 tons and 9,600 tons, as against 37,700 tons and 9,500 tons, respectively, but that of sacking goods at 42,100 tons registered a more marked fall of 2,400 tons. The slightly better conditions in the New York burlap market were noted here and were attributed to revival of buying interest by primary consumers following the decline in stock of goods with mills and the declared policy of mills to re-seal more looms in this and next months in order to cope with the raw jute shortage.

Market reports indicated that, in New York, the heavy hessian 40" 10 oz. improved to 11.40 cents per yard from 11.20 cents. Similarly, the lighter hessian at 8.45 cents per yard added a few cents. Raw jute prices here for the new crop added substantial gains. The gains in the forward positions followed the expectation that mills would require a greater quantity of jute in the coming months to enable them to put back the sealed looms to operation. Since, however, the jute crop was expected to be good and also since with moderate rains interspersed by bright sunshine weather conditions continued to be highly encouraging, market circles thought that fibre prices would break sooner than expected. This week's disturbance to the railway communications were not expected to affect fibre movements, as by the time new crop movements commenced, the railways would have cleared the back-log.

Concern was expressed following the reported reaffirmation by the Management Committee of the European Jute Association of the Association's basic policy of seeking to limit imports of jute goods from low-wage cost countries in the East and State trading countries in Eastern Europe. It was stated that such a policy was directed to curb competition against producers in Western Europe and that greater imports of jute goods would be contrary to the long-term interests of the world jute economy. Market circles here thought that this reaffirmation of policy was only a representation of the Western producers to their Governments in order to limit issue of import licences. With the rapid expansion of the Pakistan jute mills industry and Pakistan's need to consume more fibre, the producers in Dundee and elsewhere would not get sufficient supplies of fibre to increase production to such an extent as to meet demand for goods without imports. The cheaper-priced goods from Pakistan and India would continue to receive the patronage of all countries.

On Tuesday last, with the threat to strike work by sections of the employees of the Central Government having become a cold reality, prices of goods moved within narrow limits and quiet conditions were in evidence. Ready hessian 40" 10 oz. was priced at Rs. 43.40 and B. twills at Rs. 122.80. On the previous day, the prices were Rs. 43.30 and Rs. 122.50, respectively. On the following day, that is, Wednesday, conditions improved, as buying interest from foreign buyers was forthcoming at lower levels. Australian buyers placed orders for cornsacks against shipment in August-September. Other foreign buyers also sent in modest inquiries for hessian and sacking goods. Also, the trend in the futures market registered a small improvement following buying interest at lower levels. Ready hessian 40" 10 oz. hardened to Rs. 44.20 and B. twills to Rs. 123.70. On Thursday, there was no trading on account of the dislocation to transport facilities, but, when the market reopened on Friday, fibre prices moved up and, in sympathy, goods also rose. However, no interest was shown by foreign buyers at the higher levels. All the same, there was some covering business for ready and near deliveries. Hessian 40" 10 oz. at Rs. 44.75 recorded a small improvement, as did ready B. twills at Rs. 124.50. There was no trading on Saturday on account of the general *hartal*. It was known yesterday that burlap consumption in the U.S. during June was less by 3.2 million yards as compared with May. Earlier in the day, hessian was steadier, but, following this news, a sagging tendency set in and 40" 10 oz. hessian gave way to Rs. 44.50. On the other hand, B. twills moved up to Rs. 124.75. Moderate business was done yesterday in B. twills on local account.

Fibre prices recorded some improvement. The uptrend followed when mills turned buyers, and sellers became reserved. Good business was reported in near delivery new crop. The following table compares the latest quotations for the different varieties of new crop jute with those of a week ago.

(In Rs. nP. per 100 kilos)

White:	*Middles*	*Bottoms*	*Delivery*
Selected Assam ..	99.25 (97.75)	92.50 (91.00)	Aug.-Sept.
Ordinary Assam ..	97.75 (96.00)	91.00 (89.75)	"
Northern	96.50 (95.75)	89.75 (88.50)	"
Desal	93.75 (93.75)	87.00 (87.00)	"
Cuttack	99.25 (97.75)	92.50 (91.00)	Sept.-Oct.
Murshidabad ..	92.50 (91.25)	85.75 (84.50)	Aug.-Sept.
Bihar, Jungli and U.P.	91.25 (89.75)	84.50 (83.00)	"
Tossa:			
Ordinary Daisee ..	99.25 (96.50)	92.50 (89.75)	Sept. -Oct.
Murshidabad ..	97.75 (95.25)	91.00 (88.50)	"
Assam-Agartala ..	100.50 (97.75)	93.75 (91.00)	"
Mesta:			
Daisee	85.75 (85.75)	79.00 (79.00)	"
Jungli	83.25 (84.50)	76.50 (77.75)	"
Bimli f.a.q. ..	.. ..	Rs. 79 (79) Sept.-Oct.	
Pucca Bales:			
1st Mark	.. ..	Rs. 210 (215) per bale ready.	

(Concluded from next column)

cost of production was more, reducing the profits. You are aware that under the Income-tax Act, a sum equivalent to 25 per cent. of the value of plant and machinery installed is allowed as development rebate and allowed as an admissible item of expenditure in the income-tax assessment, provided 75 per cent. of such development rebate is charged against the profits. In order to avail of the benefit under this provision, a sum of Rs. 3,85,937 is debited in the profit and loss account and taken to a specific reserve. In view of the allowance under development rebate, the Company has no taxable income for the year 1959.

"I am glad to inform you that the relationship between labour and management has been cordial during the year 1959. Let me thank you all for coming here today and also other shareholders, the officers, staff and workers for their valued co-operation extended to your Company during 1959.

"I now move that the Directors' report and the audited accounts for the year ended 31st December 1959, be adopted."

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

TRAVANCORE CEMENTS LIMITED

MR. C. S. LOGANATHAN'S SPEECH AT ANNUAL MEETING

ADDRESSING the Thirteenth Annual General Meeting of the Travancore Cements Ltd., held at Kottayam on Monday, 11th July, 1960, the Chairman of the Company, Mr. C. S. Loganathan, observed that they could be reasonably proud of the white cement produced in the Company's factory. He stated that the quality of the cement compared favourably with that produced in other countries.

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

"GENTLEMEN,

"I have great pleasure in welcoming you to the thirteenth annual general meeting of our Company.

"Before I proceed to review the Company's affairs during the year 1959, I would like to refer to the sad demise of two of our Directors, Messrs. A. V. George and H. D. Rajah, since we met last. We bemoan their loss and let us place on record our sincerest appreciation of the services rendered and the valuable contribution made by them towards the progress of our concern.

"The balance-sheet as at 31st December 1959 and the profit and loss account for the period from 1st January 1959 to 31st December 1959 together with your Directors' Report have been already sent to you separately. With your permission I shall take them as read.

Production and Sales

"Our total turnover during the year 1959 has been less compared to the previous year. The total sales for the year was Rs. 33,33,896 and the corresponding figure for the year 1958 was Rs. 48,02,092. During the year 1959, there was some loss of production on account of the change over to white cement production. Being the first year of change over to white cement, besides the loss of production, we had to pass through experimental stages until quality production could be achieved. We can be certainly proud of the white cement produced in our factory for its quality and I am glad to inform you that our white cement compares very favourably with the superior quality white cement produced in other countries and has been well received throughout India.

Imports

"Due to the trade holding considerable stocks of imported white cement on the basis of licences issued in 1958 and 1959 our sales are rather slow. In this connection, it is gratifying to note that the Central Government has now discontinued the issue of further licences for such imports and is expected that there will be appreciable improvement in our sales without delay. I may also inform you that our Vembanad brand white cement is now marketed all over India and export possibilities are also being explored.

Wages

"In my speech last year, I had mentioned that a Central Wage Board for cement industry had been set up by the Government of India. The Wage Board has submitted their recommendations to the Government, and the Government have, in accepting the recommendations, requested the cement producers to implement the same with effect from 1st January 1960. The Wage Board has recommended fair wages for the different categories of operatives and clerical, supervisory and lower technical staff. The minimum wage recommended for an unskilled employee is Rs. 91 per mensem including dearness allowance and house rent allowance. There will be a large increase in the total wages when the Wage Board's recommendations are implemented, but the Government have agreed to increase the retention price payable to the producers to the extent of the increase in wages.

Profit and Taxation

"It may be noted from the profit and loss account for the year ended 31st December 1959 that the working has resulted in a net loss of Rs. 88,787. This loss is after charging a sum of Rs. 3,85,937 towards development rebate reserve in the profit and loss account and without this the results would have been a profit of Rs. 2,97,150. Further, during the experimental stages of white cement production, capacity production was not obtained and, therefore, the

(Continued in previous column)

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 15th July, 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	74,21,23,000
(2) Other Governments	11,80,82,000
(b) Banks	122,93,44,000
(c) Others	130,18,26,000
Bills Payable	19,07,16,000
Other Liabilities	12,17,88,000
Rupees	507,67,99,000

ASSETS	Rs.
Notes	23,06,73,000
Rupee Coin	1,61,000
Subsidiary Coin	4,98,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,66,97,000
Balances held abroad*	22,31,97,000
Loans and Advances to Governments†	37,15,43,000
Other Loans and Advances	132,83,92,000
Investments	269,01,76,000
Other Assets	17,48,92,000
Rupees	507,67,99,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments

The item 'Other Loans and Advances' includes Rs. 12,42,35,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	23,06,73,000	
Notes in circulation	1841,66,69,000	
Total Notes issued		1864,73,42,000
Total Liabilities		1864,73,42,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	143,00,89,000	
Total of A		260,76,92,000
B. Rupee Coin		127,56,64,000
Government of India Rupee Securities		1476,39,86,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1864,73,42,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	8th July 1960	1st July 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1850.11	1834.52	1880.72	1721.71
Notes held in Banking Department	35.05	13.83	30.54	10.29	19.67
Foreign Securities	59.60	143.01	143.01	148.01	172.01
Rupee Securities	37.39	1476.40	1476.40	1501.40	1320.73
Banking Department					
Deposits of:					
Government of India	14.39	69.27	54.67	71.07	51.69
Other Governments	..	14.96	20.79	8.75	14.05
Balances held abroad	10.06	26.67	13.59	15.55	13.56
SCHEDULED BANKS					
Demand Liabilities	134.86	782.64 (15.42)†	790.28 (17.95)†	786.79 (18.00)†	739.05 (26.15)†
Time Liabilities	102.24	1221.90 (24.41)†	1218.40 (23.02)†	1173.87 (24.42)†	1056.76 (27.73)†
Borrowings from Reserve Bank	..	47.06 (12.71)‡	42.61 (13.10)‡	51.22 (13.21)‡	6.65 (2.86)‡
Borrowings from State Bank	..	12.25	10.23	14.18	4.31
Cash in India	6.70	49.66	48.67	48.48	43.67
Balances with Reserve Bank	25.17	105.47	107.08	103.02	70.85
Balances with other banks in current account in India	..	17.05	16.47	15.81	14.41
Money at call and short notice in India	..	28.02	24.99	29.48	36.77
Investments (at book value)	..	749.04	744.47	740.54	668.32
Advances and bills	105.9	1138.33	1127.66	1133.46	987.04
STATE BANK					
Deposits	37.76	632.17	637.03	631.61	537.92
Investments	51.99	393.47	393.93	388.83	329.41
Advances	30.85	210.71	216.52	217.59	185.57
Cash	14.69	34.35	37.95	39.21	30.97

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

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	24th Dec., 1959	3.25	4
Bolivia	30th Sept. 1950	6	6
Burma	Feb., 1948	..	3
Canada †	..	3.24	3.26
Ceylon	16th Dec., 1959	2.50	3
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	2nd Dec., 1959	6.94	7.3
Mexico	4th Dec., 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1960	5	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6.50
Portugal	12th Jan., 1944	..	2
South Africa	9th Jan., 1959	4.50	4
Spain	11th April, 1960	6.25	5.75
Sweden	18th Jan., 1956	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	3	7
Turkey	6th June, 1956	4.50	6
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July, 1936	3	4
U.S.A.	3rd June, 1960	4	3.50
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 15th July, 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,50,00,000
Deposits and Other Accounts		617,05,59,000
Borrowings from Other Banking Companies, Agents, etc.		8,93,87,000
Bills Payable		....
Bills for Collection being Bills receivable as per contra		1,94,11,000
Acceptances, Endorsements and Other Obligations per contra		2,12,74,000
Other Liabilities (including Inter-Office Adjustments)		25,34,74,000
Total	Rs.	668,83,55,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		46,36,66,000
Balances with other Banks		2,78,74,000
Money at Call and Short Notice		60,00,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	371,61,78,000	
Other Authorised Investments	9,87,03,000	
		381,48,81,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	203,67,36,000	
Bills Discounted and Purchased	12,34,51,000	
		216,01,87,000
Bills Receivable being Bills for Collection as per contra		1,94,11,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,12,74,000
Premises less Depreciation		1,25,36,000
Furniture and Fixtures less Depreciation		1,25,99,000
Other Assets (including Inter-Office Adjustments)		14,99,27,000
Total	Rs.	668,83,55,000

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
19th April	2.00	2.00	2.00	2.770	99.305
26th April	2.00	2.75	2.00	2.770	99.310
27th to 30th Apr.*	2.01	..	2.01	....	99.326
3rd May	2.00	2.82	2.00	2.745	99.325
10th May	2.00	2.00	2.00	2.745	99.310
11th to 14th May*	0.05	—	0.05	—	99.326
17th May	2.00	2.00	2.00	2.745	99.310
24th May	2.00	2.30	2.00	2.745	99.325
25th to 28th May*	1.25	..	1.25	—	99.326
31st May	2.00	2.25	2.00	2.745	99.325
1st to 4th June*	3.05	..	3.05	....	99.326
7th June	2.00	2.00	2.00	2.745	99.310
8th to 11th June*	2.15	..	2.15	—	99.326
14th June	2.00	2.00	2.00	2.745	99.310
15th to 18th June*	0.07	..	0.07	—	99.326
21st June	2.00	2.02	2.00	2.745	99.315
22nd to 25th June*	0.07	..	0.07	—	99.326
28th June	2.00	2.00	2.00	2.745	99.310
6th July	2.00	2.00	2.00	2.745	99.310
12th July	2.00	2.02	2.00	2.745	99.325
Total amount outstanding	34.65		34.65		

* Intermediate Treasury Bills sold.

Scheduled Banks*

Statement of Affairs for the week ended 8th July 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		17,94,70,000
(ii) Other demand liabilities		764,69,63,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		24,40,56,000
(ii) Other time liabilities		1,197,49,21,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		10,67,52,000
(ii) Time liabilities		1,57,00,000
Borrowings in India from the Reserve Bank of India‡		47,06,10,000
Cash in India		(12,71,35,000)
Balances with the Reserve Bank in India		49,66,01,000
Balances with other banks in current account in India		105,47,06,000
Money at call and short notice in India		17,05,45,000
Investments(at book value)in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		28,02,23,000
Advances in India		749,04,26,000
Inland Bills, purchased and discounted in India		1068,94,81,000
Foreign Bills, purchased and discounted in India		108,70,78,000
		41,21,86,000

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

State Bank of Pakistan

Statement of Affairs for the week ended 24th June 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,90,000
Deposits:	
(a) Central Government	11,47,77,000
(b) Provincial Governments	92,24,000
(c) Banks	19,43,22,000
(d) Others	87,78,02,000
Bills Payable	53,89,000
Other Liabilities	15,39,32,000
Rupees	142,69,56,000

ASSETS	Rs.	Rs.
Notes		11,31,18,000
Rupee Coin		28,000
Subsidiary Coin		35,000
Bills Purchased and Discounted:—		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills	....	
Balances held outside Pakistan*		34,69,14,000
Loans and Advances to Governments		11,65,00,000
Provincial Governments' Debtor Balances		88,96,000
Other Loans and Advances		4,31,38,000
Investments		69,29,80,000
Other Assets		10,53,17,000
Rupees		142,69,56,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,31,18,000	
Notes in circulation	356,60,01,000	
Total Notes issued		367,91,19,000
Total Liabilities		367,91,19,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	70,66,38,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	138,34,78,000
B. Rupee Coin	3,97,98,000	
Government of Pakistan Securities	219,68,37,000	
Internal bills of exchange and other commercial paper	....	223,66,35,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,03,000	
Government of India Securities	1,00,00,000	
Rupee Coin	20,51,000	5,80,06,000
Total Assets	....	367,91,19,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 39.13 per cent.

EXCHANGE RATES

		18th July 1960	Previous week
Bombay on London—			
Sellers T.T., D.D. Spot	s.	1-5⅛	1-5⅛
Sellers T. T. D.D. upto six months	s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T. D.D.	Rs.	476.50	476.50
Buyers T.T.	Rs.	473.25	473.25
London on New York	s.	2.8087-2.8089	2.8072-2.8076
London on Paris	Frs.	13.76¼-13.76½	13.76¼-13.76½
London on Berne	Sw. Frs.	14.5100-14.5030	14.5000-14.5025
New York on London	s.	280.880-280.910	280.710-280.750

CLEARING HOUSE RETURNS

Centre	Week ended 15th July 1960 Number of Cheques	Amount Rs.	Week ended 8th July 1960 Number of Cheques	Amount Rs.
Bombay	2,93,058	64,23,15,000	3,50,571	76,65,16,000
Calcutta	..	....	1,72,000	71,81,00,000
Madras	80,024	9,71,34,595	94,976	12,20,89,132
All Centres—				
1957-58	..	..	41,672,000	80,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,054,000	109,88,05,00,000
Feb., 1960	..	..	4,205,000	9,48,59,00,000
Mar.,	..	..	4,431,000	10,12,71,00,000
April ,,	..	..	4,536,000	10,47,01,00,000
May ,,	..	..	4,688,000	10,19,65,000

INDEX NUMBERS OF WHOLESALE PRICES (Base: 1952-53=100)

Particulars	Weight	2nd July 1960	25th June 1960	4th July 1959	May 1960	May 1959	Percentage of Increase(+) or Decrease(—) in May, 1960 as compared with May, 1959	Financial Year Average 1959-60	1958-59
Food Articles	564	121.8	120.3R	119.6	120.0	116.1	+ 3.4	119.9	115.2
Cereals	192	105.3	103.1R	105.0	105.8	98.9	+ 7.0	104.1	106.8
Pulses	45	92.8	90.2	95.8	89.9	94.8	— 5.2	93.6	108.2
Fruits and Vegetables	23	119.6	116.8	132.0	116.8	126.9	+ 4.0	127.5	117.0R
Milk and Ghee	84	118.0	115.2	114.9	117.4	115.8	+ 1.4	113.8	107.2
Edible Oils	47	143.5	141.5	131.6	138.0	131.1	+ 5.3	130.4	124.1R
Eggs and Meat	17	124.6	122.0	115.5	119.2	106.3	+12.1	112.0	108.1R
Sugar and Gur	48	139.6	138.9R	158.8	164.4	157.4	+ 4.4	167.9	151.3
Others	50	165.4	164.4*	99.0	107.3	98.6	+ 8.8	99.5	99.4
Liquor and Tobacco	21	110.5	110.5	109.1	97.4	105.7	— 7.8	97.0	98.8
Tobacco	—	109.1	109.1	97.4	105.7	97.0	+ 2.4	116.5	115.4
Fuel, Power, Light and Lubricants	39	118.7	118.6	115.7	118.6	115.2	+17.2	123.7	115.8
Industrial Raw Materials	154	138.2	138.8R	120.0	140.0	119.5	+34.8	118.8	116.8
Fibres	61	135.9	138.2R	108.3	147.2	109.2	+ 4.3	104.6	106.0
Oilseeds	60	148.3	147.5	98.8*	98.2	102.4	— 4.1	97.8	127.0
Minerals	2	98.2	98.3	113.2	129.5	112.6	+15.0	121.6	109.2
Others	32	126.4*	126.4R	109.3	119.8	108.4	+10.5	111.6	109.2
Manufactures	296	120.1	120.1R	109.3	113.8	108.4	+ 5.0	111.3	108.4R
Intermediate Products	41	130.3	129.9	109.4	118.9	108.5	+ 9.6	111.3	108.1R
Finished Products	249	118.5	118.6R	109.4	113.1	108.4	+16.0	107.8	108.3R
Textiles	147	119.0	119.6	104.6	120.2	103.6	+10.8	115.9*	117.0R
Cotton	—	126.7*	126.7*	113.5*	124.8*	112.6	+38.5	90.6	94.2
Jute	—	110.6	110.6	87.5	117.2	84.6	—	104.8	98.2
Woollen	—	106.2*	106.2*	104.2	104.2*	104.2	—	104.2	104.2
Silk and Rayon	—	102.7*	102.7*	98.0*	104.8*	95.5*	+ 9.2	98.4	98.1
Metal Products	12	148.3	148.3	143.3	148.3	143.3	+ 3.5	144.9	106.8
Chemicals	22	104.0	103.1*R	107.1	104.7	106.4	— 1.6	108.5	108.0
Oil Cakes	10	137.9	132.4	145.8	133.7	139.6	— 4.2	106.2	106.0R
Machinery and Transport Equipment	31	110.8	110.8	105.9*	110.6	106.1	+ 4.2	113.4	113.7
Others	30	115.4	114.7	113.3	114.6	113.0	+ 1.4		
All Commodities	1,100	123.4	122.9	116.1	122.7	114.6	+ 7.6	117.1	112.9

Note :—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

*Estimated. R—Revised.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City (1949=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	106	108	108	111	112	99	115
1953 ,,	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 ,,	101	359	244	294	85	99	327	106	105	91	96	102	96	106
1955 ,,	96	338	217	246	78	98	321	99	98	83	87	98	93	103
1956 ,,	105	353	244	316	94	112	364	116	114	99	103	115	107	126
1957 ,,	111	369	259	339	94	120	384	124	113	103	108	128	109	121
1958 ,,	116	395	274	313	98	130	384	133	120	105	98	125	108	140
1959 ,,	121	412	309	340	98	132	384	133	120	105	98	125	108	140
January 1959	117	396	301	323	103	127	368	130	122	107	94	115	109	124
February ,,	118	399	300	326	103	129	364	127	124	108	94	120	110	124
March ,,	117	401	290	320	99	129	364	127	123	105	95	121	105	135
April ,,	117	400	296	313	95	130	364	128	119	101	95	121	104	137
May ,,	119	406	307	328	95	131	371	131	116	103	96	125	104	138
January 1960	122†	422	304	360	96	135	385	137	121	107	99	120	111	144
February ,,	122†	418	294	355	98	136	389	139	122	107	97	121†	109	144
March ,,	122†	414	287	339	97	135	392	138	119	104	100	122†	109	145
April ,,	122†	421	288	346	97	136	392	138	117	104	103	118†	109	145
May ,,	..	421	..	344	..	..	..	..	..	..	..	..	..	..

* Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	National Savings Certificates 5-Year A Out-standings	7-Year B Out-standings	12-Year B Out-standings	12-Year National Plan Savings Certificates C Re-ceipts	Out-standings	Post Office Savings Bank Deposits Re-ceipts	Out-standings	10-Year National Plan Certificates D Out-standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Out-standings	Re-ceipts	4% C Out-standings	15-Year Annuity Certificates G Re-ceipts	Out-standings	Total Re-ceipts	Out-standings H
1956-57	3,00	6,01	165,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	42	1,32	228,88	449,17
1957-58	2,22	4,73	143,45	71,45	71,45	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	284,32	569,77
1958-59	1,76	3,80	119,10	87,45	155,78	191,76	234,91	21,02	—40,87	42,57	635	11,68	67	2,41	288,22	590,08
1959-60	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	290,62	667,36
January 1959	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	5	2,32	24,07	589,17
February ,,	1,78	3,87	120,95	9,54	143,14	14,93	219,39	21,13	—40,60	42,62	58	11,14	5	2,36	25,22	566,41
March ,,	1,73	3,79	119,11	11,66	152,48	22,29	226,92	21,01	—40,69	42,57	65	11,68	6	2,41	34,68	581,75
April ,,	1,70	3,72	117,25	6,36	157,31	14,59	226,30	20,88	—40,74	42,49	53	12,26	11	2,50	23,52	585,06
May ,,	1,68	3,65	115,39	5,71	162,02	14,63	224,83	20,76	—40,80	42,39	51	12,79	5	2,54	21,98	585,46
June ,,	1,65	3,59	114,16	6,03	167,24	15,89	224,23	20,61	—40,86	42,33	42	13,19	3	2,56	22,40	589,70
January 1960	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19,96	—41,28	41,84	1,13	19,77	5	2,81	23,59	630,20
February ,,	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,28	41,75	1,05	20,79	6	2,86	25,71	636,66
March ,,	1,54	3,17	99,14	13,09	221,63	19,24	254,91	19,79	—41,35	41,68	1,03	21,76	6	2,90	43,47	667,36
April ,,	1,51	3,17	97,35	9,47	226,14	17,37	253,53	19,63	—41,35	41,58	1,63	23,16	9	2,98	26,16	670,00
May ,,	..	..	..	..	..	..	..	..	..	41,50	1,06	24,19	5	3,01	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five-Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of April 1960 is rupees Fifty-seven lakhs. 10-Year Cumulative Time Deposits commenced from 2nd January 1959 and the outstandings at the end of April 1960 is rupees Thirty-four lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1928-32	63,30,26,000	1960-70	100.30
3 % Loan	1938-39	116,17,46,000	1963-65	98.05
3 % Loan	1950	30,33,10,000	1964	98.05
2½ % Fg. Loan	1943	1,10,11,78,000	1966-68	95.85
3 % Def. Loan	1945	1,15,05,83,000	1970-75	90.80
2½ % Loan	1946	57,00,69,000	1961	98.55
2½ % Loan	1946	14,77,48,000	1976	83.50
2½ % Loan	1947	75,86,72,000	1962	98.05
3½ % N. P. Bonds	1953	75,29,00,000	1961	100.05
3½ % N. P. Loan	1954	1,58,17,95,000	1964	99.80
3½ % N. P. Bonds (1st Series)	1955	1,08,67,02,000	1965	99.80
3½ % Loan	1956	87,27,36,000	1962	99.65
3½ % N. P. Bonds	1956	63,81,83,000	1967	99.60
3½ % Loan	1956	66,63,63,000	1974	99.70
3½ % N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.85
4 % Loan	1957	49,17,27,000	1972	101.30
4 % Loan	1958	58,55,92,000	1968	100.00
3½ % Loan	1958	80,00,00,000	1965	99.45
3½ % Loan N.P.B.	1958	34,39,90,000	1968	100.65
4 % Loan	1958	49,51,44,000	1973	101.20
4 % Loan	1959	1,02,91,00,000	1969	99.10
2½ % Loan	1959	80,93,00,000	1979	100.20
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,34,000	M.	72.50
2½ % Loan	1946	2,48,91,35,000	K.	73.65
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100.20
4½ % Andhra	1958	5,48,81,000	15th July 1970	102.00
4 % Andhra	1959	6,00,00,000	19th Aug. 1971	99.75
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	97.55
3 % Bombay	1950	2,83,50,000	31st July 1962	99.60
3½ % Bombay	1951	2,87,52,000	17th Sept. 1962	99.60
4 % Bombay	1951	5,19,35,000	15th July 1963	101.00
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100.90
4 % Bombay	1952	9,72,28,000	31st July 1967	100.90
4 % Bombay	1955	7,74,78,000	3rd Sept. 1970	100.75
4 % Bombay	1956	6,57,22,000	16th Sept. 1969	102.60
4½ % Bombay	1957	6,56,09,000	16th July 1970	102.60
4½ % Bombay	1958	4,35,25,000	15th July 1971	102.60
4 % Bombay	1959	6,60,00,000	19th Aug. 1971	100.90
4 % Bombay	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100.00
4 % Bihar	1956	1,50,00,000	13th Oct. 1970	101.50
4½ % Bihar	1958	4,50,00,000	19th Aug. 1971	99.75
4 % Bihar	1959	5,00,00,000	1st June 1956-61	98.00
3½ % Cochin	1926	30,00,000		
3½ % Howrah	1926-27	1,77,08,700	1956-66	84.50
Bridge (New)	1955	2,12,46,000	1st Sept. 1967	100.20
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.20
4 % Hyderabad	1958	2,78,44,000	14th Sept. 1970	99.60
3 % Madras	1946	3,81,77,000	1st Sept. 1961	98.60
3½ % Madras	1949	4,88,25,000	31st July 1962	99.60
3 % Madras	1950	5,01,49,300	17th Sept. 1962	99.45
4 % Madras	1951	10,71,71,000	15th July 1963	100.40
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.10
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.10
4 % Madras	1956	13,85,56,000	3rd Sept. 1968	100.10
4 % Madras	1

FOREIGN FINANCING

(*Concluded from page 151*)

has no direct investment potential from out of its own product.

While the foregoing discussion has highlighted the sort of considerations which should weigh with the Government of an underdeveloped country in examining offers of foreign public or private loans, certain special features in allowing foreign private investment must be mentioned. In some respects, foreign private capital inflows may be the best means of borrowing abroad, since no debt burden is involved if the venture fails. This, however, is a simplification. For, while it is evident that foreign private capital will be willing to take many risks, it will not come in without a fair chance of the venture proving successful. The superior technical and managerial skills available to foreign business men, in contrast to national borrowers from underdeveloped areas, go to improve their prospects of success. This apart, it has already been pointed out that foreign private capital investment tends to appreciate along with the general economic development of the country. Though this may look like an unnecessary burden for a poor, borrowing country to assume, private investment brings along with it advanced technical and managerial abilities from which local industry and labour will benefit. This is a contribution the value of which cannot be precisely estimated. Therefore, where a proposed foreign private venture satisfies the other criteria and pays for its servicing charges in foreign exchange earnings or savings, it should be welcomed.

This article can now be concluded by a restatement of some of its broad conclusions on the conditions under which it is, on economic grounds, justifiable to contract an international debt to finance a domestic investment project. The scheme should earn or save sufficient foreign exchange to pay for its service charges, including repayment of principal, and also to transform the additional savings generated by it into investment. The scope and range of its operations should not be so expanded as to add to the service and repayment obligations without corresponding benefits on the foreign exchange side. Nor should its foreign exchange requirements for continued operation rise to a level beyond what it could save or earn in foreign exchange. Even if it is based on domestic raw material, the magnitude of the manufacturing activities should not grow so as to affect the foreign exchange earnings from the export of raw material when it cannot itself compensate such loss by facilitating the export of the finished product. While from the point of view of service charges Government-to-Government borrowing is preferable, there are certain not precisely calculable advantages in allowing private capital to come in from abroad into the right lines of manufacture. These advantages will, very probably in the long run, outweigh the disadvantages of additional service charges. Some of these criteria are valid even for offers of foreign assistance in the form of grants.

WHITLEY COUNCILS FOR SETTLING DISPUTES

(*Concluded from page 154*)

country. There is no hierarchical connection between the National and the Departmental Councils. The National Council must, however, approve all Departmental Council constitutions; and it is kept informed of departmental developments which seem to be inconsistent with national agreements or to have application or consequences beyond the Department concerned.

There are, however, limitations, constitutional and otherwise, on the working of the machinery. There is an agreement between both sides which specifically states that the establishment of Whitley Councils cannot relieve the Government of any part of its responsibility to Parliament and that Ministers and heads of departments acting under the general or specific authority of Ministers must take such action as may be required in any case in the public interest. This condition, the agreement further states, is inherent in the constitutional doctrines of parliamentary government and ministerial responsibility. It follows from this constitutional principle that, while acceptance by the Government of the Whitley system implies an intention to make the fullest possible use of Whitley procedure, the Government has not surrendered, and cannot surrender, its liberty of action in exercise of its authority and the discharge of its responsibility. In fine, the position is that the supremacy of Parliament and control of Government over matters relating to the civil service remain intact.

There are other limitations on the scope of the Council. In practice, the staff sides do not attempt to discuss by Whitley machinery the pay or the grading of the highest posts in the service. Again, Whitleyism has not superseded direct negotiations with the staff association. In fact, questions of class or grade remuneration are more often dealt with by direct negotiation. Moreover, the Councils have confined themselves largely to "bread and butter" questions.

The Whitley Councils have not generally interested themselves in the bigger, non-economic problems of administration. But they have helped, in the words of Mr. Douglas Houghton, a former Chairman of the staff side of the National Whitley Council, "to keep the peace and make people happy in their work."

If, as is the case, the Whitley Councils do not, in reality, reduce the powers of the Government and its administrative authority, what is it that gives satisfaction to the staff? Here is the second Commission's assessment:

"The Whitley Councils are not purely consultative bodies, with no power to take decisions. They are authorised to, and do, take decisions; and the decisions do not, in fact, require anybody's approval to become operative. From the point of view of the staff, this is a far more satisfactory procedure than one providing for mere consultation to be followed by action according to the judgment of the Government. The official side has to discuss matters fully and to justify its standpoint. It may differ from the staff side, but the difference has to be based on grounds which would have to be stated at a meeting of the two sides and rationally justified; and, in actual working, there is a substantial difference between such an arrangement and one under which the official representatives may meet even an eminently reasonable proposal of the staff with the observation that they would place it before the Government. If a Whitley type machinery is introduced, the position would be comparable to that in industry where the manager negotiates and enters into agreements with the employees, even though he acts under the authority of, and in matters of importance, with the explicit approval of the directors. And it would give to the staff the kind of satisfaction which collective bargaining in industry gives to employees."

The Commission does not agree with those who argue that the Whitley type of machinery, together with compulsory arbitration, is peculiar to Britain and that it might be imprudent to transplant these particular British institutions on Indian soil. In support of this contention it is pointed out by those who oppose Whitley Councils that similar bodies established in some Provinces of Canada have not been successful and that no machinery of the Whitley type exists in the U.S. The Commission does not entertain this fear, because, according to it, the U.S. example is inappropriate in this context. In that country, Congress exercises close control over civil service matters. The employees and their organisations have ample opportunities to have their views considered by the Congress. There is a law in the U.S. which provides that "the right of persons employed in the civil service of the U.S., either individually or collectively to petition Congress or any member thereof or to furnish information to either House or Congress or to any Committee or member thereof, shall not be denied or interfered with." In India, though the ultimate authority is Parliament, most civil service matters are decided by the Government. The position here is, therefore, the Commission maintains, nearer that obtaining in the U.K. than the situation in the U.S. "We are convinced," the Commission asserts, "that the conditions in India do not make it imprudent to set up a Whitley type machinery and to provide for compulsory arbitration; on the contrary, the conditions require that such a machinery should be set up and compulsory arbitration provided."

The Commission, after examining the question whether the Whitley type machinery could be developed from the existing Staff Councils, has come to the conclusion that it is not possible to do so. The main reason is that the Staff Councils have little in common with the Whitley machinery—except the similarity of nomenclature. Their objects have been laid down in wide terms but their powers and procedures greatly limit their effective scope. It is easier, the Commission points out, to develop the Whitley type of machinery out of the existing arrangements under the Ministry of Railways and Defence and the Posts and Telegraphs Department.

It is clear from the foregoing account that the Commission has made out a convincing case for the establishment of a Whitley type of machinery in India. The existing arrangements have not proved a success. Obviously, there is need for trying out an alternative method. Considering the background of the civil service in India, its evolution and close similarity to that in Britain, the British system stands a fairer chance of success than any other conceivable alternative. An important point that needs to be emphasised is that, if the spirit of mutual trust and co-operation, which has made the Whitley Councils the remarkable success they have been, is lacking in both sides which have to work the scheme, no machinery, however ingeniously devised and nobly conceived, can succeed.

MARKET REPORTS

STRONG DEMAND FOR EXPORT TEA

(From Our Own Correspondent)

CALCUTTA, 19th July

Strong demand for tea was in evidence during export sale held yesterday. The quantity on offer was low, and this is explained by the disturbance to railway communications. Arrivals from some parts of Assam are small, and this is attributed to the disturbed conditions in these areas following the language controversy. Tea shipped from Calcutta port during the week registered a fall following limited arrivals and the railways' ability to handle a lower volume only. However, with the resumption of full working in the railways, conditions are expected to improve.

London stocks of tea were only 118.76 million lbs. in the week ended 8th July, as against 123.17 million lbs. in the previous week. This was believed here as being due to a fall in arrivals from India, as the crop here in recent months had been much lower due to the prolonged drought conditions. Such a state of affairs explained the prevalence of good demand at last week's sales in Mincing Lane, and North Indian new teas commanded good attention of blenders.

Trade circles have expressed some concern at the slow progress Indian tea is making in the United States. For Indian tea exported to the U.S. in the five months to May 1960 amounted to 11,900,000 lbs. which represented just a nominal improvement of only 300,000 lbs. as compared with the corresponding previous period. Against this, it should be noted that Ceylonese tea sent to the U.S. in the same period amounted to 18,400,000 lbs., registering the substantial increase of 3 million lbs.

Offerings during yesterday's export sales amounted to 35,797 chests, which included 70 packages of last season's teas. Demand was fair, buyers showing selective attention. On the whole, quality showed a general improvement, and the offerings included a few bright liquoring teas. Among Darjeelings, those lots with flavour were in good demand, but the plainer teas met with a declining market. Strong competition met the very best C.T.Cs possessing bright liquors, and prices for these gained. However, other C.T.Cs were a poor market and prices eased up to 30 nP necessitating good withdrawals. Tippy teas were in limited demand, while whole leaf grades fell by 20 nP. Generally orthodox Assams were firm. Fannings and plain brokens added a small gain, but the lower-priced legg-cuts were sold up to 10 nP below last rates. The quotations were medium B.P. Rs. 5.00 to Rs. 5.20 (nom.); clean black pekoe Rs. 5.00 to Rs. 5.20; plain B.P. Rs. 4.60 to Rs. 4.70; best Assam C.T.C. fannings Rs. 8.50 to Rs. 9.50; best Assam C.T.C. B.P. Rs. 8.00 to Rs. 9.00; and plain fannings Rs. 4.40 to Rs. 4.60. Medium fannings were not quoted. Quotations are inclusive of excise duty and are per 1 kg.

Export quota changed hands at 2 nP per kilo. Subsequently, sellers raised the price to 2½ nP.

Offerings in the internal sales held last week amounted to 10,823 packages. Prices registered modest additions, following strong demand. Keen competition was offered to the legg-cut Dooars, prices of which improved by as much as 25 nP. Prices for orthodox grainy teas also improved. The demand for the smaller and liquoring types of teas was equally good. Darjeelings were fully steady. Among C.T.Cs., prices of the smaller and brighter types hardened, the plainer types being fully firm. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. Rs. 6.20 to Rs. 6.50, medium Assam C.T.C. Rs. 5.60 to Rs. 6.00, medium Assam Rs. 4.50 to Rs. 4.80 (nominal), and medium Dooars Rs. 4.30 to Rs. 4.35.

There was good demand for leaf on offer amounting to 284 packages. Prices were higher.

METALS DULL

(From Our Own Correspondent)

CALCUTTA, 19th July

Although prices were firm, quiet conditions were in evidence in the metal market during the week under review. With the uncertainty caused by the limited functioning of the P. and T. Department and the railways, anxiety was entertained and there was a general disinclination to add to inventories. Rail booking of finished products was practically at a standstill, and anxiety was all the more, since, in view of the strict import control, manufacturers were carrying only limited raw material stocks. Note was taken of the rise in the price of electrolytic copper on the London Metal Exchange from £255 to £264 a ton, but, as the week progressed, sobriety returned and the rate closed at £256½.

Local prices for copper scrap remained unchanged. In London, tin at one time was as high as £810 a ton, as against £807 early in the week, to close at £808. Tin was quoted here at £548 a cwt. with little business passing. Electrolytic zinc in London closed at £90 a ton, after being higher at £90¾, while lead eased to £70¾ a ton from £71¼.

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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PLAN FOR PLENTY OF TEA

THE tea industry is, perhaps, the only one among the producers of consumer goods to be content with production and export targets in the third Five-year Plan which are smaller than even those advocated by the Government. About the middle of February last, it was reported that the Working Group on tea appointed by the Planning Commission had recommended a production target of 850 million lbs. and an export target of 550 million lbs. to be reached in 1965-66. Commenting on these targets in these columns, we stated, in our issue of 12th March 1960, that they were timid and that the increases envisaged in both over the industry's performance in 1958 and 1959 were inadequate to meet the rapidly expanding domestic consumption and the necessity for increasing exports. At the time these comments were made, the suggestions of the Working Group were only tentative and there was sufficient time to improve them in the light of arguments advanced by us for higher targets. Now that the targets included in the Draft Outline are the same as those mentioned above, it is obvious that the Working Group was not impressed by our case.

It is a pleasant surprise to find that, on this question, the Union Ministry of Commerce and Industry also had felt the same way as we did. We are told by no less an authority than Mr. Satish Chandra, Deputy Minister for Commerce and Industry, that his chief, Mr. Lal Bahadur Shastri, is deeply disappointed with these targets and that, while the Government representatives in the Working Group pressed for higher targets, the industry's representatives were strongly opposed to them. The latter were undoubtedly unwise in doing so for reasons given in our issue of 12th March last, as well as elsewhere in this issue. But why did the Government representatives not press their points of view or advise the Planning Commission to ignore the recommendations of the Working Group and, instead, accept the targets proposed by their officers? Its explanation, according to Mr. Satish Chandra, is that, as the responsibility for development of tea industry falls on private initiative and enterprise, it was not inclined to fix arbitrarily the production and export targets. This is not a wholly convincing explanation. The Government has not hesitated to overrule the recommendations of the private sector in regard to Plan targets for other industries, as, for instance, cotton textiles and steel. A cynic may be tempted to argue that the Government did not want to take the initiative in this respect, lest the industry should try to use it for strengthening its case for relief in taxation, low-cost credit and other facilities. But it is hard to believe that a person like Mr. Lal Bahadur Shastri would have been motivated by such a minor consideration in deciding an issue of great national importance. In any case, it is clear from the speech of Mr. Satish Chandra, at the fourth annual meeting of the Tea Association of India, Calcutta, that his Ministry is still keen that the industry should "seriously reconsider these targets, in the context of India's leading position in the world as producer and exporter of tea."

One is unable to understand as to why the tea planters should insist on very modest targets for production and export, when the Government itself is strongly in favour of bigger targets. Surely, the Government cannot be unaware of the prerequisites for implementing its proposals. Mr. Satish Chandra's observations show that it is quite alive to them. The relevant portion from his speech is worth recording here:

"I agree with your President when he says that, if the industry is to achieve a higher target of production, it should have the means and the tools to accomplish it. It is true that the yield from a tea bush is directly related to the timely application of fertilisers. It is appreciated that we must either make the latest type of machinery or import it, if the quality and output of tea are to be improved. There may be some force in the argument that the tea industry must be enabled to raise additional financial resources, in order to achieve ambitious targets. The first essential requirement is, however, the manifestation of a desire to move forward with faith and confidence in the capacity of tea industry itself. If you have a bold and forward-looking approach, Government will make all possible endeavours to provide you with reasonable facilities for the achievement of higher targets of production and export."

What more categorical assurance and friendly advice do the planters need? It is obvious from the aforesaid quotation that, if they decide on higher targets, their case for relief in taxation and other forms of assistance will evoke a more sympathetic hearing than otherwise.

A section of tea producers is of the view that the stress should be on market targets rather than on production targets. Since new markets do not develop of themselves merely by producing more crop, the third Plan should, in its opinion, lay emphasis on the active promotion of tea in winning new markets and the expansion of those that exist. Further, it is confident that the industry can always make production meet demand even in a comparatively short-term, provided a sufficiency of sulphate of ammonia is ensured to meet its requirements of fertiliser. And it quotes in support of this assertion the experience of the past ten years during which period production caught up with all genuine and strong demand at a fair price.

The merits of these arguments have to be conceded, for, in general terms, they are not without substance. But they do not go far enough in meeting the case for targets bigger than those specified in the Draft Outline. It would be a wrong inference to think that those who suggest bigger targets are oblivious of the need for, and importance of, developing the existing markets and establishing new ones. But mere promotion campaigns, however intensive they may be, will not do. As Mr. Satish Chandra pertinently remarked: "We should have enough tea to feed the supply line. The prices should, quality for quality, be competitive in an international market. Efforts should be made to improve the quality in each estate. . . . Specifications and delivery schedules should be strictly adhered to." Since the consumer goes by brand names after the tea from a particular country has lost its separate identity in the process of blending, promotional efforts abroad serve a limited and general purpose. They have to be supplemented by individual efforts of producers and exporters by developing a scientific mechanism for securing additional business and by inspiring confidence among the blenders and packers in foreign countries in the quality of their teas.

The contention of some producers that supply could be easily stepped up if demand increased is debatable. It is common knowledge that, of late, the increase in domestic consumption has tended to push up prices of medium teas, making them less competitive in world markets. Mr. Satish Chandra himself gave an instance to illustrate that the supply of Indian tea is by no means so elastic as is made out. He said:

"When our exports in the beginning of 1959 fell steeply by about 40 million lbs., we were

told that the entire North Indian exportable surplus of the season had been sold out in the last quarter of 1958 and there was hardly any tea of exportable grades left for sale in the early months of 1959. Naturally, when some countries with whom we have long-term bilateral arrangements offer to take more tea in a particular year, we hesitate to accept the additional commitment, because we do not wish to explore new markets by diverting supplies from our traditional buyers."

The aforesaid instance may seem to be a rare occurrence by past standards, but there are enough indications to warrant the conclusion that, unless steps are taken to raise production at a greater pace in the third Plan period than is provided for in the Draft Outline, there is every possibility of India not being able to meet its requirements of tea for both domestic consumption and export. India's purchases from Russia and Eastern Europe are growing and they are being paid for almost wholly through bilateral trade agreements. Tea is proving to be one of the commodities in which India can pay for such imports. It must also be remembered that world consumption of tea is going up and that, during the past few years, world demand has been in excess of world production. Again, the tea industry is being subjected to heavy indirect taxation, in addition to direct taxation on the profit it makes. The former comprises a variety of taxes, such as excise, carriage tax, entry tax and export duty which aggregate, in the case of tea exported, 50 nP in the rupee. But the industry's plea for relief in taxation will fall on deaf ears, so long as tea prices stay at high levels. And the only way to keep prices at reasonable levels is to ensure adequate supplies.

INDO-PAKISTAN RELATIONS

INDIAN owners of factories and other assets in Pakistan find it increasingly difficult to operate in that country. In East Pakistan, the Indian owners of property, who are now settled in India, are unable to recover the rents from their tenants. The Pakistani authorities, it is stated, have framed false charges against the management of the Chittaranjan Cotton Mills to the effect that they have fraudulently shifted their head office from Dacca to Calcutta. The management of the Assam Bengal Cement Company Ltd., an Indian-owned concern, has been simultaneously asked to expand production but denied the necessary import licences and *visas* for its technicians. The Associated Cement Company Ltd. in W. Pakistan has not been able to repatriate its profits. Its decision to expand production, which was taken at the instance of the Pakistan Government, has been frustrated by the official attitude towards its plan for inviting foreign collaboration. *Commerce*, too, has a small balance of a few thousand rupees which it is not allowed to repatriate to this country. These balances represent subscriptions to our journal from our readers in Pakistan accepted in Pakistan rupees, a practice we had to abandon when remittances were not freely allowed.

All this tantamounts to convincing evidence of vexatious interference with Indian concerns and discriminatory treatment. If industrial concerns are denied ordinary import licences for capital goods and raw materials, they cannot be expected to function efficiently. Nor can the managements continue to serve the country where they work if they are not allowed to remit profits earned from year to year. The Pakistan Government's attitude seems to be that profits should be remitted by means of Government of India securities held in Pakistan. The Government of India has rightly stuck to the view that such transfers would constitute capital transfers which should not be utilised for effecting current transfers. Clearly, the Pakistan Government's present policy runs counter to the understanding reached at the Indo-Pakistan financial conference in 1951 when it was agreed that no restrictions should be placed on the remittance of profits, dividends and rents. The Union Government, however, continues to permit transfers of profits by Pakistan firms in India to their home country. It imposes only minimum restrictions, such, for instance, as the production of a tax clearance certificate; even here, it is prepared to accept an auditor's certificate to the effect that sufficient funds have been retained in India to meet tax liabilities. It will thus be clear that, while the Indian Government continues to abide by the letter and spirit of the 1951 agreement, the Pakistan Government has not.

It is, however, true that Pakistan is faced with foreign exchange difficulties which compel that country to impose restrictions on transfers of funds. The Pakistan Finance Minister, Mr. Mohamed Shoaib, it is stated, has denied that there is any discrimination against Indian industries. The Government, according to him, is prepared to permit repatriation of a reasonable amount of profits, but, in view of the acute shortage of foreign exchange, it wants the profits to be remitted in the shape of Government of India securities at prevailing market prices. This, however, is a device to circumvent the obligations of Pakistan to India in regard to pre-partition debts. Besides, it does not answer the criticism of the Government of India referred to above. But this apart, the question is whether the restrictions, now imposed, could be wholly attributed to balance of payments difficulties. The foreign exchange resources of Pakistan (excluding its claims on India) have distinctly improved in the last two years. Thus, its foreign assets as on 24th June 1960 stood at Rs. 105.36 crores, as against Rs. 82.65 crores a year before and Rs. 71.01 crores two years earlier. Further, it does not appear that similar restrictions have been imposed on other foreign firms. Even if one allows for the inevitable impact of shortage of foreign exchange on transfer arrangements, there is a certain element of discrimination. How else can one explain the Pakistan Government's action in denying import licences to Indian-owned factories while insisting upon an increase in their production, or, for that matter, its denial of *visas* to Indian technicians? Small wonder, then, that its action is being interpreted as an indirect pressure on Indian firms to sell their assets to Pakistan nationals; what is, perhaps, even worse is that it is creating conditions under which the sale could be effected only at distress prices. This is the kind of attitude which, in the long run, must inflict irreparable damage on Pakistan's economy itself. For it is bound to scare away other foreign investors. In international economic sphere, a country cannot practise discrimination against another for long, without in some way reducing its own credit in world markets.

CUSTOMS AND EXCISE

CUSTOMS and excise duties constitute a significant part of the Union Government's income. Over the period of the second Plan, they accounted for Rs. 2,323 crores or 65 per cent. of the Central Government's tax revenue. In the third Plan, which envisages additional taxation and increase in surpluses of State enterprises to the tune of Rs. 1,650 crores, it is not unlikely that greater reliance will be placed on these two duties. This consideration alone should induce the authorities to see that the administration of the customs and excise duties is toned up. Even apart from this consideration, the need for continuous improvement in administration will become clearer if it is remembered that these two items of revenue are collected at the source, so that, in the event of inexpert handling, they could give rise to much avoidable sense of grievance. It is, therefore, gratifying to find from the deliberations of the Customs and Central Excise Advisory Council, which met at New Delhi this week, that the authorities are fully alive to the importance of review and reform of the administration of these two taxes. The Union Minister for Revenue and Civil Expenditure, Dr. B. Gopala Reddi, in the course of his address to the Council, observed that it was his belief that "deliberations of this Council have assisted, in a large measure, in establishing closer relations between the Government and the public and enabled both to have a more lively appreciation of each other's points of view." It is true that the Council, by the very nature of its composition and functions, cannot examine the larger issues of fiscal policy. But it could and should be able to suggest the measures whereby the taxes that have been imposed are administered with minimum hardship to taxpayers.

Some of the points made by Mr. Gopala Reddi should be of interest to the representatives of trade and industry. In order to eliminate possible disputes regarding assessable values in the administration of an *ad valorem* tariff, a beginning has been made in establishing tariff values in respect of some of the newly excised items, such as electric motors, internal combustion engines and motor vehicles. The Government is engaged in a comprehensive revision of the Sea Customs Act, with a view to eliminating some of its unnecessary provisions and loopholes and ambiguities. The Customs House Agents' Licensing Rules 1960 have been relaxed. Formal tests, for instance, have been dispensed with in respect of existing licensees and the licence fee has been reduced to Rs. 10 for *dalals* and *mucadams*.

On some of the points which had been raised by the members of the Council, the authorities have given satisfactory explanation. They informed the Council that goods liable to Central excise duty were not normally re-examined at the land customs frontiers; such examination was undertaken only when the seals of packages were found to be broken. Instructions, it is stated, have been issued to the Customs authorities that, where the value of the goods alone has been stipulated as a limiting factor, they should not go by the quantity of the goods imported. The appraisers have been asked to take a liberal view in deciding which articles could be deemed component parts of machinery. The Government is formulating a procedure, whereby even a part of machinery imported from abroad would be entitled to the same concession in the matter of duty as the entire machinery. Further, if samples, drawn by the Customs authorities, are destroyed in the process of test, the import duty on the samples will be waived, if it amounts to Rs. 10 or more.

It is noteworthy that, at the end of the two-day deliberation, the Government accepted several of the suggestions made by the Council. Thus, the existing procedure of charging duty on the actual quantity of sugar recovered from unfinished sugar will be continued without change; the time limit for submitting the final manufacturing report by sugar factories has been extended to 25 days after the close of the season and the old procedure of check-weighment of empty gunny bags has been restored. Mills will be allowed to bring in duty-paid paper for manufacture of certain items of stationery. Instructions have been issued for maintenance of separate accounts for articles brought back to factories after reconditioning. The manufacturers of vegetable non-essential oils have been permitted to organise their programme in such a way that they can manufacture dutiable oils in certain weeks and the exempted varieties in certain other weeks in a month. The Government has agreed to the suggestion for payment of excise duty by cheques or credit notes. These reforms are to be welcomed for the reason that they go some way towards mitigating the hardships of those on whom the immediate burden of customs and excise duties falls.

An aspect of customs administration which deserves fuller examination is pilferage at the docks and delay in customs appraisal. This problem has a certain relevance to tourist industry and marine insurance. Vexatious delays in examination of goods at ports should be reduced if foreign tourists are to be attracted to this country. Again, pilferage at the docks is a serious drain on taxpayers, in general, and a heavy burden on general insurers, in particular. In his address at the recent annual meeting of the General Insurance Council (Tariff) of the Insurance Association of India, held in Bombay, the Chairman, Mr. B. K. Shah, made the point that "landed but missing" certificates are issued by the authorities as a "way out of difficulties." Closely related to this problem is the delay in customs appraisal, for the longer the process takes the greater are the chances of pilferage. A suggestion that has been made is that the period of liability of the Port authorities as bailees of goods, which now extends to five to seven days, should exclude the period taken up in completing customs formalities. The acceptance of this suggestion will, perhaps, induce a certain sense of urgency among the authorities. But the question is not merely the fixing of responsibility for pilferage but preventing it. Mr. Shah said: "It is found in practice that the customs officials do not have the cases opened for appraisal and closed in their presence but allow the consignees or clearing agents' representatives to open the cases and to leave them open until the customs examination is concluded. This encourages pilferage." Here is a defect which could be remedied. It is true that pilferage is not a problem peculiar to Indian ports. In varying degrees it exists all over the world and has always existed. But, when it increases beyond a point, it constitutes a slur on Port and Customs administrations. Constant vigilance should, however, be able to reduce the evil. At the New Delhi meeting, an official of the Union Ministry of Transport and Communications gave the assurance that the authorities, who were fully alive to the situation, were taking several measures in order to eliminate pilferage. The results of this action will be awaited with interest.

MARKET GOSSIP

THERE have been some bull liquidation and short-sales in the share markets this week. An impression has come to prevail that the authorities of both Calcutta and Bombay Stock Exchanges would shortly be taking steps to curb the boom in equities. This has primarily been responsible for inducing the bulls to be on the defensive and the bears to try their luck again.

It would appear that, in Calcutta, the authorities are thinking mainly in terms of bringing down the premia on new shares such as Philips Carbon Black, Hindustan Aluminium and East Anglia Plastics. Last week, they introduced the dubious experiment of quoting only the premia on these new shares, especially partly-paid shares. We are unable to see any justification for this practice. Its idea seems to be to mislead the public by not indicating the actual cost of the scrip. Indeed, the low level of the quotation, especially when compared with the rates quoted in Bombay, Madras or Delhi, where they are shown inclusive of the paid-up value, may tempt the unwary to make fresh purchases. So far as the regular speculators are concerned, they know all the particulars and their decisions either to buy or sell will not be influenced by any such tactics. If anyone were to suffer as a result of this measure, it would be the simple folk. Another measure which the Calcutta market authorities are said to be contemplating is the compulsory entry of the buyer's name in the transfer deed pertaining to new shares. It remains to be seen how this ingenious device would work; at worst, it may affect the liquidity of the scrips, but it amounts to a discrimination against the new companies.

So far as the Bombay share market is concerned, the President of the Exchange is said to be seriously considering more effective means of curbing excessive speculation. It is said that the concentrated attention of a handful of operators are Telcos and Standards. He is believed to be contemplating to subject these scrips to special margins based on daily making-up prices, instead of on special making-up prices decided on each settlement, and that he may extend this measure to daily outstanding short-sales also in case the bears are found to be exploiting the situation. Knowledgeable circles are of the view that the scope for evading this rigorous margin system is very little, if not *nil*, the only alternative being to buy the shares for cash. A decision on this move will be taken on 2nd August.

Enquiry needed?

Meanwhile, reports from Calcutta published in the daily Press are demanding, almost in a unanimous voice, that an expert enquiry should be conducted into the speculation that has gone on in recent weeks, as certain powerful parties have joined hands and are indulging in racketeering. In other words, these reports are alleging "share-pushing" by a few persons which, in course of time, may prove detrimental to the interests of genuine investors, especially the smaller fry, who may find one fine morning that they have been left with excessively high-priced shares. Such an enquiry may prove useful, provided it is carried out by competent persons with no axe to grind. It will at least help clear the position and enable one to judge the situation properly and devise suitable measures for safeguarding the interests of genuine investors. From time to time, one hears all sorts of reports about what is going on in the share markets. For instance, it was stated on Friday the 22nd inst. that an operator in the Bombay share market had taken delivery of thousands of Telcos by arranging for finance "outside the market." The figure mentioned was well over 30,000 shares. It is stated that earlier he must have accumulated a still larger parcel, which means that he must be holding at least 60,000 Telcos, which, at today's price, are worth Rs. 1.92 crore. Surely, he must be long at least in a few other scrips, too. Now, who is this operator? How much is he worth? Why has he bought such a large number of Telcos? By operating on such a large scale, what economic service is he rendering to the society? Should such large-scale operations be allowed in the market? Through how many brokers is he operating? What tax does he pay to the Government? Has he not been avoiding the margin system by putting his business through a large number of brokers? If so, will that not help him to avoid or minimise the tax payable to the Government also? There may be many such operators indulging in other scrips. An enquiry of the type mentioned above may bring forth revealing information, only, of course, if it is conducted by persons with expert knowledge of the intricate nature of stock exchange operations, who will not be afraid of exposing powerful interests and have no stake of their own, except their genuine investments. The findings will be valuable at least to students of stock exchanges.

State Loans

Although the borrowing programme of the Central Government was delayed this year by about a month, owing to the continued stringency of the money market, and although there has been no perceptible improvement in the supply of money in the short-term market, the borrowing programme of State Governments has been announced on time. There is only one difference. Last year, the interval between the date of announcement and the date of subscriptions was about three weeks and the list was scheduled to remain open for seven days. This year, a longer period of notice, almost a whole month, has been given to investors to mobilise their funds and invest them in State loans. The scheduled period for the list to remain open is, however, a little short, six days to be precise. The loans will open for subscription on 29th August 1960 and close on 3rd September 1960. Only the Kerala loan will be on offer for a longer period up to 6th September 1960. The Reserve Bank, has, of course, the option to close the list earlier, if the loans are fully subscribed.

As in the past year, the number of borrowing States is 12, but they are not the same. Assam and the Punjab are not borrowing this year. Kerala did not come in with the batch of twelve and entered the market only a little later. This year it has appeared along with the others. Instead of one Bombay State last year, there are now two States, Maharashtra and Gujarat.

The total amount of borrowings sought by all the 12 States, as will be seen from the details of announcement on the next page, is Rs. 75 crores, the highest on record so far. Madras, which borrowed Rs. 8 crores last year, now wants Rs. 12 crores. Maharashtra is the next biggest borrower, with an invitation of Rs. 10 crores. Gujarat has asked for Rs. 5 crores. The total needs of these two are thus Rs. 15 crores, as against only Rs. 6 crores raised by the Bombay State last year.

Two existing loans of Madras, one loan each of Bombay State (Maharashtra), Madhya Pradesh and Uttar Pradesh, aggregating Rs. 12.98 crores, are maturing now and can be converted into the new loans at par.

All the State loans carry a uniform rate of interest of 4 per cent. per annum, but the issue price varies from par to a discount of As. 8. Only the loans of Maharashtra and Gujarat are at par. While the rate of interest now offered is the same as last year, the period of redemption is only nine years, as against 12 years last year. As the same rate of interest is being offered for a slightly shorter period (by three years) than a year ago, the terms are a little more favourable to the lenders this year. The following table shows the total amount of loans raised by the State Governments in the past three years, along with that now offered to the public:

(Amount in crores of rupees)

Year	No. of States	Amount of issues	Amount subscribed	Amount accepted: Cash	Amount accepted: Conversion
1956 ..	15	64.00	74.23	66.53	2.48
1957 ..	2	9.00	12.52	8.58	1.33
1958 ..	11	50.00	65.84	49.18	5.24
1959 ..	12	61.50	102.27	67.65	0.57
1960 ..	12	75.00	..	..	..

In view of shortage of funds with banks, the response to the State loans this year will be relatively poor, as compared with the overwhelming response they had last year, when oversubscriptions alone amounted to no less than Rs. 32.05 crores.

Aftermath of Recent Strike

No precise idea of the line of approach the Government proposes to take in dealing with its employees who went on strike is as yet available. But it is possible to pick up some common threads from the tangled maze of widely varying and at times conflicting reports. It is now certain that the Government, while not wishing to be vindictive, has made up its mind to be firm. Apparently, it does not want to be harsh; nor does it wish to create the impression that it is lenient and soft. As the degree of guilt of those who participated in the strike varies, it is thought that some sort of graded penalty will meet the ends of justice.

All those who participated in the strike, in one way or another, stand to lose, as they will attract any one or more of the penalties laid down, namely, dismissal from service, disciplinary action, adverse entry in character rolls, and loss of pay for the period of unauthorised absence. The only party which appears to have gone scot-free is the self-styled leaders who organised and directed (or misdirected) the strike. Are these political climbers, to whom trade unions are only springboards from where they can leap into seats of power, above the laws of the land? Are there a favoured few in this country, however high their political stature, who can defy bans, evade arrests and instigate illegal activity with impunity? It is, indeed, a sad commentary on the standards of public morality in India that those who indulge in such crude, unseemly antics as squatting in front of offices and prostrating themselves on rail tracks, instead of being roundly condemned, are glorified as heroes. Such acts might have been all right in the days when the country was fighting for its independence and when they were aimed at overthrowing a colonial power. To indulge in them against a constitutionally established, democratic Government is a grave crime. This surely is not the way to organise strikes or to practise trade unionism.

An apt comparison that suggests itself in this context is the recent steel strike in the U.S. A common feature is that both the strikes attracted Presidential intervention. Following the failure of efforts of Federal mediators to bring about a settlement, the U.S. President invoked the Taft-Hartley Act and issued an injunction making it legally obligatory on the striking workers to return to duty and continue on their jobs for the period for which the injunction was valid, namely, 80 days. All workers, almost without exception, promptly bowed to the Presidential order and returned to work. The fact that agreement was reached, thanks to the good offices of Mr. Richard Nixon, the Vice-President, before the expiry of the injunction, is beside the point. The relevant point is that the steel workers obeyed the order of their President and worked hard at their jobs, even though the final outcome was uncertain for several weeks. In painful contrast to this, we found in India the humiliating spectacle of the Government's own employees flouting the Ordinance promulgated by the President. We, as a nation, have yet to show evidence of having respect for the democratic institutions we profess to foster.

Another noteworthy feature of the U.S. steel strike was that, though it was, perhaps, the longest (it lasted for about six months) and one of the biggest witnessed in the country, no untoward incident, involving damage to property or loss of life, was reported throughout its duration. In distressing contrast to this, the strike by the employees of our Government was followed by rioting, stone-throwing, hooliganism and, worse still, sabotage of vital lines of communication. There were derailments on railways, damage to buses, trams, taxis, and even loss of several lives. When will the workers and their leaders in this country realise the folly of cutting off the nose to spite the face? For what else is destruction of means of production which are the basis of their livelihood?

While appropriate punishments will be meted out to individual employees who participated in the strike, the Government is also understood to be considering how to deal with the unions which are guilty of the same charge. Withdrawal of recognition of such unions is reported as likely. The Government should have no compunction in doing so, for there is no reason why it should recognise a union which does not recognise and respect law. It is a distortion of justice to club together law-breakers and law-abiders and treat them as equals.

We find it difficult to appreciate the fear, expressed in some quarters, that withdrawal of recognition would strengthen the rival unions and encourage them to become authoritarian and irresponsible. The workers can form themselves into new unions by choosing leaders who are devoted to genuine trade unionism and eschewing the politicians who led them along the wrong path. Nor do we share the view that it will be construed as evidence of Government's opposition to trade unionism as such. Condoning illegal actions will do more harm to healthy trade unionism in the long run than punishing unions for breach of law.

Wage Escalator Clause

To those who have got used to watching two wings of the Government of India working, sometimes at cross purposes, it may not be a big surprise if one policy of the Government is found negatived by another. It has been, and continues to be, the policy of the Union Government to encourage collective bargaining and voluntary settlement of dispute between employers and employees. But certain practices of the Government cut at the very root of this policy. An instance in point is the wage escalator clause in Government contracts in regard to purchases from manufacturers in the private sector. According to this, the Government will admit claims arising out of higher wages paid to workers only as a result of a statutory enactment or a court or tribunal award; it will not recognise claims arising out of a negotiated settlement. Attention to this has been drawn by the Directors of Burn and Company Ltd., Calcutta, in their latest annual report to shareholders of the Company. They point out that, because of this clause, employers are forced to meet their workmen in courts, for that is the only way of realising the cost of the additional benefits paid to workers. By thus penalising the reasonable employer, they argue, the Government is forcing employers and employees into protracted adjudication proceedings, although both parties might desire an out-of-court settlement. This, of course, sets at naught the efforts of the Ministry of Labour to strengthen collective bargaining and encourage negotiated settlement of disputes. The Directors of Burn and Company do not suggest that, merely because a contractor has, in his contract with the Government, an escalator clause regarding wage increases to labour, he should be compensated for any settlement, however irresponsible. But their stand that Government should not repudiate a settlement, without even examining the merits of the case, is perfectly just and deserves to be considered sympathetically. It may be noted, in this connection, that Mr. J. R. D. Tata, in his statement to the shareholders of T.E.L.Co., also has made a reference to this anomaly. He points out that the price of locomotives supplied to Government awarded by adjudicators fell short of expectations, mainly because it excluded altogether the annual bonus paid to the staff. There is no reason why such bonus should not be taken into consideration, unless, of course, the Government wants the employers to go to a court of law for getting a verdict, every time they have to pay a bonus to workers. Since this is not the intention of the Government, nor is the practice a feasible proposition, the Government will be well advised to change its policy on this question.

World Coffee Situation

There has been a sharp drop in export prices of coffee in recent weeks. The average price secured for Plantation A in the export sale held on the 7th of this month was no more than Rs. 209.34 per 50 kilos, as against Rs. 237.18 fetched at the sale on 4th May last and Rs. 235.73 on 23rd March 1959. Similarly, the rate for Arabica Cherry Flats was lower at Rs. 156.59, as against Rs. 187.87 and Rs. 181.43, respectively, on the aforesaid dates. The drop in export prices is not surprising, in that it has followed the general trend of the world coffee market which has been ruling weak for sometime now. Uganda Robusta

(Continued on page 227)

SHARE MARKET EASY

ALL-ROUND FALL IN VALUES

(From Our Own Correspondents)

BOMBAY, 28*th July*

BARRING a few select scrips which continued to attract good investment support, the share market presented a distinctly easy trend during the major part of the week under review. Actually, today, there was a landslide in quite a good number of counters. This was due to apprehensions that the Stock Exchange authorities were contemplating some additional measures to check speculative transactions. The Board of the Exchange met on Tuesday the 26th inst. to review the situation, but no decision was taken and the whole issue was postponed for consideration at the next meeting convened for Tuesday, 2nd August. There were rumours that the Board might levy flat *ex-parte* margins on entire purchases without offset of sales in the place of margins only on outstanding long positions. Further, the President of the Exchange was expected to be given powers to do away with the free limit of business in any counter and to impose outright margin from time to time whenever excessive speculation was found in such counters. The visit of the Union Finance Minister to the City on Saturday was noted and operators thought that he might discuss with the Reserve Bank authorities the question of checking the boom in equities. All these rumours, together with reports of heavy deliveries at the last settlement, fears regarding some sort of control over cotton textiles and delay in the announcement of revised retention prices for steel, led to bull liquidation as well as some bear pressure. Equity values, as a consequence, suffered a marked setback.

Steels were erratic, with rates moving within a narrow range. Induced by reports that the Directors of the Tata Iron and Steel Company at their meeting today might again postpone their decision on the dividend for 1959-60 by a fortnight pending the Government's announcement of new retention prices, Tata Ordinaries which had gone up earlier from Rs. 161 to Rs 162.50, receded and touched Rs. 158.50 today. Towards the close, they were better at Rs. 159.50. The net loss over the week was Re. 1.50. Indian Irons moved down from Rs. 25.80 on Friday to Rs. 24.56 today before finishing at Rs. 24.72. Mukund Irons suffered a fall of Re. 1.50, today's closing rate being Rs. 25.50.

Selling was quite pronounced in the textile section. Centurys began the week at Rs. 526, as against the previous closing of Rs. 524.50. After rising to Rs. 529 on Monday, they retreated to as low as Rs. 497 today before finishing at Rs. 505.50. The net loss over the week was Rs. 19. Morarjis fell by Rs. 20 to Rs. 365, Podars by Rs. 7.60 to Rs 163 *ex-div.*, Gokaks by Rs. 5 to Rs 152.50, Svadeshis by Rs. 4 to Rs. 252 and Edward Textiles by Rs. 3 to Rs 327. Simplex dropped Rs. 2.50 to Rs. 176.50. Swans lost a like amount to Rs. 497.50. Central Indias, Shree Niwas and Tata Mills declined by Rs. 2 each to Rs 120, Rs. 270 and Rs. 44.50, respectively. India Uniteds shed 80 nP to Rs. 13.48 on reports that some prominent Directors of the Company had resigned. A meeting of the Board is being held as these lines are written. Standards were subjected to selling pressure early today, the quotation moving down from Rs. 1,940 to Rs. 1,860. Subsequently, however, they recovered to Rs. 1,900 on hopes that the scheme for the new undertaking would be announced in the very near future. Khataus elicited excellent buying enquiries on renewed expectations of enhanced dividend and climbed up from Rs. 497.50 to as high as Rs. 590 today. At this level, some profit-taking set in and the scrip closed lower at Rs. 562.50. The net improvement over the week was of the order of Rs. 65. Finlays strengthened by Rs 12 to Rs 350, Kohinoors by Rs 4.50 to Rs. 358.50 and Minervas by Rs. 3.50 to Rs. 80.50. Bombay Dyeings advanced from Rs. 68.30 to Rs. 71.90 on Monday. Subsequently, they eased to Rs. 69.30 today before closing at Rs. 70.10.

Sugar shares were subdued. Belapurs, which had hardened from Rs. 386 to Rs. 390 on Monday, receded thereafter and touched Rs. 377 today. Phaltans decreased by Rs. 4 to Rs. 189. Walchandnagars lost Re. 1.25 to Rs. 305. Bhopals were quiet at Rs. 27.50, but Changdeos gained 25 nP to Rs. 34. In contrast to sugars, cement shares were well favoured on expectation of an increase in cement prices. Digvijays picked up Rs. 5 to Rs. 175. Associated Cements at Rs. 146.50 put on a rupee, after being higher still at Rs. 149 on Monday and yesterday. Orissas gathered 24 nP to Rs. 14.16 and Dalmias 20 nP to Rs. 12.

Activity in the bank section was restricted, with values generally looking down. Bank of Barodas declined by Rs. 2 to Rs. 82. Central Banks eased by Re. 1.70 to Rs. 51.80, "A" shares quoting Rs. 53.50, same as last week. Bank of Indias lost 50 nP to Rs. 104.50, "A" shares easing by a rupee to Rs. 105. Unions shed 12 nP to Rs. 6. United Commercials, however, were well favoured, the quotation rising by Rs. 3.50 to Rs. 73.50. Punjab Nationals hardened by Re. 1.52 to Rs. 20.52.

Among engineerings, Khandelwal Alloys slumped by Rs. 31 to Rs. 106. New Standards fell by Rs. 17.50 to Rs. 158. Premier Constructions dropped Rs. 17 to Rs. 360. Alcock Ashdowns receded by Rs. 11 to Rs. 299. Mahindras declined by Re. 1.48 to Rs. 22.76 and Kamanis by 32 nP to Rs. 20.24. Larsen and Toubros lost a rupee to Rs. 50.50, notwithstanding the Chairman's disclosure at the annual meeting on Friday that the Company had received official consent to issue fresh capital of Rs. 31.50 lakhs at par with a view to investing in the new project of Utkal Machinery Private Ltd. Tata Locomotives, after rallying from Rs. 308.50 to Rs. 349 on Monday, declined thereafter and touched Rs. 316 today before closing at Rs. 321.50. Josts Engineerings, however, strengthened by Rs. 5.70 to Rs. 82. Jaipur Metals also hardened by Rs. 5 to Rs. 145.

Among shipping shares, Great Easterns declined by 8 nP to Rs. 17.48, but Scindias picked up 4 nP to Rs. 15.56. In the automobiles group, Premier Automobiles receded by Rs. 2 to Rs. 183. Hindustans lost 8 nP to Rs. 23.

Several miscellaneous industrials suffered a distinct setback. Indian Dyestuffs slumped by Rs. 95 to Rs. 770. Amar Dyes were hammered down by Rs. 67.50 to Rs. 460. Poly Chems dropped Rs. 55 to Rs. 265. Anil Hardboards and Colour Chems fell by Rs. 45 each to Rs. 390 and Rs. 425, respectively. National Rayons declined by Rs. 33 to Rs. 527, after being lower still at Rs. 519. Bombay Burmahs receded by Rs. 27.30 to Rs. 613 *ex-div.* Baroda Rayons climbed down from Rs. 162 to Rs. 138 and Ceat Tyres from Rs. 287.50 to Rs. 260. Premier Tyres fell by Rs. 18.50 to Rs. 98. Philips Carbons eased by Rs. 5.24 to Rs. 18, Killicks by Rs. 8 to Rs. 108, West Coast Papers by Rs. 5 to Rs. 223, Tata Oils by Rs. 3.50 to Rs. 79 and Wimcos by Rs. 2 to Rs. 241. Gwalior Rayons were quoted lower at Rs. 46, as against Rs. 48. Hindustan Levers lost Rs. 2.50 to Rs. 45.50.

* * * *

Madras Stock Exchange

MADRAS, 27*th July*

Equities on the Madras Stock Exchange continued to move up for the second week in succession, thanks to persistent professional support. Towards the close of the week, there was of course, some setback, following profit-taking and rumours that the Government might curb speculative activities in the share market by enforcing stricter credit control. Nevertheless, the closing rates today were generally well above those prevailing a week ago. Textiles were distinctly steady, despite reports of the Government's growing concern over the rise in textile prices and possibility of measures to check the rise. Teas were quite active on reports of strong demand for tea at the recent auctions. Rubbers followed suit. Coffees were initially well favoured, but lacked support at the later sessions. Enlarged enquiries pushed up sugar shares. Miscellaneous industrials were firm, with chemicals and engineerings making much headway.

4 PER CENT STATE GOVERNMENTS LOANS 1969

Name of State	Amount	Issue price per cent
	Rs.	Rs.
1. Andhra Pradesh	900 lakhs	99.75
2. Bihar	300 ,,	99.50
3. Gujarat	500 ,,	100.00
4. Kerala	400 ,,	99.50
5. Madhya Pradesh	500 ,,	99.50
6. Madras	1200 ,,	99.75
7. Maharashtra	1000 ,,	100.00
8. Mysore	400 ,,	99.75
9. Orissa	400 ,,	99.50
10. Rajasthan	500 ,,	99.75
11. Uttar Pradesh	700 ,,	99.75
12. West Bengal	700 ,,	99.75

All the State Governments reserve the right to retain subscriptions upto ten per cent in excess of the notified amount.

All the above loans will be repaid at par on 29th August 1969.

THE LOANS WILL OPEN FOR SUBSCRIPTION ON 29TH AUGUST 1960 AND CLOSE ON 3RD SEPTEMBER 1960 (6TH SEPTEMBER 1960 IN CASE OF KERALA LOAN) OR EARLIER WITHOUT NOTICE AS SOON AS SUBSCRIPTIONS APPROXIMATE TO THE AMOUNT OF EACH ISSUE.

All the loans will bear interest from 29th August 1960.

Subscriptions may be in the form of CASH/CHEQUE in respect of all the loans.

3% Bombay State Development Loan 1960 will be accepted AT PAR for conversion into the new loan of the Government of Maharashtra. Securities of 3% Madhya Pradesh Loan 1960, Madras Government 3% Development Bonds 1960, Madras Government 3% Loan 1960 and 3% U.P. Loan 1960 will also be accepted for conversion AT PAR into the new loans of the respective State Governments.

Interest at the rate of 3% per annum on the securities of Madras Government 3% Loan 1960 and 3% U.P. Loan 1960 tendered for conversion will be paid upto and inclusive of 28th August 1960. In case of securities tendered in respect of Madras Government 3% Development Bonds 1960, 3% Madhya Pradesh Loan 1960 and 3% Bombay State Development Loan 1960 which are due to mature on 31st July 1960, interest will be paid at the rate of 3% per annum upto and inclusive of 30th July 1960 and at the rate of 4% per annum from 31st July 1960 to 28th August 1960 inclusive.

APPLICATIONS FOR ALL THE LOANS WILL BE RECEIVED AT THE OFFICES OF THE RESERVE BANK OF INDIA AT BANGALORE, BOMBAY, CALCUTTA, MADRAS AND NEW DELHI.

APPLICATIONS will also be received at PLACES WITHIN THE RESPECTIVE STATES as follows :—

(i) At the office of the Reserve Bank of India at Nagpur in the case of Maharashtra loan.

(ii) At the branches of the State Bank of India and at treasuries and sub-treasuries in the case of Andhra Pradesh, Bihar, Kerala, Gujarat, Madhya Pradesh, Maharashtra, Madras, Orissa, Rajasthan and Uttar Pradesh loans.

(iii) At the branches of the State Bank of India in the case of West Bengal loan.

(iv) At the branches and treasury pay offices of the State Bank of Hyderabad in the case of Andhra Pradesh and Maharashtra State loans.

(v) At the branches of the State Bank of Mysore (except at Bangalore, Mangalore and Gulbarga), the State Bank of India, the State Bank of Hyderabad and at Government Taluk treasuries in Mysore State in the case of Mysore State loan.

(vi) In the case of Gujarat loan the State Bank of Saurashtra at Bhavnagar and its branches in the State of Gujarat will collect applications and forward them to the nearest receiving office.

Copies of Notifications and Application Forms may be obtained at any Receiving Office.

Applicants tendering their applications at the offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, New Delhi and Madras will, in the event of oversubscription to the loan applied for, be given the option of transferring their cash refunds to any of the other State Government loans, which may not be fully subscribed by that time. To avail of this facility, the persons tendering their applications should complete the SPECIAL OPTION FORM copies of which are available on application from any of the abovementioned offices of the Reserve Bank of India.

NEWS IN BRIEF

A SCHEME for crop insurance is proposed to be introduced in the Punjab during the third Plan period.

The State Trading Corporation of India, the sole distributor of cement, has received enquiries from Pakistan for the supply of about 100,000 tons of cement.

The next meetings of the Import Advisory Council and the Export Promotion Advisory Council will be held at New Delhi on 27th and 28th August, respectively.

A common insurance fund has been set up by the Government of Gujerat. The fund will act as insurer for all Government commercial and industrial schemes. It will be administered by the State Director of Accounts and Treasuries through the State Insurance Officer.

The nine-day strike by the workers of the Buckingham and Carnatic Mills, Madras, has been called off unconditionally, with effect from the 24th inst. The workers of the mills went on strike, following differences between the labour and millowners on the question of implementing the Textile Wage Board's recommendations.

Production of copper ore during January-May 1960 amounted to 182,753 metric tons, an increase of about eight per cent., as compared with the output of 168,683 tons in the corresponding period of 1959. The entire production was reported from the Singhbum district of Bihar State. The production of copper metal was 3,658 tons, as against 3,441 tons in the same period last year.

The Government of India is reported to be considering the possibility of raising the ex-factory price of cement, following representation from manufacturers that the cost of production and packing charges have gone up considerably. One of the proposals is to increase the ex-factory price without pushing up its selling price, probably by a slight reduction in the excise duty on cement.

In order to promote the development of coconut and arecanut cultivation, the Government of India has sanctioned loans amounting to Rs. 7 lakhs to be utilised by the respective States for the purchase and distribution of fertilisers to the arecanut and coconut growers in 1960-61. Of this amount, Kerala will receive over Rs. 4.75 lakhs, Madras Rs. 1 lakh, Orissa Rs. 74,550 and Assam Rs. 50,000.

The Indian Sugar and General Engineering Corporation in the Punjab has entered into an agreement with the British heavy engineering firm of Messrs. John Thompson Ltd. (Wolverhampton, Staffordshire) for the manufacture in India of some of the British Company's major products. The agreement provides for erection at the Corporation's works of a new plate shop capable of carrying out welding to class I specifications.

The production of lead-zinc ores in India during January-May 1960 was 63,137 metric tons. The entire production was reported from the Zawar mines in Udaipur district of Rajasthan State. The recovery of lead and zinc concentrates amounted to 2,252 tons and 4,007 tons, respectively. Lead concentrates are sent to the lessee's smelter at Tundoo in Bihar State for extraction of lead and silver while the zinc concentrates are shipped to Japan for smelting of zinc, as there is no zinc smelter in India at present. The production of lead metal was 1,562 tons.

In a communication addressed to the Mayor of the Calcutta Corporation, the French Embassy in India has proposed the construction of monorail in the city to solve its problem of overcrowding in public transport. Complete installation and equipment for monorail will entail an expenditure of Rs. 1.2 crore per km. as against Rs. 7 to 10 crores for a standard underground railway. Monorails were introduced in France early this year. A single monorail coach, which can accommodate 32 seated and 91 standing passengers, travels at a speed of 60 miles per hour.

The Oil and Natural Gas Commission, at its two-day meeting at Dehra Dun last week, under the chairmanship of Mr. K. D. Malaviya, Union Minister for Oil, drew up a drilling programme for exploration of oil in Cambay, Ankaleshwar, Sibsagar and Jwalamukhi. The Commission reviewed the progress so far made in these regions and felt that the Ankaleshwar and Cambay areas were promissing. Further, it decided to put into operation the second drill at Jwalamukhi for further tests. It also decided to send ten drillers shortly to Soviet Russia and two to Rumania for further specialised training.

A sum of Rs. 2 lakhs has been earmarked by the Government of Madras for schemes to augment coconut production. One of the schemes is designed to double the coconut seedlings to 250,000 per year by setting up three new nurseries, in addition to seven existing nurseries in the State. The Government will also appoint special coconut assistants to carry on the work of development. Besides, the Government has under consideration a scheme for expanding coconut plantations on east coast *poromboke* lands between Mandapam and Thiruturaipundi. The possibility of cultivating cashewnuts in these areas is also being examined by the Government.

The National Metallurgical Laboratory at Jamshedpur has embarked on a major research programme to study the suitability of Indian raw materials for the production of ferro-alloys. The Laboratory will also develop methods for the manufacture of special ferro-alloys, such as low-carbon ferro-manganese and low-carbon ferro-chrome. For this purpose, a pilot smelting furnace with a capacity of one ton ferro-manganese per day is being installed at the Laboratory. The pilot furnace is expected to yield useful information on process efficiency, power and electrode consumption, percentage recovery and other relevant data on various production techniques. Ferro-alloys are essential in the production of all types of steel. Their function is to provide the alloying element to be incorporated in steel and, at times, act as an agent for removing impurities in the course of smelting operations. Common ferro-alloys in use are ferro-silicon, ferro-manganese, ferro-titanium, ferro-chromium, ferro-vanadium, ferro-molybdenum and ferro-tungsten. Excepting ferro-manganese and ferro-silicon, other ferro-alloys are largely imported.

Production of civilian goods in ordnance factories is likely to fall, in view of the greater attention now being paid to enhance the production of defence requirements, following border disputes in the Northern frontiers. The present ratio of military equipment to items of general use is seven to one. Among the items the ordnance factories have been making for some years are sporting rifles and cartridges, mathematical and medical instruments and precision tools. More recently, however, items like expresso coffee machines, hair clippers and cinema projectors have been made, although they have not yet been put on sale. Under orders from the Government's own departments, the defence factories have been making leather bags and *chappals* for postmen and uniforms for railwaymen, besides fulfilling some of the heavy engineering requirements of the railways, the dockyards and of private concerns. It is claimed that India was able to save foreign exchange to the tune of Rs. 34 crores during the three years ended March 1960, as a result of increased production in ordnance factories for both military and civilian use.

A Bill seeking to regulate payment of dividends to preference shareholders is among the 27 new Bills, to be introduced in the next session of the Lok Sabha which will commence on 1st August. Six Bills to be introduced are to put into effect the metric system of weights and measures in different fields. These are: the Indian Post Office (Amendment) Bill, the Standards of Weights and Measures (Amendment) Bill, the Indian Tariff (Amendment) Bill, the Tea (Amendment) Bill, the Central Excise Laws (Metric System Adoption) Bill, and the Motor Vehicles (Amendment) Bill. The Central Maternity Benefit Bill is to be introduced to regulate the payment of maternity benefits to women workers employed in factories, mines, plantations, etc., on a uniform basis. The Employees' Provident Funds (Amendment) Bill will reduce the limit of employees' strength for coverage of an establishment under the parent Act from 50 or more to 20 or more persons. The other Bills to be introduced include the Indian Telegraph (Amendment) Bill, the Indian Wireless Telegraph (Amendment Bill), the Indian Trade Unions (Amendment) Bill, the Indian Aircraft (Amendment) Bill, the Khadi and Village Industries Commission (Amendment) Bill, the Rubber (Amendment) Bill, the dustries (Development and Regulation) Amendment Bill, the Bilaspur Commercial Corporation (Amendment) Bill, the Delhi (Urban Areas) Tenants Relief Bill, the Tripura Excise Law (Repeal) Bill, the Railway Passenger Fares (Amendment) Bill and the International Development Association Bill.

PERSONAL

MR. M. Ct. Muthiah, Chairman of the Indian Overseas Bank Ltd., has left on a business tour of the U.K. and the Continent.

Mr. Rajkumar Raghunath Sinha, until recently Indian Consul-General in San Francisco, has been appointed Ambassador of India to Cambodia.

Mr. S. C. Sen Gupta, Postmaster-General, Bihar Circle, has been appointed Deputy Director-General of Posts and Telegraphs and a member of the Central P. and T. Board.

Mr. S. M. Mohta has been elected President of the Tea Association of India, Calcutta, for the year 1960-61. Mr. S. R. Daga and Mr. G. D. Kothari have been elected Senior Vice-President and Vice-President, respectively.

Mr. M. K. Mathulla, Managing Director of the Hindustan Machine Tools, Bangalore, has left for Tokyo to finalise plans for the proposed watch factory to be set up as an adjunct to the H.M.T. with Japanese collaboration.

Mr. F. Edwards of the Belapur Company, Ltd. and Mr. M. L. Apte of the Phalton Sugar Company, Ltd. have been re-elected President and Vice-President, respectively, of the Deccan Sugar Factories Association, Bombay, for the year 1960-61.

Dr. P. S. Deshmukh, Union Minister for Agriculture and leader of the Indian agricultural delegation to Soviet Russia, left for Moscow on Tuesday this week. The delegation includes, among others, the Agricultural Ministers of U.P., Rajasthan, Andhra Pradesh, Madras and Mysore. It will study the various facets of the development of Soviet agriculture.

ARUPPUKOTTAI: 223
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ARUPPUKOTTAI SRI JAYA VILAS (Private) LTD.

(H.O: ARUPPUKOTTAI.)

PILLAYARPALAYAM ROAD
P. B. NO. 158
MADURAI.

Ref. No.....

23rd June 1960

The Sales Manager,
Messrs. Ashok Leyland Limited,
Bank of Mysore Buildings,
N.S.C. Bose Road,
MADRAS-1.

Dear Sir,

There are fifteen Ashok Leyland Comets in our fleet of 51 buses. The first Comet was put on the road on 1-1-58. We are operating them on mofussil routes and none has experienced any major breakdown so far.

Considering the mounting passenger traffic on the one hand and the indifferent road conditions on the other we unhesitatingly say that the 203" wheelbase Leyland chassis is ideally suited to tackle both the problems. It is the only chassis available in India with the largest seating capacity (we are able to seat 66 persons in all) and it withstands the severe running strain over long distances.

In fact the dependability and economy of the Ashok Leyland Comets are so convincing that we are thinking of replacing the existing vehicles with them.

Thanking you,

Yours faithfully,
For ARUPPUKOTTAI SRI JAYA VILAS (P) LTD.,

Managing Director.

We thought you might like to read this

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This testimonial explains Leyland's enormous popularity in over 50 countries in the world. The exacting standards of precision combined with fine craftsmanship makes Leyland the most wanted vehicle today.

Ashok Leyland COMET
- precision built to give lasting service

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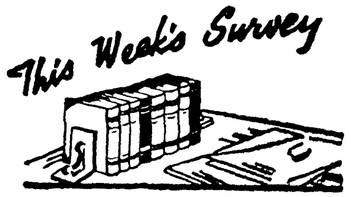

CRITERIA FOR INVESTMENT

IT is through wise investments, promptly undertaken and vigorously executed, that enterprises grow from strength to strength. What factors guide the giant enterprises in their investments in expansion? An answer to this question is to be found in the speech delivered by Lord Heyworth, ex-Chairman of Unilever Ltd., at the last annual meeting of the Company, now made available in pamphlet form in India. Unilever is fully qualified to furnish the answer, for in the fifties alone (1950-59) it invested £337 million in fixed assets and £176 million in working capital; of the capital expenditure, the U.K. and the European countries accounted for 29 per cent. each, the Middle East and Americas (North and South) for 13 per cent. each, Africa for 12 per cent. and the Orient for 4 per cent.

What have been the chief considerations behind these massive investments? Candidly enough, Lord Heyworth said: "We invest money where we hope to make money." In some quarters, profit is, of course, suspect. But it is well to remind them that profit is the result of efficient service, and also, without it, no further investment and, therefore, no further progress would be possible. But the principle of return is not applied blindly. Lord Heyworth said: "To ignore that principle would be wasteful, and we require all our management to take account of it, but, in practice, it cannot always be applied simply and blindly." What is aimed at is a rising return on capital employed, consistent with proper replacement of fixed assets, social responsibilities towards employees and maintenance of competitive power through adequate research; Unilever employs 3,500 men on research alone. He went on to stress the point: "We do not always expect to see a quick return on our capital. We are in business for a long time, and where we go, we mean to stay. If we have to spend a long time and a lot of money in building an enterprise up, we will do it, provided we are reasonably sure that the return, in the long run, will match the effort." This, in fact, is the essence of the long-range view in investment.

What questions does Unilever put to itself before it undertakes investment in a new country or region? The questions, according to Lord Heyworth, are: "Is the population going up? Is the general standard of living rising? Have any strong competitors dug themselves in before us? Can we get materials to build a factory, labour to work in it, transport to carry our goods away? Can we get materials to make products to our standard of quality? Is the Government fairly stable? What kind of a view does it take of foreign investors? Shall we be able to get our profits out, if we want to (often we prefer to leave them there for the development of the business)?" To a country which would like to see enlightened foreign companies like Unilevers participate in its own material progress, the questions are suggestive of the kind of economic policy it should pursue. In particular, it should, besides possessing a stable Government, adopt a helpful, constructive attitude towards foreign investors.

L. I. C.'S CREDITABLE RECORD

The statement made by Mr. P. A. Gopalkrishnan, Chairman of the Life Insurance Corporation of India (full text on page 194), presents a fairly clear picture of the many-sided progress of the Corporation in 1959. Not only in respect of new business, where the Corporation scored a brilliant innings, but also in the various related fields, the performance was demonstrably better. Although there are shades here and there, such as the poor progress of the *Janata* scheme, the overall picture is illumined by the progress made in many directions.

New life business written by the Corporation during the year was 25 per cent. higher at Rs. 429 crores, as against Rs. 345 crores in 1958 which itself was 22 per cent. more than in 1957. The 1958 pace of growth was, therefore, not only maintained but improved upon. Consequently, new business last year exceeded the target of Rs. 415 crores fixed under the Corporation's own five-year plan which aims at reaching the figure of Rs. 1,000 crores per year by the end of 1963. Foreign business, though it forms only a very small portion of the total business of the Corporation, showed a marked improvement from Rs. 5.62 crores in 1958 to Rs. 9.47 crores. This is, perhaps, a reflection of the new impetus given to overseas business, as a result of the Chairman's visit to some of the more important overseas markets of the Corporation in the second half of 1958 and the first half of 1959.

The figures of new business can give an altogether distorted picture, unless account is taken of lapse ratio which indicates the quality of the business written. Figures relating to lapse experience in 1959, it is said, are being collected. Data relating to previous years, already collected, show that the lapse ratio has been steadily declining. Net lapses, that is, lapses less revivals, which amounted to 7.6 per cent. of the mean business in force in 1955, the last year of insurance under private management, after rising to 9.1 per cent. in 1956, the first year of nationalisation, declined to 6.4 per cent. in 1957 and 5.1 per cent. in 1958, indicating that the improvement in business has not been at the expense of quality.

The progressive decline in renewal expense ratio is an indication that the economy measures, said to have been taken by the Corporation, are beginning to bear fruit. The rapid increase in new business also appears to have contributed to lowering of the renewal expense ratio. The ratio, which was 15.89 per cent. in 1956-57, declined to 15.46 per cent. in 1958. As a result of the tighter budgetary controls introduced last year, the renewal expense ratio declined further to 12.92 per cent. in 1959. This, it must be said to the credit of the Corporation, compares favourably with the ratios of some of the best companies in the pre-nationalisation days.

There are a few other progress indicators worth mentioning. The life fund, which stood at Rs. 380 crores on the day of nationalisation, has increased to Rs. 493 crores at the end of 1959. Total assets have also similarly risen from Rs. 414 crores to Rs. 552 crores. The Corporation's annual income, comprising premium and income from investments, has steadily advanced and crossed the Rs. 100-crore mark to touch Rs. 105 crores in 1959. Disbursements to policyholders and their beneficiaries, by way of claims, have also shown a commensurate rise. Payments on this account in 1959 alone have aggregated Rs. 28 crores, bringing total claims settlement since nationalisation of life insurance to Rs. 82 crores.

It is heartening to note that the efforts to tone up the administrative machinery and gear it to enable the Corporation to reach its five-year plan target of Rs. 1,000 crores of new business per year are yielding encouraging results. The Chairman quoted figures to prove that the output of the Corporation has improved. According to him, the average output of a field officer, which was Rs. 4,90,000 of new business in 1957, has increased to Rs. 6,50,000 in 1958 and to Rs. 7,50,000 in 1959. The average output of agents has similarly improved from Rs. 31,067 of new business in 1957 to Rs. 37,494 in 1958 and to Rs. 44,435 in 1959. The Chairman hoped that the output of the clerical staff would also register a similar improvement, thanks to the administrative training scheme now in progress. Mechanisation of routine and calculating work, which the Corporation is having under consideration, should also contribute to higher turnover of work.

The Corporation seems to be responsive to the criticism of the rapid proliferation of branch offices of the L.I.C. For the Chairman explained at length the method followed in establishment of branch or sub-offices. The annual business potential, he said, was the main criterion. He has given the assurance that every care is taken to see that none of the new offices turns out to be uneconomical. If the Corporation keeps this always in mind, the aforesaid criticism, the sole object of which is to keep the Corporation vigilant against incurring infructuous overhead expenses, will not have been in vain.

The only discordant note in an otherwise harmonious performance is the disappointing record of the *Janata* scheme. The scheme, it is now officially admitted, has not been a success, even though it was worked only on a pilot scale. It is, therefore, surprising to learn that, undeterred by the failure, the Corporation has recently launched another scheme, which has more or less the same objective as the *Janata* scheme, presumably as a substitute for the latter. It is not known in what respects the new scheme differs from the *Janata* scheme, so that it can reasonably be expected to succeed where the other has not. Surely, it is not advisable for the Corporation to indulge in costly experiments, in the name of taking insurance to the doorstep of the common man.

WHITHER CUBA?

It may not be wrong to infer that Cuba has now virtually joined the ranks of communist nations. Cuba has not merely drifted away from the free world countries, especially the U.S. which has contributed much to its economic progress all these years, but also established strong economic contacts with the three powerful countries in the communist bloc, namely, Soviet Russia, China and East Germany. The first link was forged with Russia about five months ago, when Cuba accepted the Russian offers to buy a large quantity of sugar every year for a period of five years and to grant a credit for $100 million for the purchase of machinery and equipment, as well as provision of technical assistance. This has since been followed by the conclusion of two barter agreements with Russia and Communist China, under which Cuba will sell 700,000 tons of sugar to Russia and 500,000 tons to China in exchange for certain goods supplied by the two countries. An agreement has also been entered into between the Foreign Trade Bank of Cuba and the Inwenst-Export Organisation of East Germany on assistance to Cuba for establishing a number of enterprises. Meanwhile, the Cuban Government has seized the American-owned Esso and Texaco refineries, as also the British-owned Royal-Dutch Shell Refinery and, more recently—on Friday last week—placed under "administrative sequestration" three plantations belonging to the Cuba-American Sugar Mills Company, the largest U.S. sugar firm operating in Cuba.

Cuba's recent deal with Russia provides for the supply by the end of this year of 700,000 tons of sugar at the minimum price of 3.25 cents per lb. fixed by the Cuban Government. The major portion of the payment for sugar, to the extent of 80 per cent., will be made in Russian goods, the balance being paid in U.S. dollars. Under the barter-agreement concluded with China, Cuba will sell 500,000 tons of sugar annually over the next five years. In the first year, China will pay 20 per cent. in sterling and the rest in merchandise. During the remaining four years, sugar (both crude and refined) will be supplied, along with nickel, copper, manganese, chrome, cobalt, tobacco, beans, coffee and cow hides in exchange for China's agricultural, textile, mining and electric machinery, electronic and telecommunication equipment, steel, raw materials for a pharmaceutical industry, vegetable oil, tea, salt, and frozen pork, fruits and other articles. Cuba will also send a mission to Peking to sign a long-term credit pact, under which China will supply machinery and equipment for Cuba's industrial development. Details regarding either the price China will pay for Cuban sugar or the amount of credit to be given are, however, not available. Commenting on the barter agreement between Cuba and China, *The Times* of London feels that, in effect, "China takes from Cuba goods she does not want in exchange for goods she cannot share." The implications of this statement is that the Chinese motive is purely political and not economic.

The latest Russian-Cuban sugar deal was a sequel to Mr. Khrushchev's offer to buy 700,000 tons of sugar, which was made immediately after President Eisenhower announced a cut of an equivalent quantity in the import quota for Cuban sugar for 1960. The reasons that prompted the U.S. Administration to take this decision as explained by President Eisenhower have already been referred to in this journal (*vide* page 104 of the issue dated 16th July), so that it is unnecessary to go into them again. Suffice it to say that the U.S. Government's decision is fully justified. Surely, the decision would not have been taken, if Cuba had not vilified the U.S. and moved closer economically and politically to Russia. Is it not too much to expect the U.S. to pay the high subsidised price of 5.25 cents for every pound of sugar it buys from Cuba, when the same is sold by Cuba to Russia at ludicrously low rates, 2.78 cents per lb. under the first deal covering 345,000 tons and 3.25 cents under the second deal mentioned above?

Be that as it may, the aforesaid change has prompted the International Sugar Council to step up the 1960 export quotas of its producing countries from 87.5 per cent. of basic tonnages to 100 per cent., with a proviso that the quotas are to be increased further to 105 per cent., when the world price of sugar "has been confirmed as being established between 3.25 cents and 3.45 cents a lb." This decision was announced by the Council at its meeting in London on the 21st inst. The reason adduced for the decision was that a "structural change" in the world free market for sugar had occurred. The phrase "structural change" is understood to refer to the cutting of Cuba's sugar export quota to the U.S. The Council has also announced that, if, as a result of the loss of its U.S. quota, Cuba is obliged to exceed even its increased export quota, such should not be regarded as a transgression of the rules of the International Sugar Agreement.

Since the U.S. purchases of Cuban sugar are not covered by the normal export quotas fixed by the Council, the upward revision in the basic export tonnages now announced will enable Cuba to make up for the loss of the American market by selling more to other countries. Apparently, the Sugar Council must have thought it better to accommodate Cuba's point of view than to run the risk of Cuba resigning its membership of the Sugar Agreement.

ANOTHER REPORT ON AGRICULTURE

A strong plea to ensure a co-ordinated system of agricultural education, research and extension suited to the unique characteristics and requirements of the country's cultivators has been made by the second joint Indo-American Team, in its report submitted to the Government of India last week. The Team considers such a co-ordination of some of the organisational and administrative efforts as the "key to increased and more efficient agricultural production." It was mainly concerned with an evaluation of agricultural education, research and extension in the country and has sought to bring into bold relief the inter-dependence of these three functions. It has stated that research is required to solve the cultivators' problems and education is necessary to develop research talents through which science and technology serve agriculture. Extension is the only effective means of informing cultivators of research findings and of securing their acceptance of new ideas that can accelerate the rate of change in food production. Education, in turn, is required to develop the extension competence and leadership necessary to bridge the gap between research workers and cultivators.

It may be recalled that the second Joint Indo-American Team was set up by the Government of India in September 1959, with Dr. M. S. Randhawa, Vice-President, Indian Council of Agricultural Research, as its Chairman. The members of the Team included three representatives of high standing from American Land Grant Universities and one from the U.S. Department of Agriculture, in addition to a group of Indian experts on the various facets of agriculture. The first Joint Indo-American Team, comprising five Indian experts and three American specialists, had been set up in 1954. The recommendations of this Team were accepted in principle by the Government. The subsequent establishment of the first Agricultural University in India at Rudrapur in U.P., in particular, was the result of the suggestions made by the first Team. Incidentally, it may be noted that the second Team has now favoured the continuance of "sisterhood arrangements" for technical assistance, initially made in 1955, with the American Land Grant Colleges under the Inter-University Contract Programme. It has, however, felt that technical assistance should largely be concentrated in fewer colleges with special emphasis on those institutions which are likely to develop into agricultural universities.

One of the significant suggestions made by the present Team relates to measures for streamlining the organisation of Agriculture and Community Development from the Central Government down to the village level. This streamlining, according to the Team, should include the appointment at the Centre of a Minister of Agriculture, Community Development (Extension) and Food, who may be assisted by Ministers or Deputy Ministers. At the State level, the recommendation is that the Minister in charge of Community Development should also be the Minister for Agriculture, Animal Husbandry, *Panchayats* and Co-operation. It adds: "Agriculture and animal husbandry should provide the techniques, *panchayats* the organisation and co-operation the finance. It is necessary that all these three must be linked up effectively."

On the question of agricultural education, the Team has stressed the need for evolving an agricultural educational pattern with a well-defined objective to encompass agricultural teaching from the *manjri* type vocational school and the multipurpose high school to the agricultural college and the university. Regarding agricultural education below college level, the Team has suggested that there should be one agricultural school of the *manjri* type in each district, with adequate facilities and well qualified teaching staff. The Team has made no bones about the fact that the rural institutes,

(Continued on page 227)

BHILAI FEEDS
OVER 120,000 TONS

OF BILLETS TO INDIA'S RE-ROLLING MILLS

Billets worth about Rs. 6 crores have been supplied to Re-rolling Mills all over the country by the Bhilai Steel Works since December 24 last when its Billet Mill went into operation.

The Re-rolling Mills will convert these billets into a variety of finished marketable products like bars, rods, wires and other light sections. With these supplies, the long-felt need for larger quantities of billets by the country's Re-rolling industry has been met. A small quantity of Bhilai billets has even been exported abroad.

Bhilai, one of the three steel plants, owned by Hindustan Steel Limited, has thus already helped in the productivity and stabilisation of the economy of an important industry of the country.

The Billet Mill at Bhilai has an annual capacity of 427,000 tons, out of which 150,000 tons will be for sale and the rest will be used in the Merchant Mill for conversion into rounds, angles, beams, channels, light rails etc., of which there is a great demand in the country.

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LONDON LETTER

BRITAIN'S OLDEST STORY

INDUSTRY EXHORTED TO EXPORT MORE

From Our Own Correspondent

LONDON, 22nd July

AT the beginning of this week, the Prime Minister met four hundred business men and industrialists from the Association of British Chambers of Commerce, the Federation of British Industries and the National Union of Manufacturers, in the opening move of a campaign which the Government are opening up and down the country to stimulate British exports by exhortation.

The *Times* newspaper summarised the Prime Minister as saying: "Still not good enough. What we have to do is to do even better"—and that, the newspaper commented, is by now the oldest story that can be told about British exports. And it added, in a comment which reflected the views of the spokesman for the audience, "If general exhortation could produce exports, the export trade would by now be flourishing to everybody's satisfaction."

The trouble is that Britain's share in world exports and manufactured goods has been steadily falling and, although other factors in the home and overseas position have enabled the Government, the City and Industry alike to avoid worrying about the export trade, the time has now come when the margin of safety in this country's overseas balance will not permit the future of exports to be ignored any longer."

"Export Joy"

Nothing that the Prime Minister had to say was particularly new, although he drew applause by describing hard selling as a continuing and increasing drive for increased efficiency and *in keeping to delivery dates.* The note of humour which he tried to introduce in his speech fell flat on an audience who were well aware that the subject in hand was a grim and difficult one. The Germans, according to the Prime Minister, had coined a word which meant "export joy," but there was little joy in this first and most important meeting of Britain's exporters. They are looking not only at the present position but at the long-term outlook, and there are few who view Britain's exclusion from the European Common Market without misgiving.

Even though the City of London has made a handsome contribution to Britain's invisible exports, the Prime Minister stressed the need for this country to expand the sale of its services; banking, insurance; broking, finance and merchanting. And, here again, the future of Common Market will affect the City, for there will be a greater tendency for the European Six to rely upon their own services for their own trade.

Reasons

Since the initial meeting, a good many comments have been made, particularly by small firms, as to the reasons for Britain's lagging behind in the general world expansion in export trade. These reasons appear to be various: some say there are too few exporters, "forty firms accounting for 30 per cent. of manufactured goods exported"; some say that, with the credit squeeze, they cannot get enough home credit to buy the materials for export, and they cannot offer as much long-term credit as their competitors; some aver that manufacturing industry does not, broadly speaking, contain the ability which active export trade requires; others maintain that there is too much paper work involved and some that they cannot get enough steel!

The weaknesses in export do not run through all trades. The engineering industry, for instance, is continuing to improve. Over the *nine months* to the end of March this year, the volume of new orders coming in for exports exceeded in rate of increase those for the home trade. And the number of orders on hand for exports were also proportionately greater than that for the home trade. Deliveries significantly had not shared in this improvement and were slipping back. This means that delivery dates must be growing longer and that a backlog of orders must be beginning to pile up. This difficulty, of course, is one that can be resolved domestically, and ought to be so resolved, if the competitive strength of the British engineering industry is to be maintained.

But such, unfortunately, is not true of the problem facing Britain's export industries as a whole. They are either not selling hard enough or not being sufficiently competitive. Late deliveries, excessive costs, inadequate selling methods, are among the reasons why some firms fall behind. Again, these are matters which the firms concerned must put right for themselves. But the exhortations which the Government are beginning to make throughout the industrial regions of this country are apparently designed to draw a greater number of firms into the export trade, and here it may be that the Government will have to ask themselves whether they are giving enough help or whether Britain's efforts to sell overseas are adequate to assist newcomers to overseas selling.

But, perhaps, beyond all this something more fundamental—whether the general forces covering the flow of trade through the world are running with or counter to British policy. The immediate issue, as British industry sees it, is the future of the Common Market, but, on that matter, oddly enough, the Government seems to have lost interest. There is no doubt they will be told, with increasing insistence, in the months ahead that they have got to think again.—*All Rights Reserved.*

The British Post Office has announced plans for what is claimed to be the largest transatlantic telephone cable system directly connecting the U.K. with the U.S. The total cost of the project is estimated at about £12 million to be shared equally between the two countries. It is scheduled for operation in 1963. The project will provide 128 telephone circuits. It is the fifth cable between the two continents and represents a further stage in plans for the development of a world-wide system of submarine telephone cables.

Shortage of manpower in Britain, which became apparent in January last, continues to grow. The number of vacant jobs in July was 379,000, about 19,000 more than in the previous month. This is the highest level touched since July 1956, when it was 397,000. The number of persons who are out of work declined by 13,208 to 291,919, the smallest figure since October 1957, when 275,000 persons were unemployed.

An international convention of business men will be held at Karachi in Pakistan in December next under the auspices of the International Chamber of Commerce. The convention is convened mainly with the object of providing an opportunity to the industrialists and business men of capital-exporting countries to assess the requirements of those importing capital and to enable them to exchange views on matters of mutual interest.

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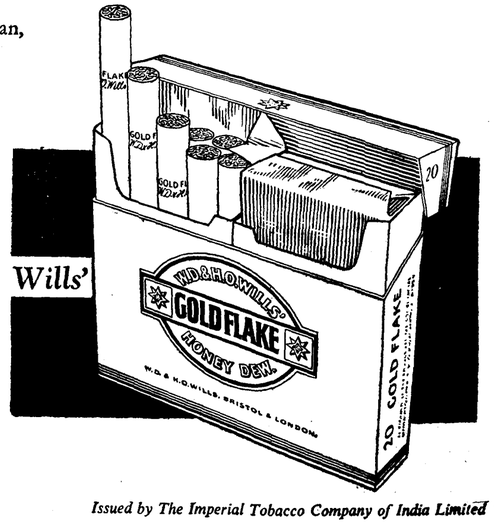

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WORKING OF STATE FINANCIAL CORPORATIONS

SUBVENTIONS FROM GOVERNMENTS CONTINUE

AN important feature common to the working of six State Financial Corporations (Bombay, Andhra Pradesh, Assam, Bihar, Madhya Pradesh and Mysore) which have sent us their reports for the year ended March 1960 is that all of them still rely on subventions from the State Governments in order to pay the minimum dividend rate of 3½ per cent. guaranteed under the State Financial Corporations Act of 1951. This is due to two factors. First, the net profits earned by the Corporations have not increased to any significant extent, because the volume of idle funds held by them is quite large, thanks to the generally low level of loan disbursements as compared with the loans actually sanctioned, as will be seen from the table given at the foot of the page. This means that the demand for accommodation from these institutions is not as large as was anticipated. Secondly, the incidence of direct taxation (income-tax, corporation tax and surcharge) is heavy in relation to their profit-margin. In the case of Bombay, Assam and Bihar, the net profit earned would have been more but for the substantially large interest charges on bonds, deposits, debentures and borrowings.

The quantum of subventions has, however, declined in the case of Bombay, Andhra Pradesh, Bihar and Madhya Pradesh Corporations. Mysore is a relatively new entrant, having been established on 30th March 1959. This trend may be expected to continue, resulting in the disappearance of subventions in the next few years. For the scope of the Corporations' activities has been greatly widened. For instance, under the credit guarantee scheme for small industries, introduced with effect from the 1st inst., the State Financial Corporations can avail themselves of the guarantee facilities in respect of advances granted to small-scale industries. Further, a larger provision is made in the third Plan for the development of small industries and great stress is being laid on decentralisation of manufacturing activities as well as on reducing concentration of economic power through encouragement to small *entrepreneurs*. The completion of reorganisation of States should be an additional advantage, as it has put an end to uncertain factor and generated a fresh fervour among State Governments for speeding up industrial and agricultural progress.

A detailed review of the Bombay State Financial Corporation's results and a brief review of those of the Madhya Pradesh Financial Corporation have already been made in these columns (*vide* pages 1,074 and 1,122 of our issues dated 18th June and 25th June 1960). It is, therefore, proposed to confine this article only to the remaining four Corporations. Of these, a comparative study of the working during the years 1959-60 and 1958-59 cannot be done in respect of the Mysore Corporation, because, as already mentioned, it was established only on 30th March 1959.

Andhra Pradesh

The Andhra Pradesh State Financial Corporation's review of business for the year 1959-60 reveals that there was a steady inflow of applications for financial accommodation, the total amount involved being Rs. 62.54 lakhs, while the sum sanctioned was Rs. 42.01 lakhs, as against Rs. 15.94 lakhs in 1958-59. The sanctions given since the inception of the Corporation four years before aggregate Rs. 185.23 lakhs, the total of effective sanctions being lower at Rs. 130.22 lakhs. But the actual disbursements of loans during 1959-60—the fourth year of the Corporation—were very small; they aggregated no more than Rs. 11.43 lakhs which compare unfavourably with Rs. 26.00 lakhs in the previous year. The total of loans outstanding as at 31st March 1960 was Rs. 68.41 lakhs, as against Rs. 62.30 lakhs on the corresponding date a year before. On the same date, a sum of Rs. 2.66 lakhs by way of instalments and Rs. 98,994 by way of interest were in arrears. Loans for an aggregate balance of Rs. 4.07 lakhs were paid back before the due date. Debts due from loanees whose management the Corporation has taken over are no less than Rs. 10.98 lakhs.

The Corporation's main function has been to assist and aid new industrial concerns belonging to the medium and small-scale sector started under the development programmes in the private sector. The applicants for assistance were largely from food processing (rice and flour mills, and solvent extraction plants), textiles, tobacco, chemicals, paper and strawboard. The Corporation has been careful enough not to overestimate the demand for accommodation from its resources. This is evident from the fact that it has not sought to augment its resources through borrowings and acceptance of medium-term and long-term deposits. Even as at the end of March last, its paid-up capital was well in excess of effective sanctions and cash balances and investments in Government securities stood at Rs. 47.88 lakhs and Rs. 31.33 lakhs, respectively. The major portion of the Corporation's income was still from investments and deposits. Thus, the interest on these assets fetched Rs. 3.58 lakhs, as against Rs. 3.28 lakhs by way of interest on loans. The reserves of the Corporation now stand at just Rs. 2.87 lakhs, while the subvention drawn from the State Government so far comes to Rs. 14.14 lakhs. In other words, the Corporation has still a long way to tread before it reaches self-supporting position. Alluding to this position, Mr. Bikkani Venkatratnam, Chairman of the Corporation, observed in his speech at the Corporation's annual meeting held recently:

"In view of the insufficient margin between the lending rate and the minimum dividend payable on the capital which forms the main corpus of the Corporation's working and the tax liability the profits attract, it has not been possible to make the working results self-sufficient. This unsatisfactory position would continue till the loans increase to a high level. At the seminar held at Hyderabad in July 1959, under the auspices of the Reserve Bank of India, for considering the financing methods to small-scale industries in our country, the working of State Financial Corporations came up for review and several suggestions were made to reorientate their policies and improve their methods of working so as to make them more useful to the industrial development envisaged in the Plans. I am hopeful that a definite shape to the working of the Corporations would be given as a result of these deliberations. In view of the inherent risks involved in long-term lending, which is a new feature to our country, proposals are under consideration between the Reserve Bank of India and our State Government for creating a special reserve fund out of the dividends received by them to strengthen the reserves of the Corporation with certain conditions attached thereto as regards the quantum and the use thereof. I trust these proposals would fructify soon for establishing this fund."

An interesting point made by Mr. Venkatratnam was that, as the commercial banks, too, were beginning to take interest in medium term loans, they might turn out to be potential competitors to State Financial Corporations. Proceeding, he observed:

"But the Corporations should feel satisfied in catering to promotional finance, while, ultimately, it is the purview of the other financial agencies and the capital market, in the case of corporate units, to help strengthen their capital needs. In this way, I envisage a greater need of co-ordination in functions between commercial banks and Corporations so as to fulfil their respective roles in the general economic and industrial development of the country."

Assam

The steady progress made by the Assam Financial Corporation in handling loan operations in 1958-59 was maintained during the year 1959-60 also. In the latter year, the Corporation received 46 loan applications for an aggregate amount of Rs. 113.63 lakhs and there were 26 pending applications involving Rs. 71.77 lakhs at the end of 1958-59. The Corporation sanctioned 30 applications together amounting to Rs. 51.72 lakhs, as against Rs. 46.25 lakhs in the previous year, and one application for Rs. 2.50 lakhs was deferred. The loans disbursed were also larger, being Rs. 40.43 lakhs, as against Rs. 29.00 lakhs.

During the six years of its working, the Corporation sanctioned loans amounting to Rs. 205.47 lakhs, of which Rs. 21.85 lakhs were either declined by the parties or subsequently cancelled by the Board. Out of the balance of Rs. 183.62 lakhs, loans aggregating Rs. 13.80 lakhs sanctioned to four industrial concerns were repaid in full. Thus, the effective amount of sanctioned loans as on 31st March 1960 was Rs. 169.82 lakhs. The total disbursements since the establishment of the Corporation aggregate Rs. 136.32 lakhs. Excluding Rs. 16.68 lakhs received back from the borrowing concerns towards repayment of principal and Rs. 12.32 lakhs repaid in full settlement of dues from four industrial concerns, the loans outstanding at the end of 1959-60 stood at Rs. 107.32 lakhs. The report does not give a clear picture of instalments and interest overdue. From such information as is provided, it would appear that about Rs. 1.77 lakhs are due by way of instalments and Rs. 42,500 by way of interest.

The financial assistance rendered by the Corporation covers a wide range of industries, existing as well as new. The new industries include, among others, automatic roller flour mills, timber treating and seasoning plants, tea chests and cold storage plant. Among the industries receiving aid for purposes of expansion and improvement, special mention must be made of tea gardens and engineering concerns.

Although the Corporation earned a larger profit of Rs. 4.93 lakhs in 1959-60, as against Rs. 4.72 lakhs in the previous year, the subvention received from the State Government was higher at Rs. 1.62 lakh, as against Rs. 1.48 lakh. This was due to larger provision for taxation. The Chairman of the Corporation, Mr. J. P. Chaliha, is, however, confident that the Corporation can look forward to a substantial reduction in the amount of subvention in the current year, provided it is not called upon to meet unexpected demands. Out of its income by way of interest aggregating Rs. 6.91 lakhs, the share of loans and advances was as high as Rs. 5.85 lakhs. This shows that the Corporation has firmly established itself as a provider of industrial finance. The rate of interest charged by the Corporation on its loans remained unchanged at 7 per cent. per annum, with a rebate of ½ per cent. for punctual payment of interest and instalments of principal. It may be noted here that, during the year 1959-60, the Corporation raised funds by the issue of 12-year bonds of the face value of Rs. 50 lakhs and bearing interest at 4½ per cent., in order to replenish its resources. The issue was oversubscribed and the total subscriptions accepted amounted to Rs. 55 lakhs, that is, 10 per cent. in excess of the amount issued. Referring to the outlook, Mr. J. P. Chaliha observed:

"Assam has great potentialities for industrial development but, the progress in this direction has so far been retarded mainly due to the lack of adequate transport facilities and non-availability of cheap power. With the completion of the Umiam hydro-electric project in the U.K. and J. Hills, the plant for generation of electricity from natural gas at Nahorkatiya, and the bridge over the river Brahmaputra at Pandu, Assam can look forward to an all-round industrial development. But the question is whether the talented young men of the State are going to avail of these facilities by setting up independent industrial units."

The last sentence in the aforesaid quotation is a little provocative. Why should not young *entrepreneurs* from other States be encouraged to start medium and small industries in Assam? After all, what is important is the provision of employment opportunities for the people of the State and not who provides them. Why should there be any objection if a Bengali, Bihari, or a Punjabi youth wants to try his luck in Assam?

Bihar

There was a reduction in the Government subvention received by the Bihar State Financial Corporation during 1959-60 which amounted to Rs. 1.40 lakh, as against Rs. 2.07 lakhs in 1958-59. The reduction was due to the improvement in the profit earned, from Rs. 3.04 lakhs to Rs. 4.20 lakhs, following the notable rise in the loans sanctioned and disbursed as is evident from the comparative table in the previous page. The gross income of the Bank in 1959-60 was Rs. 9.97 lakhs, of which interest on loans and advances amounted to no less than Rs. 6.99 lakhs, the balance being interest on deposits and investments.

The total loans sanctioned by the Corporation since it was set up in 1955-56 amount to Rs. 189.90 lakhs, while those disbursed aggregate Rs. 145.08 lakhs. The instalments repaid come to Rs. 13.81 lakhs and the loans outstanding at the close of March 1960 were of the order of Rs. 131.87 lakhs. The Corporation had hardly any investments in gilt-edged securities. Only, it had cash and bank balances amounting to Rs. 69.79 lakhs. As the loans sanctioned are fast approaching the total funds available, the Corporation has decided to augment its resources further by issuing bonds worth Rs. 50 lakhs, in addition to the bonds for Rs. 100.25 lakhs issued in October 1958. The details of the issue are being worked out and the issue, according to the Chairman of the Corporation, Mr. Rajandhari Sinha, will be announced at a propitious moment as advised by the Reserve Bank of India. The Corporation has also decided—the decision has already been put into effect—to levy a commitment charge of ¼ per cent. for the unutilised portion of sanctioned loans in certain circumstances, to collect inspection charges from the borrowing concerns, and to insist upon the borrowing concerns to get their assets mortgaged for their full value.

Mysore

The Mysore State Financial Corporation earned, in the first year of its operation, that is, 1959-60, a total income of Rs. 3.33 lakhs. The major portion—Rs. 3.18 lakhs, to be precise—of course, represented interest on investments and deposits. Excluding the administrative and other expenses incurred, the net profit of the Corporation for the year amounts to Rs. 2.45 lakhs. After providing Rs. 1,12 lakh for taxation and transferring Rs. 12,000 to statutory reserves, the surplus available for distribution was Rs. 1.20 lakh which was less than what was required to pay the guaranteed dividend, namely, Rs. 2.87 lakhs. The Corporation has, therefore, approached the Government of Mysore for a subvention of Rs. 1.67 lakh.

During the year under review, the Corporation received 52 loan applications involving an aggregate sum of Rs. 84.90 lakhs. The Corporation, however, could sanction loans amounting to Rs. 28.00 lakhs only, the number of applications being eleven, and the sum actually disbursed was Rs. 13.01 lakhs. Explaining the small amount of loans sanctioned, Mr. H. V. Koujalgi, Chairman of the Corporation, said at the first annual meeting: "As the period under report was the first year of the formation of the Corporation during which period many preliminaries had to be attended to and the actual time that was available for disposal of these applications was short, more cases could not be disposed of." But he gave the assurance that the pending applications, numbering 38, seeking loans aggregating Rs. 52.25 lakhs, would be disposed of expeditiously during the current year.

The industries which have received financial assistance from the Corporation include units manufacturing bricks and tiles, textiles, oil mills, engineering works and granite works. Some of these concerns are new, while others are existing ones which require to be rehabilitated or expanded. The Corporation, we are told, is making arrangements to have periodical inspections of the loanee concerns and also to obtain from them periodical progress reports in the forms prescribed by it, the objective being to see that the loans granted are utilised for the purpose for which they are sanctioned.

(In lakhs of rupees)

	Bombay		Andhra Pradesh		Assam		Bihar		Madhya Pradesh		Mysore*
	1959-60	1958-59	1959-60	1958-59	1959-60	1958-59	1959-60	1958-59	1959-60	1958-59	1959-60
Authorised capital	400.00	400.00	400.00	400.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Paid-up capital	200.00	200.00	150.00	150.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Reserves	5.95	4.09	2.17	1.55	1.00	0.70	0.28	0.20	0.76	0.56	0.01
Other resources (bonds, deposits, etc.)	113.51	113.51	Nil	Nil	55.00	Nil	100.25	100.25	Nil	Nil	Nil
Loans sanctioned	90.43	62.40	42.00	15.94	51.72	46.25	50.19	31.50	32.00	18.75	28.00
Loans disbursed	20.52	21.93	11.43	26.00	40.43	29.00	50.25	28.67	11.88	7.29	13.01
Loans outstanding	140.06	150.42	68.41	62.30	107.32	74.05	131.87	89.09	49.10	43.27	13.01
Income (from interest, discount, commission, etc.)	16.37	16.01	7.77	7.01	6.93	5.50	9.97	6.78	4.86	5.08	3.33
Expenses	7.90	8.23	0.82	0.86	2.00	0.78	5.77	3.74	0.76	0.81	0.88
Net profit	8.47	7.78	6.95	6.15	4.93	4.72	4.20	3.04	4.10	4.22	2.45
Provision for taxation	3.89	5.97	3.10	2.50	2.75	2.40	2.02	1.56	1.85	2.17	1.13
Transfer to reserves	1.85	0.78	0.70	0.62	0.30	0.30	0.08	0.05	Nil	0.20	0.12
Surplus available for distribution	2.72	1.03	3.15	3.03	1.88	2.02	2.10	1.48	2.25	1.85	1.20
Subventions†	4.28	5.97	2.10	2.22	1.62	1.48	1.40	2.07	1.25	1.68	1.67

* The Mysore State Financial Corporation was set up on 30th March 1959.
† The subventions are given by the State Government concerned with a view to making up the gap between the net profit available after providing for taxation, reserves, etc. and the amount actually required to pay the minimum dividend at the rate of 3½ per cent.

CENTRAL WAREHOUSING CORPORATION

SPEECH OF CHAIRMAN, MR. B. B. GHOSH

BANKS REQUESTED TO CO-OPERATE

A SPECIAL appeal to the scheduled banks to contribute to the share capital of the Central Warehousing Corporation was made by its Chairman, Mr. B. B. Ghosh, in his speech at the Third Annual General Meeting of the Corporation held at New Delhi on 16th July 1960. Mr. Ghosh declared that such investment, apart from being good and safe, would enable the banks themselves to benefit distinctly from the development of good warehousing facilities throughout the country. Pointing out that the Corporation would benefit greatly from the association of banks, he stated that it was not desirable that a scheme of this nature should be left entirely or mostly to Government.

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

"GENTLEMEN,

"I have great pleasure in welcoming you to this third annual general meeting of the Corporation. The report of the Directors and the annual accounts, which have been presented to you, give an account of the working of the Corporation for the year 1959-60. The report of the auditors has been appended to the balance-sheet and profit and loss account. The Director of Commercial Audit has also carried out his audit, on behalf of the Comptroller and Auditor General, but his report has not yet been received.

"You will notice that, during the year under report, there was a significant increase in the number of shares subscribed which was due mainly to the purchase of 4,000 shares by the Life Insurance Corporation. I hope this will act as an encouragement to others. I would specially appeal to the scheduled banks to participate in this venture. Apart from this being good and safe investment, I would point out that the banks would distinctly benefit from the development of good warehousing facilities throughout the country. I feel we shall also benefit greatly from their association. It is not desirable that a scheme of this nature should be left entirely or mostly to Government.

Steady Progress

"You will also notice from the report that there has been a steady progress in the actual working of the Corporation. The number of centres has risen from 9 to 26. The stocks deposited at Central warehouses increased from 1,63,000 maunds on 31st March 1959 to 5,17,000 maunds on 31st March 1960. The number of commodities handled has risen from 30 to 60. The maximum overall occupancy during the year has been 83 per cent. and the minimum as high as 60 per cent. With the increase in business, the financial results have also shown improvement. Broadly speaking, the warehouses, which were started the year before, showed a profit, while those started during the year under report are expected to show a profit during the current year. The excess of expenditure incurred directly on the warehouses over earnings dropped from Rs. 1,25,000 during the previous year to only Rs. 19,000 during the year under report. Receipts from storage charges increased from Rs. 76,000 to Rs. 3,81,000 during the same period. There is justifiable reason to feel optimistic about the future. At the initial stage, most of the warehouses have had to be started in whatever accommodation was available on hire. As we make progress in our construction programme and succeed in having warehouses of the economic size and as the total number of warehouses increases further, we can reasonably hope to realise not only our expenditure in the field but also the expenditure on the headquarters organisation. I understand construction work has been undertaken at 20 centres.

"I should draw attention to another favourable trend in our working. The number of producer-depositors taking advantage of our facilities has shown a marked increase during the period under report. Our main object is to cater to the needs of the producers, either direct or through producers' co-operatives. You may be interested to know that a Central warehouse has been set up at Delhi with a view to catering to the needs of the federations of consumers' co-operatives and also to provide cold storage facilities.

"I mentioned last year that the progress of the Central Corporation should be judged not merely by the development and success of the Central warehouses but also by its contribution, financial and otherwise, to the development of the State warehouses. The Central Corporation subscribed Rs. 13,00,000 to the share capital of the State Corporations during the year. This brings the total of share capital contributed by the Central Corporation to approximately Rs. 1 crore. The number of State warehouses rose from 42 during the preceding year to 148 during the year under report. The State Corporations are also, generally speaking, making steady progress.

Warehousing Consciousness

"Every warehouse, Central or State, has become our agent for carrying the message of 'warehousing.' I venture to say that, largely due to them, there has been a general awakening of consciousness throughout the country of the need and utility of warehousing facilities in any scheme of rural or agricultural development. It is now generally agreed that whether for the development of agricultural production or for the development of co-operatives or even for storage of Government's own stocks, proper storage or warehousing facilities are an essential requirement. There is only some argument occasionally as to the agency which should provide these facilities. As long as we are in a position to provide satisfactory facilities at a reasonable charge, in competition with others, we have nothing to be afraid of.

"Before I conclude, I would like to express on your behalf and on behalf of the Board of Directors our appreciation of the work of the officers and staff of the Corporation.

"I now invite you to consider the annual accounts and the report of the Directors which have been presented to you."

A USEFUL RESERVE BANK PUBLICATION

Exactly a year after the seminar on finance for small-scale industries was held at Hyderabad (20th to 23rd July 1959) under the auspices of the Reserve Bank of India, the deliberations of the seminar have been published by the Bank in two volumes. One wonders whether the Bank could not have arranged for their publication earlier. It is needless to say that an undue delay in releasing to the public information on any aspect makes such information stale and may also render a part of it out of date. Be that as it may, the publications, under reference do give valuable and useful data relating to the various aspects of small-scale industries. Of the two, Volume I contains the report of the proceedings of the seminar, the papers prepared by some of the participants for discussion, the reports of the four groups into which the participants were divided to facilitate discussion, and the summary of conclusions and suggestions of the seminar. The background papers containing detailed information on financial technical and operational aspects of small-scale industries in India are contained in Volume II.

Besides bringing together a great deal of factual information relating to small-scale industries, the report contains a comprehensive account of the views and opinions expressed by commercial bankers, industrialists, etc., who participated in the seminar. One of the major recommendations of the seminar was the introduction of a scheme for guarantee of loans to small-scale industries by banks and other financial institutions. As readers are aware, this scheme, which was sanctioned on an experimental basis for a period of two years by the Government of India, has already been put into operation with effect from 1st July 1960. The other recommendations of the seminar are being further processed by special committees or working groups set up by the Government or the Bank for the purpose.

Copies of the publications can be had from the Administrative Officer, Economic Department, Reserve Bank of India, P.B. No. 1036, Bombay 1, at Rs. 4 per volume (postage extra) or $1 or 7s. (post free).

The International Finance Corporation (I.F.C.) has decided to invest $156,000 in a well-known Finnish textile manufacturing group, comprising the companies Tricol Oy and Oy Kutomotuote Ab. The investment will help finance the construction and operation of a new plant, expansion of production, and relocation of a part of the group's operations. The Tricol-Kutomotuote group is one of Finland's largest producers of knitted goods, with its 1959 sales amounting to $2·6 million. The loan will be in dollar notes maturing between 1962 and 1968 bearing 6.75 per cent. interest payable in dollars. In addition, the I.F.C. will receive in Finnish marks additional payments related to sales.

REASONS FOR HIGH PRICES OF CLOTH

CHIEF OF COTTON MILLS' FEDERATION EXPLAINS AND SUGGESTS REMEDY

BY the time these lines appear in print, the Cotton Textiles Consultative Board, at its meeting at New Delhi on Friday the 29th inst., will, perhaps, have put forward its suggestions for bringing down the present high prices of cloth in the light of the views expressed by the official spokesmen as well as the representatives of millowners and traders. It is, therefore, unnecessary to speculate on the outcome of this meeting. This much, however, can be said and that is that some firm measures may be adopted by the Government to check the upward trend of cloth prices.

Why are cloth prices ruling high? This is a question which has once again attracted country-wide attention for some time. And reports have been appearing in the Press from time to time to the effect that cloth prices have recorded a phenomenal rise in the past few months. Some say that the prices have gone up by 20 to 30 per cent. But, apart from such vague observations, no one seems to have made a thorough study of the reasons responsible for whatever rise in cloth prices has taken place lately. The result is that the millowners are, as usual, made the scapegoat. May be, some mills have rigged up textile prices disproportionately with a view to getting rich quick, but to throw the whole blame for the rise in prices on the entire industry is to be unfair to it. How the rise in the prices of cloth has been beyond the control of the industry was forcefully brought out by Mr. Krishnaraj M. D. Thackersey, Chairman of the Indian Cotton Mills' Federation, at a special Press Conference he held in Bombay on Friday the 22nd inst. He not merely explained the real factors responsible for high cloth prices but also indicated the lines on which a reduction in prices could be ensured.

Cost Inflation

At the very outset, Mr. Krishnaraj was at some pains to show that the increase in cloth prices had been due largely to cost inflation, thanks to the appreciable rise in cotton prices, enhanced incidence of wages and dearness allowance following the implementation of the Wage Board's award, and upward trend in the prices of stores and chemicals. According to him, the prices of cotton, both Indian and foreign, have appreciably risen this season. The rise is particularly marked—as much as Rs. 200 to Rs. 300 per candy—in the case of cottons used for producing coarse and medium qualities. It is attributed to the poor cotton crop estimated to be no more than 3.75 million bales of 400 lbs. each gross, as against 4.30 million bales expected even as late as January last and the normal average size of 4.8 million bales. As readers are aware, early in the monsoon months of 1959-60 season, reports of cotton sowings, were encouraging that a crop of 5.2 million bales was considered likely. The shortfall in indigenous cotton supply, occasioned chiefly by adverse weather, has naturally compelled the mills to consume a larger quantity of foreign cotton—about a million bales, that is, 500,000 bales more than the average consumption in the last three years. What is worse, of the foreign cotton, nearly 350,000 bales represent cotton of one inch and below which is used for manufacturing coarse and medium varieties. The use of such foreign cotton puts up the production cost of these varieties, because not only is the price of foreign cotton higher than indigenous cotton but there is also some wastage, in that it has to be spun down. It must be noted, in this connection, that much of the rise in prices has occurred only in coarse and medium varieties of cloth.

The Real Solution

Mr. Krishnaraj also sought to stress that, in considering the prices of cotton textiles, note must be taken of the 2½ years of crisis through which the mills passed when prices had been unduly depressed and that, therefore, it would be wrong to compare today's prices with those prevailing at that time. Elucidating this point, he observed:

"Little attention was paid to the industry's plight when it was suffering from depression, but much is made of as soon as the prices rise. It must not be forgotten that, even in what are called normal times, the profit-margins of the cotton mill industry are among the lowest, whether we consider them as percentage of the sale price or percentage of the employed capital, as may be seen from a study published by the Reserve Bank of India. Because of this unenviable position of the cotton mill industry, capital tends to flow away from this industry to others where the profit-margins are more reasonable. The textile industry, therefore, needs a better profit-margin to attract capital for rehabilitation and modernisation of its old and worn-out equipment. In fact, a sustained reduction in the prices of cloth can be brought about only through modernisation, which, in turn, will be possible only if capital can be attracted to this industry.

"The real remedy to meet the present situation is more production and the industry has been pressing Government for liberal imports of foreign cotton to enable the industry to achieve higher output. If cotton is available, there is scope for expanding the working of shifts and making more cloth available, but, in view of the difficult foreign exchange position, Government have not been able to import as much foreign cotton as is needed to overcome the present shortage of cotton. This is one of the main reasons for the rise in cloth prices."

Any impartial observer of trends in the textile economy of India will fully appreciate the force of these observations. In addition to the increase in cost of production, the increasing pressure on the available supplies of cloth on account of higher domestic offtake and exports has also been responsible for the high cloth prices. Surely, this pressure would not have been there, but for the grave defects in the official textile policy. The Government of India has not only not allowed the mills to expand the weaving capacity but also imposed restrictions on the production of certain varieties, not to speak of the tax burden levied with a view to encouraging the production of the high-cost handloom cloth. The production of mill cloth is currently at an annual rate of just 4,932 million yards, which, though slightly higher than the actual output of 4,925 million yards in 1959 and 4,927 million yards in 1958, is markedly lower as compared with the 5,317 million yards produced in 1957. In other words, the mill cloth output has tended to decline at a time when domestic offtake is rising following the increase in population and improvement in the purchasing power in the hands of people. This phenomenon is clearly reflected in the marked decline in the stocks of cloth held by mills; the total of these stocks at the end of last month was no more than 283,000 bales (1 bale: 1,500 yards), as against 399,000 bales a year before and 601,800 bales towards the end of October 1958. The pressure on supplies is especially great in respect of coarse and medium varieties of cloth which account for over 90 per cent. of India's cloth exports.

Viewed thus, it is clear that the real solution to the problem of high prices of cloth lies in augmenting production. Nevertheless, the need for stabilising prices at reasonable levels cannot be overemphasised. Mr. Krishnaraj himself admitted this and assured the public that the industry was "most willing to take any steps that lie within its power" in this direction. Proceeding, he observed:

"There are many ways like prevention of hoarding to meet the situation, but, in the changed circumstances, price stamping is not likely to prove efficacious. The industry has certainly no objection to this measure, but it cannot be a substitute for higher production. In fact, the mills are anxious that this should not lead to cloth going into black market or Government losing their legitimate revenue. Nor does the industry want to be accused of profiteering and be misunderstood by the public as wantonly putting up cloth prices in spite of the stamping of prices. Government are doing everything to bring in more cotton and, if cotton crop of next year turns out to be normal, it will not be long before the anxiety on the score of cloth supply position is removed. What is now necessary is to prevent a scare being raised about shortage of cloth and a further rise in prices. It is necessary to change the psychology of the public and of the trade with regard to cloth supply position, so that there should not be a scramble for those particular varieties which, for the time being, may be in short supply."

Dehoarding Measures

It is thus evident from the aforesaid quotation that stamping of cloth prices may not achieve the desired purpose of making cloth available at cheaper rates to consumers. The traders also seem to be doubtful about the success of price stamping. In fact, some apprehend that such stamping may worsen the situation. In the course of a statement issued to the Press, the Bombay Piecegoods Merchants Mahajan, for instance, points out that stamping of cloth prices will give rise to black marketing, entry of unscrupulous elements in the trade and many other malpractices. Instead, the Mahajan has urged the need for taking other measures such as manufacture of specific standardised cloth, reopening of closed mills, resumption of third-shift working, permission to mills to install new looms, and reduction of bank advances against cloth. While measures such as these merit due consideration, energetic action must also be taken to curb any tendency on the part of traders to corner stocks of cloth and inflate prices. There is a strong feeling in certain circles that one of the causes for the rapid decline in stocks of cloth with mills is hoarding by the trade. Consequently, they feel that dehoarding measures must be given high priority in any scheme designed to depress the prices of cloth.

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COTTON INDUSTRY IN PARLIAMENT

GOVERNMENT SPOKESMAN EXPLAINS IMPLICATIONS OF SCRAPPING SCHEME

From Our Special Correspondent

MANCHESTER, 19th July

MANCHESTER LETTER

AFTER a period in which little news came to hand about the way in which the scrapping programmes in spinning and weaving were developing, further details are now following thick and fast. Scarcely a week goes by without some reference being made to the effect of the schemes and new figures are disclosed concerning the reconstructed industry. It has been stated in the House of Commons that the cost to the Exchequer of the whole policy of reorganising the producing sections of £4,100,000 has so far been paid. The amount of re-equipment, for which applications for subsidy have been received in spinning, doubling and weaving is £9,200,000.

Prior to this statement, Sir Alfred Roberts, Secretary of the Cardroom Workers' Amalgamation, had quoted figures to show that over £3,000,000 had been paid to employers to compensate them for scrapped machinery. The total claims by millowners exceeded £16,500,000. Lump-sum payments to displaced workers under the schemes amounted to £2,112,966 up to mid-June, with weekly payments aggregating £189,111. Sir Alfred admits that the number of cases in which compensation had been refused had not been on as large a scale as was originally anticipated. Doubtful claims had been dealt with by negotiation at local or central level, and only nine of those within the union's sphere had been referred to the Appeals Board.

Short-time Ended

Commenting on the significant increase in output per operative of 7½ per cent, revealed in the higher production totals obtained from a smaller labour force, Sir Alfred said: "It would be unrealistic to assume that this is due entirely to extra effort on the part of each individual worker. The elimination of short-time working has played a major part, and the more effective organisation of production has certainly improved machine efficiency and enabled operatives to produce more."

Although trading prospects appear generally favourable, with long order books and additional contracts still being arranged, Sir Alfred adds his note of warning to other voices lately raised about the still menacing problem of foreign imports. "It is unfortunate that the reorganisation of the industry came at a time when world demand began to increase, because it has led merchants to seek their requirements in these particular fabrics from abroad," he says. "In fact, the increase in imports is the most disquieting feature we have to face."

Shift-working in spinning mills has now increased to the equivalent of one-third of the industry. Although there was a reduction in the number of applications submitted during the past quarter, approval was given in all thirteen cases. As a result, spindle hours have increased to 55 per week over the whole industry.

Clearing the Air

The Parliamentary debate on the reorganisation schemes in the finishing trades, prior to their approval by the House of Commons, gave members the opportunity to discuss in some detail their doubts and fears about the project. Questions were asked which produced answers and comments, helping to clear the air a little in some directions.

When the schemes were launched, it was stressed that only one participation period for scrapping applications was essential, the second and final period would only be called for by the Cotton Board, if there appeared to be room for further elimination of machinery in the interests of the industry. If the scheme is extended, subsequent applications will be dealt with in order of receipt. The Board, however, can end the second participation period at any time before the end of January, if it considers that there is any risk of too much capacity being scrapped.

Mr. John Rodgers, Parliamentary Secretary to the Board of Trade, said that the Order did not lay down any precise maximum limit for elimination, but, in practice, the Cotton Board would regard as an overall effective maximum the extent of the excess capacity which its figures showed to exist in the industry—some 32 per cent. in the woven cloth scheme and 34 per cent. in the yarn processing scheme. This limit would only be reached if applications came forward in exactly balanced proportion, and this naturally appeared unlikely.

The official reason for insisting that only complete units could be submitted for scrapping was that firms could not take the risk of their intention to close down becoming known, without an assurance that a redundancy scheme would become fully operative from the outset. In other words, some measure of elimination of excess capacity would be guaranteed. The Government spokesman pointed out that the fact that the industry was prepared to accept the possibility that there would be no Treasury contribution showed the importance attached to having such a reorganisation project.

Social Consequences

Inevitably the debate included lengthy references to the "test case" relating to the take-over of the United Turkey Red Company by the Calico Printers' Association Ltd. Fears that the Scottish works might be closed down, resulting in substantial unemployment in the area, were at the back of much questioning. In reply, it was pointed out that, even if the bid had not been made, there was nothing to stop the existing management from applying to close down under the scheme.

This brought further discussion on whether the social consequences of scrapping should be borne in mind by those responsible for deciding whether or not to accept applications. Mr. Rodgers emphasised that, although the Cotton Board might be able to refuse permission to particular firms, or particular sections of the industry, to participate in the schemes, it could not prevent them from going out now or later if they wished to do so. All it would then have achieved would be to prevent the workpeople from being eligible for compensation.

It is important to note that the vital decisions to be made in this connection are the responsibility of a sub-committee, consisting of three independent business men and a trade union representative, under the chairmanship of Lord Rochdale. The Cotton Board as such has no say in the matter. From the Government benches it was suggested that this committee, when considering scrapping applications, would be guided by such factors as the effect on the efficiency of the industry, on export trade and on unemployment.

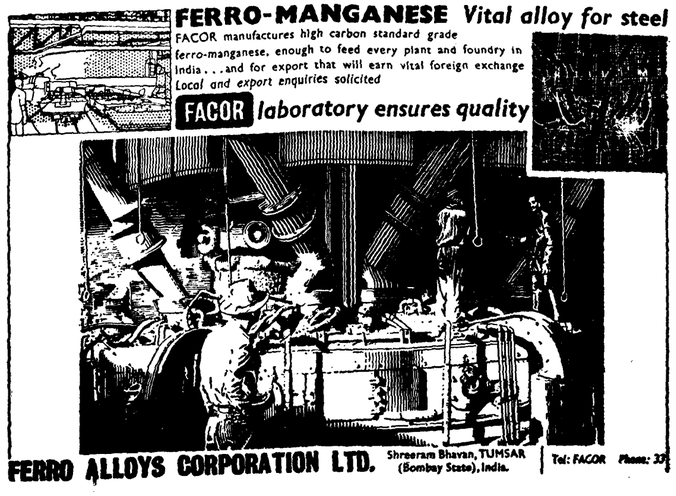
A final point reverts back to the controversy which arose on the earlier schemes. Mr. Rodgers was asked what was to prevent another firm coming in and starting up again when one firm had received compensation for the machinery in a factory. The reply was: "It would be a pretty expensive process to start from scratch, and it is doubtful if re-equipment would be payable. No decision has been taken on whether this will be paid to the new sections, but there is nothing to prevent a new man from coming in and buying an existing building."

Foreign Yarn Purchases

National figures relating to overseas trade have caused some concern, as they indicate a sharp rise in the adverse balance between the value of imports and exports. This situation, of course, is no new phenomenon in the cotton trade, where the rising tide of arrivals of foreign goods has been a feature for several years back.

Board of Trade statistics do not show the countries supplying the larger volume of cotton yarn purchased from overseas sources, but the Cotton Board discloses that, in the first three months of 1960, arrivals of cotton yarn reached a new peak at 8,760,000 lbs., as compared with 6,681,000 lbs. in the final quarter last year, and a quarterly average of 5,340,000 lbs. during 1959.

India remains the chief country from which cotton yarn is obtained, having shipped 2,510,000 lbs. in the first quarter, but this was slightly below the level of imports in the corresponding period last year. Arrivals from Hong Kong at 1,090,000 lbs. were also smaller than in the early part of 1959. In contrast, there were sharp increases in the quantity of yarn shipped from Continental countries. Italy supplied 1,180,000 lbs. and Spain 1,860,000 lbs. Arrivals of Spanish yarn, as in the case of cloth, have made a distinct mark in this trade, as up to the final quarter of last year they were negligible.—*All Rights Reserved.*



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LIFE INSURANCE CORPORATION OF INDIA

CHAIRMAN, MR. P. A. GOPALKRISHNAN, REVIEWS PROGRESS ACHIEVED AND THE TASKS AHEAD

ADDRESSING the Fifty-second Meeting of the Life Insurance Corporation of India, held at Bombay on 25th July 1960, Mr. P. A. Gopalkrishnan, Chairman, observed that, although the Corporation wrote new life insurance business of the order of Rs. 429 crores in 1959, twenty-five per cent. more as compared with the previous year and the highest on record, it had touched only the fringe of the problem of mobilising resources for the successive Five-year Plans which was the primary objective of nationalisation of life insurance. Coverage of life insurance in India, he said, was poor, as compared with countries like the U.S. and Canada, where life insurance in force exceeded the national income, even after making allowance for the fact that the people here were poor by comparison and their savings potential low. It should be the endeavour of the Corporation, he emphasised, to expand business to the maximum extent possible, so that more funds could be made available for the economic development of the country.

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

"I have great pleasure in welcoming you to this special meeting of the Board which has been convened mainly to consider the draft annual report and audited accounts for 1959. These have already been circulated to all the members. I wish to take this opportunity to review the steady and satisfactory progress made by the Corporation after it was established on 1st September 1956.

New Business

"You will remember that the Corporation secured a new business of Rs. 345 crores in 1958 which was 22 per cent. more than that of 1957. In 1959, our new business amounted to Rs. 429 crores recording an increase of 25 per cent. over that of the previous year. The number of new policies issued has also steadily increased to 1.15 million in 1959, which is about 41 per cent. more than the number issued in 1957.

"A small amount of foreign business is also done by the Corporation and is included in the figures quoted above. During the period between the 19th January and 1st September 1956, there was considerable uncertainty as to whether the Corporation will do new business in foreign countries. Because of this uncertainty, many of our good agents in those countries left us to join our competitors. Even when we finally decided to do foreign business, we excluded doing of new business in Ceylon, Burma and Pakistan. Owing to these reasons, our foreign business amounted only to Rs. 5.40 crores in 1957. In 1958, it was Rs. 5.62 crores. I visited East Africa in the latter half of 1958 and Malaya and Singapore in early 1959. As a consequence of my visit, we took various measures for increasing our business in those countries. The results of these measures are reflected in our increased new business in 1959 which amounted to Rs. 9.47 crores. The improvement of business thus brought about in 1959 continues in this year also.

"Although the Janata Scheme is not working successfully in all the places where it was started, the number of Janata policies issued has been gradually increasing. 21,208 policies were issued in 1957, 24,325 in 1958 and 28,705 in 1959, the sums assured being Rs. 1.17 crores, Rs. 1.61 crores and Rs. 2.01 crores respectively. We have recently introduced another scheme which has more or less the same objective as the Janata, namely, extending insurance to sections of the population which would otherwise remain uncovered. Under this scheme, policies are issued without medical examination in rural areas which are inaccessible and where there is paucity of doctors. These policies are issued only up to a total sum assured of Rs. 2,000. We have to watch the working of this scheme for two or three years before we decide to extend it all over the country.

Lapse Ratio

"Questions have been asked in certain quarters about the stability of the increasing business secured by the Corporation. We have made a detailed analysis of our lapse experience during the years 1957 and 1958. The figures for 1959 are being collected for analysis. You will find from the analysis already made that the Corporation's experience in the matter of lapsation of business is distinctly better than the experience of the companies before nationalisation. The net lapses which amounted to 7.3 per cent. of the mean business in force in 1954 and 7.6 per cent. in 1955 came down to 6.4 per cent. in 1957 and 5.1 per cent in 1958. The percentage of lapses is thus steadily coming down.

"It is also a matter for satisfaction that our business in force has increased enormously after nationalisation. It took all the companies in India several decades to build up a business in force of Rs. 1,220 crores at the end of 1955. The Corporation's business in force at the end of 1959 was Rs. 1,964 crores, recording a net increase of Rs. 744 crores, that is, more than 60 per cent. The number of policies in force on 31st December 1959 was nearly 7 million, representing an increase of 45 per cent. over that at the end of 1955.

Economy of Management

"The next question to be considered is the economy of management. Here also, we have set up a record which should be deemed satisfactory. I would like to recall in this connection that we took over all the staff of the old companies with their emoluments protected. Then we considerably increased our administrative expenditure by standardising their scales of pay which meant in several hundreds of cases a considerable increase in the emoluments which they were drawing before nationalisation. On the other side, we reduced our premium income by reducing our premium rates by Re. 1 per Rs. 1,000 sum assured below the Oriental rates and by removing various extras, such as extras on the insurance of female lives. The net result would have been an increase in our renewal expense ratio but for various measures of rationalisation adopted by us. Our progressive increase of new business has also contributed considerably to the fall in our renewal expense ratio. This ratio came down to 15.89 per cent. in the accounting year 1956-57 from the combined renewal expense ratio of 17.3 per cent. of all the companies in India in 1955. It came down further to 15.46 per cent. in 1958. I introduced a system of budget control with effect from 1959, which was approved by the Board. The result has been extremely satisfactory since the renewal expense ratio in 1959 has come down to 12.92 per cent., which compares favourably with that of some of the best companies in the past.

Progress Indications

"I shall now refer to some other figures which indicate the progress of the Corporation. Our Life Fund, which stood at Rs. 380 crores on the day of nationalisation, has increased to Rs. 493 crores at the end of 1959. Our total assets have similarly increased from Rs. 414 crores to Rs. 552 crores. Our annual income consisting of premiums and income from investments has been steadily going up until it crossed the hundred-crore mark in 1959 amounting in that year to Rs. 105 crores. With increasing business and investments, this income should go up further in future years.

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BRANCH OFFICES AT ALL PORTS OF INDIA

"Our disbursements to policyholders and their beneficiaries by way of settlement of claims have also been increasing year after year. In 1959, we paid out Rs. 23 crores, of which about 25 per cent. were claims arising from death, the balance representing maturity benefits. Since the nationalisation of life insurance the Corporation has paid about Rs. 82 crores in all on account of claims.

"While we have, thus, every reason to be satisfied with our performance so far, we have to examine how far we are realising one of the fundamental objectives of nationalisation of life insurance, namely, the mobilisation of resources for the successive Five-year Plans of the country. Here, I should admit that we have only touched the fringe of the problem. It is true that we have increased the business in force from about 11 per cent. of the national income in 1955 to 15 per cent. in 1959. There are countries in the world, particularly the United States and Canada, where the life insurance business in force exceeds the national income. Canada is the leader in this respect with life insurance in force amounting to 157 per cent. of the national income in 1958. Our population is poor by comparison and the saving potentiality is much less in this country than in the highly industrialised countries like the United States and Canada. Nevertheless, it should be our endeavour to expand our business to the maximum possible extent every year so that more and more resources can be contributed by us for the economic development of our country.

Training Scheme

"As you are aware, the Corporation has started with a modest Five-year Plan of its own from 1959 and has fixed Rs. 1,000 crores as the target of new business in 1963. Although there are reasons to believe that the potential business in the country is very much more, this target has been fixed on realistic grounds after taking into account the Corporation's capacity to expand its organisation consistent with the maintenance of efficiency. We had inherited from the old companies all sorts of staff who had varying degrees of experience, whose methods of working were not uniform and who needed training before they could be fitted into the Corporation's way of working. We have since then recruited additional staff every year who also stand in need of training. In order to meet this need and to strengthen and equip our organisation to handle the increasing volume of business, we have recently started one training college for junior officers and training courses for our clerical staff at almost all the headquarters of our divisions. The eleven training schools that we started over a year ago for our development personnel have already made much progress in training our field officers and agents. I hope that these training institutions will enable the Corporation to function efficiently when business flows in in accordance with our Plan.

"Before nationalisation, the private companies were operating from their headquarters in big cities and the number of centres in the country, where they had their offices, was only 97. The Corporation has, on the other hand, a widely decentralised organisation and the number of branch and sub-offices has been increased from 216 on 1st September 1956 to 345 at the end of 1959. A further increase in the number of offices has been sanctioned in 1960. Every care is taken to see that none of the new offices opened by us turns out to be an uneconomic proposition. The method that we have adopted is to start with a development centre where a field officer or assistant branch manager is posted to organise business without the aid of an office. When the annual business procured increases beyond a certain limit, the development centre is upgraded into a sub-office which is in effect a miniature branch office. When the sub-office begins to procure more than about Rs. 70 lakhs of business, it is upgraded into a full-fledged branch office. This gradualness of our expansion ensures that we don't take any avoidable risk while expanding our organisation in the country. In the next three or four years, our growing network of offices should be in a position to serve every nook and corner of India.

Mechanisation

"No large insurance company in the world can operate efficiently without the aid of machines. Millions of premium notices and receipts have to be sent out every year and millions of calculations are necessary in connection with the collection and analysis of statistics, maintenance of accounts and periodical valuations. The output of our employees can be increased considerably by switching over to modern electronic and other equipments, thus reducing our expenses of management and making more and more surpluses available to our millions of policyholders. We have been studying this question for some time and have come to the conclusion that at the rate at which we are expanding, we have no alternative but to resort to the latest machine techniques if our service to policyholders is not to suffer and if we are to reduce our expenses at a rapid rate. I shall be bringing up proposals in this connection as soon as I find it possible to do so.

Work Turnover

"Meanwhile, everything possible is being done to improve our system of working as well as the output of our employees. The average output of a field officer was Rs. 4.9 lakhs of new business in 1957. It increased to Rs. 6.5 lakhs in 1958 and to Rs. 7.5 lakhs in 1959. The average output of our agents has similarly increased from Rs. 31,067 of new business in 1957 to Rs. 37,494 in 1958 and to Rs. 44,435 in 1959. These improvements have come about as a result of persistent efforts on our part to improve the quality of our field force instead of depending merely on numbers. When our administrative training has continued for a sufficient time I have every hope that the output of our clerical employees will also register a similar improvement.

"You are aware that we had a programme for decentralising the policies of the old companies and getting them serviced by the appropriate divisional offices of the Corporation. The first phase of this programme has now been completed and the policies of 139 companies have been decentralised up to the end of June 1960. The next phase of the programme will be taken up shortly.

"You will remember that the total book value of our Stock Exchange investments was Rs. 338.59 crores on 31st December 1957. The market value of these investments had depreciated by Rs. 8.02 crores of which the depreciation of the investments taken over from the erstwhile insurers was Rs. 7.28 crores. We made a contribution of Rs. 8.02 crores to the reserve for investments which, together with the previous reserves, now stand at Rs. 13.32 crores. As at 31st December 1959, the book value of our Stock Exchange investments pertaining to life business was Rs. 409.82 crores while the market value was more by Rs. 4.68 crores. Nevertheless, we propose to leave the reserves intact which will be a cushion against any future developments of an adverse character.

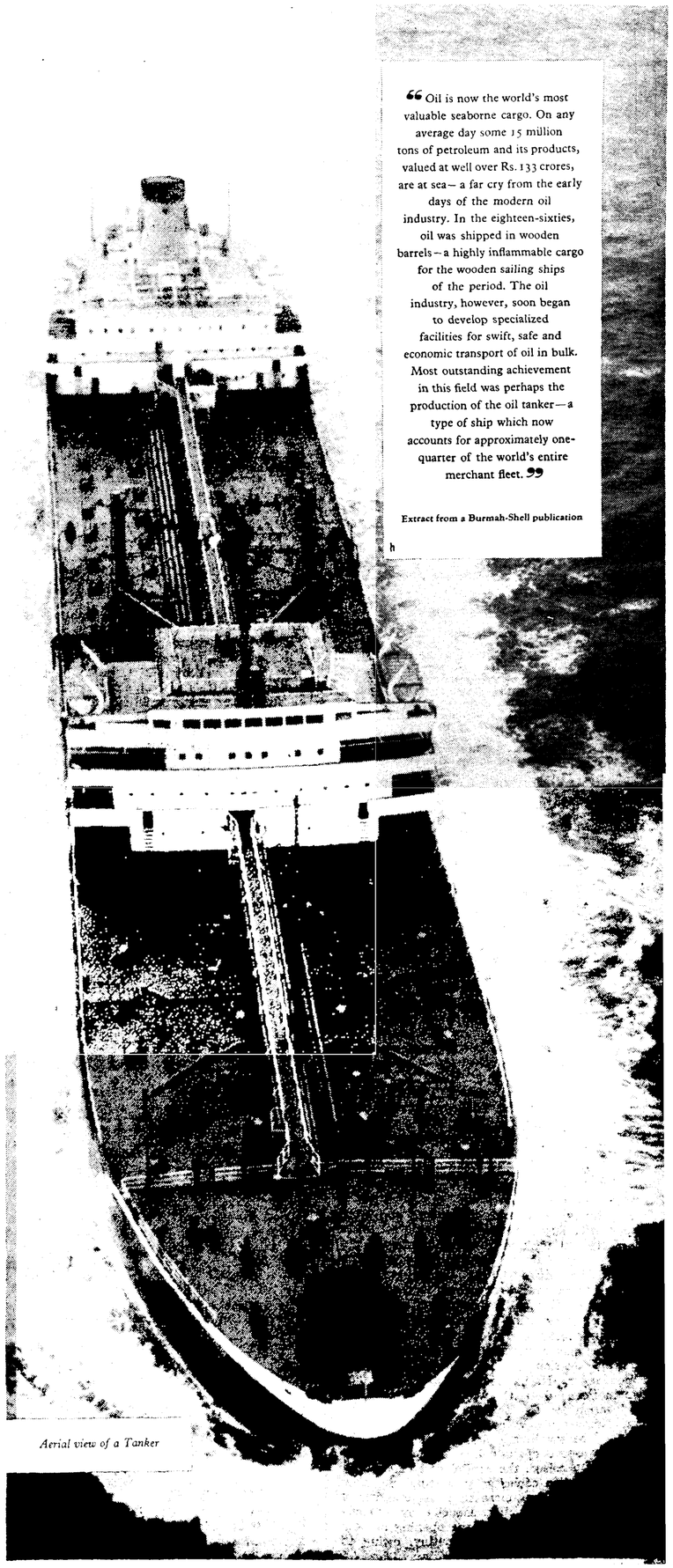
Investment Research

"As you are aware, we have set up an Investment Research Section in our Investment Department and this section has been systematically analysing the balance-sheets of all the companies whose shares are quoted on the Stock Exchanges of the country. The Investment Committee is thus provided with all the necessary data before its advice is taken on investments to be made. In the case of new industrial ventures which approach us for investments, searching enquiries are made and all relevant data are carefully examined before the Investment Committee is asked for its advice. We thus make sure that all the investments that we make are in sound concerns and bring us returns which we consider attractive. We have also been reviewing the investments that we inherited from private companies and selling all those which are found to be unprofitable. Thus, we are constantly endeavouring to improve the quality of our investments.

"Before I close this statement, I would like to convey my thanks to all the members of the Corporation for the assistance and co-operation that I have uniformly received from them. My thanks are also due to the members of the Investment Committee whose advice has been most useful for the Corporation in the matter of investments. I should also like to put on record my appreciation of the invaluable services rendered by our field force and our office personnel including officers who have contributed in no small measure to the progress of the Corporation."

"Oil is now the world's most valuable seaborne cargo. On any average day some 15 million tons of petroleum and its products, valued at well over Rs. 133 crores, are at sea—a far cry from the early days of the modern oil industry. In the eighteen-sixties, oil was shipped in wooden barrels—a highly inflammable cargo for the wooden sailing ships of the period. The oil industry, however, soon began to develop specialized facilities for swift, safe and economic transport of oil in bulk. Most outstanding achievement in this field was perhaps the production of the oil tanker—a type of ship which now accounts for approximately one-quarter of the world's entire merchant fleet."

Extract from a Burmah-Shell publication



Aerial view of a Tanker

PROBLEMS OF SUGAR INDUSTRY IN MAHARASHTRA

JOINT-STOCK UNITS ACCORDED STEP-MOTHERLY TREATMENT

IN the development programme for sugar industry under the second Five-year Plan, the Planning Commission had specifically emphasised that expansion of existing capacity should generally be allowed and licences for new factories must be granted "only when it is known that sufficient supplies of sugarcane are already available or are expected to be available within a reasonable period around the proposed sites." It is indeed regrettable to find that this rational criterion has not been adhered to by the authorities at least so far as the Bombay-Deccan region is concerned. An equally important criterion is that it is more advantageous to permit an existing unit to expand its capacity rather than establish a new one. In their anxiety to promote and foster the establishment of co-operative sugar mills, the State Government has completely ignored the economics of industrial location and accorded step-motherly treatment to joint-stock sugar companies. How else is one to explain the way in which co-operative units have been located in the State and the way in which their cane supplies have been secured? A typical instance of such defective planning was cited by Mr. F. Edwards, the retiring President of the Deccan Sugar Factories' Association, in his speech at the twenty-first annual general meeting of the Association held at Bombay on Monday this week. Here is what Mr. Edwards said:

"Some of our member-factories have already submitted applications to the Union Government for the expansion of their existing units, and I had strong hopes that the applications would be supported by the State Government and sanctioned by the Union Government. Unfortunately a case has recently been brought to my notice, in which the Union Government, on the advice of the State Government, has turned down a member-factory's application for expansion, while according, at the same time, sanction for setting up a new co-operative factory in the area adjacent to the member-factory. This action is quite wrong in its basic economy and is contrary to the assurance given on behalf of the Union Government in Parliament that preference would be given to schemes of expansion rather than to establishment of new units. Moreover, the siting of such new units close to the existing units is bound to lead to agglomeration and give rise to situations similar to those obtaining in U.P. and Bihar, where sufficient cane supplies are not available to closely situated factories, as a result of which they are unable to work to their full capacity and have to close down early for want of cane."

Government Gives Deaf Ear

Mr. Edwards has certainly not cried "wolf." Even as it is, the cane supply areas of different sugar mills in the Deccan are inter-mixed, and instances are not wanting where the cane grown in the village in which the factory is situated goes to feed new units several miles away. Similarly, cane supplies to some existing factories come from the proximity of new units. Consequently, there has been waste in the use of transport and available strain on roads. Although the joint-stock sugar mills have drawn the attention of the authorities to this aspect on more than one occasion, things continue to be as before. This is deplorable especially when the joint-stock sugar mills are continuing to make earnest efforts at maintaining as high a level of output as possible, not to speak of their pioneering work in promoting scientific agriculture.

The warning given by Mr. Edwards is quite timely, considering that more and more co-operative sugar factories are being set up in the State. In addition to the 13 co-operative factories out of the 26 units working in Maharashtra State during 1959-60 and a new unit that is expected to start working in the ensuing season, the Union Government has further sanctioned the starting of five new units (two in Kolhapur district, two in Poona district and one in Ahmednagar district) and six more are awaiting sanction (one each in the districts of Ahmednagar, Nasik, Nanded and Satara and two in Poona district). Whatever may be the justification for the policy of encouraging the establishment of new co-operative sugar mills, it would be worthwhile first to examine the economic aspects of the policy. As Mr. Edwards rightly emphasised, the capital cost of creating fresh production capacity by setting up new factories is always more than the creation of an equivalent production capacity by expanding the existing units and the opening of new factories involves additional outlay, owing to the duplication of overhead capital expenditure such as construction of roads and buildings, as well as duplication of overhead revenue expenditure on management, administration, etc.

Discrimination

It is not the defective location of co-operative sugar factories alone that is causing anxiety to the joint-stock sugar companies. In the field of distribution, too, these companies are subjected to certain hardship, as a result of the State Government's policy of discrimination. Alluding to this, Mr. Edwards said:

"The scheme for sugar distribution in the State was evolved by the then Bombay Government in consultation with representatives of the industry. The scheme was put into operation in accordance with a gentleman's agreement arrived at between the State Government and the Association and, for sometime, there is no doubt, the scheme worked smoothly and satisfactorily. Lately, however, there has been a noticeable change in the Government's policy which appears to favour co-operative factories to the detriment of joint-stock factories, which is contrary to the spirit of the gentleman's agreement under which the joint-stock factories were assured of the continued use of their normal trade channels. Joint-stock factories are, however, now finding that their old-established customers are being supplied sugar by Government from co-operative factories under the permit system which leaves these customers no choice. Consequently, the established distributors of joint-stock factories are experiencing some difficulties in moving their released quotas of sugar, and I hope the State Government will review their policy and bring it back into line with the gentleman's agreement."

The molasses problem also continues to give a lot of trouble to the companies, notwithstanding all the plea for relief from the vexatious and harsh controls on both alcohol and molasses on account of the Prohibition Act put forward time and again. It is disquieting to hear from Mr. Edwards that the difficulties have been aggravated by the recent orders of the Director of Prohibition and Excise which require the sugar mills to give eight days' notice in advance before they load molasses in tank lorries or wagons outside office hours. How can such advance notice be given when the railways supply wagons at odd hours without prior intimation and these have to be loaded as soon as they are received in order to prevent levy of demurrage charges? It is a pity that the Association's representation to this effect has not impressed the authorities.

The retiring President of the Deccan Sugar Factories' Association had also a few pertinent observations to make on three important problems of sugar industry in general, namely, controls, wages and the production target for sugar in the third Plan. There is considerable force in the statement of Mr. Edwards that it would be premature to expect the Government to lift sugar controls at this stage merely on the basis of the estimated carryover of about 500,000 tons at the beginning of the ensuing season. As this journal itself pointed out in these columns only three weeks ago, a sudden plunge towards decontrol during the off season is not desirable, because (*a*) free movement of sugar is often interrupted by heavy rains; (*b*) it is too early to say anything about the size of the sugarcane crop that will be harvested in the next season; (*c*) there are hardly any stocks of sugar in the pipeline now and it is a moot point whether the stocks available after the provision for buffer stock (250,000 tons) will be sufficient to take care of the normal stocking requirements of the trade; and (*d*) the population to be served and the purchasing power in the hands of people are greater than two or three years ago. Having regard to all these factors, we stressed that the risk involved in decontrol should be taken only when it could serve as an effective stimulus to increased production.

On the question of wages, Mr. Edwards said that they had been increased from time to time during the past several years without there being any increase in the productivity of labour. He was quite right when he remarked that, while fixing new levels of wages for workers, the Central Wage Board for Sugar Industry should not ignore the desirability of relating wages to productivity.

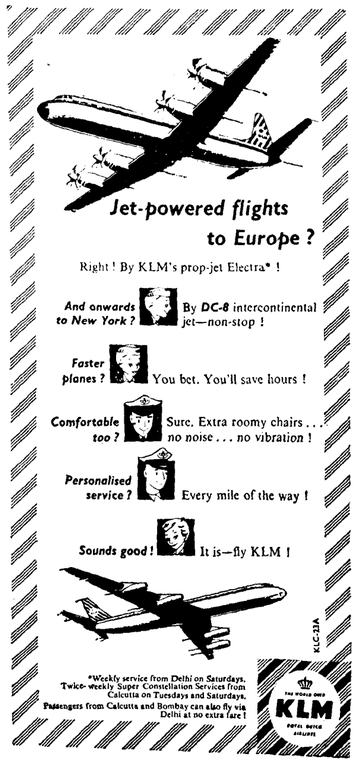
Target for Sugar Low

Commenting on the production target of three million tons of sugar per annum and a capacity target of an equal quantity as envisaged in the Draft Outline of the third Plan, Mr. Edwards made the following interesting observations:

"My initial reaction to this proposal is that the targets have been pitched rather on the low side. I understand the anxiety of planners to divert the major part of the country's resources and available foreign exchange to the establishment of heavy and machine-building industries. But, at the same time, I would like to urge the authorities not to underestimate the pressure of demand for white sugar which is bound to increase for a variety of reasons, of which the increasing amount of purchasing power in the hands of the people, the rapid growth of population and the pronounced trend of urbanisation are the most important. Since sugar is an essential article of food, the aim should be to provide it, at least in adequate quantity, if not to bring its price down, so that irksome controls and rationing may not be forced on the industry and consumers. A tight supply position is the source of malpractices, which, in turn, make the sugar industry a convenient target of attack for a section of political leaders. This should be avoided in the third Plan period. I am sure my colleagues in the industry will agree with me when I say that a bigger target will be in the best interests of sugar consumers and the Exchequer alike. Sugar has proved to be one of the best contributors of rupee finance in the second Plan period."

This is certainly an impressive way of presenting the case for a more liberal production target for white sugar. If, however, the Planning Commission finds it difficult to step up the target straightaway while finalising the third Plan, it should, as Mr. Edwards pertinently urged, at least provide for a careful review of the position at the end of the second year (1962-63) and permit programmes to be initiated for further expansion, if the trend of demand for sugar points to the need for expansion of capacity. The importance of this suggestion will be realised when one takes into account the fact that at least three years are required to bring into existence additional capacity. Surely, the sugar industry will not be able to catch up with the demand before the end of the third Plan, unless after a proper assessment of consumption trends, suitable arrangements are made in good time for expanding its capacity.

The Government of India has decided to reduce the compound levy on *khandsari* sugar by one-third from 22nd July to 31st October. Announcing this, an official Press Note says: "With a view to helping the manufacturers of *khandsari* sugar working without the aid of sulphitation plants, the Government of India introduced a compounded levy scheme from 1st March 1960. In view of the special difficulties of the industry this year, the Government has decided to reduce the rates by one-third for the period 22nd July to 31st October 1960. From 1st November 1960, the original rates will apply."



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PARAMOUNT

PRODUCTION AND EXPORTS OF TEA

GOVERNMENT FAVOURS HIGHER TARGETS

THE targets for tea production and exports fixed in the draft outline of the third Five-year Plan are 850 million lbs. and 550 million lbs., respectively. Commenting on these targets, Mr. Satish Chandra, Union Deputy Minister for Commerce and Industry, disclosed, at the fourth annual general meeting of the Tea Association of India held at Calcutta on Friday the 22nd inst., that they did not inspire in him a sense of optimism and that, in certain conditions, the production target might prove to be modest. "I may not conceal from you the fact," Mr. Satish Chandra added, "that the Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, is deeply disappointed with these targets." Urging the need for increasing the targets, Mr. Satish Chandra cited the following statistics:

The production target of 850 million lbs. of tea by 1965, though it is 135 million lbs. more than the actual output of 715 million lbs. achieved in 1958 (the output in 1959 was 725 million lbs.), does not inspire a sense of optimism. Considering that the average rise in domestic consumption is about 15 million lbs. per annum, India will be left without much surplus over and above the present level of exports. Many countries have expanded production of tea considerably in the last decade, but India's share in the total world output has fallen from 46.5 to 42.8 per cent. The target of 550 million lbs. for export in 1965 is only 27 million lbs. more than 523 million lbs. exported in 1956 and 42 million lbs. more than 508 shipped in 1958 (actual shipment last year was 472.5 million lbs.). From 1950 to 1958, India's exports rose from 403 million lbs. to 508 million lbs. or an increase of 105 million lbs., while, in the seven years from 1958, the rise contemplated is only 42 million lbs.

Incentives Wanted

The dissatisfaction expressed by Mr. Satish Chandra at the low targets for tea output and exports is understandable. This journal, too, has expressed itself in favour of higher targets. If, however, the tea industry has not agreed to more liberal targets, it is evidently because of the changing world situation and several disturbing trends in India's tea economy, as well as uncertainties regarding official policy. Some in the tea industry are of the view that even the output target of 850 million lbs. tentatively fixed for 1965-66 may not, in fact, be achieved, unless a co-ordinated action is directed towards it by the Government, the industry and the labour. Expressing his views on the target, Mr. B. P. Bajoria, the retiring President of the Tea Association of India, observed thus:

"...planning involves more than merely the fixing of targets. It implies co-ordinated action directed towards the attainment of the targets fixed. Thus, the production target of 850 million lbs. for 1965-66, representing an increase of about 125 million lbs. over the 1959 output, may be regarded either as impossibly optimistic or, on the other hand, as relatively modest. It all depends on whether, in the period of the third Five-year Plan, the industry will receive the necessary incentives, to enable it to attain the prescribed target. If, as I hope it will, the Government displays the virtue of consistency and provides the necessary incentives, I am confident that we shall not only attain the prescribed target but exceed it. Otherwise, I am afraid that we shall find, at the end of the third Plan, that the target remains unrealised."

It is gratifying that Mr. Satish Chandra fully recognised the fact that the industry, if it is to achieve a higher target of production, should have the necessary means and tools. And reassuring is his statement that, "if you (the tea industry) have a bold and forward-looking approach, the Government will make all possible endeavours to provide you with reasonable facilities for the achievement of higher targets of production and exports."

In his presidential address, Mr. Bajoria sought to draw attention to what may be called the critical situation facing the tea industry and indicate the lines on which remedial action is required. At the outset, he alluded to the growing intense competition in the world tea market. His analysis reveals that, over the ten-year period 1950-59, whereas India's production of tea went up by 17 per cent., East Africa (including Mozambique) had stepped up its output by 102 per cent., Ceylon by 35 per cent. and Indonesia by 23 per cent., while China is an unknown quantity. Over the same period, exports from East Africa and Ceylon increased by 121 per cent. and 29 per cent., respectively, as against an increase of only 17 per cent. in the case of India. One of the important markets in which Indian tea is losing ground is Britain. India's share of this market has declined from 65 per cent. in 1950 to 55 per cent. in 1959, although, quantitatively, there has been an improvement from 239.1 million lbs. to 284.2 million lbs. Characterising this as an "ominous trend" fraught with the most serious consequences for the future of tea industry, Mr. Bajoria said:

"Competition for export markets is becoming more intense, as the years go on. If we sit back and allow the present trend to continue unchecked, it will not be long before our exports decline not only proportionately but in absolute terms. This is the time to take stock of the situation and to take the steps necessary to halt and reverse the trend to which I have drawn your attention. I am confident that this can be done. India's dominance in the world tea market was not a historical accident. It was based on real advantages, natural, economic and even human. But I regret to say that these advantages have, to a large extent, been offset as a result of measures which have set the Indian industry at a disadvantage in meeting the rising competition of other producing countries. Nevertheless, I should like to emphasise that whatever reverses we have suffered have not been because of any deterioration in the quality of our teas. I have not the least doubt that, given proper incentives, India can reign supreme and no other country can assail her position in the tea world."

Remedial Action

The industry, as is well known, is the largest earner of foreign exchange for the country—Rs. 136.54 crores in 1958 and Rs. 126.39 crores in 1959—besides being a contributor of considerable sums of money to the Exchequer in the form of taxes and provider of employment to a large number of persons. Naturally, it is entitled to receive more generous treatment at the hands of the authorities. Some of the specific points on which Mr. Bajoria considers action is necessary are listed below:

Fertiliser supplies: One of the main obstacles in the way of increasing production is inadequate supplies of fertilisers. For producing 723 million lbs. of tea, the industry was allotted 51,000 tons of fertilisers, as against the actual requirement of 70,000 tons. Now when the industry is about to embark on an output expansion of 125 million lbs., the fertiliser allocation, instead of being increased, is actually retained at 51,000 tons.

Publicity and propaganda: A far more vigorous comparison of publicity and propaganda for Indian tea in foreign countries is needed. Considerations of economy should not stand in the way of a substantial rise in expenditure.

Export duty: The export duty on tea must be abolished, a part of the revenue lost thereby being made up, if necessary, by enhancing the tax borne by tea consumed internally.

Export quotas: The system of export quotas is an unnecessary nuisance and there is no justification for retaining it.

Replantation: The problem of replantation deserves the most serious attention. The Plantation Enquiry Commission reported in 1956 that about 25 per cent. of the acreage under tea was in need of immediate replanting and estimated the total cost at about Rs. 60 crores. Without some sort of Government assistance, many tea producers find it difficult to carry on replantation work. The expansion in output of tea resulting from replantation should not be largely nullified by unrooting of other areas as provided by Rule 31 of the Tea Rules 1954. If Government considers that some restriction of this sort is necessary, the time limit for uprooting the equivalent acreage be increased from three to eight years.

Land requisition: The policy of land requisition followed by the Governments of Assam and West Bengal has created serious misgivings among tea producers. In requisitioning land, the Governments should leave tea land alone.

Housing: The burden of house construction imposed as a statutory obligation under the Plantation Labour Act of 1951 is heavy. It must be reduced (a) by lowering the prescribed rate of construction from 8 to 4 per cent. a year, (b) by making the industry eligible for the subsidy of 25 per cent. of the house construction cost under the subsidised industrial housing scheme, and (c) by allowing expenditure on house construction to be charged to revenue account for purposes of income-tax.

Tea Board: The officials of the Union Ministries of Finance and Commerce and Industry must be given suitable representation on the Board, so that the inordinate delays in implementing decisions can be avoided.

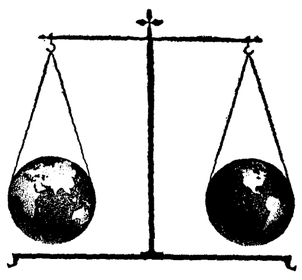
Committee of Investigation: The Government should set up a high-power committee, consisting of persons representing Government, the Tea Board, trade and industry, to examine the present position in the tea industry and decide, within a stipulated time limit, what measures of relief, if any, are called for.

Minister's Replies

In the course of his detailed replies to the aforesaid points, Mr. Satish Chandra revealed that several schemes for providing replantation finance were before the Government, that the Government accepted in principle the need for such finance and that a decision in the matter would be taken soon. On the question of housing, he declared that the difficulties in the way of utilising the Rs. 2-crore plantation housing loan had now been resolved. These loans, according to him, will be advanced on easy terms and a pool guarantee fund will cover bad debts. Losses, if any, exceeding the accumulation in the fund will be shared equally between the Central Government, the State Government and the Tea Board. He, however, declined to accept the suggestion for a reduction in the prescribed rate of 8 per cent. This rate, he thought, was "reasonable for an industry which has been doing well."

Dealing with tea promotional efforts, Mr. Satish Chandra struck a note of realism when he said that "more important than any drum-beating we do for our tea abroad is the task of organising the supply line from the garden to the foreign buyer on a more efficient manner." He rightly emphasised the importance of competitive prices, improvement in quality, and strict adherence to specifications and delivery. "The temptation on the part of some planters to grow rich quickly by sacrificing quality in favour of immediate quantitative gain which works to the great detriment of the fair name of Indian tea should," he went on to add, "be resisted by organised bodies of tea planters." Alluding to export quota system, he remarked: "I agree that it is a survival from the days of International Tea Agreement. ... Export quota releases have been made so liberal that its price has been pushed down to the lowest level. However, it is a matter which should be discussed in the Tea Board. If the consensus of opinion in the industry is that the quota should be abolished, the Government would certainly be prepared to consider the matter." Incidentally, he recalled the impression abroad, particularly in the U.S., that domestic demand for tea in India was competing with the foreign customer of Indian teas. Stating that such competition did not exist in Ceylon, he pertinently stressed that India should adjust its outlook suitably in a competitive world market and that it should produce more tea to take care of both export and domestic needs. This, however, is possible only if the authorities adopt right policies governing production and export of tea.

An official Bill providing for the levy of plantation tax, announced in the Kerala budget for 1960-61, will be introduced in the Kerala Legislative Assembly shortly, according to Mr. R. Sankar, the State's Finance Minister. He disclosed that he would be making certain changes in his original proposal in order to meet some of the criticisms against it. Thus, for the purpose of the levy, holdings of an individual, it is said, will be taken as a whole for calculating the acreage. Only plantations which have started yielding will be made subject to levy. In the case of plantations consisting of both yielding and non-yielding plants, the Bill will provide for the exclusion of the latter group in the calculation of acreage to be covered by the levy.



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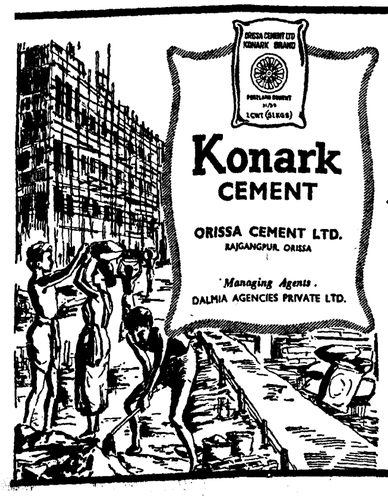

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MANUFACTURE OF CO-AXIAL CABLES

A MAJOR STEP TOWARDS SELF-SUFFICIENCY IN TELECOMMUNICATIONS EQUIPMENT

THE inauguration of the co-axial cable manufacturing plant in the factory of the Hindustan Cables Ltd., Rupnarainpur (W. Bengal), last week, marks an important stage in the development of telecommunications in India. It brings the country nearer its goal of self-sufficiency in the manufacture of telecommunication equipment. It is the culmination of a process which commenced six years ago when the factory began manufacturing certain types of cables and thereby reduced the drain on foreign exchange involved in their import. The ready availability of co-axial trunk cables will mean a greater network of trunk telephone channels, a reduction in traffic disturbance—thanks to the fact that these cables are laid underground—and more telegraph and teleprinter circuits. In short, it will mean more telecommunication facilities to meet the growing demand for them from industry and people in general.

Co-axial Cable

A co-axial cable consists of a copper conductor placed centrally in a copper tube which is made from a copper tape. The copper conductor is held in position by polythene discs placed at regular intervals. In order to reinforce it mechanically and provide electro-magnetic screening, the copper tube is bound by two mild steel tapes and finally insulated with two tappings of paper. Two or more such tubes are formed into a cable, the interstices being filled with the requisite number of quads (four, as per Posts and Telegraphs Department's requirements) on either side. Of the four quads on either side, two consist of polythene insulated conductors and the other two of paper insulated conductors. Wrapped in paper, the final cable is covered with a lead sheath. For underground use, the lead-sheathed cable is reinforced with steel tapes, as in the case of dry core telephone cables. Two co-axial tubes will provide multi-channel (upto 960 nos.) circuits. One of the tubes is used for transmission in the "go" direction, the other being used for the "return." For short-distance traffic, it is possible to have 100 circuits on the interstatal carrier quads. The use of such cables results in making available extra trunk channels.

The Hindustan Cables Ltd., which commenced production in 1954, is primarily intended to manufacture telecommunication equipment for the Posts and Telegraphs Department. It is a wholly State-owned company, with an authorised capital of Rs. 3 crores and paid-up capital of Rs. 1.25 crores. This capital has been supplemented by a loan of Rs. 79 lakhs received from the Government of India, carrying interest at the rate of 4½ per cent. The accounts of the Company for the year 1958-59, revealed a surplus of Rs. 16.31 lakhs, as against Rs. 10.10 lakhs in the previous year. Again, in 1958-59, it produced 656 miles of cables of different sizes; in the current year, it is expected to produce 1,000 miles of cables. During the period April to September 1959, it produced 328 miles of telephone cables, as against 325 miles in the corresponding period in 1958.

The principal raw materials required for the manufacture of telephone cables are copper wire, antimonial lead, steel tape, insulating paper, hessian, bitumen and timber. Copper wire and antimonial lead are obtained from indigenous sources, while insulating paper is imported. The Indian Tube Company of Jamshedpur is meeting a part of the factory's requirements of steel tape. The value of the factory's output in the current year is placed at Rs. 1.71 crores, as against only Rs. 77 lakhs five years ago.

Expansion Scheme

An expansion sheme for the factory of the Hindustan Cables Ltd. is now under consideration. The Union Minister for Industry, Mr. Manubhai Shah, who inaugurated the co-axial plant last week, revealed that there was a proposal for doubling the output of the dry core telephone cables to 2,000 miles per year and also to set up a wire drawing plant with a capacity of 1,500 tons per year. He also revealed that the manufacture of plastic insulated switchboard cables was also under consideration. These schemes, which are estimated to cost Rs. 4 crores, are expected to be completed by 1962-63. With a total investment of Rs. 7 to 8 crores, according to Mr. Shah, an annual production of about Rs. 8 to 10 crores worth of cables and other products would be achieved in the third Plan period.

The project for the manufacture of co-axial cables was the result of an increasing demand for additional long-distance telephone channels and the realisation that the existing overhaul circuits are inadequate along many lines, particularly on important trunk routes. In order to reduce the chances of dislocation of traffic in consequence of copper wire thefts, the Posts and Telegraphs Department has decided, in the first stage, to link the major cities of the country with underground co-axial trunk cables and associated equipment.

Production

The factory's production target for co-axial cables in 1960-61 is 200 miles. These cables will be laid between Kanpur and Banaras, so as to constitute a link with the other imported cables which have already been laid. Thereafter, the output will be gradually raised to 600 miles of cables per year. They will be laid between Agra and Bombay via Ahmedabad and on the Bombay-Madras, Madras-Coimbatore and Delhi-Amritsar routes. The sale value of the cables, when the factory goes into full production, will be Rs. 1.40 crores a year; there will be a corresponding saving in foreign exchange.

The manufacture of co-axial cables will mean an indirect fillip to the copper and steel and other industries, which will be called upon to manufacture such raw materials for the factory as copper wire, copper tapes, special polythene discs and granules, lead and steel tapes. In the initial stages, however, considerable reliance will have to be placed on imported raw materials. But indigenous raw materials will be increasingly used, so long as they continue to adhere to approved standards.

TATA GROUP OF POWER COMPANIES

It is, perhaps, a fitting tribute to the memory of the late Jamsetji Tata, who conceived the idea of harnessing the rain water of the Western Ghats in the nineties of the last century, that the management of the Tata group of hydro-electric companies should have decided to institute a Foundation of Rs. 1 lakh for financing research in electricity. When Jamsetji N. Tata first realised the possibility of hydro-electric power in Western India, electricity was still in its infancy; only a decade earlier, Edison had discovered his incandescent lamp with crude carbon filaments which came later to be replaced by metallic substance. The Tata group of power companies, comprising the Tata Hydro-Electric Power Supply Company, Ltd., (the oldest member of the group, incorporated in 1910), the Andhra Valley Power Supply Company, Ltd. and the Tata Power Company, Ltd., owes its origin to the farsighted genius of Jamsetji Tata, though he did not live to see the light of day when his ideas took concrete shape. Announcing the institution of the Foundation, the present Chairman of the Tata group, Mr. J. D. Choksi, in the course of his statement to shareholders accompanying the report and accounts for the year ended 31st March 1960, states that the money will be paid to the Indian Institute of Science at Bangalore—another of J. N. Tata's contribution to scientific progress—where it will be used as an endowment for research on problems connected with electric power.

Discussing the prospects for power supply in the Bombay region, Mr. Choksi says that, with the capacity of the three units at Trombay, the total installed capacity of the Tata system exceeds 470 MW.; including the capacity of the Chola station, the installed capacity of the Tata-cum-Railway system is nearly 600 m.w. But the demand continues to grow at the rate of about 8 per cent. per year. By the middle of 1963, when the first stage of Koyna development is completed, there will be an assured supply of 115 MW. of additional power from the source. If Government's plans for the second stage of Koyna go through, the region will have on the Tata-Koyna-Railway inter-connected grid a firm load-carrying capacity of about 700 MW. by 1965. At this level, it will be able to meet the peak demand. The question is: "What after that?" There are, according to Mr. Choksi, two alternatives: (a) nuclear power plants and (b) hydro-cum-thermal development. The nuclear power programme envisages a plant of 300 MW. capacity, which will be interconnected with Surat and Ahmedabad in the north and the Tata-Koyna system in the south. Mr. Choksi feels that the "commercial operation of a project of this type, dimension and complexity will take more than five years to materialise." He adds: "It might, therefore, be more prudent to plan some further power development within our own area, independent of the Central Government's project. If necessary, at a later stage, these plans could be co-ordinated with the Government project." Although some additional power supply could be planned at and outside Bhira power station, it would not materially alter the position. This leads him to the conclusion that one is left with the possibility of considering further thermal expansion at Trombay.

TECHNICAL CO-OPERATION AMONG AIRLINES

There is an interesting form of technical co-operation between six airlines, viz., Alitalia, Japan Air Lines, PAA, KLM, SAS and Swissair, which all have DC-8's in operation or on order. Technical co-operation between airlines was a common feature during the last twelve years and has become even more important since the introduction of the giant jetliners. In 1948, KLM, Sabena and Swissair signed a pool agreement for Convair 240 aircraft. Each airline had to provide certain airports with certain spares, so that, if necessary, the partners could rely on these being available at the airports in question. The great advantage of such a technical co-operation was recognised by an increasing number of airlines, while other types of aircraft were included in the pool. The partners had to provide reserve engines and spares and agreed on joint maintenance of their aircraft, so that use could be made of one another's ground engineers. Millions of guilders could be saved in this way. Until 1959 technical co-operation for conventional aircraft existed between Alitalia, Air France, Deutsche Lufthansa, KLM, Sabena, SAS, Swissair, Air India and Qantas. After the introduction of the jetliner, new pools have been formed by several airlines operating DC-8's, Boeing 707s or Caravelles.

KLM has signed a DC-8 pool agreement with Alitalia, Japan Air Lines, PAA, SAS and Swissair. Since the DC-8 spares cost much more than, for example, those of the DC-7C (the average costs of a set of spares for the DC-8 are $87,000 per station, against $31,000 for the DC-7C), co-operation in this field is now a first essential. A provisional "spares pool" now comprises 25 stations, of which 16 are included in the KLM network. KLM only needs to keep a stock of spares at six stations and can then rely on technical assistance at all 16 airports. Reserve engines for the DC-8, which cost 1,000,000 guilders each as against 500,000 guilders for the DC-7C, also come under this pool arrangement. Together with the members of the B-707 pool, the equipment needed for the ground handling of jet aircraft is pooled at all stations, wherever possible. This also means a considerable saving on the costs, since the DC-8 requires a different and much more expensive ground equipment than conventional aircraft.

It seems likely that the co-operation will still be expanded when in 1960 more airports will be included in the DC-8 network and more airlines will fly the DC-8.

THERMAL POWER FROM GAS

The Government of India has approved the Nahorkatiya thermal power station project, under which a thermal power station, along with a network of transmission lines, will be constructed at Namrup in Assam. The power station, utilising the natural gas available from the Nahorkatiya oil-fields, will have an installed capacity of 50,400 kw., each of the three gas turbines producing 16,800 kw. of power. There will also be a provision for the addition of two similar sets at a later date. The total length of the transmission system will be 416 miles. Of this, the 66 kv. double circuit lines from the power house to Tinsukia, Golaghat via Nazira and Mariani, and 66 kv. single circuit lines from Tinsukia to Dibrugarh and from Golaghat to Bokajan will be 112 miles. For regulating the supply of power, 12 sub-stations will be established—66 sub-stations at Dibrugarh, Tinsukia, Naziira, Mariani, Golaghat and Bokajan, and 33 sub-stations at Moran, Nazira, Jorhat, Doom-duma, Digboi and Margherita.

It is estimated that the load demand on the power station will rise to 33,750 kv. by 1965. Among the industrial units requiring power in the region are the fertiliser, cement and oil plants at Namrup, Bokajan and Moran respectively. The tea estates, railways and other units, will also be supplied with power by this thermal station. The estimated cost of the project is Rs. 926.71 lakhs—Rs. 608.89 lakhs for the generating station and Rs. 317.82 lakhs for the transmission system. The work relating to the projects will start in 1960-61.

RADIO CONTROL SYSTEM IN ASSAM-BIHAR

A British firm—Murphy Radio Ltd.—is to design, supply and install a radio control system for the 800-mile oil pipeline of the Burmah Oil Company between Nahorkatiya, in Assam, and Barauni, in Bihar. The contract, which is worth slightly more than £ one million, is expected to be signed within a month. It is for telecommunications, telemetering, telecontrol and instrumental equipment for the pipeline, now under construction. The system will provide a 36-channel radio link for telephone communications, with the central control point 260 miles from Nahorkatiya, at Nunmati. Control by telemetering is handled over one speech channel, leaving 35 speech channels connecting the 26 stations along the pipeline. Control will be automatic, with instrumentation at various points to give details such as the flow of oil, temperatures, pressures, amount of oil in tanks, or information on blockages. This is transmitted on a pulse line to a central control office and flow regulated remotely.

Planning and design of the undertaking is already going on, and production of the equipment is expected to start early next year. By the end of 1961, the first stage will be completed, and the contract concluded by the end of the first quarter of 1962.

Murphy are also negotiating for the contract for X-ray inspection of the complete pipeline to detect any flaws in construction.

GIANT DIESEL LOCO

A giant diesel locomotive, TE-12, with 6,000 h.p., has been manufactured by the Malayshev plant at Kharkov, the Ukraine (U.S.S.R.). Although its capacity is 2,000 h.p. larger than the TE-3 diesel locomotive widely used in the country's railing system, it has the same weight as the latter. The new locomotive can do 120 kilometres an hour and also pull a goods train 50 per cent. heavier than the one which can be tugged by the TE-3 locomotive.

NEW PRODUCTS AND PROCESSES

Compact Grinding Machine

A HEAVY duty plunge cut cylindrical grinding machine which takes up an unusually small floor space area has been designed by a Peterborough firm of machine tool manufacturers. The grinder was specially developed for plunge grinding the outer diameters of large size precision bearing races. As the production requirement entails plunge grinding only, no table traverse is necessary though provisions are of course made for wheel reciprocation and wheel dressing. The manufacturers claim that the elimination of work-table movement, together with other design considerations, have resulted in a floor saving with this machine of approximately 33 per cent. by comparison with a conventional grinder of equivalent capacity. The machine has a 12½-inch wide grinding wheel and will grind components up to 20 in. diameter. The wheelhead assembly, which is extremely robust, incorporates a hydraulically operated mechanism to produce oscillation of the spindle. The rate of oscillation is adjustable and the length of stroke is steplessly variable between 0 and ⅜ in. The wheelhead has a 3-in. rapid withdrawal and approach motion and five inter-changeable pulleys are supplied for fitting to the 35 h.p., 1,160 r.p.m. drive motor in order that the peripheral speed of the grinding wheel can be maintained within the range 5,500 to 6,000 r.p.m. for variations in wheel diameter from 16 in. to 24 in. Operated by the customer's own two-stage sizing device, two independently adjustable feed rate controls are provided.

New Electronic Computing System

A new concept of electronic computing and data handling equipment representing a significant advance in combining the advantages of both analogue and digital computers in a single system has been developed by a U.K. firm. The new system called Radic, (Redifon Analogue-Digital Computing System) has been designed for general purpose used as a system rather than a fixed size computer. It is claimed to be the first of its kind in the world specifically developed to integrate the stability, convenient input/output equipment and extensive storage facilities of the digital machine with the speed of operation, ease of programming and low cost of the analogue. Cost of the Radic system will range from about £10,000; but it can be easily expanded if required into a large computing system costing up to £150,000. This brings the system within the reach of even the smallest company or organisation requiring a flexible computing system for carrying out complex calculations, simulation and data reduction. A major field of application will be the analysis and computation necessary for designing automatic process control equipments for various complex industrial processes such as may be found in the oil, steel, auto, aircraft, chemical and nuclear industries. Apart from the field of engineering design, Radic is likely to be extremely useful to the economist and statistician for statistical, flow-line and systems analysis and linear programming.

Long-lasting Generator

Three American engineers, Messrs. James J. Keenan, George P. Dix and Cecil O. Riggs of the Martin Company's nuclear division in Baltimore, have designed a long lasting electric generator whose heart is Strontium 90. The potentially harmful Strontium 90 is contained within tightly sealed, crash and corrosion-resistant pellets. The principle of the strontium generator is as follows: Heat produced by normal radioactive decay in about a pound of a Strontium 90 compound would be converted directly into five watts of continuous electrical energy by a series of thermo-electric elements around the fuel capsule. The unit, the engineers said, could run without maintenance or refuelling for several years.

Such a low-power, continuously working generator would be ideal to power lights, for example, on channel buoys or to furnish power for unmanned scientific stations in remote areas such as the Antarctic.

Elaborate safety precautions are incorporated in the design. The generator can withstand a plane crash or explosion without releasing its fuel. The pellets are to be surrounded by three layers of a material called Hastelloy-C, which is so corrosion-resistant that it would provide protection against sea water for centuries. The fuel compound envisioned is strontium titanate, which is virtually insoluable in water. (Strontium 90 is harmful to human beings and other living organisms only if it is absorbed in soluble form.)

Hydraulic Shipyard

A Netherlands firm manufactures 60 to 1,000 ton-pressure hydraulic presses for use in the shipbuilding industry in conjunction with an automatic travelling crane for supplying material. They are capable of pressing even large ships' plates to the correct shape. They are operated by two persons; presses of over 300 tons sometimes require a third operator on account of the heavier weight of the plates.

The equipment is provided with a high-pressure pump with an amply rated capacity, ensuring rapid operation of the press. The supply of material can be automatically adjusted from 20 cm. to 300 cm. per stroke. The stroke of the press plunger has a minimum length of 50 mm. (2") and a maximum length of 1,000 mm. In addition, when the length of stroke is not fully used the path along which the stroke travels permits of vertical adjustment. This depth adjustment which, if required, can be set to within an accuracy of 0.1 mm. may be useful when plates are pressed in several operations. The operating speed varies between a maximum of 25 and 50 strokes per minute, dependent on the size of the press. In general, the design of the press is adapted as much as possible to the work for which it is intended. The free passage between the columns can be varied between 320 cm. and 750 cm. and the length of the crane runway between 7 meters and 16 meters. The travelling crane is usually designed with two travelling crabs, one on the inlet and one on the outlet side of the press. Operation of the crabs can be combined. When the shipyard press is purchased together with the automatic crane runway the entire switchgear with stardelta switches is assembled in one housing. The control panel of press and crane operates on push buttons.

Preserving Wood

A further development of the polyethylene glycol method of conserving wooden objects retrieved from the sea has been evolved by Swedish scientists for the preservation of the sculptural treasures from "Wasa," the seventeenth-century Swedish man-of-war now being salvaged in the Port of Stockholm. With previously used methods it was only possible to preserve the outer layers of the wood. However, owing to special conditions in the water of the port of Stockholm the inner core of the wood is entirely undecayed; only an exterior layer of 5-15 mm. is affected by the water, which makes the core shrink and deteriorate when conventional methods are used. This is caused in some cases the top layer to peel off. The new method consists of a long-term treatment of the objects. After they have been cleaned they are immersed in a 30 per cent. solution of glycol in water with an additional anti-rot chemical, pentachlorphenol of sodium. After 30 days in this solution the objects are immersed in a 100 per cent. solution of polythene glycol. Thereafter they are enclosed in plastics, with only a small aperture for slow drying. Tests are made at regular intervals in order to determine the correct amount of humidity. The preservation of the ship itself will present further difficulties, as it cannot be immersed in chemicals in its entirety. Experiments are going on at the Swedish Wood Research Institute and the scientists believe that they will master this problem also.

Coil-free Stretchable Wire

A new stretchable wire made in the U.S. is now available to carry electricity to reciprocating parts of machinery. Unlike wires which depend on being coiled for their stretching ability, this one is claimed to be straight even when not under tension. Basically, the wire has a rubber or rubber-like core, with a conductor of copper-and-cadmium wires braided around it. The insulation is braided nylon. Braid has the ability to stretch by reducing its own diameter, with the rubber core returning it to normal diameter and length when tension is relaxed. The wire is available with either single or multiple (up to six) conductors. The elongation is 300 per cent. and samples have shown a life of 100,000 stretch-and-relax cycles. Resistance of commercial types ranges from two-tenths to four ohms per foot.

Cream from Vegetable Oil

Many physicians have removed cream from the diets of certain of their patients. This is because medical investigators have suggested a relationship between atherosclerosis—and resultant heart disease—and the amount of cholesterol in the blood. Foods high in animal fats, such as cream, have been thought by some investigators to interfere with the normal methods by which the body handles cholesterol. Thus, the result would be abnormal deposits of cholesterol-containing substances on the walls of blood vessels. However, diets high in vegetable oils tend to enhance normal means of handling blood cholesterol.

These persons on an animal-fat-free diet have been able to substitute non-fat milk for whole milk and vegetable-oil margarine for butter. But cream has remained forbidden, and no facsimile without animal fat has been available.

Looking to margarine as a successful example, food chemists J. P. Nielsen and R. D. Mathews of the Stanford Research Institute, reasoned that vegetable oils could be used to make a cream substitute. Under sponsorship of the California Fruit Concentrate Company of San Jose, they overcame the technological difficulties and produced an unsaturated vegetable-oil cream comparable in nutrition and physical properties to the natural product. The cream is a canned, sterilised product processed in a manner similar to canned milk. An evaluation panel tasted and pronounced the flavour of vegetable-oil cream to be very similar to that from the cow.

The project's sponsor is now setting up a pilot plant operation to determine the problems of producing the new cream commercially. If the process proves feasible, Nielsen and Mathews suggest that dieting persons can use the product in coffee and on cereals, fruits, and desserts. Moreover, it can be used to fortify non-fat milks, giving the flavour of whole milk.

Plastic Films and Soaps

Two interesting chemical processes have been developed at Stanford Research Institute for Tallow Research, Inc. Plastic films have been prepared from certain fatty monomers and vinyl chloride and vinyl acetate. The films have excellent clarity, good low temperature characteristics, and high tensile strength. One particular polymer prepared has properties that may make it suitable for packaging or accoustical uses. An inexpensive process has been developed to convert a component of animal fat into isooleic acids, which in turn may be used to make soaps. Soaps prepared from isooleic acid have two- to three-fold greater detergency than conventional soaps. Moreover, the newer soaps are in the form of free-flowing crystalline powders.

Transistor Ignition System for Cars

Transistor ignition systems are planned for American automobiles within the next few years. Patents have already been issued to a General Motors employee for such a system but further development work has still to be done. The new system will provide a "hotter" spark, of the order of 30,000 volts compared to the present 17,000. The system will work by building up voltages in an oscillating circuit, using transistors instead of electronic valves and eliminating the present high-tension transformers and magnetos.

THE TATA POWER COMPANY LTD.

SALES LARGER—PLANNING FOR MORE POWER BEYOND 1965 UNDERTAKEN

STATEMENT BY CHAIRMAN, MR. J. D. CHOKSI

IN his statement to the shareholders of the Tata Power Company, Ltd., circulated along with the annual report and accounts for the year ended 31st March 1960, the Chairman, Mr. J. D. Choksi, has referred to the fact that this is the golden jubilee year of the Tata Hydro-Electric Power Supply Company, Ltd., the oldest of the three Tata power supply companies. He has also discussed the demand for power beyond 1965. The Company's engineers have undertaken a study of the planning for additional power beyond that date. He states that some additional power could be obtained through a small hydro plant outside Bhira and an additional machine at the Bhira power station on the completion of the new tunnel. But this will add very little to the present capacity. He adds: "We are, therefore, left with the posibility of considering further thermal expansion at Trombay."

The following is the text of Mr. Choksi's statement:

"TO THE MEMBERS,

"This is the jubilee year of the Tata Hydro-Electric Power Supply Company Limited, the oldest of the three Tata Power supply companies. It was incorporated on 7th November 1910, and will be fifty years of age in November of this year. The Tata Hydro-Electric system occupies a unique place in the family of Tata enterprises. It is one of the three great projects, to the planning and development of which the founder gave so much of the last years of his life. When the late Mr. Jamsetji Tata, who might aptly be described as the 'Founder of Industrial India,' first conceived the idea, in the nineties of the last century, of harnessing the rain water of the monsoons on the Western Ghats, the idea was unique, because although river valley projects had been developed in other countries, it was perhaps the first large-scale project for directly conserving rain water. After extensive preliminary investigation, the plan took final shape some years after the founder's death. A licence for generating electricity was applied for and obtained in the year 1907 and the enterprise took shape with the promotion of the Tata Hydro-Electric Power Supply Company. The Company's power station at Khopoli started with five machines each of 8,000 kilowatts, or a total installed capacity of 40 megawatts.

Expansion

"Later, the two sister companies were promoted—first Andhra in August 1916 and then Power in September 1919—and in spite of passing through many vicissitudes, the three undertakings, operating as an integrated system, have continuously expanded and have, throughout, provided a high quality of service noted for its continuity and efficiency. Add to this the low cost of supply, as our rates consistently have been among the lowest in India and comparable with the lowest standard rates obtainable in other countries, and the Tata electric group can, I think with justice, claim that it has well and truly served the people of Bombay and the other areas over which our licences extend. Today, the installed capacity of the group, inclusive of thermal power, exceeds 470 megawatts.

"Although the jubilee to be commemorated in November 1960 is that of the Hydro Company, it is also that of the Tata electric system as a whole. The other two sister companies have, therefore, agreed to take their place as co-equal members of the Tata electric group in the commemorative action that is proposed. The Directors of the three Companies propose to celebrate the jubilee in a threefold manner: first, to institute a Foundation of Rs. 1 lakh (to be contributed in the usual proportions by the three Companies) from which to finance scholarships for research on problems connected with electric power. The money will be paid to the Indian Institute of Science at Bangalore—another of J. N. Tata's great schemes—as an endowment for this purpose. Second, to give to each one of the employees of the three Companies, without consideration of rank and status, a Government of India Prize Bond worth Rs. 100. The total cost on this account will also be shared proportionately by the three Companies. If anyone of the staff who receives a Prize Bond is fortunate to win a prize, as I hope will be the case, he will have occasion to remember this jubilee always. These payments will be made during the year 1960-61.

"Third, although the jubilee may be considered to fall perhaps more appropriately within the accounts year 1960-61, your Directors have decided that, as it occurs in the calendar year 1960, the jubilee bonus on dividends should be paid this year out of the profits for 1959-60. Quantitatively, an extra ½ per cent. dividend might appear somewhat small, but as you will see from the statement of accounts in the annual report, it represents a fair contribution from the profits of the Company, and I trust that our dividend proposals will have your approval.

Larger Sales

"The year 1959-60 registers in the case of all three Companies larger energy sales, and therefore larger profits, except in the case of the Tata Hydro Company, where the increase in revenue from power supply is more than offset by the additional tax provision, which is relatively higher because there was no unabsorbed development rebate carried forward from previous years, as was the case with each of the other two Companies.

"While the financial position of the Companies was sustained satisfactorily, the capital base increased and activities and revenues considerably expanded, the market value of the shares of the three Companies registered a substantial fall during the year. In the case of Andhra, the price of the ordinary shares actually went below par, a thing which had not happened for nearly twenty-five years in the history of our group's shares which once stood at a considerable premium and were universally regarded on a par with gilt-edged securities.

"Considering the buoyant tone of the share market as a whole, the drop in the value of our three Companies' shares, clearly reflects the loss of confidence in these scrips which has resulted from the stringent limitation in profits and other restrictions imposed upon public utilities by the Electricity (Supply) Act and, more recently, from the introduction of the tax on dividends under the Finance Act 1959.

Industry's Claims

"I explained at some length in my statement last year the adverse effect of this unfortunate innovation on the reasonable return allowed to our Companies. The Federation of Electricity Undertakings has continued to press the claims of the industry for an improvement in the permissible return on the capital base, either by permitting the tax on dividends to be regarded as legitimate expenditure for calculating the reasonable return and clear profits or by increasing the standard rate of return. While we have been assured of sympathetic consideration there is yet no indication of Government's decision on these representations.

"I mentioned last year that the manufacturers of the turbine-generators installed at Trombay were about to undertake certain modifications to the first two turbines. I am glad to say that this work has been completed. No. 1 turbine-generator has been proved to fulfil the contracted guarantees; tests on the second machine will be conducted shortly.

"New Unit No. 3 has now gone into operation within three months of the target date. Its boiler is designed to burn coal in addition to refinery fuel. The unit was started on refinery fuel, but will soon be switched over to coal firing. Coal comes to us from the Pench Valley areas, and we have reached satisfactory arrangements with the railways for regular supplies. In addition, suitable reserves of coal will be stacked in our yard.

"During the months March to June, when No. 2 unit was out of commission for major modifications, and No. 3 had not started, we had to lean rather heavily upon the railway's power station at Chola to meet load demands. I would like to thank the railway authorities for the fine manner in which they co-operated with us. Despite this, there were a few days on which, owing to the demand being almost equal to available capacity, frequency differences and a drop in voltage occurred, causing some inconvenience to the public, which I much regret. On one day alone, however, throughout that critical period did we have to drop load to the extent of about 20 MW.

"With three units at Trombay now, the total installed capacity of the Tata system exceeds 470 MW.; including Chola, the installed capacity of the Tata-cum-Railway system is nearly 600 MW. We are, therefore, in a position to meet a maximum system demand of about 500 MW. against the present maximum of 442, but the growth in demand and energy requirements continues to increase at the cumulative rate of about 8 per cent. per year. For the immediate future, we may expect some additional power from Koyna. According to Government plans, the first 60 MW. set at Koyna is expected to go into commercial operation during the latter part of 1961; thereafter, at six-monthly intervals, the second, third and fourth sets of 60 MW. each will be brought into service. By the middle of 1963, therefore, when the first stage of Koyna development is completed, we will be assured of 115 MW. of additional power from this source, the balance being required to meet other local commitments.

"The second stage of Koyna development, rated to yield another 240 MW. may be carried out between 1963 and 1965. However, with the inter-State agreement limiting the diversion of water from the Krishna river basin, the limited capacity of the transmission lines connecting Koyna with our system and the reservation of a substantial amount of power required for use in the Southern Maharashtra region, our system can expect to receive no more than 250 MW. altogether from Koyna. If Government's plans for the second stage of Koyna go through, we will have by 1965 on the Tata-Koyna-Railway inter-connected grid a firm load-carrying-capability of about 700 MW.

Future Demand

"Studies made by our engineers indicate that the system peak demand will also have grown to about the firm capacity of this inter-connected grid by the end of 1965. What after that? Planning for additional power beyond 1965 has commenced. Two alternatives are being considered: (*a*) Nuclear power plants, and (*b*) hydro-cum-thermal development. All of us have heard of the Central Government's intention to set up a nuclear power plant of 300 MW. capacity at some suitable location some miles north of Bombay. This plant, we are told, will be inter-connected with Surat and Ahmedabad in the north and our system and Koyna in the south. An inter-connected grid such as this extending over many hundreds of miles, with power stations with varying capacities of generating units from 10 MW. to 150 MW. will create many intricate and difficult technical problems. Our engineers are studying the possible repercussions on our system. We believe, that the commercial operation of a project of this type, dimension and complexity, will take more than five years to materialise. It might, therefore, be more prudent to plan some further power development within our own area, independent of the Central Government's poject. If necessary at a later stage, these plans could be co-ordinated with the Government project.

"We are in close touch with the Government of Maharashtra and its State Electricity Board, whom we shall consult in planning further expansion to our system beyond 1965. Development of hydel power on our system, of necessity will be restricted. Perhaps, a small hydro plant could be installed on the tail race waters outside Bhira on the Kundalika river. This will give additional peaking assistance, but will not, to any substantial extent, meet the demand for additional power beyond 1965. Similarly, on the completion of the new tunnel at Bhira, an additional machine could be installed at the Bhira power station, but even that will add very little to the system capacity. We are, therefore, left with the possibility of considering further thermal expansion at Trombay.

"May I, in conclusion, on behalf of the shareholders, the Board, and myself, express our thanks to all employees of the Company who have served us so well during the year."

J. D. CHOKSI,
Chairman.

11th July, 1960.

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CHICAGO PLAN OF CREDIT CONTROL

WILL IT WORK IN INDIA?

By Prof. R. K. Amin

HEAD OF DEPARTMENT OF ECONOMICS, SARDAR VALLABHBHAI VIDYAPEETH

THE Reserve Bank of India announced several measures for credit control on Friday, 11th March 1960. One of them was for impounding with the Reserve Bank of India 25 per cent. of the additional deposits with the banking system; the percentage was subsequently raised to fifty. Other measures were of the conventional type. The action of impounding a part of the additional deposits is an unconventional step and is remarkable for a variety of reasons. First, the Reserve Bank of India has not made use of such a weapon in the past. It is entirely a new technique, with which the Bank has had no previous experience. Secondly, the acceptance of a measure of this type opens the possibility of introducing, as a whole or in a modified form, the system known as 100 per cent. reserve or otherwise known as Chicago Plan. And, thirdly, although apparently a move which is to be welcomed, it will create problems in its train, which may lead to undesirable consequences of various kinds, if it is operated as the Chicago Plan.

It is true that the system known as T.D.R. which was introduced in Britain during the Second World War was somewhat of this type, but it was never considered desirable to continue the system after the war was over (*The Economist*, 26th March 1960, p. 1234). In what way then, will a measure of this type lead to the introduction of the Chicago Plan in India? And in what way will a reform in the form of 100 per cent. reserve or in its modified form, lead to undesirable consequences? Will this measure serve its purpose of checking inflation or of reducing the substantial liquidity of the banking system?

Cent Per Cent Reserve

It is, no doubt, very tempting to recommend a scheme similar to the Chicago Plan in India, especially to facilitate the adoption of deficit financing as a technique of raising budgetary resources for plan investment. At present, during the second Five-year Plan, the extent of deficit financing has been of the order of Rs. 1,200 crores and about the same amount has also been raised from external sources, while the loans and taxes may be of smaller amounts than these. In the third Five-year Plan, it is proposed to invest Rs. 7,250 crores in the public sector alone. Although the share of deficit financing is placed at only Rs. 550 crores, in actual practice it may turn out to be much larger, as the Government may find it difficult to raise resources through market loans, small savings and taxation to the extent estimated by the planners. Is it not then desirable to try to minimise the inflationary effects of deficit financing as far as possible? Why should the Government not exercise its authority for creating money entirely by itself instead of sharing this privilege with commercial banks? Why should it not ask commercial banks to keep 100 per cent. reserve, especially against the part of their total liabilities which is to be looked upon as created money? It may be that the Government may ask the banks to keep 100 per cent. reserve against additions to demand liabilities accruing after a particular date or a part of the total liabilities, which may include demand, time and saving deposits. Or else, the Government may begin, in the first instance, with 25 per cent. of the additional liabilities to be kept as reserve on which some interest may be paid, which later on may be altered in the form of higher percentages of reserves to be kept on additional liabilities without interest charges. If these developments take place, it will certainly be the introduction of Chicago Plan in the country, with all its desirable or undesirable consequences.

What is the scheme of 100 per cent. reserve? What are its essentials? Why is it called Chicago Plan? How will it work in India if the scheme is introduced? Is it a feasible proposal? Will there be any undesirable developments from such a move? These are some of the questions which need to be examined.

The proposal for 100 per cent. reserve is as old as the development of the banking system. The origin of this expedient can be traced to the practice of keeping 100 per cent. reserves by the goldsmiths in the sixteenth and seventeenth centuries when there were hardly any monetary troubles of the type which we face now. The moment these goldsmiths started creating money by allowing their deposit receipts to circulate as if they were gold coins or money, monetary troubles in the form of excess in the circulation of money began. The question of keeping such credit creation or monetisation of private credit within limits was faced by various thinkers and financiers from time to time but no widely acceptable answer has been found so far. One remedy suggested then was to keep the power of issuing currency as a monopoly of the Central Bank or of the Government.

But even then when the State or the Central Bank were given the monopoly of issuing currency, the power of creating of credit remained, in a large measure, with the commercial banks. The proposal of 100 per cent. reserve is intended to prevent such creation of credit by the commercial banks by asking them to keep 100 per cent. reserve against their checking deposits. This proposal is also known as Chicago Plan, since a group of economists in Chicago put forth, in 1934, a concrete scheme embodying this idea for the reform of the banking system in the U.S.

How will the scheme of 100 per cent. reserve work? The scheme means primarily that the entire creation of money will be done by the monetary authorities (that is, the Government and the Central Bank). The commercial banks will be asked to keep 100 per cent. reserve against their checking deposits and thus, although both types of money, currency and bank deposits, may remain in existence, the total quantity of money may be only what there would be if there were one type of money, i.e., currency only, and the commercial banks' deposits may be used only in so far as their use offers distinct advantages over the use of currency.

Anti-inflationary

Perhaps, the working of the commercial banks may be divided into two departments, one for checking deposits against which 100 per cent. reserve will be kept, in which case the banks act as warehouses for money, and the other for savings deposits where the banks may act as investment trusts. Perhaps, the commercial banks may collect some charges from the depositors for providing them the convenience of checking deposits for which the banks at present impose no charge. Thus, there may remain commercial banks without the banking functions; they will not influence the pattern of investment by making loans to some individuals and for particular industries. Nor will they influence the investment by providing more resources than what the public may have decided to invest on its own initiative. The advantage to the Government will be that there will be a reduction in the National Debt, since the commercial banks, in order to raise the necessary balances, may sell their Government securities to the Reserve Bank. In that case, recourse to deficit financing can be taken up without inflationary consequences.

But, a scheme of this type will be acceptable, only if the difficulties in its implementation are very few and unimportant and would not create other problems which are absent in the present system of monetary controls. Broadly speaking, there are four kinds of difficulties in introducing the 100 per cent. reserve system in India. They are: (*a*) The transition itself would probably induce fluctuations in the demand for money which might be difficult to manage without avoiding dangerous fluctuations in prices and output. (*b*) It may be that, in view of the great importance of banks as a component of the capital market, it may not be possible to effect this transition without radical disturbances. (*c*) There may be a danger, in the process of making checking deposits more manageable, of driving business to other and less manageable methods of payments. And (*d*) the transition may leave the institutions succeeding to the non-monetary functions of the banks dangerously weak.

The acceptance of banking deposits by the public as money was not intended by the State: it took place, because it was convenient to the banks as well as to the public. If the banks were compelled to become warehouses for money—without banking functions—the cost of keeping accounts and clearing of cheques would be too high. The banks would then be compelled to impose high charges for these services and as the public would like to avoid such high charges if they could, they would co-operate with the commercial banks to evolve a system to evade the law. They may in that case use private debts of the third party or may allow the savings deposits to act as though they were time deposits. Somehow or other, a money substitute would be invented, and, as both the parties would be willing to use such substitutes, the State could not prevent such a development. The distinction in that case between demand, time and savings deposits would not remain as at present and, if it remained, it would have no meaning.

If, eventually, these money substitutes act as money, the whole purpose of the system of 100 per cent. reserve will be thwarted. The State will then have to devise ways and means to control these money substitutes, and, in that case, the banks may be given a subsidy which may be equal to the rates of interest paid on the Government securities which are held by the banks as statutory reserves. Then the amount of reserves to be kept would depend on how much subsidy the Government would like to give. If the subsidy is paid, there is no difference between the present system and the proposed system.

Leap in the Dark

One more difficulty which the Government would encounter in implementing this scheme is that the bankers not only create money, but also influence the direction of investment. Still, in the Indian banking system, there is an investment amounting to about Rs. 900 crores of advances and about Rs. 750 crores of investment for which the bankers are really taking a risk. In the 100 per cent. reserve system, either this function of banking will be stopped, or some other institution will have to be created to perform it. If this function is stopped, it will be a great handicap to the operation of a competitive economy and, if it is continued, it would either be performed by the Government or by some other institution. If the Government conducts this business of making loans, it would lead to a detailed Government interference and nationalisation of banking and, if it is done through some other institution, the latter would be very weak as it would have no support of liquid assets. Shall we then take the risk of so detailed a Government interference and, ultimately, nationalisation of banking, or shall we face the evolution of the new institution which may be very weak and whose nature we do not know? Will it not be, in both the cases, a leap in the dark?

One other difficulty which the scheme will have to face is of a permanent nature. Suppose that the difficulties of the transition are met and we could face any possible fluctuation in the demand for money and thus avoid price and output changes? Suppose again that we could introduce the scheme in such a way that no money substitutes were created and the Government managed to distribute the loans which the banks make today in a way which satisfied most of the people? Suppose that there was no trouble in the capital market and the depositors accepted the higher cost of banking services willingly? Even then, the question of determining the amount of money will remain. The Government at present makes the changes in the total supply of money by changing a small amount of notes, because the superstructure of credit has already been evolved by the present banking system which leads to further creation of money. But, in the 100 per cent. reserve system, the Government will have to introduce big changes in the quantity of money in order to counteract the changes in the velocity of money and this might lead to greater interference by Government in the economy than is possible at present.

Further, on what basis should the total quantity of money be fixed? That is a big question which any Government will have to face in the proposed scheme. In the present system, we can proceed by trial and error; small changes are made in the quantity of money and we watch how the other variables in the economy behave; we need not bother about the question of determining the ideal quantity of money, since the changes in liquidity position act as a cushion. But, in the 100 per cent reserve system, we shall be more concerned with the problem of ideal amount of money and at this stage, there is no agreement among experts as to how we can determine the ideal quantity of money. Even the suggestion to stabilise the price level is not feasible, since there are various difficult questions arising from the problem of index number. Nor do we know the underlying principles for variation in the velocity of the quantity of money. In short, the mechanism of introducing the 100 per cent. reserve system will prove so clumsy and will involve so many changes of an unpredictable nature in our economy that it is not desirable to take the risk which such changes involve.

Even apart from these difficulties, there are no good grounds for hoping that any definite rule of action would help to reduce the intensity of expectations. On the other hand, the very existence of discretionary authority with the Central Bank and the feeling of uncertainty with regard to monetary policy might help a great deal to keep the expectations of the public within manageable limits. The case in point is the behaviour of the Bank of England as against that of the Federal Reserve System. Very few documents are published by the Bank of England. Its annual reports are not worth reading. Its policy is kept more or less in secret; on the other hand, there are massive publications and voluminous reports by the Federal Reserve System and yet the Bank of England could manage its affairs more successfully than the Federal Reserve Bank. Perhaps "Do's and Don't's for Central Banks" are not desirable.[1]

Risks

Thus, the introduction of 100 per cent. reserve system would lead to many authoritarian trends which might kill the possibility of maintaining a competitive economy. The Government would have to fix arbitrarily the price index; it shall have to decide the timing of the action, and, ultimately, the scale of necessary operations would be so great as to compel the Government to encroach upon many economic activities. If the present function of making advances is taken up by the Government, then there would be large scope for arbitrary lending of money and, if new institutions to circulate money substitutes are allowed to crop up, they would be of unknown nature and character and might introduce unreliable and uncertain elements in the economy. The elements of certainty brought in the monetary policy in this manner are not at all an effective remedy for the spectacular changes in expectations, and there is very little in monetary policy as such to assure us that it could do the trick by itself. We may not be prepared to face all these difficulties and plunge into an unknown sphere while we are confident of being able to manage our affairs more or less satisfactorily by introducing reforms here and there in the present system and by keeping its basic nature intact.

It is, therefore, very necessary to prevent such undesirable tendencies from developing in this country. The measure for impounding 50 per cent. of additional deposits is of this type and there are chances of its developing on the lines of a 100 per cent. reserve. Since, however, the Reserve Bank has agreed to pay interest on special deposits, one can consider the system as equal to the T.D.R., which has its use as a temporary measure. If that is so, there is not much objection.

If there are no possibilities of the present measure developing towards hundred per cent. reserve and if the Reserve Bank continues to pay interest on special deposits, the Government would achieve nothing substantial. The credit which would have been increased upto Rs. 100 crores ordinarily would now increase upto Rs. 125 crores or so and about Rs. 25 crores more may be put as reserve in the Reserve Bank by depleting the investment portfolio or liquid assets.[2] The behaviour of advances will, however, remain unaffected, since interest charges are paid on this reserve and the banks need not charge higher interest rates on their advances. If the Reserve Bank were not to pay any interest on special deposits, there might be some increase in the rates of interest on advances, but, in that case, the raising of the Bank Rate would have served the purpose more directly and without any complications. Moreover, the use of Bank Rate weapon would have an additional advantage, in that it would produce certain desirable psychological effects which a measure of this type would not. The Radcliffe Report, too, leads to a similar conclusion.

Care should, therefore, be taken in wielding the weapon of special deposits in India. The banks do not keep a stable cash ratio; it varies from place to place and from season to season. Nor do they follow any conventional rule in regard to the size of their investment portfolio. The proportion of their various assets to deposits also varies within very wide limits. Nor is there a rigid adherence of any rule in regard to classification of deposits into the categories of demand, time and saving; the distinction between time and savings deposits is not at all clear. In these circumstances, a measure similar to the Chicago Plan will be easily evaded by the commercial banks.

[1] See D. H. Robertson, *Lectures on Economic Principles*, Vol. III, p. 160.

[2] It is interesting to read the following few lines published in the *Economist*, 26th March 1960 (air edition), page 1235, on the subject of special deposits.

"Asked early in 1959 what they (*the commercial bankers*)—italics mine—would do in the event of a call to special deposits, the representatives of the clearing bankers replied immediately that they would tighten their lending. The bankers were reminded that a year before they had said that *their first response to pressure in liquidity was to unload gilt-edged investments.*"

INDIAN COPPER CORPORATION LIMITED

PRODUCTION OF ELECTROLYTIC COPPER TO COMMENCE BY THE END OF 1962

ADDRESS OF CHAIRMAN, MR. PATRICK E. G. W. PARISH

THE Annual General Meeting of the Indian Copper Corporation Ltd. was held at Calcutta on 27th July 1960. Addressing the meeting, Mr. Patrick E.G.W. Parish, O.B.E., Chairman of the Company, stated that the steady increase in production in recent years would be kept up through further development of the Company's mine and that a beginning had already been made in regard to the implementation of the scheme for producing electrolytic copper and wire bar. The following is the full text of Mr. Parish's address:

"GENTLEMEN,

"Your Directors' report and the accounts for the year ended 31st December 1959 have been in your hands for some time. I once again welcome this opportunity to give you a short outline and some further information on the results of the working of your Company during the year, together with some comments concerning copper prices which are of interest and affect your Company's working results.

General Review

"It is a fact that, if all copper mines throughout the world worked to capacity, production would exceed current consumption. In that event, prices would be bound to fall. During the year 1959, however, strikes took place in various mines, especially in America, with the result that production was curtailed, world stocks were reduced and a consequent rise in price took place.

"For the first ten months of the year, the average London Metal Exchange price for this metal fluctuated within small limits around £230 per ton, and thereafter steadily increased to a maximum figure of £255 per ton in December. There were further increases in price for the first few months of this year, followed by a small decline, but at present the price appears to be steady around £255 per ton.

"As regards the future, it would seem that, if settled conditions return, stocks will increase and prices are likely to fall, unless some of the world's larger producers voluntarily agree to restrict output.

Working Review

"Your Company's production of fire-refined copper during 1959, but for an unfortunate breakdown in the smelter during December necessitating the annual shutdown for repairs a month early, should have been another record. However, it is expected that the shortfall of 1959 will be made good during this year, provided there are no other unforeseen setbacks.

"Copper consumption in India at present is about 50,000 tons per annum against which your Company, the only indigenous mine, produces about 8,000 tons. Naturally, the price at which our copper is sold is linked to the price of imported metal.

"The more copper we can produce the less foreign exchange will be required for imported metal. The steady increase in production during recent years is planned to continue in line with the further development of the mine. This will obviously require considerable further capital expenditure which will have to be met in the years ahead. In particular, a new crushing plant, smelter and a small concentration plant will shortly be required to deal with the increased ore output and these items alone will cost something in the neighbourhood of £1 million.

"Prospecting throughout our leasehold continues, but results so far cannot be regarded as particularly favourable and do not at present indicate that any major deposits which might be equal in size to your Mosaboni and Badia Mines are available. These prospecting operations have been intensified over recent years; it is premature to forecast what final results will eventually be obtained.

"Ore reserves have again increased from 4,034,147 short tons to 4,203,547 short tons, despite the decrease of 35,793 short tons in Badia section. This has been achieved by concentrating on development at depth in the Mosaboni Mine and on development of the new small mine—Surda.

"The satisfactory final results for 1959 are directly attributable to the increased selling prices. As I predicted last year, the working costs have increased due to the necessity of mining at greater depths. There has also been a further increase in these costs, as a result of lower production and heavy maintenance charges.

"Once again, I am pleased to inform you that, during 1959, relations with the employees remained satisfactory. The three-year agreement with the mines and works unions is at present under review and negotiations are taking place between the management and the unions to try to arrive at a new settlement.

Kyanite

"The demand for our raw material in world markets continues to be satisfactory, despite the increased consumption of synthetics and competition from other sources. New world markets are being sought and there are hopeful signs that, provided prices can be kept at competitive levels, it may be possible to recapture certain established markets, particularly in America. Our exports to the U.S.A. last year amounted to approximately 20 per cent. of all our exports.

"At the moment, I have nothing further to report concerning the suits in regard to your Company's kyanite leases, as they are *sub-judice* in the Supreme Court.

Electrolytic Project

"All matters appertaining to the electrolytic project for the installation of a refinery and foundry for the manufacture of electrolytic copper and wire bar have been finalised, and I am pleased to report that a start has already been made to implement the scheme. The proposal is to utilise some or all of the Company's production of copper supplemented, if required, by the importation of blister copper for the refinery. At the same time, the production of rolled copper and brass sheets will be continued as in the past. The target date to commence production of electrolytic copper is the end of 1962.

Accounts

"The profit for the year, before providing for taxation, depreciation and reserves amounts to £1,202,259. Your Directors have decided to place £175,000 to depreciation and £125,000 to general reserve. Income-tax and super-tax on profits for the year amount to £439,949.

"Your Directors recommend a dividend of 27 per cent., subject to deduction of tax, which gives a slightly higher nett yield than the dividend of 18 per cent., free of tax, paid in the previous year. You are no doubt aware that, under the Income-tax laws, dividends now have to be declared subject to deduction of tax. With these proposals, £107,121 will be carried forward.

Staff

"I think you will agree that we have had another satisfactory year and I am sure that I speak for you all in extending our thanks to the General Manager, Mr. N. A. B. Hill, to the staff both at the mine and at the works, and to the workers, all of whom have contributed to the results during 1959."

NUTRITIONAL LEVEL AND PATTERN OF CONSUMPTION

By R. Dayal

AS a result of rapid increase in population on the one hand and lack of organised effort, under foreign rule, to step up production on the other, the dietary and nutritional status of the average Indian gradually deteriorated during the first half of the current century. The country now faces, despite considerable improvement in recent years, the twin problems of under-nutrition and mal-nutrition. The calorific value of the average Indian diet is at present around 2,400 per adult per day, as against a level of more than 3,000 (gross) recommended by nutrition experts (Nutrition Advisory Committee) in the country. Even allowing for the fact that human beings in a hot climate need less calories than those in a cold climate, the level of nutrition in India is considerably lower than that in countries like the United States, Canada, U.K., Norway, Australia, New Zealand, Japan, Egypt, etc. The protein content of the average diet in India is also about one-third short of the requirements laid down by biochemists in the light of Indian conditions.

Apart from deficiency, the average diet in India also reflects lack of balance. It is highly lopsided towards cereals, which account for about two-thirds of its total calorific value and a somewhat smaller proportion of its total protein content. This may be compared with the average diet in the United States, to which cereals contribute about one-fourth of calories and about one-sixth of proteins. The deficiency of the Indian diet is centred more on foods of animal origin, which contain proteins of high biological value, and on fruits and vegetables. The actual availability of milk for human consumption is about one-half of the quantity prescribed for the standard diet suggested by experts after taking into account the vegetarian diet of approximately 70 per cent. of the Indian people. Similarly, the availability of meat, fish and eggs is about one-tenth of the recommended level. In the case of fruits and vegetables also, the gap between availability and requirements is acute. An important item of the Indian dietary consists of pulses which are rich in proteins and are regarded as "vegetarians' meat."

A comparison of the dietary pattern in India with that in many important countries of the world shows that India is in an unfavourable position in regard to all items except cereals and pulses.

Just as cereals constitute the most important item in Indian diet, rice is the most important item among cereals. Of the average consumption of cereals, about one-half is represented by rice, about one-sixth by wheat and the remaining one-third by millets.

The level and pattern of food consumption in India differ considerably from region to region and between rural and urban people generally, in view of the variations in the stages of economic development, climate, topography, cropping practices, and traditional habits and customs. Generally speaking, the consumption of foodgrains in rural areas is larger than in urban areas. In regard to other items, however, the differential between urban and rural consumption is not so much as in the case of foodgrains. Certain parts of the country depend mainly on rice, while in others the staple cereal is either wheat or one or more of the millets. People in the wheat-eating areas have generally better physique than in the rice-eating areas. This may partly be due to the fact that wheat, known as the "king of cereals," has greater protein content and is useful as a body-builder.

Recent Improvements in Diet

While the problem of insufficient and faulty diet persists, there has nevertheless been considerable improvement in the past decade since the commencement of India's first Five-year Plan in 1950-51. The earlier trend of diminishing *per capita* consumption due to population growth in the face of stagnant agriculture was reversed with the launching of the integrated programme for agricultural development under the first Five-year Plan, and food supply increased more rapidly than population, so that the quantity of food available *per capita* showed a considerable increase. During the period of the first Five-year Plan, as against the population growth of about 8 per cent., the availability of cereals for consumption increased by about 12 per cent., of pulses by about 16 per cent., milk by more than 20 per cent., meat, fish and eggs by about 25 per cent., sugar (all types including cane used for chewing and juice-making) by about 7 per cent., and vegetable oils by about 12 per cent. The calorific intake per adult per day increased by about 8 per cent. and protein intake by about 12 per cent. In addition to progress towards a higher level of consumption, there was also some improvement in the quality of the average diet but the achievement in this direction was relatively small.

During the first three years of the second Plan, further progress was achieved in the level of nutrition. Population during these three years is estimated to have gone up by about 8 per cent. as against which availability of cereals for consumption increased by about 13 per cent., of pulses by about 13 per cent., vegetable oils by about 5 per cent. and sugar by about 21 per cent. Survey estimates for other items of food are not yet available. But, on the basis of certain guess estimates for these items, the level of nutrition of an average Indian during the first three years of the second Plan has risen by about 6 per cent. over and above the progress achieved in the first Five-year Plan.

Food Habits

The qualitative and quantitative improvement in food supply is matched by twofold development on the demand side. Firstly, the overall demand for food is increasing rapidly, as a result of population growth and higher incomes of the people generated by economic development. Secondly, with the improvement in the people's incomes, their food habits are also undergoing a change. The growing urbanisation and the better contacts between urban and rural people are leading to the spread of urban food habits to rural areas. The combined effect of higher incomes and urbanisation is that those who have been living mainly or partly on root crops or millets are tending to shift towards superior foodgrains, namely, rice, wheat and pulses, and those living on superior foodgrains are tending to increase the proportion of foods like milk, meat, eggs, fruits and vegetables in their diets. There is also an increasing demand for more processed or out-of-home foods.

However, these changes in dietary habits take place gradually and at the margin. In the nature of things, no widespread and wholesale transformation can take place immediately. There are a number of dominant factors such as long-established cultural heritage, social and religious preferences, level of education of the consumers, etc., which determine the prevailing food habits in the country. While food habits of the Indian people are not static and are subject to changes corresponding to changes in the environmental factors, the pace of change in these matters, which are inextricably bound up with cultural heritage, social preferences and prejudices, etc., is necessarily gradual. It has been observed that, while the shift from millets to superior cereals is gradually taking place over a period of time, bulk of the millet eaters at any particular time continue to demand millets even if superior cereals have considerable price advantage.

The scope for shift from cereals to high protein and protective foods is mainly limited by the expensive nature of those foods. For instance, calories obtained from milk cost five times as much as those derived from cereals. Similarly, milk proteins are twice as expensive as cereal proteins. Meat, eggs, fruits and vegetables are still more expensive in terms of calories and proteins. Of course, the energy and proteins provided by these protective foods are much superior to those of cereals and, moreover, those foods provide additional nutrients which are not contained in cereals. Nevertheless, the fact remains that, in view of the several times more expensive character of protective foods, no sudden or drastic shift from cereals to these foods is feasible. The cost of balanced diet, including protective foods in quantities recommended by nutrition experts, would, at present prices, come to about Rs. 30 *per capita* per month. As against this, the *per capita* income at current prices is about Rs. 25 per month. Thus, even if the entire income of an average Indian is spent on food, he will be able to afford only four-fifths of the balanced diet. A large proportion of the population has *per capita* income much below the national average. In view of the low incomes of the people, the average Indian draws his nutrition from relatively cheaper foods like cereals. Heavy dependence on cereals in dietary is one of the main characteristics of underdevelopment. Until *per capita* income shows a large increase, any major shift from cereals to protective foods would not be possible and the share of non-cereal foods in the total diet would increase but gradually. As between millets and superior grains, however, the disparity in costs is not large and considerable shift towards superior grains is economically possible.

The net effect of these various influences is that the rate of increase in *per capita* demand with the increase in incomes is the highest in the case of foods of animal origin, fruits and vegetables and sugar, followed by pulses and cereals. However, an increase in the demand for animal foods would partly be reflected in larger requirements of foodgrains, as a substantial part of the supply of feeding stuffs will have to come from foodgrains or from land, which will, otherwise, have gone to foodgrains. Among the cereals, the response of *per capita* demand to an increase in income is the keenest for wheat followed by rice, while for coarse grains it is largely static.

Diversification of Production in Third Plan

The programme for increasing the production of different foods in the third Five-year Plan is being oriented in the directions indicated by the changes in dietary pattern and food habits. In view of the prevalence of widespread under-nutrition, attention in the first and second Five-year Plans was primarily focussed on increasing the total quantum of food and the question of qualitative improvements was given a secondary place. This was natural in view of the fact that the cost in terms of land of a given amount of nutrition derived from animal foods is several times more than an equivalent amount of nutrition derived from foodgrains. For instance, the cost, in terms of land, of producing milk of a given nutritive value is five to six times more than that of producing cereals of the same nutritive value. (However, if milk is produced through increased yields of the existing stock, then the difference in land cost is not much.) Any undue stress on animal foods at the cost of foodgrains would, therefore, have greatly added to the already heavy pressure on land. But now that considerable improvement in the volume of food supply has been achieved, due attention can be paid to the diversification of the diet. As the income level of the people in the third Five-year Plan is anticipated to increase by a larger extent than in the earlier Plans, the changes in dietary habits are likely to be more marked than before. Accordingly, the targets of production of different foods are being formulated with proper emphasis on non-cereal foods. In addition to developing the country's land and livestock resources, the water resources are also to be exploited through the development of fisheries, which occupies a place of special importance in view of the limited availability of land in relation to population.

Subsidiary Foods

While the main solution to the problem of under-nutrition and mal-nutrition lies in increasing the supply of different food items by developing the production resources, a good deal can be done by better utilisation of available foods and production resources. An important step in this direction is the production of certain high-yielding subsidiary foods like tapioca, potatoes, sweet potatoes, bananas and papaya, which can support, as compared with cereals, a larger number of people on a given area of land. Thus, in comparison with rice, potatoes provide 1.7 times as much calorific value per acre. Similarly, the calorific value per acre of sweet potatoes is 5.2 times, of papaya 2.9 times, of tapioca 3.2 times and of bananas 4.5 times the number of calories yielded by an acre of land under rice. While having this advantage in terms of calorific value, these subsidiary crops also compare favourably with rice in their protein and mineral content per acre of output. The production of these land-saving subsidiary foods is planned to be greatly increased, so that the land thus released is used for producing protein foods and commercial crops.

A number of steps are under way or are being contemplated to secure more rational utilisation of available foods. For instance, it is known that breakage in the preparation of raw rice is considerable. If, however, rice, which is the most important cereal consumed in India, is parboiled and milled, the loss due to breakage is much less. At the same time, parboiled rice is more nutritious than raw rice prepared from the same paddy. Certain improvements in the process of parboiling and drying of rice have been worked out, which would yield a product of better quality and free from unpleasant odour. Steps are under contemplation for securing the adoption of improved methods of parboiling, which would make valuable addition to the supply of rice, besides improving its quality.

Again, many of the high-yielding subsidiary foods are largely carbohydrate foods, deficient in proteins. They have to be blended with protein-rich foods so as to make them wholesome and balanced foodstuffs. At the same time, India has considerable resources of edible oil-meals like groundnut meal, which are rich in protein but are not being used for human consumption. Their blending with carbohydrate foods will serve the dual purpose of augmenting the total availability of food for human consumption and making them properly balanced. Certain preparations have been evolved consisting of carbohydrate foods, oil-seeds meals and wheat, keeping in view the need for low cost, palatability and nutritive value. Steps are under way to popularise these preparations. Similarly, certain concentrated foods like the Indian multipurpose food, have been developed from such foodstuffs as groundnut flour and Bengal gram fortified with minerals and vitamins. These preparations are beneficial as supplementary foods, particularly for vulnerable groups. Oil-bearing seeds are also planned to be utilised increasingly for the preparation of what is termed in India as vegetable milk, which can be used in the same way as animal milk. There is also a proposal for the better utilisation of fish resources by converting surplus fish and certain varieties of fish not ordinarily used for human consumption, into edible fish flour for supplementing the protein-content of Indian dietary.

These are just illustrations. In general, attention is being given to the development of various food materials and mixtures, preferably from unusual sources, which might help towards balanced combination of nutrients in the same meal. The underlying principle is that different diets, which would not produce the desired results, if given at different times, would supplement each other, if given at the same time.

Several items of food are highly perishable and there is considerable loss of these foods in the absence of adequate arrangements for preservation and processing. Apart from augmenting the storage facilities, it is planned to organise the dehydration industry on an adequate scale, so as to enhance the availability of foods in the right form and at the required time.

Attention is also being paid to the fortification of foods of mass consumption with minerals, vitamins and amino-acids, wherever considered necessary.

Nutritional Education

An important means of making the best possible use of available food resources is the spread of education in nutrition and catering. There is a rich mine of literature, tradition and folklore in India regarding dieting and nutrition. This, together with the results of modern developments in science and technology in the field of nutrition, has to be carried to the masses. it is proposed, through publicity, propaganda and extension work, to educate the masses as to how to derive low-cost balanced diets from local foodstuffs and how to derive optimum benefits from those foodstuffs. Non-cereal cafeterias, known as *annapoornas*, have also been organised in the country and these supply and demonstrate the preparation of meals of good nutritive value at low cost, thereby contributing appreciably to the improvement of the diets of the low-income groups. More colleges of catering are planned to be set up for the development of catering technology and for providing training in scientific methods of preparation, handling and utilisation of food at home and in catering establishments.

Thus, through increased production, through better utilisation of available foods by the application of results of scientific and technological developments in the field of nutrition, through educating the masses in principles and practice of nutrition and catering, India is trying to solve the problems of under-nutrition and mal-nutrition. Considerable success has already been achieved, and efforts are being maintained and accelerated. Increasing attention is being paid to the diversification of dietary in accordance with changing food habits of the people.—*All Rights Reserved.*

MARINE AND GENERAL INSURANCE COMPANY, LIMITED

CHAIRMAN, MR. R. N. BANGUR, AGAIN DRAWS ATTENTION TO HEAVY INCIDENCE OF JUTE FIRES

ADDRESSING the Sixteenth Annual General Meeting of the Marine and General Insurance Company Ltd., held at Calcutta on 26th July 1960, Mr. R. N. Bangur, Chairman, expressed concern over the continued heavy losses resulting from jute fires and hoped that the efforts now being made to deal with the problem would succeed. He also regretted Government's decision to enhance the share of Government-controlled companies in the business written by the Insurance Companies' Pool from 50 per cent. to 75 per cent. The following is the text of Mr. Bangur's statement:

"I have pleasure in presenting to you the Directors' report, audited accounts and balance-sheet for the year ended 31st December 1959.

"Once again I am pleased to report the continued expansion of your Company, the total net premium for the year under review amounting to Rs. 7,84,198, an increase of Rs. 1,11,772 as compared with 1958. Commission and expenses of management amounted to Rs. 2,94,922 (37.6 per cent.) and incurred losses to Rs. 4,13,424 (52.7 per cent.).

"The fire department showed an increase over the previous year's figures of Rs. 67,036, producing a premium income of Rs. 5,06,847. Net losses were Rs. 2,67,894 and commission and expenses of management Rs. 2,18,988. As a result of the increase in premium, our reserve for unexpired risks has increased by over Rs. 30,000 and, after taking this into consideration, there is a profit of Rs. 40,734 which has been transferred to the profit and loss account.

"Once again I have to refer with regret to the continued heavy losses resulting from jute fires, 1959 showing no improvement when compared with the previous year. This serious problem, affecting not only insurers and manufacturers but also the national economy, continues to receive the urgent consideration of the parties concerned and it is to be hoped that a solution to the problem will soon be found. Also receiving consideration is a suggestion that a salvage corps for the Calcutta area, on similar lines as for Bombay, be formed.

"In the miscellaneous department, the net premium income increased by Rs. 13,802 to Rs. 1,25,269 and, after taking into consideration net losses at Rs. 55,243 (44.1 per cent.) and commission and expenses of management at Rs. 51,274 (40.9 per cent.), a profit of Rs. 11,851 is transferred to the profit and loss account.

"The marine department also continued to expand, premiums in this department amounting to Rs. 1,52,082 as compared with Rs. 1,21,148 for the previous year. As a result, and after taking into consideration net losses at Rs. 90,287 and commission and expenses at Rs. 24,660, there is a profit of Rs. 6,201 transferred to the profit and loss account.

"After making the departmental transfers to the profit and loss account and taking into consideration non-underwriting expenses, interest and other income, I am pleased to report a profit of Rs. 75.596 (9.6 per cent.).

"As mentioned in my previous report in 1958 we established branches in Bombay and Ujjain and these have continued to expand producing satisfactory results.

"In 1957, I referred to the Indian Insurance Companies Pool formed some years ago to handle business from Government sources to be shared among Indian companies. As you are aware, in 1957, the Government decreed that 50 per cent. of such business should go to insurance companies in which they have a controlling interest and it is with regret that I have to report that the percentage has this year been increased to 75 per cent., leaving only 25 per cent., to be shared among the independent companies.

"I also have pleasure in welcoming to the Board Mr. A. I. Murison and we look forward to the benefit of his knowledge and experience.

"Finally, I would again like to thank our agents and policyholders for their continued support and also the staff for their work during the year under review.

"I now have pleasure to move:

"That the Directors' report and audited accounts and balance sheet for the year ended 31st December, 1959 having been circulated to the shareholders be received and that they be approved and adopted.'"

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

National and Grindlays Bank Ltd.

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

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DIFFICULTIES OF GENERAL INSURERS

AMALGAMATION OR GROUP WORKING ONLY SOLUTION, SAYS MR. B. K. SHAH

IN the chorus of anxiety expressed by general insurance executives over the closure of some units, the sharpest note was struck by Mr. B. K. Shah, Managing Director of New India Insurance Company, Ltd. Speaking as the Chairman of the General Insurance Council (Tariff) of the Insurance Association of India, at its ninth annual general meeting held at Bombay recently, Mr. Shah termed the closure as the "most disturbing development of the past year." He felt that Indian insurance called for some "radical steps to ensure existence and progress to all." He was clear in his mind as to what these steps should be and listed them out as under:

1. Management of the affairs of companies on economic cost basis.
2. Stepping up the rates for motor car and marine insurance.
3. Amalgamation, or coming into groups, of smaller units.

Dilating upon the first point, namely, management of units on economic cost basis, Mr. Shah said that, in his opinion, however liberal provisions of management expenses under Rule 17E in respect of some offices might be, costs, including commission, should be around 45 per cent. The industry, he observed, should be prepared to eradicate the evil of rebating by adopting unorthodox measures. Although Mr. Shah did not make it clear as to what exactly he meant by unorthodox measures, he emphasised that no sacrifice for the industry, or individual offices, would be too big to put the industry on sound and correct lines.

As regards revision of motor car and marine rates, Mr. Shah suggested that the rates should be stepped up, so that the loss ratio in these two classes of business would be about 40 per cent. It was only by such adjustment in rates, he averred, could the industry expect to work on an operating cost of about 85 per cent., leaving a surplus of 15 per cent.

Mr. Shah was convinced that amalgamation or group working was the only cure which was still available to many units to save themselves. They must act quickly; otherwise, he warned, forced closure was the only inevitable end.

In this connection, he cited the example of British insurance and commended it as worthy of emulation in India. In the U.K., during the last eighteen months, a number of integrations of mighty units had taken place through amalgamation, with the sole object of economising cost and efficient working. Realising that world leadership of insurance demanded greater integration of the British insurance units, the conservative but prudent British insurance leadership had brought about, practically overnight, a silent revolution.

Amalgamation

The suggestion that the smaller units should amalgamate or resort to group working so that an average unit will have at least a premium income of one crore of rupees, will, if adopted, result in a substantial reduction in the number of units transacting general insurance business in India. The gross premium income from general insurance business was Rs. 29.66 crores in 1958, the latest year for which full figures are available. This was shared by 184 insurers, of which 91 were Indian and 93 non-Indian. The average gross premium per insurer, therefore, works out to about Rs. 17 lakhs. If the 184 units were to amalgamate into groups, so that each might have a premium of not less than one crore of rupees, the total number of units or groups would have to drop to 30, that is, less than one-sixth the number of insurers existing at the end of 1958. However urgent the need for economy in costs, it is doubtful whether amalgamation of this magnitude will ever be favoured by the smaller units or by the Government itself. If it were to come about, it would render a good portion of the staff in smaller units superfluous. Be that as it may, if amalgamation could be brought about with minimum disturbance to employment and other aspects of insurance, it would be a genuine gain to the industry.

Dealing at length with the problems which general insurers faced in the various departments of their business, Mr. Shah said that, as far as fire insurance was concerned, the most important single event of last year was the downward revision of fire tariff rate which took effect from 1st January 1960. This general revision called for readjustment of rates for jute and cotton textile industries. Regarding jute rates, the incentive offered for proper stacking did not prove attractive enough. Consequently, close and heavy stacking continued unabated, resulting in heavy losses. The rates for jute presses and godowns had been increased recently. Although the increase was not commensurate with the loss experience, Mr. Shah was happy that it was an indication that the insurers were alive to the necessity of revising the rates on the basis of loss experience. As regards textile mills, a formula for rating had been evolved which took into account the loss experience for an extended period as well as the potentiality for fire in the various constituent units of the textile industry.

Mr. Shah revealed that the General Insurance Council had already represented to the Government that the aforesaid reduction in fire tariff rates would adversely affect insurers and that it was unlikely that the Council would agree to any further reduction in the near future.

Marine Insurance

Referring to marine insurance, which continues to cause headaches, Mr. Shah said that insurers were called upon to pay unnecessary claims, because of theft and pilferage in the docks and the disappearance of entire packages, in some cases quite bulky. A typical case cited by him was one in which an entire consignment of 12 packages was reported as missing and listed as "landed but missing." Many of these "landed but missing" certificates were issued by Port Trust Authorities, Mr. Shah pointed out, as a way out of difficulties and instances had come to light of packages having been traced after a considerable lapse of time far away from the original point of discharge.

A further difficulty was the delay in customs appraisal and the losses by theft and pilferage occurring during customs examination. The liability of Port Authorities as bailees of goods extended to a period of five to ten days after discharge. It was practically impossible, according to Mr. Shah, to complete all formalities in connection with imports and to have the goods cleared by the customs within this very short period. As a result, the Port Authorities could repudiate liability on claims made after this period had expired. Mr. Shah suggested a solution to this problem. According to him, the period taken up in completing import formalities and customs examination should be excluded when computing the period during which the Port Authorities could be held liable as bailees.

It was found in practice that the customs officials did not have the cases opened for appraisal and closed in their presence but allowed the consignee's or clearing agent's representatives to open the cases and to leave them open until the customs examination was concluded. This naturally encouraged pilferage.

Motor Insurance

As regards motor insurance, Mr. Shah observed that the position continued to cause anxiety. The experience on class A(2) commercial vehicles and on motor scooters had been disastrous. The proposal to increase the rates for these vehicles was still being considered by the special sub-committee appointed by the Tariff Committee.

While the position in respect of motor insurance was thus far from encouraging, it was complicated by what Mr. Shah called "a couple of disturbing factors." One was the statement attributed to Mr. B. Gopala Reddy, Minister for Revenue and Civil Expenditure, that the Government was examining the question of taking over the third party risk insurance on automobiles. Mr. Shah pointed out that the third party section of the motor portfolio, though profitable at present, was unlikely to continue to be remunerative, as had been the case practically all over the world. He, therefore, appealed to the Government not to weaken the position of insurers by withdrawing the third party section from the insurance market through compulsory legislation. For, while the Government would derive no benefit from it, such a step could hit the insurers hard.

The second disturbing development, according to Mr. Shah, is the reported decision of the automobile associations to start their own mutual insurance company. Mr. Shah did not wish to be critical of the decision but made the following remark about it:

"The automobile associations in India are being substantially subsidised by insurance interests. Any effort by them to form mutual funds is going to weaken and throw into greater confusion the working of the indigenous insurance market, without any hope of profit or more economical motor insurance rates. The insurance industry should take all constructive steps to dissuade such actions."

These developments, Mr. Shah felt, had to be borne in mind when considering methods for improving the position of general insurance in the country.

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INSURANCE IN BRITAIN

Continuing the post-war upward trend, the British insurance industry set new records for net premium, invested assets and net new savings last year. The reason for this expansion of business, to quote Mr. H. A. Walters, Chairman of the British Insurance Association, "lies in the favourable economic climate during the twelve months in which production has been rising in Britain, the Commonwealth and Western Europe as well as in the U.S. and many other countries. There has been an increased demand for insurance protection from people enjoying a higher standard of living and with more money to save, from industrialists with more valuable stocks and new factories to safeguard and from traders with more goods to move round the world."

The combined net premium income of the Association's 250 member-companies increased by £95 million to £1,520 million last year. Once again, this represented, according to Mr. Walters, "a very real growth of business in conditions of reasonably stable prices and not an expansion which contained any marked element of inflation."

The following table gives the class-wise breakdown of net premium income during 1958 and 1959:

(In thousand pounds)

	1959	1958
Fire	288,825	270,899
Accident	510,467	479,298
Marine	76,124	73,508
Ordinary Life	484,913	444,260
Industrial Life	164,715	157,669
Total ..	1,520,044	1,425,134

As is evident from the table, life assurance was particularly buoyant. Net new savings through life insurance were at a record £423 million, as compared with £366 million in 1958. About £36 million came from life business transacted overseas, as against 32 million in 1958. Thus life insurance maintained its position as the largest source of net new savings in Britain, despite the competition from National Savings, Building Societies, Unit Trusts and other savings media.

Overseas business in the non-life sections, is much more important than in life business. British insurance companies benefited from the general improvement in underwriting experienced in the U.S. At the same time, they were hit by the heavy domestic fire losses, estimated at £44 million in 1959, the highest ever recorded. Commenting on this loss, Mr. Walters said that a particularly disturbing feature was the large proportion of damage caused to a few really big factories.

The adverse trend in fire losses has showed no improvement so far in 1960. Fire wastage during the first four months was estimated at £20 million, as against £11 million in the same period last year.

In motor insurance, there was a material improvement in world-wide underwriting in 1959. Premium income rose from £203 million in 1958 to £278 million in 1959. The underwriting loss was only £1.5 million in 1959, as against £10 million in the previous year. The improvement was mainly due to increasingly selective underwriting

(*Continued on next page*)

PROTECTION TO ALUMINIUM INDUSTRY

FIFTH TARIFF ENQUIRY HELD

THE Tariff Commission held the public enquiry into the question of continuance of protection to the aluminium industry beyond the current year, in Bombay on the 20th inst. Opening the enquiry, Mr. K. R. P. Aiyangar, Chairman of the Tariff Commission, observed that the steady growth of aluminium industry in all its stages was essential to the industrial progress of the country. As a versatile metal finding increasing uses in the industrial field, he added, aluminium ranked only next to steel in the progress of heavy industries in the Western world. Mr. Aiyangar predicted bright prospects for the development of the industry in India, in view of the shortage in the domestic production of other non-ferrous metals like copper, which had to be imported, the existence of large deposits of bauxite in the country, the possibility of obtaining cheaper electricity for its manufacture with the progress of power schemes and, above all, the rising trend in the domestic demand. He, however, reminded the aluminium manufacturers, that they should not lose sight of the fact that the biggest spurt to expansion could arise only through a reduction in the prices of their products. He stressed that, as aluminium was important both for industrial and engineering uses, as well as for domestic and household goods, it would be necessary to encourage the consumption of aluminium by keeping prices low, which would, in turn, ensure the rapid progress of this protected industry.

The primary producers have now pleaded for continuance of protection for a further period beyond the current year on the grounds that the industry is capital-intensive, that the domestic bauxite is of inferior quality, that the rates of power supply are comparatively high, that the capacity of their plants are small and that costs of imported raw materials are rather high. One of the primary producers has pointed out that 1965 would be the proper time for examining the question of continuance of protection to the industry as by that time expansion and new schemes already licensed will have materialised. Some of the re-rollers have, on the other hand, represented that, as they have to depend upon imports for their requirements of aluminium ingots, the protective duty on aluminium ingots should be abolished but that the duty on semi-manufactures should be continued for a further period. The sole manufacturer of foils in the country has also pleaded for further continuance of protection beyond the end of the current year. Besides continuance of protection, the industry has asked for various other measures of assistance.

(*Concluded from previous page*)

and rate alterations in certain territories. However, in Mr. Walters' opinion, "it will still be hard going before we achieve even a modest profit on so large a section of our business."

The results of motor business in Britain during the five-year period 1955-59 showed an underwriting loss of £976,000 on a premium income of £431 million. In 1959, however, the companies were able to show a small profit of 2 per cent. of premium income. There was no immediate factor, in the opinion of Mr. Walters, which would make an increase in premiums necessary at present.

Investments of insurance companies continued its established post-war trend in 1959. Book value of invested assets increased by £520 million to £6,047 million in 1959. The flow of investment funds into equities was at a faster pace. Investment in ordinary shares in 1959 increased by £196 million to £1,216 million. This was the result of the particular advantages these shares offered. By channelling a growing proportion of funds into equities, policyholders are given a direct stake in the prosperity of Britain. They also benefit from the larger dividends paid.

British insurance companies, did not, however neglect the gilt-edged market. The gilt-edged portfolio rose by £26 million to £1,261 million, a level only slightly lower than the highest peak of £1,269 million touched in 1954.

The following table gives the breakdown of investment portfolio:

	1959		1958	
	Million £	%	Million £	%
Mortgages	813.3	13.4	758.0	13.6
British Government and British Government-guaranteed securities	1,260.9	20.9	1,235.0	22.4
Commonwealth Government, Provincial and Municipal stocks	242.7	4.0	217.5	3.9
Foreign Government, Provincial and Municipal stocks	251.1	4.2	241.5	4.4
Debentures, loan stocks, preference and guaranteed stocks, etc. ..	1,283.8	21.2	1,187.6	21.5
Ordinary stocks and shares ..	1,216.7	20.1	1,021.2	18.5
Real property and ground rents ..	553.4	9.2	494.2	8.9
Other investments	425.2	7.0	377.6	6.8
Total ..	6,047.5	100.0	5,528.0	100.0

It will be seen from the above table that investments in gilt-edged securities at the end of 1959 were only slightly higher than in equities. It should be noted that the figures relate not to net new investment nor to market values but only to book values. In practice, therefore, investments in equities in terms of their market value, will certainly be higher than in gilt-edged and not lower as appears from the book values given in the table.

History of Protection

The aluminium industry, it may be recalled, has been enjoying protection for over the last ten years. Following a tariff enquiry in 1946, the industry was given protection, for the first time, from 15th May 1949. The rates of protective duty imposed were 30 per cent. *ad valorem* plus specific duties at Rs. 328 per ton of ingots and Rs. 121 per ton of sheets, strips and circles in 1949-50. Besides, differential rates of subsidy on a sliding scale were also fixed for a three-year period. But, after a review of the scheme of protection in 1950, the subsidy and the specific duty were dropped; but protection was extended till 14th May 1952 by retaining the *ad-valorem* duty of 30 per cent. The period of protection was continued from year to year till 31st December 1955. The third inquiry was undertaken by the Commission in 1955 and, on its recommendation, the then existing protective duty of 30 per cent. *ad valorem* plus a surcharge of 5 per cent. was continued upto 31st December 1958. Under the Finance (No. 2) Act, 1957, the protective duty was rounded off to 35 per cent. *ad-valorem*.

The fourth tariff inquiry held in 1958 led to further continuance of protection at the rate of 35 per cent. *ad-valorem* duty upto 31st December 1960. By the Finance Act 1960, excise duties at Rs. 300 per metric ton of aluminium in any crude form, including ingots, bars, blocks, slabs, billets, shots and pellets and Rs. 500 per metric ton of aluminium manufactures, namely, plates, sheets, circles, strips and foil including foil in any form or size ordinarily used as parts and fittings of tea chests, were imposed from 1st March 1960. Countervailing duties at the rates of excise duty leviable on the domestic products were fixed in respect of imports of the products covered by I.C.T. item Nos. 66(1) and 66 (*a*), respectively. By a notification issued on 20th April 1960, Government exempted aluminium in any crude form if manufactured from old aluminium scrap or scrap obtained from virgin metal on which the appropriate excise duty had been paid from the whole of the excise duty payable thereon, while, in the case of aluminium manufactures produced from such scrap, the excise duty payable thereon was reduced to Rs. 200 per metric ton.

Expansion

The industry has recorded considerable expansion of capacity and production, under the shelter of protection granted to it. Although the Indian Aluminium Company Ltd. and the Aluminium Corporation of India Ltd. still continue to be the only two producers of aluminium ingot, the commissioning of the former Company's new smelter at Hirakud in January 1959 has increased the ingot capacity by 10,000 tons a year. According to the figures furnished by the manufacturers, the present capacity of the industry for the manufacture of primary metal is 17,800 tons, as against 7,700 tons in 1958. The Indian Aluminium Company has been licensed to expand the capacity of the Hirakud smelter from 10,000 to 20,000 tons a year—the Aluminium Corporation also has been allowed to expand from 2,500 to 7,500 tons. These expansion schemes are expected to be completed by 1962-63. In addition, licences have been issued by the Government to three new units, namely, the Hindusthan Aluminium Corporation Ltd., the Tendulkar Industries (Private) Ltd., and the Madras Aluminium Ltd., for an aggregate capacity of 50,000 tons. When these capacities are installed, the capacity of the industry will increase to 83,100 tons. The output of aluminium ingots, which amounted to 8,134 tons in 1958, rose to 17,114 tons in 1959, and to 7,387 tons during the five months January-May 1960.

In the sector of semi-manufactures, there were in 1958 eight rolling mills, inclusive of two primary producers, with a total annual capacity of 17,800 tons, of which the capacity for industrial sheets accounted for 8,000-9,000 tons. There are at present eleven units in the organised sector. The Commission was able to get data in respect of only nine units, with a total annual capacity of 21,000 tons. Besides these, there is a number of small units in the various parts of the country engaged in rolling non-ferrous metal products, including aluminium, depending upon the availability of raw material. The Commission has collected information on 45 small units which together account for a capacity of 4,635 tons per year. The total production of aluminium sheets and circles by the organised sector was 13,582 tons in 1958 and 15,931 tons in 1959. The production in the small-scale sector, we are told, was only small.

The Venesta Foils Ltd. continues to be the only unit at present manufacturing aluminium foils. Its capacity for manufacturing foils and container sheets is reported to be 3,504 tons, as against 1,600 tons in 1958. The firm has plans to increase its capacity to 4,104 tons during 1961 and further by 2,000 tons during the third Five-year Plan. It is also understood that Aluminium Corporation of India has been granted a licence to manufacture upto 480 tons of aluminium foils. The actual production of foils amounted to 1,864 tons in 1958, 2,429 tons in 1959 and 1,342 tons during January-May 1960.

Increase in Consumption

There has been a steady increase in the consumption of aluminium and its products in the country. In 1958, the Commission had estimated the annual domestic demand at 35,000 tons; this is expected to go up to 44,000 tons by 1961. The estimates of current demand, received from different parties, range from 34,000 tons to 58,000 tons and those for 1963 from 54,500 tons to 98,000 tons. According to the Development Council for Non-ferrous Metals, the annual consumption of aluminium was 35,000 tons in 1958. It expects the demand to increase to 50,000 tons by 1961 and to 100,000 tons by 1966. An indication of the country's consumption is usually provided by sales of indigenous products, scrap arisings and imports, though, in view of the restriction on imports, there may be a volume of unsatisfied demand. The total of three items was 34,024 tons in 1957, 32,273 tons in 1958 and 40,301 tons in 1959.

Despite the restrictive import policy, the volume of imports of aluminium has been quite sizable. The total imports of aluminium in all forms were 21,391 tons (valued at about Rs. 8 crores) in 1957, 19,163 tons (about Rs. 6 crores) in 1958, and 19,011 tons (Rs. 5·94 crores) in 1959. The principal sources of supplies are Canada, Norway, the U.S., Russia, the U.K., Yugoslavia and Sweden. It may be noted that India has been exporting some quantities of aluminium products. Exports of aluminium sheets, circles and utensils are allowed freely. The exports of aluminium products aggregated 501 cwts. (valued at Rs. 1·95 lakhs) in 1957, 277 cwts. (Rs. 1.22 lakhs) in 1958 and 215 cwts. (Rs. 1·12 lakhs) in 1959. The declining trend in exports is attributed to the "failure to bring down prices to comparable levels in the overseas markets, in spite of natural geographical advantages, fiscal concessions and export facilities provided."

Quality

On the question of the quality of indigenous products, Mr. Aiyangar observed:

"General satisfaction has been expressed by consumers with regard to indigenous ingots. A few complaints have been made in regard to the quality of flat sections and they relate to existence of streaks, water stains, pitting, uneven thickness, incorrect temper, etc. By and large, the products of the small-scale sector have been found unsatisfactory by consumers. Both the primary producers have explained to us that they have introduced quality control measures and that their products are subjected to tests at various stages of manufacture. Most of the other manufacturers in the organised sector have also claimed that they have adopted various measures since the last inquiry to make further improvement in the quality of their products. The small-scale manufacturers have observed that the inferior quality of their products is due to the poor quality of scrap available to them."

The principal raw materials required for the manufacture of aluminium ingots are bauxite or alumina (an intermediate product), caustic soda, petroleum coke, soft pitch, cryolite, aluminium fluoride and fluorspar. Examining the problems facing the industry in respect of the availability of raw materials, Mr. Aiyangar pointed out as follows:

"Bauxite is available in many parts of India on a large scale near Lohardaga in Bihar and also in Kolhapur, Belgaum, Thana (Maharashtra), Salem (Madras) and certain districts of U.P. and M.P. The domestic producers have complained that Indian bauxite is of inferior quality and comparatively more expensive to mine and process.

(*Continued on page*

T.E.L.CO. STRIDES FORWARD

OUTLOOK ENCOURAGING—RIGHT ISSUE CONTEMPLATED

THE Tata Locomotive and Engineering Company, Ltd. (Director-in-Charge: Mr. S. Moolgaokar, Bombay) is now more a general engineering and automobile company than a locomotives manufacturer. Indeed, there is no reference at all either in the Directors' report for 1959-60 or in the Chairman's statement circulated therewith to the last year's proposals for manufacturing diesel hydraulic locomotives. This, together with other projects described in the latest report and statement, suggests that, in course of time, the locomotive business of the Company will be of secondary importance. Its shortened popular name T.E.L.Co., wherein the letter "E", representing engineering, precedes "L" representing locomotives, is, therefore, more appropriate than its full name, in which the word "locomotive" comes before "engineering." This is only as it should be, for, with a large section of Parliament repeatedly demanding year after year that production of locomotives should be in the public sector and with the Government itself indulging in unmerited criticisms, bargaining and bickering over the question of prices, no honest *entrepreneur* would like to take the risk of making this heavy engineering activity as the bread-and-butter line of his business. The directors of T.E.L.Co. have, therefore, done well to concentrate on the other and more paying lines of engineering industry.

As readers will doubtless have noted from the statement of Mr. J. R. D. Tata, Chairman, and from our brief reference on our Market Gossip page last week, the Company will soon be manufacturing paper and pulp machinery and power shovels. The output of steel castings, used in the manufacture of locomotives at Jamshedpur and Chittaranjan workshops, passenger coaches in Perambur, and by the cement companies as well as other concerns, has continued to rise, with their quality well maintained. The alloy iron foundry went into large-scale production during 1959-60 and the Company will be self-sufficient in regard to its requirements of alloy iron castings this year. The production of Tata-Mercedes-Benz vehicles has gathered momentum both in terms of numbers and the quantum of indigenous content. The four-year phased programme for making 7,200 vehicles per year was completed by the end of October 1959. The expansion programme envisaging a production of 12,000 units a year will be completed in January 1961. At present 78 per cent. of the contents of vehicles are of indigenous manufacture and this will be raised further in the coming years. It is proposed to double the capacity to 24,000 vehicles, with an indigenous content of over 90 per cent. The Government's sanction for this project is awaited. Steam locomotives manufacture will also be continued. An order for 325 locos to be supplied in five years from 1st June 1960 has been received from the Railway Board. This compares with 101 locos made in 1959-60, with 97 per cent. indigenous content. Thus, the Company's manufacturing activities are being diversified and expanded on lines that admirably fit in with the country's plan for economic growth. The prospects for its own development are thus assured.

While in three or four years' time, the Company will be nearly three times its size, if not more, even now it has attained a stature of considerable significance to the national economy. The comparative table at the foot of the first column will give one an idea of its rapid growth in the past four years.

It will be seen from the data given above that, as compared with 1958-59, sale proceeds have expanded by nearly Rs. 2 crores and that gross profit has shot up from Rs. 2.84 crores to Rs. 4.08 crores. The provision for depreciation has been stepped up sizably from Rs. 113.06 lakhs to Rs. 161.30 lakhs. There is a steep rise in the amount set apart for taxation, from a mere Rs. 13.25 lakhs to Rs. 93.30 lakhs. This is due partly to higher profits and partly to the reduction in development rebate which is a compulsory provision related to the extent of increase in the fixed assets installed in a year and has a prior charge on the distributable profit. The transfer to development rebate reserve for 1959-60 is only Rs. 14.04 lakhs, as against no less than Rs. 74.62 lakhs a year ago, because the value of new fixed assets installed was much lower than in the previous year. A sum of Rs. 6 lakhs, as against Rs. 10 lakhs last year, has been credited to deferred taxation reserve. The general reserve has not been credited with anything.

So far as dividends are concerned, the Directors have been quite considerate to shareholders. The preference dividend, which is taxable, has been subjected to only one deduction and it costs the Company Rs. 2.15 lakhs more than in the previous year; there has been no increase in the size of preference capital which remains unaltered at Rs. 2 crores. The rate of ordinary dividend has been stepped up from 9 per cent., tax-free, to 12½ per cent., taxable. This means a tax-free dividend of 8.75 per cent. and costs, on the same level of equity capital as a year ago, Rs. 50.33 lakhs more. Normally, a part of the profit should have been set apart to general reserves but this has not been done. Evidently, the Directors have given a higher priority to the needs of shareholders. They might have thought that, in future, the Company's profits would be large enough for strengthening the reserves as well as for maintaining the return to shareholders at a decent level. Another equally valid explanation may be the increase of Rs. 48 lakhs in the provision for depreciation.

As regards the financial position of the Company, the following summary of the latest balance-sheet as well as that as on 31st March, 1957 will give the readers a good idea:

(In lakhs of rupees)

	31-3-1960	31-3-1957
Liabilities—		
Paid-up capital	999.99	700.00
Reserves and surplus	174.16	105.61
Loans	1,013.85	1,381.53
Current liabilities and provisions	931.72	534.97
Total	3,119.72	2,722.11
Assets—		
Gross block	2,201.27	1,352.27
Less depreciation	939.95	474.51
Net block	1,261.32	877.76
Current assets	1,847.89	1,835.51
Cash	10.51	8.84
Total	3,119.72	2,722.11

The main features of the latest financial position of the Company are a slight undercapitalisation, the low level of reserves—these are equal to only 17 per cent. of the paid-up capital—and the shortfall of current assets as compared with the total of current liabilities and loans. These features, however, reflect the growth character of the Company. It must not be forgotten that the Company is still in its adolescene, being only 15 years of age, and that, in the initial years, it had to struggle a lot. Also, as compared with joint-stock undertakings of comparable nature, there is no doubt that T.E.L.Co's position is distinctly better.

In the light of the foregoing data, as also of the plans for expansion, it is obvious that the Company will need additional capital of a very substantial nature. This point is conceded by the Chairman in his statement to shareholders. Investors are keenly awaiting information about the extent of increase in capital and the terms of issue.

The share market is more than satisfied with the Company's results for 1959-60 and its expansion programme. For since they came to be known first, they have gone up by Rs. 78 to stand at Rs. 340 at the time of writing, to yield a return of about 2.6 per cent. free of tax. This low yield reflects good prospects of further capital appreciation and the forthcoming issue of right shares.

The Company has, as on 31st March 1960, some 14,600 shareholders, as against a little less than 13,000 a year before, a little over 7,000 at the end of March 1960, and just 5,000 at the close of 1954-55. In other words, the number of shareholders has nearly trebled in five years.

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale of products and services	28,25.29	26,44.80	26,94.37	21,44.57
Other income	60.19	64.95	43.88	19.91
Raw materials and stores consumed	15,98.76	16,75.86	19,34.95	17,54.70
Payments to and provisions for employees	3,64.51	2,92.68	2,39.41	1,88.44
Expenses for manufacture	4,34.67	4,58.45	1,32.02	90.11
Other expenses	1,12.49	72.24	2,28.09	78.52
Gross profit	4,08.10	2,84.55	2,45.08	2,01.67
Managing Agents' remuneration	25.24	16.96	16.34	15.11
Depreciation	1,61.30	1,13.06	1,29.30	70.14
Taxation	93.30	13.25	6.49	27.27
Net profit	1,28.26	1,41.28	92.95	89.15
Withdrawal from reserves	...	...	41.85	...
Transfer to reserves	20.04	84.62	82.37	44.99
Dividends—				
5% preference (taxable)	8.00*	8.85	8.85	8.85
Ordinary	99.95 (12½%)*	49.62 (9%)	45.00 (9%)	37.43 (8%)
	2.24	1.96	1.76	1.18
Production—				
Boilers (Nos.)	100	106	100	111
Locomotives (Nos.)	101	103	85	67
Diesel chassis (Nos.)	6,900	7,360	7,185	7,115
Steel ingots and pig iron (tons)	10,262	16,962	19,862	5,084
Steel castings (tons)	3,764	3,476	837	..
Iron castings (tons)	3,344	638	..	..

* Subject to deduction of tax.

N.B.—Of the Company's revenue in 1959-60, 56% represented materials consumed, 16.4% expenses, 12.8% employees' share, 6.2% depreciation and repairs, 3.8% dividends, 3.2% taxes ,0.9% freight and 0.7% went to reserves.

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BURN AND COMPANY MAINTAINS PROGRESS

DIVIDEND UNCHANGED—FINANCES SOUND

ALTHOUGH, in terms of actual figures, the gross profit and net profit of Burn & Co. Ltd., Calcutta, one of the largest wagon-building and heavy general engineering units in India, for the year ended 30th April 1960, are lower than those for 1958-59, there has actually been no setback in the Company's results for 1959-60. On the contrary, sale proceeds are higher by well over a crore at Rs. 11.40 crores. Other income, too, has gone up from Rs. 65.64 lakhs to Rs. 78.32 lakhs. The gross profit is slightly lower by Rs. 6.09 lakhs at Rs. 126.33 lakhs. The net profit works out to Rs. 33.59 lakhs, a decline of Rs. 18.36 lakhs. The return to ordinary shareholders, however, has been maintained at 28.5 per cent., subject to deduction of tax at 30 per cent., the same as that for 1958-59. The net dividend comes to 19.95 per cent., which does not compare very unfavourably with the tax-free dividend of 20 per cent. per annum consistently paid for three years preceding 1958-59.

The following table shows at a glance the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 30th April			
	1960	1959	1958	1957
Sale proceeds	11,40.21	10,16.81	9,55.68	8,49.81
Other income	78.32	65.64	94.96	76.76
Closing stocks of finished goods and work-in-progress	2,87.45	3,60.51	4,31.41	4,37.24
Raw materials, stores and spares consumed	5,90.81	5,11.62	5,56.94	5,77.58
Other expenses	4,27.74	3,86.91	3,46.56	3,04.92
Gross profit	1,26.93	1,33.02	1,41.28	1,51.84
Managing Agency commission	11.35	11.76	12.83	14.06
Provision for—				
Depreciation	18.74	18.31	17.36	13.34
Taxation	63.15	50.00	59.00	70.65
Net profit	33.59	52.95	52.09	53.79
To reserves	7.46	26.88	33.27	35.21
Dividends—				
Preference	2.38*	2.07*	1.81	1.81
Ordinary	23.94* (28.5%)*	23.94* (28.5%)*	16.80 (20%)	16.80 (20%)
Carry forward	1.25	1.37	1.30	1.10

* Subject to deduction of tax.

Note.—The Company's chart on distribution of revenue in 1959-60 shows that materials took 53.3 per cent., employees 25.5 per cent., taxation 7.2 per cent., working expenses 7 per cent., reserves 0.6 per cent., depreciation and repairs 3.4 per cent., return to shareholders 2.1 per cent. and administration 0.9 per cent.

The profit for the year under review would have been higher but for certain adjustments made in the profit and loss account in regard to bonus to workers due for 1960-61 and writing off the cost (Rs. 1.20 lakhs) of certain patent rights and trade marks purchased during the year. Ordinarily, such purchases could be added to the block account, but, as the amount is small, the Directors wisely decided to debit it to the profit and loss account. As many may wonder why the Directors provided for the bonus for workers in respect of the current year in the accounts for 1959-60, it is necessary to quote here their explanation from the report:

"Prices for 1954-55, 1957-58 and 1958-59 wagon contracts have now been finalised with Government, resulting in further sums to be taken to the credit of profit and loss account which accounts for most of the Rs. 14,13,357 shown in the profit and loss account under 'Credits in respect of previous years.' Against the large credit referred to in the previous paragraph has to be set the provision for annual bonus payable about September this year and next year. Until now the item of 'salaries, wages and bonus' has included bonus paid during the year, but legal decisions have related annual bonus to the profits of a stated year and thereby created what is in the nature of a profit-sharing bonus. For that reason, the Directors decided to provide in the accounts the amount it is expected will be paid as bonus against those profits. Therefore, the sum included as being in respect of previous years, is, in fact, the payment made during the year under review *plus* the payment to be made in this year."

The above quotation also explains why the other income for 1959-60 is higher than that for the preceding year.

A perusal of the profit and loss account reveals that the item "salaries, wages and bonus" has absorbed Rs. 297.12 lakhs in 1959-60, as against Rs. 243.51 lakhs in the previous year, that is, an increase of Rs. 53.61 lakhs.

It will be observed from the table that, while the provision for depreciation has been maintained, that for taxation is sharply higher. The reason for the more marked fall in net profit is now clear. And because of this steep fall, the transfers to reserves have appreciably gone down.

The Directors are experiencing a genuine difficulty in maintaining the *status quo* in regard to preference dividend, in view of the changes made last year in the system of corporate taxation. Explaining their point of view, they observe as follows:

"Since the various dates on which the preference shares were issued, no deduction has been made from the dividends on the preference shares in respect of the income-tax paid (or payable) by the Company on its own assessment. No such deduction has been made in the past nor is it proposed to be made now or in the future. The income-tax deducted and to be deducted by the Company from the preference dividends is a deduction at source in respect of personal income-tax of the recipient at the rate applicable to him, made under legal compulsion in terms of Section 18(3D) of the Indian Income Tax Act as amended by the Finance Act, 1960. The tax deducted is not retained by the Company but is paid over to Government on behalf of the shareholder who will be afforded an equivalent tax credit in connection with his assessment.

"The Finance Act 1959 abolished the legal fiction under which a shareholder was previously deemed to have paid the income-tax that was in fact paid by the Company on its own assessment and in consequence of which the shareholder enjoyed a corresponding income-tax credit. In partial alleviation of the resultant tax position, the Finance Act 1959, simultaneously brought about a reduction of the overall rate of taxation applicable to companies themselves. In these circumstances, your Directors are naturally of the opinion that the benefits of this reduction in the Company's taxation should, to the extent they are distributed, be shared by the holders of ordinary shares and preference shares, with due regard to the interests of both, and not appropriated by one class to the exclusion of the other.

"No amendment to the Articles of Association of the Company involving a variation of rights of different classes of shares can be made in terms of Section 106 of the Companies Act 1956 without the consent or votes, of the holders of three-fourths of the *issued shares* of each class of shares. These requirements are formidable and, in the case of many a company, can never be complied with, despite the best efforts of the management, until the requirements are materially relaxed by fresh legislation.

"The steps to be taken to overcome these difficulties, as they now confront all companies, with a view to equitable adjustment of the rights of the preference shares in the matter of dividend entitlement, are engaging the earnest attention of the Directors.

"There is also the matter of the periods covered by half-yearly dividends on preference shares. It has always been the custom of this Company to pay the dividends on the preference shares in two equal instalments about the 10th January and the 10th July each year. During the year under review, the Directors have followed the customary practice and propose doing so again about the 10th July 1960. However, with increasing legislation, it is desirable that the payments should clearly relate to a particular financial year. Consequently, your Directors intend taking the first suitable opportunity to make this minor change."

The Howrah Works of the Company remains fully booked. The Directors continue to seek new lines of business and diversify the activities, as they anticipate a "falling off in demand for wagons from the Government of India over the next few years." During the year under review, an agreement between the Company and the Vaughan Crane Company Limited of the U.K. was concluded for the manufacture of cranes at the Howrah Works: the U.K. Company's contribution being drawings and technical "know-how." All the works comprising the Raniganj Refractory Group are also booked to capacity. The manufacture of insulating bricks and other refractory products have always been a profitable business for the Company. During the year, the Company purchased the patents and trade marks of Armco (India) Private Ltd., which decided to wind-up its affairs. The new factory at Salem for manufacturing magnesite shapes is under erection, with all the plant ordered from abroad having arrived at the site.

The financial position of the Company as at 30th April 1960 is strong. As against a paid-up capital of Rs. 112 lakhs (of which Rs. 84 lakhs) are in ordinary shares of Rs. 100 each), the reserves and surplus amount to Rs. 234.85 lakhs. There are no secured loans. Current liabilities and provisions aggregate Rs. 560.79 lakhs and are more than adequately covered by floating assets of the order of Rs. 680.53 lakhs, including Rs. 34.82 lakhs cash and bank balances. The fixed assets (including vehicles and livestock) have been well written down from Rs. 531.85 lakhs to Rs. 227.11 lakhs.

The yield on the Company's equity shares, which are now standing at Rs. 522, as against Rs. 453 a year ago, works out to a little less than 4 per cent. free of tax.

COMPANY MEETINGS AND DIVIDENDS

MARSHALL, SONS AND CO. (INDIA) LTD. Annual General Meeting, Calcutta, 30th July 1960. Dividend: 10 per cent. or Re. 0.20 per share, subject to deduction of tax, payable on and after 16th August 1960. Transfer books remain closed from 23rd to 30th July 1960, both days inclusive.

STANDARD COAL CO., LTD. Annual General Meeting, Calcutta, 2nd August 1960. Dividend: Re. 0.35 per share, subject to deduction of tax, payable on or after 16th August 1960. Transfer books remain closed from 20th July to 2nd August 1960, both days inclusive.

LAKSHMI MILLS CO., LTD. Annual General Meeting, Pappanaickenpalayam, Coimbatore, 3rd August 1960. Dividend: 20 per cent. subject to deduction of tax. Transfer books remain closed from 19th July to 3rd August 1960, both days inclusive.

CARRON TEA CO., LTD. Annual General Meeting, Calcutta, 3rd August 1960. Dividend: 15 per cent. or Rs. 15.00 per share, subject to deduction of tax. Transfer books remain closed from 25th July to 3rd August 1960, both days inclusive.

JEEWANLAL (1929) LTD. Annual General Meeting, Calcutta, 5th August 1960. Dividend: 2½ per cent. subject to deduction of tax. Transfer books remain closed from 28th July to 5th August 1960, both days inclusive.

CHEMBRA PEAK ESTATES LTD. Annual General Meeting, Calicut, Kerala State, 6th August 1960. Dividend: 20 per cent. or Re. 0.40 per share, subject to deduction of tax. Transfer books remain closed from 23rd July to 6th August 1960, both days inclusive.

NATIONAL EKCO RADIO AND ENGINEERING CO., LTD. Annual General Meeting, Bombay, 8th August 1960. Transfer books will remain closed from 2nd to 8th August 1960, both days inclusive.

CLIVE ROW INVESTMENT HOLDING CO., LTD. Annual General Meeting, Calcutta, 10th August, 1960. Dividend: Re. 0.75 per share (includes interim dividend of Re. 0.25 per share), subject to deduction of tax. Transfer books remain closed from 28th July to 10th August 1960, both days inclusive.

RAJESWARI MILLS LTD. Annual General Meeting, Gudiyattam, (S. India), 11th August 1960.

ESTRELA BATTERIES LTD. Annual General Meeting, Bombay, 12th August 1960. Dividend: Rs. 4.50 per ordinary share, subject to deduction of tax, payable on and after 2nd September 1960. Transfer books remain closed from 27th July to 12th August 1960, both days inclusive.

TATA LOCOMOTIVE AND ENGINEERING CO., LTD. Annual General Meeting, Bombay, 12th August 1960. Dividend: Rs. 12.50 per ordinary share, subject to deduction of tax, payable on and after 13th August 1960.

HOWRAH MILLS CO., LTD. Annual General Meeting, Calcutta, 12th August 1960. Dividend: Re. 1.25 per ordinary share, subject to deduction of tax. Transfer books remain closed from 26th July to 12th August 1960, both days inclusive.

COCHIN MALABAR ESTATES LTD. Annual General Meeting, Calicut, 18th August 1960. Dividend: 10 per cent. final, subject to deduction of tax. Transfer books will remain closed from 5th to 18th August 1960, both days inclusive.

ANDHRA VALLEY POWER SUPPLY CO., LTD. Annual General Meeting, Bombay, 19th August 1960. Final dividend of Rs. 55.00 per ordinary share (includes bonus of Rs. 10.00 per share), subject to deduction of tax. This makes a total dividend of Rs. 85.00 per share, for the year ended 31st March 1960, subject to deduction of tax.

TATA POWER CO., LTD. Annual General Meeting, Bombay, 19th August 1960. Final dividend of Rs. 55.00 per ordinary share (includes bonus of Rs. 10.00 per share), subject to deduction of tax. This makes a total dividend of Rs. 85.00 per share for the year ended 31st March 1960, subject to deduction of tax.

TATA HYDRO-ELECTRIC POWER SUPPLY CO., LTD. Annual General Meeting, Bombay, 19th August 1960. Final dividend of Rs. 5.50 per ordinary share (includes bonus of Re. 1.00 per share), subject to deduction of tax. This makes a total dividend of Rs. 8.50 per share, for the year ended 31st March 1960, subject to deduction of tax.

INDIAN DYESTUFF INDUSTRIES LTD. Annual General Meeting, Bombay, 19th August 1960. Dividend: Rs. 4.20 (net) per old ordinary share and Re. 1.30 (net) per new ordinary share, payable on 1st October 1960. Transfer books will remain closed from 12th to 25th August 1960, both days inclusive.

ARVIND BOARDS AND PAPER PRODUCTS LTD. Annual General Meeting, Antalia, Bilimora, 20th August 1960. Transfer books will remain closed from 1st to 20th August 1960, both days inclusive.

KUMARDHUBI FIRECLAY AND SILICA WORKS LTD. Annual General Meeting, Calcutta, 27th August 1960. Dividend: Re. 1.80 per share, subject to deduction of tax. Transfer books will remain closed from 13th to 27th August 1960, both days inclusive.

KUMARDHUBI ENGINEERING WORKS LTD. Annual General Meeting, Calcutta, 30th August 1960. Dividend: Re. 0.30 per share, subject to deduction of tax. Transfer books will remain closed from 16th to 30th August 1960, both days inclusive.

HINDOOSTAN SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 2nd September 1960. Dividend: Rs. 400.00 per share (final), on whole ordinary shares, subject to deduction of tax, for the year ended 31st March 1960, payable on and after 3rd September 1960. Transfer books will remain closed from 8th August to 2nd September 1960, both days inclusive.

INDIAN MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 2nd September 1960. Dividend: Rs. 182.00 per share (final), subject to deduction of tax, for the year ended 31st March 1960, payable on and after 3rd September 1960. Transfer books will remain closed from 8th August to 2nd September 1960, both days inclusive.

BALMER LAWRIE AND CO., LTD. Final dividend of 20 per cent. for the year ended 31st December 1959.

SYNOPSES OF COMPANY REPORTS

Osmanshahi Mills Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bansilal Bisesardas Private Ltd., Bombay) present the audited accounts of the Company for the year ended 30th September 1959.

The directors report that the working for the year under review has resulted in a loss of Rs. 10,02,174 (Rs. 10,70,571) after taking into account a sum of Rs. 1,09,704 (*nil*) received from the Nanded Market Committee towards market fees in terms of the appeal decided by the High Court in favour of the Company and after providing for a sum of Rs. 20,000 (Rs. 45,000) as development rebate reserve. The above loss of Rs. 10,02,174 has been transferred to the general reserve of the Company. In view of the losses incurred, the directors regret they have not been able to provide for any depreciation on the fixed assets of the Company this year nor to recommend payment of any dividend. The Company paid a sum of Rs. 1,02,334 by way of service gratification to workers during the year in terms of the service gratification award made by the Industrial Tribunal in revision of the existing scheme. An Award was made by the arbitrators increasing the dear food allowance as from June 1959 which added a further sum of Rs. 82,273 to the wage bill. All these factors have gone to increase the loss during the year.

Trading conditions were almost as bad as in the past with the exception of a little decline in the cotton prices. Prices for most of the varieties of cloth and yarn were most unremunerative. Revival for demand of cloth began to show improvement from about June-July 1959 but improvement in prices of cloth was noticeable only in early November 1959. The benefits derived from incentive schemes for export introduced by the Government of India have helped us in cutting down the losses to some extent which otherwise would have been much heavier.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	87,23,800	Gross block	1,77,24,075
Reserves* ...	19,78,217	*Less*—Depreciation	67,40,513
Provision for taxation ...	4,28,000		
Liabilities ...	86,06,566	Net block	1,09,83,562
		Stock-in-trade	62,17,766
		Stores, tools, etc. ...	16,27,627
		Book debts	6,64,968
		Investments	1,70,116
		Other assets	34,631
		Cash ...	37,913
Rs.	1,97,36,583	Rs.	1,97,36,583

*Reserves are shown after deducting the debit balance of Rs. 10,02,174 in the profit and loss account.

Bombay Suburban Electric Supply, Ltd.

The directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st March 1960.

In order to comply with Government requirements, the existing tariff rates were converted into decimal coinage with effect from the monthly meter reading commencing 23rd October 1959. Otherwise there was no change in the basic rates of supply during the year under review. 12,786 new consumers were connected to the mains, bringing the total number to 80,399 which is an increase of 18.91 per cent. over the previous year. The number of units purchased from the bulk suppliers rose by 22.10 per cent. The following table indicates, in terms of units sold, the development of the sales of energy since the year 1957-58.

Kilowatt hours sold for the year ended 31st March	Public lighting and general purposes	Power purposes	Total	Percentage of increase on previous year
1958 ..	37,924,132	45,657,315	83,581,447	16.54
1959 ..	44,833,025	55,035,583	99,868,608	19.48
1960 ..	53,518,883	67,751,791	121,270,674	21.43

The year under review showed progressive results. The sale of energy for lights and fans and general purposes increased by 19.37 per cent. and for motive power by 23.11 per cent.

The maximum load on the Company's system was 29,400 kWs. as against 25,500 kWs. during the previous year, an increase of 15.29 per cent. The Company's transmission and distribution systems were maintained in good order, and continued to give trouble free service. At the close of the year there were 204 miles of high tension and 261 miles of low tension mains on the Company's system.

Development:—During the year 18 new substations were added (making a total of 226) and the transformer capacity of 16 existing substations was increased. The high tension system has been substantially strengthened and extended. The low tension net-work including mains, services and street lighting, has been expanded. Extensive developments are taking place in the Company's area of supply due to industrial and residential expansion. Enquiries for large blocks of power have been received.

The Central Government have agreed to the reappointment of Messrs. Killick Industries Ltd., as managing agents of the Company for a further period of 5 years commencing from 1st April 1960.

The gross profit for the year amounts to Rs. 21,52,986 (Rs. 15,48,077) after charging depreciation amounting to Rs. 11,58,526 (Rs. 10,44,649) in accordance with the provisons of the Electricity (Supply) Act, 1948, and Rs. 7,38,330 (Rs. 5,18,160) for taxes on income and profits. A credit to employees' retiring gratuities reserve of Rs. 93,865 (Rs. 92,064) has also been charged against the profits of the year. To the profit of Rs. 21,52,986 there falls to be added Rs. 6,83,533 (*nil*) being write-back of provisions made for additional income-tax in the years ended 31st March 1954 and 1955 which have now become redundant by reason of the ruling given by the Supreme Court in a test case, and Rs. 3,513 (Rs. 452) brought forward, making a total of Rs. 28,40,032 (Rs. 17,22,219 including Rs. 1,73,690 transferred from tariffs and dividends control reserve). After writing off Rs. 1,258 (Rs. 1,258) from new share capital issue expenses, Rs. 8,950 (Rs. 8,950) from promotion expenditure and providing Rs. 1,01,235 (Rs. 91,272) for contingencies reserve, Rs. 4,44,412 (*nil*) for consumers' benefit and Rs. 6,32,220 (Rs. 1,94,726) for development reserve, all in terms of the Electricity (Supply) Act, it is proposed to take Rs. 2,50,000 (Rs. 1,10,000) to equalisation of dividends reserve. There then remains a balance of Rs. 14,01,957 (Rs. 13,16,013). Deducting from this ad-interim dividend of Rs. 3 (Rs. 3.00 per share, free of tax) per share, absorbing Rs. 5,25,000 (Rs. 5,25,000) there is available Rs. 8,76,957 (Rs. 7,91,013) which it is proposed to apply as follows:—

To payment of a dividend for the half-year ended 31st March, 1960, at the rate of Rs. 5 (Rs. 4.50 per share, free of tax) [making 8 (7½) per cent. for the year] subject to deduction of tax, absorbing Rs. 8,75,000 (Rs. 7,87,500) and leaving a balance to be carried forward of Rs. 1,957 (Rs. 3,513).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,75,00,000	Gross block	4,06,37,564
Reserves ...	78,52,280	*Less*—Depreciation ...	98,99,329
Provision for taxation ...	8,67,167		
Wealth tax provision ...	89,596	Net block ...	3,07,38,235
Liabilities ...	1,26,08,940	Work-in-progress ...	10,28,781
Profit and loss account (surplus) ...	1,957	Stores and tools ...	27,00,977
		Book debts ...	29,60,337
		Investments	8,85,024
		Cash ...	4,43,208
		Miscellaneous expenses ...	1,63,378
Rs.	3,89,19,940	Rs.	3,89,19,940

Clive Row Investment Holding Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the nine months ended 31st December, 1959.

The accounts show a profit, after charging all expenses, of Rs. 14,57,890 (Rs. 13,05,940 for the 12 months ended 31st March 1959) in respect of which taxation provision requires Rs. 5,35,000 (Rs. 6,30,000) leaving a balance of Rs. 9,22,890 (Rs. 6,75,940). With the balance brought forward from last year of Rs. 3,34,488 (Rs. 8,10,588) there is a total amount available for appropriation of Rs. 12,57,378 (Rs. 14,86,528). An interim dividend of 25 nP (25 nP per share, free of tax) per share in respect of the period was declared on 30th April 1960, absorbing Rs. 3,47,000 (Rs. 3,47,000). The directors now propose a final dividend for the period of 50 nP (12 nP per share, free of tax) per share, absorbing Rs. 6,94,000 (Rs. 1,66,560) leaving a balance to be carried forward of Rs. 2,16,378 (Rs. 3,34,488 after paying an additional dividend of 9 nP per share, free of tax, for the year ended 31st March 1955 and 37 nP per share, free of tax, for the year ended 31st March 1956, together absorbing Rs. 6,38,480). Both the interim and the final dividends are subject to deduction of tax at the rates currently in force.

A net gain on realisation of investments amounting to Rs. 2,08,396 has been credited to capital reserve which has been debited with tax of Rs. 93,778 estimated to be payable on this gain.

On 19th December, 1959 the Company became a subsidiary of Calcutta Discount Co. Private Ltd., which is a wholly owned subsidiary of Andrew Yule and Co., Ltd. Consequently, as the accounts of both holding companies close on 31st December, it was decided in accordance with Section 212 of the Companies Act, 1950 to close this Company's accounts on the same date.

As a result of further purchase of shares, Basmatia Tea Co., Ltd., Hoolungoorea Tea Co., Ltd., the Murphulani (Assam) Tea Co., Ltd. and Rajgarh Tea Co., Ltd., became subsidiaries of the Company.

On 31st December, 1959 the distribution of the Company's portfolio was:—

	Per cent.	Rs. in lakhs
Jute	24	45.07
Coal	15	28.16
Tea	23	44.79
Miscellaneous	38	72.80
Total	... 100	190.82

Increased dividends were received during the period under review from the Company's investments in jute companies, while dividends from coal, tea and miscellaneous companies were maintained at a satisfactory level. The coal industry should benefit from the price increases which were introduced last year, but the jute industry is now passing through a difficult period, and tea company results for the current year may be effected by the prolonged dry spell at the beginning of the season, while among miscellaneous companies, paper mills results must inevitably be adversely affected by the price schedule which was introduced at the beginning of this year in accordance with the recommendations of the Tariff Commission. Accordingly, although prospects for the current year are satisfactory, particularly as the dividend from the four tea companies which have become subsidiaries will receive the benefit of the lower rate of tax applicable to dividends from subsidiaries, future prospects are uncertain.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,38,80,000	Investments	1,90,82,924
Reserves ...	14,44,223	Book debts	14,31,601
Provision for taxation ...	10,74,108	Cash ...	23,624
Liabilities ...	39,23,440		
Profit and loss account (surplus)	2,16,378		
Rs.	2,05,38,149	Rs.	2,05,38,149

Ramnugger Cane & Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Anderson Wright Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st August 1959.

Crushing operations started on the 8th December, 1958 and continued up to the 12th March, 1959. The total quantity of sugarcane milled during this period was 19,04,559 mds. with an average sugar recovery of 10.27 per cent., as compared with 16,14,999 mds. and 9.40 per cent., respectively during the previous season.

The total crush was made up of 10,39,318 mds. of cane from the Company's own farms and 8,65,241 mds. from cultivators. The corresponding figures for the preceding season were 9,59,198 mds. and 6,55,801 mds., respectively. Supplies of cultivators' cane fell considerably below estimates due to large-scale manufacture of *gur*, which was lucratively priced during the period.

The factory delivered its export quota of 464 bags to the Indian Sugar Mills' Association and the net price realised, exclusive of excise duty, was Rs. 15.69 per maund approximately. Additionally, 9,435 bags of sugar were sold to the Association for export out of India at market rates.

The factory's total production of molasses was requisitioned by the West Bengal Government for supply to distilleries in the State at a rate of Re. 1.00 per maund.

The profit of the Company, after deducting all working charges and commissions, and after providing Rs. 3,12,402 (Rs. 2,63,458) for depreciation, Rs. 89,500 (Rs. 8,600) for development rebate, and Rs. 1,95,000 (Rs. 28,000) for taxation, amounts to Rs. 6,04,578 (Rs. 27,750). To this is added the balance brought forward from last year of Rs. 19,826 (Rs. 2,28,300) making a total of Rs. 6,24,404 (Rs. 4,51,050 including Rs. 1,75,000 transferred from general reserve and Rs. 20,000 being provision for doubtful debts written back). This amount the directors recommend should be dealt with as follows:—

In payment of dividends for the year ended 31st August, 1959, subject to deduction of income-tax on preference shares at 6 (6 per cent. free of tax) per cent. per annum absorbing Rs. 24,000 (Rs. 24,000), on ordinary shares at 21-3/7 (15 per cent. free of tax) per cent. per annum, absorbing Rs. 3,55,676 (Rs. 2,48,973), to be transferred to preference dividend suspense account Rs. 10,286 (*nil*), to be transferred to general reserve Rs. 1,75,000 (*nil*) and to be carried forward Rs. 59,442 (Rs. 19,826 after writing off loss on agricultural operations amounting to Rs. 1,38,251 and providing Rs. 20,000 for wealth tax).

Season 1959-60.—The factory completed the season on the 24th March, 1960 after crushing a quantity of 25,58,490 mds. of cane with an average sugar recovery of 9.08 per cent. This was an excellent crop but was, unfortunately, affected severely by floods early in October, 1959. Consequent upon heavy rains, the level of the river Bhagirathi rose suddenly and Ramnugger village, Zemindari office and staff quarters were heavily inundated, forcing the employees to take shelter on roof tops. The 1959 floods were no less in intensity and magnitude than the 1956 floods. No water, however, entered the factory and the stocks of sugar, manures and other stores were kept fully protected. The quality of cane, a part of which was completely submerged in water, was adversely affected and this resulted in a sharp fall in sugar production.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,59,820	Gross block	78,05,159
Reserves ...	41,08,386	*Less*—Depreciation	39,38,780
Provision for taxation ...	3,40,638		
Liabilities ...	16,86,919	Net block	38,66,379
Profit and loss account (surplus)	59,442	Expenditure in progress	1,68,405
		Stock-in-trade	10,45,099
		Standing sugar-cane crop	12,35,228
		Stores and other assets	15,44,383
		Book debts	3,39,593
		Cash ...	6,154
		Miscellaneous expenses	49,964
Rs.	82,55,205	Rs.	82,55,205

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

Notices

BOMBAY SUBURBAN ELECTRIC SUPPLY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting within the meaning of the Companies Act, 1956, (being the Thirty-first Ordinary General Meeting) of BOMBAY SUBURBAN ELECTRIC SUPPLY, LIMITED, will be held on Wednesday, the 17th August, 1960, at 4-15 p.m., at the Registered Office of the Company, Killick House, Home Street, Fort, Bombay, to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts made upto 31st March, 1960.
2. To declare a Dividend.
3. To elect a Director in the place of Mr. N. K. Petigara who retires by rotation but being eligible offers himself for re-election.
4. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"THAT pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of contracts or arrangements entered or being entered into with Bombay Garage Private Limited, who are or may be deemed to be Associates of Killick Industries Limited, the Managing Agents of the Company, for the supply of motor cars, motor lorries, motor car accessories, petrol, air-conditioners, domestic appliances and other articles sold by them or for the supply or rendering of any services as may be required by the Company from time to time upon the following terms:

(*a*) That the prices or amounts charged to the Company are at rates which are not less favourable to the Company than the market rates or are otherwise reasonable;

(*b*) that the other terms and conditions of purchase of such motor cars, motor lorries, motor accessories, petrol, air-conditioners, domestic appliances and other articles sold by them or rendering of services shall be generally the same as those on which the Company can purchase such property or acquire such services elsewhere;

(*c*) that the said purchases or rendering of services shall be sanctioned by the Board of Directors."

By Order of the Board,

FOR BOMBAY SUBURBAN ELECTRIC SUPPLY, LIMITED,
KILLICK INDUSTRIES LIMITED,
A. N. HAKSAR,
Managing Director,
Managing Agents.

BOMBAY, 15*th July*, 1960.

N.B.—(*a*) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member. Under Article 96 of the Company's Articles of Association, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not later than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

(*b*) The Transfer Books of the Company will be closed from Friday, the 29th July, 1960, to Wednesday, the 17th August, 1960, both days inclusive.

(*c*) The Dividends when declared will be made payable at the Chartered Bank, Bombay, on and after the 19th August, 1960, to those Shareholders, whose names stand on the Register on the 17th day of August, 1960, to whom Dividend Warrants will be posted.

ANNEXURE TO THE NOTICE

Explanatory Statement Under Section 173(2) of the Companies Act, 1956.

Item No. 5.—The Company for many years has been purchasing, although not exclusively, motor cars and motor lorries, and also part of its requirements of motor car accessories, petrol, air-conditioners and other items and also has been getting motor maintenance done by Bombay Garage Private Ltd. Under the Companies Act, 1956, however, Bombay Garage Private Ltd., are or may be deemed to be an "Associate" of Killick Industries Limited, the Managing Agents of the Company, by virtue of Mr. M. R. Chinoy becoming a Director of the Managing Agency Company from 22nd September 1959 and who together with his relatives as defined by Section 6 of the Companies Act, exercises more than one-third voting power in Bombay Garage Private Ltd. It is expedient, therefore, having regard to the provisions of Section 360 of the said Act, for the Company to approve, by a Special Resolution, the purchase of motor cars, motor lorries, motor car accessories, petrol, air-conditioners and other items and also of obtaining maintenance services for the Company's vehicles. The Special Resolution is, accordingly, commended for acceptance.

Mr. A. N. Haksar is interested as a Director and Shareholder of Killick Industries Limited. Sir Purshotamdas Thakurdas, K.B.E., C.I.E., and Mr. Dominic J. Ferreira are interested as shareholders of Killick Industries Limited. Killick Industries Limited, who are Managing Agents of the Company and are Associates of Bombay Garage Private Ltd., are interested for these reasons and as Shareholders of the Company.

By Order of the Board,

FOR BOMBAY SUBURBAN ELECTRIC SUPPLY, LIMITED,
KILLICK INDUSTRIES LIMITED,
A. N. HAKSAR,
Managing Director,
Managing Agents.

BOMBAY, 15*th July*, 1960.

THE PULLANGODE RUBBER AND PRODUCE COMPANY LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Annual General Meeting of the Shareholders will be held at 11 a.m. on Monday, the 22nd August, 1960, at the Registered Office of the Company at Fort Cochin, to transact the following business:—

1. To receive and adopt the audited accounts and Balance Sheet for the year ended 31st March 1960 and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.

Note: (*a*) As Mr. F. A. Murphy is an employee of the Managing Agents, Messrs. Aspinwall & Co. Ltd., a Special Resolution of the Company is necessary for his re-election. Special Notice of the following special Resolution for his re-election as required by Section 261 of the Companies Act 1956 is hereby given:—

"Resolved that Mr. F. A. Murphy, an employee of Messrs. Aspinwall & Co. Ltd., Managing Agents of this Company be and is hereby re-elected as a Director of the Company."

(*b*) Mr. R. Sundram Iyer, the other retiring Director is now 73 years of age. Special notice has been received and is given of the following resolution proposed to be moved:—

"Resolved that Mr. R. Sundram Iyer, who has attained the age of 73 years and who retires by rotation be and is hereby re-appointed a Director of this Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

4. To appoint Auditors.
5. To transact the following Special business, namely:—

To consider and if thought fit to pass the following special resolution which will be proposed as a Special Resolution:

"Resolved that the last sentence in Article 23 of the Articles of Association of the Company reading 'each transfer and transmission shall entail the issue of a fresh share certificate' be deleted."

The Explanatory Statement under Section 173 of the Companies Act, 1956 has already been sent direct to the Shareholders and is available for inspection at the registered office of the Company during office hours on all working days till the date of the above meeting.

The Transfer Books and Register of Members of the Company will remain closed from 6th August, 1960 to 24th August, 1960 (both days inclusive).

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

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

FORT COCHIN,
20*th July*, 1960.

PHILIPS INDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON AUGUST 27, 1960

THE THIRTIETH ANNUAL GENERAL Meeting of the Members of Philips India Limited will be held on Saturday, August 27, 1960, at 11 a.m. at the premises of the Bengal Chamber of Commerce and Industry, Room No. 1, 6 Netaji Subhas Road, Calcutta 1, to transact the following business:

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended December 31, 1959.
2. To declare a Dividend.
3. To appoint Directors in place of those retiring.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolutions as Ordinary Resolutions, namely:

6. That with effect from January 1, 1960, Dr. P. K. Kapre, a whole-time Director of the Company and its Industrial Adviser, shall be entitled to receive from the Company remuneration for his services in accordance with the terms specified in the Agreement dated July 12, 1960, made between the Company of the one part and Dr. Kapre of the other part.
7. That with effect from January 1, 1960, Mr. H. R. Vorstman, a whole-time Director of the Company and its Technical Adviser, shall be entitled to receive remuneration for his services in accordance with the terms specified in the Agreement dated July 12, 1960, made between the Company of the one part and Mr. H. R. Vorstman of the other part.
8. That with effect from January 1, 1960, Mr. J. Zantman, a whole-time Director of the Company and its Administrative and Financial Adviser, shall be entitled to receive remuneration for his services in accordance with the terms specified in the Agreement dated July 12, 1960, made between the Company of the one part and Mr. Zantman of the other part.

The Register of Members of the Company will be closed from August 8, 1960 to August 27, 1960, both days inclusive.

The Dividend, if approved, will be payable on or after September 26, 1960, to those share-

holders whose names are on the Register of Members on August 27, 1960, or to their mandatees.

By Order of the Board,
P. C. VINK,
Chairman and Managing Director.

July 25, 1960.
7, JUSTICE CHANDRA MADHAB ROAD,
CALCUTTA 20.

Notes:—1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll to vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

2. Shareholders are requested to notify the Company immediately of any change in address.

3. An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of the aforesaid Special Business is annexed to the convening Notice issued to Members of the Company.

THE PUNJAB NATIONAL BANK LIMITED

Head Office:
PARLIAMENT STREET, NEW DELHI

NOTICE OF INTERIM DIVIDEND

THE DIRECTORS OF THE PUNJAB National Bank Limited, New Delhi, have decided to pay an Interim Dividend for the current year at the rate of Re. 1 gross per share. The dividend will be payable at the Registered Office of the Bank at New Delhi on or after 1st September, 1960 to the shareholders whose names stand on the Register of Members as on 9th August, 1960.

The Transfer Books and Register of Members of the Company will remain closed from 3rd August, 1960 to 9th August, 1960 (both days inclusive).

By Order of the General Board of Directors,
A. M. WALKER,
General Manager.

Dated 18th July, 1960.

Note.—Shareholders are requested to intimate change of addresses, if any, to the Bank immediately.

BURMAH-SHELL REFINERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debentures 1965-69 will be closed for transfers from 16th August 1960 to 30th August 1960 both days inclusive.

N. A. KRISHNAN,
Secretary and Treasurer, State Bank of India, Agents for Burmah-Shell Refineries Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 30*th July* 1960.

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

IN CONNECTION WITH GLOBAL TENDER No. G.P. 21 for Roller Bearing Axleboxes, intending tenderers are requested to note that the quantities against items No. 1, 2, and 3 of the tender have now been amended to 54360, 5912, and 8792 Nos. respectively. Offers should be submitted accordingly. The returnable date of the tender has been extended to NOT LATER THAN 12 NOON ON 29TH AUGUST 1960.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
New Delhi-2.

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

IN CONNECTION WITH GLOBAL TENDER No. G.P. 22 for Wheelsets intending tenderers are requested to note that the quantities against item Nos. 1, 3, and 4 of the tender have now been amended to 212 Nos., 23772 Nos. and 4396 respectively. Offers should be submitted accordingly. The returnable date of the tender has been extended to NOT LATER THAN 12 NOON ON 31sr AUGUST 1960.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
New Delhi-2.

THE INDIAN MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING (being the SEVENTY-NINTH Ordinary General Meeting) of The Indian Manufacturing Company, Limited, will be held at the Registered Office of the Company, "Sir Vithaldas Chambers," 16, Apollo Street, Fort, Bombay, on Friday, the 2nd September, 1960, at 3-30 p.m. (S.T.), to transact the following business:

1. To adopt the Directors' Report and audited Balance-sheet and Profit and Loss Account for the year ended 31st March, 1960.
2. To declare dividends on Preference and Ordinary Shares.
3. To appoint Directors in place of Shri Bhagwandas Vasanji and Shri Mangaldas H. Vora, who retire by rotation, but being eligible, offer themselves for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

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

By Order of the Board of Directors,
V. M. MERCHANT,
Director.

BOMBAY, 15*th July*, 1960.

N.B.—The Transfer Books of the Company will be closed from Monday, the 8th August, 1960, to Friday, the 2nd September, 1960, both days inclusive.

The Dividends, when sanctioned, will be made payable at the Company's Registered Office, on and after Saturday, the 3rd September, 1960, to those shareholders whose names stand on the Registers on Friday, the 2nd September, 1960, and the Dividend Warrants will be posted to each shareholder to his last registered address. Change of address, if any, should be notified without delay so that the Dividend Warrants may not be lost or misdirected.

THE RAMNUGGER CANE AND SUGAR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, No. 7, Wellesley Place, Calcutta, on Wednesday, the 10th day of August 1960, at 2.45 p.m., to consider and, if thought fit, to pass, with or without modification, the following Resolutions, namely:—

1. *As an Ordinary Resolution*:

"That Anderson Wright Limited be and are hereby re-appointed the Managing Agents of the Company with effect from the 15th August, 1960, on the terms and conditions to be embodied in a separate Agreement to be entered into between the Company and the Managing Agents, a draft whereof has been submitted to this Meeting and approved and signed by the Chairman thereof."

2. *As a Special Resolution*:

"That the Articles of Association of the Company be altered in manner following:—

(a) Article 134 shall be deleted and the following new Article substituted therefor:

"Anderson Wright Limited are the Managing Agents of the Company and shall continue to act as such upon the terms and conditions as to remuneration and otherwise as may be mutually agreed upon from time to time between the Company and the Managing Agents and embodied in a separate Agreement."

(b) Articles 135 to 143 inclusive shall be deleted.

3. *As an Ordinary Resolution*:

"That, as provided in Clause 9 of the said draft Agreement referred to in the foregoing Resolution No. 1, Anderson Wright Limited, the Managing Agents of the Company, and any associate or associates of theirs (as defined in sub-section (3) of Section 2 of the Companies Act, 1956) be and are hereby authorised to retain any commission or other remuneration earned or to be earned by them respectively as the managing agents, secretaries and treasurers, manager, agent, secretary or selling or buying agent of any firm, body corporate or other concern in respect of any goods, power, freight, repairs or other services, including insurance for the sale, purchase, supply or rendering of which a contract has been or is to be entered into by such firm, body corporate or concern with the Company, provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

4. *As a Special Resolution*:

"That, as provided in Clause 12 of the said draft Agreement referred to in the foregoing Resolution No. 1, Anderson Wright Limited be and are hereby authorised to provide the Company with suitable office accommodation at the Registered or Principal Office for the time being of Anderson Wright Limited in Calcutta and also, if so required by the Company, at any other place or places in which Anderson Wright Limited may be able to provide such accommodation, and the Company shall pay to Anderson Wright Limited such monthly sum as the Directors of the Company shall from time to time determine to be fairly and reasonably attributable to the accommodation so provided."

The Share Transfer Register of the Company will remain closed from the 6th to the 10th August, 1960, both days inclusive.

By Order of the Board,
THE RAMNUGGER CANE & SUGAR CO., LTD.,
ANDERSON WRIGHT LTD.,
B. P. KEDIA,
Director,
Managing Agents

7, WELLESLEY PLACE,
CALCUTTA, 13*th July* 1960.

Note:—A Member entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company.

MONEY STILL IN GOOD DEMAND

(From Our Own Correspondent)

BOMBAY, 27*th July*

There has been an increase in the flow of funds into banks since last week. Consequently, there are fewer borrowers, but this has not brought down the rates of interest, as demand for bank credit continues to be quite good. Even inter-bank call money is quoted at the self-same rate of 3½ per cent. per annum. The other short-term money rates also are unchanged: 3¼-3⅜ per cent. for seven-days' House money; 3¼-3⅜ per cent. for one to six months' deposits. What is more, it is the higher rates that are still really representative.

The weekly sale of 91-day Treasury Bills by tenders, which had remained suspended last week in view of the Central Government's new loans, was resumed this week. The response was poor and confined only to special quarters, as is evident from the fact that the total amount offered at Rs. 2 crores was the same as that invited. The average rate of accepted tenders remained unchanged at 2.745 per cent. per annum. It may be noted that this rate has continued since 3rd May 1960. There were no sales of 91-day Intermediate Treasury Bills either. Nevertheless, they are being continued and will be available on tap from 27th July to 30th July 1960 at 99.326 per cent., giving a yield of 2.696 per cent. per annum.

The Reserve Bank's statement for the week ended 22nd July 1960 discloses, as compared with that for the previous week, a contraction of Rs. 26.28 crores in notes in circulation and a rise of Rs. 3.27 crores in notes held in the Banking Department. The net result is a decline of Rs. 23 02 crores in total notes issued. This has been balanced on the assets side by a reduction of Rs. 24.83 crores in rupee securities and an increase of Rs 1.81 crores in rupee coin. In the Banking Department, deposits of Central Government have fallen by Rs. 21 79 crores to Rs. 52.45 crores, but those of other Governments have jumped up by Rs. 19.27 crores to Rs. 31.08 crores. There is a substantial fall of Rs. 16 08 crores in deposits of banks which stand at Rs. 113.85 crores. On the assets side of the Banking Department, balances held abroad have declined further by Rs. 5.05 crores. This latest fall has brought down the total foreign assets to Rs. 160.30 crores. Loans and advances to Government have fallen by Rs. 7.60 crores and so also other loans and advances by Rs. 16.63 crores. Investments have declined by Rs. 9.72 crores, but Treasury Bills held by the Bank are higher by Rs. 16.57 crores.

The latest available statement of Scheduled Banks is for the week ended 15th July 1960. This, as compared with that of the previous week, shows only minor variations. Inter-bank borrowings of both demand and time nature are higher by Rs. 4.05 crores. Demand deposits have gone up by Re. 1.03 crore, but time deposits have declined by Rs. 10.42 crores. Borrowings from Reserve Bank are lower by Rs. 2.71 crores. Bank credit is lower by Rs. 10 crores, as also investments by Rs. 16.80 crores. Money at call and short notice has gone up by Rs. 4.80 crores and total cash by Rs. 17.10 crores. These variations suggest that, during the week under review, the banks were preparing themselves to meet the demand for funds required for subscribing to the new loans of the Central Government which opened on the 18th inst.

There have been no new developments in the Gilt-edged market during the week under review. There is hardly any turnover these days either in Central loans or in State loans. There is no worthwhile change in rates which are almost the same as a week ago. Both 3½ per cent. bonds 1966 and 4 per cent. loan 1980—the new issues of the Central Government—are being quoted at their issue price, namely, Rs. 99.75 and Rs. 99.90, respectively.

A further press note, issued by the Reserve Bank shortly after we went to press last week, on the subscriptions to the new Central loans shows that the total subscriptions amounted to Rs. 180.30 crores, of which Rs. 74.25 crores represented conversions. 3½ per cent. 1966 bonds attracted subscriptions of the order of Rs. 82.66 crores and the 4 per cent. 1980 loan Rs. 97.64 crores. All subscribers received full allotment.

In the foreign exchange market, the rupee was a shade quiet in terms of the U.S. dollar. The banks selling rate for ready T.T. on New York which stood at Rs. 476.50 per $100 moved up to Rs. 476.75. Their buying rate also was higher by 25 nP at Rs. 473.50. In the New York market, £ sterling was quiet. The latest rate at 280.76-280.79 cents per £ for spot compares unfavourably with 281.02-281.05 cents a week earlier. Three months forward sterling has also come down by 0.18 cent, the latest rate being 279.24-279.27 cents per £.

KIPS HARDEN

(From Our Own Correspondent)

MADRAS, 25*th July*

Arrivals of tanned hides and calves were moderate, and clearance kept pace with arrivals. As U.K. enquiries broadened for medium and heavy weight kips, prices in the local market hardened to some extent. Light weights were weak. In the case of top marks, however, the relative tanners were in a well sold forward position. Demand for cow calf and buff calf was negligible. Buff heavies were steady, due to exporters buying for shipment to the U.K.-U.S.A.

There was selective demand for tanned goat skins and the tone was dull. Tanned sheep skins ruled weak, except on prime tannages.

BULLION PRICES RECOVER AT CLOSE

(From Our Own Correspondent)

BOMBAY, 27*th July*

The bullion market presented a firm trend in the first two sessions of the week under review, but developed a sagging tendency on Saturday the 23rd inst., which persisted till today when the market picked up strength again. The earlier firmness was engendered by large purchases made in spot section by some dealers on fear of dwindling stocks. Consequently, both silver and gold scored handsome gains. On Friday, the premia commanded by ready position over the *Shravan* (August) settlement widened to Rs. 2.75 in silver and Re. 1.66 in gold, as against Rs. 2 and Re. 1.25, respectively, prevailing on Wednesday last week. The upward tendency in prices was checked on Saturday when, on account of profit-taking, both the metals suffered a decline. The decline gathered further momentum in the subsequent two sessions also, thanks to rumours regarding large inflow of contraband stocks. Today, however, there was a recovery in values, following scattered buying by spot houses. The closing rates for silver were higher than those prevailing on Wednesday last, while those for gold were lower.

The daily average arrivals of both gold and silver during the week were larger than in the previous week, while the offtake was comparatively less as is indicated below:

	Week ended	
	27-7-60	10-7-1960
Gold (tolas):		
Arrivals	3,600	2,625
Offtake	2,700	3,125
Floating stocks* ...	25,000	
Silver (bars):		
Arrivals	28	14
Offtake	8	9
Floating stocks* ...	350	

*Latest estimates

In the gold section, *Shravan* (August) settlement advanced from Rs. 129.87 to Rs. 130.56 on Friday and, after receding to Rs. 128.81 yesterday, recovered to Rs. 129.68. The closing rate was slightly lower at Rs. 129.56.

Ready gold began the week at Rs. 131.31, as against the previous close of Rs. 131.12, and moved up on good support to touch a high of Rs. 132.22 on the 22nd inst. Thereafter, it declined and stood at Rs. 129.65 at one time yesterday. Opening firm at Rs. 130.31 today, it rose to Rs. 130.50 but closed lower at Rs. 130.37.

Shravan settlement in silver evoked good enquiries early in the week, the quotation rallying from Rs. 218.06 to Rs. 219.31 on Friday the 22nd inst. After easing to Rs. 218.19 in the subsequent three sessions, it recovered to Rs. 219.37 but finished a shade easy at Rs. 219.22. The net gain over the week was Re. 1.16. *Bhadrapad* (September) settlement fluctuated between Rs. 216.56 and Rs. 219.37 before winding up the week at Rs. 217.97. The net gain over the week was Re. 1.53. The rate for transferring commitments from *Shravan* to *Bhadrapad* settlement continued to be in favour of bulls throughout the week, though it narrowed down slightly from Re. 1.62 on Wednesday last to Re. 1.25 today.

Induced by good support, ready silver hardened from Rs. 220.06 to Rs. 221.56 on Friday. After receding to Rs. 219.44 on Monday, it moved up again subsequently and touched Rs. 220.65 today before finishing at Rs. 220.50. The net rise over the week was 44 nP.

Forward silver in the London bullion market improved by ¼d. to 79½d. during the week, while ready silver was unchanged at 79¼d. Silver in New York continued to stand at 91.375 cents. Ready gold in London firmed up from 249s. 10½d. to 250s. 1½d., owing to the weakness of the pound sterling *vis-a-vis* the dollar. The latest available world price for gold in London is $35.09½-$35.11½ per fine ounce, same as last week.

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

	27-7-60 (closing)	High	Low	20-7-60 (closing)
	Rs.	Rs.	Rs.	Rs.
GOLD				
Ready (.999 fine)	130.37	132.22	129.65	131.12
Forward:				
Shravan	129.56	130.56	128.81	129.87
Sovereign	86.00	86.00	85.75	85.50
SILVER				
Ready (.996 fine)	220.50	221.56	219.44	220.06
Forward:				
Shravan	219.22	219.37	218.06	218.06
Bhadrapad	217.97	218.12	216.56	216.44
	26-7-60			19-7-60
London:				
Silver Ready	79½d	—	—	79½d.
Silver Forward	79½d	79½d.	79½d.	79½d.
Gold	250s.1½d.	250s.1½d.	249s.10½d.	249s.10½d.
New York:				
Silver	91⅛ cents	—	—	91-3/5 cents

LINSEED FIRM AGAIN

(Messrs. A. Bradley and Co.)

CALCUTTA, 25*th July*

The linseed market has continued to be firmly held and sellers are very reserved. The local stock position is poor, with arrivals scarce and crushers working on a hand-to-mouth basis. There are enquiries for oil from local buyers for ready and forward deliveries, but business done is on a small scale, as supplies are very short.

The oilcake market is keeping firm, owing to good local demand.

The latest quotations per maund are: Ready Rs. 26 and September Rs. 26.

COTTON FUTURES DECLINE

(From Our Own Correspondent)

BOMBAY, 27*th July*

In contrast to the sustained firmness noted during the past many weeks, the cotton futures market turned easy during the week under review. Prices declined fairly sharply in unofficial dealing from the peaks reached last week. (Official trading continued to remain suspended). The main reason for this reaction was the fall in ready prices following increased offerings by stock holders who wanted to dispose of their stocks before 1st August when the Government's new order, prohibiting sales above the ceiling prices, comes into force. The revival of monsoon, so essential for the crop in Western India, would also appear to have imparted weakness to the market. Rumours that, the Government would not favour an upward revision in ceiling prices, also unnerved bulls. The selling that ensued resulted in a set back in futures values. The Jarilla August Contract receded from Rs. 826 last week-end to Rs. 817.50 yesterday. A mild recovery was witnessed thereafter which persisted today also.

The Special Committee appointed by the E.I.C.A. under By-law 55, fixed on Tuesday the tendering differences in respect of the various descriptions of cotton tenderable against the August Contract. The rates are subject to the floor and ceiling prices fixed under the Cotton Control Order for the 1959-60 season, and right of appeal, provided it is lodged on or before 28th of July 1960.

Traders were eagerly awaiting the outcome of the meeting of the Cotton Textile Consultative Board scheduled to take place at New Delhi on 29th inst. wherein the cotton and cloth situation would come up for review.

In the spot market, traders, who still held unsold stocks, were eager to sell them even at a lower price in view of the coming into force of the new order on 1st August. Although mills too were inclined to replenish their stocks, subject to the availability of quotas, prices turned some what easy. There was good demand for cotton spinning 14 counts and below. Staple styles also met with ready absorption. Interest in foreign cotton was moderate. There was a revival of demand for high grade Sudan. East African Mwanza and U.S. cotton also attracted buyers. Stray interests was noted in Syrian cotton also.

Export demand for Bengal *Deshi* continued to be good. Firm commitment already entered into were reported to be over 20,000 bales of which Japan accounted for the lion's share.

Detailed procedure for sales of cotton after 1st August, when the Textile Commissioner's order dated 13th May comes into force, has been notified. Each trader is required to submit to the Textile Commissioner, on the 1st and 15th of every month commencing from 1st August, details of the cotton held by him together with his distinguishing pressmarks and other particulars. Releases of these cottons will be made to the mills at the ceiling prices applicable to the description, staple and class of the cotton concerned which shall be determined by the Textile Commissioner's Appeal Committee. Mills, which have not been able to complete purchases against their quotas of Indian cotton should, if they so desire, apply, on the 1st and 15th of every month commencing from August 1960, for release of cotton against their unutilised quotas from the stocks lying with the trade. Allottee mills are required to take delivery of the cotton in accordance with the Bye-laws of the East India Cotton Association Ltd., Bombay.

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

Wagad 960; Kalyan 950; Digvijay 1,055; Jaydhar 1,005; Mwanza 1,175; Syrian 1,150.

Quiet conditions prevailed in the Karachi cotton futures market during the week. China, whose bulk purchases were responsible for the recent firmness in prices, appeared to have withdrawn from the market for the time being. Demand from other countries, with the exception of Japan, was slack. Report of satisfactory crop progress was a restraining influence. Prices tended to recede. The N.T.R.G. July Contract went off the Board on 25th inst. The last known quotation for the Contract was Rs. 84. The new crop March Contract opened at Rs. 69-3 but receded to Rs. 68-4 at close. The January Contract declined from Rs. 70-2 last week-end to Rs. 69.

In the spot section, barring *Deshi* prices which were firm, thanks to good export demand from Japan, the trend was generally easy. Sind *Deshi* was quoted on rupee higher at Rs. 92. Punjab *Deshi* was priced at Rs. 90, as against Rs. 89-8 last week-end. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi:

4F Punjab Roller 87-2; S.G. 92-2; L.S.S. Punjab Roller 87-2; S.G. 92-2; N.T. Roller 92-2; S.G. 96-2; 289F Punjab Roller 99-2; S.G. 104-2.

Cotton futures values at Alexandria drifted downward during the week. Bearish weather news and the larger area planted to cotton during the season (the Ministry of Agriculture estimated the area under cotton this season at 1.87 million feddans, as against 1.76 million feddans last season) induced selling. Both the Karnak and Ashmouni contracts were marked down.

The latest available quotations—in tallaris per lb.—are as under:

Karnak: July 75.55; November 74.55; January 74.10.

Ashmouni: August 63.58; October 63.00; December 63.00.

Reports from Khartoum state that the Sudan Cotton Exporters' Association has unanimously resolved to establish at the earliest possible date, an approved active spot market in Port Sudan with the support and participation of both Government and private growers. The Association has also re-

solved to request the authorities to transfer the cotton auctions from Khartoum to Port Sudan.

Steady conditions prevailed in the Liverpool cotton futures market during the week. Selling, which was mainly on American account, was offset by trade covering orders and some speculative buying. Prices moved in narrow range and remained nominally unchanged over the week. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July 22.50; October 22.60; December 22.40; March 22.45.

American cotton mixed growth contract: July 22.70; October 22.90; December 22.75; March 22.80.

Sudan: July, September, November 35.50.

Cotton futures in the New York market suffered a setback during the week. News of favourable weather and good crop progress weakened sentiment. Both current and new crop contracts succumbed to selling. Spot values, too, gave way.

The results of the forthcoming Presidential election are watched with great interest by cotton traders. If the Democrats win it will mean higher price supports.

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

(In cents per lb.)

	26-7-60	19-7-60	12-7-60
Spot	31.60	33.95	34.20
July	—	—	32.98
October	31.14	31.18	30.93
December	31.28	31.33	31.10
March	31.72	—	—

BEMBERG YARN MOVES DOWN

(From Our Own Correspondent)

BOMBAY, 27*th July*

A sharp drop in prices of Bemberg yarn was the feature of trading in the Yarn market during the week under review. The drop followed liquidation by some bulls who were unable to hold on to the large stocks they had bought in recent weeks. There was also forward selling in yarn by certain parties, while buying orders from consuming interests were not quite encouraging. Viscose yarn also tended to decline, owing to arrivals of goods from mills and slack demand. In sympathy and following lack of support from weaving units, staple fibre yarn, too, ruled easy. Cotton yarn, however, continued to attract good attention of operators who feared that stocks held by traders and mills would dwindle in the coming week. The fears were based on the ground that the output of yarn might suffer a further setback as a result of shortage of cotton supplies. The quantity of yarn actually produced in the first six months of 1960 was 839 million lbs., as against 841 million lbs. in the corresponding period of 1959. The traders noted reports that the handloom weavers had represented to the Government that they were not getting adequate supplies of yarn at reasonable prices.

Cupressa Bemberg yarn (60 x 2) August delivery was subjected to selling pressure and climbed down from Rs. 1,963 to Rs. 1,918. October delivery slumped by Rs. 47 to Rs. 1,934. Spot Cupressa fell by 19 nP to Rs. 9. 120 Italy declined by a like amount to Rs. 6. 120 Japan was quiet at Rs. 5.59. 150 Italy, however, met with special support and rose by 13 nP to Rs. 6.19. 150 Japan was also bid higher by 3 nP at Rs. 5.90. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade receded by 13 nP to Rs. 6.12. 150 Bt. cones 1st grade lost 4 nP to Rs. 5.24.

Staple fibre yarn (40 x 2) August delivery encountered selling and declined from Rs. 733 to Rs. 721. October position suffered a fall of Rs. 11, today's closing rate being Rs. 734. Spot Centurys eased by 6 nP to Rs. 3.62. Citys shed 2 nP to Rs. 3.75. Kohinoors were quiet at Rs. 3.76. 80 x 2 Paramounts (imports) changed hands at Rs. 12.75, same as last week.

Cotton yarns, as already stated, ruled strong. Twenty counts, Moderns advanced by a rupee to Rs. 24.75. Gokaks picked up 25 nP to Rs. 24.50. Forty counts Minaxis strengthened by 81 nP to Rs. 32 and Maduras by 63 nP to Rs. 32.50. Sixty counts Raghuvamshis spurted by Re. 1.58 to Rs. 58.58. Finlays were fully maintained at Rs. 60.60. Eighty counts Moderns rose by 50 nP to Rs. 75. Finlays were firm at Rs. 82.82. Among ten counts, Podars were fully steady at Rs. 19, while Gokaks eased by 25 nP to Rs. 19.25.

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

	27-7-1960	20-7-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 Kg.)		
August	1,918	1,963
October	1,934	1,981
60/1 Cupressa Bemberg spot (per lb.)	9.00	9.19
120 Japan (per lb.)	5.59	5.59
150 Japan (per lb.)	5.90	5.87
120 Italy (per lb.)	6.00	6.19
150 Italy (per lb.)	6.19	6.06
Staple fibre yarn—		
40 x 2 August	721.00	733.00
October	734.00	745.00
40 x 2 City (per lb.)	3.75	3.77
40 x 2 Century	3.62	3.68
Cotton yarn (per bundle of 10 lbs.)—		
10s Gokak	19.25	19.50
20s Gokak	24.50	24.25
40s Minaxi	32.00	31.19
60s Finlay	60.60	60.60
80s Modern	75.00	74.50

NEW COTTONSEED CONTRACT

(From Our Own Correspondent)

BOMBAY, 27*th July*

The sustained rally in the groundnut prices noted last week was arrested during the week under review, thanks mainly to reports of revival of favourable weather conditions in the producing centres. There was, however, no official dealings in forward groundnut contract since the prices continued to be above the ceiling level. Castorseeds and linseeds met with some selling pressure. In the cotton seeds section, trading in new contract for February 1961 delivery commenced on Tuesday. The new contract is based on metric system of weights and measures. Unit of trading in cottonseeds which had been 100 candies, replaced by 25 metric tons, while the rate will be quoted for 250 kilograms instead of one candy. The Forward Markets Commission has not, however, granted permission to start new crop contracts in groundnuts, castorseeds and linseeds.

During the initial sessions, groundnut section displayed distinct firmness, mainly on account of smaller arrivals from upcountry centres and also reports of damage to seeds owing to unfavourable weather conditions. The abrupt change in the weather in the major producing centres like Saurashtra and Andhra dampened the enthusiasm of bulls. This led to some liquidation of stocks, though it did not lead to any notable setback. This is due mainly to the general scarcity of supplies as also keen enquiries from crushers and *vanaspathi* manufacturers. Incidentally, it may be noted that the third Plan target for *vanaspathi* production is placed at 500,000 tons annually. The production in 1960-61 is estimated at 350,000 tons, as against 276,000 tons in 1955-56 and 153,000 tons in 1950-51.

To revert to the market trend. While there was no official dealings in forward groundnut contract it was privately quoted in the neighbourhood of Rs. 226, a decline of about a rupee, as compared with the last week-end. Nizam bold presented a firm front with the quotation recording a rise of 50 nP over the week. Khandesh quality which had risen from Rs. 19.25 to Rs. 50.25 by Saturday, declined subsequently to Rs. 49.75. Oil ex-mill fell from Rs. 25.50 to Rs. 25.37. Railway Receipts, too, lost 13 nP to Rs. 25.12. But oilcakes were firm on good overseas enquiries.

Distinctly easy conditions prevailed in the castorseeds section owing to protracted absence of any encouraging export enquiries for castor oil and also to pressure of supplies. In these conditions, castorseed September contract 1960, which had wound up last week at Rs. 181, after an initial spurt to Rs. 181.25, gave way gradually to close today at Rs. 177. Ready Madras eased by 50 nP to Rs. 35. Oil Commercial receded from Rs. 20.25 to Rs. 19.87.

There was no notable development in the linseed section. In the absence of any overseas enquiries for oil, linseeds drifted to lower levels. Linseed September contract declined by 37 nP to Rs. 34.19. Bold ready fell from Rs. 34 to Rs. 33.62.

In the cottonseed section, there were no transactions in the maturing contract. The new contract, which started yesterday at Rs. 93.25, gave way subsequently to wind up the week today at Rs. 91.75, in the absence of support at higher levels.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	27-7-1960	20-7-1960	13-7-1960
	Rs.	Rs.	Rs.
Groundnut	—	—	223.50
August 1960	49.25	48.75	48.00
Nizam bold	49.75	49.25	48.00
Coromandel ready	49.75	49.25	48.00
Khandesh quality	25.37	25.50	25.00
Oil ex-mill ready*	25.12	25.25	24.75
Railway receipts*			
Castorseed			
September 1960	177.00	181.00	182.25
Ready Madras	35.00	35.50	35.25
Ready Kanpur	34.00	34.50	34.25
Oil B.S.†	19.87	20.25	20.25
Oil commercial†	18.44	18.87	18.87
Linseed			
September 1960	34.19	34.56	34.75
Bold ready	33.62	34.00	33.87
Oil ready†	17.19	17.32	17.25
Cottonseed	—	—	105.00
September 1960	91.75	—	—
February 1961	38.50	38.50	38.00
Niger seed	25.00	24.50	24.50
Kardi seed			

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter. Rates of new cottonseed contract are per 250 kilograms.

KEEN EXPORT DEMAND FOR TEA

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

COCHIN, 19*th July*

Export sale No. 29, conducted on the 19th inst., contained 1,650,000 lbs. and quality often showed some improvement. The sale opened to a much improved demand and both exporters and internal buyers were operating keenly, the latter being able to buy more freely following the settlement of the strike. In particular, plain and low medium teas were well supported and advanced irregularly by 5 nP. There was good support for improved quality medium teas and these, together with the best liquoring highgrowns, were dearer by 5 nP to 15 nP. All fannings grades met with better enquiry than in recent weeks and black leaf types were a strong feature of this sale. The more fibrous fannings, however, remained in limited demand. Whole leaf grades were irregular. Orange pekoes met with good demand and were up to 10 nP dearer. Flowery pekoes and pekoes, however, were often easier. The quotations were:

	1960	1959
Low medium	1.60-1.70	1.48-1.65
Medium	1.70-1.80	1.60-1.75
Good medium	1.85-1.95	1.85-2.10
Quality	2.10-2.68	2.05-3.00

In the dust sale "AA" held on Thursday the 21st inst., 760,000 lbs. were on offer. There was strong general demand. Most descriptions were irregularly dearer by 10 nP to 15 nP, with the exception of the milled dusts which were fully firm. There was useful enquiry for legg-cut and C.T.C. teas which were sold well at considerably enhanced rates.

There are sellers in export quotas at 2 nP per kilo.

At Colombo, 6.75 million pounds were offered which met with strong demand. Best Dimbulas were steady, whilst other South-West highgrowns were easier. Uvas were dearer, following quality, particularly fannings. Low mediums tended dearer, but the better sorts were slightly easier. Lowgrowns and plainest kinds advanced by 3/5 cents.

In Monday's auction in North Indian and other growths at London, there was good demand, especially for the better new season's North Indian teas, whilst all other descriptions showed no quotable change. On Tuesday, there was good demand for Ceylon and South Indians and prices were generally unchanged.

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

"*Sale No.* 29: 1,600,000 pounds offered. Excited demand, particularly from internal buyers. Low medium and medium brokens advanced by 10 nP to 15 nP. Similar fanning rose by 5 nP. *Good medium* and best liquoring up to 20 nP dearer, following quality. Whole leaf very strong and dearer."

JUTE GOODS BUOYANT

(From Our Own Correspondent)

CALCUTTA, 26*th July*

There was a steep rise in heavy goods prices in the jute markets during the week under review, following commencement of Chinese buying interest. It would be remembered that, at this time last year also, Chinese bought heavily, and, in consequence, prices of not only heavy goods but hessian and miscellaneous constructions had recorded a phenomenal increase, and enabled the mills to follow a policy of progressive unsealing of idle looms and thereby increase production. A moderate quantity had already been lifted by Chinese buyers, and market circles expected the Chinese to continue buying, since, as a result of the reported increase in Chinese agricultural production, China would require even a greater number of bags for package and storage than last year. Hessian constructions did not benefit from the up-trend in heavy goods, though the trend was fully firm. The reasons were meagre U.S. buying and report earlier in the week that burlap consumption in the month of June aggregated only 71 million yards representing a decrease of 3.5 million yards as compared with the previous month. It was, however, noted that consumption up to June amounted to 444 million yards which was only 10 million yards less than in the corresponding period of last year. In 1959, burlap consumption in the U.S. touched a record figure and market circles noted that, in consideration of this factor, consumption up to June this year was not unsatisfactory. The fact is that U.S. buyers have now adopted the policy of lifting hessian in driblets. Burlap stocks at the end of June were higher by 3 million yards at 266 million yards, which were considered to be sufficient for 12 to 14 weeks.

Now that Chinese buyers have begun to show interest and prices of heavy goods are moving up, it is expected that the U.S. buyers would also keep on buying, despite reports that they may not show interest unless prices are lower. Meanwhile, fibre prices have also moved up following certain bullish rumours. Although weather reports have continued to be good and harvest is proceeding smoothly and there is adequate water in tanks and canals for proper retting, the report that a smaller area has been sown in this season has been circulated. However, since at sowing time fibre prices were high, reflection should enable the inference that there is no basis for such a hypothesis. Following communal disturbances in Assam, selling agencies in the State have of course, reported difficulty in recruiting trained staff who are Bengalis. For the Bengali staff have expressed reluctance to proceed to Assam until the law and order situation there improves. As a result of this, market circles anticipate some delay in the despatch of jute from Assam. This has been one of the reasons for the hardening tendency in fibre prices noted this week. The publication of figures in regard to jute arrivals has also aided the up-trend. The quantity of Indian jute that reached mills' stations during June was only 209,850 bales, which was lower than in any month since August 1955. In June last year, arrivals were as much as 303,350 bales. Arrivals in May this year were higher by 96,400 bales as compared with the following month of June. However, a redeeming feature is that, in June, arrivals from Pakistan were 92,550 bales which represented an improvement of 80,200 bales as compared with June 1959 and of 49,150 bales as compared with the previous month. Such satisfactory arrivals from Pakistan were due to the liberal issue of import licences granted by the Government of India.

Total arrivals during the twelve months ended June were 5,788,650 bales which were below the estimated consumption by mills during the period. Of the total, 5,191,650 bales represented Indian jute, and they were lower by 984,850 bales as compared with the previous jute season. Arrivals from Pakistan increased by 268,000 bales, so that the total of the drop from both the countries was only 716,850 bales.

The goods market opened on Tuesday last on a steady trend generated by reports of an order from Saigon for 5,000 bales of heavy Cees for ready shipment. Covering business in heavy goods was swift, and ready B. twills rose from Rs. 124.75 to Rs. 126.25. In sympathy, ready hessian 40" 10 oz. at Rs. 45 recorded a fractional gain. On the following day, fresh business with Australia for corn-sacks for shipment before September was a feature. Both heavy goods and hessian were pushed up, as fibre prices were also hardening. Swift activity was reported from the futures market, and the November contract B. twills recorded an impressive gain. Following this, ready B. twills rose to Rs. 131.30 and hessian 40" 10 oz. to Rs. 45.90. However, soon came encouraging crop reports, and also overseas buyers of goods were not prepared to support the uptrend. Consequently, ready B. twills dropped to Rs. 128.50 and hessian 40" 10 oz. to Rs. 44.65. The feature on Friday was the announcement of an official tender for nearly 20,000 bales of B. twills for delivery in August and September. Ready B. twills closed better at Rs. 129.60 and hessian 40" 10 oz. at Rs. 44.75. The gain would have been more impressive, but rumours of the tender earlier in the day related to a higher quantity. Towards the week-end, B. twills improved to Rs. 131.35, while hessian 40" 10 oz. was quiet at Rs. 44.55. Yesterday was an official holiday for the market, and prices were nominal. Ready hessian 40" 10 oz. was slightly better at Rs. 44.65, but ready B. twills sagged to Rs. 130.85.

For reasons already indicated, fibre prices improved. Mills showed keen interest in near delivery near crop. Sellers were reserved. Sept.-Oct. northern bottoms rose from Rs. 89.50 to Rs. 91 per 100 kg. and Oct.-Nov. *Daissee* bottoms from Rs. 93 to Rs. 96.50.

TEA ADVANCES

(From Our Own Correspondent)

CALCUTTA, 26*th July*

Good demand was in evidence during yesterday's export sale in tea as well as last week's internal auctions. The very steady conditions and the gain in prices in Assam teas during last week's London auctions were noted. Similarly, in London, there was improved demand for Ceylonese and South Indian teas.

The report that the U.K. was importing more and more Chinese tea and that it was possible that some of the Chinese teas imported were taking up for blending was a matter of concern to trade circles. This was especially so since India's exports to the U.K. had been declining. According to a London report, the U.K. imported as much as 9 million lbs. of Chinese tea in 1959, but, in 1947, the imports were less than 1 million lbs.

Offerings during the export sale held yesterday amounted to 34,045 packages. Following the selective preference shown by buyers, a substantial quantity from the different categories had to be withdrawn towards the close of the sale. In Darjeelings, the flavoury teas were firm, while an easier trend was recorded by the plainer teas. Among orthodox Assams, the brighter liquoring teas commanded fair attention and were firm, but prices for the rest of this category declined by 20 nP to 30 nP. A strong feature was the plain brokens prices of which improved, but fannings closed 10 nP to 15 nP below last rates. Among legg-cuts, the poorer lots received attention of buyers at prices below 10 nP. Prices of better descriptions sagged up to 30 nP below brokers' valuations. In whole leaf-grades, a dearer tendency was recorded by the cheaper lots. The superior teas in this category were taken by Turkish buyers and, as a result, prices improved. Tippy teas were irregular.

The quotations per kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 8.50 to Rs. 9.00; best Assam C.T.C. B.P. Rs. 8.00 to Rs. 8.50; clean black pekoe Rs. 5.30 to Rs. 5.00 (nom.); medium fannings Rs. 4.80 to Rs. 5.20 (nom.); plain medium B.P. Rs. 5.00 to Rs. 4.60; and plain B.P. fannings Rs. 4.40 to Rs. 4.60. Rs. 4.60 to Rs. 4.70.

Dusts on offer during last week's internal sales amounted to 11,531 chests. There was good general demand. Among orthodox exportable teas, the smaller and thicker liquoring lots commanded higher prices. Legg-cut Dooars were generally easier, but the powdery teas were bought at hardening rates. Among C.T.Cs, the brighter kinds were firm, while the mediums lost 10 nP. The quotations per kg. including excise duty were: best Assam C.T.C. Rs. 6.10 to Rs. 6.50; medium Assam C.T.C. Rs. 5.60 to Rs. 6.00; medium Assam Rs. 4.50 to Rs. 4.90; and medium Dooars Rs. 4.40 to Rs. 4.60.

Legg on offer amounting to 223 chests were sold at higher rates.

Yesterday, export quota changed hands at 2 nP per kg. Buyers soon reduced the price to 1¾ nP, but sellers continued to demand 2 nP.

COPPER SCRAP DECLINES

(From Our Own Correspondent)

CALCUTTA, 26*th July*

Copper scrap fell during the week under review, while tin and electrolytic zinc recorded handsome gains. Advices from the London Metal Exchange were encouraging earlier in the week, but closing levels were below the best for the week. Opening at £252 a ton, electrolytic copper in London touched a high of £258, but soon eroded and closed easier at £250½. The earlier rise was attributed to the Congolese situation and the possibility of an imminent strike in a Chilean mine. However, the subsequent recession was in accord with the easier trend in New York. Locally, during the week, following a decline in interest, berry quality scrap gave way from Rs. 216 to Rs. 212 a cwt. and utensil scrap from Rs. 200 to Rs. 195. Tin shot up to Rs. 567 per cwt. from Rs. 562. There was good demand. Stocks were limited, but arrivals were soon anticipated. In London, the price touched a high of £823 a ton, after opening at £810½ and before closing at £815. Demand in London was reported to be keen. Local demand for electrolytic zinc was heavy, but the supply position was tight. The price hardened from Rs. 173 to Rs. 176 a cwt. In London, the price opened at £90⅛ a ton and, after moving up to £91¼, closed at £90½. Lead was firm at Rs. 69 per cwt.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 25*th July*

Foodgrains registered an easy trend during the week. The easiness was due mainly to brighter *Kharif* crop prospects following clear weather after two week's heavy rains. There were reports that large-scale sowings of maize and fodder crop had also been done during the week and land was being prepared for *rabi* sowings.

Wheat at Hapur ruled almost stationery during the week to be quoted on Monday at Rs. 17 a maund for average quality and upto Rs. 18.25 for farm produce. Arrivals of wheat, which were almost nil in last two weeks due to heavy rains and waterlogging in villages, improved to about 150 to 200 maunds a day, and all these arrivals were being lifted by consumers.

Rice continued to rule steady, as stocks with trade were not very heavy. It was reported that the State Government had procured substantial quantities of rice and had now offered one lakh tons to other States. Rice continued around previous week's levels at: *sela basmati* Rs. 31 to Rs. 35 ; *ramajwayan* Rs. 25 ; *raimunia* Rs. 26 ; *mainpuri* Rs. 24.25 ; *gadda* Rs. 21.75 a maund.

Gram recorded a fall of about 50 nP a maund during the week to be quoted now at Rs. 15.25 a maund, thanks to easy Punjab advices and better *Kharif* crop prospects. The U.P. Government was reported to be quite keen on selling 125,000 maunds of gram from its stocks and traders were said to have offered Rs. 13.25 to Rs. 14.75 a maund according to quality. Barley fell to Rs. 12.75 a maund and *bejhar* too was quoted slightly lower at Rs. 12.25 a maund for inferior quality and Rs. 13 for superior *moongia* quality. *Jowar* ruled quiet at Rs. 13.50 to Rs. 14.25 a maund, as also *guwar* at Rs. 12.50 to Rs. 13. Stocks of both these with the trade were poor. Demand too was slack.

After an early fall to Rs. 12 a maund for *dara* green quality following selling pressure by stockists, peas improved again to Rs. 12.25 a maund towards the week-end on revival of demand. Superior farm quality peas was quoted at Rs. 13 and peas *dal* at Rs. 13.75 a maund. Daily arrivals were about 200 maunds and local stock is put at 88 *khatties*. *Arhar* also drifted lower to be quoted at Rs. 13.50 a maund in the absence of demand. *Arhar* stock remained unchanged at 26 *khatties*. Other pulses were almost unchanged, *urd* from South at Rs. 20, *moong* Punjab at Rs. 20.50, *moong* from Rajasthan at Rs. 22 and *massor* at Rs. 15 to Rs. 18 a maund.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, 25*th July*

Sugar continued to rule depressed during the week, thanks to easy supply position and slack demand. The week-end quotation was Rs. 112 per bag, a rupee lower than in the previous week. In view of sugar production having touched the peak of 24.10 lakh tons this year, besides a carryover of 1.73 lakh tons, trade was expected to press again for decontrol of sugar. Although the Government was as yet following a wait and watch policy, there were reports that it would shortly review the question. Sugar in retail continued to be quoted at Rs. 1.12 per *seer* in the open market, the control price being Re. 1.04.

Sugar also eased by Re. 1 to Rs. 2 per bag in the Muzaffarnagar market, spot delivery being quoted at Rs. 114 per bag, following easy supply position and booking restrictions again.

Sugar in the Kanpur market too suffered a setback. The quotation stood at Rs. 112.50 a bag in the week-end.

Khandsari registered sharp gains during the week on brisk demand from Kutch, Saurashtra, Punjab and Gujerat. The latest rate was about Rs. 2 a maund higher as compared with the previous weeks level. Inferior was done at Rs. 30 to Rs. 32, superior at Rs. 34 to Rs. 41.50, crystal *khandsari* at Rs. 37 to Rs. 42, and *boora* from crystal at Rs. 43 a maund. *Khandsari* stocks were fast running down and were put at about 50,000 maunds in the Muzaffarnagar market.

Ready *gur* recorded fractional gains during the week to be quoted now at Rs. 17 a maund for best dry quality and Rs. 16.25 for dry wet *kotha* quality. *Shakker* was quoted at Rs. 19.50 a maund. Daily arrivals during the week were meagre and local stock ran down to 18,000 maunds, the corresponding figure last year being 40,000 maunds when best *gur* was quoted at Rs. 21.25 a maund. Total arrivals of *gur* here during the season just coming to a close were 5.86 lakh maunds, as against the total arrivals of 6.61 lakh maunds last year. Following good rains in last fortnight, prospects of the coming cane crop were reported to be bright.

Future *gur* moved both ways during the week, but the trend overall was bearish, following heavy rains brightening cane crop prospects. *Fagun* opened at Rs. 14.22 last Monday, touched the highest and lowest at Rs. 14.26 and Rs. 13.94, respectively. It was quoted today at Rs. 14.14.

Notices

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from Saturday the 13th August 1960 to Saturday the 27th August 1960, both days inclusive.

Shareholders are requested to notify immediately any change in address to the undersigned.

FOR THE SIMPLEX MILLS COMPANY LIMITED,
S. R. DAMANI,
Director.

30, CLERK ROAD,
JACOB CIRCLE,
BOMBAY-11, 22*nd July* 1960.

BALMER LAWRIE AND COMPANY LIMITED

THE BOARD OF DIRECTORS OF THE above Company has decided to recommend to the forthcoming Annual General Meeting, the payment of a Final Dividend of 20 per cent. for the year ended 31st December, 1959.

BALMER LAWRIE & Co. LTD.,
D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 11*th July*, 1960.

BALMER LAWRIE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Annual General Meeting will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, the 19th August 1960, at noon, to consider the Accounts of the Company for the year ended 31st December 1959, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 1st August 1960 to 19th August 1960, both days inclusive.

By Order of the Board,
D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 15*th July*, 1960.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS OF THE above Company has decided to recommend to the forthcoming Annual General Meeting, the payment of a Dividend of 30 per cent. for the year ended 31st December, 1959.

BALMER LAWRIE & Co. LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 11*th July*, 1960.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 22nd July, 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		40,00,00,000
National Agricultural Credit (Stabilisation) Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		52,15,21,000
(2) Other Governments		31,07,84,000
(b) Banks		114,85,57,000
(c) Others		129,29,96,000
Bills Payable		19,02,75,000
Other Liabilities		9,06,06,000
	Rupees	485,37,39,000

ASSETS	Rs.
Notes	26,33,58,000
Rupee Coin	1,33,000
Subsidiary Coin	4,80,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	22,34,29,000
Balances held abroad*	17,29,42,000
Loans and Advances to Governments†	29,55,32,000
Other Loans and Advances	114,19,79,000
Investments	259,32,39,000
Other Assets	14,36,38,000
Rupees	485,37,39,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item 'Other Loans and Advances' includes Rs. 13,45,30,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	26,33,58,000	
Notes in circulation	1815,38,15,000	
Total Notes issued	....	1841,71,73,000
Total Liabilities	....	1841,71,73,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	143,00,89,000	
Total of A		260,76,92,000
B. Rupee Coin		129,37,70,000
Government of India Rupee Securities		1451,57,11,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1841,71,73,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	15th July 1960	8th July 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1841.67	1850.11	1859.19	1705.08
Notes held in Banking Department	35.05	23.07	13.83	33.43	22.76
Foreign Securities	59.50	143.01	143.01	148.01	173.01
Rupee Securities	87.89	1476.40	1476.40	1501.40	1305.75
Banking Department					
Deposits of:					
Government of India	14.39	74.24	69.27	92.42	49.56
Other Governments		11.81	14.96	9.23	39.36
Balances held abroad	10.06	22.85	26.67	13.76	9.93
SCHEDULED BANKS					
Demand Liabilities	134.36	787.37 (21.64)†	782.64 (15.42)†	796.81 (15.02)†	730.55 (24.77)†
Time Liabilities	102.24	1211.84 (24.77)†	1221.90 (24.41)†	1199.06 (23.06)†	1060.48 (30.08)†
Borrowings from Reserve Bank	..	44.35 (12.42)‡	47.06 (12.71)‡	45.09 (13.61)‡	3.61 (2.76)‡
Borrowings from State Bank	..	12.68	12.25	13.59	4.69
Cash in India	6.70	50.61	49.66	46.97	42.99
Balances with Reserve Bank	25.17	121.62	105.47	104.24	85.81
Balances with other banks in current account in India	..	22.91	17.05	14.90	14.66
Money at call and short notice in India	..	32.83	28.02	27.95	38.79
Investments (at book value)	..	732.24	749.04	740.43	670.17
Advances and bills	105.9	1128.34	1138.33	1133.82	979.35
STATE BANK					
Deposits	27.76	617.06	632.17	632.11	539.07
Investments	51.99	381.49	393.47	388.94	325.56
Advances	30.35	216.02	219.71	218.71	183.80
Cash	14.69	49.15	34.35	34.37	40.52

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

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	24th Dec., 1959	3.25	4
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	....	3
Canada †	....	2.24	3.23
Ceylon	16th Dec., 1959	2.50	3
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	3	4
Finland	Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1958	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	2nd Dec., 1959	6.94	7.3
Mexico	4th June, 1942	4	4.50
Netherlands	18th Nov., 1959	2.75	3.50
New Zealand	10th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	4.50
Philippines	Feb., 1959	4.50	6.50
Portugal	19th Jan., 1944	....	2
South Africa	4th Jan., 1960	4.50	4
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	....	7
Turkey	6th June, 1956	4.50	6
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July 1936	3	4
U.S.A.	3rd June, 1960	4	3.50
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 22nd July, 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL:—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		727,20,00,000
Borrowings from Other Banking Companies, Agents, etc.		627,87,03,000
Bills Payable		8,97,61,000
Bills for Collection being Bills receivable as per contra		1,96,22,000
Acceptances, Endorsements and Other Obligations per contra		2,15,13,000
Other Liabilities (including Inter-Office Adjustments)		11,28,97,000
Total	Rs.	665,03,49,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		32,15,50,000
Balances with other Banks		3,87,80,000
Money at Call and Short Notice		1,00,00,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	361,78,05,000	
Other Authorised Investments	9,87,03,000	
		374,65,08,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	197,41,94,000	
Bills Discounted and Purchased	12,85,47,000	
		210,27,41,000
Bills Receivable being Bills for Collection as per contra		1,96,22,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,15,13,000
Premises less Depreciation		1,25,41,000
Furniture and Fixtures less Depreciation		1,27,75,000
Other Assets (including Inter-Office Adjustments).		36,47,74,000
Total	Rs.	665,03,49,000

Scheduled Banks*

Statement of Affairs for the week ended 15th July 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		21,64,32,000
(ii) Other demand liabilities		765,73,12,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		24,77,01,000
(ii) Other time liabilities		1,187,07,08,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		10,60,95,000
(ii) Time liabilities		2,07,00,000
Borrowings in India from the Reserve Bank of India†		44,34,60,000 (12,42,35,000)
Cash in India		50,61,16,000
Balances with the Reserve Bank in India		121,62,32,000
Balances with other banks in current account in India		22,90,90,000
Money at call and short notice in India		32,82,85,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		732,23,76,000
Advances in India		987,92,31,000
Inland Bills, purchased and discounted in India		96,78,32,000
Foreign Bills, purchased and discounted in India		43,62,88,000

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
19th April	2.00	2.00	2.00	2.770	99.305
26th April	2.00	2.75	2.00	2.770	99.310
27th to 30th Apr.*	2.01	—	2.01	—	99.326
3rd May	2.00	2.82	2.00	2.745	99.325
10th May	2.00	2.00	2.00	2.745	99.310
11th to 14th May*	3.05	—	3.05	—	99.326
17th May	2.00	2.00	2.00	2.745	99.310
24th May	2.00	2.30	2.00	2.745	99.325
25th to 28th May*	1.25	—	1.25	—	99.326
31st May	2.00	2.25	2.00	2.745	99.325
1st to 4th June*	3.05	—	3.05	—	99.326
7th June	2.00	2.00	2.00	2.745	99.310
8th to 11th June*	2.15	—	2.15	—	99.326
14th June	2.00	2.00	2.00	2.745	99.310
15th to 18th June*	0.07	—	0.07	—	99.326
21st June	2.00	2.02	2.00	2.745	99.315
22nd to 25th June*	0.07	—	0.07	—	99.326
28th June	2.00	2.00	2.00	2.745	99.310
6th July	2.00	2.00	2.00	2.745	99.310
13th July	2.00	2.02	2.00	2.745	99.325
20th July	2.00	2.00	2.00	2.745	99.310
Total amount outstanding	34.65	..	34.65	..	..

* Intermediate Treasury Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	9th July 1960	2nd July 1960	11th July 1959	May 1960	May 1959	Percentage of Increase (+) or Decrease (−) in May, 1960 as compared with May, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	123.8	121.7 R	120.7	120.0	116.1	+ 3.4	118.0	115.2
Cereals	192	109.0	108.4 R	106.5	105.8	98.9	+ 7.0	104.1	106.8
Pulses	43	94.0	92.8	96.2	89.2	94.8	− 5.2	93.6	103.0
Fruits and Vegetables	28	123.6	119.2	115.5	117.4	115.8	+ 1.4	113.8	107.3
Milk and Ghee	84	125.4	118.1 R	132.0	138.0	131.1	+ 5.3	130.4	124.2
Edible Oils	47	145.0	143.5	114.8	119.2	106.3	+12.1	112.0	108.4 E
Fish, Eggs and Meat	17	132.3	124.6	138.3	144.4	146.4	− 4.2	147.2	127.2
Sugar and *Gur*	48	139.4	139.5	162.9	164.4	157.4	+ 4.4	167.9	151.3
Others	19	165.2*	165.4	....	167.3	160.5	+ 4.3	160.5	145.4
Liquor and Tobacco	21	110.5	110.5	99.1	107.3	98.8	+ 8.8	99.5	95.4
Tobacco	—	109.1	109.1	105.7	97.0	97.0	+ 0.0	97.0	93.6
Fuel, Power, Light and Lubricants	30	118.8	118.7	115.6	118.6	115.8	+ 2.4	116.5	115.4
Industrial Raw Materials	155	136.6	138.2	120.1	140.0	119.5	+17.2	123.7	115.6
Fibres	61	130.2	135.8 R	109.7	147.2	109.2	+34.8	113.3	108.0
Oilseeds	60	149.6	149.3	135.7	139.8	134.1	+ 4.3	134.6	127.0
Minerals	2	98.2*	98.2	97.8	98.2	102.4	− 4.1	97.8	106.0
Others	32	126.5	126.4*	113.5	129.5	112.6	+15.0	121.6	109.2
Manufactures	286	119.8	120.0 R	107.3	119.8	108.4	+10.5	111.8	108.45
Intermediate Products	41	130.3*	129.5 R	108.3	125.4	108.1	+16.0	113.8	110.3
Finished Products	249	118.1	118.5	109.5	118.9	108.5	+ 9.6	111.3	108.12
Textiles	147	118.3	119.0	104.8	120.2	103.6	+16.0	107.8	105.8E
Cotton	..	126.7*	126.7*	113.6*	124.8*	112.6	+10.8	116.9*	117.2E
Jute	..	105.4	108.3	87.9	117.2	84.6	+38.5	90.6	86.5
Woollen	..	106.2*	106.2*	104.2	104.2*	104.2	—	104.2	105.9
Silk and Rayon	..	102.7*	102.7*	93.0*	104.3*	95.5*	+ 9.2	98.3	99.3
Metal Products	..	148.3	148.3	143.3	148.3	143.3	+ 3.5	144.4	145.1
Chemicals	..	104.0	104.0	106.6	104.7	106.4	− 1.6	106.9	106.8
Oil Cakes	..	139.0	137.9	146.4	135.7	139.6	− 4.2	143.8	136.0
Machinery and Transport Equipment	..	110.8	110.8	105.9*	110.6	106.1	+ 4.2	106.2	103.2E
Others	..	115.4	115.4	113.3	114.6	113.0	+ 1.4	113.4	113.7
All Commodities	1,000	124.2	123.4	110.7	122.7	114.0	+ 7.6	117.1	113.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. E Estimated.

State Bank of Pakistan

Statement of Affairs for the week ended 15th July 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Deposits—	
(a) Central Government	20,16,10,000
(b) Provincial Governments	13,13,000
(c) Banks	25,38,69,000
(d) Others	77,08,59,000
Bills Payable	21,71,000
Other Liabilities	14,45,05,000
Rupees	144,61,30,000

ASSETS	Rs.
Notes	14,07,51,000
Rupee Coin	21,000
Subsidiary Coin	33,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,000
Balances held outside Pakistan*	21,77,50,000
Loans and Advances to Governments	11,85,00,000
Provincial Governments' Debtor Balances	4,99,99,000
Other Loans and Advances	3,73,30,000
Investments	78,51,61,000
Other Assets	9,96,06,000
Rupees	144,61,30,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,67,54,000	
Notes in circulation	353,64,88,000	
Total Notes issued	....	368,32,42,000
Total Liabilities	....	368,32,42,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	73,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		140,74,49,000
B. Rupee Coin	4,39,21,000	
Government of Pakistan Securities	217,28,66,000	
Internal bills of exchange and other commercial paper	....	
		221,67,87,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	368,32,42,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 89.73 per cent.

EXCHANGE RATES

	20th July 1960	Previous Week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T. T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-6 1/8	1-6 1/8
Buyers T.T. 10 to 12 months	1-6 1/8	1-6 1/8
Bombay on New York—		
Sellers T.T. D.D.	476.50	476.50
Buyers T.T.	473.25	473.25
London on New York	2.8076-2.8077	2.8087-2.8089
London on Paris	13 76½-13 76¾	13 75½-13 76½
London on Berne	12 1000-12 1020	12,0900-12,1000
New York on London	280.700-280.790	280.880-280.910

CLEARING HOUSE RETURNS

Centre	Week ended 22nd July 1960 Number of Cheques	Amount Rs.	Week ended 15th July 1960 Number of Cheques	Amount Rs.
Bombay	3,29,114	92,07,23,000	2,93,058	64,23,15,000
Calcutta	—	—	1,45,000	66,05,00,000
Madras	91,889	11,52,18,927	80,024	9,71,34,595
All Centres—				
1957-58	..	..	41,672,000	80,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
Feb., 1960	..	..	4,205,000	9,43,59,00,000
Mar., "	..	..	4,431,000	10,12,71,00,000
April "	..	..	4,636,000	10,42,01,00,000
May "	..	..	4,588,000	10,19,66,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	9th July 1960	2nd July 1960	11th July 1959	May 1960	May 1959	Percentage of Increase (+) or Decrease (−) in May, 1960 as compared with May, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	123.8	121.7 R	120.7	120.0	116.1	+ 3.4	118.0	115.2
Cereals	192	109.0	108.4 R	106.5	105.8	98.9	+ 7.0	104.1	106.8
Pulses	43	94.0	92.8	96.2	89.2	94.8	− 5.2	93.6	103.0
Fruits and Vegetables	28	123.6	119.2	115.5	117.4	115.8	+ 1.4	113.8	107.3
Milk and Ghee	84	125.4	118.1 R	132.0	138.0	131.1	+ 5.3	130.4	124.2
Edible Oils	47	145.0	143.5	114.8	119.2	106.3	+12.1	112.0	108.4 E
Fish, Eggs and Meat	17	132.3	124.6	138.3	144.4	146.4	− 4.2	147.2	127.2
Sugar and *Gur*	48	139.4	139.5	162.9	164.4	157.4	+ 4.4	167.9	151.3
Others	19	165.2*	165.4	....	167.3	160.5	+ 4.3	160.5	145.4
Liquor and Tobacco	21	110.5	110.5	99.1	107.3	98.8	+ 8.8	99.5	95.4
Tobacco	—	109.1	109.1	105.7	97.0	97.0	+ 0.0	97.0	93.6
Fuel, Power, Light and Lubricants	30	118.8	118.7	115.6	118.6	115.8	+ 2.4	116.5	115.4
Industrial Raw Materials	155	136.6	138.2	120.1	140.0	119.5	+17.2	123.7	115.6
Fibres	61	130.2	135.8 R	109.7	147.2	109.2	+34.8	113.3	108.0
Oilseeds	60	149.6	149.3	135.7	139.8	134.1	+ 4.3	134.6	127.0
Minerals	2	98.2*	98.2	97.8	98.2	102.4	− 4.1	97.8	106.0
Others	32	126.5	126.4*	113.5	129.5	112.6	+15.0	121.6	109.2
Manufactures	286	119.8	120.0 R	107.3	119.8	108.4	+10.5	111.8	108.45
Intermediate Products	41	130.3*	129.5 R	108.3	125.4	108.1	+16.0	113.8	110.3
Finished Products	249	118.1	118.5	109.5	118.9	108.5	+ 9.6	111.3	108.12
Textiles	147	118.3	119.0	104.8	120.2	103.6	+16.0	107.8	105.8E
Cotton	..	126.7*	126.7*	113.6*	124.8*	112.6	+10.8	116.9*	117.2E
Jute	..	105.4	108.3	87.9	117.2	84.6	+38.5	90.6	86.5
Woollen	..	106.2*	106.2*	104.2	104.2*	104.2	—	104.2	105.9
Silk and Rayon	..	102.7*	102.7*	93.0*	104.3*	95.5*	+ 9.2	98.3	99.3
Metal Products	..	148.3	148.3	143.3	148.3	143.3	+ 3.5	144.4	145.1
Chemicals	..	104.0	104.0	106.6	104.7	106.4	− 1.6	106.9	106.8
Oil Cakes	..	139.0	137.9	146.4	135.7	139.6	− 4.2	143.8	136.0
Machinery and Transport Equipment	..	110.8	110.8	105.9*	110.6	106.1	+ 4.2	106.2	103.2E
Others	..	115.4	115.4	113.3	114.6	113.0	+ 1.4	113.4	113.7
All Commodities	1,000	124.2	123.4	110.7	122.7	114.0	+ 7.6	117.1	113.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. E Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1958-59	1957-58	(In thousand tons) 1958-59	1957-58
Cereals—					
Rice	final	81,343†	81,437††	29,338†	30,354††
Wheat	final	30,966	29,300	9,694	7,741
Jowar	final	41,602†	42,581††	7,866†	8,714††
Bajra	final	26,009†	27,999††	3,484†	3,789††
Barley	final	8,164	7,549	2,640	2,238
Maize	final	10,457†	10,457††	3,615†	3,381††
Ragi	final	6,211†	6,102††	1,860†	1,877††
Small millets	final	12,156	11,848	2,048	1,671
Total cereals	final	219,633	213,133	61,295	53,004
Pulses—					
Gram	final	24,840	22,862	6,826	4,979
Tur	final	5,890	5,690	1,662	1,412
Other Kharif pulses§	final	16,075†	15,597††	1,567†	1,559††
Rabi pulses‡	final	12,784	11,269	2,178	1,726
Total pulses	final	58,970	55,478	12,208	9,507
Total foodgrains		278,603	268,611	73,503	62,511
Oilseeds—					
Groundnut	final	15,305†	14,575††	4,360†	4,812††
Castorseed	final	1,178†	1,203††	108†	112††
Sesamum	final	5,510†	5,500††	392†	511††
Rape and Mustard	final	7,167†	6,021††	1,037†	1,025††
Linseed	final	3,708	3,129	430	249
Total oilseeds	final	31,002	30,339	6,919	6,051
Fibres—					
Cotton*	final	19,825	19,996	4,705	4,739
Jute A.	final	1,707†	1,811††	1,548†	1,158††
Mesta A.	final	706†	625††	1,098†	1,488††
Sannhemp	final	813†	807††	80†	811††
Other crops—					
Potato	final	822	704	2,319	1,966
Sugarcane	final	5,178†	4,803††	75,038†	70,456††
Ginger (Dry)	final	327†	316††	13†	12††
Pepper (Black)	final	232†	230††	25†	26††
Chillies (Dry)	final	1,499†	1,471††	330†	236††
Tobacco	final	806	872	263	237

Source: Ministry of Food and Agriculture. § Excluding Tur. ‡ Excluding Gram and Tur.
* In thousand bales of 392 lbs. each. R.—Revised.
A.—In thousand bales of 400 lbs. each.
†—For 1959-60. ††—For 1958-59

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Four months ended April 1959	1960
Exports	570,56	615,78	177,47	197,51
Re-exports	8,40	6,96	1,05	4,23
Total Exports	578,96	622,74	178,52	201,74
Imports	864,18	887,38	275,22	291,30
Overall Balance of Trade	−285,22	−264,64	−96,70	−89,56
Exports—				
Tea	136,54	126,39	24,56	26,09
Jute yarns and manufactures	103,82	110,75	33,46	42,62
Cotton yarns and manufactures	52,63	66,14	18,01	22,00
Metallic ores and metal scrap	30,35	34,42	11,71	14,32
Cotton, raw and waste	21,20	16,37	6,03	3,85
Oils—vegetable, mineral and animal	12,35	17,96	3,19	5,26
Fruits and vegetables	21,16	21,08	7,41	7,92
Tobacco	16,29	13,91	3,13	9,19
Mica	9,34	10,31	3,28	8,67
Wool and other animal hair	9,35	12,22	3,60	3,00
Gums, resins and lac	7,16	7,95	2,60	3,07
Spices	8,83	10,17	2,72	7,99
Hides and skins, raw	7,35	10,95	3,55	4,49
Imports—				
Machinery of all kinds	188,92	196,21	62,62	69,02
Iron and Steel	97,80	84,01	30,80	29,77
Oils—vegetable, mineral and animal	80,23	82,62	21,53	30,37
Chemicals, drugs and medicines	65,28	85,20	26,63	28,52
Electrical goods and apparatus	49,04	50,01	16,28	16,25
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	23,08	16,15
Cotton, raw and waste	30,66	34,76	9,78	20,51
Fruits and vegetables	17,43	16,52	5,66	7,48
Paper, pasteboard, etc.	8,26	9,87	2,52	3,46
Dyes and colours	8,76	9,54	2,76	3,55
Spices	2,84	2,52	92	73
Woollen and worsted fabrics	30	23	6	10
Cotton fabrics	1,05	1,19	41	31

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During May, 1960	91.7
	Corresponding month, 1959	98.8
	Eleven months ended May 1960	985.1
	Corresponding period, 1959	957.8
	At the end of June 1960	81.4
Stocks	Corresponding month, 1959	95.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1958-59	854.9
	July-April, 1959	716.8
	July-April, 1960	696.5
	April, 1959	65.6
	April, 1960	62.0
For Internal Consumption	1958-59	220.0
	July-April, 1959	184.1
	July-April, 1960	210.6
	April, 1959	19.5
	March, 1960	23.8
	RAW JUTE	(In 000 bales)
Consumption by Mills	May 1960	532
	Corresponding month, 1959	503
	Eleven months ended May 1960	5,765
	Corresponding period, 1959	5,535
	1956-57	6,072
	1957-58	6,134
	1958-59	6,014

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units Generated‡	Total Units Sold
1955-56	715	8,895.8	7,185.8
1956-57	760	9,877.8	8,103.1
1957-58	834	11,178.9	9,011.1
1958-59	813	12,837.0	10,286.7
1959-60	850	15,029.2	12,130.8
January 1959	811	1,156.2	980.2
February "	811	1,074.6	888.5
March "	813	1,171.1	956.9
April "	813	1,141.6	999.4
May "	813	1,201.5	969.9
June "	813	1,197.4	1,055.5
January 1960	815	1,252.1	1,022.5
February "	850	1,224.4	1,071.0
March "	850	1,301.2	1,106.2

* Exceeding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
† At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 16th July 1960	9th July 1960	18th June 1960	18th July 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.2	101.2	100.1	101.1
2. Government of India	101.0	101.0	100.9	100.8
3. State Government	102.6	102.7	102.7	102.4
4. Municipal, Port Trust, etc.	100.0	100.0	100.0	99.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.0	101.0	101.0	101.9
PREFERENCE SHARES—ALL INDIA.				
6. Total	87.1	87.4	89.4	92.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	176.4	174.9	174.9	155.0
8. *Agriculture and Allied Activities: Total**	176.6	175.9	177.7	165.1
9. Tea Plantations	168.2	168.6	172.4	160.3
10. Coffee Plantations	212.6	212.0	208.0	198.9
11. Rubber Plantations	180.1	180.9	179.2	164.9
12. *Mining and Quarrying: Total**	157.8	158.1	159.4	150.4
13. Coal	122.9	122.6	121.7	119.1
14. Other Mining	181.7	182.4	185.2	171.8
15. *Processing and Manufacturing: Total*	190.5	188.7	188.6	159.1
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	192.2	189.9	190.0	146.6
17. Sugar	194.1	192.9	195.9	177.4
18. Cotton Textiles	159.2	155.9	152.8	121.0
19. Jute Textiles	91.0	91.3	94.2	99.5
20. Silk and Woollen	1095.8	1082.5	1117.4	646.3
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	199.4	197.6	198.0	182.3
22. Iron and Steel	161.5	160.1	162.7	173.4
23. Transport Equipment	418.6	411.9	400.3	254.7
24. Electrical Machinery	137.4	135.8	137.9	136.2
25. Machinery other than Transport and Electrical	221.2	219.3	220.1	197.7
26. Basic Industrial Chemicals	211.8	208.1	205.8	156.7
27. *Processing and Mfg. (Others): Total**	169.1	168.3	168.8	153.9
28. Cement	148.4	148.3	145.2	141.3
29. Paper	230.7	230.6	233.6	205.6
30. *Other Industries: Total**	113.3	112.8	112.4	119.5
31. Electricity Generation and Supply	83.3	83.5	82.0	93.1
32. Trading	121.9	119.0	121.2	105.2
33. Shipping and Other Transport	112.3	112.5	114.5	137.4
34. Construction	337.7	334.2	329.3	317.6
35. *Financial: Total*	171.3	169.8	169.0	172.1
36. Banks	185.2	183.9	184.0	190.2
37. Insurance	150.9	151.1	145.8	135.2
38. Investment Trusts	92.0	91.9	92.3	99.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	184.1	180.6	180.3	159.3
40. Calcutta	159.3	159.5	160.6	147.6
41. Madras	191.0	191.1	189.5	170.3
42. Delhi	234.2	232.0	227.7	177.4

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,106,800	785,000
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Do. 31st March, 1960	1,568,400	1 533,700	1,215,100
March 1959	127,400	123,900	84,800
April "	130,600	124,200	93,300
May "	128,800	116,400	91,400
June "	115,700	114,300	88,100
March 1960	142,100	146,100	123,000
April "	127,700	125,200	99,900
May "	122,500	120,500	93,900
June "	120,200	121,700	92,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,150	532,315	441,483
Do. 31st March, 1958	732,945	593,080	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,058,612	827,072	660,695
March 1959	95,262	70,887	59,707
April "	86,826	61,182	40,151
May "	84,105	57,483	49,757
June "	78,795	62,510	49,296
March 1960	98,840	80 267	75,812
April "	90,875	74,806	44,751
May "	83,003	71,579	56,466
June "	80,127	69,140	53,737

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total or Average Number of workers involved	Number of man-days lost
1957*	1,630	389,371	6,429,319
1958*	1,524	928,586	7,727,185
1959*	1,523	692,514	5,605,079
Nov. 1958	145	42,579	215,964
Dec. "	126	42,102	186,558
Jan. 1959	171	66,752(163)	320,358(163)
Feb. "	93	33,990(66)	271,253(66)
March "	166	67,569(156)	356,089(155)
Nov. "	147	48,718(114)	257,071(114)
Dec. "	128	76,754(121)	402,393(121)
Jan. 1960	141	73,891(135)	423,077(134)
Feb. "	93	69,976(123)	412,797(123)
March "	125	47,700(114)	470,258(114)

† In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.
*Figures relate to all states and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita Income (Rs.)
India†	'58-'59	398.00	..	11,690	293.6
Pakistan	'58-'59	86.80	..	2,084	240
Burma	1958	20.02	Kyats 4,844	436	216
Ceylon	1957	9.1	..	557	557
Japan	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines	1958	23.1	Ps. 9,232	2,209	956
New Zealand	1958	2.28	£ (N.Z.) 982	1,069	4,688
Australia	1958	9.80	£ (A.) 4,625	4,920	5,021
U.K.	1958	51.80	£ 13,230	24,310	4,711
U.S.A.	1959	177.1	$ 403,900	193,064	10,101
Canada	1958	17.00	$ 24,660	12,091	7,112
France	1958	44.05	F. Fr. 17,910,000	17,470	3,922
W. Germany	1958	52.8	Dm. 176,400	20,050	3,348
Italy	1958	48.07	Lr. 13,126,000	10,120	2,078
Norway	1957	3.49	Kr. 23,290	1,560	4,470
Sweden	1958	7.40	Kr. 54,910	5,084	6,870
Netherlands	1958	11.10	Grs. 30,180	3,320	3,440
Denmark	1958	4.50	Kr. 28,250	1,960	4,355
Switzerland	1958	5.10	Sw. Fr. 28,300	3,130	6,137

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, February, 1960.
† Based on the seventh issue of the annual paper on national income and its allocation. Central Statistical Organisation.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1940=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1948=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	244	316	89	105	347	111	100	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116	395	274	313	98	120	384	124	113	102	103	123	109	121
1959 "	121	412	309	340	98	132	384	133	120	106	98	125	108	149
January 1959	117	396	301	322	103	127	368	130	122	107	94	115	109	134
February "	118	399	299	326	103	129	364	127	126	108	94	120	110	134
March "	117	401	290	320	99	129	364	127	126	105	95	121	105	135
April "	117	400	296	313	95	130	364	128	119	101	95	121	104	137
May "	119	406	307	328	95	131	371	131	116	103	96	125	104	138
January 1960	122†	422	304	360	96	135	385	137	121	107	99	120	111	144
February "	122†	418	294	355	98	136	389	139	122	107	97	121	109	144
March "	122†	414	287	339	97	135	392	138	119	104	100	122†	109	145
April "	122†	421	288	346	97	136	392	138	117	104	103	118†	109	145
May "	122†	421	..	341	..	..	396	..	116	104	105	118†	109†	..
June "	..	..	..	..	..	..	..	..	117	..	..	..	..	..

* Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	National Savings Certificates 5-Year A	7-Year B	12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F	4% G	15-Year Annuity Certificates G	Total
	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Outstandings	Receipts	Receipts	Outstandings H
1956-57	3,00	6,01	163,68	..	..	178,97	196,50	25,38	—38,82	44,28	43	1,32	225,88	446,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,01	—39,73	43,58	583	87	1,87	284,32	599,77
1958-59	1,76	3,80	114,10	87,45	152,78	191,70	234,01	23,02	—40,67	42,57	635	11,64	67	286,28	590,08
1959-60	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,08	10,64	21,76	66	2,90	296,62	667,36
January 1959	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,52	42,70	57	10,60	6	2,32	24,07	556,17
February "	1,78	3,87	120,95	9,64	143,14	14,93	219,39	21,13	—40,60	42,62	58	11,14	6	2,36	25,22	565,41
March "	1,73	3,79	119,11	11,66	152,48	22,29	225,92	21,01	—40,69	42,57	65	11,68	6	2,41	24,68	581,76
April "	1,70	3,72	117,25	6,36	157,31	16,39	226,90	20,88	—40,74	42,49	63	12,26	11	2,50	23,52	585,09
May "	1,68	3,65	115,69	5,71	162,02	15,68	224,83	20,76	—40,80	42,39	51	12,79	5	2,54	21,93	583,46
June "	1,65	3,59	114,18	6,03	167,24	15,89	224,33	20,61	—40,86	42,33	42	13,19	3	2,56	22,40	589,70
January 1960	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19,96	—41,28	41,84	1,13	19,77	5	2,81	23,59	630,20
February "	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,28	41,75	1,05	20,79	6	2,86	25,71	636,66
March "	1,54	3,17	99,14	13,09	221,63	29,24	251,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April "	1,51	3,17	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,03	23,16	9	2,98	26,16	670,06
May "	..	..	..	..	..	..	..	..	..	41,50	1,00	24,19	5	3,01	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, includes those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 9 marked 'E' are not included. N.B.—Five-Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of April 1960 is rupees Fifty-seven lakhs. 10-Year Cumulative Time Deposits commenced from 2nd January 1959 and the outstandings at the end of April 1960 is rupees Thirty-four lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1926-32	63,30,26,000	1960-70	100.30
2 ½ Loan	1938-39	116,17,46,000	1963-65	98.05
2 ½ Loan	1950	30,33,10,000	1964	98.00
2 ½ Fg. Loan	1943	1,10,11,78,000	1966-68	95.85
2 ¾ Dev. Loan	1945	1,15,05,83,000	1970-75	90.80
2½% Loan	1946	57,00,69,000	1961	98.55
2½% Loan	1946	14,77,48,000	1976	83.50
2½% Loan	1946	75,98,72,000	1962	98.05
2½% N. P. Bonds	1953	75,29,00,000	1961	100.05
2½% N. P. Loan	1954	1,58,17,95,000	1964	99.95
2½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.80
2½% Loan	1956	87,27,36,000	1962	99.65
3½% N. P. Bonds	1956	63,81,83,000	1967	99.55
3½% N. P. Bonds	1956	66,63,53,000	1974	99.65
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.85
4 % Loan	1957	49,17,27,000	1972	101.30
2½% Loan	1958	58,55,92,000	1963	100.00
2½% Loan	1958	30,00,00,000	1968	99.50
2½% Loan N.P.B.	1958	24,35,90,000	1968	100.00
3 % Loan	1958	49,54,44,000	1973	101.20
2 ½ Loan	1959	1,02,91,00,000	1969	99.10
4 % Loan	1959	80,93,00,000	1979	100.20
4 % Loan	1960	97,31,00,000	1970	99.90
3½% Bonds	1960	82,66,00,000	1966	99.75
NON-TERMINABLE LOANS				
2 % Loan	1896-97	8,93,34,000	M.	72.50
2 % Loan	1946	2,48,91,35,000	K.	73.65
STATE LOANS				
4 % Andhra	1955	6,00,16,000	1st Sept. 1967	100.20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100.20
4½% Andhra	1958	5,48,81,000	16th July 1970	102.00
4 % Andhra	1959	6,60,60,000	19th Aug. 1971	100.30
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	97.55
3 % Bombay	1950	2,83,50,000	31st July 1960	99.60
3½% Bombay	1951	2,87,58,000	17th Sept. 1963	98.00
3½% Bombay	1952	3,19,35,000	15th July 1965	101.00
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100.90
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100.90
4 % Bombay	1956	4,70,79,000	3rd Sept. 1970	102.60
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102.60
4½% Bombay	1958	6,88,09,000	15th July 1970	102.65
4½% Bombay	1958	4,35,25,000	16th July 1970	102.65
4 % Bombay	1959	6,60,00,000	19th Aug. 1971	100.90
4 % Bihar	1955	1,84,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	101.50
4 % Bihar	1959	3,30,00,000	19th Aug. 1971	99.75
3½% Cochin	1938	30,00,000	1st June 1956-61	98.00
3½% Hyderabad Bridge (New)	1936-37	1,77,05,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.20
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100.20
3 % Madras	1945	2,78,44,000	14th Sept. 1960	99.80
3½% Madras	1946	3,81,77,000	1st Sept. 1961	98.80
3½% Madras	1950	4,35,25,000	31st July 1960	99.60
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.45
4 % Madras	1953	10,33,71,000	15th July 1969	100.40
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.30
4 % Madras	1955	10,47,17,900	1st Sept. 1967	100.10
4 % Madras	1956	13,88,56,000	3rd Sept. 1968	100.10
4½% Madras	1958	5,55,57,900	15th July 1970	102.05
4 % Madras	1959	8,80,00,000	19th Aug. 1971	99.75
3 % Mysore(f)	1923	2,95,85,200	1st Dec. 1953-63	101.60
3 % Mysore(f)	1936	5,99,75,000	30th Apr. 1956-61	99.80
3 % Mysore	1948	3,58,47,000	15th July 1963	100.45
4 % Mysore	1946	4,54,94,000	1st Sept. 1961	100.10
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.10
4½% Mysore	1957	3,84,36,000	16th Sept. 1969	102.00
4½% Mysore	1958	4,51,61,000	15th July 1970	102.00
4 % Mysore	1959	5,50,00,000	19th Aug. 1971	99.75
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	95.70
3 % M.P.	1950	1,01,45,000	31st July 1960	99.50
3 % M.P.	1951	1,02,15,100	17th Sept. 1962	99.45
4½% M.P.	1953	1,10,18,800	15th July 1969	100.30
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100.00
4 % M.P.	1956	1,58,45,000	3rd Sept. 1968	100.00
4½% M.P.	1958	2,19,31,000	15th July 1970	101.50
4 % M.P.	1959	3,30,00,000	19th Aug. 1971	99.75
4 % Saurashtra	1956	2,56,23,000	1st Sept. 1967	100.20
4 % Saurashtra	1956	2,70,80,000	3rd Sept. 1968	100.20
4 % Kerala	1953	3,25,81,000	15th July 1969	99.90
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	99.90
4½% Kerala	1958	3,26,88,000	15th July 1970	101.50
4 % Kerala	1959	4,40,00,000	19th Aug. 1971	99.70
2¾% U.P.E.A.	1952	45,68,93,000Z	..	68.25
3 % U.P.	1938	1,55,59,000	15th Sept. 1961-66	99.25
3 % U.P.	1945	2,17,05,000	14th Sept. 1960	99.60
4 % U.P.	1946	2,16,89,000	1st Sept. 1961	97.75
4 % U.P.	1947	1,87,38,000	17th Sept. 1962	99.25
4 % U.P.	1952	5,99,14,000	1st Aug. 1964	100.40
4 % U.P.	1953	5,58,25,000	15th July 1969	100.50
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	100.20
4 % U.P.	1956	8,48,40,000	3rd Sept. 1968	100.20

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	97.75 N
75,00,000	4	1908	1968	99.60
40,00,000	4	1909	1970	
56,00,000	4	1910	1972	
14,35,876	4	1913*	1960	D
80,00,000	4	1914	1974	99.50
88,25,000	4	1914	1975	99.50
10,00,000	4	1915*	1960	
55,00,000	4	1915	1975	
11,61,000	4	1922*	1960	
11,61,000	4	1924*	1960	
18,25,000	5½	1926*	1960	
25,00,000	5½	1929*	1959	
12,50,000	5½	1930*	1960	D
12,50,000	5½	1931*	1961	
12,50,000	5½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1938*	1966	
48,04,000	3½	1938*	1969	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
60,00,000C	3½†	1921	1981	82.00
68,02,300C	6½	1921	1981	144.00N
60,00,000	4	1924	1981	95.00
60,00,000	3½	1925	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	74.00
60,00,000	3	1945	1975	85.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
60,00,000C	3	1950	1980	82.00
1,00,00,000	3	1950	1980	82.00
1,00,00,000	3	1950	1960	99.60
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1952	1982	99.75
50,00,000	4	1953	1983	100.00
50,00,000	4	1953	1982	97.50
90,00,000	4	1955	1985	97.75
90,00,000	4	1956	1986	97.25
50,00,000	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.00
1,24,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1989	99.50
50,00,000	4½	1959	1989	99.00
STERLING LOANS				
£892,500	5	1923	1953-83	£80.00
£901,000	5	1924	1954-84	£80.25
£836,100	5½	1932	1982	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,88,000H	3	1947	1977	A
3,00,000H	3	1949	1979	
48,00,000H	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
20,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
50,00,000	4	1913	1973	
13,00,000	4	1913	1973	
60,00,000	4	1914	1974	
25,00,000	4	1916	1976	
40,00,000	5	1919	1967-78	116.00
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115.00N
25,00,000	5	1927	1967-70	98.00N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1958	£95.50
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
36,00,000	3½	1935	1965	95.00
80,00,000	3	1936	1966	91.75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91.75
50,00,000	3½	1952	1965	100.00
1,02,00,000	4	1956	1968	99.25
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99.50
10,00,000	5	1929	1980	113.00N
2,25,00,000	3½	1947	1977	87.75
2,50,00,000	3½	1948	1978	87.75
2,50,00,000	3½	1949	1979	85.00
5,00,00,000	4	1952	1964	98.00
2,00,00,000	3½	1961	1966	98.00
1,30,00,000	4	1953	1967	100.00
1,00,00,000†	4	1956	1968	99.25
1,00,00,000†	4	1956	1968	99.25
2,50,00,000	4	1958	1968	100.00
1,50,00,000	4	1958	1968	100.00
2,00,00,000	4½	1957	1969	101.00
4,00,00,000	4½	1958	1970	101.00
5,00,00,000	4	1959	1971	100.00
CALCUTTA				
Rs.				Rs.
10,00,000	4½	1932	1962	108.00
22,91,000	5½	1925	1965	95.00
60,00,000	3	1936	1966	91.75
47,50,000	3	1938	1968	91.00
21,10,000	3½	1942	1972	92.00
18,33,000	3½	1951	1961	99.25
60,88,000	3½	1951	1966	98.50
37,36,000	4	1952	1962	99.75
72,50,000	4½	1954	1976	100.00
2,22,72,000	4	1955	1985	
73,58,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	—
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.00N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,55,48,000	15th July 1970	102.05
4 % U.P.	1959	8,80,00,000	19th Aug. 1971	99.75
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.15
4½% Rajasthan	1958	2,79,86,000	15th July 1970	101.75
4 % Rajasthan	1959	3,85,00,000	19th Aug. 1971	99.50
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½% Orissa	1958	2,27,71,000	15th July 1970	101.50
4 % Orissa	1959	3,85,00,000	19th Aug. 1971	99.75
4 % M. Bharat	1956	1,04,77,000	15th July 1963	100.25
4 % M. Bharat	1956	1,11,28,000	3rd Sept. 1968	100.00
4 % W. Bengal	1961	1,75,00,000	17th Sept. 1962	100.25
4 % W. Bengal	1952	2,00,00,000	1

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
50,00,000	..	1,47,22,620	44,03,340	—32,02,956	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.70	2	*Nil*	*Nil*			12	Y.
40 00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman).	50,596	1,021	B. R. Cotton Mills	38 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,40,77,966	9,34,84,561	4,00,54,873	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	71 00	25	2.50	2.50	3.50†		12	Y.
10,00,000	39,40,356	78,24,032	48,74,455	47,570	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	148 00	50	15.00	7.50	5.00		12	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd. ..	1,26,752	2,698	Century Spg. & Mfg. ..	516 50	100	22 00	22.00	31.50†		12	Y.
36,00,000	29,04,920	1,21,43,644	73,88,437	61,364	Cowasjee Jehangir & Co. Pvt. Ltd	31,460	680	Cooria Spg. & Wvg. ..	133 00	100	12.50*	12.50*	10.00		3	Y.
36,00,000	36,73,573	98,59,335	60,09,007	12,102	Ramnarain Sons Private Ltd. ..	43,960	..	Dawn Mills	139 00	50	7.50F	5.00	10.00		12	Y.P.
34,00,000	18,61,000	88,42,424	54,50,661	—16,34,876	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	15.00	15.00(c)			12	Y.
29,98,050	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman) ..	46,620	886	Elphinstone Spg. & Wvg. ..	66.50	50	*Nil*	*Nil*	7.00†		12	Y.
50,00,000	45,75,469	98,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd.	53,212	784	Finlay Mills	346.00	100	20.00	15.00	23.00†		12	Y.
50,00,000	52,35,257	1,02,35,144	66,62,381	10,223	James Finlay & Co., Ltd. ..	45,788	1,020	Hind Mohur Mills, Ltd. ..	227 50	100	15 00	15.00	21.50†	70.00†	12	
12,00,000	1,17,23,947	1,94,91,703	1,40,31,408	—4,27,490	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg.& Wvg. Mills	4,000.00	1,000	350.00*	350.00	35.00(c)*	17.50†	3	Y.P.
2,00,00,000									992.50	250	*Nil*	*Nil*	*Nil*			
2,50,00,000	1,16,525	5,09,02,595	3,68,18,422	—57,69,994	Agarwal & Co.	2,50,414	6,412	India United Mills	2,270.00	1,000	225.00*	325.00	200.00(c)	35.00†	3	Y.P.
									1,050.00N	100	162.50*	162.50	100.00(c)	17.50†		
18,00,000	97,77,870	1,88,36,241	1,38,55,120	17,439	K. M. D. Thackersey Esq. (Chairman)	57,672	1,152	Indian Mfg.	885 00	100	10.00(c)	10.00	16.00†		6	Y.P.
50 85,000	61,10,346	3,52,99,951	2,54,17,421	23,727	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	361.50	100	18.00	10.00	9.50†		12	Y.
1,00,00,000	1,00,60,096	3,81,90,145	2,95,67,372	27,909	Kilachand Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	1,243.00	100	5.00*C	5.00	5.00†		10	Y.
48,47,350	38,85,220	1,43,57,502	70,49,840	28,992	N. Sirur & Co. Private Ltd. ..	49,200	644	Modern Mills	109 00	50	14.00(c)	15.00	21 50†		6	Y.P.
61,79,000	44,00,000	2,84,85,913	2,08,23,259	2,38,854	Piramal Sons Private Ltd. ..	71,004	1,642	Morarjee Goculdas Spg. & Wvg.	380.00	100	14.00	14.00	22.00†			
2,41,12,100	1,72,11,640	11,70,25,574	5,26,87,085	1,66,270	Chinai & Co. Private Ltd. ..	..	..	National Rayon Corporation ..	1,56.50	100	..	11.29	21.27†		12	Y.P.T.
24,00,000	11,16,837	83,71,833	48,70,077	—11,98,634	W. H. Brady & Co., Ltd. ..	45,944	480	New City of Bombay Mfg. ..	136.00	100	5.00	*Nil*	*Nil*		12	Y.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg. ..	185 00	100	12.50F	10.00	10.00		12	Y.
48,00,000	57,19,167	1,76,55,784	1,15,85,593	36,434	Ramnarain Sons Private Ltd. ..	69,232	1,190	Phoenix Mills	148 00	100	10.00	18.00*(c)	12.00*†		12	Y.P.
45,00,000	42,97,857	90,65,529	31,95,103	16,195	Podar Sons Private Ltd. ..	52,600	980	Podar Mills	168.00xd	100	*Nil*	*Nil*			12	Y.
10,00,000	....	29,50,873	17,12,113	—1,88,358	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mfg	9.92	10	0.25	*Nil*			12	Y.
37,70,100	1,21,80,082	2,31,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg. ..	68.00	100	8.00	10.00	15.00†		12	Y.P.
80,00,000	51,55,455	1,74,14,168	1,23,40,873	41,981	Marwar Textiles (Agency) Pvt. Ltd.	71,736	1,630	Shree Niwas Cotton Mills ..	274.00	100	8.50	8.50	5.00(c)		3	Y.
42,00,000	21,46,184	2,17,12,786	82,46,021	—5,14,171	M.	47,726	1,178	Simplex Mills	176 00	50	22.50*	20.00	29.00*†		12	Y.P.
1,00,75,000	2,51,54,903	3,87,61,421	2,23,24,758	91,528	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	1,955 00	100	9.00	10.00	14.00†		12	Y.P.
1,00,00,000	96,94,087	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd. ..	75,028	2,000	Swadeshi Mills	258 50	100	25.00	25.00	36 00†		12	Y.
25,00,000	76,44,279	1,98,54,474	1,09,47,926	25,062	James Finlay & Co., Ltd. ..	40,228	550	Swan Mills	495 00	100	2.00	1.50	2.50†		12	Y.P.
65,57,875	50,22,987	2,58,77,176	1,04,22,689	17,925	Tata Industries Private Ltd. ..	61,572	1,775	Tata Mills	48.00	25	2.00	1.50	2.50†		12	Y.P.
16,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mahta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	372.50	100	23.00*	20.00*	20.00†		12	Y.
12,00,000	1,06,13,489	1,79,28,904	1,30,96,754	—17,05,339	Mr. K. M. D. Thackersey (Chairman)	54,864	1,262	Western India Spg. & Mfg. ..	5,200.00	1,000	325.00	325.00	325.00(c)	70.00†	12	Y.P.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
40,00,000	25,51,394	1,94,97,024	79,03,199	11,155	Tata Industries Private Ltd. ..	49,166	1,016	Ahmedabad Advance Mills ..	185.00	100	5.00	5.00	4.00 (c)		6	Y.P.T.
15,00,000	1,03,99,533	1,99,02,857	79,98,508	....	P. M. Hutheesing & Co., Ltd.‡	42,768	920	Aruna Mills	477.50	100	25.00	25.00			12	Y.P.
60,00,000	2,05,20,298	2,80,10,250	1,42,92,906	1,53,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,385.00	100	35.00*	28.00*C	40.00†		12	Y.
26,40,000	45,04,340	1,34,95,615	83,06,442	58,995	Mangaldas & Brother (Pvt.) Ltd.	35,908	862	Arvindas Ginning & Mfg. ..	520.00	200	*Nil*	25.00*C			12	Y.
30,00,000	1,21,57,255	1,21,57,184	70,40,009	857	*Lalbhai Dalpatbhai & Co.* ..	37,368	915	Asoka Mills	690.00	100	30.00	20.00*C			12	Y.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,53,664	21,88,804	Kasturchand Premchand Pvt. Ltd.	1,39,120	2,336	Calico	1,020.00	125	30.00	25.00	22.00	31.00†	3	Y.P.
63,00,000	27,76,707	1,77,37,865	1,12,77,224	6,366	Trikamlal Bhogilal & Co., Ltd.	45,336	886	New Commercial Mills ..	600.00	250	25.00*	27.00*	36.00†		12	Y.
56,00,000	1,17,39,342	1,79,38,343	1,14,51,119	1,31,046	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	2,170.00	125	30.00	35.00*			12	Y.P.
15,00,000	55,41,937	78,47,298	39,87,374	228	*Jagabhai Bhogilal Nanavaty & Co.*	26,840	572	Natesa Mills	407.50	100	30.00	30.00			12	Y.P.
90,00,000	96,58,984	1,39,70,703	76,85,644	....	Lalbhai Dalpatbhai & Co.	52,828	940	Jaipur Mfg.	700.00	100	35.00*	25.00*C	35.00†		12	Y.
68,75,000	35,48,744	1,41,19,837	79,09,365	11,900	Kohitbhai Chinubhai Esq.(Chairman)	53,156	648	Rohit Mills	102.50	100	5.00*	5.00*			12	Y.P.
63,75,000	2,95,76,027	2,43,70,551	1,45,91,524	59,271	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,470.00	100	25.00	30.00*	45.00†			
29,25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,828	720	Shorrock Spg. & Mfg. ..	1,120.00	100	20.00	22.00*			12	Y.
35,00,000	39,43,859	1,34,94,032	92,66,190	25,810	Haridas Ashratlal & Co. Ltd. ..	41,056	780	Vijaya Mills	655.00	500	40.00*	40.00*			12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
15,00,000	8,15,002	39,15,588	25,08,902	41,832	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	8.12	10	0.60	0.50			12	Y.P.T
7,11,280																
1,80,920	1,56,980	35,53,766	23,49,897	—1,68,477	D. N. Bhattacharjee, Esq. (Mg. Director) ..	35,016	935	Bengal Laxmi Cotton Mill ..	35.00N	40	4.00	*Nil*	*Nil*		3	Y.P.T.
1,70,000																
24,00,000	5,14,800	1,26,22,986	56,02,346	60,410	Kettlewell Bullen & Co., Ltd. ..	42,912	841	Bowreah Cotton Mills	180.00	100	*Nil*	*Nil*	*Nil*		12	Y.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co., Ltd. ..	43,064	500	Dunbar Mills	235.00	100	*Nil*	*Nil*	10.00*†		12	Y.T.
50 08,000	8,02,433	88,00,719	43,00,719	24,972	Birla Brothers Private Ltd. ..	44,552	1,094	Jay Shree Textiles Ltd. ..	36.81	10	0.50	0.65	0 80†		3	Y.
1,60,00,000	3,07,51,444	3,15,00,599	1,43,09,570	76,764	Birla Brothers Private Ltd. ..	75,040	1,992	Kesoram Cotton Mills	10.12N	10	1.00	0.50	*Nil*		6	Y.
0,19,47,750	78,492	50,99,822	32,33,579	—5,21,450	Hazaresmul Hemraj	23,036	795	Rampooria Cotton Mills ..	2.37N	1D	0.15	*Nil*	*Nil*			
D.5,00,000																

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
30,00,000	5,43,855	73,05,065	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd. ..	9.03	10	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	2,25,000	35,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd.	42,856	1,055	Anglo-French Textiles Ltd. ..	108.00	100	6.00	6.00	6.00†		6	Y.
11,26,500	1,41,281	46,98,852	23,73,999	....	Setas & Co.	24,800	..	Asher Textiles Ltd.	212.80	100	13.50	6.00				
72,00,000	16,98,790	1,92,55,835	68,19,240	2,661	The Industries (I.F.) Department, Government of Andhra Pradesh ..	36,136	725	Assam Jahi Mills	72.00	100	8.50	*Nil*	4.00†		9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd. ..	46,240	1,157	Bangalore Woolen, Cotton and Silk Mills	197.00	100	10.00*C	10.00	10.00		12	Y.P.
35,00,000	74,79,507	1,41,35,223	1,10,21,274	1,04,207	Birla Brothers Private Ltd. ..	39,896	1,094	Birla Cotton Spg. & Wvg. ..	20.00N	10	1.50	1.50	*Nil*		12	Y.P.T.
1,78,47,800	3,24,73,971	8,05,80,469	4,78,98,275	2,81,371	Binny & Co. (Madras), Ltd. ..	1,20,228	2,758	Buckingham & Carnatic ..	206.00	100	10.00	10.00	*Nil*		12	Y.P.
20,00,000	18,500	81,23,580	—2,79,050	Palmcots, Laella & Co., Ltd. ..	37,534	4	Cambodia Mills	161.00xd	100	0.50(c)	10.00				12	Y.
15,00,000	5,39 316	1,10,92,783	79,74,104	79,733	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg. ..	20.00	20	12.50	15.00	17.00†		12	Y.
30,00,000	31,84,314	81,45,632	66,08,685	—8,29 080	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	61.00	50	*Nil*	*Nil*	7.00†		12	Y.
9,36,550	6,61,000	68,26,050	33,32,307	15,034	C. E. Srinivasan, Esq. (Chairman)	21,500	..	Cauvery Spg. & Wvg. Mills Ltd.	14.50xd	10	0.90	0.90	0.90	1.50†	3	Y.P.
25,90,000	22,90,147	1,51,51,577	41,43,473	....	R. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	167.00	100	9.00*C	6.00	6.00†		12	Y.
18,15,000	7,25 195	89,16,555	54,29,658	....	T. A. R. Chettiar Sons & Co. ..	25,340	100	Coimbatore Murugan Mills ..	98.00	100	20.00	20.00	25.00†		12	Y.P.
20,00,000	23,23,665	97,89,504	54,27,110	1,32,492	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills ..	389.00	100	*Nil*	*Nil*	*Nil*		12	Y.
30,75,000	5,076	1,09,79,244	65,79,944	—15,77,825	R. G. S. Naidu & Co.	30,268	307	Coimbatore Spg. & Wvg. ..	60.00	50	*Nil*	*Nil*	*Nil*		6	Y.
46,87,500	10,87,622	4,53,59,203	1,50,69,402	—31,23,525	Tata Industries Private Ltd. ..	1,15,188	2,082	Conmal India	125.00	100	9.00	9.00	9.00		3	Y.
29,66,286	24,80,000	1,16,07,949	51,48,689	15,448	E. Hanumantharappa & Son ..	36,588	1,000	Cuddapah Cotton Mills	114.00	100	2.50	2.00	2.50†			
9,88,35,225	24,09,63,62	12,81,36,680	7,47,29,631	2,84,664	B. R. Charat Ram & Co. Private Ltd	1,16,686	2,333	Delhi Cloth & General Mills ..	87.75	25	0.15	0.15	2.50†		3	Y.P.
1,00 568										25	0.15	0.15				
48,60,000	29,65,006	1,81,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	921	Dhanalakshmi Mills	224.00	100	10.00*C	10.00	17.50†		12	Y.
63,00,000	1,21,34,814	1,74,64,803	1,53,07,559	95,899	Begg, Sutherland & Co. Private Ltd.	48,452	1,194	Elgin Mills	21.87	10	1.00	0.75	1.25†		12	Y.
45,81,000	29,48,146	1,87,03,347	91,42,787	1,821	Forbes, Forbes Campbell & Co., Ltd.	74,286	660	Gokak Mills	153 00	100	5.00	5.00	6.00†		12	Y.
40,00,000	32,54,706	1,81,33,807	81,40,902	7,074	J. H. Mehta, Esq. (Chairman) ..	29,572	680	Gaekwar Mills Ltd.	265.00	100	*Nil*	*Nil*			12	Y.
2,50,00,000	62,25,000	6,20,80,185	2,68,54,000	12,62,955	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon Mills	127.00	100	6.00	5.00(c)	7.00†		12	Y.
50,00,000	1,96,680	1,84,57,247	1,21,05,123	....	K. L. Saksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	127.00	100	6.00	5.00			12	Y.
5,90,000	10,66,548	22,50,221	20,85,008	....	G. V. Naidu & Co. Ltd. ..	22,784	..	Janardana Mills	69.00	50	5.00	..				
15,54,000	15,03,599	57,13,937	33,58,096	7 012	Mr. Bhairuratan Damani (Managing Director) ..	21,148	512	Jam Shri Ranjitsinghji ..	1,860.00	1,000	40.00				6	Y.
16,86,170	18,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	10 75	5	1.25	0.75	0.75		12	Y.P.
4,63,65,300	3,07,35,097	4,55,50,279	3,26,57,227	2,58,345	Birla Gwalior Private Ltd. ..	56,184	1,535	Jiyajeerao Cotton	15.52	10	0.25	0.25	0.07		12	Y.P.
67,20,000	26,71,768	1,69,79,998	49,38,767	55,806	Kothari & Sons	53,136	900	Kohinoor Textiles	15.52	10	1.00	*Nil*	1.00†		12	Y.P.
22,00,000	54,81,394	1,94,38,883	1,46,17,958	56,509	M.	51,908	1,243	Lakshmi Cotton Mfg.	505.00	250	15.00	15.00	25.00†	10.00†	3	Y.
71,00,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	170.50	50	10.00	8.00	8.00	5.00†		
4,35,50,000									82.00	25	5.00	3.00	3.00			
58,00,000	1,42,22,327	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas&Co Ltd.	51,996	896	Mafatlal Fine Spg.&Mfg. Co. Ltd.	1,100.00	100	15.00	18.00	29.00*†		12	Y.
1,75,02,480	4,06,37,533	6,25,73,138	4,25,78,129	2,04,614	A. & F. Harvey Ltd.	4,55,000	..	Madura Mills	33.60	15	2.25	*Nil*	1.87†		12	Y.
80,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,856	608	Mettur Industries Ltd. ..	428.00xd	100	20.00	20.00	35.00	80.00†	12	Y.
29,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd. ..	39,996	704	Mihirwa Mills	80.00	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.T.
94,91,850	21,54,148	1,71,94,769	1,35,03,988	M.	52,408	952	Model Mills (Nagpur)	90.00	50	9.00*	5.00	5.00			6	Y.
34,83,500	40,62,618	1,17,67,314	71,85,958	83,826	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. Mills	90.00	50	6.25N				3	Y.
12,61,780	....	29,12,641	17,83,314	3,966	K. Tipperudrah (Chairman) ..	6,000	..	Mysore Spun Silk Mills ..	100.00	100	12.00	12.00			12	Y.P.
51,50,000	50,71,758	1,41,40,965	83,08,668	51,333	T. N. Mehta, Esq. (Chairman)	16,776	445	Navsari Cotton & Silk Mills Ltd.	216.25	100	*Nil*	*Nil*	*Nil*		9	Y.
97,32,800	19,78,217	1,77,24,075	67,40,513	....	Banalini Bissesardas Pvt. Ltd.	37,788	902	Osmanshahi Mills	145.00	50A	9.00	10.00	15.00†		12	Y.P.
4,4.00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co. ..	47,600	..	Palani Andavar Mills	149.50	75B	13.50	15.00	22.50†			
5,6.00,000									60.00	100	*Nil*	*Nil*			12	Y.
15,00,000	....	37,30,108	19,70,048	—21,28,862	.. ..	27,980	..	Pankaja Mills Ltd.	28.25xd	25.00	3.00	1.50	2.25†		12	Y.P.
63,10,600	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	801	Radhakrishna Mills	78.00xd	50	4.50	5.00*C	8.75†		12	Y.
30,00,000	28,53,800	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	135 00xd	100	12.00	8.00			12	Y.
16,14,300	14,00,000	58,40,000	38,40,000	....	Ramco Agencies Private Ltd. ..	26,036	..	Rayalaseema Mills	112 50	100	10.00	10.00	10.00†		12	Y.
22,32,300	11,30,088	56,78,528	28,55,667	958	Rayalaseema Development Co.	21,200	..	Sivanandha Mills Ltd. ..	25.21xd	10	1.20	1.50	2.20†		15	
10,00,000	6,93,527	54,79,563	33,71,779	3,284	B. B. P. Poonnawamy Chetty & Sons.	25,088	..									
36,69,700	23,19,813	99,50,096	66,87,521	23,084	D. B. Viswambharaih, Esq. (Mg. Director)	42,924	840	Sri Krishnarajendra Mills ..	76.00xd	50	7.00	4.50	4.00		3	Y.
15,00,000	3,63,34,092	1,15,51,972	88,02,187	31,06,195	Birla Brothers Private Ltd. ..	56,212	1,244	Sutlej Cotton Mills	97 50	10	6.00	6.00	6.00		12	Y.
17,50,000 O	2,35,28,071	6,33,82,415	1,96,98,173	2,961	M.	4,12,216	2,090	Swadeshi Cotton (Kanpur) ..	9.50	100.	0.75	*Nil*			12	Y.P.
1,87,50,000 PO									8.50	10P.O.	1.15	0.40				Y.P.T
1,00,00,000	70,91,584	4,47,94,206	2,70,17,829	2,29,084	Ennette & Sons (Travancore) Ltd. ..	....	..	Travancore Rayons	38 75	10	1.00	1.25	2.00†		12	Y.
18,98,780	8,64,000	20,41,565	15,00,441	661	Mooljt Ramjee & Sons	18,000	..	Trichinopoly Mills	11 75	10	0.90	0.75	1.25†		12	Y.
21,00,000	38,41,000	91,30,605	57,96,375	17,798	B. K. Chettiy & Brothers ..	44,424	270	Vasanta Mills	238.50	100	12.00	12.00	16 00†		12	Y.P.T
32,00,000	12,58,816	1,04,82,373	1,33,00,940	—11,21,284	The Bombay Co. (Private) Ltd.	49,880	1,369	Vishnu Cotton	114.00	100	*Nil*	*Nil*	*Nil*			

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
‡—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957. O'—On increased Capital.

MISCELLANEOUS COMPANIES

| Paid-up Ordinary Capital Rs. | Reserves Rs. | Gross Block Rs. | Depreciation Rs. | Carried Forward Rs. | Managing Agents, Secretaries, Managing Director or Secretary | Company | Latest Available Quotation Rs. nP. | Paid-up per Share Rs. | Dividend per Share: 1957 Rs. nP. | 1958 Rs. nP. | 1959 Rs. nP. | 1960 Rs. nP. | Accounts Closed | Reference |
|---|---|---|---|---|---|---|---|---|---|---|---

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
PAPER														
57,43,031	16,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills	61 00 x	25	*Nil*	*Ni*	2.50†		6	Y.P.
45,00,000	49,79,629	2,31,12,699	1,67,74,809	1,35,494	M.	Bengal Paper Mills	101.50cd	25	3.12	5.50	8.00†		12	Y.P.T.
25,00,000	25,47,004	2,32,06,898	1,93,22,856	54,751	Andrew Yule & Co., Ltd. ..	India Paper Pulp	21.81	10	1.40	1.00	1.00	0.65†	3	Y.
25,00,000	35,79,739	1,52,01,952	98,32,785	43,794	*M. D. Shivananjappa*, Esq. (Chairman)	Mysore Paper Mills	26.00	10	1.00*	1.00	1.25*		3	Y.
1,46,32,500	91,38,720	9,65,23,424	2,36,15,053	1,69,091	Birla Brothers Private Ltd. ..	Orient Paper	46.40	10	1.50	1.50	1.50†		3	Y.P.T.
1,85,50,670	86,20,921	1,94,16,399	1,14,73,940	75,391	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	28.50	10	1.25	1.25			12	Y.P.T.
50,00,000 }	8,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	{ 13.62	O. 10	0.60	0.60	0.30†		} 9	Y.P.
4,710,00,000 }							{ 13.62	A. 10	0.60	0.60	0.30†			
2,18,85,240	56,23,786	5,27,08,634	1,40,50,912	72,313	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	21.12	10	0.50	0.65	0.65†		6	Y.P.
85,00,000A. }	4,02,35,633	7,26,92,665	4,02,88,475	1,61,113	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd.	{ 41.62	A. 10	2.38*	2.38*	2.50*	1.20†‖	} 3	Y.P.T.
4,37,50(P.O. }							{ 41.62	B. 10	2.38*	2.38*	2.50*	1.20†‖		
99,98,875	4,70,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman) ..	West Coast Paper Mills Ltd. ..	4 12	P.O. 2½	0.24	0.24	0.25*	0.17½‖		
							228.0	100	*Nil*	*Nil*	*Nil*		6	Y.P.
SAW MILLS AND TIMBER														
13,99,998 }	22,88,889	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	3.60	3	*Nil*				9	Y.
59,25,000 }	3,45,21,358	5,63,39,009	2,47,17,106	67,223	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 627.00cd	Old 125	47.50K	22.50	23.75		} 5	Y.
42,00,000 }							{ 230.00cd	New 50	19.00K	9.00	9.50			
20,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	29.87	10	2.75	2.50	2.50†		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	17,72,056	45,74,076	33,32,351	45,327	P. L. Sarasoji, Esq. (Chairman) ..	Balrampur Sugar	3.62	5	0.25	0.25	0.40†		6	Y.
18,00,000A. }	34,01,264	62,73,828	39,92,829	10,49,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	{ 135.00N	A.100	10.00	10.00			} 4	Y.T.
9,00,000B. }							{ 11.50N	B. 10	1.00	1.00				
10,49,050	10,53,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	13.37	7½	1.00	1.00	1.40†		9	Y.
15,00,000	14,05,503	23,44,258	14,90,918	5,149	Cotton Agents Private Ltd. ..	Bharat Sugar	10.50	10	1.50	1.00	1.50†		6	Y.P.
32,00,000	30,06,740	1,62,64,278	1,05,44,576	14,180	Lindstone Lyall & Co., Ltd. ..	Chatrew & Co.	21.94	10	*Nil*	0.25	*Nil*		10	Y.P.T.
30,00,000	65,63,414	1,66,89,434	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	15.12	10	*Nil*	*Nil*	*Nil*		10	Y.P.
40,00,000	40,35,804	84,98,042	63,37,820	16,996	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	20.25	10	*Nil*	1.00	1.50†		6	Y.
9,98,252	2,98,564	29,55,978	18,68,398	—84,928	K. C. Thapar & Bros. Private Ltd. ..	Deoria Sugar	9.50N	10	*Nil*	0.50			8	Y.T.
18,00,000	14,41,218	88,56,210	54,42,213	9,576	Bachraj & Co. Private Ltd. ..	Hindusthan Sugar Mills	317.00	100	15.00	15.00	15.00†		6	Y.P.
7,89,100	25,58,820	52,91,471	30,83,160	6,246	Mr. Tulsidas Kilachand (Chairman) ..	Kesar Sugar	200.00	40	7.00	4.00	4.20		7	Y.P.
11,00,000	4,58,234	49,29,289	29,86,670	10,502	Cotton Agents Private Ltd. ..	New India Sugar Mills	32.00N	10	2.50	2.50	3.65†		6	Y.P.
18,83,200 }	48,26,135	78,03,274	29,12,884	24,741	K. C. Thapar & Bros. Private Ltd. ..	New Savan	9.50	10	0.37	0.25	0.37†		5	Y.P.
36,175 }					Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill	{ 350.00	100	20.00	20.00			} 6	Y.
77,52,960	76,35,199	2,61,13,706	1,41,64,041	16,455			{ 50.00N	25	5.00	5.00				
9,00,000	23,02,870	51,19,941	35,72,535	4,006	Oudh Sugar		100.00	100	12.50	12.50	18.25†		7	Y.P.
63,59,400	20,22,000	88,23,036	36,83,281	3,01,544	M.	Purbani Co.	15.75	10	*Nil*	*Nil*	*Nil*		10	Y.
8,00,000	6,30,752	29,26,399	23,93,295	1,403	Govan Bros. (Rampur) Private Ltd. ..	Raza Bulund Sugar	15.62	10	1.50	1.25	1.20†		10	Y.
11,99,000	16,90,877	48,13,634	29,03,290	20,614	M.	Ryam Sugar	15.75	10	1.50	1.50			6	Y.P.
39,09,000	23,94,873	1,36,84,427	80,62,270	41,428	M.	Samastipur Central Sugar	17.12	10	*Nil*	0.25			6	Y.
10,05,115	24,660	34,19,315	15,98,051	1,196	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	14.75	10	1.00	1.00	1.50†		7	Y.P.T.
					H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors) ..									
15,89,000	13,52,481	25,59,550	20,58,359	40,666	M.	Sitalpore Sugar	6.69	10	*Nil*	*Nil*	*Nil*		6	Y.
20,00,000	43,56,902	1,83,27,976	97,43,200	44,480	Cotton Agents Private Ltd. ..	Shri Sitaram Sugar	12.00	10	0.50				8	Y.
16,00,000	14,59,294	38,53,179	28,80,160	1,08,870	M.	Upper Ganges Sugar	68.00	10	5.00	5.00	7.25†		6	Y.P.
						United Provinces Sugar	18.19	10	0.75	1.00	1.50†		9	Y.
Other Centres														
30,00,000	26,55,000	91,38,886	28,74,622	22,959	Rangarao & Co...	Andhra Sugars Ltd.	26.50(R)	10	1.25	1.50	2.00†		9	Y.
39,84,500	6,25,000	91,67,380	4,84,457	21,247	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	152.50	100	*Nil*	*Nil*	*Nil*		6	Y.P.
70,49,550	1,35,94,055	1,59,99,488	1,07,41,336	75,919	W. H. Brady & Co., Ltd.	Belapur Company	383.00	50	18.00	20.00*	21.00†		9	Y.
17,50,000	15,17,192	44,93,634	27,37,735	5,189	A. H. Bhiwandiwalla & Co. (Bombay)	Bhopal Sugar Industries Ltd.	47.50	10	2.00	2.00	2.50†		9	Y.P.
37,50,000	16,97,191	83,92,712	57,50,845	2,07,295	Private Ltd.	Shree Chandeo Sugar	31.00	12.50	2.25	2.25	2.90†		6	Y.
20,84,000	36,55,500	1,36,56,345	71,19,655	66,641	Parry & Co., Ltd.	Deccan Sugar & Abkhari	16.45	5	0.72½C	0.90	0.90		5	Y.P.
£800,000	£1,575,453	£1,950,279	£1,101,544	£82,296	Parry's Holdings Private Ltd. ..	East India Distilleries & Sugar	62.00	£1	Sh. 3	Sh. 4	Sh. 4		9	Y.P.T.
15,92,900	25,45,860	48,87,880	29,70,997	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	87.00	100	10.00	10.00	10.00†		9	Y.P.
68,97,650	9,79,848	81,36,670	27,89,256	5,62,806	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries ..	12.60	10	1.00	1.00	1.25†		9	Y.P.
27,04,654	17,21,816	1,36,50,912	16,14,400	156	R. S. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	17.25	10	0.60	0.60			6	Y.P.
39,24,100	97,90,290	3,52,12,096	64,84,323	91,745	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	38.00	10	0.75	0.75	1.50†		9	Y.P.
67,50,000	49,93,558	1,48,05,021	66,20,929	1,61,004	M. L. Dahanukar & Co. Pvt. Ltd. ..	Maharashtra Sugar Mills Q	229.00	50	100.00*	17.00*	21.00†		9	Y.P.
31,79,280	99,00,189	1,62,19,210	1,01,73,932	45,172	B. M. Krishnan, Esq. (Mg. Director) ..	Mysore Sugar	60.50	10	2.00	3.00*	3.00†		9	Y.
50,00,000	54,93,178	1,29,04,898	72,75,195	63,804	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	102.00	50	12.00*	10.00	13.50†		9	Y.
20,00,000	2,47,500	24,70,565	13,97,551	788	Govan Bros. (Rampur) Private Ltd. ..	Rampur Distillery & Chemical Co., Ltd.	5.00N	10	0.30	0.30	0.30		3	Y.
2,75,00,000 }	48,67,914	1,37,22,721	65,20,942	70,364	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	{ 112.00	O. 50	12.00	12.00	8.50†		} 9	Y.P.T.
50,00,000							{ 30.00	D. 50	3.75	3.75	3.75†			
1,01,00,000	20,67,000	67,37,434	30,49,961	1,06,833	Parry & Co., Ltd.	Travancore Sugars	11.00	10	1.00	1.00	1.00†		7	Y.P.
	1,24,16,022	3,47,34,595	1,29,06,496	1,77,732	Walchand & Co. Private Ltd. ..	Walchandnagar Industries	307.50	100	21.00	21.00	20.00†		9	Y.P.T.
TRANSPORT														
80,00,000	96,44,220	1,16,88,916	20,83,063	26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co. ..	85.00	100	5.00	6.00	3.00†		10	Y.P.
1,00,00,000 }	1,09,44,724	3,99,08,572	1,77,61,898	3,17,991	Dinshaw (Private) Ltd.	Bharat Line	8.04	10	1.20*	1.20*			12	Y.
50,00,000 }							{ 17.40	10	1.50	1.80	1.05		} 6	Y.P.
80,00,000 }	2,04,75,067	8,76,20,428	1,74,30,547	3,34,489	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	{ 10.36	5(New)		0.90	0.525			
£655,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	60.00	£10	*Nil*				12	Y.P.
2,47,80,000	2,59,52,958	18,77,40,719	4,00,93,455	2,09,413	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	11.20	10	1.00	1.00	1.00		3	Y.P.
11,88,57,258	9,29,60,987	32,02,26,725	8,35,84,307	3,59,994	M.	Scindia Steam Navigation Co. ..	15.92	20	1.25	1.25	1.50†		6	Y.T.
5,40,800 }							11.00	10	1.00	1.00	1.00		12	Y.
8,10,200P.O. }	21,45,788	13,10,577	9,03,367	1,67,107	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	{ 2.25	O. 1	0.14	0.14	0.20†		} 12	Y.
							2.12	P.O. 1	0.12	0.12	0.15†			
UNCLASSIFIED (Bombay)														
8,57,00,000	1,46,48,754	5,77,10,152	2,04,19,200	2,09,60,272	S. H. Turner, Esq. (Chairman) ..	Hindustan Lever	45.50	10	1.40	1.50	2.40†		12	Y.
31,07,000	9,13,024	1,17,36,431	72,51,407	—4,82,050	Birla Brothers Private Ltd.	Hind Cycles	133.00	100	12.50F	7.00	*Nil*		3	Y.P.T.
14,98,840	5,27,770	27,20,956	23,15,699	17,694	Choonilal Manilal Private Ltd. ..	Estrela Batteries	67.00	50	3.50*	3.00	3.50*	4.50†	3	Y.P.
99,99,250	20,22,470	1,31,66,987	....	58,612	Premchand Roychand & Sons ..	Industrial Investment Trust ..	72.00	100	2.50	2.50	2.50		12	Y.
1,00,00,000 }	33,17,365	48,22,945	16,84,812	6,237	A. N. Haksar Esq. (Mg. Director) ..	Killick Industries	109.00	100	11.00	13.00	9.00†		11	Y.
4,82,50,500 }														
8,27,65,475	84,40,713	4,77,85,451	2,21,25,884	2,71,068	Asso-Auto Private Ltd.	Premier Automobiles	190.00	100	6.00	4.00	9.00†		6	Y.T.
2,00,00,000	24,59,766	65,07,395	18,34,590	30,136	Polson Agencies Private Ltd. ..	Polson Ltd.	159.00	10	10.00	10.00	15.00†		12	Y.P.
2,75,00,000	1,77,59,354	4,62,98,135	1,92,16,142	4,20,813	Mr. A. Hydari and Mr. S. Gothberg ..	Western India Match Co., Ltd.	240.00	100	11.00*	11.00*	16.00*†		12	Y.
45,00,000	50,43,390	21,66,565	5,47,976	1,56,267	Jehangir P. Patel, Esq. (Chairman) ..	W. H. Brady & Co., Ltd.	330.00	150	25.00	25.00	35.00†		12	Y.
Other Centres														
68,50,000	2,04,96,139	3,89,98,591	1,10,43,880	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd..	20.25	O. 10	0.90	0.90	1.00		3	Y.P.T.
70,99,501	35,47,000	1,10,99,415	43,70,708	48,624	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd.	20.65	10	1.25	1.25	1.25		3	Y.
30,00,000	26,44,175	36,05,360	25,56,851	2,24,865	Turner Morrison & Co. Private Ltd. ..	Angelo Bros., Ltd.	23.00	10	1.80*	1.50	2.00		8	Y.
80,00,000	35,34,600	1,05,71,881	42,22,342	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd.	18.50	10	1.25*	1.25*	1.80†		12	Y.
2,46,78,690	25,63,610	2,20,70,296	60,76,913	1,34,774	Imperial Hotels (India) Private Ltd. ..	Associated Hotels of India	7.00	10	0.60	0.60			3	Y.T.
50,01,400	78,56,710	74,47,499	38,77,499	20,076	A. E. L. Collins, Esq. (Mg. Director) ..	Ashok Leyland Ltd.	9.65	5	0.30	0.30	0.40†		12	Y.
12,00,000	22,70,218	35,44,373	18,77,499	5,08,161	M.	Balmer Lawrie & Co., Ltd. ..	227.00	100	12.50	20.00	5.00†		12	Y.
20,00,000	7,79,721	64,19,086§§	2,19,095	1,85,257	Balmer Lawrie & Co., Ltd.	Hemjee Flour Mills Co., Ltd.	41.87	10	2.50	2.50	4.50†		12	Y.
48,97,060	45,54,814	1,17,84,974	55,532	55,032	Lovelock & Lewis	Birla Investment Ltd.	13.50	10	0.50	0.70	1.10†		9	Y.P.
8,35,00,000	1,58,58,664	3,62,78,515	2,16,54,999	2,16,549	K. Julian Scott, Esq. (Mg. Director) ..	Britannia Biscuits	38.00	10	1.00	1.20	1.40	0.60†	3	Y.P.T.
97,50,000	....	8,48,250	2,892	79,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd. ..	8.40	5	*Nil*	*Nil*	*Nil*		12	Y.P.
1,38,80,000	14,44,223	1,90,82,924§§		77,205	F. Acutis, Esq. (Mg. Director) ..	Coat Tyres of India Ltd.	275.00	75	....	*Nil*			12	Y.
3,00,00,000	5,12,37,5.9	6,62,33,758	3,45,38,270	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	9.50	10	0.75	0.75	0.88H	0.75†	3	Y.
16,40,630	56,26,391	48,40,889	29,18,152	24,03,447	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	47.75	10	1.62	1.62	2.15†		12	Y.P.T.
51,26,000	57,17,047	1,60,56,711§§	84,196	1,82,196	M. K. G. Khaitan	Dyer Meadows Reserves	21.94	5	0.60	0.75			6	Y.P.
14,56,319	1,99,926	39,40,350	3,59,610	3,52,237	Bird & Co. Private Ltd.	Eastern Investments Ltd.	188.00	100	9.00	9.00	14.00†		12	Y.P.
14,08,000	10,25,000	26,71,778	20,74,954	3,930	S. Sankaran, Esq. (Mg. Director) ..	Enfield India Ltd.	19.00	10	*Nil*	*Nil*			12	Y.P.
40,00,000	4,78,500	70,95,403	41,39,847	19,40,721	Maxwell & Barry Ltd.	Ganges Rodney Co., Ltd.	230.00	100	12.00	15.00			3	Y.P.
88,00,000	19,20,000	2,02,27,548	14,24,655	1,57,026	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	24.00N	10	1.50	2.00	2.60†		12	Y.P.
30,00,000	15,67,354	54,54,088	38,51,718	59,181	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	12.06	10	1.00	1.00	1.00		3	Y.
4,96,13,250	19,51,174	5,80,44,564	2,86,53,883	8,18,731	B. P. R. Syndicate	Great Eastern Hotel	250.00	250	15.00				3	Y.
80,00,000	16,64,585	99,48,427	33,67,174	1,81,126	Birla Brothers Private Ltd.	Hindustan Motors	23.12	10	*Nil*	*Nil*	0.50		3	Y.P.
3,97,67,760	2,01,79,740	9,72,58,373	3,00,11,654	33,42,051	Talukdar Law & Co. Private Ltd. ..	Hindusthan Pilkington Glass ..	36.00	10	0.60	0.60	1.20†		10	Y.
2,85,77,700	1,84,79,720	2,76,16,730	1,20,12,729	40,00,510	K. C. Mahindra, Esq. (Chairman) ..	Indian Aluminium Co., Ltd. ..	31.50	10	0.60	0.70	1.20†		12	Y.P.T.
9,87,970	6,14,570	17,46,166	10,08,558	97,031	J. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	39.50	10	1.50*	1.50*	1.50*		12	Y.P.T.
2,00,00,000	99,92,076	3,26,27,802	1,24,74,994	9,72,583	M.	Indian Rubber Manufacturers Ltd.	18.00	10	0.62				3	Y.P.
39,88,250	29,950	49,20,112	15,92,066	2,457	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	41.04	10	1.00	1.00	1.50†		9	Y.
15,16,00,000	9,87,84,091	10,93,80,615	2,47,39,240	24,64,029	Birla Gwalior Private Ltd.	Indian Plastics Ltd.	14.25	10	1.00	1.00	1.00		3	Y.P.
2,00,00,000	72,02,100	41,08,517	14,59,807	6,40,165	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	19.00	10	0.70	0.70	0.60	0.50†‖	3	Y.
40,00,000D. }					J. D. K. Brown, Esq. (Mg. Director) ..	Jardine Henderson	74.50	100	2.50	2.50	5.00		3	Y.P.
5,00,000D. }	85,87,572	29,69,955	11,94,783	2,49,742	M.	McLeod & Co.	{ 220.00	O. 100	12.50	12.50			} 12	Y.P.
1,45,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.87	D.O.10	0.75	0.75				
1,61,00,000	1,64,41,161	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	47.12	10	1.75	1.75	1.75	2.50‡C*†	9	Y.P.
6,56,250	6,92,500	11,29,680	5,97,252	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	24.50	10	1.25	1.50	1.80		3	Y.P.
10,00,000	3,41,884	17,87,071	9,84,534	200	M. Mallaiah (Mg. Director)	Nagpur Electric	13.25	10	1.00	1.00	1.00		3	Y.
2,00,00,000	1,15,35,505	3,85,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director) ..	Union Carbide India Ltd.	52.00	10	1.40	1.40	1.80†		12	Y.
59,97,500	1,19,25,927	1,19,56,727	47,07,165	46,185	Associated Ind. Dev. Co. (Pvt.) Ltd..	National Insulated Cable Co. ..	28.50	10	2.00	2.00	2.00		3	Y.T.
40,00,000	28,64,825	82,88,459	26,09,674	26,079	Do. Do.	National Rolling & Steel Ropes ..	15.12	10	1.00	1.00	1.00†		3	Y.P.
49,97,064	9,15,876	83,55,363	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	15.50	10	1.00	0.60*C	0.85†		12	Y.P.
29,97,000	10,50,304	1,30,38,655	71,43,230	9,59,940	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	23.62	10	0.90	1.10			12	Y.P.T.
7,50,000	6,82,000	11,21,580	5,03,722	86,772	Parry & Co., Ltd.	Parryx Confectionery Ltd.	5.57cR	1	0.20	0.20	0.20		3	Y.
2,00,00,000	46,43,956	1,17,85,731	38,12,435	85,818	P. D. Vimi, Esq. (Mg. Director) ..	Phillips India Ltd.	34.00	10	0.84	0.85			12	Y.
2,25,00,000	40,500	66,75,349	30,89,526	2,54,744	M. P. A. Paspatti, Esq. (Mg. Director)	Ballia India Ltd.	148.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
25,00,000F. }	50,000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd.	Radio Lamp Works Ltd.	{ 128.00	100	7.50	9.00	5.00†		} 3	Y.P.
1,72,780 D. }								10	1.18	2.00				
2,50,80,000	2,20,45,000	14,54,58,965	5,52,72,716	3,773	Sahu Jain Ltd.	Rohtas Industries	40.25	10	....	2.00	1.50		3	Y.P.T.
4,72,220 }	99,230	31,10,322	9,26,551	28,722	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	{ 100.00N	100	6.00	6.00	6.00		} 3	Y.P.
15,15,400							{ 50.00N	50	3.00	3.00	3.00			
70,00,000	38,73,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	24.12	10	0.60	0.60	0.80†		6	Y.P.
40,00,000	96,89,310	1,32,79,069	76,26,929	8,51,274	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	21.25	10	1.50	1.50	1.80†		6	Y.P.
75,00,000	45,78,850	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	26.56	10	1.00	1.00	1.50†		12	Y.P.
15,00,000	94,66,0508	13,70,509	24,22,541	4,919	J. K. Agents Private Ltd.	Straw Products Ltd.	12.75N	10	1.25	1.25			12	Y.
9,98,980	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	8.00cd	10	*Nil*	0.50	0.60†		12	Y.
22,89,270	12,50,000	12,58,953	8,25,089	10,67,057	M.	Tractors (India) Ltd.	36.75	10	2.00	2.25	3.00†		6	Y.
2,49,99,600	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar .. (Chairman)	Tube Investments of India Ltd.	325.00	100	10.00	10.00	10.00†		7	Y.
11,58,300	14,70,739	12,72,077	6,76,530	41,732	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	32.00	10	2.00	2.00	2.75†		9	Y.P.
8,00,000	12,00,000	38,58,793	29,58,716	27,331	Vital Maliya, Esq. (Chairman) ..	United Breweries	104.00	10	20.00	60.00	60.00(a)		3	Y.P.
27,00,000	14,07,889	43,78,122	28,59,907	16,554	A. K. Kaderbutty, Esq. (Mg. Director)	Western India Plywoods Ltd. ..	300.00	100	10.00	10.00	10.00		3	Y.P.

M.—Managed by Board of Directors. *Includes bonus. † Subject to taxation. K.—Includes

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore) Pvt. Ltd. ..	Pallakulin Coffee & Produce Co., Ltd.	9 00	5	1·25	1·25	1·25	0·625†	6	Y.P.
3,00,000	2,35,000	4,24,393	43,350	1,648	Plantinc Agencies (Private) Ltd. ..	Balmadua Plantations	12 47	2	0·21	0·45	0·25	0·15	5	Y.P.
$6,91,279	20,25,000	50,55,438	5,98,019	15 281	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8 15	3	0·75	0·52	0·30'C'	0·45	3	Y.P.
$2,50,000	30,58,061	59,61,758	11,30,047	1,28,049	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	26 25	10	2·50	4·00	2·00	2·50†	6	Y.P.
71,55,000	63,65,564	1,51,68,273	$5,93,779	70,971	R. C. Paterson, Esq.	Consolidated Coffee	26 75	10	2·00	4·00	2·00	2·50†	6	Y.P.
4,00,000	5,67,423	12,42,809	60,301	3,461	Associated Planters Private Ltd. ..	Cottanad Plantations	14 00	10	1·50	1·75	1·50	1·50	3	Y.P.
18,00,000	9,34,043	30,13,231	6,39,976	21,458	A. V. Thomas & Co., Ltd. ..	Highland Produce	15 50	10	2·00	0·75	1·50	..	12	Y.P.
8,00,000	7,27,800	20,48,983	3,37,382	6,065	A. V. Thomas & Co. Ltd. ..	Kaljeeta Estates	12 45	10	2·00	2·00	1·00'C'	1·25†	4	Y.P.
4,00,000	3,00,000	9,64,554	1,45,547	12,518	Peirce Leslie & Co., Ltd. ..	Kum-rzode Estates Ltd. ..	5 00	2	0·60	0·50	0 40'C'	0·40†	10	Y.T.
13,50,000	4,77,240	20,94 033	3,70,668	11,167	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	20 25	10	3·25	2·25	1·70'C'	1·60	3	Y.
40,50,000	14,80,398	88,24,880	11,08,400	23,748	A. V. Thomas & Co., Ltd. ..	Midland Rubber	12 15	10	2·00	2·00	1·00'C'	1·00	3	Y.P.
3,35,000	4,13,450	16,21,926	2,76,266	48,475	A. V. George & Co., Ltd. ..	Nesmony Rubber	29 00ed	10	1·50	0·75	1·50	1·50†	12	Y.P.
2,00,000	8,28,000	9,55,514	68,469	1,908	Associated Planters Private Ltd...	Nilamtur Rubber Co.	19 25	10	1·50	1·50	2·00	..	12	Y.P.T.
19,45,840	22,83,825	48,92,125	10,66,950	3,088	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5 15	2	0 20	0 60	0 20	0 30†	10	Y.P.T.
16,60,000	2,29,315	21,56,112	5,52,529	72,898	Anjdwall & Co., Ltd.	Pullanode Rubber	2 02	2	0 20	0 10	0 08	0 10	3	Y.P.
12,50,000	8,49,874	47,74,372	4,48,809	44,924	A. V. Thomas & Co., Ltd. ..	Rajaviri Rubber	22 50	10	2·50	2·00	2·00	2·00†	6	Y.P.
6,50,170	3,00,000	8,87,733	1,22,319	17,699	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd. ..	4 00	2	1·50	0·30	0 25'C'	0·30†	11	Y.
12,00,000	1,35,000	18,24,855	68,427	15,748	Peirce Agencies	Sanzarazuwar Coffee Estates Ltd.	2 66	2	..	..	0 18	0 18	3	Y.P.T.
10,00,000	2,48,373	22,50,508	1,70,424	13,959	East India Agencies Private Ltd.	Teekoi Rubber (India) Ltd. ..	7 00	10	0·90	0·60	0 60	0·60	3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,420	A. V. George & Co., Ltd. ..	Thamarapally Rubber	27 50ed	10	3·00	3·00	3 00	3·00†	12	Y.P.
8,15,000	5,75,000	22,57,905	1,88,292	7,577	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 70	1	0 12½	0 05	0 10	0 07†	9	Y.T.
6,00,000	67,742	11,54,891	5,03,460	2,228	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	12 50	10	2·00	1·50	1 00	1·00†	12	Y.
41,00,000	15,07,158	86,13,006	18,50,697	3,536	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	8 10	10	0·75	0·40	0 50	0·75†	12	Y.P.
20,00,000	1,50,000	32,16,659	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co. ..	29 85ed	25	3·00	1·00	1·50	2·00†	2	Y.
3,00,000	4,56,000	17,45,808	1,02,210	6,282	P. I. J. Joseph, Esq.	Vellanad Rubber & Co., ...	6 15	6	0·75	0·62½	0 50	0·50	2	Y.P.T.
2,20,000	4,29,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd. ..	Udayaviri Rubber Co. Ltd. ..	17 00ed	10	0·75	0·60	0·75	1·50†	12	Y.
8,80,010	2,01,670	9,65,557	28,177	585	M.	Vaikundam Rubber Co., Ltd. ..	30 35	10	3·50	2·50	3 00	2·50†	12	Y.
12,00,000	11,40,982	14,72,172	89,034	1,56,210	Peirce, Leslie & Co., Ltd. ..	Wartyhully Estates Ltd.	9 20ed	2	0·30	0·15	0·30	0·30	3	Y.
6,95,000	2,44,161	14,25,129	77,672	2,109	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	7 00	10	12·1	1·00	0·50	0·50	3	Y.P.T

J—Final dividend of Re. 1·50 is on the increased capital. * Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,51,970	1,17,27,488	45,26,971	25,002	B. N. Elias & Co. Private Ltd. ..	879	Azarpara	12 37	10	0·25	0·25	0·50	..	3	Y.P.T.
6,00,000	11,72,140	68,39,056	43,04,188	1,92,640	Meleod & Co., Ltd.	456	Alexandra	180 00	100	Nil	Nil	Nil	6.00†	12	Y.P.T.
30,00,000	2,79,000	1,26,70,290	99,41,083	—1,88,295	Meleod & Co., Ltd.	1,264	Alliance	110 00	100	Nil	Nil	Nil	..	3	Y.P.
49,20,700	72,61,000	3,09,77,421	2,26,93,087	2,15,974	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	217 00	100	7.00	10.00	12·50	7.00†	3	Y.P.T.
40,00,000	37,33,926	1,51,39,985	70,19,427	43,140	Bird & Co. Private Ltd.	1,810	Auckland	161 50	100	2·00	5·00	20 00	7.00†	3	Y.P.T.
80,00,000	28,83,865	1,07,52,048	71,05,868	4,255	Birla Brothers Private Ltd. ..	959	Bally	134 00	100	2·00	6.00	10 00	..	3	Y.P.
£275,000	£626,819	£1,617,018	£1,028,550	—£67,968	Sir John H. Burder (Chairman) ..	1,889	Balmagore	154 00	100	Nil	Nil	10½†	..	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,041	48,528	Andrew Yule & Co., Ltd.	1,373	Barnagore	154 00	100	2·50	7·50	13·50†	..	3	Y.T.
40,00,000	19,71,745	58,94,993	35,12,933	—5,73,255	Soorajmull Nagarmull	820	Belvedere	110 00	100	Nil	0·50	..	..	3	Y.P.T.
51,26,000	2,61,94,584	6,43,29,672	1,84,13,072	29,068	Birla Brothers Private Ltd. ..	600	Bengal	32 12	10	1·00	1·00	1·00	..	3	Y.P.
80,00,000	28,36,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	140 00	100	Nil	5·00	15.00†	..	10	Y.P.
7,47,380	4,000	45,18,657	24,42,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg. ..	150 00	100	Nil	15.00	12.00†	..	11	Y.P.
18,00,000	27,51,930	84,00,050	40,11,674	30,163	M.	616	Caledonian	117 00	100	Nil	Nil	7 00	4.00†	3	Y.
69,16,400	76,57,559	2,11,45,431	1,20,71,737	—92,149	James Finlay & Co. Ltd.	600	Champdany	142 00ed	100	Nil	5·00	12·50†	..	11	Y.P.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	530	Cheviot	87	10	1·10	1·25	1·50†	..	7	Y.P.T.
20,15,000	38,42,899	1,09,82,950	59,87,035	2,33,594	Meleod & Co., Ltd.	500	Chittavaiah	12 87	10	Nil	Nil	..	..	3	Y.P.
24,00,000	9,00,000	81,89,984	47,12,337	—3,11,813	Shree Krishna Investment Co., Ltd	669	Clive	110 00	100	Nil	Nil	Nil	..	3	Y.P.T.
31,49,200	39,72,331	1,39,88,257	61,31,405	—6,42,070	Bird & Co. Private Ltd.	766	Dalhousie	138 00	100	Nil	6·00	14 00†	..	11	Y.P.
58,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	778	Delta	16 50	10	0·75	1·00	1·25†	..	7	Y.P.T.
15,00,000	37,20,000	1,07,30,530	70,08,837	93,729	Meleod & Co., Ltd.	500	Empire	170 00	100	3·50	5·00	7·50	..	3	Y.
21,00,000 } 21,00,000 }	74,82,810	2,61,26,629	1,59,43,058	1,94,546	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd. ..	{ 370.00 293.00	100 Old 50 New	10·00 ..	20·00 ..	20 00 10 00	..	3	Y.P.T.
21,00,000	19,22,948	1,27,75,074	68,81,071	1,66,649	Bangur Bros., Ltd.	1,014	Fort William	26.69	10	1·50	1·50	1·50	..	3	Y.P.T
44,32,100	....	2,23,71,685	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11.44	10	Nil	Nil	Nil	..	3	Y.P.
10,80,000	29,50,815	69,22,327	48,80,330	1,81,070	M.	507	General Ind. Society Ltd.	20 00	10	60.00§	2·00	..	..	12	Y.T.
24,00,000	44,12,950	2,41,02,831	1,66,19,415	1,65,780	Meleod & Harry Ltd.	1,394	Gourepore	370 00	100	2·50	20.00	25.00	10.00†‡	3	Y.P.
40,00,000	68,76,233	1,38,25,777	75,98,466	2,98,063	Bangur Bros., Ltd.	1,078	Hastings	93 00	100	5·00	5·00	6 00	..	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooghly	14 00	10	Nil	Nil	1·00	1.25†	3	Y.P.T.
65,62,500	40,04,094	2,24,82,770	1,35,81,803	72,382	Jardine Henderson Ltd.	1,940	Howrah	18 37	10	1·50	1·50	1·50	..	3	Y.P.
52,50,000	31,20,000	3,02,67,018	1,67,42,018	1,07,837	Kanodia Kamkissendas	2,272	Hukumchand	19 37	10	1·75	1·50	1·50	..	3	Y.
37,50,000	20,35,465	1,52,35,168	98,25,868	62,038	M.	790	India	163 00	100	Nil	5·00	15.00†	0.75†	3	Y.
24,00,000	....	....	....	....	....	....	....	163 00	100	Nil	5·00	20.00†	..	..	..
B'19,20,000 } B'20,00,000 }	28,80,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 137.00 83.00	'B' 100 'B' 100	Nil Nil	5·00 Nil	20.00† Nil	..	12	Y.P.T.
B'24,00,000	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kankinarrah	{ 85.00	'B' 100	Nil	Nil	Nil	..	12	Y.P.T.
28,00,000	49,10,000	1,43,71,155	98,71,118	1,63,584	Meleod & Co., Ltd.	703	Kelvin	161 00	100	9·00	12.50	14.00'C'†	..	3	Y.P.
54,00,000	22,12,630	2,20,06,065	1,32,49,119	10 158	Anderson Wright Ltd.	1,580	Khardah	29 25	10	0·50	5·00	20.00†	..	3	Y.P.
47,58,750	60,85,694	2,41,09,199	1,17,28,522	51,370	F. W. Heilgers & Co. Private Ltd.	1,550	Kinnison	142 00	100	Nil	5·00	10.00	7.00†	3	Y.P.T.
24,48,000	1,30,28,840	1,30,28,840	63,01,683	—7,56,162	Bird & Co. Private Ltd.	931	Lansdowne	148 00	100	Nil	Nil	Nil	..	3	Y.P.
28,00,000	23,68,855	89,88,615	89,14,027	60,304	Bird & Co. Private Ltd.	840	Lawrence	146 00	100	Nil	Nil	2.00	7.00†	3	Y.P.
31,65,200	28,13,291	2,34,62,530	1,45,59,024	2,82,507	M.	1,294	Metia	14 19	10	0·50	1·75	1·00	0.50†	3	Y.
29,98,900	24,26,392	1,04,53,185	94,33,298	—11,60,653	M.	425	Naihati	68 00	100	Nil	Nil	Nil	..	3	Y.P.T.
20,00,000	18,14,376	56,84,253	34,27,490	4,939	Howrah Trg. Co., Private Ltd.	425	Naskarpara	12 00	10	0·25	0·25	..	..	10	Y.T.
35,00,000	39,51,326	48,49 737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	23 75	10	0·75	0·75	..	..	10	Y.P.
36,25,000	31,71,872	59,70,247	28,86,043	1,38,623	Meleod & Co., Ltd.	816	Nellimarla Jute	12 75	10	0·90	1·00	1.40†	..	7	Y.P.T.
1,28,24,350	1,98,88,995	8,59,23,980	1,28,63,717	1,415	Mahi Jain Ltd.	1,765	New Central	31 19	10	1·50	1·50	1.50 'C'†	..	3	Y.P.
16,79,880	48,95,192	1,36,11,669	66,57,100	35,452	Bird & Co. Private Ltd.	567	Northbrook	18 12	10	Nil	Nil	1.25	0.75†	10	Y.P.T.
66,79,500	25,55,018	2,22,21,595	1,17,01,456	10,981	Macneill & Harry Ltd.	1,092	Nuddea	54 00	50	Nil	2·50	5·00	1.00†	3	Y.P.
24,91,000	24,34,794	76,55,874	54,34,060	26,919	Andrew Yule & Co., Ltd.	601	Orient	139 00	100	Nil	2·50	12.00†	..	11	Y.
25,00,000	10,23,000	99,89,888	72,01,540	68,437	Meleod & Co., Ltd.	400	Presidency	5 87	5	0·30	0·37½	0.60†	..	7	Y.T.
30,00,000	77,978	31,75,367	9,06,846	2,706	Birla Brothers Private Ltd. ..	804	Ramaulhwara	8 44	10	Nil	Nil	Nil	..	3	Y.P.T.
49,50,000	4,75,546	1,24,61,181	66,72,920	—88,95,851	Jardine Henderson Ltd.	1,276	Reliance	7.00	10	Nil	Nil	Nil	..	3	Y.P.T.
£600,000	£488,130	£1,483,170	£510,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	10.50N	81	Nil	5%†	10%†	..	12	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd. ..	911	Shree Ambica	24.00	10	0·50	0·50	0.60	..	12	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	601	Sreerah	23.50	10	1·50	1·50	2·50†	..	12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	10.50 N	81	Nil	5%†	10%†	..	12	Y.P.
25,98,500	55,90,024	1,05,68,547	46,70,750	76,586	Bird & Co. Private Ltd.	1,328	Union	202.00	100	Nil	15.00	20 00	7.00†	3	Y.P.T.
£400,000	£279,697	£1,282,678	£401,723	£81,170	Thomas Duff & Co. (India) Pvt. Ltd	1,231	Victoria	10.50N	81	5%†	5%†	10%†	..	12	Y.P.
2,50,000	6,20,000	32,90,805	44,48,712	1,05,603	McLeod & Co., Ltd.	447	Waverley	4.31	1	Nil	Nil	0·25†	..	5	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	82,86,200	1,09,35,072	77,39,072	39,129	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	24.50	10	1·25	1.25	1.50	..	3	Y.
12,00,000	6,14,541	35,95,654	23,74,696	—2,35,349	Jardine Henderson Ltd.	Bararee Coke	16.25	10	0·37	0·50	Nil	..	3	Y.
4,49,250	88,000	9,25,102	5,69,530	1,817	Kaiyanji Mavji & Co.	Bengal-Bhatdee	6.00	10	0·50	0·60	..	..	12	Y.
1,00,00,000	1,84,79,081	6,98,53,688	4,68,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	329·00	100	17·50	17.50	25.00†	..	10	Y.P.
2,25,000	4,99,177	23,57,107	21,15,467	—21,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18.50	10	Nil	Nil	Nil	..	12	Y.
40,00,000	10,28,269	1,44,88,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	7.15	10	0·60	0·60	..	..	6	Y.P.T.
7,15,008	10,15,172	49,80,946	34,84,101	—4,92,586	M.	Bhuiankarare	7.05	10	Nil	Nil	..	..	3	Y.T.
7,50,000	24,88,118	48,61,177	25,34,991	20,179	F. W. Heilgers & Co. (Private) Ltd.	Borrea	22.75	10	0·75	0.75	Nil	..	12	Y.P.
90,92,480	1,77,68,238	4,58,82,424	2,17,98,561	1,10,738	Bird & Co. Private Ltd.	Burrakur	29.00	10	0·37	0.37½	1.50†	..	13	Y.P.T.
49,97,000	82,960	55,20,477	17,60,581	10,789	Hindustan Investment Corpn. Ltd.	Central India	2.50	10	0·50	0·50	..	..	3	Y.
3,00,000	13,80,980	49,86,445	32,71,283	23,320	Macneill & Barry Ltd.	Central Kurkend	8.00 N	10	0·70	0·50	..	..	12	Y.
6,00,000	1,54,373	6,36,341(k)	....	941	F. W. Heilgers & Co. (Private) Ltd.	Charlia	3.00xd	4	0·20	0·20	0.12†	..	12	Y.
16,00,000	....	57,45,962	32,76,326	—28,085	Macneill & Barry Ltd.	Dhanbad Main	9.87	10	Nil	Nil	..	..	12	Y.
£240,000	£270,709	£1,094,395	£794,405	£9,562	Jardine Henderson Ltd.	East Indian	81.62	£1	1·50	1.00	1.25†	..	4	Y.
39,68,760	1 03,82,678	4,55,31,874	3,22,76,089	33,008	Macneill & Barry Ltd.	Equitable	28.37	10	1·50	1.50	..	..	12	Y.P.T.
10,00,000	1,40,469	14,24,422	4,82,298	45,369	Bhatter's Agency Ltd.	Ghusick and Misalia ..	12.00N	10	Nil	Nil	Nil	..	3	Y.
12,00,000	1,01,130	43,53,854	27,66,116	—5,13,177	Kilitch Industries Ltd.	Hingir-Rampur	23.00	50	Nil	Nil	..	..	6	Y.
5,00,000	24,87,888	19,46,774	14,46,774	168	Macneill & Barry Ltd.	Hurriladih	14.00	10	Nil	Nil	..	..	3	Y.
20,00,000	3,67,660	37,92,776	8,93,679	20,442	Bird & Co. Private Ltd.	Karanpura Collieries ..	209.00	100	Nil	5.00	5.00	..	3	Y.P.
5,00,000	19,74,252	52,22,175	39,91,046	1,27,148	Andrew Yule & Co., Ltd.	Katras Jherriah	60.75	10	6.50	6.50	6.50	3.50†‡	1	Y.
11,00,240	48,156	16,20,967	12,89,163	12,871	H. V. Low & Co. (Private) Ltd.	Kuardi	7.25N	10	Nil	Nil	..	..	3	Y.
8,00,000	10,22,762	29,89,712	22,84,028	3,668	H. V. Low & Co. (Private) Ltd.	Lakurka	15.00 N	10	0·12	1.00	..	..	4	Y.
7,48,240	2,30,000	18,72,632	10,20,509	24,246	Tantia Brothers Private Ltd. ..	Nasira	8.81	10	0·75	0.75	3.00†	..	12	Y.
17,76,280	23,80,325	1,52,03,776	1,01,37,915	31,185	Andrew Yule & Co., Ltd.	New Beerbhoom	23.25xd	10	0·75	1.00	1.50†	..	10	Y.P.
4,00,000	1,76,179	39,16,878	23,31,014	1,34,222	Ostevius Steel & Co., Ltd. ..	New Manbhoom	13.37	10	0·50	0·50	..	..	3	Y.
1,18,000 } 1,57,800 }	3,84,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd. ..	North West	{ 24.37 N 18.00 N	10 7.50	1·50 1·12	1.50 1.12	1.50 1.12	1.00† 0.75†	} 3	Y.
7,50,000	15,80,815	3,97,666	2,77,666	42,423	F. W. Heilgers & Co. (Private) Ltd.	Ondal	11.50	10	0·50	0·50	..	..	12	Y.P.
5,24,500	1,30,915	29,16,119	11,33,398	3,885	Despchand Kishenlall	Parasea	16.00N	10	0·50	0·50	..	..	12	Y.P.T.
15,75,000	20,29,600	68,60,103	44,84,103	32,085	Shaw Wallace & Co., Ltd.	Pench Valley	23.37	10	2·00	2·00	1.00	..	12	Y.
52,92,500	32,72,897	1,47,24,692	1,01,33,389	5,459	B. N. Elias & Co. Private Ltd. ..	Ramagunge	15.37	10	0·75	1.00	1.00	..	3	Y.
13,80,000	4,83,285	32,17,417	21,11,816	24,549	Shaw Wallace & Co., Ltd.	Rewa	24.75	10	1·00	1.00	..	..	3	Y.
37,50,000	38,22,000	1,02,55,214	26,57,721	66,872	M.	Samla Collieries	9.00 N	10	0·00	0·50	..	..	12	Y.
2,50,000	60,000	14,29,878	12,57,235	3,802	M.	Searsole	1.94	2.50	0·12	Nil	..	..	1	Y.
2,80,000	10,53,539	30,26,299	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	32.50	7	1·75	1.75	3.00†	..	12	Y.P.
8,00,000	4,54,665	11,88,809(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9.00	10	0·25	Nil	0·35†	..	12	Y.
62,21,480	1,06,25,748	6,10,30,781	2,90,93,472	54,868	Indaurus (L. F.) Department (Govt. of Andhra Pradesh)	Singareni	9.25xd	10	1·50	0.75	..	..	12	Y.T
17,50,000	8,47,303	41,74,967	19,33,899	19,788	Bird & Co. Private Ltd.	South Karanpara ..	12.62	10	0·75	0.75	0.90†	..	3	Y.
8 20,000	15,46,229	24,83,005(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	15.50	10	1·00	1.25	1.50†	..	12	Y.
2,50,000	2,90,000	19,15,700	14,79,400	1,77,953	Williamson Magor & Co., Ltd. ..	Unica	19.00	10	0·37	0.25	..	..	12	Y.
60,98,000	1,68,506	78,51,905	29,99,423	7,982	Hindustan Investment Corpn. Ltd.	Western Bengal	8.94	10	0·50	0.40	..	..	3	Y.
7,00,000	....	59,74,151	29,16,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	6.62	10	Nil	Nil	..	..	12	Y.

M—Managed by the Board of Directors. † Less income-tax. * Including bonus. (k) Investments. 'C'—On increased capital.
[illegible] Ltd.—The dividends of 1956 and 1957 are on shares of Rs. 300 each which have since been sub-divided into shares of Rs. 10 each. ‡=On old capital.

MARKET GOSSIP

(*Concluded from page 183*)

grade 10 (unwashed), for instance, is currently quoted in the London market at about £108 per cwt., the corresponding quotations prevailing a month and a year before being £127 and £195, respectively. The net decline in world coffee price over the year is thus as much as £87.

The slump in the world coffee market must be attributed to competitive selling of large quantities by a number of countries, especially the African producers. In French West Africa, the prices of Robusta coffee were cut by nearly a third since the end of May 1960. Uganda in British West Africa also made cut-price block sales in coffee, following the relaxation of selling restrictions by the Uganda Coffee Board last month. Brazil, too, had recourse to its "matched deals" in which sizable lots of old crop coffee were offered at very low prices to buyers of new crop coffees.

Lately, however, the downward trend in world coffee prices has somewhat been checked, at any rate for the time being. A recent report from London avers that the price war in coffee has been abandoned. In support of this view, the report points out that the French have had discussions about maintaining the price of Robusta coffees, that the Chairman of the Uganda Coffee Board has discounted the possibility of Uganda making

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000	1,68,00,000	3,86,012	Allahabad Bank	344·00	100	15·00‡	18·00‡	18·00‡		12	Y.P.
14,40,000				172·00	50	9·00‡	9·00‡	9·00‡			
1,01,000	19,73,220	10,301	Andhra Bank	99·85	100	5·00	6·00	8·02‡		6,12	H.
40,78,200				83·00	85	5·10	5·10	6·40‡			
1,99,80,000	1,60,96,625	1,02,801	Bank of Baroda	82·00	50	7·00	6·00	7·00‡	3·50‡	12	Y.
25,80,000				51·20	25'B'	...	1·50	3·50‡	1·75‡		
2,50,00,000	3,10,00,000	12,47,743	Bank of India	104·50	50	8·00	8·00	8·00	3·75‡	6,12	R.L.Y.
60,00,000'A'				105·00	50'A'	8·00	8·00	8·00	3·75‡		
36,00,000	56,30,000	42,473	Canara Bank Ltd.	80·00	50	5·00	5·00	7·50‡		12	Y.P.
12,47,775	18,00,000	14,361	Canara Banking Corporation Ltd.	65·75	50	5·00‡	5·00	7·50‡		12	Y.P.
'A' 5,99,620				188·00	100'A'	15·00	5·00‡	20·00‡			
'B' 16,00,000	35,00,471	28,596	Canara Ind. & Bkg. Syndicate Ltd.	17·75	10'B'	...	15·00‡	2·00‡		12	Y.
'C' 2,00,000				1·88	1'C'	0·15	...	0·25‡			
2,02,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd.	52·00	25	3·50	0·15‡	4·30‡		12	R.L.Y.
A.87,50,000				53·50	25	3·50	3·50	4·30‡			
50,00,000	52,00,000	5,69,301	Devkaran Nanjee Banking Co.	52·50	50	3·00	3·50	2·62‡		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank	19·00	50	*Nil*	*Nil*			12	Y.
50,19,000	2,30,000	5,519	Hindustan Mercantile Bank	17·00	50	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000	84,01,884	80,143	Indian Bank	178·05	100	15·00‡	15·00‡	7·00‡		12	Y.
22,40,000				150·00	80	12·00‡	10·40‡	15·00‡		6,12	R.L.Y.
74,53,000	59,36,660	1,76,012	Indian Overseas Bank	178·00	100	10·00	10·00	12·00‡			
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	38·75	25	1·87	2·50	1·875‡		12	
1,25,00,000	1,47,50,000	3,18,830	Punjab National Bank—K	30·52	10	5·00	2·00	2·00‡	1·00‡	12	Y.
5,62,50,000	7,20,00,000	55,87,499	State Bank India	333·00	100	16·00	16·00	20·00‡		12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	5	5	0·44	0·44	0·52‡		12	Y.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank	73·50	50	3·75	3·75	5·50‡		12	H.
2,08,43,647	83,70,000	1,81,565	United Bank of India	5·62	10	0·30	0·30	0·45‡		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£5,000,000	£5,500,000	£463,355	Chartered Bank	£2-11-0	£1	15†	15†	15†		12	Y.
H.K.$78,974,750	£10,949,165	£132,295	Hongkong and Shanghai Banking Corporation	£61	H.K.$125	3‡*Z	3*	3*		12	Y.
£24,809,506	£24,950,000	£569,125	Lloyds Bank	£3-2-3	£1	13†	12½*C'	12†	6†‖	12	Y.
£3,421,875	£3,000,000	£301,488	National and Grindlays Bank Ltd.	£1-14-6	sh. 12½	15†	15†	12½†		12	Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. xr—Ex-Right.
K—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
17,50,000	6	1st December and 1st June	Carew & Co.	1933	98·00	1st June .. 1963
4,00,000	6½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	98·00	25th February .. 1970
10,50,000	6	1st August and 1st February	Ravalgaon Sugar	1942	99·00	27th December .. 1962-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	82·50	1st November .. 1959-64
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95·00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90·00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burakur Coal Co.	1947	85·00	30th June .. 1967 (e)
47,36,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100·00	14th December .. 1969 (e)‡
COTTON						
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85·00	30th April .. 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85·00	15th November .. 1956 (b)
65,31,000	5†	1st April and 1st October	Buckingham and Carnatic	1952	100·50	1st March .. 1973 (e)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99·00	1st April .. 1967-72
39,51,000	6	1st June, ...	Tata Mills	1951	92·00	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89·00	31st March .. 1965 (e)
30,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		95·00	31st December .. 1966-71
98,28,000	4½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100·25	31st March .. 1965 (e)
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1940	90·00	31st December .. 1964 (e)
48,737,574	4	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98·25	1st January .. 1970 (e)
23,00,000	5	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85·00	31st December .. 1970
12,80,000	5	1st January and 1st July	Bijua (Jharkia) Electric Supply Co., Ltd.	1951	91·00	30th June .. 1976 (e)
2,00,000	6½†	31st March and 30th September	South Madras Electric Supply	1939	95·00	1st April .. 1959-61
1,00,000	6†	3rd April and 3rd October	South Madras Electric Supply	1940	98·50	30th September .. 1958-68
47,73,000	6	1st April and 1st October	Tata Power	1940	99·00	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		86·75	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94·00	31st December .. 1969
1,50,00,000	6	1st January and 1st July	Guest, Keen, Williams Ltd.	1956	99·00	1st January .. 1966-71
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98·25	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84·00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	97·75	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99·50	31st December .. 1960 (e)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	92·00	31st March .. 1960
6,00,000	5½	30th June and 31st December	Alexandra	1939	91·00	30th June .. 1959
15,80,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	78·00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90·00	30th June .. 1960
8,00,000	5	31st January and 31st July	Calcutta	1949	87·00	31st July .. 1959
10,59,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88·50	30th June .. 1966
30,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90·00	31st March .. 1966 (e)
5,86,000	5	15th January and 15th July	Empire	1951	90·00	15th July .. 1966 (e)
30,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	95·00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90·00	31st December .. 1964 (e)
25,00,000	5½	30th June and 31st December	Naihati	1952	90·00	31st March .. 1967 (e)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92·00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	86·00	31st December .. 1964
22,00,000	5	31st March and 30th September	Ludlow Jute Mills Co., Ltd.	1950	82·00	6th September .. 1965 (e)
18,00,000	5½	30th June and 31st December	Union	1937	95·00	31st March .. 1967
10,00,000	5½	31st January and 31st July	Waverley	1925	80·00	31st July .. 1969
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
£821,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£148,805		1st April and 1st October		1932	£74.10N	1st October .. 1974
£,80,800	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (e)
£500,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (e)
4,14,18,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st September .. 1962
PLANTING						
8,75,000	6†F.	31st March and 30th September	Nilgiri Tea		95.50	1st April .. 1958-68†
5,00,000	6†F.	1st January and 1st July	Kallar Rubber Co., Ltd.	1952	100.50	1st July .. 1959-68
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
82,00,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
2,00,00,000	3½	1st March and 1st September	Burmah-Shell	1954	100.25	1st September ..1984-89(e)§
2,50,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	100.00	1st October .. 1972
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	85.00N	1st February .. 1964
15,98,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	82.00	1st July .. 1966
80,00,000	4	15th March and 15th September	Dalhousie Properties	1948	78.00N	15th September .. 1969
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82.00	1966
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	105.25	1st January .. 1973 (e)††
97,50,000	6½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101.00	30th June .. 1976 (e)‡
2,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	102.75	1st January .. 1975
14,00,000	5†	2nd January and 2nd July	Mettur Chemical Industries	1949	83.75	30th September .. 1964
8,34,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	650.00	30th September .. 1976 (e)
45,00,000	3	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00	31st December .. 1972 (e)
					(per note)	30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100.50	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92.00	31st March .. 1961 (e)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1959
10,00,000	5½	1st January and 1st July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
90,00,000	% 6	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	96.00	16th February .. 1961(e)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	100.00	1st May .. 1963 (e)†‡
25,00,000	5	30th June	Tata Chemicals Ltd.	1945	97.00	 1955-65

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963, on six months' notice.
† Option to repay at par on six months' notice, on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 28th July, 1960.

	Closing quotations 21-7-1960	High	Low	Closing quotation 28-7-1960
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	190·00	190·00	185·00	185·00
Apollo (2)	1·75	1·80	1·60	1·68
Baroda Rayon (75)	162·00	163·00	156·00	158·00
Bombay Dyeing (25)	68·30	71·00	69·30	70·10
Bradbury (50)	148·00	—	—	148·00
Central India (100)	122·00	126·00	120·00	120·00
Century Mills (100)	524·50	529·00	497·00	505·50
Cocrla Sn. (100)	133·00	—	—	133·00
Dawn (50)	130·00	—	—	130·00
Edward Textile (200)	330·00	330·00	325·00	327·00
Elphinstone (50)	66·50	67·00	65·50	66·50
Finlay (100)	358·00	356·00	337·00	350·00
Gokak (100)	157·50	157·00	152·00	152·50
Gold Mohur (10)	227·50	—	—	227·50
Gwalior Rayon (100)	48·00	49·75	46·00	46·00
Ind. Undt. Defd. (1)	2·06	2·16	1·88	1·98
Ind. Undt. Ord. (10)	14·28	14·18	13·00	13·48
Indian Rayon (37·50)	81·00	86·00	66·00	68·00
Indore Malwa (100)	127·00	131·00	127·00	130·00
Khatau (100)	497·50	510·00	507·50	502·50
Kohinoor (100)	354·00	363·50	353·00	358·00
Lakshmi (250)	505·00	—	—	505·00
Mafatlal (100)	1,130·00	1,220·00	1,125·00	1,150·00
Minerva Mills (100)	75·00	80·50	77·00	80·50
Model Nagpur (250)	50·00	—	—	50·00
Morarji (100)	385·00	380·00	365·00	365·00
Mysore (50)	90·00	90·00	89·00	89·50
National Rayons (100)	560·00	562·50	519·00	527·00
New City (100)	134·00	138·00	126·00	126·00
New Great (100)	183·00	190·00	185·00	185·00
Phoenix (100)	154·00	152·00	146·00	148·00
Podar Hosiery (100)	179·00	183·00	163·00	163·00xd
Raymond Woollen (100)	132·00	132·00	126·50	126·50
Sassoon Silk (10)	9·00	—	—	9·00
Sassoon Spg. (10)	70·20	71·00	68·00	68·00
Shrinivas (100)	272·00	276·00	268·00	270·00
Shrydex (50)	179·00	183·00	175·00	176·50
Standard (100)	1,920·00	2,005·00	1,900·00	1,900·00
Sradeshi (100)	256·00	263·00	251·00	252·00
Swan (100)	500·00	500·00	490·00	497·00
Tata Mill (25)	46·50	48·25	44·50	44·50
Vishnu (100)	119·50	119·50	114·00	114·00
Western India (1,000)	4,900·00	5,200·00	4,900·00	5,200·00
BANKS				
Bank of India (50)	105·00	105·00	104·00	104·50
Do. (New (50)	106·00	106·00	105·00	105·00
Bank of Baroda (50)	84·00	84·00	82·00	82·00
Central (25)	52·00	52·00	51·20	51·80
Central 'A' (25)	53·50	54·00	53·50	53·50
Dena Bank (50)	52·50	—	—	52·50
Punjab National (10)	19·00	20·52	19·00	20·50
Union Bank (5)	6·12	6·12	6·00	6·00
United Com. (50)	70·00	74·00	70·00	73·50
ELECTRIC COS.				
Ahmedabad (100)	84·50	86·00	83·00	85·50
Amalgamated (10)	10 20	—	—	10 20
Andhra Valley (1,000)	1,007 50	1,008 75	998 75	998 75
Bom. Sub. El. (100)	91 00	89 00	89 00	90 00
Surat (100)	87 00	89 00	88 00	88 50
Tata Hydro (100)	105 00	106 00	104 00	106 00
Tata Power (1,000)	1,060.00	1,080.00	1,060.00	1,080.00
INSURANCE COS.				
British India (10)	12.70	—	—	12.76
Empire of India (100)	268.75	—	—	268 75
Ind. Mercantile (20)	45.50	46.25	45.50	46.25
Jupiter	7 24	—	—	7 24
New India (13)	64.00	64.20	63.00	63.00
Vulcan (10)	19.20	—	—	19.20
STEEL COS.				
Ind. Iron (10)	25 40	25 80	24.56	24.72
Mukund Iron (10)	27.00	27.25	25.50	25.50
Tata Steel Ord. (75)	161.00	162.50	158.50	159.50
SUGAR COS.				
Belapur (50)	386.00	390.00	377.00	377 00
Bhopal (10)	27.50	27.50	27.25	27.50
Chandpur (12.50)	33.75	34.00	33.50	34.00
Phaltan (50)	193.00	194.00	189.00	189.00
Walchand Ind. (100)	306.25	307.50	302.50	305.00
CEMENT COS.				
Associated Cts. (100)	145.50	149.50	145.25	146.50
Digvijay (100)	170.00	177.00	170.00	175.00
MISCELLANEOUS				
Alcock Ashdown (100)	310.00	320.00	295.00	299.00
Bom. Burmah (125)	648.00	652.00	607.50	618 00xd
Do. (New) (50)	238 75	240 00	225.50	225 00xd
Br. B. Petrol (4 sh.)	1 82	1.82	1.72	1.74
Br. I. Corpn. (5)	8 60	8.60	8.36	8.40
Colour Chem. (100)	170 00	—	—	170.00
Hind. Cycle (100)	470 00	505.00	425.00	425.00
Hindustan Lever (10)	133.00	133.00	130 00	130.00
Hindustan Motors (10)	48.00	49.75	45.50	45.50
I. C. & Invest. Corporation (50)	23.08	23.64	22.68	23 00
Indian Dyestuff (100)	70.00	—	—	70.00
Indian Copper (2 sh.)	865.00	865.00	770.00	770.00
Ind. Iron Pr. (100)	5 28	5.60	5.28	5 28
Killicks (100)	72 00	—	—	72 00
Larsen & Toubro (10)	116 00	116.00	106.00	108 00
Mahindra & Mahindra (10)	51 50	50.50	49.00	50 50
New Central Jute (10)	24 24	25.75	22.76	22 76
Polson (100)	30 75	31 00	30 75	31.00
Pre. Automobiles (100)	159 00	159 00	156 00	156 00
Premier Con. (80)	185 00	197.00	177 50	188 00
Scindia (20)	377 00	385.50	352.00	360 00
G. E. Shipping (10)	15 52	16.16	15 36	16 56
Shivrajpur (10)	17 48	17 48	17 24	17.40
Sirpur Paper (10)	69 50	78.00	69 00	74 00
Tata Chemicals (10)	22 00	22 16	20 40	20 84
Tata Locomotive (100)	20 68	22.04	20 24	20 40
Tata Oil (25)	308 00	349 00	313.00	321 50
Texmaco (10)	82.50	83 00	79 00	79.00
Voltas (100)	29 50	29.75	29.30	29.30
W. I. Match (100)	282 00	294 50	280 00	283.00
W. Coast Paper (100)	243 00	246 50	240 00	241.00
	223.00	242.00	202.00	223.00

GOVERNMENT SECURITIES	21-7-60 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	28-7-1960 Rs.
2½% 1961	98.60	—	3·94	98.60
2½% 1962	98 05	—	3·52	98.05
2½% 1976	83 50	—	3·52	83.50
3 % 1964	98 00	—	4.17	98.00
3 % 1963-65	98 05	—	3·48	98.05
3 % 1966-68	95.85	3.64	3.41	95.85
3 % 1970-75 Int. Dev.	90·80	3.78	3.60	90.80
3 % 1986 Con. Loan	73 70	4.12	3·80	73.70
3½% 1961 N.P. Bonds	100 05	—	4 08*	100.05
3½% 1964 N.P. Loan	99 95	—	3·48	99.95
3½% 1965 N.P. Bonds	99 80	—	3·51	99.80
3½% 1962	99 80	—	3·54	99.80
3½% 1967 N.P. Bonds	99.55	—	3.35	99.55
3½% 1972	99 00	—	3·67	99.00
3½% 1967 N.P. Bonds	99 70	—	3·78	99.70
3½% 1969 Loan	100 80	—	3·65	100.80
3½% 1968	99 10	—	3·62	99.10
3½% 1963 N.P. Bonds	99 50	—	3·57	99.50
3½% 1968 N.P. Bonds	100.00	—	3·50	100.00
4 % 1960-70	100 05	—	3·67	100.05
4 % 1972 Loan	100 30	2.15	3·95	100.30
4 % 1973 Loan	101 30	—	3·87	101.30
4 % 1979 Loan	101.20	—	3·87	101.20
3½% 1966 Bonds	100 25	—	3.98	100.25
4% 1980 Loan	99.75	—	—	—
	99.00	—	—	—

* Current Income. x.d.—Ex-dividend. x. r.—Ex-Right

COMMERCE

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

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PAKISTAN'S FINANCIAL DEFAULTS

IN our last issue, we briefly referred in these columns to the difficulties experienced by Indian investors in Pakistan not only in regard to facilities required for the successful operation of their businesses but also in remitting their *profits to India.* These difficulties, as any Indian who has to do business with Pakistan knows full well, are the result of obstructive tactics adopted by the Government of Pakistan. Since Mr. Mohammed Shoaib, Pakistan's Finance Minister, has tried to mislead public opinion by throwing the blame on the Government of India, it is necessary to return to the controversy. Mr. Shoaib's contention is that it is "India which is creating difficulties by refusing to accept and encash Indian securities given (by the Pakistan Government) to Indian industrialists in part repatriation of their profits." India, he avers, has "no right to refuse acceptance of its securities. These securities are not related to financial issues outstanding between the two countries. They were received by Pakistan at the time of the Partition, as part of liabilities and assets." This is a very clever way of trying to justify the Pakistan Government's discrimination against Indian nationals who have investments in Pakistan. Can Mr. Shoaib honestly say that other foreign investors in his country are also being treated in the same way? When the latter have profits or cash balances arising from their sales in Pakistan, are they not being allowed to remit them in pounds sterling? If the Pakistan Government has Indian securities, it can as well sell them in India and give the rupees to Indian business men in exchange for their profits and/or sale proceeds blocked for no justifiable reason. It is a curious thing, indeed, for a Government to compel individuals to accept current payments in dated-securities of some other Government. And it is surprising that the Government of India continues to adopt a sphinxlike attitude, even though Mr. Shoaib has made several public statements accusing it of practising obstructive tactics. Its silence may be due to a genuine desire not to foul the atmosphere for establishing friendly relations with Pakistan and for bringing about a *smooth* settlement of all outstanding issues, financial as well as political. But, as silence has also the disadvantage of being construed as acceptance of the claims made, it is necessary to rebut Mr. Shoaib promptly and adopt some degree of firmness in India's financial dealings with Pakistan. The simple truth is that Pakistan has been indulging in a series of defaults of its commitments with India and, what is more, is trying to get away with it. It is high time we called a spade a spade.

The present situation, as was briefly explained by us last week, is that Indian investors earning profits in business in Pakistan are being asked to take up Indian securities enfaced for payment in Pakistan. Since India will not pay for these securities until the due date, Indian business men who accept them from Pakistan will simply have to hold on to them. By compelling them thus, Pakistan is, in fact, forcing India to give a loan in its favour, inasmuch as current earnings belonging to Indians are being converted into long-term debts. In other words, Pakistan is collecting through the Indian investors money which the Government of India will pay at some future date; it is thereby forcing an earlier collection of its securities which are due for payment at some later stage. At the same time, under one pretext or another, it is postponing the payment of its debts to India long overdue. Thus, while Pakistan is not paying to India what is due, it is forcing India to pay in advance what is due to it much later. This it is doing not by forcing the Government of India but by forcing helpless individuals and firms to hold back the cash due to them now in return for a debt which they may realise when it eventually becomes redeemable. In fine, whereas Pakistan is winning heads and tails, India is losing both.

There has been a disposition on the part of *India to be lenient to Pakistan* in several ways on financial matters. Pakistan is taking full advantage of this lenience and is using the mood to force every bargain against India. In this situation, there are certain obvious steps that India could and ought to take legally and constitutionally. For one thing, the practice mentioned above amounts to a discriminatory practice in exchange matters, because it applies to remittance of funds by individuals of only one country and does not apply to the nationals of other countries. To this extent, it clearly contravenes the spirit of the Articles of the International Monetary Fund Agreement to which Pakistan is a signatory. It is true that, in terms of Article XIV of the Fund Agreement, Pakistan can maintain restrictions, in order to secure its balance of payments position. But the nature of these restrictions is subject to review by the Fund in its annual consultations with member-countries. During such a review, it would be valid for India to protest formally that Pakistan is adopting a discriminatory restriction and that such restriction should be ended. Some may be tempted to argue that international institutions such as the Fund would not automatically come to the help of India, because these institutions function in a penumbra of political influences from the State Department of the U.S.A. and of the Western countries in general. India has, they may add, sufficient experience of these international bodies to know that they will not act vigorously against a member-country which is a political ally of Western powers. Nevertheless, there is no reason why India should not at least go on *formal* record firmly in protest against such discrimination. India's action will at least provide a test to the impartiality of the I.M.F.

Secondly, Pakistan owes a certain amount of debt to India, but is not paying any instalments of this on the ground that other financial matters have also to be settled at the same time. It is thus defaulting on payments which at one time were clearly agreed as due to India. It may be interesting to recall here what another country placed in a position similar to that of India did to register its claims in the appropriate international forum. The Netherlands has to receive some debts from Indonesia and the latter, like Pakistan, has been adopting delaying tactics. The Netherlands, therefore, formally lodged a complaint with the international *institutions that Indonesia is a defaulter* and, taking note of this fact, the World Bank, for example, has not lent any moneys to Indonesia. The debts involved here are of a political nature and, pending the settlement of political issues. Indonesia should not, in fact, have been regarded as being in default. In the case of Pakistan's debts to India, however, there are *no such complications.* Pakistan solemnly undertook certain definite commitments at the time of Partition and it is making no payments even in regard to these commitments, let alone those that are under dispute. India has, therefore, *a better* case than the Netherlands. Pakistan is, of course, not Indonesia. Nor is India the Netherlands. And the cynics may, perhaps, be right in arguing that, because of Pakistan's political alignment with the West, neither the I.M.F. nor the World Bank will listen to any complaint against it from India with the same eagerness which they showed to the Dutch complaint *against Indonesia.* Nonetheless, it is important for India to have faith in the justice of its case. If it fails to move or convince the I.M.F. or the World Bank, its complaint can at least serve the purpose of creating public opinion abroad that the nature of default in the case of Pakistan's debt to India is not different from that of any other international obligation. In this matter, the Government of India has, we are constrained to add, badly neglected the country's interests. It has neither formally lodged a complaint anywhere nor has any of its representatives spoken clearly and bluntly about the whole situation. Again, the Government of India's forbearance or timidity has been a cause of damage to its own interest and the world does not realise that Pakistan is in default of large sums which it owes to India in terms of the Partition agreements. Surely, later issues, which have been deliberately raised to befog some of the earlier commitments which are clear and unambiguous, should not dissuade India from formally agitating for *prompt settlement of claims* that are indisputably in its favour.

In the light of Pakistan's defaults in regard to its financial obligations to India, wisdom demands that this country must be cautious and wary in entering into any fresh financial relationships with Pakistan. As readers are aware, one such relationship is already in the offing, namely, the settlement of the so-called Canal Waters dispute. According to information supplied some time ago by the World Bank, over a billion dollars in aid has been proposed and promises have been obtained in favour of Pakistan from various Western countries for the construction of the Indus Canal System, if the negotiations initiated by the World Bank are to lead to the signing of a water treaty between the two countries, This aid, which is undoubtedly quite generous, is aid which accrues *entirely* to Pakistan, but the Western Press glibly brackets India with Pakistan, saying that this money is being given to help *India and*

should not in some way be linked with Pakistan's obligation to honour its earlier financial obligations to India. Failure to do so would only mean that the Government of India is still prepared to tolerate a situation in which Pakistan does not honour any of its obligations to India on some pretext or other and India goes on agreeing to more and more contributions.

By withholding current remittances, the Pakistan Government is enforcing a premature repayment of Indian obligations to Pakistan. At the same time, in the name of peace and good relations, Pakistan is also able to lever up a sizable contribution from India over and above that already secured for the construction of its canal system. After all, one has to ask whether Pakistan is really in such a difficult situation that it is willy-nilly forced into making these arrangements. As was pointed out by us last week, there has been, in recent years, a clear rise in Pakistan's external reserves. Pakistan has been receiving generous military assistance, as well as off-shore expenditures of a sizable character from its allies. Besides, it has also been receiving economic aid on a scale which is far more generous than that given to India on any principle of proportionality. The aid given by the U.S., for instance, from 1st Juy 1951 to 30th June 1960 for economic development alone is said to be as large as Rs. 614 crores. This compares with Rs. 1,646 crores (including the latest P.L. 480 grain agreement covering Rs. 607 crores) of aid authorised to India which has four times the population of Pakistan. If even in this favourable perspective, Pakistan is unable to honour its commitments, it must be due not to a lack of ability but either to a lack of desire to do so or to a lack of capacity to manage its financial affairs competently. Whatever be the reason, is there any moral obligation on the part of India to play soft with Pakistan and not to protest even constitutionally and in formal terms where such protests can be made? It is important that the authorities of this country should maintain an atmosphere of rightful agitation, by keeping both the Indian public and the public abroad informed of all the proper facts relating to these matters, for it is only the weight of public opinion that can ultimately secure satisfactory results. Even Mr. Nikita S. Khrushchev is fully alive to this secret of success in national and international affairs alike.

REPLACING SALES TAX BY EXCISE DUTY

THERE will be some disappointment in trade and commercial circles over the failure of the Committee of States' Chief Ministers and Finance Ministers to reach an agreement over the extension of the principle of replacement of sales tax by excise duty, now applicable to sugar, tobacco and textiles. When the legislation replacing sales tax on these three commodities by additional excise duties was passed in December 1957, it was generally hailed as a measure calculated as much to increase revenue as to remove hardship to assessees to sales tax on the commodities. No fiscal legislation affects the common trader more than sales tax. And any measure that reduces the area of application of this tax affords much relief to traders. Replacement of sales tax by excise duty serves a threefold purpose, in that it maintains the revenue at original levels, eliminates the relatively more onerous administrative complexities involved in the collection and payment of sales tax, and minimises the scope for evasion.

At the meeting of the Committee of States' Chief Ministers and Finance Ministers, which was held at New Delhi last week, divergent opinions were expressed over the extension of the levy of additional excise duties in lieu of sales tax on commodities. The Committee met to consider the replacement, by additional excise duty, of the sales tax on a few more select commodities such as silk fabrics, matches, paper and vegetable products. While the Committee agreed to the application of this principle to silk fabrics, it could not reach a unanimous agreement over the other three commodities. An official announcement records that "it was decided not to pursue the matter until further experience was gained on the working of the existing scheme of additional excise duty on sugar, tobacco and textiles." Reports from New Delhi published in the daily Press are somewhat conflicting as to whether it was only a small minority or a majority of States that was opposed to a further extension of the scheme. It is, however, reported that Dr. B. Gopal Reddi, Union Minister for Revenue and Civil Expenditure, stated in Madras that only a minority of States was opposed to the scheme. The main objections to the scheme, it is stated, was that, at a time when they had to devise ways of raising resources for the third Plan, they could not agree to surrender in haste the right to levy sales tax on many more commodities.

There is certainly something to be said in favour of a school of fiscal thought which holds that sales tax and excise duties are not mutually replaceable modes of taxation. The Taxation Enquiry Commission, which examined the subject, was at some pains to point out the difference between the two levies—the excise duty and the sales tax. Excise duties, as the Commission observed, are collected from the manufacturer on his production even if there are no sales, whereas sales tax is collected only when the manufactured goods are sold. Further, excise duties are necessarily selective and the rates normally high, whereas sales tax operates at different points of the trade channel over a large number of commodities and in varying degrees of proximity to the point of final consumption, so that it can be levied at comparatively low rates.

The reluctance of the States to surrender to the Centre their right to levy sales tax is thus understandable. For they will lose thereby a fiscal weapon which can be wielded with considerable benefit to their treasury. It is true that the revenue collected by way of additional excise duties will accrue to the States. But, then, some States probably feel that, if they retain the right to levy the tax, they can vary the rates to suit their regions and thereby get more revenue themselves than what they are likely to get through any scheme of State-wise distribution of the revenue by the Central Government. As against this view must be set down certain vital considerations. In the first place, the working of the scheme of additional excise duties in lieu of sales tax, brief as this experience has been, shows that the revenue from these duties shows a generally steady trend. The States' share of the revenue from additional excise duties aggregated only Rs. 11.51 crores in 1957-58. It must be remembered here that the duties were in operation only for a part of that official year. In the following year, it increased to Rs. 39.50 crores. For 1959-60, it fell slightly to Rs. 38.91 crores, but it is expected to move up to Rs. 39.70 crores in 1960-61. It will thus be seen that these duties constitute a relatively steady source of revenue. Indeed, if production of excisable commodities goes up, the revenue will also increase. And, by spreading the additional excise duties over as many commodities as possible, the law of averages will come into play. Since it is unlikely that the production of all excisable commodities will fall in a particular year, the revenue from this source will be one on which the States can rely with a fair degree of certainty. Nor should the point be overlooked that, whereas excise duty falls on the entire production of a commodity, nearly all systems of sales tax legislation provide for exemption of minimum turnover limits. This, in effect, means that some sections of traders escape the tax liability. In other words, the revenue from excise duty—assuming that it is not unduly low—can always be expected to be higher than what could be collected by way of sales tax. Secondly, there will be an enormous saving in costs of administration. After all, it is administratively cheaper to tax a commodity at its source than to tax it at different points of the pipeline between the producer and the consumer. Thirdly, the task of checking tax evasion is rendered very much easier, when the duty is collected at the source.

Clearly, it is not all commodities that will lend themselves to the fiscal treatment implied in replacement of sales tax by excise duty. And even among such commodities as can be given this treatment, there must necessarily be only a few on which the States will give up their right to levy sales tax in favour of a Central excise duty. Accordingly, the marked advantages in favour of excise duty should induce the authorities to keep the subject under constant examination. Further, in a country where the level of education among the trading community is low, there is a special case for reducing the area of sales tax which impinges upon the trading activity of every member and involves the maintenance of elaborate accounts books for purposes of scrutiny by tax officials. From this point of view, it will be widely regretted that the States should have refused to yield additional fiscal ground, particularly because the commodities, which had been selected for discussion at the New Delhi meeting, are admirably suited for additional excise duties in lieu of sales tax. When the subject comes up for review again, the States will do well to adopt a less rigid stand.

SWATANTRA PARTY

THE Swatantra Party's deliberations in Bombay last week covered a surprisingly limited field. Presumably, this was because of the Party's spokesmen have repeatedly clarified their stand on several public issues. Even so, the Party could have made a weightier contribution to the discussion of the many economic issues which confront the country today. Its session was brief, the speeches made by the spokesmen were not always sufficiently thought-provoking and the resolutions adopted were less forward-looking than they might have been. The Party's leader, Mr. C. Rajagopalachari, as was only to be expected, dominated the scene, though some forthright utterances came from his able lieutenants, Mr. N. G. Ranga, Mr. K. M. Munshi and Mr. M. R. Masani. Judging, however, from the epoch-making beginning the Party made a year ago and the interest its deliberations at Patna evoked not only in this country but also abroad, its session in Bombay last week-end was a relatively tame affair.

Is it that the Party found it less easy to criticise the Congress than formerly? If that is so, it is as much a tribute to the flexibility of the ruling party's policies as to the Swatantra's ability to carry conviction to its political opponents. To a certain extent, Mr. Murarji Vadya was right when he declared that his Party has, "within this very short space of 12 months, made a great impact on the thinking of the ruling party and made it pause and reconsider its policies and action." Indeed, for sometime to come, the Swatantra Party may have to be content with an active role in the relatively difficult task of educating public opinion in its political and economic philosophy. Nor should the Party indulge in the tempting pastime of criticism for criticism's sake. This will breed much unnecessary opposition. But, on fundamental issues, its voice must be strong, united and unequivocal.

The Party's resolution on the third Five-year Plan was merely confined to the appointment of a panel which is expected to report on the subject in the next two months. The panel consists of Prof. B. R. Shenoy, Sardar Lal Singh, Mr. M. A. Sreenivasan, Prof. M. Ruthnaswamy and Mr. Lobo Prabhu. Moving the resolution, Sardar Lal Singh said that the food situation in the country was grave and India had imported 35 million tons of foodgrains in the last 12 years; there was the proposed import of 17 million tons from the U.S. An agricultural country like India, he pointed out, could not afford to go on importing foodgrains for an indefinite period without going into bankruptcy. The Panel's report will be awaited with interest. It remains to be seen whether it will be merely content with pointing out what, in its opinion, are the shortcomings in the Plan or suggest some means whereby the Plan could be made into a better instrument of economic reconstruction. The question the public will ask is whether the Party has a constructive alternative to the Plan, which, with its many defects, points to a way of raising living standards.

A cornerstone in the Party's economic philosophy is the maintenance of the value of the rupee, while another important cornerstone is that economic regimentation should be avoided; in the words of Rajaji, although regulation, as enforced by the Government, was conceived probably with good intentions, namely, to protect the weaker elements of society, it "has ended, as it must, in the cramping of national energy and in the suppression of initiative and enterprise." There is considerable truth in this criticism as well as in the chief tenets of the Party's economic policy. But the question is how it will propose to translate these principles into actual practice or embody them in a workable plan. It is true that a panel cannot, at short notice, produce an effective alternative to the draft outline of the third Five-year Plan. But, unless it indicates the broad lines of its own approach to the solution of the country's economic problems, its efforts will fail to inspire confidence. The Congress Party's strength rests, at least partly, on its having produced three Five-year Plans which, whatever their defects, have added and promise to add to the country's economic potential. It is not enough to show, as it may well be shown, that a high price has been paid for this achievement. From the point of view of the Swatantra Party's political future, it will be necessary for the Party's leaders to make a convincing case for alternative paths to economic prosperity, more suited to the genius of the people, more certain of yielding results at lesser cost in terms of sacrifice.

MARKET GOSSIP

THE general expectation that the margins on stock exchanges would be made stiffer and more effective has not so far (Thursday evening) materialised, but the fear persists. No satisfactory explanation is available for the failure of the Governing Board of the Bombay Stock Exchange to meet on Tuesday the 2nd inst. for discussing the question of margins. The reports prevailing in the market last week asserted that the Board would definitely meet and take a decision. It is to be hoped that they were not a mere stunt to frighten the bulls. In view of the widespread belief that the Board would be meeting on the date mentioned, the Stock Exchange authorities ought to have explained the position in a Press *communique*. If the reports current last week were wrong, then they *should* have denied them forthwith. Be that as it may, it would appear that, in view of the strong criticisms in the Press that certain selected shares were being rigged up, a few brokers prevailed upon the bull operator concerned to lighten his commitments and that, as a result, he did sell a part of his purchases in such scrips as Bombay-Burmahs, Telcos and National Rayons. Although the prices of these scrips are now lower than those a week or ten days ago, the fall does not seem to be substantial enough to warrant the inference that he has unloaded any significant part of his accumulations.

As regards the other counters, steel shares are ruling quite steady in expectation of sizable rise in the retention prices of steel. The delay in holding up the dividends of the Tata Iron and Steel Company Ltd., for the year ended 31st March 1960, on which the Directors' decision is overdue. It seems that market circles are not expecting anything more than a mere maintenance of the ordinary dividend at the 1958-59 level. Although there are a few who feel that the net dividend may be no more than Rs. 6.45 per share, quite a good number expect it to be Rs. 6.60. Another expectation attributed to knowledgeable circles is that the management of the T.I.S.Co. will disclose the details of the project for establishing a plant to manufacture stainless steel and alloy steel either in the Directors' report of the Company for 1959-60 or in the Chairman's statement accompanying it and that these will be found quite cheerful to shareholders. Some say that it is this possibility, more than the long anticipated increase in retention prices of steel, that has been responsible for sustaining the value of Tata Steels in the neighbourhood of Rs. 162 for the last four weeks or so.

Synthetics and Chemicals

Those who have applied for the shares of Synthetics and Chemicals may not have to wait much longer for knowing whether they are lucky and, if so, to what extent. We learn on reliable authority that the details of allotment have been practically settled in consultation with the Stock Exchange authorities and that only some technical formalities, such as the approval of the Board of Directors, have to be completed. This should not take more than 10 days, if not a week from now at the most.

Cost of Bank Credit in the World

To what extent bank credit in India is cheap or dear as compared with the rest of the world? An answer to this question is provided by the *Monthly Letter* of the First National City Bank of New York in its August issue which has just been received. It has compiled and published what is described as "commercial bank prime loan rates" in no less than 59 countries. Prime loan rates are defined as the "lowest rates (of interest) at which business firms of the highest credit standing can borrow from banks on an unsecured basis." It then goes on to add that, "while the major business firms occasionally may be able to borrow at lower interest costs where an open market in 'commercial paper' exists, the volume of funds available in these markets is limited and such borrowings lack the flexibility of bank loans." The table from the *Monthly Letter*, showing the prime loan rates, is published in the second column of this page. Making a few observations on their findings, the authors of the *Letter* observe as follows:

"It must be borne in mind that money is frequently scarce at the banks' minimum rates. Most borrowers able to obtain funds must pay higher rates. In many countries, there are commissions and other arrangements which increase the cost of borrowing. The effective interest costs thus are generally higher than the rates shown in the table; for a number of countries, the posted rates are, in fact, nominal.

"Prime loan rates of 5 per cent., as in the United States, prevail in very few other countries. Rates of 6 to 8 per cent. are quite frequent even in countries with developed money markets. Since last June, the prime rate has been at 6½ per cent. in the United Kingdom, following the increase in the official discount rate from 5 to 6 per cent.

"Here, a less restrictive Federal Reserve policy, evidenced in a half-point discount rate cut in June, created some stir of expectation that the 5 per cent. commercial bank prime loan rate (in effect since 1st September 1959) might be cut. However, bank resources, curtailed by deposit contraction, remained too scarce to justify general loan-rate reductions.

"Interest rates today seem high when contrasted with the extremes of the past three decades of cheap money. But the artificially low rates were made possible only by a continuous creation of money, which, in turn, brought about price and cost inflation, economic distortions, and waste, as well as seemingly unmanageable balance-of-payments strains. *In the post fifteen years, nation after nation has accepted the idea that there is no inherent virtue in cheap money and that interest rates should be flexible so as to bring the demand for loanable funds into a sustainable balance with supply.* (Italics ours—Ed.)

"Free dynamic economies continuously require vast amounts of capital, which in turn depend upon adequate savings. The price of capital—the rate of interest—therefore has an essential function to perform in a free society.

"The interest rate is neither the hero nor the villain. It is the end-result of manifold influences permeating our entire economic life. The cost of borrowing can be reduced, without injurious effects on the economy, only if the nation's monetary and fiscal affairs are handled responsibly."

It will be seen from the table that the "prime loan rate" in India is either the same or a little lower than it was in 1957, even though cost of banking operations has distinctly gone up and that it is lower than in most of the 59 countries included in the table. Only five countries, of which only one country—the U.S.—is the most important, are having a rate of interest which is slightly lower than in India. Again, only in four countries the rate is the same as that in India. Of these, Australia is the only big country. In all the remaining 50 countries, bank credit costs more than in India. These include such industrial giants as the U.K., West Germany, Japan, France, Italy, and Belgium. Almost all the other West European countries, the British Commonwealth countries other than those already named and the whole of Latin America, as well as several others, charge a higher rate than India. Even in the well-known socialist countries like Sweden and Denmark, the rate of interest is well above that prevailing in this country.

Cloth Prices

The Government of India has been wise in deciding not to control the price of both cotton textiles and unginned cotton (*kapas*), and in accepting the assurance of the representatives of cotton mills that they would take all possible steps to bring down prices of cloth before Diwali. Stamping of prices either through gentlemen's agreement or statutory enforcement is a Herculean task, involving enormous expenditure and labour, and yet the results will by no means be satisfying. It will not be easy to determine fair prices for thousands of varieties. Even if it can be done, as was the case during the war and early post-war years, it will lead to a lot of corruption and the failure of controls will cause a sense of demoralisation. The quality of cloth will go down and the consumer will have to spend more on his clothing needs than he would have to if there were no controls. The Government, too, will lose a lot of revenue. The only advantage in having price controls is that the cost of living index can be kept stable for the duties will be based on controlled prices and not on what the consumer has actually to pay. But this will mean that the cost of living index number will be fictitious and those whose fetal wages are related to this index number will be defrauded.

Gentlemen's agreements, too, have been tried in the past in various consumer goods, including cloth and sugar. They always ended in failures, bringing a bad name for the industries concerned. Since there is no statutory bluecoat on the signatories, the agreement cannot be enforced against the black sheep, of which there will be at least some where the manufacturers are in a large number. Again, malpractices can and do occur in distribution, in which are engaged thousands of persons. This will lead to recriminatory controversies between producers and distributors, one blaming the other for the high prices paid by consumers. Such a controversy already exists in cloth business. Indeed, price controls through the so-called gentlemen's agreements can be more demoralising than statutory controls and will be a positive danger to the future of private enterprise, for their failure will be used by the Socialists and Communists, not to mention the leftist-minded Congressmen, to bring down the manufacturers and traders in the esteem of the public and to advance their case for spreading the tentacles of the public sector. If the Indian industrialists are wise, they will refrain from giving their support to the system of controls through gentlemen's agreements.

The only effective way in which prices can be brought down and kept at reasonable levels is to step up production. Realising this, the Government has decided to import more cotton (for details *vide* page 244 of this issue). In a couple of months, the supply of imported cotton will increase and the mills can work to full capacity. Those mills that are not now working three shifts should take to this extra shift, as soon as they get the necessary supply of cotton. Meanwhile, the mills should try to reduce their selling prices to the extent possible and announce them to the public through country-wide publicity. They can also concentrate on the production of popular varieties. Besides opening fair price shops of their own wherever they can, the mills should insist on shopkeepers keeping lists of fair retail prices for their most popular varieties to be produced whenever buyers ask for them. The mills may also print on every piece of cloth the prices which they consider to be fair to consumers; this must be absolutely voluntary. The availability of these facilities should be brought to the notice of the public through group advertisements. The Government, for its part, may advise the public, through all means of communication, to defer purchases of cloth by two or three months, by which time production is expected to expand and even then to buy no more than their minimum requirements.

The problem will automatically solve itself, if the next season's (1960-61) cotton crop turns out to be of normal size, namely, 5 to 5.2 million bales. There is no reason why it should not be, if weather happens to be favourable. If the crop fails again as it did this (1959-60) season or records only a small increase of 4 to 5 hundred thousand bales, the position will be critical enough to warrant fresh thinking. Since, however, there is still a possibility of a good cotton crop in the coming season, since the Government has already taken steps to bridge the gap through additional imports, and since the supply position of cloth is by no means as short as is exaggerated by certain interested parties, it is unnecessary now to resort to the highly complicated, cumbersome and negative means of providing relief to consumers.

While the rise in cotton prices and wages have contributed, in a large measure, to the increase in prices of cloth in recent months, the fact cannot be brushed aside that the supply of cloth is not adequate enough to maintain a competitive free market in favour of buyers. There is no doubt that mill production must go up, in the near future, by at least 500 million yards, if the requirements of domestic consumers and export markets are to be met comfortably. If the situation now being witnessed is not to repeat itself in the coming years, there is an urgent need to raise the production target for the mills and to afford them the necessary facilities for reaching it. Equally important is the need for very substantially raising the production of cotton.

Cotton Prices

This takes us to the question of ceiling and floor prices for cotton. Almost every one connected with this commodity had taken it for granted that, while it would be too much to expect abolition of controls on cotton, a convincing case had been put up to the Government for raising the floors and ceilings. Consequently, the disappointment over the Government's decision to leave these unchanged is very keen. It may be noted here that almost all representative bodies—the East India Cotton Association, the Cotton Advisory Board and the Indian Central Cotton Committee, to name only a few—had urged the Government to raise the ceilings. Incidentally, some of those who claim to speak for cotton growers allege that the millowners were against such an increase and that they had conspired among themselves to see to it that cotton growers were denied of their rightful due, so that they could get their raw material at a cheap price. While we hold no brief for millowners, we cannot resist the temptation to expose the hollowness

(*Continued on page 272*)

PRIME LOAN RATES IN THE WORLD

	June 1957	*July* 1960
	%	%
Major Money Markets		
Japan	9	9
Germany	9	8–8½
France	7	7½
Italy	7½	6½–7½
United Kingdom	5½–5½	6½
Sweden	6½–7	6–6½
Canada	5½	5½
Belgium	5–5½	5½–6½
United States	4	5
Netherlands	5½	4½–5½
Switzerland	4½	4½–5
Other Europe		
Greece	12	9–10
Austria	9½	8½
Denmark	7–8	7½
Turkey	7–9	7
Spain	6–6½	6½–7
Ireland	6½	6½
Finland	8–8½	6–7
Norway	4½	5½
Portugal	5–5½	4
Other British Commonwealth		
Bahamas	n.a.	6½
Jamaica	n.a.	6½
New Zealand	5	6
Pakistan	n.a.	6
Singapore	6–7	6
Malaya	n.a.	6
Hong Kong	5½–6	6
South Africa	6	6
Ceylon	n.a.	6
India	5½–6½	5½
Australia	5½	6½
Latin America		
Chile	12–14	15
Peru	11	13–13½
Brazil	12	12
Paraguay	n.a.	12
Argentina	8	10
Ecuador	10	10
Mexico	9½	10
Uruguay	8	9½
Colombia	6	8
Costa Rica	7	8
Honduras	7	7
Venezuela	6	7
Cuba	5	6–8
El Salvador	6	6–7
Guatemala	6	6
Nicaragua	7	6
Panama	5	6
Puerto Rico	4½	5½
All Others		
Iran	7½–8½	12–15
Israel	11	10
Thailand	n.a.	9–12
Philippines	5–7	7½
Iraq	6–7	7–8
United Arab Republic: Syria	7–8	7
Vietnam	n.a.	6–7
Liberia	6	6
Jordan	n.a.	6
United Arab Republic: Egypt	5½–6	5½
Lebanon	7	4½–5

n.a.—Not available.

Note.—Compiled by the Economics Department of the First National City Bank of New York from information available in New York in July 1960.

LONDON LETTER

INFLATION SMOTHERED

(From Our Own Correspondent)

LONDON, 29*th July*

WHEN the President of the Board of Trade met the Council of Industrialists and Business Men a few days ago, he was speaking for the Chancellor of the Exchequer who is, of course, leaving office in a few days' time, with his successor, the ex-Foreign Secretary, taking over. He made no bones about the extent of the danger which, in the Government's view, had threatened the economy earlier this year, and one cannot do better than quote his precise words:—

"Total final expenditure in the first quarter was 11 per cent. above a year earlier. The gain on the previous quarter was 2 per cent. for consumption and 3 per cent. for fixed investment, after allowing for seasonal variations. Private investment, in particular, was rising very fast. A further rise in investment in stocks also added to total demand. Industrial production has in fact continued to show a quarterly rate of rise of 2 per cent., with production of capital goods going ahead rapidly. The fall in unemployment has been much heavier than is normal for the time of year. Against this background of strong internal pressures, the external trade position has clearly weakened, with imports still growing and exports actually falling in the second quarter to 3 per cent. below the first."

It will continue to be a matter of controversy, whether the picture so revealed should be a cause for congratulation or alarm. But about the facts there is no doubt. The Government views the situation with alarm and the measures which it took have certainly battered about the picture outlined above. Retail sales of durable goods in May declined sharply, as a result of the re-imposed hire purchase controls and, contrary to the seasonal trend, were no higher than in April. The same is also true of all other retail sales. The hire purchase sales of vehicles were 11½ per cent., down on April and in June they fell another 8 per cent. One motor car firm has given authority to all its distributors to slash their selling price without limit. So that motors can, in some cases, be sold as low as the ex-works price.

Exports

Total hire purchase business in May dropped by 3 per cent. below the level of a year ago, after running 18 per cent. higher in the first four months of the year. In the four weeks ended 15th June, advances by the London Clearing Banks to private borrowers rose only slightly—the rate of increase had been set back and the measures to check the growth of credit were beginning to do their work.

But all this had been happening as a result of the first dose of credit restrictions and the second dose recently announced has been directed to the special objective of attempting to boost exports by damping everything else. The Government takes the view that exports have been suffering from the buoyant demand in the home market. It knows that deliveries have become increasingly delayed and export deliveries have equally suffered. Although the Government's measures can do nothing to counter the reduced buoyancy in world trade, it obviously hopes that they will be effective in so far as productive effort can be switched towards exports.

The Six

It is also well known that many industrialists would like the Government to reconsider its attitude towards the Common Market. But the Government has now made it abundantly clear that it is not in public prepared to do this. It has fallen back on the old argument: Commonwealth relations and the need to protect agriculture, and appear to wish to leave it at that. Its attack is going to be on the front G.A.T.T., where it hopes that, by lowering the general level of world tariffs, it can avoid some of the disadvantages of the formation of the new Europe. It is also pinning its hope on the European Free Trade Association. On 1st July, this group of countries reduced their tariffs against each other by 20 per cent. and increased quotas where they existed. There is also naturally a climate of opinion between the partners in this group of Seven towards an expansion of mutual trade, and the Government hopes this will have a long-term effect.

Clearly, there is not much of a policy in all this, although the Government is trying to make it look like one.—*All Rights Reserved.*

NITROGEN PRODUCTION IN THE PRIVATE SECTOR

The East India Distilleries & Sugar Factories Limited, Madras, have completed their arrangements for the establishment of a factory to produce 51,000 tons of nitrogenous fertiliser (ammonium phosphate) per year, at Ennore, near Madras. A contract for all the machinery required has been placed with Simon-Carves Limited, Stockport, England, and Calcutta, and the factory is expected to go into production in June 1962.

The project will be financed by an issue of Ordinary Shares to the Company's existing shareholders at a premium of 10*s.* per Ordinary Share of £1 each. This issue will realise £825,000 (Rs. 110 lakhs), of which £282,000 (Rs. 37.6 lakhs) is subscribable in sterling by shareholders on the London register, and £543,000 (Rs. 72.4 lakhs) in rupees by shareholders on the Madras register. In order to ensure the maximum accrual of sterling, it has been arranged that the London part of the issue shall be underwritten by S. G. Warburg & Company Limited. Additionally, the Company has arranged loans of £600,000 (Rs. 80 lakhs) from the Commonwealth Development Finance Company Limited, London, £250,000 (Rs. 33.3 lakhs) from Simon-Carves Limited, England, and Rs. 180 lakhs from The State Bank of India.

The Government of India has accorded all the necessary sanctions.

NEWS IN BRIEF

THE Tea Board is currently considering a proposal to set up a publicity unit in the U.K., in order to encourage consumption of tea in that country.

A Soviet team of construction specialists has arrived in Bhilai to examine the possibility of organising mass construction of houses in this steel town.

A Ludhiana firm has entered into an agreement with a Japanese automobile concern, under which the latter will provide technical know-how for the manufacture of scooters. The ultimate capacity of the proposed plant will be 1,000 scooters per month.

A three-man team of top U.S. coal mining executives will arrive in India in response to a request from the Government of India to advise on developing a programme for expansion of coal production. The team, which will visit this country under the auspices of the International Co-operation Administration, will be led by Mr. Raymond E. Salvati, President, the U.S. Land Creek Coal Company.

Zinc smelter based on zinc concentrates from the Zawar mines in Rajasthan is expected to be commissioned by the middle of the third Plan. The annual installed capacity of the plant will be about 15,000 tons. The smelter will also be equipped with a by-product sulphuric acid plant based on the smelter gases, which will be used for manufacturing phosphatic fertilisers.

The third Finance Commission is expected to be appointed shortly to study the general tax structure in the country and make suitable recommendations to the Central Government as to how best its revenue could be increased, besides indicating the quantum of assistance to be given to the different States. The first Commission was headed by Mr. K. C. Neogy and the second by Mr. K. Santhanam.

The Indian Institute of Handloom Technology at Salem in the Madras State, sponsored by the Government of India, will start functioning from the middle of this month. This Institute, which will run two courses for diplomas in handloom weaving and handloom designing, will cater to the needs of Madras, Andhra, Mysore, Kerala, Maharashtra and Gujerat States, as also Pondicherry.

West Bengal will soon have a second thermal plant at Durgapur, with an installed capacity of 150 m.w., according to Dr. B. C. Roy, Chief Minister. The cost of the plant is estimated at about Rs. 14 crores. The first plant at Durgapur is now nearing completion. The State is expected to go in for a third thermal plant, with a capacity of 250 m.w., during the third Plan period. Its cost will be about Rs. 22 crores.

Two schemes for the manufacture of watches in the private sector, one in collaboration with an Italian firm and the other with a West German firm, have been tentatively approved by the Government of India, according to Mr. Manubhai Shah, Union Minister for Industry. These two schemes are in addition to the watch factory proposed to be set up in the public sector as an adjunct to the Hindustan Machine Tools, Bangalore, in collaboration with a Japanese firm.

An official Bill to amend the Rubber Act, 1947, has been introduced in the Lok Sabha. The Bill seeks to change the method of collection of cess on all rubber produced in the country in order to check evasion of tax. The cess will be collected either from the owner of a rubber estate or manufacturer who consumes rubber. The Bill also seeks to increase the permissible maximum rate for the levy of cess from 6 nP per lb. to 50 nP per kilogram.

A new shipping freight conference, known as the "Bombay West African Ports Conference," has been formed, following a pooling agreement between the Scindia Steam Navigation Company, Bombay, and the Mitsui Steamship Lines of Japan. Under the agreement, the two shipping lines will each operate six sailings a year on the Bombay-West African ports route.

An agreement has been signed between the representatives of the Government of India and the Rank Films of the U.K. on the question of imports of films from the latter. The agreement, which will remain in force for a period of two years, provides for the utilisation of the earnings from the British films in this country for rental or purchase of Indian films for export to non-traditional markets and for production of films in India in collaboration with domestic producers or otherwise. It may be recalled that a similar agreement was signed recently with the Motion Picture Export Association of America regarding imports of films from the U.S.

The Export Risks Insurance Corporation issued 135 policies during the six months ended 30th June 1960, as against 110 policies in the corresponding half-year in 1959. The Corporation, which started underwriting risks involved in exports on credit terms in October 1957, had a total of 269 policies, with a maximum liability of Rs. 6.74 crores, in force on 30th June 1960, as compared with 198 policies, with a maximum liability of Rs. 6.64 crores a year before. In the first half of this year, the Corporation covered shipments-contracts for Rs. 3.50 crores, as against Rs. 2.32 crores in the first half of last year. This showed an increase of 50 per cent. in risks covered by the Corporation, as against those covered dering the same period last year. Premium income during this period rose by 40 per cent., that is, from Rs. 75,238 to Rs. 1,05,885. During this period, the Corporation registered 835 assignments in favour of the financing banks, as against 703 in the corresponding period of 1959.

A Bill to regulate the grant of loans to small-scale and cottage industries in Maharashtra has been published in the State Government *Gazette* dated 26th July 1960. There was no unified law in the State for granting assistance in the form of loans to small-scale and cottage industries. In Vidarbha, loans were given under the Central Provinces and Berar State Aid to Industries Act, 1933, and in Marathwada, under the Hyderabad State Aid to (Small-Scale and Cottage) Industries Act, 1956. These two Acts have now been repealed, in so far as they related to State aid given in the form of loans. The provisions of the State Aid to Small-Scale and Cottage Industries Rules, 1935, which are executive rules and which were in force in the Bombay State prior to the States Reorganisation on 1st November 1956, were extended to all the component parts of the State in July 1958. But it is considered expedient to take statutory power to regulate the grant of loans to small-scale and cottage industries, and hence the present Bill.

The detailed project report for the alloy and special steels plant to be established in the public sector during the third Plan period has been submitted to the Union Ministry of Steel by the consultants, Messrs. Dastur & Co., Calcutta. A study of the future consumption of alloy and special steels in India made in the report estimates the requirements of such steels to exceed 200,000 tons of finished steel by 1965. This quantity is four times the initial capacity of the proposed plant in the public sector. The report, therefore, points out that, even after this plant is expanded, it will be necessary to install new capacity to produce alloy steels. Durgapur has been recommended as the most suitable site for the public sector project. The consultants are said to have expressed themselves against splitting up this project into two units to be located at two different sites. It is learnt that offers of collaboration in the project have been received from about half a dozen foreign firms which specialise in manufacturing alloy steels.

Replying to a question in the Lok Sabha, the Union Deputy Minister for Food said that, at present, shipments against the previous short-term agreements with U.S.A. were in progress. According to him, shipments against the new agreement will probably begin from about the second half of September 1960. There is plenty of shipping available and no difficulty is anticipated in making the necessary shipping arrangements. The extent to which Indian shipping may be available for the purpose and whether it will be advantageous to have some long-term arrangements with shipowners in view of the long-term agreement for import of wheat, are being investigated. While no serious difficulty in handling the foodgrains at the ports is anticipated, the possibility of improving the arrangements in different ways is being examined. The landed cost of U.S. wheat in India varies from about Rs. 12.20 to Rs. 13.10 per maund, while that of Australian and Canadian wheat is about Rs. 11.60 and Rs. 13.40 per maund, respectively. For internal procurement of wheat by the State Governments, the price fixed is Rs. 14 per maund for common white wheat and Rs. 13.00 per maund for red wheat. For superior qualities, the prices are between Rs. 15 and Rs. 16 per maund.

The Governments of India and Switzerland have signed a credit agreement providing for the purchase of Swiss capital goods for development programmes. The credit is for a period of ten years, covering transactions of the value of 100 million Swiss francs (Rs. 10.9 crores). Of this amount, a sum of 60 million francs will be made available immediately and the balance of 40 million francs later. The credit will be provided by a consortium of Swiss banks on mutually agreed terms. It will be guaranteed by the Swiss Government within the framework of its Federal law on export risk guarantees. The agreement was signed at Berne on Saturday last by the Indian Ambassador, Mr. N. K. Vellodi, and the Swiss Minister, E. Stopper, delegate for trade agreements, on behalf of the Swiss Government. Indian imports of specified capital goods under this agreement will be in addition to Indian imports under the normal import policy of the Government of India which provides for non-discriminatory licensing so far as imports financed from India's own free foreign exchange resources are concerned. Discussions on this agreement, it may be recalled, were initiated last year during the visit of the Finance Minister, Mr. Morarji Desai, to Switzerland at the invitation of the Swiss Government.

* * * *

From Abroad

A double taxation avoidance pact has been concluded between the U.K. and Italy.

The total economic aid given by the U.S. to Pakistan, during the nine years ended 30th June last, amounts to Rs. 614 crores. This is exclusive of military aid for which figures are not available.

In order to stimulate exports, the U.K. Government is considering the possibility of establishing export councils, on the lines of Dollar Exports Council, for other trading areas also.

The current livestock of France is 39.13 million, comprising 18.46 million cattle, 8.75 million sheep, 8.47 million pigs, 1.20 million goats, 1.90 million horses, 72,600 mules and 81,300 donkeys.

A leading Japanese automobile firm, the Toyota Motor Company, has announced plans to commence exports of cars to Mexico in "completely knocked down" form at a rate of about 4,000 units per annum.

The Pakistan Government proposes to ask the oil companies operating in Pakistan to effect a general reduction in prices of oil products. The Government has already made enquiries regarding the details of price cuts made by Burmah-Shell and Stanvac in India.

Japan has replaced the U.K. as the biggest importer of Australian wool in the 1959-60 season. Out of Australia's total exports of wool worth £A386.3 million—an increase of £A84 million over the previous year—Japan accounted for £A95.7 million, and the U.K. for £A75.8 million. France and Italy ranked next, with purchases amounting to £A40 million, £A38.6 million, respectively.

The population of France, as on 1st January 1960, was 45,355,000, as against 44,840,000 a year before. Between 1946 and 1960, the French population rose by 5.2 million, giving an average annual growth rate of 375,000. This increase is nearly twice as much as in the period from 1860 and 1946, when the net increase in the inhabitants of France was no more than 2.7 million.

The Governments of Pakistan and Portugal are expected to sign shortly an agreement under which Portugal will supply iron ore (from Goa) to feed the 200,000-ton steel mill proposed to be set up in Pakistan, as well as manganese, copra, coconut oil, fresh canned fruits, bamboo and timber. In return, Pakistan will supply machinery, machine tools, textiles and other industrial products to Goa.

The Standard Oil of Indiana (the U.S.) has concluded an agreement for the purchase of an Italian refinery, belonging to the Societa Italia Raffinazione Oli Minerali. The price of the refinery, which has an installed capacity of 1.30 million tons of crude oil per year, is fixed at 9,750 million lire. The U.S. company has plans to expand the annual capacity of the refinery to 2 million tons.

An international organisation, called the Institute of Synthetic Rubber Producers, has been set up at New York, with the object of promoting world trade in synthetic rubber, *inter alia*, through the exchange of technical information within the industry. Mr. Bancroft Henderson, a former President of the American Synthetic Rubber Corporation, will act as the first Chairman of the Institute.

The Royal Dutch-Shell group has decided to commence, in collaboration with the American company, namely, the National Distillers and Chemical Corporation, production of finished plastics materials for the first time. The two companies will form a joint company in London shortly, with equal participation in the development of production and marketing of polyolefin film and plastic packaging materials outside the U.S. and Canada. The Shell group is already manufacturing basic plastic materials. The National Distillers is one of the world's largest producers of polythene and it owns the Kordite, a leading American company engaged in the manufacture of plastic film for packaging.

Pakistan is prepared to supply Sui gas to India, if the proposition is found economically feasible, according to Mr. Nazir Ahmed, Secretary, Pakistan Ministry of Natural Resources, Fuel and Power. Sui gas is a natural gas found in abundant quantity in Sui, near Quetta in Baluchistan. The gas is used for domestic and industrial purposes in many West Pakistan towns, including Karachi, Lahore, Rawalpindi and Multan. It is also used for generating electricity. In Multan, electricity is generated entirely by using Sui gas. India's Minister for Iron and Steel, Sardar Swaran Singh, during his recent visit to Pakistan, had informal discussions with the Pakistan authorities for supply of Sui gas to India. Mr. Nazir Ahmed has disclosed that the construction of a pipeline for carrying the gas is found to be feasible between Sind (Pakistan) and Ahmedabad. The Government of India is understood to be considering the proposal to buy this gas to feed industrial areas, particularly in Ahmedabad and the Punjab.

PERSONAL

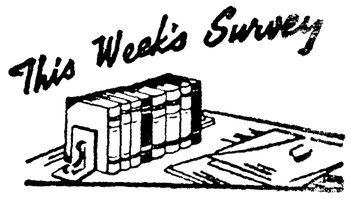
MR. D. N. Shroff and Mr. Shantilal M. Mehta have been re-elected President and Vice-President, respectively, of the Silk and Art Silk Mills Research Association for 1960-61.

Mr. Chandulal Kasturchand Shah and Mr. Rameswardas Saboo have been elected President and Vice-President, respectively, of the Bombay Bullion Association for the current year.

Mr. Burjor A. Guzdar has been appointed Assistant Manager of the British Bank of the Middle East, Bombay. He has been connected with the Bank as an officer for the last 25 years and was with the Holland-Bombay Trading Company, Ltd. for 27 years before joining the Bank.

Mr. K. P. Modi (Ruby General) has been elected President of the Indian Insurance Companies' Association, Calcutta, for the current year. The members of the Committee are: Messrs. P. Balan (United India), P. S. Bhandari (General Assurance Society), K. P. Chakrabarthi (New Great Insurance), D. Das Gupta (Hindustan General), M. R. Das Gupta (Calcutta Insurance) and B. C. Rakshit (National Fire and General).

Mr. T. M. Telang (of the Indian Trade and General) has been elected Chairman of the Indian Insurance Companies' Association, Bombay, for 1960-61. The other elected members of the Committee are: Messrs. P. A. Advani (New India), M. S. Dastur (British India), D. N. Desai (Union Co-operative), G. V. Jannah (Oriental), M. G. Mody (New Great), E. J. Poncha (Hercules), P. M. Shroff (Ruby General), C. M. Telivala (Indian Mercantile), P. U. Patel (Universal) and H. V. Gandhi (Devakaran Nanjee).



MR. RICHARD NIXON

AS was widely expected, Mr. Richard M. Nixon, Vice-President of the U.S., has been unanimously nominated by the Republican Party as its candidate for the Presidency to run against Senator John Kennedy, the Democratic Party's nominee. With the selection of these two persons, the final stage is now set for the Presidential election campaign; the election will be held early in November. And, for the first time in U.S. history, the Presidential nominees of the rival political parties will appear in a series of face-to-face debates on nation-wide television and radio to discuss campaign issues.

Mr. Nixon has been the U.S. Vice-President since 1952. He is known for his extensive knowledge of both domestic and foreign affairs through service in the House of Representatives, the Senate and official councils as well as through international travel on affairs of State. In the past six years, he has travelled nearly 160,000 miles outside the U.S., visiting more than fifty countries. Indeed, it is no exaggeration to say that Mr. Nixon has acted "as the eyes and ears of President Eisenhower on goodwill trips to India, Asia, the Far East, the Middle East, Africa, the Soviet Union, and Central and South America."

So far as India is concerned, Mr. Nixon would, if he were elected President of the U.S., surely ensure for this country continued large-scale financial and technical aid for economic development. How keen is the interest which Mr. Nixon has been taking in India's economic progress is clearly borne out by the following statement he made some time last year:

"The people of India are attempting to achieve economic progress with freedom .... What happens in India will have a tremendous impact on the decisions made in other countries in Asia, in the Near East, Africa and even in the Americas. This indicates the tremendous stake the free world has in the economic problems of India....

"...I would not underestimate the importance of the Berlin crisis, but I will say today that, in my mind, what happens to India in so far as its economic progress is concerned in the next few years could be as important, or could be even more important in the long run, than what happens in the negotiations with regard to Berlin."

The need for economic aid to India and other developing countries was reiterated by Mr. Nixon most effectively in his speech after accepting the nomination of the Republican Party last week. He declared:

"The great task of the next President of the United States will be to develop a grand new strategy which will win the battle for freedom for all men and women without a war. And this will be a difficult task. Difficult because, at times, our next President must tell the people not what they want to hear but what they need to hear. Why, for example, it may be just as essential to the national interest to build a dam in India as in California. A young America shall fulfil her destiny, by helping to build a new world, in which men can live together in peace and justice and freedom with each other. This is possible, because, for the first time in human history, we have the resources to wage a winning war against poverty, misery and disease *wherever it exists in the world....*" (Italics ours.)

Mr. Nixon's staunch support for economic aid to India and other underdeveloped countries has always been substantial. And if he becomes the chief executive of the U.S., he will doubtless endeavour, with the assistance of Mr. Henry Cabot Lodge, the Republican nominee for Vice-Presidency, to give a concrete shape to his views on economic aid.

GENERAL INSURANCE PROBLEMS

The Chairmen of two insurance companies' associations spoke on the problems of general insurance in the country this week. Both of them drew attention to more or less the same problems and suggested almost identical remedies. This indicates the wide area of agreement on the nature of the malady that afflicts general insurance in the country and the corrective measures called for, although their application has not proved easy.

One of the main problems that figured prominently in the speeches of both Mr. Jayant S. Dalal, outgoing Chairman of the Indian Insurance Companies' Association, Bombay, and Mr. B. C. Rakshit, outgoing Chairman of the Indian Insurance Companies' Association, Calcutta, is that the rate of growth of general insurance is not commensurate with the rise in industrial production. This, according to Mr. Dalal, is due to the companies adopting the line of least resistance, that is, procuring business by offering rebates and higher rates of commission than those prescribed by law. It is paradoxical, he said, that it should be necessary for insurers in the country to have recourse to this method, because not only the number of units has shrunk considerably, but also the opportunities for new and more business have increased substantially due to the expansion of trade and industry. He suggested that the larger and more powerful units, having the benefit of tied accounts, should adopt the principle of 'live and let live' by concentrating their energies on creating new business. This gesture, according to him, will have the salutary effect of reducing wasteful competition for business already on the books of companies, on the one hand, and opening up new avenues of business, on the other.

There is no doubt that this suggestion, if accepted by the larger units, could eliminate some of the alleged malpractices and unhealthy competition and induce fraternal feelings among insurers. But the smaller units should not count on this. They should themselves seek more business in old as well as new lines. There is scope for new business even in the traditional fields. As Mr. Rakshit pointed out, a substantial volume of business in the country still consists of large risks. Simple risk business has not yet become popular. There is no reason why smaller units should not bend their energies in this direction, instead of complaining against unfair competition by bigger units and waiting for their indulgence to make room for them.

More important than all this is the need for the small companies to merge themselves or join the bigger companies and become strong enough to offer, as well as face, healthy competition. Although the number of insurers has declined, there are still far too many of them. Integration of these units is the best and most effective solution to the ills of general insurers. The country cannot indefinitely wait for this process to materialise through voluntary effort, especially as the mushroom growth of companies is due to groupism, with each business house floating a general insurance company of its own, apparently to get the benefit of rebates and commissions on the insurance needed by its industrial and commercial undertakings. To expect an insurance company belonging to *X* business house to merge with that of *Y* or *Z* business house is to hope for an impossible thing to happen. In the larger interests of the country, some means must be found by the Government, in collaboration with insurers, which will either induce or compel amalgamation of general insurers. The plan adopted by the British Government to eliminate excess capacity in the textile industry and to streamline it into a highly competitive export industry offers some food for imagination in this direction.

Mr. Dalal doubted the wisdom of the recent reduction of rates of fire insurance, the only class of business which is reasonably profitable. The reduction, he felt, would affect the financial position of companies by depriving them of the only source of financial strength. He wished that, instead, the Government had acted upon the recommendation of the Taxation Enquiry Commission that the companies should be allowed to add five per cent. of their annual premia to the reserves every year, free of tax, until the reserves reached 75 per cent. of premia in respect of fire and miscellaneous business and 150 per cent. in respect of marine and aviation hull business.

The formula for limiting the expenses of management under Section 40C of the Insurance Act and Rule 17E also came in for criticism by both the chairmen. According to them, the existing formula is a major factor responsible for the scramble for business which resulted in unfair competition. The very fact that a number of companies contravene the said section and warnings have therefore to be administered every year even to companies well within the solvency margin, shows the arbitrary nature of the present formula. It is worth considering Mr. Dalal's suggestion, namely, either an increase in the limits prescribed under the section or to find some other formula not necessarily co-related with the quantum of gross direct premium. In fact, this section is the subject of increasing criticism. This clearly shows that the present formula is not a satisfactory one. The fact that there are differences of opinion as to how it should be modified does not weaken the case for a revision of the formula. It should not be impossible for insurers to suggest a formula acceptable to all and seek the Government approval for it.

The need for adequately trained personnel for efficient running of the business has also been stressed. If insurance trade in this country is to retain its good name and play its important role in the country's progress, it is necessary, as Mr. Dalal said, to have a pattern of field organisation based on full-time career agents supervised by well-trained development officers. The suggestion made, in this connection, by Mr. Rakshit that all insurance companies should join together to establish a college of insurance, in collaboration with the Federation of Insurance Institutes, for imparting training in insurance, is a valuable one. For, in the last analysis, the quality of business and the efficiency of service depend, to a large extent, on the quality of the insurance personnel. Insurers, who visualise a bright future for their business in the country, should devote their attention to this important aspect.

Another question, having a bearing on the development of insurance in the country, to which Mr. Jayant Dalal rightly called attention, is the formation of an all-India association of insurers. At present, there is no body which can speak with one voice on behalf of all insurers in the country. An all-India organisation can make the views of insurers heard in Governmental circles and also be of considerable help in solving the problems within the trade itself.

GOVERNMENT PAY SCALES

The Government of India has just announced its decision to accept the pay scales recommended by the second Pay Commission. The announcement is, in fact, a confirmation of earlier decisions so far as the large majority of class III and class IV employees are concerned. Thus, the minimum wage has been raised from Rs. 75 to Rs. 80 as recommended by the Commission. The Government, according to a statement laid on the table of the Lok Sabha last Tuesday, has finalised the scales covering about 75 per cent. of its employees. It is said that it will be some time before the Government completes its task of fitting 2 million employees, receiving at present 500 different scales of pay, into the 140 scales laid down by the Commission. Even so, this work should be expedited, in order that the period of uncertainty for the staff might be reduced to the minimum. In border-line cases, where new scales affect adversely the income and prospects of an employee, he is given the option to retain his old scale.

Immediate gains to employees are strictly limited, though the long-term benefits are somewhat substantial. Among the immediate concessions, mention must be made of the concession that the maximum rent recoverable from employees whose pay is below Rs. 150 per month should be limited to 7½ per cent. of their pay. The majority of Government servants, who are low paid staff, will stand to gain by this concession. Those who do not occupy Government residence will be entitled to get house rent allowance at higher rates. Leave rules have been liberalised. A notable decision is the Government's acceptance, in principle, of the Commission's plea for introducing a scheme for educational assistance to the employees' children. The scheme, which will be on the lines of what has been implemented in respect of railway employees' children, envisages the establishment of subsidised hostels. Since Central Government employees are subject to frequent transfers, the scheme of educational assistance will, when it is implemented, bring much relief to those parents who are often faced with the problem of break in their children's educational career. Again, a decision which is bound to create a sense of relief among all recent recruits to Government service is that existing temporary posts will be converted into permanent ones within the limits permissible; all eligible temporary persons will be confirmed as early as possible. For many employees, this will mean an early end of a painful period of uncertainty, provided this assurance is promptly implemented.

The Government has, however, virtually stuck to its original stand on dearness allowance. But its stand is in conformity with the Pay Commission's recommendation. Thus, it has agreed that, if, during a period of 12 months, the consumer price index remains on an average of 10 points above 115, it will review the position and consider whether an increase in the allowance should be allowed; and if so, at what rate. There will thus be no automatic adjustment in dearness allowance, though such adjustment had been demanded by certain sections of employees. It would be obviously difficult for the Government to permit automatic revisions in dearness allowance which would introduce large elements of uncertainty into the revenue budget. But the fact that the Government has recognised the need for periodical revision in dearness allowance has an important implication, in that it has now acquired a certain vested interest in holding the price line. Hitherto, inflation meant new burdens only for the private employer. It will now mean that inflationary rise in prices will add to the Government's expenditure, met from revenue. It is true that it is always open to the Government to pass on the burden to the taxpayer. But a vigilant legislature will always want to know what the Government has done to keep to the minimum this avoidable increase in expenditure.

The long-term benefits include liberalisation of the mode of calculating pension and the introduction of the gratuity scheme. The Government has accepted the Commission's recommendation that special pay should also count for pension in full, if the post to which it was attached was held in a substantive capacity, and to the extent of half in all other cases. So far as gratuities are concerned, the Government's decision, accepting the Commission's suggestions, had been announced earlier. The announcement made this week incorporates the Government's decisions on the Commission's recommendations in favour of a compulsory provident fund scheme. Subscription to the fund will be at the rate of 6 per cent. Low-paid employees will pay only Rs. 4 or Rs. 5, though there will be no restriction, if they want to subscribe at a higher rate. Savings whether effected voluntarily or enforced by the Government, will certainly add to the employees' comfort in old age. Presumably, the employees will be permitted to pay their insurance premia out of the provident fund. Perhaps, the Government will also do well to examine the feasibility of introducing a family insurance or group insurance scheme for its employees which could be financed by collecting low rates of premia; it could even combine the scheme with the provident fund scheme it has now introduced. This is a field in which actuarial investigation should yield some beneficial scheme of welfare for Government servants.

DEVELOPMENT ASSISTANCE COMMITTEE

One of the important decisions taken at the twenty-nation ministerial conference on the reform of the O.E.E.C., which concluded its two-day session at Paris on 23rd July, related to the incorporation of the Development Assistance Group (D.A.G.) into the proposed Organisation for Economic Co-operation and Development (O.E.C.D.). Further, it was decided to change the name to the Development Assistance Committee. The D.A.G., it will be recalled, is the body established with the object of accelerating the flow of long-term funds from some of the friendly countries in the free world to underdeveloped areas. The setting up of the Group was the outcome of a meeting, in Paris on 13th and 14th January, of spokesmen representing eight countries (the U.K., the U.S., Canada, West Germany, France, Belgium, Italy and Portugal), as well as the European Economic Community. Japan joined the Group later, that is, in March, when the international conference on aid to economically backward regions was held at Washington.

After the O.E.C.D. comes into being, the Development Assistance Committee will act as one of its primary limbs. Japan will participate in the Committee's activities, without being a member of the O.E.C.D. Council. The Committee, we are told, will contribute to the economic development of both member and non-member countries through the flow of capital. The "article" adopted at the recent Paris meeting refers specifically to the importance of technical assistance and expansion of export markets to the economies of underdeveloped nations.

Another primary limb of the O.E.C.D. will be a trade committee, which will include among its functions, the discussion of the rift between the Six and the Seven. It has yet to be decided what power, if any, the Trade Committee will have in order to settle disagreements. The task of deciding the rules and procedure, according to which the Committee will operate has been entrusted to a preparatory committee headed by Herr Thorkil Kristensen, the Secretary-General-designate of the O.E.C.D. The Preparatory Committee will also take the final decision as to which of the 400 or so Acts of the O.E.E.C. should remain in force and draft another convention for the O.E.C.D. The Commiteee is scheduled to finish its work by 10th November 1960, in time for another ministerial conference. This conference is expected to sign the convention by the end of the year and, after the member-States have had another six months to ratify the convention, the O.E.C.D. is expected to come into existence in September 1961.

The establishment of the O.E.C.D., with the U.S. and Canada as full members, will be widely welcomed by India and other underdeveloped countries, for two important reasons. One, there will be a greater inflow of assistance, financial and technical, from the economically more prosperous countries of the West through the agency of the Development Assistance Committee. Two, the underdeveloped countries may be in a position to augment their foreign exchange earnings by stepping up exports to the Western nations, as a result of the efforts of the O.E.C.D.'s Trade Committee to liberalise restrictions on trade. If, however, these two benefits are to prove effective in the task of raising the low living standards of the teeming millions, it is imperative that the Governments of the developing countries should pursue rational economic policies.

DEVELOPMENT OF OILSEEDS

The view that the tentative target for the production of five major oilseeds now laid down at 9.2 to 9.5 million tons for the third Plan is insufficient even to meet the growing domestic demand, let alone the demand for exports, was expressed by Rai Bahadur G. V. Swakia, the retiring President of the East India Oil Millers Association, while addressing the annual general meeting of the Association at Calcutta the other day. The demand for oilseeds for both edible and industrial uses together, according to Mr. Swaika, would rise to as much as about 10.6 million tons by 1965-66. He, therefore, made a fervent plea to the Government of India to revise the proposed targets for the production of oilseeds in such a way as to leave a "comfortable surplus" for exports, over and above the quantity needed for catering to domestic requirements. Reviewing the progress of the current Plan, he admitted that the overall trend in production of oilseeds had consistently been upward; only, the pace of progress had been slow. The output of the five major oilseeds improved from 5.6 million tons in 1955-56 to 6.1 million tons in 1957-58 and 7.0 million tons in 1958-59. The crop in 1959-60 is said to be a little shorter than in the previous year. It is expected, according to the Draft Outline of the third Plan, to reach 7.2 million tons by 1960-61, the final year of the second Plan. This, however, falls short of the second Plan target by about 300,000 tons, owing mainly to shrinkage in area consequent upon unfavourable weather conditions.

The slow rate of growth in the output of oilseeds is one of the causes for the current high level of prices of seeds and oils. What is needed, therefore, is to expand the cultivation of oilseeds and to ease the supply position. Mr. Swaika rightly emphasised that higher outturn and larger yield per acre should be the major objective of policy. Of the five major oilseeds in the world, India ranks first in the production of groundnut, second in rape-mustard, sesame, castor, and fourth as regards linseed. But it is a sad commentary on agricultural productivity in this country that, in the matter of yield per acre, India has only the tenth place in groundnut, second in rape-mustard and linseed, and sixth in sesame. Mr. Swaika called upon farmers, as well as the authorities, to study the methods of oilseeds cultivation in China, Brazil, Argentina, etc., and adopt them in this country with such modifications as would help promote more intensive cultivation.

Side by side with promoting production, efforts should be made to conserve the edible seeds, by restricting its use for non-edible purposes, such as in the manufacture of soaps, paints and varnishes. Mr. Swaika appealed to industrial consumers of edible oils to devote greater attention to tap the potential resources of non-edible oils such as neem, mahua, karanja in the plains, and khakun, pisa, kukum, dhupa, nahar and sal in the forests, to avoid the misuse of edible oils, which were in short supply. It is gratifying to note that, of late, there is an increasing realisation at the official level of the need for developing non-edible seeds. In fact, the Special Committee for Development of Minor and Non-edible Oils, which met under the chairmanship of Dr. D. M. Sikha, Additional Agricultural Commissioner, Government of India, at Bhubaneswar, Orissa, last week, has recommended that the exploitation and utilisation of non-edible oil wealth of the country should be given due priority in the third Plan.

Mr. Swaika deprecated the practice of using whole cottonseeds as conventional cattlefeeds. He stated that, out of 1.7 million tons of cottonseeds produced in the country, only six per cent. was available for crushing, the rest being used as fodder. He appealed to people to put a stop to this waste, so that more cottonseed would be made available to the crushing industry.

The expansion of production and rational utilisation of oilseeds will substantially improve the supply position. This, in turn, will reduce prices and make them more competitive in world markets. Although vegetable oils and oilseeds have been traditional export items of this country, they are facing severe competition of late. In this connection, Mr. Swaika took exception to the present export policy of the Government. He added:

"It is a very disturbing feature that India's share of world export of vegetable oils is not comparable with her pre-eminence as a producer. I must say that permanent damage has been made in the international markets, due to vacillating export policy followed by the Government of India and periodical changes in regulation of exports through manipulation of export duties. In fact, the export policy for vegetable oils and oilcakes was primarily intended to hold the domestic price line and foreign exchange earning, and international prices played little part in the determination of such a policy. Prices of Indian vegetable oils were higher, whereas quotations given by competing sources of supply like Brazil, Argentina, Nigeria, etc., were much lower, thereby maintaining this disparity. India was holding an 'umbrella' over the competing sources of supply to enable them to sell successfully."

Mr. Swaika emphasised the paramount need for setting up a permanent machinery like the Export Promotion Council for Oils, Oilseeds and Oilcakes to make concentrated efforts for exploration of new markets abroad, besides rehabilitating the position of Indian oils and oilcakes in the traditional markets. As "the crushers and crushers alone could supply quality oil according to the standard and specifications given by the foreign importers at competitive prices," he urged the Government of India to allow export of oils only by the organised sector of industry.

In order to boost the export of oils and oilcakes, Mr. Swaika suggested immediate adoption of: (1) concessional railway freight for oils and oilseeds for the purpose of export of oils, (2) top priority for the movement of seeds meant for export in the form of oil, (3) a substantial reduction in freight rates for shipment of oils to the U.S. and the Continent, (4) introduction of a net rate of freight for a long-term period by the Conference Lines in place of the present deferred rebate system, (5) substantial reduction of port charges at Calcutta port to bring it in line with other ports in India, and (6) merger of sales tax with Central excise duty.

These suggestions deserve to be given due consideration by the authorities concerned, if the export promotion measures for oilseeds and oils are to bear fruit. It may be added, however, that, the effects of these measures will be lost, unless steps are taken to ensure stability in prices. In this context, Mr. Swaika doubted the utility of the special margins. He observed:

"I cannot refrain from sounding here a note of caution regarding export of groundnut oil *vis-a-vis* operation of forward markets in groundnut. The prices of groundnuts and its oil have reached virtual ceiling levels and trading in the forward section has come to a standstill. It is admitted that, in a controlled economy, measures to regulate forward trading are necessary, but they should not be such as to stifle the *bona fide* trade. The operation of the special margin has helped only the wealthier classes to take the maximum advantage of the position, while the small fry has almost been eliminated. But prices cannot be brought down simply by imposing special margins, unless production goes up materially and unless export facilities are revised. The Forward Markets Commission would do well to take a realistic view of the situation and to realise the need for prohibiting exports of edible oilseeds and their oils, if prices are to be held in check..."

While nobody questions the need for earning more and more of foreign exchange, this should not be done at the expense of the domestic consumer, particularly as edible oils occupy a significant place in the family budget of a large number of people. There is, therefore, a strong case for restricting exports of edible oilseeds and oils, particularly when their production lags behind.

THE U.S. ECONOMIC SCENE

AN INTERVIEW WITH DR. SAULNIER

[In the following interview in Washington, Dr. Raymond J. Saulnier, Chairman of President Eisenhower's Council of Economic Advisers, was asked to comment on various current issues of an economic nature, particularly in regard to the U.S. economic growth rate and probable effects, if a secure disarmament agreement were possible, heavy cuts in U.S. defence spending. Before taking his present post, Dr. Saulnier was a Professor of Economics at Columbia University.—ED.]

QUESTION: Dr. Saulnier, in the Economic Report the President submitted to Congress in January last, it is stated that, since the Employment Act was passed in 1946, the average annual rate of economic growth in the United States has been 3.2 per cent. Can this rate be accelerated? And if so, how?

Answer: Well, the rate at which an economy grows varies a good bit from year to year. The American economy at the moment is growing at a rate substantially above this average that you have mentioned for a longer period of time. Now the interesting point, of course, is whether a higher rate of growth can be sustained over a long period of time. The fact is that the outlook for this in the American economy over the next decade is very good.

We are entering a period in which our labour force will grow more rapidly than it has in the last decade. And that more rapid rate of growth of our labour force will provide the opportunity to achieve a substantially higher rate of economic growth.

I would emphasise that it is an opportunity that we can realise, if we have the right kinds of public policies, not just by the Federal Government but also by State and Local Governments, and likewise the right kinds of private actions by private citizens and private groups. If we get the right blend of public policies and private actions, we have this opportunity to substantially accelerate our rate of growth. And I for one believe that we can and will achieve this.

Question: The U.S. Gross National Product or total of goods and services produced reached a record level last year of about $485,000 million. If the present business prosperity continues, how high do you estimate the Gross National Product will go this year?

Answer: Well, it's difficult, of course, in an economy such as ours that is open and competitive and motivated in the main by private actions to make a firm estimate of economic performances as much as 12 months ahead. Between 1958 and 1959, our economy was growing in real terms at something around 5 per cent or better. We ought easily to achieve in 1960 something substantially better than the $500,000 million economy. How high it will go at the end of the year is a question that no one can be entirely sure of. It could easily be in excess of $515,000 million.

Question: To change the subject abruptly, Dr. Saulnier, a basic Marxist dogma is that economic depressions and mass unemployment are inherent in the capitalistic system. What is your comment? Can the problems of the business cycle be solved?

Answer: Well, the first comment I am tempted to make is that, since the publication of the Communist Manifesto in 1848, communist theoreticians have been forecasting the doom of capitalism. It is my observation that the capitalistic system is stronger today than it has ever been before and is showing increasing vitality.

Now as far as the business cycle is concerned, we have made very substantial progress under our form of government and our form of economic system in moderating fluctuations in the business cycle.

I would just make one statistical observation—in the economic recession in the United States that took place in 1957-58, the decline in the personal income available to people for spending was less than 1 per cent. Now I would regard this as a very substantial improvement over some of the performances of the past under our economy or under other economies.

Question: Communists have charged that Americans do not really want disarmament because they say that, if the United States stops spending $41,000 million annually on defence, the nation's economy would collapse. What is your answer to that one, Dr. Saulnier?

Answer: Our expenditures for purchases of goods and services for defence reached the annual total of $165,000 million in World War II, that was the actual expenditure in 1944. Those defence expenditures were reduced within a period of four years to the total of $16,000 million.

Now what happened? Did our economy go to pieces?

On the contrary. You will find that our total production of goods and services which was $366,000 million (in constant 1959 dollars) in 1944 was actually $328,000 million (in constant 1959 dollars) in 1948. Now this reduction in armaments had made possible a vast expansion in the output of consumer goods. And this is actually what I would expect to happen if we were to cut back our expenditures for national defence under a secure disarmament programme.

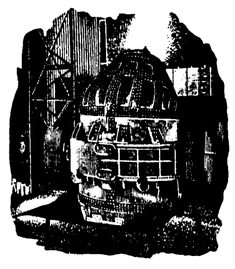
Question: In other words, what the United States is now spending for defence could be spent for more constructive things?

Answer: It could indeed and we would welcome the opportunity to do so. And, honestly, I do not see this in any sense as an economic problem before which we should quake. On the contrary, it is a great opportunity and nothing would please me more than to preside over the business of effecting such a reconversion of our economy.

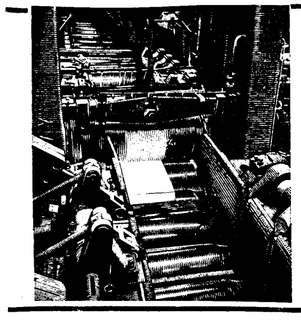
All Americans would welcome a tax cut and let me point out that all of this need not go into a tax cut either. There are other areas of activity of the Federal Government that might, in the absence of the great burden of national defence, properly be expanded.

The U.S will grant a million-dollar credit to the Nepal Industrial Development Corporation for stimulating private industrial development in that country. An agreement to this effect was signed at Washington last week. The loan will be in U.S.-owned Indian rupee which is being made available by the International Co-operation Administration from funds acquired by the sale of surplus agricultural commodities to India. The Nepal Industrial Development Corporation will use the money for the purchase of industrial machinery, equipment and construction materials in India.

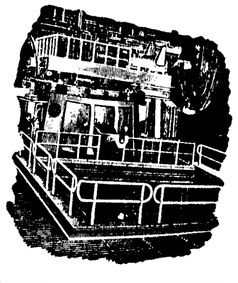
EVERY DAY
IN EVERY WAY
STEEL SERVES EVERY ONE OF INDIA'S FOUR HUNDRED MILLION PEOPLE



Bessemer Convertor at the Workington Plant



Cogging Mill at Appleby-Frodingham Steel Works



Electric Melting Furnace at the Samuel Fox Plant

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Blast Furnace at the Appleby-Frodingham Plant

AMERICAN LETTER

ECONOMY STEADY AT A HIGH LEVEL

SEIZURE OF ASSETS BY CUBA DISQUIETING

From Our Special Correspondent

NEW YORK, 26*th July*

THE economy of the United States is at a standstill, but at a high level. Stock market prices which are supposed to reflect future economic conditions have also been in a seesaw condition. At the present time, the country is engulfed in political oratory, owing to the conventions of the Republican and Democratic parties. This year, the conventions have had a particularly depressing effect on business.

The nomination for the Democratic Presidency of Senator John F. Kennedy was bought. He employed as many as 500 people as Press agents and he is reported to have spent $750,000. Mr. Nelson Rockefeller, Governor of New York State, with an equal fortune behind him, is trying to do the same thing at this writing, so far as the Republican Presidential nomination is concerned. It is a rather unpleasant performance.

People are concerned and business is concerned. It stands to reason. There is a big cleavage in the Democratic Party over so-called "civil rights." The South of the U.S. with its large Negro population has been opposed to integration, while the North is insisting on integration in schools and elsewhere. That does not make for much harmony.

President Eisenhower's choice as his successor is Vice-President Richard Nixon who has had an excellent record on the foreign missions he undertook on behalf of the President. He has a fighting chance to win even Southern votes, despite a strong civil rights programme and, perhaps, because of it.

For some reason or other, there are very few people who are exuberant about Mr. Nixon, despite his good record as a Vice-President of the U.S. Before this appears in print, either Mr. Nixon or Mr. Rockefeller will have been nominated for President on the Republican ticket.

[*After this letter was posted, Mr. Rockefeller withdrew from the contest, leaving Mr. Richard Nixon to be unanimously nominated by the Republicans for the Presidentship.*—ED.]

Both Messrs. Kennedy and Nixon are in the forties and the accent is on youth and vigour, but can their experience be compared with that of Winston Churchill, Konrad Adenauer and Charles de Gaulle or Prime Minister Nehru?

The only thing in favour of Mr. Rockefeller is that he is over 50 years of age and has great international experience, especially in Latin America. What is against him is that he is a rich man's son who never had to earn a living for himself and his family. He has a farm in Venezuela where he flies for week-ends and vacations which the average American cannot afford to do. While wealth is revered greatly in the U.S., it is also suspect. Moreover, Mr. Rockefeller, in his tenure of office as Governor of New York State, has managed to antagonise most of the legislators by his lavish spending plans. Being rich and having inherited it without earning it, he does not know the value of money.

All this is mentioned merely as part of several reasons for the relative stagnation in the U.S. business situation. There is hesitation. There are grave doubts, such as lack of judgment in high places. There is also apprehension about the flare-ups in Africa and in Asia, as well as Cuba. There is fear of the increasing East-West tensions and the collapse of international conferences.

Recession Ahead?

Economists' viewpoints regarding the outlook differ at this time. Some see a recession next year, others are still mildly optimistic. Labour economists, generally, see a deficient rate of growth in the face of a rapidly increasing population. The argument is that combined public and private demand for goods and services have grown far too little to absorb the increases in the labour force. There is also the question of increasing technology which is being raised and the need for sustaining an adequate level of capital and equipment investment.

Nobody disputes that a high level of business activity will continue. It is only the question of degree and will that degree be sufficient not to lead into another downturn. As mentioned in previous dispatches, there has been a slow-down in inflation.

Part of the reason for it was a reduction in defence expenditures. Aircrafts have suffered with the advent of the missiles, as did the blacksmith with the advent of the automobile.

Consumer prices edged up again in June to a new high. The price level was 1.6 per cent. higher than 12 months previously. Rents for flats and homes are the main contributing factors for this boost. They are becoming exorbitant.

Personal income continues in a rising trend. Official reports placed it at an annual rate of $405,800 million in June which was $1,100 million higher than in May. There was a slight advance in wage and salary incomes, despite a drop in manufacturing payrolls. This trend has been going on for some time. Gains were made mostly in service and trade industries and in the payrolls of State and Local Governments.

Free World in Sixties

Intensified international competition is plaguing American industry. In a study made here, it is stated that, for the first time in two decades, world production capacity is equal to current demands. At the same time, world demand and capacity are in a cycle of unprecedented expansion. The consumer will benefit from this by a wider range of choices. Expectations are that the nations of the free world will attain a rise in production of more than 50 per cent. and a gain in population of 20 per cent. in the next decade. The study was prepared by economists of Marplan, the marketing research affiliate of McCann-Erickson, a U.S. advertising agency, with 58 offices in 21 countries.

They report, on India, that significant improvement is expected in the next ten years. Mexico is also singled out as to have one of the sharpest growth rates of any economy in the free world, with a one-third rise in population and a doubling of its national output.

Predictions for Western Europe are that the population of this area is expected to rise to 320 million persons by 1970. This compares with 295 million at the present time. Accompanying this, it is envisaged that there will be a rise of industrial output in the neighbourhood of 70 per cent. during the next decade above the 1958 level. Canada is also highlighted as due for a 60 per cent. increase in its economy for the next ten years.

* * * *

NEW YORK, 15*th July*

(*Delayed in Transit*)

Summer Lull

The overall business outlook continues satisfactory. But there are some reservations. There is, and will be, the usual summer lull. In addition to the usual doldrum of the "dog-days," new orders in industry have been running below shipments ever since 1959. When statistics for the summer months become available, it may be expected that a few major lines will be lower, rather than higher, as was anticipated earlier in the year. One of these areas is automobiles. Production in this field is being curtailed, so that dealers may clear their heavy stock of 1960 models.

This is fairly important since 1961 models are in the blue-print stage. The automotive industry has a distinct influence on steel production which is very important in this country. Steel mills are now operating at less than 55 per cent. of capacity, the lowest in any non-strike year.

There are many cheerful aspects on the other hand. Employment in May, for example, reached 67.2 million. It was 1.2 million higher than that in May, 1959. Yet, employment in manufacturing industries has declined because of increased technology. But more people are now employed in services, Government and trade.

Spending for plant and equipment seems to adhere closely to earlier forecasts. Estimates place such expenditures at an annual rate of $37,000 million in the second quarter, which would be 5 per cent. over the first quarter of 1960. Personal income has been rising steadily. It was recently on the threshold of a seasonally adjusted rate of $400,000 million per annum.

India's New Five-year Plan

There was much Press and private comment here about India's new Five-year Plan, projecting an outlay of more than the equivalent of $21,000 million for economic development. It was described in the Press as "the most ambitious development programme" in your country's 13 years of independence.

Interest is being expressed here in India's self-sustaining growth programme, whereby 23.1 per cent. of the plan's funds would go to develop agriculture and community developments and 56.9 per cent. would go to small and large industry, mineral production, communications and power development.

Under the new programme large shipments by the United States are envisioned of grains and capital equipment. Much of this is to be provided on credit. Some of the rupee payments for grain, worth more than $1,000 million, will be returned to India under quite flexible arrangements. They envisage reduction of imports by India and an increase in exports, according to informed sources here. It may be added that since the cordial reception to President Eisenhower, India has been very much in the news with great esteem and great respect, much more so than before.

Cuba

While all economic factors for the rest of the year spell "no boom and no bust," developments in Cuba are most disturbing to the U.S. Premier Fidel Castro is in the process of taking over all U.S. property "down to the nail of their shoes," in his own words. The only winner in this battle would seem to be Soviet Russia.

There is a large naval base of the U.S. in Cuba which has been on the alert for several months. It has aircraft carriers, the latest missiles and submarines. Beyond the iron-wrought gates, Soviet technicians have now taken over the operation of the expropriated American oil refineries.

Cuba is less than an hour's flying time from the tip of Florida and Premier Nikita Khrushchev of Russia has threatened to help Premier Castro with missiles in the event of interference in Cuban affairs by the U.S. Unless the counter-revolutionaries get the upper hand over Premier Castro, a show-down is obviously approaching. President Eisenhower has stated that the U.S. cannot tolerate a Communist-dominated country on the doorstep.

The U.S. intervened once before in Cuban affairs owing to the sinking of the battleship *Kaine* in Havana harbour. The situation lends itself to a first class explosion between the U.S. and the U.S.S.R.

Investors Get Together

In the wake of the seizure of American property in Cuba, a group has been formed which many turn out to be rather important. The National Foreign Trade Council, which is composed of industries interested in foreign trade and with manufacturing facilities overseas, has appointed a foreign property committee. Its first job will be to seek a solution to the problem of expropriation in Cuba.

Possibilities of preventive action which might forestall any repetition of the Cuban seizures in other parts of the world will also be explored. The Foreign Property Committee will also take up questions of international law, business policies and governmental actions.

About 100 member-companies of the Council, representing more than 4 million shareholders, have substantial investments in Cuba. They constitute the bulk of the $861 million American-owned property on the island. None of these companies has received any compensation whatsoever for seized property and offers to some for partial compensation in bonds have been far from reasonable or just.

Quoting from a declaration adopted by the last National Foreign Trade convention—"the right of a sovereign government, under the principle of eminent domain, to expropriate private property for well-recognised public purposes, is generally accepted in cases, where such action is not in violation of specific treaty or contractual obligations; but this right is coupled with reciprocal obligation to pay full and just compensation at the time of taking."

There are many Cubans in this country now who supported Premier Castro originally, and they are so disenchanted that they do not care to go back to their homeland.—*All Rights Reserved.*

BANKING IN THE FIRST HALF OF 1960

TURNOVER LARGER—PROFITS BETTER

CONTRARY to general expectations, the half-year ended 30th June 1960 has proved to be more prosperous for scheduled banks in India than the corresponding period of 1959. It was once feared that, consequent on the high cost of operations and the relatively cheaper rate of interest at which banks had been lending, the profits of banks would not be adequate. The expansion of branch banking, which would take some time to come to a profit-earning stage, and the fear of a rise in Bank rate which, if it had come true, would have meant a sizable depreciation in values of banks' investments, were other factors which were responsible for the apprehension that bank profits would be inadequate. To the extent the banks' profits for the first half of 1960 are better than that for the same period of the previous year, the earlier misgiving has not materialised. But on the question whether bank profits are adequate or not, there can still be differences of opinion. In this context, the decision of two of the largest commercial banks to raise their interim dividends for 1960 strikes a jarring note. As we shall show later, this was a very unwise decision.

Three main reasons can be attributed to the improvement in earnings. First, the turnover of banks was substantially larger than in the corresponding period of 1959. It may be noted that the whole of the half-year under review was marked by heavy demand for bank credit and the level of advances was throughout higher than in the corresponding half-year. Thus, the total advances rose from Rs. 976.66 crores at the beginning of the year to Rs. 1,127.66 crores at the end of June, representing a rise of Rs. 151 crores, while in January-June 1959 they had gone up by only Rs. 107.98 crores, that is from Rs. 885.31 crores to Rs. 993.29 crores. The peak level of advances touched during the year was Rs. 1,139.62 crores (this was in the week ended 6th May 1960), from which it declined by only Rs. 12 crores at the end of June. The corresponding high touched in the first half of 1959 was Rs. 1,027.26 crores (this was on 8th May 1959), from which it had dropped by Rs. 50.60 crores by the end of June 1959.

Bank Data

Unlike in the first half of 1959, the expansion in bank deposits during the half-year under review was less marked than that in advances, as will be evident from the following comparative table of the changes in the main portfolios of all Scheduled banks and the share of the State Bank of India thereof:

(In crores of rupees)

	All Scheduled Banks		State Bank	
	First half of		First half of	
	1960	1959	1960	1959
Deposits—				
Time ..	+ 88.68	+119.08	+56.19	+58.15
Demand ..	+ 35.98	+ 30.12		
Advances ..	+151.00	+107.98	+49.76	+15.03
Investments ..	- 10.32	+ 6.52	+15.87	+21.33
Cash balances ..	+ 2.45	— 9.03	—14.20	—12.89

As a matter of fact the increase in deposits was smaller than that in the corresponding six months of 1959, being Rs. 124.66 crores, as against Rs. 149.20 crores. The decline was accounted for solely by time deposits, which, as will be seen from the table above, rose by only Rs. 88.68 crores, as against Rs. 119.08 crores in January-June 1959. This was due, presumably, to the cut of ½ per cent. in deposit rates under the inter-bank agreement (revised in September 1959) and to diversion of funds for investment in equities which were experiencing boom conditions. The break-down figures of deposits for the State Bank of India are not available, but the fall in the pace of increase in the deposits of this Bank is attributable to the placing of all fresh P.L. 480 counterpart funds with the Reserve Bank, from 1st April 1960, instead of with it. The larger demand for credit was met by banks partly by a disinvestment of their holdings of Government securities, on which the return was low, and partly by an increase in borrowings from the Reserve Bank. It will be seen from the table that, despite an increase of Rs. 15.87 crores in the investments of the State Bank, the total for all Scheduled banks is down by Rs. 19.32 crores. This means that the other Scheduled banks must have liquidated their gilt-edged investments to the tune of over Rs. 35 crores.

The second factor which must have contributed to the rise in earnings of banks is the deduction at source of only 30 nP per rupee this year, instead of 45 nP per rupee last year, from the interest on Government securities, consequent on the changes in the tax law.

Thirdly, despite the fact that banks had to pay interest on a larger quantum of deposits, the further cut in the maximum rate of interest on deposits effected in September 1959 must have brought about a sizable saving in their expenses.

Profits Comparad

The following comparative table brings out clearly the trend of profits, before taxation, of some of the leading banks for the first half of the last three years:

(In lakhs of rupees)

Bank	Half-year ended 30th June		
	1960	1959	1958
Central Bank	65.35	43.53	42.03
Bank of India	42.65	28.11	33.14
Punjab National	45.37	42.76	41.67
Bank of Baroda	17.22	14.19	13.39
Indian Bank	22.39	19.65	N.A.
Indian Overseas	18.04	14.84	14.02
Dena Bank	10.18	6.98	7.61
Andhra Bank	7.14	6.99	5.10
Pandyan Bank	3.69	2.18	2.01

It must be added here that the profit figures for 4960, as well as for 1959, are not strictly comparable with those for the preceding years in view of the changes in the rates and the system of corporate taxation. There was a basic change in the system of taxation in the 1959-60 budget and a reduction in the rate of tax deductable at source for corporations in the 1960-61 budget.

Of the above banks, only five, namely, the Central Bank of India, the Bank of India, the Punjab National Bank, the Bank of Baroda and the Dena Bank have announced their interim dividends. While the first two have stepped up the rate of dividend, the other three have maintained it. The Bank of India was the first to annnounce an increase in the interim dividend from Rs. 3 per share of Rs. 50 or 12 per cent. per annum paid for 1959 to Rs. 3.75 per share or 15 per cent. per annum. This was followed by the Central Bank with a rise from Re. 1.90 per share of Rs. 25 to Rs. 2.10 per share. The Punjab National Bank has maintained its interim dividend at Re. 1 per share of Rs. 10, Baroda at Rs. 3.50 per share of Rs. 50 and Dena at Re. 1.86 per share of Rs. 50. The dividends for both the half-years are subject to deduction of tax. The decision of the Bank of India and the Central Bank to step up the interim dividends was not, in our view, a wise move, though the earnings of both, which have recorded a marked rise, may justify it. This is so for four reasons. First, in view of the growth in deposits and advances, it is necessary for banks to expand their owned funds. Accordingly, preference should be given to strengthening the reserves of banks. Secondly, the bankmen's claim for higher wages is before the Bank Tribunal and the increase in dividend may substantiate their demand. Thirdly, there is also the possibility of an increase in the Bank rate sooner or later. If this were to materialise, there would be a fall in the value of banks' investments obliging the banks to set apart a bigger slice of their profit to reserves. And, fourthly, the banks have been proposing an increase in the service charges as well as in the rate of interest on their advances. This claim will not carry conviction to the public or to the politicians if the banks raise their dividends. The banks can, however, argue that their net dividends are lower than those for 1958 or 1957 and that they are only trying to do some justice to their shareholders, as is the case with all other companies. Be that as it may, the investors have not been very much impressed by the apparent prosperity of banks for the current year. After a temporary spurt, bank shares have turned quiet and become friendless, again, on all the leading stock exchanges in this country.

(Concluded from next column)

the railways, loans have been granted for the expansion of iron and steel production and of electric power facilities, for the purchase of commercial aircraft, for the development of agriculture and ports and for a development bank (I.C.I.C.I.) to lend to private industry.

ANOTHER WORLD BANK LOAN TO RAILWAYS

RATE OF INTEREST LOWER

THE latest World Bank loan to the Indian railways, amounting to an equivalent of $70 million, for their improvement and expansion granted last week (on 29th July), is notable in many respects. First, it is a continued recognition of the importance of the railway programme as a central part of the second Five-year Plan, accounting as it does for one quarter of all public expenditure under the Plan. Secondly, it covers the bulk of the foreign exchange requirements for the final year of the railway programme under the Plan which is due to end on 31st March 1961. Thirdly, it is the second largest loan given by the Bank to the railways, next only to the 85-million-dollar loan given in 1958. Fourthly, it brings the total loans granted to the Indian railways so far to the largest amount ever lent by the World Bank for a single project. And, fifthly, it is given at a slightly more favourable rate of interest than the previous loan in July 1959.

As in the case of the previous loan, the latest one is for a term of twenty years, but it bears interest at the rate of 5¾ per cent. per annum, including the one per cent. commission which is credited to the Bank's special reserve, as compared with 6 per cent. which last year's loan carries. The reduction in the rate of interest is in consonance with the recent trend of interest rates in the U.S. Six private commercial banks are participating in the loan without the World Bank's guarantee to the extent of $2.5 million, representing the first maturity and part of the second which falls due between January 1964 and July 1964.

Eighth Loan

This is the eighth loan granted by the World Bank to the Indian railways and brings the total to $328 million, the largest amount lent by it for any single project. The first loan to the railways was, it will be recalled, made in August 1949 for $32.8 million and since then the Bank has made seven loans, aggregating $295 million, to assist the financing of the Indian railways' expansion programme during the second Five-year Plan. The following are the details of the various loans granted so far to the railways by the Bank:

Date of loan	Maturities	Rate of Interest* Per cent.	Loan amount (In million $)
August 1949	1960-1964	4	32.80
July 1957	1961-1972	5¾	24.00
Do.	"	"	19.11
Do.	"	"	11.20
Do.	"	"	35.70
September 1958	1963-1979	5½	85.00
July 1959	1963-1979	6	60.00
July 1960	1964-1980	5½	70.00

*Includes the commission of 1 per cent.

The total investment in the railway programme in the first four years of the second Plan is estimated at Rs. 870 crores ($1,827 million), of which Rs. 230 crores ($483 million) are expected to be expended during the current year of the Plan. Of the total amount, foreign exchange requirements are now estimated at $718 million, of which 40 per cent. will have been supplied by the World Bank and another 20 per cent. from other external sources. The original estimate of foreign exchange cost of the programme was $893 million, but this has been progressively reduced to the present figure of $718 million, thanks to the increased availability of railway equipment manufactured in India. Of the Rs. 230 crores to be spent during the current year, foreign exchange cost for purchases will account for Rs. 40.5 crores, of which the latest World Bank loan will provide Rs. 33.3 crores and will be used for the purchase abroad of rolling stock, track material and other equipment.

It will be recalled that representatives of the Governments of Canada, Germany, Japan, the U.K. and the U.S. first met at the invitation of the Bank in August 1958 to seek ways of helping India to meet the foreign exchange requirement of the remaining years of the second Five-year Plan. At that time, the Bank indicated its intention of extending to India loans of the order of $225 million for the then remaining 2½ years of the Plan. Actually, the World Bank has lent $255 million, of which $225 million are expected to be disbursed when the Plan period ends on 31st March 1961.

The World Bank has so far made 24 loans to India, aggregating $662 million. In addition to

(Continued in previous column)

B - AUG 1960

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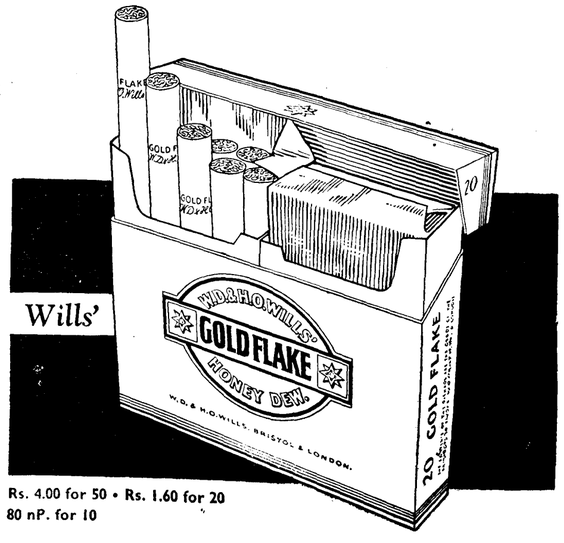

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MODERNISING TEXTILE INDUSTRY—I

LABOUR PROBLEMS INVOLVED AND THEIR SOLUTION

THERE is a section of opinion in India, including some belonging to the Party in power, which continues to oppose tooth and nail any attempt at modernising the cotton textile industry. The opposition stems from either political considerations or ignorance. Whenever the need for modernisation of mills is urged, this section immediately reacts violently and raises, among workers, the ghost of unemployment and other dangerous consequences solely with the object of securing their support for party ends. Only recently—on 12th July—the leftist *Mumbai Girni Kamgar Union* organised a one-day strike in mills as a mark of protest against rationalisation; the strike was, of course, not successful. By opposing modernisation of cotton mills time and again the so-called trade union leaders are only working against the interests of workers, because, so long as the mills are forced to work old and outdated equipment, the wages and living conditions of workers cannot be expected to improve in real terms. The introduction of new machines and methods no doubt creates some labour problems but these can be solved satisfactorily provided there is agreement between employers and employees and the atmosphere of cordial labour-management relations prevails in the industry.

Those who oppose modernisation of textile industry will do well to ponder the interesting observations made by no less an authority than the International Labour Office in the course of an article published in the June issue of the *International Labour Review*. The article reviews some of the plans for modernising the textile industry introduced in a number of countries and, in the light of technical developments taking place in the industry, discusses the labour problems arising from them. Since many of the developing countries start their industrialisation by establishing cotton textile mills, there has been a gradual shift in the location of the industry towards these countries accompanied by a contraction of the industry in a few older manufacturing countries. Some of the resulting problems such as those relating to redundancy, application of work study methods, training, working conditions and labour-management relations are found everywhere. The article describes how far these problems have arisen and gives examples of the solutions found for them. It is proposed to refer here to the general findings of the I.L.O., leaving its observations with reference to India to be covered in the next issue.

Three Important Considerations

At the very outset, the I.L.O. review lays stress on the three important considerations which invest the need for modernising the textile industry with urgency. In the first place, being an old-established one, the industry has operated for the most part with antiquated machinery and traditional methods. Secondly, the development of textiles in new areas has had the effect of converting large consuming countries into producers. The textile industry in the industrially advanced countries is specially vulnerable to competition from these new comers, since it has a relatively high labour-content. Naturally they find that modernisation is necessary to make their products competitive in the world market. Moreover, in conditions of full employment prevailing in the industrially advanced countries, installation of automatic machinery is also found to be essential to combat increasing labour costs and, in some cases, labour shortage. The third consideration is the growing use of man-made fibres in the production of textiles either alone or along with the older natural fibres. The percentage share of cotton and wool in the total world consumption of fibres has fallen from 72.7 and 12.5 in 1949 to 70.1 and 9.4, respectively, in 1958, while that of man-made fibres has risen from 14.8 to 20.5. Apart from increased use, a large variety of man-made fibres has made their appearance. The effect of their introduction and the greater use of mixtures of different fibres have resulted in the development of new machines and processes, as well as in higher skill requirements of operatives.

The I.L.O. review refers to some of the distinct developments that have greatly altered the technique and character of the textile industry during the last few years. It observes:

"Broadly speaking, the main aim of introducing technical improvements is to strengthen the yarn and reduce breaks. This improves the quality of the yarn and enables a single worker to handle more machines; it is also a necessary preliminary to the efficient use of more automatic machinery. The most important improvements may be briefly summarised as 'continuous machinery' (single-process systems) for 'opening' the raw cotton and wool, instead of separate machines; wider 'cans' and carding machines, which make it possible to process more slivers with less machines; 'short processing' in spinning, by which a number of speed frames are eliminated; further mechanisation in winding operations; automatic looms; new weaving machines; continuous bleaching and dyeing; and new finishing processes. Among new weaving machines, the Sulzer-type loom using a small metal shuttle to pull the weft thread off a large motionless cone from one side of the loom gives an increased output and offers great scope in the saving of labour, since the weight of the conventional shuttle is widely regarded as the main obstacle to any great increase in loom speed. A water jet loom which also dispenses with the shuttle as a means of inserting the weft has been in operation in Czechoslovakia. This also offers great possibility for increasing productivity, especially in the mass production of nylon fabrics. However, these new weaving machines have not so far made any great impact, and the automatic loom remains the greatest single widely accepted technical advance in the textile industry. ... If the full benefits of modernisation are to be achieved, systematic planning is needed. ... Taking a longer view, the advantages of modernisation in improving the quality of the product and in lowering costs are obvious, especially in countries where labour costs tend to rise."

Modernisation—Broad Trends

The problem of modernising the textile industry varies from country to country, depending partly on the stage of industrialisation reached. Generally speaking, certain broad trends emerge from the I.L.O. review. Thus, in countries where labour is abundant and capital scarce, maximum, utilisation of resources may demand that machinery should be used only when it tends to an increase in output that cannot be achieved merely by using more labour. In developing countries, which have started a textile industry since the Second World War, there is no problem of replacing old machines by modern machinery. Rather the difficulty is one of operating the modern equipment and machines successfully. Drawing attention to this aspect, the I.L.O. review rightly emphasises that, in order to introduce new techniques of production, it is not enough merely to install up-to-date equipment. Simultaneously, steps must be taken to ensure proper maintenance and operation of machinery, development of a stable labour force, efficient methods of work, equitable system of remuneration and satisfactory labour-management relations in the new technological set-up. In the industrially advanced countries, on the other hand, the problem of modernisation of textile industry is frequently one of diverting economic resources from the production of textiles and of transferring workers to new industries. It is estimated that, during the next ten years, about $200 million per annum will have to be invested to keep the cotton textile industry in Western Europe. The experience of the U.K. shows that, if a co-ordinated effort is made, excess capacity will be no bar to the introduction of a scheme of modernisation. A rough indication of the extent of modernisation so far achieved in the different countries is given by the statement relating to the percentage of automatic looms to total looms in place in the cotton and wool textile industries appearing on the next page.

In any attempt to modernise the textile industry, the main labour problems encountered in both the developing and the industrially advanced countries, according to the I.L.O. review, arise from the fact that modernisation, whether in the form of further mechanisation, automation or improved working methods, results in the need for smaller numbers of workers to produce the same output. The review goes on to observe:

"First of all, there is the fear of the workers that they will lose their jobs either because production in the particular plant has not expanded to reabsorb redundancy or because of insufficient demand for the skills of particular operatives. Attempts have been made to meet this situation by guaranteeing security of employment, or by regularating the recruitment of additional employees, or, in the event of dismissals, by offering compensation. Secondly, there is anxiety about the effect of modernisation on wages and other conditions of employment, including the work-load, shift working and hours of work. Thirdly, there is the question of ensuring that the changes are introduced smoothly and that the abovementioned preoccupations do not affect adversely production and human relations within the factory. This is basically a question of maintaining satisfactory labour-management relations... It is obvious that they (these problems) are very closely interrelated; the action taken by management to ensure that redundant labour is speedily reabsorbed into employment affects the relations between labour and management in the factory; likewise, the manner in which modernisation is introduced and the effect it has on conditions of employment also affect relations. Conversely, good labour-management relations make it possible to bring about changes associated with modernisation smoothly."

Dealing With Labour Problems

It is apparent from the I.L.O. review that a number of measures have been taken to deal with the aforesaid problems. Steps to avoid or minimise redundancy include regulating the pace of modernisation, inter-departmental or inter-factory transfer of workers, working additional shifts or extending the operations of the mill. In cases where redundancy is unavoidable, practices and procedures of dismissals have been evolved, so as to avoid injustice and hardship as far as possible. No standard measures can, of course, be applied to meet the problem of redundancy, since the policy adopted must depend on the situation in each mill. By and large, however, it may be said that, if workers displaced as a result of modernisation cannot be reabsorbed in the same undertaking, action must be taken, as the I.L.O. review points out, at the level of the industry, or by the State, to provide alternative employment.

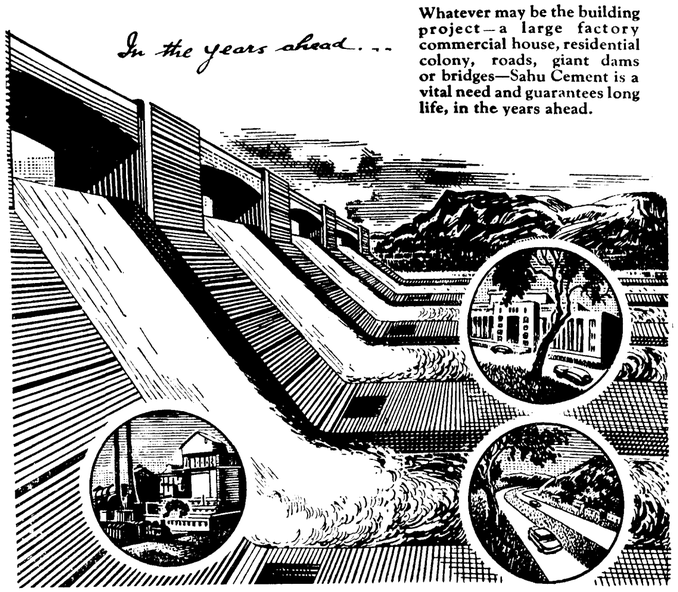
Compensation payments are, in some cases, made to dismissed workers under legislative provisions or collective agreements. Some compensation schemes provide for the payment of higher initial benefit and instalments spread over a period, with a view to affording more security to dismissed workers while they are in search of alternative jobs. Suggestions have been made to set up separate funds to meet the expenses of displacement, thus recognising the principle that the society which benefits from modernisation should also share in its costs. In this connection, the need to encourage labour mobility and to link modernisation schemes to general plans for industrial development and the location of new industries has received attention. Alluding to this aspect, the I.L.O. review makes the following observations:

"Despite the lack of mobility of textile workers and their reluctance to change their employment and domicile, transfer to other industries undoubtedly offers the best solution for redundancy in old-established textile industries which are on the decline; but it requires measures to facilitate vocational retraining and, where necessary, the establishment of new industries in declining textile regions. This is a field in which initiative lies primarily with Governments. It is significant, however, that, in France, under an agreement concluded in 1953 between the employers' organisation and the workers' unions, a resettlement service for industrial establishments in the cotton textile industry was established to assist discharged textile workers to find jobs. It was the function of this service to draw up a list of textile mills that had ceased, or were about to cease, operations in particular areas, to discover an alternative activity that could be carried on on the premises, to find an *entrepreneur* to undertake the experiment and to obtain the capital required. Experience in other industries shows that measures to facilitate transfers of workers to other regions should include the refund of the removal expenses of the worker and his family, the payment of installation grants, and a guarantee that proper housing will be available and that the worker's new job affords some security."

Percentage of Automatic Looms to Total Looms in place

Country	Cotton Industry		Wool Industry	
	1958	1952	1958	1952
India	7.9	4.6	1.7	..
Japan	18.6	17.9	..	..
Argentina	67.9	63.5	..	..
Australia	69.7*	63.1†	35.2	29.9
Austria	30.9	9.8	4.9
Belgium	50.2	29.8	12.9	..
Brazil	31.4	8.1	..	..
Canada	99.6	97.4	74.0*	67.3
Denmark	75.8	40.2	..	..
Finland	66.1	41.4	..	..
France	53.8	40.9	24.0	16.6
Germany (West) ..	31.2	..	10.8*	..
Greece	46.2	46.0	..	..
Italy	56.4	36.2	5.0	4.6
Mexico	41.1	22.1	..	..
Netherlands	32.6	19.2	13.3	13.2
Norway	83.2	52.1	21.0	19.5
Portugal	17.5	7.5	0.9*	0.5
Spain	16.1	10.0	4.4	3.9
Sweden	92.1	84.8	27.4	21.6
Switzerland	62.9	50.8	..	..
U.K.	18.3	9.8	24.4	19.3
U.S.	100.0	100.0	85.5	83.4
U.S.S.R.	42.5	36.7	..	..

N.B.—The figures for Japan include a large number of looms in small mills not federated to the All-Japan Cotton Spinners' Association.
* Based on 1957 figures.
† Based on 1953 figures.



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Organising Production

Once the problems of labour displacement and redundancy, together with the associated issues relating to compensation as well all transfer of workers to other occupations and industries are solved and modernisation is under way, the main day-to-day problems centre round methods of organising production efficiently in the new set-up. The most important among them are those concerning application of work study methods, provision of appropriate working conditions and conditions of employment, and reorganisation and retraining of personnel to suit new methods. Work study methods are applied to an increasing extent in the textile industry. These have resulted in a more efficient use of manpower and machines and in more equitable systems of wage payment. While no general solution has been found to the problem of sharing the benefits accruing from modernisation, there is increasing recognition that changes in skills and responsibilities and working conditions do occur, and these should be reflected in the wages of the workers concerned. Improved training schemes have been introduced and it is generally agreed that retraining should be provided for displaced textile workers, in order to help them to obtain new employment.

In undertaking the various measures connected with modernisation, close co-operation between labour and management is necessary to avoid friction and dislocation. Practices and procedures for consultation between their representatives have, in fact, been established. In this connection, permanent machinery for consultation has been found to be particularly useful. Since modernisation schemes have to be planned in advance and are limited by the amount of capital available for investment, the supply of textile machinery and shortages of properly trained personnel, the labour problems involved can be foreseen and measures taken sufficiently far ahead. If this is done and if both the managements and the workers adopt an attitude of "give-and-take," the pace of modernisation of cotton textile industry will be not only quite smooth but also fairly quick.

ANNUAL REPORT OF BOMBAY MILLOWNERS' ASSOCIATION

The latest Annual Report of the Millowners' Association, Bombay, namely, that covering the year 1959, gives, as was done by its predecessors, much useful information pertaining to the textile industry in India. Part I of the Report contains an interesting review of the trends in Indian economy during 1959, with particular reference to the conditions in the textile sector. It also contains some of the important legislative enactments and the views expressed by the Association from time to time on these, as well as on the several aspects of the official textile policy. Part II of the Report includes the proceedings of the Association's annual general meeting, the budget speech of the Union Finance Minister on 29th February 1960, and rules and regulations of the Association, etc. Further, the statistical tables relating to the size of the cotton industry in India, U.S., U.K., Germany, Japan and China, trend of cotton, yarn and cloth output in India, exports, taxes and other subjects have been brought up-to-date.

The cotton textile export incentive scheme has been extended to cover ropes, tapes, newar, twine, webbings and braids manufactured out of cotton yarn. Thus, with effect from the quarter April-June 1960, exporters of these articles will be entitled to import entitlements of 10 per cent. of the f.o.b. value of the articles exported. Coal tar dyes, textile chemicals, etc., imported under the scheme will have to be sold only to any unit of the textile industry. Licences will be granted by the Joint Chief Controller of Imports and Exports, Bombay, once in a quarter on the basis of exports effected in the preceding quarter.

The Orissa Textile Mills *Mazdoor* Union, affiliated to the All-India Trade Union Congress, and the management of the Orissa Textile Mills Ltd., Choudar, the biggest textile mill in the State, have signed an agreement for the implementation of the Central Textile Wage Board recommendations. As a result of this agreement, signed on 26th July, the workers of the O. T. Mills, numbering about 5,000, would get an additional annual wage increase amounting to Rs. 5.50 lakhs.

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Life Insurance Corporation of India

CREDIT CURBS AFFECT TEXTILE TRADE

BUT NO EMBARRASSING STOCKS STILL

From Our Special Correspondent

MANCHESTER, 26*th July*

SPINNERS and manufacturers in Lancashire have now had rather more than a full year's trading on favourable terms, even though some of the orders booked in the summer of 1959 were at little more than barely economic rates. With the pressure for supplies which emerged so forcibly during the autumn of last year and developed to a substantial extent in the final quarter of 1959, the quantity of business done reached a size rarely equalled since the war. Subsequently, the majority of producers have been able to keep their heads well above water and have made remarkable progress in adding to their order lists and putting down additional contracts on extremely remunerative terms. Within the past two or three months, however, this steady improvement in the offtake has met with some setbacks.

MANCHESTER LETTER

Economically, the nation has been beset with problems and the Chancellor of the Exchequer has had to introduce monetary measures which have been by no means favourable to free trading. It remains to be seen what further action may be necessary to restore the country's balance of trade, but, in the meantime, customers tend to be cautious and the cotton trade has been affected as much as other industries. Curtailment of credit, which had a very sharp impact on the general flow of business only a few weeks ago, can have a varying reaction on different trades. Already there have been signs that the sales of relatively expensive durable goods, including cars and many electrical household products, have been curbed by the measures adopted, whereas less costly consumer products, such as those in the textile range, have not suffered to the same extent.

Uncertain Prospects

At this time of year, there is always at least one cotton mill town of consequence away on holiday and, as a result, output of yarn and cloth must be regularly restricted. The attitude of customers is affected by such circumstances, while, in addition, during 1960, the outlook is rendered more obscure by the anxiety over international trends. Consumers, whatever their individual view of events, must be affected by the mood of international politics and their attitude towards purchasing has undoubtedly been governed by the uncertain outlook.

Home trade operations are now more than ever reflected in the ability of retail customers to buy their requirements over the shop counter. Last year, the wonderful weather was an important factor in clearing retailers' shelves to such an extent that the pipelines were emptied on a massive scale. This year stocks were built up in hopeful anticipation of another rush to buy and, at first, the ambitions of salesmen and distributors in all branches were not disappointed.

With traders so dependent on the home market and the whole chain of production and merchanting so much at the mercy of the vagaries of Britain's notably fickle climate, forecasting the rate of mill activity tends to be coupled with the role of a weather prophet. Nevertheless, despite the storms and periods of depressing atmospheric conditions, the general public has rallied round the shops and made extensive purchases of clothing. Perhaps the offtake has not been quite as staggering in its intensity as it was last year, but there is still time in an English summer for the mood, and the climate, to change in no uncertain manner. Clearances so far have been well up to average and there are no embarrassing stocks to keep merchants awake at nights.

Sometimes in the past when business has been slack, traders have found time hanging heavy on their hands. Not so, in this day and age, at least for spinners and manufacturers who have little time to spare for contemplation, unless it be deep thought on how best to re-equip to get the maximum advantage from the opportunity presented by the modernisation subsidy and the wisest way to redeploy their labour.

Looking Ahead

In the midst of the transition from an overweight industry on the machinery side to a lither and more resilient figure, the persistent imports of foreign goods have received less attention than at one time. The half-year's totals for 1960 may serve to re-emphasise their volume on the minds of traders. Full order books and lengthy delivery terms are conducive to a more docile frame of mind.

Swiftly enough, the time will come round for fresh arrangements to be made to deal with purchases from the Eastern Commonwealth countries, while the mounting arrivals from Continental mills still go unchallenged. Lancashire, as Mr. K. O. Boardman has lately pointed out, will be one of the first areas to be hit by a return to keen competition, because local prices are among the dearest.

Certainly any firms which regard modernisation of machinery as an unnecessary expense will find that their "penny-wise and pound-foolish" policy will pay no dividends in the long run, both literally and metaphorically speaking. To be fair to the Lancashire trade, however, the response to reorganisation has displayed a spirit unknown for a generation or more and, in practically every sphere, there is a mood of determination which was singularly absent before the fundamental changes which swept the industry during 1959.

Output Averages

Any assessment of production figures at this time of year is bound to create complications because of holiday influences. Even the May returns could not be correctly judged because of the incidence of Whitsuntide. As a result, it is preferable to take the aggregate of the five months, if some comparison is to be made with the 1959 level of production.

To the end of May, total output of single yarns was 319,300,000 lbs., an increase of nearly 14,000,000 lbs. on last year's rate. The weekly average of 15,560,000 lbs. was the highest since November and has only been exceeded in two months since the beginning of last year. As compared with 1959, output of woven cloth has also increased, in the first five months of this year, the total of 815,900,000 yards was 35,000,000, higher than in 1959. In both yarn and cloth, the gains made in the man-made fibres section and mixtures were more pronounced than in purely cotton goods. May cloth production of 39,150,000 yards weekly was lower than in the first two months of the year and substantially below the peak rate of over 41,500,000 yards per week in October last.

For the second successive month, the number of operatives on the books of employers showed an advance—this time, of 560, after a rise of 1,020 in April. The chief gain over the two months has been in the weaving branch, where manpower has risen by over 1,300. The total labour force at the end of May in spinning, doubling and weaving was 185,470, exactly 16,000 fewer than at the same date in 1959.

Printers and Scottish Works

An urgent plea to the Calico Printers' Association not to close down the newly-acquired United Turkey Red dyeing and printing works in Dumbartonshire was made in Manchester last week by a nine-man Scottish deputation, led by Mr. Tom Steele, M. P. for Dumbarton West. The deputation made up of officials of four textile trade unions and three workers appointed by the 1,350 employees at the Vale of Leven factory, made its representations about the future of the works in talks lasting 90 minutes, with Mr. Roger M. Lee, the Chairman of C.P.A., and two of his directors.

The United Turkey Red Company was recently purchased by C.P.A. in a £547,000 deal. The takeover moves led to reports that the new owners intended to close the works, and questions were raised about it in Parliament. A joint statement issued after the meeting said: "Mr. Lee gave an assurance that the matters raised by the deputation would be given very serious consideration when the directors of C.P.A. were in a position to make a decision." Association spokesmen had already indicated that there was at present no question of closing the Vale of Leven works. Its future could not be considered until the full effect of the cotton reorganisation scheme was known.

At the annual meeting of the United Turkey Red Company, a statement from the Calico Printers' Association said that no undertaking had been given regarding the continued operation of the Scottish print works. If it should be decided to close the works under the reorganisation scheme, due notice would be given to all employees affected, who would become entitled to financial compensation for loss of employment. If the company continued to operate with the print works in production, there could be no prospect of early dividend for any shareholders because of the large debit balance.—*All Rights Reserved.*

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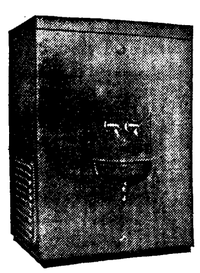

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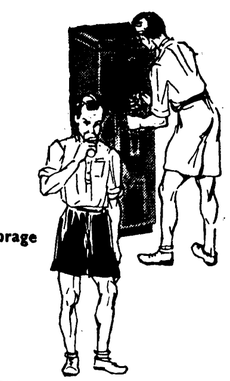

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SUGAR INDUSTRY AND MOLASSES DISPOSAL

THIRD PLAN TARGET FOR ALCOHOL

WITH plans for expansion of sugar industry in the coming years and establishment of a large synthetic rubber factory at Bareilly in Uttar Pradesh, coupled with the increasing tempo of manufacture of innumerable goods based on alcohol, the scope for development of alcohol industry will, indeed, be quite considerable. The production target for white sugar, to be reached in the last year of the third Plan (that is, 1965-66), is three million tons. Even on the basis of this conservative target, the recovery of molasses, the thick brown liquid left after the crystals are removed from the motter liquor which is the basic raw material for alcohol, will be of the order of more than 1.1 million tons—1,144,000 tons according to one estimate—an increase of 369,000 tons as compared with the actual recovery obtained in 1958-59. This quantity (1.1 million tons) will be sufficient to produce 64 to 65 million gallons of power and industrial alcohol, taking the standard yield of 57.16 gallons per ton of molasses.

Alcohol, as readers are aware, is widely used for various industrial purposes. Besides its utilisation in blended fuels, it finds use in alcohol lamps, anti-freeze for automobile radiators, bronzing liquids, cleaning fabrics, glass, etc., in disinfectants, dyes, enamels and etching, for scientific purposes, inks, lacquers, oil-refining, paints, varnishes, perfumes, soaps, soldering fluxes, water-proofing compounds, etc. The synthetic rubber plant, now being erected at Bareilly in U.P. alone is expected to consume as much as 14 million gallons of alcohol per annum, the consumption rising to 20 million gallons when the annual capacity of the plant is stepped up from 20,000 to 30,000 tons. What is more, to the extent the alcohol industry expands and develops, there will be an economical disposal of the surplus molasses of sugar factories which, incidentally, will go to reduce the cost of sugar production.

Doubling Production

In view of the prospects of plentiful supply of molasses in the third Plan period and considering the almost unlimited number of industrial uses of alcohol, the draft outline of the third Plan has naturally accorded a notable role to the development of the alcohol industry. The production target to be reached in 1965-66 is fixed at the liberal level of 50 million gallons (power and industrial alcohol) which is double the estimated output of 25 million gallons in 1960-61 (last year of the second Plan). In order to secure this additional quantity, the draft outline envisages an expansion in the installed capacity from 45 million gallons (estimated) in 1960-61 to 60 million gallons in 1965-66. It is, however, not stated as to how the proposed increase in capacity is to be brought about, whether by permitting the existing distilleries to expand or by licensing the setting up of new ones or through both. It is needless to add that, whatever be the pattern of development, due care must be given to see that adequate supply of molasses will be available. New alcohol distilleries must be allowed to be installed only near sugar mills. Further, only those distilleries that are situated near sugar mills at present must be permitted to expand their capacity.

Equally obvious is the need for creating conditions favourable to the fulfilment of the target. This aspect needs to be stressed, because of the considerable idle capacity that continues to exist in the alcohol distilleries. The actual extent of idle capacity in 1959 was as much as 53 per cent. in power alcohol and 46 per cent. in industrial alcohol (commercial spirit). The following figures relate to the installed capacity and actual output of alcohol during 1959, as compared with 1956 and 1950 (base year of the first Plan):

(In million gallons)

	1959	1956	1950
Power Alcohol—			
Installed capacity	16.45	14.35	9.33
Production	7.74	10.27	4.50
Industrial Alcohol (rectified spirit only)—			
Installed capacity	14.42	12.35	12.04
Production	7.78	4.21	3.44

N.B.—The installed capacity is calculated on the basis of three-shift working and 300 working days in a year.

It is thus evident that, over the three-year period from 1956 to 1959, the installed capacity of power alcohol sector rose by over two million gallons, while the actual output declined by 2.53 million gallons; in the case of rectified spirit, however, there was a rise of 3.57 million gallons in output. The decline in production is traceable to three important factors; (1) inadequate and irregular supply of molasses, (2) delay in the disposal of alcohol stocks, and (3) low prices fixed for power alcohol. Drawing attention to these factors in the development programme for alcohol industry under the second Plan, the Planning Commission said:

"The major problem facing the industry is stated to be the unremunerative price of power alcohol. Difficulties in the supply of molasses are also responsible for the intermittent working of some of the distilleries, but these have been overcome to some extent.... As regards industrial alcohol, the diverse excise rules and regulations existing in different States and the varying rates of duty and other charges levied on this commodity have also created many difficulties which have, perhaps, stood in the way of developing larger industrial uses for alcohol. The industry is also called upon to pay penalties when losses of spirit occur in transit. With the introduction of prohibition in some of the States, these restrictions have become all the more rigorous and have had the effect of hampering the progress of the industry considerably."

Controls

The difficulties mentioned above still persist, notwithstanding the recommendations of the expert committee on alcohol industry. In particular, the molasses problem continues to give a lot of trouble to the sugar mills. Only last week, we referred in these columns to the presidential speech of Mr. F. Edwards at the annual meeting of the Decan Sugar Factories Association in the course of which he drew attention to the aggravation of difficulties by the recent orders of the State Director of Prohibition and Excise requiring the sugar factories to give eight days' notice in advance before they load molasses in tank-lorries or wagons outside office hours.

If the pace of progress of alcohol industry is to be accelerated in the coming years, it is imperative that the Prohibition Acts in States are so amended as to make the controls on both molasses and alcohol less vexatious and harsh. Also, the Government of India may consider the question of raising the ceiling on the basic ex-distillery price of alcohol which is only 80 nP per gallon for alcohol of 99.5 per cent. strength and 78 nP per gallon for alcohol of 96 per cent. strength, besides an additional allowance of 37 nP per gallon in both cases to cover the average actual transportation cost incurred on molasses. The adoption of these measures will not only result in better production performance by alcohol distilleries but also enable the sugar mills to dispose of their surplus molasses easily."

SUGAR PRODUCTION AND STOCKS

Sugar production during the month of June 1960 was 7,000 tons, whereas no sugar was produced in the same month last season. The total output for the season 1959-60 upto the end of June 1960 was 2,401,000 tons, as against 1,904,000 tons produced in the corresponding period of the previous season.

The offtake of sugar from factories during the month of June was 198,000 tons, as against 173,000 tons a year before. The total despatches upto 30th June 1960 amounted to 1,322,000 tons, those in the same period last season being 1,402,000 tons.

The total closing stock of sugar with factories as on 30th June 1960 was 1,224,000 tons, as against 833,000 tons a year before.

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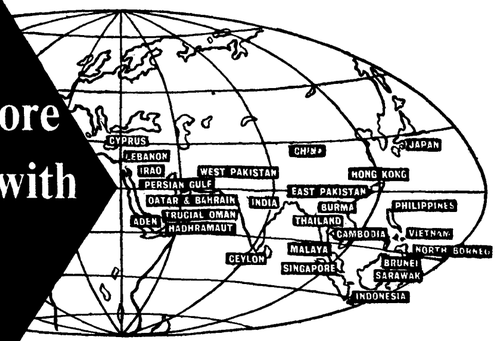

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NO CHANGE IN FLOOR AND CEILING PRICES OF COTTON

MORE IMPORTS TO KEEP DOWN PRICES

THE categorical statement of Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, at the meeting of the Cotton Textile Consultative Board, should put an end to all speculation regarding the Government's policy on the floor and ceiling prices of cotton for the 1960-61 season. Addressing the Board's meeting held at New Delhi on 30th July, Mr. Shastri said that, in view of the paramount need to hold the price line, the Government had decided to maintain the ceiling and floor prices unchanged in the coming season also. This decision has come as a bitter disappointment to the cotton trade, which had thought that there were very good reasons for raising the floor and ceiling prices, if not for abolishing the ceiling altogether, and had fondly hoped that the Government would see the logic of their contention and act accordingly. Representatives of the trade had pleaded with the Government to do away with controls on prices on the ground that they could not be enforced when there was scarcity of cotton and that they were not needed when the supply was abundant. Since abolition of control on price was unacceptable to the Government, it was suggested, as an alternative, that the ceiling prices of cotton should be raised so as to induce larger production of cotton and also to make it possible for trading to be done within the limits set by the law. The illogicality of controlling cotton prices, when neither the price of *kapas* (unginned cotton) nor of cloth (manufactured cotton) was controlled, was also adduced in favour of the plea for decontrol of cotton.

None of these arguments seems to have carried conviction with the Government which seems to fear that any increase in the ceiling would add to the inflationary pressure to which cloth prices are already subject. It has, therefore, decided to maintain the ceiling prices unchanged and, at the same time, allow more cotton to be imported, so as to bring down prices. It is significant to note that, on the very day the Government announced its decision to keep the floor and ceiling unchanged, it also signed a fresh agreement with the U.S. for importing an additional 400,000 bales (of 400 lbs. each) of American cotton under P.L.480. It also disclosed that arrangements had been made to license the import of a further 200,000 bales from usual commercial sources. Two-thirds of the 400,000 bales to be imported under P.L.480 would be available in staple lengths below 1-1/16". This, obviously, is meant to make good the deficiency in indigenous supplies. The aforesaid 600,000 bales of cotton are over and above the 1.18 million bales already permitted for import during 1959-60, making the total for the season 1.78 million bales, as against the normal imports of 600,000 bales.

Some Difficulties

It is clear, therefore, that the Government's policy is to keep the ceiling price unchanged and, at the same time, liberalise imports further, so that, by easing the domestic supply position, prices could be kept under control. In the context of the Government's anxiety to control the general level of prices, this policy is understandable and perhaps, in the circumstances, the only feasible one. But it will not have its desired effect, if efforts are not made to expedite imports of cotton. One of the difficulties in importing cotton, over which the trade has of late been much worried, and to which Mr. Madanmohan Ruia, President of the East India Cotton Association, drew attention, in his address to this year's annual meeting of the Association held at Bombay last week, is the lack of fumigation facilities for U.S. cotton. Large imports of American cotton are said to have thrown fumigation arrangements at the ports of Bombay, Madras and Cochin out of gear. The trade and mills are facing difficulty in getting the cotton, as the bales remained in quarantine for a long time before they were fumigated. Large quantities of U.S. cotton are said to be lying uncleared in the ports. This not only involved additional cost to importers but considerably delayed the actual delivery of cotton to mills.

The delay in the issue of import licences is yet another difficulty. Although liberal quotas have been announced, unless licences are issued promptly and early shipment facilitated, mills cannot switch on to foreign cotton as and when indigenous growths become non-available. An idea of the extent to which actual shipments lag behind quota announcements, can be had from the fact that, though the quota announced so far in the season aggregates 1.78 million bales, the quantity licensed, till 7th July 1960 was of the order of 1.09 million bales and actual arrivals still lower at 701,810 bales. Consequently, mills have had to draw down their stocks heavily, with the result that the carryover at the end of the present season is expected to decline to 1.21 million bales, comprising 857,000 bales of Indian and 360,000 bales of foreign cotton which will perhaps be the lowest on record since 1947 and hardly sufficient for three months' consumption.

Assuming that there will be no decline in textile mill activity, all available domestic and foreign cotton of stapling 1" and below contracted for thus far will be consumed by the middle of November. New crops will become available only by the end of November or early December or even thereafter if the crop is delayed. This underlines the need for speeding up imports and to keep the supply lines full. Unless this is done, the price trend will continue to be firm and no amount of exhortation and threat of requisition of stocks will bring down prices.

WORLD COTTON FAMINE?

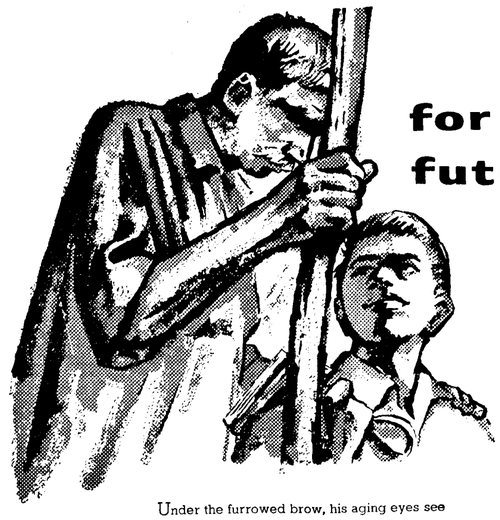
While the free world is still obsessed with the problem of cotton surplus, there are some who fear a cotton famine in the not distant future. A Manchester firm of cotton merchants has advanced a bold theory about future trend in raw cotton supplies. According to this firm, "in a few years' time, there will not be too much cotton in the world but too little." Posing the query as to whether cotton producing countries will have much for export after providing for their ever-expanding industries, it points out that Russia, Egypt, the Sudan, Iran and Peru are retaining more and India and Pakistan are only allowing exports of the lower grades.

With the marked rise in spinning and weaving capacity in numerous areas, which were at one time designated 'underdeveloped,' it is more than likely, according to the firm, that raw material supplies will be eagerly consumed within the country of origin, leaving a smaller residue for disposal abroad. In the circumstances, normal laws of supply and demand should lead to dearer rates for raw cotton. With so much Governmental interference and manipulation, adds the firm, it is hazardous to make more than a long-term guess at price prospects. But it feels that prices will probably be maintained for good quality cotton for another year, while supplies of poor character, which the spinners fight shy of, will be offered at bargain prices.

TEXTILE COMMISSIONER'S ORDER CHALLENGED

Verbal protest against the Cotton Control Order, issued by the Textile Commissioner in May last, prohibiting sale of cotton above the ceiling price and requiring sellers to apply to the above-mentioned officer for the nomination of buyers with effect from the 1st inst., having found to be of no avail, some traders are now turning to courts of law to get the order quashed. Admitting a writ petition, filed by a cotton merchant of Tirupur, Coimbatore district, Madras State, challenging the validity of the Textile Commissioner's notification issued through the Director of Handlooms, Madras, the Madras High Court ordered, on the 2nd inst., interim suspension of the notification. The petitioner contended, in his affidavit, that the notification affected his fundamental right to carry on trade. The affidavit said, *inter alia*:

"The Textile Commissioner issued a notification dated 13th May, 1960 under which all persons desiring to sell cotton to a manufacturer should apply to the Textile Commissioner for his nomination of a buyer. The notification requires the sale to be effected to the nominee at the maximum price determined by the Textile Commissioner's Appeal Committee. From this decision, no appeal has been provided. The conferring of powers determining the prices on a group which is exclusively representative of the buyers, and which is responsible to no person, and whose decision is final amounts to deprivation of property and imposition of unreasonable restriction, on the right and freedom of trade, and busines guaranteed under the Constitution. By the latest provision insisting on sales being made by stockists only to nominees of the Textile Commissioner, my entire trade, as also that of several others, is sure to be affected adversely."



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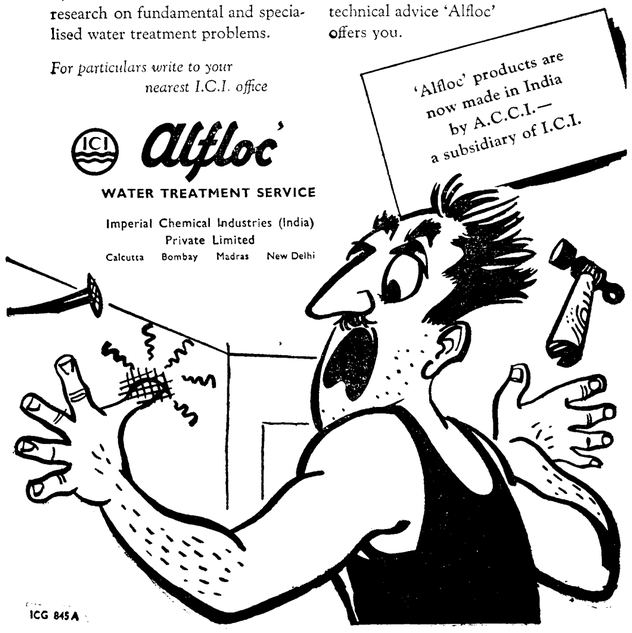

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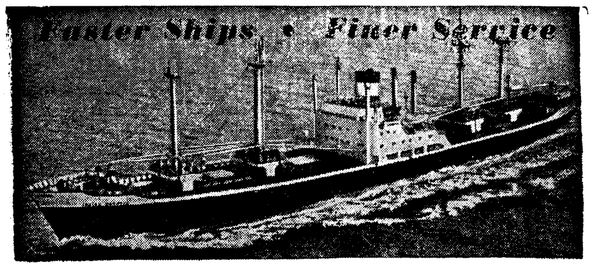

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INDIAN INSURANCE COMPANIES' ASSOCIATION

CHAIRMAN, MR. JAYANT DALAL, HIGHLIGHTS GENERAL INSURANCE PROBLEMS

SURVEYING the recent trends in general insurance business, Mr. Jayant S. Dalal, Chairman of the Indian Insurance Companies' Association, in the course of his address at the Thirty-second Annual General Meeting of the Association, held on the 2nd August 1960 at Bombay, observed that the slight improvement in the rate of growth in general insurance in relation to industrial production in the country, which had taken place in 1958, was heartening. But he felt that it was doubtful whether this improvement would be maintained in 1959, the final figures for which had not yet become available. A notable feature in the general insurance field in the 1953-58 period, he pointed out, was that the share of Indian insurers in the total business had steadily increased.

Mr. Dalal, however, felt that, in the last five years, the expansion in general insurance business had not, by and large, kept pace with the country's economic growth. Besides, the field was dominated by a few big units; the big-sized units were becoming larger and the growth of the small and medium-sized units was stunted. The larger and more powerful units, having the benefit of tied accounts, had, therefore, to adopt the principle of "live and let live" by concentrating their energies on creating new business. Such a gesture would have the salutary effect of reducing wasteful competition for business already on the books of companies and opening up new avenues in the larger interests of the market as a whole.

In the interests of creating strong groups of insurers, Mr. Dalal welcomed any movement towards voluntary amalgamation of insurance offices—that is, free from any official compulsion. Any attempt to thrust amalgamation on unwilling units would defeat the purpose it was intended to serve.

Conditions in the Market

Mr. Dalal called attention to the worsening of the situation in the insurance market, reflected in the closure of a number of companies in the past few years. If, in spite of the increased business potential, several companies had found it unprofitable to carry on, it could be only because of some basic disorder in the trade. He regretted that the endeavours made by the trade and the authorities to find a cure for the malady afflicting the trade had failed to produce any concrete result so far.

Code of Conduct

The Chairman next referred to the working of the Code of Conduct. Although it had led to some improvement in the trade, such undesirable features as wasteful competition and rebating still continued. He urged the reduction in the number of intermediaries between the client and the office and the setting up of an administrative machinery closely associated with the trade and comprising experienced personnel with sufficient authority to enforce the observance of the Code. The companies, on their part, should be prepared to accept any constructive suggestions or regulations that might be put forward in the interests of the trade as a whole. He felt that the existing formula for expenses of management under Section 40C of the Insurance Act and Rule 17E was a major factor responsible for the present scramble for business. Since even companies, well within the solvency margin and with large reserves, had received warnings for breach of the section, it was worth considering whether the right course would not be an increase in the limits prescribed under the Act or some new formula not necessarily co-related with the quantum of direct business.

Another Reinsurance Company

Welcoming the establishment of another reinsurance company, the Indian Guarantee and General Insurance Company Ltd., sponsored by the Life Insurance Corporation, Mr. Dalal said there was no doubt that the new company and the India Reinsurance Corporation would be able to provide larger reinsurance facilities than in the past. He advocated *inter se* exchange of treaties between companies. Insurers could create pools into which they might, on reasonable commission terms and with provisions for substantial profit commission, cede business either on priority basis or as a part of their first surplus. The management and retrocession of the business placed in such pools might be handed over to the two professional reinsurers in the country who might charge a small over-rider or take a small share of business. This scheme would help companies acquire full reciprocity out of quality business and also reduce the drain on foreign exchange. That such a scheme was workable was amply demonstrated by the example of the Japanese market, where the Japanese companies, through the medium of a reinsurance unit formed voluntarily, were now able to absorb almost 75 per cent. of their surpluses in Fire business and over 70 per cent. in the highly hazardous class of business like hull insurance. He appealed both to the Indian and foreign insurers in this country to give thought to this suggestion and work out some scheme in mutual consultation with the two professional reinsurers.

Tax-Free Reserves

Proceeding further, Mr. Dalal felt it was unfortunate that the authorities had not implemented the taxation Enquiry Commission's suggestion that the insurers should be allowed to add five per cent. of their annual premia to the reserves every year, free of tax, until the reserves reached 75 per cent. of annual premia in fire and miscellaneous business and 150 per cent. in marine and aviation hull business.

Commenting on the downward revision of fire insurance rates, Mr. Dalal said that it was true that fire insurance in this country had been reasonably profitable but the profits derived from this class of business were largely offset by the unfavourable experience of marine and accident business. A majority of Indian companies stood in need of strengthening their financial resources, and they would not succeed in doing so, unless they had a margin left from at least one class of business. It was surprising that, instead of encouraging the companies to increase the reserves by granting taxation relief as mentioned earlier, the authorities had compelled the trade to reduce the rates in the only class of business which was reasonably profitable and which was a source of financial strength to the companies.

Referring to the hardships experienced by insurance companies on account of restrictive policies followed by banks and other financing institutions in regard to acceptance of policies, Mr. Dalal said that while some improvement was noticeable as a result of the action taken by the Association, from time to time, the difficulties nevertheless still continued, to a certain extent. He cited the instance of the Madras Industrial Investment Corporation which insisted on companies investing a specified amount in the shares of the Corporation in order to ensure acceptance of their policies. The question was taken up with the proper authorities, pointing out the needless hardship caused to companies, in view of the large amounts remaining tied up on account of participation in the share capital of the Corporation, which many small and medium-sized units could not afford to do. It had, however, not been possible to persuade the Corporation to revise their attitude in this matter. One would have thought that a corporation operating under the aegis of a State Government would give a lead in such matters so that other institutions, who impose similar conditions hampering the growth of Indian insurance, could be prevailed upon to emulate their example by waiving the unreasonable conditions.

All-India Association

The Chairman emphasised the importance of an All-India Association of general insurers. Besides the Indian Insurance Companies' Association at Bombay, which had played a significant role in the growth of Indian insurance, there were a couple of similar bodies with a smaller membership functioning at other centres in the country. In this connection, he recalled that the Hon. Union Finance Minister, when he visited the Association at Bombay, had also stressed the need for a strong Association. He commended the suggestion for an All-India Association to the incoming Committee.

Concluding, Mr. Dalal stressed that a reorientation of outlook on the part of companies was absolutely necessary, if Indian insurance were to rise to its full stature and make its proper contribution to the task of nation-building. The larger and more powerful units, having the benefit of tied accounts, had to adopt the principle of "live and let live" by concentrating their energies on creating new business. This gesture would have the salutary effect of reducing wasteful competition for business already on the books of companies, on the one hand, and opening up new avenues of business, on the other. The acquisition cost of business must be brought down, in order that the resultant profits could be ploughed back to improve the financal position of companies. With the elimination of uneconomic competition and other undesirable features, it would be possible to offer more attractive terms and more efficient service to the insuring public.

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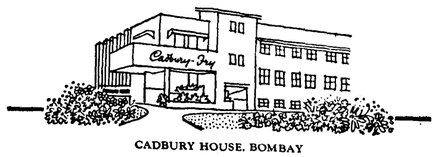

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PRICE CONTROLS AND PRODUCTION TARGETS

ARE THEY COMPATIBLE IN AGRICULTURE?

By N. Chakravarty

IT has conventionally come to be believed that direct price controls on commodities are necessary in a country attempting a rapid development of its economy by comprehensive planning. In order to maintain a balance between the general price structure and income of the people during the period of planned growth, when large-scale investments are made and vast quantities of money are pumped into the economy, direct price controls have been thought essential. National development by extensive planning is an idea of this generation. An element of force is inherent in such a planned development. This force is necessary to quicken the pace of growth and progress. Forced growth involves national investment on an unprecedented scale which naturally gives rise to an inflationary condition in the economy. Certain forms of controls are, therefore, essential to keep inflation under restraint.

Experience gained during the last world war enhanced the faith in direct price controls as a measure to curb inflation. War finances and the conditions in which expansion takes place during war years are far from normal. Planning in war emergency is not always balanced and hence lopsided growth becomes inevitable. Prices as a result tend to fluctuate irregularly, making it imperative to enforce direct price control measures, which are negative in character, to keep the price level under check. But economic expansion in peacetime is planned on an altogether different basis and, therefore, a separate code of measures to control prices should be applied during such periods.

India has completed almost ten years of planned growth and, in this period, various forms of price controls on a wide range of commodities have been tried. The National Development Council, during its recent meeting, came to the unanimous conclusion that the third Five-year Plan could be formulated only on the basis that the price line would be held. It is, therefore, proper that, when we are on the verge of launching the third Plan, the situation is reviewed, particularly after studying the impact of price policy on production of commodities and on the economy in general.

Decade's Analysis

In order to have some idea of the results of ten years of planned development, it is necessary to analyse the trend of wholesale prices as also that of production of agricultural commodities and industrial goods in relation to the increase in the quantity of money in circulation. During this period (1952 to April 1960), the wholesale price index (1952-53=100) of food articles rose from 101.0 to 117.0, that of cotton manufactures from 104.0 to 125.0 and that of all commodities from 101.0 to 120.4. In the same period, industrial production index number (1951=100) of cloth rose from 102.0 to 105.4, finished steel from 102.4 to 201.8, sulphuric acid from 89.9 to 291.8, cement from 110.7 to 244.0 and the general unadjusted index from 103.6 to 175.0. There has thus been an all-round impressive rise in industrial production, except in cloth. This is so, because annual cloth production by textile mills has been restricted by the Government at the level of 5,000 million yards. (This policy has since proved to be short-sighted but is still being continued.) The output of agricultural commodities also shows a marked increase. Annual production of rice, wheat, jute and cotton has risen by almost 50 per cent. during the nine years beginning 1951, as will be evident from the following table:

(000 tons)

	1951	1956	1959
Rice	20,300	26,800	29,721
Wheat	6,400	8,600	9,694
Groundnut ..	3,430	3,860	4,812
Gram	3,600	5,300	6,826
Cotton*	2,910	4,000	4,704
Jute*	3,280	4,200	5,158

* Thousand bales of 400 lbs. each gross.

The production of these important agricultural commodities in 1959 was, however, lower than in 1958 and results for 1960 are again unsatisfactory, with foodgrains alone being the exception. The output in the agricultural sector seems to have stagnated at the current levels.

In the period under review (1952-60 both inclusive), the quantity of money in circulation has increased by 65.6 per cent., from Rs. 1,141.11 crores to Rs. 1,883.59 crores. This apparently compares reasonably well with the increase of 72 per cent. in the general industrial production index number, but is hopelessly unfavourable in relation to the (about) 50 per cent. increase in the output of principal agricultural commodities, especially when viewed against an increase of 16 per cent. in the population in the last nine years. The enormous population growth has, naturally, substantially neutralised the advantage gained by the increased production in both agricultural and industrial sectors. The resultant rise of 20 per cent. in the wholesale price index within this period is, therefore, understandable. It was, indeed, inevitable.

Differing Approaches

Notwithstanding the increases in our production, prices, in general, have been going up without respite. Since 1956, the wholesale prices have risen by about 23 per cent. and this rise is mainly due to the increase in prices of foodgrains. Events in the past few years have clearly established that high prices of foodgrains alone can cause a great imbalance in the economy. They have also shown that production in the agricultural sector has fallen far short of requirements. The foodgrains production target of 80.4 million tons, for example, in the second Five-year Plan has simply remained unattained. The industrial sector, on the other hand, has achieved greater success and production in many cases has almost reached the planned targets. Despite this, prices have been moving upwards, because demand has been running ahead of supply. In the field of agricultural production, India certainly could do better by more discreet utilisation of capital and labour and by a proper approach to the price policy. There seems to be some defect in our policy that makes ineffective all attempts at increasing the output in this sector. The price control policy in regard to a commodity is a factor that has an important say in the quantum of production, as price is a major consideration a cultivator will weigh in his mind. Imposition of a price schedule, laying down maximum rates at which agricultural commodities could be marketed, in an endeavour forcibly to keep prices low, could bring about an adverse effect on the drive for its greater production.

There is a significant difference in the approach in regard to price controls on agricultural commodities and on industrial manufactures. The output of foodgrains, cotton and oilseeds, for example, cannot be precisely ascertained in advance particularly as the unpredictable nature is a great element of uncertainty in the calculations. While maintenance of minimum support price level, as a measure of protection to growers, should be the proper approach, it is not a sound policy to attempt to enforce a price schedule limiting the maximum price of a commodity, the output of which cannot be predetermined. The production of industrial manufactures, on the contrary, can be anticipated with great accuracy, as the planning of all factors of production can be based on a large number of ascertained facts. Unlike agricultural production, the output in the industrial sector can be varied as circumstances require. Great uniformity in the price control policy cannot, therefore, be expected in economic development and hence generalisations should be made with caution.

Principal Objectives

The essential objective is to attain higher production in every sphere and to do it as quickly as possible, so as to be able to counter the inflationary forces. To achieve this end, positive measures must be adopted, by marshalling every factor that could contribute to increased production. More output and still more output alone can be effective in halting the corrosion of the economic system by inflation. We have examples of the methods adopted for the purpose of achieving a manifold increase in agricultural production in the United States and Russia. Both the countries have extensively mechanised farming and, while America increased its agricultural production enormously through a policy of strong price support to farmers, combined with a free market for agricultural commodities, Russia has achieved brilliant results through collectivisation and State farms. In India, a vigorous drive for increased productivity shall have to be through either of the above processes, since no third method could serve our purpose. It would mean tremendous acceleration of efforts in every direction, if we are to accept the first of the two approaches, which is the only one suited to the democratic set up of this country. Any direct price control policy, if put into action at this stage, will amount to introducing a negative force in the field which will tend to slow down the pace of growth in agricultural production. Such contradictory steps must, therefore, be avoided. Complete freedom from price restrictions is bound to act as a tremendous boost to production activity. When production increases rapidly, prices could be maintained stable at reasonable levels under immensely healthy conditions. This method of holding the price line must be preferred to the negative approach of direct controls by imposing ceiling price schedules. Such measures as movement control, improved means of distribution, an anti-hoarding law and a proper import policy can, however, be had as indirect price stabilisers whenever prices show an unduly upward trend. As a matter of fact, such measures have twin advantages: first, they will keep prices under check and, secondly, they will give the grower a free market which, in turn, will act as a stimulant for increasing production.

Efficacy in Doubt

There has been a perpetual dispute as to the line to be drawn between the proper sphere of Government action and that to be left to natural free play in the matter of commodity prices. There is no prejudice against Government regulations. People have become less hostile to Government actions in various forms. But the belief in the efficacy of regulations has declined. Unrestricted competitive price patterns, if allowed to function under the overall supervision of the Government, that is, with a minimum of directional controls, would certainly act as a great production intensifier. Price restriction of any form dampens enthusiasm and hampers the vigorous drive for higher output of both agricultural commodities and industrial manufactures. The aim is to achieve abundance and therefore all inducements must be provided to reach that stage. Inflation can only be checked by rapidly increasing the production and supply. Direct price control measures may hold the price level for a while, but it will certainly not be conducive to reaching the high production targets, particularly for the agricultural sector, set in the draft third Plan.

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THIRD PLAN VIEWED AGAINST FIRST TWO PLANS

A BIRD'S-EYE VIEW OF THE DRAFT OUTLINE

By Prof. S. Kesava Iyengar

IT would require quite a volume to express one's reactions to the Draft Third Plan just published, but a few points are enumerated here with the object of provoking public thought. The draft has been presented as a tentative proposal, and more than six months are allowed for study, discussion and opinion both at home and abroad. This marks a healthy change from previous experience, when the first and second Plan-frames were released for the first time but in finality. At this juncture, it may be appropriate to recapitulate a few highlights from 1951-52 onward. The population which was 361.8 million in 1951 rose to 391.4 million by March 1956, and to 415.0 million by the end of 1958-59. By March 1961, the population is expected to increase to 434 million and to 480 million by 1965-66. The annual rate of increase, which was 1.9 per cent. of late, is calculated to stand at 2.14 per cent. in the near future.

Ambitious Targets

On achievements and targets, the Draft Third Plan is decidedly a rosy picture, but the thorns have been belittled. It has been claimed that the national income rose by 3.5 per cent. and 4 per cent. during the first and second Plan periods and the target is 28 per cent. for the five years of the third Plan, yielding an annual average of 5.6 per cent. These figures are, of course, based on data presented by the Central Statistical Organisation, but, when placed side by side with corresponding figures for the U.S.A. and Britain, a sceptic feeling becomes unavoidable. Colin Clark recently estimated that the annual average increase in levels of living in Britain was 1.3 per cent. and in the U.S.A. 2.3. Even according to published figures, Gross National Product and National Income in real terms rose, respectively, in recent years at 4.2 per cent. in the U.S.A. and 2.5 per cent. in Britain. Even optimists in the U.S.A. hope for increasing the rate from 2.3 to 4 per cent. only. The Draft envisages an increase in domestic savings from 8 to 11 per cent. and investment from 14 to 17 per cent. With regard to targets, it is all hyperbole: the following extract very much lowers the sense of responsibility of the Planning authorities:

"The Third Plan proposals envisage the extension of the community projects and co-operative movement to cover all the villages in the country; free and compulsory education for all children in the 6-11 years age group and the provision of minimum amenities to all rural areas including drinking water, roads linking each village to the nearest main road or railway station and a village school building which may also serve as a community centre and provide facilities for the village library."

All this is wishful thinking which should have no place in techniques of planning. The food prospect is no better than during the second Plan period, depending substantially on imports, internal movement controls, procurement and the antics of the State Trading Corporation. And yet, Mr. S. K. Patil is dogmatic about self-sufficiency in foodgrains by 1965-66! Other targets for the third Plan are provisionally put at 100-105 million tons foodgrains (about 30 million tons more per annum as compared with 1958-59). 19 million acres of additional irrigation, 11.8 million kw. of power, 90 million tons of coal, 8.9 million tons of finished steel, 1.5 million tons of pig iron, 1.5 million tons of chemical fertilisers, 2,000 additional miles of railways, 22,000 miles of surfaced roads, 1 lakh of automobiles and creation of additional employment for 13.5 million workers. Like the proverbial schoolboy, handing over to his elder brother a ten-rupee note and asking him to buy for him a motor bicycle and some good chocolates for the balance, the Planning Commission has projected 100 per cent. targets to be hit by 1965-66, and it is extremely humiliating that such impossible targets should have been aired for the consumption of ignorant nationals and critical foreigners.

Cost Inflation

In spite of declarations by Union Ministers, the indices of wholesale prices and cost of living are shooting up, and the third Plan targets of resources and outlay might accelerate the misery of lower middle and poor classes, through a further progressive depreciation in the value of the rupee. It is common knowledge that, during the last five years, both these indices have been going up on the average at 5 per cent. per annum: the general strike by a section of Central Government employees was due much more to the pinch of hunger than to communist inspiration. If only the Planning Commission cares to study similar indices in the U.S.A., West Germany and Britain, they are bound to admit that they have been admiring pinnacles in the air without due attention to foundations.

Financial and Administrative Devolution

It is a paradox that, while Central organisations are exercising dictatorial sovereignty, and village *panchayats* are proposed to be entrusted with financial and administrative powers, State Governments and State Legislatures continue to decorate the caravan as dummies: there is not even a hint about devolution of powers in their favour against the background of conventions that have grown up depriving the State units of any initiative or judgment. It is very strange that State Cabinets and Legislators are oblivious of this anomaly, but the explanation is that these authorities hang on the High Command for their present and prospective positions.

Resources

Table I below shows details with regard to original and revised estimates as also actual resources realised in the first and second Plan periods and expected resources for the third Plan. In the public sector, balance from current revenue (Central and States) was Rs. 574 crores, as against the original estimate of Rs. 570 crores during the first Plan period. In the second Plan, the original estimate was Rs. 1,200 crores but there is expected to be a shortfall of Rs. 300 crores, while the third Plan budgeted resources under this head are Rs. 2,000 crores (more than double the second Plan realisations)! This high target, if realised, is bound to result in less private investment and a downgrading in the real standard of life among the masses.

With regard to loans from the public and small savings, actual receipts during the first Plan period (Rs. 508 crores) proved larger than the original estimates (Rs. 385 crores). On the other hand, the second Plan estimate was Rs. 1,200 crores, while the actual realisation may be Rs. 1,170 crores. For the third Plan, loans are put at Rs. 850 crores and small savings at Rs. 550 crores, making a total of Rs. 1,400 crores. This estimate is quite modest, in the light of second Plan achievements. Railways contribution which was Rs. 115 crores in the first Plan and Rs. 130 crores in the first four years of the second Plan (1956-60), is put at Rs. 150 crores for the third Plan. Yield from other public enterprises is classed separately for the first time in the third Plan figures, at Rs. 440 crores. This may prove an ambitious estimate, because most of the public enterprises are still in their infant stage, requiring the bulk of profits to be ploughed back for the purpose of reinforcement. Provident fund and other like funds yielded only Rs. 80 crores in the first Plan, Rs. 78 crores in 1956-60, and the target for the third Plan has been fixed at Rs. 510 crores. To some extent, this comparatively high target may be justified on account of the nationalisation of life insurance and rapid expansion of provident fund and other funds, but actually it may result in erring on the high side.

Foreign aid did not play a prominent part in the first Plan, the actual figure having been Rs. 203 crores as against a target of Rs. 521 crores. But, in the second Plan, there was a substantial rise from Rs. 800 crores (target) to Rs. 982 crores. For the third Plan, the estimate is Rs. 2,200 crores. As the Franks Commission opined that more than Rs. 3,000 crores worth of foreign investment and aid could be reasonably expected (including the private sector), the Planning Commission's estimate of foreign aid is on the low side. This under-estimate has led to a provision of only Rs. 550 crores from deficit finance. As compared with foreign aid, deficit financing on a sizable scale will be risky, although this head had proved useful to some extent, in the past 10 years. During the first Plan, deficit finance was of the order of Rs. 532 crores as against the provision of Rs. 290 crores, the corresponding figures for the second Plan standing at Rs. 1,245 crores for the first four years and Rs. 1,200 crores, respectively.

The total figures pertaining to the first Plan show actual resources raised at Rs. 2,012 crores, as against the original figure of Rs. 2,069 crores. In the second Plan, there is expected to be a shortfall from Rs. 4,800 crores to Rs. 4,500 crores (revised) and Rs. 4,600 crores (actuals). From Rs. 2,012 crores to Rs. 4,600 crores and on to Rs. 7,250 crores cannot by any standards be considered as precipitous, and, with the very promising climate for foreign aid, actual resources for the third Plan may prove more than Rs. 11,250 crores and there may not be any need at all for deficit finance.

Outlay by Private Sector

The private sector was not allotted any any particular outlay during the first Plan, but allocated Rs. 2,400 crores for the second Plan period. For the third Plan, the private sector is provisionally allotted Rs. 4,000 crores, details of which are:

	(Rs. in crores)
Industry and minerals	1,000
Transport and communications and power	250
Village and small industries	275
Urban and rural housing	1,075
Inventories	600

The most important characteristic of the Draft is the definite and secure place for the private sector in the Indian economy. Rs. 4,000 crores allotted for the private sector is rather small, in view of the fact that the outlay in the private sector was Rs. 3,100 crores in the second Plan period, as against a target of Rs. 2,400 crores. At least, Rs. 5,000 crores should be earmarked for the private sector. The difficulty, however, will be that, through small savings, taxation and market loans, the public sector will sweep in practically all genuine savings, leaving the capital market fairly empty for the *entrepreneur*. One redeeming feature, however, is that Rs. 200 crores are proposed to be loaned out by the public to the private sector for the purpose of capital formation. The Plan is proposed to be over-officialised by the public sector, covering agriculture, community development, hand and small industries and road transport: this must lead to a considerable amount of confusion and overlapping, if not authoritarian rule.

Outlay by Public Sector

Table II in previous page summarises the Plan outlay on different heads of development, actual and proposed, during the three Plan periods. So far as agriculture is concerned, expenditure during the first four years of the second Plan 1956-60 has been Rs. 419 crores against the total provision of Rs. 568 crores for five years. This is not at all satisfactory. The present price spiral is mostly due to inadequate agricultural production which, in turn, has been the result of over-officialdom and lack of touch with the actual cultivating population. It is reported that the Ministry of Food and Agriculture made a minimum demand of Rs. 1,000 crores for the third Plan, but the proposed allocation is only Rs. 625 crores for agricultural programmes. The proposed outlay of Rs. 800 crores in the private sector is obviously confined to organised agriculture.

With regard to irrigation and power, from Rs. 585 crores in the first Plan to Rs. 666 crores in the four years of the second Plan and on to Rs. 1,575 crores connotes good progress, but, on account of the absence of development schemes, Government and private, the problem of unutilised water and installed capacity for electricity is bound to become more serious in the near future. The solution lies in mechanising agriculture and import of foreign capital for developing numerous industries capable of consuming electric energy.

Village and small industries cannot possibly be organised and managed by Government, and the speedy increase of expenditure from Rs. 44 crores in the first Plan to Rs. 146 crores in the first four years of the second Plan inevitably resulted in spoon-feeding and bad debt. Under this head, the allocation for the third Plan is Rs. 280 crores in the public sector and Rs. 275 crores in the private sector. Rather, the total of Rs. 525 crores ought to have been earmarked for the private sector only, particularly in view of the dangers of technological stagnation.

The first Plan gave a minor place to industry, with an actual outlay of Rs. 56 crores in the public sector against a provision of Rs. 138 crores, but outlay under this head exploded to Rs. 725 crores during 1956-60 of the second Plan period, the core of the Plan having been raised by Rs. 100 crores from the revised estimate, which showed an overall reduction of Rs. 300 crores from the original second Plan outlay. The proposed outlay for the third Plan is Rs. 1,500 crores and indicates the over-emphasis on heavy industrialisation which takes time to add to national income. It is very strange that, while under agriculture and community development, the outlay in the second Plan was transferred to Part B to the extent of Rs. 58 crores, the allocation under industry was raised by Rs. 100 crores.

Outlay on transport and communications was Rs. 532 crores during the first Plan period, is estimated at Rs. 1,062 crores during 1956-60, and the third Plan allocation is proposed at Rs. 1,450 crores. Progress of the second Plan outlay under this head has been satisfactory, in view of the wide area of the country and needs of economic development.

The mania for heavy industrialisation continues. In the third Plan, an additional allot-

(*Continued on page 272*)

TABLE I

Plan Resources

Public Sector

(In crores of rupees)

Items	First Plan			Second Plan				Third Plan (provisional estimates)
	Original	Revised	Actual	Original	Revised	1956-60 (4 years)	Total Second Plan (anticipated)	
Domestic resources :								
Balance from current revenue ..	570	..	574	1,200	899	625	900	2,000
Loans from the public	115	..	204	1,200	1,044	611	800	850
Small savings	270	..	304	..	..	289	380	550
Railways' contributions	170	..	115	150	250	130	150	150
Other public enterprises	..	..	..	..	..	..	..	440
Unfunded debt and miscellaneous capital receipts	133	..	80	250	69	78	213	510
External assistance	521	..	203	800	1,038	682	982	2,200
Deficit finance	290	..	532	1,200	1,200	1,245	1,175	550
Total resources ..	2,069	2,378	2,012	4,800	4,500	3,660	4,600	7,250

TABLE II

Proposed and Actual Outlay by Heads of Development in Public Sector

(In crores of rupees)

Heads of development	First Plan (1951-56)		Second Plan (1956-61)			(1956-60) anticipated outlay	Second plan outlay (final estimate)	Third Plan (1961-66) proposed outlay
	Plan provision	Actual outlay	Part A "Core of the Plan"	Part B	Total provision			
Agriculture and community development	354	299	510	58	568	419	530	1,025
Irrigation and power	648	585	820	93	913	666	860	1,575
Village and small industries	50	44	160	40	200	146	180	250
Industries and minerals	138	56	790	—100	690	725	880	1,500
Transport and communication ..	570	532	1,340	44.5	1,385	1,062	1,290	1,450
Social services	532	423	810	135	945	569	860	1,250
Miscellaneous	86	74	70	29	99	73	..	200
Grand total ..	2,378	2,013	4,500	300	4,800	3,660	4,600	7,250

UNIVERSAL FIRE AND GENERAL INSURANCE COMPANY, LIMITED

CHAIRMAN, MR. P. U. PATEL, REVIEWS COMPANY'S PROGRESS

ADDRESSING the Fortieth Annual General Meeting of the Company, held at Bombay on 30th July, 1960, Mr. P. U. Patel, Chairman, deplored the tendency of the Government to show pronounced partiality to Government-controlled companies in the matter of sharing of the business of the Insurance Companies' Pool. He said that such gross discrimination, which had been considerably agitating the minds of insurance executives in the private sector, could not inspire confidence in the future of insurance in the country. Mr. Patel regretted that certain concrete suggestions put forward for improving the general tone of the market did not find favour with the Executive Committee of the General Insurance Council.

The following are the extracts from Mr. Patel's statement:

"GENTLEMEN,

"To start with, I am indeed happy that, on this, the fortieth anniversary of the Company, we are able to present you a balance-sheet which must be considered satisfactory, viewed from any angle you like. For one thing, we have written in 1959 a larger net premium income than in any other previous year. My only regret is that we just missed the Rs. 40-lakh mark in our fortieth year. Secondly, the Directors have found it possible to recommend a gross dividend of 20 per cent., that is, Re. 1.40 nP net per share, for your approval. This is also an all-time record. Let me add that all this has been accomplished after increasing our departmental reserves by Rs. 2,40,000 and odd on the one hand and also after providing for and writing off bad debts to the tune of Rs. 77,941.86 nP. As an indication of the progress made by the Company during the past 10 years, may I mention that our departmental reserves, as at 31st December 1959, amounted to Rs. 20,34,960.95 nP, as against only Rs. 6,40,540.27 at the end of 1949?

"Our fire department, as usual, has disclosed a satisfactory profit. The net premium income also went up from Rs. 22,19,872.69 nP to Rs. 25,60,432.98 nP during the year. Unfortunately, our claims experience in the accident and miscellaneous departments worsened still further despite our fairly selective underwriting. Almost all the insurers are facing increased difficulties in this particular department because of higher costs of repairs, increasing claims-consciousness on the part of the insuring public and the growing tendency to prefer huge claims even for a comparatively insignificant damage to the person or property of third parties. What is worse, it is nowadays extremely easy for most people to file a petition in *Forma Pauperis* merely with a view to extracting as large a sum of money as possible, from the unfortunate insurer. I am not certain whether even a further increase in rates of premium would be of any substantial help in this particular department. Experience, the world over, points to the fact that the insuring public has a knack of getting back via claims, at least what they pay in the shape of increased premiums.

"Taking an over-all view, I am inclined to feel that we have acquitted ourselves fairly well in 1959. You may perhaps want me to express an opinion about 1960. While I do not know whether I can indulge in any prophecy at this stage, I would like to remind you of the further substantial reduction in fire premium rates which has taken effect as from 1st January 1960. The Tariff Committee had to agree to this reduction with a good deal of reluctance. Being myself a member of the Tariff Committee, I prefer not to offer any further comments in this connection.

"The rates for commercial vehicles are likely to be stepped up in the near future. But I doubt very much whether any such increase will bring us any substantial relief.

"I must also mention that, as per reports received so far, the British home business has gone very bad this year because of several huge fires and all of us who have intimate connections with the British market, are naturally worried on this account.

"Speaking at the annual general meeting in September 1957, I had mentioned that Government had then decided that 50 per cent. of the insurance business written by the Indian Insurance Companies' Association Pool would go to the Government-controlled companies, as from the 1st January 1957. As from April last, the share of the Government-controlled companies has been further increased to 75 per cent. and only the balance of 25 per cent. is to be shared amongst the insurers in the private sector. The same has been the case in regard to the Aviation Pool. There also, the share of Government-controlled companies has been increased to 75 per cent. Developments such as these have disturbed insurance executives in the private sector quite a lot. But we are helpless in the matter. The pronounced partiality for companies in the public sector cannot make for confidence in the future. The writing on the wall is there for anyone who cares to read it.

"Some time back, certain concrete and healthy suggestions were put forward for improving the general tone of the market. It is most unfortunate that these suggestions were not acceptable to the Executive Committee. What has only happened is that there has been a sort of patching-up according to certain preconceived notions. This has happened very often in the past and has led us nowhere. One does not know how long things will be permitted to keep on drifting in this manner. There is at least no immediate relief in sight."

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

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SAP 7/58

PROTECTION TO WOOD SCREW INDUSTRY WITHDRAWN

OUTPUT LAGS BEHIND DEMAND

THE 13-year period of tariff protection which the wood screw industry has enjoyed will come to an end on 31st December 1960. This follows the Government's acceptance of the Tariff Commission's report on the industry's case for protection. The present protective duty is 35 per cent. *ad valorem* or 35 nP per gross, whichever is higher. The Tariff Commission, in the course of its report recommending the withdrawal of protection to the industry, has, however, suggested that the Government may impose revenue duty at such level as it deems necessary for fiscal purposes, keeping in view the consideration that a common fastener of this type used in a number of industries should attract a low rate of duty.

At its last enquiry (1957), the Tariff Commission had estimated the demand for wood screws at 8 million gross (or about 3,650 tons) and expected that it would increase to 12 million gross (or about 5,450 tons) per year by 1960. At the present enquiry, the estimates of demand received by the Commission vary from 8.5 to 12 million gross for the year 1960 and from 11.4 to 16 million gross for 1963. The Development Wing places the demand in 1960 at 12 million gross, which, according to it, will increase by one million gross a year. It has, however, observed that it is not possible to estimate precisely the demand for a consumer item like wood screws. At the enquiry, it was generally agreed that it was not possible to make an accurate estimate of future demand which would depend on the growth of several consuming industries, notably building, furniture, and cabinet-making; no forecast of their growth was possible at this stage. The conclusion reached was that it would not be far wrong to place the demand for 1960 at 11 million gross. As regards the future, the Commission anticipates the demand to grow at the rate of at least one million gross per annum and reach a minimum of 14 million gross in 1963.

At present, the number of organised wood screw producing units, registered with the Development Wing, is 23. Their total capacity at the end of 1959 was 7.78 million gross (single-shift basis). Actual production in 1959 was 8.91 million gross, as against 6.79 million gross in the previous year. Besides these units, there are about 28 small-scale units, the production of which is placed at about one million gross. Taking the two sectors together, the total capacity on single-shift basis works out to about 9 million gross per year and production in 1959 to about 9.90 million gross, as against 7.66 million gross in 1958. As the domestic demand has not yet been met in full and the demand itself is likely to rise considerably in future years and as there is risk of quality going down for want of competition, the Commission has suggested that the Government might review the position and permit further expansion of existing units or establishment of new units.

Diversification

A notable trend in the industry is the attempts that are being made towards diversification of production. The Southern Industrial Corporation, which has already started producing Dowell screws, has plans for the manufacture of round head, Philips recess and electro-plated wood screws of various types. Guest, Keen, Williams Ltd. is equipped to make Dowell screws; it has plans for manufacturing galvanised cone head roofing wood screws. Jagjit Engineering Works has the equipment for producing all types of wood screws; it is prepared to undertake their manufacture, provided orders for reasonable quantities are placed with it.

Besides such consumable stores as high speed cutting steel, alloy steel and V.P.I. packing paper—all these three items are imported from abroad—lubricants and mill stores, the chief raw material for wood screws is hard bright mild steel wire. Manufacturers of wood screws obtain their supplies in the form of either wires or wire rods. Those who get their supplies in the shape of rods have their own arrangements for drawing them into wires. The Indian Steel and Wire Products Ltd., Jamshedpur, continues to be the principal supplier of steel wire to the wood screw industry. This unit has been granted licence for expansion of its capacity to 160,000 tons a year for wire rods and 75,000 tons a year for wire and wire products; the new capacity is expected to go into production in 1961. The National Rolling and Steel Ropes Ltd., which has a capacity to produce 250 tons of steel wires per month, utilises the major part of its capacity for the manufacture of rope wires; only a part of its capacity is used for the manufacture of mild steel wire rods and wires of tested or untested quality. The Government has licensed a few units for the manufacture of mild steel wires.

Raw Materials

The wood screw manufacturers continue to complain of shortage of raw materials and delayed deliveries. In the context of increased supply of billets to them, the wire manufacturers should be able to meet more fully and expeditiously the demand for raw materials by the screw manufacturers. Again, wood screw manufacturers are generally satisfied with the quality of wires and wire rods supplied by the Indian Steel and Wire Products Ltd. As regards supplies of wires and wire rods by the National Rolling and Steel Ropes Ltd., there was a general complaint that they were not properly drawn and that they snapped during drawing. The Commission recommends that the Company should take early steps to improve the quality of their rods and wires.

The Commission's recommendation for ending protection to the industry is based on its findings that the landed costs, ex-duty, of imported wood screws are higher than the fair ex-works prices of indigenous screws and that the margin in favour of the industry, after allowing for 10 per cent. return on capital employed, is of the order of 15.4 per cent. to 19.4 per cent. In addition, it is protected by severe restriction on imports. Considering the present balance of payments position, the Commission does not foresee any possibility of import control being so liberalised in the near future as to jeopardise the interests of domestic industry. The Commission has, however, impressed on the manufacturers that they should improve the quality of their products. A few consumers have pointed out that "some of the supplies received by them have been made from inferior quality of materials, causing the screw head to be sheared off when the screw is tightened, the gimlet point was not sharp, the threads were shallow and the heads and slots were not properly formed." The Commission is convinced that, in the absence of competition, there is little incentive for manufacturers to improve the quality of their product. It adds: "This is an unfortunate development and we impressed on the representatives of the industry who attended the public enquiry the importance of adopting quality control measures in their factories." It urges the Development Wing to arrange, in consultation with the Director General of Supplies and Disposals and the Development Commissioner for Small-scale Industries, for periodical inspection of screw factories and classify them with regard to the quality of their products.

RADIOISOTOPES IN MEDICINE

On 2nd August 1946, the first shipment of radioisotopes for medical purposes was made by the U.S. Atomic Energy Commission (A.E.C.). Fourteen years later, just what has been the effect of these new substances on the practice of medicine? How often and in what ways have they been used? Where? By whom? And what are the indications for future use?

The Office of Isotopes Development of the A.E.C. sponsored a search for answers to these and other questions regarding medical usage of radioisotopes. The investigation, conducted by nuclear industrial economist Richard R. Tarrice and senior health economist Mark S. Blumberg, M.D., under the auspices of the Stanford Research Institute, California, lasted one year and took the project team into hospitals, clinics, laboratories, and physicians' offices across the nation.

In general, they found that the use of radioisotopes in medicine has become widespread. About 400,000 administrations are given to humans annually; 85 per cent. of these are for diagnosis. Twenty different isotopes are used, with radioiodine being by far the most common. Others commonly used include radiophosphorus, cobalt 60, and chromium 51.

An average of three out of every 1,000 patients in clinics or hospitals undergo some type of diagnosis or therapy involving radioisotopes. This is about the same number as those who have fractures, appendectomies, or hernia repair. The number is more obviously significant when one considers that radioisotopes are chiefly used for relatively infrequent conditions—endocrine disorders and cancer.

Over 1,000 general hospitals in the United States offer radioisotope services, and they are also used in clinics and physicians' offices. At present, over 40 per cent. of hospitalised persons are in institutions offering these services.

These numbers should grow. A fairly comprehensive clinical radioisotope programme can be equipped for $7,000 to $10,000, which is within the range of most institutions that could make practical use of a programme. Therefore, the number of institutions using radioisotopes may well triple by 1965. Further, the number of physicians trained to use these still-new tools could increase as much as fivefold in the next ten years.

The study also considered cobalt 60 teletherapy units. It was found that such units or supervoltage X-ray units are located in medical service areas that contain two-thirds of the radiation specialists and over half the population. Projections on the number of units likely to be used in the future were made on the basis of cancer and population trends.

About 300 institutions are carrying on medical research with radioisotopes. Some 2,000 separate projects, using well over 100 different isotopes, are in progress. This represents over ten per cent. of all health research projects in the United States supported by the Federal Government or national foundations.

The coming trends in radioisotopes cannot be predicted with precision, because (1) there are no historical trends to analyse, and (2) any of a number of possible future applications could grow to exceed all current uses. However, the project team noted that the volume in the United States of current uses alone could grow to 700,000 administrations a year, if urban use-rate of isotopes were to become standard for the nation as a whole. Research in the field should also increase, leading to new uses.

Current health research investigations show potential applications in conditions far more frequently encountered than those providing bases for current applications. For example, studies of insulin metabolism using radioisotope-tagged insulin may provide important clinical data on diabetes. *In vitro* tests with radioisotopes are being studied for determining immunity to various contagious diseases, and these might find wide application for children. Or, another example, tests with radioisotopes may contribute to diagnosis of certain mental illnesses associated with metabolic disorders. If only one of these were to find acceptance, considerably more than 700,000 annual administrations might well be expected in coming years.

LOCOMOTIVES AND COACHES

The view that, on the Indian railways, the steam locomotive was likely to retain its "dominating position for a long time to come" was expressed by Mr. Karnail Singh, Chairman, Railway Board, in the course of a broadcast talk last week from New Delhi. The Indian railways have now over 10,000 locomotives. Approximately, 62 out of every 100 locomotives are broad-gauge, another 34 are metre-gauge and only four are narrow-gauge.

In replacement of worn-out engines and for additional traffic, Mr. Karnail Singh said, 250 steam locomotives would be required every year. All these locomotives were being produced in India. He said: "It is a matter of very great satisfaction to be able to say so, particularly if one remembers that only a decade ago India was not able to produce even an odd locomotive and yet was maintaining a fleet of 8,000 to 9,000 of them, each costing Rs. 5 lakhs or more. What a large sum of India's money must thus have been exported over a century of railway working in India!" In the Chittaranjan factory, according to Mr. Karnail Singh, locomotives were being turned out at the rate of 200 units per year. The factory was concentrating on the manufacture of heavy WG locomotives, each weighing 125 tons and capable of hauling a 2,000-ton heavy train at a speed of 35 miles an hour. On 16th April last, the factory delivered its 1,000th locomotive. The cost of production of a heavy WG locomotive in the factory was Rs. 4,80,000, or Rs. 50,000 less than the world price for a similar locomotive.

As regards coaches, Mr. Karnail Singh said there were now in use 40,000 coaches, in terms of four-wheelers; their price varied from Rs. 30,000 for a broad-gauge four-wheeler to Rs. 3 lakhs for an air-conditioned coach. There were wooden body coaches on steel underframes, steel body coaches on steel underframes and steel body coaches of the integral type without any underframe. In the integral type of coaches, which were now being produced in the Integral Coach Factory in Madras, at the rate of 41 per month, the main structure was a rectangular tube of a big size; the roof, side walls and floor formed an integrated tubular structure. Over 1,000 integral type coaches were now in use on the Indian railways. As compared with the conventional coach, which weighed 42 tons and carried 76 passengers, the integral type coach weighed 36 tons and carried 80 passengers. Mr. Karnail Singh observed that, with the rising cost of timber, its shorter life in usage, heavier cost of maintenance and greater liability to destruction in an accident, the use of wooden coaches was being progressively eliminated; they were being replaced by integral type coaches.

In conclusion, Mr. Karnail Singh said that, besides attaining self-sufficiency in the production of locomotives and coaches for all their requirements, the Indian railways had now capacity to assist the neighbouring countries in meeting the requirements of these two types of rolling stocks. They were also in a position to supply wagons for goods traffic and such articles of railway equipment as train lighting units, signalling equipment, cast iron sleepers and railway girders.

MEASURING THE SMALLEST WORLD

A hair's breadth used to be considered a pretty small distance. But engineers at Stanford Research Institute have designed and constructed a micro-manipulator that can move a point for a distance of about 34 Angstrom units, about one ten-millionth of an inch. One Angstrom unit equals approximately the diameter of an atom and compares with a hair's breadth.

The reason for development of the micro-manipulator is tied in with the studies of electronic micro-elements. These micro-elements—of which, theoretically, there can be 100 billion in a cubic inch—function as tiny electron tubes. In the usual tube, as found in home radios, electrons are emitted to complete a circuit by applying heat to a metal strip. In other words, the electrons are "boiled off," like steam from boiling water. However, at the unimaginably small size of the electron tubes in this study, heat could not be applied and adequately controlled. Therefore, another approach, called field emission, is contemplated. Here the electrons are drawn from the emitter by application of a high electrical field. The smaller the point of the emitter, the less electrical potential necessary to cause electron emission. Consequently, the micro-tubes proposed offer an excellent situation in which to try field emission.

Research engineer W. W. Hansen and his co-workers in the Stanford Research Institute are studying the characteristics of field emission under sponsorship of the U.S. Army Signal Research and Development Laboratory. They are particularly interested in determining the geometrical patterns produced by electron trajectories and the optimum conditions for operation of such minute field emission devices. They also are testing various materials for use in the tiny tubes.

The micro-manipulator was designed for the study. Three pairs of coarse- and fine-adjustment micrometers are arranged to work against cantilevers, so that the emitter tip can be displaced in three dimensions. The tip itself is enclosed in an ultra-vacuum chamber, its position can be adjusted by 34 Angstrom units. This is considerably smaller than the most sensitive optical microscope can detect—and is far less than a hair's breadth.

UTILITY AIRPLANE

A new airplane scheduled for production in Italy, Mexico and Argentina has successfully completed its first demonstrations in the United States. Designated the Lockheed *Lasa 60*, the new craft is heavy-duty single-engine utility transport for passenger, cargo, agricultural and ambulance use. Col. Alfonso Gandarilla, Chief Pilot of Lockheed-Azcarats S.A., the Lockheed affiliate in Mexico which will first produce the airplane at San Luis Potosi, flew the Model 60 on the first flight of a three-day demonstration programme in Burbank. Its appearance in the United States was part of a 25-city tour of north-western Mexico and California. The local showing was arranged by Lockheed Aircraft International, with headquarters in Los Angeles. Besides being built in the Mexican factory, the Model 60 also will be produced in Argentina and Italy. Aeronautica Macchi of Milan already is tooling up for production of the 165-m.p.h. airplane in Varese Avionos Lockheed-Kaiser S.A., a joint venture of Kaiser Industries and Lockheed interests in Argentina, will manufacture the airplane in Cordoba, about 400 miles from Buenos Aires. "Because this new airplane features simplicity of design and low cost dependability, it will also prove useful in Alaska, Canada and the United States," Col. Gandarilla said. He added: "It is a natural 'bush pilot's airplane' with high-lift wing and rugged tricycle gear that are ideal for North Country flying requirements."

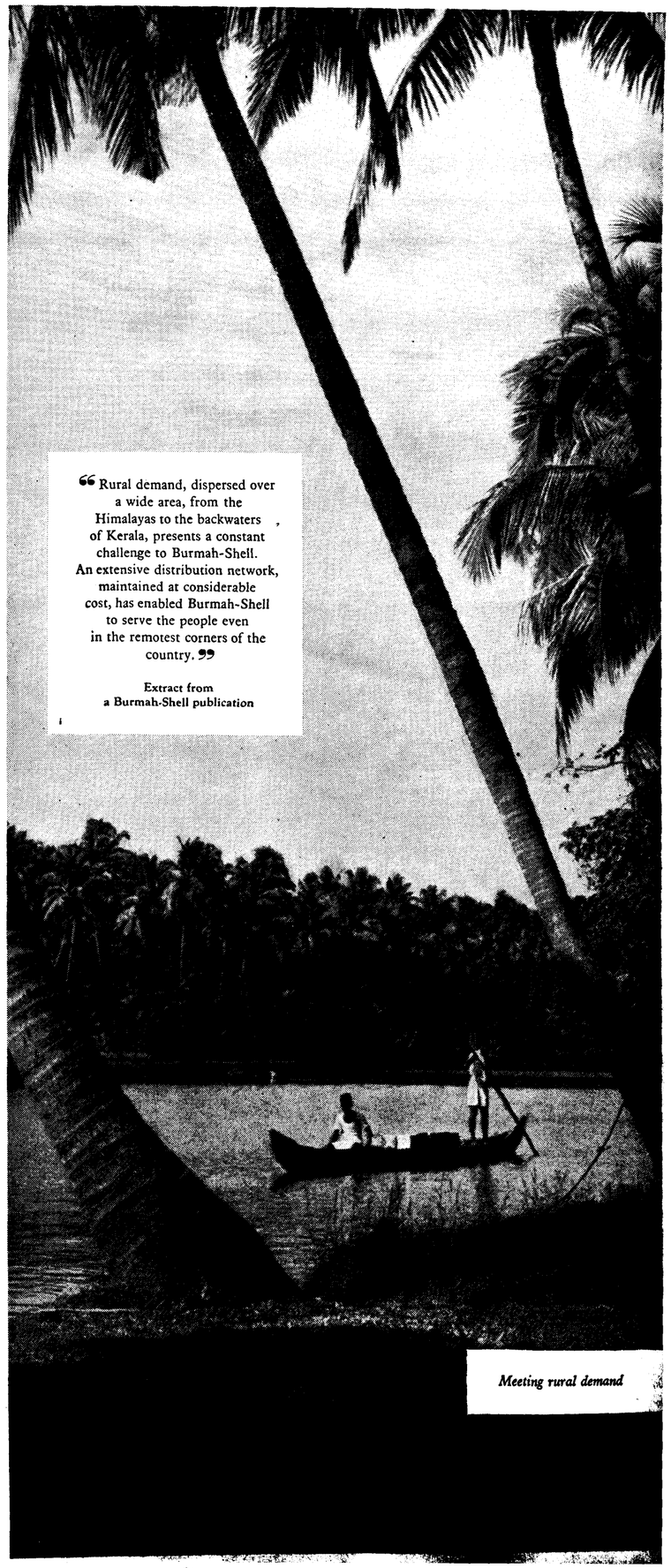
First deliveries for North America are scheduled for next January. While exact prices have not yet been established, it is expected to sell for approximately $22,000. The Lockheed Model 60, it is stated, is the only single-engine craft of new design that can carry up to 1,500 pounds of useful load—with seating for six people. Alternatively it can be used as a 1,000-pound cargo carrier, a two-patient ambulance with attendant, or as a crop-dusting or spraying airplane. It can be fitted with skis or floats.

FRENCH DESIGNS FOR SILOS

The importance of providing storage facilities for grain has induced engineers all over the world to devote their attention to the research on the subject of construction of silos. French engineers have now evolved and presented designs for polygonal steel silos. The bins forming these silos are octogonal or quadratic, with the former consisting of eight panels of variable height and width and the latter of four panels with a width of 13¾ feet and of variable height. Each panel is prefabricated from sheet-steel, with specially calculated ribbed profiles for maximum resistance to pressure on both faces. The silos increase the ultimate strength of the panels and appreciably decrease the wear from friction. The greater strength and lesser friction permit an appreciable reduction in the thickness of the steel panels. Designed according to a patented system, the structural columns are capable of resisting very high stresses.

A CAR WITHOUT WHEELS!

A car of the future, which slides on the air and uses no wheels, was demonstrated by the Ford Motor Company at New York. Called the "Levacar," the experimental vehicle is capable of attaining 200 to 500 miles an hour. During the demonstration, the vehicle was guided by a pair of steel tracks. A Worthington Corporation air compressor supplied jets of air which held the vehicle a fraction of air inch away from the top and side of the rails. Spokesmen for the Ford Company said that future vehicles based on the "Levacar" principle would attain incredibly high speed, because, with air suspension, there was no friction to overcome, only wind resistance.



NEW PRODUCTS AND PROCESSES

Man-made Material for Protective Clothing

AFTER two years of research and experiments in collaboration with outside manufacturers, a British firm has developed a new man-made material which will have a wide range of uses particularly in the protective clothing industry. The material is the result of an exclusive process of laminating specially constructed Terylene fabrics between two layers of flexible PVC sheeting. The manufacturers are already investigating the possibility of many types of end product including covers for sports grounds, awnings, garden furniture, swimming pool liners and tarpaulins. By using different formulations of PVC and incorporating different types of Terylene fabric, the firm can produce the material with physical properties to suit practically every requirement. The variations already being tried include special low temperature grades, flame resistant material (conforming to the British standard for flameproof industrial clothing), types with resistance to particular chemicals and a range of heavyweight laminates.

The firm says that one of the main advantages of the material is its "weldability." It has been particularly constructed so that it can be welded dielectrically. This means that end products are waterproof and have high strength of seams of very neat appearance. Other great advantages are its high strength/weight ratios which can be developed according to specifications; resistance to the majority of acids and chemicals; and its extensibility which even under low rates of loading provides "give" in the correct places—which adds greatly to the comfort of wearers in the case of industrial protective clothing. It has an attractive appearance and is easy to clean—a damp cloth will remove most marks and warm soapy water gets rid of any grime. The material is available in 50 in. wide rolls of 60 yards in a variety of plain clear colours and printed effects.

Machine to Copy Music

A machine which can quickly, cheaply and accurately reproduce copies of sheet music has been developed by a Melbourne inventor. World patents have been taken out, and negotiations are in progress for the machine to be manufactured under licence. The inventor, Mr. Murray Parker of Melbourne, is a producer for the Australian Broadcasting Commission. According to him, music copying, normally a painstaking procedure done by professional handcopyists, can be done expertly by machine by a girl with no knowledge of music. The machine is claimed to be the first successful machine of its kind in the world. Previous attempts failed because they were made either by musicians who knew nothing about engineering, or by engineers with no knowledge of music and who wanted to change the universal system of notation. Other methods have been adapted for typewriters, but these can produce only single copies at a time. The Australian-invented machine, on the other hand, has these advantages: It can cut stencils for reproducing duplicate copies—a quick and simple method of copying music for instrumental groups or choirs. It can print in the words of a song, or any other wording necessary. It can print any kind of music. Since the machine rules its own lines, it does not require pre-ruled music sheets. Its simple selector chooses the correct line or space for each music note.

New Instrument for Testing Textile Yarn

Physicists of the Australian Commonwealth Scientific and Industrial Research Organisation have developed a new instrument for testing the uniformity of textile yarns, which is to be commercially manufactured by Amalgamated Wireless Australasia Ltd., of Sydney. It is based upon a principle different from that usually utilised in electrical testing equipment. It is also said to be less expensive. In using the instrument, the yarn to be examined passes under constant tension between two metal pins about two inches apart. One of these is vibrated magnetically, so that the length of yarn between the pins also vibrates continuously. By means of a photo-electric control the magnetic vibrator is operated at the natural frequency of vibration of the test section, a frequency dependent on the weight of the yarn passing between the pins. Irregularities in the yarn, therefore, load to variations in the frequency. These variations are applied to operate a recorder, which in turn, produces a chart which gives a continuous record of the irregularities in the yarn. It also gives a direct indication of the average "count," or weight per unit length. Comparison of the results given by the instrument with those obtained by weighing lengths of yarn of known weights shows that it is capable of high accuracy. It is applicable to any type of textile yarn.

One-man Grain Cleaner

A simple grain cleaning system which can work at the rate of 3½ to 4 tons an hour, has been invented by a farmer in England. Running in a normal harvesting system, it allows one man to cut, pre-clean and store several tons of grain a day. The success of the cleaner has led a London firm to market it for world-wide sales. The grain cleaner comprises an ordinary length of metal tubing, about 4 inches in diameter, with a single spiral blade running through it. A centre section of the tube is enlarged to about 8 inches diameter and extends some 4 feet. The lower, or ground side of the enlarged section is formed by a metal screen containing several hundred drill holes. The end of the whole tube is placed in the storage bin containing the uncleaned grain and the spiral blade—an Archimedes screw—conveys it through the tubing. At the enlarged section, natural force throws the grain against the screened part of the tubing and the process separates the grain from husks, weed seeds and similar impediments. The firm which has taken up the invention for commercial production have fitted it into a system whereby the best quality clean grain comes through two hopper chutes and another chute deposits the lesser quality small grain separately. Another channel takes away the weed and grasses.

Push-button Telephone

Two types of a "remembering" telephone, which will automatically dial often-called numbers, are expected in the telephone world in the near future. One, to be attached to existing phones, is already offered for service in the U.S. The telephone company itself is developing the other. The one now ready keeps the numbers on a punched tape. The user turns a knob to bring the selected tape into position and then presses a button to start it through the pulsing device. The phone company's own development uses magnetic rather than punched tape and will be built into the telephone instrument. The method of using it is the same. But the company says that erasures and re-recording of new numbers is easier with the magnetic system. The extra cost of either system is expected to be around £3 10s. per month. Another type of push-button telephone is already in experimental use in some areas of the U.S. With this, the caller pushes a button for each figure in the phone number, instead of turning a dial to the number. The phone company reports that calling with the push-buttons is easier and that users in the "guinea-pig areas" like the new instruments.

Low-cost Illuminated Ceiling

A new low-cost illuminated ceiling, just announced by a U.K. firm, makes it economic for a luminous ceiling to be installed in a variety of industrial situations, while the attractive appearance favours its use in public areas such as shops, hotels and restaurants. The system—the latest in the range produced by the company—is based on three-foot square diffusing panels supported by a lightweight aluminium track suspended from the structural ceiling. Daylight from laylights, or artificial lighting from lamps in the plenum, is diffused through the panels so that the space below is evenly illuminated, without causing glare or shadows. The diffusing medium used in the three-foot panels is a translucent sheet of flexible p.v.c., specially developed to provide a stable and optically correct material. It is available in a range of qualities extending from high-efficiency daylight to non-glare, and in a variety of colours. The diffusers are supported on all four sides by the flanges of an aluminium track of inverted T-section, suspended from the true ceiling. The underside of the track, which is the only visible metal part of the Westminster ceiling, is attractively fluted. The complete ceiling weighs less than 7 oz. per square foot.

Humidity Control to Curb 'Flu

A General Electric scientist, K. H. Kingdon, says that 85 to 95 per cent. humidity is ideal weather for the spread of many infections. If his theory is proved correct, control of humidity in public buildings may help curb flu or cold epidemics. According to Mr. Kingdon, thousands of tiny droplets expelled by an infected person's sneeze stay in the atmosphere a long time when the humidity range is 85-95 per cent. At higher humidity, the droplets become larger and heavier in the water-rich atmosphere and settle to the ground. At low humidity, the moisture-hungry virus die of thirst. Statistics from big cities on the 1957 Asian 'flu epidemic confirm that large-scale outbreaks did not occur when the virus was widespread but several months later when the relative humidity rose to the 85-95 per cent. range.

New High-speed Computer

A data processing device, that can receive and record information sent over the telephone, has been shown by International Business Machines Corporation. Called 1001 Data Transmission System, the machine makes possible high-speed handling of a company's payroll, inventory, billing or other accounting operations. The multiple locations of an organisation from which information can be transmitted by the 1001 may be many field officers across the nation, or a few departments located in different parts of a single building. The system enables a company to send information on regular dial or leased telephone lines.

Heart Stoppage During Surgery

Four out of every 10 cases of heart stoppage during surgery may be caused by potassium poisoning. In the U.S., Dr. Harry Leveen and his research associates traced cardiac arrest to the liver which floods the system with potassium when rapid bleeding occurs, or to massive transfusions of blood high in potassium content in 40 per cent. of 157 cases. They recommended careful monitoring of blood loss. Coupled with use of fresh blood low in potassium for heavy transfusions, to reduce the chances of heart stoppage on the operating table. Fortunately, heart standstill during surgery happens only infrequently.

Unlocking Trapped Oil

An experimental electronic heater to melt oil reserves jellied deep inside the earth is under development by U.S. electronic tube manufacturers, the Raytheon Company. The device, only six inches in diameter but able to generate up to 10,000 watts of power in the form of very high frequency rays, will be tested in an unproductive well in Montana, U.S., later this summer. The generator operates on the principle of microwave heating widely used in high-speed ovens in U.S. restaurants. Perfecting devices to unlock trapped oil could increase the world's known reserves sevenfold, geologists estimate.

New Cable-making Process

Aluminium is applied to a steel core to form electrical cables in a new process developed in the U.S. The aluminium is applied as a powder to the steel while it is under tension. When the tension is released, the steel contracts, compressing the aluminium and forming a denser coating. The manufacturers claim that their cable has eight times the strength of pure aluminium wire and has a higher conductance and longer life than steel cable.

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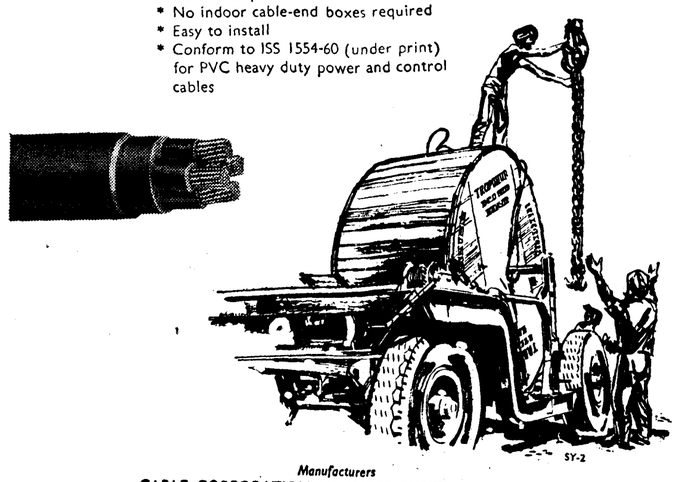

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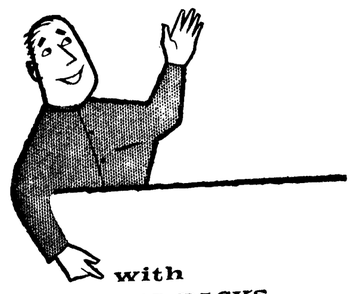

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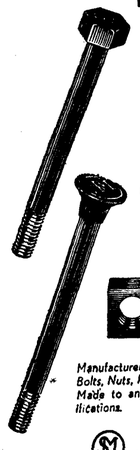

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COLLECTIVE BARGAINING IN THE U.S.

WORKERS CONSIDER IT VITAL FOR PROGRESS

IN the context of the current shift of emphasis in trade union thinking in India in favour of the principle of voluntaryism in the settlement of industrial disputes, the experience of countries which have for long practised methods of settlement of disputes through mutual negotiation is of special interest. The U.S. is a country which has endeavoured to keep Government interference in labour matters, as in many others, to the minimum. Government, of course, has not been indifferent to labour-management relations. Its aim has been to encourage free, private collective bargaining between employers and representatives of employees.

The U.S. Congress, through its labour relations legislation, has endeavoured to balance voluntaryism and legal compulsion to encourage "practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours or other conditions of work and by restoring equality of bargaining power between employers and employees." The objective of Congress legislation has been to prescribe the legitimate rights of both employees and employers and to provide orderly and peaceful procedures for preventing the interference by either with the legitimate rights of the other. The function of policing violations of the law is left largely to employers, employees and unions; but once any of them has called in the Government, the case becomes primarily a public matter and only the Government can make a settlement.

Labour-management relations in the U.S. are closely interwoven with the fabric of the National Labour Relations Act, 1935, and the National Labour Relations Board. The Act and the Board, through administration and interpretation of the Act, have provided the framework and the ground rules for these relations in general and collective bargaining in particular.

It is now a quarter of a century since the U.S. Congress put its stamp of approval on collective bargaining as the preferred method for determining wages, hours and other conditions of work for American workers. The system has of late come in for much criticism and various suggestions have been put forward for modifying it. The merits and demerits of collective bargaining are being weighed and rated by both employers, employees and others interested in the subject. An article in a recent issue of *Labour's Economic Review*, published by the Research Department of the American Federation of Labour—Congress of Industrial Organisation (A.F.L.-C.I.O.) evaluating collective bargaining in the U.S. presents labour's point of view.

Unique in the World

Collective bargaining in the U.S., the author of the article points out, has taken a form and direction which is almost unique in the world. In most countries, collective bargaining arrangements are highly centralised in one or a few bargaining systems. Decisions made by a few unions and management associations become reflected throughout the country. Historically, in the U.S., the size of the country, the difficulties of communication and the varying industrial development tended to produce a larger number of unions and a more diversified industry.

Another distinguishing feature is that, in most other industrialised nations, unions developed as much for political as for economic objectives and the intense rivalries among religious and political groupings produced their counterparts in the structure of the labour movement. In the U.S., on the other hand, the labour movement has become oriented less towards political reform and more towards practical economic goals. Steps towards political democracy were taken at a relatively early stage of the country's history, leaving the unions more free to devote the large part of their energies to winning on-the-job improvement for its members. Although some union leaders preferred to emphasise broad political objectives, the more practical aspects of unionism became the dominant theme as collective bargaining proved a workable, effective means of achieving protection for workers and advancement of their economic well-being.

There are today in the U.S., over 125,000 separate collective bargaining relationships. The growth of unionism and the development of collective bargaining have taken different forms in different industries. The economic facts surrounding each particular industry have left their mark on the systems of collective bargaining which prevail today. There is no single or uniform bargaining procedure in the country but, rather, a host of variations developed by the special needs of individual circumstances.

The subject-matter of collective agreements too differs widely, although there are some subjects common to practically all agreements. The subject included and the degree of detail depend on the type of industry, company, and workplace concerned, the economic condition of employer, etc. To a far greater extent than in any other country, the results of each individual agreement reflect the conditions and requirements of the particular company and union involved.

Benefits Collectively Won

Among the benefits which collective bargaining has brought to American workers, the following are listed by the author of the article:

1. Collective bargaining has introduced the democratic process in industry. Because of a direct participation by workers through their unions, agreement reached as a result of bargaining receives a greater degree of acceptance by workers. To limit this freedom, it is felt, would limit the sense of worker participation and influence which is a key ingredient of healthy, productive labour relations in a democratic society.

2. Day-to-day collective bargaining procedures have made a valuable contribution to the orderly settlement of disputes between workers and employers.

3. Collective bargaining has made a major contribution to solving the problems of insecurity.

4. It has greatly changed the pattern of leisure time in the U.S. The three and even four-week vacation for intermediate and longer service employees have become far more common. The number of paid holidays recognised by industry has been increasing to the point where the majority practice is to observe seven, eight or more each year.

5. In addition to this, union efforts through collective bargaining to reduce the standard work week, have led, in a number of instances, to the 37½ and the 35-hour week. This has made available greatly increased leisure time.

6. Numerous other types of provisions in collective bargaining have yielded major benefits to American workers and have made important contributions to personal satisfaction and economic efficiency.

Demerits of Collective Bargaining

In spite of its many merits, collective bargaining has been sharply criticised. The criticisms are mainly two in number. First, it induces an inflationary process and, secondly, it impedes the introduction of technological changes and improvements in productivity. As regards the first criticism, it is admitted by unions that collective bargaining wage settlements have an impact on the incomes of workers and the cost of business. Wage price issues involved in this go to the heart of economic theory and analysis. Labour unions in the U.S. have made clear their attitude and thinking on this basic question. The object of the union, they argue, is to secure higher living for its members. A major way unions through which hope to accomplish this objective is by winning for their members wages and other monetary benefits higher than they would be able to obtain without union representation. The success of union efforts can be judged by the fact that, on a comparison of union and non-union wages in the same industry, and area of the country, in approximately 80 per cent. of the cases, wages on the union jobs are found to be higher.

It is labour's conviction that the results of union pressure for higher wages are of positive value to the American economy. The reasons it cites in support of this are:

(a) At this stage of its development, the American economy must place renewed emphasis on increasing the levels of purchasing power and consumption.

(b) Without union wage pressure, improvements in productivity would not be translated either into higher wages or lower productivity.

(c) Collectively bargained wage settlements have not been a significant factor in causing price increases in the post-war economy. Wage settlements in the post-war period, it is pointed out, have generally been in line with changes in the price level and changes in productivity of the economy.

Technological Change

As regards the second criticism, namely, that, through collective bargaining, unions interfere with technological change by opposing the introduction of labour-saving equipment and by insisting on obstructionist work rules which require the use of unnecessary personnel, it is pointed out that, since technological change is a question of direct concern to workers, it is only reasonable to expect them to be interested in the conditions under which labour-saving equipment is introduced and to be concerned about the pace at which they are required to work and hence the size of the work-force necessary to perform a particular task. The union's point of view, it is stated, has been to recognise the importance of technological change in maintaining a modern, efficient place of work. The alternative is that the business of the firm and the jobs of the workers will be lost to more efficient domestic or even foreign competitors. Unions can take this more enlightened approach to technological change precisely because, through collective bargaining, they have been able to develop a mechanism for easing any harsh effects that the change will cause. Through collective bargaining, arrangements can be made for the advance notice of automation or other labour-displacing equipment, the possible transfer and re-training of employees concerned, the observance of seniority and other objective criteria for making such transfers, together with adequate compensation to any workers who necessarily have to be released as a result of the change. Thus, it is argued, the effect of unionism and collective bargaining has been the working out of an acceptable set of rules for technological change.

Vital Force

Labour, of course, concedes that collective bargaining is not a smoothly functioning instrument. At times it must seem an awkward, illogical and haphazard way of handling industrial relations. To those unfamiliar with its functioning in the U.S., a system, which allows such vitally important questions as the level of wages, the degree of workmen's security and the amount of available leisure to be decided directly by workers and employers, might seem to invite uneven results and conflict. In fact, the occasional examples of serious strain to which collective bargaining has been subjected in recent years and the attacks that have been made upon it for other reasons are the factors that prompted suggestions for modifying its general character. Nevertheless, American workers believe that collective bargaining is a vital force for progress.

Their faith in collective bargaining has been emphasised by the author of the article in the following words:

"Unions will continue to give full support to free collective bargaining. It has proved its durability and adaptability to changing economic conditions. It has been the instrument for achieving a more equitable and wider distribution of higher living standards, for stimulating new technical advances, and for developing greater stability and maturity in labour-management relations.

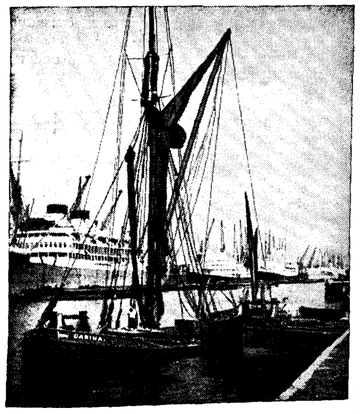
"Labour does not defend collective bargaining unthinkingly. Often, unions are not satisfied with its results. There is always the temptation to invite Government tinkering in an effort to gain some advantage. But considered reflection directs the conclusion that any such advantage, for labour, for industry, or for other parts of the economy, would be short-run or illusory and would not be worth the price paid in terms of values lost as a result of curtailing the fundamentally free and adaptable bargaining process, no matter how frustrating that process may seem at times."

While labour in the U.S. has opposed, and will continue to oppose, any effort in peacetime to impose Governmental authority to negate the results of wage settlements arrived at through collective bargaining, it is not averse to constructive improvements being introduced into collective bargaining process. These improvements, the author of the aforesaid article suggests, should be directed at making the parties concerned more directly aware of the relation between their individual bargaining and the economy as a whole. In this way, broader economic considerations can become a more important factor in collective bargaining.

HOUSE-BUILDING IN W. EUROPE

W. Germany last year led other Western European countries in house-building, with 555,000 new dwellings, that is, 10.5 units per 1,000 inhabitants, according to a U.N. Survey. This number includes over 90,000 tax-privileged and 70,500 subsidised family homes. Second place is held by Sweden, with 9.4 flats per 1,000 inhabitants, followed by Norway (7.5), the Netherlands (7.4), France (7.1), and Finland and Switzerland (each 6.8).

Soviet satellites show a less advantageous picture, with Czechoslovakia building 5 flats per 1,000 inhabitants, Hungary and Rumania 4.7 each, Poland 4.5, and the Soviet Zone of Germany 2.8. The Soviet Union claimed 14.5 units per 1,000 inhabitants last year.



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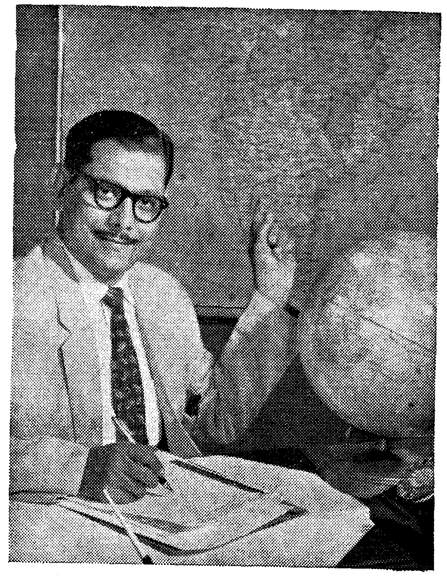

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TWO MORE INDUSTRIES DEPROTECTED

TYRE INFLATOR AND CALCIUM LACTATE

FROM the beginning of 1961, two more industries will be taken off the protected list, in pursuance of the recommendation made by the Tariff Commission. These are the automobile hand-tyre inflator and the calcium lactate industries. These two industries have made substantial progress of late, reflecting broadly the general pattern of growth in the engineering and chemical industries, respectively. Although both the industries have given a good account of themselves, quantitatively and qualitatively, the Tariff Commission in its reports, has urged the manufacturers to spare no efforts for improving the quality of their products. The Commission has, no doubt, noted that most of the consumers, in the case of hand-tyre inflators, are satisfied with the quality of the product. But it has stressed that the Indian Standards Institution should formulate standards for seamless brass tubes of size 1⅜" outside diameter and 22 gauge wall thickness, required for the manufacture of inflators. In the case of calcium lactate, too, the Commission has pointed out the need for ensuring quality that will stand favourable comparison with that of the imported product.

Tyre Inflator

The automobile hand-tyre inflator industry, it may be recalled, has been enjoying tariff protection for the last six years, with rate of duty of 45 per cent. *ad valorem*. The Commission ascertained the landed cost, ex-duty, of the inflators made by the Dunlop Rubber Company of the U.K. and compared it with the fair ex-works price of indigenously made inflators. It found that, in terms of price, the indigenous product compared favourably with the foreign product. Thus, whereas the landed cost ex-duty of an inflator with complete connection was Rs. 11.61, the fair ex-works price was only Rs. 10.15, that is, Re. 1.46 or 12.64 per cent. cheaper. The landed cost with duty works out to Rs. 16.81. It may be noted here that, in working out the fair ex-works price, the Commission has allowed for a return of 10 per cent. on capital employed.

Rejecting the industry's claim for continuance of protection, the Commission observes:

"It will be recalled that, even in its report of 1957, the Commission had recommended a substantial reduction in the protective duty and it was only on revenue considerations that Government allowed the existing rate of duty to continue. The domestic industry has demonstrated its ability to put on the market a product of the required quality and its existing capacity is more than adequate to meet any likely rise in demand in the future, provided it is kept fully supplied with the necessary raw materials. Recent trends also make it clear that the hand-tyre inflator is required more as a stand-by than as a piece of equipment in regular and constant use and that, for this reason, the existing ban on imports is not likely to cause any inconvenience to the users of vehicles. It is clear from the evidence tendered in the course of the present inquiry that the industry feels more concerned about regular and sufficient supplies of its raw materials than duty protection and that the largest producer avowed his lack of interest in the continuance of protection."

There are at present four major and two small units engaged in the production of hand-operated-tyre inflators. One unit, namely, the Hindustan Industries and Machine Manufacturing Company, Kashi, suspended production from August 1958. But another unit, the Indo-Belga Engineering Company, Ahmedabad, came into existence in the meantime. The following table shows the (unit-wise) trend in the development of production and capacity, since the time of the previous enquiry:

(Figures in Nos.)

	Rated capacity		Production	
	1957	1959	1957	1959
Union Co. (Accessories) ..	15,600	15,600	28,400	26,940
Ahmedabad Star Engg. Works ..	36,000	24,000	2,582	3,293
Associated Engg. Works ..	12,000	12,000	2,254	1,403
Hindustan Industries and Machine Mfg. Co.	24,000	24,000	1,019	Nil
Indo-Belga Engg.	..	14,400*	9,256*	4,192*
Urban Engg.	..	7,200	1,719	7,375
West Bengal Corpn.	..	12,000	1,700	4,671
Total ..	87,600	109,200	46,930	47,784

* Figures include cycle pumps also.

It will be seen from this table that the total number of hand-tyre inflators produced in the country rose from about 46,930 in 1957 to about 47,784 in 1959, and the total capacity from 87,600 to 109,200 on single-shift basis. Although production has thus tended to go up, a substantial part of the installed capacity remains idle.

Each inflator is accompanied by connections, such as a foot-piece and tubes. The following table shows the volume of production and capacity of these pump connections in 1959, as compared with 1957:

(Figures in Nos.)

	Rated capacity		Production	
	1957	1959	1957	1959
Union Co. (Accessories) ..	60,000	60,000	62,158	42,590
Ahmedabad Star Engg. Works ..	60,000	24,000	6,011	4,128
Associated Engg. Works ..	12,000	12,000	3,569	2,188
Hindustan Industries	24,000	24,000	N.A.	N.A.
Total ..	156,000	120,000	71,738	48,906

Demand for Inflators

The Commission has estimated that the demand for hand-tyre inflators and connections in 1960 will be about 50,000 and 150,000, respectively, on the basis of the accepted ratio of three connections to one pump. It holds the view that demand will remain stable at this level in the coming years, with a slight upward trend. In making these estimates, the Commission has taken three major factors into consideration. First, producers of motor vehicles do not nowadays supply hand-tyre inflators as original equipment, except one manufacturer. Secondly, with the growth of service stations in urban and other areas, the pump is required only as a stand-by. Lastly, the increasing use of tubeless tyres will affect the demand for inflators.

The three principal raw materials of the industry, namely, solid drawn seamless brass tubes, bright free cutting mild steel rods and spring steel wire are still not produced in the country and continue to be imported. The scheme of the National Pipes and Tubes Company, Ltd. to install a tube processing plant has been delayed on account of non-issue of the necessary import licence, but Messrs. Devidayal (Sales) Private Ltd. has installed an extrusion press for non-ferrous tubes, with a capacity of 3,600 tons per annum which is expected to produce brass tubes of required wall thickness and diameter by the end of 1960. The Government has issued instructions to extend the validity of licences for import of raw materials to one year. It is clear that licences for import of raw materials are being issued for small quantities in driblets, making regular production difficult. The Development Wing has merely stated that the firms borne on its list are receiving regular licences, but the Commission insists that the Government should also take steps to see that manufacturers in a protected industry who have a programme of production and ask for necessary raw materials are not handicapped by delays or cuts in affording them licences. As domestic production of seamless brass tubes is to start within this year, it is to be hoped that this particular difficulty will not continue much longer.

Imports of hand-tyre inflators are subject to controls which are applicable to motor vehicle parts. They have not been on a significant scale. The value of imports of inflators has gone down from Rs. 1.36 lakh in 1957 to a mere Rs. 547 in 1959. Similarly, imports of its parts, etc., were lower at Rs. 15,997 in 1959, as against Rs. 33,619 in 1957.

While accepting the Commission's recommendation for withdrawing protection to the hand-tyre inflator industry, the Government has retained the import duty for revenue purposes, albeit at a lower level, namely, 35 per cent. *ad valorem*, as against 45 per cent. The new rate of duty came into effect from 22nd July 1960. The import restrictions will continue as before. Accordingly, the abolition of protection is only in principle.

Calcium Lactate

While rejecting the claim of the calcium lactate industry for continuance of protection, which it has been enjoying for the last ten years, the Commission has pointed out that the industry is now well established and stands in no danger of unfair competition from any foreign product. The price of the domestic product compares quite favourably with the imported product. Besides, "the domestic industry is protected more effectively by the severe restrictions on imports, which have now reached almost vanishing point." At the time of the last inquiry, there was a serious threat of low-priced imports from China, but this did not really happen. The industry has actually made good progress. It meets at present the entire domestic requirements of calcium lactate and its derivatives and is in a position to meet any likely rise in demand by increasing its output to the full installed capacity.

At present, Sarabhai Chemicals and the Calcutta Chemicals are the only two producers of calcium lactate in the country. Since the last inquiry, the industry has made considerable progress. Both units are engaged in the manufacture of a large variety of drugs, pharmaceutical products and fine chemicals and the production of calcium lactate represents only one per cent. in value of the total turnover of Sarabhai Chemicals and a fraction of the total sales of the Calcutta Chemicals. The major unit, Sarabhai Chemicals, has raised its capacity from 72 tons to 132 tons per annum which was 36 tons more than the projected expansion of 96 tons as originally envisaged. Both units have now diversified their production, by converting calcium lactate into calcium sodium lactate and calcium lactophosphate. The annual rated capacity of Sarabhai Chemicals is now 132 tons. It uses a part of its capacity for production of calcium sodium lactate and calcium lactophosphate which has steadily increased from 7.84 tons in 1957 to about 11.29 tons in 1959. The output of calcium lactate and its derivatives has progressively risen from 47.94 tons in 1957 to 92.99 tons in 1959, indicating utilisation of about 70 per cent. of its expanded capacity. The Calcutta Chemicals has reported that there has been no change in its annual rated capacity, but has represented that it should be taken as 49 tons for the production of calcium lactate conforming to I.P. specifications or 30 tons for calcium lactate of B.P. specifications. The Company has claimed that it produces calcium lactate of both B.P. and I.P. specifications as well as calcium sodium lactate and calcium lactophosphate. Its production of calcium lactate and its derivatives, however, is in small quantities, which utilises only about 10 per cent. of its rated capacity.

Capacity and Production

The following table shows at a glance capacity and production of calcium lactate in 1959, as compared with those in 1957:

(In tons)

	Capacity		Production	
	1957	1959	1957	1959
Sarabhai Chemicals	72	132	48	92
Calcutta Chemicals ..	30	49	5	6
Alembic Chemical Works* ..	60	..	..	..
Total ..	162	181	53	98

* This unit has not yet resumed production on a commercial scale.

According to the Commission, the domestic demand for calcium lactate is of the order of 105 tons in 1960 and will rise to 125 tons by 1962. It may be noted that, when the proposed scheme of the Calcutta Chemicals to manufacture 60 tons of lactic acid materialises, the demand for lactate is expected to go up to 150 to 175 tons.

The principal raw materials required for the manufacture of calcium lactate are (i) jaggery or sugar and (ii) lime or calcium carbonate. In addition, certain accessory chemicals like activated carbon, superphosphate, marmite, etc., are used as chemicals, filter-aids or nutrients. Both producers have been using indigenous raw materials to the maximum extent possible. The value of such materials to the total value of materials used in the production of calcium lactate accounts for 95 per cent. in the case of Sarabhai Chemicals and 85 per cent. in the case of the Calcutta Chemicals.

Fair Ex-works Price

As in the case of the hand-tyre inflator industry, the Commission has allowed, in fixing fair ex-works price of calcium lactate, a return of 10 per cent. on capital employed. The landed cost of imported lactate from West Germany is placed at Rs. 3.32 per lb. with duty at 40 per cent. *ad valorem* and Rs. 2.40 without duty. The latter is a little higher than the fair ex-works price, as worked out by the Commission, of Rs. 2.22 per lb. In other words, the domestic manufacturers have an advantage of about 7.8 per cent. over their foreign competitors.

As already pointed out, imports of calcium lactate have been rapidly declining. They amounted in value to Rs. 5,903 in 1959, as against Rs. 40,364 in 1958 and Rs. 88,100 in 1957. Australia, the U.K. and China were the main exporters. Some quantity was imported from the Netherlands also. It is said that Sarabhai Chemicals Ltd. has been trying to explore markets in foreign countries for calcium

(Continued on page 272)

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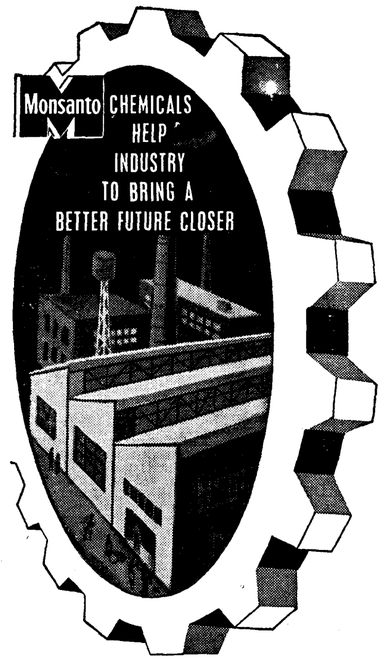

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PHILIPS INDIA EARNS RECORD PROFIT

PLANS TO EXPAND DOMESTIC MANUFACTURE

A SUBSTANTIAL improvement in turnover, thanks to the progressive realisation of plans for manufacture in India and the sustained demand for all its products, a marked rise in actual profit, as well as in profit margin, and the maintenance of the net return to the shareholders are some of the main features of the results of Philips India Ltd. (Chairman and Managing Director: Mr. P. C. Vink, Calcutta) for the year ended 31st December 1959. Sales have gone up by nearly Rs. 43 lakhs to a peak of Rs. 4.91 crores, thus more than making good the decline in 1958. The gross profit has gone up to a record level of Rs. 72.59 lakhs, representing an increase of Rs. 11.01 lakhs over that for 1958. With this rise, the profit has not only maintained the upward trend since 1956 (the last full year of its working as a private concern—it was in October 1957 that the Company was converted into a public limited one) but has also recorded an increase of 50 per cent. over the last three years. The ratio of gross profit to sales, which had improved from 11.4 per cent. in 1956 to 13.7 per cent. in 1958, has further advanced to 14.8 per cent. in the year under review.

The net profit, too, has gone up from Rs. 25.80 lakhs to Rs. 33.36 lakhs. The appropriation to the reserves has, no doubt, been pruned from Rs. 7.30 lakhs to Rs. 4.25 lakhs, despite the fact that its reserves are too small as compared with the turnover and the paid-up capital employed in the business and need to be augmented substantially. The Directors have, however, set aside Rs. 2 lakhs to provide a nucleus for a staff gratuity fund. They have also recommended the payment of a dividend of 12 per cent., subject to deduction of tax, which is equivalent to a net distribution of 8.4 per cent., as against 8.5 per cent. free of income-tax paid for 1958. This requires Rs. 7.70 lakhs more than last year, and explains why a larger amount has not been set aside to the reserves. Referring to the implications of the new scheme of corporate taxation introduced in 1959 to the Company, the Directors observe in their latest report as follows:

"In making their recommendations, the Directors have considered the recent changes in tax regulations relating to dividends in the Finance Act 1959. It would be appreciated that, so far as the Company is concerned, the new scheme of taxation will adversely affect the liquid position required for the current and future expansion of the Company's operations, if the net cash dividend is to be maintained at the same level as that obtaining under the old scheme of 'grossing-up.'"

The Company's progress since 1956 is well illustrated by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sale proceeds	4,90.95	4,48.14	4,73.59	4,22.65
Other income	5.43	4.90	9.44	6.55
Consumption of goods	2,59.67	2,46.00	2,84.08	2,53.29
Other expenses	1,64.11	1,45.47	1,44.58	1,27.58
Gross profit	72.59	61.58	55.04	48.32
Provision for—				
Depreciation	11.17	8.02	8.64	5.60
Taxation	28.06	27.76	28.35	20.50
Net profit	33.36	25.80	18.04	22.22
Transfer from reserves	..	3.00	7.50	..
,, to reserves	4.25	7.30	13.50	10.70
,, provisions	2.60	..	..	..
Dividend	26.40	21.78†	4.40	12.00
	(12%)*	(8.5%)	(2%)‡	(48%)
Carry forward	0.47	0.36	0.04	0.49

* Subject to deduction of tax.
† Includes an additional dividend of Rs. 3.08 lakhs at 14 nP. per share for the year 1957.
‡ For two months only.

The overall upward trend in the Company's sales during the past few years is encouraging, though this is mainly confined to the "entertainment group," such as radio, acoustics, etc. Notwithstanding the fact that the sales of industrial and professional articles continued to be adversely affected by import restrictions, it is gratifying to note that the Company was able to increase the sales of these articles, thanks to its successful efforts to assemble locally, among others, medical apparatus from indigenous components. Inadequate supplies of lamps resulting from the present restrictions imposed on the lamp industry are said to have hampered the improvement of sales in the Light group. The Directors fear that, unless the production of lamps is allowed to expand with the rise in demand, there is likely to be an overall shortage of electric bulbs in the country in the near future.

The most important event of the year under review was the commencement of production of radio sets in the Company's new factory at Loni, near Poona, and an appreciable increase in the supply of components from this unit. The factory in Calcutta continued to maintain a satisfactory level of production. The Directors, however, emphasise that production in general is being handicapped by inadequate supplies of imported raw materials. The efforts made by them in previous years to attain a better integration of the Company's manufacturing activities, no doubt, resulted in improving, to a certain extent, the position of supplies from local sources. These efforts are being continued, in order to augment indigenous supplies.

Along with the efforts being made to attain self-sufficiency in the production of radio sets, the Company has planned to extend the programme of local manufacture to other fields. Giving an idea of these plans, the Directors observe:

"Simultaneously with our efforts to attain self-sufficiency in the production of radio sets, it has been planned to extend the field of local manufacture to X-ray equipment, cinema projectors and electronic measuring instruments. As a first step, the assembly of operation lights, sterilisers, ultra-violet and infra-red apparatus and cinema projectors with the help of indigenous components, fabricated under our guidance by small-scale industries, has been undertaken. An increase in the manufacture of radio components to meet the demands of set-makers in addition to our own requirements is envisaged. The manufacture of photoflash bulbs and glow-switches for fluorescent lamp starters and the increased capacity for the production of radio sets are other notable features of our plans. In implementing these various plans we continue to endeavour to feed and develop ancillary and small-scale industries of the country which form an integral part of all our manufacturing schemes. A mention may be made of the fact that the proposal to produce radio valves has had to be abandoned following the Government's decision to manufacture these in the public sector in collaboration with N. V. Philips' Gloeilampenfabrieken, Holland."

The sustained expansion in the manufacturing activities of the Company is reflected in a capital expenditure of Rs. 32.15 lakhs during the year under review, on top of Rs. 33.88 lakhs in 1958 and of Rs. 29.07 lakhs in 1957, bringing the total capital expenditure up to the end of 1959 to Rs. 148.74 lakhs. This has been well written down to Rs. 99.91 lakhs. Besides this, the capital expenditure in progress stands at Rs. 3.05 lakhs. The total current assets aggregate Rs. 382.66 lakhs, having declined from Rs. 407.77 lakhs, thanks to a reduction in closing stocks of finished goods as a result of higher sales, and a decline in trade debts, which is reflected in an improvement in cash balances. As against these current assets, the borrowings and other current liabilities and provisions amount to Rs. 214.46 lakhs. The total net assets thus aggregate Rs. 271.16 lakhs, represented by a paid-up capital of Rs. 220 lakhs and reserves and surplus of Rs. 51.16 lakhs. Of these reserves, share premium (after writing off capital issue expenses) alone accounts for Rs. 38.67 lakhs. Thus, the amount ploughed back out of the earnings is no more than Rs. 12.49 lakhs.

The Company's Rs. 10 fully paid-up ordinary shares have been popular with investors and are being currently quoted at Rs. 31.50 *cum-div.*, as against Rs. 21 a year ago. At this rate and on an *ex-div.* basis, they provide a yield of no more than 2.7 per cent. per annum, free of tax, but this low yield is in consonance with the current yield pattern of first class equities, with growth prospects.

QUALIFYING EXAMINATIONS FOR COMPANY SECRETARIES

The rules for registration of students in connection with the preliminary and intermediate examinations, for qualifying as Company Secretary, have been published by the Department of Company Law Administration. It has been decided to extend the last date for registration of students for the intermediate examination upto 31st August. Candidates intending to appear for the examination, which will be held in February-March 1961, must first apply for exemption from the preliminary examination and then register themselves as students with the Department of Company Law Administration, if qualified for such exemption. Applications for exemption from the preliminary examination and for registration have to be made separately and candidates will have to pay the exemption and registration fees as prescribed under the rules.

Candidates for the preliminary examination are not required to register themselves as students, but have only to enrol themselves as candidates for the examination by submitting examination fee along with their applications.

A booklet containing the rules and subjects and syllabus for the two examinations has just been published and is available with authorised agents of Government publications.

SHORTAGE OF STEEL AFFECTS JESSOP

RETURN TO SHAREHOLDERS MAINTAINED

THE results of working of Jessop and Company Ltd., Calcutta, for the year ended 31st October 1959 provide an instance of how the progress of even well-established engineering units is being retarded by the short supply of steel and components and receipt of "non-matching" steel in more than adequate quantities. Jessop and Company Ltd. is one of those units which have substantially increased their capacities by expansions and alterations to meet the growing and changing needs of consumers, but their actual production falls short of the installed capacity on account of the aforesaid handicap. One of the important reasons for the shortage of steel supply during the year under review was the steel strike in the U.S., which resulted in most serious delays in deliveries of steel for railway coaches, wagons and bridge girders. Though the position has, in many respects, improved now, the Company is still feeling the effects of shortage in "matching steel." It is true that these are comparatively a few items, but it is stated that they are indispensable and work cannot be taken up without them.

Notwithstanding the handicap explained above, the Company's performance during the year under review was fairly encouraging. The gross profit, at Rs. 65.22 lakhs, represents a slight increase of Rs. 1.51 lakhs over that for 1957-58, in refreshing contrast to the sharp fall of Rs. 23.93 lakhs suffered in the previous year. This improvement is, of course, due to a fortuitous rise of Rs. 7.93 lakhs on the credit side of the profit and loss account, representing the increase in the value of closing stocks, following the switch-over from the old basis to the new basis of valuation. Even if allowance is made for this factor, one can draw comfort from the fact that the resultant contraction in profit is less sharp than in the previous year. The net profit, at Rs. 29.49 lakhs, is more or less unchanged at the previous year's level and the net distribution to ordinary shareholders has been well maintained at 6 per cent. The ordinary dividend has been grossed to 8.58 per cent., so as to leave in the hands of the shareholders a net return of 6 per cent. tax-free. The distribution on the 5 per cent. tax-free preference shares has also been likewise grossed, in order not to affect the net return provided in the Articles of Association. The net distributions to shareholders have, it may be noted, been well maintained only after ploughing back as much as Rs. 20.62 lakhs. Though this represents a cut of Rs. 6.93 lakhs from the amount added last year, it is still substantial, in that it represents 70 per cent. of the net profit and the Directors consider that "the production potential of the Company has increased so fast and so greatly that it is still essential to conserve its resources so as to meet the consequent increase in the demand for working capital."

The salient features of the Company's results for the year under review are compared with those for the previous three years in the following table:

(In lakhs of rupees)

	For the year ended 31st October			
	1959	1958	1957	1956
Sale proceeds	6,59.10	6,50.73	5,94.19	5,25.14
Other income	11.24	14.67	6.76	12.82
Closing stocks and work-in-progress	5,41.49*	3,72.18	3,43.96	2,86.80
Expenses	6,05.13	6,01.70	5,13.31	4,69.87
Gross profit	65.22	63.71	87.64	69.09
Provision for—				
Depreciation	13.05	10.89	8.81	5.10
Taxation	22.68	23.10	42.00	45.65
Net profit	29.49	29.72	36.83	18.34
Provisions written back	1.36	5.00	..	7.54
To reserves	20.62	27.55	37.83	24.78
Dividends—				
5 per cent. preference	1.43†	1.00	1.00	0.75
Ordinary	8.76†	6.12	..	..
	(8.58%)†	(6%)		
Carry forward	0.54	0.59	0.52	0.52

* Basis of valuation changed. † Subject to deduction of tax.

The increase in sales for the year under review does not fully reflect the expansion in works output. Despite several adverse factors, such as non-finalisation of the specifications of the new type of wagons by the railways and shortage of steel, the actual works output is said to have increased by Rs. 52.17 lakhs to Rs. 648.27 lakhs. This is, however, offset, to a large extent, by the drop of Rs. 43.80 lakhs in sales under agency business consequent on the discontinuance of this business and the total sales, therefore, show a net increase of only Rs. 8.37 lakhs.

The Company's new coach works came into production during the year under review and this enabled the Company to construct and deliver three electric multiple coach units to the railways by the end of October 1959. Up to the end of June 1960, the Company completed and delivered 14 such units. The three older works, namely, structural, mechanical and wagon, have been expanded and altered to enable the Company to undertake furnishing of metre-gauge coaches and to manufacture the new B.O.X. type of 8-wheeled bogie wagons, as also metre and broad-gauge bogie motor and parcel vans. The process of addition and alteration is still going on. To meet the growing demand for its products and also to diversify the Company's output, it has become necessary to modernise and re-equip the mechanical works, where much of the plant is, by modern standards, said to be of low productive capacity. This matter is said to be receiving the topmost attention of the Directors and immediate steps are being taken for the procurement of modern machinery. The Directors have under investigation two major schemes for the expansion of the Company's activities, but they have expressed their inability to disclose details at this stage.

The continued expansion of the works is reflected in a further addition of Rs. 24.07 lakhs to the block account during the year under review. This is on top of Rs. 83.72 lakhs added in 1957-58 and brings the gross value of the fixed assets to Rs. 277.48 lakhs. The net book value of the same is Rs. 193.17 lakhs and the capital works in progress is Rs. 15.23 lakhs. The current assets amount to Rs. 646.31 lakhs and exceed the borrowings from banks and other current liabilities at Rs. 629.68 lakhs. The total net assets thus aggregate Rs. 225.04 lakhs and are represented by a paid-up capital of Rs. 121.99 lakhs and reserves and surplus of Rs. 103.05 lakhs. Since the close of the year, the paid-up capital was raised by Rs. 102 lakhs by the issue of 1,020,000 ordinary shares of Rs. 10 each at a premium of Rs. 2 per share. The new shares qualify for dividend from the current year onwards.

As readers are aware, the Company is one of those which were heavily involved in the notorious Mundhra episode. A sum of Rs. 60.24 lakhs has already been written off to wipe out a doubtful debt given to Rameswar Daga & Co. for buying the shares of Richardson and Cruddas Ltd. The current assets mentioned above include investments to the tune of (book value) Rs. 72.71 lakhs to which the Company's title has not been established and the value of which is doubtful. Thus, the Company has still a long way to go to heal the wounds caused by Mr. Mundhra.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 25.12 *ex-div.*, at which rate and on the basis of the latest distribution, the yield works out to 2.59 per cent. per annum, free of tax.

U.K. LOAN TO E.I.D.

The Commonwealth Development Finance Corporation Ltd. (C.D.F.C.) has signed an agreement, with the East India Distilleries and Sugar Factories Ltd., of Madras, for a loan of £600,000 as part of the financing of a compound ammonium phosphate fertiliser plant to be erected at Ennore, near Madras. The plant will have an annual capacity of about 51,000 tons, and will contribute towards increasing the yields of food and cash crops in South India. Announcing the loan, a C.D.F.C. spokesman said: "The solution of India's food poblem is probably the most important matter facing the Indian Government today." The East India Distilleries plant has been designed, and is to be erected, by the British firm of Simon-Carves Ltd. It will be the first fertiliser factory in India to manufacture compound ammonium phosphates.

BENGAL POTTERIES LTD.

The year 1959 proved to be the most prosperous one for the Bengal Potteries Ltd. (Managing Agents: Messrs. Bharat Ram Bhagat & Company, Calcutta), thanks to a fairly substantial increase in production in both of its two factories and the larger demand for its products. Its sales show a rise of Rs. 45.63 lakhs to Rs. 166.29 lakhs and its gross profit recorded nearly a twofold increase from Rs. 17.17 lakhs to Rs. 33.91 lakhs, as also its net profit from Rs. 6.95 lakhs to Rs. 13.44 lakhs. Notwithstanding this substantial improvement in the results, the net dividend was only maintained at the previous year's level of 10 per cent. (14.29 per cent., subject to deduction of tax). It must, however, be noted that, while last year there was no distributable profit, consequent on the statutory obligation to set aside as much as Rs. 7.16 lakhs to development rebate (which was a shade more than the actual net profit) and the Directors had to pay the entire dividend out of the general reserve, this year the distribution was made fully out of the year's earnings, even after adding a sizable sum to the reserves. In fact, the gross distribution was Rs. 2.37 lakhs more than last year, consequent on the tax deductible at source, the burden of which the Company took upon itself in order to give the same net return to the shareholders. Thus, but for the change in tax law, the shareholders would have received more, as would be evident from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sales	1,66.29	1,20.66	1,06.23	91.13
Closing stocks	22.64	12.11	10.60	10.48
Raw materials consumed	25.29	17.46	14.25	12.60
Other expenses	1,08.43	86.79	77.93	62.36
Gross profit	33.91	17.17	15.49	16.44
Managing Agents' commission	2.64	1.30	1.38	1.51
Provision for—				
Depreciation	10.67	6.10	2.64	2.66
Taxation	7.16	2.82	3.02	5.87
Net profit	13.44	6.05	8.45	6.40
To reserves	5.40	7.16	3.30	2.30
Drawn from reserves	..	5.52	..	..
To dividend	7.89	5.52	5.05	4.11
	(14.29 t%)*	(10%)	(10%)	(10%)
Carry forward	0.15	..	0.21	0.11

* Subject to deduction of tax.

The performance of the Company would have been far more encouraging but for the fact that the production of high voltage electrical porcelain in the new factory (which began by the end of 1958) could not be brought to its rated capacity, on account of the paucity of gas supply from the Company's present generators. Orders have been placed for a large-size new gas generator and this is expected to be installed by early 1961. Till then, production in the new factory will be below the rated capacity.

The outlook for the Company is encouraging, as will be evident from the following extracts from the Chairman, Lala Shri Ram's speech at the recent annual general meeting:

"The demand in the country of both high tension and low tension insulators is increasing very rapidly on account of the tremendous increase of power generation capacity which has been planned by the Government. It is certain that both for the purpose of transmission lines and for rural electrification, the demand of electrical porcelain in the country will rise considerably in the years to come and the Planning Commission has made an estimate that the requirements of high tension and low tension insulators would be 10,000 tons or more per year in each case. Our Company has been a pioneer in the manufacture of insulators and our production is by far the largest in the country. In view of the prospective market, we are taking steps to increase the production of both high tension and low tension insulators considerably in the next two or three years.

"In the new factory, where we had taken up the manufacture of high tension insulators, we are expecting better results in the year 1960, in spite of the shortage of gas.

"The demands for our manufacture in the country itself are so large that we are just able to fulfil these with our present production. All the same, we are making attempts to export some of our goods and we are glad to say that we have made a small start in this direction by making arrangements to export certain articles to East Pakistan."

There is, however, one difficulty in the Company achieving its objects. This is the acute shortage of china-clay and good quality coal and coke, but the Company is making strenuous efforts to obtain as much as possible of these two raw materials from all possible sources.

The Company's latest balance-sheet shows that the financial position requires to be strengthened. The paid-up capital at Rs. 55.23 lakhs is supplemented by reserves and surplus amounting to Rs. 15.64 lakhs. The borrowings and other current liabilities aggregating Rs. 117.85 lakhs are more than the current assets which amount to only Rs. 83.36 lakhs. The gross block of the value of Rs. 157.36 lakhs has been written down to Rs. 105.36 lakhs. The substantial disparity between paid-up capital and block account suggests that the Company is undercapitalised.

The Rs. 2.50 fully paid-up shares of the Company are being currently quoted at Rs. 7 *ex-div.*, at which rate and on the basis of the latest dividend, the yield works out to 3.6 per cent. per annum free of tax.

ALUMINIUM LIMITED'S GHANAIAN AFFILIATE TO EXPAND

Aluminium Ltd., Canada, has announced that its associated company in Ghana, namely, Ghana Aluminium Products Limited, is to expand its operations at Tema by the installation of an aluminium rolling mill next to its existing factory. The new project will cost approximately $2½ million. The new rolling mill will be able to serve the entire market requirements of Ghana for aluminium sheet products. Production should begin early in 1962. The Ghana Aluminium Products Limited is at present jointly owned by the Government of Ghana (40 per cent.) and Aluminium Limited (60 per cent.). The additional capital for the rolling mill will be provided by Aluminium Limited, the Commonwealth Development Finance Company, Limited, the United Africa Company of Ghana Limited, the Union Trading Company Limited and Compagnie Francaise de l'Afrique Occidentale. The Government of Ghana will retain its existing investment. When the rolling mill is in full operation, the Company's shares will be available for investment by the Ghanaian public.

The Ghana Aluminium Products began production of corrugated aluminium roofing sheet at Tema in August 1959. The construction of a second factory to produce a wide range of aluminium products is already well advanced. The new rolling mill will be the third stage in the Company's expansion programme.

COMPANY MEETINGS AND DIVIDENDS

COORG TEA CO., LTD. Annual General Meeting, Coimbatore, 10th August 1960. Dividend: 20 per cent. or Re. 0.40 per ordinary share, subject to deduction of tax, payable on or after 10th August 1960. Transfer books remain closed from 1st to 10th August 1960, both days inclusive.

CHOONABHUTTI TEA CO., LTD. Annual General Meeting, Calcutta, 16th August 1960. Dividend: Rs. 30.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 2nd to 16th August 1960, both days inclusive.

SEEBPORE COAL CO., LTD. Annual General Meeting, Calcutta, 17th August 1960. Dividend: Rs. 3.00 per share (includes interim dividend of Re. 1.00 per share), subject to deduction of tax. Transfer books remain closed from 4th to 17th August 1960, both days inclusive.

EQUITABLE COAL CO., LTD. Annual General Meeting, Calcutta, 18th August 1960. Dividend: 7½ per cent. or Re. 0.75 per ordinary share, subject to deduction of tax. Transfer books remain closed from 5th to 18th August 1960, both days inclusive.

COCHIN MALABAR ESTATES LTD. Annual General Meeting, Calicut, 18th August 1960. Dividend: 17½ per cent. or Re. 0.525 per ordinary share (includes interim dividend of 7½ per cent. or Re. 0.225 per share) subject to deduction of tax. Transfer books remain closed from 5th to 18th August 1960, both days inclusive.

BALMER LAWRIE AND CO., LTD. Annual General Meeting, Calcutta, 19th August 1960. Dividend: 20 per cent. final. Transfer books remain closed from 1st to 19th August 1960, both days inclusive.

BRIDGE AND ROOF CO. (INDIA) LTD. Annual General Meeting, Calcutta, 19th August 1960. Dividend: 30 per cent. or Rs. 3.00 per share, subject to deduction of tax. Transfer books will remain closed from 10th to 19th August 1960, both days inclusive.

INDIAN DYESTUFF INDUSTRIES LTD. Annual General Meeting, Bombay, 19th August 1960. Dividend: Rs. 4.20 (net) per old ordinary share and Re. 1.30 (net) per new ordinary share, payable on 1st October 1960. Transfer books will remain closed from 12th to 25th August 1960, both days inclusive.

PULLANGODE RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Fort Cochin, 22nd August 1960. Dividend: 5 per cent. or Re. 0.10 per share, subject to deduction of tax. Transfer books remain closed from 6th to 24th August 1960, both days inclusive.

NEW INDIA ASSURANCE CO., LTD. Annual General Meeting, Bombay, 24th August 1960. Dividend: Rs. 5.70 per ordinary share (includes a bonus of Re. 1.20 per ordinary share), subject to deduction of tax, payable on and after 29th August 1960. Transfer books remain closed from 25th July to 23rd August 1960, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Tennur, Tiruchirapalli, 27th August 1960. Dividend: 9 per cent. or Re. 0.90 per ordinary share (includes interim dividend 4½ per cent.) subject to deduction of tax. Transfer books remain closed from 2nd to 27th August 1960, both days inclusive.

PHILIPS INDIA LTD. Annual General Meeting, Calcutta, 27th August 1960. Dividend: 12 per cent. or Re. 1.20 per share, subject to deduction of tax, payable on or after 26th September 1960. Transfer books will remain closed from 8th to 27th August 1960, both days inclusive.

KUMARDHUBI ENGINEERING WORKS LTD. Annual General Meeting, Calcutta, 30th August 1960. Dividend: Re. 0.30 per share, subject to deduction of tax. Transfer books will remain closed from 16th to 30th August 1960, both days inclusive.

BAILY JUTE CO., LTD. Annual General Meeting, Calcutta, 31st August 1960. Dividend: Rs. 25.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 8th to 31st August 1960, both days inclusive.

BIRLA JUTE MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 31st August 1960. Dividend: Re. 1.50 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 8th to 31st August 1960, both days inclusive.

HINDOOSTAN SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 2nd September 1960. Dividend: Rs. 400.00 per share (final), on whole ordinary shares, subject to deduction of tax, for the year ended 31st March 1960, payable on and after 3rd September 1960. Transfer books will remain closed from 8th August to 2nd September 1960, both days inclusive.

INDIAN MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 2nd September 1960. Dividend: Rs. 182.00 per share (final), subject to deduction of tax, for the year ended 31st March 1960, payable on and after 3rd September 1960. Transfer books will remain closed from 8th August to 2nd September 1960, both days inclusive.

SIMPLEX MILLS CO., LTD. Dividend of Rs. 5.25 (net) per share, for the year ended 31st March 1960. Transfer books will remain closed from 13th to 27th August 1960, both days inclusive.

EDWARD TEXTILES LTD. Net dividend of Rs. 12.60 per share, for the year ended 31st December 1959, payable on 12th September 1960. Transfer books will remain closed from 8th to 31st August 1960, both days inclusive.

KILLICK INDUSTRIES LTD. Interim dividend of Rs. 2.10 (net) per share, for the year ending 30th November 1960, payable on 13th September 1960. Transfer books will remain closed from 17th August to 8th September 1960, both days inclusive.

ENFIELD INDIA LTD. Dividend of 5 per cent. or Re. 0.50 per ordinary share, subject to deduction of tax for the year ended 31st December 1959. Transfer books will remain closed from 17th to 31st August 1960, both days inclusive.

SYNOPSES OF COMPANY REPORTS

Coorg Tea Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Srinivas Agencies, Coimbatore) submit the audited accounts of the Company for the year ended 31st March 1960.

The result of the year's working after providing for depreciation on buildings, machinery, furniture, vehicles, etc., amounting to Rs. 23,489 (Rs. 22,787) and providing for Central income-tax and Mysore Agricultural income-tax amounting to Rs. 33,500 (Rs. 72,100) is a net profit of Rs. 1,13,081 (Rs. 1,13,139) to which must be added Rs. 4,249 (Rs. 2,735) brought forward from the previous year's account making a total of Rs. 1,17,330 (Rs. 1,15,874). The directors recommend the following appropriations:

To pay a dividend of 20 (20 per cent. free of tax) per cent. subject to tax, on the equity shares, absorbing Rs. 96,000 (Rs. 96,000) to pay a dividend of 7½ (6¼ per cent. free of tax) per cent. subject to tax, on the preference shares (subject to the change in the rate and terms of preference dividend being approved by the separate class meetings of shareholders for which notices are being issued), absorbing Rs. 18,750 (Rs. 15,625) and to carry forward to the current year Rs. 2,580 (Rs. 4,249).

Crop and price.—3,53,888 (4,12,070) lbs. of tea were produced during the year under report against the estimate of 3,50,000 lbs. The tea was produced at a cost of 162.86 nP per lb. against 151.59 nP for the previous year. The net average sale price realised works out to 228.35 nP per lb. compared to 214.18 nP during the previous year. The stock of tea remaining unsold as at 31st March 1960 was 84,246½ (98,357) lbs. the whole of which has been valued at all-in-cost of Re. 1.90 (Re. 1.70) per lb.

The estimate for the year ending 31st March, 1961 provides for a crop of 3,65,000 lbs. made tea to be produced at a cost of 149.07 nP per lb. and 4 tons coffee to be produced at Rs. 9,455. The estimate also provides for a capital expenditure of Rs. 59,124.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,30,000	Gross block	12,48,672
Reserves ...	4,76,798	*Less*—Depreciation ...	2,12,224
Provision for taxation ...	45,229		
Liabilities ...	2,14,406	Net block	10,36,448
Profit and loss account (surplus)	2,580	Stock of tea	1,60,068
		Stores ...	80,442
		Book debts	50,628
		Investments	1,000
		Cash ...	1,40,427
Rs.	14,69,013	Rs.	14,69,013

Pullangode Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Aspinwall & Co., Ltd., Fort Cochin) submit the audited accounts of the Company for the year ended 31st March 1960.

The net profit for the year is Rs. 59,887 as compared with Rs. 94,604 for the past year. The decline in profit during the year was due mainly to the fall in crop, increased estate expenditure and an extra large number of tapping days lost through prolonged monsoon conditions. The necessary provisions for depreciation on buildings and machinery have been made, and unsold rubber on the date of closing has been valued on the basis of controlled rates.

Crops and costs.—The rubber crop figures have been shown in metric system of weights. During the year the crop harvested amounted to 2,61,973 kgs. as against the estimate of 2,60,815 kgs. or a shortfall of 32,068 kgs. over last year. The reason for the shortfall in crop is partly the fact that the whole area of 75 acres mentioned in the directors' last report as being replanted has produced no crop. In addition to this rain interfered with tapping to an abnormal extent. The Company is now experimenting with rain-guards, which, it is hoped, may prove an economic success. Expenditure and average sale prices are compared below:—

	Crop	All-in cost	Average sale price
	Kgs.	nP. per kg.	nP. per kg.
1956-57	2,77,598	307.17	340.74
1957-58	2,65,805	322.87	341.86
1958-59	2,94,041	313.90	339.71
1959-60	2,61,973	336.03	345.11

It is conservatively estimated that a crop of 2,81,227 kgs. of rubber will be collected during 1960-61 at an estate expenditure of 255.50 nP per kg.

Replanting.—The work on the replanting of 75 acres is progressing well. The further 100 acres now being slaughter-tapped will be replanted in 1961, and the directors have selected further 150 acres for slaughter-tapping and replanting in 1963. Out of the existing areas of immature budded rubber, a small crop will be harvested from the 1952-53 clearing (100.58 acres) during the current financial year.

Pepper clearing.—A more intensive policy of cultivation has been adopted, and when all the vines are mature, a useful addition to income may be expected from this source.

The controlled price of rubber remained unchanged throughout the year. In October 1959, the Tariff Commission conducted an enquiry on the price structure of rubber, and the Company's estate was one of the groups selected for examination of the cost of production. The publication of their report is still awaited.

With the previous year's brought forward the total available for distribution is Rs. 1,32,285 (Rs. 1,95,398). After deducting sales tax paid in respect of earlier years, Rs. 3,036 (*nil*) and dividend on preference shares, Rs. 12,855 (Rs. 9,000), there is a balance left of Rs. 1,16,395 (Rs. 1,86,378) which the directors recommend to dispose of as under:—

To additional provision for rubber rehabilitation Rs. 16,700 (Rs. 31,500), to dividend on ordinary shares at 5 per cent. (5 per cent. free of tax) subject to tax absorbing Rs. 82,500 (Rs. 82,500), leaving a balance to be carried forward of Rs. 17,195 (Rs. 72,398).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,00,000	Gross block	22,68,070
Reserves ...	2,29,315	*Less*—Depreciation	6,46,199
Provision for taxation ...	68,357		
Liabilities ...	2,66,340	Net block	16,21,871
Profit and loss account (surplus)	17,195	Stock-in-trade	1,45,190
		Stores, etc.	71,249
		Book debts	48,294
		Investments	2,03,361
		Cash ...	2,91,242
Rs.	23,81,207	Rs.	23,81,207

Seebpore Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit, after charging all expenses, of Rs. 4,58,569 (Rs. 3,40,843) of which taxation provision requires Rs. 2,18,000 (Rs. 2,10,000) leaving a balance of Rs. 2,40,569 (Rs. 1,30,843). With the balance brought forward from last year of Rs. 43,951 (Rs. 48,188) there is a total amount available for appropriation of Rs. 2,84,520 (Rs. 1,79,031). The directors have transferred to development rebate reserve Rs. 15,087 (Rs. 2,526) and to general reserve Rs. 75,000 (Rs. 30,000) leaving a balance of Rs. 1,94,433 (Rs. 1,33,951 after transferring Rs. 12,318 to capital reserve and paying Rs. 236 being forfeited dividends paid). The interim dividends on preference shares at 3½ (2½ per cent. free of tax) per cent. absorbed Rs. 14,000 (Rs. 10,000) and on ordinary shares at Re. 1 (Re. 0.75 per share, tax-free) per share, absorbed Rs. 40,000 (Rs. 30,000). The directors now recommend payment of final dividends on preference shares at 3-9/14 (2¼ per cent. free of tax) per cent., absorbing Rs. 14,571 (Rs. 10,000) and on ordinary shares at Rs. 2 (Re. 1.00 per share, tax-free) per share, absorbing Rs. 80,000 (Rs. 40,000) leaving a balance to be carried forward of Rs. 45,862 (Rs. 43,951).

Although the Company's Articles of Association provide that the preference shareholders shall receive a fixed cumulative preferential dividend at the rate of 5 per cent. per annum free of Indian income-tax, it is now compulsory for income-tax to be deducted from all dividends. The Board have accordingly recommended that a final dividend of 3-9/14 per cent. be paid on the Company's preference share capital making, with the interim dividend of 3½ per cent., a total dividend for the year of 7-1/7 per cent. from which income-tax will have to be deducted in accordance with the provisions of the 1960 Finance Act.

Raisings for the year were 90,609 tons compared with 77,909 tons in the previous year, whilst despatches totalled 90,906 tons as against 80,894 tons.

Messrs. Andrew Yule & Co., Ltd., will cease to act as managing agents of the Company on 15th August, 1960 and their appointment as secretaries and treasurers of the Company for a period of five years from that date has been approved by the Central Government.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,80,000	Gross block	30,26,230
Reserves ...	10,53,529	*Less*—Depreciation ...	20,57,054
Provision for taxation ...	7,86,478		
Liabilities ...	4,19,201	Net block	9,69,176
Profit and loss account (surplus)	45,862	Stock of coal	21,441
		Stores, etc.	92,238
		Book debts	12,13,728
		Investments	1,32,269
		Cash ...	5,56,218
Rs.	29,85,070	Rs.	29,85,070

Estrela Batteries Ltd.

The directors of the above Company (Managing Agents: Messrs. Choonilal Manilal Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st March 1960.

Production and sales reached a new high level with the result that the gross profit of the Company increased from Rs. 7,13,367 during the year 1958-59 to Rs. 11,11,796. Out of this, Rs. 2,95,328 is paid to the workers as arrears for the years 1956-57 to 1959-60 for the difference in wages for the scales fixed on the basis of the Award of the Industrial Tribunal as per the compromise arrived at with the workers' union, Rs. 17,326 is the contribution to the provident fund on the above arrears of wages. After deducting Rs. 46,716 (Rs. 31,993) as managing agents' remuneration, the amount of profit remaining thereafter is Rs. 7,52,426 (Rs. 6,66,651) to which is added Rs. 16,437 (Rs. 10,066) brought forward from the last year making a total amount of Rs. 7,68,863 (Rs. 6,76,717) available for distribution. The directors recommend to dispose of this amount as follows:—

To depreciation Rs. 1,51,338 (Rs. 1,26,838), to development rebate Rs. 47,230 (Rs. 18,483), to bonus to employees Rs. 1,75,440 (Rs. 1,35,000), to provision for taxation Rs. 1,71,188 (Rs. 1,90,000), to dividend on 5 per cent. tax-free preference shares at Rs. 3.57 (Rs. 2.50) per share, subject to taxation, absorbing Rs. 71,211 (Rs. 49,868) and to dividend on ordinary shares at Rs. 4.50 (Rs. 3.50 per share, including bonus, free of tax) per share, subject to taxation, absorbing Rs. 1,34,762 (Rs. 1,04,814) leaving a balance to be carried forward of Rs. 17,694 (Rs. 16,437).

No depreciation for instruments and apparatus was provided in the past accounts as it was not allowed by the Income-tax authorities, but was written off in the profit and loss account as and when the instruments and apparatus were found obsolete. Due to one of the recent judgments of the Bombay High Court on this subject, it is now presumed that 15 per cent. depreciation will be allowed by the Income-tax authorities and hence the directors thought it advisable to provide for it from the current year's profit.

The directors thought it desirable to compromise with the workers in the appeal made to the Supreme Court by the Company against the Award of the Industrial Tribunal, so as to maintain harmony, industrial peace and increase in better understanding. The grades and scales so determined, are now fully implemented and the directors hope that this gesture of the management will help considerably in achieving the above aims.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,97,680	Gross block	37,56,956
Reserves ...	5,27,709	*Less*—Depreciation	23,15,699
Provision for taxation ...	3,71,245		
Liabilities ...	26,22,675	Net block	14,41,257
Profit and loss account (surplus)	17,694	Stock-in-trade	16,64,680
		Stores, etc.	4,36,816
		Work-in-progress ...	6,11,206
		Book debts	17,35,464
		Investments	4,228
		Cash ...	1,43,352
Rs.	60,37,003	Rs.	60,37,003

Marshall, Sons and Co., (India) Ltd.

The directors of the above Company [Managing Agents: Messrs. Marshalls (Direction) Private Ltd., Calcutta] submitted the audited accounts of the Company for the year ended 30th June 1959.

The profit and loss account shows a profit of Rs. 2,21,965 (Rs. 5,34,819). After adding to this the profit on sale of furniture and motor vehicles Rs. 6,679 (Rs. 11,687), dividend from John Fowler (India) Private Limited Rs. 6,210 (*nil*) and unclaimed dividends forfeited Rs. 23,467 (*nil*) there is a total sum of Rs. 2,58,320 (Rs. 5,46,506). The directors have provided for general depreciation Rs. 88,000 (Rs. 92,273), transferred to development rebate reserve Rs. 10,720 (Rs. 2,270), towards adjustment in respect of previous years Rs. 29,744 (Rs. 18,751) and to provision for taxation Rs. 1,00,000 (Rs. 2,75,000), leaving a net profit of Rs. 29,856 (Rs. 1,57,883 after paying forfeited dividends Rs. 330) with the previous years' balance brought forward of Rs. 83,657 (Rs. 1,35,774) there is a total available balance of Rs. 1,13,513 (Rs. 2,93,657). From this the directors recommend payment of a dividend of 10 (20 per cent. free of Indian income-tax) per cent. subject to deduction of Indian Income Tax, absorbing Rs. 1,05,000 (Rs. 2,10,000) leaving a balance of Rs. 8,513 (Rs. 83,657) to be carried forward.

The year under review has shown a reduction in turnover as compared with the previous financial year and there is a considerable decrease in the year's trading profit due to the reduced turnover as well as due to having to reduce margins of profit on a number of orders on account of the competitive market.

The chances of improving upon the margins of profit appear to be meagre as competition is increasing with the increase in the activities of the State Trading Corporation, who are importing machinery of the range in which the Company has been trading. The import restrictions are having their effect on the Company's trading and deliveries on indigenous products are not encouraging due to the reduction in the imports of component parts. The directors have had to take a greater interest in increasing the range of products for indigenous production and although the year 1959-60 will not be benefited it is expected that the year 1960-61 will show better results.

Expenditure has shown a slight increase due to the dearness allowance at all branches having been at the highest level possible as this is based on cost of living index. There is also an increase in overdraft interest on account of increased borrowing throughout the year and the directors are unable to effect any reduction on these two items as the cost of living and the interest rate are not likely to come down in the near future.

Since the Company has to set aside only a sum of Rs. 1,00,000 towards taxation as compared with as much as Rs. 2,75,000 for the previous year, and in view of the rather unsatisfactory results of the year under review, while the directors wish to be as considerate as possible towards the interests of the shareholders, they feel that a dividend of 10 per cent. is the utmost they can recommend. This will, of course, be subject to deduction of tax in terms of Section 18 (3D) of the Income Tax Act, 1922.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,50,000	Gross block	18,32,345
Reserves ...	19,02,990	*Less*—Depreciation ...	14,72,151
Provision for taxation ...	3,34,986		
Liabilities ...	1,30,66,777	Net block ...	3,60,194
Profit and loss account (surplus) ...	8,513	Stock-in-trade	89,45,372
		Stores and tools ...	56,247
		Book debts ...	65,01,132
		Investments	1,26,582
		Cash ...	3,73,739
Rs.	1,63,63,266	Rs.	1,63,63,266

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Jeewanlal (1929) Ltd.

The directors of the above Company (Managing Director: Mr. H. K. Shah, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

Sales, at Rs. 1,98,63,759 are slightly below the 1958 year's level of Rs. 2,28,69,738, for want of adequate supplies of raw materials at proper prices.

Gross profits during the year 1959, stood at Rs. 21,60,269 as against Rs. 18,80,683 in 1958. With miscellaneous income at Rs. 1,22,657 (Rs. 1,56,347) added to the gross profits, the total trading income amounted to Rs. 22,82,927 (Rs. 20,37,030), which reflects some improvement. In their last report to shareholders, the directors had assured that they will endeavour to stop the downward trends of profits and they feel satisfied that they have been able to achieve that objective to an extent although the improvement though encouraging cannot be considered quite satisfactory on the basis of current standards.

Inclusive of provision for depreciation and development rebate at Rs. 1,23,469 (Rs. 1,47,423) at rates prescribed by the Income-tax Acts, administrative and selling expenditures during the year amounted to Rs. 15,64,888 (Rs. 16,40,402), a drop of Rs. 75,514 (Rs. 39,661) in total expenditure mainly due to reduced interest charge.

The overall net results of the operators of the Company during the year 1959 are a net profit of Rs. 7,18,038 (Rs. 3,96,628). Out of this amount, provisions for taxes including wealth tax for the current year and for the adjustment in the provisions for taxes for previous years, whose assessments have been completed, have been made at Rs. 3,14,246 (Rs. 44,987). That leaves a net trading profit of Rs. 4,03,792 (Rs. 3,51,640). There is no more carry forward of losses to apply to reduce taxation liabilities. Full provision for taxes on income, has now been made on normal basis. During the current year, sale of redundant and surplus of the fixed capital assets, gave the Company a profit of Rs. 15,028 (loss of Rs. 70). The net result is a profit of Rs. 4,18,821 (Rs. 3,51,570).

In view of low profits and no surplus, no provision towards reserve for replacement of fixed capital assets has become possible to be made in traditions, the fixed capital assets have been maintained in good order at all centres and facilities are generally improved and enlarged.

As mentioned in their last report the directors are pleased to inform that they have succeeded in securing from the Government of India, Ministry of Finance, a relaxation in condition No. 6 of the Consent Order of the year 1951 imposed on the Company by the Controller of Capital Issues while authorising the issue of bonus shares. By this relaxation order dated 4th June, 1960, the Company has been permitted to pay, each year, a cash dividend, not exceeding 5 per cent., out of its annual profits, on condition that a sum not less than Rs. 64,000 out of its profits is transferred each year to its free reserves until such time, the prescribed reserve of Rs. 14,40,000 is fully built up.

A sum of Rs. 1,69,656 out of the net profit of Rs. 4,18,821 has been appropriated and applied to wipe out completely the carry forward of the past losses as they stood at end of 1958. Out of the balance of Rs. 2,49,165, Rs. 64,000 has been transferred to the free reserves as prescribed by the relaxation order referred to above and the directors recommend a very modest and token dividend of 2½ (*nil*) per cent. less tax for the year, which though small, will be received and appreciated by the shareholders with satisfaction and with their characteristic sympathetic attitude. The balance of Rs. 5,165 will be carried forward to the next year's accounts.

Despite manifold difficulties the directors have to contend with, the basic conditions for the Company's future are quite stable and full of hopes. The current operations are going on steadily and the directors expect that, in the developing economy of the country, the use of the Company's standard products will acquire added importance and volume at prices that will give better margin of profits.

The necessity to toil hard and to conserve and augment every source of revenue is admittedly obvious and remains ever uppermost in the minds of the directors. With a view to enable the Company to ensure its useful and honourable survival in the struggle of the time and circumstances and to make the Company's operations less dependent and economically more sound and stable, the directors have decided, with the technical help of the Aluminium Laboratories Ltd., of Montreal, on a substantial expansion, costing about Rs. 2 crores. There occur numerous procedural and other delays in bringing the proposed expansion into early production. The directors, however, are hopeful and feel certain that the same will be brought into production in 1962. This will open out a much brighter future for the Company and for all engaged in the task.

The world price of aluminium firmed up in the year 1959 as a result of rise in wage bills and on 16th December, 1959 the price was ruling at £186 per long ton c.i.f. with a firmer trend. On the date of this report, the price still rules at £186 per long ton c.i.f. The prices for semis have also gone up sharply in sympathy with the rise in prices of primary aluminium and also tight supply position owing to shortage of fabricating facilities falling short of rising demand. At the date of this report, the price of imported aluminium circles is quoted at £275 per long ton c.i.f. with scarce offerings for reasonable deliveries. Primary Producers of Aluminium in India have continued to enjoy tariff protection in the year under report. The question of the continuance of this protection beyond 1960 is engaging the attention of the Tariff Commission, which, it is hoped, will adequately consult all interests connected with the industry, while making its final recommendations to foster this young and strategical industry on developing lines.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	72,00,000	Gross block	42,29,956
Reserves ...	9,53,387	*Less*—Depreciation	26,14,501
Provision for taxation ...	3,52,907		
Liabilities ...	62,09,104	Net block	16,15,455
Profit and loss account (surplus)	5,165	Other assets	2
		Work-in-progress ...	48,110
		Stock-in-trade	75,93,555
		Stores, etc.	1,97,828
		Goods on consignment	2,06,085
		Book debts	44,81,413
		Investments	6,300
		Cash ...	5,71,815
Rs.	1,47,20,563	Rs.	1,47,20,563

Bengal-Nagpur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit, after charging all expenses, of Rs. 80,833 (Rs. 33,306). Deducting this amount from the debit balance brought forward from the previous year of Rs. 1,05,735 (Rs. 1,39,041) there is a debit balance to be carried forward of Rs. 24,902 (Rs. 1,05,735).

Raising from the 15 seam quarry during the year amounted to 16,422 tons compared with 5,592 tons in the previous year whilst despatches totalled 16,042 tons as against 5,329 tons. An incline has now been driven to the 5, 6 and 7 seams in the rise area of Bhuggutdih property. Whilst this work has taken longer than originally anticipated, it is expected that coal raisings will commence within three months. Progress has been made in the arrangements to stow 10 seam.

Messrs. Andrew Yule & Co., Ltd. will cease to act as managing agents of the Company on 15th August, 1960, and, their proposed appointment as secretaries and treasurers of the Company for a period of 5 years from that date has been approved by the Central Government. Before the appointment can become effective it will have to be considered by the members in General Meeting and accordingly an Extraordinary General Meeting has been convened for the purpose.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,25,000	Gross block	23,57,602
Reserves ...	4,90,671	*Less*—Depreciation ...	21,45,467
Provision for taxation ...	303		
Liabilities ...	1,41,053	Net block ...	2,12,135
		Investments	3,56,273
		Book debts ...	1,35,860
		Cash ...	1,52,759
Rs.	8,57,027	Rs.	8,57,027

Shree Digvijay Cement Co., Ltd.

The directors of the above Company (Managing Agents: Shree Laxmi Agents Private Ltd., Sikka, Gujrat) submit the audited accounts of the Company for the year ended 31st December 1959.

The profit and loss account for the year [subject to provisions for depreciation, taxation and development rebate reserve] shows a profit of Rs. 46,02,878 (Rs. 41,02,354). To this is added the amount transferred from general reserve of Rs. 4,50,000 (Rs. 8,00,000) and the balance brought forward from last year's account of Rs. 58,077 (Rs. 2,23,855) making a total of Rs. 51,10,955 (Rs. 51,26,209). This amount the directors recommend to dispose off as under:—

To transfer to development rebate reserve Rs. 2,99,918 (Rs. 6,90,082), to provision for depreciation Rs. 19,41,330 (Rs. 20,43,363), to provision for taxation Rs. 10,40,000 (Rs. 7,25,000), to payment of dividends on 79,940 preference shares at Rs. 7.14 (Rs. 5.00 per share, free of tax)* per share absorbing Rs. 5,70,772 (Rs. 3,99,700) and on 1,34,444 ordinary shares at Rs. 9.00 per share (Rs. 9.00 per share, free of tax), subject to deduction of tax absorbing Rs. 12,09,996 (Rs. 12,09,987) leaving a balance of Rs. 48,939 (Rs. 58,077) to be carried forward.

The difficulties alluded to in the last report about adequate supply of raw materials have been substantially overcome through provision of mechanised means of reclaiming sand at islands and provision of additional barges for its transport. The output of clinker and cement during the year being 3.57 lakh tons and 3.91 lakh tons are nonetheless lower than the full rated capacity on which basis the price has been fixed by the Tariff Commission. The working results of the Company have accordingly not come upto desired expectations. In the meanwhile, costs under various heads have continued to increase and the Company has approached the Government for a suitable revision in the retention price of cement. The rainfall in Saurashtra has for the last few years been continuously increasing which dislocates the supply of raw material and causes consequent loss in production during the monsoon period. This hampers the achievement of present rated capacity and the matter has, therefore, been taken up with the Government to revise the rated capacity on realistic basis.

As part of expansion programme it was decided to install clinker grinding section with packers at Bombay and orders for necessary plant and equipments for the same have been placed. Land for location at Bombay has now been acquired the construction is expected to be commenced shortly.

The recommendations of the Central Wage Board for Cement Industry having been accepted by the Central Government, the Company is negotiating with the Union for the implementation of the recommendations which would substantially increase the pay bill. The Company hopes to get necessary increase in the retention price of cement on account of said increase. The important aspect of determining productivity of labour as dealt with in the Wage Board Report is being looked into by independent experts and efforts will be made to implement their suggestions in consultation with the Union.

*Subject to deduction of tax at source under Section 18 (3D) of the Indian Income-tax Act as amended by the Finance Act, 1959, and at the rates prescribed in Part II of the First Schedule of the Finance Act, 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,14,47,175	Gross block	4,15,40,234
Reserves ...	54,91,876	*Less*—Depreciation ...	1,68,22,549
Provision for taxation ...	5,56,389		
Liabilities ...	1,93,63,360	Net block ...	2,47,17,685
Profit and loss account (surplus) ...	48,939	Machinery, etc. under erection ...	7,85,091
		Stocks ...	40,46,736
		Stores ...	44,03,362
		Book debts ...	37,73,583
		Investments	89,95,384
		Cash ...	1,35,878
		Miscellaneous expenses ...	50,000
Rs.	4,69,07,719	Rs.	4,69,07,719

Indian Galvanizing Co. (1926) Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) presented the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year (including items relating to previous years) was Rs. 90,167 (loss of Rs. 11,31,207). The Board has transferred Rs. 81,268 (*nil*) from the provision for doubtful debts to profit and loss account. After deducting these two items from the balance brought forward of Rs. 2,73,694 (credit of Rs. 4,22,513) and after payment of wealth tax amounting to Rs. 22,257 (nil), there remains a balance of Rs. 1,24,516 (Rs. 2,73,694 after transferring Rs. 4,35,000 from general reserve) at the debit of profit and loss account which it is proposed to carry forward.

Operations.—At the annual general meeting held on 29th May, 1959, resolutions were passed authorising the Board to enter into agreements with Industrial Containers Ltd. and Steel Containers Ltd. for the transfer to these companies of certain assets belonging to the Company. These Agreements were duly executed and the assets were transferred, in consideration for which, shares in these companies were issued to the Company, and in consequence Industrial Containers Ltd. and Steel Containers Ltd. have become subsidiaries.

Steel Containers Ltd. acquired the entire assets of the Company's branch at Bombay and since 1st January, 1959 has been fully operative and carries on the business of manufacture of steel drums formerly carried on by the branch.

Industrial Containers Ltd. acquired the assets of the Company formerly employed in the manufacture of 40/45 gallon steel drums in the Calcutta factory and these assets have now been installed in a new factory established at Paharpur, Calcutta. The factory is now complete in all respects and is in a position to commence production as soon as supplies of steel are forthcoming.

The licence for the establishment of the business to be carried on by Hope's Metal Windows (India) Ltd. has still not been obtained and in consequence it has not been possible to transfer to that Company the plant, machinery and stocks which are being retained by the Company for this purpose. A number of alternative schemes of foreign collaboration have been submitted to the Government of India and negotiations for the settlement of the terms of collaboration are still in progress. The present indications are that the licence will be obtained shortly.

During the year a large part of the Company's fixed assets not required for the purpose of the new companies were disposed of, notably the land and buildings comprising the southern portion of the Company's factory at Howrah. Negotiations are taking place for the sale of the remaining portion of the Company's land and buildings.

If the licence to establish the business to be carried on by Hope's Metal Windows (India) Ltd. is obtained shortly and the negotiations for the sale of the remaining assets of the Company are successfully concluded, it will be possible to proceed with the implementation of the plan to wind-up the Company, to repay the preference share capital and to distribute shares in the new companies to the members registered in respect of the ordinary shares. The indications are that it should be possible to do so in the near future.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,77,040	Gross block	5,76,360
Liabilities ...	99,423	*Less*—Depreciation ...	3,01,442
		Net block ...	2,74,918
		Stocks ...	5,37,336
		Loose tools ...	17,100
		Book debts ...	8,58,448
		Investments	17,17,140
		Cash ...	5,47,005
		Profit and loss account (deficit) ...	1,24,516
Rs.	40,76,463	Rs.	40,76,463

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

JESSOP AND COMPANY LIMITED

FURTHER ISSUE OF CAPITAL LIKELY

CHAIRMAN, MR. B. P. SINGH ROY'S REVIEW

SPEAKING at the Twenty-eighth Annual General Meeting of Jessop and Company Ltd., held at Calcutta on 29th July 1960, Mr. Bijoy Prosad Singh Roy, Chairman of the Board of Management, indicated that the Company had a very healthy order book and the demand for its products continued to be good. He added that the current year was expected to show considerably greater output and the next year a further substantial improvement. He confirmed that the Board was considering schemes of further expansion and these would require funds both for capital expenses and for working capital.

The following is the full text of Mr. B. P. Singh Roy's speech:

"GENTLEMEN,

"Once more I have pleasure in welcoming you here today at this the twenty-eighth annual general meeting of your Company.

"This meeting has unfortunately been delayed as just before the accounts, which are now before you, had reached the final stage of printing, non-compliance through oversight of certain provisions of the Companies Act was discovered. The matter was purely technical, but before publishing and presenting the accounts to you the Board of Management thought it proper to bring it to the Government's notice with a view to resolving any legal implications. The position has been fully explained in the Board of Management's report to you.

"The year ended 31st October 1959 was one of consolidation and of continued improvement to the manufacturing potential of your Company, and the results are even better than appear at first sight, as I think you will agree if you will bear with me.

Steel Shortage

"The shortage of steel referred to at both the last two annual general meetings continued with increasing severity during the year under review. It was thus exceedingly difficult to maintain production and the greatest credit is due to all those who not only maintained output but actually increased it in the face of this and other difficulties. The steel position is now improving, but this welcome change is having, initially, its disadvantages. For any contract steel is needed in a variety of sizes and shapes and it is not possible to start work on that contract until supplies of all those varieties are available in balanced quantities. We have for long been used to having the bulk of certain items of steel in hand and having to wait until the missing items, or 'matching steel' as we call it, come to hand. With the improvement in steel supplies we are now receiving more steel and the missing items are fewer, but they are still there and as important as ever. Thus, we find that funds locked up in materials have risen sharply, while production itself is still hampered by these shortages. We hope that now that indigenous steel is generally more freely available the Government will be able to concentrate on imports of those types and sizes which are in short supply and that the situation will improve. In fact, there are welcome signs to that effect.

"Last year, I was able to tell you that the major expansion schemes started in 1955 and 1956 had reached the productive stage and I can now tell you that all these have attained their full target rate of output. The quantum of imports required for these products also has been considerably reduced and the work done at Dum Dum has greatly increased, though this fact, involving as it does, the substitution of an item previously imported by one made by ourselves naturally does not show in the sales figures by which output is normally judged.

"We have now completed the first stage of our contract for electric multiple unit coaches and the last of sixteen three-coach units was handed over to the Eastern Railway early this month. For this stage we imported the motor coaches, one to each three-coach unit, in the knocked down condition and we assembled and finished it at Dum Dum. We made the two trailer coaches required for the train set. All the bogies, both for motor and trailer coaches, were imported.

"Work on the second stage of this contract is now in hand and the first of eighteen three-coach units will leave our Works for Bombay next month. For this second stage we are making all the motor coaches as well as all the trailers, the bogies still being imported. The quantum of work done at Dum Dum will be some fifty per cent. more than in the first stage, although its effect will not be reflected in the sales figures.

Further Contract

"I am glad to tell you that we have recently secured a further contract for this E.M.U. stock, again for Bombay, and this will keep the section of the Coach Works concerned busy until late in 1962. For this contract we will build all the bogies at Dum Dum. This will require an extension to the Coach Works which is already in hand.

"The furnishing and finishing of metre-gauge passenger coaches has now reached its target rate of 24 coaches a month, a coach every working day. We completed the first 150 of these coaches in June last and are now working on the next 300. We also have on our books a further order for 450 coaches and this will keep us busy until towards the end of 1962.

"The production of road rollers has also reached its target rate of 200 a year and we have fully implemented the terms of our manufacturing licence. The proportion of manufacture at Dum Dum has risen from about 35 per cent. in 1957 to about 63 per cent. today, an increase of 80 per cent. in the work done per roller quite apart from the increased number of machines turned out. The balance 37 per cent. consists of the engine, previously imported, but now made in Madras, and the transmission which is outside our present manufacturing licence.

"The manufacture of the new heavy eight-wheeled BOX wagon referred to in my last address was unfortunately delayed as the drawings and specifications were not finalised by the Railway Board until February of this year. As a result, it was not possible to despatch any wagons of this type until May of this year and production is still in the stage of being built up. This delay has been most unfortunate, for it has meant a long gap between the last of the old four-wheeled wagon and the first of the new. We estimate that production worth about Rs. 300 lakhs will have been lost during this long change-over period, and this fact must be borne in mind in considering the working results.

"Since the close of the year under review we have also established the manufacture of metre-gauge bogie motor and parcel vans, and the first deliveries were made in May this year. This is an entirely new design of vehicle having the dual purpose indicated by its name and designed to run with passenger trains.

Improvement of Facilities

"Since I last addressed you we have continued to add to and improve our facilities at Dum Dum and the results are already beginning to show. In the current financial year after a slow start due to shortage of steel and the hold-up on the new wagon, production has increased rapidly and is still increasing. We expect the current year will show considerably greater output than that you are now considering, and that next year will show a further substantial improvement. We have a very healthy order book and the demand for our products continues to be good.

"The greatly increased output now being achieved and the fact that it is still increasing means that your Company is maintaining its position in the engineering industry and that it is playing its part in the industrialisation of the country and in the saving of imports. It also emphasises the necessity, mentioned in the Board of Management's report, of strengthening the financial resources of the Company to meet the greater demand for working capital on account of increased output and for undertaking new and diversified lines of production besides expansion of the existing ones.

"In my last address I referred to the award of the Fifth Engineering Tribunal. On due clarification of the doubtful points, the award was fully implemented resulting in an average monthly increase of Rs. 13 in the basic wages and dearness allowance of the workmen in general. This increase has, amongst other things, had its effect on the profits of the Company.

"Thanks to your co-operation, the recent 'rights' issue of equity capital was fully subscribed and it has enabled your Board to reduce the ceiling limit of cash credit facility with the State Bank of India from Rs. 275 lakhs to Rs. 175 lakhs and to release the guarantee of the Central Government with which that accommodation had been secured. To meet the increasing needs of funds to finance the rehabilitation and expansion schemes, however, your Board has recently finalised arrangements with the State Bank for a 6½ per cent. debenture loan of Rs. 75 lakhs which takes the form of a second cash credit account and may be drawn upon as and when necessary. The Board intends to reserve this account, as far as practicable for capital purposes as distinct from day-to-day use.

More Finances Required

"As you will see from the foregoing and also from the published accounts, the Company's financial position is now greatly improved and for this due credit must be given to the sacrifices made by the shareholders. At the same time, output has risen and is likely to rise considerably in the future which will necessitate larger working funds. In an industry such as ours, also, it is necessary to plan well ahead and I would remind you of the earlier part of my address today in which I mentioned that major schemes started in 1955 and 1956 had come into full fruition only in 1960. As indicated in the report of the Board of Management, there are other schemes now under consideration and these too will require funds both for capital expenses and for working capital. It is doubtful whether the debenture issue already referred to will suffice to cover these extra demands. The whole matter is having the careful attention of your Board and we shall approach you at the appropriate time for your co-operation and support, should we find it necessary to raise further share capital.

"I think, gentlemen, that at this juncture you will expect me to say something about that thorny question, the rate of dividend on our preference shares. As you know, our preference shares are what is known as 5 per cent. tax-free, by which is meant that the dividend is free of any deduction on account of tax paid by the Company on its earnings. Last year, by virtue of Section 18 (3E) of the Income-tax Act, we were able to gross up the dividend on the preference shares, so that after deduction of tax at 30 per cent, it still left 5 per cent. in the hands of the shareholders. Unfortunately, with the deletion of that section by the Finance Act, 1960, this is no longer possible and the only way now to achieve the desired result would be to raise the rate of dividend which would require a change in our Articles of Association. This, in turn, would require the consent in writing of not less than 75 per cent. of both classes of shareholders, ordinary and preference, which is virtually impossible to obtain. We sympathise with the preference shareholders, but we are not to blame and we can do nothing unless the law is changed.

"Gentlemen, in recounting this story of solid achievement I am sure you will wish me to give full credit to those whose hard work has made this progress possible and I am sure that you will join with me in thanking the workmen and all the staff of the Company. In this connection you will be interested to know that the Board has, in principle, decided to introduce an incentive system at the Works as soon as possible. A firm of experts is already making a preliminary study, but it must be realised that in an organisation such as ours which handles a very wide range of products and which is continually venturing on new lines the introduction of such a scheme requires very careful consideration, though all agree that it will be greatly to the ultimate benefit of the workmen and the Company alike.

"Finally, I cannot close without mentioning the retirement last March of Mr. C. V. Graham, a member of the Board. Mr. Graham had been in the Company's employ for over 32 years and we will greatly miss his wide experience and his capacity for hard work. I am sure that you will all join with me in wishing him many happy years of leisure in England.

"In Mr. Graham's place the Government has been pleased to appoint Mr. M. Lall, who has had twenty-four years' service with the Company. I know you will all join with me in welcoming him to the Board."

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

Notices

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the Seventy-sixth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company 21, Netaji Subhas Road, Calcutta, on Friday, the 19th August, 1960, at 11.45 a.m., to consider the Accounts of the Company for the year ended 31st December, 1959, to transact other ordinary business and the undernoted special business.

SPECIAL BUSINESS

NOTICE is also hereby given of the following Resolutions to be proposed as Special Resolutions:—

1. "That the following contract between the Company and Steel Containers Ltd., an Associate (as defined by Section 2(3) of the Companies Act, 1956) of Balmer Lawrie & Co. Ltd., the Company's Managing Agents, a draft whereof has for the purpose of identification been subscribed by the Chairman of this Meeting be and the same is hereby approved and the Directors are hereby authorised to execute the said Agreement on behalf of the Company with all convenient despatch:

   for sales of such goods and services in connection with fabrication and erection of structural steelwork and buildings and other services in which the Company regularly trades or does business and which the Associate may require for the purpose of its business, payment for such sales being due within one month from the date of the supply of such goods or the supply or rendering of such services:

   it being a term of the above contract that the prices at which transactions take place shall be at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

2. "That the following contract between the Company and Industrial Containers Ltd., an Associate (as defined by Section 2(3) of the Companies Act, 1956) of Balmer Lawrie & Co. Ltd., the Company's Managing Agents, a draft whereof has for the purpose of identification been subscribed by the Chairman of this Meeting be and the same is hereby approved and the Directors are hereby authorised to execute the said Agreement on behalf of the Company with all convenient despatch:

   for sales of such goods and services in connection with fabrication and erection of structural steelwork and buildings and other services in which the Company regularly trades or does business and which the Associate may require for the purpose of its business, payment for such sales being due within one month from the date of the supply of such goods or the supply or rendering of such services.

   it being a term of the above contract that the prices at which transactions take place shall be at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

3. "That in compliance with the provisions of Section 360 of the Companies Act, 1956, consent be and is hereby accorded to the purchase by the Company from Industrial Containers Ltd., an Associate (as defined by Section 2(3) of the Companies Act, 1956) of Balmer Lawrie & Co. Ltd., the Company's Managing Agents, of the following Asset at the price stated:—

   Steel-framed Corrugated Iron Structure Rs. 10,000."

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 10th August 1960 to 19th August 1960, both days inclusive.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, 15*th July*, 1960.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

THE RAJA BAHADUR MOTILAL POONA MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at the Registered Office of the Company at Hamam House, Hamam Street, Fort, Bombay, on Monday the 29th August 1960, at 11-00 a.m., to consider and if thought fit to pass the following Resolutions:—

No. 1 *Special Resolution*:

"RESOLVED that the approval of the Company is hereby accorded to the appointment of Mr. S. N. Sinha, an Associate of the Managing Agents, as the Engineer in charge of the Engineering Division of the Company on the terms and conditions set out in the draft agreement expressed to be made between the Company of the one part and the said Mr. S. N. Sinha of the other part placed before the meeting and initialled by the Chairman for the purpose of identification and the Board of Directors be and they are hereby authorised to enter into and execute the said Agreement and affix the Common Seal of the Company as required by the Articles of Association of the Company."

No. 2. *Special Resolution*:

"RESOLVED that the Articles of Association of the Company be altered by deleting Article 108 thereof."

No. 3. *Ordinary Resolution*:

"RESOLVED that Shri Ramprasadji Khandelwal be and he is hereby appointed as a Director of the Company notwithstanding that he is aged 68 years and it is hereby specifically declared that age limit of 65 years and over under Section 280 of the Companies Act 1956 shall not apply to him."

By Order of the Board of Directors,
MUKUNDLAL BANSILAL & SONS,
Managing Agents.

BOMBAY, 22*nd July*, 1960.

N.B.—(1) An Explanatory Statement as required by Section 173 of the Companies Act, 1956 is hereto annexed.

(2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT SUCH A PROXY NEED NOT BE A MEMBER.

(3) An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of the aforesaid Special Business is annexed to the convening Notice issued to Members of the Company.

JEEWANLAL (1929) LIMITED
CALCUTTA

NOTICE

THE BOARD OF DIRECTORS OF JEEWANlal (1929) Limited has sanctioned payment of Interim Dividend on Ordinary shares at the rate of 3½ per cent. or 35 nP per share less income-tax, in respect of the year ending 31st December 1960.

The dividend will be paid on or after 22nd August 1960 to those members whose names are registered in the books of the Company on the 13th August, 1960 or to their mandatories. No application for Warrants will be necessary. Claims on behalf of holders of shares held on blank transfers will not be entertained.

The share transfer books of the Company will be closed from the 14th August to 22nd August, 1960 both days inclusive.

By Order of the Board,
H. K. SHAH,
Managing Director.

SRI KRISHNARAJENDRA MILLS LIMITED, MYSORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fortieth Annual General Meeting of the Shareholders of Sri Krishnarajendra Mills, Ltd., will be held at the Registered Office of the Company, Bangalore Road, Mysore, on Saturday the 27th August 1960, at 3.30 p.m., to transact the following business:—

(1) To receive, and if thought fit, to adopt the Directors' Report and the Profit and Loss Account for the year ended 31st March 1960 and the Balance Sheet as on that date, together with the Auditors' Report.

(2) To declare dividend.

(3) To elect Directors:—

(i) To appoint a Director in place of Sri P. Hanumanthiah who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

(ii) To appoint a Director in place of Rajkumar Sri Prithviraj Urs, who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

(iii) To appoint a Director in place of Sri S. M. Ramakrishna Rao who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

(4) To appoint a Director to fill up a vacancy existing in the Board of Directors. Sri H. N. Pallegar, Palace Director, has filed his nomination for election as a Director.

(5) To appoint Auditors for the Company to hold office from the conclusion of this Annual General Meeting to the close of the subsequent Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors,
L. KANDASWAMY,
General Manager.

MYSORE, 11*th July* 1960.

1. Any member entitled to attend and vote may appoint a proxy to attend and vote instead of himself. The proxy need not be a member.

2. The transfer books of the Company will be closed from 20th August 1960 to 27th August 1960 both days inclusive and the dividend will be paid to all the shareholders whose names appear in the books on 20th August 1960.

3. Dividends when declared will be payable on and after 7th September 1960.

4. Changes in the address of shareholders should be notified to the Company as early as possible.

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE

THE ORDINARY SHARE REGISTER AND Transfer Books of the Company will remain closed from Friday the 26th August, 1960, to Saturday the 17th September, 1960, both days inclusive, for the purpose of payment in due course of dividend for the year ended 31st March, 1960, on the Ordinary Shares in the Company. The dividend when declared will be paid to those shareholders whose names appear on the Company's Register of Members for Ordinary Shares on the 17th September, 1960, or to their mandatees.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA-1, 26*th July*, 1960.

INDIAN DYESTUFF INDUSTRIES LIMITED

Mafatlal House, Backbay Reclamation
BOMBAY 1.

NOTICE IS HEREBY GIVEN THAT THE Sixth Annual General Meeting of the Shareholders of the Company will be held on Friday the 19th August, 1960, at 4-30 p.m. (S.T.), at the Registered Office of the Company at Mafatlal House, Backbay Reclamation, Bombay 1, to transact the business as per the Notice with Explanatory Statement dated 27th June, 1960, separately sent to the Shareholders of the Company at their registered address.

By Order of the Board,
For INDIAN DYESTUFF INDUSTRIES LTD.,
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

MAFATLAL HOUSE,
BACKBAY RECLAMATION,
BOMBAY 1,
DATED: *27th June*, 1960.

Note:—A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to act and vote instead of himself or herself, and proxy need not be a member.

To:

The Shareholders of the Indian Dyestuff Industries Ltd.,
Bombay 1, and in particular to:
M/s. Aziende Colori Nazionali Affini—A.C.N.A.,
Via F. Turati 18,
Milano,
Italy.

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

Extension of date for submission of coupons and applications in respect of new Ordinary shares

NOTICE IS HEREBY GIVEN THAT THE extended period for submission of coupons in respect of the new Ordinary shares in terms of the Company's Circular dated the 12th October 1959 expires on the 29th July 1960. As some shareholders have not yet exercised their right to obtain shares by submitting the requisite new Ordinary share coupons, the Directors have extended the period for submission of such coupons to 29th September 1960, and the Company's bankers have accordingly been authorised to receive applications on and after the 30th July 1960 upto but not later than the 29th September 1960 in respect of such coupons Provided that along with each such application with the required coupons and the moneys to be received with such application interest at the rate of 9 per cent. per annum (which the Directors have decided to charge) shall be paid to the Company's bankers as under:—

(i) For applications with new Ordinary share coupons from *resident* shareholders from 16th December 1959 to the date of payment; and

(ii) For applications with new Ordinary share coupons in the case of *non-resident* shareholders from 1st June 1960 to the date of payment.

The Directors have also resolved that the last date for receiving applications in respect of new Ordinary *shares* from the *non*-resident shareholders which was 29th July 1960 be extended upto 29th September 1960 provided that along with each such application and the moneys to be received with such application interest at the rate of 9 per cent. per annum thereon (which the Directors have decided to charge) from 1st day of April 1960 to the date of payment shall be paid to the Company's bankers.

No application received from resident shareholders on and after the 16th December 1959 and from *non*-resident shareholders on and after the 1st June 1960 in respect of new Ordinary share coupons and no application received from non-resident shareholders on and after the 1st April 1960 in respect of rights to new Ordinary shares will be entertained by the Directors unless interest is paid as aforesaid. No such application will be entertained after the 29th September 1960.

The above extension of date does not apply to applications in respect of "A" Second Preference shares or "A" Second Preference share coupons, the last date for submission of which is 29th July 1960.

Dated at Bombay this 28th day of July 1960.

By Order of the Directors,
For and on behalf of
THE TATA IRON AND STEEL COMPANY LIMITED,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
J. J. BHABHA,
Agent.

TRITON INSURANCE COMPANY LIMITED

with which is incorporated
THE EASTERN INSURANCE COMPANY

NOTICE TO MEMBERS

THE BOARD OF DIRECTORS OF THE *Triton* Insurance Company Limited hereby give notice that the ANNUAL GENERAL MEETING OF MEMBERS will be held at the Company's Registered Office, 4, Clive Row, Calcutta, on Wednesday the seventh day of September 1960, at 11-30 o'clock in the forenoon, to receive and consider the Audited Accounts for the year ended 31st December, 1959, the Balance Sheet as at that date, the Report of the Board of Directors and the Auditors thereon; to declare a Dividend; to elect Directors; and to appoint Auditors and to fix their remuneration.

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

The Share Transfer Books of the Company will be closed from 24th August to 7th September 1960, both days inclusive.

By Order of the Board,
(Sd.) D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA, 30*th July*, 1960.

BALLY JUTE COMPANY, LIMITED

THE BOARD OF DIRECTORS AT THEIR Meeting held on the 15th July, 1960, have decided to recommend to the forthcoming Annual General Meeting of the Company to be held on the 31st August, 1960 the following Dividends for the year ended 31st March, 1960, subject to deduction of tax under Section 18 (3D) of the I.T. Act:—

On Preference Shares @ 10 per cent. per annum.

On Ordinary Shares @ Rs. 25 per share.

Per Pro BIRLA BROS. PRIVATE LTD.,
G. MAKHARIA,
Secretaries and Treasurers.

CALCUTTA,
Dated the 29th July, 1960.

STRAW PRODUCTS LIMITED

THE BOARD OF DIRECTORS AT THEIR meeting held today have decided to recommend to the forthcoming Annual General Meeting of the Company payment of dividend at 15 per cent., subject to Income-tax, on 1,50,000 fully paid Ordinary Shares of Rs. 10 each bearing Nos. 1 to 1,50,000 in respect of the year ended 31st December, 1959.

The Annual General Meeting of the Shareholders will be held at the Company's Registered Office at Chola Road, Bhopal, on the 19th September, 1960, at 4 p.m.

The Share Transfer Registers will be closed from the 30th August to 19th September, 1960, both days inclusive.

Subject to the approval of the Shareholders, dividend will be paid on or after the 26th September, 1960, to those members whose names are on the Company's Register of Equity (Ordinary) Shares on the 19th September, 1960.

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

The 28th July, 1960.

CHAIRMAN'S STATEMENT

ADVANCE INSURANCE COMPANY, LIMITED

EXTRACTS from the speech by Seth Basudevji Somani, Chairman, at the 17th Annual General Meeting:—

"I now stand before you, friends, with the balance-sheet of the Company as at 31st December, 1959, which, as anticipated, has shown better results and progress than those of 1958.

"The balance-sheet of the Company, as at 31st December 1959, speaks for the solidity of the Company and, I feel, I need not speak much about the same.

"The net premium income of the Company, which was Rs. 78,727 for the year 1957 and Rs. 15,76,392 for the year 1958 is Rs. 27,09,553 (including the net premium income of Rs. 6,88,485) derived from the business done outside India for the year 1959.

"Though it is well known that the insurance industry is passing through a period of crisis and the management of few big fullfledged insurance companies has thought it necessary to restrict and/or to wind up their insurance business activities, we, in spite of this, are advancing ahead and have been able to achieve good results in securing a good volume of business and also have shown a reasonably good profit even after creating sufficient reserves. I personally think that this should be considered a matter of pride for the Company.

"Scope for general insurance business is increasing day by day with the establishment of new industries in India and this must give necessarily a scope in turn to the Indian insurance industry for its further development. I may assure you that your Directors have been vigilant on this aspect of the organisation which is evident from the progress of the Company.

"Authorities deserve thanks from all concerned for their untiring labour in devising ways and means of stopping the much-talked alleged malpractices and I, in the interest of all concerned, wish them success in their task."

BIRLA JUTE MANUFACTURING COMPANY, LIMITED

THE BOARD OF DIRECTORS AT THEIR Meeting held on the 15th July, 1960, have decided to recommend to the forthcoming Annual General Meeting of the Company to be held on the 31st August, 1960 the following Dividends for the year ended 31st March, 1960 subject to deduction of tax under Section 18(3D) of the I.T. Act:—

On Preference Shares @ 7.50 per cent. per annum;

On Second Preference Shares @ 7.86 per cent. per annum;

On Ordinary Shares @ Rs. 1.50 nP per share.

Per Pro BIRLA BROS. PRIVATE LTD.,
G. MAKHARIA,
Managing Agents.

CALCUTTA,
Dated the 29th July, 1960.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS (RAILWAY BOARD)

TENDER NO. S-8 FOR STEEL MATERIALS

THE last date for receipt of offers against the above tender has been extended to 1st September, 1960 instead of 16th August, 1960. Consequently the opening of the tenders will be at 2 p.m. on 1st September, 1960.

QURBAN SINGH,
Director, Railway Stores,
Railway Board

NEW DELHI,
Dated 30th July, 1960.

TREASURY BILL RATE DECLINES

(From Our Own Correspondent)

BOMBAY, *3rd August*

Notwithstanding the sustained decline in bank credit during the last few weeks and the increase in deposits with banks, conditions in the short-term money market are not as easy as they used to be or should be at this part of the slack season. Banks are, no doubt, not very keen borrowers in the inter-bank section, but the rate of interest for inter-bank call money stays put at the high level of 3½ per cent. per annum. Consequently, the other short-term money rates, too, are unchanged at 3¼-3⅜ per cent. for seven days' House money and at 3¼-3½ per cent. for one to six months' deposits.

There has, however, been a slight fall in Treasury Bill discount rate, which, after a sustained spell of twelve weeks, has declined from 2.745 per cent. per annum to 2.737 per cent. per annum. This is evidently due to the slightly larger offerings this week, amounting to *Rs.* 2.26 crores, than in the previous week, when the amount offered was no more than that invited. There were, however, *no sales* of Intermediate Treasury Bills during the period 27th to 30th July, but they are being offered this week from 3rd to 6th *August* at Rs. 99.326 per cent., that is, at a discount of 2.696 per cent. per annum.

There has been a contraction in active notes for the third week in *succession*. The latest Reserve Bank's statement for the week ended 29th July 1960 shows a fall of Rs. 21.38 *crores*. This *is on top of* a decline of Rs. 26.28 crores in the *previous* week and of Rs. 8.44 crores in the second week of July. Total *notes* issued, however, *show* a decline of only Rs. 13.32 crores during the week under review, consequent on a rise of Rs. 8.07 crores in notes held in the Bank Department. The contraction in total note issue is covered by a reduction of *Rs. 15 crores* in foreign securities and an increase of Rs. 1.68 crores in rupee coin. The fall in foreign securities in the Issue Department, *which* has occurred for the first time since the week ended 24th June 1960, has been offset to a large extent by the rise of Rs. 7.93 *crores* in balances held abroad, so that the total foreign assets, at Rs. 153.23 crores, are lower by only Rs. 7.07 crores over the week and by Rs. 24.60 crores as compared with the *position* a year ago. The deposits of the Central Government are higher by Rs. 14.60 crores, while those of the other Governments are lower by Rs. 9.46 crores. Deposits of banks have improved by Rs. 10.88 crores. Loans and advances other than to Governments have declined by Rs. 2.91 crores, *mainly due* to the reduction in advances to Scheduled banks against usance bills to the tune of Rs. 3.93 crores. Investments are a shade lower, while holdings of Government Treasury Bills are up by Rs. 9.46 crores.

Although the conditions in the short-term money market are still far from easy, the indications of the *changing* trend are provided by the Scheduled banks' statement for the week ended 22nd July 1960. For this discloses a rise of no less than Rs. 16.84 crores in the banks' demand deposits. The time deposits are, however, lower by Rs. 2.35 crores of the net rise of Rs. 14.04 crores in total deposits, the State Bank of India alone accounts for Rs. 10.77 crores. Borrowings from the Reserve Bank stand *reduced* by Rs. 17.16 crores and those from the State Bank by Rs. 1.03 crores. Advances have declined by Rs. 8.95 crores, of which the share of the State Bank is Rs. 5.75 crores. Investments have declined by Rs. 3.35 crores, thanks to a fall of Rs. 6.86 crores in the State Bank's portfolio. Cash balances are lower by Rs. 17.86 crores, of which the State Bank accounts for Rs. 13.16 crores, and balances with other banks by Rs. 5.58 crores, while money at call and short notice shows a *rise* of Rs. 3.07 crores.

Barring *some* selling pressure in the State loans section, the view of the forthcoming issues by the twelve States to the tune of Rs. 75 crores—the details of which were published on page 183 of our last week's issue—the *Gilt-edged* market is featureless and the volume of business is small. Conversion loan *is* a shade quiet at 3 per cent. Rs. 73.60, as also 3½ *per cent.* 1965 at Rs. 99.75. 4 per cent. 1972 is quoted at Rs. 101.25 *ex*-voucher and 4 per cent. 1973 is 5 nP lower at Rs. 101.15. The new Central loans 3½ per cent. 1966 and 4 per cent. 1980 are being quoted at their issue prices, namely, Rs. 99.75 and Rs. 99.90, respectively. 3 per cent. 1966-68 and 3 per cent. 1970-75 have, however, been marked up by 10 nP each to Rs. 95.95 and Rs. 99.90, respectively.

KIP EXPORT BUSINESS POOR

(From Our Own Correspondent)

MADRAS, *1st August*

The kip market remained unchanged during the week under review. Export business was poor, in view of the August holidays in the U.K. and the Continent. Arrivals of kips were of usual volume and clearance by merchants was good. Prices ruled firm. As the tannery arrivals yield very low percentage of top selections, shippers are unable to meet U.K. prices. There has been a revival of demand for lower grade kips light weights, for inland trade and prices in this section are hardening. Arrivals of buff hides were small and prices remained steady. Cow calf and buff calf remained dull.

There were scattered sales of top marks goat skins at unchanged prices, as also of middle class sheep; otherwise, the market remained unchanged.

As prices have touched sufficiently low levels in most of the lines, it is hoped that there will be a revival of interest after two weeks when the markets will reopen after summer holidays.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, *3rd August*

The bullion market ruled firm during the major part of the week under review. The buying fervour was fanned principally by hopes of some relaxation in margin requirements. A deputation of the bullion trade waited on the Finance Minister of Maharashtra on Thursday, 29th July, and requested him to raise the exemption limits in silver and gold for margin purposes. The deputation is believed to have drawn the Minister's attention to the dwindling volume of business in bullion since the introduction of *ex parte* margins from 8th July. Reports regarding the seizure of large stocks of contraband gold and encouraging advices from upcountry centres also imparted strength to the market. Both gold and silver, as a consequence, recorded an improvement in values.

The Government of Maharashtra has, however, turned down the plea for relaxing margin rules. A communication to this effect was received by the Association just today.

The annual general meeting of the Bombay Bullion Association was held on Saturday. Addressing the meeting, Mr. Kantilal M. Sonavala, President of the Association, reiterated the plea for gold imports on loan basis from the U.S. or the U.S.S.R. or both. Such imports, he said, "had a double advantage of proving anti-inflationary and putting the entire economy on a firm footing." Reviewing the trend of the bullion market, Mr. Sonavala pointed out that the unprecedented rise in prices was not solely due to the speculative activities in the market, but extraneous factors such as curtailment of Kolar gold supplies, cessation of silver arrivals from Tibet and political developments also played a dominant role in moulding the pattern of the bullion market.

Both daily average arrivals and offtake of gold during the week were larger than in the previous week, being 3,750 tolas and 2,875 tolas, respectively, as against 3,600 tolas and 2,700 tolas. In the case of silver, however, they were comparatively lower: arrivals at 23 bars, as against 28 bars, and offtake at 6 bars, as against 8 bars. The floating stocks of gold are estimated at 25,000 tolas and those of silver at 300 bars.

Shravan (August) settlement in gold elicited enlarged buying enquiries and advanced from Rs. 129.56 on Wednesday last week to Rs. 132.71 today before finishing at Rs. 131.62. The net gain over the week was Rs. 2.06. Business in the *Bhadrapad* settlement commenced at Rs. 132.31 on Friday, 29th July. This settlement was well favoured and moved up to touch a high of Rs. 131.22 today. The closing rate was lower at Rs. 130.31. With the bulls tightening their hold on the maturing *Shravan* settlement, the backwardation rate, that is, the *badli* payable by bears forgetting the commitments transferred from this settlement to the *Bhadrapad* settlement, widened from just 19 nP early on Friday to as much as Re. 1.31 today.

Reflecting the above position, the premium commanded by ready gold over the *Shravan* settlement, which had declined from 81 nP on Wednesday last week to 37 nP on Saturday, 30th July, increased to 75 nP yesterday. Today, however, it was slightly lower at 63 nP. Ready gold began the week at Rs. 129.87, as against the previous closing of Rs. 130.37, and rose to touch a high of Rs. 133.15 today before finishing at Rs. 132.25.

In the silver section, *Shravan* settlement moved up from Rs. 219.22 to Rs. 221.62 on Saturday. *After declining* to Rs. 220.75 the same day on account of profit-taking, it recovered to Rs. 222.12 today, but closed lower at Rs. 221.50. *Bhadrapad* settlement fluctuated between Rs. 219.87 and Rs. 217.62 before winding up the week at Rs. 219.31. The rate for *transferring* commitments from *Shravan* to *Bhadrapad* settlement continued to be in favour of bulls throughout the week, the rate actually widening from Re. 1.25 on Wednesday last week to Rs. 2.25 yesterday and Rs. 2.15 today.

Ready silver improved from Rs. 220.50 to Rs. 222.94 on Saturday at which level it commanded a premium of Re. 1.32 over the *Shravan* settlement. Subsequently, however, not only was the premium completely wiped off but the ready metal was sold at a discount of 44 nP under the *Shravan* settlement, today's closing rate being Rs. 221.06.

Both ready and forward silver in the London bullion market remained unchanged at 79¼*d.* during the week under review, as also silver in New *York* at 91.375 cents. Ready gold in London improved from 250*s.* 1¼*d.* to 250*s.* 2¼*d.* The latest available world *price for gold* in *London* is $35.10⅛-$35.12⅛ per fine ounce, as against $35.09⅛-$35.11⅛ a week before.

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

	3-8-60 (closing)	High	Low	*27-7-60* (closing
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	132.25	133.15	129.75	130.37
Forward:				
Shravan	131.62	132.71	129.15	129.56
Bhadrapad	130.31	131.22	129.22	129.50*
Sovereign	86.50	86.50	86.25	86.00
SILVER				
Ready (.996 fine) ..	221.06	222.94	220.50	220.50
Forward:				
Shravan	221.50	222.12	219.00	219.22
Bhadrapad	219.31	219.87	217.62	217.97
	2-8-60			26-7-60
London:				
Silver Ready	79¼*d.*	—	—	79¼*d.*
Silver Forward	79¼*d.*	—	—	79¼*d.*
Gold	250*s.*2¼*d.*	250*s.*2¼*d.*	250*s.*1¼*d.*	250*s.*1¼*d.*
New York:				
Silver	91-3/5 cents	—	—	91⅛ cents

*As on 29th July 1960

OFFICIAL TRADING IN COTTON FUTURES RESUMED

(From Our Own Correspondent)

BOMBAY, *3rd August*

The commencement of August, the delivery month for the Jarilla August Contract, witnessed the shooting up of futures prices to the statutory ceiling of Rs. 820 on the very first day of trading. The first of August having been a holiday, official trading commenced on the 2nd inst. The Contract opened at Rs. 819 and immediately rose by one rupee to touch the ceiling. After declining by a like amount, on stray selling, the Contract firmed up to finish at Rs. 820. The fact that not a single bale was tendered on the first notice day, namely, 2nd August, imparted further strength to the market. In fact, the setback suffered by the contract in unofficial trading in the first half of the week, thanks to selling prompted by the announcement of the Government that there will be no change in the ceiling price of cotton for the new season and the release of a large import quota of 600,000 bales of cotton, was more than made up. The contract ruled at the ceiling rate today also.

In the spot section, with the Cotton Control Order, issued by the Textile Commissioner in May last, prohibiting sales above the ceiling rates and requiring sellers to apply to the Textile Commissioner for nomination of buyers, having come into force with effect from the 1st inst., free trading was at a standstill. The majority of spinners had covered their requirements to the extent their quotas permitted. Those mills, which had unutilised quotas, were interested in such varieties as 197/3, Moglai and Kala.

Demand for foreign cotton was good. New crop East African Mwanza was a favourite with mills. Sizable business was reported by Bombay and Ahmedabad mills who were regular buyers of this quality at prices ranging from Rs. 1,195 to Rs. 1.200. Prices of other East African varieties also were firm. B.P. 52 was done at Rs. 1,400. Sudan cotton also evoked interest.

Traders were awaiting the procedure for the import of 600,000 bales of cotton (400,000 bales from the U.S. under P.L. 480 and 200,000 bales from "usual commercial sources") against the quota announced this week. Meantime, they were perturbed over the reported barter deal, covering 50,000 bales of cotton, involving exchange of Indian ferro-manganese against American cotton. It is said that, although individual importers will be free to participate in this import, the whole deal will be channelised through the State Trading Corporation and that the cotton so received will be distributed to certain prominent exporting mills.

The resumption of rains in Gujarat, Vidarbha, Khandesh and other regions has allayed fears of damage to the crop. The crop in these regions are said to be progressing well. Punjab, Rajasthan and U.P. also reported satisfactory crop progress.

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

Co2 1.220-1,240; Gadag Laxmi 1,070; American 1" middling 1,100; Sudan G3S 1,810; G2S 2,010.

Cotton futures in the Karachi market declined further during the week under review. Values gave way to speculative selling induced by favourable weather and encouraging crop news. Export demand for staple styles was dull. But *Deshi* varieties evoked inquiries from Japan. N.T.R.G. January receded from Rs. 69 last week-end to Rs. 67-11. The March contract dropped Re. 1-2 over the week, to Rs. 67-2. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 92; Punjab *Deshi* 89; 4F Punjab Roller 88-3; S.G. 93; L.S.S. Punjab Roller 90-5; S.G. 95-3; N.T. Roller 92-3; S.G. 96-3; 289F Punjab Roller 99-3; S.G. 104-3.

Easy conditions prevailed in the Alexandria cotton futures market during the week. Buying interest was at a low ebb. Crop news was the main factor influencing the market. A fairly good volume of speculative selling witnessed during the week was attributed to the good progress of the crop and the higher acreage under cotton this season. Both the Karnak and Ashmouni contracts were subjected to selling pressure. Their quotations consequently declined further. Latest quotations—in tallaris per lb.—*from* Alexandria are as under:

Karnak: November 73.06; January 73.15; March 73.35. *Ashmouni*: August 61.15; October 61.85; December 61.85.

Cotton futures in Liverpool ruled barely steady. A sizable volume of American long liquidation and hedge selling was absorbed in short covering and local trade buying on mill account. Prices fluctuated in a limited range, showing little change over the week. Reports from the yarn and cloth markets were unencouraging. Very little new business was reported in these sections. The latest available quotations—in pence per lb.—from Liverpool are given below:

American cotton one inch staple contract: October 22.65; December 22.40; March 22.45.

American cotton mixed growth contract: October 22.95; December 22.70; March 22.80.

Sudan: September, November, January 35.50.

Cotton futures in New York cotton futures declined further during the week, thanks to hedge selling and liquidation which were only partly absorbed in Commission House buying and mill covering. The prospect of a larger crop this season was the main influencing factor. The fall would have been more marked but for the buying support induced by the knowledge that the export subsidy

rate would be lower at 6 cents per lb., as against 8 cents, with effect from 1st August.

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

(In cents per lb.)

	2-8-60	26-7-60	19-7-60
Spot	33.10	33.60	33.95
October	30.97	31.14	31.18
December	31.18	31.28	31.33
March	31.55	31.72	—

ART SILK YARN IMPORTS BY S.T.C.

(From Our Own Correspondent)

BOMBAY, *3rd August*

Easy conditions prevailed in the yarn market during the week under review. Art silk yarns encountered selling on reports that the State Trading Corporation was importing from abroad a large quantity of yarn valued at Rs. 1.75 crore for *ad hoc* distribution to weaving interests. It was stated that about Rs. 20 to Rs. 22 lakhs worth of yarn had already arrived in the country. There were, besides, reports that offtake of art silk cloth was at a low ebb. Consequently, prices of art silk yarn tended to look down. Staple fibre yarns lacked support in the absence of encouraging demand from consuming countries. Cotton yarns, too, ruled easy, thanks to expectations of an improvement in output and fears of some official measures to bring down prices.

Cupressa Bemberg yarn (60 x 2) August delivery receded from Rs. 1,918 to Rs. 1,908, with October contract quoting at Rs. 1,941, as against Rs. 1,934. Spot cupressa dropped 6 nP to Rs. 8.94. 120 Italy fell by 19 nP to Rs. 5.81. 150 Italy was neglected at Rs. 6.19. 120 Japan, however, gained 2 nP to Rs. 5.61. 150 Japan was better by 4 nP at Rs. 5.94. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade declined by 8 nP to Rs. 5.16. 120 Bt. cone 1st grade eased by 6 nP to Rs. 6.06.

In the staple fibre yarn section, 40 x 2 August delivery shed Rs. 2 to Rs. 719. October delivery lost a rupee to Rs. 733. Spot Centurys were dull at Rs. 3.62. Citys and Kohinoors gained a naya paisa each to Rs. 3.76 and Rs. 3.77, respectively. 80×2 Paramounts (imported) were unaltered at Rs. 12.75.

Among cotton yarns, ten counts Podars decreased by 13 nP to Rs. 18.87. Gokaks were quiet at Rs. 19.25. Twenty counts Gokaks were dull at Rs. 24.50, while Moderns put on 25 nP to Rs. 25. Forty counts Maduras declined by 13 nP to Rs. 32.37. Minaxis, however, improved by 37 nP to Rs. 32.37. Sixty counts Finlays changed hands at Rs. 60.60, same as last week. Eighty counts Moderns receded by a rupee to Rs. 74. Mahendras fell by Re. 1.50 to Rs. 71. Finlays were unchanged at Rs. 82.82.

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

	3-8-1960	27-7-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 Kg.)		
August	1,908	1,918
October	1,941	1,934
60/1 Cupressa Bemberg spot (per lb.) ..	8.94	9.00
120 Japan (per lb.)	5.61	5.59
150 Japan (per lb.)	5.94	5.90
120 Italy (per lb.)	5.81	6.00
150 Italy (per lb.)	6.19	6.19
Staple fibre yarn—		
40×2 August	719.00	721.00
October	733.00	734.00
40×2 City (per lb.)	3.76	3.75
40 x 2 Century	3.62	3.62
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.87	19.00
20s Gokak	24.50	24.50
40s Madura	32.37	32.50
60s Finlay	60.60	60.60
80s Modern	74.00	75.00

SEEDS DRIFT LOWER

(From Our Own Correspondent)

BOMBAY, *3rd August*

The easier trend noted at the close of the last week gathered further momentum during the week under review, with marked decline in values of seeds and oils. The crop prospects distinctly improved, with the revival of monsoon. This led to heavy bull liquidation in major seeds and oils. There was no notable improvement on the export front also. Crushers chose to wait and watch, rather than enter into fresh commitments, in a declining market. Easier conditions prevailed in the groundnut section. But official forward trading in groundnut continued to be suspended, since the ruling prices were well above the ceiling level. In the absence of any encouraging enquiries from overseas, castorseeds and oils met with selling pressure. Linseed and cottonseeds followed suit. A final decision, it may be noted, has not yet been taken by the Forward Markets Commission on the question of granting permission to start new deliveries in the case of groundnut, castorseed and linseed. Traders entertained hopes that at least new crop contracts in castorseeds and linseed would be permitted to begin next week. In view of the tight statistical position in groundnuts, the commencement of the new groundnut contract, however, is likely to be delayed.

Distinctly quiet conditions prevailed in the groundnut section on favourable weather reports from major producing centres. Operators were of the opinion that the break in the monsoon was not long enough to make any sizable setback in production. In fact, private crop estimates were revised upwards, with the onset of rains. Consequently, the buying spree, which was in evidence for the past few weeks, came to a halt. There were, on the contrary, signs of growing selling pressure in this section during the week under review. Although there were some unloading of stocks, overall supply position had not made any remarkable improvement. The August 1960 contract is quoted privately at about Rs. 223.50, just above the ceiling. Nizam Bold drifted lower by Re. 1.25 to Rs. 48. Khandesh quality lost Re. 1.75 to Rs. 48. Oil ex-mill declined by 25 nP to Rs. 25.12 and railway receipts by 50 nP to Rs. 24.62.

Bearish sentiment was in evidence in the castorseed section as well. The volume of export of castor oil was small. Operators noted in particular that the U.S. had been off the market for its requirements of castor oil for some time, presumably on account of Brazilian supplies. The demand from crushers was also at a low ebb; they were waiting for further decline in values, as it were. In these conditions, castorseed September 1960 contract, which had wound up last week at Rs. 174, after an initial spurt to Rs. 177.12, lost ground to close today at Rs. 173.75, with a net loss of Rs. 3.25. Ready Madras shed 13 nP to Rs. 34.87. Oil B.S.S. eased by 12 nP to Rs. 19.75.

In sympathy with the trend in other major seeds and oils, the linseed section remained subdued. Operator took note of the permission granted by the Argentine Government to its exporters to re-enter the world market as an exporter of grain linseed, after an absence of about 15 years. Till now, export of linseed was restricted in Argentine to protect the domestic crushing industry. The quantity available for export is expected to be of the order of 130,000 metric tons. The seed export, however, is clubbed with the export of linseed oil. It is stipulated that exporters will be required to show that they have sold for export an equivalent volume of linseed oil—of which Argentine has a heavy surplus. The present step is taken in view of the inability of the oilseed crushing industry to process last year's crop estimated at about 820,000 tons. In the linseed section, linseed September contract fell from Rs. 34.19 to Rs. 33.47 over the week. Bold ready closed lower at Rs. 33.37, as compared with Rs. 33.62 last week-end. Linseed oil dropped 7 nP to Rs. 17.12.

Cottonseeds were, however, steady. February 1961 contract, which had closed last week at Rs. 91.75, rose initially to Rs. 93, but gave way subsequently to finish at Rs. 92.50 today.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	3-8-1960	27-7-1960	20-7-1960
	Rs.	Rs.	Rs.
Groundnut			
August 1960	48.00	49.25	48.75
Nizam bold	48.25	49.75	49.25
Coromandel ready	48.00	49.75	49.25
Khandesh quality	25.12	25.37	25.50
Oil ex-mill ready*	24.62	25.12	25.25
Castorseed			
September 1960	173.75	177.00	181.00
Ready Madras	34.87	35.00	35.50
Ready Kanpur	33.75	34.00	34.50
Oil B.S.S.†	19.75	19.87	20.25
Oil commercial†	18.31	18.44	18.87
Linseed			
September 1960	33.47	34.19	34.56
Bold ready	33.37	33.62	34.00
Oil ready†	17.12	17.19	17.32
Cottonseed			
September 1960	—	—	—
February 1961	92.50	91.75	—
Niger seed	39.00	38.50	38.50
Kardi seed	25.00	25.00	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter. Rates of new cottonseed contract are per 250 kilograms.

BLACK PEPPER RECEDES

(Messrs. Parekh and Co.)

BOMBAY, *3rd August*

Malabar black pepper, which moved narrowly with a mixed tone last week, toppled down during the week under review, in sympathy with Singapore where holders were reported to be nervous, in view of first hands offering of new crop Lampong for September-October at $0.53. Singapore dealers were anxious sellers for nearby shipment at as low as $0.54. New York, as usual, refused to buy in weak market. Almost all offers of Lampong remained unsold. Cochin showed nervous liquidation in August delivery which once touched as low as Rs. 281. Ready garbled also gave way and some business was done at Rs. 280. October delivery was hard to sell, the nominal quotation being Rs. 295. Calicut was nominally quoted at Rs. 1,700 for ungarbled and Cochin at Rs. 1,625.

Singapore was reported to be weak, with sellers predominating. Black was quoted at Str. $185 and white at Str. $305. Bear and bull propaganda is going on in full blast, as most of the dealers there think that the propaganda, if well timed, can make or mar the market. In the past, such propaganda paid premiums both to bears and bulls. Nothing is definitely known regarding the size of the new crop of Lampong. But all pointers are to a better crop which may exceed 15,000 tons. The only relieving feature of the market is the unstable political and economic situation in Indonesia. There are reports that Sarawak crop is smaller than earlier expected, but, looking to the behaviour of the Singapore market, the trade in general is taking these reports with a pinch of salt.

The real rub in the entire picture of world pepper is the lack of consumer demand in both Europe and the U.S.A., autumn demand being already overdue. New York spot dropped to $0.55, as grinders refused to buy. They are filling their requirements from their old inventories and from consignments. Trade in the supplying market is mystified by such behaviour of the consuming countries.

The future of the market is uncertain. It is likely to go down slowly, barring some speculative manœuvring, as there will be no shortage of pepper in the world. Business in Malabar pepper with the U.S.A. is at present impossible, our price being very high. But it appears that, if East European countries and Russia do not come to the succour in time, the holders and grinders on the coast, who are sitting tight will become anxious to liquidate some time during the end of August or beginning of September, in view of the proximity of the new crop. If, by then, no support is forthcoming, there will be undercutting competition between India and Singapore where stock of Lampong is said to be comfortable. Ready pepper showed some revival following demand from Pakistan and the Middle East. But it proved to be a passing phase, as outside holders and investors who stocked pepper for making profit are now eager to liquidate.

Ready pepper in Bombay is quoted at Rs. 220 per Bengal maund.

STRONG DEMAND FOR TEA

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

COCHIN, *26th July*

Sale No. 29:—In sale No. 29 held on Tuesday, 26th July, there was a total of 1,659,000 lbs. on offer. Quality in general was similar to the last with the exception of some highgrown invoices which showed an improvement. There was a strong general demand at dearer rates. Best liquoring highgrowns sold at around last week rates, but the lesser kinds were often dearer by 10 nP to 20 nP following improved quality. There was better demand for good medium and medium brokens which generally advanced in price by 5 nP. Similar fannings, particularly those free from fibre, came to a higher market. Low medium brokens met with more competition and were dearer by 5 nP to 8 nP, whilst the fannings sold at 3 nP to 5 nP above last rates. Lowgrown and plainest sorts followed trend of the market. Black leaf brokens advanced 10 nP to 15 nP with similar fannings advancing 15 nP to 25 nP. Legg-cut and C.T.C. types sold well. Tippy teas were absorbed readily and were dearer. Whole Leaf grades sold at enhanced rates.

	1960	1959
	Rs.	Rs.
Low mediums	1.60-1.75	1.55-1.68
Mediums	1.75-1.85	1.70-1.80
Good mediums	1.85-2.00	1.95-2.20
Quality	2.10-2.72	2.05-3.15

The average price realised in Sale No. 29 was Re. 1.84 per lb., as compared with Re. 1.75 in the previous sale and Re. 1.85 in the corresponding sale of 1959.

Dust Sale 'BB':—A total of 650,000 lbs. was offered in sale 'BB', held on Thursday, 29th July 1960. There was a strong general demand at dearer rates. Highgrowns came to an irregular market and sold at around last prices. All mediums met with keen competition and were 5 nP to 8 nP dearer with Wynaad teas 10 nP dearer. Milled and Residual descriptions were also a strong feature. C.T.C. types and legg-cuts came to a strong market at dearer rates.

Export Quota:—There are sellers at 2 nP per kilo and business has been done in Calcutta at 1¾ nP per kilo.

Colombo:—Nearly 6¾ million pounds were again offered and met with a strong general demand. Uvas were again dearer following quality, whilst Dimbulas advanced 10 to 20 cents. Mediums were 5 to 10 cents, whilst lowgrowns were fully firm to 5 cents dearer. Plainest kinds were steady. All fannings came to a very strong and dearer market.

London: North Indian and other growths:—In Monday's auction, there was a good demand at firm to dearer rates. The best of the new season's Assams came to a strong market and were considerably dearer. There is no quotation for Plain B.P. as no suitable types were on offer.

Ceylon and South Indians:—On Tuesday and Wednesday, a total of 12,700 chests of South Indian teas was offered. Demand was good and prices were fully firm to dearer.

QUALITY TEAS KEENLY BID

(From Our Own Correspondent)

CALCUTTA, *2nd August*

Good general demand was noted at yesterday's export sales in tea. Quality teas once again met with keen attention and prices improved. Trade circles attributed this feature to the little carry-forward of quality teas from the last season, and also to the shortage of output in this season owing to drought conditions earlier in the season. Tea gardens can no doubt make good the production lost, but such an increase would be only in plain teas if finer plucking is not resorted to. The increase in output in North Indian gardens during the month of June is taken as proof of the industry's anxiety to make good the loss in production, though only in plain teas. For quality teas are usually harvested in the second flush during April and May. The possibility of the quality teas being in acute short supply thus explains why keen attention is being paid to these offerings in the auctions both here and at London. However, the loss in production in North-east India would not mean a loss to world output. Both Ceylon and South India are already ahead of last year, and it is more than likely that competition in world markets would be keener than last year, now that African as well as Chinese teas are being sent in greater quantities to the United Kingdom, the world's largest buyer of tea. So far, world production has aggregated 472.7 millions, representing an increase of 7.4 million lbs. as compared with the corresponding previous figure. Increases in production have occurred in South India, East Africa and Ceylon.

The above analysis shows that there is a distinct possibility of world production of plain teas far exceeding demand. There is, therefore, the need for the North-east Indian gardens paying more attention to finer plucking, so that the production of quality teas can be increased even at the cost of plain teas. The auction trend at Calcutta and London has indicated that, demand for quality teas being strong and unsatisfied, prices are bound to rise.

Meanwhile, the withdrawal of heavy quantities from auctions, which was again a feature yesterday, has been due to samples not reaching potential foreign buyers in time, following the recent transport and postal difficulties. Contrary to the general belief, there has not been any fall in demand.

Tea movements are still restricted and a shift to normalcy would take more time than earlier anticipated. The railways are now clearing the backlog. Sir Richard Duckworth, Vice-Chairman of the Indian Tea Association, has said that, judged against the background of earlier fears that larger quantities of tea would be held back, only a small quantity is prevented from reaching Calcutta. Referring to the recent disturbances in Assam, Sir Richard points out that, although there have been only a few cases of physical injury to the Bengali staff, they have been subjected to much intimidation, leading to flight and absenteeism among the Bengali staff.

London tea stocks declined to 113 million lbs. in the week ended 22nd July from 116 million lbs. previously. The need to replenish stocks explained the greater demand in the Mincing Lane auctions.

Dusts on offer during last week's internal sales amounted to 12,015 packages. Generally, there was good demand, and a strong feature of the sales was better demand for good medium and medium brokens which generally advanced in price by 5 nP. Similar fannings, particularly those free from fibre, came to a higher market. Low medium brokens met with more competition and were dearer by 5 nP to 8 nP, whilst the fannings sold at 3 nP to 5 nP above last rates. Lowgrown and plainest sorts followed trend of the market. Black leaf brokens advanced 10 nP to 15 nP with similar fannings advancing 15 nP to 25 nP. Legg-cut and C.T.C. types sold well. Tippy teas were absorbed readily and were dearer. Whole Leaf grades sold at enhanced rates.

Leaf on offer amounted to 205 chests. Demand was fairly good.

On export offer yesterday were 43,827 packages. The good general demand in evidence towards the beginning of the sales petered out as the auctions progressed. A strong feature was the dearer tendency in bright liquoring orthodox Assams, while the balance of this category met with a poor market and eased by 20 to 30 nP. Plain brokens were supported at rates lower by 10 nP. The plainer liquoring Dooars B.O.P. and O.F. were neglected, but legg-cut teas were irregular. The better descriptions of this category eased by 10 to 15 nP, while the lower-priced ones were dearer. Among C.T.Cs, the best liquorings added handsome gains, while medium C.T.Cs, despite better inquiry, eased slightly. The first flush teas also eased and were subjected to heavy withdrawals. Whole leaf grades ruled quiet, but clean black pekoes were better. Tippy teas met with good demand but at lower prices. Among Darjeelings, the flavoury teas were about steady, while the plainer teas were quiet and irregular. The quotations (inclusive of excise duty) are: best Assam C.T.C. fannings Rs. 10.00 to Rs. 10.50; best Assam C.T.C. B.P. Rs. 9.00 to Rs. 9.50; medium fannings Rs. 5.00 to Rs. 5.20; clean black pekoe Rs. 5.70 to Rs. 5.90; medium B.P. Rs. 5.10 to Rs. 5.30; plain B.P. Rs. 4.50 to Rs. 4.70; and plain fannings Rs. 4.40 to Rs. 4.60.

Export quota changed hands at 1¾ nP.

JUTES FIRM

(From Our Own Correspondent)

CALCUTTA, *2nd August*

Firm conditions were in evidence in the jute markets during the week under review. Goods were in modest support, and a fair quantity was bought on both commercial and Government accounts. Sacking goods rose, as covering business took place; 19,000 bales of B. twills were bought by the Government again against August-September delivery. Australian buyers paid more attention to offers of heavy goods following apprehensions of continued upward trend, as Chinese interest was expected to gather momentum. While heavy goods showed improvement, hessian constructions actually moved down. For U.S. buyers kept out of the market, and reports from the New York burlap market indicated hesitancy of buyers.

Opening on a steady note, fibre prices eased as the week progressed. The later trend followed reports of excellent weather conditions and the distinct possibility of a greater crop than last year. Moderate rains, mostly during nights, have been followed by bright sunshine in day-time, and such a phenomenon has done immense good to the plants and hastened growth. Accordingly, it is now expected that the delay in the new crop reaching mills' stations would be much less than apprehended at sowing time which was delayed by six weeks, as a result of the abnormal drought conditions in April and May. The reduction in the prices of Pakistani cuttings and the Government of India's liberal policy in regard to the issue of import licences heightened interest in Pakistani offers, and business took place. Business in recent weeks was estimated at about 200,000 bales. However, doubts whether all these commitments would be fulfilled by Pakistani sellers before December—was being expressed. However, if the delivery period was protected delivery period is July-December—was being longed and extended to the early months of 1961, there would be no difficulty in Pakistan meeting these commitments. In view of the expectation of higher crop in India, it would be prudent for Indian buyers to postpone further commitments in Pakistani cuttings.

On Tuesday last, ready B. Twills rose from Rs. 130.85 to Rs. 132.75. The rise followed the news of Government's acceptance of tender for 19,000 bales of B. twills for August-September delivery. Covering business in heavy goods was a feature, and overseas enquiries continued to be received. In sympathy, ready hessian 40″ 10 oz. at Rs. 44.90 put on a fractional gain. On Wednesday, more covering business in heavy goods took place, and ready B. twills jumped to Rs. 141.00. However, the more striking feature was the further strengthening of the November futures B. twills. A high of Rs. 125 was recorded, as against the opening of Rs. 123.60 and the closing of Rs. 124.75. Ready hessian 40″ 10 oz. at Rs. 45.10 added a fresh gain. At this stage, a reaction set in and, on Thursday, ready B. twills sagged to Rs. 139 and hessian 40″ 10 oz. to Rs. 45.05. However, near delivery goods were involved in covering business. On Friday, Thursday's gain in November futures B. twills was erased. Ready B. twills fell to Rs. 134.50 and hessian 40″ 10 oz. to Rs. 44.50. No business was done over the week-end, and the quotations for ready B. twills at Rs. 135 and hessian 40″ 10 oz. at Rs. 44.50 were nominal. The feature during yesterday's trading was the rise in hessian 40″ 10 oz. to Rs. 46, following keen Russian interest. The U.S.S.R. bought hessian worth about Rs. 1.5 crore. In sympathy, ready B. twills advanced to Rs. 138.25.

Earlier in the week, mills showed interest in near delivery new crop and the quotation gained Re. 1.50 per 100 kg. However, with the fall in jute goods prices, easier conditions were also in evidence in the raw jute market. Moreover, thanks to good weather reports from both Indian and Pakistani districts, mills slowed down the pace of entering into commitments. From Rs. 93.75, Assam bottoms for September-October gained to Rs. 95.25 per 100 kg. but the gain was soon lost. However, in sympathy with goods, the rate gained to Rs. 96.25. Similarly, October-November Daisssee bottoms, after being higher at Rs. 96.50, reacted to Rs. 95.00 before closing at Rs. 97.25.

METALS SUPPLIES TIGHT

(From Our Own Correspondent)

CALCUTTA, *2nd August*

After an early rise, metals reacted during the latter part of the week under review. However, at lower levels, firmness was a feature and this was reflective of the tight supply position of the main metals. On the London Metal Exchange, electrolytic copper opened at £250 a ton and, after rising to £254½, closed at £251½. The rise in London reflected the political situation in the Congo, but, as consumer demand did not pursue the rise, the prices gave way. Copper scrap in Calcutta followed the London trend closely. Utensil scrap hardened from Rs. 195 to Rs. 200 a cwt., but closed lower on balance at Rs. 190. Berry quality scrap finished at Rs. 200, after rising from Rs. 212 to Rs. 216. Tin, after being higher at Rs. 567, closed lower at Rs. 564. This lower trend, despite the tight supply position, was in accord with advices from the London Metal Exchange where the price closed lower at £815 a ton, as against the opening of £813¾. During mid-week, the price had hardened to £818. Electrolytic zinc opened here at Rs. 176.50 and, after jumping to Rs. 179, finished at Rs. 173.50. Demand was heavy, but not all buyers were satisfied with the quantity on offer. Considering demand, trade circles appealed to the authorities to liberalise imports. Following lack of consumer interest in London, the price closed lower at £87¾ a ton, as against the opening of £90¼. Virgin lead was quiet at Rs. 69 per cwt.

LINSEED DULL

(Messrs. A. Bradley and Co.)

CALCUTTA, *1st August*

Although activity was limited and the general condition of the linseed market was dull, prices were well maintained. Crushers were showing some interest in ready and forward deliveries of seeds, but sellers were reserved.

Trading in the linseed oil market was slow. Buyers were showing interest at lower prices, but sellers were not inclined to sell at a discount, as stocks were very limited.

Business in oilcake was negligible, with overseas buyers pausing.

Both ready and Sept. Futures were quoted at Rs. 26 per maund.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *1st August*

Quiet conditions prevailed in the foodgrains market during the week, thanks to poor demand and good *kharif* crop prospects following timely rains. Wheat at Rs. 17 a maund for average quality and upto Rs. 18.25 for superior farm produce were almost stationary at previous week's level. Daily arrivals of wheat were about 150 to 200 maunds which were being lifted by consumers. The U.P. Government, in order to curb a rise in wheat prices, has ordered free sale of wheat flour from the ration shops at Rs. 10 per head at the rate of 2 *seers* 6 *chattaks* per rupee and the quantity of daily sales on ration srops has been increased from 30 to 50 maunds in the whole of the State except some big towns.

Rice ruled quiet, with a modest fall in the inferior quality, as the supply position was quite satisfactory and local stock with trade were put at 20,000 maunds. Prevailing prices on Monday were: *sela basmati* Rs. 31 to Rs. 34; *raimunia* Rs. 25.50; *ramajwayan* Rs. 24.50; *mainpuri* Rs. 23.75; and *gadda* Rs. 21 a maund. After an early improvement on Punjab advices, gram sought lower levels towards the week-end, thanks to open sales of gram by the State Government to traders which was being quoted at Rs. 15 a maund, as against Rs. 15.25 a maund for gram owned by traders imported from Punjab, the stocks of which were put at about 34,000 maunds. Barley and *bejhar* continued to rule steady at Rs. 13 and Rs. 12.25 to Rs. 12.87 a maund, respectively. The crop conditions of early sown maize were very satisfactory, due to timely rains and large-scale sowings were also done during the week. Old stocks of about 8,000 maunds of maize were not attracting any demand. *Guwar* was quiet at Rs. 12.50 to Rs. 13 a maund and *jowar* was quoted at Rs. 13.50 to Rs. 14.50 a maund.

After an early fall, peas again recorded a modest improvement towards the week-end to Rs. 12.25 a maund for *dara* green quality and upto Rs. 13.25 to Rs. 13.50 for white farm produce, following revival of demand from east U.P. Daily arrivals were about 200 maunds and local stock ran down by one *khatti* to 87 *khatties*. Total arrivals of peas here during the current season were about 106,000 maunds, as against 126,200 maunds. *Arhar* ruled quiet at Rs. 13.62 to Rs. 14 a maund and, with daily arrivals almost *nil*, local *arhar* stock was put at 26 *khatties;* the corresponding stocks last year were: 30 *khatties* of *arhar* and 55 *khatties* of peas. Total arrivals of *arhar* in the current season were 21,650 maunds, as against 28,300 maunds. Other pulses were almost stationary: *urd* Rs. 19.50 to Rs. 20; *moong* Punjab Rs. 20; Rajasthan Rs. 21; *massor* Rs. 14.50 to Rs. 17 a maund.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, *1st August*

Sugar ruled depressed, thanks to easy supply position and slack demand. In view of the marked increase in crystal sugar production in the season and old surplus, it is gathered that negotiations with the United States were in progress for export of Indian sugar to the extent of 250,000 tons during the next two years. The question of decontrol of sugar has been shelved for some time. The latest prevailing prices in the Hapur market are: sugar Rs. 11.50 per bag; retail Re. 1.09 per *seer* in the open market, as against the controlled price of Rs. 108.50 per bag and retail Re. 1.01 per *seer*.

The Government of India has decided to release 200,000 tons of sugar. There will be no release for free sale from the factories in Uttar Pradesh, Bihar and Punjab except a small quantity which will be released to each factory for sale to its employees.

Sugar prices declined by Rs. 2 to Rs. 3 per bag in the open market at Muzaffarnagar during the week to be quoted at Rs. 112 to Rs. 113 per bag. Apart from easy supply position, the imposition of ban on the manufacture of *boora* from crystal sugar acted as a damper. A large quantity of sugar out of the last releases has been lying with the Sugar Dealers Syndicate at Muzaffarnagar.

Sugar in the Kanpur market also declined to be quoted towards the week-end at Rs. 115.50 to Rs. 116 per bag, following easy supply position.

Khandsari ruled quiet, as, despite good buying enquiry from Saurashtra, Kutch and Gujerat, loading was restricted. Stocks left at the producing areas were also reported to be poor. At Muzaffarnagar, it was reported to be 48,000 maunds. The latest prevailing prices were: moist Rs. 30 to Rs. 32; superior Rs. 34 to Rs. 40.75; crystal *khandsari* Rs. 37 to Rs. 41.75 a maund.

Ready *gur* ruled quiet, as outside support was only for dry quality, the stocks of which were nominal and most of the local stocks at 15,000 maunds comprised *kotha* dry-wet quality which was not in request. Sugarcane prospects have very much improved, following timely rains. The cane acreage, too, is reported to rave touched a new high figure. The latest prevailing prices here are: *gur* dry best Rs. 17.12; *kotha* wet Rs. 16; *shakker* Rs. 19.25 a maund.

Owing to dwindling local stocks, *gur* ruled steady in the Muzaffarnagar market during the week under review. *Chaku* quality attracted demand from Gujerat, Madhya Pradesh and Punjab and prices improved fractionally. *Shakker* was much in request from Rajasthan, Punjab and South, while buyers from M.P., Punjab and Jammu and Kashmir were interested in *dana minja*. Stocks of *gur* left were about 70,000 maunds. The week-end prices were: *chaku* dry Rs. 21; *chaku* reprocessed Rs. 19.50 to Rs. 20; *chaku kotha* wet Rs. 16; *dana minja* Rs. 17 to Rs. 19; rusket *kotha* Rs. 8 to Rs. 10; *shakker dara* red Rs. 19.50 to Rs. 20; superior Rs. 21.50 to Rs. 22.50 a maund.

Gur futures were depressed during the week on reports of expectations of bumper cane crop. Fagun opened at Rs. 14.12 last Monday, touched the highest in mid-session at Rs. 14.30 and is quoted today at Rs. 14.06.

Notice

THE BENGAL PAPER MILL COMPANY, LIMITED

THE REGISTERED OFFICE OF THE COMPANY will be removed from 21, Netaji Subhas Road to 14, Netaji Subhas Road, Calcutta-1, with effect from 29th July, 1960.

All enquiries and correspondence should now be directed to 14, Netaji Subhas Road, Calcutta-1.

By Order of the Board,
H. P. DHANUKA,
Director.

FORWARD SCRIPS DULL

GOOD ACTIVITY IN CASH LIST

(From Our Own Correspondents)

BOMBAY, *4th August*

NARROW movements in prices marked trading in the forward list on the Stock Exchange during the week under review. The uncertainty about the measures which the Stock Exchange President might take to check the excessive speculative activity was the main restraining influence on trading. Contrary to last week's reports, there was no meeting of the Governing Board of the Stock Exchange on Tuesday this week. It was later reported that the President would be given discretionary powers to deal with the situation and that he might announce such margins as he thought fit. These reports created an uncertain atmosphere, in which both buyers and sellers refrained from extending their commitments. Changes in prices over the week were small over a wide front, though a few selected counters continued to receive the special attention of operators and their prices were rigged up sizably. End-of-account considerations also acted as a damper, as tomorrow will be the last day of trading in the current settlement and the Stock Exchange authorities may announce stiffer special margins, if any, on that day.

Cash shares, however, continued to be in the limelight, with brisk activity and an all-round smart rise in quotations. The list of cash scrips in which business done during the week was pretty long.

In the steel section, the encouraging output figures of Tata Iron and Steel for July and the commissioning of the new merchant mill by the Company yesterday, which marked the completion of the last phase of the two-million-ton expansion programme, were noted with satisfaction. This mill has a capacity of 200 tons per annum, with provision for raising it to 330,000 tons. The output of saleable steel by T.I.S.Co. in July amounted to 96,000 tons, which compared favourably with 92,700 tons in the previous month. The production in the corresponding month of 1959 was, however, higher at 98,500 tons. On the Stock Exchange, Tata Ordinaries ruled very steady, creeping up from Rs. 159.50 to Rs. 162 before closing at Rs. 161.50. Indian Irons fell from Rs. 24.72 to Rs. 23.40, but, at the close, they recovered to Rs. 24.68. The Company's output in July 1960 was affected by the closure of one of the blast furnaces for purposes of relining and by the shortage of raw materials owing to Central Government employees' strike. The production of saleable steel fell from 53,737 metric tons in June to 40,897 metric tons.

Barring a few select scrips, the textile section was subdued, due to reports that millowners would soon be taking special steps to bring down the prices of cloth to reasonable levels. Centuries, were erratic, moving between Rs. 499 and Rs. 513, but closed at Rs. 510 with a gain of Rs. 4.50 over the week. Bombay Dyeings advanced earlier in the week from Rs. 70.10 to Rs. 71.20, but languished to Rs. 69.70 at the close. Central Indias gained Rs. 2 to Rs. 122, while Finlays were lower by a rupee at Rs. 349. Kohinoors gave way to Rs. 356 after an earlier rise from Rs. 358.50 to Rs. 363. Khataus were marked up by Rs. 7.50 to Rs. 370. Mysore Spinnings were conspicuous with a spurt of Rs. 8.50 to Rs. 98, while Simplex were quiet at Rs. 175. Standards were again in the forefront with a jump from Rs. 1,900 to Rs. 2.015 before closing at Rs. 1,985.

Sugar shares were featureless, presumably due to uncertainty about decontrol of sugar and exports thereof. Belapurs moved between Rs. 380 and Rs. 370; while Phaltans shed Rs. 4 to Rs. 185. Walchandnagars were a shade steady with a small rise of Rs. 2.50 to Rs. 307.50. Cements did not attract much support and the undertone was quiet. Associated Cements, after an initial improvement from Rs. 146.50 to Rs. 148, receded to Rs. 145.50. Digvijays were marked down by Rs. 5 to Rs. 170 and Orissa Cements by 16 nP to Rs. 14.

Engineering shares were featureless. Alcocks were Rs. 2 lower at Rs. 297, while Tata Locos closed unchanged at Rs. 321.50, after an initial hardening to Rs. 331. Premier Constructions were marked down by Rs. 2 to Rs. 358. Larsen and Toubros were steady at Rs. 51. Mahindras were taken up 24 nP higher at Rs. 23. Jost's Engineerings provided a prominent feature in the cash section with a smart rise of Rs. 48 to Rs. 130, while Structural Engineerings (old) gave way by Rs. 15 to Rs. 305.

Among shippings, Scindias were erratically lower at Rs. 15.52 after having gone up to Rs. 15.96. Great Easterns were listless at Rs. 17.44. In the auto group, Hindustan Motors were steady at Rs. 23.08 and Premier Automobiles at Rs. 184.

In the miscellaneous section, activity was more confined to cash counters, which recorded handsome gains. In the forward list, Bombay Burmahs Rs. 606 and closed with a loss of Rs. 5 over the week at Rs. 608. National Rayons, after being lifted up from Rs. 527 to Rs. 535.50, reacted to close at Rs. 518.50, while Gwalior Rayons (in the cash section) were unchanged over the week at Rs. 46 and Baroda Rayons improved by Rs. 12.50 to Rs. 150.50. Indian Rayons, too, were well favoured and the quotation was marked up by Rs. 3 to Rs. 71. After an initial improvement from Rs. 79 to Rs. 82.20, Tata Oils gave way to Rs. 79, despite the optimistic note struck by the Chairman about the Company's outlook at the annual general meeting on Tuesday this week. The working of the Company during the first four months of the current year, according to Mr. Tata, was satisfactory and the exports would be maintained. The management had under consideration various proposals for diversification of its products, such as toothpaste and talcum powder. Tata Chemicals were quiet at Rs. 20.28, while Voltas shot up by Rs. 11 to Rs. 294. Wimcos slipped down by Rs. 2 to Rs. 239. Amar Dyes advanced by no less than Rs. 32.50 to Rs. 492.50 and Anil Hardboards by Rs. 27.50 to Rs. 417.50. Asian Cables put on Rs. 6 to Rs. 86. Ceat Tyres Rs. 5 to Rs. 265 and Premier Tyres Rs. 8 to Rs. 106. Chase Bright Steels were in keen demand and rose by Rs. 6.24 to Rs. 20.24. Colour Chems had a gain of Rs. 20 at Rs. 445. Indian Dyestuffs (old) rallied by Rs. 62.50 to Rs. 832.50 and their new shares by Rs. 70 to Rs. 815. Poly Chems advanced by Rs. 20 to Rs. 285. Khandelwal Ferro Alloys were marked up by Rs. 17 to Rs. 123. The Company has decided to make a first call of Rs. 25 per Preference share of Rs. 100 each—Rs. 50 paid-up—and the payment of the call money is to be paid before 15th September. The Directors have declared a dividend of 7½ per cent. free of tax on the preference shares. They have also decided to increase the authorised capital of the Company from Rs. 2.50 crores to Rs. 5 crores. Philips Carbons improved by Re. 1.76 to Rs. 19.76. Sundatta Foods came to the limelight with a spurt to Rs. 68, representing a rise of Rs. 8.50 from last week's closing quotation.

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Madras Stock Exchange

MADRAS, *3rd August*

Barring tea shares and a few miscellaneous industrials which met with some investment support, the Madras Stock Exchange ruled easy during the week under review. The firmness of tea shares was engendered chiefly by the report that the President had recommended exemption of plantings from the provision of ceiling in the Kerala Agrarian Relations Bill, as well as by bullish advices from tea auction centres. Coffees were subdued in the absence of fresh enquiries. Rubbers tended to look down due to selling by some operators who had bought sizable lots at higher levels last week. Textiles lacked support, as operators preferred to await the Central Govrnment's decision on measures of control on textiles and cotton prices. Sugars came in for selling. Among miscellaneous industrials, chemicals and cements drifted lower.

In the tea section, Parksides rose by 37 nP to Rs. 28.12. Peermades spurted by 35 nP to Rs. 23.60. Blue Mountains declined from Rs. 5.25 to Rs. 5.22 in the earlier session, but recovered later to close at Rs. 5.43 today, the net gain over the week being 18 nP. Nonsuch Teas and United Nilgiris improved by 15 nP each, the former to Rs. 28.15 and the latter to Rs. 22.35.

Coffee shares were dull. Coffee Lands lost 25 nP to Rs. 26. Ouchterlony Valleys, which had risen from Rs. 5.08 to Rs. 5.15 earlier, receded to Rs. 5.10. Cowcoodys shed a naya paisa to Rs. 5.80. Rajendras were quiet at Rs. 16 and Balanoors at Rs. 16.70. Ossoors were unchanged at Rs. 3.50. The Directors of the Company have declared a final dividend of 10 per cent., making a total of 15 per cent. taxable (equivalent to 10.5 per cent. tax-free) for the year ended March, 1960, as compared with 15 per cent. tax-free for the previous year. Consolidated Coffees, however, met with special support and hardened by 15 nP to Rs. 26.85. Wartyhullys gathered 5 nP to Rs. 3.60, notwithstanding the announcement of a lower dividend. The Company has declared a final dividend of 10 per cent., making a total of 15 per cent., taxable (equivalent to 10.5 per cent. tax-free), as against 15 per cent. tax-free for the previous year.

Among rubbers, Cochin Malabars suffered a setback of 24 nP, today's closing rate being Rs. 8.21. Midlands eased by 17 nP to Rs. 12.45. Kailas shed 3 nP to Rs. 5.60. Malankaras were neglected at Rs. 20.25 and Thirumbadis at Rs. 1.70. Vaikundams, however, rose by 15 nP to Rs. 30.50.

Textiles were generally featureless. Anglo-Frenchs were marked down by Rs. 2.50 to Rs. 125. Cannanores retreated by Re. 1.05 to Rs. 154. Kotharis lost Re. 1.25 to Rs. 23.50. Travancore Rayons declined by 50 nP to Rs. 37.75 and South Indians by 25 nP to Rs. 143.75. Bangalore Woollens were neglected at Rs. 198, Buckinghams at Rs. 206 and Metturs at Rs. 399.

In the sugar section, Cauverys were pushed down from Rs. 152.50 to Rs. 152. Travancores and Indias shed 10 nP each to Rs. 11.90 and Rs. 12.50, respectively. East India Distilleries were quiet at Rs. 61.75 and Mysores at Rs. 60.50. United Breweries, however, were well fancied, the quotation rising by Rs. 4 to Rs. 112.

Among miscellaneous industrials, F.A.C.Ts dropped by 55 nP to Rs. 12.65. Mettur Chemicals fell by 25 nP to Rs. 14.35. The Company has declared a final dividend of 6¼ per cent., making a total of 12½ per cent., taxable (equivalent to 8¾ per cent. tax-free) for the year ended March 1960, as against 8.8 per cent., tax-free, for the previous year. Mysore Chemicals were unchanged at Rs. 27. Mysore Fertilisers, however, strengthened by 35 nP to Rs. 10.60. Among cements, Dalmias were lower by 45 nP at Rs. 12.40. Orissas lost 5 nP to Rs. 13.95. India Cements fell from Rs. 7.10 to Rs. 7.08, but recovered later to touch the last week's level subsequently. Andhras, however, put on 15 nP to Rs. 11. Textools lost 50 nP to Rs. 189.50. Ashok Leylands were unaltered at Rs. 9.60. Western India Plywoods at Rs. 301 and Standard Motors at Rs. 16.70. Tube Investments jumped up by Rs. 12 to Rs. 337. Mysore Papers rose by 40 nP to Rs. 26.75.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 4th August, 1960.

	Closing quotation on 4-7-1960	High	Low	Closing quotation on 4-8-1960
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100)	185 00	188 50	182 00	188 50
Apollo (2)	1 63	1 70	1 61	1 66
Baroda Rayon (75)	138 00	160 00	139 00	150 50
Bombay Dyeing (25)	70 10	71 40	69 00	69 70
Bradbury (50)	148 00	148 00	132 00	132 00
Central India (100)	120 00	126 00	119 00	122 00
Century Mills (100)	505 50	513 00	499 00	510 00
Coorla Sp. (100)	133 00	—	—	133 00
Dawn (50)	130 00	—	—	130 00
Edward Textile (200)	327 00	330 50	327 00	327 00
Elphinstone (50)	66 50	—	—	66 50
Finlay (100)	350 00	352 00	347 00	349 00
Gokak (100)	152 50	154 10	153 00	154 00
Gold Mohur (100)	227 50	230 00	227 50	229 00
Gwalior Rayon (10)	46 00	49 00	44 75	46 00
Ind. Unit. Bnfd (1)	1 08	1 08	1 00	1 02
Ind. Unit. Ord. (10)	13 43	13 61	13 16	13 44
Indian Rayon (37 50)	68 00	77 00	68 00	71 00
Indore Malwa (100)	127 00	126 00	121 00	126 00
Khatau (100)	365 00	380 00	355 00	370 00
Kohinoor (100)	358 00	363 00	350 50	356 00
Lakshmi (250)	605 00	—	—	605 00
Mafatlal (100)	1,150 00	1,400 00	1,180 00	1,260 00
Minerva Mills (100)	80 50	—	—	80 00
Model Nagpur (250)	80 00	—	—	80 00
Morarji (100)	305 00	308 00	303 00	306 00
Mysore (50)	89 50	100 00	91 00	98 00
National Rayons (100)	527 00	535 50	509 50	518 50
New City (100)	130 00	134 00	130 00	130 00
New Great (100)	185 00	193 00	185 00	185 00
Phoenix (100)	138 00	148 00	143 00	144 00
Podar Mills (100)	163 00xd	167 00	162 00	164 00
Raymond (Wool Ien (100)	126 50	120 50	117 00	120 50xd
Sassoon Silk (10)	9 00	—	—	9 02
Sassoon Spg. (10)	68 00	70 00	66 00	68 00
Shrinivas (100)	270 00	273 50	267 00	268 00
Simplex (50)	176 50	177 00	173 25	175 00
Standard (100)	1,900 00	2,015 00	1,885 00	1,985 00
Sradasil (100)	252 00	259 00	250 00	252 00
Swan (100)	497 00	500 00	495 00	497 50
Tata Mill (25)	44 50	47 00	44 50	45 00
Vishnu (100)	114 00	—	—	114 50
Western India (1,000)	4,000 00	—	—	4,000 00
BANKS				
Bank of India (50)	104 50	104 50	103 00	104 00
Do. (New (50)	105 00	105 50	105 00	105 00
Bank of Baroda (50)	81 50	82 00	81 50	81 50
Central (25)	51 50	51 50	50 50	50 50
Central 'A' (25)	53 50	53 50	53 00	53 50
Dena Bank (50)	52 50	53 00	52 00	52 00
Punjab National (10)	20 62	20 62	20 00	20 00
Union Bank (5)	6 00	6 01	5 90	5 90
United Com. (50)	73 50	73 50	73 00	73 50
ELECTRIC COS.				
Ahmedabad (100)	85 50	93 50	84 50	91 00
Ahmadabad (10)	10 20	—	—	10 08
Andhra Valley (1,000)	998 75	1,020 00	997 50	1,020 00
Bom. Sub. El. (100)	96 00	99 00	96 00	98 00
Surat (100)	88 50	90 00	88 50	90 00
Tata Hydro (100)	106 00	106 00	105 00	105 50
Tata Power (1,000)	1,080 00	1,090 00	1,077 50	1,085 00
INSURANCE COS.				
British India (10)	12 76	—	—	12 76
Empire of India (100)	268 75	—	—	268 75
Ind. Mercantile (50)	46 05	—	—	46 05
Jupiter (15)	7 24	—	—	7 24
New India (15)	63 00	63 70	63 00	63 00
Vulcan (10)	19 20	—	—	19 20
STEEL COS.				
Ind. Iron (10)	24 72	24 80	24 40	24 68
Mukand Iron (10)	25 50	27 00	25 00	26 25
Tata Steel Ord. (75)	159 50	162 00	159 00	161 50
SUGAR COS.				
Belapur (50)	377 00	380 00	376 00	377 00
Bhapur (10)	27 00	—	—	27 00
Changdeo (12.50)	34 00	34 25	34 00	34 25
Phaltan (50)	189 00	191 50	183 50	185 00
Walchand Ind. (100)	305 00	310 00	303 75	307 50
CEMENT COS.				
Associated Cts. (100)	146 50	148 00	145 25	145 50
Digvijay (100)	175 00	176 00	170 00	170 00
MISCELLANEOUS				
Alcock Ashdown (100)	299 00	306 00	295 00	297 00
Bom. Burmah (125)	613 00xd	623 00	606 00	608 00
Do. (New) (50)	223 00xd	225 00	221 25	221 25
Br. Ind. Petrol (4 sh.)	1 74	1 80	1 74	1 80
Br. I. Corpn. (5)	8 40	8 44	8 36	8 36
Cooper Eng. (100)	170 00	171 25	170 00	170 00
Colour Chem. (100)	425 00	472 50	420 00	445 00
Blind Cycle (100)	130 00	124 00	125 00	125 00
Hindustan Lever (10)	45 50	46 50	44 75	46 25
Hindustan Motors (10)	23 00	23 20	22 75	23 08
I. C. I. (Invest. Corporation (100)	70 00	—	—	70 00
Indian Dyestuff (100)	770 00	812 50	770 00	832 50
Indian Copper (4 sh.)	5 30	5 45	5 25	5 30
Ind. Inv. Tr. (100)	72 00	72 50	71 50	71 50
Killicks (100)	108 00	108 25	106 00	107 00
Larsen & Toubro (10)	50 50	52 50	50 25	51 00
Mahindra & Mahindra (10)	22 76	24 76	22 76	23 00
New Central Jute (10)	31 00	—	—	31 00
Polson (100)	168 00	188 00	—	184 00
Pre. Automobiles (100)	183 00	183 50	160 00	184 00
Premier Con. (80)	360 00	372 00	360 00	184 00
Scindia (20)	15 56	16 06	15 52	15 96
O. E. Shipping (10)	17 40	17 48	15 48	18 52
Shirsapur (10)	74 00	78 00	17 40	17 44
Sirpur Paper (10)	20 84	21 80	74 00	76 00
Tata Chemicals (10)	20 40	21 00	20 36	20 00
Tata Locomotive (100)	321 50	331 00	20 10	20 28
Tata Oil (25)	79 00	82 50	318 00	321 50
Tarmaco (10)	29 30	29 00	28 75	79 00
Voltas (100)	283 00	307 00	282 50	29 00
W. I. Match (100)	241 00	242 00	238 00	294 00
W. Coast Paper (100)	223 00	228 00	222 00	239 00
				225 00

GOVERNMENT SECURITIES	28-7-60	Gross Yield		4-8-1960
	Rs.	Earlier Redemption	Later Redemption	Rs.
2½% 1961	98 60	—	3 94	98 80
2½% 1962	98 05	—	3 52	98 05
2½% 1974	83 50	—	3 17	83 50
2½% 1964-66	98 00	—	3 17	83 50
3% 1963-65	96 85	—	3 48	98 00
3% 1966-68	95 85	3 64	3 41	96 05
3% 1970-75 1st Dev.	90 80	3 78	3 53	94 05
3% 1986 Con. Loan	73 65	4 12	3 80	90 00
3½% 1961 N.P. Bonds	100 05	—	4 08*	90 05
3½% 1964 N.P. Loan	99 95	—	3 48	78 85
3½% 1965 N.P. Bonds	99 80	—	3 51	100 05
3½% 1962	99 80	—	3 55	99 95
3½% 1967 N.P. Bonds	99 55	—	3 55	99 75
3½% 1968	99 70	—	3 57	99 80
3½% 1967 N.P. Bonds	100 80	—	3 78	99 55
3½% 1969 Loan	99 10	—	3 65	99 70
3½% 1968	99 80	—	3 62	100 80
3½% 1963 N.P. Bonds	100 00	—	3 67	99 10
3½% 1968 N.P. Bonds	100 05	—	3 50	99 80
4% 1960-70	100 80	—	3 67	100 00
4% 1972 Loan	101 30	2 15	3 53	104 65
4% 1973 Loan	101 20	—	3 87	101 80
4% 1979 Loan	100 25	—	3 87	101 20
4½% 1966 Bonds	99 75	—	3 98	100 25
4½% 1980 Loan	99 90	—	3 85	99 87
4½% 1970 Loan	99 90	—	4 01	99 90

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Right.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 29th July, 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits—	
(a) Government—	
(1) Central Government	67,04,96,000
(2) Other Governments	22,61,74,000
(b) Banks	124,73,89,000
(c) Others	328,18,84,000
Bills Payable	13,62,09,000
Other Liabilities	10,06,94,000
Rupees	606,20,21,000

ASSETS	Rs.
Notes	34,40,53,000
Rupee Coin	1,78,000
Subsidiary Coin	4,37,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	31,70,29,000
Balances held abroad*	25,22,23,000
Loans and Advances to Governments†	30,52,33,000
Other Loans and Advances	112,28,94,000
Investments	258,85,26,000
Other Assets	13,23,51,000
Rupees	500,20,24,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 9,12,30,000 advanced to scheduled banks against usance bills under section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	34,40,53,000	
Notes in circulation	1793,99,58,000	
Total Notes issued	....	1828,40,11,000
Total Liabilities	....	1828,40,11,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		131,06,03,000
Government of India Rupee Securities		1451,57,11,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1828,40,11,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	22nd July 1960	15th July 1960	4 month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1815 38	1811 67	1835.99	1680 34
Notes held in Banking Dept.	35 06	26 34	23 07	38 65	24 74
Foreign Securities	59 56	141 01	141 01	143 01	168 01
Rupee Securities	87.39	1451 57	1470 40	1436 40	1285 84
Banking Department					
Deposits of:					
Government of India	14.89	62 45	74 21	62 41	64 62
Other Governments		31 07	11 81	13 36	27 90
Balances held abroad	10.06	17.29	22.35	14.47	12.24
SCHEDULED BANKS					
Demand Liabilities	134.36	804.42 (21 85)†	787 37 (21 64)†	780 81 (14 00)†	741 88 (25 80)†
Time Liabilities	102.24	1211 39 (27 12)†	1211 84 (24 77)†	1216 31 (24 05)†	1072 63 (31 18)†
Borrowings from Reserve Bank	..	27 18 (19 05)‡	41 35 (12 42)‡	40 25 (13 51)‡	0 99 (0 06)‡
Borrowings from State Bank	..	11 65	12 68	13 16	4 23
Cash in India	6.70	47 60	50 61	46 57	42 85
Balances with Reserve Bank	25.17	100.77	121.62	107.34	84.97
Balances with other banks in current account in India	..	17.33	22.91	15.90	13 61
Money at call and short notice in India	..	35 90	52 83	27.18	41.01
Investments (at book value)	..	728 88	722 24	739 72	688 45
Advances and bills	105.9	1119 38	1128.34	1125 80	965.49
STATE BANK					
Deposits	97.76	627 83	617 06	614 47	544 07
Investments	61 99	371 65	381 49	388 89	336 56
Advances	30 35	210 27	216 02	216 23	177 99
Cash	14.69	85.09	49 15	87.89	35.74

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3 60	6
Austria	17th Mar., 1960	4.50	5
Belgium	24th Dec., 1959	3.25	4
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	3 44	3.17
Ceylon	16th Dec., 1959	2.50	3
Chile	Feb., 1957	4 50	6
Denmark	25th Jan., 1960	6	5.50
Equador	9th May, 1949	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	1st Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	3rd Dec., 1959	6.94	7 3
Mexico	4th June, 1942	4	4.50
Netherlands	19th Oct., 1959	2.75	3.50
New Zealand	19th Oct., 1960	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	5	6.00
Peru	Nov., 1959	4.50	6.50
Philippines	Dec., 1959	..	2
Portugal	19th Jan., 1944	2	4
South Africa	9th Jan., 1959	4.50	4
Spain	11th April, 1960	4.50	5.75
Sweden	15th Jan., 1960	4.50	6
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1955	2	3
Turkey	4th June, 1958	4.50	6
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July 1936	8	6
U.S.A.	3rd June, 1960	4	5
West Germany	3rd June, 1960	4	..

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 29th July, 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,20,00,000
Borrowings from Other Banking Companies, Agents, etc.		610,00,59,000
Bills Payable		17,15,000
Bills for Collection being Bills receivable as per contra		8,77,01,000
Acceptances, Endorsements and Other Obligations per contra		2,10,85,000
Other Liabilities (including Inter-Office Adjustments)		2,12,52,000
Total .. Rs.		15,95,71,000
		652,86,63,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		33,32,59,000
Balances with other Banks		8,59,20,000
Money at Call and Short Notice		1,23,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	363,94,13,000	
Other Authorised Investments	9,87,03,000	
		373,81,16,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.		194,71,59,000
Bills Discounted and Purchased		13,70,55,000
Bills Receivable being Bills for Collection as per contra		208,42,13,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,10,85,000
Premises less Depreciation		2,12,52,000
Furniture and Fixtures less Depreciation		1,25,51,000
Other Assets (including Inter-Office Adjustments).		1,27,81,000
Total .. Rs.		25,71,06,000
		652,86,63,000

Scheduled Banks*

Statement of Affairs for the week ended 22nd July 1960

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank	21,84,77,000
(ii) Other demand liabilities	752,57,67,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank	27,12,30,000
(ii) Other time liabilities	1,184,26,01,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,43,35,000
(ii) Time liabilities	2,22,00,000
Borrowings in India from the Reserve Bank of India†	27,15,15,000
Cash in India	(13,05,30,000)
Balances with the Reserve Bank in India	47,60,12,000
Balances with other banks in current account in India	100,73,91,000
Money at call and short notice in India	17,32,21,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	35,90,29,000
Advances in India	728,88,17,000
Inland Bills, purchased and discounted in India	972,51,99,000
Foreign Bills, purchased and discounted in India	102,12,43,000
	41,73,55,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
27th to 30th Apr.*	2 01	—	2 01	—	99 326
3rd May	2 00	2 82	2 00	2 745	99 315
10th May	2 00	2 00	2 00	2 745	99 310
11th to 14th May*	0 05	—	0 05	—	99 326
17th May	2 00	2 00	2 00	2 745	99 310
24th May	2 00	2 30	2 00	2 745	99 325
25th to 28th May*	1 25	—	1 25	—	99 326
31st May	2 00	2 25	2 00	2 745	99 325
1st to 4th June*	3 05	—	3 05	—	99 326
7th June	2 00	2 00	2 00	2 745	99 310
8th to 11th June*	2 15	—	2 15	—	99 326
14th June	2 00	2 00	2 00	2 745	99 310
15th to 18th June*	0 07	—	0 07	—	99 326
21st June	2 00	2 02	2 00	2 745	99 315
22nd to 25th June*	0 07	—	0 07	—	99 326
28th June	2 00	2 00	2 00	2 745	99 310
6th July	2 00	2 00	2 00	2 745	99 310
12th July	2 00	2 02	2 00	2 745	99 315
26th July	2 00	2 00	2 00	2 745	99 310
2nd August	2 00	2 20	2 00	2 737	99 310
Total amount outstanding	34.65		34.65	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 22nd July 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Deposits:—	
(a) Central Government	19,58,10,000
(b) Provincial Governments	1,41,79,000
(c) Banks	24,31,08,000
(d) Others	79,94,33,000
Bills Payable	2,67,000
Other Liabilities	14,93,97,000
Rupees	147,59,95,000

ASSETS	Rs.
Notes	13,97,15,000
Rupee Coin	27,000
Subsidiary Coin	33,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	3,000
Balances held outside Pakistan*	20,30,84,000
Loans and Advances to Governments	11,65,01,000
Provincial Governments' Debtor Balances	98,55,000
Other Loans and

MARKET GOSSIP

(*Concluded from page 231*)

of this allegation. In all the three bodies mentioned above, the millowners are adequately represented and it is no secret that in none of them their representatives opposed the demand for higher ceilings. In fact, the Chairmen of both the E.I.C.A. and the Cotton Advisory Board are themselves leading cotton millowners. The cotton controls affect them as much adversely as they do the cotton merchants or growers. Accordingly, they too must be keen on their abolition or on such changes as would make their task of getting cotton easier. Indeed, why should they mind paying officially a little more for cotton which they have paid unofficially in the current season, so long as they can pass on the incidence to the consumer of cloth? Not in the least. The credit (or discredit?) for deciding to maintain the *status quo* must go to the Government, which has to bear in mind not only the interests of cotton growers, traders, and millowners but also those of domestic consumers and export markets. And the last two interests are important enough to justify the decision the Government took. That apart, the high prices realised by cotton growers this year are the result of an extremely short crop, brought about not by inadequate price incentive to cotton growers but by adverse weather conditions. Surely, an increase in ceiling prices cannot be based on such a fortuitous factor. Further, if a concession is made in regard to cotton now, it will have to be followed by similar concessions to other agricultural crops; this will be undesirable in the present context of inflationary conditions. And, finally, incentive to farmers for raising more cotton should be provided through higher floors, which will ensure for them a satisfactory minimum return, and direct service and financial facilities for improving the quality and quantity of cotton grown on every acre of land devoted to the crop. Another important thing which the Government must do is to spread cotton growing to areas which are less susceptible to the vagaries of monsoon. This means that irrigation facilities must be extended in those regions where the rainfall is less and the climate is favourable in other respects for cultivating cotton. And there are plenty of areas in India which fulfil this requirement.

Outlook for Sterling

The first seven months of the current year have been packed with quite a number of explosive situations in the political world, such as the riots in South Africa, collapse of the summit conference, threats by Soviet Russia of sending long-range rockets, the seizure of American properties in Cuba and the political upheaval in the Belgian Congo, but these have not ruffled the sterling. Not even the strain on the U.K.'s balance of payments in recent months, nor the recurrent rumours of a revaluation of the West German Mark have upset the pound. On the contrary, barring occasional flutters, sterling has been ruling firm, having crept up from 279.72-279.76 cents at the close of 1959 to 280.86-280.89 cents on 2nd August 1960.

Is this sustained strength of sterling real and will this continue in the coming months? Though it is generally expected that sterling will be able to withstand the seasonal pressure during the coming months without much difficulty, there is still an element of anxiety. No doubt, the firm monetary measure taken by the British Government since the beginning of the year have contributed to a large extent to the firmness of sterling, but this strength is considered more apparent than real. For it is felt that the Government's measures have not had any great impact on the economy as a whole. Except in certain sectors, particularly on those producing durable consumer goods, there are no signs of any slowing down of economic activity, which still continues to run at a very high level, as is borne out by some of the key economic indicators. Industrial production during the second quarter of the year was 2 per cent. higher than in the first quarter and 9 per cent. over that in the corresponding period of 1959. Unemployment at 1.3 per cent. of the labour force is at its lowest level for nearly three years. Unfilled vacancies are the highest in four years. Retail sales in June were as high as in April and May and were 4 per cent. above those in June 1959. Bank credit, after slowing down in May and June, has risen sharply by about £100 million during July. These data suggest that the official measures have not restrained the business activity. It must, however, be noted that the Chancellor of the Exchequer has made it clear, from time to time, that the object of his measures was only to check the growth of domestic demand. They were not intended to bring about a recession but only to keep the economic growth at a pace which would neither over-strain the national resources nor seriously undermine the balance of payments position.

As stated earlier, the present strength of sterling is considered more apparent than real, because of the fact that the wide gap in interest rates between the U.K. and other countries, particularly the U.S., following the increase in Bank rate in two stages from 4 per cent. to 6 per cent., has brought an appreciable influx of short-term funds from abroad into the U.K. These foreign funds invested in London are an unstable factor. A large part of them is invested without any forward cover and any large-scale withdrawal of these funds later on may affect the sterling area's reserves more than when these funds are fully covered.

The main criticism against the Chancellor's monetary measures is that they have failed to stop the deterioration in balance of payments of the country—one of the things which the Chancellor wanted to avoid. There is a large deficiency in the visible trade account. The trend of exports is said to be very disappointing. Though the exports are expected to improve in the current quarter, the increase may not be of such a scale as to remove the anxiety about the balance of payments and to enable the Chancellor to relax the restraints on economic expansion. This is particularly so because of the none-too-encouraging state of the U.S. economy. The business activity in the U.S., which is the main overseas market for the U.K., is slowing down and this may affect U.K. exports. The balance of payments position of the U.S. is also not free from concern. On top of this, that country is faced with a revival of drain of gold. In the last three weeks of July alone, the U.S. gold reserves fell by $158 million to $19,164 million, "a rate of erosion," to quote the *Financial Times*, London, "as rapid as that of the worst post-war year, 1958." Consequently, the U.S. may not be in a position to take steps which will allow more imports from the U.K. The U.S. steel and automobile industries have slowed down, owing to poor offtake of cars and heavy stocks with dealers.

Although there is no reason to take an unduly pessimistic view of the British economy, which is still quite healthy, the need for an improvement in exports is considered very essential. The U.K. is looking to the motor industry, described as one of the main props of the economy, to do its best in the sphere of exports. The industry in turn points out that it has initiated major expansion plans with heavy capital investment and that it can certainly be expected to discharge its responsibility, provided the Government came to its rescue in times of difficulty.

THIRD PLAN VIEWED AGAINST FIRST TWO PLANS

(*Concluded from page 251*)

ment of Rs. 250 crores is said to have been pushed in at the last moment. The third Plan provision for industries is proposed at Rs. 3,875 crores (including power, industry and minerals, and communications and transport), against an outlay of Rs. 2,580 crores during the second Plan period. This is in the usual cart track left behind by the U.S.S.R. and China: these countries have begun to become wiser, but our planners are evidently not benefiting by their experience. They want more and more of machine-building capacity, with no clear-cut programme for stimulating a corresponding increase in the propensity to consume capital goods and energy for further production.

The third Plan outlay on social services has been raised from Rs. 423 crores in the first Plan to Rs. 569 crores (1956-60) to Rs. 1,250 crores. The pace of progress is of a tortoise, if not of a snail, but, here again, it is not bad, although a much larger outlay would be warranted, if only resources were available. With regard to social services, financial and administrative centralisation is proposed at beyond the optimum point: it is no surprise that inefficiency marks our schools, hospitals and housing programmes.

As compared with China and the U.S.S.R., publicity for the Plan is very poor in this country. Even today, the villager in the nook and corner is blissfully ignorant of the ideals and benefits of the Plan. He is, therefore, quite indifferent to his share and duty in implementing the Plan. Radio broadcasts are somewhat like oases in the Sahara, and publicity otherwise is confined to Press releases and reports, and Planning Forums. Totalitarian propaganda methods may not be liked in India, but loudspeakers in all public places, in railway trains and in buses, in markets and in fairs, in temples and in pilgrim centres should go a long way in enthusing the average Indian about the Plan and enable him to consider it as his own.

On the whole, there was a shortfall of only Rs. 1 crore during the first Plan period between available resources (Rs. 2,012 crores) and actual outlay (Rs. 2,013 crores). During the first four years of the second Plan (1956-60), the anticipated outlay stands at Rs. 3,660 crores which level is more or less proportionate to the total second Plan outlay recently estimated at Rs. 4,600 crores by the Union Finance Minister. From the viewpoint of resources, the climate is much more congenial for the proposed third Plan outlay of Rs. 11,250 crores, particularly in the light of availability of foreign investment and aid, but it is most vital that the cost structure should be severely controlled. For this purpose, industrial raw material and consumer goods would have to be in plentiful supply. Unfortunately, the import policy persisted in by the Government of India, with the object of reducing the unfavourable balance of payments to a minimum, resembles the procedure of a valetudinarian person (Coverly Papers), who resorted to eating more or less without reference to appetite, according as the weighing machine showed his weight less or more, the individual collapsing in health in the course of a few weeks.

The Draft gives a second place to foreign capital, relying mainly on domestic investment: "the role of external assistance is to supplement domestic savings by bridging the gap between essential import requirements and export possibilities." With such a philosophy, Canada, Japan, West Germany and the Marshall Aid countries could never have dreamed of attaining their present standards of living. It may be modesty but not commonsense to proclaim lack of appetite with pangs of hunger inside.

In the foregoing paragraphs, quite a few merits and demerits of the third Plan draft have been scanned, and hope lies in public opinion contributing to upgrading the final third Plan to the proper standard.—*All Rights Reserved.*

COMMERCE AND INDUSTRY

(*Concluded from page 258*)

lactate. The Company has succeeded in exporting small quantities to Burma, Pakistan and Ceylon. Accepting the Commission's recommendation for deprotecting the calcium lactate industry with effect from 1st January 1961, the Government has notified the public that it will introduce the necessary legislation in due course. It is not known whether the existing rates of duty will be retained or reduced as a revenue measure or whether they will be completely abolished.

LAUSANNE NATIONAL FAIR

This important autumn fair in Switzerland, displaying in its 25 sectors the wares of over 2,300 exhibitors from all Swiss cantons, will open its gates for the 41st time in Lausanne from 10th to 25th September. Industry, agriculture, craftwork and trade are all on display in this vast synthesis of the main branches of national production, which has become so popular a commercial event that it regularly attracts more than a quarter of Switzerland's working population to Lausanne each autumn. Equipped for presenting both light and heavy exhibits in its various halls, the Lausanne Fair includes a remarkable joint display put on each year by the Swiss Association of Agricultural Machinery Manufacturers and Dealers. This year, a sector of particular importance for export shows the products of world-famous concerns and associations such as Brown Boveri & Co., the Oerlikon Battery Factory, the Berne Metallurgical Association, the Dornach Metallurgical Works, the Cossonay Cable and Wire Works, Landys & Gyr of Zug, the Standard Telephone and Radio Company of Zurich, Ebauches Co. Ltd., at Neuchâtel, and the Schindler Motor and Elevator Factory, to mention only the most representative stands in this extremely interesting sector.

Practising a certain liberalism in spite of its strictly national character, the Lausanne Fair will have the privilege of welcoming Australia as this year's guest of honour. This official participation, organised by the Australian Board of Trade, under the auspices of the Australian Embassy in Bonn, is of particular importance and significance as it is the first time that this far off continent has put on an exhibition of this kind in Europe.

Notice

THE SURAT ELECTRICITY CO. LTD.

NOTICE

AT A MEETING OF THE BOARD OF Directors of The Surat Electricity Company, Limited, held on 4th August, 1960, it was decided to recommend a Final Dividend for the half-year ended 31st March, 1960, during the year ended on 31st March, 1960, at the rate of Rs. 3.25 nP per Share on Preference Shares, free of Income-tax (deductible under Section 18 of the Indian Income-tax Act) and at the rate of Rs. 5.00 per Share (making 7½ per cent. for the year) on Ordinary (Equity) Shares, subject to deduction of Tax, to those Shareholders whose names stand on the Register on Thursday, 1st September, 1960.

Intimation of any change of address should be given to the Share Department of the Company immediately.

The Transfer Books of the Company will be closed from Wednesday, 17th August, 1960 to Thursday, 1st September, 1960, both days inclusive.

By Order of the Board,

FOR THE SURAT ELECTRICITY COMPANY, LIMITED,

KILLICK INDUSTRIES LIMITED,

A. N. HAKSAR,
Managing Director,
Managing Agents

KILLICK HOUSE,
HOME STREET, FORT,
BOMBAY-1, *4th August*, 1960.

COMMERCE

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

VOL. CI. No. 2576 BOMBAY, 13th AUGUST 1960 PRICE Rs. 2

AFTERMATH OF GENERAL STRIKE

THE Government's case against the strike by its employees, happily withdrawn after a short duration, was ably presented in the Lok Sabha, this week, by all its principal spokesmen, Mr. Nehru, Mr. Pant and Mr. Nanda. In particular, Mr. Nehru raised the debate to a higher level of discussion by pointing to the wider national and international implications of the strike. Had the strike succeeded, he declared, there would be neither Government nor Parliament. It was, he said, "amazing and utterly astounding," and an "astonishingly irresponsible thing that could bring no benefit to the workers." He declared: "I do say with all the strength at my disposal that the general strike must essentially have far-reaching consequences and, therefore, it is a political strike in that respect and you cannot escape from that conclusion."

In retrospect, the nation has reasons to rejoice over the failure of the strike. From the very beginning, the strike lacked—though its blind leaders refused to recognise the point—public sympathy. It is not as if nobody sympathises with the lot of the ill-paid Government servants or that the public does not support the need for raising the emoluments of those who are pledged to serve it. But a strike by Government employees is, by its very nature, something of a mutiny, a prelude to a violent overthrow of established authority. It is a call to a revolution, to ending the rule by the elected majority. Anyone who slurs over this point, whatever the nobility of the motives which may prompt that, does no service to the country or its Constitution. Whichever way the matter is looked at, there is no getting away from the fact that a general strike by Government employees is an act of sabotage, of subversion, aimed at the overthrow of a lawfully constituted government. This is the legal, constitutional and political implication of the strike. The fact that the sponsors of the recent strike did not have such an aim in view is very much beside the point. In public affairs, "motives" are notoriously difficult to define. The only safe rule for judging the propriety of any action is whether, if everybody took that course, public good would be served. A public servants' strike is a contradiction in terms. It is a piece of constitutional monstrosity. Fortunately for the Frankensteins, the monster they created has been held. Had it got abroad, there would be no government today in the country. That, irrespective of the economic justification for the sense of grievance among Government employees, is the meaning of the strike.

The views expressed by the Congress Working Committee in the resolution adopted by it are certainly along right lines. The Committee said:

"The general strike was, in its very nature, not a normal industrial dispute, but had a political aspect and inevitably caused great inconvenience to the public and heavy loss to the Exchequer. Such a general strike raises vital issues which affect the Government, the public generally and those who participated in the strike. Because of such widespread and harmful consequences, a general strike of this kind cannot be accepted as a proper method of settling any dispute. It was, therefore, right and inevitable for the Government to declare the strike illegal. Even though the strike lasted only five days, it caused a great loss to the public and to the employees of Government who participated in it. The Committee have noted that the general public disapproved of the strike and that a number of employees' organisations, as well as a considerable majority of Government employees, did not participate in the strike and continued to discharge their duties with loyalty and efficiency. The Committee would like to express their appreciation of all such organisations and employees for their adherence to duty, in spite of pressures exercised against them. The Committee further express their gratification at the large number of volunteers from the public all over India who offered their services during the strike period and thus enabled the essential services to be carried on.... It should always be the policy of Government to develop harmonious relations in the Government services and to promote the well-being of employees. But Government employees have also to remember that they have certain special obligations to the public, which demand loyal and efficient service. By virtue of their service, they cannot be placed in the same category as normal industrial employees. Any step that is harmful to the public and is injurious from the point of view of the general good is a denial of those obligations and should not be permitted. A general strike which is meant to paralyse the life of a nation must necessarily be ruled out as a type of action even for the redress of grievances."

Despite Mr. Nehru's call for *Prayaschit*—this Sanskrit word means an act of atonement prompted by a voluntary acceptance of one's folly—there was little of any sense of repentance among spokesmen for the Opposition. It looked as though they were trying to be brave in the face of the failure of the strike, instead of being sorry for having led a strike against the Government. This is a deplorable trend in India's public life. After all, an Opposition in a democratic country should behave as a party that would, if the contingency arose, take over the reins of Government. In other words, it should behave with a becoming sense of responsibility. This was sadly lacking in the speeches of the members of the Opposition.

Just as a Government employee is at once an ordinary worker engaged in working for his living as well as a public servant, the Government has a double role: as an employer, it must undertake certain inescapable duties and, at the same time, it cannot overlook its wider responsibilities in relation to the country. The employees, on their part, will do well to recognise that, if their emoluments are lower than what they are elsewhere, they have certain privileges and concessions, like pensionary benefits and security of employment. Indeed, it is these benefits that induce a section of the employees in the private sector to ask for nationalisation of their industries and services. For once, the Government service is fast becoming a besieged fort, those in it trying to get out and those who are outside it seeking entry. Perhaps, it is not also an uncharitable comment on the Government servants' attitude towards their employers that they want the best of both worlds—security of employment which their position offers and the relatively higher scale of emoluments and the right to strike which employees in private sector have got. Be that as it may, the fact remains that salaries of Government servants are unduly low; in several categories, they are not sufficient to attract the best talent.

It is of the utmost importance that some machinery must be created for settling the differences between the Government and its employees. Mr. Nanda announced that the Government was thinking in terms of creating such a machinery. Mr. Nehru also referred to the need for adapting the Whitley type of machinery to Indian conditions. Surely, there is need for such a machinery, considering that the Government's role as an employer will grow with the passage of time. But there could be no compromise on the issue of strikes. At present, the position is somewhat vague. As the Pay Commission pointed out, there are certain classes of Government employees, to whom the Industrial Disputes Act is applicable, though they are also subject to the Central Civil Services (Conduct) Rules. The whole position deserves to be clarified in the interests of the public, the public servants themselves and the Government. It is gratifying to note that the Government is engaged in bringing forward appropriate legislation and it is to be hoped that this will be done promptly. Mr. Pant announced that "strikes are going to be banned in public services; neither the Railways nor Posts and Telegraphs can indulge in such a sort of suicidal and dreadful upheaval." It would appear that the formation of unions by Government employees will be permitted. But, according to Mr. Nanda, what is being proposed is the exclusion from these unions of the "part-time trade unionists and longer-time politicians." From this, it will be seen that the Government is proceeding along right lines. The details of the proposed legislation will certainly be awaited with interest. Those who seek public service as a career, as well as those who are in it, must be unambiguously told where they stand in relation to their employers, their rights and obligations.

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CUBAN SEIZURE OF U.S. FIRMS

THE economic cold war between Cuba and the U.S., has now entered a fresh aggressive phase, with the Cuban Government's decision to nationalise the American-owned firms, namely, the Cuban Electric Company, the Cuban Telephone Company, Esso, Texaco and the Sinclair Oil properties and all the 36 sugar mills. Of the total U.S. investments in Cuba, valued at $950 million, about one-third had

been taken over by the Cuban Government earlier; the latest seizure affects over $500 million of American investments. Thus, the Castro Government, which struck its first blow by taking over the American-owned Esso and Texaco oil refineries and the British-controlled Shell refinery, has not been slow to answer the U.S.'s retaliatory measure in the shape of a 700,000-ton cut in the quota of sugar imports from Cuba. It is not as if Cuba was taken unawares by the American Government's reaction to its initial high-handed nationalisation measures. It knew that, as a measure of reprisal, the U.S. might cut its sugar quota; the U.S. accounts for 60 per cent. of its sugar exports which make up 80 per cent. of its export earnings. But it has been encouraged by the helpful Russian attitude; Russia has agreed to take the entire sugar now denied access to the American market.

Two vital issues in the cold war deserve notice. In the first place, Cuba has not come off very well in the bargain. Russia will purchase the 700,000 tons of sugar cut from the U.S. quota at 3.25 cents a pound, in addition to the one million tons to be purchased at prices between 2.78 and 3.06 cents a pound in each of the next five years under the Cuban-Russian agreement. Cuba will thus receive only just over half the subsidised price that it has been obtaining from the U.S. (5.50 cents a pound). Further, Cuba's economic relations with Russia cannot be entirely dissociated from their political implications which are not necessarily good for trade. It may be recalled that, at the time of the Suez crisis, whereas private oil companies did their best to supply their markets with oil, Russia cut off its supplies to Israel. Cuba can rely on Russian crude oil for its refineries only so long as it toes a line which Russia recognises as convenient to itself. Thus, the change in its trading partners, which Cuba has effected, may not turn out to be to its advantage.

Secondly, Cuba's action is certainly calculated to impede the free flow of international private capital. It offended the U.S. oil companies by interpreting the law on the subject of refining oil to its own advantage. The Law-Decree of 1954 specifically provides that the companies have a right to supply and refine their own crude oil. But Cuba invoked an earlier law, Mineral Law of 1938, under which refineries are obliged to refine State-owned crude oil. The companies rightly contended that this old law had been superseded by the later (1954) enactment and that, at any rate, the "State-owned" crude referred only to indigenous crude oil produced in Cuba. Again, the compensation provisions are specifically discriminatory and clearly expropriatory. The "National Defence" law, under which foreign properties have been taken over, provide for the creation of a compensation fund and the issue to owners of 50-year bonds carrying not less than 2½ per cent. interest per annum; payments to the fund will be made from 25 per cent. of dollar earnings received by Cuba in respect of sugar sales to the U.S. in excess of three million tons a year at a price of not less than 5.75 cents a pound. It is easy to see through this law, which, in effect, seeks to penalise the U.S. itself for any sanctions it may choose to impose against Cuba. The bonds are thus hardly worth the paper they are printed on. All this is a strange way of dealing with foreign investors. It is bound to scare away the already shy foreign capital from underdeveloped countries, the economic progress of which is intimately connected with the inflow of external resources. Cuba has ill-served the group of these countries to which, economically speaking, it claims to belong.

CLOTH SITUATION

IMMEDIATELY after we went to press last week, the Indian Cotton Mills' Federation came out with a Press note, indicating broadly the steps which the industry should take to bring down the prices of cloth and yarn. In this note, the Federation called upon all millowners' associations to see that prices were not only held but progressively and firmly lowered and appealed to the public to postpone, where possible, the purchases of textiles for some time, till the industry geared itself to increase the production of those varieties the prices of which had been unduly high, due to short supply. The following six-point drive was commended for immediate launching by all mills:

1. The mills should arrange with their wholesalers to ensure that the cloth of their mills passes along the chain of distribution and reaches the consumer at reasonable prices.

2. Where mills have their own retail shops, such shops should be supplied with ample stocks. Mills should exhibit prominently in their retail shops a list of prices at which cloth is sold in those shops and copies of the list should be sent to the Textile Commissioner and the Federation.

3. Mills should also extend these arrangements to those retail shops not owned or conducted by them but over which the mills can exert their influence.

4. Similar arrangements should be made with regard to sales of yarn. So far as handloom weavers' co-operative societies are concerned, mills should, as far as possible, arrange to supply yarn direct to them at reasonable prices.

5. Mills should immediately arrange to increase their production, particularly in coarse and lower medium varieties. The short-staple American cotton which the mills will be getting should be used in coarse and lower medium counts only, so that the imbalance in the supply position of these categories of textiles should be set right.

6. Mills should immediately make a review of their price policy and ensure that whatever lies in their power is done right from the ex-mill stage upto the retail stage, so that the consumer should get his supply of cloth at a reasonable price.

Within twenty-four hours after the above statement was issued, that is on Sunday the 7th inst., the Chairman of the Federation, Mr. Krishnaraj M. D. Thackersey, hurriedly convened a Press Conference and announced that the industry would shortly effect a cut of 10 per cent. in the retail prices of coarse and medium varieties of cloth which are in short supply. He also announced that the proportion of direct sales of such qualities to retail shops would be stepped up to 15 per cent. While making these announcements, Mr. Krishnaraj said:

"The impact of the cut in prices would begin to be felt by the third or fourth week of this month. When the prices of coarse and medium varieties, which account for the bulk of the overall output are brought down, the prices of other qualities will also tend to move down. Cheaper cloth will be made available only to such retail shops as are willing to abide by the stipulations that would be made by mills. The retail shops will also be required to display prominently the revised price lists for the benefit of consumers. The Committee of the Federation would, at its meeting to be held in Bombay on Thursday (11th inst.), determine reasonable prices for various categories of cloth, taking into account the rise in the cost of production in recent months. It would ask the mills to effect an immediate cut of 10 per cent. in prices of certain categories supplied to the retail shops controlled by them. The Federation will also discuss at the meeting the price levels at which cloth is to be made available to the wholesale trade."

The foregoing account will clearly indicate that the spokesmen of cotton mill industry have lost no time in giving effect to the assurance they gave, at the meeting of the Cotton Textiles Consultative Board in New Delhi on 29th July, to the effect that they would ensure adequate supplies of cloth at reasonable prices and take all necessary steps in this regard in the next few days. It is, therefore, regrettable that Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, should have, instead of appreciating this move of millowners, scathingly attacked them for the present rise in prices. Replying to the one-hour discussion on the textile situation this week, Mr. Shastri is reported to have observed as follows:

"I share the members' concern over the rise in textile prices, for which *I hold the industry wholly responsible.* (Italics ours.—Ed.). Unlike last time when the wholesalers were trying to take undue advantage of a difficult situation, it is now the industry which is to blame.... There is no justification for an increase of 40 per cent. in the prices of coarse and medium cloth, even after allowing for the abnormal rise in cotton prices, a bigger wage bill and other factors. The Government's own calculation is that all these unforeseen circumstances would have led to an increase of 18 or 20 per cent. which will be the maximum I can agree to... I am not satisfied with the 10 per cent. cut in textile prices offered by the industry and I want further reductions. . . . If the industry does not adequately respond, the Government will not hesitate to take effective action to bring down the prices of cotton textiles."

Evidently, Mr. Shastri was prompted by the political consideration of giving the impression to members of Parliament that he is quite firm in handling the cloth situation. By making the industry the scape-goat for the crisis of high cloth and yarn prices, he is simply absolving the Government of all its sins of omission and commission. Although seven years ago the attention of the Government was drawn to the tendency of increasing pressure of demand on the available supplies of cloth, the Government did not pay heed to it. It is the Government's policy of not allowing the mills to expand their weaving capacity, the imposition of restrictions on the production of certain varieties with a view to giving a sheltered market to the handloom weavers, the obstruction to modernisation of mills caused by the adoption of unrealistic labour policies, the principle of keeping alive even outmoded and absolutely unfit units just for the sake of providing employment to a few thousand workers, and, above all, the enforcement of a system of taxation that leaves little margin for further development—it is all these acts of Government that have been cumulatively responsible for the failure of textile output to keep pace with the rising offtake for domestic consumption, as well as export.

Even with all these impediments, the mills continued, and still continue, to maintain production at as high a level as possible. Early in the year, the mills informed the authorities that the cotton crop would be substantially lower and urged them to allow liberal imports of foreign cotton. If only the authorities had conceded the plea and made the necessary arrangements in good time, the situation with regard to high cloth prices would not have been so bad as it is at present. It is a pity that the members of the Lok Sabha, who were most vocal during the discussion, should have been blind to all these factors and put forward such desperate suggestions as nationalisation of the textile industry and exercise of powers under the Essential Commodities Act, as if the implementation of these suggestions would step up supplies of cloth and reduce prices.

In his reply, Mr. Shastri asked the textile industry to undertake the responsibility for making available to the consumer cloth at fair rates by exercising sufficient control over the wholesale and retail dealers. The industry itself has recognised this to some extent and already taken a few regulatory measures. To expect anything more is to expect the mills to perform an impossible task. How can a hundred millowners control thousands of wholesale dealers and tens of thousands of retailers spread all over the country? It would be foolish on the part of industry to undertake a responsibility which it cannot fulfil to complete satisfaction. Mr. Shastri was certainly overgenerous to wholesalers and retailers and far from convincing when he absolved them of all the blame and held the millowners alone to be responsible for what has happened. He will do well to study the genesis of a boom in any free market and find out the extent to which cloth has already moved into the pipeline. It will also be interesting to enquire why the cloth dealers have been paying fancy prices and why they have been buying for forward delivery months ahead, if it was not their intention to squeeze the consumers.

The effective solution to the problem of high cloth prices lies, as has been pointed out on numerous occasions, in stepping up the rate of mill cloth output, especially that of coarse and medium varieties. Mr. Shastri is aware of this solution, as witness his call to mills to produce more of these varieties, since the Government has now arranged for the import of short-staple cotton. But this will take time. Not even half of the foreign cotton permitted to be imported has arrived and, of what has arrived, a sizable quantity is awaiting at the ports pending fumigation. Further, not all the mills are equipped to handle American cotton, which until recently formed only a small proportion of the foreign cotton consumed by the mills. Again, till recently, trade unions were not agreeable to the mills working third shift. There are several other practical difficulties to increasing production, some of which are Government's own creation, as, for instance, the virtual impossibility of retrenching excess labour when it arises. Then, there is the question of handlooms, which today account for more than a third of domestic consumption. Has there been no increase in the prices of handloom goods? In some cases, there has been a 50 to 75 per cent. rise in their prices. Who is profiteering in this case? Perhaps, the millowners deserve the digs they received in Parliament. Did they not compromise with the authorities in lowering the production targets for cloth and yarn, although they knew full well that that was not in keeping with the long-term interests of consumers? They should at least learn now from this latest episode and consistently strive to safeguard the interests of consumers through positive means that will yield sustained results. They should scrupulously avoid the temptation of toeing the line drawn by politicians, however influential they may be, when they know that it is not the right one. If the powers-that-be insist on following only that line, then they should warn the public clearly and firmly of the consequences of that policy, so that the industry might not be blamed later for what happens.

MARKET GOSSIP

THE dividend announcement of the Indian Iron and Steel Company Ltd. for 1959-60 is a cheerful event for the share markets. A net dividend of Re. 1.05 per share, as against only Re. 1.00 for 1958-59, and that, too, on a higher capital, has revived the confidence of investors not only in this scrip but also in that of Tata Steels. At the ruling market price, the proposed dividend gives a yield of a little over 4 per cent. per annum, free of tax. As the Company has not yet attained the full benefits of the expansion programme just completed, it should be able to fare better in the current as well as coming years, provided the Government fixes a fair retention price and other factors of production are normal. Further, one day, the Company will have to issue fresh capital. The satisfactory dividend of the I.I.S.Co. has raised the hope that the T.I.S.Co.'s net dividend, too, would be on that basis and the general expectation at the time of writing is that it would be Rs. 7 per share. The rationale for this hope is that the management of the T.I.S.Co. would not like to lag behind that of the I.I.S.Co., since the issue involves its prestige with investors. It is also believed by some that, since the T.I.S.Co.'s production of steel in 1959-60 was 37.5 per cent. higher at 1,215,100 tons, as against 884,700 tons in 1958-59, it should not be difficult for the Company to pay a net dividend of Rs. 7 per share, even though the capital to be remunerated is a little higher.

Palai Central Fails

A most distressing development of the week is the failure of the Palai Central Bank Ltd., involving the fortunes of many middle class families —small and big—in particular. The Bank ceased its operations on Tuesday the 9th inst., following the Kerala High Court's order of the previous day appointing a provisional liquidator, in response to a petition filed by the Reserve Bank of India under Section 38 of the Banking Companies Act of 1949. This is the second scheduled bank to be compulsorily wound up this year. Earlier, on 28th June 1960 to be precise, the Laxmi Bank Ltd., Akola, was ordered to be wound up by the Maharashtra High Court. The total deposits of the Laxmi Bank stood at a little over Rs. 3 crores as at the end of December 1959. It had a paid-up capital of Rs. 25 lakhs, a reserve of Rs. 6 lakhs, and as many as 40 offices. The deposits of the Palai Central Bank, as at the close of last year, amounted to Rs. 9.81 crores, though on the day it shut its doors they were, according to the Finance Minister's statement in Parliament on Tuesday, Rs. 8.50 crores. The Bank's paid-up capital was Rs. 24.31 lakhs, supplemented by reserves of Rs. 15.60 lakhs. It had 25 offices. The following table shows at a glance the progress of the Bank in recent years:

(In lakhs of rupees)

End of	Deposits	Advances	Gilt-edged and cash
1951	476	320	171
1953	505	328	183
1955	655	355	318
1957	792	423	386
1958	856	467	396
1959	981	527	433

The Bank had consistently paid a dividend of 6 per cent. per annum from 1939 to 1953 and that, too, on a growing capital in the intervening years. In 1954, however, it was reduced to 4 per cent., but raised to 5 per cent. in the following year. No dividend was paid for 1958 and for 1959. In 1959, the Bank suffered a loss of Rs. 13.69 lakhs, as against a profit of Rs. 3.78 lakhs in 1958.

The Palai Central Bank was established way back in 1927 as a small village bank, with resources just over Rs. 1 lakh, and had attained the status of the largest scheduled bank in the Kerala State. Its status, for purposes of emoluments to staff under the Award of the Appellate Tribunal, was that of a B class bank. Its advertisement campaign was a high order, in that it preached the virtue of thrift and savings in an eloquent manner. This seems to have had a telling effect, for its savings bank deposits always constituted a high proportion of its total deposits. This is true of its fixed deposits also. Even in those days when demand deposits stood first in the case of banks in general, the Palai Central Bank's fixed deposits were far larger than demand deposits. In 1951, for instance, when its total deposits were Rs. 476 lakhs, fixed deposits and savings deposits accounted for Rs. 238 lakhs and Rs. 142 lakhs, whereas the share of current accounts was only Rs. 96 lakhs. In that year, it may be noted, demand deposits represented 75 per cent. of the total deposits of all scheduled banks. At the time the Bank was closed down, the fixed deposits stood at Rs. 400 lakhs, savings deposits at Rs. 225 lakhs, and current deposits and other accounts at Rs. 225 lakhs. The high proportion of fixed and savings deposits suggests that personal deposits must have been the largest component and that the bulk of sufferers must be individuals. It is generally believed that the majority of them belong to the middle class—a section that can least afford to take a loss of this magnitude.

From the statements made by the Reserve Bank's representative (The Advocate-General of Kerala) in the Kerala High Court and the Finance Minister's brief statement in the Lok Sabha, the following facts emerge:

(1) An inspection of the Palai Central Bank made by the Reserve Bank in 1951 revealed "a disquieting position."

(2) A fresh scrutiny made by it in 1953 showed that the Palai Bank had done "hardly anything" to improve its position.

(3) Although the Bank's management had shown a loss in working only for 1959 in recent years, the Reserve Bank had reasons to believe that the Bank had been incurring losses for some years.

(4) The Reserve Bank's inspections in 1956 and 1958 also showed no change for the better in the Bank's practices; on the contrary, a further deterioration had been noted.

(5) The inspection made in the beginning of 1960 revealed that the position of the Palai Bank was going from bad to worse; instead of taking the steps advocated by the Reserve Bank, the Palai Bank gave more and more advances which were not recoverable.

(6) Later, the Reserve Bank appointed one of its own officers as the Chief Executive of the Palai Bank, apparently to set matters right. It is not known from published reports as to when exactly this action was taken.

(7) After trying his best, this officer, who held the position of General Manager, reported to the Reserve Bank that it was impossible to do anything about the Palai Bank and that the sooner it was liquidated the better.

(8) Even as late as on 24th June 1960, the deposits with the Bank stood at about Rs. 9.82 crores. A month later, they were Rs. 9.32 crores; and, by 3rd August, they had fallen to Rs. 8.50 crores;

(9) The decline in deposits since 24th June is attributed first to withdrawals, perhaps, by depositors with inside information, and then to a run on the Bank. The Bank had borrowed heavily against its liquid assets and, it was found, in the first week of August, that, as against a deposit liability of Rs. 8.50 crores, the Bank's liquid assets (cash and Government securities) were only Rs. 1.50 crore (that is, 23.5 per cent. coverage), that 38 per cent. of the Bank's advances were "irrecoverable" and another 20 per cent. "sticky," that the stage for rehabilitation was past and that, in order to ensure that all depositors got something out of what could be salvaged, it was necessary to take the Bank into liquidation. Failure to do so would have meant that only a few privileged depositors—that is, directors and their friends—would have drawn all their deposits, leaving little or nothing for the vast majority of depositors.

Misplaced Charity

The most outstanding impression that one gets from the aforesaid facts is that the Palai Bank ought to have been asked to wind up its affairs long ago; instead of doing so, the Reserve Bank gave it too much latitude and condoned the management's faulty methods of banking too many times. In its anxiety to prevent a sizable scheduled bank from going to the wall, it has been too soft to an erring bank. The explanation given by the Finance Minister in the Lok Sabha, namely, if liquidation had been forced on the Bank earlier, it would have adversely affected the other banks in Kerala, is not convincing. The damage that has now followed is far greater than it would have been, had the Bank not been allowed to accept deposits in 1953 itself, when the Reserve Bank's second inspection showed that its warnings and advice given in 1951 had fallen on deaf ears. In that year, the Palai Bank's deposits were only a little over Rs. 5 crores, as against nearly Rs. 10 crores in June last. And it is possible that the solvency of the Bank's assets in that year was better than it is found to be now. By postponing the evil day and by hoping against hope for the best, the Reserve Bank has only brought more misery to the people. Here is a clear instance of misplaced charity. Rectitude is the first prerequisite of the management of all credit institutions, more so of banks. There can be no ground whatever for accommodating those who are found lacking in this quality. It is surprising to learn that the Reserve Bank knew that the Bank's profit was cooked up and yet took no stern action. What was the auditor of the Bank doing? It would, therefore, be no exaggeration if one were to say that, in the case of the Palai Central Bank, the Reserve Bank deserves the charge of complacence, if not negligence. It should not have allowed the Palai Bank to be in existence for so long with all its faults; it should have either quietly replaced the Board of Directors with its own nominees, if there was a possibility of saving the institution, or forced it into liquidation.

One was inclined to think that, with such a comprehensive legislation as the Banking Companies Act to safeguard the interests of depositors and with regular inspection by the staff of the Reserve Bank, failure of a leading scheduled bank like the Palai was a thing of the past. It is now evident that mere legislative controls are of no avail, unless they are enforced firmly and judiciously. It must, of course, be said to the credit of the Reserve Bank that it has maintained law and order in the banking world better than, say, the Controller of Insurance has done in the sphere of life and general insurance. Nevertheless, an instance of this nature constitutes a glaring black mark.

Deposit Insurance

Reports have appeared in the daily Press vividly bringing out the sufferings of the Palai Bank's depositors—sobbing women with infants in their arms clutching the collapsible gates of the Bank's New Delhi office, a washerman who had deposited all that he had saved in life, several employees who had just credited their pay-cheques, retired officials who had placed their provident funds and gratuity in fixed deposits, etc. Undoubtedly, they will all get something by way of instalments at distant intervals, when the liquidator realises whatever he can from the assets of the Bank. But they will also have lost a good part of their deposits and, what is more, undergone mental torture. There have been cases in the past of people having suffered from mental derangement, as a result of bank crashes. Such tragedies need not occur at all, if insurance of bank deposits, as is obtaining in the U.S., is introduced in this country. Indeed, years ago, this journal had strongly advocated provision of this protection to depositors against bank failures. What a nice thing it would have been today, if this suggestion, which was supported in principle by the Shroff Committee also, had been implemented! Now that it has been forcefully established that no amount of check by the Reserve Bank can prevent bank failures, there could be no room for nursing the belief that insurance of bank deposits is a luxury that India can do without.

Oilseeds And Oils

The past few months have witnessed a steady rise in the prices of oilseeds and oils in India. The currently ruling prices are about 12 to 13 per cent. higher than those a year ago. The wholesale price index (base: 1952-53=100) of oilseeds for the week ended 23rd July 1960 stood at 152.1, as against 135.4 on the corresponding date in 1959 and 132 in December 1959. The index for edible oils stood at 150.0, as against 130.8 a year ago and 129 in December 1959. The increase in prices has been accounted for by all oilseeds and oils, with the exception of linseed, as is evident from the following figures which relate to the spot quotations in the Bombay market:

	Latest available	Three months before	End of 1959	A year before
Groundnut:	Rs.	Rs.	Rs.	Rs.
Bold ready	47.75	43.75	39.12	37.50
Khandesh quality	48.00	45.12	40.12	38.25
Oil ex-mill*	25.12	23.50	20.62	17.75
Castorseed:				
Ready Madras	33.87	32.94	33.12	30.56
Oil commercial†	18.00	17.75	18.19	15.50
Linseed:				
Bold ready	32.50	32.00	34.25	32.87
Oil†	16.75	16.00	16.37	16.25
Nigerseed (Madras)	38.75	33.87	31.75	31.00
Kardiseed (bold ready)	24.75	24.25	23.75	22.75

N.B.—Quotations for seeds are for cwt. and those for oil per quarter.

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

The upward tendency in oilseeds and oils prices is not surprising, in that supply is not keeping pace with the demand, which is progressively expanding. The estimated aggregate output of major oilseeds (groundnuts, castorseeds, linseed, sesame, rape and mustard) in the current season 1959-60 is no more than 6,327,000 tons (of 2,240 lbs. each), which is actually 592,000 tons smaller than 6,919,000 tons harvested in the previous season (1958-59). Barring linseed the production of which has improved from 430,000 tons to 500,000 tons (rough estimate only), the output of all the other oilseeds has declined: groundnut crop from 4,812,000 tons to 4,390,000 tons, castorseed from 112,000 tons to 108,000 tons, sesame from 511,000 tons to 392,000 tons, and rape and mustard (trade estimate) from 1,069,000 tons to 1,037,000 tons. The fall in production has occurred when the offtake of oil for both domestic consumption and export is expanding. There are no reliable estimates of the total quantity of oils consumed within the country. On a rough basis, however, it may be said that the rate of consumption must be greater in 1959-60 than in 1958-59, taking into account the rise in population and the increase in consumption of oils for industrial purposes. With regard to exports, there has been an improvement. During the first six months of 1960, shipments of castor oil from Bombay port amounted to 27,668 tons, as against 9,732 tons in the same period last year. Similarly, shipments of linseed oil and groundnuts (kernels) were higher at 3,620 tons and 12,276 tons, respectively, as against 1,868 tons and 5,500 tons. Exports of groundnut oil were, of course, lower at 1,934 tons, as against 2,324 tons.

Not only have larger quantities of oils been sold abroad but the prices realised have also registered an improvement, thanks to the firmness of the world oilseeds and oils market. The latest available quotation for Indian castor oil in London is £133 per ton, as against £113 a year before. Groundnut oil (British West Africa), linseed oil (crude) and groundnuts (Nigeria) are quoted at £122½, £112 and £73 per ton, the corresponding quotations a year before being £105, £99 and £63, respectively. The rate for linseed (Canadian No. 1) receded from £57½ to £49½, though it has recovered lately to £53½, which is the same as the quotation prevailing this time last year. There would, indeed, have been a more marked fall in prices (consequent on the relaxation of restrictions on export by the Argentina Government) but for fears of reduced crop in Canada owing to lack of rain in the main producing area, Saskatchewan. Coconut oil, however, has tended to recede, because of pressure of sales by Philippine shippers and Dutch mills.

The firmness of world oilseeds and oils persists, notwithstanding the upward trend of world output. The total world production of oils and fats in 1960 is estimated at a new peak of 32 million metric tons (2,204.62 lbs. each), a rise of 500,000 tons as compared with the production in 1959, with more cottonseed oil, soyabean oil and animal fats and the recovery in coconut and olive oils outweighing smaller production of groundnut and sunflower oils. This estimate was given by Mr. J. C. A. Faure of Unilever in the course of his speech at the Congress of the International

(Continued on page 319)

SHARE MARKET QUIET

STEELS, HOWEVER, STEADY

(From Our Own Correspondents)

BOMBAY, 11*th August*

A STEADY tone in steel shares was the only feature of trading in the forward section of the share market, which was otherwise quiet during the week under review and values of many a counter took a downward trend under the leadership of textile scrips. The announcement of a dividend of Re. 1.50 per share or 15 per cent., subject to deduction of tax, for the year ended 31st March 1960 by the Indian Iron and Steel Company Ltd. was well received by the market, as the net dividend at Re. 1.05 per share or 10.5 per cent. represents a slight increase over that (10 per cent.) for the previous year. Thus, the shareholders have been more than compensated for the deduction of tax at source. The Directors have declared the above dividend as an interim one, pending the finalisation of the accounts which awaits the announcement of the retention prices, but they have made it clear that this will constitute the full dividend for the year. The books of the Company will remain closed from 26th August to 17th September 1960, both days inclusive. The dividend will be paid on or after 21st September.

The announcement of a higher dividend by the I.I.S.Co. touched off some speculation during the last two days over the dividend of Tata Iron and Steel Company Ltd. which is long overdue. A section of market circles is inclined to take a favourable view of the dividend prospects in the light of the I.I.S.Co.'s gesture. The decision of textile mills to cut the retail prices of coarse and medium varieties of cloth by 10 per cent. and the announcement by the Union Minister for Commerce and Industry in the Lok Sabha that he was not satisfied with the 10 per cent. cut, followed by his warning that, if mills did not respond to his advice and bring down prices further, the Government would not desist from taking "effective" action, caused a setback in textile shares. There was selling pressure in engineering and miscellaneous shares too. The most notable development of the week was the reactionary trend in some of the cash counters on rumours about the prospect of an enquiry into cash dealings on the stock exchanges.

In the steel section, Tata Ordinaries were quiet in the earlier part of the week, moving down from Rs. 161.50 to Rs. 158.25, but soon gathered strength to touch Rs. 163.75 today. The closing was done at Rs. 163. Indian Irons improved from Rs. 24.68 to Rs. 25.60 on Monday and the announcement of the higher dividend on Tuesday pushed the quotation further to Rs. 26.10 yesterday. At this level, there was profit-taking, which brought the quotation down to Rs. 25.65 at the close today. The shares, however, gained 97 nP over the week.

In the textile section, Centurys gave way from Rs. 510 to Rs. 500 before recovering to Rs. 517 yesterday. But the announcement of a cut in the interim dividend from Rs. 11.50 per share, subject to deduction of tax, to Rs. 10 per share, subject to deduction of tax, depressed the shares to Rs. 500 today. The closing was done at Rs. 506. Bombay Dyeings opened on a firm note at Rs. 70, but receded erratically to Rs. 67.40 before staging a recovery to Rs. 69.40. Kohinoors suffered a marked fall from Rs. 356 to Rs. 335.50. Central Indias declined by Rs. 4 to Rs. 118, while Finlays gained Rs. 3 to Rs. 352 and Khataus Rs. 60 to Rs. 630. Shree Niwas Cottons shed Rs. 2.50 to Rs. 265.50 and Simplex Rs. 3 to Rs. 172. While Standards were unchanged over the week at Rs. 1,985 (the highest level touched was, however, Rs. 2,055).

A sharp rise of Rs. 2.30 to Rs. 75.80 in United Commercials was the highlight of the business in bank shares. Centrals were steady at Rs. 51.50, and their 'A' shares at Rs. 54. Barodas were a shade quiet at Rs. 81. Bank of Indias were done at Rs. 101 *ex-div.* and their 'A' shares at Rs. 103 *ex-div.* Punjab Nationals were a fraction better at Rs. 20.24.

Ahmedabad Electrics, which staged a spurt last week, lost some ground this week declining from Rs. 91 to Rs. 89. Bombay Suburbans were a shade quiet at Rs. 89.50, as also Surat Electrics at Rs. 88.50. Tata Hydros, however, recorded a gain of Rs. 2.50 to Rs. 108 and Andhra Valleys Rs. 7.50 to Rs. 1,027.50. Tata Powers were quiet at Rs. 1,083.75.

Sugar shares were subdued. Belapurs were marked down by Rs. 5 to Rs. 372, Phaltans by Rs. 5.50 to Rs. 179.50, Walchandnagars by Rs. 2.50 to Rs. 305 and Maharashtra Sugars by Rs. 4.50 to Rs. 236.

Cement shares too were listless. Associated Cements shaded off from Rs. 145.50 to Rs. 144. Digvijays were a shade quiet at Rs. 163.50 *ex-div.* Orissa Cements, however, improved by 32 nP to Rs. 14.32.

Tata Locomotives led the downward trend in engineerings, with a fall from Rs. 321.50 to Rs. 292 on Tuesday. Though, subsequently the shares moved up erratically to Rs. 304 at the close, the loss over the week was Rs. 17.50. Premier Constructions dropped from Rs. 358 to Rs. 345. While Alcocks were unchanged at Rs. 297, Larsen and Toubros gained a little even after being placed at Rs. 50 *ex-div.* Mahindras improved by a rupee to Rs. 24. Cooper Engineerings suffered a loss of Rs. 7.50 to Rs. 162.50 and Josts Engineerings Rs. 10 to Rs. 120.

Shippings and automobiles were quiet, in consonance with the general trend. Scindias were marked down by 20 nP to Rs. 15.52. Hindustan Motors lost 44 nP to Rs. 22.64 and Premier Automobiles were lower by Rs. 6 at Rs. 173.

Several leading counters in the miscellaneous section lost ground. Bombay Burmahs (old) were prominent among them with a drop from Rs. 603 to Rs. 591.50 (at one time they touched a low of Rs. 575). National Rayons gave way from Rs. 518.50 to Rs. 492, but improved briskly towards the close to Rs. 507.50. After an improvement from Rs. 46 to Rs. 48.50, Gwalior Rayons fell to Rs. 47.50. Baroda Rayons were somewhat erratic, but closed almost unchanged over the week at Rs. 150, while Indian Rayons gained Rs. 2.50 to Rs. 73.50. Voltas receded from Rs. 294 to Rs. 285. Tata Oils dipped from Rs. 79 *cum-div.* to Rs. 72 *ex-div.* Even on a *cum-div.* basis, this shows a loss of Rs. 2.98 over the week. Tata Chemicals were steady at Rs. 20.36, while Alembic Chemicals were marked down by Rs. 3.75 to Rs. 266.25. Amar Dyes by Rs. 2.50 to Rs. 490 and Colour Chems by Rs. 11.25 to Rs. 433.75. Indian Dyestuffs were, however, Rs. 2.50 better at Rs. 835 and their new shares Rs. 5 higher at Rs. 820. Polychems staged a spurt from Rs. 285 to Rs. 305, following the publication of an encouraging report. Another notable feature of this section was the marked rise in Union Carbides from Rs. 51.87 to Rs. 58. Anil Hardboards declined by Rs. 12.50 to Rs. 405, while Ceat Tyres improved by Rs. 10 to Rs. 275. West Coast Papers lost Rs. 2 to Rs. 221.

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Calcutta Stock Exchange

CALCUTTA, 10*th August*

Thanks to persistent rumours of Government measures to curb speculation, trading on the Calcutta Stock Exchange took a cautious turn during the early part of the week under review, but, as the week progressed, speculative counters attracted buying support and closed higher on balance. A feature of trading was the increased support extended to jutes and coals. Jutes moved up following Russian purchases of hessian and indications of further interest from that quarter. It was also thought that, as the season progressed, fibre prices would move down now that expectations of a higher crop had had a firm foundation. Long-term investors paid attention to coals, following increased prospects in the third Plan period.

Among cottons, Kesorams met with keen buying support at Rs. 33.75. Dunbars, after being lower at Rs. 228, recovered to Rs. 231, while Cawnpores declined to Rs. 7.50 from Rs. 7.87. Jayshrees opened at Rs. 17 and recorded a small gain to quote at Rs. 17.31.

Coals were steadier on interested support. Bengals rose to as high as Rs. 351 from Rs. 335, with Burrakurs being traded at Rs. 20.50, as against Rs. 20 earlier. Western Bengals were pushed up from Rs. 8.37 to Rs. 8.69 before closing at Rs. 8.50. Khatras Jherriahs from Rs. 40.75 advanced to Rs. 46. Amalgamateds were unchanged at Rs. 22.37, while East Indians, after a fall from Rs. 31.87 to Rs. 31.62, rose to Rs. 32.12. South Karanpuras fell by 63 nP to Rs. 12.12.

Jutes were better all round. Alliances were taken up to Rs. 113, as against Rs. 108 previously. At Rs. 231, Anglo-Indias added Rs. 13, with Champdanies forging ahead from Rs. 117 to Rs. 127 and Kinnisons from Rs. 181 to Rs. 187. Ballys hardened from Rs. 253 to Rs. 260, following satisfactory working results and higher dividend. Unions were raised to Rs. 205 from Rs. 196. Birlas, for which a dividend of 15 per cent. taxable, as against 10 per cent. tax-free, has been announced, was traded at Rs. 34.37, as against Rs. 31.37 previously. On keen support, Kankinarrahs rose from Rs. 84.50 to Rs. 96.50. Fort Glosters picked up Rs. 5 to Rs. 380. Kelvins had buyers at Rs. 165, as against Rs. 160 previously. At Rs. 57.50, Nuddeas were better by Rs. 3.50. Fort Glosters were a shade better at Rs. 27.62. Aucklands had buyers up to Rs. 180, as against Rs. 163 previously. At Rs. 23.50 Howrahs were also better, as were New Centrals at Rs. 30.44. Lawrences at Rs. 153 added 10 points.

Among engineerings, Indian Irons opened at Rs. 24.60 and, after declining to Rs. 24.47, recovered to Rs. 25.60 before closing at Rs. 25.34. The lower production figures for July—pig iron 72,502 tons, as against 80,127 tons in June, steel ingots 62,962 tons, as against 69,140 tons, saleable steel 40,897 tons, as against 53,737 tons—were forgotten on expectations of an imminent dividend announcement which, in fact, came yesterday. Market circles were visibly pleased with the dividend, which at 15 per cent. taxable works out to Re. 1.05 per share, as against Re. 1 paid in the previous year. Following a lower dividend, Texmacos declined from Rs. 28.70 to Rs. 28.20 but rose to close at Rs. 28.45, after being higher at Rs. 28.90. Jessop and Cos. were quiet at Rs. 24.87, following decline in profits and working results not being up to earlier expectations. Guest, Keen Williams continued to meet with inquiries and at Rs. 51.50 added a small gain. At Rs. 33, Braithwaites were better, while Chase Bright Steels gave way from Rs. 20.25 to Rs. 19.50.

Several features were recorded in the miscellaneous industrials section. Following the announcement of the rights issue at par for one ordinary share for every share held, Rohtas Industries rose from Rs. 40.50 to Rs. 41.47 to close at Rs. 40.44. The limited gain and the eventual closing lower on balance were due to earlier discounting. Interest in National Pipes revived and the rate was better at Rs. 17.81, as against Rs. 17.57 earlier. More support was accorded to Alkali and Chemicals and the scrip at Rs. 35.62 recorded a handsome gain. Indian Aluminiums moved upto Rs. 32.06 from Rs. 31.37. Dunlop Rubbers were maintained at Rs. 47, while Gwalior Rayons recorded a modest gain to close at Rs. 48. Dyer Meakins were bought at Rs. 23.50, as against Rs. 23.25 previously, with National Cables being better at Rs. 23.62. Hindustan Motors, after rising from Rs. 22.94 to Rs. 23.25 not only lost the gain but closed lower on balance at Rs. 37.32. Indian Cables were better by a rupee at Rs. 37.32, while Rallis, after being better at Rs. 142, receded to Rs. 141. The premium for Philips Carbons was Rs. 19.25, as against Rs. 14.37 earlier.

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Madras Stock Exchange

MADRAS, 10*th August*

Equities on the Madras Stock Exchange generally tended to move down during the week under review. Offerings of several scrips were somewhat large, while fresh buying support was slack. The statement of the Union Finance Minister in the Lok Sabha that several friendly countries were willing to extend economic assistance to India for the third Plan failed to enthuse operators. Textiles encountered selling induced by fears regarding imposition of controls over cloth and yarn. The fears stemmed from Mr. Lal Bahadur Shastri's assertion in the Lok Sabha that the present increase in textile prices was much more than what was warranted by the rise in cost of production and the warning that, if the industry did not take any concrete steps to reduce prices, the Government would not hesitate to take action. Teas were depressed due to the declining trend of India's tea exports to the U.S. in the five months of the current year, and an increase of over 10 million lbs. to 238.4 million lbs. in the production of Ceylon tea during the first half of 1960, as compared with the corresponding period last year. Coffee shares were weak, following fall in coffee prices in recent weeks. Rubbers lacked support. Operators preferred to await the Government's decision on the Tariff Commission's report on raw rubber prices. They noted the statement of Mr. Nityanand Kanungo in Parliament that the Government would soon announce its decision.

In the textile section, South Indias were subjected to selling pressure and fell by Rs. 5.y to Rs. 138. Lakshmis suffered a setback of Rs.id to Rs. 167. Vijayalakshmis were lower by Rs. 2.y at Rs. 90. Travancore Rayons lost Re. 1.25 r Rs. 36.50. Metturs moved down by a rupee r Rs. 398. Radhakrishnas shed 20 nP to Rs. 30.ve Maduras dropped 5 nP to Rs. 33.90. Buckingham were neglected at Rs. 154, Coimbatore Pioneers as Rs. 351.50 and Kotharis at Rs. 12.50. Premie however, elicited special support and improved ze Rs. 5 to Rs. 243.50. Dhanalakshmis rose by Rs to Rs. 229 and Coimbatore Cottons by Rs. 2. Rs. 175. Bangalore Woollens gathered 50 nP of Rs. 198.50. ut

Among teas, Nelliampathys were marked d te by 40 nP to Rs. 2.90. Peermades receded by se nP to Rs. 23.40. Blue Mountains softened by of nP to Rs. 5.26, Haileyburias by 10 nP to Rs. 1 and Periakaramalais by one naya paisa to Rs. to Neelamalais were quiet at Rs. 5, Kil Kotagir the Rs. 5.68 and Devsholas at Rs. 31.50. Kalasas the dull at Rs. 4.78 *cum-div.* The Directors of ake Company have declared a dividend of 20 per per taxable (equivalent to 14 per cent. tax-free what the year ended March 1960, as against 1 cent., tax-free, for the previous year. g at Parksides improved by 38 nP to Rs. 28.50. t all Nilgiris put on 10 nP to Rs. 22.45. Che ican picked up 5 nP to Rs. 5.20 *ex-div.*

In the coffee group, Consolidated C y a moved down by 30 nP to Rs. 26.55. Rajendras on 20 nP to Rs. 15.80. Ouchterlony Valleys, Co de lands and Cowcoodys declined by 10 nP ea h Rs. 5, Rs. 25.90 and Rs. 5.70, respect ac Balanoors were unaltered at Rs. 16.70.

Midlands, in the rubber section, came some selling and declined by 15 nP to Rs. 12.30. C for Malabars were lower by 11 nP at Rs. hin Thirumbadis dropped 9 nP to Rs. 1.66. Va th dams, however, rose by 50 nP to Rs. 31, follo for the announcement by the Directors of the pany of an interim dividend of 15 per cent., ble (equivalent to 10.5 per cent. tax-free) 1960. Kallas changed hands at Rs. 5.60 en Malankaras at Rs. 20.25. is

Chemicals were particularly weak in the ll- cellaneous section. Metturs lost 25 nP to Rs. 1 r- F.A.C.Ts and Travancore Chemicals declined 15 nP each to Rs. 12.50 and Rs. 18.10, respective Mysore Fertilisers were neglected at Rs. 10.60 Mysore Chemicals at Rs. 27. Among ceme India Cements shed 7 nP to Rs. 7.08. Orissas Travancores were quiet, the former at Rs. 13 and the latter at Rs. 8.25. Dalmias and Andhr however, rose by 10 nP each to Rs. 12.50 a Rs. 11.10, respectively. Among others, Parry Confectionery closed today at Rs. 4.55 *cum-di ex-right*, as against Rs. 5.65 *cum-right* last wee end. The Company has declared a dividend of per cent., taxable, (equivalent to 21 per cent. t free) for the year ended March 1960, which co pares favourably with 20 per cent. tax-free the previous year. Aluminium Industries w lower by 25 nP at Rs. 25 and Ashok Leylands 15 nP at Rs. 9.45. Tube Investments were ste at Rs. 337 and Western India Plywoods at Rs. Standard Motors, however, rose by 55 nP Rs. 17.25 *cum-div.*, following the announcement a dividend. Textools gathered 50 nP to Rs. 190

NEWS IN BRIEF

THE Government of India proposes to constitute three Wage Boards, one each for tea, coffee and rubber industries.

The report of the Joint Select Committee on the Bill to amend the Companies Act is expected to be presented to the Lok Sabha on the 16th inst.

The Government of India proposes to construct a 40-mile canal, to be known as "Chatra canal," in Nepal area from the Kosi project as a goodwill gift to that country. The estimated cost of the canal would be Rs. 3.23 crores.

The decision with regard to the site for the fourth steel plant and township at Bokaro in Bihar has now been finalised. Half of the selected area falls in the Hazaribagh district and the other half in the Dhanbad district.

As a measure of export promotion, the Government of India proposes to grant drawback of duty on raw materials used in the manufacture of fluorescent lamps at brand rates. In this respect, Government has issued a draft notification inviting objections, if any, by the 17th inst.

An additional loan of $50 million (about Rs. 23½ crores) for the Indian Railways has been approved by the U.S. Development Loan Fund authorities. With the receipt of this fresh loan, the Indian Railways will have received $115 million of loan assistance from the D.L.F.

A study team, with Dr. R. Nagan Gowda as leader, has been set up by the Committee on Plan Projects to make an appraisal of the schemes of seed multiplication that are being tried in the country and to make suggestions for ensuring the supply of pure seed of improved varieties to cultivators.

The proposal for the regulation of freight rates in overseas trades by securing statutory powers by the Government on the lines of the American law is still under the consideration of the Government of India, according to Mr. Raj Bahadur, Union Minister of State for Transport and Communications.

Out of about 1,244 different types of components required for the manufacture of coach shells in the Integral Coach Factory, only one component is said to be fully imported. About 1,000 components are manufactured in the factory itself, about 237 components are procured from indigenous sources and six components partially imported.

The British Government has agreed in principle to provide loan finance for the extension of the Durgapur steel plant to enable it to increase its capacity by 600,000 tons annually. The foreign exchange component for the extension is placed at £20 million. The U.K. High Commission and the Indian Government are currently discussing the details.

The Rubber (Amendment) Bill, which empowers the Government to collect cess on rubber from manufacturers, instead of from producers as at present, has been passed by the Lok Sabha. The Bill has also enhanced the permissible maximum rate of cess from one anna per pound to 50 nP per kilogram (1 lb.=0.45 kilogram), with a view to collecting more resources for the implementation of development plans for natural rubber.

A three-member official delegation, led by Mr. K. Swaroop, Chief Administrative Officer, Integral Coach Factory, Perambur, has gone to Ceylon to explore the possibility of finding a market for railway coaches, wagons and components manufactured in India. The Integral Coach Factory is at present producing 50 coaches per month on an average and it is claimed that the factory is in a position to export a good number of coaches.

Austria has agreed to grant a $14-million (about Rs. 7 crores) credit to India, following the recent talks which Mr. T. Swaminathan, India's Commissioner-General for Economic Affairs in Europe, had at Vienna with the representatives of the Austrian Government and leading bankers. The proposed credit will be made available for the purchase of equipments for te construction of electrical goods and steel mills. A 10-year agreement is expected to be signed shortly. Repayment of the loan will begin in the fourth year. The rate of interest has not yet been finalised.

The Railway Board has called for tenders from any country for the supply of 40 broad-gauge high-powered diesel locomotives of 2,600 h.p. each. These heavy diesel locomotives are required to cope with heavy increase in traffic anticipated during the third Plan period on certain sections where full capacity has already been reached with steam locomotives. Tenders have also been invited for supply of 75,000 tons of steel materials such as plates, sheets, etc. Other materials which the railways are planning to buy from abroad are 55,000 wheelsets and about 70,000 roller-bearing axle boxes in connection with the wagon-building programme within the country. The supply of axle boxes would be arranged on the basis of progressive manufacture within the country with Indian collaboration.

The Union Minister for Steel, Mines and Fuel, Sardar Swaran Singh, admitted in the Lok Sabha that the progress at the steel works at Rourkela was not according to the original time-table set for it. Among the factors which had contributed to the delay in commissioning the various units of the plant as per schedule, he mentioned the delay in "site formation" due to the rocky strata being higher than originally envisaged, delay in civil engineering work due to difficulties in finding suitable contractors with adequate equipment and organisation, labour strikes at the Calcutta port and erection sites, transport difficulties in the movement of plant and equipment and defective quality of the cement supplied and used for some time. He added that the delay in commissioning the plant could not, however, be attributed to the procedure for calling tenders.

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From Abroad

Japan's foreign currency reserves at the end of July stood at the all-time record level of $1,505 million.

The World Bank has granted Israel a 25-year loan of $27.5 million for the construction of a deep sea port at Ashdod, near Tel Aviv.

Soviet ships called at 500 ports in 64 countries last year. Soviet merchant marine carriages to foreign countries increased fourfold, as compared with 1953.

Copper production in Chile during the seven months ended July 1960 was higher at 288,707 metric tons, as compared with 284,007 tons in the corresponding period last year.

The Lufthansa, the West German airline, is currently negotiating with the Chase Manhattan Bank of New York for an investment credit of $20 million. The credit will be used to extend its routes and introduce jet-powered aircrafts.

The number of bicycles exported from the U.K. rose from 617,090 valued at £6 million in January-June 1959 to 720,414 worth £6.8 million in the first six months of the current year, an increase of 16 per cent.

Sweden has virtually abolished restrictions on the imports and exports of gold manufactures. But domestic sales of gold either in bars or in raw or semi-finished forms will, however, continue to be subjected to restrictions.

West Germany has supplanted Holland as the main continental supplier of the U.K., whose imports from the former in the first half of this year rose by 38 per cent. to about £92 million. The U.K.'s imports from Holland amounted to £90 million.

In almost all West Europen countries, vigorous industrial expansion continued in the early months of this year, accompanied by a rapid growth of international trade, according to the latest bulletin prepared by the secretariat of the Economic Commission for Europe (E.C.E.).

The British Government has decided to grant aid amounting to £7.6 million to Singapore, of which £2.6 million will be in the form of grants. The bulk of the aid amounting to £6 million will be used for financing the development plan of Singapore.

Pakistan and Portugal have initialled an agreement for increased trade between Pakistan and Goa. Under the agreement, Goa has offered 20 items for export to Pakistan which include iron ore and machinery. Pakistan has offered to export to Goa 30 items, including cotton, jute and rice.

PERSONAL

MRS. Vijayalakshmi Pandit, India's High Commissioner in the U.K., has arrived in India on a two-month holiday.

Mr. Robert McDill Carr has assumed charge as American Consul-General in Bombay *vice* Mr. William Turner, who retired recently.

Mr. K. C. Mittal has been elected Chairman of the Hapur Chamber of Commerce for the year 1960-61.

Mr. Rao Raja Ramachandra Ganpat Rajwade, at present Ambassador of India to Sudan, has been appointed Indian Ambassador to Ethiopia. He will take charge of his new assignment in October next.

Mr. S. Khera, Secretary, Union Ministry for Oils, will shortly leave on a tour of Italy, France, the U.K. and the U.S. to enlist support from oil companies there for the exploration of oil resources in India.

The Italian Government has decided to step up import duty on cars and tractors in such a manner as to annul the 10 per cent. tariff cut recently enforced by the Common Market countries. The British, West German, French and U.S. exporters of cars are expected to lodge a protest with the Government of Italy, since the new measure is bound to affect adversely their exports to Italy.

Pakistan will adopt decimal coinage from 1st January 1961 when new coins of one paisa, five paisa and ten paisa denominations will be put into circulation. The new currency will have coins of only five denominations, as against seven denominations under the present currency. The four-anna, eight-anna and rupee coins will continue as at present for some time after the introduction of the decimal system.

There was a further loss of gold on U.S. foreign account to the tune of $20 million in the last week of July, which brings the total gold loss since January last to $312 million, thereby reducing the aggregate U.S. gold stock to just over $19.144 million, the lowest since early 1940. Foreign holdings in the U.S. short-term Treasury securities reached a record of $5,255 million at the end of last month.

The possibility of an increase in the prices of West German machine tools is forecast by experts in the industry. Such an increase is regarded as inevitable, because of the enhanced cost of raw materials, higher wages and shorter working hours. The experts, however, have not stated whether the anticipated increase in prices will apply to exports, in view of sharp foreign competition in the field.

The American Electric Power Company, Indiana, has put into operation the world's largest single electric power generating unit. The 475,000-kilowatt turbine-generator took three years to complete and is claimed to be capable of supplying the electric needs of more than a million homes. It is expected to burn 1.4 million tons of coal a year. The Company plans to open another unit of the same size later this year in West Virginia.

4 PER CENT GUJARAT STATE DEVELOPMENT LOAN 1969

ISSUE PRICE Rs. 100/- PER CENT

OPENS FOR SUBSCRIPTIONS ON 29th AUGUST 1960

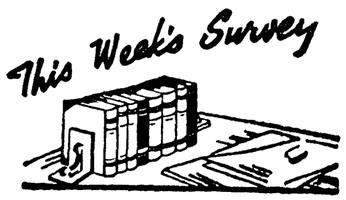
The loan will be closed as soon as a total of approximately Rs. 500 lakhs has been subscribed, and in any case not later than the close of business on 3rd September 1960.

THE LOAN WILL BE UTILIZED TOWARDS THE DEVELOPMENT PROGRAMME OF THE NEW STATE OF GUJARAT. ALL ARE REQUESTED TO SUBSCRIBE GENEROUSLY TO THE NEW LOAN.

The applications will be received at offices of the Reserve Bank of India at Bombay, Calcutta, Delhi, Madras and Bangalore, and at branches of the State Bank of India and Treasuries and Sub-Treasuries in the State of Gujarat.

Applications will also be collected by the State Bank of Saurashtra at Bhavnagar and its branches within the State and forward to the nearest receiving office.

FULL PARTICULARS CAN BE OBTAINED AT ANY OF THE ABOVE OFFICES.



FOREIGN EXCHANGE REQUIREMENTS

IN his statement on his recent tour of foreign countries, made in the Lok Sabha last week, the Union Finance Minister, Mr. Morarji Desai, revealed that he discovered in his discussions with representatives of the European Governments a "sympathetic interest all round in our development programme and a keen awareness of our problems and needs." But, beyond a reference to the W. German aid, in the shape of the third and final instalment of $30 million of a total credit of $100 million promised in August 1958 and the four-year deferment of two-thirds of the liabilities under the Rourkela steel project maturing on 31st March 1961, the Minister did not throw any fresh light on the precise scope of foreign aid in the next few years.

It is, however, gratifying to note that Mr. Morarji Desai found in all countries a "desire for closer co-operation and willingness to assist us in our economic development programmes to the extent possible." This has been corroborated by other observers too. But it is necessary to point out that much planning and special effort will be needed to ensure that foreign interest in India's plans is translated into concrete assistance and, further, such assistance is availed of at the proper time and in a manner best suited to India's economic progress. As Mr. Desai himself indicated, "the form and extent of such co-operation and assistance will have to be discussed in more precise terms and in greater detail from time to time." In other words, the problem of meeting the country's foreign exchange requirements should be kept under constant scrutiny.

The requirements of foreign exchange for the current Plan period are being covered, thanks to sizable aid from foreign Governments and international financial institutions. It is true that India's foreign exchange reserves are now at a very low level. Thus, as on 5th August 1960, they aggregated some Rs. 148 crores, as against Rs. 213 crores as on 25th December 1959. But the foreign assistance that has been promised and continuing should be sufficient to ensure the expeditious completion of the second Plan projects. Only, imports must continue to be rigorously controlled and exports actively encouraged, so that the assumptions on which the foreign exchange deficit has been estimated do not go wrong.

The real problem, involving a fresh round of negotiations with foreign countries and world financial institutions, will arise when the country enters on its third Plan career. For the successful execution of the Plan implies, as is now well known, the availability of foreign exchange resources to the tune of Rs. 3,200 crores (inclusive of Rs. 600 crores by way of foodgrain imports under the recent Indo-American agreement) which is equivalent to nearly 32 per cent. of the total outlay of Rs. 10,200 crores. Although foreign aid of this magnitude is not beyond the capacity of India's friendly nations and international financial institutions, it has to be worked for, and "earned," in the sense that they must be convinced that it will be put to most profitable use.

SALES TAX IN GUJARAT

The Government of Gujarat is opposed to the extension of the principle of replacement of States' sales tax by Union excise duty. Inaugurating the first quarterly meeting of the All-India Manufacturers Organisation's Central Committee held at Ahmedabad on Saturday last, Dr. Jivraj N. Mehta, Chief Minister of Gujarat, appealed to the industry and trade not to press the Government to give up its powers in respect of a tax which, he stated, was the only flexible source of revenue available to the State and which yielded more than 30 per cent. of the State's total tax revenues. The Chief Minister alluded here to the need for finding funds for implementing a plan much bigger in size than the present one and said: "In this context, you will agree that a proposal, which is likely to have an adverse effect on the most important of the State's sources of revenue, must be considered with great caution and should not be pressed merely on theoretical grounds for the sake of convenience of the dealers only."

One will fully appreciate the anxiety of the Government of a newly born deficit State to raise as much resources as possible from sales tax, the most important source of revenue. In fact, no one will expect the Governments of Gujarat and other States to surrender their claim on sales tax completely to the Centre. But it would be wrong to oppose the extension of the above principle to commodities which are well suited for additional excise duties in lieu of sales tax. Such a change in fiscal legislation, as we mentioned in the course of an editorial only last week, possesses three distinct advantages: (1) maintenance of revenue at original levels; (2) minimisation of scope for evasion; (3) elimination of the relatively more onerous administrative complexities involved in the collection and payment of tax. What is more, the cost of tax collection, as Mr. G. V. Puranik, Chairman of the A.I.M.O. rightly pointed out, would, to some extent, be reduced, if excise duty and sales tax were amalgamated in the case of certain categories of goods.

In his speech, Mr. Puranik dealt at some length with a few aspects of the third Five-year Plan. In particular, he stressed the need for allowing more power generating and distributing agencies to function with more reasonable incentives than are allowed now, for adopting a more helpful policy towards transport, particularly in respect of taxation on road transport, and for providing the necessary facilities to machinery manufactures such as foreign exchange for installing equipment and importing components and raw materials. Given all these facilities, as well as less encroachment by the State in the legitimate fields of the private sector, there is no doubt that not only will the pace of economic development be greatly accelerated but the pattern of development also will be well balanced.

INDIAN INSTITUTE OF BANKERS

The latest annual report of the Indian Institute of Bankers for the year ended December 1959 provides interesting data relating to the growth of banking knowledge among bank employees during the last few years. The membership of the Institute has increased by 2,201 during 1959 to 18,425. This is perhaps the largest increase in any year. Since 1955, the membership has grown by more than 50 per cent., that is, from 12,239 to 18,425. A total of 12,887 candidates appeared for the Associate examination of the Institute during the year, representing an increase of 1,853 over those in 1958. In this respect, too, the pace of increase is more than that in any previous year. In 1950, only 5,970 candidates took the examination. The number declined to 5,525 in 1952. Since then, there has been a sustained rise. The increase in 1959 is more than 100 per cent. as compared with 1953 when 6,102 persons appeared for the examination. These data clearly show that, though the number of candidates wanting to take the Institute's diploma (C.A.I.I.B.) is only a small fraction of the total strength of banking employees in the country, there is clear evidence that the desire to strengthen their practical knowledge of banking by theoretical study is rapidly growing. This is undoubtedly a very encouraging trend. Equally encouraging it is to find that the Institute is making efforts to extend its facilities to as many candidates as possible, as witness the marked increase in the number of centres at which the examination is conducted; these have more than doubled, from 153 in 1950 to 340 in 1959, to be precise. A disquieting feature, however, is that the number of candidates who come out successful is depressingly low. But this is only due to the fact that the standard of theoretical proficiency expected of the candidates is of a high order, while the general educational background of bank employees in most of the banks is not of the desired level.

LAND REFORMS

Flexibility may be a virtue in democratic planning; fluidity is certainly not. When constant shifts and changes are made, not in minor matters of detail, but in fundamentals of policy, they cannot but throw out of gear the entire mechanism of planning. The changes in policy and practice in regard to such important matters as fixation of ceilings on land and payment of compensation, reported to have been suggested by the Panel on land reforms of the Planning Commission, at its meeting held on the 6th inst. at New Delhi, can only serve to make the confusion brought about by land reform legislation worse confounded. Although the suggestions, which have been made by the various committees of the Panel, will be finalised only in September before being presented for the consideration of the whole Panel in the following month, the trend of discussion indicated that the members were in favour of the proposed changes.

Three of the far-reaching changes suggested are: (1) partitions and transfers of land should be banned, after the publication of Bills on ceilings, so as to prevent circumvention of the provisions of law; (2) the basis of compensation be changed from the existing one of 20 times the fair rent payable in twenty instalments, to 40 to 50 per cent. of the market value, payable in easy instalments, with the proviso that compensation amounting to less than Rs. 5,000 be paid in lump sum; and (3) the fixation of ceiling should be per family of five and not in relation to individual, as most State Governments have stipulated in their Bills.

Quite apart from the merits and demerits of the suggested changes, one wonders how the Planning Commission and the Central Government propose to get them reflected in State legislation. Most States have either passed, or have introduced land reform Bills, based mainly on earlier directives. Do they have to recast their legislation, because the Panel thinks that it has suddenly seen the light of wisdom? And what are they supposed to do, if the Panel were to change its views again? The saner course would have been for the Planning Commission and the Union Government to make up their minds first and then ask the State Governments to legislate accordingly, instead of changing policies every now and then.

Be that as it may, the most surprising feature of land reforms measures in the country is that the Congress Government and the Planning Commission are treating imaginary diseases, while neglecting the real ones. It has yet to be proved that concentration of ownership in land is so heavy as to render other measures aimed at promoting economic and social equality meaningless or to thwart efforts at agricultural improvement. In fact, evidence is to the contrary, as is clear from the estimates of surplus land that would become available as a result of ceiling. The malady afflicting agriculture in the countryside is lack of irrigation and fertilisers, and credit and marketing facilities. Unless reforms are designed to improve this situation, no amount of expropriatory socialist legislation can make two blades of grass grow where only one grows now.

AN ABSURD RESOLUTION

The role of foreign capital in accelerating the tempo of economic expansion in a developing country like India cannot be over-emphasised. The major lacunæ in these countries, as is well known, are shortage of foreign exchange for procuring imports of capital goods, inadequate managerial skill and technical know-how, as well as low levels of domestic savings. Public memory may not be too short to forget the trying experience of India two years ago, when it was confronted with a serious balance of payments crisis. (An authentic account of the balance-of-payments difficulties in the first four years of the second Plan appears in the latest issue of the *Reserve Bank of India Bulletin*, a summary of which is given elsewhere in this issue.) But for the timely help offered by a few friendly countries, our planners would have scarcely saved their face. Now, the third Plan is in the offing. It envisages a far greater level of investment. The increase in exports, if any, can only be marginal; and they can in no case be relied upon to pay for the larger imports implied in the third Plan. Unless, therefore, alternative ways are found to foot the bill for imports of more and more of capital goods and raw materials, there is no doubt that programmes for industrial development will have to be pruned sizably. It is precisely to avoid this contingency that India is making efforts to secure foreign collaboration in capital and technical know-how, besides foreign loans on a Government-to-Government basis.

In this context, it was absurd that a Communist member, of the Lok Sabha, Mr. K. T. K. Thangamani, should have moved a resolution seeking to appoint a committee to review the working of the industrial policy resolution of 1956 and to "prevent inroads into our national economy of foreign private capital in collaboration with Indian interests or otherwise." As was only to be expected, the resolution was rejected by an overwhelming majority. One must, however, pause a while and think as to what prompted the Communist member to move a resolution of this nature, with wanton disregard for the basic needs of a developing democratic nation. It would be wrong to think that the member was innocent of the basic principles of economics. Those who are aware of the objectives of the Communist Party in India will be quick enough to realise that Communists want to scare away the existing and prospective foreign investors by hook or by crook. Invoking the bogey of foreign monopoly is a technique which comes handy to them for this purpose. No amount of sophistry can hide the fact that Communists want to choke the growth of the private sector by preventing foreign investors who are prepared to participate, mainly through collaboration with Indian capital, in India's economic development. Probably, it is to the advantage of Communists that the country should remain industrially backward. They know only too well that empty stomachs can seal the doom of democracy. Significantly enough, they had nothing to say on the assistance given by Communist countries to India.

The highlight of the discussion on the resolution was the spirited rebuttal of the Opposition's baseless allegations by Mr. Manubhai Shah, Union Minister for Industry. Mr. Shah affirmed that the Government would welcome capital from all parts of the world and would accord the foreign investors the treatment it gave to its own. He regretted—he wasted his time in doing so, for he was trying to convince those who do not want to be convinced—that there had not been a proper appreciation on the part of the Opposition of the role of foreign capital in the growth of an underdeveloped country. No country, particularly an underdeveloped country like India, which had "missed the chance of history of 200 years of industrial revolution," he added, could progress without foreign assistance. At the same time, he assured the House that the country was strong enough to resist any political pressure and to stand on its own feet.

Mr. Shah pertinently pointed out that the volume of foreign capital participation in India was rather small. Out of a total investment of about Rs. 7,000 crores in the second Plan, it is estimated that foreign participation will be of the order of Rs. 150 crores, as against the original target of Rs. 200 crores. In the third Plan period, an inflow of only Rs. 300 crores of foreign private capital is anticipated. This is just less than 3 per cent. of the total Plan outlay. The need of the hour is to create conditions that will be conducive to the flow of a larger volume of foreign capital into the country and not scares of the type which Mr. Thangamani sought to raise this week.

MOTOR TRANSPORT WORKERS' BILL

Barring certain provisions necessitated by the special conditions obtaining in the motor transport industry, the Motor Transport Workers' Bill, which was referred to a Joint Committee of the two Houses of Parliament on the 3rd inst., is in line with other welfare legislations enacted in the past. Moving the Bill for reference to the Joint Committee, Mr. Abid Ali, Union Deputy Minister for Labour, observed in the Lok Sabha that, this was the first time that legal protection was sought to be given to motor transport workers through independent legislation. On a rough estimate, about 200,000 workers, according to Mr. Abid Ali, will be immediately covered by the proposed legislation. With the rapid expansion in the motor transport industry envisaged under the Plans, more workers are expected to come under the purview of the legislation.

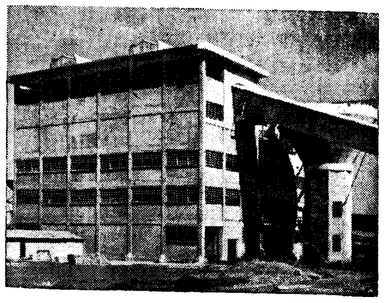
The question of central legislation for motor transport workers has been discussed at some length in the past few years. The Standing Labour Committee considered it at its 15th Session in 1956 and a special committee was appointed to work out the details of the provisions that should be embodied in the legislation. The report of the Special Committee was again scrutinised by the Standing Labour Committee. Although complete agreement could not be reached, there was unanimity of views in respect of most of the provisions. The proposals now incorporated in the Bill are largely those which have been agreed upon. Provisions in the Bill, on which agreement could not be reached, have been drawn up on the lines of other labour laws, keeping in view the special conditions of the industry.

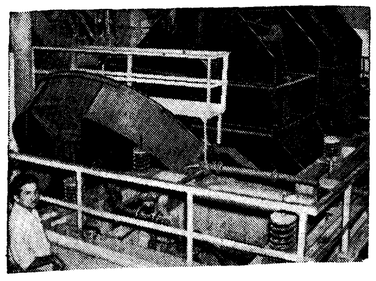
Just as the Factories Act is applicable to power-using factories employing 10 or more workers, the Bill also covers motor transport undertakings employing ten or more workers. This would, no doubt, leave out some workers from the scope of the proposed enactment. The State Governments have, however, been given powers to extend it even to undertakings employing five workers. The provisions relating to hours of work, rest interval, weekly holiday, annual leave with pay, welfare facilities, etc., are, by and large, similar to those contained in the laws for factories, mines and plantations. Such variations as are made, according to the Deputy Minister, are designed to suit the comparatively small size of the average undertakings. With a view to making the regulations fit in with the requirement of each type, services run by motor transport undertakings have been classified into three, namely, city service, long-distance passenger service and freight service.

It has been thought fit to refer the Bill to the Joint Select Committee, because, apart from its being a new piece of legislation, it incorporates provisions of a complicated nature calling for close scrutiny. The Joint Committee is expected to give them a simpler and workable form.

Motor transport is a widely scattered industry, operating even in remote corners of the country. Since the average size of units is generally small, it is difficult to enforce any legislation even in regard to wages, let alone welfare. The wisdom of the provision empowering State Governments to make the Bill applicable even to units employing five workers is therefore open to question. A good number of such units, especially in the remote parts of the country, are not within easy reach of the law.

COAL WASHING CONSERVES INDIA'S COAL RESOURCES





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LONDON LETTER

THE POWER OF SIX PER CENT.

From Our Own Correspondent

LONDON, *5th August*

BEHIND the announcement that, at the end of July, the gold and currency reserves had risen by £37 million lies an interesting pattern of European cross currents. The U.K. reserves now stand at £1,070 million and this country shares with Western Germany and Switzerland the doubtful honour of enjoying mounting gold holdings. Doubtful because of the origin of the movements and doubtful also in duration. The movement of funds into Switzerland which has pushed up that country's reserves is largely a counterpart of the outflow of funds from Belgium, as a result of the Stock Exchange collapse there and the fear for the economic future of the country. For some weeks now, the Central Bank of Belgium has been busy supporting the Belgian franc at normal exchange, although it has been unable to do so at what is known as investment exchange. Before Congo independence, the rate of investment exchange was the same as that of normal exchange, namely, 140 Belgian francs to the £, but the quotation has now sunk to 150. Whether the rise in the Bank Rate from 4 per cent. to 5 per cent.—a level which the country has not suffered since the crisis days of 1929—will be sufficient to reverse the trend against the currency remains to be seen.

A part of the Belgian outflow is also going to swell the prolonged flow of funds into Western Germany, on the long-term gamble of a currency revaluation. And a part has joined the other European flow of funds into the U.K., merely attracted by high interest rates.

The London Bullion Market has enjoyed an unwonted activity for similar reasons. Gold has been in demand and turnover has risen, as Belgian funds have been poured into gold, and this gold has in turn supplied through a chain reaction from the United States, where the gold stock continues to decline; the fall now amounts to over £100 million (that is, over $280 million) since the beginning of the year.

The Bank Rate of 6 per cent. has, indeed, been as successful as Mr. Macmillan and Mr. Amory could have expected, and the inflow of hot money in the past month was £57 million, though this was partially offset by special payments to the International Monetary Fund and as part of the winding-up of the old E.P.U. It seems, therefore, reasonable to write off this month's increase as ephemeral. At the same time, there is a potential strength in it, which should not be overlooked. This strengthening factor is that the high Bank Rate, with its damping effect on borrowing, is causing a general running down of stocks. Such a movement must be invariably accompanied by a cutting down of import orders. Hence, the balance of payments may be expected to improve, even though exports continue relatively stagnant.

The index of industrial production has so far not reflected any damage to output as a result of dearer money. But the failure to rise over the past three months is a reflection of tighter credit since the Budget. Indeed, since the beginning of the year, the index has risen only 3 per cent., after allowing for seasonal variations. Last year, over the same period, it rose nearly 6 per cent. It is true that the index still stands between 8 per cent. and 9 per cent. higher than it did a year ago. But, obviously, it is the trend which needs to be studied and this is not encouraging.—*All Rights Reserved.*

* * * *

The Katanga Plot

(From Our London Correspondent)

BRUSSELS, *31st July*

It would be dramatic to report that the atmosphere in Brussels was electric but, in fact, when your Correspondent arrived, the storm had already receded. At the airport, a plane load had just arrived from Leopoldville and there was nothing remarkable about the travellers. They seemed to be conventional family groups and the only distinguishing mark was the number of Belgian boy scouts and girl guides helping them with their luggage. But, a week earlier, planes had been bringing in more than 1,000 people a day, among them victims of the mutiny in the Congo. These were the days when the people of Belgium briefly demonstrated against the Government. But, now, the Belgian Parliament has risen and the stage is temporarily empty. In the wings, however, a fresh storm is gathering which may well bring about the downfall of the Government, when it reassembles after the holidays.

Brussels is a city of disillusionment and anger—anger that such a crisis of the Congo should have burst about them without any warning and with the Government utterly unprepared. That is the charge which is laid against the Government: that they had made inadequate preparation for independence and that, if, as they say, they were pushed by the African leaders to accelerate the date, that they had completely failed to foresee the consequences. But, of course, the charge lies deeper than that, though the Belgian people will not admit it. It is to be found in the word "Macaque." This is the name which the Belgians have given the natives of the Congo. Its nearest translation is "monkey men." Belgians have seemed quite unable to recognise these natives as human beings. They have denied them any positions of authority, whether in business administration or the army. And, then, they granted them independence in the pathetic belief that everything would go on as before after 1st July, with the Belgians remaining in control of everything other than the reins of Government. The immediate disillusionment came, when the negro army, the "Force Publique," decided not to obey its white officers. The revolt was immediate against the officers and their wives, and against the Missionaries and the Nuns, for the Catholic Church was as little loved as the Belgian administration. In the circumstances, the Belgians themselves marvel that the number of killed and injured has been insignificant.

But the economic results for Belgium are going to be hard. 50,000 Belgians have already come back from the Congo without jobs or prospects. To them must be added 80,000 workers directly employed in the export of goods to the Congo and another 100,000 involved in the Congo trade. For all the economic empire has crumbled and one cannot immediately see its restoration on any basis. Hence the talk of higher taxes and the talk of devaluing the Belgian franc. [Since writing this, the Bank Rate has been raised.]

But to the outside world there was offered a curious picture of the province of Katanga, seemingly immune from the Mutiny and the breakdown of economic life that ravaged the Congo. Here was the native Government working hand in glove with the Belgians and calm ruled. But, behind the scenes, the reality was different. The biggest battle which the Belgian troops fought was in Katanga against the mutineers. The whole Belgian force has been concentrated in that province, where Mr. Tschombe and his yes-men provided a dubious facade for the economic and financial power of Katanga, the great *Union Minière du Haut-Katanga*, the giant mining enterprise, which produced, last year, 280,000 metric tons of Copper (7½ per cent. of world output), 118,000 tons of zinc concentrates, 8,400 tons of cobalt, 148,000 kilograms of silver, 99,000 kilograms of cadmium, as well as gold, germanium oxide, uranium and other minerals. The market value of *Union Minière's* equity capital is placed at about £145 million.

The annual output of the Congo is estimated at 140,000 million Belgian francs. Of this, 60 per cent. comes from Katanga, which has only one-third of the population of the Belgian territories in Africa. But Katanga subsidises the rest of the Congo. It is undoubtedly an exaggeration to say—which some are repeating—that the Belgian Government deliberately allowed the Congo to breakdown, in order to retain the whole wealth of Katanga for that province and for Belgium alone. If this had been their deliberate policy, they would have taken measures to extricate their own population from the Congo before the Mutiny.

But what the Belgian Government could not do the *Union Minière* could. The economy might break down in the Congo proper; it would not break down in Katanga. The latter's financial resources and their negotiating skill set up the facade of native ministers who would do whatever the *Union Minière* and the Belgian Army told them to. Hence the demand for independence. Hence an urgent desire to keep out U.N. troops. If only this could be done, then, Belgium would be better off economically after Congo independence than before it. But no country outside has been prepared to play. The Belgians have had formally to accept that their troops must ultimately withdraw and the U.N. has arranged to send its troops in. Not even in Belgium do they now believe that the Katanga could be retained as an independent country in close association with Belgium.

The *Union Minière* (which be it noted is internationally and not merely Belgian-owned) and the Belgian Government will seek to save what they can and to hold a greater measure of independence for the province, if this is at all possible. What will matter is whether the Katanga will continue to subsidise the rest of the Congo and whether the same flow of wealth as heretofor will come through the *Union Minière* into Belgium. That the Belgians do not believe that the last can follow is evidenced by the dramatic fall of Stock Exchange values in Brussels.—*All Rights Reserved.*

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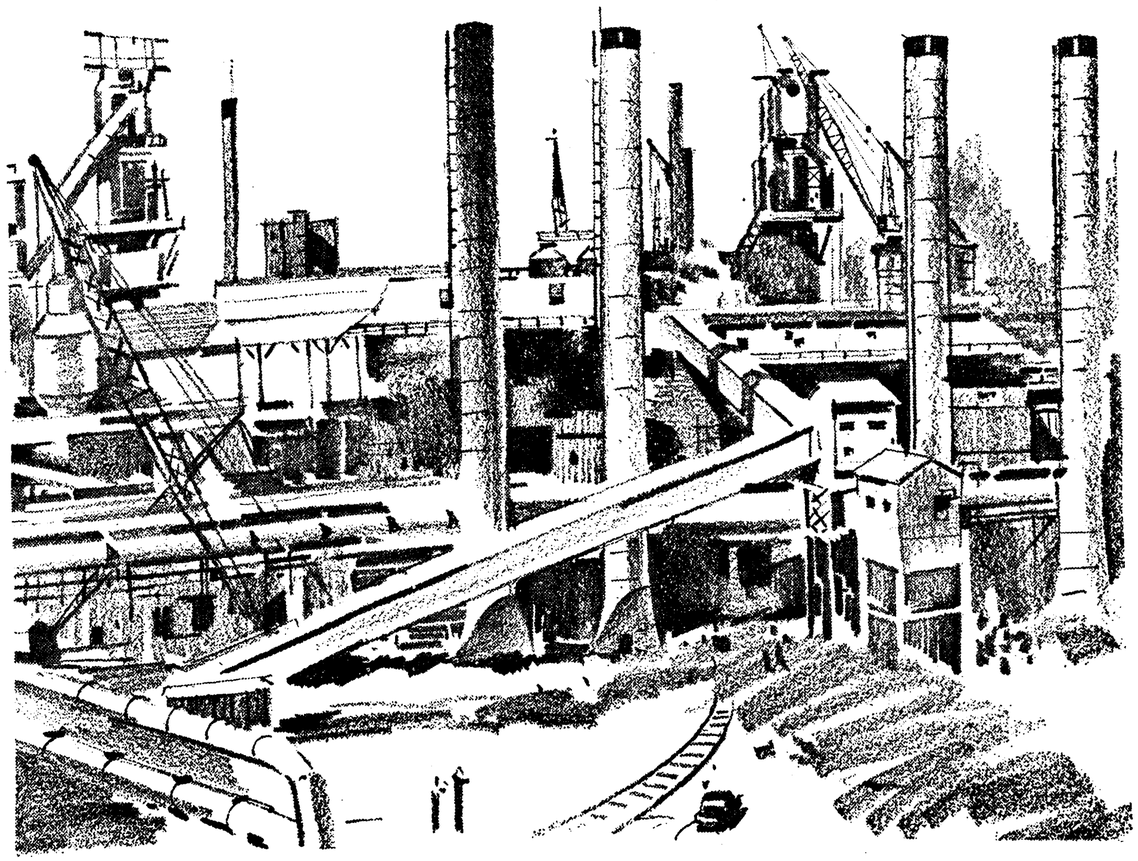

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PSIC 17

OWNERSHIP OF BANK DEPOSITS

PACE OF INCREASE IN PERSONAL DEPOSITS SLOWS DOWN

THE years 1956 to 1959 roughly constitute the first four years of the second Five-year Plan, during which period the economy of the country as a whole has surged forward significantly. In consonance with this expansion, there has been a high rate of growth in monetary resources,* of which deposits of commercial banks form an important constituent. Thus, of the total expansion of about Rs. 970 crores in monetary resources* (excluding counterpart funds under P.L.480) during the four years 1956-59, the rise in total deposits of Scheduled banks (other than P.L.480 deposits amounting to Rs. 293 crores) alone is of the order of Rs. 544 crores. The expansion in deposits, including P.L.480 funds, over this period, it may be noted, is of the order of Rs. 837 crores. What is more significant is that the largest increase in monetary resources in any single year took place during 1959, namely, Rs. 322 crores, which was Rs. 109 crores more than the rise in 1958. The increase in Scheduled banks' deposits in that year was of the order of Rs. 289 crores (including P.L.480 funds), which compares favourably with the rise of Rs. 194 crores in 1958 and of Rs. 273 crores in 1957.

The mere physical growth is not the only feature of the expansion in deposits during 1959. The total number of deposit accounts also continued to rise. Similarly, the average amount per account increased further, and so also business and personal deposits. While personal deposits with Scheduled banks continued to account for the largest share, their proportion to the total deposits suffered a decline from 41 per cent. to 38 per cent. The proportion of business deposits to the total does not, however, show any change from 26 per cent. noted as at the end of 1958. These features of bank deposits are disclosed by the latest survey of ownership of bank deposits as on 31st December 1959 conducted by the Reserve Bank of India, the results of which are contained in the July 1960 issue of the Bank's *Bulletin*. The survey also reveals that the three largest banks—the State Bank, the Central Bank and the Punjab National—each with deposits of over Rs. 100 crores, account for about 46 per cent.—Rs. 133.39 crores to be precise—of the rise in total deposits, but this is mainly due to the accretion of large U.S. counterpart funds to the State Bank.

Before going into a detailed analysis of the ownership of deposits, it is worthwhile presenting to our readers a broad picture of the growth of deposits of Scheduled banks under the three classes of deposits during the last four years. This is done in the table appearing in the middle of the next column.

It may be noted that, for the first time in the history of banking in India, time deposits of Scheduled banks formed in 1959 over 50 per cent. of the total deposits. They also accounted for the bulk (Rs. 247.7 crores) of the rise in total deposits during the year under review. As in the previous two years, the placement of large funds by the U.S. authorities with the State Bank under P.L.480 agreement was an important contributory factor for this rise. However, even after excluding P.L.480 deposits, the rise was quite significant. Though the extent of accretion of the P.L.480 funds year after year is not disclosed, an indication of the net accretion of these funds over the last four years is available. Thus, while the total deposits went up by Rs. 837 crores between December 1955 and December 1959, the rise in deposits (excluding P.L.480 deposits), according to the Reserve Bank, during this period was Rs. 544 crores, which means that the net accumulation of P.L.480 funds was Rs. 293 crores.

The total number of deposit accounts with Scheduled banks went up by 512,055 (or 10.5 per cent.) to 5.38 million. This was on top of a rise of 485,136 (or 11 per cent.) in 1958. This brings the aggregate increase during the last four years to 1.66 million, of which the bulk (1.05 million) was in respect of savings bank accounts. While along with the increase in the number of accounts, the savings bank deposits have also grown, it will be noted that the share of savings deposits still constitutes a very small proportion of the total deposits. The proportion has actually declined from 17.1 per cent. as at the end of 1956 to 13.6 per cent., thanks to the sharp rise in time deposits. The proportion of demand deposits too shows a declining trend.

(No. of accounts in 000's) (Amount in crores of rupees.)

End of	Demand		Savings		Time		Total	
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1955	1,019	497.03 (50.0)	2,275	162.43 (16.4)	425	334.09 (33.6)	3,719	993.66 (100.0)
1956	1,076	522.21 (48.0)	2,465	183.65 (17.1)	482	368.95 (34.3)	4,023	1,074.81 (100.0)
1957	1,062	566.25 (42.0)	2,739	201.98 (15.0)	586	579.38 (43.0)	4,387	1,347.61 (100.0)
1958	1,124	550.93 (35.7)	3,027	221.97 (14.4)	722	768.43 (49.9)	4,872	1,541.33 (100.0)
1959	1,198	566.26 (30.9)	3,324	248.22 (13.6)	862	1,016.14 (55.5)	5,384	1,830.62 (100.0)

Note:—Figures in brackets are percentages to total.

An analysis of the deposits by size of Scheduled banks reveals that, while the three banks with deposits of Rs. 100 crores and over continued to account for the bulk (47 per cent.), the increase in deposits over the year of this class (Rs. 133.4 crores) was less than that (Rs. 154 crores) in banks with deposits between Rs. 25 crores and Rs. 100 crores. The steep rise in the deposits of the latter class of banks is due to the addition of two banks to this group, resulting in an increase of Rs. 60 crores. The deposits of banks with deposits between Rs. 5 crores and Rs. 25 crores show a fall of Rs. 3.42 crores, while smaller banks with deposits of less than Rs. 5 crores have increased their deposits by Rs. 5.32 crores.

The average amount of deposits per account, which had risen from Rs. 2,671.7 in 1956 to Rs. 3,163.7 in 1958, has further increased to Rs. 3,400.1 in 1959. A class-wise analysis of the average amount of deposits over the last four years shows that time deposits account for the largest increase. The number of time deposit accounts has more than doubled and the amount of such deposits has more than trebled, with the result that the average amount per account recorded an increase from Rs. 7,861 at the end of 1955 to Rs. 11,788 at the close of 1959. As in the case of time deposits, the number and the amount of savings deposit accounts have recorded a steady increase from year to year. At the same time, the average amount per savings account also rose from Rs. 714.4 at the close of 1955 to Rs. 746.7 at the end of 1959.

The table at the bottom of this page provides a detailed analysis of the ownership of deposits under the three classes of deposits. As will be seen therefrom, the business deposits, which had shown only a nominal rise of Rs. 3.21 crores in 1958, recorded the largest rise of Rs. 82.33 crores to Rs. 476.30 crores in 1959, bringing the aggregate increase over 1955 to Rs. 123.45 crores. The sharp rise in 1959 reflected the highly liquid position of companies. Of the increase of Rs. 82.32 crores, time deposits alone accounted for Rs. 63.25 crores or 77 per cent. Demand deposits also rose by Rs. 19.07 crores, whereas in 1958 they were almost unchanged. While the aggregate increase in business deposits was shared by all sub-groups the largest rise (Rs. 30.20 crores) was recorded in deposits of manufacturing concerns, followed by those of trading concerns (Rs. 20.29 crores) and those of financial concerns (Rs. 18.91 crores). It will also be noted that deposits of trading concerns, at Rs. 196.11 crores, continued to form the major component of business deposits, though their share in the total declined from 45 per cent. at the end of 1958 to 41 per cent. at the close of 1959.

As stated earlier, personal deposits (Rs. 695.62 crores) form the bulk of the deposits of banks. The drop in their proportion to the total from 41 per cent. to 38 per cent. is explained by the fact that the pace of increase in 1959 (at Rs. 65.44 crores or 10.3 per cent.) was less than that (Rs. 76.16 crores or 13.7 per cent.) in 1958. This bears out the truth that personal deposits are more susceptible to the changes in interest rates than other deposits. Obviously, the successive reduction in interest rates on deposits, once in October 1958 and again in September 1959, under the inter-bank agreement, must have impeded the growth of individual deposits. This is, again, substantiated by the trend of time deposits of individuals. As will be observed from the data given at the bottom of this page, the time deposits rose by only Rs. 38.44 crores in 1959, as against an increase of Rs. 70.46 crores in 1958 and of Rs. 49.04 crores in 1957. A gratifying feature of the trend in personal deposits is that savings deposits recorded a larger rise (Rs. 23.29 crores) in 1959 than in the previous year when they grew by Rs. 16.30 crores. Though the demand deposits of individuals also improved by Rs. 3.71 crores in 1959 in refreshing contrast to the decline of Rs. 10.60 crores in the previous year, their proportion to the total personal deposits continued to

(*Continued on page 319*)

**Monetary resources comprise currency with the public and deposits of commercial, co-operative and post office savings banks. The concept of monetary resources is wider than that of money supply which, by definition, excludes time deposits with banks and postal savings deposits. It gives a better indication of the state of liquidity from time to time, as well as the enlargement of the monetised sector in a developing economy.*

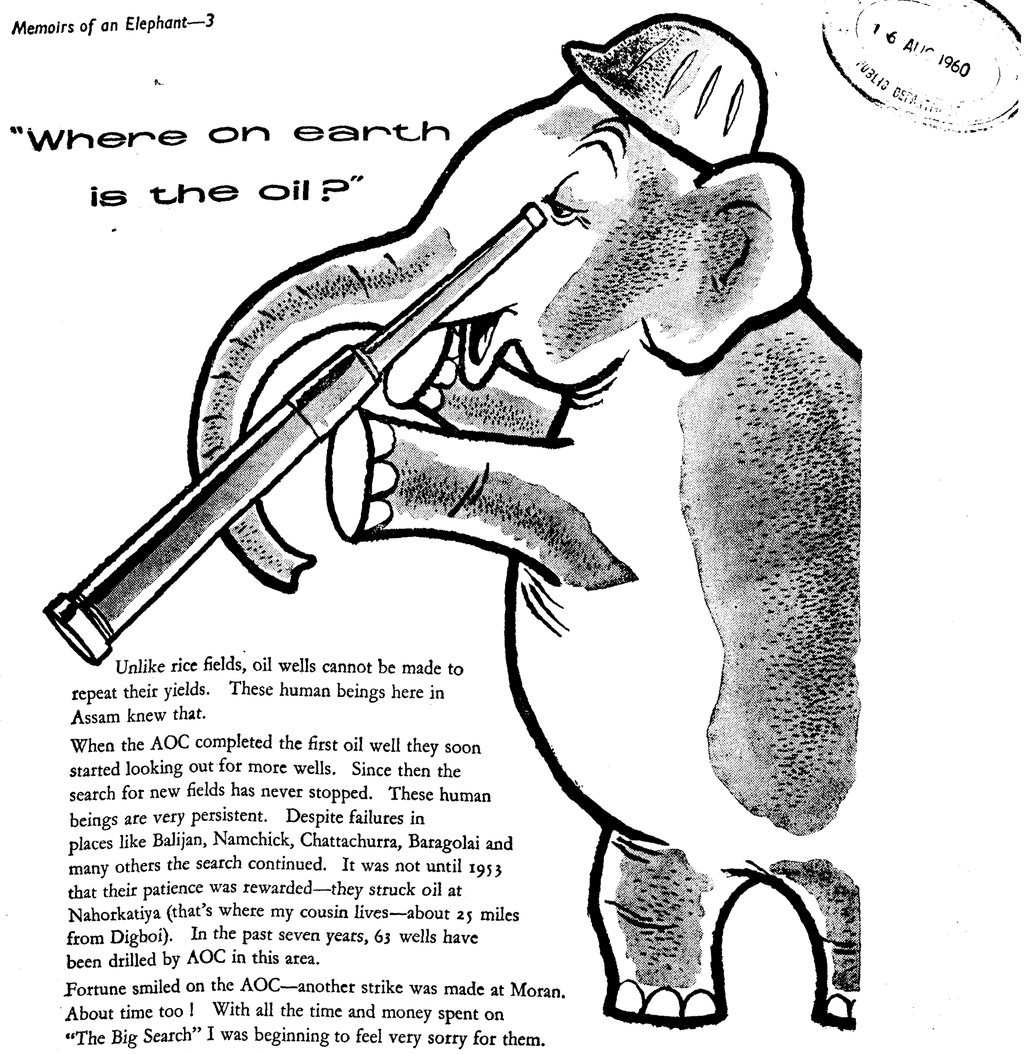
(Amount in crores of rupees)

No. of reporting Scheduled banks	1959 92			1958 87			1957 86			1956 87			1955 85		
	No. of accounts	Amount	% to total	No. of accounts	Amount	% to total	No. of accounts	Amount	% to total	No. of accounts	Amount	% to total	No. of accounts	Amount	% to total
Demand Deposits of:															
1. Business concerns	233,121	283.02	50.0	209,695	263.95	47.9	191,670	264.00	46.4	185,187	255.94	49.0	177,633	260.08	52.6
(a) Manufacturing	30,169	69.21	12.2	26,711	59.68	10.8	24,684	61.95	10.9	20,640	63.57	12.2	18,894	63.56	12.8
(b) Trading	183,326	130.56	23.1	164,511	123.17	22.4	149,271	118.85	21.0	146,723	117.00	22.4	136,794	114.41	23.0
(c) Public utilities	2,213	8.52	1.5	2,176	8.00	1.5	2,093	10.45	1.8	2,168	12.74	2.4	2,083	11.48	2.2
(d) Plantations	1,900	9.45	1.7	1,879	8.68	1.6	1,748	8.23	1.5	2,016	10.65	2.0	1,760	11.00	2.2
(e) Financial concerns	15,513	65.28	11.5	14,418	64.43	11.7	13,874	64.52	11.3	13,640	51.98	10.0	18,302	59.69	12.0
2. Personal	242,599	123.19	21.8	233,928	119.48	21.7	230,838	130.08	23.0	238,809	127.79	24.5	224,844	125.57	25.3
3. Government and quasi-Government bodies.	14,674	66.01	11.6	14,735	71.70	13.0	14,520	70.95	12.5	15,118	60.72	11.6	9,662	39.85	7.9
4. Others	43,383	80.18	14.2	32,561	82.79	15.0	33,516	89.49	15.8	34,010	66.47	12.7	31,410	61.66	12.4
5. Unclassified*	664,510	13.87	2.4	632,904	13.03	2.4	591,708	11.73	2.1	608,247	11.88	2.2	575,982	10.37	2.2
Total demand deposits	1,198,287	566.26	100.0	1,123,873	550.93	100.0	1,062,252	566.25	100.0	1,076,371	522.21	100.0	1,019,481	497.03	100.0
Savings Deposits of:															
1. Personal	927,964	212.59	85.6	837,148	189.30	85.3	775,770	173.00	85.6	709,929	158.40	86.3	674,957	140.79	86.6
2. Others	24,297	7.41	3.0	22,288	6.29	2.8	23,299	6.01	3.0	21,413	5.70	3.1	16,405	4.70	2.9
3. Unclassified*	2,371,592	28.22	11.4	2,167,223	26.38	11.9	1,939,541	22.97	11.4	1,733,838	19.55	10.6	1,583,357	17.04	10.5
Total savings deposits	3,323,853	248.22	100.0	3,026,659	221.97	100.0	2,738,610	201.98	100.0	2,465,180	183.65	100.0	2,274,719	162.53	100.0
Time Deposits of:															
1. Business concerns	35,335	193.28	19.0	27,590	130.03	16.9	23,646	126.77	21.9	20,380	82.08	22.3	17,165	92.77	27.8
2. Personal	615,039	359.84	35.4	526,060	321.40	41.8	414,866	250.94	43.3	331,591	201.90	54.7	282,997	174.27	52.2
3. Government and quasi-Government bodies.	5,894	108.54	10.5	5,423	88.85	11.5	5,818	153.99†	26.6	3,574	50.78	13.8	3,115	36.68	11.0
4. Others	18,898	352.75†	34.7	14,207	225.53†	29.3	13,387	45.50	7.8	12,304	32.28	8.7	12,009	28.58	8.6
5. Unclassified*	186,038	3.74	0.4	148,387	2.83	0.4	128,469	2.18	0.4	114,044	1.91	0.5	109,821	1.78	0.5
Total time deposits	862,104	1,016.14	100.0	721,677	768.43	100.0	586,186	579.38	100.0	481,893	368.95	100.0	425,107	334.09	100.0
Grand Total	5,384,244	1,830.62		4,872,189	1,541.33		4,387,053	1,347.61		4,023,444	1,074.81		3,719,307	993.66	

* Accounts of less than Rs. 500.

† Includes deposits under P.L.480.

Memoirs of an Elephant—3



Unlike rice fields, oil wells cannot be made to repeat their yields. These human beings here in Assam knew that.

When the AOC completed the first oil well they soon started looking out for more wells. Since then the search for new fields has never stopped. These human beings are very persistent. Despite failures in places like Balijan, Namchick, Chattachurra, Baragolai and many others the search continued. It was not until 1953 that their patience was rewarded—*they struck oil at* Nahorkatiya (that's where my cousin *lives*—about 25 miles from Digboi). In the past seven years, 63 wells have been drilled by AOC in this area.

Fortune smiled on the AOC—another strike was made at Moran. About time too! With all the time and money spent on "The Big Search" I was beginning to feel very sorry for them.

Recently I asked one of the AOC chaps why he was *looking* so cheerful. He told me: "Look at Digboi . . . look at Nahorkatiya . . . and at Moran. These are the symbols of our efforts . . . the symbols of our experience . . . of our technical development".

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A. C. BHAT,
General Manager.

MODERNISING TEXTILE INDUSTRY—II

I.L.O.'S FINDINGS ON INDIA

LAST week, we referred in these columns to the general observations of the International Labour Office (I.L.O.) on labour problems involved in the implementation of schemes for modernising the textile industry. This week it is proposed to cover the findings of the I.L.O. in so far as the textile industry in India is concerned.

The I.L.O. is of the opinion that the conflict between the advantages of efficient production with capital-intensive methods and the need for maximising employment opportunities by labour-intensive methods is exemplified in the case of India. In support of this view, the following figures are cited:

	Type of production			
	Large modern factory	Small-scale mechanical weaving	Automatic weaving in cottage industry	Hand weaving in cottage industry
Capital per worker (Rs.)	1,200	300	90	35
Production per worker (Rs.)	650	200	80	45
Capital per unit of production	1.9	1.5	1.1	0.8
Index of workers employed per unit of capital	100	400	1,300	3,400
Index of production per worker	1,440	440	180	100

It will be seen from the aforesaid figures that, when hand-weaving in cottage industry is replaced by a modern large-scale mill, the value of production per worker rises from Rs. 45 to Rs. 650, that is, more than fourteen times. Such replacement, of course, entails a large capital outlay estimated at about Rs. 1,200 per worker, as against Rs. 35. In other words, for the same amount of capital, thirty-four times more workers are employed in a hand-weaving cottage type industry than in a large modern mill. Nevertheless, it is recognised that, in order to compete with other textile manufacturers, particularly in the export market, in terms of both quality and price, efficient methods of production are essential. These conflicting factors, the I.L.O. says, explain India's cautious approach to modernisation. And it quotes the Union Finance Minister: "The pace of the replacement of obsolete and outworn machinery by improved machinery of higher productivity must be so graduated that the overall growth of employment opportunities more than keeps pace with the temporary consequent displacements occurring at particular points."

Need Keenly Felt

The need for changing old machinery is keenly felt in the cotton textile industry. The I.L.O. review recalls that, in its report submitted to the Government of India in July 1958, the Textile Enquiry Committee pointed out that a large majority of the machines in existence were installed more than forty years before, a situation which had led to low output, poor quality of products, engagement of a large number of workers and high cost of production. Out of the total 200,000 looms or so in place in India, only 16,000 are automatic. The typical staffing arrangement is one weaver to two ordinary non-automatic looms and one piecer to two sides of a ring spinning frame.

The introduction of automatic looms is considered essential for textiles intended for export, since the better quality of goods produced on automatic looms are preferred. The I.L.O. feels that modernisation is, in fact, proceeding in the cotton textile industry. It refers to the financial accommodation provided by the National Industrial Development Corporation to mills for the replacement of old and worn-out machinery. It has taken note of the Government of India's scheme for installing 7,500 automatic looms in replacement of the existing ordinary looms over a period of three years at the rate of 2,500 per annum, as well as of a phased programme of installing 3,000 automatic looms to be used only for pushing textiles for export. It refers to the reported comprehensive programme for modernising the entire cotton textile industry by the end of the third Plan. Under this proposal, a modernisation fund of about Rs. 80 crores is expected to be created in order to give loans to various mills for their research and renewal programmes.

In spite of all this, the I.L.O. observes, the scope for modernisation schemes in the textile industry is conditioned by the limitations of a labour-surplus economy. To quote it: "This has led, on the one hand, to insistence as a matter of policy that the implementation of such schemes should be regulated so as to cause the least displacement of labour and, on the other, to laying down detailed conditions for the installation of automatic looms or their substitution for ordinary looms. These conditions refer to such matters as security of employment for workers affected by modernisation at wages not lower than the current wages for a stipulated period, payment of compensation, and regulation of the recruitment of additional workers."

Supposition Unrealistic

The I.L.O. has highlighted the fact that increased production of cotton textiles can be achieved with fewer workers. An 'old' mill (consisting of 2,000 looms with the necessary spinning, bleaching, dyeing, printing, finishing, inspection, folding and packing operations and producing 40 per cent. grey cloth and 60 per cent. processed non-fancy goods of 20 counts average) required 7,000 workers for two-shift working in 1947, but only 3,200 workers in 1957 when it was modernised. It is estimated by some that the replacement of all the non-automatic looms by modern automatic looms in the cotton industry may make 160,000 workers redundant. But this estimate, the I.L.O. declares, is based on the unrealistic supposition that all the looms can be replaced at once and that the present ratio of ordinary looms to operatives will remain unchanged. Stating that an increased assignment of ordinary looms to one operative or partial modernisation of looms (with less looms per operative than is customary in certain industrially advanced countries) would make the change less drastic, the I.L.O. makes the following observations:

"A phased programme of modernisation was suggested by a textile inquiry committee which recommended, in 1954, the replacement of plain by automatic looms at the rate of 5,000 a year, so that one-half of the existing looms would be converted over a period of 20 years with a displacement of 80,000 workers (4,000 per year). The fear of unemployment appears to be the overriding consideration in modernisation schemes of this kind. A tripartite conference, convened in 1954 to discuss a scheme of rationalisation in the cotton textile mills in Kanpur, decided, for instance, that the introduction of rationalisation should not lead to any unemployment (i.e., any reduction in the number of workers except by retirement and natural wastage). The high labour turnover in the Indian textile mills should, to a certain extent, facilitate modernisation on this basis, although the problem of providing employment to those who seek jobs in the industry will still remain. The principles formulated at the Fifteenth Session of the Indian Labour Conference (New Delhi, July 1957) which govern the modernisation of the textile industry (including the introduction of automatic looms) also provided that there should be no retrenchment. Workers could, however, be provided with suitable alternative jobs in the same establishment or under the same employer, subject to agreement between the employer and his workers.

"An example of detailed statutory regulations embodying the same principles is found in the terms and conditions prescribed by the Government of Bombay in regard to the replacement of plain by automatic looms. For example, a notification issued by the Government in August 1957 provides that suitable working conditions must be arranged and additional workers likely to be employed in back processes like spinning must be recruited from the pool of those already in the industry. In the applicant mill, all persons employed on the date on which automatic looms are introduced, including those employed for the purposes of automatic looms and back processes, must be guaranteed employment for three years in other sections of the mill at wages not lower than their current wages and may not be allowed to become unemployed, except by natural separation, including resignation by the person concerned. In case retrenchment occurs within three years of introduction of automatic looms, the dismissed workers are entitled to retrenchment compensation at double the normal rate. These restrictive conditions have the effect of slowing down the pace of modernisation, while protecting the workers from its immediately adverse social consequences."

Inter-Departmental Transfers

The prohibition of retrenchment does not, however, preclude the transfer to other sectors of an undertaking of workers whose jobs are abolished as a result of modernisation, though the scope for such transfers is somewhat limited. In a mill in India which, as a result of improvements in working conditions, introduced a system of twelve automatic looms (instead of six looms) as a phased programme, it was possible to train battery fillers as assistant weavers and to give employment to turners on loom overhauling or similar work. But this will not be possible in the case of every mill or every worker. It involves many complicated factors, the most important ones being the aptitude and adaptability of workers. By way of general observations, the I.L.O. says:

"... If transfers are not to cause too great a disturbance, they should be planned in advance taking account of all the possibilities afforded by the range of jobs and skills involved in the operations of the undertaking. It is also desirable to have a system of job classification and job analysis, and to evolve a scheme of training which would enable workers to perform a number of different tasks. Transfers should not, if possible, result in downgrading. In fact, relevant agreements usually provide that workers transferred as a result of changes should not suffer any loss of wages. ... It is recognised that limiting the pace of modernisation so as to avoid retrenchment may not always be realistic since it means that modernisation can be effected only over a very long time. For example, in Mexico, it is reckoned that about 15,000 workers will be displaced by modernisation of the entire cotton textile industry; on the basis of normal turnover, this will have to be spread over 20 years to avoid redundancy entirely. But failure to modernise quickly enough may itself result in the closure of the mills concerned and in unemployment, owing to competition from more up-to-date units in the same or other countries. This risk should be set against the disadvantages of redundancy arising from modernisation.

"These considerations suggest that workers made redundant by modernisation in the textile industry should be transferred to other industries. Thus, the solution to this problem becomes linked with the overall industrialisation of a country. This was specifically recognised by the experts who studied problems of productivity in the textile industry in Latin American countries and recommended that modernisation of the industry should be integrated into national long-term industrial development plans, so as to allow a gradual and methodical transfer of surplus textile labour to the sections of industry that were expanding. Similar action may also be necessary in industrially advanced countries where, owing to long-term changes, the textile industry is declining (for example, in the New England region in the United States or in Lancashire). Other industries such as engineering, chemical and electrical industries have often developed in what used to be predominantly textile centres in these countries. Planned development and co-ordinated efforts are, however, necessary to ensure that these industries expand sufficiently and that displaced textile workers are, in fact, helped to enter them."

This is, indeed, the most rational approach to the problem of modernisation of the cotton textile industry. The I.L.O. has minced no words when it points out that the failure of developing countries (like India) to introduce mechanisation and improved methods of production would expose their textile industry to competition by more efficient units. And there is also considerable force in its statement that modernisation makes it possible to lower the prices of textile goods, improve their quality, and raise the working and living conditions of textile workers.

Notice

THE INDIAN IRON AND STEEL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors of The Indian Iron and Steel Company Limited, held on the 9th August 1960, the Directors have declared an interim dividend in respect of the year ended 31st March 1960 of Rs. 1/50 gross per share on the Ordinary Share Capital being at the rate of 15 per cent. per annum. This action has been taken in order that shareholders shall not be kept waiting for their dividends in view of the closing of the Accounts for the year being delayed pending notification by Government of the revised sales retention prices of steel and pig iron applicable for the period to the 31st March 1960. Allowing for loss of previous tax credit this present dividend represents in effect a "free of tax" dividend of 10.275 per cent. compared with the former rate of 10 per cent.

The Directors wish to make it clear in this connection that this dividend although termed interim will in fact constitute the full dividend for the year and that no further distribution in respect of the year ended 31st March 1960 will be recommended for consideration at the Annual General Meeting to be convened in due course.

As already notified the Ordinary Share Register and Transfer Books of the Company will be closed from the 26th August 1960 to the 17th September 1960. Payment of this dividend will be made on or after the 21st September 1960 under deduction of tax at the prescribed rates to those shareholders whose names appear on the Company's Register of Members for Ordinary Shares on the 17th September 1960 or to their mandatees.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 9th August, 1960.

COMPLAINTS OF PROFITEERING BY COTTON MILLS REFUTED

TEXTILE IMPORTS CONTINUE TO BE LARGE

From Our Special Correspondent

MANCHESTER, 2nd August

COMPLAINTS from outside the cotton textile industry that Lancashire millowners were profiteering and taking advantage of the situation following the redundancy programmes under the £30-million Government reorganisation scheme, were answered by Mr. William T. Winterbottom, Chairman of Fine Spinners and Doublers Ltd., at the annual meeting in Manchester. "It is strange how this cry always arises whenever Lancashire mills begin to show something approaching a normal commercial profit," he declared, and added: "It seems to be the view, in these quarters that Lancashire exists to be exploited, and that the long periods when we have in the past been unable to avoid selling below the real costs of production are normal."

MANCHESTER LETTER

The profitability of the cotton trade, Mr. Winterbottom continued, had been below that of other major industries in the country. One of the most unanswerable conclusions to be drawn from the results of the reorganisation schemes was that the closing down of so many mills showed clearly how unprofitable the industry had been in the past. It was particularly significant, he added, that the number of closures had been at least as great in the mills which were supplying sections of the economy whose prosperity had never faltered. The threat of price-cutting, because of redundancy, had been the industry's greatest problem, but, to a large extent, this threat was now reduced. He believed that further scrapping was necessary, but that it would take place alongside the installation of modern machinery.

Emphasising that shift-working was now an essential part of the cotton industry, Mr. Winterbottom said: "The position is quite simply that, if shift-working fails through inability to keep our mills up to date or through failure to attract operatives on a shift-working basis, then the Lancashire textile industry will cease to exist."

Shift-working in one form or another had already been introduced in over 90 per cent. of the units controlled by the group and, although full implementation was not being achieved because of labour difficulties, a high degree of success had been encountered.

Exports and Imports

The best that can be said about the export trade in cotton cloth during the first six months of 1960 is that shipments managed to keep pace with those for the same period twelve months previously. At the end of the half-year, the volume of overseas trade at 171,817,000 square yards was nearly 3,000,000 yards higher than in 1959. Cotton yarn exports were fractionally lower than at the same stage last year, the total of 11,564,000 lbs. being about 300,000 lbs. smaller than in 1959.

In both cloth and yarn, the results in June reflected the adverse conditions which had been encountered in overseas trade for months past. Shipments of fabric failed to reach 25 million square yards, the lowest total for a long time back, with the exception of September last. A similar situation arose in the yarn exporting branch, where the shipments of 1,620,000 lbs. were equally discouraging.

The main destinations of cotton cloth during the half-year were (in thousand square yards, with 1959 comparisons):—Australia 23,936 (26,768); South Africa 21,931 (20,212); Nigeria 16,948 (11,769); New Zealand 14,706 (12,912); Rhodesia and Nyasaland 10,922 (9,996); Ghana 10,768 (9,866) and the Belgian Congo 9,676 (6,773).

Concern Over Imports

The fact scarcely needs underlining that several of these major consumers of Lancashire cloth are, for the most part, in the troubled continent of Africa. Current events in these areas can hardly fail to have an important bearing on trade of this kind, particularly with European associations. Australia retains her position as the leading consumer of Lancashire-made cotton yarn having absorbed 4,653,000 lbs. during the half-year, as against 3,665,000 lbs. Only Canada among other countries bought more than one million lbs., having taken 1,365,000 lbs., as against 1,608,000 lbs. Other customers include New Zealand 907,000 lbs., the Irish Republic 847,000 lbs. and Pakistan 728,000 lbs.

While exports are just about holding their own, the import position continues to give cause for dismay in many directions. Arrivals of all types of foreign cotton cloth, either for retention in the home market or re-export, increased from 240,494,000 square yards in the first half of 1959 to 354,594,000 square yards this year, reaching an aggregate of more than double comparable shipments abroad. The cost of imports of cotton yarns and manufactured goods rose from £20,258,011 to £31,892,536.

Grey cloth imports for the half-year were some 85 million square yards higher than in 1959, the total being 291,031,000 square yards. They included 128,950,000 square yards from India, as compared with 80,140,000 square yards, and 22,029,000 square yards from Pakistan, as against 7,023,000 square yards. Purchases from Hong Kong decreased during this period, being only 44,388,000 square yards, as against 70,696,000 square yards in the first half of last year. In contrast, arrivals from "other foreign countries," believed to be mainly European in origin, advanced abruptly from only 6,244,000 square yards to 49,578,000 square yards.

Finished fabrics arriving from foreign sources also displayed a sharp upward tendency, being almost doubled at 63,563,000 square yards, as against 35,011,000 square yards. Imports of cotton yarn, too, were appreciably higher at 19,281,000 lbs., as against 11,248,000 lbs.

Lancashire millowners are being urged by the Manchester Cotton Association to arrange for shipments of raw cotton to be sent direct to the Port of Manchester, as part of a campaign to stimulate this business. "Over the years, there has been a good response to this call from spinners who realise the advantages of having their cotton brought to an efficient modern port, close to their mills," an official of the Association said. "In most seasons well over half the United Kingdom's imports of United States cotton come to the Port of Manchester."

The Lancashire cotton industry is now using raw material shipped from a very wide range of sources all over the world. The Association points out that nearly all these growths could be brought directly to Manchester. Spinners are urged to stipulate clearly "Shipment to Manchester," or at least, "Manchester preferred." "If enough spinners are insistent upon this point, regular savings can be introduced, even from places where the quantities of cotton involved are relatively small," the spokesman added.

Inbred Skills Not Enough

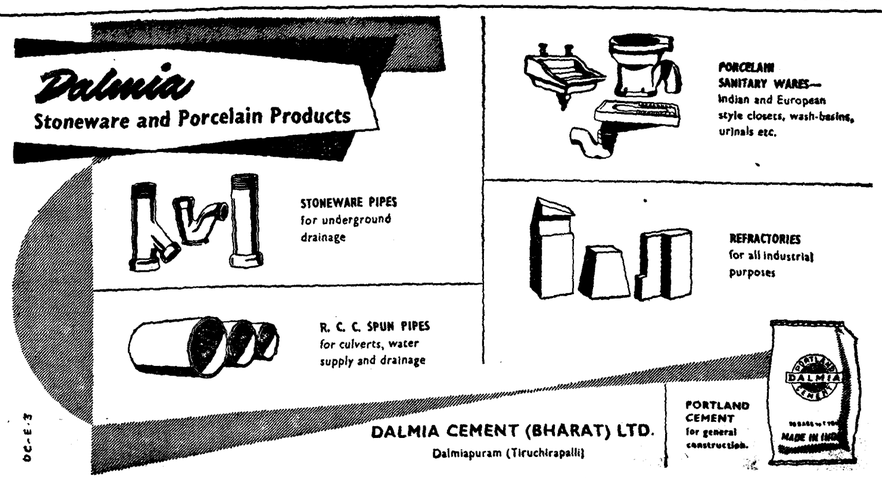
The Lancashire textile industry will have more and more need of scientific methods as the years go by, Sir Raymond Streat, former Chairman of the Cotton Board, told the annual meeting of Shirley Developments Ltd., the non-profit-making company set up to develop Lancashire textile machines. Sir Raymond, who is the Chairman, said that, as new fibres and new processing techniques become available they would stand or fall on one thing—the production at an economic cost of a product of the required quality. "The inbred skills which our operatives and managements possess will not suffice unless supplemented by instruments and machines which can deal with an ever-growing complexity of material and product." Sir Raymond said that he looked forward to an industry which would clamour for better methods and would be quick to take them up.

Another Russian Order

A Soviet order for £1,750,000 of textile machinery has been secured by Platt Brothers (Sales) Ltd., the Lancashire firm which is a subsidiary of Stone-Platt Industries. The contract brings the total value of Russian orders booked in the last few weeks to almost £2,500,000, for, earlier this month, a Soviet order for machinery worth £700,000 for producing synthetics was placed with the firm.

A large part of the equipment to be manufactured under the terms of the latest contract is for a complete worsted spinning plant which will be supplied by Platt's associate company Prince-Smith and Stells, Ltd., of Keighley. The contract covers, in addition, worsted finishing machinery and units of cotton spinning machinery. The machinery will be manufactured at Keighley, Accrington, Oldham, Morley and Huddersfield. Delivery will start early next year.—*All Rights Reserved.*

Sharp rises in the use of man-made fibres have highlighted a general rise in world consumption of apparel fibres in the past decade. This is revealed by the U.N. Food and Agriculture Organisation in a recent study, *Per Capita Fibre Consumption Levels* 1948-58. World consumption of apparel fibres rose from 8,848,000 metric tons in 1948 to 13,432,000 tons in 1958, representing a rise of 52 per cent. Consumption of synthetic fibres rose from 34,000 tons in 1948 to 423,000 tons in 1958, a rise of as much as 1,300 per cent.



COTTON SUPPLY POSITION

SHORTAGE LIKELY TO PERSIST IN THE NEXT SEASON ALSO

THE Standing Committee of the Cotton Advisory Board, which met at Bombay on the 5th inst., under the chairmanship of Mr. Ramnath A. Podar, discussed, *inter alia*, the present cotton supply situation and the supply prospects for the next season beginning on 1st September. Although full details of what transpired at the meeting are not available, it is understood that the Committee recommended liberal imports of cotton in the next season also, even if the crop turned out to be a good one. One report has it that the Committee suggested a firm figure of 900,000 bales of 400 each as the quantity to be imported during the next season.

Various measures for the enforcement of ceiling prices were discussed. Among them were: (1) prevention of hoarding of *kapas*, (2) survey of all cotton before it is delivered to mills, (3) allocation of quotas periodically to equate the demand to the available supplies during a particular period and (4) requisitioning of stocks. It was suggested that the enforcement measures should be announced before the season commenced and that they should be energetically implemented.

The Committee's recommendations were based on a detailed assessment of the present cotton supply situation and the probable trends in the next season. The Committee is reported to have estimated the carryover at the end of the current season at 1.4 million bales, comprising 1.05 million bales of Indian cotton and 350,000 bales (of 400 lbs. each) of foreign cotton, as compared with 2.07 million bales (1.85 million bales of Indian and 160,000 bales of foreign cotton) at the beginning of the present season. This estimate, it may be noted, is, if anything, on the high side. According to trade circles, stocks are not expected to exceed 1.22 million bales, made up of 857,000 bales of Indian and 360,000 bales of foreign cotton. Thus, in his speech at the last annual meeting of the East India Cotton Association, held a few days ago, Mr. Madan Mohan Ruia, President, gave the following figures:

(000's omitted)

	Indian	Foreign	Total
Supply:			
Carryover on 1st September 1959—			
With mills	12.79	1.60	14.39
With trade	5.68	..	5.68
Estimated crop	37.50	..	37.50
Estimated imports	..	8.50	8.50
Total availability ..	55.97	10.10	66.07
Distribution:			
Estimated consumption	44.75	6.5	51.25
Consumption other than by mills ..	.65	..	0.65
Estimated exports	2.00	..	2.00
Total ..	47.40	6.5	53.90
Carryover as on 1st Sept., 1960 ..	8.57	3.60	12.17

The Committee's suggestion that, imports would have to be allowed on a liberal scale during the next season is based on estimate of the probable mill requirements of cotton. Since some mills are expected to work extra shifts and increased spindleage, the total mill requirement of cotton is estimated at 5.4 million bales, of which 600,000 bales would be of staple length 1-1/16" and above, as compared with the estimated consumption of 5.12 million bales during the current season. Building up of stocks, which at the end of the season will be the lowest on record since Partition, to last season's levels will require at least 800,000 bales. Thus, to bring the supply position back to normal, fresh supply during the season should be of the order of 6.2 million bales. Even if the crop were to be a good one of, say, 5 million bales, imports to the tune of nearly one million bales would still be necessary, and that, too, after taking into account the import quota that would, in any case, remain unutilised at the end of the current season.

This points to the need for announcing the Government's import policy sufficiently early for the 1960-61 season, so that mills can plan their production and make purchases as and when the price trends in the world market are favourable. Past experience has shown that delayed and ill-timed quotas have cost the country dearly in terms of dearer cotton and larger foreign exchange outlay. Official action is often unrelated to market trends, with the result that much avoidable loss is incurred by the industry, in particular, and the country, in general.

The current season's experience has clearly brought out the need for advance planning of imports. Import quota announced during the season is of the order of 1.78 million bales, as against the normal imports of 600,000 bales, while the decline in the season's crop is of the order of one million bales as compared with the previous crop and 1.45 million bales as compared with the record crop raised in 1957-58. However, actual imports from the beginning of the season till 23rd July, aggregated only 738,037 bales, that is, just over 40 per cent. Even allowing for the accelerated shipments this month, imports might not exceed 815,000 bales for the whole season. Thus, actual arrival of foreign cotton during the season would be less than 50 per cent. of the quantity permitted. If the import announcements had been prompt and if shipments had been facilitated, perhaps, the shortage would not have assumed the acute form it took in the recent past and prices would have stayed at more reasonable levels.

Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, explained in the *Lok Sabha* on Monday why the Government could not act sufficiently early. He said that, on the basis of information given by the Ministry of Food and Agriculture, his Ministry could not anticipate such a precipitous fall in production as had occurred in the current season. Secondly, there was the problem of foreign exchange and it was difficult to persuade the Finance Ministry to sanction additional exchange.

This explanation, though belated, neither reflects credit on the policy-making machinery of the Government; nor does it give any solace. Could not something be done to enable the Ministry of Agriculture to estimate the size of the crop earlier than it does now and with a greater degree of accuracy? In fact, the Ministry does not seem to have any factual basis of its own for advice at all. The current season, will end by this month, theoretically, and sowing operations for the new season have advanced considerably. Still, no official estimate is as yet available as regards the size of the crop for the 1959-60 season. The latest official estimate is the fourth all-India estimate which gives only acreage and not production. It is a pity that the Governments, Central and State, with their agricultural departments and scores of officers, should have to rely on estimates by private trading firms which obviously have small resources and much limited facilities.

As regards the difficulty of persuading the Finance Ministry to sanction sufficient foreign exchange, it can only be said that better understanding and co-ordination of thinking of the two Ministries should improve the situation.

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ALL INDIA GENERAL INSURANCE COMPANY

FURTHER RISE IN PREMIUM INCOME

FURTHER improvement in the aggregate net premium income is disclosed by the audited accounts of the All India General Insurance Company Ltd. (Joint General Manager: Mr. P. V. K. Shanmugam, Bombay) for the year ended 31st December 1959. The combined net premium income in the three departments, namely, fire, marine and miscellanous, rose from Rs. 12.96 lakhs in 1958 to Rs. 14.64 lakhs in 1959. Another noteworthy feature is that, thanks to cautious underwriting, the marine department, which showed a loss of Rs. 23,854 in 1958, was in the black during the year under review, with the accounts showing a small profit of Rs. 507. The miscellaneous department, however, continued to be in the red in 1959 also. But, due to better experience in the fire department, which made up to some extent the adverse results of the miscellaneous portfolio, the profit level is maintained at the previous year's.

Portfolio-wise, net premium in the fire department amounted to Rs. 8.69 lakhs. Net claims paid and outstanding aggregated Rs. 2.70 lakhs. Net commission and expenses were of the order of Rs. 4.85 lakhs. After transferring a sum of about Rs. 4 lakhs to the reserve for unexpired risks, being 46 per cent. of the premium, a sum of Rs. 65,043 has been transferred to the profit and loss account.

Net premium in the marine department aggregated Rs. 1.12 lakh and net claims paid and outstanding amounted to Rs. 55,109. Commission and expenses worked out to Rs. 50,176. After earmarking a sum of Rs. 1 lakh (90 per cent. of premium) as reserve for unexpired risks, the account shows a small surplus of Rs. 507.

In the miscellaneous department, net premium stood at Rs. 4.83 lakhs. Net claims amounted to Rs. 2.36 lakhs and net commission and expenses added up to Rs. 2.77 lakhs. After setting apart Rs. 2.22 lakhs as reserve for unexpired risk, being 46 per cent. of premium, the account shows a deficit of Rs. 74,768.

After crediting (a) Rs. 35,369, being interest and dividends, (b) Rs. 6,555 being profits of the fire and marine departments and (c) miscellaneous receipts of Rs. 1,055 and after debiting expenses of management, aggregating Rs. 18,664, not applicable to any fund or account and the loss of Rs. 74,768 from the miscellaneous department, the account shows a net profit of Rs. 8,543 to which is added Rs. 12,398 brought in from last year, making a total of Rs. 20,941. The whole of this amount has been carried forward. No dividend has been paid for the year under review also.

The capital and funds of the company as at 31st December 1959 aggregated Rs. 20.43 lakhs distributed as under:

	Rs.
Capital paid-up	10,00,000.00
Fire Fund	3,99,965.95
Marine Fund	1,00,808.00
Accident and Miscellaneous Fund	2,22,257.82
Capital Reserve Account ...	2,196.55
Investment Reserve Account ...	2,96,596.95
Profit and Loss Appropriation Account	20,941.30
Total ...	20,42,766.57

Mr. Podar's Speech

Reviewing the salient features of the working of the Company during the past year, Mr. Ramnath A. Podar, Chairman, observed, in his speech at the *sixteenth annual general meeting* of the Company, held at Bombay on Monday the 8th inst., as follows:

"I shall now make a few general observations about the working of the Company during last year.

"The total gross Indian and foreign premium income written by the Company amounted to Rs. 19,85,818 in 1959, as against Rs. 15,38,833 in 1958. The total expenses of management incurred during last year was Rs. 7,80,885, as against an expenditure of Rs. 5,88,033 incurred in the previous year. Every effort is being made to reduce expenses wherever possible, but, due to the prevailing market conditions, on the one hand, and the increase in the cost of living on the other, much headway could not be made in the matter of reduction of expenses.

"Coming to the departmental accounts, you will notice from the fire revenue account that there is an increase of over Rs. 79,000 in the net premium income written in the department.

"In the marine department, the current cargo rates, although slightly firmer than in the past, are still unrealistic. Keen competition continues to keep rates down to an almost uneconomic level. We are writing this class of business in a very restricted way.

"The net premium income written during 1959 in the accident department showed an increase of over Rs. 86,600 when compared to last year. The claim experience in this department still continues to be unsatisfactory. In fact, there was a deterioration in Ceylon during last year. Necessary measures are being taken to curtail our activities in that country with a view to avoiding further losses.

"You would notice from the accounts that, in accordance with the undertaking given under the Code of Conduct to the Executive Committee of the General Insurance Council, we have provided 46 per cent. in the fire and accident departments and 90 per cent. in the marine department as reserves for unexpired risks; as a result of this provision and due to the rise in the premium income written during last year, there is an increase of about Rs. 1,09,000 in the reserves for unexpired risks as compared with 1958. We are progressing satisfactorily in the development of our business. In spite of the curtailing of certain activities, we are able to show sizable increase in our gross and net premiums in all the departments. I am sure the results of the year under report will be considered satisfactory.

"One important event that occurred in the general insurance industry was the reduction of the fire rates, which came into effect early this year. It is early to say how this is going to affect small and medium-sized insurers like ourselves. Let me, however, hope that the reduction will not materially affect our working.

Banks' Attitude

"I would also like to refer to another matter of common interest to the general insurers, that is, about the acceptance of their policies by banks and other financial institutions. Some of the credit institutions insist on insurance companies lodging with them Government or other securities of certain amount for inclusion of their names on the approved list. It is regrettable that, in spite of the fact that insurance companies have to make a statutory deposit under the Insurance Act and they have also to satisfy the solvency test prescribed under the Code of Conduct, State and commercial banks operating in the country continue to take up this attitude even now. Insurers should have the utmost liquidity of their funds in their hands for meeting any emergency and the locking up of funds with banks is a handicap to their normal working and a hindrance for their further advancement. It is common knowledge that insurance and banking go hand in hand and it is very essential that, for the development of both insurance and banking, these important adjuncts to the national economy work in close harmony. I, therefore, fervently hope that the authorities concerned in the banking industry, both in the private as well as public sector, will reconsider their attitude towards their sister credit institutions and extend their fullest co-operation, which is very essential for the growth of industry and trade in the country.

"Gentlemen, you all know the third Five-year Plan is now before Parliament. As with the first and second Five-year Plans, emphasis has been truly laid in the third Plan on industrialisation, with a view to increasing production and raising the standard of living of the masses. Insurers have to play their part in this task of nation-building activity. We can, therefore, look forward to the future with confidence as with the increasing tempo of economic activity under the third Five-year Plan, there will be enough opportunities for development of the business of the Company.

"Let me now thank all the officers and staff for their co-operation. I also express my grateful thanks to all our valued clients, agents and field workers for their continued patronage."

UNION CO-OPERATIVE INSURANCE SOCIETY LTD.

CHAIRMAN'S REVIEW OF ACTIVITIES

THE Eleventh Annual General Meeting of the Union Co-operative Insurance Society Ltd. was held at Bombay on 28th June, 1960. Addressing the shareholders on this occasion, Mr. J. L. Mehta, Chairman, observed, *inter alia*, as follows:

"GENTLEMEN,

"Your Directors have great pleasure to submit their eleventh report on the working of the Society for the year ended 31st December 1959, together with the audited revenue accounts, balance-sheet and prescribed statements.

"In the year under review, the Society tried to intensify its activities in the new areas where offices were opened last year. The Society has also tried to expand its activities in the States of Assam and Kerala with the active support and guidance of co-operative institutions, co-operators and the departmental heads.

New Branches

"The new branches of the Society, which were opened during the years 1958 and 1959, are strengthening their position and we are sure that, within a very short time, those branches would compete in efficiency and business with our old units.

"The year under review, in the opinion of the Directors, has been uniformly satisfactory. Efforts are being made to intensify our activities in the States of Assam, Bihar, Punjab, U.P. and Mysore. We are sure, with the increased effort, we will be able to reach large number of societies and give them quick and efficient service. The Directors regret to inform that, in spite of repeated efforts, the Government of Bombay has still not decided about the business of co-operative sugar factories.

"We have pleasure to inform that during the year under review, Mr. D. N. Desai, our Manager and Secretary, was sent as a delegate to the International Co-operative Alliance, Insurance Section, meeting. He also attended the International Marine Conference as a delegate. The contacts made during the tour with various co-operative insurers and other organisations would definitely help the Society in reorganising the existing reinsurance arrangements and obtaining facilities in underwriting new classes of business."

Cattle Insurance

Giving analysis and the statistics of the working of individual departments, the Chairman said that during the year the Society issued about 24,000 policies and the net premium income underwritten amounted to Rs. 10,16,000. ..."You will welcome a change in our policy. The Society has started underwriting cattle insurance business on pilot basis this year. The marine insurance business for the second year was satisfactory. The net profit amounted to Rs. 2,46,000.

"The Directors propose to raise the dividend to 6 per cent., free of income-tax, for the current year, as also to recommend a higher rate of bonus to policyholders. We propose the bonus be paid at the rate of 14 per cent., subject to tax. We are still making every effort to make the bonus tax-free.

"The Directors also wish to record their appreciation of services rendered by the Manager, office staff, branch managers, organisers and other field workers."

THE MOGUL LINE

Under an arrangement recently concluded, the British India Steam Navigation Co. Ltd., and the Asiatic Steam Navigation Co. Ltd., both subsidiaries of the P. & O., sold their controlling interest in The Mogul Line Limited to the Western Shipping Corporation at a price of Rs. 360 per share. It was not possible at that time to afford similar opportunity of sale to the minority shareholders and their position has been under consideration by the P. & O. group. In order to place the minority shareholders on par with themselves, the P. & O. group now propose to make an offer to all the shareholders in the minority group to purchase from them approximately 80 per cent. of their holdings at a price of Rs. 360 per share. This will mean that all shareholders will have been given the opportunity of realising their holdings on similar terms, since after the purchase of shares now proposed by the British India and the Asiatic from the minority shareholders, the P. & O. group will be left with the same proportion of their original holdings as that left with the minority shareholders.

MUST SUGAR EXPORTS BE ALLOWED?

SOME VITAL CONSIDERATIONS

ONCE again, the issue of sugar exports has come to the fore, thanks to two important developments. One, the American Embassy at New Delhi is understood to have asked the Centre whether it can release some sugar for export to the U.S. in order to make up a part of the loss in supply following the cut in import quota for Cuban sugar. Two, a few leading sugar millowners of North India are believed to have urged the Union Food and Agriculture Ministry to take advantage of this opportunity of earning some extra foreign exchange for the country. Their plea, it would appear, is based on the ground that, since the international prices of sugar have registered a notable rise in recent weeks, India should certainly not miss this chance of exporting sugar without much loss to the country. Every ton of sugar sold to foreign countries is expected to yield more than Rs. 400. Exports of sugar at this juncture, so goes the argument, will not lead to any shortage of supplies for domestic consumption, because the sugar factories are carrying heavy stocks. In support of this view, the following figures are cited:

(In thousand tons)

	1959-60	1958-59
Opening stocks	174	336
Production	2,425	1,918
Total supplies ...	2,599	2,254
Exports	Nil	19
Supplies available for domestic consumption	2,599	2,235
Actual consumption	2,022*	2,061
Closing stocks as on 31st October	577*	174

*Estimates only.

N.B.—The total quantity of sugar actually held by mills on 30th June 1960 stood at 1,224,000 tons, as against 833,000 tons a year before.

The North Indian sugar millowners are also believed to have informed the authorities that the supply position will be even more encouraging in the next season (November 1960-October 1961). For they expect the coming season to witness a further notable increase in sugar production, following the Government's incentive scheme, expansion in the crushing capacity of the industry, and prospects of large sugarcane crop as a result of the rise in the area sown to the crop. They confidently point out that, inasmuch as the supply of sugar during 1960-61 will be appreciably higher than what is actually required to meet domestic requirements, the Government can now conveniently announce its decision to permit exports.

Pressure of Demand

No one will underrate the importance of earning foreign exchange from sugar exports, however small it may be. The question, however, is whether the country can afford to take a sudden plunge towards exports in the present context. It is true that the closing stocks of sugar with mills at the end of the current season (31st October 1960) will be quite sizable even after meeting the requirements of the 250,000-ton buffer stock which the Union Minister for Food and Agriculture has been wanting to build. But it is doubtful if these stocks will be sufficient to take care of the normal stocking requirements of the trade, assuming that the Government abolishes all controls on distribution and prices of sugar; as it is, there are hardly any stocks of sugar in the pipeline now. This aspect has to be specially stressed, because the pressure of demand for white sugar will definitely increase when there is free movement of the commodity from one place to another and no control is imposed on its price. The pressure will be all the greater in the coming years, in view of the rising trend of population, greater purchasing power in the hands of the people and growing preference for white sugar *vis-a-vis* brown sugars (*gur* and *khandsari*) as a result of urbanisation. It will not be out of place to state here that adequate provision should be made for a possible increase in the consumption of sugar, if its price is brought down to a reasonable level, as, indeed, it must be.

Viewed thus, it is not surprising that the Planning Commission itself has ruled out the question of sugar exports. The production target of three million tons (to be reached in 1965-66) fixed in the draft outline of the third Plan will not be sufficient to meet the estimated consumption needs. Even, according to the conservative estimate of the Development Council for Sugar Industry, the domestic consumption will be three million tons, made up of 2,506,000 tons for a population of 480 million at the existing rate of consumption plus 214,000 tons to cover increase due to changes in dietary habits and 251,000 tons to meet the demand emerging from the rise in the purchasing power of the people.

Be that as it may, so far as the coming sugar season is concerned, it is premature to forecast the trend of white sugar output. For that would depend not only on the size of the sugarcane crop harvested but also on the level of *gur* and *khandsari* prices. The acreage under cane may be larger than in the current season, but the actual yield will be influenced by climatic conditions. If there are heavy rains and floods in the next two months, a large part of the cane crop in States like Bihar and Uttar Pradesh will be seriously damaged. The one effect of such damage to the crop will be a marked rise in prices of *gur* and *khandsari*, the manufacturers of which will compete with the sugar mills for the available supplies of cane. In other words, the pace of crushing operations in mills will be slowed down.

Prices Must be Reduced

The Government of India should think of allowing exports of such an essential article of food as sugar only after assuring itself that the domestic consumer would get regular and adequate supplies of sugar *at a reasonable price*. We have advisedly italicised the words "at a reasonable price," inasmuch as the consumer of sugar has already made and continues to make a heavy sacrifice to nourish the development of the sugar industry. For nearly two decades, the consumer paid very high prices in the name of protection. After the sugar industry was deprotected, he thought that sugar prices would come down. But they did not, because the Government stepped up the tax burden under the pretext of finding funds for economic development. It is this heavy tax impost, together with the irrational policy of fixing cane prices on the basis of weight alone irrespective of quality considerations, that has been responsible for the continued high prices of sugar. Is the consumer not justified in asking for a reduction in prices now that the supply position has improved perceptibly?

Before the Government of India thinks of allowing sugar exports, it will have to examine very carefully all the issues mentioned above. For any hasty decision taken in the matter will be fraught with highly unfavourable consequences. It will be recalled that, two years ago, although this journal opposed the plan for building up an export trade in sugar and advocated, instead, the building up of a buffer stock to take care of possible shortfalls in production in any year for reasons beyond control, the authorities persisted in their attempts to export sugar through persuasion and compulsion on the manufacturers. No doubt, the actual exports were small, but the Government's policy had a psychological bullish effect on prices. Moreover, since Indian sugar prices are higher than world prices, sugar exports will be possible only at the cost of the exchequer as well as the domestic consumer. The Centre will have to grant full remission of excise duty on sugar exported, while the States will have to forgo the cess on cane used for producing sugar exported. On top of these remissions, a sizable subsidy will have to be given in the form of higher internal prices the incidence of which will fall directly on the consumer.

No Real Surplus

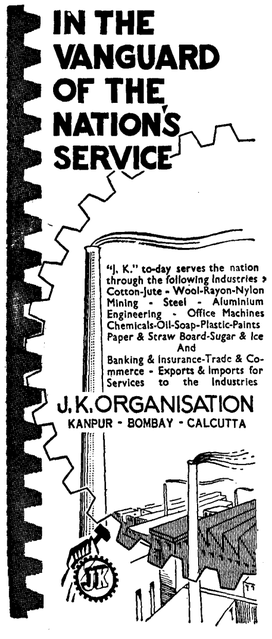
Some, however, point out that the loss on exports of sugar to the U.S. will not be as heavy as in the past, for the price payable by that country will, according to them, be the same as that paid to Cuba which is some 2.25 cents per lb. above the world free market price. Even so, the proposition is not attractive enough to miss the chance of building up buffer stocks and giving the industry, trade and consumer freedom from vexatious controls. Only four weeks ago, we stated in these columns that India had no *real* surplus of sugar for export, nor would it have any for some years to come. Nothing tangible has happened in the interval to warrant a change in that view.

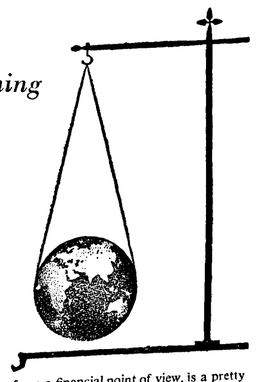
Those sugar millowners who are in favour of export of sugar may have their own reasons. Some of them may genuinely place the need for earning foreign exchange above that of the domestic consumer. If export is to be given that high priority, then they must be prepared for the continuance of controls, not of the existing variety, which is so loose that consumers in three-fourths of India are not getting even their minimum needs at controlled prices, but of a more stringent variety under which every one can have a little sugar at the price fixed by the Government. This would mean country-wide rationing, with all its concomitant evils *plus* the cost of administering such controls. Only if the Government and the people are ready for such a sacrifice and physical discomfort can an export of 150,000 tons to 200,000 tons be allowed. But are they prepared to accept these conditions? There are, however, some other sugar millowners who think that production in the coming season would go up so substantially that, unless an export outlet were found, there would be a surplus large enough to depress sugar and sugarcane prices to such an extent as to generate a cycle of lower production in the succeeding seasons. This fear is unwarranted, for the surplus will by no means be so heavy as all that. If prices of sugar go down, consumption will certainly look up and reduce the surplus. If, even then, there is a large undisposable surplus, there will be time enough to send some sugar to foreign countries. In any case, the risk of attaining a surfeit of sugar is worth taking for a country like India, already suffering from a high level of prices and falling purchasing power of the rupee, but not the risk of scarcity.

EXCISE ON SUGAR

The total revenue derived by the Union Government from levies on sugar other than *khandsari* and *palmyra* during the financial year 1959-60 amounted to Rs. 58.77 crores, as against Rs. 59.71 crores in the previous year. While collections of excise duty went up from Rs. 48.73 crores in 1958-59 to Rs. 49.78 crores in 1959-60, those of additional excise duty declined from Rs. 10.98 crores to Rs. 8.99 crores. According to 1959-60 Budget estimates, collections were placed at Rs. 57.4 crores. comprising excise duty of Rs. 44.72 crores and additional excise duty of Rs. 12.68 crores. Excise duty collections on *khandsari* sugar, however, fell much below expectations to Rs. 41.79 lakhs in 1959-60, as against Rs. 1.46 crore estimated in the Budget. Out of the actual excise duty collections from *khandsari* in 1959-60, excise duty accounted for Rs. 38.67 lakhs and additional excise duty for Rs. 3.12 lakhs, as against Rs. 1.28 crore and Rs. 18 lakhs, respectively, estimated in the budget.

Two important results of research on sugarcane in Bihar will be of great use to farmers in the State, according to the Directorate of Extension, Ministry of Food and Agriculture. First, the crop planted in autumn (October-November) not only yields higher than the spring (February-March) crop but also gives better quality canes; the autumn-planted crop gives at least five tons more of cane. Secondly, the best doses of fertilisers to be applied are 60 pounds of nitrogen and 75 pounds of phosphoric acid for sugarcane in North Bihar and 80 to 100 pounds of nitrogen with 60 pounds of phosphoric acid in South Bihar.





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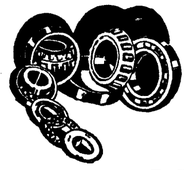

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HENCE PLANNED POPULATION IS THE ANSWER

By Dr. S. Chandrasekhar

FROM the national point of view, the problem of family planning can be expressed in the form of four propositions—a kind of syllogism: (1) Our national level or of living in terms of food, clothing, housing, education, health and cultural amenities is very low; and everybody, from the President and Prime Minister down to the man in the street and the peasant in the village, is agreed that we should somehow raise this low level. (2) Our overall national death rates—infant mortality, maternal mortality and adult mortality rates—are incredibly high as compared with those of even certain backward countries in Europe and Latin America, not to speak of countries such as Australia, New Zealand, Holland and Scandinavia which have the lowest mortality rates. Here also, all of us are agreed on the need to reduce this high death rate. Once we do this through better public health and better diagnostic and curative medical services, more hospitals, doctors and wonder drugs, we shall prevent millions from dying (a very necessary task indeed) and add huge numbers to the existing population. (3) Our national birth rate is relatively high and the reasons for this are fairly well known. We add about six and a half millions every year to our population, that is the net annual addition. (4) The problem now is this: How can we raise the standard of living (which means more of everything—services and goods—for everybody) and cut down our death rate (which means saving more people who in turn will have babies) when we are unable to support the major part of the existing population even at a poor level of living, if, at the same time, our population continues to increase by about six and a half millions every year. It is realised that this formulation of our population problem is an oversimplification, but the true dimensions of the problem are something of this order. The answer, however, is simple. We cannot lower our level of living any further. We cannot raise out death rate and thus kill off more people! This is unthinkable. We can only stop the torrent of births, which means, of course, family planning.

The Ideal and Definition

Why then is the family planning habit not widely spread in our country? The prospects are bright with the present substantial support from the Government, but our low standard of living constitutes a great handicap. The present diaphragm and jelly method, involving a preliminary clinical consultation is by and large unavailable, and expensive and beyond the means of the average mother. It must be realised that a majority of our wives and mothers live in rural huts, far away from any clinic, doctor, running water, sanitation, and above all, far away from even the few rupees that are needed. Some of the middle and upper middle class families who can afford conventional contraceptives are using them. But, for the masses, what is needed is a cheap, reliable, harmless and acceptable contraceptive such as an oral or a biological one. We have today the foam tablets and these deserve a serious examination and experimentation. All that is needed is research into an ideal contraceptive from the point of view of Indian needs, particularly in the rural areas, on the one hand, and education and propaganda, on the other. A band of devoted workers, doctors, nurses, social scientists and educators are needed to carry this message to those of our mothers who suffer from improvident maternity.

Our ideal should be happy homes, of husbands and wives with two or three children, above the poverty line, and assured of the irreducible minimum decencies of civilised life. Let us remember that political freedom without economic amelioration or social security is a mockery.

What is family planning? The want of a precise definition and the lack of an understanding of the implications have led to a considerable amount of misunderstanding and unnecessary controversy. Family planning or planned parenthood or birth control or better conception control is a simple and yet revolutionary human device that separates the two basic human (and animal) impulses—the desire for mating and the desire for offspring. If human beings want mating as well as its natural consequence. children, both impulses work harmoniously and there is no problem. But sometimes, for economic, health or social reasons, people do not desire children, though they do not want to abstain from mating. If people yield to their desire for mating, they have to take their chance of offspring, wanted or unwanted. If they try to be governed by the desire not to have children, they have to face the renunciation of sex gratification. Children that you do not want or no sex pleasure that you do want! Birth control or family planning resolves this dilemma.

The dilemma need not arise at all or can be resolved through celibacy (perpetual *Brahmacharya*),postponement of marriage to a late age, moral restraint or continence (married but not mating), abortion or infanticide (both criminal); but these do not constitute birth control or family planning as the term is understood today.

Scientific birth control means contraceptives. Contraceptives are primarily of two kinds—mechanical and chemical. And a combination of these two methods (diaphragm and jelly) constitutes the best contraceptive technique yet known and is used all over Europe and America; in fact, all over the world. This method enables a couple to limit the number as well as space births.

Besides this, there is also the permanent method of conception control. This is achieved by a simple operation on the father (vasectomy) and a rather major operation on the mother performed usually after a delivery (salpingectomy). Once the father or the mother undergoes this operation, the couple cannot have any more babies at all. The reversal of this operation is well-nigh impossible.

Then there is the rhythm or the safe period method of birth control. Here there are no mechanical or chemical devices. Therefore, no expense is involved. All that is needed is a knowledge of the time of ovulation in the wife, and, having discovered her unsafe period, the wife must abstain from sexual intimacy during that time; that is, intimacy is restricted to the safe period, when the wife is temporarily sterile. The success of this method implies a certain amount of moral restraint which is not undesirable. But, unfortunately, it is difficult to calculate accurately the safe period and the inherent element of uncertainty renders this method unreliable.

Now that family planning has been defined, it will be seen that the usual uninformed criticism levelled against it becomes meaningless.

What is the need for family planning? The answer to this question can be given from two points of view—individual and national. A couple may want to space and limit the number of children for a variety of reasons. Since every husband and wife want to give the best they are capable of to their children and as they cannot afford (in our present economic context) to do this for six or eight children, they would like to have no more than two or three. Relative poverty or a low level of living and the desire for a better level are the major reasons. Secondly, the health of the mother may be poor or even bad and another pregancy may mean serious disability, if not death. In such cases, birth control is clearly indicated. There may be numerous other valid reasons, peculiar to each couple, for limiting the size of the family and in all such cases family planning is the only answer.

FAMILY PLANNING IN THIRD PLAN

From small beginnings during the first Plan, the family planning programme has expanded, so that, by 1961, there will be 676 urban centres and 1,121 rural centres engaged in family planning. The programme has been reviewed in detail by a special committee set up by the Ministry of Health to make proposals for the Third Plan. The committee's suggestions cover a large field, including the contents of programme, the agency for implementation, financial implications and issues such as, the place of sterilisation in family planning, the role of voluntary organisations, the production and supply of contraceptives and other aspects. These proposals are, at present, under consideration. Subject to the requirements of the detailed programmes, which may be formulated at this stage, an allotment of Rs. 25 crores had been proposed for family planning. Broadly, it is proposed to intensify and extend the present programmes, the main emphasis being on the following aspects: (1) wide-spread education to create the necessary social background for a large family planning programme; (2) integration of family planning activities with the normal health services; (3) provision of family planning services, including facilities for sterilisation, through medical and health centres and facilities for distribution of contraceptives; (4) development of training programmes in medical colleges and other teaching institutions; and (5) utilisation in the family planning campaign of local voluntary leadership to the largest extent possible.

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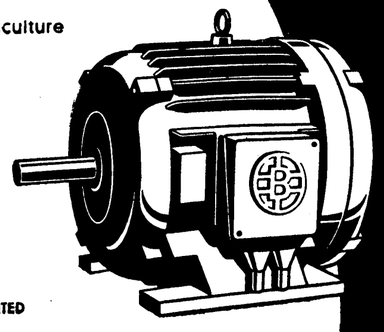

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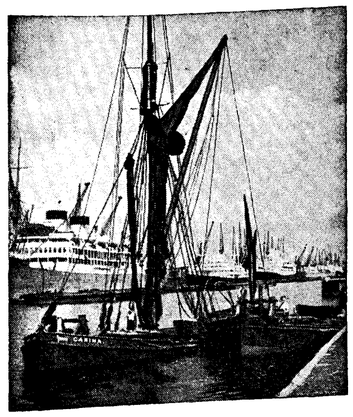

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WORLD RESOURCES OF ENERGY

PROBLEMS OF GENERATION AND TRANSMISSION OF POWER IN LESS DEVELOPED AREAS

IT has long been known that there is a direct relationship between a country's national income and its *per capita* consumption of energy. Indeed, material progress is determined chiefly by the way the resources of energy are harnessed and applied. In an interesting and comprehensive article on world energy resources, contributed to the July issue of the *Far East Trade*, Mr. E. W. Golding, the chief of the Rural Electrification and Wind Power Department and Overseas Liaison Officer of the U.K.'s Electrical Research Association, has discussed the pattern of distribution of energy resources, production of electrical energy and problems of development of power in less developed areas. The article, in addition to its being a valuable contribution to the understanding of this complex subject, is particularly notable for the reason that it assumes little technical knowledge on the part of the lay reader.

Natural Sources

Mr. Golding prefaces his article with a description of the chief sources of energy. All the sources of energy, from which power is produced, are natural. They are the gifts of nature and can be regarded as national assets of first importance. They are: fossil fuels (coal, peat, oil, and natural gas); other fuels (wood and organic wastes); radioactive materials; hydraulic energy (from lakes and rivers, from the tides and waves), geothermal (heat from the earth) and atmospheric (solar radiation, wind, etc.). These sources of energy vary widely in their distribution throughout the world, in their characteristics and in their convertibility to forms of power which are usable, e.g., electric power. Africa has nearly 40 per cent. of the water power, and North America 40 per cent. of the coal reserves, while Australia has less than one per cent. of the water power and South America only one-tenth of one per cent. of the coal. As for the ease of conversion to electricity, coal has to be used to raise steam for a steam turbine which drives an electric generator, a waterfall drives a water-turbine-generator set, while solar radiation can (although the process is at present very expensive) produce electricity directly by photo-voltaic effect. The efficiencies of these conversions are, for a large modern coal-fired station, 30 to 35 per cent., for a hydro-power station 80 to 85 per cent. and for a photo-voltaic conversion about 15 per cent.

To form an impression of the relative degrees of effectiveness of different power sources, a man can do mechanical work at a rate roughly corresponding to that absorbed by an electric reading lamp (60 watts) so that, in a full year, he might be expected to have an energy output of some 150 kw.h. The energy contained in 1 lb. of coal is about 3 kw.h. and in 1 gallon of water at (say) a height of 1,000 feet there is a potential energy of just under 0.004 of a kilowatt-hour. Taking into account the efficiencies of conversion just mentioned, therefore, the work of a man for a full year can be produced by burning about 150 lbs. of coal in a thermal power station or by drawing down some 50,000 gallons (or 228 cubic metres) of water from a height of 1,000 feet. It is interesting to consider the efficiency of man himself, viewed as a machine. If we take his daily input of food as equivalent to 2,600 kilocalories (accepted by nutrition specialists as an average requirement), this is, in turn, equivalent to 3 kw.h. per day or 1,100 kw.h. per year. We have already taken a man's yearly output of useful work (of a purely mechanical kind) as 150 kw.h., so that his average 'machine' efficiency is 150/1,100 or just under 14 per cent.

Total Reserves

It is clear, from the very different characteristics of these resources of energy and the wide variation in the degrees to which these resources have been surveyed in different countries, that no exact assessment of their total can be made. Nevertheless, sufficient is known, on a world scale, to permit reasonable estimates of world energy resources to be made. In 1958, the probable total of world's coal reserves was placed at 4,033,000 million tons and of proved reserves at 935,000 million tons; for different continents, the respective totals (in million tons) are: Europe 1,501,000; 516,000—Asia 1,099,000; 9,000—Africa 47,000; 23,000—N. America 1,367,000; 380,000—South and Central America 2,000; 1,000 and Oceania 17,000; 6,000. The probable total of brown coal and lignite reserves in the world is 753,000 million tons and of proved reserves 109,000 million tons, while the probable total of peat is 119,000 million tons. World production of coal (including coal equivalent of brown coal and lignite) in 1958 was 2,110 million tons, including 1,252 million tons in Europe, 381 million tons in Asia, 43 million tons in Africa, 398 million tons in North America, 6 million tons in South America and 28 million tons in Oceania. Petroleum oil has been found in some 60 countries, but not always in significant quantities in all of them. About one-fifth of the earth's land surface is potentially oil-bearing and, of this, some 40 per cent. lies in the American continent, 30 per cent. in the U.S.S.R. and 15 per cent. in the Middle East. The approximate proved reserves of crude petroleum are 35,706 million tons; at the 1958 rate of production, their life is computed at 41 years. In 1958, world production of crude petroleum aggregated 904 million tons, of which North and Central America accounted for 40.5 per cent. Middle East and North Africa for 23.7 per cent., the U.S.S.R. and Eastern Europe for 13.9 per cent., and South America for 18.0 per cent. World production of natural gas in 1958 was 346,000 million cubic metres, of which the U.S. alone accounted for 312,000 million cubic metres.

Wood

At the beginning of the nineteenth century, wood provided over 90 per cent. of the world's energy needs. An estimate of the total area of the world's forests is 15 million square miles. World consumption of wood is placed at 45,000 million cubic feet per year, or an equivalent of 4,000 million tons of wood. Probably, 30 per cent. of the annual consumption is used as fuel. Because of its bulky nature, wood must be used close to its source; it is not very efficient, because of its low calorific value and high moisture content, and is often burned inefficiently.

The two fuels now regarded as most important for nuclear power production are the isotopes of uranium and thorium. Seven parts of the fissile isotope, uranium 235, are found in thousand parts of the natural metal. Nucleii of the remaining uranium 238 are non-fissile but are transformed into nucleii of plutonium isotopes which are fissile and can be used as a nuclear fuel. Another nuclear fuel, uranium 233, is produced by a breeding process from non-fissile thorium 232. One gram of material undergoing complete fission could release 24 mega-watt hours of heat. World reserves of uranium have been estimated to lie between 2 million and 10 million tons and those of thorium probably exceed 500,000 tons. Thorium occurs extensively in India, Canada, Australia, South Africa, Madagascar, the U.S., Brazil and areas of South-east Asia.

The quantum of electrical energy produced varies from country to country; so does the proportion of hydro power to the total power. Further, annual production of electrical energy is always less than the installed capacity. A 1,000 kw. plant could, if it were in continuous use throughout the year (8,760 hours), produce 8,760,000 kw.h. of energy. But this continuity is virtually impossible. Even though the demand for energy might justify full production, some "stand-by" capacity must always be installed to cater for periods of overhaul or of breakdown in service. When an electrical system is supplied from a mixed power plant, a combination of hydro and thermal power, there are usually good reasons for limiting, or controlling, the annual period of each plant. Lack of rainfall or of reservoir storage may be one of the reasons. Thus, the term "load factor" is important. This is the ratio of the actual total annual production of energy to that which would have been produced had the maximum power output (or maximum power demand on the system) been continued steadily throughout the year. The "load factor" varies from one system to another, but, as a general average figure, it can be taken as 0.5 or 50 per cent. World net installed capacity in 1958 was about 448 million kw., of which North America accounted for 178 million kw., Western Europe for 131 million kw., the U.S.S.R. for 53 million kw., Eastern Europe for 25 million kw., Asia (Middle East) for 2 million kw. Asia (Far East except Japan) for 11 million kw. and Japan for 18 million kw. Hydro-power forms some 30 per cent. of the total installed capacity. This proportion varies from a high of 58.5 per cent. in Japan to zero in South Africa. For other regions, the proportion of hydro-power to the total (in percentages) is: North America 24.9; South America 49.0; Western Europe 38.0; Eastern Europe 15.5; the U.S.S.R. 20.5; Oceania 32.8; Africa (except South Africa) 42.0; Asia (Middle East) 17.0; Asia (Far East except Japan) 21.0.

Consumption

There is a great disparity in the capacity of electric power available for the use of the population in various regions. This varies from 0.01 kw. (or 10 watts) in the Far East to 0.92 kw. (or 920 watts) in North America—a ratio of 1 to 92—and the world average is 0.16 kw. (or 160 watts) *per capita*. World consumption of electrical energy aggregates 1,836,000 million kw.h. (1958 figures); North America accounts for 821,000 million kw.h., Western Europe for 443,000 million kw.h., Eastern Europe for 111,000 million kw.h. and the U.S.S.R. for 233,000 kw.h. The annual consumption in kw.h. per head of population in different regions is: North America 4,276; Western Europe 1,517; Eastern Europe 867; the U.S.S.R. 1,131; Oceania 2,154; South Africa 1,500, Asia (Middle East) 79; Asia (Far East, except Japan) 27; Japan 924. While the more industrially advanced parts of the world have *per capita* consumption of 1,000 kw.h per annum or more, Africa and Asia (including South Africa and Japan) use well under 100 kw.h. per head. The total population involved in these areas of low consumption is just over 1,700 million, or 60 per cent. of the world's total population. Of the three sets of data, presented below for different groups of countries, the first represents average *per capita* consumption of electrical energy (in kw.h.), the second *per capita* annual income (in U.S. dollars) and the third a ratio derived by dividing annual *per capita* consumption by annual *per capita* income:

Canada, Luxembourg, Norway, Sweden, Switzerland and the U.S.A.	4,313	1,978	2.2
Australia, Austria, Finland, New Zealand, U.K. and W. Germany	1,900	923	2.06
Belgium, France, Italy Japan, Netherlands, and S. Africa	1,098	470	2.3
Denmark, Ireland, Israel, Puerto Rico, Spain and Trinidad	600	450	1.33
Argentine, Chile, Mexico, Portugal, Rhodesia, Nyasaland, and Yogoslavia	327	246	1.33
Algeria, Belgian Congo, Brazil, Lebanon Morocco, and Venezuela	149	161	0.92
Colombia, Equador, Ghana, Philippines and Turkey	79	169	0.47
Ceylon, Guatemala, India, Kenya, Nigeria, Peru, Tanganyika, Thailand, and Uganda	27	65	0.42

From the ratios of average annual consumption of electrical energy to average annual income, it can be seen that, in the groups for which the average consumption of electrical energy is high—over 1,000 kw.h. per head—this ratio is slightly over 2. This means that, in the more developed countries, people use 2 units of electrical energy for every dollar they earn. There is then another series of groups for which the ratio is round about 1, followed by those groups with a very low energy consumption when the ratio falls to under 0.5. This low ratio can perhaps be explained by the fact that, with very low incomes, people have to spend their little money on food and other absolute essentials with nothing to spare for electricity.

Transmission

Closely allied to the problem of generation of electric power is its transportation. In countries which are less advanced industrially, and in which the demand for electricity is at present mainly for domestic and agricultural purposes, the population is usually not evenly spread; there are heavy concentrations of people in a few large towns, while the rural areas are thinly populated. In such countries, power stations of relatively small capacity are established in the main towns, with a local network extending outwards into the country for a few miles, but there is no "grid" or interconnecting network linking those towns and therefore no possibility of electricity supplies being provided for the area as a whole.

Research on the high-voltage transmission of power has been very active during the last two or three decades. In the U.S., in Sweden, France and other European countries, electrical networks are operating at voltages up to 380,000. The possibilities of using up to 800,000 volts or even higher are being studied, and there is little doubt that transmission at these very high pressures will become possible before long. These transmission lines carry alternating current, but direct-current transmission, on which much research has been done since World War II, has some advantages for very

(*Continued on page 319*)

NEW PRODUCTS AND PROCESSES

Burglar-proof Electronic Lock

A NEW burglar-proof electronic lock for the bank strongroom or the safe in office or home has been made and patented by the experts of the United Kingdom Atomic Energy Authority. It is a good many years now since the now commonly-known combination lock was produced. But even with these locks the burglar knows how to go about the job. Now, the electronic locksmith has come into the picture. A rectangular panel carrying 12 press buttons is all that one would see if this lock were on a home safe or bank strongroom. To open the lock, all one needs to do is to press four of the buttons, in pairs and ignore the other eight. But which four, and how? Immediately you press a wrong one an alarm goes off! The combined odds against pressing the right two pairs are 4,356 to one. Even if by a miracle one presses the right pairs in the right order, the alarm goes off! That is because there is a pre-set time lag between the pressing of the buttons. If an oxy-acetylene cutter is used the heat reaches some ingenious contrivance and, once again, the alarm goes off!

Paint Hardener

A solventless liquid epoxide resin hardener system, which enables paint coatings of 0.010 inch to 0.015 inch thick to be produced in a single application, has been developed by a British manufacturer, Bakelite Limited, 12-18 Grosvenor Gardens, London, S.W.I. The coatings can be applied to structural steelwork, most metals, wood and concrete. Pigments can be incorporated in the system, and tests have shown that the hardener cures the resin under widely varying conditions of temperature and humidity, to yield tough, hard and chemically resistant films. On vertical surfaces the minimum amount of drainage occurs. Films incorporating the new compound will harden overnight under normal atmospheric conditions. The firm claim that the result is achieved by their particular mixture of a resin mixture with a hardener, but an important point to remember is that once the two have been mixed the pot life—as with the conventional solvent-containing epoxide coatings—is comparatively short; the mix must be used within 1½ to 3 hours depending on the quantity mixed and the ambient temperature. Both the resin and the hardener are comparatively new materials and it is not possible at this stage to specify shelf life, but they expect this to be approximately one year from the time of manufacture, in countries abroad, including those with hot climatic conditions.

New Life for 'Panting' Lakes

The use of compressed air for oxygenating the water in lakes, where far-reaching pollution is threatening to destroy fish and plant life, has been tried out in Sweden, according to a report by Atlas Copco, leading compressed-air specialists. The method resembles that adopted for keeping channels ice-free, pioneered by the company and now in use in such countries as Canada, and the United States. The experiment was carried out by Mr. Leif Bruneau of the Water Protection Bureau of the Federation of Swedish Industries, in a small lake which had gone sour. The dissolved oxygen content of the water was 0 per cent. Water with an oxygen content of less than about 17 per cent. will not support fish or plant life. Compressed air was introduced into the lake through a perforated plastic hose 500 metres long, which was laid at full length on the lake bottom from a rowing boat. A small air compressor consuming 8-10 h.p. supplied the air. After less than three weeks the dissolved oxygen content of the water had risen to 57 per cent. and new plant life was beginning to establish itself. One hazard to be guarded against is the release of hydrogen sulphide which may be present in the lower levels of stagnant water. To forestall this hazard, the water as a whole and particularly the bottom level should be carefully examined before the compressed-air method is tried. The results obtained to date are reported to have been so encouraging that the method will be tried in a number of Sweden's "panting" lakes. While emphasising that the case for compressed air should not be overrated, Mr. Bruneau says that he considers the method to be most useful in solving acute problems of pollution, especially if it precedes the construction of an efficient sewage purification plant.

Cation Exchange Resin

Regarded as the first important advance in the synthesis of cation exchange resins since polystyrene resins became available in 1946, Amberlite 200 is a standard sulphonated styrenedivinylbenzene copolymer, claimed to have remarkable chemical and physical stability built into the polymeric structure. It has been developed by the Rohm and Haas Company, of Philadelphia. Stability has been achieved by important changes in resin synthesis which are not related to the simple modifications hitherto employed for improving the physical and chemical stability of ion-exchange resins. Advantages appear to lie particularly in the prevention of decrosslinking of resins in the treatment of water supplies. Other advantages apply to the hot lime-zeolite process, the rejuvenation of plating solutions, sugar processing, and mixed-bed deionisation. It is also recommended in the treatment of highly aggressive solutions where high operating temperatures occur.

Asbestos Fire Protection on Steel Beams

Following the revision of B.S.S. 499, which makes allowance for greater working stress in beams, alternative forms of fire protection cladding have emerged as substitutes for dense concrete on steel beams. The Joint Fire Research Organization of the United Kingdom recently tested Asbestolux, an asbestos insulation board made by Cape Building Products Ltd., as a fire protection cladding for a steel stanchion 8 in. x 6 in. under load. The column was prevented from collapsing for 2 hours, and allowed the manufacturer to evolve specifications giving degrees of fire protection ranging from half to 4 hours. The system involves ¾ in. or 1 in. Asbestolux board cut on site to fit the steel section, allowing ¼ in. for horizontal cover fillets. The casing is fitted together and screwed at the edges with 2½ in. woodscrews or No. 8 P.K. At cross joints, ¾ in. cover fillets are inserted to prevent flame penetration at these points. The screw holes can be filled and rubbed down, leaving the surface ready for decoration immediately after priming.

Non-woven Fabrics

Non-woven fabrics, which first appeared about two years ago in the U.S., are now making their way into new fields of use. The fabrics are somewhere between a loom-woven cloth and felt. The textile fibres are matted together with a resin to hold them, rather than being beaten into a thick mat as in felting. The cost is low enough so they can be discarded after use. New uses for the non-woven fabrics include towels for hands, cloth for equipment cleaning, and a specially treated, flannel-like material for furniture polishing and dusting. The latter is treated with a fire-retardant material and a germicide.

Plastic Films with Metallic Coatings

Plastic films with metallic coatings are now being produced by E. S. and A. Robinson, Redcliffe Street, Bristol, a company engaged mainly in the packaging and paper converting fields.

The film is being marketed following two years of research into problems of metallisation —a technique of depositing a very thin layer of aluminium or other metal on to a component or surface of a material.

Metallised materials now available include unplasticised p.v.c. film, cellulose acetate film and cellulosic films and both packages and display material can be made from these. It is thought, however, that there will also be applications for the coated materials in industry generally.

Research is also continuing into methods of producing metallised papers. This, the company says, is still a difficult subject although some labels for cans have already been produced on a commercial basis.

One of the major problems to be overcome, it is added, is the maintenance of exacting standards in paper production as even a slight "gassing" of the paper can destroy the high vacuum necessary for efficient deposition of the metal.

New Steel-making Process

A new process which will, it is claimed, produce one ton of steel in half the time it has been possible to produce this previously, by means of the open-hearth production process, is being developed in Britain. Preliminary tests which have been carried out with the new process are said to have shown that about 100 tons an hour of high-quality steel can be produced from a 400-ton open-hearth furnace, as compared with 40 tons using conventional open-hearth techniques. Previously, the use of special oxygen-feed devices called "oxygen lances" have yielded increases in the speed of processing, to yield outputs of up to 40 and 60 tons per hour from a 400-ton furnace. The addition of burned lime in place of the usual limestone has led to further increases, and in some tests as much as 60 tons per hour of high-quality steel has been produced from a 200-ton furnace. Eventually, it is expected that markedly greater increases in both time of output and quantity of output will be achieved. The steel produced is said to have the same rolling and fabrication qualities. While the new process is still in an experimental stage, it is expected that it will be applied on a commercial basis in the fairly near future.

Cigarette by the Million

An advanced British cigarette making machine manufactured by Molins Machine Company Ltd., Evelyn Street, London, S.E. 8 turned out 13 million American cigarettes during the recent British Fair in New York. The American public saw how their cigarettes are made and packed and were surprised, it is said, to learn that the majority of their cigarettes are made on machines invented and made in Britain. The greatest impact on the spectators was the realisation of the ingenious devices, electronic and mechanical, that are embodied in these machines to achieve and maintain the quality of the cigarettes they produce.

Small Quench Furnace

New, smaller furnace equipment, built as an economic unit for firms with a smaller volume of work, has been produced by EFCO (Electrical Resistance Furnace Company, Ltd.), Netherby, Queens Road, Weybridge, Surrey. The equipment, which includes an atmosphere generating unit, and a small-size horizontal closed-quench furnace, is the type which is most essential in hardening processes where the quenching has to be done without exposure to air. It is mainly applicable to manufacturers of small gears, wheels and other small engineering parts. The new furnace, which is in design similar to the larger furnaces, accommodates a work basket 14 ins. long, 8 ins. wide and 8 ins. high. It occupies a floor space of 9 ft. 3 ins. by 3 ft. 9 ins., it has a working height of 3 ft. and requires a head room of 7 ft. 10 ins.

The controlled-atmosphere equipment will include an endothermic atmosphere generator with an output of only 100 cu. ft. an hour, and a mixer for the precision mixing of gas and air for use in atmosphere generators. The brazing paste applicator is a single unit designed to save time, labour and material when applying brazing materials used in paste form. It consists of a sheet metal cabinet housing a foot switch, air line and a paste container, and providing a working surface 3 ft. high. It is arranged for connection to a compressed-air supply. The paste is forced through a nozzle, mounted vertically above the top of the cabinet, by the operation of the foot pedal.

Storing Grains in Balloon

It often happens that it begins to rain when mountains of grain lie unprotected at threshing floors. An interesting solution of the problem has been suggested by Soviet engineers. Before the rain starts, a huge balloon is inflated and the grain is loaded into it by an air pump. When the thunderstorm breaks out all grain already lies safe in the balloon. Soviet collective farms and State farms, it is said, will be able to purchase such inflatable grain storages when harvest time comes. Made from a waterproof fabric, each of them holds up to 500 tons of grain. In the future, their capacity will be increased to 3,000 tons. Inflatable grain storages, which are very cheap, will enable peasants to save large amounts of materials used for building temporary shelters. They will be especially handy in the former virgin lands of Kazakhstan and Siberia, where extensive tracts of steppe land are sown to wheat.

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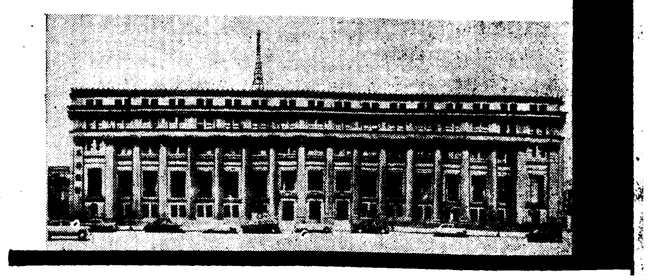

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TAX EVASION AND TAX AVOIDANCE

REASONS AND REMEDIES

By R. K. DALAL, B.Com., F.S.A.A., F.C.A.

THE subject of tax evasion and tax avoidance always looms large in any enactment dealing with taxes, for, just as to love and be wise is not given to man, so also to pay taxes and be elated is not given to any taxpayer.

What one does not like to pay, one avoids. And one tries to do so—

(1) by forging an income,

(2) by avoiding within the four corners of the law, and

(3) by infringing the law by malpractices.

The first category of avoidance is an avoidance which cannot be helped nor attacked. Neither the Government nor the society is in favour of such *fakirs* who will not own an income, nor pay any taxes.

The second class of avoidance results by the person so arranging his affairs within the four corners of the law that, while remaining within the law, he avoids its incidence. It is an ingenuity which the Government has to combat with not by odious epithets, but by plugging the loopholes or tightening up the provisions.

The last is the most obnoxious manner of tax evasion. It must be condemned out of hand as fraud, deserving the most drastic measure to curb, crush and kill. No Government worthy of its name can tolerate such flagrant abuse of law.

The very idea of evasion seems to create panic in this country. Evasion is everywhere in the world as an aftermath of war. Even in the best governed countries such as the U.K., the amount of evasion is colossal, as can be seen from the following quotation:

"The report of the Controller and Auditor General, Sir Edmund Compton, on Appropriation Accounts for the Revenue Department shows that investigations during the year ended 31st March 1958, into underassessment resulting from fraud and evasion of taxes on income and profits led to the discovery of £21,529,264, involving 14,593 cases."

And yet the U.K. Government has not enacted any such drastic provisions in the law as we find enacted under our Income-tax Act.

In any discussion about tax evasion and avoidance, one must not overlook the wide distinction between the two terms, namely, avoidance and evasion. Avoidance, as I have already mentioned, is legal. Evasion is illegal. Avoidance involves an exercise of ingenuity and is, therefore, commendable. Evasion involves a practice of fraud which is condemnable. One is justified, the other is not.

The Distinction

This reminds me of an incident that happened in the Legislative Assembly of the Government of India in pre-independence days of the British rule. The Income-tax Bill, 1939, was piloted through the Legislative Assembly by Sir James Grigg. Our Governor, Sri Prakasa, who was then one of the members of the Congress Party, rose from his seat and asked a very bold question: "May I inquire of the honorable member whether it is not a fact that all the best laid schemes of tax evasion and avoidance originated in his country?" and pat came the reply after a dramatic pause: "Yes, I agree. But in my country it is an art, here it is a business!"

Therefore, another fine distinction between tax avoidance and evasion is that, while one is a fine art, the other is a sordid business.

Coming to the causes of tax evasion and avoidance, I cannot help mentioning that one of the primary causes of tax evasion is very high, unconscionable rates of taxation. The rates are high and harsh. There is double taxation of the same income. There is taxation on accrual and also on its disposition in case of companies. Besides, tax is levied on unreal incomes, an income which does not exist apart from the paper it is written upon, because an assessable income is an income full of disallowables and incomes which are not really incomes. But the law disregards them as such.

The next cause to my mind is the very complicated provisions of the Act, for instance, Section 44D. If I may be allowed to mention a personal incident as regards this particular provision, it is this:

I had an occasion to consult a very leading British counsel of the Bombay Bar on the implication of this section. At the conference, the counsel read the provision twice or thrice and he found it so complicated that he murmured, in undertones of course, "What the hell does it all mean?" If a leading counsel of several years' standing has to utter these words, you can understand the feeling of an ordinary person trying to understand the Income-tax Act.

Unjust Provisions

Another cause to my mind is the several unjust provisions enacted in the law. Take, for instance, Section 10(2) (vii) which permits, by way of deduction, the difference between the sale price of an asset and its written down value. To this is attached the proviso that, when the sale price realised is higher than the written down value, then it shall be deemed to be profit of the year in which the asset is sold. To the proviso is added a very significant qualification, namely, "whether the business is carried on or not." The implication of this qualification is that, if the asset is sold after the business has ceased and a loss is suffered, the assessee will not be allowed the deduction on the ground that, since the business is closed, Section 10(1) is not attracted and, if Section 10(1) is not attracted, there is no deduction contemplated under Section 10(2). But, if the asset fetches a profit, the Government does not want to lose the tax thereon. Hence the precaution through the proviso "whether business is carried on or not." Is not this provision absolutely one-sided?

Another section, namely, 23A contemplates the factual distribution of assessable income. As I pointed out, assessable income is not real income such as always can be distributed, and yet the law says that, if you do not distribute something which is not distributable, you shall be punished, because you have failed to do the impossible.

Take another section, 2(6A)(e), under which, if a 23A company gives a loan to its shareholders, then to the extent of the accumulated profits possessed by the company, it shall be deemed to be a dividend and tax collected accordingly. Notwithstanding that the whole of such accumulated profits has been subjected to tax in the hands of one shareholder, it is capable of being subjected to tax again for the same amount when another loan next year is granted to another shareholder. In the words of the statute: "A company still continues to hold and possess the accumulated profits."

Do you call this a fair and just provision or a provision enacted only with an eye to revenue? It is only in the Income-tax Act that you find such unjust and unfair provisions. Look at Section 17 of the Estate Duty Act. Here, if a deceased has acquired shares of a company by transferring his assets, upon his death his estate shall be deemed to have possessed not only the market value of shareholding, but, according to Section 17, proportionate net assets of such a company as determined by the ratio of shareholders' average benefits over the average profits made by the company during the previous three years. Inasmuch as the benefits form part of the numerator, the benefits increase the numerator not only by benefits which have been actually received but which could have been received and have not in fact been received. Very often the numerator exceeds the denominator, with the result that the whole of the net assets of the company are deemed to have been passed on to the estate of the deceased. It is not an imaginary case I am quoting, but a factual one where the market value of the investments of a deceased shareholder was Rs. 7 lakhs and the actual value of net assets deemed to pass on his death was computed at Rs. 48 lakhs.

Lame Excuse

When I suggested to the Direct Taxes Enquiry Committee a modest amendment by way of a proviso on the lines of the proviso already existing under Section 44D of the Income-tax Act, namely, that the above section shall not apply if an assessee is able to satisfy the Estate Duty Officer that the transaction has not been tainted by any motive to avoid or reduce taxation, their reply was: "Look at our references. Such a question is beyond the terms of our reference." Yet this Committee had no compunction to suggest numerous amendments to the existing Income-tax Act, with a view to checking evasion or to bringing in a larger revenue.

The next cause is the general atmosphere of suspicion. Suspicion begets suspicion. Honest and dishonest assessess are suspected alike, with the result suspicion has greatly reacted upon the Department, as it can be seen from the fact that a higher officer suspects the lower and the lower suspects the tax-payer. Thus, the vicious circle goes on round and round.

Again, too many and too drastic penal powers, have been given to the officers on the ground that they need them to fight evasion. They have only encouraged abuse and corruption, instead of discouraging these evils.

Remedies

Briefly, the remedies that suggest themselves to my mind are as follows:

1. Make the laws simple. Scrap unjust provisions.
2. Learn to distinguish between honest and dishonest assessees.
3. Show by conduct that you are 'servants' and not "masters" of the public.
4. Create confidence in the taxpayer by fair treatment, by guidance, even if he is unaccompanied by tax consultants.
5. Administer the law in the spirit, not literally.
6. Do not be too anxious to punish—be too anxious to do justice—even if it be stretching a point or two in favour of the taxpayer.
7. Lastly, cases should not be reopened merely on suspicion, hearsay evidence or informers' instigation, but on tangible evidence in possession of the Department.

It is really a very good suggestion to educate the public by a campaign showing that all the taxes collected have been gainfully employed. But the following two quotations culled from the papers do not make encouraging reading:

"According to Mr. Sultan Alam Khan, Deputy Minister of Uttar Pradesh, only Rs. 92 were spent during the current financial year out of a total allotment of Rs. 56 lakhs for development of backward areas of the State. But, according to the Audit Report 1960, the losses due to embezzlements, remission of revenue and infructuous expenditure came to Rs. 98 lakhs in a single year, 1958-59."

Again—

"The Audit Report 1960 of the Bengal Government placed before the West Bengal Legislative Assembly on 4th April 1960, by the Chief Minister, B. C. Roy, lists 40,633 items of objections, the maximum being against the Food Department. The total value of 893 items alone comes to Rs. 25,06,91,000."

In conclusion, let me say that the Government must not get panicky at tax evasion. They must not mix up evasion with avoidance and deal with both in the same way. Reduce tax levels to make for incentive to earn and save honestly. Administer the law fairly and squarely, not with an eye always to collect taxes. Practise vigilance on expenditure. Show that revenue collected is gainfully employed and not embezzled or misappropriated or wasted. Study the problem in all its practical aspects, always conferring with the taxpayers' representatives and enact laws which are workable and are not harsh or arbitrary, based upon budget exigencies.

If only this attitude is accepted, one would soon see a change of heart both among the tax-payer and the tax-gatherer—a consummation devoutly to be wished by every man who has the interest of his country at heart.

(*Continued on page 319*)

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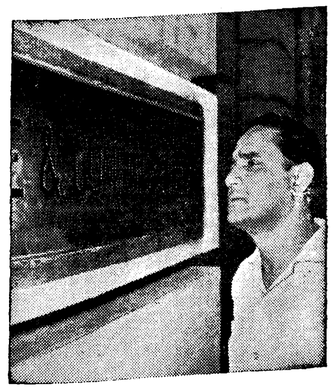

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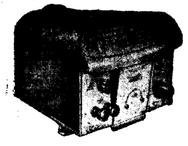

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WAGE BOARD FOR INDUSTRY

A CORNERSTONE IN THE DEVELOPMENT OF HARMONIOUS RELATIONS

By P. C. Roy

THE draft outline of India's third Five-year Plan envisages the extension of the principle of setting up of wage boards in industries according to circumstances. The institution of wage boards for individual industries as a more effective machinery than the industrial tribunals for the settlement of industrial disputes was suggested by the Planning Commission at the time they formulated the wage policy for the second Five-year Plan. Dwelling on the merit of the wage board system, the Commission observed:

"Statistics of industrial disputes show that wages and allied matters are the major source of friction between employers and workers. The existing machinery for the settlement of disputes, namely, the industrial tribunals, has not given full satisfaction to the parties concerned. A more acceptable machinery for settling wage disputes will be one which gives the parties themselves a more responsible role in reaching decisions. An authority like tripartite wage board, consisting of equal representatives of employers and workers and an independent chairman will probably ensure more acceptable decisions. Such wage boards should be instituted for individual industries in different areas."

Wage Boards Abroad

Wage boards had their origin in Australia, where, in 1896, the first wage boards were formed in the State of Victoria. Known as Special Boards, these bodies of employers and workers, with an independent chairman, were instituted in certain industries noted for sweating, with a view to affording protection to the workers employed in these industries. The success of the system led to its adoption in other Australian States. In 1909, the wage board system was adopted in England, followed later in the United States, Canada, Norway, South Africa and many other countries. In essence, it is a convenient way of bringing the representatives of workers and employers round a table, in order to resolve the conflict in a democratic manner and attain agreement between them by consent without compulsion on either side.

The wage boards normally determine the wage rates, after mutual agreement, and the rates become effective, generally, with the consent of the Government or the central authority which appoint them. In most of the countries, the practice is to appoint one board for each trade which fixes uniform wage rate in that trade throughout the country, though France, Germany, Norway and the Argentine have district boards, which recommend suitable wage rates for different districts, keeping in view the disparities which prevail in each geographical or economic region. The Government appoints a wage board, only when it chooses to do so, though very often representations from workers, employers or other interested sections influence the decision of the Government. In England, under the Wages Councils Act 1945, the Minister of Labour and National Service may act on his own initiative or the approach may come from a Joint Industrial Council. In either case, he refers the proposal to a Commission of Enquiry, before making a Wages Council Order to establish a new Wages Council. In the U.S. and Canada, there is a Permanent Commission which makes its own survey of employments and occupations and appoints a wage board wherever necessary on the basis of the findings made by the survey. It would also be arguable to say that there may be cases, where the workers are unorganised and sweated and the demand for a wage board may never be made. In such eventuality, the initiative and responsibility for setting up a wage board rest as a matter of course with the Government.

Composition and Functions

The composition of the wage board is more or less the same in different countries. The board usually consists of an equal number of representatives of employers together with independent members, one of whom is appointed to act as chairman. While the employers and workers have an equal say in the deliberations of the board, the independent chairman acts as an impartial guide and helps in arriving at a settlement. The number of representative members in some countries is fixed by the law itself. Sometimes, the maximum and the minimum limits only are prescribed. In England, membership consists of representatives of employers and workers in equal numbers, with not more than three "independent members," one of whom is appointed to act as chairman. The Minister is the appointing authority for all the members. The independent members are normally drawn from the legal profession, university professors and social workers, but the Minister has the right to choose anyone he considers suitable.

The law is not uniform in respect to the qualifications of representative members. In the Australian States, the law enjoins that the members must belong to the trade for which the board is to fix the wage rate. In England, "the Ministry endeavours, in so far as possible, to secure persons who are capable of speaking with direct and personal knowledge of (1) the principal centres and districts in which the trade is carried on; (2) the principal types or sections of work in the trade; (3) the principal grades of work in the trade, and (4) male and female workers separately." In Norway, the law, though not so rigid, provides that the representative should "as far as possible" belong to the trade in which the Board is intended to operate. The workers' and employers' representatives have no choice in selecting a chairman, because, in such eventuality no common agreement is likely to be reached. The chairman is a nominee of the Government either nominated from among the impartial members or a Government official. On occasions, a judge is appointed to act as chairman in France.

The primary function of the wage board is to fix wage rates, while other allied problems such as hours of work, holidays with pay, payment for a guaranteed week, sub-standard workers, etc., constitute the subsidiary functions. From country to country, the duties and powers entrusted to the boards vary. In Australia, the law itself prescribes the wide powers to which the boards are entitled. In the U.K., on the other hand, the Wages Councils Act 1945 merely lays down that they will only recommend measures to the Minister, relating to fixing the remuneration to be paid and the holidays to be allowed by the employers.

Merits and Demerits

The chief advantage of the wage board system lies in bringing together the representatives of the employers and workers for an amicable settlement on an equal footing. Persuasion, instead of coercion, provides opportunities to discover a meeting ground for supposedly hostile interests, often without the assistance of the nominated members. Speaking from his personal experience of the Australian system, Professor Hammond said:

"In spite of the fact that the meetings of the Boards are at times the scenes of outbreaks of passion, angry and insulting words passing back and forth across the table, there can be little doubt that the representatives of both parties go away from these meetings with an understanding of the problems and difficulties which the other side has to meet, which is usually lacking in trades where collective bargaining is not resorted to."

The wage board system is better than the fixed wage system. It looks into the wage rates of a particular industry, taking into account its capacity to pay and, at the same time, makes allowance of conditions of living obtaining in the region or regions in which the particular industry is situated. It is definitely better than the arbitration court system as a preventive measure, because the latter operates after the disputes has actually taken place, while the former meets before the zero hour reaches and suggests remedies, so that no contingency is likely to occur in future.

The drawback in the wage board system, however, stems largely from the determination of varying wage rates for different industries by separate wage boards. Workers as a class come to nurse a feeling of being discriminated against. A sense of heart-burning prevails, when workers of a particular industry receive less in wage than those working in another in the same region, as a result of the wage board dispensation. This is, however, an avoidable situation. If the wage boards operating in different spheres hold discussions regarding the wage rates they were to fix, there is, by and large, a likelihood of a uniform policy of wage regulation to emerge, making allowance for the dissimilar conditions obtaining in different industries. The wage boards have also been criticised for their lack of power to implement their recommendations. The boards are under the control of the Government and the rates fixed by them cannot be effective, unless approved by the Minister. In England, the Minister of Labour presides over the destiny of the wage councils in many ways. This defect was sought to be mitigated in America and Canada, where Central Commissions, consisting of employers', workers' and public representatives have been set up, vested with full powers and responsibilities.

Wage Boards in India

The principle of setting up tripartite wage boards for select industries, as recommended in the second Five-year Plan, was accepted by the Government of India and the wage board for the cotton industry was set up on 30th March 1957. Besides an independent member, the board consisted of six members, two each to represent the employers and workers connected with the cotton textile industry and two independent members. On the same lines, wage boards were formed for sugar (26th December 1957) and cement (2nd April 1959) industries. The boards were required to work out a wage structure on the principle of fair wages, as set forth in the Report of the Committee on Fair Wages (1949). It is evident that the wage board system has begun to strike root on the Indian soil. The Industrial Committee on Jute considered the question of setting up a wage board for the jute industry at its meeting held at Calcutta on 11th December 1959 and recommended the appointment of a wage board, which the Government of India have since agreed to. There have been suggestions for institution of wage boards for plantations, mines other than coal, engineering, iron and steel, chemicals and other industries.

The tripartite wage board for cotton textile industry, which submitted its report to the Government of India on 1st December 1959, divided the industry into two categories. The first category included the mills in Bombay City and island (including Kurla), Ahmedabad, Baroda, Billimora, Navsari, Nadiad, Surat, Phagwara, Hissar, Delhi, Modinagar, Calcutta city, the Madras State and Bangalore, while the mills in other centres were grouped in B category. Mill workers in the first category were to get an increase at the average rate of Rs. 8 per month with effect from 1st January 1960. The corresponding increase in the second category would be Rs. 6. Mill workers in both the categories were to be given a flat increase of Rs. 2 per month from 1st January 1962. The dearness allowance was linked with the cost of living index in all centres and in case any centre had no such cost of living index, the index of the nearest centre was to be taken for that purpose. The board also recommended that the merger of dearness allowance with basic wage in each mill should take place at an index which would be equal to three-fourths of the average dearness allowance of the first six months of 1959 and the remaining 25 per cent. of dearness allowance will continue and shall have a flexible character as a link with the rise and fall in the future cost of living. In lieu of the benefits, the board urged that there should be no claim for further revision of minimum wage by the employers and workers for a period of five years from January 1960 and progressive modernisation and rationalisation would take place without retrenchment and loss of earnings to the workers.

The wage board for cement industry in their report submitted in October 1959, recommended a total minimum wage of Rs. 94 per month for an unskilled worker. After deducting Rs. 3 as value of amenities provided by the employers, the balance of Rs. 91 is as follows:

Basic minimum wage	...	Rs. 52.00 nP
Dearness allowance	...	Rs. 31.50 nP
House rent allowance	...	Rs. 7.50 nP

An additional Rs. 7 was recommended for centres in Gujarat and Saurashtra, where the cost of living is higher.

The cement industry made out a *prima facie* case that it has not the capacity to pay as recommended by the board at the existing retention prices of cement. The Board sought to overcome the difficulties by suggesting these three following ways:

(1) increasing the price to the consumer;
(2) reducing the State Trading Corporation's profit and
(3) lowering the excise duty.

It, however, was not in favour of increasing the price of cement to the consumer and wanted the Government to decide from which source the extra expenditure was to be met.

The Government of India were in complete accord with the Textile Wage Board recommendations and urged the employers, workers and State Governments to take immediate steps to implement the recommendations. The emphasis was, once again, on discussion and persuasion in getting over the difficulties in implementation. The State Governments were to assist in ironing out differences between workers and employers in each mill. The Union Government also decided to appoint a National Tribunal to resolve any dispute, regarding the grant of dearness allowance in terms of the wage board. Should there be any serious difference of opinion in regard to interpretation of the recommendations or in implementation of the recommendations, the promise of setting up a suitable machinery was held out. The millowners in Bombay and Ahmedabad have agreed to implement the recommendations of the wage board. In view of certain special handicaps, centres in West Bengal, Uttar Pradesh and South India are showing reluctance, which is likely to melt away as a result of further negotiation.

The Cement Wage Board's report, which was not unanimous, was also accepted by the Central Government which noted the Board's view that the industry had not the capacity to pay and proposed to undertake a study of workload with an assurance that no increase in price to the consumer would take place as a result of the increase in wage.

New Basis

The application of the wage board principle in India has created a new basis for building harmonious relationship between labour and capital. Instead of strife and strike and without resort to a compulsory arbitration, which migh in certain respects be of dubious value to the parties in conflict, the employers and workers have now an opportunity to determine on their own not only the wages but rationalisation and modernisation of the industry also without inflicting hardship on the third party, the commoner. The first step has been taken to link the wage to a need-based minimum. As faith in collective bargaining grows, the dependence on statutory authority will diminish. The session of the Standing Labour Committee, held in January 1960, furnished evidence of the changing climate. When the question of enacting legislation to give statutory authority to the wage board recommendations came up for consideration, the consensus of opinion in the Committee was not in favour of such legislation. The Textile Wage Board ensures peace for a period of five years in the cotton industry. In lieu of the benefits conferred on them, the textile workers would make no demand for revision of wages for five years. They are, on the other hand, expected to lend their maximum co-operation in raising productivity. The stage has also been set, when the Government would be more than willing to strengthen the weak links in the chain of national industries by rendering assistance through agencies like the Industrial Finance Corporation. The wage board has become a cornerstone in the peaceful development of Indian industries in the days to come.—

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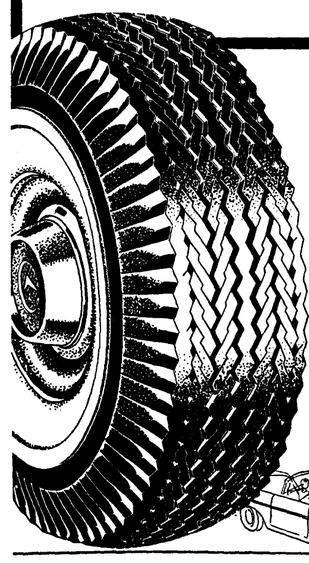
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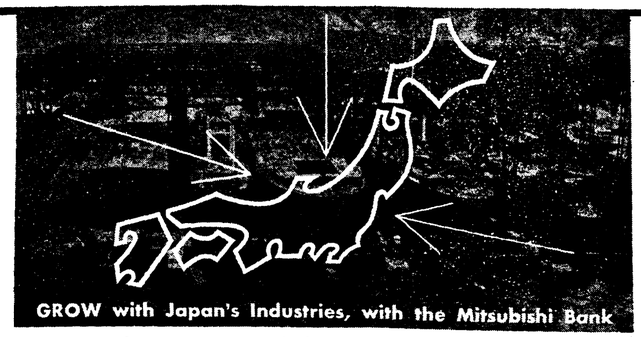

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RESULTS OF NEW INDIA ASSURANCE ENCOURAGING

BONUS TO SHAREHOLDERS OUT OF CAPITAL RESERVE

DESPITE the fact that 1959 was not a particularly good year for general insurers, it was a very satisfactory one for the New India Assurance Company Ltd. (Managing Director: Mr. B. K. Shah, Bombay), the premier general insurance office in the country. The combined net premium from the three departments, namely, fire, miscellaneous and marine, rose by as much as Rs. 1.33 crores to Rs. 8.86 crores, an increase of about 18 per cent. The miscellaneous department accounted for the bulk of the rise in premium, the exact increase being as much as Rs. 93 lakhs. The fire premium also rose by Rs. 39 lakhs, but the premium from marine business remained almost stationary. Claims experience in 1959 showed an improvement over that in the previous year, the claims ratio being lower at 50.2 per cent., as against 51.5 per cent. in 1958, thanks mainly to the favourable experience in the fire department. Commission, expenses and tax ratio, too, was lower at 36.4 per cent., as against 36.7 per cent. in the previous year. Reflecting the better claims experience, the underwriting profit increased to Rs. 72.94 lakhs from Rs. 55.9 lakhs in 1958. The net profit was also higher at Rs. 55.06 lakhs, as against Rs. 52.78 lakhs in the previous year.

Return To Shareholders

As far as the shareholders are concerned, the Directors have sought to maintain the net distribution at Rs. 3.99 per share of Rs. 15 each, as against Rs. 4 in the previous year. But this is being done in the form of dividend of Rs. 4.50 and a bonus of Re. 1.20, both subject to deduction of tax; the amount required to pay the latter, that is, Rs. 11.39 lakhs, is met from the reserve built out of the compensation received from the L.I.C. for its life business. The entire distribution costs Rs. 54.12 lakhs, as against only Rs. 37.98 lakhs in the previous year. How long can the Directors of the Company afford to follow the policy of rewarding the shareholders out of capital reserves? They are probably confident that the Company's business in the coming years will improve to such an extent as to pay a net dividend of Rs. 4 per share without having to dip into the reserves.

The following table indicates the salient features of the working of the Company during the three years ended 31st December 1959:

(Rs. in crores)

	1959	1958	1957
Fire:			
Net Premium	3.47	3.07	3.24
Claims paid and Outstanding	1.20	1.40	1.42
Commission, expenses, etc.	1.48	1.35	1.51
Fire fund	2.14	1.94	2.05
Miscellaneous:			
Net Premium	3.43	2.49	1.64
Claims paid and Outstanding	1.74	1.15	0.85
Commission, expenses, etc.	1.20	0.88	0.60
Miscellaneous Fund	1.92	1.45	1.02
Marine:			
Net Premium	1.97	1.97	1.42
Claims paid and Outstanding	1.51	1.33	1.01
Commission and expenses	0.54	0.53	0.36
Marine Fund	1.97	1.97	1.76
Net Profit	0.55	0.53	0.28
Drawn from Capital Reserve	0.11		
Dividend	0.54	0.38	0.21
Provision for taxation	0.38	0.13	0.12
Carry forward	0.01	0.01	0.01

Department Analysis

An analysis of the fire department's account shows that the premiums, at Rs. 3.47 crores, are higher by Rs. 39 lakhs, as compared with the previous year. Claims aggregated 34.6 per cent., as against 45.7 per cent. in the previous year. Although, on commission account, there has been slight rise, the percentage cost of the expenses of management, taxes and other charges, shows a decrease of 1.7 per cent. After taking credit for interest and strengthening the additional reserve by a sum of Rs. 4.3 lakhs, the account shows a profit of Rs. 66.2 lakhs or 19.1 per cent., as against Rs. 50.6 lakhs, or 16.4 per cent., in the previous year. The fire fund now stands at Rs. 2.14 crores, as against Rs. 1.94 crores and, in terms of the premium income, the fund works out at 61.7 per cent.

The miscellaneous department has shown a very substantial increase in business. The premium income has recorded an increase of Rs. 93.4 lakhs and now stands at Rs. 3.43 crores. The claims ratio has, however, shown an increase of 4.6 per cent. over the previous year. Although the commission cost records an increase of 1 per cent., the expenses of management, taxes and other charges have declined by 1.4 per cent. as compared with 1958. After taking credit for interest and strengthening the additional reserve by Rs. 9.7 lakhs, the department has earned a profit of Rs. 7.9 lakhs or 2.3 per cent., as against Rs. 8.0 lakhs or 3.2 per cent. in the previous year. The miscellaneous fund now stands at Rs. 1.92 crores, as against Rs. 1.45 crores at the end of 1958 and, in terms of the premium income, the Fund works out at 56.0 per cent.

The net premium income of the marine department remained at Rs. 1.97 crores, the same as in the previous year. Claims cost has, however, gone up by 9.0 per cent. to 76.7 per cent. As a result of the corrective measures that are being taken, it is expected that the claims cost would show improvement in 1960. The expenses of management, taxes and other charges have slightly gone up by 0.3 per cent. The commission cost also has risen by a like per cent. On the basis of 100 per cent. premium reserve for unexpired risks, the department, after taking credit for interest on departmental funds, has shown a small loss of Rs. 1.2 lakhs. The marine fund now stands at the same figure of Rs. 1.97 crores as last year.

After meeting claims and expenses of management and providing for reserves for unexpired risks and additional reserves in both the fire and miscellaneous departments, an underwriting profit of Rs. 72.94 lakhs is transferred to the profit and loss account. This, together with other incomes, less outgo, gives a gross profit, subject to tax, of Rs. 92.81 lakhs, as against Rs. 65.72 lakhs in the previous year.

Out of this, a sum of Rs. 37.75 lakhs is set apart as provision for taxation, leaving a net profit of Rs. 55.06 lakhs. The amount brought in from the previous year's account is Rs. 1.22 lakhs, making in all Rs. 56.28 lakhs. Out of this, a sum of Rs. 2 lakhs has been transferred to the reserve for doubtful debts, Rs. 7 lakhs have been earmarked for the exchange reserves and Rs. 3 lakhs for the investment reserve.

As a result of the year's operation, the total funds of the Company have increased by Rs. 1.03 crores to stand at Rs. 10.14 crores as on 31st December 1959.

Funds and Reserves

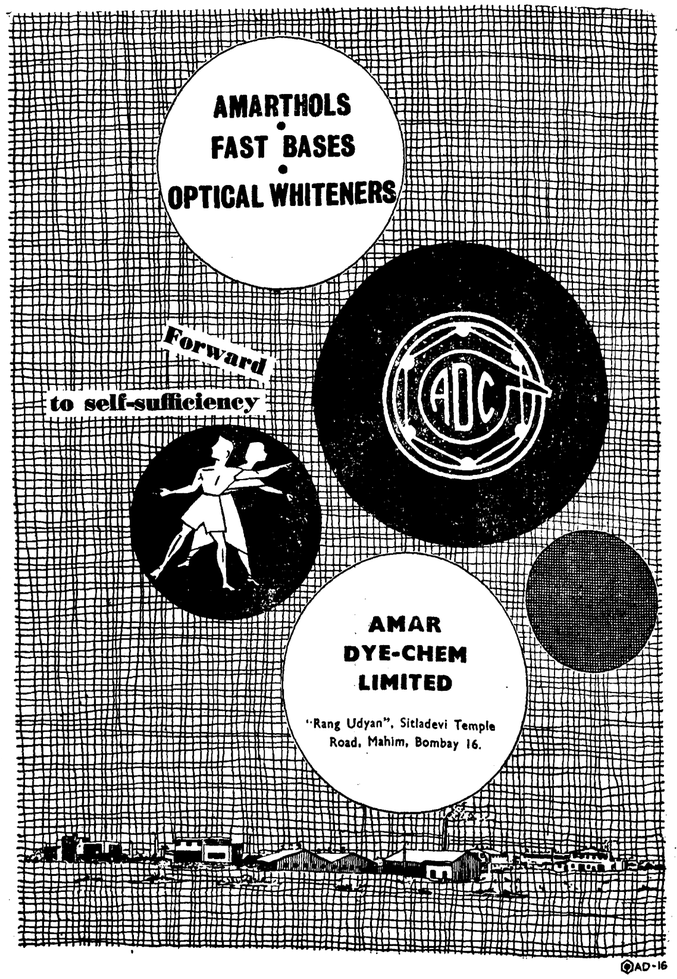
The following table indicates the progressive strengthening of the funds and reserves of the Company during the five years ended 31st December 1959:

	1959	1958	1957	1956	1955
Funds: (Rs. in crores)					
Fire Depart	2.14	1.94	2.05	1.88	1.81
Miscellaneous Dept.	1.92	1.45	1.02	0.92	0.74
Marine Dept.	1.97	1.97	1.76	1.65	1.56
Total	6.03	5.36	4.83	4.45	4.11
Free Reserves: (Rs. in lakhs)					
Capital reserves	53.8	51.6	51.6	—	—
General reserves	100.0	100.0	100.0	100.0	100.0
Premium on Shares	0.6	0.6*	36.2	36.2	36.2
Dividend equalisation reserve	30.0	30.0	22.0	22.0	20.0
Exchange reserve	15.0	8.0	5.0	5.0	5.0
Investment reserve	25.0	22.0	22.0	22.0	9.0
Total	224.4	212.2	236.8	185.2	170.2

*In 1958, a sum of Rs. 35.60 lakhs out of the 'Premium on Shares' was utilised for issue of 'Bonus' Shares.

The Company had claimed from the L.I.C. interest on compensation as the payment had been considerably delayed. The L.I.C., however, did not concede this claim, but made an *ex-gratia* payment of Rs. 2,19,600 which has been accepted in full satisfaction of its claims.

The Company's investments in shares and securities as at the end of 1959 stood at Rs. 6.72 crores of which nearly 50 per cent (Rs. 3.34 crores, to be precise) were in equities with a market value of Rs. 4.09 crores.



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EXPORT PROMOTION OF LEATHER

IMPORT DUTY ON WATTLE BARK MUST BE ABOLISHED

INDIA has the largest livestock population in the world, which lends it an important place in the production and export of raw and tanned hides and skins as well as finished leathers. The quality of domestic hides and leather products, however, has not generally been quite satisfactory, mainly on account of the fact that the major part of hides are procured from "dead animals," and not from slaughtered ones as in foreign countries. Besides, the general health of Indian cattle is relatively poor, largely as a result of lack of organised animal husbandry on any significant scale. It is claimed that Indian manufacturers are devoting greater attention to improve the quality of their products and boosting their exports. But how far this is true one cannot say. A fundamental reform is required in animal husbandry if the aforesaid basic defect is to be removed. None has effectively answered the question whether such a reform will be feasible in this country, with its strong religious and cultural ties which are against slaughter of animals.

The export performance of the industry was quite impressive last year, but this must be attributed largely to favourable conditions of world trade. It would be a mistake to jump to the conclusion from this trend that the practices under which hides and skins are procured or leather is manufactured have undergone any definite improvement. The total foreign exchange earned from the export of hides and skins, leather and allied goods, including footwear rose from Rs. 28 crores in 1958 to Rs. 42 crores in 1959. Of this, leather alone accounted for Rs. 29 crores, as against only Rs. 18 crores in 1958. Exports of hides and skins fetched about Rs. 11 crores, as compared with Rs. 7 crores in the previous year. Export of leather footwear, too, made considerable headway, from Rs. 1.70 crores to Rs. 2.50 crores.

Growth of the Industry

The expansion in exports of leather goods reflects, in large measure, the trend in the growth of indigenous tanning and leather industry. Production figures relating to the organised sector of the industry are available, while there are no authentic data relating to small units engaged in the industry. In the organised sector, the production of vegetable tanned hides rose from 2.07 million hides (in terms of cow-hides—one buffalo hide is equal to two cow hides) to 2.42 million hides in 1959. The installed capacity increased from 3.86 million hides to 4.44 million hides. This was the result of the establishment of three more units, and also of better utilisation of the existing capacity. The production of chrome tanning of hides, however, declined from 678,000 to 610,000 in 1959, although the total capacity was steady at 1.6 million hides. The lag in the production of chrome tanning of hides was due to shortage of good quality raw hides, following the ban on cow slaughter enforced in a number of States. The production of western type footwear remained more or less steady at 4.2 million pairs. There was, however, an increase in the output of Indian type footwear, that is, from 3.29 million to 4.03 million pairs, thanks to better domestic demand. The production of glue showed an upward trend, but pickers suffered some setback. The output of myrabolan was, however, steady.

It may be noted, in this connection, that the programme of industrial development in the second Plan does not envisage a substantial expansion of capacity in the organised sector of tanning and footwear industries. The additional demand for the items is proposed to be met as far as possible by a further utilisation of the existing capacity in the organised sector and by development in the cottage and small-scale sector. But no such restrictions apply to the manufacture of industrial leathers, specially leathers and leather products. In pursuance of this policy, additional capacities for the manufacture of leather beltings, picking bands and leather boards have been licensed. Additional capacity has been licensed for picking bands. Besides, adequate capacity has been created for leather belting. As regards glue technical gelatine, the indigenous production with the creation of additional capacity is more than adequate to meet the internal demand. At present, only small quantities of special types of are imported in the country. Myrabolan extract industry is working below its installed capacity. The bulk of its production is exported.

It is only by ensuring a sustained increase in production that it will be possible to expand exports of leather. The major drawback in the way of increasing production is the shortage of raw skins of good quality. Drawing special attention to this defect, Mr. M. J. Jamal Moideen Sahib, Chairman of the Leather Export Promotion Council, stated, while addressing the third annual meeting of the Council at Madras a few days ago, that the supply of raw materials for leather industry could not usually be increased, as in the case of agricultural and mineral products, for the simple reason that "no animal will be killed for the sake of its skin or hide, since the value of the animal as a whole is many times more than its wrapper." The difficulty is particularly evident in the case of India, with a predominantly vegetarian population. Mr. Moideen Sahib, therefore, made a fervent plea to the Government to place the import of raw skins and hides from all countries under the O.G.L., in order to ensure regular supply of raw materials to the leather industry. He added that there was not much possibility of importing huge quantities under the O.G.L., since many countries did not have much exportable surplus. Only, it would enable the processors to buy their raw materials as and when conditions were favourable and some surplus was found somewhere.

With a view to helping the leather industry to secure its raw materials, the Government has been regulating the export of raw hides and skins. Thus, in pursuance of the representation made by the Council, the Government introduced a quota licensing system in respect of export of raw goat skins—a raw material vitally required by the tanning industry. The Council felt that this measure was not adequate and, therefore, once again approached the Government with a plea for restricting the export of raw goat skins to 50 per cent. of average of past quinquennium ending 1958. This suggestion was accepted by the Government of India and implemented with effect from the beginning of June 1960.

Wattle Bark and Extract

Another problem facing the industry, according to Mr. Moideen Sahib, is with regard to the import of wattle bark and wattle extract used by the industry. The Government has introduced an import duty of 5 per cent. and 10 per cent. on wattle bark and extract, respectively. Mr. Moideen Sahib wanted this duty to be completely abolished; for almost all wattle bark and extract was used by the East India tanning industry which was essentially established for catering to the foreign markets and which actually exported its entire production (except those which are found unfit for export after tanning, amounting to about 15 to 20 per cent.). He felt that import duty itself was fundamentally wrong and opposed to international procedures, as it was actually passed on to the overseas buyers. A committee had been set up for examining this question last year. It is to be hoped that the findings of the Committee will be announced without further delay. In this context, Mr. Moideen Sahib added that, although the Government had promised to allow a drawback of this duty on exports more than over three years back, nothing had been done to implement this scheme.

Competition from Pakistan

Pakistan has emerged as a strong competitor to India's exports of leather and leather goods, thanks to a large amount of subsidy and other active encouragement given by the Government of Pakistan. Alluding to this development, Mr. Moideen Sahib observed:

"I am rather reluctant to point out that our economy in skins and hides trade is being affected to some extent with the recent action taken by Pakistan, our neighbour. Pakistan, with a view to encouraging her export of tanned leathers, has offered to the local industries a 40 per cent. subsidy on the export of tanned leathers, including those even in wet blue condition, which is only a midway process. Before June 1957, as long as the import of raw skins and hides was on O.G.L., we used to get a good supply of raw hides and skins from Pakistan. Since the removal of imports of raw skins and hides from O.G.L., we have not been getting any of them, because, for one thing, Pakistan was forced to launch upon an industrialisation scheme and we were also denied the benefit of those raw skins and hides which used to be smuggled across the borders. Now I am afraid that, after the introduction of the subsidy by Pakistan, the position is reversed, that is, there is a possibility of some raw skins and hides being smuggled across the border from this side to earn foreign exchange for Pakistan. I am constrained to point out here that the levy of import duty on wattle bark and wattle extract and the sales tax on the tanning industry may help to some extent such unauthorised dealings. Of course, I cannot assure you that, if the import duty on wattle bark and wattle extract and sales tax either on the purchase or sales of hides and skins are abolished, it would encourage more export from India, but I can certainly say that such burden of taxation would encourage the flight of our raw material across the borders."

It is essential that the Government should assist, in all possible ways, an industry which earns substantial foreign exchange for the country, from falling a victim to unhealthy competition in world markets. Mr. Moideen Sahib urged the Government to subsidise, at least in a small way, the export of high class finished leathers and leather goods. He said that countries such as Pakistan and France had been resorting to subsidies, in spite of their being members of the G.A.T.T. He called upon the Government to come to the rescue of the industry and ensure its steady development.

THE TANNER ANNUAL

The annual number brought out for the first time by *The Tanner* (Editor: Mrs. L. S. Raja), the monthly journal devoted to the tanning industry, carries twenty articles on economic and technical aspects of tanning and allied industries, contributed by experts both in this country and abroad. Of particular interest is a review of the world supply position of hides and skins by Mr. Gordon Douglas. To quote Mr. Douglas:

"The hide supply position has undergone a major revolution in the past 25 years as many countries including India and Australia, previously large exporters of raw hides, now process increasing quantities to meet the major part of their own expanding leather requirements and export any surplus in the form of crust vegetable tanned or chrome side leather, etc. Countries which may be expected to increase their cattle population include Australia, the U.S.S.R. and China; this will ensure that within the next decade larger quantities of hides will be available to meet their own internal needs and also a surplus for export to other countries. . . . The pattern of the world tanning industry will show changes especially in the more undeveloped countries where, as industrialisation increases, greater demands will be made for leather with greater production in countries owning these primary products. At present, through natural and man-made defects the value of many hides and skins is considerably reduced. It is in the interest of both the primary producer and the tanner that more attention is given to their improvement. Simple and inexpensive methods are now available for better hide preservation and by their application in all producing countries; the number available could be greatly increased."

In an article on the problems facing the East India (E.I.) tanneries, Mr. R. Y. Gaitonde advocates a co-operative production programme for the small units concentrated in some parts of Madras, which he considers necessary to eliminate unhealthy competition among them. Among other articles, mention may be made of "Future of India's Leather Trade" by Mr. Michael George, "Petroleum Products for the Leather Industry" by Mr. T. V. Jagadisan, "Mechanisation in the Tannery" by Mr. H. S. Stebbing, and "Physics in Leather Technology" by Dr. N. Ramanathan. The number will be widely welcomed by those connected with tanning and leather industry and trade, no less than by students of leather technology.

BALANCE OF PAYMENTS IN THE FIRST FOUR YEARS OF SECOND PLAN

The view that balance-of-payments difficulties are inherent in the very process of economic development is expressed in an article reviewing India's balance-of-payments position during the first four years of the second Plan (1956-60) appearing in the July issue of the *Reserve Bank of India Bulletin*. In the course of industrial development in a country, its import requirements do not go down continuously, though the composition of imports may change radically. At the same time, the process of industrialisation does not necessarily produce an export surplus. This, together with the fact that world trade in primary commodities has not expanded in the last few years as much as in manufactures, places an underdeveloped country at a disadvantage. Consequently, according to the Reserve Bank's review, the reliance of developing countries on a large amount of foreign assistance becomes imperative for the implementation of their development programmes.

The review reveals that the actual imports were in excess of the original Plan estimates in the period under review. This was particularly so in 1956-57 and 1957-58. There was a decline in the following two years, owing to downward revision of the public sector outlay in 1958-59. The review points out that out of the average annual payment of Rs. 1,071 crores, about Rs. 730 crores or more than 70 per cent. represented maintenance imports, the remainder being imports for development purposes. In mid-1957, severe restrictions were imposed on imports on private account which consequently recorded a sharp decline in the second and third years of the second Plan. Imports, except for raw materials, all categories of private imports declined during the four years. Raw ma-

(*Continued on page 306*)

MAIN PRODUCTS

Pig Iron, Billet, Slab, Sheet Bar, Bar, Shape, Wire Rod, Rail, Hoop, Plate, Hot Rolled Sheet, Cold Rolled Sheet, Galvanized Sheet, Tin-plate, Light Gauge Section, Panzermast, and By-products.

FUJI IRON

Head Office: Nihonbo

1 6 AUG 1960
PUBLIC DEPARTMENT

...will ...st Septem-...d. Interim dividend of ...5 per ordinary share, sub-...t tax, for the year ending 31st ... payable on or after 22nd August ... books will remain closed from 14th ...ust 1960, both days inclusive.

... ELECTRICITY CO., LTD. Final dividend ... 5.00 (making a total of Rs. 7.50 for the year), per ordinary share, subject to deduction of tax, for the year ended 31st March 1960. Transfer books will remain closed from 17th August to 1st September 1960, both days inclusive.

COMPANY REGISTRATIONS

THE CENTRAL PULP MILLS LTD. Business: Manufacturers of pulp and pulp products. Authorised capital: Rs. 5,00,00,000. Public company. The company is registered in the State of Maharashtra.

ROHIT PULP AND PAPER MILLS LTD. Business: Manufacturers of paper, board and pulp. Authorised capital: Rs. 1,00,00,000. Public company. The company is registered in the State of Maharashtra.

HINDUSTAN EXTRACTIONS LTD. Business: Extraction of oil from cottonseed, linseed, castor seed, copra etc. Authorised capital: Rs. 30,00,000. Public company. The company is registered in the State of Maharashtra.

LAWKIM PRIVATE LTD. Business: Manufacture of electric machines and equipments. Authorised capital: Rs. 25,00,000. Private company. Address: 16, Horniman Circle, Fort, Bombay-1.

...ons had ...rom 1954 to ... reluctance of ...ares lies in tax ...ed twice—for the ...ays taxes on distri-...econd time when the ...ne-tax on his revenue same reason, prior to ... such issues, only small ...ere issued to old share-capital.

...t the situation on the ... this year. While dur-...months, DM 323.4 mil-... DM 2.1 million free ...arket, new issues during ...ar aggregated DM 1,022.1 ...1.9 million of free shares. ...ns still kept rising, it must ...rchases on German stock ...ecent Bundesbank's ban on ...st on deposits of foreigners

PROFIT OF HOWRAH JUTE SUFFERS A SETBACK

DIVIDEND PRUNED—SHORT-TERM OUTLOOK NOT FAVOURABLE

THE year ended 31st March 1960 has not proved to be a favourable one for the Howrah Mills Company, Ltd. (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta), notwithstanding the substantial improvement in offtake during the major part of the year and the reduction of mills' stocks of jute goods. In fact, mills had to unseal their looms by 4 per cent. in two stages to cope with the rising demand for gunnies. The favourable trend in offtake of jute goods was, however, offset by a disproportionate rise in prices of raw jute towards the end of 1959. In addition, the Company's working was adversely affected by the "intransigence" on the part of the labour force. "Persistent 'go-slow' tactics and acts of indiscipline, culminating in arson, involving the destruction of some of the stock in process in the batching department of No. 1 Mill," the Directors say, "forced the Company to declare a lockout on 14th January 1960. The mills were reopened on 18th January, in view of the assurances of good behaviour received from the works committee. These assurances were belied and the mills had to be closed again on 20th January and were not reopened until 18th February 1960."

The aforesaid adverse developments are duly reflected in sales, which have dropped from Rs. 3.77 crores to Rs. 3.40 crores and in the gross profit which has gone down from Rs. 31.48 lakhs to Rs. 27.50 lakhs. The profit would have been lower still but for some extraneous income to the tune of Rs. 7.52 lakhs representing profit on sale of fixed assets and stores, insurance claim, rent of leased premises, etc., in contrast to this, the "other income" in 1958-59 amounted to no more than Rs. 34,974. The net profit shows a fall from Rs. 16.73 lakhs to Rs. 14.06 lakhs.

In consonance with the trend in profits, the transfer to the reserves has been reduced from Rs. 8.08 lakhs to Rs. 3.87 lakhs and the net distribution to ordinary shareholders, too, has been pruned from 10 per cent. to 8.75 per cent. The Directors have recommended a gross dividend of 12.5 per cent., subject to deduction of tax. It will be recalled that the dividend on ordinary shares was resumed only last year after a lapse of two years, following the very encouraging results for 1958-59, but it has not been possible to maintain it in the very next year for reasons mentioned above. This only indicates how uncertain the fortunes of the jute industry are. The Directors have not followed the practice of many other companies of grossing the dividend on the tax-free preference shares, but have recommended the deduction of tax. Accordingly, the net return on the Company's 7 per cent. tax-free preference shares is only 4.9 per cent. The Directors say that they are advised that the effect of the amendment made under the Finance Act 1960 is that, notwithstanding the ...ing of the relevant clause in the Articles ... income-tax and, where appro... the prescribed rates have ...ross dividend of 7 ...preference share ...

...hows how ...ictuated ...

six months to end 3rd September 1960. The Directors, at the same time, successfully concluded negotiations for leasing the Company's No. 3 Mill, which has been lying idle since its closure in February 1957, to Remington Rand of India Ltd. for a period of twenty years, with break clauses after ten years and fifteen years, with effect from 1st September 1959.

Although there has been a gradual improvement in the efficiency of the Company's mills since their reopening in February last, the Directors do not take an optimistic view of the outlook for the current year, in view of the adverse disparity between the prices of raw jute and finished goods, due to the shortage of fibre. The Government of India no doubt granted licences for the import of a substantial quantity of cuttings from Pakistan. This was followed by the unsealing of a further 1 per cent. of the looms from 1st May 1960. "But it quickly became apparent," the Directors add, "that the supply of jute from the current season's crop was still considered inadequate and prices continued to rise to completely uneconomic levels." Consequently, the I.J.M.A. approved of voluntary sealing by such of those members who wished to do so with effect from 7th June 1960. The extent of the sealing was left to the discretion of individual mills according to their raw supply position. Accordingly, the Directors of the Howrah Mills closed down 5½ per cent. of the registered loomage with effect from that date, bringing the total sealed loomage to 14½ per cent. It remains to be seen how far these remedial measures will alleviate the adverse effects of the raw jute shortage.

Notwithstanding the heavy withdrawals from reserves in years of adverse results, the finances of the Company are still in fairly fine fettle. The paid-up capital of Rs. 91.87 lakhs is supplemented by reserves and surplus aggregating Rs. 40.68 lakhs. The borrowings from banks and others stand reduced from Rs. 89.29 lakhs as at the end of March 1959 to Rs. 31.72 lakhs. The other current liabilities and provisions amount to Rs. 44.83 lakhs. The gross block of the value of Rs. 224.88 lakhs has been written down to Rs. 89.03 lakhs. The current assets at Rs. 120.08 lakhs far exceed the current liabilities and provisions and include partnership capital (representing share of Jardine Mills agencies) amounting to Rs. 13.06 lakhs.

The Rs. 10 fully paid-up ordinary shares are being currently quoted at Rs. 23.37 *ex-div.*, at which rate the yield on them works out to 3.7 per cent. per annum, free of tax.

WEALTH TAX ASSESSMENT

In an order issued by the Income-tax Appellate Tribunal in the case of the Raipur Manufacturing Company, Ltd., Ahmedabad, in cross appeals against the order of the Appellate Assistant Commissioner, the Tribunal has held that:

(a) income-tax liability should be taken into account before ascertaining the net wealth;
(b) wealth-tax liability accrues on the valuation date and should, therefore, be excluded in arriving at the net wealth;
(c) for the purpose of arriving at the net value of the assets of a business, the Income-tax Officer should take the original cost price as shown by the books of account and deduct therefrom such depreciation as has been allowed under the Income-tax Act, and
(d) the Income-tax authorities are right in not taking into account the dividend declared after the valuation date as a liability or a debt of the assessee's busi...ss.

AVANCORE RAYONS

...re Rayons Limited, a pioneer in ...rn and cellulose film manu... ...d in manufacturing rayon ... linters and in processing ... in their research labora... also received the neces... port of a pulp plant, and ... has been placed. Pro... ...ulp is expected to com... of 1961 or early 1962.

(*next column*)

...all margin. The total ...9.26 lakhs, represented ...s. 28.04 lakhs and re... 18.22 lakhs.

... of the Company's ...hares is Rs. 8.31 ..., the yield works ..., free of tax.

COCHIN MALABAR EARNS LESS

COSTS MOVE UP

THE lower earnings and heavier incidence of taxation have been cumulatively responsible for the cut in net dividend on the ordinary shares of the Cochin Malabar Estates Ltd. (Managing Agents: Messrs. Peirce Leslie & Co. Ltd., Calicut, Kerala) for the year ended 29th February 1960. The Directors have no doubt recommended a slightly higher gross dividend of 17½ per cent., as against 15 per cent. paid for the previous year. Since this is subject to deduction of tax, the net return works out to only 12¼ per cent. Even the proposed dividend is to be met partly by dipping into the general reserve. The Directors could have easily maintained the net dividend, despite the lower gross profit, but for the larger tax liability referred to below.

Notwithstanding a large crop harvested, namely, 978,827 kilograms, as against 899,559 kilograms in 1958-59, the gross profit of the Company has dwindled from Rs. 17.22 lakhs to Rs. 14.25 lakhs. The previous year's profit, it may be noted, included a profit of Rs. 1.29 lakhs on sale of movable assets of one of the Company's estates. Even after making allowance for this extra income, the Company's profit for the year under review is lower than that for 1958-59. The explanation for this is to be found in the fact that while the estate cost of production had gone up from 254.26 cents to 257.62 cents per kilogram and all-in-cost from 288.59 cents to 292.76 cents, the average price realised was a shade lower at 399.94 cents, as compared with 400.50 cents per kilogram. The decline in net profit is much steeper, such having fallen from Rs. 6.97 lakhs to Rs. 2.60 lakhs, the lowest level since 1949-50, thanks to the substantially larger provision that the Directors have had to make for taxation. Last year, it may be noted, they had provided Rs. 7.70 lakhs for the tax liability, but the Company had actually to pay Rs. 1.32 lakhs in excess of the provision, as a result of the disallowance of replanting expenses and a portion of the general charges on an acreage basis in the computation of Kerala agricultural income-tax relating to immature areas. This short-provision has had to be made good this year and this is included in the provision of Rs. 9.22 lakhs made for taxation in respect of the year under review. The net profit has been supplemented by the withdrawal of Rs. 2.25 lakhs from the general reserve to pay the ordinary and preference dividends, as will be seen from the following comparative table:

(In rupees)

	For the year ended February			
	1960	1959	1958	1957
Sale proceeds	49,09,453	47,42,057	37,70,080	37,70,066
Other income	32,180	2,21,832	47,056	61,065
Closing stocks	9,89,929	17,84,750	12,07,069	5,91,250
Expenses	35,16,661	32,42,432	25,80,113	26,81,203
Gross profit	14,25,178	17,22,460	11,57,902	11,61,028
Managing Agents' remuneration	1,06,505	1,20,216	86,431	82,698
Depreciation	1,36,380	1,34,707	1,48,310	1,19,102
Taxation	9,22,000	7,70,000	5,45,000	3,70,000
Net profit	2,60,293	6,97,537	3,78,131	6,81,031
Refund of tax		24,423	4,170	38,112
Transfer from reserve	2,25,000			
To reserves		3,25,000	1,47,093	3,50,000
Dividends—				
7 per cent. preference	7,931†	7,931	7,931	7,931
Ordinary	4,70,974	4,03,692	2,60,123	2,60,123
	(17½%)†	(15%)	(10%)*	(15%)
Carry forward	21,660	15,281	29,944	71,705
Crop harvested (in kg.)	978,827	899,559	906,828	800,494
Cost of production (cents per kg.)	257.62	254.26	280.45	254 63
Average price realised (cents per kg.)	399.94	400.50	399.08	384.93

* On the increased capital of Rs. 26.01 lakhs raised by the capitalisation of its 8.07 lakhs from the general reserve.
† Subject to deduction of tax.

The total area of the Company's properties is 7,997.19 acres, of which 4,734.55 acres are under mature rubber and 1,387.97 acres under immature rubber. Fifty-five acres were replanted during the year, as against 112.60 acres in 1958-59 and 4.68 acres of immature rubber were brought into tapping, the corresponding area for the previous year being 53.29 acres. 29.32 acres were newly planted. This brings the replanted area of the Company to 662.47 acres and new clearings to 725.50 acres.

The estimates for the current year indicate a crop of 1,117,531 kilograms to be harvested at an estate cost of 266.57 cents per kilogram and an all-in-cost of 292.08 cents per kilogram.

The estimated capital expenditure for the current year is Rs. 4 lakhs; this is on top of Rs. 2.63 lakhs spent during the year under review. The gross value of the block account as at the end of February 1960 is Rs. 52.56 lakhs and the book value thereof is Rs. 44.39 lakhs. The current assets amount to Rs. 18.61 lakhs exceeding the current liabilities and provisions,

(*Continued in previous column*)

EQUITABLE COAL CUTS DIVIDEND

PROFIT LOWER DESPITE HIGHER OUTPUT

THE Directors of the Equitable Coal Company Ltd. (Managing Agents: Messrs. Macneill and Barry Ltd., Calcutta) have recommended a drastic cut in the dividend on ordinary shares of the Company for the year ended 31st December 1959 to 7½ per cent. after having maintained it at 15 per cent. for the previous five years successively. What is more, even this lower dividend is subject to deduction of tax, in terms of the Finance Act 1959, whereas the previous years' distributions were not so. However, as the Company had not been paying income-tax, the dividends of earlier years were taxable in the hands of the shareholders at the appropriate rates.

The proposed cut in dividend is in consonance with the decline in the Company's earnings. The gross profit, for instance, has dropped from Rs. 19.24 lakhs (in 1958) to Rs. 17.04 lakhs, the lowest level touched since 1954. It may be noted here that the setback in profit is in continuation of the downward trend since 1955, when the gross profit had stood at a high of Rs. 33.73 lakhs. Thus, in the course of the last four years, the Company's gross profit has dwindled by nearly 50 per cent. The net profit, too, which had successively fallen from Rs. 14.83 lakhs (in 1955) to Rs. 6.65 lakhs in 1958, has further receded to a low of Rs. 3.85 lakhs in the year under review. It may be of interest to note here that the Directors had followed a steady dividend policy during the last four years, despite the declining profit, but they have not been able to stick to this policy in respect of the year under review, as the net profit is not sufficient to maintain the dividend level.

After adding to the net profit a sum of Rs. 4.09 lakhs representing adjustments in respect of previous years and excess provisions written back—the corresponding additions in 1958 were Rs. 7.92 lakhs—the Directors have strengthened the reserves and provisions by Rs. 4.64 lakhs, as against Rs. 9.50 lakhs ploughed back a year ago. The Company is one of those which are deducting tax at source at the prescribed rates on the tax-free preference shares, instead of maintaining the net return by grossing the dividend and deducting the tax from the gross amount.

An anomaly of the Company's working during the year under review is that the profit has dwindled, despite an increase in output and despatches of coal, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sale proceeds	3,89.02	3,65.61	4,00.60	3,33.71
Other income	4.03	2.58	3.22	2.52
Stocks of coal	7.13	13.22	11.39	10.72
	3,70.02	3,48.95	3,81.24	3,11.63
Expenses	17.04	19.24	22.57	20.53
Gross profit	0.77	1.58	1.36	3.33
Managing Agents' remuneration				
Provision for—	12.42	11.01	11.54	11.50
Depreciation		0.60	1.13	
Taxation	3.85	6.65	8.74	11.70
Net profit				
Adjustments in respect of previous years and excess provisions written back	4.09	7.92	2.45	1.71
	4.64	9.50	6.52	7.90
To reserves and provisions				
Dividends—				
6% tax-free preference	0.24*	0.24	0.24	0.24
Ordinary	2.22	4.44	4.44	4.44
	(7½%)*	(15%)	(15%)	(15%)
Directors' commission on dividend			0.23	
Carry forward	1.20	0.88	0.60	0.42
Raisings of coal (tons)	1,808,406	1,762,616	1,800,651	1,684,815
Despatches (tons)	1,834,606	1,753,178	1,810,936	1,684,649
Closing stocks (tons)	38,454	64,744	56,106	64,618

* Subject to deduction of tax.

The additional production attained during 1959 has not, as might have been expected, resulted in an improvement in the Company's profit, as compared with the previous year. But this is not a peculiar feature of 1959 alone. As readers will observe from the table above, while output and despatches have increased over the last three years, the profit has taken a downward trend. The relations between labour and management were good throughout the year. Explaining the reasons for the adverse results for the year under review the Directors observe:

"The steady decrease in the quantity of selected grades of coal, particularly selected 'A' grade, being produced which has not been accompanied by a proportionate reduction in working costs is one reason for the deterioration in your Company's results. The abnormally heavy and concentrated rainfall towards the end of the 1959 monsoon season was also a contributory factor, as it brought about a considerable increase in pumping charges and an appreciable loss of production due to working places being restricted at most of your Company's collieries for varying periods upto six weeks and to Jamuria 5 and 6 Pits Colliery being closed completely for two months.

"The price increase of 50 nP per ton effective from 25th August 1959 and the enhancement of the ceiling limit for sandstowing assistance from Re. 1.50 to Rs. 2.00 per ton with effect from 1st September, both granted on the basis of the recommendations contained in the report of the Coal Price Revision Committee, were of considerable benefit to your Company, but did not offset the effect of the adverse factors obtaining during the year."

The Directors, however, point out that, with the further increase in coal prices and in the quantum of assistance for sandstowing which have been granted early in 1960, the Company's colliery costs have become more economic and the prospects for the current year are brighter.

The balance-sheet of the Company as at the end of 1959 shows that the Company continues to rely more on its internal resources and bank borrowings to finance its development expenditure than on capital issue. For the Company's paid-up capital has remained unchanged at Rs. 33.64 lakhs since 1940. The reserves and surplus (other than those for miners' amenities and workmen's compensation) amount to Rs. 101.22 lakhs and loans stand at Rs. 149.99 lakhs (inclusive of 5½ per cent. 1963-68 debentures amounting to Rs. 46.86 lakhs). The other current liabilities and provisions aggregate Rs. 115.99 lakhs. The total current liabilities and provisions thus amount to Rs. 265.98 lakhs, as against which there are current assets aggregating Rs. 257.13 lakhs. In pursuance of its programme of development, the Company spent during the year Rs. 25.47 lakhs on additions to the gross block. This was on top of Rs. 118.98 lakhs expended during the previous five years alone. The gross block at Rs. 477 lakhs has been well written down to Rs. 143.71 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 28 *ex-div.*, at which rate and on the basis of the latest dividend, they provide a yield of 1.9 per cent. per annum, free of tax.

BOOM ON GERMAN STOCK EXCHANGES

(By A Special Correspondent)

The basic capital of the 638 joint-stock corporations in the Federal Republic of Germany the shares of which are traded on German stock exchanges had a face value of DM 14,573 million by the end of 1959. At that time, these shares were quoted at DM 70,000 million and by June 1960, quotations had risen to an estimated DM 90,000 million. As at the end of June, the index of quotations of these shares, passed for the first time, the level of 700 (31st December, 1953=100). The special index for shares of the road vehicles industry even passed the 3,000-mark.

Apart from the general economic upswing, there are two main reasons for this rather amazing development and the discrepancy between face, and quoted, values. The first is the fact that German shareholders cashed no dividends at all for many years. While in 1938, the last peace year prior to World War II, average dividends in Germany amounted to 6.4 per cent. of the face value, they were practically zero from 1944 through 1952. Only in 1955, averaging 6.31 per cent., they somewhat approached the pre-war figure. Last year, the average of dividends paid in W. Germany was 10.63 per cent. There was nothing sensational about that. For, taking 1938=100, the average hourly wage of an industrial worker had reached 300 index points at the end of last year as compared with only 166 points for the average dividend. Also, payment of no, or small, dividends increased the internal value of the companies and was expressed in steadily rising quotations.

More decisive, however, is the second reason, namely, the scarcity of shares on the German stock exchanges. The basic capital of all W. German and W. Berlin joint-stock corporations had been increased by only 30 per cent. from 1954 to 1959. One of the reasons for the reluctance of German companies to issue more shares lies in tax legislation. Dividends are taxed twice—for the first time when the company pays taxes on distributed profits, and for the second time when the shareholder has to pay income-tax on his revenue from dividends. For the same reason, prior to temporary tax privileges for such issues, only small quantities of free shares were issued to old shareholders to adjust the basic capital.

It seems, however, that the situation on the stock market will be eased this year. While during last year's first five months, DM 323.4 million of shares, including DM 2.1 million free shares were put on the market, new issues during the same period this year aggregated DM 1,022.1 million, including DM 241.9 million of free shares. If, nevertheless, quotations still kept rising, it must be due to foreign purchases on German stock exchanges, after the recent Bundesbank's ban on the payment of interest on deposits of foreigners in German banks.

COMPANY MEETINGS AND DIVIDENDS

EQUITABLE COAL CO., LTD. Annual General Meeting, Calcutta, 18th August 1960. Dividend: 7½ per cent. or Re. 0.75 per ordinary share, subject to deduction of tax. Transfer books remain closed from 5th to 18th August 1960, both days inclusive.

BALMER LAWRIE AND CO., LTD. Annual General Meeting, Calcutta, 19th August 1960. Dividend: 20 per cent. or Rs. 20.00 per share, final (making a total of 25 per cent.), subject to deduction of tax. Transfer books remain closed from 1st to 19th August 1960, both days inclusive.

HATTIKHIRA TEA CO., LTD. Annual General Meeting, Calcutta, 26th August 1960. Dividend: Re. 0.50 per share, subject to deduction of tax. Transfer books will remain closed from 18th to 26th August 1960, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting, Mysore, 27th August 1960. Dividend: 11 per cent. or Rs. 5.50 per share, subject to deduction of tax, payable on and after 7th September 1960. Transfer books will remain closed from 20th to 27th August 1960, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Tennur, Tiruchirapalli, 27th August 1960. Dividend: 9 per cent. or Re. 0.90 per ordinary share (includes interim dividend 4½ per cent.) subject to deduction of tax. Transfer books remain closed from 2nd to 27th August 1960, both days inclusive.

PHILIPS INDIA LTD. Annual General Meeting, Calcutta, 27th August 1960. Dividend: 12 per cent. or Re. 1.20 per share, subject to deduction of tax, payable on or after 26th September 1960. Transfer books will remain closed from 8th to 27th August 1960, both days inclusive.

BASANTI COTTON MILLS LTD. Annual General Meeting, Calcutta, 29th August 1960. Transfer books remain closed from 2nd to 29th August 1960, both days inclusive.

DHELAKHAT TEA CO., LTD. Annual General Meeting, Calcutta, 30th August 1960. Transfer books will remain closed from 16th to 30th August 1960, both days inclusive.

BALLY JUTE CO., LTD. Annual General Meeting, Calcutta, 31st August 1960. Dividend: Rs. 25.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 8th to 31st August 1960, both days inclusive.

BIRLA JUTE MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 31st August 1960. Dividend: Re. 1.50 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 8th to 31st August 1960, both days inclusive.

SIRDAR CARBONIC GAS CO., LTD. Annual General Meeting, Bombay, 6th September 1960. Transfer books will remain closed from 27th August to 6th September 1960, both days inclusive.

POLYCHEM LTD. Annual General Meeting, Bombay, 7th September 1960. Dividend: Rs. 5.50 per ordinary share, payable on and after 21st September 1960. Transfer books will remain closed from 16th August to 7th September 1960, both days inclusive.

TRITON INSURANCE CO., LTD. Annual General Meeting, Calcutta, 7th September 1960. Transfer books will remain closed from 24th August to 7th September 1960, both days inclusive.

STRAW PRODUCTS LTD. Annual General Meeting, Bhopal, 19th September 1960. Dividend: 15 per cent. or Re. 1.50 per ordinary share, subject to deduction of income-tax, payable on or after 26th September 1960. Transfer books will remain closed from 30th August to 19th September 1960, both days inclusive.

IMPERIAL TOBACCO CO. OF INDIA LTD. Annual General Meeting, Calcutta, 21st September 1960. Final dividend of 3 per cent. or Re. 0.30 per ordinary share (making a total Re. 0.80 per share, for the year), subject to deduction of tax, for the year ended 31st March 1960. Transfer books will remain closed from 29th August to 21st September 1960, both days inclusive.

JEEWANLAL (1929) LTD. Interim dividend of 3½ per cent. or Re. 0.35 per ordinary share, subject to deduction of tax, for the year ending 31st December 1960, payable on or after 22nd August 1960. Transfer books will remain closed from 14th to 22nd August 1960, both days inclusive.

SURAT ELECTRICITY CO., LTD. Final dividend of Rs. 5.00 (making a total of Rs. 7.50 for the year), per ordinary share, subject to deduction of tax, for the year ended 31st March 1960. Transfer books will remain closed from 17th August to 1st September 1960, both days inclusive.

COMPANY REGISTRATIONS

THE CENTRAL PULP MILLS LTD. Business: Manufacturers of pulp and pulp products. Authorised capital: Rs. 5,00,00,000. Public company. The company is registered in the State of Maharashtra.

ROHIT PULP AND PAPER MILLS LTD. Business: Manufacturers of paper, board and pulp. Authorised capital: Rs. 1,00,00,000. Public company. The company is registered in the State of Maharashtra.

HINDUSTAN EXTRACTIONS LTD. Business: Extraction of oil from cottonseed, linseed, castor seed, copra etc. Authorised capital: Rs. 30,00,000. Public company. The company is registered in the State of Maharashtra.

LAWKIM PRIVATE LTD. Business: Manufacture of electric machines and equipments. Authorised capital: Rs. 25,00,000. Private company. Address: 16, Horniman Circle, Fort, Bombay-1.

SYNOPSES OF COMPANY REPORTS

Standard Coal Co., Ltd.

THE directors of the above Company (Secretaries: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1959.

The profit and loss account after providing for all charges and making a provision of Rs. 1,00,791 (Rs. 1,51,326) for taxation shows a profit of Rs. 130,646 (Rs. 3,26,238) to which is added the balance brought forward from the previous year of Rs 14,796 (Rs. 9,790) making a total of Rs. 1,45,442 (Rs. 3,36,028). The directors have transferred to general reserve Rs. 581 (Rs. 1,88,632) leaving a balance available of Rs. 1,44,861 (Rs. 1,47,396). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the ordinary shares at the rate of 15 (10 per cent. free of tax) per cent. per annum, subject to deduction of tax, absorbing Rs. 1,20,000 (Rs. 1,00,000) and by carrying forward a sum of Rs. 24,861 (Rs. 14,796 after making a provision of Rs. 32,600 for payment under labour dispute). The increased dividend has been recommended after taking into consideration the tax saved due to the present reduced rate of tax.

Investments.—The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange with the exception of certain shares costing Rs. 1,50,000 for which no quotation is available. The total of the market value of the investments as at 31st December, 1959, for which quotations are available together with unquoted investments as valued by the directors amounts to Rs. 30,84,496 (Rs. 28,37,956).

In order to bring the value of the building of the Company back to its actual written down value based on the original cost, the directors have authorised the writing down of the said asset by a sum of Rs. 15,863 by debiting the reserve for revaluation of fixed assets account in the year under review in the same proportion as the asset was written up in 1948.

Colliery.—The directors inform that the full sale value of the Sowardih Property has been received.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Gross block	1,53,707
Reserves ...	15,46,229	*Less*—Depreciation ...	23,706
Provision for taxation ...	82,083		
Liabilities ...	2,97,636	Net block ...	1,30,001
Profit and loss account (surplus) ...	24,861	Investments	24,83,605
		Book debts ...	34,136
		Cash ...	1,03,067
Rs.	27,50,809	Rs.	27,50,809

Choonabhutti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit, after charging all expenses, of Rs. 5,61,617 (Rs. 4,63,372) of which taxation provision requires Rs. 2,36,000 (Rs. 2,15,000) leaving a balance of Rs. 3,25,617 (Rs. 2,48,372). To this is added the excess provision for wealth tax in previous years now written back of Rs. 657 (*nil*) and the balance brought forward from last year of Rs. 1,13,818 (Rs. 1,17,584) making a total amount available for distribution of Rs. 4,40,092 (Rs. 3,65,956). The directors have transferred to general reserve Rs. 50,000 (Rs. 60,000) and to development rebate reserve Rs. 2,864 (Rs. 4,420). The directors now recommend that the following dividends be paid.

On the preference shares 9.30 (6.5 per cent. free of tax) per cent. per share absorbing Rs. 18,600 (Rs. 13,000) and on the ordinary shares Rs. 30,00 (Rs. 22.50 free of tax) per share, absorbing Rs. 2,70,000 (Rs. 2,02,500) leaving a balance to be carried forward of Rs. 98,628 (Rs. 86,036). The dividends are subject to deduction of tax.

A crop of 13,761 maunds was secured and sold at an average price of Rs. 2.19 nP per lb. which compares with a crop of 14,667 maunds in 1958, sold at an average price of Rs. 2.07 nP per lb.

Estimates for the current year have been framed for a crop of 14,500 maunds to cost Rs. 18,25,525 and by 14th June 1960, 1,15,036 kgs. (3,170 mds.) had been manufactured compared with 88,149 kgs. (2,429 mds.) to the same date last year.

Capital expenditure during the year was Rs. 2,68,709 of which about a half represents the cost of implementing statutory welfare requirements in regard to labour and staff houses.

Messrs. Andrew Yule & Co., Ltd. will cease to act as managing agents of the Company on 15th August 1960 and their appointment as secretaries and treasurers of the Company for a period of 5 years from that date has been approved by the Central Government.

Although the Company's Articles of Association provide that the preference shareholders shall receive a fixed cumulative preferential dividend at the rate of 6½ per cent. per annum, free of Indian income-tax, it is now compulsory for income-tax to be deducted from all dividends. The Board have accordingly recommended that a dividend of 9.30 per cent. be paid on the Company's preference share capital, from which tax will have to be deducted in accordance with the provisions of the 1960 Finance Act, giving in the case of a shareholder who is resident in India a net dividend of approximately 6.5 per cent.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,00,000	Gross block	25,34,091
Reserves ...	13,87,365	*Less*—Depreciation ...	10,16,841
Provision for taxation ...	2,70,103		
Liabilities ...	11,67,703	Net block ...	15,17,250
Profit and loss account (surplus) ...	98,628	Stock of tea	8,18,143
		Stores, etc.	2,50,127
		Book debts ...	4,71,719
		Investments	4,04,784
		Cash ...	5,61,776
Rs.	40,23,799	Rs.	40,23,799

Edward Textiles Ltd.

The directors of the above Company (Agents: Messrs. Puranmal Bubna Sons, Bombay) submit the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year after making a provision for depreciation of Rs. 2,23,246 (Rs. 1,92,301) (including development rebate Rs. 29,254) amounts to Rs. 4,59,849 (loss of Rs. 5,19,780). Out of this amount the directors recommend payment of a dividend on ordinary shares at Rs. 18 (Rs. 15 per share, free of tax paid out of reserves) per share subject to deduction of tax, for the year ended 31st December 1959 absorbing Rs. 3,06,000 (Rs. 2,55,000) leaving a balance of Rs. 1,53,849 (debit of Rs. 5,19,780). This amount is adjusted against the loss brought forward from the last year's account of Rs. 16,34,876 (Rs. 11,15,096) leaving a debit balance to be carried forward of Rs. 14,81,027 (Rs. 16,34,876).

The cost of production rose during the year under review due to high price of raw materials and payment of increased dearness allowance to the workers.

Separate provision has not been made in accounts in respect of gratuity to employees governed by the Bombay Industrial Relations Act, payable as per Industrial Court Award. The contingent liability under this head is estimated at about Rs. 8,35,970.

No provision has been made for bonus in the accounts in the absence of any agreement for payment of bonus and as according to the formula prevalent for bonus computation, there is no available surplus out of which any bonus becomes payable.

The directors further state that the Central Government has approved of the re-appointment of Messrs. Puranmal Bubna Sons, as managing agents of the Company for a period of five years as from 16th day of August 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,00,000	Gross block	87,46,739
Reserves* ...	20,44,712	*Less*—Depreciation ...	65,30,990
Provision for taxation ...	2,20,867		
Liabilities ...	43,21,450	Net block ...	22,15,749
		Stock-in-trade	44,86,095
		Stores, etc. ...	7,40,018
		Book debts ...	10,83,855
		Investments	13,74,640
		Cash ...	86,672
Rs.	99,87,029	Rs.	99,87,029

* Reserves are shown after deducting the debit balance of Rs. 14,81,027 in the profit and loss account.

Chembra Peak Estates Ltd.

The directors of the above Company (Managing Agents: Messrs. Peirce Leslie & Co., Ltd., Calicut) submit the audited accounts of the Company for the year ended 31st March 1960.

After providing for depreciation and all charges except taxation, the accounts show a profit of Rs. 6,56,961 (Rs. 5,72,641) to which is added the balance brought forward from last year of Rs. 75,555 (Rs. 75,291) making a total of Rs. 7,32,516 (Rs. 6,60,025 including Rs. 12,093 being excess provision for income-tax for the previous year written back). The directors have transferred to taxation reserve Rs. 3,00,000 (Rs. 2,74,000), to development rebate reserve Rs. 6,876 (Rs. 20,460 and to general reserve Rs. 1,00,000 (Rs. 1,50,000) leaving an available balance of Rs. 3,25,640 (Rs. 2,15,565). The directors recommend payment of a dividend of 20 (15 per cent. free of tax) per cent., subject to tax, absorbing Rs. 1,86,680 (Rs. 1,40,010) leaving a balance to be carried forward of Rs. 1,38,960 (Rs. 75,555).

Costs and Crops.—Tea crop for the year was 15,49,547 (16,86,963) pounds. The estate cost of production was Re. 1.20 (Re. 1.13) per pound. The all-in cost per pound of tea was Re. 1.31 (Re. 1.21). The average price realised per pound of tea was Re. 1.68 (Re. 1.35).

The coffee crop for the year amounted to 61,481 (273,877) metric tonnes. The average price obtained per metric ton of coffee was Rs. 2,339.99 (Rs. 2,477.24).

The Company was allotted 11,64,810 lbs. of tea, export quota for the year 1959-60 being 67 per cent. of the *best crop basis.*

Tea.—The crop estimate for 1960-61 is put at 16,30,000 lbs. to be harvested at an all-in cost of Re. 1.27 per lb.

Coffee.—The blossom estimate for 1960-61 was put at 244 metric tonnes, but some of the blossom has failed to set due to the unfavourable conditions at the time of blossom, and the estimate has now been reduced to about 178 metric tonnes.

An amount of Rs. 2 lakhs was estimated last year for factory extension and purchase of new machinery, of which Rs. 97,520 will be spent in 1960-61 to complete the work of factory extension and the cost of machinery on order.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,33,400	Gross block	26,32,979
Reserves ...	15,86,598	*Less*—Depreciation	8,15,911
Provision for taxation ...	2,67,981		
Liabilities ...	4,12,664	Net block	18,17,068
Profit and loss account (surplus)	1,38,960	Stock-in-trade	4,48,318
		Stores, tools, etc. ...	1,75,154
		Book debts	2,69,287
		Investments	500
		Cash ...	6,29,276
Rs.	33,39,603	Rs.	33,39,603

Tata Hydro-Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Tata Hydro-Electric Agencies Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1960.

The profits, after providing for depreciation, managing agents' remuneration and taxation amounted to Rs. 39,78,774 (Rs. 46,06,197). After adding amount brought forward from last year's accounts, and after adjusting the managing agents' remuneration in respect of previous years, Rs. 29,433 (Rs. 2,58,242), the amount available for disposal is Rs. 40,08,207 (Rs. 48,64,439). The directors have made therefrom the following appropriations: To *ad-interim* dividend on preference shares at 7 per cent. per annum for the half-year ended 30th September 1959 Rs. 3,12,480 (Rs. 3,12,480) and on ordinary shares at Rs. 3.00 (Rs. 3.00 free of tax) per share Rs. 7,20,000 (Rs. 7,20,000), to contingencies reserve Rs. 1,75,142 (Rs. 3,40,688), to arrears of depreciation Rs. 37,243 (Rs. 37,243), to write-off of intangible assets and other expenditure Rs. 90,959 (Rs. 89,356), to development reserve Rs. 1,90,194 (Rs. 8,59,376), to tariffs and dividends control reserve Rs. 22,214 (Rs. 83,785), to consumers' benefit account Rs. 22,214 (Rs. 83,785), to general reserve Rs. 7,80,000 (Rs. 8,00,161) and to proposed dividends Rs. 16,32,480 (Rs. 15,12,480) and leaving a balance of Rs. 25,281 (Rs. 25,085) to be carried forward. The directors recommend the following final dividends and bonus (subject to deduction of tax) for the year ended 31st March 1960, to be paid, if declared at the annual general meeting: A dividend at 7 per cent. per annum on preference shares for the half-year ended 31st March 1960, absorbing Rs. 3,12,480 (Rs. 3,12,480), a dividend of Rs. 4.50 (Rs. 4.50 free of tax) per share on ordinary shares, absorbing Rs. 10,80,000 (Rs. 10,80,000) and a bonus of Re. 1.00 (Re. 0.50) per share on ordinary shares, absorbing Rs. 2,40,000 (Rs. 1,20,000).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,29,27,575	Gross block	7,01,96,385
Reserves ...	1,01,57,424	*Less*—Depreciation	1,89,09,836
Provision for taxation ...	26,33,337		
Liabilities ...	3,19,30,101	Net block	5,12,86,549
Profit and loss account (surplus)	25,281	Work under erection	1,16,84,865
		Stores, etc.	33,33,286
		Book debts	52,26,132
		Investments	46,48,419
		Cash ...	1,78,106
		Miscellaneous expenditure	13,16,361
Rs.	7,76,73,718	Rs.	7,76,73,718

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

Notice

ROHTAS INDUSTRIES LIMITED
DALMIANAGAR (BIHAR)

THE BOARD OF DIRECTORS HAVE resolved to issue 25,08,000 new Ordinary Shares of Rs. 10 each at par and offer the same to the registered holders of the Ordinary Shares in the Company as on 1st September, 1960 (with the right to the person concerned to renounce in favour of his nominee) in the ratio of one new Ordinary Share for one existing Ordinary Share held by such holders as on 1st September, 1960 (with option to such holders to apply for additional new Ordinary Shares) in terms of Consent No. R.183-CCI/59 dated 23rd April 1960 obtained from the Central Government.

Share Register and Transfer Books of the Company will remain closed from Thursday, the 25th August, 1960 to Thursday, the 1st September, 1960, both days inclusive, for the purpose of aforesaid offer of right shares and for payment of dividends on Preference and Ordinary Shares for the year ended 31st March, 1960. The dividends when declared will be paid to those shareholders whose names appear on the Company's Register of Members on 1st September, 1960 or to their mandatees.

By Order of the Board,

SAHU JAIN LIMITED,
A. P. JAIN,
Director,
Managing Agents.

4th August, 1960.

NEW GREAT INSURANCE CO. OF INDIA LTD.

SPEECH OF CHAIRMAN, MR. TULSIDAS KILACHAND

MR. Jehangir P. Patel presided over the Seventeenth Annual General Meeting of the shareholders of the Company, held on the 30th July, 1960, at Baroda in the unavoidable absence of the Chairman, Mr. Tulsidas Kilachand, and delivered the speech prepared by the Chairman for the occasion. In his speech, Mr. Tulsidas referred to some of the problems facing the insurance industry.

Mr. Tulsidas Kilachand expressed his disappointment at the decision of the Executive Committee of the General Insurance Council to continue the *status quo* as regards the Code of Conduct which, he felt, would not help in improving the market conditions. Controls merely led to ingenuous methods to circumvent them and this was exactly what had happened in general insurance business, with the result that, after ten years of the code, we were witnessing the sorry spectacle of company after company closing down. The only course open to assist the industry was to remove all provisions of the Insurance Act restricting commission, cost, etc. As in the United Kingdom, companies, he said, should be free to operate solely on the motto of "Freedom and publicity."

Fire Premium Rates

Mr. Tulsidas went on to point out that, as was feared last year, the worst had happened and Government had finally decided to reduce the fire insurance rates from 1st January this year. He felt that it would have been more prudent had the rates been reduced wherever experience had shown favourable claim results. As it was, the indiscriminate reduction might well turn out to be a disastrous step from the point of view of the industry as a whole, particularly in the context of the large number of recent fires. He asked the insurers to adopt a firm attitude against any move for further reduction and also not to hesitate to make upward revision should the results warrant.

Government-controlled Insurance Business

The Chairman made a passing reference to the steps taken by Government to gradually deprive the non-governmental companies of their shares in the Government-controlled insurance business, which, he felt, was most unfair.

Company's Building

Mr. Tulsidas also took the opportunity of disclosing to the shareholders the happy news that the Company had taken up on hand the construction of the building on Backbay Reclamation which was expected to be completed in 1962.

Accounts

Dealing last with the departmental accounts, Mr. Tulsidas stated that the gross direct premium for the year 1959 was Rs. 38,08,922 in fire, Rs. 27,16,256 in miscellaneous insurance, and Rs. 34,42,771 in marine, whilst the net premiums were Rs. 35,87,510, Rs. 25,90,585 and Rs. 18,16,985, respectively. After providing for losses and expenses and reserves at, 50 per cent. in respect of fire and miscellaneous insurance, and 100 per cent. for marine, the net amount to the credit of the profit and loss account, in all, was Rs. 4,31,804. The Directors had transferred Rs. 40,000 to staff gratuity account, Rs. 1,00,000 to general reserve and Rs. 17,602 to investment reserve, and they proposed to pay eleventh dividend on ordinary shares at Rs. 2.50 per share, less deduction of income-tax, amounting to Rs. 2,50,000.

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

RECORD PROFIT FOR B.O.A.C.

B.O.A.C., which for the first time has carried more than half-a-million passengers in a year, made the highest operating profit in its history—more than £4,000,000—in the financial year ended last March, according to its annual report for 1959-60. Gross revenue from the Corporation's own operations, at £70,500,000, compared with £57,900,000 in the previous year, an increase of 22 per cent. Operating costs were about 6d. a ton-mile less than three years ago. During the year, costs were reduced by 2.6d. per capacity ton-mile, a reduction of 7.3 per cent.

During the year, delivery was completed of a fleet of 19 Comet 4 jet airliners which were introduced on the Corporation's main trunk routes and clearly demonstrated a strong appeal to passengers of pure-jet aircraft. Comets and Britannias carried the main weight of the Corporation's operations on scheduled services.

Notices

RESERVE BANK OF INDIA

APPLICATIONS ARE INVITED FOR THE following posts in the various departments of the Reserve Bank of India:—

(A) **POSTS AND SCALES OF PAY**

Research Officers: Rs. 375-55-815 E.B. 55-925-60-1,045

Probationary Assistants: Rs. 250-25-450 E.B. 25-650

Economic Assistants: Rs. 175-12.50-300 E.B. 20-440

Note:—Candidates possessing exceptionally good qualifications and experience of value to the Bank may be given a higher starting pay in the prescribed scales.

In addition to pay, the selected candidates will be eligible to draw local pay, house allowance and dearness allowance at the rates prescribed by the Bank from time to time.

(B) **AGE LIMITS AS ON 1st AUGUST 1960**

Research Officers—Candidates should not ordinarily be over 30 years of age but the age limit may be extended upto 35 years in the case of candidates with exceptionally good qualifications and/or research experience of value to the Bank.

Probationary Assistants—Between 21 and 25 years.

Economic Assistants—Between 18 and 24 years.

The maximum age limit is relaxable but not beyond 30 years in the case of

(i) candidates possessing special qualifications and experience of value to the Bank;

(ii) candidates with approved war service;

(iii) ex-employees of banking institutions whose services had to be terminated for reasons of economy or as a result of the banks going into liquidation;

(iv) personnel retrenched from Government offices after *at least* one year's service applying through Employment Exchanges; and

(v) candidates belonging to the Scheduled Castes or Scheduled Tribes.

(C) **QUALIFICATIONS**

(i) **Research Officers, Economic Department:** First or high second class Master's degree in Economics or Commerce of an Indian or foreign University, or a Doctorate degree in Economics of an Indian or foreign University, and a period of research work in one or more of the following subjects: (*a*) Monetary Economics, (*b*) Banking Theory and Practice, (*c*) International Trade and Finance, and (*d*) Agricultural Economics. Applicants are expected to be proficient in economic analysis. A period of practical banking training will be an additional qualification in respect of applicants with specialisation in (*a*), (*b*) and (*c*) above and experience of agricultural surveys in respect of (*d*) above.

(ii) **Probationary Assistants, Agricultural Credit Department:** First or high second class Master's degree of an Indian or foreign University in Economics, Sociology or other Social Sciences or in Commerce. Special study or knowledge of rural economics or rural sociology will be an additional qualification; so also will be the experience gained in a responsible position in the Co-operative Departments of the States or in a co-operative institution. Due weightage will be given to the successful completion of the courses organised by the Central Committee for Co-operative Training at its training centres.

(iii) **Economic Assistants, Agricultural Credit Department:** High second class Master's degree or a first class Bachelor's degree in Economics or Commerce of an Indian or foreign University. Specialised study in Rural Sociology will be an additional qualification. Due weightage will be given to the successful completion of the courses organised by the Central Committee for Co-operative Training at its training centres.

Note:—Experience in community development, small scale and cottage industries, marketing, training and publicity, co-operative societies, co-operative departments, etc. will be given due weightage for the posts in the Agricultural Credit Department and knowledge of regional languages such as Hindi, Bengali, Oriya, Gujerati, Urdu and Assamese will be an additional qualification.

(iv) **Probationary Assistants, Legal Department:** Applicants should be Advocates or Solicitors and should possess in addition to high academic qualifications in Law, practical experience of work in an Advocate's or Solicitor's Office or have practised independently, for at least 5 years. Preference will be given to candidates having M.L. or LL.M. or other equivalent qualifications and special knowledge of banking and company law.

THE SELECTION BOARD WILL INSIST ON A VERY HIGH STANDARD OF SUITABILITY IN MAKING SELECTIONS FOR THE ABOVE POSTS AND ONLY CANDIDATES WHO POSSESS HIGH ACADEMIC QUALIFICATIONS AND ADEQUATE EXPERIENCE OF THE TYPE SPECIFIED ARE ADVISED TO APPLY.

2. Candidates who wish to apply for more than one category of posts must submit *separate* applications accompanied by separate application fees and *should clearly indicate the post and the department for which they have applied.*

3. Applicants for all the above posts except Economic Assistants must remit with their applications a fee of Rs. 7 50 for each category of post in each department by cheque or bank draft on a *Scheduled Bank* payable at Bombay or by postal order. Applicants for the posts of Economic Assistants must remit a fee of Rs. 2.00. *The application fee is in no case refundable.* Bona fide refugee candidates *not in employment* applying through the Employment Exchanges are exempted from payment of application fees while in the case of candidates belonging to Scheduled Castes/Scheduled Tribes, the fee will be reduced to one-fourth.

4. Applications in the candidate's own handwriting in the prescribed forms obtainable from the Reserve Bank's offices at Bombay, Calcutta, Kanpur, New Delhi, Nagpur, Madras, Bangalore, Lucknow, Trivandrum and Patna accompanied by copies (*originals should not be sent*) of *at least* two testimonials, *and copies of statements of marks secured in the Graduate and Post-Graduate degree examinations* should be forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box No. 406, Bombay No. 1 so as to reach him on or before the 7th September 1960.

5. *Candidates should also indicate in their applications whether they had applied previously for a similar post in the Reserve Bank and if so with what result.*

6. *Candidates already in service must submit their applications through their employers.* Candidates belonging to Scheduled Castes/Scheduled Tribes should mention this fact *prominently* in their applications and also enclose a copy of a certificate to that effect from a competent authority.

7. Selected candidates must be prepared to serve in any office of the Bank in India and to undertake tours when required.

8. Appointments will be subject to candidates being found medically fit for service in the Bank by the Bank's Medical Officer.

9. If any candidate desires to have his application acknowledged, he should send it by "Registered Post—Acknowledgement Due." Apart from those who may be specially called, interviews will not be granted to candidates nor will the Bank enter into correspondence with them.

10. Canvassing will be regarded as a disqualification.

THE RAMESHWARA JUTE MILLS LIMITED

THE BOARD OF DIRECTORS AT THEIR meeting held on the 15th July, 1960, have decided to recommend to the forthcoming Annual General Meeting of the Company to be held on the 31st August, 1960, the following Dividend subject to deduction of tax under Section 18(3D) of the I.T. Act:—

On Preference Shares @ 8.57 per cent. per annum for the period from 1st October, 1950 to 31st March, 1956.

For HINDUSTHAN INVESTMENT CORPORATION LTD.,
R. K. CHHAOCHHARIA,
Managing Director,
Managing Agents.

CALCUTTA, *Dated. the 3rd August*, 1960.

Notices

THE SURAT ELECTRICITY COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL MEETING within the meaning of the Companies Act, 1956, (being the Fortieth Ordinary General Meeting) of THE SURAT ELECTRICITY COMPANY, LIMITED, will be held on Thursday, the 1st September, 1960, at 4-30 p.m. at the Registered Office of the Company, Killick House, Home Street, Fort, Bombay, to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March, 1960.
2. To declare a dividend.
3. To elect a Director in the place of Mr. Kishore M. Premchand who retires by rotation but who offers himself for re-election.
4. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"THAT pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of contracts or arrangements entered or being entered into with Bombay Garage Private Limited, who are or may be deemed to be Associates of Killick Industries Limited, the Managing Agents of the Company, for the supply of motor cars, motor lorries, motor car accessories, air-conditioners, domestic appliances and other articles sold by them or for the supply or rendering of any services as may be required by the Company from time to time upon the following terms:—

(a) That the prices or amounts charged to the Company are at rates which are not less favourable to the Company than the market rates or are otherwise reasonable;

(b) that the other terms and conditions of purchase of such motor cars, motor lorries, motor accessories, air-conditioners, domestic appliances and other articles sold by them or rendering of services shall be generally the same as those on which the Company can purchase such property or acquire such services elsewhere;

(c) that the said purchases or rendering of services shall be sanctioned by the Board of Directors."

By Order of the Board,
FOR THE SURAT ELECTRICITY COMPANY, LIMITED,
KILLICK INDUSTRIES LIMITED,
A. N. HAKSAR,
Managing Director,
Managing Agents.

BOMBAY, *4th August*, 1960.

N.B.—(*a*) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member. Under Article 96 of the Company's Articles of Association, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not later than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

(*b*) The Transfer Books of the Company will be closed from Wednesday, the 17th August, 1960, to Thursday, the 1st September, 1960, both days inclusive.

(c) The Dividend when declared, will be made payable at the Chartered Bank, Bombay, on and after Friday, the 2nd September, 1960, to those Shareholders whose names stand on the Register on Thursday, the 1st September, 1960, to whom Dividend Warrants will be posted.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 (2) of the Companies Act, 1956.

Item No. 5.—The Company at times has been purchasing, although not exclusively, motor cars and motor lorries, and also part of its requirements of motor car accessories, air-conditioners and other items from Bombay Garage Private Ltd. Under the Companies Act, 1956, however, Bombay Garage Private Ltd. are or may be deemed to be an "Associate" of Killick Industries Limited, the Managing Agents of the Company, by virtue of Mr. M. R. Chinoy becoming a Director of the Managing Agency Company from 22nd September 1959 and who together with his relatives as defined by Section 6 of the Companies Act, exercises more than one-third voting power in Bombay Garage Private Ltd. It is expedient, therefore, having regard to the provisions of Section 360 of the said Act, for the Company to approve, by a Special Resolution, the purchase of motor cars, motor lorries, motor car accessories, air-conditioners and other items and for the supply or rendering of any services as may be required by the Company. The Special Resolution is commended for acceptance.

Mr. A. N. Haksar is interested as a Director and Shareholder of Killick Industries Limited. Dewan Bahadur Natwerlal M. Jhaveri, Mr. Lalitmohan C. Gandhi, Mr. Kishore M. Premchand and Mr. R. R. Saraiya are interested as shareholders of Killick Industries Limited. Killick Industries Limited, who are Managing Agents of the Company and are Associates of Bombay Garage Private Ltd., are interested for these reasons and as Shareholders of the Company.

By Order of the Board,
FOR THE SURAT ELECTRICITY COMPANY, LIMITED,
KILLICK INDUSTRIES LIMITED,
A. N. HAKSAR,
Managing Director,
Managing Agents.

BOMBAY, *4th August*, 1960.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

AT A MEETING OF THE DIRECTORS HELD on the 5th August 1960, it was decided to recommend to the shareholders at the Annual General Meeting, which was fixed to be held on the 21st September 1960, the payment of a final dividend for the year ended 31st March 1960, of 3% (subject to tax) on the issued Ordinary shares, payable on the 24th September 1960.

The net profit for the year, after deducting all charges and expenses of management and providing for taxation, is Rs. 1,41,62,230.

Two interim dividends, each of 2½% (subject to tax) amounting in total to Rs. 75,80,000 in respect of the year to 31st March 1960, were paid on the 28th September 1959 and the 20th April 1960 respectively.

After paying the final dividend amounting to Rs. 45,48,000 and allocating Rs. 63,437 to Capital Reserves, Rs. 5,07,057 to Development Rebate Reserve and Rs. 14,50,000 to Fixed Assets and Stock Replacement Reserve, the amount carried forward will be Rs. 24,77,765.

The Directors also declared a first interim dividend of 2½% (subject to tax) in respect of the year to 31st March 1961, payable on the 24th September 1960.

The final dividend, if approved, and the interim dividend will be paid to the shareholders whose names appear on the register on the 21st September 1960 and dividend warrants in respect thereof will be despatched to such shareholders or their mandatees on the 23rd September 1960. The share transfer books of the Company will be closed from the 29th August to the 21st September 1960, both days inclusive, and transfers received in order at the registered office of the Company up to the 27th August 1960 will be in time to be passed for the payment of the dividends to the transferees.

By Order of the Board,
J. R. BLAIKIE,
Secretary.

VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA.
6th August, 1960.

COMMERCE AND INDUSTRY

(*Concluded from page 300*)

rial imports were liberalised in 1959-60 to meet the maintenance needs of the economy. Imports of consumer goods had been very drastically reduced. Government imports were substantially higher in the last three years than in the first year of the second Plan (1956-57), though, in 1959-60, they showed a fall of over 20 per cent. from the 1958-59 level.

India's exports actually suffered some setback in the second and third years of the Plan, as a result of the 1957-58 recession in the West. But signs of recovery in exports were in evidence in the fourth year. Thus, exports aggregating Rs. 635 crores in 1956-57 declined to Rs. 594 crores in 1957-58 and still further to Rs. 576 crores in 1958-59, but recovered to Rs. 623 crores in the fourth year. As the second Plan progressed, a number of measures were taken to stimulate export earnings both by way of removal of existing restrictions (like export duties) and by the provision of export incentives and strengthening of commercial channels and exporting organisations. As a result of the various promotional measures and because of the revival of the economic activity abroad, the export earnings recorded a rise of Rs. 47 crores in 1959-60, but they were still Rs. 12 crores lower than in the first year of the current Plan.

Trade deficits increased from Rs. 464 crores in 1956-57 to Rs. 640 crores in 1957-58. but fell to Rs. 454 crores in 1958-59, largely because of the severe restrictions imposed on imports. There was a further fall in deficit to Rs. 300 crores in 1959-60, resulting from modest improvement in exports and a sizable decline of Rs. 102 crores in imports. Official donations amounted to Rs. 40 crores in 1956-57 and have since been steady at about Rs. 35 crores per annum. The net result was that current account deficits in the four years were Rs. 312 crores, Rs. 501 crores, Rs. 328 crores and Rs. 181 crores and averaged Rs. 331 crores per year.

Under capital transactions, there was a net outflow of Rs. 40 crores during the four years on private account. In the banking sector, there was a sizable outflow of Rs. 11 crores in 1957-58, when interest rates abroad were very high and, in the following two years, there were net inflows of Rs. 4 crores and Rs. 8 crores. The official sector, which is by far the most important component in the capital account, recorded average receipts of Rs. 218 crores per year. Total official loan receipts in 1956-60, excluding drawings of Rs. 95 crores from I.M.F., amounted to Rs. 549 crores, of which Rs. 186 crores came from the World Bank, Rs. 128 crores from the U.S., Rs. 82 crores from the U.K., Rs. 72 crores from West Germany and Rs. 63 crores from Russia. The World Bank loans of Rs. 66 crores in 1957-58 and Rs. 77 crores in 1958-59 provided the much needed resources before assistance from five friendly countries was organised at conferences that it convened in August 1958 and March 1959.

The gap between the current account deficit and capital receipts had to be met, says the review, by drawing down India's foreign exchange reserves which suffered drafts of Rs. 221 crores, Rs. 260 crores, Rs. 42 crores and Rs. 16 crores, respectively, in the four years. It may be noted that, in 1959-60, the reserves would have risen by Rs. 26 crores, instead of falling by Rs. 16 crores, had it not been for the special payments connected with India's increased subscription to, and repurchase of rupees held by the I.M.F.

The review draws attention to the fact that with the low level to which India's reserves have been drawn down, the balance of payments difficulties acquire a sharper edge and emphasise the need for vigorous efforts to promote exports and to keep imports to the minimum possible level, as well as the urgency to arrange for adequate and timely external assistance.

SOVIET RAILWAYS

In the U.S.S.R., steam locomotives are being substituted with up-to-date, highly efficient electrical and diesel locomotives. The tracks are also being thoroughly reconstructed. In 1960 electric traction will be introduced on many railways for a total length of 2,142 kilometres. The electrification of the Moscow-Irkutsk trunk line more than 5,000 kilometres long will be completed before the year is out. Another stretch on this line between the Chernorechenskaya and Bogotol stations has been commissioned a few days ago. A.C. current will be used on this lap.

The reconstruction of the Kuibyshev railroad, one of the biggest trunk lines of the Soviet Union, is proceeding full blast. This transport line is of great importance for the economic contacts of the central areas of the country's European part with the regions of the Urals, Siberia and Central Asia. The freight carriage of this rail-road in ton-kilometres equals that of the railways of Britain, France and Italy taken together. A 200-kilometre-stretch of the Kuibyshev line has been electrified. At present, the total length of the electrified sections exceeds 1,300 kilometres.

MONEY STILL STRINGENT

(From Our Own Correspondent)

BOMBAY, *10th August*

Barring an improvement in the supply of funds today, conditions in the short-term money market have been stringent throughout the week under review. The Exchange and big Indian banks are said to have been able to get their requirements easily in the inter-bank call money section and there is even a surplus of money left with banks. There is, however, no change in interest rates. Inter-bank call money is still being bid at 3½ per cent. among all sections of banks. House money at seven days' notice continues to be quoted at 3½-3⅝ per cent. and one to six months' deposits at 3¼-3½ per cent.

The 91-day Treasury Bill rate, which had declined last week from 2.745 per cent. to 2.737 per cent, per annum, has again hardened to 2.745 per cent, this week. The amount offered at this week's sale of these bills has not exceeded the amount invited. Sales of Intermediate Treasury Bills during the period 3rd to 6th August amounted to Rs. 16 lakhs, at a discount of 2.696 per cent. per annum. They will continue to be offered at the same rate this week also.

There has been an expansion of Rs. 18.32 crores in notes in circulation during the week ended 5th August 1960. Disclosing this, the Reserve Bank's statement for that week shows a fall of Rs. 19.95 crores in notes held in the Banking Department. The consequent decline of Rs. 1.63 crores in total notes issue is covered by a corresponding contraction in rupee coin. While there is no change in foreign securities, balances held abroad have declined by Rs. 5.37 crores, so that the total foreign assets have gone even below Rs. 150 crores to stand at Rs. 147.86 crores. Deposits of the Central Government and other Governments have declined by Rs. 9.67 crores and Rs. 4.77 crores, respectively. Deposits of banks, too, have gone down Rs. 6.29 crores. Loans and advances to Governments show a rise of Rs. 6.54 crores and other loans and advances Rs. 9.76 crores. Of the rise in the latter, advances to Scheduled banks against usance bills account for Rs. 1.73 crores. Investments show no worthwhile variation, while holdings of Government Treasury Bills are lower by Rs. 8.09 crores.

A slight increase of Rs. 2.26 crores in advances is disclosed by the Scheduled banks' statement for the week ended 29th July 1960. This is in contrast to the successive declines in the previous two weeks. Since there is a fall of Rs. 1.86 crores on State Bank's account, this means that the advances of other Scheduled banks have gone up by Rs. 4.12 crores. Deposits have declined by Rs. 4.59 crores, mainly due to the fall of Rs. 16.92 crores in State Bank's deposits. Inter-bank borrowings are higher by Rs. 2.68 crores, while those from the Reserve Bank are lower by Rs. 2.54 crores. Investments show a decline of Rs. 4.82 crores, of which the share of the State Bank is no more than Rs. 84 lakhs. Cash balances have, however, swelled by Rs. 9.19 crores and money at call and short notice by Rs. 4.12 crores.

The Gilt-edged market continues to be listless, with very little evidence of interest on the part of institutional investors, thanks to the persistent stringency in the short-term money market. It will be interesting to note here that between the end of April (which usually marks the close of the busy season) and the end of July, the Scheduled banks have actually disinvested Rs. 17.54 crores, while in the corresponding period of 1959 they had added no less than Rs. 90.76 crores to their investments. This shows how fully the funds of banks are employed even in the traditional slack period this year. The transactions are few and far between and, where done, the prices were in favour of buyers. 3 per cent. 1986 Conversion Loan has dropped by 10 nP to Rs. 73.50. 3½ per cent. 1963 and 1964 have been marked down by 5 nP each to Rs. 99.95 and Rs. 99.90, respectively. There is nothing of note in the State loans' section. While there are sellers in these loans, prices are unchanged in the absence of any buyers.

The sustained strength of sterling abroad is only partially reflected in the rupee-dollar cross rates. Thus, while banks' buying rate for U.S. T.T. ready has declined from Rs. 473.25 to Rs. 473 per $100, their selling rate is unchanged at Rs. 476.50 per $100. In New York, spot sterling has gained ground from 280.86-280.89 cents to 280.97-281.00 cents and three months' forward from 279.44-279.47 cents to 279.70-279.73 cents per £.

BASE METALS RECEDE

(From Our Own Correspondent)

CALCUTTA, *9th August*

Base metals reacted to lower advices from the London Metal Exchange during the week under review. Demand was on the decline, and trade circles anticipated a more liberal import policy for the latter six months of the current financial year. Considering the growing development of non-ferrous metals industry, the increasing nature of demand of such products as cables, brass and copper hollows and solids, and official permission to set up new units of production such as cable plants and extrusion presses, it was felt that higher import quotas of virgin metals would be a natural sequence. It was for this reason that there was no tendency for carrying higher stocks, and price movements here were determined by the movements in London prices.

In London, tin opened at £812½ a ton and, after moving up to £813, returned to close at £812. Locally, tin opened at Rs. 561 and, after being lower at Rs. 559, finished better at Rs. 562. The mid-week decline was due to more arrivals. Electrolytic zinc closed lower in London at £251½ a ton, as against the opening of £253½. Locally, although demand for copper scrap was little, prices firmed up by way of making good last week's losses. Thus, berry quality regained from Rs. 200 to Rs. 212 and utensil scrap from Rs. 190 to Rs. 200. Electrolytic zinc at Rs. 171 closed lower by Re. 1. Shortage was continued to be felt. In London, the price closed at £89½ a ton, after being higher at £89½ as against the opening of £88½. Virgin lead was quiet at Rs. 66 a cwt.

BULLION FIRM AGAIN

(From Our Own Correspondent)

BOMBAY, *10th August*

Despite the Government of Maharashtra's refusal to relax margin rules, the bullion market put on a cheerful appearance during the major part of the week under review. Gold attracted good attention from operators who feared that the floating stocks of the metal would dwindle considerably in the coming weeks. This misgiving was based on the ground that, since the possibility of the sales of Kolar gold being resumed in the near future was remote, the usual seasonal demand for the metal would have to be met out of the available floating stocks. Reports regarding the seizure of about 7,000 tolas of contraband gold at Calcutta also imparted strength. Silver ruled distinctly firm, thanks to buoyant upcountry advices, especially from Delhi and Calcutta, and the tight hold of bulls on *Shravan* settlement till it went off the board on Monday the 8th inst. Even reports of continued large arrivals of both gold and silver did not have any effect.

The daily average arrivals of gold were of the order of 4,750 tolas, as against 3,750 tolas in the previous week, while the rate of actual offtake was slightly lower at 2,625 tolas, as against 2,875 tolas. The floating stocks of gold are reported to be around 25,000 tolas. The daily average arrivals of silver were also larger at 33 bars, those in the previous week being 23 bars, but offtake was stationary at six bars per day on an average. The floating stocks of silver are estimated at 300 bars.

In the gold section, *Bhadrapad* settlement (September), which had eased from Rs. 130.31 to Rs. 129.75 in the earlier sessions, was well supported subsequently and advanced to touch a high of Rs. 131.31 today. The closing rate was a shade lower at Rs. 131.25. The *Shravan* settlement went off the board at Rs. 132 on Friday the 5th inst., as against Rs. 131.62 on Wednesday last week. The rate for transferring commitments from *Shravan* to *Bhadrapad* settlement payable by bears widened from Re. 1.31 to Re. 1.69 on the opening day of the week but declined to Re. 1.54 the next day.

Ready gold began the week at Rs. 132.31, as against the previous closing of Rs. 132.25, and, after moving up to Rs. 132.56 today, finished at Rs. 132.50. There was a fall in the premium commanded over the *Bhadrapad* settlement from Re. 1.94 last week-end to Re. 1.25 today.

The *Shravan* settlement in silver ran off at Rs. 224.50 on Monday the 8th inst., as against Rs. 221.50 on Wednesday last week. The highest and lowest levels touched during the week were Rs. 224.75 and Rs. 221.31, respectively. The Bhadrapad settlement rose from Rs. 219.31 to Rs. 220.75 today, before closing at Rs. 220.50. Since some bulls were holding tight in the *Shravan* settlement, the backwardation rate (that is, the *budli* payable by bears to bulls to get the commitments transferred to the next settlement) widened considerably from Rs. 2.19 on Wednesday last week to Rs. 3.88 on Monday, when the *Shravan* settlement went off the board.

Under the impetus of good buying orders, ready silver rallied from Rs. 221.06 to Rs. 223.75 on Monday. Subsequently, however, it declined and stood at Rs. 221.25 at one time yesterday. Today, it again recovered to Rs. 222, before finishing at Rs. 221.75. The net gain over the week was 69 nP.

Silver in the London bullion market ruled quiet during the week under review, both ready and forward rates standing at the last week's level of 79½*d*. Silver in New York continued unchanged at 91.375 cents. Ready gold in London declined from 250*s*. 2½*d*. to 249*s*. 11⅞*d*. owing to the strength of the pound sterling *vis-a-vis* the dollar. The latest available world price for gold in London is $35.11½-$35.13½, as against $35.10½-$35.12½ a week before.

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

	10-8-60 (closing)	High	Low	3-8-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	132.50	132.56	131.31	132.25
Forward:				
Shravan	132.00*	132.12	131.25	131.62
Bhadrapad	131.25	131.31	129.75	130.31
Sovereign	86.62	86.62	86.50	86.50
SILVER				
Ready (.996 fine)	221.75	223.75	220.81	221.06
Forward:				
Shravan	224.50†	224.75	221.31	221.50
Bhadrapad	220.50	220.75	219.06	219.31
	9-8-60			2-8-60
London:				
Silver Ready	79½*d*.	—	—	79½*d*.
Silver Forward	79*d*.	—	—	79*d*.
Gold	249*s*.11⅞*d*.	249*s*.2½*d*.	249*s*.11⅛*d*.	250*s*.2½*d*.
New York:				
Silver	91⅛ cents	—	—	91-3/5 cents

*As on 5th August †As on 8th August

BUOYANCY IN COTTON FUTURES PERSISTS

(From Our Own Correspondent)

BOMBAY, *10th August*

Cotton futures market continued to rule distinctly firm during the week under review also. The absence of tenders on the first three notice days imparted further strength to the market. Consequently, the August Contract remained at the ceiling level of Rs. 820. But in private, the Contract was quoted 8 to 10 rupees above the ceiling. The consensus of opinions among traders is that the Contract would go off the board without any tenders at all.

Interest is now focussed on new crop futures trading. Mr. Madanmohan Ruia, who was re-elected President of the East India Cotton Association last week, reassured the trade that there would not be any difficulty in obtaining permission from the Forward Markets Commission to commence futures trading if a suitable hedge contract were devised and trading done at prices within the ceiling limits set by law. For the purpose a Sub-committee was appointed by the Board of the E.I.C.A. to work out a hedge contract, after taking into account the changed pattern of cotton production in India.

It has been suggested, in some quarters, that the basis of the new contract should be 13/16" staple, with cotton of staple length between 11/16" and 1-1/16" allowed to be tendered against the Contract. This, these quarters think, will widen the scope for tenders which, it is said, is not possible under the existing hedge Contract, namely, Moglai fine Jarilla 25/32".

It is generally believed that it is possible to get futures trading in new crop started by the end of this month.

The view of the Sub-Committee of the Indian Central Cotton Committee, which met at Bombay on 9th August, that the third Plan cotton production target of 7.2 million bales could be reached, was noted with interest in trade circles. One of the means of achieving this was, in the Committee's view, the utilisation of the vast stretches of rice-fields which lay fallow after harvest. It was estimated that over one million acres of such rice-fields could be utilised in Andhra Pradesh, Madras, Mysore and Orissa and that an extra quantity of long and medium-staple cotton could be easily produced from them.

Weather news of late has been very favourable. Timely rains and shines are reported from Gujarat, Khandesh and Vidarbha. The crop in Punjab and U.P., is making satisfactory progress.

Activity in spot market during the week diminished to a trickle. The Textile Commissioner's order compelling sellers to sell cotton at the ceiling rate to mills nominated by him left little room for free trading in cotton.

Demand for foreign cotton was fairly good. Spinners showed interest in American cotton 1" staple and below. East African cotton evoked considerable interest. Syrian cotton also came in for business as it was considered comparatively cheaper. The latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri are as under:

B.P. 52 1,385; Syrian 1½" 1,125; Mwanza 1,190-1,200.

Cotton futures in the Karachi market lost further ground during the week. Speculative selling pressure, though less than in the previous week, still persisted. Buying support was feeble and evident only at lower levels. It, however, prevented a further fall in prices. Both the January and March contracts receded. In the spot section, while *Deshi* prices were well maintained, the quotations for most other growths declined. Sind *deshi* and Punjab *deshi* were quoted at Rs. 92 and Rs. 89 respectively, the same as last week-end rates. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few other popular varieties of Pakistan cotton:

4F Punjab Roller 87-9; S.G. 92-9; 289F Punjab Roller 98-9; S.G. 103-9; L.S.S. Punjab Roller 90-9; S.G. 94-9.

In contrast to the easy trend noted last week, the Alexandria cotton futures market ruled firm. Speculative buying and investment support attracted by the recent fall in prices led to a smart recovery. Both the Karnak and Ashmouni contracts were marked up. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing quotations.

Karnak: November 74.10 (73.06); January 74.15 (73.15); March 74.30 (73.35). *Ashmouni*: August 60.60 (61.15); October 62.15 (61.85); December 62.20 (61.85).

The Egyptian Government has announced that its cotton policy for the new (1960-61) season would be the same as in the 1959-60 season, just ended. As in 1959-60, payment against cotton exports from Egypt would be accepted in hard currencies or against clearing account of the buying countries. Barter deals, as well as triangular accounts, are prohibited. Similarly, re-exports of cotton have been forbidden. Sanctions for defaulting exporters have been prescribed. They include debarring of such exporters from participating in the export trade. Egypt will stop exports to and imports from countries which re-export Egyptian cotton. Individual quotas of shippers from Egypt would be notified in the next two weeks.

Cotton futures in Liverpool market suffered a setback during the week. Both the American and American type contracts came under increased pressure, thanks to news of the shipment of a big consignment of U.S. cotton to Liverpool. The lack of spinner interest in ready cotton was another factor. The second official crop report of the U.S. Department of Agriculture had little effect on the market although the estimate fell short of

general trade expectations. The latest available quotations—in pence per lb.—are as under:

American cotton one inch staple contract: October 22.55; December 22.30; March 22.30; May 22.40.

American cotton mixed growth contract: October 22.85; December 22.60; March 22.65; May 22.75.

Sudan: September, November, January 35.50.

The crop reporting Board of the U.S. Department of Agriculture, in its second estimate of the 1960 crop, puts the area under cotton at 15.53 million acres and production at 14.47 million bales, as compared with the final estimate of 15.09 million acres and 14.55 million bales respectively, last year. The yield per acre is estimated at 447 lbs., as against 462 lbs. harvested last year. The Department's first estimate of the current season had put acreage at 16.03 million.

Trading in the New York cotton futures market during the week was cautious as most operators were awaiting the crop report which turned out to be somewhat smaller than expected. This inspired a general buying movement, with the result that futures prices improved. The belief, held in certain quarters, that the Congress might take some action to raise the support price for cotton also imparted strength to the market.

Spot prices, however, tended to recede, thanks to lack of mill buying.

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

(In cents per lb.)

	9-8-60	2-8-60	26-7-60
Spot	32.65	33.10	33.60
October	30.99	30.97	31.14
December	31.30	31.18	31.28
March	31.81	31.55	31.72

MODEST RISE IN PEPPER

(Messrs. Parekh and Co.)

BOMBAY, 10*th August*

Malabar black pepper during the week showed improving tendency in sympathy with Singapore where prices improved both in white and black following the news that the Singapore Syndicate has shipped from London to unknown destinations about 400 tons white from their stock of 700 tons stored in London. One of the London operators who sold short in expectation that the Syndicate would come out to sell, came out to cover. As a consequence, London improved from 67*d.* to 72*d.* Short sellers are reported to have bought in Singapore a sizable quantity of white at an improved price. It is now known that the Syndicate has already shipped 400 tons to Rotterdam or Hamburg where stocks are reported to be smaller and not to Singapore option Shanghai, as earlier reported. The Singapore bulls are trying to manipulate white as the world production of white pepper is likely to be smaller than estimated earlier. The present rise in black is more or less a sympathetic one. But, the fact that the cornering in white cannot prove successful unless price of black is proportionately raised should not be lost sight of. Short covering by bears in Singapore is also reported.

Ready in Cochin improved from Rs. 1,575 to Rs. 1,600. August rallied from Rs. 280 to Rs. 287½ and October from Rs. 295 to Rs. 302. Calicut is nominally quoted at Rs. 1,650. Cochin market has recently become most erratic in view of the proximity of the due date for August delivery and is moving up and down following buying and selling bouts of bulls and bears. Cochin, however, is not finding its feet as there are no foreign enquiries either from Russia or East European countries or New York. Business in Malabar black with New York is well-nigh impossible as our rates are higher than those ruling in Singapore. In short, our market is solely guided by Singapore as we have no strong bulls to manipulate the market as is the case in Singapore. Trade in general and bulls in particular are banking upon the development in autumn demand which is so far disappointing. Unless grinders in New York and on the Continent are forced to follow the rise, Malabar black pepper is likely to go down as the holders here are getting tired and are showing anxiety to liquidate owing to continuous absence of foreign demand. Stale bulls are liquidating at every rise.

Spot in New York improved from $0.55 to $0.59. Yet, the grinders are refusing to follow as they are getting supplies whenever required from the stocks afloat and stored consignments from the supplying markets.

The future of the market depends upon the success or otherwise of the manœuvring of the bulls.

Local demand in ready is slow, the nominal quotation being Rs. 215 per Bengal maund.

BEMBERG YARN RALLIES

(From Our Own Correspondent)

BOMBAY, 10*th August*

A sharp rise in prices of Cupressa Bemberg yarn (60 x 2) was the feature of trading in the yarn market during the week under review. The rise followed hectic purchases by some prominent operators on expectations of a notable rise in demand from weaving mills during the next few months. Even reports that sizable quantities of art silk yarn were being sold by the State Trading Corporation—the Corporation has been granted a licence to import Rs. 1.75 crores worth of yarn—as well as by the indigenous producers failed to have any effect on the market. Nor were large arrivals of imported yarn during the month of July of much avail. Staple fibre yarns, however, were dull in the absence of any fresh support. Business put through was limited and values moved narrowly. Cotton yarns were also dull, thanks to reports that the handloom and powerlooms were buying on a hand-to-mouth basis on hopes of a drop in prices following improvement in production as a result of liberal raw cotton imports.

Imports of art silk yarn into Bombay port during July 1960, as already stated, were quite large, being 3,134,575 lbs., as against 2,509,382 lbs. in the previous month. Imports of synthetic yarn and cotton yarn aggregated 175,467 lbs. and 42,565 lbs., the corresponding figures for June being 187,490 lbs. and 19,335 lbs., respectively. Exports of cotton yarn from Bombay port during the month of July amounted to 322,272 lbs., as against 322,130 lbs. and those of cotton sewing thread were of the order of 33,341 lbs., as against 51,610 lbs.

Cupressa Bemberg yarn (60 x 2) August delivery met with excellent buying enquiries and climbed up from Rs. 1.908 to Rs. 1.952. October delivery rallied from Rs. 1.941 to Rs. 1.978. Spot Cupressa strengthened by 18 nP to Rs. 9.12. 150 Japan gathered 3 nP to Rs. 5.97. 120 Japan was fully maintained at Rs. 5.61, as also 120 Italy at Rs. 5.81. 150 Italy was done at Rs. 6.15, as against Rs. 6.19. Among indigenous yarn, National Rayons 150 Bt. cones 1st grade hardened by 3 nP to Rs. 5.19. 120 Bt. cones 1st grade was firm at Rs. 6.06.

Staple fibre yarn (40 x 2) August delivery encountered selling and declined by Rs. 3 to Rs. 716. October delivery eased by a like amount to Rs. 730. Spot Centurys were quiet at Rs. 3.62. But Kohinoors gained a naya paisa to Rs. 3.78. 80 x 2 Paramounts (imported) were dull at Rs. 12.75.

Among cotton yarns, ten counts Podars receded by 37 nP to Rs. 18.50. Gokaks lost 25 nP to Rs. 19. Twenty counts Moderns dropped 70 nP to Rs. 24.30. Gokaks were neglected at Rs. 24.50. Forty counts Maduras softened by 37 nP to Rs. 32 and Minaxis by 12 nP to Rs. 31.25. Sixty counts Raghuvamshis were unchanged at Rs. 60.60. Eighty counts Moderns were dull at Rs. 74, Finlays at Rs. 82.82 and Mahendras at Rs. 71.

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

	10-8-1960	3-8-1960
Art silk yarn—	Rs.	Rs.
60/1 Cupressa Bemberg (100 Kg.)		
August	1,952	1,908
October	1,978	1,941
60/1 Cupressa Bemberg spot (per lb.)	9.12	8.94
120 Japan (per lb.)	5.61	5.61
150 Japan (per lb.)	5.97	5.94
120 Italy (per lb.)	5.81	5.81
150 Italy (per lb.)	6.15	6.19
Staple fibre yarn—		
40×2 August	716.00	719.00
October	730.00	733.00
40×2 Kohinoor (per lb.)	3.78	3.77
40×2 Century	3.62	3.62
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.50	18.87
20s Gokak	24.50	24.50
40s Madura	32.00	32.37
60s Raghuvamshis	60.60	60.60
80s Modern	74.00	74.00

NEW SEEDS CONTRACTS

(From Our Own Correspondent)

BOMBAY, 10*th August*

The major development of this week in the oilseeds market was the commencement of trading in the 1960-61 season's hedge contracts of groundnut, groundnut oil, castorseed and linseed with effect from 5th inst., following the permission granted by the Forward Markets Commission. It may be recalled that the trading in the new crop cottonseed contract had commenced a fortnight ago. While granting permission to start trading in new contracts, the F.M.C. has announced its decision to abolish special margins in respect of castorseed and linseed. Trading in new contracts of groundnut and groundnut oil will, however, be subject to special margins as follows:—(*a*) the first and second marginal lines have been fixed at Rs. 190 and Rs. 215 per candy, as against Rs. 175 and Rs. 195 per candy, respectively, during last season (1959-60). This in turn works out to Rs. 187 and Rs. 212 per 250 kgs., in metric units. The rates of special margin payable by longs will be Rs. 20 per candy at the first marginal line of Rs. 190 and Rs. 60 per candy at the second marginal line of Rs. 215. (*b*) In respect of groundnut oil, the marginal lines have been fixed in parity with groundnut. The first and second marginal lines in respect of the Bombay Oilseeds and Oils Exchange will be Rs. 20.25 and Rs. 23 per qr., respectively, as against Rs. 19 and Rs. 21 per qr. during the last season 1959-60. The rates of margin will be Rs. 2.10 per qr. at the first marginal line of Rs. 20.25 and Rs. 6.30 per qr. at the second marginal line of Rs. 23. (*c*) The other provisions relating to special margins, which were applicable to the 1959-60 season's contracts, such as the payment of 50 per cent. special margin during delivery period, whenever prices ruled above the second marginal line, free limit of 300 candies to small operators holding a net long position of 500 candies and exemption to exporters from payment of special margins in respect of their export commitments, will continue as hitherto.

Corresponding marginal lines in respect of groundnut and groundnut oil traded at centres other than Bombay have also been fixed. The Commission has also given permission to the Saurashtra Oil and Oilseeds Association Ltd., Rajkot, the Om Oils and Oilseeds Exchange, Ltd., Delhi, the Adoni Groundnutseeds and Oil Merchants Association Ltd., Adoni, the Madras Oil and Seeds Exchange Ltd., Madras, the Spices and Oilseeds Exchange Ltd., Sangli, and the Ahmedabad Seeds Merchants Association Ltd., Ahmedabad, to trade in their concerned commodities in the respective new crop contracts for which they had applied for permission.

Metric system has been introduced as the unit of trading for the new contracts. The unit of trading in the case of castorseeds, cottonseeds and groundnuts has been fixed at 25 metric tons instead of 100 candies. The rate will be quoted per 250 kilograms weighing 551 lbs. and 4 ounces, instead of a candy. As for linseed, the trading unit will be 25 metric tons, instead of 25 tons. The rate will be quoted for 50 kilograms weighing 110 lbs. and 4 ounces, instead of one cwt. As for groundnut oil, the rate will be quoted for 10 kilograms weighing 22 lbs. and one ounce, instead of a quarter.

To revert to the review of the market. In the groundnut section, official trading in August 1960 contract continued to be suspended, since the contract was quoted well above the ceiling level of Rs. 225. Sentiment in other seeds and oils was somewhat irregular, with a subdued undertone. The favourable weather reports from producing centres coupled with lack of interest shown by *vanaspati* manufacturers and crushers in view of the declining trend in prices, led to some bull liquidation. The new contract, however, improved from Rs. 185.25 on the opening day to Rs. 186.75 today. Nizam bold lost 25 nP to Rs. 47.75. Coromandel, too, declined by a like amount to Rs. 48. Oil ex-mill was, however, unchanged at Rs. 25.12.

Distinctly easy conditions prevailed in the castorseed section. The maturing contract was particularly depressed in view of the pressure of arrivals. Thus September 1960 contract suffered a setback of Rs. 4.38 to Rs. 169.37. May 1961 contract, which had opened on Friday at Rs. 171.87, fell to Rs. 170, after moving in a narrow range. Ready Madras lost a rupee to Rs. 33.87. Oil Commercial shed 20 nP to Rs. 19.25.

In view of the protracted absence of overseas enquiries for linseed oil, the linseed section displayed dull conditions. Linseed May 1961 contract fell from Rs. 33.12 on Friday to Rs. 32.32 today. The maturing contract, however, was steady today on some fresh support, after remaining subdued for the major part of the week, and closed at Rs. 33.81, as against Rs. 33.47 last week-end. Bold ready declined by 87 nP to Rs. 32.50 and oil by 37 nP to Rs. 16.75.

In the cottonseed section, the February 1961 contract gathered 15 nP to close today at Rs. 92.75, after moving down in the initial stages. There was no transaction in the September contract.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	10-8-1960	3-8-1960	27-7-1960
Groundnut	Rs.	Rs.	Rs.
August 1960	186.75	—	—
February 1961	—	—	—
Nizam bold	47.75	48.00	49.25
Coromandel ready ...	48.00	48.25	49.75
Khandesh quality ...	48.00	48.00	49.75
Oil ex-mill ready* ...	25.12	25.12	25.37
Railway receipts* ...	24.75	24.62	25.12
Castorseed			
September 1960	169.37	173.75	177.00
May 1961	170.00	—	—
Ready Madras	33.87	34.87	35.00
Ready Kanpur	32.75	33.75	34.00
Oil B.S.S.†	19.25	19.75	19.87
Oil commercial†	18.00	18.31	18.44
Linseed			
September 1960	32.37	33.47	34.19
May 1961	32.81	—	—
Bold ready	32.50	33.37	33.62
Oil ready†	16.75	17.12	17.19
Cottonseed			
September 1960	—	—	—
February 1961	92.75	92.50	91.75
Niger seed	38.75	39.00	38.50
Kardi seed	24.75	25.00	25.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 784 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter. Rates for 1961 delivery contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms.

STRONG GENERAL DEMAND FOR TEAS

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

COCHIN, 2*nd August*

Sale No. 30:—A total of 475,000 kilograms was offered in Sale 30 on 2nd August—the first sale to be conducted under the metric system of weights. Quality continued to show an all-round improvement, particularly amongst the highgrown Nilgiri teas. From the outset there was a very strong general demand and buyers were quick to show appreciation of the improved quality teas. The activities of internal buyers continued unabated and there was a much improved enquiry for the lower fannings. Low medium and medium brokens were fully firm to dearer, but similar fannings advanced by 10-20 nP per kilo. Plainest types were well supported at dearer rates. Good medium teas sold well and those with improved quality advanced considerably. Highgrown Nilgiri teas met with keen competition from exporters and both brokens and fannings sold at much enhanced rates. Whole leaf teas sold well, pekoes and flowery pekoes were fully firm and orange pekoes were 10-20 nP per kilo dearer. The demand for clean black leaf teas was well maintained:

	1960	1959
	Rs.	Rs.
Low medium	3.60/3.90	3.48/3.70
Medium	3.95/4.05	3.85/4.07
Good medium	4.10/4.65	4.52/4.85
Quality	4.75/7.00	4.63/6.83

The average price realised in Sale No. 30 was Rs. 4.14 per kilo, as against Rs. 4.05 fetched in the previous sale and Rs. 4.18 in the corresponding sale of 1959.

Dust Sale 'CC':—There was a total of 575,000 lbs. in Dust Sale 'CC' held on Thursday, 4th August. This sale had been postponed, due to the strike, from 28th July. As the catalogues were in pounds, it was agreed to conduct this sale in pounds, although all subsequent dust sales will be in kilograms. From the outset there was a strong general demand. Medium dusts were a strong feature and were fully firm and often dearer. Highgrown dusts were irregular, but steady. C.T.C. types sold well at firm rates. Residual grades met a quieter market and were often easier.

The average price realised in Dust Sale 'CC' was Re. 1.80 per lb., as compared with Re. 1.90 in the previous sale and Re. 1.76 in the corresponding sale of 1959.

Export Quota:—There are now sellers at 1½ nP per kilo and some business has been done at 1¼ nP per kilo.

Colombo:—Just under 6¼ million pounds were offered and met with a very strong demand at dearer rates. Uvas were appreciably dearer following quality, whilst best highgrowns advanced 10 cents. The lesser highgrowns and mediums were irregularly 5/15 cents dearer and lowgrowns sold at 3/5 cents above last rates.

London:—There were no sales this week, owing to the August Bank holidays.

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

"*Sale* 31:—*560,000* kilograms. Strong and active market. Best liquoring highgrowns much dearer, following quality, particularly fannings. All others 10 to 20 nP dearer. Whole leaf very strong, particularly orange pekoes."

QUALITY TEAS STEADY

(From Our Own Correspondent)

CALCUTTA, 9*th August*

Fair general demand was in evidence during the export sales held yesterday, and prices of quality teas were fully steady, while the poorer teas recorded handsome losses. While demand during last week's internal sales was good, support was accorded at declining rates only.

The further perceptible fall in arrivals of tea from Assam and other regions caused much concern in trade circles. As a result, shippers felt much inconvenience for month-end bookings.

The fact that, despite a notable decline in arrivals, prices of tea had not improved to the extent desirable in export auctions was indicative of the keener competition in world markets. Such a trend was linked here to the increased imports of Chinese and African tea to the United Kingdom. In fact, Indian exports to that country had been gradually falling. The fall, noticeable in 1959, had continued in this year also. In the six months to June exports to the U.K. formed only 42.8 per cent. of total tea exported by India, against 46.8 per cent. in the corresponding period of last year.

Not only production has fallen due to drought conditions but the communal disturbances in Assam have slowed down tea movements from Assam to Calcutta port. Tea gardens have urged the Assam Government for safety measures, so that such of the Bengali employees who desired to return and resume work could do so early.

In the internal auctions held last week, offerings of dusts amounted to 18,519 packages. There was good demand at lower rates. Medium C.T.Cs gave way by 15 nP, but the poorer C.T.Cs came to a dearer market, and best liquoring C.T.Cs were irregular. Orthodox exportable teas lost up to 8 nP, but the brighter liquorings recorded handsome addition to prices. A firm trend was also in evidence in legg-cut Dooars. The quotations, inclusive of excise duty, per 1 kg. were: best Assam C.T.C. Rs. 6.00 to Rs. 6.50, medium Assam C.T.C. Rs. 5.60 to Rs. 5.90, medium Assam Rs. 4.50 to Rs. 5.10, and medium Dooars Rs. 4.40 to Rs. 4.64.

Leaf on offer amounted to 284 chests and met with good demand with green teas being a weak feature.

During yesterday's export auctions, the quantity on offer amounted to 52,913 packages. Demand was fairly good, but the support was mostly at lower levels. As a result, withdrawals were heavy. Among Darjeelings, the poor liquorings found support only at considerably reduced prices. On the other hand, there was keen competition for the very best liquoring C.T.Cs on offer and prices for these recorded handsome gains. Medium C.T.Cs eased. Among whole leaf grades, the poor liquorings eased by 50 nP and the more ordinary types by 25 nP. Tippy teas were irregular. Bright liquoring orthodox teas received good attention, while the plainer liquorings were in poor demand. Orthodox O.Fs and B.O.Ps eased, the decline in the latter category being greater than in the former. Plain brokens fell by 20 nP and fannings of the same category by 10 to 20 nP. Orthodox and C.T.C. fannings were about firm. Legg-cut teas eased by 10 nP.

The quotations per 1 kg. inclusive of excise duty are: best Assam C.T.C. fannings Rs. 11.00 to Rs. 12.00, clean black pekoe Rs. 5.55 to Rs. 5.75, medium fannings Rs. 4.90 to Rs. 5.10, best Assam C.T.C. B.P. Rs. 9.50 to Rs. 10.50, plain B.P. Rs. 4.35 to Rs. 4.55, plain fannings Rs. 4.30 to Rs. 4.50, and medium B.P. Rs. 4.90 to Rs. 5.10.

Export quota was quoted at 1½ nP, but no business was done.

JUTE GOODS DEARER

(From Our Own Correspondent)

CALCUTTA, 9*th August*

Very steady conditions were in evidence in both jute goods and fibre markets during the week under review. Following good support, handsome additions to prices were recorded, and a notable feature of this week was the Russian interest in hessian. Earlier, the U.S.S.R. purchased hessian worth Rs. 1½ crores for August-September shipment, and throughout the week Russian interest continued. U.S. buyers had been showing only limited interest during the past several weeks and although total American buying in any month was substantial, the fact that American buyers lifted hessian in paltry quantities now and then had been a factor which kept down hessian prices.

Against such a background, Russian interest in hessian for substantial quantities during this week and sufficient indications of continued interest from that quarter provided the signal for this week's steady rise. Small purchases were made by both the United Kingdom and the United States. Another factor which contributed to rise in prices was the news that the Argentine had released import licences for 10,000 bales for immediate shipment from India.

Australia and New Zealand continued to lift moderate quantities of heavy goods. The rise in prices was also in accord with the hardening trend in the fibre market. The fact that forward goods did not attract buyers was taken as an indication of the belief among foreign buyers that prices would move down when once the new crop began moving into mills' stations in larger quantities. Harvest has already commenced and new crop with a high moisture content has been arriving. Weather conditions continued most favourable, and expectations of a larger crop have gained ground. Reports indicated that the superior variety of the fibre would be more than half of the crop whereas last year it was only 35 per cent. Considering that the carry forward from the last crop was lower by 469,000 bales compared to last year, and that the mills needed immediate replenishment of stocks in an attempt to unseal the looms sealed for want of raw material, it would be a few months before the higher crop would have its effect on the fibre market.

On Tuesday last, ready hessian 40" 10 oz. hardened to Rs. 46.20 from Rs. 46 in the wake of Russian purchases totalling about 8,000 bales. However, some selling pressure developed in heavy goods at the higher levels, and as a result ready B. twills sagged to Rs. 136.25 from Rs. 138.25. At this stage, Australia turned buyer for cornsacks against September delivery, and covering business soon followed for forward and near deliveries. As a result, on the following day, ready B. twills picked up to Rs. 139. The good news that Argentina had issued authorisation for 10,000 bales of hessian sent up hessian 40" 10 oz. further to Rs. 46.65. On Thursday, heavy goods moved up to higher levels, following the expectation of an Indonesian order for a substantial quantity of heavy cees against September-December delivery. Ready B. twills put on two points at Rs. 141, but following profit-taking closed at Rs. 140 on Thursday. Hessian 40" 10 oz. closed higher at Rs. 47, as Russia desired to purchase more. At this stage, keen activity developed in the futures market, and on Friday ready B. twills were fully steady at Rs. 140.25, as were hessian 40" 10 oz. at Rs. 47. During the week-end, there was good business done with foreign buyers in both sacking constructions and hessian and B. twills closed better at Rs. 140.50 and hessian 40" 10 oz. at Rs. 47.25. Conditions for some time during yesterday's trading were steady, as covering business was being done. However, towards the close prices eased. Thus, ready B. twills finished at Rs. 140 and ready hessian 40" 10 oz. at Rs. 47.15.

Mills showed keen interest in near delivery new crop and prices improved. Northern bottoms moved upto Rs. 97.75 from Rs. 93.75 per 100 kg. September-October. Daissee bottoms scored to Rs. 100.50 from Rs. 97.75 against October-November delivery. New crop arrivals were on the increase, but sellers were reserved, and the uptrend in the prices of goods acted in sellers' favour. The Narayanganj market in Pakistan was steadier, and although arrivals increased they were much below the level at this time last year. Weather conditions were such that they did not rule out the possibility of floods.

EXPORT BUSINESS IN KIPS SMALL

(From Our Own Correspondent)

MADRAS, 6*th August*

There has been no change in the hides and skins market in the past week. Export business is small, due to August holidays in the U.K.-Continent. It is hoped that trading will improve after the holidays.

Shipments during July were: 2,223 bales cow hides, 157 cow calf, 28 buffs, 150 buff calf, 291 goat and 403 sheep to the U.K.; 5 cow hides, 44 cow calf, 53 buff calf, 559 goat and 204 sheep to the Continent; 57 buffs and 178 goat to the U.S.A.; 6 goat and 196 sheep to Japan.

FOODGRAINS DRIFT LOWER

(From Our Own Correspondent)

HAPUR, 8*th August*

Excepting wheat which continued to rule steady due to poor supply position, other grains and pulses drifted lower during the week under review. The downward tendency was due mainly to better *kharif* crop prospects because of timely rains. Inferior wheat recorded modest gains to be quoted at Rs. 17.37 a maund for average quality and upto Rs. 18.50 for superior farm produce. Daily arrivals in the market were about 100 to 150 maunds which were lifted by consumers. The U.P. Government has increased its daily sale quota through ration shops from 30 to 50 maunds. Wheat flour is also being sold to card holders and arrangements have been made to sell rice on ration cards.

Rice continued to rule quietly easy, thanks to satisfactory supply position. There was a fall of about Rs. 1 per maund in the quotation. The local stocks of rice with trade was put at 15,000 maunds and a heavy quantity on State Government account was awaiting despatch to deficit areas. The prevailing prices of rice here were:—*sela basmati* Rs. 31 to Rs. 34; *mainpuri* Rs. 23.50; *ramajwayan* Rs. 24; *raimunia* Rs. 25; and *gudda* Rs. 20.50 a maund.

Gram lost about 50 nP a maund during the week to be quoted at Rs. 15 a maund and old gram sold by the State Government to traders in order to curb the rising tendency in gram prices was being quoted at Rs. 14.75 a maund in the open market. The corresponding price of gram last year was Rs. 12.75 a maund. The fall in gram prices in the Punjab also acted as a bearish factor. Barley eased fractionally during the week to Rs. 12.75. *Bejhar*, too, was quoted lower at Rs. 12 a maund for inferior quality and at Rs. 12.75 for superior mongia variety. *Kharif* crops, mainly maize, were progressing under healthy conditions, due to timely rains and, barring scattered areas which were waterlogged due to heavy rains in early July, the maize crop prospects are very good. *Guwar* continued quiet at Rs. 12.50 to Rs. 13 a maund, as also *juwar* around Rs. 13.50 to Rs. 14.25 a maund.

Peas eased fractionally to Rs. 11.62 a maund for *dara* green quality and Rs. 13 for superior farm produce. Demand was slack and, with loading being restricted, the stockists were anxious sellers. The stocks of peas with trade were heavy at 84 *khatties*, as against 55 *khatties* on the corresponding date last year when peas *dara* was quoted at Rs. 12.25 a maund. *Arhar* also sought lower levels at Rs. 13.25 a maund and local stock with trade was put at 25 *khatties* and demand was almost dormant. The corresponding stock of *arhar* last year was 30 *khatties* and prevailing price then was Rs. 16.75 a maund. Other pulses were also depressed. *Urd* was quoted at Rs. 19.25, *moong* at Rs. 20 to Rs. 21.50 and *massor* at Rs. 14 to Rs. 17 a maund.

SUGAR EASES FURTHER

(From Our Own Correspondent)

HAPUR, 8*th August*

Sugar eased further during the week to Rs. 111.50 per bag in wholesale and Re. 1.09 per *seer* in the open market, as against the controlled prices of Rs. 108.50 and Re. 1.01. The supply position of sugar improved following the fresh release of 200,000 tons for sale and, although no free sales were contemplated in U.P., sugar supplies for ration mostly in rural areas were reaching the market for open sale. It is now almost certain that the Central Government is not conceding the traders' demand for immediate decontrol of sugar, despite an all-time record of sugar production at 2,425,000 tons and the expected surplus of over 500,000 tons. Exports, however, are contemplated to the extent of 150,000 tons immediately.

In the Muzaffarnagar market, also, sugar ruled easy, following comfortable supply position. Most of the quantity allotted for July allotment was not being lifted from the Sugar Dealers' Syndicate. The week-end prevailing prices were:—Rs. 111 to Rs. 112 per bag and Re. 1.12 per *seer* in the open market.

The Kanpur market was moderately active on revival of festive demand. The latest prevailing price was Rs. 114.50 per bag.

Khandsari continued to rule steady due to good demand from the consuming areas of the South but loading was still restricted. Stocks left with producers were now reported to be small. The week-end prevailing prices were:—*khandsari* inferior Rs. 30 to Rs. 32; superior Rs. 33 to Rs. 41; *khandsari* crystal Rs. 37 to Rs. 42; *boora* from *khandsari* Rs. 43 per maund.

Ready *gur* sought lower levels. Trading came almost to a standstill, as stocks left with the trade were only of wet quality which was not in request and loading was perfectly restricted for past some days. The cane crop here was reported to be in need of rains, although prospects were bright in other areas. Local *gur* stock left was put at 15,000 maunds, as against 33,000 maunds on the corresponding date last year. The week-end prevailing prices were:— *gur* Rs. 16.50; *kotha* wet Rs. 16; *shakker* Rs. 19 a maund.

Gur also sought lower levels in the Muzaffarnagar market during the past week, due to loading restrictions, though some demand was reported from the South. *Dana minja* was in request from Madhya Pradesh and east U.P. Local stock was put at 60,000 maunds and week-end prevailing prices were:—*Chaku* dry Rs. 20.50 to Rs. 20.75; *kotha* wet Rs. 15.75; *rusket kotha* Rs. 8 to Rs. 10; *Shakker dara* Rs. 20; *dana minja* Rs. 17 to Rs. 19 a maund.

Gur futures ruled bearish on continued bear pressure from Kasgunj and other operators. Fagun opened at Rs. 14.06 last Monday and was quoted today near the worst level of the session at Rs. 13.64.

CHEAP RADIO SETS

The Government of India has decided that production of 50,000 to 60,000 cheap radio sets should be aimed at annually. This was revealed by the Union Minister for Industry, Mr. Manubhai Shah, in reply to a question in the Lok Sabha last week. As a result of discussions at a meeting of radio manufacturers, convened by the Government in May last, it was decided that every manufacturer would produce cheap radio sets at least up to 10 per cent. of his production within the existing foreign exchange allocation; for every five per cent. additional production of cheap radio sets over the 10 per cent. the manufacturer would be given five per cent. additional foreign exchange for import of components and raw materials, subject to a maximum additional production of 20 per cent. sets. It had also been agreed that the manufacturers should make an all-out attempt to put cheap radio receivers in the market by December this year and that the sale price should be Rs. 125, including all taxes except the State sales tax. Mr. Shah further stated that no special foreign collaboration and technical assistance was necessary for the manufacture of cheap radio sets.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 5th August, 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		40,00,00,000
National Agricultural Credit (Stabilisation) Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		57,38,07,000
(2) Other Governments		1,98,000
(b) Banks		118,44,78,000
(c) Others		139,34,35,000
Bills Payable		14,49,79,000
Other Liabilities		10,39,42,000
	Rupees	487,91,12,000

ASSETS	Rs.
Notes	14,45,27,000
Rupee Coin	1,98,000
Subsidiary Coin	4,54,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	23,61,41,000
Balances held abroad*	19,84,77,000
Loans and Advances to Governments†	37,06,88,000
Other Loans and Advances	122,05,04,000
Investments	258,90,17,000
Other Assets	12,21,90,000
Rupees	487,91,12,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 10,85,30,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,45,27,000	
Notes in circulation	1812,31,81,000	
Total Notes issued	....	1826,77,08,000
Total Liabilities	....	1826,77,08,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		129,43,05,000
Government of India Rupee Securities		1451,57,11,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1826,77,08,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	29th July 1960	22nd July 1960	A month ago	A year ago B
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1794.00	1815.88	1834.52	1666.04
Notes held in Banking Department	35.05	34.41	26 84	30.54	30.82
Foreign Securities	59.50	128.01	148.01	143.01	168 01
Rupee Securities	37.39	1451.57	1451.57	1476.40	1276.13
Banking Department					
Deposits of:					
Government of India	14.89	67.05	52.45	54.67	60.16
Other Governments		22.62	31.07	20.79	22.32
Balances held abroad	10.06	25.22	17.29	13.59	9.33
SCHEDULED BANKS					
Demand Liabilities	184.86	798.86	804.42	790.28	737.07
		(22.93)†	(21.85)†	(17.95)†	(25.13)†
Time Liabilities	102.24	1215.04	1211.39	1218.40	1081.17
		(27.72)†	(27.12)†	(23.02)†	(28.77)†
Borrowings from Reserve Bank	..	24.64	27.18	42.61	1.07
		(0.12)‡	(13.05)‡	(13.10)‡	(Nil)‡
Borrowings from State Bank	..	12.41	11.05	10.23	3.81
Cash in India	6.70	44.42	47.60	48.67	40.60
Balances with Reserve Bank	25.17	119.18	106.77	107.08	75.98
Balances with other banks in current account in India	..	16.49	17.33	16.47	14.03
Money at call and short notice in India	..	40.02	35.90	24.99	41.69
Investments (at book value)	..	724.06	728.88	744.47	714.72
Advances and bills	166.9	1121.64	1119.88	1127.66	956.76
STATE BANK					
Deposits	87.76	610.91	627.83	637.08	547.02
Investments	51.99	373.81	374.65	398.93	357.34
Advances	30.35	208.42	210.27	215.52	174.71
Cash	14.69	36.92	35.99	37.95	27.53

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	8
Burma	Feb., 1948	..	3
Canada †	..	3.44	3.17
Ceylon	16th Dec., 1959	2.50	3
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	23rd Jan., 1960	4	4.75
Italy	7th June, 1958	4	3.50
Japan	2nd Dec., 1959	6.94	7.3
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6.50
Portugal	19th Jan., 1944	..	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1958	5.50	6
United Kingdom	23rd June 1960	6	6
U.S.S.R.	1st July, 1936	3	4
U.S.A.	3rd June, 1960	4	3.50
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 5th August, 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		17,84,71,000
Borrowings from Other Banking Companies, Agents, etc.		609,97,07,000
Bills Payable		14,25,000
Bills for Collection being Bills receivable as per contra		8,79,79,000
Acceptances, Endorsements and Other Obligations per contra		2,12,73,000
Other Liabilities (including Inter-Office Adjustments)		2,04,07,000
		12,87,29,000
Total .. Rs.		648,77,67,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		22,56,02,000
Balances with other Banks		3,22,83,000
Money at Call and Short Notice		96,67,000
INVESTMENTS:		
Government and other Trustee Securities	379,38,82,000	
Other Authorised Investments	9,87,03,000	
		389,25,85,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	196,89,33,000	
Bills Discounted and Purchased	12,61,25,000	
		209,50,58,000
Bills Receivable being Bills for Collection as per contra		2,12,73,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,04,07,000
Premises less Depreciation		1,25,51,000
Furniture and Fixtures less Depreciation		1,24,25,000
Other Assets (including Inter-Office Adjustments)		16,55,16,000
Total .. Rs.		648,77,67,000

Scheduled Banks*

Statement of Affairs for the week ended 29th July 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		23,23,14,000
(ii) Other demand liabilities		774,93,06,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		27,72,03,000
(ii) Other time liabilities		1,187,32,29,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		10,26,81,000
(ii) Time liabilities		2,14,00,000
Borrowings in India from the Reserve Bank of India‡		24,33,95,000
Cash in India		(9,12,30,000)
Balances with the Reserve Bank in India		44,42,43,000
Balances with other banks in current account in India		119,13,46,000
Money at call and short notice in India		16,48,67,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		40,02,26,000
Advances in India		724,06,07,000
Inland Bills, purchased and discounted in India		968,46,86,000
Foreign Bills, purchased and discounted in India		107,02,86,000
		46,14,73,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
11th to 14th May*	0.05	—	0.05	—	99.826
17th May	2.00	2.00	2.00	2.745	99.310
24th May	2.00	2.80	2.00	2.745	99.325
25th to 28th May*	1.25	—	1.25	—	99.326
31st May	2.00	2.25	2.00	2.745	99.325
1st to 4th June*	3.05	—	3.05	—	99.326
7th June	2.00	2.00	2.00	2.745	99.310
8th to 11th June*	2.15	—	2.15	—	99.326
14th June	2.00	2.00	2.00	2.745	99.310
15th to 18th June*	0.07	—	0.07	—	99.326
21st June	2.00	2.02	2.00	2.745	99.315
22nd to 25th June*	0.07	—	0.07	—	99.326
28th June	2.00	2.00	2.00	2.745	99.310
6th July	2.00	2.00	2.00	2.745	99.310
12th July	2.00	2.02	2.00	2.745	99.325
26th July	2.00	2.00	2.00	2.745	99.310
2nd August	2.00	2.26	2.00	2.737	99.310
3rd to 6th Aug.*	0.16	—	0.16	—	99.326
9th August	2.00	2.00	2.00	2.745	99.310
Total amount outstanding	30.80	..	30.80	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 29th July 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		4,15,00,000
Deposits:—		
(a) Central Government		18,58,84,000
(b) Provincial Governments		3,14,23,000
(c) Banks		21,57,37,000
(d) Others		88,09,99,000
Bills Payable		55,05,000
Other Liabilities		15,45,03,000
Rupees		154,57,21,000

ASSETS	Rs.	Rs.
Notes		18,41,07,000
Rupee Coin		30,000
Subsidiary Coin		40,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		3,000
Balances held outside Pakistan*		24,52,17,000
Loans and Advances to Governments		10,98,00,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		86,74,55,000
Investments		9,90,90,000
Other Assets		....
Rupees		154,57,21,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,41,07,000	
Notes in circulation	342,57,47,000	
Total Notes issued	....	360,98,54,000
Total Liabilities	....	360,98,54,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion		
Foreign Securities	73,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		140,74,49,000
B. Rupee Coin	5,05,33,000	
Government of Pakistan Securities	209,28,66,000	
Internal bills of exchange and other commercial paper	....	
		214,33,99,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,03,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	360,98,54,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40.54 per cent.

EXCHANGE RATES

		7th August 1960	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅜	1-5⅜
Sellers T. T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	s.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.50	476.50
Buyers T.T.	Rs.	473.25	473.25
London on New York	s.	2.8086-2 8089	2.8080-2 8095
London on Paris	Frs.	13.74-13 75	13.74-13 765
London on Berne	Sw. Frs.	12 0915-12 0935	12.1225-12.1250
New York on London	s.	280.880-280 890	280.920-280.950

CLEARING HOUSE RETURNS

Centre	Week ended 5th August 1960 Number of Cheques	Amount Rs.	Week ended 29th July 1960 Number of Cheques	Amount Rs.
Bombay	8,54,807	85,34,98,000	8,54,939	87,10,74,000
Calcutta	11,95,000	87,51,00,000	1,99,000	81,39,00,000
Madras	99,106	13,15,14,704	1,00,751	12,34,95,193
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,97,12,00,000
1959-60	..	..	50,064,000	109,85,05,00,000
April 1960	..	..	4,586,000	10,42,01,00,000
May ,,	..	..	4,588,000	10,19,66,00,000
June ,,	..	..	4,227,000	9,56,02,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	23rd July 1960	16th July 1960	25th July 1959	May 1960	May 1959	Percentage of Increase(+) or Decrease(−) in May, 1960 as compared with May, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	125.0	125.1R	121.1	120.0	116.1	+ 3.4	119.6	118.2
Cereals	192	109 9	110 1	108.7	105.8	98.9	+ 7.0	104.1	106.8
Pulses	43	95.9	96.0R	95.4	89 9	94.8	− 5.2	93.6	108.9
Fruits and Vegetables	52	130.1	129.6	143.9	132 0	129 9	+ 1.6	127.8	117.0R
Milk and Ghee	84	122.7	122.8	112.8	117.4	115.8	+ 1.4	113.8	107.3
Edible Oils	47	150.0	147 6	130 8	138.0	131.1	+ 5.3	130.4	124.3
Fish, Eggs and Meat	17	128.3	133.3R	116.1	119.2	106.3	+12.1	112.0	108.4R
Sugar and Gur	48	140.3	140.7	146.3	138 3	144.4	− 4.2	147.8	127.9
Others	50	169.6	170.6R	162 3	164.4	157.4	+ 4.4	157.9	151.3
Liquor and Tobacco	21	109.0	109 0	98.4	107 3	98.6	+ 8.8	98.5	95.4
Tobacco	..	107.5	107 5	96.8	108.7	97.0	+ 9.0	97 9	93.8
Fuel, Power, Light and Lubricants	30	118.9	118.9	115.7	118 6	112 5	+ 5.4	116.5	115.4
Industrial Raw Materials	155	138.7	138 4	120.5	140 0	118.5	+17.2	122.7	115.6
Fibres	91	128.3	128.6	109.4	147.2	109.2	+34.8	113.3	108.0
Oilseeds	60	152.1	151.1	135.4	139.8	134.1	+ 4.3	134.6	127.0
Minerals	2	98.2*	98 2*	98.3*	98.2	102.4	− 4.1	97 8	106.0
Others	32	128.2*	126 8*	114.3*	129.5	112.6	+15.0	121.6	109.2
Manufactures	290	121 3	120 9	109 1	119 2	113.8	+ 4.8	111 6	108.4R
Intermediate Products	41	130.9	130.4R	108.4	125 4	108.8	+15.3	110 9	108.2
Finished Products	248	119.7	119 3	109.2	118 9	108.5	+ 9.6	111.3	108.1R
Textiles	147	120.8	120 1	104.2	120.2	103 6	+16.0	107.8	105.3R
Cotton	..	130.0*	129.9*	107.0*	124 8*	112 6	+10.8	116.9*	117.4R
Jute	..	106.7	104 5	87.5	117.2	84.6	+38.6	90.6	86.5
Woollen	..	110.1*	110 1*	104.2*	104.2*	..	..	104.2	105.9
Silk and Rayon	..	102.7*	102.7*	92.6*	104.3*	95.5*	+ 9.2	96.4	93.3
Metal Products	12	148.3	148.3	143.3	148.3	143.3	+ 3.5	144.4	145.1
Chemicals	20	104.5	104 1	106.5	104.7	106.4	− 1.6	106.9	106.8
Oil Cake	10	130.1	140.5	143.4*	135.7	139.6	− 4.2	143.8	138.0
Machinery and Transport Equipment	31	111.8	111 1R	105.8*	110.6	106.1	+ 4.2	106.2	102.9R
Others	30	115.8	115.8	114.2	114.6	113.0	+ 1.4	113.4	113.7
All Commodities	1,100	125.2	125.1	116.9	122.7	114.0	+ 7.6	117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised. *Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9.772
Jowar	final	41,602	42,534	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,243	2,905	2,672
Maize	final	10,457	10,457	3,615	3,331
Ragi	final	6,211	6,192	1,860	1,877
Small millets	2nd	11,555	11,151	....	....
Total cereals	final	....	219,633	....	61,295
Pulses—					
Gram	final	25 046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses	final	16,075	15,597	1,567	1,559
Rabi pulses	first	11,071	10,090	....	....
Total pulses	final	....	58,970	....	12,208
Total foodgrains	..	....	278,603	....	73,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	first	3,211	2,860	....	....
Total oilseeds	final	....	31,002	....	6,919
Fibres—					
Cotton*	4th	18,960	19,414	....	....
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sunnhemp	final	813	807	80	81
Other crops—					
Potato	first	706	642	....	....
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	262	260	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	first	864	834	....	....

Source: Ministry of Food and Agriculture.

* In thousand bales of 392 lbs. each. † Excluding Gram and Tur.

R.—Revised.

§ Excluding Tur.

A.—In thousand bales of 400 lbs. each.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Four months ended April 1959	1960
Exports	570,56	615.78	177,47	197.51
Re-exports	8,40	6,96	1,05	4.23
Total Exports	578,96	622.74	178,52	201.74
Imports	864,18	887,38	275,22	291.30
Overall Balance of Trade	−285,22	−264,64	−96,70	−89,56
Exports—				
Tea	136,54	126,39	24,56	26,09
Jute yarns and manufactures	103,82	110,75	33,46	42,62
Cotton yarns and manufactures	52,63	66,14	18,01	22,00
Metallic ores and metal scrap	30,35	34,42	11,71	14,32
Cotton, raw and waste	21,20	16,37	6,03	5,85
Oils—vegetable, mineral and animal	12,35	17,96	3,19	5,26
Fruits and vegetables	21,16	21,08	7,41	7,92
Tobacco	16,29	13,91	3,13	3,19
Mica	9,34	10,31	3,28	3,67
Wool and other animal hair	9,35	12,22	3,60	3,60
Gums, resins and lac	7,16	7,95	2,60	3,07
Spices	8,83	10 17	2,72	2,69
Hides and skins, raw	7,35	10,95	3,55	4,49
Imports—				
Machinery of all kinds	188,92	196,21	62,62	69,02
Iron and Steel	97,80	84,01	30,80	29,77
Oils—vegetable, mineral and animal	80,23	82,62	21,53	30,37
Chemicals, drugs and medicines	65,28	85,20	26,63	28,62
Electrical goods and apparatus	49,04	50,01	16,28	16,25
Vehicles (excluding aircraft, ships and boats)	52,53	60.10	23,08	16.15
Cotton, raw and waste	30.66	34,76	9,78	20,51
Fruits and vegetables	17 43	16,52	5,66	7.46
Paper, pasteboard, etc.	8,26	9,67	2,52	3,46
Dyes and colours	8,76	9,54	2,76	3,55
Spices	2,84	2,52	92	73
Woollen and worsted fabrics	30	23	6	10
Cotton fabrics	1,05	1,19	41	31

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During May, 1960	91.7
	Corresponding month, 1959	86 8
	Eleven months ended May 1960	955.1
	Corresponding period, 1959	957.8
Stocks	At the end of May 1960	81.4
	Corresponding month, 1959	95.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1958-59	854.9
	July-May, 1959	734.6
	July-May, 1960	763 0
	May, 1959	72.8
	May, 1960	65.5
For Internal Consumption	1958-59	220.0
	July-May, 1959	203.7
	July-May, 1960	229.6
	May, 1959	19.0
	May, 1960	19.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	May 1960	532
	Corresponding month, 1959	503
	Eleven months ended May 1960	5,765
	Corresponding period, 1959	5,535
	1956-57	6,072
	1957-58	6,184
	1958-59	6,014

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units Generated†	Total Units Sold
1955-56	715	8,986.8	7,185.5
1956-57	760	9,877.8	8,108.1
1957-58	824	11,176.9	9,011.1
1958-59	818	12,587.0	10,240.7
1959-60	850	15,029.2	12,130.8
January 1959	611	1,156.2	930.2
February ,,	611	1,074.6	868 5
March ,,	611	1,171.1	927.4
April ,,	813	1,177.1	956 9
May ,,	813	1,241.6	999.4
June ,,	813	1,201.5	969.3
January 1960	815	1,297.4	1,055.5
February ,,	850	1,258 1	1,022.5
March ,,	850	1,324.4	1,071.0
April ,,	850	1,225.2	1,021.7

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included.

† At the end of period.

‡ Including purchases from non-electric utilities.

Source:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	43	146
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	457	30	388	52	180
1957-58	14,314	2,339	1,229	214	105	52	219	25	212	503	30	476	47	194
1958-59	14,366	2,655	1,296	206	92	36	221	23	184	482	36	514	45	113
1959-60	15,292	2,628	1,343	199	84	34	223	24	183	579	31	522	49	131
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	42	94
February ,,	13,018	2,431	1,184	188	80	33	201	21	169	432	34	466	45	108
March ,,	14,365	5	1,296	206	92	36	221	23	184	483	36	514	46	113
April ,,	1,289	218	122	23	13	3	18	2	17	48	5	41	1	12
May ,,	2,534	422	262	43	24	6	33	4	33	96	6	88	5	26
June ,,	3,723	618	386	59	32	9	45	6	48	142	11	122	7	38
July ,,	4,935	842	500	72	37	11	58	8	65	186	16	165	12	48
January 1960..	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February ,,	13,847	2,399	1,226	182	77	33	208	22	160	522	72	471	48	119
March ,,	15,292	2,628	1,343	199	84	34	223	24	183	579	81	523	49	131
April ,,	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11
May ,,	2,640	443	254	39	14	5	22	3	31	105	19	87	3	23

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months.

Source:—Ministry of Railways.

INDUSTRIAL PRODUCTION

Industries.		1958	1959*	November 1959	December 1959	January* 1960	February* 1960	February 1959
Major Industries—								
Coal	..million tons	45.34	47.03	3.79 K	4.30	4.12	4.30	3.94
Steel (Ingots and Metal for castings)	..thousand tons	1,813	2,423	232	260	246	249	182
Yarn	..million lbs.	1,685	1,723	141	155	144	139	137
Cloth	..million yds.	4,927	4,925	391	435	418	403	392
Cement	..million tons	0.07	6.62	0.60	0.67	0.65	0.59	0.50
Jute	..thousand tons	1,060	1,051	88	94	88 K	87 K	84
Paper and paper boards	..thousand tons	253	294	28	30	28	28	22
Matches	..thousand cases	626	648	58	59	53	54	47
Sugar	..thousand tons	1,957	2,083	179	481	498	474	411
Engineering and Electrical Industries—								
Machine tools	..Value in lakhs of Rs.	376	438	40	44	51	—	27
Electric lamps	..millions	30 47	34.84	2.93	3.20	2.88	3.20	2 71
Dry cells	..millions	188 24	187 3	18 21	19 37	16 02	16 58	14 94
Power transformers	..k.v.a.	1,126,800	1,060,800	79,300	101,900	88,500	—	86,100
Electric Motors	..h.p.	624,000	573,000	43,000	52,000	45,900	—	50,000
Electric fans	..Nos.	636,000	727 200	67,800	71,200	58,900	—	51,100
Radio receivers	..Nos.	198,108	214,920	20,141	21,873	15,300	—	15,474
Sewing machines

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 30th July 1960	23rd July 1960	29th July 1960	1st August 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.2	101.2	101.2	101.2
2. Government of India	101.0	101.0	101.0	101.0
3. State Government	102.7	102.7	102.7	102.4
4. Municipal, Port Trust, etc.	100.0	100.0	100.0	99.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	101.0	101.0	101.0	102.0
PREFERENCE SHARES—ALL INDIA.				
6. Total	86.8	86.9	88.3	92.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	181.6	182.0	175.8	151.7
8. *Agriculture and Allied Activities; Total**	180.6	180.5	177.0	161.8
9. Tea Plantations	175.6	172.5	170.3	158.0
10. Coffee Plantations	217.9	216.1	210.9	196.1
11. Rubber Plantations	183.8	182.5	183.1	160.2
12. *Mining and Quarrying: Total*	159.0	159.1	159.3	147.9
13. Coal	122.6	123.4	123.2	116.8
14. Other Mining	184.0	183.5	184.1	163.2
15. *Processing and Manufacturing: Total*	196.7	197.5	189.7	155.0
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	198.1	199.3	190.3	144.3
17. Sugar	195.2	195.7	193.2	174.2
18. Cotton Textiles	163.4	163.6	155.5	129.5
19. Jute Textiles	94.2	93.6	92.1	97.5
20. Silk and Woollen	1140.3	1167.9	1095.5	620.1
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	207.0	208.1	199.7	174.6
22. Iron and Steel	165.1	167.3	162.7	161.1
23. Transport Equipment	443.0	441.7	413.1	261.7
24. Electrical Machinery	143.8	143.1	136.4	132.0
25. Machinery other than Transport and Electrical	229.1	230.7	222.0	192.3
26. Basic Industrial Chemicals	225.6	222.5	211.3	154.5
27. *Processing and Mfg. (Others): Total**	173.4	172.4	169.3	150.9
28. Cement	150.2	149.0	148.9	138.0
29. Paper	236.4	237.0	232.8	201.1
30. *Other Industries: Total**	114.6	114.9	113.3	118.3
31. Electricity Generation and Supply	83.1	83.1	83.4	93.6
32. Trading	130.0	130.6	121.3	100.2
33. Shipping and Other Transport	111.7	112.0	113.3	129.4
34. Construction	312.1	317.5	334.0	304.3
35. *Financial: Total*	178.5	178.5	169.0	171.7
36. Banks	191.8	191.7	183.8	190.2
37. Insurance	154.1	155.3	147.2	133.3
38. Investment Trusts	94.0	93.7	91.9	98.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	187.6	189.1	182.0	154.6
40. Calcutta	165.9	165.6	160.3	145.5
41. Madras	196.6	197.1	190.7	166.2
42. Delhi	244.3	242.7	230.6	179.2

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,106,800	795,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Do. 31st March, 1960	1,568,400	1,533,700	1,215,100
April 1959	130,600	124,200	93,300
May "	128,800	116,400	91,400
June "	115,700	114,300	88,100
July "	125,900	121,000	98,500
April 1960	127,700	125,200	99,900
May "	122,500	120,500	93,900
June "	120,200	121,700	92,700
July "	165,700	119,800	96,000
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,058,612	827,072	660,695
April 1959	86,826	61,182	40,151
May "	94,105	67,483	49,470
June "	78,795	62,510	40,296
July "	97,082	71,441	55,903
April 1960	90,878	74,808	44,751
May "	83,903	71,570	46,406
June "	80,127	69,140	53,737
July "	72,502R	62,002R	40,997R

R—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,819
1958*	1,524	928,566	7,797,585
1959*	1,523	692,514	5,505,079
Jan. 1959	171	68,759(163)	320,359(163)
Feb. "	93	33,990(66)	271,268(66)
March "	166	67,560(156)	356,069(155)
April "	175	50,500	507,57
Jan. 1960	141	73,891(135)	423,077(134)
Feb. "	133	62,075(123)	412,797(123)
March "	125	47,760(114)	470,258(114)
April "	92	37,770(85)	331,511(85)

† In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.
* Figures relate to all states and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	Nations Income (In millions)		In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'58-'59	398.00	..	..	11,690	293.6
Pakistan	'58-'59	86.00	..	..	2,084	240
Burma	1958	20.02	Kyats	4,344	435	216
Ceylon	1957	9.1	..	..	507	557
Japan	1957	90.90	Y.	8,262,000	10,915	1,200
Philippines	1958	28.1	Ps.	9,232	2,209	956
New Zealand	1958	2.28	£(N.Z.)	962	1,069	4,688
Australia	1958	9.80	£(A.)	4,625	4,920	5,021
U.K.	1958	51.91	£	18,230	24,310	4,711
U.S.A.	1959	177.1	$	403,900	193,000	10,901
Canada	1958	17.00	$	24,660	12,091	7,112
France	1958	44.05	F. Fr.	17,910,000	17,470	3,926
W. Germany	1958	52.1	Dm.	176,400	20,050	3,848
Italy	1958	48.07	Lr.	13,126,000	10,120	2,078
Norway	1957	3.40	Kr.	23,290	1,560	4,470
Sweden	1958	7.40	Kr.	54,910	5,094	6,870
Netherlands	1958	11.10	Grs.	30,180	3,820	3,440
Denmark	1958	4.50	Kr.	28,250	1,960	4,355
Switzerland	1958	5.10	Sw. Fr.	28,300	3,130	6,137

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, February, 1960.
† Based on the seventh issue of the annual paper on national incomes (at 1948-49 prices); Source: Central Statistical Organisation.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base (1934=100)	Ahmedabad Base (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	324	85	99	327	106	105	91	98	102	98	106
1955 "	96	338	217	246	78	96	321	98	98	83	87	96	88	100
1956 "	105	353	244	316	89	105	347	111	109	95	86	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	118
1958 "	116	395	274	313	88	120	384	124	113	103	103	128	108	121
1959 "	121	412	309	340	98	132	384	133	120	106	98	125	108	146
January 1959	117	396	301	323	103	127	368	130	122	107	94	115	109	134
February "	118	399	300	326	103	129	364	127	126	108	94	120	110	134
March "	117	401	290	320	99	129	364	127	126	105	95	121	105	135
April "	117	409	296	313	95	130	364	128	119	101	95	121	104	137
May "	119	406	307	328	95	131	371	131	116	103	96	125	104	138
January 1960	122†	422	304	360	96	135	385	137	121	107	99	120	111	144
February "	122†	418	294	355	98	136	389	139	122	107	97	121†	109	144
March "	122†	414	287	339	97	135	392	138	119	104	100	122†	109	145
April "	122†	421	288	346	97	136	392	138	117	104	103	118†	109	145
May "	122†	421	..	344	96	135	396	140	116	104	105	118†	109†	145
June "	..	422	..	360	..	..	..	..	117	..	..	..	..	..

* Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5 Year	Cumulative Time Deposits 10 Year	National Savings Certificates 5-Year A Out-standings	National Savings Certificates 7-Year B Out-standings	National Savings Certificates 12-Year B Out-standings	12-Year National Plan Savings Certificates C Re-ceipts	12-Year National Plan Savings Certificates C Out-standings	Post Office Savings Bank Deposits Re-ceipts	Post Office Savings Bank Deposits Out-standings	10-Year National Plan Certificates D Out-standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Out-standings	10-Year Treasury Savings Deposit Certificates 4% C Re-ceipts	10-Year Treasury Savings Deposit Certificates 4% C Out-standings	15-Year Annuity Certificates G Re-ceipts	15-Year Annuity Certificates G Out-standings	Total Re-ceipts	Total Out-standings H
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,50	25,38	38,82	44,28	..	..	..	..	225,88	448,17
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	218,91	23,11	39,73	43,58	588	547	63	1,32	264,32	509,77
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	254,91	21,02	40,67	42,57	535	11,68	67	2,41	286,28	590,08
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,49	254,94	19,79	41,29	41,63	10,64	21,76	66	2,90	296,62	587,36
January 1959	1	..	1,80	3,93	122,83	9,07	125,00	14,37	218,71	21,27	40,52	42,70	57	10,80	5	2,32	24,07	589,17
February "	2	1	1,78	3,87	120,95	9,64	143,14	14,93	219,39	21,13	40,60	42,62	58	11,14	5	2,36	25,22	586,41
March "	3	2	1,73	3,79	119,11	11,66	152,48	22,20	226,92	21,01	40,69	42,57	65	11,68	6	2,41	34,68	581,75
April "	5	3	1,70	3,72	117,25	6,38	157,31	14,39	226,49	20,87	40,74	42,49	84	12,28	11	2,50	23,52	585,09
May "	7	4	1,68	3,65	115,69	5,71	162,02	15,68	224,83	20,76	40,80	42,39	51	12,79	5	2,54	21,98	585,44
June "	9	5	1,65	3,59	114,16	6,03	167,24	15,89	224,23	20,61	40,86	42,33	42	13,19	3	2,56	22,40	589,70
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19,96	41,28	41,84	1,13	19,77	5	2,81	23,59	630,20
February "	43	26	1,52	3,21	101,00	7,57	210,64	16,04	234,25	19,87	41,28	41,75	1,05	20,79	6	2,86	25,71	636,66
March "	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	41,29	41,63	96	21,76	6	2,90	43,47	667,36
April "	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	41,35	41,58	1,63	23,16	9	2,98	26,16	670,09
May "	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,91	19,55	41,41	41,50	1,06	24,19	5	3,01	24,67	672,53
June "	..	..	..	..	..	..	..	..	..	..	..	41,41	84	25,05	5	3,04	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1952. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 11 marked 'E' are not included.
N.B.—Cumulative Time Deposits commenced from 2nd January, 1959

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-33	63,30,26,000	1960-70	100.30
3 % Loan	1938-39	116,17,46,000	1963-65	98.05
3 % Loan	1950	30,33,10,000	1964	98.00
2½ % Fg. Loan	1942	110,11,78,000	1966-68	95.95
2½ % Dev. Loan	1945	1,15,05,83,000	1970-75	90.95
2½ % Loan	1946	57,00,69,000	1961	98.55
2½ % Loan	1946	14,77,48,000	1978	88.50
2½ % Loan	1947	75,86,72,000	1965	98.45
3½ % N. P. Bonds	1953	75,29,00,000	1961	100.05
3½ % N. P. Loan	1954	1,68,17,95,000	1964	99.90
3½ % N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99.75
3½ % Loan	1956	87,27,36,000	1962	99.70
3½ % N. P. Bonds	1956	63,81,83,000	1967	99.55
3½ % Loan	1956	66,63,58,000	1974	99.65
3½ % N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.85
4 % Loan	1957	49,17,27,000	1972	101.25
3½ % Loan	1958	58,55,92,000	1963	99.75
3½ % Loan	1958	80,00,00,000	1968	99.50
3½ % Loan N.P.B.	1958	84,35,00,000	1958	100.05
4 % Loan	1958	49,51,44,000	1973	101.15
3½ % Loan	1959	1,02,91,00,000	1969	99.10
4 % Loan	1959	80,93,00,000	1979	100.20
4 % Loan	1960	97,64,00,000	1980	99.90
3½ % Bonds	1960	82,66,00,000	1966	99.75
NON-TERMINABLE LOANS				
2 % Loan	1896-97	8,93,34,000	M.	72.50
3 % Loan	1946	2,48,91,85,000	K.	73.50
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100.20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100.20
4½ % Andhra	1958	5,48,81,000	15th July 1970	102.00
4 % Andhra	1959	6,60,68,000	15th July 1971	99.75
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	97.55
3 % Bombay	1950	2,83,50,000	31st July 1960	99.60
3 % Bombay	1951	2,37,53,000	17th Sept. 1962	99.50
4 % Bombay	1952	5,19,35,000	15th July 1968	101.00
4 % Bombay	1952	3,45,66,000	1st Aug. 1964	100.90
4 % Bombay	1955	9,72,28,000	1st Aug. 1967	100.50
4 % Bombay	1956	7,94,78,000	3rd Sept. 1970	100.75
4½ % Bombay	1957	4,57,22,000	16th Sept. 1969	102.60
4½ % Bombay	1958	6,58,09,000	15th July 1970	102.65
4½ % Bombay	1958	4,58,55,000	15th July 1970	102.65
4 % Bombay	1959	6,60,00,000	19th Aug. 1971	100.90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100.00
4½ % Bihar	1958	2,76,71,000	15th Oct. 1970	101.50
4 % Bihar	1959	3,30,00,000	19th Aug. 1971	99.75
3½ % Coorg	1936	50,000,000	1st June 1956-81	98.00
Hooghly Bridge (New)	**1936-37**	**1,77,08,700**	**1956-66**	**94.50**
4 % Hyderabad	1955	2,12,48,000	1st Sept. 1967	100.20
4 % Hyderabad	1956	5,18,02,000	3rd Sept. 1968	100.20
3 % Madras	1948	2,78,44,000	14th Sept. 1960	99.60
2½ % Madras	1948	2,81,77,000	1st Sept. 1961	98.80
3 % Madras	1950	4,38,25,000	15th July 1962	99.50
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	99.45
4 % Madras	1953	10,82,71,000	16th July 1968	100.40
4 % Madras	1954	8,54,51,200	1st Aug. 1966	100.30
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100.10
4½ % Madras	1956	5,56,57,000	15th July 1970	102.05
4 % Madras	1959	8,50,00,000	19th Aug. 1971	99.75
4 % Mysore§§	1952	2,96,85,200	1st Dec. 1953-63	101.80
3 % Mysore§§	1953	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	5,56,23,000	15th July 1968	100.45
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100.10
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.10
4½ % Mysore	1957	3,34,36,000	16th Sept. 1969	102.00
4½ % Mysore	1958	5,51,51,000	15th July 1970	102.00
4 % Mysore	1959	5,50,00,000	19th Aug. 1971	99.75
3 % M.P.	1948	2,02,29,000	15th Sept. 1964	95.70
3 % M.P.	1950	1,01,45,000	31st July 1960	99.50
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98.50
4 % M.P.	1953	1,10,18,000	15th July 1968	100.30
4 % M.P.	1955	1,58,12,000	1st Sept. 1967	100.00
4 % M.P.	1956	1,58,43,000	3rd Sept. 1968	100.00
4½ % M.P.	1958	3,19,31,000	15th July 1970	101.50
4 % M.P.	1959	3,30,00,000	19th Aug. 1971	99.75
4 % Saurashtra	1955	2,56,23,000	1st Sept. 1967	100.20
4 % Saurashtra	1956	2,70,80,000	3rd Sept. 1968	100.20
4 % Kerala	1953	3,25,61,000	15th July 1968	99.90
4 % Kerala	1955	2,22,08,000	3rd Sept. 1968	99.90
4½ % Kerala	1958	3,25,86,000	15th July 1970	101.50
4 % Kerala	1959	4,40,00,000	19th Aug. 1971	99.70
2¾ % U.P.Z.A.	1952	45,58,93,000C	M.	50.00
3 % U.P.	1948	1,56,59,000	15th Sept. 1961-66	92.25
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	99.50
2½ % U.P.	1946	2,16,39,000	1st Sept. 1961	97.75
3½ % U.P.	1951	1,57,38,000	17th Sept. 1962	99.25
4 % U.P.	1953	5,69,14,000	1st Aug. 1964	100.40
4 % U.P.	1953	5,58,25,000	15th July 1968	100.50
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	100.20
4 % U.P.	1956	8,48,40,000	3rd Sept. 1968	100.20

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				
38,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99.60
40,00,000	4	1909	1970	
58,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99.50
85,25,000	4	1914	1975	99.50
10,00,000	4	1915*	1960	
55,00,000	4	1915	1976	
61,61,000	4	1922*	1960	
11,61,000	4	1924*	1960	
18,25,000	4	1925*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1976	
15,00,000	3½	1936*	1966	
48,04,000	3½	1938*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000C	3††	1921	1981	82.00
68,02,000C	3††	1921	1941	104.00N
60,00,000	4‡	1931	1991	93.00
60,00,000	3‡	1935	1965	99.00
28,00,000	3	1938	1948-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2‡	1947	1977	79.50
50,00,000	3	1948	1978	88.75
60,00,000C	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3‡	1953	1961	99.75
50,00,000	4	1953	1983	100.00
50,00,000	4	1954	1984	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000C	4	1956	1986	97.25
1,24,00,000	4‡	1957	1987	99.50
1,30,00,000	4‡	1958	1988	99.00
1,00,00,000	4	1959	1989	99.50
50,00,000	4‡	1959	1989	99.00
1,00,00,000	4	1960	1970	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£892,600	5	1922	1953-63	£61.75
£901,000	5	1924	1954-64	£61.75
£885,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
28,48,275	3½	1947	1977	
9,86,000ff	3	1947	1977	A
3,00,000ff	3	1949	1979	
45,00,000ff	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
Rs.		**BOMBAY**		
80,00,000	4	1901	1941	
80,00,000	4	1902	1942	
80,00,000	4	1903	1943	
80,00,000	4	1904	1944	
80,00,000	4	1905	1945	
20,00,000	4	1906	1946	97.75
3,09,34,000	4	1907	1947	N
2,27,71,000	4	1908	1948	
8,85,00,000	4	1909	1949	
1,04,77,000	4	1910	1950	
1,11,56,000	4	1911	1951	
1,75,00,000	4	1912	1952	
2,00,00,000	4	1913	1953	
3,80,28,000	4	1914	1954	97.50
7,58,72,000	4	1915	1955	N
7,11,46,000	4	1916	1956	
5,10,40,000	4	1917	1957	
7,70,00,000	4	1918	1958	
2,50,00,000	4	1919	1959	
2,20,00,000	4	1920	1960	
1,67,32,000	4	1921	1961	
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½ % U.P.	1958	7,85,48,000	15th July 1970	102.00
4 % U.P.	1959	8,80,00,000	19th Aug. 1971	99.75
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	100.15
4½ % Rajasthan	1958	2,79,86,000	15th July 1970	101.75
4 % Rajasthan	1959	3,85,00,000	19th Aug. 1971	99.75
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100.00
4½ % Orissa	1958	2,27,71,000	15th July 1970	101.80
4 % Orissa	1959	3,85,00,000	19th Aug. 1971	99.75
4 % M. Bharat	1956	1,04,77,000	15th July 1968	100.35
4 % M. Bharat	1956	1,11,56,000	3rd Sept. 1968	100.35
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	99.25
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.40
4 % W. Bengal	1953	3,80,28,000	15th July 1968	100.40
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	100.20
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	100.10
4½ % W. Bengal	1958	5,10,40,000	15th July 1970	102.10
4 % W. Bengal	1959	7,70,00,000	19th Aug. 1971	99.80
4 % Assam	1959	2,50,00,000	19th Aug. 1971	99.75
4 % Punjab	1959	2,20,00,000	19th Aug. 1971	99.75

ABBREVIATIONS.
N—Nominal.
(Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
†† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June 1948. ‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955.
—Interest free to first 12 years. †—Interest free for first 7 years.
M—At the option of Government after three months' notice. K—On September 1966 or later at option of Government after three months' notice.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	99.50	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,99,999	..	1,47,22,620	44,03,340	—32,02,956	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.56	2	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
40,00,000	10,99,481	1,18,20,968	77,34,952	—13,00,519	Gulabchand Jain, Esq. (Chairman).	50,596	1,021	B. R. Cotton Mills ..	68.70	25	2.50	2.50	3.50	..	12	Y.
2,50,98,000	3,40,77,958	9,34,84,561	4,90,54,873	86,929	Kowrojee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	68.70	50	15.00	7.50	5.00	..	3	Y.P.
10,00,000	29,40,848	78,24,032	46,74,455	47,570	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	512.00	100	22.00	22.00	31.50	..	12	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwallor Private Ltd. ..	1,26,752	2,698	Century Spg. & Mfg. ..	133.00	100	12.50*	12.50*	7.50	..	3	Y.
98,00,000	29,04,920	1,21,48,644	73,88,437	61,344	Cowasjee Jehangir & Co. Pvt. Ltd	45,960	..	Cooria Spg. & Wvg. ..	125.00	50	7.50F	5.00	10.00	..	3	Y.
98,00,000	25,75,575	95,59,335	59,09,007	12,102	Ramnarain Sons Private Ltd.	47,356	922	Dawn Mills	327.00	230	15.00	15.00(c)	18.00	..	12	Y.P
34,00,000	20,44,712	87,46,739	65,30,900	—14,81,027	Puranmal Bubna Sons ..	47,356	4	Edward Textiles	61.00	50	*Nil*	*Nil*	7.00	..	12	Y.
29,98,950	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	45,820	886	Elphinstone Spg. & Wvg.	350.00	100	20.00	15.00	23.00	..	12	Y.
50,00,000	65,75,460	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd. ..	63,212	784	Finlay Mills	214.00	100	15.00	15.00	21.50	..	12	Y.
50,00,000	52,35,257	1,02,35,144	68,62,387	10,223	James Finlay & Co., Ltd. ..	45,768	1,020	Gold Mohur Mills Ltd. ..	4,900.00	1,000	350.00*	350.00	350.00(c)	70.00‡	3	Y.P.
12,00,000	1,17,23,947	1,94,91,703	1,40,31,408	—8,27,490	K. M. D. Thackersey, Hsq.(Chairman)	45,448	1,120	Hindoostan Spg.& Wvg. Mills	992.50	250	87.50*	87.50	87.50(c)	17.50‡	3	
									2,270.00	1,000	325.00*	325.00	200.00(c)	35.00‡		
3,80,00,000	1,16,525	5,09,02,595	3,68,18,422	—57,60,994	Agarwal & Co.	2,50,414	6,412	India United Mills ..	1,050.00	500	162.50*	162.50	100.00(c)	17.50‡	3	Y.P.
3,80,00,000									192	0 1D.	*Nil*	*Nil*	*Nil*	..		
18,00,000	97,77,876	1,88,85,241	1,28,55,126	17,489	K. M. D. Thackersey Esq. (Chairman)	57,672	1,152	Indian Mfg.	535.00	100	10.00(c)	10.00	16.00	..	6	Y.P.
80,85,000	81,10,846	2,52,99,951	2,54,17,428	23,727	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	338.00	100	18.00	10.00	9.50	..	12	Y.
1,00,00,000	1,00,60,699	3,81,90,145	2,95,67,372	27,909	Kilachand Sons	1,20,504	1,846	Kohinoor Mills	98.00	50	5.00(c)	5.00	5.00	..	12	Y.
46,47,850	88,85,220	1,43,57,502	70,49,840	23,902	N. Sirur & Co. Private Ltd. ..	49,200	644	Modern Mills	1,050.00	100	14.00(c)	15.00	21 50	..	6	Y.P.
81,75,000	44,00,000	2,54,52,913	2,08,23,269	2,38,354	Piramal Sons Private Ltd. ..	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	513.00	100	14.00	14.00	22.00	..	12	Y.P.T.
								National Rayon Corporation ..	1,050.00	100	11.20	11.20	21.27	..		
2,41,12,100	1,73,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd.				138.00	100	5.00	*Nil*	*Nil*	..	12	Y.
24,00,000	11,16,887	83,71,833	48,70,077	—11,98,634	W. H. Brady & Co., Ltd. ..	45,944	480	New City of Bombay Mfg. ..	190.00	100	*Nil*	*Nil*	*Nil*	..	12	Y.P.
30,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman) ..	49,012	963	New Great Spg. & Wvg. ..	144.00	100	12.50F	10.00	10.00	..	3	Y.
48,00,000	87,19,187	1,76,85,784	1,15,83,593	36,434	Ramnarain Sons Private Ltd. ..	82,600	980	Phoenix Mills	161.00	100	10.00	18.00*(c)	12.00*	..	12	Y.P.
45,00,000	42,97,687	..	30,95,529	16,195	Podar Sons Private Ltd. ..	..	..	Podar Mills	10.00	10	0.25	*Nil*	2.50	..	12	Y.
10,00,000	..	39,30,373	17,13,113	—1,33,358	Sassoon & Alliance Silk Mills	69.00	10	Sassoon & Alliance Silk Mills	69.00	10	2.00	2.00	2.50	..	12	Y.
37,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	R. A. Podar, Hsq. (Chairman) ..	2,06,127	3,127	Sassoon Spg. & Wvg. ..	2666.00	100	8.00	10.00	15.00	..	12	Y.P.
80,00,000	51,53,455	1,75,14,188	73,40,372	41,081	M. G. Investment Corp. Private Ltd.	77,426	1,620	Shree Niwas Cotton Mills ..	170.50	50	8.50	8.50	5.00(c)	..	3	Y.
42,00,000	21,46,184	3,17,12,782	88,86,081	—5,14,171	M.	47,736	1,178	Simplex Mills	2,050.00	100	22.50*	20.00	29.00*	..	12	Y.P.
1,09,75,000	2,51,54,903	3,87,61,421	2,23,24,758	91,523	Maitalal Gagabhai & Sons	97,588	2,409	Standard Mills	245.50	100	9.00	10.00	14.00	..	12	Y.P.
1,00,00,000	96,94,097	3,16,51,974	1,74,64,096	1,906	Tata Industries Private Ltd. ..	75,036	2,000	Svadeshi Mills	405.00	100	25.00	25.00	36 00	..	12	Y.
25,00,000	76,44,279	1,08,34,474	1,09,47,826	26,062	James Finlay & Co., Ltd. ..	40,228	550	Swan Mills	44.00	25	2.00	1.60	2.50	..	12	Y.T.
65,57,875	50,22,987	2,58,77,178	1,04,22,689	17,925	Tata Industries Private Ltd. ..	1,01,582	1,775	Tata Mills	372.50	100	22.00*	20.00*	20.00	..	12	Y.P.
16,00,000	64,52,368	1,08,96,172	84,94,479	76,769	Mangaldas Mahta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	5,650.00	1,000	325.00	325.00	325.00(c)	70.00‡	12	Y.P.
13,00,000	1,08,12,489	1,79,02,964	1,30,96,764	—17,05,230	Mr. K. M. D. Thackersey (Chairman)	54,464	1,262	Western India Spg. & Mfg.								
AHMEDABAD																
40,00,000	28,61,894	1,94,97,024	79,09,190	11,155	Tata Industries Private Ltd. ..	49,168	1,016	Ahmedabad Advance Mills	185.00	100	5.00	5.00	4.90 (c)	..	6	Y.P.T
15,00,000	1,09,99,552	1,99,03,587	79,95,508	..	P. M. Huthheesing & Co., Ltd.	42,768	920	Aruna Mills	477.50	100	25.00	28.00*C	..	..	12	Y.P.
60,00,000	2,05,20,236	2,85,00,200	1,40,42,200	1,58,312	Narottam Lalbhai & Co. ..	85,908	392	Arvindas Spinning & Mfg.	1,300.00	100	35.00*	28.00*C	40.00	..	12	Y.P.
24,40,000	3,04,04,340	1,54,96,618	88,06,645	58,595	Mangaldas & Brother (Pvt.) Ltd. ..	35,908	915	Ankola Mills	510.00	100	*Nil*	20.00*C	..	..	12	Y.P.
90,00,000	29,04,920	1,21,48,644	73,88,437	61,344	Lalbhai Dalpatbhai & Co. ..	670.00	100	30.00	30.00	25.00	30.00	22.00	22.00	31.00	3	Y.P.
90,00,000	1,31,57,555	1,17,39,154	70,40,009	957	Karamchand Premchand Pvt. Ltd. ..	1,39,120	2,380	Calico	968.00	125	25.00	27.00*	36.00	..	3	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,53,602	21,88,804	Lalbhai Bhogilal Navnayay & Co. ..	45,826	866	New Commercial Mills ..	600.00	250	25.00	35.00*	..	..	12	Y.
45,00,000	27,76,707	1,57,70,953	1,12,77,222	6,366	Trieumal Bhogilal & Co., Ltd. ..	45,112	807	New Shorrock Spg. & Wvg.	2,145.00	125	30.00	30.00	..	..	12	Y.
66,00,000	1,17,39,343	1,79,88,243	1,14,51,119	1,21,046	Mafatlal Chandulal & Co., Ltd. ..	407.50	100	20.00	20.00	..	..	..	..	..	..	..
15,00,000	65,41,987	75,47,286	39,87,374	228	Jagabhai Bhogilal Nanavaty & Co...	21,840	572	Nutan Mills	490.00	100	35.00*	25.00*	35.00	..	12	Y.P.
80,00,000	96,88,084	1,39,06,793	76,85,044	..	Lalbhai Dalpatbhai & Co. ..	32,828	640	Raipur Mfg.	195.00	100	8.00*	8.00*	..	..	12	Y.P.
68,75,000	35,48,744	1,41,19,887	79,09,365	11,900	Rohitbhai Chinubhai Esq.(Chairman)	33,156	648	Rohit Mills	1,348.00	100	25.00	30.00*	45.00	..	12	Y.P.
62,75,900	2,95,76,027	2,43,70,581	1,45,91,824	59,271	Harivallabhdas Kalidas & Co. ..	94,128	1,819	Shri Ambica Mills ..								
29,25,000	75,75,008	1,12,61,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,828	780	Shorrock Spg. & Mfg. ..	1,175.00	100	20.00	22.00*	..	..	12	Y.
					Haridas Achratlal & Co. Ltd. ..	41,056	780	Vijaya Mills	655.00	500	40.00*	40.00*	..	..	12	Y.P
35,00,000	39,43,859	1,34,94,632	92,66,120	25,810												
WEST BENGAL																
15,00,000	3,16,002	39,18,585	25,08,903	41,532	Calcutta Agency Private Ltd. ..	13,044	256	Basanti Cotton Mills	8.06	10	0.50	0.50	..	..	12	Y.P.T
7,11,250																
1,80,250	1,56,980	35,53,765	23,49,897	—1,68,477	D. N. Bhattacharjee, Esq. (Mg. Director) ..	35,916	935	Bengal Laxmi Cotton Mill	35.00N	40	4.00	*Nil*	*Nil*	..	3	Y.P.
1,70,000																
24,00,000	5,14,800	1,26,22,986	56,02,346	60,410	Kettlewall Bullen & Co., Ltd. ..	42,912	841	Bowreah Cotton Mills ..	180.00	100	*Nil*	*Nil*	*Nil*	..	12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewall Bullen & Co. Ltd. ..	43,064	800	Dunbar Mills	228.00	100	10.00	10.00	10.00	..	12	Y.T.
50,08,000	8,02,433	88,00,719	43,00,719	24,072	Birla Brothers Private Ltd. ..	43,852	806	Jay Shree Textiles Ltd. ..	17.12	10	0.50	0.65	0 80	..	12	Y.T.
1,60,00,000	3,07,51,444	4,18,09,599	1,48,09,599	76,764	Birla Brothers Private Ltd. ..	75,040	1,902	Kesoram Cotton Mills ..	10.12N	10	1.00	0.25	0.25	..	3	Y.P.
O.19,47,750									2.37N	1D	0.15	*Nil*	*Nil*	..	6	Y.
D.5,00,000	78,492	50,99,822	32,33,579	—5,21,450	Hazaresmull(Kesrala)	23,036	795	Rampooria Cotton Mills ..								
SOUTH INDIA AND OTHER CENTRES																
30,00,000	5,43,855	73,05,065	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd. ..	9.75	10	*Nil*	*Nil*	*Nil*	..	12	Y.
30,00,000	2,25,000	35,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd. ..	42,656	1,055	Anglo-French Textiles Ltd. ..	126.50	100	6.00	6.00	11.00	..	12	Y.P.
11,98,600	1,41,221	46,98,332	32,72,609	..	Saina & Co.	24,800	..	Asher Textiles Ltd.	212.80	100	12.50	6.00	6.00	..	6	Y.
72,00,000	16,98,790	1,92,55,835	68,19,240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh ..	36,136	725	Azam Jahi Mills	76.00	100	2.50	*Nil*	4.00	..	9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd. ..	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills ..	198.50	100	10.00*C	10.00	10.00	..	12	Y.P.
25,00,000	74,79,507	1,41,25,223	1,10,31,274	1,04,207	Birla Brothers Private Ltd. ..	39,896	1,094	Birla Cotton Spg. & Wvg.	18.00N	10	*Nil*	1.50	0.75	..	12	Y.P.
1,78,47,800	3,24,73,971	8,05,80,469	4,78,98,278	2,81,371	Binny & Co. (Madras), Ltd. ..	1,20,288	2,758	Buckingham & Carnatic ..	206.00	100	10.00	10.00	10.00	..	3	Y.P.T.
20,00,000	18,500	61,32,580	26,05,678	—2,79,050	Calico Textile Mills Ltd. ..	37,536	4	Cambodia Mills	10.00	10	0.50(c)	*Nil*	*Nil*	..	12	Y.
15,00,000	5,39,316	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg. ..	151.00Ocd	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	31,64,314	81,45,632	66,08,885	—3,29,080	Begg, Sutherland & Co. Private Ltd.	27,924	589	Carvery Spg. & Wvg. Mills Ltd.	13.50cd	5	0.75	*Nil*	*Nil*	..	12	Y.
9,36,550	6,61,000	68,26,035	33,32,907	15,034	Chidambara Nadar & Co. ..	21,200	..	Coimbatore Cotton Mills ..	175.00	100	9.00*C	6.00	6.00	1.80	3	Y.P.
50,99,650	22,90,147	1,11,03,277	1,11,03,277	..	B. Sheoma Naidu & Co. ..	50,000	1,100	Coimbatore Murugan Mills ..	100.00	100	*Nil*	*Nil*	6.00	..	6	Y.
18,15,000	7,35,195	39,18,552	34,39,635	..	T. A. R. Chettiar Sons & Co. ..	30,546	..	Coimbatore Pioneer Mills ..	351.50	100	20.00	20.00	..	..	12	Y.P.
20,00,000	22,23,665	97,89,504	54,27,110	1,28,493	T. R. Naidu & Co.	70,268	307	Coimbatore Spg. & Wvg. ..	53.00	50	*Nil*	*Nil*	25.00	..	12	Y.P.
50,78,900	..	5,0776	1,87,50,700	—13,77,632	R. G. S. Naidu & Co.	1,15,188	2,252	Cotton Mills	118.00	100	*Nil*	*Nil*	*Nil*	..	12	Y.
48,87,500	10,87,622	4,53,59,203	1,50,69,402	—81,28,525	Tata Industries Private Ltd. ..	1,15,188	2,252	Davangere Cotton Mills ..	116.00	100	*Nil*	*Nil*	*Nil*	..	3	Y.P.
29,96,256	24,80,000	1,16,07,949	51,48,633	15,442	R. Hanumanbhapa & Son ..	36,586	300	Delhi Cloth & General Mills ..	37.87	25	2.00	2.00	9.00	..	6	Y.P.T
3,33,33,333					B. R. Charal Ram & Co. Private Ltd	1,16,636	2,333			21	0.15	0.16	0.50‡			
1,00 563	24,09,63,62	12,81,36,690	7,47,59,331	2,84,684						100	10.00*C	10.00	17.50	..		
45,80,000	29,65,000	1,31,45,544	61,00,029	1,006	M. N. Chettiar & Sons ..	48,308	201	Dhanalakshmi Mills	228.00	100	10.00	10.00	10.00	..	6	Y.
63,00,000	1,21,34,314	1,74,54,803	1,03,07,559	95,889	Begg, Sutherland & Co. Private Ltd.	48,452	1,194	Elgin Mills	21.56	10	1.00	1.00	1.25	..	12	Y.P.
46,51,000	28,48,948	1,87,08,402	91,62,787	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	154.00	100	8.00	8.00	1.25	..	9	Y.
40,00,000	33,44,709	1,11,32,513	81,40,803	7,074	J. H. Mehta, Esq. (Chairman) ..	29,572	680	Gokalwar Mills Ltd.	267.50	100	10.00	10.00	6.00	..	12	Y.
2,80,00,000	63,35,260	6,20,80,185	3,68,54,005	12,03,955	Birla Gwalior Private Ltd. ..			Gwalior Rayon	47.50	10	*Nil*	*Nil*	..	..	3	Y.P.
80,00,000	1,96,680	1,84,52,347	1,21,05,123	..	K. L. Saksaria, Esq. (Chairman) ..	51,152	1,356	Indore Malwa United	123.00xd	100	6.00	*Nil*	1.00	..	3	Y.P.
8,90,000	10,66,553	35,60,221	20,68,005	6,019	G. V. Naidu & Co. Ltd.	23,784	..	Janardana Mills	65.00	50	3.00	5.00(c)	7.00	..	12	Y.
15,54,000	15,02,509	57,13,087	33,88,092	7 019	Mr. Bhairavatar Damani (Managing Director)	21,148	512	Jam Shri Ranjitsinghji ..	1,960.00	1,000	40.00	..	..	..	12	Y.
16,86,170	13,17,947	82,44,540	41,48,260	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	11.25	5	1.25	0.75	0.75	..	6	Y.
4,63,65,800	3,07,35,097	4,65,50,297	3,36,77,227	2,53,345	Birla Gwalior Private Ltd. ..	56,184	1,635	Jiyajeerao Cotton Mills ..	12.62	10	0.50	0.25	0.25	..	6	Y.
67,20,000	25,71,776	1,59,79,996	93,33,767	55,395	Kothari & Sons	53,136	800	Kothari Textiles	12.70	10	1.00	0.25	0.07	..	3	Y.P.
32,00,000	54,31,394	1,98,63,685	1,48,17,868	26,609	M.	50,000	1,243	Lakshmi Cotton Mfg. ..	500.00	250	15.00	*Nil*	1.00	..	12	Y.P.
71,00,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	170.00cd	50	10.00	15.00	25.00	..	12	Y.P.
4,86,80,000									183.00cd	50	10.00	15.00	25.00	10.00‡		
80,00,000	1,42,22,227	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas&Co Ltd.	51,996	896	Mafatlal Fine Spg.&Mfg. Co. Ltd	1,280.00	100	5.00	5.00	3.00	6.00	3	Y.P.
1,75,02,480	4,06,37,883	6,25,73,128	4,25,78,189	2,04,614	A. & F. Harvey Ltd.	4,58,000	..	Madura Mills	33.90	15	2.50	1.50	2.50	..	12	Y.
90,00,000	29,50,000	68,45,576	51,49,267	1,57,228	W. A. Beardsell & Co. (Private) Ltd.	25,958	602	Meitar Industries Ltd. ..	398.00xd	100	30.00	30.00	1.875	..	12	Y.
29,80,931	5,71,940	1,10,10,931	50,74,411	..	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	99.00	50	5.00	5.00	5.00	30.00	12	Y.
94,91,850	21,56,146	1,71,94,769	78,81,589	1,25,008	M.	52,408	952	Model Mills (Nagpur) ..	50.00	250	*Nil*	*Nil*	*Nil*	..	12	Y.P.T.
24,88,500	40,02,018	1,17,07,914	71,35,995	33,826	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. & Mfg. ..	80.00	50	..	..	..	..	6	Y.
13,61,750	..	89,15,541	1,29,31,514	3,966	K. Tipperudrah (Chairman) ..	6,000	..	Mysore Silk Mills	6.25N	10	*Nil*	5.00	5.00	..	6	Y.
81,50,000	50,71,752	63,08,886	41,45,986	21,883	J. H. Mehta, Esq. (Chairman) ..	18,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	*Nil*	..	..	..	6	Y.P.
87,28,800	19,78,217	1,77,24,075	67,40,513	....	Banalal Biswarilas Pvt. Ltd. ..	37,788	902	Osmanshahi Mills	43.00	100	12.50	12.00	..	..	6	Y.P.
4,40,00,000									149.50	50A	9.00	10.00	*Nil*	..	9	Y.
2,40,00,000	16,56,928	78,14,710	36,35,788	2,040	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	200.25	75B	12.50	10.00	15.00	..	12	Y.P.
15,00,000	....	37,20,109	19,70,048	—21,88,862	.. ..	27,980	..	Pankaja Mills	80.00	100	*Nil*	*Nil*	22.50	..	12	Y.
63,10,600	18,67,447	1,12,86,868	66,04,305	2,661	A. G. Gurusamy Naidu & Co. ..	60,704	801	Radhakrishna Mills	30.75	25.00	*Nil*	*Nil*	..	..	12	Y.
80,00,000	38,53,500	92,98,175	52,78,744	....	T. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	78.00	50	5.00	1.50	2.25	..	12	Y.P.
16,14,300	14,00,000	58,40,986	20,96,408	....	Ramco Agencies Private Ltd. ..	36,036	..	Rajapalayam Mills	187.00cd	50	4.50	5.00*C	5.75	..	12	Y.P.
32,32,300	11,30,088	56,78,526	28,55,667	958	Rayalaseema Development Co. ..	21,200	..	Rayalaseema Mills	112.50	100	12.00	8.00	..	..	12	Y.
10,00,000	9,35,527	54,72,563	33,21,779	3,264	B. S. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd. ..	25.21	10	1.00	10.00	10.00	..	12	Y.
86,69,700	23,19,813	99,50,095	56,37,523	23,084	D. B. Viswambharaiah, Esq. (Mg. Director)	42,924	840	Sri Krishnarajendra Mills			1.50	1.50	2.50	..	12	Y.
18,00,000	2,63,84,092	1,15,51,972	88,02,187	31,06,195	Birla Brothers Private Ltd. ..	36,212	1,244	Sutlej Cotton Mills	76.00cd	50	7.00	4.50	4.00	..	3	Y.
17,50,000 O									97.50	10	7.00	6.00	6.00	..	3	Y.
1,57,50,000 PO	2,95,28,071	6,33,82,415	1,96,98,173	2,961	M.	2,12,216	2,090	Swadeshi Cotton (Kanpur)	1,200.25	75B	12.50	10.00	15.00	..	12	Y.P.
1,00,00,000	70,91,584	4,47,94,206	2,70,17,829	2,29,084	Emcete & Sons (Travancore) Ltd. ..	..	..	Travancore Rayons ..	8.50	100	*Nil*	*Nil*	*Nil*	..	12	Y.
13,98,730	8,64,000	20,41,565	15,00,441	961	Moolji Ramjee & Sons	18,000	..	Trichinopoly Mills	8.62	10P.O.	1.15	0.40	..	..	12	Y.P.
21,00,000	38,41,000	91,30,605	57,96,375	17,798	B. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	36.50	10	1.00	1.25	2.00	..	12	Y.P.T
32,00,000	12,58,316	1,94,82,373	1,33,00,940	—11,21,284	The Bombay Co. (Private) Ltd.	49,880	1,369	Vishnu Cotton	11.87	10	0.90	0.75	1.25	..	12	Y.
									238.50	100	12.00	12.00	16.00	..	12	Y.P.
									114.00	100	*Nil*	*Nil*	*Nil*	..	12	Y.P.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957. 'O'—On increased Capital.

§—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957.

N. B.—All dividends paid since 31st March 1959 are shown as taxable.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
CEMENT														
71,03,070	5,52,108	1,58,24,523	61,14,905	5,535

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
						PAPER								
57,43,031	18,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills	65.00	25	*Nil*	*Nil*	2.50		6	Y.P.
45,90,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Benzal Paper Mills	103.00	25	3.12	5.50	8.00		12	Y.P.T.
85,00,000	65,47,004	2,32,06,298	1,03,23,856	54,791	Andrew Yule & Co., Ltd. ..	India Paper Pulp	28.00xd	10	1.00*	1.00	1.25*		3	Y.
25,00,000	33,79,739	1,52,01,952	96,32,785	43,794	M. D. Shivanaanjappa, Esq. (Chairman)	Mysore Paper Mills	46.00	10	1.50	1.50	1.50		5	Y.P.T.
1,46,82,500	91,38,720	9,65,23,424	2,36,15,053	1,69,091	Birla Brothers Private Ltd. ..	Orient Paper	28.12	10	1.25	1.25			12	Y.P.T.
1,25,50,670	86,20,921	1,94,16,399	1,14,75,940	75,301	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills ..	13.37	O. 10	0.60	0.60	0.30		9	Y.P.
50,00,000							13.37	A. 10	0.60	0.60	0.30			
'A'10,00,000	8,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	21.32		0.50	0.65	0.65		6	Y.P.
'B'18,55,240	56,22,786	5,27,98,634	1,40,50,912	72,313	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	21.32	A. 10	2.38*	2.38*	2.50*	1.20	3	Y.P.T.
50,00,000A							41.94	B. 10	2.38*	2.38*	2.50*	1.20		
50,04,800B	4,02,35,633	7,26,92,665	4,02,88,475	1,01,113	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	4 12	P.O. 2½	*Nil*	*Nil*	*Nil*	0.171	6	Y.P.
4,27,500P.O.							224.00	100	*Nil*	*Nil*	*Nil*			
99,98,875	4,70,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman) ..	West Coast Paper Mills Ltd. ..								
						SAW MILLS AND TIMBER								
12,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	3.37	3	*Nil*				9	Y.
89,25,000	3,45,21,358	5,63,39,009	2,47,17,106	67,223	Wallace & Co.	Bombay-Burmah Trading Corpn.	596.00	Old125	47.50K	22.50	23.75	11.001	5	Y.
48,00,000							212.50	New50	19.00K	9.00	9.50	4.401		
30,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	29.25	10	2.75	2.50	2.50		9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	17,72,056	45,74,076	33,32,351	45,327	P. L. Saraogi, Esq. (Chairman) ..	Balrampur Sugar	3.62	5	0.25	0.25	0.40‡		6	Y.
12,00,000A	84,01,264	62,73,828	39,02,829	10,49,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	125.00N	A.100	10.00	10.00			4	Y.T.
8,00,000B							11.50N	B. 10	1.00	1.00				
10,49,050	10,53,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	12.50	10	1.50	1.00	1.50		6	Y.P.
14,00,000	14,05,503	23,14,258	14,90,018	5,149	Cotton Agents Private Ltd. ..	Bharat Sugar	10.69	10	*Nil*	0.25	*Nil*		6	Y.P.T.
22,00,000	30,06,740	1,52,64,278	1,05,44,575	14,180	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	15.00	10	*Nil*	*Nil*	*Nil*		10	Y.P.
30,00,000	65,53,414	1,66,80,434	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd. ..	Champaran Sugar	20.25	10	1.00	1.00	1.50		7	Y.
20,10,000	40,35,304	84,98,942	63,37,939	16,000	Begg, Sutherland & Co. Private Ltd. ..	Champaran Sugar	*Nil*	10	*Nil*	0.50			8	Y.T.
9,58,252	2,93,584	28,65,378	18,68,328	—34,928	K. C. Thapar & Bros. Private Ltd. ..	Dooria Sugar	9.00	10	*Nil*	*Nil*	*Nil*		6	Y.P.
60,00,000	70,17,000	2,22,85,620	1,03,51,283	39,855	Bachraj & Co. Private Ltd. ..	Hindusthan Sugar Mills ..	315.00	100	15.00	15.00	15.00		7	Y.P.
18,00,000	14,41,216	88,56,210	54,42,213	9,576	Mr. Tulsidas Khaitan (Chairman) ..	Kesar Sugar	295.00	100	7.00	4.00	4.20		7	Y.P.
7,89,100	28,58,620	62,91,472	30,83,160	6,246	Cotton Agents Private Ltd. ..	New India Sugar Mills	32.00N	10	2.50	2.50	3.65		6	Y.P.
11,00,000	4,58,234	49,29,289	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd. ..	New Savan	6.31	10	0.37	0.25	0.37		5	Y.
12,23,200	48,26,135	78,03,274	29,12,884	24,741	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill ..	350.00	100	20.00	20.00			6	Y.
36,175							350.00N	100	5.00	5.00				
77,52,900	76,35,109	2,61,13,706	1,41,64,041	16,455	Cotton Agents Private Ltd. ..	Oudh Sugar	192.00	100	12.50	12.50	18.25		7	Y.P.
9,00,000	23,02,870	51,19,941	35,72,535	4,006	M.	Phaltanpore Co.	14.75	10	*Nil*	*Nil*	*Nil*		10	Y.P.
62,59,400	20,22,000	88,23,036	36,33,281	3,91,544	Govan Bros. (Rampur) Private Ltd. ..	Raza Bulund Sugar	13.37	10	1.50	1.50	1.50		6	Y.
8,00,000	6,30,722	29,36,300	23,93,295	1,403	M.	Ryam Sugar	15.75	10	1.50	1.50			6	Y.
11,99,000	16,90,877	48,13,634	26,03,230	20,614	M.	Samastipur Central Sugar ..	13.12	10	*Nil*	0.25			6	Y.
39,09,000	23,94,873	1,36,84,427	80,62,270	41,428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	14.81	10	1.00	1.00	1.50		7	Y.P.T.
10,02,115	24,660	34,19,315	15,98,051	1,196	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	6.69	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	12.00	10	0.50				8	Y.
8,00,000	43,66,902	1,83,27,978	97,43,200	44,480	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	68.00	10	5.00	5.00	7.25		6	Y.P.
16,00,000	14,52,294	38,53,170	28,80,100	1,08,870	M.	United Provinces Sugar	17.00xd	10	0.75	1.00	1.50		9	Y.
						Other Centres								
80,00,000	26,55,000	91,38,886	28,74,622	22,959	Rangarao & Co....	Andhra Sugars Ltd.	37.00 XR	10	1.25	1.50	2.00		9	Y.
39,84,500	6,25,000	91,67,380	4,84,457	21,247	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd.	150.00	50	*Nil*	*Nil*	*Nil*		6	Y.
70,49,850	1,36,94,058	1,59,69,486	1,07,41,336	75,919	W. H. Brady & Co., Ltd.	Belapur Company	372.00	50	18.00	20.00*	21.00		9	Y.
17,50,000	15,17,192	44,93,654	27,37,735	5,189	A. H. Bhiwandiwalla & Co. (Bombay)	Bhopal Sugar Industries Ltd. ..	27.00	10	2.00	2.00	3.50		9	Y.
37,50,000	16,97,191	83,92,712	57,50,945	2,07,295	Private Ltd.	Shree Chamdeo Sugar	34.25	5	2.25	2.25	2.90		9	Y.P.
39,94,000	36,55,500	1,36,56,345	71,19,655	66,841	Parry & Co., Ltd.	Shree Chamdeo Sugar	16.25	5	0.72½'C'	0.90	0.90		5	Y.P.
£800,000	£1,575,453	£1,950,379	£1,101,544	£82,296	Parry's Holdings Private Ltd. ..	Deccan Sugar & Abkhari	41.50xd XR	£1	Sh. 3	Sh. 4	Sh. 4		9	Y.P.T.
15,98,990	25,15,860	48,87,880	29,79,997	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	East India Distilleries & Sugar	80.00	100	10.00	10.00	10.00		6	Y.P.
68,97,750	9,79,348	91,87,670	27,89,256	5,02,806	India Sugar Agencies Private Ltd.	Gwalior Sugar	18.50	10	1.00	1.00	1.25		9	Y.P.
37,04,654	17,21,816	1,36,50,912	16,14,400	156	R. S. Ind. Corpn. Private Ltd. ..	India Sugar and Refineries ..	26.00	10	0.60	0.60			6	Y.P.
89,24,100	97,90,290	3,52,12,096	64,84,323	91,745	V. Ramakrishna Sons (Private) Ltd. ..	Jaypore Sugar	18.50	10	1.50	1.50	1.50		6	Y.P.
67,50,000	49,93,558	1,49,05,021	66,20,929	1,61,904	M. L. Dalmanukar & Co. Pvt. Ltd. ..	K. C. P. Ltd.	100.00*	10	17.00*	21.00			6	Y.P.
21,79,280	99,00,189	1,62,10,219	1,01,73,932	45,172	B. M. Krishnan, Esq. (Mg. Director) ..	Maharashtra Sugar Mills Q ..	2.00	10	3.00*	3.00	3.00		9	Y.
50,00,000	54,93,178	1,29,04,898	73,75,195	63,804	Mafatlal Apte and Kantilal Pvt. Ltd.	Mysore Sugar	60.00	50	12.00*	10.00	13.50		9	Y.
16,50,820	42,98,380	78,05,159	39,38,060	59,442	Anderson Wright Ltd.	Phaltan Sugar	180.00	50	1.50	1.50	2.14		9	Y.P.T.
20,00,000	2,47,500	24,70,565	13,97,551	788	Govan Bros. (Rampur) Private Ltd. ..	Rampur Distillery & Chemical Co., Ltd.	27.00	10	0.30	0.30	0.30		3	Y.
0-20,00,000	43,67,914	1,37,22,721	65,29,942	79,364	Walchand & Co. Private Ltd. ..	Ramnuggar, Cane and Sugar ..	5.00 XR	10	3.75	3.75	3.75			
D-4,00,000							111.00	O. 50	12.00	12.00	8.50		9	Y.P.T.
30,00,000	20,67,000	67,37,434	30,49,961	1,06,833	Parry & Co., Ltd.	Ravalgaon Sugar Farm	30.00	D. 50	1.00	1.00	1.00		7	Y.P.
1,01,00,000	1,24,16,022	8,47,34,595	1,29,06,496	1,77 732	Walchand & Co. Private Ltd. ..	Travancore Sugars	11.90	100	21.00	21.00	20.00		9	Y.P.T.
						Walchandnagar Industries	306.25							
						TRANSPORT								
80,00,000	96,44,220	1,16,88,916	20,83,063	26,410	Andrew Yule & Co., Ltd. ..	Bengal-Assam Steamship Co. ..	83.00	100	5.00	6.00	3.00		10	Y.P.
1,60,00,000	1,09,44,724	3,99,08,572	1,77,61,898	3,17,991	Dinshaw (Private) Ltd.	Bharat Line	8.12	10	1.20*	1.20*			12	Y.
80,00,000							17.44	5(New)	1.50	1.80	1.05			
30,00,000	2,04,75,067	8,76,20,428	1,74,80,547	8,34,489	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co. ..	10.96		0.90	0.525			6	Y.P.
£955,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd. ..	India General Navigation & Rly. Co...	68.00	£10	*Nil*				12	Y.P.
2,47,30,000	2,59,52,958	18,77,40,174	4,00,39,555	2,09,413	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	68.00	10	1.00	1.00	1.00		12	Y.P.
13,38,57,258	9,29,69,987	32,02,26,725	8,35,84,307	3,59,994	M.	Scindia Steam Navigation Co. ..	11.50	20	1.25	1.25	1.30		6	Y.T.
5,40,800	21,45,788	13,10,577	9,03,867	1,67,197	R. R. Aiyer, Esq. (Manager) ..	Walford Transport Ltd.	15.48	O. 1	0.14	0.14	0.20			
10,100P.O.							3.37	P.O. 1	0.12	0.12	0.15		12	Y.
							2.75							
						UNCLASSIFIED (Bombay)								
5,57,00,000	1,40,48,754	5,77,10,152	04,19,200	2,09,69,272	S. H. Turner, Esq. (Chairman) ..	Hindustan Levers	45.00	10	1.40	1.50	2.40		12	Y.
81,07,000	9,13,054	1,17,36,464	72,51,407	—4,82,000	Birla Brothers Private Ltd. ..	Hind Cycles	128.00	100	12.50F	7.00	*Nil*		3	Y.P.T.
14,98,840	5,27,709	37,56,956	23,15,699	17,694	Choonilal Manilal Private Ltd. ..	Estrela Batteries	67.00	50	3.50*	3.00	3.50*	4.50	12	Y.
99,99,250	20,22,470	1,31,66,987	....	58,613	Premchand Roychand & Sons ..	Industrial Investment Trust ..	73.00	100	5.50	6.00	6.00		12	Y.
1,00,00,000							107.50	100	11.00	13.00	9.00		11	Y.
24,82,500	83,17,365	48,22,945	16,84,812	6,237	A. N. Haksar Esq. (Mg. Director) ..	Killick Industries	179.50	100	6.00	4.00	9.00		6	Y.T.
2,27,65,475	84,40,713	4,77,85,451	2,21,25,834	2,71,968	Aero-Auto Private Ltd.	Premier Automobiles	154.00	100	10.00	10.00	15.00		12	Y.P.
26,99,200	24,59,766	65,97,395	18,34,590	30,136	Polson Agencies Private Ltd. ..	Polson Ltd.	239.50	100	11.00	11.00*	16.00*		12	Y.
2,75,00,000	1,77,59,354	4,62,08,193	1,92,16,142	4,20,813	Mr. A. Hydari and Mr. S. Gothberg ..	Western India Match Co., Ltd.	337.50	150	25.00	25.00	35.00		12	Y.
48,00,000	36,42,890	11,56,665	5,47,970	1,56,287	Jahangir P. Patel, Esq. (Chairman) ..	W. H. Brady & Co., Ltd. ..								
						Other Centres								
68,50,000	2,04,96,189	3,89,98,691	1,10,43,880	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd..	20.06	O. 10	0.90	0.90	1.00		3	Y.P.T.
72,99,201	35,47,000	1,10,99,415	48,70,708	48,624	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd. ..	25.00	10	1.25	1.25	1.25		3	Y.
30,00,000	36,44,175	36,06,360	25,56,851	2,24,865	Turner Morrison & Co. Ltd.	Angelo Bros., Ltd.	21.00	10	1.80*	3.00	2.00		3	Y.
30,00,000	20,24,770	40,25,468	21 84,864	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd.	18.50	10	1.25*	1.25*	1.80		12	Y.
80,00,000	35,34,600	1,05,71,881	42,22,343	1,54,774	Oriental Hotels (India) Private Ltd. ..	Associated Hotels of India ..	6.25N	10	0.60	0.60			3	Y.P.T.
2,46,75,690	25,66,810	2,20,70,296	60,76,913	20,076	A. E. L. Colline, Esq. (Mg. Director) ..	Ashok Leyland Ltd.	9.40	5	0.50	0.50	0.40		12	Y.
80,01,400	83,06,830	77,88,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman)..	Balmer Lawrie & Co., Ltd. ..	224.00	100	12.50	20.00	25.00		12	Y.
12,00,000	22,70,218	25,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	41.62	10	2.50	2.50	4.50		12	Y.
30,00,000	7,79,721	64,19,086	55,02,736	15,029	Lovejoy & Lewis	Birds Investment Ltd.	33.00	10	0.50	0.70	1.10		9	Y.P.
45,97,020	45,04,814	1,17,84,976	48,55,817	2,15,949	K. Julian Scott, Esq. (Mg. Director) ..	Britannia Biscuits	13.00	10	1.00	1.20	1.40	0.601	3	Y.P.
8,26,00,000	1,58,58,664	3,62,78,515	2,55,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director).	British India Corporation Ltd. ..	8.08	5	*Nil*	*Nil*	*Nil*		12	Y.P.
1,14,98,000	12,000	1,08,09,000	14,000	27,205	F. Acutis, Esq. (Mg. Director) ..	Ceat Tyres of India Ltd.	272.50	100	0.75	0.75	0.8°H	0.75	3	Y.
1,38,80,000	14,44,523	1,90,82,924		2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	9.00	10	1.62	1.62	2.15		12	Y.P.T.
3,00,00,000	5,12,37,5-9	9,62,33,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	47.00	10	0.60	0.75			8	Y.
16,20,620	56,26,391	43,40,888	19,18,152	26,195	Mr. K. G. Khanna	Dyer Meakin Breweries	23.50	5	0.60	0.75			8	Y.
81,26,000	57,17,047	1,60,56,715		3,52,237	Bird & Co. Private Ltd.	Eastern Investments Ltd.	188.00	100	9.00	9.00	14.00		12	Y.P.
14,56,819	1,99,926	39,40,200	3,59,610	3,930	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	19.00cd	10	*Nil*	*Nil*			12	Y.P.
14,00,000	10,35,000	36,71,778	20,74,954	32,966	Macneill & Barry Ltd.	Gannon Dunkerley & Co. Ltd. ..	230.00	100	12.00	15.00			3	Y.
40,00,000	4,78,503	59,95,415	41,39,947	19,45,721	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	24.00N	10	1.50	2.00	2.60		12	Y.P.
65,00,000	89,20,000	29,97,548	14,24,655	1,57,026	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	19.00	10	1.00	1.00	1.00		3	Y.P.
30,00,000	15,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	245.00	250	15.00				3	Y.
4,96,12,250	10,51,174	5,80,44,556	2,86,53,383	5,18,731	Birla Brothers Private Ltd.	Hindustan Motors	22.92	10	*Nil*	*Nil*	0.80		3	Y.P.
80,00,000	16,64,523	99,48,437	33,67,174	1,31,125	Talukdar Law & Co. Private Ltd. ..	Hindusthan Pilkington Glass ..	36.00	10	0.60	0.60	1.20		10	Y.
2,97,67,760	2,01,79,740	9,72,38,273	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman) ..	Hindusthan Urban Co., Ltd. ..	31.81	10	0.60	0.70	1.20		12	Y.P.T.
2,35,77,700	1,84,79,770	2,76,16,780	1,20,13,799	40,00,510	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	37.12	10	1.50*	1.50*	1.50*		3	Y.P.T.
8,87,970	6,14,570	17,46,166	10,03,558	97,031	M.	Indian Rubber Manufacturers ..	18.00	10	0.62				3	Y.P.
2,00,00,000	99,92,076	3,26,27,893	2,14,74,994	9,72,583	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	41.00	10	1.00	1.00	1.50		9	Y.
29,98,250	29,950	49,20,112	15,93,066	2,457	Birla Gwalior Private Ltd.	Indian Plastics Ltd.	13.00	10	0.37	*Nil*	*Nil*		9	Y.
15,16,00,000	9,37,84,091	10,89,88,015	2,47,39,240	24,64,029	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	13.00	10	0.70	0.70	0.60	0.501	3	Y.
2,00,00,000	72,02,100	41,08,517	14,59,807	5,40,165	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	4.16.26	10	2.50	2.50	5.00		3	Y.P.
40,00,0000	85,87,572	29,69,955	11,94,783	2,49,742	M.		215.00xd	O. 100	12.50	12.50			12	Y.P.
5,00,00000								D.O.10	0.75	0.75				
1,45,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26.75	10	2.12*	2.12*	2.75		9	Y.P.
1,61,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. Of India, Ltd. ..	45.12	10	1.75	1.75	1.75	2.50°C'	9	Y.P.
6,56,250	6,92,500	11,20,880	5,97,333	8,849	Mr. J. L. Pitha (Chairman)	Mysore Lamp Works	25.00	16	1.25	1.50	1.80		3	Y.
10,00,000	6,41,884	17,87,071	9,94,634	200	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	13.48	10	1.50	1.25	1.25		3	Y.
2,00,00,000	1,18,35,505	3,85,11,692	95,31,873	48,63,429	J. R. Galloway, Esq. (Mg. Director)..	Union Carbide India Ltd.	51.25	10	1.40	1.40	1.80		12	Y.
59,97,500	1,19,25,897	1,19,56,737	47,97,165	46,185	Associated Ind. Dev. Co. (Pvt.) Ltd...	National Cable & Manufactures ..	29.25	10	2.00	2.00	2.00		3	Y.T.
10,00,000	28,64,825	52,65,459	26,90,674	26,079		National Rolling & Steel Ropes ..	15.50	10	0.60	1.00	1.00		3	Y.P.
49,97,664	9,15,876	83,55,363	33 67,559	14,523	K. N. Mookerjee, Esq.(Mg. Director)..	National Rubber Manufacturers Ltd.	17.75	10	1.00	0.60°C'	0.85		12	Y.
79,97,000	1,02,10,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	22.25	10	0.90	1.10	1.60		12	Y.P.T.
7,50,000	4,83,000	11,21,000	5,05,725	98,772	Parry & Co., Ltd.	Parry Confectionery Ltd.	4.50XR	1	0.20	0.20	0.20		3	Y.P.
2,50,00,000	50,68,956	1,48,74,355	43,92,803	47,214	P. C. Vink, Esq. (Mg. Director) ..	Phillips India Ltd.	30.44	10	0.84	0.85	1.20		3	Y.
2,25,00,000	40,500	66,75,349	30,89,526	2,54,744	M. P. A. Paspatti, Esq. (Mg. Director)	Rallis India Ltd.	141.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
25,00,000 O.	50,000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd.	Radio Lamp Works Ltd.	120.00	100	7.50	9.00	5.00		3	Y.P.
1,72,780 D.							—	10	1.18	2.06	—			
2,50,80,000	2,20,45,000	14,54,58,965	5,52,72,716	3,773	Sahu Jain Ltd.	Rohtas Industries	40.44	10		2.00	1.50		3	Y.P.T.
4,78,200	99,259	31,10,322	9,26,551	28,722	Sathe Food Inds. (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd.	100.00N	100	6.00	6.00	6.00		3	Y.P.
5,18,400							50.00N	50	3.00	3.00	3.00			
70,00,000	38,73,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	25.25	10	0.60	0.60	0.90		9	Y.P.
40,00,000	96,89,310	1,32,79,069	76,26,929	8,51,274	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.60xd	10	1.50	1.50	1.80		6	Y.P.
75,00,000	45,78,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co., Ltd.	25.75	10	1.00	1.00	1.50		12	Y.P.
18,00,000	94,66,0598	1,15,70,598	24,22,541	4,919	J. K. Agents Private Ltd.	Straw Products Ltd.	13.31	10	1.25	1.25	1.50	0.601	12	Y.
9,98,980	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.50xd	10	*Nil*	0.40	0.60		12	Y.
22,89,270	12,50,000	12,58,953	8,25,089	10,67,057	M.	Tractors (India) Ltd.	37.25	10	2.00	2.25	3.00		12	Y.
2,49,99,600	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar, (Chairman)	Tube Investments of India Ltd. ..	337.00	100	10.00	10.00	10.00		7	Y.
11,56,300	14,70,739	12,72,077	6,76,580	41,732	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	33.25	10	2.00	2.00	2.75		9	Y.P.
8,00,000	12,00,000	36,58,720	29,58,716	27,331	Vital Mallya, Esq. (Chairman) ..	United Breweries	112.00	10	10.00	10.00	60.00(a)		3	Y.P.
27,00,000	14,07,889

TEA AND OTHER PLANTING COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore) Pvt. Ltd.	Bababudin Coffee & Produce Co., Ltd.	9 00	5	1 25	1 25	0 625		6	Y.P.
3,00,000	2,35,000	4,24,393	43,350	1,618	Planting Agencies (Private) Ltd.	Balmadies Plantations	2 45	2	0 45	0 25	0 15		5	Y.P.
26,91,270	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	Cochin Malabar	8 02cd	3	0 52	0 30'C'	0 15	0.525	5	Y.P.
22,50,000	30,58,661	50,61,756	11,30,047	1,28,949	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	28 00	10	4 00	2 00	0 65		2	Y.P.
71,55,000	63,55,504	1,51,88,373	35,93,779	79,971	R. C. Paterson, Esq.	Consolidated Coffee	26 55	10	4 00	2 00	2 50		6	Y.P.
4,00,000	5,67,423	12,42,809	60,301	3,461	Associated Planters Private Ltd.	Cottanad Plantations	13 25	10	1 75	1 50	1 50		6	Y.P.
18,00,000	9,34,043	30,13,231	6,39,976	21,458	A. V. Thomas & Co., Ltd.	Highland Produce	15 60cd	10	0 75	1 50			3	Y.P.
8,00,000	7,57,800	20,38,983	3,37,362	6,965	A. V. Thomas & Co., Ltd.	Kalkotta Estates	12 45	10	2 00	1 00'C'	1 25		4	Y.P.
4,00,000	3,00,000	9,64,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.	Kumeredde Estates Ltd.	5 60	2	0 50	0 40'C'	0 40		10	Y.T.
13,50,000	4,77,380	20,94,033	3,70,608	11,147	K. T. Thomas Kathanar, Esq.	Mafankara Rubber	20 25	10	2 25	1 70'C'	1 60		3	Y.T.
40,50,000	14,86,388	88,24,890	11,08,400	33,748	A. V. Thomas & Co., Ltd.	Midland Rubber	12 25	10	2 00	1 60'C'	1 00		3	Y.P.
3,35,000	4,13,450	14,31,926	2,76,206	49,475	A. V. George & Co., Ltd.	Nemmony Rubber	19 19	10	0 75	1 50	1 50		12	Y.P.
2,00,000	3,28,000	9,55,544	68,409	1,908	Associated Planters Private Ltd.	Nilambur Rubber Co.	19 25	10	1 50	2 00			12	Y.P.
19,45,980	22,83,423	48,92,125	10,66,950	3,088	Peirce, Leslie & Co., Ltd.	Onchterlony Valley Estates	5 00	2	0 60	0 20	0 30		12	Y.P.T.
18,50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.	Pallurode Rubber	2 00cl	2	0 10	0 08	0 10		10	Y.P.T.
13,50,000	8,49,874	47,74,372	4,48,899	44,024	A. V. Thomas & Co., Ltd.	Rajaviri Rubber	22 75	10	2 00	2 25	2 00		3	Y.P.
5,50,170	3,00,000	8,87,753	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	4 00	2	0 30	0 25'C'	0 30		6	Y.P.
12,00,000	1,35,000	18,24,855	68,427	15,748	Paten Agencies	Sungam-shiver Coffee Estates Ltd.	2 60	2		0 18	0 18		11	Y.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	Ceylon India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	7 25	10	0 60	0 60	0 60		3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.	Thamaraiyally Rubber	28 10	10	3 00	3 00	3 60		3	Y.P.T.
9,15,300	5,75,000	23,57,605	1,88,203	7,572	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1 66	1	0 05	0 10	0 07		12	Y.T.
6,00,000	66,742	11,54,891	5,03,499	2,248	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	12 30	10	1 50	1 00	1 00		9	Y.T.
41,00,000	15,07,458	86,13,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	8 05	10	0 40	0 50	0 75		12	Y.
23,00,000	1,36,000	32,16,659	8,67,938	11,924	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	20 85	25	1 00	1 50	2 00		12	Y.P.
6,00,000	4,56,000	17,45,808	1,02,210	6,252	P. L. J. Joseph, Esq.	Vellmalai Rubber & Co.	5 90	5	0 60‡	1 50	0 50		12	Y.
2,20,000	4,29,600	10,00,702	1,07,202	23,839	A. V. George & Co., Ltd.	Vidavaviri Rubber Co., Ltd.	15 95	10	0 60	0 75	1 50		2	Y.P.T.
8,80,010	2,91,970	9,65,557	38,718	585	M.	Vaikundam Rubber Co., Ltd.	31 00cd	10	3 50‡	3 00	2 50		12	Y.P.
12,00,000	11,40,982	14,75,172	89,034	1,56,719	Peirce, Leslie & Co., Ltd.	Warchalla Estates Ltd.	3 00cd	10	0 15	0 30	0 30		3	Y.
6,95,000	2,44,161	14,25,129	77,672	2,109	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	7 65	10	1 00	0 50	0 50		3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,31,070	1,17,27,488	45,28,971	25,002	B. N. Elias & Co. Private Ltd.	879	Agarpara	13 06	10	0 25	0 25	0 50		3	Y.P.T.
6,00,000	11,72,140	68,39,056	43,04,188	1,92,640	McLeod & Co., Ltd.	456	Alexandra	180 00	100	10 00	10 00			12	Y.P.T.
80,00,000	2,79,200	1,26,70,290	99,41,083	—1,88,265	McLeod & Co., Ltd.	1,264	Alliance	113 00	100	*Nil*	*Nil*	*Nil*	6.001	5	Y.P.
49,20,700	72,81,000	3,09,77,421	2,26,93,087	2,15,974	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	231 00	100	7 00	10 00	12 50		3	Y.P.
40,00,000	37,33,926	1,51,39,885	70,19,427	43,140	Birla & Co. Private Ltd.	810	Auckland	180 00	100	*Nil*	5 00	10 00	7.001	3	Y.P.T.
20,00,000	28,83,885	1,07,52,148	71,05,808	4,265	Birla Brothers Private Ltd.	959	Bally	260 00	100	2 00	6 00	10 00		3	Y.P.
$275,000	$626,819	$1,017,018	$1,028,550	—$67,963	Sir John H. Burder (Chairman)	1,889	Barnagore	135 00	$5	*Nil*	*Nil*	10sh.		3	Y.P.
28,00,000	30,71,100	98,01,044	56,83,841	48,328	Andrew Yule & Co., Ltd.	829	Belvedere	159 00	100	2 50	7 50	13 50		12	Y.P.
45,00,000	29,71,745	58,04,991	35,42,033	—5,73,255	Soorajmull Nagarmull	600	Bengal	10 75	10	*Nil*	0 50			6	Y.P.T.
91,26,000	2,61,94,584	6,43,29,672	1,84,13,072	29,065	Birla Brothers Private Ltd.	1,373	Birla	31 00	10	1 00	1 00	1 00		3	Y.P.
35,00,000	23,36,695	1,19,81,197	72,84,779	62,331	Andrew Yule & Co., Ltd.	991	Budge-Budge	140 00	100	*Nil*	5 00	15 00		10	Y.P.
7,47,389	4,000	45,18,657	34,32,120	—6,20,965	Agyaram & Sons	502	Calcutta Jute Mfg.	8 00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	135 00	100	*Nil*	*Nil*	15 00		11	Y.
59,16,400	76,57,559	2,11,45,431	1,20,71,737	—92,149	James Finlay & Co., Ltd.	1,737	Champdany	170 00	100	*Nil*	*Nil*	7 00	4.001	3	Y.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	530	Cherrie	17 44	10	*Nil*	5 00	12 50‡		11	Y.P.
80,15,000	38,42,800	1,09,32,980	59,87,035	2,33,504	McLeod & Co., Ltd.	1,500	Chitavalah	14 56	10	1 10	1 25	1 50		7	Y.P.T.
24,00,000	9,00,000	81,89,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	12 87	10	*Nil*	*Nil*			3	Y.P.
31,49,200	30,72,331	1,33,88,257	61,31,495	—6,42,976	Bird & Co. Private Ltd.	766	Dalhousie	127 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
23,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	140 00	100	*Nil*	6 00	14 00		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,837	93,729	McLeod & Co., Ltd.	509	Empire	16 56	10	0 75	1 00	1 25		7	Y.P.T.
21,00,000	74,32,310	2,61,26,629	1,59,43,058	1,94,546	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	100 00	100	10 00	20 00	20 00		3	Y.P.T.
21,00,000	19,22,948	1,27,75,074	68,81,071	1,66,649	Banzur Bros., Ltd.	1,014	Fort William	293 00	50 New	1 50	1 50	10 00		3	Y.P.T.
34,32,100	....	2,23,71,085	1,44,32,102	—8,77,159	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	27 62	10	1 50	1 50	1 50		3	Y.P.
10,80,000	29,50,315	69,22,327	48,80,330	1,51,070	M.	607	General Ind. Society Ltd.	12 12	10	*Nil*	*Nil*	*Nil*		3	Y.P.
24,00,000	44,12,950	2,41,02,831	1,86,19,415	85,780	Macneill & Barry Ltd.	1,394	Gourepore	40 00	10	*60 00§*	2 00			12	Y.T.
40,00,000	68,74,233	1,38,35,777	75,98,406	2,98,063	Banzur Bros., Ltd.	1,078	Hastings	93 00	100	5 00	5 00	6 00		3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	40,754	Balljnath Bajoria	720	Hooghly	17 25	10	*Nil*	*Nil*	0 60		3	Y.P.
65,62,500	40,01,064	2,24,82,710	1,35,81,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	23 37	10	*Nil*	*Nil*	1 00	1.25	3	Y.P.T.
52,50,000	31,20,000	3,02,67,018	1,67,42,918	1,07,839	Ramdutt Ramkissendas	2,272	Hukumchand	21 75	7 50	1 50	1 50	1 50		3	Y.P.
87,30,000	29,35,465	1,62,85,168	98,25,868	62,050	M.	1,765	India	9 37	12 50	1 00	15 62‡	1 24	0.751	3	Y.
24,00,000}	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	{163 00	100	*Nil*	5 00	20 00		12	Y.P.T.
*B19,20,000}								156 00	*B 100	*Nil*	5 00	20 00			
80,00,000}								96 00	100	*Nil*	*Nil*	*Nil*			
*B24,00,000}	10,09,317	1,76,28,517	1,12,70,060	—13,68,528	Jardine Henderson Ltd.	1,527	Kankinarrah	{80 00	*B 100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28,00,000	49,10,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	165 00	100	9 00	12 50	14 00'C'		5	Y.P.
54,00,000	22,12,630	2,20,06,065	1,32,49,119	10,158	Anderson Wright Ltd.	1,530	Khardah	165 00	100	8 00	8 00	20 00‡		3	Y.P.
57,58,750	80,85,694	2,41,09,199	1,17,28,523	51,370	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	197 00	100	*Nil*	5 00	10 00	7.001	3	Y.P.T.
28,00,000	29,28,039	1,30,39,849	93,01,968	—7,58,162	Bird & Co. Private Ltd.	931	Lansdowne	148 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
28,00,000	23,68,855	89,88,615	39,14,027	60,304	Bird & Co. Private Ltd.	840	Lawrence	143 00	100	*Nil*	*Nil*	2 00	7.001	3	Y.P.
81,65,200	28,13,391	2,34,62,530	1,45,89,024	2,82,507	M.	1,294	Meanu	13 93	10	0 50	1 75	1 00	0.501	3	Y.
29,98,900	34,39,395	1,64,35,305	94,35,205	—11,60,935	M.	915	Naihati	64 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	13,14,376	36,84,253	24,27,490	4,029	Howrah Trg. Co. Private Ltd.	425	Naskarpara	12 75	10	0 25	0 25			10	Y.T.
35,00,000	39,81,326	48,40,737	12,31,373	19,004	Andrew Yule & Co., Ltd.	852	National	23 75	10	0 75	0 75			10	Y.P.
28,25,000	31,71,872	59,70,247	26,86,043	1,38,023	McLeod & Co., Ltd.	316	Nellimarla Jute	12 62	10	0 90	1 00	1 40		7	Y.P.T.
1,28,24,350	1,08,88,995	8,59,25,980	1,28,62,717	1,415	Sahu Jain Ltd.	1,765	New Central	30 19	10		1 50	1.50'C'		3	Y.P.
16,79,880	48,95,192	1,36,11,669	66,57,100	35,452	Bird & Co. Private Ltd.	567	Northbrook	20 87	10	*Nil*	*Nil*	1 25	0.751	3	Y.P.T.
66,79,500	25,55,018	2,22,21,595	1,17,01,456	10,981	Macneill & Barry Ltd.	1,092	Nuddea	50 75	50	*Nil*	2 50	3 00	1.001	3	Y.P.
24,01,000	24,33,794	76,55,874	54,34,680	26,919	Andrew Yule & Co., Ltd.	601	Orient	139 00	100	*Nil*	2 50	12 00		11	Y.
25,00,000	10,23,000	99,89,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	6 06	5	0 30	0 37½	0 50		7	Y.T.
20,00,000	17,976	31,75,367	9,96,846	2,706	Birla Brothers Private Ltd.	305	Rameshwara	10 44	10	*Nil*	*Nil*	*Nil*		3	Y.P.
49,50,000	4,75,546	1,24,61,131	66,72,920	—88,95,851	Jardine Henderson Ltd.	1,276	Reliance	7 50	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
£600,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnagpur	10 50N	£1	*Nil*	5%†	10%†		12	Y.P.
$0,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bazaria More & Co., Ltd.	911	Shree Ambica	24 50	10	0 50	0 50	0 60		3	Y.P.
14,00,000	12,59,705	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	23 50	10	1 50	1 50	2 50		12	Y.P.
£600,000	£423,784	£1,270,000	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	10 50N	£1	*Nil*	3%†	10%†		12	Y.P.
35,98,800	55,90,024	1,06,68,547	46,70,750	75,586	Bird & Co. Private Ltd.	1,326	Union	202 00	100	*Nil*	15 00	20 00	7.001	3	Y.P.T.
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	10 50N	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	4 06	1	*Nil*	*Nil*	0 25		5	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	32,36,200	1,09,35,072	77,39,072	39,129	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	24 37	10	1 25	1 25	1 50		3	Y.
12,00,000	6,14,541	35,95,554	33,74,698	—2,35,349	Jardine Henderson Ltd.	Barraree Coke	15 50	10	0 37	0 50	*Nil*		3	Y.
4,49,350	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	6 00	10	0 90	0 60			12	Y.
1,00,00,000	1,84,79,081	6,98,53,688	4,68,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	351 00	100	17 50	17 50	25 00		10	Y.P.
2,25,000	4,90,871	22,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	22 31	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,28,269	1,44,83,027	77,69,407	2,120	Shaw Wallace & Co., Ltd.	Bharat Collieries	5 94	10	0 60	0 60			3	Y.P.T.
7,15,000	10,15,172	49,80,046	34,84,101	—4,92,536	M.	Bhulanbararee	6 50N	10	*Nil*	*Nil*			12	Y.T.
7,50,000	24,88,188	49,61,177	28,34,991	20,179	F. W. Heilgers & Co. (Private) Ltd.	Borrea	22 69	10	0 75	0 75	*Nil*		12	Y.P.
90,92,480	1,77,68,238	4,58,80,424	2,17,98,561	1,10,738	Bird & Co. Private Ltd.	Burrakur	20 19	10	0 37	0 37½	1 30		12	Y.P.T.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	12 50	10	0 50	0 50			3	Y.
3,00,000	12,90,550	49,56,445	39,71,353	23,320	M.	Central Kurkend	8 00N	10	0 70	0 50			12	Y.
6,00,000	1,54,873	6,36,341(k)	....	941	F. W. Heilgers & Co. (Private) Ltd.	Churlia	3 50	4	0 20	0 20	0 12		12	Y.
16,00,000	....	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	9 75	10	*Nil*	*Nil*			12	Y.
£240,000	£370,709	£1,094,395	£794,405	£9,562	Jardine Henderson Ltd.	East Indian	32 12	£1	1 50	1 00	1 25		12	Y.
35,00,000	1,07,01,492	4,76,99,571	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	27 00	10	1 50	1 50	0 75		4	Y.
10,00,000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	12 00N	10	*Nil*	*Nil*			12	Y.P.T.
12,00,000	1,01,130	43,53,854	27,66,116	—5,13,177	Killick Industries Ltd.	Hingir-Rampur	23 00	50	*Nil*	*Nil*	*Nil*		3	Y.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14 00	10	*Nil*	*Nil*			6	Y.P.
20,00,000	3,47,660	37,92,776	8,93,679	20,422	Bird & Co. Private Ltd.	Karanpura Collieries	209 00	100	*Nil*	5 00	5 00		12	Y.
5,00,000	19,74,252	52,22,175	39,91,046	1,27,146	Andrew Yule & Co., Ltd.	Katras Jherriah	45 87	10	6 50	6 50	6 50	3.501	2	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	7 25N	10	*Nil*	*Nil*			1	Y.
9,00,000	10,22,762	28,39,712	22,94,028	5,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15 00N	10	0 12	1 00			3	Y.
7,48,240	2,30,000	13,72,632	10,20,509	24,346	Tantia Brothers Private Ltd.	Nasira	8 81	10	0 75	1 00	3 00		4	Y.
17,76,230	23,80,325	1,52,03,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	New Beerbhoom	22 75	10	0 75	1 00	1 50		12	Y.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	13 37	10	0 50	0 50			10	Y.P.
1,15,000}	3,84,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd.	North West	{24 00N	10	1 50	1 50	1 50	1.001	3	Y.
1,57,500}							18 00N	7.50	1 12	1 50	1 12	0.751		
7,50,000	15,80,815	3,07,666	2,77,666	42,423	F. W. Heilgers & Co. (Private) Ltd.	Ondal	11 50	10	0 50	0 50			12	Y.P.
8,34,000	1,39,915	29,18,119	11,35,398	3,885	Deepchand Kishenlall	Parasea	16 00N	10	0 50	0 50			12	Y.P.T.
15,75,000	20,39,600	68,60,103	44,84,103	32,685	Shaw Wallace & Co., Ltd.	Pench Valley	22 31	10	2 00	2 00	1 00		3	Y.
23,99,500	32,78,697	1,47,24,602	1,01,33,389	5,489	B. N. Elias & Co. Private Ltd.	Raneegunge	16 00	10	0 75	1 00	1 00		3	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,539	Shaw Wallace & Co., Ltd.	Rewa	24 75	10	1 00	1 00			12	Y.
37,50,000	38,32,000	1,02,53,214	26,57,721	66,372	M.	Samla Collieries	9 00N	10	0 90	0 50			12	Y.
2,50,000	60,000	14,29,679	12,57,285	8,302	M.	Searsole	1 81	2.50	0 12	*Nil*			12	Y.
2,80,000	10,55,529	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	32 00	7	1 75	1 75	3 00		1	Y.
8,00,000	4,54,655	11,88,899(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	8 75xd	10	0 25	*Nil*	0 35		12	Y.P.
65,21,350	1,06,25,748	6,10,30,781	2,90,93,472	54,868	Industries (I. F.) Department (Govt. of Andhra Pradesh)	Singareni	10 00cd	10	1 50	0 75			12	Y.
17,50,000	8,47,303	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	South Karanpara	12 25	10	0 75	0 75	0 90		12	Y.T.
8,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	15 50	10	1 00	1 25	1 50		8	Y.
3,50,000	*2,80,000*	19,15,700	14,79,400	1,77,952	Williamson Magor & Co., Ltd.	Union	13 00	10	0 37	0 25			12	Y.
49,98,000	1,68,505	72,61,905	29,99,423	7,982	Hindustan Investment Corpn. Ltd.	Western Bengal	8 50	10	0 50	0 40	0 40		8	Y.
7,00,000		50,74,151	29,16,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	6 75	10	*Nil*	*Nil*			12	Y.

M—Managed by the Board of Directors.
§ General Industrial Society Ltd.—The dividends for 1956 and 1957 are on shares of Rs. 300 each which have since been sub-divided into shares of Rs. 10 each.
N.B.—All dividends paid since 31st March, 1959 are shown as taxable.
† Less U.K. income-tax
(k) Investments.
* Including bonus.
‡—On old capital.
'C'—on increased capital.

MARKET GOSSIP

(*Concluded from page 275*)

Association of Seed Crushers held at London a fortnight ago. Mr. Faure put the aggregate supplies available for export in 1960 at nearly 7.9 million tons of oils and fats, of which the U.S. alone accounts for as much as 2.5 million tons. The world exports of oils and fats last year were of the order of 7.7 million tons, as against 7.1 million tons in 1958. On this basis and assuming that imports into Western Europe will be lower as a result of a rise in production, especially of olive oil and butter, the apparent world surplus of all fats and oils is calculated at 350,000 tons.

The estimated world production of oils and fats in 1960, as given by Mr. Faure, is somewhat higher than the forecast made by the U.S. Department of Agriculture in May 1960. The output forecast by the latter is 34.2 million short tons (2,000 lbs. each) which is some 445,000 tons more than what was produced in 1959. So far as the trend is concerned, the estimates of both show an increase over the previous season. The following table, based on the U.S. Department of Agriculture's estimates, indicates the trend of world output of different oilseeds, oils and fats during the year 1960, as compared with 1959 and 1958:

(In million short tons—fat and oil equivalent)

	1960	1959	1958
Cotton seed	2.3	2.2	1.9
Peanut	2.4	2.5	2.5
Soyabean	3.7	3.7	3.2
Other edible vegetable oils	4.6	4.7	4.2
Palm oils	3.9	3.9	4.1
Linseed	1.1	1.1	1.1
Other industrial oils	0.4	0.4	0.4
Butter	4.2	4.1	4.1
Lard	6.7	6.5	6.0
Tallow and greases	3.7	3.6	3.3
Marine oils	1.1	1.0	1.0
Total	34.2	33.7	31.8

It will be seen from the above figures that marine oils and animal fats are likely to account for the bulk of the increase in world production and palm oil and industrial oils for a smaller amount, while the output of edible vegetable oils is estimated to have suffered a setback. In this context, it will be worthwhile to refer to the interesting analysis of the future trend of oils and fats consumption furnished by Mr. Ronald Brech of Unilever at the aforesaid Congress. His analysis reveals that, in underdeveloped countries, consumption of oils and fats will rise much more sharply than in industrial countries, partly because their population is growing at a faster rate and partly because consumption per head is more responsive to a rise in income in poor countries than rich ones (where it may even decline). As exporting countries will probably decline, while exports from Africa—though not Latin America—may increase, but not sharply. Russia may for a time become a bigger importer and China a bigger exporter. Thus, the growth in world supplies is likely to be greatest among the liquid oils, and the United States will become a still bigger supplier.

E.I.D. Rights Issue

The ordinary shares of the East India Distilleries and Sugars have sustained a sizable fall of 9 per cent. after they became *ex-div. ex-right* on the 5th inst., the rate declining from Rs. 43.70 on that day to Rs. 40 on the 10th inst., due to selling pressure from certain quarters, despite the announcement of the details of the attractive rights issue and good prospects for the Company. For some weeks past, it may be noted, the shares had been held at Rs. 61.75 *cum-div. cum-right*. The rights are being currently quoted at Rs. 19.50. The proposed right issue is to provide a part of the capital cost of the new compound fertiliser factory at Ennore, near Madras.

As readers are already aware, the Company proposes to issue 550,000 new ordinary shares of 20s. each at a premium of 50 per cent., that is, at 30s. each to the members on the London register and at Rs. 20 per share, the corresponding rupee equivalent, to the members on the Indian register. They will be offered

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000	1,86,00,000	8,86,012	Allahabad Bank	311·00	100	18 00‡	18 00‡	18 00‡		12	Y.P.
14,40,000				172·00	50	9 00‡	9 00‡	9 00‡			
1,01,000	19,73,220	10,301	Andhra Bank	99·85cd	100	6 00	6 00	8 02		6,12	H.
40,78,300				83·00cd	85	5 10	5 10	6 40			
1,00,00,000	1,60,66,525	1,02,801	Bank of Baroda	81·00	50	7·00	6 00	7 00	3·50‡	12	Y.
25,00,000				—	25'B'	..	1 50	3 50	1·75‡		
2,50,00,000	8,10,00,000	12,47,743	Bank of India	101·00xd	50	8 00	8 00	8 00	3·75‡	6,12	R.L.Y.
80,00,000'A'				103·00xd	50'A'	8 00	8 00	8 00	3·75‡		
38,00,000	56,30,000	42,473	Canara Bank Ltd.	80·00	50	5 00	5 00	7 50		12	Y.P.
12,47,775	18,00,000	14,361	Canara Banking Corporation Ltd.	71·00	50	5 00‡	5 00	7 50		12	Y.P.
'A' 5,99,620				188·00	100 'A'	15·00	5 00‡	20 00‡			
'B' 16,00,380	85,00,471	28,596	Canara Ind. & Bkg. SyndicateLtd.	17·75	10 'B'	..	15 00‡	2 00‡		12	Y.
'C' 2,00,000				1·88	1 'C'	0·15	..	0 20‡			
2,62,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd. ..	51·50	25	3 50	0 15‡	4 30		12	R.L.Y.
A.M.50,00,000				54·00	25	3 50	3 50	4 30			
50,00,000	52,00,000	5,69,301	Devkaran Nanjee Banking Co. ..	51·50	50	3·00	3 50	2·52		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank ..	16·00	50	*Nil*	*Nil*			12	Y.
50,00,000	2,30,000	5,519	Hindustan Mercantile Bank ..	15·12	50	*Nil*	*Nil*	*Nil*		12	Y.
60,60,000				178·00	100	15 00‡	13 00‡	.. 00‡			
22,40,000	84,01,884	80,143	Indian Bank	151·00	80	12 00‡	12 40‡	15 00‡		6,12	R.L.Y.
74,53,000	59,36,660	1,76,012	Indian Overseas Bank	176·00	100	10 00	10 00	12 00		12	
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	38·75	25	1 87	2 50	3·4571			
1,25,00,000	1,47,50,000	3,18,830	Punjab National Bank—K ..	20·00	10	1 50	2 00	2 00	1.001	12	Y.
5,62,50,000	7,20,00,000	55,87,499	State Bank India	325·00xd	100	15 00	15 00	20 00		12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	8·03	5	0 44	0 45	0 67		12	H.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank ..	74·50	50	3 75	3 75	5 50		12	
2,08,43,647	83,76,000	1,81,565	United Bank of India	5·37	10	0·30	0·30	0·43		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£5,000,000	£5,500,000	£463,355	Chartered Bank	£2-11-0	£1	15†	16†	15†		12	Y.
H.K.$78,074,750	£10,949,165	£132,295	Hongkong and Shanghai Banking Corporation	£6½	H.K.$125	31·2½	3*	3*		12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-6-6	£1	13†	12½'C'	12†	6†	12	Y.
£3,421,875	£3,000,000	£301,488	National and Grindlays Bank Ltd.	£1-14-6	sh. 12½	15†	15†	12½†		12	Y.

† Includes bonus. ‡ Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. xr—Ex Right.
E.—The final dividend of £1-12-5 is on the Increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotation* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
17,50,000	6	1st December and 1st June ..	Carew & Co.	1933	98·00	1st June .. 1965
4,00,000	6½	1st March and 15th September ..	Carew & Co. (2nd mortgage)	1941	98·00	25th February .. 1970
10,00,000	6	1st August and 1st February ..	Kavalcaon Sugar	1942	99·00	27th December .. 1962-63
10,00,000	4	1st May and 1st November ..	Kavalcaon Sugar (New)	1944	85·50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	95·00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October ..	Bharat Collieries	1944	90·00	30th June .. 1964
2,00,00,000	4½	30th June and 31st December ..	Burrakur Coa Co.	1947	85·00	30th June .. 1959 (a)‡
46,35,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100.00	14th December .. 1959 (a)‡
COTTON						
7,00,000	5½	30th June and 31st December ..	Rasanji Cotton Mills Ltd.	1942	85·00	30th April 1964
4,00,000	6	15th May and 15th November ..	Bharat Nagpur	1947	85·00	15th November .. 1965 (b)
65,31,000	5T	1st April and 1st October ..	Brooksyarn and Carnatic	1952	100·50	1st March .. .. 1972 (a)
40,00,000	6	1st April and 1st October ..	Gwalia Mills	1957	99·00	1st April 1967-72
20,51,000	5	1st June	Tata Mills	1951	92.00	1st June 1965-71
ELECTRICS						
10,00,000	4½	31st March and 30th September ..	Agra Electric Supply Co., Ltd. ..	1950	89 00	31st March .. 1965 (a)
2,00,00,000	5½	15th June and 15th December ..	Ahmedabad Electric Co. Ltd. ..		95 00	14th June 1960
98,25,000	5½	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	100 00	31st March 1978
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st Decembes .. 1961 (a)
83,787,574	4	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	98 25	1st January .. .. 1970 (a)
25,00 000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1946	85 00	31st December .. 1970
12,80 006	5	1st January and 1st July ..	Sijua (Dhanbad) Electric Supply Co., Ltd.	1951	91 00	30th June .. .. 1976 (a)
3,00,000	5†T	31st March and 30th September ..	South Madras Electric Supply ..	1939	95 00	1st April 1959-61
1,00,000	5T	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	93 50	30th September .. 1953-68
47,75,000	5	1st March and 1st September ..	Tata Power	1940	98 50	1st July 1970
2,50,00,000	6	1st January and 1st July ..	Tata Power		85.00	15th September .. 1965-70
ENGINEERING						
6,00,000	5½	30th June and 31st December ..	Britannia Engineering	1946	94 00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July ..	Guest, Keen, Williams Ltd.	1958	104 50	1st January 1966-71
29,18,000	6½	15th September and 15th March.	Indian Hume Pipe (Bearer)	1942	98 25	1st July 1957-62
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	84 00	31st May 1971
3,00,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	98 25	1st October 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99.50	31st December .. 1969 (a)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	92 00	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	91.00	30th June .. 1969
13,00,000	6	31st December and 30th June ..	Auckland Jute Co., Ltd.	1943	78 00	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd... ..	1945	90 00	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	87 00	31st July 1959
12,09,000	5	30th June and 31st December ..	Chiravalah Jute Mills	1951	88 50	30th June 1966
20,48,000	5½	31st March and 30th September ..	Dalhousie Jute Co.	1954	90 00	31st March .. .. 1969 (a)
8,86,000	5	15th January and 15th July ..	Empire	1951	90 00	15th July .. .. 1966 (a)
30,00 000	5½	31st March and 30th September ..	Howrah Mills Co., Ltd.	1956	95 00	31st March 1970
15,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	90 00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	90 00	31st March .. .. 1967 (a)
5,00,000	6½	14th November and 14th May ..	Nallimarla Jute Mills Co., Ltd. ..	1939	92 00	14th May 1971
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	85 00	31st December .. 1964
20,00,000	5	31st March and 30th September ..	Reliance Jute Mills Co., Ltd. ..	1950	82.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December ..	Union	1937	95 00	31st March 1967
10,00,000	5½	31st January and 31st July ..	Waverley	1925	80.00	31st July 1966
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
$921,697	4½	1st January and 1st July ..	Calcutta Tramways	1900	466.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£148,806		1st April and 1st October ..		1933	474.10N	1st October .. 1974
6,50,000	6	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (c)
4,14,18,000	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	97.00	1st September .. 1963
PLANTING						
8,75,000	6T.F.	31st March and 30th September ..	Nilgiri Tea		95 50	1st April .. .. 1958-68†
5,00,000	6T.F.	1st January and 1st July ..	Kallar Rubber Co., Ltd.	1958	100.50	1st July 1959-68
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
82,00,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	85.00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September ..	Britannia Biscuit	1954	100.00	1st September .. 1969 (a)‡
1,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	100 00	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1918	85.00	1st February .. 1964
15,95,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	82.00	1st July 1966
30,00,000	4	15th March and 15th September..	Dalhousie Properties	1946	78 00N	15th September .. 1960
1,00,00,000	6½	31st March and 30th September..	Dalmia Cement (Bharat) Ltd.	1946	82 00	 1966
1,04,55,000	6½	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	104 50	1st January .. 1973 (a)††
97,58,000	5	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	101 00	30th June .. 1968 (a)‡
3,00,00,000	6½	1st January and 1st July ..	Indian Aluminium Co., Ltd.	1959	102 75	1st January .. 1975
14,00,000	5T	2nd January and 2nd July ..	Mettur Chemical Industries	1949	83 75	30th September .. 1964
2,54,500	6	31st March and 30th September..	Martin Burn Ltd. (Convertible Notes)	1946	650 00	30th September .. 1976 (a)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)..	1947	410 00 (per note)	31st December .. 1975 (a)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	85 00N	30th September .. 1964
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	100.00	1st April 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92 00	30th June 1968-70
1,00,00,000	6	30th June and 31st December ..	Robtas Industries Ltd.	1940	99 00	31st March .. .. 1961 (a)
10,00,000	6½	1st January and 1st July ..	Shree Gopal Paper Mills Ltd. ..	1944	96.00	31st December .. 1959
30,00,000	6	16th Feb. and 16th August ..	Shree Gopal Paper Mills Ltd. ..	1955	95 00	15th July 1966
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	100 00	16th February .. 1961 (a)
25,00,000	5	30th June	Tata Chemicals Ltd.	1945	97.00	1st May .. .. 1963 (a)†‡
50,00,000	6	....	Tata Oil Mills Co., Ltd.	1959	101.00N	 1955-65
						 1960-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. § Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964.
from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963, on six months' notice. †† Rs. 80 lakhs will be redeemed annually by drawings
† Option to repay at par on six months' notice, on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th August, 1960.

	Closing quotations 4-8-1960	High	Low
TEXTILES	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	188 50	188 50	185 00
Apollo (2) ..	1 66	1 64	1 64
Baroda Rayon (75) ..	150 50	153 00	142 00
Bombay Dyeing (25) ..	69 70	70 00	67 40
Bradbury (50) ..	132 00	—	—
Central India (100) ..	125 00	121 00	116 00
Century Mills (100) ..	510 00	517 50	500 00
Coorla Sp. (100) ..	133 00	—	—
Dawn (50) ..	127 00	127 00	125 00
Edward Textile (200).	327 00	—	—
Elphinstone (50) ..	64 50	64 00	60 50
Finlay (100)	349 00	357 00	343 00
Gokak (100)	154 00	155 50	152 00
Gold Mohur (100) ..	230 00	232 50	230 00
Gwalior Rayon (10) ..	46 00	49 50	46 25
Ind. Untd. Ord. (10) ..	1 92	1 96	1 82
Ind. Untd. Ord. (10) ..	13 44	13 48	12 88
Indian Rayon (37 50) ..	71 00	76 00	71 00
Indore Malwa (100) ..	126 00	130 00	121 00
Khatau (100)	570 00	655 00	527 50
Kohinoor (100)	445 00	450 00	434 00
Lakshmi (250)	505 00	505 00	500 00
Mafatlal (100)	1,200 00	1,300 00	1,210 00
Minerva Mills (100) ..	80 00	84 00	80 00
Model Nagpur (250) ..	59 00	70 00	59 00
Morarji (100)	366 00	380 00	365 00
Mysore (50)	98 00	100 50	98 00
National Rayons (100)	518 50	521 50	492 00
New City (100)	138 00	—	—
New Great (100)	185 00	190 00	185 00
Phoenix (100)	144 00	144 00	143 00
Podar Mills (100) ..	164 00	165 00	160 00
Raymond Woollen (100) ..	129 50xd	129 50	114 00
Sassoon Silk (10) ..	9 92	10 00	9 92
Sassoon Spr. (10) ..	68 00	69 00	68 00
Shahjivas (100)	268 00	269 00	260 00
Simplex (50)	175 00	175 00	169 00
Standard (100)	1,985 00	2,055 00	1,865 00
Svadeshi (100)	252 00	253 00	239 00
Swan (100)	497 50	497 50	495 00
Tata Mill (25)	45 00	45 25	43 50
Vishnu (100)	114 50	—	—
Western India (1,000)	4,900 00	5,650 00	5,450 00
BANKS			
Bank of India (50) ..	104 00	103 50	100 00
Do. (New (50) ..	105 00	105 00	102 00
Bank of Baroda (50) ..	81 50	81 50	80 70
Central (25)	50 80	51 50	50 20
Central 'A' (25) ..	53 50	54 00	53 30
Indn. Bank (50)	52 00	52 00	51 50
Punjab National (10) ..	20 00	—	—
Union Bank (5)	5 95	6 08	5 95
United Com. (50) ..	73.50	75.80	73.50
ELECTRIC COS.			
Ahmedabad (100) ..	91 00	91 00	83 50
Andamanated (10) ..	10 08	10 24	10 00
Andhra Valley (1,000)	1,020 00	1,020 00	1,010 00
Ben. Sub. El. (100) ..	90 00	90 00	89 00
Surat (100)	89 00	89 00	88 00
Tata Hydro (100) ..	105 50	108 00	105 25
Tata Power (1,000) ..	1,085.00	1,092 50	1,080 00
INSURANCE COS.			
British India (10) ..	12 76	—	—
Empire of India (100).	268 75	—	—
Ind. Mercantile (20) ..	48 25	—	—
Jupiter (15)	7 24	—	—
New India (15)	63 00	63 50	62 70
Vulcan (10)	19.20	19.24	19.00
STEEL COS.			
Ind. Iron (10)	24 68	26 10	24 60
Mukund Iron (10) ..	26 25	28 00	25 25
Tata Steel Ord. (75) ..	161.50	163.75	158.25
SUGAR COS.			
Belapur (50)	377 00	377.00	368.00
Bhopal (10)	27 40	—	—
Champdee (12.50) ..	34 25	—	—
Phaltan (50)	185 00	184 25	178 00
Walchand Ind. (100)..	307.50	307.50	303.75
CEMENT COS.			
Associated Cts. (100)..	145 50	146.25	143 50
Digvijay (100) ..	170.00	170.00	162.00
MISCELLANEOUS			
Alcock Ashdown (100).	297.00	302.00	291.00
Bom. Burmah (128) ..	608 00	610 00	573 00
Do. (New) (50) ..	221 25	221 25	207.50
Br. B. Petrol (4 sh.) ..	1 80	1 84	1 74
Br. I. Corpn. (5) ..	8 36	8 28	7 92
Cooper Eng. (100) ..	170 00	167 00	162 50
Colour Chem. (100) ..	445 00	450 00	434 00
Hind Cycle (100) ..	125 00	128 00	123 00
Hindustan Lever (10).	46 25	45 50	44 50
Hindustan Motors (10) ..	23.08	23.32	22.44
I. C. & Invest. Corporation (100) ..	70.00	—	—
Indian Dyestuff (100)..	832 50	840 00	820 00
Indian Copper (2 sh.) ..	6 36	6 40	6 25
Ind. Inv. Tr. (100) ..	71 50	73 00	71.50
Killicks (100)	107 00	107 50	106 00
Larsen & Toubro (10) ..	51 00	51.50	48.50
Mahindra & Mahindra (10)	23 00	23 60	22.60
New Central Jute (10).	29 70	30.00	29.70
Polson (100)	158 00	160 00	152.00
Pre. Automobiles (100)	184 00	184 50	172 50
Premier Con. (80) ..	358 00	359 00	355 00
Scindia (20)	18 52	18 68	18.20
G. E. Shipping (10) ..	17 44	—	—
Shivrajpur (10)	75 00	76.00	73 00
Sirpur Paper (10) ..	20 06	21 68	20 88
Tata Chemicals (10) ..	20 28	20 44	19.56
Tata Locomotive (100).	321 50	323 50	292 00
Tata Oil (25)	79 00	79.50	71 00
Texmaco (10)	28 00	28 50	28 40
Voltas (100)	291 00	295 00	274 00
W. I. Match (100) ..	239 00	241 50	238 00
W. Coast Paper (100).	223.00	227.00	218.00

GOVERNMENT SECURITIES	4-8-60 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption
2½% 1961	98 60	—	3
2½% 1962	98 05	—	3
2½% 1976	93 50	—	4
3 % 1964	98 00	—	3
3 % 1963-65	98 05	3.64	3
3 % 1966-68	96 00	3.75	3
3 % 1970-75 1st Dev.	90 05	4.11	3
3 % 1986 Con. Loan.	73 55	—	4
3½% 1961 N.P. Bonds.	100 05	—	3
3½% 1964 N.P. Loan.	99 95	—	3
3½% 1965 N.P. Bonds.	99 75	—	3
3½% 1962	99 80	—	3
3½% 1967 N.P. Bonds.	99 55	—	3
3½% 1974	99 70	—	3
3½% 1967 N.P. Bonds.	100 80	—	3
3½% 1969 Loan ..	99 10	—	3
3½% 1968	99 50	—	3
3½% 1963 N.P. Bonds.	100 00	—	3
3½% 1966 N.P. Bonds.	100 65	—	3
4 % 1960-70	100 30	—	1
4 % 1972 Loan	101 30	—	3
4 % 1973 Loan	101.20	—	3
4 % 1979 Loan	100 25	—	3
5½% 1966 Bonds ..	99 75	—	3
4% 1980 Loan	99 90	—	4

• Current Income. x.d.—Ex-dividend.

COMMERCE

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

VOL. CI. No. 2577 BOMBAY, 20th AUGUST 1960 PRICE Rs. 2

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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MORE ON PALAI BANK EPISODE

THE collapse of the Palai Central Bank Ltd. has, fortunately, not had any adverse economic repercussions. There has been no run on any other bank. Nor has any industry or trade come to grief. There is nothing surprising about this, for the Palai Bank, though big in its way in the Kerala State, was a relatively small one, with its deposits (Rs. 9.80 crores) accounting for only 0.5 per cent. of total deposits (Rs. 1,931 crores) of all scheduled banks and with no widespread ramifications. But its failure has evoked a political storm of a magnitude which is out of proportion to the economic importance of this sad episode. When another scheduled bank in Maharashtra, the Laxmi Bank, shared the same fate about a couple of months earlier, not a dog barked. This bank was, of course, smaller than the Palai, but it had more branches and its failure must have badly affected an equally large number of small middle-class people. The reasons for the contrast are simple. Politically, Kerala has been a sick State of the Indian Union and the Palai Bank held an important position in that State. It is also alleged that the Bank was involved in the political wranglings in the State. Even if this is not true, the political leaders will have been quick, as, indeed, they have been, to seize this opportunity for raising their stock with the public by championing the cause of the ill-fated depositors and employees. Secondly, the Bank's two branches in Delhi seem to have been quite popular, especially with Government employees of all classes, and gathered a large amount of deposits. Naturally, when they shut their doors, the poignancy of depositors in these branches became quite conspicuous. Thirdly, Parliament was in session when the event took place, thereby enabling the Opposition to draw the attention of the country to it in a spectacular manner by moving an adjournment motion. A Bill to amend the Banking Companies Act that came up before both the Houses also provided a first class occasion for the members interested in this subject to highlight the event. And, fourthly, the Prime Minister's periodical Press conference took place within a few days of the Bank's closure, and the representatives of the Press were alert enough to get his reactions. While all this vigilance by the Press and Members of Parliament speaks highly of the vitality of democracy in this country and reflects the anxiety of our leaders to safeguard the interests of innocent people who trustingly place their savings with banks, it would not augur well for the future of this country if attempts were made to build political capital out of such unfortunate developments or to exaggerate them in a dramatic way, in order to create a climate in favour of nationalisation of banks. It is a sad commentary on the political state of affairs in this country that some leaders should be indulging in this very undesirable game now. Their object is not to safeguard depositors, or to foster the banking habit, but to give a boost to their political ideals.

The failure of one or two scheduled banks accounting for a negligible percentage of total deposits does not justify the cry for nationalisation of banking. Those who have raised this cry now are talking in two voices, because they have also criticised the Reserve Bank in the same breath as being inefficient and incapable of protecting the interests of depositors. In the event of nationalisation of commercial banks, it is the very same Reserve Bank that will be in charge of the nationalised banking service, which will be a monolithic organisation with some 5,000 branches spread all over the country. If banking is nationalised, there will, of course, be no failure of banks and loss of deposits, but this does not mean that there will be no losses. Only, instead of a few individuals suffering on their capacity as depositors, all will suffer in their capacity as taxpayers. Since public memory is short, one has to recall the fact that the Mundhra episode inflicted upon the Life Insurance Corporation more losses than, perhaps, those suffered by life insurance companies when they were under private enterprise. Wholesale national

scrutiny. Incidentally, the fact that a lot of time is being taken to meet the challenge of those who have questioned the veracity of facts given by the Finance Minister last week suggests that the authorities had not fully anticipated the reactions which would follow their step against the Palai Bank. This undoubtedly reflects their poor judgment of political forces. They should have made adequate preparations before initiating the step they took and marshalled all the facts in anticipation of all probable criticisms, so that there could be no room for doubt about such issues as the quantum and type of liquid assets.

The Governor of the Reserve Bank has explained, in his address to the annual meeting of the Indian Institute of Bankers, extracts from which are published elsewhere in this issue, the difficulties of the Reserve Bank in ensuring the operational efficiency and integrity of commercial banks. He has also brought out the fact that taking action against an erring bank is a very delicate job, as it involves careful balancing of a number of considerations. These are genuine difficulties. As he aptly remarked, "the Reserve Bank's powers of control are not and cannot be a substitute for the efficiency and integrity of the management themselves." And such integrity and efficiency do exist in the case of the vast majority of our banks. Otherwise, Indian banking could not have attained the stature that it enjoys today. But the main criticism against the Reserve Bank, in the context of what has happened to the Palai Bank, is that, though it had watched and scrutinised the affairs of the Palai Bank, it had failed to take effective measures which would have either improved its affairs or forced it to go into liquidation years earlier, thereby minimising the scope for losses to depositors. In any case, the Reserve Bank should strengthen its inspection staff and not slacken its efforts at checking the affairs of each and every bank to the best of its ability.

As there are limits to which controls and scrutiny by the Reserve Bank can avert bank failures, the monetary and fiscal policies should be suitably attuned to facilitate the growth of banking on sound lines. The policy of cheap money in times of inflationary conditions is totally unsuited for this purpose, as it tempts depositors to go to small banks that offer high rates of interest, encourages several undesirable business practices which in turn result in bad advances, and keeps the banks' margin of profit at inadequate levels, a state of affairs which will place honest bankers at a disadvantage *vis-a-vis* dishonest bankers. Gresham's law still holds good in this country, as the planned economy that it is having is not of a totalitarian variety. Unfortunately, there is a lot of loose thinking in this country on the subject of appropriate interest rates for this country and even the Governor of the Reserve Bank, with all the expert advice at his command, is not free from this defect. The exigencies of immediate needs seem to cloud one's vision and make it impossible for the policy-makers to judge the issues from the long-term point of view. The way in which the Governor has tackled the case for a higher Bank rate clearly shows that he is unable to make up his mind. Well, events will ultimately do that for him. But a prudent central banker will always believe in looking ahead and taking events by the forelock.

PORT DEVELOPMENT

IN recent years, port development has attracted considerable public attention. The situation created by the congestion in the ports in the early years of the second Plan, the deterioration of the river Hooghly in Calcutta and strikes by dock labour have all combined to invest the development of ports with a new significance. There is now a much wider realisation of the general economic importance of ports which are well equipped to handle expeditiously the steadily increasing quantum of cargo. Realising the importance of providing increased facilities in ports, the authorities have installed additional mechanical appliances and berthing capacity in different ports. The result has been an increase in the total capacity of the major ports. From 20 million tons in 1950-51, it moved up to 25 million tons by 1955-56. In 1957-58, the traffic handled at major ports touched a peak figure of 31 million tons; by the end of the third Plan, a total capacity of 41 million tons is expected to be reached by these ports.

In the third Plan, the total allotment to port development is placed at Rs. 85 crores, as against Rs. 60 crores in the second Plan. Major ports will receive Rs. 75 crores—Calcutta Rs. 29 crores; Bombay Rs. 26 crores; Madras Rs. 7 crores; Cochin Rs. 1.7 crore; Vizag Rs. 6.3 crores and Kandla Rs. 4.3 crores. The main objective in the third Plan, according to the Draft Outline, will be to maintain and improve the existing port facilities rather than to increase port capacity. In the course of his speech at the ninth meeting of the National Harbour Board, held at Bombay last week, the Union Minister for Transport and Communications, Dr. P. Subbarayan, explained that, in the third Plan, emphasis would be laid on the early completion of the carry-over items and schemes necessary for maintaining existing services and also on essential improvement schemes. Among the essential services which a modern port should render mention must be made of the establishment of repair facilities. The Board, it is stated, was generally satisfied with the action taken towards the implementation of the recommendations of the Ship Repairs Committee. In particular, it was pointed out, on behalf of the Bombay Port Trust, that no ship needing repairs was denied accommodation; during 1958 and 1959, as many as 396 ships were afforded repair berths facilities aggregating 2,706 "ship days."

Among the major ports, Calcutta has been a source of great concern to all interests connected with it. The deterioration of the Balari bar and of the Ninan, Nurpur and Eastern Ghat bars has been the root of the problem of this port. Intensive dredging, according to the Union Minister, is being continued in the worst affected parts of the river. Although the situation has improved of late, complacence, as the Minister said, must be ruled out. An expansion of dredging fleet is necessary. A second-hand dredger, *Maitena*, has been purchased, a new dredger is under construction and another old dredger is being renovated at a cost of Rs. 40 lakhs. The Port Commissioners, it is stated, are of the view that they should have the services of two large-size dredgers exclusively for the estuary. This matter is said to be under the consideration of the Government. Meanwhile, U.N. experts are engaged in a study of the problems involved in the provision of increased port facilities at Haldia which could take a part of the burden off the Calcutta port. The experts have now held that Haldia is the best site for the location of a deep water port in the Calcutta region. The preparation of a detailed project report for the construction of the port is said to have already been taken up by the Calcutta Port Commissioners.

The main features of the Rs. 8.4-crore modernisation scheme for the Bombay Port (with a foreign exchange component of Rs. 1.5 crore) are the provision of a wide communication passage between the Victoria Dock and the Alexandra Dock and the deepening of the berths in the Victoria Dock to 30 feet. It will give five additional deep drafted berths. It has been preferred to the so-called "minimum scheme," because the latter was not calculated to provide any additional berths, although its cost was as high as Rs. 20 crores, with a foreign exchange component of Rs. 5 to 7 crores. Satisfactory progress is being made in the scheme relating to the dredging of the entrance channel to the port. Another important scheme in the Bombay Port is a new berth at the Ballard Pier extension. After the naval authorities complete the extension, the Bombay Port Trust will undertake the work of deepening the berth, widening the approach channel and equipping the berth with cranes, cables, oil pipelines and other services; the liability of the Port Trust in this project is about Rs. 2.5 crores. All these schemes are part of the third Plan, though work on them will commence in the current year. The World Bank will presumably be approached to meet the foreign exchange component of the total expenditure on the development schemes.

Much progress has been made by the Madras and Cochin ports in their respective schemes of development; preliminary work has been completed on the Visakhapatnam port development scheme. In Madras, the construction of the wet dock has made good progress. The coal and ore yards have been nearly completed. In Cochin, the second coal berth has already been completed and opened to traffic. The construction of the four-wharf berths in the Ernakulam channel at an estimated cost of Rs. 2.24 crores is nearing completion. At Visakhapatnam port, the revised estimates for the construction of four additional berths requiring Rs. 2.8 crores have been sanctioned; tenders for the work will be invited shortly. Two other schemes at the port are the lengthening and deepening of the existing dry dock and the renovation of the breakwater, of which the former has been sanctioned and the latter is under the Government's examination.

Although Kandla is the youngest of India's major ports, its progress has greatly exceeded the expectations of its early planners. The volume of traffic passing through the port in 1959-60, the third year in its career, was about 1.1 million tons, as against 350,000 tons which it was originally expected to handle annually in the first five years of its establishment. The port authorities, it is stated, are tackling the problem of maintaining sufficient depth for deep drafted ships in the approach channel of the port. A dredger from the Visakhapatnam port has been pressed into service. The aim is to have a depth of 12 to 13 ft. at low tide in the new channel, so that ships requiring drafts of 28 to 29 ft. can enter the port during most days in a month. A major problem in the development of the port is the establishment of road and rail facilities which will connect the port with its hinterland. The construction of the national highway between Kandla and Ahmedabad is now in hand. Some sections of the highway are ready, but a number of major bridges, including the one over the Rann of Kutch, have yet to be built. The construction of the highway should be expedited. So far as railway facilities are concerned, the broad-gauge link between Kandla and Jhund has been included in the third Plan; the final location survey has been completed.

What invests Kandla with a special significance is the proposal to create a free trade zone in the port. A free trade zone, as is well known, is a segregated area where foreign goods can be brought for storage, sorting, grading, blending or manufacturing without the intervention of customs formalities and duties and the finished goods could then be exported. The creation of the free trade zone such as this will provide opportunities for the employment of Indian technical and commercial skill and for expansion of export trade.

Next in importance to major ports are the intermediate and minor ports. Dr. Subbarayan on his part did not throw much light on the individual problems of these ports. It may be mentioned here that a provision of Rs. 10 crores has been made for minor ports in the third Plan; this presumably includes the allocation to intermediate ports too. The possibility of a larger allocation, according to the Minister, is also being examined. In the second Plan period, the expenditure on minor ports was Rs. 3.5 crores, as against the allotment of Rs. 5 crores. An important limiting factor in the development of minor ports is stated to be the inadequacy of the requisite type of technical assistance for the preparation of designs and the actual execution of works. This difficulty is expected to be overcome when the Government constitutes a Central Technical Assistance Board to advise the Central and State Governments and port administrations on problems concerning major and minor ports and inland water transport.

It is, however, disappointing to note that the Minister did not clarify the Government's attitude towards Mangalore and Tuticorin. It may be recalled that, in May last, the Intermediate Ports Development Committee submitted its report recommending a Rs. 38-crore scheme for improving Tuticorin, Mangalore, Pradip and Porbandar. Under the scheme it recommended for those ports, the development of Tuticorin (Rs. 10 crores and of Mangalore Rs. 13 crores) was to receive first prior ty and that of Pradip (Rs. 9.5 crores) as well as of Porbandar (Rs. 5.25 crores) was to receive second priority. One naturally expected that Mangalore and Tuticorin would receive top priority in the third Plan. It would, however, appear that the Planning Commission has decided to postpone the development of Tuticorin and Mangalore as deep-sea harbours. Dr. Subbarayan on his part said: "I need hardly assure you that I am very much conscious of the genuine claims of Tuticorin, Mangalore and some other ports for development." Apparently, the scheme for the development of these ports is in danger of being abandoned for the present because of paucity of funds. It is not clear whether, in view of the definite advantages in developing these ports, some re-allocation of the overall target of expenditure for transport and communications cannot be made so as to release additional funds for their development. It is also worth investigating whether the State Governments concerned cannot share a part of the expenditure involved in upgrading the capacity of the two ports. They may do well to adopt for this purpose the technique practised by Rajaji for raising the funds required for financing the Manimuthar irrigation project.

MARKET GOSSIP

THE all-India inter-bank agreement on rates of interest on deposits, which was "voluntarily" entered into by banks in October 1958, has been modified for the second time. The first modification was in September 1959 and the latest one has come into effect from the 16th inst. The agreement fixes ceiling rates of interest for all forms of deposits, excluding inter-bank call money. When it was first concluded, the ceilings were 3½ per cent. per annum for seven days' deposits as well as for deposits for less than three months and 4 per cent. for deposits for three months and over. A rate of 4½ per cent. could be paid only in respect of cash certificates for five years and more. In other words, the ceiling of 4 per cent. was applicable even to deposits of three years' duration, as also to cash certificates for a period of three to five years. The ceiling for savings bank accounts was fixed at 2½ per cent. Under the first modification, which took effect from 1st September 1959, the rates of interest on cash certificates and savings bank accounts were left unchanged, but the ceilings for all other deposits were subjected to a uniform reduction of ½ per cent., so that the ceilings were 3½ per cent. for deposits for three months and over and 5¾ per cent. for deposits for less than three months and seven days' money. Now the Indian Banks' Association, which fathered this agreement, has done a little refinement. The rate for three months and above remains unchanged at 3½ per cent., while that for less than three months has been lowered by ½ per cent. to 3½ per cent. What is even more important, the rate for seven days' money has been brought down by ⅜ per cent. to 3 per cent. And the rates for cash certificates and savings bank accounts continue to be the same as those fixed in October 1956.

The idea behind this agreement is to keep down the cost of deposits. It is with this basic idea the revisions, too, have been made. The banks have been wise in not reducing the rates of interest on deposits for three months and over. The lower rates fixed for deposits for less than three months and for seven days will do no serious harm to the growth of deposits. On the contrary, the banks could have fixed the rate for seven days' House Money at a much lower level, say, at 1½ or 2 per cent. and for deposits upto three months at 2 or 2½ per cent. A part of the saving in cost thus effected could have been passed on to deposits of longer duration. The rate for deposits of 12 months and over, for instance, could have been enhanced to 4 per cent. and that for 6 to 12 months to 3¾ per cent. Similarly, a rate of 3 per cent. on savings bank account would be ideal. Changes on these lines will be more in keeping with the long-term interests of banks. Equally beneficial for them would be to raise their rates of interest on loans, advances and overdrafts by one to two per cent. While the banks have been able to get together and reach an understanding that has forced the depositors to accept lower rates of interest, they have failed to do so in regard to their charges for credit. The fault is as much theirs as of the Reserve Bank, which is yet to appreciate the value of letting money also to find its appropriate cost.

Prospects For Shipping

To the general upward trend in equity values currently being witnessed, shipping shares are a striking exception. Not only have the latter not kept pace with the former but they have actually followed the opposite trend. This is clearly reflected in the index numbers of security prices computed by the Reserve Bank of India. Thus, while the index of equities (1952-53=100) has gone up by 35.6 per cent. in cotton textiles during the period 1st August 1959 to 30th July 1960, by 17.6 per cent. in paper, 12 per cent. in sugar and 8.8 per cent. in cement, it has declined by 13.6 per cent. in the group "shipping" and other transport." Shipping shares have been under strain for quite some time now, thanks to the lower dividends announced for the past year and reports that the operating results for the current year, too, are unlikely to be any better, as a result of the spiral of increasing costs and wages, depression in the world freight market which rendered freight rates uneconomic, and lack of adequate cargoes in coastal trade. It will be recalled that the Scind a Steam, the Great Eastern and the India Steam all reported lower profits for their last accounting year. The India Steam and Great Eastern maintained their dividend only by drawing on reserves. The Scindia Steam, on the other hand, cut its net dividend from 6.25 per cent. to 4.55 per cent. The Bharat Line, it is now reported, has actually skipped over the dividend for 1959.

The aforesaid trend is not confined to this country. Shipping being a truly international industry, the experience of Indian shipping is only a manifestation of a world-wide phenomenon. The latest reports from London about the world shipping industry are somewhat encouraging. It looks as though the three-year-old depression has gradually begun to wane. There are at present unmistakable indications of an uptrend in tramp freight rates. The present seasonal summer recession shows signs of terminating much earlier than even the most optimistic prediction. Freight rates in some trades, especially in the North Atlantic grain trade, have already risen sharply. Possible shortfalls in European harvests are expected to speed up the recovery.

The fact that the tramp freight rates did not fall this spring as low as they did last year was the first sign of better times ahead. This was confirmed by the late start of the summer recession which, as noted above, will end much earlier than expected. Another noteworthy feature is that the summer recession is milder, in spite of the larger number of ships retained in service, as compared with the previous year, in anticipation of the autumn revival. For instance, tramp tonnage laid up has shown a substantial decline from 4.4 million tons last October to 1.65 million at present. Consequently, the tonnage that would be brought to operation will be smaller and its pressure on freight rates in the coming autumn will be correspondingly less. There are, however, other factors which might work in the opposite direction. There is, for instance, no knowing how many of the laid up vessels have been scrapped and how many would be pressed into service at short notice. New tonnage is being added faster than a year ago and it remains to be seen whether world trade, though still climbing up, will keep up the pace. Nevertheless, London advices say that the prospective recovery will be more than seasonal. Indian tonnage also might benefit from the upturn in freight rates, as well as from the large volume of U.S. wheat, rice and cotton to be brought to this country under the latest P.L. 480 agreements. One can, therefore, hazard the guess that, in the near future, shipping shares may be able to emerge from the doldrums.

T.E.L.Co.

The one question on which the shareholders, who attended the annual meeting of the Tata Locomotive and Engineering Company Ltd. last week, were keenly interested in getting a reply from Mr. J. R. D. Tata, pertained to issue of fresh capital. This was natural, because the Company's shares had been boosted on the Stock Exchange by a handful of speculators by creating an impression that a new issue was imminent. Some of them also tried their best to extract from the Chairman information about the profit-margin of the Company, the likely profit it could make next year and detailed answers about its expansion programme. Mr. Tata was shrewd enough to realise that these shareholders were endeavouring to get information which might aggravate speculation in the Company's shares. He clearly stated that he would not like to say things that might lead to more speculation.

The scheme for raising the Company's output of trucks from 12,000 to 24,000 per annum is only tentative. It has yet to receive the sanction of the Government. Mr. Tata, therefore, made it clear that it was premature to make any categorical statement about the issue of new capital and other ways of financing the scheme. His rough estimate of the capital cost was Rs. 14 crores, of which the foreign exchange component might be about Rs. 8 crores. Much, however, would depend on the source of supply of plant and machinery, which, in turn, would depend on the availability of foreign credit. If credit could be found in West Germany, instead of in the U.S., the capital cost would be considerably lower. One of the shareholders, who is a leading sharebroker, asked the Chairman whether he was right in assuming that the Company would not call for any fresh capital during the current year. Mr. Tata replied that he saw nothing wrong with that assumption. Considering that the scheme might require well over a year to take concrete shape, we will not be surprised if the Company makes no call for additional capital for at least another 12, if not 18, months.

Synthetics and Chemicals

The allotment results of Synthetics and Chemicals Ltd. have now been announced. The capital issue of this new company, as readers are already aware, created a record, by evoking the largest response from investors in one's living memory. The Company received 274,805 application forms for 9,962,750 shares of Rs. 100 each, on which only Rs. 25 was payable with application. The issue was over-subscribed by as many as 60.17 times. The manner in which the allotment has been made is stated to be as follows:

"For applications between 5 shares to 210 shares, the allottees were determined by drawing lots, and each successful applicant has been allotted 5 shares. Applications for 215 shares and above have been allotted shares on the following basis, subject to some adjustment and grouping of applications.

215 to 300	... ...	5 shares each
505 to 1,000	... ...	10 " "
1,005 to 1,800	... ...	15 " "
1,805 to 2,000	... ...	20 " "
2,005 to 3,000	... ...	25 " "
3,005 to 3,300	... ...	30 " "
3,305 to 3,890	... ...	35 " "
3,895 to 4,400	... ...	40 " "
4,405 and above	...	50 " "

About 57 per cent. of the capital offered to the public is being allotted to applicants for less than 200 shares."

Although the major portion of the shares offered to the public was set apart to small applications, the unsuccessful applications are as many as 246,000. The Company has rightly given priority to them in returning their funds. Letters of regret and refund orders will, we are told, be posted from 24th August 1960. Even if some 10,000 letters were posted per day, it would take the Company four weeks to complete the lot. The successful applicants will have to wait a little longer, as the Company proposes to post the letters of allotment and refund orders from only about the middle of September 1960.

Having regard to the tremendous rush for the shares of Synthetics and Chemicals, as will be evident from the data given above, it must be conceded that the management of the Company has done their best to expedite the procedure connected with allotment and rejections. Applications were received, we understand, from all parts of India and the first two weeks must have gone in realising the cheques of a large number of applicants. The Company's management must now take prompt steps for getting the scrip listed on the leading stock exchanges.

Recent Trends in Bank Rates

There have been quite a few changes in the central bank discount rates abroad in the last two weeks. As many as four countries (Belgium, South Africa, Rhodesia and Canada) have raised their Bank rates, while one (U.S.) has reduced it. Curiously enough, while the first three have taken this step to arrest the flow of funds out of their country resulting in a drain of their gold reserves, as a result of the high rates of interest prevailing in the U.K. and certain other Continental countries, the U.S. has resorted to this measure, despite the continued decline in its gold reserves. The first one to make a move in this direction was Rhodesia which stepped up the rate by ½ per cent. to 5 per cent. on the 2nd inst. The Belgium National Bank increased its rate by one per cent. to 5 per cent. with effect from the 3rd inst. This is the first change in Belgium's Bank rate this year so far and is on top of a rise of ½ per cent. brought about on 24th December 1959, bringing it to the highest rate in the last one decade. The latest rise was intended to arrest the run on the Belgian franc. The troubles in the Congo, as our London Correspondent pointed out last week, has given rise to flight of capital from Belgium and buying of gold by Belgian residents. The increase in the Bank rate is designed to correct these trends.

The move of Rhodesia was followed by its neighbour, the Union of South Africa, which raised its Bank rate by ½ per cent. to 4½ per cent. with effect from the 10th inst. This is the first change since January 1959, when the Bank rate was lowered from 4½ per cent. to 4 per cent. The increase in South African Bank rate did not come as a surprise, as the Union has been losing its gold reserves heavily. An increase in the rate was expected soon after the rise in the British Bank rate in June last when there was a gap of 2 per cent. between the two countries' rates. The sudden fall in South Africa's gold reserves in the first week of August and the rise in Rhodesian Bank rate served to soften the resistance to a higher Bank rate in that country. Following the disturbances at Sharpeville in March last, the Union's reserves are said to have declined from £153 million to a little over £104 million as on 5th August. This fall is probably the combined effect of sale of Union securities by foreign investors and the flow of short-term funds consequent on the rise in the British Bank rate in June last to 6 per cent. The increase is, however, a modest one, as even the enhanced rate is still 1½ per cent. below the British Bank rate.

The Bank of Canada's interest rate, which is of a floating nature linked to the Treasury Bill rate, rose sharply last week to 3.16 per cent. from 3.08 per cent. the week before.

The only exception to the general trend was provided by the U.S., where four of the Federal Reserve Banks in New York, Richmond, Kansas City and Cleveland were authorised, on the 12th inst., to cut their discount rates by ½ per cent. to 3 per cent., bringing them down to the lowest level since May 1959, when it was raised from 3 per cent. to 3.50 per cent. The other Federal Reserve Banks will soon follow suit as they have always done in the past. In addition, the Federal Reserve Board has liberalised the reserve requirements of commercial banks, with a view to enabling them to lend more and stimulate business activity. These two steps provide an indication that the U.S. authorities are worried more about the trends in their domestic economy than about the increase in the flow of gold to foreign countries. Even before the latest cut in the discount rate, the disparity between the high rates of interest in the U.K. and other European countries and the low rates in the U.S. was high enough to cause a heavy drain on the latter's gold reserves. During the last one month or so, the decline in U.S. gold reserves was of the order of £80 million. The further widening of the disparity as a result of the latest cut in Federal Banks' discount rate can only be expected to give fresh momentum to the outflow of gold. Why then did the Federal Reserve Board authorise last week a further cut in discount rates? One explanation is this: the U.S., which still holds half of the world's gold reserves, is not very much worried by the current outflow of reserves, as it is probably the result of the flow of "hot money," a temporary factor. It is more concerned about preventing loss of confidence in the dollar, as a result of a slackening of the country's economy. It has accordingly decided that its monetary policy should be governed mainly by the domestic economic situation.

The flow of "hot money" into London from the U.S. and other centres, followed by a cut in U.S. discount rate, has touched off speculation in London whether the U.K. Bank rate would be lowered. In fact, talks about this possibility have attracted some support to the Gilt-edged market in London. The main arguments in favour of a lowering of the British Bank rate are: (1) the country's gold reserves are rising at a rate beyond expectations; (2) the large-scale flow of "hot money" as a result of the high rate of interest is not healthy; and (3) it would be embarrassing to the U.S., the U.K.'s political partner, to keep the rate at such a high level. The arguments against the lowering of the rate are: (1) the rate was raised (in June) not with a view to attracting "hot money" but purely on domestic economic considerations; (2) that being so, a cut in the Bank rate will be warranted only when there are signs of a business recession; (3) the restraints imposed

(Continued on page 359).

EQUITIES SUBDUED

ACTIVITY THINS DOWN

(From Our Own Correspondents)

BOMBAY, 18*th August*

THIS week's review of the Bombay Stock Exchange covers only three sessions, in view of the public holiday on the 15th inst.—Independence Day—and the absence of any trading yesterday and today, as a mark of respect to Mr. F. J. Guzdar, Vice-President of the Stock Exchange, who died in Bombay on Tuesday. While the Exchange was officially closed yesterday, the jobbers refrained from doing any business today.

The undertone of the market was subdued and, barring a few selected counters, the trend of prices was downward. Fears of further official measures to restrain speculation through credit restrictions constituted the main deterrent factor. The delay in the announcement of retention prices of steel and the consequent delay in the declaration of dividend by the T.I.S.Co. also restrained the enthusiasm of operators. This was reflected in the reversal of last week's upward trend in steel shares. Most of the cash scrips, which had been very active in recent weeks, were listless. The general turnover disclosed a sizable fall.

The unusual delay in the announcement of dividend caused some selling in Tata Ordinaries which, as a result, were marked down from Rs. 163 to Rs. 161. Last week's rise in Indian Irons was not sustained. On the contrary, the scrip fell from Rs. 25.65 to Rs. 25.25.

Textile shares presented a mixed trend. Despite the cut in cloth prices, some of the counters looked up, presumably on expectations that the reduction in prices might not affect the mills' profits for the current year. An indication to this effect was given by the chairman of the Simplex Mills at the annual general meeting of the Company held on the 16th inst. He envisaged an improvement in the results of the Company in the current year, thanks to the beneficial effects of the rehabilitation programme and the streamlining of production. He felt that the cut in cloth prices would not materially affect the working of the Company. On the Exchange, the scrip scored a gain of Rs. 3 over the week to Rs. 175. Among the other counters which recorded a rise, albeit small, are Kohinoors, which improved by Re. 1.25 to Rs. 336.75, Central Indias by Rs. 2 to Rs. 120, Finlays by Rs. 2 to Rs. 354, Gokaks by Rs. 4 to Rs. 158, Standards by Rs. 7 to Rs. 1,992, Svadeshis by Re. 1.50 to Rs. 246 and Tatas by Re. 1 to Rs. 45. Centurys were erratically lower at Rs. 504, after an earlier rise from Rs. 506 to Rs. 510. Bombay Dyeings were marked down from Rs. 69.40 to Rs. 68.50. Mafatlal Fines shed Rs. 20 to Rs. 1,215, New Greats Rs. 5 to Rs. 185 and Sassoon Spinnings Re. 1.50 to Rs. 66.80.

A further marked rise of Rs. 3.20 to Rs. 79 in United Commercials was the only notable feature of trading in bank shares. The other scrips were conspicuously dull, some of them disclosing fractional losses.

A quiet tone prevailed in the electricity section, Ahmedabad Electrics were marked down by Rs. 2 to Rs. 87. Tata Hydros shaded off from Rs. 108 to Rs. 106.50. Andhra Valleys were subdued at Rs. 1,022.50 and Tata Powers at Rs. 1,082.50.

Sugar shares maintained a steady tone and most of them recorded modest gains. Belapurs improved by Rs. 2 to Rs. 374, Phaltans by Re. 1.50 to Rs. 181, Maharashtra Sugars by Rs. 3.50 to Rs. 239.50 and Walchandnagars by Rs. 2 to Rs. 307. Cement shares were extremely dull, with very little movements in quotations. Associated Cements fluctuated within a small range between Rs. 145.25 and Rs. 143.75 and closed at Rs. 144, with no change over the week. Digvijays, too, were unchanged at Rs. 163.50. Orissa Cements were a shade lower at Rs. 14.20.

In an otherwise quiet engineering section, Premier Constructions were conspicuously firm, with a sharp rise of Rs. 12.50 to Rs. 357.50 on renewed expectations of an early announcement of the long expected capital reconstruction scheme. Alcock Ashdowns were marked down by Rs. 4 to Rs. 293. Tata Locomotives gave way from Rs. 304 to Rs. 299, presumably due to the Chairman's disclosure at the annual meeting that there would not be a rights issue for some time to come. He, however, announced that the Company would shortly seek the permission of the Government to double the output of trucks from 12,000 to 24,000 units per annum. The capital cost of the scheme is estimated at Rs. 14 crores. Cooper Engineerings, however, recovered a part of their last week's loss, with a rise of Rs. 2.50 to Rs. 165. Jost's Engineerings gained ground by Rs. 12.50 to Rs. 132.50. While Larsen and Toubros were unchanged over the week at Rs. 50, Mahindras shed Re. 1 to Rs. 23.

Shippings and automobiles were colourless. Scindias were, however, steady at Rs. 15.36 and Great Easterns at Rs. 17.44. Hindustan Motors were lower by 40 nP at Rs. 22.24 and Premier Automobiles by Re. 1 at Rs. 177.

In the miscellaneous group, Bombay Burmahs had a further small setback this week from Rs. 591.50 to Rs. 585. After maintaining an upward trend during the major part of the week, moving up from Rs. 507.50 to Rs. 519, National Rayons slided back to Rs. 514. Gwalior Rayons were maintained at Rs. 47.50, while Baroda Rayons shed a rupee to Rs. 149. Voltas recorded a further loss of Rs. 3 to Rs. 282. Tata Oils were maintained at Rs. 72, while Tata Chemicals declined by 52 nP to Rs. 19.84. The downward trend of Alembic Chemicals was maintained when the quotation dipped this week by Rs. 6.25 to Rs. 260. Amar Dyes fell by no less than Rs. 17.50 to Rs. 472.50. Colour Chems, however, gained Rs. 3.75 to Rs. 437.50 and Poly Chems Rs. 2.50 to Rs. 307.50. Adarsh Chemicals advanced by Rs. 10 to Rs. 95. Indian Dyestuffs were stagnant at Rs. 835 and so also Ceat Tyres at Rs. 275, while Premier Tyres shed a rupee to Rs. 105 and Union Carbides suffered a similar loss to Rs. 57. Khandelwal Ferro Alloys were maintained at Rs. 126. Chase Bright Steels gave way from Rs. 20 to Rs. 19.52.

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Calcutta Stock Exchange

CALCUTTA, 17*th August*

The decline in the volume of business put through on the Calcutta Stock Exchange during the week under review would suggest that the speculative elements had realised at long last that the uptrend had been over-done and that investors were not likely to support these rates, which, to a large extent, had ignored yield considerations. Also investors would appear to be setting apart funds for several new issues, expected in the course of the next few months. The reports from New Delhi that the authorities were considering measures to restrain the speculative frenzy had a sobering effect on the market. This explains why the uptrend in Indian Irons following the higher dividend was not sustained and that buoyancy was not reflected in other speculative counters. There were other factors why bulls became cautious during the week. Indications were that the money market would continue to be tight. Also, State loans opening at the end of this month would claim a good portion of the funds seeking investment.

Sectionwise, coals tended quiet following the Ministerial announcement in New Delhi that, as a rule, expansion of private collieries would be permitted in areas immediately contiguous to their working mines. There was also profit-taking. From Rs. 348, Bengals shaded to Rs. 334. Burrakurs opened at Rs. 20.31 to close lower at Rs. 20. Equitables moved down fractionally to Rs. 26.81, but recovered to close at Rs. 27.25.

Following the increase in gunny stocks with mills, jutes also participated in this week's general quietness. Earlier, however, there were a few selected rises. Thus, while Howrahs declined to Rs. 23.25 from Rs. 23.50, Chitavalsahs had gained to Rs. 15.12 from Rs. 14.69 previously. At Rs. 21.75, Northbrooks recorded a fractional gain, while Birlas slided to Rs. 34.12 from Rs. 34.50. Ganges were quiet at Rs. 11.81, as were Fort Williams at Rs. 27.56.

Among engineerings, Guest Keen Williams were keenly sought at on hopes of rights issue and gained to Rs. 52 from Rs. 50.46. Indian Irons opened at Rs. 25.44 and after hardening to Rs. 25.73 met with profit-taking to close at Rs. 25.38. Texmacos continued to fall and closed at Rs. 27.50, as against the opening of Rs. 28.58. Jessop & Cos. were quiet at Rs. 23.69. Braithwaites were crossed at Rs. 32.87, as against Rs. 33 previously. Dalmia Irons were firm at Rs. 13.37 for some time, but closed lower at Rs. 12.94. After being higher at Rs. 5.19, Marshalls gave way to Rs. 4.87.

Selected features were recorded in miscellaneous industrials on interested buying. Union Carbides were shown good attention, and steadily rose to Rs. 58.50 from Rs. 55. Rohtas Industries, after rising to Rs. 41.37 from Rs. 40.50, closed firm at Rs. 40.75. Alkali and Chemicals continued to enjoy modest support and rose to Rs. 36.12 from Rs. 36, but during yesterday's trading were pushed down to Rs. 35. Dyer Meakins were firm at Rs. 23.75, as against Rs. 23.50 earlier on hopes of a good dividend. Titaghur Papers, after encountering support at Rs. 42.37, closed lower at Rs. 41.44. Associated Batteries were quiet at Rs. 37.50, as against Rs. 37.87 previously. Dunlop Rubbers eased by Re. 1.37 to Rs. 45.75 and Hindustan Motors gave way to Rs. 22.50 from Rs. 22.87. Indian Aluminiums realised earlier Rs. 32.06, but closed lower at Rs. 31.12. Likewise, Orient Papers closed lower at Rs. 45.90 after changing hands at Rs. 46.60 earlier.

Teas were neglected in reflection of the alarming trend in export auctions here. Brooke Bonds changed hands at Rs. 16.81, as against Rs. 17 previously. Dhelakhats were unchanged at Rs. 23.87. Banarhats, after being lower at Rs. 334, regained the previous rate of Rs. 335 while Bishnaths were better at Rs. 23.06. Dibrugarhs were pushed down to Rs. 22.75 from Rs. 23 and Naga Hills to Rs. 26.25 from Rs. 26.50.

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Madras Stock Exchange

MADRAS, 17*th August*

A moderate improvement in values over a wide front was noted on the Madras Stock Exchange during the week under review, in contrast to the easy trend that prevailed last week. There was good investment support, while floating stocks were scarce. Tea shares put on a cheerful appearance, thanks to reports of firm prices fetched for tea at the recent auctions. Rubbers were well favoured on renewed hopes of higher prices for raw rubber. In sympathy with teas and rubbers, coffees were held firm, though a few scrips encountered selling. Sugars were also well fancied. Textiles elicited enlarged buying enquiries notwithstanding the downward revision in mills' wholesale prices of cloth as a result of the Indian Cotton Mills' Federation's call and the proposed cut in the rates for yarn. Miscellaneous industrials, particularly chemicals and engineerings, generally tended to move up.

In the tea group, Nonsuchs met with good support and rose by 25 nP to Rs. 28.25. Haileyburias hardened by 20 nP to Rs. 15.60. Blue Mountains advanced by 11 nP to Rs. 5.37. Peermades improved by 10 nP to Rs. 23.50 and United Nilgiris by 5 nP to Rs. 22.50. Periakaramalais gathered 5 nP to Rs. 3.85. Neelamalais picked up 3 nP to Rs. 5.03. Kil Kotagiris were fully steady at Rs. 5.68, Devasholas at Rs. 31.50 and Parksides at Rs. 28.50. Chembras, however, shed 10 nP to Rs. 5.10.

Among coffees, Consolidated Coffees spurted by 10 nP to Rs. 26.65. Mysore Coffees scored a gain of 5 nP to Rs. 5.45. Sheveroys gathered a naya paisa to Rs. 2.06. Ouchterlony Valleys were maintained at Rs. 5, as also Balanoors at Rs. 16.70, and Cowcoodys at Rs. 5.70. Balmadies were unchanged at Rs. 2.45. The Directors of the Company have declared a dividend of 7½ per cent., taxable (equivalent to 5¼ per cent., tax-free), for the year ended May 1960, which compared unfavourably with 7½ per cent., tax-free, for the previous year. Coffee Lands, after remaining steady at Rs. 25.90 in the initial sessions, gave way to Rs. 25.30. Rajendras declined by 30 nP to Rs. 15.50.

In the rubber group, Vaikundams went up by 25 nP to Rs. 31.26. T.R. and Teas strengthened by 10 nP to Rs. 8.20. Malankaras rose by 15 nP to Rs. 20.40. Cochin Malabars were higher by 2 nP at Rs. 8.12. Midlands, however, declined by 15 nP to Rs. 12.15 and Kailas by 5 nP to Rs. 5.55.

A feature of trading in the sugar section was the rise of Rs. 2 registered by Cauverys which stood today at Rs. 152. Deccans improved by 34 nP to Rs. 16.40. Indias gathered 4 nP to Rs. 12.60. United Breweries changed hands at Rs. 112, Mysores at Rs. 60.50 and Travancores at Rs. 11.90. East India Distilleries, however, were marked down by 75 nP at Rs. 39.25.

Among textiles, Premiers spurted by Rs. 2.50 to Rs. 246. South Indias moved up by Re. 1.50 to Rs. 139.50. Lakshmis rose by a rupee to Rs. 158. Bangalore Woollens increased by 50 nP to Rs. 199. Maduras were higher by 35 nP at Rs. 34.25. Travancore Rayons rallied from Rs. 36.50 to Rs. 36.75. Buckinghams were firm at Rs. 206, Coimbatore Pioneers at Rs. 351.50, Coimbatore Spinnings at Rs. 53, Dhanalakshmis at Rs. 229 and Metturs at Rs. 398. But Cannanores suffered a setback of Rs. 4 to Rs. 150. Coimbatore Cottons lost Rs. 3.50 to Rs. 171.50. Kotharis eased by 5 nP to Rs. 12.65.

Tube Investments provided a bright spot in the miscellaneous section, the quotation jumping up from Rs. 337 to Rs. 340. Among chemicals, Mettur Chemicals rose by 35 nP to Rs. 14.45. F.A.C.Ts hardened by 30 nP to Rs. 12.80. Mysore Fertilisers were fully maintained at the last week's level of Rs. 10.60, as also Mysore Chemicals at Rs. 27 and Travancore Chemicals at Rs. 18.10. Among cements, Travancores advanced by 62 nP to Rs. 8.87. Indias improved by 17 nP to Rs. 7.25. Dalmias were unchanged at Rs. 12.50. Andhras, however, dropped 20 nP to Rs. 10.90, and Orissas 8 nP to Rs. 13.87. Among other miscellaneous industrials, Mysore Papers spurted by a rupee to Rs. 29. Textools increased by 50 nP to Rs. 190.50. Aluminium Industries were better at Rs. 25.30, as against Rs. 25. The Directors of the Company have declared a dividend of 9 per cent., taxable, making a total of 18 per cent., taxable (equivalent to 12.6 per cent. tax-free) for the year ended March 1960, as against 12.5 per cent. for the previous year. Spencers picked up 13 nP to Rs. 22.73. Ashok Leylands were fancied at Rs. 9.45. Mysore Machine Manufacturings were steady at Rs. 10. The Directors of the Company have announced a dividend of 12 per cent., taxable (equivalent to 8.4 per cent. tax-free) for 1959, which compares favourably with 7 per cent., tax-free, for 1958.

Notice

A. V. THOMAS & COMPANY, LIMITED
ALLEPPEY

NOTICE IS HEREBY GIVEN THAT THE Twenty-fifth Annual General Meeting will be held at the Registered Office at Beach Road, Alleppey, on Wednesday, the 7th September, 1960, at 11 a.m., to transact the business as set out in the notice sent to the members of the Company.

The Share Transfer Books will remain closed from 1st to 7th September 1960 (both days inclusive).

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

By Order of the Board,
(Sd.) K. SRINIVASAN,
General Manager.

ALLEPPEY, 5*th August* 1960.

Note:—The Directors have recommended a dividend of 20 per cent. on Equity Shares for 1959 subject to deduction of tax and the same, if approved, will be paid to members on the register as on the date of the meeting.

NEWS IN BRIEF

INDIA exported engineering goods worth Rs. 3.76 crores during the first half of the current year, as against Rs. 2.31 crores in the corresponding period last year.

The executive committee of the Indian Tea Planters' Association has decided to set up a research station at Malbazar in the Dooars for studying agronomical and botanical problems of common tea of Dooars and Terai.

The International Development Association Bill, which seeks to ratify the agreement providing for the creation of the I.D.A. to grant liberal assistance to underdeveloped countries, has been passed by the Lok Sabha. India is a signatory to the agreement.

The Hydrographic Branch of the Indian Navy will undertake special surveys off the Narbada river delta, in connection with the oil exploration work now in progress in the Gulf of Cambay. The surveys are to be carried out according to the requirements of the Oil and Natural Gas Commission.

The President has given assent to the Madhya Pradesh Agricultural Produce Markets Bill, 1960, which seeks to introduce in the State a uniform law on the regulation of markets for agricultural produce. At present, there is no law in force in the Bhopal and Vindhya Pradesh regions, while in other regions of the State different laws prevail.

The Planning Commission has reconstituted the Panel on Housing and Regional Planning with Mr. G. L. Nanda, Union Minister for Planning, as the Chairman. The Panel will review the progress of plans in the field of housing and regional planning and advise the Commission on programmes relating to the third Plan.

The Deputy Minister for Railways, Shri Shah Nawaz Khan, stated in the Rajya Sabha last week that the Government of Pakistan had forwarded a proposal to the Government of India to have a rail link between East and West Pakistan through the Indian territory. He added that this matter was under the consideration of the Governments of India and Pakistan.

A Bonus Commission will be appointed shortly, irrespective of employers' opinions, to evolve norms in regard to payment of bonus, according to Mr. Abid Ali, Union Deputy Minister for Labour. The Commission will consist of four or five members—a Chairman, a representative each of the employers and employees, an economist and possibly an independent member.

The Central Food Technological Research Institute, Mysore, has developed processes for the manufacture of substitute and supplementary foods, such as tapioca-macaroni, multipurpose food, enriched flour, blended flour, edible groundnut flour and vegetable milks. The Institute is currently conducting consumer acceptability trials. The total amount spent on the Institute up to the end of March 1960 is put at Rs. 148.79 lakhs.

The naphthalene plant, an associate of the by-products plant of the Durgapur Steel Works in W. Bengal, was put into commission on the 10th inst. Designed to handle 36 tons of crude naphthalene oil per day to produce 20 tons of refined naphthalene, the plant works in conjunction with the tar plant, which produces crude naphthalene oil. Naphthalene is used as a raw material in the manufacture of a variety of products, such as moth balls; resins, lacquers, plastics and dyestuffs.

The three-member Indian delegation, which visited Ceylon to explore the possibility of exporting railway wagons and coaches, has returned. It is learned that the Ceylon Government proposes to call for global tenders for railway rolling stock, soon after it secures a loan from the U.S. for this purpose. The chances of India getting the tender in its favour are said to be bright because its quotations are quite competitive. The estimated requirements of Ceylon are about 1,000 goods wagons and about 100 railway coaches.

India's first escalator is expected to be installed later this year at the Delhi station. Designed entirely by Indian railway engineers, fabrication work on the escalator is already in progress at Northern Railway's workshop at Amritsar. The escalator will have a carrying capacity of 8,000 persons per hour. The steps will move at a speed of 90 feet per minute and will be 48 inches wide between the two-side railings. This will enable two adults with an arm-load of luggage to stand comfortably side by side on each step. The escalator can be switched on to move in the upward or downward direction, depending on the flow of traffic.

Nearly 500 factories, employing about 10,000 persons, are now functioning in the industrial estates completed so far. The total investment on these estates is about Rs. 5 crores. The value of annual production is about Rs. 10 to Rs. 11 crores. Out of 100 estates sanctioned in the second Plan, 58 have been completed, or are nearing completion. The other estates are in different stages of construction. These facts were disclosed by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, at a recent meeting of the Informal Consultative Committee of Parliament.

An agreement between India and Iran for the operation of air services between the two countries was signed at Teheran last week. The agreement is designed to promote the development of air traffic between India and Iran. Under this agreement, the airline to be designated by the Government of India is entitled to touch Iran at Teheran-Abadan and proceed, if desired, to points beyond Iran, in both directions. Similarly, the airline designated by the Government of Iran is entitled to touch India at Delhi-Bombay and proceed, if desired, to points beyond India, in both directions.

The Employees' State Insurance Scheme has been extended to cover Adoni and Kakinada in Andhra Pradesh and Udaipur and Bharatpur in Rajasthan from the 13th inst., bringing within the scope of the Scheme 5,250 more factory workers. The total number of workers covered by the Employees' State Insurance Act has now gone up to over 1.55 million. The families of insured workers at Adoni, Kakinada, Udaipur and Bharatpur will also be entitled to medical care 13 weeks after the Scheme has been made applicable to the workers. Medical care in these areas will be provided by the respective State Governments under the service system, for which five whole-time dispensaries—two at Adoni and one each at Kakinada, Bharatpur and Udaipur—have been set up. For payment of cash benefits, two local offices—one each at Adoni and Kakinada—and two sub-local offices—one each at Bharatpur and Udaipur—have also been set up.

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From Abroad

The Japanese Government proposes to impose an import duty on synthetic rubber with a view to protecting the domestic industry.

Japanese exports in July touched $346.82 million—the second highest monthly total since the end of the war. This amount represents an increase of about 10 per cent. and 18 per cent., as compared with June 1960 and July 1959, respectively.

The recent decision of the U.S. aluminium industry to raise prices to overcome high labour costs and declining profits is expected to encourage the steel and rubber industries to follow suit, probably before the year-end, according to *Purchasing Week*, the McGraw-Hill publication.

A group of Western countries—the U.S., U.K., Canada and West Germany—and Japan will confer with the representatives of Pakistan, in Washington, on 3rd October next, about external aid requirements for Pakistan's second Plan. The conference will be held under the auspices of the World Bank.

Outlining the economic policies of the new Government in Ceylon, the Governor-General, Sir Oliver Goonetilleke, in his address to Parliament, revealed that life insurance in Ceylon would be nationalised. He, however, stated that the Government was not in favour of nationalising estates and plantations.

The Australian Decimal Currency Committee will shortly submit its report on the desirability of introducing decimal coinage in the country. It is learned that the Committee has supported the switch-over. If the Committee's report is accepted, decimal coinage will be in the form of 100 cents to the pound or 100 cents to 10*s*.

The U.S. Development Loan Fund has approved of a $700,000-loan to the Ariana Airlines Company of Afghanistan to assist in the procurement of a DC-6C aircraft with related spare parts, tools, ground support equipment and services. This is the first D.L.F. loan granted to Afghanistan and would supplement other American economic and technical assistance extended to that country.

PERSONAL

MR. Arun Kumar Roy has assumed charge as the Comptroller and Auditor General of India *vice* Mr. A. K. Chanda who has retired.

Mr. Jonkheer Gerard Beelaerts van Blockland has been appointed Ambassador of the Netherlands in India.

Dr. Shaukatullah Shah Ansari, at present Chairman of the International Commission for Supervision and Control, Saigon, has been appointed Ambassador of India to Sudan. He will take up the new assignment in October next.

Mr. A. D. Shroff, a Director of Messrs. Tata Sons Ltd. for twenty years, has retired from the firm with effect from the 15th inst. He will, however, continue for the present to be associated with the financial and philanthropic activities of the firm as the Managing Director of the Investment Corporation of India and as a Trustee of the Sir Dorab Tata Trust.

The Government of Chile is currently negotiating with three major U.S. copper companies over the question of investing $400 million in the Chilean copper industry to double its output to one million tons. The Kennecots plan to invest $200 million and Anaconda and Cerro de Pasco $100 million each, subject to the Chilean Parliament's approval of a Bill giving them fresh taxation concessions or at least freezing current rates for 20 years.

The U.S. balance of payments deficit declined from $4,200 million during January-June 1959 to $3,000 million in the first half of 1960. The surplus of U.S. civilian exports over imports rose to a seasonally adjusted annual rate of $3,700 million in the second quarter of 1960, as against $3,000 million in the previous quarter. However, payments to foreign countries for services, Government assistance and private capital movements apparently matched the rise in receipts from merchandise.

The Government of Pakistan has announced its decision to introduce a prize bonds scheme from October next. The bonds will be issued in the denomination of Rs. 10 and they will be encashable at par at any time after issue. They will not bear any interest and lots will be drawn quarterly for prizes on the 1st of January, April, July and October every year. The first draw will be held on 1st July 1961. Each bond sold will be eligible for a prize in all the draws held after the expiry of six calendar months from the month of its sale.

The Government of Ceylon has decided to increase import duties on luxury goods, including motor cars, station wagons, petrol, air-conditioning equipments, floor coverings and tapestries, fountain pens and parts, furniture and fixtures, photographic and cinematographic appliances, watches, cosmetics and horses. The rate of interest payable by commercial banks to the Central Bank on advances secured by pledge of Government securities to cover importation or hire-purchase of specified non-essential goods has also been raised from 2½ to 4 per cent.

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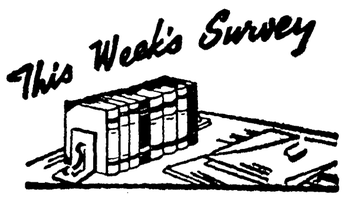

FOOD ZONES

IT is now reasonable to assume that foodgrains will be free of distribution controls in the not too distant future. This, at any rate, is the impression one gets from the perusal of the statement which Mr. S. K. Patil, Union Minister for Food and Agriculture, made in the Lok Sabha during question-hour last week, as well as from the decision of the U.P. Government to permit free movement of wheat within the State. The working of the zonal system, Mr. Patil said, was under constant observation and, in view of the large stocks of wheat available, there was no reason to continue the zonal restrictions, continuance of which might even cause prices to rise. Replying to a question on the zonal system, Mr. Patil said: "So far as wheat is concerned, I will be in a position to state within a few days whether the zonal restrictions will be discontinued. I am looking forward to a day, when prices will go down and we will have to protect the farmers and, for this purpose, something else will have to be done. I am confident that such time will come soon."

Just two days prior to Mr. Patil's statement, that is, on Monday the 8th inst., the U.P. Government announced the immediate suspension of the wheat levy order. Under this order, it will be recalled, no wholesale transactions of more than ten maunds of wheat could be made at a time and anybody bringing in more wheat in the market had to surrender 50 per cent. of it to the Government at a fixed rate.

The justification for the continuance of restrictions on both inter-State and intra-State movement of foodgrains, especially wheat, seems to have become weak. The supply position of foodgrains has improved perceptibly, thanks to the bumper crop in 1958-59, namely, 75.50 million tons (according to Mr. M. V. Krishnappa) and the forecast of a fairly large crop in the current year (estimated at 71.75 million tons), as well as next year (75.0 million tons), as against 62.51 million tons in 1957-58, 68.75 million tons in 1956-57 and 65.29 million tons in 1955-56. The fairly encouraging production performance, together with imports of large quantities of grains from the U.S. under the P.L. 480 agreement, has not only wiped off the net deficit in grains but has actually resulted in sizable surplus over and above the normal requirements.

In view of the comfortable supply position thus, the present time is quite opportune for doing away with artificial controls and zonal barriers. Unless normal forces of supply and demand are allowed to operate in the foodgrains markets, the chances of the consumer benefiting from improvement in supplies will be extremely slender. This aspect would be appreciated better if one were to take into account the failure of the zonal scheme for foodgrains to ensure supplies at reasonable prices. Although the scheme has been working for many months now, prices of most grains continue to rule high as is evident from the following table giving the average wholesale rates for some grains prevailing at Hapur in Uttar Pradesh:

(In rupees per maund)

	Latest available	Early in April, 1960	End of Dec., 1959	A year ago
Rice	32.50	32.50	30.00	34.50
Wheat	17.37	18.12	18.62	18.25
Jowar	14.50	12.25	11.50	14.00
Barley	12.62	10.75	11.75	12.75
Gram	14.87	12.37	12.68	12.75
Behar	12.31	11.00	11.37	12.44
Guwar	12.75	12.75	11.75	12.62
Peas (dara green) ..	11.68	10.12	10.00	11.37
Arhar	13.00	14.25	15.00	15.62
Moong	20.50	19.75	18.00	19.50
Masoor	15.50	14.00	14.62	16.37

On more than one occasion, the attention of the Government has been drawn to the persistence of large-scale smuggling of foodgrains across the zonal borders, thereby creating problems somewhat similar to what one sees on the prohibition front. We cannot but quote here again what the Executive Committee of the All-India Foodgrains Dealers Association observed a year ago: "Large resources of the Government in the shape of police and other forces are diverted to watch the zonal borders, adding thereby to the cost of administration, apart from encouraging and increasing the unsocial elements in the country to have full sway in these activities and elimination of all legitimate and honest trade from the food sector."

Viewed thus, the contemplated move of the Union Government to withdraw zonal restrictions on the movement of wheat, as indicated by Mr. Patil, must, indeed, be widely welcomed. And it is to be hoped that this freedom would soon be extended to rice and other grains, too. By doing so, the Government will doubtless pave the way for the restoration of a rational structure of prices of important foodgrains as between the deficit and the surplus areas. Some may fear that, once the zonal restrictions on movement of foodgrains are abolished, prices will shoot up. But the fear is exaggerated. For the Government is having in its reserve large stocks of foodgrains which can always be rushed to areas experiencing shortage and rise in prices. The Government can also build up reserves in the larger cities and towns. The Union Food Ministry has already finalised a programme envisaging expansion of storage capacity from the existing two million tons to five million tons in the next three or four years. The programme covers construction of two godowns in Bombay and Calcutta, with a storage capacity of 100,000 tons and 250,000 tons, respectively, provision of additional facilities for storing grain at four or five major Indian ports (including Kandla on the west coast and Madras and Vishakapatnam on the east coast), and erection of silos with electrically operated elevators.

L.I.C.'S BONUS

The inordinate delay that has occurred in distributing to policyholders the surplus disclosed by the first actuarial valuation of the Life Insurance Corporation of India as on 31st December 1957, is inexcusable. Fifteen months have now elapsed since the L.I.C. published the first valuation report and declared provisional rates of differential bonus. The valuation results were announced with much fanfare and publicity. The policyholders of private insurance companies, which were taken over by the Corporation, were happy that the announcement, though delayed, was at last made. Those to whom the Corporation itself had sold policies were delighted to have the sum assured as per their policy raised by the addition of the bonus. But, so far, the allocation has not been made; Mr. Morarji Desai confirmed this in the Lok Sabha on the 11th inst. The 4,170,325 policyholders entitled to bonus are still living only on provisional, tentative promises.

Conceding that the classification of policies issued by the Corporation and by private insurers and the computation of a system of differential bonus which is fair and equitable to all classes of policyholders is a difficult job, it is hard to believe that finalisation of the provisional bonus figures already worked out and distribution of the surplus on that basis should take so much time. There are insurers in other countries who declare bonus every two years and distribute it no sooner it is announced. It should not be difficult for the Corporation, with the very large number of actuaries in its service, to speed up computation. There is a moral obligation on the part of the L.I.C. to expedite the allocation, because the provisional bonus is being used as an additional selling point by agents when, in fact, the distribution has not been made, except, perhaps, in the case of claims that actually arise which are settled on the basis of the provisional figures.

FISCAL SECRECY

Moving the Taxation Laws (Amendment) Bill for consideration in the Lok Sabha last week, the Union Minister for Revenue and Civil Expenditure, Mr. B. Gopala Reddy, defended ably though not convincingly the clause in the Bill providing for the abandonment of the secrecy provisions in the existing Act governing the relations between an assessee and the taxing authorities. This is by far the most controversial part of the Bill, the main features of which were discussed in our issue dated 14th May, 1960 (*vide* page 841). Briefly, the Bill provides for the publication in the official *Gazette* of the names and other particulars of persons on whom a penalty amounting to not less than Rs. 5,000 or such lower amount as may be fixed by the Central Government has been imposed. Further, any person may obtain through payment of a prescribed fee information as to the amount of tax determined as payable by any assessee.

Mr. Gopala Reddy, who turned down the modest request for a reference of the Bill to a Select Committee, argued that there was no reason why persons who commit offences against the tax laws of the country should be regarded as a privileged class as compared with those who commit offences against the other laws of the country. In viewing the question in this manner, the Minister has apparently missed the essential point in the existing secrecy provisions. Their intention is not the provision of protection to tax offenders. If the law, as it stands, provides for secrecy, it is because its framers realised that publicity for offences against the tax laws would unduly depress the credit of the assessees, expose them to their rivals and eventually make it even more difficult for them to be prompt in their payment of tax or to enhance their taxable capacity. In other words, the State has a certain vested interest in seeing that the credit of the assessees remains unimpaired. Further, tax offences may be purely technical and unintentional. The assessee, on whom a penalty has been imposed, may find it too irksome and costly to fight his case against what may well be an unjust penalty. It must, however, be conceded that there is some mitigating factor in the amendment in that the information to be disclosed is only the amount of tax and not details leading up to the computation of the tax.

The line of reasoning adopted by the Minister cannot, however, be applied to the defence of the clause in the Bill which provides for disclosure of information to a third party. The facility for fiscal eavesdropping, now provided, may conceivably open the way for envy, blackmail and vituperation, characteristics which the State should never encourage. Clearly, the clause does not serve any public interest. The Government has unfortunately created the impression that, in its anxiety to curb tax evasion, it does not hesitate to throw all established canons of fiscal secrecy to the winds.

The Bill, it may be noted, has been passed by the Lok Sabha and is before the Rajya Sabha.

SHIPPING TARGET

The National Shipping Board, as was only to be expected, has expressed its concern over the drastic cut in the allotment to shipping under the third Five-year Plan, as compared with what it had proposed earlier. In a resolution adopted at its sixth meeting, held at Bombay last week under the Presidentship of Mr. G. L. Mehta, Chairman of the Board, it noted "with regret that, in the draft outline of the third Five-year Plan, provision for shipping is limited to Rs. 55 crores only, as compared to a plan outlay of Rs. 104 crores recommended by this Board to the Planning Commission and to the Government of India."

The Board has drawn attention to two considerations which deserve notice. In the first place, whereas the conclusion of the recent 17-million ton foodgrain agreement with the U.S. calls for expansion of Indian shipping designed to carry the foodgrains to India—this is over and above the normal expansion in foreign trade that may be anticipated in the next Plan period—the allotment to shipping is less than even the modest levels proposed by the Board. Secondly, the present allotment would permit a net acquisition of only 200,000 tons by Indian shipping. This is even less than the 500,000 tons which it will have acquired over the second Plan period, at the end of which it is expected to have a total of 900,000 tons. In other words, the pace of expansion in the third Plan will be much less than that in the second. Accordingly, the Board has unanimously expressed the view that a "reconsideration of the proposed financial outlay on shipping is essential." It has urged the Government "to give a higher priority to shipping than has apparently been accorded at present and to increase the allocation to a sum of Rs. 104 crores as was recommended by this Board earlier." It has authorised the Chairman to take such further action as may be desirable to represent its point of view adequately to the Government.

Surely, it is reasonable to expect the Government to ensure that Indian tonnage, which forms less than one per cent. of world tonnage, does not further lose its position in the shipping world. A general call for "every effort" to build and purchase ships and thereby increase Indian shipping tonnage has been made by the Congress Parliamentary Party itself. It is to be hoped that the Government and the Planning Commission will raise the allotment to shipping to the levels recommended by the National Shipping Board, which has been described in official pronouncements as the "highest policy-making body" in relation to shipping.

A NEW FORM OF ASSISTANCE

The British Government has announced a new scheme of financial assistance to its dependent territories that are now rapidly advancing towards self-government and independence. Under this scheme, the Government will help these countries to retain British civil servants in service until the transition from colonial to independent status is over and the emergent States are capable of standing on their own feet politically, economically and administratively. The British Government has committed itself to £10 to £20 million a year, over the next ten years, which will be utilised for making up the difference between the local rates of pay of British officers so retained and the supplementary pay and allowances which form part of the inducement to British officers to serve overseas. This is in addition to the undertaking, which the United Kingdom Government has already given, that, when a territory becomes self-governing, pensions and conditions of service will be safeguarded and compensation will be paid to officers retiring prematurely. These two steps together will give British public servants in these territories a greater sense of security. At the same time, the territorial Governments will be relieved of the burden of the extra pay which is necessary to attract men to serve away from their home surroundings.

There are at present 25,000 British officials in service in various dependent territories of the U.K. Unlike in India, where Britain could transfer power and the reins of administration to competent and well-tried hands, in the case of these countries, on foreign personnel largely depend not only the smoothness of the transition to independence but also the assurance that the achievement of self-rule will not be followed by deterioration in administrative efficiency. Localisation of public service will take time to accomplish, even assuming that it will be possible to find enough material and man-power resources to train local talent. The solution to the problem lies in the retention and recruitment of foreign administrative and technical personnel.

The territories concerned themselves recognise the value of these very necessary corps of public servants, as is evident from their keenness to retain their services or re-employ them. There are, for instance, 3,000 British officers in Ghana, 1,000 in Malaya and nearly 3,000 in Nigeria. But these men have not been keen to continue in service. In fact, their number has of late begun to dwindle too quickly and new recruits have become less willing to come forward. The cumulative effect would be disastrous in territories which are counting on these men to help them through to the time when they have enough trained men of their own. The scheme, now announced by the British Government, is to prevent such a situation developing and help the countries to establish a good administration and a sound economy.

REGIONAL DEVELOPMENT

New industries have a natural tendency to gravitate to regions which are already well developed. This process, if unchecked, will pave the way for excessive concentration of industries in a particular area, with unwelcome consequences, both in the social and economic fields. What is more, it will perpetuate the backwardness of other regions. It is, therefore, essential that the development nuclei must be diffused as widely as possible. A greater awareness of this aspect of development on the part of planners is evident from the fact that a separate section on balanced regional growth is included in the chapter on "Policy and Organisation" in the Draft Outline of the third Plan, unlike in the previous Plans. It is stressed that, while, in the selection of sites for basic capital and producer goods industries, proximity to raw materials and other economic factors generally have to be decisive, there is a wide range of consumer goods and processing industries in which it is possible to foster a regional pattern of development. Examples are cotton textiles, sugar, light engineering industries such as bicycles, sewing machines, electric motors, radio receivers, manufacture of finished products from aluminium ingots, plastic moulding powder and further processing of intermediates and bulk drugs.

Appropriately enough, Mr. B. D. Somani, in his presidential speech at the meeting of the Association of Indian Industries held at Bombay last week, stressed the need for putting the problem of balanced regional growth on "a special footing to be tackled more speedily." He was referring in particular to the problems of, and prospects for, the rehabilitation of the backward regions within the Maharashtra State. No doubt, the new State was "considered comparatively one of the well-developed States." But, he added, if one excluded the metropolitan centres such as Bombay, Poona, Kolhapur and Sholapur, the remaining hinterland was comparatively very much underdeveloped. He rightly observed that this lopsided development had been mainly due to certain specific advantages enjoyed by these developed areas, such as the availability of reasonably cheap electric power, water-supply, railway transport and banking. On the contrary, most of these facilities were not readily available in the underdeveloped hinterland. Therefore, in order to attract industries to the interior, he emphasised that Government should provide a number of additional incentives such as lower electric tariffs, water-supply, combined rail-road facilities, liberal credit, easy procurement of land for factory accommodation and for housing, and supply of machinery on hire-purchase terms. He also suggested that the Government should give concession in sales tax for a period of at least 10 years and exemption from payment of local taxes, etc., for a limited period for new development activities. Mr. Somani hoped that the State Government would give greater attention to small-scale industries. In this connection, he welcomed the recent statement of Mr. G. D. Patil, State Deputy Minister for Industries, that there would be concessional rates and adequate provision for electric power for attracting and developing new industries in the underdeveloped regions of the State.

According to Mr. Somani, the obstacle in the way of development of small industries, in particular, is the limited knowledge of small

(*Continued on next page*)

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THE TWO SEVENS

MR. MACMILLAN'S SIGNIFICANT MOVE

(From Our Own Correspondent)

LONDON, 13*th August*

LONDON LETTER

IT is said that Lord Home, the Foreign Secretary, melted the heart of Dr. Adenauer by describing how, if Britain joined the Common Market without special provision for the Commonwealth, New Zealand would be bankrupted, Australia ruined and Canada would receive a "hard knock." It all seems a little melodramatic, especially as it is difficult to imagine these dreadful things happening, unless there were no further demand for the products of the Commonwealth and Europe miraculously became self-sufficient! Denmark, for example, sells her butter to Western Germany and to Britain and in smaller parcels elsewhere. Britain cannot exist without New Zealand butter and, if a tariff were to be put on that butter equal to the tariff on Danish butter, then New Zealand would still be able to get her price from this country for the very good reason that her supplies are irreplaceable. But the British public would have to pay more, unless that unpalatable result were avoided by injecting a subsidy equal to the duty. The subsidy would cost the taxpayer nothing, because the customs would have collected the same amount at the port of entry. Thus, the only effect would be to put the suppliers of butter on a par as regards competitive entry into the U.K. market. The same points are broadly true of the other foodstuffs and raw materials which the Commonwealth supplies to the U.K.

But whether Dr. Adenauer was impressed or not by the arguments of the Foreign Secretary, it is certainly true that the Prime Minister's trip to Bonn to try to negotiate a measure of closer association between Great Britain and the Six has been successful.

Only a little while ago, the President of the Board of Trade was saying that there was no hope in trying to negotiate further with the Six. The Prime Minister has been more realistic. Up to now, the U.K. has preferred to discuss these matters either in open conference or primarily with the French. It is General de Gaulle, oddly enough, who is prepared to see a self-contained Western Europe, excluding the U.K., unless the U.K. comes in entirely on France's terms—that is, exactly the same basis as the other members of the Six. One of the things which has turned Mr. Macmillan towards direct negotiation with Germany has been the failure of Mr. Macmillan's open negotiations with Mr. Krushchev. It is this time Mr. Macmillan who has lost heart in ending the cold war easily. And he has, therefore, turned in despair rather than hope towards Dr. Adenauer, who has rejoiced to find the British prepared to be more intransigeant towards Russia.

So out of this political fraternisation has been born this commercial hope. Both Germany and France see in the Common Market the beginnings of a closer political union for the countries concerned. Dr. Adenauer, at least, considers that, if a closer political unity could be bred with the U.K., it is worth a commercial price.

The immediate results have been twofold. In the first place, it has been agreed that negotiations between the Six and other countries desiring closer commercial association will be at Ministerial rather than Secretarial level. The new European Civil Servants, as the Secretariat may be regarded, has leaders who are somewhat fanatically bent on welding the Six together without adding to the complications by importing any recruits not exactly on the same basis. But henceforth Ministers will determine the politics of the terms of entry. Of course, Dr. Adenauer will have to carry General de Gaulle with him, and this brings us to the second result of the meeting, namely, tripartite talks between Britain, France and Germany, to consider ways in which Commonwealth free entry into the U.K. market could be maintained if Britain joins the Six. As for the domestic agricultural problems with which the U.K. was also concerned, these seem to have slipped more into the background—very properly since they can be relatively easily handled as purely domestic matters. It must, of course, be appreciated that this prospect of Britain coming into the Six and still remaining with the Seven has still to be discussed with France, but, with the powerful support of Dr. Adenauer, it is clear that the French cannot escape such a consultation, and the likelihood seems at the moment that France will at least have to show goodwill in helping towards the sort of solution which Dr. Adenauer envisages.

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(Concluded from previous page)

entrepreneurs about the various incentives offered and formalities involved in making use of them. He advocated the establishment of a Small Manufacturers' Advisory Council, for rendering them direct assistance, such as giving information on plant sites and buildings, sources of raw materials and marketing of finished products and finance.

The Chief Minister of Maharashtra, Mr. Y. B. Chavan, who inaugurated the meeting, observed that the State Government had been very much alive to these problems, and was keen on making available to all parts of the State, particularly those that are amenable to industrial growth, all facilities to ensure the advancement of these regions. He added that a number of schemes for establishing industrial estates in various parts of the State were under way. He thought that much progress could be achieved in this sphere, provided adequate co-operation was forthcoming from industrialists.

Russia has chartered an Italian 17,000-18,000-ton tanker for 12-months' consecutive voyages on a world-wide basis. This is believed to be the first important Western charter arranged by Russians, since the Standard Oil of New Jersey announced a month ago—following the Cuban take-over of refineries—that it would take into consideration in future chartering whether tanker owners or brokers had contracted to carry Russian oil.

ROLE OF MONETARY POLICY

RESERVE BANK GOVERNOR'S OBSERVATIONS

[*In his speech at the thirty-third annual general meeting of the Indian Institute of Bankers held at Bombay on Thursday this week, Mr. H. V. R. Iengar, Governor of the Reserve Bank of India and President of the Institute, covered a wide range of economic problems. In particular, he emphasised the need for a high level of investment with a view to accelerating the tempo of economic activity and dealt at some length with the recent strike of Central Government employees. After indicating how the diversion of large sums to salary increases would necessarily slow down the very process of development, Mr. Iengar lucidly explained the role of the monetary policy in carrying out the objectivities of the Five-year Plans and the responsibility of the Reserve Bank in the matter of the operational efficiency and integrity of commercial banks. The following are extracts from his speech pertaining to the last mentioned two important issues.*—ED.]

"THE task of the Reserve Bank is to so shape monetary policy that the pressure of monetary demand is not excessive in relation to the trend of production—a task of very great difficulty because a uniformly deflationary policy would be damaging to the economy. Credit must be made available to productive sectors and denied to sectors which are unproductive. The operational methods required for achieving this result are necessarily somewhat complicated.

"A point that is sometimes made is that the Reserve Bank's measures of monetary restraint should be given up as ineffective, because the fiscal policy of Government has the contrary effect of continually injecting more money into the economy. I do not accept the argument. Assuming the basic premises for the time being, if everybody took up the position that he would do nothing till everybody else did something, the result would be that nothing would ever get done. The correct policy is for the Reserve Bank to take such action as it considers proper within its jurisdiction and to leave it to Government to take appropriate action in the fiscal and administrative fields. But it must not be forgotten that the problem of development with reasonable stability is not a matter merely for the Government and the Reserve Bank; it is a matter in which the people have a vital part to play.

Scope for Monetary Action

"A more pertinent question is whether monetary policy is likely to be effective in assisting the process of accelerated economic development without excessive price distortion. The limitations of monetary policy in achieving this result are recognised even in many advanced countries and they are more operative in a semi-developed economy such as ours which is still characterised by the prevalence of a fairly large non-monetised sector. Very rough estimates indicate that about 35 per cent. of the total national income is outside the purview of monetary transactions. Within the monetised sector, the estimates regarding the size of the organised money market are still more tentative. Many years back, the Central Banking Enquiry Committee hazarded the estimate that the unorganised sector of the money market in India financed about 90 per cent. of the total internal trade. However, in the three decades since the Central Banking Enquiry Committee published its report, there has been a steady growth of commercial and co-operative banking, and it would appear likely that today about 50 per cent. of the financing of industry and trade is done by the organised sector of the money market. Further, there is a sub-area of contact between the unorganised and the organised sectors. This means that the scope for monetary action is expanding and is at present by no means insignificant.

(Continued on page 359)

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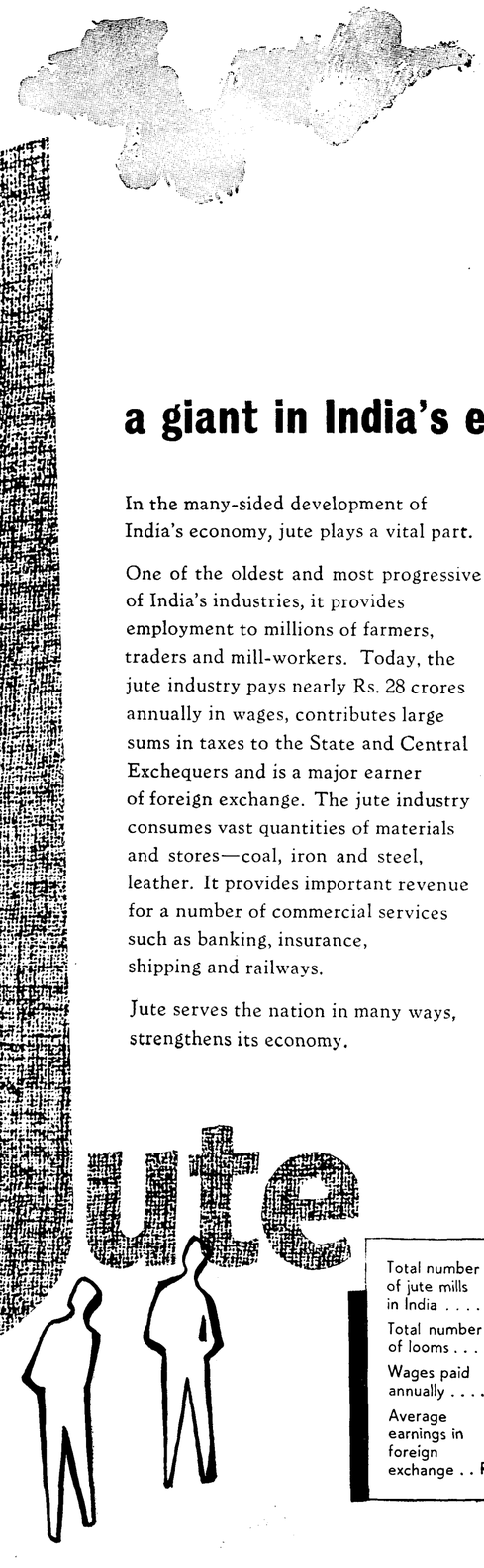

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DEPRECIATION OF MONEY IN FIFTIES

PAKISTAN RUPEE FARES BETTER THAN INDIAN RUPEE?

ONE of the interesting and widely appreciated features of the *Monthly Letter* of the First National City Bank of New York is a table, published from time to time in the past, showing the depreciation of money in recent years in the U.S. and about three dozen countries. In India, for instance, both the Governor of the Reserve Bank and the Finance Minister have relied on this table to counter the criticisms of those who were inclined to believe that the rupee had suffered a heavy depreciation in its purchasing power and to support their contention that the fall in the value of the rupee was relatively small as compared with even some of the leading currencies of the world. The latest evaluation of world currencies is carried out by the *Monthly Letter* in its July issue and the relevant table is given below:

	Indexes of Value of Money			Annual Rate of Depreciation (Compounded)		
	1949	1954	1959	1949-54	1954-59	1949-59
				%	%	%
Portugal	100	103	95	—0.6	1.5	0.5
Switzerland ..	100	94	90	1.2	1.0	1.1
Germany	100	99	88	0.2	2.2	1.2
Ecuador	100	85	86	3.2	—0.2	1.5
Venezuela	100	92	85	1.6	1.5	1.6
Belgium	100	91	83	2.0	1.7	1.8
Pakistan	100	90	83	2.0	1.6	1.8
India	100	99	82	0.1	3.7	1.9
U.S.A.	100	89	82	2.3	1.7	2.0
Canada	100	86	79	3.0	1.7	2.4
Italy	100	84	76	3.5	1.8	2.7
Japan	100	78	75	4.9	0.7	2.8
Netherlands ..	100	79	70	4.6	2.5	3.6
South Africa ..	100	78	70	4.7	2.4	3.6
Denmark	100	82	68	3.9	3.6	3.7
U.K.	100	78	68	4.9	3.2	4.1
Sweden	100	78	65	4.9	3.4	4.2
Norway	100	71	62	6.6	2.8	4.7
New Zealand ..	100	72	61	6.2	3.3	4.8
Spain	100	82	55	3.9	7.6	5.8
France	100	69	54	7.0	5.0	6.0
Greece	100	63	54	8.9	3.0	6.0
Austria	100	69	53	10.1	2.2	6.2
Finland	100	69	53	7.2	5.1	6.2
Australia	100	61	52	9.4	3.1	6.3
Mexico	100	71	48	6.6	7.4	7.0
Peru	100	66	45	8.1	7.1	7.6
Colombia	100	67	45	7.8	7.6	7.7
Turkey	100	88	45	2.4	12.7	7.7
Uruguay	100	66	31	7.8	14.4	11.2
Brazil	100	51	19	12.5	18.3	15.5
Argentina	100	39	9	16.7	25.9	21.6
Paraguay	100	10	5	37.5	12.9	26.2
Chile	100	27	4	23.1	30.1	26.7
Bolivia	100	11	1	35.7	40.4	38.3

Note:—Depreciation computed from unrounded data and measured by reciprocals of official cost-of-living or consumer price indexes.

It will be seen from the table that the ten-year span has been subdivided into two five-year periods. Analysing the table, the *Monthly Letter* observes as follows:

"Portugal, Switzerland, and Ecuador, as in our previous tabulation for 1948-58, continue to be among the countries with the best records, Ecuador providing a rebuttal of the idea that economic development requires inflation. In Germany, rising price pressures have recently become more apparent but the ten-year experience of only 1.2 per cent. per annum depreciation is still among the best in the world.

"In the United States, the rise in consumer prices has been retarded since 1954, paring the annual rate of dollar shrinkage for the decade to an even 2 per cent. The record in Canada is rather similar. Among other industrialised nations, the progress of inflation has been decisively curbed in Japan, Italy, the Netherlands, and the United Kingdom, although rates of currency depreciation for this group of countries over the ten years still range from 2.7 to 4.1 per cent. In France, where the annual rate over the decade works out to 6 per cent., the benefits of President de Gaulle's *reforms* do not clearly show on the record up to 1959, since they involved removals of cost-of-living subsidies that concealed what was happening to the franc.

"In nine of the thirty-five countries, the shrinkage in the value of money over the decade average between 6 and 8 per cent. a year; in six others, beyond 10 per cent. In all these cases, efforts have been or are being made, usually with the aid of international institutions, to restrict Government spending and overabundant money supplies. Sometimes these efforts have done no more than keep inflation from running completely out of control and reducing money to worthlessness. In other instances, as in Austria and Greece, they have succeeded in sharply reducing the rate of shrinkage of money. In still other cases, as with such Latin American countries as Argentina, Chile, Colombia and Peru, the record of the 1949-59 decade shows the background of inflation which stabilisation programmes are resolutely combatting with good promise of success."

The *Monthly Letter* has made no special reference to India in its analysis of the table. It will, however, be noted that, under its method of comparison, the rupee has emerged more favourably than the currencies of the vast majority of countries. This conclusion, however, may not carry much conviction to a large number of people in this country, for it does not somehow agree with the impression that the rupee has suffered a heavier fall in its purchasing power than those indicated by the aforesaid figures. They will still consider it as a sort of statistical trick. There is, however, at least one prominent economist in India who will disagree with this popular impression. And he is Dr. M. H. Gopal. In a comprehensive article to *Commerce 1959 Annual Number*, he stated, in effect, that there had been more inflationary feeling than actual inflation itself. To quote from his article:

"What is more important is the psychological factor. A large part of the price rise and 'inflation' are partly the consequence of a crowd mentality, i.e., when once the idea gets going that prices are rising, panic sets in and makes the price position worse than it need be. A price rise is exaggerated, when it succeeds a low price period. Thus, when the price index touched the lowest level in 1953-54, a price recovery from that level was severely felt. Moreover, while the economist looks to all-round price changes for inflation, the common man is influenced by the rise in the few commodities that affect him, particularly the necessaries, specially foodgrains like rice and wheat whose prices have considerably gone up and in particular local regions. These factors accelerate the inflation scare."

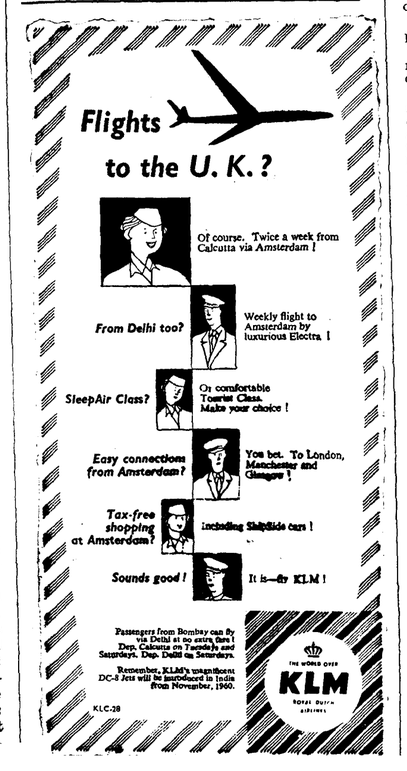
Are the people wrong, then, in feeling that there has been heavy inflation in this country? They are not, because the capacity of Indian people to suffer even the inflation that has taken place is not strong. Even a modest rise in price levels has a telling effect on the standard of living of the vast majority of people of this country.

An Intriguing Feature

It is rather intriguing to find from the data published by the *Monthly Letter* that the depreciation in the value of the Pakistan rupee is less than that of the Indian rupee. This conclusion, too, is not in accord with the impression gathered from other sources. Indeed, it is unbelievable. It will be pertinent, in this connection, to invite the reader's attention to pages 774 and 775 of *Commerce* dated 7th November 1959, on which appears an article entitled "Inflation and Economic Development," prepared by the Research Department of the Federal Reserve Bank of New York and published in its *Monthly Review* of August last. In this article, the authors included two charts, one pertaining to economic growth in countries with relatively stable prices and another to economic growth in countries with rapidly rising prices. The period covered by these charts was 1951 to 1957. And in them, while India figured in the group of countries with relatively stable prices, Pakistan was in the opposite group. The *Monthly Letter* of the First National City Bank of New York, of course, gives more up-to-date data than the *Monthly Review* of the New York Federal Reserve Bank. But that makes little difference to the point raised by us.

It will be seen from the aforesaid table that it shows the annual rate of depreciation of the Pakistan rupee in the second five-year period to have been no more than 1.6 per cent. as compared with 3.7 per cent. in the case of the Indian rupee. Similarly, over the decade as a whole, the extent of depreciation of the Pakistan rupee is shown as having been smaller than that of the Indian rupee. All this sounds strange to us, for, unit for unit, most of the consumer goods and food articles used to cost more than in India during the period under review. It is common knowledge that one of the factors that facilitated imposition of military dictatorship in Pakistan in October 1958 was strong inflation, resulting in impoverishment of the masses. Indeed, it was even reported in the early months of post-*coup d'etat* that the then Administration seriously considered the question of demonetisation of currency on the lines followed by the Low countries of Western Europe shortly after the war and that this was dropped purely on political considerations.

To return to the data pertaining to India. It will be observed from the statistics included in the table that the rate of depreciation in the value of our rupee in the second half of the fifties was heavier than in the first half. This point deserves to be carefully borne in mind by our policy-makers while penalising the investment programme in the third Plan.



BANKING COMPANIES ACT AMENDED AGAIN

The Bill to amend the Banking Companies Act, 1949 has been passed by both Houses of Parliament and will now go to the President for his assent. The Bill empowers banks to withhold information about their inner reserves from an industrial court or tribunal. The relevant clause of the Bill reads as follows:

"34A. (1) Notwithstanding anything contained in Section 11 of the Industrial Disputes Act, 1947, or any other law for the time being in force, no banking company shall, in any proceeding arising therefrom or connected therewith, be compelled by any authority before which such proceeding is pending to produce, or give inspection of, any of its books of account or other document or furnish or disclose any statement or information, when the banking company claims that such document, statement or information is of a confidential nature and that the production or inspection of such document or the furnishing or disclosure of such statement or information would involve disclosure of information relating to—

(*a*) any reserves not shown as such in its published balance sheet; or

(*b*) any particulars not shown therein in respect of provisions made for bad and doubtful debts and other usual or necessary provisions.

(2) If, in any such proceeding in relation to any banking company other than the Reserve Bank of India, any question arises as to whether any amount out of the reserves or provisions referred to in sub-section (1) should be taken into account by the authority before which such proceeding is pending, the authority may, if it so thinks fit, refer the question to the Reserve Bank and the Reserve Bank shall, after taking into account principles of sound banking and all relevant circumstances concerning the banking company, furnish to the authority a certificate stating that the authority shall not take into account any amount as such reserves and provisions of the banking company or may take them into account only to the extent of the amount specified by it in the certificate, and the certificate of the Reserve Bank on such question shall be final and not be called in question in any such proceeding.

(3) For the purposes of this section, banking company shall have the meaning assigned to it in the Industrial Disputes Act, 1947."

The primary object of the Bill is to fill a lacuna in the existing law about the disclosure of certain reserves and provisions made by the banking companies. Thus, under Section 29 of the Banking Companies Act and the form of the balance-sheet and profit and loss account prescribed under it, banking companies are not required to disclose the provisions made by them for bad and doubtful debts and other usual and necessary provisions. The banking companies also have certain reserves which they do not show in their balance sheets. While the law thus provides for the non-disclosure of these reserves and provisions in the balance-sheet and profit and loss account, there is some doubt whether similar protection is available in other contingencies, such as when the matter is taken before an industrial court or a tribunal. The latest Bill gives, in such cases, the same protection to banks from non-disclosure of the secret reserves as they otherwise enjoy. In other words, an industrial court or a tribunal cannot compel a banking company which is a party to a dispute, to disclose its inner reserves. An industrial court or a tribunal can, however, call for a certificate from the Reserve Bank regarding the amount of such inner reserves which can be taken into account for the purpose of fixation of wages or bonus as the Reserve Bank specifies.

It is said that it took 1,200 skilled workers almost twelve years to build the famous Konarak temple in the thirteenth century.

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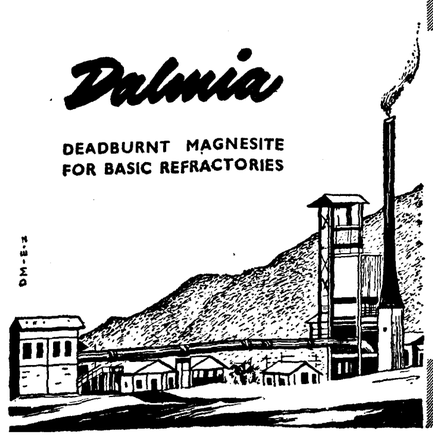

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MEETING THE TEXTILE SITUATION

MILLS' FEDERATION ANNOUNCES DETAILS OF CUT IN WHOLESALE PRICES

ON Thursday the 11th inst., the Committee of the Indian Cotton Mills' Federation held its meeting in Bombay and gave detailed consideration to the textile situation. The most important decision that emerged from the deliberations of the meeting related to the downward revision in wholesale prices of all the varieties of cloth. The mills were called upon not to charge wholesale prices higher than the stipulated percentages on the October 1959 contract rates. The percentages are 27½ for coarse cloth, 24 for lower medium counts, 20 for higher medium, 12½ for fine categories and 10 for superfine varieties. It was firmly announced that the deliveries to be made henceforward against all outstanding contracts should be made at prices not higher than those indicated regardless of the contract prices. The Committee made it clear that the Federation, through its member-associations, would "take effective measures to implement the above decisions."

It is rather difficult to say how far and to what extent the aforesaid move of the Federation to reduce cloth prices will succeed. Only last week, we posed, in the course of an editorial, the question as to how a hundred millowners could control thousands of wholesale dealers and tens of thousands of retailers spread all over the country. The arrangement has all the weaknesses of a gentlemen's agreement and may fail to work satisfactorily, unless the supply of cloth is quickly stepped up or sizable consumer resistance develops. Even a section of the millowners may be greatly reluctant to give effect to the Federation's call. In fact, several mills in Gujarat, Uttar Pradesh, Rajasthan and Madhya Pradesh are reported to have been dissatisfied with the proposed cut in prices. It is stated that the spokesmen for these mills who attended the Federation's meeting opposed the price reduction on the score that it would have disquieting effects on the finances of their mills. But the opposition was of no avail, as the majority among the Committee members held that the cut in prices was inevitable. Apparently, they must have been influenced by the warning of the Union Minister for Commerce and Industry, given in the Lok Sabha last week, that, if the cotton mills did not adequately respond to his call for further reductions over and above the 10 per cent. proposed earlier, the Government would not hesitate to take effective action to bring down the prices of cloth.

Reductions Reasonable

The reductions in wholesale prices of cloth, ranging from 10 to 27½ per cent. now announced by the Federation's call, appear to be quite reasonable. The figure of a rise of 40 per cent. in the prices of coarse and medium cloth mentioned by Mr. Lal Bahadur Shastri is somewhat exaggerated. We are told by the Federation that the selling prices of not more than five per cent. of the total cloth produced by mills are higher by 40 per cent., whereas, in all other varieties, the rise has been much less. This misunderstanding has given rise to complaints of profiteering by mills. That these complaints are not justified will be clearly evident from the following observations made by the Federation in the Press note issued after the end of the meeting on Thursday last week:

"The industry is prepared to place before Government audited accounts for the first six months of any of the mills to prove conclusively that the industry has not indulged in profiteering. The Federation had already announced, in two Press statements, the various steps taken by the industry with a view to bringing about a reduction in cloth prices. If the Federation's announcements were studied more carefully, it would have been observed that they were exactly in line with what the Hon'ble Minister (Mr. Shastri) himself wanted the industry to do. The cuts proposed by the Federation on those coarse and medium varieties where the price rise had been abnormal related to the current prices. With a 40 per cent. rise over 100 in such abnormal cases, today's price comes to 140, and a 10 per cent. reduction therefrom means a reduction of 14 which brings down the price to 126; and this is just one per cent. more than what the Government considers justified."

The significance of the Federation's call to mills to reduce prices of cloth is now being carefully examined by the traders, wholesale and retail. The consensus of opinion among the traders, however, seems to be that the actual fall in prices may not be more than 15 per cent. from current levels in the case of coarse cloth and 10 per cent. in that of lower medium varieties, with no significant change in the prices of higher medium, fine and superfine counts. The trade claims that it also recognises the need for ensuring cloth supplies to consumers at reasonable prices. In the course of a statement issued to the Press, the Bombay Piecegoods Merchants *Mahajan*, for instance, has appealed to all dealers to co-operate in giving immediate effect to the reduction in cloth prices in accordance with the proposal by mills. Assuring the Government, the consumers and the industry of its full co-operation in keeping down the price level, the *Mahajan* hopes that "both the industry and the trade will join hands to see that there is no re-inflation in prices and that consumers get their requirements at reduced prices."

The mere appeal to cloth dealers not to sell at high prices will, however, not be of much avail, unless it is backed by some concrete steps. It will be worthwhile to refer here to a formula evolved by the West Bengal Textile Dealers' Association. The formula lays down that the mills should effect a cut of 10 per cent. in the rates at which last contracts were entered into and make available adequate supplies to local shops which will eliminate the wholesalers' margin of about 10 per cent. and that the retailers must make a 2 per cent. reduction in their profit margin. The formula thus seems to lower prices by 15 per cent. from the existing levels.

Output Must Be Raised

It will be interesting to watch the trend of piecegoods markets in the light of the Cotton Mills Federation's decision to reduce mills' wholesale contract rates, as well as its move to make more supplies available to retail shops and to put up price lists in retail shops—all aimed at bringing down the retail prices. While the prices of cloth may fall to some extent, there will be an acute shortage of supplies sooner or later, if energetic action is not taken now to step up cloth output. The Federation has done well to reiterate the request already made to mills to increase the production of those varieties which are in short supply by utilising the American cotton of 1" and below for producing goods of lower medium varieties. It observes: "In view of the easier cotton position that will result from the arrival of 400,000 bales of American cotton and the availability of new Indian cotton crop, mills should, wherever possible, step up their production by the introduction of third-shift working."

The foregoing account pertains only to cloth prices. The Federation is expected to announce its yarn price policy shortly. The policy, it is said, will be based largely on the views expressed by the Southern India Millowners' Association which has now joined the Federation as a full-fledged member. This Association, it will be recalled, was hitherto keeping itself aloof from the activities of the Federation, owing to the divergence of opinion on the Federation's attitude towards the handloom sector. The Southern mills, since they are predominantly spinning units, were advocating the need for active encouragement and assistance to the handloom industry, while the Northern mills were generally opposed to such assistance. The Federation has assured the Southern Association that its views on all matters relating to yarn will be given due consideration.

COMMONWEALTH WOOL MARKETING SEASON

With the wool sales which ended in Australia on 14th July, the 1959-60 Commonwealth wool marketing season came to its formal close with values on the somewhat firmer basis established during the preceding few days. The season ranks among the more successful of recent years for the three principal wool exporting countries of the Commonwealth—Australia, New Zealand and South Africa—each of which marketed probably the largest clip in its history. Wool was in steady demand at prices considerably better than those of the preceding season. An outstanding feature was the remarkable steadiness in demand, with the result that clearances were excellent and price fluctuations within unusually narrow margins.

Final figures for the season are not yet available but it is already apparent that the net return to Commonwealth growers may be up to 20 per cent. more than in the 1958-59 season. Over the calendar year 1959, world wool consumption increased by about 12½ per cent., and a corresponding rate of usage extended over the first quarter of 1960. Except for New Zealand crutching sales opening later this month, and a two days' sale in West Australia early in August, the Commonwealth wool marketing season is now at its between-seasons standstill until the main 1960-61 marketing season opens in Australia late this month.

EMPLOYMENT POSITION IMPROVES

JAPANESE STUDY OF CHINA'S TEXTILE INDUSTRY

By A Special Correspondent

MANCHESTER, *9th August*

MANCHESTER LETTER

AMONG the reactions to the redundancy schemes in the producing sections of the industry was the oft-repeated fear of the trade unions that unemployment would soar as a result of the closing of many mills. On the face of official statistics, this unwelcome development has not occurred and the number of jobless in the early part of the year, when machinery scrapping was at its height, did not reach unmanageable proportions.

According to figures drawn up by the Ministry of Labour, unemployment in the cotton industry increased during the six months when closures were being effected, the low point being October, when 4,506 operatives were out of work, up to a peak of 8,278 in March. As the table below shows, this figure has subsequently been reduced, so that the jobless total at the end of the half-year was only slightly more than in January:

	Spinning	*Weaving*	*Finishing*	*Total cotton and rayon*	*Total N.W. Region*
1960					
January ..	3,732	2,093	469	6,294	73,863
February ..	3,974	2,910	432	7,316	70,967
March ..	4,002	3,844	432	8,278	67,002
April ..	4,091	3,703	389	8,243	65,043
May ..	3,627	3,178	408	7,211	58,713
June ..	3,396	2,733	443	6,572	53,433

It is worth recalling that, in February 1959, more than 20,000 cotton operatives were unemployed, but the total of those out of work in the North-West region was then over 100,000. It is also fair to add that, as trade union officials have pointed out, the actual returns disguise the situation, because so many operatives have left the trade and have not taken up fresh employment. This applies particularly to married women who refused to join another mill after spending most of a working lifetime at a particular set of machinery. Whether these trusted servants of the industry can be attracted back on evening shifts or part-time work is one of the main problems now facing managements. In numerous areas, their skill is badly needed, but many are adamant in their decision to remain at home.

Trend of Cloth Values

Snipers are always ready to "have a go" at the cotton industry. Those who complain about overcharging have been answered by Mr. W. T. Winterbottom in no uncertain terms. Members of Parliament are not averse to adding their voices to the clamour, and suggestions that the machinery scrapping scheme should itself be scrapped because of the "prosperity" of the trade have recently been put forward at Westminster. Fortunately, the President of the Board of Trade was in no mood to accept such a frivolous idea, particularly as a substantial proportion of the compensation had already been paid out to those eligible. The instigators of such campaigns need no encouragement and, whether the spate of orders secured during the past year or so was the result of the scheme or partly a coincidence, it would have been a fatal step for the Government to draw back after the plan had been so successful in eliminating surplus machinery.

It has not been denied that prices have risen since last autumn, but the circumstances in which trading has been carried on have fully justified the movement which has taken place. The Board of Trade index numbers, based on the annual average of 1954 as 100, show the situation in cotton cloth and the comparable figures for rayon fabric in the following table:

1959	*Cotton Cloth*	*Rayon Cloth*
January	91.8	100.6
April	87.0	100.6
July	87.3	100.6
October	93.0	101.0
1960		
January	98.9	108.8
February	99.8	108.8
March	101.9	113.9
April	102.6	113.9
May	102.9	113.9
June	103.7	113.9

Only a few days have elapsed since firms in the finishing sections of the Lancashire cotton industry were invited to apply for forms to take part in the reorganisation scheme, yet already the applications are coming in. Everything points to a more leisurely decision by finishing firms on whether to participate than was the case with spinning and weaving mills. For one thing, they do not qualify for a 5 per cent. bonus on top of their compensation, if they decide to scrap plant within a month, they have a full three months to make-up their minds.

Another factor likely to influence the speed with which firms earmark the amount of plant they intend to throw out is that they must make a complete unit redundant. Spinners and manufacturers, on the other hand, could enter just as much or as little machinery as they wished. Informed trade circles in Manchester, however, are confident that the scrapping targets in the finishing section will be reached.

Textile Industry in China

The emergence of China as a manufacturer and shipper of cotton cloth to many other countries has been of recent origin and in line with Iron Curtain practice has been shrouded in mystery and often conflicting reports. Being geographically near at hand, some of the most convincing evidence about textile activity in China has come from research workers employed by the Japanese cotton industry. A lengthy assessment of current conditions in Chinese mills and their prospects has been drawn up by the All-Japan Cotton Spinners' Association, in which some of the Chinese claims have been critically examined. In particular, the statement that raw cotton production increased by 15 per cent. last year over 1958 is regarded with suspicion, in view of previous indications of lack of experience in harvesting an obviously expanding crop. The Peking Government's estimate of the 1959 cotton crop was 11,115,000 bales, against 9,680,000 bales in the previous year.

It is not unknown for gaps to arise between targets set by authorities and actual performance. Ambitious plans to increase spindleage in China by as much as 7,500,000 in the two years to the end of 1959 appear to have been well beyond the capacity of the plant manufacturers. The latest estimates are that 10,000,000 spindles were at work at the end of last year, a rise of about 2,000,000 spindles during 1959.

Production goals were also gradually scaled down, the targets for both yarn and cloth production being reduced as the year went on. Preliminary output figures for 1959 issued early this year amounted to 8,250,000 bales of cotton yarn and 7,500 million metres of cotton cloth. According to the Japanese investigators, both these figures are much less than the original targets, but slightly more than the reduced targets for the year.

The rate of the domestic cotton cloth ration in China was raised at the end of 1958 from six metres to eight metres per head. Mathematical calculations based on production estimates and home consumption lead to the conclusion that the cotton cloth demand and supply situation in Red China last year must have been difficult to co-ordinate. All the factors indicate that the Chinese Government could not afford in 1959 to increase exports from the level of about 400 million metres sold abroad in the previous year.

Erratic Exports

Imports of Chinese cotton cloth in the 11 major markets of the free world in the first half of 1959 were running at a rate of approximately 240 million square metres, about 20 per cent. less than in 1958, but at nearly the same level as in the previous year. The report points out that exports from Communist China are frequently erratic, with a temporary rush to exploit certain markets, so that the volume of shipments often differs widely from quarter to quarter.

Summing up, the Japanese probe contends that the threatened export drive under which the Chinese attempted to sell cotton cloth in alarming quantity and at uncommercial prices during 1957 and 1958 to South-East Asian markets and elsewhere encountered a setback last year. This was partly attributable to the restrictive measures taken by certain importing countries and resistance from buyers due to complaints over the quality and delivery of Chinese products.

At the same time, output increased by well over 30 per cent. as compared with 1958 and a further expansion of around 10 per cent. can be expected during the current year. "Communist China is a country of Socialist-planned economy," the report warns. "If Peking deemed it necessary to increase exports, they would not hesitate to intensify the export offensive even at some sacrifice. We must pay the greatest concern over the development of the cotton industry in mainland China."—*All Rights Reserved.*

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STEPPING UP COTTON PRODUCTION

APPOINTMENT OF A COMMITTEE FOR DECIDING FAIR PRICES ADVOCATED

THE sharp decline in cotton production during the current (1959-60) season and the resultant high level of prices and tight supply position, coupled with the inroads made on cotton by other competing crops such as groundnut owing to their being more remunerative and the yawning gap between plan targets and production, invested the deliberations of the eighty-second meeting of the Indian Central Cotton Committee held at Bombay on the 12th inst. with an unusual sense of urgency. Meeting at a period of acute cotton shortage and high prices, the Committee, naturally, devoted special attention to the question of stepping up cotton production.

Mr. S. K. Patil, Union Minister for Food and Agriculture, who inaugurated the meeting, said that the Government had accepted the production target of 7.2 million bales to be achieved by the end of the third Plan period, as suggested by the Committee, and that every effort had to be made to reach the target by placing the necessary facilities at the disposal of the cultivator. The draft outline of the third Plan, he pointed out, had prescribed four principal measures for raising agricultural production in general. They were: (1) irrigation, (2) soil conservation, dry farming and land reclamation, (3) supply of fertilisers and manures, and (4) better ploughs and improved implements. In non-irrigated areas, large-scale soil conservation and dry-farming were proposed to be undertaken, with mass participation. Flood control, drainage and prevention of waterlogging were also recommended.

The Minister felt that the seed required for each village should be multiplied in the village itself from the foundation stocks supplied by the seed farm located in every Community Development block. The draft outline of the third Plan also sought to increase substantially the production of fertilisers, both nitrogenous and phosphatic. He hoped that, with these facilities, the third Plan should show a better performance in raising the yield of cotton. He referred to the low yield of cotton per acre in India, as compared with that in Egypt, U.S.A. and the U.S.S.R., and commended the efforts of the Committee to raise the yield per acre. Higher yield was possible, according to him, by such methods as irrigation, use of better seeds and fertilisers, improved cultural practices and plant protection measures.

Cost of Production and Price

Mr. Patil emphasised the need for the development of speedier ways and means of getting the cost of production of cotton down, thus making cotton competitive both in price and quality. Perhaps, this is his solution to the problem of the encroachment, on the area sown to cotton, of other crops like groundnut and sugarcane, to which attention was drawn by Dr. M. S. Randhawa, the President of the Committee, in his speech delivered at the meeting. A comparative study of the trend of prices of cotton and competing crops led Dr. Randhawa to the conclusion that, during the year ended February 1960, while cotton prices rose by 12.9 per cent., prices of groundnut increased by 19.2 per cent. Cotton was not, therefore, as remunerative a crop as groundnut. This, he maintained, partly explained the stagnant level of area under cotton during the past few years. Apart from groundnut, sugarcane and even banana cultivation, he pointed out, had been making inroads into cotton acreage. As the cultivable area remained more or less the same, shifts took place from one crop to another according to the price-level, the more remunerative crops, naturally, claiming greater acreage. He did not say what measures the Committee proposed to take to check this trend or what it wanted the Government to do. The recent decision of the Government not to raise the floor and ceiling prices of cotton, in spite of the unanimous appeal from many quarters, including the Committee, was sufficient proof that the Government did not favour raising cotton prices even as an inducement for higher production. Mr. Patil's advice to the Committee to help the cultivator to bring down the cost of cultivation of cotton, so as to make it competitive, is perhaps an indication of the official line of thinking in regard to cotton price policy.

Reviewing the development of Sea-Island cotton, the President said that the progress, though slow, was steady. During 1959-60, the total area covered under this variety of cotton was 3,966 acres (3,055 acres in Kerala and 911 acres in Mysore) and the total area available for harvest was estimated at 2,461 acres. The total quantity produced was 494 bales and the highest price fetched was Rs. 2,250 per bale. During the next season (1960-61) about 10,000 acres would be sown with this variety of cotton out of which 6,000 acres would be in Kerala, 2,670 acres in Mysore, 400 acres in Madras and about 400 acres in Araku Valley in Andhra Pradesh. This cotton was now in the initial stages of development. Dr. Randhawa suggested that a floor price of Rs. 2,000 per candy should be ensured for it, so that it could hold its own against competing crops. Unless this was done, according to him, there was a danger that all the efforts put in might go waste. He urged the State Governments concerned to exempt income from this cotton from the levy of agricultural income-tax. He also suggested that loans in kind such as fertilisers and pesticides should be given to the growers of this variety of cotton.

Targets and Performance

Analysing the reasons for the fall in cotton production during the current season, Dr. Randhawa said that not only did the monsoon start late, but it commenced with heavy downpours and floods which played havoc with the crop. The decline in production was as much as 29 per cent. in Bombay, 25 per cent. in Mysore, 18 per cent. in Madhya Pradesh, 14 per cent. in Rajasthan and 11 per cent. in the Punjab. During the next season, that is 1960-61, cotton production might, according to him, be of the order of five million bales, provided there was not excessive rainfall in the month of October.

Dr. Randhawa outlined the measures on which attention required to be concentrated in order to achieve the plan targets. They were: (1) supply of improved seeds, (2) more irrigation facilities, (3) growing of cotton in rice fallows, and (4) special attention to cotton growing in Rajasthan.

The progress in respect of provision of improved seeds so far, Dr. Randhawa confessed, was slow. Out of a total acreage of 14.5 million in 1950-51, the area under improved varieties was 7.24 million acres. By 1956-57, it rose to 13.6 million acres, that is, 68 per cent. of the total, and in 1958-59 it had risen to 70 per cent. The cause of this slow progress during the last three years was worth investigating. This might be due, he said, to the fact that most of the improved varieties could be grown only under irrigated conditions. However, there was considerable scope for increasing the area under improved varieties in Maharashtra.

Irrigation

As regards irrigation, by the end of the third Plan, 20 per cent. of the total area under cotton would be irrigated, as against 12 per cent. at present. Still, 80 per cent. of the area would be dependent on rainfall and this would always provide an element of uncertainty, as was the case during the last many years. Against a target of 58,000 tons, only 27,000 tons of fertilisers were made available in 1959-60, of which 9,000 tons were consumed in Maharashtra area, 6,600 in the Punjab and 5,800 tons in Mysore State. Application of fertilisers was one of the major measures which could give increased production of cotton. He expressed the hope that, with the setting up of new fertiliser factories, the position would get easier.

Growing of cotton in rice fallows held out considerable promise. In Madras, Mysore, Andhra Pradesh and Orissa, it had been estimated that an area of about 1.15 million acres under rice fallows was available, which, if cultivated under cotton, could give an additional production of 500,000 bales of medium and long-staple cotton. Trials with the Punjab-American variety, 216P, had already proved a success in Cauvery delta area of Madras. This area, he said, required intensive attention. The Committee proposed subvention trials in Orissa under which seeds, fertilisers and insecticides will be given to the cultivators. It was also proposed to develop marketing and ginning facilities which if not available prove as bottlenecks.

An interesting information disclosed by Dr. Randhawa was the development of chemical plant growth regulators. The successful development of chemical plant growth regulators in respect of pineapples, tomatoes, grapes, citrus, apples and others had encouraged such work on cotton as well. It had been recognised that growth factors within the plant control shedding and are not necessarily related to uncontrollable external production factors and this had focussed attention on the chemical treatment as a means of increasing yield. A chemical, called gibberellins, had been found to promote growth and flowering in some plants. Recent research showed that, of all the chemicals tested for reducing shedding in cotton, this was perhaps the best. In California, according to Dr. Randhawa, 0.00000001 of a gram of gibberellin, applied topically per boll, increased retention by 50 per cent. In terms of this calculation, only 10 lbs. of gibberellin would be required to add one million bales to California's annual cotton crop. The treatment increased the size of the plant also and this indirectly enhanced the yield.

The need for research along these and other lines, including evaluation of new chemicals, cannot be too strongly stressed. This is important for developing generally applicable methods of fruiting control in cotton in this country. Work on these lines will be very helpful, as it will supplement information for stepping up production. Considering the limited scope for extensive cultivation, increased research efforts and speedier flow of their results to the grower should form one of the major planks in the programme for increasing cotton production in the country.

Recommendations

After reviewing the aforesaid problems and in the light of the observations of Mr. Patil and Dr. Randhawa, the Committee arrived at the following conclusions:

(1) It is necessary to complete the Rajasthan Canal at an early date, as this would enable irrigation of about 3.5 million acres in a region of very high fertility.

(2) The Committee expressed great concern at the shortfall in cotton production during 1959-60 and noted that it was chiefly due to the unfavourable seasonal conditions which almost set at nought the vigorous efforts made for augmenting production. In this connection, it was observed that cash crops like groundnut, sugarcane and bananas being more remunerative were replacing cotton. This gave rise to the vital factor of commodity prices and, whilst, on the one hand, the Government were anxious to hold the price line, it was considered expedient to take steps to ensure a reasonable return to the cotton grower to serve as an incentive to grow this crop. The Committee, therefore, recommended that a High Power Committee should be constituted to look into the question from all the angles and to make suitable recommendations from the national standpoint. The Committee also felt that, ultimately, it was a problem of increasing yield per acre, for which more intensive efforts were necessary by way of application of fertilisers, irrigation and plant protection.

(3) The Committee approved of the extension of 17 existing schemes, as also six new schemes for evolving new cottons superior to the existing ones. The Committee further approved of a model co-ordinated agronomic scheme to be taken up in all the major cotton growing tracts of all the States on the most important varieties of cotton, with a view to collecting comprehensive data on the agronomic requirements of cotton crop in the different areas for recommending their adoption by the cultivators for maximising yields. The Committee decided that Poona, where work on screening of varieties for resistance to the serious disease in cotton, namely, wilt, was in progress for the past 23 years, should be developed as a national centre for such work in view of its great importance.

(4) The Committee noted with satisfaction the increase in acreage under the Sea-Island 'Andrews' cotton and recommended the exemption from tax of the agricultural income accruing to the farmer from cultivation of the Sea-Island cotton. It further recommended that, with a view to assuring the Sea-Island cotton growers of a minimum return, a floor price of Rs. 2,000 should be fixed. It agreed with the suggestion that greater efforts should be made to try this delicate crop on the irrigated lands where adequate humidity and other climatological conditions were suitable, particularly in States like Madras, Andhra Pradesh and Orissa, besides Kerala and Mysore.

(5) The Committee was of the view that given the proper facilities in regard to supply of improved seeds, adequate quantities of fertilisers and pesticides, the country would be able to produce the targeted quantity of 7.2 million bales at the end of the third Five-year Plan. The Committee was also of the view that one of the means of achieving the target was by utilising the vast stretches of rice-fields which lay fallow after the harvest of paddy.

(6) The Committee accepted the amendment suggested by the East India Cotton Association, in the Cotton Ginning and Pressing Factories Act and decided to send it to the State Governments for further action. It was also decided that committees at the State level might be established on the lines of the Punjab for survey of facilities for ginning and pressing of cotton.

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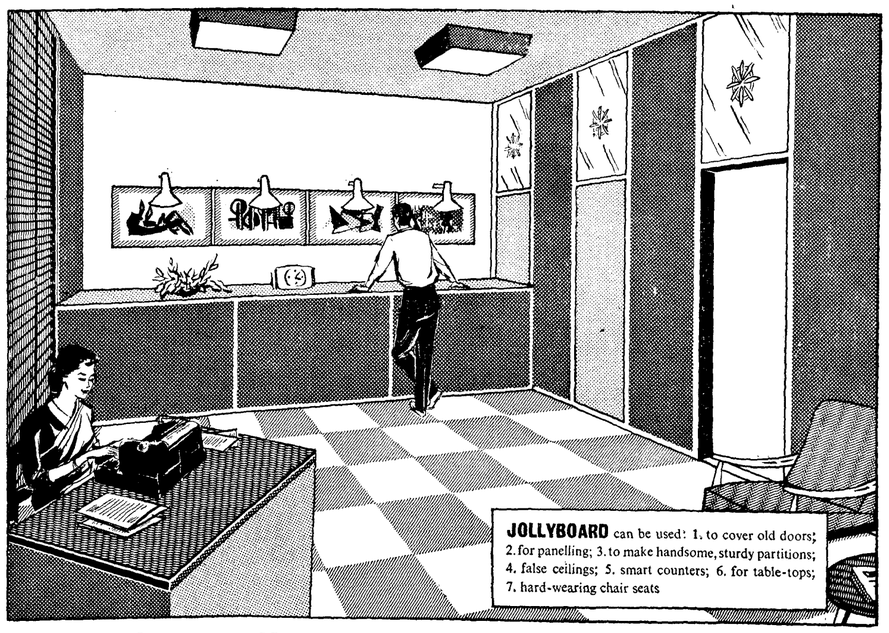

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TRENDS IN WORLD SUGAR

CONSUMPTION GROWING FAST

THE world's appetite for sugar is growing faster than that for all other foods. This is the interesting conclusion arrived at by the International Sugar Council in a recent study of the trends and forces in world sugar consumption during the ten years ended 1958. The quantity of sugar actually consumed in 1958 is estimated at as high as 44.5 million metric tons (of 2,204.62 lbs. each), which represents an increase of 60 per cent. as compared with the consumption of 16.5 million tons in 1948. The average annual rate of increase thus works out to 6 per cent. The improvement in the aggregate world consumption of sugar must be attributed partly to the rise in population and partly to the expansion in *per capita* intake in a number of countries. The estimated total world population in 1958 was about 2,800 million, as against 2,440 million ten years before and the average *per capita* consumption stood at 34.10 lbs., as against 25.96 lbs. The following table indicates the *per capita* consumption of sugar in some of the countries during 1958, as compared with that in 1948-49 and 1937-38:

Per Capita *Sugar Consumption*
(In lbs. per year refined or consumption value)

Countries	1958	1948-49	1937-38
India	32.0	26.5	18
Australia	120.8	130.0	117
Denmark	119.0*	99.0	121
United Kingdom ..	106.9	90.0	111
New Zealand ..	98.6	119.0	N.A.
Switzerland	97.5	90.0	93
South Africa ..	95.9	99.0	61
U.S.A.	95.5	115.0	95
Canada	95.5	101.0	101
Sweden	94.2	102.0	106
Brazil	79.0	70.0	52
Norway	77.0	60.0	74
Belgium	76.1	60.0	70
Cuba	75.7	168.0	80
France	68.9	55.0	55
West Germany ..	67.1	44.0	59
Mexico	63.6	56.0	33

* 1957. N.A.—Not available.

The upward trend of world sugar consumption has been rendered possible by two notable factors. One, the production of sugar has expanded faster than population; it amounted to 42.8 million tons in 1957-58, as against 28.9 million tons in 1949-50, or a rise of 50 per cent. Two, the "real" price of sugar has gone down in most of the countries, though the price varies enormously from country to country, due mainly to Government imposts of one kind or another. Taking 50 countries, which together account for nearly three-fourths of world consumption, the price of sugar relative to other foods was 11 per cent. cheaper on an average in 1957 than in 1938. The prices in 1957 were 22 per cent. cheaper in 38 countries, while they were dearer in eleven countries. An idea of the retail sugar prices prevailing in a few important countries as on 1st January 1959 and 1st January 1958 can be had from the figures given below:

Retail Prices of Sugar
(In U.S. cents per lb.)

Countries	As on 1st January	
	1959	1958
India	10.2	9.6
Australia	9.3	10.2
Belgium	11.0	10.9
Ceylon	11.6	10.9
Cuba	7.0	8.9
Dominican Republic	11.8	13.60
France	9.9	13.5
Germany (West)	13.5	13.0
Hungary	20.5	20.5
Italy	17.9	16.8
Japan	17.0	19.6
Philippines	10.2	10.0
Sudan	17.4	14.5
Turkey	16.4	35.4
United Kingdom	10.0	7.1
U.S.A.	11.1	11.1
Yugoslavia	25.6	21.9

The fastest growth in sugar consumption, it is said, has occurred in poorer countries, where demand for sugar responds to changes in income, unlike in the case of rich countries where the per capita consumption of sugar rises slowly with increasing incomes and may even decline. Before the war, half the world's population consumed only 10 per cent. of sugar supply and four-fifths of the population ate just two-fifths of the total supply. By 1957, half the world's population accounted for 14.5 per cent. of all the sugar consumed and four-fifths for 50 per cent.

The world as a whole, according to the Sugar Council, will go on eating more and more sugar in the coming years. It is estimated that, by 1965, the aggregate world consumption of sugar will be between 46 and 58 million tons. The estimate is made after applying the calculated elasticities of demand to an annual rise in real income per head at the rate of 3.1 per cent. of the increase in income (the average for 42 countries during the period from 1951 to 1956) and assuming a rise in population of 1.45 per cent. a year and no change in prices.

It is difficult to be categorical about the level of world sugar prices in the next few years, inasmuch as it will be influenced by the trend of production in several countries, especially Cuba which is the world's largest exporter of sugar. If past experience be any guide, the upward trend of output may be expected to persist in future also, what with the proposed addition to the capacity of sugar industry in a number of countries. The aggregate world production of sugar has touched an all-time record of 50.93 million tons (raw value), as against 50.91 million tons in 1958-59, 46.60 million tons in 1957-58 and 31.25 million tons in 1949-50. The net rise in output over the ten-year period from 1949-50 to 1959-60 comes to 19.68 million tons. The rise is accounted for by both cane sugar and beet sugar. The production of cane sugar has gone up from 20.83 million tons in 1949-50 to over 31.17 million tons in 1959-60 and that of beet sugar from 10.44 million tons to 19.78 million tons (it was higher still at 20.38 million tons in 1958-59). The statement below compares the estimate of sugar production in the most important countries during 1959-60 with the partially revised estimate for 1958-59 and the actual for 1957-58 and 1949-50:

Trend of Sugar Output
(In thousand tons—raw value)

Countries	1959-60 (estimated)	1958-59 (partly estimated)	1957-58	1949-50
Cane Sugar				
India	7,579	7,113	6,871	4,938
Cuba	5,780	5,870	5,689	5,470
Brazil	2,987	3,173	2,621	1,350
Mexico	1,688	1,458	1,304	640
Philippines ..	1,386	1,350	1,230	625
Australia	1,240	1,412	1,293	937
Puerto Rico ..	1,116	971	821	1,148
Hawaii	951	871	683	858
South Africa ..	943	1,018	857	500
Taiwan (Formosa)	904	962	914	610
Indonesia	763	842	757	291
Mauritius	571	518	553	410
Beet Sugar				
U.S.S.R.	6,400	5,783	4,815	1,965
U.S.	2,091	1,987	1,959	1,443
Italy	1,417	1,122	825	487
West Germany ..	1,396	1,859	1,559	615
France	1,037	1,540	1,513	875
Poland	879	1,193	1,161	832
Czechoslovakia ..	846	927	866	614
U.K.	832	776	606	505
East Germany ..	600	918	838	545

Whatever may be the trend of production, the world sugar market will be influenced predominantly by Cuba. This aspect has to be specially stressed now because of the U.S. Government's reduction in import quota allotted for Cuban sugar. In view of such a reduction and if the U.S. refuses to continue payment of a high subsidised price, then Cuba will suffer a considerable loss of foreign exchange. Naturally, Cuba will try its best to make up this loss by fixing the basic minimum price of sugar at the existing level of 3.25 cents per lb. Even this minimum might, in fact, be raised if the U.S. Government were to effect a more drastic cut in Cuban quota in the coming and subsequent years. It is the level of sugar prices fixed by Cuba and the pressure it exerts on the International Sugar Council that will influence the working of the World Sugar Agreement in future. It may be noted here that, in order just to accommodate Cuba, the Sugar Council recently stepped up the export quotas of member-countries for 1960 to 105 per cent. of their basic tonnages, as against 87.5 per cent. to which they had been cut in the earlier months of the year. This decision of the Council, according to sugar circles in London, has placed Cuba in a dominating position in the world sugar market. It is expected that Cuba will use its strong position to maintain prices or drive them upward, rather than decide to unload all its sugar production at prices below the basic minimum price of 3.25 cents which is less than the average cost of production, namely, 3.50 cents per lb.

GROWTH AND YIELD OF SUGARCANE

Physical environment, growth and yield of two varieties of sugarcane grown at Shakkarnagar in Andhra Pradesh in two types of soil, namely, medium heavy black soil and sandy loam red soil for the last six years, have been studied. One variety, CO 419, was found to give more yield than POJ 2878 and, even within each variety, the yield from season to season was appreciably different. There was no appreciable difference in the yield of varieties grown in the two types of soil. Nevertheless, the relative performance of the two varieties in these types of soil as well as for the six seasons (first order interaction) are significantly different. The sugarcane crop grown in black soil appears to be influenced, to a greater extent, by weather than that grown in red soil. The average yield of POJ 2878 variety of cane grown in black soil is also comparatively very low.

From a closer examination of weather during the various phases of the crop, it has been observed that (i) excess of rainfall before the commencement of germination depresses germination, (ii) clear day with low mean air temperature during tillering phase is conducive for better tillering, and (iii) the rainfall along with irrigation and temperature at this station are quite sufficient for the successful cultivation of the cane.

SUGAR WAGE BOARD

The attention of the Government of India has been drawn to a news items published in a section of the Press, purporting to convey the recommendations of the Sugar Wage Board regarding wage rates for employees of the sugar industry. The Government declares that the Board is still in the midst of its deliberations and that no final decisions in regard to the wage rates of workers have been taken by the Board so far.

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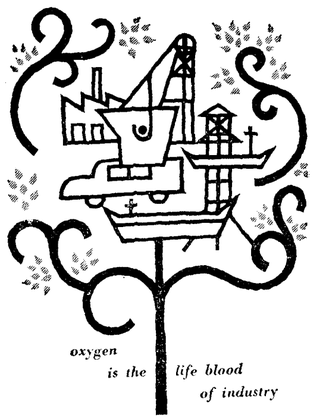

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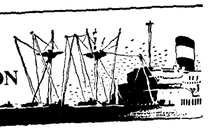

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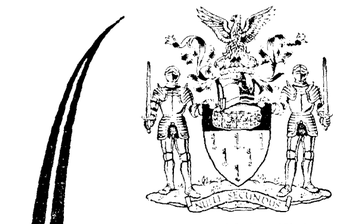

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EXCESSIVE SPECULATION IN JUTE TRADE

F.M.C. CHAIRMAN HINTS AT POSSIBILITY OF OFFICIAL INTERVENTION

THE general body meeting of the East India Jute and Hessian Exchange Ltd., held at Calcutta on the 11th inst., provided an opportunity to the Chairman of the Forward Markets Commission, Mr. R. Doraiswamy, to share a few thoughts with the members of the trade and industry and to think aloud on some of the important problems of regulation of forward trading in raw jute and jute goods. This Exchange was recognised on 29th March 1958 as the only body to conduct futures trading in raw jute and gunnies, in pursuance of the Central Government's acceptance in 1954 of the Jute Enquiry Commission's recommendation. The Commission had recommended that a body with a broad-based constitution representing all interests and with wider bases for business and necessary checks against speculation could be formed by the voluntary co-operation of those in the trade interested in forward business.

High hopes were entertained at the time of inauguration about the future working of the Exchange, but the experience of the last two and a half years would appear to have shown that they have not been fully realised. While admitting that some useful work has been done during its short history, Mr. Doraiswamy candidly disclosed that "the assessment of knowledgeable quarters is that the success of the Exchange in damping down violent fluctuations in prices and controlling unhealthy speculation has been very limited indeed." He, however, admitted that the Exchange had also to face transitional difficulties like all recognised associations elsewhere in the country which were brought under the purview of the Forward Contracts (Regulation) Act very much earlier.

Unlike other recognised bodies, the E.I.J.H.E. has the unique privilege of deciding what action should be taken from time to time to control bouts of speculation. In fact, it imposed special margins on raw jute and jute goods and varied them from time to time on not less than nine occasions. The steps taken by the Board of the Exchange had given rise to feelings of frustration and resentment among certain sections of the trade. Mr. Doraiswamy accused the Board of bowing to the wishes of the operators in the market and of taking a series of drastic steps only at the top of the boom in May 1960, when raw jute prices shot up to the highest level since the Korean war. The hectic movements in prices of raw jute and gunnies, as were witnessed in May last, lead, according to the F.M.C. Chairman, to two conclusions, namely, (1) the spirit of the regulatory provisions of the Forward Contracts (Regulation) Act has not yet been properly assimilated by the trade, and (2) a proper place has not been given to national interest in all the dealings on the Exchange.

It is evident from Mr. Doraiswamy's speech that three main reasons were responsible for the "limited success" of the regulations to check excessive speculation in raw jute and jute goods, namely, (1) the considerable element of "inherent instability" in the jute economy, (2) the "great predominance" of brokers in the membership of the Exchange, and (3) a large and wider sector of forward trading—transferable specific delivery contracts (T.S.D.C.)—is left out of the detailed regulation. The first cause is a fundamental one and speculation would automatically sober down, if this is corrected. The sharply varying crop figures between the official estimates and trade estimates, sudden damages to crop due to floods, etc., and unsteady export demand for jute goods are some of the adverse factors which affected the jute economy. Mr. Doraiswamy stressed that the very existence of these sources of instability should cause serious thought and call for constructive action in evolving a pattern of regulation which would at least stabilise, if not improve upon, the quantum of jute goods exports. "What we actually witness today," he added, "is that the industry goes on working down stocks, reduces its stocks of raw material to the minimum—and not even the minimum on occasions—and, generally, a situation is reached in which instability of prices becomes endemic. Such a state of affairs naturally becomes the happy hunting ground of speculators who, *ex-hypothesi*, experience difficulties in balancing between self-interest and national interest even in emergencies." While the damage to crop on account of natural causes is beyond the control of anybody, the abnormal situation, as was witnessed in the 1959-60 season, when the shortfall in 1959-60 crop and the expectations of a further fall in crop during the 1960-61 season on account of drought conditions led to hectic movements in prices, which could have been restricted, to a large extent, by the timely action on the part of the Government in allowing imports of cuttings from Pakistan. It was only after much damage had been done that the Government issued import licences for Pak cuttings. An earlier action would have restrained the rise in prices of jute goods and would not have affected the export demand.

As regards the second factor, Mr. Doraiswamy complained that "not only in numerical strength but in actual day-to-day regulation, the brokers as a body have not refrained from exerting unreasonable pressure to trim the policies to suit their requirements." Though such pressure is said to have been resisted sometimes by the Board, it is stated that the Board has had to bow to the wishes of the general body. An instance in point was the throwing out recently by the General Body of the Exchange of the Board's proposal to give more representation to the mills on the Board. The F.M.C. Chairman stressed the need for a change in the attitude on the part of brokers. He made it clear that the Commission could only "follow a policy in terms of which, other things being equal, interests who actually handle the goods in question and who have a far more direct stake in the trade and in the industry should receive encouragement as against the needs or the wishes of brokers." In the light of this warning, it can be expected that the representation of the mills on the Board will soon be increased.

In regard to the transferable specific delivery contracts (T.S.D.C.), there has so far been no regulation worth the name in these contracts, although technically Section 15 of the Forward Markets (Regulation) Act has been applied to these contracts and the T.S.D.C. by-laws contain adequate provisions for introducing a measure of discipline in this "some chaotic sector" of the trade. Consequently, there has been a lot of abuse of this freedom. In times of squeeze or bear raid in the futures market, it is stated that the virtually free T.S.D.C. sector serves as a convenient outlet for the squaring up of open commitments. The F.M.C. would appear to have taken serious note of this development. "After a careful study of the character of these contracts," Mr. Doraiswamy said, "I, for one, cannot see any valid justification for exempting these contracts from the same pattern of regulation which is applied to the futures contracts. In fact, a beginning in that direction is overdue." It may be recalled that the Forward Markets Commission (under the chairmanship of Mr. W. R. Natu), in its report on the recognition of associations in respect of forward contracts in raw jute and jute goods submitted in 1956, had expressed its view that "it is necessary for the success of any association to be recognised under the Forward Contracts (Regulation) Act, 1952, that it should cover *all* transferable specific delivery contracts, including those conducted on the basis of the contracts of the I.J.M.A." If the abuse of the exemption given to T.S.D.C. by the trade continues, the day may not be far off when these contracts are also brought within the purview of the Forward Markets (Regulation) Act. It is reported that the Commission has had a series of talks with the I.J.M.A. on this point.

While the success of the E.I.J.H. Exchange in controlling excessive speculation has so far been very limited it will be interesting to note, on the F.M.C. Chairman's own admission, that the Commission has "always acquiesced in the action taken by the Board." It may, therefore, be pertinently asked as to why the F.M.C. had refrained from intervening all these days and had approved of the steps taken by the Board of the Exchange. The possible explanation for this is that the Exchange, unlike the other recognised bodies, has been given the freedom to take whatever action it deems fit—a liberty which the F.M.C. obviously did not like to curtail, if it could. Now that it has been found that the Exchange has not lived up to the earlier expectations and that it continues to be dominated by brokers, thanks to inadequate representation to manufacturing interests, the F.M.C. feels that it may have to intervene, if adequate steps are not taken by the Exchange itself to curb speculation in raw jute and jute goods and to improve its representative character.

U.S. HESSIAN IMPORTS

Imports of Indian hessian into the U.S. have received a severe setback during the current year, as a result of high prices, according to information received in Calcutta. India supplied to the U.S. only 15,200 tons of hessian in April 1960, as against 17,600 tons in the previous month and 22,900 tons in April last year. In the first four months of the current year, imports of Indian hessian in the U.S. aggregated 64,000 tons, as against 77,900 tons in the corresponding period of last year. Hessian supplies from Pakistan during January–April 1960, also declined to 6,200 tons from 7,900 tons, but other countries were able to increase their supplies from 5,700 tons to 6,100 tons. India, it may be mentioned here, supplied 218,200 tons of hessian to the U.S. during 1959, as against 186,900 tons in 1958.

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Notices

KHANDELWAL FERRO ALLOYS LIMITED

NOTICE TO MEMBERS

THE SECOND ANNUAL GENERAL MEETing of Khandelwal Ferro Alloys Ltd. will be held at the Registered Office of the Company, "Khandelwal Bhavan," 166, Dr. Dadabhai Naoroji Road, Bombay 1, on Wednesday the 14th September 1960, at 4 p.m., to transact the following business:

(1) To receive and adopt the Directors' Report and the Audited Balance Sheet as at 31st December 1959 and Profit and Loss Account for the year ended 31st December 1959.

(2) To elect a Director in place of Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), who retires by rotation and to consider, and, if thought fit, to pass the following Resolution for which Special Notice as required under Section 281 of the Companies Act, 1956, has been received by the Company:

"RESOLVED that Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), who has already attained the age of 65 years and who retires by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to him."

(3) To appoint a Director in place of Shri Madanmohan Ruia who was appointed an additional Director of the Company and who holds office up to the date of the Annual General Meeting of the Company and is eligible for re-election.

(4) To elect a Director in place of Shri R. J. Eagle who retires by rotation and being eligible offers himself for re-election.

(5) To elect a Director in place of Shri H. T. Niblette, who retires by rotation and being eligible, offers himself for re-election.

(6) To appoint Auditors and to fix their remuneration.

(7) To consider and if thought fit to pass the following Resolution as a Special Resolution with or without modification:—

"RESOLVED that the Authorised Capital of the Company be increased from Rs. 2,50,00,000 divided into 1,50,000 Equity Shares of Rs. 100 each and 50,000 7½% tax-free Redeemable Cumulative Preference Shares of Rs. 100 each and 50,000 tax-free Redeemable Preference Shares of Rs. 100 each at rate of dividend not exceeding 7½% as may be sanctioned by the Controller of Capital Issues, to Rs. 5,00,00,000 divided into 3,50,000 Equity Shares of Rs. 100 each, 50,000 7½% tax-free Redeemable Cumulative Preference Shares of Rs. 100 each and 1,00,000 tax-free Redeemable Cumulative Preference Shares of Rs. 100 each at such rate of dividend as may be sanctioned by the Controller of Capital Issues, subject to the rate of dividend not exceeding 7½% per annum."

(8) To consider and if thought fit to pass the following Resolutions as Special Resolutions with or without modification:—

(a) "RESOLVED that the following be substituted in place of Article 6 of the Articles of Association:—

'The Authorised Capital of the Company is Rs. 5,00,00,000 divided into 3,50,000 Equity Shares of Rs. 100 each and 50,000 7½% tax-free Redeemable Cumulative Preference Shares of Rs. 100 each and 1,00,000 tax-free Redeemable Cumulative Preference Shares of Rs. 100 each at such rate of dividend as may be sanctioned by the Controller of Capital Issues but not exceeding 7½% per annum.'"

(b) "RESOLVED that the following be substituted in Article 7 of the Articles of Association of the Company:—

'The Preference Shares aforesaid shall confer the right to a fixed preferential Cumulative Dividend at the rates at which they are issued free of tax on the capital for the time being paid up thereon'

in place of the following in Article 7:

'The Preference Shares shall confer the right to a fixed cumulative Preferential dividend at the rate of 7½ per cent. per annum free of income-tax on the capital for the time being paid up thereon.'"

By Order of the Board,

For & On behalf of
KHANDELWAL FERRO ALLOYS LTD.,
KHANDELWAL INDUSTRIES PRIVATE LTD.,
Managing Agents,

RAMPRASAD KHANDELWAL,
Director.

BOMBAY, *dated 10th August* 1960.

Note: (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(2) The relative Explanatory Statements pursuant to Section 173 of the Companies Act 1956 in respect of the special business set out above are annexed hereto.

(3) The Register of Members of the Company will be closed for transfers from the 10th day of September 1960 to the 15th day of September 1960, both days inclusive.

An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of the aforesaid Special Business is annexed to the convening Notice issued to Members of the Company.

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

METTUR DAM R.S.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE register of members and share Transfer Books of the Company will be closed from 27th August 1960 to 12th September 1960, both days inclusive, in connection with the Twenty-third Annual General Meeting of the Company convened to be held at the Registered Office of the Company at Mettur Dam R.S. on Monday, 12th September 1960, at 3 p.m. to transact the ordinary and special businesses set out in full in the notices of the meeting, which have been posted individually to the Members.

The Directors at their meeting held on 31st July 1960 have recommended the payment of the following dividends to the members for the year ended 31st March 1960.

6¼ per cent. subject to tax *final dividend* on equity shares, which with the 6¼ per cent. subject to tax interim dividend already paid makes a *total dividend of* 12½ per cent. subject to tax on equity shares.

3 per cent. tax-free (3⅜ per cent. gross) final dividend on Preference shares which together with the 3 per cent. tax-free interim dividend already paid makes a total dividend of 6 per cent. tax-free on Preference shares.

Members are requested to attend the meeting either in person or by proxy. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board of Directors,

SESHASAYEE BROTHERS (PRIVATE) LTD.,
Managing Agents.

METTUR DAM R.S.,
31st July 1960.

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE ONDAL COAL COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday, the 16th September, 1960, at 10.30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1959, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Directors in place of retiring Directors
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 2nd to the 16th September, 1960, both days inclusive.

By Order of the Board,

P. PRASHAD.
Chairman.

CALCUTTA, 10*th August*, 1960.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 1st October, 1960, to those shareholders so entitled whose names appear in the Company's books on the 16th September, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

WANTED EDITORIAL STAFF

For a Financial Daily in Bombay to be started by The Express Group "THE FINANCIAL EXPRESS."

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WORKING OF INDIA'S TRADE AGREEMENTS

EXPORTS OF NON-TRADITIONAL GOODS HAVE NOT IMPROVED

By K. Murti

RECOGNISING the importance of an increase in mutual exchanges for the expansion of trade and closer economic and industrial co-operation between nations, India has been entering into a series of trade agreements with a number of foreign countries ever since she attained independence. The trade agreements in most of the cases cannot be strictly called bilateral in the sense that the value of imports into India is set off against the value of exports from India to any particular country in a given time. The agreements with Pakistan and Roumania, however, stipulate in unequivocal terms that the total value of imports would be equal to the value of exports effected by either country. Thus, India's trade agreements are bilateral only in the sense that they are between two countries. From India's point of view, they are at best trade arrangements evolved to fit in with her programmes of industrial development. Indeed, the schedules to the agreements comprising commodities to be imported and exported are modified or revised periodically in the light of the changing needs of the country.

At the end of the year 1959, India had trade agreements with twenty-six countries. In addition, negotiations for the renewal of agreements with three countries were in progress. Of these agreement countries, including the three countries with whom agreements were to be renewed, seventeen countries are in the European continent, seven in the Near and Far East, two in the Middle East, two in Africa and only one in the South American continent. The total trade of these 29 countries amounted to Rs. 147 crores (Rs. 82 crores imports and Rs. 65 crores exports) for undivided India in the pre-war period 1937-38. Trade with these countries witnessed a rising trend, the total trade being Rs. 389 crores (Rs. 204 crores imports and Rs. 185 crores exports) in 1952, Rs. 459 crores (Rs. 312 crores imports and Rs. 147 crores exports) in 1958 and Rs. 504 crores (Rs. 314 crores imports and Rs. 190 crores exports) in 1959. Of India's trade with all countries, it is, however, seen that the share of trade with the 29 countries dropped from 40 per cent. in 1937-38 to 28 per cent. in 1952. The position, however, improved in subsequent years, the share being 31 per cent. in 1958 and 35 per cent. in 1959. India's rising requirements of industrial and processed materials and investment goods needed to sustain industrial and agricultural expansion led to larger imports, which, in the case of agreement countries, constituted 35 to 36 per cent. of the value of India's imports from all countries during 1958 and 1959. Exports of goods to agreement countries kept pace with the general trend of India's exports to all countries. Thus, they declined from 34 per cent. in the pre-war year 1937-38 to 26 per cent. of total exports in 1958, but went up to 30 per cent. in 1959.

Government's Concern

The general trend of imbalance in India's foreign trade during the last decade has been found very much pronounced in respect of agreement countries. Indeed, the concern of the Government of India over the disequilibrium in the balance of trade with some of the agreement countries, particularly West Germany, is running through and through in the protocols to some of the agreements. The result is that the concerted export drive launched in recent years is slowly yielding results and has brought down the trade deficits in 1959.

Among the agreement countries, those in the European continent have been contributing substantially to India's foreign trade, their share being about 60 per cent. of India's trade with agreement countries. Areawise, the value of India's trade with agreement countries is given in Table I on this page.

India's large-scale requirement of plant, machinery, technical training facilities and know-how for the progressive economic development during the second and third Five-year Plan periods have led her to look more and more to the industrially advanced countries in the European continent for substantial assistance and co-operation. The result is that nearly three-fourths of imports from the agreement countries into India during 1959 were from the Continental countries. Imports from West Germany were by far the largest from the agreement countries, having amounted to Rs. 119 crores. The high tempo of industrial development attained by West Germany and further substantial aids expected of her in fulfilling India's future Five-year Plans are bound to give her an unassailable position in India's trade set-up. Indeed, more than a fourth of the total trade of the agreement countries is accounted for by West Germany, and it is of interest to note that, if India's deficit with West Germany is excluded, India's trade imbalance with other agreement countries, with the exception of one or two O.E.E.C. countries, pales into insignificance (*vide* Table II).

In the distribution of trade in 1959, among the continental countries outside the Communist bloc, the principal sources for India's imports, besides West Germany, were Italy (Rs. 26 crores), France (Rs. 19 crores), Sweden (Rs. 11 crores), Switzerland (Rs. 8 crores), Finland (Rs. 3 crores), and Austria, Norway and Yugoslavia (Rs. 2 crores each). Imports from agreement countries in the Communist bloc were valued at Rs. 31 crores, the chief sources being the U.S.S.R. (Rs. 17 crores), Poland (Rs. 4 crores), Czechoslovakia (Rs. 4 crores), East Germany (Rs. 3 crores), and Hungary (Rs. 2 crores). Of the countries in the Far East, Japan was the largest exporter to India, shipping as much as Rs. 41 crores worth of goods. Burma, Ceylon and China exported goods valued at Rs. 13 crores, Rs. 6 crores and Rs. 5 crores, respectively. Among the rest of the agreement countries, arrivals from Egypt were notable, having amounted to Rs. 8 crores.

Importance of Russia

As regards exports from India in 1959, the U.S.S.R. was the single largest customer among agreement countries in the European continent absorbing Indian goods worth Rs. 30 crores. West Germany with Rs. 19 crores came next in importance. France (Rs. 8 crores), Italy (Rs. 6 crores), Czechoslovakia and Poland (Rs. 4 crores each), East Germany, Roumania and Yugoslavia (Rs. 2 crores each) and Norway and Switzerland (Rs. 1 crore each) were the other important importers of Indian commodities. In the Far East, Japan's offtake of Indian goods amounted to Rs. 34 crores. Burma, Ceylon and China absorbed Rs. 13 crores, Rs. 22 crores and Rs. 8 crores worth of goods from India, respectively. Other important agreement countries to which India exported goods were Egypt (Rs. 9 crores), Pakistan (Rs. 6 crores), Indonesia (Rs. 4 crores), Afghanistan (Rs. 4 crores), Iraq (Rs. 3 crores) and Ethiopia (Rs. 2 crores).

Two Classes of Articles

Breakdown of comparative trade figures according to commodities under agreement and non-agreement articles is available for eighteen countries for the years 1958 and 1959. In view of the omnibus nature of the trade agreements with some of the countries, particularly Japan, separate statistics could not possibly be compiled on the basis of agreement and non-agreement articles. The Indo-West German Trade Agreement provides that both the Governments will facilitate import and export of all commodities from each country to the other. It is, therefore, considered unnecessary to specify the commodities to be exchanged in terms of the agreement, and the two Governments have affirmed their determination to improve two-way trade. In this analysis, therefore, the imports from and exports to West Germany have been categorised *in toto* under agreement articles.

Of the eighteen agreement countries for which detailed statistics are available, eleven are in the European continent of which seven are in the Communist bloc, five in the Far East, one in Africa and one in South America; and the share of their trade with India works to two-thirds of the trade of all the agreement countries. In terms of value, the imports from the eighteen countries totalled Rs. 226 crores and exports Rs. 128 crores during 1959, as against Rs. 229 crores and Rs. 96 crores, respectively, in the preceding year. During the pre-war period 1937-38, they were valued at Rs. 56 crores and Rs. 39 crores, respectively. These figures reveal that India was running deficit in her trade with the eighteen agreement countries. As mentioned earlier, in case West Germany's trade is excluded from the analysis, the trade deficit with other agreement countries, excluding perhaps one or two O.E.E.C. countries, is almost negligible.

The movement of trade with agreement countries reveals that trade has taken place considerably more in articles figuring in the schedules to the agreements than in non-agreement articles. However, the agreement with Ceylon being limited in nature—the import into India under the agreement comprising only Jaffna tobacco and export to Ceylon comprising *bidis* and handloom towels—the value of articles falling outside the scope of the agreements has been quite substantial. Likewise, the imports of chemicals and base metals from China and Hungary outside the purview of the agreements have swelled the imports of non-agreement articles. The distribution of trade with agreement countries classified under agreement and non-agreement articles during 1959 is shown at the foot of this page.

The movement of trade tilting very heavily on the side of agreement articles—in the case of European continent being a lion's share and in the case of Egypt and Chile the entire imports—poses the following questions: Has there been any shift in the pattern of India's import and export trade? Have the commodities which before the conclusion of trade agreements figured generally in India's foreign trade, been merely included in the schedules to the agreements or new commodities brought in? Would it have been possible that, but for the agreements, trade would have moved normally in the commodities which have been now included in the schedules? Has any benefit accrued to India from these agreements and is any reorientation in the policy of trade agreements called for? An answer to these questions may be found if we make a comparative study of the foreign trade of India with the agreement countries according to broad commodity groups. A study of the pattern of import trade as obtained now and as prevailed in the pre-war period reveals a significant change. It is a welcome feature that the agreements in respect of imports into India take into accounts India's requirements of industrial and processed materials and investment goods needed to sustain industrial and agricultural expansion. This is reflected by the fact that, while in the pre-war year 1937-38, capital goods comprising machinery, iron and steel manufactures, transport equipment, etc., constituted only 14 per cent. of the value of imports from these eighteen countries, their share has been quite considerable in recent years. Particularly West Germany, Italy and the U.S.S.R. together supplied a bulk of the manufactured articles including plant and machinery and metal products. Burma and Egypt are the other two important agreement countries, their main imports in 1959 being rice from Burma (Rs. 9 crores) and raw cotton from Egypt (Rs. 7 crores). Rice and raw cotton were traditional imports even in pre-war years from these markets. In the context of the rising tempo of economic development in the country which needs large imports of capital goods and in view of the fact that imports from the agreement countries which, albeit small in number, supply more than a third of India's total imports from all countries and also a substantial portion of capital goods, there can be no gainsaying about the utility or effectiveness of the trade agreements from the point of view of imports.

Traditional Goods Dominate

A look into the movement of export items to agreement countries, however, raises a flutter in the dovecots. India's export trade moves in the same beaten path and no great shift has taken place in the pattern of trade, notwithstanding efforts taken to reorientate the structure of export trade. The following figures show the approximate share of traditional commodities in the exports to agreement countries in the pre-war year 1937-38, 1958 and 1959:

(In percentage)

	1937-38*	1958	1959
1. Food, drink and tobacco ..	6.0	27.8	22.2
2. Raw materials and semi-manufactures ..	29.0	12.3	19.1
3. Manufactured articles ..	18.6	18.0	16.3
4. Total of traditional articles (1+2+3)	53.6	58.1	57.6
5. New articles		0.9	3.8
6. Agreement articles in total exports (6 over 7)		70.2	77.0
7. Total exports of agreement and non-agreement articles.	100.0	100.0	100.0

* Relating to undivided India.

The above figures are revealing, in that India's exports of traditional commodities were quite large and account for nearly three-fifths of the exports to agreement countries. Of the value of agreement exports, about three-fourths were traditional articles, such as tea, spices, non-essential vegetable oils, mica, iron and manganese ores, textiles and coir products. The share of exports of new items in the total value of exports to agreement countries works to about 4 per cent. only. These items consist of sports goods, light engineering goods, tea chests, handicrafts, etc. A glance at the export schedules to the agreements will, however, reveal that a large number of new articles as also articles in which export to the agreement countries had not taken place in the past, have been included. Before inclusion, India and the agreement countries are presumed to have given considerable thought to the marketing possibilities of these products in the importing countries. Owing, however, to many reasons yet to be explored, exports in many of these items have been either nil or insignificant. It is highly imperative that detailed examination into the causes for the non-movement or slow movement of exports in these commodities needs to be undertaken and remedial measures taken. It is likely that the scope for further exports of many of the traditional commodities to the agreement countries is limited. If the deficit in India's foreign trade is to be narrowed down, vigorous drive is to be launched in promoting exports of such items as figuring in the list of agreement articles and in which export has been so far negligible or nil. Indeed, in some of the trade agreements, the grave concern of the Government of India has been expressed over the increasing deficit in India's trade with the contracting countries which have therefore been persuaded to make positive endeavours to increase their offtake of Indian exports. The various market surveys for Indian commodities undertaken in foreign countries and the trade delegations which visited overseas territories have suggested effective measures for promoting exports from India. The Government of India have given various inducements, incentives and facilities from time to time for increasing exports. Periodical appraisal of the export performance of each item entering our exports and launching of corrective measures in case of any shortfall either in standard, quality or volume will go a long way towards keeping up exports.

New Era

The export trade and the interests concerned do not appear to have made full use of the trade agreements to increase the country's exports and bring in much needed additional foreign exchange. This need not be taken to dub the trade agreements as unrealistic or disadvantageous to India. It has, in fact, been expressed in some of the agreements that, in view of India's requirements of plant, machinery, technical training facilities and know-how for progressive economic development in the remaining years of the second Plan period and during the period of the third Five-year Plan and the need to service loans and credits received by her, it may not be possible to redress fully the Indian deficit in the immediate future in the course of normal trade. It has, therefore, been considered essential for all concerned to strive for the development and expansion of India's external resources by the development of overseas sales and expansion of earnings from invisible sources. The rising possibilities offered by the overseas markets in the context of the growing volume of industrial activity and the rising level of personal consumption in the industrially advanced countries should be fully explored to increase Indian export items.

It cannot, however, be denied that the trade agreements have ushered in a new era in the history of India's foreign trade. For the first time, they have helped to enable contacts between policy-makers of foreign trade in India and those in agreement countries. Prior to India attaining independence, such contacts did not exist. They have fostered India's imports and played a commendable part in broad-basing sources of imports of capital goods and other essential requirements for the working of India's planned projects. They have enabled both the Governments of both contracting countries to review the movement of trade periodically and, in case of any general decline either in exports or imports or both, promotional measures can be taken to rectify the shortfall. If a decline is noticed in the import of any specific commodity, the attention of the importing country is drawn. For example, when there was a drop in the import of iron ore into Austria, the Government of India drew the attention of the Austrian Government and suggested direct contact between the State Trading Organisation of India and the Austrian steel industry. Although the importing country expressed, in specific terms, its inability to intervene in private trade, assistance as far as possible in achieving the objective was however promised.

Value of State Contacts

The inadequacy of contacts between Indian and foreign trade organisations and business men has been a major obstacle to developing trade. The Governments of the agreement countries are persuaded to use their best endeavours to foster contacts between their industrial firms and organisations and their Indian counterparts. In respect of some countries, particularly those in Eastern Europe and China with whom Indian business men have contacts few and far between, trade negotiations on State level enable promotion of contacts and, in turn, commerce.

The regulations relating to the control of imports and exports as established by contracting Governments for each period are being made known to the interested parties through public notices. Further, all possible facilities for publicity in the respective countries to the commodities available for export in the other country are given. These enable direct contacts being established between Indian firms and foreign business men and encourage direct sales.

Some of the industrially advanced countries extend facilities and assistance to Indian export promotion organisations. They provide technical advice on market intelligence from aids of their own. They facilitate exchange of visits by Indians and their experts, with a view to furthering the prospects of Indian goods. They further provide training of Indian executives in business administration and related fields of activities.

The close technical co-operation that exists between India and some agreement countries since coming into force of the trade agreements is being made use of in exploring possibilities of setting up projects for more efficient utilisation of the resources available in India with a view to augmenting India's export surpluses and sales to agreement countries, and for collaboration between Indian extractive and processing industries and the more industrially advanced agreement countries for extraction and processing of raw materials in India for sale in agreement countries.

Concession for Concession

The agreements with certain countries extend concession for concession. Thus, for purposes of import and export control, India treats all countries in the O.E.E.C. as falling within the soft currency area and in return these countries extend to India the liberalisation measures they have adopted or will be adopting to imports from other members of the O.E.E.C.

Payments are to be made for goods imported or exported in accordance with the trade agreements. They are also to be made for commercial transactions and covering insurance, freight, port charges, storage, forwarding expenses, bunkering, consular taxes, transit and transhipment.

(Continued on page 357)

TABLE I

(In crores of rupees)

Agreement countries	1958 Imports	1958 Exports (including re-exports)	1958 Balance of trade	1959 Imports	1959 Exports (including re-exports)	1959 Balance of trade
I. (i) European Continent ..	133	63	—130	223	83	—140
Of which :						
(a) Communist bloc ..	33	31	— 2	31	44	+ 13
(b) West Germany	94	15	— 79	119	19	—100
(ii) Near and Far East	106	67	— 39	74	88	+ 14
(iii) Middle East	7	5	— 2	8	7	— 1
(iv) Africa	6	11	+ 5	8	11	+ 3
(v) South America	N	1	+ 1	1	1	..
Total of I ..	312	147	—165	314	190	—124
II. India's trade with all countries ..	873	574	—299	895	626	—269
Percentage of I over II	35.7	25.6	55.2	35.1	30.3	46.1

N—Negligible.

TABLE II

(In crores of rupees)

	Trade with agreement countries: Imports	Exports	Balance of trade	Trade with West Germany: Imports	Exports	Balance of trade
1937-38	82	65	— 17	15	10	— 5
1952	204	185	— 19	25	12	— 13
1956	302	154	—148	82	15	— 67
1957	376	159	—217	123	16	—107
1958	312	147	—165	94	15	— 79
1959	314	190	—124	119	19	—100

N.B.—Figures for 1937-38 relate to Germany as a whole and to undivided India.

Distribution of Trade with Agreement Countries

(Value in crores of rupees)

Agreement countries in	Imports into India: Agreement articles: Value	Per cent.	Non-agreement articles: Value	Per cent.	Total: Value	Per cent.	Exports from India: Agreement articles: Value	Per cent.	Non-agreement articles: Value	Per cent.	Total: Value	Per cent.
European Continent	177	(94)	12	(6)	189	(100)	67	(93)	5	(7)	72	(100)
Of which :												
Communist bloc	25	(81)	6	(19)	31	(100)	40	(91)	4	(9)	44	(100)
Far East	14	(50)	14	(50)	28	(100)	22	(48)	24	(52)	46	(100)
Africa	8	(100)	N	..	8	(100)	9	(100)	N	..	9	(100)
S. America	1	(100)	..	..	1	(100)	1	(100)	N	..	1	(100)
Total ..	200	(88)	26	(12)	226	(100)	99	(77)	29	(23)	128	(100)

N—Negligible.

Note :—Percentages relate to agreement and non-agreement articles to total imports or exports, as the case may be.

JOB EVALUATION AND WAGE STRUCTURE

A STUDY OF THEIR RELATIONSHIP

AT a time when attempts are being made to relate worker's wages more directly to efforts put in, job evaluation, which aims at providing a more systematic and objective basis for the comparison of job contents and serves as an aid for establishing a rational and equitable wage structure, is of more than academic interest. In both the theory and practice of wage determination, the problems of defining and fixing suitable wage relationships are of considerable importance. The technique of job evaluation has been applied to deal with problems of comparative equity in wage level. Although experience of the application of job evaluation techniques is too limited to warrant a positive assertion, it is believed to be helpful in reducing dissatisfaction so often arising from existing wage differentials, or the absence of it, and thus contributing to more harmonious human relations in industry.

Though job evaluation is still a relatively new technique, there has of late been increasing interest in it as a means of establishing a wage structure that is acceptable to both management and labour and is, at the same time, fair and equitable. The application of job evaluation for this purpose has been stimulated by the war and post-war abnormalities of the employment market, accompanied, in some countries, by the freezing of wages or by repeated wage adjustments to changes in the cost of living and, frequently, by labour shortages. For instance, wage control by the National War Labour Board in the U.S. was a strong stimulant to the increased application of job evaluation in the U.S. Manifest anomalies and inequities in the wage structure were often admitted as a ground for approving wage increases and job evaluation could be used to demonstrate the existence of such anomalies. Similarly, under the post-war system of wage control in the Netherlands, job evaluation was accepted and encouraged by the authorities as a means of making appropriate wage adjustment for particular jobs or industries, without upsetting the general objective of maintaining substantial stability in the national wage level as a whole. In Germany, too, job evaluation received wider application in the course of the Second World War and during the first few post-war years, when wage control continued to be applied.

Satisfactory Results

Job evaluation has, in many cases, been applied with satisfactory results; but the method is still not universally regarded as a useful aid in designing rational wage structures. Its proponents and opponents are to be found in the ranks of both employers and workers. A structure of wage differentials, which broadly satisfied workers, has obvious advantages to workers and employers over one that does not do so; it reduces grievances and disputes and generally makes workers feel happier. To the extent that job evaluation can help in establishing such a wage structure, the method should be welcomed. The reason why, in some cases, it is not enthusiastically welcomed, or is even emphatically rejected, is ignorance concerning its precise nature and utility. Viewed against this background, the monograph* on the subject, prepared by the I.L.O. makes an important contribution to the wider understanding, on the part, especially, of employers and trade unionists, of the meaning and general principles of job evaluation. The study is not intended as technical handbook for the training of job evaluation technicians; nor is it a plea for the universal adoption of job evaluation. It is only meant to stimulate discussion as a first step towards understanding and agreement.

Definition

Job evaluation, according to the I.L.O. study, may be defined simply as an attempt to determine and compare the demands which the normal performance of particular jobs makes on normal workers, without taking account of the individual abilities or performance of the workers concerned. Individual abilites or efforts may, of course, also be taken into account and reflected in the workers' earnings, for example, under a system of payment by results or of merit-rating, but this is something entirely different from the rating of the job with which job evaluation is concerned. Job evaluation, as the term suggests, rates the job, not the man. Job evaluation and collective bargaining are not mutually exclusive. In fact, they are two entirely different concepts. Job evaluation is concerned with the problems of relative remuneration only; it has nothing to do with the fixation of absolute wage levels or, for that matter, absolute wage differentials between evaluated jobs. Even if both parties have agreed to apply job evaluation and to use its results as a basis for wage determination, wage levels and the absolute amount of wage differential remain to be negotiated. Each and every step involved in the introduction and administration of job evaluation system can be fitted into the framework of joint consultation and collective bargaining. This has often been done in practice.

There are four main types of job evaluation schemes, based on four different methods, namely, the ranking method, the grade or classification method, the factor comparison method and the point-rating method. The first two are usually referred to as "non-analytical" methods, while the latter are known as "analytical" (or quantitative) method. The point-rating method is the most widely applied.

Some Common Principles

Job evaluation can be applied in different ways with varying degrees of detail. Underlying different systems, there are, however, certain broad, common principles. First of all, it is necessary to be quite clear as to the criteria to be applied. Under all methods, except the simple, ranking method, it is necessary to define either the grades in which jobs will be placed or factors in terms of which they will be evaluated. These criteria must be defined in clear, unambiguous terms. The next step consists of a more or less thorough examination, and description, of the jobs to be assessed in terms permitting them to be evaluated according to the grade or factor descriptions established for the purpose. Then the jobs have to be compared with each other or with some other job. Finally, the jobs have to be arranged in a certain order or "ranked."

A decision to introduce job evaluation may be taken by management as a management task and, perhaps, as a starting point for negotiation with trade unions with or without the approval of the union. Similarly, the implementation of this decision may or may not involve trade union participation, depending, *inter alia*, on the wishes of both the parties. Whether or not there is trade union participation, outside consultants may be called in to advise on the technical problems involved. The second decision concerns the choice of the system to be applied. Sometimes, an entirely new scheme has to be developed for the plant concerned: in other cases, an existing scheme, suitably adjusted to the special needs and conditions of the plant, can be used. Once it has been decided what system is to be used, the most important next steps are description, analysis and rating of jobs. This work is often entrusted to committees, particularly in the larger firm. Whereas job description can be left to technicians, final decisions as regards the contents, rating and the classification of jobs are, in many cases, taken by the committee which might be a joint body when there is union participation.

Conversion

Once job evaluation has been completed, there remains the question of applying the results of evaluation to the fixation of wage rates by converting points into wage rates. This transplantation of the evaluated job structure into a structure of wages is a decisive one, for it determines whether the resulting wage structure is rational and equitable. The requirements which such a wage structure should meet are: (1) The rates should stand in a suitable relationship to comparable rates paid by other employers, and (2) they should have an acceptable relationship to each other.

In principle, the conversion of the evaluated job structure into a wage structure is achieved by adding to a certain minimum wage rate an amount which is determined on the basis of point value allotted to each job. There is an infinite variety of possible functional relationship between points and wage rates. The most widely used method is that of assigning for each point a fixed and uniform amount of money.

When all jobs have been rated and their ranking has, through some appropriate collective bargaining procedure, been converted into a structure of wages, the change-over from the old to the new wage structure could be accomplished.

It may be noted that job evaluation does not preclude the adoption of incentive wage schemes. Job evaluation is concerned with the rating of jobs, not of the work of particular persons. Individual effort and performance may, but need not, be rewarded separately through a system of merit-rating or payment by results. The requirements of normal performance on any job can be defined and rated according to some system of job evaluation as a basis for rate-fixing. Performance which is above or below can be rewarded or penalised according to a system of premium payments which will necessarily affect earnings.

Inquiries conducted into the functioning of actual schemes in the United States, where job evaluation plays an important part, revealed interesting results.

Case Study

One of the most comprehensive surveys of job evaluation schemes was undertaken by the Industrial Relations Section of the Department of Economics and Social Institutions of Princeton University. This survey covered 73 companies, many in the metal trades, employing from 278 to 140,000 workers. Of the 73 companies surveyed, 41 reported general satisfaction with their job evaluation schemes, 11 reported definite dissatisfaction and 12 felt that they had had both satisfactory and unsatisfactory experience. The nine other companies could not express an opinion, as their schemes had not been operating long enough. Some companies reported on more than one scheme. Of 20 schemes which had proved unsatisfactory (including discontinued schemes), 14 had been established in 1939 or earlier. It appeared, therefore, that the longer a scheme had been in operation the greater the chances were that difficulties would arise which would require the scheme to be discontinued or completely revised. On the other hand, there was evidence that a large number of job evaluation plans, which had been established in 1939 or earlier, were still proving satisfactory.

Two other surveys, one by the Industrial Relations Centre of McGill University, of the experience of 96 companies in the Montreal area, and the other, by the Dartnell Corporation of Chicago, concerning the experience of 75 companies, also reported many cases of improved industrial relations as reflected in smoother collective bargaining and a reduction in wage grievances. A survey covering 23 aircraft manufacturing companies throughout the U.S. yielded a large number of favourable reports. Most of the companies stated that they were highly satisfied with their schemes, while slightly less than one quarter said that their schemes were satisfactory and only one that its scheme was fairly satisfactory. None reported that its scheme had proved unsatisfactory.

Interesting experiences were also revealed by the study undertaken by the High Authority of the European Coal and Steel Community on the application of job evaluation in the steel industries of the member-countries.

Merits

The extent to which job evaluation finds practical application will depend, in the long run, on the balance of advantages and drawbacks of the method. These differ as between different undertakings, industries and countries. On the basis of past experience, the following merits of job evaluation are listed in the I.L.O. study:

1. Job evaluation is a logical and, to some extent, objective method of ranking jobs relatively to each other. It may thus help in removing inequities in existing wage structures and in maintaining sound and consistent wage differences in a plant or industry. It may also result in a simpler wage structure than the existing one, more easily understood and accepted by the workers.

2. It helps in removing grievances over relative wages and thus may improve labour-management relations and workers' morale, in addition to reducing the time that management and trade union officers have to devote to such grievances, thereby enabling them to deal with other important matters. In providing a yardstick by which workers' complaints or claims can be judged, the method simplifies discussion of wage demands and enables differences in wages to be explained and justified.

3. It replaces the many accidental factors occurring in less systematic procedures of wage bargaining by more impersonal and objective standards, thus establishing a clearer basis for negotiations.

4. The method may lead to greater uniformity in wage rates, thus simplifying wage administration. If widely applied in an industry, it also tends to facilitate wage comparisons between geographically separated employment markets, which, again, may be helpful for certain bargaining purposes.

5. The information collected in the processes of job description and analysis may also be used for the improvement of selection, training, transfer and promotion procedures on the basis of comparative job requirements.

6. Such information also reveals often that workers are engaged on jobs requiring less skill and other qualities than what they possess, thereby pointing to the possibility of making more efficient use of the plant's labour force. More generally, inefficiencies in the organisation and methods of work and possibilities of improving working conditions and reducing job hazards, may be discovered.

Not a Panacea

Job evaluation is not a panacea. The scope of its useful application is limited by a number of factors of which the principal ones, according to the I.L.O. study, are:

1. However logical and consistent a system may be, account has to be taken of various limits to the possibility of changing apparently illogical elements in an existing wage structure. Certain external rates may have to be paid for "hiring jobs" whether they are compatible with the job evaluation system or not; traditional wage relationships, however inconsistent they may be, cannot always be altered.

2. When job evaluation results in substantial changes in the existing wage structure, the possibility of implementing these changes in a relatively short period may be restricted by the financial limits within which the firm has to operate.

3. When there is a large proportion of incentive workers, and, especially, when incentives have to be changed frequently, it may be very difficult to maintain a reasonable and acceptable structure of relative earnings.

4. In any case, job evaluation does not provide a complete answer to the wage problem. It has nothing to say about the absolute wage level and little about the absolute size of the wage differentials appropriate to the evaluated job structure. It is not concerned with questions of rewarding loyalty, seniority or merit, and its consistent application may be very difficult in cases where payment by results is applied.

5. In particular, the process of job rating is, to some extent, arbitrary because few of the factors and degrees can be measured with great accuracy. This process can certainly not be regarded as "scientific" and it can be considered "objective" at best, in the sense that, under ideal conditions, it is free from deliberate bias. All that can be expected to emerge from the process is a well-considered and honest, but basically subjective, evaluation of jobs.

6. Job evaluation takes a long time to install, requires specialised technical personnel and may be quite costly. One Canadian estimate put the cost of installing a scheme at $45 per job evaluated and maintenance charges at about 25 cents per employee per month.

7. The drawing up of job descriptions tends to formalise job contents, which may lead to abuses by workers who acquire a vested interest in maintaining the requirements for certain jobs.

8. Trade unions often regard the method with suspicion and in some cases with hostility. In such cases, job evaluation may still be useful in helping management to clarify its own ideas as to what is to be regarded as a suitable wage structure, but the possibilities of using the results of the method in actual wage negotiations and in the settlement of grievances will be limited.

While it cannot be said that employers generally are strongly in favour of job evaluation, there appears to be little opposition by them to this method. The position, however, is different on the trade union side. There is a great deal more in the way of frank opposition to the method than among employers. At the same time, there are also unions who have taken a less critical view of job evaluation. For instance, the United Steel Workers of America extended its wholehearted support to the job evaluation plan introduced in the U.S. steel industry which eliminated many current and prospective wage grievances.

Trade union opposition is sometimes based on the fear that job evaluation limits, or does away, with collective bargaining, a fear which, as noted above, is unfounded. Sometimes, the opposition springs from general problems such as the novelty of job evaluation, its complexity and the unpredictability of its results or from specific problems of the union, especially of the newly founded ones, such as its preoccupation with organisational matters, etc., which makes it difficult for the union to commit itself to job evaluation.

Prerequisites for Success

There are, however, certain conditions which would make union participation in job evaluation easier. They are: (1) The union should be well established, so that it would be easier for union leaders to commit themselves to any scheme when the organising phase of its development is over. (2) The scheme adopted should be as simple as possible, so that the individual worker can understand it. (3) Once the job evaluation system is accepted by a union, it should be implemented as a truly joint undertaking. Suitable procedures should be devised and genuinely applied for consultation at all stages, including, particularly, that of job-rating. Individual workers should also be given a suitable measure and sense of participation. (4) The system should be designed and operated in a flexible manner, enabling a larger number of special considerations to be taken into account.

A great deal of irritation and suspicion in regard to job evaluation can be avoided, if the plan is administered in a spirit of understanding and goodwill. Unions will find it easier to accept such a system, if they feel assured that employers are willing to have it administered in such a spirit.

INCENTIVE WAGE PLAN IN U.S.

One in every four working in production and related departments of U.S. manufacturing industries in 1958 was paid on an incentive basis, according to a survey conducted by the U.S. Labour Department's Bureau of Labour Statistics (B.L.S). The B.L.S. study—its first comprehensive one in more than a decade—showed that 27 per cent. of manufacturing industry's 11.3 million workers were under some form of incentive pay plan.

As compared with a similar survey made in 1945-46, there has been no significant gain in the proportion of workers who receive extra pay for extra efforts. B.L.S. officials say that there is no reason to expect this comparatively stable situation to change during the next five years. Wider use of labour-saving equipment will increase the number of incentive-plan workers in some fields, reduce the number in others, with a net balancing effect.

Generally, the survey found, the industries in which a relatively high proportion of time is spent handling materials are likely to use incentive pay; control over production rests, to a considerable degree, with the worker. On the other hand, the extent of incentive pay plans is usually low where output is machine-spaced and incentive pay would hardly increase production, whether it be in the United States or in the U.S.S.R. where incentive pay plans were adopted in the late 1930's.

The extent of incentive pay plans in the United States has a high degree of uniformity in some industries, not much in others. Sewers in the garment industry are under incentive pay plans; cutters are not. In other industries, notably metal-working, there is little uniformity. Practices depend on such factors as the degree of standardisation of products and work processes, management views on incentive pay, and—most important—union-management relations.

According to the B.L.S. study, incentive wage plans most commonly in use are based either on piece-rates or production bonuses. Piece-rate plans link earnings directly to the total number of units produced by an individual or the group in which he works. The production bonus system provides an extra payment for production that exceeds a quota or that is done in less than a standard time. It, too, can be on either an individual or a group basis. Incentive coverage usually is limited to workers who are engaged in direct production. However, some group bonus plans are now extended to give a share of extra earnings to workers who are only indirectly connected with production, such as maintenance and custodial employees. Nearly all incentive plans include a rate guarantee if production standards are not met.

The survey reported that the number working under incentive plans ranged downward from about 70 per cent. in the men's and boys' apparel industry and the leather footwear industry to fewer than 10 per cent. in a number of large industries, including aircraft and aircraft parts manufacturing. The use of wage incentives is comparatively high in the cigar industry, in knitting mills, in part of the women's apparel industry, and in the steel industry's furnaces, works, and rolling mills. Of about 408,300 workers in the steel industry in mid-1958, about 245,000 were paid under incentive plans. On the other hand, only a mere 2 per cent. of the workers in automobile assembly plants were paid on an incentive basis. In companies where the trade union has a labour contract with the management, the rates of incentive pay are negotiated by collective bargaining as is the case in respect of basic wage scale and working conditions.

*Job Evaluation: Studies and Reports: New Series No. 56. Published by I.L.O. Geneva. Price: 7s. 6d. Pages: 146

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FUTURE DEMAND FOR FINISHED STEEL

RESULTS OF SPECIAL STUDY BY THE NATIONAL COUNCIL OF RESEARCH

IN a study of India's steel needs,* based chiefly on the end-uses of steel, the National Council of Applied Economic Research (Director-General: Dr. P. S. Lokanathan) places the requirements of finished steel by 1965-66 (the end of the third Five-year Plan) at 7.2 million tons, as against 3.61 million tons for 1960-61. On the basis of an estimated population of 480 million in 1965-66 the *per capita* consumption will work out to 34 lbs., as against 19 lbs. in 1960-61, when the population is about 430 million. Projecting the estimates into the period of the fourth Plan, the Council places the requirements of steel in 1970-71 at 12.9 million tons which will give, for a population of 528 million in that year, a *per capita* consumption of 56 lbs.

Of the total demand for 7.2 million tons in 1965-66, large and medium-scale industries are expected to account for 50.2 per cent., small-scale industries for 6.3 per cent., transport and communications for 21.1 per cent. and housing construction for 8.8 per cent., the share of these sectors in the total anticipated demand of 12.85 million tons in 1970-71 is placed at 62.0 per cent., 6.2 per cent., 15.5 per cent. and 6.4 per cent. The following table gives the demand pattern, as drawn up by the Council, in 1960-61, 1965-66 and 1970-71:

Requirements of Steel by Consuming Sectors

(In thousand tons)

Consuming sectors	1960-61	1965-66	1970-71
Transport and communications	772	1,515	1,993
	(21.4)	(21.1)	(15.5)
Large and medium-scale industries	1,571	3,599	7,970
	(43.4)	(50.2)	(62.0)
Small-scale industries	300	450	800
	(8.3)	(6.3)	(6.2)
Housing and construction	350	632	821
	(9.6)	(8.8)	(6.4)
Power projects	107	266	379
	(3.0)	(3.7)	(3.0)
Irrigation projects	158	221	208
	(4.4)	(3.1)	(1.6)
Agriculture	320	435	610
	(8.9)	(6.1)	(4.7)
Others	35	50	75
	(1.0)	(0.7)	(0.6)
Grand total	3,613	7,168	12,856
	(100.0)	(100.0)	(100.0)

Figures in brackets are percentages.

The following table gives the estimates of the requirements of categories of finished steel in 1960-61, 1965-66 and 1970-71:

Requirements of Finished Steel by Categories

(In thousand tons)

Categories	1960-61	1965-66	1970-71
Heavy structurals	270	500	874
	(7.5)	(7.0)	(6.8)
Light structurals	330	640	1,202
	(9.1)	(8.9)	(9.4)
Rails and fish plates	311	700	931
	(8.6)	(9.9)	(7.2)
Sleepers and sleeper bars	98	215	249
	(2.7)	(3.0)	(1.9)
Tin plates	140	250	400
	(3.9)	(3.5)	(3.1)
Sheets	583	1,051	2,336
	(16.1)	(14.7)	(18.2)
Plates	300	666	1,274
	(8.3)	(9.3)	(9.9)
Bars and rods	1,097	2,176	3,918
	(30.4)	(30.3)	(30.5)
Wire and wire products	126	212	346
	(3.5)	(2.9)	(2.7)
Special steel (including tool and alloy steel)	107	276	514
	(3.0)	(3.8)	(4.0)
Skelp	168	330	590
	(4.6)	(4.6)	(4.6)
Wheels, tyres and axles	43	72	102
	(1.2)	(1.0)	(0.8)
Hoops and strips	40	80	129
	(1.1)	(1.1)	(0.9)
Total	3,613	7,168	12,856
	(100.0)	(100.0)	(100.0)

Figures in brackets are percentages.

Railways

In the transport and communication sector the railways account for the major share of the demand for steel. Indeed, they are the largest single consumer of steel. Their total requirements of steel are placed at 653,530 tons in 1960-61, 1.32 million tons in 1965-66 and 1.69 million tons in 1970-71. This is based on an analysis of the increase in the volume of traffic the railways will have to handle and their programme for rolling stock and track renewal and new track. By 1965-66 and 1970-71, the long-distance traffic, according to the Road Development Plan, is expected to move up to 300 million tons and 440 million tons, respectively; the corresponding estimates made by the Council are 276 million tons and 429 million tons. The share of the railways in this traffic, according to the Road Development Plan, is placed at 228 million tons in 1965-66 and 305 million tons in 1970-71; the corresponding estimates of the Council are 221 million tons and 322 million tons. It is on the basis of its estimate of prospective traffic that the Council has envisaged the railways' demand for steel. Other consumers of steel in the transport and communications group include roads and bridges (65,000 tons in 1965-66 and 105,000 tons in 1970-71), shipping, shipyards and ship repairs (67,400 tons in 1965-66 and 110,000 tons in 1970-71) and ports and harbours (30,000 tons in 1965-66 and 40,000 tons in 1970-71).

The requirements of the large-scale and medium industries in 1965-66 and 1970-71 are estimated at 3.60 million tons and 7.98 million tons respectively. Of this, the share of the industries in the public sector will be 49 per cent. and 57 per cent. in 1965-66 and 1970-71 respectively, as compared with 35 per cent. in 1960-61. The steel requirements of the industries in the public sector will increase as greater emphasis is laid on developing basic industries in this sector. The demand for steel by the small-scale industries in 1960-61, 1965-66 and 1970-71 is placed at 300,000 tons, 450,000 tons and 800,000 tons, respectively. The requirements of steel for power projects in 1965-66 are estimated at 266,000 tons (255,000 tons in the public sector and 11,000 tons in the private sector) and at 379,000 tons in 1970-71 (357,000 tons in the public sector and 22,000 tons in the private sector).

Irrigation

Irrigation projects are also large consumers of steel. On the basis of the trends in consumption in recent years and the proposed allotment to irrigation in the third Plan, the Council places the requirements of irrigation projects at 221,000 tons in 1965-66 and 208,000 tons in 1970-71. The agricultural sector is a larger consumer of steel than irrigation projects. The total requirements of steel in this sector have been classified under such heads as machinery and implements, fencing, plant protection and equipment and building construction. On the basis of investment proposed in the third Plan, the Council places the requirements of steel in the agricultural sector at 435,000 tons in 1965-66 and 610,000 tons in 1970-71.

On the basis of the actual steel consumption in the public and private sectors, the steel requirements in 1960-61 for housing and construction work out to 350,000 tons. For the third and fourth Plans, the outlay on housing and construction by the public sector has been taken to be Rs. 1,212 crores and Rs. 1,640 crores, respectively, and that by the private sector is placed at Rs. 1,350 crores and Rs. 1,720 crores respectively. The requirements of steel have been worked out on the basis of the steel norm for housing as observed during the second Plan, suitably modified to take account of the greater needs of modern housing in the future, particularly during the fourth Plan period, when the required categories of steel are likely to be available in sufficient quantities. The estimated requirements of steel for housing and construction, as defined here, thus come to 632,000 tons and 821,000 tons by the end of the third and fourth Plan periods, respectively.

Finished Steel

The total requirements of finished steel, as stated at the outset, are 3.61 million tons, 7.17 million tons and 12.86 million tons in 1960-61, 1965-66 and 1970-71; these are in long tons. The corresponding figures in metric tons are 3.67 million, 7.28 million and 13.06 million. In terms of crude steel, the total requirements are placed at 4.82 million tons, 9.56 million tons and 17.14 million tons in 1960-61, 1965-66 and 1970-71, respectively. Basic pig iron required to correspond to those quantities in the three years under discussion are 5.88 million tons, 11.29 million tons and 20.26 million tons. If to these estimates are added the requirements of foundry-grade pig iron, the total requirements of pig iron come to 7.14 million tons in 1960-61, 13.62 million tons in 1965-66 and 24.26 million tons in 1970-71. If the requirements of steel in 1965-66, as estimated in this study, are to be met from domestic sources of supply, the capacity of the steel industry, it is stated, has to be increased from 6 million ingot tons to about 9.6 million ingot tons. This additional capacity is expected to produce about 2.6 million tons of finished steel, which represents the difference between the requirements in 1965-66 and the supply from existing plants at full capacity production. The Council recommends that, if there is surplus in any category of steel, the manufacture of engineering goods based on the surplus categories should be undertaken with a view to exports rather than exporting the finished steel categories themselves. In planning the production programme for expansion of the steel industry, special attention should be paid, according to the Council, to increasing the capacities of flats and rounds, wire, skelp and special steel.

Micro-approach

It will be seen that, in estimating steel requirements, the Council has, by and large, adopted the micro-approach involving the study of the end-uses of steel. In his preface, Dr. Lokanathan observes: "Production in economic as well as other affairs, is obviously fraught with risks and no less so, even in the short-term, when the prophecy is too near the event." The Council notes that the demand for steel in the next ten years will depend on the economic development of the country, which, in turn, will be shaped largely by the third and fourth Plans. It is possible that some changes in the programmes will be made. It is impossible at present to know, says the Council, how far the estimates made in this study must eventually be modified by policy changes in the future. Further, changes in production techniques and the pace at which they are introduced will also influence future patterns of steel demand. For instance, it has been assumed that the demand for electric locomotives will be largely met from imports in the third Plan period; if it is decided to use more diesel and electric locomotives than steel locomotives, it is likely to alter the demand for different categories of steel, shifting it from boiler plates, tubes, etc., to high quality rolled steel bars, thin flats, etc.

Changes in the rate of growth of population are also likely to affect the estimates, particularly for consumer goods industries, the targets for which are usually made to depend on the growth of population. The Council records that a limitation in its study has been the comparative lack of data in many sectors of the economy. Thus, no information is directly available on the consumption of steel by various sectors of the economy. Accordingly, it has recommended that an organisation be set up to collect all information in respect of production and consumption of steel both by the public and private sectors and to publish them periodically as is done at present by the U.K. Iron and Steel Board and the American Iron and Steel Institute. Further, there should be, according to the Council, periodical studies of the demand for and supply of steel, category-wise, through a realistic appraisal of different industries and sectors.

**Appraisal of Steel Demand: Report of the National Council of Applied Economic Research.* Published by the Council of Scientific and Industrial Research, New Delhi. Price Rs. 10.

STEEL IN THIRD PLAN

Characterising the emphasis given to steel and heavy engineering in the third Five-year Plan as "excessive," Mr. J. R. D. Tata, Chairman of the Tata Iron and Steel Company Ltd., said that it was very difficult to make a precise estimate of the country's steel requirements five years hence although it was possible to assess the needs of major users like the railways, it would be difficult to assess the demand when it came to house building and a hundred other activities. Mr. Tata, who was speaking to Press men who had gathered at Jamshedpur last week for the opening of Tisco's new merchant mill—the mill has an annual capacity of 220,000 tons which can be increased to 330,000 tons—pointed out that Japan in 1958-59 had used 7.6 million tons of finished steel. He was struck by the fact that Japan had a far higher output of goods and products made out of steel than India planned to have at the end of the third Plan period with a steel target bigger than Japan's current level of production.

Mr. Tata observed that, while a million-ton steel plant would cost roughly Rs. 150 crores, it would yield an output of Rs. 45 crores in value whereas the same investment in engineering industries would generate wealth almost equal to the total investment. Reckoned in terms of foreign exchange, a million-ton steel plant would require an expenditure abroad of Rs. 75 crores; the plant would save, on the basis of full capacity production, only Rs. 45 crores. Against this, the foreign exchange saving in the case of engineering industries was likely to be much greater. Further, with the exception of petro-chemical industries, steel provided the lowest employment per rupee of investment. A Rs. 150-crore steel plant was unlikely to give employment directly to more than 8,000 to 10,000 men even by the Indian standards of manning steel plants, whereas the same investment in secondary industries would create at least four times greater employment opportunities. Again, there was the need to set their raw material position right before planning for new plant; this was causing some headache even with their present capacity. As for the argument that, if there was a surplus of steel in the country the material could be exported, Mr. Tata asked whether it would be more advantageous to sell steel at Rs. 600 a ton after making all the enormous investments than earn eight to ten times that amount by selling finished steel goods produced by industries which needed less investment and employed more people. Accordingly, he pleaded for re-thinking on steel, keeping in mind the severe scarcity of funds, both internal and external.

NUCLEAR STATION

The first atomic power station in India will be located at Tarapore, a village on the west coast of Bombay State, between Bombay and Ahmedabad. This was announced by Mr. Nehru who was replying to a two-hour discussion, in the Lok Sabha last week on the report of the Atomic Energy Establishment for the year 1959-60. Mr. Nehru said that the place had been chosen entirely from the point of view of the facilities it offered. Describing atomic energy development as something deeper than the establishment of a power station, Mr. Nehru said that they were determined not to lag behind in the use of the new power. Citing extracts from the British White Paper and other articles on the subject to show that in other countries, atomic energy had been believed to work out cheaper than conventional power, he said that India was favourably situated in the development of atomic power, so far as the cost of the element for the generation of power was concerned. He was confident that nuclear power would soon definitely become an economic proposition in India. A station, started now, would take four years to become ready. It would supply power to Maharashtra and Gujarat alike. The Government was also considering the establishment of two more power stations. Mr. Nehru paid a tribute to the "brilliant set of scientists" in the Establishment. He said India was among the few countries which had developed the technique of fabricating fuel elements. A plant set up at a cost of Rs. 81 lakhs, of which the foreign exchange component was Rs. 40 lakhs, was saving the country annually Rs. 45 lakhs in foreign exchange. He also drew attention to the development of electronics division in Trombay.

The location of the plant in Tarapore follows the systematic examination of the west coast region by a project team set up in August 1959 under the leadership of Mr. M. N. Chakravarti, a former member of the Railway Board. The major factors which should be taken into account in the choice of a site for atomic power, are stated to be: (1) engineering requirements with particular reference to cooling and foundation conditions, (2) considerations affecting the despatch of power to load centres and (3) health and safety considerations. The atomic power station at Tarapore which is expected to have a capacity of 300,000 kw. (two reactors of 150,000 kw. each), will be the biggest of its kind in Asia. It is provisionally estimated that it will cost Rs. 51 crores.

NUCLEAR FUEL-PROCESSING PLANT

Inaugurating the work on the Eurochemic nuclear fuel-processing plant, Dr. Erik Svenke, Chairman of the Board of Directors of Eurochemic, recalled how the preliminary studies made by a Study Group within the organisation for European Economic Co-operation paved the way for a joint undertaking by 13 countries, called the "European Company for the Chemical Processing of irradiated Fuel" or "Eurochemic." Dr. E. Svenke, in his address to the Board at Paris last month, stated that the venture was located at Mol in Belgium, a central point in Europe where it was readily accessible to all participating countries. Emphasising the significance of the new venture, he said that it arouse from the fact that atomic fuel could not be completely used up in one stage. The spent fuel, therefore, contained burnable material. It also contained new fissionable material which had been created in the reactor. By reprocessing irradiated fuels, it was possible to recover the valuable elements in the fuel with such purity that they could be used again.

The technical basis of the recovery of the valuable elements, it is stated, is a series of chemical processes. When one tries to apply these processes to highly radioactive substances, one meets problems completely new to conventional chemical industry. The specifications of the products from the process are very strict and the process uses dangerous mixtures of nitric acid and organic chemicals. To this is added the problem of dealing with the large amounts of highly radioactive substances. These conditions make it necessary to install all equipment in radiation-shielded cells surrounded by thick concrete walls. The processes must be remotely controlled by instruments since no human being can be allowed to come close to the equipment during operation. The main part of the radioactive waste comes out in the form of a concentrated liquid which has to be stored for a long time in shielded steel tanks. Another problem for the chemical engineer is how to avoid criticality, that is the equipment and the

(*Continued on page* 354)

ESTRELA BATTERIES LIMITED

MR. PANNALAL BANSILAL PITTY'S SPEECH

THE Twenty-first Annual General Meeting of Estrela Batteries Ltd. was held in Bombay on 12th August 1960. Addressing the shareholders on the occasion, Mr. Pannalal Bansilal Pitty, Chairman of the Company, observed that the demand for the Company's radio batteries which were introduced last year was encouraging. He visualised a "very heavy demand" for this product in the near future.

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

"FRIENDS,

"I have great pleasure in welcoming you all at this twenty-first annual general meeting of your Company. The audited statement of accounts, together with the Directors' report thereon, is with you for sometime and I, with your permission, take them as read.

Financial Picture

"The financial picture, as presented in the Directors' report, is quite promising. Another milestone in our march of progress was achieved during the year by increase in sales from Rs. 90.43 lakhs to Rs. 110.95 lakhs. This resulted in the profit for the year, before recommended appropriations, of Rs. 8.15 lakhs as compared with Rs. 7.23 lakhs during the year ended 31st March 1959.

"The later part of the year was marked with the introduction of radio batteries in the market. The demands are quite appreciative and encouraging. We hope to produce more quantities during the current year. Due to the increase in the standard of living of the people, it is visualised that there will be very heavy demand for this product in the near future.

Tax Savings

"The tax savings arising from a lowered rate of company tax on 1959-60 profit have not been sufficient to compensate shareholders fully by way of dividends. Even though it has been possible for the Directors to recommend payment of a higher rate of dividend on equity shares—the highest so far in the history of the Company—the net receipts in the hands of the shareholders are less, because of the new base of tax policy. While in the case of preference shareholders, representations were received by the Company from preference shareholders stating that they should receive the same net amount of dividend as they were getting in previous years, and with a view to meet their wishes, your Directors thought it desirable to recommend higher dividend of Rs. 3.57, so that they may get the same net amount as they got in previous years. However, the Company may revise the mode of payment of dividend to them as and when the ambiguity in the law is cleared.

"To help in pushing our products and for creating a demand in various markets of rural areas, five more vans for advertisement purposes were purchased. Due to the largeness of the country and to exploit the potentialities of various rural markets and with a view to enabling us to give effective service to the trade, the movement with vans seems to be vital for the desired results, and we may purchase a few more vans for the uncovered markets in the future.

Training

"The training of the personnel at various levels of the organisation is as vital as use of the modern equipments. This is an age when initiative and leadership are in demand at various stages. New philosophies and techniques are growing and developing at all times. With a view to developing these qualities, training programmes for the staff at various levels are conducted. These trainings are proving of great benefit as they develop confidence in them to face the difficult situations. The Company's officers are taking part in various conferences, seminars, residential courses, etc., conducted by various associations, so that they can keep in touch with the latest developments in managing the industries.

Canteen

"The appeal to the Supreme Court filed by the Company against the Award of the Industrial Tribunal was withdrawn, as a compromise was arrived at with the workers' union after lengthy negotiations. The grades and scales as outlined in the Award of the Industrial Tribunal were implemented in a most co-operative spirit and cordial atmosphere. Further, to improve the conditions of service and to facilitate the employees to have their meals with satisfaction and comfort, a good canteen was constructed during the year, costing approximately a lakh of rupees.

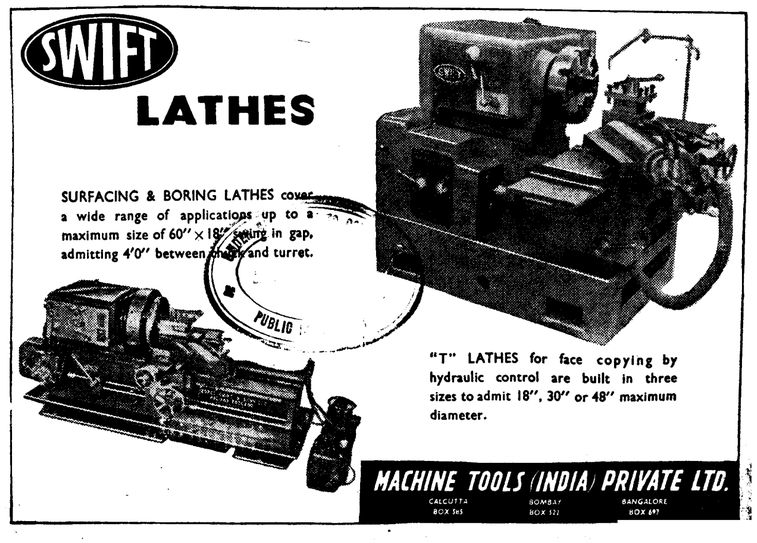
"As mentioned to you in the Directors' report, Bombay, Saurashtra, Gujarat and Sangli agents are converted into commission agents with practically the same terms.

Staff

"I am sure you will wish to join me in recording our appreciation of the valuable services rendered by my co-Directors, Managing Agents, General Manager and all employees, whose combined efforts in a difficult year have achieved the results you see before you, and which, I consider, can be regarded as remarkably satisfactory.

"I shall be glad to answer any questions or will explain any query that you have.

"Thank you."



NEW PRODUCTS AND PROCESSES

New Home Bottling Equipment

ONE of Australia's largest fruit preserving companies, Fowlers Vacola Manufacturing Company Ltd. of Melbourne, has produced a new home bottling outfit that is all electric and operates automatically, with thermostat control. Housewives in Australia are said to have found the unit ideal for home preserving of fruit and vegetables. Fowlers Vacola Ltd. produces a complete and compact patented home equipment for preserving food in self-sealing vacuum bottles after sterilisation by heat. The equipment is available in seven sizes ranging from those holding 12 x 11 lb. bottles to larger units sterilising 55 x 21 lb. bottles in one operation. The smallest outfit is used in cookery classes in schools and colleges.

Adhesives in Automobiles

The trend towards greater automative use of aluminium will lead to the increasing use of adhesives for joining structural parts of cars, according to experts of Messrs. A. F. Thomson and A. F. Martin of the Minnesota Mining and Manufacturing Company. Structural adhesives are particularly suited to compete with present bonding methods for nonferrous materials, and in some cases they're the only sensible joining methods. Adhesives permit the use of lighter gauge metals, as the load can be spread over a larger area. In addition, adhesives provide a way to join dissimilar metals without fear of galvanic action, and provide a happy solution to the problem of joining aluminium either to itself or dissimilar metals. It is said that adhesives can be used as a combination seal and bond.

Cheaper Bookbinding

Bigger output, lower costs and less fatigue for the bookbinder—these are the advantages claimed for a revolutionary new turning-in machine developed in Britain which is intended for the large number of publishers, casemakers and loose-leaf manufacturers for whom costly automatic machines are not an economic proposition. The result of three years' development, the machine is extremely simple without motors, springs, treadles or levers. It works on the principle of two opposed clamping jaws linked together, travelling rearward with the work and progressively pressing the material from the edge onwards. Even an inexperienced operator can turn in a complete case (four sides and four square corners) in 15 seconds and it is claimed that the result is often better than the work of a skilled bookbinder as the material cannot be stretched. Adjusting the machine for different thicknesses of board takes only 10 seconds.

New Aid for Blind 'Phone Operators

Following a suggestion from the Royal National Institute for the Blind, Mullard Research Laboratories have produced a design for an acoustic lamp reader that enables blind operators to man the newer types of telephone switchboard on which the signalling is visual. The devices, intended for use on private branch exchanges, uses a photo-electric cell, a transistor oscillator and a loudspeaker to convert the light output from the signalling lamps to an audible tone. It can be fitted without modifications to the board. The photo-cell is mounted on a small carriage which is attached magnetically to metal rails already existing on the board. When the carriage is moved by hand along the rails the photo-cell passes over each signal lamp in turn, and any active lamp causes the cell to respond, producing a tone from the loudspeaker. The blind operator can thus locate any line needing attention, and determine the state of the board at any moment without interrupting the traffic.

New Timber Hauling System

The method of dragging timber by means of a radio-steered winch, introduced in Sweden a couple of years ago, has, after years of practical testing, become firmly established. The inventor of the manpower and time-saving system, Mr. Gunnar Peterson, was awarded the Andrée Plaquette in Bronze and a Prize for the best silvicultural invention by the Swedish Society of Inventors recently. The method makes possible considerable rationalisation of forest transportation work. The machinery consists, in brief, of a motor-driven winch born on sled runners equipped with a radio receiver and a separate radio transmitter. The winch sled can be used both for dragging the logs to the desired place and for moving itself to another location by means of a system of attaching the wire to a convenient tree or tree stub. The winch has a dragging capacity of one ton, and the wire has a speed of 50 metres (165 feet) per minute. It also performs the gripping and depositing of the logs. The latest model of the winch weighs just short of 400 lbs.

Waterproofing Leather

An Australian research team is reported to have evolved a cheap, efficient method of waterproofing leather. In overcoming a problem which has always faced the leather industry, it has—as "by-products" of the research—increased the wearing qualities and making-up characteristics of leather. The new method was evolved by the Australian Leather Research Association. Dr. G. E. Cunningham, Director of the Association, emphasised that the process is extremely simple and completely practical in the tannery.

The Australian process has been given the name "Alrapruf" and has been provisionally patented. The method calls for a combination of polyisobutylene rubber and a special blend of low melting waxes. According to Dr. Cunningham the treated leather has the appearance of ordinary bark-tanned leather. Tests have shown that the treated leather lasts three times as long as untreated. It machines remarkably well, is easily stitched and finished, and cleared leather can be cemented easily. The Association has already arranged for an Australian chemical firm to blend the impregnant and market it.

Timber That Beats Steel

Laminated timber arch beams, evolved by Ralph Symonds of Australia have been used in a very graphic demonstration to support the roof of the company's 14½-acre building in Sydney. The building—1,150 feet long and 525 feet wide—is claimed to be the largest clear-span factory in Australia. Under its roof, 750 people are employed on a single floor. The laminated arches are said to have proved stronger, yet lighter than the steel type previously used in this style of construction.

The big factory also incorporates several other unusual designed aspects which have intrigued engineers. Rain water, for instance, is carried from the roof by means of a box gutter, at roof-valley level and passes into drain pipes designed to act as structural columns. The water is then fed into large-diameter, concrete pipes, cast integrally in the concrete floor of the building and fed into Homebush Bay or the adjacent Parramatta River. The unique roof design overcame formidable problems because the 18-acre roof would have become a vast water catchment area if conventionally planned.

New Principle in Weaving

The introduction of a basic new principle is bound to be a rare occurrence in a trade that has for some thousands of years been spinning wool fibres into yarns and interlacing these with each other to form a woven fabric. Such an invention has, however, been recently developed at Torridon, the Leeds headquarters of the British Wool Industries Research Association.

The W.I.R.A. Full-width Temple embodies an entirely new principle in weaving. Its main object is to reduce the breakage of warp threads during weaving caused by the additional strain imposed on them when each new weft thread is beaten into place by the reed. By holding the cloth firmly across its full width, the new device virtually eliminates the additional strain and thus also the warp breakage. The principle is a new one. The increase of tension in the warp threads has been replaced by a decrease of tension in the cloth, which achieves the same effect, allowing the new weft thread to assume its correct position in the cloth. Other advantages are that certain imperfections in the cloth associated with ordinary temples are eliminated, and that conventional looms can be given greater versatility. With the new temple some clothes can be woven on looms that would otherwise be considered unsuitable for them. The new temple can be fitted to any ordinary loom, and its cost is low—about £25: more than one manufacturer has estimated that the initial cost would be recovered in a few months.

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Delhi, Kanpur, Madras, Secunderabad, Vijayawada.

MK 348

Fully Instrumented Forge Furnace

A new fully instrumented experimental forge furnace has just been completed in the Energy Section of the British Iron and Steel Research Association, Battersea, London. The furnace will be used to investigate the thermal efficiencies attainable in batch type heating processes. It is designed so that the material of construction can be varied, as can the heating schedule, type of fuel and furnace load, re-circulation and waste heat recovery techniques. The heat capacity of the chamber can be altered by the provision of two alternative roofs, one of fire-brick and the other of high temperature insulating brick. Oil or gas firing is provided for by means of three burners firing tangentially above the ingot and two below. The effects of convection and radiant heating can be studied. Comprehensive instrumentation allows calculation of complete heat balances at short intervals throughout the heating cycles.

New Electronic Computer

Atlas—the electronic digital computer now under development at Manchester University—is expected to be the ultimate in present generation digital computers and will operate at speeds approaching that of light. Information in the machine is represented by electrical impulses which are transmitted through wires at near-light speeds, but they still take an appreciable time compared to the speed of operation of the machine itself.

As no information can be transmitted faster than the speed of light, Atlas is pressing on this "light barrier" which will prevent any machine operating on present-day principles from going any faster. To minimise this problem Manchester University and Ferranti engineers have so designed the machine that the length of wires for carrying pulses will be as short as practical. This is a significant stage which has been reached in computer design—and a remarkable one when it is realised that the computer industry, a post-war development, is still only in its infancy.

Atlas will be one of the world's two fastest and most powerful computers. The only other machine comparable in performance is a giant U.S. computer which will cost considerably more than the British machine, which will be about £1 to £3 million, depending on the size of the installation. The computer will be approximately one thousand times faster than the world's first commercially available computer built by the same firm ten years ago, and 100 times faster than Mercury, currently Europe's fastest computer.

Beryllium Monitor

The Beryllium Monitor designed and developed by the United Kingdom Atomic Energy Authority is claimed to be the most completely automatic, accurate and rapid instrument yet. Designed for the detection of beryllium aerosols, it visually records on a graph every 60 seconds the beryllium content of a fresh sample of the atmosphere in which the instrument is present. It is essential to the health of persons employed in workshops and laboratories using beryllium, its ores and alloys, that the beryllium concentration should not exceed two millionths of a gram per cubic metre. Also, unlike in previous methods of analysis, which were time-consuming, it is essential that sudden, or unexpected increases in beryllium concentration should be quickly indicated, as with this new instrument and, automatically some kind of warning given. The monitor gives quantitative results over the range of 1 to 75 millionths of a gram per cubic metre, irrespective of the particle size or chemical composition of the beryllium atmospheric dust.

Novel Friction Hoist

What is believed to be the first pushbutton-operated friction hoist in the world, working with induction-motor drive and dynamic braking has recently been supplied by the Swedish Asea Company to the National Coal Board of Great Britain. The hoist has been installed in a 1,850 ft. deep shaft at the Seafield Colliery, East Fife, Scotland, and forms part of an order for four multi-rope, hoists for various British collieries, reports the Asea Journal. Three of the new units, all delivered to Scotland, are driven by three-phase induction motors. Due to the working conditions, induction-motor drive could only be adopted when combining it with d.c. braking. The installation is designed for both manual and pushbutton operation. The latter operating system is used for all transport of material, whereas service hoisting is controlled by an engineman, owing to the present British Mine Safety Regulations in force. Usually the speed in induction-motor mine hoists is regulated by the service brake in combination with the reconnection in steps of the secondary resistor of the motor. In the case of high speeds and large loads the energy which has to be absorbed by the brakes leads to excessive heating. Should it be desired to employ induction-motor drive also for this type of service, retardation with the service brake must be replaced by electrical braking.

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Authorised Capital	N.C. Rs. 1 crore
Paid-up Capital	N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund	N.C. Rs. 44 lacs

(N.C. Rs. 160=I.C. Rs. 100)

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PROBLEMS OF PLASTICS INDUSTRY

NEED FOR SELF-SUFFICIENCY IN RAW MATERIALS

THE imperative need for encouraging production of raw materials for the plastics industry within the country and, thereby, relieving it of its dependence on imports, was stressed by Mr. Krishnaraj M. D. Thackersey, in his presidential address at the All-India Plastics Manufacturers' Conference held at Bombay on the 10th inst. The present import cost in respect of plastics raw materials was estimated at Rs. 4 crores. The aim should be to manufacture all the raw materials within the country. He realised, however, that this would depend on the development of basic chemicals industry, which alone could ensure regular and adequate supply of such materials as benzene, alcohol, phenol, urea formaldehyde, calcium carbide, ethylene, acetic acid and pthalicanhydride. During the second Plan, he conceded, a start had already been made to manufacture some of these raw materials from imported intermediates. Where basic chemicals were available, some progress had been made in the manufacture of raw materials from indigenous materials too. Instances of these were polyethelene, polystyrene, phenol formaldehyde and urea formaldehyde. The quality of these raw materials, too, according to Mr. Krishnaraj, compared favourably with the imported ones. But their production was inadequate. Further, their cost, he added, was higher than that in world markets, "owing to production capacity still being comparatively small." He hoped that manufacturers would be able to bring down the price of raw materials, when their production expanded. If manufacturers of raw materials required by the finished plastics goods themselves started processing them, it caused nervousness among the producers of finished goods who were mostly small people. With a view to minimising the pressure on the available supplies of raw materials and ensuring a healthy growth of the industry, Mr. Krishnaraj advised the manufacturers of raw materials to follow the example of foreign countries in using their own raw materials in large quantities only when their supply was abundant.

Import Licences

The Government of India, no doubt, has been trying to help the processing industry to secure necessary raw materials. After various representations made by the industry, the Government has decided to issue import licences to actual users in respect of two raw materials, namely, polystyrene and polyethelene. Mr. Shadilal Jain, in his welcome speech, welcomed this gesture. But he added that this was a belated measure; for, by the time the licences were granted and imports took place, at least five to six months would have elapsed. He, therefore, wanted the Government to take timely action, in future, and thereby "avoid unnecessary dislocation in production."

The Chief Minister of Maharashtra, Mr. Y. B. Chavan, who inaugurated the conference, observed that the State Government was fully aware of the difficulties in regard to the supply of raw materials required by the industry. The manufacturing licences were granted by the Central Government. He assured, however, that the State would be prepared to recommend applications for manufacture of polyethelene, polyvinyl chloride and grant them other assistance whenever suitable schemes came up. Mr. G. D. Patil, the State Deputy Minister for Planning, Industries and Labour, who spoke on the second day of the conference, namely, on the 11th inst., expressed the view that, in view of the substantial expansion of basic chemical industry envisaged in the third Plan, the plastics industry would be able to procure more and more of raw materials.

Apart from raw materials, the industry has been relying on imports for its requirements of machinery as well, except for some small capacity machines, which are manufactured in the country. Mr. Krishnaraj emphasised the need for manufacturing indigenously standard types of machinery with foreign collaboration. He called upon established engineering concerns in the country to take the necessary steps to manufacture at least 50 per cent. of the plastics industry's requirements in the third Plan.

As regards moulds and dyes, most of the larger units are capable of producing their own requirements. Small units, however, are still finding it difficult to get well-designed moulds. Mr. Krishnaraj felt that the requirements of moulds during the third Plan period would be quite substantial. He, therefore, thought that it was necessary to establish at least five to six well equipped tool rooms for manufacture of all types of moulds for plastics industry. These tool rooms could also be utilised for the manufacture of other accessories and spare parts for the industry as well as embossing and printing rollers required by the leather cloth and P.V.C. (unsupported) industry.

While the dependence on imported raw materials and machinery is the major difficulty facing the industry, its healthy growth is also hampered by the relatively less attention now devoted to research in this country. Mr. Chavan did well to draw the attention of manufacturers to this important, though neglected, aspect of the development of the industry. To quote him:

"Modern plastics industry is an integration of many different and unrelated bodies of knowledge. One part of the development is derived from the fundamental investigations which were made into chemistry, physics and biology. I am referring to this aspect of the industry, because I want that the manufacturers should also develop a research wing for the betterment of the products. In fact, development of plastics as a commercial product was made possible by the research work and by the scientists who applied their mind to its development. For instance, the so-called "safety film" for photographic use is the product of this discovery. There is wide scope in the manufacture of moulding composition, particularly phonographic recording from shellac. It is accepted as an ideal plastic binder for certain type of electrical equipment and communication instruments."

It is not impossible to fill in the gaps in the sphere of plastics industry, provided concerted efforts are made by manufacturers, the Government and technologists. Despite various difficulties, the industry has given a good account of itself in recent years and has now plans for substantial expansion in the third Plan, an elaborate account of which appeared on page 1090 of *Commerce* dated 18th June 1960. The immense growth potential of the industry has now come to be appreciated by investors, as is evident from the spectacular response to the capital issues of both the existing and new companies engaged in this manufacturing business. Finding the necessary capital is, therefore, not a big problem. This a distinct advantage for the development of plastics industry. If *entrepreneurs* come forward with well prepared plans in collaboration arrangements with well-known manufacturers in the U.S., the U.K. and West Germany, they are assured of excellent support from the investing public—a factor which was absent four years ago.

Prospects for ensuring self-sufficiency in respect of raw materials for the industry would be distinctly better, if the development programme for basic chemicals envisaged in the Draft Outline of the third Plan were to be successfully implemented. In that event, the plastics industry could hope to attain a substantial volume of basic raw materials, such as industrial alcohol, benzene, phenol formaldehyde, urea, chlorine, calcium carbide and sulphuric acid. Under the third Plan, it is proposed to increase the power and industrial alcohol capacity from 45 million gallons in 1960-61 to 60 million gallons in 1965-66. Polystyrene manufacture, which at present depends upon the import of styrene monomer, can also be made self-sufficient as availability of benzene at reasonable cost increases, the ethylene requirements being provided from the industrial alcohol. Besides, the recovery of organic hydrocarbons, for example, benzene, toulene, naphthalene, etc., is expected to be stepped up in the public sector *pari passu* with the increasing coking of coal at the steel plants. A major scheme visualised as a link between these products at one end, and the dyestuffs, plastics and drugs manufacturing plants, at the other, is the Basic Chemicals and Intermediates (B.C.I.) project, proposed to be located in the Aptakharpada area, near Panvel, in Maharashtra State. As a result of this project valuable technical know-how in a virgin field is expected to become available during the third Plan period and may meet, to a certain extent, the technological requirements of the plastics industry also. The manufacturing programme, under the B.C.I. project, covers the manufacture of as many as 40 organic intermediates with an aggregate output of 25,160 tons, with a provision for further expansion by about 10,000 tons.

The supply position of another important raw material, namely, urea formaldehyde, is also bound to improve, when the programme for the expansion of fertiliser industry materialises. It is estimated that 206,000 tons of urea will be available by 1965-66, and, with the use of synthetic methanol—a by-product of the fertiliser factories—it will be possible to manufacture urea formaldehyde for the use of plastics industry. In addition, chlorine will be available in large quantities from the caustic soda industry, the capacity of which is proposed to be stepped up from about 150,000 tons in 1960-61 to 400,000 tons by 1965-66. Besides, the capacity for calcium carbide, too, will go up from 28,000 tons to 67,000 tons. Further, in view of the rapid development of mineral oils and natural gases proposed to be undertaken in the third Plan, two other raw materials, namely, propane and butane gases, will become available, in large quantities, to the plastics industry from petroleum refineries.

INDIA'S FOREIGN TRADE IN THE FIRST HALF OF 1960

Despite some hesitation in the U.S., world economic activity in the first half of 1960 was at a high level, thereby keeping up the marked recovery witnessed in 1959. In the first quarter, world trade rose further substantially and this trend was fairly well maintained in the second quarter also, though at a slower pace than in the first quarter. Both industrial and non-industrial countries shared in the increase. India, too, profited from this favourable world position.

Preliminary trade figures show that India's total exports at Rs. 305 crores in the first half of this year were higher by Rs. 39 crores, or 15 per cent., as compared with the same period of 1959. Imports, however, receded slightly from Rs. 47 crores in January-June 1959 to Rs. 457 crores—a drop of just 3 per cent. Following this decline and the expansion in exports, there was a notable improvement in the overall balance of trade position, in that the adverse balance narrowed down by Rs. 52 crores, from Rs. 205 crores to Rs. 153 crores. There is, however, no room for any complacency, because the adverse balance is still very heavy and India's foreign assets have fallen to a very low level; as of a fortnight ago, they are less than Rs. 150 crores.

The following table shows at a glance the trend of trade in the first six months of 1960, as compared with that in the same period of 1959:

(Value in crores of rupees)

	Imports	Exports (including re-exports)	Balance of trade
1960			
January	62.68	53.06	— 9.62
February	69.12	49.81	— 19.31
March	75.67	53.37	— 22.30
April	82.00	48.58	— 33.42
May	82.77	50.74	— 32.03
June	84.95	48.94	— 36.01
Total	457.19	304.50	—152.69
1959			
January	80.24	45.16	— 35.08
February	71.02	42.16	— 28.86
March	73.39	46.95	— 26.44
April	91.84	44.65	— 47.19
May	73.37	44.05	— 29.32
June	81.32	42.92	— 38.40
Total	471.18	265.89	—205.29

(*Continued on page* 354)

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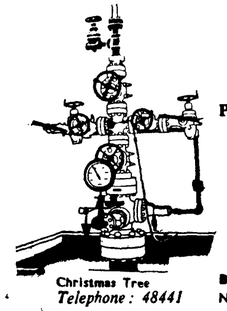

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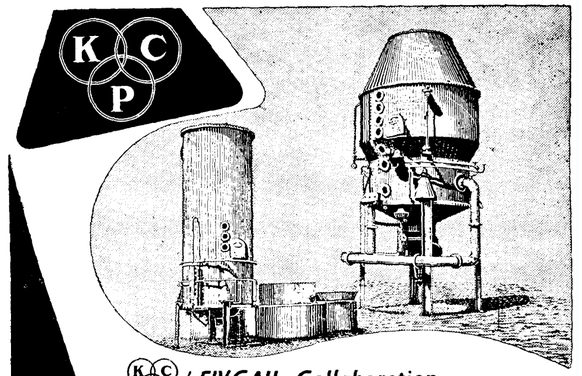

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SALES AND PROFIT OF NATIONAL TOBACCO GROW TO RECORD LEVELS

NET DIVIDEND SLIGHTLY HIGHER

A RISE of Rs. 1 crore to a record level of Rs. 9.35 crores in sales and of over Rs. 6 lakhs to Rs. 71.12 lakhs in gross profit, also a new high, are the main features of the working of the National Tobacco Company of India Ltd. (Managing Agents: Messrs. B. N. Elias & Co. Private Ltd., Calcutta) during the year ended 31st December 1959. The upward trend noted during the previous years has thus been maintained. It must, however, be noted that the pace of expansion in turnover and profit shows a slowing down. The rise in sales was of the order of Rs. 1.81 crores in 1958 and of Rs. 1.38 crores in 1957. Similarly, the gross profit had gone up by about Rs. 20 lakhs in 1958 and by Rs. 11.50 lakhs in 1957. The slowing down in the rate of growth in 1959 was on account of several factors. These were: (1) keen competition from other producers of cigarettes, (2) fall in exports of unmanufactured tobacco, due to lower crop and competition from other tobacco growing countries, (3) enhancement of excise duty on cigarettes under the Finance Act of 1959, which the Company could not pass on in full to consumers, and (4) higher expenses on account of greater sales effort and a rise in cost of production.

If the Company has been able to show better results during the year under review, notwithstanding the handicaps just mentioned, such is due to rising trend in consumption of cigarettes—clearances from the Company during the year under review were 6½ per cent. more than in the previous year—and introduction of a variety of new products and packages to suit the consumers' tastes and preferences.

The net profit also has risen from Rs. 23.21 lakhs to Rs. 30.95 lakhs, the rise being more pronounced than that in gross profit, thanks to a slight reduction in the provisions for depreciation and taxation—the latter being accounted for partly by the reduction in the corporate tax under the Finance Act 1960. Almost the entire rise in net profit, along with the refund of pension fund contribution amounting to Rs. 3.03 lakhs, has been utilised to increase the allocations to the reserves. The total amount ploughed back is thus Rs. 21.56 lakhs, representing an increase of Rs. 10.02 lakhs over the year, which is only in consonance with the Company's policy of retaining in the business a high proportion of net earnings to provide for future expansion and financing. The dividend on ordinary shares, which had been successively raised from 7 per cent. (for 1956) to 11 per cent. for 1958, has been stepped up further to 11.2 per cent. (net) for the year under reviw, thus more than making good the loss on account of tax deduction at source. The distribution of a gross dividend of 16 per cent. (11.2 per cent. net) recommended by the Directors requires Rs. 12.79 lakhs, that is, Rs. 4 lakhs more than last year. The 5 per cent. and 4½ per cent. tax-free preference shareholders have, however, had a raw deal, in that their dividends have not been grossed to compensate for the loss of tax deduction. On the contrary, they stand to lose. For, as in the case of many other Calcutta companies, the Directors of the National Tobacco, too, have recommended payment of the preference dividends after deduction of tax, on the suggestion of their legal advisers.

The following comparative table shows at a glance the progress of the Company since 1956:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sales	9,35.17	8,35.10	6,53.77	5,15.64
Closing stocks	66.37	59.84	50.30	45.16
Raw materials consumed	1,88.86	1,95.82	1,73.79	1,60.49
Stores and spares consumed	1,92.18	1,63.99	1,20.26	84.91
Customs and excise duty	3,27.85	2,65.18	1,93.28	1,29.64
Other expenses	1,96.70	1,71.64	1,40.21	1,24.86
Gross profit	71.12	66.03	45.20	33.70
Managing Agents' remuneration	7.81	7.51	5.87	4.08
Provision for—				
Depreciation	6.09	6.49	5.06	5.04
Taxation	26.27	27.83	18.88	13.18
Net profit	30.95	23.21	15.93	11.45
Provisions written back and refunds	3.03	0.14	24.00	
Transfer to reserves	21.56	11.54	30.74	8.67
Dividends—				
Preference	2.15*	2.15	2.15	2.15
Ordinary	12.79	8.80	7.20	5.60
	(16%)*	(11%)	(9%)	(7%)
Carry forward	7.08	9.60	8.88	9.03

* Subject to deduction of tax.

The most notable feature disclosed by the table is the further sharp rise of Rs. 62.17 lakhs in customs and excise duty, on top of the increase of Rs. 66.90 lakhs and Rs. 68.74 lakhs in the previous two years, as a result of the enhancement of the excise duty last year. Thus, in the last three years alone, the amount of customs and excise duty paid by the Company has risen by over 150 per cent. That the manufacturers are not always able to pass on the higher incidence of excise duty to the consumers is illustrated by the continued rise in the ratio of customs and excise duty to sales in the case of National Tobacco from 25 per cent. in 1956 to 35 per cent. in 1959. In 1958, it was 32 per cent. The Company has, however, been able to overcome the effect of the rise in costs on this and other accounts by increasing its turnover.

The Company has been able to install some of the most modern processing machinery in the world, but these, according to the Directors, have been mainly replacements of outdated worn-out equipment. There is urgent need, they say, for additional machinery "to reduce the round-the-clock working," to which the Company's installation is subject to. This has been represented to the Government, which is considering the request.

Notwithstanding the competition, the Company's trading results during the "first months" of the current year are said to be satisfactory and the Directors are hopeful of maintaining this position.

The Company's financial position is quite satisfactory. The paid-up capital of Rs. 124.95 lakhs is supplemented by reserves and surplus amounting to Rs. 109.18 lakhs. The borrowings (including a loan of Rs. 12 lakhs secured by 4 per cent. debentures) have been reduced from Rs. 65.10 lakhs to Rs. 33.54 lakhs. The other current liabilities and provisions aggregate Rs. 122.33 lakhs and these are covered by a very large margin by current assets at Rs. 330.98 lakhs. The fixed assets of the value of Rs. 136.72 lakhs (including additions to the tune of Rs. 8.68 lakhs during 1959) have been well written down to Rs. 61.03 lakhs.

The current market value of the Rs. 10 fully paid-up ordinary shares of the Company is Rs. 23.25 *ex-div.* At this rate and on the basis of the latest dividend, the yield works out to 5.1 per cent. per annum, free of tax.

POLYCHEM DOES EXCEEDINGLY WELL

The spurt in the value of ordinary shares of Polychem Ltd. last week, in the face of a general setback, stemmed from the encouraging results of the Company for the year ended 31st March 1960, which have enabled the Directors to step up the dividend from the maiden distribution of 6 per cent. (paid for 1958-59) to 11 per cent. (subject to deduction of tax). The sales of the Company have increased by Rs. 47.40 lakhs or about 45 per cent. to Rs. 153.12 lakhs and gross profit has nearly doubled itself from Rs. 24.77 lakhs to Rs. 48.20 lakhs. The net profit, too, has recorded a rise of Rs. 11.04 lakhs to Rs. 26.13 lakhs, even after setting aside more for depreciation and taxation. The provision for depreciation has been raised from Rs. 3.93 lakhs to Rs. 4.57 lakhs and that for taxation from Rs. 5.75 lakhs to Rs. 17.50 lakhs.

As much as Rs. 13.63 lakhs of the net profit has been ploughed back. While the addition to the development rebate reserve has been reduced from Rs. 7.21 lakhs to Rs. 1.53 lakhs, Rs. 12 lakhs to the general reserve and Rs. 10.000 to the dividend fund, none of which had received anything in the previous year, have been provided. A sum of Rs. 5 lakhs has been utilised, as against Rs. 1 lakh last year, to write off completely the cost of polymerisation technique and know-how formulæ. The Directors have declared a dividend of 11 per cent. As this is subject to deduction of tax, the net dividend works out to 7.7 per cent. Even so, it is higher than that paid for 1958-59. The dividends on ordinary and 7½ per cent. (taxable) preference shares absorb Rs. 4.40 lakhs, leaving a surplus of Rs. 27,844 to be carried forward including Rs. 18,183 brought in from the previous year. The shareholders, it may be noted, are entitled to a tax refund on 20 per cent. of the dividend, as the Company enjoys the benefit of tax holiday under Section 15C.

The encouraging results of the Company for the year under review are due to the rapidly increasing demand for polystyrene in the country. The Company commissioned into production during the year under review the plant for manufacturing an improved quality of high impact polystyrene under the trade name "Styron 475." Other formulations have been expanded to meet the growing demand of the industry. The Company's polystyrene plant is said to have adequate production capacity to meet the growing demand, but the plant is being operated around 60 per cent. of its rated capacity, due to shortage of raw materials. While the Company's representations to the Government of India for additional licences have not been successful, the Government has decided to issue *ad hoc* import licences for polystyrene during the current licensing period. Expressing their regret at this decision of the Government, the Directors point out that "if the Government had released additional foreign exchange to your Company for import of raw materials, it would have resulted in a production of a larger quantity of polystyrene for the same foreign exchange." The shareholders will, however, be glad to note that the Company has already taken steps to produce raw materials and has obtained a licence for the manufacture of the basic raw material, styrene monomer. A site for setting up the plant has been purchased at Trombay. An agreement is being finalised for this project with Dow Chemie A.G. Switzerland, a subsidiary of the Company's associates, the Dow Chemical Company U.S.A. The plant is expected to go into production in 1962.

The establishment of the new plant requires additional finance, a part of which will be obtained by the issue, subject to the sanction of the Controller of Capital Issues, of 80,000 new ordinary shares of Rs. 50 each to the existing ordinary shareholders in the ratio of 1:1. The balance of the finance required is being arranged with banks.

The existing paid-up capital of the Company is Rs. 79.90 lakhs and this is supplemented by reserves and capital aggregating Rs. 21.24 lakhs. The current liabilities and provisions, at Rs. 38.54 lakhs are more than adequately covered by current assets amounting to Rs. 93.23 lakhs, of which cash balances alone account for Rs. 33.33 lakhs. The gross block, at Rs. 58.52 lakhs, including the additions during the year amounting to Rs. 8.62 lakhs, has been written down to Rs. 46.54 lakhs.

At the current market value of Rs. 310 *cum-div.* and on an *ex-div.* basis, the Rs. 50 fully paid-up ordinary shares of the Company provide a yield of 2.5 per cent. per annum, free of tax.

KHANDELWAL FERRO ALLOYS

Investors in Khandelwal Ferro Alloys Ltd. have some good news from the Company. Not only will the factory be in production within the next few weeks, but the Company has decided to expand its activities by setting up a steel tube mill. The ferro alloy project at Kanhan near Nagpur, has now reached, according to the second annual report of the Directors for the year ended 31st December 1959, its final lap of construction. Most of the civil and structural engineering works have been completed, while the erection of the first furnace is nearing completion. The plant and machinery for the second furnace have already started arriving at site and the erection of the furnace is also being taken in hand. The Maharashtra State Electricity Board has agreed to supply the electric power for operating the first furnace by the end of August 1960.

As regards supply of raw materials, the Company has already received 8,000 tons of manganese ore, 3,000 tons of limestone and 2,500 tons of coke and coke breeze at the factory site. Procurement action has already been taken to ensure further timely supplies of raw materials. To meet the Company's requirements of limestone, it has taken over a mine at Rajur. Arrangements are being made for securing regular supply of manganese ore on a long-term basis at economic prices.

The Company has incurred, up to the end of the year under review, a total net expenditure of Rs. 8.53 lakhs, of which a sum of Rs. 8.40 lakhs has been capitalised and the balance of Rs. 12,618 has been carried forward. Although the time has not arrived for the declaration of dividend on preference shares, the Directors are of the opinion that, in view of the obligation accepted by the Company to pay the existing preference shareholders dividend at the rate of 7½ per cent., free of tax, on their present holdings, they would take the necessary steps in their power to fulfil this obligation.

In pursuance of its decision to expand its activities, the Company has obtained an industrial licence for setting up a steel tube mill to manufacture 50,000 tons of steel tubes per annum in sizes ¼" to 3" diameter. The Directors are satisfied with the soundness and remunerativeness of the scheme, after making full enquiries regarding the commercial prospects of this venture, with due regard to the country's future requirements of pipes *vis-a-vis* the production capacity of the existing mills. With a view to finding adequate capital resources to meet the expansion plans, the Directors have decided to double the authorised capital of the Company from Rs. 2.50 crores to Rs. 5 crores. Out of the present authorised capital of Rs. 2.50 crores, made up of 150,000 equity shares of Rs. 100 each and 100,000 7½ per cent. (tax-free) preference shares of Rs. 100 each, the Company has issued 100,000 equity shares of Rs. 100 each, Rs. 50 called-up and 50,000—7½ per cent. tax-free preference shares of Rs. 100 each, Rs. 50 called up. The C.C.I. has sanctioned the issue of the balance of 50,000 equity shares of Rs. 100 each and 50,000 tax-free preference shares of Rs. 100 each. He has fixed the dividend on the latter at 6¾ per cent. per annum, free of tax. The Company has, however, applied to the C.C.I. for permission to raise the rate to 7 per cent.

HINDUSTAN ALUMINIUM

Hindustan Aluminium Corporation Limited, a joint venture sponsored by Birlas and Kaiser Aluminium and Chemical Corporation of Oakland, California, U.S.A., has been granted a licence by the Government of India for construction of an aluminium fabricating factory. The licence confers on the Company the rights to construct a mill with a production capacity of 15,000 tons annually of rolled, drawn and extruded aluminium products.

S.M. ELECTRIC SUPPLY CORPORATION

GOOD PROGRESS IN 1959

THE results of the South Madras Electric Supply Corporation Ltd. (Managing Agents: Messrs. Seshasayee Brothers Private Ltd., Tiruchirapalli) for the year ended 31st March 1960 disclose good progress in the working of the Company. Sales of energy have increased by 8.12 million units to a record level of 89.88 million units, the income from sale of energy by Rs. 20.64 lakhs to Rs. 89.93 lakhs, also a new high, and the gross profit has jumped up by Rs. 5.53 lakhs to Rs. 25.69 lakhs, thus maintaining the upward trend noted for some years past. With this rise during the year under review, the gross profit of the Company has reached a fresh high. The net profit, too, has improved by Rs. 2.64 lakhs to Rs. 9.89 lakhs even after raising the provision for depreciation from Rs. 7.61 lakhs to Rs. 8.20 lakhs and that for taxation from Rs. 4.50 lakhs to Rs. 6.80 lakhs.

Consequent on the improved results, there has been no necessity for the Directors to draw anything from the reserves, as they did in the previous year when the clear profit for the year was below the reasonable return, as calculated under the provisions of the Electricity Supply Act. On the contrary, they have now raised the allocations to the various reserves and provisions from Rs. 1.57 lakhs to Rs. 2.60 lakhs.

The dividend, however, is not in consonance with the higher profit. The Directors have recommended a distribution of 9 per cent., subject to deduction of tax, on the old capital of Rs. 56 lakhs and a *pro rata* dividend at the same rate on the new capital of Rs. 14 lakhs issued last year for the period covered by the allotment. This will mean a net dividend of 6.3 per cent., as against 9 per cent. free of tax paid for 1958-59. As regards the dividend on the 5½ per cent. tax-free (1st and 2nd) preference shares, the Directors have followed an unusual practice. The interim distribution was made after grossing it and deducting from the grossed amount the tax at 30 per cent. "This," the Directors say, "was in accordance with Section 18(3E) of the Income-tax Act, which was applicable at the time of payment of interim dividend." As this section has since been deleted and only Section 18(3D) now prevails, the Directors have not grossed the final dividend of 2¾ per cent., but have recommended a deduction of 30 per cent. therefrom, so that the net final dividend will only be 1.925 per cent. and the total net dividend for the year 4.675 per cent. While appreciating the view that this will mean a serious cut in the income of many shareholders, the Directors explain the steps they propose to take to compensate them, thus:

"The Directors have given serious consideration to the dividends payable to preference shareholders. They feel that a 5½ per cent. dividend less 30 per cent. deduction of tax, though perfectly legal, would seriously cut into the earnings of many shareholders who may not claim and receive back from the income-tax authority the tax component paid on their behalf. Nor can the Company pay a net dividend of 5½ per cent. to the preference shareholder, by grossing the dividend and paying the tax to the taxation authority. This would seriously cut into the dividends payable to the equity shareholders, especially in view of the serious limitations placed by the Electricity Supply Act on companies like ours to pay dividends from out of the trading profits earned by them.

"As a compromise and on grounds of equity and fairplay, your Directors propose to recommend, to the various classes of shareholders, after securing due sanction from the Government of India, that the preference shareholders may be paid a 7 per cent. dividend which will be subject to deduction of tax at such rates as the Government may prescribe from time to time and which at present is 30 per cent. This will mean a payment of 4.9 per cent. directly to the preference shareholders and a payment of 2.1 per cent. on their behalf to the taxation authority which when refunded will make up the dividend to 7 per cent. We trust this suggestion will meet with your approval. We shall be proceeding with all formalities necessary to bring about this change, shortly, so that this will become effective for the accounting year commencing with 1st April 1960."

The result of the aforesaid procedure is a deflation in the net rate of preference dividend from 5½ per cent. to 4.9 per cent. They have to suffer this cut for no fault of theirs—a cut which is not in consonance with the spirit of either the Company's undertaking or the Finance Minister's assurance in Parliament.

The Company's progress in recent years is fully reflected in the comparative table given at the foot of the previous column.

The Company has added 15 miles of H.T. lines and 55 miles of L.T. lines during the year under review and has electrified 19 more villages. The number of new service connections added during the year was 3,899, as against 3,730 in 1958-59. The total capital expenditure incurred during the year for rural and urban extensions amounted to Rs. 10.35 lakhs. It was in order to finance this development programme that the Company issued, in August 1959, additional capital of Rs. 14 lakhs. It is expected that this amount will be fully utilised in capital works by the end of March 1961. The Company's application for a loan from the State Electricity Board has not yet been sanctioned. However, a sum of Rs. 25 lakhs is said to have been earmarked for disbursement as loans to the licensees in the State. The Company expects to get a substantial allotment out of this. Meanwhile, the Company has submitted to the State Electricity Board development schemes covering an investment of Rs. 35 lakhs, from which the Board will select the schemes to be executed from out of the loan to be granted by it. The Company has also requested the Board to enhance the loan.

The final compensation due to the Company from the State Government on account of the acquisition of East-Ramnad and Pudukottai licences and the purchase of Manapparai enclaves and Paramakudi buildings has not yet been settled and is still the subject matter of correspondence with the Government.

The Rs. 10 paid-up ordinary shares, now quoting at par, *cum-div.*, give a yield of 6.5 per cent. per annum, free of tax.

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds of energy	89.93	69.29	66.60	55.62
Other income	3.02	4.51	3.22	5.86
Cost of distribution	44.77	35.47	34.35	27.64
Other expenses	22.49	18.17	17.32	14.78
Gross profit	25.69	20.16	18.15	19.06
Managing Agents' remuneration	0.80	0.80	0.80	0.86
Depreciation	8.20	7.61	6.77	6.06
Taxation	6.80	4.50	1.85	2.20
Net profit	9.89	7.25	8.73	9.90
Transfer from reserves	..	0.64	0.10	0.76
To reserves and provisions	2.60	1.57	2.98	1.60
Dividends—				
5½% tax-free preference	2.00*	1.65	1.65	1.65
Ordinary	5.30	5.04	4.90	6.72
	(9%)†	(9%)	(8¾%)	(12%)
Carry forward	0.03	0.04	0.11	0.81

* Interim dividend was paid at 2¾ per cent. (net) and the final one is to be paid at 2¾ per cent., subject to deduction of tax.
† Subject to deduction of tax.

ORISSA CEMENT'S PROFIT SLIGHTLY LOWER

OUTPUT DECLINES

THE setback in production and despatches of cement for reasons beyond the control of the management has been responsible for the decline in gross profit of the Orissa Cement Ltd. (Managing Agents: Dalmia Agencies Private Ltd., Rajgangpur, Orissa) for the year ended 31st December 1959. The profit, which had successively gone up from Rs. 47.73 lakhs (in 1956) to Rs. 84.42 lakhs, has dropped to Rs. 80.15 lakhs, a fall of Rs. 4.27 lakhs or 5.5 per cent. Even so, the performance of the Company should be considered satisfactory. It is pointed out that even during the period of strike from 21st March to 28th July 1959, that is, for over four months, the production did not suffer much, but it was in the subsequent period that the output and despatches were adversely affected by some breakdowns and mishaps.

The incessant heavy rains in August 1959, submerging the electrical equipment in the coal mills, the breakdown in the crane and cement mill, and other mechanical troubles in the kiln, resulted in a decline in output of cement from the record level of 349,092 tons touched in 1958 to 258,615 tons and in despatches thereof from 343,504 tons to 260,054 tons. The despatches were also affected by the slackness in demand for cement. For some time the kilos were full and production had to be curtailed. Due to the decline in cement despatches in 1959, the closing stocks of clinker at the end of the year rose by nearly 40,000 tons. The Directors point out that the results would have been better if it had been possible to convert the accumulated clinker into cement and market it. Another factor which affected the profit was the payment of commission to stockists to stimulate sale of cement. This amounted to Rs. 1.25 lakhs during the year.

The net profit, however, shows a slight increase from Rs. 25.67 lakhs to Rs. 27.54 lakhs, mainly due to the cut in tax provision from Rs. 19.87 lakhs to Rs. 9.85 lakhs, in view of the eligibility of the Company for exemption from taxation in respect of a portion of its profit under Section 15C of the Income-tax Act. The allocations to the reserves have been nearly halved, thanks mainly to the cut in development rebate reserve from Rs. 20.85 lakhs to Rs. 10.42 lakhs. The dividend on ordinary shares has been cut from 15 per cent. to 11 per cent. As this is subject to deduction of tax, the net dividend is only 7.7 per cent., but this is on a higher capital of Rs. 2.25 crores, raised during the year by the issue of 750,000 ordinary shares of Rs. 10 each.

It is stated that, for the year 1959 the income-tax authorities have fixed Rs. 5.68 lakhs as the income of the Company exempt from tax under Section 15C of the Indian Income-tax Act, subject to modification at the time when final assessment for the year 1960-61 is considered. This works out to slightly more than 20 per cent. of the total profit for the year 1959. Accordingly, 80 per cent. of the dividend will be subject to tax deduction and 20 per cent. will be exempted from tax. To this extent, all shareholders will get a refund of tax deducted at source. The dividend on ordinary shares absorbs Rs. 24.75 lakhs. As this is not fully covered by the available profit for distribution after transferring Rs. 10.96 lakhs to the reserves and paying preference dividend, the Directors have had to draw nearly Rs. 10 lakhs from the previous year's surplus, as will be evident from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sale proceeds (including internal consumption)	2,74.09	2,81.50	2,02.82	1,38.85
Closing stocks	58.79	33.00	21.80	8.69
Raw materials, stores and power consumed	1,40.81	1,35.14	94.78	63.20
Other expenses	60.88	64.35	45.00	30.55
Gross profit	80.15	84.42	65.00	47.73
Managing Agency commission	5.07	5.78	6.06	3.75
Depreciation	37.69	33.10	19.49	8.99
Taxation	9.85	19.87	6.00	15.50
Net profit	27.54	25.67	33.45	19.49
Excess provisions written back	0.18	0.99	11.20	..
To reserves	10.96	20.90	1.00	..
gratuity	0.14	0.33	0.32	0.20
Dividend—				
4½ per cent. preference	1.80*	1.80	1.80	1.80
Ordinary	24.75	22.50	15.00	12.50
	(11%)*	(10%)	(15%)	(12½%)
Carry forward	8.77	18.69	37.56	11.02

* Subject to deduction of tax.

In order to utilise the accumulated stocks of clinker, the Company proposes to install addi-

(Continued in previous column)

(Concluded from next column)

tional cement grinding and packing capacities. It awaits the grant of import licence for the necessary equipment. The basic plant of the Company's refractory works was commissioned towards the middle of 1959, but teething troubles continued till the end of the year. Production from fireclay and silica sections, though improved during the year, could not reach the rated output on account of insufficient experience of the staff and workers. With the help of technical collaborators, however, these troubles are being gradually overcome.

There has been an addition of Rs. 68.43 lakhs to the block account during the year, bringing the gross value thereof up to the end of the year to Rs. 539.55 lakhs. This has been written down to Rs. 353.05 lakhs. Expenses on construction in progress amount to Rs. 16.36 lakhs. The current assets aggregate Rs. 280.17 lakhs, of which unquoted investments in joint stock companies account for Rs. 15.07 lakhs. The current liabilities and provisions amount to Rs. 312.18 lakhs, including borrowings to the tune of Rs. 152.06 lakhs. The net assets thus amount to Rs. 337.39 lakhs, and are represented by a paid-up capital of Rs. 265 lakhs and reserves and surplus of Rs. 72.39 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 14.20 *cum-div.* On an *ex-div.* basis, they give a yield of 5.7 per cent. per annum, free of tax.

CAPITAL ISSUES IN 1959

According to preliminary official data, the total capital raised by all non-Government companies through shares (other than bonus) and debentures during 1959 amounted to Rs. 65.2 crores, which was as much as 18 per cent. higher as compared to Rs. 55.2 crores in 1958. The preliminary figures for 1959 is likely to be revised upwards and it seems likely that the amount of capital raised in 1959 would exceed that in 1957 also (of Rs. 68 crores). Two-thirds of the amount for which consents were given accounted for by initial issues (that is, issues of new companies) which rose steeply from Rs. 18.5 crores in 1958 to Rs. 49.1 crores in 1959, their share in total consents rising from 28 to 44 per cent.

SYNOPSES OF COMPANY REPORTS

Kumardhubi Engineering Works Ltd.

THE directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] present the audited accounts of the Company for the year ended 30th November 1959.

The profit and loss account, after providing for all charges and making provision of Rs. 3,22,000 (Rs. 4,35,000) for taxation, Rs. 847 (Rs. 48,000) for wealth tax in respect of previous years and Rs. 4,42,626 (Rs. 3,04,562) for depreciation, shows a profit of Rs. 6,08,701 (Rs. 5,10,184). To this is added the amount transferred from reserve for bad and doubtful debts of Rs. 2,564 (Rs. 187) and the balance brought forward from the previous year of Rs. 1,00,074 (Rs. 22,949) making a total of Rs. 7,11,339 (Rs. 5,33,320). The directors have transferred to reserve for bad and doubtful debts Rs. 6,010 (Rs. 1,626), to statutory development rebate reserve Rs. 2,11,900 (Rs. 1,87,300) and to debenture redemption reserve Rs. 1,00,000 (nil) leaving a balance of Rs. 3,93,429 (Rs. 3,44,394 after providing Rs. 1,88,926 to reserves). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the cumulative preference shares at the rate of 7.143 (5 per cent. free of tax) per cent. per annum, subject to deduction of tax in accordance with the provisions of the Finance Act, 1960, absorbing Rs. 85,716 (Rs. 60,000), by payment of a dividend on the ordinary shares at the rate of 30 (30) naye Paise per share, subject to deduction of tax in accordance with the provisions of the Finance Act, 1960 absorbing Rs. 2,76,480 (Rs. 1,84,320) and by carrying forward Rs. 31,233 (Rs. 1,00,074). The directors have recommended a dividend of 30 naye Paise per ordinary share on the increased share capital of the Company. It will be recalled that 3,07,200 ordinary shares of Rs. 2 each were issued and subscribed during the year bringing the ordinary share capital from Rs. 18,43,200 as at 30th November, 1958 to Rs. 27,64,800 as at 30th November 1959.

The liquidity position still needs to be watched and the directors are pleased to report that the managing agents have once again signified their consent to treat their commission as an interest-free loan to the Company until the cash position improves. A similar gesture was made by the managing agents last year and in view of the improvement shown earlier this year, the directors refunded in January the interest-free loan granted by the managing agents in 1959.

Revaluation of Fixed Assets.—It will be observed in earlier balance sheets the qualifications which the auditors have been making on depreciation on the amount by which fixed assets were written up on revaluation in 1948. In order to remove the cause of these qualifications and to bring the fixed assets of the Company back to their actual written down value based on their original cost, the directors have authorised the writing down of the assets by a sum of Rs. 12,93,000 by debiting the reserve for revaluation of fixed assets account in the year under review in the same proportion as the assets were written up in 19148.

As indicated in the directors' previous report a shortage of steel sections and severe competition materialised during the financial year under review and profits were again slightly reduced compared with the previous year.

Various economy measures were introduced about the middle of 1959 at which time the fall in demand, severe competition and shortage of steel sections were having the maximum effect. Fortunately demand slightly increased and steel became more readily available towards the end of 1959 and these changes materially assisted in improving the results for the year. Notwithstanding these better trends, the directors feel that really substantial improvements may not materialise until later in 1960 or even in 1961, so far as the steel foundry is concerned. It is expected that steel sections from the new steelworks will become more readily available towards the end of 1960 and results from this department should continue to improve.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,64,800	Gross block	90,13,956
Debentures	10,00,000	*Less*—Depreciation ...	33,28,450
Reserves ...	46,74,683		
Provision for taxation ...	3,06,251	Net block	56,85,506
Provision for wealth tax	48,552	Capital work-in-progress	3,34,010
Liabilities	1,06,40,380	Stores, raw materials and work-in-progress, etc. ...	92,53,208
Profit and loss account (surplus)	31,233	Book debts	53,19,852
		Investments	58,334
		Cash ...	14,989
Rs.	2,06,65,899	Rs.	2,06,65,899

Bengal Paper Mill Co., Ltd.

The directors of the above Company (Calcutta) present the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year [including items relating to previous years] was Rs. 49,05,060 (Rs. 34,67,784) from which is deducted depreciation amounting to Rs. 4,84,372 (*nil*) and taxation Rs. 18,48,187 (Rs. 17,67,176) leaving a balance of Rs. 25,72,501 (Rs. 17,00,608). To this is added the *balance brought forward from 1958 of Rs. 92,500 (Rs. 66,840) and redemption of 100 debentures Rs. 10,000 (Rs. 10,000) making a total of Rs. 26,75,001* (Rs. 17,77,448). Out of this total the Board has transferred *Rs. 10,000 (Rs. 10,000)* to capital reserve, Rs. 7,00,000 (Rs. 4,08,923) to general reserve, Rs. 2,09,503 (Rs. 1,14,025) to development rebate reserve and has paid an interim dividend of Rs. 6,30,000 (Rs. 4,41,000) [cumulative preference shares Rs. 10,000 (Rs. 7,000), "A" cumulative preference shares Rs. 20,000 (Rs. 14,000), "B" cumulative redeemable preference shares Rs. 60,000 (Rs. 60,000) and ordinary shares Rs. 5,40,000 (Rs. 3,60,000)] on 11th January 1960, leaving a balance of Rs. 11,25,498 (Rs. 8,03,500) available for distribution, which it is recommended be dealt with as follows:—

To payment of a final dividend on cumulative preference shares at the rate of 5 per cent. per annum Rs. 10,000 (Rs. 7,000), to payment of a final dividend on "A" cumulative preference shares at the rate of 5 per cent. per annum Rs. 20,000 (Rs. 14,000), to payment of a final dividend on "B" cumulative redeemable preference shares at the rate of 3 per cent. per annum Rs. 60,000 (Rs. 60,000) and to payment of a final dividend on ordinary shares of 20 (14) per cent, Rs. 9,00,000 (Rs. 6,30,000) leaving a balance carried forward of Rs. 1,35,498 (Rs. 92,500).

In declaring an interim dividend on the cumulative preference shares and the "A" cumulative *preference shares, the provisions of Section* 18 (3E) of the Indian Income Tax Act, 1922, were applied and the amount of dividend paid was the gross amount which after deduction of tax at 30 per cent. amounted to the dividend ordinarily receivable free of tax. As a result of the deletion of this Section by the Finance Act, 1960, the matter is not now free from doubt but the Board has decided to recommend a similar final dividend on the cumulative preference shares and the "A" cumulative preference shares.

Operations.—The Mill closed down partially for one-and-a-half months due to a major breakdown in the turbine, which resulted in loss of production and profit. However, the results for the year are better than those for 1958. Production during the year was 15,927 tons against 14,826 tons produced during last year and 12,874 tons during 1957.

As a result of the recommendations of the Tariff Commission accepted by the Central Government in December 1959, with effect from 1st January 1960, the selling price of paper was substantially reduced. This will affect the profit of the industry in coming years. A memorandum on revision of prices has been submitted to the Government by the Association on behalf of the industry. It is expected that this Company will be able to meet the effects of the Tariff Commission during the current year by modernisation and more production.

The Company has formulated a scheme to expand and modernise its existing plant for increasing the daily production capacity to 100 tons. The scheme has already been approved by the Central Government and the necessary expansion licence has also been obtained. Steps are being taken to finalise orders for plant and machinery.

Balmer Lawrie and Company Ltd, resigned its office of secretaries and treasurers of this Company with effect from 28th April 1960. The Board of Directors express their deep sense of appreciation of the valuable services rendered by Balmer Lawrie and Company Ltd.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	71,00,000	Gross block	2,34,13,600
Debentures	83,500	*Less*—Depreciation ...	1,67,74,800
Reserves ...	49,79,629		
Provision for taxation ...	25,46,813	Net block ...	66,38,800
Liabilities ...	65,33,771	Work-in-progress ...	6,50,408
Profit and Loss account (surplus)	1,35,498	Stock-in-trade	39,47,535
		Stores, etc.	30,25,436
		Goods in transit ...	8,24,746
		Book debts ...	60,43,245
		Investments	1,32,100
		Cash ...	1,16,941
Rs.	2,13,79,211	Rs.	2,13,79,211

Kumardhubi Fireclay and Silica Works Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] present the audited accounts of the Company for the year ended 31st December 1959.

The profit and loss account after providing for all charges and making provision of Rs. 8,45,025 (Rs. 9,40,000) (including Rs. 5,025 in respect of the previous year) for taxation and Rs. 5,44,602 (Rs. 5,72,994) for depreciation and writing back a provision in respect of the previous year of Rs. 443 (Rs. 400) for wealth tax shows a profit of Rs. 9,76,701 (Rs. 7,77,086). To this is added the balance brought forward from the previous year of Rs. 30,092 (Rs. 53,076) making a total of Rs. 10,06,793 (Rs. 8,30,162). From this is deducted the amounts transferred to statutory development rebate reserve of Rs. 55,000 (Rs. 10,000), to reserve for plant renovation Rs. 2,50,000 (Rs. 2,50,000) and to debenture redemption reserve Rs. 1,00,000 (Rs. 1,00,000) leaving a balance of Rs. 6,01,793 (Rs. 4,20,162 after providing Rs. 50,000 to general reserve). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the redeemable preference shares of 5½ per cent. per annum, subject to deduction of tax in accordance with the provisions of the Finance Act, 1960, absorbing *Rs. 22,000 (Rs. 15,070), by payment of a dividend on the ordinary shares at the rate of Re. 1.80 (Re. 1.25 per share, free of tax) per share subject* to deduction of tax in accordance with the provisions of the Finance Act, 1960, absorbing Rs. 5,40,000 (Rs. 3,75,000) and by carrying forward Rs. 39,793 (Rs. 30,092).

The demand for refractories of all kinds continued at a satisfactory rate during the year under review, although at one time it was apprehended that the demand for firebricks would fall to a serious extent. Fortunately this fall in demand did not materialise while the demand for silica bricks continued to be very heavy during the year under review.

Production at the works was maintained at a satisfactory level during the year and towards the end of the year, it was decided to install additional production capacity for silica and sillimanite bricks, to meet the very high demand which is expected to continue for some years to come.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,00,000	Gross block	1,10,40,01
Debentures	20,00,000	*Less*—Depreciation ...	59,85,195
Reserves ...	35,05,445		
Provision for taxation ...	8,29,942	*Net block*	50,54,822
Liabilities ...	61,28,649	Capital work-in-progress	2,93,676
Profit and loss account (surplus)	39,793	Stock-in-trade	25,65,462
		Stores, etc.	23,11,903
		Book debts	53,35,898
		Investments	2,49,115
		Cash ...	92,953
Rs.	1,59,03,829	Rs.	1,59,03,829

Devashola (Nilgiri) Tea Estates Co., Ltd.

The directors of the above Company (Chairman and Managing Director: Mr. R. A. Jenkins, Coonoor R.S., Nilgiris) present the audited accounts of the Company for the year ended 31st December 1959.

Crop.—The crop harvested during the season amounted to 3,25,310 lbs. of made tea as against 3,83,675 lbs. during the previous year and the output was affected by want of timely rains as was the case with adjoining estates and many other estates in the Nilgiris. The all-in-cost of production, after taking into account all estate and head office expenses including the heavy provision for taxation of Rs. 1,04,500 was Rs. 2.28 per lb. as against Rs. 2.09 last year and the income per lb. of tea was Rs. 2.66 as against Rs. 2.49 last year resulting in a net profit of Re. 0.38 nP per lb. The slight increase in the cost of production was on account of the lower crop this year.

With the shortfall in crop to the extent of 58,365 lbs. made tea and with no appreciable increase in tea prices, the net profit in the year under review was not nearly as high as was anticipated. However, with a substantial increase in crop obtained by us during the first half of 1960, viz., 81,004 lbs. made tea over the same period in 1959 and with the completion of the work now on hand regarding the installation of the high power motors, etc., for pressure rolling, the adoption of which has enabled many other Nilgiri estates to obtain better prices for their teas, the directors expect more successful seasons in future. In view of this and with the substantial reserves which the Company has already built up amounting to 80 per cent. of the paid-up capital, the directors feel that the dividend level of the Company should as far as possible be maintained at *not less than* 25 per cent. and they recommend the payment of a final dividend of 15 per cent. making in all 25 per cent. for 1959 by drawing Rs. 15,000 out of the Rs. 30,000 remaining in the dividend equalisation reserve.

The net profit on the season's working after writing off depreciation on buildings, machinery, etc., and providing for taxes and other overhead charges including the additional bonus of Rs. 6,832 due to staff for the years 1953 to 1955 amounts to Rs. 1,25,313 (Rs. 1,52,396). This amount together with the sum of Rs. 5,663 (Rs. 3,352) brought forward from last year and the excess provision of Rs. 7,603 (*nil*) transferred from taxation reserve and the sum of Rs. 15,000 (*nil*) drawn from the dividend equalisation reserve totals Rs. 1,53,579 (Rs. 1,55,748). After setting apart Rs. 2,320 (Rs. 85) for development rebate reserve, the balance comes to Rs. 1,51,259 (Rs. 1,55,663). Out of this an interim dividend of 10 per cent. absorbing Rs. 60,000 (Rs. 60,000) was paid in March 1960 and there remains a balance of Rs. 91,259 (Rs. 95,663) which the directors recommend should be appropriated as under:—

To pay a final dividend of 15 (15) per cent. [making in all 25 (25) per cent.] absorbing Rs. 90,000 (Rs. 90,000) and to carry forward to next season Rs. 1,259 (Rs. 5,663).

The Finance Act, 1959, has set out an obligation on the part of companies to deduct tax at source from dividend payable to shareholders and pay it to Government. This is only on a line with the advance collection of income-tax for which the shareholders will get a credit adjustment in their individual assessments or a refund on application.

Tea crop and export licences granted for the estate year ended 31st December:—

	1957	1958	1959
Made Tea from Estate leaf ... ... lbs.	332,056	383,675	325,310
Export Licence granted..	210,330	222,132	254,547*

* This represents quota issued to 31st March 1960, i.e., 67 per cent. of crop basis of 379,923 lbs.

Crop Estimate for 1960.—This conservatively may be taken as 350,000 lbs.

A provisional expenditure of Rs. 60,000 is estimated for the construction of workers' quarters, additional equipment for the factory, etc.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block	12,25,902
Reserves ...	4,82,155	*Less*—Depreciation ...	3,38,531
Provision for taxation ...	65,198		
Liabilities ...	2,17,446	Net block ...	8,87,371
Profit and loss account (surplus)	1,259	Work-in-progress ...	2,460
		Stock-in-trade	1,08,240
		Stores, etc.	16,062
		Book debts	14,557
		Investments	1,33,172
		Cash ...	2,04,196
Rs.	13,66,058	Rs.	13,66,058

Jaybirpara (Dooars) Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit, after charging all expenses, of Rs. 1,14,278 (loss of Rs. 34,854) from which is deducted the debit balance brought forward from last year of Rs. 60,919 (Rs. 62,442) leaving an available sum for appropriation of Rs. 53,359 (debit of Rs. 97,296). The directors have transferred to development rebate reserve *Rs. 2,097 (nil). They now recommend that a dividend of 50 (nil) nP per share, subject to deduction of tax* be paid, absorbing Rs. 35,000 (*nil*) leaving a balance to be carried forward of Rs. 16,262 (debit of Rs. 60,919 after adjusting Rs. 21,377 being dividends forfeited and Rs. 15,000 being excess tax provisions not required). The levy of West Bengal entry tax during the year amounted to Rs. 29,398.

A crop of 6,711 maunds was secured and sold at an average price of Rs. 2.17 per lb. which compares with a crop of 6,362 maunds in 1958, sold at an average price of Re. 1.85 per lb.

Estimates for the current year have been framed for a crop of 7,000 maunds to cost Rs. 10,15,574 but there has been a poor start to the season owing to shortage of rain and by 14th July 1960, 60,180 kgs. (1,658 mds.) had been manufactured compared with 81,465 kgs. (2,245 mds.) to the same date last year. Capital expenditure during the year was Rs. 8,925.

Messrs. Andrew Yule & Co., Ltd. will cease to act as managing agents of the Company on 15th August 1960 and their appointment as secretaries and treasurers of the Company for a period of five years from that date has been approved by the Central Government. At an extraordinary general meeting held on 6th July 1960, the members formally appointed Andrew Yule & Co., Ltd., as Secretaries and Treasurers of the Company with effect from 15th August, 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Gross block	11,09,391
Reserves ...	5,12,873	*Less*—Depreciation ...	5,33,855
Provision for taxation ...	2,742		
Liabilities ...	2,31,662	Net block	5,75,536
Profit and loss account (surplus)	17,759	Stock of tea	3,80,802
		Stores and tools ...	1,17,416
		Book debts	1,47,331
		Investments	3,480
		Cash ...	2,40,471
Rs.	14,65,036	Rs.	14,65,036

National Ekco Radio and Engineering Co., Ltd.

The directors of the above Company (Managing Agents: The Investment Corporation of India Ltd., Bombay) present the audited accounts of the Company for the year ended 31st December 1959.

During the year under review, the Company made a profit of Rs. 13,30,747 (Rs. 11,81,293) after providing for depreciation on fixed assets for 1959, payment of royalty to E. K. Cole Ltd., interest to The Investment Corporation of India Ltd. on loan advanced by them, managing agency commission, development rebate on new plant and machinery, bonus to employees and provision for doubtful debts. This amount has been utilised to write off the debit balance in the profit and loss account amounting to Rs. 2,99,279, past arrears of depreciation Rs. 9,40,000, deferred revenue expenditure Rs. 44,260 and part of development expenditure of previous years Rs. 45,804 leaving a balance of Rs. 1,404 to be carried forward.

Messrs. E. K. Cole Ltd. have very kindly agreed to accept £10,000 only as maximum royalty for the year 1959. The directors are grateful to them for this kind gesture.

The expectation expressed by the Board in their last report of the Company's working for 1959 was justified. Production of National-EKCO radios was higher than the 1958 figure which had established a record. Simultaneously, sale of radios kept pace with the increased production. The directors are satisfied that the results of 1959 represent a substantial improvement over the previous year in regard to production, sales and profits.

Efforts are being continuously made to increase production for 1960, with due regard to the anticipated increase in demand, quota of foreign exchange made available to the Radio Industry and the restricted space in the Company's existing premises.

The new Plastics division established in late 1958 continued to work three shifts during 1959 and in spite of initial difficulties is gradually making a steady progress in satisfying the Company's requirements of Bakelite Cabinets.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Gross block	17,07,645
Reserves ...	57,419	*Less*—Depreciation ...	12,10,300
Liabilities ...	21,30,353		
Profit and loss account (surplus)	1,404	Net block ...	4,97,345
		Stock-in-trade	25,60,410
		Stores, etc. ...	2,49,015
		Book debts ...	8,96,105
		Cash ...	43,309
		Miscellaneous expenditure	9,42,992
Rs.	51,89,176	Rs.	51,89,176

Carron Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts disclose a working profit of Rs. 2,44,298 (loss of Rs. 1,28,815). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfers of Rs. 1,00,000 (Rs. 1,10,000) to revenue reserve and Rs. 6,000 to development rebate reserve, there is a balance at credit of profit and loss account amounting to Rs. 1,11,500 (Rs. 2,16,411 after transferring Rs. 2,01,552 from depreciation reserve) the directors recommend payment of a dividend of 15 (*nil*) per cent. leaving Rs. 21,500 (Rs. 6,411 after transferring Rs. *2,01,000 to buildings and machinery* reserve and Rs. 9,000 development rebate reserve) to be carried forward.

Tea crop was 7,20,002 lbs. as compared with 4,65,018 lbs. in the 1958. The average selling price realised was Rs. 2.09 as against Rs. 1.72 per lb. in the previous year.

Estimates for 1960 provide for a crop of 2,70,000 kilograms (600,000 lbs.) at an outlay of Rs. 11,52,345, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block	14,66,180
Reserves ...	8,36,000	*Less*—Depreciation ...	5,09,072
Provision for taxation ...	81,897		
Liabilities ...	3,26,098	Net block ...	9,57,108
Profit and loss account (surplus) ...	21,500	Expenditure in progress	13,730
		Stock-in-trade	5,45,662
		Stores, etc. ...	31,511
		Book debts ...	90,741
		Investments	15,200
		Cash ...	2,11,543
Rs.	18,65,495	Rs.	18,65,495

Emerald Valley Estates Ltd.

The directors of the above Company (Chairman: Mr. P. Srinivasan, Madras) submit the audited accounts of the Company for the year ended 31st December 1959.

The result of the year's working, after provision for depreciation on buildings, machinery, furniture etc., amounting to Rs. 5,090 (Rs. 3,723) and providing for income-tax and sales tax Rs. 40,238 (Rs. 50,654) is a net profit of Rs. 28,121 (Rs. 33,720) to which must be added the balance of Rs. 2,706 (*nil*) brought forward from the previous year's account, making a total of Rs. 30,827. A sum of Rs. 6,500 (*nil*) has been transferred from dividend equalisation reserve to profit and loss appropriation account, thus making a total of Rs. 37,327 (Rs. 33,720) available. The directors recommend the following appropriations:

To pay a dividend at 8 (6 per cent. free of tax) per cent. on the equity shares for the year, subject to deduction of tax, absorbing Rs. 28,000 (Rs. 21,000), to provision for taxation of earlier years Rs. 7,300 (*nil*) and to carry forward to the next year Rs. 2,027 (Rs. 2,706 after transferring Rs. 10,014 to general reserve).

The tea crop for the year was 1,12,936 (1,28,145) pounds. The all in cost per pound of tea was 238.42 (206.23) cents.

Estimates for 1960 provide for a crop of 1,35,000 lbs. tea to cost 171.31 cents per lb. f.o.b. Besides this, capital expenditure, on new lines and factory lean-to, has been estimated at Rs. 9,600.

Messrs. Parkins Private Ltd. have intimated the Company that they do not seek re-appointment after the expiry of the term allowed for the existing managing agents under Section 330 of the Indian Companies Act, namely 15th of August 1960. *The Board have considered the matter and propose to appoint Sri K. N. Krishna Iyer as managing director of the Company for a period of five years from 16th August 1960, on the terms and conditions incorporated in the agreement to be* entered into with him, subject to the approval of the Central Government and the General Body.

The Board have also proposed to increase the authorised capital of the Company from Rs. 5 lakhs to Rs. 15 lakhs, in the form of 3 lakhs equity shares of Rs. 5 each. As this would amount to a change in the memorandum and articles of association of the Company, a special resolution is being proposed in this regard for adoption by the shareholders.

The crop as on 30th June 1960 was 65,000 lbs. which is 14,353 lbs. more than same date last year. Therefore better results can reasonably be expected during the coming financial year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Gross block	4,04,217
Reserves ...	1,26,500	*Less*—Depreciation ...	65,265
Provision for taxation ...	1,04,685		
Liabilities ...	43,968	Net block ...	3,38,952
Profit and loss account (surplus) ...	2,027	Stock-in-trade	45,833
		Stores, etc. ...	47,897
		Book debts ...	79,523
		Cash ...	1,14,975
Rs.	6,27,180	Rs.	6,27,180

Highland Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) present the audited accounts of the Company for the year ended 31st December 1959.

A total tea crop of 11,57,700 (12,71,700) pounds was harvested during the year against an estimate of 11,30,000 lbs. is satisfactory. Of this crop the share of Pasuparai Estates was 4,39,100 (5,06,500) pounds and Carady Goody Estates 7,18,600 (7,25,200) pounds. In comparison with last year's crop however, there is a shortfall of 1,14,000 lbs. due to severe drought in the early part of the year and general adverse weather conditions in all tea-planting districts in South India and the policy of *fine plucking adopted by the Company.*

The f.o.b. cost for the year was maintained at the previous year's figure of Rs. 1.28 per lb. as against an estimate of Rs. 1.18 and the all-in-cost was Rs. 1.58 per lb. against last year's figure of Rs. 1.54. The net average sale price realised was Rs. 2.08 per lb. as against Rs. 1.83 for last year. The increase in cost is mainly accounted for by the shortfall in crop and the better prices realised have compensated for these shortcomings.

Cardamom: The quantity of cardamom harvested during the year amounted to 19,410 lbs. as against 11,140 lbs. in the previous year. The cost of production for the year was Rs. 2.81 per lb. as against Rs. 511 for last year and the average sale price realised was Rs. 8.11 per lb. as against Rs. 7.43 for 1958. The crop during the year has been good due to favourable weather conditions and the increase in yielding acreage.

The net profit for the year amounted to Rs. 3,91,236 (Rs. 2,60,875) after providing for depreciation on buildings, machinery, etc. and after reserving a sum of Rs. 2,000 (Rs. 3,500) towards development rebate and a sum of Rs. 3,75,000 (Rs. 2,30,000) for income-tax. The profit, together with the amount brought forward from previous year of Rs. 21,458 (Rs. 48,583) makes a total of Rs. 4,12,694 (Rs. 3,09,458). No preference dividend has been declared for the year in accordance with the decision to pay preference dividends annually at the time of the annual general meeting. It has now been decided to pay the preference dividend at 6 per cent. subject to deduction of tax, which would leave a balance of Rs. 3,94,694 (Rs. 2,91,458) for appropriation. The directors recommend that this amount be disposed of as under:—

By payment of a dividend on equity shares at 15 (15 per cent. free of tax) per cent. for 1959, subject to deduction of tax, absorbing Rs. 2,70,000 (Rs. 2,70,000), by transferring to dividend equalisation reserve Rs. 50,000 (*nil*), to building reserve Rs. 50,000 (*nil*) and by carrying forward Rs. 24,694 (Rs. 21,458).

Crop Estimate—1960:

	Tea (lbs.)	Cardamom (lbs.)
Pasuparai ...	4,50,000	—
Carady Goody	6,80,000	15,500
Total	11,30,000	15,000

The directors' policy in resorting to fine plucking has justified itself and the Company's profits have been maintained at a satisfactory level in spite a shortfall in crop which was general throughout the district. The Company is also sending regularly every month a few invoices for sale in London and also in America.

Messrs. A. V. Thomas & Co., Ltd., have been reappointed as managing agents for 5 years from 15th August 1960 as per the decision of the General Body, and a fresh managing agency agreement has been executed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Gross block	31,48,370
Reserves ...	9,86,043	*Less*—Depreciation ...	6,93,094
Provision for taxation ...	4,04,531		
Liabilities ...	5,92,621	Net block	24,55,276
Profit and loss account (surplus) ...	24,694	Stock-in-trade	2,45,540
		Stores etc. ...	2,43,299
		Book debts ...	1,08,269
		Investments	3,81,248
		Cash ...	6,74,257
Rs.	41,07,889	Rs.	41,07,889

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

THE
UNITED COMMERCIAL BANK
LIMITED
Head Office: CALCUTTA

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 1,75,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
Foreign Branches: In Pakistan, Burma, Malaya, Singapore, Hong Kong and United Kingdom.
AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

COMPANY MEETINGS AND DIVIDENDS

EMERALD VALLEY ESTATES LTD. Annual General Meeting, Madras, 16th August 1960. Dividend: 8 per cent. or Re. 0.40 per ordinary share, subject to deduction of tax, payable after 16th August 1960. Transfer books remain closed from 5th to 15th August 1960, both days inclusive.

BADRA COFFEE ESTATES LTD. Annual General Meeting, Bangalore, 27th August 1960. Dividend: 15 per cent. or Re. 0.30 per ordinary share, subject to deduction of tax, payable on 29th August 1960. Transfer books will remain closed from 22nd to 27th August 1960, both days inclusive.

KADUR COFFEE ESTATES LTD. Annual General Meeting, Bangalore, 27th August 1960. Dividend: 7½ per cent. or Re. 0.15 per ordinary share, subject to deduction of tax, payable on 29th August 1960. Transfer books will remain closed from 22nd to 27th August 1960, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 29th August 1960. Dividend: Rs. 18.00 per share, subject to deduction of tax, payable on 12th September 1960. Transfer books remain closed from 8th to 31st August 1960, both days inclusive.

NEW DOOARS TEA CO., LTD. Annual General Meeting, Calcutta, 31st August 1960. Dividend: Rs. 32.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 17th to 31st August 1960, both days inclusive.

NATIONAL TOBACCO CO. OF INDIA LTD. Annual General Meeting, Calcutta, 31st August 1960. Dividend: 16 per cent. or Re. 1.60 per ordinary share, subject to deduction of tax. Transfer books remain closed from 10th to 31st August 1960, both days inclusive.

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 1st September 1960. Dividend: Rs. 5.00 per share, final (making a total of Rs. 7.50 per share, for the year), subject to deduction of tax, payable on and after 2nd September 1960. Transfer books remain closed from 17th August to 1st September 1960, both days inclusive.

PERIA KARAMALAI TEA AND PRODUCE CO., LTD. Annual General Meeting, Coimbatore, 7th September 1960. Dividend: 13¾ per cent. or 27 nP per share, subject to deduction of tax, for the year ended 31st March 1960. Transfer books remain closed from 17th August to 7th September 1960, both days inclusive.

KHANDELWAL FERRO ALLOYS LTD. Annual General Meeting, Bombay, 14th September 1960. Dividend: *Nil*. Transfer books will remain closed from 10th to 15th September 1960, both days inclusive.

INDIAN IRON AND STEEL CO., LTD. Interim dividend of Re. 1.50 per ordinary share, subject to deduction of tax, for the year ended 31st March 1960, payable on or after 21st September 1960. This dividend although termed interim will in fact constitute the full dividend for the year. Transfer books will remain closed from 26th August to 17th September 1960, both days inclusive.

KOHINOOR MILLS CO., LTD. Ad-interim dividend of Rs. 5.00 per share, subject to deduction of tax, for the half-year ended 30th June 1960, payable on and after 28th September 1960. Transfer books will remain closed from 16th August to 3rd September 1960, both days inclusive.

GOUREPORE CO., LTD. Final dividend of 20 per cent. or Rs. 20.00 per ordinary share (making a total of Rs. 30.00 per ordinary share, for the year), subject to deduction of tax, for the year ended 31st March 1960, payable on 31st August 1960. Transfer books will remain closed from 24th to 31st August 1960, both days inclusive.

NUDDEA MILLS CO., LTD. Final dividend of 6 per cent. or Rs. 3.00 per ordinary share (making a total of Rs. 4.00 per ordinary share, for the year), subject to deduction of tax, for the year ended 31st March 1960, payable on 31st March 1960. Transfer books will remain closed from 24th August to 31st August 1960, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Dividend of Rs. 10.00 per ordinary share, subject to deduction of tax, for the half-year ended 30th June 1960.

KILCOTT TEA CO., LTD. Taxable dividend of 17½ per cent. for the year ended 31st December 1959.

ALUMINIUM INDUSTRIES LTD. Final taxable dividend of 9 per cent. (making a total of 18 per cent. for the year) or Re. 0.90 per share, for the year ended 31st March 1960.

STANDARD MOTOR PRODUCTS OF INDIA LTD. Taxable dividend of 9 per cent. or Re. 0.90 per share, for the year ended 31st December 1959.

PARRYS CONFECTIONERY LTD. Taxable dividend of 30 per cent. for the year ended 31st March 1960.

MYSORE STONEWARE PIPES AND POTTERIES LTD. Taxable dividend of 14-2/7 per cent. for the year ended 31st March 1960.

MLAMALLY TEA ESTATES LTD. Taxable dividend of 15 per cent. for the year ended 31st March 1960.

COMPANY REGISTRATIONS

INDO NIPPON CHEMICAL CO., LTD. (Managing Directors: Mr. Indulal D. Bhuva and Mr. K. Ohmori.) Business: Manufacture of chemical products. Authorised capital: Rs. 50,00,000. Public company. Address: Alice Building, Dadabhoy Naoroji Road, Fort, Bombay.

AGRO CHEMICALS AND FERTILIZERS LTD. Business: Manufacturers of pharmaceuticals. Authorised capital: Rs. 1,00,00,000. Public company registered in the State of Maharashtra.

GHATGE PATIL INDUSTRIES PRIVATE LTD. (Managing Agents: Messrs. Vajra Gunak.) Business: Manufacturers of electrical products. Authorised capital: Rs. 25,00,000. Private company registered in the State of Maharashtra.

BOMBAY REFRIGERATORS INDUSTRIES PRIVATE LTD. Business: Manufacture of electrical products. Authorised capital: Rs. 4,50,0000. Private company registered in Maharashtra. Address: 119, Bhavani Shankar Road, Dadar, Bombay 28.

ENGINEERING

(*Concluded from page 345*)

processes must be designed in such a way as to prevent absolutely a nuclear chain reaction of the same type as in a reactor. It is thus evident that nuclear fuel reprocessing involves difficult and new technical problems and requires careful arrangements to eliminate any health hazard to the people working in the plant or living in the surroundings. Today, however, the safety and health problems are quite possible to master.

Reprocessing has also very important economic aspects. The successful reprocessing of fuel is vital to almost all reactor systems so far considered for industrial purpose. The ultimate cost of nuclear power depends largely on the cost of the complete fuel cycle and the expenditures for reprocessing constitute a considerable part of these fuel cycle costs. If the methods by which irradiated nuclear fuel elements are reprocessed can be improved, an essential part of overall nuclear power costs is affected, and any decrease in reprocessing cost will have significant results on the competitiveness of nuclear power as a source of energy for the future. This will perhaps explain the incentive to form the Eurochemic company. Reprocessing involves difficult technical and economic problems, the solution of which requires vast research and extensive development costs. This makes the field especially attractive to a joint undertaking where the costs and also the results and experiences are shared.

RAILWAY COACHES

The Hindustan Aircraft Factory at Bangalore is understood to be making rapid progress in the manufacture of "all steel lightweight integral type broad-gauge railway coaches." The production now has reached a level of 22 coaches per month. It had been envisaged that peak product on of 25 coaches per month would be attained in progressive stages by October-November 1961. But this target is now expected to be achieved one year ahead of schedule. With the progressive development in the manufacture of integral coaches, the production of the old conventional type coaches in the factory has been tapered down and the last coach of this type is expected to move out in September 1960, that is a month from now.

As early as 1948, the Factory developed its own design for manufacturing "all-steel" lightweight railway coaches adopting more or less the same constructional features as applied to manufacture of aircraft. These coaches have become very popular. In October 1956, the Factory, in consultation with the Railway Board, entered into a collaboration agreement with Messrs. M. A. N., a leading railroach manufacturing firm in West Germany, to start manufacture of all-steel lightweight integral type broad-gauge coaches using steel available within the country.

One of the special features of the integral coaches turned out by HAL is their excellent riding quality, mainly due to a new type of bogie, which has been incorporated in them. This has not been used in India before and this bogie is, in fact, the most modern type even in the West. The trials carried out by the Railways Research Centre have already confirmed the supremacy of these new bogies as compared to any other type of bogie now in use on the Indian railways.

The interior fitting and furnishings of these new integral coaches incorporate all modern amenities and ensure travel in comfort for the third class passengers and particularly, for long-distance passengers. The interior colour scheme of the coaches is so designed as to give a pleasing appearance and better effect to interior lighting.

AID FOR BLIND

Following a suggestion from the Royal National Institute for the Blind, Mullard Research Laboratories have produced a design for an acoustic lamp reader that enables blind operators to man the newer types of telephone switchboard on which the signalling is visual. The device, intended for use on private branch exchanges, uses a photoelectric cell, a transistor oscillator and a loudspeaker to convert the light output from the signalling lamps to an audible tone. It can be fitted without modifications to the board. The photocell is mounted on a small carriage which is attached magnetically to metal rails already existing on the board. When the carriage is moved by hand along the rails the photo-cell passes over each signal lamp in turn, and any active lamp causes the cell to respond, producing a tone from the loudspeaker. The blind operator can thus locate any line needing attention, and determine the state of the board at any moment without interrupting the traffic.

COMMERCE AND INDUSTRY

(*Concluded from page 348*)

It will be noted that, in the month of June, exports declined from about Rs. 51 crores in May to about Rs. 49 crores, though they compare somewhat favourably with the figure of Rs. 43 crores in the corresponding month last year. Imports in June touched the highest for any month in the first half of the current year, as also the corresponding period last year (except in April 1959, when they touched Rs. 92 crores). The balance of trade continued to be unfavourable. In fact, this was the largest trade gap in any month in the first half of the current year. But this was considerably smaller, as compared with the corresponding month of 1959. Another point to be noted is that imports have been progressively rising since the beginning of the year, while this is not true of exports. Indeed, in the second quarter, the monthly average of exports was smaller than in the first quarter. If this trend were to continue in the current half-year, the trade gap would widen and 1960 might end no better than 1959.

INDO-U.K. TRADE

India's exports to the U.K. rose by about £9 million to about £70 million in the first half of the current year, as compared with the corresponding period in 1959. Its imports, however, declined from £82.8 million to £78.6 million. Consequently, India's adverse trade balance with the U.K. was narrowed down substantially, that is, from as much as about £21.7 million to no more than about £8.6 million.

Tea continued to be by far the largest individual item among India's exports to the U.K., its earnings from this source being higher by about £2.5 million at £20.71 million during January-June 1960. Similarly, there was a notable increase in the exports of textiles, leather and tobacco. Among India's imports from the U.K., machinery (including electric) fell by about £4.2 million to £31.2 million. Another major item of imports was road vehicles and aircraft, the intake of which was lower by £2 million at £11.6 million.

The following table shows at a glance the trend of India's exports to, and imports from, the U.K. during January-June 1960, as compared with the corresponding period last year as also full year 1959:

(Value in millions of £)

	Jan.-June 1960	Jan.-June 1959	Full year 1959
Exports (total)	70.01	61.14	142.63
Of which:			
Tea	23.22	20.71	65.13
Tobacco and manufactures	7.35	6.65	8.12
Leather and manufactures	7.52	5.76	13.66
Cotton yarns and woven fabrics	7.94	4.86	10.67
Imports (total)	78.80	82.79	171.27
Of which:			
Machinery (including electric)	31.17	35.45	75.03
Road vehicles and aircraft	11.61	13.70	26.73
Chemicals	7.15	8.15	15.67
Balance of trade	—8.59	—21.65	—28.64

The U.S. is spending, through Government, industry and educational and technical institutions, a sum of more than $10 000 million on research every year. In America, research is the backbone of industry, and has been responsible for finding new and cheaper products and evolving new processes and industries. It has been a vital factor in the expansion of its system of mass production, and has helped in the organisation of production and distribution.

Notices

THE ONDAL COAL COMPANY LIMITED

THE BOARD OF DIRECTORS HAVE recommended the following dividends, subject to deduction of tax at source, be paid for the year ended 31st December, 1959.

On Preference Shares—6½% per annum

On Ordinary Shares—7% per annum.

By Order of the Board,
P. PRASHAD,
Chairman.

CHARTERED BANK BUILDINGS,
CALCUTTA, 10*th August*, 1960.

THE GWALIOR RAYON SILK MANUFACTURING (WEAVING) COMPANY LIMITED

THE BOARD OF DIRECTORS AT THEIR meeting held on 13th August 1960, have recommended the dividend on equity shares @ Re. 1.20 nP subject to deduction of tax for the year ended 31st March 1960.

Register of Members and Share Transfer books of the Company will remain closed from 1st September 1960 to 14th September 1960, both days inclusive.

By Order of the Board,
V. N. BAGRODIA,
Secretary.

BIRLAGRAM, NAGDA,
16*th August* 1960.

BANKS CUT RATES OF INTEREST ON DEPOSITS

(From Our Own Correspondent)

BOMBAY, 17*th August*

The most outstanding development of the week was reduction in the maximum rate of interest paid by banks on short-term deposits, according to a revision in the inter-bank agreement, which is of a voluntary nature. The modified inter-bank agreement for effecting the cut came into force with effect from yesterday, the 16th inst. The maximum rate of interest for seven days' money has been reduced from 3½ per cent. to 3 per cent, and that on deposits for periods under three months from 3½ per cent. to 3¼ per cent. There is, however, no change in the rate of interest on deposits of three months and over, which is 3½ per cent. These rates are applicable only to banks with deposits of over Rs. 5 crores. As at present, the smaller banks, that is those with deposits of Rs. 5 crores and below, are entitled to pay ¼ per cent. more than the aforesaid revised rates.

Meanwhile, conditions in the short-term money market show no sign of slackening. The trend of bank advances during the "slack" season so far has not dropped to any worthwhile extent. Thus, since the end of April, the total Scheduled bank credit has declined by only Rs. 5.88 crores, representing a mere fraction of the extent by which the Reserve Bank Governor wanted the banks to bring their advances down during the slack season. There are only ten weeks more for the 1960-61 busy season to start and, judging from the present conditions, it is unlikely that the wishes of the Reserve Bank Governor would be fulfilled. Banks, particularly the smaller ones, continue to be borrowers in the short-term money market. Inter-bank call money rate (which is not covered by the inter-bank agreement) continues to fetch 3½ per cent.

The Treasury Bill discount rate has recorded a sudden drop from 2.745 per cent. to 2.540 per cent. per annum this week. The amount offered at Rs. 2 crores was, however, no more than that invited. In consonance with this trend, the Reserve Bank has reduced the discount at which the Intermediate Treasury Bills will be offered this week from 2.696 per cent. to 2.476 per cent. The sales of these bills last week (between 10th and 13th August) amounted to Rs. 1.10 crores.

The Reserve Bank's statement for the week ended 12th August 1960 shows no worthwhile variation in either notes in circulation or notes held in the Banking Department. Foreign securities have dropped by Rs. 5 crores, while rupee securities show a corresponding increase. The fall in foreign securities is offset, to some extent, by the rise of Rs. 1.63 crores in balances held abroad. The total foreign assets now stand at Rs. 144.49 crores. Loans and advances other than to Governments are lower by Rs. 5.66 crores. Investments have declined by Rs. 3.16 crores, while holdings of Government Treasury Bills have risen by Rs. 4.44 crores.

A marked fall of Rs. 10.65 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 5th August 1960. These deposits have however, gone up by Rs. 4.34 crores, so that the net decline in total deposits is of the order of Rs. 6.31 crores. This is mostly accounted for by banks other than the State Bank of India. Inter-bank borrowings have been reduced by Rs. 3.75 crores, while borrowings from the Reserve Bank have gone up by Rs. 9.35 crores. Advances have risen by Rs. 2.28 crores, of which the share of the State Bank is Rs. 1.07 crores. Investments have gone up by Rs. 14.05 crores, mainly due to the increase of Rs. 15.45 crores in the State Bank's portfolio. Cash balances (including balances with other banks) have dwindled by Rs. 8.62 crores, following the drop of Rs. 11.13 crores on State Bank's account. Money at call and short notice has also declined by Rs. 3.46 crores.

The Gilt-edged market continues to be listless. While sellers predominate, in the absence of buyers, prices are unchanged over a wide front. 3 per cent. 1986 Conversion Loan has, however, gained 5 nP to Rs. 73.55. Among State loans, 4 per cent. 1971 issues (with the exception of Bombay) have been marked down by 5 nP to Rs. 99.70.

The changes in the rupee-U.S. dollar cross rates during the week are in consonance with the fluctuations in the sterling-dollar rates. On balance, the rupee shows a slight gain. After a decline from Rs. 476.50 to Rs. 476, banks' selling rate for U.S.T.T. (ready) moved up to Rs. 476.25 per $100. Their buying rate closed at Rs. 473, after a fall to Rs. 472.75 from Rs. 473 per $100. In New York, spot sterling continued its upward trend with a further rise from 280.97-281.00 cents to 281.15-281.18 cents before shading off to 281.06-281.10 cents. Three months' forward also gained from 279.70-279.73 cents to 279.77-279.80 cents, but closed a little lower at 279.72-279.76 cents.

KIPS IN GOOD DEMAND

(From Our Own Correspondent)

MADRAS, 13*th August*

There was some activity in E.I. kips light weights single tannages during the week under review. Top class tanners were all in a well sold forward position in lights as well as mediums. Lower selections, however, were difficult to sell. Inferior fifths were taken up for local consumption at above U.K. prices. Heavies were in good request with meagre supplies.

Tanned cow calf and buff calf ruled quiet. All available quantities of buffs found ready clearance.

Trading in tanned goat and sheep skins was dull, due to August holidays. Raw prices eased considerably.

BULLION BULLISH

(From Our Own Correspondent)

BOMBAY, 17*th August*

The bullion market had only four working sessions during the week under review, as it remained closed on Saturday (*Gokulastami*) and Monday (Independence Day). This brief period witnessed a firm trend in both silver and gold, though there was some technical setback to values today. The firmness was due to the manipulation by the bull syndicate which continued to sit tight over its holidays after having paid the stipulated margins. Fortunately for the syndicate, arrivals from up-country centres were smaller than those in the previous week—3,835 tolas of gold and 25 bars of silver per day on average, as against 4,750 tolas and 33 bars, respectively. The bulls noted with great satisfaction reports regarding the seizure of a large quantity of contraband gold at Calcutta last week. The daily average offtake was no doubt small, being 2,500 tolas in gold (as against 2,625 tolas last week) and 4 bars in silver (as against 6 bars), but there were hopes that it would broaden in the coming weeks, resulting in the depletion of the floating stocks from the present levels of 25,000 tolas of gold and 250 bars of silver. In particular, the demand from Gujarat side was expected to increase considerably, following the State Government's decision to exempt, with effect from the 2nd inst., sales of bullion and specie, as well as articles made of gold and silver (of fineness not less than 75 per cent.) from the retail sales tax. Such exemption will not, however, be granted to articles made of gold and silver containing precious stones or pearls (whether real, artificial or cultured) of a value not exceeding one-tenth of the value of such articles.

The *Bhadrapad* settlement (September) in gold met with good support and advanced from Rs. 131.25 on Wednesday last week to Rs. 132.25 on Friday and yesterday. It, however, eased to Rs. 131.62 today before recovering to Rs. 131.75 towards the close. The net rise over the week was 50 nP.

Ready gold moved up from Rs. 132.50 to Rs. 133.12 yesterday and, after declining to Rs. 132.50 today, finished better at Rs. 132.62. The premium commanded over the *Bhadrapad* settlement today was, of course, lower at 87 nP, as against Re. 1.25 last week-end.

In silver, *Bhadrapad* settlement (September) ruled distinctly firm, the quotation rising from Rs. 220.50 to Rs. 223.81 yesterday. At this level, profit-taking set in and the settlement fell to Rs. 222.62 today. The closing was a shade higher at Rs. 222.68. Business in *Aswayuj* settlement (October) commenced at Rs. 222.62. The settlement fluctuated between Rs. 222.68 and Rs. 222.12 before finishing at Rs. 222.19.

Ready silver began the week at Rs. 221.31, as against the previous closing of Rs. 221.75, and strengthened to touch a high of Rs. 224.31 yesterday. After moving down to Rs. 222.68 today, it finished better at Rs. 222.68. The net rise over the week was 93 nP. In view of the bull grip over the *Bhadrapad* settlement, not only was the premium commanded by ready silver over this settlement wiped off during the week but the ready rate was on par with the forward rate today.

Both ready and forward silver in the London bullion market continued unchanged at 79¼d. during the week under review also. Silver in New York, too, was unaltered at 91.375 cents. Ready gold in London eased from 249s. 11½d. to 249s. 10d., owing to the renewed firmness of the pound sterling *vis-a-vis* the dollar. The latest available world price for gold in London is $35.11½-$35.13½, same as last week.

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

	17-8-60 (closing)	High	Low	10-8-60 (closing)
GOLD				
Ready (.99 fine)	Rs. 132.62	Rs. 133.12	Rs. 132.00	Rs. 132.50
Forward:				
*Bhadrapad**	131.75	132.25	130.94	131.25
Sovereign	87.00	87.00	86.62	86.62
SILVER				
Ready (.996 fine)	222.68	224.31	221.12	221.75
Forward:				
Bhadrapad†	222.19	223.81	220.19	220.50
London:	16-8-60			9-8-60
Silver Ready	79¼d.	—	—	79¼d.
Silver Forward	79¼d.	—	—	79¼d.
Gold	250s.10d.	249s.11½d.	249s.9½d.	249s.11½d.
New York:				
Silver	91¼ cents	—	—	91¼ cents

* 5th September settlement. † 6th September settlement.

THE BANK OF BEHAR LTD.

Head Office: PATNA

ESTD. 1911

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BRANCHES AT:

Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.

A. C. BHAT,
General Manager.

COTTON FUTURES FIRMLY STEADY

(From Our Own Correspondent)

BOMBAY, 17*th August*

Conditions in the cotton futures market remained unchanged over the week. The Jarilla August Contract continued to rule at the ceiling level of Rs. 820, although, in private, it was priced nine to ten rupees higher. For the first time, on the 11th inst., the fourth notice day, 100 bales of Cambodia cotton were tendered against the Contract. This had practically little effect on the price trend.

Attention of traders was focussed on the prospects of trading in new crop futures. The deliberations of the Sub-Committee appointed by the E.I.C.A. to evolve a balanced hedge contract for the new season beginning on 1st September were followed with interest. Although no final decision was announced, it was reported that, contrary to the expectation in some quarters, the Sub-Committee was in favour of keeping the basic staple length of the new contract the same as that of the current contract, that is, Moglai Jarilla 25/32".

The general disappointment of the cotton trade over the decision of the Government to maintain the *status quo* in respect of the floor and ceiling prices of cotton in the next season also, was given expression to by Mr. Madanmohan Ruia, President of the E.I.C.A., at the 82nd meeting of the Indian Central Cotton Committee held in the city this week. He made a vigorous plea for considering cotton price policy from a purely practical angle, namely, increasing the cotton production in the coming years.

In the spot market there was very little activity so far as indigenous growths were concerned, thanks to the prohibition of mills buying direct from stockholders. Moderate turnover was, however, reported in foreign styles. Spinners showed interest in L.S. cotton stapling 1" and 1⅛" to 1-5/32". East African B.P. 52, Mwanza and Syrian growths. Stray interest was also noted in Sudan cotton.

Provisional figures relating to consumption of cotton in the month of June show that Indian mills consumed 320,000 bales of Indian cotton and 118,000 bales of foreign cotton. The Indian cotton consumption figures show a drop of around 21,000 bales from the previous month and around 88,000 bales from the highest December figure of 408,137 bales. Foreign cotton consumption shows an increase of about 54,000 bales from the previous month's figure and 81,000 bales from the lowest November consumption of 37,028 bales. Total consumption of cotton during the 10 months of the season aggregated 4,259,926 bales—3,713,472 bales Indian cotton and 546,454 bales foreign—as compared with 4,215,263 bales during the same period last season.

Crop reports from the growing areas are very favourable. Gujarat, Khandesh, Berar, Moglai and Madhya Pradesh have had rains with breaks enabling farmers to carry on weeding operations. But sunshine for about a week to a fortnight would considerably improve prospects. So far the condition of the crop is excellent. Punjab and U.P. report almost dry and hot weather which has been very helpful for crop development; a small instalment of rains now, it is said, will accelerate the progress, which has been good so far.

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

B.P. 52 1,400; El Paso 1,415; Mwanza 1,205; Syrian 1,125-50.

The Karachi cotton futures market after ruling distinctly firm during the first half of the week, turned easy in the later half. The earlier strength was due to speculative buying based on better export prospects and investment support induced by the low level of prices. The January contract rallied from Rs. 67-2 last week-end to Rs. 69-1 on the 12th inst. The March contract rose from Rs. 67-8 to Rs. 68-3. In subsequent sessions, however, futures came under pressure, banks to profit-taking and liquidation induced by bearish weather reports. Part of the earlier gains were wiped out and the Contracts closed showing net gains, over the week, of 9 to 15 annas. The January contract is currently quoted at Rs. 68-1 and the March contract at Rs. 67-9.

Cotton futures in Alexandria scored handsome gains during the week. Excellent spot advices and local trade covering were the strong points of bulls. Futures values improved in active trading.

Crop reports continue to indicate good crop progress and ideal weather conditions; water-supply is said to be adequate and insect infection negligible.

The latest available quotations—in tallaris per lb.—are as under:

Karnak: November 75.20; January 74.85; March 74.90; May 75.00.

Ashmouni: August 62.50; October 62.93; December 62.75; February 62.85.

With the 1959-60 cotton season almost at its end—the new season opens on 1st September—it is now possible to assess the result of the Egyptian authorities' efforts to balance sales between the East and West blocs. Over the last three years, the greater part of these exports have gone to Communist bloc countries.

Estimates are that in the current season, about 57 per cent. were taken by East bloc States, as compared with 67 per cent. last season. In the first half, as much as 55 per cent. was shipped to Western countries, but the proportion subsequently swung the other way through heavier purchases by the East, particularly the Soviet Union.

Overall sales are well up on last season: export commitments to end-July were 9,256,913 million kantars (a unit of approximately 100 lbs.), which was more than 1.25 million kantars above

last season's total. The greater part of this increase comprised sales to non-Communist countries, especially India, which this season is Egypt's third customer for cotton, after the Soviet Union and Czechoslovakia. Estimated total value of exports is about £E130 million, in which the proportion of processed cotton, in the form of yarn, piece-goods and textiles, has risen to more than £E7.5 million, about one-sixth up on last season.

The discount to be allowed on the new crop to purchasers paying in hard currencies is 6 per cent. A year ago, it was 28 per cent., but during the season it has been gradually reduced to 10 per cent. and 9½ per cent. this week.

While the 6 per cent. rate means that Egyptian cotton may be rather dearer than Sudanese, demand appears to be such that the authorities are confident that this rate is realistic. If bulk buying by the Soviet bloc in the new season were to send prices above competitive levels, this could be countered—at least in theory—for Western customers by manipulating the discount. Another official aim is reported to be to unify the regulations that control cotton-growing, marketing and selling in Egypt and Syria. A draft of proposed unified regulations is being prepared by the U.A.R. Ministry of Agriculture, in Damascus.

Futures values in the Liverpool cotton market receded during the week under review. Buying support was lacking, thanks to the small spot offtake and lower New York advices. Both the American and American type contracts declined in quiet trading marked by little outside interest. Trading in Sudan contracts was featureless. Prices remained unchanged. The latest available quotations—in pence per lb.—are as under:

American cotton one inch staple contract: October 22.40; December 22.15; March 22.15; May 22.25.

American cotton mixed growth contract: October 22.70; December 22.45; March 22.50; May 22.60.

Sudan: September 35.25; November 35.50; January 35.50.

After a slight advance, soon after the publication of the August crop report on the 8th inst., cotton futures in the New York market declined. The belief that there would not be any shortage of cotton induced a general selling spree. Reports that some mills were curtailing operations and excellent crop progress imparted further weakness to the market.

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

(In cents per lb.)

	16-8-60	9-8-60	2-8-60
Spot	32.45	32.65	33.10
October	30.88	30.99	30.97
December	31.15	31.30	31.18
March	31.70	31.81	31.55

GROUNDNUT EASY

(From Our Own Correspondent)

BOMBAY, 17*th August*.

Distinctly easy conditions prevailed in the oilseeds market during the week under review. An important feature of trading was the halt in the rally of groundnuts and groundnut oil witnessed in the past several weeks. In fact, they suffered a distinct setback during the week, thanks mainly to persistent reports of quite favourable weather conditions in all the major producing centres and the consequent lull in the bullish fervour. The official trading in groundnut August 1960 contract, which had been suspended for the last one month —from 19th July to be precise—was revived with effect from the 16th inst., following drop in values below the ceiling level of Rs. 225. The trading in groundnut oil hedge contract, however, continued to be at a standstill. Conditions in the castorseed section were dull. Although there were stray export enquiries, the comfortable supply position and fears of heavy tenders against the maturing contract dampened the enthusiasm of operators. Linseed moved down, in view of the protracted absence of any encouraging overseas advices. Cottonseeds, too, moved down in sympathy.

During this week, the official crop estimate for linseed for the year 1959-60 has been published. The production of linseed fell by about 5 per cent., that is, from 454,200 metric tons in 1958-59 to 431,800 metric tons. The total area under linseed declined from 1.60 million hectares to 1.59 million hectares—a drop of just 1.1 per cent. The decrease in area during the current year has been reported mainly by U.P., Madhya Pradesh, and Bihar and is attributable to unfavourable seasonal conditions at sowing time. This decrease has been offset to some extent by the increase in area reported mainly from W. Bengal and Maharashtra. The decline in production during the current year has been reported by all the States except Madhya Pradesh. It is attributed partly to the decrease in area and partly to unfavourable weather conditions during the period of growth of the crop this year, as compared with last year. With this, official estimates of all the five major oilseeds are now available. Thus the total production of the five major oilseeds in 1959-60 was lower at 6.35 million tons, as compared with 6.91 million tons in 1958-59. To a large extent this decline in output accounted for the sharp increase in oilseed prices.

In the groundnut section, as already pointed out, conditions were depressed. It was reported that groundnut sowing this year was higher by about 25 per cent., as compared with last year. Weather conditions continued to be distinctly favourable in groundnut growing areas. At the same time, crushers and *vanaspati* manufacturers sought to buy only limited quantities, in view of the possibility of a further decline in prices. In these conditions, groundnut August contract, which was privately traded above Rs. 225 last week, came down subsequently; official transactions commenced on Monday at Rs. 224. Today they fell further to Rs. 221. February 1961 contract, which had wound up the week at Rs. 186.75, gradually drifted lower to Rs. 183.75. Nizam bold suffered a setback of Rs. 2.50 to Rs. 45.25. Coromandel also lost a like amount to Rs. 45.50. Oil ex-mill fell by Re. 1.12 to Rs. 24, after moving both ways in a narrow range.

Castorseed remained subdued mainly on account of the pressure of old floating supplies. Reports of some enquiries for castor oil from the U.S., the U.K. and some Communist countries did not, however, make any improvement in the sentiment. Castorseed maturing contract fell from Rs. 169.37 to Rs. 166.50. May 1961 contract was marked down by Rs. 3.75 to Rs. 166.25. Ready Madras receded by 25 nP to Rs. 33.87. Oil Commercial closed lower at Rs. 17.87, as against Rs. 18 last week-end.

Dull conditions prevailed in the linseed section. Linseed September 1960 contract reacted by 75 nP to Rs. 31.62 and May 1961 contract by Re. 1.81 to Rs. 32. Bold ready was lower by 63 nP at Rs. 31.87. Linseed oil fell from Rs. 16.75 to Rs. 16.12.

In the cottonseed section, cottonseed February 1961 contract, which had finished at Rs. 93.75 last week-end, lost ground subsequently to close today at Rs. 89.75.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	17-8-1960	10-8-1960	3-8-1960
Groundnut	Rs.	Rs.	Rs.
August 1960	221.00	—	—
February 1961	183.75	186.75	—
Nizam bold	45.25	47.75	48.00
Coromandel ready	45.50	48.00	48.25
Khandesh quality	45.50	48.00	48.00
Oil ex-mill ready*	24.00	25.12	25.12
Railway receipts*	23.75	24.75	24.62
Castorseed			
September 1960	166.50	169.37	173.75
May 1961	166.25	170.00	—
Ready Madras	33.62	33.87	34.87
Ready Kanpur	32.12	32.75	33.75
Oil B.S.S.†	19.00	19.25	19.75
Oil commercial†	17.87	18.00	18.31
Linseed			
September 1960	31.62	32.37	33.47
May 1961	32.00	33.81	—
Bold ready	31.87	32.50	33.37
Oil ready†	16.12	16.75	17.12
Cottonseed			
September 1960	157.50	—	—
February 1961	89.75	92.75	92.50
Niger seed	38.00	38.75	39.00
Kardi seed	24.50	24.75	25.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter. Rates for 1961 delivery contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms.

BEMBERG YARN MOVES UP FURTHER

(From Our Own Correspondent)

BOMBAY, 17*th August*.

There was a further marked rally in Cupressa Bemberg yarn (60×2) during the week under review, thanks to buying spree which stemmed from hopes of an appreciable increase in prices in the next few weeks. The hopes were based on the news that several handlooms and powerlooms were currently consuming more of this yarn in the place of other synthetic fibre yarns. Reports regarding a cut in supplies of art silk yarn by indigenous producers also fanned the bullish fervour in Bemberg yarn. In sympathy with art silk yarns, staple fibre yarns also tended to look up. Cotton yarns, however, encountered selling on fears of a downward revision in the mills' wholesale prices as a sequel to the efforts of the Indian Cotton Mills' Federation.

The Federation has, in consultation with the Southern India Millowners' Association, Coimbatore, fixed new prices for yarn as is indicated below:

(In Rs. per bundle of 10 lbs.)

Count group	*Net ex-mill prices of single hank yarn*	*Market rate of yarn sold in the 1st week of August* 1960	*October* 1959 *rate*
6s	13.57	..	10.65
10s	17.98	19.75	14.50
20s	21.90	24.25	18.25
26s	24.30	26.25	20.25
30s	25.44	27.00	21.85
40s	28.80	30.50	25.60

The revised prices are nett ex-mill and are for yarn spun from Indian cotton. They also apply to all outstanding contracts against which deliveries have not so far been made. The Federation has not fixed prices for fine and superfine counts, in view of the fact that the ruling prices are lower than those prevailing in October 1959. For yarn of the above counts spun from imported cotton or mixture of Indian and imported cotton, the prices have to be fixed by individual Associations in consultation with the Federation.

Under the impetus of buying orders, Cupressa Bemberg yarn (60×2) August delivery forged ahead from Rs. 1,952 to Rs. 2,012. October contract jumped up from Rs. 1,978 to Rs. 2,034. Spot Cupressa registered a rise of 13 nP, today's closing rate being Rs. 9.25. 150 Italy advanced by 10 nP to Rs. 6.25. 150 Japan gathered 3 nP to Rs. 6. 120 Italy was firm at Rs. 5.81. 120 Japan was done at Rs. 5.59. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade strengthened by 15 nP to Rs. 5.34. 120 Bt. cones 1st grade was fully maintained at Rs. 6.06.

Staple fibre yarn (40×2) August contract improved by Rs. 4 to Rs. 720. October position put on Rs. 7 to Rs. 737. Spot Kohinoors and Centurys were fully steady at Rs. 3.78 and Rs. 3.62, respectively, as also 80×2 Paramounts (imported) at Rs. 12.75.

In the cotton yarn section, ten counts Podars receded by 50 nP to Rs. 18. Gokaks dropped 25 nP to Rs. 18.75. Twenty counts Gokaks declined by 13 nP to Rs. 24.37, while Moderns met with special support and rose by 20 nP to Rs. 24.50. Deals were put through in forty counts at lower prices. Maduras easing by 75 nP to Rs. 31.25 and Minaxis by 25 nP to Rs. 31. Sixty counts Raghuvamshis and Finlays were dull, the former at Rs. 60.60 and the latter at Rs. 63.50. Among eighty counts, Moderns shed 50 nP to Rs. 73.50. Finlays were neglected at Rs. 82.82 and Mahendras at Rs. 82.82.

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

	17-8-1960	10-8-1960
Art silk yarn	Rs.	Rs.
60/1 Cupressa Bemberg (100 Kg.)		
August	2,012	1,952
October	2,034	1,978
60/1 Cupressa Bemberg spot (per lb.) ..	9.25	9.12
120 Japan (per lb.)	6.50	6.61
150 Japan (per lb.)	6.00	5.97
120 Italy (per lb.)	5.81	5.81
150 Italy (per lb.)	6.25	6.15
Staple fibre yarn—		
40×2 August	720.00	716.00
October	737.00	730.00
40×2 Kohinoor (per lb.) ..	3.78	3.78
40×2 Century	3.62	3.62
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.00	18.50
20s Gokak	24.37	24.50
40s Madura	31.25	32.00
60s Raghuvamshis ..	60.60	60.60
80s Modern	73.50	74.00

LESS DEMAND FOR TEA

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

COCHIN, *9th August*.

Sale No. 31.—Approximately 546,000 kilogrammes were offered in Sale No. 31 held today. Quality from the Nilgiris was fully maintained, whilst from other districts a few brighter invoices were seen. There was less general demand than last week. Best liquoring and improved quality highgrowns met with keen competition and sold at considerably dearer rates, but where quality was unchanged prices were firm. Good mediums and mediums were firm, but where quality showed an improvement they were dearer by 5-10 nP per kilo. Low mediums received good support at firm to dearer rates. The plainest types were irregular and generally slightly easier. Black leaf teas were well supported. Whole leaf grades sold well with O.Ps, highgrown F.Ps and pekoes dearer. C.T.Cs and Legg-cut teas received satisfactory support, but at slightly lower rates.

	1960	1959
	Rs.	Rs.
Low medium	3.65-4.00	3.48-3.59
Medium	4.00-4.15	3.75-3.97
Good medium	4.10-4.55	4.41-4.74
Quality	4.75-7.60	4.63-5.40

The average price realised in Sale No. 31 was Rs. 4.43 per kilo, as against Rs. 4.14 in the previous sale and Rs. 4.03 in the corresponding sale of 1959.

Dust Sale "DD".—A total of 204,548 kilogrammes were offered in Sale "DD" held on Thursday, 11th inst. There was good demand. Highgrowns were irregular, but sold well. Cleanly-sorted mediums were in demand at firm rates, but those with fibre received less attention and were easier. Residuals came to an irregularly easier market. C.T.C. types were sought after, but sold at lower rates.

Dust Sale "DD" fetched an average price of Rs. 4 per kilo, which compares favourably with Rs. 3.96 realised in the previous sale and Rs. 3.88 in the corresponding sale of last year.

Export Quota.—There are now sellers at 1½ nP per kilo with buyers scarce.

Colombo.—Just over 6 million lbs. were offered and met with a very strong demand. Dimbulas and Uvas, especially those below best quality, were 10-30 cents dearer. Mediums advanced 10-15 cents, whilst lowgrowns were 2-5 cents dearer. Plainest teas were steady.

London—North Indian and Other Growths.—In Monday's sale, high prices were paid for best liquoring Assams, but new season's Dooars came to a lower market. African teas were about steady.

Ceylon and South Indians.—There was a strong demand and prices were generally 1*d.* per lb. dearer for everything.

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

"*Sale* 32.—518,000 kilograms. Strong general demand, particularly for improved highgrowns, which are dearer with quality. Others irregularly 10 to 15 nP dearer. Whole leaf very strong and dearer."

TEA DUSTS MOVE DOWN

(From Our Own Correspondent)

CALCUTTA, 16*th August*.

Easier conditions prevailed during last week's sales for internal consumption. Dusts on offer totalled 20,056 packages. Prices for medium C.T.Cs declined by 20 to 30 nP. The best C.T.C. received little attention of buyers and prices were irregularly lower. Orthodox exportable teas gave way by 10 nP, but selected lots of the smaller and brighter liquoring teas met with good demand. Prices of legg-cut teas also gave way, although support was good. The quotations per kg., inclusive of excise duty, were: best Assam C.T.C. Rs. 5.90 to 6.25, medium Assam C.T.C. Rs. 5.45 to 5.75, medium Assam Rs. 4.40 to 5.00, and medium Dooars Rs. 4.34 to 4.60.

Leaf on offer amounting to 242 chests met with good demand at firm rates. Green teas were steady.

It had been earlier anticipated that the gardens in North-east India would make good the earlier loss in production on account of drought, in the subsequent months. In fact, when in June production showed a satisfactory improvement compared to May, encouragement was derived and the hope that as the season progressed the earlier loss would be wiped out was entertained. However, when the July output was known, it came as a rude shock, as it was as low as 71.51 million lbs., compared to 89.31 million lbs. in July 1959. In the four months to July, production totalled 172.65 million lbs., the shortfall compared to the corresponding period of the previous season being 30.63 million lbs. It was believed that the heavier rainfall contributed to the fall in July output. So far in the current month, rainfall has continued to be heavy.

In the week ended 5th August, U.K. tea stocks were 110 million lbs., representing a decline of 3½ million lbs. compared to the previous week. Now that tea arrivals from upcountry stations into Calcutta have started improving, trade circles looked forward to better conditions in the export auctions here. In fact, the decline in shipments to the U.K. in recent weeks has caused much inconvenience to loaders.

The weaker conditions in export auctions held here during recent weeks are in sharp contrast to the strong demand in Colombo auctions. In the last auctions held in Colombo, prices added substantial gains; the quality was also better. This contrast—in the last two export auctions here withdrawals were heavy—would suggest keener competition in the world market, and that export to the U.K. already on the decline, would continue to be so. Lower production in North-east India would not affect world output, as production so far in Africa, Indonesia, Ceylon and South India has already made good the loss in North-east India.

JUTE GOODS DECLINE

(From Our Own Correspondent)

CALCUTTA, 16*th August*.

The feature of trading in the jute markets during the week under review was the welcome decline in prices of both goods and fibre. For the major part of the week, hessian was maintained firm, following the disclosure that the stocks of hessian as at the end of July recorded a handsome reduction. Buyers on behalf of both the United States and the United Kingdom accepted small quantities of hessian for prompt shipment. The Argentine lifted 10,000 bales against immediate shipment and Australian buyers also showed interest. The initial reaction in market circles to the very substantial increase in overall stocks of jute goods as at the end of July was one of shock. At 87,600 tons, the rise was as much as 5,600 tons. The break-up analysis disclosed that, while hessian fell by 3,500 tons to 31,700 tons, sacking goods rose by 9,500 tons. Miscellaneous goods, at 9,900 tons, recorded a fall of 400 tons. The interest shown by the U.S.S.R. contributed to the fall in hessian stock while the substantial rise in sacking was due to a Government order for July not having been lifted at that time. Following this information, prices of heavy goods after an initial fall recorded a modest recovery; but since activities in the futures market developed a strong bearish tendency prices for ready goods closed substantially lower on balance.

Hessian prices were steady for most part of the week; but the week-end news that U.S. burlap consumption in July at 58.9 million yards was lower by as much as 11.6 million yards compared to June affected sentiment, and over the week-end prices moved downwards. However, the reduction in prices was fractional, as it was thought that the U.S.S.R. would continue to show interest in hessian. The decline in stocks of other constructions by 400 tons was, it was thought, due to satisfactory shipments of cotton baggings. As the week progressed, July output figures were also re-leased. At 86,800 tons, the overall output was lower by 2,300 tons. Hessian production at 34,300 tons declined by 3,100 tons, but that of sacking, tons declined by 3,100 tons, but that of sacking, at 42,400 tons, rose by 300 tons. The number of hours worked remained the same, that is, 200. The increase in stocks in the face of a fall in output suggests that the offtake must have declined. It was noted that July-end burlap stocks in the United States totalled 265 million yards representing a marginal reduction of 1.2 million yards compared to June-end. At the present rate of consumption, that would be sufficient for three to four months.

The fact that an increase in stocks took place, despite a fall in output, brings to the forefront the need for a reduction in prices of goods as well as fibre. Prices of goods are high as prices of new crop fibre are high. Market circles, however, hope that provided the good weather conditions continued, the crop would be a bumper one, and that as the season advanced arrivals would substantially increase and that prices would give way. In fact, certain quarters are inclined to think that, considering the size of the crop, fibre prices would decline in such a way as to force the Government to formulate a price support scheme by permitting some exports as was done last year. Already arrivals in upcountry agencies are on the increase.

On Tuesday last, conditions in the goods market became strong as business in sacking took place with Australian buyers. Also, there was the announcement of a Government tender for 14,333 bales of B. twills in October and 3,333 bales in November. These two features eclipsed, to a certain extent, the news of the increase in sacking stocks. In consequence, ready B. twills were firm at Rs. 139.75, and following the substantial decline in hessian stocks with mills, ready hessian 40" 10 oz. was maintained at Rs. 47.25. On the following day, Australia continued to show interest and bought cornsacks for September. Ready B. twills scored to Rs. 140.40, while hessian 40" 10 oz. declined to Rs. 47.05. On Thursday, buyers were few and far between, on expectations that following increased fibre arrivals in the agencies fibre prices were bound to fall. B. twills declined to Rs. 140 and hessian 40" 10 oz. to Rs. 47. On Friday, Government accepted the tender, called earlier, to the extent of 18,000 bales. Since, however, bearish conditions prevailed in the futures market, prices for ready goods also gave way. Thus B. twills gave way to Rs. 138.40 and hessian 40" 10 oz. to Rs. 46.50. Over the week-end, the news of the fall in burlap consumption in the U.S.A. forced down hessian 40" 10 oz. to Rs. 46. B. twills eased to Rs. 135.75. The market was closed yesterday on account of Independence Day.

Following the news of increased arrivals in the agencies, fibre prices gave way. Also weather conditions continued to be good. October-November daissee bottoms closed at Rs. 99.25 per 100 kgs. against Rs. 101.75 earlier. September-October Assam bottoms at Rs. 97.75 were lower by Rs. 3.

FOODGRAINS RECEDE

(From Our Own Correspondent)

HAPUR, 14*th August*.

Foodgrains sought lower levels during the week under review, following the U.P. Government's order suspending the wheat levy scheme and expectations of an early removal of zonal restrictions on wheat by the Centre. Slack demand and good *kharif* crop prospects also acted as bearish factors.

Wheat at Hapur eased by about 25 nP per maund to be quoted at Rs. 17 a maund for average quality and upto Rs. 18.25 for superior farm produce. Daily arrivals were slowly mounting, as a result of suspension of the wheat levy scheme, but arrivals were being hampered due to rains. Other State Governments, including the Punjab Government, were expected to withdraw restrictions on movement of and procurement for wheat.

Rice also sought lower levels, thanks to easy supply position and bearish trend in prices of other grains. The week-end prevailing prices were: *Sela basmati* Rs. 31 to Rs. 34; *ramajwayan* Rs. 24; *raimunia* Rs. 25; *mainpuri* Rs. 23; *gadda* Rs. 20.25 a maund.

Gram eased fractionally to be quoted now at Rs. 14.87 a maund. The old stocks sold by State Governments were quoted at Rs. 14.62 a maund. The main influencing factors were easy advices from Punjab, good *kharif* crop prospects and heavy local stock with trade estimated at 30,000 maunds. Barley was quoted 13 nP per maund lower at Rs. 12.62 and *bejhar*, too, was easy at Rs. 12 a maund for inferior quality and Rs. 12.62 for *moongia* variety. Maize crop prospects were very good and early crop harvesting would begin after a fortnight. *Guwar* was depressed at Rs. 12.50 to Rs. 13, while *jowar* continued to be quoted at Rs. 13 to Rs. 14 a maund.

Ready prices eased fractionally, as demand was almost dormant and, the local stock being heavy at 83 *khatties*, stockists were anxious sellers. Loading conditions were also restricted. *Arhar* eased by about 25 nP a maund and local stock of 25 *khatties* was lying flat. Other pulses were also quoted lower. The week-end prevailing prices were: Peas *dara* Rs. 11.63; farm white Rs. 13; peas *dal* Rs. 13.37; *arhar* Rs. 13; *arhar dal* Rs. 17.50 to Rs. 18.25; *urd* Rs. 19; *moong* Rs. 19 to Rs. 20; *massoor* Rs. 13 to Rs. 14 a maund.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 14*th August*.

Sugar ruled quiet during the week to be quoted at Rs. 111.50 per bag and in retail at Re. 1.09 per *seer* in the open market. The Government was reported to be in favour of keeping the *status quo* in regard to sugar control. Sugar output in 1959-60 at 2,425,000 tons is an all-time record for the industry and the Government was likely to allow 150,000 tons for export.

Sugar continued to rule quiet around Rs. 111 to Rs. 112 per bag in the open market at Muzaffarnagar, thanks to easy supply position following ban in crushing it to *boora*. The sugar allotted for ration was not being fully lifted.

Sugar was also subdued at Rs. 113 per bag in the Kanpur market, due to satisfactory supply position.

Khandsari was quiet during the week. Although demand was reported from the consuming areas of the South, loading facilities continued to be restricted. Stocks with producers were also poor. The week-end prevailing prices were: *Khandsari* inferior Rs. 30 to Rs. 32; superior Rs. 33 to Rs. 40.25; crystal Rs. 37 to Rs. 41; *boora* Rs. 37 to Rs. 40 a maund.

Trading in *gur* was almost at standstill, as there was no demand for wet quality stored in *kothas* and stockists were anxious sellers. Further, loading was very much restricted and, though local stock was modest at about 15,000 maunds, heavy stocks were reported in nearby smaller markets. The cane crop prospects were very bright, following recent rains in some areas, while, in other areas, rainfall was said to be deficient for the crop. The prevailing week-end prices were: *Gur* Rs. 16.12; *shakker* Rs. 18.50 per maund as against the corresponding price of Rs. 21.50 a maund a year before.

Gur was depressed in the Muzaffarnagar market also. Stocks were put at about 60,000 maunds, but demand was poor and loading was restricted. The cane crop in the region was good and week-end prices were: *Chaku* dry Rs. 20 to Rs. 20.25; *kotha* dry-wet Rs. 17.50 to Rs. 19; *chaku* wet Rs. 15.50 to Rs. 16; *rusket kotha* Rs. 8 to Rs. 10; *shakker* Rs. 19.50 to Rs. 20; superior Rs. 21.50 to Rs. 22; *dana minja* Rs. 16.50 to Rs. 19 a maund.

Future *gur* moved both ways during the week in heavy speculative bouts. Fagun opened at Rs. 13.64 on Monday last and after touching the highest and lowest at Rs. 13.79 and Rs. 13.47, respectively, closed at Rs. 13.68.

WORKING OF INDIA'S TRADE AGREEMENTS

(*Concluded from page* 341)

ment charges. Technical assistance, tours of a commercial or cultural nature, official delegations, maintenance of embassy, consulates and commercial representatives are also to be paid for. The trade agreements provide arrangements for effecting payments between contracting countries. A number of agreements provide for the payments in Indian rupees. The National Bank of the foreign countries concerned maintain rupee accounts with the Reserve Bank or the State Bank of India and several Indian commercial banks authorised to deal in foreign exchange.

No doubt the new trade and payment agreements recently entered by India are on a new pattern. They aim at correcting the persistent imbalance in India's trade with the agreement countries. The fact that a good proportion of exports to these countries is in traditional items and that exports in many of these items would have taken place even without these agreements should, however, be an eye-opener to India's foreign trade policy makers, when a review of the agreements comes up again. Such of the traditional items in which India has an assured market in agreement countries need to be kept outside the export schedules and their exports allowed in the normal trade channels, unless any of them find impediments in its movement. New items should be increasingly included in the schedules and the movement of their exports greatly encouraged. Causes for non-export or insignificant export of the innumerable items which are present in the export schedules should be explored, their exports given a fillip and their future performance kept under constant watch. By endeavouring the export promotion of new and non-traditional items, it may be expected that the present level of trade with the agreement countries will be significantly increased.—*All Rights Reserved*.

MEASURES TO RECOVER INCOME-TAX ARREARS

The total effective arrears of income-tax as on 1st April 1960 were Rs. 133.60 crores. This information was given in the Rajya Sabha last week by the Deputy Minister of Finance, Mrs. Tarkeshwari Sinha, in reply to a question. The Deputy Minister also placed the following statement on the table of the House, describing the measures introduced by Government to realise the arrears:

For the recovery of arrear taxes from the defaulter assessees, any one or more of the following steps, as provided in the Income Tax Act has been or is being taken, where necessary depending upon the facts and circumstances of each case:

(1) Levy of penalty under Section 46(1); (2) issue of a certificate under Section 46(2) of the Income-tax Act to the Collector who, on receipt of this, proceeds to recover the arrears of tax as if they were arrears of land revenue; (3) attachment of the defaulter's moveable properties by issue of distress warrants in big cities, where there is a provision for recovery of municipal taxes in this manner; (4) issue of a notice in writing under Section 46(5) asking the disbursing officer to deduct the arrears of tax from the salary of the defaulter at the time of payment thereof, if the defaulter happens to be a salaried employee, and (5) the issue of a notice in writing under Section 46(5A) asking any person from whom money is due or may become due to the defaulter to pay the I.T.O. forthwith, so much of the money as is sufficient to satisfy the arrears of tax mentioned in the notice.

For facility of recovery of arrear taxes by issue of certificates under Section 46(2) of the Income-tax Act, as indicated in (1) above, the Central Board of Revenue has taken steps and made arrangements with the State Governments for the appointment of Special Revenue Officers exclusively for income-tax collection work.

The world production of wool will go up by about one per cent. to 5,625 million lbs. (on greasy basis) in 1960, as compared with last year, according to the estimates of the U.S. Department of Agriculture. A small decline in the Australian and South African clips is expected to be more than made good by a record output in New Zealand.

The Pakistan Government proposes to establish, in co-operation with the International Monetary Fund and other agencies giving foreign aid, a "standby foreign exchange reserve fund" to meet emergencies. It also proposes to introduce some sort of foreign exchange budgeting for the period covering the Five-year Plan, in order to ensure an equitable distribution of scarce foreign exchange in the private sector.

BOMBAY SUBURBAN ELECTRIC SUPPLY LTD.

CHAIRMAN, MR. A. N. HAKSAR'S SPEECH AT ANNUAL MEETING

PLEA FOR TAX RELIEF AND BETTER RETURN

HOW the electric supply undertakings had been caught between the contradictory provisions of the Income-tax Law and the Electricity Act was described by Mr. A. N. Haksar, Chairman of the Bombay Suburban Electric Supply Ltd., in the course of his speech at the Company's Annual General Meeting held at Bombay on Wednesday, 17th August 1960. The industry, Mr. Haksar declared, was not allowed to step up earnings to a level which would permit a higher rate of dividend, nor could it divert to the investor the benefit of tax savings as was possible in the case of other industries. Consequently, the amount effectively available for distribution to shareholders (reasonable return), he added, remained to all intents and purposes the same irrespective of the tax payable. Mr. Haksar emphasised the need for finding more funds to expand power production capacity and urged adequate tax relief and an upward revision of the reasonable return from the present level, namely, the Reserve Bank rate plus 2 per cent., to at least the Bank rate plus 3 per cent.

The following is the full text of Mr. Haksar's speech at the meeting:

"GENTLEMEN,

"This general meeting of your Company is the first to be held after the inauguration of the State of Maharashtra. We offer our felicitations to Mr. Chavan and his colleagues, with the hope that their efforts on behalf of the new State will be amply rewarded. They have our full support and assurance that we shall do all we can to further the prosperity of the new State and its people.

"This change in the political scene will mean greater potentiality for industrial development in the Bombay suburban area—an area in which your Company is playing an ever-increasing part. The rate of growth in power supply in the area has continued to be well above the normal, as will be seen from the percentages of increase during the last three years, which have been 16.5, 19.5, and 21.4, respectively. These are impressive figures and justify the confident hopes of those who had all along forecast rapid development in the suburbs. Careful planning over the last ten years has enabled your Company to anticipate load requirements. A lot of money was spent on intensifying the mains network and we are now reaping the benefits.

"Future development is likely to be even more impressive. This will place a greater measure of responsibility on your Company, and there is no doubt that the bold planning of the past and the efficiency of our staff will ensure that we are not found wanting.

Funds for Expansion

"The tempo of power development in your Company's area of supply will require an investment of about Rs. 45 lakhs per year during the third Five-year Plan period. A part of this will be met by internal finance to the extent of Rs. 25 lakhs yearly, which will accrue by way of depreciation, consumers' contributions towards service line charges and the development reserve permitted under the Electricity (Supply) Act. This means that we shall need about Rs. 20 lakhs per annum during the next five years. At present, development capital is being provided through bank finance and this will allow the Company to carry on for about two years without needing to tap further sources of capital. Thereafter, we shall have to consider what can best be done to raise new capital and it is to be hoped that by then the investment climate for electricity undertakings is more favourable.

"This brings me straight to the effect of the statutory control imposed on electric supply undertakings by the financial provisions of the Electricity (Supply) Act, and its impact on the problem of raising capital for power development. It is well known that, for some time, no electric supply company has had the confidence to enter the market for equity capital. Furthermore, the position has worsened with the change in the tax pattern introduced by the Finance Act, 1959, whereby the facility of 'grossing up' of dividends in the hands of shareholders was withdrawn. In addition, dividends paid to the shareholders have been made subject to deduction of tax at source at the prescribed rate of 30 per cent. Although the new tax pattern applies to industry as a whole, its effect on our industry has been particularly severe. For one thing, by virtue of the stringent control applied under the Electricity (Supply) Act, we are not allowed to step up earnings to a level which would permit a higher rate of dividend. Secondly, we cannot even divert to the investor the benefit of tax savings, as is possible in the case of other industries. Our reasonable return, in other words, the amount effectively available for distribution to the shareholders, remains to all intents and purposes the same, whatever tax is payable. Thus, we and the industry as a whole are caught between the contradictory provisions of Income-tax Law and Electricity Supply Law.

Tax Relief

"It was hoped, by way of interim relief, to be able to divert to the investor, in respect of the financial year ended 31st March 1960, the tax difference between 51.5 per cent. (the old rate of tax) and 45 per cent. (the rate at present in force). However, this suggestion has met with legal difficulties. Efforts are still being made to obtain relief in another form, and the most favourable proposal at present is to permit the undertakings, for the financial year 1959-60, a special appropriation representing the tax relief of 6¼ per cent. to be used for 'augmenting the machinery of production.' This interim relief, if it matures, is expected to be without strings and the incidental benefit to the investor, although not significant in terms of cash relief, will still go some way to improve the equity value in the industry.

"However, any interim relief can at the best only be a sop and, if the electric supply industry—investment in which, at one stage, was regarded as gilt-edged—is to regain its place in the heart of the investor, something more will need to be done. Ultimately, the best way to restore equity values—which alone will attract development capital—in the industry is for the reasonable return itself to be upgraded from the present level of the Reserve Bank rate plus 2 per cent. to at least the Bank rate plus 3 per cent. This proposal and other modifications to the electricity law, which will bestow on the industry some benefits, have been sponsored by the Federation of Electrical Undertakings of India, and I can only hope that, before the end of this year, the industry will see a Parliamentary enactment which will improve the investment climate.

Power Supply

"With all three units in the Trombay thermal station now in commission, the power supply position in the Bombay area has improved. With the expected commissioning of the first generating unit of 60,000 kw. in the Koyna hydro-electric power station by October 1961, the availability of power will become easier still, even allowing for rapid load development. This should mean that there will be progressive releases of bulk power to meet the requirements of industries and homes in licensee's areas. As a result, it will be necessary for your Company, in common with others, to obtain the necessary materials for development, such as cables, transformers, switchgear, meters, and so on, in order to pass on power to the consumers. I refer specifically to this point, as we have had considerable difficulties in recent months to obtain import licences for items which indigenous manufacturers are unable to supply. There is a danger that the enormous increase in generating capacity in the country and the money spent on it will not be used to the best advantage, if the materials essential for distribution are not available to the industry. Power denied to a needy consumer is progress withheld—power denied to potential exporters will cost the country dearly. One bright feature about this problem, however, is the very valuable assistance rendered by the Central Water and Power Commission to all power systems in obtaining much needed equipment. With power development having received a setback during the second Five-year Plan period because of the foreign exchange crisis, I hope that a greater measure of co-ordination will prevail during the third Plan period at all stages of power development, so that available power reaches the consumer.

Municipalisation

"Shareholders may naturally be worried at the resolution adopted recently by the Bombay Municipal Corporation suggesting the municipalisation of the Bombay Suburban Electric Supply Ltd. This is no new development. The first time such a proposal was mooted was in 1953 and, ever since, this form of agitation by the Greater Bombay Municipal Corporation has tended to be a recurring feature. Agitation of this nature obviously carries political overtones, often clothed in unknown and untested economic advantages which, it is claimed, would accrue to the suburban community. However, what is plainly not taken into account is the lower density of population in the suburbs, as compared with the city. This means that, for a given amount of capital expenditure on power distribution, less units will be sold in the suburbs than in the city at the present. As development of the suburbs takes place, the disparity will narrow until offtake in both areas will be comparable. When this happens, our rates will compare very favourably with those charged in the city. I would remind the agitators, however, that our rates have progressively been reduced since 1947 and this process will continue as load development gathers momentum in the coming years.

"In view of the regulations imposed on the electric supply industry, nationalisation or municipalisation, as a doctrine, may not carry much weight in official circles at the present time. In fact, it is the proclaimed policy of the Central Government that electric supply undertakings rendering valuable service should not be displaced merely for the sake of displacement. I hope I am right in saying, therefore, that the investor in the corporate sector of the electric supply industry need not worry too much about premature acquisition.

Accounts

"Turning to the accounts, the printed balance-sheet has been in your hands for some time, and I feel sure that you will agree that the results are satisfactory. I would like to add for your information that, in accordance with the financial principles embodied in the Electricity (Supply) Act, the clear profit actually earned for the year is equal to the permitted reasonable return.

"Another point of interest pertaining to the accounts on which I would like to make some observations is that, shortly before the accounts for the year were due to be finalised, the Supreme Court judgments on the series of test cases filed by the Income-tax Department on the legality of additional income-tax became available. These judgments ruled that the levy was not tenable. In consequence, the provisions in respect of additional income-tax made in the accounts amounting to Rs. 3,28,073 for 1953-54 and Rs. 3,55,460 for 1954-55 have been taken to the appropriation account. However, at the same time, adjustments in terms of the Electricity (Supply) Act had to be made by reopening the computations for the respective years where necessary further appropriations have had to be made, in accordance with law, to the statutory reserves. This means that not all the provisions, now written back, are available to the Company. However, I am sure that you will welcome the increase in the dividend this year, which has partly been due to the above-mentioned windfall. As last year, I regret that we must deduct income-tax, but, as I have tried to explain, electricity companies are in a difficult position. We cannot charge up the income-tax on your dividends to working as we could before.

"A reference has been made earlier to the interim relief which the electric supply industry may be able to obtain in respect of the financial year under review representing the tax saving of 6¼ per cent. accruing to non-regulated industries as a matter of course. In your Company's accounts for the year 1959-60, the appropriation seems feasible and, consequently, a sum of Rs. 1,06,860 has been set aside, subject to the requisite sanction being obtained from the State Government. The amount in question is included in the sum of Rs. 2,50,000 appropriated to the dividend equalisation reserve. It is likely that the special appropriation may only be approved subject to the amount being retained in the business. If such a stipulation is forthcoming, it may have to be transferred to a capital reserve later. If for any reason the limited relief indicated above does not materialise, the Company will be obliged to write back the sum of Rs. 1,06,860 in due course.

"During the year under review, Sir Chunilal V. Mehta resigned his seat on the Board of your Company and, in May 1960, Mr. M. S. Captain did likewise. The services rendered by these two gentlemen to your Company have been very valuable and the Board have recorded their grateful thanks to them. I have no doubt that you, gentlemen, would wish to associate yourselves with the sentiments expressed by the Board.

"The report makes a reference to certain demands made by the Staff Union having been referred to the arbitration of Mr. H. R. Gokhale. The procedure of voluntary arbitration adopted by your Company in matters relating to disputes with the Staff Union has received wide appreciation."

Note: This does not purport to be the proceedings of the annual general meeting which can be seen by any shareholder on request.

MARKET GOSSIP

(Concluded from page 323)

by the Chancellor have been fairly successful in "reducing the overstrain on labour and capacity, without inducing a recession;" and (4) there is still a boom in the capital market and unemployment is almost negligible. In fine, if a cut in the British Bank rate is at all effected, it will only be to oblige the U.S. in helping it to arrest the drain on gold reserves. Some, however, argue that such a gesture is likely to be interpreted as an unwarranted exaggeration of the U.S. difficulties.

Quality Of U.S. Cotton

The promptness with which the U.S. cotton trade has responded to complaints, voiced in some importing countries, that the quality of U.S. cotton is deteriorating, is an example worthy of emulation in every country that has something or other to sell. Steps have already been initiated by the American Cotton Shippers' Association to remedy some of the defects detected in their cotton by spinners and other users. Reports from Memphis state that seldom has the cotton trade as a whole been more determined on a project than is now the case—that every possible step should be taken to improve the quality of the American staple. Every one is talking about it and at the same time doing something.

Action is being channelled through a special quality improvement committee, set up by the aforesaid Association. It is recognised that the complaints received have been too numerous for the trade to offer excuses. Nearly every American cotton man, who has visited Europe this season, it is said, has been assailed by merchants and spinners, who have been "very disappointed" at the character and grade of the raw cotton received from the U.S.

Most of the complaints are that the fibre had been damaged by poor harvesting and ginning operations. On this account, the National Cotton Council is giving high priority to programmes aimed at solving these particular problems. Agricultural colleges, private research groups, machinery manufacturers and others are collaborating in an effort to improve the general level of mechanisation, which is held to be responsible for the faulty fibres.

The Council has issued a leaflet, entitled "Quality is U.S. Cotton's Biggest Asset—It must be protected," which sets the problem fairly and squarely before the farmer and the ginner. In a competitive world, where many other countries are now treading the cotton growing path on the heels of the United States, it says, the American producer can no longer rest on his laurels.

ROLE OF MONETARY POLICY

(Concluded from page 328)

"In order to reduce the pressure of monetary demand, the Bank has adopted both general and selective credit controls. The effect of these on the price level should not be overemphasised. Mere monetary techniques cannot basically solve the situation created by a shortage of supply in relation to demand. But it would not be correct, on the other hand, to take the view that monetary controls have no effect in preventing an aggravation of the price situation. In so far as inflationary pressures are generated by the speculative holding of stocks of strategic commodities like foodgrains by dealers, middlemen and even producers, with the assistance of bank finance, as was our experience in India in the last few years, any restriction on the availability of bank credit to those sectors would prevent a continuing distortion of the price level. It is true that there is always the possibility of a switch-over of speculative credit demand from the bank to non-bank sources; but the entire chain of credit joining the wholesalers, retailers and so on is getting more and more linked up with the flow of credit from the banks. In the recent past, the Reserve Bank has taken a fresh series of credit restraint measures. While continuing the selective controls on advances against foodgrains and groundnuts, modified in the light of trends in production and prices of these commodities, the Bank invoked, for the first time on 11th March 1960, its powers to vary the reserve requirements and asked the scheduled banks to maintain with it additional balances equivalent to 25 per cent. of the increase in their total deposit liabilities since that date. These reserve requirements were further raised with effect from 6th May to 50 per cent. of the increase in demand and time liabilities since that date. Being the first occasion on which this particular technique has been used, it is not surprising that there are loose ends still to be tied up. Moreover, banks could not be expected to welcome a measure which hampers them operationally at a time when demand for credit is high. But, in general, it could be said that there is ample justification for the use of the instrument of varying reserve ratios for the short-term purpose of reducing the pressure of monetary demand. The special advantage of this instrument is that it is flexible and capable of easy variation or reversal in the light of developing circumstances.

Bank Rate

"The question has recently been discussed in financial journals and newspapers as to why the Bank rate did not figure in the 'package' of measures initiated by the Reserve Bank in recent months. As a subject for discussion in public by a person holding the Governorship of the Reserve Bank, the question has obvious embarrassments. But I think it might be useful if I offered some general remarks. For the considerations in reaching a decision in this matter are somewhat more complex than is generally supposed. I propose to set out only the most important of these, and only very briefly; for, obviously, I could not use this forum for a discourse on the Bank rate in India.

"The traditional primacy of the Bank rate as a weapon of the central bank rests on its effectiveness for regulating the movement of foreign short-term funds and on its efficacy as a pace-setter for other market rates of interest—both short- and longterm rates—on which the decisions to invest both in fixed assets and inventories are supposed to depend. It is also regarded as a warning signal to the banking system, in particular, and to other financial institutions, in general, regarding the state of the economy and the direction of official thinking, so that the financial institutions might suitably modify their lending policies. There has been a great deal of controversy about the efficacy of the Bank rate in western countries; even expert bodies like the Radcliffe Committee have not spoken unequivocally about it. Sometimes emphasis has been laid on the effects on the domestic economy of changes in Bank rate, but, more often, the impact is considered to be more significant on the external accounts of a country, especially as regards the movement of international funds.

"In India, the Bank rate instrument is of relatively small significance so far as the movement of foreign short-term funds is concerned. As regards the impact on the domestic economy, it has to be noted that a large segment of fixed investment under the Five-year Plans is undertaken in the public sector. While it is no doubt true that an upward adjustment in Bank rate would raise the cost of Government borrowing, it does not necessarily follow that the increased cost of funds for the Government would tend to reduce public investment for the simple reason that this is governed primarily by the larger planning strategy implicit in the acceptance of certain objectives relating to growth. On the other hand, it is not unlikely that, with a different complex of interest rates, the pattern of Government investment, as distinct from its total size, might turn out to be somewhat different. The fixed investment in the private sector, too, is not very much influenced directly by changes in the Bank rate, though probably the effect is more pronounced than in the case of public sector investment. Moreover, there are direct physical means of controlling overinvestment in the private sector such as the use of the Capital Issues Control and Industries (Development and Regulation) Act, as well as certain fiscal devices.

Usefulness of the Weapon

"The usefulness of the weapon of the Bank rate under Indian conditions is, perhaps, of greater significance in its impact on inventory accumulation, as a not inconsiderable amount of bank credit is utilised for that purpose. However, the effect of a variation in the Bank rate in this sphere is largely conditioned by the general outlook or prospect regarding the future course of prices; and the Bank rate itself may not be expected to achieve significant results.

"The above arguments which have been set out only in the briefest outline merely come to this: that, in a planned economy which has a large public sector of investment and where Government have a battery of powers of direct regulation of investment, the efficacy of Bank rate changes is far less clear than it is in industrially advanced countries with a 'free' economy. But it would be fallacious to argue that changes in Bank rates are out of place in Indian conditions. These conditions themselves, from the point of view of monetary control, are undergoing steady change partly because of an increase in monetisation and an extension of the organised money market and partly because changes are constantly taking place in the demand for money and its supply with repercussions on the general structure of interest rates both long-term as well as short. In a mixed economy, which is moving with some speed, it would be a mistake to adopt rigid attitudes on measures of monetary control. All I am concerne to point out is that the issues are less clear c than in the highly developed and integrated mon tary economies of the West, and decisions w have to be taken very carefully in the light situations from time to time, often on a balance considerations not all of them mutually compatibl

Commercial Banks

"I will now deal with one or two problem more specifically concerning commercial bank Since we last met, a few banks have closed the doors. This, unfortunately, is not unusual, f every year, some banks have been failing. Th banks that have closed their doors have been sma banks and, purely statistically, the situation ha not been alarming; but the statistics, of course do not tell the whole story. For, whenever a ban fails, even a very small one, a certain amount o human distress is bound to be caused. This pro blem has now acquired considerable public atten tion, because, recently, there have been two ba cases and one of them has been the worst failur since 1947.

"I do not think it would be appropriate to us this forum to discuss the development of Reserv Bank policy in regard to a particular banking in stitution, but I think it would not be out of plac if I made some general remarks about the respon sibility of the Reserve Bank in the matter of th operational efficiency and integrity of commercia banks. The Reserve Bank has been given pretty wide powers to inspect, give advice and issue directives. All this, however, is no substitute for operational responsibility. Commercial banking consists in the acceptance of deposits and their outlay, largely in advances to customers. This involves, among other things, assessing the creditworthiness of individual constituents, keeping track of their business, checking securities by, for example, inspecting stocks in workshops and godowns and generally enforcing numerous internal controls and checks. I do not suppose anyone suggests that the Reserve Bank should carry out these responsibilities over nearly 4,000 branches in the country; apart from the sheer physical difficulty, that would be taking over a direct and continuous administrative responsibility which rests on the commercial banks.

"The Reserve Bank's powers of control are not and cannot be a substitute for the efficiency and integrity of the management themselves. The need for efficiency and integrity can be forcefully pointed out and they can be encouraged and sustained, but they cannot be created by orders of the Reserve Bank. In the final resort, if a management does not listen to advice and chooses to be recalcitrant, and it is felt that continued pressure would be useless, the Reserve Bank would have no option but to force the bank to close down in the interests of the depositors. But this decision involves a very delicate balancing of several factors, some of them operative and some psychological, and timing is particularly important. It is easy enough to be drastic. But, surely, it is better to nurse an institution and bring it to a healthy state if there is any reasonable hope of doing so. It has, in fact, happened in a number of cases that persuasion and pressure applied persistently over some years have resulted in a bank reforming its ways and putting its house in order. Thus, a Board of Directors who had implicit confidence in a Chief Executive or had allowed him largely to run the institution has realised, as a result of Reserve Bank inspection, that the affairs were getting out of hand and has taken earnest steps to put them right. Such a reform takes patience and time, for the recall of weak advances is a time-consuming process. In some cases, a Board has itself been guilty of mismanagement and pressure has proved useless. There are cases in between. Moreover, the gravity of cases varies a great deal. In some cases, the deposits are intact; only the capital and reserves have been eroded, partly or wholly. In some cases, in addition to the loss of capital and reserves, deposits have been affected to the extent of less than 5 per cent. In some cases, the percentage may be even somewhat higher. There is, in other words, a considerable variation of pattern, and there can be no automatic or rule-of-thumb formula in the matter of the precise action that should be taken or its timing. I should like to make it clear, lest all this sounds alarming, that I am talking only of those banks which are not satisfactorily run and that, in terms of total deposits, such banks form only a very small fraction of the Indian banking system.

Deposit Insurance

"The question of protecting the interests of the small depositors who are specially hard hit by bank failures naturally causes a great deal of concern. The provisions of the Banking Companies Act are unsatisfactory if only because it has been found in practice that liquidation proceedings are unduly prolonged. It has been suggested from time to time in certain quarters that it would be useful to introduce in our country the system of deposit insurance which was introduced in the U.S.A. after the extensive bank failures in the early 'thirties. In that country, banks even now fail, in spite of inspection by several agencies, but the failure is today wholly insignificant or even microscopic in relation to the banking structure as a whole. A system of deposit insurance for India was recommended in principle by the Rural Banking Enquiry Committee in 1950. In 1954, the A. D. Shroff Committee on the financing of private industry recommended that the system should be adopted if, after detailed examination, there was consensus of opinion amongst banks in the matter. The view then adopted by the Reserve Bank was that the time was not yet ripe for introducing a system of deposit insurance. Whether the suggestion should now be implemented is a question that is being examined again by the Reserve Bank in consultation with the commercial banking community."

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 12th August, 1960

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	55,98,55,000
(2) Other Governments	16,17,71,000
(b) Banks	117,24,74,000
(c) Others	140,08,13,000
Bills Payable	19,60,47,000
Other Liabilities	11,31,84,000
Rupees	490,41,44,000

Assets	Rs.
Notes	14,99,29,000
Rupee Coin	2,39,000
Subsidiary Coin	4,90,000
Bills Purchased and Discounted—	
(a) Internal	
(b) External	
(c) Government Treasury Bills	28,05,12,000
Balances held abroad*	21,47,70,000
Loans and Advances to Governments†	41,75,61,000
Other Loans and Advances	166,39,14,000
Investments	255,44,44,000
Other Assets	12,22,85,000
Rupees	490,41,44,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 10,89,80,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	14,99,29,000	
Notes in circulation	1812,12,75,000	
Total Notes issued		1827,12,04,000
Total Liabilities		1827,12,04,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		129,78,01,000
Government of India Rupee Securities		1456,57,11,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1827,12,04,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	5th August 1960	29th July 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1812 32	1794.00	1850.11	1688.91
Notes held in Banking Department	85 05	14 45	34.41	13.83	11 32
Foreign Securities	59 50	123 01	128 01	143 01	163 01
Rupee Securities	87.39	1451 57	1451.57	1476.40	1286.17
Banking Department					
Deposits of:					
Government of India	14.39	57 38	67 05	69 27	53.37
Other Governments	..	17 85	22 62	14 96	13 20
Balances held abroad	10.06	19.85	25 22	26.67	13.44
SCHEDULED BANKS					
Demand Liabilities	134.36	783 75 (19 40)†	798.86 (23 03)†	782.64 (15 42)†	729 30 (23 29)†
Time Liabilities	102.24	1220 11 (28 45)†	1215 04 (27 72)†	1221 90 (24 41)†	1080 75 (27 23)†
Borrowings from Reserve Bank	..	33.99 (10 85)‡	24 64 (9 12)‡	47 06 (12 71)‡	3.45 (0 50)‡
Borrowings from State Bank	..	11 44	12.41	12 25	3 45
Cash in India	6.70	43 42	44 42	49 05	40.95
Balances with Reserve Bank	25.17	113 36	119.13	105.47	73.17
Balances with other banks in current account in India	..	14.04	16.49	17.05	13.56
Money at call and short notice in India	..	30 56	40.02	28 02	37.89
Investments (at book value)	..	738 11	724 06	749 04	714 82
Advances and bills	105.9	1123 93	1121.64	1138 33	953.84
STATE BANK					
Deposits	97 76	609 07	610 91	632 17	544 97
Investments	51 99	389 26	373 81	393 47	358 16
Advances	30 35	209 51	208 42	219 71	173 29
Cash	14 69	25 79	36.92	34 35	22.77

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3 50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	3.16	3.08
Ceylon	16th Dec., 1959	2 50	3
Chile	Feb., 1957	4 50	6
Denmark	25th Jan., 1960	5	5 50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1959	6 50	6
France	23rd April, 1959	4 25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	2nd Dec., 1959	6 94	7 3
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2 50	3 50
Pakistan	14th Jan., 1960	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4 50	6 50
Portugal	Jan., 1944	..	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6 25	5.75
Sweden	15th Jan., 1960	4 50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4 50	6
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July 1938	8	6
U.S.A.	11th Aug, 1960	3.50	4
West Germany	3rd June, 1960	4	5

* Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that

State Bank of India

Statement of Affairs for the week ended 12th August, 1960

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued Subscribed and Paid-up 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,20,09,000
Borrowings from Other Banking Companies, Agents, etc.		614,30,62,000
Bills Payable		14,25,000
Bills for Collection being Bills receivable as per contra		8,77,59,000
Acceptances, Endorsements and Other Obligations per contra		2,08,36,000
Other Liabilities (including Inter-Office Adjustments)		2,93,91,000
Total .. Rs.		12,52,64,000
		652,69,87,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		32,69,97,000
Balances with other Banks		2,87,40,000
Money at Call and Short Notice		76,07,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	374,12,42,000	
Other Authorised Investments	9,87,28,000	
		383,99,70,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	192,45,53,000	
Bills Discounted and Purchased	12,41,95,000	
		204,87,48,000
Bills Receivable being Bills for Collection as per contra		2,08,36,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,93,91,000
Premises less Depreciation		1,25,50,000
Furniture and Fixtures less Depreciation		1,24,51,000
Other Assets (including Inter-Office Adjustments)		20,87,07,000
Total .. Rs.		652,69,87,000

Scheduled Banks*

Statement of Affairs for the week ended 5th August 1960

	Rs
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	19,46,14,000
(ii) Other demand liabilities	704,28,30,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	28,44,59,000
(ii) Other time liabilities	1,194,66,81,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,30,01,000
(ii) Time liabilities	2,14,99,000
Borrowings in India from the Reserve Bank of India†	37,98,99,000 (10,85,30,000)
Cash in India	43,11,70,000
Balances with the Reserve Bank in India	113,36,30,000
Balances with other banks in current account in India	14,64,34,000
Money at call and short notice in India	36,55,80,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	738,10,74,000
Advances in India	971,57,39,000
Inland Bills, purchased and discounted in India	107,10,35,000
Foreign Bills, purchased and discounted in India	45,25,12,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
24th May	2 00	2 80	2 00	2.745	99 325
25th to 25th May*	1 25	—	1 25	—	99 326
31st May	2 00	2.25	2 00	2.745	99 325
1st to 4th June*	3 05	—	3 05	—	99 326
7th June	2 00	2.00	2 00	2.745	99 310
8th to 11th June*	2 15	—	2 15	—	99 326
14th June	2 00	2.00	2 00	2.745	99 310
15th to 18th June*	0 07	—	0 07	—	99 326
21st June	2 00	2.02	2 00	2.745	99 315
22nd to 25th June*	0 07	—	0 07	—	99 326
28th June	2 00	2 00	2 00	2 745	99 310
6th July	2 00	2 00	2 00	2 745	99 310
12th July	2 00	2 02	2 00	2 745	99 325
26th July	2 00	2 00	2 00	2 745	99 310
2nd August	2 00	2.26	2 00	2 737	99 310
3rd to 6th Aug.*	0 10	—	0 10	—	99 325
9th August	2 00	2 00	2 00	2.745	99 310
10th to 13th Aug.*	1 10	—	1 10	—	99 326
16th August	2 00	2.00	2 00	2 540	99 365
Total amount outstanding	31.85	..	31.85	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 5th August 1960

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Deposits:—	
(a) Central Government	13,60,26,000
(b) Provincial Governments	1,27,44,000
(c) Banks	19,91,15,000
(d) Others	89,32,05,000
Bills Payable	8,45,000
Other Liabilities	16,29,87,000
Rupees	148,37,23,000

Assets	Rs
Notes	10,71,66,000
Rupee Coin	34,000
Subsidiary Coin	44,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	24,23,74,000
Loans and Advances to Governments	10,38,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	4,24,51,000
Investments	89,84,53,000
Other Assets	8,94,01,000
Rupees	148,37,23,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs
Notes held in the Banking Department	10,71,66,000	
Notes in circulation	347,04,25,000	
Total Notes issued	....	357,75,91,000
Total Liabilities	....	357,75,91,000

Assets	Rs.	Rs
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion		
Foreign Securities	78,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	140,74,49,000
B. Rupee Coin	4,82,70,000	
Government of Pakistan Securities	206,28,66,000	
Internal bills of exchange and other commercial paper	....	211,11,36,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,40,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	357,75,91,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued 40.91 per cent.

EXCHANGE RATES

	16th August 1960	Previous week
Bombay on London—		
Sellers T.T., D.D. Spot	s. 1-5⅛	1-5⅛
Sellers T. T. D.D. upto six months	s. 1-5⅛	1 5⅛
Buyers T.T. spot to nine months	s. 1-6⅛	1 6⅛
Buyers T.T. 10 to 12 months	s. 1 6⅛	1 6⅛
Bombay on New York—		
Sellers T.T. D.D.	Rs. 476 25	476.50
Buyers T.T.	Rs. 472 75	473.25
London on New York	$ 2.8105 2.8107	2.8066 2.8080
London on Paris	Frs. 13 774 13 774	13 74-13 75
London on Berne	Sw. Frs. 12 1315 12 1335	12.0916-12.0936
New York on London	$ 281.060 281.100	280.860-280.890

CLEARING HOUSE RETURNS

Centre	Week ended 12th August 1960 Number of Cheques	Amount Rs	Week ended 5th August 1960 Number of Cheques	Amount Rs.
Bombay	3,44,599	78,23,55,000	3,54,807	85,34,98,000
Calcutta	1,96,000	71,57,00,000	1,95,000	87,51,00,000
Madras	75,315	19,22,86,291	99,106	13,15,14,704
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
April 1960	..	..	4,586,000	10,42,01,00,000
May ,,	..	..	4,588,000	10,19,66,00,000
June ,,	..	..	4,227,000	9,66,02,00,000

INDEX NUMBERS OF WHOLESALE PRICES (Base: 1952-53=100)

Particulars	Weight	30th July 1960	23rd July 1960	1st Aug., 1959	June 1960	June 1959	Percentage of Increase (+) or Decrease(—) in June, 1960 as compared with June, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	124 7	124 8R	121.7	120 3R	118.7	+ 1.3	119.9	115 3
Cereals	192	109 9	109 9	110 2	107 3	101 8	+ 5 4	104 1	106 9
Pulses	43	96 2	95.8R	94 6	89 7	96 1	— 6 6	93 6	117 0R
Fruits and Vegetables	23	129 6	130.1	146 2	122 2	134 6	— 9 2	127 8	117 3
Milk and Ghee	84	118 7	122.7	113 4	110 9	116 3	+ 3 0	113 3	107 3
Edible Oils	84	150 1	150 0	127 8	139 7	132 2	+ 5 6	130 4	124 5
Fish Eggs and Meat	17	128 5	126.6R	114 0	119 9R	110 6	+ 8 4	112 0	106.4R
Sugar and Gur	48	141 3	139.1R	148 3	137 7R	148 6	— 7 3	147 9	137 2
Others	109	162 6	161 3	160 9	+ 0 2	167 9	151 2		
Liquor and Tobacco	21	109 0	109 0	97 5	109 5	87 8	+ 12 1	96 8	98 4
Tobacco	..	107 5	107 5	95 8	108 0	90 0	+ 12 0	97 9	98.6
Fuel, Power, Light and Lubricants	39	116 2	116 3R	112 4	118 0R	112 5	+ 4 8	113 5	113 4
Industrial Raw Materials	155	137 8	136 7	119 0	139 7R	120 5	+ 15 1	123 7	115 6
Fibres	61	130 2	128 3	109 3	142 6	110 3	+ 29 2	113 3	127 9
Oilseeds	50	152 7	152 1	131 6	144 4	125 4	+ 5 2	128 8	106.4R
Minerals	2	98 2	98 2*	98 3*	99 0	99 6	— 1 6	97 8	106 2
Others	32	126 9*	126 4*R	114 9	128 2	113 1	+ 13 3	121 6	107 2
Manufacture	290	121 7	121 3	108 9	119 9R	109 1	+ 9 9	111 6	110 3
Intermediate Products	81	121 2	120 9	108 2	127 2	108 2	+ 17 5	111 3	108 1
Finished Products	249	120 1	119 7	109 0	118 7R	109 3	+ 8.6	111 3	109 7
Textiles	147	121 4	120 8	108 9	119 9R	104 5	+ 14 7	107 8	108 7
Cotton	—	130 0*	130 0*	112 4*	126 0	113 8	+ 11 2	116.9*	117 6R
Jute	—	109 2	106 7	87 5	118 1	87 1	+ 29 8	90 6	96 5
Woollen	—	110 1*	110 1*	104 2*	110 1	104 2	+ 5.7	104.2	93.2
Silk and Rayon	—	102 7*	102 7*	92 4*	102 7	104 4	— 1 7	96 4	93 2
Metal Products	18	148 3	148 3	143 3	143 3	143 3	+ 3 5	144.4	145 1
Chemicals	20	105 2	104 5	106 5	104 6	106 9	— 2 1	108 9	108.8
Oil Cakes	10	130 1	130 1	145.1	132 0R	143 8	— 8 1	143 8	130 0
Machinery and Transport Equipment	31	111 1	111 1	108.8*	106 0	110 8	+ 4 5	105 2	108 7R
Others	30	116 0	115 8	114.2	114 7	113.2	+ 1.3	113 4	113 7
All Commodities	1,000	125 3	125.1R	110.9	122 9	115.7	+ 6.2	117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that

R—Revised. *Estimated.

COMMERCE

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

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COMPANY LAW AMENDMENT

MUCH public interest attaches to the decisions of the Joint Committee on the Companies Act (Amendment) Bill not to make any changes in the clause in the original Bill relating to contribution by a joint-stock company to any political party or fund. There has been considerable opposition to this provision, which permits companies to contribute to political parties, for it is held that it will vitiate the successful working of democracy. Nearly all the minutes of dissent from members who represent different shades of political opinion have unanimously held that companies should be prohibited from making such contributions. In the interests of political and constitutional justice, as well as the future of free economy itself, it seems necessary that the question should be examined in an impartial manner.

The ball of controversy over the aforesaid question was set rolling three years ago, when Mr. Justice Tendolkar permitted the Tata Iron and Steel Company, Ltd., to alter its Memorandum of Association so as to enable the management to contribute to the funds of political parties. Examining the contention of a shareholder, who opposed the change on the ground that it was contrary to public good and good government, His Lordship said that the shareholders were the best judges of their interests and they had passed a special resolution sanctioning the alteration without dissent. Discussing the larger issues of public policy, His Lordship conceded that the power of making contribution to political parties was obviously capable of being used to corrupt political life in the country. But His Lordship drew a line of distinction between supporting a candidate or party with whose policy the company was in substantial agreement and supporting a party or candidate who would, for a consideration in the shape of the contribution from the company, support the policy of the company irrespective of the view of the party or the candidate concerned. To give publicity to the amount of donations to political parties, His Lordship said, was a wholesome safeguard against the tendency to corrupt political life in the country. This decision was later upheld by the Chief Justice, Mr. M. C. Chagla, and Mr. Justice Desai who observed that a company could contribute to funds of political parties, if, in its opinion, such parties served industry in general and the industry of the company, in particular. At the same time, Their Lordships drew the attention of Parliament to the danger inherent in permitting companies to make contributions to political parties. Their Lordships held that the least that Parliament could do was to require the companies to get the court's sanction before making contributions to political funds. This was an odd view and it amounted to conferring unnecessary powers on the judiciary.

The Companies Act Amendment Committee (Chairman: Mr. A. V. Viswanatha Sastri), on the report of which the present Bill is based, discussed the question at some length. It rejected as undesirable the suggestion that companies should be called upon to seek prior approval of the court to make any contributions which they may like to give to the funds of any political party. It said: "Such application would be a source of embarrassment to the judges and it is also not desirable that courts should get involved in political or quasi-political controversies." On the wider political significance of the contributions, it said:

"Whether lobbying and financing of political parties or candidates for elections should be prohibited in the interests of the public is a broad question of public policy. It has been the subject of special legislation in America. The case of companies could not be considered in isolation and contributions from other sources, such as bodies corporate, partnerships, societies, trusts, trade unions and even from individuals might have to be regulated or prohibited by a comprehensive enactment. This, however, is a matter which falls outside the scope of the Companies Act."

Accordingly, the Committee recommended that "full information relating to contributions with particulars as regards the parties or organisations to which such contributions are made and the amounts of such contributions should be incorporated in the accounts and circulated to the members before their next general meeting." This view is reflected in the present Bill which provides that every company should disclose in its profit and loss account any amount contributed by it under Section 293(1)(e) to any political party or for any political purpose to any individual or body during the financial year to which that account relates, giving particulars of the total amount contributed and the name of the party, individual or body or to whom such amount has been contributed; this provision is also made applicable to private companies. Briefly, Section 293(1)(e) provides that the board of directors of a public company or of a private company which is a subsidiary of a public company shall not, without the consent of the company concerned in general meeting, contribute to charitable or other funds any amount exceeding Rs. 25,000 or five per cent. of its average net profits as determined by Sections 349 and 350 during the three financial years immediately preceding, whichever is greater.

The Bill thus incorporates the need for publicising contributions to political parties, a point emphasised first by Mr. Justice Tendolkar and later reiterated by the Viswanatha Sastri Committee. It, therefore, appears to us that the majority of the members of the Joint Select Committee have done well to leave unimpaired the existing provisions in the Bill. It is true that money can corrupt political parties. But the danger can be easily overemphasised. In the first place, it is not money alone that can corrupt a political party. Power corrupts it even more. In a democracy, the power of the purse is less dangerous than low of power. Political power is ultimately derived from mass support. It is idle to pretend that a little more money can help a party win it or a little less will ruin altogether a party's chances of victory in the hustings. In any case, the obvious remedy for any tendency to corrupt political parties through contributions is to give ample publicity to the whole arrangement, leaving it to the public to judge whether the amounts are large enough to corrupt parties. There is, however, a case for specifically preventing credit institutions, like banks and insurance companies, from contributing funds for political purposes, because the resources of these institutions are derived mostly from either depositors or policyholders as the case may be. It is needless to add that Government-owned companies should be barred from making such contributions. Another safeguard to be made is that, in the case of companies in which the Government has representation or the Life Insurance Corporation has a say, the power for voting on the relevant resolution should be confined only to private sector shareholders.

Secondly, it is stretching the scope of the Companies Act a little too far to expect it to perform the task of safeguarding democracy through prevention of political corruption. Democracy is a way of life too rich to be contained in a simple isolated piece of legislation. A better procedure, as the Viswanatha Sastri Committee suggested, will be to bring in comprehensive legislation which will embrace all aspects of the problem of preventing political corruption, including the diversion of trade union funds for extra trade union purposes and the receipt of funds from foreign countries for seemingly innocent but really subversive purposes. Thirdly, any prohibition against contributions by companies implies that shareholders and the managements are not the best judges of what is good for them. Cannot the board of directors be trusted to do what, in its judgment, is best for the company? If it feels that it is desirable that it should contribute to the funds of a political group which will serve industrial progress in general and its own industry in particular, why should it be prevented from supporting that group, subject, of course, to the consent of shareholders? Finally, if political parties genuinely feel that corporate funds will corrupt them, they can, instead of merely raising the cry of "democracy in danger," evolve for themselves a code of political conduct which could eradicate the corrupting influence of such contributions. The remedy lies in their hands.

In the welter of public controversy over contributions of funds to political parties, the serious inroads into corporate independence contemplated by the Bill have received less notice than they deserve. The amended Bill provides for power to the Central Government to order a special audit of a company's accounts in case the affairs of that company have not been managed in accordance with sound business principles. As Mr. M. R. Masani, in his minute of dissent points out, the power to appoint a special auditor is unnecessary, apart from being unjustified, because, under various sections of the Act, the powers of investigation of companies, the right of minority shareholders to approach Government in matters of management and the very wide powers conferred on registrars, coupled with the audit by the company's own auditors, fully safeguard the business interests of the companies. Again, although the normal business of an investment company is to buy and sell shares, such a company is sought to be prevented from making investments in other bodies corporate in the "same group" beyond 20 per cent. of the subscribed capital. Further, the amended Bill empowers the Government to call for information regarding the terms and conditions of appointment of selling agents of a company where it has more than one selling agent in any area. Referring to this amendment, Mr. Masani says: "This is really a form of bureaucracy run amuck and places Indian industry in an unenviable position, particularly as foreign competitors may appoint selling agents on more realistic terms and thereby capture the trade to the detriment of Indian industrial interests." Clearly, the whole philosophy behind these and other changes made by the Select Committee is that the shareholders and the management know less about what is good for them than the Government. But this is a philosophy which is not conducive to the development of an investing class with a certain maturity in economic judgment and a willingness to face risks.

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SCHEME FOR INSURANCE OF BANK DEPOSITS

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THE recent failure of the Palai Central Bank Ltd. has raised a host of problems for both the depositors and the Government. It has caused considerable distress to the depositors and has led to political repercussions and consequent pressure on the Government to come to the succour of the Bank's creditors. The Opposition has used it as a weapon against the Government and has criticised the Reserve Bank of India, which has wide powers under the Banking Companies Act, for its failure to take any steps to help rectify the affairs of the Bank during the several inspections conducted in the course of the last ten years, when irregularities came to their notice and for their failure to render assistance to the Bank and prevent its closure.

It is good bankers, not merely good laws, that constitute sound banking. The powers in the hands of the Reserve Bank of India cannot alone lead to sound banking. It is the directorate, the executives and the personnel running the affairs of a bank, who can ensure the safety of the depositors' funds and the solidity of the bank. No amount of laws or powers, however wide they may be, can be a substitute for good management. An unscrupulous board of directors and a dishonest management can ruin any institution. The legal powers in the armoury of the Reserve Bank of India and the moral persuasion that the latter brings to bear on some of the institutions do help, but, in the case of a persistently erring management, these will prove futile, as they have been shown to be ineffective in the case of the above-named bank. Proper selection of borrowers and an honest and vigilant management, coupled with existence of good laws, can ensure a smooth and efficient working of banks in the country.

The economic growth of the country very much depends on the safety and soundness of its banking organisation. It is the banks that nurse industry and commerce. It is, therefore, the duty of the Government or the Reserve Bank to protect the banks not only for safeguarding the interests of depositors and keeping the lifelines of commerce and industry open, but for maintaining its economy in a healthy state. For achieving these objects, nationalisation of banking is not the answer, for banking flourishes best under private enterprise, which generates incentive and directs individual skill and energy into the business of banking rather than under controlled and planned methods which distort and prevent its free and full growth.

The insurance of bank deposits is a suggestion which is worthy of consideration for the protection of the interests of depositors. The fundamental object is to inspire confidence among the people in the banking structure and also create a psychological effect in the mind of the depositor about the safety of his deposits by offering him protection against loss in the event of bank failure. Deposit insurance operates not only to protect the insured depositors but, what is more, to make their deposits promptly available on the closure of banks. At present, depositors of failing banks suffer heavy losses and any realisation, partial or full, is effected after a prolonged period necessary for liquidating the assets. In the meantime, it causes considerable distress to the average depositor. Introduction of bank deposit insurance on a nation-wide basis will provide a high degree of protection to depositors previously unknown in the history of Indian banking.

Indian banking has had an unplanned and unco-ordinated growth. Its structure has been hybrid. Besides a monolithic organisation like the State Bank of India and its eight subsidiaries in the public sector, there are several Exchange banks and Indian commercial banks in the private sector. Among the Indian banks, except for the big and a few other banks which are run on sound lines, many of the smaller banks are not conducted on right lines. The major cause of deterioration among the latter banks is mismanagement and the unscrupulous policies followed by them in the matter of advances and investments, inadequacy of capital and poor asset conditions resulting in erosion of capital and reserves and even, to some extent, of deposits. For rectifying these defects, the Reserve Bank of India will have to assume larger powers, if necessary, to deal with recalcitrant elements which do not heed the warnings administered to them. Other measures like the amalgamation of weaker units with the stronger banks like the State Bank of India or the large commercial banks on a certain basis will also have to be considered, in addition to the scheme for insurance of bank deposits.

The Rural Banking Enquiry Committee and the Committee on Finance for the Private Sector (1954) considered the question of introducing deposit insurance scheme in India, but it was felt that the scheme was premature and therefore it was dropped. It is common knowledge that, in a country like the United States of America, there is a scheme of deposit insurance which is worked under the ægis of the Federal Deposit Insurance Corporation created by the Banking Act of 1933. If in such a rich country insurance of deposits is found necessary, it is much more so in a country like India, where bank failures are frequent. A vast majority of the depositors in India are middle-class people and failure of a bank involves thousands of families into ruin and exposes them to disturbing leftist forces. A contented man with security of savings is a very active and stabilising force in the economic and social structure of the country. Besides, bank failures or closures create economic disturbances which shake public confidence in the financial structure of the country and do not augur well for the promotion of savings and capital formation which are so essential during the periods of the Five-year Plans. A scheme is, therefore, necessary to save the public from any catastrophies of the type created by the closure of the Palai Central Bank.

For the purpose of this article, we shall confine our main attention to the insurance of bank deposits. The following scheme is suggested and many of its features are based on the model adopted by the American banking system:

In the U.S., the Federal Insurance Corporation was created by the Banking Act of 1933, following numerous bank failures during the Depression preceding it and earlier. The Corporation started functioning from 1st January 1934, with a capital of $289 million, of which $150 million were subscribed by the Government and $139 million by the Federal Reserve Banks. The capital stock was subsequently retired in full in 1948 from its earnings. The Corporation has even now the power to borrow up to the extent of $3 billion from the U.S. Treasury, though there has been no need to resort to such borrowing, as they have a Fund of approximately $2 billion.

A special corporation should be floated, say, the Deposit Insurance Corporation of India Ltd., as an independent agency of the Government of India, with a capital stock of Rs. 5 crores, subscribed by the Government, the State Bank of India, the commercial banks, the Life Insurance Corporation of India and the apex co-operative banks. The Corporation should have the power to borrow up to Rs. 10 crores, if necessary, from the Government. The management of the Corporation should vest in a Board of Directors derived from the above subscribers and two representatives of depositors. The Chairman of the Board of Directors may be appointed by the President of India and should be a nominee of the Government.

The deposits of all the scheduled banks must be insured and should be entitled to the benefits of insurance under this scheme.

The deposits of all the insured banks will be insured up to a Rs. 10,000 limit for each depositor, including the first Rs. 10,000 in excess of deposits of Rs. 10,000. This will cover the bulk of the total deposits of all the banks. The non-scheduled banks may be admitted to the benefits of the scheme, if they comply with the requirements of the Deposit Insurance Corporation of India with regard to fundamental rules about the conduct of the banks, liquidity ratios, adequacy of capital, quality of management, types of advances and investments, etc. The membership of the non-scheduled banks should be voluntary, but, once admitted to membership, they would have the status of insured banks.

A premium at the rate of one-tenth of one per cent., that is, at 10 nP per Rs. 100, of all the deposits insured should be levied by the Corporation. The insurance cost should be borne by the banks and not passed on to the depositors. This will result in a slight increase in the cost of borrowing of such banks to the extent of the insurance premium paid by them in addition to the interest allowed on deposits. With rising profits of the banks owing to increased industrial tempo in the country and the larger deposits accruing to the banks, it should not be difficult for the banks to absorb the little extra charge by way of payment of premium. The depositors in India are a mute class. They are an unorganised and amorphous group of persons, distributed all over the country, without any organised association to press their claims on the banks, with the result that they do not share in the benefits of larger profits, though the deposits constitute a principal source of revenue to the banks. It is only appropriate that the banks should do something for them and a beginning can be made, if the banks bear a little burden in the form of payment of premium to the Corporation on deposits up to Rs. 10 000 per depositor. In course of time, when the Corporation has steadily built up its income from the premium, the capital subscribed by the banks and Government may be retired and the rate of premium recovered from the banks may be reduced, so that the incidence of the burden on the banks may be lowered.

The Corporation should have supervisory jurisdiction over insured banks and should have a system of annual inspection intended to ensure that the interests of the depositors are properly safeguarded. The Corporation should have also power to terminate the insured status of any bank at any time, if the policies adopted by the bank are against the canons of sound banking or infringe any laws and regulations or are not conducted according to healthy principles and practices of banking or the bank's advances portfolio has predominantly undesirable features. It should have summary powers for removing any bank from the list of insured banks.

The Corporation should invest its surplus funds in Gilt-edged securities and should have power to borrow against securities should a need arise to enable it to meet the claims of depositors of a bank which may have closed its doors. It should be made incumbent on the Corporation to ensure that payment of the claims of a closed bank are effected within a period of one month from the day it stopped payment.

On notification of the closure of an insured bank by a competent agency like the Reserve Bank of India, the Corporation would send its representative to the office of the failed bank to make investigation into the accounts. The ownership of all accounts up to Rs. 10 000 will be determined. The deposits held in the same right and capacity will be added up and from this will be deducted any borrowings, to arrive at the net figure of liability per depositor. If a depositor is holding an account in the personal name as well as in joint names, he is entitled to insurance up to Rs. 10.000 for each of the accounts. If the depositor is having accounts in two banks with balances under Rs. 10,000, he is insured in each bank separately up to this figure. As soon as the ownership is determined, the Corporation should send out its claim agent to the office of the failed bank for payment of the amounts up to Rs. 10,000. In the case of balances in excess of Rs. 10,000, the depositor will share proportionately in the proceeds from the liquidation of the assets of the institution in due course. The depositor of the distressed bank is to be either paid directly by the claim agent of the Corporation or, in case the failed bank is absorbed by another bank will be entitled to the ownership of the deposits in the absorbing bank. The absorbing bank will take over only sound assets of the failed bank and the balance of the claims over the sound assets of the failed bank will be met by the Corporation.

The Corporation should have a right of inspection over the insured banks. This inspection should only be carried out, if they find it necessary and should be supplementary or additional to the usual inspection of the Reserve Bank of India.

This scheme will create a favourable psychological effect in the public mind, inasmuch as it will minimise the risk of loss of deposits and provide a high degree of protection at no cost to the depositor and at relatively little cost to the bank, with satisfaction to the bank that something has been done for the benefit of the depositors. The creation of the Corporation will also mitigate the disastrous effects of bank failures on the public, restore complete confidence in the solidity of Indian banking structure, strengthen the banking system and lead to its consolidation.

MARKET GOSSIP

FOR some time past, there have been reports in the share market that the Belapur Company Ltd. would be expanding its activities in various ways. It is now reliably learned that the Company has acquired the majority interest in the capital of a newly established neighbouring sugar company in the Deccan, known as the Gangapur Sugar Mills Ltd. The necessary agreement was finalised and signed on the 24th inst., subject to the consent of the Industrial Financial Corporation which, as a leader of long-term capital, has some say in this matter. This, however, is only a formality. In any case, the I.F.C. must only be glad at this development. Of the Gangapur's share capital of Rs. 47 lakhs, the Belapur Company is acquiring Rs. 26 lakhs at a premium of 15 per cent.—shares of Rs. 100 each are being taken over at Rs. 115 each. In other words, a little over 55 per cent. of the Gangapur's capital will be held by the Belapur Company. The crushing capacity of Gangapur's plant is 1,000 to 1,250 tons of sugarcane per day. It has freehold land of 4,000 acres, sufficient to grow all its requirements of sugarcane. At present, the factory is dependent upon outside supply of cane which is said to be readily available.

Palai Bank Crash and After

The closure of the Palai Central Bank is still holding the stage. The Lok Sabha had a four-hour debate spread over two days (Monday and Tuesday). Earlier, on Saturday, the Finance Minister made a detailed statement clarifying the position of the Bank, in the light of details available to him since his first statement some two weeks before. Quite a large number of Members of Parliament participated in the debate. The Kerala Ministers, too, have sought to do their best for the grief-stricken depositors, by persuading the Central Government to try and save the Palai Bank. The Chief Minister, the Home Minister and the Finance Minister of Kerala paid flying visits to New Delhi to apprise the Central Government of the feelings of the people in their State. The Governor and Deputy Governor of the Reserve Bank and the Chairman of the State Bank of India also had been to New Delhi for consultations. There was a meeting last week of the Central Board of Directors of the Reserve Bank to consider the situation. There has thus been no lack of consideration and sympathy for the unfortunate depositors of the Palai Bank. It will be no exaggeration to say that no other bank failure in the past quarter century, not excluding the Travancore National and Quilon Bank, has evoked so much public attention and concern in official circles as that of the Palai Bank.

Almost every one who took interest in this sad event has been keen on reviving the Palai Bank. But mere desire, or abundance of goodwill, is of no use in a situation such as this. After carefully considering all aspects, the Government has come to the conclusion that the revival of the Bank is out of the question. This was also the view of the Central Board of the Reserve Bank. The fresh data given by the Finance Minister this week show that, only if somebody was prepared to face a loss of Rs. 3 crores, could the Bank be restored to health and that, too, as a subsidiary of some big bank. Now, no commercial bank could afford to pay such a heavy price for the pleasure of acquiring the goodwill, staff and premises of the Palai Bank. The Finance Minister even went to the extent of saying that, even if any bank was prepared to take the risk, the Reserve Bank would not consider the proposition with favour. After this statement, the prospect of any bank coming forward to shoulder the responsibility is practically *nil*. Several members of Parliament suggested that the State Bank of India could take over the Palai Bank and underwrite full payment for the depositors of the latter. An ex-Minister, Mr. Mahavir Tyagi, is reported to have remarked that there was no question of a loss to the taxpayer, if the State Bank could somehow manage to salvage the Palai Bank. Surely, the State Bank has not been established to take over badly managed banks. If the State Bank incurs a loss in this process, the taxpayer undoubtedly loses, for, after all, 94 per cent. of the share capital of the State Bank is owned by the Government through the Reserve Bank. It is unrealistic to expect the Government to pay the aggrieved depositors from its resources, owned directly or indirectly. It cannot make any exceptions; if it does that for one bank, it will have to do so for all other banks that have failed or will fail in future. The Union Finance Minister was, therefore, perfectly right when he firmly rejected such suggestions.

The only things that one can expect of the Government in this direction are these: (1) To find out ways and means of paying in full small depositors. The Government has decided that small depositors should be paid in full upto Rs. 250 each. This means raising the limit of Rs. 100 now allowed under the Law. Mr. Morarji Desai has promised to bring forward the legislation necessary for this purpose. (2) To speed up the liquidation of Palai Bank and realise the maximum amount on the assets and investments of the Bank, so that the depositors and other creditors could get as much compensation, and as quickly as possible, after the claims of preferred creditors and small depositors, mentioned above, are met. Mr. Morarji Desai has given a satisfactory assurance on this also. The job of expediting liquidation will most probably be entrusted to the State Bank of India. (3) To mete out severe punishment to the directors and other members of the management of the Palai Bank who have been responsible for all that has happened. No political considerations should be allowed to stand in the way. The Finance Minister has given the solemn assurance that those who are guilty will be punished. But vigorous action is necessary in this direction, before it becomes a case of birds having flown away.

The Finance Minister's statements disclose that, though more than 50 per cent. of advances of the Palai Bank had been sticky for a long time, the Reserve Bank was hoping against hope that the position could be gradually improved and that what ultimately forced it to decide upon liquidation as the only solution was the run that started in the last week of June and continued right through July and early August. The Palai Bank was losing deposits at Rs. 5 lakhs a day on an average. Between 1st July and 5th August, Rs. 136 lakhs had been withdrawn by the depositors, of which Rs. 25 lakhs were on 5th August alone. If there had been no run at all, the Reserve Bank might not have applied for its closure. When the run continued and large sums were being withdrawn, the Reserve Bank had to act quickly and precipitately, in order to protect the interests of the remaining depositors. This explanation is satisfactory so far as it goes. But it leaves unanswered the question as to why action was not taken against the Palai Bank earlier, even though all inspection reports had disclosed an unsatisfactory state of affairs. In the last 10 years, the Palai Bank has had four thorough inspections, that is, in 1951, 1956, 1958 and 1960 and two quick inspections, one in 1953 and another in 1955. The Union Finance Minister, of course, tried to answer this key question. He said:

"The defects noticed in these inspections were taken up with the management and, over a long period, the Reserve Bank made patient and continuous efforts to make the management rectify the defects, and secure a more efficient functioning of the institution. It is tragic that these efforts proved of no avail. While during this period there had been a progressive deterioration in the Bank's position, the Reserve Bank considered, and I think it was right in this view, that drastic action such as refusing a licence or putting the Bank into liquidation should not be taken, until it was clear beyond doubt that there was no hope of rehabilitating it and that the interests of the depositors were in immediate jeopardy.

"If the recent run on the institution had not taken place, even then, it would have required many years of patient effort to put this Bank on its feet. But the loss of confidence in the institution evidenced by the run and the large sums suddenly withdrawn from it ruled out any hope of rehabilitation and left the Reserve Bank with no option but to ask for a winding-up in the interests of the remaining depositors.

"If action had been taken earlier, it might have been open to the criticism that sufficient time and opportunity had not been provided for those controlling the Bank to set their house in order. If it had been deferred, there was every chance of preferred creditors and those with demand liabilities getting away with what was readily available, leaving the other creditors to face a dead loss. One has to balance nicely the various conflicting considerations and with full knowledge of all the factors involved. I have little doubt that the action taken by the (Reserve) Bank and its timing were appropriate."

The aforesaid explanation shows that the Reserve Bank authorities gave too long a rope to the management of the Bank, with the result that it is the depositors and staff who have had to suffer serious consequences. Further, it is not clear, from what the Finance Minister said, why no effective action was taken against the Directors of the Palai Bank at least in 1957, that is, immediately after the amended Banking Companies Act, with more drastic powers for the Reserve Bank, had come into force. Had the Reserve Bank done so, at least some Rs. 3 crores worth of deposits, if not the whole of Palai Bank, could have been saved.

There is another aspect of the Palai Bank affair which has received very little attention. The Finance Minister has explained how this Bank continued to show a fictitious profit in its statement of accounts year after year and declare a dividend, even after the Reserve Bank had drawn the attention of its Directors to this defect. The Palai Bank's management was guilty of misleading the shareholders and the public not only by treating bad and doubtful debts as good debts, but also by including in the revenue account unrealised interest on those sticky advances. We are surprised to hear that such a fraud was being perpetrated right under the nose of the Reserve Bank. Why did the latter allow the Palai Bank to publish such a misleading and fraudulent statement of accounts? And how did the auditor of the Bank certify it as being correct and in accordance with the law? If such things could happen even in a bank, how could one place any reliance on audited accounts? This is surely a matter which the Council of the Institute of Chartered Accountants of India should look into.

There are several important lessons to be learned from the failure of the Palai Bank. The first and the most important of them is that the Reserve Bank should expedite the issue of licences to those banks which have not yet been licensed. Incidentally, it is now stated that the Palai Bank was never licensed at all. It is amazing that a bank of this size remained unlicensed. If there are any banks that are not fit enough to be licensed, they should be asked to improve their affairs quickly and their failure to do so should be a sufficient reason for stopping their business. Secondly, some effective method must be found for implementing the much-discussed, age-old suggestion of amalgamating the deserving small banks with either big banks or by taking them in groups. Thirdly, small banks must not be allowed to open too many branches and spread out too far to the length and breadth of India. It would be better to encourage them to grow slowly and steadily into sound and solid regional banks. Fourthly, banks should be debarred from contributing to the funds of political parties or even indirectly supporting them. Fifthly, the public must exercise greater caution than they do now before choosing their bankers. And, sixthly, steps must be taken for insuring deposits with banks on lines outlined in an article on the previous page.

Last week, the Governor of the Reserve Bank of India stated that the question of insuring bank deposits was being considered. It would appear that there have already been some informal discussions on this subject both within and outside the Reserve Bank. The latter has appointed a special committee of its own officials to study the various aspects of this remedy for safeguarding the interests of depositors. An urgent circular has been sent to all banks, asking them to furnish data of all their deposit accounts in four slabs—accounts with balances of Rs. 1,000 and less, of over Rs. 1,000 but not exceeding Rs. 2,000, of over Rs. 2,000 but not exceeding Rs. 5,000 and of over Rs. 5,000. The Reserve Bank has requested the banks to send their reply by 6th September, that is, in about a fortnight's time. This shows that it has taken up the suggestion in right earnest and is giving it a high priority. It would, however, appear from the highest slab that the Bank is thinking on more modest lines than necessary. The maximum amount of deposit to be insured by an individual with each bank should at least be Rs. 10,000, if the scheme is to cover a substantial number of depositors. It would, therefore, have been better if the Bank had sought data on the number of deposit accounts with balances of over Rs. 5,000 but not exceeding Rs. 10,000 and of over Rs. 10,000, too. Even now, it is not too late for the Bank to make the necessary arrangements.

Ceylon Copies India

It is, indeed, flattering to our national ego to note that the underdeveloped countries of Asia and Africa tend to look upon India as their model in many respects. Not only our foreign policy, but even our domestic economic and fiscal measures have found approval in these countries, judging by the readiness and speed with which some of the legislative enactments passed in this country are being copied by them. One of our admiring neighbours is Ceylon, which has now become the cynosure of the whole world, thanks to the ascendancy of Mrs. Srimavo Bandaranaike to the Prime Minister's *gadi*.

In quite a few spheres, Ceylon has been following the trail blazed by India. It has adopted, *mutatis mutandis*, our fiscal pattern and even some of our tax laws. And now comes news that Ceylon proposes to nationalise life insurance, much as we did back in 1956. Although no definite date would appear to have been fixed for carrying out this reform, it is reported that the first move will be made in the next financial year which starts on 1st October. It would, however, be pertinent to draw attention to the difference in approach. Whereas life insurance in India was nationalised overnight by staging a *blitz* over the management of insurance companies, without any prior warning, the Ceylon Government has given long notice of its intention. It would be interesting to watch whether the management of insurance companies in Ceylon will not take advantage of this interval to suit their ends.

Nationalisation of insurance, or any other trade or industry for that matter, is a purely internal matter of Ceylon; but, to the extent the Life Insurance Corporation of India has a stake in that country, the move is of direct interest to India also. It may be noted here that, for some time past, the L.I.C. has not been writing new life business in Ceylon, as also in Pakistan and Burma. A policy decision to this effect was taken when the question whether the L.I.C. should do new business in foreign countries was considered. Its interest in Ceylon is, therefore, confined only to the business it took over from the Indian insurance companies there and the assets and liabilities attached thereto. The latest position regarding the extent of L.I.C. interest in Ceylon is not available. The figures that could be had relate to 1958. As on 31st December 1958, the total number of L.I.C.'s policies in force in Ceylon was of the order of about 40,000, assuring a sum of Rs. 12 crores. Annual premium income on these policies is estimated at roughly Rs. 68 lakhs.

Estimates are that life insurance companies, including Ceylonese and foreign concerns, operating in the island number about fifty, of which the majority are non-Ceylonese. In 1958, foreign insurance companies in Ceylon had assets valued at Rs. 147·4 million, including loans granted on policies of Rs. 23·9 million, on shares or debentures of Rs. 2 million and on mortgages of Rs. 1·4 million. Of these assets, Rs. 50·4 million were in Government securities, Rs. 11·9 million in cash, Rs. 2·1 million in real estate, Rs. 1·8 million in agents' balances, Rs. 1·5 million in interest and dividends and Rs. 5 million in other assets. Assets of Ceylonese companies aggregated Rs. 34·8 million.

British insurance companies seem to have by far the biggest stake among foreign companies in Ceylon. The annual premium income of the U.K. insurance companies in Ceylon is estimated at £1 million per annum. Their total assets are placed at about Rs. 15 million. Since 1958, all insurance companies in Ceylon have been asked to retain their life funds in Ceylon only.

If the proposed nationalisation comes off, there is no alternative for foreign companies but to submit to the national law and retire gracefully. For India, this will involve a loss of foreign exchange earnings on invisible account equivalent to the annual premium income forfeited. But this country has no grounds to criticise Ceylon, for it has itself set the precedent.

Company Registrars

A major conclusion which emerged from the deliberations of the Conference of the Registrars and Regional Directors of Companies, held at New Delhi last week, was the need for co-ordination in Governmental control and regulation of corporate enterprises. From a stage where the Company law was a most underadministered aspect of Governmental activity, the country is moving forward to a stage where many aspects of corporate enterprise are coming under the constant purview of the Government. This calls for imaginative vision on the part of those who are charged with the task of administering Company Law and also for a great measure of co-ordination between several departments, each of which deals with a particular branch of the work of joint-stock companies. Appropriately enough, the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, in the course of his inaugural address at the Conference, stressed the need for co-ordination, not only as between the Central Department of Company Law Administration and the State Governments, but also among the different Central Government departments such as the Industries Department, Economic Affairs Department and the Company Law Department. At the end of its two-day session, the Conference felt that all activities relating to the working of joint-stock companies such as industrial licensing, capital issue control, regulation of stock exchanges and the working of the financial institutions operating in the corporate sector should all be administered in accordance with a coherent and integrated policy, in order to ensure the achievement of desired results.

Mr. Shastri did well to emphasise that the aim of the Company Law Department was to see that the companies were run on sound lines, both managerially and from the financial point of view. He added that the financial position and the level of management of the companies could influence the economy one way or the other, involving not only the interests of the shareholders but the people as a whole. He urged those who thought the Department was an "unnecessary encumbrance" to remember that, even in a predominantly capitalistic country like the U.S., there were stringent laws against monopoly. In the U.K., the complicated nature of Indian company investment and diversification of activities by

(*Continued on page 464*)

SHARE MARKET QUIET

KHATAUS AND BELAPURS SPURT

(From Our Own Correspondents)

BOMBAY, 24*th August*

THE share market had another quiet week. Trading was listless in the absence of any support, due to extreme cautiousness on the part of bulls. Sellers, too, were reserved. Values drifted down, except in a few counters, which recorded smart gains on special considerations. While the general apathy served as a respite to the recent hectic bullish activity in the market, operators did not fail to take note of the report that the authorities at New Delhi were keeping a close watch over their activities. In reply to a question by a member, the Union Finance Minister said in the Rajya Sabha on the 18th inst. that the trend of prices in share markets was being continually watched, in order to ensure that speculative activity did not cause an unhealthy rise in prices. After recounting the various measures that were being taken to restrain excessive speculation, Mr. Desai observed that, if further measures were necessary to ensure steady conditions in the share market, the Government would not be slow in taking them.

The Prime Minister's indication, in the course of his speech in the Lok Sabha initiating the debate on the draft outline of the third Plan on Monday, that an expert probe might be made into the distribution of the increase in the national income during the last one decade, with a view to preventing an accumulation of wealth and economic power in a few hands, also acted as a damper.

Although these bearish news did not cause any jitters, values of most counters moved down, by way of a corrective reaction to the recent bullish trend. Even investment support was lacking. Many of the cash scrips, which had attracted much attention in recent weeks and made hectic rises, failed to sustain the trend. Presumably, some investors were cashing the gains and conserving their resources for subscribing to the spate of new issues ready to be offered in the next few weeks. Gokaks, Khataus and Standards among textiles, Belapurs in the sugar group, and Premier Constructions and Larsen and Toubros in the engineering section provided some of the notable exceptions to the general trend.

The reports that the Directors of the T.I.S.Co. were not likely to take a decision on the dividend this week also and the delay on the part of the Government in announcing the retention prices of steel subdued the tone of Tata Ordinaries. The shares closed around Rs. 160.25, as against Rs. 161 a week ago. It was, however, reported that the Directors might not indefinitely await the announcement of steel prices for deciding the dividend. It appears most likely that the dividend would come on the agenda of the Directors' meeting on Thursday next week. Indian Irons were steady at Rs. 25.55.

Notwithstanding the widespread belief that the cut in cloth prices might not adversely affect the current year's profits of mills, textile scrips generally lacked support. A gloomy picture of the outlook for cloth exports was painted by Mr. Neville N. Wadia, Chairman of the Cotton Textile Export Promotion Council, at the annual general meeting of the Council held in Bombay today. He was of the view that exports were dwindling at a rapid pace during the current year. In view of the plans for self-sufficiency in most of the overseas countries and the change in consumer demand, he said, India would not be able to maintain its exports of cloth, let alone expand them in the coming years.

Khataus stole the limelight in this week's trading in textile shares, with a hectic rise from Rs. 655 to a peak of Rs. 850 on sustained buying inspired by rumours about diversification of the Company's activity and issue of right shares. At the higher level, there was some profit-taking and the shares closed lower at Rs. 825, a rise of Rs. 140 over the week. Gokaks also attracted good attention and scored a gain of Rs. 21 to Rs. 179. Standards were pushed up from Rs. 1,992 to Rs. 2,055 before they finished at Rs. 2,010. Centurys were somewhat erratic moving between Rs. 512 and Rs. 499, but closed on balance higher at Rs. 507.50. Bombay Dyeings were marked down by Re. 1.20 to Rs. 67.30, despite the fact that the dividend for the half-year ended 30th June 1960 had been maintained at Re. 1 per share, subject to deduction of tax. Kohinoors lost Rs. 7.75 over the week to Rs. 329. Finlays shed Rs. 2 to Rs. 352.

In the banks section, United Commercials staged a further smart rise of Rs. 4 to Rs. 83, while the rest of the shares were quiet.

Notwithstanding the prospect of growing demand for cement, cement shares were cheerless, though the undertone was fairly steady and fluctuations in prices were narrow. A.C.C. moved between Rs. 144.25 and Rs. 143. Digvijays looked up a little towards the close to Rs. 163, but over the week they showed little change.

Revival of rumours about acquisition of fresh interests caused a spurt today in Belapurs to Rs. 397, before closing at Rs. 391; the shares had declined earlier in the week from Rs. 374 to Rs. 368. Phaltans gained Rs. 3 to Rs. 184, while Walchandnagars were steady around Rs. 307.50.

Shippings and automobiles remained subdued.

In the engineering section, renewed hopes about capital reconstruction induced fresh buying in Premier Constructions, which as a result, shot up from Rs. 357.50 to Rs. 381, before closing lower at Rs. 375 on profit-taking. Larsen and Toubros attracted good support, following the Directors' decision to issue right shares at par in the ratio of three shares for every eight shares. The shares shot up to a high of Rs. 56 from last week's closing of Rs. 50 and finished at Rs. 52.50. Alcocks were quiet at Rs. 291, as also Tata Locomotives at Rs. 289 *ex-div.*

Miscellaneous shares, the bulk of which are listed in the cash section, showed sizable losses. Bombay Burmahs, a forward scrip, were subdued at Rs. 581.50, as against Rs. 585 a week ago. Rayon shares lagged behind owing to fear of a cut in the import of raw material (rayon grade wood pulp), due to acute scarcity of foreign exchange. National Rayons were a shade lower at Rs. 513, while the losses were more marked in Gwalior Rayons and Baroda Rayons. The former was done Rs. 2.50 lower at Rs. 45 and the latter Rs. 3 down at Rs. 146. It was reported that one of the general insurance companies was unloading a large block of Gwalior Rayons. Indian Rayons, too, shed Rs. 2 to Rs. 71. Notwithstanding the encouraging long-term outlook, Indian Dyestuffs met with selling pressure and declined by Rs. 90 to Rs. 745. The Company's Chairman said at the annual general meeting held on Friday last that the Company's expansion programme would be completed by the middle of 1962 and that the cost of it would be Rs. 3.50 crores. In reply to the demand for higher dividends, he emphasised the need for conserving the earnings of the Company. Amar Dyes, Colour Chems, Poly Chems and Dhrangadhras were all marked down. Ceat Tyres declined by Rs. 12.50 to Rs. 262.50 and West Coast Papers by Rs. 7.50 to Rs. 211.50.

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Madras Stock Exchange

MADRAS, 23*rd August*

The Madras Stock Exchange ruled steady during the week under review, barring rubber shares, which came in for selling in view of the reported decision of the Central Government not to raise the existing statutory price of raw rubber. The Union Finance Minister's statement in the Rajya Sabha on the 18th inst. that the Government was keeping a close watch on the trend of prices in share markets and that, if further measures were necessary, it would not be slow in taking them, did not have any perceptible impact on the market. Sugars were well maintained on reports of a marked rise in production in many of the sugar factories. Teas were firm, thanks to reports of strong general demand for teas at Cochin auctions. Coffees were steady in the initial sessions, but were weak towards the close. Textiles were generally well fancied on hopes that the adverse effect of reduction in prices of cloth and yarns would be made good, to a large extent, by the consequent increase in their demand and larger output. Among miscellaneous shares, chemicals, in particular, came in for good attention.

In the sugar section, United Breweries spurted by Rs. 2.50 to Rs. 114.50. Cauverys advanced by 50 nP to Rs. 152.50. Travancores put on 20 nP to Rs. 12.10. E.I.Ds, however, met with selling pressure and declined by a rupee to Rs. 38.25. Deccans shed 10 nP to Rs. 16.30.

Among teas, Haileyburias elicited good support and rose by 25 nP to Rs. 15.75. Parksides and Peermades moved up by 10 nP each to Rs. 28.60 and Rs. 23.60, respectively. Blue Mountains hardened by 6 nP to Rs. 5.43 and Periakaramalais by 5 nP to Rs. 3.90. Nilgiris were higher by 5 nP at Rs. 7.80. The Directors of the Company have declared a dividend of 8 per cent., taxable (equivalent to 5.6 per cent. tax-free) for the year ended March 1960, as against 5 per cent., tax-free, for the previous year. Nilamburs, however, declined by 25 nP to Rs. 19, following the announcement of a lower dividend by the Company at 15 per cent., taxable (equivalent to 10.5 per cent. tax-free) for 1959, as compared with 20 per cent., tax-free, for 1958. In the coffee group, Cowcoodys gathered 5 nP to Rs. 5.75. Shevroys picked up one naya paisa to Rs. 2.07. Ouchterlonys were firm at Rs. 5. But Consolidated Coffees lost 40 nP to Rs. 26.25 and Coffee Lands 20 nP to Rs. 25.10. Among rubbers, Kailasas fell by 31 nP to Rs. 5.24. Cochin Malabars receded by 2 nP to Rs. 8.10.

Premiers in the textile group spurted by Rs. 4 to Rs. 250. Bangalore Woollens gained a rupee to Rs. 200. Maduras rose by 65 nP to Rs. 34.90 and Travancore Rayons by 55 nP to Rs. 37.30. Cannanores, however, were marked down by Rs. 4 to Rs. 146. Lakshmis fell by a rupee to Rs. 157.

A feature of trading in the miscellaneous section was the increase of Rs. 10 registered by Tube Investments which were quoted today at Rs. 350. Among chemicals, Mysores rose by 50 nP to Rs. 14.85. F.A.C.Ts gathered 5 nP to Rs. 12.85. Among cements, Indias put on 8 nP to Rs. 7.33, while Andhras eased by 7 nP to Rs. 10.83 and Dalmias by 6 nP to Rs. 12.44.

INVESTA MACHINE TOOLS & ENGINEERING

Investa Machine Tools and Engineering Company, Ltd. has received permission from the Controller of Capital Issues to issue to the holders of the existing ordinary shares further equity capital of Rs. 15,00,000 in the proportion of 1 : 1 at par. The Directors propose to close the transfer books of the Company for the purpose of issuing letters of offer to shareholders from 6th September, 1960 to 13th September 1960 (both days inclusive). On the 15,000 new ordinary shares a sum of Rs. 25 is payable on application, Rs. 25 on allotment and the balance of Rs. 50 as and when called up by the Directors. The Company has also received from the Central Government a licence under the Industries (Development and Regulation) Act for effecting substantial expansion of its undertaking at Chinchwad near Poona. Effective steps have already been taken to acquire land and place orders for construction of the Company's factory. Orders for the major part of plant and machinery have been placed from rupee payment sources and indigenous sources, and the plant and machinery is expected to arrive by early next year. The new factory at Chinchwad is expected to be gradually put into commission from April 1961.

THE "SILLY SEASON" IS ON

TRADE FIGURES CAUSE CONCERN

From Our Own Correspondent

LONDON, 19*th August*

THE middle of August is conventionally the silly season—the Prime Minister is on the Derbyshire Moors shooting game. Other Ministers have seized a few days' respite at home or abroad and are ready to gather together in case of need while still hoping the need will not arise. As far as the London Press is concerned, they have had quite enough to pursue—what with the Congo, the shipping strikes, which are playing havoc with British Passenger Merchant Shipping, and the trial of the American pilot in Russia.

LONDON LETTER

The Merchant Shipping strike, however, looks like coming to an early end, with two of the principal sailings uninterfered with—the *Queen Elizabeth* for America and Britain's newest passenger liner, *The Windsor Castle* for South Africa.

The only disturbing feature on the domestic horizon has been the July trade figures. For three months, the trade figures had worsened and the latest is the worst. On a seasonally adjusted scale, May showed exports and re-exports at £309 million and imports at £389 million—a visible deficit of £80 million. In June, exports and re-exports had dropped further to £299 million but imports had fallen as well to £370 million, giving a deficit of £71 million. At the end of July, the total of exports and re-exports hit the lowest for this year at £284 million, while imports were as high as ever at £388 million, giving a deficit of the horrifying figure of £104 million.

Equally, on a seasonally adjusted basis, the monthly average of the total for the first seven months of this year was £307 million exports and £377 million imports; thus, the deficit comes to £70 million per month, or an annual rate of £840 million. Even when one has allowed for the conversion of imports from the c.i.f. basis given in these figures to f.o.b.—say, £40 million per month—the remaining deficit will swallow up the greater part of the country's invisible income.

This is not to say that the U.K. is running a deficit, but it is likely that it is not piling up *sufficient net* overseas income to pay off its current overseas investment.

The high and rising gold reserves (it will be recalled that they reached a total of £1,070 million at the end of July) merely reflect the inflow of hot money, the result of high domestic interest rates and tight credit.

Those Ministers charged with the Treasury and the Board of Trade will certainly have to study this question of Britain's export and her trade balance when they get back from their brief vacation, because, at the present rate, the autumn, when the trade balance traditionally turns against the country, may be a very difficult time.

Their difficulty will be that exports, considered by themselves, have not made a bad showing. For the first seven months of this year, they were 6½ per cent. up on the whole average of last year. The trouble has been with imports, where the first seven months' average was 13 per cent. more than the average for last year. Ministers will say that they have already taken all reasonable steps to damp down home demands. With credit tight and the stock market cautious, with the banks already having put in £150 million of special deposits to the Bank of England, namely, 2 per cent. of their total deposits, what more can the City be reasonably expected to do? The end of the holiday season will find eager searchers for answers to that question.—*All Rights Reserved.*

NEWS IN BRIEF

ABOUT 100 cases of violation of foreign exchange regulations were registered every month in the financial year 1960-61.

The proposals for introducing a bus service linking India with the U.K., Russia and Yugoslavia, submitted by six private parties, are being examined by the Government of India.

The 10,000-ton calcium carbide plant, erected at Talayuthu, Tirunelveli (Madras State), by Industrial Chemicals Ltd., was inaugurated on the 17th inst. The plant has been set up in collaboration with the Norwegian firm, the Electrokemist.

An official Bill seeking to establish a State Housing Board has been introduced in the Madras Legislative Assembly. The proposed Board will be entrusted with the task of implementing housing and improvement schemes throughout the State.

As a measure of export promotion, the Government of India proposes to grant drawback of duty on instant coffee on brand basis. In this connection, the Government has issued a draft notification, inviting objections, if any, by 1st September 1960.

The Railway Board has rejected the request of the Assam Oil Company to take crude oil pipeline of Oil India Limited over the new Brahmaputra bridge under construction, since it is not considered safe to lay the oil pipeline over this important rail-cum-road bridge.

The next meeting of the National Development Council will be held at New Delhi on 12th and 13th September under the chairmanship of the Prime Minister. The Council will consider the Draft Outline of the third Plan and general questions relating to State plans.

The Government of India has agreed in principle to the West Bengal Government's proposal for setting up a fertiliser plant at Durgapur, in collaboration with a Japanese firm. The necessary steps are being taken by the State Government and negotiations are in progress with the Japanese collaborators concerned.

The Rajasthan Government proposes to give assistance to private stud sheep farmers who are prepared to develop recognised sheep breeds in the State. The Government will provide to the registered sheep farmers technical advice, veterinary aid and also supply breeding rams at subsidised rates from Government farms.

Fairly large deposits of iron ore, estimated at three to five million tons, have been located along the ridges of Boredgudda and Arabadagudda, about 60 miles from the Mangalore port, in Mysore State. Disclosing this in the Lok Sabha, Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, stated that the possibility for commercial exploitation required further exploration.

The blower of the first cupola at the Heavy Electrical Plant, Bhopal, was switched on last week. The three-ton cupola, from which molten metal is tapped, will be utilised for making cast iron components for switchgear, transformers and workshop construction. One more cupola will be installed shortly. The Heavy Electrical Plant is expected to be inaugurated by Prime Minister Nehru on 20th October.

Two plants for the production of edible groundnut flour, one each at Bombay and Madras, are expected to be installed in collaboration with existing oil mills. The individual capacity of both the plants will be 10 tons per day. This was disclosed by Mr. A. M. Thomas, Union Deputy Minister for Food, in the Rajya Sabha. He stated that the project, which envisaged collaboration between private and public sectors, would produce high-quality edible groundnut flour at a reasonable price.

Madhya Pradesh will agree to be associated in a food zone with Gujerat and Maharashtra, only if it is assured that speculative activity in rice and wheat markets will be prevented and that intermediaries will "behave properly," according to Dr. K. N. Katju, Chief Minister of Madhya Pradesh. Dr. Katju has alluded to the formation of the West Bengal-Orissa food zone which, he says, has brought just a rupee more per maund to the cultivator, but consumers have to pay Rs. 5 more for the same quantity.

The Japanese firm which had offered capital participation and technological assistance to a firm in Kerala for the manufacture of cables, has since withdrawn the offer of capital participation as the scheme has been delayed beyond expectations. It is, however, willing to offer technical collaboration. The licence for setting up the cable plant was given in 1958. The Government of India proposes to grant a further extension till December 1960. It is also considering the Kerala *entrepreneur's* application for import licence to obtain capital equipment from Japan.

The Government of India has decided to establish joint consultative machinery to settle matters pertaining to the welfare of Government employees. The model of the British type of Whitley Councils will be kept in view in this matter. There will be three "parallel councils," one for the Railways, including workshops, one for other workshops, and another for all other services. The proposed machinery is expected to settle matters pertaining to the welfare and other things concerning the services by the process of consultation, negotiations and where necessary even by reference to arbitration.

The first Russian tanker bringing high speed diesel oil for the Indian Oil Company from Russia, reached Bombay on the 17th inst. In pursuance of the trade agreement between the Governments of India and Russia, a contract was signed in July last between the Indian Oil Company and V/o Sojuznefteexport (Russian Export Agency) for the import of superior kerosene, jet fuel and high speed diesel against rupee payment. The first tanker contains about 11,000 tons of high speed diesel oil. As soon as the discharge operations are completed, the Indian Oil Company will commence supplies to consumers, especially the Indian railways, transport undertakings, consumers' co-operatives, Defence forces and others.

A co-ordinating committee to consider the overall problem of industrialisation, development of natural resources and regional planning of the Cambay area in Gujerat has been constituted by the Union Government. The Committee will advise the Government on the location of industries in the Cambay region, particularly in the areas with which the Oil and Natural Gas Commission is concerned in its exploration for, and development of, oil and gas. It will also consider matters relating to the acquisition of lands, buildings and construction of roads for the Oil and Natural Gas Commission in Ankleshwar and Cambay regions. Besides, it will advise the Government on problems relating to transportation of oil and gas for refining or other uses. The Chief Secretary to the Government of Gujerat is the Chairman and the Convenor of the Committee.

The jute workers' union in West Bengal—the Bengal Chalkal Mazdoor Union—has demanded three months' wages as bonus and immediate implementation of the recommendations of the State's Special Committee on Jute. The Committee has suggested, among others, that the *budli* list of workers should be frozen to make a large number of such employees permanent, fixation of permanent complements at three workers per loom and no further extension of double room operation for three years. In a memorandum submitted to the State Government, the Union has urged that the Government should see that all mills declare their actual raw stocks and submit plans of loom sealing for approval to a tripartite committee. The memorandum says that the Indian Jute Mills Association's decision to seal any number of looms with effect from 6th June constitutes a flagrant breach of the code of discipline.

The Industrial Finance Corporation has, at the instance of the Union Transport and Communication Ministry, agreed to advance loans to hotels. Loans will be available to hotels constituted as public limited companies or co-operative societies. There will be no floor limit for loan applications. The Hotel Standards and Rate Structure Committee, which reported in 1958, had recommended financial assistance to the hotel industry in order to promote tourism. Another recommendation of the Committee—classification of hotels capable of catering to foreign tourists on the basis of the internationally-accepted Star System—will be implemented next year. The hotel industry will be consulted in the matter. The Ministry has also decided to sponsor legislation to have more effective control over and, in fact, to help the better type of hotel establishments, travel agencies, guides and shikar outfitters, as against those who do not maintain high standards.

The recommendations of the Committee, appointed by the Communist Government of Kerala in 1957, to evolve a wage structure and a formula for the payment of bonus for plantation workers in the State, have now been published. The report, it may be recalled, had been submitted to the Government in February 1959. The report has recommended minimum time rates allowance of Re. 1.75 for men field workers and Re. 1.34 for women of tea estates of 100 acres and above and rubber estates of 200 acres and above. For factory workers in these estates, the report has recommended Re. 1.91 and Re. 1.41 for men and women, respectively. For other tea and rubber estate field workers, it has recommended a wage rate of Re. 1.67 for men and Re. 1.28 for women. The report has suggested distribution as bonus to workers of 25 per cent. of the available surplus profit after providing for depreciation, renovation of buildings, machinery, etc., taxation and return on paid-up and working capitals.

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From Abroad

Oil companies operating in Pakistan are reported to have offered to reduce the prices of their products by 7 per cent.

The Government of Israel has decided to grant a loan of £3 million to Nigeria, a part of which will be in the form of goods.

The U.S. Government proposes to impose an *ad valorem* duty of 38 per cent. on wool imports in the place of the present tariff quota system.

The U.S. Development Loan Fund has approved of a $3.2 million loan for Ceylon to help finance the construction of an international airport at Katunayake.

The Ghana Airways has placed an order for four Russian Ilyushin IL-18 Moskova turbo-prop airliners which will be pressed into its African, Continental and inter-continental services. The details of the contract are not available.

West Germany produced 1,169,424 cars and lorries in the first seven months of 1960, an increase of about 24 per cent., as compared with the corresponding period of 1959. Of the total production, about 48 per cent. was exported, as against 51 per cent. last year.

PERSONAL

DR. Ricardo Florencio Mosquera has been appointed Ambassador of Argentine to India.

Mr. Raden Moekarto Notowidigdo has been appointed Ambassador of Indonesia to India.

Mr. Lalit Narayan Mishra, M. P., Parliamentary Secretary to the Minister for Labour, Employment and Planning, has been appointed Union Deputy Minister in the same Ministry.

Mr. R. B. Turakhia has been elected President of the All-India Plastics Manufacturers' Association for 1960-61. Mr. Shantilal Jain and Mr. C. M. Srimal have been elected Vice-Presidents.

Mr. P. E. H. Alexander arrived in Bombay on the 24th inst. to take up his new assignment as Manager of the British Bank of the Middle East, Bombay, *vice* Mr. P. L. Sandeman, who has been transferred to Beirut.

Mr. David Blickenstaff, at present Director of the U.N. Information Centre in India, has been appointed the Resident Representative of the U.N. Technical Assistance Board in India. He succeeds Mr. James Keen, who will take up another important post with the Board. In addition to his duties on behalf of the Expanded Programme of Technical Assistance, Mr. Blickenstaff will also represent the Managing Director of the U.N. Special Fund and will continue to head the Information Centre at New Delhi.

Mr. A. M. Thomas, Deputy Minister for Food, and two senior officials of the Ministry of Food and Agriculture, Mr. B. P. Bagchi, Joint Secretary, and Mr. B. L. Sahney, Deputy Secretary in charge of grain imports, left this week for Canada where they will make an extensive tour as guests of the Canadian Government. During a three-week stay, they will examine methods of handling, inspection, storage and distribution of grain, in order to ascertain the extent to which the Canadian experience in these matters can be adapted to Indian conditions. Before returning to India, the mission will also visit Washington and London to take up with Indian representatives in those cities questions relating to India's foodgrain import programme.

Total exports from Canada rose by 8.4 per cent. to $2,602 million during the first half of 1960, as compared with the corresponding period last year. Imports also rose but by only 2.1 per cent. to $2,811.5 million. Consequently, the adverse balance of trade declined from $352.1 million to $209.3 million.

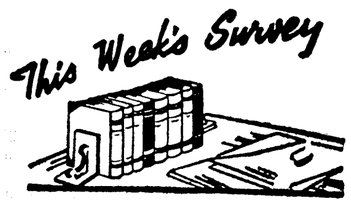
Hitachi, a leading heavy machinery concern in Japan, has signed a contract with the Alweg Corporation of West Germany for supply of technical information on manufacture of Alweg-type monorail trains and construction of elevated rails. Hitachi intends to build Japan's first six-mile monorail train link between the centre of Tokyo and the international airport.

A leading U.S. firm, Hertz American Express International and the Italian motor car manufacturing company, Fiat, have formed a new company called Hertz-Italiana S.P.A., with headquarters at Rome. The new company, of which Fiat will own 25 per cent., will provide car hire service in all major cities throughout Italy and Sicily. It proposes to operate over 1,000 vehicles by the 1961 tourist season.

In an effort to increase development aid, the Federation of German Industries has urged the ten Federal States of West Germany to give the expected property tax surplus this year to funds for developing countries. In view of the general boom, the ten Laender are expected to cash in DM 1,000 million more than last year. Similar requests have been made by leading German business men to members of Parliament as far as the increase of federal revenues are concerned. Government circles, however, are said to have warned against undue optimism since it will remain difficult for some time to come to obtain the necessary guarantees for investments overseas.

What is claimed to be the largest Microflake cigarette tobacco factory in the world outside of the U.S. will be built by the Italian Tobacco Monopoly at Adria, Italy, under a contract signed with a U.S. company, the American Machine and Foundry. Under the contract, A.M.F. will receive more than $7.3 million for equipping the plant and in royalty payments for the A.M.F.'s Microflake tobacco sheet process. Microflake cigarette filler is tobacco made in sheet form by an A.M.F. developed and patented process which bonds together minute particles of clean, ground high quality tobacco. The process, utilising tobacco that would otherwise be lost to the cigarette manufacturer, is claimed to yield a high quality product and results in substantial savings to the manufacturer.

The Government of Ceylon has warned that it would import petrol and kerosene oil from Russia and impose price control, unless the British and American oil companies in Ceylon agreed to reduce oil prices. The Government has also asked the oil companies to bear a substantial portion of the recent increase in the import duty by 40 cents a gallon. The oil companies have already voluntarily reduced the price by 7 cents a gallon, but announced that the reduction was not a sequel to the increase in duty. It was the result of the price decline in the Persian oil market. The Government maintains, at any rate, that local prices of petrol and kerosene are comparatively above world market prices. The oil companies, according to the Government, can continue to make reasonable profits without passing on the increased duties to the consumer.



CEILING ON INCOMES

THE fact that within the short period of a week two unofficial motions seeking to fix a ceiling on incomes (salary) was rejected by the Lok Sabha is sufficient proof of the unpopularity of the proposal. But the pity is that the rejection of the first motion did not deter the Honourable Member, who brought in the second one, from seeking the House's approval on an identical issue. Much valuable time of the House could have been saved had the member accepted the earlier verdict of the House as reflection of the view of the majority of the elected representatives of the people. The Lok Sabha did well to reject the motion, for it only aims at pushing the concept of ceiling, which, in its application to land, has been accepted by the Congress Party in a fit of ideological over-zealousness, to ridiculous limits.

The argument put forward in favour of the move by those who supported it was not only quixotic but pernicious in its implication. One supporting member laboured the point that, in spite of the increase in national income, during the two Plan periods, the conditions of the poor remained miserable. According to him, the real earnings of agriculturists and industrial workers had been steadily declining since independence, while the turnover of some private concerns increased by leaps and bounds. It is not known whether the member attributed the alleged fall in earnings of workers to the rise in the business of private firms, but he left no doubt that he wanted those who were responsible for the success of the private concerns to be penalised by putting a ceiling on their income.

The Minister who opposed the resolution on behalf of the Government, Dr. B. Gopala Reddi, struck one as being apologetic. He seemed to disagree with the mover of the motion only in the means advocated, not the ends in view. Admitting that there was disparity in income in the country, he said it was only a legacy of the past which was being ironed out through the Five-year Plans. He, however, did well to emphasise that wealth should be produced first before it could be distributed on an equitable basis—a principle which, unfortunately, is more honoured in the breach than in the observance, as witness the ruling Party's obsession with distributive justice to the detriment of production, and that when what there is for distribution is not sufficient to go round. The contention of the supporters of the motion, that, having accepted the principle of ceiling on land, Government could not escape imposing a limit on income, put the Government spokesman in an awkward position, for the argument is perfectly logical and it was difficult for Dr. Reddi to avoid giving the impression of straining at the gnat after having swallowed the camel. The concept of ceiling on land is itself ill-conceived. Two negatives make one positive but two wrongs do not make one right.

SCIENTIFIC FARMING

While the increase in the area devoted to agricultural crops can be an important factor in augmenting output over a period of time, utmost reliance will have to be placed on raising output from the existing area through scientific farming. This is exactly what has been done in the economically more advanced countries of the West. In India, too, the importance of scientific farming has been repeatedly talked about, but the progress actually achieved is negligible. No wonder that the per-acre yields of almost all agricultural crops continue to be woefully low as compared with several other countries. The average yield of rice per hectare (0.40468 hectare=1 acre) during 1957, for instance, was a bare 1,180 kilogrammes (1,016 kilogrammes=1 ton), as against 5,390 kg. in Australia, 4,740 kg. in Italy, 4,430 kg. in Japan and 3,590 kg. in the U.S. Similarly, the average yield of wheat was as low as 700 kg., as against 750 kg., 1,720 kg., 2,160 kg. and 1,460 kg., respectively, in the aforesaid countries.

Viewed thus, the recent meeting of the Crops and Soil Board of the Indian Council of Agricultural Research at Ranchi, specially to consider the question of stepping up the productivity of the soil, is of great significance. Appropriately enough, the Board made a number of recommendations relating to the different aspects of agriculture: immediate establishment of an all-India Board to ensure colonisation of all new irrigation project areas on sound lines; a detailed soil survey to ensure the best utilisation of water; avoidance of waterlogging by introducing volumetric system of water distribution and making construction of drainage channels obligatory on farmers; speedy development of fertilisers, pesticides, weedicides, agricultural machinery and other implements; stability of agricultural commodity prices at an economic level; provision of adequate and timely credit to farmers; and more effective enforcement of legislative measures by giving necessary powers to the State Directors of Agriculture.

All these are no doubt very valuable suggestions which, if given effect to in an energetic way, would go a long way towards putting the land to the best use. But they will not be of much avail, unless they are accompanied by measures to bridge the gap between scientific research and its application to agricultural operations. Mr. S. K. Patil, Union Minister for Food and Agriculture, certainly struck a note of realism when he declared, in his speech at the forty-third Agricultural College Day and Conference at Coimbatore the other day, that it was not enough if the benefits of agricultural research reached a handful of farmers; rather all the farmers would have to be enabled to derive advantage from such research work. "The extension service," to quote him, "must be made to function much more effectively than hitherto for which I am prepared to give lakhs and crores, if necessary. Agricultural graduates must go out and work in the field, as I feel that they cannot produce results simply by passing examinations with distinction. There must be co-ordination between the farmer and institutions like this."

The need for extension work which will take the results of research to the field of the farmer is urgent for augmenting agricultural production. Far more urgent is the need for adoption of rational official policies governing agriculture. This aspect needs to be specially stressed in the present context when the planners and the powers-that-be in the Centre and the State level are busy giving effect to such highly ideological schemes as ceilings on agricultural holdings and co-operative farming and talking of State trading.

MICA'S PROBLEMS

It is somewhat distressing to hear that the mica industry, which earns for the country quite a bit of foreign exchange every year, is passing through a period of crisis. The industry, according to the latest annual report (1959) of the Indian Mica Miners and Dealers Association, is today confronted with three serious economic problems. One, there is unscrupulous rate-cutting of mica prices, thanks to unchecked and unhealthy competition. Two, the continuance of mica exports on consignment basis leads very often to unjustified heavy rejections and consequent loss to shippers. Three, there has been a gradual decline in the offtake by countries that were hitherto buying considerably from India, following increased competition from Brazil and vigorous efforts to produce synthetic mica in several countries. The percentage share of the U.S. and the U.K., which consume the major portion of the mica exported from India, has declined from 55-50 and 30-35 upto 1951 to 35 and less than 20, respectively, in 1959. Alluding to this trend, the report says:

"....America, which is the principal buyer of Indian mica, is reported to have decided to import mica from Brazil and is also investing heavy capital for the development of mica industry there.... It has been found that the Western countries are in the search of mica; they are generally concentrating their vigorous efforts on the production of mica on a commercial basis and large quantities of synthetic mica of very improved standard in comparison to the high grade natural Indian mica. If these attempts continue by those countries, it is obvious that the Indian mica industry will face grave problems."

There has been a sharp fall in export prices of mica in the past few months. On an average, one cwt. of mica shipped abroad during the financial year 1959-60 fetched no more than Rs. 203, as against Rs. 243 in the previous year, representing a drop of over 16 per cent. Consequently, a larger quantity of mica had to be exported to gain a relatively modest rise in foreign exchange earnings. Thus, the aggregate quantity of mica actually exported rose from 396,451 cwts. in 1958-59 to 508,618 cwts.—an increase of nearly 30 per cent.—while the value improved from Rs. 9.66 crores to Rs. 10.31 crores, or a rise of just 7 per cent. In fact, the performance on the export front would have been very disquieting but for the emergence of Soviet Russia as an important buyer of Indian mica. It accounted for about seven per cent. of India's total mica exports in 1959-60.

The foregoing brief account will clearly serve to indicate that gone are the days when India can afford to be complacent merely because it has a near-world monopoly of mica and meets about 80 per cent. of world demand. It is true that there are good prospects of a continuously increasing demand for mica within the country in the coming years as a result of the expansion and development of industries manufacturing electrical instruments, appliances and apparatus. Even so, there will be left a sizable surplus available for export and every step must be taken to make mica earn for the country as much foreign exchange as possible.

In its report submitted in August 1957, the Export Promotion Committee put forward certain measures designed to remove some of the uncertainties involved in exporting mica. They covered stipulation of quality standards, avoidance of exports on consignment basis and introduction of pre-shipment inspection by the buyers' representatives at Indian ports, even if the cost of such inspection has to be borne by the Indian exporter. Although three years have elapsed since these suggestions were made, nothing worthwhile would appear to have yet been done. The Indian Mica Miners and Dealers Association has, indeed, done well to stress that the main solution to the problem of the mica industry lies in so organising the trade as to enable it to inspire confidence in overseas buyers. The need for implementing the aforesaid suggestions has been specially stressed. It is to be hoped that the Mica Export Promotion Council will address itself to this task in right earnest.

From the long-term point of view, there are some directions in which the economy of the mica industry as a whole can be improved to a significant effect. Mention, for instance, may be made of setting up plants in the mica producing areas for punch and trim functions, testing and other processing operations. It will be recalled that, at present, the profit accruing from these operations is being reaped by the overseas buyers, since the mica exported from India is largely in the form of blocks and sheets. Mention may also be made of using wastes in mica industry to manufacture ground mica as well as mica bricks, and of the need to amalgamate, wherever possible, a number of small units into large economic units.

STEEL PLANT FOR THE SOUTH

The prospects of locating a steel plant in the South now appear bright, thanks to encouraging results yielded by preliminary studies on using Neyveli lignite with iron ore available in Salem to produce iron and steel. The feasibility of commercial production, however, has yet to be confirmed by further geophysical investigation and commercial tests. From the statement of Mr. C. Subramaniam, Madras Minister, in the Legislative Assembly on the 11th inst., the setting up of a steel plant for producing iron and steel by this method, seems almost a certainty. It is, however, not on all fours with the observations made by Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel in the Lok Sabha on the 17th inst. The latter gives one the impression that the question is as yet undecided. Mr. Subramaniam, for instance, said that all doubts whether the project was worth undertaking had been set at rest as its feasibility was confirmed by the technical committee appointed by the Government of India to study the question. But Sardar Swaran Singh observed that a final decision would be taken only after large-scale commercial tests were carried out and had definitely proved successful. These conflicting observations are intriguing.

It may be interesting to recall here that an East German team of experts, which was invited to advise the Government of Madras on the subject, thought that the proposition was an economical one. It had also asked for a representative sample of Neyveli lignite for further experiments to be conducted in East Germany, with a view to finding out the type of furnace that would be suitable to smelt the ore. Tests on Neyveli lignite are being conducted in the low shaft furnaces at Jamshedpur.

The proposal has evoked considerable interest in the South which, naturally, has been casting

envious eyes on the North which has had the good fortune of having all the three steel plants so far built in the public sector. In fact, there were as many as twenty-five queries in the Lok Sabha on this question. In view of this public interest, the Government should speed up the investigations, so that a final decision, if not already taken, could be made and announced early.

COPPER AND ALUMINIUM CONDUCTORS

The public enquiry into the question of continuance of protection to the bare copper conductors, A.C.S.R. (aluminium conductors steel reinforced) and A.A.C. (all alumini m conductors) industry beyond the current year was held by the Tariff Commission in Bombay on the 19th inst. The industry, which is an important component of the electrical e gineering industry, has been enjoying protection for the last ten years. It has now asked for extension of the period of protection for another three to five years on the ground, *inter alia*, that it has to depend on imports for their basic raw materials, the cost of which forms a major element in the price of the finished product. Despite this handicap, the industry, it is conceded, has made "satisfactory progress" in regard to production and quality. Prospects for the expansion of the industry in the coming years are also bright, in view of the increase in demand for cables and wires envisaged in the third Plan, which includes a provision for the generation of six million kw. of additional power. Transmission of such large quantity of power will call for much larger quantity of copper and aluminium conductors than is currently produced. The electrification of railways, as well as the development of telecommunications, will also enhance the demand for cables and wires.

The major hurdle in the way of development of copper and aluminium conductors industry is the lack of domestic sources of raw materials. It is common knowledge that India is unfavourably placed in regard to non-ferrous metals. Opening the public enquiry, Mr. K. R. P. Aiyangar, Chairman of the Tariff Commission, however, struck a note of optimism when he observed that, so far as aluminium conductors were concerned, it might be possible to obtain the entire requirements of raw materials within the country in two or three years. The position in regard to copper, however, was not certain as India's known resources are limited. Another disadvantage, he added, was the highly fluctuating nature of its price in the world market. Mr. Aiyangar urged the industry to restrict the use of copper, which entailed a heavy demand on foreign exchange, to the most essential needs for which there was no other substitute. He wanted the manufacturers to adopt the techniques developed in countries like France which are similarly placed as regards copper, to switch over to aluminium, principally for use as conductors, etc., in the electricity and power industry. He hoped that the pace of development of aluminium in India will make such substitution possible.

At the time of the last enquiry, that is, in 1957, there were nine units manufacturing copper and aluminium conductors. Of these, four were producing only copper conductors, three only aluminium conductors and two both copper and aluminium conductors. Since the last enquiry, two new units, one of the Hindustan Electric Company at Ulhasnagar, and the other of Aluminium Industries at Hirakud, have commenced production of aluminium conductors. In 1957, the capacity for the manufacture of copper conductors was assessed at 11,900 tons a year on single shift and that for aluminium conductors at 6,360 tons. The present total capacity of the industry for the manufacture of copper conductors, registered under the Industries (Development and Regulation) Act, as furnished by the Development Wing, is 23,800 tons a year and that for aluminium conductors 19,300 tons, both on double shift. The production of aluminium conductors was 15,366 tons in 1957, 14,740 tons in 1958, 16,646 tons in 1959 and 6,805 tons in January-May 1960. A few more units are also expected to go into the production of aluminium conductors in the next few years. The production of bare copper conductors shows a distinctly declining trend. From 9,446 tons in 1957, it declined to 8,387 tons in 1958, 7,158 tons in 1959 and 3,364 tons in the first five months of the current year. Since 1958, imports of copper and aluminium conductors have been totally banned. There have, however, been some imports, presumably on licences granted prior to this date.

The trend in consumption (derived from sales of domestic products *plus* imports) of conductors has shown a downward trend. The consumption of copper conductors fell from 11,372 tons in 1957 to 9,356 tons in 1958 and 7,587 tons in 1959. The corresponding figures for aluminium conductors are 20,406 tons, 16,396 tons and 17,467 tons. The current demand for copper conductors is placed at 15,000 tons a year and this is not expected to increase before 1962-63. The current demand for aluminium conductors is placed at 20,000 tons; it is expected to rise to 22,000 tons during each of the years 1961-62 and 1962-63 and to 26,500 tons during 1963-64.

The main raw material for the manufacture of bare copper conductors is electrolytic copper wire bars. There is no domestic production at present and the entire requirements of the industry are met through imports. However, the Indian Copper Corporation has been licensed to produce 8,400 tons of electrolytic copper a year. This plant will go into production by 1962-63, provided it gets sufficient foreign exchange for the import of plant and machinery. The copper wire bar in which form electrolytic copper is at present imported is free of duty. As for manufacture of copper rods needed for wire drawing, there are five units in production. Their total capacity is 18,420 tons on single shift. Production of rods rose from 11,608 tons in 1957 to 11,817 tons in 1958 and 14,560 tons in 1959. One more unit, namely, Hindustan Transmission Products Ltd., New Delhi, has also been licensed recently for the manufacture of electrolytic copper rods.

The important raw materials for A.C.S.R. are conductor-grade aluminium ingot/bar or rod and high tensile galvanised steel wire. All aluminium conductors require only conductor-grade aluminium ingot/bar or rod. A good part of the conductor-grade aluminium is still imported. The Indian Aluminium Company, Ltd., Calcutta, is the only unit which at present produces electrolytic aluminium in the country. Its production rose from 2,338 tons in 1957 to 2,400 tons in 1958 and to 2,751 tons in 1959. But as new units have been licensed and con-

(*Continued on page 388*)

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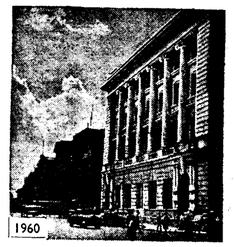

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AMERICAN LETTER

A PROP TO THE FALTERING ECONOMY

OIL COMPANIES PERTURBED—BANKS INSTALLING COSTLY ELECTRONIC EQUIPMENT

From Our Special Correspondent

NEW YORK, 20*th August*

THE big news on the financial front here was the unexpected cut in the Federal Reserve discount rate from 3½ to 3 per cent. Some quarters called it an action to bolster a faltering economy. The Federal Reserve referred to it as no more than a technical market adjustment. As a result, the stock market perked up and showed the largest gain in two months. The faltering economy theory seems to have more validity than market adjustment. The last reduction in the discount rate occurred only in June. In addition, the Federal Reserve also reduced member banks' reserve requirements which will free $600 million of funds for lending or investment purposes.

The down-turn in steel production to the lowest level in any non-strike year, is the biggest factor in the faltering economy theory. It affects the entire economy. Particularly struck is the ferro-alloy industry. Ferro-alloys and made of manganese, chromium, vanadium and are added to steel to impart strength. Other mixtures with steel also give resistance to heat and corrosion, malleability and other qualities. Chromium and nickel are also affected, which go into the making of stainless steel.

Nearly one half of the steel industry is now idle and the ferro-alloys have taken a bad beating as a result.

Competition From Abroad

Foreign competition is another factor. During the last prolonged steel strike, shipments from overseas from Germany, Belgium, Britain, Japan and other steel producing countries increased sharply. Consumers here, in fact, were able to buy at lower prices in many instances than domestically. A good deal of the foreign market, therefore, has been retained. For the first time in many a moon, the U.S. management does not have it all their own way because of bigness. For the first time, they have to think and they are not used to it. A grave handicap is, of course, the constantly rising wage structure and the increase in prices which is pricing the U.S. out of many world markets.

In addition to competition from Western world nations, growing inroads are made in the world markets by the Soviet bloc. While the volume is still small, competition from Russian oil has been severe. The American Middle Eastern oil companies, for example, were forced to reduce prices by an average of about 10 cents a barrel, or 6 per cent.

The reduction, in effect, was the result of a squeeze play for the market in India. Because of Russian offers, the American companies were forced to slash their prices of crude oil by 12.5 per cent. which brought the price level far below the established market level. Russian competition is not always on a regular commercial basis. Often, they are on a barter basis. An example is Brazil, where Soviet oil is bartered against coffee. Most of these deals are based on politics rather than on economics and the private companies here cannot deal similarly.

Government Spending

There is also concern about Government spending. Budget Director Stans said that Congressional spending actions so far had already knocked a big hole in the $4,200 million Budget surplus projected for the fiscal year ending 30th June next. Spending measures passed would reduce the surplus $2,600 million, all other factors being equal.

Despite these gloomy aspects, the economy as a whole is in relatively good shape. Employment rose to a new high of 68,689,000 persons in mid-July, a gain of 110,000 above June. Unemployment fell 406,000 to 4,017,000. The Department of Labour noted, however, that joblessness among adults rose nearly 150,000, as a result of cutbacks in the steel industry and layoffs in automobile plants where model changeovers are under way.

Personal incomes rose to a new high of $405,800 million, as compared with $386,800 million 12 months previously. This is the reason why retail sales have been well sustained. Also, sales by merchant wholesalers in the first half of the year were 2 per cent. above the 1959 level. They were estimated at $63,100 million. Of this amount, durable goods accounted for about $26,700 million and non-durable goods for about $36,300 million.

Although the steel situation is highly unsatisfactory, there has been a modest gain in total output. The gross national product rose $3,700 million in the second quarter to a new high seasonally adjusted annual rate of $505,000 million, according to preliminary estimates by the Council of Economic Advisors. But the gain of only 0.7 per cent. was much smaller than the 3.1 per cent. spurt in the first quarter of the year.

Capital spending has not come up to expectations. Shrinking profit margins, declining stock market prices until recently and a quite pervasive mood of hesitation were the main causes. However, there is little, or no indication, that spending plans for plant and equipment by industry have been revised downward. The strongest likelihood still is that gently rising capital expenditures will give some support to the U.S. economy for the rest of the year.

Electronics in Banking

Electronic cheque handling is becoming a phobia with the U.S. banking fraternity. It is convenient for the banks, but causes inconvenience to the customer because he has to fill in account numbers which defy memory.

Numerous commercial banks have acquired such equipment and, in the next few weeks, five of the twelve Federal Reserve Banks will install pilot operations from various manufacturers to test operational feasibility. This development is prompted mainly by two factors - labour saving and by the fact that cheque clearings are running now at an annual rate of more than $3,000,000 million a year, an unbelievable figure.

For some years now, the banks here have offered accounts where no minimum balance is required and where the depositor just pays 10 cents for each cheque drawn. Nearly everybody pays his bills by cheque.

There are added expenses for banks in installing these systems, such as preprinting of the routing symbol-transit number in magnetic ink. There is also the question of encoding. But the experts maintain that the potential advantages of the widespread electronic cheque-clearing system far outweigh the probable cost of the programme.—*All Rights Reserved.*

GOVERNMENT OF UTTAR PRADESH

FINANCE DEPARTMENT

Dated Lucknow, July 29, 1960

PRESS NOTE

4 per cent Uttar Pradesh State Development Loan, 1969

THE Government of Uttar Pradesh are floating a loan of Rs. 7 crores in order to finance development schemes particularly those relating to electricity, irrigation and industries. The loan will open for subscriptions on August 29, 1960, and will close on September 3, 1960, unless closed earlier. The main terms of the loan are that the issue price will be Rs. 99-75 for every Rs. 100 of the loan applied for; the loan will have a currency of 9 years from August 29, 1960, and will be repaid at par on August 29, 1969; the loan will carry interest at the rate of 4 per cent per annum from August 29, 1960, payable half-yearly on February 29 (February 28, in case of non-leap years) and August 29, the payments being subject to tax under the Indian Income Tax Act, 1922. Subscriptions for the loan can be made in the form of cash or cheque or of securities of 3 per cent U. P. Loan 1960 and will be received at the branches of the State Bank of India in Uttar Pradesh, the Government treasuries and sub-treasuries in the State of Uttar Pradesh where there is no branch of the State Bank of India and at the offices of the Reserve Bank of India at Bombay, Calcutta, New Delhi, Madras and Bangalore.

Full details of the terms of the loan are contained in Finance Department notification No. B-6521/X– 88-60, dated July 29, 1960, copies of which, along with the application form are obtainable at the receiving offices mentioned above.

2. Financial position of the Government of Uttar Pradesh :—

Revenue Position—The revenue receipts and expenditure and the surpluses for the last fifteen years are as follows :

(Figures are in lakhs of rupees)

	Revenue receipts	Revenue expenditure	Surplus (+)
1945-46	2,995	2,551	+ 444
1946-47	3,265	3,061	+ 204
1947-48	3,876	3,771	+ 105
1948-49	4,920	4,729	+ 191
1949-50	5,626	5,626	..
1950-51	5,189	5,184	+ 5
1951-52	5,556	5,550	+ 6
1952-53	6,483	6,483	..
1953-54	7,564	7,281	+ 283
1954-55	7,819	7,713	+ 106
1955-56	8,553	8,423	+ 130
1956-57	8,996	8,984	+ 12
1957-58	10,493	9,942	+ 551
1958-59	11,723	11,384	+ 339
1959-60	12,624	12,493	+ 131

The major portion of the revenue surpluses was put into various reserve funds. During 1949-50 and 1952-53, revenue expenditure exceeded revenue receipts because of large expenditure on Development Schemes and the gap in those years was covered by withdrawals from the Revenue Reserve Fund.

Balances in the Reserve Funds—The balances at the credit of the various reserve funds at the end of 1959-60 were 310 lakhs in the U.P. Road Fund, 12 lakhs in the Hospital Fund, 49 lakhs in the Famine Relief Fund, 1,410 lakhs in the Revenue Reserve Fund, 2,412 lakhs in Zamindari Abolition Fund, 140 lakhs in the Depreciation Reserve Fund—Irrigation, 280 lakhs in the Depreciation Reserve Fund—Government Bus services, 432 lakhs in the Depreciation Reserve Fund—Electricity, 21 lakhs in the Contingency Reserve Fund—Electricity and 124 lakhs in the Depreciation Reserve Fund—Cement Factory. Some of these are invested in Government of India Securities. The total balance in these Reserve Funds amounts to 5,190 lakhs.

Debt Position—On March 31, 1960, the debt of the Uttar Pradesh Government amounted to 25,369 lakhs consisting of 952 lakhs representing the consolidated debt due to the Central Government and 18,176 lakhs taken from that Government for development purposes and 453 lakhs for Relief and Rehabilitation Schemes, plus 5,334 lakhs representing the amount of public loans floated by this Government from time to time plus 145 lakhs as Uttar Pradesh Encumbered Estates Act Bonds, 209 lakhs from the Reserve Bank of India and 44 lakhs from the National Co-operative Development and Warehousing Board for expansion of Co-operative Institutions and Marketing Societies and 56 lakhs from the Khadi and Village Industries Commission. Apart from this, the State Government have also issued Zamindari Abolition Compensation Bonds and Rehabilitation Grant Bonds, the outstanding balance of which on March 31, 1960 amounted to Rs. 7,402 lakhs. Sinking Funds have been constituted for all the public loans and the balances at the credit of these funds which amounted to 1,846 lakhs on March 31, 1960 are mostly invested in Government of India Securities. Besides this a sum of 1,366 lakhs is also available in the Sinking Fund built up for the amortization of loans obtained from Government of India, which are repayable in lump sums.

Assets of the Government—Against the outstanding debt of 25,369 lakhs there are assets in form of the Ganga, Yamuna and Sarda Canals, various other small canals, and the State Tube-wells, Cement Factory, Government Bus Services and Electricity Schemes, in which about 21,369 lakhs have been invested. Another asset is the balance due to Uttar Pradesh Government on account of loans and advances amounting to 4,858 lakhs. Besides these, there are a large number of buildings and roads for which no separate capital accounts are maintained.

FOOTNOTES—(1) The accounts for 1959-60 have not yet been closed finally. The figures for 1959-60 mentioned in the Press Note are based on the March (Final) 1960 Accounts.

(2) Adjustments have yet to be carried out in the accounts in respect of the capital assets relating to the Electricity Schemes transferred to the U.P. Electricity Board. The cost of such assets will be deemed as loans advanced by the State Government to the Board.

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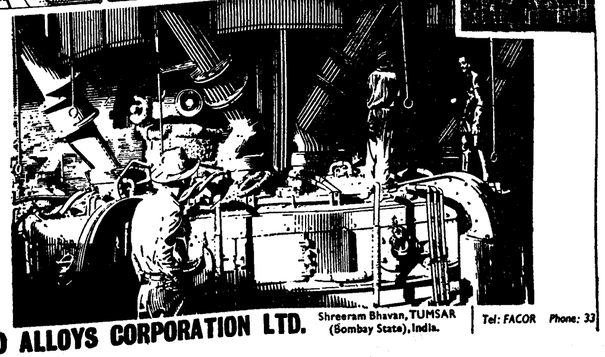

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INSPECTION OF BANKING COMPANIES

GENESIS—PURPOSE—RESULTS

FOLLOWING the Palai Bank episode, there seems to be a lot of misunderstanding in this country about the purpose of inspection of banking companies by the Reserve Bank of India, despite the elucidation by Mr. H. V. R. Iengar, Governor of the Bank, last week, *vide* pages 328 and 359 of *Commerce* dated 20th August. It is wrong to think that merely because a bank is scheduled to the Reserve Bank or it has been examined by the Reserve Bank, it is the responsibility of the latter to ensure the safety of deposits. A more comprehensive account of the genesis, purpose and results of inspection of banks by the Reserve Bank was given by Mr. Benegal Rama Rau, a former Governor of the Bank, in a series of three lectures which he delivered at Madras in the second half of April 1960 under the auspices of the Sir Alladi Krishnaswami Aiyar, *Shashtiabdha Poorthi* Endowment. A brief reference to these lectures was made in the last two of our April issues, in which we highlighted their salient features. But public memory being short and there being a lot of ignorance on this subject even in quarters which ought to know better, we are reproducing below the relevant extract from Mr. Rama Rau's illuminating address. It will be seen from it that the Reserve Bank has spared no effort to improve the quality of Indian banking, without causing any major upheavals:

"My association with the Reserve Bank in 1949 almost synchronised with two outstanding events in the banking history of this country, namely, the nationalisation of the Reserve Bank and the passing of the Banking Companies Act, 1949, which gave the Reserve Bank comprehensive and effective powers of control and supervision over the entire banking system. The Government had also announced in the previous year that it was their intention to nationalise the Imperial Bank of India as early as possible.

"During the three months I was unofficially attached to the Bank before I became Governor, I had the opportunity of studying the economic developments in the country in the preceding years, during a considerable portion of which the country was almost completely absorbed in the war effort. Three outstanding features of the Indian economy prominently attracted my attention:

(a) the growth of a large number of unsound mushroom banks before the war, and the disturbing banking situation that had developed during the war years;

(b) the alarming inflationary situation that had developed as a result of war finance and concentration on war industries with the inevitable neglect of agriculture and consumer industries; and

(c) the almost total absence of banking facilities outside large towns and the almost complete dependence of agriculturists on moneylenders who charged extortionate rates of interest.

"We were then on the eve of an industrial revolution, and planned development of industry and agriculture had been announced as the official economic policy of the Government. Many of you are, I presume, students of economics and it is not necessary for me to emphasise that no rapid development of industry or agriculture is possible without adequate credit facilities and mobilisation of the savings of the people in a form that could be made available for development. One of the essential requisites for a widespread expansion of industries on a large-scale throughout the country is a sound and stable banking system. The new nationalised Reserve Bank which had been given extensive powers over the economic structure of the country would not have justified its existence if it did not make, so far as it lay in its power, a determined effort to remove the obstacles in the way of development and if it did not make a positive contribution to the planned development of the country.

Most Urgent Problem

"The most urgent problem was the rapidly deteriorating banking situation, which I shall deal with in my present lecture. The picture of banking in India as it emerged out of the war would perhaps be clearer if I presented it to you in a historical setting. India had had its own indigenous system of banking for centuries, which met the requirements of a primitive economy, but joint-stock banking on the basis of limited liability developed only after 1860. The earlier banks had their branches mainly in major ports and other economic centres, and they were primarily engaged in the financing of the internal and external trade of the country. Failures of banks were not uncommon in those early years. Nevertheless, the number of these banks rose from 2 in 1870 to 38 in 1934. After 1940, largely under the stimulus of the inflationary conditions created by the war, there was a phenomenal increase of the number of new banks and their branches. The development was absolutely uncontrolled and indiscriminate. Any financial adventurer who required money for a speculative venture or for financing a business in which he was interested, started a bank with many branches and collected substantial deposits by the offer of high rates of interest and by lavish advertisement. The total number of offices of banks rose from 1,951 in 1939 to the fantastic figure of 5,521 in 1946. One bank with a capital of less than Rs. 2 lakhs opened more than 75 branches. Another bank which described itself as 'millionaire bank' had a capital of less than Rs. 30,000. Actually, the Registrars of Companies were not even able to trace the whereabouts of many banks. Some of these new banks were managed by dishonest or inexperienced men. The funds deposited by the public were often utilised to acquire control over non-banking companies by the purchase of their shares at highly inflated prices. Other conspicuous features of these mushroom banks were the interlocking of shares between the banks and other companies in which the management was interested, large unsecured advances to persons connected with the management, advances against speculative shares when prices were very high and advances against immovable property, which could not be recovered easily in an emergency. After this hectic and uncontrolled expansion there was, of course, the inevitable crash. In West Bengal, the position was specially grave. Four scheduled banks and a large number of non-scheduled banks failed. The amount of money lost, mostly the savings of the middle classes, was over Rs. 26 crores. Between 1939 and 1949, as many as 588 banks had failed in the various States.

Legislative Control

"To deal with a crisis of this magnitude, the Reserve Bank had in the earlier years no adequate powers of control or regulation. Commercial banks were governed by the Company Law applicable to ordinary non-banking companies, and the permission of the Reserve Bank was not required even for the flotation of a new bank. My predecessors, Sir C. D. Deshmukh and Sir James Taylor, were, of course, fully aware of the dangerous situation that had been developing and had devoted considerable attention to the problem of the control and regulation of banking by comprehensive legislation. There had been sporadic failures of banks before the Reserve Bank had come into existence. Analysing the causes of these failures, the Central Banking Enquiry Committee which reported in 1931 had come to the conclusion that the provisions of the Indian Companies Act at the time were quite inadequate to deal effectively with banking malpractices and recommended comprehensive legislation covering the organisation, management, audit and liquidation of banks. The Companies Act was thereupon amended in 1936, and a separate chapter relating to banking companies was added. These provisions, however, proved ineffective and difficult to administer.

"As some of you in Madras may remember, the Travancore National and Quilon Bank failed in 1938 and the subsequent crisis in Southern India emphasised the urgency of more effective methods for the control of banking. The Central Board of the Reserve Bank submitted in 1939 proposals for legislation in the form of a draft Bill, which was subsequently circulated for public opinion. Some of the provisions, however, became controversial, and the Government decided not to undertake any comprehensive legislation during the war period when the entire energies of the Government were inevitably concentrated on the war effort. Certain interim measures were taken to regulate and control by legislation such of the banking malpractices as required immediate attention. New powers were given to the Reserve Bank under (1) the Banking Companies (Restriction of Branches) Act 1946, (2) the Banking Companies (Inspection) Ordinance, 1946, and (3) the Banking Companies (Control) Ordinance, 1948.

"Most of the provisions in these enactments were subsequently embodied in the Banking Companies Act in 1949, which I shall presently deal with. As I have stated, this Act gave the Reserve Bank very comprehensive and effective powers of supervision and control over the entire banking system. The tragic experience of the preceding years had clearly demonstrated that special powers were essential for the establishment of a stable banking system in India. It is not necessary for me to refer in detail to the provisions of this Act, which you will find described in any text-book on Indian banking. I will refer only to two or three important provisions, which have enabled the Reserve Bank to deal successfully with the problems arising from the chaotic condition in which the banking system had emerged out of the war period.

"Perhaps, the most effective of the supervisory powers conferred on the Reserve Bank is the right to inspect banking companies at any time. The Reserve Bank is empowered to inspect any banking company with the object of satisfying itself regarding the eligibility for a licence, opening of branches, amalgamation, compliance with the directives issued by the Reserve Bank, etc. Another important feature is the provision regarding licensing. The Reserve Bank is required before granting a licence, to satisfy itself by inspecting the books of accounts and methods of operation of the banking company, whether it is in a position to pay its depositors in full as their claims accrued and that its affairs were not conducted to the detriment of its creditors.

The Position in the U.S.

"The United States of America and some of the Western European countries had passed through similar crises in the past. I had been an Ambassador in America immediately before I took charge of the Reserve Bank, and I had the opportunity of studying the system of inspection which had been established in that country, and which had largely contributed to the establishment of one of the finest banking systems in the world. In the United States, the inspections of all national banks which include the majority of the banks belonging to the Federal Reserve System are conducted by the Comptroller of the Currency. The other banks which belong to the system are supervised by the State authorities and are inspected by them with the co-operation of Federal Reserve Banks. Banks that are not members of the Federal Reserve System, but are insured by the Federal Deposit Insurance Corporation, are examined by the Corporation and the State authorities. Every bank is subject to inspection, but in the course of years a high standard of integrity and sound banking practices has been established, and these inspections are now tending to be nominal in most cases.

"The banking situation in India obviously demanded drastic remedies. Although inspection was not a statutory obligation under the Banking Companies Act, 1949, I decided, soon after I took charge of the Reserve Bank in July 1949, to organise an efficient machinery for the systematic and periodical inspection of all banking companies in the country irrespective of their size and standing. This policy was announced in a Press *communique* issued on 29th July 1949. I explained in this *communique* that the intention was to inspect every bank at least once and to complete the first round of inspections of all the banks in the country as early as possible. The ultimate aim was to create an organisation for the annual inspection of every bank. These inspections were designed to be an integral part of the statutory function assigned to the Reserve Bank. It was made clear that the primary object of the inspections would be to assist the banks in the establishment of sound banking traditions by drawing their attention to defects or unsatisfactory features in working methods before they assumed serious proportions necessitating drastic action.

A Formidable Task

"The task of evolving an efficient machinery and organisation for conducting the inspections of all the banks was a formidable one. It is obvious that the inspections of banks, many of which are administered by eminent business men and financiers, required a staff possessing not merely adequate banking experience and knowledge but also a high standard of integrity and considerable tact in dealing with bank personnel. The problem, however, had to be faced. By a careful process of selection, qualified and experienced officers from some of the bigger and well-established commercial banks were recruited and specially trained. The work of inspection was also decentralised by the opening of offices at various important centres in the country, so that there could be continuity of contact between the inspectorate and the banking institutions. A very efficient organisation was thus created in the course of two or three years. If India has today a stable banking system which could compare favourably with that in many Western European countries, it is largely due to the efficiency of the inspection system. I may take the opportunity to pay a tribute to the members of the inspection staff, who have made a significant contribution to the development of sound banking in this country by the high standard of efficiency and integrity they have maintained. There have been comparatively few liquidations of banks since the inception of the inspection system. The great majority of the banks which have ceased to function during the last seven or eight years were deliberately put out of existence by the Reserve Bank by the refusal of a licence or other measures, since they failed to meet the statutory requirements of the Banking Companies Act. An eminent Indian industrialist who is also the head of a big bank once paid a high compliment to our inspection staff. He told me how grateful he was to these inspectors, for their reports gave him a great deal of important information about the working of the bank, which he was not in a position to acquire in the course of his daily association with the institution. A British banker also once paid a high tribute to the efficiency of our inspection system.

"I will explain to you briefly how by a judicious use of the powers of licensing and inspection, a large number of banks have been nursed patiently some time for years and restored to health. All the big established banks were, of course, given a licence at an early stage. In other cases, if serious defects were observed in the course of inspection, the banks were required to take appropriate action and submit periodical reports as to the progress made in the removal of these defects. In some cases, the banks were persuaded to appoint competent and experienced banking advisers to help them in the process of rehabilitation. In a few rare cases, banks were induced to retire senior executives guilty of unethical conduct. Under the Banking Companies Act, a bank can continue to function without a licence, unless and until a licence was definitely refused by the Reserve Bank. Only in cases in which a bank was unable to show any improvement was a licence refused. The inspection reports were always kept confidential and the bank was given every opportunity of reforming itself before this extreme step was taken. The Reserve Bank deliberately demanded a high standard of banking methods and working for the grant of a licence. You will be surprised to learn that at the end of March 1960, only 47 scheduled banks and 15 non-scheduled banks had received licences, but these licenced banks and four other banks which do not require a licence held 94 per cent of the total deposits of all banking companies in India.

Training College

"I must now make a brief reference to the Bankers Training College, which was instituted in 1954. The periodical and systematic inspections conducted by the Reserve Bank Inspectorate had revealed that many of the defects found in the working of the commercial banks were not in a large number of cases due to consciously practised dishonesty, but to lack of experience and a proper training in methods of banking. Many of the executives in charge of the smaller banks were ignorant of the recognised principles of sound banking and in many cases functioned as moneylenders. Apart from this, as well-established banks extended their activities and opened new branches, there was a demand for trained personnel. I informally discussed the question with the representatives of the Indian Banks Association and the Indian Institute of Bankers in 1956 and drew up a scheme for the establishment of a Staff Training College similar to the institutions attached to the big banks in the United Kingdom, Australia and other countries. The training was to be essentially practical in character. To ensure that the Training College was established and conducted on right lines, the services of two experienced experts from one of the 'Big Five' banks in the United Kingdom were secured under the Colombo Plan. The response from the banks to the establishment of this College was extremely encouraging. During the five years of its existence, the College has been in a position to afford training facilities not only to banks in India but also to banking institutions in neighbouring countries, such as Nepal and Burma. The scope of the activities of the College has been further developed by my successor, and an intermediate course is proposed to be started shortly for imparting training in internal banking accounts, audit, etc. I understand that in response to the suggestion made at the conference of representatives of the State Financial Corporations in November 1957, it has been decided that facilities should also be provided at the Training College for the training of the supervisory staff of these Corporations by the end of May 1960. The College has completed 27 courses of training of eight weeks each. The total number of candidates from commercial banks all over the country who were trained during these courses was 661."

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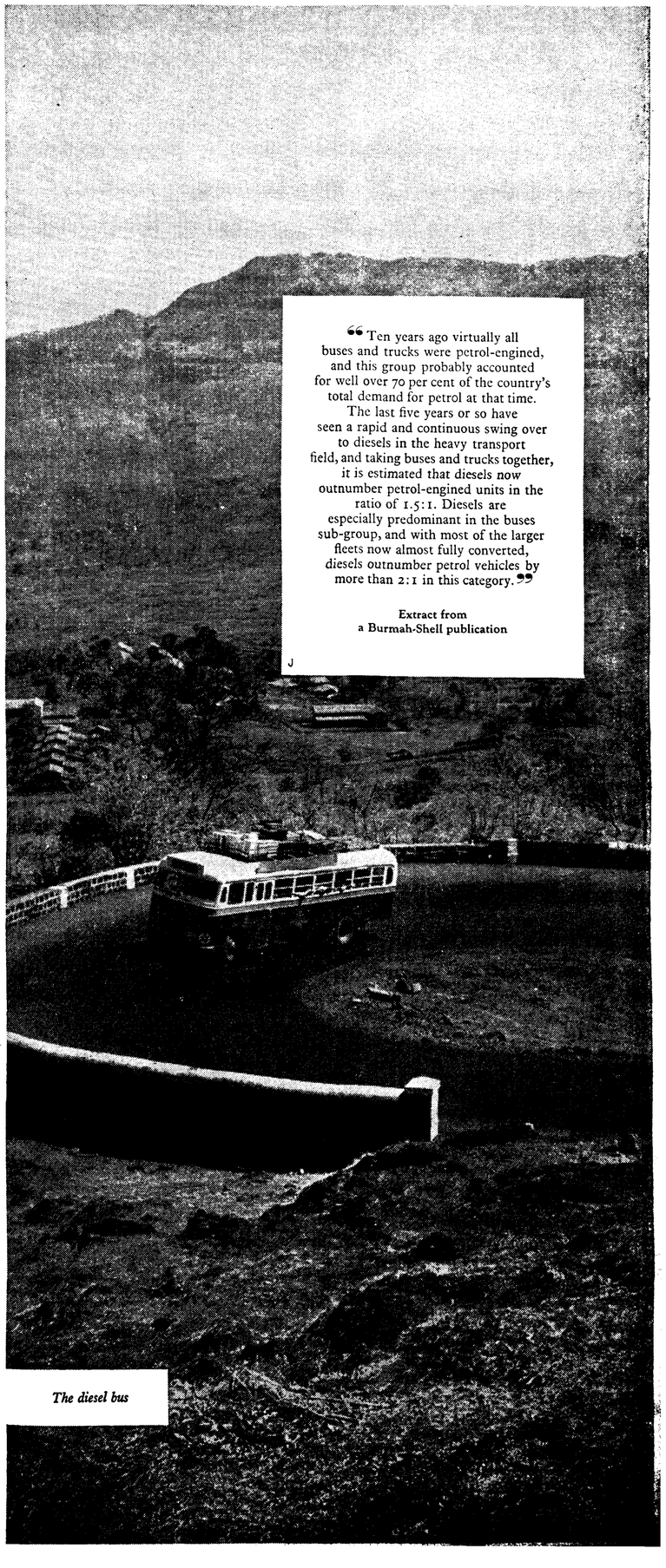
SWISS CURB ON INFLOW OF HOT MONEY

The flow of "hot money" into Switzerland has been on such an embarrassing scale in recent months that the authorities have taken an unusual step of checking the inflow of foreign funds. The Swiss National Bank has asked the commercial banks to discontinue payment of interest on foreign deposits and foreign sight credits opened since 1st July and these will be frozen for a period of three months. These funds can, however, be used by the banks holding them for conversion into another currency and for subscription to foreign loans in Swiss francs issued in Switzerland or for investment in other countries. But the foreign funds cannot be used for investment in real estate or mortgages in Switzerland. The commercial banks have also been asked to charge a commission of one quarter of one per cent. every three months on foreign accounts. In other words, foreign funds coming into Switzerland can be used for investment in interest-bearing obligations of foreign countries that approach the Swiss capital market. Consequently, the Swiss monetary authorities have taken care to see that their country's position as an international lender is not adversely affected by the steps now taken by them.

The suggestions of the Swiss National Bank have been generally accepted by all the banks, except that a few of them are said to be reluctant to charge commission on foreign accounts. These restrictive measures on international capital movement of funds have been imposed by Switzerland for the first time in history and provide an alternative to the use of monetary weapon. These measures came into effect on the 18th inst. and are designed to safeguard the economic equilibrium of the country and the stability of the Swiss franc. The National Bank has, however, made some exceptions, in order not to disturb the traditional good relations existing between the banks and their pre-



The diesel bus

REDUCTION IN CLOTH AND YARN PRICES

EXPORTS LIKELY TO BE BENEFITED?

THE latest directive of the Indian Cotton Mills' Federation to its member-mills to reduce the wholesale prices of cloth and yarn and also certain other measures taken by it to ensure adequate supplies to consumers at reasonable prices was the subject-matter of an interpellation in the Lok Sabha on Thursday last week. Answering supplementaries to the interpellation, Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, stated that it was too early for him to react to the move. He recalled how he had expressed his dissatisfaction about the earlier announcement of the textile mills to cut prices by 10 per cent. and how, subsequently, it was explained that the cut would, in effect, be much more—almost 14 per cent. This, the Minister said, had to be examined and its effect on the market watched before coming to conclusions. And he assured the House that the Government was watching how the millowners' proposals were reflected on the market and also assessing their implications.

The foregoing observations of Mr. Shastri suggest that the Government of India does not contemplate to take in the immediate future any action that would interfere with the existing mechanism for marketing piecegoods and yarn. It is now left to individual mills and traders to take every care they can to avoid artificial scarcity in supplies and high prices, particularly during the next few months which coincide with festivals. A special responsibility devolves on the traders, wholesale and retail, who it is that deal directly with consumers.

The decision of the Cotton Mills' Federation to lower prices of yarn by 5 to 10 per cent.—details are given in our Yarn Market report last week (*vide* page 356)—has been welcomed by the trade, though a section feels that the reduction should have been of the order of 10 to 15 per cent. Welcoming the decision, Mr. Kantilal Nahalchand, President of the Bombay Yarn Merchants Association and Exchange, declares that the revised prices are "fair and reasonable," in view of the currently ruling prices, and that they would "definitely give relief to consumers." Mr. Nahalchand has, however, urged that the reduction in prices should also apply to yarns on cones and cheeses, as well as folded yarns. He says: "There seems to be some discrepancy with regard to the price of 6 counts cotton yarn which is fixed at Rs. 13.57 (per bundle of 10 lbs.). This can only be the price of 6s cotton waste yarn, because the ruling price of 6s in October 1959 was Rs. 13.25—Rs. 13.50 and, if the envisaged increase of 27½ per cent. is added to it, it will come to Rs. 16.87. The above discrepancy has created some confusion among the traders and is likely to result in disputes between traders and consumers. In view of this, the Federation should clarify the discrepancy."

Traders' Complaints

With the reduction in the mills' wholesale prices of cloth for domestic consumption, the upward trend in exports noted during the first seven months of 1960 may be expected to gather momentum in the remaining part of the year, provided there are no adverse changes in the trend of world trade. The total quantity of mill piecegoods actually exported through the Bombay Port during January-July 1960 was 358.37 million yards (valued at Rs. 26.80 crores), which compares favourably with 330.36 million yards (Rs. 22.92 crores) in the corresponding period last year. The Bombay Port, it may be noted here, accounts for about 90 to 92 per cent. of the aggregate shipment of mill cloth from the whole of India. On an average, every yard of cloth exported from Bombay fetched 75 nP, as against 69 nP a year before. The higher earning must be attributed to the all-round rise in domestic prices and not to any marked improvement in the trend of world markets. This aspect needs to be specially stressed in the context of the keen competition faced by Indian cotton textiles in several overseas markets, reports from which indicate that new cotton mills are springing up and that textiles of countries like Hong Kong, Japan, Pakistan, China, Russia and other communist countries are being imported at lower prices than ours. Drawing attention to these reports in the course of a memorandum addressed recently to the Minister for Commerce and Industry, the All-India Exporters' Chamber observes:

"The policy of the Indian cotton textile manufacturers is shortsighted in the matter of exports. It is unfortunate that the export-consciousness of Indian manufacturers has not yet developed to the extent desired and, therefore, our country is facing the present crisis. Other countries are more export-conscious and always offer lower prices for their exports in comparison to their local prices, whereas, in our country, the manufacturers are tempted to quote higher prices for export. Incidentally, we would like to point out that some of the mills, after having sold for export, have gone back on their contractual obligations and have failed to give delivery of goods to the exporters concerned in stipulated time."

While the traders hold the mills responsible for the low level of textile exports, the industry throws the blame on the traders. This sort of charge and counter-charge has been going on ever since India emerged as an exporter of textiles. Whatever be the justification or otherwise of these charges, it must be emphasised that the Government's unhelpful policy continues to hamper progress on the export front. Not only has the Government not allowed the mills to expand their weaving capacity in time but it has also imposed restrictions on the manufacture of certain varieties of cloth, with a view to giving a sheltered market to the handlooms. Further, the adoption of unrealistic labour policies has been considerably obstructing the pace of modernisation of mills. Even the outmoded and absolutely unfit units are kept alive just for the sake of providing employment to a few thousand workers. And to make matters worse, the Government has imposed a system of taxation on mills that leaves little margin for further development.

Compulsory Exports Unrealistic

It may be true that some mills are not at all evincing any interest in the development of an export market for Indian textiles, inasmuch as they are making handsome profits in the internal market itself. But to suggest, as the All-India Exporters' Chamber has done, that the mills must be compelled to export upto 15-20 per cent. of their production is to ignore realities. That the scheme of compulsory exports may prove worse than the disease has been well brought out by Mr. Chinoobhai C. Javeri, one of the prominent members of the Chamber, in the course of an article contributed to *Commerce* sometime ago (*vide* page 433 of the issue dated 12th September 1959). It will be clearly evident from this article that the scheme, by compelling even mills which produce cloth of substandard quality, would invite complaints which would give India a bad name and foreign buyers would be prejudiced against Indian cloth in general. In order to sell cloth in competition, the non-exporting mills will be tempted to lower the quality and quote relatively lower prices. Again, foreign buyers, when they come to know that the mills are compelled to sell their production for export, would squeeze the mills and make capital out of them by procuring their requirements at unfair prices. Further, some mills which are working under loss on account of outmoded equipment will prefer to close down rather than suffer further losses on export business. The worst aspect of the compulsory export scheme is that other countries will use it as a plausible handle to agitate against import of Indian cloth on the plea of uneconomic prices or dumping.

Equally unrealistic is the other suggestion of the Exporters' Chamber that a levy may be imposed on the cloth for home consumption, the money so realised being used to encourage exports. Since cloth is an essential item of consumption, the imposition of any such levy will only enhance the cost of living, a most undesirable development especially when the country is already in the grip of inflation.

If the export trade in Indian cotton textiles is to be set on a sound and secure footing, it is of the utmost importance that the cost of manufacture must be brought down and quality improved. Surely, the industry will be able to achieve these, provided ample opportunities are given to them by the powers-that-be to modernise and rehabilitate its productive equipment as well as to introduce rationalisation of production methods.

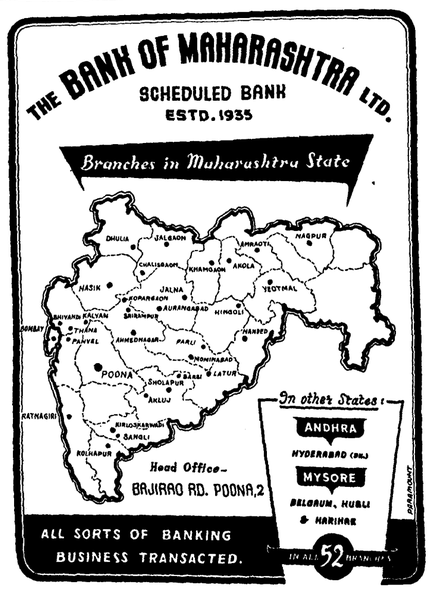
IMPORT OF U.K. TEXTILE MACHINERY ON DEFERRED PAYMENT

The Government of India has announced the grant of certain facilities for import of textile machinery from Britain on deferred payment basis. Accordingly, out of the total f.o.b. value of machinery imported, as much as 90 per cent. may be paid in equal half-yearly or annual instalments (inclusive of interest) over a period of five years from the date of shipment. Only five per cent. will have to be paid on order and another five per cent. on shipment, in addition to actual insurance and freight charges. The minimum value covering each order for import should, however, not be less than £20,000.

The foreign exchange allowed for import from Britain on these terms, it is stated, are intended to give those mills, which have already submitted their applications for import of textile machinery from countries other than the U.K. during the current licensing period (April-September 1960), an opportunity to change the country of origin, if they so desire. This means that no fresh applications for import from the U.K. will be entertained. The intending mills are required to signify the change of the country of origin to the Textile Commissioner before the end of this month. The *pro forma* invoices may be submitted later, but not later than 10th September 1960.

TEXTILE MILLS IN KANPUR

A special appeal to the cotton textile mills of Kanpur not to disturb the happy climate that exists in the industry following the unanimous decisions on the implementation of the Central Wage Board's recommendations, arrived at at the State Tripartite Labour Conference held at Naini Tal on 3rd July last, has been made by the Government of Uttar Pradesh. The appeal is a sequel to the move of certain mills to work out fresh piece-rates for workers on a certain percentage of efficiency, after taking into account the basic wage and the merged portion of dear food allowance. The result is, it is pointed out, that the total emoluments which the workmen would now receive, including the increase of Rs. 6 per month, will either be the same or even less than what were being received previously. The Government hopes that the mills will make payments to workers at the rates and on the basis indicated by the Wage Board.



SHIFT-WORK DIFFICULTIES IN MILLS

COTTON AND YARN PRICES EXPECTED TO RISE

From Our Special Correspondent

MANCHESTER, 16*th August*

MANCHESTER LETTER

STABILITY in prices is frequently a key factor in creating confidence among customers and thereby raising the temperature of trading. If stability is followed by a firm upward trend in values, the attitude of buyers usually becomes more buoyant. This was largely the case in the first half of the current year and resulted in a regular offtake and the placing of useful contracts in nearly every section of the market for cotton goods in Lancashire.

The subsequent phase of inactivity which, to a large extent, coincided with the arrival of the holiday season, was not caused by lack of confidence in the future movement of prices so much as the more uncertain tone which developed following the Government's measures to restrict credit terms, coupled with a deterioration in the international situation after the failure of the Summit Conference. The table below indicates the changes which have taken place in raw material rates and cotton yarn quotations since the beginning of the year.

(In *d.* per lb.)

	Raw cotton		Yarns			
	Liverpool spot		American		Egyptian	
	American One-inch	Sudan Lambert G	16s Cop Twist	36s Rlng Beams	42s Cop Weft	60s Cop Twist
1960						
Jan. 4 ..	23 25	34 00	40 95	59 50	55 60	77 50
,, 15 ..	23 05	36 00	40 95	59 50	55 60	79 50
Feb. 1 ..	23 05	35 00	40 95	60 00	55 95	81 00
,, 15 ..	23 05	34 75	40 95	60 00	55 05	81 00
Mar. 1 ..	23 05	34 25	42 05	61 85	57 00	82 00
,, 15 ..	23 05	34 00	42 05	61 85	57 00	82 00
Apr. 1 ..	23 05	33 00	42 05	61 85	57 00	83 87
,, 19 ..	23 50	33 25	42 05	62 25	57 00	83 31
May 2 ..	23 35	36 00	42 05	62 25	57 00	83 31
,, 16 ..	23 35	36 50	42 05	62 25	57 00	86 39
June 1 ..	23 20	37 25	42 05	62 25	57 00	86 39
,, 15 ..	22 45	37 50	42 05	62 50	57 10	86 05
July 1 ..	22 65	37 00	42 60	62 60	58 10	87 51
,, 15 ..	22 75	36 00	43 00	62 60	58 30	87 23
Aug. 5 ..	22 75	35 50	43 00	62 80	58 30	86 75
,, 12 ..	22 75	35 25	43 00	62 80	58 30	86 25

Few traders believe that any substantial decline will occur in the near future in the general level of prices. In many directions, indeed, it is felt that higher rates are more likely to be quoted, particularly as many outside growths of raw cotton will be in short supply during most of the new season.

Backed by the comforting length of order lists, no weakening has been apparent in the stiff front presented by producers and there is no cause to anticipate such developments in the immediate future. Should a seasonal buying movement be encountered in the autumn, as often occurs, the strength of sellers will be even more sustained.

Bigger Plant Sales

British textile machinery makers, who should benefit substantially from the orders now being placed by many home producing units under the cotton reorganisation schemes, are also doing quite well on the export side. In the first half of 1960, total shipments of plant exceeded the comparable figures in both 1959 and 1958 by more than 100,000 cwts. The volume of business done with overseas outlets was 694,019 cwts., and the value, £26,344,313, a rise of £5,000,000 on last year's level.

The most significant item in the countries to which British textile machinery has been shipped is the quantity absorbed by the Soviet Union—now the biggest consumer with 79,587 cwts. India has taken 79,344 cwts. and Poland 41,438 cwts.

Indicative of the wide spread of the export trade now being conducted by makers of British textile plant is the fact that so many countries have taken more than 20,000 cwts. of machinery in the past half-year. They include South Africa, Pakistan, Australia, the Irish Republic, Western Germany, Italy, Israel, Japan, the Philippines and the United States.

A Man's Industry?

Just as the manpower strength of Lancashire mills was showing signs of recovery after the long period of running down, the trend has been reversed and a further 1,020 workers were lost in a five-week spell. But too much should not be made of it; the wastage coincided with summer holidays in a number of important production centres—mostly in the spinning area—and a seasonal setback at this time of year has for long been an accepted feature in an industry so heavily dependent for its workers on married women with families.

What is more to the point is: How hopefully can the industry look to a future in which the right sort of labour is available in the right sort of numbers? The reorganisation scheme has put the industry on its mettle in more ways than one. As mill machinery has been stripped out for scrapping, new industries—often cleaner and more congenial, although sometimes possibly more repetitive—have frequently moved into vacated mill premises. More developments of this kind are known to be pending.

New and thrusting competitors for local labour have arrived, almost literally, on spinners' and manufacturers' doorsteps—all this at a time when the cotton industry is under economic and other pressures to sweep away a traditional pattern of single-shift working in favour of double and treble shifts. It is not surprising that at least 30 mills were advertising for workers on one day alone during the past week in Bolton, Oldham and Blackburn.

Mr. W. T. Winterbottom, among others, has recently and rightly emphasised that shift-working is here to stay—if the reorganised Lancashire textile industry is here to stay. But, over the longer term, it seems clear that to reap the full benefits of shift-working, with continuity of manning and a degree of flexibility virtually unobtainable if the mills have to rely on working mothers and housewives, a fundamental change in the composition of the industry's labour force is essential.

Shift-work Difficulties

More men, and fewer women, will have to be attracted to the industry. Those firms which have tried to start night shifts, of course, have come up against the reality of the problem at the outset, since the employment of women on these shifts is prevented by law. In the whole of the weaving industry, for example, it is believed that there is at present only one firm which has been able to introduce a fully rotating three-shift system, as an alternative to tying its men down more or less permanently to the same shift.

The difficulties of introducing full shift-working are also underlined by the fact that, as a stopgap, dozens of Lancashire mills at the present time have had to re-start evening "housewives' shifts" to keep delivery periods within bounds. Quite apart from the question of economics, when these four-hour periods are matched against the full-scale shift-working of many of Lancashire's rival producers, it must be said that they have about them the stamp of a temporary expedient. All this underlines the need for a change in the balance of the industry's labour force, as between women and men, and focuses attention on the increasing importance of training and promotional opportunities in the future, if the textile industry is to secure its due quota of boys and men against the blandishments of the new light industries of the mill towns.

Future Labour Needs

The need gives an added topicality to a survey which the Cotton Board has been conducting to find out what the industry's requirements in terms of young workers are likely to be over the next five years. Firms have been asked to assess their forward needs under the headings of junior operatives, skilled workers and staff trainees. So far, the replies have not been fully analysed and the Board has not given any pointers to the information they contain.

But it will not be surprising if the industry's estimates of its future requirements of highly skilled people, as seen by individual firms, turn out to be narrower than they really ought to be at this time. It may be that, in the maelstrom of machinery scrapping and re-equipment, many firms have had little time to think ahead to 1965.

Big Mill Merger

The bid by J. and N. Philips, the Manchester drapery group, for the ordinary capital of Horrockses, Crewdson, spinners and manufacturers, of Preston, which it does not already hold, has now been accepted by holders of over 92 per cent. of nominal value of the stock for which the offer was made. The Philips' offer is one new ordinary share of 5*s.* each plus 32*s.* 6*d.* in cash for each £1 ordinary unit in Horrockses.

After an extraordinary general meeting of J. and N. Philips held last week at which a resolution increasing their capital was passed, the offer became unconditional. The date of acceptance of offer has been extended to the end of August.—*All Rights Reserved.*

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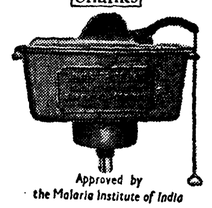

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WORLD COTTON PRODUCTION AND OFFTAKE ROUGHLY IN BALANCE

OUTLOOK FOR THE CURRENT SEASON

IN contrast to the poor indigenous cotton crop, tight supply and the consequent reduction in mill consumption and negligible exports during the current (1959-60) Indian cotton season, which will end on 31st August, the 1959-60 world cotton year, which closes a month earlier than the Indian season, was a unique one, with consumption, production and trade in the free world, all having reached record levels. The 1959-60 world marketing year marked a further step towards restoration of the balance between free world supply and demand for cotton, as it witnessed a significant reduction in supplies, thanks to increased consumption. In fact, the increase in consumption fully matched the rise in production and, in the opinion of the International Cotton Advisory Committee, Washington, it is doubtful whether there would have been any addition to stocks even if there had been no crop failure in India or if prices had not acted as a deterrent of producers in many countries. As it is, world stocks on 1st August are estimated to have been of the order of 16.40 million bales (of 478 lbs. each)—the smallest since 1953, as compared with 17.70 million bales a year ago. In view of this reduction in carry-over, the point was made at the nineteenth plenary meeting of the International Cotton Advisory Committee, held at Mexico in May last, that, though there was still a considerable surplus in the United States, it was doubtful whether this was so on a world-wide basis. It was pointed out that stocks in the U.S., estimated at a little more than 7.5 million bales by the end of July last, constituted a useful reserve against any dislocation of supply in the event of widespread crop failure. It was, however, conceded that any efforts to achieve a more even distribution of supply between exporting and importing countries would be in the interest of the world economy as a whole.

Stocks Rebuilt

According to the Committee, this objective would appear to have been realised, to some extent, in the 1959-60 season. With the price (and consumption) situation having been more conducive to the holding of stocks, importing countries, in all probability, must have rebuilt their stocks to more comfortable levels. In the U.S., the continued improvement in the cotton textile industry and heavy export shipments meant a further marked reduction in the end-season carryover. Conversely, however, many other exporting countries found themselves in the position of having little or no cotton remaining for sale and the total carryover in these countries at the end of the season is estimated to have dropped to one of the lowest levels in recent times—2.2 million bales, as compared with 3.5 million bales a year ago.

It was earlier thought that exports during the 1959-60 season would be around 14.5 million bales. But it now appears that exports will have exceeded 15 million bales to stand at an all-time record of 15.3 million bales, an increase of close to 4 million bales from the 1958-59 level. Of this, the U.S. is estimated to have accounted for 7 million bales, as against 2.8 million bales in 1958-59 and other exporting countries for 8.3 million bales, as compared with 8.8 million bales. The decline in exports from the latter countries is attributed to reduce supply. The high exports in 1959-60 indicate that shipments in 1960-61 will be less.

Production

Production of cotton in the free world in the 1959-60 season is estimated at 30.9 million bales, comprising 14.6 million bales in the U.S. and 16.3 million bales in countries outside the U.S. This compares with the previous season's output of 29.1 million bales, of which the U.S. accounted for 11.5 million bales and other countries for 17.6 million bales. The reduced output in the countries other than the U.S. during 1959-60 is due mainly to the sharp decline in production in India and also, to some extent, in Sudan.

Consumption during the season is expected to have equalled production. Estimated at 30.9 million bales, it represents a rise of 1.8 million bales over the previous season. Net export to Communist countries, at 1.2 million bales, was in line with that in the previous season. All told, disappearance will in all probability have aggregated 32 million bales, exceeding production by more than a million bales and bringing about a corresponding decline in end season stocks from 17.5 million bales on 31st July 1959 to 16.4 million bales on 31st July 1960.

The following table indicates the supply and disappearance of cotton during the period 1957-58 to 1959-60:

*Cotton Supply and Distribution**

(In million bales of 478 lbs. each)

	1957-58	1958-59	1959-60
Opening stocks—			
U.S.	14.4	8.7	8.0
Other net exporters	3.0	3.9	3.5
Net importers	6.2	6.1	5.3
Total	20.6	18.7	17.7
Production—			
U.S.	11.0	11.5	14.6
Other countries	16.9	17.6	16.3
Total	27.9	29.1	30.9
Total supply	48.5	47.8	48.6
Consumption—			
U.S.	8.0	8.7	9.1
Other countries	20.5	20.4	21.8
Total	28.5	29.1	30.9
Net exports to Communist countries	1.3	1.2	1.2
Destroyed	0.1	0.1	0.1
Total disappearance	29.9	30.4	32.2
End season stocks	18.7	17.5	16.4
Exports—			
U.S.	5.7	2.8	6.9
Other countries	6.9	8.8	8.1
Total	12.6	11.6	15.0

* Excluding Russia and the Communist countries.

As regards the outlook for the new season, namely 1960-61, which has just started, the chances are, according to the Committee, that both acreage and production will be higher. Planted acreage in the U.S. is up by three per cent. Mexican acreage is higher by 400,000 acres and a rise in planted area is expected in Central American countries. In Egypt, the first crop estimate shows one of the highest levels for many years and significantly higher than in the last season. Elsewhere in the Middle East, crop prospects at the moment are distinctly favourable. Sowing of new crop is in progress in India and Pakistan and acreage should at least be as high as during the last season. If yields return to normal in India, this alone would mean an increase in production by about one million bales. But against this must be set the much lower carryover stocks, so that supply may not be much different from last season. If total disappearance is maintained at anywhere near the last season's level, the statistical position would be roughly in balance.

Consumption and Trade Prospects

Most observers, according to the Committee, are of the opinion that consumption may decline in the United States in 1960-61 but that any decline should be relatively minor. In Western Europe, most countries report yarns and cloth sales well booked to the end of the year and little sign, at the moment, of any serious inventory accumulation. The textile situation in India is basically strong and even in Japan any increase in stocks of yarn and textiles has so far been moderate by comparison with the much higher level of production.

Trade prospects, too, the Committee feels, are quite favourable though there is reason for anticipating some reduction in exports from the record 1959-60 level mainly on the ground that, with a more comfortable carryover in importing countries, there may be less urgency to purchase over and above consumption requirements and on the assumption of a return to normal production in India. Exports may be less but so also may the amount available for export. Offsetting the prospects for increased production is the fact that carryover in countries like Mexico, Egypt, India and Pakistan are now extremely low and export availabilities in many cases will be no higher and may even be lower than in the 1959-60 season.

COTTON TRADE TO FEDERATE ?

Unlike the Bourbons who forget nothing and learn nothing, the cotton trade seems to have learnt much from the experience of the current cotton season. Its efforts to get the ceiling and floor prices of cotton raised having failed and protests against the prohibition of free trading in new cotton with effect from 1st August too having fallen on deaf years, the cotton trade is reported to be planning to establish an all-India federation to champion its cause more vigorously and to make the views of the trade heard in official circles. The lack of a fully representative all-India body, which can speak with authority and one voice for the trade as a whole, it is believed by those who have mooted the idea, is one of the reasons why its views have not received the attention, which it thinks, they deserved.

Representatives of the leading cotton trade associations in Bombay such as the East India Cotton Association and the Cotton Buyers Association, are reported to have already had preliminary discussions regarding the formation of the Federation, at which it was agreed to convene an all-India convention of various cotton interests some time this year to give final shape to the proposal. In the meantime, the sponsors will ascertain the traders' reaction to the proposal. The progress of the efforts in this regard will surely be watched with considerable interest.

COTTON BANK FOR MEXICO

The Mexican Cotton Producers Union recently made a proposal to President Lopez Mateos for the creation of a Mexican Cotton Bank, to be financed in equal proportion by the producers and the Government. This institution, the Union claimed, would permit the cotton industry to become independent of foreign financing. The draft law prepared by the Union provides that the Bank would be in a position within a period of five years to meet the credit needs in connection with the cultivation of cotton, which involves an annual investment of 2,500 million pesos. At present 60 per cent. of that amount is furnished by foreign firms operating in Mexico. By creating the Bank, the cotton growers aim at self-financing.

Sponsors of the Bill point out that the proposed institution would not only benefit cotton growers but other agriculturalists as well by virtue of freeing the State of the obligation of channelling a good portion of its farm credit capacity to cotton. Thus, it is said, the Government would be able to divert such funds to the production of other farm products such as corn, wheat, beans, etc.

It is proposed that the Bank's capital be made up of a contribution from cotton producers and the Government amounting to 100 pesos per bale, subject to reduction to 50 pesos, if circumstances so warrant.

Under this system, in normal seasons, the Bank would receive an average of 150 million pesos, annually. The first five years would be devoted, for the most part, to capital formation up to some 750 million pesos. Joint contributions from the State and the producers would continue until the figure of 3.0 billion pesos were reached—an amount which would afford absolute economic independence for the cotton industry.

The following three principal functions would be assigned to the Mexican Cotton Bank under the proposed Bill:

1. Credits for the cultivation of cotton and short- and long-term financing for the industrialisation process.

2. Advice for the producers in respect of their credit negotiations crop pledges, legal matters, organisation, economic studies, etc.

3. Control of all types of purchase-sales transactions directly related to the needs of the borrowers.

The Board of Directors would be made up of representatives of the Government and the growers, who would share equal rights and responsibilities.

The Bank would charge interest at rates at least 2 per cent. lower than those corresponding to private bank lending.

It is said that the desire to create the Mexican Cotton Bank originated two years ago when the foreign firms who supply 60 per cent. of the financing for Mexican cotton growers unilaterally restricted their activities, occasioning a drop in production from 2.3 million bales in 1958 to only 1.6 million bales in 1959.

Apart from being able to cope with eventualities, the Bank, according to its sponsors, would also undertake to organise all cotton producers for purposes of joint handling of exports and purchases, with the consequent reduction in production costs.

COTTON TEXTILE PRODUCTION AND STOCKS

The mill output of cloth during the month of July 1960 is provisionally estimated at 429 million yards, as against 420 million yards in the same month last year, and that of yarn at 145 million lbs., as against 146 million lbs. The total production of cloth and yarn during the seven months ended July 1960 was about 2,899 million yards and 987 million lbs., that in the corresponding period of 1959 being 2,865 million yards and 987 million lbs., respectively.

At the end of July 1960, the composite units of the cotton textile industry carried an estimated total stocks of 299,000 bales of cotton cloth (1 bale=1,500 yards), comprising 127,000 bales of unsold cloth and 172,000 bales of cloth sold but not lifted. The corresponding figures a year ago were 412,000 bales, the quantities unsold and sold but not lifted being 207,000 bales and 205,000 bales. The total stocks of yarn as on 31st July 1960 amounted to 30,700 bales (of 400 lbs. each), as against 38,700 bales a year before.

Studies on cotton at Coimbatore have brought to light five American types possessing a staple length of more than one inch. One Russ an variety, C1998, was found to be highly productive (1,220 lbs. per acre) and adaptable and comparable to MCU-1, a local variety. In most of the other economic characters. Spraying the cotton crop with endrex resulted in an extra yield of about 500 lbs.

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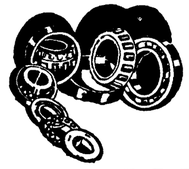

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SUGAR CO-OPERATIVES IN MAHARASHTRA

DEFECTIVE LOCATION HAMPERS WORKING OF JOINT-STOCK MILLS

IN the course of a special release issued on the occasion of Independence Day, the Maharashtra Government's Directorate of Publicity points out that the co-operative sugar factories have not only come to stay but firmly laid the foundation on which sugar industry would develop hereafter. The Directorate claims that sugar co-operatives are economically a sound proposition. This claim is supported on certain grounds. In the first place, it is pointed out that the sugar co-operatives have fared well in paying adequate return to the members on their produce; during 1958-59, for instance, the price paid for sugarcane ranged from Rs. 49 to Rs. 58 per ton, as against the minimum price of Rs. 47 fixed by the Government in respect of the cane purchased by joint-stock sugar mills. Again, the sugar co-operatives are said to have repaid a substantial portion of the loans taken from external sources; the *Pravara Sahakari Sakhar Karkhana* has fully repaid the loans on block capital. Attention is also drawn to the fact that they have incurred large expenditure of capital nature on creating such assets as guarantee for the staff, office buildings, godowns and machinery. Finally, it is stressed that the social and human aspect of the co-operative enterprise is most significant. The cane growers have their representatives sitting alongside the spokesmen of the Government, the Industrial Financial Corporation and the banks at the meetings of the boards of directors and other committees deliberating various matters relating to their organisation and taking decisions affecting the industry.

Premature Claim

It is too early to judge whether sugar co-operatives will be a success, if they are run purely as co-operatives. At present, they are co-operatives only in name; in actual fact, they are a hybrid of co-operation and State-ownership. It will be illuminating, if the economic status of cane growers who are members of the co-operatives is disclosed. Are they big landowners or small peasants? Of these two, who are in the majority? The purpose of this article, however, is not to raise the controversy joint-stock company sugar mills *versus* co-operative sugar mills. The Government is determined to go ahead with its policy of investing in sugar industry under the facade of co-operation, and there is precious little that one can do to stop it. But what one fails to understand is the policy of the Government to permit new co-operative mills to be started especially in areas where joint-stock factories are already operating. What is worse, these factories are not given adequate facilities and encouragement to function efficiently and, in some cases, even the plea for expansion of capacity has been turned down.

It is common knowledge that the setting up of new units entails much more capital outlay than what would be required to raise the capacity of the existing units. According to one estimate, the cost of creating an additional cane-crushing capacity of 1,000 tons per day in a sugar mill is no more than Rs. 30 lakhs, including a foreign exchange of about Rs. 6—12 lakhs, as against the huge outlay of Rs. 125 lakhs, including the foreign exchange component of Rs. 25 lakhs, required to put up a new sugar mill with a capacity of 1,000 tons. It is, of course, a different matter if the existing factories are not capable of creating additional production capacity. Further, the expansion of present capacity does not involve large additional expenditure such as that incurred by new units, owing to duplication of overhead capital expenditure on construction of roads, buildings, etc., as well as duplication of overhead revenue expenditure on management, administration and the like.

It is regrettable that the Government of India has allowed the setting up of some co-operative sugar mills in the very areas in which joint-stock mills are situated. Such location has adversely affected the joint-stock mills with regard to cane supplies. In the case of one factory, we are told, there has been a reduction of 25 per cent. in the crushing season, from 165 days in 1956-57 to 125 days in 1958-59. With the co-operative sugar factories imposing an obligation on the member to supply to them whatever cane he grows and in the absence of zoning, the availability of cane supply to joint-stock mills, is materially and permanently affected. The paucity of cane is aggravated further by the amendment of the co-operative units' by-laws which prohibits a member from selling even his unattached cane to any other factory without first offering it to his co-operative unit; any violation of this term will mean forfeiture of the value of his shares and rights attached thereto. When the State Government takes particular care to see that there is no overlapping of areas of operation between co-operative sugar mills *inter se* and that definite zoning as between co-operatives exists, the existence of joint-stock companies in the same region is totally ignored.

Financial Assistance

Be that as it may, there are at present in Maharashtra fifteen co-operative sugar factories, including two units which are yet to commence operation. These factories together account for a daily cane-crushing capacity of 15,000 tons which represents 50 per cent. of the aggregate capacity of all the 28 factories, namely, 30,000 tons. The total share capital of the co-operative factories comes to no more than Rs. 150 lakhs. In other words, a very large part of the capital outlay has been met out of the long-term loans granted by the Industrial Finance Corporation on the strength of the guarantee given by the State Government. The total of the loans is placed at Rs. 697.50 lakhs. Besides, the Bombay State Co-operative Bank has advanced to these factories a total sum of Rs. 845.00 lakhs as seasonal finance and Rs. 349.49 lakhs as medium-term loans for meeting their capital expenditure.

The number of co-operative sugar mills in Maharashtra is expected to increase from 15 at present to 25 at the end of the third Plan period (March 1966), with an aggregate annual production of about 400,000 tons. This, says the release of the Directorate of Publicity, will mean that, out of every six *seers* of sugar consumed in the country, one *seer* will have been produced by the sugar co-operatives in Maharashtra. The assumption here is that the total consumption of sugar in India will be at an annual rate of 2.4 million tons by the close of the third Plan, whereas, actually, the Draft Outline of the Plan expects the consumption to be of the order of three million tons.

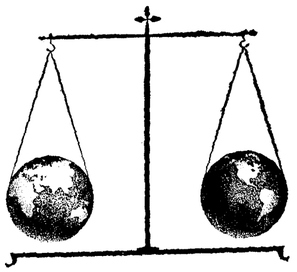
Of the proposals to set up ten new sugar co-operative mills in Maharashtra State, five are understood to have already been approved of by the Union Government. They will be located at Bidri (Kolhapur district), Kala (Kolhapur), Takli (Ahmednagar), Korhale (Poona) and Aklui (Poona).

Cane—Important Cash Crop

Apart from the active official encouragement and support, the favourable climate for raising sugarcane in the Maharashtra State has also been responsible for the organisation of sugar co-operatives. Sugarcane is one of the important cash crops of the State, as it provides the basic raw material for the manufacture of sugar, *gur* and *khandsari*. Excepting the three Konkan districts, cane is grown in almost all the districts. The major producing districts are Ahmednagar, Kolhapur, Poona, Nasik, North Satara, South Satara, Sholapur and Aurangabad which together account for about 200,000 acres under cane out of the total 304,000 acres devoted to the crop (1959-60) in the erstwhile Bombay State. Although the aggregate acreage under cane is comparatively small, the great importance of cane as a cash crop is chiefly attributable to the fact that both the per-acre yield and the sugar recovery of the Deccan cane are the highest in India as is shown below:

State	Per-acre yield (Tons)	Sugar recovery (Per cent.)
Maharashtra	28.20	11.70
Madras	28.60	9.16
Andhra	27.00	9.20
Mysore	25.00	9.10
Punjab	13.90	9.01
Uttar Pradesh	11.00	9.68
Bihar	8.50	9.36

In some regions of Maharashtra, the average yield of cane per acre comes to as much as 45 to 50 tons and recovery per cent. to 14-15. Credit for all this must unreservedly be given to the joint-stock sugar mills who it is that have spent a lot of money and effort on scientific cultivation of cane. As readers are aware, these sugar mills, unlike their counterparts in other States, have their own cane farms which supply them the bulk of their cane requirements. Several mills have also invested sizable sums of money for financing the cultivators to dig wells and to purchase engine and pumping sets. They have advanced loans against the cultivators' cane crop, amounting, in some cases, to Rs. 1,000 per acre. Viewed thus, it cannot be too strongly emphasised that, before the Government of India sanctions any new unit, the adequacy of cane supplies should be thoroughly gone into.



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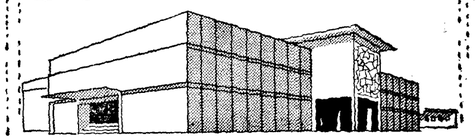

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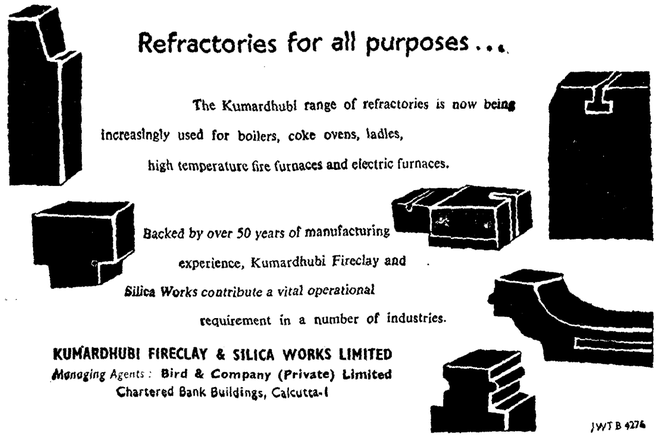

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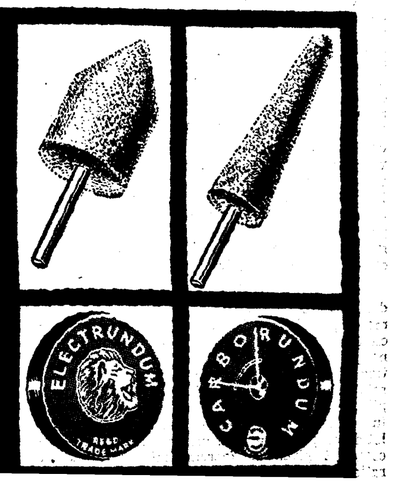

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THE THIRD FIVE-YEAR PLAN

CERTAIN ASSUMPTIONS, PROMISES AND PROSPECTS

By T. P. Subramonian

THE Draft Outline of the third Five-year Plan promises a rise in national income of over per cent. per annum, for which it envisages a otal investment of the order of Rs. 10,200 crores. This Plan, like any other plan, rests on certain fundamental assumptions. Planning, by definition, cannot claim precision; and the future in human affairs has a large element of uncertainty. Nevertheless, past experience could help in avoiding pitfalls on the future path. It is from this angle that two major aspects of the Plan are examined below.

I

THE SIZE OF THE PLAN AND THE BASIC POSTULATES

The investment target of Rs. 10,200 crores for the third Plan has raised the eyebrows on many faces; and the question is sometimes raised, "Is not the Plan too big?" Let us examine the implications of this investment target.

(a) **The Long-term Rise in National Income:** The Draft Plan speaks of an increase of "over 5 per cent. per annum in national income." Thus, over the five-year period, the expected increase in national income could be put at "over 25 per cent.," that is, say, 27 per cent. This can hardly be criticised as ambitious. In the long-term projection contained in the second Plan report, it is envisaged that national income (at 1952-53 prices) would rise from Rs. 10,800 crores at the end of the first Plan to Rs. 13,480 crores at the end of the second Plan (an increase of 25 per cent.), and to Rs. 17,260 crores at the end of the third Plan (an increase of 28 per cent.). It is now admitted that the second Plan might bring about only a 20 per cent. increase in national income. National income (at 1952-53 prices) at the commencement of the third Plan would thus be only about Rs. 12,960 crores or, say, Rs. 13,000 crores. A 27 per cent. increase on it would mean an addition of Rs. 3,510 crores, thus raising national income to Rs. 16,510 crores at the end of the third Plan period, as against Rs. 17,260 crores envisaged in the long-term projection. This is on the assumption that the third Plan, unlike the second, will have a smoother sail. But that depends on certain assumptions turning out to be correct.

Let us look at it from another angle. According to the long-term projection contained in the second Plan report, national income would be doubled in 1967-68 in relation to 1950-51. This would require the elevation of national income (in 1952-53 prices) from about Rs. 13,000 crores at the commencement of the third Plan to about Rs. 18,300 crores in 1967-68—an increase of 41 per cent. over the course of seven years or an annual increase of about 6 per cent. The increase in national income now envisaged in the third Plan could be seen in this light and the conclusion is obvious.

(b) **Investment in Real Terms:** In the long-term projection referred to earlier, an investment of Rs. 9,900 crores was envisaged for the third Plan. The figure now suggested is Rs. 10,200 crores—more or less the same and, if anything, a little higher. But this Rs. 10,200 crores is in terms of current prices. And, as the price level has risen by about 20 per cent. since the commencement of the scond Plan, the value of Rs. 10,200 crores correspondingly deflated would amount only to Rs. 8,500 crores. In other words, if allowance is to be made for the rise in prices that has occurred, an investment of nearly Rs. 12,000 crores in terms of current prices would be the equivalent to the figure suggested in the perspective projection. The size of the third Plan is, to repeat, not too big.

(c) **The Capital-output Ratio:** A crucial determinant of the rate of economic development is the return by way of additional output on the investment undertaken. Realistic planning depends to a large extent on the assumption of an appropriate capital-output ratio. The ratio adopted for the third Plan is nowhere explicitly stated in the Draft Outline. But, if the investment of Rs. 10,200 crores is judged in relation to a 27 per cent. increase in national income, it gives an incremental capital-output ratio of 2.9 : 1. (The assumption here is that the 27 per cent. increase would mean an addition of Rs. 3,510 crores to the national income in 1960-61 estimated at Rs. 13,000 crores in terms of 1952-53 prices). The ratio given for the third Plan in the long-term projection of the second Plan report is 2.6:1. The comparison might suggest that the planners have now become a little more cautious and perhaps a little more realistic. But this apparent impression requires correction.

It may be recalled that the first Plan originally assumed a capital-output ratio of 3 : 1. On account of exceptionally favourable conditions and on account of the fact that the Plan was predominantly an agricultural plan, the results revealed a ratio much more favourable than originally assumed. Latest available data suggest a ratio of 2 : 1 for the first Plan. Encouraged by the experience of the first Plan, the second Plan assumed a capital-output ratio of 2.3: 1. Latest data on the performance of the second Plan, however, indicate a ratio of 3.1 : 1 —a ratio much more unfavourable than the one originally assumed.

It is, of course, difficult to be precise in the calculations of investment-output relations in a growing economy; but world experience suggests that the ratio becomes higher as the economy progresses on the path of industrialisation. In fact, the Planning Commission had itself realised this, when it stated, in the second Plan (page 9), that "as the shift proceeds further in subsequent Plan periods, the amount of capital required for unit of additional output should go up further." It is on the basis of this principle that, in the long-term projection, a progressive rise was indicated in the capital-output ratio over the course of the second, third, fourth and fifth Plans. As the second Plan has now revealed a ratio of 3.1: 1, one would have expected the Planning Commission to assume a slightly higher ratio for the third Plan, unless the pattern of investment embodies a drastic reversal of the trend of industrialisation. As the third Plan actually aims at a bold advance towards industrialisation, with an accent on basic industries, the assumption of a capital-output ratio lower than the one that prevailed in the second Plan appears to be an error on the side of optimism. In other words, for a 27 per cent. increase in national income, a larger order of investment than the contemplated Rs. 10,200 crores might be necessary.

We have assumed here that the Planning Commission's capital-output ratio for the third Plan is 2.9 : 1 and we have stated the basis of our assumption. On page 8 of the Draft Outline, however, there is a statement that "if national income is to increase from Rs. 13,000 crores in 1960-61 (at 1958-59 prices) to about Rs. 17,000 crores in 1965-66, net investment of the order of Rs. 10,000 crores has to be undertaken." This would suggest a capital-output ratio of 2.5 : 1, which is even more optimistic than the ratio of 2.9:1 which we have discussed above.

As the productivity of capital depends, besides the amount of capital, on a number of other factors, technological and organisational—and even sociological—the importance of appropriate steps to maximise productivity and eliminate waste from every sector of activity cannot be adequately emphasised.

(d) **Per Capita Income:** The ultimate indicator of economic growth is a progressive rise in *per capita* income. It is interesting to note that the Draft Outline now released makes no mention of the increase in *per capita* income postulated for the third Plan. No other omission could have been more significant. However, taking the population estimates of the Central Statistical Organisation and the increase in national income as outlined in (a) above, we may notice that *per capita* income may be expected to rise by about 14 per cent. over the course of the third Plan. In the long-term projection of the second Plan, the increase in *per capita* income envisaged for the second and third Plans were 18 and 20 per cent., respectively. The shortfall in the second Plan's achievement and the downward revision of the third Plan's target as regards *per capita* income are largely on account of the faster growth of population than originally assumed. While the situation undoubtedly calls for an effective policy of population restriction, the aim of reaching an annual increase of nearly 3 per cent. in *per capita* income, as envisaged by the third Plan, can by no means be considered an ambitious target.

In this connection, it might be relevant to mention that, when the Planning Commission speaks of a rise in consumption at a rate of over 4 per cent. per annum during the third Plan period (Draft Plan, page 44), the reference is to the rise in *national* consumption. *Per capita* consumption—which alone can indicate the improvement in standard of living—would rise only by about 10 per cent. over the period or by 2 per cent. per year.

In fine, the targets of increase in national and *per capita* income under the third Plan are anything but overambitious. But even to achieve these reasonable targets, a greater effort is needed than envisaged in the Plan.

II

THE MOBILISATION OF RESOURCES

Of the total investment of Rs. 10,200 crores envisaged for the third Plan, Rs. 6,200 crores will be in the public sector and Rs. 4,000 crores in the private sector. The total outlay in the public sector will be around Rs. 7,250 crores, made up of Rs. 6,200 crores of investment and Rs. 1,050 crores of current outlay. The following discussion relates only to the outlay in the public sector. As regards financing schemes in the private sector, the Plan can give only broad indications of possibilities.

The table presented below compares the scheme of financing the outlay in the public sector in the third Plan with that in the second:

(Amount in crores of rupees)

	Second Plan		Third Plan	
	Amount	%	Amount	%
I—*Budgetary resources:*				
(a) Surplus from current revenues	900	19.6	2,000	27.6
(b) Contribution of railways	150	3.3	150	2.1
(c) Other public enterprises	..	..	440	6.1
(d) Loans	800	17.4	850	11.7
(e) Small savings	380	8.3	550	7.6
(f) Provident funds and miscellaneous receipts	213	4.6	510	7.0
Total	2,443	53.2	4,500	62.1
II—*Deficit financing*	1,175	25.5	550	7.6
Total domestic resources (I+II)	3,618	78.7	5,050	69.7
III—*External aid*	982	21.3	2,200	30.3
Grand Total (I+II+III)	4,600	100.0	7,250	100.0

The first feature that strikes the eye is the heavy reliance of the third Plan on external assistance. Nearly one-third of the total outlay is expected to come from abroad. It is interesting to observe that the contribution of external aid to the public sector outlay has been steadily rising since planning began. From about 10 per cent. in the first Plan, it went up to about 20 per cent. in the second, and is now expected to go up to 30 per cent. in the third Plan. Thus, dependence on foreign aid for Plan finance has been increasing not only absolutely but also relatively to other sources. In principle, it is not wrong to formulate a plan with a heavy reliance on external resources. But three points may be taken note of. First, it is the rate of increase in domestic savings as a percentage of national income that is an indicator of the country's advance towards self-sustaining growth rather than the rate of increase in total investment as a percentage of national income. It is the increase in domestic savings that measures the community's will to develop and indicates the extent to which fundamental changes are occurring in the attitudes of the people and the institutions of the community. And it is only on these that the edifice of economic development could be securely erected. Secondly, in planning on the basis of foreign aid, although certainty is impossible, there should be a reasonable measure of assurance about the quantum of funds available; without such assurance, the Plan will be in constant danger of being upset. Perhaps, the help rendered by friendly countries to lift the second Plan out of the foreign exchange crisis and further indications of favourable attitudes abroad have encouraged the Planning Commission to take an optimistic view. Thirdly, in so far as assistance is in the shape of loans and deferred payments, the timing and quantum of servicing and repayments must not impose too heavy a strain on the country in the immediate future. The repayments of loans falling due during the third Plan period will it may be noted, amount to as much as Rs. [redacted] crores.

Among the domestic resources, it is gratifying to note that deficit financing as a method of Plan finance has fallen from grace, indicating that the second Plan's unpleasant lesson has not been learnt in vain. Its contribution to the total outlay has now been kept marginal.

Small Savings

The yield from small savings is expected to be about 45 per cent. more than that obtained during the second Plan. In view of the fact that the actual yield from this source during the second Plan (Rs. 380 crores) is much lower than the original estimate (Rs. 500 crores), it is important to think of more effective means of tapping small savings pockets, lest the experience during the third Plan should also turn out to be a disappointment. Small savings' contribution could be big, provided they are effectively tapped through efficient salesmanship of savings' instruments and persistent propaganda directed towards better Plan-consciousness.

Loans

A sum of Rs. 850 crores is expected by way of market loans during the third Plan. This compares with the second Plan yield of Rs. 800 crores. No doubt the latter figure is inclusive of purchases of Government securities by the State Bank out of P.L. 480 deposits, whereas the former is not. Nevertheless, a greater advance in the direction of borrowing than envisaged by the Planning Commission would be justified during the third Plan. A greater reliance on this source would also mean a more balanced ratio between taxation and borrowing than now seen in the Plan.

A significant new item among the budgetary resources is the profits of public enterprises other than railways. This is estimated to yield Rs. 440 crores. This is not merely a measure of the remarkable growth of the number and range of State enterprises in the country but indicates the official acceptance of the new policy that State enterprises also must work for profit.

Railways

The contribution from railways is put at Rs. 150 crores. This is surprising, as the amount expected during the second Plan is also put in the Draft Outline as Rs. 150 crores. Granting that the latter figure is correct, it suggests that the contribution from railways would remain static, notwithstanding the greater volume of goods and passenger traffic expected during the third Plan. What is equally surprising is that railways' contribution to the second Plan is now put at Rs. 150 crores (Draft Outline, page 47), whereas, in July 1959, the Planning Commission had estimated this figure at Rs. 250 crores. Considering the fact that, even in the first Plan, the railways had contributed as much as Rs. 115 crores, the estimation of the amount at Rs. 150 crores for the third Plan is intriguing. The Planning Commission will do well to shed some light on this question.

Additional Taxation

Among the domestic sources, maximum reliance is placed on the surplus from current revenues, indicating the orthodoxy of third Plan finance. In fact, the largest contribution is expected from this source, whereas in the second Plan this honour went to deficit financing. The figure of Rs. 2,000 crores suggested is made up of Rs. 350 crores, being the balance from revenues on the basis of existing taxation and Rs. 1,650 crores representing the amount expected from "additional taxation including measures to increase the surpluses of public enterprises." Presumably the Planning Commission has not yet made up its mind as to how much of this amount should come by additional taxes and how much by further enhancement of the profits of public enterprises.

Enhancement of the profits of public enterprises beyond Rs. 440 crores is of doubtful feasibility, and, even if deliberately attempted, it would raise a host of other problems. The profit-margin could be widened by the raising of selling prices and/or the lowering of costs. In fields where the State has a monopoly or at least price-leadership, the temptation to raise prices would be strong. But, as most of the productive enterprises of the State bring out capital and intermediate goods, higher prices for them would set up a chain-reaction on the prices of numerous other goods. Widening the profit-margin through the lowering of costs is, of course, desirable, though more difficult. Incidentally, it will provide a test of the efficiency of public enterprises.

Stupendous Effort

The third Plan calls for a stupendous tax effort. It is inevitable that, in a developing economy, tax revenues must go up not only absolutely but also as a proportion of national income. Success in this direction will depend not only upon larger tax collection but upon equally large allocation to the Plan. As regards direct taxation, the Planning Commission appears to feel that the limit has already been reached and expects to increase the yield mostly by tighter administration and other measures to check evasion. But a greater degree of sacrifice could certainly be expected from those classes in the community whose incomes have been abnormally rising in recent years. The heavy reliance on commodity taxation is no doubt inevitable. The traditional objection to commodity taxation that it violates the principle of ability to pay seems to have lost its hold. The more recent argument that it runs counter to the socialist ideal as it will hit the poor cannot be given much weight, as socialism cannot be built merely on the tears of the rich. Nevertheless the extent to which the Government could go in the direction of commodity taxation will be seriously limited by its effect on cost of living and, consequently, by the possibility of a wage-induced inflation. If this limitation is to be warded off, it would require, on the one hand, an efficient and wide network of physical controls and, on the other, a willing acceptance by the community of an appreciable degree of austerity. They both raise administrative and political issues.

It is also important to remember that larger tax collection does not automatically mean larger Plan finance. This is one of the major lessons of the second Plan. The recent report of the Estimates Committee on the growth of civil non-Plan expenditure shows that, while overall tax revenues have recorded a phenomenal increase during the second Plan period, the part actually made available to the Plan has been disproportionately low. While Defence is an imponderable item and has to be provided for at whatever cost, stricter control over non-Plan development expenditure and utmost economy in administrative expenditure are steps to be vigorously pursued, if tax revenues are not to be unproductively dissipated.

The order of taxation envisaged in the third Plan calls for considerable sacrifice on the part of the community; and one is not certain if the country is prepared for it. While a higher degree of tax effort is inevitable in the third Plan as compared to the second, a greater emphasis on the borrowing programme and a more reasonable expectation in regard to railways' contribution would perhaps help in avoiding disappointment on the tax front.

Summing up all that we have said above, the following conclusions emerge:—

(i) The overall targets are perfectly reasonable. But the size of investment considered necessary appears to be an underestimate, if judged in relation to the achievements envisaged.

(ii) The level of outlay envisaged even on this basis calls for a stupendous national effort for which the community must be prepared. To the extent to which foreign aid falls short of expectations, either the Plan will have to be cut or domestic effort will have to be stepped up. And the implications of this must be clear to the nation. Past experience does not encourage complacency.

An underestimation of the resources necessary and an overestimation of the resources mobilisable reflect a spirit of optimism; optimism is a desirable trait in a growing nation; but it could profitably be tempered with a little dose of realism. After all, the path of economic development is not strewn with roses.

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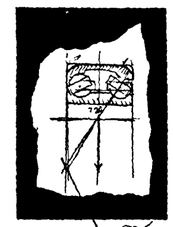

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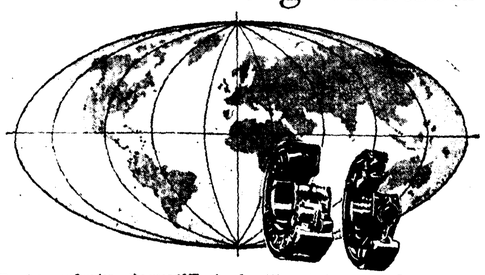

The place was Sweden—the year 1907, when Sven Wingquist invented the first self-aligning ball bearing, which revolutionized the bearing industry.
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FRENCH NATIONAL RAILWAYS

CONVERSION TO ELECTRIC AND DIESEL OPERATION IMPROVES EFFICIENCY

AMONG the world's national railways, few have earned a greater reputation for high efficiency than the French National Railways (S.N.C.F.). It was in 1938 that the French Government nationalised the private railroad companies, thereby paving the way for unified direction and control. The war naturally interrupted the progress of the railways. But, in post-war years, considerable improvement has been effected, particularly in the shape of electric and diesel operation. Replacement of steam traction by electric or diesel operation is justified by the greater efficiency of the latter, by the savings in manpower for operation and maintenance and by the fact that the daily mileage of such traction equipment is very high, thanks to the little servicing it needs before starting on the return run. It is, however, recognised that the two types of traction cannot indiscriminately replace steam. At equal performance characteristics, the initial and maintenance costs of the diesel locomotive, requiring an electric drive at high capacities, are higher. In other words, the quantum of traffic on a particular line should be sufficiently large to justify the use of electric or diesel traction.

Electric Traction

On 1st January 1960, the French railway system operated approximately 6,570 kilometres (4,200 miles) of electrified track out of a total track of 39,000 kilometres (25,000 miles). Year by year, the length of electrified track has increased. In 1938, it was no more than 3,340 kilometres. It was not much higher in 1948, when it was 3,660 kilometres. But since then, electrification has steadily increased. The length of electrified track moved up to 5,500 kilometres in 1956, to 5,750 kilometres in 1957, to 6,290 kilometres in 1958 and 6,570 kilometres in 1959. It has been found that electrification improved both overall operating efficiency and the capacity for transportation on any given line. For instance, it has been estimated that, if the traffic remains at the present level, the return on the capital investment in the recently completed Paris-Lille and the Paris-Strasbourg electric tracks will be 12 per cent., on the Lyons-Nimes line scheduled for completion this year, it may even reach 15 per cent. Indeed, the return may even reach higher levels, considering that experience shows that traffic tends to increase after the electrification of a track. The present programme, undertaken by the French railways, points to the eventual elimination of steam traction.

To the economic and financial advantages of electrification must be added the advantages from improved service which include greater flexibility of operation, greater speed, larger roads and greater regularity of schedules. Electrification enables the French National Railways to offer the public a range of 140 extra-fast trains, covering a daily total distance of about 50,000 kilometres (31,000 miles) at an average speed of 100 kilometres (62 miles) per hour and running on close schedule with a regularity which makes the French train service outstanding in the world. The greater speed also increases the turnround of the equipment and results in large savings. The increase in train-loads is equally striking. On the electrified Paris-Lyons line, trains are both faster and heavier, with an average train-load of 800 instead of the former 650 metric tons. On one of the steep-grade sections (Dole-Vallorbe) of the Paris Milan run, a single electric locomotive pulls 700 tons, where previously not only two steam locomotives were required for this load but the speed was less.

Weight

The first electric locomotive put into service on the Paris-Dijon run in 1950 weighed 142 tons with a nominal rating of 5,000 h.p. Some electric locomotives today move the fastest trains of that line without using their full capacity, thanks to the improvement in the technique of electric traction. In the case of some locomotives, the weight has been considerably reduced. Thus, with a weight of 105 tons, the prototype of the CC-7100 series develops 4,700 h.p. In March 1955, one of these locomotives established the world speed record on rails with 331 kilometres (205.6 miles) per hour; this speed was also attained by another prototype BB-9004 weighing 82 tons and developing 5,200 h.p. Designing engineers have evolved new types of locomotives which weigh 59 tons and have a continuous power output of 3,000 h.p. and an operating speed of 130 kilometres (81 miles) per hour.

Beginning in 1950, equipment designed to operate with 50 cps. alterating current was experimentally tested on a branch line with particularly difficult grades. Since results justified expectations, the French railways are now using in one line single-phase 50-cps. AC operation; CC locomotives (120 tons) are being used. They are also using BB-type, with a weight of 85 tons. These locomotives have given remarkable results; they are able to start a train of 1,650 tons on a grade of 1:100. The inter-connection of the French railroads with other European railroad systems electrified at different frequencies necessitated the development of double-frequency locomotives, able to operate both on the French 50-cps AC line and on Swiss tracks where 16⅔ cycles are used. Through its own investigations or by orders to specialised manufacturers, the S.N.C.F. continues to explore new techniques. The success of the research undertaken for developing better and cheaper rail traction has enabled French manufacturers to enter foreign markets. France now has orders from Russia for 50 electric locomotives, from China for 25 locomotives, from Luxembourg for 20 locomotives and from Colombia for 6 locomotives, operating on 50 cps AC current.

Diesel Locomotive

Experience suggests that diesel locomotives produce savings of 40 per cent. in operating costs. In recent years, the S.N.C.F. has put into service diesel-electric traction units of 800 h.p. for light passenger trains, of 2,000 h.p. for heavy freight trains, and of 1,800 h.p. for passenger or freight service. The most recent type, (04-ODG), has a single engine and an electric drive with a nominal rating of 1,300-1,400 h.p. and a weight of 72 tons, capable of reaching a speed of 105 kilometres (65.2 miles) per hour. The first diesel railcars appeared on the lines of the French railroad system in 1953. Recent advances in the design of diesel engines have produced a larger power output, improved efficiency and much larger life of the main components. At present, power output runs from 1,500 to 1,800 h.p.; it may reach 2,000 to 2,500 h.p. in the near future.

Railcars are widely used for local traffic, short-distance, through-traffic and for low-volume fast-train service. The railcar reduces fuel costs by about 70 per cent., and the average cost per mile by 66⅔ per cent. as compared with steam traction. In general service, the S.N.C.F. uses these types of diesel-powered units: 150-h.p. railcars with 63 seats, capable of 90 kilometres (56 miles) per hour and a weight of 17.5 tons; 300-h.p. railcars with 67 seats, capable of 120 kilometres (75 miles) per hour and a weight of 31.5 tons; railcars with two 300-h.p. engines each and 80 seats, also capable of 120 kilometres an hour. To attract tourist traffic, the S.N.C.F. has ordered and received a series of panoramic-observation railcars for service runs. A feature of these railcars is that the engine, the electric drive and the baggage compartment are all below the passenger compartment, in order to afford unobstructed view of the outside scenery from the car.

SLEEPER COACHES

It has been decided to introduce a new design three-tier type sleeper coaches with capacity for equal number of passengers to sit and sleep. Coaches of this description are being built by the railways, including the Integral Coach Factory, Perambur. This information was given by Mr. S. V. Ramaswamy, Union Deputy Minister of Railways, in a written reply to a question in the Rajya Sabha. Replying to another part of the question, Mr. Ramaswamy said that the three-tier new design sleeper coach had been introduced for providing sleeping accommodation without payment of any additional surcharge to passengers travelling over 800 kilometres. This, he added, would be in addition to the two-tier type of sitting-cum-sleeping coaches which would continue to be available on payment of surcharge for those who desired a greater degree of comfort in the sleeping coaches.

HOUSING SCHEMES

Central assistance to the tune of about Rs. 22 crores will be available to the States during the current year for various housing schemes under the second Plan. The assistance will be provided in the form of loans and grants. The largest allocation of about Rs. 7.80 crores is in respect of the subsidised industrial housing scheme. A sum of about Rs. 6.51 crores has been earmarked for the low income housing scheme, Rs. 3.24 crores for slum clearance, Rs. 2.38 crores for the village housing projects scheme, Rs. 2.33 crores for the land acquisition and development scheme and about Rs. 20 lakhs for the plantation labour housing scheme. Statewise, the largest allocation of about Rs. 5.90 crores for all the housing schemes is in respect of the erstwhile State of Bombay. The apportionment of this amount between the two States of Maharashtra and Gujerat is being determined in consultation with these States. Allocations to other States are: West Bengal Rs. 3.30 crores; Uttar Pradesh Rs. 2.40 crores; Mysore Rs. 1.76 crores; Bihar Rs. 1.53 crores; Madras Rs. 1.42 crores and Punjab Rs. 1.5 crores. As regards the remaining States, the funds earmarked for housing schemes are less than Rs. 1 crore in each case.

AUTOMATION IN STEEL INDUSTRY

One of Britain's biggest manufacturers of automatic control equipment, Associated Electrical Industries (A.E.I.), has joined with Davy and United Engineering Company, Sheffield, specialists in steel-making plant, in setting up a steel-works automation unit. An A.E.I. spokesman said they would study the application of more advanced techniques of automation control to steel production. The new unit, which will be based at Rugby, Warwickshire, is believed to be the first of its kind in the world. In a statement, the two organisations say that the unit will apply new techniques to the processing of steel and non-ferrous metals. The alliance was formed because the problems were too complex for any single existing firm. The unit will undertake "comprehensive automation projects which can be expected to offer considerable long-term benefits in improved productivity and economy of operation." Such projects will include "a combination of advanced servo controls with computers to ensure optimum performance of rolling mills and associated plant." The services of the unit will be available to both British and oversea steel concerns.

AUTOMATIC TRAIN SHUNTING

A system of automatic train shunting has been introduced at the Yasinovataya railway junction in the Ukraine (Russia). Mechanisation of this complex operation was made possible by an invention made by Prof. Alexander Dolaberidze, who developed automatic brakes to slow down rail cars at gravity yards.

The brakes work automatically, depending on the amount of rolling stock on the tracks; they slow down every next car to the required speed. As a result, cars rolling down the incline stop exactly next to each other and it remains only to couple them. All brakes installed on the tracks are controlled by one man from a central control panel who monitors the shunting on a television screen.

The Government of India has decided, in collaboration with the Government of Sikkim, to exploit the copper and other minerals in Sikkim area. This information was given by Mr. K. D. Malaviya, Minister for Mines and Oil, in reply to a question in the Lok Sabha. The Corporation, which had been set up for the purpose—the Sikkim Mining Corporation—had an authorised capital of Rs. 1 crore, consisting of 100,000 shares of Rs. 100 each, of which 49 per cent. will be held by the Government of India. So far, the Corporation had issued 10,000 shares only, out of which the Government of India had purchased 4,900 shares.

The Government of India has not yet received the survey report on the proposal to convert the metre-gauge section of the Poona-Kolhapur line into broad-gauge. The survey has been carried out for the conversion of the Poona-Miraj-Kolhapur section into broad-gauge. The Union Deputy Minister of Railways, Mr. S. V. Ramaswamy, stated in the Lok Sabha that, pending the receipt of the report, it was not possible to say whether the project would be recommended for inclusion in the third Five-year Plan.

The measures taken by the Government of India to increase the production of railway wagons, according to a reply given by Mr. S. V. Ramaswamy, the Union Deputy Minister of Railways, to a question in the Lok Sabha, are: (1) import of sections of steel not obtainable from domestic sources and (2) constant liaison with the Iron and Steel Controller and the producers. The wagon builders have already commenced producing certain new types of wagons which are expected to increase the rate of output.

A firm in Ludhiana has concluded an agreement with a Japanese firm for the manufacture of 50 c.c. and 78 c.c. scooterettes. Only Rs. 100-150 worth of components per scooterette will be imported. By the third year after the commencement of manufacture, imports will be negligible. The price of these vehicles will be less than that of scooters. Production is expected to commence within a year.

The commissioning of the first 800-ton hot metal mixer at the Durgapur steel works, with effect from 21st July last, has made it possible to charge molten iron directly into the open hearth furnaces. The mixer is a huge cylindrical steel shell (16 feet in diameter and 31 feet in length) with magnesite refractory lining. It is maintained at a temperature of 1,250 degrees Centigrade by coke oven gas.

Capital expenditure on the expansion of British steel industry is expected to aggregate £125 million this year, as against about £100 million last year. Next year, it is likely to go up to £150 million. The industry is now engaged in an expansion programme which will raise its capacity to 32 million ingot tons by 1965. Production this year is expected to reach a total of 24 million tons.

NEW PRODUCTS AND PROCESSES

Phenol from Benzene

HIGH yields have been obtained in the synthesis of phenol from benzene as a result of investigations conducted at the Central Fuel Research Institute, Jealgora. These investigations are said to be of special interest in the context of the large quantities of benzene—10 to 12 million gallons per year—likely to be available by 1960-61. The process followed in the investigations comprises two methods: Batch chlorination to chlorobenzene and hydolysis of chlorobenzene to phenol. The batch chlorination process has the advantage of higher yield compared to the continuous process. This process involves the passing of chlorine into benzene through a flow meter at a calculated rate and adding 1 per cent. iron powder (on the weight of benzene) after some time. The reaction is allowed to proceed till the requisite amount of chlorine is added. The reaction temperature should be kept below 40° C. (preferably 30-35° C.) and 60 per cent. of chlorine fed at 11 litres per hour for 5.2 hours. The products are shaken up with caustic soda solution and the ferric formed is filtered off. Ferric chloride has been found to be the most effective catalyst but it has to be finely dispersed in the chlorine benzene solution. Durez-Raschig continuous process has been applied with modified catalysts. Water and chlorine are fed independently through two inlets of a preheater. The mixed vapours then pass to the reactor containing the catalyst at a suitable temperature in a tubular furnace. The products are collected in a vessel through a water-cooled condenser. An ion-exchange process for the recovery of pyridine and substituted pyridines from crude benzole has also been worked out at the Institute. The efficiency of recovery of the bases attained is of the order of 98 per cent. While conventional processes are satisfactory in the case of tar or liquor, some modifications are necessary in the case of benzole. The usual processing technique for benzole consists in refining it by acid washing. Bases in benzole get concentrated in the spent acid and hence the recovery of bases has to be attempted from this source. But, because of the presence of high proportions of polymerized bodies and tarry matters formed during acid washing, at least 50 per cent. of these valuable bases cannot be recovered. On the other hand, if the modern method of benzole refining, namely, pressure hydrogenation, is employed, the bases are completely lost as ammonia.

Copper from Pyrophosphate Bath

Studies have been conducted on the electrodeposition of copper from pyrophosphate bath at the Electrochemistry Laboratory of the Indian Institute of Science, Bangalore.

The investigation was undertaken in order to make a detailed study of the effect of variables on electrodue efficiencies and potentials. Structure of deposits and throwing power of the plating solution has also been enquired into. The experimental results show that the pyrophosphate bath is suitable for the copper plating of steel. It possesses all the advantages of the acid and cyanide baths without their disadvantages. The effect of the variables on cathode and anode efficiency is not marked in this case unlike the cyanide bath where conditions have to be carefully controlled to obtain maximum efficiency. The pyrophosphate bath is also comparable to the high efficiency cyanide bath in all important characteristics. It has the advantages of low metal contents, stability and high limiting current density. The performance of this bath is much better than that of the ordinary type of cyanide copper bath.

Truck Crane

A new lightweight truck crane weighing but 100 pounds and now being distributed is capable of rotating a full 360° in its well and can also be locked in any one of 12 positions, so as to prevent rotation has been made by W. B. McGuire Engineering Co., Montreal, Canada. The well and crane can be located anywhere on the truck deck and occupies only 10 inches square of space. The well is taken off by simply removing the four attaching bolts. Extra wells are available for installation on other vehicles or for dock or floor mounting.

Industrial "Dry-Cleaner"

Described as a revolutionary maintenance tool, a new air gun, termed "The Industrial Dry Cleaner," now available operates on compressed air. This lightweight gun drives hardened steel needles with which their impact on a spring-loaded recoil action rapidly remove scale and rust, even from the most inaccessible points. An accessory kit includes interchangeable points and special chisels. This tool is manufactured by Jasons Equipment (Canada) 1956, Montreal, Canada.

Industrial Snippets . . .

A group of Moscow scientists have suggested the design of a pit without underground workers which will produce not coal, but something like gas consisting of tiny coal particles, for a thermal power station. The coal will be hewn by automatic coal cutters controlled from a central panel on the surface. Special jet engines will "mill" the coal into a gas-like mixture. The transportation of coal inside the pit and of the gas mixture to the furnaces of the power station will be done through pipelines by compressed air.

A method to determine oilfield porosity has been devised by Galina Logovskaya, an Azerbaijan (U.S.S.R.) geophysical engineer. She has proved that oil bed porosity—a key parameter for estimating the amount of oil present—can be identified by electric well sounding. This technique has been effectively applied in a number of Azerbaijan's newly-opened oil deposits. The new method, according to experts, would essentially increase the accuracy of oil reserve calculation and widen the range of oil prospecting techniques.

4 per cent MAHARASHTRA STATE DEVELOPMENT LOAN, 1969

ISSUE PRICE AT PAR

OPEN ON THE 29th AUGUST 1960

The loan will be closed as soon as total of approximately Rs. 1,000 lakhs has been subscribed and in any case not later than the close of business on the 3rd September 1960.

The applications for the loan will be received at—

(a) the offices of the Reserve Bank of India, Bombay, Calcutta, New Delhi, Madras, Nagpur and Bangalore,

(b) the branches of the State Bank of India within the State of Maharashtra, except at Bombay and Nagpur and at places mentioned in (c) below,

(c) the branches and Treasury pay offices of the State Bank of Hyderabad within the State of Maharashtra,

(d) the Government treasuries and sub-treasuries in the State of Maharashtra at places where there is no branch or Treasury pay office of the aforesaid Bank.

Full particulars can be obtained at any of the offices mentioned above.

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Head Office: "India Exchange," Calcutta-1

Authorised and Subscribed Capital	Rs. 1,00,00,000
Paid-up Capital	„ 32,00,000
Assets Exceed	„ 1,35,00,000
Nett Premiums in 1959	„ 1,32,00,000
NETT CLAIMS PAID DURING LAST 10 YEARS	„ 4,50,00,000

Division Office:

Industry House, 159, Churchgate Reclamation, Bombay 1

SIMPLEX MILLS COMPANY LIMITED

PRODUCTION HAS BEEN STREAMLINED

CHAIRMAN, MR. S. R. DAMANI, OPTIMISTIC ABOUT CURRENT YEAR

ADDRESSING the shareholders of the Simplex Mills Company Ltd. at their Forty-eighth Ordinary General Meeting held at Bombay on 16th August 1960, Mr. S. R. Damani, M.P., Chairman, disclosed that the Company had now streamlined its production, but a sufficient flexibility was being maintained to derive the maximum benefit. He was also confident that the results for the current year would be better than last year.

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

"GENTLEMEN,

"I have great pleasure in welcoming you today to the forty-eighth annual general meeting of the Company at the new registered office and thank you for having come all the way here.

"With your permission, I will take the Directors' report and accounts for the year ended 31st March 1960 as read.

Improved Working

"The working during the year has improved, although trading conditions in the first half of the year were the same as those prevailing during the previous year.

"The profit for the year ended 31st March 1960, after providing gratuity, normal depreciation and after making adjustment of excess provision for taxation in previous years, comes to Rs. 1,64,538, as compared to a loss of Rs. 5,14,171 in the previous year. Payment to staff and labour has substantially increased by Rs. 11.49 lakhs, mainly on account of working additional shift, higher dearness allowance and implementation of the Wage Board recommendations. The increased burden under the last two heads alone amounts to Rs. 2.80 lakhs and Rs. 1.39 lakhs, respectively. Consumption of stores and spare parts is up by Rs. 6.00 lakhs and liquid fuel, electric energy and water by Rs. 2.51 lakhs due chiefly to the progressive change in the pattern of production. Interest and depreciation have further increased by Rs. 1.11 lakhs and Rs. 3.00 lakhs, respectively.

Production

"During the year under review, exports have shown a significant rise from 8.14 per cent. in the previous year to 15.66 per cent. The production of wearable sorts has further risen by 4.05 per cent. The increased production enabled the Company to expand its activity in the yarn market, where the sale has jumped from Rs. 5.37 lakhs to Rs. 41.43 lakhs.

"The Company has now streamlined its production. About 40 per cent. capacity has been earmarked for industrial goods, viz., canvas, belting duck, filter cloth, etc., another 40 per cent. for wearable qualities and the balance for yarn. However, a sufficient flexibility is being maintained to derive the maximum benefit.

Capital

"Thanks to your co-operation, the 'right issue' of 16,800 equity shares was fully subscribed and there was an equally good response to the issue of 6½ per cent. registered debentures from the public and institutional investors. These enabled the Company to reduce its borrowings from the bankers. The Directors have now decided to issue the remaining 11,250 debentures of Rs. 100 each at par to be first offered to the shareholders in the ratio of one debenture for every five shares held by them.

Dividend

"This year also the Directors have transferred a sum of Rs. 7.56 lakhs from reserve account No. 1 to the profit and loss appropriation account, to declare a dividend of Rs. 7.50 per fully paid share of Rs. 50 each. This works out to Rs. 5.25 net per share after deduction of 30 per cent. as tax, as against Rs. 5 free-of-tax dividend paid last year.

Cotton

"The crop was low at 37.50 lakhs bales last year, as against the expectation of 48 lakhs bales. The carryover of 12 lakhs bales was probably the lowest in the post-independence history. In order to ensure higher output of cloth and yarn, the Government permitted import of cotton and only recently, it has permitted a further import of 6 lakhs bales of cotton from the U.S.A. under Public Law 480. This fresh import will enable mills to obtain cotton at favourable terms and increase production to meet the local demand.

Wage Board Recommendations

"The Company has paid a sum of Rs. 1.39 lakhs for the year in accordance with the Wage Board recommendations. The full impact of the increase in the wage bill will be felt in the current year. This will mean about 6 per cent. permanent increase in the wage bill, which will further increase by 1.5 per cent. from 1962. The corresponding responsibility of the workers is to improve the efficiency and production and facilitate implementation of the rationalisation schemes. Unless the workers honour their part, it would not be possible to bring down the cost of production and consequently the cloth prices. This would directly reflect in slowing down the process of modernisation which alone can ensure larger exports, higher wages to workers, reduced cost of production and low prices to the consumer.

Prospects

"The completion of the rehabilitation and expansion programme has proved beneficial and the working result for the first four months are really encouraging. I am happy to say that our new qualities of poplin, shirting and longcloth have been well received in the market. The Company is now endeavouring to enter a new field by processing outside cloth which will bring additional income.

"The recent announcement by the Indian Cotton Mills' Federation to reduce the cloth prices will not materially affect the Company and I can safely forecast much better result for the current year.

Industry and Third Five-year Plan

"You are aware that the Government has already released the draft of the third Five-year Plan which envisages a spending of Rs. 10,200 crores—Rs. 6,200 crores in the public sector and Rs. 4,000 crores in the private sector. The Government hopes to increase the national income by 25 per cent. and food production from 70 million tons to 105 million tons, which is the backbone of the cost of living index. The whole emphasis is on development of agriculture and heavy industries and it is proposed to spend about Rs. 1,675 crores on agriculture including irrigation works and about Rs. 1,500 crores on industry.

"Under this Plan the planners have placed the total output of cotton at 72 lakhs bales and cloth at 9,300 million yards per annum, consisting of 5,800 million yards of mill-made cloth and 3,500 million yards from the decentralised sectors, namely, the handlooms, the powerlooms and *khadi*. The Indian Cotton Mills' Federation has estimated the *per capita* consumption at 18.5 yards and, accordingly, the country will need 8.700 million yards per annum for the increased population of 470 million by 1966. Even if we provide 800 million yards for exports, as against 850 million yards per annum as provided by the Planning Commission, it would total to 9,500 million yards. The Indian Cotton Mills' Federation has suggested allocation of 6,200 million yards to the mill sector and 3,300 million yards to the decentralised sector. The production by the end of the second Five-year Plan of the mill sector is estimated at 5,000 million yards and it would not be difficult to increase the production by 1,200 million yards during the next five years, provided expansion is allowed. I do hope that at the time of finalisation of the third Five-year Plan, the Planning Commission would give due consideration to the suggestions put forward by the Indian Cotton Mills' Federation.

Managing Agents

"You are aware that, with effect from the midnight of 15th May 1960, Forbes Forbes Campbell & Co. Private Ltd. ceased to be Managing Agents of your Company. I will be failing in my duty if I do not convey thanks on behalf of the Company and myself for the valuable services rendered by them during their tenure as Managing Agents. Prominent persons from trade and industry have since joined the Board and I am sure the Company shall benefit by the experience and knowledge of the new Directors.

Staff

"The members of the staff of the mills and the selling agents, especially Shri Purushotam Ratilal, deserve praise and appreciation for their efficient work."

4 PER CENT
GUJARAT STATE
DEVELOPMENT LOAN 1969

ISSUE PRICE Rs. 100/- PER CENT

OPENS FOR SUBSCRIPTIONS ON 29th AUGUST 1960

The loan will be closed as soon as a total of approximately Rs. 500 lakhs has been subscribed, and in any case not later than the close of business on 3rd September 1960.

THE LOAN WILL BE UTILIZED TOWARDS THE DEVELOPMENT PROGRAMME OF THE NEW STATE OF GUJARAT. ALL ARE REQUESTED TO SUBSCRIBE GENEROUSLY TO THE NEW LOAN.

The applications will be received at offices of the Reserve Bank of India at Bombay, Calcutta, Delhi, Madras and Bangalore, and at branches of the State Bank of India and Treasuries and Sub-Treasuries in the State of Gujarat.

Applications will also be collected by the State Bank of Saurashtra at Bhavnagar and its branches within the State and forward to the nearest receiving office.

FULL PARTICULARS CAN BE OBTAINED AT ANY OF THE ABOVE OFFICES.

EVOLUTION OF MANAGEMENT IN PLANTATIONS

By W. Wilson Mayne

IT is an important fact of South Indian plantation history that the industry owed its origin to adventurous individualists who either had a little money to invest or sufficient persuasive powers to borrow it, with a view to making a living and possibly a fortune. Their motives were by no means as simple as Marxian theory would have us believe, and they had undoubtedly never heard of exploitation as a term of abuse. They were adventurers, looking for some new exciting endeavour as well as for wealth in developing an unused asset in the hills of Southern India.

The industry was thus founded on the basis of individual private proprietorship. It is significant that, even as late as 1893, it was possible for the representatives attending the Conference at which the U.P.A.S.I. was founded to guarantee personally the salary of the secretary. It is from such a background that the management of plantations has evolved. In this respect it differs greatly from plantations in some other parts of the world, where large companies have been engaged in pioneer development from the beginning such as Unilever in parts of West Africa, the United Fruit Company in the Caribbean and the great rubber companies in Brazil and Liberia.

Early Stages

It is very unfortunate that the early pioneers of planting in South India have left little or no records of their activities. Much therefore must be left to conjecture and to inference from surviving practice, and something to legend. The earliest developments of planting in South India were not in the uninhabited fastnesses of the Western Ghats, but in the Malnad of Mysore, Coorg and the Wynaad in the north and in the foothills of Travancore in the south. The pioneers took up land where there were long established settlements, so that, in the initial stages at least, there were local sources of labour upon which the budding planter could call.

Up to recent times, there were still small coffee plantations in Mysore whose permanent establishment comprised no more than an overseer and a watchman. When work was to be done, the news was passed around the hamlets in the vicinity, and, subject to the demands of the rice crop, workers arrived. When the immediate work was completed, they were paid and returned to their homes. It so happened that the work of opening up an estate and, in the early days, the cultural practices and harvesting of coffee fitted in well with the planting and harvesting of paddy in the Malnad.

At this stage there was no question of a permanent labour force under the control of the manager or owner of the property. The planter came to an arrangement with the local people to provide labour for a given task, in many cases through the village headman or similar local worthy. There were doubtless long and involved arguments as to the rate to be paid for the task and both the carrot and, at least metaphorically, the stick were invoked to get the work done as cheaply as possible. Nevertheless, the preservation of good relations was of the utmost importance, since the work on plantations was not an absolute essential to the neighbouring villagers, though no doubt the earnings were a welcome addition to their meagre cash resources.

It is obvious that, under such conditions, a prerequisite for success was the establishment of friendly relation with the local people. There was no question here of a master and servant relationship, there were no continuing obligations, and only persuasion and an adequate incentive could produce the workers. There was, of course, a darker side, when advances of cash were made, to be worked off by subsequent labour and the growth of indebtedness could lead to possibilities of coercion. It was, in fact, the problem of recovering debts from absconding labourers which gave rise to the formation of the U.P.A.S.I. in 1893, but this belongs to a later stage in the growth of the industry.

Many of the industry's pioneers came from rural Britain, with its background of feudal rights and obligations, who brought with them something of its sense of community responsibility. They also brought with them that supreme confidence in the superiority of their particular cultural pattern which was so characteristic of the nineteenth century Briton. The combination led to the development of patriarchal relationships with their local neighbours, in which from seats of Olympian detachment disputes were settled, simple medicaments distributed to the sick and punishments administered to the unruly.

Nowhere was the pattern more clearly indicated than in the inscription on a simple monument which once stood on the roadside near Kodlipet on the Coorg and Mysore border: "Sacred to the memory of William Hugh Orlebar, Lord of Kumbarahalli." As a system in its time, it worked with surprising satisfaction, as is evident from the appreciative memories of many of the pioneer coffee planters which persisted, long after their departure, among the villagers living around the properties they had owned and managed.

Emergence of Indigenous Planters

This simple system could not last. As the industry expanded, local sources of labour became entirely inadequate—many of the local workers had set up as coffee planters themselves, such was the force of example. It was one of the delegates to the Conference of planters in 1893, Mr. M. N. Subbia, who paid a tribute to the founding fathers of the industry:

"The kindness shown us at this Conference is most encouraging to the native planting community, in general, who, it must be understood, are following in the footsteps of their European brethren and whose success in this field is mainly due to the vast improvements suggested by them."

It was not long, therefore, before planters were recruiting labour from further afield, and there grew up the system of recruitment through labour suppliers which persisted until recent times. Such systems, which varied in detail were even more necessary in the new areas being opened up in virtually uninhabited tracts such as the High Ranges of Travancore and the Nelliampathy and Anamallai hills. The introduction of gangs of workers from more distant places brought with it a whole new series of problems—these workers had to be housed and fed and money had to be advanced for way expenses and other payments before they could undertake the journey to estates.

There was, however, little change in the basically paternal system of management, but the labourers were less independent and more readily subject to coercive pressures, which might be exercised by the estate management or the labour suppliers. At its worst, the system could be oppressive, but, as, for most of the time, labour was short, there was usually an escape, if conditions were too harsh, by moving on to some other estate. The proceedings of the early U.P.A.S.I. meetings are full of complaints about absconding workers who had left without liquidating the advances made to them and there were many disputes over crimpling of labour by one estate from another.

Manager—the Key Man

As estates grew in size and maturity, the immediate supervision of work fell more and more upon the labour suppliers or their representatives, but the overall control lay with the proprietor or his manager, and relations were very largely personal. Changes in ownership or management were infrequent and the relative difficulties of transport encouraged close and intimate relations between the manager and the worker. Conditions were often primitive and life was undoubtedly hard, but, to a considerable extent, its trials were shared. The planter treated his own malaria from the same bottle as he dispensed doses to the workers. He spent virtually all his time in the field with the workers, since, in those halcyon days, there were no insatiable demands for forms, returns and records which bedevil his present-day successor.

Discipline was undoubtedly strict and punishments sharp and immediate and, perhaps, none the worse for that. That injustices occurred is certain, but, generally speaking, the early planters earned a reputation for fair dealing and rough and ready justice in their relation with workers. There were exceptions, of course, where the power that circumstances gave to employers was abused and when for the worker the border-line between respect and fear was unhappily passed.

The general pattern of paternalist management continued up to the Second World War, though not entirely without change. With the development of the tea industry, the need for the assembly of larger financial resources than were normally available to individuals, led to the formation of planting companies. In most cases, these developed from individual private estates often by amalgamation, and the actual day-to-day management changed but little. There was inevitably an increase in office work and an elaboration of field records which necessitated the provision of a new level of staff to cope with it. The new posts of clerks, field conductors and tea makers were at first often filled from the ranks of the labour suppliers and sometimes from the labour, but, with the passage of time and the demands for higher educational standards, the situation changed and the intermediate staff constituted a separate class.

Although the management of estates became increasingly complex, little provision for specialist assistance developed except in relation to medical care. The planter continued to be a man of all work, ready to build houses, survey roads, lay out water-supplies, maintain machinery, settle labour disputes, keep increasingly complex accounts and deal with floods, epidemics, famines, as well as plan the agricultural operations required for the production of crops. He had to be a farmer, forester, engineer, accountant and, above all, a manager of men.

With these developments something was lost. There was inevitably a weakening of the personal relationship which had been the cement of earlier management. In the larger companies, managers were liable to transfer and lacking the time and leisure for learning to know their workers, tended to rely increasingly on their staff and labour suppliers for information about the needs and feelings of the workers. The gap between managers and workers widened. It is said of one general manager of a large company in South India that he did not encourage his managers to know the local language too well, as it interfered with the proper detachment required for the expeditious settlement of disputes!

Workers' Welfare

It is remarkable that when, some thirty years ago, large tea interests opened up in Mysore, providing workers' housing of unheard of standards, paying wages well above the prevailing coffee estate rates and arranging for hospitalisation and medical care on a lavish scale, the movement of local labourers to these amenities was negligible. Yet, perhaps, it was not so remarkable—the managers and assistants were strangers and changed rather frequently, the houses were cold at night and hot in the day, the welfare arrangements were impersonal. A friendly hovel seemed better than a hygienic tenement, a sympathetic manager with a bottle of fever mixture more comforting than a white-coated doctor with a hypodermic syringe.

There is no doubt that the increasing size of estates and complexity of their problems placed a strain on a system of management which had developed in simpler circumstances. That it lasted so long must be attributed to the persistence of a formal pattern of relationships in which the supremacy of the management was accepted unquestioningly by a conservative and backward community which had for centuries accepted its subordinate role in society as devinely ordained. The prestige attached to the manager largely ensured compliance with his orders. Of course, this did not entirely prevent trouble and the system never worked so perfectly as some of the reminiscences of the older hands would suggest. Violent attacks by workers on managers or assistants were not entirely new to the industry with the advent of militant trade unions.

The winds of change engendered by the Second World War did not leave plantation workers untouched. The attainment of independence and the adoption of universal adult suffrage gave them a new importance and leadership and control of this substantial body of people became of political significance. This

leadership came from outside in the form of trade union organisers, who made use of a variety of grievances to win the support of the workers and to create new allegiances. There was really nothing very remarkable about this, but it caught the industry, to a very considerable extent, unprepared. There is no doubt that there were real grievances—rising prices and food shortages in particular—but the situation was certainly aggravated by propaganda deliberately designed to undermine the authority of management.

To many older planters, the situation gave rise to what can perhaps be best described as resentful bewilderment. The best of them had looked after their workers and had assumed their loyalty as a matter of course. It was a bitter blow to find that these same workers were turning to other leaders, and forging new allegiances. There was much talk in managerial circles of the "disloyalty" of workers, the machinations of agitators and the weakness of the authorities, but little recognition that the problem was one of inevitable social change, requiring extensive re-thinking of the methods and functions of management.

There has been surprisingly little explicit discussion of the new problems presented to management by the changing outlook of the worker, but that has not prevented a gradual adaptation to the altered circumstances. It has been undoubtedly assisted by the fact that new entrants to management have had to face the situation as it exists without any background of the older relationships. The industry also gained from the number of its younger managerial staff who served as regimental officers in the army, for, despite much common misconception, the army had learnt a great deal about the problems of leadership.

Qualification for Leadership

The fundamental change has been that, whereas, in the past, leadership for productive activity on plantations was accorded to the manager without question, now that leadership has to justify itself to the workers. The distinction is not, of course, a sharp division between the old and the new. The old prestige of management has not disappered overnight to be replaced by a total rejection of managerial leadership, unless it can be earned by power of personality knowledge and devotion to duty alone. What is involved is a shift in emphasis, which becomes all the more extreme, when the manager relies too heavily on prestige and insufficiently on personality to maintain his authority.

The trend of public opinion and of legislation dealing with labour relations since the war has been to release the worker from any vestige of bondage to the employer and to build up his status as a free and independent person. For the plantation workers, the application of the Payment of Wages Act, the official recommendation for the abolition of the Kangany system, and the protection afforded by the Industrial Disputes Act and the Industrial Employment (Standing Orders) Acts were all directed to this end. While the results have, perhaps, not entirely fulfilled the intentions of the innovators, they have given the worker a new feeling of independence, a freedom which, in its first fruits, has at times, and not unnaturally, overflowed into licence.

These developments have placed a heavy burden on management. To replace an automatic authority by one which had to earn acceptance by force of character was no easy task. The attributes suited to the old pattern of paternalism were not those best adapted to the early stages of industrial democracy and it was essential for management to develop those skills and those virtues which would meet precisely such a situation. The requirements can be best summed up in the words used in the London *Times* in somewhat similar circumstances—"infinite patience and a steady nerve, combined with a liberal outlook, are required to surmount the next stage." These qualities have been reasonably conspicuous in the past fifteen years of change in the plantations of Southern India, though no one would claim that there have been no shortcomings and no forlorn rear-guard actions.

Frustrating Experience

To many of the older planters, the most frustrating experience has been the amount of time now absorbed in labour relations—dealing with complaints, enquiring into disciplinary infringements, establishing workloads and generally endeavouring to secure a reasonable return for the wages paid. There is consequently less time for the traditionally effective manure—the farmers' boots—to circulate around the fields, so that prompt action may be taken to maintain the health and welfare of the tea, the coffee or the rubber on the basis of close continuous observation.

This is not to imply that the older planters believed that plants were more important than people, but that their culture and care required more time and attention than was needed to deal with a system of human relationship which was taken for granted. One of the important lessons that had to be learnt was that the problems of the human relations could no longer be taken for granted and that time spent on them was not wasted time or squandered time, but the basis upon which all constructive activity depended.

There is no question that the burden of management has greatly increased in recent years, and the problem of how the many virtues of a system which has stood the test of many changes can be preserved in an age when the technical demands on management are so varied is becoming increasingly serious. It would be unfortunate if the close relationship between the manager and the workers should be broken by the proliferation of intermediate levels of management, but, at the same time, the need for specialised assistance has grown to a degree that overall efficiency is likely to suffer, unless this can be provided continuously within the management framework. So far, this specialised assistance has only been generally provided for in connection with the health and medical services of estates, but it seems likely that the extension of such assistance to the engineering and agricultural spheres might be of value in easing the planters' burden.

Art or Science?

It is still a matter of controversy whether management should be considered as an art or a science. As far as plantation management is concerned, it is largely the art of securing the co-operation of people in carrying out tasks, not in themselves inherently difficult or complex but in a certain sequence suited to the requirements of the crop being cultivated. The amount of specialised knowledge essential for success is not great, provided the manager knows where to get such information when it is required. The essentials are best acquired in the practice of planting under guidance of experienced seniors and is largely a matter of training in observation and reasonable deduction. All the knowledge is, however, of little value in the absence of qualities of leadership and responsibility which alone can command the willing co-operation of workers.

It is doubtful, if these qualities can be acquired by tuition, but they can certainly be developed when their importance is realised. The future of the industry depends on wise selection of men, with the basic qualities of leadership to fill the posts of management and on the nurture of those qualities in every possible way. The needs of the industry remain fundamentally the same as they always did, but the methods of satisfying them have had to change with the growth in status and self-realisation of the worker. At a time when so much attention is directed to training for management, it is vital that, in schemes for instruction in the techniques of management, the overriding importance of qualities of personality is not overlooked.

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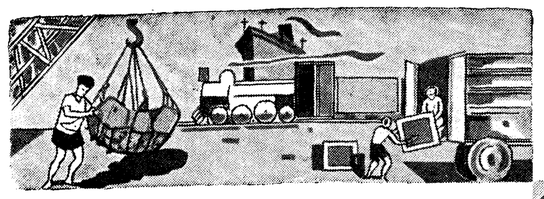

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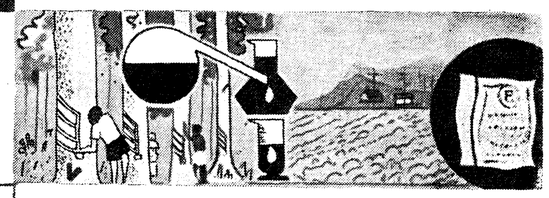

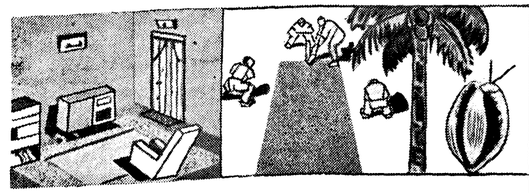

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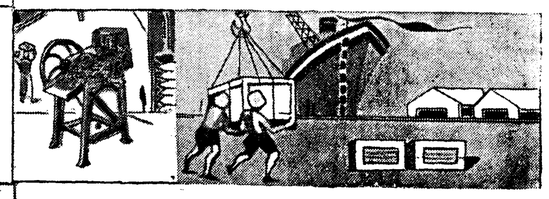

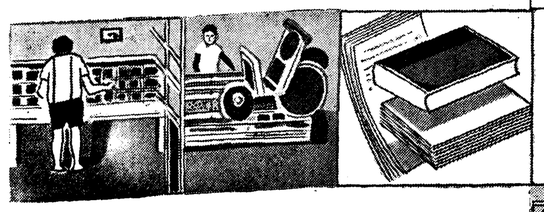

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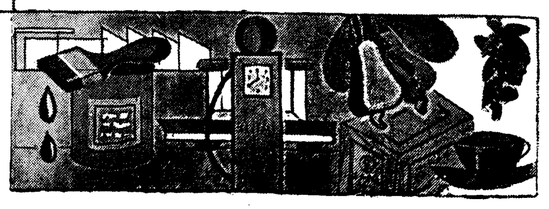

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RUBBER RESEARCH—A MUCH NEGLECTED SUBJECT

SUCCESS OF REPLANTATION DEPENDS ON ADEQUATE RESEARCH

By Dr. C. K. N. Nair

PROFESSOR OF AGRONOMY, GOVERNMENT OF KERALA

THE planters of South India have built up a small but valuable rubber plantation industry in the country during the course of the last half century. The present area of the plantations is slightly under 300,000 acres. The production is about 25,000 tons of raw rubber per year. Until the last World War, most of the raw rubber produced in the country was exported. The few rubber factories which came into existence in the 1920s and 1930s consumed only a small proportion of the indigenous production. The World War, however, changed the entire situation. The existing factories were expanded and new factories started for the manufacture of essential and strategic rubber goods. These factories consumed practically all the raw rubber produced in the country. In the post-war years, the manufacturing industry expanded further.

Although the rubber plantation industry had also expanded considerably, production did not catch up with consumption. The deficit had, therefore, to be met through imports year after year. In 1940, the total production was over 16,000 tons, out of which 13,000 tons were exported. In 1950, the production amounted to 15,600 tons, consumption to 17,735 tons and imports to 1,082 tons. For 1960, the figures would approximately be, production 25,000 tons, consumption 65,000 tons and imports 40,000 tons. The gap between supply and demand is thus ever widening. With the demand for rubber in the country becoming frightfully disproportionate with the increase in production achieved, the rubber plantation industry has been understandably shaken by fear of its own future in the face of imminent competition from synthetic rubber. As long as rubber prices are protected by the Government, the industry may thrive. But the moment Governmental protection is lifted, the plantation industry may face a major crisis, if cheaper and more efficient levels of production are not achieved in the meanwhile.

Perennial Governmental protection for the plantation industry, which is at present privately owned, may not be feasible in the changing pattern of society in our country. Scientific methods of cultivation and competitive production must eventually reduce rubber prices, increase the overall output to the required national level and enable the industry to stand on its own feet.

The total world production of natural and synthetic rubber in 1957 was approximately 3 million tons. It is likely to be of about 3½ million tons or more in 1960. The U.S.A. alone is estimated to consume nearly half of the entire world production. Modest as our raw rubber requirements are, therefore, both as at present and in the foreseeable future, and possessing as we do sufficient productive potential, there is no reason why we cannot develop our plantation industry and make the country self-sufficient in this vital and strategic raw material.

Climatic Conditions

The ideal climatic conditions for the rubber tree, *Hevea brasiliensis*, to flourish are: a more or less uniformly, humid warm tropical condition and a rainfall of about 100 inches evenly distributed throughout the year. In most of the planting districts of South India, the climatic conditions do not approximate to this. There is, on the other hand, a pronounced dry season followed by a pronounced wet season. During the dry season, the growth of the tree is retarded and yield depressed. Even though the rainfall is more than adequate in the planting districts, most of it falls during the south-west monsoon in the months June to August. The continuous heavy rains during this season interfere with tapping and this results in considerable loss of the crop. The average yield per unit area in our plantations is much lower than in other countries like Malaya, where nearly ideal climatic conditions prevail.

Worn-out Rubber

About 80 per cent. of the total area under rubber in South India now consists of old, low-yielding trees. In more than half of this area, the trees have outlived their economic life and are degenerating rapidly. The larger estates are generally well organised and well maintained, but most of the medium-sized estates and small holdings are in a neglected condition. No attention is paid to scientific maintenance and management in these cases. Intensive tapping by unskilled tappers have, in most cases, damaged the trees permanently. Little or no attention has been paid hitherto to soil conservation and management, not only in small holdings but also in many of the medium-sized and large estates. As a result of this, and aided by heavy monsoon rains, erosion and soil-exhaustion have played havoc in a large proportion of plantation soils. To make matters worse, year after year, the trees get severe attacks of the secondary leaf-fall disease caused by *Phytophthora palmivora*, a serious disease peculiar to the monsoon climate. Small holdings and small estates seldom adopt any protective measures against this disease.

The cumulative effect of all the above-mentioned ecological and other factors have contributed to the very low yields of rubber being obtained in our country. Side by side with this tragic condition of old rubber, we have also the bright and hopeful picture of many scientifically maintained plantations of replanted and new-planted rubber, giving yields of the order of five to six times those of old rubber, on a commercial scale. This shows beyond any doubt that even most of the present low-yielding rubber areas could be transformed into high-yielding ones by replanting them with high-yielding strains of rubber and adopting modern methods of scientific management and maintenance.

Development Programmes for Rubber

The Central Government-controlled Rubber Board is charged with the national responsibility of rubber research and development. The Board operates under the administrative control of the Ministry of Commerce and Industry. The revenues of the Board are derived from two sources: (1) rubber cess levied on estate production, and (2) equalisation price levied on manufacturers on imported rubber. The first source brings an annual revenue of approximately Rs. 40 lakhs, while the revenue from the second source fluctuates, depending upon the quantity imported and the prevailing price in the world market. But, during the past few years, this source has brought in an income far exceeding the cess revenue and of the order of magnitude of more than a crore of rupees every year. The Rubber Act clearly envisages that the money thus collected by the Rubber Board must be spent back again on rubber research and development for the benefit of the plantation industry. Here thus we have our starting point to discuss rubber development plans, the near-pathetic state of a large proportion of our plantations and the fattening finances of the Board built up out of the scarce resources of the planters and the manufacturers alike.

Foundation-stone Gathering Moss

Year after year, during the last ten years, the Board has been surrendering their funds to the Government. An insignificant portion of the revenues collected only goes into rubber development. The result is that, while the rest of India has made phenomenal progress during the two Five-year Plan periods, the plantation country of South India has remained neglected, her valuable plantation potentials ignored, and the plantation economy brought to the threshold of impending disaster. Kerala, which produces 95 per cent. of the nation's rubber, has been the most hard hit. Scientific research and development in rubber, which was our most vital need, remained uncared for. The proposed Rubber Research Institute at Kottayam could easily have been planned to be one of India's National Laboratories. Instead, its foundation-stone, laid by the President of India in February 1956, has gathered moss during the last four years. Even now, the Rubber Research Institute has not been built. During the history of the two Five-year Plans, it is extremely doubtful whether a parallel case for a bigger instance of lethargy exists in the country. All these years, rubber research consumed none of the vast funds of the Rubber Board, nothing worth mentioning in any case, and the only research results we are applying today in our plantations, are results from Malaya and Ceylon for which we pay nothing more than the necessary postage. But our own peculiar problems are many, for which the solutions have to be found by ourselves. The approach to the question of developing the rubber plantation industry to achieve self-sufficiency of rubber, has to be made in the context of our own problems. The lack of enthusiasm on the part of planters in the Board's rubber replanting scheme, and the consequent non-achievement of the target areas under the scheme are the results of the failure of the Board to understand these problems. No attempt has been made to study the economic conditions of small holdings and their needs in relation to existing realities. No attempt has also been made to correlate the aid given with the requirements for scientific planting, maintenance and management.

One of the essential points to be borne in mind in any development plan for rubber is the close interdependence between research and development. In fact, no development plan for the plantations would be effective, except when conceived and executed in accordance with the results of researches available from our country. The Board, in first launching the replanting scheme, has in a way put the cart before the horse, and the only remedy now before us is to quicken the pace of rubber research to catch up with the needs of industry. Rubber has been planted in India in the past, not according to suitability of a particular area for the purpose, but according to the availability of some surplus land somewhere in the ownership of the planter. The result is that we have today plantations, in some cases on most unsuitable lands, replanting of which areas would be a national waste.

Dangerous Waste That Needs to be Avoided

We have our own peculiar soil and climatic problems, posing, in their wake, many serious pathological, nutritional, physiological and botanical problems in rubber growing. The mere introduction of improved Malayan clones or the blind acceptance of their methods and practices is not going to solve our difficulties. Our soil conditions and characteristics differ and the nutritional levels of the soils have never been correlated with the requirements of the rubber tree during its economic growth. The fertiliser practices for the replanted areas will depend on the chemical nature of the soils, their nutrient status and the conditions of nutrient availability obtaining in them. The maintenance of soil fertility in replanted areas is an important adjunct for the success of the replanting scheme. In most of the old rubber areas, all top soil has been washed off exposing the bedrock. Much research work has to be done on suitable soil covers for different localities, especially leguminous covers capable of building up soil fertility. Havocs due to erosion and washing have to be prevented by proper methods of mechanical conservation measure.

The latent dangers in the replanted areas are bound to become apparent sooner or later. The soils on which the rubber trees have been growing for several decades are fast deteriorating in respect of several vital plant nutrients, least suspected to be limiting factors in crop production at the present time. Among these can be mentioned calcium and magnesium and all the trace elements. It is possible that, in a few more years, these would become the major limiting factors in rubber production (from the nutritional aspect of the tree). It is, therefore, essential to initiate immediate research into such problems in the replanting of older rubber areas. I have only given an illustration how, without adequate research, the replanting scheme can flounder and become a national waste. There are many more similar situations, where no research has been done and no knowledge exists, so far as it relates to rubber.

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Rubber is an agricultural crop of vital importance to the economy of South India, more especially Kerala. And yet, the agricultural authorities, both of Kerala and the Central Government, *have precious little to do* with the research and development programmes for the crop. The agricultural research programmes for rubber, tea and coffee are handled by the Ministry of Commerce and Industry. I think this is an entirely wrong approach. This approach becomes a positive menace to the development plans for the crops, especially if an initial mistake is committed in appointing a wrong person and vesting him with authority for developing research and evolving plans. Agricultural research and developments can be evolved and executed only by agricultural experts. A wrong person as the Director of Scientific Research can hold up the progress in the field for decades. Perhaps, rubber research would have progressed noticeably during the last 10 years, if the I.C.A.R. or the Ministry of Agriculture had taken over this responsibility. During the few years when the Council of Scientific and Industrial Research was establishing a chain of more than 17 giant National Laboratories all over India and the I.C.A.R. was launching colossal agricultural development and research schemes for the country, the Rubber Board, with its countless wealth earned from the tragedy of the industry, was sleeping soundly, instead of pondering whether or not they must embark on the rubber research scheme, which is only just as large as one of the hundreds of individual research schemes, sanctioned by the I.C.A.R. every year, for all other crops than rubber, tea and coffee.

Research Problems

There are many scientific aspects of rubber planting which have never been studied in this country. I shall list a few of the more important of them, which may vitally affect production in future years if we do not make a systematic study right from now. The foremost necessity is for a detailed study of the rubber soils, their characteristics and their degree of nutrient-exhaustion. It is necessary to survey the rubber-growing areas and classify the soils on the basis of their nutrient status. Fertiliser schedules have to be worked out for each region, based on plant requirements and the fertility status of the soils. A detailed investigation into the calcium and magnesium status of the soils, trace element deficiencies, and measures to combat them, have to be started. Diagnosis of nutrient deficiencies by plant-analytical techniques must be studied, in order that quick remedies may be suggested when plant abnormalities are discovered. The effect of trace element sprays, and the foliar feeding of other nutrient elements by means of foliar sprays, on yield and quality of rubber can be studied. Suitable leguminous covers for different regions and the extent of soil fertility built by them by the fixation of atmospheric nitrogen are other useful lines of investigation. The requirements of phosphates by rubber and the cumulative effect of application in our laterite soils are important fields of study. The extent of potash deficiency in rubber soils and the effect of potash application on resistance to diseases and increase in production are equally important fields of investigation. The nutrient requirements of rubber at different stages of growth needs study. In 1957, I had formulated a tentative fertiliser programme for rubber, which was officially issued by the Rubber Board. The programme gained immediate and immense popularity, because of the spectacular upward trend in production which resulted. This shows how starved the rubber soils were for nutrients, and how responsive these long-depleted soils are to fertiliser application. It is remarkable to note that, from less than 5,000 tons of total fertilisers used by the industry per year prior to 1956, the fertiliser consumption rose to 25,000 tons in 1958 by the rubber plantations.

Value of Research

A planned fertiliser programme for the industry is the very backbone of maximum production, and perhaps the only contributory factor that will help maintain the high yields over the years, after the trees reach the tapping stage. On the role of fertilisers in rubber production, I shall quote from the *Planters' Bulletin* of Malaya (January 1958) which summarises the results of a quarter century of researches on the subject, done in that country:

"Extensive long-term field experiments have now clearly demonstrated the value of sound manuring programmes in the cultivation of rubber on virgin land and in replantings. The benefits of manuring modern high-yielding rubber trees regularly with appropriate mixtures have been established with confidence on practically all soils on which rubber is grown in Malaya. Basic research over the past five years into the mineral nutrition of the rubber tree has provided reliable means for the diagnosis of nutritional disorder and points the way to further advances in cultivation."

Here, in India, the Rubber Board is still *groping in the dark on every aspect of rubber* research mentioned above.

An important line of useful investigations in rubber research will be the application of radio-active tracer techniques to the study of soils and mineral nutrition. Much valuable information can be obtained in the absorption and utilisation of nutrient elements by the rubber plants, their transport and disposition in the plant system and even the role some of these elements play in the synthesis of latex, by means of radio-active isotopes. For instance, most of the phosphorus applied to rubber plantations is in the form of rock phosphates. The phosphorus accumulation in our lateritic soils and the intricate reactions of reversion and fixation, may unfavourably affect the absorption of a number of other nutrient elements, *besides the absorption of phosphorus* itself, by the rubber tree. These reactions can best be studied by means of P-32. Such studies may have immense practical significance in effecting phosphate economy in the rubber plantations. Trace element absorption and the role that some of them undoubtedly play in the synthesis of latex can be investigated by means of radioactive tracer techniques.

Mutation studies in rubber seeds by means of nuclear irradiation provide a useful line of investigation for evolving high-yielding strains of rubber. Some work was initiated in this direction in 1957. With the newer and more powerful Experimental Reactors available with the Atomic Energy Department, it is very necessary to continue such investigation.

Weedicides

The development of new high-yielding clones from indigenous materials is a long-term research work of vital importance to the industry. This is a time-consuming work, requiring years of painstaking observations. Work on yield stimulants, new techniques in tapping practices and the effectiveness of chemical and hormonal weedicides are some other possible lines of useful research. Extensive *researches* on leaf dieases, as well as on diseases of the stem and the roots are required to be carried out. Much work has to be done to improve the quality of the marketable product currently produced by the industry. The conditions which control the coagulation of latex and the drying of rubber under Indian conditions of manufacture, need investigation. Bleaching processes for crepe, quality of latex concentrates and preparation of various forms of superior quality modified rubber have to be investigated.

The problems of the rubber plantation industry are thus numerous and inexhaustible, in the context of our own peculiar conditions. No one else is going to solve them for us. Where a band of 100 research workers and specialists are needed, the Rubber Board has just one or two. Research in the Rubber Board has been, and still is, under some evil spell and never moves forward. It is unfortunate, but nevertheless true.

Remedies

It is a welcome sign that the Government of Kerala is taking the lead in the matter. The Rubber Board has been talking for the last 10 years or so of converting the Andaman and Nicobar Islands into flourishing rubber plantations. None has come up so far. The Kerala Government's scheme of new planting is fast making headway and soon we may have several thousand acres added to our existing rubber areas. As the State Government's responsibilities in rubber development grow, rubber research is also bound to make headway as a matter of necessity. It looks to me that the State Government must impress upon the Government of India the need to hand over rubber research to our own Department of Agriculture. A fair proportion of the rubber cess collected from our planters must be given to the State Government for furthering rubber research. Kerala has 90 per cent. of the total rubber area of India and accounts for 95 per cent. of Indian rubber production. We have, therefore, to keep our eyes open, lest we may be rudely shaken one day by the sudden emergence of cheap synthetic rubber on the scene. That will be the collapse of our plantation economy. If such a thing happens, the Rubber Board does not lose, but only Kerala and its toiling planters. The Board may still be able to feed on synthetic rubber, and forget natural rubber research for all time to come.

THE HOME MARKET FOR TEA

SOME QUESTIONS ANSWERED

By J. G. Robinson

THE home market for our Indian tea is a very considerable factor in the national and the international tea trade. The size of India, its complexity and its population all combine to fox the statistician. So it is little wonder that estimates of our annual consumption of tea vary. The lowest I have seen for 1959 was 225 million pounds, the highest 255 million pounds. The official (Tea Board) figure is 243 million pounds (provisional).

All experts agree, however, that home consumption in India rose steadily in the 1950s, probably at an average rate of somewhat more than 10 million pounds a year. Will this rise be continued in the 1960s? Generally, expectations are that it will. Certain basic factors favour increasing home consumption of all commodities —for instance, rising population. Rising incomes as the third Five-year Plan gets going is another such factor and a considerable one at that.

Although the Central Government now appears rather lukewarm about tea promotion in India, it is likely that tea will secure its fair share of any such general increased consumption, mainly due to the efforts of individual distributors, large and small.

There is, however, a considerable body of opinion which holds that this cannot be accepted as a foregone conclusion. They point to changing habits, such as the marked rise in cold drinks sales. Such surveys as exist tend to indicate that the increased tea consumption is coming from hotels, restaurants and tea shops rather than from the home and is consequently more liable to change than if it were a deep-seated habit. Promotion, these *pundits* argue, must be continuous over a long period, particularly in those areas where the best results may be expected.

More Common With Men

Tea drinking in India is more common among men than among *ladies and children*, and, though this beneficial habit is widespread, consumption varies considerably from State to State. Gujerat, Kerala and Bengal are among the relatively heavy tea drinkers. Even here, however, *per capita* consumption scarcely reaches one-fourth that of an average Briton.

Much has been spoken, and some little written, in political, economic and trade circles, about our home market for tea. *It is customary* to describe it in wide generalisations, some of which are, unfortunately, not accurate. I think a useful purpose will be served by asking and answering a few common questions about the home market.

How Much Packet Tea is Sold in India?

Excise returns indicate about 120 million pounds annually. This *is about* half the total consumption in India; the other half is sold "loose," i.e., *in chests*, to shopkeepers who retail it in small quantities.

Is the Home Market Monopolised?

Emphatically not. It is true that there are several large packing firms, with wide interests, but none of these approaches a monopoly, even in the packet trade by *itself*, which, as mentioned above, is only half the home market.

Are Tea Auctions Really Free?

Yes. Any *bona fide* tea trader, satisfying certain reasonable conditions, can arrange to bid in the auctions either in Calcutta or Cochin and, in fact, the number of firms so bidding is quite large and keen competition is often seen.

Why is Tea in Shops Dearer Than Auction Prices?

Central, State and local taxes account for much of the difference. Freight and handling charges have to be met. In the case of packets, there is the cost of paper, etc.

Packet tea, in particular, has to pay a special excise, which many in the trade consider an unfair discrimination against progressive enterprise.

Profits in the tea distribution business are kept to very reasonable levels by the keen competition seen in every bazaar.

The Plantation Enquiry Commission, which conducted an enquiry in the middle 50s, confirmed that there was no profiteering.

Any attempt to restrict the home market would herald chaos; first on the estates whose production is mainly plain tea—perhaps half of the total, and then, swiftly following, repercussions on the international market where any such move would be most unwelcome and would drop prices to the floor, thereby probably more than eliminating any immediate foreign exchange gain.

It is nearer the truth to say that the home market and the export market are complementary. The home market assures a fairly stable basis for the product of those estates which, due to climatic and other factors, produce plain teas. It is generally accepted in the trade that a flourishing home market is the best assurance of stability for the industry.

How, Then, Can Exports be Increased?

This is an article about the home market, but the question is so vital that it must have a place.

The simple answer is by strict attention to quality, by keen and able trading and promotion, hampered as little as possible by regulations and taxation, and ultimately by larger crops.

The tea industry is at present beset with *many regulations*, all probably excellent in their

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origin, whose cumulative effect is to limit expansion. A lot of these regulations were an integral part of the international agreement to regulate tea production, which expired some years ago and which it has proved impossible to revive despite well-directed efforts. Many people feel that the impossibility of international regulation must now be accepted and that our Indian regulations must be relaxed or transformed into a more positive form of planning. The recent announcement by Government of a scheme whereby the Tea Board will utilise its large surplus funds to finance hire purchase, so that the smaller estates can equip or re-equip themselves with modern machinery, is a great step forward.

Another farsighted plan was the scheme for guaranteeing the finance of hard hit gardens by the Tea Board. This has fallen upon administrative difficulties, but most people in the tea trade hope that it will eventually emerge.

This type of positive thinking and planning is essential, if our all-India tea crop is to be raised from the present 710 million pounds to the third Plan target of 850 million pounds.

The industry needs both its export and its home market and both must be developed, if the tea trade is to play its full part in the national economy.

If Regulations are Relaxed, is there not a risk of a Glut of Plain Teas?

This is the vital question. It must be faced honestly. The answer is: Yes, there is a risk.

All planning, particularly for consumer commodities, involves this particular risk. Experience shows that such gluts tend to occur in a single year rather than over a series of years. Even so, the weaker estates particularly would run into grave difficulties in any year during which glut conditions developed.

But, in the writer's humble opinion, the way to deal with this problem cannot be to plan on a basis of restriction, because a basis of expansion involves some risk. Surely, the right thing is to plan for expansion and, if glut conditions develop in any year, to deal with the position then, in the light of then circumstances.

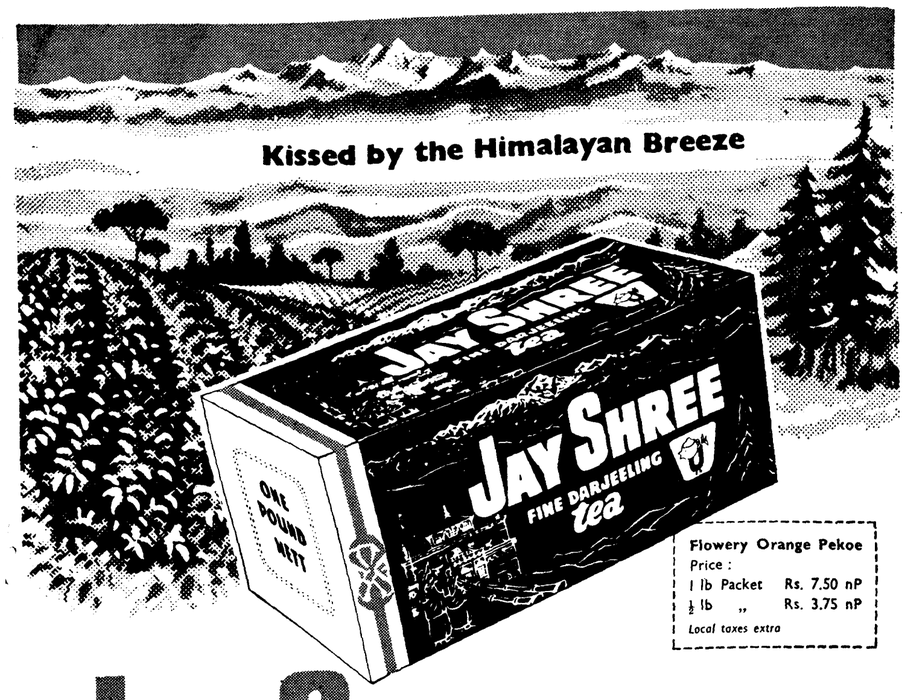
The Central Government has many weapons to hand which could be counted on to give timely aid to any section of the industry or to the whole industry, if necessary. Reduction of the very high rate of taxation leaps to mind. Special steps directed towards special areas, like the existing fertiliser subsidy to the more inaccessible North Eastern areas, could be multiplied.

The aforesaid questions cover the main issues that are so frequently discussed, inside the trade and sometimes outside too, about the role of the home market in the Indian tea industry.

I hope this article has served to convince that the Indian tea trade is fortunate as compared with its foreign competitors in having a stable but lively home market of a size not disproportionate for a country that grows nearly half the world's tea.

Although the absorption of the home market is only about a third of the total national crop, it provides the gardens with an invaluable price support, especially for plain teas. The scores and scores of firms engaged in the home market provide the warmth, the healthy benefit and the social asset that goes with a cup of tea, not only in big cities but right into the smallest village. In doing so, they provide the Finance Minister with a handsome source of income, yet still the price of a cup of tea is within the reach of the humblest. This strikes me as no mean achievement.

One cannot close without paying tribute to the efforts of the Tea Board and its predecessors who between them did so much to foster tea drinking in India, but I am sure they would agree that little might have come from their task but for the ability and integrity of the tea merchants—large and small—whose initiative and capital have created and maintained our home market for tea.



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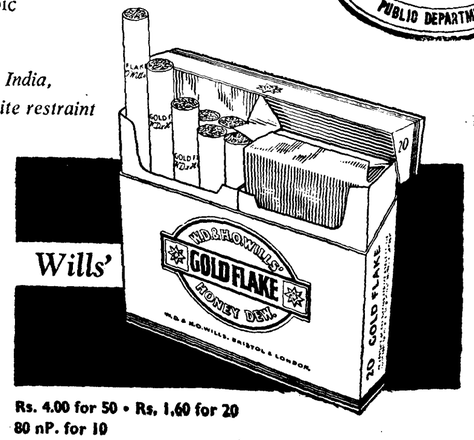

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UNDER SECRETARY TO GOVERNMENT 27 AUG 1960 PUBLIC DEPARTMENT

CHEMICAL INDUSTRY IN THIRD PLAN

SUBSTANTIAL EXPANSION OF BASIC CHEMICALS ENVISAGED

THE chemical industry in India is on the threshold of a new era of rapid development. The industry has made substantial progress during the first and, more particularly, second Plan periods and bids fair to make considerable headway during the third Plan. An agreement between India and West Germany just signed at Bonn for launching a manufacturing programme of basic chemicals and intermediates in this country is a significant pointer to the pattern and course of the development of chemicals in the coming five years. According to this scheme, the Basic Chemicals and Intermediates (B.C.I.) project, which will be in the public sector, will be located in the Aptakharpada area, near Panvel, Maharashtra State. The scheme provides for the manufacture of as many as 40 organic intermediates with an aggregate annual capacity to produce 25,160 tons. The capacity of the plant is proposed to be expanded at a later stage by 10,000 tons. The B.C.I. scheme is of special significance to the development of chemical industry in that it will serve as a link between organic hydrocarbons (such as benzene, toluene, naphthalene, anthracene and xylene) at one end and dyestuffs, plastics and drugs manufacturing plants at the other end. The project will be linked with the Synthetic Drugs Project proposed to be established near Sanatnagar, Hyderabad (Andhra Pradesh). Several basic inorganic chemicals will be consumed in the manufacturing operations, which include, *inter alia*, chlorination, sulphonation, alkalene fusion, nitration, reduction and oxidation. Production of some of these inorganic chemicals is also envisaged in captive plants within the project.

The recovery of organic hydrocarbons, such as benzene and toluene, is expected to be stepped up in the third Plan period, side by side with the increased coking of coal at the steel plants. Besides, the Government of India is planning to establish a plant for the manufacture of sulphur from pyrites at Amjor in Bihar. A plant, with an annual capacity of 30,000 tons of sulphur, will be set up for this purpose. The mining of the pyrites will simultaneously give rise to the production of fines which are expected to find an outlet in the manufacture of sulphuric acid. Another major scheme in the public sector relates to the development of essential drugs and surgical instruments in collaboration with the U.S.S.R. The scheme seeks to set up four plants. They are: (1) Synthetic Drugs Project at Sanatnagar, Andhra Pradesh, covering the manufacture of sulpha drugs, vitamins, phenacetin, other synthetic drugs (INH, luminal, chloroquin, etc.) and Intermediates (including ASC at 1,500 tons per year). (2) Antibiotics plant, near Rishikesh (Uttar Pradesh), covering the manufacture of penicillin, streptomycin, chloro and other tetracyclines, new antibiotics. (3) Phyto-chemicals plant in Kerala, covering the manufacture of caffeine, ephedrine, digitalis glycosides, Lanatazides, Ergot alkaloids, atropine, scopolemine, reserpine, papain, vitamin P. (4) Surgical Instruments plant, near Guindy, Madras, for the manufacture of 25 groups of instruments. On the implementation of these schemes, the availability of essential drugs at reasonable prices is expected to be ensured.

Fertilisers

The development of fertilisers, too, must be viewed as a part of the programme for the chemicals industry, since a wide range of basic chemicals are produced and finally transformed into fertilisers, for example, sulphuric acid, ammonia, nitric acid and phosphoric acid. Besides, some of the end-products of the fertiliser industry have also other uses as chemical raw materials, as, for example, urea for the manufacture of urea formaldehyde resins. It is proposed to secure by the end of the third Plan, production of nitrogenous fertilisers equivalent to one million tons in terms of nitrogen and of phosphatic fertilisers equivalent to 400,000—500,000 tons in terms of P_2O_5. This compares with a current consumption of less than 60,000 tons of P_2O_5 and an availability of 231,000 tons of nitrogen for consumption in 1959. It is at present contemplated that, in the public sector, capacity for nitrogenous fertilisers will be expanded to about 800,000 tons in terms of nitrogen and that the balance of 200,000 tons required to reach the target of one million tons will be provided by the private sector. The private sector is also expected to provide most of the increase in capacity needed for phosphatic fertilisers.

The existing capacity for nitrogenous fertilisers is 144,000 tons in terms of nitrogen. This is almost wholly in the public sector. It is expected to increase to about 234,000 tons by the end of the second Plan with the completion of the expansion of Fertilisers and Chemicals Ltd. (F.A.C.T.) and of Nangal Fertiliser Factory. Two other factories are under construction at Rourkela and Neiveli and tenders for plant and equipment have been invited for another factory at Trombay. The setting up of factories at Durgapur, Nahorkatiya, Kothagudium in Andhra and at a site in Rajasthan has been approved and sites for factories in Uttar Pradesh, Madhya Pradesh, Mysore and Gujerat are under consideration. One or two more additional factories will be needed to achieve the target of one million tons. High priority is being assigned to investments in this field in the next three years.

According to the third Plan draft, the tentatively accepted end-products pattern for nitrogen and complex fertilisers is as follows:

(Thousand tons of nitrogen)

End-product	(1965-66)
Ammonium sulphate	232.0
Ammonium sulphate-nitrate	211.0
Nitrochalk and nitro-limestone	160.0
Nitrophosphate complex fertiliser ...	74.0
Urea	206.0
Ammonium phosphate	67.0
Ammonium chloride	50.0
Total ...	1,000.0

It will be seen from the above figures that a significant portion of the additional output of nitrogen is being planned in the form of complex and/or compound fertilisers, so that a part of the phosphate (P_2O_5) requirements will also be met in this manner. This pattern of production is expected to keep within reasonable limits the dependence on sulphur and gypsum.

Share for Private Sector

Although the tentative share for the private sector in the development of nitrogenous fertilisers is placed at 200,000 tons, it may be permitted to expand further, if industrialists prepare appropriate plans. It may be noted, in this connection, that Mr. S. K. Patil, Union Minister for Food and Agriculture, while addressing the annual meeting of the Fertiliser Association of India last week at New Delhi, gave the assurance that, should the private sector be inclined to take up the prbduction of more than 200,000 tons of nitrogenous fertilisers, the Government would be willing to consider favourably any specific proposal. He observed that the target of 200,000 tons should not be considered as the ceiling for the production of nitrogen in the private sector. He, however, added that Indian industrialists would be expected not only to find the necessary rupee capital for the nitrogen factories but also enter into collaborative arrangements with foreign *entrepreneurs* so as to be able to obtain plant and equipment required for the factories without the expenditure of foreign exchange.

Apart from fertilisers, the private sector is also expected to take up the schemes for the development of heavy chemicals. In the sphere of inorganic chemicals, production of sulphuric acid which was 164,000 tons in 1955-56 is estimated to reach 400,000 tons by the end of the second Plan and 1.25 million tons by the end of the third Plan. The corresponding figures for the production of caustic soda are 35,000 tons, 125,000 tons and 400,000 tons, respectively. India is expected to achieve "near self-sufficiency" in this chemical by next year. The production of soda ash has already exceeded the second Plan target. The production target for soda ash is placed at 450,000 tons, as compared with the estimated production of 240,000 tons in 1960-61 and only 81,000 tons in 1955-56. The production of hydrogen peroxide, extensively used by textile and paper industries, was commenced in the country early during the second Plan period and has made tremendous progress.

In the sphere of organic chemicals, too, major developments in the private sector are envisaged, based on supplies of intermediates from the proposed Basic Chemicals and Intermediates Plant in the public sector, for instance, production of rubber, chemicals, A.S.C. and sulpha drugs from acetanilide and of phenolformaldehyde from supplies of phenol from the Government Intermediates Plant. Production of citric acid and oxalic acid is also envisaged for the first time. Large-scale expansion of acetic acid, acetone, formaldehyde and production of organic esters required as solvents, e.g., butyl acetate and phathalic esters, will further strengthen the organic chemical industry. The production of plastic monomers like vinyl chloride, styrene and of high polymers like synthetic rubber, currently under development, may also be mentioned in this connection. All these new products are expected to assist in bringing down the requirements of foreign exchange for maintenance in some of the major industries established in the post-war period.

In addition to these chemicals, considerable progress is expected to be made in the establishment of petro-chemical industry for which talks are going on at present between the Government and a leading firm of *entrepreneurs* in Bombay. Besides, by 1965, India is expected to become one of the largest industrial alcohol producing countries in the world, thanks to the abundance of molasses produced by it.

Impressive Progress

The Union Minister for Industry, Mr. Manubhai Shah, while addressing the 45th foundation-day meeting of the Calcutta Chemical Company, West Bengal, last week, gave a brief account of the impressive progress of chemical industry in India since planning began. He is entitled to a large measure of credit for India's achievement in this field, for he is really the person in the Government who gave the necessary push that has facilitated the growth of chemical industry in the past four years, in particular, and prepared the ground for further expansion in the coming years. If any proof were needed for substantiating this tribute to him, one could refer to his thought-provoking article on this industry contributed to our 1956 *Annual Number*. At the aforesaid meeting, Mr. Manubhai Shah described the latter half of the second Plan period as the dawn of the era of chemical industries. He pointed out that not only imports during this period had been very drastically curtailed, but, in many cases, capacities even in excess of the current requirements had been built up. He was confident that there were now possibilities for the promotion of export of some chemicals and chemical products. He appealed to each unit of chemical industry to plan its production programme in such a manner that it could export at least that much which was needed to meet its foreign exchange. He was hopeful of the plastics industry being one of India's leading foreign exchange earners. This industry, he said, was expected to produce Rs. 100 crores worth of plastic goods by 1965, as against only Rs. 10 crores worth of goods at the beginning of the second Plan.

FEDERATION'S SERVICE TO SMALL INDUSTRIES

Of late, several steps have been taken by Government to help the small industries, in the sphere of registration, finance, marketing, etc. Multiple agencies, as also authorities in both the Central and State Governments, are entrusted with the task of implementing these different schemes of assistance. This makes it difficult for small *entrepreneurs* to keep track of the aid given by the various agencies and to plan their production programmes accordingly. It is, therefore, gratifying to find that the Federation of India Chambers of Commerce and Industry, New Delhi, has brought out a booklet, entitled *Small-scale Industries—Procedures and Facilities* which seeks to provide a systematic account of the procedures to be followed by, and the facilities available to, small industries.

The booklet is divided into nine chapters. The first chapter deals with the definition of small industries (which has recently been amended as to include all units with a capital investment of not more than Rs. 5 lakhs, irrespective of the number of persons employed), as also the various authorities and agencies to be approached for setting up a small unit. The next chapter is devoted to a study of the registration and other procedures relating to the establishment of a small unit. The following two chapters are concerned with the position relating to scarce raw materials, and policy and procedure for the import of raw materials and machinery. The fifth chapter outlines the details of the scheme for hire-purchase of machinery organised by the National Small Industries Corporation. The sixth chapter covers the procedure for securing Government orders for the products of small industries. Of particular importance to small-scale *entrepreneurs* is the seventh chapter dealing with different credit agencies, as well as their terms and conditions. The eighth chapter gives an account of the available technical facilities and the final one the advantages offered by the Industrial Estates.

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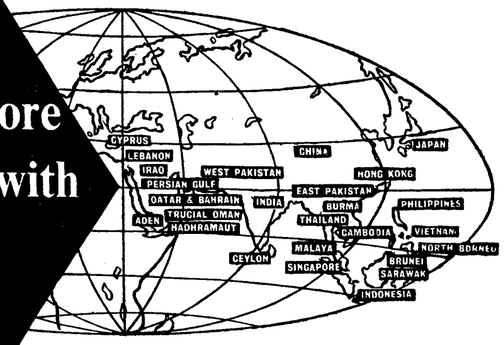

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BIRLA JUTE MAINTAINS PROGRESS

CEMENT UNIT ACCOUNTS FOR THE RISE IN EARNINGS IN 1959-60

THE growing diversification of activities of the Birla Jute Manufacturing Company Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta), necessitated by the vagaries of jute crop and demand for gunnies and the resultant uncertainty about the fortunes of the jute industry, has proved to be beneficial to the Company. In 1954, the Company set up a calcium carbide factory and in 1957 it extended its activity to manufacture of staple fibre yarn. This was followed by the establishment of a cement factory in 1958, which went into production in February 1959. The cement project has contributed not a little to the improvement in the profit of the Company during the year ended 31st March 1960. In fact, the rise in the gross profit for the year under review is mainly due to the earnings from cement.

The cumulative gross profit of the Company, which had touched a low of Rs. 27.01 lakhs in 1956-57, has successively grown to a high of Rs. 112.33 lakhs in the year under review, thus rising more than fourfold in three years. The increase in profit over that for 1958-59 is Rs. 31.89 lakhs, thanks to a profit of Rs. 35.31 lakhs earned by the cement department, as against a nominal one of Rs. 44,669 in 1958-59. The profits of other departments have been more or less maintained at the previous year's levels. Jute manufacture still constitutes the main activity of the Company, but the margin of profit on staple fibre yarn and cement have been relatively better than that on jute and calcium carbide, as will be evident from the following comparative table:

(In lakhs of rupees)

	1959-60	1958-59	1957-58	1956-57
Sales:				
Jute goods	311.25	332.45	387.50	395.13
Calcium carbide	41.39	27.71	31.56	29.29
Staple fibre yarn	114.83	114.52	67.00	
Cement	142.18	0.05		
Gross profit:				
Jute goods	47.95	48.66	28.52	16.08
Calcium carbide	4.81	4.95	7.75	6.14
Staple fibre	27.60	28.70	6.03	0.02
Cement	35.31	0.45		

The total net profit is, however, lower at Rs. 47.12 lakhs, as compared with Rs. 51.67 lakhs for the previous year, consequent on the substantial increase in the provision for depreciation and taxation. The transfer to the reserves has been reduced from Rs. 35.78 lakhs to Rs. 23.16 lakhs. Even so the amount ploughed back represents a substantial part (nearly 50 per cent.) of the net profit; in 1958-59 as much as 69.2 per cent. of the net profit was conserved.

Dividend

The Directors have recommended a dividend of 15 per cent., subject to deduction of tax, which is equivalent to a net distribution of 10.5 per cent. and represents a fractional increase over the tax-free dividend of 10 per cent. per annum, paid consistently for the previous six years. As regards the dividend on preference shares, the Company has got two classes of preference shares, 7½ per cent. (less tax) first preference shares and 5½ per cent. (free of income-tax) redeemable second preference shares. In the case of the first preference shares, the Directors have recommended deduction of tax as required under Section 18 (3D) of the Income-tax Act from the 7½ per cent. dividend, so that the net dividend will be only 5.25 per cent. However, as the tax deductible at source for the year under review is less than the rate of Company's income-tax which was being deducted all these years, the net return will be slightly higher than in earlier years. So far as the second preference shares are concerned, the holders thereof had been receiving a dividend of 5½ per cent. free of tax. The Directors feel that it would be unfair to these shareholders, if their dividend income were now to be reduced as a result of the abolition of the grossing under the new scheme of taxation. Further, the Finance Minister has, they say, also recommended that the dividend on tax-free preference shares should be so increased that the shareholders continue to get the same amount as before. Accordingly, the Directors have recommended a dividend of 7.86 per cent. on the second preference shares, so that, after deduction of tax at 30 per cent., a net dividend of 5½ per cent. will be left in the hands of shareholders. This is, however, subject to the approval of 75 per cent. of each class of shareholders.

The progress of the Company in recent years is well brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	5,89.65	4,74.73	4,86.06	4,23.42
Closing stocks of finished goods	26.38	21.49	10.59	29.53
Other income	23.95	18.55	15.92	8.60
Raw materials consumed	2,50.97	2,35.00	2,50.02	2,45.47
Other expenses	2,40.31	1,80.10	1,41.56	1,34.29
Gross profit	1,12.33	80.44	44.68	27.01
Managing Agents' remuneration	6.83	6.08	3.15	2.21
Provision for—				
Depreciation	42.28	17.69	13.57	8.03
Taxation	16.10	5.00	8.02	4.00
Net profit	47.12	51.67	19.92	12.77
To reserves	23.16	35.78	0.64	
Dividends—				
Preference	9.63*	6.71	6.59	5.35
Ordinary	13.98	9.13	9.13	9.13
	(15%)*	(10%)	(10%)	(10%)
Carry forward	0.35	0.29	0.24	2.67

* Subject to deduction of tax.

The performance of the jute section would have been worse but for the improvement in trading conditions since June 1959, when demand for jute goods improved considerably and enabled mills to reopen the looms in stages. However, from the beginning of 1960, there was a steep rise in the price of raw jute due to shortage of the material.

The expansion of the calcium carbide factory was completed during the year under review and the new furnace with the rated capacity of 25 tons per day was put into commission from November 1959. In accordance with the Company's understanding with the Government, the benefit of higher production has been passed on to the consumers by reducing the Company's selling prices of carbide by Rs. 60 per ton.

The staple fibre section worked satisfactorily throughout the year.

The cement plant at Satna did not work smoothly during the year, due to several breakdowns and other troubles. The total clinker production amounted to 145,937 tons and the total cement output was 163,411 tons. Consequent on breakdowns, the machinery suppliers, too, have not been able to fulfil the production guarantee of 750 tons per day. They have, therefore, agreed to pay compensation according to the terms of contract.

Current Year's Prospects

The outlook for the current year is somewhat obscure. This is because of the diverse activities of the Company, in which the brighter prospects of one section may be counteracted by the adverse outlook of another. In the jute section, for instance, as a result of the sharp rise in price of raw jute during the last few months and the closing of the looms (it was 5 per cent. in the case of Birla Jute) from 6th June, the profit of jute mills this year may not be so good. The accumulated loom-hours to be recovered under the Working Time Agreement of the I.J.M.A. as on 31st March 1960 aggregated 303.170. The looms sealed in June 1960 will, no doubt, be reopened again, as soon as the new season's jute starts coming in plenty. The current season's crop is said to be good, though it will be delayed by two months. The modernisation programme of the jute machinery is expected to be completed by next month. The full benefits and economy resulting from this will be partly reflected in the results of the current year. The expansion programme of the staple fibre spinning mill, aimed at raising the capacity from 16,000 spindles to 30,000 spindles, is expected to be completed by November 1960. The effects of this are also likely to be reflected in the current year's results. Modifications and improvements have been made in the cement plant and better results are, therefore, expected this year. It will thus be seen that, but for the uncertainty about the jute section, one could clearly say that, in the current year, the Company would fare even better than in the past year. The long-range prospects are, however, promising. With an ever alert management looking out for opportunities for expansion, it is reasonable for one to assume that the Company will not be allowed to lag behind others.

The Company's paid-up capital is unchanged at Rs. 215.94 lakhs and is supplemented by reserves and surplus amounting to Rs. 283.18 lakhs, of which a sum of Rs. 145 lakhs represents capital reserve created out of revaluation of assets as early as in 1948-49. The borrowings of the Company have gone up from Rs. 130.22 lakhs to Rs. 154.05 lakhs, which include Rs. 33.30 lakhs being the outstanding borrowings from the National Industrial Development Corporation Ltd. The other current liabilities and provisions too show an increase from Rs. 66.55 lakhs to Rs. 94.14 lakhs. In pursuance of the programme of modernisation and expansion, the Company spent as much as Rs. 105.79 lakhs on additions to the block account during the year under review. This is on top of Rs. 236.17 lakhs expended in the previous year, bringing the gross value of the block account to Rs. 734.86 lakhs (including the value added by revaluation Rs. 145 lakhs in 1948-49). This has been written down to Rs. 508.50 lakhs. The capital expenditure in progress is Rs. 13.50 lakhs. The current assets amount to Rs. 228.74 lakhs, which do not adequately cover the current liabilities and provisions (including borrowings) aggregating Rs. 248.19 lakhs.

The current assets, it may be noted, include investments of the order of Rs. 78.42 lakhs, of which Rs. 23 lakhs are in the ordinary shares of India Linoleums Ltd., a wholly-owned subsidiary, Rs. 17 lakhs in Tata Steels (Ordinary), Rs. 7.95 lakhs in Century shares (Ordinary) and Rs. 7.88 lakhs in Titaghur Paper ordinary.

The current market value of the Company's Rs. 10 fully paid-up ordinary shares is Rs. 33 *ex-div.*, at which rate the yield on them is 3.2 per cent. per annum, free of tax.

UNION COOPERATIVE INSURANCE SOCIETY LTD.

Despite its small size and modest turnover, the working of the Union Cooperative Insurance Society, Ltd. (Manager and Secretary: Mr. D. N. Desai, Bombay) showed satisfactory results during the year ended 31st December 1959. Although both the marine and miscellaneous departments suffered underwriting loss, this was more than offset by the profit of fire business which continued to be the mainstay of the Company. In fact, out of the combined net premium income of Rs. 13 lakhs, as much as Rs. 10.16 lakhs were accounted for by the fire department, Rs. 2.68 lakhs by the miscellaneous department and only Rs. 15,954 by the marine department. It may be noted here that the Company started writing marine business only as late as 1958. Thanks to better claims experience in the fire department, the net profits showed a substantial increase to Rs. 2.46 lakhs from Rs. 1.86 lakhs in the previous year. The dividend has been stepped up from 5½ per cent. in 1958 to 6 per cent., tax-free, for the year under review. Bonus to policyholders has also been raised by 2 per cent. to 14 per cent. (taxable), as compared with 12 per cent., subject to tax, in the previous year.

The combined net premium from the three departments during the year amounted to Rs. 13 lakhs, as against Rs. 8.47 lakhs in the previous year. Claims that arose in the three departments together aggregated Rs. 2.59 lakhs, comprising Rs. 1.58 lakhs in fire, Rs. 94,632 in miscellaneous and Rs. 6,592 in marine department. Expenses of management and commission amounted to Rs. 9.63 lakhs. Expenses, according to the Directors, would have been lower but for the failure of the crop and late arrival of the season which affected insurance of grains and seed stocks. Since there is an element of uncertainty in regard to insurance of agricultural produce—the volume of business is dependent on the size of the crop which, in turn, is greatly influenced by weather—the Company proposes to place more reliance than hitherto on industrial assurance.

The departmental contributions to the credit of the profit and loss account, after providing for reserves for unexpired risks at the rate of 50 per cent. of premium income in the fire and miscellaneous departments and 100 per cent. in the marine department, is Rs. 1.87 lakhs. This, together with Rs. 59,936 being income by way of interest, dividend and rent, makes available Rs. 2.46 lakhs which sum has been appropriated as under:

Reserve for taxation Rs. 90,000, transfer to general reserve fund Rs. 15,125, dividend Rs. 36,000, policyholders bonus fund Rs. 95,000, reserve for education fund Rs. 2,500, reserve for bad and doubtful debts Rs. 8,000, and carried forward Rs. 1,484.50.

As for the financial position of the Company, besides a capital of Rs. 6.49 lakhs, it has reserves and surpluses aggregating Rs. 10.15 lakhs, inclusive of a fire fund of Rs. 5.08 lakhs, miscellaneous fund of Rs. 1.34 lakhs and marine fund of Rs. 15,954.

LARSEN & TUBRO LIMITED

The Directors of Larsen and Toubro Limited have decided to issue additional 3,00,000 equity shares of Rs. 10 each at par. The shares will be offered in the first instance to the equity shareholders of the Company in the ratio of three equity shares for every eight equity shares held. The Transfer Books of the Company will be closed for this purpose from 17th October, 1960 to 5th November, 1960. Notices of "right" shares will be posted to the shareholders at their registered addresses in December 1960.

INDIA PAPER PULP EARNS MORE

CURRENT YEAR'S OUTLOOK LESS SATISFACTORY

THE year ended 31st March 1960 has proved to be a most prosperous one for the India Paper Pulp Company Ltd. (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta). Its turnover has increased by nearly a crore of rupees over the year to a peak of Rs. 2.50 crores and its gross profit has gone up by 126 per cent., that is from Rs. 27.97 lakhs to Rs. 63.19 lakhs, which is also a record in the Company's history. This is due to an increase in production and the high prices of paper which prevailed till the end of 1959. With effect from 1st January 1960, however, the selling prices of paper have been reduced, in accordance with the recommendations of the Tariff Commission, the extent of reduction being particularly heavy in the case of quality papers, in the manufacture of which the Company has been specialising. The full effects of this cut will be reflected in the current year's results.

The net profit, too, at Rs. 22.77 lakhs, shows a marked rise, from Rs. 10.50 lakhs for 1958-59, even after setting aside a large provision for taxation (which was almost negligible in the previous year) and providing more for Managing Agents' commission and depreciation. A sum of Rs. 9.75 lakhs has been ploughed back to the development rebate reserve, as compared with Rs. 11.59 lakhs a year ago. No addition has been made to any other reserve since 1954-55. The Directors have recommended a dividend of 15 per cent., subject to deduction of tax, on the increased capital of Rs. 88.20 lakhs raised by a right issue of Rs. 25.20 lakhs. This is equivalent to a net dividend of 10.5 per cent., as compared with 10 per cent., free of tax, paid on the old capital for each of the previous two years. The Directors point out that, even in a year of comparative prosperity, the Company has been able to set aside no more than Rs. 9.75 lakhs for future development and to pay a dividend which represents only 10.6 per cent. on the amount invested by the shareholders in the Company by way of shares and premium thereon. The position will be worse, when the full effects of the new price structure are felt. The revised price structure, they say, does not give an adequate margin for the industry to provide the funds necessary for development either out of profits or by attracting new capital. Representations have accordingly been made to the Government of India on the effect of the Tariff Commission's recommendations.

The marked progress made by the Company in recent years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales of paper	2,50.58	1,54.75	1,05.86	99.10
Sale of by-products and other income	1.58	0.89	1.89	2.33
Closing stocks	7.99	11.02	3.72	4.54
Manufacturing expenses	92.88	62.98	37.02	39.34
Excise duty	32.17	20.20	14.55	9.47
Other expenses	63.03	44.49	41.60	38.70
Gross profit	63.19	27.97	14.57	18.22
Managing Agents' commission	5.29	2.02	1.18	1.75
Provision for—				
Depreciation	15.73	14.70	5.47	4.30
Taxation	19.40	0.74	4.05	6.25
Net profit	22.77	10.50	3.86	5.92
Transfer from reserves and excess provisions	0.06	7.64	2.39	3.08
To reserves	9.75	11.59	6.30	8.82
Dividend	13.23	6.30	(10%)	(14%)
	(15%)*	(10%)	0.29	0.33
Carry forward	0.40	0.55		

* Subject to deduction of tax. On a higher capital of Rs. 88.20 lakhs raised in September 1959 by the issue of 2,52,000 shares of Re. 10 each.

The rise in gross profit in the last two years is particularly striking and is chiefly due to the expansion in production, consequent on the coming into operation of the third paper making machine in June 1958.

The Company has deferred its proposal to set up a pulp mill, consequent on the dearth of bamboos in the areas leased by the Assam Pulp Mills Ltd. due to widespread flowering. The scheme may be revived only after the leased areas regenerate sufficiently to yield supplies of bamboo adequate to meet the mill's requirements or alternative areas are obtained.

The Company's financial position is quite impressive. The paid-up capital of Rs. 88.20 lakhs is supplemented by reserves and surplus aggregating Rs. 80.66 lakhs (including share premium amounting to Rs. 36.65 lakhs). Thanks to the improved prosperity, the outstanding borrowings (which had stood at Rs. 66.12 lakhs as at the close of 1958-59) have been entirely repaid. The current liabilities and provisions, at Rs. 47.01 lakhs, are covered by a wide margin by current assets aggregating Rs. 93.08 lakhs. A sum of Rs. 9.87 lakhs has been added to the block account during the year, raising the gross value thereof to Rs. 241.56 lakhs. This, however, stands written down at Rs. 122.79 lakhs.

The outlook for the current year does not seem to be very encouraging. Examining the position in the light of the Tariff Commission's recommendations, the Directors observe:

"Since the Tariff Commission's investigations, there has been a substantial increase in costs, partly as a result of the award of a labour tribunal and partly because of further increases in the prices of raw materials, chemicals, coal and stores. A particularly severe increase which your Company has had to bear is in rosin, the average price of which has risen by about 62 per cent. since 1958. Since 1st April 1960, there have been further increases in costs as a result of the 5 per cent. surcharge on railway freights which came into force from that date. Apart from its effects on manufacturing costs, this surcharge has increased the cost of outward freight which is borne by your Company on all despatches to the civilian market. Prospects for the current year are, therefore, much less satisfactory."

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 22.19 *ex-div.*, at which rate and on the basis of the latest dividend the yield works out to 4.7 per cent. per annum, free of tax.

BOMBAY FIRE AND GENERAL INSURANCE CO., LTD.

In spite of the higher net premium income written by the Bombay Fire and General Insurance Company Ltd. (Manager: Mr. K. K. Dastur, Bombay) and lower expense ratio, the accounts of the Company for the year ended 31st December 1959 disclose a lower net profit of Rs. 1.36 lakhs, as against Rs. 1.78 lakhs for 1958. This is due to the higher claims incidence, the ratio being 46.30 per cent., as against 39.10 per cent. in the previous year. Nevertheless, the dividend has been maintained at Rs. 7.25 per share on the Rs. 40 paid-up shares and Re. 1.81 on the Rs. 10 paid-up shares. Since these are taxable, the net return to shareholders, is, however, 30 per cent. less at Rs. 5.08 on the former share and Re. 1.27 on the latter.

Net premium in the fire department aggregated Rs. 11.98 lakhs. Claims amounted to Rs. 4.42 lakhs, being 36.91 per cent. Commission, expenses of management and foreign taxes amounted to Rs. 6.60 lakhs, that is, 55.06 per cent. of the premium. After strengthening the reserves for unexpired risks by Rs. 22,123, a sum of Rs. 92,193 has been transferred to the profit and loss account. The fire fund stands at Rs. 6.15 lakhs.

In the miscellaneous department, net premium and claims amounted to Rs. 4.65 lakhs and Rs. 2.53 lakhs (54.39 per cent.), respectively. Expenses of management, commission, etc., worked out to 44.65 per cent. of premium, that is, Rs. 2.07 lakhs. After maintaining the miscellaneous fund at Rs. 2.34 lakhs, that is, at over 50 per cent. of premium, the account shows a deficit of Rs. 27,985.

Net premium in the marine department showed a slight rise to Rs. 5.49 lakhs, as against Rs. 5.03 lakhs. Claims, too, went up from Rs. 2.85 lakhs in 1958 (56.78 per cent.) to Rs. 3.29 lakhs (59.92 per cent.) in 1959. Expenses of management and commission, etc., on the other hand, declined from 32.21 per cent. to 31.45 per cent. After earmarking a sum of Rs. 5.49 lakhs, being 100 per cent. of the premium, the account shows a surplus of Rs. 16,281, which has been transferred to the profit and loss account.

After closing the departmental accounts, the profit and loss account shows a credit balance of Rs. 1,35,565. This, together with Rs. 1.28 lakhs brought in from last year's account, makes a total of Rs. 2.64 lakhs. Out of this, Rs. 50,000 has been set apart as provision for taxation and a like amount transferred to the newly created staff gratuity account. This leaves a balance of Rs. 1.64 lakhs for distribution. The gross dividend of Rs. 7.25 per share on the Rs. 40 paid-up shares and of Re. 1.81 on the Rs. 10 paid-up shares absorb Rs. 76,040, leaving a balance of Rs. 87,621 to be carried forward.

(*Concluded from next column*)

ing Rs. 127.81 lakhs. The gross block of the value of Rs. 227.78 lakhs (including an addition of Rs. 10.86 lakhs made during the year) has been written down to Rs. 126.92 lakhs.

The Company has decided to issue a further 11,250 debentures of Rs. 100 each at par. These will be offered in the first instance to the existing shareholders in the ratio of one debenture for every five shares.

The Company's short-term outlook is, according to the Chairman, Mr. S. R. Damani, fairly good, as will be seen from the full text of his speech published elsewhere in this issue.

The Company's Rs. 50 paid-up shares have been a firm feature on the Bombay Stock Exchange and are currently being quoted at Rs. 173 *cum-div.* On an *ex-div.* basis, they offer a yield of 3.1 per cent. per annum, free of tax.

SIMPLEX MILL TURNS THE CORNER

NET DIVIDEND SHADE HIGHER

A SUBSTANTIAL improvement in the working of Simplex Mills Company Ltd. (Managing Director: Mr. S. R. Damani, M.P., Bombay) is disclosed by the accounts of the Company for the year ended 31st March 1960. Sales have expanded by Rs. 69 lakhs to Rs. 3.55 crores, thanks to an increase in production. Despite the sharp rise in costs on raw materials account, as well as wages and other items, the gross profit has more than doubled itself from Rs. 5.06 lakhs to Rs. 11.93 lakhs. This is in refreshing contrast to the successive setbacks in its working during the previous three years, resulting in the dwindling of its gross profit from Rs. 29.77 lakhs in 1955-56 to Rs. 5.06 lakhs in 1958-59. After providing the minimum managing agency commission of Rs. 25,000 and depreciation to the extent of Rs. 12.00 lakhs, the Company has suffered a negligible loss of about Rs. 32,000, which compares favourably with the loss of Rs. 4.76 lakhs in 1958-59. This, together with the accumulated deficit of Rs. 5.14 lakhs brought forward from the previous year, has been reduced to Rs. 3.50 lakhs, after making a small provision for staff gratuity, by writing back excess provision for taxation and this loss has been carried forward to the current year.

As in the previous two years, the Directors have relied on the general reserve No. 1 to pay a dividend of 15 per cent., subject to deduction of tax, which on a tax-free basis is equivalent to 10.5 per cent. and is a shade higher than that (10 per cent.) paid for 1958-59. The slightly higher dividend for the year under review is on an increased capital of Rs. 50.40 lakhs, raised by a rights issue of Rs. 8.40 lakhs during the year. This absorbs Rs. 7.56 lakhs and brings the total amount drawn from the general reserve No. 1 during the last three years for payment of dividend to Rs. 18.90 lakhs.

The encouraging performance of the Company during the year under review is well brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales (gross)	3,54.69	2,85.62	2,86.76	2,96.24
Other income	12.61	9.19	6.82	5.01
Closing stocks	62.95	64.33	58.35	38.51
Raw materials, stores, spares, etc., consumed	1,94.11	1,58.19	1,73.85	1,76.19
Other expenses	1,61.25	1,31.56	1,07.90	1,12.78
Gross profit	11.93	5.06	11.80	13.30
Managing Agents' commission	0.25	0.25	0.83	1.05
Provision for—				
Depreciation	12.00	9.02	3.43	2.70
Taxation	..	0.55	1.58	4.31
Net profit (+) or loss (—)	—0.32	—4.76	+5.96	+5.16
Excess provisions less expenses written back	2.33	..	..	..
Transfer from reserve	7.56	4.20	7.14	1.10
To reserve	..	..	5.96	..
,, gratuity	0.36	0.46	..	..
Dividend	7.56	4.20	7.14	7.14
	(15%)*	(10%)	(17%)	(17%)
Carry forward	—3.50	—5.14	0.08	0.08

* Subject to deduction of tax.

The Company's exports are said to have fared well, having gone up from 8.14 per cent. of the total production to 15.66 per cent. Sales of yarn have also increased from Rs. 5.37 lakhs to Rs. 41.43 lakhs. The Company has streamlined its production. About 40 per cent. of its capacity has been earmarked for industrial goods, namely, canvas, belting duck, filter cloth, etc., another 40 per cent. for wearable qualities of cloth and the balance for yarn. However, sufficient flexibility is being maintained to derive the maximum benefit. At the same time, it must be noted that the progressive change in the pattern of production, the working of additional shift, the payment of higher D.A., and the implementation of Wage Board's recommendations have all considerably pushed up the Company's costs.

The issue of rights shares to the tune of Rs. 8.40 lakhs has raised the Company's paid-up capital from Rs. 42 lakhs to Rs. 50.40 lakhs. Consequent on the withdrawal of large sums for payment of dividend during the last three years, the reserves and surplus have dwindled to Rs. 15.54 lakhs. The Company issued during the year 6½ per cent. debentures 1969-74 to the tune of Rs. 60 lakhs. This, together with an increase in secured loan from its bank, has been utilised to reduce substantially its unsecured loans. The total borrowings (including debenture loan) stand at Rs. 144.04 lakhs and other current liabilities and provisions at Rs. 44.75 lakhs. The total current liabilities and provisions are not adequately covered by current assets aggregat-

(*Continued in previous column*)

SYNOPSES OF COMPANY REPORTS

Sri Ranga Vilas Ginning, Spinning & Weaving Mills Ltd.

THE directors of the above Company (Managing Agents: Messrs. P. S. Govindaswamy Naidu & Sons, Peelamedu, Coimbatore) presented the audited accounts of the Company for the year ended 31st December 1959.

The year's trading has resulted in a net profit of Rs. 88,501 (loss of Rs. 5,39,739), after providing for all the working expenses of the Company and after providing normal depreciation of Rs. 1,14,945 (*nil*) which the directors recommend to be disposed of as under:—

To pay a dividend of 5 (*nil*) per cent. subject to income-tax on the paid-up ordinary share capital of the Company absorbing Rs. 75,125 (*nil*) and to carry forward to next year Rs. 13,376 (debit of Rs. 5,27,606 which was written off against the general reserve).

During the year the mill has worked for 304 days in double shifts with an average of 31,212 spindles spinning cotton yarn of counts 2s to 80s and mostly confined to medium counts due to restrictions in the allotment of quota of the imported cotton. During the first nine months of the working of the mills, the Company could not earn any profit, since the parity in the prices between cotton and yarn was very narrow. With the raise in the prices of yarn spun out of the Indian cotton during the last quarter, the Company was able to earn the present profit. In spite of retrenchment of workers, the Company was not in a position to reduce the quantum of wages due to the increase in the rates of the dearness allowance and due to increase in the number of working days. Considering the age of the machinery and the prevailing conditions in the textile trade, the directors consider the profit earned by the Company as satisfactory.

During the year the Company has closed the weaving department which was working at a loss and has after the year of account dismantled the looms and other connected machineries and sold them.

The Central Government has been pleased to approve the re-appointment of the managing agents for a further period of five years from 15th August 1960 subject to a remuneration ranging from 10 per cent. to 4 per cent. on graduated scale on the net profits of each year with a minimum of Rs. 25,000 per annum in the event of absence or inadequacy of profits in any one year.

The rehabilitation scheme of the Company is receiving keen attention of the Board of directors and the managing agents. Arrangements are in progress for securing financial assistance from The Industrial Finance Corporation of India to an extent of Rs. 20,00,000 for the rehabilitation programme of the Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,02,500	Gross block	58,07,042
Reserves ...	9,69,325	*Less*—Depreciation	29.96,235
Liabilities ...	26 62,786		
Profit and loss account (surplus)	13,376	Net block	28,10,807
		Stock-in-trade	13,95,310
		Stores, etc.	1,60,696
		Book debts	5,70,668
		Investments	1,28,500
		Cash ...	82,006
Rs.	51,47,987	Rs.	51,47,987

Killcott Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts disclose a working profit of Rs. 5,12,074 (Rs. 1,36,245). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfers of Rs. 25,000 (Rs. 50,000) to development rebate reserve and Rs. 1,30,000 (*nil*) to investment reserve, there is a balance at credit of the profit and loss account amounting to Rs. 1,99,815 (Rs. 5,87,908 after transferring Rs. 4,86,615 from depreciation reserve and Rs. 10,000 from development reserve). The directors recommend that a dividend of 17½ (7½ per cent. free of tax) per cent. be declared at the annual general meeting, leaving Rs. 42,315 (Rs. 34,408 after transferring Rs. 4,86,000 to buildings and machinery reserve) to be carried forward.

Tea crop was 11,43,263 lbs. as compared with 10,10,717 lbs. in 1958. The average selling price realised was Rs. 2.15 per lb. as against Re. 1.85 per lb. in the previous year.

Estimates for 1960 provide for a crop of 471,730 kilograms (10,40,000 lbs.) at an outlay of Rs. 18,94,175, including freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Gross block	24.52,378
Reserves ...	18,16,000	*Less*—Depreciation	7,53,905
Provision for taxation ...	3,90,671		
Liabilities ...	5.78,506	Net block	16,98,473
Profit and loss account (surplus)	42,315	Block-in-progress ...	92,646
		Stock of tea	9,20,839
		Stores and supplies ...	1,08,853
		Book debts	3.37.983
		Investments	3.06,893
		Cash ...	2.61,805
Rs.	37,27,492	Rs.	37,27,492

A. V. Thomas and Co., Ltd.

The directors of the above Company (Managing Director: Mr. A. V. Thomas, Alleppey, Kerala State) present the audited accounts of the Company for the year ended 31st December 1959.

Taxation.—The income-tax reference pending before the High Court was heard in February last and the Company has just been advised that the reference had been answered against it. As soon as a certified copy of the judgment is available, the directors will consider the question of appealing to the Supreme Court in view of the important issues involved.

The working results of the year under report have been satisfactory. The net profit before providing for taxation is Rs. 1,80,157 (Rs. 2,26,086). After deducting the preference dividend of Rs. 7,272 (Rs. 7,272) paid (less deduction of tax) for the year and making a provision for taxation amounting to Rs. 72,000 (Rs. 1,25,000), the balance together with the amount brought forward from 1958 comes to Rs. 1,06,717 (Rs. 1,04,212). The directors recommend that this amount be disposed of as under:—

By payment of a dividend of 20 (25 per cent. free of tax) per cent., subject to deduction of tax on equity shares for 1959, absorbing Rs. 47,020 (Rs. 58,775), by transfer to general reserve Rs. 12,000 (Rs. 31,200), by transfer to staff pension and gratuity fund Rs. 2,500 (Rs. 8,405) and by transfer to jubilee celebration fund Rs. 18,000 (*nil*) leaving a balance to be carried forward of Rs. 27,197 (Rs. 5,832).

In accordance with the Companies Act, 1956 all the existing managing agencies would terminate on 15th August 1960 unless renewed before that date. All the Companies under this Company's management have obtained the approval of the Central Government for renewal of the managing agency for five years from 15th August 1960 and fresh managing agency agreements have been entered into.

The Company has completed successfully twenty-five years of useful service. It is expected that the next quarter century would be an equally successful and progressive period.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,56,300	Gross block	6,81,636
Reserves ...	6,37,600	*Less*—Depreciation ...	3,62,601
Provision for taxation ...	93.275		
Liabilities ...	5.17,585	Net block	3.19,035
Profit and loss account (surplus)	27,197	Stock-in-trade	4,10,017
		Stores, etc.	40,865
		Book debts	6.80,230
		Investments	1,35,660
		Cash ...	46,150
Rs.	16.31,957	Rs.	16.31,957

New Dooars Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit, after charging all expenses and crediting the amount of a claim under the hail insurance policy, of Rs. 8,51,630 (Rs. 6,94,734) of which taxation provision requires Rs. 3,60,000 (Rs. 3,25,000) leaving a balance of Rs. 4,91,630 (Rs. 3,69,734). To this is added the excess provision for wealth tax in previous years now written back of Rs. 1,046 (*nil*) and the balance brought forward from last year of Rs. 86,415 (Rs. 73,709) making a total amount available for appropriation of Rs. 5,79,091 (Rs. 4,72,682 including Rs. 18,000 transferred from investments realisation surplus and Rs. 11,239 being forfeited dividends). The directors have transferred to general reserve Rs. 50,000 (*nil*) and to development rebate reserve Rs. 3,365 (Rs. 5,267) leaving a balance of Rs. 5,25,726 (Rs. 4,49,415 after providing Rs. 18,000 for wealth tax). The directors now recommend payment of the following dividends:

On the preference shares at 9.30 (6.50 free of tax) per cent. per share, subject to tax absorbing Rs. 18,600 (Rs. 13,000) and on the ordinary shares Rs. 32.50 (Rs. 25.00 per share, free of tax) per share, absorbing Rs. 4,55,000 (Rs. 3,50,000) leaving a balance to be carried forward of Rs. 52,126 (Rs. 86,415).

A crop of 20,049 maunds was secured and sold at an average price of Rs. 2.32 per lb. which compares with a crop of 22,413 maunds in 1958, sold at an average of Re. 1.98 per lb. The fall in crop was due to severe hail damage, to which the directors referred in their last report.

Estimates for the current year have been framed for a crop of 21,000 maunds to cost Rs. 26,34,697 and by 14th July, 1960, 2,24,822 kgs. (6,196 mds.) had been manufactured compared with 1,86,879 kgs. (5,150 mds.) to the same date last year.

Capital expenditure during the year was Rs. 6,24,268, of which Rs. 1,44,688 represents the cost of implementing statutory welfare requirements in regard to labour and staff houses.

Although the Company's Articles of Association provide that the preference shareholders shall receive a fixed cumulative preferential dividend at the rate of 6½ per cent. per annum free of Indian income-tax, it is now compulsory for income-tax to be deducted from all dividends. The Board have accordingly recommended that a dividend of 9.30 per cent. be paid on the Company's preference share capital, from which tax will have to be deducted in accordance with the provisions of the Finance Act currently in force, giving in the case of a shareholder, who is resident in India, a net dividend of approximately 6.5 per cent.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Gross block	34,00,520
Reserves ...	20.80,530	*Less* Depreciation ...	12.34,687
Provision for taxation ...	4,99,146		
Wealth tax provision	17,665	Net block	21.65,833
Liabilities ...	24.29,920	Stock of tea	14.17,393
Profit and loss account (surplus)	52,126	Stores, etc.	3.41,861
		Book debts	10,63,163
		Investments	6.55,103
		Cash ...	10.26,034
Rs.	66,79,387	Rs.	66.79,387

Ganges Rope Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1960.

The profit for the year after charging depreciation of Rs. 97,621 (Rs. 1,02,447) is Rs. 8,26,134 (Rs. 7,42,673). Adding thereto the balance brought forward from previous year of Rs. 22,805 (Rs. 32,966) and excess provision for taxation in respect of previous years no longer required of Rs. 60,713 (*nil*), there is an available sum of Rs. 9,09,652 (Rs. 7,97,951 including Rs. 325 being forfeited dividends and Rs. 21,987 being provision relating to previous years no longer required). And after deducting from this provision for taxation amounting to Rs. 3,85,000 (Rs. 4,18,000) and transfer to development rebate reserve of Rs. 9,000 (Rs. 4,121), there is available for distribution a sum of Rs. 5,15,652 (Rs. 3,75,830). This amount the directors recommend should be disposed of as follows:

By transfer to general reserve Rs. 2,00,000 (Rs. 1,00,000) and by payment of a dividend at Rs. 17.50 (Rs. 17.00 per share free of tax) per share for the year ended 31st March 1960, subject to deduction of tax, absorbing Rs. 2,45,000 (Rs. 2,38,000) leaving a balance to be carried forward to next account of Rs. 70,652 (Rs. 22,805 after paying Rs. 225 on account of forfeited dividends and providing Rs. 14,800 for wealth tax.

Production was maintained at a satisfactory level despite constant difficulties experienced in obtaining essential raw materials from indigenous and foreign sources.

Although competition continued to be severe the Company was able to maintain its share of available business. Owing to non-availability of imported raw materials in sufficient quantities a number of orders which would have otherwise added to the revenue of the Company could not be booked.

The rope industry, although small, is a vital industry for the economy of the country, particularly in view of its contribution towards the successful operation of shipping lines and other industrial undertakings. A representation to the Government has therefore been made through the Indian Rope Manufacturers' Association to treat rope as a separate industry and not link it with either the textile or jute industries in respect of foreign exchange allocations for the import both of raw materials and of machinery. It is hoped that Government will provide separate foreign exchange allocations for this industry and thereby encourage it to play its rightful role in the industrialisation of the country.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,00,000	Gross block	37,98,175
Reserves ...	13,48,121	*Less*—Depreciation ...	22.68,486
Provision for taxation ...	2,12,577		
Liabilities ...	29,68,124	Net block	15.29,689
Profit and loss account (surplus)	70,652	Stock-in-trade	17,87,424
		Stores, etc.	7,77,555
		Book debts	18,82,110
		Investments	4,500
		Cash ...	18,196
Rs.	59,99,474	Rs.	59,99,474

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

SURVEY

(*Concluded from page 367*)

siderable expansion of capacity of the Indian Aluminium Company itself is envisaged in the third Plan, it is reasonable to expect that the entire requirements of the aluminium conductor industry for electrolytic aluminium would be met from domestic sources. Although aluminium is a protected industry, with an import duty of 35 per cent. *ad valorem*, electrolytic aluminium ingot/bar used in the manufacture of A.C.S.R. is allowed to be imported at the concessional rate of 15 per cent. *ad valorem plus* a duty equivalent to the excise duty leviable on the domestic product. In 1957, there were two units producing aluminium rods. Two more units have gone into production since then and a third unit is on trial production. The total capacity of the five units is 9,120 tons on single shift but the actual production is small. It was only 3,281 tons in 1957, 1,606 tons in 1958 and 3,280 tons in 1959. Another raw material, high tensile galvanised steel wire, is also imported now. Three units, with a total capacity of 22,000 tons, have, however, been licensed for manufacturing these wires. A fourth unit is also negotiating with foreign firms for technical and other assistance. Clearly, the industry can consolidate its position only when adequate and regular supply of raw materials is assured.

BENGAL CHEMICAL AND PHARMACEUTICAL WORKS LTD.

TO MANUFACTURE BASIC CHEMICALS WITH STATE GOVERNMENT

DR. B. N. GHOSE LOOKS FORWARD TO THE FUTURE WITH CONFIDENCE

A SCHEME to manufacture some basic chemicals utilising the by-products of the Durgapur Coke Oven Project is being actively considered by the West Bengal Government in collaboration with a reputed foreign firm and the Bengal Chemical and Pharmaceutical Works Ltd. is joining hands with the sponsors of this project. Disclosing this at the Sixtieth Annual General Meeting of the Company, held at Calcutta on 18th August, 1960, Dr. B. N. Ghose, Chairman, said that the shareholders of the Company were likely to be given an opportunity to invest in the new Company to be formed for the purpose.

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

"GENTLEMEN,

"Before I take up the business on the agenda it is my melancholy duty to mention the death of our esteemed colleague, Shri Rajshekhar Bose, who passed away on 27th April 1960. Late Rajshekhar Bose joined the Company in the year 1903 as Manager and was associated with the Company as a Director till the last day of his life. Your Company is indebted to him for much of its present position. His death has left a gap in our midst. He was loved and respected by all. We all mourn his loss.

"May I move the following resolutions:

"'Shareholders of the Bengal Chemical and Pharmaceutical Works Limited place on record their sense of deep sorrow at the sad demise on 27th April, 1960, of Shri Rajshekhar Bose who had been associated with this Company for more than half a century and to whose untiring labour, energy and invaluable guidance the Company owes its present position.'

"'Resolved that a copy of the resolution be forwarded to the members of the bereaved family.'

"I would request you to stand in silence for one minute to pay respect and homage to the departed soul.

"Gentlemen, I have great pleasure in welcoming you on behalf of the Board of Directors and on my own behalf to the sixtieth annual general meeting of the Company. The Directors' report with the audited accounts for the year ended 31st March 1960 has been in your hands for some time and with your permission I will take them as read.

"It is with deep regret that we record the loss suffered by us by the passing away of Shri Rajshekhar Bose. The vacancy in the Board of Directors caused by the death of Shri Rajshekhar Bose has been filled by your Board of Directors by the co-option of Sjt. Sailendra Nath Ghosh, Electrical and Mechanical Engineer, whose knowledge and experience will be of help to us.

Successful Year

"Gentlemen, I may look back on the year under consideration as a successful one. There is an increase of more than 12 per cent. in sales over the previous year's figures and, although the overhead expenses and cost of raw materials continued to rise, the increase in volume of business has brought in larger profits. Judicious purchases of raw materials were our keynote. The increase in profits enables the Directors to transfer to the reserve fund Rs. 2 lakhs which is same as last year. The rate of dividend to all the different classes of shareholders has been maintained after deduction of tax on dividends as prescribed by the Finance Act, 1960.

"Gentlemen, this being the sixtieth year of our Company's existence, our Diamond Jubilee Year, your Board of Directors has recommended payment of half month's basic salary as special bonus to all employees who are eligible to get it. This is apart from any other bonus that your Board of Directors may be pleased to sanction later on after the annual general meeting. I hope the new era that dawns with the Diamond Jubilee will bring an atmosphere of continued industrial peace and harmony in the years to come.

"The centenary of Acharya Prafulla Chandra Ray is going to be celebrated in August 1961, and it is expected that it will be celebrated in a fitting manner. As you all know, Acharya Prafulla Chandra Ray was the founder of this institution and we will be failing in our duty if we do not play our part in paying due homage to his memory. You are expected to sanction a decent amount for the Centenary Fund. I hope you will give me your considered opinion about the amount to be donated to the Centenary Fund after the business of the agenda is over.

"Modernisation, expansion and increased production have been our motto all along.

Expansion Schemes Delayed

"Last year I referred to the expansion of our alum plant and erection of a bigger sulphuric acid plant. Immediately after the last annual general meeting, your Company prepared estimates, etc., for substantial expansion of alumina ferric plant and sulphuric acid plant and submitted applications in terms of the Industries (Development and Regulations) Act 1951, in early September, 1959. Although it was admitted in all quarters that there is shortage in production of alum and sulphuric acid in the country, the Company could get industrial licence for alum only in early March 1960, and that for sulphuric acid plant in April 1960.

"Application for import licence for foreign components of the plants were submitted by the middle of April 1960, but till today these have not finished their grindings through the various departmental processing machines. This is unfortunate.

"For these schemes and projects we need additional finance and your Directors have decided to raise a loan of Rs. 35 Iakhs from the Industrial Finance Corporation. We will have to invest some more money from our own resources. Gentlemen, we have high hopes and expectations about our expansions and future programmes, but there are risks and responsibilities also which we will have to face with courage and determination.

"Completion of our office buildings has also been taken up and is progressing satisfactorily.

"As I have mentioned in previous years our usual policy of gradual expansion will continue. We have taken up expansion of our plants for the manufacture of sulphone drugs (which is used for the treatment of leprosy), as we are not being able at present to meet the needs of the country. We have also taken up expansion of our caffeine, strychnine and brucine plants. Due to non-availability of sufficient quantity of tea-waste from the tea gardens, who were not very co-operative in the past, we could not produce caffeine in sufficient quantity. Due to large-scale export of nux vomica seeds we have also not been able to manufacture strychnine and brucine economically. Incidentally, caffeine, strychrine and brucine have very good export markets. We are also expanding our plants for the production of heavy, fine and pharmaceutical chemicals. A section has been set apart for the production of analytical reagents and laboratory chemicals to make the country self-sufficient in these vital products.

"Expansion of our Kanpur factory has been completed. Next year, we have in our mind to take up the production of ether in our Kanpur factory on a big scale. Alcohol which is required for the manufacture of ether is available in abundance at Kanpur and at a cheaper rate. Ether is at present being manufactured at our Panihati factory, but due to shortage of denatured spirit the production is far short of demand.

Export Business

"There is some increase in our export business. We had a good market for our pharmaceutical preparations and special medicines in Burma, but owing to introduction of new import policy there, our business has been hard hit. The Union Government of Burma have already started manufacture of drugs and medicines conforming to B.P. and B.P.C. standards and as such these are not being allowed to be imported there.

"There is also a considerable demand for our medicines in East Pakistan. But because of their import policy and quota system our business in that country was very poor. We, however, expect some business in the current year as the import policy has been relaxed to a certain extent. Ceylon market generally imports medicines, etc., from European countries. In spite of this we could do some business there. Owing to shipping difficulties in 1959 our products could not be shipped to Ceylon, as a result of which some amount of business was lost. After protracted correspondence with the authorities concerned the position has changed for the better. As regards our inland business, booking of goods in general was satisfactory, except for temporary restrictions in booking of goods in different railways from time to time. There were great difficulties in the movement of goods to stations in N.E. Railway (North Behar) and N.F. Railway (Part of East Behar and North Bengal) due to suspension of booking for major portion of the year. We availed of road transport services to some stations as the rate of freight was cheaper. As regards our business in Assam, sometimes due to heavy congestion at the sheds of the shipping companies shipments were delayed. Our maximum traffic is to Gauhati. About 50 per cent. of the consignments to this station was booked through private shipping companies. In general, our traffic to Assam was not affected.

Foreign Shipment

"There was no difficulty in shipping goods in Far Eastern ports, namely, Singapore, Penang, Bangkok, etc.

"It is no exaggeration to say that short supply of coal is affecting industrial output. In the latter part of last year and right up to this date there is short receipt of coal practically every month. Until and unless the wagon position improves this will remain a chronic problem. We are told that there is enough stock of coal at the pit-heads. No correct target of production can be obtained, while supply of coal is so irregular and uncertain. Any change-over to road transport, for supply of coal, however limited, will boost up the cost of production, which is not at all desirable. The railway authorities should ensure the supply of wagons in the best interest of the industry.

"During the year under review the stock of some of the principal raw materials in our Panihati factory became very acute on several occasions, affecting the production of alumina ferric and road tar. Our receipt of coal was 13 per cent. less and the receipt of bauxite was 25 per cent. less. Both the materials which are abundantly available at the source could not be despatched for short supply of wagons.

"Last year, crude coal tar receipts from different steel plants was only 7,400 tons, though our plants can distil 12,000 tons of crude tar annually. With the starting of tar distillation plant at Bhilai, Rourkela and Durgapur by the steel plants themselves, the supply of this material will be more uncertain, unless the Government takes some action and puts a ban on burning crude tar (which contains valuable by-products) as fuel by private sectors. The tar distillation industry in the private sectors will suffer and if burning of crude tar as fuel continues, the very existence of this industry will be at stake.

"Some of our perfumes, toiletries and cosmetics have good export potentialities and we are taking steps to assess them realistically under the export promotion scheme, but the restriction on the import of synthetic essential oils, etc., in keeping with the policy of the authorities, is a bar to any expansion in this respect. It will take a long time to duplicate certain special perfumery compounds and synthetic essential oils with their characteristics and distinctive keynotes.

Import of Essential Machinery Not Allowed

"With the accelerated pace of industrialisation of the country as envisaged in the second and the successive Five-year Plans of the Government, it is natural that machine and equipment industry in common with many others has been making appreciable progress, but we have to guard against over-zealousness in such a very specialised branch of manufac-

(*Continued on page 403*)

INTER-BANK AGREEMENT SLIGHTLY MODIFIED

(From Our Own Correspondent)

BOMBAY, *24th August*

Hardly within a week of the coming into force of the changes in inter-bank agreement, the Executive Committee of the Indian Banks' Association and Exchange Banks' Associations has found it expedient to amend the agreement further. The modification is in respect of "House" money at seven days' notice, on which the maximum rate of interest payable was reduced last week from 3½ per cent. to 3 per cent. The spirit of the agreement, however, was not strictly adhered to by some of the banks in respect of the short notice deposits. They were accepting 8 days' and 10 days' money, instead of seven days' money, at 3¼-3½ per cent. Consequently, the Committee of the Banks' Associations has revised the terms of agreement to close this loophole. Accordingly, the member-banks who are parties to the agreement cannot now pay more than 2 per cent. for any period upto one month. The rate of interest payable on deposits of one month and over are, however, unchanged. The amended terms of the agreement came into effect from the 22nd inst. and the rates of interest payable on the various classes of deposits are:

Period	Per cent. per annum
For term deposits under one month and for notice money	3
For term deposits of one month or over but less than three months ...	3¼
For term deposits of three months and over	3½

The short-term money market has turned a little comfortable this week, with most of the banks finding little difficulty in getting their requirements. Some banks are even said to have been left with some surplus at the end of the day. The inter-bank call money rate is, however, unchanged at 3½ per cent., as money is still readily usable.

The 91-day Treasury Bill rate is also unchanged at 2.540 per cent. per annum, to which level it had declined last week from 2.745 per cent. The amount offered at this week's sales was no more than Rs. 2 crores and represented only renewal of maturing bills. Sales of Intermediate Bills during the period 17th to 20th August amounted to Rs. 25 lakhs. They will be offered from 24th August to 3rd September at the same rate as last week, namely, Rs. 99.381 per cent., which amounts to a discount of 2.476 per cent. per annum.

A decline of Rs. 15.74 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 19th August 1960. Notes held in the Banking Department are, however, higher by Rs. 6.99 crores, so that the total notes issued are lower by Rs. 8.75 crores. This is covered by a decline of Rs. 9.93 crores in rupee securities and a small increase of Rs. 1.17 crores in rupee coin. While there is no change in foreign securities, balances held abroad have recorded a fractional rise of Rs. 26 lakhs, so that the total foreign assets now stand at Rs. 144.75 crores. The deposits of the Central Government show a rise of Rs. 9.75 crores and those of the other Governments Rs. 13.33 crores. Deposits of banks, too, are higher by Rs. 4.92 crores. A decline of Rs. 6.37 crores is noted in loans and advances to Governments and a rise of Rs. 2.19 crores in other loans and advances. Investments have dwindled by Rs. 7.62 crores and holdings of Government Treasury Bills by Rs. 3.16 crores.

The Scheduled banks' statement for the week ended 12th August 1960 shows a fall of Rs. 4.52 crores in bank credit, mainly due to a decline of Rs. 4.63 crores on State Bank's account. Deposits have gone up by Rs. 9 crores, of which the State Bank's share is Rs. 4.34 crores. Inter-bank borrowings are lower by Rs. 7.20 crores, borrowings from the Reserve Bank by Rs. 64 lakhs and those from the State Bank by Rs. 1.82 crore. There has been a decline of Rs. 4.82 crores in investments, consequent on the disinvestment of Rs. 5.26 crores in State Bank's portfolio. Cash balances and balances with other banks have declined by Rs. 50 lakhs, despite a rise of Rs. 9.73 crores in State Bank's balances. Money at call and short notice shows an increase of Rs. 1.15 crore.

The Gilt-edged market continues to be lethargic. Institutional support is still lacking, while medium and long-dated issues are on offer. 3 per cent. 1986 Conversion Loan has provided an exception, with a rise of 20 nP to Rs. 73.75. In the State loans section, 4½ per cent. 1970 issues have been marked down by 5 to 10 nP to Rs. 102, in view of the new issues, the lists for which will open on the 29th inst.

The rupee has weakened a little in terms of the U.S. dollar, in sympathy with a similar trend in sterling abroad. Banks' selling rate for U.S. T.T. ready has gone up from Rs. 476.25 to Rs. 476.50 per $100 and their buying rate from Rs. 473 to Rs. 473.25 per $100. In New York, after an initial improvement from 281.06-281.10 cents to 281.14-281.17 cents, spot sterling has given way to 280-91 280.94 cents. Three months' forward has declined over the week from 279.72-279.76 cents to 279.56-279.59 cents.

LINSEED WELL MAINTAINED

(Messrs. A. Bradley and Co.)

CALCUTTA, *22nd August*

Although activity in the linseed market has been limited and the general condition of the market dull, prices are well maintained and there is very little movement either way. Crushers have shown some interest in ready and forward deliveries, but sellers are reserved, as arrivals of seeds from upcountry have fallen off and stocks locally are very small.

Trading in the oil market has been slow and local buyers are showing some interest but at lower prices.

Business in oilcake has been negligible, with overseas buyers showing some interest for forward deliveries. Prices are, however, a shade lower.

The latest quotation for Ready and September futures is Rs. 25 per maund.

SIX-MONTHLY SETTLEMENTS IN BULLION PROPOSED

(From Our Own Correspondent)

BOMBAY, *24th August*

There will be a notable change in the system of trading in the bullion market, if the new scheme of hedge contract proposed by the Sub-Committee of the Bombay Bullion Association's Board is finally accepted and approved of by the Maharashtra Government. The salient features of the scheme are as follows:

The present monthly settlements in both gold and silver will be replaced by six-monthly contracts, one maturing in *Shravan* month (coinciding with the traditional slack season) and the other in the month of *Magha* (prior to the commencement of the busy season).

Delivery against settlements will be once a month but at the seller's option.

Traders who have made short-sales can get their commitments transferred from month to month till the settlement runs out by paying a fixed backwardation charge, namely, 25 nP per tola of gold and 50 nP per 100 tolas of silver.

The revision of the basis of trading in bullion is considered to be essential by a section of the market in order to ensure the continued importance of the local bullion market. Activity in the market, it is stated, has thinned considerably of late, thanks to margins, low level of free limits and heavy *budla* charges which have all led to a diversion of business to other centres. It is said that the Maharashtra Government is favourably disposed to the plea for a revision on these lines provided certain basic requirements are fulfilled. The new scheme of hedge contract is generally welcomed by the trade. It is, however, considered by some that the scheme as is now proposed gives ample opportunity to some persons who buy largely during the slack season and sit tight over their purchases during the busy season, thus creating artificial shortage and rising up prices. Stress is, therefore, laid on the need for making provision in the scheme to curb this tendency. One of the specific suggestions put forward relates to the fixing of ceilings on *budli* charges as well as on the quantum of purchases by a single operator during a particular period.

There is another section of the opinion which wonders whether there is any need at all for allowing forward trading in bullion, considering that the supplies of both gold and silver are not, unlike in the case of agricultural commodities, influenced by seasonal factors nor are the floating stocks of the metals subjected to any significant change in view of the continued ban on imports and exports and low level of domestic output. The production of gold in India during 1959 is estimated at no more than 165.396 ounces, as against 170,109 ounces in 1958, 179,000 ounces in 1957 and 239,168 ounces in 1954. The production of silver, though it was higher at 124,799 ounces, as against 109,827 ounces in 1958, was well below the level of output during 1954, namely, 161,000 ounces. In any case, the domestic producer of gold needs no hedging facility, as the entire production is being taken up by the Reserve Bank.

The bullion market had only four working sessions this week also, as it remained closed on Friday (Jain festival) and yesterday (*Mahavir Jayanthi*). The market put on a dull appearance on Thursday as well as on Saturday in the absence of any fresh support. Business put through was restricted with values moving narrowly, the general tendency being downward. A recovery was, however, in evidence on Monday the 22nd inst., following buying enquiries from upcountry operators, particularly from Indore. The recovery gathered momentum today, due to follow-up support. Over the week, gold was higher, while silver was practically unchanged.

The daily average arrivals of gold were 3.500 tolas, while the offtake was of the order of 2.650 tolas. The floating stocks of gold are estimated at 25.000 tolas. In silver, the daily average rate of arrivals and offtake was 39 bars and 17 bars, respectively. The floating stocks are reported to be around 400 bars.

A feature of trading during the week was that ready silver continued to be quoted on a par with the *Bhadrapad* settlement, while, in gold, the premium commanded by ready rate over the *Bhadrapad* settlement declined from 87 nP on Wednesday last week to 63 nP today.

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

	24-8-60 (closing)	High	Low	17-8-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	133.25	133.44	132.25	132.62
Forward:				
*Bhadrapad**	132.62	132.81	131.50	131.75
Sovereign	87.00	87.00	86.75	87.00
SILVER				
Ready (.996 fine)	222.68	222.94	221.62	222.68
Forward:				
Bhadrapad† ..	222.68	222.94	221.62	222.68
Aswayuj	222.25	222.94	221.56	222.19
London:	23-8-60			16-8-60
Silver Ready	70¼d.	—	—	70¼d.
Silver Forward	70¼d.	—	—	70¼d.
Gold	250s.11¼d.	250s.11¼d.	250s.11¼d.	250s.10d.
New York:				
Silver	91⅛ cents	—	—	91⅛ cents

* 5th September settlement. † 6th September settlement.

NEW CROP HEDGE CONTRACT

(From Our Own Correspondent)

BOMBAY, *24th August*

Prospects for futures trading in new crop to commence have improved following the finalisation, by the Sub-Committee appointed for the purpose, by the East Indian Cotton Association (E.I.C.A.) of the details of the new contract for the 1960-61 season. These will be placed before the Board of the E.I.C.A. on the 25th inst. for approval before being sent to the Forward Markets Commission. The main features of the contract as recommended by the Sub-Committee are:

1. The basis of the new hedge contract will be Moglai Jarilla Fine 25/32", the same as that of the present contract.

2. Minimum staple for tender will be 23/32" and maximum upto 1.5/32".

3. Cotton which is 1½ 'off' in grade will be rejected.

4. *Status quo* will be maintained in by-law 55 if the price of the contract is Rs. 750 or below. If, however, the price is above Rs. 750, the premium or discount for respective description tenderable would be fixed on the basis of the difference between the rate for basic cotton and the spot rate of the respective description of cotton, subject to an addition of maximum difference of Rs. 20 per candy, whichever is lower, as against Rs. 30 at present.

5. No change should be made in the penalty of Rs. 25 per bale for failure to tender.

The suggested alterations have been criticised in some quarters. According to the critics, the modifications will make the hedge contract weaker than the present contract which, it is said, has already a marked bearish slant. They point out two main defects in the new contract recommended by the Sub-Committee. They are: (a) Moglai Jarilla Fine 25/32" is not a suitable basic staple because of the extremely limited supply of this cotton and it cannot, therefore, be a good standard for determining the tendering differences. (b) The extension of the scope for tenders by lowering the minimum staple to 23/32" and raising the minimum to 1-5/32" will encourage mixing which will set at naught the efforts being made to improve quality of cotton.

The trade is optimistic about getting official sanction for the hedge contract. It hopes to be able to start trading in new crop on *Dussera* by which time a clearer picture of the crop will also be available. Present estimates are that, provided the weather is favourable, the crop may well exceed five million bales.

Undeterred by these developments, the Jarilla August 1960 Contract, which will go off the Board tomorrow, continued to rule officially at the ceiling price of Rs. 820. In private trading, the premium for the contract above the ceiling rate hardened from Rs. 10 last week-end to Rs. 18 to Rs. 19 during the week under review. The absence of tenders on the two notice days during the week, namely, 18th and 22nd, and the rejection of even the meagre quantity of 100 bales tendered on the 11th inst. in survey imparted further strength to the market. Persistent short covering pushed up premiums higher. Both the futures and ready markets were closed today as a mark of respect to the memory of the late Mr. Khimji Madhavji, partner of a prominent spot house.

Business in the spot market continued to be negligible during the week. Foreign cotton was in good demand and a sizable business was done. East African cotton was well favoured. Syrian and Sudanese growths also evoked attention.

The way for increased flow of U.S. cotton into India has been cleared, thanks to the insurance by the U.S. Department of Agriculture of purchase authorisation favouring India under P.L. 480 covering 330,000 bales (of 500 lbs. each) of U.S. cotton worth about $41.6 million. A part of this quantity, it is believed, will be cotton of staple length 1" and above. A corresponding announcement from New Delhi is awaited by mills and the trade, both of which expect to be able to participate in this import programme.

The following are the latest available quotation—in rupees per candy of 784 lbs.—from Sewri:

Mwanza 1,200; Busoga 1,365; Syrian 1,125; Sudan XG51 1,520.

Cotton futures in Karachi market declined during the week under review, thanks to speculative selling prompted by the excellent crop report. The slackening of export demand accelerated the downward trend. Domestic spinner interest was subdued. The January Contract receded from Rs. 68-1 last week-end to Rs. 67-12. The March Contract shed As. 7 to Rs. 67-2. Spot values, too, eased. Sind *Deshi* was quoted at Rs. 88 and Punjab *Deshi* at Rs. 85.

The following are the latest available rates—in rupees per maund of 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi:

4F Punjab Roller 85-11; S.G. 89-11; L.S.S. Punjab Roller 87-11; S.G. 91-11; N.T. Roller 88-11; S.G. 92-11; L89F Punjab Roller 92-11; S.G. 97-11.

New crop has made satisfactory progress both in Sind and Punjab. Good rain in July and the subsequent clear, sunny weather have improved the prospects of bigger crop than in the past season.

After having ruled easy during most part of the week under review, cotton futures in Alexandria staged a smart recovery on short covering and speculative buying. The earlier weakness was due to lack of sufficient trade interest and export demand. Weather reports from upcountry centres indicated favourable weather and satisfactory crop progress. Over the week, while the long staple Karnak contract showed little change in prices, the Ashmuni contracts recorded modest gains. The discount rate on sales of Egyptian cotton was further reduced during the week to 9 per cent. with effect from the 22nd inst. The discount rate on new crop was unchanged at 6 per cent.

The latest available quotations—in tallaris per lb.—from Alexandria are as under:

Karnak: November 74.95; January 74.85; March 74.90; *May* 75.05.

Barring the Sudan cotton futures, which were quietly steady, the Liverpool cotton futures market ruled firm during the week. Hedging by commission houses in near and intermediate deliveries against forward sales found sellers reserved. Firm advices from New York and local trade buying imparted further strength to the market. As noted above, Sudan cotton futures were neglected, thanks to the generally low demand for this growth. The latest quotations—in pence per lb.—are given below:

American cotton one inch staple contract: October 22.70; December 22.25; March 22.30; May 22.35.

American cotton mixed growth contract: October 23.00; December 22.55; March 22.65; May 22.70.

Sudan: September 35.25; November 35.50; January 35.50.

New York cotton futures market presented a better appearance during the week. There was moderate buying in anticipation of Congress legislation for higher support prices. The market was also influenced by the increased mill interest in spot cotton attributed to the delay in crop movement. Favourable weather and dull conditions in the yarn and piecegoods market, however, acted as restricting influence.

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

(In cents per lb.)

	23-8-60	16-8-60	9-8-60
Spot	32.40	32.45	32.65
October	31.02	30.88	30.99
December	31.29	31.15	31.30
March	31.84	31.70	31.81

GROUNDNUT RECOVERS

(From Our Own Correspondent)

BOMBAY, *24th August*

Distinctly steady conditions prevailed in the oilseeds market during the week under review. Towards the close, however, pronounced weakness was in evidence. The groundnut section, which had tended to move down during the previous week, came in for renewed speculative support, following reports of unfavourable weather conditions from the major producing centres. In contrast, castorseeds, were subdued mainly on account of fears of large tenders against the maturing contract. Linseeds and cottonseeds made smart rally in the beginning, but lost ground subsequently.

For the major part of the week, groundnuts displayed distinctly firm conditions, thanks to bullish reports from producing centres. Weather reports from groundnut growing States in South India indicated scarcity of rains, which would affect the growth of groundnut crop in that region. Besides, weather reports from Saurashtra, too, were not altogether satisfactory, apart from rumours of damage to crops there due to insect. Floods in other parts of the country also influenced the behaviour of trading. Rumours regarding a fresh export quota for groundnut oil as well as the possibility of a reduction in the freight in oilcake by the Karmahom conference, imparted further strength. The subsequent decline in groundnut prices was the result mainly of some profit-taking, as also some slackening in the demand from crushers and *vanaspati* manufacturers. August 1960 contract, in which trading commenced last week after an interval of one month, once again pierced the ceiling level of Rs. 225, rendering any official transaction in this contract impossible. February 1961 contract, which had finished at Rs. 183.75 last week-end, rose gradually to Rs. 190 by yesterday, but it receded to Rs. 188.25 today. Nizam bold improved from Rs. 45.25 to Rs. 45.50. Coromandel moved up by 50 nP each to Rs. 46. Oil ex-mill was steady at Rs. 24 and railway receipts at Rs. 23.75.

In view of the sizable floating stocks of old crop, the castorseed section met with selling pressure. While there were good enquiries for oil from Communist countries, the U.S. and the U.K., they were not of such significance as to make any improvement in the sentiment. Fears of Brazilian supplies of castor oil in the American market further dampened the enthusiasm of bulls. In these conditions, September 1960 contract closed lower by Rs. 2.75 at Rs. 163.75, after fluctuating between Rs. 166.50 and Rs. 168.12 over the week. May 1961 contract fell from Rs. 166.25 to Rs. 165.62. Ready Madras lost 62 nP to Rs. 33. Oil Commercial dropped 18 nP to Rs. 17.69.

Owing mainly to the strength in the groundnut section, linseed was well maintained. The export outlook, however, continued to be none too bright, in view of the wide disparity in domestic and world prices of linseed oil. It may be noted in this connection that the Argentine Government has announced that henceforth a retention tax of 1,810 pesos a metric ton will have to be paid on linseed exports which is 20 per cent. of the index price of 9,050 pesos a metric ton and just below the world parity price. No index has been fixed hitherto as linseed exports have been banned until recently. In the local market, linseed September 1960 contract was marked up by 22 nP to Rs. 31.84. May 1961 contract rose by 53 nP to Rs. 32.53, after moving both ways between Rs. 31.84 and Rs. 32.19 over the week.

Dull conditions prevailed in the cottonseed section. The September 1960 contract gave way from Rs. 157.50 to Rs. 155. The February 1961 contract, however, put on 25 nP to Rs. 90.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	24-8-1960	17-8-1960	10-8-1960
Groundnut	Rs.	Rs.	Rs.
August 1960	—	221 00	—
February 1961	188 25	183 75	180 75
Nizam bold	45 50	45 25	47 75
Coromandel ready	46 00	45 50	48 00
Khandesh quality	46 00	45 50	48 00
Oil ex-mill ready*	24 00	24 00	25 12
Railway receipts*	23.75	23.75	24.75
Castorseed			
September 1960	163 75	166 50	169 37
May 1961	165 62	166 25	170 00
Ready Madras	33 00	33 62	33 87
Ready Kanpur	31 87	32 12	32 75
Oil B.S.S.†	18 81	19 00	19 25
Oil commercial†	17.69	17.87	18.00
Linseed			
September 1960	31 84	31 62	32 37
May 1961	32.53	32 00	33 81
Bold ready	31 87	31 87	32 50
Oil ready†	16.25	16.12	16.75
Cottonseed			
September 1960	155.00	157.50	—
February 1961	90.00	89 75	92 75
Niger seed	37.50	38 00	38 75
Kardi seed	24.50	24 50	24.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter. Rates for 1961 delivery contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms.

COTTON YARN PRICES REVISED

(From Our Own Correspondent)

BOMBAY, *24th August*

Barring Cupressa Bemberg yarn (60 x 2) which continued to move upward on persistent buying orders, the yarn market presented a distinctly easy trend during the week under review. Imported and indigenous art silk yarns generally encountered selling, due to slackness in demand from consuming centres. In sympathy, staple fibre yarns tended to look down. Cotton yarns changed hands at lower prices, following reduction in ex-mill prices and expectations of higher output as a result of the improvement in cotton supply position, thanks to larger imports of foreign cotton and prospects of an appreciable rise in cotton crop in the ensuing season.

On the 17th inst., the Indian Cotton Mills' Federation announced yarn prices to be charged by mills in respect of some principal counts only. The Federation has now considered the matter further and fixed, in consultation with the Southern India Millowners' Association, Coimbatore, the net ex-mill prices for various counts of yarn for a bundle of 10 lbs. of single hank yarn made from Indian cotton only:—6s (manufactured from cotton waste) Rs. 13.57; 6s (manufactured from cotton mixing containing not more than 25 per cent. cotton waste) Rs. 15.75; 10s Rs. 17.98; 12s Rs. 18.75; 14s Rs. 19.75; 16s Rs. 21.46; 18s Rs. 21.71; 20s Rs. 21.90; 21s Rs. 22.15; 22s. Rs. 22.40; 24s Rs.. 23.20; 26s Rs. 24.30; 28s Rs. 24.90; 30s Rs. 25.44; 32s Rs. 26.19; 36s Rs. 27.80; and 40s Rs. 28.80.

Cupressa Bemberg yarn (60 x 2) August delivery was bid at Rs. 2,019, as against Rs. 2,012. October contract rallied from Rs. 2.034 to Rs. 2.055. Spot cupressa was fully maintained at Rs. 9.25. 150 Japan gathered 3 nP to Rs. 6.03. 120 Japan was unchanged at Rs. 5.59. 120 Italy dropped 19 nP to Rs. 5.62. 150 Italy declined by 6 nP to Rs. 6.19. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade and 120 Bt. cones 1st grade lost 6 nP each to Rs. 5.25 and Rs. 6, respectively.

In the staple fibre yarn group, 40 x 2 August contract receded by Rs. 5 to Rs. 715. October position eased by Rs. 8 to Rs. 729. Spot Kohinoors were dull at Rs. 3.78, as also Citys at Rs. 3.75 and Centurys at Rs. 3.62. 80 x 2 Paramounts (imported) fell by 25 nP to Rs. 12.50.

Among cotton yarns, ten counts Gokaks shed 25 nP to Rs. 18.50, while Podars hardened by 25 nP to Rs. 18.25. Twenty counts Moderns suffered a loss of 50 nP, today's closing rate being Rs. 24. Gokaks dropped 37 nP to Rs. 24. Forty counts Minaxis eased by 13 nP to Rs. 30.87. Maduras, however, picked up 25 nP to Rs. 31.50. Sixty counts Raghuvamshis declined by 60 nP to Rs. 60. Finlays were quiet at Rs. 63.50. Eighty counts Moderns were dull at Rs. 73.50, Finlays at Rs. 82.82 and Mahendras at Rs. 71.

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

	24-8-1960	17-8-1960
Art silk yarn—	Rs.	Rs.
60/1 Cupressa Bemberg (100 Kg.)		
August	2,019	2,012
October	2,055	2,034
60/1 Cupressa Bemberg spot (per lb.) ..	9.25	9.25
120 Japan (per lb.)	5 59	5 59
120 Italy (per lb.)	6 03	6 00
150 Italy (per lb.)	5.62	5.81
	6.19	6.25
Staple fibre yarn—		
40 x 2 August	715 00	720 00
October	729 00	737 00
40 x 2 Kohinoor (per lb.)	3.78	3 78
40 x 2 Century	3.62	3.62
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18 25	18 00
20s Gokak	24.00	24 37
40s Minaxi	30 87	31 00
60s Raghuvamshis	60 00	60 00
80s Modern	73 50	73 50

TEAS WELL SUPPORTED

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

COCHIN, *16th August*

Sale No. 32: Offerings in Sale No. 32, held on 16th August 1960, totalled 517,000 kgms. There was a useful selection on offer and some highgrowns continued to show improvement. Medium teas were often brighter in cup. The sale opened to a strong general demand with both exporters and internal buyers operating. Plainest kinds were well supported at firm to dearer rates. Improved low medium and medium brokens were 5-10 nP per kilo dearer, whilst similar fannings advanced by a wider margin. There was some competition for good medium types and these advanced in price according to quality. Best liquoring highgrowns were again dearer. Highgrowns of below best quality were 20-50 nP dearer. Black leaf teas met support at slightly easier rates but legg-cut and C.T.C. types again sold well and often advanced. Whole leaf teas were in strong demand and sold at enhanced rates.

	1960 Rs.	1959 Rs.
Low medium	3.75-4.05	3.25-3.52
Medium	4.10-4.30	3.52-3.85
Good medium ...	4.35-4.75	4.07-4.52
Quality	5.00-7.60	4.52-8.26

The average price realised in Sale No. 32 was Rs. 4.40 per kilo, as compared with Rs. 4.43 in the previous sale and Rs. 4.05 in the corresponding sale of 1959.

Dust Sale 'EE': 265.000 kilogrammes were on offer in Dust Sale 'EE' which was held on 18th August. Opening to a good demand, which eased towards the close, good liquoring medium dusts were up to 10 nP per kilo dearer. Highgrown dusts and C.T.C. types sold at firm to dearer rates, and there was a good enquiry for black grainy descriptions. Residual grades were rather weaker and easier but there was a much improved demand for fine dusts.

Export Quota: There are large sellers at 1½ nP per kilo with buyers still very scarce.

Ceylon and South Indians: In Tuesday's Ceylon and South Indian sale, there was a very strong demand and prices were 1d. to 2d. dearer for all descriptions.

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

"*Sale* 33: 600,000 kilogrammes. Very strong demand. Low medium and medium 10 to 20 nP dearer. Good medium irregularly dearer. Best liquoring advanced further with quality black leaf and whole leaf strongest features."

GOOD DEMAND FOR QUALITY TEAS

(From Our Own Correspondent)

CALCUTTA, *23rd August*

At the export auction held yesterday, quality teas continued to demand greater attention as in the previous week, while plainer teas eased noticeably. This trend fully reflected the course of movement of prices in London auctions, where bidders were anxious to cover as much of their requirements of good teas as possible; they anticipated that plainer teas would continue to be available in abundant quantities even later in the season.

A further decline in U.K. tea stocks during the week ended 12th August, from 110.4 million lbs. to 107.7 million lbs., was recorded. Prices of North Indian tea at last week's auction in Mincing Lane were fully steady. Note was taken of the modest gain in prices at auctions held at Colombo last week. In the Calcutta port, tea bookings have shown some improvement and the increased interest being shown by British interests is considered to be significant.

The insufficient support which common teas is meeting with is interpreted in trade circles here as being due to the belief among buyers that, as the season advances, production of these types would increase. They, however, point out that, considering that world production so far at 590.3 million lbs. is lower by 16.8 million lbs. as compared with last year, it remains to be seen whether the expectation of buyers will be fulfilled. North Indian and Pakistani production has been much lower than previously, the shortfall (including July production) being 30.7 million lbs. and 12.0 million lbs., respectively, whereas production in South India up to May has shown the substantial increase of 10.2 million lbs. to 74.8 million lbs. Including the figure for June, Ceylon has also shown a more or less similar increase at 238.4 million lbs. Indonesia and Africa have accounted for small increases only. Tea trade circles contend that the above figures cannot be taken as sufficient to support the view that common teas would be in abundant supply.

At the season's first Pakistani export auctions held at Chittagong on the 17th inst., demand was inadequate for offerings amounting to 4,951 chests, mostly thin liquorings, of which nearly a third had to be withdrawn without a bid. Prices declined by As. 2 to As. 3. The quotations were: O.P. Re. 1-12; B.O.P. Re. 1-10 to Re. 1-11. P.Fs and B.Ps were not quoted. Among legg-cut orange fannings, there was a small quantity of brighter liquorings.

The quantity on offer at the next export sale, scheduled to take place in Chittagong on 14th September, would be about 10,000 chests.

Dusts on offer at the internal sales held here in the last week aggregated 15,820 chests. Exporters paid keen attention to the exportable types. Legg-cut Dooars recorded a small addit on to price. The orthodox exportable teas met with good attention, but the smaller and brighter liquoring teas were firm only at previous rates. Best liquoring C.T.Cs were also firm. The medium C.T.Cs were about steady and the brighter lots recorded an addition to prices. The quotations (inclusive of excise duty) per 1 kg. were: best Assam C.T.C. Rs. 6.00 to Rs. 6.30; medium Assam C.T.C. Rs. 5.50 to Rs. 5.85; medium Assam Rs. 4.44 to Rs. 4.50; and medium Dooars Rs. 4.40 to Rs. 4.60.

Leaf on offer amounted to 451 packages. The poorest teas eased, while other descriptions were firm.

(*Continued on page 403*)

Notices

NATIONAL MACHINERY MANUFACTURERS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twelfth Annual General Meeting of National Machinery Manufacturers Limited will be held at Sir Vithaldas Chambers, 3rd floor, 16, Apollo Street, Fort, Bombay, 1, on 14th September, 1960, at 5.00 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st December, 1959.
2. To appoint a Director in place of Mr. Krishnaraj M. D. Thackersey, who retires by rotation but who, being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. C. S. Tyabjee who retires by rotation but who, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Neville N. Wadia, who retires by rotation but who, being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. P. V. Mackay who ceases to hold office under Article 134 of the Articles of Association and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
6. To appoint a Director in place of Mr. Madanmohan Mangaldas who ceases to hold office under Article 134 of the Articles of Association and who is eligible for reappointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
7. To consider and, if thought fit, to pass the following Ordinary Resolution of which special notice as required under Section 281 of the Companies Act, 1956, has been duly received by the Company.

   "RESOLVED that Mr. Kasturbhai Lalbhai who has attained the age of 65 years and who retires under provisions of Section 280 of the Companies Act, 1956, be and is hereby re-elected as a Director of the Company and that the age limit, prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."
8. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,

For NATIONAL MACHINERY MANUFACTURERS LIMITED,

D. V. SHIVESHWARKAR,
Secretary.

BOMBAY, *10th August*, 1960.

Note:—(a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(b) The Transfer Books of the Company will remain closed from 29th August, 1960, to 14th September, 1960, both days inclusive.

(c) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special business under items 5, 6 and 7 is annexed hereto.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the special business under items 5, 6 and 7 mentioned in the accompanying Notice dated 10th August, 1960.

Item No. 5

Under Article 134 of the Articles of Association, Mr. P. V. Mackay was appointed a Director in the vacancy caused by the resignation of Mr. I. H. Cameron. In accordance with the said Article, Mr. P. V. Mackay retains his office only upto the date of the Annual General Meeting of the Company but is eligible for re-election. He is a businessman of wide experience and it is in the interest of the Company that he be reappointed as a Director.

Item No. 6

Under Article 134 of the Articles of Association, Mr. Madanmohan Mangaldas was appointed a Director in place of the late Sir Vithal N. Chandavarkar. In accordance with the said Article, Mr. Madanmohan Mangaldas retains his office only upto the date of the Annual General Meeting of the Company but is eligible for re-election. He is an industrialist of wide experience and it is in the interest of the Company that he be reappointed as a Director.

Item No. 7

Mr. Kasturbhai Lalbhai has now attained the age of 65 years. Under the provisions of Section 230 of the Companies Act, 1956, he vacates the office of Director at the conclusion of the forthcoming Annual General Meeting. The Company has received special notice from some members in accordance with the requirements of Section 281 of the Companies Act, 1956, Mr. Kasturbhai Lalbhai has been on the Board of the Company since its inception and with his wide and varied experience as a businessman and an industrialist has rendered valuable services to the Company. It is in the interest of the Company that it should continue to receive the benefit of his services. The resolution of which notice is given to the members is commended for acceptance.

By Order of the Board,

For NATIONAL MACHINERY MANUFACTURERS LIMITED,

D. V. SHIVESHWARKAR,
Secretary.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE Forty-Ninth Annual General Meeting of The Imperial Tobacco Company of India Limited will be held at Virginia House, 37, Chowringhee, Calcutta, on Wednesday, the 21st September, 1960 at 3-30 p.m., for the transaction of the following business:—

To receive and adopt the Accounts for the year ended 31st March, 1960 and the Reports of the Directors and Auditors thereon.

To declare a dividend.

To elect and re-elect Directors.

To appoint Auditors and fix their remuneration.

The share transfer books of the Company will be closed from the 29th August to the 21st September, 1960, both days inclusive, and transfers received in order at the registered office of the Company by the 27th August, 1960, will be in time to be passed for payment of the dividend, if approved, to the transferees.

The dividend, if approved, will be paid on the 24th September, 1960, to the Shareholders whose names appear on the Company's Register on the 21st September, 1960, or to their mandatees.

By Order of the Board,

J. R. BLAIKIE,
Secretary.

5th August, 1960.
VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA.

Note.—A member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a member, to attend and on a poll to vote on his behalf.

EXPLANATORY STATEMENT

In accordance with Section 173 of the Companies Act, 1956

Mr. Frank Ainslie Collett who was appointed a Director on 14th December, 1959, and Mr. Henry Charles Reeve who was appointed a Director on 1st April, 1960, to fill casual vacancies on the Board, will retire at the Annual General Meeting. A notice has been received from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose the election of Mr. F. A. Collett and Mr. H. C. Reeve as Directors of the Company.

THE MYSORE PAPER MILLS LIMITED

BANGALORE 9

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fifth Ordinary General Meeting of the Company will be held on Friday the 7th October 1960 at the Mysore Chamber of Commerce Buildings, Kempegowda Road, Bangalore City, at 3 p.m., to transact the following business:—

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st March 1960 and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors:
   (i) To appoint a Director in place of Sri V. T. Padmanabhan who retires under Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.
   (ii) To appoint a Director in place of Sri K. Subbarao Ramaswamy, who retires under Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.
   (iii) To appoint a Director in the vacancy caused by the sad demise of Capt. Rao Bahadur A. Thangavelu Mudaliar.
4. To appoint Auditors for the current year and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass the following resolutions as SPECIAL RESOLUTIONS with or without modifications:

   "RESOLVED that Clause No. V of the Memorandum of Association of the Company be and is hereby amended so as to read as follows:

   "The Share Capital of the Company is Rs. 1,50,00,000 divided into 15,00,000 Equity Shares of Rs. 10 each with power for the Company to increase or reduce the said Capital and to issue any part of its Capital, original or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare, every issue of Shares, whether declared to be preference or otherwise shall be subject to the power hereinbefore contained."

   "RESOLVED that Article No. 12 of the Articles of Association of the Company be and is hereby amended so as to read as follows:

   "The Capital of the Company shall consist of Rupees One Crore and Fifty lakhs divided into fifteen lakhs Equity Shares of Rs. 10 each which said Capital may be increased, consolidated, decreased or divided in accordance with the regulations of the Company and the legislative provisions for the time being in force in that behalf."

Explanatory statement is annexed to the notice posted to the Shareholders separately.

The Share Transfer Books of the Company will be closed from 19th September 1960 to 7th October 1960 (both days inclusive).

Note: A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a PROXY NEED NOT BE A MEMBER OF THE COMPANY.

By Order of the Board,

C. V. RAMACHANDRA RAO,
Secretary.

ASIATIC BUILDINGS,
KEMPEGOWDA ROAD,
POST BOX NO. 570,
GANDHI NAGAR P.O.
BANGALORE, 9.
Dated: 2nd July 1960.

N.B.—The Board of Directors have recommended payment of dividend at 15 per cent. or Re. 1.50 subject to deduction of tax on every share of Rs. 10 for the year.

The Dividend when declared will be made payable at the State Bank of Mysore, Bangalore, or its branches on and after the 27th October 1960.

The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on 19th September 1960.

Shareholders, whose income is not taxable, are requested to obtain a Certificate from the Income-tax Officer of their respective circle and to send the same to the Company before 15th September 1960.

DUNCAN BROTHERS AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting being the Sixty-first Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, No. 31, Netaji Subhas Road, Calcutta, on Saturday the 17th September, 1960, at 11 a.m., for the following purposes:—

1. To receive and adopt the Directors' Report, and to pass the Audited Accounts for the year ended 31st December, 1959.
2. To declare dividends on the Preference and Ordinary Shares.
3. To elect a Director.
4. To appoint Auditors for the current year and to fix their remuneration.

The Share Transfer books of the Company will be closed from 5th to 17th September 1960, both days inclusive.

Warrants for dividends, when declared, will be forwarded in accordance with registered instructions, or, if no such instructions have been received, to the registered addresses of all shareholders whose names appear on the Company's Register at the date of declaration. No application for payment is necessary and holders on blank transfer are therefore recommended to submit their shares for registration immediately.

By Order of the Board,

DUNCAN BROTHERS & CO., LTD.,

K. P. GOENKA,
Director.

CALCUTTA, *19th August*, 1960.

THE BRITANNIA BISCUIT COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the 69th Ordinary General Meeting) of the Shareholders of the Company will be held at the Registered Office of the Company, 15, Taratola Road, Calcutta-27, on Wednesday the 21st September, 1960, at 10.30 a.m. for the following purposes:

To receive and consider the report of the Directors with Statement of Account and Balance Sheet and to read the report of the Auditors thereon, declare a Final Dividend, elect Directors, appoint Auditors and fix their remuneration.

The Transfer Register will be closed from the 14th September to 21st September, 1960, both days inclusive, and warrants for such Dividends as may be declared will be issued directly to the Registered Shareholders or their Mandatees, whose names appear in the Company's books on the 21st September, 1960.

By Order of the Board,

A. P. CHANDA,
Secretary.

15, TARATOLA ROAD,
CALCUTTA-27,
20th August, 1960.

Note: (1) The Directors have recommended the payment of a Final Dividend on Ordinary Shares at 19 per cent. subject to deduction of tax, making, with the 6 per cent. interim dividend already paid on Ordinary Shares 25 per cent. for the year.

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

THE ELLORE ELECTRIC SUPPLY CORPORATION, LTD.

(Registered Office: MADRAS)

NOTICE OF THE 26th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 26th Annual General Meeting of the Shareholders of the Ellore Electric Supply Corporation Ltd. will be held at the Registered Office of the Company at No. 20, Second Line Beach, Madras 1, on Monday the 3rd October 1960, at 12 Noon.

1. To consider and adopt the Directors' Report and the Audited Accounts for the year ended 31st March 1960.
2. To consider the declaration of dividend.
3. (a) To elect a Director in the place of Mr. G. A. Krishnamurti retiring by rotation.
   (b) To elect a Director in the place of Mr. V. R. Ramanatha Iyer retiring by rotation.
4. To appoint Auditors for the current year and fix their remuneration.
5. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 27th September 1960 to 3rd October 1960, both days inclusive.

By Order of the Board,

For CHANDRIE & CO. (PRIVATE) LTD.,

S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS, *15th August* 1960.

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

(2) Dividend when sanctioned at the Annual General Meeting will be paid on or after 5th October 1960 to those members whose names stand on the Register of Members on the 26th September 1960.

THE GENERAL INDUSTRIAL SOCIETY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held at its Registered Office at No. 8, India Exchange Place, Calcutta, on Monday, the 26th September, 1960, at 2.30 p.m. for the following purposes:

1. To receive and adopt the Report of the Directors and the Audited Accounts for the year ended 31st December, 1959.
2. To declare dividend.
3. To elect Directors in place of retiring Directors.
4. To appoint Auditors and to fix their remuneration.
5. To transact any other business which may be brought forward at the Meeting with the permission of the Chairman.

The Share Transfer Book and the Register of Members of the Company will remain closed from the 16th September, 1960 to the 26th September, 1960, both days inclusive.

By Order of the Board,

For GENERAL INDUSTRIAL SOCIETY LIMITED,

K. C. BAGRI,
Manager.

CALCUTTA, *Dated 19th August*, 1960.

N.B.—(1) The Directors have recommended dividend on Ordinary Shares at Rs. 4 per share subject to deduction of tax under Section 18(3D) of the Income Tax Act. If dividend on shares as recommended by the Directors is approved at the meeting, the dividend will be payable only to such Shareholders whose names are on the Company's Register on the day of the Annual General Meeting. No application need be sent for dividend as relative Dividend Warrants will be posted to the Shareholders by the 18th October, 1960.

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

NEW INDIA ASSURANCE COMPANY LIMITED

CHAIRMAN'S REVIEW

THE following is a summary of the speech delivered by Mr. A. D. Shroff, the Chairman, at the Forty-first Annual General Meeting of the shareholders of the New India Assurance Company Limited, at Bombay, on 24th August, 1960.

Mr. Shroff stated that the year 1959 presented a mixed picture for general insurers all over the world. In India, a basic problem was that the limits of management expenses fixed under Rule 17E of the Insurance Act, 1938, had become unrealistic and he hoped that the Department of Insurance would revise these limits to suit existing conditions.

Mr. Shroff recommended a number of measures to integrate and strengthen the insurance companies in India such as consolidation and integration through amalgamation and group working, rigorous implementation of the provisions of the Code of Conduct and a non-diversion agreement as an interim measure to change over from the present unsound conditions to a new order of soundness, etc. In his view both Government and industry should take concerted action to rebuild the market on these lines. In his opinion, such a plan called for guidance, as also some degree of purposeful and constructive direction, by Government.

Mr. Shroff further stated that one of the biggest problems facing the industry was the steady increase in motor repair costs and the rapid rise in the number of automobile accidents. A mere stepping up of the rates was no solution. He recommended, in this connection, the setting up of an efficient claims settling organisation. He also emphasised the urgent need to stamp out carelessness and inefficiency in regard to handling of goods and cargo at the railways and ports.

Mr. Shroff pointed out that the Government had, by their decision to concentrate in the four companies in the public sector 75 per cent. of the Government business handled through the Indian Insurance Companies' Pool and Indian Aviation Insurers' Scheme, practically withdrawn their support to the Indian insurance market. Also, as a result of this, Government were not utilising fully the underwriting capacity of the whole market and there was likely to be an increased drain of foreign exchange by way of reinsurance effected by the four companies. He pointed out that all the companies are voluntarily giving a 10 per cent. share of their business to "India Re." As such, he did not feel that any compulsion by the Government in the field of reinsurance was called for.

L.I.C. and Reinsurance

On the conversion of "Indian Guarantee," a subsidiary of L.I.C., into a reinsurance company, Mr. Shroff raised the doubt whether there was sufficient scope for two reinsurance companies to exist in the market. He thought that the objective of reducing the foreign exchange drain on reinsurance could be better achieved by encouraging private companies to obtain suitable reciprocity from abroad for the reinsurances they placed. He was of the view that the new reinsurance company could be a better source of strength to the market by specialising in granting reinsurance covers for insurance of growing crops, dairy animals, and hire-purchase business, and not by duplicating efforts already being made in the normal type of reinsurance.

Referring to the working of the Company, Mr. Shroff stated that the large-scale reorientation of the Company's organisation was only completed last year and the Company was able to concentrate its attention on the expansion of business. He also pointed out that the Company's investment policy was making its own contribution towards the development and expansion of industries in the country.

Dealing briefly with the trends in the Indian economy, Mr. Shroff pointed out that the country faced two serious problems, namely, (i) the continuous rise in the level of prices, and (ii) the progressive depletion of our foreign exchange balances. He felt that measures taken by Government in the monetary field were not likely to curb any rise in prices, so long as ambitious development plans, unrelated to our resources, continued to be imposed on the country. He expressed the fear that the stresses and strains, to which the economy is subjected, may well reach a stage where it may involve a large-scale breakdown of the economy.

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

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 12th August, 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		40,00,00,000
National Agricultural Credit (Stabilisation) Fund		5,00,00,000
Deposits—		
(a) Government—		
(1) Central Government		55,93,55,000
(2) Other Governments		16,17,71,000
(b) Banks		117,24,74,000
(c) Others		140,08,12,000
Bills Payable		19,60,47,000
Other Liabilities		11,31,84,000
	Rupees	490,41,44,000

ASSETS	Rs.
Notes	14,99,29,000
Rupee Coin	2,39,000
Subsidiary Coin	4,90,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	28,05,12,000
Balances held abroad*	21,47,70,000
Loans and Advances to Governments†	41,75,61,000
Other Loans and Advances	166,39,14,000
Investments	255,44,44,000
Other Assets	12,35,85,000
Rupees	490,41,44,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 10,89,80,000 advanced to scheduled banks against nuance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,99,29,000	
Notes in circulation	1812,12,75,090	
Total Notes issued	....	1827,12,04,000
Total Liabilities	....	1827,12,04,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		129,78,01,000
Government of India Rupee Securities		1456,57,11,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1827,12,04,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	12th August 1960	5th August 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1812.13	1812.32	1841.67	1680.12
Notes held in Banking Department	35.05	14.99	14.45	23.07	21.02
Foreign Securities	59.50	123.01	128.01	143.01	163.01
Rupee Securities	87.39	1456.57	1451.57	1476.40	1286.17
Banking Department					
Deposits of:					
Government of India	14.39	55.99	57.38	74.24	54.55
Other Governments		16.18	17.85	11.81	41.75
Balances held abroad	10.06	21.48	19.85	22.35	11.66
SCHEDULED BANKS					
Demand Liabilities	134.86	778.75	783.75	787.37	740.02
		(12.67)†	(19.46)†	(21.64)†	(23.47)†
Time Liabilities	102.24	1226.02	1229.11	1211.81	1083.76
		(28.04)†	(28.45)†	(24.77)†	(27.13)†
Borrowings from Reserve Bank	..	23.35	33.99	44.35	1.54
		(10.90)‡	(10.85)‡	(12.42)‡	(0.40)‡
Borrowings from State Bank	..	9.62	11.44	12.68	3.93
Cash in India	6.70	44.93	43.42	50.61	41.07
Balances with Reserve Bank	25.17	110.25	113.36	121.62	89.75
Balances with other banks in current account in India	..	15.74	14.64	22.91	15.26
Money at call and short notice in India	..	37.71	36.56	32.83	38.31
Investments (at book value)	..	733.29	738.11	732.24	712.32
Advances and bills	105.9	1119.40	1123.93	1128.34	945.73
STATE BANK					
Deposits	87.76	614.31	609.97	617.06	556.10
Investments	51.99	383.99	389.26	381.49	359.16
Advances	80.35	204.87	209.51	216.02	169.46
Cash	14.69	35.52	25.79	49.15	34.68

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against nuance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	8 50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada†	..	3.16	2.91
Ceylon	16th Dec., 1959	2 50	3
Chile	Feb., 1957	4 50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	3	4
Finland	Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1949	4.50	6.50
Portugal	1944	2	3
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	16th Jan., 1960	4 50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	3
Turkey	6th June, 1956	4.50	6
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July 1936	3	4
U.S.A.	11th Aug, 1960	3.50	4
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 12th August, 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued Subscribed and Paid-up		
5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,20,00,000
Deposits and Other Accounts		611,30,62,000
Borrowings from Other Banking Companies, Agents etc.		11,25,000
Bills Payable		8,77,50,000
Bills for Collection being Bills receivable as per contra		2,08,36,000
Acceptances, Endorsements and Other Obligations per contra		2,93,91,000
Other Liabilities (including Inter-Office Adjustments)		12,52,61,000
Total .. Rs.		652,69,87,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		32,69,37,000
Balances with other Banks		2,83,10,000
Money at Call and Short Notice		76,62,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	374,12,42,000	
Other Authorised Investments	9,87,28,000	
		383,99,70,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	192,45,53,000	
Bills Discounted and Purchased	12,41,95,000	
		204,87,48,000
Bills Receivable being Bills for Collection as per contra		2,08,36,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,93,91,000
Premises less Depreciation		1,25,50,000
Furniture and Fixtures less Depreciation		1,28,51,000
Other Assets (including Inter-Office Adjustments)		20,87,67,000
Total .. Rs.		652,69,87,000

Scheduled Banks*

Statement of Affairs for the week ended 12th August 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		12,67,02,000
(ii) Other demand liabilities		766,07,83,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		28,03,51,000
(ii) Other time liabilities		11,98,88,06,000
Borrowings in India from the State Bank and/or a notified bank		7,54,50,000
(i) Demand liabilities		2,07,00,000
(ii) Time liabilities		23,35,05,000
Borrowings in India from the Reserve Bank of India		(10,89,80,000)
		44,92,89,000
Cash in India		110,25,20,000
Balances with the Reserve Bank in India		15,73,68,000
Balances with other banks in current account in India		37,70,73,000
Money at call and short notice in India		733,28,77,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		968,75,41,000
Advances in India		102,76,85,000
Inland Bills, purchased and discounted in India		47,88,03,000
Foreign Bills, purchased and discounted in India		

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
31st May	2 00	2 25	2 00	2 745	99 325
1st to 4th June*	3 05	—	3 05	—	99 326
7th June	2 00	2 00	2 00	2 745	99 310
8th to 11th June*	2 15	—	2 15	—	99 326
14th June	2 00	2 00	2 00	2 745	99 310
15th to 18th June*	0 07	—	0 07	—	99 326
21st June	2 00	2 02	2 00	2 745	99 315
22nd to 25th June*	0 07	—	0 07	—	99 326
28th June	2 00	2 00	2 00	2 745	99 310
6th July	2 00	2 00	2 00	2 745	99 310
12th July	2 00	2 02	2 00	2 745	99 325
26th July	2 00	2 00	2 00	2 745	99 310
2nd August	2 00	2 26	2 00	2 737	99 310
3rd to 6th Aug.*	0 16	—	0 16	—	99 325
9th August	2 00	2 00	2 00	2 745	99 310
10th to 13th Aug.*	1 10	—	1 10	—	99 326
16th August	2 00	2 00	2 00	2 540	99 365
17th to 20th Aug.*	0 25	—	0 25	—	99 381
23rd August	2 00	2 00	2 00	2 540	99 365
Total amount outstanding	30 85	..	30 85	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 12th August 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		4,15,00,000
Deposits:		
(a) Central Government		14,60,17,000
(b) Provincial Governments		1,87,29,000
(c) Banks		19,91,50,000
(d) Others		90,79,19,000
Bills Payable		16,93,000
Other Liabilities		11,42,61,000
	Rupees	148,23,69,000

ASSETS	Rs.	Rs.
Notes		11,90,64,000
Rupee Coin		36,000
Subsidiary Coin		42,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		....
Balances held outside Pakistan*		21,14,17,000
Loans and Advances to Governments		9,41,00,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		4,18,80,000
Investments		80,50,22,000
Other Assets		9,05,08,000
	Rupees	148,23,69,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,90,64,000	
Notes in circulation	345,87,77,000	
Total Notes issued	....	357,78,41,000
Total Liabilities	....	357,78,41,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	73,06,09,000	
Foreign Securities		
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		140,74,49,000
B. Rupee Coin	4,85,20,000	
Government of Pakistan Securities	206,28,66,000	
Internal bills of exchange and other commercial paper	....	
		211,13,86,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,99,000	
Rupee Coin	20,51,000	
		5,90,06,000
Total Assets	....	357,78,41,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40·99 per cent.

EXCHANGE RATES

	16th August 1960	Previous week
Bombay on London—		
Sellers T. T. D.D. Spot	1-5⅛	1-5⅛
Sellers T. T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D.	476 25	476 50
Buyers T.T.	472 75	473 25
London on New York	2 8105 2 8107	2 8086 2 8089
London on Paris	13 773 13 774	13 74 13 75
London on Berne	12 1315 12 1335	12 0915 12 0935
New York on London	281 000-281 100	280 860-280 890

CLEARING HOUSE RETURNS

Centre	Week ended 19th August 1960 Number of Cheques	Amount Rs.	Week ended 12th August 1960 Number of Cheques	Amount Rs.
Bombay	3,32,000	75 96,00,000	3,44,599	78,23,55,000
Calcutta	1,47,000	69,13,00,000	1,96,000	71,57,00,000
Madras	80,872	10,74,54,669	75,315	10,22,86,291
All Centres—				
1957-58	..	..	41,672,000	80,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,004,000	109,88,05,00,000
April 1960	..	..	4,586,000	10,42,01,00,000
May „	..	..	4,588,000	10,19,66,00,000
June „	..	..	4,227,000	9,56,02,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	30th July 1960	23rd July 1960	1st Aug. 1959	June 1960	June 1959	Percentage of Increase (+) or Decrease(—) in June, 1960 as compared with June, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	124 7	124 8R	121.7	120 3R	118.7	+ 1 2	119.0	118 2
Cereals	192	109 9	109 9	110.2	107.3	101 8	+ 5 4	104.1	105 8
Pulses	43	96 2	95.8R	94.6	89.7	98.1	— 6.6	93.6	108 9
Fruits and Vegetables	28	129 6	130.1	146.2	122.2	134.6	— 9.2	127.8	117.0R
Milk and Ghee	84	113 7	122.7	113.4	119 9	120 5	+ 3 0	113 8	107 3
Edible Oils	47	150 1	150.0	127 8	139 7	132 2	+ 5.5	130 4	124 3
Fish, Eggs and Meat	17	128.5	126.6R	114 0	119 9R	110 6	+ 8.4	112.0	108.4R
Sugar and Gur	48	141 3	139 1R	148 3	137 7R	148 6	— 7.3	147 0	127 2
Others	50	122 9*	126.4*R	114 9	162 6	161 3	+ 0.2	167 9	151 3
Liquor and Tobacco	21	109 0	109 0	97 5	109 5	97 8	+ 12.1	98 5	98.4
Tobacco	—	107 5	107 5	95.8	108 0	96 0	+12.5	97 9	93.8
Fuel, Power, Light and Lubricants	38	118 2	118 3R	115 4	118 0R	116 2	+ 1 4	116 8	118 4
Industrial Raw Materials	145	137 8	137 8	118 0	119 7R	120 5	+15.1	123 7	118 6
Fibres	61	130 2	128.3	109.3	142 6	110 3	+29.2	113 3	108.0
Oilseeds	60	152 7	152.1	131.6	144 4	135 4	+ 6.6	134.6	127.0
Minerals	2	98 2	98 2*	98 3*	98 0	99.6	— 1.6	97 8	106 0
Others	22	128 9*	126.4*R	114 9	128 2	113.1	+13.3	121.6	109 2
Manufactures	290	121 7	121 3	109 0	119 9R	109.1	+ 9 9	111 6	108.4R
Intermediate Products	41	131 2	130 9	108 8	127 2	108.2	+17.5	113 8	113 3
Finished Products	249	120 1	119 7	109 3	118 7R	109.3	+ 8.6	111 3	108 1R
Textiles	147	121.4	120.8	103 9	119.9R	104.5	+14.7	107.8	108.3R
Cotton	—	130.0*	130.0*	112.4*	126.0	113.3	+11.2	116.9*	117.8R
Jute	—	109.2	106.7	87.5	113.1	87.1	+29.8	90.6	86.5
Woollen	—	110 1*	110 1*	104 2*	110.1	104 2	+ 5.7	104.2	105.5
Silk and Rayon	—	102.7*	102.7*	92 4*	102.7	94 4	+ 8.7	96.4	98.2
Metal Products	12	148.3	148.3	145.3	148 3	143.3	+ 3.5	144.4	145 1
Chemicals	20	105.2	104.5	106.5	104 6	106 9	— 2.1	106.9	106.1
Oil Cakes	10	139.1	139.1	145.1	132 0R	143 6	— 8.1	143.8	126 0
Machinery and Transport Equipment	31	111.1	111.1	105.8*	110.8	106 0	+ 4.5	106.2	108.9R
Others	80	116.0	115.8	114.2	114.7	113.2	+ 1.3	113.4	113.7
All Commodities	1,000	125.3	125.1R	116.9	122.9	115.7	+ 6.2	117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised. *Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,137	20,338	30,354
Wheat	final	31,508	31,141	9,731	9,772
Jowar	final	41,662	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,230	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	first	11,071	10,090	....	2,178†
Total pulses	final	58,035	56,483	....	12,289
Total foodgrains		276,415	276,953	....	74,920
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	4th	18,960	19,414†	....	4705†
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	first	706	642	....	2,319†
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,749	1,471	339	326
Tobacco	first	864	834	....	263†

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.
A.—In thousand bales of 400 lbs. each. R.—Revised.
†Final estimate of 1958-59.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Five months ended May 1959	1960
Exports	570,56	615,78	221,78	247,23
Re-exports	8,40	6,96	1,23	5,15
Total Exports	578,96	622,74	223,01	252,38
Imports	864,18	887,38	341,34	374,19
Overall Balance of Trade	—285,22	—264,64	—118,33	—121,81
Exports—				
Tea	130,54	126,39	30,15	30,52
Jute yarns and manufactures	103,82	110,75	22,36	54,48
Cotton yarns and manufactures	52,63	66,14	41,75	26,52
Metallic ores and metal scrap	30,35	34,42	14,44	17,93
Cotton, raw and waste	21,20	16,37	7,25	4,71
Oils—vegetable, mineral and animal	12,35	17,96	4,84	7,35
Fruits and vegetables	21,16	21,08	9,04	10,46
Tobacco	16,29	13,91	6,80	11,37
Mica	9,34	10,31	4,22	3,61
Wool and other animal hair	9,35	12,22	4,66	4,55
Gums, resins and lac	7,16	7,95	3,28	3,89
Spices	10,17	9,31	3,73	9,07
Hides and skins, raw	7,35	10,95	4,44	5,90
Imports—				
Machinery of all kinds	188,92	196,21	77,89	91,02
Iron and Steel	97,80	84,01	37,58	38,34
Oils—vegetable, mineral and animal	80,23	82,62	24,91	37,84
Chemicals, drugs and medicines	65,28	85,20	34,43	34,86
Electrical goods and apparatus	49,04	50,01	19,79	21,85
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	23,88	20,69
Cotton, raw and waste	30,66	34,78	14,77	28,87
Fruits and vegetables	17,43	16,52	6,10	8,03
Paper, pasteboard, etc.	8,26	9,67	3,24	4,25
Dyes and colours	8,76	9,54	3,54	4,33
Spices	2,84	2,92	99	88
Woollen and worsted fabrics	30	23	8	14
Cotton fabrics	1,05	1,19	54	37

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July 1960	86 8
	Corresponding month, 1959	80 6
	Twelve months ended June 1960	1,074 2
	Corresponding period, 1959	1,040 5
Stocks	At the end of July 1960	87 6
	Corresponding month, 1959	92 8
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1958-59	854.9
	July-May, 1959	784.6
	July-May, 1960	703.0
	May, 1959	72.8
	May, 1960	65.5
For Internal Consumption	1958-59	220.0
	July-May, 1959	203.7
	July-May, 1960	220.6
	May, 1959	19.6
	May, 1960	19.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	July 1960	503
	Corresponding month, 1959	530
	Twelve months ended June 1960	6,282
	Corresponding period, 1959	6,014
	1957-58	6,134
	1958-59	6,014
	1959-60	6,282

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,899.8	7,188.8
1956-57	760	9,877.8	8,108.1
1957-58	834	11,178.9	9,011.1
1958-59	813	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
January 1959	811	1,156 2	930 2
February „	811	1,074.6	888 5
March „	813	1,171.1	927 4
April „	813	1,177.1	958 9
May „	813	1,241.6	999.4
June „	813	1,201.5	959.3
January 1960	815	1,297.4	1,055.5
February „	850	1,252 1	1,022.5
March „	850	1,324 4	1,071.0
April „	850	1,325 3	1,081 7

* Excluding railway, military and isolated power stations. Ghola Power Station being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.
§ At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	66	207	24	106	427	30	388	52	180
1957-58	14,314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	194
1958-59	14,366	2,655	1,296	206	92	36	221	23	184	483	36	514	45	118
1959-60	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	43	94
February „	13,018	2,431	1,184	186	80	33	201	21	169	432	34	460	45	103
March „	14,365	5	1,296	206	92	36	221	23	181	483	36	514	46	113
April „	1,289	218	122	23	13	3	18	2	17	48	5	41	1	12
May „	2,534	422	262	43	24	6	33	4	33	96	6	83	3	26
June „	3,723	618	386	59	32	9	45	6	48	142	11	122	7	36
July „	4,935	842	500	72	37	11	58	8	65	186	16	165	12	48
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February „	13,847	2,300	1,226	182	77	32	208	22	169	522	72	471	43	119
March „	15,202	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131
April „	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11
May „	2,640	443	251	39	14	5	22	3	31	105	19	87	3	23

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

INDUSTRIAL PRODUCTION

Industries		1958	1959*	November 1959	December 1959	January* 1960	February* 1960	February 1959
Major Industries—								
Coal	million tons	45 34	47 03	3.79 K	4.30	4 12	4.30	3 94
Steel (Ingots and Metal for castings)	thousand tons	1,813	2 433	232	250	260	246	182
Electric lamps	million lbs.	1,685	1,723	141	155	144	130	137
Cloth	million yds.	4,927	4,925	391	435	418	403	392
Cement	million tons	6 07	6 82	0.60	0 67	0.65	0.59	0 50
Jute	thousand tons	1,060	1,051	88	94	88 K	87 K	84
Paper and paper boards	thousand tons	253	294	28	30	28	28	22
Matches§	thousand cases	626	648	58	59	53	56	47
Sugar	thousand tons	1,957	2,083	179	431	498	474	411
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	376	438	40	44	51	—	37
Electric lamps	millions	3 90 47	34 84	3 93	3 20	2 88	3.20	2 71
Dry cells	millions	188 24	191 37	18 21	19 37	16 02	16.58	14 94
Power transformers	k.v.a.	1,126,800	1,060,800	79,300	101,900	88,500	—	86,100
Electric Motors	h.p.	624,000	573,000	43,600	52,000	45,900	—	50,000
Electric fans	Nos.	636,000	727,200	67,800	71,200	58,900	—	51,100
Radio receivers	Nos.	198,108	214,920	20,141	21,878	15,300	—	15,474
Storage batteries	Nos.	355,200	442,800	35,000	41,700	39

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1953-54=100]

Group and Sub-Group	Week ended 13th Aug. 1960	6th Aug. 1960	16th July 1960	15th August 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.2	101.2	101.2	101.2
2. Government of India	101.0	101.0	101.0	101.0
3. State Government	102.7	102.7	102.6	102.5
4. Municipal, Port Trust, etc...	100.0	100.0	100.0	99.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.9	101.0	100.8	102.1
PREFERENCE SHARES—ALL INDIA.				
6. Total	86.9	86.9	87.1	93.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	180.2	180.5	176.4	154.4
8. *Agriculture and Allied Activities: Total**	177.7	179.3	176.6	163.6
9. Tea Plantations	171.6	172.5	168.2	159.5
10. Coffee Plantations	215.3	218.2	212.6	196.0
11. Rubber Plantations	181.7	182.9	180.1	161.6
12. *Mining and Quarrying: Total*	159.9	159.4	157.8	142.1
13. Coal	123.4	122.0	122.9	116.2
14. Other Mining	185.0	185.0	181.7	170.0
15. *Processing and Manufacturing: Total*	195.2	195.4	190.5	158.5
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	195.8	196.2	192.2	148.5
17. Sugar	192.7	193.7	194.1	175.9
18. Cotton Textiles	161.2	162.3	159.2	159.5
19. Jute Textiles	98.4	94.8	91.0	99.4
20. Silk and Woollen	1114.8	1197.7	1095.8	649.2
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	208.7	205.8	199.4	178.3
22. Iron and Steel	168.5	164.7	161.5	165.0
23. Transport Equipment	435.8	440.5	418.6	274.0
24. Electrical Machinery	144.8	144.5	137.4	135.2
25. Machinery other than Transport and Electrical	223.7	225.6	221.2	193.4
26. Basic Industrial Chemicals	223.3	222.7	211.8	155.4
27. *Processing and Mfg. (Others): Total**	172.8	174.0	169.1	152.3
28. Cement	149.9	150.8	148.4	138.4
29. Paper	230.6	236.4	230.2	224.5
30. *Other Industries: Total**	113.7	114.2	113.3	118.3
31. Electricity Generation and Supply	84.1	84.0	83.3	93.5
32. Trading	125.0	125.8	121.9	101.1
33. Shipping and Other Transport	110.7	111.3	112.3	128.2
34. Construction	327.2	334.6	337.7	313.4
35. *Financial: Total*	177.8	177.6	174.3	174.4
36. Banks	194.4	193.6	185.9	191.3
37. Insurance	152.2	153.8	150.9	141.6
38. Investment Trusts	92.7	93.1	92.0	99.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	185.8	186.2	184.1	157.8
40. Calcutta	165.1	164.7	159.3	147.3
41. Madras	196.0	196.6	191.0	168.1
42. Delhi	242.8	244.5	234.2	182.7

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797 500
Do. 31st March, 1958	1,098,300	1,106 900	786,000
Do. 31st March, 1959	*1,137,500*	*1,149,900*	884 700
Do. 31st March, 1960	1,568,400	1 533,700	1,215,100
April 1959	130,600	124,200	93 300
May " "	128,800	116,400	91,400
June " "	115,700	114,300	88,100
July " "	125,000	121,000	98,500
April 1960	127,700	125,200	99,900
May " "	122,500	120,500	93,900
June " "	120 200	121,700	92,700
July " "	105,700	119,800	96,000
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	595,156	532,815	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,211
Do. 31st March, 1960	1,053,612	827,072	660,695
April 1959	86,826	61,182	40,151
May " "	94,105	57,483	49,470
June " "	75,795	62,510	49,296
July " "	97,082	71,441	56,903
April 1960	90,876	74,806	44,751
May " "	83,908	71,670	56,406
June " "	80,127	69,140	53,737
July " "	72,502K	62,962K	40,897K

K—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	1,680	680,571	6,429,319
1958*	1,824	692,146	7,797,545
1959*	1,523	692,514	5,605,079
Jan. 1959	171	66,752(163)	320,358(163)
Feb. "	93	33,990(66)	271,253(66)
March "	166	67,555(158)	3,056,569(155)
April "	175	50,509	507,570
Jan. 1960	141	78,891(135)	423,077(134)
Feb. "	133	62,976(123)	412,797(123)
March "	125	47,700(114)	370,258(114)
April "	92	37,770(85)	331,511(85)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.
* Figures relate to all states and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* Income (Rs.)
India†	'58-'59	398.00	..	11,690	293 6
Pakistan	'58-'59	86.80	..	2,084	240
Burma	1958	20.02	Kyats 4,344	436	216
Ceylon	1957	9.1	..	507	557
Japan	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines	1958	23	Ps. 9,232	2,209	958
New Zealand	1958	2 28	£(N.Z.) 962	1,069	4,688
Australia	1958	9 80	£(A.) 4,625	4,920	5,021
U.K.	1958	51 60	£ 18,230	24,310	4,711
U.S.A.	*1959*	177 1	$ 403,900	193,064	10,901
Canada	1958	17.00	$ 24,660	12,091	7,112
France	1958	44.05	N. Fr. 17,910,000	17,470	3,926
W. Germany	1958	52 1	Dm. 176,400	20,050	3,848
Italy	1958	48.07	Lr. 13,126,000	10,120	2,078
Norway	1957	3 49	Kr. 23,290	1,560	4,470
Sweden	1958	7 40	Kr. 34,910	5,084	6,870
Netherlands	1958	11 10	Grs. 30,180	3,820	3,440
Denmark	1958	4 50	Kr. 28 250	1,960	4,355
Switzerland	1958	5.10	Sw. Fr. 28,300	3,130	6,137

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year including net income from abroad.
Source: *International Financial Statistics*, February, 1960.
† Based on the seventh issue of the annual paper on national income (at 1948-49 prices); Source: Central Statistical Organisation.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	108	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	95	99	327	106	104	91	98	102	98	106
1955 "	96	338	217	246	78	98	321	99	98	83	87	98	88	106
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116	395	274	313	98	120	384	124	113	103	123	123	109	121
1959 "	121	412	309	340	98	132	384	133	120	106	98	125	108	148
January 1959	117	396	301	323	103	127	368	130	122	107	94	115	109	134
February "	118	399	300	326	103	129	364	127	126	108	94	120	110	134
March "	121	414	287	330	99	129	364	127	126	105	95	121	105	135
April "	117	400	296	313	95	130	364	128	119	101	95	121	104	137
May "	119	406	307	328	95	131	371	131	116	103	96	125	104	138
January 1960	122	422	304	360	96	135	385	137	121	107	99	120	111	144
February "	122	418	294	355	98	136	389	139	122	107	97	121†	109	144
March "	121	414	287	339	97	135	392	138	119	104	100	122†	109	145
April "	122	421	288	346	97	136	392	138	117	104	103	118†	109	145
May "	123	421	..	344	96	135	396	140	116	104	105	118†	109	146
June "	123	422	..	360	..	..	399	..	117	107	..	119†	109	..

* Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5 Year	Cumulative Time Deposits 10 Year	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year D Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts	Total Outstandings
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,82	225,88	449,17
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	22,11	—39,72	43,56	688	547	63	1,87	264,32	490,77
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	625	11,68	67	2,41	286 28	500 0
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	567,3
January 1959	1	..	1,80	3,93	122,83	9,07	125,00	14,37	218,71	21,27	—40,52	42,70	57	10,80	5	2,32	24,07	589,1
February "	2	1	1,78	3,87	120,95	9,64	143,14	14,96	219,39	21,13	—40,80	42,62	58	11,14	5	2,36	25,22	586,4
March "	3	2	1,73	3,79	119,11	11,66	152,48	19,20	226,92	21,01	—40,69	42,57	61	11,88	5	2,41	34,58	581,7
April "	5	3	1,70	3,72	117,25	6,36	157,21	16,39	226,90	20,88	—40,74	42,49	63	12,26	11	2,50	23,52	585,0
May "	7	4	1,68	3,65	115,69	5,71	162,02	15,56	224,83	20,76	—40,80	42,39	51	12,79	5	2,54	21,98	584,4
June "	9	5	1,65	3,59	114,15	6,03	167,24	15,39	224,33	20,61	—40,86	42,33	42	13,19	3	2,56	22,40	589,7
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232 92	19 96	—41,28	41,84	1,13	19,77	5	2,81	23,59	630,2
February "	43	26	1,52	3,21	101,09	7,57	210,61	16,94	234 25	19,87	—41,28	41,75	1,05	20,79	6	2 96	25,71	636,6
March "	51	30	1,54	3,17	99 14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,3
April "	57	34	1,51	3,11	97,35	6,47	228,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	670,0
May "	64	38	1,50	3,07	95,53	6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,08	24,19	5	3,01	24,67	672,8
June "	..	..	..	..	..	..	..	..	..	..	..	41,41	84	25,05‡	5	3,04	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from it from May 10, 1954 to May 80, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From June 1, 1954. H—Outstandings in respect of items in column 11 marked 'E' are not included.
N.B.—Cumulative Time Deposits commenced from 2nd January, 1959

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bond	1926-32	62,20,26,000	1960-70	100 30
3 % Loan	1935-36	116,17,46,000	1965-65	98.05
3 % Loan	1950	80,23,10,000	1964	98 00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95 95
3 % Def. Loan	1945	1,15,05,83,000	1970-75	90 95
2½ % Loan	1946	67,00,89,000	1961	98 55
2½ % Loan	1946	14,77,48,000	1976	88 50
2½ % Loan	1947	75,86,72,000	1962	98 05
2½ % N. P. Bonds	1953	75,76,60,000	1961	100 00
2½ % N. P. Loan	1954	1,58,17,95,000	1964	99 90
2½ % N. P. Bonds (Series)	1955	1,08,67,92,000	1965	99 80
2½ % Loan	1956	87,27,35,000	1965	99 70
2½ % N. P. Bonds	1956	63,81,33,000	1967	99 55
2½ % Loan	1956	66,63,53,000	1974	99 65
NON-TERMINABLE LOANS (4th Series)	1957	56,99,80,000	1967	100 85
4 % Loan	1957	49,17,27,000	1972	101 25
3½ % Loan	1958	115,55,92,000	1963	99 95
3½ % Loan	1958	80,00,00,000	1965	99 50
2½ % Loan N.P.B.	1958	84,33,90,000	1968	100 65
4 % Loan	1958	49,51,44,000	1972	101 15
3½ % Loan	1959	1,03,91,00,000	1963	99 90
4 % Loan	1959	80,93,00,000	1979	100 20
4 % Loan	1960	97,64,00,000	1980	99 90
3½ % Bonds	1960	82,66,00,000	1966	99 75
STATE LOANS	1896-97	3,93,34,000	M.	72 50
3 % Loan	1946	2,48,91,35,000	K.	73 70
4 % Andhra	1955	5,80,16,000	1st Sept. 1967	100 20
4 % Andhra	1956	6,58,15,000	3rd Sept. 1968	100 20
4½ % Andhra	1958	5,48,81,000	15th July 1970	102 00
4 % Andhra	1958	6,60,00,000	19th Aug. 1971	99 70
3 % Bombay	1948	4,48,86,000	15th July 1963	97 55
3½ % Bombay	1951	2,87,53,000	17th Sept. 1962	99 60
4 % Bombay	1952	5,19,25,000	15th July 1963	101 00
4 % Bombay	1953	4,45,56,000	1st Aug. 1964	100 90
4 % Bombay	1955	9,72,28,000	1st Aug. 1967	100 70
4 % Bombay	1956	7,94,76,000	3rd Sept. 1970	100 75
4½ % Bombay	1957	9,57,32,000	16th Sept. 1969	102 60
4½ % Bombay	1958	14,09,09,000	15th July 1970	102 60
4½ % Bombay	1958	4,35,25,000	15th July 1971	102 60
4 % Bombay	1959	6,60,00,000	19th Aug. 1971	100 90
4 % Bihar	1954	14,02,26,000	1st Sept. 1967	100 00
4 % Bihar	1955	2,13,41,000	1st Sept. 1968	100 00
4½ % Bihar	1958	2,76,71,000	13th Oct. 1970	101 50
4 % Bihar	1959	3,50,00,000	19th Aug. 1971	99 70
3½ % Kerala	1956	30,00,000	1st June 1956-61	98 00
Bridge (New)	1936-37	1,77,08,786	1956-66	94 50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 20
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 20
3 % Madras	1945	2,78,44,000	14th Sept. 1960	98 80
3½ % Madras	1946	3,81,77,000	1st Sept. 1961	98 50
3½ % Madras	1948	4,38,25,000	31st July 1963	98 00
3½ % Madras	1951	3,01,49,200	17th Sept. 1962	99 40
4 % Madras	1952	10,38,71,000	15th July 1963	100 40
4 % Madras	1953	7,49,19,000	1st Aug. 1964	100 30
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 50
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	100 10
4½ % Madras	1958	5,55,57,000	15th July 1970	102 05
4 % Madras	1959	8,80,00,000	19th Aug. 1971	99 70
4 % Mysore(f)	1948	2,96,35,200	1st Dec. 1953-63	101 40
2 % Mysore(f)	1928	5,99,73,000	30th Apr. 1956-61	99 80
3 % Mysore	1945	3,33,47,000	15th July 1962	100 45
4 % Mysore	1945	3,54,94,000	15th July 1962	100 45
4 % Mysore	1946	4,11,11,000	3rd Sept. 1962	100 10
4 % Mysore	1957	5,54,56,000	16th Sept. 1969	102 00
4 % Mysore	1958	5,51,51,000	15th July 1970	102 00
4 % Mysore	1959	5,50,00,000	19th Aug. 1971	99 70
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	95 70
4 % M.P.	1951	1,02,18,100	17th Sept. 1962	98 50
4 % M.P.	1952	1,10,12,000	15th July 1963	100 30
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 00
4 % M.P.	1958	2,19,31,000	15th July 1970	101 50
4 % M.P.	1959	3,50,00,000	19th Aug. 1971	99 70
4 % Saurashtra	1955	3,56,23,000	1st Sept. 1967	100 40
4 % Saurashtra	1956	2,70,80,000	3rd Sept. 1968	100 20
4 % Kerala	1956	3,25,81,000	15th July 1963	99 90
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	100 00
4½ % Kerala	1958	2,26,88,000	15th July 1970	101 00
4 % Kerala	1959	4,40,00,000	19th Aug. 1971	99 70
3½ % U.P.E.A.	1952	45,53,03,000‡	..	50 00
3 % U.P.	1936	1,55,59,000	15th Sept. 1961-66	92 25
3 % U.P.	1945	2,17,06,000	14th Sept. 1960	99 60
3 % U.P.	1946	2,16,32,000	1st Sept. 1961	97 75
3 % U.P.	1951	1,87,38,000	17th Sept. 1962	99 25
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100 40
4 % U.P.	1953	5,58,25,000	15th July 1963	100 50
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	100 20
4 % U.P.	1956	8,48,40,000	3rd Sept. 1968	100 20

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
85,50,000	4	1904	1964	
95,00,000	4	1905	1965	
18,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99 60
40,00,000	4	1909	1970	
58,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,38,878	4	1913	1973	
80,00,000	4	1913	1974	99 50
85,25,000	4	1914	1975	99 50
40,00,000	5	1915*	1960	D
58,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1928*	1959	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
18,50,000	3½	1936*	1976	
48,04,000	3½	1938*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
99,24,300	4	1914	1974	99 00
76,80,100	4	1915	1975	99 00
58,00,000C	2½†	1921	1961	83 00
58,02,200C	4	1921	1961	144 00N
60,00,000	4‡	1924	1991	93 00
98,00,000	3½	1925	1965	99 80
25,00,000	3	1927	1965-68	93 00
50,00,000	5	1945	2005	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84 75
50,00,000	3	1946	2000	84 75
50,00,000	2½	1947	1977	79 50
50,00,000	3	1947	1978	88 75
60,00,000C	5	1950	1989	92 00
50,00,000	3½	1951	1981	81 75
1,50,00,000	3½	1953	1991	99 75
50,00,000	4	1953	1993	100 00
50,00,000	4	1955	1995	97 25
90,00,000	4	1955	1995	97 25
77,00,000	4	1956	1996	97 25
78,00,000C	4	1956	1996	97 25
1,24,00,000	4	1957	1997	98 00
1,30,00,000	4½	1958	1998	99 00
1,00,00,000	4	1959	1969	99 50
1,00,00,000	4½	1959	1999	99 00
1,00,00,000	4	1960	1970	99 25
1,00,00,000	4	1960	1970	99 25
STERLING LOANS				
£892,600	5	1923	1953-83	£61 75
£901,000	5	1924	1954-84	£61 75
£385,100	5½	1932	1962	£91 00
MADRAS				
Rs.				Rs.
23,13,275	3½	1947	1977	A
9,86,000H	3	1947	1977	
3,00,000H	3	1949	1979	
45,00,000H	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
13,00,000	4	1913	1973	
50,00,000	4	1914	1974	97 50
25,00,000	4	1916	1976	N
40,00,000	5	1919	1957-79	118 00
66,00,000	6	1920	1958-80	
25,00,000	4	1922	1962-82	115 00N
25,00,000	4	1927	1971-79	98 00N
10,00,000	3	1936	1966	
STERLING LOANS				
£666,600		1909	1968	£95 50
£338,000		1910	1970	£95 50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1924	1964	99 25
56,00,000	4	1925	1965	99 00
30,00,000	3	1926	1966	91 75
50,00,000	3	1927	1968	96 00
30,00,000	3	1928	1968-69	91 75
30,00,000	3	1929	1969	90 00
1,02,00,000	4	1956	1958	99 25
75,00,000	4½	1958	1968	101 00
£ 6,00,000	4½	1959	1974	99 75

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
20,00,000	4	1913-18	1974	99 50
10,00,000	5	1918	1988	112 00N
2,25,00,000	2½	1947	1977	87 75
2,50,00,000	2½	1949	1979	87 75
1,00,00,000	2½	1950	1965	95 00
5,00,00,000	3	1950	1970	95 00
2,00,00,000	2½	1951	1966	88 00
1,00,00,000	4	1952	1972	100 00
1,00,00,000†	4	1952	1972	99 25
1,00,00,000†	4	1954	1974	100 00
2,50,00,000	4	1955	1967	100 00
2,50,00,000	4	1955	1975	100 00
2,00,00,000	4	1956	1968	100 00
400,00,000	4½	1958	1970	101 00
5,00,00,000	4	1959	1971	101 00
CALCUTTA				
Rs.				Rs.
10,00,000	5½	1922	1952	108 00
24,00,000	5½	1925	1955	98 00
60,00,000	5	1926	1956	98 00
47,50,000	3	1938	1968	91 00
21,10,000	3½	1942	1972	92 00
1,13,33,900	3½	1943	1973	92 00
66,66,666	3½	1951	1981	84 50
87,36,800	4	1952	1982	99 75
75,00,000	4½	1954	1979	100 00
2,22,72,000	4½	1955	1985	
75,56,000	4½	1956	1986	100 50
1,67,82,000	4½	1958	1978	
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107 50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½ % U.P.	1958	7,65,45,000	15th July 1970	102 05
4 % U.P.	1946	3,80,00,000	19th Aug. 1971	99 70
4 % Rajasthan	1954	3,14,19,000	3rd Sept. 1968	100 15
4½ % Rajasthan	1958	2,79,86,000	15th July 1970	101 75
4 % Rajasthan	1959	5,55,00,000	19th Aug. 1971	99 70
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	100 00
4½ % Orissa	1958	3,27,71,000	15th July 1970	101 50
4 % Orissa	1959	5,55,00,000	19th Aug. 1971	99 70
4 % M. Bharat	1953	1,04,77,000	15th

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
50,00,000	..	1,47,22,620	44,03,340	—32,02,956	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.58	2	*Nil*	*Nil*			12	Y.
40,00,000	10,99,481	1,18,20,958	77,24,952	—13,00,516	Bulakchand Jain, Esq. (Chairman).	50,596	1,021	B. K. Cotton Mills	30.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	5,40,77,968	9,34,84,561	4,90,54,873	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Z	67.80	25	2.50	2.50	3.50		12	Y.
10,00,000	29,40,356	78,24,032	48,74,455	47,570	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	132.00	50	15.00	7.50	5.00		3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	5,75,31,119	1,22,111	Birla Gwalior Private Ltd. ..	1,26,752	2,698	Century Spg. & Mfg. ..	504.00	100	22.00	22.00	31.50		12	Y.P.
36,00,000	29,04,920	1,21,43,644	73,38,437	61,364	Cowasjee Jehangir & Co. Pvt. Ltd	31,460	680	Cooria Spg. & Wvg. ..	133.00	100	12.50*	12.50*	7.50		3	Y.
25,00,000	26,73,572	93,69,335	59,09,007	12,102	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	127.50	50	7.50F	5.00	10.00		3	Y.
34,00,000	29,44,712	87,46,739	65,30,990	—14,81,027	Puranmal Bubna Sons ..	47,356	928	Edward Textiles	300.00	100	15.00	15.00(e)	18.00		12	Y.
29,98,050	27,57,616	1,61,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	47,820	895	Elphinstone Spg. & Wvg.	62.00	50	*Nil*	*Nil*	7.00		12	Y.
50,00,000	65,75,469	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd. ..	63,212	784	Finlay Mills	352.50	100	20.00	16.00	23.00		12	Y.
50,00,000	52,35,257	1,02,35,144	68,62,387	10,233	James Finlay & Co., Ltd. ..	45,768	1,020	Gold Mohur Mills Ltd. ..	232.50	100	15.00	15.00	21.50		12	Y.
12,00,000	1,17,23,947	1,94,91,703	1,40,31,408	—6,27,490	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg.& Wvg. Mills	4,000.00	1,000	350.00	350.00	350.00(e)	70.00‡	3	Y.P.
									250.00	250	87.50*	87.50	87.50(e)	17.50‡	3	
2,00,00,000	1,16,525	5,09,02,595	3,68,18,422	—57,60,994	Agarwal & Co.	2,50,414	6,412	India United Mills ..	13.68	0.100	*Nil*	*Nil*			12	Y.
D.50,00,000									9.00	0.100	*Nil*	*Nil*				
18,00,000	97,77,876	1,83,36,241	1,38,55,126	17,489	K. M. D. Thackersey Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,270.00	1,000	225.00*	225.00	200.00(e)	35.00‡	3	Y.P.
									1,050.00N	500	162.50*	162.50	100.00(e)	17.50‡	3	
80,85,000	81,10,848	2,52,99,951	2,54,17,422	23,727	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	782.50	100	10.00(e)	10.00	16.00		6	Y.P.
1,00,00,000	1,00,80,699	3,81,90,145	2,95,67,278	27,999	Killick Industries Ltd. ..	1,20,564	1,846	Kohinoor Mills	357.50	100	18.00	10.00	9.50		12	Y.
46,47,350	38,85,220	1,43,57,502	70,49,849	28,992	N. Sirur & Co. Private Ltd. ..	49,200	644	Modern Mills	95.00	50	5.00'C	3.00	5.00		10	Y.
51,78,000	44,00,000	2,84,52,913	2,05,23,269	2,38,354	Piramal Sons Private Ltd. ..	71,604	1,642	Morarjee Goculdas Spg. &Wvg.	380.00	100	14.00(e)	15.00	21.50		6	Y.P.
2,41,12,100	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Private Ltd. ..	..	..	National Rayon Corporation	510.50	100	14.00	14.00	22.00		12	Y.P.T
									—	100	..	11.20	21.27			
24,00,000	11,16,837	83,71,853	48,70,077	—11,98,634	W. H. Brady & Co., Ltd. ..	45,944	480	New City of Bombay Mfg.	138.00	100	5.00	*Nil*	*Nil*		12	Y.
80,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg.	195.00	100	*Nil*	*Nil*	*Nil*		12	Y.
48,00,000	57,19,167	1,76,61,754	1,16,83,593	36,434	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	142.50	100	12.50F	10.00	10.00		3	Y.P.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd. ..	32,600	980	Podar Mills	149.00	100	10.00	18.00*(e)	12.00*		12	Y.P.
10,00,000	..	29,20,572	17,12,113	—1,83,358	B. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mfg	10.00	10	0.25	*Nil*	..		12	Y.
57,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg. ..	67.00	10	2.00	2.00	2.50		12	Y.
80,00,000	51,53,455	1,74,14,168	78,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Nivas Cotton Mills	262.00	100	8.00	10.00	15.00		12	Y.P.
50,40,000	15,53,956	2,27,78,338	1,00,86,574	—3,49,633	M.	49,840	1,114	Simplex Mills	175.00	50	8.50	8.50	5.00(e)	7.50	3	Y.T.
1,09,78,000	2,51,54,903	3,87,61,421	2,23,24,758	91,628	Mafatlal Gagalbhai & Sons ..	97,588	2,409	Standard Mills	2,035.00	100	22.50*	20.00	29.00*		12	Y.P.
1,00,00,000	99,94,067	3,16,61,974	1,74,84,096	1,508	Tata Industries Private Ltd. ..	75,038	2,000	Svadeshi Mills	243.00	100	10.00	10.00	14.00		12	Y.
36,00,000	76,44,279	1,98,34,474	1,09,47,928	26,062	James Finlay & Co., Ltd. ..	40,328	550	Swan Mills	497.50	100	25.00	25.00	36.00		12	Y.
65,57,875	50,22,987	2,58,77,176	1,04,22,889	17,925	Tata Industries Private Ltd. ..	61,572	1,775	Tata Mills	44.00	25	2.00	1.50	2.50		12	Y.P.T.
16,00,000	94,52,388	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	32,056	944	Victoria Mills Ltd. ..	372.50	100	22.00*	20.00*	20.00		12	Y.P.
12,00,000	1,02,12,439	1,79,02,964	1,20,98,754	—17,05,339	Mr. K. M. D. Thackersey (Chairman)	54,664	1,262	Western India Spg. & Mfg.	5,650.00	1,000	325.00	325.00	325.00(e)	70.00‡	12	Y.P.
AHMEDABAD																
40,00,000	25,01,804	1,94,97,024	79,08,199	11,165	Tata Industries Private Ltd.(..	49,168	1,016	Ahmedabad Advance Mills	186.00	100	5.00	5.00	4.00 (e)		6	Y.P.T
15,00,000	1,02,99,528	1,39,02,857	79,95,508	....	P. M. Hutheesing & Co., Ltd.	42,768	920	Arvind Mills	477.50	100	25.00	25.00	..		12	Y.P.
60,00,000	2,95,20,599	2,85,00,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co. ..	65,412	1,216	Arvind Mills Ltd.	1,270.00	100	35.00*	28.00'C'	40.00		12	Y.P.
36,40,000	45,04,840	1,24,56,443	55,98,758	1,85,955	Manubhai & Sirubhai (Pvt.) Ltd. ..	35,908	892	Aryodaya Ginning & Mfg.	510.00	200	*Nil*	25.00'C'	..		12	Y.P.
30,00,000	1,31,57,352	1,17,23,154	70,40,009	957	Lalbhai Dalpatbhai & Co. ..	37,368	915	Asoka Mills	675.00	100	30.00	20.00'C'	..		12	Y.P.
2,06,25,000	2,01,51,534	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd.	1,39,120	2,380	Atic	511.00	125	30.00	25.00	22.00	31.00	3	Y.P.
63,00,000	27,76,707	1,57,77,353	1,12,77,222	5,866	Triumlal Bhoglal & Co., Ltd. ..	45,836	866	New Commercial Mills ..	600.00	250	25.00*	27.00*	36.00		12	Y.P.
55,00,000	1,17,29,342	1,79,85,743	1,14,81,119	1,21,046	Mafatlal Chandulal & Co., Ltd. ..	51,112	907	New Shorrock Spg. & Wvg.	2,195.00	125	80.00	35.00*	..		12	Y.P.
15,00,000	65,41,937	75,47,286	39,87,874	228	Jagabhai Bhoglal Nanavaty & Co...	24,840	572	Nutan Mills	390.00	100	20.00	20.00	..		12	Y.P.
90,00,000	96,88,884	1,29,66,793	76,85,644	....	Lalbhai Dalpatbhai & Co. ..	32,828	640	Raipur Mfg.	680.00	100	35.00*	25.00'C'	35.00		12	Y.P.
48,75,000	25,48,744	1,41,19,857	79,09,885	11,900	Rohitbhai Chinubhai, Esq.(Chairman)	33,156	648	Rohit Mills	195.00	100	8.00*	8.00*	..		12	Y.P
63,75,000	2,05,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills ..	1,316.00	100	25.00	80.00*	45.00		12	Y.P
29 25,000	75,75,008	1,12,51,013	73,00,534	28,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,828	720	Shorrock Spg. & Mfg. ..	1,060.00	100	20.00	22.00*	..		12	Y.
85,00,000	39,43,859	1,84,94,632	92,66,120	25,810	Haridas Achratlal & Co. Ltd.. ..	41,056	780	Vijaya Mills	655.00	500	40.00*	40.00*	..		12	Y.P
WEST BENGAL																
18,00,000	3,15,002	39,15,585	25,08,902	41,532	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills ..	7.50	10	0.50	0.50	..		12	Y.P.T
7,11,280																
1 30 620	1,56,980	35,52,765	62,49,897	—1,66,477	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	35.00N	40	4.00	*Nil*	*Nil*		3	Y.P
1,70,000																
24,00,000	5,14,800	1,26,22,986	56,02,346	60,410	Kettlewell Bullen & Co., Ltd. ..	42,912	841	Bowreah Cotton Mills ..	178.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T
28 50 000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co. Ltd. ..	43,054	800	Dunbar Mills	220.00	100	*Nil*	*Nil*	10.00		12	Y.T
50 08 000	8,02,433	88,00,719	48,00,719	34,072	Birla Brothers Private Ltd. ..	4,852	206	Jay Shree Textiles Ltd. ..	16.25	10	0.50	0.65	0.80		12	Y.T
1,60,00,000	2,07,51,444	4,18,99,599	1,42,09,599	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills ..	30.87	10	0.75	0.25	0 25		3	Y.P
0,19,47,750	78,492	50,99,822	32,33,579	—5,21,450	Hazaresmul Hoorala]	23,036	795	Rampoorla Cotton Mills	10.12	10	0.50	*Nil*	*Nil*		6	Y.
D.5 00,000									2.37N	1D	0.15	*Nil*	*Nil*			
SOUTH INDIA AND OTHER CENTRES																
30,00,000	5,43,855	73,05,065	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd. ..	9.95	10	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	2,25,000	35,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd...	42,856	1,055	Anglo-French Textiles Ltd. ..	127.00	100	6.00	6.00	11.00		12	Y.P
11,98,800	1,41,221	40,98,832	23,73,699	....	Setna & Co.	24,800	..	Asher Textiles Ltd.	212.80	100	12.50	6.00	6.00		6	Y.
72,00,000	16,08,790	1,92,55,835	68,19,240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh ..	36,136	725	Azam Jahi Mills	76.00	100	3.50	*Nil*	4.00		9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,89,251	Binny & Co. (Madras), Ltd. ..	49,240	1,157	Bangalore Woollen, Cotton and Silk Mills ..	200.00	100	10.00'C'	10.00	10.00		12	Y.P
35,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd. ..	39,896	1,094	Birla Cotton Spg. & Wvg. ..	18.00N	10	1.50	0.75	10.00		3	Y.
1,78,47,800	3,24,73,971	8,05,80,469	4,78,98,275	2,31,371	Binny & Co. (Madras), Ltd. ..	1,20,238	2,758	Buckingham & Carnatic ..	206.00	100	10.00	10.00	*Nil*		12	Y.P.T
20,00,000	18,500	51,25,580	26,05,678	—2,79,050	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	10.00	10	0.50(e)	*Nil*	..		12	Y.
15,00,000	5 29 316	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg. ..	154.00	100	20.00	12.50	15.00	17.00	3	Y.
30,00,000	31,54,314	81,45,632	66,08,685	—3,29,080	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	7.00	5	0.25	*Nil*	*Nil*		12	Y.
9,36,560	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13.80	10	0.90	0.90	0.90	1.80	3	Y.
35,99,600	23,90,147	1,11,23,707	41,62,473	....	B. Bheema Naidu & Co. ..	28,884	..	Coimbatore Cotton Mills ..	171.50	100	9.00'C'	6.00	6.00		12	Y.P
18,15,000	7,25 195	39,15,552	24,29,633	....	T. A. R. Chettiar Sons & Co. ..	23,340	100	Coimbatore Murugan Mills ..	93.75xd	100	..	..	..		12	Y.P
20,00,000	22,23,665	97,89,504	54,27,110	1,28,493	T. R. N. Naidu & Co.	39,545	..	Coimbatore Pioneer Mills ..	351.50	100	20.00	20.00	25.00		12	Y.P
20,76,900	5,078	1,05,77,844	50,79,544	—15,77,833	K. G. S. Naidu & Co.	52,000	307	Coimbatore Spg. & Wvg. ..	52.00	50	*Nil*	*Nil*	..		12	Y.P
46,87,500	10,87,622	4,55,59,203	1,50,69,402	—81,23,525	Tata Industries Private Ltd. ..	1,15,188	2,032	Central India	118.00	100	*Nil*	*Nil*	*Nil*		6	Y.P
29,66,236	24,30,000	1,10,07,949	51,48,653	15,442	R. Hanumanthappa & Son ..	36,586	800	Davangere Cotton Mills ..	114.00	100	9.00	9.00	9.00		3	Y.
3,33,36,225											2.00	2.00	2.50(e)			
1,00 563	24,09,63,62	12,81,36,690	7,47,80,631	2,84,684	B. R. Charat Ram & Co. Private Ltd	1,16,636	2,333	Delhi Cloth & General Mills	38.00	24	0.16	0.16	0.25‡		6	Y.P.T
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons ..	48,308	201	Dhanalakshmi Mills	229.00	100	10.00'C'	10.00	17.50		12	Y.P
63,00,000	1,21,34,814	1,74,64,803	1,53,07,559	95,889	Begg, Sutherland & Co. Private Ltd.	48,452	1,194	Ekin Mills	200.00	100	10.00	0.75	1.25		9	Y.
48,81,000	28,48,948	1,87,03,402	91,62,727	1,321	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	171.00	100	8.00	8.00	6.00		12	Y.
40,00,000	52,54,709	1,11,82,513	81,40,803	7,074	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd. ..	267.50	100	10.00	10.00	..		12	Y.P
2,50,00,000	63,35,000	6,20,80,185	3,68,54,000	12,62,955	Birla Gwalior Private Ltd. ..	45.50	10	*Nil*	*Nil*	1.00					3	Y.P
50,00,000	1,96,850	1,64,52,847	1,11,05,123	.....	K. L. Saksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United' ..	123.00	100	6.00	5.00(e)	7.00		12	Y.P
8,90,000	10,66,653	25,60,221	20,68,005	....	G. V. Naidu & Co. Ltd. ..	23,784	..	Janardana Mills	65.00	50	3.00				12	Y.
15,54,000	15,02,599	57,13,937	33,88,095	7 012	Mr. Bhairuratan Damani (Managing Director)	21,148	512	Jam Shri Ranjitsinghji	1,440.00	1,000	40.00				6	Y.
16,86,170	13,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	11.25	5	1.25	0.75	0.75		6	Y.
4,63,65,300	3,07,35,097	4,65,6-,279	3,86,57,227	2,55,345	Birla Gwalior Private Ltd. ..	56,184	1,635	Jiyajeerao Cotton	15.52	10	0.35	0.25	0.07		3	Y.I
67,20,000	25,71,788	1,81,79,998	49,33,787	55,800	Kothari Sons	53,136	800	Kothari Textiles	12.80	10	1.00	*Nil*	1.00		12	Y.P
82,00,000	54,81,394	1,98,63,885	1,35,17,868	26,909	M.	51,908	1,248	Lakshmi Cotton Mfg. ..	500.00	250	15.00	15.00	25.00		12	Y.I
71,00,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	157.00xd	50	10.00	6.00	6.00	10.00	3	Y.
435,50,000									78.50xd	25	5.00	3.00	3.00	5.00		
66,00,000	1,42,22,827	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas&Co Ltd.	51,996	896	Mafatlal Fine Spg.&Mfg. Co. Ltd	1,215.00	100	15.00	18.00	29.00*		12	Y.I
4,63,65,300	3,07,35,097	4,65,6-,279	3,86,57,227	2,55,345	Birla Gwalior Private Ltd. ..	56,184	1,635	Madura Mills	34.90	15	2.50	2.50	2.50		12	Y.I
67,20,000	25,71,788	1,81,79,998	49,33,787	55,800	Kothari Sons	53,136	800	Mettur Industries Ltd. ..	12.80	10	1.00	*Nil*	1.00		12	Y.P
82,00,000	54,81,394	1,98,63,885	1,35,17,868	26,909	M.	51,908	1,248	Lakshmi Cotton Mfg. ..	500.00	250	15.00	15.00	25.00		12	Y.I
71,00,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	157.00xd	50	10.00	6.00	6.00	10.00	3	Y.
435,50,000									78.50xd	25	5.00	3.00	3.00	5.00		
66,00,000	1,42,22,827	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas&Co Ltd.	51,996	896	Mafatlal Fine Spg.&Mfg. Co. Ltd	1,215.00	100	15.00	18.00	29.00*		12	Y.I
4,63,65,300	3,07,35,097	4,65,6-,279	3,86,57,227	2,55,345	Birla Gwalior Private Ltd. ..	56,184	1,635	Madura Mills	34.90	15	2.50	2.50	2.50		12	Y.I
67,20,000	25,71,788	1,81,79,998	49,33,787	55,800	Kothari Sons	53,136	800	Mettur Industries Ltd. ..	12.80	10	1.00	*Nil*	1.00		12	Y.P
82,00,000	54,81,394	1,98,63,885	1,35,17,868	26,909	M.	51,908	1,248	Lakshmi Cotton Mfg. ..	500.00	250	15.00	15.00	25.00		12	Y.I
71,00,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	157.00xd	50	10.00	6.00	6.00	10.00	3	Y.
435,50,000									78.50xd	25	5.00	3.00	3.00	5.00		
66,00,000	1,42,22,827	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas&Co Ltd.	51,996	896	Mafatlal Fine Spg.&Mfg. Co. Ltd	1,215.00	100	15.00	18.00	29.00*		12	Y.I
1,75,02,480	4,06,37,833	6,25,73,138	4,25,73,138	2,04,614	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	34.90	15	2.50	2.50	2.50		12	Y.P
60,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	602	Mettur Industries Ltd. ..	396.00	100	20.00	20.00	1.875		12	Y.P
20,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd. ..	39,936	704	Minerva Mills	84.00	100	20.00	20.00	25.00	30.00	12	Y.P.
94,91,850	81,56,146	1,71,94,769	78,81,535	1,35,008	M.	52,408	952	Model Mills (Nagpur) ..	65.00	250	*Nil*	*Nil*	*Nil*		12	Y.T.
24,83,500	40,62,618	1,17,67,314	71,85,958	33,826	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. & Mfg. ..	98.00	50	9.00*	5.00	5.00		6	Y.
13,61,780		29,12,541	17,83,314	3,966	K. Tippeswamy (Chairman)	6,000	..	Mysore Spun Silk Mills ..	6.25N	10	*Nil*				3	Y.
81,50,000	50,71,752	83,03,858	41,45,995	81,883	T. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	216.25	100	12.00	12.00	15.00		12	Y.I
87,33,800	19,78,317	1,77,24,075	1,07,40,513	....	Bansilal Bissendas Pvt. Ltd. ..	37,788	902	Osmanshahi Mills	45.00	100	*Nil*	*Nil*	*Nil*		9	Y.
A.4,00,000	16,56,928	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co. ..	47,600	..	Palani Andavar Mills ..	149.50	50A	9.00	10.00	15.00		12	Y.I
B.6,00,000									209.25	75B	12.50	15.00	22.50			
15,00,000	..	..	37,30,105	—21,28,862	.. ..	27,980	..	Pankaja Mills Ltd. ..	80.00	100	*Nil*	*Nil*	..		12	Y.
63,10,600	18,67,447	1,10,36,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	801	Radhakrishna Mills ..	80.50	25	3.00	1.50	2.25		12	Y.
80,00,000	28,58,800	92,98,175	42,76,744	....	B. R. Naidu & Sons ..	41,896	..	Rajalakshmi Mills	76.50	50	4.50	3.00'C'	3.75		12	Y.
16,14,300	17,87,081	63,86,578	27,79,402	....	Ramco Agencies Private Ltd. ..	26,036	..	Rajapalayam Mills	130.70xd	100	12.00	8.00	8.75		12	Y.
82,32,300	11,80,083	56,78,528	28,55,667	958	Rayalaseema Development Co. ..	21,500	..	Rayalaseema Mills	114.00	100	10.00	10.00	6.00(e)	9.00	3	Y.
10,00,000	6,93,527	54,79,563	33,71,779	3,264	S. R. P. Poonnswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd. ..	26.25	10	1.00	1.50	10.00		12	Y.
86,69,700	23,19,818	99,50,095	66,87,521	23,084	D. B. Viswambharlah, Esq. (Mg. Director)	42,924	840	Sri Krishnarajendra Mills ..	26.25	10	1.20	1.50	2.20		12	Y.
15,00,000	3,63,34,092	1,15,51,972	88,02,187	31,06,195	Birla Brothers Private Ltd. ..	36,828	720	Shorrock Spg. & Mfg. ..	1,060.00	100	20.00	22.00*	..		12	Y.
17,50,000 O	2,35,28,071	6,33,82,415	1,96,98,178	2,961	M.	3,12,216	2,090	Swadeshi Cotton (Kanpur)	8.50	100.	0.75	*Nil*	*Nil*		12	Y.I
67,50,000 PO									9.00	10P.O.	1.15	0.40				
1,00,00,000	70,91,584	4,47,94,266

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
PAPER														
57,43,031	18,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills	65 00	25	*Nil*	*Nil*	2.50		6	Y.P.
45,90,000	49,79,629	2,34,15,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	100 50	25	3 12	5 50	8 00		12	Y.P.T.
88,20,000	80,25,699	2,41,56,489	1,18,77,791	40,465	Andrew Yule & Co., Ltd. ..	India Paper Pulp	22 66	10	1 40	1 00	1 00		3	Y.
2,48,32,500	93,79,739	1,52,01,952	96,32,785	43,794	M. D. Shivaanajappa, Esq. (Chairman)	Mysore Paper Mills	30 00[a]	10	1 00*	1 00	1 25*		5	Y.
1,25,50,670	86,20,921	1,94,16,899	1,14,73,940	75,301	K. C. Thapar & Bros. Private Ltd. ..	Orient Paper	46 70	10	1 50	1 50	1 50		3	Y.P.T.
50,00,000	8,39,122	77,35,854	43,04,384	6,122	Bajoria & Co.	Shree Gopal Paper Mills ..	27 75	10	1 25	1 25			12	Y.P.T.
1,00,00,000 A 1,00,00,000 B.	56,23,786	5,27,98,634	1,40,50,912	72,313	Birla Brothers Private Ltd. ..	Star Paper Mills	13 25 13 25	O. 10 A. 10	0 60 0 60	0 60 0 60	0 80 0 80		9	Y.P.
66,00,000A. 66,04,800B.	4,02,35,633	7,26,92,665	4,02,88,475	1,01,113	F. W. Heilgers & Co. Private Ltd. ..	Sirpur Paper Mills	20 55 40 94 40 94	B. 10 A. 10 B. 10	0 50 2 38* 2 38*	0 65 2 38* 2 38*	0 65 2 50* 2 50*	1.20‡	6 3	Y.P.T.
4,37,500P.O.						Titaghur Paper Mills Co., Ltd. ..						1.20‡		
99,98,875	4,70,475	5,11,72,599	85,807	....	Gobindlall Bangur, Esq. (Chairman) ..	West Coast Paper Mills Ltd. ..	4 12	P.O. 24	0.24	0.24	0.25*	0.17‡	6	Y.P.
							211 00	100	*Nil*	*Nil*	*Nil*			
SAW MILLS AND TIMBER														
13,92,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd. ..	Assam Saw Mills	3 37	2	*Nil*				9	Y.
99,25,000 42,00,000	3,45,21,358	5,63,39,009	2,47,17,106	67,223	Wallace & Co.	Bombay-Burmah Trading Corpn.	579 00 202 50	Old125 New50	47 50K 19 00K	22 50 9 00	23 75 9 50	11.00‡ 4.40‡	5	Y.
99,00,000	20,50,362	21,44,636	16,69,839	1,05,936	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	29 25	10	2 75	2 50	2 50		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	17,72,056	45,74,076	33,32,351	45,327	P. L. Saraogi, Esq. (Chairman) ..	Balrampur Sugar	3 00	5	0 25	0 25	0.40‡		6	Y.
18,00,000A. 3,00,000B.	84,01,264	62,73,828	39,92,829	10,49,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	125 00N 11 50N	A.100 B. 10	10 00 1 00	10 00 1 00			4	Y.T.
19,49,050	10,63,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	15 50	7½	1 00	1 00	1 40		9	Y.
15,00,000	14,05,503	23,44,258	14,90,918	5,149	Cotton Agents Private Ltd.	Bharat Sugar	15 00N	10	1 50	1 00	1 50		6	Y.P.
82,00,000	30,06,740	1,52,64,278	1,05,44,575	14,130	Gladstone Lyall & Co., Ltd.	Carew & Co.	10 69	10	*Nil*	0 25	*Nil*		6	Y.P.T.
80,00,000	65,53,414	1,66,89,434	1,04,18,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	15 62	10	*Nil*	*Nil*	*Nil*		10	Y.P.
30,10,000	40,35,304	84,98,942	63,37,829	16,996	Begg, Sutherland & Co. Private Ltd.	Champdany Sugar	20 25	10	*Nil*	*Nil*	1 50		8	Y.
9,88,253	2,93,564	28,55,378	18,59,328	—34,928	K. C. Thapar & Bros. Private Ltd. ..	Deoria Sugar	9 00	10	*Nil*	0 50			8	Y.T.
60,00,000	70,17,000	2,22,85,620	1,03,51,283	39,855	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills ..	320 00	100	15 00	15 00	15 00		6	Y.P.
18,00,000	14,41,216	68,56,210	54,42,213	9,576	Mr. Tulsidas Kilachand (Chairman) ..	Kesar Sugar	225 00	40	7 00	4 00	4 20		7	Y.P.
7,89,100	28,58,620	51,91,471	30,83,160	6,246	Cotton Agents Private Ltd.	New India Sugar Mills	32 00N	10	2 50	2 50	3 65		6	Y.
11,00,000	4,58,234	49,29,289	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd. ..	New Savan	6 50	10	0 37	0 25	0.37		5	Y.
18,32,200 26,175	48,26,135	78,03,274	29,12,884	24,741	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	50 00N P.O. 2,00,000	25 100	5 00 20 00	10 00 20 00			6	Y.
77,52,960	76 35 199	2,61,13,706	1,41,64,041	16,455	Cotton Agents Private Ltd.	Oudh Sugar	192 00	100	12 50	12 50	18 25		7	Y.P.
9,00,000	23,02,870	51,19,941	35,72,535	4,006	M.	Purtabpore Co.	13 50	10	*Nil*	*Nil*	*Nil*		10	Y.
63,59,400	20,22,090	88,23,036	36,83,281	3,91,544	Govan Bros. (Rampur) Private Ltd...	Raza Buland Sugar	12 69	10	1 50	1 25	1.20		10	Y.
9,00,000	6,39,753	29,28,300	23,93,295	1,403	M.	Ryam Sugar	13 25	10	1 50	1 50			6	Y.P.
11,99,000	16,90,877	48,13,634	26,03,230	20,614	M.	Samastipur Central Sugar ..	15 75	10	*Nil*	0 25			6	Y.
99,09,000	23,94,873	1,36,84,427	80,62,270	41,428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	14 76	10	1 00	1 00	1 50		7	Y.P.T.
10,02,115	24,660	84,19,315	15,98,051	1,196	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	6 69	10	*Nil*	*Nil*	*Nil*		8	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	12 00	10	0 50				8	Y.
8,00,000	43,66,902	1,83,27,976	97,43,200	44,480	Cotton Agents Private Ltd.	Upper Ganges Sugar	69 00	10	5 00	5 00	7 25		6	Y.P.
16,00,000	14,52,294	38,53,170	28,80,100	1,08,870	M.	United Provinces Sugars	17 00xd	10	0 75	1 00	1 50		9	Y.
Other Centres														
30,00,000	26 55,000	91,38,886	28,74,622	22,959	Ramarao & Co...	Andhra Sugars Ltd.	38 75 XR	10	1 25	1 50	2.00		9	Y.
99,84,500	6,25,000	91,67,980	4,84,457	21,247	Parry & Co. Ltd.	Canvery Sugars & Chemicals Ltd.	155 00	100	*Nil*	*Nil*	*Nil*		9	Y.P.
70,19,850	1,26,94,088	1,59,69,486	1,07,41,336	75,919	W. H. Brady & Co., Ltd.	Belapur Company	368 00	50	18 00	20 00*	21 00		9	Y.P.
17,50,000	16 17,192	44,93,554	27,37,735	5,189	A. H. Bhiwandiwalla & Co. (Bombay)	Bhopal Sugar Industries Ltd.	27 65	10	2 00	2 00	2 50		9	Y.P.
37,50,000	16,97,191	83,92,712	57,50,845	2,07,295	Private Ltd.	Shree Chamdeo Sugar	34 25	12.50	2 25	2 25	2 90		9	Y.
39,34,000	36,55,500	1,36,56,345	71,19,655	66,641	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	16 33	5	0 72½*	0 90	0 90		9	Y.P.
$500 000	£1,575,453	£1,950,379	$1,101,544	$82,296	Parry's Holdings Private Ltd. ..	East India Distilleries & Sugar	41.50xd XR	£1	Sh. 3	Sh. 4	Sh.4		9	Y.P.T.
15,93,900	25,45,880	48,87,880	29,79,997	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80 00	100	10 00	10 00	10 00		9	Y.P.
69,97,850	9,79,348	81,86,670	27,89,256	5,62,896	India Sugar Agencies Private Ltd.	India Sugar and Refineries ..	12 50	10	1 00	1 00	1 25		6	Y.P.
27,04,654	17 21,816	1,36,50,912	16,14,400	156	B. B. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	18 50	10	0 60	0 60			6	Y.P.
39 24,100	97 90,290	3,52,12,002	64,64,323	91,745	V. Ramakrishna Sons (Private) Ltd...	K. C. P. Ltd.	26 00	10	0 75	0 75	1 50		6	Y.P.
67,50,000	49,93,558	1,48,05,021	66,20,929	1,61,904	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	100 00	50	100 00*	17 00*	21 00		9	Y.
31 79,280	99,00,189	1,62,19,219	1,01,73,932	45,172	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	60 50	10	2 00	3 00	3 00		9	Y.
50,00,000	54,93,178	2,29,04,888	73,75,195	63,804	Malatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	179 00	50	12 00*	10 00	13 50		9	Y.P.
16,59 820	4,08,386	78,05,159	39,35,780	59,442	Anderson Wright Ltd.	Ramkumar Cane and Sugar ..	26 37	10	1 50	1 50	2 14		8	Y.
20,00,000	2,47,500	24,70,565	13,97,551	788	Govan Bros. (Rampur) Private Ltd. ..	Rampur Distillery & Chemical Co., Ltd.	5 00N	5	0 50	0 50	0 50		8	Y.
2,50,00,000 O. D-4 00,000	43,67,914	1,37,22,721	65,29,942	79,364	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	108 00 30 00	O. 50 D. 50	12 00 3 75	12 00 3 75	8 50 3 75		7	Y.P.T.
30,00,000	20 67,000	67,37,434	30,49,961	1,06,833	Parry & Co., Ltd.	Travancore Sugars	12 10	10	1 00	1 00	1 00		7	Y.P.
1,01,00,000	1,24,16,022	3,47,34,595	1,29,06,496	1,77,732	Walchand & Co. Private Ltd. ..	Walchandnagar Industries ..	305 00	100	21 00	21 00	20 00		9	Y.P.T.
TRANSPORT														
80,00,000	96,44,220	1,16,88,916	20,83,063	26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co. ..	81 00	100	5 00	6 00	8 00		10	Y.P.
1,80,00,000	1,09,44,724	3,99,08,572	1,77,61,898	3,17,991	Dinshaw (Private) Ltd.	Bharat Line	8 00	10	1 20*	1 20*			12	Y.
80,00,000	2,04,75,067	8,76,20,428	1,74,80,547	3,84,489	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd. ..	Great Eastern Shipping Co. ..	96 00	10	5(New)	0 90	0 525		6	Y.P.
£655,880	£936,785	£5,811,271	£3,588,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly.[Co...	10.96	£10						
2,47 50,000	2,59,52,958	18,77,40,719	4,00,23,455	2,09,413	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	66 50	100	*Nil*				12	Y.P.
11,85,57,268	9,29,69,987	$2,02,26,725	$,35,84,307	3,59,994	M.	Scindia Steam Navigation Co. ..	11 00	100	1 00	1 00	1 00		3	Y.T.
4,40,800 3,10,200P.O.	21,45,788	18,10,577	9,03,867	1,67,197	R. B. Aiyar, Esq. (Manager) ..	Walford Transport Ltd.	11 00 3 75xd	100 O. 1	1 00 0 14	1 00 0 14	1 00 0 20		3 12	Y.
							2.62xd	P.O. 1	0 12	0 12	0 15			
UNCLASSIFIED (Bombay)														
5,87,00,000	1,46,48,754	5,77,10,152	04,19,200	2,09,69,272	S. H. Burnes, Esq. (Chairman) ..	Hindustan Lever	46 00	10	1 40	1 50	2 40		12	
31,07 000	9 13 024	17,37,56,431	72,51,407	—4,52,056	Birla Brothers Private Ltd.	Indian Rayon	123 00	100	12 50F	7 00	*Nil*		12	Y.P.
14,98,840	5,27,709	37,56,956	23,15,699	17,694	Choonilal Manilal Private Ltd. ..	Estrela Batteries	67 00	50	3 50*	3 00	5 50*	4.50	12	Y.P.
99 99 250	20,22,470	1,31,66,987	....	58,613	Premchand Roychand & Sons ..	Industrial Investment Trust ..	72 00	100	5 50	6 00	6 00		12	Y.
1,00,00,000 24,82,500	33,17,365	48,22,945	16,84,812	6,237	A. N. Haksar, Esq. (Mg. Director) ..	Killick Industries	106.00	100	11 00	18 00	9 00		11	Y.
2,27,85,475	84 40 713	4,47,85,451	2,21,25,834	2,71,968	Aero-Auto Private Ltd.	Premier Automobiles	174 00	100	6 00	4 00	9 00		6	Y.P.
29,99,200	24,53,766	65,97,395	18,34,590	80,136	Polson Agencies Private Ltd. ..	Polson Ltd.	158 00	10	10 00	10 00	15 00		6	Y.P.
2,75,00,000	1,77,59,354	4,62,98,135	1,92,15,642	4,20,813	Mr. A. Hydari and Mr. S. Gothberg ..	Western India Match Co., Ltd. ..	238 00	100	11 00	11 00*	16 00*		12	Y.
48,00,000	66,42,290	11,56,665	5,47,970	1,56,267	Jehangir P. Patel, Esq. (Chairman) ..	W. H. Brady & Co., Ltd.	387 50	150	25 00	25 00	35 00		12	Y.
Other Centres														
68,50,000	2,04,96,139	3,89,98,591	1,10,43,880	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd.	18.37	O. 10	0 90	0 90	1 00		8	Y.P.T.
79,99,901	35,47 000	1,10,99,415	43,70,708	48,624	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd.	25 40	10	1 25	1 75	1 25		8	Y.
80,00,000	36,44 175	36,06,360	25,50,851	2,24,885	Turner Morrison & Co. Private Ltd. ..	Angelo Bros., Ltd.	21 00	10	1 80*	1 50	2 00		8	Y.
80,00,000	20 24,770	40 25,468	21 84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd.	18 50	10	1 25*	1 25*	1 80		12	Y.
80,00,000	35,34,850	1,08,71,881	42,22,343	1,54,774	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India ..	6 75N	10	0 60	0 60			12	Y.
2,46,78,690	25,83,810	2,20,70,596	60,76,913	20,076	A. F. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	9 40	5	0 80	0 80	0 40		12	
80,01,400	83,06,830	77,58,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman) ..	Balmer Lawrie & Co., Ltd. ..	227 00	100	12 50	20 00	25 00		12	
12,00,000	22,70,218	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	42 12	10	2 50	2 50	4 50		12	
30,00,000	7,79,721	64,19,086		55,092	Lovelock & Lewes	Birla Investment Ltd.	13 00	10	0 50	0 70	1 10		9	
45,97,020	45,04,814	1,17,84,974	48,55,817	2,15,949	K. Jullan Scott, Esq. (Mg. Director) ..	Britannia Biscuits	87 50	10	1 00	1 20	1 40		8	
2,15,00,000	1,58,58,664	3,62,78,515	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd. ..	8 04	6	*Nil*	*Nil*	*Nil*	0.60‡	12	Y.P.
1,14,08,000	12,100	1,08,09,000	14,000	27,206	F. Acutia, Esq. (Mg. Director) ..	Ceat Tyres of India Ltd.	271 25	100		*Nil*	*Nil*		12	Y.P.
1,38,80,000	14,44,223	1,80,82,824‖		2,16,376	Andrew Yule & Co., Ltd.	Clive Row Investment	8 69	10	0 75	0 75	0.8*H		8	Y.
3,00,00,000	5 12,37,5.9	9,62,33,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	45 75	10	1 50	1 62	2.15	0.75	12	Y.
16,20,630	56,26,391	48,40,889	19,18,152	26,195	Mr. K. G. Khanna	Dyer Meakin Breweries	23 62	5	0 60	0 75			12	
81,26 000	57,17,047	10,66,76,711‖	....	3,52,237	Bird & Co. Private Ltd.	Eastern Investments Ltd.	188 00	100	9 00	9 00	14 00		12	
14,99,000	3,52,644	48,00,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	20 50xd	10	*Nil*	*Nil*	0 50		12	
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	232 00	100	12 00	10 00	17 00		12	
40,00,000	4 73,500	70,95,493	41,29,847	19,46,721	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	24 00N	10	1 50	2 00	2 60	17.50	12	
65,00,000	99 20,000	29,97,543	14,84,655	1,57,026	F. E. O. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	12 78	10	1 00	1 00	1 00		3	
30,00,000	15,67 354	84,64,986	58,51,718	59,181	B. F. R. Syndicate	Great Eastern Hotel	250 00	250	15 00				9	
4,96,12 750	19 51,176	5,80,44,564	2,66,55,858	5,18,731	Birla Brothers Private Ltd.	Hindustan Motors	22 40	10	*Nil*	*Nil*	0.50		9	
80,00,000	16 64,5.9	1,31,39,125	83,67,174	1,31,105	Tolaram Lee & Co. Private Ltd. ..	Hindusthan Pilkington Glass ..	36 00	10	0 60	0 60	1 20		10	
2,97,67 760	2,01,79,740	9,72,38,278	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	30 50	10	0 50	0 70	1 20		12	
1,85,77 700	1,84,79,720	2,76,16 780	1,20,12,790	40,00,510	B. J. Woodley, Esq. (Mg. Director)	Indian Cables	36 81	10	1 50*	1 50*	1 50*		8	
8,27 970	6,14,570	17,46,166	10,08,558	97,031	M.	Indian Rubber Manufacturers ..	18 00	10	0 62				8	
8,00,00,000	99,92,076	5,26,27,893	2,14,74,994	9,72,583	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	41 25	10	1 00	1 00	1 50		9	
29,88,250	29,950	49,20,112	15,93,066	2,457	Birla Gwalior Private Ltd.	Indian Plastics Ltd.	12 56	10	0 87	*Nil*	*Nil*		8	
115,16,00,000	9,87,84,091	10,99,93,615	2,47,39,240	24,64,029	Mr. F. A. Collett (Chairman) ..	Imperial Tobacco Co. of India Ltd.	12 28	10	0 70	0 70	*Nil*		8	
2,00,00 000	72,02,100	41,08,517	14,59,307	5,40,185	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	17 00	100	2 50	2 50	5 00	0.50‡	3	
60,00,000O. 5,00,000D.	85,87,572	29,99,955	11,94,788	2,49,742	M.	McLeod & Co.	215 00 —	O. 100 D.O.10	12 50 0 75	12 50 0 75			12	
1,45,52,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26 50	10	2 12*	2 12*	2.75		9	
1,61,00,000	1,64,75,151	3,36,31,784	1,25,74,083	23,96,994	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	44 75	10	1 75	1 75	1 75		9	
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	25 00	10	1 25	1 25	1 50	2.50‡D	8	
10,00,000	3,41,884	17,87,071	9,84,534	200	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	13 48	10	1 50	1 25	1 50		8	
2,00,00,000	1,15,56,555	2,85,11,692	95,31,873	43,63,429	J. B. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	58 00	10	1 40	1 40	1 80		12	
59,97,500	1,19,25,897	1,19,56,737	47,07,165	46,185	Associated Ind. Dev. Co. (Pvt.) Ltd...	National Insulated Cable Co. ..	27 31	10	2 00	2 00	2 00		8	
40,00,000	28,64,825	82,88,459	26,90,674	26,079	Do.	National Rolling & Steel Egpes ..	15 12	10	1 00	1 00	1 00		8	
49,97,084	9 15,776	83,56,383	33,67,559	14,523	K. N. Mookerjee, Esq.(Mg. Director) ..	National Rubber Manufacturers Ltd.	17 12	10	1 00	1 00	1 00		8	
79,97,000	1,02,10,381	1,39,71,675	75,68,474	7,07,850	T. N. Ellas & Co. Private Ltd. ..	National Tobacco Co.	22 62	10	1 00	0 00	0 00		8	
7,50,000	6,82,000	11,21,580	5,03,722	66,772	Parry & Co., Ltd.	Parrys Confectionery Ltd.	4 75	1	0 90	1 10	1 60		8	
2,20,00,000	50,68,956	1,48,74,355	48,92,803	47,214	P. C. Vink, Esq. (Mg. Director) ..	Phillips India Ltd.	30 56	1	0 20	0 20	0 20		3	
2,25,00,000	40,500	66,76,349	30,89,526	2,54,744	M. P. A. Paspatti, Esq. (Mg. Director)	Ballia India Ltd.	137 00	100	*Nil*	0 85	1 20		12	
25,00,000 O. 1,72,780 D.	50,000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd.	Radio Lamp Works Ltd.	120 00	100	7 50	9 00	5 00		2	
2,50,80,000	2,20,45,000	14,54,58,965	5,52,72,716	3,773	Sahu Jain Ltd.	Rohtas Industries	40 56	100	1 18	2 00	—		2	
4,75,200 5 13,400	99,259	31,10,322	9,26,551	28,722	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100 00N	100		6 00	6 00		3	
70,00,000	88,73,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	60 00N	50		3 00	3 00		6	
40,00,000	96,89,310	1,32,79,069	76,28,929	8,51,274	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	27 25	10		0 60	0 80		9	
75,00,000	45,78,890	1,17,50,338	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co., Ltd.	23 12xd	10		1 50	1 50		9	
15,00,000	94,66 0608	1,15,70,593	24,22,541	4,919	J. K. Agents Private Ltd.	Straw Products Ltd.	26 00	10		1 00	1 00	0.60‡	12	
9,98,960	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	13 31	10		1 25	1 25		12	
22,89,270	12,50,000	12,58,953	8,25,089	10,67,057	M.	Tractors (India) Ltd.	7 50	10		0 40	0 60		12	
2,49,99,600	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar, (Chairman)	Tube Investments of India Ltd. ..	41 00	10		2 25	3 00		6	
							347 50	100		10 00	10 00		7	
11,58,300	14,70,739	12,72,077	6,76,830	41,732	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	33 25	10		2 00	2 00	2.75	9	
8,00,000	12,00,000	36,58,720	29,58,716	27,831	Vital Malliya, Esq. (Chairman) ..	United Breweries	114 50	10		20 00	60 00	60.00(a)	2	
27,00,000	14,07,889	78,12,229	23,59,607	16,554	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd. ..	300 00	100		10 00	10 00	10 00	3	

M.—Managed by Board of Directors. ‖‖ Investments at cost. * Includes bonus. † Subject to taxation K.—Includes an additional dividend Rs. 7.00 per old share and Rs. 5.00 per new share
Q.—Maharashtra Sugar subdivided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1958 and 1957 are on shares of Rs. 250.
S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955.
E.—Clive Row Investment. Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.
(a) United Breweries Ltd.—The divid

TEA AND OTHER PLANTING COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Refe ence
PLANTING; PRODUCE AND RUBBER														
4,00,000	2,55,748	7,16,760	98,936	8,210	A. V. Thomas & Co. (Mysore) Pvt. Ltd.	Bababudin Coffee & Produce Co., Ltd.	9 00	5	1 25	1 25	0 625		6	Y.F
3,00,000	2,35,000	4,24,393	43,350	1,648	Planting Agencies (Private) Ltd.	Balmadies Plantations	2 45	2	0 45	0 25	0 15		5	Y.F
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	Cochin Malabar	8 1ed	3	0 52	0 30(C)	0 45	0.525	2	Y.F
22,50,000	30,58,661	50,61,756	11,30,047	1,28,049	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	26 40	10	4 00	2 00	2.50		6	Y.F
71,55,000	63,55,504	1,51,68,573	35,93,779	79,971	R. C. Paterson, Esq.	Consolidated Coffee	25 10	10	4 00	2 00	2 50		6	Y.F
4,00,000	5,87,423	12,42,809	60,301	3,461	Associated Planters Private Ltd.	Cottanad Plantations	13 25	10	1 75	1 50	1.50		3	Y.F
18,00,000	9,86,402	31,48,370	6,03,094	24,694	A. V. Thomas & Co., Ltd.	Highland Produce	15 85ed	10	0 75	1 50	1.50		12	Y.F
8,00,000	7,27,800	20,48,983	3,37,382	6,995	A. V. Thomas & Co., Ltd.	Kalpetta Estates	12 35	10	2 00	1 00(C)	1 25		4	Y.F
4,00,000	3,00,000	9,64,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.	Kumaroode Estates Ltd.	5 50	2	0 50	0 40(C)	0 40		10	Y.F
13,50,000	4,77,380	20,94,083	3,70,608	11,167	K. T. Thomas Kothanar, Esq.	Malankara Rubber	20 40	10	2 25	1 70(C)	1.60		3	Y.
40,50,000	14,80,388	88,24,890	11,08,400	33,748	A. V. Thomas & Co., Ltd.	Midland Rubber	12 17	10	2 00	1 00(C)	1 00		3	Y.F
3,35,000	4,13,450	10,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	Nemmeny Rubber	19 25	10	0 75	1 50	1.50		12	Y.F
2,00,000	3,28,000	9,55,544	68,409	1,098	Associated Planters Private Ltd.	Nilambur Rubber Co.	19 25	10	1 50	2 00	1 50		12	Y.F
19,45,980	22,33,423	48,92,125	16,66,050	3,088	Peirce, Leslie & Co., Ltd.	Onetteribetty Valley Estates	5 62	2	0 60	0 20	0 50		10	Y.F
16,50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.	Pullingedde Rubber	1 95	2	0 10	0 08	0 10		3	Y.F
13,50,000	8,49,874	47,74,372	4,48,809	44,024	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	22 60	10	2 00	2 00	2 00		6	Y.F
5,50,170	3,00,000	8,87,753	1,23,319	12,009	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	2 00	2	0 30	0 25(C)	0 30		11	Y.
12,00,000	1,35,000	18,24,855	68,427	15,748	Patco Agencies	Sawyam-shwar Coffee Estates Ltd.	2 60	2	...	0 18	0 18		3	Y.F
10,00,000	2,48,373	22,80,508	1,79,424	13,959	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	6 75	10	0 60	0 60	0 60		3	Y.F
2,50,000	2,25,000	6,13,713	47,038	28,439	A. V. George & Co., Ltd.	Thamarapally Rubber	28 10	10	3 00	3 00	3.60		12	Y.F
9,15,300	5,75,000	23,57,605	1,88,203	7,572	Peirce, Leslie & Co., Ltd.	Thirumalai Rubber Co., Ltd.	1 53	1	0 05	0 10	0 07		9	Y.F
6,00,000	66,742	11,54,891	5,03,490	2,248	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	12 30	10	1 50	1 00	1 00		12	Y
41,00,000	15,07,458	86,13,006	18,50,607	3,526	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	8 12	10	0 40	0 50	0 75		12	Y.F
20,00,000	1,36,000	32,16,659	8,67,958	11,934	P. T. Thomas, Esq. (Mg. Director)	Travancore Plantations Co.	20 85	25	1 00	1 50	2.00		12	Y.F
6,00,000	4,56,000	17,45,808	1,02,210	6,282	P. I. J. Joseph, Esq.	Velimalai Rubber & Co.	5 80	5	0 62½	0 50	0 50		2	Y.F
2,20,000	4,29,000	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	16 50	10	0 60	0 75	1.50		12	Y.F
8,80,010	2,91,970	9,65,557	38,718	585	M.	Vaikundam Rubber Co., Ltd.	31 35ed	10	3 50J	3 00	2.50		12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,433	Peirce, Leslie & Co., Ltd.	Wattebully Estates Ltd.	3 66ed	2	0 15	0 30	0 30	0.30	3	Y.
6,95,000	2,44,161	14,25,129	77,672	2,100	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	7.65	10	1 00	0 50	0 50		3	Y.F

J—Final dividend of Re. 1.50 is on the increased capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Refe ence
60,00,000	58,51,970	1,17,27,488	45,26,971	25,002	B. N. Elias & Co. Private Ltd.	879	Agarpara	13 81	10	0 25	0 25	0.50		3	Y.F.I
8,00,000	11,72,140	68,39,056	43,04,188	1,92,640	McLeod & Co., Ltd.	456	Alexandra	180 00	100	10 00	10.00			12	Y.F.I
80,00,000	3,79,200	1,26,70,290	99,41,083	—1,88,205	McLeod & Co., Ltd.	1,264	Alliance	113 00	100	*Nil*	*Nil*		6.00‡	5	Y.F.I
49,20,700	72,81,000	3,09,77,421	2,59,93,087	2,15,074	Duncan Brothers & Co., Ltd.	2,501	Anglo-India	220 00	100	7 00	10 00	12.50		3	Y.F.I
40,00,000	37,33,926	1,51,39,985	70,19,427	43,140	Bird & Co. Private Ltd.	1,810	Auckland	174 00	100	*Nil*	5 00	20 00	7.00‡	3	Y.F.I
20,00,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	950	Bally	252 00	100	2 00	6 00	10 00	25.00	3	Y.F.I
£275,000	£628,819	£1,617,018	£1,028,550	—£67,063	Sir John H. Barder (Chairman)	1,880	Barnagore	127 00	£5	*Nil*	*Nil*	10sh.		3	Y.F
28,00,000	30,71,190	98,01,914	50,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	155 00	100	2.50	7 50	13.50		12	Y.F
45,00,000	29,71,745	58,94,901	35,42,933	—5,73,255	Scrajmull Nagarmull	600	Bengal	10 75	10	*Nil*	0 50			6	Y.F
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	33 00	10	1 00	1 00	1 00	1.50	3	Y.F
35,00,000	23,30,695	1,19,81,194	72,84,779	62,431	Andrew Yule & Co., Ltd.	1,141	Bowdoe-Budge	141 00	100	*Nil*	5 00	15.00		10	Y.F
7,47,380	4,000	45,18,657	34,32,120	—6,20,992	Dayaram & Sons	502	Calcutta Jute Mfg.	8 00	10	*Nil*	*Nil*			12	Y.F
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	136 00	100	*Nil*	15 00	12 00		11	Y.
89,16,400	76,57,559	2,11,41,431	1,20,71,737	—92,149	James Finlay & Co., Ltd.	600	Champdany	127 00	100	*Nil*	*Nil*	7 00	4.00‡	3	Y.F
15,95,000	23,19,096	86,22,904	50,02,740	20,473	Andrew Yule & Co., Ltd.	530	Clive	17 44	10	*Nil*	5 00	12 50‡		11	Y.F
30,15,000	38,42,800	1,09,82,980	59,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	14 04	10	1 10	1.25	1.50		7	Y.F
24,00,000	9,00,000	81,80,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	12 87	10	*Nil*	*Nil*			3	Y.F
31,49,200	39,72,331	1,39,88,257	61,31,405	—6,42,070	Bird & Co. Private Ltd.	766	Dalhousie	127 00	100	*Nil*	*Nil*	*Nil*		3	Y.F
23,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	140 00	100	*Nil*	6 00	14 00		11	Y.F
15,00,000	37,20,000	1,07,39,530	70,08,837	93,729	McLeod & Co., Ltd.	500	Empire	16 56	10	0 75	1 00	1 25		7	Y.F
21,00,000 }	74,32,310	2,61,26,629	1,59,43,058	1,94,546	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	{ 300 00 / 1,200 00	100 / 50 New	10 00	20.00	20 00 / 10 00		3	Y.F.I
21,00,000	19,22,948	1,27,75,074	68,81,071	1,66,649	Banzur Bros., Ltd.	1,014	Fort William	26 50	10	1.50	1.50	1.50		3	Y.F.I
34,32,100	....	2,23,71,685	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11 62	10	*Nil*	*Nil*	*Nil*		3	Y.F.
10,80,000	29,50,315	69,22,327	48,80,330	1,51,070	M.	607	General Ind. Society Ltd.	40 00	10	60 00§	2 00			12	Y.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	370 00	100	2 50	20 00	25 00	80.00	3	Y.F
40,00,000	54,78,233	1,38,25,777	75,98,466	2,06,063	Banzur Bros., Ltd.	1,078	Hastings	93 00	100	5 00	5 00	6 00		3	Y.F.I
16,80,000	21,42,845	72,39,485	53,26,713	49,754	Baijnath Baijoria	729	Howrah	17 25	10	*Nil*	*Nil*	1 00		3	Y.F.I
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,392	Jardine Henderson Ltd.	1,940	Howrah	23 00	10	*Nil*	*Nil*	1 00	1.25	3	Y.F.I
52,50,000	31,20,000	3,02,67,018	1,67,42,018	1,07,839	Ramdutt Ramkissendas	2,272	Hukumchand	21 75	7 50	1 50	1.50	1.50		3	Y.F.
67,30,000	20,35,465	1,52,85,168	93,25,868	62,038	M.	790	India	15 87	12 50	9 37	15 62‡	12 50	0.75‡	3	Y.F.
24,00,000 }	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 161 00 / 156 00	100 / *Nil*	*Nil*	5 00	20 00		12	Y.F.I
*B'12,50,000 } 30,00,000	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kankarrah	'B' 100	*Nil*	*Nil*	5 00	20 00		12	Y.F.I
28,00,000	49,10,000	1,43,71,155	98,71,113	1,03,584	McLeod & Co., Ltd.	703	Kelvin	161 00	100	9 00	12 50	14 00(C)		5	Y.F.
24,00,000	22,12,630	2,20,06,065	1,32,49,119	10,158	Anderson Wright Ltd.	1,530	Kharidah	29 37	10	8 00	8 00	20 00‡		3	Y.F
57,58,750	80,85,694	2,41,09,190	1,17,28,523	51,370	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	176 00	100	*Nil*	*Nil*	10 00	7.00‡	3	Y.F.I
24,48,000	29,28,028	1,30,28,840	68,01,868	—7,58,162	Bird & Co. Private Ltd.	931	Lansdowne	148 00	100	*Nil*	*Nil*	*Nil*		3	Y.F.I
28,00,000	23,83,455	89,88,615	39,14,027	60,304	Bird & Co. Private Ltd.	840	Lawrence	143 00	100	*Nil*	*Nil*	2 00	7.00‡	3	Y.F.I
31,65,200	28,13,291	2,34,62,536	1,45,80,024	2,82,507	M.	1,394	Mecca	13 00	10	0 50	1 75	1 00	0.60‡	3	Y.F.
29,98,000	34,36,392	1,64,53,185	94,33,205	—11,60,635	M.	815	Naihati	64 50	100	*Nil*	*Nil*	*Nil*		3	Y.F.
20,00,000	18,14,378	86,84,253	24,27,490	4,029	Howrah Trg. Co. Private Ltd.	425	Naskarpara	12 75	10	0 25	0 25			10	Y.F.
35,00,000	39,51,326	49,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	24 10	10	0 75	0 75	1.50		12	Y.F
26,25,000	31,71,872	59,70,347	26,86,043	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	12 62	10	0 90	1 00	1 40		7	Y.F
1,38,24,350	1,09,88,995	8,50,25,980	1,28,63,717	1,415	Sahu Jain Ltd.	1,765	New Central	30 56	10		1 50	1 50(C)		3	Y.F
16,79,830	49,85,192	1,36,11,669	66,57,100	35,452	Bird & Co. Private Ltd.	587	Northbrook	20 50	10	*Nil*	*Nil*	1 25	0.75‡	3	Y.F
66,79,500	39,53,004	2,30,01,348	1,21,95,723	49,497	Macneill & Barry Ltd.	1,092	Nuddea	56 75	50	*Nil*	2.50	3 00	4.00	3	Y.F
24,91,000	24,34,794	76,55,874	54,34,080	28,919	Andrew Yule & Co., Ltd.	601	Orient	139 00	100	*Nil*	2 50	12 00		11	Y.F
25,00,000	10,23,000	99,30,388	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	5 75	5	0 30	0 37½	0 50		7	Y.F
20,00,000	42,829	33,90,467	12,08,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9 87	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.F
49,50,000	4,75,546	1,24,01,131	66,72,959	—88,95,851	Jardine Henderson Ltd.	1,276	Reliance	7 00	10	*Nil*	*Nil*	*Nil*		3	Y.F.I
£600,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	10 50N	£1	*Nil*	5%†	10%†		12	Y.F
30,00,000	19,67,300	1,24,50,569	91,65,688	69,510	Bazaria More & Co., Ltd.	511	Shree Ambica	24 50	10	0 80	0 50	0 60		3	Y.F
14,00,000	12,59,725	72,57,126	52,50,725	63,033	Hindustan Investment Corpn. Ltd.	401	Soorah	25 50	10	1 50	1 50	2 50		12	Y.F
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	10 50N	£1	*Nil*	8%†	10%†		12	
35,98,800	55,90,024	1,06,68,547	46,70,750	75,586	Bird & Co. Private Ltd.	1,326	Union	202 00	100	*Nil*	15 00	20 00	7.00‡	3	Y.F
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	10 50N	£1	8%†	5%†	10%†		12	Y.F
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	4 06	1	*Nil*	*Nil*	0 25		5	Y.F

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Refer ence
25,50,000	32,36,200	1,09,35,072	77,89,072	39,129	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	24 62	10	1.25	1 25	1.50		3	Y.
12,00,000	6,14,541	35,85,854	33,74,696	—2,35,349	Jardine Henderson Ltd.	Bararee Coal	15 06	10	0 37	0 50	*Nil*		3	Y.
4,49,350	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	6.00	10	0.00	0.00			12	Y.
1,00,00,000	1,84,79,081	6,96,53,688	4,66,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	17.50	17.50	25.00				12	Y.
2,25,000	4,90,671	23,57,602	21,45,467	—24,992	Andrew Yule & Co., Ltd.	Bengal-Nagpur	22 00	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,25,299	1,44,85,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	5.75	10	0 60	0.60			6	Y.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbaree	6 50N	10	*Nil*	*Nil*			12	Y.
7,50,000	24,88,188	49,61,177	28,34,991	20,179	F. W. Heilgers & Co. (Private) Ltd.	Borrea	22.75	10	0.75	0.75	*Nil*		12	Y.
99,92,480	1,77,68,238	4,58,82,424	2,17,98,581	1,10,789	Bird & Co. Private Ltd.	Burrakur	19 81	10	0 37	0.37½	1.80		12	Y.F
49,97,000	82,980	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central India	12.12	10	0.50	0.50			3	Y.
3,00,000	12,90,590	49,56,845	33,71,353	23,320	M.	Central Kurkend	8 00N	10	0 70	0.50			3	Y.
6,00,000	1,54,873	6,36,341(k)		941	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.50	4	0.20	0.20	0.12		12	Y.
16,00,000	....	57,45,962	32,76,326	—28,096	Macneill & Barry Ltd.	Dhemo Main	9.75	10	*Nil*	*Nil*			12	Y.
£240,000	£370,709	£1,094,395	£794,405	£9,562	Jardine Henderson Ltd.	East Indian	31.44	£1	1.50	1.00	1.25		4	Y.
29,63,760	1,07,01,492	4,76,99,617	3,88,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	27.25	10	1.50	1.50	0.75		12	Y.
10,00,000	1,40,469	4,24,422	4,83,396	45,969	Shatter's Agency Ltd.	Ghusick and Mualla	18 25	10	*Nil*	*Nil*			3	Y.
12,00,000	1,01,130	43,53,854	27,66,116	—5,13,177	Killick Industries Ltd.	Hingir-Rampur	23.00	10	*Nil*	*Nil*	*Nil*		6	Y.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	14.00	10	*Nil*	*Nil*			12	Y.
20,00,000	3,47,960	37,02,776	8,95,679	20,442	Bird & Co. Private Ltd.	Karanpura Collieries	209 00	100	*Nil*	5.00	5.00		2	Y.
5,00,000	10,74,252	62,22,175	39,91,046	1,27,146	Andrew Yule & Co., Ltd.	Katras Jherriah	48.00	10	0.50	0.50	0.50	3.50‡	12	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	7.25N	10	*Nil*	*Nil*			6	Y.
9,00,090	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15.00N	10	0.12	1.00			4	Y.
7,48,240	2,80,000	13,72,632	10,20,509	24,346	Tantia Brothers Private Ltd.	Nazira	8.81	10	0.75	0.75	3.00		12	Y.
17,76,230	23,80,325	1,52,03,776	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	New Beerbhoom	22.69	10	0.75	1.00	1.50		10	Y.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	New Manbhoom	13.37	10	0.50	0.50			3	Y.
1.15,000 } 1,57,500 }	3,84,524	13,00,275	9,40,919	46,886	Andrew Yule & Co., Ltd.	North West	{ 24 37N / 18 00N	10 / 7.50	1.12	1.50 / 1.12	1.50 / 1.12	1.00‡ / 0.75‡	3	Y.
7,50,000	15,80,815	3,97,666	2,77,666	42,423	F. W. Heilgers & Co. (Private) Ltd.	Ondal	11.50	10	0.80	0.80			12	Y.
8,34,000	1,39,915	29,18,119	11,33,398	3,885	Deepchand Kishenlall	Parasea	16.00N	10	0.50	0.50			12	Y.
15,75,000	20,39,400	68,80,103	44,84,103	82,685	Shaw Wallace & Co., Ltd.	Pench Valley	22 62	10	2.00	2.00	1.00		12	Y.
23,99,500	32,78,607	1,47,24,692	1,01,33,389	5,489	B. N. Elias & Co. Private Ltd.	Ranegunge	16 94	10	0.75	1.00	1.00		3	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	24.75	10	1.00	1.00			12	Y.
37,50,000	38,22,000	1,02,63,214	26,37,721	66,372	M.	Samla Collieries	9.00N	10	0.90	0.80			12	Y.
2,50,000	80,000	14,29,679	12,57,285	8,302	M.	Searsole	1.72	2.50	0.12	*Nil*			3	Y.
2,80,000	10,53,529	30,26,230	20,57,054	46,992	Andrew Yule & Co., Ltd.	Seebpore	85.00	7	1.75	1.75	3.00		12	Y.
6,00,000	4,54 665	11,88,809(k)		5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	8.75	10	0.25	*Nil*	0.35		12	Y.
63,21,450	1,06,25,748	6,10,30,781	2,90,93,472	54,868	Industries (L. F.) Department (Govt. of Andhra Pradesh)	Singareni	10 00cd	10	1.50	0.75			12	Y.
17,50,000	8,47,303	41,74,967	19,38,899	19,788	Bird &Co., Private Ltd.	South Karanpura	12 25	10	0.75	0.75	0.90		5	Y.
8,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	14.50xd	10	1.00	1.25	1.50		12	Y.
3,50,000	2,30,000	19,15,700	14,79,400	1,77,052	Williamson Magor & Co., Ltd.	Union	13 00	10	0 37	0 25			12	Y.
49,98,000	1,88,505	78,61,905	29,99,423	7,982	Hindustan Investment Corpn. Ltd.	Western Bengal	8 19	10	0.50	0.40	0.40		3	Y.
7,00,000	....	50,74,151	29,19,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	6.75	10	*Nil*	*Nil*			12	Y.

M—Managed by the Board of Directors. † Less U.K. income-tax. * Including bonus. (k) Investments. $—On old capital.
‡ General Industrial Society Ltd.—The dividends for 1956 and 1957 are on shares of Rs. 300 each which have since been sub-divided into shares of Rs. 10 each.
N.B.—All dividends paid since 31st March, 1959 are shown as taxable.

MARKET REPORTS

(*Concluded from page 391*)

During yesterday's export offerings, some of the quality teas recorded a dearer tendency, while others eased sizeably. Offerings amounted to 47,479 packages. Legg-cut teas were in good demand, and the prices were often dearer, but the plainer teas found support at declined rates only. Medium C.T.Cs were irregular, but the very best C.T.Cs lost a rupee per kg. Darjeelings and tippy teas also eased, but fannings were paid more attention than brokens. Whole leaf grades sagged by 10 to 20 nP. Fannings among bright liquoring orthodox teas tended higher on moderate support, while plainer liquoring Assam B.O.P. teas eased up to 50 nP. The brighter liquoring Dooars B.O.Ps were fully steady and prov ded the strongest feature of the sale, but plain brokens and fannings gave way by 10 nP. The quotations per 1 kg. (inclusive of excise duty) were: best Assam C.T.C. fannings Rs. 11 to Rs. 12.00; best Assam C.T.C. B.P. Rs. 9.50 to Rs. 10.50; clean black pekoe Rs. 5.20 to Rs. 5.50; medium fannings Rs. 5.00 to Rs. 5.30; medium B.P. Rs. 4.90 to Rs. 5.20; plain B.P. Rs. 4.30 to Rs. 4.45; and plain fannings Rs. 4.20 to Rs. 4.60.

Export quota changed hands at ¾ nP per kg., subsequently declining to ½ nP.

BLACK PEPPER WEAK

(*Messrs. Parekh and Co.*)

BOMBAY, 24*th August*

Malabar black pepper, after moving narrowly without showing any definite trend during the week ended 17th August, developed an easier tone during the week under review, reflecting weakness in Singapore. The value for October delivery at Cochin toppled down to as low as Rs. 260, as against the highest level of Rs. 325, owing to nervous liquidation by bulls, thus affecting ready and the general morale of the market. The fall in price was so severe that the brokers in the Ring at Cochin informally decided among themselves not to do any business for October delivery below Rs. 265. This move was construed by many traders to mean that, if the market were to go down further, the Ring might declare the state of emergency or fix a floor price or order to square up the outstanding business at a certain limit. Such an action, however well intentioned, contributed to undermine the morale of the market, particularly of those traders and investors who were doing switching business for their spot holdings by transferring their sales from month to month for earning good return on their investment in pepper. The investors were frightened and were now more prone to sell ready pepper. Ready parcels of "garbled" at Cochin were done at as low as Rs. 252½, as against the highest at Rs. 345 per cwt. in last January. Ungarbled at Alleppey was done at Rs. 1,400 and Calicut at Rs. 1,475, as against the highest at Rs. 2,100 and Rs. 2,250, respectively, during January last.

Proximity of the new season in Malabar, the beginning of the harvesting in Lampong, a fair-sized floating stock with both dealers and growers on the Coast, the weakness in Singapore, the fear of impending arrivals of Lampong and Sarawak at that port, the resistance to higher price on the part of spice-mills in Europe and grinders in the U.S.A., the present slow demand both from Europe and the U.S.A. despite the fact that grinders should buy ere now for grinding and packing for the prospective sales to chain stores and other consumers for the coming autumn potential demand, the closure of Palai Bank which had about 90 branches all over Kerala (Malabar) and was considered one of the biggest banks and was financing various small banks in the area, and the heavy unsold consignments of pepper to the U.S.A. by Singapore interests are some of the facts responsible for the present unsatisfactory state of the market.

The noteworthy feature of the week was the recognition granted to Bombay by New Delhi for starting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge business" in pepper despite prostarting "hedge

MARKET GOSSIP

(Concluded from page 363)

companies had caused much concern and a committee, under the chairmanship of Lord Jenkins, was engaged in examining the problem. Mr. Shastri hoped that, against this background, there would be a better appreciation of the role of the Company Law Department in this country.

There is no doubt that the Company Law Department is carving out for itself an important place in the Government's system of economic administration. Already, by its system of supervision and its careful analysis, through its annual reports, of the problems of joint-stock companies which have come to light as a result of administration of the law, it is rendering much useful service. The consensus of opinion among the members of the Conference, it is stated, was that the existing powers of the Registrars and Regional Directors were, to a large extent, illusory, inasmuch as they lacked the necessary sanctions and could not be used except through dilatory procedures. The hope was expressed that, when the proposed amendments to the Act were enacted (these, it may be mentioned here, envisage powers for the Regional Directors to summon documents and of their seizure and powers for the Central Government to order special audit), they would help improve the administration of Company law. Nevertheless, it may be wondered whether, in the first place, such extensive powers are necessary, and, secondly, the mere assumption of these powers will automatically ensure better corporate administration. Experience in the working of banking and insurance legislations suggest that it is not the existence of statutory powers but their prompt and judicious use that will bring about better results.

Electricity Undertakings

A welcome increase in power supply in the Bombay region will take place with the commissioning of the 60,000-kw. generating unit in the Koyna hydro-electric power station in October 1961. The position, which has eased through the commissioning of all the three units in the Trombay power station, is expected to become easier next year. This casts a special responsibility on an undertaking like the Bombay Suburban Electric Supply Ltd., for it must keep itself in a state of readiness to pass on the benefit of additional supply of power to the consumers in the fast growing suburbs of Bombay in which quite a few industries, large and small, are being set up. Distribution of power, as is well known, implies availability of such materials as cables, transformers, switchgear and meters. A pointed reference to this aspect of the Bombay Suburban Electric Supply's services was made by the Chairman, Mr. A. N. Haksar, who, in the course of his speech at the latest annual meeting of the Company, said: "I refer specifically to this point, as we have had considerable difficulties in recent months to obtain import licences for items which indigenous manufacturers are unable to supply." It is to be hoped that imports of the necessary equipment will be made possible, for, as Mr. Haksar rightly pointed out, "power denied to a needy consumer is progress withheld—power denied to potential exporters will cost the country dearly."

Expansion in the activities of electricity undertakings involves the much wider problem of adequate financial resources. The heavy burden of taxation, together with the particularly inequitable manner in which the tax system operates in respect of electricity undertakings and the ceiling on return on capital have together made it difficult for power enterprises to generate internal savings or attract resources from outside. As Mr. Haksar said, "for some time, no electric supply company has had the confidence to enter the market for equity capital." The crux of the problem is that the new pattern of taxation, under which the "grossing up" of dividends in the hands of shareholders has been withdrawn, bears particularly heavily on the electricity undertakings.

By virtue of the stringent control applied under the Electricity (Supply) Act, the undertakings are not allowed to step up earnings to a level which would permit a higher rate of dividend. They cannot also divert to the investor the benefit of tax savings, as is possible in the case of other industries. It would appear that implementation of the proposal which contemplates the diversion to the investor of the tax difference between 51.5 per cent. (the old rate of tax) and 45 per cent. (the present rate) has met with unexpected legal difficulties. According to Mr. Haksar, efforts are still being made to obtain relief through a proposal which will permit a special appropriation representing the tax relief of 6½ per cent. to be used for "augmenting the machinery of production." It is to be hoped that it will be possible to implement this proposal. It should, however, be clear that the best way of rehabilitating electricity undertakings is through an adequate increase in the permissible rate of return, now pegged at the Bank rate plus two per cent. Mr. Haksar suggests that the margin over the Bank rate should be raised to 3 per cent. This is by no means an extravagant suggestion.

DECIMAL CURRENCY FOR AUSTRALIA

An independent committee appointed by the Australian Government has unanimously recommended the introduction of decimal currency in Australia. The members of the Committee were unanimous on all aspects of their recommendations, which covered: (1) advantages and disadvantages of a decimal currency, including an estimate of the annual saving in costs to the community; (2) unit of account and denominations of subsidiary currency, appropriate to Australia; (3) method of introduction which would minimise the cost and inconvenience of a changeover; and (4) estimated cost of replacement or adaptation of accounting machinery.

The Australian Cabinet will discuss the report shortly. The final decision will, however, await a detailed examination of the proposals by the Treasury officials. This is expected to take about two months. The changeover to decimal currency will commence a year or two from now, even if the Cabinet takes an early decision.

BANKS

Paid up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid up per Share Rs. or £	Dividend per Share 1957 Rs. nil*	1958 Rs. nil*	1959 Rs. nil*	1960 Rs. nil*	Accounts Closed	Reference
15,00,000	1,08,00,000	8,86,012	Allahabad Bank	311·00	100	18·00‡	18·00‡	18·00‡		12	Y.P.
14,80,000				137·00	50	9·00‡	9·00‡	9·00‡			
1,81,000				100·00‡	100	6·00	6·00	6·00		6.12	H.
40,78,100	19,73,220	10,301	Andhra Bank	85·50‡	85	5·10	5·10	6·40			
1,00,00,000	1,50,06,625	1,02,801	Bank of Baroda	84·00	50	7·00	6·00	7·00	3·50	12	Y.
25,00,000					25'B'		1·50	3·50	1·75		
2,50,00,000				101·00	50	5·00	5·00	8·00	3·75	6.12	R.L.Y.
50,00,000'A'	8,10,00,000	12,47,743	Bank of India	102·50	50'A'	8·00	8·00	8·00	3·75		
38,00,000	56,30,000	42,473	Canara Bank Ltd.	80·00	50	5·00	5·00	7·50		12	Y.P.
12,47,775	18,00,000	14,361	Canara Banking Corporation Ltd.	71·00	50	5·00‡	5·00	7·50		12	
'A' 5,00,620				185·00	100'A'	15·00	5·00‡	20·00‡			
'B' 16,00,000	85,00,471	28,596	Canara Ind. & Bkg. Syndicate Ltd.	17·75	10'B'	..	15·00‡	2·00‡		12	Y.
'C' 2,00,000				1·88	1'C'	0·15	..	0·20‡			
2,62,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd. ..	50·00	25	3·50	0·15‡	4·30		12	R.L.Y.
A.2,50,000				51·70	25	3·50	3·50	4·30			
50,00,000	52,00,000	5,69,301	Devkaran Nanjee Banking Co. ..	51·50	50	3·00	3·50	2.52		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank ..	18·00	50	*Nil*	*Nil*			12	Y.
50,00,000	2,30,000	5,519	Hindustan Mercantile Bank ..	16·50	50	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000	84,01,884	80,143	Indian Bank	178·00	100	15·00‡	13·00‡	00‡		12	R.L.Y.
22,40,000				151·00	80	12·00‡	10·40‡	15·00‡		6.12	
74,53,000	89,36,660	1,76,012	Indian Overseas Bank	174·00	100	10·00	10·00	12·00		12	
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	38·00	25	1·87	2·50	14671		12	
1,25,00,000	1,47,50,000	3,18,830	Punjab National Bank—K ..	20·00	10	5·00	2·00	2·00	1.001	12	Y.
5,62,50,000	7,29,00,000	55,87,499	State Bank India	325·00	100	16·00	16·00	20·00		12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	6·04	5	0·44	0·44	0·57		12	H.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank	79·00	50	3·75	3·75	5·50		12	R.L.Y.
2,68,43,647	83,70,000	1,81,565	United Bank of India	5.25	10	0·80	0.80	0.43		12	

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£5,000,000	£5,500,000	£468,855	Chartered Bank	£2-16-9	£1	15†	15†	15†		12	Y.
H.K.$78,974,750	£10,949,165	£132,295	Hongkong and Shanghai Banking Corporation	£62	H.K.$125	5‡*Z	5*	3*		12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-8-9	£1	15†	12½'C'	12†	6†‖	12	Y.
£8,421,875	£8,000,000	£301,488	National and Grindlays Bank Ltd.	£1-16-9	sh. 12½	15†	15†	12½†	6‖‖	12	Y.

† Includes bonus. ‡ Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. xr—Ex-Right.
L—The final dividend of £1-12-6 is on the increased Capital. Q—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1955 and 1957 are on shares of Rs. 25 each. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
17,50,000	6	1st December and 1st June	Carew & Co.	1933	98 00	1st June .. 1965
4,50,000	6½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	98 00	28th February .. 1970
14,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	90 00	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	85 50	1st November .. 1959-64
35,00,000	4½	1st May and 1st November	Walchandnagar Industries (New) ..	1944	95.00	1st November .. 1959-64
COTTON						
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90 00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85 00	30th June .. 1967 (c)
46,86,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969 (c)§
7,00,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April 1964
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1947	85 00	15th November .. 1966 (b)
65,31,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100 50	1st March .. 1972 (c)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	99 00	1st April 1967-72
29,61,000	5	1st June	Tata Mills	1951	92.00	1st June 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89 00	31st March .. 1965 (c)
2,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	95 00	14th June 1980
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100 00	31st March .. 1975
15,00,000	4½	30th June and 31st December	Assanes Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (c)
43,787,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98 25	1st January .. 1970 (c)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd. ..	1946	85 00	31st December .. 1970
12,80,000	5	1st January and 1st July	Sirsa (Jhertiali) Electric Supply Co., Ltd.	1951	91 00	30th June .. 1976 (c)
2,00,000	5½T	31st march and 30th September	South Madras Electric Supply	1939	95 00	1st April 1959-61
1,00,000	5T	3rd April and 3rd October	South Madras Electric supply	1940	98 50	30th September .. 1958-65
47,78,000	6	1st March and 1st September	Tata Power	1940	98 25	1st July 1970
2,50,00,000	6	1st January and 1st July	Tata Power	..	85.00	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94 00	31st December .. 1969†
1,50,00,000	6	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	104 50	1st January .. 1966-71
29,18,000	6½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98 25	1st July 1957-62
10,00,000	6	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84 00	31st May 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98 25	1st October 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99.50	31st December .. 1969 (c)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	92 00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91 00	30th June .. 1969
15,00,000	6	31st December and 30th June	Auckland Jute Co., Ltd.	1946	78 00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1946	90 00	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	87 00	31st July 1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88 50	30th June .. 1965
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (c)
6,86,000	5	15th January and 15th July	Empire	1951	90 00	15th July .. .. 1966 (c)
20,00,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	95 00	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd. ..	1949	90 00	31st December .. 1964 (c)
25,00,000	5½	30th June and 31st December	Nalhati	1952	92 00	31st March .. 1967 (c)
5,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd. ..	1939	92 00	14th May 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85 00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd. ..	1950	92 00	30th September .. 1966 (c)
12,00,000	5½	30th June and 31st December	Union	1937	95 00	31st March .. 1967
10,00,000	5½	31st January and 31st July	Waverley	1925	80.00	31st July 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
£821,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£148,806		1st April and 1st October		1933	£74.10N	1st October .. 1974
6,80,800	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (c)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway ..	1905	£64N	Any time on six months' notice (c)
4,14,15,000	4½	1st March and 1st September	Scindia Steam Navigation	1949	97.00	1st September .. 1968
PLANTING						
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	95 50	1st April 1958-67
5,00,000	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1953	100.50	1st July 1959-68
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92 00	31st December .. 1965
22,00,000	4½	1st January and 1st July	Associated Hotels of India	1948	85 00	31st December .. 1963
5,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	100 00	1st September .. 1964-69(c)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd. ..	1956	100 00	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1918	85 00	1st February .. 1966
15,00,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd. ..	1936	82 00	1st July 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1948	78 00N	15th September .. 1960
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	82 00	1966
3,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd. ..	1950	104 50	1st January .. 1973 (c)††
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	101 00	30th June .. 1969 (c)§
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1954	102 75	1st January .. 1975
12,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	83 75	30th September .. 1964
8,54,000	4	31st March and 30th September	Mills Burn Ltd. (Convertible Notes)	1946	650 00	30th September .. 1978 (c)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 00 (per note)	31st December .. 1978 (c) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85 00N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	100 00	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92 00	31st March .. 1961 (c)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	99 00	31st March .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95 00	31st December .. 1966
30,00,000	6	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1953	98 00	15th July 1966
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	100 00	16th February .. 1961 (c)‡‡
25,00,000	5	30th June	Tata Chemicals Ltd.	1945	97 00	1st May .. .. 1963 (c)‡‡
50,00,000	6	....	Tata Oil Mills Co., Ltd.	1950	101 00N	 1965-76

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. * With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100·8 per cent. after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963, on six months' notice.
† Option to repay at par on six months' notice, on or after 1st January 1961

COMMERCE

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

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INDIA'S OIL POLICY

THE two-hour discussion in the Lok Sabha on India's oil policy was disappointing, for it failed to bring out anything new. The observations of Mr. K. D. Malaviya, Union Minister for Oil and Fuel, clearly show that the misunderstanding, to use a milder term than cold war, between the three oil companies and the Government of India over the question of prices continues. He made it abundantly obvious that he was not satisfied with the recent reductions effected by the refineries, as they fell short of the price at which Russia was prepared to sell crude to India and that he was expecting a further reduction from them. After reiterating that it would be the Government's desire and endeavour to get the cheapest crude oil possible for refining in India, he even went to the extent of warning that, unless the oil companies were more accommodating than they had been, their future in India would be bleak. To quote his exact words: "I do hope that our friends, the foreign oil companies, will consider very seriously this matter of prices and find out ways and means of revising their entire thinking in this respect. I have been telling them, and I repeat it today in the House, that, in order to create better prospects for the international oil industry in India, it is high time that those who have been holding the monopoly of oil here should bring about a radical change in their approach. Unless they are conscious of the fast changing conditions in the country and the impact of the necessity of stepping up its economy and taking out the country from the morass where a few monopolised the oil industry, I do not see that the prospects will be very bright for the international oil industry and those who control it." This statement was received by the House with cheers. Admittedly, the members of Parliament were right in recognising the sharp vigilance with which Mr. Malaviya had been following the trend of world oil prices, so that he could ensure that the full benefit of a buyers' market in petroleum products was passed on to India by the oil companies. But, at the same time, it is necessary to make sure that the practice of bargaining for fair prices is so conducted that it does not come in the way of development of oil industry.

The question of oil prices has to be viewed against the long-term perspective of the country's needs. Hard bargaining may conceivably affect the flow of foreign private capital for further expansion of refining capacity and for prospecting. It is high time the spirit of cold war was ended and its place taken by confidence and faith in each other. The Government has already had one prolonged investigation into the affairs of oil companies. It has appointed another committee (consisting of Mr. K. R. Damle, a former Chairman of the Tariff Commission, Mr. P. N. Sapru, a Member of Parliament and a former Judge of the Allahabad High Court, and Mr. N. Krishnan, a distinguished cost accounts officer, who had examined the accounts and working of oil companies earlier) to go into the question of fixing fair oil prices. Surprisingly enough, Mr. Malaviya made no reference in his speech in the Lok Sabha to this development. Nor has the Government so far issued any Press communique on it, although the Committee has already framed and circulated its questionnaire to the companies concerned. It is to be hoped that this Committee will be in a position to iron out the differences between the Government and the companies and evolve a satisfactory basis for determining the prices payable to the companies, taking into account the variations in world oil prices.

Much of the criticism in the Lok Sabha of the refining agreements concluded with the foreign oil companies early in the fifties is based on hindsight. The greatest achievement of these agreements is that India possesses today three large modern refineries, two in Bombay and one at Visakhapatnam, which have enabled the establishment of a number of subsidiary industries and reduced the expenditure of foreign exchange on import of finished petroleum products. One has only to pause for a while and reflect a little on what would be the plight of this country today, if these refineries had not come into existence. It was India's good fortune that, at that time, it did not have a Minister in charge of oil who was so bargain-minded as Mr. Malaviya is now. In retrospect, it seems that it is more advantageous to have a Minister who is somewhat ignorant of many complicated details of oil economics and who does not mind losing a few pennies now in order to gain many pounds later, than to have one who is obsessed with good-for-nothing doctrinaire theories and short-term gains arising from day-to-day market fluctuations. It will be pertinent to recall here that, thanks to the dog-in-the-manger policy of the Oil and Fuels Ministry, the crude already discovered and proved in Assam is still remaining underground and the country is unnecessarily losing much precious foreign exchange. Similarly, the production of coal is lagging behind, resulting in a heavy loss of valuable production of power, iron and steel, etc. Again, the premature decision to nationalise the Panna Diamond Company has resulted in an annual loss of Rs. 4-5 crores worth of foreign exchange. It will take at least another four years for the projected public sector refineries in Assam and Bihar to go on stream. Had the Assam Oil Company and/or its associates been allowed to go ahead with the establishment of the refineries, there would have been a saving of Rs. 30-40 crores of foreign exchange per annum. Had the Panna Diamond Company been permitted to carry on the task allotted to it, this country would be producing and exporting Rs. 4-5 crores worth of industrial diamonds today. Had the Ministry of Fuel not restricted the scope for the private sector in coal, there would not have been that scarcity of coal which is now having a cramping effect on industrial and agricultural production. For all these avoidable losses to the country, Mr. K. D. Malaviya and his colleagues in the allied Ministries are directly responsible. Their contribution to the foreign exchange crisis that has been confronting the country for some time now is quite substantial. But for their dog-in-the-manger policy, the country today would have been better off by Rs. 40-50 crores per annum in its foreign exchange budget.

The water-tight compartment in which several members of our Government and Parliament view the economic problems of the country is something quite remarkable. Only a couple of days before the discussions on oil policy, there were meetings of the Import and Export Advisory Councils at which the Ministers for industry and trade and India's economic ambassadors abroad expressed great concern over the deterioration in India's foreign exchange position and highlighted the importance of foreign assistance for the success of the third Plan. And, yet, when the oil policy came to be discussed, the crucial importance of foreign aid and foreign private capital was ignored or forgotten by both official and non-official benches. Mr. Malaviya boldly reiterated that it was the declared policy of the Government to develop the oil industry in the public sector and retain the initiative in every sphere of oil industry. He added that it was his firm view that, unless there were more State-owned refineries, it would not be possible for the Government to control the country's economy. These are doctrinaire assertions, for which there is no real foundation. There are other countries in the world, where the Governments have not found it necessary to possess refineries and process crude oil, in order to keep prices under control. Similarly, there are other commodities in this country, the prices of which are regulated by the Government without necessarily having ownership and manufacturing responsibilities, and some of these products are being turned out by foreign capital. In any case, Mr. Malaviya has already been remarkably successful in bringing down the prices and profits of foreign oil companies, without having to invest much on refining and marketing. Further, if there is one commodity the supply of which could be had without much difficulty and the price of which to the consumer has remained steady, in refreshing contrast to the sharp rise in the cost of everything else, it is oil, we mean, mineral oil. It might have been a hard job for Mr. Malaviya to get a share in the foreign oil companies' profits enhanced by developments in the world oil market. But that does not necessarily mean that he should come to the conclusion that all further development in oil prospecting, refining and marketing should be done by the Government. If he thinks that what the country needs is more competition in oil, he could encourage the national private sector also to participate in this business.

The most important question, however, is the availability of finance, especially foreign exchange, and know-how. The country is lacking in both. Oil is one enterprise for which a lot of foreign private capital can be obtained from the free world. There is, therefore, every reason for facilitating the participation of such capital for the development of oil industry in this country. Even the latest World Bank Mission has come to the same conclusion. While the demand for oil is rapidly expanding, the plans for expansion are lagging behind for reasons just mentioned and also because of red-tapism inherent in the public sector. When viewed against this background, the proposal of Burmah-Shell Refineries Ltd. to expand its capacity from the existing 2.6 million tons to approximately four million tons and to add a lubricating oil plant sounds very attractive and timely. Mr. P. D. Tew, Chairman of the Company, has given, in his statement to shareholders, facts and figures that further strengthen the case for the acceptance of the proposal. The Company has expressed its willingness to find all the foreign exchange required and to consider further modification to the refinery agreement concluded in the past. It has not demanded any assurance of protection against competition, so that the public sector is free to expand as it likes and to put up its own refineries for converting crude from whatever source it finds profitable to buy. There are thus

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good reasons for accepting the offer of Burmah-Shell Refineries and allowing the Company to expand its capacity without any delay. Similarly, the other foreign oil companies also could be invited to establish additional refining capacity at suitable sites. In view of the acute scarcity of foreign exchange and paucity of personnel, even the proposed medium-sized refinery in Gujarat can be established by the public sector in collaboration with one of the foreign oil companies. Given a practical bent of mind, it would not be difficult to work out a satisfactory arrangement for this purpose. If the country were to allow the public sector to do everything in the sphere of oil, it would have to wait for decades. It did so in the second Plan so far as fertilisers were concerned, with the result that hardly anything worthwhile has been done to raise the production of fertilisers. It must take care to see that this story is not repeated in the field of oil during the third Plan period.

S. I. PLANTATION INDUSTRY

FEW people of this country are aware of the full significance of the work done by the pioneers in plantation industry. To have opened new areas to plantations in inhospitable jungles, to have trained the men to man them and to have created a market for their output must have meant much patient toil. And, yet, planters never get the meed of praise due to them. They are not infrequently referred to as "exploiters" by men whose title to fame rests on a certain capacity to exploit the credulity of the masses. And even those who know the vital role of plantations to Indian economy cannot resist the political temptation to impose heavy burdens on the industry. The result is that plantations, in the words of the President of the United Planters' Association of Southern India, Mr. W. Wilson Mayne, who was addressing the annual meeting of the Association held at Coonoor this week, present a "picture of a progressively minded industry with an enviable record of increasing production struggling to provide a wide range of the amenities of a welfare State for its workers from its own resources against a background of rising costs and falling earnings, and an ever-growing weight of taxation."

As in other parts of India, or for that matter, in the underdeveloped world, the contribution made by the plantation industry in South India has been both remarkable and enduring. Over the past century, the industry has cleared over 750,000 acres of South Indian jungles replacing the trifling quantities of forest products by such produce as tea, coffee and rubber valued at more than Rs. 50 crores a year and thereby providing employment to some 400,000 agricultural workers. It must be remembered that the wages earned by these workers are much higher than those of the classes of society from which they are drawn. Year by year, production has been stepped up. Over the last three decades, the coffee crop has expanded from 15,000 tons to 49,000 tons (1959-60 estimate). Again, in less than two decades, the tea crop has increased by 50 per cent. to 150 million lbs. Similarly, the output of rubber has moved up from 16,500 tons in 1947 to 24,000 tons in 1959.

The industry's contribution to the country's economy should not be measured in terms of the monetary value of its output, though that is considerable. In stimulating better agricultural practices and in quickening the pace for rural medical service, the industry has set a model worthy of emulation on a wider scale. The per-acre consumption of fertilisers in plantations is several times higher than in other sectors of agriculture. The rubber and coffee industries have been the pioneers in control of plant pests and diseases through the device of spraying. The U.P.A.S.I.'s scientific department has developed the use of D.D.T. for the control of tea mosquito blight. New diseases are being mastered as they come. Improved varieties have been used to increase yields of plantation crops. In the sphere of public health, the industry has paved the way for the control of malaria. The U.P.A.S.I. was the first to realise the significance to malaria control of the work of Ronald Ross, a name to conjure with in the medical world. In many large plantations, infant mortality has always been significantly lower than the average for the neighbouring rural areas.

For an industry of its size, and economic and social significance, the plantations have by no means received any generous treatment. After analysing the results of the working of two reasonably representative plantation companies—a tea company and a coffee company—over two three-year periods 1951-53 and 1957-59, Mr. Mayne showed how the resources available to reward the shareholders for their investment in a risk equity and to provide funds for maintenance and development had been reduced by 40 per cent. in the case of the tea company and by 54 per cent. in the case of the coffee company. He said:

"We hear much these days about the need for incentives usually in relation to production by workers. I would submit that the same principles apply to corporate private enterprise. After all, business enterprises are run by people whose motives, hopes and fears are not essentially different from the other classes of people to whom Governments extend their benevolent solicitude. If they differ at all, it is precisely in those qualities of which the nation stands in need—thrift, vision and capacity for hard work. I do not think it wrong to say that the vast majority of those concerned with the management of the plantation industry are struggling with a sense of frustration as they see the pattern of performance that I have just outlined."

It is, of course, true that the current yields on equity shares in the plantation industry are high. Thus, in 1959-60, the yield on tea shares was 6.17 per cent., on coffee shares 6.06 per cent. and rubber shares 7.60 per cent. These yields are much higher than in other industries; for instance, the yield on cotton textile shares in 1959-60 was 3.97 per cent., iron and steel shares 3.89 per cent., basic industrial chemicals 4.14 per cent., and paper 5.01 per cent. But, as the Chairman of the U.P.A.S.I. pointed out, the high return on planting shares "does not indicate high prosperity but the investors' only too well founded fears." He said: "The crucial part in the statistics is the low value placed on plantation equities not the apparent high return. That value is a measure of the risk and uncertainty of investment and the lack of confidence of the investor." It is easy to explain this lack of confidence among investors. Apart from the natural risks inherent in our agricultural enterprise, there are the increasingly heavier levies on the industry. Essentially, they are of two kinds—the financial implications of the labour welfare measures and heavy taxation. The U.P.A.S.I. Chairman pointed out that the Plantation Labour Act 1951 had placed heavy additional burdens on the industry; in the case of housing, the time-table under the Act "would put to shame the efforts made elsewhere to meet what is a national problem." The financial position of the industry has changed considerably since the Act was placed on the statute book. This means that what might have seemed possible in 1951 could at best be regarded now as an ideal worth pursuing. Accordingly, the Chairman pleaded for "explicit recognition that the pace of development asked of us is beyond the industry's present or foreseeable future capacity." It is not as if the industry is not doing its best in the case of housing. Over the period 1954-58, the South Indian plantations, covering 185,000 acres and responsible for 300,000 people (workers and their families), spent Rs. 2½ crores on housing projects alone.

A no less intractable problem than the provision of costly welfare measures is the burden of taxation. Many and varied are the taxes imposed on the industry. They include the taxes collected by the Centre such as income-tax, excise and import duties and cesses and those by the State Governments such as agricultural income-tax, land tax, *panchayat* tax and sales tax; the North Indian plantations have also to pay carriage tax and entry tax. Mr. Mayne deplored that these levies were made "in an entirely uncoordinated manner and clearly without any real knowledge of the industry's capacity to bear them." There is also a certain element of double taxation in some of these lines. Thus, the *panchayats* collect taxes from the industry for purposes which they are meant to serve but which the industry is asked to undertake under the Plantation Labour Act. The net result of all these levies is that the total burden of taxation is so heavy that it prevents the industry from providing for development from its own resources and also discourages inflow of capital into the industry.

Turning to individual plantation products, Mr. Mayne felt that the future for tea was "disquieting." He drew this inference from the F.A.O.'s prediction of an excess of production of between 60 and 120 million lbs. by 1965 and of the possibility of some countries reducing their tea consumption in favour of more expensive beverages. Referring to the target fixed for tea industry, he felt that, although the industry was capable of achieving a higher target, there were other considerations which must "have higher priority than mere quantitative increase." In saying this, he was obviously inclined to throw his weight on the side of the present low target for tea in the third Five-year Plan, namely, 850 million lbs. by 1965. It is not clear why the industry should continue to suffer from the fears of possible recurrence of pre-war surpluses when all available evidence suggests the possibility of increase in both internal and external tea consumption. None in the world, excepting the planters in India, seems to believe that there would be a recurrence of the Great Depression of the 'thirties. Mr. Mayne was, however, on firmer ground when he said that the primary emphasis should be placed on improvement in quality and urged greater attention to publicity in old and new markets, regulation of exports through renewal of International Tea Agreement, expansion of internal markets and increase in per-acre output. What is required is an integrated policy that will embrace all these aspects of production and marketing of tea. As regards coffee, he drew attention to the fact that, whereas world coffee output in the 1955-59 period was 26 per cent. above that of 1950-54, consumption had increased by only 10 per cent. He warned that, although Indian coffee production was small and had a growing internal market, the commodity could not insulate itself from world trends. As in tea, market research and development must receive "utmost attention and energy." Discussing the question of raw rubber prices, Mr. Mayne pointed out how there was no question of protecting an infant industry; for sometime past, the price of rubber in international markets had been higher than the internal price fixed by the Government. He said: "What is required to produce the rubber the country needs is some incentive, not a price fixed according to some theoretical conception of what the producer's return should be, when everyone knows that next week, or next month, some wage demand, new tax imposition or rise in costs will cut into that return." The risks to which the Chairman referred are inherent in any scheme of price control. There is, however, no getting away from the fact that suitable incentives, whether in the shape of adequate subsidies or others of their kind, are virtually necessary to increase production of rubber, particularly because the soil and climatic conditions in India are less favourable for this commodity than in other major rubber-growing regions. And, what is more important, the incentive should be offered in such a way as to encourage plantations of economic size and not in the form of a premium on small, uneconomic holdings, the owners of which are either spendthrifts or incapable of adopting modern means of raising and nursing rubber plantations.

A major issue raised by the Chairman is the role of the commodity boards for the industry, of which there are now three. At first, these boards were compact bodies quite representative of producers and traders, with non-official chairmen and a few official representatives. All this was changed a few years ago by an overzealous Minister who considered himself to be the fountain of all wisdom and finally found himself out of the Cabinet. The boards have now become heterogenous bodies, in which producers and traders have become minority groups and "the management and control have passed into the hands of officials primarily answerable to the State, while their powers of intervention in the affairs of the industry have increased." It must, however, be remembered that the funds which these boards administer are drawn from the resources of the industry. Clearly, there are two vital questions. In the first place, if the industry and trade are reduced to a position of minority groups, can the boards be expected to reach sound decisions? Secondly, is it unreasonable to demand that the industry which pays the piper should have an adequate voice in calling the tune? It is true that a similar argument cannot be urged in the legislative functions of the Government; one cannot argue that income-tax payers should be allowed to determine tax rates or how the revenue from the tax should be spent. But, surely, commodity boards are not legislative bodies. Is it right they should exercise an increasingly wider measure of control over an industry which justly feels that it is not adequately represented on these bodies? These questions call for some impartial review and examination in the interests as much of the Government as of the industry; for both will be hurt through wrong decisions, or decisions which, in the opinion of the interests concerned, are manifestly unfair. Such a situation could be avoided, only if the boards are sufficiently representative of the industries which they are meant to serve.

MARKET GOSSIP

THE decline in India's foreign balances to very nearly Rs. 140 crores loomed large at the meetings of the Import and Export Advisory Councils at New Delhi early this week. The Minister for Commerce and Industry made it clear that some cuts in imports would be necessary, though he promised to do his best to see that they did not fall on raw materials and capital goods necessary for maintaining production. He further stated that he did not propose to delay the announcement of quotas for the next licensing period beginning from 1st October. Nevertheless, it seems inevitable that several industries based on imported raw materials will have to face a difficult time in the coming months, unless the efforts that are being made by the Government to obtain additional financial assistance from foreign countries prove successful. Mr. B. K. Nehru, India's special representative in Washington, who deals with economic matters, has stated that foreign aid can be had only for development and not for buying raw materials. This is not a convincing explanation, for it is a well-known fact that, when an economy rapidly expands, its requirements of raw materials also go up and that the developed countries which help the developing country must be willing to set aside some resources for meeting such current account needs also. This point was impressively driven home to the World Bank, when Mr. C. D. Deshmukh was the Finance Minister, and the World Bank did concede it in one of its annual meetings. If our memory is right, the Bank even raised the loan allocations for some of the railway and other public utility projects, after hearing his argument. Surely, there is no point in proceeding with investments on projects in the third Plan, if the productive capacity created during the first and second Plan periods cannot be kept fully employed. Such a policy may even adversely affect the export capacity of India and thereby aggravate the foreign exchange problem. It is to be hoped that Mr. B. K Nehru will be reminded of the points made by Mr. Deshmukh some years ago, so that he may not be found wanting in arguments when he meets the representatives of friendly foreign countries for putting forward India's case for a little more of "untied" loans.

A country from which India can legitimately expect a sizable amount of such assistance is West Germany. There are two good reasons for doing so. One, there has been a heavy adverse balance in India's trade with that country; and, two, West Germany has a larger gold and dollar reserve than any other Continental country, not excluding the U.K. By making available to India a substantial amount of "untied" loan, West Germany can bring about a healthy dispersal of a part of its external reserves. The bulk of the loan given to India will only go to the Western Continental countries. It can thus claim to play the role of a creditor country more effectively than its critics concede and also strengthen its case against the demand for a revaluation of the D. Mark which is being advocated by some of them.

T.I.S.Co. Repeats Dividend

The prolonged suspense in the share market over the T.I.S.Co.'s dividend for 1959-60 has at last been relieved, following the Company's announcement late on Thursday evening, without waiting any further for the Government's decision regarding the retention prices. The maket has also reason to feel satisfied with the dividend on ordinary shares which is being maintained at the previous year's level of Rs. 6.80 net per share, which, when grossed, would amount to Rs. 9.72 per share. A proportionate dividend of Re. 1.70 net per share, or Rs. 2.43 gross per share, is being given on the new ordinary shares with effect from 1st January 1960. The dividends on the 1st and 2nd preference shares (both of which are taxable) are Rs. 9 and Rs. 7.50 per share, respectively, subject to deduction of tax.

Along with the dividend announcement, the Company has also published a brief preliminary statement of financial results, a wholesome practice which this journal has long been advocating and which the Tata group of companies started following this year for the first time. A mere dividend announcement, unaccompanied by some idea of the profit and its other allocations, does not enable the operators in share markets to get a correct picture of a company's performance and those who are in the know of the relevant particulars take undue advantage of their privileged position. It is precisely for the reason that all must have equality of opportunity of trading that stock exchanges elsewhere in the world insist on the publication of a preliminary statement of financial results also along with the dividend announcement. It would be a good thing if all companies in India were to follow the example set by the Tata group of companies.

The T.I.S.Co.'s performance during the year ended 31st March 1960 is quite encouraging. The total turnover has recorded a rise of Rs. 20 crores to Rs. 73.47 crores, in line with the increase in production of saleable steel from 884,700 tons to 1,215,100 tons. The gross profit has gone up from Rs. 8.58 crores to Rs. 14.15 crores. It may seem disappointing to some that, despite the substantial improvement in earnings, the Directors have thought it fit only to maintain the dividend, unlike the Indian Iron and Steel Company, Ltd., which has actually stepped up the net dividend, albeit slightly. There are two reasons for this. First, on account of the new system of taxation, the dividend burden on the Company, even at the aforesaid rate, has gone up by Rs. 1.49 crore. Secondly, the sum available for distribution, after making provisions for depreciation and plant rehabilitation and development rebate reserve, does not provide adequate cover for the aforesaid dividend. The provision for depreciation has, however, been raised from Rs. 5.53 crores to Rs. 8.47 crores. There is, as in the previous year, no tax liability; only, the Company had to set aside last year Rs. 17 lakhs for wealth tax, which has since been abolished. The plant rehabilitation and development rebate reserve gets no less than Rs. 4.14 crores, as against Rs. 2.84 crores a year ago. These appropriations leave a net disposal profit of only Rs. 1.54 crore, but this compares very favourably with the meagre figure of Rs. 3.97 lakhs for 1958-59. In view of the adequacy of disposable profit, the Directors have transferred this entire sum to the general reserve No. 2 (representing untaxed profits) and have drawn the whole amount required to pay dividends (Rs. 3.76 crores) from the general reserve No. 1 (representing the taxed profits of previous years). This procedure was followed in the previous year, too, when a sum of Rs. 2.27 crores was drawn. The amount brought in from the previous year—Rs. 8.47 lakhs—is being carried forward. As the dividends are being paid out of the taxed profits of earlier years, the Company, it may be noted, is entitled to a tax credit equivalent to one-tenth of the dividends so paid under the Finance Act 1960. The Managing Agents have foregone their commission for the second year in succession.

Cloth Prices: A Queer Approach

Before these lines appear in print, the Committee of the Indian Cotton Mills' Federation will, perhaps, have made an announcement, indicating its final stand on the issue of cloth prices. This announcement will be a significant one, inasmuch as on the decision of millowners depends the answer to the crucial question whether statutory controls on prices and distribution of cloth will stage a come-back. That the final stand the Federation takes will seek to strike a *via media* between what it has offered by way of a further reduction in cloth prices and what the Government of India wants is, however, a safe guess to make. It would appear that neither the industry nor the Government wants to have such controls.

The respective viewpoints of the Federation of cotton mills and the Government of India are broadly as follows:

Federation: The schedule of wholesale prices announced on 11th August will be so revised as to effect a general 2 per cent. cut in prices and to refix the maximum prices on the basis of August 1959 contract prices, instead of on prices in October 1959. The revised schedules mean an increase of 25 per cent. in the wholesale prices of coarse cloth over the August 1959 contract prices, of 22 per cent. for lower medium counts, of 18 per cent. for higher medium varieties, of 11.5 per cent. for fine cloth and of 9 per cent. for superfine category. The corresponding percentage increases over October 1959 prices were 27.5, 24, 20, 12.5 and 10, respectively. The system of stamping prices on cloth is also accepted in principle.

Government: The rise in cotton prices and the extra financial burden imposed by the Wage Board award can justify at most a rise of 25 per cent. in cloth prices, as against the increase of 40 per cent. that has taken place in most cases since July 1959. The reduction in mills' wholesale prices should, therefore, be related not to October 1959 prices but to those prevailing in July 1959, when they were about 4 per cent. lower than in October. The reductions in prices already announced by the industry have remained largely unreflected in retail prices and so the Government is keen on going ahead with stamping of prices.

The way in which the Government is goading the millowners to give effect to its point of view reflects its determination to bring down prices. The fact that millowners, too, keep on conceding the Government's demand, albeit with a little margin in their favour, suggests that they dread statutory price controls and that they consider it worth paying some price for staving them off. It will be recalled that, on the 7th of last month, the Chairman of the Federation announced the industry's decision to effect a cut of 10 per cent. in cloth prices. Mr. Lal Bahadur Shastri, Minister for Commerce and Industry, immediately expressed his dissatisfaction at the cut proposed and threatened that, if the industry failed to respond adequately, the Government would not hesitate to take effective action to bring down the prices of cotton textiles. The Federation did pay heed to this warning. On the 11th inst., it announced reductions ranging from 10 to 27½ per cent. as compared with the October 1959 prices and assured that it would take effective measures to implement the decision. One thought that the Government was satisfied with this move. Actually, Mr. Shastri stated in the Lok Sabha on 18th August that it was too early for him to react to the move and that the effect on the market had to be watched before coming to conclusions. Just a week after this statement, Mr. Shastri told the representatives of the Federation who were at New Delhi then that the reductions announced by it fell short of the minimum needed by 5 per cent. and that July 1959, instead of October 1959, should form the basis for revising prices of cloth. And, more recently—on Tuesday this week—Mr. Nityanand Kanungo, Minister for Commerce, reiterated the threat of Mr. Shastri that, if the voluntary reduction in cloth prices to be effected by the textile industry was not satisfactory, the Government would have to take other steps—legal steps—to bring down the prices. He said: "The Government have not indicated their view to the Indian Cotton Mills' Federation, because we want the matter to be decided by themselves to our satisfaction. We do not like to bargain.... Normally, the Government are prepared for a rise of 25 per cent. and not more."

The main purpose of explaining all this in some detail is to bring out the fact that the Government wants the cotton textile industry simply to accept its terms: to reduce ex-mill prices of cloth by 15 per cent. and to stamp prices on cloth. The assumption here is that cloth prices during the period August 1959—July 1960 had risen by as much as 40 per cent. The millowners contend that this is an exaggerated claim. Our enquiries reveal that no more than 5 per cent. of the total cloth produced by mills are higher by 40 per cent.—even here, a large part of the increase has been due to malpractices indulged in by a sect on of wholesale and retail dealers—whereas, in all other varieties, the rise has been proportionate to the enhanced wage bill, increase in cotton prices, and rise in the cost of spare parts and other accessories used by mills.

Be that as it may, it is not quite clear how the Government expects retail prices to go down so soon as all that. For a retailer will not reduce his prices until he clears his existing high-priced stocks, unless, of course, there is a strong buyers' resistance, which does not seem to be there. Whatever steps mills take for bringing down prices, they will require an interval for making themselves felt on the retail market. Further, frequent cuts in prices by mills are liable to cause confusion among the wholesale dealers and unsettle the cloth market. If the Minister keeps on saying that he expects the industry to cut prices further and still further, no trader will lift the cloth from the mills until he is sure that there will be no more reduction in prices. This, in turn, will reduce the supply at the retail end and keep up the prices for consumers. It is quite probable that this is exactly what has been happening in recent weeks. If the Commerce and Industry Minister had felt that only a particular price was reasonable, he should have straightaway told the industry so, instead of allowing it to find out by a series of tests as to what exactly was passing in his mind. The method adopted by him is, indeed, an inexplicably queer one.

Anyway, now that the industry has agreed to cut the prices and the upward trend has been checked, there is no need for introducing statutory price controls. If the Government and consumers have some patience, the cloth prices can be brought under control without resorting to cumbersome, costly and unproductive statutory controls. After all, the Government has gone to great lengths in ensuring sufficient supply of cotton for mills in the coming months. It is worthwhile waiting to see the outcome of this solution. Although it is rather premature to be dogmatic, weather conditions so far have been favourable for a bigger cotton crop in the country and one can hope to see 5,000,000 bales of domestic cotton in the 1960-61 season. Export demand for cloth is also slackening. It is, therefore, unnecessary to rush in with more controls on mills and distributors. The best thing to do would be to wait and watch till the end of this year. If by then the cotton situation definitely turns out to be adverse again, the demand for cloth remains strong and the measures now being taken to step up production have not yielded results to the extent expected, the authorities can certainly review the situation and consider the future course of action.

More Controls on Cotton

The additional controls on the marketing of raw cotton in the 1960-61 season (commencing from Thursday, 1st September), which were announced by the Textile Commissioner on 31st August, have not taken the trade by surprise. For, line, and the distribution of cotton already being strictly controlled by the Government, with effect from 1st August, under the Cotton Control Order issued by the Textile Commissioner in May last, the trade was psychologically prepared for them. The new measures are the following:

(1) Purchase of *kapas* (unginned cotton) by mills owning ginning factories will be restricted to the level of their actual Indian cotton quota, under certain conditions. Mills are advised to ensure that they purchase *kapas* only at a price which will make the corresponding price of the ginned or pressed cotton not to exceed the maximum price fixed by the Textile Commissioner for the lint. Examination of the books of account of the mills will be made, if necessary. Such ginned or pressed cotton will also be surveyed by the appropriate authorities and the ceiling price, on the basis of such survey certificates, determined before the cotton is allowed to be consumed by mills.

2. All cotton marketed in the country, with effect from the 1st inst., will be compulsorily surveyed by the East-India Cotton Association Ltd., Bombay, or by any regional committee appointed for this purpose, with the concurrence of the Textile Commissioner. Certain conditions are prescribed for such survey and the maximum price is required to be indicated in the survey certificate for the appropriate staple and class of the cotton in accordance with the Textile Commissioner's notification in this regard. The object of this step is said to be prevention of any malpractices such as mixing of varieties and passing on inferior varieties as superior one, which were widely prevalent in the season just ended.

3. Mills and dealers will be compelled to submit returns on their deals for the purpose of cross checking and collecting information about the stocks with mills and trade. Failure to submit the returns, or supply of false information, will be viewed seriously and appropriate punitive measures taken.

In order to ensure that at no stage cotton is sold above the maximum prices fixed by the Textile Commissioner, cotton stocks will be requisitioned right from the beginning of the season, from mills

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EQUITIES STEADY

CASH SHARES BRISK

(From Our Own Correspondents)

BOMBAY, 1st *September*

FOR the third week in succession trading on the Bombay Stock Exchange was interrupted by holidays. During the week under review, the Exchange remained closed for three days—on Friday, the 26th ult. on account of *Ganesh Chaturthi* and on the 30th and 31st ult. on account of Parsi New Year. During the greater part of this short week, the sentiment was better than in the previous week and equities staged a moderate recovery on revival of buying at lower levels. Today, however, there was profit-taking and equities drifted down, losing a good part of the earlier gains.

The debate on the draft outline of the third Plan did not cause any jitters for the market. Although Mr. Morarji Desai indicated that he would have to place greater reliance on taxation, particularly on indirect taxes, to raise the resources for the third Plan, the absence of any precise indication as to how the taxes were going to be raised and the feeling that the effects of the tax burden would be more than offset by the growth in production and turnover helped the sentiment. The uncertainty over the cloth price issue is still uncleared. It is the subject matter of further talks between the representatives of the mills and the Government. It is not unreasonable to expect a compromise to be arrived at (in view of the opposition of mills to further cuts in prices demanded by the Government), which would not affect the less economic units and would eliminate the need for enforcement of controls on prices and distribution. This assumption presumably accounted for the modest support to cotton mill shares in the earlier part of the week. Operators were, however, cautious and preferred to book their profits today, as the anticipated statement of the millowners giving out their final stand on the question did not come today. The report that the dividend of T.I.S.Co. would be announced today, even if the Government's announcement on the retention prices were not forthcoming, also steadied the sentiment earlier, but the uncertainty about the quantum of dividend induced profit-taking at the close.

A feature of the week's trading was the brisk activity in the miscellaneous section, particularly in cash counters, in distinct contrast to the subdued trend in the previous week, and many favourite scrips recorded smart rises.

Tata Ordinaries crept up from last week's closing of Rs. 160.25 to Rs. 161.75 before sliding back to Rs. 160.25 at the close. On good support from Calcutta, Indian Irons were steady, moving up from Rs. 25.55 to Rs. 26 and closing at Rs. 25.85.

Hectic movements in Khataus were the main feature of trading in textile shares. After a mild initial rise from Rs. 825 to Rs. 840 in continuation of last week's spurt, the scrip drifted down precipitously to Rs. 720, notwithstanding the Directors' recommendation to double the dividend for the year ended 30th June 1960 from 16 per cent. to 32 per cent., both subject to deduction of tax. The net dividend works out to 22.4 per cent., as compared to 11.2 per cent. paid for 1958-59. This setback is presumably due to disappointment over the absence of any announcement regarding rights issue, which the market had anticipated along with the dividend. Also, rumours regarding the prospect of this scrip being removed from the forward list induced bull liquidation. Bombay Dyeings recorded a rise from Rs. 67.30 to Rs. 68.60 before declining to Rs. 67.60. Centurys advanced from Rs. 507.50 to Rs. 514.50, but this gain was wiped out today when the scrip finished at Rs. 507.50. Kohinoors improved from Rs. 325 to Rs. 336.50 before being marked down to Rs. 330.50. Finlays were conspicuous with a rise of Rs. 18 to Rs. 370, and Swans gained Rs. 15 to Rs. 510, both on reports of buying by the L.I.C. The buying fervour in Gokaks noted last week appeared to have abated and the scrip scored a gain of only Re. 1 at Rs. 180. Morarjees stole the limelight, with a smart rise of Rs. 65 to Rs. 440. Svadeshis were marked up by Rs. 3.25 to Rs. 248.50, while Standards gave way to Rs. 1.975 on rumours that this scrip too would be transferred to the cash list, after an initial gain from Rs. 2.010 to Rs. 2.035. Simplex were a shade quiet at Rs. 174.

Electricity shares lacked support and small losses were recorded in most counters. Ahmedabad Electrics were done Re. 1.50 lower at Rs. 87.50 and Bombay Suburbans Re. 1 down at Rs. 84. Tata Hydros shed Re. 1 to Rs. 106 and Tata Powers Rs. 2.50 to Rs. 1,037.50. Andhra Valleys were, however, a shade better at Rs. 997.50.

Barring a rally in Digvijays from Rs. 163 to Rs. 173, cement shares were listless and fluctuations were narrow. Associated Cements moved between Rs. 145.25 and Rs. 143.50. Orissa Cements closed at Rs. 14 with no change over the week. Jaipur Udyogs were 60 nP lower at Rs. 13.40.

Belapurs were again conspicuous among sugar shares, following the confirmation of the reports about acquisition of a sugar mill, but the trend was erratic. The scrip advanced from Rs. 391 to Rs. 429, but soon drifted down to Rs. 402 on Saturday last. After a revival to Rs. 411, the scrip gave way to Rs. 403 at the close. Phaltans were in demand and rose by Rs. 2.50 to Rs. 136.50. Walchandnagars were unchanged over the week at Rs. 307.50, while Maharashtra Sugars, in the cash group, improved by Rs. 4.50 to Rs. 247 and Kesar Sugars jumped up by Rs. 25 to Rs. 350.

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Calcutta Stock Exchange

CALCUTTA, 31*st August*

In the absence of fresh incentives, quiet conditions were in evidence on the Calcutta Stock Exchange during the week under review. The volume of business fell, but prices were steady at lower levels. The continued quietness should be taken as proof that satiety of buyers at current levels had been reached. The Finance Minister's "assurance" in Parliament to raise direct and indirect taxes in order to secure resources for the third Plan was an indication that there was little chance for raising yield levels with increased industrial prosperity. Further, Mr. Morarjee Desai's statement that his officials would continue to scrutinise closely share market activity hung as a Damocles' sword, which restrained speculation and added a sense of reality to price levels. However, genuine support was not forthcoming since liquid funds were being kept aside for the new issues expected in the coming month. Early in the week, the undertone was steady and prices gained, following replacement buying on expectations of support from the L.I.C. Mr. L. B. Sastri's warning that if exports did not increase, imports would be affected introduced a sense of caution.

Sectionwise, textiles continued to be in bad weather following the chill wave caused by the cloth price controversy. Kesorams sagged to Rs. 30.65, but soon recovered to the opening rate of Rs. 31. Bowreahs were traded at Rs. 171, as against Rs. 180 previously. Basantis fell to Rs. 7.75 from Rs. 8.06. However, Bengal-Nagpurs recorded a fractional recovery to Rs. 5.06.

Coals idled around previous rates, reflecting the anxiety over the increasing pit-head stocks. Burrakurs hovered around Rs. 19.75, while Bengals, after falling to Rs. 338.50 from Rs. 342, closed higher on balance at Rs. 345. Raneegunges continued to change hands in large parcels and this led to suggestions that any change in management would follow. The rate was fractionally better at Rs. 16.81. Khatras Jherriahs were a shade better at Rs. 48.56. East Indias were quiet at Rs. 31.56, as against Rs. 31.44 previously. A strong feature was provided by the jump in New Beerbhooms to Rs. 25 from Rs. 22.69 previously, following the news of rights issue in the proportion of four for every five shares at present held. The issue is at a premium of Rs. 2.50 per share.

At lower levels, buying support was in evidence to jutes. Agarparas picked up 87 nP to Rs. 13.56. On interested buying, Aucklands hardened to Rs. 181 from Rs. 172 previously, while Unions receded to Rs. 193.50 from Rs. 202. Cheviots at Rs. 16 were fractionally higher, but Lawrences sagged to Rs. 144.50 from Rs. 153. Champdanies were unchanged at Rs. 117. Kinnisons dropped a rupee to Rs. 173. Kelvins changed hands at Rs. 154, as against Rs. 165 previously, while Northbrooks, at Rs. 23, were fully steady, as against Rs. 21.37 previously.

Engineering shares were about steady. Large blocks of Baartias changed hands giving rise to rumours of imminent change in management. The quotation was, however, quiet at Rs. 51.31 after being higher at Rs. 31.50. Indian Irons scored to Rs. 26.05 from Rs. 25.47, on expectations of an early announcement of retention prices. Texmacos recovered to Rs. 27.30 from Rs. 27.05, but Jessops in closing at Rs. 22.94 lost fresh ground. Hooghly Dockings changed hands at Rs. 123.50 against Rs. 125 previously. Chase Bright Steels were firm at Rs. 19.25.

Apart from a small recovery in the speculative counters, miscellaneous industrials were featureless. Dunlop Rubbers at Rs. 46.62 put on a point, while Martin Burns were quiet at Rs. 26.56. Indian Cables opened at Rs. 35.69 and closed at Rs. 36.87. Orient Papers, in modest support, were pushed up to Rs. 48.45 from Rs. 47. Aluminium Corporations were unchanged at Rs. 14.37, but Hindustan Motors recovered to Rs. 22.69 from Rs. 22.19. Philips Carbons, after recovering to Rs. 19.62, declined to Rs. 19.25. Bengal Assam Steamships were a favourite at Rs. 86.25.

Teas met with poor support. Jutlibaris receded to Rs. 24 from Rs. 24.50, and Brooke Bonds to Rs. 16.69 from Rs. 16.81, while Bishnaths regained to Rs. 24.06 from Rs. 23.31 to close at Rs. 23.50.

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Madras Stock Exchange

MADRAS, 31*st August*

An important development of the week in so far as the Stock Exchange is concerned was the move of the Exchange authorities to reduce margins on outstandings from 5 to 2 per cent. with effect from the 29th inst. and to allow brokers to transact business among themselves directly on the floor of the Exchange with their bids and offers, as is the practice in vogue in Bombay and Calcutta. Hitherto, the Secretary of the Exchange used to call out the names of shares one by one in alphabetical order and then leave it to brokers to conclude the deals. The relaxations in trading rules led to brisk activity, though several equities tended to move down in view of larger offerings. Textiles were distinctly easy, on fears of a further reduction in the prices of piecegoods and yarn. Teas were subdued, following reports that the preliminary estimate of tea production in South India for June 1960 showed some setback. Coffees were neglected owing to reports of sizable coffee surplus in world markets. Rubbers too came in for selling, notwithstanding the Central Government's decision to raise the rate of replanting subsidy, because operators thought that the *status quo* in raw rubber prices in the context of higher production cost would affect the finances of many estates. Sugars were generally weak, though a few shares elicited special support. Miscellaneous industrials ruled dull, barring chemicals which made a smart rally on investment demand.

In the textile section, Lakshmis dropped Rs. 2 to Rs. 155. Coimbatore Cottons and Coimbatore Pioneers fell by Re. 1.50 each to Rs. 170 and Rs. 350, respectively. Cannanores lost a rupee to Rs. 145, Coimbatore Spinnings and Dhanalakshmis declined by a like amount, the former to Rs. 350 and the latter to Rs. 228. Premiers changed hands at Rs. 237 *ex-div.*, as against Rs. 250 *cum-div.* last week-end. Loyals shed 75 nP to Rs. 35.75. Metturs were quiet at Rs. 396. Buckinghams were neglected at Rs. 206. The Directors of the Company have declared an interim dividend of 4 per cent., tax-free, for 1960.

Among teas, Haileyburias encountered selling pressure and fell by 75 nP to Rs. 15. Nonsuch moved down by 12 nP to Rs. 28. Parksides eased by 10 nP to Rs. 28.50. Periakaramalais declined from Rs. 3.90 to Rs. 3.83 before recovering to Rs. 3.87. Blue Mountains were subdued at Rs. 5.43. United Nilgiris were unchanged at Rs. 22.60. The Company has announced a final dividend of 15 per cent., taxable (equivalent to 10.5 per cent. tax-free) making a total of 21 per cent. taxable (14.7 per cent. tax-free) for the year ended March 1960, as against 19½ per cent., tax-free, for the previous year. In the coffee section, Coffee Lands were marked down by 40 nP to Rs. 24.70. Cowcoodys lost 10 nP to Rs. 5.65. Ouchterlony Valleys shed 7 nP to Rs. 4.93. Balanoors were dull at Rs. 16.70 and Rajendras at Rs. 15. Among rubbers, Kailasas dropped 19 nP to Rs. 5.05 and Midlands 12 nP to Rs. 12. Thirumbadis were lower by 4 nP at Re. 1.46. But Cochin Malabars hardened by 7 nP to Rs. 7.87.

Cauverys in the sugar section eased by Re. 1.50 to Rs. 151. Mysores decreased by 25 nP to Rs. 60.25. E.I.Ds and United Breweries were quiet at Rs. 38.25 and Rs. 114.50, respectively. But Travancores put on 25 nP to Rs. 12.35 and Deccans 10 nP to Rs. 16.40.

Among miscellaneous industrials, Dalmia Cements came down by 14 nP to Rs. 12.30. India Cements dropped 5 nP to Rs. 7.28. Orissas receded by 2 nP to Rs. 13.85. Travancores, however, gathered 23 nP to Rs. 9.10. Andhras put on 2 nP to Rs. 10.85. Among other scrips, Ashok Leylands lost 13 nP to Rs. 9.20. Aluminium Industries lost 10 nP to Rs. 25.15. But Tube Investments rallied by Rs. 25 to Rs. 375. Chemicals, as already stated, recorded an improvement in values, F.A.C.Ts rising by 75 nP to Rs. 13.60, Metturs by 25 nP to Rs. 15.10 and Mysore Chemicals by 25 nP to Rs. 27.75.

NEWS IN BRIEF

THE Indo-Italian trade arrangement, which expired towards the close of June last, has been extended upto the end of June 1961.

The effective income-tax arrears as on 31st March 1960 aggregated Rs. 133.61 crores, as against Rs. 152.36 crores a year before.

Two schemes for the manufacture of watches and five schemes for the manufacture of clocks in the large-scale sector have been approved by the Government.

A scheme for the installation of 200 power-looms in Rajasthan in the handloom sector within the co-operative fold has been sanctioned by the Government of India.

A cotton textile mill has been set up in Ethiopia by Messrs. Birla Brothers in collaboration with the Government of Ethiopia. The Raja of Faridkot proposes to start a cotton farm in Ethiopia.

The Government of India has approved of one scheme for the manufacture of small steel rolling mills. Another scheme is also under consideration. One mill will be set up at Jullundur and the other at Kanpur.

A new series of Re. 1 currency notes will be issued shortly by the Government of India. While the design will remain unchanged, the new notes will bear the signature of Mr. L. K. Jha, Secretary, Ministry of Finance.

There are at present four units manufacturing typewriters in the large-scale sector. In 1959 and 1960 (January-June), 21,437 and 8,207 typewriters, respectively, were produced. The production in 1961 is expected to be of the order of 36,000.

Under the second phase of the National Atlas Project, the main (English) edition of the Atlas showing the physical features of the country and containing socio-economic information on a district-wise basis is now under preparation.

A proposal to amend the Industries (Development and Regulation) Act 1951 so as to empower the Government to take over any industries closing down on account of bad management is under the consideration of the Government of India.

The proceeds of the sale of Prize Bonds will be shared equally between the Centre and the States concerned, the share of the State being advanced to it in the form of a loan for a period of five years, bearing simple interest at 3½ per cent. per annum.

The total amount of foreign exchange actually given to students going abroad during the years 1957-58, 1958-59 and 1959-60 was Rs. 326 lakhs, Rs. 367 lakhs and Rs. 415 lakhs, respectively. The number of students who took the amount was 3,463 in 1957, 3,107 in 1958 and 3,483 in 1959.

The Union Government has granted a licence to a firm to produce cheese at the rate of 20 tons a month, according to Mr. Manubhai Shah, Union Minister for Industry. Imports of cheese in 1958, 1959 and January-May 1960 amounted to Rs. 14.32 lakhs, Rs. 8.36 lakhs and Rs. 2.19 lakhs, respectively.

The public sector collieries produced 7.11 million tons of coal in 1959-60. Of this, the National Coal Development Corporation accounted for 4.85 million tons and Singareni group of collieries in Andhra Pradesh for 2.26 million tons. The target was 16.10 million tons, inclusive of 2.60 million tons for the Singareni collieries.

The one-ton-per-day capacity plant for production of multi-purpose food, now working in the Central Food Technological Research Institute, Mysore, will be transferred to Coimbatore shortly, where a private party has undertaken to run it, according to Dr. Humayun Kabir, Union Minister for Scientific Research and Cultural Affairs.

The Bhilai Steelworks has despatched 1,100 tons of steel billets for being exported to Britain, for the first time. About 8,000 tons of pig iron were exported to the U.K. sometime ago. Two blast furnaces and three open hearth furnaces are now in operation. The total production so far comes to 700,000 tons of pig iron and 200,000 tons of steel.

An exhibition of imported items used in the building of ships in India will be opened at Visakhapatnam, by Mr. G. L. Mehta, Chairman of the Hindustan Shipyard, on the 5th inst. The object of the exhibition is to stimulate interest of Indian industrialists in the production of these items within the country.

The Government of India has decided to set up an independent organisation exclusively for the construction of three new railway lines in the iron ore areas, namely, Sambalpur-Titilagarh BG 115 miles (at a cost of Rs. 14.58 crores), Bimlagarh-Kiriburu BG 28 miles (Rs. 6.5 crores) and Bailadilla-Kottavalasa BG 310 miles (Rs. 50 crores).

A second Indian Industries Fair, sponsored by the Federation of Indian Chambers of Commerce and Industry with the active support of the Government of India, is proposed to be opened at New Delhi on 14th November 1961. The first fair was held in 1955. In order to work out the details of the Fair, an executive committee has been constituted, with Mr. Madanmohan R. Ruia as chairman.

Production of copper ore during January-June 1960 was 219,464 metric tons. This represents an increase of about 10 per cent., as compared with 199,945 metric tons produced in the corresponding period of 1959. The entire production was reported from the Singhbhum District of Bihar State. Production of copper metal during January-June 1960 was 4,379 metric tons, as against 3,817 metric tons in the corresponding period last year.

The Government of India has decided, in consultation with the Board of Trustees of the Coal Mines Provident Fund, to grant interest to subscribers of the fund on their accumulations at the rate of 4 per cent. during the year 1960-61. The rate of interest for the year 1959-60 was 3¾ per cent. About 343,000 colliery workers in Assam, West Bengal, Bihar, Madhya Pradesh, Orrisa, Bombay, Andhra Pradesh and Rajasthan subscribe to the Fund.

The Union Minister for Commerce, Mr. Nityanand Kanungo, stated in the Lok Sabha that the Government of India was inclined to accept the suggestion of the Forward Markets Commission to set up a second forward market for pepper in Bombay on a trial basis for one year. According to him, the second ring will give a measure of strength and stability to the existing forward market at Cochin by providing operators there an avenue to cover their extra risks and, thereby, enable them to absorb larger orders.

The Indian Lac Exporters Association has decided to introduce a Rs. 38-lakh scheme to create a buffer stock of lac, with a view to eliminating wide fluctuations in the price of this commodity. The Association has authorised its committee to utilise its publicity fund and to impose, if necessary, an additional cess to implement the scheme. In 1958, the Association imposed a cess of Rs. 2 per maund on exports of shellac, Re. 1 each for publicity and research funds. Exports of lac during 1959-60 amounted to Rs. 6.8 crores.

The co-operative societies which have Harijans among their members will get preference over other co-operative societies in regard to disbursement of loans under the Low Income Group Housing Scheme. A recommendation to this effect, made by the Housing Ministers' Conference, has been accepted by the Government of India. The scheme provides for the grant of loans to State Governments to enable persons, whose annual income does not exceed Rs. 6,000, to build houses. The Government has also accepted the recommendation of the Housing Ministers that when loans are given under this scheme, the State Governments should release from within their quotas, the minimum requisite controlled building materials to prospective builders to enable them to construct their houses expeditiously.

A Central Wage Board for jute industry, with Mr. L. P. Dave as Chairman, has been set up. It has two independent members, Mr. G. Oza, M.P., and Dr. Parmanand Prasad. Mr. D. C. B. Pilkington and Mr. D. P. Goenka represent employers, while Mr. Indrajit Gupta, M.P., and Mr. Kali Mukherjee represent workers. Within two months from the date the Board starts its work, it will submit its recommendations regarding the demands of labour in respect of interim relief, pending submission of the final report. The terms of reference of the Board are: (1) to determine the categories of employees (manual, clerical, supervisory, etc.) who should be brought within the scope of the proposed wage fixation and (2) to work out a wage structure based on the principles of fair wages set forth in the report of the Committee on Fair Wages.

The Central Government has approved of the Broach (Narmada) project, which, on completion, will irrigate 962,588 acres of land annually in the Broach and Baroda districts of Gujarat. This project—a part of the multi-purpose development of the Narmada basin—envisages construction of a gravity dam, 4,600 feet long, with a maximum height of 220 feet above the foundation, across the Narmada river at Navgam in Rajpipla taluka of Broach district. The dam will divert the run-off of the river into a canal system, which will cover a total command area of about 1,300,000 acres. It is proposed to raise the height of the dam in stage II of the project, extend irrigation through the Narmada high level canal to Mahi and Sabarmati basins and use the waters for generation of hydro-power. The total cost of the first stage of the project is Rs. 43.10 crores.

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From Abroad

The International Tin Council has decided to lift all restrictions on exports of tin for the next quarter commencing from 1st October.

The U.S. House of Representatives Foreign Affairs Committee has been asked to approve of authorisations amounting to $600 million for President Eisenhower's Latin American aid programme.

The number of foreigners employed in West Germany rose by about 70 per cent. over a year to 276,000 as at the end of July, or 1.4 per cent. of the total labour force of 20.3 million.

The Japanese steel industry proposes to treble the steel ingot output to 49 million tons per year by 1970. This will make Japan the world's third largest steel producer, after the U.S. and Soviet Russia.

The Italian State Oil Corporation, A.G.I.P., has reduced its price of petrol by 1½*d.* to 5*s.* 1½*d.* per gallon. This reduction is expected to be followed by similar cuts by other major oil companies operating there.

PERSONAL

MR. H. C. Kothari, a partner of Messrs. Kothari and Sons, Madras, has been elected President of the United Planters' Association of South India for 1960-61.

Mr. H. Sitharama Reddi, formerly Minister for Industries, Government of Madras, has been appointed Chairman of the Coffee Board for a period of two years *vice* Mr. Tenneti Viswanathan, who resigned sometime ago.

Mr. V. K. Krishna Menon, Union Defence Minister, will lead the Indian delegation to the 15th session of the U.N. General Assembly. Mr. Ali Yavar Jung, Ambassador for India in Yugoslavia, will be the Deputy Chairman of the Indian delegation.

A forecast that air fares will decline by about 20 per cent. and that air traffic will double by 1967 has been made by the International Civil Aviation Organisation, in its latest report on future prospects for air transport.

Wool production in the U.K. during 1959-60 at 32.9 million lbs. was the highest for the last twenty years. This was 4 per cent. more than the previous season's clip and 43 per cent. more than that a decade ago. With such a marked rise, the U.K. has become the largest wool producing country in Europe.

Under an agreement signed by the Governments of Iraq and Russia, the latter will provide technical and economic co-operation for the construction of a broad-gauge railway between Baghdad and Basra. A sum of 180 million roubles will be granted for the purpose. This line will replace the existing narrow gauge.

The scientists of the Beecham Group's laboratories in Britain have developed a new drug, superpenicillin, which is claimed to be capable of killing germs that are resistant to ordinary penicillin. The process for making the new drug is partly synthetic and partly extracted from a mould.

Soviet Russia will give 160 million roubles (about £14.5 million) to Ghana under an agreement signed at Moscow this week. The amount will be utilised to defray Soviet expenses in giving technical help. Russia has agreed to co-operate with Ghana in the exploration for minerals as well as in the establishment of industries, power dams and model State farms.

Russia has signed an agreement with the United Arab Republic to finance the second stage of the Aswan Dam project. The agreement provides for a loan of 900 million roubles (£81 million). Russia had supplied 400 million roubles (about £33 million) towards the cost of the first stage. The aggregate outlay on the project, which is to be completed in three stages before 1970, is estimated at £345 million.

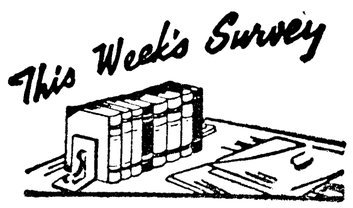
The first television camera with an integral zoom lens contained within the camera body has been developed jointly by the British Broadcasting Corporation engineering division and the Taylor, Taylor and Hobson division of the Rank Precision Industries. With a focal range of two to 40 inches, the camera will zoom from long-shots to a close-up that appears to bring an object 20 times nearer to the viewer.

The U.S. has reduced the railway freight rates to the Pacific coast by 50 per cent., with a view to stimulating sales of American wheat to Far Eastern countries. The new rate is about 12 cents a bushel to a Pacific port from points upto 1,600 miles. Reports from Canada say that this will adversely affect Canadian exports of wheat to Japan, its largest customer after the U.K. Canadian farmers are expected to ask its Government for compensating assistance.

A joint U.S. Senate-House Committee has agreed to a compromise Bill which provides $3,722.35 million in new funds for the U.S. foreign aid programme during 1960-61. This sum is lower by about $559.35 million, as compared with the amount requested by President Eisenhower. The compromise Bill includes $550 million for the Development Loan Fund, $150 million for technical assistance, $610 million for defence support for allied countries and $230 million for special economic assistance.

The U.S. Ford Foundation has announced a series of new grants to India amounting $2,376,315, including $525,000 to the University of Baroda and $170,000 to the Ahmedabad Municipal Corporation. The foundation has also announced a grant of $52,350 to the Council for Technical Co-operation in South and South-East Asia (the Colombo Plan) for a survey of technical education facilities in this region. These are among the latest grants by this U.S. philanthropic organisation to assist development programmes in Asia, the Near East, Africa and Latin America.

In order to finance the construction of the £58-million Volta River project, the World Bank has agreed to lend £14.3 million to Ghana. The U.S. and the U.K. have also granted loans amounting to £10.7 million and £5 million, respectively. The grant of all these loans is, however, subject to an agreement having been reached between the Valco (an international consortium of aluminium producers) and the Government of Ghana, on the sale of power to the Company and the construction by it of a smelter to convert bauxite into alumina. The project seeks to set up a dam over the River Volta with four (two to be added later) generators producing 120,000-130,000 kw. each. This dam will create the world's largest artificial lake, 150 miles long and 50 miles wide.



G.A.T.T.

ONE more tariff negotiating conference of the Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.), the fifth of its kind to be held since the Agreement began in 1948, commenced at Geneva on Thursday this week. The Conference is being attended by representatives of India and thirty-six other countries which together account for nearly 80 per cent. of the total world trade, as well as by representatives of four nations which are in the process of acceding to the G.A.T.T. and several observer-members. At the previous tariff negotiating conference held at Geneva in 1956, it will be recalled, the import trade of the participating countries in the items affected by the concessions negotiated was estimated at about $5,000 million.

The Conference has been phased into two parts. During the first phase—this will last up to the end of December next—the Contracting Parties will renegotiate with the six member-States of the European Economic Community (E.E.C.) individual concessions which they feel obliged to alter owing to changing circumstances since they were first negotiated. The Parties will seek to ensure that the tariff as it emerges from their negotiations is in conformity with Article XXIV of the G.A.T.T. which lays down that the creation of a customs union should not produce higher trade barriers than those formerly in existence in the individual members of the union. The second phase (from the beginning of 1961 to the middle of that year) will be taken up by negotiations among Contracting Parties for new concessions (including negotiations with the E.E.C. for concessions in its common external tariff) and by negotiations between the Parties and the countries in the process of acceding to the G.A.T.T. The six E.E.C. countries have already expressed their readiness to negotiate on a reduction of 20 per cent. in their tariffs. Similarly, the U.S. has expressed its willingness to bring down trade barriers; the officials have authority to lower tariffs on individual items by up to 20 per cent. over four years, though this authority is severely circumscribed by "peril point" provisions on "sensitive items" such as woollen textiles, chemical and pharmaceutical products and bicycles. On its part, Great Britain, too, announced sometime ago that it was prepared to lower its tariffs substantially in return for concessions from its trading partners.

Two important considerations have a bearing on the agenda for the Geneva tariff Conference. One, the present powers of the U.S. President under the Reciprocal Trade Agreements Act, enabling that country to participate in tariff negotiations, will expire on 30th June 1962; this means, in practical terms, that, during the tariff Conference, there will be Congressional authority for the reduction, by negotiation, of individual duties by as much as 20 per cent. Two, there is the need for completing negotiations with the E.E.C. before the end of next year, when, according to the timing provided for in the Treaty of Rome, the "Six" will start bringing their existing national customs tariffs into line with their new common customs tariff.

It will be premature to forecast the extent to which the import trade of the participating countries will be benefited by the concessions that will be negotiated at the Geneva Conference in the next few months. Much will depend on how the Conference will get over what are called the "limiting factors." In the course of an interesting article contributed to *The Financial Times* of London, Mr. Eric Wyndham White, Executive Secretary, G.A.T.T., points out, for instance, that, to the extent that negotiations are successful, they will play a notable part in minimising the possible disruptive effects of the co-existence of two distinct trade groups (the Six and the Seven) and facilitate, at the same time, an ultimate closer *rapprochement* which seems to be increasingly desired on both sides. The limiting factor, however, is that any tariff reductions negotiated between the two groups have, under the most-favoured-nation rule, to be extended to all other G.A.T.T. members. This would mean, in particular, that considerable indirect benefits would accrue to the U.S. which is a substantial supplier of products entering into intra-European trade.

Mr. Eric Wyndham White also refers to the move of the agricultural exporters to seek in the tariff negotiations a greater degree of access to markets for their traditional exports. "Tariff concessions," to quote him, "will not be of great interest, unless assurances can also be obtained that the concessions will not be frustrated by quotas, subsidies, minimum price schemes and other non-tariff measures." He further refers to the possibility of the less-developed countries, hitherto somewhat indifferent to tariff negotiations, modifying their position if the negotiations promise real benefits for their exports. The demands of these countries are expected to relate mainly to reasonable terms of access for their agricultural as well as manufactured products to world markets; mitigation of the Rome Treaty provisions which give preferential advantages to the overseas territories of the Six; strong pressure from countries like India and Brazil for reduction of heavy consumption taxes on tropical beverages (tea and coffee, in particular); and modification of the industrialised countries' traditional policy of granting free entry or low rates of duty for primary products while maintaining high protection on semi-processed materials.

In view of the important issues that will figure in the current negotiations, Mr. Eric Wyndham White cautions that one must not expect too much from the Geneva Conference by way of immediate outcome. He is, of course, confident that there will be some progress in tariff reduction, but, in his opinion, the basic issues and the shape of future solutions can only be outlined during the negotiation.

THE CODE AND SANCTIONS

The working of the Code of Discipline in industry, the efficiency of the sanctions for its enforcement and the need for additional sanctions, if any, are expected to come up for discussion at the eighteenth session of the Indian Labour Conference scheduled to be held at New Delhi on the 24th and 25th inst. It is more than two years now since the Code was accepted by the central organisations of workers and employers. Although this is too short a period for a new concept, with far-reaching aims, in a difficult field, to get firmly established, periodic review of its working will bring to light its defects and shortcomings and enable remedial steps to be taken.

The experience of the working of the Code, from 1st June 1958, when it is deemed to have come into force, to the end of December 1959, for which period data are available, indicates that the Code has yielded encouraging results both by reducing the number of man-days lost through work stoppages and by bringing about a general improvement in the climate of industrial relations. But the sporadic outbreak of strikes, which, unfortunately, still marks the industrial scene, and the mutual distrust that still prevails among employers and workers, do not warrant the conclusion that the Code has achieved the aims it has in view.

Much store is set by the Code in the Draft Third Plan, not only for securing a place in industry but also for obtaining higher levels of industrial efficiency. The Code, being no more than a gentlemen's agreement, derives its strength from the fact that its acceptance is voluntary. Its sanctions too are those voluntarily agreed upon by the parties. In spite of the existence of a Central Evaluation and Implementation Division in the Union Ministry of Labour, charged with the task of ensuring the implementation of the Code, and machinery at level of States to supervise its working, there have been charges and countercharges from both sides (employers' and workers' organisations) of non-observance of the Code. This is, perhaps, the reason why the State Labour Ministers, at a conference held early this year, suggested additional sanctions for enforcing the Code. They are reported to have recommended that the unions refusing to accept the Code should be denied the benefits of recognition and that, unless it was compulsory under the law, the Government should suspend its assistance to the recalcitrant employers and unions. They had also suggested that acceptance of the Code should be brought about by persuasion at the time of registration of a trade union and that legal provision should be made for prosecution of the parties concerned for breach of the Code.

Both the employers' and workers' organisations are reported to have opposed the suggestion for additional sanctions, legal or voluntary. While the former contend that the existing sanctions have not been invoked against the workers' organisations, the latter complain that they have not been applied against employers. But both seem to agree that there is no need for additional sanctions. A pertinent point that deserves to be considered is whether resort to compulsion is advisable in an agreement which is entirely voluntary. Legal compulsion runs counter to the concept of voluntarism embodied in the Code.

AGRICULTURE: TWO COMMITTEES

The move of the Union Government to constitute an Agricultural Commodities Advisory Committee and a Farmers' Advisory Panel, though belated, must be widely welcomed. The proposed Committee, according to Mr. S. K. Patil, Minister for Food and Agriculture, will be a permanent official body, like the Tariff Commission, which will advise the Government not merely on the price policy for agricultural commodities but also on all matters having a bearing on the programme of agricultural production. Disclosing this in the Lok Sabha, Mr. Patil said that it would consist of a full-time chairman and members representing the Food and Agriculture Ministry, the Planning Commission and the Reserve Bank of India. But the Farmers' Panel would be a non-official organ, comprising representatives of States and some independent economists. Both the Committee and the Panel are expected to "work together." Replying to questions by certain members, Mr. Patil said:

> "We want the whole of the agricultural production to be under constant survey. This will include distribution of land for certain crops and settlement of acreage for competing crops. Fixation of prices is only one of the things to be settled. The two committees will give us all that we need, in order that the whole compass of agricultural production will be under review. I am always of the view that no agricultural production will increase, unless the farmers are taken into the fullest confidence. It will be my endeavour to see that the Panel is not officialised."

These observations clearly emphasise the utmost urgency which Mr. Patil attaches to the task of stepping up agricultural production. If only the same sense of urgency had permeated the rank and file of officials connected with agriculture at the Centre and in the States, the performance on the agricultural front would certainly have been much more encouraging than what it has actually been. Notwithstanding the implementation of two Five-year Plans, the country has still not got out of the woods of agricultural shortages, as witness the spending of several hundreds of crores of precious foreign exchange on imports of foodgrains, cotton, etc. It is, indeed, gratifying to note that, since Mr. Patil took over the portfolio of Food and Agriculture, the approach to agriculture is being reoriented, although it is too early to say whether he will win the battle, what with the heavy odds he has to face in the shape of such ideological schemes as State trading, co-operative farming and ceiling on agricultural holdings.

A special responsibility will devolve on the proposed Agricultural Commodities Advisory Committee and the Farmers' Advisory Panel, for their recommendations will form the basis of agricultural development in the coming years. Readers will recall that the Draft Outline of the third Plan envisages a rise of as much as 30-33 per cent. in agriculture output, or an average rate of 6 per cent. per annum. This is a stupendous task which calls for a thorough streamlining of the administrative and organisational set up. The importance of such streamlining was forcefully stressed by Prime Minister Nehru, as well as by Mr. Patil, Mr. Punjabrao Deshmukh and Mr. Shriman Narayan, Member, Planning Commission, in their speeches at the Agriculture Ministers' Conference held at New Delhi on 26th and 27th August.

It is somewhat distressing to learn that, though more than three months have passed since the States were requested by the Centre to send their proposals for implementing the recommendations of the Nalagarh Committee, only the Punjab Government has sent its proposals so far. Unless the other State Governments also attach "very high priority" to this aspect and take energetic steps to improve the administration of their respective Agricultural Departments on the lines indicated by the Nalagarh Committee, the pace of operations of development schemes is bound to be slow. This is an aspect which cannot be too strongly emphasised, especially in the context of the swiftly increasing trend of population at the rate of 2 per cent. per annum, and t[illegible]

of carrying out the large-scale programme of economic development. No less urgent is the importance of providing, as Mr. Patil aptly said, a margin against various emergencies and imponderables like vagaries of weather and inflationary pressures generated as a result of larger investment. After all, the development of agriculture holds the key to the rapid development of the country in all other fields. Mr. Nehru certainly struck a note of realism, when he declared that "agriculture and agricultural production have become the pivot of all our work, programmes and plans."

D.V.C. MUDDLE

A close scrutiny of the working of the Damodar Valley Corporation in West Bengal, fashioned on the T.V.A. model, reveals trends which are, to say the least, distinctly unhealthy. There have been several cases of laxity in the administration. It is amazing that pretty little has so far been done to remedy this state of affairs. The public at large have, in fact, become somewhat apprehensive about the prospect of this project. The latest report of the Public Accounts Committee (1959-60) of the Lok Sabha, dealing with the accounts of the Damodar Valley Corporation for the year 1957-58, only confirms some of the worst fears of the public. Several glaring instances of gross negligence, financial irregularities and administrative lapses have now been brought to light.

What is more, the project has fallen far behind the purpose which it was originally intended to serve. In particular, the Committee has drawn pointed attention to the poor rate of utilisation of water for irrigation purposes. By 1958-59, the project was expected to irrigate 600,000 acres in the *khariff* season and 70,000 acres in the *rabi* season, according to the revised forecast of 1954. This target was drastically revised downwards in 1957 to 400,000 acres and 5,000 acres, respectively. Against this, the area actually irrigated in 1958-59 did not exceed 235,000 acres. The following table shows the forecasts made in 1954 and 1957 in respect of lands planned to be brought under irrigation during the second Plan period:

	Kharif (in acres)		*Rabi* (in acres)	
	1954 *forecast*	1957 *forecast*	1954 *forecast*	1957 *forecast*
1956-57 ..	200,000	45,000	20,000	..
1957-58 ..	400,000	75,000	50,000	..
1958-59 ..	600,000	400,000	70,000	5,000
1959-60 ..	800,000	600,000	100,000	20,000
1960-61 ..	840,762	800,000	130,000	40,000

In the light of this, it is difficult not to agree with the Committee when it asserts that "frequent revision in the targets of construction and provision of irrigation water is indicative of not only defective planning and insufficient application of the problems involved but also of inadequacy of measures adopted to reach the targets." The main difficulty in the way of utilisation of water, according to the D.V.C., is the absence of field channels, "a matter on which it had no control." The Committee has expressed surprise at the fact that the Secretary of the Ministry concerned was seized of this difficulty only at the sitting of the Committee. It has urged the Government of India to take up the matter with the State Governments concerned in regard to the early excavation of field channels. Emphasising the need for concerted efforts in this direction, it has reminded the State Governments that "the participating authorities have a responsibility to ensure that the objects for which the Corporation was set up are achieved."

Besides, the D.V.C. has not realised any irrigation revenue till the end of 1957-58. But it has claimed over Rs. 57.74 lakhs from the W. Bengal Government for the areas irrigated in 1957 and 1958. The Committee has given a timely warning that, if the matter is delayed further, the financial interests of the Corporation will be seriously jeopardised. No less deplorable is the fact that, though the project is in the final phase of its construction, the establishment expenditure has shown no corresponding reduction. Even at this stage, the administrative expenditure, according to the Committee, "persists in the upward direction, instead of registering a steep decline."

The report of the Committee contains a fairly long catalogue of infructuous expenditure incurred by the administration. Of these, mention may be made of the purchase of 300 rolls of recording tape for automatic recording, which was indented by a project manager at an estimated cost of Rs. 34,600 in June 1954. The indent was specifically marked 'immediate.' The supply of the tape was not made, however, until November 1955. The tape could not be used for the original purpose in Blow-know Batching plant, which was under construction at Maithon in 1954 itself. No doubt, the administration did use the tape in November 1957 for another work at Panchet, but "due to defective quality of the recording ink, the tape did not record readings satisfactorily and gave incorrect data." Yet another instance of ineptitude is that the actual working hours of about 100 machines used on the Panchet Hill Project between March 1956 and March 1958 were as low as 18 per cent. of the basic schedule hours. The percentage went down further to 8.09 in 1958-59. Obviously, the assumptions behind the calculation of basic schedule hours are unrealistic. In another case, the D.V.C. had to write off the entire cost of a jeep (Rs. 12,246) purchased in December 1950, which was stolen in October 1951. Although the jeep was insured, no policy had been issued by this time. The jeep was seized by the police subsequently. But, after protracted legal proceedings, the Corporation had to write off the value of the car, apart from spending Rs. 14,166 on legal and arbitration proceedings. The Committee feels that the case could have been handled in a more businesslike manner. It has also brought to notice several other cases involving mismanagement, faulty procedures in granting tenders, wastage on account of arbitrary decisions of officials and unsatisfactory nature of the accounts in certain respects, which are too numerous to enumerate.

The total capital expenditure on the main objects of the project, namely, power, irrigation and flood control, stood at about Rs. 116.20 crores at the end of 1957-58, the total amount being paid by the Central Government and the State Governments of West Bengal and Bihar. The participating State Governments have to make co-ordinated efforts at ensuring judicious use of the tax-payers' money. It is officially conceded in the Budget Estimates for the D.V.C. for 1960-61 that existing flood control capacity and water resources created by the D.V.C. is "inadequate to meet the current situation, as also the situation that can reasonably be envisaged to come into existence in the foreseeable future." In addition, one of the four proposed hydro-electric stations in the project has also been kept in abeyance for the present, even though it is now clear beyond doubt that there will soon be an acute power shortage in the D.V.C. area. It is regrettable that the project is nowhere near attaining the original targets in respect of irrigation, flood control and power. The earlier these defects are removed, the better.

RAILWAY RESEARCH

Research has an important part to play in the development of Indian railways. Indeed, in the context of the present foreign exchange difficulties, it is of crucial importance. By conducting tests on equipment and material for use by railways, investigating cases of operational failures and developing materials and processes for replacing expensive imports, the research wing of the Ministry of Railways can help increase efficiency and reduce operational costs as well as railways' dependence on imports. Since there is a large number of scientific research bodies in the country, both public and private, it is important to ensure that there is no duplication of work, for doing the same work in two different places is a waste of time, talent and financial resources. Avoidance of such duplication by proper co-ordination of efforts of the railway research organisation with other research bodies in the country is one of the principal objectives of the newly-constituted Central Board of Railway Research. The Board, headed by Mr. Karnail Singh, Chairman of the Railway Board, has 25 members, representing some of the national laboratories and scientific research bodies under the Central and State Governments, science faculties of Universities and private industries having research facilities. It proposes to bring together, from time to time, eminent scientists, whether they work for Government or private industries, for exchange of ideas and experiences.

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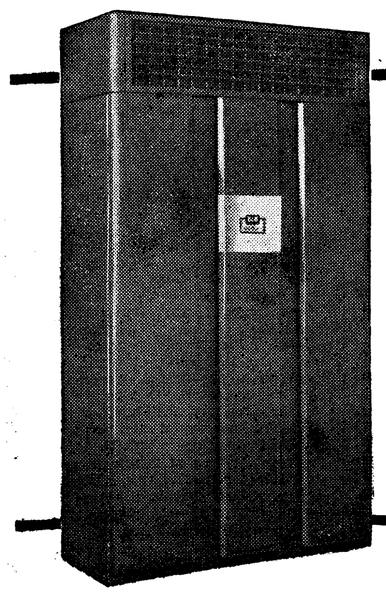

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NO CHANGE IN RAW RUBBER PRICES

ADDITIONAL DEVELOPMENT CESS, HOWEVER, TO BE COLLECTED FROM CONSUMERS

THE Government of India has rejected the recommendation of the Tariff Commission for a slight reduction in the statutory price of raw rubber payable to the growers. It has decided that the price of R.M.A. grade I should continue to be maintained at Rs. 149.50 per 100 lbs. or Rs. 164.80 per 50 kilograms, f.o.b. Cochin, exclusive of the cess. Inclusive of the cess, the statutory price will continue to remain at Rs. 155.75 per 100 lbs. This price has been in effect from September 1955, following an increase of Rs. 5.75 per 100 lbs. granted in that month to cover the enhanced rate of cess, which was put up from As. 8 to Rs. 6-4 per 100 lbs. with effect from 1st August 1955. The price will continue to be in force up to 30th September 1963.

The Tariff Commission took up the enquiry in March 1960, following the Government's request in April 1959 on representations received from growers for a further rise in prices on the ground that the cost of production had increased considerably since 1955. The Commission recommended that the price of raw rubber R.M.A. grade I should be fixed at Rs. 146 per 100 lbs. or Rs. 160.94 per 50 kilograms, exclusive of cess and sales tax and that the prices of other grades, except that of preserved latex, should be fixed according to the grade differentials in force at present. The Commission also recommended that cess and sales tax, which had hitherto formed part of the statutory prices, should be excluded from the statutory prices, as these items are variable and do not strictly form part of the price. This is in deference to the representation made by the manufacturers. The Commission did not find any reason to change the present practice of fixing prices f.o.b. Cochin, as both the manufacturers and producers were satisfied with this practice.

The price recommended by the Commission (exclusive of cess and sales tax) would mean a reduction of Re. 1.50 per 100 lbs. from the present price of Rs. 147.50 per 100 lbs. (excluding cess and sales tax). If this recommendation had been accepted by the Government, it would have meant considerable hardship to the growers, however small the cut may be, in the face of rising cost of production and the upward trend in prices of rubber abroad. The growers will, therefore, be grateful to the Government, if not for not having received any increase in price asked for, at least for not having cut the price as recommended by the Commission. In rejecting the Commission's suggestion for a cut in price, the Government says:

"There is an imperative need to increase the production of raw rubber in the country by undertaking replantation on a large scale. In view of the widening gap between production and consumption and the prevailing price of rubber in the world market, any reduction in the price of raw rubber at this juncture, however small it may be, will have unhealthy repercussions on the industry."

The Commission's recommendation for excluding cess and sales tax from the statutory prices has not also been accepted *in toto* by the Government. It is proposed to exclude cess from the statutory price, but it will continue to form part of the statutory price for a short while until the Rubber Amendment Act 1960 is enforced. As regards sales tax, the Government considers that it will be in the interest of the producer and the manufacturer, if the price is fixed inclusive of sales tax.

In recommending a slight reduction in statutory price, the Tariff Commission was not unmindful of the need for a rapid increase in production of raw rubber and the possible effect the reduction in price would have on the expansion programme. It had, in fact, worked out that the amount required for replantation, in order to raise the average yield to 460 lbs. per acre in the immediate future, would be Rs. 16 per 100 lbs. at current costs. Out of this, Rs. 9 would be covered by the depreciation element, as against the present depreciation and rehabilitation allowance of Rs. 6.82. The Commission had recommended that the balance of Rs. 7 per 100 lbs. should be levied as developmental cess and recovered from the consumers, in addition to the existing cess. This additional developmental cess should be utilised for grant of substantial replanting subsidies by the Rubber Board. The Government has accepted this recommendation and, in fact, the necessary legislation to provide for the collection of additional cess has since been enacted.

In order to ensure that the additional development cess is properly utilised, the Commission has recommended that this amount should be funded and removed from the growers' control. This would also eschew any risk of misapplication. The Commission's apprehension may seem to be unjustified, but the experience elsewhere in the world, as well as in India during the last seven years, would appear to have confirmed the view that any excessive increase in price to the grower would retard the progress of replantation, particularly by the large section of small growers, as they would be increasingly reluctant to remove the existing over-aged trees.

The imposition of additional cess would mean an increase in the price which the consumer will be asked to pay, as will be seen from the following comparative table of net price receivable by the growers and payable by the consumers for R.M.A. grade I rubber (as recommended by the Tariff Commission):

(Rs. per 100 lbs).

	Estimate in 1952-53	*Present estimate for future*
Cost (including grade differential) ..	90.61	97.06
Less cess included	0.50	..
	90.11	97.06
Depreciation/rehabilitation	6.82	
Depreciation	..	9.00
	96.93	106.06
Interest on working capital	1.07	..
Return on gross block	37.50	..
Return on capital employed ..	..	40.00
	135.50	146.06
Ad hoc increase in 1955	12.00	..
Price receivable by growers	147.50	146.06
Sales tax	2.04	2.04
Cess (present)	6.25	6.25
Additional cess recommended	..	7.00
Price payable by consumer	155.79	161.35
or roundly ..	Rs. 155.75	161.25

Note: *For purpose of comparison, the element of sales tax has been taken on the same basis as in* 1952.

Explaining the apparent cut in price recommended by it for the producer of raw rubber, the Commission says that, even if the price retained by the grower appears to be less by Rs. 1.44 for the large units who pay tax on the present rehabilitation element of Rs. 6.82, there might even be a net advantage. It adds that the *ad hoc* price increase of Rs. 12 given in February 1955 gave a "comfortable cushion to the grower who had virtually received compensation in anticipation of cost increases which took place only by stages later on." "Taken in this context," it goes on, "the provision for the additional development cess of Rs. 7 is a liberal benefit to the growers."

So far as the consumer is concerned, the Commission considers the increase of Rs. 5.50 per 100 lbs. as a "reasonable premium for insurance of augmented supply of rubber at lower prices in future." It is of the view that the grant of a small increase in price for the consumer would not prove to be a burden either to the rubber manufacturing industries or their consumers. In order to satisfy itself on this point, the Commission had asked the manufacturers to evaluate the incidence of a hypothetical increase of, say, Rs. 10 per 100 lbs. in raw rubber prices on the cost of manufactures. It was found that, on the most important items, the increase in cost would be no more than 1½-3½ per cent. The incidence would, therefore, be much less on the basis of an increase of Rs. 5.50 per 100 lbs. recommended by the Commission. It is true that, on the basis of the price of Rs. 149.50 (inclusive of sales tax) to the grower, as fixed by the Government, the ultimate cost to the manufacturer of rubber goods would be Rs. 162.75 per 100 lbs., that is, Rs. 7 more than the present cost and Rs. 1.50 more than that recommended by the Commission. Even so, the incidence will not be heavy.

In working out the price payable for the grower, the Commission has taken into account a return of 12½ per cent. on the capital employed. This, it is convinced, should be adequate to provide for (1) managing agency commission, (2) taxation, (3) bonus, and (4) a fair margin for reasonable dividends. The Commission's estimates of future costs and profits are based on the actual production achieved in 1958-59 and, with the higher yield achievable during the price period, it feels that the industry should be able to get a better margin than the one which it has actually allowed.

THE STOCK MARKETS AND THE BANKS

From Our Own Correspondent

LONDON, *27th August*

LONDON LETTER

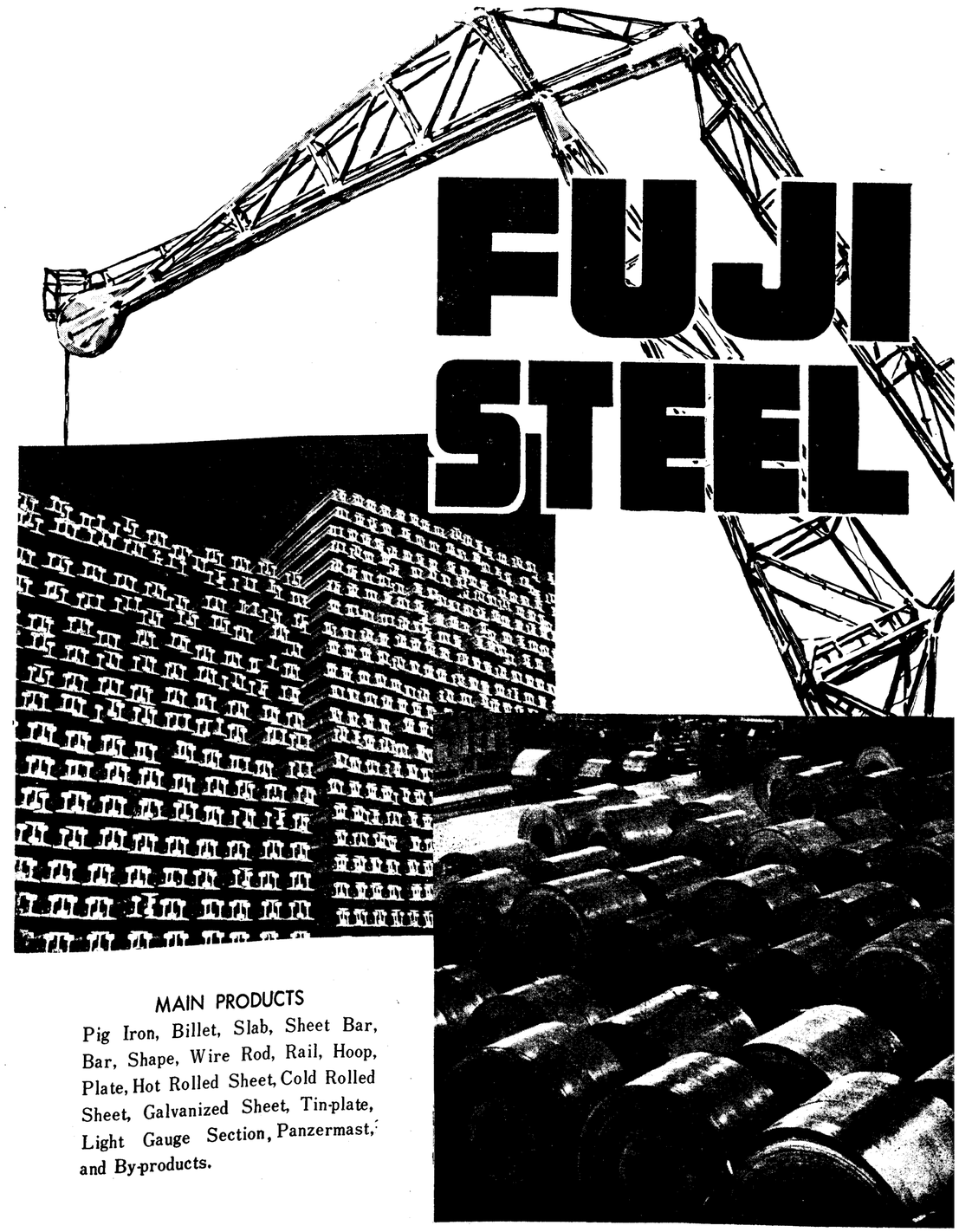
THIS week, the wheel has come round full circle in the stock markets from the high point at which it began to turn at the end of 1959. At that date, the *Economist* general stock market indicator registered an all-time high level, from which until early May this year a decline of nearly 12½ per cent. set in. From the low point of early May, the recovery has been, if initially erratic, continuous and the high point of eight months ago —involving a rise of 13½ per cent.—has been virtually recovered. At the latter part of the week, there was some recession and the market could stay dull in the absence of any fresh heartening factor, such as better trade returns.

The industrial share indices show virtually the same movement. That of the *Financial Times* recorded its highest point this year on 4th January at 343, whence it slumped four months later to 296, a drop of 13.7 per cent. The recovery at the middle of this week was to 337, a 14 per cent. rise. The *Financial Times* industrial share index actually recorded an all-time high in the middle of this week; its selection of 150 shares giving a higher reading than at the turn of the year.

The changes in the fortunes of the market over the past three and a half months have made extremely difficult the task of the joint-stock banks to restrict their advances in accordance with Government policy. It will be recalled that, as part of the Government's measures to restrict credit, they required the banks to deposit with the Bank of England 2 per cent. of their deposits, the intention being to force the banks to restrict advances, in order to maintain a sufficient proportion of liquid assets. In point of fact, the total of liquid assets has remained almost unchanged. A year ago, the figure was £2,280 million, against a total of gross deposits of £7,518 million. A month ago, the liquid assets had dropped to £2,259 million and the gross deposits to £7,247 million. Over the past month, gross deposits have dropped a little more and liquid assets have risen a fraction to give a 31.4 per cent. ratio.

The banks have, therefore, been successful in keeping the total of their liquid assets almost unchanged, although, over the past year, bank advances climbed from £2,615 million (mid-August, 1959) to £3,236 million in mid-July 1960. Nearly, £100 million of the jump was between June and July this year, at the very time when the Government was bringing pressure to bear to swing advances the other way. In the past month, advances have actually been reduced by about £40 million, but this is clearly not enough.

The Government could have applied its credit squeeze by direct injunction on the banks to restrict their advances. This method was repugnant to the banks and the Radcliffe Committee advocated its replacement by the technique of special deposits which would leave the banks free to set their cash ratios right with a little disturbance to business as possible. It was realised that the banks could always dodge a part of the pressure by selling Gilt-edged securities, in order to replenish their cash. It was not expected that they would, in fact, do so. Yet, in the event, this is exactly what has happened, the banks' holdings of Gilt-edged having been reduced over the past year from £1,685 million to £1,185 million. The unloading of Gilt-edged has been the means whereby the banks have been able to maintain their advances which in turn have helped to finance the private holding of stocks. Even, in the past month, the banks' holdings of Gilt-edged were reduced by a further £25 million and it seems pretty clear that the banks have felt under no obligation to squeeze their customers seriously. That was no doubt one reason for pushing up the Bank rate to 6 per cent., but, unless the banks take some more positive action, the Government will be constrained to adopt a tougher policy with them, unless, of course, the economic situation so develops that the Government will not want to restrict credit any further. In such an event, of course, the banks will enjoy the secret pleasure of considering the whole credit restriction policy unnecessary and their own practice better than the Government's theory!—*All Rights Reserved.*



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EARNINGS AND EXPENSES OF BANKS

SPREAD BETWEEN LENDING AND BORROWING RATES STILL NARROW

THE reduction in interest rates on seven days' deposits and on 1-2 months' deposits effected by banks with effect from the 16th August once again raises the doubt whether this step alone, without an increase in the rates of interest on various types of advances, would help banks to improve their profit-margins. For the high-interest bearing deposits of banks are still growing at a rapid pace. The ratio of bank credit to deposits shows a fall from 70.8 per cent. at the end of 1956 to 52.2 per cent. as at the close of 1959. It has, however, risen since then to 57 per cent. as on 12th August 1960. What is more important is that the trend is somewhat vitiated by the flow of P.L. 480 funds into time deposits of the State Bank of India during the past two years. If allowance is made for this factor, the credit ratio of banks would be over 65 per cent. In spite of this high credit ratio, the earnings of Banks are not commensurate with the rising level of expenses, and do not enable them to earn a reasonable profit, which will allow them to build up their owned funds. This is because, despite the two cuts in interest rates on deposits, one in October 1958 and the other in September 1959, the spread between the rate of interest paid on deposits and the rate of interest charged on loans and advances has not widened to any worthwhile extent. This situation can be corrected only by a reasonable increase in the rates of interest on credit.

Profits Vitiated

It is true that the profits of banks, in general, for 1959 recorded a substantial improvement over those for the previous year, thus more than making good the setback witnessed in 1958. The apparent improvement in profits of banks does not, however, reflect the correct picture. It must be remembered that the year's profits include the tax paid at source at the rate of 45 per cent. on interest earned by banks on their investments, whereas the previous year's figures represented net interest earned. If allowance is made for this discrepancy, the increase in profits of banks would only be small, insufficient to make good the decline registered in the previous year. Even assuming that the profits for 1959 are comparable with those for the previous years, the fact remains that the pace of increase in profit was not commensurate with the growth of business. This is evident from a study of the earnings and expenses of banks from 1955 to 1959 contained in the *Statistical Tables Relating to Banks in India** for the year 1959 compiled by the Reserve Bank of India. This publication, which presents the statistics relating to individual banks and the banking system as a whole on the same lines as in the past issues, except that the data relating to co-operative banks have been reintroduced, provides a useful supplement to the *Report on Trend and Progress of Banking*, which was released in May last.

An analysis of earnings and expenses of banks shows that the cumulative net profit of Indian Scheduled banks, which had dwindled from Rs. 12.50 crores in 1957 to Rs. 10.50 crores in the following year, improved to Rs. 13.67 crores in 1959. The aggregate net profit of foreign Scheduled banks amounted to Rs. 2.64 crores, having risen from Rs. 2.19 crores to which level it had successively declined in 1958 from Rs. 3.54 crores in 1956; in 1957, the profit of these banks was Rs. 3.33 crores. While the current operating earnings of Indian Scheduled banks for 1959 rose by Rs. 11.37 crores to Rs. 83.17 crores as compared with 1958, the increase in current operating expenses (at Rs. 69.23 crores) was of the order of only Rs. 8.10 crores. In the case of foreign Scheduled banks, however, the profit rose, despite the fall in current operating earnings, as well as in expenses. This is because the fall in expenses was greater than that in earnings. Thus, their current operating earnings dropped by Rs. 66 lakhs to Rs. 15.32 crores, while the operating expenses declined by Rs. 1.22 crores to Rs. 12.86 crores.

A break-up analysis of the earnings given at the bottom of this page discloses that the bulk of the rise in current earnings of Indian Scheduled banks is accounted for by interest earned on investments, such having gone up by Rs. 6.70 crores to Rs. 22.09 crores, as compared with a rise of Rs. 4.65 crores recorded in 1958. The larger rise is, as already stated, mainly due to the fact that the earnings of 1959 include tax deducted at source at the rate of 45 per cent., whereas the previous years' figures represented the net earnings, though it cannot be denied that the substantial additions to the investment portfolio of banks during the year must have also contributed to the rise in interest earned. It will be interesting to note here that, but for the inclusion of tax deduction at source the rise in interest earned on investment would have been less marked. Interest, discount, commission, etc. earned on loans and advances and bills purchased and discounted also rose, but by only Rs. 3.86 crores (to Rs. 47.32 crores), as compared with the increase of Rs. 4.20 crores in the previous year, despite the substantially larger pace of increase in bank credit during the year as compared with 1958.

Expenses

On the expenses side, the interest paid on deposits, which had gone up by Rs. 7.09 crores in 1957 and by Rs. 9.17 crores in 1958, increased by a further Rs. 3.64 crores in 1959. The marked slowing down of the pace of increase on this account is attributed to the cuts in interest rates on deposits, once in October 1958 and again in September 1959 under the inter-bank Agreement. The effect of the cut in deposit rates would have been more favourable but for the continued expansion in deposits, especially in time deposits. Consequent on the increase in borrowings of banks, the outgo by way of interest paid on these, at Rs. 1.04 crores, shows a rise of Rs. 60 lakhs, in distinct contrast to the downward trend noted in the previous two years. The rising trend in establishment expenses was maintained, with a further increase of Rs. 2.89 crores (to Rs. 25.73 crores) during 1959.

A percentage-wise analysis of the earnings, expenses, net profit and allocations shows that the share of income from advances and bills of Indian Scheduled banks shows a decline from 60.5 per cent. of the current operating earnings to 56.9 per cent. This is the second year in succession to witness a fall in this ratio; in 1958, it had declined from 63.5 per cent. to 60.5 per cent., a trend which is distinctly contrary to the growth of bank credit. This clearly shows that the rate of interest on bank credit in this country is still very cheap and the profit margin of banks can be raised only by making borrowings from them dearer. Incidentally, it will also check borrowings for non-essential purposes. The corresponding ratio for foreign banks also shows a fall from 75 per cent. (in 1958) to 73 per cent. The share of interest earned on Government securities has increased from 19.2 per cent. to 24.1 per cent. in the case of Indian Scheduled banks and from 6.5 per cent. to 8.5 per cent. in the case of foreign banks. The share of earnings of Indian Scheduled banks from other sources (other than investments in shares and deposits with banks) continues to decline, having fallen from 20.4 per cent. in 1956 to 15.6 per cent. in 1959. This shows that there is scope for rationalisation of bank earnings in this direction.

Share of Interest Paid High

On the debit side, the ratio of establishment expenses of Indian Scheduled banks to their current operating earnings has fallen from 31.8 per cent. to 30.9 per cent., but this is obviously due to the marked rise in earnings, while that of foreign banks has risen from 30.4 per cent. to 31.1 per cent. The outgo by way of interest paid on deposits in the case of Indian banks, which had consistently gone up from 28.6 per cent. in 1955 to 42.4 per cent. in 1958, has shaded off to 41.0 per cent. in the year under review, at which level it is higher than that in any of the years preceding 1953. The fractional fall in the ratio during 1959 is due to the fact that the effect of the cut in interest rates on deposits has been offset, to a large extent, by the relatively larger growth in time deposits. Notwithstanding this decline, the bulk of the current operating earnings of Indian banks is taken away by interest paid on deposits, while it was not so until 1956. It is only during the last three years that the share of interest paid on deposits has exceeded that of establishment expenses and the spread between the two widened considerably in 1958. It, however, narrowed down by a fraction in 1959. This is not the case with foreign Scheduled banks, in which the ratio of interest paid on deposits to current operating earnings continues to be less than that of establishment expenses. The former ratio shows a slight fall in 1959 from 25 per cent. to 24.8 per cent.

Appropriation of Profit

The allocation pattern of net profit of Indian Scheduled banks shows that the provision for taxation constituted 29 per cent. of the net profit in 1959, as against 22.4 per cent. in 1958 and 32.6 per cent. in 1957. The transfers to general reserves was reduced from 14.9 per cent. in 1958 to 10.8 per cent., the share of dividend to shareholders from 31.3 per cent. to 28.5 per cent. and of bonus to employees from 17.2 per cent. to 14.5 per cent. while the allocation to other "special purposes" was raised from 13.1 per cent to 16.4 per cent.

That the rationalisation of interest rate structure of banks has been lopsided is evident from the following comparative statement of

(*Continued on page 444*)

TABLE I

Trend of Earnings and Expenses of Scheduled Banks

(In lakhs of rupees)

	Indian Scheduled Banks					Foreign Scheduled Banks				
	1955	1956	1957	1958	1959	1955	1956	1957	1958	1959
Number of banks	69	70	72	76	76	17	17	17	16	16
Earnings :										
Interest, dividend, commission and exchange earned on—										
(a) Bills purchased and discounted	3,84 5	4,67 7	6,57 7	6,49 8	7,37 0	4,25 4	3,80 8	4,24 8	3,14 3	2,86 7
(b) Loans and advances	19,50.3	23,88.6	32,68.4	36,06.0	39,93.7	5,08.1	7,46.9	8,60.5	9,00.0	8,46.5
(c) Investments—										
(i) Government securities (Central and States)	0,00 0	9,38 1	9,60 0	13,70.1	20,03.3†	1,26.4	1,18 8	1,07 7	1,05 0	1,31 7†
(ii) Others	1,16 0	95 8	1,14 3	1,60 4	2,06 4†	3 1	2 9	3 1	3 3	3 7†
(d) Other sources	7,92 0	10,24 6	11,80 3	12,94 5	13,75 9	1,91 3	2,05 1	2,09 1	2,05 9	2,83.4
Total current operating earnings	41,23 7	49,14 8	61,80 7	71,70 8	83,17.2	13,44 3	15,53 5	16,05 2	16,18 5	15,52 0
Other income	21 7	17 0	18 3	55 4	65 0	8 0	3 9	14 1	24 0	13 0
Total earnings	41.45 4	49,31 8	61,99 0	72,35 2	83,82 2	13,52 3	15,57 4	17,00 3	16,42 5	15,65 0
Expenses :										
Interest, commission and brokerage paid on—										
Deposits	11,78 1	14,21 3	21,80 6	30,47 6	34,11 7	2,28 0	2,57 3	3,84 9	4,04 4	3,85 0
Borrowings	62 4	1,49 0	1,37 5	44 1	1,03 7	1,02 2	2,01 0	2,33 7	2,42 0	1,48 8
Other accounts	24 5	35 2	35 4	42 1	60 4	80 2	61 7	66 2	45 2	47 6
Establishment expenses	16,08 4	17,20 0	19,63 9	22,84 6	25,73 5	4,27 7	4,54 0	4,55 0	4,02 7	4,82 6
Other expenses	4,89 1	5,50 5	6,18 3	6,04 9	7,74 0	1,96 0	2,10 3	2,24 5	2,23 9	2,22 6
Total current operating expenses	33,02 5	38,76 0	48,85 7	61,13 3	69,23 3	10,34 1	11,84 3	13,04 3	14,08 2	12,86.6
Depreciation written off and loss incurred on sale of assets	46 3	47 5	63 0	71 6	91 6	10 8	18 8	11 6	14 8	14 0
Total expenses	34,08 8	39,23 5	49,48 7	61,84 9	70,14 9	10,44 9	12,03 1	13,75 9	14,23 0	13,00 6
Balance of net profit or loss before taxes	7,36 6	10,08 3	12,50 3	10,50 3	13,67 3	3,07.4	3,54 3	3,33.4	2,19 5	2,64.4
Surplus or deficit brought forward from preceding year	86 6	84 7	1,05 3	08 5	1,03 3	3.6	5.8	1 9	8 2	—10 9
Taken from reserves	7 6	8 1	0 2	1 6	2 7	..	..	7 5	2 3	2 8
Total	8,30 8	11,01 1	13,55 8	11,50 4	14,73 3	3,11 0	3,60 1	3,42 8	2,30 0	2,56 3
Allocation of sums made available :										
Provision for taxes on profits	1,74 6	2,06 7	4,07 4	2,35 6	3,96 5†	1,24 1	1,63 6	1,54 3	1,02 3	1,62.3†
Carried to reserves	81 7	1,43 1	1,89 0	1,56 8	1,47 8	1 9	10 9	2 4	..	..
Dividend, bonuses, etc., to shareholders	2,74 8	2,92 6	3,17 2	3,29 6	3,80 8	..	..	..	..	..
Employees' share in the profit	1,14 7	1,43 2	1,61 1	1,80 5	1,97 8	27 7	27 8	29 6	31 2	27 3
Allocated to other special purposes	1,01 2	1,20 0	1,63 3	1,37 6	2,23 9	7 1	14 3	5 0	15 3	4 0
For payment of gratuity in future years	..	..	13 5	24 5	37 0	..	..	2 0	0 5	0 4
Balance carried forward to next year's account	83 8	1,05 5	1,04 3	88 8	80 5	1,50 2	1,43 5	1,49 5	80 7	62 3
Total	8,30 8	11,01 1	13,55 8	11,50 4	14,73 3	3,11 0	3,60 1	3,42 8	2,30 0	2,56 3

† Inclusive of taxes paid at source.

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EXPORT TRADE IN COTTON TEXTILES

MR. NEVILLE WADIA'S WARNING CAN BE IGNORED ONLY AT OUR PERIL

"THE trend of export trade in cotton textiles is disheartening"—thus described Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, in the course of his speech at the meeting of the Export Promotion Advisory Council held at New Delhi on Sunday last. This is a correct assessment. The actual shipments of piecegoods from India during the first half of 1960 were no doubt higher as compared with the corresponding half of 1959, being about 350 million yards, as against 306 million yards. But they are much below the level of exports, namely, 509 million yards, in the second half of 1959. Also, the exports in the first six months of the year were due, to a large extent, to the booking which took place towards the end of the year. In fact, the rate of textile export bookings in the first six months, according to Mr. Neville N. Wadia, Chairman of the Cotton Textiles Export Promotion Council, suffered a steep fall. Addressing the sixth annual general meeting of the Council in Bombay on Wednesday, 24th August, Mr. Wadia impressively highlighted some of the disquieting features in the textile export trade. He said:

"Foremost was our sharp setback in British West Africa, where we were down by almost 22 million yards (during 1959). Similar trends were noticeable in Ceylon, Indo-China, Indonesia, Madagascar and Morocco, although the quantum of drop was not as severe in these markets. Among the reasons attributable to this fall are the growth of local industries manufacturing the same bread and butter lines which we used to supply and the consumer demand shifting to finished goods. We must recognise the fact that we have not kept pace with the changing demands. The establishment of local textile industries is being vigorously pursued in Sudan, Ethiopia, British East Africa, New Zealand and Ceylon, with the avowed object of manufacturing mainly the essential requirements of these countries. In many cases, plans for self-sufficiency have reached advanced stages, as in the case of Ethiopia, and tariff walls are being raised to protect the nascent industry. These developments pose a challenge to the maintenance, let alone expansion, of our textile exports in the coming years and any complacency in our assessment of prospects will have disastrous results.

"At home, the situation has completely changed in 1960, due to the steep fall in the production of our cotton crop. The consequent rise in the prices of Indian cotton, together with the increased cost of production as a result of the Wage Board Award, has affected our competitive position considerably. This situation has been further aggravated by the unprecedented increase in the local prices of our textiles. Due to these reasons, the rate of bookings during the first half of this year has fallen steeply."

The Grim Fact

In the opinion of Mr. Wadia, exports of cotton textiles will suffer a serious decline during the remaining months of 1960 and it will be extremely difficult to forecast the figure of even 700 million yards which today seems optimistic. For, while India is likely to maintain its exports to the U.K. and the U.S. and probably Australia and Afghanistan, exports to the rest of the markets have been dwindling at a very fast rate; the troubled conditions in Africa "are bound to have their repercussions and the disturbing political and economic conditions are difficulties over which we have no control." To quote Mr. Wadia again:

"We can no longer expect to be competitive even in those countries where wages are very high and outmoded ways of production exist. This is a fact which cannot be too strongly emphasised, and Government, labour and millowners must recognise it and tackle the problem with determination. There is no time left for discussions. The facts are staring us in the face and, if we shut our eyes to them, we must accept the inevitable consequences."

This warning is not only timely but also very pertinent. It can be ignored only at our peril. The Indian cotton industry must either modernise and increase its productivity or face a shrinkage in the foreign exchange earned by it. The country surely cannot afford the latter. At no time in the economic history of India was the need for stepping up the export trade so urgent as it is today. With foreign exchange resources at a very low level (no more than Rs. 145 crores) and the pressing problem of financing the larger and larger imports required for economic development in the coming years, the export drive must be "aggressive," to borrow the phrase of Mr. Shastri. And cotton textiles constitute one of the three principal items (the other two being tea and jute textiles) which earn for the country much precious foreign exchange. Out of every Rs. 100 worth of goods exported in a year, cotton textiles account for as much as Rs. 10 -Rs. 11; the actual value of exports during 1959 was Rs. 66.14 crores, out of the total exports amounting to Rs. 615.78 crores (excluding re-exports). And for a long time to come, India will have to depend on its traditional exports for earning foreign exchange.

Mr. Wadia was right when he declared that India must be ready to meet the changing pattern of world trade in textiles by supplying its customers with ever-increasing quantities of finished cotton goods. The days when it can depend upon exports of greys will come to an end sooner or later. It would, therefore, be wise for the millowners to anticipate this event and prepare themselves from now on for facing that situation.

Why Separate Organisation?

Incidentally, Mr. Wadia revealed that the ways and means of setting up in Bombay an organisation to advise mills on latest trends were being considered by the textile interests. But one would ask: Where is the need for a separate organisation? Cannot the Export Promotion Council itself be entrusted with this task. In fact, one of the primary objects of the Council is to render such advice. Surely, the establishment of a separate organisation will entail duplication of effort and waste of expenditure.

Mr. Wadia, however, did well to stress that the most important factor governing export trade in cotton textiles pertains to price. He minced no words when he stated that, "while incentives have assisted us for the last 18 months, we must not rely upon them as a permanent solution to our problems; most important of all is to allow the industry to put its house in order —bring its machinery, plants, equipment and methods up to modern standards." It is disquieting to learn from Mr. Wadia that, although more than three years have elapsed since it was announced that the cotton mills could install 7,000 automatic looms for replacement and another 3,000 looms for expansion, barely a handful of looms out of these have been installed up-to-date and that, practically in every case, licences have not yet been issued. Some way must be found, as he rightly averred, "to clear the decks, so that automatic looms may be installed at the rate of at least 5,000 to 10,000 looms per annum, if we are not to harm our exports." In his speech at the meeting of the Export Promotion Advisory Committee, Mr. Shastri recognised the importance of introducing automatic looms in the textile industry, but he expressed himself in favour of linking up such introduction with the obligation to export a part of the production. We are tired of such verbiage, for this is not the first time Mr. Shastri has referred to this problem in this manner. The very fact that not much progress has been made with the installation of automatic looms calls for a fresh approach that would yield quick positive results. As the Minister in charge of textile industry since 1957, he has done precious little to rescue the industry from the rut into which it was placed by his predecessors.

Recent Trends

To revert to Mr. Neville Wadia's review of the recent trends in India's textile export trade. The review reveals that cotton textile exports during the year 1959, which were 814.60 million yards, have shown a very considerable improvement as compared with the 1958 figure of 587.22 million yards, an increase of 227.38 million yards. A number of factors helped India to achieve these results. The international trade itself increased marginally during this period. India's exports to the U.K. and the U.S. showed a marked improvement. The partial withdrawal of China from the international market, the 15 per cent. cut in the Japanese textile industry, the substantial fall in the exports of Britain and the U.S., the opening up of the Sudan, our second biggest market, the warm summer in Europe and the reorganisation of the Lancashire textile industry, all contributed to a larger demand for textiles from India in 1959. As compared with the first half of the year, when India exported 305.59 million yards, the second half was one of the brightest periods it has had. This was due to the upsurge in demand and, above all, to the increased incentives announced in May 1959. Without them, India would not have been able to take full advantage of the demand in the overseas markets.

During 1959, its biggest buyer was the U.K., to which destination it shipped 166.54 million yards. Last September, the textile industries of the U.K. and India entered into an agreement for limitation of exports from India to the U.K. The agreement was brought into operation from 1st January 1960 by the issue of licences for Indian cloth in the U.K. This agreement is co-related to a similar agreement entered into by the U.K. with Pakistan and Hong Kong. Under this agreement, the textiles to be exported to the U.K., which are to be retained within the country, are to be limited to 175 million square yards per annum. The agreement will be in force for three years, subject to the provision that a similar agreement operates for Pakistan and Hong Kong. India's exports to the U.K. in the current year have been ahead of the agreed quantum which has led to certain difficulties. Subsequent discussions have proved most helpful, with the result that the Cotton Board has agreed to implement clause 4(*d*) of the agreement and to issue 10 per cent. extra licences for 1960, which will solve the immediate problems to a certain extent. This quantity will have to be adjusted against next year's quota. India's total exports to Britain during 1960 are likely to be 250 million square yards, including cloth for processing and re-export.

India's second biggest market has been the Sudan. Upto July 1959, this market was virtually closed, but, when it was opened in the second half of the year, a large amount of exports took place. For the whole of 1959, India shipped to Sudan 149.62 million yards. However, in 1960, the offtake has been slow and it is facing severe competition in this market. Most disturbing is the fact that the Sudan Government is now permitting the import of Japanese goods below 35d. per yard. Hence, India must take steps to meet the resulting increased competition.

The third biggest market for India's cotton textiles is British East Africa. Though exports in 1959 were higher than in 1958, its share in the overall offtake of this market is steadily falling. Japan and other competing countries are meeting more and more of the requirements of this market. Further, the local production is replacing these goods which have been imported from India.

Australia

The Australian market, which stands fourth, has been steady throughout. The major difficulty in this market is the frequent reference to the Tariff Board of all textile items at the request of the local industry. Only recently, Mr. Wadia flew to Australia to give evidence before the latest Tariff Board Enquiry regarding the exports of sheeting and pillow cottons from India. However, it is hoped that India will be able to maintain its exports to this destination.

Burma has been a good market with 37.6 million yards. This year, however, India's exports have fallen, and are likely to be about half, unless there is some improvement hereafter. Malaya and Singapore have also been a good market during the year, the figures being better than those of 1957 and 1958. In Aden India has been going down over the years mainly due to the fact that Aden is losing its importance as an *entrepot* trade centre.

A very important market which was developed last year is the U.S. to which India was able to export 31.64 million yards. The previous best record was 4.10 million yards in 1956. Exports to this destination are being steadily maintained even during the current year. The millowners hope, therefore, to have entered this market in a promising manner and Mr. Wadia advised them to try hard and step up their exports to this market.

India's biggest loss has been in the British West African markets. Exports to these markets fell from 70 million yards in 1957 to 5 million yards in 1958 and still further in 1959 to 23.26 million yards. The reasons for this loss are: (1) a local mill supplying 60 per cent. of the grey baft requirements of Nigeria; (2) the loss of the grey baft and bleached shirting trade to China; (3) the loss of the drill trade to East Germany, and (4) the growing preference for finished goods and synthetic fibres. The Council, however, has decided that, with a view to developing the new and independent territories in Africa and markets like Libya and Tunisia, a delegation should be sent to these areas.

U.S. TARIFF ON TEXTILES

President Eisenhower has accepted the Tariff Commission's suggestion not to raise the existing tariff on imports of cotton textiles from India, Pakistan, Korea, Hong Kong and Japan. It will be recalled that the U.S. textile interests had pleaded for the imposition of an additional import tax of 8 cents per lb. on finished textiles to offset a subsidy of a like amount paid by the Department of Agriculture on exports of raw cotton.

TEXTILE DELIVERIES WELL TAKEN UP

EARNINGS OF MILLS EXPECTED TO IMPROVE NEXT YEAR

From Our Special Correspondent

MANCHESTER, *23rd August*

MANCHESTER LETTER

OFFICIAL figures showing the number of summer school-leavers who have taken jobs in the Lancashire cotton industry will be awaited with more than usual interest by employers and trade union representatives alike. With the "bulge" in school-leavers coinciding with the arrival of an increasing number of new industries in former cotton mills, thus intensifying the demand for young workers at a time when they are becoming more freely available, the extent to which the textile industry can attract boys and girls may well be a pointer to the attitude of parents towards the industry following the large-scale scrapping and subsequent re-equipment.

If the latest available figures are any guide, then the mills can look forward to an increasing number of young recruits. In the twelve months up to the start of the current holiday season, 2,539 school-leavers joined the industry. This was an increase of rather less than 200 on the previous twelve months. Trade leaders recognise that the improvement will need to be on a more substantial scale than this, if the industry's present lack of balance as between young workers and older workers is to be remedied.

Many firms in the industry are at present assessing their future needs of young workers. Since many of the new firms moving into Lancashire are engaged on a single-shift basis, and frequently offer prospects of employment in light and clean surroundings, cotton employers will need to campaign vigorously for their share of young workers and ensure that conditions and opportunities are appealing in a multi-shift industry.

Confidence in Current Conditions

Anyone whose duties call upon them to attend annual meetings of textile companies cannot fail to be struck at the moment by the confident tone of the speakers representing management. The results being discussed are certainly encouraging, after a year or two when the reports concerned have been less inspiring, but an underlying feeling of security which has often been absent in the past is now a feature of such gatherings.

The basic reason for this change of mood is, of course, the effective way in which redundancy has been tackled in the spinning and weaving branches, coupled with the large increase in activity which occurred last year. It is small wonder that company chairmen and their colleagues can afford to smile in the present circumstances when order lists are long, deliveries are well taken up and any clouds on the horizon are still no bigger than the proverbial man's hand.

According to the latest comparative returns covering the whole of the textile industry, including clothing, the volume of orders held at the end of the half-year showed a slight rise, but this is, to some extent, explained by the sharp reduction in deliveries during June caused by the Whitsuntide holidays. Production of made-up clothing in May and June increased by about 8 per cent. as compared with the previous year and this rate of improvement was maintained throughout the first six months of 1960. The Whitsun break was also responsible for a 5 per cent. drop in output in the cotton trade in June.

Thoughts on Supplies

Amid such an atmosphere of prosperity, it is hardly surprising that few voices are raised against the current mood of optimism, warning that the prospects may not seem quite as bright as they are painted. Mr. W. T. Shackleton, Vice-Chairman of the Taylor and Hartley group, without in any way prophesying a severe relapse, put a few thoughts into words at the annual meeting last week. His theme was the general increase in supply throughout the industry, not only arising from the anticipated improvement in output from modernised machinery but mainly due to the big rise in foreign cloth imports.

As is known, production of cotton and rayon fabric in this country was fully maintained during the first half of this year as compared with the same period in 1959. With the wider installation of modern machinery and the gradual introduction of shift-work, the volume of goods available should increase, despite the smaller labour force.

The vital factor is the additional cloth acquired from foreign sources. In the first six months this year, an extra 130 million yards has entered British ports and the quantity of cotton and man-made fibre fabrics now being imported is running at a rate of approximately 750 million yards a year. If this inflow is no more than maintained, the inevitability of available supplies exceeding the demand cannot be ignored. On the other hand, the rate of consumption could itself show an improvement in the future. Wage rates are increasing and the effect of the credit squeeze tends to divert surplus cash from some of the larger durable goods to the consumer range, including textiles.

No Effect on Output

Cotton Board returns confirm the established fact that, despite the large number of mills which closed their doors in the early part of the current year, output of yarn and cloth in Lancashire was not affected. Outsiders might have anticipated that the elimination of so much machinery would have resulted in a severe curtailment of production, but the switch to more efficient working has more than compensated for any stoppage of plant. In any case, a substantial proportion of the scrapped machinery was already idle.

The expansion in demand which occurred in the second half of last year had a great deal to do with the scale of output in the first half of 1960. The following table indicates the sectional position, with recent comparative figures:—

	1st half of 1960	*1st half of* 1959	*Total* 1959
Cloth (in million yds.)			
Cotton	674.61	680.33	1,336.80
Man-made	272.93	253.85	506.56
Mixtures	45.78	42.35	83.76
Total ..	993.32	976.53	1,927.12
Yarn (in million lbs.)			
Cotton	252.32	253.63	507.50
Spun rayon	58.52	51.92	106.30
Mixtures	16.64	18.32	37.76
Waste	58.07	53.94	106.53
Total ..	385.55	377.81	758.09

Such actual gains as have been recorded so far in 1960 as compared with last year have been admittedly in the man-made fibres branch, but the output of purely cotton yarn and cloth is only fractionally below the level ruling twelve months ago. It is reasonable to predict that this rate of output can be well maintained in the months ahead, provided demand is equally insistent. As mill managements move over to modernised equipment and shift-working is extended, the improvement in the overall production should reach a higher level.

At the end of the first six months of the current year, the total available manpower on the books of employers in spinning and weaving was 184,450, which represents a fall of over 17,000 as compared with twelve months previously. During the half-year, the drop in the labour force was approximately 8,000. The major decline occurred in spinning, where manpower has been cut by nearly 12,000 in the past twelve months, while, in weaving, the reduction has been 5,760. In both waste spinning and doubling, the numbers now available for employers are more than at the end of the first half of 1959.

Shareholders to Benefit?

An encouraging account of current conditions in the cotton industry led by Mr. W. T. Sutcliffe, Chairman of Taylor and Hartley (Textiles) Ltd., to predict that benefits would accrue to shareholders next year when he addressed the annual meeting at Westhoughton last week. "We can look forward with full confidence to a really successful year's trading," he said, and added: "I should say without doubt that there will be an increase in the current rate of dividend."

The scrapping of 40 per cent. of the firm's machinery under the redundancy schemes in the spinning and weaving sections of the cotton trade would not benefit the company financially from the compensation aspect, Mr. Sutcliffe said, as substantial sums would have to be paid out in levies. On the other hand, considerable gains would be derived from the better trading available for the reconstructed industry in its more efficient form.

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RAW COTTON SITUATION IN COMMUNIST COUNTRIES

CHINA, WORLD'S SECOND LARGEST PRODUCER

IN spite of the limited trade between the free world and the communist countries in raw cotton, the raw cotton situation in the latter is of considerable importance to the former. Free world exports to communist countries, averaging about 1.5 million bales during the past few seasons, have been of mutual benefit. At the same time, it has also introduced an element of uncertainty in the free world cotton situation. The development of trade in cotton with communist countries has, in the past, been related to the tendency for consumption to exceed production in these countries. This imbalance is likely to persist for some time more. It is, therefore, essential, according to the International Cotton Advisory Committee, Washington, that the free world countries should be ever vigilant of the raw cotton situation in communist countries. It has a direct bearing on the trade in cotton of free world countries.

According to the Committee, raw cotton situation in the Soviet bloc is one of continued progress in all sectors. The increase in cotton production in the communist countries during the decade 1949-50 to 1959-60 has been phenomenal. At an estimated 16 million bales (of 478 lbs. each), production in 1959-60 was almost three times as much as in 1949-50. The U.S.S.R. and China produced between them as much cotton as all the rest of the world (excluding the U.S.) put together and 2 million bales more than the U.S.

It is incredible but true that communist China, with an estimated output of 9 million bales, has become the second largest producer of raw cotton in the world, next only to the U.S. China claims that cotton production in 1959-60 reached the target, despite the severe drought in the North Central region, wherein lies the main cotton growing areas. The target for 1962 is set at 11 million bales.

The expansion of cotton production in the U.S.S.R. has been almost as striking, with production in 1959-60 reaching a record 7.2 million bales, almost double what it was ten years ago. There has been, however, a noticeable loss of momentum in recent years and the annual rate of increase will have to be stepped up considerably, if future production targets are to be reached. Plans are for an increase in cotton production of between 20 and 30 per cent. from 1959 to 1965. Cotton production in the past has been encouraged by relatively high prices which have apparently acted as a disincentive for farmers to lower costs of production by such means as introduction of mechanical harvesting. Official thinking is currently in favour of cutting cotton prices, so as to stimulate production by inducing farmers to use machinery on a larger scale and more efficiently. Some progress along the latter lines became obvious in 1959, in which year about 330,000 tons of seed cotton in Uzbekistan, the main cotton growing republic, or 10 per cent. of the crop, were harvested mechanically, as against only 65,000 tons in 1958.

Expansion of the cotton textile industry in the communist countries over the last decade have been equally spectacular. Cotton consumption, now estimated at over 17 million bales, is 10 million bales more than in 1949-50. Consumption during 1959-60 is expected to have set new records in all countries. China claims that its consumption of cotton last year almost equalled that of the United States, while the U.S.S.R., it is said, now consumes more cotton than the United Kingdom, Germany, France and Italy taken together. Consumption in Eastern Europe is expanding every year and is approaching double what it was ten years ago.

The following table indicates the supply and distribution of raw cotton in the communist countries:

(In million bales of 478 lbs. each)

	1950-54 (average)	1957-58	1958-59	1959-60
Supply:				
Stocks	1.8	2.6	3.2	3.5
Production	10.4	13.8	15.7	16.3
Of which:				
U.S.S.R.	5.7	6.9	6.9	7.2
China	4.5	6.8	8.7	9.0
E. Europe	0.2	0.1	0.1	0.1
Imports	0.5	1.5	1.5	1.5
Total ..	12.7	17.9	20.4	21.3
Distribution:				
Consumption	10.8	14.5	16.5	17.2
Of which:				
U.S.S.R.	4.5	5.8	5.9	6.0
China	4.7	6.8	8.5	9.0
E. Europe ..	1.6	1.9	2.1	2.2
Exports	0.2	0.2	0.3	0.3
Total ..	11.0	14.7	16.8	17.5

All indications, according to the Committee, point to the continuance of the aforesaid trends in the foreseeable future. In the U.S.S.R., the current seven-year Plan, ending in 1965, envisages a substantial increase in textile production, of which 43 per cent. will originate in new plants. This, adds the Committee, explains Soviet Russia's concerted drive to buy textile machinery abroad.

Despite the increase in cotton production in the U.S.S.R., the expansion in textile production *plus* the continued heavy dependence on Russian cotton by Eastern Europe and exports of about 300,000 bales to other countries have compelled Russia to import a substantial volume of cotton from the rest of the world—about half a million bales in 1958-59, for example. The continuance of such imports, which has now become so important to cotton trade outlook of the supplying countries, will depend primarily on the relative growth of production and consumption within the U.S.S.R. Production is a key factor, in that, during the past few years, the rate of expansion in consumption in the U.S.S.R. has tended to exceed the rate of increase in production. As long as this situation persists, the Committee maintains, import of cotton by the Soviet Union from the free world countries will continue to be substantial.

In China, the targets for 1962 under the second Five-year Plan suggest that an increase of up to 10 per cent. in production is in prospect for both cotton yarns and piecegoods. The raw cotton situation in China, as it concerns the rest of the world, is enigmatic as ever and yet it is of vital importance to certain countries. During the 1958-59 season, China imported almost a quarter of a million bales of cotton from the rest of the world, mainly from Egypt and Pakistan and, to some extent, from Sudan, Mexico, and India. Imports during the 1959-60 season is expected to have been somewhat lower, although shipments from Egypt are expected to have been substantial.

Raw cotton production has a direct bearing on production and exports of cloth from China which has of late caused considerable anxiety to cotton cloth exporting countries like India. Exports of cotton piecegoods from China in 1958-59 were about three to four per cent. of total Chinese production and about five per cent. of the total world trade in cotton textiles. It is impossible to predict future trends of exports, especially of a country where normal interplay of supply and demand is subjugated to central direction. The rate of production of raw cotton may provide some indication of the probable trend of exports. If production continues to increase, there will be two alternatives for China: (1) to expand raw cotton exports or (2) increase domestic consumption. If the second course is resorted to and assuming internal rationing is not relaxed, more cloth will become available to continue the trade offensive in overseas markets. In any event, concludes the Committee, cotton situation in China will continue to merit the closest possible vigilance by the rest of the world. It may be noted that precisely the same conclusion was also reached by a special report on the world textile market considered by the G.A.T.T. early this year.

Some new varieties of cotton have been evolved under the Indian Central Cotton Committee's scheme for breeding some strains suited for the Tungabhadra Project cotton-growing tract. One of them is a strain highly resistant to the bacterial disease known as "blackarm." Though late-maturing and somewhat of a poor yielder, its ginning percentage and staple length is stated to be satisfactory. Another is a strain isolated from an interspecific hybrid obtained from Surat for its high resistance to jassid, combined with good staple and ginning.

The lands of the Tungabhadra Project ayacut contain 80 per cent. black soil and 20 per cent. red soil. Usually, under the uncertain rainfall conditions in these parts, emphasis is laid on the drought-resistant nature of the crops. But flow irrigation has changed the face of things and the cultivator, who concentrated on saving his crop from drought, is now to attune himself to the new set-up in cultivation. Attempts were made not only for breeding cotton suitable for cultivation but also to resist pests as well as "blackarm."

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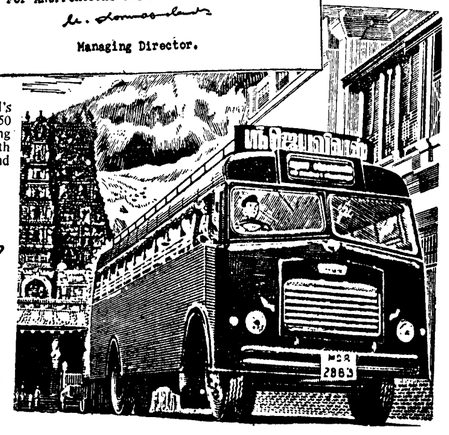

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NO DECONTROL OF SUGAR AT PRESENT

FOREIGN EXCHANGE REQUIREMENT GIVEN HIGHER PRIORITY

SUGAR will continue to be subject to distribution and price controls during the ensuing season also. Addressing a meeting of the Informal Consultative Committee of the Union Food and Agriculture Ministry at New Delhi on 24th August, Mr. S. K. Patil explained that, "for the present, it is desirable to retain the existing framework of controls, particularly in view of the possibility of export." He, however, added that the State Governments would be asked to review distribution arrangements with a view to liberalising the system within the overall framework of control. Echoing these words two days later—on 26th August—Mr. M. V. Krishnappa, Deputy Minister for Agriculture, rejected the plea for immediate decontrol of sugar. Replying to a question put by several members in the Lok Sabha, Mr. Krishnappa said:

"While production of sugar has increased by 500,000 tons during 1959-60, the question of decontrol is linked with that of exports. Other implications of decontrol will also have to be considered carefully before taking a final decision.... Although the Government is in a position to lift controls, there is need for caution. Among the factors to be considered are the possible production next year and also the success of the (standing) sugarcane crop.... The price of Indian sugar is much more than the international price. India has therefore, to look to countries which will be prepared to pay higher than the international rates."

The unwillingness of the Central Government to abolish controls on distribution and prices of sugar even with effect from the coming season is surprising. If the Government spokesmen had stated that it was too early to decide the issue of decontrol, one could appreciate their stand, but the categorical statement that there would be no decontrol even before knowing the size of sugarcane crop and other factors from which one can approximately estimate the production of sugar in the next season shows that the issue has come to be decided by considerations other than those pertaining to domestic demand and supply. The only consideration that weighed with the authorities in clamping down controls on sugar last year was the need to check the spiralling of prices as a result of the tight statistical position of sugar and the all-round increase in commodity prices. The question of sugar export had not arisen then. It will be recalled that, on more than one occasion in the recent past, Mr. Patil had reiterated his determination to end controls on sugar. Inaugurating the twenty-seventh annual general meeting of the Indian Sugar Mills' Association held at New Delhi on 31st March 1960, he clearly declared: "The sooner controls go, the better. When the time comes, controls will not remain for 24 hours."

Shift in Emphasis

This journal welcomed the aforesaid statement of Mr. Patil and pointed out that, since the time for decontrol of sugar during the 1959-60 season was over, controls must be done away with shortly after the commencement of the next crushing season (November 1960). The underlying idea in this suggestion was that decontrol would serve as an incentive to sugar mills to buy sufficient sugarcane in competition with *gur* and *khandsari* manufacturers and thereby raise their production further. We had also stated that, in the light of Mr. Patil's observations, the sugar industry could conveniently proceed on the assumption that sugar would be free from controls very soon after the beginning of next season, provided the cane crop position happened to be satisfactory. But now comes the statement of Mr. Patil that the existing framework of controls should be retained, particularly in view of the possibility of export. In other words, the Government has decided that, even in the matter of an essential item of food as sugar, exports should be given a higher priority than domestic consumption. Such is the serious plight of the country in regard to its balance of payments position.

There has been a marked improvement in the sugar supply position, thanks to the appreciable rise in output—from 1.91 million tons in 1958-59 to 2.41 million tons in 1959-60. The total closing stocks of sugar with mills at the end of the current season, that is 31st October 1960, are expected to be of the order of over 500,000 tons, as against 174,000 tons a year before. And, according to the Food and Agriculture Minister, the improvement in supply will gather further momentum in the coming season also. Speaking on the occasion of the first Farmers' Day celebration of Tiru Arooran Sugar Factory at Vadapattimangalam near Tanjore in the Madras State on 18th August, the Minister said: "... Before the end of the current year, I am sure of a further appreciable rise in our sugar surplus." When the Government of India is thus convinced about the highly encouraging sugar supply position, it must unhesitatingly announce decontrol at the opportune time. By doing so, it will surely ensure a larger availability of sugar for domestic consumption and enable the sugar mills to take full advantage of the freedom to buy cane in competition with *gur* and *khandsari* manufacturers. If the Government refuses to lift controls on sugar even during days of plentiful supplies and attempts to export the commodity, there will absolutely be no chance of the consumer getting his requirements of sugar at an economic price. For continued retention of controls restricts free movement of sugar from region to region and gives persistent scope for black markets, while sugar exports will impose an additional direct burden on the consumer because of the need to give a sizable subsidy on sales of sugar abroad in the form of higher internal prices.

No one will, of course, object to sugar exports, if the output is higher than domestic needs and if the commodity is in a position to compete in world markets from the point of view of both quality and price. Mr. S. K. Patil was, therefore, right in urging a higher target for sugar production in the third Plan. Speaking at Vadapattimangalam, he observed: "I would like the Planning Commission to revise the target of sugar production in the third Five-year Plan from three million tons to four million tons, since, with increased production, one can export sizable quantities of sugar to foreign countries and earn the much-needed foreign exchange to get adequate quantities of fertilisers which are in short supply in our country." Besides helping to promote exports, an upward revision of the production target for sugar is wanted for three other reasons: to meet fully the nutritional requirement of sugar estimated at 23.00 lbs. *per capita* (as against 13.87 lbs. assumed by the Planning Commission); to provide for a probable increase in consumption of sugar, if its price is brought down to a reasonable level; and to earmark a portion of sugar output for purposes of buffer stock.

Alongside an increase in the production capacity of sugar mills, energetic steps must be taken to augment productivity of cane lands. Mr. Patil did well to emphasise this aspect when he inaugurated the Amaravathi Co-operative Sugar Factory on the Udumalpet-Palni Road (55 miles from Coimbatore) a fortnight ago. He observed:

"Unless the sugar yield per acre is increased and brought to 3-4 tons—the present yield is only 1.45-1.50 ton—Indian sugar can never become saleable in the world market. In Java, sugar output per acre is five times and, in Formosa, it is four times that of India. Really the price of sugar there is half the cost of production in India. They pay for sugar what we pay for sugarcane in India. We have to sell sugar at a subsidised rate. We have to increase the yield by a liberal use of fertilisers which we do not use even to the extent of 25 per cent. of what is being done in America or Japan. We must use fertilisers scientifically."

If the price of sugar is to be lowered, it is imperative that the incidence of cane cost should be reduced partly by stepping up the per-acre yield of cane with richer sucrose-content and partly by replacing the present defective method of paying for cane on the basis of weight alone by a system which takes into account the quality of the cane also. It is equally imperative that the incidence of tax burden on sugar, which comes to as much as 35 per cent. of the cost to the consumer, must be brought down.

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NEED FOR NEW THINKING ON PLANTATION HOUSING

By V. I. Chacko

A SENIOR estate manager complained the other day that a group of children roaming through his fields were found to have damaged the standing flush on his teas on both sides of the estate paths as long as their sticks would reach. But that was not all or by any means the first complaint of juvenile vandalism in plantations. Many new houses have been found with destroyed windowpanes, plantings in the nursery uprooted, shade baskets over plants removed and thrown away, taps left running, signboards damaged and senseless damage of various kinds done to plantation property. Where the offenders are caught red-handed, their parents have shaken their heads and pleaded inability to control their children. Of course, plantations are not the only places where children have become unruly and not amenable to parental or other discipline. But, there is a substantial difference between children roaming at will and doing such damage as their fancy takes on a plantation and they doing the same in their own houses or in the streets. Plantations are productive premises and are on par with mills or factories, although this fact is not commonly recognised.

Damage done to estate property by workers' children is not the only reason why many thoughtful men in the industry are venturing into fresh thinking on labour housing in plantations, as the increasing number of children on the estates and the difficulty of controlling them provide a starting point for this process. For the 151,305 workers covered by a recent U.P.A.S.I. study on plantation housing in South India, it was found that there were 138,804 dependents, most of them children residing with the workers on the estates.

Cost of Housing

The plantation industry has always provided housing facilities to its workers. The standards of these houses have varied from estate to estate or from district to district, but the managements have always taken the provision of this amenity as their accepted obligation. The houses they provided have invariably been of better standards than those commonly available for the same community of workers in their own villages. The ratio of workers to dwellings was 3.6 to 1, as compared with 5.6 per dwelling in the industry in 1951. But that is not saying very much for plantation housing, although it must be recognised that standards varied very widely in quality and size between the more advanced managements and the backward units. For the first time, a decision was reached in 1950 to provide housing of minimum standards specified for labour, with managements being left free to improve upon the standards. The cost of providing standard housing in the North and South Indian plantations during the past ten years is variously estimated at between Rs. 16 and Rs. 20 crores. This is a very considerable outlay, when it is realised that fresh investment inflow into this industry has not been a tenth of the sum expended on this one single amenity of better housing.

Plantations were originally opened up in areas with no settled population. The Kanan Devans, Anamallais, Nilgiris, O'Valley, Nelliampathis, etc., were unopened jungles a century and half ago. Workers recruited in the rural areas needed housing and the pioneering planters provided such shelter from the wind and cold as they could in the circumstances prevailing then. Every large estate of today was at one time a few acres of cleared land in the jungles. The workers' houses thus grew up along with the expansion of the plantations, haphazardly and with no planning in advance with any of the considerations that became general during the past twenty or thirty years.

During the last ten years, the question of housing in plantations became recognised as being closely tied to certain fundamental rights of the workers. The fact that the workers do not pay for their accommodation does not affect their rights. The location of the houses of workers within the operational premises of the undertaking has complicated matters. The workers claimed, and they could not, of course, be denied, the right of free movement within the plantations where they lived. Nor could the free and unfettered entry, movement and exit of their friends and relatives be denied. Their freedom of expression and their rights to propagate their views among the resident labour could not be denied. Not only meetings were formally held within the estate premises, outside of working hours, but quite frequently from house to house, at any time and any place. The breakdown of work discipline could not be corrected, because the defiance and challenge of management authority took place right within the estates. So long as workers had free movement within the estates, their entry and exit during any part or right could not be questioned. In many areas, this facilitates very considerable pilferage of crops and other goods and complicates the problem of detection. Domicile within the premises of a plantation would not take away from the workers rights to which they would have been entitled outside in their own homes. Employers' respect for this right could not but lead to what has now become a series of associated problems. The workers were entitled not only to the exercise of social freedom and political rights, but also to modern amenities prescribed by law or as a result of agreement reached between workers and management or enjoyed by convention. For instance, it has become quite common to find the planted area surrounding their houses retreating before the workers' vegetable patches, their cattle roam freely on the fields, damaging the plants, fences, roads and labour quarters, besides making their surroundings unsanitary.

The expansion of labour housing was an evolutionary process, keeping pace with the expansion of the estate concerned. The location of the workers' dwellings on estates, therefore, followed the pattern of field extension and the resulting spread of workers' quarters, scattered haphazardly over a whole estate, made medical supervision, environmental sanitation, water-supply, educational and creche facilities far more costly than they need have been. Estate managements cannot think of civic planning with labour houses so widely dispersed. On top of all this came the provision of educational facilities on the estates, influx of dependents from the plains, the non-employment of children and the supply to them of more calories than they could burn in their schools. This has brought to a head behavioural problems of the kind described at the beginning of this article.

A Future Necessity

Labour housing in plantations is far superior to anything similar labour is offered elsewhere. The cost of housing per labour family fairly is upward of Rs. 2,500, without the cost of the land. During the last eight years, the industry has been diverting a good proportion of its substance to provide standard housing. A reorientation of housing policy would impose extremely heavy burdens. The haphazard growth of workers' housing and its high cost and inconveniences are recognised, but the acceptance of a new policy would involve not only cost and long-term planning, but new organisational patterns within the industry.

It is quite clear that the presence of cattle cannot be prevented as also damage to plants therefrom, so long as workers live within the estate premises. Similarly, encroachment on planted tea, utilisation of suitable planting land within the fields for labour house construction cannot be checked or avoided and control over environmental sanitation cannot be satisfactorily enforced so long as workers live within the planted fields. Apart from natural growth, there were other contributory causes for the rise of the system by which workers' quarters came to be scattered into different fields. But those considerations are no longer valid. The spread of individual estates and their location relative to their neighbours make joint planning in housing, education and medical facilities, community welfare measures, water-supply and lighting, the centre for infant care, etc., a future necessity.

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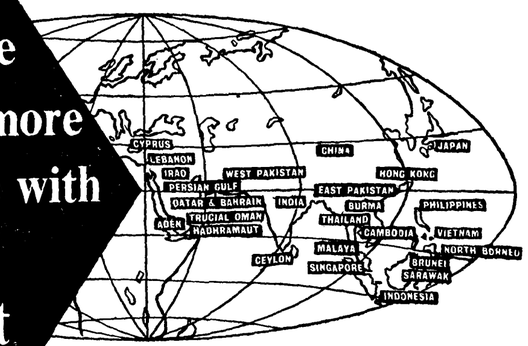

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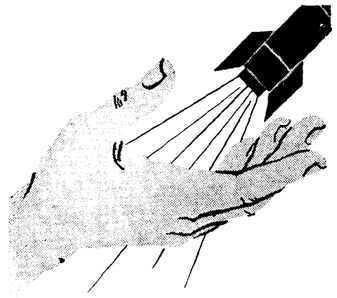

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FIBRES IN THE FIFTIES

MARKED GROWTH IN NEW FIBRES

[The story of growth of chemical fibres and their potentialities is a fascinating one, a subject in which India is vitally interested, as it is one of the largest producers of textile goods. Although this journal has carried articles on this subject from time to time, a comprehensive survey of the latest trends will still be found useful and interesting by its readers. Such a survey is provided by the Bank of Nova Scotia (Canada) in one of its recent issues of Monthly Review and is reproduced below, by the courtesy of the Bank. In this article, the Bank has described production and consumption trends of the main textile fibres during the decade of the fifties, discussed the growth of competition among the various fibres and the trend of prices, touched the recent technical progress in the industry and made a few observations about the shape of things to come. It will be noted from the article that increases in national incomes and living standards usually result in a larger demand for chemical fibres.—ED.]

THE phrase "miracle fibre" is disappearing from the textile vocabulary. Many of the newer man-made fibres have become almost as familiar as rayon. This is true not only of nylon, the first and still the most important of the true synthetic fibres, but of the polysters such as Terylene and Dacron, the acrylics such as Orlon and Acrilan, and textile glass. Total production of the group (excluding textile glass, for which complete figures are not available) has increased more than tenfold in the past decade (see Chart).

The true synthetics still, of course, make up only a small fraction of world output of the main fibres—4 per cent. in 1959 as compared with 10 per cent. for wool, 18 per cent. for rayon and acetate, and 68 per cent. for cotton, which is still overwhelmingly the most widely used of all. Nor have these older fibres been standing still while the synthetics have been forging ahead. For one thing, there are many less-developed parts of the world where an important element in rising standards of living is the increasing use of the older fibres and where such items as the nylon stocking are virtually unknown; and, even in the sophisticated North American market, the synthetics have by no means had it all their own way. Thus, during the fifties, world output of wool has increased by close to 40 per cent., output of cotton by about 50 per cent. and output of rayon by fully 100 per cent. Total world fibre output, which did not regain the pre-war (1937) peak until 1951, is now nearly 45 per cent. above it, having increased by rather more than 60 per cent. in the decade.

Inroads of Substitutes

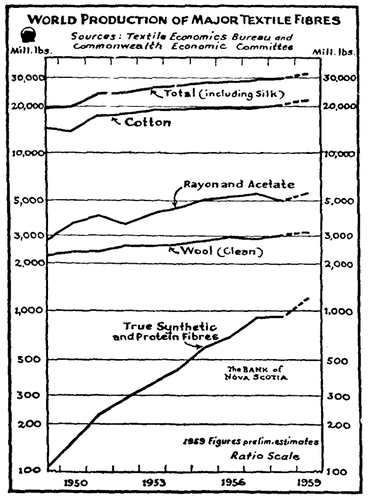
Striking as this gain is, it is worth remembering that various factors have been working to hold down total consumption of fibres. As incomes have risen in the industrialised countries, a smaller proportion has been spent on clothing, and a larger proportion on durable goods—cars, television sets, outboard motors—and on travel and a variety of other services. Also working counter to gains in fibre consumption has been the use of lighter fabrics in industrial applications and in clothing and home furnishings. The long-term trend to lighter clothing reflects such things as the population drift to the cities, heated automobiles, and changing styles, including the decline in popularity of the double-breasted suit and the vest. As long ago as 1955, the U.S. Department of Commerce said, "In the years before World War Two, it was a good rule-of-thumb estimate that a man's suit took 3½ yards of cloth. Now the same rough estimate is 3 yards." In home furnishings, the outstanding example of the trend to lighter products is the fast-growing market for the electric blanket—not only lighter in weight but serving in place of two or three wool blankets. Improvements in the qualities of fibres enable industrial yarns such as tyre cord to do a better job yet weigh less. At the same time, industrial uses have been particularly vulnerable to the inroads of substitutes such as paper and plastics.

Not only has substitution become more important and competition between man-made and natural fibres more intense, but, in recent years, "the battle of the fibres" has been fiercely waged among the newer man-made fibres themselves. In the struggle, some of them have achieved outstanding success, but there have been several disappointments: Dynel output has stayed very small and production of the protein fibres, Ardil and Vicara, has ceased in Britain and the United States.

In the decade before the war, production of rayon increased by leaps and bounds, and, by the early forties, when it accounted for 16 per cent. of total world fibre output, it had actually outdistanced wool. But, up to this time, production of the true synthetic fibres was negligible The advent of nylon in the late thirties and further advances in textile chemistry, combined with the destruction of a large part of world rayon capacity during the war, provided the background for the post-war upsurge in production of the newer man-made fibres. The shortage of wool and cotton following the Korean outbreak in 1950 was a further stimulus to the new fibres as well as to rayon.

At the end of the forties, only the United States had a substantial production of true synthetic fibres, her output accounting for over four-fifths of a world total of 104 million lbs. More than half the productive capacity is still in the United States (where synthetics now account for nearly 10 per cent. of total usage of the main fibres), but substantial industries have now been established in Japan, the United Kingdom, Russia, France, West Germany, Italy and Canada. And at least a score of other countries, particularly in Europe and South America, have some productive capacity. Nylon, of course, has prime position, but an increasing place is being won by the acrylics, the polyesters, textile glass, and other fibres.

Though the spread of the true synthetics to countries other than the United States has thus been one of the interesting developments of the 1950's, far more important in the world picture is the expansion of industries using the older-established fibres in countries striving for industrialisation. Much of the expansion has been in the two fibres which produce the cheapest textiles, rayon and cotton. This has been deflected



Figures are plotted on a ratio scale; equal distances on the vertical scale show equal percentage changes.

in the older industrialised countries in such developments as the spectacular decline in consumption of cotton by the British textile industry, and the falling profit margins and elimination of some productive capacity in the rayon industries of the United States, the United Kingdom and Canada.

Rayon output has continued to grow in India and in many other less-developed countries and even in some Western European countries such as Spain. On the other hand, output of many old-established rayon producers has tended to level off or even to fall. U.S. production actually reached a peak in 1951. Output in Japan, the second largest producer, has suffered a marked reduction in recent years, and that in the U.K. and in Canada (whose rayon capacity, incidentally, ranks 16th in the world) has also declined. Rayon producers felt the recessions of 1953-54 and 1957-58 with particular severity and both periods saw some quite substantial price reductions. The net result of divergent trends in various parts of the world has been the virtual cessation of growth in total output and consumption of rayon in the past few years.

In contrast, total world cotton consumption has continued to rise. In such sizable cotton-growing countries as Egypt and Turkey as well as in the Communist bloc, and in such less-developed countries in the Far East as India and Pakistan, Hong Kong, Taiwan and Korea, cotton textile industries have been expanded rapidly for domestic consumption and in many cases for export as well. The Japanese industry, though it is still using 25 per cent. less cotton than in the years just before the war, has doubled its consumption in the fifties, as its war-damaged industry was restored. This growth has more than offset concomitant declines elsewhere. The great British export industry, which at the beginning of the fifties was already using 25 per cent. less cotton than before the war, now uses 50 per cent. less. And in the past decade consumption has fallen in some other countries as well, for example, by 2 per cent., in the United States and by 17 per cent. in Canada.

Rising Yields

While world consumption of cotton has risen, world production has expanded even faster. Once the Korean emergency was over, the surplus problem reasserted itself, and, through most of the decade, there has been the paradox of burdensome surpluses in the United States and expanding production elsewhere, stimulated by high U.S. support prices, the dollar shortage and the drive towards self-sufficiency in many countries. Perhaps two-thirds of the gain of more than 50 per cent. in world cotton production over the decade has come from higher yields, resulting mostly from more intensive pest control, fertilising and irrigation. At the end of the decade, U.S. production was only 8 per cent. lower than ten years earlier, despite a 45 per cent. reduction in acreage. In Russia, a similar striking increase in yields occurred in the early 1950's, mainly because of the marked decrease in cotton cultivation on non-irrigated land. In most major producing countries, in fact, with the exception of India, rising yields have played the major role in increased output. In India, and in such other countries as Pakistan and Turkey, larger acreage has been mainly responsible.

With the U.S. share of world exports falling sharply, the U.S. Government in 1955 undertook to regain a "fair historical share" of the world cotton market by heavily subsidising exports. And these sales at substantially lower than domestic prices together with a programme of acreage restriction, have considerably reduced the U.S. surplus. But, although both U.S. and world stocks by the end of the current season are likely to be the smallest since 1953, they are still sizable; U.S. acreage is rising again with changes in the support programme; and prices, despite some firming recently, remain close to the lowest level in the decade.

In contrast to the surplus situation in cotton, wool has, on balance, remained in a fairly firm statistical position. Consumption has risen more or less in line with the increase of more than one-third in world wool production during the 1950's. This increase, which occurred despite a downtrend in wool prices, was fostered by improvements in pasture management and breeding methods, by the virtual elimination of the rabbit pest in Australia and by the strong demand for mutton and lamb. Also contributing to increased world production was a great expansion in Russian flocks, particularly in the new "virgin lands" of Kazakhstan and other parts of central Asia.

Wool

Of the older fibres, wool has been least affected by the changing pattern in the world textile industry. It is true that the chief wool-producing countries have been building up their wool textile industries and that consumption in the Communist countries generally has increased substantially, but this growth has not been accompanied by declining use to the same degree as in rayon and cotton in the countries that have traditionally been the big consumers. In the major Western European countries, consumption has been at least maintained, and in Japan it has risen very sharply since 1949, with continuing recovery from the war. This growth, with the rising consumption in the Communist bloc and elsewhere, has far more than offset the 16 per cent. decline in North American consumption resulting from the trend to lighter clothing and from the competition of synthetic fibres, plastics and imported woollen fabrics.

The trends in production and consumption of the various textile fibres underline what must be obvious to the most casual observer—the intense competition among them, especially in North America. The nature of this competition is vividly illustrated in the promotional campaigns for wool and cotton, including advertisements in the luxury magazines. It is shown by the development of "polished" and "drip-dry" cottons, of shrink-resistant and crease-retaining wools and of tri-acetate (Arnel, Trilan). It is shown also by the penetration of Orlon and other acrylic fibres into the sweater market, of Terylene into the blouse, dress and shirt markets, of Dacron into the men's suit market, and of rayon, nylon and other man-made fibres into the carpet market. And, finally, there is the increasing use of blends—cotton with rayon or Terylene, wool with Dacron or Orlon.

Of course, individual fibres have certain strongholds. Estimates for the United States show that, in one-third of its end-uses measured by weight, cotton has faced almost no competition from other fibres. Only 13 per cent. of wool use and less than 5 per cent. of the true synthetic use have been in this position, while rayon and acetate have no broad categories of end-use which they hold unchallenged. In quite a few next-to-the-skin and heavy-duty garments and in sheets and towels, man-made fibres and wool have not been able to compete with cotton's combination of good launderability, comfortable moisture absorption and durability. Nearly half of this "competition-free" cotton consumption has been for men's underwear, night-wear and work clothing. The areas in which wool has faced comparatively little competition are men's winter suits and overcoats. And, of course, nylon faces almost no competition in women's hosiery.

A good deal of the advance in the U.S. consumption of clothing fibres during the past decade has been in cotton and the true synthetics, while the use of rayon and acetate has declined. The post-war baby boom has brought a very large demand for many cotton items—diapers, coveralls, T-shirts and so on. Another large area of growth, particularly for cotton and the synthetics, has been the casual outerwear market. This reflects the trend to suburban living, the increase in teen-age purchasing, the change in women's daytime wear from street-and house-dresses to skirts, slacks, sweaters and blouses, and the increasing tendency for men to wear sports shirts and slacks both at home and in the factory.

Sweaters

Sweaters afford an interesting example of competition within the true synthetic group as well as between man-made and natural fibres. The use of nylon yarn in women's sweaters rose rapidly after the war—at the peak in 1951, 25 per cent of total U.S. sweater output was all-nylon. Thereafter, the acrylics took an increasing share and more recently nylon has staged a comeback in the form of Ban-Lon, Tycora, etc. In the process, wool's share of the total poundage of fibres used for sweaters in the United States has fallen from an average of over 70 per cent. in 1949-50 to approximately 30 per cent. in 1958.

In drapery, upholstery and other home furnishing fabrics, where demand has expanded rapidly because of rising incomes and the sharp uptrend in the number of households, every major fibre group except wool has shown decided gains during the decade. In carpets especially, wool usage has declined not only because of competition from man-made fibres in the woven pile carpet but, more importantly, because of the striking growth in popularity of the much cheaper tufted pile carpet, in which the use of wool became more practical only with recent technical advances related to tufting.

The pattern of U.S. fibre use for industrial products has been affected not only by inter-fibre competition like that between nylon and rayon tyre cord, but also by the shift from fibres to paper, plastics and other substitutes. This shift accounts for perhaps half of the appreciable drop in total industrial fibre usage since 1951. The remainder can probably be attributed to improvements in the fibres themselves and to economies in their use. Most of the drop in industrial use has been in cotton; meanwhile, consumption of the true synthetic fibres has been increasing, until by 1958 it made up about one-fifth of the total.

One of the areas of fiercest competition has been the tyre industry. Rayon won its long fight to displace cotton tyre yarn around 1952, but, by then, was being faced with growing competition from nylon which, employing a series of price cuts, subsequently boosted its percentage of the U.S. tyre yarn market from 4 per cent. in 1953 to 26 per cent. in 1958. Rayon producers have been fighting back in recent years with quality improvements, price cuts and a unified promotional campaign.

Another battleground has been the container market, where cotton bags have lost heavily through the substitution of the multi-wall paper bags and, more recently, through the increase in bulk transportation of commodities. The substitution of plastics as also affected textile fibres, for example, in slip-covers for car seats and in electrical insulation. A partial compensation, however, has been the development of an important market for textile fibres as reinforcing in paper, tape and plastics.

As has already been indicated, the intense competition of the fifties has been reflected in U.S. yarn and fibre prices. The most striking illustration is rayon and nylon tyre yarn but there are numerous other instances. Prices of Dacron and Orlon staple were cut 25 per cent. to 35 per cent. from late 1953 to the end of 1955 and then levelled out. Part of these declines may have reflected technological cost-saving which the producer was passing along to the consumer, but it was no accident that they coincided with the 25 per cent. to 30 per cent. drop in wool prices in the same period, as well as a smaller decline in the price of viscose rayon staple. Both rayon yarn and staple, as has been noted, felt the 1957-58 recession severely and wool and cotton prices have shown little buoyancy. Meanwhile, in Britain and in some other overseas countries as well as in North America, the true synthetics appear to have been finding progress somewhat less smooth and less dominated by the magic of the trade name.

Progress and Prospects

The remarkable progress in synthetic fibres during the 1950's reflects the snow-balling of knowledge acquired in many decades of research—particularly the advances in polymer chemistry that led to the discovery of nylon. To quite an appreciable extent, scientists now can change an existing fibre to achieve a desired result or "tailor" a fibre to meet specific requirements such as resistance to chemicals. For example, in the mid-fifties, processes were introduced that enabled synthetic yarn producers to duplicate the bulked and textured effects of natural fibres and the pile of a fur coat.

The emergence of the new synthetics, providing the consumer with fabrics that wash easily, dry quickly and do not have to be ironed, has given a powerful stimulus to improvements in the older fibres and to the development of blends which reduce costs, correct fibre defects or produce new characteristics. Initially, the blending or synthetic with natural fibres did not always give a satisfactory product, but from the trial-and-error period emerged such first-class blends as wool and Dacron, with its ability to retain a "permanent" crease. This blend in turn led to the discovery of at least two good processes for obtaining similar results in all-wool fabrics. Again, the moth-proof qualities of the synthetics made imperative the development of cheaper moth proof finishes for wool, while the "wash and wear" qualities of nylon, terylene, tri-acetate and the acrylics spurred progress in developing chemical processes to impart these qualities to cotton and viscose rayon.

Admittedly some of these finishes still leave much to be desired. Admittedly, too, there are definite chemical and economic limitations to the changing or tailoring of fibres. Scientists have not yet discovered a truly synthetic fibre with the moisture-absorbing capacity that makes cotton and wool so comfortable for many undergarments. And certain processes that make cotton, among other things, more rot-resistant are still too expensive for mass application. All this suggests that a large volume of scientific and technological research in textile fibres will continue (especially in the industrialised countries), that other difficulties will be overcome as was the obstinate problem of dyeing Orlon, and that more new fibres and finishes will emerge.

How rapidly or how far electronic automation, statistical quality control and other scientific aids will proceed in the textile industry is uncertain. These aids are already being used to quite a large extent, even in the processing of the natural fibres; but there is a persistent current of opinion in textile literature that the industry as a whole could be making still more use of modern techniques in control engineering and mechanical handling to reduce its dependence on costly specialised operative skills. Since World War II, there has been a growing use of automatic and "shuttleless" looms, which have reduced processing costs by increasing weaving efficiency and production. Progress is being made, too, in eliminating some of the steps in textile manufacture. For instance, the steps required to process wool tops into worsted yarn have been reduced from about a dozen to four or five. Nevertheless, the multiplicity of processes between the fibre and the finished fabric makes it unlikely that this oldest of all manufacturing industries will ever achieve the push-button control of an oil refinery.

MILL LABOUR DISPUTE IN WEST BENGAL

The chances of early implementation of the Central Wage Board's recommendations in the cotton mills of West Bengal are somewhat bleak, thanks to the failure of the tripartite conference held at Calcutta last week under the presidentship of the State's Labour Commissioner. The failure of the talks was due to the divergence of opinion between the representatives of millowners and workers on the two questions relating to basic wage and dearness allowance. The millowners' spokesmen reiterated their proposal to pay the flat average increase of Rs. 6 per worker per month, provided a tripartite committee was set up to determine the normal workload and to assist in the preparation of the rationalisation scheme. The labour, however, wanted an unconditional payment of the enhanced wages. With regard to dearness allowance, the millowners offered to pay a sum equivalent to 72 per cent. of the neutralisation of the rise in the living cost index, including the flat average increase, whereas the workers demanded 100 per cent. neutralisation as recommended by the Board, though it was agreeable to a compromise on this point, if there was an overall agreement on all other issues.

The Labour Commissioner has submitted to the Government his report on the results of the negotiations. The final decision of the Government has not been taken. The representatives of labour are considering what steps they should now take. It is said that the strike notice given in July still stands.

The cotton mill industry of West Bengal comprises 17 composite units and nine spinning establishments with a total labour force of over 40,000.

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MR. P. D. TEW, CHAIRMAN, ANALYSES THE PROBLEM OF OIL INDUSTRY

MERITS OF EXPANDING INDIGENOUS CAPACITY EXAMINED

IT would be prudent for the oil industry in India to set its target high enough to cater to a demand of at least 14 million tons of refined products in 1966. This was the view expressed by Mr. P. D. Tew, Chairman of Burmah-Shell Refineries Ltd., in the course of his statement at the Seventh Annual General Meeting of the Company held at Bombay on 29th August 1960. He added that the task ahead was massive and offered a challenge to the private and public sectors alike.

The following is the full text of Mr. Tew's statement:

"The Directors' report and statement of accounts for the year are before you. The income from refining has increased from Rs. 9.68 crores to Rs. 10.91 crores, while the income resulting from duty protections declined from Rs. 3.41 crores to Rs. 1.86 crores; at the same time, despite the increase in throughput of 208,540 metric tons, expenditure has been reduced by Rs. 25 lakhs.

"Following on the new provisions included in the Indian Income-tax Acts of 1959 and 1960, your Company has had to set aside only Rs. 1.90 crores for taxation on 1959 profits, compared with Rs. 2.51 crores in total charged in the 1958 accounts and this fact coupled with the reduction in expenditure already mentioned, explains the apparent anomaly of a reduction in gross income of Rs. 39 lakhs, but an increase in net income of Rs. 41 lakhs.

Dividend

"An interim dividend of 15 nP per rupee was declared and paid in December 1959 on the paid-up ordinary share capital absorbing Rs. 207.3 lakhs and the Board now recommend a final dividend of 3 nP per rupee which will absorb a further Rs. 41.4 lakhs; income-tax at 20 per cent., subject to any relief which the shareholders will be due under Section 15(C), will be payable on these dividends and in increasing the dividend this year from the 15 nP paid in 1958, the Board have acted to leave approximately the same amount with shareholders as they obtained before the tax changes introduced in 1959.

"The year 1959 is the last year in which your Company will be able to benefit from Section 15(C) of the Indian Income-tax Act and it is appropriate to mention here the voluntary surrender of duty protections from 1st July 1959, which means there will be no further income from this source on products currently manufactured at the refinery. From 1960 onwards, therefore, the prosperity of your Company must depend largely on the income from refining and the efficiency of operation; in this respect, I am happy to be able to say that I am fully confident that we shall be able to maintain efficiency at a standard which has already been proved second to none.

"I do not think further remarks are required on the detail of our 1959 accounts which are set out fully in the documents already circulated to you.

"During this year there has been considerable speculation and comment in the Press on future refining prospects in this country and I should like to set before you the thoughts of your Board on some of these difficult and intricate problems.

Size of the Problem

"First and foremost, what is the size of the problem? How much petroleum will be consumed in 1966? To begin with, I suggest that by this date the range of petroleum products in India will have increased and a mathematical progression based on the existing offtake of existing products will by no means tell the whole story of future demand. Some of these products are refinery gas for petro-chemicals and fertiliser plants, naphthas for gasification for chemical and industrial use and perhaps alternative fuels for aircraft, automotive transport and railway engines. I would mention that your Company has already arranged to reserve for specific projects all available supplies of refinery gas, has arranged to supply up to 30,000 tons of naphtha in 1961 for a specific contract and can make available a further 100,000 tons of naphtha.

"In this context I think it is important to define the word 'demand.' The definition used by your Board is the total requirement in India of refined petroleum, that is, excluding natural gas, but including oil required at Indian airfields and ports for international aircraft and ships. With this definition the demand in 1955 was 4.67 million tons and in 1960 will be approximately 7.50 million tons; applying the same rate of expansion the demand should be 13.4 million tons in 1966. In the view of your Board this is a minimum figure, as apart from any new products to be introduced, it is felt that if, as we all hope, the vast and courageous third Five-year Plan is fully effective then the rate of expansion must in practice increase. I consider, therefore, that it would be prudent for the oil industry to set its targets to cater for a demand of atleast 14 million tons of refined products in 1966.

"There can be no question that the first priority should be the exploration and production of indigenous crude oil; it is significant that the Planning Commission have allotted considerable sums for this purpose and that the Government have stated that, if satisfactory agreements can be reached, they would welcome the entry of private companies into this field.

Cost of Additional Capacity

"The second priority must surely be to increase refining capacity in India. Existing capacity is estimated at around 6 million tons. To meet the balance of 8 million tons likely to be required by 1966 only the two public sector refineries estimated together at 2.75 million tons capacity have been sanctioned. This leaves a gap of some 5.25 million tons. Additional refinery capacity is likely to cost over Rs. 60 crores and, to the extent that Government agree to this being financed by the private sector, there is a corresponding relief to the public sector, already pressed for foreign exchange. Before summarising progress on the expansion proposal put forward by your Board last year to meet a part of this gap, I should like to outline your Board's views on the possible effects of not expanding refining capacity and leaving the gap unclosed.

"If local refining capacity is insufficient to meet the full product demand, there will have to be imports of finished products irrespective of the availability of indigenously produced crude oil. To cover these product imports either additional foreign exchange will have to be found or commodity exports may have to be diverted to barter deals at the expense of foreign exchange earnings. It is difficult to forecast average prices for imported petroleum products in 1966, but I believe Rs. 150 per ton may well be conservative and at this figure the cost of the products still to be imported will be over Rs. 75 crores a year in 1966. Today's landed cost of crude oil is about Rs. 65 per ton; so you can see the big reduction that can be made in the import bill by increasing refinery capacity and bringing in crude oil rather than products; even after making allowance for the foreign exchange needed to operate the additional indigenous refining capacity (mainly refinery fuel and unavoidable imports of stores and materials) and to service the additional foreign capital investment there should be an overall net benefit to the economy of some Rs. 25 crores per year by 1966, if refining capacity is increased in time.

"Against this background, it will be recalled that in return for conceding the duty protections amounting annually to over Rs. 3.5 crores the Government undertook to examine on its merits a proposal for an increase of approximately 1 million tons in refinery capacity and for the addition of a lubricating oil plant.

"Since that date, the Government have been advised that your Company could expand capacity to approximately 4 million tons within eighteen months and complete a lubricating oil manufacturing complex of between 60,000 and 100,000 tons annual capacity within a further year.

"There would be no request to Government for foreign exchange for this expansion.

"The net saving in foreign exchange would amount to approximately Rs. 6 crores per annum —effective from 1963 if early sanction to proceed is given.

"These then are the outline merits of the expansion case which Government have already undertaken to examine in exchange for our surrender of duty protection.

"At the moment, we are re-examining the physical aspect of our proposals and I feel there may be room for further modifications to the Refinery Agreement, provided your Company were permitted to go ahead with this proposed expansion.

"No discussion of refinery expansion in India is complete without reference to what is known as the imbalance problem. Forward estimates still show an imbalance between a demand for individual products and the yields of existing and projected refineries resulting in a surplus, for example, of motor gasoline. Ways and means of minimising these surpluses are engaging the Government's/industry's close attention and even if these measures do not meet with complete success, it is still felt that arrangements can be made to dispose of a fair portion of the remaining surpluses outside India. In the circumstances, it can be said that our expansion proposal will do nothing to aggravate the imbalance position in India—and promises to do much to alleviate it.

Technological Advance

"Earlier I referred to the high standard of efficiency which has been achieved, and I should like to make particular mention of one technological advance. Last year, your Chairman reported that the yield of gasoline had been reduced between 1956 and 1958 from 23 per cent. to 16.5 per cent., while middle distillate production had been increased from 31.8 per cent. to 34.6 per cent. Currently, the refinery is producing about 15.0 per cent. gasoline and 45.0 per cent. middle distillates, an outstanding achievement and a real milestone towards the objective of making refinery production conform to the product pattern requirement of India.

"I should also like to mention that every effort continues to be made through improvements in manufacturing technique and the removal of bottlenecks to maximise crude oil throughput of the refinery as it exists today. Admittedly, any increase achieved may throw up small extra quantities of motor gasoline for export, but so long as a home can be found for these exports, they earn welcome foreign exchange and increased crude throughput will, of course, reduce the import bill for most other products.

Massive Task Ahead

"The task ahead is massive; the demand for oil is built into the process of economic development and as India progresses to the stage of self-sustaining growth petroleum consumption in agriculture, transport and industry will advance. There is no alternative to this expansion of oil demand; it will continue through the third Plan period and beyond it, gathering momentum with time. The expansion is a challenge and a challenge that can only be met if there is unity of purpose and unity of effort inspiring every section of the industry. While the public and private sectors will, therefore, have to work in unison and at maximum tempo, there is clear and evident need for each sector to develop with a sense of partnership in a common endeavour.

"I should like once again to thank the Managing Director and all those who work for him for another year of high performance, unfailing ingenuity and the readiness always to find the answers to the new situations with which they are so constantly faced. On their good work the continuing prosperity of your Company depends."

FERTILISERS & CHEMICALS TRAVANCORE LTD

CAPACITY TO BE DOUBLED DURING THIRD PLAN

CHAIRMAN, MR. T. A. JOSEPH'S SPEECH AT SIXTEENTH ANNUAL MEETING

SPEAKING at the Sixteenth Annual General Meeting of the Fertilisers and Chemicals Travancore Ltd., held at Udyogamandal, Travancore, on 3rd August 1960, Mr. T. A. Joseph, Chairman, said that the first stage of the Company's expansion programme was nearing completion and that the second stage would be completed by the beginning of 1962. He also indicated that the Company's capacity would be doubled during the third Plan period.

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

"GENTLEMEN,

"I am glad to welcome you to this, the sixteenth annual general meeting of the Company and to present to you the accounts of the Company and the report of the Directors for the year ended 31st December 1959. As these have been circulated to all the shareholders, I presume they may be taken as read.

"Before I proceed further, I would like to express our deep sense of gratitude to the late Dr. John Matthai, who was your Chairman in the years 1957 to 1959. It was during the period in which Dr. John Matthai steered the activities of this Company with insight and imagination that this Company turned the corner and got on to the road to prosperity. In the death of Dr. John Matthai on 2nd November 1959 the country, in general, and we, in particular, have lost a leader and administrator equalled by few.

Power Cut

"During 1959 the Company had to face a power cut for two months in the summer. Very soon after, the ammonia plant had to be shut down for a period of four weeks for changing the catalyst. As a result, production of ammonium sulphate and ammonium chloride was lower compared to that in 1958. The production of superphosphate which is not dependent upon power to the same extent as ammonia, however, reached a new high of 35,000 tons in 1959 which was nearly twice the production of 1958. Production of fertiliser mixtures was also twice as much as in the previous year. But for the power cut, I am sure, the production of ammonium salts would also have been very much better. In spite of these setbacks which affected adversely the production of nitrogenous fertilisers, the Company, by stepping up its other lines of activity, particularly superphosphate production, maintained the profits at reasonable levels for the year, thereby enabling us to recommend a dividend of 6 per cent.

"During the first six months of this year, the Company has achieved in all the departments, production levels higher than those reached during any comparable period in the past. It can be reasonably expected that the same tempo of production will continue for the rest of the year.

"Industrial relations during the year were satisfactory. A long-term agreement was signed in April 1959, according to which a general revision of the existing pay scales was also made. Consequent on this revision, the permanent employees have had the benefit of an average increase of Rs. 390 per annum. Your Directors have also accepted the recommendations of the Industrial Relations Committee appointed by the Government of Kerala to link the minimum dearness allowance with the working class cost of living index. That sound industrial relations can help considerably towards achieving better productivity can be easily seen from the results of the first half of 1960, to which I have already referred to.

Expansion Programme

"Although all the works relating to the first stage of the Company's expansion programme are nearing completion, the Company could not take full advantage of this expansion as the State Electricity Board has not been able to assure the regular supply of power required for the new electrolytic hydrogen plant. According to the indications available now the State Electricity Board will be in a position to supply only a third of the additional power required by the Company. For the remainder, the Company may have to depend upon a possible loan from a neighbouring State. The fears expressed on this account by my predecessor in his last address to you have, I regret to say, proved to be too true. I hope that the Kerala State Electricity Board will take adequate measures to advance the completion of its projects, so that the power required by the Company will be made available as soon as possible. In the meanwhile, the Company will be able to keep some of its new plants only in partial production.

"The work relating to the second stage of expansion which involves the installation of an oil gasification plant is making good progress. Orders have been placed with foreign suppliers for the delivery of the plant and equipments and it is expected that the plant would go into production by the beginning of 1962.

"When the second stage of expansion is completed, the Company will be able to market nearly 100,000 tons of ammonium sulphate, about 35,000 tons of ammonium phophate (16-20 grade) and 8,000 tons of ammonium chloride in addition to considerable quantities of fertiliser mixtures.

"The Company proposes to expand its capacity during the third Plan. This expansion envisages the doubling of ammonia capacity existing at the end of the second stage and utilising the additional ammonia for increased production of ammonium phosphate. It is also proposed to increase the production of ammonium chloride to go in line with the expansion programme of our neighbouring factory of Travancore-Cochin Chemicals Limited which supplies us the hydrogen chloride.

Managing Agency

"As you might have seen from the draft resolution proposed for this general meeting, the Managing Agency agreement relating to this Company will be expiring on the 15th of August. Thereafter, the Company will be managed by the Board of Directors through a Managing Director. Messrs. Seshasayee Brothers Private Limited of Tiruchirapalli, an associate company of the present Managing Agents, was responsible for sponsoring and establishing this Company in this State with the active help and financial assistance of the Governments of the then States of Travancore, Cochin and Madras. Subsequently, Seshasayee Brothers (Travancore) Private Limited was registered in this State and consequently, the Managing Agency was transferred to this new Company.

"The formation, growth and the prese position FACT has attained is entirely due the untiring efforts and the hard work put by the Managing Agents. I would, therefo like to state here on behalf of the Board Directors and, with your permission, on yo behalf also that this Company has been fo tunate indeed in having as its Managing Agen such a highly reputable Company as Messr Seshasayee Brothers (Travancore) Priva Limited. It is only their initiative and ente prise and particularly that of their founde Chairman and Managing Director, the late S V. Seshasayee, that was responsible for th establishment of this industry in this State.

"I would like to express on behalf of yo all, our deep sense of appreciation of the con petent manner in which they have been ma aging the affairs of this Company throughou and our good wishes for their future endeav ours in the field of industrial development our country.

Fertilisers and Food Production

"As you are aware, agricultural productio is receiving priority in the third Five-ye Plan. Unless there is a substantial increase i food production in the whole of India includin Kerala, the success of the Plan is not assure The importance of fertilisers in increasing foo production has been well recognised. In Keral also, it is gratifying to note that the use of fe tilisers is becoming popular. I do, therefor expect that by the end of the third Five-yea Plan FACT will play a still more importar role in Kerala's agricultural economy. I als feel that even after the implementation of ou expansion schemes it may well be that deman exceeds our production. Considering the vit role that we have to continue to pla in this field in the future also, I feel it is ir cumbent on us to associate ourselves mo closely with the users of our products in th area. A start has already been made by FAC in this direction by providing technical info mation and advisory service by qualified fiel assistants on fertiliser application to differer types of soils and crops. I have no doubt tha this type of service will have to be expande in a larger measure in the years to come.

"I would also take this opportunity to ex press our thanks to the staff and other em ployees of FACT, who have by their hard wor and devotion to duty contributed towards th successful results of 1959 and I am sure the will rise to the occasion and be able to shoulde the heavy responsibilities which I feel ar going to devolve on them.

"I would now move that the Directors' re port and the audited statements of accounts fc the year ended 31st December, 1959 be and ar hereby adopted."

Note: *This does not purport to be a repo of the proceedings of the general meeting.*

KANDLA PORT AND THE FREE TRADE ZONE

VIEWS OF GUJARAT CHAMBER OF COMMERCE

AS a premier trade organisation of Gujarat, the Gujarat Chamber of Commerce is taking keen interest in the development of Kandla port and the establishment of the proposed Free Trade Zone. The Executive Committee of the Chamber appointed in June last a delegation to make an on-the-spot study of the development needs and problems of Kandla port. The delegation, in its report to the Committee, has recorded its findings and suggestions for converting the port into one of the major gateways of trade in the country. The Executive Committee of the Chamber also examined the question of creating a Free Trade Zone at the port and its views and recommendations have been submitted for the consideration of the Union Government.

The delegation points out that, despite the declaration in 1955 of Kandla as a major port and the spending of fifteen crores of rupees on development work, the fact remains that it has yet to become a major port *de facto*. It is true, according to the delegation, that Kandla is a well-equipped and modern port, having facilities comparable to those existing in other major, modern ports. But export and import of goods through the port have not increased to the extent they should have. The delegation has made the following recommendations for the integrated development of Kandla: (1) The Government should procure forthwith, on loan basis, a big dredger till the large dredger ordered for the port arrives, for removal of silting. (2) In order to encourage traffic through Kandla port, coastal and overseas steamer freight rates should be reduced. If the steamer companies are not willing to do so the Government should subsidise the same. Special reduced railway freight rates should also be offered in the case of specified commodities moving to and from Kandla. (3) A higher proportion of the import and export trade handled by the State Trading Corporation of India and the Government of India should be diverted to Kandla. (4) A national highway should be constructed between Kandla and Ahmedabad; construction of the proposed Zund-Kandla railway line should be expedited. (5) Since high land price in Kandla is an impediment to the development of the area, measures should be taken to bring down land values. (6) The installed and generating capacity for electricity should be raised so as to ensure adequate supply of power to the region. (7) In addition to constructing industrial estate and sheds, the Government should also undertake to erect buildings for residential, commercial and industrial purposes. (8) A survey of raw materials and minerals available in the port region should be undertaken so as to enable industrialists to assess the industrial potentialities of the region. (9) Arrangements should be made for easy availability of residential and other facilities in the area. Steps should also be taken to ensure adequate supplies of water, building materials, storage facilities, etc.

It is also suggested that the proposed Free Trade Zone should be suitably located so as to leave sufficient room for expansion. Restrictions that are proposed to be imposed within the Zone should be announced sufficiently in advance so that persons engaged in trade and industry in the zone will not be put to hardships later. Local committees appointed for dealing with the problems arising from time to time in the area should be vested with sufficient powers so that committees can function effectively by taking decisions promptly and implementing them without delay.

The trading position at the port should be published in foreign countries so as to attract large volume of trade. Kandla and Ahmedabad should be linked (via Rajkot) by air service as early as possible. In order to develop the hinterland of the port, Government should investigate the possibility of establishing one or more of the major undertakings proposed in the public sector in the region.

The delegation thinks that the Government's policy of recovering the expenditure incurred or to be incurred on the development of land at Kandla either from the land rates or in some other way is fundamentally wrong. According to it, such expenditure should be deemed a capital expenditure that will yield increased revenue in course of time.

The suggestions made by the delegation in regard to the free trade zone are only incidental. The Chamber's considered views and recommendations in this regard have been sent to the Government in a communication addressed to the Secretary, Ministry of Transport and Communications, New Delhi. The chamber has submitted therein that the proposed area of one-fourth of a square mile or 160 acres for the Zone is totally inadequate for the purpose, especially in view of the different industries proposed to be started there and the various types of goods that will have to be processed, packed and stored. It feels that the minimum requirement of land in the initial stages is between 1,000 and 1,200 acres. It has made among others, the following suggestions for making the proposed Free Trade Zone a beehive of industrial and commercial activity.

1. The Free Trade Zone should be initially located so as to leave no scope for goods that enter the Zone to get mixed up with articles that are imported on the customs territory.

2. Since industries in the region are established after undergoing the required formalities, should any changes in the schedule of imports be felt necessary in future, advance notice should be given so as to cause minimum disturbance to the industries already set up.

3. No time limit should be set for export of goods produced in the Zone as producers may not, sometimes, find it remunerative to export within the specified period.

4. Monetary incentives should be provided to attract new industries to the Free Trade Zone.

5. Although the Chamber sees no objection to the principle that imports to the Free Trade Zone should be paid for by exports, it feels that, in the initial period, a formula for enabling imports to be made without having to be compensated for with exports immediately, should be evolved.

6. Technical advice and service should be made available in the Zone to provide the necessary help and guidance to industries.

7. Latest information about trade trends, changes in tastes and fashions abroad, etc., should be supplied promptly and periodically by India's Trade Commissioners stationed in foreign countries. The Chamber feels that there is need for an efficient organisation which could not only supply up-to-date trade information but also give practical advice and guidance.

8. India should join the world pool for strategic materials like bismuth, mercury, silver, etc., so that these materials can be had in India at the pool price. This, the Chamber feels, will provide impetus to the development of chemical industries in the region.

The Chamber has also underlined the need for a well-conceived and carefully thought out plan for bringing into being the Free Trade Zone which, it believes, is capable of giving the necessary impetus to the development of the region and can provide larger employment and stimulate foreign trade. It is to be hoped that the Government will give the views of the Chamber the attention they deserve.

MULTI-PURPOSE BUILDING BOARD

One of the basic problems that an underdeveloped country like India faces today is the shortage of housing. There are estimated to be in India about 54 million rural and 11 million urban dwelling units, or approximately one to every six people. It has been calculated that, during the decade preceding the second Plan, about 1.25 million units have been built. Comparison with some advanced countries will be revealing. In the U.S.A., which has a population of about 40 per cent. of India's population, approximately 1.25 million houses are built every year, and in the U.K., with a population of only about 50 million, about 3 lakhs houses are built annually. Housing has such an important bearing on the morale, health and efficiency of the workers that its provision in the advanced countries is regarded as a form of investment in the human resources of the community.

In India, there is no gainsaying the fact that housing is one of the most important welfare needs. The needs of the people are increasing—in the rural areas because of an increasing consciousness for a better life and in the cities and towns because of the rapid rate of urbanisation. Between 1941 and 1951, about 16.3 million people moved to the urban areas. Urban housing, during this period, increased by only 1.7 million units. All this calls for increased facilities for housing.

Fortunately, there are a number of offsetting factors. First, it has been found that far more people can be acceptably housed in India for a given outlay than in more economically advanced countries. Secondly, four-fifths of India's population is still rural and improvement in rural housing can be attained very largely by the activities of the villagers themselves with little outside assistance.

In order to make the construction of more houses possible, one of the crying needs of the country today, is a building material that is economical, capable of being fabricated easily and quickly, without the services of highly skilled labour, and suitable for the housing needs in a tropical country.

The National Building Organisation (N.B.O.) at Delhi have been investigating, among other things, the possibilities of low cost housing in India, by utilising indigenous materials and developing the use of new materials appropriate to tropical conditions. The N.B.O. surveyed the possibilities of the utilisation of the reed (Sarcanda) which grows in lush profusion in the Gangetic valley and Terai areas of U.P. and elsewhere in India.

Crude boards made of these reeds and the reed itself in its natural form have been widely used in housing construction in the Punjab, Assam and parts of U.P. and huts built of reed more than 50 years ago are still in use in the Punjab. The method of manufacturing reeds into strong building boards, is an entirely new process, developed by Messrs. Ludwig Berger of Austria.

It was at the instance of the National Building Organisation that Messrs. William Jacks & Co., Ltd., undertook to develop the manufacture of reed boards in India. For this purpose, they entered into negotiations with the Austrian patentees of the new board-making process and obtained the right for its exploitation in India. They set up a factory at Dhampur in U.P., in the heart of reed growing region, to manufacture these boards to be marketed under the name "Jaxboard."

The factory was formally opened by Mr. Manubhai Shah on 23rd April 1960. It has an installed capacity of 36 lakhs sq. ft. of board a year. Due to the initial difficulties of reed procurement, however, production during the first 12 months will have to be restricted to 10 lakhs sq. ft. The Company, by utilising a jungle product which hitherto went largely to waste, will spend approximately a sum of Rs. 3 lakhs annually on reed procurement. The entire amount of this money will go to the villagers living in these neighbouring reed growing areas who have probably no alternative sources of income apart from tilling soil.

"Jaxboard" is said to be an ideal construction material for a tropical country and meets all the requirements for healthy, low cost housing in the rural areas, plantation and factory labour; for rehousing slum-dwellers and for lower income groups. Its range of application is wide. Its merit has been proven, so we are told, for economic construction of storage platforms for various commodities; for cold storage vaults; scaffoldings; gear guards, interior decorations and erection of false walls. It is also invaluable for being used as a packing material for air-dropping supplies by the military as well as civilian air forces in inaccessible areas.

This versatile board, it is claimed, promises to open a new horizon in the construction of rural and industrial housing and other types of structures in India; it is adaptable for walling, roofing, partitioning, shuttering, etc., and can be easily plastered with cement, lime or mud. It has unique insulation properties that make the interior of "Jaxboard" built houses cooler in summer and warmer in winter. Its durability and strength are proven by the fact that in India and elsewhere houses of reed boards, built 50 years or even a century ago, still stand intact. Other properties of "Jaxboard" are easy availability and light-weight which help to cut down construction and transportation costs.

TELEPRINTER FACTORY

The Government of India, in association with Olivetti, an Italian firm, proposes to set up a factory for the manufacture of teleprinter machines. An agreement providing for technical collaboration for a ten-year period, was signed by the representatives of the Government of India and Olivetti at New Delhi on 26th August. The factory, when it reaches full production by 1964, will produce about 1,300 complete teleprinter machines. Production of as many as 1,200 will be achieved by 1963. It will start with assembly of imported parts in 1961, during which year 160 machines will be turned out. Manufacture will commence in the following year when 470 machines are expected to be produced. It is estimated that long-term demand for teleprinters will not exceed 2,500 a year. This, it is said, the factory will be able to meet by working two shifts.

The total cost of the project is estimated at Rs. 1.20 crores, including working capital, the foreign exchange component being of the order of about Rs. 65 lakhs. The factory will give employment to 200 persons.

The agreement provides for the training of Indians in Italy. Italian technicians will also train workers in their jobs at the factory in India. The agreement permits India to export teleprinters after the ten-year period, if it so desires.

In both price and quality, the indigenous product, it is claimed, will compare favourably with imported teleprinters. The price of a complete machine, that can transmit message on pages, is expected to be about Rs. 3,800, as against Rs. 4,000 to Rs. 7,000 now being paid for imported machines.

The location of the factory is yet to be decided. Bombay, Poona, Hyderabad, Bangalore and Coimbatore are tipped as probable locations. Climate, availability of technical talent and facilities for sub-contracting, etc., are said to be some of the considerations that will be taken into account in making the final choice.

NEW PRODUCTS AND PROCESSES

Electroplating Stainless Steel

A U.K. company which has developed a revolutionary new technique for the electro-polishing of stainless steel, has won the electro-polishing contract for the largest stainless steel building in Europe, a 35-floor 367 ft. high office block, claimed to be the biggest in London, to be erected in Millbank. The scientist who developed the process Mr. P. Allan Cruickshank, a director of the firm, said that he had sought a way of polishing stainless steel by the reverse of electroplating. "The irregularities in the metal surface," he said, "are removed by electro-chemical solution instead of mechanical abrasion, to leave a smooth surface which by altering the processing conditions can be varied as required from a bright and highly lustrous, down to a matt silver finish.

"This is electro-polishing. It had already been done in the metallurgical laboratories for decades for the polishing of very small samples of metals and alloys. But this was an expensive process and the problem was to develop it in an economic way. I decided that the greatest scope for development lay with stainless steels and other stainless alloys because the mechanical polishing then necessary to produce the final polished surface was both costly in labour and unpleasant to perform. After considerable research the technique was developed and patented throughout the world. The stainless steel article is immersed in a chemical bath and an electric current is passed through it, but the process reverses that of the well-known electroplating bath, and a thickness of metal, usually less than one two-thousandths of an inch, is removed.

"Economically the process is the cheapest known method of polishing stainless steel; it is highly resistant to atmospheric corrosion (a test section has been weathering in London for two years); there is no limit to the size of the article to be electro polished. The process is now being used by the British car industry, for food and dairy equipment, for photographic equipment, chemical engineering and atomic energy fields and in almost every other industry."

Electronic Recording Device

A new electronic recording device is now being used by British Railways electrical and signal engineers to help in checking the performance and efficiency of new, high-voltage AC electrification schemes and equipment and associated signalling installations. One of these recorders will be demonstrated at the British Railways Electrification Exhibition, to be held in London, October 3-9. This electronic analysing recorder provides information about an electrified system on a scale that could not be otherwise achieved and, it is claimed, has never been possible before. This information will help engineers to improve the design of equipment for future electrification schemes and to predict requirements for lines to be converted from steam or diesel to electric traction. The recorders are being installed in electric trains and locomotives and at points along test sections of electrified lines, to record such data as the speed and position of trains relative to variations in electrical voltages and current consumption under varying load conditions, and the general effect throughout the power supply and in other related services. The recorders can be synchronised and operated remotely through a specially adapted "master" recorder, and coded time signals, issued by an electrical synchronous clock fitted to each recorder, ensure that groups of readings can be accurately compared. Based on the computer principle, the recorders will code and store information on punched tape which will be processed later by standard computers. The computers will automatically print characteristic features in a tabulated form.

Enzyme Depilant and Bates

A process for the manufacture of highly efficient enzyme depilant and enzyme bates based on indigenous raw materials has been developed at the Central Leather Research Institute, Madras. The process consists in thoroughly mixing together finely pulped animal pancreas and the mold *Aspergillus Oryzae*, *Aspergillus parasiticus* or *Aspergillus flavus*, developed on a culture medium containing wheat bran, tapioca flour, lactic acid and metallic salts, such as, calcium chloride, dipotasium hydrogen phosphate, sodium sulphate, magnesium chloride, manganese sulphate and zinc sulphate. The mixture of pancreas and mold together with the entire culture medium is dried and finely powdered. This product in admixture with common salt is used as enzyme depilant for skins and hides or common salt and different proportions of ammonium sulphate and ammonium chloride are added to the enzyme product for preparing different grades of enzyme bates for leather manufacture. Manufacture of enzyme bates and depilants has been studied on pilot plant scale and economics of the process worked out. The enzyme bate is produced in two grades, while the enzyme depliant is produced only in one grade. The yields of enzyme depilant and enzyme bates Nos. I and II are of the order of 70 per cent. 93 per cent. and 117 per cent. respectively, on the basis of dry weight of the culture medium used for growing the mold. About 800 lbs. of enzyme bates prepared at the Institute have been tested by some commercial tanneries and reported to be comparable with the imported material.

Textile Label Cutting and Folding Machine

Some years ago a textile mill at Heeze (Holland) designed for its own use a textile label cutting and folding machine. It has been patented in many countries and recently been considerably improved. The machine, which is now also supplied to others, is claimed to be highly useful both for the manufacture of textile labels and to manufacturers of ready-made clothing, ties, shirts, etc. A special operational feature of this machine is that textile labels of various widths and lengths can be cut and folded in a matter of moments and without the necessity of exchanging components. The machine can therefore practically be in continuous operation, in which case it has a capacity of about 5,000 labels per hour. The operation cycle of the machines is semi automatic and three-quarter automatic. In the case of the semi-automatic machines the labels have to be put under the shears by hand; with the three-quarter automatic machine cutting and folding as well as the feed are automatic. The only operation required of the operator is the insertion of a new roll of labels in the roll-holder in time. The dimensions of the machine are: height 20", width 12½", length 21". The net weight including the electric equipment is 176 lbs. for the semi-automatic and 286 lbs. for the three-quarter automatic machine.

Lathe Tool

A lathe tool, claimed to be the first with a reversible, positive rake throw-away tip, is being produced in a series of carbide cutting tools and tips by a Sheffield tool making firm. They take high tensile and alloy steel in their stride and can withstand the hammering from interrupted cuts such as gear wheels. The tips are available in triangular or square sections and are locked to the tool by a quarter turn with an Allen Key. Tips can be fitted, reversed or changed without removing the holder from the tool post, thus saving on re-setting time. The ready-formed chipbreaker of the tip has an 8 degree positive rake thus providing a nett 3 degree positive cutting edge with 5 degree front relief angle. Other advantages claimed for the series are that no grinding is required; six or eight cutting edges are available for less than the price of one regrind; many tips can be used with one shank, thus reducing tool costs and higher cutting speeds can be used.

Twist-free Hose

A "twist-free" first-aid hose has been produced by a North of England firm manufacturing fire-fighting equipment. A fundamental characteristic of wrapped ply hoses is the tendency to twist under pressure, and the means of neutralising this effect has so far eluded manufacturers. As a result of considerable research and development work, the firm has evolved a manufacturing technique which it is claimed is wholly successful in this. Specified requirements of first-aid hose are that the hose must not develop a twist of more than two turns in a 60-ft. length when subjected to an internal pressure of 150 p.s.i. The new hose is not expected to give a total twist of more than a quarter of a turn in a 60-ft. length of any diameter at working pressure and half a turn at double working pressure.

Combind Step-ladder and Transport Trolley

A commercial engineering firm at The Hague has put on the market a device for handling goods in warehouses. It consists of a step-ladder combined with a revolving transport trolley. Hence the ladder moves along with the trolley, thus being available whenever goods have to be transported. When the ladder is not used a spring gives it a slight ground clearance, but once in use its lower end rests on the floor, thereby ensuring stability of the trolley. The trolley has four ball-bearing wheels, two of which are designed as castors. The frame of the trolley is of tubular steel and the ladder of light metal. The ladder is designed in two standard models 1.75 m. (5¾') and 2.25 m. (7½') respectively in length. The dimensions and arrangement of the trolley can be adapted to the buyer's requirements.

Synthetic Lubricant

A new synthetic lubricating oil produced by Shell Mex and B.P. Ltd., will cut Birmingham Corporation's fuel bill for its 1,850 buses by nearly £16,000 a year. The City Transport Department after sixteen months of tests with this new rear-axle lubricating oil which, by reducing friction, cut the fuel consumption of 43 test buses by an average 1.6 per cent., have decided to use it in all their vehicles. The new oil was found particularly effective during the colder months, fuel economies of between 2.5 and 3 per cent. being recorded. Tests also showed a further saving in operating costs because the period between oil changes was three or four times longer than with existing axle lubricants. The new lubricant has been developed as the result of five years' work at the Shell Thornton Research Centre.

New use for Wood Wastes

Wood wastes and by-products are being put to a variety of uses. Adhesives, drugs and a growing number of other chemical products derived from bark, sawdust, chips, pulp mill wastes and small branches bring into the forest industry about $60 million a year—roughly one-third more than five years ago. From hemlock bark a new waterproof adhesive has just been marketed. Bark and sawdust is being converted into cyanide and other chemicals for textile dyes, blueprint paper, tanning and other uses. Fir bark is being turned into quercetin, a versatile chemical currently used experimentally in butter to improve its keeping qualities. Some wood chemicals find wider application in paint, plastics, agriculture and even on highways to hold down dust on unpaved roads.

Blood Preservative

A group of American Navy scientists has reported development of a method for safely preserving human blood for nearly four years. This new method, the scientists explained in an article in the current issue of the *Journal of the American Medical Association*, may revolutionise the operation of blood banks which now can store blood for not more than three or four weeks. The procedure involves the subjection of blood to deep-freeze temperatures, as low as 240 degrees below zero. The process, developed by researchers at the U.S. Naval Hospital, Chelsea, Massachusetts, promises to eliminate the present bottleneck of inadequate blood supplies needed for priming heart-lung machines in open-heart surgery and other operations requiring extensive transfusions.

Recording Fingerprints

An optical device, designed for immediate examination and recording of fingerprints, was displayed in Houston, Texas, U.S., by the electronics division of Chance Vought. The prints are said to be so clear that the pores in the ridge pattern may easily be seen. One possible use is for rapid identification in banks and other business establishments. A customer with a credit card bearing his fingerprint would put his finger on the device, which compares the prints electronically. The device can also project a new fingerprint for viewing on a screen or for photographing.

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SECRETARY TO G... 5 ... SEP 1960 PUBLIC ...

CURING THE ILLS OF GENERAL INSURANCE

MR. A. D. SHROFF'S PRESCRIPTION

THE insurance fraternity in this country looks forward to the annual general meetings of the shareholders of the New India Assurance Company with eager anticipation. For it is used to hearing from the Chairman of New India, Mr. A. D. Shroff, a comprehensive analysis of the position and problems of insurance during the previous accounting year and an informed assessment of the future prospects. And rarely is it disappointed, for every year the Chairman's statement covers a wide field, ranging from a critical review of the economic and political situation in the national and international fields down to the Company's own operations. Insurance being a world-wide business, which is highly sensitive to shifting trade winds and unpredictable political gales, such a global perspective is essential for a correct understanding of the working of a company like New India whose business is spread over many continents.

This year, however, Mr. A. D. Shroff, the Chairman, preferred to be brief. His speech at the forty-first ordinary general meeting of the shareholders of the Company, held at Bombay on the 24th ultimo, was only half its usual length. The customary reference to the international economic and political situation was absent and the review of the economic trends within the country, which was shorter than it used to be, appeared at the end of the speech. Contrary to his usual practice, Mr. Shroff started straightaway with a resume of the problems of general insurers in the country. Perhaps, in his opinion, these are sufficiently important in themselves to warrant immediate and exclusive attention.

Three Problems

Three problems figured prominently in Mr. Shroff's speech. They were: (1) rising expenses of management, (2) unsound working conditions of companies, and (3) rating. The rising expenses and the consequent increase in expense ratios have been exercising the minds of insurers for quite some time. Appeals for the revision of the formula, in the light of the changed circumstances since 1950, when it was fixed, have been made by many insurance executives. Dealing with this problem, Mr. Shroff said that the mounting expenses seriously aggravated the position of companies. The number of companies that are unable to keep their management expenses within the limits prescribed under Rule 17E of the Insurance Rules 1939 has gone on increasing. This is not surprising, for these limits were fixed as long back as in 1950. Since then, the cost of every item constituting the expenses of management has gone up. There is, therefore, much force in Mr. Shroff's contention that the present limits, prescribed under the aforesaid rule, are stringent in some cases, even by the standard of expenses incurred in the U.K. by the larger British offices. The Indian Insurance Companies' Association and the Executive Committee of the General Insurance Council have already considered this matter and Mr. Shroff hoped that the Department of Insurance in the Central Government would give its sympathetic consideration to the recommendations of the Executive Committee and revise the limits to higher, realistic limits to suit present conditions.

Amalgamation

The problem of uneconomic working has been forced into the focus of public attention by the closure of a number of companies in recent years. This is closely linked with the stature, strength and size of the units constituting the insurance market. According to Mr. Shroff, it is imperative that consolidation and integration of existing units should be achieved through amalgamation and group working. In the present context of tremendous technological changes, inflation and rising wages, the units, if they are to be economic, have undoubtedly to be very much larger than the average unit in the country. In this connection, Mr. Shroff cited the example of the British insurance market which, despite the fact that its problems were less acute, ushered in a silent revolution by amalgamating even giant units. In contrast, Mr. Shroff pointed out, insurers in India were still leaving it to time and chance to effect a cure by slow and painful extinction of the uneconomic units. in spite of full awareness that there was no alternative to integrating the units by amalgamation or group working. He was strongly of the view that Government should take up this problem in right earnest, draw up a plan which would put the industry on sound and dynamic footing and implement this plan with initiative and determination. Unless insurance companies developed inherent strength, Mr. Shroff emphasised, built up organisations to deal with the problems of procuration and servicing of business and organised themselves more effectively through mutual understanding, the efforts of the Executive Committee to put the industry on a sound footing would find themselves faced with a climate of general laxity and helplessness on the part of the insurers to resist the demands of the insured or the insurance agent for excessive remuneration or rebating.

Only Solution

In Mr. Shroff's view, there was only one effective and quick solution to the problem of insurers and that was to take the following measures:

(a) The market, which is now constituted of about 90 Indian units, must be integrated into 15-20 units, not necessarily by amalgamations, but principally by group-working leading to amalgamation, with each unit functioning with a minimum of Rs. 50 lakhs portfolio.

(b) Every unit must follow rigorously the provisions of the Code of Conduct.

(c) The change-over from the present unsound conditions to a new order of absolute soundness must be bridged over by a non-diversion agreement amongst the members for a short period, so that every unit is able to readjust itself without any damage to its position.

A month ago we ourselves advocated amalgamation and integration of insurance companies into viable and stronger units. The idea, of course, was not anything new. As Mr. Shroff himself pointed out, the ideas and solutions outlined by him have been known to the insurers and the representatives of the Government. It is also realised that there is no other easier course. What is required now is action and a quick one at that. All those who have the legitimate interests of general insurance at heart will, therefore, support his suggestion that the Government and the industry should take concerted action to rebuild the market on the aforesaid lines, so that Indian insurance may be able to fulfil its growing responsibilities at home and have a bigger place in the foreign field.

Rating Problems

In the matter of rating also, there is no smooth sailing. Fire rates were reduced since 1st January 1960, the overall reduction having been of the order of 10 per cent. Mr. Shroff seemed to welcome the reduction, although, according to him, it would affect the industry in two ways—reduced volume of business and higher costs. He, however, felt that, despite the extraordinary difficult conditions through which the industry was passing, it was only fair that the insured paid reasonable rates. Certain adjustments in fire rates *inter se* between various sections of the textile and jute industries were, however, warranted and these were being made.

The steady rise in the cost of repairing automobiles and the number of accidents are a source of considerable anxiety to insurers. The experience in respect of commercial vehicles and motor scooters, in particular, has been quite adverse. Referring to this situation, Mr. Shroff said that a mere stepping up of rates is no solution. Various alternatives were being examined, including certain exclusions and franchise to control the excessive cost of claims, so that the good and honest insured would not be penalised. He also suggested that it would be necessary to set up an efficient claims settling organisation to render prompt service to the insured and to ensure fair and just settlement. Since Mr. Shroff delivered his speech, an enhancement of the premium rates on scooters and commercial vehicles, with certain changes in the basis of tariffs, has been announced. A separate reference to this development is made on this page.

Mr. Shroff shared the views of other insurance executives when he voiced disapproval of the Government's action in compulsorily raising the share of the Government-controlled companies in the Government business handled by the Indian Insurance Companies Association's Pool and the Indian Aviation Insurance Companies Scheme from 50 to 75 per cent. He said that, by this decision, the Government had practically withdrawn the support it was giving to the Indian insurance market. The business was so far being distributed though the two pools was mainly marine and aviation business. By giving such a large share of the business to four companies only, the Government had not utilised fully the underwriting capacity of the whole market. To that extent, it was necessary for the Government to verify whether it had not increased the drain on foreign exchange by way of reinsurance which would have to be effected by these four companies.

Reinsurance

Commenting on the conversion of the "Indian Guarantee," a subsidiary of the Life Insurance Corporation of India, into a purely reinsurance company, Mr. Shroff suggested that it should specialise in granting the types of reinsurance cover that were not readily available in this country. There was a great need to develop insurance of agricultural crops, dairy animals and hire-purchase business. This type of business, which was now necessary for the country, could be developed, according to him, provided adequate reinsurance cover was available. By specialising in this field, the new reinsurance company could be a source of strength to the market without duplicating the efforts already being made in the field of normal type of reinsurance business by the Indian Reinsurance Corporation—a co-operative venture of private insurers. All the companies were at present giving a 10 per cent. share of their business to this Corporation on a voluntary basis. To that extent, Mr. Shroff pointed out, the net outgo of foreign exchange was being reduced. He, however, expressed fear that the Government might ask for compulsory ceding of reinsurance to its newly-established company. Mr. Shroff felt that compulsion in the field of reinsurance was not called for, as the objective of reducing the foreign exchange drain could be better achieved by encouraging private companies to obtain suitable reciprocity from abroad for the reinsurances they placed.

Guidance and Direction

The reorganisation of the industry on the lines suggested by Mr. Shroff calls for guidance as also a degree of purposeful and constructive direction by the Government, especially in view of the conflict of interest involved. But it should not be difficult, as Mr. Shroff pointed out, to iron out the conflicts and discover the chords of unity. If managements of insurance companies are prepared to look beyond their immediate individual gains to the long-term interests of the industry, in particular, and the country, in general, they should be able to appreciate the value of Mr. Shroff's suggestions. Now that Mr. Shroff has retired from Tatas, we suggest that he should take the initiative in this direction and put forward a more detailed plan for placing general insurance on a sound footing before it is too late. Failure of insurers to unite and set their house in order carries with it the risk of nationalisation.

SCOOTER AND PUBLIC CARRIER INSURANCE RATES UP

The Insurance Association of India has announced a thirty per cent. increase in insurance premia on scooters and public carriers (commercial vehicles) in Bombay, Calcutta and Delhi regions, with effect from 1st August 1960. The revision in premia, however, does not affect the Madras region where the existing rates will continue to prevail. According to the enhanced rate, comprehensive cover on scooters will now cost Rs. 140 per year, as against the existing rate of Rs. 107.50 and that on an eight-ton public carrier will cost Rs. 350 more than the present rate of Rs. 1,010. Further, the owner has been made liable to bear every first claim of Rs. 50 in respect of a damaged scooter and every first claim of Rs. 500 in the case of a public carrier, as against the present limit of Rs. 100 only. No such clause existed in the case of scooters hitherto.

Insurers point out that the increase in premia has been forced on them by the high incidence of claims in regard to these vehicles. It is said that insurance companies have sometimes to pay as much as 500 per cent. of the premium as claims. Claims in respect of scooters all over India (excluding Madras) average nearly 100 per cent. Delhi has the worst record, claims in that region being of the order of 133 per cent. Bombay and Calcutta have a lower figure, 90 per cent. and 80 per cent. respectively, while Madras has the best claims record.

The insurers complain that they are not only not making any profit at all on insurance of scooters and public carriers, but that they are actually losing. The position, it is said, has been aggravated by the filing of inflated claims by owners in collusion with workshop owners. The profitability of the business is such that many companies are reluctant to insure scooters and public carriers.

ANNOUNCEMENT

The British India Corporation Limited is pleased to announce that with effect from 16th August 1960 the Central Government has approved their appointment as Secretaries and Treasurers of the following companies:—

(1) Elgin Mills Co. Ltd.
(2) Cawnpore Textiles Ltd.
(3) Cawnpore Sugar Works Ltd.
(4) Champarun Sugar Co. Ltd.
(5) Saran Engineering Co. Ltd.
(6) Brushware Limited.

The management of the above companies is being taken over by The British India Corporation Limited from their subsidiary, Messrs. Begg Sutherland & Company Private Limited. As the administrative set-up is the same as before, continuity of business policies and relationships is ensured.

THE BRITISH BANK OF THE MIDDLE EAST
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V. 45

RAMTIRTH

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THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company at Tiruchirapalli. It must be distinctly understood that in giving this consent, the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

A licence has been obtained from the Central Government for the establishment of this new industrial undertaking of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence, the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

The Madras Stock Exchange Ltd. has agreed to grant an official quotation for the shares of the Company and permission to deal in them on the Company complying with the usual and necessary formalities after the closure of the subscription list.

THE SUBSCRIPTION LIST WILL OPEN AT 10 A.M. ON WEDNESDAY THE 7TH SEPTEMBER 1960 AND WILL CLOSE AT 2-30 P.M. ON MONDAY THE 12TH SEPTEMBER 1960 OR EARLIER AS SOON AS SUBSCRIPTIONS APPROXIMATING TO THE AMOUNT ISSUED HEREUNDER TO THE PUBLIC HAVE BEEN RECEIVED, BUT NOT EARLIER THAN 2-30 P.M. ON SATURDAY, THE 10TH SEPTEMBER 1960.

SESHASAYEE PAPER AND BOARDS LTD.

(INCORPORATED UNDER THE COMPANIES ACT 1956)

THE COMPANY WAS INCORPORATED ON 22ND JUNE 1960.

IT HAS OBTAINED A CERTIFICATE TO COMMENCE BUSINESS ON 23RD JUNE 1960.

AUTHORISED CAPITAL

	Rs.	Rs.
3,00,000—6½% tax-free cumulative redeemable Preference Shares of Rs. 100 each	3,00,00,000	
70,00,000 Equity Shares of Rs. 10 each	7,00,00,000	
		10,00,00,000

ISSUED CAPITAL 3,50,00,000

Divided into 35,00,000 Equity Shares of Rs. 10 each, out of which

(1) 10,01,000 Equity Shares of Rs. 10 each have already been subscribed by the Promoters, the foreign collaborators, Directors and their friends and associates. Their friends have further agreed to subscribe for 49,000 Equity Shares of Rs. 10 each to the aggregate value of Rs. 4,90,000.

(2) 10,00,000 Equity Shares of Rs. 10 each have been subscribed by the Madras Industrial and Investment Corporation Ltd.

(3) The balance of 14,50,000 Equity Shares of Rs. 10 each are offered for public subscription.

The Amount payable in respect of the shares is as follows :—

On application Rs. 5 per share; on Allotment—Nil. The balance of Rs. 5 per share is payable and will be called up in two equal instalments at an interval of not less than three months between the calls, the first of such calls being not earlier than four months from the date of allotment.

The entire balance of issue, namely, 14,50,000 Equity Shares now offered to the public, has been underwritten as hereinafter stated.

No shares are issued for consideration other than cash.

The Life Insurance Corporation of India have agreed to underwrite Equity Shares of the face value of Rs. 25,00,000 and the Company has agreed to allot the said shares to them. Accordingly they will be entitled to preferential allotment of the same.

Equity Shares to the extent of face value of Rs. 4,90,000 agreed to be subscribed by the promoters and their friends as aforesaid will also be reserved for preferential allotment.

The Company has agreed that the Brokers to this issue will be given preferential allotments to the extent of Rs. 2,50,000 face value shares each in respect of specific applications submitted by them and marked for firm allotment.

BOARD OF DIRECTORS

1. DR. C. P. RAMASWAMI AIYAR, "Delisle," Ootacamund (*Chairman*).
2. SETH DHARAMSEY MULRAJ KHATAU, 6, Wilderness Road, Malabar Hill, Bombay.
3. SRI T. S. KRISHNA, T.V.S. Buildings, West Veli Street, Madurai.
4. SRI S. P. VIRMANI, No. 33, Najafgarh, Industrial Area, New Delhi-15.
5. SRI S. NARAYANASWAMY, "Seshadri," 6, Chitaranjan Road, Teynampet, Madras-18.
6. SRI S. R. KAIWAR, I.C.S., "Meru," 12, Crescent 2nd Road, Gandhinagar, Adyar, Madras-20.
7. SRI K. C. SOOD, 3, Esplanade East, Calcutta.
8. SRI K. M. DESIKAR, Valivalam Post, Tanjore District.
9. SRI S. VISWANATHAN, "Vasantha Vihar," Mannarpuram, Tiruchirapalli.
   SRI H. K. RAMASWAMI (*Alternate Director to S. VISWANATHAN*), "Gokulam," Alexandra Road, Cantonment, Tiruchirapalli.

MANAGING AGENTS

MESSRS. SESHASAYEE, PARSONS AND WHITTEMORE PRIVATE LIMITED,

No. 1, Alexandra Road, Cantonment, Tiruchirapalli-1.

BANKERS

THE UNITED COMMERCIAL BANK LIMITED, 310/311, Linghi Chetty Street, Madras-1.

THE BANK OF BARODA LIMITED, 3, Errabalu Chetty Street, Madras-1.

THE INDIAN OVERSEAS BANK LIMITED, Post Box No. 292, Esplanade, Madras-1.

DEVKARAN NANJEE BANKING COMPANY LTD., 17, Horniman Circle, Bombay-1.

BROKERS

MESSRS. CHITRA & CO., Post Box No. 1557, 322/323, Linghi Chetty Street, Madras-1.

MESSRS. MACONOCHIE & CO., Post Box No. 291, Mercantile Bank Buildings, First Line Beach, Madras-1.

MESSRS. PATERSON & CO., Post Box No. 48, 22, Errabalu Chetty St., Madras.

MESSRS. P. R. SUBRAMANYAM, 70-A, New Stock Exchange Buildings, Apollo Street, Bombay-1.

MESSRS. DEVKARAN NANJEE & CO., 17, Horniman Circle, Bombay-1.

MESSRS. LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

MESSRS. PLACE SIDDONS & GOUGH PRIVATE LTD., Post Box No. 592, No. 6, Lyons Range, Calcutta-1.

MESSRS. G. M. PYNE, Allahabad Bank Buildings, 14, India Exchange Place, Calcutta-1.

AUDITORS

MESSRS. SURI & CO., 1/29, Mount Road, Madras-2.

MESSRS. S. VISWANATHAN, Indian Chamber Building, Esplanade, Madras-1.

MESSRS. G. BASU & CO., No. 6, Hastings St., Calcutta.

LEGAL ADVISERS

SRI R. NARASIMHACHARI and SRI N. VARADARAJAN, Advocates, "Sarnath", No. 4, Dr. Rangachari Road, Mylapore, Madras-4.

REGISTERED OFFICE

No. 1, ALEXANDRA ROAD, CANTONMENT, TIRUCHIRAPALLI-1.

OBJECTS

The Company was incorporated on 22nd June 1960 for the several purposes set forth in the Memorandum of Association. The main object of the Company is to set up an integrated Pulp and Paper Plant with a capacity of 20,000 tons per annum.

PROSPECTS

India is now going through a phase of acute shortage of paper of every description. Despite the recent increase in domestic production capacity a considerable gap remains between the supply and demand. While the annual demand at the end of the Second Five-Year Plan period was estimated by the Planning Commission at 3,50,000 tons, the existing mills in spite of their recent expansions have not been able to reach the above target. We are now on the threshold of the Third Five-Year Plan period and the Planning Commission has estimated that the country's needs will be of the order of 7,00,000 to 9,00,000 tons by the end of the Third Five-Year Plan. It is, therefore, imperative that new units to produce paper must be established in order to meet this urgent need and this is reflected in policy statements made by the Government from time to time, both in Parliament and in public platforms.

With the rapid rise in literacy and steady increase in industrial activity and in the field of organised commerce, more and more writing and printing paper will be needed and it will take a considerable number of years before production catches up with demand. In this context, the prospects for Paper Industry are very bright indeed.

This Company has been promoted by Messrs. Seshasayee Brothers (Private) Ltd.

SITE

The Pulp and Paper Mill will be located on the bank of river Cauvery at Cauvery Railway Station, about three miles from Erode Junction on the Southern Railway. The Pulp and Paper Mill will be located centrally to the various reserve forests wherefrom bamboo will be supplied. The Pugalur Sugar Factory, wherefrom sugarcane bagasse will be made available, is situated at a distance of only 35 miles. The main Chemicals such as Chlorine, Caustic Soda and Lime are available at Mettur within a distance of less than 50 miles. Being located on the bank of river Cauvery, unfailing and copious supply of water is ensured. The Cauvery Station is served by the main broad-gauge rail-road from Mettupalayam to Madras. The area is also well served by National Highways. Thus road and rail transport facilities for movement and transport of goods and materials are available in ample measure. Arrangements have been made to acquire sufficient land to meet not only immediate requirements, but also the needs of future expansion.

RAW MATERIALS

The two major fibrous raw materials, which will be used are bamboo and sugarcane bagasse. Bamboo is the traditional paper-making material in India. Sugarcane bagasse is being used successfully in many countries. The paper-making characteristics of these two fibres are such that their combination will produce excellent printing and writing papers of various types and varieties.

There are a number of reserve forests within a radius of 40 to 60 miles from the mill site which will yield an abundant supply of bamboo required for the factory. The Company intends to secure from the Deccan Sugar and Abkhari Company, Ltd., supply of adequate quantities of sugarcane bagasse at reasonable costs.

POWER AND WATER SUPPLY

As against a total power requirement of 4,500 kw., the Company proposes to generate about 2,000 kw. by utilising the steam that is employed for diverse processes in the Mill. The balance of power requirement can be obtained from the Madras State Electricity Board's Grid, in respect of which the necessary assurances have been received.

The river Cauvery will provide unlimited quantity of good water for meeting the requirements of the Industry.

MARKETS

There is no paper mill in the State of Madras. The demand in this State together with the demand in the two adjoining States of Kerala and Andhra will far exceed the production in this Mill. Thus no marketing problem is expected to arise.

PLANT AND MACHINERY

An agreement has been entered into by this Company with Messrs. Parsons and Whittemore South Asia Company Inc., by which they undertake the complete engineering, erection and commissioning of the plant, and procure the bulk of the machinery, which will be of the latest design from U.S.A.; items of machinery and equipment of indigenous origin being reserved to be procured in India. The Government of India have been pleased to provide for the entire foreign exchange required for the project from the Export-Import Bank Loan Aid Programme.

The agreement with Messrs. Parsons and Whittemore South Asia Company Inc., provides specifically for the procurement of machinery suitable for producing not less than 60 long tons of paper per day of continuous operation; and for the designing of the factory buildings and the engineering, procurement and installation of the plant and machinery and its commissioning and operation to reach the guaranteed production stage.

The agreement provides for the delivery of machinery in India within 24 months from the date of contract but Messrs. Parsons and Whittemore South Asia Company Inc. have agreed to use their good offices to accelerate deliveries so that the factory can come into production in about two years' time.

Messrs. Parsons and Whittemore South Asia Company Inc. are well known to the Paper Industry as the export arm of Messrs. Black Classon who have world-wide reputation as paper machinery makers with special knowledge in the working of bamboo and bagasse. They have built many factories in the United States, as well as Europe and South America and have currently on hand a world-wide construction programme.

Import Licence CCP. No. 998532/EXIM/60/HQ/CG dated 4th July 1960 has been obtained from the Chief Controller of Imports and Exports, Government of India, for the import of the above plant and machinery and an irrevocable letter of credit has been opened through the United Commercial Bank Limited, in favour of the aforesaid suppliers, viz., Messrs. Parsons and Whittemore South Asia Company Inc., U.S.A.

CAPITAL OUTLAY AND MINIMUM SUBSCRIPTION

In respect of the public issue under this Prospectus, the minimum subscription on which the Directors will proceed to allotment is Rs. Fifty lakhs being Five lakhs of Equity shares of Rs. 10 each.

The Capital required to reach the stage of production is estimated to be as follows:—

	Rs.
(1) Land and Buildings	56,00,000
Machinery and equipment including freight and erection charges	4,43,00,000
Engineering fee and supervision expenses.	40,00,000
	5,39,00,000
(2) Preliminary Expenses	3,00,000
(3) Brokerage and underwriting commission	8,00,000
(4) Working Capital	50,00,000
Total ...	6,00,00,000

It is proposed to provide the said sum of Rs. 6 crores as follows:

Out of the proposed issue of share capital of Rs. 3,50,00,000, the signatories to the Memorandum, the Madras Industrial Investment Corporation Ltd., and friends of the Directors and promoters of the Company have already subscribed and have been allotted 20,01,000 Equity shares of Rs. 10 each. Out of the balance, 49,000 Equity shares are reserved for further allotment to the promoters and their friends. The balance of Rs. 1,45,00,000 consisting of 14,50,000 Equity shares, is now offered for public subscription.

The sum of Rs. 2,50,00,000 (being the difference between the estimated capital requirements of Rs. Six Crores and the Equity share capital of Rs. Three Crores and Fifty Lakhs) as well as any increase, if any in the actual cost over the estimated cost of the plant, machinery and facilities and any amount by which the allotment to the public out of the present issue falls short of Rs. 1,45,00,000 will be raised to the extent required by loans from the Bankers and other financial institutions and if necessary from other sources.

ESTIMATE OF PROFITS

The Company intends to instal up-to-date machinery and equipment and utilise modern manufacturing processes. Based on market conditions, the Directors are satisfied that the operation of this Mill will yield a satisfactory return on the capital invested.

The Company will enjoy the special benefits under the Indian Income-tax Act, 1922 as regards development rebate and depreciation; in addition, as a new Industrial undertaking, it will enjoy exemption from Income-tax for profits upto 6 per cent. on the Capital employed for the first five years of the Company's operation.

MANAGING AGENTS

The Company will be under the management of Messrs. Seshasayee, Parsons and Whittemore Private Limited, a private company formed jointly by Messrs. Seshasayee Brothers (Private) Limited of Tiruchirapalli and Messrs. Parsons & Whittemore Paper Mills Corporation, State of Delaware, U.S.A. Messrs. Seshasayee Brothers (Private) Limited are well-known industrialists and the Managing Agents of several successful industrial enterprises in South India. Messrs. Parsons & Whittemore have considerable experience in building and operating pulp and paper mills throughout the world. Their knowledge and know-how will be available to the Company for designing the plant and commissioning it. Their associate Company have subscribed Rs. 75,00,000 to the capital of the Company and thus have a substantial stake in its prosperity. The combined experience of these two organisations will ensure the speedy completion and successful operation of the Mill.

Articles 139 and 140 of the Company's Articles of Association provide for the appointment of Messrs. SESHASAYEE, PARSONS AND WHITTEMORE PRIVATE LIMITED as Managing Agents of the Company on the terms of a draft Managing Agency Agreement referred to therein. The Articles provide that subject to the approval of the Central Government, Seshasayee Parsons and Whittemore Private Limited shall be the Managing Agents of the Company on the terms of the draft agreement above referred to. The Managing Agents will be paid by way of remuneration a commission on the nett profits of the Company, at the following rates:—

10% on the first Rs. 10 lakhs or fraction thereof;
9% on the next Rs. 10 lakhs or fraction thereof;
8% on the next Rs. 10 lakhs or fraction thereof;
7% on the next Rs. 10 lakhs or fraction thereof;
6% on the next Rs. 10 lakhs or fraction thereof;
5½% on the next Rs. 25 lakhs or fraction thereof;
5% on the next Rs. 25 lakhs or fraction thereof;
4% on the balance of the net profits of the Company or fraction thereof.

In the event of inadequacy or absence of profits, the Managing Agents will be paid a minimum remuneration of Rs. 50,000 per annum. The expression "net profits" shall have the same meaning as defined under Sections 349 and 350 of the Companies Act, 1956.

DIRECTORS

The Articles provide that there shall be a minimum of six Directors and a maximum of twelve Directors including ex-officio Directors. The Articles further provide that the Board of Directors may at any time declare in respect of any Director that his continued presence in the Board is of advantage to the Company and that he shall not be liable to retirement by rotation. The maximum number of Directors not liable for retirement by rotation shall not exceed one-third of the total strength of the Board.

APPOINTMENT OF DIRECTOR BY THE MADRAS INDUSTRIAL INVESTMENT CORPORATION LIMITED

The Madras Industrial Investment Corporation Limited, so long as they hold equity shares of the face value of Rs. 30,00,000 in the capital of the Company, or so long as any monies are due by the Company in respect of any loan advanced by the Madras Industrial Investment Corporation Limited, or guaranteed by them, shall be entitled to appoint an ex-officio Director to the Board.

PRELIMINARY EXPENSES

The estimated amount of preliminary expenses (inclusive of about Rs. 1,00,000 towards expenses of this issue but exclusive of underwriting commission and brokerage) is Rs. 3,00,000 and will be paid and borne by the Company.

ISSUE OF SHARES

By a Resolution passed at an Extraordinary General Meeting dated 12th August 1960 directions have been given that the shares now issued need not be offered to the existing shareholders for subscription and that the Board of Directors shall be at liberty to offer and allot the whole or any portion of the issue for public subscription or allot in such manner as they deem fit.

UNDERWRITERS

The Company has entered into agreements with the Life Insurance Corporation of India, the following Banks and Brokers under which they have agreed to underwrite Equity shares of the face value set out respectively against their names.

Date	Name	Amount Rs.
16-8-1960 ..	Life Insurance Corporation of India, Bombay	25,00,000
Do. ..	The United Commercial Bank Ltd., Calcutta	25,00,000
Do. ..	The Bank of Baroda Ltd., Bombay	25,00,000
Do. ..	The Indian Overseas Bank Ltd., Madras	25,00,000
Do. ..	Devkaran Nanjee Banking Company Ltd., Bombay	15,00,000
Do. ..	Messrs. Chitra & Co., Madras ..	5,00,000
Do. ..	Messrs. Maconochie & Co., Madras	5,00,000
Do. ..	Messrs. Paterson & Co., Madras.	5,00,000
Do. ..	Messrs. P. R. Subramanyam, Bombay	5,00,000
Do. ..	Messrs. Lewis & Jones, Bombay.	5,00,000
Do. ..	Messrs. G. M. Pyne, Calcutta ..	5,00,000
	Total .. Rs.	1,45,00,000

The Directors are of opinion that the resources of the Underwriters are sufficient to discharge their respective underwriting obligations.

Under the said agreements, the Underwriters are entitled to an underwriting commission of 2½ per cent. of the face value of the shares respectively underwritten by them exclusive of brokerage, referred to below.

BROKERAGE

Subject to Clause 13 of the Articles of Association of the Company, brokerage at the rate of 1 per cent. will be paid on all allotments made in respect of applications bearing the stamp of a Bank or a recognised Broker. Brokerage on the same basis is payable to underwriters in addition to the underwriting commission, on allotments in respect of applications made or procured by them and bearing their respective stamps.

OTHER COMMISSIONS

The Madras Industrial Investment Corporation Limited will be paid commission at 2½ per cent. of the nominal value of the Equity shares subscribed by them.

INSPECTION OF DOCUMENTS

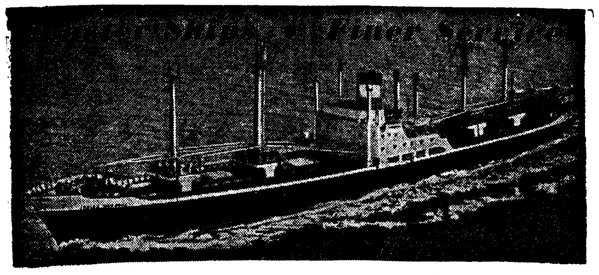
Originals and/or copies of the Memorandum and Articles of Association of the Company, Consent of the Controller of Capital Issues, Licence issued by the Government of India for establishing the industrial undertaking, Import Licence issued by the Chief Controller of Imports, Government of India, for the import of machinery, Auditors' Report, Contracts and agreements can be inspected at the Registered Office of the Company at No. 1, Alexandra Road, Cantonment, Tiruchirapalli-1, during the usual business hours on any business day for the period the subscription list remains open.

PROSPECTUS AND APPLICATION FORMS

Application for Equity shares must be made on the respective forms accompanying the Prospectus. Application should be for a minimum number of 100 Equity shares.

Copies of the Prospectus on the terms of which alone, applications will be considered and application forms may be obtained from the Registered Office of the Company, the Company's Bankers, the Underwriters and the Brokers whose names have been mentioned in the Prospectus.

Dated this 1st day of September 1960.



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Managing Agents: — LIONEL EDWARDS (PRIVATE) LTD.

DEVELOPMENT OF CHEMICAL FERTILISERS

PROGRESS MADE—PLANS FOR THE FUTURE

THE third Plan, now on the anvil, lays considerable emphasis on the promotion of agriculture. The total agricultural output is proposed to be raised by over 30 per cent. in the course of the next five years. As is well known, the scope for extending the area under cultivation is quite limited. In fact, in respect of land under cultivation, India occupies a leading position in the world, its cultivated area being about 158 million hectares, well over the total of all the European countries (excluding Russia) put together. Nevertheless, the per-acre production in India is deplorably low. This may be attributed to innumerable causes, such as poor production techniques, lack of adequate irrigation facilities and scarcity of fertilisers. It may be noted in this context that the Fertiliser Association of India, in its publication, *Fertiliser Statistics* 1959, has sought to make a special study of the contribution of fertilisers to the increase in production and to establish an interesting correlation between these two variables. Fertiliser consumption per-acre of agricultural land is no more than 1.17 lbs. in India, as against 190 lbs. in Japan, 182 lbs. in the Netherlands, 168 lbs. in Belgium, 133 lbs. in West Germany, 47 lbs. in the U.K. and 12 lbs. in the U.S. The low level of consumption of fertilisers in India explains, to a certain extent, the low productivity of its agriculture. The per-acre yield in respect of wheat is only 625 lbs. in India, whereas it amounts to as much as 1,927 lbs. in Japan, 3,542 lbs. in the Netherlands, 3,194 lbs. in Belgium, 2,810 lbs. in W. Germany, 2,846 lbs. in the U.K. and 1,302 lbs. in the U.S. This phenomenon is more or less true of other commodities also, as will be seen from Table I on this page.

Third Plan Target

Appropriately enough, the third Plan proposes to increase the consumption of nitrogenous fertilisers from about 360,000 tons at the end of the second Plan to one million tons in terms of nitrogen and of phosphatic fertilisers from about 67,000 tons to about 400,000-500,000 tons, by the end of the third Plan. (It may be recalled that a brief account of the programmes for fertiliser development in the third Plan appeared in these columns last week.) The straight chemical fertilisers consist of nitrogenous, phosphorous and potassic varieties. Table II shows the trend of progress in the utilisation of these fertilisers in India in recent years.

Of the above-mentioned three types of chemical fertilisers, nitrogenous fertilisers have been far more popular in India than others. The existing factories produce about 148,593 tons (in terms of nitrogen) of nitrogenous fertilisers. Factories under construction are expected to add 256,000 tons of N. It is expected to set up a few more units with an aggregate capacity to produce 602,500 tons of N. in the third Plan, making a total of over one million tons of N. The installed capacity of the existing units producing nitrogenous fertilisers is given in Table III.

The production of ammonium sulphate (in terms of nitrogen) rose from no more than 45,163 tons in 1952 to 78,738 tons in 1958, but declined to 76,412 tons in 1959.

Phosphatic Fertilisers

Among phosphatic fertilisers, the installed capacity of the existing factories producing superphosphate aggregated 80,752 tons in terms of P_2O_5. A few more factories with a total additional capacity of 60,552 tons have been licensed. Altogether, the total installed capacity of superphosphate will go up to 141,304 tons (in terms of P_2O_5) in the next few years. The production of superphosphate has been steadily rising from 7,464 in 1952 (in terms of P_2O_5) to 39,420 tons in 1959. It may be noted here that the current total installed capacity of sulphuric acid is 360,884 tons in India. The potassic fertilisers have not been produced indigenously. They are at present imported.

An interesting feature of the publication, *Fertiliser Statistics* is the inclusion of estimates of savings in foreign exchange that will accrue as a result of import of fertilisers or fertiliser plants, instead of foodgrains. For instance, it is computed that 250,000 tons of N. will produce about 2,500,000 tons of foodgrains. The foreign exchange cost of importing that much of foodgrains is estimated at as much as about Rs. 113.5 crores, whereas only Rs. 37.5 crores will be necessary if fertilisers are imported for raising the specified quantity of foodgrains. In fact, the import of a fertiliser plant that can turn out enough fertiliser to raise 2,500,000 tons of foodgrains will cost no more than Rs. 4.2 crores in foreign exchange. Table IV shows at a glance the saving that can be effected by the import of fertilisers and fertiliser plant, respectively, in the place of direct imports of foodgrains.

Fertiliser Statistics

A word about the *Fertiliser Statistics*. The present volume for 1959, which is priced at Rs. 5 per copy, is the fifth edition brought out by the Fertiliser Association of India. The object of the publication is to keep those engaged in the fertiliser industry and in the propagation of fertilisers informed of the various factors relating to the industry in India and abroad. The book is divided into two parts. Part I consists of fertiliser statistics and Part II of related statistics. Part I gives details regarding the industries concerned with the manufacture of straight and mixed fertilisers, installed capacity, production, consumption, prices, imports and exports, targets of consumption of nitrogen, phosphorus and potassium in the third Five-year Plan and world statistics. Certain useful information, such as the plant nutrients removed by crops and the average analyses of important fertilisers is also included in this part. Part II deals with land utilisation statistics, area and production of crops, irrigation, prices and world statistics.

In conclusion, it may be pointed out that side by side with the expansion of fertiliser industry, greater attention should be devoted to scientific research with a view to ensuring proper utilisation of fertilisers. This is of particular importance to India, with its different types of soil conditions, pattern of farming, etc. The findings of the research, it is needless to add, should be made available for the use of farmers in a manner that will be easily appreciated and assimilated by them.

TABLE I
Fertiliser Consumption and Yields

	Fertiliser consumption per acre (lbs.)	Yield per acre in lbs.						
		Paddy	Wheat	Maize	Barley	Grain*	Potatoes	Cotton (lint)
Japan	189.82	3,952	1,927	1,802	2,079	3,254	14,453	..
Netherlands	181.92	..	3,542	2,935	3,622	3,016	25,249	..
Belgium	167.69	..	3,194	4,282	3,069	2,928	22,215	..
W. Germany	132.95	..	2,810	2,524	2,561	2,477	20,967	..
U.A.R. (Egyptian Region)	78.55	4,961	2,061	1,802	2,088	2,482	14,007	473
France	49.36	3,720	2,114	2,373	1,972	1,942	13,651	..
U.K.	46.89	..	2,846	..	2,525	2,461	15,702	..
Austria	39.80	..	1,980	2,703	2,025	1,892	19,985	..
Italy	25.77	4,229	1,534	2,489	1,151	1,719	7,316	..
U.S.	11.47	3,203	1,302	2,641	1,401	1,849	17,308	393
Canada	3.27	..	1,053	3,229	1,106	1,122	13,650	..
Australia	1.22	..	669	1,517	580	630	11,241	..
India	1.17	1,052	625	704	723	694	5,353	89

* Grain includes wheat, rye, barley, oats, maize, millets, sorgum and paddy.

TABLE IV
(Value in crores of rupees)

	Capacity of N. to be achieved	*Additional foodgrains	Foreign exchange required for import of		
			Foodgrains	Fertilisers	Fertiliser plant
	(Tons)	(Tons)			
1960	250,000	2,500,000	113.5	37.5	4.2
1961	350,000	3,500,000	158.9	52.5	9.8
1962	400,000	4,000,000	181.6	60.0	23.8
1963	400,000	4,000,000	181.6	60.0	39.2
1964	700,000	7,000,000	317.8	105.0	43.4
1965	1,100,000	11,000,000	499.4	165.0	28.0
1966	1,500,000	15,000,000	681.0	225.0	56.0
			2,133.8	705.0	154.0

* It is assumed that 1 ton of nitrogen (N.) gives 10 tons of foodgrains and 20 tons of straw.

N.B.—1. It is assumed that all N. will be used on foodgrains. 2. Cost of foodgrains taken at Rs. 400 per ton and straw at Rs. 27 per ton. 3. Cost of imported N. taken at Rs. 1,500 per ton. 4. It is assumed that capital investment required will be Rs. 3,000 per ton of nitrogen capacity per annum, the corresponding foreign exchange requirement being Rs. 1,400. During the gestation period between planning and reaching the production stage, the percentage of investment in each year is assumed at 10, 10, 30, 40 and 10, respectively.

COKE OVENS AT DURGAPUR

The speed with which the Government of West Bengal is pushing through the project for doubling the production capacity of the coke ovens at Durgapur to 2,000 tons per day is, indeed, commendable. Although the Centre expressed its inability to make available sufficient foreign exchange for the project, which is estimated to cost a total of Rs. 6 crores (including the outlay on a coal washery and a producer gas plant), the State authorities have spared no effort to arrange for external finance. Their attempts have met with success. Messrs. INGRA of Zagreb in Yugoslavia have undertaken to execute the project in association with the Durgapur Industries Board. The agreement to this effect received the approval of the West Bengal Government recently.

Payment for equipment supplied by Messrs. INGRA will be in non-convertible rupees which will be spent in India to purchase sewing machines and other industrial goods, as well as a few raw materials. In other words, no spending of foreign exchange is directly involved and the responsibility for converting the rupees into exportable Indian goods is left to the Yugoslav firm. Even the fee for the services rendered by the foreign company (15 per cent. of the total estimated cost) will be paid in non-convertible rupees. What is more, the Yugoslav firm will secure part of the essential equipment from European countries by paying them in their respective currencies.

The coke oven plant now being put up at Durgapur will consist of three batteries of 78 ovens each; the first battery was lighted on 24th August 1959. The proposed expansion of capacity, it is said, will make the plant an economic unit, the annual rate of coke output being of the order

(*Continued on page 444*)

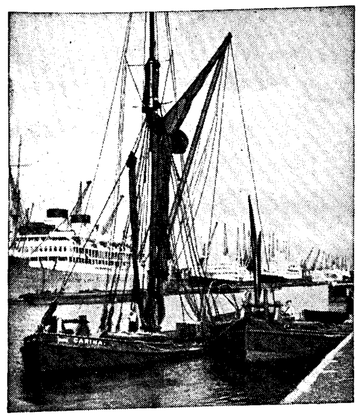
TABLE II
(In tons)

	Nitrogen			Phosphorus		Potash
	Produced	Imported	Distributed	Produced	Distributed	Distributed
1951	10,500	20,800	58,700	9,780	6,880	7,669
1955	79,927	52,020	111,000	12,593	12,812	10,826
1956	79,743	55,500	125,000	13,323	15,624	10,940
1957	77,867	103,695	150,000	23,206	21,576	15,528
1958	78,738	98,416	165,456	26,784	27,212	16,503
1959	76,412	100,000	170,000	39,420	38,887	28,986

N.B.—Potash is entirely imported.

TABLE III
(In tons)

	Installed capacity	
	Material	Nutrient (N)
Ammonium Sulphate		
Sindri Fertilisers, Sindri	350,000	71,750
F.A.C.T., Alwaye	44,500	9,122
Tata Iron and Steel Co., Jamshedpur	16,500	3,382
Bhilai Steel Works, Bhilai	16,000	3,280
Indian Iron and Steel Co., Burnpur	9,240	1,895
Mysore Chemicals and Fertilisers, Belagula	6,500	1,333
Indian Iron and Steel Co., Kulti	1,650	338
Burrakur Coal Co., Bansjora	1,250	256
Bararee Coke Co., Loyabad	1,155	237
Total	446,795	91,593
Other Fertilisers		
Sahu Chemicals, Varansi (Ammonium chloride)	40,000	10,000
Sindri Fertilisers—		
Urea	24,000	10,000
Ammonium sulphate nitrate	148,000	37,000
Grand Total	—	148,593



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ANOTHER YEAR OF BUMPER RESULTS FOR GWALIOR RAYON

CAPACITY OF THE WOOD-PULP PLANT TO BE RAISED BY 50 PER CENT.

THE recommendation of the Directors of the Gwalior Rayon Silk Manufacturing (Weaving) Company Ltd. (Managing Agents: Birla Gwalior Private Ltd., Nagda) to raise the dividend on ordinary shares of the Company for the year ended 31st March 1960 from 10 per cent. free of tax (paid for 1958-59) to 20 per cent., subject to deduction of tax, or 14 per cent. tax-free, is fully justified by the excellent performance of the Company during the year. The production of staple fibre has gone up from 3.53 million lbs. to 4.61 million lbs. Thanks to a good demand, particularly for crimped and spun dyed staple fibres, the production of which was started last year, the sales have jumped up from Rs. 8.37 crores to Rs. 9.71 crores and the gross profit from Rs. 2.51 crores to Rs. 3.50 crores. The production, sales and gross profit are all at a new high. Along with the rise in profit, the ratio of gross profit to sales has also improved from 30 per cent. in 1958-59 to 36.1 per cent. in the year under review.

A sum of Rs. 29.34 lakhs has been provided for managing agency commission, as against Rs. 11.95 lakhs a year ago. This includes Rs. 6.33 lakhs being the additional commission due in respect of 1957-58 and 1958-59 following the finalisation of the managing agency remuneration with effect from 1st April 1957. Pending the finalisation of this, the Directors had made a provision in the previous year's accounts at the rate of 5 per cent. In the course of the year under review, the Government approved of a remuneration at 7½ per cent. Accordingly, the provision for managing agency commission for the years 1957-58 and 1958-59 has been brought up to 7½ per cent. The managing agency agreement has been renewed for a period of 10 years from 15th August 1960 at the statutory scales of remuneration.

As a result of the sharp cut in the provision for depreciation from Rs. 204.44 lakhs to Rs. 43.70 lakhs and in the absence of any provision for tax liability (for which a sum of Rs. 14.75 lakhs had been set aside for 1958-59), the net profit stands at Rs. 277.45 lakhs, as against Rs. 20.41 lakhs for the previous year. The Directors have not made any provision for taxation, because the Company's claim for exemption from income-tax and super-tax liability granted by the old Gwalior State Government for a period of 12 years, but not accepted by the Central Board of Revenue, has been upheld by the Madhya Pradesh High Court. However, the estimated liability in respect of 1959-60, should a liability be ultimately established, is Rs. 135 lakhs. This contingency is anticipated by the Directors and they have accordingly set aside to the general reserve Rs. 175 lakhs, made up of Rs. 165 lakhs from the year's profit and another Rs. 10 lakhs from the reserve for taxation, which will more than cover the contingent liability. The Company had also deducted last year Rs. 2.85 lakhs from the dividends on the then 6 per cent. taxable preference shares, and this would be refunded to the shareholders if the Company's claim for exemption from income-tax and super-tax for the period of agreement with the old Gwalior State Government is finally accepted. If the Company were to succeed in getting exemption from tax liability, the aforesaid allocation to the reserve would serve to strengthen considerably its financial position. In addition, the Directors have added Rs. 1.12 lakhs to the development rebate reserve; this is on top of Rs. 59.60 lakhs provided a year ago.

The arrears of preference dividends (including those in respect of the year under review) from 1st January 1955 have been cleared in full, absorbing Rs. 53.14 lakhs. It will be recalled in this connection that the Company's 6 per cent. taxable preference shares were converted into 6 per cent. tax-free 'A' preference shares with effect from 29th September 1958. The dividend on these, as well as that on the new 6 per cent. tax-free 'B' preference shares issued in 1958, was raised, in April 1960, to 8.57 per cent. gross, so that, after deduction of tax as provided in Section 18(3D) of the Income-tax Act, the shareholders would continue to get a net dividend of 6 per cent. The ordinary dividend at 20 per cent. (gross) absorbs Rs. 50 lakhs, leaving a surplus of Rs. 20.81 lakhs to be carried forward, including Rs. 12.63 lakhs, brought in, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales (gross)	9,70 73	8,36 63	3,70 86	3,00 81
Other income ..	12 99	6 72	3 96	0 33
Closing stocks of finished goods ..	55 76	41 40	80 74	38 52
Raw materials consumed ..	4,37 13	3,71 48	2,34 68	2,09 51
Other expenses	1,95 63	2,20 31	72 13	83 56
Gross profit	3,50 49	2,51 55	68 02	98 81
Managing Agents' commission	29 34	11 95	0 71	1 39
Provision for—				
Depreciation	43 70	2,04 44	32 50	1,32 00
Taxation	..	14 75	..	..
Net profit (+) or loss (—) ..	+2,77 45	+20 41	+34 81	—34 68
To reserves	1,66 12	59 60	6 50	..
Dividends—				
6 per cent. preference ..	53 14*	23 67	..	..
Ordinary	50 00 (20%)*	25 00 (10%)	.. ..	.. ..
Carry forward	20 81	12 63	1,00 49	72 17

* Subject to deduction of tax.

The Company's production capacity of staple fibre is being fully utilised now. An application for amending the industrial licence for the proposed wood-pulp plant in Kerala so as to permit an increase in its production capacity from 100 tons to 150 tons per day has already been made and is expected to be sanctioned shortly. Orders have been finalised for most of the machinery for the wood-pulp plant. The construction work at the site of the plant will be in full swing in a few months' time. The total capital expenditure for this project will, according to the Directors, be of the order of Rs. 7 crores. The Directors and the Managing Agents say that they do not anticipate any difficulty in providing the finances for this project. This means that they do not propose to issue any new shares for the present.

The Company's experiments for evolving a process by which the strength of the staple fibre in the wet stage could be improved are said to be heartening and further research on the subject is continuing. If ultimately the experiments prove successful, the staple fibre, it is stated, can easily replace the use of foreign cotton in a large variety of fabrics and will incidentally save a lot of foreign exchange which is being spent now on import of long-staple cotton.

Subject to the contingency regarding the tax liability referred to above, the Company's reserves and surplus stand at Rs. 260.28 lakhs, representing nearly 65 per cent. of the paid-up capital of Rs. 400.76 lakhs. The current liabilities and provisions aggregate Rs. 223.40 lakhs and these are covered by a large margin by cash balances alone which are standing at Rs. 378.37 lakhs, out of the total current assets amounting to Rs. 646.67 lakhs. The additions to the block account during the year under review amount to Rs. 26.51 lakhs, raising the gross value thereof to Rs. 642.53 lakhs. The depreciation written off up to the end of the year under review is Rs. 412.24 lakhs, so that the book value of the fixed assets is no more than Rs. 230.29 lakhs. The capital expenditure so far on the pulp project is Rs. 7.48 lakhs.

The recent sharp upward trend in the Company's Rs. 10 fully paid-up ordinary shares would appear to be largely justified by the impressive results for the year under review. For even at the current level of Rs. 45.50 *cum-div.*, the yield is 3.1 per cent. per annum, free of tax, and is in line with the current yield pattern of first class equities.

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FURTHER CAPITAL TO BE RAISED

AN increase of Rs. 2.61 lakhs to Rs. 25.60 lakhs in gross profit is disclosed by the accounts of the Mettur Chemical and Industrial Corporation Ltd. (Managing Agents: Messrs. Seshasayee Brothers Private Ltd., Mettur Dam R.S.) for the year ended 31st March 1960. This improvement has not only more than made good the setback witnessed in the previous year but enabled the Company to earn a record profit, despite some adverse factors. The production of main chemicals, for instance, was affected by the interruptions due to power restrictions and failures, as well as heavy wear and tear of the plant. Besides, the Government of India, on the recommendation of the Tariff Commission, imposed ceiling prices for caustic soda, liquid chlorine and hydrochlorine with effect from 27th October 1959 which cut into the Company's profit-margin. If, however, the Company has been able to earn a higher profit than in the previous year, it is because of the higher production of chemicals than in 1958-59. In other words, the Company would have fared still better but for the adverse factors mentioned above.

The net profit, at Rs. 11.84 lakhs, represents an increase of Rs. 4.65 lakhs over that for the previous year. This increase is much larger than that in the gross profit, thanks to the cut in the provision for taxation from Rs. 7.25 lakhs to Rs. 4.75 lakhs, in view of the refunds due to the Company on account of exemption under Section 15(C) of the Income-tax Act. Of the net profit, a sum of Rs. 3.50 lakhs has been ploughed back and Rs. 34,311 has been utilised to write off the share and debenture issue expenses. A dividend of 12.5 per cent., subject to deduction of tax, on ordinary shares has been recommended by the Directors. This is equivalent to a tax-free return of 8.75 per cent. and is more or less the same as that (8.8 per cent.) paid for the previous year. It must, however, be noted that, of the dividend for the year under review, the final distribution, at 6¼ per cent., subject to tax, is on a higher capital following the issue during the year of fresh equity capital to the tune of Rs. 19.50 lakhs. With regard to the dividend on the 6 per cent. tax-free preference shares, the Directors have followed a rather unusual practice, not by design but by circumstances. The interim dividend of 3 per cent. was grossed and a deduction of 30 per cent. tax was made on the grossed amount, so that the shareholders got a net dividend of 3 per cent. This was in accordance with Section 18(3E) of the Income-tax Act. This section has since been deleted and the Directors have, therefore, been obliged to deduct tax under Section 18(3D) from the final dividend. They have, however, grossed the final dividend at the Company's rate of income-tax of 20 per cent. and then deducted the 30 per cent. tax from this grossed amount, so that the net final dividend is only 2.625 per cent. and brings the total preference dividend for the year under review to 5.625 per cent. (net).

The Company's progress since 1956-57 is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	1,17 32	1,21 37	1,17 03	96 89
Other income	1 04	1 31	1 61	1 54
Closing stocks	6 57	6 23	4 87	9 38
Raw materials, power and fuel consumed	48 12	53 60	46 31	43 54
Other expenses	45 55	46 01	47 47	33 06
Gross profit	25 60	22 99	24 86	20 98
Managing Agents' remuneration	2 05	2 00	2 18	1 67
Provision for—				
Depreciation	6 96	6 55	5 77	6 81
Taxation	4 75	7 25	9 48	7 00
Net profit	11 84	7 19	7 44	5 96
To reserves	3 50	2 54	1 49	0 69
.. gratuity	..	..	2 00	..
Issue expenses written off ..	0 34	..	..	..
Dividends—				
6 per cent. preference ..	1 61*	1 20	1 20	1 20
Ordinary	6 28 (12½%)*	3 56 (8 8%)	3 54 (8 75%)	3 04 (7 5%)
Carry forward	0 13	0 19	0 30	1 11

* Subject to deduction of tax.

The Company produced during the year 5,066 tons of caustic soda (as against 3,733 tons in the previous year), 4,489 tons (5,147 tons) of bleaching powder and 1,142 tons (*nil*) of liquid chlorine. While the overall production of chemicals was higher than in 1958-59, it is said to be below the target. As stated earlier, the Government of India fixed the ceiling prices for caustic soda, liquid chlorine and hydrochloric acid with effect from 27th October 1959. Since the close of the year (from 1st June 1960), the Government has imposed ceiling price for stable bleaching powder also, of which the Company is the only manufacturer in India. The ceiling price for stable bleaching powder is considered by the Company to be uneconomic. The Company has made strong representations to the Government for a suitable increase in price or a fresh enquiry into the cost of production of bleaching powder. The production of vegetable oil products and soaps is said to have been satisfactory and the selling prices have yielded a fair margin of profit.

The Company has, since the close of the year, stepped up the production of stable bleaching powder, consequent on the duplication of the plant. While the present capacity is sufficient to meet the entire requirements of the country, the demand is currently below production, consequent on the extensive use of bleach liquor and hydrogen peroxide in Bombay and other areas as a bleaching agent. The Directors, however, anticipate a better balance between demand and supply shortly. The scheme for doubling the production of caustic soda from 20 to 40 tons per day, with a corresponding increase in the output of chlorine, is going ahead. A part of the equipment has already been received. It is expected that the plant will be got ready for production in the first quarter of 1961-62. The entire expansion programme (including the duplication of the stable bleaching powder plant, now in commission) is estimated to cost Rs. 75 lakhs, of which capital to the extent of Rs. 19.5 lakhs was raised last year. Of the balance, the Industrial Finance Corporation of India has sanctioned a loan of Rs. 33 lakhs and it is proposed to issue further equity capital for Rs. 20 lakhs to cover the balance of the requirements. The additional equity capital will be issued towards the end of September to all the existing shareholders, preference and ordinary alike. The consent of the C.C.I. has already been obtained for this issue. Besides the expansion programme on hand, the Company is actively pursuing several new schemes for diversifying its lines of manufacture. These consist of polyvinyl chloride and other chlorine based products.

The present paid-up capital of the Company is Rs. 79.25 lakhs and this is supplemented by reserves and surplus aggregating Rs. 22.49 lakhs. The total outstanding borrowings as at the end of March 1960 are Rs. 34.54 lakhs, of which debenture loans account for Rs. 27.75 lakhs, including Rs. 15 lakhs raised during the year under review. The other current liabilities and provisions stand at Rs. 32.14 lakhs. The gross block of the value of Rs. 143.66 lakhs (including additions during the year amounting to Rs. 21.76 lakhs) has been written down to Rs. 70.23 lakhs. The current assets aggregate Rs. 100.20 lakhs and more than adequately cover the borrowings and other current liabilities. Of the current assets, investments in Travancore-Cochin Chemicals Ltd., under the same management, account for Rs. 10 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 14.70 *cum-div. cum-right.* On an *ex-div.* basis, the yield works out to 6.3 per cent. per annum, free of tax.

MANAGEMENT ACCOUNTANCY

The two-day seminar on management accountancy, held at New Delhi from 19th to 21st August, under the auspices of the Department of Company Law Administration, should turn the spotlight on accountancy as a management tool. The object of management accountancy, in the words of Prime Minister Mr. Nehru, who inaugurated the seminar, is "to supply, by scientific and well-thought-out methods, data for us to know what we have actually done and not what we have put down on paper, how we have done it and how we can improve doing it by raising productivity." The technique of management accountancy is based on the concept of promise and performance which sought to show the way to maximum efficiency and helped achieving the highest output at the lowest cost. It no doubt serves both as a check and a guide or aid to executives at all levels.

The seminar, in which experts from both the private and public sectors participated, was primarily meant for familiarising executives in both sectors with the principles of management accountancy. It may be recalled that the Government recently set up an advisory committee to collect the necessary information about the structure and organisation of accounting systems prevalent in the country.

Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, in his address at the seminar, called upon the undertakings in the public sector to give a lead to those in the private sector by adopting the system of management accountancy. Public enterprises, in this country at any rate, have yet to prove as readily receptive to new ideas as private firms. If, however, in response to the Minister's call, they were to show a new dynamism in giving the lead, companies in the private sector will only be too glad to follow suit. Let there be cordial competition between the two sectors in improving management efficiency. One, however, should not be surprised, if the competition were to end like the proverbial race between the hare and the tortoise.

BURMAH-SHELL REFINERIES

GROSS PROFIT DWINDLES

NOTWITHSTANDING an increase of 208,540 metric tons to 2,476,975 metric tons in throughput, thanks to the facilities provided by the Government of India for processing additional quantities of crude oil, the income from refining of the Burmah-Shell Refineries Ltd. for the year ended 31st December 1959 has declined and there is a corresponding drop in gross profit also. The income from refining has dropped by Rs. 32 lakhs to Rs. 12.77 crores, mainly due to the voluntary surrender of all remaining duty-protection on furnace oil, high speed diesel oil, light diesel oil and bitumen manufactured at the Refinery. Other income also shows a fall of Rs. 7 lakhs to Rs. 16.95 lakhs. The decline of Rs. 39 lakhs in the total income has, however, been offset to a large extent by the reduction of over Rs. 25 lakhs in expenses, at Rs. 5.72 crores, mainly on account of the saving of Rs. 27 lakhs on fuel and power.

The provision for depreciation is slightly higher at Rs. 1.72 crores, while that for taxation has been reduced from Rs. 2.51 crores to Rs. 1.90 crores, consequent on the reduction in the rate of tax and the changes in the methods of taxation introduced under the Finance Act 1959. This reduction in tax provision mainly accounts for the increase in net profit, at Rs. 3.60 crores, as compared with that (Rs. 3.13 crores) for 1958. Except for a sum of Rs. 9.12 lakhs added to the development rebate reserve, the Directors have not added anything to the reserves, which had received Rs. 93.60 lakhs a year ago including Rs. 3.60 lakhs transferred to the development rebate account. They have declared a dividend of 18 per cent., subject to deduction of tax, as against 15 per cent. per annum paid for the years 1958 and 1957. Income-tax at the rate of 20 per cent., subject to any relief which the shareholders will be entitled under Section 15(C) of the Income-tax Act, is payable on these dividends. In recommending the aforesaid gross dividend of 18 per cent., the Directors have borne this fact in mind, so that the shareholders might get the same net dividend as they obtained for 1958. The gross dividend for the year under review absorbs over Rs. 41 lakhs more than in the previous year. Even so, the surplus left to be carried forward is substantially large, at Rs. 1.55 crores including Rs. 54 lakhs brought in from the previous year, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Income from refining ..	12,76 91	13,08 84	14,07 29	16,47 22
Other income	16 95	23 87	22 52	27 04
Expenses	5,72 54	5,97 90	6,75 06	5,82 93
Gross profit	7,21 32	7,34 81	7,54 75	10,91 29
Provision for—				
Depreciation	1,71 67	1,70 76	1,68 43	1,48 80
Taxation	1,90 00	2,50 83	1,62 52	3,10 00
Net profit	3,59 65	3,13 21	4,23 80	6,32 49
To reserves	9 12	93 60	1,80 00	5,11 00
Preference share issue expenses	0 17	..	..	..
Dividend	2,48 76 (18%)*	2,07 30 (15%)	2,07 30 (15%)	3,06 31 (21½%)
Carry forward	1,55 57	53 97	41 66	5 15
Throughput of refinery (metric tons) ..	2,476,975	2,268,435	2,333,614	2,398,291
Yield of finished products (metric tons)	2,429,528	2,225,910	2,283,876	2,233,050

* Subject to deduction of tax.

The year 1959 is the last year for which the Company will have the tax benefit under Section 15(C) of the Indian Income-tax Act. Also, consequent on the voluntary surrender of duty protection from 1st July 1959, there will be no further income from this source on products currently manufactured at the Refinery. The prosperity of the Company from 1960 onwards, therefore, depends largely on the income from refining and the efficiency of operation. In this respect, the Chairman of the Company, Mr. P. D. Tew, as will be seen from the full text of his statement published elsewhere in this issue, is fully confident that the management will be able to "maintain the efficiency at a standard which has already been proved second to none."

The Company's balance-sheet as on 31st December 1959 shows that the paid-up capital of Rs. 13.82 crores is supplemented by reserves and surplus aggregating Rs. 12.30 crores. The gross block of the value of Rs. 26.30 crores has been written down to Rs. 18.51 crores. Construction works in progress amount to Rs. 21 lakhs. The current assets aggregate Rs. 19.46 crores and more than adequately cover the current liabilities and provisions at Rs. 12.27 crores, including a debenture loan of Rs. 8 crores.

COMPANY MEETINGS AND DIVIDENDS

CLEVEDON TEA CO., LTD. Annual General Meeting, Calcutta, 5th September 1960. Dividend: 25 per cent. or Rs. 2.50 per share, subject to deduction of tax. The dividend will be paid when funds are available in India. Transfer books remain closed from 26th August to 5th September 1960, both days inclusive.

HANSQUA TEA CO., LTD. Annual General Meeting, Calcutta, 5th September 1960. Dividend: 17½ per cent. or Re. 1.75 per share, subject to deduction of tax. Transfer books remain closed from 25th August to 5th September 1960, both days inclusive.

A. V. THOMAS AND CO., LTD. Annual General Meeting, Alleppey, 7th September 1960. Dividend: 20 per cent. or Rs. 2.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 1st to 7th September 1960, both days inclusive.

HIGHLAND PRODUCE CO., LTD. Annual General Meeting, Alleppey, 7th September 1960. Dividend: 15 per cent. or Re. 1.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 1st to 7th September 1960, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Annual General Meeting, Calcutta, 9th September 1960. Dividend: 7½ per cent. or Rs. 7.50 per ordinary share, subject to deduction of tax, payable on or after 23rd September 1960. Transfer books remain closed from 27th August to 9th September 1960, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Annual General Meeting, Calcutta, 9th September 1960. Dividend: 5 per cent. or Rs. 3.75 per ordinary share, subject to deduction of tax, payable on or after 23rd September 1960. Transfer books remain closed from 27th August to 9th September 1960, both days inclusive.

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD. Annual General Meeting, Mettur Dam R.S., 12th September 1960. Dividend: 12½ per cent. or Re. 1.25 per ordinary share, subject to deduction of tax (includes interim dividend of 6¼ per cent. or Re. 0.625 per share). Transfer books remain closed from 27th August to 12th September 1960, both days inclusive.

NATIONAL MACHINERY MANUFACTURERS LTD. Annual General Meeting, Bombay, 14th September 1960. Dividend: Nil. Transfer books remain closed from 29th August to 14th September 1960, both days inclusive.

KATRAS JHERRIAH COAL CO., LTD. Annual General Meeting, Calcutta, 14th September 1960. Dividend: Rs. 9.50 per share (includes interim dividend of Rs. 3.50 per share) subject to deduction of tax. Transfer books remain closed from 1st to 14th September 1960, both days inclusive.

ONDAL COAL CO., LTD. Annual General Meeting, Calcutta, 16th September 1960. Dividend: 7 per cent. or Re. 0.70 per ordinary share, subject to deduction of tax, payable on or after 1st October 1960. Transfer books remain closed from 2nd to 16th September 1960, both days inclusive.

DUNCAN BROTHERS & CO., LTD. Annual General Meeting, Calcutta, 17th September 1960. Transfer books will remain closed from 5th to 17th September 1960, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Annual General Meeting, Calcutta, 21st September 1960. Dividend: 19 per cent. or Re. 1.90 per share, final (making a total of 25 per cent. or Rs. 2.50 per share, subject to deduction of tax, for the year). Transfer books will remain closed from 14th to 21st September 1960, both days inclusive.

IMPERIAL TOBACCO CO. OF INDIA LTD. Annual General Meeting, Calcutta, 21st September 1960. Dividend: Re. 0.30 per share, final (making a total of Re. 0.80 per share for the year ended 31st March 1960), subject to deduction of tax, payable on 24th September 1960. Transfer books remain closed from 29th August to 21st September 1960, both days inclusive.

PORT SHIPPING CO., LTD. Annual General Meeting, Calcutta, 23rd September 1960. Dividend: *Nil.* Transfer books will remain closed from 16th to 23rd September 1960, both days inclusive.

MYSORE PAPER MILLS LTD. Annual General Meeting, Bangalore City, 7th October 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 19th September to 7th October 1960, both days inclusive.

COMPANY REGISTRATIONS

DESMET EXTRACTIONS (INDIA) PRIVATE LTD. Business: Mechanical engineers, iron founders, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 28, Shanti Niketan, 95A, Marine Drive, Bombay 2.

HERCULES ROLLING SHUTTERS PRIVATE LTD. Business: Iron founders, mechanical engineers, etc. Authorised capital: Rs. 5,00,000. Private company.

PROCESSING EQUIPMENT CO. PRIVATE LTD. Business: Manufacturers of all types of machinery. Authorised capital: Rs. 5,00,000. Private company. Address: Off Haines Road, Mahalaxmi, Bombay 11.

GOREGAON ELECTRICAL INDUSTRIES PRIVATE LTD. Business: Manufacturers and dealers in metal tubes, sheets, capsules, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 413C, Kalbadevi Road, Bombay 2.

HINDUSTAN GEARS PRIVATE LTD. Business: Manufacture of gears and gear wheels of all kinds. Authorised capital: Rs. 5,00,000. Private company.

N.B.—All the above companies are registered in the State of Maharashtra.

SYNOPSES OF COMPANY REPORTS

Rameshwara Jute Mills Ltd.

THE directors of the above Company (Managing Agents: Hindusthan Investment Corporation Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1960.

The year's working shows a surplus of Rs. 6.27,477 (Rs. 7,94,577). Out of this, provisions have been made for depreciation, [including Rs. 1,25,000 (*nil*) on account of unabsorbed depreciation] amounting to Rs. 2,09,917 (Rs. 72,662), for development rebate reserve Rs. 24,653 (Rs. 7,652) and for taxation Rs. 45,142 (Rs. 4,000 for wealth tax) leaving a sum of Rs. 3,47.765 (Rs. 7,10,263). To this is added the credit balance of Rs. 2,706 (debit balance of Rs. 7,07,557) brought forward from the previous year making a total of Rs. 3,50,471 (Rs. 2,706). The directors now recommend payment of arrears of dividend, subject to deduction of tax under Section 18 (3D) of the Income-tax Act, on 70.000 cumulative preference shares of Rs. 10 each at 8.57 per cent. for the period from 1st October, 1950 to 31st March, 1956 (i.e., for 5½ years) absorbing Rs. 3,29,945 leaving a balance of Rs. 20,526 (Rs. 2,706) to be carried forward to the next account.

Further depreciation amounting to about Rs. 10.75 lakhs still remains to be provided for upto the end of the year under report. There also remains a contingent liability of about Rs. 2.40 lakhs in respect of arrears of dividend on cumulative preference shares upto 31st March 1960.

As a result of impetus given to agricultural production and industrial production by the Second Five-year Plan, internal demand for jute goods improved considerably during the year. The Company's production at present is confined mainly to the manufacture of cement bags, which are supplied to the factories under the A.C.C. group.

Prospects of the 1959-60 jute crop were good in the beginning, but as the season advanced, crop estimates were revised downward, the latest estimate being a crop of only 55 lakhs of bales for India. As a result of this expected shortage in the supply of raw jute, there was a steep rise in the price of raw jute in the beginning of 1960. The situation was further aggravated by an unprecedented drought in the jute growing belts during the months of April and May. Weather conditions, however, turned favourable from the fourth week of May 1960, and prospects for the 1960-61 crop are now considered good, although the crop will be late by about two months. As a measure to meet this emergency in raw jute supply on an industry-wise basis, the Indian Jute Mills' Association decided to allow its members to close down, with effect from the 6th of June 1960, as many looms according to their convenience and to allow the working-hours so lost to be made up at any time after the 31st of October 1960. Accordingly, under this scheme, the Company has also sealed temporarily some additional looms, but they will be opened again as soon as the new-season jute starts arriving in plenty.

These adverse developments have somewhat changed the favourable trading conditions, which prevailed in 1959 and the profit of this year may not be so good.

In order to improve its competitive position, the directors have decided to modernise the Company's mill machinery upto the spinning stage by installing the latest type of equipment, which will also result in economy in labour. Orders have accordingly been placed with the machinery suppliers and it is expected to complete this modernisation programme by the end of 1961. The total amount required to complete this modernisation scheme is estimated at about Rs. 35 lakhs.

Messrs. Birla Brothers Private Ltd., ceased to act as managing agents of the Company with effect from the close of 31st March 1960 and as on and from the 1st April 1960 Messrs. Hindusthan Investment Corporation Ltd., were appointed managing agents for a term of five years on a sliding scale of remuneration as approved by the Central Government. Their appointment was duly approved by the shareholders in the general meeting held on 28th August 1959.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	27,00,000	Gross block	33,96,467
Reserves ...	42,629	*Less*—Depreciation ...	12,06,763
Provision for taxation ...	45,142		
Liabilities ...	22,74,683	Net block	21.89,704
Profit and loss account (surplus)	20,526	Stock-in-trade	20,56,653
		Stores, etc.	6,19,202
		Book debts	1,27,164
		Investments	72,369
		Cash ...	17,888
	Rs. 50,82.980		Rs. 50,82.980

Ossoor Estates Ltd.

The directors of the above Company (Secretaries: Messrs. Peirce Leslie & Co., Ltd., Mangalore) submit the audited accounts of the Company for the year ended 31st March 1960.

The acreage figures are as follows: Arabica bearing 360 acres; robusta: bearing 150 acres; oranges: non-bearing 36 acres and jungle, waste land, wet land, etc., 264 acres. The total area is 810 acres. The small difference in the total acreage when compared to the figure given in last year's directors' report is due to the fact that an area of 16 acres was sold to the Coffee Board for purposes of a small research station.

After providing for depreciation and all charges except taxation the accounts show a profit of Rs. 2,02,526 (Rs. 1,24,592). To this is added the balance brought forward from last year of Rs. 4,161 (Rs. 12,069) making a total of Rs. 2,06,687 (Rs. 1,36,661). After deducting provision for taxation of Rs. 60,750 (Rs. 35,000), interim dividend of 5 (*nil*) per cent. paid Rs. 32,500 (*nil*) and transfer to general reserve of Rs. 6,000 (*nil*), there remains a balance of Rs. 1.07,437 (Rs. 1.01,661). The directors recommend payment of a final dividend of 10 (15 per cent. tax-free) per cent. subject to tax, absorbing Rs. 65,000 (Rs. 97,500) leaving a balance to be carried forward of Rs. 42,437 (Rs. 4,161).

Crop and Costs.—A total crop of 135,230 (110,471) metric tonnes was harvested during the year and delivered to the Coffee Board. This has been valued at Rs. 2.25 per point or Rs. 2,849 per metric tonne. A comparative statement of production and costs for the previous two years is given below:

Year	Crop (Metric tonnes)	Estate expenditure per metric tonne	All-in cost per metric tonne
1957-58 ..	217.596	Rs. 1,377	Rs. 1,563
1958-59 ..	110.471	,, 2,552	,, 2,914
1959-60 ..	135.230	,, 1,970	,, 2,225

Final payment on 1957-58 crop has been received making the total for the year Rs. 2.51 per point. This is equivalent to Rs. 3.395 per metric tonne. 1958-59 crop has been revalued at Rs. 2.40 per point being the figure so far declared by the Coffee Board and this is equivalent to Rs. 3,260 per metric tonne. The 1960-61 crop has been estimated at 140 metric tonnes and the all-in-cost of production at Rs. 2,107 per metric tonne.

A sum of Rs. 41,267 was spent on capital account during the year mainly on the construction of a new bungalow. Capital expenditure for the year 1960-61 is estimated at Rs. 25,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	6,50,000	Goods block	7,75,530
Reserves ...	5,71,464	*Less*—Depreciation ...	67,539
Provision for taxation ...	1,67,359		
Liabilities ...	2,09,263	Net block	7,07,991
Profit and loss account (surplus)	42,437	Stock of coffee	3,13,707
		Stores, etc.	30.227
		Book debts	13,460
		Investments	95,119
		Cash ...	4,80,019
	Rs. 16,40,523		Rs. 16,40,523

Wartyhully Estates Ltd.

The directors of the above Company (Secretaries: Messrs. Peirce Leslie & Co., Ltd., Mangalore) submit the audited accounts of the Company for the year ended 31st March 1960.

The acreage figures are as follows: Arabica: bearing 924 acres; robusta: bearing 50 acres; robusta: non-bearing 53 acres and jungle, waste land, wet land, etc., 170 acres.

After providing for depreciation and all other charges except taxation, the accounts show a profit of Rs. 2,78,222 (Rs. 5,69,643). To this is added the balance brought forward from last year of Rs. 1,56,211 (Rs. 2,77,068), making a total of Rs. 4,34,433 (Rs. 8,46,711). After deducting provision for taxation of Rs. 89.000 (Rs. 2,15,000), 5 (*nil*) per cent. interim dividend paid Rs. 60,000 (*nil*) and transfer to general reserve of Rs. 50,000 (Rs. 3,00,000), there remains a balance of Rs. 2,35,433 (Rs. 3,36,211). The directors recommend payment of a final dividend of 10 (15 per cent. free of tax) per cent. subject to tax, absorbing Rs. 1,20,000 (Rs. 1,80,000) leaving a balance to be carried forward of Rs. 1,15,433 (Rs. 1,56,211).

Crop and Costs.—A total crop of 171.045 (314.500) metric tonnes was harvested during the year and delivered to the Coffee Board. This has been valued at Rs. 2.25 per point or Rs. 3,363 per metric tonne. A comparative statement of production and costs for the past two years is given below:

Year	Crop (Metric tonnes)	Estate expenditure per metric tonne	All-in cost per metric tonne
1957-58 ..	372.468	Rs. 1,597	Rs. 1,764
1958-59 ..	314.500	Rs. 1,875	Rs. 2,095
1959-60 ..	171.045	Rs. 2,914	Rs. 3,260

Final payment on 1957-58 crop has been received making a total for the year Rs. 2.51 per point. This is equivalent to Rs. 3,778 per metric tonne. The 1958-59 crop has been revalued at Rs. 2.40 per point being the figure so far declared by the Coffee Board and this is equivalent to Rs. 3,509 per metric tonne. The 1960-61 crop has been estimated at 250 metric tonnes and the all-in-cost of production at Rs. 2,240 per metric tonne.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	12,00,000	Gross block	15,34,580
Reserves ...	11,90,982	*Less*—Depreciation ...	1,19,640
Provision for taxation ...	3,71,756		
Liabilities ...	3,63,386	Net block	14,14,940
Profit and loss account (surplus)	1,15,433	Stock of coffee	5,01,432
		Stores, etc.	15,936
		Book debts	47,568
		Investments	2,54,779
		Cash ...	10.06,902
	Rs. 32,41,557		Rs. 32,41,557

Mothola Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit of Rs. 29,639 (Rs. 91,153) to which has to be added the balance brought forward from the previous account of Rs. 49.974 (Rs. 67,133) giving a total of Rs. 79,613 (Rs. 8.99.711 after including excess realisation on sale of fixed assets Rs. 6,41,425 and Rs. 1,00,000 being transfer from general reserve). From this has to be deducted provision for depreciation amounting to Rs. 109 (Rs. 26,312) and provision for taxation Rs. 11,500 (Rs. 1,22,000 including Rs. 7,000 for wealth tax) leaving for disposal a sum of Rs. 68,004 (Rs. 1.09.974 after transferring Rs. 6,41,425 to capital reserve).

This amount the directors recommend to be appropriated as under:—

To pay a dividend on 1,500 ordinary shares at Rs. 25 (Rs. 40.00 per share, free of tax) per share, subject to deduction of tax, absorbing Rs. 37,500 (Rs. 60,000) leaving a balance to be carried forward of Rs. 30.504 (Rs. 49,974).

The Company has started tea plantation under the name and style of "Shree Ganga Tea Estate."

The Company has recently acquired a plot of land on lease measuring 148.80 acres in addition to the 88.45 acres of land taken previously. The area so far planted with tea amounted approximately to 101 acres against the permits received for 122.35 acres. The balance of about 21 acres will be planted during 1960-61 cold weather. The directors hope that the tea planted in 69.78 acres, as stated in previous report, would start giving some yield from the season 1961-62. A small nursery was also put up.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Gross block	1,16,088
Reserves ...	13,65,825	*Less*—Depreciation ...	10,450
Provision for taxation ...	1,43,771		
Liabilities ...	2,23,947	Net block ...	1,05,638
Profit and loss account (surplus)	30,504	Stock-in-trade	22,704
		Book debts ...	7,25,688
		Investments	3,56 689
		Cash ...	7,03.328
	Rs. 19.14,047		Rs. 19.14,047

National Machinery Manufacturers Ltd.

The directors of the above Company (Chairman: Mr. Krishnaraj M. D. Thackersey, Bombay) present the audited accounts of the Company for the year ended 31st December 1959.

The year's working after meeting all expenses of operation and management and after providing for depreciation and development rebate reserve, shows a profit of Rs. 1,41,967 (loss of Rs. 19,76,920). To this has to be added excess provisions in respect of previous year not required Rs. 2,15,918 (*nil*), making a total of Rs. 3,57,885 (debit of Rs. 19,47,276 after deducting the credit balance of Rs. 29,644 brought forward from previous year). Against this amount is required to be set off: development rebate reserve for 1958 not provided in the previous year's account of Rs. 1,94,063 and expenses in respect of previous years Rs. 46.021 leaving a balance of Rs. 1,17,801. This amount the directors propose to adjust against the debit balance of Rs. 19,47,276 brought forward from the last year, leaving a debit balance of Rs. 18,29,475 (Rs. 19,76,920) to be carried forward to next year's account.

The results of the year's working were generally satisfactory. Although total sales were lower than in the previous year by about Rs. 8 lakhs, the margin of profit was increased due to high productions, reduction in the consumption of tools and equipment, and considerable saving in sales commission. The profits would have been materially increased if it had been possible to maintain the previous selling prices of ring frames. Due, however, to competition from other indigenous manufacturers it was considered necessary to effect a reduction of approximately 10 per cent. in order to maintain an adequate flow of orders and consequently the improvement effected in production costs have been to a large extent absorbed by the lower selling prices.

The production in general was handicapped by inadequate and irregular supply of imported raw materials and stores and although efforts were made to obtain supplies from local sources wherever possible, the position in this respect was not also very happy. Some of the important indigenous raw materials such as pig iron, hard coke, etc., were not only in short supply and irregular but were of quality which was far below the specifications required for producing machines acceptable by high standards. In fact, the supply position of imported bought-outs is still not very satisfactory and is one of the contributory factors for some of the production units not being worked to their full potential.

The negotiations with the Ruti Machinery Works Ltd. for the manufacture of automatic looms in collaboration with them, mentioned in the last year's report, have not yet been finalised. The delay was principally due to certain difficulties in finalising the terms of agreement but these difficulties have now been overcome and it is expected that the agreement would be signed during the course of the next few days.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,52,40,000	Gross block	2,90,88,350
Reserves ...	3,04,430	*Less*—Depreciation ...	99,51,776
Liabilities	2,30,87,050		
		Net block	1,91,51,776
		Expenditure in progress	21,983
		Stock-in-trade ...	1,45.00,318
		Stores, etc.	58.62.272
		Book debts	71,69,824
		Cash ...	95,834
		Profit and loss account (deficit)	18,29,475
	Rs. 4,86,31.480		Rs. 4,86,31.480

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

Notices

THE SWASTIK TEXTILE MILLS LIMITED

Sheikh Memon Street, Dubash Market, BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING of the Company will be held at its Registered Office at Sheikh Memon Street, Dubash Market, Bombay 2, on Thursday the 22nd September 1960, at 5.00 p.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Statements of Accounts for the year ended 31st December 1959.
2. To sanction declaration of Dividends.
3. To appoint a Director in place of Shri Parashuram Balwant Ganpule, who retires by rotation under Article 144 of the Articles of Association of the Company and is eligible for re-appointment and for that purpose to consider and if thought fit, to pass the following Resolution, of which Special Notice, as required under Section 281 of the Companies Act, 1956, has been received by the Company:

   "RESOLVED THAT pursuant to the provisions of Section 281 of the Companies Act, 1956, Shri Parashuram Balwant Ganpule, who is already over 65 years of age and who retires by rotation be and is hereby reappointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."
4. To elect a Director in place of Shri Manharlal Dwarkadas Mehta, who retires by rotation under Article 144 of the Company's Articles of Association and being eligible offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 16th September 1960 to 22nd September 1960 (both days inclusive).

A Member entitled to attend and vote at the General Meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself. The proxy need not be a member of the Company.

By Order of the Board,

For P. KASHINATH & Co.,

S. P. DIVEKAR,
Partner,
Managing Agents.

BOMBAY,
Dated 23rd July 1960.

Note.—The Dividend, when sanctioned by the Members in the General Meeting, will be payable from 3rd October 1960 to those shareholders, whose names stand in the Register of Members of the Company on 22nd September 1960, to whom the dividend warrants will be posted.

ANNEXURE TO THE NOTICE

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

Item No. 3.—"Shri Parashuram Balwant Ganpule, who retires by rotation and is eligible for re-appointment, is already over 65 years of age and hence he cannot be appointed a Director of the Company except by a Resolution, in respect of which, a Special Notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a notice from some members notifying their intention to move the Resolution as set out in Item No. 3. Shri Parashuram Balwant Ganpule is a Director of the Company since its incorporation and has rendered very valuable services to the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice as a Member of the Board, it is desirable that he be appointed a Director of the Company."

THE KARANPURA DEVELOPMENT COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of The Karanpura Development Company Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Monday, the 26th September, 1960, at 11 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1959, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint a Director in place of Mr. D. C. B. Pilkington who retires under Section 260 of the Companies Act, 1956.
4. To appoint a Director in place of Mr. S. B. Bose, who retires by rotation and being over 65 years of age is not eligible for re-election unless his appointment is approved by a resolution of the Company in General Meeting specifically declaring that the age limit does not apply to him.

   And in this connection to consider and, if thought fit, to pass the following resolution of which special notice as required under Section 281(2) of the Companies Act, 1956 has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act, is appended.

   To be proposed as an Ordinary Resolution:

   "That the restriction as to age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to Mr. S. B. Bose and that he be and is hereby re-appointed a Director of the Company, whose period of office as such Director would be liable to determination by retirement of Directors by rotation."
5. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification the following Resolution which will be proposed as a Special Resolution, namely:—

   "Resolved that the Company may borrow money from time to time from its Secretaries and Treasurers provided the Secretaries and Treasurers are agreeable so to lend bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Secretaries and Treasurers and the Directors of the Company but so that the money lent shall not at any time exceed Rupees One Lac in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Secretaries and Treasurers and the relative explanatory statement concerning which as required by Section 173 of the said Act is appended."

The Share Transfer Registers of the Company will be closed from the 16th September, 1960, to the 26th September, 1960, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CALCUTTA, *25th August*, 1960.

Notes: (*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 12th October, 1960, to those members so entitled, whose names appear in the Company's Books on the 26th September, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENTS

In the special notice given to the Company of the resolution under item (4) of the above notice it has been stated that the services of Mr. S. B. Bose have proved most useful to the Company and as he has considerable experience and personal knowledge of the affairs of the Company, he should be appointed to remain in the Board of Directors of the Company and that the age limit should not apply to him.

With regard to item No. 6, it is pointed out that the Company may require temporary financial accommodation from time to time and as the Secretaries and Treasurers are prepared to lend money to it at a rate of interest which is more favourable than the Company could have obtained from its Bankers, it is proposed to take advantage thereof. Section 370 of the Companies Act, 1956, as well as relative clauses in the Articles of Association of your Company empower your Company to take loans from the Secretaries and Treasurers at a rate of interest to be agreed upon between them and the Board. The Auditors of your Company are of the opinion that granting of loans by the Secretaries and Treasurers constitute a service by them in terms of Section 360 of the Act, and that such arrangement should be approved by the Shareholders by Special Resolution pursuant to the above section. Counsel's opinion on the question is to the contrary but in order to remove any doubt in the matter it is proposed to pass a Special Resolution confirming the arrangement.

Mr. D. C. B. Pilkington, the Chairman of the Board of Directors and member of your Company, is also Managing Director of Messrs. Bird & Co. (Private) Limited, the Secretaries and Treasurers of your Company.

To the extent indicated above the Secretaries and Treasurers of the Company may be deemed to be interested in the business referred to in the resolution.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of The Borrea Coal Company, Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Monday, the 26th September, 1960, at 10-50 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1959, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Directors in place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

AS A SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following Resolution which will be proposed as a Special Resolution, namely:

   "Resolved that the Company may borrow money from time to time from its Secretaries and Treasurers provided the Secretaries and Treasurers are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Secretaries and Treasurers and the Directors of the Company but so that the money lent shall not at any time exceed Rupees One Lac in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Secretaries and Treasurers."

The Share Transfer Registers of the Company will be closed from the 16th to 26th September, 1960, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CALCUTTA, *25th August*, 1960.

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

(b) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business set out above is annexed hereto.

(c) The Dividends, if declared, will be paid on or after 12th October, 1960, to those members so entitled, whose names appear in the Company's books on the 26th September, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

With regard to item No. 5, it is pointed out that the Company may require temporary financial accommodation from time to time and as the Secretaries and Treasurers are prepared to lend money to it at a rate of interest which is more favourable than the Company could have obtained from its Bankers, it is proposed to take advantage thereof. Section 370 of the Companies Act, 1956, as well as relative clauses in the Articles of Association of your Company empower your Company to take loans from the Secretaries and Treasurers at a rate of interest to be agreed upon between them and the Board. The Auditors of your Company are of the opinion that granting of loans by the Secretaries and Treasurers constitute a service by them in terms of Section 360 of the Act and that such arrangement should be approved by the Shareholders by Special Resolution pursuant to the above Section. Counsel's opinion on the question is to the contrary but in order to remove any doubt in the matter it is proposed to pass a Special Resolution confirming the arrangement.

Mr. D. C. B. Pilkington, the Chairman of the Board of Directors and member of your Company, is also Managing Director of Messrs. F. W. Heilgers & Co. (Private) Limited, the Secretaries and Treasurers of your Company.

To the extent indicated above the Secretaries and Treasurers of the Company may be deemed to be interested in the business referred to in the resolution.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

REQUIREMENT OF WHEELSETS FOR ROLLING STOCK

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to obtain from established and reliable manufacturers Wheelsets as per schedule of requirements attached with Tender No. G.P. 24 of 1961-62.

Tender documents are obtainable from the Director General (M), Research Design and Standards Organisation, Ellerslie, Simla-2, and the Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W-3, on payment of Rs. 2 per set. Relevant drawings can be had on additional payment of Rs. 15 per set from the two organisations mentioned above. The cost of the set of drawings if obtained from the Research Design and Standards Organisation, Simla, by post will be Rs. 16. The relevant Specifications can be had on additional payment either from the D.G., I.S.D., London, or the Manager of Publications, Civil Lines, Delhi,

Offers should reach the undersigned not later than 12 noon on 31st October, 1960.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER NO. S-9

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers, a quantity of about 30,000 tons of Steel Rails.

The tender documents can be had on payment of Rs. 15 (or equivalent) per copy from any of the following offices during working hours on or after 30th August, 1960.

(1) The Director, Railway Stores, Ministry of Railways, Railway Board, State Entry Road, New Delhi.

(2) The Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London, W.3.

(3) The Director, India Supply Mission, 2536 Massachusetts Avenue, N.W. Washington, 8 D.C.

The tenders will be received by the undersigned upto 12.00 hours on the 11th October, 1960, and opened in the office of the Railway Board, State Entry Road, New Delhi, on the same day.

QURBAN SINGH,
Director, Railway Stores,
(Railway Board).

STATE ENTRY RD.,
NEW DELHI, *24th August*, 1960.

THE AHMEDABAD ELECTRICITY COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the above Company will be closed from Saturday, the 1st October, 1960 to Wednesday, the 19th October, 1960, both days inclusive.

By Order of the Board,
FOR THE AHMEDABAD ELECTRICITY COMPANY LIMITED,
KILLICK INDUSTRIES LTD.,
A. N. HAKSAR,
Managing Director,
Managing Agents.

KILLICK HOUSE,
HOME STREET, FORT,
BOMBAY 1,
27th August, 1960.

THE KARANPURA DEVELOPMENT COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on 25th August 1960, the following dividends, subject to deduction of tax at source, were recommended to be paid for the year ended 31st December 1959:

On Founders Shares ... 15% per annum.
On Ordinary Shares ... 5% per annum.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, *25th August* 1960.

CALTEX OIL REFINING (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debenture Stocks 1966-70 will be closed for transfers from 17th September 1960 to 30th September 1960, both days inclusive.

N. A. KRISHNAN,
Secretary and Treasurer.
State Bank of India,
Agents for Caltex Oil Refining (India) Ltd.,
for the management of the Debenture Stocks.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, *30th August* 1960.

THE BORREA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on 25th August, 1960, the following dividends, subject to deduction of tax at source, were recommended to be paid for the year ended 31st December, 1959.

On Preference Shares ... 6½% per annum
On Ordinary Shares ... 10% per annum

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE INDIAN CABLE COMPANY LIMITED

THE DIRECTORS HAVE DECIDED TO REcommend at the next Annual General Meeting of the Shareholders, a Dividend for the year ended 31st March 1960 of Rs. 2.25 per share, subject to deduction of tax, on both the Preference and Ordinary Shares.

By Order of the Board,
B. J. WOODLEY,
Chairman.

CALCUTTA, *26th August* 1960.

GENERAL TYRES LIMITED

NOTICE, PURSUANT TO SECTION 412 OF the Companies Act, 1956, is hereby given that the Company intends to apply to the Central Government for its approval to the appointment of National Rubber Manufacturers Limited as the Managing Agents of the Company for a period of fifteen years as from the 1st day of October, 1960.

K. N. MOOKERJEE,
Director.

CALCUTTA, *27th August*, 1960.

SOUTH INDIA VISCOSE LIMITED

NOTICE

This is to notify that in respect of the shares in the Company the Final Call of Rs. 20/- per share was made at the Board Meeting held on 15th June 1960 payable on or before 30th September 1960.

Dated 16th August 1960.

R. VENKATASWAMY NAIDU,
Managing Director.

STATE LOANS CLOSED

(From Our Own Correspondent)

BOMBAY, *31st August*

The opening of the lists for subscription of twelve State loans on Monday, the 29th inst., has had a pull on the short-term money market. Banks, the bulk of which had been lenders in the inter-bank transactions in the past week, have turned out to be keen borrowers, as their surplus funds have been invested in the new loans. Interest rates have, therefore, remained firm at 3½ per cent. for inter-bank call money. The other rates are also maintained at their ceilings fixed under the inter-bank agreement, namely 3 per cent. for house money at seven days' notice, 3½ per cent. for 1-2 months and 3¾ per cent. for three months and over.

There has been no sale of Treasury Bills by tenders this week, on account of the issue of State loans. Tenders for Rs. 2 crores have been invited for next week.

There has been a further contraction of Rs. 19.80 crores in notes in circulation during the week ended 26th August 1960. Disclosing this, the Reserve Bank of India statement for that week shows a rise of Rs. 6 crores in notes held in the Banking Department, so that the decline in total notes issue is of the order of Rs. 13.79 crores. This is covered by a fall of Rs. 14.99 crores in rupee securities and a rise of Rs. 1.20 crores in rupee coin. There is no change in foreign securities at Rs. 123.01 crores, but balances held abroad have gone up by Rs. 1.78 crores to Rs. 23.52 crores, so that the total foreign assets are now of the order of Rs. 146.53 crores. The deposits of the Central Government have declined by Rs. 3.06 crores, those of other Governments by Rs. 1.05 crores and deposits of banks by Rs. 6.43 crores. A drop of Rs. 7.58 crores is noted in loans and advances other than to Governments, of which advances to Scheduled banks against usance bills account for Rs. 3.59 crores. Investments are lower by Rs. 2.37 crores and holdings of Government Treasury Bills by Rs. 7.25 crores.

The Scheduled banks' statement for the week ended 19th August 1960 shows that the downward trend in bank credit is being maintained with a further fall of Rs. 8.36 crores during the week, of which the share of the State Bank is Rs. 3.41 crores. Investments, too, are lower by Rs. 3.64 crores, including a reduction of Rs. 1.97 crores on State Bank's account. Cash and balances with other banks show a rise of Rs. 5.80 crores, despite a fall of Rs. 3.86 crores in State Bank's balances. Demand deposits of banks have increased by Rs. 6.73 crores, while time deposits have declined by Rs. 10.95 crores. The net fall of Rs. 4.22 crores in total deposits is mainly due to the decline of Rs. 8.11 crores in the State Bank's portfolio.

The response to the 12 State loans for an aggregate sum of Rs. 75 crores which opened their lists on Monday this week, has not been very enthusiastic, except in the case of Andhra Pradesh. No doubt, all the States have got their requirements, but the total subscriptions in most cases do not far exceed the amount asked for. Thus, of the 12 loans, only five were oversubscribed and the remaining seven were only fully subscribed. While last year, out of the 13 loans for Rs. 61.50 crores, eleven were closed on the opening day itself and even the remaining two did not have to wait more than two days. Last year, the total subscriptions aggregated Rs. 100.27 crores and quite a large number of the States had to make only partial allotment. In contrast to that picture, this year, only three State loans, namely Maharashtra, West Bengal and U.P. for an aggregate sum of Rs. 24 crores were closed on the first day and the subscriptions received amounted to no more than Rs. 26.84 crores. Gujarat, Andhra Pradesh and Mysore loans for Rs. 18 crores were closed on the second day after receiving Rs. 23.91 crores, and the remaining six loans of Madras, Kerala, Madhya Pradesh, Bihar, Rajasthan and Orissa were closed only today. Only the loans of Maharashtra, U.P., Andhra, Mysore and Orissa were oversubscribed. Of these five loans, only the response to the Andhra loan was overwhelming, in that the subscriptions amounted to Rs. 13.23 crores, as against an invitation for Rs. 9 crores. The details of subscriptions to individual loans are as follows:

(In crores of Rs.)

State	Amount of loan	Amount subscribed	Allotment %
Maharashtra	10.00	10.98	100
West Bengal	7.00	7.02	100
U.P.	7.00	8.84	83
Gujarat	5.00	5.57	95
Andhra	9.00	13.23	72
Mysore	4.00	4.91	89
Madras	12.00		
Kerala	4.00		
M.P.	5.00		
Bihar	3.00	N.A.	N.A.
Rajasthan	5.00		
Orissa	4.00		

N.A.—Not available.

Meanwhile, the Gilt-edged market remains dull with very little activity. 3 per cent. 1986 Conversion Loan, however, continues to rule steady, with a further rise of 15 nP to Rs. 73.90 during the week. Among the State loans, 4 per cent. 1971 and 4½ per cent. 1970 issues were marked down, the former by 5 nP to 15 nP and the latter by 25 nP.

KIPS LISTLESS

(From Our Own Correspondent)

MADRAS, *29th August*

Small activity was witnessed in East India kips during the week under review. Lower ends of kips continued difficult to sell. Cow calf and buff calf ruled listless. Buffs continued to attract buyers and demand exceeds supply, with the result that prices remained steady to firm.

Business in tanned goat skins with the U.K.-Continent was poor. There was no demand for medium sheep skins either. For primes, demand was only selective and limited. Raw prices were easier.

BULLION BUOYANT

(From Our Own Correspondent)

BOMBAY, *31st August*

The bullion market ruled buoyant during the week under review, although today both gold and silver suffered a setback on account of profit-taking at higher levels. The buoyancy was engendered by sustained bull support, replacement buying and short-covering inspired by the firmness of commodity markets, particularly oilseeds. Also, advices from Calcutta and Delhi were quite encouraging. It was stated that a leading bear operator who had sold heavily a fortnight ago was an active buyer here in the beginning of the week. Gold evoked good enquiries, the daily average rate of offtake being of the order of 4,000 tolas, as against 2,650 tolas in the previous week. Values would have recorded a more handsome improvement but for enlarged arrivals—an average of 4,750 tolas per day, as against 3,500 tolas. Silver was strong, thanks to a reduction in arrivals; the daily average rate this week was 24 bars, that in the previous week being 39 bars. Offtake was, of course, lower at a rate of 5 bars, as against 17 bars. The floating stocks of gold and silver are estimated at about 25,000 tolas and 400 bars, respectively.

The *Bhadrapad* (September) settlement in gold was well supported, the quotation rallying from Rs. 133.25 on Wednesday last week to Rs. 134.56 on Saturday and, after easing to Rs. 133.44 on Monday, recovered to Rs. 134.31 yesterday. Today, it moved down to Rs. 133.37. The net gain over the week was 75 nP. Business in *Aswayuj* (October) settlement commenced at Rs. 133.12 on the 29th inst. The rate improved to Rs. 133.81 yesterday but declined to Rs. 133 towards the close today. The charge for transferring commitments from the *Bhadrapad* to the *Aswayuj* settlement was in favour of bulls to the extent of 37 nP.

Ready gold began the week at Rs. 133.44, as against the previous closing of Rs. 133.25, and, after advancing to Rs. 134.56 on the 27th inst., receded to Rs. 133.69 on Monday. It, however, rose again to touch a high of Rs. 134.31 today before finishing at Rs. 133.75. The premium commanded over the *Bhadrapad* settlement declined from 63 nP last week-end to 25 nP on Monday. Yesterday, the ready rate was on a par with the quotation for the *Bhadrapad* settlement, but today, the premium stood at 38 nP.

In silver, *Bhadrapad* settlement moved up from Rs. 222.68 to Rs. 225.19 yesterday. After declining to Rs. 223.94 today, it closed at Rs. 224. *Aswayuj* settlement fluctuated between Rs. 222.87 and Rs. 224.69 before finishing at Rs. 223.44, the rise over the week being Re. 1.19. The rate for transferring commitments from the *Bhadrapad* to *Aswayuj* settlement continued to be in favour of bulls throughout the week, the actual rate today being 56 nP, against 43 nP on Wednesday last week.

A feature of trading in ready silver was that the premium of 6 nP commanded over the *Bhadrapad* settlement on Monday was completely wiped out in the subsequent sessions. Actually, today it was quoted at a discount of 19 nP under the forward settlement. The closing rate today was Rs. 223.81, as against Rs. 222.68 on Wednesday last week, the highest and lowest levels touched during the week being Rs. 225.19 (yesterday) and Rs. 222.81 (today), respectively.

Both ready and forward silver in the London bullion market continued unchanged at 79¼d. per ounce during the week under review also. Silver in New York, too, was unaltered at 91.375 cents. Ready gold in London moved down from 250s. 11½d. to 250s. 1½d., owing to the firmness of the pound sterling *vis-a-vis* the dollar. The latest available world price for gold in London is $35.14-$35.16, as against $35.11½-$35.13½ a fortnight before.

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

	31-8-60 (closing)	High	Low	24-8-60 (closing)
GOLD				
Ready (.99 fine)	Rs. 133.75	Rs. 134.56	Rs. 133.44	Rs. 133.25
Forward:				
*Bhadrapad**	133.37	134.31	132.75	132.62
Aswayuj	135.00	133.81	133.00	133.50§
Sovereign	87.25	87.25	87.00	87.00
SILVER				
Ready (.996 fine)	222.81	225.19	222.87	222.68
Forward:				
Bhadrapad†	224.00	225.31	222.87	222.68
Aswayuj	223.44	224.69	222.87	222.25
London:	30-8-60			23-8-60
Silver Ready	79¼d.	—	—	79¼d.
Silver Forward	79¼d.			79¼d.
Gold	250s.11½d.	250s.11½d.	250s.1½d.	250s.11½d.
New York:				
Silver	91⅛ cents	—	—	91⅛ cents

* 5th September settlement. † 6th September settlement.
§ As on 29th August.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, *29th August*

Although there has been very little business to report in the linseed market, firm prices are maintained and slight advances have been recorded by seeds and oils. Fresh offers for seeds from the centres continue to be scarce, as crushers are operating on a very restricted scale with producing costs still uneconomical. Oil business is confined to retail sales in the local market where demand has improved owing to higher prices prevailing for mustard and groundnut oils.

The oilcake market has shown no change. There has been a small daily turnover at prevailing rates. Shippers are still out of the market, though there has been a reduction of 10*s.* in freight from 1st September.

The latest quotation for ready and Sept. futures is Rs. 25.25 per maund.

JARILLA AUGUST EXPIRES

(From Our Own Correspondent)

BOMBAY, *31st August*

The eventful career of the Jarilla August Contract came to an end on the 25th inst. when the Contract went off the Board at the ceiling rate of Rs. 820. In private dealings, the Contract commanded a premium of Rs. 25 over the ceiling 150 bales of Cambodia cotton were tendered on the last notice day, thus bringing total tenders against the Contract to a mere 250 bales.

The Contract, which appeared at the Board at Rs. 743 on 15th February, has never had to look back. Reflecting the acute shortage of cotton caused by the failure of the crop during this season, the Contract steadily climbed up, piercing the ceiling of Rs. 790 during the non-delivery period, to touch the statutory ceiling of Rs. 820, on 25th June, more than a month before the start of the delivery period. Official business remained suspended till 1st August, although trading continued to be done in private. As anticipated, no sooner the delivery period commenced on the 1st inst. than the Contract hit the statutory ceiling. It remained at that level till the close.

The 250 bales of Cambodia cotton tendered against the Contract, 100 bales on 11th inst. and the balance on the 25th inst., are the lowest on record. Of these, the earlier 100 bales were rejected in survey. The survey result of the second consignment is not known.

As new crop trading has not yet started, the expiry of the August 1960 Contract has left the operators in the futures section with nothing on hand. The E.I.C.A. has finalised the hedge contract for new crop and submitted it for the approval of the Forward Markets Commission. Although no one seems to have any doubt about getting the Commission's permission, the possibility of trading commencing at least before *Dussera* is generally ruled out.

Traders' attention is currently focussed on the trend of crop progress and the Government's policy in respect of the marketing of the crop in the new season. Announcement in this regard is expected soon.

The spot market had only three trading days during the week. Business continued to be confined largely to foreign cotton. There was improved demand for Sudan cotton, by upcountry mills. As a result, and also due to reports of sizable Russian purchase of Sudan cotton, prices of Sudanese varieties went up. Southern and Ahmedabad mills were interested in East African and Syrian cotton in which some business took place.

Among indigenous cotton, new crop Bengal *Deshi* was in good demand. Prices fetched were Rs. 730 per candy for December delivery and Rs. 720 per candy for January delivery. Activity in other growths was negligible. The following are the latest available spot quotations—in rupees per candy of 784 lbs.—for a few popular varieties of foreign cotton at Bombay:

East African Busoga 1.450; Mwanza 1.190; Sudan G2L 1.670; American Middling 15/16" 1.015.

The Karachi cotton futures market firmed up during the week under review as a natural reaction to last week's fall. Good domestic mill demand and renewed export enquiries induced a general buying movement. In spite of reports of good crop progress, futures values improved. The N.T.R.G. January Contract, was marked up from Rs. 67-12 last week-end to Rs. 68-2. The March Contract too, improved by six annas to Rs. 67-8.

Cotton futures in Alexandria suffered a setback during the week under review, thanks to renewed selling prompted by bearish crop news. The news of large-scale purchase of Sudan cotton by Russia led to the fear that, to that extent, demand for Egyptian cotton would be affected. Both the long-staple Karnak contracts and the medium staple Ashmouni contracts receded. Towards the close of the week, however, a recovery was in evidence. A part of the earlier losses were made good and the contracts closed with only minor losses over the week.

The discount rate on export sales of Egyptian cotton was further reduced by ½ per cent. to 8½ per cent. with effect from the week which began on Monday. The rate for new crop was unchanged at 6 per cent.

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

Karnak: November 74.87; January 74.75; March 74.93; May 74.98.

Ashmouni: October 62.68; December 62.46; February 62.60.

Barring the near deliveries of both the American and American type contracts, the Liverpool cotton futures market ruled firm during the week. Trade support for the more forward positions was a feature of trading. The weakness in the near position was attributed to long liquidation and profit-taking. Sudan contracts were neglected. Values remained nominally unchanged. The latest available quotations—in pence per lb.—are as under:

American cotton one inch staple contract: October 22.60; December 22.40; March 22.40; May 22.40.

American cotton mixed growth contract: October 22.90; December 22.70; March 22.75; May 22.80.

Sudan: September 35.25, November, January 35.50.

Quiet conditions prevailed in the New York cotton futures market. Prices moved in a narrow range, showing little change over the week. The slow conditions was attributed to listless situation in the piecegoods market and favourable rain in the cotton belt. Speculative interest was absent, thanks to the dim prospects of Congress enacting new farm legislation in the near future.

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

(In cents per lb.)

	29-8-60	23-8-60	16-8-60
Spot	32.45	32.40	32.45
October	31.02	31.02	30.88
December	31.30	31.29	31.15
March	31.83	31.84	31.70

BEMBERG YARN RALLIES FURTHER

(From Our Own Correspondent)

BOMBAY, 31*st August*

There was a further sharp rally in prices of Cupressa Bemberg yarn (60×2) during the week under review. The rally followed hectic purchases by bulls who feared that an acute shortage of supplies would be felt in the next few months. The fear stemmed from rumours of a possible cut in the import quota for the coming half-yearly licensing period (October 1960-March 1961) in view of the continued tight foreign exchange position. In sympathy with Bemberg yarns, other art silk yarns ruled firm. Staple fibre yarns, however, came in for selling due to slack enquiries from consuming centres. Cotton yarns were dull, the general tendency in prices being downward. Business put through was restricted, as operators preferred to await a further reduction in yarn prices by spinners. The handloom and powerloom weavers were said to have postponed purchases on hopes of such a reduction. The market was closed today on account of Parsi New Year.

Cupressa Bemberg yarn (60×2) August delivery forged ahead from Rs. 2,019 to Rs. 2,053. October contract climbed up by Rs. 43 to Rs. 2,098. Spot Cupressa spurted by 19 nP to Rs. 9.44. Among foreign art silk yarns, 120 Japan rose by 3 nP to Rs. 5.62. 150 Japan gained a like amount to Rs. 6.01. 120 Italy was fully maintained at Rs. 5.62, as also 150 Italy at Rs. 6.19.

Staple fibre yarn (40×2) August contract encountered selling and receded from Rs. 715 to Rs. 707. October settlement fell by Rs. 7 to Rs. 722.

In the cotton yarn section, twenty counts Maduras were quiet at Rs. 23 and Moderns at Rs. 24. Thirty counts Simplex eased from Rs. 27.50 to Rs. 27. Forty counts Minaxis declined by 37 nP to Rs. 30.50. Sixty counts Raghuvamshis and Finlays were dull at Rs. 60 and Rs. 63.50, respectively. Eighty counts Moderns were done at Rs. 73.50, Finlays at Rs. 82.82 and Mahendras at Rs. 71.

OILSEEDS BUOYANT

(From Our Own Correspondent)

BOMBAY, 31*st August*

Boom-like conditions prevailed in the oilseeds market during the week under review, with groundnuts in the forefront. The announcement made by the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, in his address at the Export Promotion Council's meeting this week, that as part of a vigorous export drive, he intended liberalising the export of a number of goods, including miscellaneous seeds, led to considerable speculative support. On top of this came reports of unfavourable climatic conditions in the groundnut-growing areas in the South. The spurt in values was so pronounced that a special clearing had to be introduced yesterday. Towards the close, however, the rally was arrested, following reports of revival of rains in the South.

The groundnut section, which had maintained a firm front in the previous week, came in for sizable fresh support. Reports of drought in Andhra, Karnatak and Madras led the operators to believe that the production in the current season will fall by about 40 per cent. in this region. Bullish weather forecasts were also received from Saurashtra and other parts, where excellent weather had prevailed earlier and a bumper crop had been expected. Traders expected an improvement in the export position of groundnut oil, oilcakes and seeds, if the Government gave some assistance. Some of the traders, however, were of the view that, as there was a considerable disparity in Indian and foreign prices for oils, prospects for their exports would not be very bright. At the close, the sentiment was, therefore, rather subdued. February 1961 contract, which had wound up last week at Rs. 188.25, advanced by Rs. 13.50 to Rs. 201.75 by Monday. It, however, receded to Rs. 199 yesterday. The maturing contract continued to be well above the ceiling level of Rs. 225, and, therefore, there was no official dealings in this contract. In the ready section, Nizam Bold rose from Rs. 45.50 to Rs. 46.50. Oil ex-mill moved up by 75 nP to Rs. 24.75.

Distinctly cheerful conditions prevailed in the castorseed section. This was due mainly to expectation of better possibilities for the export of oils. There was, however, an element of caution in the behaviour of trading in this section, induced by reports of a sizable increase in Brazilian castorseed production. According to the latest U.S. estimate, the total production of castorseed in Brazil will go up from 160,000 short tons in 1959-60 to 203,870 short tons in the current season. A minority section of operators feel that the forecasts of the U.S. Agricultural Department should be taken with a pinch of salt, as they are liable to overestimate the crops. In addition, fears of heavy tenders also restricted the rise in prices. Consequently, the maturing contract registered a net rise of only a rupee to Rs. 164.75, after fluctuating between Rs. 163.75 and Rs. 169 over the week. May 1961 contract spurted from Rs. 165.62 to Rs. 174.25 on Monday, but closed lower at Rs. 171.87. Oil commercial closed higher at Rs. 17.94, as compared with Rs. 17.69 last week-end.

There was no significant development in the linseed section. In sympathy with other sections, linseed, too, moved up. Export outlook, however, continued to be discouraging, with the world prices for linseed oil ruling at a comfortably lower level. September 1960 contract improved from Rs. 31.84 to Rs. 32.25, but eased subsequently to Rs. 31.75. May 1961 contract rose by 59 nP to Rs. 33.12. Bold ready fell by 25 nP to Rs. 31.62, after touching Rs. 32. Linseed oil declined by 31 nP to Rs. 15.94.

Firm conditions prevailed in the cottonseed section as well. Cottonseed September 1960 contract improved from Rs. 155 to Rs. 156.50, after moving both ways in a narrow range. February 1961 contract wound up the week higher at Rs. 94.50, as compared with Rs. 90 a week ago.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	30-8-1960	24-8-1960	17-8-1960
	Rs.	Rs.	Rs.
Groundnut			
August 1960	—	—	221.00
February 1961	199.00	188.25	183.75
Nizam bold	46.50	45.50	45.25
Coromandel ready	47.75	46.00	45.50
Khandesh quality	47.50	46.00	45.50
Oil ex-mill ready*	24.75	24.00	24.00
Railway receipts*	24.62	23.75	23.75
Castorseed			
September 1960	164.75	163.75	166.50
May 1961	171.87	165.62	166.25
Ready Madras	32.12	33.00	33.62
Ready Kanpur	31.75	31.87	32.12
Oil B.S.S.†	19.12	18.84	19.00
Oil commercial†	17.94	17.69	17.87
Linseed			
September 1960	31.75	31.84	31.62
May 1961	33.12	32.53	32.00
Bold ready	31.62	31.87	31.87
Oil ready†	15.94	16.25	16.12
Cottonseed			
September 1960	156.50	155.00	157.50
February 1961	94.50	90.00	89.75
Niger seed	37.50	37.50	38.00
Kardi seed	24.50	24.50	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter. Rates for 1961 delivery contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms.

TEA DEARER

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

COCHIN, 23*rd August*

Sale No. 33.—Approximately 599,000 kilograms were offered in Sale No. 33 held on 23rd inst. Quality was generally brighter with the exception of a few later highgrowns which showed a falling away. There was a strong general demand at firm to dearer rates. Best highgrown B.O.Ps came in for keen competition at higher rates and some attractive prices were realised; their fannings, however, were barely steady. Below best highgrowns with improved quality sold at dearer rates, but where quality showed no improvement they were about firm. Good medium and medium descriptions received good support and were irregularly dearer, whilst similar fannings met with better enquiry and inclined to be dearer by a greater margin. Coloury mediums were a very strong feature and advanced 10 nP to 20 nP per kilo. Low medium B.O.Ps realised prices which were dearer on last rates with buyers' emphasis on their fannings which appreciated further. Plainest sorts followed the general upward trend of the market. Whole leaf grades, with the exception of pekoes which were irregular, were sought after at considerably dearer rates. C.T.Cs and legg-cut teas met with improved demand at enhanced rates. Black leaf teas sold well.

	1960	1959
	Rs.	Rs.
Low medium	3.85-4.15	3.48-3.64
Medium	4.25-4.40	3.64-3.86
Good medium	4.50-4.90	4.41-4.74
Quality	5.00-7.75	4.84-7.93

The average price realised in Sale No. 33 was Rs. 4.58 per kilo, as compared with Rs. 4.40 in the previous sale and Rs. 4.05 in the corresponding sale of 1959.

Export Quota:—There are now sellers at 1 nP per kilo and business has been done at ¾ nP per kilo.

Colombo:—Approximately 6 million pounds were offered and met with a good general demand. Uvas were irregular following quality, whilst Dimbulas followed a similar pattern, but on average must be quoted easier, with the exception of their B.O.P.F. which were dearer. Medium brokens were fully firm and their fannings dearer. Lowgrowns came to a barely steady market.

London Auctions:—

North Indian and other growths:—In Monday's auction, there was a strong demand and best Assams realised high prices. Dooars and bright liquoring Africans were dearer, whilst all others were steady.

Ceylon and South Indians:—28,320 packages were offered in Tuesday's sale, of which 7,302 packages were from South India. The market met a very strong demand and prices were 3*d.* to 6*d.* dearer for all descriptions with the exception of plainest descriptions which were firm.

DEMAND FOR EXPORT TEA MODERATE

(From Our Own Correspondent)

CALCUTTA, 30*th August*

There was only moderate demand during the export tea sales held yesterday. Even for quality teas the demand has not so far come up to earlier expectations. This phenomenon has been a cause of great anxiety to trade circles, as, in view of the drought conditions, production of quality teas has been below normal and all expectations that the shortfall in quality production would be made good later in this season are disappearing on account of continued heavy rains. Preliminary information from gardens indicates that production in August would be notably lower than that in August of last year. It has been unfortunate that production has been affected at a time when the proportion of quality teas to common teas is usually high. One way of making good the fall in quality teas is by finer plucking in the coming months. How far this can be done without reducing the output of common teas cannot be forecast at present.

Against such a background, the cogency of the rhetoric of Mr. Lal Bahadur Shastri, the Union Commerce and Industry Minister, in his address to the Export Advisory Council on Sunday last that the fall in tea exports should be made good was not understood by trade circles here. Mr. Shastri said that in the first six months of this year, tea exports brought to the country foreign exchange amounting to only Rs. 35.64 crores, at which the fall as compared to the corresponding previous period was as high as Rs. 63 crores. He attributed this fall to the lower crop. Trade circles are, however, not agreed as to the cause for such a perceptible fall in exports, viz., "lower crop." A glance at the reports of the recent export auctions would show that demand for quality teas had not come up to earlier expectations, prices had been unsatisfactory, and there were also instances of withdrawals of large quantities without bid or as a result of bids falling below the invoiced prices. Mr. Shastri rightly said that, unless the fall in tea exports was arrested, it would have a telling effect on total foreign exchange earnings of the country. The trade would like to know apart from rhetorics and appeals based on abstract metaphysical considerations of national necessity, what concrete steps the Government would take in stepping up exports.

Mr. T. Swaminathan, India's Commissioner-General for Economic Affairs in Europe, who also addressed the Council was nearer the point when he said that keen competition from other producing countries had affected India's tea market abroad. As an instance, he said that low cost African teas were a formidable factor.

The only redeeming features in considering export possibilities are the low level of U.K. tea stocks and this week's noticeable improvement in tea bookings to the United Kingdom. Egypt has left feelers that it may be lifting more tea this year than last year. So far, the U.S.S.R. has been showing only paltry interest and it is possible its enquiries might increase in the coming months.

Dusts on offer during the sale for domestic consumption held on Wednesday last week amounted to 18,214 packages. The decline in prices was up to 8 nP, notwithstanding the good general demand. Darjeelings shared the general trend, and prices of medium C.T.Cs fell by 10 nP to 20 nP. An irregular tendency was recorded by the best liquoring C.T.Cs. A feature of the sale was the keen competition which the legg-cut Dooars met with and as a result of which prices hardened. Another strong feature was the dearer tendency in prices of the smaller and liquoring teas. The quotations per 1 kg. inclusive of excise duty, were: best Assam C.T.C. dust Rs. 5.90 to Rs. 6.30, medium Assam C.T.C. dust Rs. 5.50 to Rs. 5.80, medium Assam dust Rs. 4.45 to Rs. 5.00, and medium Dooars dust Rs. 4.40 to Rs. 4.60.

Leaf on offer totalling 412 chests met with good demand at higher prices.

The export sales held yesterday, when offerings totalled 53,073 chests, opened with poor demand, but as the biddings progressed demand developed to a satisfactory degree and bidders paid the keenest attention to quality. There was an improved enquiry in evidence for whole leaf grades, the prices of which, however, were irregular. Among C.T.Cs, the mediums gave way by 50 nP per 1 kg., and the very best lots by Re. 1. At declined rates, good support was accorded to tippy teas and Darjeelings. Prices for "teas for price" recorded moderate additions, and the bright liquoring Dooars B.O.Ps met a steady market. Good support was accorded to the bright liquoring Assam B.O.Ps and O.Fs, prices of which hardened. Medium B.Ps with brighter cup quality were a strong feature, as were black leaf O.Fs and fannings. However, plainer teas eased. Legg-cut descriptions were fully steady and occasionally were selling at higher prices. The quotations (per 1 kg.) inclusive of excise duty, are: best Assam C.T.C. fannings Rs. 10.00 to Rs. 11.50, best Assam C.T.C. B.P. Rs. 9.50 to Rs. 10.50, clean black pekoe Rs. 5.20 to Rs. 5.50, medium fannings Rs. 5.10 to Rs. 5.40, medium B.P. Rs. 4.90 to Rs. 5.30, plain B.P. Rs. 4.30 to Rs. 4.45, and plain fannings Rs. 4.20 to Rs. 4.70.

SPURT IN RAW JUTE

(From Our Own Correspondent)

CALCUTTA, 30*th August*

Following a steady, but substantial, rise in fibre prices caused by an abrupt and impressive fall in raw jute arrivals from harvesting areas to agencies, coupled with the acute shortage of ready jute with mills to maintain production at the present level—prices of manufactured goods soared during the week under review in the jute market. However, business passing with overseas buyers was limited, as they were disinclined to support the rising trend. They believed that, when once the greater emphasis on substitutes by overseas consumers began to be felt, sobriety would return to the goods market here. Advices from the new York burlap market were nevertheless steady during the week, but the extreme caution with which U.S. buyers accorded support was taken as an indication that burlap consumption in that country during this month would not show any great improvement. Trade circles were in fact alarmistic at this week's movement in prices: the marked fall in fibre arrivals was not understood here. For the transport is being well maintained and harvest

speculative consideration on the part of middlemen and the well-to-do among growers could be attributed for the spurt in prices.

It should be noted that mills were keen buyers of ready jute which should be taken to mean that their need for raw material for carrying on day-to-day production had been acute. However, when prices moved up rather too high, mills withdrew from the market. It was thought here that the spread of the co operative movement in the villages was weeding out the middlemen from the trade and that such of the traders who had contracts to fulfil had to pay prices, which were higher than the Calcutta parity. Thus, if prices continued firm at present levels, sellers who should meet commitments would entail losses. Weather conditions during the week continued excellent, as there were heavy showers interspersed by bright sunshine. Water levels in canals and tanks were satisfactory. Total arrivals of raw jute in the month of July were as low as 177,650 bales, of which 37,650 bales were from Pakistan. The balance of 140,000 bales, was indigenous jute. In view of the late crop, all concerned had anticipated low arrivals in July, but such a low figure as above had come as a great disappointment and aided the uptrend in the fibre market during the week. The July figure, as compared with 336,000 bales in July 1959 and with 303,000 bales in the previous month, represented a decline of 158,350 and 125,350 bales, respectively.

A feature in the goods market on Tuesday last was the fair amount of covering business that took place in heavy goods, as a result of which ready B. twills rose to Rs. 145.50 from Rs. 141.85. Australia purchased further quantities of cornsacks for September delivery. In the futures market, November B. twills moved up. Although in hessian, no interest was displayed by foreign buyers, ready hessian 40" 10 oz. moved up to Rs. 47.30 from Rs. 47.05, following the high prices for raw jute. On Wednesday, covering business in heavy goods continued and Australian buyers placed further orders for cornsacks against September-October shipment. Actual business in ready heavy goods being limited, ready B. twills eased to Rs. 144.15, while hessian 40" 10 oz. steadied around Rs. 47.50. Although on Thursday there was no fresh activity other than some covering business, the continued uptrend in fibre prices pushed up ready B twills to Rs. 145.20 and hessian 40" 10 oz. to Rs. 48.10. On the following day, while hessian 40" 10 oz. firmed up to Rs. 48.15, B. twills eased to Rs. 144.75 following profit-taking. Over the week-end also, the tendency for profit-taking continued to push down B. twills to Rs. 144.50. However, ready hessian 40" 10 oz. was unchanged at Rs. 48.15. The feature of yesterday's trading was selling pressure in the futures market, as a result of which the November position declined from Rs. 126.50 to Rs. 125.35 to close at Rs. 125.75. This was reflected in the ready B. twills falling to Rs. 143.20. However, hessian 40" 10 oz. was steady at Rs. 48.40.

Handsome gains were recorded in the fibre market. Keen support was forthcoming from mills earlier in the week, but since the uptrend was too abrupt and gains were sizable, mills withdrew. However, sellers were reserved, and reports from agencies indicated hold-up in harvesting areas in anticipation of higher prices. However, mills thought that in view of the good crop, arrivals were bound to increase sooner or later and that prices would stabilise at reasonable levels. Northern bottoms opened at Rs. 103 per 100 kg. for September-October delivery and steadily improved to Rs. 108.50. Similar rises were recorded in most constructions, daissee bottoms closing at Rs. 111.20 after being higher at Rs. 111.25, as against Rs. 104.50 earlier. Note was taken of the Commerce and Industry Minister's announcement at the meeting of the Import Advisory Council that import licences for 400,000 bales of Pakistani cuttings would soon be issued.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 29*th August*

Sugar ruled quiet at Rs. 111.50 per bag in wholesale and Re. 1.09 per *seer* in the open market, as against the controlled prices of Rs. 108.50 and Re. 1.01. The Union Food Minister has ruled out the possibility of sugar decontrol in the near future, as the country is likely to become a party to the International Sugar Agreement with a view to exporting a sizable quantity of sugar to the U.S. The State Governments, however, are being asked to review the distribution arrangement of sugar with a view to liberalising the system within the overall framework of control. It is gathered that the U.P. Government will agree to issue 50 per cent. of sugar quotas to dealers. It is further reported that the Union Government is planning to give some concessions to factories so that they may start crushing season earlier as in the current season.

Sugar improved slightly during the week in the Muzaffarnagar market, although the supply position was comfortable. Sugar allotment for June was cleared by the week-end and the new quotas for July and August remained to be delivered. The prevailing prices were Rs. 110 to Rs. 111 per bag.

Sugar continued to be subdued at Rs. 113 per bag in the Kanpur market, thanks to satisfactory supply position.

Khandsari eased by about Re. 1 to Re. 1.25 a maund during the week, as demand from consuming centres was dormant and loading facilities were restricted. Production from *galawayat* continued and stockists were reported to be anxious sellers. The prevailing prices were: *Galawayat* Rs. 25 to Rs. 28; inferior Rs. 28 to Rs. 30; superior Rs. 32 to Rs. 40; crystal *khandsari* Rs. 37 to Rs. 40; *boora* from *khandsari* Rs. 35 to Rs. 38 a maund.

Trading in *gur* was almost dormant, as wet quality stocks (about 11,000 maunds here) were wagons was under previous commitments. Cane crop prospects were considered to be fairly good following heavy rains in the last fortnight and early crushing was expected to commence. The prevailing prices were: *gur* Rs. 15.25 to Rs. 15.75, as against Rs. 21.50 on the corresponding date last year and Rs. 19.75 in 1958.

Booking restrictions accounted for a fall of 50 nP to Re. 1 per maund in *gur* prices in Muzaffarnagar during the week. Stockists with 50,000 maunds were anxious sellers, but trading was limited and prevailing prices were: *Chaku* dry Rs. 19.50; dry-wet Rs. 17.50; wet Rs. 14.25; *rusket* dry Rs. 9 to Rs. 10; *minja* Rs. 15 to Rs. 18; *shakker* red Rs. 19 to Rs. 19.25; white Rs. 21 a maund.

Gur futures turned bullish during the week on east U.P. and Agra support. Fagun opened at Rs. 13.52 on Monday last and was quoted today at the highest level of the week at Rs. 14.

HEAVY RAINS AFFECT "KHARIF" CROP

(From Our Own Correspondent)

HAPUR, 29*th August*

Modest gains were recorded in foodgrains prices during the week on reports that heavy rains had marred bumper *kharif* crop prospects. Arrivals of grains from growing areas were also small during the week. Despite some protests by some State Governments, the Union Government was reported to be firm on the issue of abolishing wheat zones. The building up of heavy reserves from imports and the measures to augment production, it was thought, augured well for the future. The U.P. Food Minister announced that the necessary buffer stocks having being built, the Ministry had lifted the procurement levy on wheat resulting in larger arrivals in the markets.

Wheat at Hapur registered a modest advance during the week to be quoted at Rs. 17 a maund for average quality and Rs. 18 for farm produce. The rates are much lower than the corresponding prices prevailing at this time last year, namely, Rs. 18.25 and Rs. 23.50. The sale of wheat and flour was being continued by the State Government through fair-price shops and sale of flour was done freely to every individual upto Rs. 10.

Rice was almost stationary with *sela basmati* quoting at Rs. 30 to Rs. 33; *mainpuri* at Rs. 22.50; *ramajwayan* at Rs. 24; *raimunia* at Rs. 25 and *gadda* at Rs. 19.50 a maund. Supply position of rice was reported to be satisfactory.

Gram recorded modest gains during the week to be quoted at Rs. 15.12 a maund for Punjab produce and at Rs. 14.87 a maund for old stocks sold by the U.P. Government. Steady Punjab advices and all-India final estimate of gram putting the current year's area and production at 25,046,000 acres and 5,390,000 tons which is an increase of 0.7 per cent. in area and a decrease of 21.7 per cent. in production over last year were the main bullish factors. The U.P. Government was busy making arrangements for selling its huge stocks of about 100,000 maunds of gram stocked here in East U.P. by sending it to Gorakhpur and Lucknow regions. Barley continued to rule quiet at Rs. 12.25 and *bejhar*, too, was quoted at unchanged prices of Rs. 11.75 a maund for inferior quality and Rs. 12.37 a maund for *moongia* variety. Harvesting of early maize crop is being done and new crop would begin to reach the market as soon as the weather turns bright. Damage to late sown maize crop is reported due to heavy rains in the last fortnight. *Jowar* continued to be quoted at Rs. 13 to Rs. 14 and *guwar* white at Rs. 12.50 to Rs. 13 a maund.

Peas, too, recorded a hardening trend on reports of *kharif* crop damage. About 4 to 5 *khatties* of old peas were purchased by Kanpur millers during the week at about Rs. 11 to Rs. 11.12 a maund. Peas recorded modest gains to be quoted at Rs. 11.87 a maund for green *dara* quality and at Rs. 12.75 for white farm produce. Peas *dal* was done at Rs. 13.25 a maund. *Arhar* stood at Rs. 12.75 and stock was unchanged at 25 *khatties* and peas stock was put at 76 *khatties*. Other pulses were quietly depressed—*urd* at Rs. 18.50, *moong* at Rs. 18.50 to Rs. 19 and *massor* at Rs. 14 to Rs. 17 a maund.

Notice

THE SINGARENI COLLIERIES COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-ninth Annual General Meeting of the Shareholders of The Singareni Collieries Company Limited will be held on Monday, the 26th September 1960, at 4-00 p.m., at the Registered Office of the Company, "Meher Manzil," Khairatabad, Hyderabad (A.P.) to transact the following business:—

1. To confirm the minutes of the Thirty-eighth Annual General Meeting of the Company held on 27th October 1959.
2. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1959.
3. To sanction the declaration of a Dividend.
4. To note the Charities and Donations paid by your Directors.
5. (*a*) To appoint Directors in place of Shriyuts M. R. Patny, R. Prasad and C. Damodar Reddy who retire in accordance with Section 256 (1) and (2) of the Companies Act, 1956 and Article 93 of the Articles of Association of the Company. The last two only are available for re-election, as Shri Patny is not standing for re-election although he is eligible.

   (*b*) To appoint Directors in place of Shriyuts N. C. Sen Gupta, S. N. Sehgal, Mahmood Butt and R. S. Krishnaswamy who retire under Article 98 of the Articles of Association of the Company and are eligible for re-election.
6. To note that the sanction of the Central Government, under Section 619(2) of the Companies Act, 1956, has been received for the re-appointment of Messrs. S. B. Billimoria & Co., as Auditors of the Company for the current year on a remuneration of Rs. 7,000, plus Travelling and other expenses as approved by the Board of Directors.
7. To pass the following resolution as an Ordinary Resolution:—

   "RESOLVED that the revised terms of appointment of Industries (IF) Department, Government of Andhra Pradesh, as Secretaries and Treasurers with effect from 1st January 1957 as approved by the Government of India be and are hereby confirmed and that any two Directors of the Company, as appointed by the Board for the purpose, are authorised to execute the fresh agreement embodying the said terms between the Singareni Collieries Company Ltd. and the Industries (IF) Department, Government of Andhra Pradesh."
8. To pass the following resolution as a Special Resolution:—

   "RESOLVED, that the acquisition of the following second-hand assets from Industries (IF) Department, Government of Andhra Pradesh, Secretaries and Treasurers of the Company, at the prices indicated against each be and is hereby approved:—

	Rs.
(1) 2 second-hand motor cars	7,000
(2) Cycles	135
(3) Table fans and other electric accessories	1,899
(4) Office equipment like Comptometer and Typewriters	3,010
(5) Office furniture	3,922
Total ...	Rs. 15,966"

9. To transact any other business that may be brought forward by the Chairman.

Notes: 1. The Transfer Books of the Company will remain closed for the purpose of Dividend from 13*th September* to 26*th September* (both days inclusive).

2. Subject to the Directors' recommendation being accepted, Dividend Warrants will be posted on 26th September 1960.

3. Shareholders are requested to give immediate notice to the Company of any change of address.

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

By Order of the Board,
R. DWARKA PERSHAD,
Secretary,
The Singareni Collieries Co. Ltd.

"MEHER MANZIL",
KHAIRATABAD P.O.
HYDERABAD (A.P.).
Dated 27th August 1960.

Explanatory statements to the above Resolutions as required by Section 173 of the Companies Act, 1956 will be sent to all Shareholders separately.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 26th August, 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	62,67,21,000
(2) Other Governments	28,46,33,000
(b) Banks	115,74,03,000
(c) Others	160,98,07,000
Bills Payable	22,08,87,000
Other Liabilities	12,65,78,000
Rupees	473,60,29,000

ASSETS	Rs.
Notes	27,98,51,000
Rupee Coin	2,47,000
Subsidiary Coin	5,41,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	17,61,00,000
Balances held abroad*	23,51,71,000
Loans and Advances to Governments†	36,53,85,000
Other Loans and Advances	110,09,17,000
Investments	245,25,18,000
Other Assets	11,59,29,000
Rupees	473,60,29,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 7,25,30,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	27,98,51,000	
Notes in circulation	1776,59,07,000	
Total Notes issued		1804,57,58,000
Total Liabilities		1804,57,58,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		132,15,28,000
Government of India Rupee Securities		1431,65,38,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1804,57,58,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	19th August 1960	12th August 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1796.39	1812.13	1815.38	1663.81
Notes held in Banking Department	85.05	21.98	14.09	26.34	23.67
Foreign Securities	59.50	1223.01	1233.01	1443.61	1271.19
Rupee Securities	87.39	1448.65	1456.57	1451.57	1271.19
Banking Department					
Deposits of:					
Government of India	14.39	65.73	55.99	52.45	58.11
Other Governments	...	29.51	16.18	31.07	61.89
Balances held abroad	10.06	21.74	21.48	17.29	15.55
SCHEDULED BANKS					
Demand Liabilities	134.36	704.60 (21.70%)†	778.75 (12.67%)†	804.42 (21.85%)†	739.57 (19.23%)†
Time Liabilities	102.24	1215.39 (27.46%)†	1226.92 (28.04%)†	1211.39 (27.12%)†	1084.58 (26.33%)†
Borrowings from Reserve Bank	..	25.01 (10.85%)†	23.35 (10.00%)†	27.18 (13.05%)†	14.10 (2.85%)†
Borrowings from State Bank	..	0.72	0.62	11.65	9.14
Cash in India	6.70	46.93	44.93	47.60	42.96
Balances with Reserve Bank	25.17	113.38	110.25	106.77	75.37
Balances with other banks in current account in India	..	16.41	15.74	17.33	13.99
Money at call and short notice in India	..	37.14	37.71	35.90	31.75
Investments (at book value)	..	729.64	733.29	728.88	724.18
Advances and bills	105.9	1111.04	1119.40	1119.38	949.27
STATE BANK					
Deposits	97.76	606.20	614.31	627.83	561.70
Investments	51.99	382.02	383.99	374.65	357.55
Advances	30.35	201.61	204.87	210.27	173.36
Cash	14.69	31.66	35.52	35.99	36.81

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada†	..	2.16	2.91
Ceylon	16th Dec., 1959	2.50	3
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1960	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6.50
Portugal	19th Jan., 1944	2	3
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	6
Switzerland	26th Feb., 1959	2.50	3
Thailand	Feb., 1945	7	7
Turkey	6th June, 1958	4.50	6
United Kingdom	23rd June 1960	5	4
U.S.S.R.	1st July 1936	3	4
U.S.A.	11th Aug, 1960	3.50	4
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 26th August, 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,20,00,000
Deposits and Other Accounts		603,98,16,000
Borrowings from Other Banking Companies, Agents, etc.		15,50,000
Bills Payable		9,98,17,000
Bills for Collection being Bills receivable as per contra		2,44,30,000
Acceptances, Endorsements and Other Obligations per contra		1,82,59,000
Other Liabilities (including Inter-Office Adjustments)		13,07,63,000
Total Rs.		648,38,35,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,10,59,000
Balances with other Banks		2,83,33,000
Money at Call and Short Notice		1,00,00,000
INVESTMENTS— Rs.		
Government and other Trustee Securities	387,27,36,000	
Other Authorised Investments	9,87,03,000	
		397,14,39,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	187,56,61,000	
Bills Discounted and Purchased	11,91,90,000	
		199,48,51,000
Bills Receivable being Bills for Collection as per contra		2,44,30,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,82,59,000
Premises less Depreciation		1,25,96,000
Furniture and Fixtures less Depreciation		1,24,33,000
Other Assets (including Inter-Office Adjustments)		21,00,35,000
Total Rs.		648,38,35,000

Scheduled Banks*

Statement of Affairs for the week ended 19th August 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		21,79,48,000
(ii) Other demand liabilities		772,30,90,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		27,45,69,000
(ii) Other time liabilities		11,87,93,15,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		7,54,75,000
(ii) Time liabilities		2,17,00,000
Borrowings in India from the Reserve Bank of India‡		25,01,40,000
Cash in India		(14,89,000)
Balances with the Reserve Bank in India		46,93,23,000
Balances with other banks in current account in India		113,37,06,000
Money at call and short notice in India		16,40,69,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		37,13,72,000
Advances in India		729,64,24,000
Inland Bills, purchased and discounted in India		961,15,32,000
Foreign Bills, purchased and discounted in India		102,89,47,000
		47,08,09,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
7th June	2 00	2.00	2 00	2.745	99 310
8th to 11th June*	2 15	—	2 15	—	99 326
11th June	2 00	2 00	2 00	2.745	99 310
15th to 18th June*	0 07	—	0 07	—	99 326
21st June	2 00	2 02	2 00	2.745	99 315
22nd to 25th June*	0 07	—	0 07	—	99 326
28th June	2 00	2 00	2 00	2.745	99 310
6th July	2 00	2 00	2 00	2.745	99 310
13th July	2 00	2 02	2 00	2.745	99 315
26th July	2 00	2 00	2 00	2.745	99 310
2nd August	2 00	2 26	2 00	2.737	99 310
3rd to 6th Aug.*	0 16	—	0 16	—	99 321
9th August	2 00	2.00	2 00	2.745	99 310
10th to 13th Aug.*	1 10	—	1 10	—	99 326
16th August	2 00	2 00	2 00	2.540	99 395
17th to 20th Aug.*	0 25	—	0 25	—	99 381
23rd August	2 00	2.00	2 00	2.540	99 395
24th to 27th Aug.*	0 01	—	0.01	—	99.381
Total amount outstanding	25 81	..	25 81	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 19th August 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	4,15,00,000
Deposits:—	
(a) Central Government	14,62,64,000
(b) Provincial Governments	2,64,00,000
(c) Banks	18,33,02,000
(d) Others	92,54,66,000
Bills Payable	18,13,000
Other Liabilities	15,01,84,000
Rupees	151,04,21,000

ASSETS	Rs.
Notes	14,30,89,000
Rupee Coin	4,000
Subsidiary Coin	44,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	24,35,42,000
Balances held outside Pakistan*	9,76,03,000
Loans and Advances to Governments	
Provincial Governments' Debtor Balances	4,25,56,000
Other Loans and Advances	80,62,00,000
Investments	8,73,53,000
Other Assets	
Rupees	151,04,21,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,30,89,000	
Notes in circulation	343,08,41,000	
Total Notes issued		357,99,30,000
Total Liabilities		357,99,30,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion		
Foreign Securities	73,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	140,74,49,000
B. Rupee Coin	5,06,09,000	
Government of Pakistan Securities	206,28,66,000	
Internal bills of exchange and other commercial paper	....	211,34,75,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,99,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	357,99,30,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40 83 per cent.

EXCHANGE RATES

	20th August 1960	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T. T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D.	476 50	476 25
Buyers T.T.	473 25	472 75
London on New York	2 8110 2 8112	2 8101 2 8104
London on Paris	13 771 13 771	13 771
London on Berne	Sw. Fcs. 12 1140 12 1160	12.1075 12.1095
New York on London	281 120 281 156	281.150-281.190

CLEARING HOUSE RETURNS

Centre	Week ended 26th August 1960 Number of Cheques	Amount Rs.	Week ended 19th August 1960 Number of Cheques	Amount Rs.
Bombay	3,14,328	67 45 26,000	3,32,000	75,00,00,000
Calcutta	1,81,000	76,02,00,000	1,47,000	69 13,00,000
Madras	75,913	19,06,77,150	80,572	10,74,54,669
All Centres—				
1957-58	..	..	41 672,000	80,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
April 1960	..	..	4,536,000	10,42,01,00,000
May	..	..	4,588,000	10,19,66,00,000
June	..	..	4,227,000	9,36,02,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	13th Aug. 1960	6th Aug. 1960	15th Aug. 1959	June 1960	June 1959	Percentage of Increase (+) or Decrease (−) in June, 1960 as compared with June, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	124 6	125 0	123 2	120 3R	118 7	+ 1 3	119 8	115 2
Cereals	192	109 3	110 0	109 7	107 3	101 8	+ 5 4	104 1	100 6
Pulses	43	94 3	94 8R	92 8	89 7	89	+ 0 6	93 6	102 9
Fruits and Vegetables	28	133 7	133 7	154 0	122 2	134 6	− 9 2	127 8	117 04
Milk and Ghee	84	122 6	119 4	120 0	119 9	116 3	+ 3 0	115 3	107 3
Edible Oils	47	145 8	148 8	126 6	139 7	132 2	+ 5 6	120 4	124 3
Fish, Eggs and Meat	17	124 7	127 8R	118 4	119 9R	116	+ 3 4	112 0	108 41
Sugar and Gur	48	139 0	141 5	149 2	137 7R	148 6	− 7 3	147 0	127 2
Others	50	171 1	174 2	166 0	161 3	160 9	+ 0 2	167 9	151 3
Liquor and Tobacco	21	103 7	103 0	93 6	100 5	87 4	+ 12 1	99 5	98 4
Tobacco		107 2	107 5	97 0	103 0	90 0	+ 12 5	97 9	93 8
Fuel, Power, Light and Lubricants	30	118 0	118 1R	115 3	118 0R	118 3	− 1 4	116 5	115 4
Industrial Raw Materials	155	138 6	137 7R	119 1	139 7R	120 8	+ 15 7	123 7	115 6
Fibres	61	133 4	132 3R	109 2	142 6	111 3	+ 28 2	113 3	108 0
Oilseeds	60	147 1	149 0	131 4	144 4	135 4	+ 6 6	124 6	127 0
Minerals	2	98 2	98 2	98 2*	98 0	99 6	− 1 6	97 8	106 0
Others	32	126 6*	126 9*R	115 0*	128 2	113 1	+ 13 3	121 6	109 2
Manufactures	290	122 0	122 1	103 9	119 1	118 9R	+ 0 2	111 6	108 4
Intermediate Products	41	129 9	131 3	109 2	127 2	108 2	+ 17 6	113 8	110 3
Finished Products	249	120 7	120 6	110 0	118 7R	109 3	+ 8 6	111 3	108 1
Textiles	147	123 0	122 7R	105 8	119 1	109 1R	+ 9 1	107 8	108 3
Cotton		130 6*	130 8*R	113 5*	126 0	113 3	+ 11 2	116 9R	117 8
Jute		114 1	113 1	92 6	113 1	87 1	+ 29 8	90 6	85 5
Woollen		110 1*	110 1*	104 2*	110 1	104 2	+ 5 7	104 2	106 9
Silk and Rayon		102 7*	102 7*	92 4*	102 7	94 4	+ 8 8	96 4	93 2
Metal Products	12	146 8	146 8R	143 3	143 3	143 3	+ 3 5	144 4	143 1
Chemicals	20	103 1	103 0R	107 1	104 6	106 9	− 2 1	106 9	106 6
Oil Cakes	10	137 1	138 7*	141 1*	132 0R	143 6	− 8 1	143 8	108 5
Machinery and Transport Equipment	31	111 1	111 1	109 9*	110 9	111 0	− 0 1	108 2	108 5
Others	30	116 0	116 0	113 7	114 7	113 2	+ 1 3	113 4	113.7
All Commodities	1,000	125 2	125 6	113 0	122 9	115 7	+ 6 2	117 1	113.4

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. *Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Ranchi Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	108	363	275	323	95	103	349	109	105	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	96	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	98
1956 "	105	353	244	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116	395	274	313	98	120	384	124	113	102	103	123	109	131
1959 "	121	412	309	340	98	132	384	133	120	106	98	125	108	140
January 1959	117	396	301	323	103	127	366	130	122	107	94	115	109	134
February "	118	399	300	326	103	129	364	127	124	108	94	120	110	134
March "	117	401	290	320	99	129	364	127	126	105	95	121	105	135
April "	117	400	296	313	95	130	364	128	119	101	95	121	104	127
May "	119	406	307	328	95	131	371	131	116	103	96	125	104	138
January 1960	122	422	304	360	96	135	385	137	121	107	99	120	111	144
February "	122	418	294	355	98	136	389	139	122	107	97	121†	109	144
March "	121	414	287	339	97	135	392	138	119	104	100	122†	109	145
April "	122	421	288	346	97	136	392	138	117	104	103	118†	109	145
May "	122	421	..	354	96	135	420	140	116	104	105	118†	109	145
June "	123	422	..	360	..	..	399	..	117	107	..	119†	109	..

* Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5 Year	Cumulative Time Deposits 10 Year	National Savings Certificates 5-Year A Receipts	National Savings Certificates 5-Year A Outstandings	National Savings Certificates 7-Year B Receipts	National Savings Certificates 7-Year B Outstandings	National Savings Certificates 12-Year B Receipts	National Savings Certificates 12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Outstandings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Outstandings	Total Receipts B	Total Outstandings B
1956-57	..	..	3,00	6,01	163,68	..	..	..	176,97	196,50	25,38	−38,82	44,24	..	..	..	..	43	1,32	225,88	449,1
1957-58	..	..	2,22	4,73	145,45	71,45	71,49	179,98	23,11	139,73	43,58	588	547	63	1,87	284,92	580,7
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	−40,67	42,57	635	11,64	67	2,41	280,28	590,08
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	−41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
January 1959	1	..	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	−40,52	42,70	57	10,60	5	2,32	24,07	588,17
February "	2	1	1,78	3,87	120,95	9,64	143,14	14,93	219,39	21,13	−40,60	42,62	58	11,14	5	2,36	25,22	566,41
March "	3	2	1,73	3,79	119,11	11,66	152,44	22,29	222,01	21,01	−40,69	42,57	65	11,68	5	2,41	34,58	581,75
April "	5	3	1,70	3,72	117,25	5,36	157,31	16,39	226,90	20,88	−40,74	42,49	63	12,26	11	2,50	23,52	588,09
May "	7	4	1,68	3,65	115,69	5,71	162,02	15,68	224,88	20,76	−40,80	42,39	51	12,79	5	2,54	21,98	581,46
June "	9	5	1,65	3,59	114,16	6,03	167,24	15,89	224,23	20,61	−40,86	42,33	42	13,19	3	2,56	22,40	589,70
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19,96	−41,28	41,84	1,13	19,77	5	2,81	23,59	630,20
February "	43	26	1,52	3,21	101,09	7,57	210,64	16,04	234,25	19,87	−41,28	41,75	1,05	20,79	6	2,98	25,71	636,46
March "	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	−41,29	41,68	96	21,76	6	2,90	43,47	667,36
April "	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	−41,35	41,58	1,03	22,16	9	2,98	26,16	670,00
May "	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	−41,41	41,50	1,05	24,07	5	3,01	24,07	672,53
June "	..	..	..	..	..	..	..	..	..	..	..	..	84	25,05	5	3,04	..	..	..	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 11 marked 'E' are not included.

N.B.—Cumulative Time Deposits commenced from 2nd January, 1959

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1928-33	33,39,26,000	1960-70	100 30
3 % Loan	1938-39	116,17,46,000	1963-65	98 05
2½% Loan	1950	30,33,10,000	1964	98 00
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95 95
2½% Loan	1946	1,15,05,83,000	1970-75	90 05
2½% Rev. Loan	1945	1,15,05,83,000	1970-75	90 05
2½% Loan	1946	57,00,69,000	1961	98 55
2½% Loan	1946	14,77,48,000	1962	98 05
2½% Loan	1947	75,88,75,000	1962	98 05
3 % N. P. Bonds	1953	75,29,00,000	1961	100 05
2½% N. P. Loan	1954	1,58,17,95,000	1964	99 90
3½% N. P. Bonds (2nd Series)	1955	1,03,67,92,000	1965	99 75
3 % Loan	1956	87,27,36,000	1962	99 70
3 % N. P. Bonds	1956	63,81,83,000	1967	99 55
3 % Loan	1956	66,63,53,000	1974	99 65
3½% N. P. Bonds (4th Series)	1957	58,99,30,000	1967	100 85
4 % Loan	1957	40,12,27,000	1972	101 25
2½% Loan	1958	86,55,92,000	1963	99 95
2½% Loan	1958	$0,00,00,000	1968	99 50
3 % Loan	1958	$4,33,90,000	1974	100 65
2½% Loan N.P.B.	1958	$4,33,90,000	1973	101 15
3 % Loan	1958	$9,51,44,000	1975	99 10
3½% Loan	1959	1,02,91,00,000	1969	100 20
3 % Loan	1959	80,95,00,000	1979	99 90
4 % Loan	1960	97,61,00,000	1980	99 75
3½% Bonds	1960	82,66,00,000	1966	
NON-TERMINABLE LOANS				
2 % Loan	[1896-97	8,93,34,000	M.	72 50
2 % Loan	1946	2,48,91,35,000	K.	73.90
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100 20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1970	101 75
4 % Andhra	1958	5,48,81,000	15th July 1971	99 55
4 % Andhra	1959	6,00,00,000	19th Aug. 1971	99 55
3 % Bombay	1949	5,49,68,000	1st Aug. 1962	97 55
2½% Bombay	1951	2,87,53,000	1st Sept. 1962	99 60
4 % Bombay	1951	5,35,35,000	17th July 1963	101 00
4 % Bombay	1952	4,45,85,000	1st Aug. 1964	100 90
4 % Bombay	1952	9,73,28,000	1st Sept. 1967	100 90
4 % Bombay	1954	7,94,78,000	1st Aug. 1967	100 75
4 % Bombay	1955	6,57,22,000	16th Sept. 1969	102 60
4 % Bombay	1956	6,58,09,000	15th July 1970	102 65
4 % Bombay	1958	4,36,25,000	15th July 1971	100 60
4 % Bombay	1959	6,00,00,000	15th July 1971	100 90
4 % Bihar	1948	84,02,000	1st Sept. 1967	100 00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100 10
4 % Bihar	1956	2,76,71,000	15th July 1971	101 50
4 % Bihar	1959	$,50,00,000	19th Aug. 1971	99 50
3½% Cochin	1936	30,00,000	1st June 1956-61	98 00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 50
4 % Hyderabad	1956	5,12,46,000	1st Sept. 1967	100 20
4 % Hyderabad	1958	2,16,02,000	3rd Sept. 1968	100 20
4 % Madras	1946	2,78,44,000	14th Sept. 1961	99 60
4½% Madras	1946	4,81,77,000

MARKET GOSSIP

(Concluded from page 407)

the ginneries and the traders. All of them have, therefore, been advised to see that they purchase cotton at prices within the ceiling.

With the imposition of the aforesaid measures, the straight-jacketing of the cotton trade has become complete. All that the trade is free to do is to purchase cotton from the farmers—at their price, of course—and deliver it to the mills nominated for the purpose by the Textile Commissioner at the price fixed after a compulsory survey of the cotton. For this privilege, it is pointed out, it has to bear the additional burden of having to submit periodical returns of their turnover and stocks.

The problem that now remains is enforcement of the controls. Past experience does not warrant optimism that the Government will succeed in enforcing the controls in an atmosphere of shortage. In fact, the last season presented the sorry spectacle of the Control Order being more honoured in the breach than in the observance. And those who defied the Order seemed to have emerged better in the bargain than those who did not. Surely, nothing is more detrimental to good business morale than such a state of affairs. Nevertheless, it will be interesting to see how the whole thing works in the new season, for there is one difference between the old and the new season. Unlike in the past season, the controls are now being enforced right from the beginning of the season. The dealers and the mills have been warned and the Textile Commissioner can act with firmness, fully convinced of the justice of his case. But what will he do, if the farmers begin to hoard their crop? Will he dare to requisition it from them?

Another pertinent question that arises relates to futures trading. With all these detailed controls, how can a hedge contract function, unless it is reduced to the status of a gambling counter, as is now sought to be done by the bullion dealers? The present Textile Commissioner himself is an expert on this subject, having been chairman of the Forward Markets Commission for a number of years. He is competent enough to examine the question impartially and advise the Government correctly.

Most of the doubts raised above will dissolve themselves, if the current season's (that is, 1960-61) crop turns out to be well over five million bales. Let us, therefore, devoutly hope that Dame Nature will be merciful enough to ensure for this country a crop of at least 5.2 million bales, if not more, and thereby spare the Textile Commissioner, the mills, the cotton traders and the consumers of cloth the ordeal of physical and price controls.

First Paper Mill in Madras

The immense scope for expansion of paper industry in India is underlined by the fact that, despite the recent increase in domestic production capacity, there is a considerable gap between supply and demand, as is evident from the existence of price controls and fancy premiums paid in the black market. Again, though production has increased from about 192,000 tons in 1955 to 294,000 tons in 1959, it still lags behind the target fixed under the second Five-year Plan of 350,000 tons. The demand is expected to more than double itself during the third Plan period, as witness the target fixed by the Planning Commission for 1965-66 in the Draft Outline of the third Plan at 700,000 to 900,000 tons. With the rapid rise in literacy, multiplication of rules and regulations which aggravates the demand for paper, and the expansion in industrial and commercial activity, more and more writing and printing paper will be required, but it appears that it will be several years before production catches up with the demand. There is thus an urgent need for more paper mills in the country.

The development of paper industry has so far been somewhat lopsided. There is, for instance, no paper mill in the Madras State, in spite of the fact that there are a number of sugar mills in that State and the bagasse from these factories, which is an important raw material for paper making, is being used as fuel. Also, there are reserve forests where bamboo is available in adequate quantities. This gap in the industrial field of the State is sought to be filled by the Seshasayee Paper and Boards Ltd., a joint-stock company incorporated in June last and promoted by Messrs. Seshasayee Brothers Private Ltd., a managing agency house which has been responsible for the birth of many industrial undertakings in Madras and Kerala States. The Company will thus have the distinction of opening the first paper mill in the Madras State. The Managing Agents of the Company are Messrs. Seshasayee, Parsons and Whittemore Private Ltd.

The Company proposes to set up an integrated pulp and paper plant with an annual capacity of 20,000 tons. The estimated cost of the project, including working capital, brokerage and underwriting commission and preliminary expenses, is Rs. 6 crores. This is proposed to be met by a share capital issue of Rs. 3.50 crores and by loans from banks and others to the tune of Rs. 2.50 crores. The authorised capital of the Company is Rs. 10 crores and the issued capital is Rs. 3.50 crores, divided into 3.5 million equity shares of Rs. 10 each. Out of the issued capital, the promoters, foreign collaborators, Directors and their friends have already subscribed to the extent of Rs. 100.01 lakhs and have agreed to take up a further Rs. 4.90 lakhs. The Madras Industrial and Investment Corporation Ltd. has agreed to take up Rs. 1 crore worth of shares. The balance available for public subscription is only Rs. 1.45 crore. Even this has been fully underwritten by the L.I.C., four Scheduled banks, and six firms of brokers. The success of the issue is thus assured. The list for public subscription will open on the 7th inst. and will close on the 12th or earlier, but not earlier than the 10th inst. A sum of Rs. 5 per share is payable on application (which is to be for a minimum of 100 shares) and the balance is payable in two instalments as and when called up.

Apart from the favourable climate for paper industry, in general, for reasons outlined at the outset, the outlook for the Company, in particular, appears to be bright for several reasons. (1) The Government of India has agreed to provide the entire foreign exchange requirements for the project from the Export-Import Bank loan. (2) The Company has secured the technical collaboration of Messrs. Parsons and Whittemore South Asia Company Inc., U.S.A., who are well-known makers of paper machinery. (3) The situation of the factory is ideal from the point of view of easy accessibility to the sources of raw materials, transport facilities and power supply. (4) The paper-making characteristics of bamboo and bagasse, the supply of which has been assured to the Company, are such that their combination will help produce excellent printing and writing papers of various types and varieties. And, finally, there is no marketing problem, as the demand for paper in the State of Madras and the two adjoining States of Andhra and Kerala will far exceed the Company's output. The mill, which will be one of the most modern ones, is expected to go into production in two years' time. Based on current market conditions, the Directors are satisfied that the operation of this mill will yield a satisfactory return on the capital invested.

COMMERCE AND INDUSTRY

(Concluded from page 432)

of 2,839,000 tons on the assumption that the plant will work all the 365 days in a year. The total quantity of dry coal required to achieve this level of coke output is estimated at 4,161,000 tons. The gas evolved from the coal during its carbonisation will be treated in the by-product and tar-distillation plants.

The West Bengal Government's anxiety to expedite the expansion of the coke ovens' capacity has been prompted by the need to ensure adequate supplies of coking coal to the Durgapur steel plant, especially when its capacity is proposed to be stepped up in the third Five-year Plan period, as also by several other consuming industries in the State. Moreover, the entire gas to be produced from the extension of the project—18 million cubic feet—will be largely required by the fertiliser factory which the State Government has decided to establish in collaboration with foreign participants. Further, the expansion of the coke oven project holds out greater opportunities for manufacture of some basic chemicals utilising the by-products. A scheme envisaging such manufacture has already been submitted by the Bengal Chemical and Pharmaceutical Works. Addressing the recent annual meeting of the Company, Dr. B. N. Ghose, Chairman of the Company, disclosed that the scheme was now being actively considered by the West Bengal Government and that an industrial licence from the Centre was awaited. Dr. Ghose did not wish to give more information on the scheme until it took concrete shape, but he assured the shareholders that they would be given an opportunity to invest in the new company to be formed for the purpose.

GELATINE FACTORY TO BE SET UP AT NAGPUR

The Glamorgan (Wales) firm of P. Leiner and Sons—whose factory at Treforest is the largest single British producer of gelatine of any kind—is to establish a factory at Nagpur in association with Kapurthala and Northern Indian Tanneries (K.N.I.T.), of Kapurthala. The new company will be known as the Leiner-K.N.I.T. Gelatine Co., Ltd. The authorised capital of Rs. 50 lakhs will be held jointly by the two companies. Each will be represented by two directors. The production target of the new factory is 2,000 tons a year, including edible and pharmaceutical gelatines, and also bone glue, using sinews for the raw material.

This is the first venture of its kind in India, but Leiners are not new to the Indian industrial scene, for they have already established a bone-crushing factory at Jodhpur. Plans for the new factory are far enough forward for an estimated start of production in less than nine months. About three-quarters of the plant will be made in India and the remainder in Britain. Technical experts from Treforest will be in charge of the organisation of the new plant.

One of the main products, it is announced, will be gelatine for bank-note paper to be made at the new mill being built by the Government of India in conjunction with Portals Ltd. The greater part of the bone glue to be produced will, it is expected, be exported to the United Kingdom.

MANUFACTURE OF CAMERAS

An agreement was signed at New Delhi on 26th August between the Government of India and Messrs. Nippon Kogaku of Tokyo for technical collaboration in the manufacture of cameras in the Government-owned National Instruments Factory at Calcutta. Mr. D. Sandilya, Joint Secretary, Ministry of Commerce and Industry, signed on behalf of the Government of India, while Mr. N. Hamashima, Managing Director, signed on behalf of his firm. The agreement provides for a technical tie-up with the Japanese firm for the utilisation of their patents in the manufacture of cameras and other optical instruments at the option of the Government. It will be current initially for a period of 10 years. Technicians from the Company will visit India shortly and start training Indian engineers.

For the time being, it is proposed to commence manufacture of Nikkorex, the latest model which Nippon Kogaku are making in medium-priced cameras. This is a 35 mm. single lens (f/2.5) reflex camera with view finder and built in exposure meter. The National Instruments Factory is expected to reach an optimum production of 1,000 cameras per month within a period of two to three years.

BANKING

(Concluded from page 414)

average rates of interest on deposits and bank credit of all Scheduled banks given in the Statistical Tables Relating to Banks:

TABLE II

(Rate per cent. per annum)

	For the half-year ended			
	June 1958	Dec. 1958	June 1959	Dec. 1959
Deposits				
Current	0 184	0 179	0 124	0 124
Savings	1 882	1 952	1 906	1 944
Fixed	3 611	3 620	3 451	3 252
Bank Credit				
Loans and advances ..	5 505	5 685	5 579	5 705
Inland Bills	6 307	6 432	6 243	6 088
Foreign Bills	10 093	9 619	8 807	9 240
(i) Export Bills ..	8 777	8 691	8 009	8 676
(ii) Import Bills ..	12 462	11 801	10 958	11 345

It will be seen from the table that the reduction in interest rates on current and fixed deposits in 1959 was accompanied by only a fractional rise in average rate of interest on loans and advances and on savings bank deposits, so that the spread between the average rate paid on all deposits and that charged on loans and advances could not have improved by any significant extent. In the first half of 1959, in fact, there was a decline in the spread. The average rate of interest (discount) on bills shows a fall and this is more marked in the case of foreign bills.

The Statistical Tables contain an interesting table of advances of 15 selected Scheduled banks at various rates of interest as on the last Friday of each quarter of 1959. The banks selected for this study are representative ones, in that they account for 75 per cent. of the advances of all Scheduled banks. This study does not show any deviation from the previous year's pattern. For the bulk of the banks' advances continues to be lent at less than 6 per cent., of which 50 per cent. earns a rate of interest above 5 per cent., but less than 6 per cent. Hardly 20 per cent. of the banks' advances is being made at over 6 per cent. Nearly a quarter earns 4-5 per cent. Thus, the prime loan rate in India is 5-6 per cent., a rate which prevails in very few countries. Even in countries with developed money markets the common lending rate of banks is anything between 6 per cent. and 8 per cent., as readers would have noted from the table of prime loan rates in various countries of the world published in our issue of 6th August 1960 (vide page 231).

"QUICK" ESTIMATES OF NATIONAL INCOME FOR 1959-60

The National Income of India in real terms recorded a rise of 0.5 per cent. in 1959-60 over 1958-59 according to the "quick" estimates prepared by the Central Statistical Organisation on the basis of the trends disclosed by the current available data. There was a fall of 3.9 per cent. in agriculture (proper) the contribution of which accounted for 38.7 per cent. of the total national income in 1959-60, as compared to 40.5 per cent. in 1958-59. This fall in agriculture was, however, more than offset by increases in other sectors, which taken together, registered a rise of 3.4 per cent. in 1959-60 over 1958-59 bringing about an increase in the contribution of these sectors from 59.5 per cent. in 1958-59 to 61.3 per cent. in 1959-60. The present estimates are tentative, as they are based on certain advance information and may be revised in the annual paper on National Income for 1959-60. Contributions of some individual sectors to the overall percentage change in national income in 1959-60 over 1958-59 at 1948-49 prices are shown in the following table:

Sectors	Percentage contribution to total national income 1958-59	Percentage change in 1959-60 over 1958-59	Contribution to the overall percentage change in 1959-60 over 1958-59
Agriculture (proper) ..	40.5	— 3.9	—1.58
Mining and factory establishments	8.2	+ 8.1	+0.66
Communication	0.4	+ 4.0	+0.02
Railways	2.4	+ 5.7	+0.141
Organised banking and Insurance	0.9	+10.8	+0.10
Other commerce and transport	15.2	+ 1.7	+0.26
Other sectors	32.4	+ 2.8	+0.91
All sectors	100.0	+ 0.6	+0.51

The table below indicates the trend of national income and per capita income at 1948-49 prices during the quinquennium ending 1959-60:

Year (Financial)	National income (Rs. crore)	Per capita income (Rupees)
1955-56	10,480	273 6
1956-57	11,000	283 5
1957-58	10,850	277 1
* 1958-59 (Preliminary) ..	11,000	278 6
* 1959-60 (Provisional) ..	11,750	291 5

The figures show that the net rise in national income in real terms during the first four years of the second Plan, i.e., 1956-57 to 1959-60, was of the order of 12.1 per cent.

COMMERCE

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

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MORE POWER TO THE RESERVE BANK

It is heartening to find that the Reserve Bank, the Government, Parliament and the banking community, in general, are ready to profit by the lessons of the failure of the Palai Central Bank Ltd. The first three authorities are acting quicker than we expected, while the fourth, namely, bank managements, seem to be quietly reconciling themselves to the further curtailment of their freedom that is now taking place. Not a word has been said by the Indian Banks' Association or its spokesmen about the second amendment to the Banking Companies Act which has been accepted by the Lok Sabha and is now before the Rajya Sabha. The speed with which this amendment was drafted and placed before the House reflects the authorities' commendable response to public opinion, which was keen that something should be done to provide quick relief to the depositors of banks that fail. The fact that the Lok Sabha also promptly gave its consent to the amending Bill is a striking evidence of its appreciation of what is sought to be done for the benefit of depositors. Elsewhere in this issue appears a detailed account of the main features of the new Banking Bill. Suffice it to say here that its primary aims are three: (1) to expedite liquidation of banks that unfortunately fail; (2) to ensure a little preferential claim to small depositors after all the prior claims ranking above those of depositors have been met, and (3) to prevent, as far as possible, bank failures by rehabilitating in good time banks that are found wanting in some respect or other.

In addition to this legislation, the Reserve Bank is actively examining the case for insurance of bank deposits. It is believed to have sent a tentative scheme to the Indian Banks' Association for ascertaining the reactions of member-banks and one of the Deputy Governors of the Bank will make a special study of this insurance in the U.S., when he goes there to attend the forthcoming annual meetings of the I.M.F. and the World Bank. The preferential status that is now sought to be given to small depositors does not, in any way, obviate the need for insuring bank deposits, as the relief specified in this statute is very small, being no more than of a token nature. The sum of Rs. 250 which ranks for prior claim is, it may be noted, much less than the average amount per savings bank account. Even in the case of banks with less than Rs. 5 crores of deposits, the average amount per savings account in 1959 was Rs. 423, the average for the schedule banks as a whole being Rs. 747. This remark, however, does not suggest that we belittle the value of this safeguard. It is welcome for the reason that the smallest among the depositors should be given the highest priority in the settlement of claims and maximum protection.

The question of expediting liquidation of banking companies and the distribution of their assets had received expert attention in the past and suitable measures were introduced in the Banking Companies Act. An entire chapter on the subject was added to the Act in 1950 and, in 1953, this was further modified substantially and several sections were replaced in the light of the findings of the Banks Liquidation Proceedings Committee, presided over by Mr. Dhiren Mitra. Experience since then has shown that these provisions are inadequate in relation to the nature and size of the problem and that some more fundamental modifications are required, if depositors are to be enabled to get the maximum return with minimum delay. The present amendments are designed to serve this purpose. There is little in them to be criticised. An attempt at improving the law in the light of experience is not something to be decried. On the contrary, it deserves to be encouraged.

If there is an aspect of the present amendments that can be objected to, it is the one that invests the Reserve Bank with sweeping powers for enforcing amalgamations of banks and granting of moratorium on certain conditions. It may sound ironical that the failure of the Palai Bank should have secured more powers for the central banking institution, even though the episode was by no means due to want of sanctions. Despite all the explanations given by the spokesmen of the Reserve Bank and the Government, the fact clearly stands out that the Reserve Bank had enough powers to pull up the management of the Palai Bank and to prevent it from indulging in unsound banking practices. Equally clear is the fact that, for some mysterious reason, the Reserve Bank failed to exercise these powers effectively in good time. Accordingly, it can be argued that, when the existing powers are not judiciously used, there is no point in vesting the Reserve Bank with more and more powers. This is a negative criticism, which does not take into account the need for removing obstacles in the way of strengthening the banking sector. It is common knowledge that one of the weaknesses of Indian banking is the existence of a large number of small banks most of which cannot stand the test of sound banking canons. It is also widely appreciated that one of the effective solutions for this problem is to amalgamate the deserving units into viable institutions that can afford to employ competent staff, adopt modern practices and follow stricter banking codes. There has, however, been more talk than adoption of this solution. If left to voluntary effort, as has been the case so far, the present unsatisfactory state of affairs will persist for a long time. Something more effective must be done to solve the problem of the "problem" banks, to quote the apt description coined by Mr. H. V. R. Iengar, Governor of the Reserve Bank.

Why has the problem defied solution, though amalgamation as a remedy has been conceded to be an ideal one? What are the difficulties in the way of pursuing that course and can they be overcome? Mr. Iengar did some loud thinking on these questions when addressing a gathering of economists at Delhi last week. He said:

> "The question also arises in this context as to whether some powers of compulsion are required for effecting a merger in appropriate cases. The problem is undoubtedly beset with difficulties. For example, in connection with banks in the old Travancore and Cochin States, the Travancore-Cochin Banking Enquiry Commission pointed out that banks had been started as a result of competition between villages and often between families. Having regard to this, is there likely to be sufficient unity of purpose in a region which will enable banks which are very small in size to merge with others to become bigger units? And apart from the question of compulsion, would it be possible in practice to devise schemes which will allow fairly for the differences in the quality of banking assets arising from differences in the quality of managements? One cannot leave the problem alone merely because it bristles with difficulties. On all grounds it is desirable that we start afresh with a banking structure which is sound and sufficiently broad-based to take on the increasing responsibilities that will fall on it during the third Five-year Plan period. From this point of view clearly one could not contemplate with equanimity an indefinite or prolonged extension of tutelage for substandard banks in various stages of difficulty."

Even before the echoes of the series of questions posed by Mr. Iengar had died down, the Lok Sabha was presented with the Banking Companies Act Amendment Bill under reference, seeking to vest the Reserve Bank with powers for bringing about compulsory amalgamation of banks.

From the observations of the Finance Minister on the Bill, it is clear beyond doubt that amalgamation will be tried as a solution only in the case of banks that deserve to exist and have a useful role to play. While banks that are really bad will have to be liquidated, those that can be saved will be saved through reconstruction, and amalgamation with another, if need be. A problem bank can be reconstructed only if the depositors do not force its closure by hurried withdrawal of funds. It is in order to prevent such withdrawals that the amending Bill contains provisions for granting a moratorium for a period of six months on the recommendation of the Reserve Bank. It is just possible that, in many cases, mere reconstruction will be of no use, for, rarely, a credit institution like a bank, which depends on the confidence of depositors for its survival and vigorous growth, can hope to be successful after reconstruction. In such cases, their amalgamation into one strong institution or absorption by the big or medium-sized banks is the only way out. The new legislation, therefore, provides for such a course. It also provides for amalgamations straightaway without being preceded by any reconstruction. The initiative will, in all probability, be taken by the Reserve Bank and, on its advice, the Government can compel one bank to be amalgamated with another, even if the shareholders of both the banks, or of one of them, are opposed to the merger. Explaining why the Government was taking such drastic powers, Mr. Morarji Desai said:

> "In the case of credit institutions like banks, in which thousands of depositors unconnected with the shareholders are interested, the normal provisions of the Companies Act, which are applicable to industrial or commercial companies owned only by the shareholders, are out of place. While it is not my intention to belittle the extent of the shareholders' interest in the institutions with which they are concerned, and while we shall consult them wherever this is possible, or necessary, the initiative and responsibility for the reconstruction of financial and credit institutions like banks must remain largely with the Reserve Bank and the Central Government. We are making this quite clear in the relevant provisions of this Bill and I hope that, in actual practice, we shall be able to

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use these new and amplified powers in a manner which will strengthen the banking and financial system of the country as a whole."

The aforesaid instrument means a further whittling down of the rights of shareholders of banks. But as banks have come to be regarded as public utility concerns, the rights and privileges of shareholders and their representatives on the boards of directors are inevitably receding to the background. While in theory this particular amendment confers on the authorities excessive power, in that the Reserve Bank and the Government can order any big bank to take over a small bank in the name of public interest, in actual practice such high-handed actions are unlikely. There is provision for receiving suggestions from, or hearing the objections of, the banks concerned, before the Reserve Bank finalises its scheme of amalgamation. Quite apart from this safeguard, there has so far been no instance of the Reserve Bank misusing the powers of control given to it or acting in a manner detrimental to the progress of banking. One can, therefore, safely proceed on the assumption that the new powers, too, will be wisely used for strengthening the banking system through elimination of some of its structural weaknesses.

A DOCTRINAIRE DECISION

THE Government of India has decided to go into the business of manufacturing small cars also, as though its hands are not full with commercial enterprises. In announcing its decisions, in the form of a resolution, on the recommendations of the Jha Committee appointed by the Commerce and Industry Ministry to enquire into the automobile industry, the Government has confirmed the announcements made by Mr. Manubhai Shah to the effect that the small cars would be made by the public sector. While an expert committee is proposed to be set up to consider the feasibility of manufacturing a low-cost car within a price range of Rs. 6,500, including taxes, transport charges and distributors' commission, or at an ex-factory price of about Rs. 5,000 per car, it has taken a policy decision that the manufacture of the proposed baby car "will be undertaken in the public sector," in case the Committee considers that the production of such a car will be possible within the price range indicated. This decision amounts to putting the cart before the horse. Why should the Government be in such a mighty hurry to decide as to which sector should make the car even before making sure whether the manufacture of such a car will be an economically feasible proposition for this country? It could have waited for the verdict of the proposed expert committee, which is expected to submit its report within a period of four months. There would be some justification for the public sector taking up this job, if the private sector were to express its inability to make this car within the stipulated price range, assuming that the expert committee finds the proposition to be a feasible one.

The Government has given no reason whatever as to why this manufacturing activity should be entrusted to the public sector and why not to the private sector. In a democracy, it is desirable for the Government to see that its policies and actions carry conviction to the public. In the absence of any explanation, one is constrained to come to the conclusion that, in this case, the Government does not care very much for public opinion and that its decision is based purely on doctrinaire considerations. The private sector claims that it has the capacity and resources to manufacture small cars of a durable and sturdy nature at an economic price. In his annual statement to the shareholders of T.E.L.Co., Mr. J. R. D. Tata observed: "....if it is true that the Government contemplate establishing the manufacture of a small car by the State and if, as rumoured, the two reasons advanced for such a proposal are that the cars proposed by established manufacturers are too expensive and that Government find it difficult to choose between many projects offered, I can only express concern and regret in regard both to the proposal and to the reasons advanced for it. With the existing automobile industry able and willing to undertake manufacture of a small car, there can be no possible reason for Government to allocate such a project to the public sector, except on grounds of socialist ideology or dogma, which Government spokesmen, including the Prime Minister, have repeatedly and unequivocally disavowed as playing any part in their policies." Even after such a categorical assertion by a distinguished leader of Indian industry, the Government has not cared to take the public into confidence as regards the reasons that prompted it to decide as it has done. If silence means consent, the answer is obvious.

It will be pertinent to recall here that even the Jha Committee had clearly expressed itself against the small-car project being undertaken in the public sector. The Committee held the view, very rightly, that it was undesirable to set up a new automobile unit for this purpose. We say very rightly, because the Indian market for cars, the existing and the prospective alike, is not large enough even for the existing manufacturers and the entry of another unit will only make matters worse. This view had been emphatically stated by the Tariff Commission also in the past but was quietly ignored by the powers-that-be when they permitted the Defence Department to undertake production of trucks. Although the Government has accepted almost all the other recommendations of the Jha Committee, it has unceremoniously rejected this particular suggestion, without even making reference to it in the resolution published in the *Gazette of India Extraordinary* of the 6th inst. The Government surely has enough work to do in the field of industries and agriculture. It has taken up so many heavy industries, including prospecting for oil, that it has neither the men nor the time to bother about manufacturing economy cars. These cars belong to the category of consumer durables and constitute, by Government's own definition, an item of luxury. They are not, in any case, an indispensable necessity to the common man. If the authorities think that the private sector will indulge in profiteering, they have only to remember that they have all the powers necessary for controlling prices and distribution alike. They are already exercising these powers not only in regard to the existing range of cars and commercial vehicles but even in regard to scooters. Is there, then, any practical reason why the manufacture of such an item should be undertaken by the public sector?

SMALL HOLDINGS IN RUBBER

THE problem of small rubber plantations owned mostly by individuals and families seems to be a perennial one. Despite their many drawbacks, the small holdings have been growing in number and have carved out for themselves an important place in the economy of Kerala State. Many may not be aware that holdings of 50 acres and below number about 50,000 and represent almost 99 per cent. of the total number of estates and holdings, big or small, and account for 25 per cent. of the total production. In area, they accounted for 162,361 acres or 56.7 per cent. in 1958, having grown from 69,604 acres or 40.3 per cent. in 1952, whereas, during these six years, the share of estates of over 50 acres declined from 59.7 per cent. to 43.3 per cent., though the area covered by them increased from 103,182 acres to 124,206 acres. The increase in area under this group, it will be noted, was very much smaller than that under the small estates. What is more noteworthy is that over 43,000 of these small holdings were less than five acres in size in 1958, as compared with only 11,000 in 1952.

Again, despite the increase in number, the acreage owned by the small holders has shown a smaller average per unit. It has also been found from experience that the output per acre of the small holdings is much smaller than that of estates of over 50 acres. Thus, while the average yield of holdings above 50 acres was 351 lbs. per acre in 1952, that of small holdings was no more than 175 lbs. Because of this low yield, the average for the industry as a whole was 279 lbs. per acre. By 1958, the average yield for holdings of over 50 acres increased to 419 lbs. per acre or a rise of 19.3 per cent., whereas that of small holdings rose by only 3.4 per cent. to 181 lbs. and the average for the industry as a whole by 12.5 per cent. to 314 lbs. Thus, not only the average yield of small holdings is now less than 50 per cent. of that of large estates but the improvement in yield over the last six years is also far from encouraging.

The yield is so low, particularly in holdings of five acres and less, that in most of the small holdings rubber offers a living only when it is grown along with other products, such as coconut, arecanut and pepper. It is said that the small holdings are seldom able to follow the standards or norms necessary for planting rubber with high yielding stands and for maintaining the plants properly till they are mature for tapping. Nor do they possess the knowledge and technique for improving the methods of tapping. Bad tapping practice affects the longevity and productivity of trees. Use of low yielding planting materials is probably one of the causes for the perpetuity of uneconomic holdings. It may be that the lack of finance prevents many a small grower from improving his methods of cultivation. For it is found that a few small holdings with adequate financial resources are being maintained so well that they do not unfavourably compare with large estates in the matter of productivity.

The two questions which are usually raised in any discussion on the problem of small holdings are: (1) What is the size of an "economic unit"? And (2) Can much reliance be placed on the small holdings for meeting the future needs of the country? Strangely enough, opinions on both are not unanimous and precise. The U.P.A.S.I. is of the view that an "economic unit" means a plantation acreage capable of supporting an efficient managerial sector, providing reasonable wages and living conditions to the employees and yielding a fair return on the investment. It would be difficult to lay down, on this basis, a standard for size, though, for practical purposes, 500 acres in the case of large plantations and 50 acres in the case of small holdings may be taken as economic units. The Rubber Board, however, feels that for small holdings the limit of five acres suggested by the Plantation Enquiry Commission can be regarded as sufficient for an economic unit. The Tariff Commission, which recently completed an enquiry on the raw rubber prices, has not given any clear verdict on this. "Without dogmatising on the point," it says, "we would only state that, at present, large holdings are in a better position to undertake economic production of rubber." This shows that the Commission, consisting, as it does, of eminent economists and able and experienced administrators, knows the answer, but does not want to spell it out.

On the second question, the Rubber Board has stated that it would be "unwise" to place too much reliance on small holdings for meeting the future needs of the country. The view of the Tariff Commission on this question is somewhat different. It says:

"As the small holdings play a significant role in the economy of Kerala by providing employment on a large scale, there should be no positive steps whether by agrarian reforms or otherwise to discourage them from continuing in production. They should continue to receive, where they are able to establish their ability to do so, subsidy and other financial aids from the Rubber Board for replanting with high yielding planting materials."

The Plantation Enquiry Commission had, however, offered a solution to this problem. It had suggested that the small holders should form themselves into co-operatives. In view of the several handicaps which individual small growers suffer from, the Plantation Enquiry Commission was of the view that there was great scope for co-operatives, especially service co-operatives or multi-purpose societies, to function actively. Surprisingly enough, there seems to be opposition to this suggestion from all quarters, including the small growers themselves. The Tariff Commission, which sought the views of different interests on this question, has received a "uniform reply" from the State Government, growers' associations and individual growers, large and small alike, to the effect that "co-operation will not work successfully among existing small holdings in conditions prevalent in the area." The Tariff Commission is, however, of the view that, with the increasing assistance from the Rubber Board, as well as from the State Government, to small growers, it should be possible for them to popularise the advantages of co-operation through the formation of service co-operatives and multi-purpose societies. In particular, the establishment of such agencies would, it says, contribute to the success of the scheme suggested by it for extending financial assistance for new planting to small and medium holdings, a scheme to which the Kerala State Government seems to have responded favourably. The Tariff Commission's suggestion deserves to be tried seriously. If it is properly explained to the small growers that it is not joint co-operative farming but only service co-operatives that are sought to be promoted in order to help them, they may be willing to join hands and work for their mutual benefit. The alternative is amalgamation of uneconomic units. But the success of this scheme also depends on the initiative and voluntary co-operation of small growers. In actual practice, amalgamation will be more difficult than service co-operatives, as it involves surrender of ownership of land to some big planter in each area who is prepared to buy the small holdings or to a corporate body, the shares of which they are prepared to hold or accept compensation in cash.

MARKET GOSSIP

THE bulls on the stock exchanges seem to have become tired. The success of Mr. Lal Bahadur Shastri in wangling a substantial reduction in the ex-mill prices of cotton cloth and yarn have proved to be a distinct setback to them. The only hope of improving the profit-margin of mills lies in the prospects of a better cotton crop in the current season. If the crop turns out to be a little over five million bales, the mills may fare better from December onwards, assuming that other things will remain the same. If exports of cloth, for instance, fail to improve, the mills may, once again, be faced with easier conditions in cloth market. Such a prospect cannot be ruled out, what with forecasts of an economic recession in the U.S. in 1961. In any case, the world trade in cloth is subject to periodical swings. Good years are invariably followed by bad ones and 1959-60 has been a good one.

The implications of the serious nature of the foreign exchange crisis to industries based on imported raw materials are gradually sinking in the minds of speculators. Will the rayon industries, for instance, be able to get all the foreign exchange they require for maintaining and increasing their production? Many have begun to wonder and, as the doubt spreads, selling pressure on rayon shares increases. National Rayon, Gwalior Rayon, Sirsilk, Century, Baroda Rayon, Indian Rayon and South India Viscose—all of them are now standing appreciably below the peak levels recently touched by them. It would be a good thing if the managements of these concerns—we refer here only to those that are in production—were to clarify the position in this respect. In any case, it will be worth watching the import quotas due to be announced in a few days.

Considerable misgivings have come to prevail in market circles, following the statements of the Prime Minister in Parliament in regard to the private sector and allied subjects, such as State trading, control on prices, concentration of economic power, uneven distribution of national income and so on. Is the leftist ideology of the Congress Party beginning to reassert itself once again in both ministerial pronouncements and policies? Is the influence of rightist-minded members of the Cabinet declining? The failure of the Swatantra Party to gather strength and the rightist doctrinaire approach of some of its leaders might serve as an encouragement to the Congress Party to return to some of its pet programmes which served to discourage the enthusiasm of private investors not long ago. There are, however, no signs of any immediate change in the official policy.

But the authorities may follow stiffer policies against speculation, including that in stocks and shares. Although the Finance Minister has stated that no impediments should be placed in the way of companies raising capital for approved industrial projects, the high premiums commanded by the shares of existing and new companies alike, the anxious, as well as critical, questions raised by some members at the meetings of the Consultative Committee of Members of Parliament last week, and the memoranda submitted by interested parties to the Government and Members of Parliament against the expansion schemes of some companies are beginning to influence official attitude. It is reliably understood that the authorities are now insisting on the issue of new shares of existing companies, even if they are for an entirely new project like petro-chemicals, at a very high premium. Also, in the case of issues of entirely new companies, the conditions are being tightened in regard to the shares allotted on a firm basis to the directors and their friends.

For the past two or three days, there have again been a revival of rumours of an impending increase in the Bank rate. With the borrowing programme of a dozen State Governments just completed, it is inconceivable that the authorities would put up the Bank rate so soon. If they do, it would be regarded by investors as breach of an implied faith by the Reserve Bank and shake their confidence. There may, therefore, be no rise in the Bank rate for some weeks to come. But it is a moot point whether the necessity for higher interest rates can continuously be postponed. Sooner or later, perhaps sooner than later, the intense pressure of demand on the restricted supply of capital is bound to make itself felt on the cost of money. Further, all teams of influential foreign monetary experts which have been visiting this country in the past one year are believed to be unanimous that the interest rates policy now being followed errs on the low side. Again, how long can a country like India, confronted with an acute balance of payments problem, afford to follow a policy of low interest rates?

Another factor that has forced the bulls on the stock exchanges to draw in their horns a bit is the absence of support by investors. The latter have, once again, become discriminatory and cautious in their purchases. The craze for quick capital appreciation is tending to subside to some extent. Quite a number of investors are said to be booking their profits, so that they may have sufficient funds for taking up new issues. Some very good ones are likely to be announced in October. They may include the long-awaited offer of Goodyear Tyre also. The prospect of bank credit becoming costlier when the traditional busy season starts should induce the prospective investors to build up their liquid resources for applying to these new issues, instead of complacently hoping that they can rely on cash credit and overdraft accounts with banks.

Although the Government has decided that the manufacture of people's car should be in the public sector, investors in the shares of existing automobile companies need not feel depressed over this development. There is plenty of scope for these companies to expand in their present line of manufacturing activities. In the resolution on the Jha Committee report, the Government has promised to render the maximum possible assistance to them for raising their existing range of production. In fact, it has urged them to go ahead with their expansion plans, so that the country's growing requirements of trucks, cars and jeeps in the third Plan period can be met to the fullest extent possible.

State Loans

The response to State loans, the full details of which are available only now, has been more satisfactory than expected. Some of the State loans, more notably those of Andhra and Uttar Pradesh, have been oversubscribed. Even the Kerala loan has been fully subscribed. The response to these loans has been so good that the Reserve Bank, which had prepared to take up a large block of them, found it unnecessary to invest anything more than Rs. 1 crore in all. It would, however, appear that some of the State Governments exercised heavy pressure on investors to go in for these loans. A number of these investors had to borrow from banks to oblige the officials and Ministers. Apparently, several of them are now selling the loans taken up by them, in order to repay the borrowings from banks. Consequently, the Andhra State loan, which was heavily oversubscribed by nearly 50 per cent., is now selling at a discount of 75 nP. A large block of U.P. State loan, which had also been oversubscribed, was taken up by a leading bank at a discount of Re. 1.50 today. The following table shows at a glance the collection results of State loans for this year, as compared with those for the previous three years:

(Amount in crores of rupees)

Year	No. of States	Amount of issues	Amount subscribed	Amount accepted	
				Cash	Conversion
1956 ..	15	64.00	74.23	66.53	2.18
1957 ..	2	9.00	12.52	8.58	1.33
1958 ..	11	50.00	65.84	40.18	5.24
1959 ..	13	61.50	100.35	66.85	0.57
1960 ..	12	75.00	85.33	78.80†	6.44

N.B.—The 1959 data do not include the second issue of Madhya Pradesh loan for Rs. 5 crores for which cash subscription received and accepted was Rs. 2.03 crores.

† Amount of cash subscriptions received. Figure of amount accepted not yet known.

It will be noted from the table that, though the State loans this year managed to fare better than expected, their success was by no means as spectacular as in the past year.

Section 23-A

Section 23-A of the Indian Income-tax Act is quite constitutional, inasmuch as the legislative competence to enact it "can be clearly upheld on the ground that it was to prevent evasion of income-tax." This is the judgment of the Supreme Court; it was pronounced by Mr. Justice A. K. Sarkar on Friday last, when he was disposing of the appeal of Sardar Baldev Singh, a former Union Defence Minister, against the order of the Income-tax Officer, Delhi, assessing him to an income of Rs. 5,27,417. Sardar Baldev Singh was one of the three shareholders of the firm Messrs. Indra Singh and Sons Ltd., Calcutta, and, since his holdings were equal to those of the other two, he was asked to pay, under Section 23-A of the Income-tax Act, income-tax on his share of the undistributed portion of the Company's assessable income amounting to Rs. 4,74,370 (the total was Rs. 14,23,110) which was declared as his income for the assessment year 1944-45. The amount was subsequently raised to Rs. 5,23,417 as a result of reassessment that followed the submission of a return by the appellant under protest. The order was confirmed by the Appellate Tribunal and the matter was brought to the Supreme Court by special leave. On behalf of Sardar Baldev Singh, it was contented that the Income-tax Officer, Delhi, had no jurisdiction to reopen the assessment and that Section 23-A was unconstitutional for the reason that "it is beyond the competence of the legislature that enacted it."

The appellant's contention was, however, dismissed on the following grounds:

The appellant could be properly assessed by the Income-tax Officer, Delhi, under Section 64(2), because he was working at Delhi at the time of assessment.

Section 34 of the Income-tax Act is applicable to the merits of the case; the income involved in the proceedings actually existed on the relevant date and, therefore, shall be deemed to have escaped assessment.

Seventy-five per cent. of the voting power of Indra Singh and Company lies in the hands of persons other than the public, that is, a group of persons allied together in the same interest. Section 23-A was enacted for preventing evasion of tax. When the management of a company decides not to declare a dividend, despite money being available, it does so, because it does not want to take the dividend. To quote Mr. Justice Sarkar: "By providing that, in the circumstances mentioned in it, the available assessable income of a company would be deemed to have been distributed as dividend and be taxable in the hands of the shareholders as income received by them, the Section would prevent the members of such a group from evading, by the exercise of their controlling power over the company, payment of tax on income that would have come to them. That being so, the Section would be within Entry 54 of the Government of India Act."

Whatever may be the constitutional status of Section 23-A of the Income-tax Act, the above case provides a good instance of the prolonged delay involved in the disposal of income-tax cases. The period that has elapsed between the date of first assessment (14th October 1944) and the date of final disposal by the Supreme Court (2nd September 1960) is as long as sixteen years! Such delays are due largely to the cumbersome nature of the Income-tax Act itself which prevents proper administration of a taxing statute. There is, therefore, no exaggeration whatever in the statement of the Law Commission, made in its twelfth report placed on the table of the Lok Sabha on Tuesday the 5th inst., that "there is hardly any act on the Indian statute book which is so complicated, illogical in its arrangement and in some respects so obscure as the Income-tax Act." The Commission has done well not merely to highlight the serious defects of a varied nature that abound in the Act and to urge the Government to revise the Act so as to make its provisions more intelligible but also to indicate the lines on which revision must be effected.

JAPAN'S TEXTILE EXPORTS

The pace of cotton textile exports from Japan seems to have slackened of late, as a result of the disagreement between the mills and the traders. The latter, according to a recent report from Japan, have urged the mills to reduce prices because of unfavourable export conditions. It is stated that, since the countries buying Japanese textile are constantly trying to beat down prices and the Communist Chinese textiles are again offering severe competition, the exporters have to accept orders from overseas countries at a rather considerable loss eventually. Attention is drawn to the failure of the export houses to put through a transaction covering 1.5 million square metres of cotton cloth (1 metre=1.0936 yard) for shipment to North Viet Nam and another for 3,000 tons of spun yarn (one ton=2,240 lbs.) to the Soviet Union. The plea for cut in prices is, however, firmly opposed by the mills on the ground that "such price reductions will establish a very bad precedent, in addition to affecting adversely the Japanese domestic textile markets."

Japan is the world's largest exporter of cotton goods. Last year, it exported 1,263 million square yards of cloth, a quantity which represents as much as 24 per cent. of the aggregate world shipments of cloth. The prosperity of the Japanese cotton textile industry rests largely on the export trade. Out of every ten square yards of piece-goods produced in Japan, nearly four square yards are exported.

EQUITIES WEAK

SELLERS PREDOMINATE

(From Our Own Correspondents)

BOMBAY, *8th September*

THE improvement in sentiment noted on the Bombay Stock Exchange last week proved to be short-lived and equities suffered an all-round setback in the week under review, on predominance of sellers. Intermittent short-covering and replacement buying on a selective basis failed to arrest the downward trend. The satisfactory dividend announcement of the Tata Iron and Steel Company, Ltd. late on Thursday last week failed to impress the market, except for a short-lived improvement on Friday last. The further cut in cloth prices ranging from 6 per cent. to 12½ per cent., depending on the varieties of cloth, announced by the Indian Cotton Mills' Federation on Saturday, bringing the aggregate reduction since 11th August when the first cut was announced to about 20 per cent. in the case of certain varieties of cloth, is expected to result in uneconomic working of several mills, particularly those producing coarse and lower medium cloth. The situation is likely to be worsened by the use of high-priced imported cotton. In the circumstances, mill circles are apprehensive of the ability of marginal units to maintain production. These fears are fully reflected in the sharp fall in textile shares.

While the decline in equity values is to be welcomed as a corrective reaction to the recent sustained and sharp rise, it is difficult to assess how long the reactionary trend will persist. One thing is, however, clear. The operators have become more cautious, now that they have caught the vigilant eyes of the Finance Minister, who recently announced that steps would be taken to check excessive speculation. Further, the operators are said to have begun feeling the pinch of the credit control measures and heavy margin payments. The Government's anxiety to hold the price line, the continued uncertainty over the steel retention prices and the growing raw material shortage which will hit many industries are some of the factors which have restrained the activity in the market. The spate of new attractive issues with good growth prospects—two of which opened their lists this week and more are to come in the coming weeks—has also diverted the attention of the operators. The undertone of the market is now quiet, despite the mild improvement at the close from the week's lows touched earlier today. The premium on several new issues has appreciably come down. A few are even quoted at a discount.

Steel shares lagged behind, Tata Ordinaries giving way to Rs. 155.75 after an initial gain from Rs. 160.25 to Rs. 162.75. The closing was done at Rs. 157.25. Indian Irons gained ground from Rs. 25.85 to Rs. 26.15 before receding to a low of Rs. 25. At the close, they made a feeble recovery to Rs. 25.20. Mukand Irons were heavily marked down from Rs. 27.60 to Rs. 25.75.

Losses in textile shares were widespread. Bombay Dyeings finished with a loss of Re. 1.20 at Rs. 66.40, after having gone down to a low of Rs. 65.80. Centurys declined from Rs. 507.50 to Rs. 482 before closing at Rs. 489. Kohinoors shed Rs. 7.50 to Rs. 323. Central Indias were lower by Rs. 6 at Rs. 113. Finlays lost Rs. 18 to Rs. 352, thus wiping out last week's gain. The downward trend in Khataus was maintained, with a further drop of Rs. 137.50 to Rs. 582.50, bringing the total fall in the last two weeks to Rs. 242.50. Morarjees failed to sustain last week's gain in the face of the general setback, and fell by Rs. 25 to Rs. 415. Standards continued to move down, falling from Rs. 1,975 to Rs. 1,545. Mysore Spinnings, Moderns, Podars, Shree Niwas, Svadeshis, Tata Mills, Sassoon Spinnings and Mafatlals were the other counters which sustained sharp falls. The exceptions to the general trend were provided by Swans and Gold Mohurs of the Finlay group.

Electricity shares shed further ground. Ahmedabad Electrics lost Re. 1 to Rs. 86.50, Bombay Suburbans Rs. 2.50 to Rs. 81.50. Tata Hydros dropped Rs. 2 to Rs. 104, Andhra Valleys Rs. 7.50 to Rs. 990 and Tata Powers Rs. 15 to Rs. 1,022.50.

The sustained rise in United Commercials in the bank section noted in the past four weeks, lifting them from Rs. 75.80 to Rs. 89.50, suffered a reversal this week when the scrips fell by Rs. 10.50 to Rs. 79. Centrals and Bank of Indias also were quiet with small losses.

A fall of Re. 6.50 to Rs. 166.50 in Digvijays was the only feature in the cement section, which was otherwise dull with narrow fluctuations. Associated Cements moved between Rs. 145.50 and Rs. 143 before closing at Rs. 144. Orissa Cements were unchanged over the week at Rs. 14.

Sugar shares were weak. Belapurs, which had attracted good attention in the last two weeks, were heavily marked down from Rs. 403 to Rs. 375, thus almost wiping out the net gain in the previous two weeks. Phaltans declined by Rs. 7.50 to Rs. 179 and Walchandnagars by Rs. 3.75 to Rs. 303.75.

Shippings were quiet, Scindias losing 48 nP to Rs. 14.64 and Great Easterns 68 nP to Rs. 16. Automobiles were affected by the report that the Government had decided to manufacture the proposed economy car in the public sector. Hindustan Motors shed Re. 1.12 to Rs. 20.88 and Premier Automobiles Rs. 15.75 to Rs. 163.75.

Engineering shares lacked support. Alcocks slipped down from Rs. 298 to Rs. 293. Tata Locomotives, after an initial rise from Rs. 307 to Rs. 312.50, receded to a low of Rs. 282.50. At the close, there was a mild improvement to Rs. 288. Larsen and Toubros were lower by Rs. 3.75 at Rs. 45.75. Premier Construc'ions gave way from Rs. 371.50 to Rs. 354.50. Texmacos lost Re. 1.25 to Rs. 26 and Voltas Rs. 7.50 to Rs. 279.

Miscellaneous shares too participated in the general decline, the fall in some of the cash scrips which had soared to new highs in recent weeks being particularly heavy. Bombay Burmahs (old) recorded a net loss of Rs. 18 at Rs. 571. Among rayon shares, National Rayons had a precipitous fall from Rs. 525 to Rs. 502. Gwalior Rayons were marked down by Rs. 2.75 to Rs. 43.25, Baroda Rayons by Rs. 8.50 to Rs. 141.50 and Indian Rayons by Rs. 16 to Rs. 70. Chemicals and Dyes, too, sustained heavy selling pressure. Tata Chemicals dropped by Re. 1.44 to Rs. 19.28, Alembics by Rs. 16.25 to Rs. 238.75, Amar Dyes by Rs. 30 to Rs. 450, Colour Chems by Rs. 40 to Rs. 410, Indian Dyestuffs old shares by Rs. 95 to Rs. 620 and new shares by Rs. 110 to Rs. 620 and Poly Chems by Rs. 11.25 to Rs. 290. Ceat Tyres were done Rs. 10 lower at Rs. 250, as also Premier Tyres at Rs. 95. Asian Cables changed hands Rs. 14.50 lower at Rs. 94. Hindustan Aluminiums closed at Rs. 3.72, with a loss of 76 nP over the week. Khandelwal Ferro Alloys were marked down by Rs. 14 to Rs. 105 and West Coast Papers by Rs. 13.50 to Rs. 200. Wimcos were, however, steady at Rs. 243.

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Madras Stock Exchange

MADRAS, *7th September*

Distinctly easy conditions prevailed on the Madras Stock Exchange during the week under review. Offerings of scrips were generally quite sizable, thanks to rumours of a possible official intervention to curb speculation in share dealings, while fresh buying interest was lacking. Consequently, values were pushed down. Textiles were weak on fears of reduced profit-margin of mills, following the move of the Indian Cotton Mills' Federation further to reduce prices of cloth and yarn. The decision of the Central Government to set up wage boards for plantation industry led to some selling in plantation shares. Teas were particularly depressed, due to reports of growing competition from East Africa in the London tea market. Coffee and rubber shares, too, lacked support. Miscellaneous shares drifted lower on selling pressure. A few sugar shares, however, proved an exception to the general trend and tended to move up under the impetus of investment support.

In the textile section, Lakshmis suffered a setback of Rs. 8 in the course of the week, today's closing rate being Rs. 147. South Indias fell by Rs. 6 to Rs. 136. Metturs were marked down by Rs. 4 to Rs. 392. Coimbatore Spinnings receded from Rs. 51 to Rs. 49. Buckinghams lost a rupee to Rs. 205. Dhanalakshmis declined by a like amount to Rs. 227. Travancore Rayons dropped 90 nP to Rs. 36.40. Maduras shed 20 nP to Rs. 34.90. Coimbatore Cottons were neglected at Rs. 170, as also Cannanores at Rs. 145, Premiers at Rs. 237. Metturs changed hands at Rs. 69 and Kotharis at Rs. 12.90. Bangalore Woollens, however, rose by a rupee to Rs. 208 on special enquiries.

A feature of trading in the tea section was the fall in the value of Twyfords from Rs. 12.50 to Rs. 11.65; the quotation was lower still at Rs. 11.50 yesterday. The fall followed disappointment of operators over the dividend of 10 per cent., taxable (equivalent to 7 per cent. tax-free), for 1959, as against 15 per cent., tax-free, for 1958. Haileyburias declined by 50 nP to Rs. 14.50, owing to selling induced by the announcement of a lower dividend of 12½ per cent. taxable (equivalent to 8.75 per cent. tax-free) for 1959 which compares unfavourably with 20 per cent. tax-free for the previous year. Blue Mountains were lower by 15 nP at Rs. 5.28 and Periakaramalais by 12 nP at Rs. 3.75. Waterfalls eased by 10 nP to Rs. 4.60. Kil Kotagiris dropped 6 nP to Rs. 5.63. Devasholas shed 5 nP to Rs. 30.45, Neelamalais lost 3 nP to Rs. 5.02, Peermades 2 nP to Rs. 23.63 and Chembras 1 nP to Rs. 5.05. Nonsuchs were quiet at Rs. 28. as also Parksides at Rs. 28.50. United Nilgiris, however, put on 5 nP to Rs. 22.65.

Among coffees, Consolidated Coffees came in for selling and decreased by 30 nP to Rs. 26.10. Coffeelands moved down by 20 nP to Rs. 24.50. Ouchterlony Valleys were easy at Rs. 4.75, as against Rs. 4.93 last week-end. Cowcoodys shed 5 nP to Rs. 560. Balanoors and Rajendras were unchanged at Rs. 16.70 and Rs. 15, respectively.

In the rubber section, Midlands receded by 40 nP to Rs. 11.60. Cochin Malabars declined by 32 nP to Rs. 7.55. Malankaras were dull at Rs. 20.55 and Kailas at Rs. 5.05. But Vaikundams picked up 10 nP to Rs. 31.45.

In the sugar section, Cauverys retreated by Rs. 5 to Rs. 146. Deccans shed 35 nP to Rs. 16.05 and Travancores lost 10 nP to Rs. 12.25. United Breweries were quiet at Rs. 114.50. East India Distilleries, however, advanced by 75 nP to Rs. 39. Mysores rose by 25 nP to Rs. 60.50. Indias gathered 15 nP to Rs. 13.25.

Fertilisers and Chemicals in the miscellaneous section provided a weak spot, the quotation easing by Re. 1.20 to Rs. 11.80 *ex-div.* Among other chemicals, Metturs declined by 10 nP to Rs. 15. Mysore Fertilisers were neglected at Rs. 10.70 but Mysore Chemicals hardened by 12 nP to Rs. 27.87. In the cement group, Andhras sagged by 45 nP to Rs. 10.45. Orissas receded by 10 nP to Rs. 13.75 and Travancores by 7 nP to Rs. 9.03. Indias, however, put on 7 nP to Rs. 7.35. Among other scrips, Aluminium Industries lost 65 nP to Rs. 24.50 and Ashok Leylands by 27 nP to Rs. 9. Mysore Coffee Curings declined by 30 nP to Rs. 16. The Company has announced a dividend of 14-2/7 per cent. taxable (10 per cent. tax-free) for 1959, as against 12½ per cent, tax-free for 1958. Textools were unchanged at Rs. 190, Tube Investments at Rs. 375 and Western India Plywoods at Rs. 300.

IS BANK RATE TOO HIGH?

FLOW OF HOT MONEY HEAVY

From Our Own Correspondent

LONDON, *2nd September*

LONDON LETTER

THE rise in the gold reserves of over £50 million in August—a month in which it is more usual for this country to lose gold than to gain it—would seem to be a matter for congratulation. In fact it is a pointer to a hidden danger, even though the Bank of England took this opportunity of advancing her repayments to the International Monetary Fund, made at the time of the Suez crisis four years ago. A sum of £75 million remained to be paid off, at £5 million per month, but, with mounting stocks, the Bank has anticipated the last five monthly payments for this year (£25 million), thus reducing the actual increase to £27 million.

In the face of the current trade figures, it is obvious that it is not a balance of payments gain which is being reflected by this rise. London has become one of the most attractive centres for hot money and, so long as the whole interest rate structure in the City stays where it is, money will continue to flow in. The Bank has argued that these funds are strengthening of Britain's short-term financial position—it is true they have a use as in enabling this advance repayment to the I.M.F.; but what sort of strengthening is it which could suddenly be countered by a rapid outpouring of funds on a scale which would create a quite unwarrantable lack of confidence in sterling?

It should be obvious that one can have too much of such a good thing as a hot gold reserve on account of the damage done when the flow is reversed. Fortunately, the timing is on this country's side—the U.K. is nearly through the worst payments on international trade account and the outflow, when it comes, may be at a time when the country's trade balance is in better shape. All this suggests that the time is very near when it might be as well at least to stop any more money coming in, if not to chase away what is already here.

Sterling Balances

The latest figures published by the Treasury show that the sterling balances had risen by the end of June to £4,275 million, as against £4,088 million a year ago. In this period, the Sterling Area countries have only increased their balances by £25 million (to £2,674 million). Non-sterling balances have increased during the same time by over £160 million, of which £118 million represents the increase in the second quarter of this year. And the balances have risen still further in the past two months.

Inside this general picture, there have been other interesting developments. The O.E.E.C. countries have actually increased their balances by £186 million in the past year and the Dollar Area countries and Western hemisphere countries by £66 million. On the other hand, other Non-Sterling countries have reduced their balances by a little over £40 million. Indeed, the Non-Sterling countries, taken as a whole, now hold more funds in London than at any time over the past ten years!

The Treasury is inclined to argue that the Bank rate was raised for internal reasons and must remain high for internal reasons—but if it is not careful it will find that the high rates have outlived their usefulness even in that sphere. Moreover, the Treasury has got to concern itself about the effects of high rates on the external position, and the question is therefore how long it can afford to keep its eyes shut tight and pretend that nothing is happening.—*All Rights Reserved.*

NEWS IN BRIEF

THE Bihar Government's Directorate of Mining and Geology has discovered a "large deposit" of iron pyrites near Sode village in the Ranchi district.

A new tubeline containing some rare variety of diamonds has been discovered by the Geological Survey of India in the Majhagwan diamond mines of the Panna district.

Soviet Russia has agreed to grant India a credit of Rs. 60 crores for financing the third Plan. This is in addition to the sum of Rs. 180 crores, in respect of which agreement has already been signed.

The Tariff Commission will shortly undertake a review of the cement industry, including the question of fair ex-works prices beyond 1st July 1961, when the duration of the existing price will expire.

As a measure of export promotion, the Government of India proposes to grant drawback of duty on certain varieties of tinplate products at the rate of Rs. 276.50 per ton of tinplate content, and on petrol pumps and gas plants on brand basis.

A five-member delegation of the Government of India, led by Mr. K. B. Lal, Additional Secretary, Union Ministry of Commerce and Industry, has left for Kathmandu to finalise negotiations on the revision of Indo-Nepalese treaty of trade and commerce signed in 1950.

A few more commodities are expected to be included in the Payments Agreement between India and Pakistan concluded in March last. The issue was examined at a meeting of the representatives of the two Governments held at Rawalpindi last week.

The Government of India has enhanced the statutory prices of coal and coke by 6 nP and 8 nP, respectively, in order to enable the collieries to meet their liability in respect of grades and time scales of pay for their workmen fixed recently under an arbitrator's award.

A scheme for the manufacture of chemically bonded basic refractories on a commercial basis has been finalised. The scheme envisages the establishment of one factory at Salem in Madras and another in Orissa. The outlay on these projects is estimated at Rs. 70-80 lakhs and Rs. 3.5 crores, respectively.

The Union Deputy Minister for Agriculture, Mr. M. V. Krishnappa, stated in the Lok Sabha this week that no subsidy as such was being given by the Centre to the State Governments in respect of foodgrains issued from Central stocks. The issue prices fixed for sale of foodgrains from Central reserve, however, included an element of subsidy.

An all-India seminar on industrial estates will be inaugurated at the Guindy Industrial Estate in Madras on the 20th inst. by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry. Ministers in charge of industries in the various States and representatives of several industrial estates will attend the seminar.

Plans to start a regular shipping service between India and Poland in pursuance of the shipping agreement recently signed between the two countries were finalised at a recent tripartite meeting of inter-Indian shipping lines—the State-owned Western Shipping Corporation and the two private lines of Scindia Steam Navigation and India Steamship Company. Each Indian shipping line will run one ship a month on the route.

It has been decided to merge the Hindustan Chemicals and Fertilisers Ltd. and the Sindri Fertilisers and Chemicals Ltd. into one single Corporation. The merger is said to be the first step in the implementation of the programme of bringing all fertiliser plants in the public sector under one management, with a view to ensuring better control, as well as more efficient and economic functioning of the various units.

The Law Commission, in its twelfth report presented to the Lok Sabha on Monday this week, has recommended the abolition of the Income-tax Appellate Tribunal. It has suggested that direct appeal on questions of fact as well as of law from the orders of the Appellate Assistant Commissioner should be made to the High Courts. The Commission has, however, felt that the Appellate Assistant Commissioners should continue to function under the Central Board of Revenue.

A new comprehensive Patents Bill will be introduced in Parliament early next year, with the object of encouraging the development and exploitation of new inventions and researches for industrial advancement in India. The Bill will be followed by a revision of the designs law as well. This was disclosed by Mr. Manubhai Shah, Union Minister for Industry, while addressing a meeting of the Trade Marks Association of India in Bombay on the 3rd inst.

During the month of August 1960, the Enforcement Directorate in the Union Ministry of Finance adjudicated 35 cases of contraventions under the Foreign Exchange Regulation Act and imposed an aggregate penalty of Rs. 44,102 on various parties, including proprietors and partners of firms, companies, etc. Foreign currency worth about Rs. 3,000 was confiscated to the Central Government.

The total value of automobile components manufactured in India, which was just Rs. 42.31 lakhs in 1951, rose to about Rs. 7.5 crores in 1959. In 1951, the production of components was confined to only tyres, tubes, battery and certain other minor components, whereas, in 1959, the production included items such as piston assembly, cylinder liners, thin-walled bearings, valves, fuel linings, clutch facings, clutch assembly, hydraulic brake assembly, leaf springs, spark plugs, dynamos and gaskets.

The Union Home Minister stated in the Rajya Sabha that Mr. Platt of the British Civil Service was invited by the Government of India to advise on the manner in which the Whitley Council machinery was functioning in England. Mr. Platt gave an account of the policy followed in the U.K. in regard to grievances and promotion procedures, wage claims and relationship with the staff associations in these matters. The Union Home Minister also informed the House that it had been decided to set up a joint consultative machinery and a detailed scheme was being worked out.

Crop insurance will be introduced in the Punjab from the next *rabi* season. The scheme, which will operate in six centres together consisting of 500 villages, will cover the four major crops—namely, wheat, cotton, sugarcane and gram, against all natural calamities, such as floods, hailstorms and locusts. Insurance will be compulsory for every cultivator in the area. The farmer will be entitled to compensation only if more than 25 per cent. of the crop is lost, the total amount paid in any case not exceeding 50 per cent. of the damage. The rate of premium will differ from region to region. The State Government has set apart a sum of Rs. 50 lakhs to begin the scheme, which will be extended to three more centres next year. It is also trying to get a Japanese expert on crop insurance.

Over 70 warehousemen and technical assistants are now being trained in a class organised by the Central Warehousing Corporation at New Delhi. The training class started on 16th August and will conclude on the 28th inst. After their training, the warehousemen and technical assistants will be posted to the new warehouses proposed to be opened by the Central and State Corporations. The Central Corporation has at present 29 warehouses and it intends to start nine more within the next month or so to coincide with the *kharif* harvest. Among the places where new Central warehouses are likely to be opened are Virudhunagar (Madras), Trichur (Kerala), Adoni (Andhra Pradesh), and Gulbarga (Mysore). Warehouses will also be opened in the new State of Gujarat and in Assam and West Bengal. The thirteen State Corporations have so far opened about 160 warehouses and they intend to open about 100 more warehouses during the remaining months of the current financial year.

In order to ensure an equitable distribution of scooters at fair prices, the Government of India has issued a statutory order under Section 18(G) of the Industries (Development and Regulation) Act, 1951, controlling the purchase and sale of scooters. The order stipulates that every applicant for a scooter should furnish a bank guarantee of Rs. 250 at the time of registration, the whole cost of the vehicle being payable when the scooter is actually delivered. In the case of customers whose names have already been registered with dealers, the guarantee may be furnished within 45 days from today. The dealers will have to sell the scooters strictly in the order of registrations and the register of orders will be open to inspection by members of the public as well as representatives of Central and State Governments. The order stipulates that no person who has purchased a new scooter in any calendar year can purchase another scooter in the same year except with the written permission of the Controller or an officer appointed for the purpose by the State Governments. In the case of companies or associations, however, they will be permitted to purchase upto a maximum of six scooters.

An Export Promotion Council for spices, the twelfth of its kind, has been formed, with headquarters at Cochin. The Joint Chief Controller of Imports and Exports, Madras, is the Chairman of the Council which will include a representative each of the Governments of Madras, Andhra, Kerala and Mysore, and the Agricultural Marketing Adviser to the Union Government. It will also have non-official members representing trade in pepper, cardamom, turmeric, ginger, chillies and minor spices. The promotion activities relating to pepper exports hitherto handled by the Cashew and Pepper Export Promotion Council will now be undertaken by the new Council. The problems facing the different spices are varied. In pepper, the export values have declined on account of the emergence of stiff competition from Sarawak and Indonesia during the post-war period. In the case of cardamom, besides competition from Guatemala, the main problem is the invention of synthetic substitutes. Ginger exports have declined since 1958, the main reasons being the import restrictions in West Asian countries, increasing competition from Jamaica and Seirra Leone and change in consumers' preference. The new Council will address itself to these problems and undertake market survey and research, send out trade delegations, prescribe quality standards and attend to importers' complaints, etc. In 1959, India exported spices worth Rs. 10.4 crores; pepper accounted for Rs. 4.3 crores, cardamom for Rs. 3.3 crores, ginger, chillies and turmeric for Rs. 50 lakhs, Rs. 30 lakhs and Rs. 26 lakhs, respectively. The balance was accounted for by minor spices such as celery seed and coriander seed.

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From Abroad

The International Finance Corporation (I.F.C.) has decided to invest $280,000 in Mexico for the development of high-speed twist drills. The total cost of the project is estimated at $640,000. The I.F.C. investment will be in unsecured dollar notes bearing 7 per cent. interest payable in dollars and maturing between 1964 and 1970. It will receive a right to participate in profits.

The wheat crop in Canada this year is expected to go up by 14 per cent. to 472.51 million bushels, as compared with 1959.

President Eisenhower has vetoed a Bill which would have provided a subsidy for small producers of lead and zinc in the U.S. whenever prices fell below 17 cents and 14½ cents per lb., respectively.

The biggest shipyard in Denmark, Burmiester and Wain, has secured from Russia a contract for the supply of two 14,150-ton freight ships. The vessels will be fitted with the Danish company's latest six-cylinder engines, giving a speed of about 19 knots.

Nearly 90 per cent. of U.S. households now have television sets as against only 12 per cent. in 1950. The number of households with more than one set is also increasing, with 11 per cent. in this category in May this year, as compared with 8 per cent. in 1959 and 7 per cent. in 1958.

Following the decision of the International Tin Council to remove export restrictions with effect from next month, many mines in Malaya are expected to be reopened. During the period of restrictions, only the most productive mines were working. About 300 mines had been closed down in Malaya at the peak of restrictions.

The West German Government proposes to denationalise the U.T.G.—the biggest undertaking in Europe which hires out railway tank wagons. The Company is expected to be handed over to Preussag, the big mineral, mining and coal and oil concern, partly returned to private ownership last year. W. Germany restored to private ownership Volkswagen also some time back.

A century-old British firm is now working on a contract which will help the electricity power scheme at Harduaganj, Aligarh district, Uttar Pradesh. The firm—Samuel Jellyman & Co. Ltd.—is making special valves, water draining gates, and hydraulic ash-handling equipment to cope with the process of the disposal of ash from the coal-fired boilers.

The number of passengers flown on North Atlantic air services in the first half of 1960 was higher at 706,778, as compared with 560,000 and 500,000 in the corresponding periods of 1959 and 1960, respectively, according to the International Air Transport Association. This increase is attributed to the introduction of jet airliners and cheap fares. If this trend continues, it is said, the North Atlantic air traffic will reach a record level in 1960.

Rumania has agreed to co-operate with the Government of Indonesia in the development of petroleum industry. To begin with, it will train Indonesian students in Rumania and send its experts to study the prospects for further development in this field. With the exception of a small quantity of oil produced in the fields worked by the Government, practically the entire oil production in Indonesia at present is accounted for by Shell, Stanvac and Caltex.

Commonwealth Finance Ministers will meet in London on 20th and 21st September for their periodical review of economic and financial matters before going on to Washington for this year's meetings of the International Monetary Fund and the World Bank. The Finance Minister, Mr. Morarji Desai, will represent India. Subjects to be discussed will include prospects for world trade, sterling area balance of payments, European trade problems, and development questions.

The view that the U.S. is on the way to a recession next year has been expressed by a group of professional economists, according to an interview held by the U.S. publication, *Business Week*. Some opine that the U.S. is now living through the prelude to a genuine recession, probably the worst economic trouble it had known since World War II. Another group of economists feels that a recession has already begun in the U.S. from February last and is currently passing through a period of readjustment. This section believes that, by mid-1961, Government spending and monetary policy will have the economy [illegible] again.

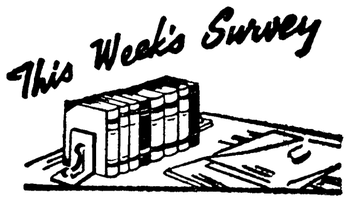
PERSONAL

MR. N. K. Dravid, I.C.S., has been appointed Vice-Chairman of the Maharashtra State Road Transport Corporation.

Mr. T. N. Kaul, Ambassador to Teheran, has been appointed Deputy High Commissioner for India in the U.K, *vice* Mr. Azim Husain, who has been appointed Ambassador to the United Arab Republic.

Mr. P. A. Gopalakrishnan, I.C.S., is the Chairman of the reconstituted Investment Committee of the Life Insurance Corporation. The other members are: Messrs. C. H. Bhabha, A. N. Shah, Ram Nath, A. M. M. Murugappa Chettiar, Dhiren Mitra and N. R. Mody.

Mr. R. K. Nehru, until recently India's Ambassador to the United Arab Republic, has arrived in India from Cairo to take charge of his new assignment as Secretary-General in the Union Ministry of External Affairs. He succeeds Mr. N. R. Pillai, who has proceeded on leave preparatory to retirement.



URBAN HOUSEHOLD SAVINGS

FOR the first time in this country, an all-India survey of urban household savings has been launched. It is being carried out by the National Council of Applied Economic Research, New Delhi, on behalf of the Planning Commission. So far, only five countries in the world have conducted such surveys—the U.S.A., the U.K., Japan, Yugoslavia and Israel. Only, recently, the Council completed its pilot study of household savings in Delhi City, and the success of this study has infused full confidence in the Council that it can very successfully undertake an all-India survey of household savings, urban as well as rural. At a Press Conference in Bombay on Tuesday last, Dr. P. S. Lokanathan, Director-General of the Council, revealed that the survey of urban household savings now launched would be completed by the end of this year and that a preliminary report would be released towards the close of March next. Simultaneously with this survey, a pilot study of the rural household savings in some parts of the Punjab will, we are told, be held, the results of which will also be made available along with the preliminary report. An all-India survey of rural household savings is proposed to be conducted later.

The results of the urban survey now launched will surely be awaited with much interest, in that they will indicate the magnitude of savings in India, the sections of people who save, the reasons and motivation for saving, and the proportion of personal income saved. All these are very important aspects on which the information actually available is neither adequate nor complete; in several cases, it is not authentic. It is a pity that, although nine years have elapsed since the era of planned economic development began in India, nothing has been done to assess the capacity of the people to save and the extent to which their savings can be tapped for fruitful investment. No wonder, therefore, that the resources estimates of the Planning Commission have been the weakest link in the chain of planning. If only the Commision had made arrangements for an all-India survey of household savings earlier, the third Plan could have been formulated on a more realistic basis. On the basis of the survey, the Council will not only estimate the total savings available, their main components and their utilisation but also attempt to evaluate the feasibility of stepping up the rate of savings and make recommendations as to the better mobilisation of the savings potential of the different communities for economic development.

For the present urban household savings survey, a multi-stage sampling scheme has been drawn up. The scheme covers seven cities, with populations more than 500,000 (excluding Delhi which has already been surveyed) and 23 towns, with populations ranging from 10,000 to 500,000, which together represent urban India; all the States are covered by the sample. Within each sample city and town, sample blocks and households in each block have been selected by the random procedure. In all, about 4,550 households situated in 437 blocks will be covered. The sampling, it is said, has been done on the most scientific basis and the whole survey will be conducted, according to Dr. Lokanathan, on an objective and rational basis. The Council has already given intensive training in both conceptual and operational aspects to 90 investigators from all parts of the country for the conduct of the survey. The investigators work under a survey team consisting of the Council's five senior statisticians and economists. Besides, the U.N. Technical Assistance Board has made available the services of a Yugoslav expert for a period of one year. Another expert from the Michigan University was available during the preparatory work for three months, while two others are expected to join the Council for the purpose of the survey.

From the aforesaid particulars, it looks as though the survey has been well planned. Its success seems promising. The results of the survey will, of course, depend on the co-operation and support of the public. All the households selected should willingly give the correct information to the questionnaire presented by the investigators. If even a little over 10 per cent. of the households fail to give any information, the object of the survey will be defeated. They should remember that they would be rendering a national service in truthfully answering the questions posed by the Council. Since the answers of individual households will be kept confidential, the respondents need not have any misgivings about their private affairs being exposed to public gaze.

SHIPBUILDING STORES AND EQUIPMENT

In achieving the long-range objective of self-sufficiency in shipbuilding, indigenous manufacture of general stores items is no less important than the construction of imposing shipyards. While it takes time for such items as engine and engine-room auxiliaries to be manufactured within the country, there is a large number of small stores and fittings, the production of which should not be difficult. The establishment of separate factories for this purpose may not always be feasible nor economical. But their production in existing factories could be attempted, if the manufacturers are familiar with the exact nature and type of the stores required by shipbuilders. The exhibition of shipping stores and equipment, opened by Mr. G. L. Mehta on the 5th inst. at the Hindustan Shipyard, Visakhapatnam, is, therefore, a good idea. The exhibition is meant to acquaint prospective manufacturers with details of the stores used in shipbuilding. A noteworthy feature of the exhibition is that it is a permanent one. It will last until such time as even a single item of equipment remains to be produced within the country, so that, industrialists, who happen to visit the shipyard in future, may have a first-hand idea of the type of articles required for building a ship.

The materials used in shipbuilding can be broadly classified into four categories, namely: (1) machinery and equipment, (2) steel, (3) timber, and (4) general stores items. At present, 80 per cent. of the materials used in the construction of ships are being imported. Apart from steel, which is the principal raw material, the imported element includes essential items like the main engines, auxiliaries for engine room and deck, electrical installations, ventilation piping and refrigeration equipment and precision instruments required for navigational purposes. So far as steel is concerned, the problem is not so much the lack of indigenous capacity for manufacture as the additional cost to the manufacturer of producing steel for shipbuilding when the demand is for small quantities in a large number of sizes. Since some quantity of steel was being imported in any case, it was considered reasonable to import till now almost the entire quantity of steel required for shipbuilding, instead of dissipating the steel capacity to uneconomic production. It is said that arrangements are now being made by the Ministry of Iron and Steel to produce shipbuilding steel at Rourkela. It is, therefore, reasonable to expect that, in future, most of the requirements of steel would be met from indigenous production. This in itself, according to Mr. Mehta, would help to bring down the foreign exchange content in the cost of a ship by about 10 per cent.

The largest single item of import amongst the materials used in shipbuilding is the main engine and the engine-room auxiliaries. They account for about 24 per cent. of the cost of a ship. While the production of these is not possible immediately, there is scope for the manufacture of a wide variety of items which are less complicated and specialised and, therefore, well within the capacity of Indian engineering units to produce.

One of the reasons that prompted the organisation of the exhibition, according to Mr. Mehta, is the failure of the yard's efforts to obtain indigenous substitutes for imported materials. Although a large number of engineering firms were contacted, the response was poor. One possible explanation is that they are unable to determine whether the plant and equipment available in their works would be suitable to manufacture the articles required. It is also possible that the requirements of the shipbuilding yard are not large enough to induce engineering firms to diversify their manufacturing activities. In order to solve this difficulty the Government of India appointed a standing committee of technical experts, under the chairmanship of Rear-Admiral T. B. Bose, to advise the Government on the development of ancillary industries related to shipbuilding and ship repairs. One of the specific tasks undertaken by the Committee is standardisation of equipment and fittings which would help in reducing the cost of their manufacture. The committee has already submitted an interim report, containing certain recommendations to achieve a planned programme of indigenous production of shipbuilding materials and equipment. The Small-scale Industries Corporation, too, can play a useful role in giving aid, technical and financial, and guidance to small engineering enterprises interested in this line.

Apart from self-sufficiency, which itself is a desirable objective, there is also the consideration that indigenous manufacture of as large a percentage of the materials required for shipbuilding as possible, will enable the cost of production of a ship to be brought down. Success in this direction will relieve the Government, in part at least, of the burden of subsidising the industry, which is being done to keep the price of India-built ships on par with those constructed abroad. The present basis for determining the quantum of subsidy to the Hindustan Shipyard is the cost of building a similar ship in Britain.

TRADE UNIONS ACT

The Bill to amend the Trade Unions Act 1926, which was passed by the Lok Sabha on 30th August, should go some way towards better organisation and management of trade unions in the country. For it introduces a measure of Government supervision and control in a field which has been a "no man's land." In fact, if the changes now effected had been made earlier, not only would trade unions in the country have been financially better off but they would also have been much stronger, organisationally.

The amendment empowers the Government to appoint Additional and Deputy Registrars of Trade Unions, whenever necessary, so as to obviate delays in the disposal of applications for the registration of trade unions. It also provides that, if the signatories to an application for the registration of a trade union were entitled to apply for its registration at the time of application, its registration should not be refused on the ground that any one or more of the signatories have ceased to be a member of such union. The amendment also makes it obligatory on trade unions to prescribe a minimum membership fee of 25 nP per month and empowers the Registrars of Trade Unions to inspect books of account, membership registers, etc., of trade unions.

These amendments are in pursuance of the recommendation made by the Indian Labour Conference at its sixteenth and seventeenth sessions. Although the House gave its approval to the amendments, some members of leftist persuasion were critical of the provision for inspection of books of account of unions and compulsory membership fee. The Communist members, in particular, opposed the first mentioned clause on the ground that the powers it conferred on the Registrar were so sweeping that he could demand for inspection even correspondence of a confidential nature. It cannot be denied that there is some justification for this misgiving, for politics rather than labour welfare dominates the affairs of most of the trade unions. And, in a free country, the Communists have a lot more to hide than any other political party. Mr. Abid Ali, Union Deputy Minister for Labour, was inclined to admit that the clause was not knave-proof. He, however, gave the assurance that the Government would issue clear instructions that no documents should be called for, unless they were relevant to the subject of investigation. It was not the intention of the Government, he emphasised, to compel trade unions to submit for inspection irrelevant, confidential documents.

The clause prescribing a compulsory, minimum membership fee is a salutary one, for it will help unions to raise some funds of its own instead of having to depend on outside help and also create for its members a stake, howsoever small, in the efficient management of the union's affairs. It cannot be argued that workers have not the capacity to pay the fee, for the minimum has been fixed as low as 25 nP. In actual practice, almost every trade union collects a membership fee which is not less than the minimum now prescribed. Only, the fee is not regularly collected and arrears pertaining to several years are not uncommon. Equally common is the practice of collecting fees with retrospective effect from those who want to avail themselves of the privileges of being a trade union member in the event of a dispute with their employers. All these irregularities can now be eradicated, provided the Registrar and his staff are active and conscientious in the discharge of their duties.

There is also a flaw in the amendment. Although in theory the new powers conferred on the Registrar will help him to pull up erring unions, it will, in the absence of penal provisions, as pointed out by one member, prove ineffective in practice. In the course of the debate many members expressed dissatisfaction with the existing Indian Trade Unions Act, which was enacted as early as 1926; some even called it "out-dated and out-moded." The Act has been criticised, time and again, by employers and employees alike. The time has come for it to be replaced by a comprehensive enactment which will take into account the changes that have occurred in the trade union movement and the altered political atmosphere in the country.

NATIONAL INCOME DATA

It is somewhat distressing that there was a "real" fall in per capita income in India during 1959-60—the fourth year of the second Plan—as compared with 1958-59. The "quick" estimates of national income for the year, published by the Central Statistical Organisation (C.S.O.) last week (*vide* page 444 of *Commerce*), place the per capita income (at 1948-49 prices) at Rs. 291.3, a drop of Rs. 2.3 over the previous year's level. The estimates are no doubt tentative, but, even so, the trend depicted is clear and that is that the total national income of the nation rose by a bare Rs. 60 crores and this meagre improvement was more than neutralised by the increase in population. In fact, the decline in per capita income will be even more marked, if account is taken of the actual increase in India's population during 1959-60. The net addition to the country's population assumed in the estimates is only 5.20 million (total population in 1959-60 is put at 403.36 million, as against 398.16 million in 1958-59). The growth rate thus works out to just 1.30 per cent., whereas that assumed in the C.S.O. estimates given in the Draft Outline of the third Plan is 1.91 per cent. for the period 1956-61. On this basis, the rise in population in 1959-60 comes to 7.62 million, from 398.16 million in 1958-59 to 405.78 million. If the aggregate national income of Rs. 11,750 crores (at 1948-49 prices) is divided by the population of 405.78 million, the per capita income in 1959-60 will come to no more than Rs. 289.6, a fall of Rs. 4 over the figure for 1958-59.

While the trend noted above is disquieting, the question is: Could the estimates of per capita national income as are currently presented be taken as a reliable guide to assess the rate of economic growth of the country? This question was well answered by Mr. H. V. R. Iengar, Governor of the Reserve Bank of India, when he inaugurated the second Indian Conference on Research in National Income held at the Institute of Economic Growth, Delhi, on Wednesday last week. The per capita income, Mr. Iengar declared, was inadequate and could be misleading. Here is what he said in support of his view:

> "It is conceivable that, while the per capita income is going up, the standard of living of large sectors of the population might be stationary or might even be going down. In fact, one of the criticisms sometimes made of our economic programme is precisely this that the figures showing a rise in per capita income disguise the fact of economic stagnation for the bulk of our rural population."

Mr. Iengar also stressed the obvious limitation in the interpretation of statistics of national income, even though the tools employed might be perfect, namely, the failure to give an idea of the *qualitative* aspects of sectoral components, except in purely monetary terms. He laid a special emphasis on this aspect because of "the vital importance of considering certain qualitative aspects outside the range of the statistician in the study of the totality of contribution made by certain sectors to national welfare." Elucidating this point, he said:

> "It seems essential...that statistics should give an adequate picture of the *distribution* of national income. Or, putting it another way, would not per capita consumption be a more reliable indicator of progress than figures of per capita income? The break-up of consumption expenditure would also help in the evolution of policy for controlling inflationary pressures in the economy and also for deciding on measures for channelling savings into investment."

The points raised by Mr. Iengar certainly provide much food for thought. And there is no denying that, "for a proper assessment in terms of economic growth, considerations other than the purely statistical contribution to national income should be taken into account." Nevertheless, the techniques of compiling national income are of the greatest importance for the planners as well as the administrators. For the National income data, as Dr. V. K. R. V. Rao, Director of the Institute of Economic Growth and President of the Conference, pertinently stated, must contain the relevant material for acquiring the knowledge of the structure of the national economy, which is an essential condition for economic planning. He emphasised that the first problem in the field of national income research was the compilation of reasonably accurate data on the basic statistics of the national income, since, without such data, it was not possible to give really useful estimates of either the gross national product or the domestic product at factor cost or the national income.

In particular, Dr. Rao put forward three important suggestions. One, a high priority should be given in the national income work to the compilation of more reliable estimates of agricultural output through bench-mark census by enumeration of all cultivated land, extension of estimation of output by crop-cutting on random basis to all crops, a more comprehensive and territorially well-distributed system of price reporting, and bench-mark surveys, on a sample basis, of complete villages. Two, adequate steps should be taken to minimise the element of guess work in arriving at estimates about small enterprises, profession and liberal arts, the estimates being placed on a reasonably sound statistical base. Three, national income work cannot be left solely to official agencies. Independent research institutions, university departments and semi-official agencies such as the Reserve Bank, the State Bank and the Life Insurance Corporation must be encouraged to take up the work of national income estimation and analysis. These are, indeed, valuable suggestions, which, if accepted and implemented, will enhance the reliability and utility of national income data, especially in the continuing context of our planned economy.

MADRAS STATE'S THIRD PLAN

An outstanding feature of the draft third Plan for Madras State, published this week, is the strong but cogent case built up by the State Government for the establishment of an iron and steel plant in the Salem District. The draft points out that plenty of iron ore is available at various places in the State, especially Nigiris, Salem and Tiruchirapally districts. The deposits at Salem alone, according to a report of the Director General of Geological Survey published as early as 1944, is placed at over 304 million tons. Most of the other raw materials required for making steel, such as limestone, dolomite, refractories, bauxite, chromite, water, power and fuel also exist, we are told, in adequate quantities within the State. The case for Madras having this heavy industry was, however, turned down in the first and second Plans, on the ground that the State lacks coking and other coals and that the cost of transporting them from Bengal-Bihar or Singareni coalfields would be prohibitive. The draft seeks to answer this point by pointing out that, with the discovery of lignite at Neyveli and the success of the high temperature carbonisation coke prepared from lignite as a reducing agent in the place of coking coal for reducing low-grade ores has "completely altered the situation." It is said that the technique of using lignite coke, produced from high temperature carbonisation, for reducing iron ore in low shaft furnaces has been successfully adopted in East Germany. It is also pointed out that the operation of Lauchhammer units in that country is quite economical. The iron ore employed by these units contains only 20 to 25 per cent. Fe, whereas the Salem ore is claimed to have a metal content of about as much as 36 per cent. Besides, it can be beneficiated by magnetic separation, enriching the ore to about 65 per cent. Fe. content.

It may be recalled that a team of East German experts, who visited Madras a few months back, has already submitted a preliminary report. In this report, the experts have suggested the location of an ore dressing plant at Salem, and a coking plant, a briquetting plant and an iron and steel works at Neyveli. They have also advocated the erection of low shaft furnace in two stages—350,000 tons capacity initially, to be raised to 540,000 tons pig iron annually in the second stage. The Sub-Group which drafted the third Plan has recommended that immediate steps should be taken to set up the low shaft furnace, as suggested by the East German experts. If the case for an iron and steel plant wins the approval of the Centre, it will herald the advent of a revolutionary era in the industrial annals of the State, and also of other neighbouring States. For it will serve as the nucleus for rapid industrial growth of the region as a whole.

The Neyveli Lignite Project is one of the two Centrally administered schemes in the Madras State, the other being the Integral Coach Factory at Perambur. It is expected to expose the lignite seam at Neyveli by next April and commence production at the rate of 3.5 million tons per annum. By that time, the other schemes of this integrated scheme, namely, a thermal plant with an annual capacity of 250 M.W., a fertiliser plant of 152,000 tons of urea 70,000 tons of fixed nitrogen) and a briquetting plant of 350,000 tons, will also be commissioned. Besides, a clay washing plant is proposed to be set up as part of the scheme. Lignite at pithead is expected to cost not more than Rs. 40 per ton. In other words, the cost of raw lignite equivalent to one ton of coal in thermal value, will be only about Rs. 25, as compared with the cost of Rs. 50.55 per ton of coal delivered in Madras from Bengal by the all-rail route and Rs. 70-80 by the rail-cum-sea route. In the third Plan, the Lignite Corporation proposes to expand output of lignite from 3.5 million tons to 6 million tons per annum. The additional quantity is expected to be used for (1) the generation of additional power of 150 M.W. to be fed into the Madras Electricity Grid and (2) for the production of 200,000 tons of high temperature for the reduction of Salem iron ore. The Sub-Group has recommended that the possibilities of stepping up the lignite production to nine million tons annually by intensive mining should be explored to meet the growing demand.

Among the other industrial schemes suggested for inclusion in the third Plan, mention may be made here of a few important ones. The Sub-Group has worked out the cost and other details of the various schemes. In view of the inadequate and irregular supply of good quality coke needed by engineering industries, it is proposed to set up a coke oven plant in the public sector, with a capacity of 375 tons of coke and by-product from 500 tons of coal per day. It is expected to involve a capital outlay of Rs. 2.50 crores. Another important suggestion relates to the setting up of an oil refinery in the public sector in Madras. Yet another proposal pertains to the establishment of a machine tools plant in the public sector, capable of producing tools worth Rs. 3 lakhs per annum. The cost of the machinery to be imported for such a plant is placed at Rs. 5 crores.

Several projects have been proposed for the private sector in the State's third Plan. These are: one unit for manufacturing 1,000 complete ring frames per annum, and another for manufacturing looms of all types, with an annual capacity of 10,000, apart from one or two more units for producing other textile machinery like paper cones, paper tubes, card clothing and rotary traverse drum winders. An aluminium plant will also go into production during the third Plan, for which a licence has already been granted to Mr. R. Venkataswami Naidu of Coimbatore. The original licence was for the establishment of a unit with an annual capacity of 10,000 tons of aluminium ingots and alloys. This was later modified, on the advice of the Italian consultants, Messrs. Montecatini, to make the plant an integrated project producing not only aluminium ingots, but also rolled products like sheets and rods. The estimated cost of the project is Rs. 12.9 crores, of which foreign exchange expenditure is of the order of Rs. 7 crores. It is clearly stated that the State Government proposes to assist industrial development in the private sector even by contributing to the share capital of new industries, wherever it is found necessary. This is bound to provide a new impetus to industrial growth in the State. It may be noted, in passing, that the State's draft Plan provides for a total outlay of Rs. 400 crores in the public sector, excluding the investments by the Centre in its own projects located in Madras. This is more than twice the size of the total outlay in the second Plan, now estimated at Rs. 190 crores.

AMERICAN LETTER

U.S. ECONOMY DEPICTS UNCERTAIN TREND

PRICES OF CONSUMER DURABLES CUT

From Our Special Correspondent

NEW YORK, 1st *September*

EVERYONE here is heartened by the behaviour of the stock markets in the last three weeks. Traditionally, there has always been a summer rally. It happened again this year. At this time, prices stand about half-way between the year's low and the previous high, as measured by the Dow-Jones averages.

Since stock prices are supposed to portray the economic future of the country, there is a logical question. Is there enough push to sustain a new bull market, or has this been just a passing fancy? There are market analysts who say "yes." Others are not so sure. The latter group thinks the summer rally is about over.

Softer Money

General business conditions have shown no change in several weeks. But there have been easier money conditions. The Federal Reserve discount rate has been reduced, and the commercial banks have finally seen fit to reduce the borrowing rate of loans to their prime customers —known here as the prime rate—from 5 to 4½ per cent.

These were psychological stimuli, but they do not always mean strong business. Orders on the books of manufacturers also count. That is not to say that tinkering with interest rates is not a powerful economic medicine, but it cannot do the whole job. Monetary policy in either direction also takes a long time to take effect on the economy.

Business might well be stimulated by softer money, but it does not happen tomorrow—it takes time. Softer money, *per se*, will not send business spiralling upward.

There should be some improvement in the heavy industries in the last quarter of the year. There should be stimulation from increased automobile production in the steel industry, which, at present, is only running at 54 per cent. of capacity. The automobile industry which had high hopes for 1960 now faces an 850,000 car inventory by the first of October, when the 1961 models will be coming out. The comparable figure last year was 612,000.

Household appliances of all kinds have gone through a series of price cuts in recent weeks—as much as 10 per cent.—but large unsold stocks of inventories are still the principal problem. It is impossible to make predictions. One can always forecast with some degree of accuracy the amount of Government spending, because it has been appropriated. One can always predict, up to a point, what business is going to spend on capital and equipment.

Unknown Factor

The only really unknown factor is the consumer. To be certain, there are surveys among families of all income groups by universities and other institutions. But there is one unpredictable link. That is the consumer reaction to the news of the day in America with its rigid communications' system—*via* the printed words through newspapers and magazines, *via* radio and television.

If the family gets scared by the day-to-day news—and this may be nobody's design or intention—the family will not buy a new automobile, or whatever was planned previously. Instead, they may decide to add to their savings account, or settle for a new dress or coat. While Government and business spending is terribly important, in the long run it is the individual consumer who determines the fate of the hard and soft goods industries in the U.S.

Despite an apparent stability in prices, costs of manufacturers here have gone up steadily. While commodity future prices have declined, other costs have been rising. The cost of living has been increasing. In other words, consumer prices have been rising in the face of declining commodity prices.

So far, the demand has been strong enough to balance out the supply of available goods, particularly in view of a rising population. Also, personal income has been going up. It is an anomaly. The index measuring prices of services has increased sharply—about 15 per cent. since 1954.

Supply More, Demand Less

The reason why commodity prices have been slipping is that there are more commodities than are needed immediately. The decline has come at the time when business should have been accumulating inventories in advance of the usual upturn in the autumn. But inventories have risen rather sharply of late and few manufacturers felt there was any point in increasing inventories any further.

Labour, taxes and socialism are pricing the United States out of the world markets. Labour costs continue to rise and there is no abatement in the increase of local taxes which provide schools, airports and so on. Depreciation allowances remain unrealistic, and there is much talk that the entire tax system of the U.S. will be overhauled by 1961.

Senator John Kennedy, the Democratic nominee for President, has promised to "spend the country out of all its ills." Vice-President Richard Nixon, the Republican nominee, has more conservative leanings, financially and economically. Both, however, have come out with not too dissimilar plans for providing Government aid for the aged, so far as medical expenses are concerned, in the face of longer longevity.

The opposing trend of commodity prices going down and costs going up, inevitably means lower profit margins for U.S. industry. It means loss of markets to foreign producers. It implies an additional drain on gold stocks. At worst, it could result in a renewed economic isolation of the U.S.

Farm Surplus

With another vast surplus crop of agricultural commodities at hand, there is much criticism again of the Department of Agriculture and the farm programme as a whole. The Department is accused by Congress of serious mismanagement and faulty practices by Congressional committees. The present cost of storing surplus commodities by the Government is given at $1.2 million a day.

At this writing, Congress is now in its final stretch before adjourning to January and the law makers are anxious to go home and mend their political fences for the elections in November. The only major Bill of importance is the one that seeks to provide for a modest gain in the coverage of the minimum wage law. The proposed amendment has *socialistic* implications. Thus, one Bill, supported by Senator Kennedy, would boost the current $1 hourly minimum wage to $1.25 over a period of years. A Congressional Bill, now under debate, calls for a single increase to $1.15.

There is much concern here over the developments in Cuba and over international friction, generally. The feeling here is that Premier Nikita Khrushchev has more reason to be afraid of Red China than of the West. The threat of Fidel Castro and his brother Raoul to the U.S. is real, except that there is still a very well equipped U.S. naval base in Cuba which is ready for action when the command is given. Soviet bases in Cuba could be quite dangerous to the U.S.—*All Rights Reserved.*

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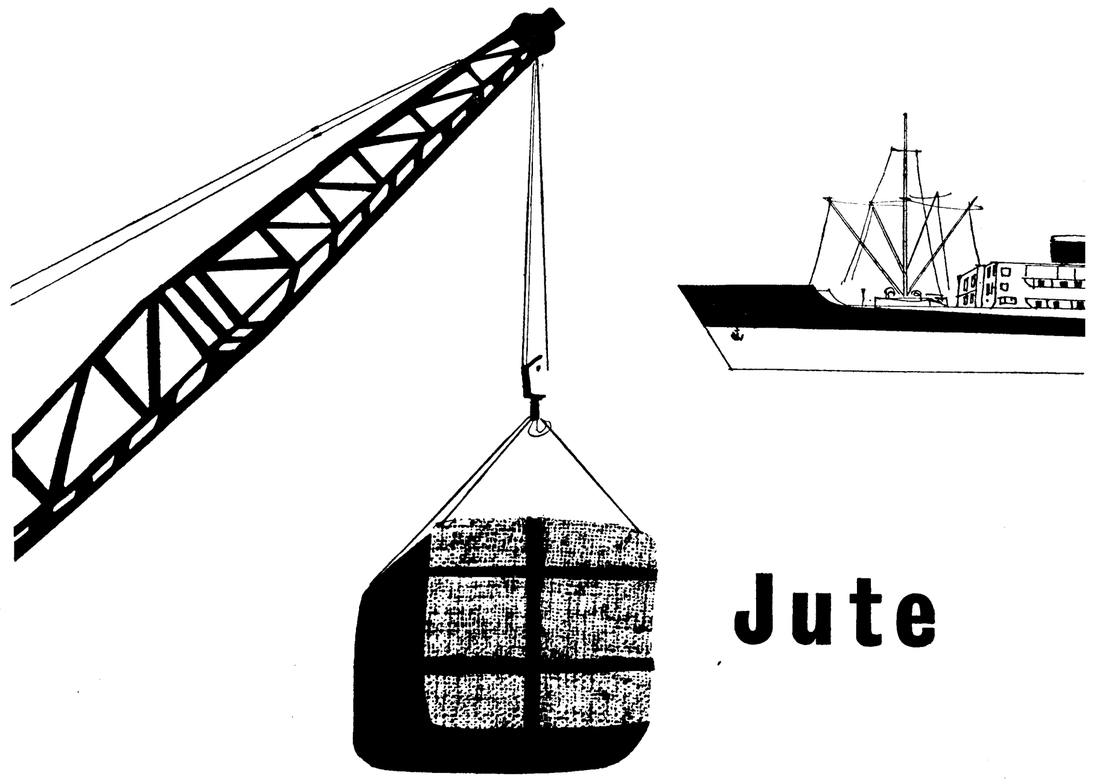


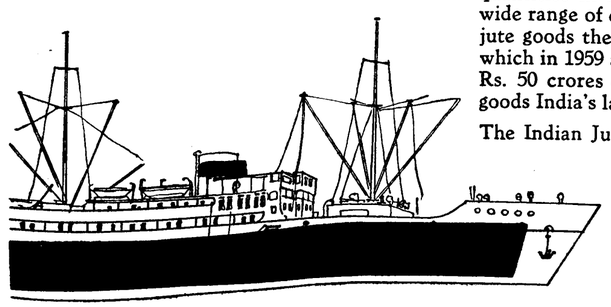
Jute

in the forefront of India's export trade

The Indian jute industry is essentially an export industry. Almost 80% of the industry's production—or about 900,000 tons of jute manufactures—is shipped to overseas markets; 55% of the jute goods used as packaging material throughout the world are supplied by India.

But jute no longer serves merely as the humble gunny or hessian bag. Today, jute fabrics are used in large quantities in industrial processes to give a remarkably wide range of end-products. From the massive export of jute goods the country earns valuable foreign exchange, which in 1959 amounted to Rs. 110.8 crores. Out of this, Rs. 50 crores came from the dollar area, making jute goods India's largest dollar-earner by far.

The Indian Jute Mills Association—the organisation of the industry—carries on extensive propaganda in several foreign countries to promote the exports of jute goods, undertakes research at home to widen the applications of this golden fibre.



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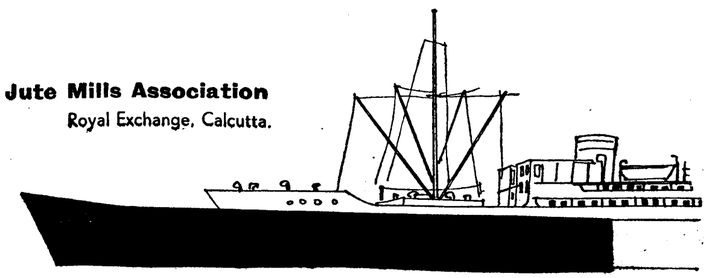

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RELIEF TO SMALL BANK DEPOSITORS

LOK SABHA PASSES AMENDING BILL

THE Bill to amend the Banking Companies Act, 1949, with a view to providing for expeditious payment of certain minimum amounts to depositors in the event of liquidation of a bank, for enhancement of the minimum payment to a saving bank depositor as preferential claim, for simplification of provisions relating to the grant of moratoria to banks in difficulties and for formulation and implementation of the schemes of reconstruction or amalgamation of banks, was introduced in the Lok Sabha on the 3rd inst. and was quickly adopted on the 6th inst. after a brief discussion. The salient provisions of the amendment Bill are:

1. The payment to be made to each saving bank depositor as a preferential claim from out of the assets of a banking company under liquidation is to be raised from the present level of Rs. 100 as provided in Section 43A of the Banking Companies Act, to Rs. 250.

2. Besides the above payment, the depositors, other than those with savings bank accounts, will be paid an amount equal to 50 per cent. of their deposits or Rs. 250, whichever is less, as a further preferential payment. This provision was subsequently amended during the second reading of the Bill, providing for payment to depositors, besides preferential claimants, Rs. 250 or the balance to their credit, whichever is less.

3. A time limit of three months from the date of the winding-up order of a banking company has been prescribed for the payment of preferential dues to the savings bank and other depositors. In case the winding-up order had been issued prior to the enforcement of the present Bill, payments will have to be made within three months from the date the Bill comes into force.

4. After the first two preferential payments have been made to the depositors, the remaining assets of the banking company will be utilised for payment, on a *pro rata* basis, of the debts of creditors and of further sums, if any, due to the depositors.

5. The Reserve Bank may apply to the Central Government for an order of moratorium in the case of a banking company where it appears to the Reserve Bank that there are good reasons to do so.

6. During the period of moratorium, which will not exceed six months, as is now provided under Section 37 of the Banking Companies Act, the concerned bank should not make any payment to any depositors or discharge any liabilities or obligations to any other creditors.

Reconstruction

7. During the period of moratorium, if the Reserve Bank is satisfied that it is necessary in the national interests or in the interests of depositors or in order to secure proper management of a banking company, it may prepare a scheme for (*a*) reconstruction of the banking company or (*b*) its amalgamation with another company. The scheme may contain provisions for the reduction of the interest or rights which members or creditors may have in or against the banking company before its reconstruction or amalgamation to the extent necessary in the public interest or in the interest of its members and creditors. It may also provide for the appointment of a new board of directors of the banking company on its reconstruction or of the other banking company with which it is amalgamated. The scheme of reconstruction or amalgamation prepared by the Reserve Bank will be open to suggestions or objections within a specified period by the banks concerned and, after considering these, the Reserve Bank will place the scheme before the Central Government for sanction with or without modification.

8. The Central Government will have power to get the promoters, directors or auditors of the banking companies concerned to be publicly examined by the High Court and, if the High Court finds, regardless of whether a fraud has been committed or not, that these persons are not fit to be directors or auditors, they can be removed from their positions by an order of the Central Government and debarred for a period not exceeding five years as may be specified in that order.

9. In order to enable the official liquidator to have in his custody or control in cash as much of the assets of the banking company as possible, the securities given to every secured creditor can be redeemed by the official liquidator thus:

Where the amount due to the creditor is more than the value of the securities as assessed by him or, as the case may be, as assessed by the official liquidator, on payment of such value;

Where the amount due to the creditor is equal to or less than the value of the securities as so assessed, on payment of the amount due.

The aforesaid amendments have been found necessary, because the procedure now prescribed under the Banking Companies Act, 1949, read with the Companies Act 1956, for the liquidation of banking companies is somewhat elaborate and, in the absence of any time schedule according to which payments have to be made, the depositors, will have to wait for considerably long periods for realising the dues to them. The Bill accordingly provides for the expeditious payment of certain minimum sums, which will provide great relief to small depositors. Thus, under the present Bill, all depositors with deposits of Rs. 250 and less will get back money in full within three months from the date of the winding-up order or from the date when the Bill comes into force, whichever is later.

Amplification of Powers

Moving the Bill for consideration, the Finance Minister said that, during the last ten years or so, when the Banking Companies Act of 1949 had been in existence, the Reserve Bank had succeeded in devising and enforcing a system of control which had led to the weeding out of the comparatively weak and inefficient institutions and improved the standing and credit worthiness of all the other banks. The present Bill was merely intended to amplify the powers of the Reserve Bank and the Central Government in certain directions to facilitate further the process of this improvement. Allaying all possible misapprehensions about the Bill, Mr. Desai assured the members of the House that the Bill "does not indicate the existence of any major weakness." The banking system in India, he asserted, was on the whole very sound. The Bill was only an attempt to "recast and modify the legal framework," within which the Reserve Bank was now required to function and discharge its duties. The failure of the Palai Central Bank provided an opportunity, as it were, and made it necessary to review the procedure for the liquidation of banking companies and the distribution of their assets. The Finance Minister was in favour of giving retrospective effect to the provision relating to the time schedule for liquidation and the initial payment to small depositors. But numerous administrative and practical difficulties stood in the way of doing so.

Bill Welcomed

While the provisions of the Bill were generally welcomed by all sections of the House, one of the members wanted the Government to undertake a thorough study of the banking industry and bring forward, if necessary, a comprehensive measure. Another member wanted the Reserve Bank to be clothed with more powers, in order to help banks in times of difficulties. He also wanted the system of appointing observers by the Reserve Bank to be replaced by Directors nominated by it on the boards of banking institutions with full powers to correct erring banks. Yet another member suggested that a banking commission should be appointed to ascertain the hold of a few big people in the country on banks. Two of the members wanted the preferential payment to depositors to be raised further.

Replying to the debate, Mr. Morarji Desai rejected the suggestion for a more comprehensive Bill on the ground that the Government did not want itself to be armed with omnibus powers for all time to come. For, in a developing economy, it was not possible to foresee all the contingencies that would arise. In 1956, if his predecessor had considered that there were sufficient powers, it was not because he thought that there would be no necessity for any powers in the future. It only showed the Government's anxiety not to take more powers than necessary. The present Bill, he said, sought no new powers but only amplification and extension of the existing powers. The Finance Minister was not in favour of raising the amount of preferential payment. The Government, he said, was trying to see that those who had not much with them were given fully and others on a *pro rata* basis when the assets were realised or ever earlier when it was ascertained how much could be realised.

U.S. AID TO LATIN AMERICA

The third meeting of the Inter-American "Committee of 21" to discuss ways and means o improving the economic lot of Latin American countries began its nine-day session in Bogota Colombia, on the 5th inst. The discussions wil centre round the U.S. aid plans for Latin America for which the U.S. Congress has authorised $500 million. Groups were set up to discuss an agend worked out by a sub-committee of nine American republics which met in Washington last June. A fifth working group, suggested by the U.S. Under Secretary of State, Mr. C. Douglas Dillon, wil consider the U.S. proposal for a special develop ment programme for Latin America in addition to any substitute proposals or suggestions which may come up at the meeting.

The following is the agenda prepared by the sub-committee which met last June:

(1) Reinforcement of the means of financing the development of Latin America, preferably through the Inter-American Development Bank; (2) technical planning and financing of agriculture and of industries for food products according to the conditions of each nation; (3) insuring satisfactory prices and market conditions for raw materials and basic products to assure economic and social stability of the Latin American nations; (4) financial and technical aid for a feasible plan for training technical personnel for economic development and for campaigns for literacy; and (5) financial and technical aid for creating an inter-American organisation for technological and productivity studies with the object of stimulating the industrial development of Latin America.

The new U.S. plan, which Mr. Dillon will unfold at the meeting, is understood to take all of the above points into account. Previous announcements regarding the plan indicate that the new funds will be channelled principally through the Inter-American Development Bank, which will go into operation on 1st October with a capitalisation of nearly 1,000 million pesos. All the 21 American Republics, except Cuba, have subscribed funds to this bank. The new U.S. aid plan is unusual not only because it calls for the co-operation of the other American Republics but because it outlines social improvement projects destined to convert the deepest aspirations of Latin America into reality. They are directed towards the following objectives: (1) Improvement of rural living conditions and land use; (2) improvement of housing and public services in the towns and villages; (3) improvement of education systems and teaching tools. The plan, according to Mr. Dillon, would require "specific standards and plans on the part of all the participating governments, particularly internal reforms." The U.S. is ready to "contribute capital and technical aid to support the efforts of Latin American countries which are prepared to adopt effective institutional reforms and measures of self-help in the field of social betterment."

U.S.S.R. OFFERS FURTHER CREDIT

The Soviet Government has expressed its readiness to grant India an additional credit of 500 million roubles (about Rs. 60 crores) for the third Five-year Plan. The Government of India has gratefully accepted this welcome assistance. The Soviet Government has already offered 1,500 million roubles (Rs. 180 crores) for the Third Plan. This information is contained in a statement laid on the table of the Lok Sabha last week by the Finance Minister, Mr. Morarji Desai, in reply to a short notice question by Dr. Ram Subhag Singh.

The following is the full text of the statement:

"As the House is aware, the Soviet Government offered a credit of 1.500 million roubles (Rs. 180 crores) in July last year as assistance for the third Five-year Plan and an agreement was signed on 12th September 1959. An additional agreement was signed with the Soviet Government on 12th February 1960 in regard to the projects to be financed under this credit. In my statement of 3rd August 1960 to this House on my recent tour abroad, I made a reference to the discussions I had with the leaders of the Soviet Government. During these talks in Moscow last July, the question of further Soviet economic assistance for India's third Five-year Plan was touched upon. The Soviet Government has considered this question and expressed its readiness to grant to India an additional credit of 500 million roubles (about Rs. 60 crores) to be utilised towards the implementation of the third Five-year Plan. The Government of India has gratefully accepted this welcome assistance.

The manner in which and the purposes for which this credit will be utilised will be further considered in consultation with the Planning Commission and discussed with the representatives of the Soviet Government."

All two-anna and half-anna coins of cupro-nickel composition (white in colour) will cease to be legal tender with effect from 1st October 1960. On that day, the demonetisation notification of the Government of India issued on 2nd March 1960 will come into effect.

These coins will, however, continue to be accepted for the next six months, till 31st March, 1961, at all offices of the Reserve Bank of India, at all agency banks of the Reserve Bank conducting Government business and all treasuries and sub-treasuries in payment of dues as well as for exchange.

CLOTH AND YARN PRICES CUT FURTHER

DECISION MAY ADVERSELY AFFECT MANY MARGINAL MILLS

WHAT had almost turned out to be a wrangle over the issue of cotton yarn and cloth prices has been happily ended, at any rate for the time being, thanks to the spirit of accommodation displayed by the millowners. On Saturday last, the Indian Cotton Mills Federation announced its final decision on the two questions pertaining to prices and stamping. The decision, we are told, has been approved by the Union Ministry of Commerce and Industry. In other words, both the cotton mill industry and the Government have sought to avoid imposition of statutory controls on prices and distribution of cloth.

The Federation has announced a new schedule of cloth and yarn prices with August 1959 as the base, instead of October 1959; the Government, it was reported in a section of the Press, had first suggested the basis of July 1959 contract prices. We now understand that this report was not correct and that the Government had not first suggested any basis at all. It was only telling the industry that it must do something more for bringing down the prices of cloth and yarn. After considerable discussion with the industry, it expressed its willingness to accept the contract prices of mills prevailing in August 1959 as the basis for calculating the increase considered reasonable. The mills have been asked not to charge more than the stipulated additional percentages over August 1959 contract prices of cloth, provided that, where the existing contract prices are lower for certain varieties, the varieties concerned will continue to be sold at the lower rates. The percentages of increase allowed are 25 for coarse cloth, 22 for lower medium counts, 18 for higher medium varieties, 11½ for fine categories and 9 for superfine goods. The corresponding percentages on the October 1959 contract prices fixed before were 27½, 24, 20, 12½ and 10, respectively. The revised prices apply to all cloth to be delivered henceforward regardless of the contract prices already concluded. The prices of yarn have also been revised as follows:

(In rupees per bundle of 10 lbs.)

Count group	Prices fixed now	Prices announced before	Market rate of yarn sold in the first week of August 1960
6s* ..	13.57	13.57	..
6s† ..	15.75	15.75	..
10s ..	17.75	17.98	19.75
20s ..	21.60	21.90	24.25
26s ..	24.18	24.30	26.25
30s ..	25.32	25.44	27.00
40s ..	28.75	28.80	30.50

* Manufactured from cotton waste.
† Manufactured from cotton mixing containing not more than 25 per cent. cotton waste.

The revised prices are the net mill prices of single hank yarn spun from Indian cotton. The prices for other counts and varieties of yarn will be announced later.

Stamping of Prices

In order to ensure that the price reductions are passed on to the consumer, the Federation has decided to stamp the new prices on the pieces of cloth and bundles of yarn with immediate effect. There will, however, be no stamping on cloth and yarn that have already been packed pending sale and/or awaiting delivery. In respect of cloth, retail prices will also be stamped, and these will be 15 per cent. over the ex-mill prices.

The Federation has changed the basis for allowing an additional percentage in the wholesale prices of cloth to account for the rise in cost of production from October 1959 to August 1959 only due to the pressure exercised by the Government. At their last meeting with Mr. Lal Bahadur Shastri and Mr. Nityanand Kanungo at New Delhi on 25th August, the representatives of the Federation explained why they had taken October 1959 and not August 1959 as the basis. The explanation was this: The cotton mills, particularly the units which had become financially weak owing to the continuing crisis from 1957, were making distress sales even in August 1959 and, if the industry was required to take this month as the basis and charge only the increase in costs that had occurred since then, the mills would again have to incur losses which they could ill afford to do. It was only since October 1959 that the upcountry mills had begun to sell at a price which, on an average, did not result in losses. The representatives further disputed the contention that the mills were making fabulous profits and even offered to the Government to submit duly audited accounts for the first half of 1960 to prove that the charge of profiteering against the industry was baseless. Mr. Shastri and Mr. Kanungo, however, urged the industry to shift the basis to August, 1959 and also to accept a lower percentage increase. They said: "It is imperative to hold the price line at any cost. The present economic conditions in the country are such that a reduction in the price of cotton textiles—the second most essential item after food—is called for even at some sacrifice."

In view of the firm stand taken by the Ministers thus, the millowners could not but bow down. In the Press note, the Federation of cotton millowners, for instance, says:

"The Committee of the Federation, at its meetings held on 29th and 30th August, considered the matter from all angles and decided to subordinate the industry's interests to those of economic necessities. This gesture on the part of the industry, the Committee hoped, would help the Government to reverse the general price trend and afford relief to the hard-pressed consumer, particularly as he would soon be making his purchases for the *Dassara*, *Divali* and *Puja* holidays. Mills are being urged to open retail shops in as many centres as possible, with a view to ensuring that the cloth actually reaches the consumer at the new prices. . . . The Committee of the Federation fervently hopes that the consumer and the Government would appreciate the context in which the industry has made this gesture, particularly in the background of the distress suffered by it in the course of the last three years."

Charge of Profiteering Denied

The latest revised prices of cloth represents a further cut ranging from 6 to 12½ per cent., depending on the varieties of cloth and the sources of supply. The total reduction in prices in the case of certain varieties, it is pointed out, will amount to as much as 20 per cent., 5 per cent. more than what even the Government of India wants. The extent of the reduction in prices was explained by Mr. Krishnaraj M. D. Thackersey, Chairman of the Federation, at a Press Conference in Bombay on Monday this week. Denying the charge that the industry as a whole was profiteering, he said:

"Taking the weighted average, cloth for internal consumption will be subject to an average increase of 19 per cent. over August 1959 prices. However, as we have decided that, where the existing prices are lower than those calculated under the formula, the lower prices are to prevail, the effective average increase over August 1959 prices will be less than 19 per cent., say, 16 per cent. If, as alleged, the mills were selling at 40 per cent. over August 1959, the reduction comes to about 24 per cent. and, in any case, it is over 21 per cent. The fact, however, is that the change of a 40 per cent. rise was unjustified. There is no complaint about prices of fine and superfine cloth. In the case of higher medium and lower medium cloth, the price rise ranges from 10 to 27 per cent., with stray cases on either side of this range. That leaves only coarse cloth which constitutes 9.4 per cent. of the deliveries for civil consumption. A good proportion of coarse cloth is produced for industrial use such as manufacture of tents and shoes. It is only a portion of the remaining cloth consumed by the general public which has registered a rise of 40 per cent. It will thus be clear that, taking all cloth, the allegation of a rise of 40 per cent. is true in respect of not more than 5 per cent. of the cloth consumed by the general public. This shows how far the charge against the industry of a general rise of 40 per cent. in prices is justified."

It is feared that the drastic cut in prices now effected will have a markedly adverse effect on the industry. The Federation's Press note clearly warns the public that the new price structure "will result in uneconomic working of several mills, particularly those producing coarse and medium cloth, and the fact that the industry will be forced to use more and more of high-priced imported cotton will aggravate this suffering." Considering the distress suffered by the industry from 1957 to 1959, the Federation has misgivings about the ability of the marginal mills to maintain production. The number of such units is said to be 150-175 which together account for 45 to 50 per cent. of the coarse and lower medium cloth produced in the country. It is apprehended that, as a result of the cut in prices, the production of these varieties of cloth may suffer a setback, because there is a limit up to which the marginal units can suffer losses. These units include about 12 of the closed mills taken over by the Government and reopened mainly with the object of providing employment to their workers.

Worst of Both Worlds

The Federation, however, hopes that, if the cotton crop of the current season turns out to be plentiful, the uneconomic working of the industry, which will result from the new prices, will become a temporary phase and the situation will rectify itself after the new crop begins to be available. It would be worthwhile recording here the pertinent observations made by Mr. Krishnaraj on the implications of the latest prices to the industry as a whole. He said:

"The industry was in a state of distress for a long period of three years. If, at that time, by a programme of stockpiling or otherwise, Government had enabled the industry to make profits at a level considered reasonable by Government themselves, there would have been full justification for Government, when times changed, to suggest that the industry should still sell at low prices. It is difficult to understand how mills producing coarse and medium cloth are expected to deal with their losses of 1957 to 1959, now that the profits of most of them would again be wiped out. This means that, in times of distress, the industry is to suffer from the disadvantages of a free economy; but, when the situation takes a turn for the better, we are to suffer from the disadvantages of a controlled economy. The cotton mill industry has thus to put up with the worst of both worlds. The industry would like the economists to coin a word for its status, which is a combination of bad features of the free economy and the controlled economy.

"The cotton mill industry has always been making the lowest profits among the organised industries, as has been proved by the Reserve Bank's studies into comparative profits of all industries. Because of its low profitability, the capital naturally runs away from this industry and this has resulted in a serious backlog of rehabilitation and modernisation. The officially appointed Working Group estimates the industry's needs for rehabilitation for the next five years at 180 crores. The current events are not calculated to help the industry to attract capital which naturally seeks avenues where the returns are better. Government, we are sure, would not be oblivious to the necessity of restoring proper health to this industry on which depend eight lakh employees and a countless number of others for their sustenance. The industry is also a very valuable earner of foreign currency. The industry, by making this gesture in spite of all that happened to it in the three years of 1957-59, has earned a right to seek Government's help, should it again come to grief, and we are sure the help when needed would be forthcoming from Government and the general public in a generous measure."

The final decision of the Federation on the issue of cloth and yarn prices and the Government's approval of the same will at least do one good thing. They will set at rest the uncertainty among the traders and consumers. This uncertainty had resulted in a fall in the offtake of textiles, as everyone thought that prices might be cut further as desired by the authorities. It is stated that there has been no delivery of cloth from the mills for a little over three weeks. Consequently, there has been an increase in the stocks of cloth lying with mills. The total of these stocks as on 15th August 1960 was about 450 million yards, as against 411 million yards at the end of April 1960 and less than 390 million yards towards the close of February 1960. The August-end figures, when published, are sure to show much higher stocks. Similarly, the retailers, too, have not been lifting cloth from the wholesalers. Consequently, many retail markets are starved of cloth now. And, with the *Puja* season due to commence very shortly, this shortage will be felt acutely in Bengal, Bihar, Assam and Orissa. With the removal of uncertainty regarding prices and the emergence of festival demand, however, there will be an increase in the rate of clearance of cloth and yarn stocks. It must be emphasised that, while the mills should faithfully implement the directives of the Indian Cotton Mills' Federation, the wholesale and retail dealers should see to it that the consumers get their requirements of cloth at the prices fixed as per the latest schedule announced by the Federation, even though it may take some time for the stamped cloth to reach the consumer-end.

On its part, the Government must give sufficient time for allowing the new arrangements to make themselves felt on the trend of cloth prices, before making any fresh move. Meanwhile, it must concede the industry's plea for an adequate expansion of the productive potential. Unless this is done "very quickly," a situation like the present will, as Mr. Krishnaraj has now warned and as this journal had warned even earlier, continue to recur, what with the increase in population and the rise in the *per capita* income generated by the Plans.

COTTON BOARD CONFERENCE AT HARROGATE

MORE EMPHASIS ON DISTRIBUTION

From Our Special Correspondent

MANCHESTER, 30*th August*

MANCHESTER LETTER

THAT distribution should be the focal point of this year's Cotton Board Conference at Harrogate in October is scarcely surprising. Production problems are still far from solved, even after the substantial changes which have taken place in the Lancashire cotton trade in the past twelve months, but the efficient offtake of goods has for long been one of the main stumbling-blocks encountered by those engaged in the industry.

In current circumstances where output is being rationalised and surplus capacity has, at least for the moment, been virtually eliminated, the need to secure a steady flow of material through the different processes and out into the wider sphere of merchanting is of paramount importance. Harrogate conferences in recent years have provided the setting for a clash of ideas between producers and distributors; now it is time that a truce was called and both sides joined in a concerted effort to bring more imagination and co-operation to the task of disposing of Lancashire textiles once they are woven. It is, therefore, to be hoped that the main sessions of the conference devoted to this topic, consisting of panels representing wholesale and retail interests, as well as producers and merchants, will be well attended and will throw up some illuminating ideas on how the job can be tackled.

Putting the problem in a nutshell, the Cotton Board's introductory note to the conference says: "Whilst the offtake of the industry's products by the final consumer remains remarkably stable from year to year, the industry itself is subject to very great variations in the volume of the orders it receives and the sections of the industry, are, in turn, subject to further variation between each other even when trade is either good or bad." On more general matters the usual "Question and Answer" session will be thrown open to delegates. Leading representatives of the different sections will again play "Aunt Sally" in replying to criticism and comment. Once more, the conference is to hear a new President of the Board of Trade. Mr. Reginald Maudling being the Government's speaker on the opening evening. Viscount Rochdale, the Cotton Board's Chairman, will sum up the proceedings and give a survey of the situation at the Sunday session.

The Mixture as Before

Adding emphasis to some recent fears expressed by forward-looking traders in Lancashire about the incidence of foreign cloth arrivals, the July Board of Trade returns gave further food for thought. It becomes almost monotonous to record month by month the widening of the gap between imports and exports; what perhaps is more significant now is the narrowing of the gap between imports and the production of local mills. At all events, it cannot be denied that last month's shipments of cotton cloth achieved the unenviable distinction of being the lowest since November 1945, while it was necessary to go back to April 1947, to find a smaller quantity of cotton yarn exported. Imports, too, showed a reduction compared with some earlier months in the year, but they continued to exceed twice the rate of comparable shipments abroad. At the end of seven months of 1960 the position can be summed up as follows:

Exports of cotton cloth—194,104.000 square yards, at a value of £25,873,000; imports—409,957.000 square yards costing £32,780,000: exports of cotton yarns—13,073,000 lbs., valued at £5,275,000; imports—22.811,000 lbs. costing £4.286,000; value of all cotton yarns and manufactured goods exported—£37,432,000; cost of imports of similar goods £37,065.000.

Eastern Arrivals

Purchases of cotton grey cloth from foreign outlets still accentuate the large arrivals from the East. India has already supplied 144 million yards and Pakistan nearly 25 million yards, as against 93 million yards and 10 million yards, respectively, at the same stage last year. Although shipments from Hong Kong have declined from over 82 million yards to 53 million yards, the big search for goods on the European Continent has resulted in a substantial rise in material originating in "other foreign countries" from 8 million yards to nearly 60 million yards.

These latest returns have coincided with a renewal of the agitation in Hong Kong for the abrogation of the voluntary pact which limits shipments to this country. Not for the first time representatives of the spinners and weavers in the Colony have complained about the effect of the arrangement, which certainly appears to have favoured their competitors, not only in the East, but more particularly in Europe. In addition to the growing opposition in Hong Kong to any extension of the pact, some of the louder voices are calling for its immediate cessation. Merchants on this side who feared a shortage of supplies earlier in the year found Hong Kong's delivery terms unacceptable and turned to other sources where goods were offered quickly.

The outward flow of Lancashire cotton cloth still rests mainly on sales to the bigger Commonwealth markets, where Australia, South Africa, Nigeria and New Zealand still lead the way. Only the Congo out of countries not linked to Britain has absorbed more than 10 million yards of cloth this year and in view of current conditions in Africa the future of this trade must be regarded as distinctly uncertain.

"Bonanza" Indeed

One of the more engaging characteristics of Americans is their readiness to introduce a slang expression at the appropriate moment, even in so staid a document as a report on raw cotton. So it is that the latest review of the world situation published by the International Cotton Advisory Committee describes the past season as being "a bonanza one." Record levels were achieved in production, consumption and trade, with prices now noticeably higher than twelve months ago.

Some indication of the change which has taken place in the output and use of the raw material is given in statistics quoted by the Manchester Cotton Association, which illustrate the remarkable growth achieved in a generation. Last season's estimated world cotton crop, for example, exceeded 47 million bales, whereas the five-year average immediately before the war was little more than 30 million bales. Consumption in the 1958-59 season neared 46 million bales, as compared with below 30 million bales in the pre-war average. Looked at another way, the rate of consumption of the cotton fibre per head, according to the Food and Agriculture Organisation of the United Nations, rose from 2.8 kilograms to 3.36 kilograms in the 20 years from 1938 to 1958. So far, in fact, cotton production, as the Manchester Cotton Association points out, has more than kept pace with the considerable increase in world population, while if all fibres are taken into account an even bigger rise in consumption has occurred.

Another important factor is the acreage involved in producing these very much bigger crops. The land under cultivation to cotton in the past season was 200.000 acres smaller than the average of the pre-war years, while the yield per acre in the same period increased from 180 lbs. to 277 lbs. Not only is much more cotton now available for use in clothing and industrial purposes, but land has even been released for food production and other uses.

Consumption the Key

During the course of the season just ended, the rise in consumption was the largest single factor accounting for the marked expansion in trade in the raw material. In the words of the International Cotton Advisory Committee: "It demonstrates that, far from being static, cotton can be as virile as any other industry under the right circumstances." Exports of over 7 million bales from the United States enabled the American cotton surplus to be reduced by well over a million bales. Other producing countries sold their entire crops and reduced their carryovers to the barest minimum. But already the old season recedes into the past and prospects for 1960-61 are being debated. Consumption is clearly the key to the outlook, as another large world crop is expected. Supplies in the United States, according to the first estimate, are a little lower than last year, but increased acreages in Mexico and Central America have been reported. Distinctly favourable crop prospects are evident in the Middle East and acreage in Egypt is at the highest level for many years. Given a return to normal yields in India, the area under cultivation should provide output of an additional one million bales.

Both acreage and production in the main cotton growing areas are expected to be higher during the 1960-61 season, but lower carryover stocks may bring the supply situation into line with last year. The maintenance of consumption at its current level would leave the statistical situation roughly in balance.—*All Rights Reserved.*

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1959-60 COTTON SEASON IN RETROSPECT

SHARP RISE IN FOREIGN COTTON CONSUMPTION

AUGUST marked the end of an unhappy year in the history of Indian cotton. As a result of a sharp fall in production of cotton to a mere 3.75 million bales (of 400 lbs. each), the season experienced, notwithstanding liberal imports of foreign cotton, one of the most acute shortages of cotton in recent years, with prices of most varieties ruling well over the ceiling. The experience of the season also exposed the ineffectiveness of controls in a period of extreme shortage—when they are most needed —and the pathetic dependence of cotton on the monsoon and good weather after the rains, in spite of the improved irrigation facilities.

The season started, on 1st September 1959, with a carryover stock of 2,035,000 bales, comprising 1,850,000 bales of Indian and 185,000 bales of foreign cotton. Although the crop was estimated at as high as 5.4 million bales early in the season, the harvested crop turned out to be no more than 3.75 million bales, as compared with 4.8 million bales in the previous season. This sharp decline was due to the late arrival of the monsoon and the heavy downpours and floods when it actually did start, which played havoc with the crop. The fall in production was as much as 29 per cent. in the Bombay State, 25 per cent. in Mysore, 18 per cent. in Madhya Pradesh, 14 per cent. in Rajasthan and 11 per cent. in the Punjab.

To compensate for the fall in indigenous production, imports were allowed more liberally than in any previous seasons. In fact, even short staples, the imports of which were prohibited hitherto, were permitted to be imported to make good the deficiency in domestic supplies. Only, the authorities took a long time to make up their minds about the necessity for allowing imports. This delay not only led to a rise in the prices of indigenous cotton but also resulted in India having to pay a higher price for the same cotton. Total import quotas issued during the season were of the order of 1.78 million bales, as against normal imports of 600,000 bales. This total includes 600,000 bales of American cotton under P.L. 480 announced towards the close of the 1959-60 season but meant for the following season, namely, 1960-61. Actual arrivals during the season are expected to have been of the order of 875,000 bales, the figure upto 20th August being 870,859 bales, as against 482,008 bales in the corresponding period of the previous season. The following table gives the sources of imports.

Imports of Cotton

(In bales of 400 lbs. each)

Description	1959-60	1958-59
American	334,787	94,470
Sudan	111,972	118,344
Egyptian	207,735	67,659
East African	162,528	194,725
Pakistan	34,146	..
Other growths	19,691	6,810
Total ..	870,859	482,008

As will be evident from the above table, during the season just ended, the U.S. became the largest supplier of cotton to India, accounting for as much as 334,787 bales, as compared with a mere 94,470 bales in the same period of the previous season. Egypt occupied second place with 207,735 bales. East Africa, which had held the first place in the previous season, slid down to the third position. Quantitatively, imports from Sudan during the 1959-60 season were on a par with those in the 1958-59 season, although spatially, it occupied the fourth position, as against second in the previous season.

The small indigenous crop naturally left little cotton for export. Shipments of permitted varieties from the beginning of the season till 20th August are estimated at 194,530 bales, as against 382,882 bales in the previous season. Exports during the whole season are expected to have been equal to the quota of 200,000 bales permitted early in the season.

Mill consumption of raw cotton during the first nine months of the season, for which period only figures are available, aggregated 3,821,926 bales, comprising 3,393,472 bales of Indian and 428,454 bales of foreign cotton, as against 3,824,905 bales (3,491,576 bales Indian and 333,329 bales foreign) in the corresponding period of the 1958-59 season. On this basis, total consumption during the season is expected to have been of the order of over 5 million bales, which is about the same as in the previous season.

The share of foreign cotton in the total consumption is sure to have gone up during the last three months of the season, considering the heavy shortage of indigenous growths and larger arrivals of foreign growths during that period. In fact, this was evident in the provisional figures for June (the tenth month of the season), when mills consumed 320,000 bales of Indian cotton and 118,000 bales of foreign cotton. Indian cotton consumption in that month represented a drop of about 21,000 bales from the previous month and 88,000 bales from the highest monthly consumption in the season, namely, December 1959, when it amounted to 408,137 bales, while foreign cotton consumption recorded an increase of around 54,000 bales from the previous month's and 81,000 bales from the lowest November 1959 figure of 37,028 bales.

The following table gives the monthly trend of consumption during the first ten months of the year, the figure for the tenth month being provisional.

Consumption

(In bales of 400 lbs. each)

	1959-60		1958-59	
	Indian	Foreign	Indian	Foreign
September 1959 ..	396,354	42,154	382,499	42,554
October ,, ..	395,050	39,728	394,558	41,303
November ,, ..	383,961	37,028	363,650	35,644
December ,, ..	408,137	40,848	419,814	39,301
January 1960 ..	392,734	42,826	413,181	34,370
February ,, ..	369,175	45,383	376,105	31,580
March ,, ..	357,013	54,576	380,193	34,294
April ,, ..	349,563	61,499	382,238	36,225
May ,, ..	341,485	64,412	379,338	38,058
June* ,, ..	320,000	118,000	349,648	38,710
Total ..	3,713,472	546,454	3,841,224	372,039

* Provisional.

It is evident from the table that consumption of Indian cotton was progressively declining from December 1959 and the June 1960 figure was the lowest for the season. Foreign cotton consumption, on the other hand, was rising progressively, with the June figure being the highest so far for the season.

On present indications, the balance-sheet of cotton in the 1959-60 season looks as follows:

Supply and Distribution

(In bales of 400 lbs. each)

	Indian	Foreign	Total
Opening stocks ..	1,850,000	185,000	2,035,000
Production 1959-60 ..	3,775,000	..	..
Imports during the season	..	875,000	875,000
Total supply ..	5,625,000	1,060,000	6,685,000
Estimated consumption	4,400,000	750,000	5,150,000
Exports	200,000	..	200,000
Total disappearance.	4,600,000	750,000	5,350,000
End season stocks ..	1,025,000	310,000	1,335,000

As will be seen from the above table, stocks of Indian cotton at the end of the season are some 800,000 bales less than at its beginning. Although foreign cotton stocks are higher, the net drop in total stocks is no less than 700,000 bales. This will be more than covered by the 600,000 bales of U.S. cotton planned to be imported under P.L.480, the 35,000 to 40,000 bales to be brought in under a barter agreement by the State Trading Corporation of India and the unutilised balance at the end of the 1959-60 season, all of which together add up to over 800,000 bales. And if, as is optimistically expected, the crop turns out to be a normal one, the overall supply position during the new season will be quite satisfactory.

ROLLER *Vs.* SAW-GINNING

The turn of events that led to the changeover from the export of textiles to export of raw cotton from this country had also led to the foundation of a new industry, namely, the cotton ginning and pressing industry. With the increase in exports of raw cotton, ginneries and presses had cropped up in different cotton-growing States and flourished. It is well known that cotton, unlike other commodities, has to be processed before it is utilised and two important stages in processing are ginning and pressing. The grower as well as the manufacturer stand to benefit from better ginning—the former would obtain a better price for his cotton, while the latter obtains well-processed and good grade lint for spinning. The various other intermediary agencies between the grower and the manufacturer are also dependent upon this important process. The trade takes into account such factors as ginning preparation, nepiness, stringiness, roughness and presence of motes, etc., in fixing the price.

A recent economic and technical survey of the existing gins in India carried out by the Technological Laboratory of the Indian Central Cotton Committee revealed several factors which vitiated the quality of ginning that is at present being carried out in the different gins.

The Committee recently considered the question of the merits of saw-ginning *vis-a-vis* roller ginning. After a very careful consideration of the various factors involved, both economic as well as technical, it came to the conclusion that roller ginning is by far the more preferable processing method of raw cotton than saw-ginning, and recommended that the advances of roller ginning should be brought to the notice of the growers, ginners and manufacturers of cotton. A comparative study of the two methods of ginning of Indian cottons carried out at the Technological Laboratory gave the following results:

It was noted that each system of ginning had its own advantages as well as disadvantages, but the advantages of roller ginning, under the existing conditions obtaining in this country, outweigh those of saw-ginning. The results showed that saw-ginning gave a lower ginning percentage but the saw-ginned lint was usually somewhat stronger, regular, and tended to be finer than roller-ginned lint. No difference was, however, observed either in the Pressley strength index or in the surface structure of the fibres. The card waste and especially the fly, which consists of very short fibres, was lower and the yarn strength was higher for saw-ginned lint than for roller-ginned lint.

In comparison, the roller gin, of either single or double roller, is a very compact unit which is very easy to handle. It requires very low power for driving, as compared with the saw-gin unit. The mechanism being very simple, it can be easily set and operated by a normally experienced gin fitter, while the saw gin, having many complicated parts to be looked after, requires careful attention of an engineer in operation.

If the ginning saw angle and the sharpness of its teeth are not maintained properly in saw gins, the fibres are likely to be cut and serious damage to its quality may result. In the roller gins, on the other hand, the settings are not so critical and slight changes therein do not cause damage to the fibres. The ginning percentage obtained by ginning in roller gins was about one per cent. higher than that obtained in the saw gin.

Even though the saw gins produce cleaner lint, with a considerably higher output, the loss in ginning percentage, and formation of more neps in the lint counteract these advantages.

Moreover for the maintenance of saw-gin units, practically all the parts have to be imported. On the other hand, the spare parts of roller gins are manufactured in India and as such would have the added advantage of saving foreign exchange and encouraging Indian industries.

As between the single and the double roller gins, the former, it was found, is simpler in construction and easier for operation than the double-roller gin. While the parts are few and the setting easy in the former, the double roller gin is comparatively more difficult to set up and the efficiency of the gin depends upon the experience and technical knowledge of the gin-fitter. It has also more moving parts and unless proper attention throughout the process is given, the efficient working of it cannot be ensured. Against these drawbacks, it has the advantage of higher output and lower labour cost.

The greatest advantage of single roller gin is that it could easily be converted to single action gin and could be very efficiently used for ginning of extra long-staple cotton, especially those of the fuzzy varieties. Besides, the old gins could be very easily renewed and made up-to-date by converting their bush bearings into ball bearings. The noteworthy feature of the converted gins is that there is an increase in output and the settings remain undisturbed throughout the ginning process, thereby producing more uniform ginned cotton, besides saving in labour.

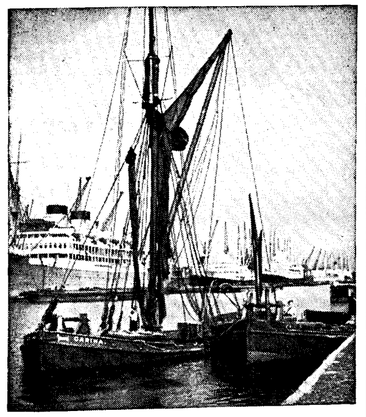
The Committee therefore thought it desirable that the ginning industry paid adequate attention to the settings, the knives and to the training of gin fitters in order that the efficiency of ginning in India could be improved so that the grower, the ginner and the manufacturer might benefit from the quality of the lint obtained.

IMPORTS OF RAW COTTON INTO U.K.

Availability of the raw material, together with the call for supplies, which is governed by the volume of demand for the finished product, provide the background for the quantity of imports in any given season. In the one just ended arrivals of raw cotton into the United Kingdom returned to the level reached in 1957-58, after a year in which purchases from abroad were severely curtailed. The downward trend in consumption which had been noticeable since the 1956-57 season was sharply reversed. The development was not altogether surprising in view of the keen rate of demand in Lancashire which was maintained practically throughout last season.

Whereas in earlier years there were marked changes in the volume of the raw material shipped from the different producing areas, the past season was notable for the maintenance of the general level of imports from the majority of countries. Only in the case of the American staple was there any sharp variation, although purchases from Mexico, which provides a similar product, declined to some extent. Shipments from India too declined sharply but, quantitatively. Indian cotton accounts for only a small percentage of total imports.

Imports of U.S. cotton, however, although more than double the quantity secured during 1958-59, are still well below the volume absorbed in the previous season and remain only half the huge total of over 1,000,000 bales which was shipped to the United Kingdom in the 1956-57 season.



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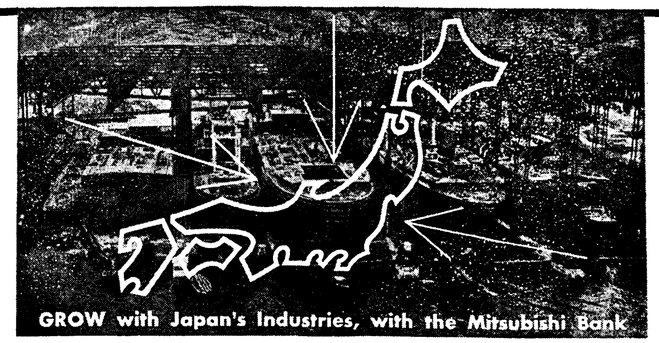

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SUGAR EXPORTS TO UNITED STATES

WHAT ABOUT INCENTIVE SCHEME FOR MAXIMISING PRODUCTION?

AN all-India conference of sugar dealers has been convened for the second week of next month—the date tentatively fixed is Saturday the 8th proximo—at New Delhi with the main object of reiterating the demand for the immediate decontrol of sugar. The conference is also expected to impress upon the Government that, though the need for earning foreign exchange is quite urgent in the present context, the question of sugar exports should be decided by the Government only after ensuring sufficient supplies for domestic consumption and stocks for taking care of any shortfall in production. The consensus of opinion among traders is that there should always be a minimum buffer stock of a quantity equivalent to three months' requirements of the country so as to ensure stable conditions in sugar markets. This aspect is specially emphasised, because of the uncertainty regarding the size of sugar output in future, as it depends on the size of the cane crop and the level of prices commanded by the two sugar substitutes, namely, *gur* and *khandsari*, as well as of the necessity to avoid any possibility of a rise in prices, what with the full play of inflationary trends in the country.

The Government of India, however, has made it clear that the existing controls on prices and distribution of sugar will continue. Only last week, we referred in these columns to the pronouncements made in Parliament by Mr. S. K. Patil, Union Minister for Food and Agriculture, and his deputy, Mr. M. V. Krishnappa, to the effect that the framework of controls would be retained in view of the possibility of export, though the State Governments would be asked to review distribution arrangements with a view to liberalising the system within the overall framework of controls. The Central Government's view would appear to have met with the general approval of the States. At their two-day conference held at New Delhi on 26th and 27th August, the Agriculture Ministers of the States decided that controls on sugar should continue and that sugar and other agricultural commodities which were available in surplus must be exported in order to earn the foreign exchange required for importing from abroad chemical fertilisers for supply to cultivators in India. Speaking to Pressmen at Madurai on his return after attending the Conference, Mr. Bhaktavatsalam, Minister for Agriculture, Government of Madras, said:

"There is no question of decontrol in respect of sugar.... Whenever we feel that control is unnecessary, we remove it and we keep it only to the extent it is found necessary. While asking for decontrol, we must consider all aspects of the question without looking at it from only one angle. ... The overall position of sugar indicates that there is a surplus and it has now been proposed to export sugar to conserve foreign exchange so as to facilitate the import of fertilisers. Since the cost of production of sugar in India is higher than that in other countries, the export of this commodity has to be subsidised by the Government."

Food Ministry's Scheme

That the Central Government wants to allow exports of sugar was clearly indicated, again, by Mr. Patil in the course of his speech at the inaugural meeting of the National Committee of the "Freedom from Hunger" campaign at New Delhi on 27th August. He said: "I am thinking of exporting sugar and the money thus earned will be used on fertilisers." In fact, a recent report from New Delhi avers that the Food Ministry has almost finalised its plan for exporting sugar. The scheme, it is said, provides for the sale of 150,000 tons of refined sugar to the U.S. But details regarding the price that the U.S. will pay and the actual period of shipment are not available. It may be noted here that, before sugar exports are effected to the U.S., India should necessarily have to become a signatory to the International Sugar Agreement and the Sugar Council will have to allot it a basic export quota. For the Agreement prohibits sale of sugar from a non-signatory to a signatory country.

The U.S. seems to be interested in buying from India large quantities of sugar not only in the current calendar year but also every year in future. This is due to the need for bridging the wide gap between the actual domestic requirements of sugar and the level of output which was being largely filled all these years by imports of raw sugar from Cuba. Two months ago, however, the U.S. Administration reduced Cuba's quota for 1960 by 25 per cent. and intends to cut the whole of the quota next year, in view of the anti-U.S. policies adopted by the revolutionary Government of Cuba. More recently, President Eisenhower has asked the American Congress for authority to cut off the purchase of 322,000 tons of sugar from the Dominican Republic also, under new arrangements made after the cutback in Cuba's quota, as well as for the extension of the Sugar Act beyond its present expiry date, that is, 31st March 1961. This move is a sequel to the decision of the Foreign Ministers of the Organisation of American States' meeting in Costa Rica to end diplomatic relations with the Dominican Republic and to interrupt partially normal economic relations.

Loss of Rupee Resources

It is, of course, true that the Indian sugar sold to the U.S. may fetch a price much higher than the world prices. The raw sugar bought from Brazil recently was paid at the high rate of 6.50 cents (about 31 nP) per lb., as against the currently ruling world price of 3.26 cents (15½ nP per lb.). Since Indian sugar is refined, it may get a still higher price. Even assuming that the price paid by the U.S. will be at the rate of 31 nP (6.5 cents) per lb., an export of 150,000 tons of sugar will fetch about Rs. 10.42 crores. This is quite a sizable amount of foreign exchange. But it must be borne in mind that, as against this receipt, sugar exports will entail much loss of rupee resources to the country. The total loss on the export of 150,000 tons will be of the order of Rs. 6.72 crores, representing the difference between the total price payable by the U.S. and the actual domestic level of price. Of this loss, the Government's share (by way of full remission of excise duty (Rs. 291.20 per ton) and cane cess (Rs. 50.91 per ton)) will be Rs. 5.13 crores, so that the balance of Rs. 1.59 crore will have to be subsidised, the incidence of which will fall on either the consumer in the form of high prices or on the sugar mills by way of lower profits.

Now that the Government of India has decided to continue controls on sugar and is determined to export a part of the surplus, there is the imperative need for increasing production to as high a level as possible in the ensuing season which is due to commence in a few weeks, on 1st November to be precise. Some sugar mill owners are of the view that the conditions of the cane crop as it stands at present and the expansion in the crushing capacity of the industry point to the possibility of the coming season's sugar output being higher than the current season's output by 200,000 tons, that is, at about 2.60 million tons. While it is rather too early to say whether this forecast will prove correct, there is no denying the fact that the Government of India should at least continue, if not improve, the present incentive scheme under which the sugar mills get a higher price for sugar to compensate for the increase in the minimum price of cane (from Re. 1.44 to Re. 1.62 per maund for delivery at the gate of a factory) and also a rebate of 50 per cent. of the basic excise duty (now Rs. 11.25 per cwt.) on sugar produced in excess of the average of production in the two seasons preceding the 1959-60 season. There is actually a good case for enhancing the scheme of incentives to the producer, as a much larger production of sugar has to be secured to take care of the ever-expanding domestic consumption and of the necessity for earning the badly required foreign exchange. The Government will do well to announce its sugar price policy for the coming season as early as possible.

SALE OF SUGAR

Mr. M. V. Krishnappa, Deputy Minister of Agriculture, stated in the Lok Sabha on the 5th inst. that the entire sugar produced during 1959-60 was likely to be sold and despatched by factories by February 1961 and that the finalisation of accounts would take a few months thereafter. The sugarcane growers, according to him, would be entitled to get the additional cane price due to them after accounts for this season had been finalised.

The Government of India has released 200,000 tons of sugar. There will be no release for free sale from the factories in Uttar Pradesh, Bihar and Punjab except a small quantity which will be released to each factory for sale to its employees.

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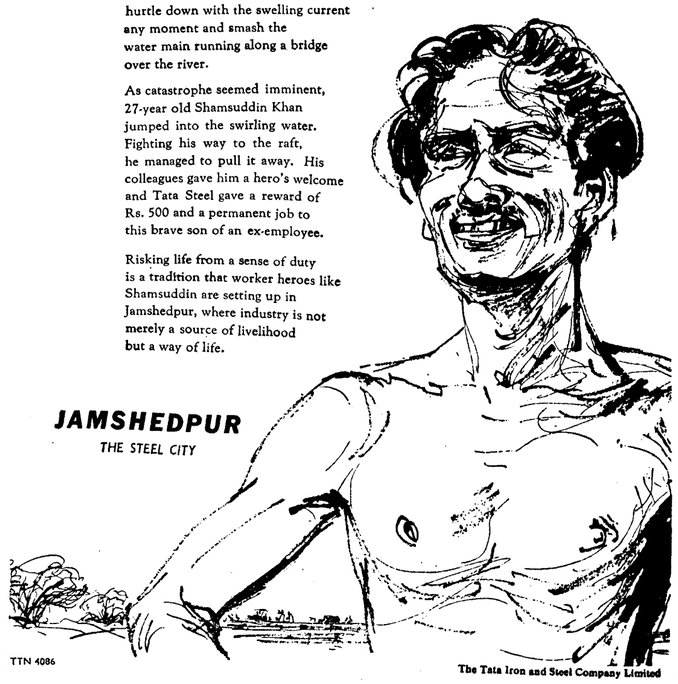
Risking life from a sense of duty is a tradition that worker heroes like Shamsuddin are setting up in Jamshedpur, where industry is not merely a source of livelihood but a way of life.



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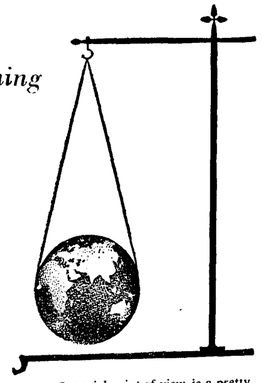

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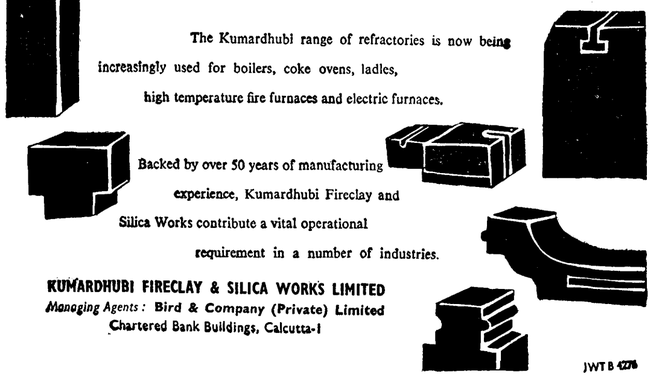

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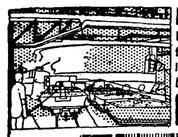

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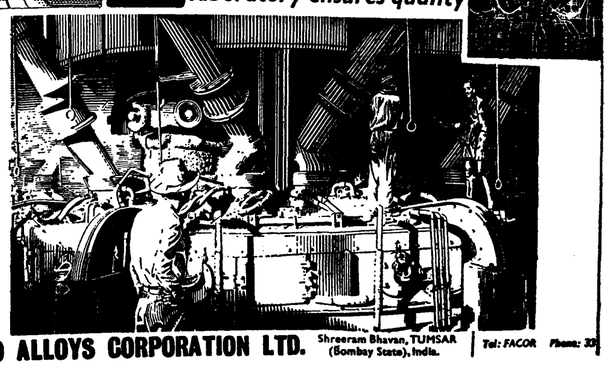

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TOTAL WORLD POPULATION APPROACHES THREE BILLION

ANNUAL INCREASE IS 48 MILLION PERSONS

TOTAL world population is placed at 2,900 million persons, according to a statistical study published by the United Nations. Reporting on some 270 separate geographic areas of the world, including every sovereign State and non-self-governing territory, the United Nations *Demographic Yearbook* 1959* lists mainland China with an estimated 669 million inhabitants as the country with the largest population. India follows with 403 million, the U.S.S.R. with 209 million and the United States (including the new States of Alaska and Hawaii) with 178 million. These four countries together total about 1,500 million and account for more than half of the world total. Next in size of populations are Japan, with 92 million, and Pakistan, Indonesia, Brazil, the Federal Republic of Germany and the United Kingdom, all with populations over 50 million.

On a world-wide basis, the rate of population increase during 1958 was about the same as for the previous seven years, namely 1.7 per cent., or 48 million persons a year, the equivalent of adding the inhabitants of a country the size of Italy to the world annually. This annual increase results from an estimated world birth rate of 35 per thousand, which adds about 100 million births a year, and an estimated death rate of 18 per thousand, which subtracts around 51 million from the total. This leaves a net annual population gain of something over 48 million persons, over 5,000 an hour or about 85 persons per minute.

Over half the world's population now lives in Asia and, by the year 2000, Asia will probably account for about 60 per cent. of the total. Only 14 per cent. of the world's population lives in Europe at present: if the current trends continue, this figure will decrease to 10 per cent. by the end of the century.

Variations in Population Density

In "city-states" such as Macau, Monaco, Gibraltar, Ceuta and Melilla, and Hong Kong, densities of population are shown to range from 2,000 to 14,000 persons per square kilometer. (One square kilometer equals about 0.4 of a square mile). High densities are found in many island areas, notably Bermuda with 814 persons to the square kilometer and Barbados with 544 persons per square kilometer, while Puerto Rico, China (Taiwan), Mauritius, Ryukyu Islands, Grenada and the Maldive Islands have densities of some 250 persons to the square kilometer. Of the countries which do not fall in either of the two categories mentioned above, the Netherlands has the highest population density—345 persons per square kilometer, with Belgium, England and Wales, and Japan following closely. At the bottom of the list are places with densities of two or fewer persons per square kilometer, such as Spanish Sahara, Bechuanaland, Mongolian People's Republic, Papua, Greenland, Australia, Canada and Iceland also appear in the group of sparsely populated countries. In the United States, which has been increased by the addition of Alaska and Hawaii, the previous density of 22 persons per square kilometer has changed to 19 persons per square kilometer as a result of a large increase in area, which has a relatively low density (now that Alaska and Hawaii have been included as States).

In terms of continents, Europe has the greatest population density, with an average of 85 persons per square kilometer. Central Europe, with a population total of 136 million as against 140 million in the Northern and Western segments, has a density more than double that of Northern and Western Europe—134 persons per square kilometer as against 62.

Asia as a whole is the second most densely populated continent, with 59 persons per square kilometer; the density in South Central Asia amounts to 105 persons per square kilometer.

In comparing densities in Europe and Asia, the statistics show that the population of Asia is increasing at the rate of 1.8 per cent. per year while Europe's rate of growth is only 0.7. Hence, the density in Asia will increase, while that in Europe is likely to remain relatively stable.

Fastest Increase in Middle America

The average world birth rate for the period 1954-1958 was estimated to be about 35 per 1,000 population. This rate has been derived from a study of the range of registered rates and such official estimates of natality as are obtainable from sample surveys, analyses of census returns, and the like. On a continental basis, Africa has the highest estimated birth rate—45 per thousand. Asia, the next highest continent, has an over-all rate of 39 per thousand. The highest regional rate occurs in both South-east Asia and Tropical and Southern Africa, namely 46 per thousand.

The region with the fastest rate of population increase, however, is shown to be Middle America, due to the fact that the relatively high birth rate of 42 per thousand is combined with death rates which have been substantially lowered in recent years. The lowest continental rate is found in Europe—19 per thousand—and, within Europe, the lowest regional rate—18 per thousand—appears in the Northern and Western region.

Recorded birth rates for some 200 areas of the world are presented in the 1959 *Demographic Yearbook* for the period 1920-1958, and more than half these areas are indicated to have data of a high degree of reliability. Some 50 per cent. of the world's recorded birth rates, reliable and unreliable, are found to be between 30 and 49 per thousand.

Of the reliable ones, the highest rate is shown for Guinea (62), with Guam (60) running a close second. Rates over 50 per thousand are shown also for Sudan, Ivory Coast, Ghana and Northern Rhodesia in Africa; and for Burma and Brunei in Asia. The lowest reliable rate (except for the city of West Berlin, with a rate of only 8.5) is given for Uruguay (11.4). Except for these two areas, rates of under 20 are found mostly in Europe, with the Isle of Man (12.1) and Sweden (14.2) at the bottom of the list. Japan, with a birth rate of 18.0 per thousand is also among the countries with low birth rates.

A comparison made for 64 countries of average birth rates for 1954-1958, with corresponding rates for 1945-1949 appears to show a tendency toward stabilisation, rather than a decided upward or downward trend. Twenty-eight of these 64 countries show 1954-1958 rates higher than those for 1945-1949, while 36 countries show lower rates.

Norwegian Babies Have Greatest Possibility of Long Life

Life expectancy at birth is still greatest in Norway, where, according to the latest life table, female babies have an average life expectancy of 75 years and males an average expectation of 71 years. In Sweden and the Netherlands, life expectancy is almost as high, being 74 years for females and 71 for males. The *Demographic Yearbook* gives recent life tables for more than 75 areas in all parts of the world. A total of 17 countries show life expectancy of girl babies exceeding 70 years, but in only three countries are male babies expected to live as long. The United States ranks fairly high on the list as regards life expectancy for girl babies (its average of 73 years being exceeded only by Norway, Sweden, Netherlands, England and Wales, Austria and Denmark). The average expected life span for United States male babies (66 years) is less than that in several European countries or in Australia, New Zealand, Canada, or for the Jewish population of Israel.

The shortest expectation of life (32 years) is still found in India. However, it is also one

(*Continued on page 491*)

*This issue of the *Demographic Yearbook*, an annual publication giving statistical information on population trends and shifts in all parts of the world, contains 719 pages, including statistics on area, population, births, deaths, marriages, divorces and migration. Natality statistics are presented in particular detail for the first time since 1954.

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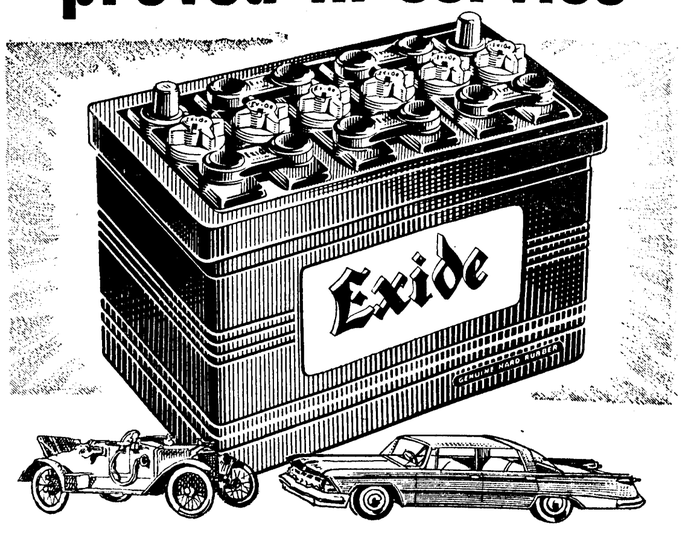

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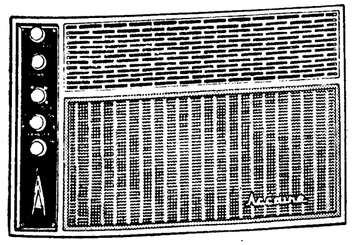

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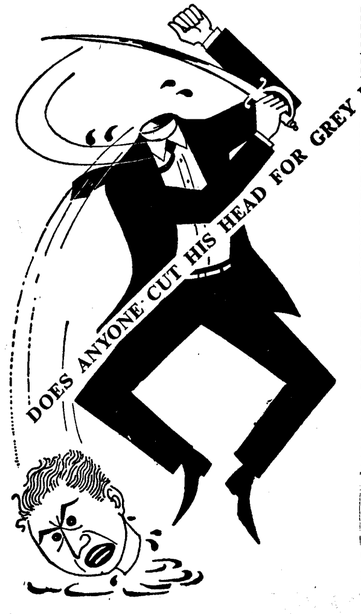

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REASONS FOR THE FALL IN PRICES OF CRUDE OIL

REVENUE OF MIDDLE EAST GOVERNMENTS UNLIKELY TO BE AFFECTED

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*[Competitive pressures generated partly from within the oil industry by an abundance of supplies have led first to abnormal discounting and then to cuts in posted prices of crude oils in the Middle East. These downward adjustments will have some adverse effect on the income of producing companies in the countries concerned, and on Government revenues in those countries. If the reductions are not followed in Venezuela, they will confer a further price advantage on Middle East oil for competitive delivery to the world's markets. There seems no early prospect that the potential over-supply of oil which has led to these changes will disappear.—*ED.]

FURTHER evidence of abundance in oil supplies has been forthcoming during the past month (August) in the shape of cuts in posted prices for Middle East crudes. This round of reductions, the first to affect crude oil postings in this area since February 1959, does not imply any sudden deterioration in the world market situation. It is the outcome of pressures which have been building up for months past—pressures reflected in the increasing prevalence of discounts off posted prices for crude oil. As we go to press it cannot be assumed that the process of adjustment is yet complete.

The downward movement was initiated on 9th August by Esso, whose reductions in Persian Gulf crude oil postings ranged from 4 cents a barrel for heavy Safaniya (Arabian) crude to 14 cents for lighter grades from Arabia; at the East Mediterranean terminals, Esso cut both Arabian and Iraqi crudes by 14 cents a barrel. Shell followed this lead four days later, back-dating its changes to 9th August. B.P., the main supplier of Middle East crudes, expressed regret that the reductions had been made, but later felt impelled to follow—though not to the full extent. B.P. lowered its prices by amounts ranging up to only 10 cents a barrel, effective 16th August. Reductions subsequently posted by the other major suppliers bring their new prices within the general range of the adjusted prices of Esso and B.P.

The evidence of the varying patterns of reductions suggests that, as might have been expected, there were different viewpoints among the main suppliers in regard to the need, the timing and the extent of the changes. For the time being, therefore, more than one price is being quoted for each of the main Middle East crudes, as the following table makes clear:

(Dollars per barrel)

	A.P.I. gravity	Before 9th August	Latest
Arabian (Safaniya) ex Ras Tanura..	27.0–27.9°	1.50	1.46–1.47
Arabian, ex Ras Tanura	34.0–34.9°	1.90	1.76–1.80
Arabian, ex Sidon	34.0–34.9°	2.27	2.13–2.17
Qatar, ex Umm Said	41.0–41.9°	2.05	1.91–1.95
Iraq, ex Tripoli and/or Banias:			
(i) N. Iraq, excluding (ii) ..	36.0–36.9°	2.31	2.17–2.23
(ii) Jambur/Bai Hassan blend ..	34.0–34.9°	2.17	2.03–2.09
Iraq-Basrah, ex Fao	35.0–35.9°	1.80	1.68–1.72
Kuwait, ex Mena al Ahmadi ..	31.0–31.9°	1.67	1.56–1.59
Iran, Light ex Bandar Mashur ..	34.0–34.9°	1.86	1.74–1.78
Iran, Light ex Abadan	34.0–34.9°	1.81	1.69–1.73
Iran, Heavy/Med. ex Abadan ..	31.0–31.9°	1.62	1.53–1.58
Iran, Gach Saran, ex Kharg Is. ..	31.0–31.9°	1.67	1.58–1.63

Sooner or later, competitive forces must be expected to iron out these differences. C.F.P.'s action in withdrawing its posting for Saharan crude ex Bougie (Algeria), followed by similar action by R.E.P.A.L., must likewise be expected to be temporary, pending reappraisal of the new competitive levels.

Competition

Posted prices for crude oil have tended to exhibit some degree of inertia (perhaps excessive) in responding to market trends, moving less frequently than product prices and then by bigger steps. Discounts off posted prices have traditionally been granted for special categories of business (particularly where new outlets were being opened up); but, in the competitive situation of recent months, discounts had been tending to increase in size and to become more widespread. In such a situation, there are many pressures operating to bring posted prices more into line with the general level of the market. The decision when to make a change, and by how much, is a matter of individual commercial judgment, often involving a compromise between conflicting considerations, which may have a different relative impact for different companies. By the end of July, Esso seems to have decided that, so far as their situation was concerned, the time was ripe to make a change.

The gradual lowering of average selling prices of crude oil which had resulted from more widespread discounting may be attributed to the persistent world surplus of producing capacity (actual and potential), aided by a surplus of refining capacity which sharpened competition in the final marketing of products from which crude oil buyers derive their income.

More and more concerns are engaging in the international oil business. Various countries are pressing the development of any oil resources they may possess. The restriction of imports into the U.S.A. has created serious sales problems for American companies which have succeeded in their quest abroad for cheaper crude for their home market. There has been pressure on oil importers in many parts of the world to build new refineries and to expand their existing capacity, and on new entrants to make refinery investments in marketing areas. In some markets, there has been growing competition from other forms of energy, while natural gas has become increasingly available. Throughout, the Governments of most of the main exporting countries have been pressing for bigger outputs. All this has meant intensely competitive market conditions.

One competitive factor specifically mentioned by Esso is Russia. Actual exports from the U.S.S.R. to the free world amounted last year to no more than 8 million tons of crude and 6½ million tons of products (under 4 per cent. of the oil entering international trade), but this year several new markets have been penetrated and Russian competition, or the threat of it, is having an increasing influence on markets.

Effect on Government Revenues

Turning to the effect of the past month's changes, the impact on company profits will doubtless differ considerably from one concern to another. Profits from Middle East production are calculated for tax purposes under the 50 : 50 arrangements on the basis of posted prices, and not of realised export prices. To the extent that prices actually realised by the producing companies (or the "trading companies" which sell all the crude for export) fully reflect the cut in postings, their net income, after tax, per barrel of oil sold will be reduced by broadly half the amount of the posted price reduction. This is the position in respect of by far the greater part of their total trade, since the prices applicable to sales to affiliated companies, and the prices realised under many sales contracts with non-affiliated customers, are based on and escalate cent for cent with posted prices at the time of lifting. Exceptionally, there may be sales contracts under which the level of actually realised prices is not affected by, or does not fully reflect, the cut in postings; and in respect of those sales the net income, after tax, of the company making the sale will be less adversely affected, or may even be marginally increased.

For fully integrated operators, however, profits are mainly dependent on three variables —turnover, total costs including tax, and prices realised for products in the consuming areas. Their income from the marketing of products in the main consuming areas supplied with oil of Middle East origin—particularly Europe—has been subject to gradual erosion under the impact of competition from many sources. But the tax element in these integrated costs, of which tax paid in the production areas is a large component, has not been reduced commensurately. The downward adjustments in posted crude prices will tend to impute a more realistic share of total integrated profits to the production stage. The resultant reduction in tax payable in the producing areas will provide a degree of relief for integrated operators which is only reasonable in the difficult current market situation.

So far as Middle East Governments are concerned, their revenues are bound to be adversely affected to some extent by the past month's changes; but the effect should not be exaggerated. On average, the crude oil price cuts are of the order of five to seven per cent., only half of which is relevant to the calculation of Government revenues. The latter benefit, moreover, from the steady rise in production. In the first half of this year, the output of Middle East oil was no less than 13 per cent. above the level of January-June 1959, following an increase of 7.7 per cent. in 1959 over 1958. If the production and disposal of Middle East oil continues to grow at this sort of rate, the benefit to Government revenues will far outweigh the loss attributable to the modest cut in posted prices.

Reaction on Venezuela

At the time of writing, Venezuelan postings, which were last reduced in April 1959, have not been adjusted in line with the latest changes in the Middle East. In Venezuela, the export income of the operating companies, from which the Government's share of profits is derived, is based on actual sales prices; for the greater part, these are not full posted prices, but reflect competitive market conditions. However, if Venezuelan posted prices are to preserve their status as indicators of the market value of Venezuelan oil, they too are due for downward adjustment to reflect the international trend.

In fact, with freight rates at their present levels, Venezuelan postings might be said to have overvalued that country's oil, in relation to Middle East crudes, even before the latest adjustments in the latter area. The comparison is not altogether straightforward, since no two crudes are identical, while there is a certain arbitrariness about the choice of freight rate to be included in the calculation. The following figures may, however, be taken as illustrative. Prior to the recent Middle East price cuts, Arabian light crude (34.0°-34.9°) was quoted at $1.90 a barrel ex Ras Tanura, while Tia Juana light crude of the same gravity was quoted at $2.61 f.o.b. Amuay. Calculating freight charges at the current A.F.R.A. figure (Scale minus 12½ per cent. for large tankers), the Arabian oil could have been delivered to New York for about $3.00 a barrel and the Venezuelan at about $2.90. But, if spot market rates are taken (say Scale minus 60 per cent.), the delivered prices become $2.40 for Arabian and $2.75 for Venezuelan.

This explains why the bulk of Venezuelan oil is not being sold at posted prices. Discounts offered by some of the smaller and newer producers have been considerably bigger than those normally given for large, or long-term, contracts—some marginal transactions having been reported at discounts ranging up to $1 a barrel. And the Chairman of Creole disclosed the other day that two-thirds of his company's output was being sold at discounts averaging about 10 per cent.

Dr. Perez Alfonzo, Venezuela's Minister of Hydro-carbons, has asserted that a fall in Venezuela's production would be preferable to a lowering of the price level. For months past, the Minister has been resisting offers by new entrants into Venezuela to sell crude at "abnormal" discounts, and has recently threatened that offenders would have their production suspended. He is, of course, known to favour some form of international pro-rationing scheme to relieve the pressure of supply potential on market demand—an aim with which, logically, it is possible to sympathise while recognising the practical difficulties of implementation. What is quite certain is that it will not be possible for Venezuela to maintain an effective price level for its crude oil out of line with that from the Middle East and at the same time to retain its present share of the world market. If Venezuelan oil is not to become even less competitive, then either still greater discounts will have to be conceded, or its posted prices will have to be adjusted.

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DAMLE COMMITTEE

After our leading article on India's oil policy had gone to press, Mr. K. D. Malaviya, Minister for Mines and Oil, gave some information to the Lok Sabha (on 2nd September) about the three-man expert committee, called the Damle Committee, to devise a scheme for determining fair oil prices payable to the companies from time to time. He stated the Committee was drawing up a detailed questionnaire, though even when we wrote our article the oil companies had received copies of it, requesting expeditious reply. The following are the terms of reference to the Committee:

(*a*) The cost at which crude oil and the various refined petroleum products can be imported.

(*b*) Whether the port charges element in oil prices can be adjusted on a flat basis irrespective of the particular port to which any supply area is linked.

(*c*) In keeping with the relevant clauses of the existing agreements relating to the establishment of the two refineries at Bombay and the refinery at Visakhapatnam, how should the ceilings be determined for the refinery prices of their products.

(*d*) Whether the time is opportune for evolving a railway freight pool system in respect of oil products.

(*e*) Whether along with such pooling, or irrespective of the same, for reduction of the imbalances in consumption particularly, principles can be evolved for having a common tariff of railway freight in respect of petroleum products, irrespective of whether they are of the dangerous or non-dangerous category.

(*f*) To what extent more efficient and economic arrangements can be introduced for unloading, storage and distribution of petroleum products in land.

(*g*) The best manner in which the oil industry can enlist service co-operatives in the marketing and distribution of such petroleum products as are in daily use in almost every household like, particularly, kerosene.

(*h*) In keeping with the needs of conservation of foreign exchange, stabilisation of prices, raising of internal resources and the overall development of the planned economy, to what extent the pricing mechanism in respect of petroleum products should be used for purposive influencing of production, transport, distribution and consumption patterns.

The Minister, who gave the aforesaid information in response to a question by a Member of the Lok Sabha, added that the Committee had been asked to report by the end of the year.

RADIOISOTOPES

A ten-day international conference on radioisotopes in the physical sciences and industry opened at Copenhagen, Denmark, on the 6th inst. The conference has been organised by the International Atomic Energy Agency, with the co-operation of the U.N.E.S.C.O. A brief account of the progress made in discovering a growing range of uses to which isotopes can be put in medicine, industry and agriculture will, therefore, be of topical interest.

As a uniquely powerful source of sub-atomic particles, the nuclear reactor speeds up fundamental research into the structure of matter, and provides a new and improved means of investigating the properties of particular materials and testing their purity. At the same time, both in the very process of fission and by transmuting substances deliberately subjected to its radiation, it creates new substances, sometimes new elements, but more often isotopes of known elements, namely, substances with the same chemical properties as some known substances, but differing in weight and usually in radioactivity. Most of these new substances are radioactive, and are known as radioisotopes. The nuclear reactor has greatly widened the range of radioisotopes, and is the principal or only sources of most of them. Some radioactive substances, however, occur naturally, and a few are produced in a cyclotron.

Radioisotopes are finding a vast and constantly growing range of applications. Their radiations have valuable curative, sterilising, and other physiological properties, and can be used in radiography or to disperse static electricity. Moreover, they can be used as "tracers" for the common substances with which they are chemically identical. Geiger counters, and other instruments sensitive to radioactivity, can detect and measure radioactive material in far smaller quantities than any chemical analysis, and can follow, stage by stage, their undisturbed passage through an enclosed process.

Tracer techniques have added precision to biological and medical research. By the use of radioactive carbon, radioactive iron, radioactive iodine, and other radioactive materials, medical research laboratories in Britain have discovered the structure of many organic compounds occurring in the body, and traced many of the processes by which these compounds, and particularly the fats, are built up; obtained new information on the secretions of the thyroid glands; and studied the activity of the chemical constituents of cell chromosomes during cell growth and division.

Tracer uses in diagnosis include measuring the survival rate of red corpuscles (with radioactive chromium), studying thyroid functions (with radioactive iodine), examining blood circulation (with radioactive sodium) and locating brain tumours (with radioactive phosphorus or radioactive arsenic).

For radiography and radiation therapy, artificial radioactive substances have the advantages of being handy, portable, and relatively cheap; they can be introduced into the organs of a body so as to obtain radiographs otherwise unobtainable, or to limit radiation effects on diseased tissues. In hospitals, radiation from radioisotopes is a cheap and efficient way of sterilising certain thermoplastic and rubber equipment which cannot stand high temperatures.

In industry, the use of radioisotopes is spreading rapidly with increasing realisation of their possibilities in research and control. It has been estimated that, in the United Kingdom alone, industry is saving at least £3,500,000 a year, and possibly £7,000,000, through their use. They are used for radiography, to test the quality of castings and welds. Incorporated in liquids, gases, or dusts, they can be used to trace flow, to spot leaks in supply systems and spillage from tanks, to check the evenness of mixing and the thickness of oil film, to measures filter efficiency, and to trace mud movements in estuaries. Incorporated in metal bearing, they make possible the measurement of wear, which is proportionate to the radioactivity of used oil.

Radioactive sources attached to instruments or moving parts operating out of sight can trace their movement, or indicate their present location. Gauges consisting of a radioactive source and a recording instrument can measure small variations in the thickness or composition of objects passed between the source and the recording instrument. Such apparatus can be used for checking the accuracy of production of continuous film or sheeting.

Some types of radiation can be used to counter static electrical charges arising in certain industrial processes in paper-making and textiles, and can thus reduce the risk of fire. In addition, radiation can initiate chemical processes; the physical properties of polythene, for example, can be improved by irradiation, which brings about a crosslinkage of molecules.

Recently, with large quantities of Cobalt 60 available, radiation is beginning to be used for bulk sterilisation of products after they have been packed and sealed.

Radioactive isotopes are being used at various agricultural research centres as tracers in studying plant and animal nutrition in assessing absorption of soil fertilisers or insecticides, and in following the stages in plant synthesis of complex sugars, starches, and proteins or in the formation of milk fat. Carefully controlled radiation is also used in the preservation of stored agricultural products—for example, to prevent potatoes from sprouting too fast—and for the disinfestation of stored products, particularly grain. Radiation has also been used in genetic experiments and practical breeding in an attempt to speed up the development of improved strains, both by inducing a higher rate of mutation (that is, of chance variations from inherited characteristics) and by breaking genetic links between wanted and unwanted qualities so that the unwanted can be bred out.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

CHAIRMAN, MR. K. A. P. VISWANATHAM'S SPEECH

THE Twentieth Annual General Meeting of the South Madras Electric Supply Corporation Ltd. was held at Tirchirapalli on 27th August 1960. Speaking on the occasion, Mr. K. A. P. Viswanatham, Chairman, said that the Company was doing its best to meet the growing demand for power supply, but its efforts were being hampered by the paucity of funds and shortage of materials and skilled man-power.

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

"LADIES AND GENTLEMEN,

"I have great pleasure in welcoming you to this twentieth annual general meeting of the Company.

"I believe you have studied the Directors' report and the balance-sheet and accounts which have been in your hands for some time. I shall take these documents as read, with your leave, and shall invite your comments on them later.

"This year too we have suffered from paucity of finance. A capital expenditure of Rs. 10.35 lakhs was incurred and 19 new villages were electrified in the Trichy and Tanjore areas. I must admit that this is far below the expectations of the large numbers of power supply applicants and, in spite of our anxiety, we could do no better.

"The share issue of Rs. 14 lakhs worth of equity shares made this year have been fully subscribed. Your Directors have sanctioned a comprehensive works programme, with due consideration to priority of applications, and it is expected that we may be able to execute about Rs. 15 lakhs worth of capital works before 31st March 1961.

"We have also been informed by the Government of Madras that a sum of Rs. 25 lakhs has been placed by them with the Madras State Electricity Board for disbursements as loans to licensees. We have submitted schemes to the Electricity Board and we expect they may give us our share of this loan, may be about Rs. 14 to 15 lakhs, before the end of March, 1961. Expeditious steps will be taken to utilise these funds for extensions in the year 1961-62.

Heavy Back-log of Works

"The back-log of works are heavy. Even about a crore of rupees will not suffice to completely satisfy the demands in our area of supply. And even if such a sum of money were made available, we will not be able to utilise the sum in a year for want of materials and adequate skilled man-power. It is my hope that, with our resources and loans from the Electricity Board, we may execute every year between Rs. 15 and 20 lakhs of new works, thus satisfying the consumers to the extent possible.

"Apart from our own difficulties, it is a well-known fact that adequate power supply is not available from the Electricity Board's existing power houses and grid. I expect it will easily take another two or three years for the supply to catch up with the demand, if the Kundah and Neiveli schemes get completed by then and the State Electricity Board is enabled to plan for the future in a broadbased way by supplementing existing resources with thermal and nuclear power stations.

"The revenue earnings this year have been satisfactory and we have been able to maintain the usual 9 per cent. dividend on equity shares. I believe this will nearly represent the position in future years. With the existing ramifications of the Electricity Supply Act nothing better could be expected.

Preference Dividends

"On preference dividends you are aware of the controversies created by the Finance Act. Your Directors have, under proper advice, decided the measure they have adopted as explained in their report. It has also been indicated to you that in due course your approval will be sought to change the dividend structure, to give the preference shareholder a 7 per cent. dividend from which the shareholder's tax will be deducted. This step appears to me to be equitable, from the point of view of all classes of shareholders. This change involves a complicated procedure of class meetings and an extraordinary general body meeting. These will be convened in due course, unless legislation anticipates us and makes the position easier for us.

"Among your Directors, Sri M. V. Krishnamurthi Rao resigned this year, to seek election to the State Legislature. I would like to tender to him on behalf of all of you and myself, my sincere thanks for his contribution to the development of the Company. In accordance with the policy enunciated last year and to comply with the requirements of the Electricity Supply Act, it has been recommended to you that this vacancy need not be filled up and the strength of the Board reduced accordingly. The suggestion is that the strength of the Board be reduced to ten members (excluding ex-officio Directors) by not filling vacancies as and when they arise.

Staff Relations

"I am glad to say that staff relations have been very cordial all through. The works committee is functioning usefully and responsibly much to the satisfaction of both the management and labour.

"Last year, I told you of the proposals put forward by the citizens of this city and the districts to have an engineering college here in memory of the late V. Seshasayee. Considerable progress has been made in this direction and I am hopeful that Trichy will have its Engineering College in 1961. At the appropriate time I am sure we will have your support.

"I now move that the Directors' Report and audited balance-sheet as on 31st March 1960 and the profit and loss account for the year ended 31st March 1960 be approved and adopted."

N.B.—*The above does not purport to be the report of the proceedings of the twentieth annual general meeting of the Company held on 27th August* 1960.

NEW PRODUCTS AND PROCESSES

Multi-storey Car Park

A MULTI STOREY car park—the biggest of its kind in the world—is to be built at the Austin Motor Company's Birmingham works to overcome difficulties which arise in accommodating the high output of vehicles from the factory. The building which will be in full operation by September 1961 is nine storeys high with ramped floors, and will house 3,300 vehicles. Cars will go there direct from the assembly lines to await collection for the export market. The works, claimed to be the largest integrated motor plant in Europe has a current capacity of over 8,000 vehicles a week, which under the £49 million B.M.C. expansion plan will rise to 10,500 a week by 1962. This creates a storage problem. Outside the factory there are usually long lines of cars waiting—however briefly—for collection. But the factory itself is expanding and reducing areas available for parking finished vehicles. By the second half of 1961 a vast new building for the paint, trim, finishing and final assembly of 2,500 vehicles a week will be in operation beside the existing car assembly building—on ground now occupied by vehicles on despatch. As there is no possibility of expanding outwards for parking space, the company must expand upwards. The proposed car park building is of reinforced concrete columns and slab construction and is 376 ft. long and 204 ft. wide. It uses the ramped floor principle of operation. All parking floors are ramped, and a double spiral system of floors enables upward and downward traffic movement to be completely segregated. Passenger lifts and staircases are provided at the four corners, and, in addition to car access by the ramped floors, two car lifts will be installed, principally to move cars above fourth-floor level.

Leak Detection With Radioisotopes

A method for detecting leaks at a rate of less than one sixty-millionth part of a cubic inch a day will be illustrated in the United Kingdom Atomic Energy Authority's exhibit at the Fifth International Instruments and Measurements Exhibition in Stockholm. The method, which uses a radioisotope technique, has been developed by the Wantage Research Laboratory. Corresponding to a cube of about one four-hundredth of an inch side, a sixty-millionth of a cubic inch appears to be a very small volume, yet it can contain seven million million atoms of the radioactive gas used in this particular application. Since, initially, some 16,000 of these atoms would decay and emit tell-tale radiation each second, detection of their presence and calculation of the rate of leakage can be carried out with comparative ease. To determine the rate at which leaks in sealed components would admit air or other gases, these are immersed in an atmosphere of radioactive krypton-85 gas which is raised to a known pressure for a fixed period of time. After the components have been removed from the gas, the amounts of krypton which have found their way into the objects under test are determined by measuring the emitted radiation with a counter. For outward leakage, the component is filled to the required pressure with a known specific activity of the gas. Then, either the escaping gas is collected and assayed with a counter, or measurements are made of the decrease over a period of time in the intensity of radiation emitted from the component. The latter is the most reliable method as a leak can become temporarily blocked. Tests of small articles such as transistors—whose life is shortened if oxygen or water vapour penetrates their containers—are best made by immersing them in the gas. Sensitivity is reported to be about 100 times better than with a helium mass spectrometer.

New Stimulator for Animal Growth

The new stimulator of growth, obtained by a Soviet Russian agro-chemist, Professor Jebrail Guseinov, through the treatment of oil waste with a solution of caustic alkali, favourably affects the organisms of animals. It is allied as regards its properties to such active biological substances as hormones and vitamins. Guseinov's preparation was initially used for stimulating the growth of plants, particularly cotton and certain vegetables. Good results were obtained in this sphere. Tests on its effect on animal organisms were conducted at the National University's Biological Department. Extensive experiments were carried out at the poultry farm in Baku. Inclusion of four to ten kilograms of stimulator in the daily ration of the birds made them gain 20 per cent. more weight than usual. Their egg-laying capacity increased by almost the same proportion. As distinct from penicillin, biomicine and other antibiotics used for stimulation purposes, the new preparation does not lower the organism's immunity. Its manufacture is very simple and cheap. One kilogram of the stimulator costs 10 copecks. The application of this stimulator to silk worms increased cocoon production 12 per cent. and in some cases even 17 per cent. Good results were obtained through the initial, so far laboratory, investigations of the stimulator's effect on animals—rabbits, sheep and large-horn cattle.

Paper Suits for Dirty Jobs

Paper suits are in use in at least one atomic plant in America to save the costs and dangers of laundering materials which are possibly radioactive. Costing about a dollar, they are worn once or twice and are then burned in a protected incinerator. The suits are also available for workers in the electronic and drug industries. They are made of nylon-reinforced paper which resists both fire and water. Safety engineers say they are better for personnel because the paper is more impervious than cloth and workers report that they are lighter, cooler and generally more comfortable. The suits, which come in various colours so workers of any crew can be easily identified, were developed because of the dangers of atomic waste products. Protective cloth clothing would have to be laundered in specially protected machinery so laundry workers would not be exposed to radioactive materials. Burning the paper suits avoids this danger and expense. Possible civilian uses would be for fishermen—throw them away when you've cleaned the fish—or for motor mechanics, avoiding the problem of getting heavy grease out of clothing in the home washing machine.

Quieter Gear Wheel

Recent trends towards more compact gear assemblies have stressed the need for greater precision in finishing gear wheels. On the other hand mass-production techniques often lead to the production of gear teeth with imperfections that cause noisy running in gear assemblies. Designed to resolve this difficulty is a range of compact honing machines newly introduced to the U.K. They can be used to treat all gears before assembly, eliminating, it is claimed, costly testing and hand grinding operations. Three types of honer, a standard semi-automatic model; a lower cost manual model; and a fully automatic machine with a magazine loader are available. The first two types have capacity for gears up to 12 inches pitch circle diameter and the automatic model can accommodate up to 4-inch size. The honing tool in these machines available from Precision Gear Machines and Tools, Red Ring Works, Bodmin Road, Wyken, Coventry, is a dimensionally-stabilised abrasive-impregnated plastic gear. It is manufactured to close tolerances and meshes with the workpiece in a "crossed axes" relationship.

Simple Fire-fighting Equipment

A new simple device, which can be incorporated in standard fire-fighting equipment and could greatly assist firemen in dealing with outbreaks in confined spaces where heat is intense, is being tested by the Essex County Fire Brigade in Eastern England. The device is a flanged disc of light metal that fits inside a normal small-bore nozzle and produces a fog of atomised water pumped through at the rate of 150 lbs. to the square inch. High pressure fog jets have long been successfully used, but the new device was designed by a fire officer of Colchester, following a serious school fire, to meet what he felt was a need for a means of producing efficient "fog" in places where large amounts of water are not immediately available. The device, produced in the Brigade's own workshops, has now been adopted on trial by the Chief Fire Officer of Essex in various parts of the county. Tests already made have shown it to be efficient. It can, it is said, be manufactured in the U.K. for as little as a shilling. Its advantages are that it conserves water and greatly reduces water damage and has the extinguishing power of much larger jets in confined spaces, and provides a good protective water screen.

A New Sweetener

Synthetic sweetening substances are not solely used as substitutes for sugar in times of penury; a great many people are obliged to abstain from the use of sugar, either because of their health or else for æsthetical reasons. A Swiss firm has put on market a new synthetic edulcorative preparation, called "Assugrine," the principal component being pure sodium cyclamate, and not containing—as is the case with other similar products—any admixture of saccharine. "Assugrine," is a product that is fifty times sweeter than cane sugar, it is claimed, is absolutely harmless and does not suffer any deleterious effects from cooking.

(Concluded from next column)

As a report of the Chief Inspector of Factories in the U.K. says, "managements must take as axiomatic that all workers—and young persons more often than others—are liable to do foolish things at some time or another." Improvements in the design of machinery can help; but they will take time; a wide programme of experiments will be required before the lines development should take become clearer.

Another aspect worth examining is whether the scheme depends for its success far too much on doctors and professional people and too little on the lay men and women who are, so to speak, its customers.

Now that what were hopes about wages are being achieved, some fundamental re-thinking of obligations by trade unions should be appropriate. They could tell members that a system of insurance, supported by subsidies from taxation, undermined the concept of benefits as a right acquired by contributions personally made; workers would then be less likely to look upon contributions as a series of crippling cuts. Authority's action does not absolve trade unions of the responsibility for raising the level of safety-consciousness in workers; some look upon sensible precautions as in some way effeminate. Experience abroad emphasises two points: that mechanisation of plant (in particular, mechanical handling) by reducing the number of operations (and hence the number of exposures to risk) has promoted safety; and that safety has also increased as a by-product of efforts to increase productivity. It is to these issues that the trade unions must now turn.—*All Rights Reserved.*

EMPLOYEES' STATE INSURANCE

IMPORTANCE OF SAFETY PRECAUTIONS

By B. Vasudevan

FROM small beginnings, the operations of the Employees' State Insurance Corporation have so broadened that about 1,451,000 workers now come under the umbrella. But, judging from some letters published in the daily Press, the plea of the West Bengal Provincial Trade Union Congress in October last for deferment of operations in Hooghly and 24 Parganas (reminiscent of "save us from our friends") and Mr. G. L. Nanda's remarks in Parliament (September 1959), the umbrella seems leaking in some places. Strangely, Dr. Lakshmanaswamy Mudaliar's report has not yet been released. Some of the shortcomings seem understandable, for so rapid has been industrialisation that social security, health and safety measures could not keep pace. But there are others avoidable and easier to overcome. The Estimates Committee's report makes distressing reading. For success, an essential preliminary is co-ordination of, and a change of outlook in, the five segments: the Government, the Corporation, doctors, employers and employees. Indeed, there is perhaps no aspect of industrial life on which it is more necessary for parties to work together; for only thus will it be possible to curb the high and rising trend of industrial injuries. (The increase in industrial accidents in West Bengal since independence is not exceptional.)

Efforts should not end with the setting up of a Corporation. Whether small industries require some relief in contributions is worth examining. As Dr. Douglas Ensminger (Ford Foundation) said recently, there is need "not only to help individuals in trouble but also to make such changes in society as would prevent them from getting into trouble." In the context of industrial expansion, the Ministries of Health and Labour assume adventitious importance. Together they can do much in setting up a comprehensive occupational health and safety service. They could examine how much of the knowledge in the West could be adapted to Indian conditions. Mere ratification of some I.L.O. conventions will not mean much. Another possible approach is to persuade the W.H.O. and the I.L.O. to set up in India (as they have done in collaboration elsewhere) an Institute of Occupational Health. It is worth enquiring how many of the doctors on the Corporation's staff have had the special training to diagnose and treat ailments caused, to give but one example, by the dust, fumes and chemicals workers encounter in some factories. The number is unlikely to be impressive. Nor has there been adequate medical research into the industrial causes of illness; a deficiency which slows down the pace at which preventive measures against hazards to health can be taken. This is not to minimise the very valuable work done by the All-India Institute of Hygiene and Public Health; the emphasis is on 'adequate' in relation to the country's requirements. Some broadening and intensification of the Institute's activities should help. Yet another handicap is that there are not enough statistics to give a clear picture of the occupations in which special risks to health arise.

Although not all the problems can be settled at the local level (as this might create awkward precedents), some decentralisation seems necessary; so also a simplification of procedures to ensure prompt service. Statistics of fresh coverage do not mean much, unless the scheme has been a success in areas already covered. A study of the Surveys of the Chief Adviser (Factories) of industrial hygiene should help locate occupational health hazards and devise proper control measures. Not only must the Corporation's inspectorate ensure that there is protection against preventable accidents, but that the workers are persuaded to use care and commonsense. Experience in Britain shows that adequate publicity to the causes of accidents has helped greatly in reducing recurrence. (The setting up of separate industrial medical units at the place of work must await much better days.) Alongside, but independent of, work on industrial injuries, there should be training in safety methods; a task in which employers' co-operation is essential.

Much can be done by employers at no great cost; there is inadequate awareness of the importance of proper machinery maintenance and the use of fencing and other simple safeguards.

(Continued in previous column)

WAGE COSTS IN EUROPEAN MANUFACTURING INDUSTRIES

A COMPARISON WITH THE U.S.

A STUDY of wage rates in selected manufacturing industries in the principal industrial countries of Western Europe made by the French National Institute of Statistics and Economic Studies has thrown interesting light on the comparative levels of wage costs in industries in these countries. It reveals that European hourly wage costs (including fringe benefits) are still far below the U.S. levels. The U.S. average of $2.68 per hour, compares with $1.08 for Sweden, which is the highest, and 57 cents for the Netherlands which is the lowest, in Western Europe. Another interesting point brought out by that study is that fringe benefits or social charges make up a larger part of the total cost of labour in Europe than in the U.S. In Italy, they account for more than 40 per cent. of the total wage cost. In addition to *fringe benefits* such as paid vacations, pensions and unemployment insurance, commonly paid in the U.S., European laws often prescribe such benefits as a family allowance based on the number of a worker's children. It may be noted here that, according to a study of 28 industries in India made by the Indian Institute of Public Opinion, the percentage ratio of fringe benefits to wages and salaries was as low as 3.3 in 1946 and even by 1956 they had moved up to 5.4 only.

French metal products industries, according to the aforesaid study, have among the lowest wage costs in the Common Market, although, spatially, the French average for all manufacturing units falls about in the middle. French labour costs in the printing industry, on the other hand, are the highest among the Six. British labour costs average lower than German but are higher in the mechanical, electrical, printing, leather, furniture and textile industries. The table above gives the comparison for eleven industries.

Average hourly wage costs in 11 industries

(In U.S. dollars)

Industries	Belgium	U.K.	France	W. Germany	Italy	Netherlands	Switzerland
Metals	1.01	0.95	0.84	1.01	0.81	0.87	N.A.
Mechanical and electrical	0.85	0.82	0.76	0.76	0.66	0.58	N.A.
Glass, ceramics and construction material	0.72	0.74	0.70	0.81	0.54	0.56	0.78
Chemicals	0.76	0.80	0.76	0.83	0.71	0.57	0.86
Food	0.67	0.66	0.62	0.67	0.51	0.54	0.71
Textiles	0.59	0.63	0.57	0.60	0.54	0.51	0.62
Clothing	0.52	0.53	0.54	0.54	0.43	0.35	0.57
Leather	0.57	0.67	0.58	0.61	0.47	0.46	0.68
Wood and furniture	0.56	0.73	0.59	0.62	0.43	0.53	0.74
Paper	0.73	0.68	0.66	0.68	0.61	0.52	0.74
Printing	0.80	0.89	0.94	0.79	0.72	0.58	0.93

The average hourly wage costs in manufacturing industries in W. Europe, as compared with those in the U.S., are given below.

Average hourly wage cost in manufacturing industries

Countries	Average hourly wage (in U.S. dollars)	Basic wage (Percentage of hourly wage)	Fringe benefits (Percentage of hourly wage)
U.S.	2.68	83	17
Sweden	1.08	87	13
W. Germany	0.78	69	31
Switzerland	0.77	87	13
U.K.	0.77	88	12
Belgium	0.74	76	21
France	0.71	66	34
Italy	0.61	57	43
Netherlands	0.57	77	23

N.B.—It may be noted here that the average hourly wage of an industrial worker in India is roughly 50 naye paise or 10 U.S. cents.

Implications

What are the implications of this study to American business men considering investments in Western Europe? This question has been examined by the Economic Research Department of the Chase Manhattan Bank, New York, in its latest (July 1960) bimonthly publication, *Report on Western Europe*. The authors of the article point out that prospective American investors should not be misled by the apparent great differences in wages in the U.S. and Western European countries, because they are just only one part of a cost analysis. While lower wage rates can help make it more profitable to produce some products in Europe than as compared with about five per cent. in the U.S. Besides, Western Europe has had more inflation than the U.S. So, when these rates are adjusted for changes in the cost of living, the spread in real wages is smaller, the increase being about four per cent. a year in the Six, as against three per cent. a year in the U.S. These overall figures, however, hide some important differences as between countries. Germany and France had much higher real wage increases than Italy and the Netherlands. Outside the Common Market other differences exist. The real wage increase in Sweden, for example, was 5½ per cent. a year, while, in Britain, it was only 1.3 per cent. The key question, therefore, is whether the trend towards faster wage increases in Europe will continue. The answer, according to the authors of the *Report on Western Europe*, depends on the attitude of European labour unions.

For an understanding of the behaviour pattern of European trade unions, it is important to know their genesis, and functional orientation. European unions, we are told by the economists of the Chase Manhattan Bank, are not set up to bargain for higher wages as effectively as those in the U.S. Traditionally inclined towards politics rather than collective bargaining, they tend to be organised around common political interests rather than by craft or industry. Their legal status is not so favourable as that of labour unions in the U.S. Also, lower income levels have kept them financially weaker than their American counterparts.

Labour unions in Europe are, however, acquiring a new look. The old-style unions were suitable to the relatively static, post-war economies. Union leaders thought that workers could not get a larger share of the economic pie without radical social reform, towards which they directed their main effort. But the post-war boom in Europe has shown that the economic machinery can work very well without a major overhaul. The trade union leaders are, therefore, shifting their attention to collective bargaining. They are tightening union organisation, building their financial resources and pressing harder for more pay and shorter hours. This pressure is building up at a time when unemployment is at a post-war low and when the high level of prosperity may make it more difficult for Governments and businesses to resist union demands.

Lesson for Indian Labour Leaders

The information contained in the aforesaid paragraph is something which should make the trade union leaders in India sit up and think afresh. The lesson to be learned by them is that they should concentrate on strengthening the bargaining power of their unions not by seeking political power and status, nor by demanding nationalisation of the private sector, but by working for a rapid economic development of the country. It is only when the economy is geared to a high rate of growth that the demand for labour will remain at a high level and the pressure of unemployment will decrease.

To revert to the review on Europe, it is stated that, notwithstanding the trade union's demand for more wages, Europe may still be able to keep wage increases roughly in line with the rise in output per worker. In the post-war years, large capital investment and technical advances have given W. Europe large increases in productivity—large enough in many industries to support the rise in wage rates and still give European producers a growing advantage in international markets. At the same time, monetary and fiscal authorities have also been perfecting controls to combat inflation. The record of the past few years suggests that vigorous attempts will be made to hold prices stable and keep European producers competitive in world markets.

Thus, concludes the Chase Manhattan Bank's Report, wage rates in Western Europe may well continue to rise more rapidly than in the U.S. But it will be a long time before they approach U.S. levels. It would, therefore, appear unrealistic for the U.S. manufacturers to count on a wage-price spiral to erode the vigour of West European competition in export markets. The Indian manufacturers, too, who are planning to compete with their European counterparts, will do well to take note of this conclusion and strive hard to raise their productivity.

MEMBERSHIP OF UNIONS

The verification of membership of the Central Labour Organisations, as on 31st March 1960 showed that the Indian National Trade Union Congress had a membership of 10,20,653, the All-India Trade Union Congress 5,07,654, the *Hind Mazdoor Sabha* 2,41,636 and the United Trade Union Congress 90,629. The I.N.T.U.C. had more membership than all the remaining three central organisations put together.

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ANNUAL MEETING OF ORISSA CEMENT LIMITED

NEED FOR EXPANSION OF REFRACTORY INDUSTRY

MR. J. DALMIA'S PLEA FOR ALLOWING EXISTING UNITS TO EXPAND

ADDRESSING the Tenth Annual General Meeting of Orissa Cement Ltd. held at Rajgangpur (Dist. Sundergarh, Orissa) on 2nd September 1960, Mr. J. Dalmia, Chairman, pointed out that the annual demand for refractories was expected to reach over 1.6 million tons by the end of the third Plan, which would mean the establishment of an installed capacity of over 2 million tons, as compared with that of 800,000 tons at present. The expansion of this vital industry, he said, was being hampered by the shortage of foreign exchange. In the circumstances, he suggested that the expansion of the existing units could be undertaken at a comparatively smaller expenditure.

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

"GENTLEMEN,

"I have great pleasure in welcoming you to the tenth annual general meeting of your Company. The audited statement of accounts for the year 1959 and the report of your Directors thereon have been in your hands for some time now and I will not, therefore, make any detailed reference to them.

"Your Company at present is mainly interested in two major industries, (i) cement and (ii) refractories. I do not think any comments are necessary on cement industry, except that it has suffered a lot due to inadequate movement of finished goods, which will be elucidated later in dealing with real transport problem.

"As regards refractories, the annual installed capacity of the refractory industry in our country has increased from about 4.44 lakh tons on 1st April 1956 to somewhat over 8 lakh tons by 1st April 1960. This substantial increase of some 3.56 lakh tons has, however, not proved adequate, partly because of the heavy constructional requirements of India's expanding steel industry in the second Plan period and partly due to the expansion not being correlated fully to the increasing demand, with the resultant anomaly that, while the production of refractories is very short in the field of special steel plant refractories, such as blast furnace bricks, ladle refractories, basic refractories and the like, there has been, to some extent, a surplus capacity created in the manufacture of ordinary fireclay refractories. At your plant, care has been taken to concentrate more on the production of specialised refractories, including basic, blast furnace, ladle and silica bricks and a measure of flexibility has been introduced in the plant which would permit the manufacture of newer and more specialised types of refractories as they are evolved and as the demand from the consumers may dictate.

Future Requirements of Refractories

"On the assumption of the existing practice of using silica bricks in the roof of open hearth furnace in the steel industry continuing for some more years, and on a production target of 10 million tons of ingot steel and a separate production of about 2 million tons of pig iron per year being achieved in the third Plan period and after allowing for the proportionate consumption of refractories in the non-steel sector, the demand for refractories is expected to reach a figure of over 16 lakh tons per annum by the end of the third Five-year Plan. This would require an installed capacity of somewhat over 20 lakh tons. In the event of a switch-over by the steel industry to an all-basic roof for the open hearth furnace, the total demand for refractories would be less at about 13 lakh tons per annum with an installed capacity requirement of over 14.5 lakh tons. The need for further rapid expansion of the industry is thus apparent and the Government's anxiety to achieve this is shown by their decision to licence additional capacity for the manufacture of refractories freely. The Government will doubtless bear in mind the need for regulating the expansion of the industry in future directions, so that the additional capacity may be created will be correlated to the increased demand for certain types of refractories, wherever such demand cannot be met by the existing capacity.

Expansion of Existing Units

"I feel sure that the Government are also aware that the expansion of this vital industry is being severely hampered by lack of foreign exchange. One may well consider the advisability, in the present circumstances, of giving preference to units already in production which, through the imports of some additional machinery at a comparatively small expenditure of foreign exchange, would be able to balance their plants for increasing the range and quantum of their production to a very appreciable extent.

"For the satisfactory operation of the already existing plants and for the future growth of this vital industry, there is very great need for the proper exploration, utilisation and conservation of the essential raw materials required in increasing quantities for the manufacture of refractories. It is important that the industry, as a major actual consumer, should be given a measure of preference over others in obtaining and exploiting deposits of such raw materials.

"It is heartening to observe the steps that the Government have taken to standardise the specifications of various types of refractories, particularly those needed by the steel plants, several of whom had hitherto stipulated their individual specifications to meet the standards set by their foreign collaborators. The formulation and adoption of common standards would enable the indigenous industries to meet, to a large extent, the need for refractories for our expanding steel industry and this would be an important factor in stimulating a healthy growth of the refractory industry itself.

"You will thus be pleased to observe that the manufacture of refractories, on which your Company is now well and truly launched, is important in the dynamic concept of our country's industrialisation and we hope that we shall be able to acquit ourselves creditably in this.

Transport Problem

"A major problem which has confronted your Company is the rail transport facilities to and from the factory. The situation has become particularly difficult since the last year. Although the cement factory has a daily quota for the outward movement of cement under a preferential movement programme, this quota has been rarely met and the shortfalls in the supply of wagons have been very considerable. The position becomes particularly difficult during the rainy season when it is difficult to obtain the required number of water-tight covered wagons. This has resulted in accumulation of stocks of clinker at your works of over 50,000 tons. Moreover, the placement of empties by the railway at the Company's sidings is sporadic and great difficulty is often experienced in managing labour and loading wagons during the night hours and during the allowable free time of only five hours. The railways have been requested to revert to the pilot-to-pilot system and to run pilots to the cement sidings at least twice a day, once in the morning and once in the evening at regular times.

"The [illegible] considerable difficulty [illegible] Authority's [illegible] inward rail movement for of the [illegible] raw materials. It is to be hoped safet[illegible] recognition will be given to the im[illegible]ance of the refractory industry by the railways who should agree to a preferential movement programme being allotted to the refrac[illegible]y industry as well.

"Transport facilities should be expanded to the extent necessary for moving the existing, as well as expanding, production in the country. If required, further resources may be transferred from other development plans for transportation, for it is quite futile to develop industries after making heavy investments and then to have the frustrating experience that the output cannot be moved and production has, perforce, to be curtailed. A realistic and balanced plan, therefore, for the development of both rail and road transportation is of the utmost importance.

Company Law Amendment

"I would say a few words in respect of the Companies Act Amendment Bill 1960 as it has emerged after the deliberations of the Select Committee and also in respect of some of the provisions as existing now. There are various provisions which need sanction of the shareholders in general meeting and also the approval of the Central Government. The procedure which companies are generally required to follow is to place the matter before the shareholders first and if the proposal is adopted either by an ordinary resolution or by a special resolution, as required under law, then an application is submitted to the Central Government for approval. I would suggest that the law should be so amended that only matters of magnitude need be referred to shareholders. For relatively minor matters, reference to shareholders is a waste of money, time and energy, if without the approval of the Central Government, the same cannot be given effect to. After all, in giving their approval, the Central Government keep in view the interests of the shareholders. There are examples where for similar matters and which were not very vital, even after approval of the shareholders, the Central Government have given approval in case of one, but withheld the same in case of the other. Therefore, companies should be required first to submit their application for approval to the Central Government and after a preliminary consideration of the proposal, the Central Government may decide whether it is vital to be referred to the shareholders, in which case the Company may be directed to do so and the application for approval may be kept in abeyance and considered after the decision of the shareholders is communicated to Government. Convening of a shareholders' meeting is an expensive affair. In companies like T.I.S.Co, it is said that the cost of holding shareholders' meeting is of the order of Rs. 50,000. In your Company also the expenses are considerable, although not as much as in T.I.S.Co. Therefore, keeping all these factors in view, the Government should decide in each case, on receipt of the application for approval, whether the matter is so vital that it should be referred to shareholders.

"Another question is about the lost or destroyed share certificates. The provisions as to penalties for issue of fraudulent duplicate certificate as proposed are very strict. The shareholders are advised to keep their share certificates properly in safe custody. If the share certificate is lost or destroyed, unless satisfactory proof is produced, it would practically be impossible to issue duplicate certificate, unless it is clearly provided in the Act that an affidavit and indemnity should be accepted as adequate proof in this respect.

Labour Peace

"I am glad to inform you that after the prolonged strike which took place in March last year, there is now peace and good order at your works. The workers and staff employed in connection with the cement industry will receive substantial increases in their salaries as a result of the recommendations made by the Central Wage Board for the cement industry. It is now essential that a drive be made to improve productivity and in this effort, workers should extend their full co-operation to the management. The Government of India has decided to institute workload studies at all the cement factories. I hope these studies will be carried out expeditiously and every assistance will be given for implementation of the recommendations.

"In the end, I would like to express our appreciation of the services rendered by the officers, staff and workers of the Company during the year.

"I have given you a brief review of the various aspects of the industries in which your Company is engaged. We would now proceed to consider the annual accounts and transact the rest of the business on the agenda."

N.B.—*The above extract of the speech does not purport to be the report of the proceedings of the tenth annual general meeting of the Company held on 2nd September* 1960.

ANNUAL MEETING OF ENFIELD INDIA LIMITED

MR. K. R. SUNDARAM IYER'S REVIEW

EXPANSION PLANS ON HAND—ADDITIONAL CAPITAL TO BE ISSUED

THE Government of India has granted a licence to The Enfield India Ltd. for the manufacture of scooters. The production of these two-wheeler transport will commence in the second half of 1961. Simultaneously, the Company will start the manufacture of Villiers road vehicle engines. Disclosing this at the Fourth Annual Meeting of the Company held at Tiruvottiyur, Madras, on 31st August, 1960, Mr. K. R. Sundaram Iyer, Chairman, said that the Company would shortly issue additional capital to the tune of Rs. 10 lakhs.

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

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to this fourth annual general meeting of the Company. The Directors' report and the statements of account for the year ended 31st December 1959 have been with you for sometime and, with your permission, I shall take them as read.

"Satisfactory progress was made during the year in all directions. The production of vehicles was higher by 20 per cent. and sales turnover increased from Rs. 71 lakhs to Rs. 91 lakhs. The profits rose to nearly Rs. 7 lakhs from Rs. 5 lakhs for the previous year, before providing for depreciation. This has enabled your Directors to recommend, after writing off fully the balance of the preliminary expenses and brokerage on shares and after providing for development rebate reserve and dividend on preference shares, a maiden dividend on the ordinary shares.

"Further plant and machinery were acquired and put into operation. The gross block increased from Rs. 39.4 lakhs to Rs. 48 lakhs. Your Company continued to make rapid progress in increasing the indigenous content of the motor cycles, in spite of the several difficulties that industries having phased programmes of import substitution have to face. I am now able to state with greater confidence than I was able to muster at the last annual general meeting that the phased programme will be substantially completed during the calendar year 1930, according to the original schedule. During 1961, we shall be importing only a negligible number of finished components and even these, mostly will comprise what are commonly known as proprietary or specialised components, such as electrical equipment, carburettors, etc., which are not in our manufacturing programme and which normally, vehicle manufacturers obtain from specialists. There is greater reason than ever to expect that, as a result of the measures that are being taken by the Government, industries for the manufacture of such specialised components would soon be established in the country, so that imports of even these proprietary items can cease in the coming years. Those who are already engaged in the manufacture of proprietary items and components in India have to play a vital role towards a rapid and smooth progress of the industries who depend upon such manufacturers for their original equipment requirements. Already many well-established manufacturers have given the highest priority for original equipment requirements. In the present critical stage of our having to achieve self-sufficiency, regulated deliveries are of paramount importance. I should not have referred to this but for the fact that there have been occasions when the only source of supply of some original equipment was the open market at unconscionable prices.

Need for Additional Capital

"I must once again express our gratitude to the Government of India for their continued and active assistance and guidance, in general, and, in particular, for progressively increasing allocation of foreign exchange for imported raw materials. This, coupled with the increase in indigenous content and increase in productivity to which I shall refer later, will enable your Company to achieve a further increase during 1960 and a substantial increase in 1961, in production. With such a steady expansion of our production, the need for larger capital has become insistent. As it is, the imbalance between the paid-up capital and the capital employed in the conduct of our business is large. Your Directors have, therefore, decided to make a further issue of equity capital to the extent of Rs. 10 lakhs. This will be offered in the first instance to equity shareholders on our register. You will get the Company's circular in this regard shortly.

"Significant progress was made by your selling agents, The Madras Motors Private Limited, in sales promotion and rendering service after sales. Royal Enfield motor cycles are sold and serviced all over India by a network of dealers and sub-dealers, whose number has reached a record of 145, as against 91 at the time of the last meeting. More zonal and service representatives have been stationed to assist and guide the dealers. A separate organisation has been sponsored for providing hire-purchase facilities for our products. Training courses for service personnel of the dealers are being conducted with more intensity and with great advantage to the users of our products. A representative was deputed to the various countries in West Asia to make contacts and explore the possibilities for export of our products. With these various sales, service and export promotion arrangements and with the increasing use of motor cycles at home consequent on increased economic activity, your selling agents are well set to take care of the increasing output.

"It is gratifying to note that an increased volume of orders was secured for and executed by the general engineering department. This has been a significant factor in reducing the overheads and the cost of production of motor cycles.

Visit of Foreign Collaborators

"I would like to express my pleasure that Major Smith, Chairman of our U.K. collaborators, The Enfield Cycle Company, Ltd., accompanied by Mrs. Smith and Major Mountford, Joint Managing Director, was able to visit your factory early this year. Major Smith is a leading personality in the motor cycle industry in the United Kingdom with over 50 years' experience in the line. We are naturally gratified when he expressed his immense satisfaction at the progress which your Company has made and the quality of its production.

Expansion Plans

"I would now like to say a few words about the expansion plans of your Company. During the second half of 1961, we expect to commence the production of scooters for which, as you have perhaps seen from Press reports, the Government has granted us a licence under the Industries (Development and Regulation) Act. Your Company has been the pioneer in the manufacture of powered two-wheeler transport in India. After bringing to a successful completion the phased programme for manufacture of motor cycles, it seems logical that your Company should take up the manufacture of scooters, which is another popular item of powered two-wheeler transport and for which demand in the country is growing fast. The scooter project will go a long way to further strengthen and consolidate the position of this Company. The manufacture of motor cycles and scooters involve, by and large, similar plant and machinery, techniques and skills. Therefore, we are in a specially advantageous position to achieve this expansion by better utilisation of our existing equipment and with suitable additions to them. An entirely new scooter making plant would involve a substantially larger outlay of capital and this is where our existing set-up secures for the new programme considerable economy in capital cost. Simultaneously, your Company will be commencing the manufacture of the well-known Villiers road vehicle engines. A unique feature in this expansion programme is that the same model of the Villiers engine with small modifications will be used both on the scooter and the light-weight motor cycle. This should facilitate economies in the production of both the motor cycle and the scooter. Plans are also under finalisation for the manufacture of Villiers engine for industrial and agricultural uses. There is a fast growing demand in our country for such engines.

"In March this year we had the pleasure of a visit by Mr. Farrer, Chairman of The Villiers Engineering Company, Ltd., U.K., and an authority on engines, accompanied by Mrs. Farrer and Mr. Thornton, Export Manager. I consider that the collaboration arrangement with Villiers as an event of great importance to your Company. Mr. Farrer's visit at this preliminary stage and the first-hand impression he has gained of your Company have given a good start to this programme.

"At the last meeting, I referred to our intention to promote a number of small-scale ancillary units. A detailed scheme has been got ready for this, including the formation of an industrial estate by the small *entrepreneurs* on a co-operative basis. Apart from the fact that your Company would be playing a wholesome role in helping small *entrepreneurs* to come up, the scheme will be mutually beneficial.

Incentive Bonus Scheme

"I must refer to some major steps that your Company had initiated during the year under review for increasing the efficiency of the Company's operations and thereby achieving higher productivity. Increase in the nation's standard of living is, to a considerable extent, dependent on higher productivity. Even in some of the advanced Western countries the productivity movement is of recent origin. We are grateful to the Government of India, and, in particular, to the Minister for Industries, for the stimulus given to the productivity movement in our country. As is known, productivity aims at achieving with a given set of facilities higher production of better quality at lower cost. This requires both increase in management efficiency and enthusiastic co-operation from the employees. Obviously, the fruits of higher productivity should be shared not only by the consumers, the Company and its shareholders but also by the employees. Otherwise, there is no motivation for them to take part in this important task. With the assistance of Industrial Engineering Consultants, your Company commenced during the year under review, studies of various departments for taking measures to increase management efficiency and to evolve a suitable scheme of incentives for the employees. As a result, an incentive bonus scheme was introduced in June this year. The Madras Chief Minister inaugurated the scheme and the Industries Minister presided over the function. By the end of the year most of the sections would have come under the incentive scheme and I have every hope that this scheme will play an important role in increasing the prosperity of your Company and its employees in the years to come. I wish to remind the shareholders once again that your Company is still in the midst of the phased programme which is scheduled to be completed by the end of this year and which involves considerable advance planning. The benefits that accrue from the above measures will be apparent only from the coming calendar year.

"An important event in the labour-management relations since the last meeting has been the merger of the two trade unions. This has further strengthened the cordial relationship between the employees and the management and eliminated to a considerable extent unhealthy rivalries. A start has been made to implement the scheme of joint consultation to improve productivity and on matters of performance standard, job evaluation and employees' grievances. An agreement has been signed with the merged union on the incentive scheme and bonus for 1958.

"I would like to take this opportunity to convey our gratitude to the Madras Government from whom we continue to receive assistance and guidance.

"I wish to express our appreciation to our U.K. collaborators, The Enfield Cycle Company, Ltd., who have continued to give unreservedly their co-operation.

"I take pleasure in expressing the thanks of the Company to the selling agents, the dealers and sub-dealers, who have played an active part in the sales promotion and servicing of our products.

"Last but not least, the workmen, staff and officers of your Company deserve appreciation for having contributed to the satisfactory results of 1959."

NOTE: This does not purport to be a record of the proceedings of the above Fourth Annual General Body Meeting of the Company.

IMPLICATIONS OF REGIONAL TRADE GROUPINGS TO G.A.T.T.

IMPRESSIONS OF AN INDIAN OBSERVER

IN the past two years, quite a few far-reaching developments have taken place in Europe and Latin America which will have a profound influence on world trade in the coming years. These were taken up for discussion at the last, that is, the sixteenth, session of the G.A.T.T. held at Geneva. Mr. G. L. Bansal, Secretary-General of the Federation of Indian Chambers of Commerce and Industry, was one of the members of the Indian delegation to that session. He has given an interesting account of his impressions of the discussions at the G.A.T.T. meeting—on these developments in a report to the Federation. The report covers also other aspects of his nine weeks' tour of Europe and Russia. We give below an extract from Mr. Bansal's report pertaining to the discussions at the G.A.T.T. meeting, in which he has analysed the implications of regional trade groupings to the G.A.T.T. and the underdeveloped countries in this part of the Eastern hemisphere:

The representative of the European Economic Community, otherwise known as the Common Market of six, gave a review of developments within the Community over the last 12 months. According to him, production and trade had expanded, and more and more enterprises were planning production on the basis of the market comprising the six member-States. These States had also decided to accelerate the programme for reduction of internal barriers to their mutual trade and for the formulation of common tariff policies towards outside countries. A number of countries, including India, expressed disappointment at the fact that the member-States had not so far taken any action to ensure that the preferences in favour of imports from their overseas territories did not cause damage to the trade of third countries and that the progress in the elimination of quantitative restrictions on imports from these third countries continued to be slow and halting. Hope was expressed that, during the course of the forthcoming tariff negotiations, the member-States would offer substantial concessions on their common tariff in order to encourage larger imports, particularly from developing countries. The representatives of the Community gave an assurance that these points would be given sympathetic consideration.

European Free Trade Association

In March this year, the U.K., Sweden, Denmark, Norway, Switzerland, Austria and Portugal ratified the Stockholm Convention for the establishment of a Free Trade Area. In accordance with this Convention, industrial goods moving between these countries will be progressively freed of all tariff and quota barriers. Unlike the member-States of the European Economic Community, the E.F.T.A. countries will retain their individual tariff and commercial policies *vis-a-vis* outside countries. Moreover, the E.F.T.A. concessions do not extend to agricultural products, but a number of bilateral arrangements has been concluded between the member-States, permitting liberalisation of trade between two partners in items of mutual interest. The E.F.T.A. arrangements came in for discussion at the Session of the G.A.T.T. as, under Article XXIV of the G.A.T.T., any plan for the establishment of a Free Trade Area has to be submitted to the Contracting Parties for examination. A Working Party was set up to examine the Convention which held a number of meetings. On account of differences in the points of view, however, no agreed conclusions could be reached in regard to the compatibility of the E.F.T.A. with the provisions of the G.A.T.T. The matter was, therefore, postponed for further examination during the next Session. On behalf of India, it was pointed out that the establishment of E.F.T.A. would create new competition for Indian goods in Western Europe, unless the E.F.T.A. countries followed liberal trading policies designed to encourage imports not only of raw materials but also of semi-finished and finished goods.

Latin American Free Trade Area Treaty

This Treaty also came in for consideration. The provisions of the Treaty are calculated to establish a Free Trade Area within a period of 12 years through elimination of tariffs and other restrictions on the mutual trade of the member-States, broadly on the pattern of arrangements in Western Europe, but with some additional safeguards and a more flexible plan and time-table to deal with transitional problems. Among the special features of this Treaty, which is called Montevideo Treaty, are the provisions for mutual agreements for co-ordination of industrial programmes and for the grant of special concessions by the relatively more advanced to the relatively less advanced member-States in the matter of duties and other charges. Most of the Contracting Parties of the G.A.T.T., including India, expressed their sympathy with the aims and aspirations of the Latin American countries, but expressed the hope that they will continue to keep their markets open to imports from other countries outside the region, so that the Latin American development takes place in the context of a progressive expansion of world trade.

O.E.C.D.

In my opinion, an even more significant development that has taken place recently in the sphere of international commercial relations is the setting up of the Organisation for Economic Co-operation and Development (O.E.E.C.) and U.S.A. and Canada. The O.E.C.D. would be charged with the examination of trading problems concerning the whole Western European and North American region as well as the co-ordination of economic aid to less developed countries. As the G.A.T.T. is a world-wide organisation dealing with commercial relations between its member-Governments, the report of the four Experts who had prepared the framework of this organisation, came up for discussion in the session, during the course of which sentiments were expressed that the member-Governments of the new Body would refrain from vesting it with functions and responsibilities which may interfere with the role of G.A.T.T. Naturally, parallels were drawn between the obligations which the O.E.E.C. countries had undertaken *vis-a-vis* each other, which were not always compatible with the obligations of these countries under the G.A.T.T., and those that will now be undertaken by the O.E.C.D., and apprehensions were expressed that these would further undermine the position of the G.A.T.T. It was ultimately agreed that the views expressed at the G.A.T.T. meeting should be brought to the notice of the Special 20-Nation Committee which had been set up to finalise the organisation and structure of the new Body, and an assurance was received that the participating Governments would take due care to ensure that what they did in the new Organisation was in full conformity with their obligations under the G.A.T.T.

Implications To G.A.T.T.

Looking at these regional groupings, which now encompass almost the whole of the Western world, including North and South Americas, and the Super O.E.E.C., one cannot help feeling that the pattern of international economic and trading relations is entering an entirely new phase, which was certainly not foreseen by those who sat to draft the Havana Charter. Instead of one world-wide Organisation to take care of trading relations of the member-States, we have now three full-fledged groupings and the O.E.C.D. on top of them. One will have to be a great casuist indeed to succeed in establishing that the aims and objects of the Treaties establishing these groupings do not directly or indirectly—and in vital matters—go contrary to the broad objectives of the G.A.T.T. This was quite plain during the discussions on the E.F.T.A. Treaty.

The Montevideo Treaty, although having more or less identical objectives, was allowed to have a comparatively smoother sailing, mainly because of the sympathy of the developing nations to a group of nations more or less similarly placed, and because of the weak position of European countries which had already formed themselves into European Common Market and E.F.T.A. in criticising another set of countries following in their footsteps. The fact, however, remains that these groupings cannot but cut at the very root of the G.A.T.T. principles. The developing nations who are outside these groupings naturally find themselves in a great predicament, because, first, their bargaining power in the G.A.T.T. *vis-a-vis* the member-countries of these groups gets greatly reduced, and, secondly, there is already evidence that group rather than country-wise considerations are beginning to prevail in matters where such countries are affected.

The question as to what a country like India should do in a situation like this had been discussed informally on various occasions, and the only suggestion that emerged and that I would like to reiterate is that we should undertake at a high level a study of the repercussions of these groupings on other trading partners, particularly the developing nations, in order to make an assessment as to whether some of the countries, whose interests may be in danger of being adversely affected, should not think in terms of making some parallel arrangements of their own. I do not imagine that a common market comprising the developing nations or a payments union of these is straightaway possible, although the Afro-Asian Conference seriously thought on these lines. What, however, I do think is possible is the emergence of a well-knit block of the remaining member-nations of the G.A.T.T. and even those outside it, on the basis of mutually agreeable principles and objectives which may help in restoring the balance within the G.A.T.T., to start with. The whole question as to the utility

(Continued on page 491)

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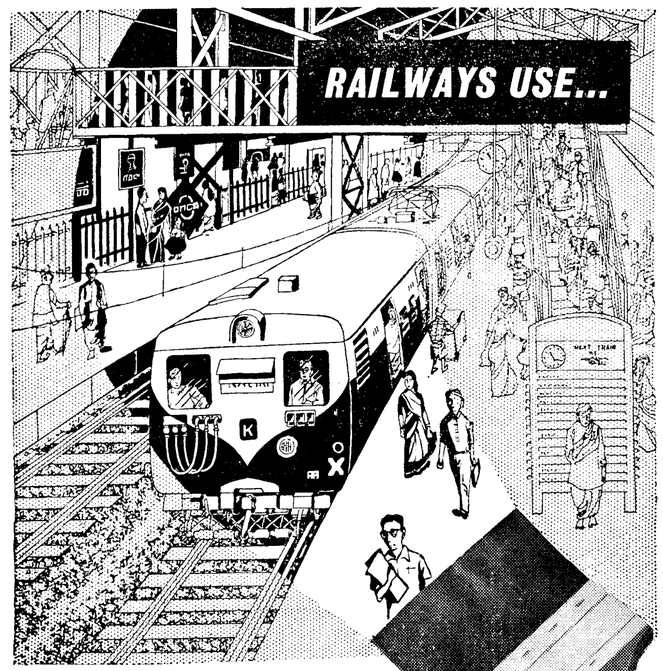

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GROSS PROFIT OF IMPERIAL TOBACCO IMPROVES SLIGHTLY

MARKED RISE IN SALES—NET DIVIDEND LOWER

A SLIGHT increase of Rs. 9.30 lakhs to Rs. 342.65 lakhs in gross profit is disclosed by the accounts of the Imperial Tobacco Company of India Ltd., Calcutta, for the year ended 31st March 1960. While this is in refreshing contrast to the successive declines noted since 1955-56, from a peak of Rs. 415.71 lakhs in that year to Rs. 333.35 lakhs in 1958-59, the improvement does not even make good the drop suffered in the immediately preceding year and is also disproportionate to the sizable expansion in turnover. Value of sales, it may be noted, has grown by Rs. 2.60 crores during the year under review on top of an increase of Rs. 1.59 crores in 1958-59. The result is that the ratio of gross profit to sales, which had declined from 13.7 per cent. in 1955-56 to 9.7 per cent. in 1958-59, has dwindled further to 9.3 per cent. in the year under review.

The reasons for the declining profit margin are to be found in the mounting burden of customs and excise duties, the growing sales expenses to meet the increasing competition and the rise in prices of raw materials. The incidence of customs and excise duties which had increased from Rs. 11.59 crores in 1955-56, when it constituted 38 per cent. of the sales income, to Rs. 13.69 crores or 40 per cent. of the turnover in 1958-59, was higher still during the year under review at Rs. 15.47 crores or 41.9 per cent. of the sales. This was the result of the further increase in excise duty under the 1959 budget. It is not always possible to pass on entirely the burden of indirect taxes to the consumer and the manufacturers have often to bear a large part of the burden. It will be interesting to note that customs and excise duties constitute the largest element in the cost of production of the Company, as is the case with the other cigarette manufacturers, exceeding even the cost of raw materials consumed, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	36,88.07	34,20.40	32,01.20	32,11.58
Other income	54.46	63.96	66.16	60.84
Closing stocks of finished goods	2,29.51	2,56.92	2,92.07	2,53.65
Raw materials consumed ..	9,44.96	9,04.75	9,14.53	9,14.41
Customs and excise duties ..	15,47.27	13,69.15	12,99.13	12,73.80
Other expenses	9,07.60	8,76.29	7,56.87	7,08.11
Gross profit	3,42.65	3,33.35	3,56.79	3,76.05
Provision for—				
Depreciation	44.81	46.17	46.09	41.77
Taxation	1,56.22	1,72.20	1,78.58	1,96.33
Net profit	1,41.62	1,14.98	1,32.12	1,37.95
Transfer to reserves ..	20.20	23.42	27.00	31.72
Dividend	1,21.28	90.96	1,06.12	1,06.12
	(8%)*	(6%)	(7%)	(7%)
Carry forward	24.78	24.64	24.05	25.04

* Subject to deduction of tax or a net of 5.63 per cent.

The net profit has gone up by Rs. 26.64 lakhs to Rs. 141.62 lakhs, as compared with that for 1958-59, and this rise compares favourably with that in gross profit, thanks partly to the reduction in the rate of company taxation from 51.5 per cent. to 45 per cent., and the abolition of wealth tax on companies. The amount of wealth tax paid by the Company in respect of 1958-59 was Rs. 12.49 lakhs. The transfers to the various reserves have been reduced from Rs. 23.42 lakhs to Rs. 20.20 lakhs. Even so, the shareholders do not get the benefit of the increase in net profit, as ..s benefit, too, goes back to the Exchequer ne form of dividend tax. Thus, the Directo.. have recommended a dividend of 8 per cent. subject to deduction of tax, for the year under review, which, on a tax-free basis, is equivalent to 5.6 per cent. and is a shade less than that (6 per cent.) paid for 1958-59. As will be seen from table above, this is the second year in succession to witness a cut in the net return to the shareholders. It will be interesting to note here that the total tax payments (direct and indirect, including the tax deducted on dividend) made by the Company in respect of the year under review aggregate Rs. 17.40 crores, which represent over 47 per cent. of its sales revenue.

A striking feature of the Company's financial position is the high degree of liquidity. The large cash balances alone amounting to Rs. 3.13 crores more than adequately cover the current liabilities and provisions amounting to Rs. 2.88 crores. The other current assets (including investments in Government securities of the value of Rs. 72.50 lakhs) amount to Rs. 15.92 crores. The additions to the block account during the year are of the order of Rs. 60.17 lakhs, raising the gross value thereof to Rs. 6.41 crores (excluding the value of goodwill and trade marks at Rs. 4.90 crores). This has been written down to Rs. 3.53 crores. The total net assets thus amount to Rs. 24.60 crores, which are represented by a paid-up capital of Rs. 15.16 crores and reserves and surplus aggregating Rs. 9.44 crores.

The Rs. 10 fully paid-up shares of the Company are being quoted at Rs. 12.25 *ex-div.* At this rate the yield works out to 4.57 per cent. per annum, free of tax. The comparatively low premium thus commanded by the shares in the market is to be accounted for by the low rate of dividend which the Company has been paying. The Company cannot, however, afford to follow a more liberal policy on account of the huge capital which it has to feed. And, what is more, about 32 per cent. of the paid-up capital is represented by intangible and unproductive assets, namely, goodwill and trade marks. The only way in which the Company can raise its return to shareholders is through an increase in productivity and a reduction in its expenses. It is to be hoped that the Company's Chairman will throw some light on these questions in his forthcoming statement to shareholders.

MARKED RISE IN PROFIT OF STANDARD MOTORS

The working of the Standard Motors Products of India Ltd., Madras, during the year ended 31st December 1959, has been encouraging. Though there has been a further slight decline in sales, the gross profit has recorded a marked rise from Rs. 8.27 lakhs to Rs. 18.15 lakhs, thus more than offsetting the decline noted in 1958 when it had dropped from Rs. 15.30 lakhs earned in 1957. The provision for depreciation has been raised from Rs. 3.66 lakhs to Rs. 6.79 lakhs and a sum of Rs. 3.50 lakhs has been earmarked for taxation, as against *nil*. Even so, the net profit, at Rs. 7.86 lakhs, compares favourably with Rs. 4.61 lakhs for 1958. While there has been a slight cut in the amount ploughed back from Rs. 4 lakhs to Rs. 3 lakhs, it must be noted here that the sum of Rs. 4 lakhs added to the reserves last year included Rs. 3.76 lakhs transferred from the taxation reserve.

The Directors have recommended a dividend of 9 per cent., subject to deduction of tax, on ordinary shares, which is equivalent to 6.3 per cent. net and represents a cut from 7½ per cent. free of tax, paid for each of the previous two years. In other words, despite the improved results, the Directors have not been able even to make good the loss on account of the abolition of grossing of dividends. The dividend on the 6½ per cent. tax-free preference shares has been grossed, in order to maintain the net return to the shareholders after deduction of tax. The dividends absorb Rs. 5.03 lakhs, leaving a small sum of Rs. 3,869 to be carried forward, after bringing in Rs. 51,407 from the previous year.

During the year under review, the Company has had a large import licence and the production has been raised. It is now reaching 300 units per month.

The Company issued during the year under review additional capital to the tune of Rs. 42 lakhs, bringing the total issued capital to Rs. 1 crore, of which the paid-up capital is Rs. 97.41 lakhs, including application money amounting to Rs. 6.51 lakhs. The reserves and surplus as at the end of the year stand at Rs. 20.69 lakhs. The current liabilities and provisions, at Rs. 77.23 lakhs, are covered by current assets aggregating Rs. 108.23 lakhs. In pursuance of the programme of expansion, the Company spent during the year under review Rs. 18.53 lakhs on additions to the block account, bringing the gross value thereof to Rs. 117.02 lakhs. This has been written down to Rs. 86.54 lakhs.

The Company has received permission from the Government of India to increase the annual production of 10 h.p. cars from 3,000 units as at present to 6,000 units by 1963. It has also received sanction for the manufacture of one-ton trucks, making use of Vanguard engine, gearbox and 'differential.' The production of trucks is expected to be commenced by the middle of 1961. The Company's application for import of capital goods to implement the higher rate of production is awaiting Government's formal sanction. The cost of the extra equipment is estimated at Rs. 1.25 crores. The necessary finance for this purpose will be met by raising a loan or by issuing debentures.

The latest available market value of the Rs. 10 fully paid-up ordinary shares of the Company is Rs. 17.60 *cum-div.*, at which rate and on an *ex-div.* basis the shares offer a yield of 3.7 per cent. per annum, free of tax.

RESULTS OF TEXMACO LOWER

RAW MATERIAL SHORTAGE AFFECTS PRODUCTION

AN acute shortage of raw material, a break in the order position of broad-gauge wagons, a paucity of orders for jute spinning frames and some labour trouble in the first half of the year were the main factors which adversely affected the production and the profit of the Textile Machinery Corporation Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Belgharia, 24-Paraganas) during the year ended 31st December 1959. The gross profit shows a drop from Rs. 109.34 lakhs for 1958 to Rs. 92.95 lakhs for 1959. The decline would have been more pronounced but for the satisfactory progress in the other sections, such as textile machinery division, sugar mill machinery, water tube boiler and steel foundry divisions.

The net profit is, however, a shade higher at Rs. 36.41 lakhs, as compared with Rs. 35.41 lakhs for 1958, mainly due to the cut in provision for taxation from Rs. 41 lakhs to Rs. 25.44 lakhs. This lower provision is the result of the fall in gross profit and reduction in company taxation. The allocations to various reserves and provisions have been reduced sizably from Rs. 11.40 lakhs to Rs. 3.50 lakhs and the saving on that account has been utilised to cover, to a large extent, the loss to the shareholders on account of the abolition of grossing of dividends. Even so, the net dividend on ordinary shares is less at 14 per cent. (on the basis of 20 per cent., subject to deduction of tax, recommended by the Directors), as against 15 per cent., free of tax, for 1958. The dividends on the 5½ per cent. and 6½ per cent. tax-free preference shares are proposed to be raised to 7.857 per cent. and 8.928 per cent. respectively, subject to deduction of tax, in order to remove all difficulties resulting from the divergent interpretation given to the changes in the Finance Acts of 1959 and 1960. Until the requisite modification is effected in the Articles of Association, the Directors have decided to pay dividends on these two classes of preference shares at the existing rates, subject to deduction of tax. Provision has, however, been made for the additional distribution in the accounts for the year under review and will be paid as soon as the proposed change is sanctioned by the shareholders. The 6½ per cent. tax-free preference shares are entitled to dividend only from 23rd November 1959. The dividend on the 5½ per cent. taxable preference shares will be paid subject to deduction of tax.

The progress of the Company since 1956 is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sales and internal consumption.	6,14.06	5,83.84	4,53.36	3,68.47
Other income	8.69	6.65	10.77	7.92
Closing stocks	1,38.01	1,15.99	82.22	56.54
Raw materials, stores and spares consumed	3,74.80	3,71.18	2,58.67	2,13.55
Other expenses	1,55.00	1,09.07	94.85	84.33
Gross profit	92.95	1,09.34	1,10.61	78.97
Managing Agents' remuneration	6.05	8.43	8.09	6.58
Provision for—				
Depreciation	25.05	24.50	36.28	21.21
Taxation	25.44	41.00	30.51	20.00
Net profit	36.41	35.41	35.73	31.18
To reserves and provisions ..	3.50	11.40	12.00	11.00
Dividends—				
Preference	2.90*	1.68	1.68	1.68
Ordinary	30.00	22.50	22.50	18.75
	(20%)*	(15%)	(15%)	(12½%)
Carry forward	0.37	0.37	0.54	0.99

* Subject to deduction of tax.

The salient features of the working of the various divisions of the Company during the year under review are as follows:

1. The textile machinery division remained fully booked and the working showed an improvement. The recession which had started in the cotton textile industry in 1957 was over and the cotton mills had embarked upon extensive modernisation and replacement of their plant and machinery. During the year under review, the Company booked a good number of orders for ring frames and carding engines. An order was also received from the Government of West Bengal for ring spinning frames for a cotton textile mill being set up at Kalyani. Production of ring doubling frames also commenced during the year and a number of them were supplied to textile mills.

2. Development of drawing frames is proceeding well. These machines are being made to the specifications of the foreign collaborators, Howa Machinery Ltd., Nagoya, Japan.

3. Carding engine production was satisfactory during the year. The Company has now been able to produce a higher percentage of its components in its works.

4. The Company's efforts for making exports proved successful and some ring frames were exported during the year under review. This is the first time that textile machinery has been exported from India.

5. The Company got sufficient orders from the railways so as to keep it busy for a pretty long time to come in the heavy engineering division. There was a break, however, in the order position of broad-gauge wagons during the year under review. Besides, there was also shortage of raw material in the wagon division. The output of wagons during the year, therefore, was not very satisfactory. The production of passenger coaching underframes which was taken in hand during the year was satisfactory.

6. Progress of sugar mill machinery and water tube boiler divisions was also maintained at a satisfactory level. The Company has got sufficient orders for these also in hand.

7. The erection work of the radial crest gates at the Panchet Hill Dam and the order from the Bhilai Steel Project were completed during the year under review. The Company secured another important order for the manufacture and erection of such gates at Rihand Dam in U.P.

8. Efforts are being made to diversify production in the heavy engineering division and, in fact, the Company was able to manufacture thermic syphons for locomotives for the first time in India.

9. The production in steel foundry division has improved. The major part of production in this division was for wagons and sugar mill machinery components required by the heavy engineering division.

10. On account of paucity of orders for jute spinning frames, the jute machinery division could not work satisfactorily during the year under review. The Company is, however, switching over the machines to other items of production.

Consequent on the issue of 100,000 6½ per cent. tax-free cumulative preference shares of Rs. 100 each, of which Rs. 50 were paid-up during the year under review, the paid-up capital of the Company has risen from Rs. 190 lakhs to Rs. 240 lakhs. The reserves and surplus aggregate Rs. 54.69 lakhs. Besides a debenture loan of Rs. 40 lakhs, the Company's borrowings amount to no less than Rs. 116.79 lakhs and other current liabilities and provisions to Rs. 380.62 lakhs. The total current liabilities are, however, more than adequately covered by current assets at Rs. 605.85 lakhs. The gross block of the value of Rs. 421.06 lakhs has been written down to Rs. 224.10 lakhs. The additions to the block account during the year aggregate Rs. 30.03 lakhs; this is on top of Rs. 36.91 lakhs expended in the previous year. The underwriting commission and other expenses on issue of preference shares yet to be written off amount to Rs. 3.75 lakhs.

The current market value of the Rs. 10 fully paid-up ordinary shares is Rs. 27.25 *cum-div.* On an *ex-div.* basis, the yield on the shares is 5.3 per cent. per annum free of tax.

CELLULOSE PRODUCTS OF INDIA

The cellulose Products of India Ltd. has received an industrial licence from the Government of India for setting up a plant for the manufacture of 7,200 tons per year of rayon grade dissolving pulp from cotton linters or cotton waste. The capital outlay of the project is placed around Rs. 1 crore. The various details of the project are yet to be finalised, after which the Directors will take a decision on the additional capital to be raised from the shareholders. Their proposals will be placed before the shareholders for consideration in due course. The Company is satisfied that there is sufficient demand for this grade of pulp, in view of the high percentage of its Alpha content. A technical and financial collaboration agreement will shortly be concluded with a leading foreign firm. The collaboration scheme for the manufacture of chemical cotton pulp will soon be submitted to the Government for its approval. The project will be implemented as soon as the necessary formalities are completed.

(Concluded from next column)

Alipore and Bombay factories are equipped with the most up-to-date automatic baking plants. With the commencement of the current year, the Company has embarked on an extensive programme of capital expenditure and orders have been placed for additional equipment which, according to the Directors, is, as far as possible, being manufactured in India to save foreign exchange. While the Company has a good internal market for its products, its progress in the export markets is still slow. Despite the heavily subsidised prices and other attractive concessions, it is finding increased competition from established foreign suppliers, whose ingredients and manufacturing costs are below those prevailing in this country. The Company has entered into an agreement with Messrs. Allen and Hanburys Ltd. for the production of the well-known Allenburys rusks for sale in India and overseas markets.

In view of the excellent record of the Company, it is not surprising that its Rs. 10 paid-up ordinary shares are commanding a high premium in the market. At the current quotation of Rs. 39.50 *cum-div.* and on an *ex-div.* basis, the yield is 4.6 per cent. per annum free of tax.

BRITANNIA BISCUIT PAYS MORE

UPWARD TREND IN PROFIT MAINTAINED

FOR the third year in succession, the Directors of the Britannia Biscuit Company Ltd. have recommended an increase in dividend on the ordinary shares of the Company. The dividend which had been successively raised from 10 per cent. for the year ended 31st March 1957 to 14 per cent. for 1958-59, all free of tax, has been stepped up to 25 per cent., subject to deduction of tax, or 17.5 per cent. free of tax, for the year ended 31st March 1960. This is only in line with the steady growth in the business of the Company and its earnings. A perusal of the Company's accounts for the past few years shows that the sales of the Company have expanded, without any break, from Rs. 98 lakhs in 1952-53 to a peak of Rs. 272 lakhs in 1959-60 and the gross profit has likewise maintained an upward trend, rising from a mere Rs. 5.72 lakhs in 1952-53 to a record level of Rs. 46.95 lakhs. What is more, the pace of increase in both sales and gross profit has gathered momentum in the year under review, the increase in sales over 1958-59 being Rs. 67.22 lakhs and that in gross profit Rs. 11.16 lakhs.

The continuous growth in sales of the Company is, as the Directors point out, "essentially the result of improved market coverage and better distribution." They add: "An increase in the *per capita* income has introduced our products to a wider section of the community, who now regard biscuits an integral part of the daily diet. Our modern equipment and technical skill are constantly being employed to improve still further the quality of the Company's products and our reputation in the consumer industry was never higher." Referring to the year under review, in particular, the Directors observe that it was a "period of outstanding activity." The record profit earned by the Company indicates that the Company is experiencing the benefit of research and capital expansion which has been carried out over the past ten years. It also confirms that the Company's policy of ploughing back a substantial portion of its earnings into development and modernisation is yielding good results.

The net profit shows an increase from Rs. 13.35 lakhs (in 1958-59) to Rs. 21.90 lakhs. In pursuance of their policy of ploughing back a sizable portion of the profit, the Directors have added to the various reserves no less than Rs. 10.42 lakhs or nearly 50 per cent. of the net profit. The increase in dividend recommended by the Directors more than compensates the loss to the shareholders on account of the abolition of the system of grossing dividends, as will be evident from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	2,71.57	2,04.35	1,84.64	1,49.69
Closing stocks of manufactured goods	6.99	5.56	6.00	5.81
Raw materials, stores and spares consumed	1,29.16	94.05	87.19	73.26
Other expenses	96.01	75.21	68.54	57.85
Gross profit	46.95	35.79	29.04	18.74
Provision for—				
Depreciation	5.65	5.66	5.98	5.78
Taxation	19.40	16.78	12.26	4.80
Net profit	21.90	13.35	10.36	8.16
To reserves	10.42	6.93	4.50	3.50
Dividends—				
8 per cent. preference ..	0.01*	0.01	0.01	0.01
Ordinary	11.49	6.44	5.52	3.22
	(25%)*	(14%)	(12%)	(10%)
Carry forward	2.14	2.16	2.18	1.85

* Subject to deduction of tax or 17.5 per cent., free of tax.

The Company's financial position is encouraging. The paid-up capital of Rs. 46.12 lakhs (of which as much as Rs. 30.65 lakhs have been raised by the capitalisation of reserves, once in 1951 and again in 1954) is supplemented by reserves and surplus aggregating Rs. 57.64 lakhs. The current liabilities and provisions (including the 5½ per cent. debenture loan of Rs. 12 lakhs) at Rs. 69.99 lakhs are well covered by current assets amounting to Rs. 105.86 lakhs. The gross block of the value of Rs. 122.49 lakhs has been written down to Rs. 68.89 lakhs. It will be of interest to note here that the Company has been financing its capital expenditure through the debenture capital issued in 1953 and its own resources ploughed back year after year. It has not raised any fresh capital from the market in the recent past.

The Company has three factories in three different centres, one at Alipore (Calcutta), another at Delhi and a third at Bombay. The

(Continued in previous column)

COMPANY MEETINGS AND DIVIDENDS

PHASKOWA TEA CO., LTD. Annual General Meeting, Calcutta, 14th September 1960. Dividend: Nil. Transfer books remain closed from 5th to 14th September 1960, both days inclusive.

NEW CINNAMOLLAH TEA CO., LTD. Annual General Meeting, Calcutta, 14th September 1960. Dividend: Nil. Transfer books remain closed from 5th to 14th September 1960, both days inclusive.

BARADIGHI TEA CO., LTD. Annual General Meeting, Calcutta, 15th September 1960. Dividend: 25 per cent. or Rs. 2.50 per share, subject to deduction of tax. Transfer books remain closed from 5th to 15th September 1960, both days inclusive.

RYDAK TEA SYNDICATE LTD. Annual General Meeting, Calcutta, 15th September 1960. Dividend: 30 per cent. or Rs. 3.00 per share, subject to deduction of tax. Transfer books remain closed from 5th to 15th September 1960, both days inclusive.

WESTERN INDIA TANNERIES LTD. Annual General Meeting, Bombay, 16th September 1960. Dividend: Re. 1.20 per share, on shares of Rs. 5 paid up and Rs. 2.40 per share, on shares of Rs. 10 paid up; both subject to deduction of tax. Transfer books remain closed from 29th August to 12th September 1960, both days inclusive.

MADRAS SAFE DEPOSIT CO., LTD. Annual General Meeting, Madras, 19th September 1960. Dividend: 6 per cent. or Rs. 4.80 per share, subject to deduction of tax. Transfer books will remain closed from 12th to 19th September 1960, both days inclusive.

BALMADIES PLANTATIONS LTD. Annual General Meeting, Madras, 19th September 1960. Dividend: 7½ per cent. or Re. 0.15 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 12th to 19th September 1960, both days inclusive.

BAGALKOT TEA CO., LTD. Annual General Meeting, Bombay, 19th September 1960. Dividend: 8 per cent. or Re. 0.80 per share, subject to deduction of tax. Transfer books remain closed from 1st to 19th September 1960, both days inclusive.

ELLENBARRIE TEA CO., LTD. Annual General Meeting, Calcutta, 21st September 1960. Dividend: 5 per cent. or Rs. 5.00 per share, subject to deduction of tax. Transfer books will remain closed from 13th to 21st September 1960, both days inclusive.

BANARHAT TEA CO., LTD. Annual General Meeting, Calcutta, 22nd September 1960. Dividend: Rs. 32.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 8th to 22nd September 1960, both days inclusive.

ANANDA-BAG TEA CO., LTD. Annual General Meeting, Calcutta, 22nd September 1960. Dividend: 17½ per cent. or Re. 1.75 per share, subject to deduction of tax. Transfer books remain closed from 8th to 22nd September 1960, both days inclusive.

BETJAN TEA CO., LTD. Annual General Meeting, Calcutta, 22nd September 1960. Dividend: 25 per cent. or Rs. 2.50 per share, subject to deduction of tax. Transfer books remain closed from 8th to 22nd September 1960, both days inclusive.

GAIRKHATA TEA CO., LTD. Annual General Meeting, Calcutta, 22nd September 1960. Dividend: 12½ per cent. or Rs. 12.50 per share, subject to deduction of tax. Transfer books remain closed from 8th to 22nd September 1960, both days inclusive.

JUTLIBARI TEA CO., LTD. Annual General Meeting, Calcutta, 22nd September 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax. Transfer books remain closed from 8th to 22nd September 1960, both days inclusive.

MYSORE STONEWARE PIPES AND POTTERIES LTD. Annual General Meeting, Bangalore City, 23rd September 1960. Dividend: 14-2/7 per cent. or Re. 1.428 per share, subject to deduction of tax. Transfer books will remain closed from 16th to 30th September 1960, both days inclusive.

HULDIBARI TEA ASSOCIATION LTD. Annual General Meeting, Calcutta, 23rd September 1960. Dividend: 22½ per cent. or Rs. 2.25 per share, subject to deduction of tax. Transfer books will remain closed from 13th to 23rd September 1960, both days inclusive.

NEW CHUMTA TEA CO., LTD. Annual General Meeting, Calcutta, 23rd September 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 13th to 23rd September 1960, both days inclusive.

COMPANY REGISTRATIONS

SULPHUR MILLS PRIVATE LTD. (Managing Director: Mr. P. K. Javeri.) Business: Manufacturers of chemical and mineral products. Authorised capital: Rs. 10,00,000. Private company. Address: Shroff Mansions, 2nd Floor, 32, Princess Street, Bombay 2.

DYE-CHEM MANUFACTURING CO. PRIVATE LTD. Business: Manufacturers of dyestuffs, pigments and bases. Authorised capital: Rs. 5 00,000. Private company. Address: Navsari Chambers, Outram Road, Bombay 1.

MAHARASHTRA PLASTICS AND WIRE NAIL INDUSTRIES PRIVATE LTD. Business: Manufacturers of synthetic resins, all types of moulding powders, etc. Private company.

N.B.—All the above companies are registered in the State of Maharashtra.

SYNOPSES OF COMPANY REPORTS

Travancore Chemical and Manufacturing Co., Ltd.

THE directors of the above Company (Managing Director: Mr. P. Krishnamurthi, Alwaye, Kerala State) submit the audited accounts of the Company for the year ended 31st March 1960.

The profit for the year amounts to Rs. 4,84,761 (Rs. 3,14,951). Out of this provision for depreciation and development rebate, amounts to Rs. 1,40,372 (Rs. 1,45,811). Provision for income-tax and super-tax is Rs. 1,40,000 (Rs. 60,000). This leaves a balance of Rs. 2,04,389 (Rs. 1,09,140). With the balance brought forward from previous year of Rs. 22,062 (Rs. 1,672), there is an available balance of Rs. 2,26,451 (Rs. 1,10,812). The directors recommend payment of a taxable dividend of 15 (10 per cent. free of tax) per cent. on the ordinary shares and 8.93 (6¼ per cent. free of tax) per cent. subject to tax, on preference shares so as to yield 6¼ per cent. tax-free. This would absorb Rs. 1,54,286 (Rs. 88,750) leaving a balance to be carried forward of Rs. 72,165 (Rs. 22,062) to next year.

During the year, the production and sale of *copper sulphate* increased by nearly half over the figures for the previous year in spite of heavy competition. The production of another popular fungicide, *copper oxychloride*, was commenced during the year on a commercial scale. Another product which was also added on to the manufacturing programme was *sulphate of alumina*, iron-free quality, which finds a good market in South India.

The production of *chlorate of potash* at the Kundara factory was fairly satisfactory, but the cost of production increased due to higher rates for electricity which were brought into force during the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,00,000	Gross block	18,05,082
Reserves ...	1,07,599	*Less*—Depreciation ...	6,06,956
Provision for taxation ...	1,41,108	Net block ...	11,98,126
Liabilities ...	10,47,047	Raw materials ...	5,36,413
Profit and loss account (surplus)	72,165	Stock-in-trade	3,41,751
		Stores, etc.	41,063
		Book debts	5,18,193
		Investments	25,376
		Cash ...	6,997
Rs.	26,67,919	Rs.	26,67,919

National Screw and Wire Products Ltd.

The directors of the above Company (Calcutta) present the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year amounts to Rs. 6,11,993 from which the following provisions are made: Rs. 49,531.93 for depreciation, Rs. 2,54,000 for income-tax and Rs. 2,244 for development rebate reserve. The balance to the credit of the profit and loss account after adjusting the brought forward debit balance and after making other adjustments is Rs. 2,41,162, which the directors recommend to be dealt with as under:—

In payment of a dividend at 15 (*nil*) per cent. on the ordinary shares, subject to deduction of tax, absorbing Rs. 1,50,000 (*nil*), leaving a balance of Rs. 91,162 to be carried over to the next year.

The directors are glad to report that machinery for the manufacture of the *A.C.S.R. conductors* is under installation, and production is expected to commence shortly.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	12,42,651
Reserves ...	5,660	*Less*—Depreciation ...	6,86,289
Provision for taxation ...	5,79,893	Net block	5,56,362
Liabilities ...	17,86,016	Stock-in-trade	10,19,688
Profit and loss account (surplus)	91,162	Stores, etc.	52,211
		Book debts	18,14,751
		Cash ...	19,719
Rs.	34,62,731	Rs.	34,62,731

Bagalkot Cement Co., Ltd.

The directors of the above Company (Managing Agents: Tendulkar Industries Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1959.

After meeting all expenses of operation and management, and after providing for depreciation and bonus to employees, the working of the Company shows a profit of Rs. 8,75,194 (Rs. 7,91,680) which, by adding Rs. 1,146 (Rs. 779) being the amount brought forward from last year's account and Rs. 36,782 (*nil*), amount received in previous year for non-fulfilment of underwriting agreement comes to Rs. 9,13,122 (Rs. 7,92,459). The directors have made the following provisions:

To provision for balance of guaranteed dividend account to the Government of Maharashtra Rs. 99,999 (Rs. 1,50,000), to preliminary expenses written off Rs. 23,700 (Rs. 35,641), to commission and brokerage written off Rs. 88,313 (*nil*), to quarry development written off Rs. 20,000 (*nil*) and to dividends (Government guaranteed) paid in respect of previous years Rs. 3,458 (*nil*). This leaves a balance of Rs. 6,77,652 (Rs. 5,91,146 after providing Rs. 1,544 for wealth tax 1957 balance and writing off Rs. 35,641 for preliminary expenses).

From this amount, the directors recommend that the following appropriation be made:—

The provision for proposed dividend at 8 (7 per cent. free of tax) per cent. subject to deduction of income-tax, on the paid-up capital of the Company as at 31st December 1959 Rs. 6,76,000 and balance to be carried forward to next year's account Rs. 1,652 (Rs. 1,146).

No dividend shall be paid on new shares allotted and paid for in the year 1960.

Production and Despatches.—Production of clinker and cement during the year was lower than the rated capacity. It was 94.326 tons of clinker and 96,717 tons of cement against 1,01,004 and 1,01,011 tons, respectively, in the previous year. The despatch of cement amounted to 98,001 tons against 1,00,494 tons in 1958. The Company introduced certain modifications in the chain zone recommended by the machinery manufacturers for the purpose of improving performance of the kiln. The time involved in carrying out these modifications resulted in the shortfall of production in 1959 but has yielded satisfactory results in operation of the current year.

Expansion.—The expansion of the Company's cement plant at Bagalkot from one lakh tons of yearly capacity to that of two lakhs of tons was completed in the month of April 1960. Certain difficulties were experienced during the initial running of the new kiln. The plant has been working satisfactorily now. The expansion of the plant was delayed on account of transhipment difficulties of machinery from broad-gauge to metre-gauge at Hotgi. The operation of raw mill as well as of cement mill to the full capacity was held up as grinding media was not available.

The reappointment of Tendulkar Industries Private Ltd., as managing agents of the Company for a further period of five years with effect from 16th August 1960 has been approved by the Central Government.

The Central Wage Board for the Cement Industry submitted its report to the Central Government on 7th October, 1959 and the Government have broadly accepted the recommendations of the Wage Board. The Government of India propose to determine the extent of the increase in the ex-works price of cement payable to producers consequent on the implementation of the recommendations of the Wage Board and to grant such increase, with effect from the date when such recommendations are required to be implemented.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	84,54,023	Gross block	2,26,19,399
Reserves ...	66,000	*Less*—Depreciation	31,88,694
Liabilities ...	1,50,97,029	Net block	1,94,30,705
Profit and loss account (surplus)	1,652	Stock-in-trade	5,61,925
		Stores ...	20,13,153
		Book debts	10,70,771
		Investments	8,248
		Cash ...	68,213
		Miscellaneous expenses	4,65,689
Rs.	2,36,18,704	Rs.	2,36,18,704

Enfield India Ltd.

The directors of the above Company (Chairman: Mr. K. R. Sundaram Iyer, Madras) present the audited accounts of the Company for the year ending 31st December 1959.

The profit for the year after meeting all expenses of operation, management expenses and managing director's remuneration of Rs. 24,000 (Rs. 24,000) but before charging depreciation amounted to Rs. 6,98,787 (Rs. 4,92,040). After deducting normal depreciation of Rs. 3,63,601 (Rs. 2,67,799), the net profit for the year comes to Rs. 3,35,186 (Rs. 2,24,241). To this is added the balance brought forward from previous year of Rs. 3,930 (Rs. 5,110) and excess provision for dividend written back Rs. 1,006 (*nil*), making a total of Rs. 3,40,122 (Rs. 2,29,351). The directors propose to utilise this amount as stated below:

To writing off preliminary expenses Rs. 37,231 (*nil*), to writing off brokerage on shares Rs. 7,715 (*nil*), to transfer to reserve for development rebate Rs. 1,52,718 (Rs. 1,99,926) and to proposed dividend for the year 1959 on preference shares amounting to Rs. 63,402 (Rs. 25,495). As regards the dividends on preference shares, the Company would not be liable to income-tax on the profits for the accounting year 1959. Hence, the gross and net dividends on preference shares are one and the same; viz., 7 per cent. From this dividend tax at source at the rate of 30 per cent. under the provisions of Section 3 (d) of Section 18 of the Income-tax Act will have to be made; i.e., Rs. 2-10 nP per share will be deducted from the dividend and remitted to the Government to the credit of the respective shareholders and the balance of Rs. 4.90 nP will be paid to the shareholders by the Company direct). The directors also propose payment of a dividend at 5 (*nil*) per cent. subject to deduction of tax, in accordance with section 18 (3) (d) of the Income-tax Act on ordinary shares for the year 1959, absorbing Rs. 74,246 (*nil*) leaving a balance to be carried forward to next year of Rs. 4,810 (Rs. 3,930).

Operation and Development.—The working of the Company during the year under review has been quite satisfactory. The production of both vehicles and job orders have increased considerably. Further plant and machinery were installed during the year and put to use and satisfactory progress was made in increasing the indigenous content of the motor cycles manufactured.

The increase in the expenditure of factory and administrative wages and salaries reflects not only the increase in the number of employees required for increasing indigenous operations and the larger number of motor cycles produced, but also due to revision in wage and salary scales as per an agreement which the management concluded with the employees and to which a reference was made in the speech of the chairman at the third annual general meeting of the Company.

The directors wish to inform that the Company is still in the midst of the phased programme which is scheduled to be completed by the end of 1960 and which involves considerable advance planning.

During the year a number of major steps were initiated for expanding the activities of the Company, to provide aids for the anticipated rate of increase in the tempo of production and to achieve increasing efficiency of the Company's operations. The more important among these are—finalisation of agreements with foreign collaborators for the manufacture of Villiers road vehicle engines and Scooters for which the Company has recently received a licence from the Government of India under the Industries (Development and Regulation) Act, and the commencement of work study. Work study is a great aid in increasing management efficiency and also a prerequisite for working out a suitable scheme of incentive to motivate the workmen towards higher productivity. Another important scheme that was introduced during the year was for the training of apprentices to cater to the increasing needs of the Company for skilled workmen.

Sales and Market Development.—The Company's selling agents have taken further steps to enlarge the sales operations and after-sales service. In addition to stationing of more zonal sales and service representatives, a further 54 sales and service points have been organised, thus increasing the number in the various parts of the country to 145. Increased volume of orders was secured not only for motor cycles and three-wheelers but also for the general engineering department of the Company. As a result, the total turn-over increased from Rs. 71 lakhs to Rs. 91 lakhs. Among the other steps taken for sales promotion, are the sponsoring of a Company for giving hire purchase facilities for this Company's products and deputing a representative to West Asia to explore possibilities for export of the Company's products. The directors feel confident that with these various sales promotion activities, the demand for the Company's products will continue to increase at a rapid rate.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,98,950	Gross block	48,00,791
Reserves ...	3,52,644	*Less*—Depreciation	7,18,280
Liabilities ...	44,32,106	Net block	40,82,511
Profit and loss account (surplus)	4,810	Expenditure-in-progress	26,079
		Stock-in-trade	26,01,716
		Stores, etc.	54,608
		Book debts	4,60,350
		Investments	250
		Cash ...	62,996
Rs.	72,88,510	Rs.	72,88,510

Hattikhira Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

A crop of 17,826 maunds of tea was manufactured and disposed of for sale in Calcutta for export 15,071 maunds and for sale in Calcutta for internal consumption 2,755 maunds. The teas realised an average price of Re. 1.86 nP per lb. as compared with Re. 1.70 nP per lb. obtained for the previous season's crop of 22,163 maunds. The Company's export quota for season 1959 was 15,258 maunds.

The profit for the year amounts to Rs. 1,75,274 (Rs. 3,11,745). After adding to this the adjusted credit balance brought forward from 1958 of Rs. 75,567 (*nil*), Rs. 2,50,841 (Rs. 3,11,745). From this amount is deducted initial contribution to superannuation fund—final instalment Rs. 13,110 (Rs. 16,288) and short provision of labour bonus 1958 Rs. 14,514 (*nil*), leaving a credit balance of Rs. 2,23,217 (Rs. 2,95,457). The directors recommend that this balance be disposed of as follows:

By payment of a dividend of 5 (5 per cent. free of tax) per cent. for season 1959. subject to deduction of tax, absorbing Rs. 63,000 (Rs. 63,000), by transfer to reserve account Rs. 50,000 (Rs. 1,06,851) and by transfer to buildings and machinery reserve account Rs. 50,000 (Rs. 50,000) leaving a balance to be carried forward of Rs. 60,217 (Rs. 74,618 after deducting Rs. 988 on account of sundry adjustments).

The estimates for season 1960 provide for a tea crop of 20,000 maunds at a cost of Rs. 22,51,915. Owing to the severe drought experienced earlier this season it is unlikely that the crop originally anticipated will be harvested.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,60,000	Gross block	31,05,555
Reserves ...	13,00,000	*Less*—Depreciation ...	13,86,347
Provision for taxation ...	2,49,930	Net block ...	17,19,208
Liabilities ...	5,06,102	Stock-in-trade	10,55,147
Profit and loss account (surplus)	60,217	Stores, etc.	4,67,910
		Book debts	1,01,475
		Investments	3,055
		Cash ...	29,454
Rs.	33,76,249	Rs.	33,76,249

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

Notices

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

REQUIREMENT OF WHEELSETS FOR ROLLING STOCK

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to obtain from established and reliable manufacturers Wheelsets as per schedule of requirements attached with Tender No. G.P. 24 of 1961-62.

Tender documents are obtainable from the Director General (M), Research Design and Standards Organisation, Ellerslie, Simla-2, and the Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W-3, on payment of Rs. 2 per set. Relevant drawings can be had on additional payment of Rs. 15 per set from the two organisations mentioned above. The cost of the set of drawings if obtained from the Research Design and Standards Organisation, Simla, by post will be Rs. 16. The relevant Specifications can be had on additional payment either from the D.G., I.S.D., London, or the Manager of Publications, Civil Lines, Delhi.

Offers should reach the undersigned not later than 12 noon on 31st October, 1960.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi.

RUBY GENERAL INSURANCE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Ordinary General Meeting of the Company will be held at 8, India Exchange Place, Calcutta, on Friday, the 23rd September, 1960, at 3-30 p.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ending 31st December, 1959.

(2) To declare dividend.

(3) To elect two Directors in place of Sarvashri R. L. Nopany and R. K. Kanoria, who retire by rotation, but being eligible offer themselves for re-election.

(4) To appoint Auditors for the current year and fix their remuneration.

(5) To transact any other business that may be brought before the meeting.

The Share Transfer Books of the Company will remain closed from 10th September, 1960 to 23rd September, 1960, both days inclusive.

By Order of the Board,
B. K. SETALVAD,
General Manager.

"INDIA EXCHANGE", CALCUTTA-1,
The 29th day of August, 1960.

Note:—1. A member of the Company who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the Company.

2. The dividend if sanctioned will be payable to the shareholders whose names appear in the Company's Register of members on the 9th September, 1960 or to their mandatories on or after 12th October, 1960.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER NO. S-9

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers, a quantity of about 30,000 tons of Steel Rails.

The tender documents can be had on payment of Rs. 15 (or equivalent) per copy from any of the following offices during working hours on or after 30th August, 1960.

(1) The Director, Railway Stores, Ministry of Railways, Railway Board, State Entry Road, New Delhi.

(2) The Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London, W.3.

(3) The Director, India Supply Mission, 2536 Massachusetts Avenue, N.W. Washington, 8 D.C.

The tenders will be received by the undersigned upto 12.00 hours on the 11th October, 1960, and opened in the office of the Railway Board, State Entry Road, New Delhi, on the same day.

QURBAN SINGH,
Director, Railway Stores,
(Railway Board).

STATE ENTRY RD.,
NEW DELHI, *24th August,* 1960.

THE DALHOUSIE JUTE COMPANY LIMITED

FINAL DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1960

AT A MEETING OF THE DIRECTORS HELD on 27th August, 1960, the following Dividends were recommended subject to deduction of Tax.

On Cumulative Preference Shares @ 7% per annum in respect of the year ended 31st March, 1958.

On Cumulative Preference Shares @ 7% per annum in respect of the year ended 31st March, 1959.

On Cumulative Preference Shares @ 7% per annum in respect of the year ended 31st March, 1960.

On Ordinary Shares @ Re. 1 per Share.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CALCUTTA, *29th August,* 1960.

UNION JUTE COMPANY, LIMITED

FINAL DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1960

AT A MEETING OF THE DIRECTORS HELD on 27th August, 1960, the following Dividends were recommended subject to deduction of Tax.

On Cumulative Preference Shares @ 3½%, making a total of 7% per annum.

On Ordinary Shares at Rs. 18 per Share, making a total of Rs. 25 per annum.

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

CALCUTTA, *29th August,* 1960.

THE AUCKLAND JUTE COMPANY LIMITED

FINAL DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1960

AT A MEETING OF THE DIRECTORS HELD on 27th August, 1960, the following Dividends were recommended subject to deduction of Tax.

On Cumulative Preference Shares @ 3.929%, making a total of 7.858% per annum.

On Redeemable Cumulative Preference Shares @ 3.124%, making a total of 6.248% per annum.

On Ordinary Shares at Rs. 20 per Share, making a total of Rs. 27 per annum.

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

CALCUTTA, *29th August,* 1960.

THE LAWRENCE JUTE COMPANY LIMITED

FINAL DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1960

AT A MEETING OF THE DIRECTORS HELD on 27th August, 1960, the following Dividends were recommended subject to deduction of Tax.

On Cumulative 'A' Preference Shares @ 5%, making a total of 10% per annum.

On Cumulative 'B' Preference Shares @ 3.929% making a total of 7.858% per annum.

On Ordinary Shares at Rs. 8 per Share, making a total of Rs. 15 per annum.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CALCUTTA, *29th August,* 1960.

THE LANSDOWNE JUTE COMPANY LIMITED

FINAL DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1960

AT A MEETING OF THE DIRECTORS HELD on 27th August, 1960, a Dividend on Cumulative Preference Shares at the rate of 7% per annum for the six months ended 31st March, 1957, subject to deduction of Tax, was recommended.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CALCUTTA, *29th August,* 1960.

THE KINNISON JUTE MILLS COMPANY, LIMITED

FINAL DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1960

AT A MEETING OF THE DIRECTORS HELD on 27th August, 1960, the following Dividends were recommended subject to deduction of Tax.

On Cumulative Preference Shares @ 3½%, making a total of 7% per annum.

On Ordinary Shares at Rs. 13 per Share, making a total of Rs. 20 per annum.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, *29th August,* 1960.

THE DALHOUSIE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE DALHOUSIE JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.10 a.m., on Saturday the 8th day of October, 1960, for the following purposes:—

As Special Business:

To consider and if thought fit to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:

1. Resolved that with effect from the 16th day of August, 1960, the Company may borrow money from time to time from the Secretaries and Treasurers provided the Secretaries and Treasurers are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Secretaries and Treasurers and the Directors of the Company, but so that the money lent shall not at any time exceed Rs. 15,00,000 in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Secretaries and Treasurers.

2. Resolved that with effect from the 16th day of August, 1960, the Company agrees to pay the remuneration of such administrative staff that may be placed at its disposal by the Secretaries and Treasurers in accordance with the terms of employment with such staff and the Secretaries and Treasurers and in particular to make contribution to a Pool Commission Account maintained by the Jute Mills within the organisation of the Secretaries and Treasurers and their associates, Messrs. F. W. Heilgers & Co. (Private) Ltd., for disbursement amongst such staff in terms of their agreement based on a percentage of the net profits of each company or a minimum contribution in the absence of or insufficiency of profit as may be agreed upon from time to time between the Directors of the Company and the Secretaries and Treasurers.

It is further resolved that if at the end of each financial year there is any balance left in the Pool Commission Account after disbursement to the staff, such balances are to be refunded to the Company in proportion to the contribution made by the Company as heretofore.

As Ordinary Business:

3. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Reports thereon.

4. To declare Dividends recommended by the Directors.

5. To appoint Directors in place of those retiring, including Mr. Gobind Lall Bangur, who having attained the age of 65 years is not eligible for re-election unless his appointment is approved by a resolution of the Company in General Meeting specifically declaring that the age limit shall not apply to him.

And in this connection to consider and, if thought fit, to pass the following resolution of which special notice as required by Section 281(2) of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act is appended below:

To be Proposed as an Ordinary Resolution:

"THAT the restriction as to age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to Mr. Gobind Lall Bangur, and that he be and is hereby re-elected as a Director of the Company, whose period of office as such Director would be liable to determination by retirement of Directors by rotation."

6. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 22nd September, 1960, to 8th October, 1960, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th August*, 1960.

P.B.

Note: (a) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 22nd October, 1960, to those shareholders whose names appear in the Company's books on the 8th October, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

Resolutions Nos. 1, 2 *and* 5:—

As the shareholders will remember, at the last Annual General Meeting of the Company held on the 20th November, 1959, a Special Resolution was passed in terms of the resolution now before you whereby the Company was empowered to borrow money from the Managing Agents. As the Managing Agency contract terminated on the 15th August, 1960, by operation of law Messrs. Bird & Co. (Private) Ltd. have been appointed Secretaries and Treasurers of the Company and it is now therefore necessary to pass a similar special resolution to empower the Company to borrow from the Secretaries and Treasurers.

Similarly, the resolution No. 2 seeks to provide the Company with the benefit of the services of the administrative staff of the Secretaries and Treasurers and also to participate in the maintenance of a Pool Commission Account as had been done at the last Annual General Meeting when the Company had Managing Agents instead of Secretaries and Treasurers.

Mr. D. C. B. Pilkington, a Director and member of your Company, is also a Managing Director of Messrs. Bird & Co. (Private) Ltd., the Secretaries and Treasurers of the Company.

To the extent indicated above the Secretaries and Treasurers of the Company may be deemed to be interested in the business referred to in the resolutions.

In the Special Notice given to the Company of the Resolution under item 5 of the above Notice it has been stated that the services of Mr. Gobind Lall Bangur have been proved most useful to the Company and as he has experience and considerable knowledge of the affairs of the Company he should continue to remain on the Board of Directors of the Company and that the age limit imposed by Section 280 of the Companies Act, 1956, should not apply to him.

THE NORTHBROOK JUTE COMPANY LIMITED

FINAL DIVIDENDS FOR THE YEAR ENDED 31st MARCH, 1960

AT A MEETING OF THE DIRECTORS HELD on 27th August, 1960, the following Dividends were recommended subject to deduction of Tax.

On Cumulative Preference Shares @ 3.929%, making a total of 7.858% per annum.

On Ordinary Shares at Rs. 2.25 nP per Share, making a total of Rs. 3 per annum.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 29*th August*, 1960.

THE LAWRENCE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE LAWRENCE JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11.10 a.m. on Saturday the 8th day of October, 1960, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 22nd September, 1960 to 8th October, 1960, both days inclusive.

By Order of the Board.

BIRD & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th August*, 1960.

Note:—(a) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 22nd October, 1960, to those shareholders whose names appear in the Company's books on the 8th October, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

THE KINNISON JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE KINNISON JUTE MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.35 a.m. on Saturday the 8th day of October, 1960, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 22nd September, 1960 to 8th October, 1960, both days inclusive.

By Order of the Board.

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th August*, 1960.

Note:—(a) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 22nd October, 1960, to those shareholders whose names appear in the Company's books on the 8th October, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

THE LANSDOWNE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE LANSDOWNE JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11 a.m., on Saturday the 8th day of October, 1960, for the following purposes:—

As Special Business:

To consider and if thought fit to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:

1. Resolved that with effect from the 16th day of August, 1960, the Company may borrow money from time to time from the Secretaries and Treasurers provided the Secretaries and Treasurers are agreeable so to land, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Secretaries and Treasurers and the Directors of the Company, but so that the money lent shall not at any time exceed Rs. 15,00,000 in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Secretaries and Treasurers.

2. Resolved that with effect from the 16th day of August, 1960, the Company agrees to pay the remuneration of such administrative staff that may be placed at its disposal by the Secretaries and Treasurers in accordance with the terms of employment with such staff and the Secretaries and Treasurers and in particular to make contribution to a Pool Commission Account maintained by the Jute Mills within the organisation of the Secretaries and Treasurers and their associates, Messrs. F. W. Heilgers & Co. (Private) Ltd., for disbursement amongst such staff in terms of their agreement based on a percentage of the net profits of each company or a minimum contribution in the absence of or insufficiency of profit as may be agreed upon from time to time between the Directors of the Company and the Secretaries and Treasurers.

It is further resolved that if at the end of each financial year there is any balance left in the Pool Commission Account after disbursement to the staff, such balances are to be refunded to the Company in proportion to the contribution made by the Company as heretofore.

As Ordinary Business:

3. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Reports thereon.

4. To declare Dividend recommended by the Directors.

5. To appoint Directors in the place of retiring Directors.

6. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 22nd September, 1960, to 8th October, 1960, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CHARTERED BANK BUILDINGS,
CALCUTTA. *27th August*, 1960.

P.B.

Note: (a) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 22nd October, 1960, to those shareholders whose names appear in the Company's books on the 8th October, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

Resolutions Nos. 1 *and* 2:

As the shareholders will remember, at the last Annual General Meeting of the Company held on the 20th November, 1959, a Special Resolution was passed in terms of the resolution now before you whereby the Company was empowered to borrow money from the Managing Agents. As the Managing Agency contract terminated on the 15th August, 1960, by operation of law Messrs. Bird & Co. (Private) Ltd. have been appointed Secretaries and Treasurers of the Company and it is now therefore necessary to pass a similar special resolution to empower the Company to borrow from the Secretaries and Treasurers.

Similarly, the resolution No. 2 seeks to provide the Company with the benefit of the services of the administrative staff of the Secretaries and Treasurers and also to participate in the maintenance of a Pool Commission Account as had been done at the last Annual General Meeting when the Company had Managing Agents instead of Secretaries and Treasurers.

Mr. D. C. B. Pilkington, a Director and member of your Company, is also a Managing Director of Messrs. Bird & Co. (Private) Ltd., the Secretaries and Treasurers of the Company.

To the extent indicated above the Secretaries and Treasurers of the Company may be deemed to be interested in the business referred to in the resolutions.

NOTICE

THE ALEXANDRA JUTE MILLS LIMITED

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 13th September, 1960 to 26th September, 1960, both days inclusive.

By Order of the Board,

McLEOD & Co. LTD.,

C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 1, *1st September*, 1960.

THE AUCKLAND JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE AUCKLAND JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.00 a.m. on Saturday the 8th day of October, 1960, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 22nd September, 1960 to 8th October, 1960, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th August*, 1960.

Note:—(a) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 22nd October, 1960, to those shareholders whose names appear in the Company's books on the 8th October, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

THE NORTHBROOK JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE NORTHBROOK JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.50 a.m., on Saturday the 8th day of October, 1960, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 22nd September, 1960 to 8th October, 1960, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th August*, 1960.

Note:—(a) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 22nd October, 1960, to those shareholders whose names appear in the Company's books on the 8th October, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

UNION JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of UNION JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-20 a.m., on Saturday, the 8th day of October, 1960, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in place of those retiring, including Mr. Gobind Lall Bangur, who having attained the age of 65 years is not eligible for re-election unless his appointment is approved by a resolution of the Company in General Meeting specifically declaring that the age limit shall not apply to him.

   And in this connection to consider and, if thought fit, to pass the following resolution of which special notice as required by Section 281(2) of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act is appended below:

To be proposed as an Ordinary Resolution—

"THAT the restriction as to age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to Mr. Gobind Lall Bangur, and that he be and is hereby re-elected as a Director of the Company, whose period of office as such Director would be liable to determination by retirement of Directors by rotation."

4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 22nd September, 1960 to 8th October, 1960, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,

Managing Agents.

CHARTERED BANK BUILDINGS,

CALCUTTA, *27th August*, 1960.

Note:—(*a*) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 22nd October, 1960, to those shareholders whose names appear in the Company's books on the 8th October, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

In the Special Notice given to the Company of the Resolution under Item 3 of the above Notice it has been stated that the services of Mr. Gobind Lall Bangur have been proved most useful to the Company and as he has experience and considerable knowledge of the affairs of the Company he should continue to remain on the Board of Directors of the Company and that the age limit imposed by Section 280 of the Companies Act, 1956, should not apply to him.

THE STANDARD JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE STANDARD JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11.20 a.m. on Saturday, the 8th day of October, 1960, for the following purposes:—

AS SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolution which will be proposed as a Special Resolution, namely:—

1. Resolved that the existing maximum lending facility of Rs. 20,00,000 to the holding company The Kinnison Jute Mills Company Ltd. be increased to Rs. 30,00,000 on the same terms and conditions as at present.

AS ORDINARY BUSINESS

2. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Reports thereon.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 22nd September, 1960 to 8th October, 1960, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,

Secretaries and Treasurers.

CALCUTTA, *27th August*, 1960.

Note:—A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

EXPLANATORY STATEMENT

Resolution No. 1

It is expected that the Company will have further surplus funds during the current year and the Directors consider it desirable that the Company should be authorised to increase the existing maximum limit of loan on short notice to its holding Company, The Kinnison Jute Mills Company, Ltd., from Rs. 20,00,000 to Rs. 30,00,000 on the same terms and conditions.

Resolution No. 1 is placed before the Shareholders as a Special Resolution to conform to the provisions of Section 370 of the Companies Act.

CALCUTTA, *27th August* 1960.

THE BOMBAY STATE CO-OPERATIVE BANK, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Ordinary General Meeting of the Bank will be held at the Registered Office of the Bank, Sir Vithaldas Thackersey Memorial Building, 9, Bakehouse Lane, Fort, Bombay, on Saturday, 24th September 1960, at 3 p.m. (S.T.), to transact the following business:—

1. To adopt the Report of the Directors and Audited Statements of Accounts of the Bank for the year ended 30th June 1960.
2. To declare a Dividend.
3. To appoint Auditors and to fix their remuneration.
4. To declare the results of nominations of Directors under Bye-law No. 47.
5. To consider and, if thought fit, to adopt amendments to the Bank's Bye-laws as shown in Appendix "C" (circulated to the shareholders with the Directors' Report).

By Order of the Board,

M. H. BHADBHADE,
Manager.

BOMBAY: *Dated 3rd September* 1960.

The Transfer Books of the Bank will be closed from 12th September 1960 to 1st October 1960, both days inclusive.

The dividend when declared will be payable at the Bombay Office on and after Monday, the 24th October 1960, to those shareholders whose names stand on the Register on 10th September 1960.

THE TWYFORD TEA COMPANY LIMITED

KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, on Tuesday the 27th September, 1960 at 11 a.m., to receive the Directors' Report and Accounts for the year ended 31st December, 1959, to declare a Dividend, to elect a Director, to elect Auditors and to fix their remuneration, etc., and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 27th September to 10th October, 1960, both days inclusive.

By Order of the Board,

PARKINS (PRIVATE) LIMITED,

Managing Agents.

KOTTAYAM, *5th September*, 1960.

THE HAILEYBURIA TEA ESTATES LIMITED

KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, on Tuesday the 27th September, 1960 at 2 p.m., to receive the Directors' Report and Accounts for the year ended 31st December, 1959, to declare a Dividend on Equity Shares, to elect a Director, to elect Auditors and to fix their remuneration, etc., and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 27th September to 10th October, 1960, both days inclusive.

By Order of the Board,

PARKINS (PRIVATE) LIMITED,

Managing Agents.

KOTTAYAM, *5th September*, 1960.

SOUTH INDIA VISCOSE LIMITED

NOTICE

This is to notify that in respect of the shares in the Company the Final Call of Rs. 20/- per share was made at the Board Meeting held on 15th June 1960 payable on or before 30th September 1960.

Dated 16th August 1960.

R. VENKATASWAMY NAIDU,
Managing Director.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, *7th September*

The pressure on the short-term money market, created by the issue of State loans last week to the tune of Rs. 75 crores, for which subscriptions (other than conversions to the extent of Rs. 6.44 crores) aggregated Rs. 78.89 crores, has not been relieved to any perceptible extent. No doubt, funds are returning to banks from upcountry centres, but the pace of their inflow is not sufficiently large to ease the position. Consequently, interest rates continue to hold their ground at their peak levels. Inter-bank call money is being bid at 3½ per cent. among all sections of banks. House money at seven days' notice fetches no less than 3 per cent. Short-term deposits for one to two months are being offered at 3¼ per cent. and for three months at 3½ per cent.

The sale of 91-day Treasury Bills has been resumed after a week's break, but, in view of the prevailing conditions in the money market, it is not surprising that the support for these bills continues to come only from special quarters and that too against maturities. The amount offered at yesterday's sale was no more than that (Rs. 2 crores) invited. The average rate of tenders accepted was 2.540 per cent. per annum, the same as that two weeks ago. Tenders for next week are unchanged at Rs. 2 crores. There were no sale of Intermediate Treasury Bills during the period 29th August to 3rd September. They will, however, be offered at the same discount of 2.476 per cent. per annum during the period, 7th to 10th September.

There has been an expansion of Rs. 18.74 crores in notes in circulation during the week ended 2nd September 1960, in contrast to the successive declines in the previous three weeks. Disclosing this, the Reserve Bank of India statement for the week shows a fall of Rs. 19.47 crores in notes held in the Banking Department. For the third week in succession, there has been no change in foreign securities, but the improvement in balances held abroad is being maintained with a further rise of Rs. 3.17 crores during the week under review, so that the total foreign assets stand now at Rs. 146.53 crores. Deposits of the Central Government are lower by Rs. 9.77 crores, while those of the other Governments have improved by Rs. 18.22 crores. Deposits of banks have declined by Rs. 5.34 crores. Loans and advances to Governments show a fall of Rs. 7.94 crores, while other loans and advances have gone up by no less than Rs. 39.98 crores, of which advances to Scheduled banks account for Rs. 2.85 crores. Investments have risen by Rs. 2.38 crores, but holdings of Treasury Bills show a marked fall of Rs. 11.82 crores.

The Scheduled banks' statement for the week ended 26th August 1960 shows that there has been a further addition of Rs. 7.76 crores in demand deposits of banks and a further decline of Rs. 2.51 crores in time deposits. Of the net accretion of Rs. 5.25 crores to the total deposits, the State Bank of India accounts for Rs. 2.78 crores. Consequent on the increase in deposits and additional borrowings from the State Bank to the tune of Rs. 2.50 crores, the banks' borrowings from the Reserve Bank stand reduced by Rs. 7.96 crores. Advances and bills have declined by Rs. 7.40 crores, of which the share of the State Bank is no more than Rs. 1.98 crores. Investments are, however, higher by Rs. 15.29 crores; almost the whole of this rise is accounted for by the State Bank. Cash balances and balances with other banks have dwindled by Rs. 3.51 crores, consequent on the fall of Rs. 8.71 crores on State Bank's account. Money at call and short notice, too, has shrunk by Rs. 2.01 crores.

Since our last report, the details of the subscriptions to the remaining six State loans have been announced. The amount subscribed to each of the 12 loans and allotment are as follows:

(In crores of rupees)

State	Amount of loan	Amount subscribed	Allotment per cent.
Maharashtra ...	10.00	10.98	100
West Bengal ...	7.00	7.02	83
U.P.	7.00	8.84	95
Gujarat	5.00	5.77	72
Andhra	9.00	13.23	89
Mysore	4.00	4.91	100
Madras	12.00	12.18	100
Kerala	4.00	4.08	100
M.P.	5.00	5.16	100
Bihar	3.00	3.21	100
Rajasthan	5.00	5.05	89
Orissa	4.00	4.90	100

Barring a further improvement in 3 per cent. 1986 Conversion Loan on continued buying enquiries, the Gilt-edged market is listless, with very little activity. Some of the medium-dated loans are, however, on offer and their quotations have been marked down. The proximity of voucher and persistent buying have lifted up 3 per cent. 1986 Conversion Loan by 35 nP to Rs. 74.25. 3 per cent. 1966-68 has declined by 5 nP to Rs. 95.90, 3½ per cent. 1967 and 1968 by 10 nP each to Rs. 99.45 and Rs. 99.40, respectively. 4 per cent. 1960-70 which is due for redemption on 15th September, has fallen by 20 nP to Rs. 100.10. There is little of note in State loans. The new 4 per cent. 1969 issues are quoted at their issue prices.

There has been a hardening of the rupee in terms of the U.S. dollar, thanks to the improvement in sterling abroad. This is more reflected in the banks' selling rate for U.S. T.T. (ready) which has declined from Rs. 476.25 to Rs. 476 per $100, than in their buying rate which is holding its own at Rs. 472.75 per $100. In New York, spot sterling has gained strength from 281.07-281.10 cents to 281.17-281.20 cents and three months' forward from 279.55-279.58 cents to 279.65-279.68 cents.

BULLION MARGIN RULES RELAXED

(From Our Own Correspondent)

BOMBAY, *7th September*

Bullion traders have welcomed the Government of Maharashtra's decision to permit the Bullion Association to start trading in *Kartik* (November) settlement in gold and silver, as well as to relax margin rules in respect of that distant settlement. Not only have the rates of margin been lowered as compared with the *Bhadrapad* (September) and *Aswayuj* (October) settlements but the closing rates of both the precious metals for purposes of margin have also been raised. Thus, the revised rates of margin are Rs. 40 per tola in gold when the closing price is above Rs. 130 per tola and Rs. 2,000 per bar in silver when the price exceeds Rs. 218 per bar. The rates currently applicable to *Bhadrapad* (September) and *Aswayuj* (October) settlements are Rs. 60 in gold and Rs. 3,000 in silver when the prices exceed Rs. 127 and Rs. 213, respectively. The margins will, of course, continue to be on *ex-parte* basis, that is, on entire purchases without offset of sales. The limits of exemption have been fixed at 2,500 tolas for gold and 50 bars for silver.

The Board of the Bombay Bullion Association met on Saturday the 3rd inst., to consider the date of commencement of trading in *Kartik* settlement in gold and silver. It, however, postponed the decision, in order to enable the Association to finalise arrangements for the switch-over from the existing system to the metric system of weights and measures. With effect from 1st October next, the price of gold will be quoted per gram instead of tola, the trading unit being 3,000 grams, and that of silver per kilogram, the trading unit being 30 kilograms.

The aforesaid relaxation in margins, together with reports of encouraging offtake in several centres, imparted considerable strength to the bullion market. Buying support was quite good, with gold and silver both recording an improvement in prices. The net rise over the week would have been more marked but for intermittent profit-taking and some selling against option deals, particularly on Monday. Reports of larger arrivals also checked the rising trend of prices. The daily average rate of arrivals during the week was 6,250 tolas of gold and 43 bars of silver, as against 4,750 tolas and 24 bars, respectively, in the previous week. The offtake of gold and silver was at an average rate of 3,000 tolas and 7 bars, the corresponding rates for the previous week being 4,000 tolas and 5 bars. The floating stocks are estimated at about 25,000 tolas of gold and 400 bars of silver.

A feature of trading during the week was the decline in the premium commanded by ready gold and silver over the *Aswayuj* settlement, the former from 75 nP on Wednesday last to 47 nP today and the latter from 37 nP to 10 nP. The charge for transferring commitments from the *Bhadrapad* to *Aswayuj* settlement in both gold and silver continued to be in favour of bulls throughout the week. The actual rate in gold widened from 37 nP on Wednesday last week to 56 nP on Monday when the *Bhadrapad* settlement went off the board, while that in silver declined from 56 nP to 31 nP yesterday when the *Bhadrapad* settlement ran out.

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

	7-9-60 (closing)	High	Low	31-8-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	134.37	134.62	133.41	133.75
Forward:				
Bhadrapad	134.12§	134.56	133.12	133.37
Aswayuj *	133.84	133.94	132.69	133.00
Sovereign	87.25	87.25	87.00	87.25
SILVER				
Ready (.996 fine)	224.50	225.12	222.62	222.81
Forward:				
Bhadrapad	224.62§§	225.69	223.06	224.00
Aswayuj †	224.40	225.06	222.44	223.44
	6-9-60			30-8-60
London:				
Silver Ready	79½*d.*	—	—	79½*d.*
Silver Forward	79½*d.*			79½*d.*
Gold	250*s.*4*d.*	250*s.*4*d.*	250*s.*1½*d.*	250*s.*1½*d.*
New York:				
Silver	91⅛ cents	—	—	91⅛ cents

* 4th October settlement. † 5th October settlement.
§ As on 8th September. §§ As on 6th September.

The upward trend of gold and silver prices was the subject matter of a question by a member of the Rajya Sabha on 31st August 1960. Replying to the question, the Union Deputy Minister for Finance, Mr. B. R. Bhagat, stated that the main factors affecting the price movements of gold and silver were: (i) the continued ban on the imports of the two metals, (ii) more effective steps against smuggling of gold, and (iii) a marked reduction in the arrivals of Tibetan silver coins. He said that the Bombay Bullion Association had been raising from time to time the margin requirements for trading in gold and silver. The Government, the Minister added, received market quotations for gold and silver regularly; the average price of sovereign in the Bombay bullion market during May 1960 was Rs. 86.17 as against Rs. 77.94 in May 1959.

Replying to another question, Mr. Bhagat revealed that about 29,930 tolas of gold valued at Rs. 38.07 lakhs had been seized during the first seven months of 1960.

At a meeting of the Consultative Committee of members of Parliament held on 30th August, it was suggested by a member that forward trading in bullion should be banned. Mr. Morarji Desai said in reply that this was an old suggestion and that the whole issue had been under consideration for some time. He did not say what was the outcome.

Ready gold in the London bullion market firmed up from 250*s.* 1½*d.* to 250*s.* 4*d.* due partly to the easiness of the pound sterling *vis-a-vis* the dollar and partly to rumours of a possible increase in the dollar value of gold after the U.S. Presidential election is over. In many countries, demand for private hoarding of gold would appear to have not registered any increase. To quote a report, "Even the Middle East and the Far East have not cared to convert their funds into gold as yet. The demand is now largely confined to the central banks of some countries. They are converting a portion of their foreign exchange holdings into gold, so that they might not be embarrassed if the dollar value of gold is increased later." The latest available world price for gold in London is $35.15½-$35.17½ per ounce, as against $35.14-$35.16 a week before and $35.11½-$35.13½ two weeks before. Both ready and forward silver, however, continued unchanged at 79½*d.* per ounce, as also silver in New York at 91.375 cents.

BUSINESS IN COTTON AT A STANDSTILL

(From Our Own Correspondent)

BOMBAY, *7th September*

With business in new crop hedge contract yet to be permitted by the Government and little free trading possible in ready cotton, thanks to the vigorous controls imposed by the Government, both the futures and spot sections of the cotton market presented a deserted appearance during the week. The announcement made by the Textile Commissioner on Wednesday, 31st August, outlining the cotton policy for the new season, disappointed the trade, although it did not contain any big surprise.

Under that policy, mills, which do not own ginning factories, have been generally discouraged from buying *kapas*. Even those that do have ginning factories, will be allowed to purchase *kapas* only to the extent of the quota granted to them. They have also been asked to ensure that the prices paid for *kapas* were such that the price of the lint will not exceed the ceiling prices fixed for that variety. Every bale of cotton sold during the season will be compulsorily surveyed and prices fixed before it is permitted to be consumed. Periodical submission of returns of sales and stocks by the trade and mills have been made compulsory, with a penalty for non-compliance. These restrictions, together with those already in force, have made the usual type of business in cotton extremely risky. In fact, turnover in the spot market during the week dwindled to a mere trickle, with only stray demand for a few varieties. The general feeling among trade quarters is that, in view of the restriction, business will shift to upcountry centres and that Sewri will become active again, if ever it will, only when the bulk movement of new crop starts.

Presently, developments in new crop are the focus of attention of the trade and industry. For the trade, the good crop, is essential for its survival, for otherwise, the Government would not give permission for trading in the new crop hedge contract. For the industry, it means an easing of the raw cotton supply position and perhaps lower prices also.

In view of the crucial importance of the size of the crop during this season, the wet spell in the Punjab and the reported damage to the crop by floods in parts of the Punjab are looked upon with much concern. Although the extent of the damage has yet to be assessed, initial estimates range from 50,000 to 60,000 bales. The Punjab was earlier expected to produce 1.15 million bales of cotton this season. Fortunately, crop progress in other regions are reported to be good, though Mysore and Andhra are also said to be experiencing drought. Considering the uncertainty regarding crop, none is willing to hazard an opinion whether permission for futures trading in cotton will be given or not.

Mills showed good interest in foreign cotton during the week. East African growths were in the limelight. B.P. 52 was done at Rs. 1,390 per candy and Mwanza at Rs. 1,195. Selected Sudan cotton, too, attracted their attention. Sudan G2S was transacted at Rs. 1,951 per candy by some local mills.

Moderate export interest was noted for Bengal *Deshi*, but, in the absence of quota, no business could be put through. There were rumours of the possibility of a quota of 50,000 bales being released in October or November.

Cotton futures in the Karachi market succumbed to speculative selling and liquidation during the week under review. Weather news was the main influencing factor. Reports of excellent progress in the Punjab and Sind indicated the possibility of a good crop and abundant supplies. N.T.R.G. January receded from Rs. 68-2 last week-end to Rs. 67-8. The March delivery shed seven annas to Rs. 67-1. In the spot market, barring *Deshi* cotton, which attracted some export interest, other growths received only routine inquiries. Prices held on the last week's levels. The latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton, prevailing at Karachi, are given below:

Sind *Deshi* 87; Punjab *Deshi* 83; 4F Punjab Roller 83-11; S.G. 87-11; L.S.S. Punjab Roller 86-11; S.G. 90-11; N.T. Roller 87-11; S.G. 93-11.

The downward trend noted in the Alexandria cotton futures market last week gathered further momentum during the week under review. Bearish crop news and poor export inquiries prompted selling. Both the long-staple Karnak and medium-staple Ashmouni contracts were marked down. The discount rates for both old and new crops were unchanged at 8½ per cent. and 6 per cent., respectively for the week which began on Monday last.

Reports from Alexandria indicated satisfactory crop progress in Upper Egypt. In Lower Egypt, insect infection is said to be somewhat heavy, but the crop is not expected to be very much affected by it.

The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week-end closings:

Karnak November 74.46 (74.87), January 73.97

(74.74). March 74.50 (74.93). *Ashmouni* October 62.62 (62.68), December 62.30 (62.64), February 62.30 (62.60).

Cotton futures in Liverpool recorded handsome gains during the week, thanks to the improved trade support and occasional commission house buying which absorbed the light hedge selling. Prices generally tended to be firm. News of crop damage in the U.S. and Mexico, which later proved to be exaggerated, and signs of a general improvement in world offtake, imparted strength to the market. Both the American and American type contracts were priced higher. Sudan cotton contracts at Liverpool were neglected and their quotations were nominally unchanged.

The latest available quotations—in pence per lb.—from Liverpool are as under:

American cotton one inch staple contract: October 22.65; December 22.55; March 22.55.

American cotton mixed growth contract: October 22.95; December 22.85; March 22.90.

Sudan September 34.50; November 34.75; January 34.75.

Cotton futures in the New York market ruled steady during the week. Although the market showed signs of firmness early in the week, on news of extensive damage to the crop in some parts of the cotton belt, it was not sustained, because private advices did not confirm the report. Consequently, speculative interest receded. Renewed inter-month switchings and evening up operations characterised trading towards the close. Over the week prices showed little net change.

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

(In cents per lb.)

	6-9-60	29-8-60	23-8-60
Spot	32.45	32.45	32.40
October	31.09	31.02	31.02
December	31.29	31.30	31.29
March	31.82	31.83	31.84

BLACK PEPPER WEAK

(Messrs. Parekh and Co.)

BOMBAY, *7th September*

Owing to intervening holidays in New York, Singapore and India, the business was thin with undertone discouraging. Malabar black showed further erosion in the values on nervous liquidation by stale bulls and holders and in sympathy with Singapore, London and New York.

Prices in Singapore gave way, black and white being quoted at Str. $170 and Str. $265, respectively. In London, white dropped to 62d., the highest being 73d. Spot in New York climbed down to $0.52 under pressure of heavy arrivals of both sold and unsold consignments from Singapore. Garbled at Cochin sagged to Rs. 233¾. Ungarbled was done at Rs. 1,350. Calicut is quoting at Rs. 1,400-Rs. 1,450. October delivery, after dropping to Rs. 237½, is now hovering around Rs. 241½. Trading in December has started officially, but no business worth noting has been listed, since buyers are awaiting new developments. Tired holders are continuous sellers for ready, while speculators are trying to support October delivery in the ring by way of short-covering and fresh buying in the expectation that, as the market has gone down rather abruptly, the reaction may ensue giving them an opportunity to resell with profit. India is following the lead of Singapore. Unless Singapore shows improvement, our market is likely to go down, though slowly, as, the holders having seen very high prices during the earlier part of the year, the present prices seem to them rather low. They are, therefore, trying to resist downward trend, but, so far, all their efforts have proved abortive. News from Singapore are discouraging, as arrivals of New Lampong have started. About 1,000 tons are reported to have already arrived. With the advance in the harvesting season of Lampong, Singapore is expecting the arrivals to increase from week to week. Sizable parcels of white pepper reshipped from Europe are reported to have arrived in Singapore. Future of white pepper hangs on what attitude the holders of these parcels choose to take. The drop in prices of spot pepper to a new low of $0.52 in New York has so far failed to encourage any increased interest among the grinders. Labour day holidays having been over, it remains to be seen how the demand from the grinders develops. In ordinary course, the demand after the labour day should pick up, but American dealers as well as grinders never buy in the declining market. As such, the chances of an improvement in demand are thin unless the primary markets stabilise. Dealers in New York are reported to be quoting to buy Lampong at $0.46, but the acceptance of lower bids, however small, is likely to scare away the prospective buyers. Although inland ready demand is lagging behind, there are some inquiries from Pakistan and the Middle East. Trade generally expects an improvement in inland demand, but the tempo in demand is not likely to take place unless prices stabilise at a certain level. There has been some buying from exporters who are said to have sold about 150 tons to

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YARNS DULL

(From Our Own Correspondent)

BOMBAY, *7th September*

The yarn market ruled dull during the week under review. Business put through was restricted and values moved narrowly. Art silk yarn was quiet, notwithstanding *(a)* the appreciable increase in the premium commanded by import licences from 80-85 per cent. to 100-105 per cent. during the last three weeks on fears of a cut in import quota for the ensuing half-year (October 1960—March 1961) and *(b)* the suspension of the issue of import licences for yarn against exports of art silk cloth to Afghanistan, one of India's principal customers. For enquiries from consuming centres were slack. It was reported that the handlooms and powerlooms were buying art silk yarn on a hand-to-mouth basis. A sizable switch-over in consumption from art silk yarn to cotton yarn in view of the reduction in the latter's prices was also feared. For these very reasons, staple fibre yarn, too, ruled quiet. Quotations for cotton yarn were lower than those prevailing last week, owing to the further downward revision in the mills' wholesale prices announced by the Indian Cotton Mills' Federation on Saturday the 3rd inst.

Cupressa Bemberg yarn (60 x 1) October delivery was subject to nervous liquidation by bulls who had bought heavily in the past few weeks and fell from Rs. 2,098 to Rs. 2,078. December contract was done at Rs. 2,085 today, as against Rs. 2,105 on Saturday the 3rd inst. Spot Cupressa dropped 7 nP to Rs. 9.37. 150 Japan was neglected at Rs. 6.06, as also 120 Italy at Rs. 5.62 and 150 Italy at Rs. 6.19. 120 Japan, however, picked up 7 nP to Rs. 5.69. Among indigenous yarns, National Raymonds 120 Bl. cones 1st grade declined by 6 nP to Rs. 5.94. 150 Bt. cones 1st grade was quiet at Rs. 5.30.

In the staple fibre yarn section, 40 x 2 October delivery receded by Rs. 11 to Rs. 711. December position was quoted at Rs. 721. Spot Citys were unaltered at Rs. 3.74 and Centurys at Rs. 3.56. But Kohinoors gained 2 nP to Rs. 3.78.

Cotton yarn prices, as stated earlier, were lower than those a week ago. Ten counts Podars shed 8 nP to Rs. 18.25. Gokaks were dull at Rs. 18.37. Twenty counts Moderns lost 50 nP to Rs. 23.50 and Gokaks 25 nP to Rs. 23.25. Forty counts Minaxis and Maduras declined by 25 nP each to Rs. 30.25 and Rs. 31, respectively. Sixty counts Finlays dropped 88 nP to Rs. 62.62. Raghuvamshis receded by a rupee to Rs. 59. Eighty counts Finlays moved down by Rs. 2.02 to Rs. 80.80. Moderns were quiet at Rs. 73 and Mahendras at Rs. 71.

The following table gives prices of rayon, staple fibre and cotton yarns quoted today, as compared with those eight days ago:

	7-9-1960	30-8-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 Kg.)		
October	2,078	2,098
60/1 Cupressa Bemberg spot (per lb.) ..	5.69	5.62
120 Japan (per lb.)	6.06	6.06
150 Japan (per lb.)	5.62	5.62
120 Italy (per lb.)	6.19	6.19
150 Italy (per lb.)		
Staple fibre yarn—	711.00	722.00
October	3.78	3.76
40×2 Kohinoor (per lb.)	3.56	3.56
40×2 Century		
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.25	18.37
20s Gokak	23.25	23.50
40s Minaxi	30.25	30.50
60s Raghuvamshis	59.00	60.00
80s Finlay	80.80	82.82

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, *7th September*

Firm conditions that had been witnessed in the oilseeds market in the previous week gained further momentum during the week under review. Towards the close of the week, however, the rally was arrested, and, in fact, values in all the sections, except those of groundnuts, were well below the level of last week-end. The pace and pattern of trading were dictated mainly by reports of weather conditions in major groundnut producing centres. There were no signs of improvement in the initial stages in the dry spell noted in Andhra and Mysore. But tables were turned as the week advanced, with reports of beneficial rains received from the South. The operators in the groundnut section noted the concern expressed in Parliament regarding the rise in prices of basic necessities, in the course of the discussion on the draft third Plan. This imparted a sense of caution among the speculators. Another development of interest to groundnut traders was a communication sent to the Union Ministry of Commerce and Industry by Mr. Rai Bahadur G. V. Swaika, Member of the Indian Central Oilseeds Committee and Indian Council of Agricultural Research, representing the Federation of Chambers of Commerce and Industry, in which he is stated to have advocated the immediate suspension of forward market operation in groundnut. Unless this was done, he maintained, it would be difficult for the industry to hold the price line. The current artificial spurt in prices of groundnut, even though the new crop had not come to the market. Mr. Swaika added, would make abortive whatever incentive may be given to groundnut oil exporters.

To revert to the market trend. As already pointed out, groundnuts staged a smart rally in the beginning, but gave way subsequently. Apart from reports of revival of rains in producing centres, the enthusiasm of bulls were dampened by rumours of a possible reduction in *vanaspati* prices. In anticipation of further fall in prices, local crushers and *vanaspati* manufacturers chose to wait and watch rather than enter into fresh commitments. The February (1961) contract, which had wound up last week at Rs. 199, spurted to Rs. 205.75 on Thursday 1st September—an unusual increase in the new contract for this time of the year—on account of widespread speculative buying. Thereafter, the contract moved both ways between Rs. 204 and Rs. 205.75, and closed on a subdued note at Rs. 204 today—a gain of Rs. 5 over the week. Nizam Bold moved within a narrow range and closed higher today at Rs. 46.75, as against Rs. 46.50 a week ago. Oil ex-mill rose by 12 nP over the week to Rs. 24.87, after fluctuating between Rs. 24.75 and Rs. 25.12.

Castorseeds suffered a distinct setback towards the close, after ruling firm in the initial sessions in sympathy with the groundnut section. The fear of heavy tenders against the maturing contract acted as a damper as the week drew to a close. Besides, there were rumours of increasing pressure of supplies of Brazilian castor oil in the U.S. The actual overseas business in castor oil put through was also quite limited. Castorseed September 1960, which had finished last week at Rs. 164.75, advanced to Rs. 168.50 on Thursday 1st September, but lost ground subsequently to close today at Rs. 163.87, or 88 nP lower than the last week's level. The May (1961) contract finished today Rs. 2 lower at Rs. 169.87, after touching a high of Rs. 174.62. Oil Commercial rose initially from Rs. 17.94 to Rs. 18.19, but receded later on to close the week at Rs. 17.75.

Steady conditions prevailed in the linseed section in the first half of the week, in sympathy with other seeds and oils. But it encountered selling pressure subsequently. The September contract was particularly weak on considerations of large tenders. The export front continued to display dull conditions, owing to the sizable disparity in Indian and world prices for linseed oil. The September (1960) contract declined by 63 nP to Rs. 31.12, after touching Rs. 32 earlier in the week. The May (1961) contract came down from Rs. 33.12 to Rs. 32.75, but not before touching Rs. 33.44. Linseed bold ready declined by 37 nP to Rs. 31.25. Linseed oil, however, closed 12 nP higher at Rs. 16.06.

Dull conditions were in evidence in the cottonseed section. The September 1960 and February 1961 contracts fell from Rs. 156.50 and Rs. 94.50 to Rs. 153.50 and Rs. 92.75, respectively.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	7-9-1960	30-8-1960	24-8-1960
	Rs.	Rs.	Rs.
Groundnut			
February 1961	204.00	199.00	188.25
Nizam bold	46.75	46.50	45.50
Coromandel ready	46.75	47.75	46.00
Khandesh quality	46.75	47.50	46.00
Oil ex-mill ready*	24.87	24.75	24.00
Railway receipts*	26.62	24.62	23.75
Castorseed			
September 1960	163.87	164.75	163.75
May 1961	169.87	171.87	165.62
Ready Madras	33.12	33.12	33.00
Ready Kanpur	32.00	31.75	31.87
Oil B.S.S.†	18.94	19.12	18.81
Oil commercial†	17.75	17.94	17.69
Linseed			
September 1960	31.12	31.75	31.84
May 1961	32.75	33.12	32.53
Bold ready	31.25	31.62	31.87
Oil ready†	16.06	15.94	16.25
Cottonseed			
September 1960	153.50	156.50	155.00
February 1961	92.75	94.50	90.00
Niger seed	37.75	37.50	37.50
Kardi seed	24.50	24.50	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter. Rates for 1961 delivery contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms.

QUALITY TEAS FETCH MORE

(From Our Own Correspondent)

CALCUTTA, *6th September*

Conditions during yesterday's export sale were fully steady, as buyers paid more attention to quality teas, prices of which rose. Bookings of tea to the United Kingdom registered a further improvement, and the quantity of tea arriving in Calcutta from upcountry also increased. These two factors contributed to better sentiment during yesterday's sales. It is thought that the U.K. has now commenced replenishing of its stocks, depleted considerably during recent weeks, as a result of poor arrivals from India. This inference is also aided by the prevalence of good demand during last week's sales in London, where the quantity on offer was affected by the labour unrest in London docks. The best C.T.C. Assams and second flush Dooars were in the forefront in the London sales, and note was taken here of the good attention received by African teas.

That there is the need for renewed propaganda for Indian tea in the United States is in evidence from an analysis of the export figure for 1959-60. Compared to the previous year, exports, at 23.26 million lbs., fell by 1.16 million lbs.

Following strong demand, prices of dusts during last week's internal sales rose. Dusts on offer amounted to 19,946 packages. A strong feature of the sale was the rise by 30 nP per kg. in the price of poorer C.T.Cs. Another equally strong feature was provided by orthodox exportable teas, prices of which hardened by 25 nP to 40 nP. Although irregular, medium C.T.Cs and liquoring C.T.Cs advanced. Keen attention was paid to legg-cut Dooars, prices of which recorded handsome additions. Darjeelings were the only teas which, contrary to the general trend, were weak. The quotations (including excise duty) per 1 kg. were: best Assam C.T.C. dust Rs. 6.30 to Rs. 6.60, medium Assam C.T.C. dust Rs. 5.80 to Rs. 6.15, medium Assam dust Rs. 4.90 to Rs. 5.40, and medium Dooars Rs. 4.70 to Rs. 5.00.

Leaf on offer amounting to 143 packages was fully steady.

Offerings amounting to 57,885 packages during yesterday's export sale met with good general demand, with buyers following quality. Prices of quality teas registered advances, but those of others gave way. Stylish B.P.Ss provided a strong feature and prices advanced impressively. Keen competition was in evidence for bright liquoring Assam B.O.Ps and O.Fs. Prices for the latter improved and those for the former were fully firm. However, the price of the plainer orthodox Assam B.O.Ps eased up to 50 nP. The poorest C.T.Cs were also a strong feature as the price tended higher. However, medium C.T.Cs met an easier market and subsequently several lots had to be withdrawn. Best C.T.Cs, following quality, were *in good demand*, but others eased up to Re. 1 per 1 kg. Tippy teas were extremely quiet, and Darjeelings met with interest at lower rates. The stylish whole leaf grades eased by 20 nP to 50 nP, and the more ordinary kinds by 10 nP to 15 nP. Legg-cut Dooars were better, as were plain brokens. The quotations per 1 kg. inclusive of excise duty are: best Assam C.T.C. fannings Rs. 9.00 to Rs. 10.00, best Assam C.T.C. B.P. Rs. 9.00 to Rs. 9.50, medium fannings Rs. 5.20 to Rs. 5.50, clean black pekoe Rs. 5.20 to Rs. 5.50, medium B.P. Rs. 4.90 to Rs. 4.30, plain fannings Rs. 4.35 to Rs. 4.75, and plain B.P. Rs. 4.30 to Rs. 4.45.

Export quota was quoted ½ nP per 1 kg. However, buyers offered only ¼ nP, and no business was reported.

DUST TEA HARDENS

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

COCHIN, *1st September*

Dust Sale 'FF':—A total of 284,000 kilograms was offered in Dust Sale 'FF' held on Thursday, 1st September 1960. The market met with a strong general demand and prices were generally dearer for all descriptions. Plainer and low mediums met with good support and advanced by 10 nP to 20 nP with improved colour. mediums meeting stronger enquiry were fully dearer by 20 nP and in some cases more. High-growns were well supported and were irregularly dearer following quality. There was keen competition for residual grades which were also 10 nP to 20 nP dearer. There was improved demand for C.T.C. and legg-cut types which are quoted firm to dearer. Black grainy descriptions also shared in upward trend of the market.

The average price realised in Dust Sale 'FF' was Rs. 4.21 per kilo, as compared with Rs. 3.98 in the previous sale and Rs. 3.83 in the corresponding sale of 1959.

Export Quota:—At present there are sellers at ¼ nP with probable buyers at this price.

Colombo:—6½ million lbs. were offered this week. The market met with a good general demand, but buyers followed quality closely. Dimbula and Dickoya brokens were irregularly easier, whilst medium teas declined by 5 cents to 10 cents per lb. There was a strong demand for low-grown teas, although these sold at easier rates.

London:—North Indian and other growths:—The market met a very strong demand on Monday and prices were dearer for all descriptions. Buyers showed keen interest for the very best teas which sold well at dearer rates.

Ceylon and South Indians:—On Tuesday, 25,648 packages were offered of which 8,422 came from South India. The market continued strong and prices were generally dearer.

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

"*Sale* 34:—780,000 kilograms. Very strong active market. Low medium and medium upto 20 nP dearer. Good medium advanced irregularly 10 nP. Best liquoring irregular following quality."

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, *6th September*

Fully steady conditions were in evidence in both the jute goods and fibre markets during the week under review, and prices added further gains. The fall in the arrival of the new crop was the main bullish factor for the rise. The quality of the new arrivals had been far from satisfactory, in view of the higher moisture content and the inadvisability of their storage for future use. The demand for fibre has reached a high proportion. The position of several mills has reached a hand-to-mouth position, and hence it is not surprising that whatever jute is offering in whatever condition is meeting with ready buyers. As a result, proper attention is not being paid for drying after retting. A redeeming feature, however, is that reports from growing areas indicated the satisfactory progress of harvesting, and the hope that, in view of the cash needs of growers for the forthcoming *Poojas* there would be good releases of the crop in the coming weeks was expressed by trade circles here. The report that more rains were required and that the level of seeping water in tanks and canals was not encouraging was ignored here, as it was believed that these rumours had originated from interested quarters with a view to pushing up prices. Rains during the week were again heavy, and there were plenty of breaks with bright sunshine.

Another bullish factor which pushed up prices of goods was the keen demand in the futures market. Prices of hessian reached a high level following purchases on behalf of the United States earlier in the week. U.S. buying had aggregated 5 million yards. Sacking was being sent to other regions of the country *via* coastal shipping, in view of the major railway break in Orissa. Australia was among the other major supporters of heavy goods. Recent reports, based on the low burlap consumption in the U.S.A. in July, apprehending that substitutes were gaining in popularity among consumers at the cost of hessian were not considered significant, as New York values were steady during the week. There was no doubt reluctance among primary consumers to

(*Continued on page 491*)

INDIAN MERCANTILE INSURANCE CO., LTD.

MR. K. M. D. THACKERSEY'S SPEECH

THE undesirable practice of rebating, heavy procuration costs, etc., disquieting effect of the reduction in fire rates, hardship caused by double taxation of pool business, increase in cost of repairs and rising number of claims preferred for large amounts for comparatively small damage, and difficulty in complying with the provisions of Section 40C and Rule 17E of the Insurance Act 1939 in view of the rising expenses and the consequent increase in expense ratio—all these problems confronting insurers received the attention of Mr. Krishnaraj M. D. Thackersey, Chairman of the Indian Mercantile Insurance Company Limited, when he addressed the Fifty-second Annual General Meeting of the shareholders of the Company held at Bombay on Tuesday, 6th September 1960. Mr. Krishnaraj urged that, if the insurance industry was to retain its good name and play the role assigned to it in the economy of the country, it must reorient its approach, in order to devise a well-planned and co-ordinated effort "suitable to the genius of the people." The following are extracts from his speech at the meeting:

"I have great pleasure in welcoming you to this fifty-second annual general meeting of our Company. Before I proceed to comment on individual departmental accounts, I take this opportunity to make some general observations about some problems which the insurance industry is facing today.

Code of Conduct

"The voluntary effort, namely, the revised Code of Conduct which came into operation sometime in 1957, though it appears to have made certain improvements in the prevalent conditions in the market, has not achieved the desired results, with the result that the insurance industry still continues to face the thorny problems of undesirable practice of rebating, heavy procuration costs, etc. The time has come, if the insurance industry is to retain its good name and play the role which is legitimately assigned to it in the economy of the country, for a reorientation in its approach in order to devise a well-planned and co-ordinated effort suitable to the genius of the people avoiding pitfalls. To continue to drift by maintaining a *status quo* cannot augur well. The administrative machinery also needs to be considerably strengthened and associated with the trade to ensure smooth and effective working.

Fire Insurance Rates

"You will recollect that, last year, I had referred to the move on the part of the Government of India for a reduction in our fire rates. The said reduction has been implemented with effect from 1st January 1960 and, though it is stated that the overall reduction in rates will amount to about 10 per cent., in some areas it is actually more. This is a second reduction in fire rates made during the last five years and it has been brought about with a view to curbing the practice of unhealthy competition among insurers. Having regard to the past experience, one may not be quite certain about achieving the desired result. However, the repercussions of the said reduction are likely to be of a far-reaching character when it is known that the profits of this section has been a stabilising factor for the working of companies in India and the business of other motor and marine sections have been generally unprofitable.

Indian Insurance Companies' Association Pool

"Hitherto after nationalisation of 'Life' business, all Government business was distributed at 50 per cent. among insurance companies on an agreed basis via Indian Insurance Companies' Association Pool. With the beginning of the financial year, the Government have decided to reduce the share of non-Governmental companies to 25 per cent. The same has been the case in so far as the Aviation Pool business is concerned. This development has been very much disturbing to the insurers in the private sector as they have been given a very raw deal, even though the formation and stabilisation of the Pool have been largely the outcome of their efforts. Another disturbing factor about this Pool business is the taxation liability of the said business, as it is reported that the business of the Pool is liable to tax over a number of past many years, in spite of the fact that each of the individual participants in the Pool business has paid tax on his share of business. I am sure that this problem will be examined properly by the management of the Pool and effective steps will be taken in right earnest to mitigate the hardship which will be caused by double taxation of the Pool business.

"Another problem facing the insurance industry is the steady increase in cost of repairs and increasing number of claims preferred for large amounts for comparatively small damage to the person or the property of third parties. This situation is further aggravated by allowing, by and large, the applications for such claims *informa pauperis* and generally ignoring the limitation period provided under the rules. How far the stepping up of rates in premium can render substantial help to stabilise the working of this particular department is problematic. Further, if this tendency to prefer claims for highly inflated amounts is to be arrested to some extent, it is very necessary that *forma pauperis* applications are dealt with in a manner so as to restrict the claims preferred to reasonable amounts. This could also be achieved by enacting a suitable legislation on the lines of the Workmen's Compensation Act or, alternatively, by fixing maximum amounts payable for different types of injury.

Formula for Expenses of Management

"The compliance with the provisions of Section 40C and Rule 17E of the Insurance Rules 1939 by the insurers is increasingly becoming difficult, in view of the rising expenses and the consequent increase in expense ratios. The Blue Book points out that the number of companies which are unable to keep their management expenses within the prescribed limits under Rule 17E of the Insurance Rules 1939 is on the increase. These limits for expenses were determined and fixed as far back as 1950. It is a well-known fact that, since 1950, every item constituting management expenses has gone up and these expenses now embrace expenses like bonus and gratuity which have come to stay and were not visualised when the expenses of management formula was devised in 1950. These socio-economic development expenses, together with rising cost of expenses of management as contemplated under the Insurance Act, will virtually create a situation when there will hardly be left any insurer who will be complying with the provisions of Section 40C. It is a moot point as to how far such a situation can be looked upon with equanimity and, therefore, it is all the more necessary to revise the prescribed limits for expenses of management. In this connection, I hope that the recommendations of the Indian Insurance Association and Executive Committee of the General Insurance Council will receive the sympathetic consideration by the Department of Insurance and steps will be taken to bring about a revision in the prescribed limits for expenses of management to suit realistic conditions as they obtain now.

"I shall now come to the review of our operations during the year. As a result of our operations during the year under review, our consolidated Indian gross and net premium income amounted to Rs. 31.19 lakhs and Rs. 36.07 lakhs, respectively, as compared with Rs. 29.73 lakhs and Rs. 30.91 lakhs, respectively, in the previous year. Our total gross premium for the year amount to Rs. 33.80 lakhs. Thus, our both gross and net premium incomes have registered an increase over last year. As a result of increase in our net premium income, we have transferred a sum of Rs. 3,02,251 to the departmental reserves and, consequently, our profits amount to Rs. 4,05,098.

"On the disbursement side of the year's premium income, claims absorb 47.4 per cent., as against 39.9 per cent. last year. The commission and expenses of management account for 38.9 per cent., as against 44.9 per cent. last year. Further, there has been a strain on the departmental reserves to the tune of 8.4 per cent. Thus, there has been an increase of 7.5 per cent. in the claims cost and decrease of 6 per cent. in the commission and expenses of management. Consolidated departmental profits, inclusive of interest on reserves for unexpired risks in the departments, amounted to Rs. 2,20,573, as against Rs. 2,54,509 last year.

"As a result of the year's operations, the total funds of the Company now stand at Rs. 62,81,470. The total assets exceed Rs. 88 lakhs.

"The Directors recommended payment of the dividend at Rs. 5.35 per share less deduction of tax, amounting to Rs. 2,26,640."

Note.—*This does not purport to be a report of the proceedings of the Annual General Meeting.*

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 2nd Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		40,00,00,000
National Agricultural Credit (Stabilisation) Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		52,20,46,000
(2) Other Governments		46,68,44,000
(b) Banks		110,49,28,000
(c) Others		101,72,71,000
Bills Payable		18,68,41,000
Other Liabilities		13,42,56,000
	Rupees	473,82,96,000

ASSETS	Rs.	Rs.
Notes		8,51,46,000
Rupee Coin		2,00,000
Subsidiary Coin		5,71,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		5,81,73,000
Balances held abroad*		20,34,27,000
Loans and Advances to Governments†		28,60,14,000
Other Loans and Advances		150,97,11,000
Investments		247,03,21,000
Other Assets		11,86,33,000
	Rupees	473,82,96,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 10,10,30,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,51,46,000	
Notes in circulation	1795,33,22,000	
Total Notes issued	....	1803,84,68,000
Total Liabilities	....	1803,84,68,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		131,42,00,000
Government of India Rupee Securities		1431,65,76,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1803,84,68,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	26th August 1960	19th August 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1776.59	1796.39	1794.00	1650.21
Notes held in Banking Department	35.05	27.99	21.98	34.41	38.52
Foreign Securities	59.50	123.01	123.01	128.01	163.01
Rupee Securities	87.39	1431.65	1446.65	1451.57	1271.19
Banking Department					
Deposits of:					
Government of India	14.39	62.67	65.73	67.05	63.49
Other Governments	..	28.46	29.51	22.62	33.78
Balances held abroad	10.06	23.52	21.74	25.22	20.26
SCHEDULED BANKS					
Demand Liabilities	134.36	801.55 (20.98)†	794.60 (21.79)†	798.86 (23.93)†	746.84 (23.14)†
Time Liabilities	102.24	1212.09 (26.66)†	1215.39 (27.46)†	1215.94 (27.72)†	1099.58 (26.48)†
Borrowings from Reserve Bank	..	17.05 (7.25)‡	25.01 (10.85)‡	24.64 (9.12)‡	2.96 (0.15)‡
Borrowings from State Bank	..	12.22	9.72	12.41	4.01
Cash in India	6.70	45.50	46.93	44.42	43.44
Balances with Reserve Bank	25.17	110.62	113.38	119.13	81.50
Balances with other banks in current account in India	..	17.09	16.41	16.49	14.44
Money at call and short notice in India	..	35.12	37.14	40.02	34.74
Investments (at book value)	..	744.93	729.64	724.06	735 90
Advances and bills	106.9	1103.64	1111.04	1121.64	937.11
STATE BANK					
Deposits	37.76	608.98	606.20	610.91	562.91
Investments	51.99	397.14	382.02	373.81	365 47
Advances	30.35	199.49	201.27	208.42	166 33
Cash	14.69	22.94	31.66	36.92	37.11

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	8.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	2.50	2.26
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	16th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland,	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6.50
Portural	19th Jan., 1944	..	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug, 1960	3.50	4
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 2nd Sept. 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL:—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		609,86,35,000
Borrowings from Other Banking Companies, Agents, etc.		14,25,000
Bills Payable		9,51,01,000
Bills for Collection being Bills receivable as per contra		2,50,12,000
Acceptances, Endorsements and Other Obligations per contra		1,82,62,000
Other Liabilities (including Inter-Office Adjustments)		28,81,61,000
Total	Rs.	665,60,57,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,47,46,000
Balances with other Banks		2,70,27,000
Money at Call and Short Notice		1,33,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	385,46,33,000	
Other Authorised Investments	9,87,03,000	
		395,33,36,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	202,10,33,000	
Bills Discounted and Purchased	11,87,43,000	
		213,97,76,000
Bills Receivable being Bills for Collection as per contra		2,50,12,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,82,62,000
Premises less Depreciation		1,26,02 000
Furniture and Fixtures less Depreciation		1,29,84,000
Other Assets (including Inter-Office Adjustments)		20,80,79,000
Total	Rs.	665,60,57,000

Scheduled Banks*

Statement of Affairs for the week ended 26th August 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank		20,97,73,000
(ii) Other demand liabilities		780,56,87,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank		26,66,18,000
(ii) Other time liabilities		11,85,42,45,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		10,03,84,000
(ii) Time liabilities		2,18,50,000
Borrowings in India from the Reserve Bank of India†		17,05,10,000
Cash in India		(7,25,30,000)
Balances with the Reserve Bank in India		45,49,53,000
Balances with other banks in current account in India		110,62 27,000
Money at call and short notice in India		17,08,54,000
Investments(at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		35,12,15,000
Advances in India		744,93,23,000
Inland Bills, purchased and discounted in India		955,22,72,000
Foreign Bills, purchased and discounted in India		100,24,01,000
		48,77,08,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
14th June	2.00	2.00	2.00	2.745	99 310
15th to 18th June*	0.07	—	0.07	—	99 326
21st June	2.00	2.02	2.00	2.745	99 315
22nd to 25th June*	0.07	—	0.07	—	99 326
28th June	2.00	2.00	2.00	2.745	99 310
6th July	2.00	2.00	2.00	2.745	99 310
12th July	2.00	2.02	2.00	2.745	99 325
26th July	2.00	2.00	2.00	2.745	99 310
2nd August	2.00	2.26	2.00	2.737	99 310
3rd to 6th Aug.*	0.16	—	0.16	—	99 322
9th August	2.00	2.00	2.00	2.745	99 310
10th to 13th Aug.*	1.10	—	1.10	—	99 326
16th August	2.00	2.00	2.00	2.540	99 365
17th to 20th Aug.*	0.25	—	0.25	—	99 381
23rd August	2.00	2.00	2.00	2.540	99 365
24th to 27th Aug.*	0.01	—	0.01	—	99 381
6th Sept., 1960	2.00	2.00	2.00	2.540	99 365
Total amount outstanding	23.66	..	23 66	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 26th August 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		4,15,00,000
Deposits:—		
(a) Central Government		20,31,11,000
(b) Provincial Governments		5,75,17,000
(c) Banks		17,18,90,000
(d) Others		95,22,63,000
Bills Payable		17,21,000
Other Liabilities		9,35,00,000
	Rupees	155,15,62,000

ASSETS	Rs.	Rs.
Notes		14,23,65,000
Rupee Coin		46,000
Subsidiary Coin		48,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		....
Balances held outside Pakistan*		25,15,75,000
Loans and Advances to Governments		5,04,00,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		9,38,22,000
Investments		92,60,76,000
Other Assets		8,72,39,000
	Rupees	155,15,62,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,23,65,000	
Notes in circulation	$40,95,95,000	
Total Notes issued	....	355,19,60,000$
Total Liabilities	....	355,19,60,000$

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	73,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		140,74,49,000
B. Rupee Coin	5,26,39,000	
Government of Pakistan Securities	203,28,66,000	
Internal bills of exchange and other commercial paper	....	
		208,55,05,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	355,19,60,000$

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 41.20 per cent.

EXCHANGE RATES

	2nd September 1960	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T. T. D.D. upto six months	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D. Rs.	476.25	476.50
Buyers T.T. Rs.	473.00	473.25
London on New York	2.8111-2.8113	2.8110-2.8112
London on Paris Fcs.	11.77½-11.77¾	13.77½-13.77¾
London on Berne Sw. Fcs.	12.1150-12.1170	12.1140-12.1160
New York on London	281.100-281.130	281.120-281.150

CLEARING HOUSE RETURNS

Centre	Week ended 2nd Sept., 1960 Number of Cheques	Amount Rs.	Week ended 26th August 1960 Number of Cheques	Amount Rs.
Bombay	3,58,000	98,31,00,000	3,14,328	67,45,28,000
Calcutta	1,84,000	95,55,00,000	1,81,000	76,92,00,000
Madras	1,03,000	16,69,00,000	75,913	10,06,77,159
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
April 1960	..	..	4,636,000	10,42,01,00,000
May "	..	..	4,688,000	10,19,66,00,000
June "	..	..	4,227,000	9,56,02,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	20th Aug. 1960	13th Aug. 1960	22nd Aug. 1959	July 1960	July 1959	Percentage of Increase (+) or Decrease(—) in June 1960 as compared with July, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	122.4	124.8	121.2	124.0	121.0	+ 2.5	119.8	118.2
Cereals	192	108.6	109 3	108.4	109 5	107 0	+ 2.3	104.1	106.8
Pulses	43	93 1	93 9R	92.0	94.9	95.7	— 0.8	93.6	103.9
Fruits and Vegetables	23	134 5	135 1R	158.0	126 8	140 5	— 9.8	127.8	117.0R
Milk and Ghee	44	113 6	122.6	111 2	121 5	117 6	+ 3.3	113.8	107.3
Edible Oils	47	146 6	148 8	125 7	147.3	131.3	+12.2	130.4	124.8
Fish, Eggs and Meat	17	126 9	124 7	120 6	127.4	114.7	+ 4.6	127.9	151.3
Sugar and *Gur*	48	139 2	139 0	147 5	140.0	146.5	+11.1	112.0	108.4R
Others	4	168 1	170 9R	165 6	168 8	161 3	+ 4.6	167.9	127.3
Liquor and Tobacco	21	104.7	98 6	109 6	98.8	94.8	+10.8	99.5	95.4
Tobacco	..	103 3	107 2	97.0	108 1	97 1	+11.1	97 0	93.8
Fuel, Power, Light and Lubricants	39	118.1	118 0	116 4	118 3	115.6	+ 2.3	116 5	115 4
Industrial Raw Materials	185	136.8	136 9R	119 8	137.2	120.2	+14.1	123.7	115 6
Fibres	61	133 1	133 4R	110 5	130.4	109 8	+19.0	113.3	108.0
Oilseeds	60	145 4	147 1	131 7	150 9	135 3	+11.5	134.6	127.0
Minerals	2	98 2	98 2	98 2*	98 2	98 2	—	97 8	106 0
Others	32	125 3*	126 6*	116 8*	126 6	113 6	+11.4	121.6	109 2
Manufactures	290	122.4	122 0	109 8	121.0	109.2	+10.8	111 6	108.4R
Intermediate Products	41	130.0	129.9	109 6	130.4	108.5	+20.2	111 6	108 1
Finished Products	249	121.1	120 7	109 8	119.4	109.3	+ 9.2	111 3	108 1R
Textiles	147	123 6	123 0	105 6	120.4	104.5	+15.6	107.8	103.3R
Cotton	..	131 6*	130.6*	113 5*	130.0	113 3	+14.7	116.9*	117.8R
Jute	..	114 7	114 1	91.8	106.8	87 7	+21.8	96.6	86.5
Woollen	..	110 1*	110 1*	104 2*	110 1	104.2	+ 5.7	104 2	105.9
Silk and Rayon	..	101 2*	102 7*	92 3*	102 7	92 3	+10.7	96 4	93.2
Metal Products	12	146 8	146 8	143 3	146.8	143.3	+ 2.4	144.4	143 1
Chemicals	20	103 3	103 1	107 3	102.7	106.7	— 3.7	106.9	106.8
Oil Cakes	10	137.1*	137 1*	140 3	139.1	145 3	— 4.3	143.8	136 0
Machinery and Transport Equipment	31	111 1	111 1	105 8*	111 0	105 9	+ 4.8	106.2	103.9R
Others	30	116.0	116.0	113.6	115.8	113.6	+ 1.9	113.4	113.7
All Commodities	1,100	124.0	125.2	117.0	124.7	116.8	+ 6.8	117.1	112.9

Note:—Weightages against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. *Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25 046	24,895	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses‡	first	11,071	10,000	....	2,178†
Total pulses	final	58,035	56,483	....	12,289
Total foodgrains		276,415	276,953	....	74,920
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	4th	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	first	708	642	....	2,319†
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	28
Chillies (Dry)	final	1,499	1,477	339	326
Tobacco	final	884	834	....	263†

Source: Ministry of Food and Agriculture. § Excluding Tur. * In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. A.—In thousand bales of 400 lbs. each. R.=Revised. †Final estimate of 1958-59.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Five months ended May 1959	1960
Exports	570,56	615,78	221,78	247.23
Re-exports	8,40	6,96	1,23	5,15
Total Exports	578,96	622,74	223,01	252,38
Imports	864,18	887,38	341,34	374,19
Overall Balance of Trade	—285,22	—264,64	—118,33	—121,81
Exports—				
Tea	136,54	126,39	30,15	30,52
Jute yarns and manufactures	103,82	110,75	22,36	54,48
Cotton yarns and manufactures	52,63	66,14	41,75	26,52
Metallic ores and metal scrap	30.35	34,42	14,44	17,93
Cotton, raw and waste	21,20	10,37	7,25	4,71
Oils—vegetable, mineral and animal	12,35	17,96	4,84	7,35
Fruits and vegetables	21,16	21,08	9,04	10,46
Tobacco	16,29	13,91	9,80	11,37
Mica	9,34	10,31	4,22	3,61
Wool and other animal hair	9,35	12,22	4,66	4,55
Gums, resins and lac	7,16	7,95	3,28	3,89
Spices	8,83	10,17	3,31	9,07
Hides and skins, raw	7,35	10,95	4,44	5,80
Imports—				
Machinery of all kinds	188,92	196,21	77,89	91,02
Iron and Steel	97,80	84,01	37,58	38,34
Oils—vegetable, mineral and animal	80,23	82,62	24,91	37,34
Chemicals, drugs and medicines	65,28	85,20	34,43	34,86
Electrical goods and apparatus	49,04	50,01	19,79	21,85
Vehicles (excluding aircraft, ships and boats)	52,53	60.10	28,88	20,69
Cotton, raw and waste	30,66	34,76	14,77	28,87
Fruits and vegetables	17 43	16,52	6,10	5,93
Paper, pasteboard, etc.	8,26	9,67	3,24	4,25
Dyes and colours	8,76	9,54	3,54	4,53
Spices	2,84	2,52	99	88
Woollen and worsted fabrics	30	23	8	14
Cotton fabrics	1,05	1,19	54	37

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During July 1960	86 8
	Corresponding month, 1959	69 6
	Twelve months ended June 1960	1,074 2
	Corresponding period, 1959	1,040 5
Stocks	As the end of July 1960	87 6
	Corresponding month, 1959	92 8
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	1958-59	854 9
	July-May, 1959	784.6
	July-May, 1960	763 0
	May, 1959	72 8
	May, 1960	65 5
For Internal Consumption	1958-59	229 0
	July-May, 1959	203 7
	July-May, 1960	229.6
	May, 1959	19 6
	May, 1960	19.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	July 1960	503
	Corresponding month, 1959	530
	Twelve months ended June 1960	6,282
	Corresponding period, 1959	6,014
	1957-58	6,134
	1958-59	6,014
	1959-60	6,282

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1955-56	715	8,866.8	7,186 8
1956-57	769	9,877.8	8,013 1
1957-58	834	11,176.9	10,360 7
1958-59	841	12,837 0	11,892 0
1959-60	850	15,029 2	12,130.8
January 1959	811	1,156 2	930 2
February "	811	1,074 0	888 5
March "	813	1,171 1	927 4
April "	813	1,177.1	954 9
May "	813	1,241 6	999 4
June "	813	1,201 5	969 3
January 1960	815	1,207 4	1,055 5
February "	850	1,262 1	1,022 5
March "	850	1,324 4	1,071 0
April "	850	1,325 3	1,081.7

* Exceeding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. † Including purchases from non-electric utilities. ‡At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	30	389	52	160
1957-58	14,314	2,389	1,229	214	105	52	219	25	213	503	39	476	47	194
1958-59	14,366	2,655	1,206	206	92	36	221	23	184	483	36	514	45	113
1959-60	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	43	94
February "	13,018	2,431	1,184	186	80	33	201	21	169	433	34	466	45	108
March "	14,365	5	1,296	206	92	36	221	23	184	483	36	514	48	113
April "	1,289	218	122	23	13	3	18	2	17	48	5	41	1	13
May "	2,534	422	262	43	24	6	33	4	33	96	6	83	3	26
June "	3,723	618	386	59	32	9	45	6	48	142	11	122	7	38
July "	4,935	842	500	72	37	11	58	8	65	186	16	165	12	48
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February "	13,847	2,399	1,226	182	77	32	208	22	169	522	72	471	43	119
March "	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131
April "	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11
May "	2,640	443	254	39	14	5	22	3	31	105	19	87	3	23

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

INDUSTRIAL PRODUCTION

Industries.		1958	1959*	November 1959	December 1959	January* 1960	February* 1960	February 1959
Major Industries—								
Coal	million tons	45 34	47.03	3.79 K	4.30	4.12	4.30	3 94
Steel (Ingots and Metal for castings)	thousand tons	1,813	2,433	232	250	260	246	182
Yarn	million lbs.	1,685	1,723	141	155	144	139	137
Cloth	million yds.	4,927	4,925	391	435	418	403	392
Cement	million tons	6 07	6 82	0.60	0 67	0.65	0 59	0 50
Jute	thousand tons	1,060	1,051	88	94	88 K	87 K	84
Paper and paper boards	thousand tons	253	294	28	30	28	28	22
Matches§	thousand cases	626	648	58	59	53	56	47
Sugar	thousand tons	1,957	2,083	179	431	498	474	411
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	376	433	40	44	51		37
Electric lamps	millions	30 47	34 84	2 93	3 20	2 88	3 20	2 71
Dry cells	millions	168 24	187 3	18 21	19 37	16 02	16 58	14 94
Power transformers	k.v.a.	1,126,800	1,000,800	79,300	101,900	88,500	—	86,100
Electric Motors	h.p.	624,000	573,800	43,800	52,000	45,900	—	50,000
Electric fans	Nos.	667,000	727 200	67,000	71,200	58,900	—	51,100
Radio receivers	Nos.	198,108	214,920	20,141	21,878	15,300	—	15,474
Storage batteries	Nos.	355,200	442,800	35,000	41,700	39,100	—	32,500
Copper conductors	tons	7,488	6,768 K	575 K

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 27th Aug. 1960	20th Aug. 1960	30th July 1960	29th August 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101 2	101 2	101 2	101 3
2. Government of India	101 0	101 0	101 0	101 0
3. State Government	102 7	102 7	102 7	102 6
4. Municipal, Port Trust, etc.	100.0	100.0	100 0	99.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 8	100.9	101.0	102.1
PREFERENCE SHARES—ALL INDIA.				
6. Total	86.9	87.0	86.8	93.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	179.1	179.3	181.6	154.2
8. *Agriculture and Allied Activities; Total**	175 1	176 5	180 6	159 6
9. Tea Plantations	169 0	170 4	173 6	154 9
10. Coffee Plantations	213 7	215 0	217 9	196 8
11. Rubber Plantations	177 8	181 4	183 8	160 4
12. *Mining and Quarrying; Total*	157 8	158 8	159 0	147 1
13. Coal	123 7	124 2	122 6	115 3
14. Other Mining	181 2	182.6	184 8	168 9
15. *Processing and Manufacturing: Total*	193 9	194.1	196.7	159.3
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	194 8	195 0	198 1	149 6
17. Sugar	194 4	192 5	195 2	178 3
18. Cotton Textiles	160 8	160 7	163 4	124 9
19. Jute Textiles	96 1	97 9	94 2	99 5
20. Silk and Woollen	1099 8	1107.4	1140 3	650.0
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	205 0	204 9	207 0	173 3
22. Iron and Steel	168 8	167 3	165 1	154 2
23. Transport Equipment	430 6	431.3	443.0	280 6
24. Electrical Machinery	143.1	143 9	143.8	133.2
25. Machinery other than Transport and Electrical	218 3	220.1	229 1	192 7
26. Basic Industrial Chemicals	225 7	223.5	225 6	160 9
27. *Processing and Mfg. (Others): Total**	171 0	171 3	173 4	153 3
28. Cement	148 6	149 1	150 2	136 6
29. Paper	235 9	235 5	236 4	212 6
30. *Other Industries: Total**	112 9	113 3	114 6	117.7
31. Electricity Generation and Supply	82 6	83.5	83 1	93 0
32. Trading	120 8	122 4	130 0	102 4
33. Shipping and Other Transport	108 9	109 8	111.7	127 9
34. Construction	339 8	334.7	342 1	306 5
35. *Financial: Total*	178 7	178 7	178 5	171 8
36. Banks	195 7	196 6	194 8	187 2
37. Insurance	146.3	148 5	154.1	145 0
38. Investment Trusts	91.4	92.7	94.0	99.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	185 3	184 6	187 6	157 3
40. Calcutta	163 6	164.3	165 9	147 3
41. Madras	196 4	196 6	196 6	168 5
42. Delhi	238.4	240.9	244.3	184.8

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,106,300	786,900
Do 31st March, 1959	1,137,500	1,149 900	884 700
Do 31st March, 1960	1,568,400	1,533,700	1,215,100
May 1959	128,800	116,400	91,400
June "	115,700	114,300	88,100
July "	125,000	121,000	98,500
August "	128,700	125,500	97,100
May 1960	122,300	120,500	93,900
June "	120 200	121,700	92,700
July "	105,700	119.800	98,000
August "	131,300K	131,900K	102,400K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,058,612	827,072	660,695
May 1959	94,105	57,493	49,470
June "	78,795	62,510	49,996
July "	97,082	71,441	55,903
August "	94,830	68,644	57,558
May 1960	83,903	71,579	56,408
June "	80,127	69,140	53,737
July "	72,502K	62,962K	40,897K
August "	100,162K	79,258K	60,809K

K—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total or Average Number of workers involved	Number of man-days lost
1957*	1,630	680,171	6,429,519
1958*	1,524	928,586	7,797,585
1959*	1,523	692,514	5,605,079
Jan 1959	171	66,752(168)	320 358(163)
Feb. "	93	33,990(66)	271,125(66)
March "	166	67,563(156)	556,089(155)
April "	175	50,509	507,571
May "	131	53,755(127)	354,517(127)
Jan. 1960	141	73,891(135)	623,077(134)
Feb. "	133	62,076(123)	412,797(123)
March "	125	47,700(114)	470,258(114)
April "	92	37,770(85)	331,511(85)
May "	127	37,675(115)	414,789(115)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.
* Figures relate to all States and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'58-60	403.64	..	11,750	291 3
Pakistan	'58-'59	86.80	..	2,084	240
Burma	1958	20.02	Kyats 4,344	436	216
Ceylon	1957	9.1	..	507	557
Japan	1957	90 90	Y. 6,252,000	10,915	1,200
Philippines	1958	23.1	Ps. 9,232	2,209	956
New Zealand	1958	2 28	£(N.Z.) 962	1,069	4,688
Australia	1958	9 80	£(A.) 4,625	4,920	5,021
U.K.	1958	51 60	£ 18 230	24,310	4,711
U.S.A.	1958	177 1	$ 403 900	193,064	10,901
Canada	1958	17 60	$ 24,660	12,091	7,112
France	1958	44 05	F. Fr. 17,910,000	17,470	3,928
W. Germany	1958	52 1	Dm. 176,400	20,050	3,848
Italy	1958	48 07	Lr. 13,126,000	10,120	2,078
Norway	1957	3 63	Kr. 23,290	1,560	4,470
Sweden	1958	7 40	Kr. 54,910	5,084	6,870
Netherlands	1958	11 10	Grs. 80,180	3,820	3,440
Denmark	1958	4 50	Kr. 28,350	1,960	4,355
Switzerland	1958	5.10	Sw. Fr. 28,300	3,130	6 137

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year excluding net income from abroad.
Source: *International Financial Statistics*, February 1960.
† Provisional—Based on "quick" estimates (at 1948-49 prices); prepared by the Central Statistical Organisation.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base July (1927=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	259	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	275	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	244	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	217	246	78	96	321	99	99	83	87	98	88	105
1956 "	105	353	244	316	89	105	347	111	107	95	96	106	108	114
1957 "	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 "	116	395	274	313	98	120	384	124	113	103	103	123	109	131
1959 "	121	412	309	340	98	132	384	133	120	100	98	125	108	144
March 1959	117	401	290	326	99	129	364	127	126	105	95	121	105	135
April "	117	400	296	313	95	130	364	128	119	101	95	121	104	137
May "	119	406	307	328	95	131	371	131	116	103	96	125	104	138
June "	122	413	309	337	97	132	385	134	117	104	99	130	108	140
July "	124	418	315	345	97	133	390	134	117	105	98	129	110	141
January 1960	122	422	304	360	96	135	385	137	121	107	99	120	111	144
February "	122	418	294	355	98	136	389	139	122	107	97	121	109	144
March "	121	414	287	339	97	135	392	138	119	104	100	122	109	145
April "	122	421	288	346	97	136	392	138	117	104	103	117	109	145
May "	123	421	..	344	96	135	396	140	116	104	105	117	109	145
June "	123	422	..	360	..	..	399	..	117	107	..	119†	109	..
July "	..	423	..	362	..	..	..	..	..	..	..	..	..	..

* Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits		National Savings Certificates			12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits		10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates				15-Year Annuity Certificates G		Totals	
			5-Year A	7-Year B	12-Year B							3½% F		4% C					
	5 Year	10 Year	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	71,43	176,97	196,50	25,38	—38,82	44,29					43	1,32	225,88	449,17
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—39,73	43,58	588	547	63	1,87	264,32	500,77
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40 67	42,57	635	11,68	67	2,41	286 28	590,58
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,99
January 1959	1	..	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40.52	42,70	57	10,60	5	2,32	24,07	554,17
February "	2	1	1,78	3,87	120,95	9 64	144,32	14,93	219,39	21,58	—40.60	42,60	58	11,14	5	2,36	25,22	559,41
March "	3	2	1,73	3,79	119,11	11,66	152,48	22,29	226,92	21,01	—40.69	42,57	65	11,68	6	2,41	24,68	581,79
April "	5	3	1,70	3,72	117,25	6,36	157,31	16,39	226,90	20,88	—40.74	42,49	63	12,26	11	2,50	23,52	585,99
May "	7	4	1,68	3,65	115,89	5,71	162,02	15,68	224,33	20,76	—40,80	42,39	61	12,79	5	2,54	21,98	583,46
June "	9	5	1,65	3,59	114,16	6,03	167,24	15,89	224,23	20,61	—40.86	42,33	42	13,19	3	2,59	22,40	589,70
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19 96	—41.28	41,84	1,13	19,77	5	2,81	23,59	630,20
February "	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234 25	19,87	—41.28	41,75	1,05	20,79	6	2,86	25,71	636,66
March "	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41.29	41,68	96	21,76	6	2,90	43,47	667,36
April "	57	34	1,51	3,11	97,35	6,47	226,14	17,37	253,58	19,68	—41.35	41,58	1,03	23,16	9	2,98	26,16	670,00
May "	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	—41.41	41,50	1,06	24,19	5	3,01	24,57	672,53
June	..	..	..	..	..	..	..	..	..	..	..	41,41	84	25,05	5	3,04	..	..	..

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstandings in respect of items in column 11 marked 'E' are not included.
N.B.—Cumulative Time Deposits commenced from 2nd January, 1959

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bond	1928-33	63,30,26,000	1960-70	100.10
3 % Loan	1938-39	116,17,46,000	1963-65	98.05
2½% Loan	1950	30,33,10,000	1964	98.00
3 % Fg. Loan	1942	1,10,11,78,000	1966-68	95 90
3 % Dev Loan	1945	1,15,05,83,000	1970-75	90 95
2½% Loan	1946	57,00,69,000	1961	98.55
2½% Loan	1946	14,77,48,000	1976	83 50
2½% Loan	1946	76,86,72,000	1962	98.05
3½% N. P. Bonds	1953	75,29,00,000	1961	100 05
3½% N. P. Loan	1954	1,58,17,95,000	1964	99.90
3½% N. P. Bonds (2nd S ries)	1955	1,03,67,92,000	1965	99 75
3½% Loan	1956	87,27,36,000	1962	99 70
3½% N. P. Bonds	1956	63,81,83,000	1967	99 45
3½% Loan	1956	66,63,53,000	1974	99.65
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100 85
4 % Loan	1957	49,17,27,000	1972	101 25
3½% Loan	1958	58,55,92,000	1963	99 95
3½% Loan	1958	30,00,00,000	1968	99.40
3½% Loan N.P.B.	1958	34,33,90,000	1968	100 65
3½% Loan	1958	49,51,44,000	1973	101 15
3½% Loan	1959	1,02,91,00,000	1969	99 10
4 % Loan	1959	80,93,00,000	1979	100 20
4 % Loan	1960	97,64,00,000	1980	99 90
3½% Bonds	1960	82,66,00,000	1966	99.75
NON-TERMINABLE LOANS				
3 % Loan	1896-97	3,93,34,000	M.	73.00
3 % Loan	1940	2,48,91,35,000	K.	74.25
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100 20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 20
4½% Andhra	1958	5,48,81,000	15th July 1970	101.75
4 % Andhra	1959	6,50,00,000	15th Aug. 1971	99.55
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	99.75
3 % Bombay	1949	5,49,88,000	1st Aug. 1962	97 55
3½% Bombay	1952	2,87,83,000	17th Sept. 1962	99 60
4 % Bombay	1953	5,19,35,000	15th July 1963	101 90
4 % Bombay	1952	3,45,85,000	1st Aug. 1964	100 90
4 % Bombay	1955	9,72,28,000	1st Sept. 1967	100 90
4 % Bombay	1956	7,84,78,000	3rd Sept. 1968	100 75
4½% Bombay	1957	6,57,22,000	16th Sept. 1969	102 05
4½% Bombay	1958	6,58,09,000	15th July 1970	102 65
4½% Bombay	1959	4,35,25,000	15th July 1971	102 60
4 % Bombay	1959	6,50,00,000	15th Aug. 1971	100 90
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100 00
4 % Bihar	1956	2,18,41,000	3rd Sept. 1968	100 00
4½% Bihar	1958	2,76,71,000	15th July 1970	101 50
4 % Bihar	1959	3,50,00,000	15th Aug. 1971	99 50
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	99.50
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	100.00
3½% Howrah Bridge (New)	1936-37	1,77,08,700	1956-66	94 50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 20
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 20
2½% Madras	1946	3,81,77,000	1st Aug. 1961	99 20
3½% Madras	1951	3,91,49,380	17th Sept. 1962	99 45
4 % Madras	1953	10,23,71,000	15th July 1963	100 40
4 % Madras	1954	5,24,81,200	1st Aug. 1964	100 40
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100 10
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	100 10
4½% Madras	1958	5,55,57,000	15th July 1970	101 50
4 % Madras	1959	8,50,00,000	19th Aug. 1971	99 60
4 % Madras	1960	12,00,00,000	29th Aug. 1969	99.75
4 % Maharashtra	1960	10,00,00,000	29th Aug. 1969	100.00
4 % Mysore(J)	1932	2,95,35,200	1st Dec. 1953-63	101 60
3 % Mysore(J)	1936	5,98,75,000	30th Apr. 1956-61	99 80
4 % Mysore	1952	3,33,47,000	15th July 1963	100 45
4 % Mysore	1953	3,54,94,000	15th July 1963	100 40
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 10
4½% Mysore	1957	8,34,36,000	16th Sept. 1969	101 75
4½% Mysore	1958	6,51,51,000	15th July 1970	101.75
4 % Mysore	1959	5,50,00,000	19th Aug. 1971	99 65
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	99 75
4 % M.P.	1948	2,02,29,000	15th Sept. 1964	95 70
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 50
4 % M.P.	1953	1,10,18,000	15th July 1963	100 30
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100 90
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 90
4½% M.P.	1958	2,19,31,000	15th July 1970	101 50
4 % M.P.	1959	3,50,00,000	19th Aug. 1971	99 50
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	99.50
4 % Saurashtra	1953	3,55,23,000	1st Sept. 1967	100 20
4 % Saurashtra	1956	2,70,80,000	3rd Sept. 1968	100 20
4 % Kerala	1953	3,25,61,000	15th July 1963	99 40
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	99 90
4 % Kerala	1958	3,26,38,000	15th July 1970	101 00
4 % Kerala	1959	4,40,00,000	19th Aug. 1971	99 40
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	99.50
2½% U.P.Z.A.	1952	45,83,18,000Z	..	50.00
3 % U.P.	1938	1,55,59,000	15th Sept. 1961-66	92 25
2½% U.P.	1946	2,16,39,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,87,38,000	17th Sept. 1962	99 25
4 % U.P.	1953	5,89,14,000	1st Aug. 1964	100 40
4 % U.P.	1953	5,58,25,000	15th July 1963	100 40
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	100 20
4 % U.P.	1956	8,48,40,000	3rd Sept. 1968	100.20

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99.60
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99 50
88,25,000	4	1914	1975	99.50
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,01,000	4	1923*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1928*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,56,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1938*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
96,24,300	4	1914	1974	99 00
79,00,100	4	1915	1975	99 00
50,00,000C	3††	1921	1981	82 00
68,02,300C	6½	1921	1981	144 00N
60,00,000C	4	1921	1981	93 00
60,00,000	3½	1925	1965	99 00
25,00,000	3	1938	1963-68	93 00
50,00,000	3	1946	2065	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84 75
50,00,000	3	1946	2066	74 00
50,00,000	2½	1947	1977	79 50
50,00,000	3	1947	1973	83 75
50,00,000C	3	1950	1980	82 00
50,00,000	2	1951	1981	81 75
1,50,00,000	3½	1953	1991	99 75
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97 50
99,00,000	4	1955	1985	97 25
77,00,000	4	1956	1986	97 25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,50,00,000	4½	1958	1988	99 00
1,00,00,000	4½	1959	1989	99 00
50,00,000	4½	1959	1989	99 00
1,00,00,000	4	1960	1970	99 25
1,00,00,000	4	1960	1970	99.25
		STERLING LOANS		
£892,600	5	1923	1953-83	£81 75
£901,000	5	1924	1954-84	£81 75
£535,100	5½	1932	1962	£91.00
		MADRAS		
Rs.				Rs.
28,48,275	3½	1947	1977	
9,85,000†	3	1947	1977	A
3,00,000†	3	1949	1979	
45,00,000†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.		**BOMBAY**		Rs.
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97.75
20,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	97.50
40,00,000	5	1919	1957-79	118.00
66,00,000	5	1919	1959-81	
25,00,000	5	1926	1956-86	115.00N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3	1936	1966	
		STERLING LOANS		
£566,600		1909	1955	£95.50
£338,000		1910	1970	£95.50N
		CALCUTTA		
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	91 75
50,00,000	3	1937	1967	95.00
29,00,000	2	1938	1968-68	91 75
50,00,000	4	1952	1982	100.00
1,02,00,000	4	1956	1968	99 00
75,00,000	4½	1958	1988	101 00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount			Repayable	
Rs.				Rs.
		BOMBAY		
20,80,000	4	1913-18	1974	99.80
10,00,000	5	1929	1989	113.00N
2,50,00,000	3½	1947	1977	87.75
2,50,00,000	3½	1949	1979	87.75
4,00,00,000	3½	1950	1965	95.00
5,00,00,000	4	1952	1984	100 00
1,00,00,000	3½	1951	1966	95.00
1,50,00,000	4	1953	1963	99.00
1,00,00,000†	4	1954	1966	99.85
1,00,00,000†	4	1956	1966	99.85
2,50,00,000	4½	1956	1966	99 00
1,50,00,000	4	1956	1968	100 00
2,00,00,000	4½	1957	1969	101.50
4,00,00,000	4½	1958	1970	100.00
5,00,00,000	4	1959	1971	100.00
		CALCUTTA		
10,00,000	5½	1932	1982	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91 00
47,52,500	3	1938	1968	91 00
21,10,000	3½	1942	1972	92.00
16,33,000	3½	1951	1966	96.00
50,00,000	3½	1951	1966	96.00
87,36,000	3½	1952	1982	99.75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	
73,86,000	4½	1958	1988	100.50
1,67,32,000	4½	1958	1970	
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,48,000	15th July 1970	101.75
4 % U.P.	1959	8,50,00,000	19th Aug. 1971	99.55
4 % U.P.	1960	7,00,00,000

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Shares: 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
50,00,000	..	1,4732,620	44,03,340	—32,02,956	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.42	2	*Nil*	*Nil*	*Nil*		12	Y.
2,50,98,000	3,40,77,968	9,34,84,561	4,90,54,373	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Co	66·20	25	2·50	2·50	3·50		12	Y.
10,00,000	29,40,386	78,24,032	48,74,455	47,570	Ramnarain Sons Private Ltd. ..	44,784	860	Bradbury Mills	132·00	50	15·00	7·50	5·00		3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,189	3,75,31,119	1,22,111	Birla Gwalior Private Ltd. ..	1,26,752	2,698	Century Spg. & Mfg. ..	487·50	100	22·00	22·00	31·50		12	Y.P.
28,00,000	29,04,920	1,21,43,644	73,38,437	61,364	Cowasjee Jehangir & Co. Pvt. Ltd	31,400	680	Cocrla Spg. & Wvg. ..	133·00	100	12·50*	12·50*	7·50		12	Y.
28,75,575	93,59,335	50,09,907	12,702	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	131·00	50	7·50f	5·00	10·00		3	Y.
34,00,000	20,44,712	87,46,739	65,30,990	—14,81,077	Puranmal Bubna Sons	47,356	928	Edward Textiles	300·00	200	15·00	15·00(c)	18·00		12	Y.P.
39,98,050	27,57,616	1,51,25,544	80,85,174	23,591	B. L. Jalan, Esq. (Chairman)	65,460	856	Hindusthan Spg. & Wvg. ..	68·00	50	*Nil*	*Nil*	7·00		12	Y.
50,00,000	65,75,469	1,96,09,118	1,09,41,207	57,155	James Finlay & Co., Ltd. ..	63,212	784	Finlay Mills	352·00	100	20·00	16·00	23·00		12	Y.
50,00,000	52,35,257	1,02,85,144	58,62,387	10,233	James Finlay & Co., Ltd. ..	45,768	1,020	Gold Mohur Mills Ltd. ..	240·00	100	15·00	15·00	21·50		12	Y.
12,00,000	1,17,23,947	1,94,91,703	1,40,31,408	—4,27,490	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg.& Wvg. Mills ..	4,000·00 992·50	1,000 250	350·00* 87·50*	350·00 87·50	350·00(c)e) 87·50(c)	70·00‡ 17·50‡	3	Y.P.
2,00,00,000 D.50,00,000	1,16,525	5,09,02,595	3,68,18,422	—57,99,994	*Agarwal & Co.*	2,50,414	6,412	India United Mills	12·75 0·72	0·10C. 0·1D.	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.
18,00,000	97,77,876	1,83,36,241	1,28,55,128	17,439	K. M. D. Thackersey Esq. (Chairman)	57,672	1,152	Indian Mfg.	2,270·00 1,050·00N	1,000 500	325·00* 162·50	325·00 162·50	*200·00(c)* 100·00(c)e)	35·00‡ 17·50‡	3	Y.P.
55,85,000	61,16,846	3,52,99,051	2,84,17,423	23,727	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	595·00	100	10·00(c)	10·00	16·00		6	Y.P.
46,47,350	38,85,220	1,43,57,502	70,49,840	28,992	Killick Industries Ltd. ..	1,09,504	1,846	Kohinoor Mills	335·00	100	20·00	10·00	9·50		12	Y.
51,75,000	44,00,000	2,84,52,913	2,06,23,269	2,38,354	N. Sirur & Co. Private Ltd. ..	49,200	644	Modern Mills	90·00	50	5·00'C'	3·00	5·00		10	Y.
41,12,100	1,72,11,610	11,70,25,574	5,26,37,085	1,66,270	Piramal Sons Private Ltd. ..	71,604	1,642	Morarjee Goculdas Spg. & Wvg.	415·00 500·25	100 100	14.00(c)	15.00	21·50 22·00		6	Y.P.
24,00,000	11,16,837	82,71,839	48,70,077	—11,98,634	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation ..	—	..	14.00	14.00	11·20		12	Y.P.T.
80,00,000	77,589	1,10,42,353	63,37,025	—10,72,122	W. H. Brady & Co., Ltd.	45,944	480	New City of Bombay Mfg. ..	138·00	100	5·00	*Nil*	*Nil*		12	Y.
48,00,000	57,19,167	1,76,53,784	1,15,83,663	36,434	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg. ..	105·00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
45,00,000	42,97,687	80,65,529	31,05,108	16,195	Ramnarain Sons Private Ltd.	44,160	1,180	Phoenix Mills	142·00	100	12·50F	10·00	10·00		3	Y.P.
10,00,000	..	29,00,573	17,12,113	—1,83,358	Podar Sons Private Ltd. ..	32,600	920	Podar Mills	141·00	100	10.00	18·00*(c)	12·00*		12	Y.P
37,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mfg	11·50	10	0·25	*Nil*	*Nil*		12	Y.
80,00,000	51,53,455	1,74,14,168	73,40,872	41,961	M. G. Investment Corp. Private Ltd.	96,488	2,127	Bassoon Spg. & Wvg. ..	58·00	10	2·00	2·00	2·50		12	Y.
50,40,000	15,55,356	2,27,78,338	1,00,86,574	—3,49,833	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills ..	255·00	100	8·00	10·00	15·00		12	Y.P.
1,09,75,000	2,51,54,903	3,87,01,421	2,02,24,253	91,528	M.	49,840	1,114	Simplex Mills	174·00	50	8·50	8·50	5.00(c)	7·50	3	Y.T.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,086	57,589	Mafatlal Gagalbhai & Sons ..	97,680	2,499	Standard Mills	1,065·00	100	22·50*	20·00	29·00*		12	Y.P.
58,00,000	27,56,146	1,71,94,799	78,81,523	1,596	Tata Industries Private Ltd. ..	75,036	2,000	Svadeshi Mills	243·00	100	9·00	10·00	14·00		12	Y.P.
24,88,500	40,62,618	1,17,67,314	71,85,956	26,062	James Finlay & Co., Ltd. ..	40,328	550	Swan Mills	518·75	100	25·00	25·00	36·00		12	Y.
13,81,780	..	29,12,641	17,83,314	3,966	K. Tipperdrirah (Chairman)	17,925	1,775	Tata Mills	42·00	25	2·00	1·50	2·50		12	Y.
31,50,000	48,76,391	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman)	76,980	1,344	Victoria Mills Ltd.	90·00	50	23.00*	20.00	20·00		12	Y.P.
87,23,800	19,78,217	1,77,24,075	67,40,513	....	Banalal Bissaralia Pvt. Ltd.	37,788	902	Western India Spg. & Mfg.	5,650·00	1,000	325·00	325·00	325·00(c)	70·00‡	12	Y.P.
4,40,00,000 B.5,00,000	16,56,923	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	225·00 275·00	50A 75B	9·00 13·50	10·00 15·00	15·00 22·50		12	Y.
15,00,000	..	37,80,105	19,70,043	—21,28,882	.. ..	27,980	..	Pankaja Mills Ltd.	60·00	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
62,10,000	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	801	Radhakrishna Mills	970·00	125	30·00	30·00	40·00		3	Y.
80,00,000	28,53,800	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	29·90	25·00	3·00	1·50	2·25		12	Y.
16,14,300	17,87,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd.	36,036	..	Rajapalayam Mills	76·50	50	4·50	3·00'C'	8·75		12	Y.P.
32,32,300	11,20,088	76,78,626	34,55,607	956	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	130·70	100	12·00	8·00	6.00(c)	9·00	3	Y.
10,00,000	6,93,527	54,79,583	33,71,779	8,264	S. R. P. Ponnuswamy Chetty & Sons.	29,088	..	Sivanandha Mills Ltd.	114·00	100	10·00	10·00	10·00		12	Y.
36,99,700	23,00,037	1,01,95,884	72,23,021	30,822	D. B. Viswambharlah, Esq. (Mg. Director)	..	..	.. .. ..	27·75	10	1·20	1·50	2·20		12	Y.
15,00,000	3,63,34,022	1,16,51,972	33,02,187	31,06,195	Birla Brothers Private Ltd. ..	62,924 66,212	340 1,244	Sri Krishnarajendra Mills ..	76·00cd	50	7·00	4·50	4·00		3	Y.
17,50,000 O	2,55,28,071	6,33,82,415	1,96,98,173	2,961	M.	4,12,216	2,090	Sutlej Cotton Mills	100·00N	10	6·00	6·00	6·00		3	Y.
1,57,50,000 PO	70,91,584	4,47,94,206	2,70,17,829	2,29,084	Emcete & Sons (Travancore) Ltd. ..	..	..	Swadeshi Cotton (Kanpur) ..	8·50	10O.	0·75	*Nil*			12	Y.P.
18,98,730	8,64,000	20,41,565	15,00,441	661	Moolji Ramjee & Sons	18,000	..	Travancore Rayons	9·31	10P.O.	1·15	0·40			12	Y.P.
21,00,000	38,41,000	91,30,605	57,96,375	17,798	R. K. Chetty & Brothers	44,424	270	Trichinopoly Mills	38·50	10	1·00	1·25	2·00		12	Y.P.T.
82,00,000	12,58,816	1,94,22,373	1,35,00,940	—11,21,284	The Bombay Co. (Private) Ltd. ..	49,880	1,369	Vasanta Mills	11·95	10	0·90	0·75	1·25		12	Y.
								Vishnu Cotton	238·50	100	12·00	12·00	16·00		12	Y.P.
									106·50	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.

AHMEDABAD

49,00,900	28,81,894	1,94,97,024	78,05,199	11,155	Tata Industries Private Ltd. ..	49,188	1,016	Ahmedabad Advance Mills ..	185·50	100	5·00	5·00	6.00 (c)		6	Y.P.T
15,00,000	1,02,99,525	1,39,02,887	79,09,508	....	P. M. Puthseeing & Co., Ltd.	42,768	920	Aruna Mills	475·00	100	25·00	25·00	....		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,290·00	100	30.00*	28·00*	40.00		12	Y.
28,40,000	45,04,840	1,24,95,615	58,06,443	58,595	Mangaldas & Brother (Pvt.) Ltd. ..	35,908	892	Aryodaya Ginning & Mfg.	500·00	200	25·00	25·00'C'			12	Y.P.
20,00,000	1,31,57,323	1,17,96,154	70,40,009	967	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	675·00	100	30·00	20·00'C'			12	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,23,564	21,88,304	Karamchand Premchand Pvt. Ltd.	1,39,120	2,380	Calico	970·00	125	30·00	25·00	22.00	81.00	3	Y.P.
63,00,000	27,76,707	1,57,37,865	1,12,77,222	6,366	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills ..	780·00	250	25·00*	27·00*	35.00		12	Y.P.
52,00,000	1,17,29,342	1,79,38,243	1,14,81,119	1,21,046	Mafatlal Chandulal & Co., Ltd. ..	61,112	907	New Shorrock Spg. & Wvg.	2,180·00	125	*80·00*	*35·00*			12	Y.
15,00,000	65,41,937	75,47,289	39,87,374	228	Jagabhai Bhogilal Nanavaty & Co...	24,940	572	Nutan Mills	380·00	100	20·00	20·00			12	Y.P.
30,00,000	96,88,684	1,29,66,793	76,85,644	....	Lalbhai Dalpatbhai & Co.	32,828	640	Rajpur Mfg.	760·00	100	35·00*	25·00'C'	35.00		12	Y.P.
48,75,000	25,48,744	1,41,19,837	79,09,385	11,900	Rohitbhai Chinubhai, Esq. (Chairman)	33,156	648	Rohit Mills	265·00	100	8·00*	8·00*			12	Y.P.
63,75,000	2,95,76,027	2,61,37,561	1,45,91,824	59,271	Harivallabhbhai Kalidas & Co.	94,128	1,319	Shri Ambica Mills	1,358·00	100	25·00	80.00*	45.00		12	Y.P.
29,25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,828	720	Shorrock Spg. & Mfg. ..	1,100·00	100	20.00	22.00*			12	Y.
33,00,000	39,43,859	1,34,94,632	92,66,120	25,810	Haridas Achratlal & Co. Ltd.	41,056	780	Vijaya Mills	640·00	500	40.00*	40.00*			12	Y.P.

WEST BENGAL

15,00,000	3,15,002	39,15,585	25,08,902	41,582	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	7·56	10	*0·60*	0·50			12	Y.P.T
7,11,280 1,30,620 1,70,000	1,56,980	85,52,765	62,49,897	—1,68,477	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill ..	36·00	40	4.00	*Nil*	*Nil*		3	Y.P.
24,00,000	5,14,800	1,26,22,086	56,02,346	60,410	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	160·00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28,50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co. Ltd. ..	43,064	500	Dunbar Mills	208·00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
50,08,000	3,02,433	88,00,719	49,00,719	84,072	Birla Brothers Private Ltd. ..	44,852	206	Jay Shree Textiles Ltd. ..	15·00	10	0·50	0·65	0·80		12	Y.
1,60,00,000	2,07,57,444	4,18,00,599	2,12,59,699	76,764	Birla Brothers Private Ltd. ..	75,040	1,992	Kesoram Cotton Mills	28·75	10	0·75	0·25	0·25		3	Y.P.
0,19,47,750 D.5,00,000	78,492	50,99,822	32,33,579	—5,21,450	Hazaremull Heeralal	13,036	795	Rampoorla Cotton Mills ..	10·12N 2·37N	1D 1D	0·15	*Nil*	*Nil*		6	Y.

SOUTH INDIA AND OTHER CENTRES

30,00,000	5,48,855	73,05,065	7,21,196	31,634	*Kothari & Sons*	24,000	..	Adoni Spg. & Wvg. Co., Ltd. ..	9·90	10	*Nil*	*Nil*	*Nil*		12	Y.
80,00,000	2,25,000	35,28,280	11,80,165	17,225	Best & Co. (Pondicherry) Pvt. Ltd...	42,856	1,055	Anglo-French Textiles Ltd. ..	126·00	100	6·00	6·00	11·00		12	Y.P.
11,98,600	1,41,231	40,98,932	23,72,999	....	Setna & Co.	24,800	..	Asher Textiles Ltd.	212·80	100	12·50	6·00	6·00		12	Y.P.
72,00,000	16,99,790	1,92,55,835	68,19,240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh ..	36,136	725	Azam Jahi Mills	76·00	100	3·50	*Nil*	4.00		6	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd. ..	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	206·00cd	100	10·00*C'	10·00	10.00		9	Y.
35,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,207	Birla Brothers Private Ltd. ..	39,896	1,094	Birla Cotton Spg. & Wvg. ..	18·00N	10	1·50	0·75	10.00		12	Y.P.
1,78,47,800	3,24,73,971	8,05,80,469	4,78,98,275	2,31,371	Binny & Co. (Madras), Ltd. ..	1,20,288	2,758	Buckingham & Carnatic	206·00cd	100	10·00	10·00	10.00		3	Y.
20,00,000	18,500	81,23,561	36,05,978	—2,70,056	Patrick, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	10·00	10	0.50(c)	*Nil*	*Nil*		12	Y.P.T.
15,00,000	5 29 316	63 92,782	23,76,104	19,328	Damodaran & Co.	20,000	..	Canganore Spg. & Wvg. ..	145·00	100	20·00	12·50	15·00		12	Y.
30,00,000	37,64,314	81 45 632	66,08,685	—3,29 080	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	7·00	5	0·25	*Nil*	*Nil*	17.00	3	Y.
9,35,500	6,61,000	68,28,050	35,32,807	15,034	C. R. Srinivasan, Esq. (Chairman)	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13 85	10	0 90	0 90	*Nil*		12	Y.
25,90,500	23,90,147	1,11,01,577	....	....	R. Bhasma Naidu & Co.	28,884	..	Coimbatore Cotton Mills ..	170·00	100	9·00'C'	6.00	6.00	1.80	3	Y.P.
18,15,000	7,25 195	29,16 552	24,29,333	....	T. A. R. Chettiar Sons & Co. ..	25,840	100	Coimbatore Murugan Mills ..	33·77	25	1·00	1·00	1·00		12	Y.
20,00,000	22,23,665	97,80,504	54,27,110	1,28,493	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills ..	350·00	100	20.00	25·00	25·00		12	Y.P.
20,76,900	..	1,87,50,706	1,41,50,706	—15,77,832	R. G. S. Naidu & Co.	70,268	307	Coimbatore Spg. & Wvg. ..	49·90	50	*Nil*	*Nil*			12	Y.P.
46,87,500	10,87,622	4,53,59,203	1,50,69,402	—81,28,525	Tata Industries Private Ltd. ..	1,01,188	2,052	Central Mills	112·50	100	*Nil*	*Nil*	*Nil*		12	Y.P.
29,66,236	24,30,000	1,16,07,949	51,48,633	15,442	R. Hanumanthappa & Son ..	36,586	300	Davangere Cotton Mills	114·00	100	6·00	9·00	9.00		3	Y.
3,38,36,225	24,09,63,62	12,81,36,690	7,47,89,631	3,34,884	B. R. Charat Ram & Co. Private Ltd	1,16,636	2,333	Delhi Cloth & General Mills ..	38·12	25 5	2·00 0·15	2·00 0·16	3·00 0·25		3	Y.P.
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	227·00	100	10.00*C'	10·00	10·00		12	Y.
63,00,000	1,21,34,814	1,74,64,803	1,53,07,559	95 389	Begg Sutherland & Co. Private Ltd.	48,452	1,194	Elgin Mills	18·37	10	*1·00*	1·00	17 50		12	Y.
48,81,000	29,49,948	1,87,04,402	92,62,722	1 221	Forbes, Forbes Campbell & Co., Ltd.	74,388	..	Gokak Mills	17·00	10	0·75	0·75	1 25		12	Y.
40,00,000	56,44,510	1,28,49,778	85,83,203	24,751	J. H. Mehta, Esq. (Chairman)	40,000	..	Gokul Mills Ltd.	267·50	100	10·00	8·00	6·00		9	Y.
2,50,00,000	63,35,000	6,20,30 185	3,68,54,000	12,62,955	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon	267·50	100	*10.00*	10.00	16.00		12	Y.
50,00,000	1,90,580	1,83,32,347	1,21,05,123	....	K. L. Saksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	43·00	10	*Nil*	*Nil*	*Nil*		12	Y.
8,90,000	10,66,553	35,60,221	20,68,008	....	G. V. Naidu & Co. Ltd. ..	23,784	..	Janardana Mills	117·00	100	*6·00*	5.00(c)	7.00		12	Y.
15,54,000	15,02,599	57,13,937	33,88,096	7 012	Mr. Bhairurstan Damani (Managing Director)	..	..	.. .. ..	63·00	50	3·00	..	..		12	Y.
16,86,170	13,17,947	82,44,540	41,48,200	1,507	Umalyambika & Co.	45,952	512	Jam Shri Ranjitsinghji	1,880·00	1,000	40.00	..	..		6	Y.
4,63,66,300	3,07,35,097	4,65 6,,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd. ..	56,184	1,635	Jayshree Textiles	11 25	5	1.25	0.75	0.75		12	Y.
67,20,000	25,71,768	1,69 79,996	49,33,767	55,806	Kothari & Sons	53,136	800	Kothari Textiles	15·52	10	0 35	0 25	0 07		12	Y.
82,00,000	54,31,594	1,98,43,885	1,48,17,868	26,608	M.	51,908	1,243	Lakshmi Cotton Mfg.	12·90	10	1·00	*Nil*	1·00		3	Y.P.
71,00,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	502·00 154·00	250 50	15·00 10·00	15·00 6·00	25·00 6.00	10.00	12	Y.P.
A35,50,000	1,42,22,327	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas& Co Ltd.	51,996	896	Mafatlal Fine Spg.&Mfg. Co. Ltd	78·00	25	5·00	3·00	*3·00*	*5.00*	3	Y.
1,75,02,480	4,06,37,833	6,25,73,138	4,25,73,138	2,04,614	A. & F. Harvey Ltd.	1,53,000	..	Madura Mills	998·00	100	15·00	18.00	29·00*		12	Y.P.
60,00,000	29,59,000	68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	602	Meetur Industries Ltd. ..	35·00	15	2 25	*Nil*	1·87½		12	Y.
29,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	392·00	100	20.00	20.00	25.00	80.00	3	Y.
94,91,850	21,56,146	1,71,94 799	78,81,523	15,008	M.	52,408	952	Model Mills (Nagpur)	84·00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
24,88,500	40,62,618	1,17,67,314	71,85,956	33,826	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. & Mfg.	65·00	250	*Nil*	*Nil*	*Nil*		6	Y.
13,81,780	..	29,12,641	17,83,314	3,966	K. Tipperdrirah (Chairman)	*6,000*	..	Mysore Spun Silk Mills	87·00	50	9.00*	5.00	5.00		3	Y.P.
31,50,000	48,76,391	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman)	76,980	1,344	Navsari Cotton & Silk Mills Ltd.	6·25N 216·25	10 100	*Nil* 12.00	*Nil* 12.00	*Nil* *Nil*		12	Y.P.
87,23,800	19,78,217	1,77,24,075	67,40,513	....	Banalal Bissaralia Pvt. Ltd.	37,788	902	Osmanshahi Mills	42·00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
4,40,00,000 B.5,00,000	16,56,923	78,14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	225·00 275·00	50A 75B	9·00 13·50	10·00 15·00	15·00 22·50		12	Y.
15,00,000	..	37,80,105	19,70,043	—21,28,882	.. ..	27,980	..	Pankaja Mills Ltd.	60·00	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
62,10,000	18,67,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	801	Radhakrishna Mills	970·00	125	30·00	30·00	40·00		3	Y.
80,00,000	28,53,800	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	29·90	25·00	3·00	1·50	2·25		12	Y.
16,14,300	17,87,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd. ..	36,036	..	Rajapalayam Mills	76·50	50	4·50	3·00'C'	8·75		12	Y.P.
32,32,300	11,20,088	76,78,626	34,55,607	956	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	130·70	100	12·00	8·00	6.00(c)	9·00	3	Y.
10,00,000	6,93,527	54,79,583	33,71,779	8,264	S. R. P. Ponnuswamy Chetty & Sons.	29,088	..	Sivanandha Mills Ltd.	114·00	100	10·00	10·00	10·00	

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Rate one
						PAPER								
57,43,031	18,87,920	2,66,44,147	2,03,51,866	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills	59.75	25	*Nil*	*Nil*	2.50		6	
45,00,000	49,79,629	2,34,13,600	1,57,74,800	1,35,498	M.	Bengal Paper Mills	100.00	25	3.12	5.50	8.00		12	
88,20,000	80,25,690	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd. ..	India Paper Pulp	21.81	10	1.40	1.00	1.00	1.50'C'	3	
1,46,82,500	91,38,720	1,54,04,003	1,03,95,960	51,068	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	30.12*cd	10	1.00*	1.00	1.25*	1.50	3	
1,25,50,670	96,20,021	1,94,16,399	1,14,73,940	76,301	K. C. Thapar & Bros. Private Ltd.	Orient Paper	40.75	10	1.50	1.50	1.50		3	
50,00,000	8,39,123	77,35,854	43,04,384	6,122	Bajoria & Co.	Shree Gopal Paper Mills ..	26.25	10	1.25	1.25			12	
10,00,000						Star Paper Mills	13.25	O. 10	0.60	0.60	0.30		9	
8,15,240	56,23,786	5,27,98,088	1,40,50,912	72,313	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	13.25	A. 10	0.60	0.60	0.30			
56,00,000A.							18.00	10	0.50	0.65	0.65		6	
56,04,800B.	4,02,35,63	7,26,92,665	4,02,88,475	1,01,113	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	40.87	A. 10	2.38*	2.38*	2.50*	1.20		
37,50,0P.O.							40.87	B. 10	2.38*	2.38*	2.50*	1.20	3	
99,98,875	4,70,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman) ..	West Coast Paper Mills Ltd. ..	202.00	P.O. 24	0.24	0.24	0.25*	0.171		
								100	*Nil*	*Nil*	*Nil*		6	
						SAW MILLS AND TIMBER								
13,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.37	3	*Nil*				9	
22,25,000	3,45,21,358	5,63,39,009	2,47,17,106	67,223	Wallace & Co.	Bombay-Burmah Trading Corpn.	568.00	Old125	47.50K	22.50	23.75	11.001		
45,00,000							197.50	New50	19.00K	9.00	9.50	4.401	5	
99,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	28.50	10	2.75	2.50	2.50		9	
						SUGAR (U.P. and Bihar)								
14,00,000	17,72,056	45,74,076	33,32,351	45,327	P. L. Saraogi, Esq. (Chairman) ..	Balrampur Sugar	3.31	5	0.25	0.25	0.40†		6	
18,00,000A.	34,01,264	62,73,828	39,92,829	10,49,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00N	A.100	10.00	10.00			4	
18,00,000B.							11.50N	B. 10	1.00	1.00				
19,49,050	10,53,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	13.00	7½	1.00	1.00	1.40		9	
15,00,000	14,05,503	23,44,258	14,90,918	5,149	Cotton Agents Private Ltd. ..	Bharat Sugar	17.50	10	1.50	1.00	1.50		6	
32,00,000	30,06,740	1,05,84,575	14,180	6,24,278	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	16.00N	10	1.50	1.00	1.50		6	
30,00,000	65,53,414	1,66,89,434	1,04,13,264	—16,86,170	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	10.50	10	*Nil*	0.25	*Nil*		6	
30,10,000	40,35,304	84,98,942	63,37,829	16,996	*Begg Sutherland & Co. Private Ltd.*	Champarun Sugar	13.00	10	*Nil*	*Nil*	*Nil*		10	
9,68,252	2,96,544	28,55,378	18,86,328	—84,928	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	29.62	10	*Nil*	1.00	1.50		6	
60,00,000	70,17,000	2,22,85,620	1,03,51,283	39,555	Bachraj & Co. Private Ltd.	Dhuriadhan Sugar Mills	9.00	10	*Nil*	0.50			8	
18,00,000	14,41,216	88,56,210	54,42,213	9,576	Mr. Tulsidas Kilachand (Chairman)	Hindusthan Sugar Mills	320.00	100	15.00	15.00	15.00		6	
7,89,100	25,58,803	52,91,171	30,83,180	6,246	Cotton Agents Private Ltd. ..	Kesar Sugar	345.00	40	7.00	4.00	4.20		7	
21,00,000	4,58,234	49,29,329	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd.	New India Sugar Mills	32.00N	10	2.50	2.50	3.65		6	
19,33,200	48,26,135	78,03,274	29,12,884	24,741	Cotton Agents Private Ltd. ..	New Savan	5.31	10	0.37	0.25	0.37		5	
36,175						New Swadeshi Sugar Mill ..	360.00	100	20.00	20.00				
77,52,960	76,35,199	2,61,13,706	1,41,64,041	16,455	Cotton Agents Private Ltd. ..	Oudh Sugar	50.00N	25	5.00	5.00			8	
9,00,000	23,02,870	51,10,041	35,72,535	4,008	M.	Parthapore Co.	192.50	100	12.50	12.50	18.25		7	
63,59,400	20,22,000	88,23,036	38,83,281	3,91,544	Govan Bros. (Rampur) Private Ltd.	Raza Bullund Sugar	13.50	10	*Nil*	*Nil*	*Nil*		10	
8,00,000	6,30,752	29,26,300	23,93,295	1,403	M.	Ryam Sugar	12.69	10	1.50	1.25	1.20		6	
11,99,000	16,90,877	48,13,634	20,61,4	M.	Samastipur Central Sugar ..	51.75	10	1.50	1.50			6		
29,09,000	23,94,873	1,36,84,427	80,62,270	41,428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	13.12	10	*Nil*	0.25			6	
10,02,115	24,660	34,19,315	15,98,051	1,196	B. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors) ..		14.19	10	1.00	1.00	1.50		7	
18,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Sitalpore Sugar	6.69	10	*Nil*	*Nil*	*Nil*		6	
8,00,000	43,66,902	1,83,27,976	97,43,200	44,480	Cotton Agents Private Ltd. ..	Shri Sitaram Sugar	12.00	10	0.50				8	
15,00,000	14,52,294	38,53,170	28,80,100	1,08,870	M.	Upper Ganges Sugar	68.00	10	5.00	5.00	7.25		9	
						United Provinces Sugar ..	17.00	10	0.75	1.00	1.50		9	
						Other Centres								
30,00,000	26,55,000	91,38,886	28,74,622	22,959	Ramnagar & Co....	Andhra Sugars Ltd.	29.00	10	1.25	1.50	2.00		9	
39,84,500	6,25,000	91,67,380	4,84,457	21,247	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd. ..	140.00	100	*Nil*	*Nil*	*Nil*		9	
70,49,550	1,36,94,058	1,59,99,486	1,07,41,936	75,919	W. H. Brady & Co., Ltd.	Belapur Company	374.00	50	18.00	20.00*	21.00		9	
17,50,000	15,17,192	44,93,634	27,37,735	5,189	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd. ..	28.50	10	2.00	2.00	2.50		9	
37,50,000	16,97,191	83,92,712	57,50,845	2,07,205	Shree Changedeo Sugar	34.50	12.50	2.25	2.25	2.25		9		
29,94,000	36,55,500	1,36,56,345	71,19,655	66,641	Parry & Co., Ltd.	Deccan Sugar & Abkhari	19.75	5	0.72½C'	2.00	0.00		9	
15,93,900	25,45,880	48,87,880	29,79,997	2,82,296	Parry's Holdings Private Ltd. ..	East India Distilleries & Sugar ..	38.50	£1	Sh. 3	Sh. 4	Sh. 4		6	
63,97,650	9,79,348	81,86,670	20,23,258	5,62,806	Sir J. P. Srivastava & sons (M. B.) Ltd.	Gwalior Sugar	80.00	100	10.00	10.00	10.00		9	
27,04,854	17,21,816	1,36,56,912	16,14,400	156	India Sugar Agencies Private Ltd.	India Sugar and Refineries	13.19	10	1.00	1.00	1.25		9	
39,24,100	97,90,290	1,55,17,096	84,84,323	91,745	B. S. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	14.00	10	*Nil*	*Nil*			9	
67,50,000	49,93,558	1,46,05,021	66,20,929	1,61,904	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	26.00	10	0.75	0.75	1.50		6	
31,79,280	99,00,189	1,62,19,219	1,01,73,032	45,172	M. L. Dalmiakar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	248.00	50	100.00*	17.00*	21.00		6	
50,00,000	54,93,178	1,29,04,998	73,75,195	63,804	B. M. Krishnan, Esq. (Mg. Director)	Mysore Sugar	179.00	50	12.00*	10.00	13.50		6	
16,59,820	42,08,386	78,05,159	30,38,780	59,402	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	179.00	100	12.00*	10.00	13.50		6	
20,00,000	2,47,500	24,70,565	13,97,551	788	Anderson Wright Ltd.	Ramnugger, Cane and Sugar ..	26.37	10	1.50	1.50	2.14		8	
0-20,00,000						Govan Bros. (Rampur) Private Ltd.	5.00N	10	0.30	0.30	0.30			
D-40,00,000	43,67,914	1,37,22,721	65,29,942	79,364	Walchand & Co. Private Ltd. ..	Ravalgaon Sugar Farm	100.00	O. 10	12.00	12.00	8.50		8	
80,00,000	20,67,000	87,37,434	30,49,961	1,06,833	Parry & Co., Ltd.		30.00	D. 50	3.75	3.75	3.75		9	
1,01,00,000	1,24,16,022	3,47,34,595	1,29,06,496	1,77,732	Walchand & Co. Private Ltd. ..	Travancore Sugars	12.45	10	1.00	1.00	1.00		7	
						Walchandnagar Industries	893.75	100	21.00	21.00	20.00		9	
						TRANSPORT								
80,00,000	36,44,220	1,16,88,916	20,83,063	26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	81.00	100	5.00	6.00	5.00		10	
1,00,00,000	1,09,44,724	3,99,08,572	1,77,61,898	3,17,991	*Dinshaw (Private) Ltd.*	Bharat Line	7.94	10	1.20*	1.20*			12	
30,00,000	2,04,75,087	8,76,30,428	1,74,30,547	8,34,489	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	16.00	10	1.50	1.50	1.05		6	
£655,580	£936,785	£5,811,271	£3,588,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	10.00	5(New)			0.90	0.525		
2,47,50,000	2,59,52,958	18,77,40,719	4,00,93,455	2,09,513	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	58.00	£10	*Nil*				12	
11,38,57,258	9,29,69,987	32,02,28,725	8,35,84,307	3,59,994	M.	Scindia Steam Navigation Co. ..	14.72	25	1.00	1.00	1.00		12	
3,10,200P.O.	21,45,788	13,10,577	9,03,867	1,67,197	R. B. Alyar, Esq. (Manager)	Watford Transport Ltd.	3.12	O. 1	0.14	0.14	0.20		12	
							2.44	P.O. 1	0.12	0.12	0.15			
						UNCLASSIFIED (Bombay)								
5,57,00,000	1,46,48,754	5,77,10,152	04,19,200	2,09,69,272	S. H. Turner, Esq. (Chairman) ..	Hindustan Lever	44.50	10	1.40	1.50	2.40		12	
31,07,000	9,13,024	1,17,36,431	72,51,407	—4,92,950	Birla Brothers Private Ltd.	Hind Cycles	120.00	100	12.50F	7.00	*Nil*		3	
14,98,840	6,27,709	37,56,956	23,15,099	17,694	Choonilal Mantlal Private Ltd. ..	Futuristic Batteries	66.00	10	3.50	3.00	3.50*	4.50	3	
99,99,250	20,22,470	1,31,86,987	....	58,613	*Premchand Roychand & Sons*	*Industrial Investment Trust*	73.00	100	5.50	6.00	6.00		12	
1,00,00,000						Killick Industries	108.00	100	11.00	13.00	9.00		11	
24,82,500	33,17,365	48,22,945	16,84,812	6,237	A. N. Haksar, Esq. (Mg. Director) ..									
3,27,85,475	84 40 713	4,77,85,451	2,21,25,834	2,71,968	Aero-Auto Private Ltd.	Premier Automobiles	161.00	100	6.00	4.00	9.00		6	
56,99,200	1,77,59,354	65,07,395	18,34,000	30,136	Polson Agencies Private Ltd.	Polson Ltd.	154.00	10	10.00	10.00	15.00		12	
3,75,00,000	1,77,59,354	4,62,08,135	7,92,16,142	4,20,012	Mr. A. Hydari and Mr. S. Gothberg ..	Western India Match Co. Ltd. ..	244.00	100	11.00*	11.00*	16.00*		12	
46,00,000	66,42,390	11,56,665	5,47,970	1,56,267	Jehangir P. Patel, Esq. (Chairman) ..	W. H. Brady & Co., Ltd.	355.00	150	25.00	25.00	35.00		12	
						Other Centres								
68,50,000	2,04,96,139	2,80,98,501	1,10,43,886	52,162	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	17.44	O. 10	0.90	0.90	1.00		8	
79,99,901	35,47,006	1,10,99,415	48,70,708	48,624	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	*Aluminium Industries Ltd.*	25 00cd	10	1.25	1.25	1.25		8	
80,00,000	36,44,175	86,06,360	25,56,851	2,24,868	Turner Morrison & Co. Private Ltd. ..	Angelo Bros., Ltd.	20 00	10	1.80*	1.50	2.00		6	
80,00,000	20,24,770	40,25,466	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd.	16 50	10	1.25*	1.25*	1.80		12	
2,46,78,690	25,63,810	2,20,70,266	60,76,913	1,54,774	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	6 75N	10	0.60	0.60			12	
80,01,400	83,08,830	77,88,003	41,34,215	20,078	A. E. I. Collins Esq. (Mg Director) .	Ashok Leyland Ltd.	9 12	5	0.30	0.30	0.40		12	
12,00,000	22,70,218	35,44,373	30,14,273	5,14,549	A. T. Mukundgarh, Esq. (Chairman) .	Balmer Lawrie & Co., Ltd.	220.00	100	12 50	20 00	25 00		12	
2,00,00,000	7,70,721	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	41 62	10	3 50	3 50	4 50		9	
45,97,020	55,50,346	1,22,49,277	53,59,783	2,13,038	Lovelock & Lewis	Birds Investment Ltd.	12 50	10	0.50	0 70	1 10		9	
3,28,00,000	1,58,58,884	3,82,79,515	2,65,54,909	74,432	K. Julian Scott, Esq. (Mg. Director).	Britania Biscuits	39 50	10	1 00	1 20	1 40	2.50	3	
1,14,98,000	12,000	1,08,99,000	14,000	27,205	*T. S. Chaturvedi, Esq. (Mg. Director)*	*British India Corporation Ltd.* ..	49 50	5	*Nil*	*Nil*	*Nil*		12	
1,38,80,000	14,44,223	1,90,82,9244		2,16,378	F. Acutis, Esq. (Mg. Director) ..	Ceat Tyres of India Ltd.	252 50	100	*Nil*	*Nil*	*Nil*		12	
3,00,00,000	5,12,87,5.9	9,82,33,758	3,45,38,270	24,03,447	Andrew Yule & Co., Ltd.	Clive Row Investment	8 37	10	0.75	0.75	0.8*H	0.75	12	
16,20,680	56,26,391	48,40,869	19,18,152	26,195	John Lockham, Esq. (Mg. Director) .	Dunlop Rubber Co. (India) Ltd. ..	43 87	10	1.62	1.62	2.15		12	
51,28,000	57,17,747	1,56,56,711		3,62,237	Mr. K. G. Khanna	Dyer Meakin Breweries	23 12	5	0.60	0.72			12	
14,99,000	3,52,644	48,00,701	7,18,280	4,810	Bird & Co. Private Ltd.	Eastern Investments Ltd.	137 00	100	9.00	9.00	14.00		12	
14,00,000	14,48,121	37,98,175	22,68,488	70,652	B. Sankaran, Esq. (Mg. Director) ..	Enfield India Ltd.	20.00cdCR	10	*Nil*	*Nil*	0.50		12	
40,00,000	4,78,500	70,95,403	41,39,847	19,46,721	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	252.00	100	12 50	15 00	17 00	17.50	2	
85,00,000	39,20,000	78,05,159	14,24,655	1,57,028	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	24.31	10	1.50	1.50	1.50		12	
30,00,000	16,67,354	84,64,988	38,51,713	2,59,181	P. E. O Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd.	12 50	10	1.00	1.00	1.00		8	
4,96,18,250	19 61,176	5,80,44,564	2,86,53,385	5,18,731	B. P. Syndicate	Great Eastern Hotel	250 00	250	15.00				12	
80,00,000	19,64,523	99,48,457	33,67,174	1,31,125	Birla Brothers Private Ltd.	Hindustan Motors	39 49	10	*Nil*	0.50	0.50		8	
3,97,67,760	2,01,79,740	9,72,38,273	5,00,11,654	33,42,051	Talukdar Law & Co. Private Ltd. ..	Hindusthan Pilkington Glass ..	28 56	10	0.60	0 60	1.20		10	
2,26,77,700	1,84,79,720	2,76,16,730	1,20,12,733	40,00,510	K. C. Mahindra, Esq. (Chairman) ..	Indian Aluminium Co., Ltd. ..	29.44	10	0.60	0 70	1.20		12	
8,57,970	9,14,570	17,46,166	10,03,558	97,031	B. J. Woodley, Esq. (Mg. Director) .	Indian Cables	84.31	10	1.50*	1.50*	1.50*		12	
2,00,00,000	99,92,076	3,26,27,893	2,14,74,994	9,72,583	M.	Indian Rubber Manufacturers ..	17 62	10	0 62				8	
29,88,250	29,950	49,20,112	15,93,066	2,467	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Tryzen Ltd.	39 00	10	1.00	1.00	1.50		9	
15,18,00,000	9,64,76,893	11,31,66,117	2,88,76,995	24,77,785	Birla Gwalior Private Ltd.	Indian Plastics Ltd.	12 99	10	0.87	*Nil*	*Nil*		9	
2,00,00,000	72,02,100	1,46,08,517	14,59,807	5,40,165	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	12 12	10	0.70	0 70	0.80		9	
40,00,0000.						J. D. K. Brown, Esq. (Mg. Director) ..	67 50	100	2.50	2 50	5.00		8	
5,00,000D.	85,87,578	29,69,955	11,94,783	2,49,742	M.	McLeod & Co.	216.00	O. 100	12 50	12 50			12	
1,45,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd	—	D.O.100	0.75	0.75				
1,01,00,000	1,64,75,104	3,36,31,764	1,25,75,068	22,96,007	K. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	26.99	10	2.12*	2.12*	2.75		9	
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works Ltd.	44 62	10	1.75	1.75	1.75	2.50'C'	8	
10,00,000	3,41,884	17,87,071	9,84,534	200	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	24.15	10	1.25	1.50	1.50		6	
2,00,00,000	1,15,55,005	3,85,11,692	95,31,573	43,83,429	J. R. Galloway, Esq. (Mg. Director) .	Union Carbide India Ltd.	55 00	10	1.50	1.25	1.25		8	
39,97,500	1,19,25,897	1,95,26,737	47,07,185	46,185	Associated Ind. Dev. Co. (Pvt.) Ltd. ..	National Insulated Cable Co. ..	27 00	10	1.40	1.40	1.80		12	
40,00,000	28,64,825	62,88,459	26,90,674	26,079	Do.	National Rolling & Steel Structural	27 00	10	2.00	2.00	2.00		8	
49,97,064	9,13,878	83,55,383	33,67,559	14,523	K. N. Mookerjee, Esq.(Mg. Director).	National Rubber Manufacturers Ltd.	14 81	10	0.60	1.00	1.00		6	
79,97,000	1,02,10,381	1,62,71,675	75,58,474	7,07,850	S. N. Firm & Co. Private Ltd. ..	National Tobacco Co.	17 00	10	1.00	0 80*C'	0 80		9	
7,50,000	6,82,000	11,21,940	5,03,722	66,772	Parry & Co., Ltd.	Parry Confectionery Ltd.	20 94	10	0 90	1 10	1 60		8	
2,20,00,000	50,68,956	1,48,74,355	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director) ..	Phillips India Ltd.	4.70cdXR	1	0.20	0 20	0.20		12	
2,29,00,000	40,500	66,75,349	30 89,526	2,54,744	M. P. A. Paspatti, Esq. (Mg. Director)	Rallis India Ltd.	127.00	100	0 34	0 85	1.20		12	
20,00,000							118.00	100	*Nil*	*Nil*	*Nil*		8	
1,73,780 D.	50 000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd.	Radio Lamp Works Ltd.		100	7.50	9 00	5.00			
3,50 80,000	2,20,45,000	14,64,58,065	5,52,72,716	3,773	Sahu Jain Ltd.	Rohtas Industries	38.12	10	1.18	2 06	—		8	
4,75,200							....	10	....	2 00	1.50			
5,13,400	99,259	31,10,322	9,26,551	28,722	Sathe Food Inds. (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd.	100 00N	100	6.00	6 00	6.00		8	
70,00,000	88,73,198	2,58,69,675	82,19,181	1,60,686	M.	*Sen-Raleigh Industries*	50 00N	50	3.00	3 00	3.00			
40,00,000	96,89,310	1,32,79,089	76,26,929	3,51,274	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	20 24	10	0.60	0 60	0.80		6	
75,00,000	45,78,890	1,17,50,856	56,07,280	5,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co., Ltd.	25 94	10	1.50	1.50	1.80		12	
15,00,000	95,24,8028	1,18,49,116	28,52,132	83,431	J. K. Agents Private Ltd.	Shaw Wallace & Co., Ltd.	25 94	10	1.50	1.50	1.80	0.601	12	
9,98,980	24,035	16,75,093	6,66,616	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	12 32N	10	1.25	1.25	1.50		12	
22,89,270	12,50,000	12,58,953	8,26,089	10,67,057	M.	Tractors (India) Ltd.	7 50cd	10	*Nil*	0.40	0.80		12	
2,49,99,800	1,10,58,485	2,87 49,563	46,49,251	41,074	Sir A. Ramaswami Mudaliar, (Chairman)	Tube Investments of India Ltd. ..	41 00	10	2 00	2 25	3.00		12	
							875 60	100	10.00	10 00	10 00		7	
11,56,500	14,70,739	12,72,077	6,76,530	41,732	R. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	33 25	10	2.00	2 00	2 75		9	
8,00,000	12,00,000	13,56,760	29,58,716	27,931	Vithal Mallya, Esq. (Chairman)	United Breweries	114 50	10	20 00	60 00	60 00(a)		9	
27,00,000	14,07,280	79 12,229	33,59,607	18,554	A. K. Kaderbhoy, Esq. (Mg. Director)	Western India Plywoods Ltd. ..	800 00	100	10 00	10 00	10 00		3	

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. † Subject to taxation K.—Includes an additional dividend Rs. 7.00 per old share and Rs. 3.00 per ne
Q.—Maharashtra Sugar subdivided its shares of Rs. 250 each into shares of Rs. 50 each in 1958. The dividends for 1956 and 1957 are on shares of Rs. 250.
R.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by *revaluation of land*, buildings, plant and machinery in the year ended 31st December, 1958.
W.—Clive Row Investment. Dividend for 1959 includes additional dividends of 0 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.
(a) United Breweries Ltd.—The dividend for 1959 consists of an interim dividend of Rs. 7 50 per share and a final dividend of Rs. 53·50 per share of which the shareholders will receive Rs. 2.50 in cash and Rs. 50.00 per sh
the allotment of five newly created shares of Rs. 10 each. *N. B.*—Dividends paid since 31st March 1959 are shown as taxable.

TEA AND OTHER PLANTING COMPANIES

| Paid-up Ordinary Capital Rs. | Reserves Rs. | Gross Block Rs. | Depreciation Rs. | Carried Forward Rs. | Managing Agents, Managing Directors or Secretaries | Acreage under T

TEA AND OTHER PLANTING COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore) Pvt. Ltd.	Bababudin Coffee & Produce Co., Ltd.	3 00	5	1 25	1 25	0 625		6	Y.P.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.	Balmadies Plantations	2 18cd	2	0 45	0 25	0 15	0 15	5	Y.P.
28,91,279	18,00,000	52,49,279	8,16,788	21,079	Peirce, Leslie & Co., Ltd.	Cochin Malabar	7 65xd	3	0 52	0 30C	0 45	0 525	2	Y.P.
22,50,000	30,58,661	50,61,756	11,30,047	1,38,049	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	24 50	10	4 00	2 00	2 50		6	Y.P.
71,55,000	63,55,504	1,51,68,273	35,93,779	79,971	R. C. Paterson, Esq.	Consolidated Coffee	26 50	10	1 00	2 00	2 50		6	Y.P.
4,00,000	5,87,423	12,42,809	60,301	3,361	Associated Planters Private Ltd.	Cottamal Plantations	13 25	10	1 75	1 50	1 50		3	Y.P.
18,00,000	9,86,402	31,48,870	6,93,094	24,694	A. V. Thomas & Co., Ltd.	Highland Produce	15 00xd	10	0 75	1 50	1 50		12	Y.P.
8,00,000	7,27,800	20,48,083	2,37,382	6,965	A. V. Thomas & Co., Ltd.	Kalipetta Estates	12 25	10	2 00	1 00C	1 25		4	Y.P.
4,00,000	3,00,000	6,64,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.	Kumeregode Estates Ltd.	5 12	2	0 50	0 40C	0 40		10	Y.T.
13,50,000	4,77,380	20,94,033	3,70,008	11,167	K. T. Thomas Kathanar, Esq.	Malankara Rubber	20 55	10	2 25	1 70C	1 60		3	Y.
40,50,000	14,80,388	88,24,890	11,09,400	35,748	A. V. Thomas & Co., Ltd.	Midland Rubber	12 00	10	2 00	1 00C	1 00		3	Y.P.
3,35,000	4,13,450	16,31,926	2,76,266	46,175	A. V. George & Co., Ltd.	Nonmeet Rubber	19 50	10	0 75	1 50	1 50		12	Y.P.
2,00,000	2,28,000	6,35,344	64,809	1,008	Associated Planters Private Ltd.	Nilambur Rubber Co.	19 00xd	10	1 50	2 00	1 50		12	Y.P.T.
19,45,980	22,83,423	48,02,125	16,66,950	2,088	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	1 80	2	0 60	0 20	0 30		10	Y.P.T.
16,50,000	2,29,315	21,56,112	5,55,520	72,398	Mathewall & Co., Ltd.	Pallancode Rubber	1 85xd	2	0 10	0 08	0 10		3	Y.P.
13,50,000	8,49,874	47,74,372	4,48,809	44,924	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	21 50	10	2 00	2 00	2 00		6	Y.P.
5,50,170	2,00,000	8,87,753	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	Savamalai Estates Ltd.	2 80	2	0 30	0 25C	0 30		11	Y.
12,00,000	1,35,000	18,24,455	66,827	15,748	Pathrose Kuruvilla	Sungam-shwar Coffee Estates Ltd.	2 56	2		0 18	0 18		3	Y.P.T.
10,00,000	2,48,373	22,50,508	1,79,424	13,050	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd.	6 30	10	0 60	0 60	0 60		3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,439	A. V. George & Co., Ltd.	Thamarapally Rubber	28 00	10	3 00	3 00	3 60		12	Y.P.
9,15,300	5,75,000	23,57,095	1,88,203	7,573	Peirce, Leslie & Co., Ltd.	Thirumbadi Rubber Co., Ltd.	1 47	1	0 05	0 10	0 07		9	Y.T.
6,00,000	66,742	11,54,891	5,03,490	2,218	Espen Thyssen, Esq. (Mg. Director)	Travancore Rubber	12 00	10	1 50	1 00	1 00		12	Y.
41,00,000	15,07,458	86,13,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	8 12	10	0 40	0 50	0 75		12	Y.P.
20,00,000	1,36,000	32,16,659	9,87,958	11,924	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	20 75	25	1 00	1 50	2 00		12	Y.
6,00,000	4,56,000	17,45,808	1,02,210	6,282	T. J. Joseph, Esq.	Velimalai Rubber & Co.	5 80	5	0 62½	0 50	0 50		12	Y.P.T.
2,20,000	4,29,400	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	Udayagiri Rubber Co., Ltd.	16 50	10	0 60	0 75	1 50		12	Y.P.
8,80,010	2,91,976	9,65,557	38,718	585	M.	Vaikundam Rubber Co., Ltd.	31 45xd	10	3 50d	3 00	2 50	1 50i	12	Y.
12,00,000	11,90,982	15,34,580	1,19,840	1,15,133	Peirce, Leslie & Co., Ltd.	Wartyhully Estates Ltd.	3 75xd	5	0 15	0 30	0 30	0 30	3	Y.
6,95,000	2,44,161	14,25,129	77,672	2,160	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	7 65	10	1 00	0 50	0 50		3	Y.P.T.

J—Final dividend of Re. 1.50 is on the increased capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,51,970	1,17,27,488	45,28,971	25,002	B. N. Elias & Co. Private Ltd.	870	Agarpara	12 50	10	0 25	0 25	0 50		3	Y.P.T.
6,00,000	11,72,140	68,39,056	43,04,188	1,92,840	McLeod & Co., Ltd.	456	Alexandra	180 00	100	10 00	10 00			12	Y.P.T.
80,00,000	2,79,200	1,26,70,290	99,41,083	—1,88,285	McLeod & Co., Ltd.	1,264	Alliance	113 00xd	100	*Nil*	*Nil*	*Nil*	6 00‖	5	Y.P.
49,20,700	72,81,000	3,09,77,421	2,26,93,087	2,15,974	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	210 00	100	7 00	10 00	12 50		3	Y.P.
40,00,000	37,33,926	1,51,39,985	70,19,427	43,140	Bird & Co. Private Ltd.	810	Auckland	176 00	100	*Nil*	5 00	20 00	7 00‖	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd.	959	Bally	245 00	100	2 00	6 00	10 00	25 00	3	Y.P.
275,000	£626,819	£1,617,018	£1,028,550	—£67,963	Sir John H. Burder (Chairman)	1,889	Barnagore	129 00	£5	*Nil*	*Nil*	10sh.		3	Y.P.
28,00,000	30,71,100	98,01,914	56,63,611	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	155 00xd	100	2 50	7 50	13 50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	960	Bengal	9 50	10	*Nil*	*Nil*			6	Y.P.T.
91,28,000	2,82,25,130	7,34,56,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,373	Birla	29 25	10	1 00	1 00	1 00	1 50	3	Y.P.
26,00,000	23,26,695	1,19,81,197	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	130 00	100	*Nil*	5 00	15 00		10	Y.P.
7,47,380	4,000	45,18,657	34,32,129	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8 00	10	*Nil*	*Nil*			12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	138 00	100	*Nil*	15 00	12 00		11	Y.P.
59,18,400	76,57,559	2,11,45,431	1,20,71,737	—92,149	James Finlay & Co., Ltd.	600	Champdany	117 00	100	*Nil*	*Nil*	7 00	4 00‖	3	Y.
15,95,000	23,10,096	86,22,194	50,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	31 75	10	*Nil*	5 00	12 50‡		11	Y.P.
30,15,000	38,42,800	1,09,82,980	59,87,035	2,33,594	McLeod & Co., Ltd.	900	Chitavalsah	14 56	10	1 10	1 25	1 50		7	Y.P.T.
24,00,000	9,00,000	81,89,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	12 50	10	*Nil*	*Nil*			3	Y.P.
31,49,200	39,72,331	1,39,88,257	61,31,405	—6,42,070	Bird & Co. Private Ltd.	766	Dalhousie	127 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
23,00,000	41,39,373	1,02,74,184	58,51,998	18,524	Andrew Yule & Co., Ltd.	779	Delta	147 00	100	*Nil*	6 00	14 00		11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,837	93,729	McLeod & Co., Ltd.	500	Empire	16 31	10	0 75	1 00	1 25		7	Y.P.T.
21,00,000 } 21,00,000 }	74,32,310	2,61,26,629	1,59,43,058	1,94,546	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	{ 370 00 / 280 00	100 Old / 50 New	10 00	20 00	20 00		} 3	Y.P.T.
21,00,000	19,22,948	1,27,75,074	68,81,071	1,66,049	Bangur Bros., Ltd.	1,014	Fort William	26 62	10	1 50	1 50	1 50		3	Y.P.T.
34,32,100	....	2,23,71,685	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	14 25	10	*Nil*	*Nil*	*Nil*		3	Y.P.
10,80,000	29,50,315	69,22,327	48,80,330	1,51,070	M.	607	General Ind. Society Ltd.	46 00	10	60 00§	2 00			12	Y.T.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	375 00	100	2 50	20 00	25 00	30 00	3	Y.P.
40,00,000	68,76,230	1,38,25,777	75,98,466	2,98,063	Bangur Bros., Ltd.	1,078	Hastings	93 00	100	5 00	5 00	6 00		3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	425	Hooghly	17 00	*Nil*	*Nil*	*Nil*	*Nil*		3	Y.T.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	852	National	24 00	10	*Nil*	*Nil*	1 00	1 25	3	Y.P.T.
52,50,000	31,20,000	3,02,67,018	1,67,42,018	1,07,839	Ramdutt Ramkissendas	2,272	Hukumchand	20 25	7 50	1 50	1 50	1 50		3	Y.P.
87,30,000	20,35,465	1,52,85,168	93,25,868	62,038	M.	790	India	15 69	12 50	9 37	15 62½	1 24	0 75‡	3	Y.
24,00,000 } *B'19,20,000 } 30,00,000 }	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 154 00 / 152 00 / 85 00	100 / *Nil* / *Nil*	*Nil*	5 00	20 00		} 12	Y.P.T.
*B'24,00,000 }	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kankanrah	83 00	'B' 100	*Nil*	*Nil*	*Nil*		} 12	Y.P.T.
28,00,000	49,10,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	154 00	100	9 00	12 50	14 00°C		5	Y.P.
54,00,000	22,12,630	2,20,06,065	1,32,49,119	10,158	Anderson Wright Ltd.	1,530	Khardah	20 00	10	8 00	8 00	20 00‡		3	Y.P.
24,48,000	80,85,694	2,41,09,199	1,17,28,523	51,370	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	170 00	100	*Nil*	5 00	10 00	7 00‖	3	Y.P.T.
28,00,000	23,68,855	59,88,615	39,14,027	60,304	Birla Brothers Private Ltd.	840	Lawrence	138 50	100	*Nil*	*Nil*	2 00	7 00‖	3	Y.P.
81,65,200	28,13,291	2,34,62,530	1,45,89,024	2,82,507	M.	1,294	Mazna	13 00	10	0 50	1 75	1 00	0 60‖	3	Y.
24,36,392	34,36,392	1,64,53,185	94,38,205	—11,60,635	M.	315	Naihati	61 50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	11 75xd	10	0 25	0 25			3	Y.P.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	24 00	10	0 75	0 75			10	Y.P.
26,25,000	31,71,872	59,70,247	26,86,043	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	12 50	10	0 90	1 00	1 40		7	Y.P.T.
1,28,24,350	1,98,88,995	8,59,25,986	1,28,63,717	1,415	Sahu Jain Ltd.	1,765	New Central	27 19	10	..	1 50	1 50°C		3	Y.P.
16,79,880	48,95,192	1,36,11,669	66,57,100	35,462	Bird & Co. Private Ltd.	567	Northbrook	22 75	10	*Nil*	*Nil*	1 25	0 75‖	3	Y.P.T.
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	55 00	50	*Nil*	2 50	3 00	4 00	3	Y.
25,00,000	10,23,000	99,89,883	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	6 50	10	0 30	0 38	0 50		7	Y.T.
20,00,000	42,629	33,90,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9 85	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	4,75,546	1,24,61,131	66,72,920	—38,95,851	Jardine Henderson Ltd.	1,276	Reliance	7 12	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,00,000	2,28,000	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9 50xdN	£1	*Nil*	5%†	10%†		12	Y.T.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bazaria More & Co., Ltd.	911	Shree Ambica	24 00	10	0 60	0 50	0 60		3	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	20 00	10	1 50	1 50	2 50		3	Y.P.
£800,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9 50xdN	£1	*Nil*	3%†	10%†		12	Y.P.
35,95,600	55,90,054	1,06,68,547	46,70,750	75,586	Bird & Co. Private Ltd.	1,328	Union	193 50	100	*Nil*	10 00	20 00	7 00‖	3	Y.P.T.
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9 50xdN	£1	3%†	5%†	10%†		12	Y.P.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	4 00	1	*Nil*	*Nil*	0 25		6	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	32,36,200	1,09,35,072	77,39,072	39,129	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	24 25	10	1 25	1 25	1 50		3	Y.
12,00,000	6,14,541	35,95,654	38,74,696	—2,35,349	Jardine Henderson Ltd.	Barraree Coke	14 56	10	0 37	0 50	*Nil*		3	Y.
4,49,350	88,000	9,50,722	6,59,530	1,317	Kalyanji Mavji & Co.	Bengal Coal	6 00	10	0 90	0 60			12	Y.
1,00,00,000	1,84,79,081	6,98,53,688	4,68,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal-Nagpur	339 00	100	17 50	17 50	25 00		12	Y.
2,25,000	4,90,671	23,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Bharat Collieries	22 00	10	*Nil*	*Nil*	*Nil*		10	Y.
40,00,000	10,29,289	1,44,83,727	77,59,407	2,129	Sahu Jain Ltd.	Bhulanbararee	5 25	10	0 60	0 60			12	Y.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Borrea	6 50N	10	*Nil*	*Nil*			6	Y.P.
7,50,000	24,88,188	49,91,177	28,34,991	20,179	F. W. Heilgers & Co. (Private) Ltd.	Burrakur	22 00	10	0 75	0 75	*Nil*		12	Y.
90,92,480	1,77,69,238	4,58,82,474	2,17,98,561	1,10,738	Bird & Co. Private Ltd.	Central India	18 62	10	0 37	0 37½	1 30		12	Y.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central Kurkend	11 00	10	0 50	0 50			12	Y.P.
8,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Churlia	8 00N	10	0 70	0 50			3	Y.
6,00,000	1,54,873	6,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Dhemo Main	3 50	4	0 20	0 20	0 12		12	Y.
16,00,000	....	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Equitable	9 35	10	*Nil*	*Nil*			12	Y.
£240,000	£370,709	£1,094,395	£794,405	£9,562	Jardine Henderson Ltd.	Ghusick and Muslia	29 87	£1	1 50	1 00	1 25		4	Y.
29,63,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Hingir-Rampur	29 75	10	1 50	1 00	0 75		12	Y.P.
10,00,000	1,40,489	14,24,822	4,83,298	45,389	Bhatter's Agency Ltd.	Hurriladih	12 00N	10	*Nil*	*Nil*			3	Y.P.
12,00,000	1,01,130	43,53,854	27,66,116	—5,13,177	Killick Industries Ltd.	Karanpura Collieries	23 00	50	*Nil*	*Nil*	*Nil*		3	Y.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Katras Jherriah	14 00	10	*Nil*	*Nil*			6	Y.P.
20,00,000	3,47,860	37,92,776	8,93,679	20,442	Bird & Co. Private Ltd.	Kuardi	46 75	10	6 50	6 50	6 50	9 50	12	Y.
5,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Lakurka	7 00N	10	*Nil*	*Nil*			2	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Nazira	15 00N	10	0 75	1 00			4	Y.
9,00,000	10,22,782	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	New Beerbhoom	8 81	10	0 75	0 75	1 00		12	Y.
7,48,340	2,50,000	13,59,878	10,13,353	17,140	Tantia Brothers Private Ltd.	New Manbhoom	23 87	10	0 75	1 00	1 50		6	Y.
17,76,230	23,80,325	1,52,03,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	North West	13 37	10	0 50	0 50			10	Y.P.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd.	Ondal	{ 24 37N / 18 00N	10 / 7 50	1 50	1 50	1 50	1 00‖	} 3	Y.
1,15,000 } 1,57,500 }	3,84,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd.	Parasea	11 50	10	0 50	1 12	1 12	0 75‖	3	Y.P.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Pench Valley	16 00N	10	0 50	0 50	0 70		12	Y.P.
8,34,000	1,39,915	29,18,119	11,33,398	3,885	Deepchand Kishenlall	Raneegunge	22 62	10	0 50	0 50			12	Y.P.
15,75,000	20,39,000	68,60,103	44,84,103	32,685	Shaw Wallace & Co., Ltd.	Rewa	16 81	10	0 75	1 00	1 00		3	Y.
28,99,500	32,78,697	1,47,24,692	1,01,33,389	5,489	B. N. Elias & Co. Private Ltd.	Samla Collieries	23 75xd	10	1 00	1 00			3	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Selected Satgram Collieries	9 00N	10	0 90	0 50			12	Y.
67,50,000	38,22,000	1,02,53,214	26,37,721	66,372	M.	Searsole	145 00	100	9 25	12 50	16 00		12	Y.
13,00,000	2,83,010	22,73,864	7,51,427	2,009	S. D. Sethia & Co. Private Ltd.	Seebpore	1 75	2 50	0 12	*Nil*			12	Y.
2,50,000	60,000	14,29,674	12,57,285	3,302	M.	Sendra	31 87	7	1 75	1 75	3 00		12	Y.P.
2,80,000	10,53,529	30,26,230	20,57,264	45,862	Andrew Yule & Co., Ltd.	Singareni	8 75	10	0 25	*Nil*	0 35		12	Y.
8,00,000	4,54,665	11,88,809(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd	South Karanpura	10 25cd	10	1 50	0 75			12	Y.P.
63,21,450	1,06,25,748	6,10,30,781	2,90,93,472	54,808	Industries (I. P.) Department (Govt. of Andhra Pradesh)	Standard	12 00	10	0 75	0 75	0 90		8	Y.
17,50,000	8,47,303	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	Union	14 50xd	10	1 00	1 25	1 50		12	Y.
8,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Western Bengal	13 00	10	0 37	0 25			12	Y.
2,50,000	2,50,000	19,15,700	14,79,400	1,77,052	Williamson Magor & Co., Ltd.	West Jamuria	7 10	10	0 50	0 40	0 40		3	Y.
49,98,000	1,68,505	78,61,905	29,90,423	7,982	Hindustan Investment Corpn. Ltd.		6 75	10	*Nil*	*Nil*			12	Y.
7,00,000	....	59,74,151	29,16,909	—4,85,709	Macneill & Barry Ltd.									

M—Managed by the Board of Directors. † Less U.K. income-tax. * Including bonus. (k) Investments. 'C'—on increased capital.
‖ General Industrial Society Ltd.—The dividends for 1956 and 1957 are on shares of Rs. 300 each which have since been sub-divided into shares of Rs. 10 each. ‡—On old capital.
F.P.—All dividends paid since 31st March, 1959 are shown as taxable.

COMMERCE AND INDUSTRY

(*Concluded from page 470*)

and effectiveness of the G.A.T.T. as an International Organisation in the face of these regional groupings, from the point of view of developing nations, has also to be considered.

At the XVth Session of the G.A.T.T. held at Tokyo, the United States Delegation had put forward a proposal that something should be done to avoid market disruption on account of low-cost imports from certain countries, such as Hong Kong, Japan, and in the case of some commodities, India. The stand that the Indian Delegation had taken there was that no country, and much less the highly developed countries, could justify discrimination on the ground that imports from certain countries were cheaper than from some others. If anything of this type was attempted, it would make it even more difficult for the developing nations to develop, inasmuch as their balance of payments position will be further worsened. At the Tokyo Session, all that was done, therefore, was that the G.A.T.T. Secretariat was asked to study as to whether this problem of market disruption existed at all, and suggest, in case it was felt necessary, further course of action. In the Geneva Session, the U.S. Delegation reiterated its original stand and expressed concern at the growing competition that was being faced in the home markets of some countries from goods of low-cost origin. While the Indian Delegation strongly stuck to the position it had taken in Tokyo, and placed its viewpoint on record in no uncertain terms, it was agreed to set up a Working Party which would study the specific problem of disruption and recommend multilaterally acceptable procedures for dealing with it. It was also agreed to undertake a long-term study of the various factors which determine the competitive position of goods in international trade.

This development by itself should not have caused anybody any worry. But when one sees that highly developed countries like West Germany and France continue to maintain war-time discriminatory restrictions on some of the products from developing countries, it becomes a matter which cannot be brushed aside lightly. In the consecutive Sessions of the G.A.T.T. the Indian Delegation has been facing the uphill task of getting these countries relax their restrictions which they continue to maintain on exactly the same grounds which is now being made the subject of a study by a duly constituted Working Party of the G.A.T.T.; and it was our fear that the position will remain the same indefinitely on the main more or less the same indefinitely on the plea that the subject was under study. This development, therefore, has to be watched closely by India. I may state here that, as a result of constant pressure that was brought to bear in the G.A.T.T. on West Germany, that country has recently announced some liberalisation of imports from certain countries.

WORLD POPULATION

(*Concluded from page 462*)

of the very few areas in the world where the expectation of life for males is greater than that for females. In addition to India, low values are shown for most of the areas in Africa, for Greenland, Guatemala, Haiti and Brazil. Mexico also shows low values but these may not be currently representative, since the latest available life table relates to the year 1940 for this country. More than half of the countries shown expect males to live less than 50 years on the average, whereas only 20 per cent. have values of this order for females.

Most Popular Ages for Marriage

Marriages by age of bride and by age of bridegroom for the latest available year are shown for 110 areas. According to a study made in 1959, the average age of all brides in the world is about 24 years, while that of grooms is 27 years. Marriages take place at younger ages in the United States, the average being 22 for brides and 24½ for grooms. It was found that average ages of brides range from 19 to 31 years, the youngest brides being found in the Fiji Islands, Albania, the Egyptian region of the United Arab Republic, the Philippines, Costa Rica and Honduras; the oldest in French Guiana (31 years?), Macau and the West Indies.

The Fiji Islands also provide the youngest grooms whose average age is 23. Young grooms are also found in the Philippines, Mexico and Bulgaria the oldest ones—like the oldest brides are found in French Guiana and the West Indies.

The difference between the age of brides and grooms range from one to eight years, the average being 3.5. The largest differences are found in the Egyptian region of the United Arab Republic, Mauritius, Morocco, Spanish Guinea and Venezuela, while brides and grooms are closer to the same age in Bermuda, the Canal Zone, East Germany, Hawaii and Gibraltar.

A definite trend to younger age at marriage is suggested in the data for industrialised countries, while an increase appears to be taking place in other areas.

MARKET REPORTS

(*Concluded from page 481*)

enter into large commitments in view of the lack of a stabilised trend in Calcutta. Dealers in New York thought, not without reason, that values required a careful watch, in view of the approa

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
10,00,000	1,00,00,000	2,86,012	Allahabad Bank	344·00	100	18 00	18 00	18 00		12	Y.P.
14,40,000				172·00	50	9 00	9 00	9 00			
1,01,000				162·00‡	100	6 00	6 00	8 00			
40,78,386	19,73,220	10,301	Andhra Bank	85·00‡	85	5 10	5 10	6 40		6,12	B.
1,00,00,000				79·00	50	7 00	6 50	7 00	3·56		
25,80,000	1,60,06,625	1,02,801	Bank of Baroda	—	25‡B	—	1 50	3 50	1·78	12	Y.
3,80,00,000	3,10,00,000	12,47,743	Bank of India	99·50‡	50	8 00	8 00	8 00	3·75	6,12	R.L.Y.
50,00,000 A				101·00‡	50 A	8 00	8 00	8 00	3·75		
38,00,000	55,30,000	42,473	Canara Bank Ltd.	81·50	50	5 00	5 00	7 50		12	Y.P.
12,47,775	18,00,000	14,361	Canara Banking Corporation Ltd.	71·00	50	5 00	5 00	7 50		12	Y.P.
'A' 5,99,820				188·00	100 'A'	15 00	5 00	20 00			
'B' 18,00,000	35,00,471	28,596	Canara Ind. & Bkg. Syndicate Ltd.	17·75	10 'B'	—	15 00	2 00		12	Y.
'C' 2,00,000				1·88	1 'C'	0 15	—	—	0 20		
2,02,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd.	47·50	25	2 50	0 15	4 30		12	R.L.Y.
A 5,50,000				49·00	25	3 50	3 50	4 30			
50,00,000	82,00,000	8,69,301	Devkaran Nanjee Banking Co.	51·50	50	3 00	3 50	2 52		12	Y.
1,25,00,000	10,00,000	29,696	Hindustan Commercial Bank	16·00	50	Nil	Nil			12	Y.
50,00,000	2,30,000	5,519	Hindustan Mercantile Bank	17·00	50	Nil	Nil	Nil		12	Y.
60,00,000				181·00	100	15 00	15 00	00		12	Y.
22,40,000	84,01,884	80,143	Indian Bank	152·00	80	12 00	10 40	15 00			
74,53,000	39,36,660	1,76,012	Indian Overseas Bank ..	176·00	100	10 00	10 00	12 00		6,12	R.L.Y.
15,00,000	12,00,000	28,839	Pandyan Bank Ltd. ..	38·00	25	1 87	2 50	14571		12	
1,25,00,000	1,47,50,000	3,18,830	Punjab National Bank—K	18·75	10	5 00	2 00	2 00	1.001	12	Y.
5,62,50,000	7,20,00,000	55,87,499	State Bank India	323·00	100	15 00	16 00	20 00		12	Y.
60,00,000	47,00,000	97,247	Union Bank of India ..	5·85	5	0 44	0 44	0 57		12	Y.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank ..	79·80	50	3·75	3 75	5 50		12	H.
2,68,43,647	63,70,000	1,81,585	United Bank of India ..	8·00	10	0 80	0 80	0 43		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£6,000,000	£6,600,000	£463,355	Chartered Bank	£2-16-6	£1	15†	15†	15†		12	Y.
H.K. $78,974,750	£10,949,165	£132,295	Hongkong and Shanghai Banking Corporation	£61‡	H.K.$125	8‡*Z	3*	3*		12	Y.
£24,809,506	£24,950,000	£569,125	Lloyds Bank	£3-0-9	£1	13†	12‡'C'	12†	6†‡	12	Y.
£8,421,875	£8,000,000	£301,488	National and Grindlays Bank Ltd.	£1-17-6	sh. 12‡	15†	15†	12‡†	6‡††	12	Y.

£ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. xr—Ex-Right.
R.—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
17,50,000	6	1st December and 1st June ..	Carew & Co.	1933	98 00	1st June 1963
4,00,000	6½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	98 00	28th February .. 1970
10,00,000	6	1st January and 1st February ..	Ravalgaon Sugar	1942	99 00	27th December .. 1962-63
12,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	82 50	1st November .. 1959-64
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)..	1944	95.00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October ..	Bharat Collieries	1944	90 00	30th June .. 1964
20,00,000	4½	30th June and 31st December ..	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (c)
46,80,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100.00	14th December .. 1969 (c)†
COTTON						
7,00,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85.00	30th April 1964
4,00,000	6	10th May and 10th November..	Bengal-Nagpur	1897	85 00	15th November .. 1966 (b)
66,31,000	5†	1st April and 1st October ..	Buckingham and Carnatic ..	1952	100 50	1st March .. 1973 (c)
40,00,000	8	1st April and 1st October ..	Gokak Mills	1957	99 00	1st April 1967-77
30,61,000	6	1st June	Tata Mills	1951	92.00	1st June 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September ..	Agra Electric Supply Co., Ltd. ..	1950	80 00	31st March .. 1965 (c)
2,00,00,000	5½	15th June and 15th December ..	Ahmedabad Electric Co. Ltd. ..		100.00	15th June .. 1966
98,28,000	5½	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	100.00	31st March .. 1975
12,00,000	4½	30th June and 31st December ..	Banaras Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (c)
65,787,574	4	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	90 00	1st January .. .. 1970 (c)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	85 00	31st December .. 1970
12,80,000	6	1st January and 1st July ..	Bihar (Sherriah) Electric Supply Co., Ltd.	1951	91 00	30th June .. .. 1976 (c)
3,00,000	5½T	31st March and 30th September..	South Madras Electric Supply ..	1939	95 00	1st April 1959 61
1,00,000	5T	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	85 00	30th December .. 1953-63
47,73,000	5	1st March and 1st September ..	Tata Power	1940	98 50	1st July 1970
2,50,00,000	6	1st January and 1st July ..	Tata Power		85.00	15th September .. 1968-78
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	94 00	31st December .. 1969
1,50,00,000	6†	1st January and 1st July ..	Guest, Keen, Williams Ltd.	1958	101 50	1st January 1966-71
29,18,000	4½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1942	98 25	1st July 1957-62
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	84 00	31st May 1977
3,00,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	99 00	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99.50	31st December .. 1960 (c)
JUTE						
12,00,000	5½	1st October and 1st April ..	Ajaraparu	1938	92 00	31st March .. 1969
4,00,000	5½	30th June and 31st December ..	Alexandra	1939	91 00	30th June .. 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	78 00	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd... ..	1945	90 00	30th June 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	87 00	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	88 50	30th June 1966
30,48,000	5½	31st March and 30th September..	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (c)
6,86,000	5	15th January and 15th July ..	Empire	1951	90 00	15th July .. .. 1966 (c)
80,00,000	5½	31st March and 30th September..	Howrah Mills Co., Ltd.	1955	95 00	31st March 1970
15,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1940	90 00	31st December .. 1964 (c)
25,00,000	5½	30th June and 31st December ..	Naihati	1952	90 00	31st March .. 1967 (c)
5,00,000	6½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd.	1939	92 00	14th May 1974
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	85 00	31st December .. 1964
Rs.50,00,000	5	31st March and 30th September..	Reliance Jute Mills Co., Ltd. ..	1950	82 00	5th September .. 1965 (c)
12,00,000	5½	30th June and 31st December ..	Union	1937	95 00	31st March 1967
10,00,000	5½	31st January and 31st July ..	Waverley	1925	80.00	31st July 1966
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
£821,697	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£148,806		1st April and 1st October ..		1933	£74.10N	
						1st October .. 1974
6,56,800	6	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1945	85.00	31st December .. 1974 (c)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£54N	Any time on six months' notice (c)
4,14,18,000	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	97.00	1st September .. 1965
PLANTING						
8,75,000	6T.F.	31st March and 30th September..	Nilgiri Tea	..	99 50	1st April .. .. 1959-69†
5,00,000	6T.F.	1st January and 1st July ..	Kallar Rubber Co., Ltd.	1955	100.00	1st July .. .. 1959 -63
MISCELLANEOUS						
18,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	92 00	31st December .. 1965
25,00,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	85 00	31st December .. 1962
4,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	100 00	1st September .. 1964-69(c)†
5,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1956	100 00	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chemicals and Properties ..	1951	85 00N	1st February .. 1964
15,00,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	82.00	1st July 1966
30,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	78 00N	15th September .. 1960
1,00,00,000	6½	31st March and 30th September.	Dalmia Cement (Bharat) Ltd. ..	1946	85 00	1966
1,84,55,000	6½	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	105 00	1st January .. 1973 (a)††
97,89,800	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	101 50	30th June .. 1969 (a)‡
3,00,00,000	5†	1st January and 1st July ..	Indian Aluminium Co., Ltd. ..	1959	102 75	1st January .. 1975
12,75,000	5½	2nd January and 2nd July ..	Metur Chemical Industries ..	1949	84 00	30th September .. 1964
8,34,500	4	31st March and 30th September..	Martin Burn Ltd. (Convertible Notes)	1948	650 00	30th September .. 1972 (c)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)..	1947	410 00 (per note)	31st December .. 1972 (c)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	85 00N	30th September .. 1964
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	100 25	1st April 1977
2,50,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	92 00	30th June .. 1965-76
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	99 00	31st March .. 1961 (c)
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd. ..	1944	99 00	31st December .. 1959
50,00,000	6	15th Feb. and 15th August ..	Shree Gopal Paper Mills Ltd. ..	1955	96 00	15th July 1962
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	100 25	16th February .. 1961(c)
25,00,000	5	30th June	Tata Chemicals Ltd.	1945	97 00	1st May .. .. 1963 (c)‡‡
50,00,000	6	....	Tata Oil Mills Co., Ltd.	1950	101 00‡	1965-85
						1969-74

(c) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent. after 12 years. † Any debenture outstanding on 1-8-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1961 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963, on six months' notice
‡‡ Option to repay at par on six months' notice, on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 8th September, 1960.

	Closing Quotation 1-9-1960	High	Low	Closing quotation 8-9-1960
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	185.50	186 00	185 50	186 00
Apollo (2)	1 54	1 54	1 20	1 24
Baroda Rayon (75) ..	150 00	151 00	149 50	151 50
Bombay Dyeing (25) ..	67 60	67 80	65 80	66 40
Bradbury (50) ..	132 00	—	—	132 00
Central India (100) ..	119 00	120 00	112 50	113 00
Century Mills (100) ..	507 50	511 00	482 00	489 00
Cosrs. Sp. (100) ..	133 00	—	—	133 00
Dawn (50)	134 00	135 00	129 50	131 00
Edward Textile (200)..	300 00	—	—	300 00
Elphinstone (50) ..	61 00	61 00	58 00	58 00
Finlay (100)	376 00	380 00	350 00	352 00
Gokak (100)	180 00	184 00	172 00	174 00
Gold Mohur (100) ..	232 50	240 00	232 50	240 00
Gwalior Rayon (10) ..	46 00	46 50	43 25	43 25
Ind. Untd. Deld. (1) ..	1 92	1 94	1 58	1 62
Ind. Untd. Ord. (10) ..	13 32	13 40	12 32	12 40
Indian Rayon (37 50) ..	80 00	81 00	70 00	70 00
Indore Malwa (100) ..	123 00	123 00	117 00	122 00
Khatau (100)	730 00	725 00	580 00	582 50
Kohinoor (100)	339 50	337 00	321 00	323 00
Lakshmi (250)	505 00	505 00	502 00	505 00
Mafatlal (100)	1,150 00	1,160 00	900 00	910 00
Minerva Mills (100) ..	84 00	—	—	84 00
Model Nagpur (250) ..	65 00	—	—	65 00
Morarji (100)	440 00	470 00	410 00	415 00
Mysore (50)	93 00	91 00	87 00	87 00
National Rayon (100) ..	525 00	530 00	495 00	502 00
New City (100)	138 00	—	—	138 00
New Great (100)	195 00	—	—	195 00
Phoenix (100)	144 00	145 00	142 00	142 00
Podar Mills (100)	148 00	149 00	147 00	142 00
Raymond Woollen (100) ..	112 50	113 00	108 00	108 00
Sassoon Silk (10) ..	10 00	—	—	10 00
Sassoon Spg (10) ..	63 50	64 00	56 00	56 00
Shrinivas (100)	262 00	264 50	254 00	255 00
Simplex (50)	174 00	175 00	172 00	173 00
Standard (100)	1,975 00	1,995 00	1,400 00	1,545 00
Svadeshi (100)	248 50	250 00	243 00	245 00
Swan (100)	510 00	520 00	510 00	518 75
Tata Mill (25)	44 50	45 00	41 50	42 00
Vishnu (100)	106 50	—	—	106 50
Western India (1,000) ..	5,650 00	—	—	5,650 00
BANKS				
Bank of India (50) ..	100 00	100 00	99 50	99 50
Do. (New (50) ..	102 00	102 00	101 00	101 00
Bank of Baroda (50)..	81 00	81 50	78 50	78 50xd
Central (25)	49 00	49 25	47 00	47 50
Central 'A' (25) ..	51 00	50 50	49 00	49 50
Dena Bank (50)	51 50	—	—	51 50
Punjab National (10)..	19 52	—	—	18 75xd
Union Bank (5)	5 88	5 92	5 84	5 88
United Com. (50) ..	89 50	88.50	78.00	78.00
ELECTRIC COS.				
Ahmedabad (100) ..	87 50	87.50	85.50	85 50
Amalgamated (10) ..	10 20	—	—	10 24
Andhra Valley (1,000)	997 50	1,002 50	987 50	990 00
Bom. Sub. El. (100) ..	84 00	84 00	80 00	81 50
Surat (100)	87 70	—	—	87 70
Tata Hydro (100) ..	106 00	106 50	103 50	104 00
Tata Power (1,000) ..	1,037.50	1,040.00	1,020.00	1,022.50
INSURANCE COS.				
British India (10) ..	12 38	—	—	12 48
Empire of India (100)..	268 75	—	—	268 75
Ind. Mercantile (20) ..	45 50	—	—	45 50
Jupiter (15)	6 52	—	—	6 52
New India (15)	62 00	57.00	55 20	55 20xd
Vulcan (10)	18.76	—	—	18.76
STEEL COS.				
Ind. Iron (10)	25 85	26 15	25 00	25 20
Mukund Iron (10) ..	27 00	28 25	25 50	25 75
Tata Steel Ord. (75) ..	160 25	162 75	155.75	157.25
SUGAR COS.				
Belapur (50)	403 00	400.00	372.00	375 00
Dhampl (10)	28 00	—	—	28 50
Chandpur (12 50) ..	34 50	—	—	34 50
Phaltan (50)	186 50	186 50	178 00	179 00
Walchand Ind. (100) ..	307 50	307 50	300.00	303.75
CEMENT COS.				
Associated Cts. (100)..	144 00	145 50	143 00	144 00
Digvijay (100)	173.00	175.00	166.50	166.00
MISCELLANEOUS				
Alcock Ashdown (100) ..	298 00	306 00	290 00	293 00
Bom. Burmah (125) ..	589 00	595 00	565 50	571 00
Do. (New) (50) ..	208 75	208 75	197 50	197 50
Br. B. Petrol (4 sh.) ..	1 68	1 74	1 56	1 64
Br. I. Corpn. (5) ..	7 88	7 88	7 48	7 84
Cooper Eng. (100) ..	166 00	166 00	164 00	164 00
Colgate (100)	450 00	475 00	405 00	410 00
Hind Cycle (100)	123 00	125 00	120 00	122 00
Hindustan Lever (10)..	45 50	45 50	44 00	44 50
Hindustan Motors (10)..	22 00	22 20	20 40	20 85
I. C. & Invest. Corporation (100) ..	69 00	69 30	69.00	69 30
Indian Dyestuff (100)..	730 00	715 00	620 00	620 00
Indian Copper (2 sh.)..	5 04	5 08	4 64	4 64
Ind. Inv. T. (100) ..	72 00	73 00	72.00	73 00
Killicks (100)	106 00	107 00	105 50	106 00
Larsen & Toubro (10).	49 50	50 30	44 75	45.75
Mahindra & Mahindra (10)	23 52	23 76	22 24	23 24
New Central Jute (10) ..	30 00	30 00	27 00	27 00
Polsam (100)	182 00	184 00	151 00	151 00
Pra. Automobiles (100)	179 50	181 75	159 00	163 75
Premier Con. (80) ..	371 50	376 00	350 50	354 50
Scindia (20)	14 12	15 20	14 00	14 24
G. E. Shipping (10) ..	16 68	16 68	16 00	16 00
Shivrajpur (10)	74 00	74 00	69 50	71 00
Sirpur Paper (10) ..	20 24	20 40	17 92	18 20
Tata Chemicals (10) ..	20 72	21 12	19 12	19 28
Tata Locomotive (100)	307 00	312 50	282 50	288 00
Tata Oil (25)	73 80	75 50	70 50	72 50
Texmaco (10)	27 25	27 25	25.85	26 00
Voltas (100)	296 50	294 50	274 00	279 00
W. I. Match (100) ..	242 00	265 00	241 00	243 00
W. Coast Paper (100).	213 50	215 00	199.00	200 00

GOVERNMENT SECURITIES	1-9-1960 Rs.	Gross Yield Earlier Redemption	Later Redemption	8-9-1960 Rs.
2½% 1961	98 55	—	4 12	98 85
2½% 1962	98 05	—	3 66	98 05
2½% 1963	83 50	—	4 17	83 50
3 % 1964	96 80	—	3 48	98 00
3 % 1963-65	98 05	3 64	3 41	98 05
3 % 1966-68	95.85	3 78	3 60	95 85
3½% 1970 1st Rev. ..	90 95	4.11	3 80	90 95
3 % 1986 Con. Loan. ..	74 20	—	4 04*	74 10
3½% 1961 N.P. Bonds.	100 05	—	3 48	100 05
3½% 1964 N.P. Loan. ..	99 90	—	3 52	99 90
3½% 1965 N.P. Bonds.	99 75	—	3 55	99 75
3½% 1962	99 80	—	3 55	99 80
3½% 1967 N.P. Bonds.	99 50	—	3 35	99 50
3½% 1974	99 70	—	3 58	99 70
3½% 1972-75 N.P. Bonds.	100 80	—	3 78	100 80
3½% 1969 Loan	99 10	—	3 66	99 10
3½% 1968	99 50	—	3 52	99 50
3½% 1962 N.P. Bonds.	99 95	—	3 51	99 95
3½% 1968 N.P. Bonds.	100 65	—	3 51	99 95
4 % 1960-70	100 00	—	3 67	100 65
4 % 1972 Loan	101 80	—	4 00	100 00
4 % 1975 Loan	101 20	—	3 87	101 80
4 % 1979 Loan	100 25	—	3 87	101 20
4½% 1966 Bonds	99 75	—	3 98	100 25
4½% 1980 Loan	99 90	—	4 01	99 75

*Current Income. xd—Ex-dividend

COMMERCE

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

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RETREAT TO REALISM

MUCH water has flowed under the bridge since the Nagpur Congress, and the great debate on co-operative farming does not seem to have been in vain. Even hard critics of the joint-farming idea may draw some comfort from the resolution, passed early this week, by the National Development Council at New Delhi. This resolution, which has accorded approval to the rather cautious recommendations of the Working Group (headed by Mr. S. Nijalingappa) on Co-operative Farming, does represent a retreat from the Council's original stand which appeared inflexible. Any interpretation that this may only be a tactical retreat because there is no immediate prospect of a total withdrawal would be less than fair to the Council which has now taken up an even more cautious position than that of the Working Group. Surely, that famous dictum of Lenin, "one step backward, two steps forward," does not apply here.

What indeed the latest N.D.C. resolution means would need to be more fully appreciated. For one thing, while accepting the Working Group's recommendation that 320 pilot *joint-farming* projects (representing 3,200 societies, as one project covers 10 societies) be undertaken, the Council has not laid down a specific deadline for their organisation. It may be that this will still be done in accordance with the Working Group's scheme of phasing of the pilot projects. Since, however, the agricultural year 1960-61 would now have to be ruled out for obvious reasons, the pilot programme itself may well be rephased as under:

1961-62	... ...	40 pilot projects
1962-63	... ...	60 " "
1963-64	... ...	90 " "
1964-65	... ...	130 " "

Such rephasing would, in turn, mean that, by the end of the third Plan, the success or otherwise of joint farming in two years of continuous working will have been known only in respect of 190 pilot projects representing 1,900 societies.

For another, the N.D.C. resolution has virtually rejected the Working Group's suggestion (which, too, is not a 'firm' recommendation) that 2,000 additional co-operative farming societies be formed in 1962-63, 3,000 in 1963-64, 5,000 in 1964-65 and 10,000 in 1965-66. Here, the Council's considered view is that no specific targets are necessary for the "expansion programme"—a view which, in effect, means that the Working Group's assumption that the successful working of a pilot society in two successive years will have provided an impetus, by example, to the organisation of more co-operative farms has probably been rejected by implication. As the "demonstration" value of a pilot project cannot be taken for granted, the Council has wisely refrained from committing itself to the suggested targets of the "expansion programme." Even if, by any chance, the Council had accepted the expansion targets, that would not have meant much for the simple reason that a rephasing of the "expansion programme," as a sequel to the rephasing of the "pilot programme," could lead to the creation of only 10,000 additional societies by the end of the third Plan.

The implication of the N.D.C. resolution, thus, is that the "demonstration" value of the pilot projects may not be of such rapid significance as to bring about any spectacular voluntary expansion of joint farming by the end of the third Plan. If the Council had thought that two years of working might not provide any conclusive proof of the superiority of joint farming over individual farming in terms of productivity and the like, it would have been eminently in the right. Where even the Working Group which consisted of experts took a cautious view of "expansion" possibilities, the National Development Council was not to be expected to adopt a more optimistic approach by laying down specific targets therefor. The Council's general statement that "the objective should be to build up some foundations for the development of co-operative farming, so that, over the next ten years or so, a *substantial* (italics ours) portion of the agricultural lands would be cultivated on co-operative lines," has necessarily to be vague in the circumstances. The word 'substantial' need frighten nobody, for it may mean anything or nothing. In absolute terms, three million acres, for example, may be substantial, but that extent would represent only about one per cent. of all cultivated lands in the country.

Even in the best of circumstances visualised both by the Working Group and the N.D.C.—circumstances such as the location of pilot projects in the Community Development areas where the co-operative movement is presumed to have already made considerable strides, special assistance to joint farming societies, etc.—the most that is hoped for is no more than a few thousands of societies by the end of the third Plan. This cautious approach is of a piece with the other recommendation of the Council that "the policies for promoting co-operative farming and service co-operatives at the primary level should not cut across one another, but should be visualised as a stage in co-operative development and not as a programme isolated from the normal pattern of growth of the rural economy." The consequential recommendation that, "where a group of cultivators in the village formed a co-operative farming society, the society should be a member of the local service co-operative" is also understandable, if the implication of the Council's current approach is that joint farming cannot stand on its own feet without special assistance and inducements and without its being organically tied to service co-operatives. This itself is an implied admission of the probable fruitlessness of the entire joint farming enterprise.

Where so much store is set by service co-operatives covering credit, marketing, supplies, etc., as in Japan, where even according to the report of the Patil Delegation which visited that country too in the latter half of 1956, such co-operatives have obviated the need for joint farming, the path of prudence would seem to lie in bringing all the advantages of "scale" to individual farmers without persuading them to pool their lands. Joint farming of ridiculously uneconomic holdings, in terms of the recommendation of the Kumarappa Committee which reported in 1949, may, however, commend itself for consideration on the ground that farming units could be rendered more economic as work-units. But, if the same objective can be achieved by the possible purchasing out of some sub-marginal holders, there would be no need for joint farming in the case of even ridiculously uneconomic holdings. Even in the case

investors and their Indian associates are the largest owners of these industrial property rights. But as more and more industries are established, and more Indian inventions take place, the interest of indigenous manufacturers in trade marks and patents legislation and the problems involved in their administration will grow. Meanwhile, the Government is actively trying to see to what extent the existing laws and practices pertaining to the ownership and leasing of these property rights need improvement, in order to promote speedy industrialisation and to regulate the price that is being paid to foreign owners from the point of view of saving foreign exchange. The keen interest displayed by the Government in this matter is borne out by the fact that Mr. Manubhai Shah, Union Minister for Industry, himself chose to attend the seventh annual meeting of the Trade Marks Owners' Association and reply in great detail to the several points raised by its Chairman, Mr. K. T. Chandy, in his speech.

Some of the issues discussed by Mr. Chandy are of great importance to business men, especially those who are exploiting foreign patents and processes through special arrangement with their owners. These issues arise from the recent amendments to the Trade Marks Act and the Government's decision to amend the existing Law of Patents and Designs. The Association, since its last meeting in November 1959, had a variety of problems to discuss with the Government and the Trade Marks Registry concerning the rules framed under the Trade and Merchandise Marks Act, the procedure and principles governing Registered User arrangements, rules pertaining to the proper indication of the country of origin of merchandise and the proposed reforms in Patent Law.

It may be recalled that the former Merchandise Marks Act of 1889 was revised and incorporated in the newly enacted Trade and Merchandise Marks Act 1959. The rules under the Act were recently finalised and issued. One of the main purposes of these rules is to ensure that the country of origin is clearly indicated in the labels and cartons affixed to various articles. Too often the country of origin is indicated in very small letters which often misleads the consumer. The rules now provide for a minimum size for lettering in the labels, so that the consumer could see at a glance whether the product was made in this country or elsewhere. Mr. Chandy seemed to feel that the rules were capable of further improvement and indicated that they were being taken up with the Joint Registrar of Trade Marks. He wanted the Government to give sufficient time to the industry before finalising the relevant rule and enforcing it, as the matter was not of small importance. He hoped that the practical difficulties in redesigning the containers and labels of various sizes, on which a lot of information has to be given, would be borne in mind by the Government, not to mention the substantial expenditure that would be involved in carrying out this reform. His suggestion that the Development Council for each industry may be asked to go into this issue and put forward its recommendations sounds reasonable. Only, care must be taken to see that this procedure does not result in any prolonged delay.

The subject of Registered User arrangements, by which the owner of a registered trade mark can permit its use under certain conditions by others is indeed very important and somewhat controversial. Its importance resides in the fact that many foreign manufacturers of repute get their trade marks registered and pass them on to Indian concerns in return for large royalties. Of the total number of 3,600 registered trade marks for which registration of registered users has been made so far, 96 per cent. belong to foreign proprietors. While there is nothing wrong with such leasing arrangements, the royalties payable involve the crucial question of drain on India's foreign exchange reserves, which are by no means plentiful. In the case of one well-known trade mark in the textile trade, for instance, the royalties paid by the textile industry to a foreign concern run into several lakhs of rupees. It is provided in the amended Act that the existing Registered User arrangements would lapse in November 1962, but the Trade Marks Registry would entertain applications forthwith for continuation of these arrangements which, in many cases, form a part of the terms of foreign collaboration. Mr. Chandy urged that the Government should complete its review of these arrangements as early, and with as little disturbance as possible. It is likely that for this purpose the Government would require not only a copy of the agreement between the foreign registered proprietor of the trade mark and the registered user in India but also many other vital details. Section 49 of the Act and Rule 85 stipulate the nature of such information, while Rule 83 lays down the items that should be specifically covered by the agreement between the parties. Evidently, the trade is a little anxious that, when Registered User arrangements are permitted hereafter, there would be a tightening of the rules in such a manner that it might affect foreign collaboration. Mr. Chandy advised the Government to ensure that fairness, cordiality and the success of such collaboration were maintained undisturbed. The Government is likely to keep a little discretion to itself in this important matter, but it should enunciate at an early date, as suggested by Mr. Chandy, the general principles that would guide the use of such discretion. It must, however, be conceded that, unless the parties concerned promptly respond to the Controller-General's request for details of the terms of agreements and their working, the Government cannot be expected to act quickly.

Reform of the Patent Law in this country has been hanging fire for more than a decade now. In 1950, as a result of the Teckchand Report, certain amendments were made to the original Act. In 1953, an elaborate Bill was presented to Parliament and finally allowed to lapse even after a Select Committee had scrutinised it. In 1957, Mr. Justice Rajagopala Iyengar of the Supreme Court was appointed to review the matter and, in February 1960, his report was made public. The chambers of commerce and other interested institutions have sent their views on his recommendations and the whole matter is before the Government of India. The report of Mr. Justice Rajagopala Iyengar has received, to quote Mr. Manubhai Shah, "very high encomiums from knowledgeable persons both in India and abroad" and "the Royal Commission of Canada, in its report on patents, submitted three months ago, has independently reached conclusions similar to those of the Judge on many points." The Union Minister, however, conceded that the problem of reconciling national interests with those of foreign concerns owning patent rights in India was a complicated one and called for "judicious balancing of various approaches, particularly in an underdeveloped country like ours."

Put in brief, in revising the Patent Law, the whole object of the Government should be to encourage Indian industry to forge ahead, without imposing at the same time undue handicaps on the owners of patents abroad. In order to achieve the former object, it would be necessary to have a position in which the industry in the private sector, or the Government in the public sector, would have fair access to the new processes and manufacturing techniques. The protection granted to an inventor in the form of a patent is primarily intended to enable him to get the reward for his efforts by giving him the exclusive right to use his invention for a certain period. But it may well be that an important discovery of a technique is in the hands of a patentee who will not put it to any use himself for various reasons, nor would he allow anyone else to work it, even if the latter were prepared to pay a reasonable fee. In such a case, industrial progress may be hampered. Hence, commercial utilisation of a patent by others should be permitted, in fit and proper cases, subject to payment of suitable compensation or royalties to the inventor. In the context of national planning, in particular, the State which runs many public corporations and public enterprises such as steel projects, telephones, electronics, and locomotives should have an overriding right to take over and utilise an invention patented by anybody, subject to minimum safeguards. It must, however, be added that, without proper compensation, any such action by the State would savour of expropriation.

India's point of view on this subject was ably stated by Mr. Manubhai Shah in his address at the Association's annual meeting. He observed:

"In any revision of the Patent Law, the patent system and the laws relating to industrial designs, the most important thing that we have to bear in mind is that the law should be conducive to the development and growth of indigenous research, on the one hand, and rapid industrial development of the country, on the other. The patent, whether foreign or indigenous, which seeks to restrict or tends to restrict the benefits of science and inventions to an individual or a group of people against the whole community, should not be allowed to receive any protection or support. Therefore, in considering any patent law or regulations, we have to take all sides of this picture into full consideration. While there are some good features in protecting scientific knowledge and research in which individuals or corporate bodies have spent considerable experience and money, it should also be remembered that such protection should not militate against the general public good and should not hamper or stifle the work of our scientists and research workers in the country. Therefore, the patent system, throughout its historical growth in many countries of the world, has undergone evolution and changes to suit the social and economic pattern of every society and every country. We, in India, who are underdeveloped in many ways and yet where scientific talent is growing at a rapid rate, would have to evolve a patent system to suit our own requirements and our genius."

It is to be hoped that the aforesaid consideration would engender sober thoughts in foreign patentees and make them more reasonable in their demands on the Indian use of their patented processes. It should also encourage them to set up industries in this country to exploit the benefits of their patents. The field of foreign collaboration has been widening and more and more industries are being set up even in the public sector with such assistance, both financial and technical. Where there is a clear failure to utilise the patent within a reasonable period and its utilisation is also a demonstrable fact, there ought to be a provision in the new law for a licence being issued in respect of that patent to those who are ready to use it, provided suitable compensation is paid. The matter is, of course, complicated in actual working, but the underlying principle is reasonably clear.

Mr. Chandy was at great pains to show that an underdeveloped country like India should not reduce the area of patent protection. His reasons are as follows:

"It is a recognised fact that the facilities for research, in terms of equipment, trained manpower and finances, are at present limited in our country. These limitations determine the scope and volume of the inventions that may be made in this country, which, in the circumstances, cannot but be limited for the present, though, in course of time, we ought to and shall overcome these limitations. At no time has scientific advancement been the fruit of the efforts of any one country or persons of any one nationality. The maximum amount of interchange of information about progress in science, industrial techniques and about new inventions, is, therefore, necessary for any country, be it highly developed or substantially undeveloped, and more so, for the undeveloped and underdeveloped countries. One of the best ways in which this exchange can be promoted is a Patent System, which removes the fear that the inventor who discloses his achievement will be deprived of the fruits of his efforts and ability. In the absence of such protection, many an advance can remain as secret know-how, a tradition with which we are only too familiar in India, where many inventions and useful knowledge tended to be zealously guarded as family secrets. I would, therefore, respectfully submit that the existence of foreign patents is not a thing of which we are to be alarmed. It is not true nationalism which hinders the free flow of technical knowledge."

Surely, the Government of India could be trusted to play fair in this matter, considering the zeal with which it has all along protected the interests of foreign capital in this country. The large consumer potential of the Indian market and its economic buoyancy are factors that should *prima facie* stimulate exchange of technical know-how and proper use of patents. And the Government, on its part, need not burden the patent system with any serious disincentives. It has, of course, a duty to weigh carefully the rights of patentees, on the one hand, and ensure equitable terms for their utilisation, on the other. Indeed, if the socialist pattern of society, the declared goal of national planning, is progressively achieved, the State would come to use all patents. The *entrepreneurs* may, however, take comfort in the thought that India is still a mixed economy and that there is room for them to participate in the industrialisation of this country by using of their patents. No national Government will be worth its salt, if it allows its patent system to be misused and abused to the detriment of its industrial progress. Foreign concerns owning, or wanting to own, patent rights in India will be moving with the times, if they refrain from demanding unreasonable terms for authorising the use of their patents.

MARKET GOSSIP

Preference Dividends

THE introduction of a Bill in the Lok Sabha on the 6th inst. to regulate dividends on preference shares represents the Government's recognition of the need for official intervention in this respect, in view of the divergent practices followed by joint-stock companies, as a result of the new scheme of company taxation introduced in the Finance Act 1959 and modified in the Finance Act 1960. It is also a reversal of the view expressed by the Finance Minister in his Budget speech in February this year that "the Government would not like, as the current Finance Act implies, to make any assumptions" regarding the amount of dividends which companies were required to pay and that he would leave the actual amounts of these dividends for the companies themselves to decide. Such a reversal of opinion has evidently been prompted by the fact that the Government itself, as one of the largest shareholders (through the L.I.C.), stands to suffer.

The Government had, of course, realised as early as in April last that it might have to intervene. In his reply to the debate on the Finance Bill, for instance, Mr. Morarji Desai had stated (*vide* page 687 of *Commerce* dated 23rd April 1960) that, if, after watching the situation for some more months, it was found that companies did not make "suitable provisions in this regard," the Government might have to bring in "suitable legislation, with a view to securing to the preference shareholders a suitable increase in the dividend." It would appear that, though several companies were willing to abide by the spirit of their undertaking to preference shareholders, the legal requirements were so complicated that they found it practically impossible to fulfil them. Legislation was, therefore, found to be the only way out.

The Bill, while prescribing a uniform rate of increase in each class of preference dividends, does not seek to compensate fully the loss as a result of the tax changes introduced under the Finance Act 1959. For both the classes of preference shareholders (that is, tax-free and taxable) will continue to get less than what they were getting before the Finance Act came into force. It, however, provides a fair compromise between the position that existed before the Finance Act of 1959 and the confusion created as a result of it. Further, both the classes of preference shareholders will be equally benefited by the present Bill. The main features of the Bill are:

1. The provisions apply only to preference shares issued and subscribed before 1st April 1960. In respect of preference shares issued and subscribed after 31st March 1960, the companies and the shareholders are fully aware of the legal position and it is up to the companies to clarify to the new shareholders their right as to the amount of dividend payable to them.

2. All preference shares, the dividends on which were being paid before 1st April 1960 without deduction of tax, whether specified to be tax-free or not, will, after the commencement of the Act, be entitled to an increase of 25 per cent.

3. All preference shares, the dividends on which were being paid before 1st April 1960, after deduction of income-tax payable by the company, whether specified so or not, will be entitled to an increase of 7 per cent.

4. An additional dividend will have to be paid in respect of preference dividends declared after 31st March 1959 and before the commencement of the Act, which are not entitled to the benefit of "grossing" under the provisions of the Income-tax Act and the dividends already declared are less than the dividends provided for under the Bill.

5. Where only a part of the company's income is chargeable to income-tax, only a proportionate increase is allowed on tax-free or taxable preference dividends.

6. The provisions of the Bill will not be applicable to the additional dividends which a participating preference shareholder is entitled to along with the ordinary shareholder in addition to the fixed preference dividend.

7. A company may, however, increase the amount of dividend on preference shares beyond the limit specified under the Bill, in the manner provided in Section 108 of the Companies Act, that is, with the consent of the majority of its shareholders.

As stated earlier, under the present Bill, both the classes of shareholders will stand to benefit, as compared with the present position in the case of those companies which are not able to maintain the previous practice or does not wish to do so as the letter of the Act is in their favour. This will be clear from the following illustration:

7 Per Cent. Tax-free Preference Share

Present position	Rs.	*After the Bill comes into force*	Rs.
Dividend	7.00	Dividend	7.00
Less : I. tax at 20% ..	1.40	*Add :* 7%	0.49
	5.60		7.49
Less : Tax at 30% ..	1.68	*Less :* I. tax at 20% ..	1.50
			5.99
		Less : Tax at 30% ..	1.80
Net dividend	3.92	Net dividend	4.19

The net increase in the case of tax-free preference dividend is 25 per cent. and that in the taxable preference dividend is 7 per cent. So far as the companies are concerned, the Bill implies that the incidence of the aforesaid changes in preference dividends will be 25 per cent. more than what the companies had to bear prior to the Finance Act 1959. Thus, in the case of 7 per cent. tax-free preference shares, the Company concerned will have to pay Rs. 8.75 per share, an increase of Re. 1.75 per share or 25 per cent. On a 7 per cent. taxable preference share, the Company was paying Rs. 4.80 per share (that is, Rs. 7.00 *less* income-tax and super-tax at 31.5 per cent.= Rs. 2.20). It will have to pay hereafter Rs. 6 per share (that is Rs. 7.49 *less* income-tax at 20 per cent.=Re. 1.49). This represents an increase of Re. 1.20 per share or 25 per cent. Thus, though the increase in dividend permitted on taxable preference shares is only 7 per cent., as against 25 per cent. in the case of tax-free preference shares, the actual increase which the companies are asked to make in either case is 25 per cent.

This 25 per cent. represents the actual saving in company taxation, as a result of the reduction in income-tax on companies and the abolition of wealth tax and excess dividend tax. This is arrived at as follows:

	Formerly nP per rupee	*At present nP per rupee*	*Saving to the Company*
Income-tax, super-tax, etc...	51.5	45.0	..
Wealth tax and excess dividend tax	4.5	..	..
	56.0	45.0	
Retained by the company	44.00	55.00	11 nP per rupee or 25 per cent.

It will thus be seen that the Bill makes it obligatory on companies to pass on to both the classes of preference shareholders the benefit of saving they have had in their taxation. The Government has tried to follow a definite basis that makes no discrimination between the tax-free and taxable preference shares. Nevertheless, the gross return to both the classes of preference shareholders under this arrangement will be 14 per cent. less than what they were getting prior to the abolition of "grossing." Thus, the 7 per cent. tax-free preference shareholders who were getting Rs. 10.22 per share, as a result of grossing, will receive only Rs. 8.75 and the 7 per cent. taxable preference shareholders will be entitled to only Rs. 6 per share (including the tax refund), as compared with Rs. 7 they were getting before.

In other words, the Bill, as mentioned at the outset, does not seek to restore the position that was prevailing before the new system of corporate taxation came into being. It gives only partial relief to preference shareholders. It, of course, permits those companies which wish to fulfil the spirit of their undertaking to their preference shareholders to do so. All that they have to do is to amend their Memorandum and Articles of Association, as required under Section 106 of the Companies Act of 1956. Only a few companies have so far done so. Some companies have promised to do so and it remains to be seen whether they will fulfil this promise, now that the Bill is in their favour. The vast majority of companies were waiting to see in what way the Finance Minister would give statutory sanction to his appeal to company managements to play fair to preference shareholders. How many of them will now take the trouble of amending their Articles, so that they can pay the tax-free preference shareholders what they had intended to pay? Some companies may want to pay, but may not succeed in getting the requisite majority votes for amending their Articles. Further, the Bill does not protect the net return of preference shareholders against any future increase in the rate of tax deductible at source. And to this extent investment in preference shares has lost the charm it had before.

There will also be two types of tax-free preference shares; fully tax-free and partly tax-free, depending on which of the two courses a company chooses to follow. Consequently, before buying a tax-free preference share, an investor will have to take the additional trouble of finding out the exact position of the dividend right. This will render investment in the existing tax-free preference shares a complicated business.

Oil Prices

As is only to be expected, the conference of the five oil-producing nations in the Middle East (Saudi Arabia, Kuwait, Qatar, Persia and Iraq) and Venezuela in Latin America, which began at Baghdad on Saturday the 10th inst., has aroused world-wide interest. These countries together account for nine-tenths of the aggregate world reserves of oil and 40 per cent. of actual world output. And, naturally, any decision taken at the conference will have far-reaching international repercussions. No details of the deliberations at the conference are available up to the time of writing. The discussions are supposed to be secret. It is not even known whether the conference is still in session. The only news appearing in the Press is simply this: On their arrival in Baghdad, all the delegates unanimously expressed their grave concern at the recent cuts in posted prices for Middle East crude oil, the conference opened in a militant mood, and important decisions are expected to be announced within the next few days.

Thanks to the initiative taken by the Government of Iraq, the Baghdad conference was hurriedly convened, though the Arab Oil Congress is due to be held at Beirut in a month's time, from 17th to 22nd October next. The Iraq Government wants to adopt what is called "a united attitude" against the reductions in the prices of crude oil effected by the leading oil companies operating in the Middle East. The Governments of the Middle East countries consider that the price reductions have been made "unilaterally and without consultations." Some in Saudi Arabia even accuse the oil companies of their "desire to recoup losses arising from Venezuelan tax increase, the loss of Cuban holdings, increased Basrah port dues, etc., by shifting profits from production to marketing and refining, from which the producing countries receive no share." Attention is drawn to the fact that, since Saudi Arabia derives 60 per cent. of its national income from petroleum, Venezuela 60 per cent., Iraq 47 per cent. and Iran 27 per cent., these countries must be insulated as far as possible from fluctuations in oil prices. It is argued that the Middle East oil producing countries lost $150 million as a result of the price cuts in February 1959 and the loss of a similar amount will be suffered from the recent cuts. "This," to quote a report, "amounts to a reduction of three or four per cent. in their national income—comparable, say, to the effect on Belgium of the loss of the Congo—and it has happened suddenly, without warning." To quote another report: "The importance of the posted prices is that, in the Middle East (unlike Venezuela), they provide the basis for the 50 : 50 profit-sharing arrangements between companies and Governments, and any reduction means smaller revenues for the Governments concerned." It was this consideration that prompted Mr. Abdullah Taraki, Saudi Arabia's Director of Petroleum Affairs, to propose an international oil pro-rationing scheme early this year. The scheme, which has received full support from Venezuela and a few Middle East countries, envisages the gearing up of oil production to market demand, each nation's percentage of the market depending primarily on the size of its proven reserves.

The Arab countries are said to be not particularly happy with India over the 11 per cent. cut it forced in the price of crude oil delivered to it. Nor are they happy with the Soviet Union, as they feel that India was able to exert pressure on the Western oil companies mining Middle East oil because of Russa's offer of cheaper crude oil.

The concern of the Middle East countries over the reductions in oil prices is understandable. It must, however, be emphasised that oil production in this region has been rising rapidly enough to offset the price reductions. May be, their revenues would have been larger if the prices had not been lowered, but are the consuming countries like India and Pakistan not justified in asking for a reduction in oil prices when the world price of this commodity goes down? Do our neighbours in West Asia pay anything more than the world price when they buy goods from India and Pakistan? There is, therefore, no point in their getting sore with India. If they wish to have a larger share of profit on the crude oil extracted from their fields, they have to negotiate with the oil companies amicably and reach an understanding. Why drag in this poor country into the controversy? Is it the contention of the Middle East countries that other consuming countries such as the U.K., West Germany, Italy and France, to mention only a few, have not taken steps to reap the benefit of lower world oil prices? Has not the U.S. sought to protect its domestic oil producers by placing restrictions on imports of oil from abroad and has not that action led to a fall in the prices of crude produced elsewhere in the world? Surely, it is absurd on the part of anyone, be they the oil companies or the Middle East Governments, to lay the blame on India for their discomfiture.

Coal Shortage and Steel Production

It is, indeed, a sad commentary on planning to be told almost at the end of a decade of "planned" development that the live-wire industries of the country are suffering from a shortage of raw materials. Engineering industries do not have enough steel to keep to their production schedules, gunny manufacturers are held to ransom by speculators due to a shortfall in raw jute output, and cotton textile manufacturers complain that the high prices of cloth are due, among others, to the inadequacy of indigenous cotton and the consequent hardening of prices thereof. Coal, fertilisers, and chemicals are among the other scarce commodities which are hampering industrial production. The more painful aspect of the whole problem is the Government's refusal, for reasons best known to itself, to take note of the warning given well in advance by those who are in the know of things about the prospect of production being affected by raw material shortages.

One may argue that, to the extent that raw material shortages are due to failure of monsoon and other adverse weather conditions, they cannot be regarded as an aspersion on India's planners and administrators. This is, of course, true, but only to some extent, for one of the objectives of planning is to redure the dependence on the vagaries of Nature. To give an instance, if the plans to control and regulate floods, and to prevent waterlogging had been effectively implemented, the damage to agricultural production would have

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FURTHER SETBACK IN EQUITIES

HEAVY SELLING AT CLOSE

(From Our Own Correspondents)

BOMBAY, 15*th September*

THE share market has had a further setback during the week under review and equities have been marked down heavily over a wide front. A slightly steady tone was noted on Tuesday and Wednesday and values showed a tendency to stabilise. But this was short-lived and today there was a fresh wave of selling, on renewed reports from New Delhi that the Government was considering measures to check excessive speculation. Even if the Government is actually formulating steps in this direction, it will be some time before any statutory measures are taken, as the Finance Minister will be away at Washington to attend the World Bank and I.M.F. meetings and the Prime Minister also is likely to leave for New York to attend the U.N. General Assembly session after his return from Pakistan. However, the bears have seized the opportunity to depress the market and this has induced some bull liquidation as well.

A notable feature of the week's trading was the sharp fall in leading cash shares. Indian Dyestuffs, Colour Chems, Poly Chems, Anil Hardboards, Ceat Tyres and Premier Tyres were prominent among these. Evidently, the operators are cashing the sizable gains in these counters in order to subscribe to the issues of new companies and rights issues of well-established companies.

Among the rights issues announced this week are those of the Sirur group of textile mills and the Gokak Mills Ltd. The Modern Mills proposes to issue shortly a further equity capital of Rs. 46.47 lakhs to the existing shareholders in the ratio of one share for every ordinary held. The additional capital is to finance the renovation and expansion programme. The Minerva Mills will shortly issue 6 per cent. tax-free redeemable convertible preference shares of the value of Rs. 10 lakhs, in order to augment the Company's working capital. The Company proposes to embark on a programme of renovation and expansion and a loan is being sought for this purpose from the National Industrial Development Corporation Ltd. The Mysore Spinning and Manufacturing Company, Ltd. proposes to issue further equity capital of Rs. 9.93 lakhs to the existing shareholders in the ratio of one ordinary share for every three shares held.

The Directors of the Gokak Mills propose to issue, subject to the sanction of the Controller of Capital Issues, 24,405 new ordinary shares of Rs. 100 each at par to the existing shareholders in the ratio of one new share for every two shares. The new issue is to enable the Company to repay its borrowings.

To revert to the trend of the market, steel shares succumbed to selling pressure, Tata Ordinaries falling from Rs. 157.25 to Rs. 155.75. The decline in Indian Irons was much sharper, the scrip having been pressed down from Rs. 25.20 to Rs. 24.

Textiles suffered widespread losses. Centurys gave way from Rs. 489 to Rs. 479 and, after a short-lived recovery to Rs. 487, lost ground to Rs. 481.50. Bombay Dyeings shed 40 nP to Rs. 66. Kohinoors were marked down by Rs. 7.50 to Rs. 315.50. Standards provided the lead, with a fresh fall, this time of Rs. 235 to Rs. 1,310. Finlays, Morarjees, Mysore Spinnings, Swans were among the other scrips which suffered sizable losses. Khataus provided a notable exception with a rise of Rs. 22.50 to Rs. 660, following encouraging Directors' report.

Bank shares displayed a firm tone, in refreshing contrast to the general trend. Central Banks added Rs. 2 to Rs. 49.50 and their new shares Rs. 3.30 to Rs. 52.80. Bank of Indias gained Re. 1.50 to Rs. 101 and their new shares Rs. 2 to Rs. 103.

Digvijays returned to favour among cement shares and rose by Rs. 7.50 to Rs. 174. Other counters were listless, A.C.Cs moving between Rs. 146.25 and Rs. 144. Orissa Cements were quiet at Rs. 13.84.

In the sugar group, Belapurs staged a recovery earlier in the week from Rs. 375 to Rs. 383, before shading off to Rs. 374 at the close. Phaltans were lower by a rupee at Rs. 178, while Walchandnagars were unchanged at Rs. 303.75.

Engineering shares lacked support, presumably on fears that shortage of steel and components might hamper the industry's growth. Alcocks lost Rs. 2 to Rs. 291. Larsen and Toubros were marked down by Rs. 3 to Rs. 42.75, Premier Constructions by Rs. 17.50 to Rs. 337 and Tata Locomotives by Rs. 10 to Rs. 278. Voltas met with pressure at the close, the shares finishing at Rs. 273 with a loss of Rs. 6 over the week. Josts Engineerings dropped Rs. 12.50 to Rs. 152.50 and Mahindras Re. 1.72 to Rs. 21.52.

Shippings and automobiles provided no exception to the general trend. Scindias were a shade quiet at Rs. 14.52 and Great Easterns at Rs. 15.64. Premier Automobiles dipped from Rs. 163.75 to Rs. 157 and Hindustan Motors from Rs. 20.88 to Rs. 18.

Losses in miscellaneous counters were not uncommon, but they were more pronounced in cash scrips. Bombay Burmahs were, however, erratic, moving between Rs. 595 and Rs. 572, but they finished on balance Rs. 10 higher at Rs. 581. National Rayons, after being marked up from Rs. 502 to Rs. 518.50, suffered a setback to Rs. 499.50. Gwalior Rayons at Rs. 39.50 *ex-div.* were Rs. 2.91, lower. Indian Rayons lost Rs. 10 to Rs. 60 and Baroda Rayons were done Rs. 12.50 lower at Rs. 129. Tata Oils and Wimcos also provided exceptions, with a rise of Rs. 3.50 to Rs. 76 in the former and of Rs. 8 to Rs. 251 in the latter. Anil Hardboards fell by Rs. 32.50 to Rs. 357.50, Ceat Tyres by Rs. 20 to Rs. 230 and Premier Tyres by Rs. 14 to Rs. 81. Indian Dyestuffs (old) declined by Rs. 90 to Rs. 530 and their new shares by Rs. 95 to Rs. 525. Colour Chems were depressed to Rs. 380, representing a loss of Rs. 30 over the week. Poly Chems shed no less than Rs. 35 to Rs. 255. Amar Dyes, Dharamsi Chemicals, Chase Brights, Khandelwal Ferro Alloys, Phillip Carbons, West Coast Papers and Raymond Woollens were among the other counters which suffered sharp losses.

Madras Stock Exchange

MADRAS, 14*th September*

For the third week in succession, equities on the Madras Stock Exchange ruled distinctly easy, thanks mainly to persistent rumours of possible official intervention to curb speculation on stock exchanges. Besides, in view of the tight foreign exchange situation, operators feared further curtailment of imports of capital equipments and raw materials, which would, in turn, affect adversely the growth prospects of industries. There were also rumours regarding an increase in Bank rate. All these factors led to sizable liquidation in several counters and, consequently, prices continued to move downward. Teas were particularly depressed on reports of growing foreign competition in world tea markets. Rubbers too came in for selling. Coffees were quiet. Textiles encountered selling on apprehension of decline in the profit margin of mills as a result of the recent reduction in prices of piecegoods and yarns. Sugars, chemicals, cements and other miscellaneous industrials lacked support.

In the tea section, Nonsuch Teas declined by 50 nP to Rs. 27.50. Devsholas moved down by 20 nP to Rs. 30.25. Waterfalls dropped 13 nP to Rs. 4.47. Blue Mountains gradually drifted downwards from Rs. 5.28 to Rs. 5.18. United Nilgiris and Chembras shed 5 nP each to Rs. 22.60 and Rs. 5, respectively. Peermades were lower by 3 nP at Rs. 23.60. Haileyburias rose initially from Rs. 14.50 to Rs. 14.85, but fell back to Rs. 14.50 in the subsequent sessions. Kil Kotagiris, however, gathered 2 nP to Rs. 5.65.

Among coffees, Consolidated Coffees, after rising from Rs. 26.10 to Rs. 26.20 earlier, receded to Rs. 26 towards the close. Ouchterlony Valleys eased by 2 nP to Rs. 4.77 before recovering to Rs. 4.75. Coffee Lands were neglected at Rs. 24.50, as also Cowcoodys at Rs. 5.60 and Rajendras at Rs. 15. Amalgamated Coffees were dull at Rs. 13.85. The Directors of the Company have announced a dividend of 10 per cent., taxable (equivalent to 7 per cent. tax-free) for the year ended March 1960, as against 7.5 per cent. tax-free for the previous year.

In the rubber group, Cochin Malabars fell from Rs. 7.55 to Rs. 7.35 before closing at Rs. 7.40. Midlands were lower by 10 nP to Rs. 11.50. Highlands and Kailas dropped 5 nP each, the former to Rs. 14.70 and the latter to Rs. 5. Malankaras were neglected at Rs. 20.55, following the announcement of a lower dividend. The dividend for the year ended March 1960 has been placed at 15 per cent., taxable (10.5 per cent. tax-free), which compares unfavourably with 16 per cent. tax-free for 1958-59.

Bangalore Woollens in the textile section climbed down by Rs. 4 to Rs. 204. Coimbatore Pioneers were lower by Rs. 2.50 to Rs. 347.50. Cannanores sagged by a rupee to Rs. 144. Coimbatore Spinnings lost a like amount to Rs. 48. Maduras eased by 75 nP to Rs. 34.15. Kotharis and Loyals shed 25 nP each to Rs. 12.65 and Rs. 35.50, respectively. Buckinghams changed hands at Rs. 205, Coimbatore Cottons at Rs. 170 and Dhanalakshmis at Rs. 227. Travancore Rayons, however, rose by 45 nP to Rs. 36.75, after an initial fall (from Rs. 36.30) to Rs. 36.

In the sugar section, Cauverys shed Rs. 2 to Rs. 144. Travancores eased by 15 nP to Rs. 12.10. Deccans closed 10 nP lower at Rs. 15.95, after fluctuating between Rs. 15.85 and Rs. 16.10 during the week. Indias were unchanged at Rs. 13.25 and Mysores at Rs. 60.50. East India Distilleries, however, hardened by 75 nP to Rs. 39.75; they were higher still at Rs. 39.87 yesterday.

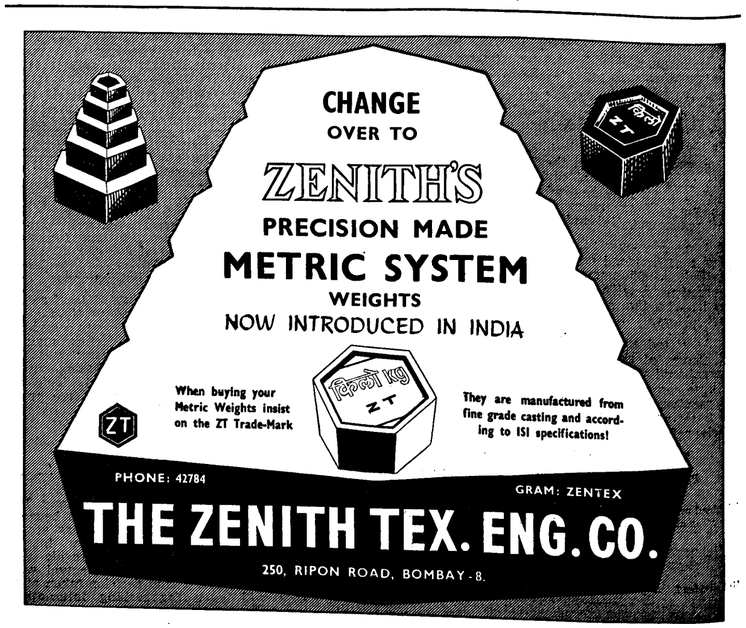
In the miscellaneous section, Mettur Chemicals encountered selling and fell by 46 nP to Rs. 14.56. Among other chemicals, F.A.C.Ts lost 13 nP to Rs. 11.67 and Mysore Fertilisers 5 nP to Rs. 10.65. Mysore Chemicals were quiet at Rs. 27.87. In the cement group, Orissas fell by 25 nP to Rs. 13.50 and Travancore Cements by 23 nP to Rs. 8.80. India Cements sagged by 10 nP to Rs. 7.25. Andhras, however, put on 10 nP to Rs. 10.50. Among other scrips, Textools and Western India Plywoods decreased by Rs. 2 each to Rs. 188 and Rs. 298 respectively. Ashok Leylands shed 22 nP to Rs. 8.78. Aluminium Industries were dull at Rs. 24.50. Mysore Lamps were unaltered at Rs. 26.25. The Company has declared a dividend of 20 per cent., taxable (equivalent to 14 per cent. tax-free) for the year ended March 1960, as compared with 16 per cent. tax-free for the previous year.

ZENITH STEEL PIPES LTD.

The Zenith Steel Pipes Ltd. has announced the details of its proposed equity issue to provide a part of the finance required for its steel pipe project. Of the issued capital of Rs. 70 lakhs (in 700,000 ordinary shares of Rs. 10 each), the promoters, Directors and their friends have already taken up Rs. 28 lakhs and the Industrial Credit and Investment Corporation has agreed to subscribe for Rs. 7 lakhs. Only the balance of Rs. 35 lakhs will be available for public subscription, the list for which will open on 21st September and close on 29th September 1960. A sum of Rs. 2.50 per share is payable on application and the balance of Rs. 7.50 in one or more calls after allotment, but not earlier than three months therefrom.

The main object of the Company is to manufacture steel pipes and tubes of all descriptions, but mainly welded and galvanised pipes and fittings. Its factory, which will be the first of the five to be set up under the third Plan, will have an annual capacity of 24,000 tons of welded steel pipes and will be set up near Bombay. The Company is negotiating with leading foreign machinery and pipe makers for technical collaboration. The project is estimated to cost Rs. 1.25 crores, of which Rs. 70 lakhs will be provided by the equity issue and the balance of Rs. 55 lakhs by foreign exchange and rupee loans from the I.C.I.C. The foreign exchange component of the loan will be the equivalent of Rs. 40 lakhs.

The Company has an influential board of directors. Judging from the recent trend in capital market and from the good outlook for the industry and considering the fact that the proposed issue is a relatively small one, there is every reason to expect that the issue will be a notable success. That the promoters are confident of the response from investors to their issue is evident from the fact that it has not been underwritten. On the basis of the existing prices and after making allowance for costs, overheads, depreciation and other foreseeable contingencies, in so far as these can be estimated at present, the Directors are of the view that the Company will be able to pay "a reasonable dividend on the equity shares."



NEWS IN BRIEF

THE Heavy Electricals Plant at Bhopal will be inaugurated by Prime Minister Nehru on 1st November next.

The first consignment of 11,000 tons of kerosene from Russia is expected to be received in the first week of next month, according to Mr. K. D. Malaviya, Union Minister for Mines and Oil. One consignment of Russian diesel oil has already been received by the Indian Oil Company, Bombay.

A new trade and transit treaty between India and Nepal was signed at Kathmandu on the 11th inst. This will come into force on the expiry of the current treaty at the end of next month. The treaty provides for a progressive increase in trade and economic relations between the two countries.

By contributing as much as Rs. 1.41 crore to the small savings scheme during August, Greater Bombay has achieved 60 per cent. of this year's target of Rs. 11.50 crores during the first five months of the current financial year. The city has collected more than Rs. 1 crore every month this year so far.

The proposal of the U.S. Lockheed Corporation to set up an aircraft manufacturing plant in Hyderabad is still under the consideration of the Government. Disclosing this, the Deputy Minister for Civil Aviation, Mr. Ahamed Mohiuddin, stated in Parliament that the proposed plant was expected to be in the public sector.

Air-India International has announced the introduction of a regular scheduled weekly service from Bombay to Kuwait in Persian Gulf with effect from 4th October 1960. The flights, which will be operated by Superconstellations and call at Karachi and Bahrein, cover the 1,700-mile route in about 7-8 hours.

The Constitution Bench of the Supreme Court has upheld the constitutional validity of seven schemes of the Andhra Pradesh Government for nationalising motor transport in West Godavari district. A number of writ petitions challenging the validity of the schemes have been accordingly dismissed.

The Government of Kerala has been assured by the Centre that the decision to set up a second forward market for pepper in Bombay would be reviewed at the end of the trial period of one year, if the apprehension of the State Government and local operators about the possibility of unhealthy speculation in the proposed ring in Bombay were to prove correct. During the trial period, the Forward Markets Commission will keep a close watch on the trend of the pepper markets.

The view that the occurrences of iron and bauxite in the Shevroy Hills in Salem and Nilgiris in Madras are fairly widespread and offer good scope for their commercial exploitation has been expressed by Mr. Lawrence Blade of the U.S. Geological Department, who has made an on-the-spot-study of these areas in the last few days. He has come to India under a T.C.M. Project to investigate the possibilities of commercial exploitation of base metals in the country. Besides Madras, he has visited Himachal Pradesh and Madhya Pradesh.

The All-India final estimate of tobacco for 1959-60 puts the current year's area and production of tobacco at 934,000 acres and 281,000 tons, respectively, as against the partially revised estimates of 897,000 acres and 261,000 tons for 1958-59. This shows an increase of 37,000 acres or 4.1 per cent. in area, and 20,000 tons or 7.7 per cent. in production, as compared with the previous year. The yield per acre of tobacco obtained during 1959-60 works out to 674 lbs., as compared with 652 lbs. last year, thus showing an increase of 3.4 per cent.

Over 5,000 refund orders involving a sum of Rs. 1.68 crores were issued by the Income-tax Department in Bombay City during the "Refund Week" observed by the Department, from 29th August to the 3rd inst. Orders for refund of income-tax in 5,186 cases were issued by the Department during the week. This figure is about 20 per cent. of the total number of refund cases normally dealt with by the Department in one year. The value of refund issued during the week alone amounted to nearly 15 per cent. of the average amount refunded in a whole year.

The Government of India has decided to raise the quantum of loan from Rs. 1,500 to Rs. 2,000 per house under the village housing projects scheme. Till the end of June 1960, nearly 3,000 villages had been selected by the State Governments and Union Administrations for development under the scheme. Loan of Rs. 143 lakhs had been sanctioned in 700 villages for the construction of about 11,000 houses under the scheme, out of which a sum of Rs. 90 lakhs had been disbursed to the beneficiaries till the end of June 1960. Nearly 1,300 houses had been completed and another 6,800 houses were under construction.

The Lok Sabha passed the Drugs (Amendment) Bill on the 6th inst. The Bill empowers the Government of India to control manufacture of drugs and to appoint inspectors and analysts to ensure the quality of drugs. The provisions in the Bill are in line with the recommendation of the Pharmaceutical Enquiry Committee that the drugs standard control as are now exercised by State Governments should be centralised for more effective enforcement. The Bill provides for a minimum punishment of one year's imprisonment and fine for the manufacture and sale of certain mis-branded drugs.

It has been decided by the Government of India that distribution of fertilisers and improved seeds should be handled by service co-operatives, instead of by the technical staff of the Agriculture Departments in States. This decision has been taken to relieve the Agricultural Departments of the distribution work and to enable the staff to devote their concentrated attention to the more important extension and technical functions, namely, to broad-base the activities of the village co-operatives which so far have been providing production credit, and also to achieve better co-ordination between credit and the production programmes of the village by extending credit in kind.

As many as 626,866 workers are entitled to medical care in Bombay and 30,770 in Vidarbha area under the Employees' State Insurance Scheme in the Maharashtra State. During the financial year 1959-60, the cash benefits paid to the insured workers amounted to Rs. 1.15 crores. This was stated at the second meeting of the Maharashtra State Regional Board of Employees' State Insurance Corporation held at Bombay on the 12th inst. The question of extension of the scheme to Sholapur, Poona and other industrial centres was considered at the meeting. The scheme is to be extended to the members of the workers' families from 1st November next to Nagpur, to begin with.

An ad hoc committee of fountain pen manufacturers has been formed, at the instance of the Government of India, to look into the problem in the industry created by the manufacture of substandard products by ill-equipped small-scale units. It is stated that the possibilities of obtaining the service of some foreign expert to help the industry in this regard is being considered. India exported fountain pens worth Rs. 2 lakhs in 1959. There is stated to be a large demand for Indian manufactured fountain pens in South-East Asia. The industry is also stated to be in a position to meet practically the entire domestic requirements. Production in 1959 was of the order of 15 million fountain pens. Most of the parts, including the gold-plated nibs, are now manufactured within the country.

A conference on labour research has been convened by the Union Ministry for Labour and Employment at New Delhi on the 22nd inst. to consider a proposal to set up a Central Labour Research Organisation. The need for such an organisation has been felt, as, in India, very little attention has been paid to organised research on labour problems and the consequent dearth of reliable and up-to-date data makes it difficult for the administration to formulate labour policies on a scientific basis. The main objectives of the proposed Central Labour Research Organisation will be to conduct research in various aspects of labour economics, with a view to evolving guiding principles and norms for formulation of policy, suggest ways and means to remove defects in existing labour statistics and co-ordinating research conducted by various agencies on labour matters. It is intended that the Organisation should work along with the Central Labour Institute, which, when fully set up, will also be conducting studies on labour productivity, industrial psychology, safety, health and hygiene.

* * * *

From Abroad

World production of natural rubber in the first half of 1960 amounted to 960,000 tons, whereas consumption was higher at about 1.02 million tons, according to the International Rubber Study Group. Consequently, stocks of natural rubber fell by 75,000 tons to 677,500 tons.

A long-term trade agreement covering the years 1961 and 1965 has been signed between the Soviet Union and the Guinean Republic. Under the terms of the agreement, each side will grant the other side most-favoured-nation treatment in all matters relating to trade, navigation and other economic relations.

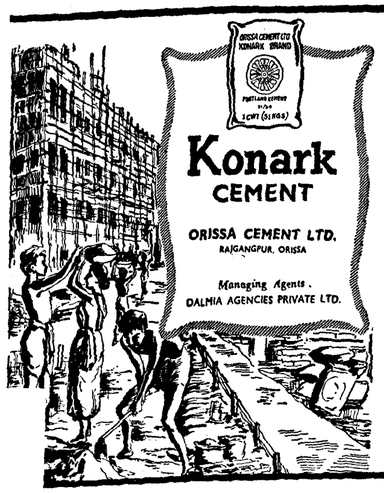
A national menu study by the Market Research Corporation of America reveals that coffee is now the most popular food item in U.S. homes. The study, sponsored by representative food manufacturers, also shows that 97 per cent. of U.S. families use coffee at some time or other in the home. An increasingly popular form of coffee is the instant type, which in 1959 accounted for 33.4 per cent. of all U.S. coffee sales. Popularity of instant coffee is expected to grow further.

The largest railroad system in the U.S., the Pennsylvania Railroad, resumed normal operations on the 13th inst., following settlement of a 12-day shut-down caused by a labour-management dispute, the first in the 114-year history of the Company. The dispute between the Company and the Transport Workers' Union, which actually began three years ago, did not concern wages. Work rules and job security for 20,000 maintenance (non-operating) employees were the major issues.

The manufacture of a new type of furniture, called magic-wedge, which can be put together in minutes without the use of nails, glue or tools and requires no hardware, has been started by a firm at New York. The magic-wedge is made of "Westvaco Flakeboard," a warp-proof product manufactured by the West Virginia Pulp and Paper Company. The secret of magic-wedge is the close-fitting wedge which interlock to form a strong, sturdy bond, resulting in furniture that can be speedily put together or taken apart.

The World Bank has approved of a loan equivalent to $27.5 million to Israel to help build and equip a sheltered deepwater port on the Mediterranean Sea at Ashdod. When construction is finished (by 1965), the new port will be able to handle 900,000 tons of general cargo a year. The total cost of the project is estimated at $54.7 million. The Bank loan will cover all the foreign exchange requirements as well as a part of the local currency costs; the remainder will be met by the Israeli Government.

The employment situation in the U.S. deteriorated sharply during August 1960, as a result of the continued slump in steel industry and the unusually early model change over in automobile industry. The proportion of unemployed (after seasonal adjustment) to that of labour force in that month stood at 5.9 per cent., the highest level touched since the steel strike in the closing months of 1959. The number of persons out of work, however, actually fell by 229,000 to 3.8 million and the number of those employed was still at the record level of 68.3 million.



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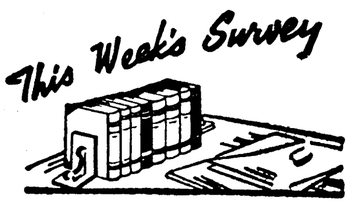


DR. M. VISVESVARAYA

THE very mention of the name Dr. M. Visvesvaraya, who entered on his hundredth year on Thursday the 15th inst., is bound to thrill those who have had the opportunity of reading, or hearing about, his colourful career, in that it will vividly bring to one's mind the remarkable achievements of this eminent personality. Few in India can be credited with as much and as varied a service to the country as Dr. Visvesvaraya. The engineering world, which claimed his services first, the industrial world, which was not slow to follow, and, for that matter, the world of Indian economy as a whole have each, in fact, as much, if not a greater, claim on him as any other. His hundredth birthday is, therefore, of national importance. Truly, it was most fitting that the hundredth birthday celebration was inaugurated at Bangalore by Prime Minister Nehru who, it will be recalled, was the only other person to share, along with Dr. Visvesvaraya, the nation's highest honour of *Bharat Ratna*, conferred for the first time in September 1955. It is equally in the fitness of things that the Government of India should have decided to mark the occasion by issuing commemoration postage stamps in the most popular denomination of 15 nP bearing the latest portrait of this engineer-*cum*-statesman.

Dr. Visvesvaraya is one of those rare men who cast not shadows but light. His greatness as an engineer, statesman and industrialist and his farsightedness and vision are so immeasureable that it is hardly necessary to speak of them. The several achievements of his will fill a bulky volume, but the most important of them include his work on a number of irrigation schemes, flood control measures, drainage and water works, rural development, town planning, and industrialisation. The block system of irrigation on the Nira Canal in Bombay, the Sukkur Barrage in Sind, the Krishnarajasagar Dam in Mysore, the Hindustan Aircraft Factory at Bangalore, the Iron and Steel Works at Bhadravati (Mysore), and the establishment of the automobile industry, to mention only a few—all these are an expression of Dr. Visvesvaraya's genius and faith in India's capacity to do great things, given the opportunity. The committees on which he has served either as chairman or as member and the reports he has submitted are too varied and numerous to be catalogued in this brief sketch meant to pay our tribute to him. Special mention may, however, be made of his work in connection with the Bombay Irrigation Enquiry Commission, the Committee on Technical and Industrial Education in Bombay, the Backbay Reclamation Committee, the Capital Enquiry Committee and the Indian Economic Enquiry Committee. He has also been actively associated with institutions like the Institute of Engineers and the Indian Institute of Science. And the Jayachamarajendra Occupational Institute, Bangalore, owes its birth to him, as it was built out of the munificent gift of Rs. 1.5 lakh he made.

Dr. Visvesvaraya is one of the few pioneers in Indian thought on planning. His book, *Planned Economy for India*, published as early as in 1934, was an excellent treatise on planning with reference to Indian economic development. Neither in this book nor in the course of his speeches made on several occasions has Dr. Visvesvaraya preached any gospel or raised ideological bogeys. All that he has sought to stress, and continues to do so even now, is that one should take a broad appreciation of the urgent needs of the economy and a commonsense view of resources, that the objective of planning should be a "self-developed India," and that it is the job done which is important and not who does it, the State or the individual. It is a pity that several of his pertinent observations have lost their force now, not so much because the bureaucracy has a large say in many matters as because mediocrity has come to prevail in the name of democracy.

In conveying our best wishes to Dr. Visvesvaraya on the occasion of his hundredth birthday, we devoutly pray to Providence that he be spared for many more years to come. This is not a formal wish which is customary on such occasions. It is something much more than that. A cynic may wonder as to what contribution a man of hundred years has to offer to humanity. But Dr. Visvesvaraya is no ordinary man. He is a living symbol of what a man can achieve by self-discipline and systematic living. His continued presence in our midst will be a source of inspiration and guidance to those who wish to lead a useful life. There is a lot that the present and future generations can learn from his method of work and living.

POST MORTEM OF A STRIKE

The report on the enquiry conducted by Mr. R. L. Mehta, Joint Secretary, Union Ministry of Labour, into the prolonged strike, which occurred two years ago in Premier Automobiles Ltd., Bombay, now published, has exposed the festering sore that eats into the vitals of the trade union movement in the country. Mr. Mehta's findings prove that Lord Acton's dictum, "all power corrupts; absolute power corrupts absolutely," is as much true of trade union leaders as of politicians. The extent to which personal issues and prestige considerations enter into important policy decisions of unions is illustrated by this strike. It is now clearly shown that this strike, which lasted for about four months in two stages, was over a "personal issue and not over any industrial question of wages or bonus or similar claim." Such events are inevitable when the executive of a union, instead of being the representative and humble servant of its members, assumes the role of master and dictator. Here is the inquiry officer's comment on how the Secretary of the Engineering *Mazdoor Sabha*, which called and directed the strike, went about his job: "Not only in day-to-day matters, but also in major issues like giving a strike notice, signing an agreement, launching a strike or calling it off, Mr. R. J. Mehta (Secretary of the *Sabha*) acts independently of all authority. When so much power is concentrated in a single person, the plural society which a trade union represents perishes to give way to the monolithic."

Both the management and the Union, according to the report of the enquiry, are guilty of violation of the provisions of the Code of Discipline in industry, but the Union's share of infringements, it is conceded, is greater. The management must be blamed for not providing enough staff for dealing with the day-to-day problems of workers and for failure to implement agreements expeditiously. It was also guilty of refusing arbitration which the Code specifically enjoins on it to accept. But the management, according to the investigator, was perfectly justified in withdrawing the facilities to the Secretary of the Union, who abused the privileges granted to him and persisted in the policy of keeping alive an atmosphere of restlessness and discontent among the workers by making one set of demands after another and playing to the gallery by shouting abuses at the management and using intemperate language in which "threats, innuendoes and even contumely were indiscriminately mixed."

The Union, or rather, Mr. Mehta, its Secretary, was wrong in calling a strike on the ground that the facilities he had been enjoying were withdrawn. The first strike which lasted from 5th to 8th April 1958 was against the Code. It was illegal, because it was over a personal issue, and took place at a time when an adjudication reference was pending before an Industrial Tribunal.

The second strike, which lasted for 110 days from 11th April to 29th July, was prompted by the discharge of 10 workmen for repeated absence from duty. This dismissal, the officer says, was an "untimely and unwise act" on the part of the management. To single out some workers, from among many, for exemplary punishment, he adds, is against the Code. Nevertheless, this was no justification for the Union to call an instantaneous strike. The workers, the investigating officer points out, could have appealed to the higher authorities or they could have sought redress by approaching the conciliation machinery in the State. The strike should have come after all these steps had been tried and found wanting. What followed, he says, violated all canons of the Code. There were acts of violence, coercion and intimidation.

The Labour Department of the Bombay Government, too, we are told by Mr. Mehta, was not entirely blameless in the matter. Its avowed policy of non-interference in a labour dispute in which the parties have already entered upon a trial of strength and its failure to "set right shortcomings in the existing arrangements for the administration of labour laws as required under the Code of Discipline," resulted in the situation deteriorating from bad to worse.

Striking a balance-sheet of the strike, Mr. Mehta points out that, on the debit side, the management lost production and sales worth Rs. 5 crores and the workers were poorer by Rs. 30 lakhs, being wages and salaries lost during the period. On the credit side, there was nothing for the strikers; their surrender was unconditional and even the Secretary of the Union agreed to give up his office if that would rehabilitate the Union and bring about reconciliation with the management. There is a soul of goodness even in things evil. The strike, which did nothing but harm to workers, would not have been in vain if the workers were to learn the most obvious lesson of it, namely, they should not allow themselves to be used as a lever for an outsider's personal aggrandisement.

INDIA AND W. EUROPE

The misgivings of India—as, indeed, of any other underdeveloped country in Asia—about the formation of the regional economic blocs in Western Europe (the six-member Common Market and the Outer Seven Free Trade Area) are generally on two grounds. One, exports from India may suffer a distinct setback in the coming years. Two, the European capital which might have come to India will now go elsewhere. It is rather difficult to say how far and to what extent these misgivings are justified, in the absence of an expert study of the whole issue. But some in the West feel that the Indian fears regarding the disquieting consequences of economic integration in Europe are exaggerated. In a comprehensive report, entitled *The Commonwealth and Europe*, prepared for Britain in Europe Ltd., an influential non-official body in London, the *Economist* Intelligence Unit, for instance, points out that the apprehensions of European economic blocs hampering India's interests are probably groundless, because the country is not likely to be affected very much one way or the other.

In the opinion of this special study, India can put up a stronger political claim to financial assistance from foreign Governments than almost any other underdeveloped country, and the small inflow of private capital is unlikely to be much influenced by changes in Europe. It feels, too, that very little of India's existing export trade will be damaged by the common external tariff of the European Economic Community, even though over two-fifths of identifiable exports to the area will be subject to tariff changes. In support of this view, it says that almost all raw material exports from India enter the Common Market duty-free and will continue to do so. The position in respect of the more important items of Indian exports is summed up as follows:

Tea: Some cheaper grades of Indian tea may be displaced by tea from Belgian Congo; on the other hand, there is a prospect of substantial increase in Indian sales, if the Common Market can be persuaded to reduce internal taxes on this product.

Jute and cotton textiles: Indian sales to the C.M. are very small and are unlikely to be much affected by the change in tariff levels, though they can be wiped out by unfavourable quota treatment.

Coffee and tobacco: These items are in a more vulnerable position, but they are safeguarded against French African competition because of their superior quality.

Pepper, cashewnuts, castor and linseed oil: There is no competition in the markets for these commodities by French Africa.

The *Economist* Intelligence Unit has also assessed the implications of Britain joining the Common Market from India's point of view. The effect on raw material exports, according to it, would be negligible and, in the case of tea and tobacco, the loss of Imperial Preference will not matter, since it will be shared by all the chief competing countries. It, however, admits that the really difficult problem is with regard to manufactures. For it says: "Indian goods other than jute textiles are not sufficiently competitive to maintain their footing in the U.K. market. They have to sell across a tariff on equal terms with China and Japan, and meet duty-free competition from the Continent." Stress is, therefore, laid on the need for some special arrangements to safeguard India's interests, for example, in the form of giving India a duty-free quota for grey cloth sold to the U.K. and liberal quota treatment on the Continent for jute manufactures to offset the loss of trade with Britain in other goods.

The *Economist* Intelligence Unit observes that the effects of European economic integration fade into insignificance in the context of India's current problems and that "only when India begins to come to grips with the task of increasing export earnings will European trade policies impinge sharply on Indian development." But one would ask whether such a position is not already obtaining at present. The heavy imbalance in India's trade with the West European countries continues to persist. During the first five months of 1960, the trade deficit with the O.E.E.C. countries was to the tune of Rs. 60.28 crores, of which the "Outer Seven" bloc (including Britain) accounted for Rs. 29.36 crores. The deficit may be expected to widen still further in the third Plan period, what with the contemplated huge inescapable imports of raw materials, intermediate products, foodgrains by way of normal marketing, capital goods for replacement, etc., amounting to as much as Rs. 3,570 crores in five years. It was only three weeks ago that Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, emphasised, while addressing the meeting of the Export Promotion Advisory Council at New Delhi, that "we have to discover ways and means of balancing our overall trade by exporting more to this area (Common Market) or, alternatively, we may have to cut down our imports from this group of countries." Viewed thus, the *Economist* Intelligence Unit has, indeed, done well to advise the advanced countries that they must resign themselves to losing much of their share in world trade in cheap, simple manufactures to India and other Asian nations and to letting more Asian goods into their own home markets.

SEMINAR ON IRRIGATION AND POWER

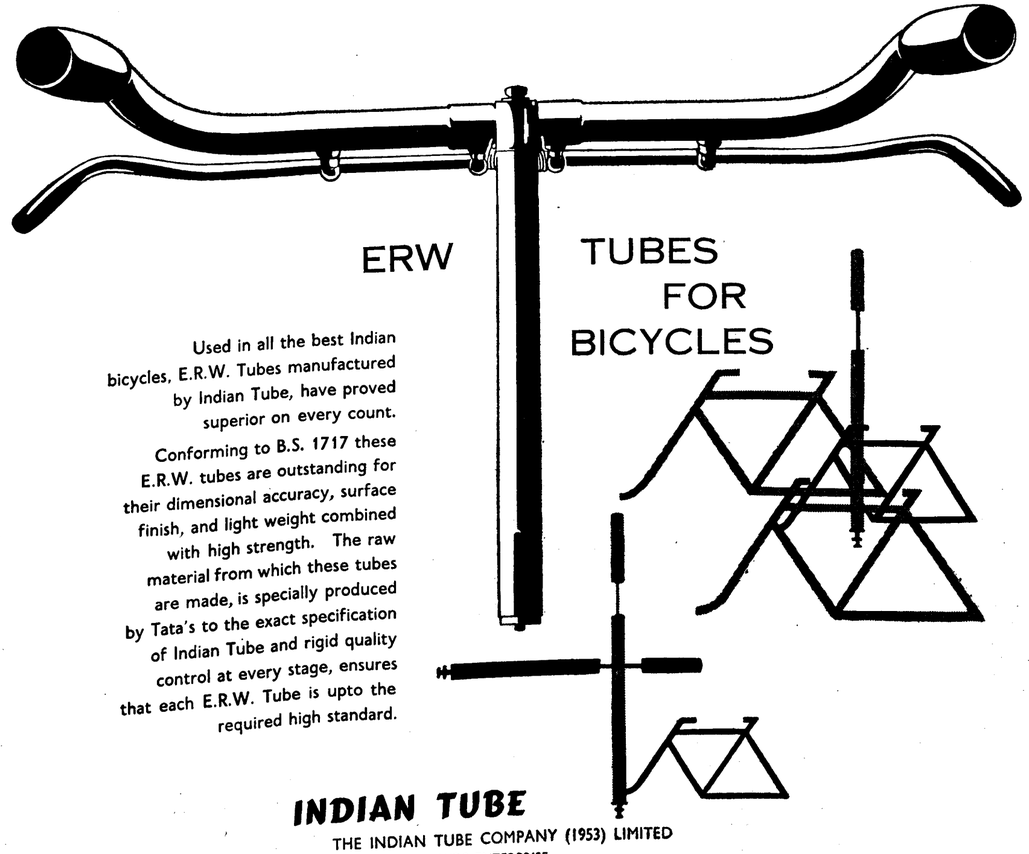
Three important subjects formed the main agenda of the seventh seminar on irrigation and power held at Bangalore this week. They were (1) establishment of a national grid system for distribution of electric power, (2) apportionment of cost and allotment of reservoir storage space for power, irrigation and flood control in multi-purpose projects, and (3) rationalisation of procedures in regard to disposal of surplus machinery on the projects. The seminar, which was inaugurated by the Governor of Mysore, was attended by nearly 250 delegates from the various States and projects in the country, senior officers of the Union Ministry of Irrigation and Power and the Central Water and Power Commission. Three separate sub-committees dealt with the three subjects and then reported their conclusions to the seminar.

The seminar is not merely of academic interest. The Ministry of Irrigation and Power and the Central Water and Power Commission attaches considerable importance, and gives serious consideration, to its recommendations. The present one is the seventh in the series. Some of the more important recommendations made by the previous seminars were not only accepted but substantially implemented with the co-operation of the State Governments and the project authorities. In fact, in order to give earnest consideration to, and implement, to the extent possible, the accepted recommendations, a Co-ordination Board of Ministers had been constituted. This Board also held its fourth meeting simultaneously at Bangalore. It is in the fitness of things that the meeting of the Co-ordination Board of Ministers should coincide with the seminar, for it will enable the Board to get firsthand knowledge of the recommendations of the seminar and also to evaluate how far follow-up action had been taken on past recommendations by the Central and State Ministries concerned. The decisions taken at this meeting, as well as by the seminar, are not available at the time of writing and have, therefore, to be left over to be covered in our next issue.

In his presidential address to the seminar, Mr. Hafiz Mohammed Ibrahim, Union Minister for Irrigation and Power, reviewed the progress of irrigation and power development in the first two Plans and outlined the goals set under the third Plan. The target for irrigation in the third Plan is an increase of 41 million acre feet and, if this were achieved, utilisation of water resources at the end of the Plan period would be about 35 to 36 per cent. of the utilisable resources of 450 million acre feet (1950 estimates) out of a total of 1,350 million acre feet. Till 1951, only 76 million acre feet had been utilised and it is expected that, by the end of the second Plan, utilisation will increase to 119 million acre feet. Accordingly, at the end of the third Plan, it is expected to be 160 million acre feet.

As regards power, at the beginning of the second Plan, the total installed generating capacity was 3.4 million kw. This was originally planned to increase to 6.9 million kw. during the Plan period, but, due to foreign exchange shortage, the actual capacity is now expected to rise to 5.8 million kw. only. The third Plan envisaged an increase to 11.8 million kw. for which an outlay of Rs. 925 crores has been proposed, as against Rs. 670 crores during the first and second Plans combined.

Considering that irrigation and power have been swallowing up a good portion of the limited resources available, it is essential that steps should be taken to effect the utmost economy in expenditure and ensure maximum benefit. The seminar is meant to suggest ways and means of doing this. With this object in view, the Minister himself underlined, in his opening address to the Co-ordination Board of Ministers, the need for detailed preparation of projects and prior investigation of their feasibility, preparation of a comprehensive, basin-wise proposal for flood control and drainage and proper utilisation. Referring to what he called the "vexed problem of utilising irrigation facilities," Mr. Ibrahim said that this was a matter of considerable importance which was discussed at every seminar, except the first one. The most important step necessary to speed up utilisation, he observed, was the completion of watercourses and field channels along with the completion of canals for distribution. There is nothing new in this advice. Everyone concerned knows the solution to the problem. What is wanted is its effective implementation which is mainly the responsibility of State Governments. Some means must be found whereby the latter will be more prompt than they have been so far. One of them will be to relate the grants by the Centre to actual performance by the States in this sphere.



FOOD SUPPLY AND POPULATION IN DEVELOPING COUNTRIES

CONCERN IN THE WESTERN WORLD

ALTHOUGH the Malthusian theory of population, published in 1798, was laughed out of court subsequently, it at least did one good thing; it stimulated widespread interest in the theme of the relationship between population and food supply. Progress of science and technology has, no doubt, made it possible to increase the yield from land phenomenally in many parts of the earth, thereby disproving the assumption of diminishing returns from land. In recent years, especially in the latter half of the 'fifties, world food production has tended to increase at a slightly faster pace than world population. But, as production increases have not been uniform in all regions, large parts of the world are still without adequate food. Again, while food production is running ahead of population growth in statistical terms, the production is unrelated to nutritional requirements, so that over half of the world's population is suffering from varying degrees of under-nourishment and malnutrition. It is, of course, true that, in the past one decade, nutritional levels in most of the developing countries have crept up slightly, but they are still distressingly low. While each developing country has to do its best and help itself, the removal of these deficiencies requires world-wide effort. It is, therefore, a matter for gratification to find that concerted efforts to mobilise resources, both men and materials, on an international scale to fight poverty and disease the world over are being continued. The meetings of the International Congress on Nutrition at Washington and the British Association for Advancement of Science at Cardiff held in the last fortnight are instances of collective effort by the various countries to find the requisite food supply for the rapidly growing population. Both the gatherings were attended by experts from a number of countries.

Washington Meet

Inaugurating the fifth session of the International Congress on Nutrition at Washington, President Eisenhower observed that "our age is the first to be deeply concerned about the quality as well as the quantity of food supply." For the first time in history, he added, man's ancient enemies—hunger and malnutrition—were on the defensive. "They are not whipped. But ours is the first generation to catch the scent of victory." Proceeding, President Eisenhower pointed out that the supply of food surplus from the U.S. to the needy nations was a part of the free world's campaign "to lift the scourge of hunger." He suggested increased use of United Nations as the agency for the distribution of surplus crops which would avoid any disruption of markets. The U.S. Secretary of Agriculture, Mr. Ezra Taft Benson, stated in his speech that, since 1953, about 9,000 million lbs. of U.S. surplus foods, valued at about $1,500 million, had been donated and distributed overseas. In the same period, the U.S. had supplied reserve farm products worth $8,500 million to other countries under various special Government programmes. This was in addition to commercial agricultural exports, valued at about $18,000 million sold for dollars. Besides this, 1,200 U.S. agricultural technicians are working in many of the newly developing countries, spreading the U.S. farming know-how among them. Last year, the U.S. loaned over $265 million abroad to build irrigation projects and fertiliser plants and to improve transportation facilities. In addition, large amounts of foreign currencies generated by P.L.480 are being loaned to foreign Governments for economic development, including agricultural development.

Technical Possibilities

Dr. B. R. Sen, Director-General of the U.N. Food and Agriculture Organisation, said that the F.A.O. was currently concerned with measures to increase yields from land already under cultivation. Alluding to the increases in yields obtained in various places through such methods as better utilisation of water resources, plant improvement and preservation of soil fertility, he stated that technical possibilities for increasing yield from land were tremendous. In this fifth International Congress on Nutrition, about 2,500 research scientists from 60 countries participated. About 400 research papers were read. These included several by Indian participants, including one on proteins and amino acids in nutrition by Dr. M. V. Radhakrishna Rao, Chief of the Department of Nutrition at the Haffkine Institute, Bombay.

Cardiff Meeting

To turn to the meeting at Cardiff. Speaking at the symposium on world food supplies and growth of population, Dr. Norman C. Wright, Deputy Director General of the F.A.O. pointed out that world food production was currently increasing at a slightly faster rate than world population. He conceded, however, that this increase in production was not uniform in all regions. For every future increase of 100 million in population, Dr. Wright said, the world would have to provide for about 13 million tons of additional cereals and about 14 million tons of animal products—milk, meat, eggs and fish. According to him, to bring world diets upto a reasonable level, by 1980 there must be an increase of at least 33 per cent. in cereals production and 100 per cent. in animal products. This estimate is based on the assumption that world population will go up to 4,000 million by 1980. By the year 2000, the world population may touch 6,000 million and, according to Dr. Wright's calculation, if this U.N. forecast were to materialise, a 100 per cent. increase in the output of cereals and 200 per cent. increase in animal products would be required. It is no doubt true that the world surplus of grain today is at the unprecedented level of 124 million tons, a saving of 8 to 10 years. But, once this surplus is exhausted, the annual surplus out of current production will perhaps be 10 million tons, which, in the opinion of Dr. Wright, will be found insignificant. "The only effective long-term solution," said Dr. Wright, "is to secure, by widespread application of scientific and technical advances, an increase in food production within the less developed countries."

Of particular importance was the speech of Sir Alexander Fleck, a former Chairman of Imperial Chemical Industries, on the role of chemical fertilisers in raising yield from land. Although world production of nitrogenous fertilisers had increased and was now running at an annual rate of 10 million tons, he said, the fixation of nitrogen for human well-being still ranked as one of the "under-exploited chemical discoveries of all times." He called for efficient utilisation of natural gases, which went to waste now in the Middle East and Venezuela, to the production of fertilisers. In the Middle East alone, five million tons of nitrogen fertilisers could be made a year, albeit at a huge cost of £1,000 million. He held the view that, however important the part machinery played in the "sophisticated" agriculture of the West, the call for fertilisers and water was far more urgent in the developing countries. Equally impressive was his advice to British scientists. "We British scientists and technologists," he remarked, "should avoid becoming too self-centred. We should be prepared to co-operate even in technical problems not directly relevant or profitable to ourselves in Britain."

Dr. H. L. Richardson stressed in his address that food production could be doubled in most of the underdeveloped countries, without increasing the sown area, by the use of fertilisers and other immediately available techniques "suitable even for primitive cultivators." He was not against the extension of the cultivated area, but this would depend more on social, financial and educational influences than on technical limitations. He thought that, "for the underdeveloped countries, almost any Government willing to make a sufficient effort could double home production of food in less than a generation. Such an achievement would suffice to take care of current rates of population increase." He was optimistic that, as farming became far more intensive and farmers more skilled, it would progress to a point at which the land of the less-developed countries would be capable of producing at least three or four times its present yield of food crops an acre. These conclusions, Dr. Richardson added, ignored the possible effects of knowledge and techniques yet to be

(Continued on page 532)

prestressed concrete for clear space construction

Uninterrupted Working Space at a Milk Factory, Calcutta

A roofing area of 24,000 sq. ft. was completed in about four months and no shuttering for roof slab was used. Seven 100 ft. long and eight 75 to 80 ft. long precast and prestressed concrete 'I' section girders spaced at 20 ft. apart were employed. On the top flanges and spanning between the girders, were placed 2½" thick x 14" wide precast prestressed concrete planks, over which 2" of in-situ concrete was laid, forming a composite flat roof slab of 4½" thickness. The roof was waterproofed with Stp "Tarfelt" treatment.

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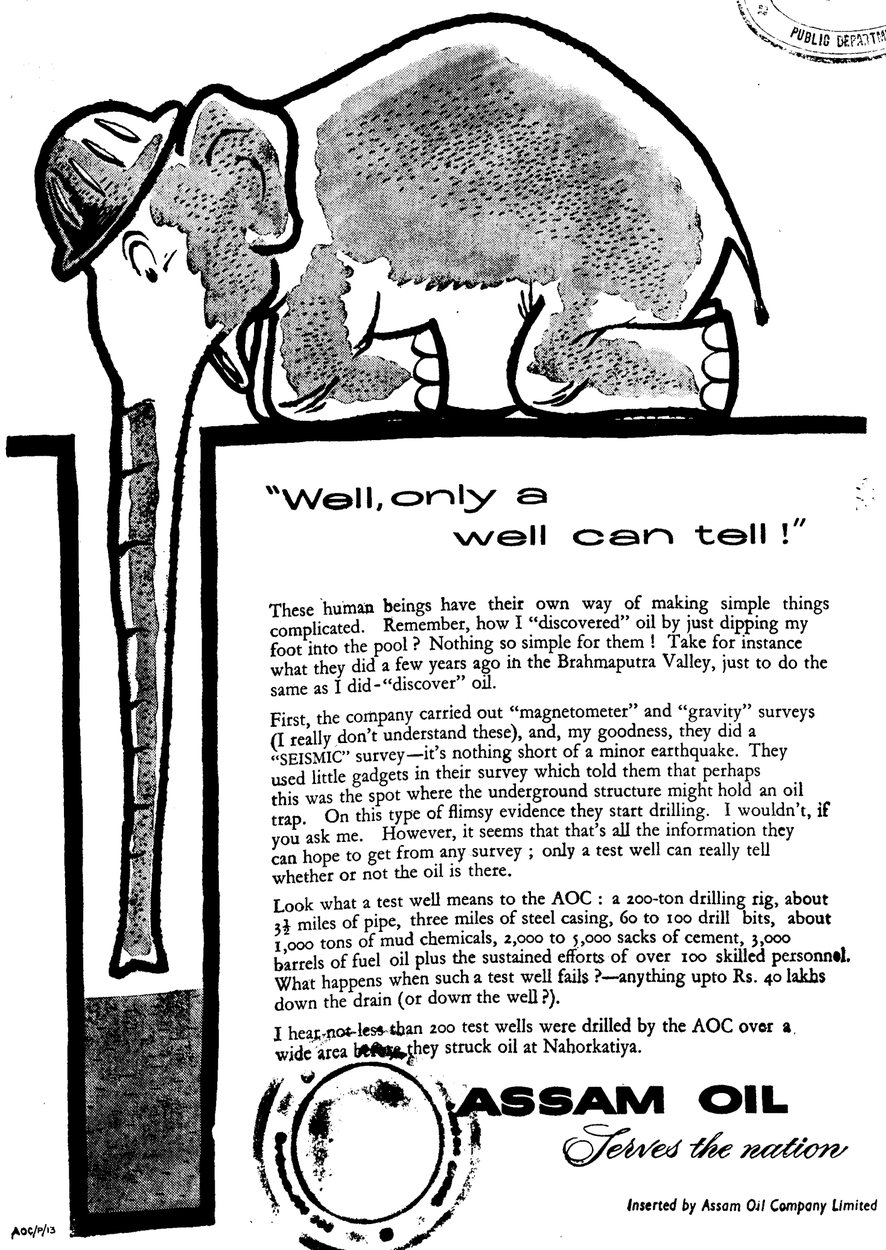
Memoirs of an Elephant—4



"Well, only a well can tell!"

These human beings have their own way of making simple things complicated. Remember, how I "discovered" oil by just dipping my foot into the pool? Nothing so simple for them! Take for instance what they did a few years ago in the Brahmaputra Valley, just to do the same as I did-"discover" oil.

First, the company carried out "magnetometer" and "gravity" surveys (I really don't understand these), and, my goodness, they did a "SEISMIC" survey—it's nothing short of a minor earthquake. They used little gadgets in their survey which told them that perhaps this was the spot where the underground structure might hold an oil trap. On this type of flimsy evidence they start drilling. I wouldn't, if you ask me. However, it seems that that's all the information they can hope to get from any survey; only a test well can really tell whether or not the oil is there.

Look what a test well means to the AOC: a 200-ton drilling rig, about 3½ miles of pipe, three miles of steel casing, 60 to 100 drill bits, about 1,000 tons of mud chemicals, 2,000 to 5,000 sacks of cement, 3,000 barrels of fuel oil plus the sustained efforts of over 100 skilled personnel. What happens when such a test well fails?—anything upto Rs. 40 lakhs down the drain (or down the well?).

I hear not less than 200 test wells were drilled by the AOC over a wide area before they struck oil at Nahorkatiya.

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DIRECT TAXES ADMINISTRATION

GOVERNMENT'S DECISION ON TYAGI COMMITTEE'S REPORT

THE administration of the direct taxes of the Central Government involved some complicated problems, leading to large-scale tax evasion, as also inconvenience to the assessees. The administrative organisation and procedure necessary for implementing the integrated scheme of direct taxation, therefore, needed some urgent reforms. Accordingly, the Government of India appointed in June 1958, a Committee, called the Direct Taxes Administration Enquiry Committee, under the chairmanship of Mr. Mahavir Tyagi, M.P., to examine this problem and advise the Government. The Committee submitted its report on 30th November 1959. On 9th September 1960, that is, after a lapse of over nine months, during which period the Committee's bulky report was under the scrutiny of the Government, the Union Finance Minister laid on the table of both Houses of Parliament a statement giving the Government's decision on the major recommendations of the Committee.

There are on the whole 367 recommendations, of which 59 do not, according to the Finance Minister, call for any action, as they are merely observations of a general nature or refutations of suggestions put forth by witnesses who appeared before the Committee. The balance of 308 recommendations reduce themselves to only 289, when slightly rearranged, after grouping together recommendations having the same effect. Of these, the Government has been able to take final decisions on 205 recommendations, the rest being still under consideration.

The Government's statement falls into two parts—Part I containing the recommendations accepted fully or with modifications, and Part II containing recommendations which the Government has been unable to accept. The Finance Minister disclosed that the accepted recommendations would be implemented either immediately or in due course. Those which called for amendment of the law would be implemented through a comprehensive codification Bill.

The following are some of the important recommendations of the Committee and the Government's decisions thereon shown in italics.

I

Recommendations which Have Been Accepted either Fully or with Modification

Assessees having income from business, profession or vocation should be statutorily required to file the returns of income within four months after the close of the accounting year or by 30th June following that year, whichever is later. For all other assessees, the last date for filing returns should be 30th June, regardless of their accounting year. In suitable cases, where the accounting period for business profession or vocation ends after 31st December, the assessing officer should be empowered to grant, on his own, appropriate extensions of time for filing the return, up to a date not exceeding beyond a period of six months from the end of the accounting year. In any other case, extension should be granted by him only after obtaining the previous permission of the Commissioner and on conditions which might include the furnishing of adequate security for the tax that might become due. In all cases of extension, the levy of interest at six per cent. per annum on the tax that would become payable on assessment should be compulsorily and statutorily laid down. Assessees who do not file the returns by the prescribed or the extended date should be subjected to deterrent penalties which should vary according to the period of default.

Accepted with the modification that interest will run after a period of grace which will be up to 30th of September of the financial year.

The statutory provision, under Section 22(1) of the Income-tax Act, for the issue of a general public notice should be deleted. Instead a simple advertisement should be issued in the beginning of each assessment year, reminding the public about their liability to file their returns within the prescribed dates.—*Accepted.*

As a matter of convenience, the Department should send return forms to the existing assessees by ordinary post under a general certificate of posting.—*Accepted.*

The amount of time and labour devoted to cases of different categories should bear relation to their revenue potential. The time and the energy being spent on small cases appears to be totally disproportionate to the revenue yields therefrom. The Department must get out of the present grooves and make a bold departure in respect of the assessment of small income cases. In such cases the income returned should be generally accepted after preliminary scrutiny and the assessment made under Section 23(1) of the Income-tax Act without calling the assessee to the tax office. Detailed examination of accounts and other scrutiny would be made only once in four years. The new approach will have a psychological effect and improve the relations between the Department and nearly five lakhs of assessees.

Accepted in principle. The actual procedure to be adopted is under examination.

Cases of large income group assessees should be segregated, wherever possible, and entrusted to experienced and competent officers.—*Accepted.*

Before finalising an assessment, the assessing officer should make a tentative computation of the total income, wealth, etc. Where the additions or disallowances proposed to be made are of small amounts only, he may discuss them orally with the assessee and/or his representative and record the result of the discussion on the order sheet. However, where substantial additions are proposed, he should allow an opportunity to the assessee, in writing, to give his point of view within a fortnight.—*Accepted in principle.*

Precautionary assessments should be made only in exceptional cases where there is a likelihood of irretrievable loss to revenue.—*Accepted.*

The condition that for the allowance of development rebate, the asset should not be sold or otherwise transferred to any person other than the Government for a period of ten years needs to be relaxed. This period should be reduced to eight years. The restrictions should not apply to transfer or sale of assets to Government companies, statutory corporations and public utility companies, and those resulting from the absorption of one company, by amalgamation or otherwise, by another company.

Accepted, subject to the provision of suitable safeguards.

If a firm which had been allowed development rebate in respect of certain assets converts itself into a private limited company within the period prescribed for allowance of such rebate, and the share capital of the partners of the erstwhile firm in the company remains either the same or is more and the amount of development rebate kept in reserve by the firm is transferred *en bloc* to the company which also keeps it under the same conditions as would have applied to the firm, had it continued, the rebate should not be forfeited.—*Accepted.*

Assessing officers should not disallow the claim of a bad debt on purely technical grounds. If the officer is satisfied about the genuineness of a bad debt, he must allow it either for the 'previous year' in respect of which it is claimed or for any of the earlier 'previous year' in which according to the officer, the debt has actually become bad, provided that such earlier 'previous year' is not more than four years anterior to the 'previous year' in which the debt is claimed to have become bad and actually written off.—*Accepted.*

Once a firm is registered, there should be no obligation on it to apply for renewal of registration every year, provided the firm files a declaration along with the return of income to the effect that there had been no change in its constitution. —*Accepted.*

Assessing officers should point out factual errors, if any, in a partnership deed, or application for registration and offer the partners of the firm an opportunity to rectify such technical defects within a month.—*Accepted.*

The proposal for adopting in the Indian Income-tax Act the provisions of U.K. Income-tax Act in regard to taxation of non-residents is not favoured. Executive instructions issued by the Central Board of Revenue regarding the interpretation of the term 'business connection' and in respect of the provisions for the taxability of non-resident should be widely publicised both within and outside the country.

Accepted. In a pamphlet issued for the public by the Board recently, named, "Outline of Direct Taxes" this subject has been adequately dealt with.

There should be a statutory time-limit of four years from the date of filing of the return for the completion of an estate duty case. Where assessments are made *ex-parte*, the time-limit should be four years from the date the return was due.

Accepted with the modification that the time-limit for completing ex-parte assessments where returns are not filed, the time-limit should be five years.

Where an accountable person discharges the debts or other liabilities of the deceased and the Department is satisfied that such discharge is *bona fide*, such debts should be allowed to be deducted from the value of the life interest in the trust or other property.—*Accepted.*

The Appellate Tribunal is a necessary and suitable organisation and should continue.—*Accepted.*

The Department or the assessee may be permitted to file a memorandum of cross objections against so much of the order of the Appellate Assistant Commissioners as was against the Department or the assessee in instances where one of them might have gone in appeal.—*Accepted.*

The measures adopted by the Central Board of Revenue with regard to disposal by Appellate Assistant Commissioners have proved effective, but the matter must be kept under constant review and the pendency of the appeals should be brought down to some four months workload. If found necessary, the number of Appellate Assistant Commissioners should be increased.—*Accepted.*

On a question of law involved in an appeal before the Appellate Tribunal, if varying judgments had been given by different High Courts, the President of the Tribunal may, on a request made to him, refer the question directly to the Supreme Court for a decision.—*Accepted.*

The Wealth-tax and Expenditure-tax Acts should be amended to provide both for a system of provisional assessments on the lines of Section 23B of the Income-tax Act, and a system of self-assessment under which assessees would pay tax along with the returns as per their wealth or expenditure declared in them.—*Accepted.*

In all cases a month's time from the date of service of notice should be given for payment of taxes.

Accepted with a slight modification that the period may be reduced with the previous approval of the I.A.C. where the I.T.O. is satisfied that it would be detrimental to revenue if the full period is given.

Without prejudice to Section 46(1) of the Income-tax Act and to corresponding sections of the other direct taxes Acts, the Acts should be amended to allow for automatic accrual of interest at six per cent. where taxes are not paid on the due dates.

Accepted with the modification that the rate of interest proposed to be charged is 4 per cent., instead of 6 per cent.

The law should be amended to secure that where the Commissioner is satisfied at any time that an assessee is trying to alienate his assets to defraud the State of its revenue, he may direct the Income-tax Officer to assess immediately the total income of the assessee from the expiry of the last previous year to any such date, as well as for the years not assessed, on the lines of Section 24A (1) of the Income-tax Act.—*Accepted.*

Where it is not possible to recover taxes from the assessee in respect of the income aggregated under Sections 16(1)(c) and 16(3) of the Income-tax Act, the Department should have the right to proceed against the legal owner of the assets in respect of the share of tax payable on account of the inclusion of the proportionate income from such assets.—*Accepted.*

A self-contained Central Revenue Recovery Code, complete in all respects, should be enacted for the purposes of effecting recoveries of direct taxes levied by the Central Government.

Accepted in principle. The code will be incorporated in a schedule to the Income-tax Act as suggested by the Law Commission.

The Department should pay to the assessees interest at six per cent. per annum on the amount of refunds due in respect of direct refund claims payment of which is delayed beyond six months from the date of the refund application, unless the applicant is himself mainly responsible for the delay. Interest at a similar rate should be payable in cases where the payment of the refund resulting from appellate or revisionary orders, etc., is delayed beyond one month from the date of the receipt of the order concerned by the assessing officer. In cases where settlement of the refund claims is being held up due to non-co-operation from the claimant, a written intimation should be sent to him warning that a settlement of his claim for refund is being held up on account of his non-compliance with the Department's requirements (which may be specified therein) and that no interest will be payable to him for the consequent delay in the issue of refund.

Accepted with the following modifications:—

(1) *For both direct refunds and refunds arising from appellate orders, interest should be payable, if the refund is not granted within six months from the date of the claim or the appellate order, as the case may be.*

(2) *The interest should be 4 per cent., instead of at 6 per cent.*

(3) *The interest will be calculated on the amount of refund ultimately due.*

As quick disposal of refund claims is an important means for establishing good relations with the tax-payers, greater importance than at present should be given for disposal of refund applications.

The principle of according highest priority for disposal of refund applications is accepted.

The new scheme of taxation of companies and their shareholders as laid down in the Finance Act, 1959, is sufficiently simple and easily workable. In order to avoid any difficulty to the shareholders, the Department should issue exemption certificates freely.—*Accepted.*

The currency of the refund orders should be the same as for treasury cheques, that is, three months, instead of one month which obtains at present.—*Accepted.*

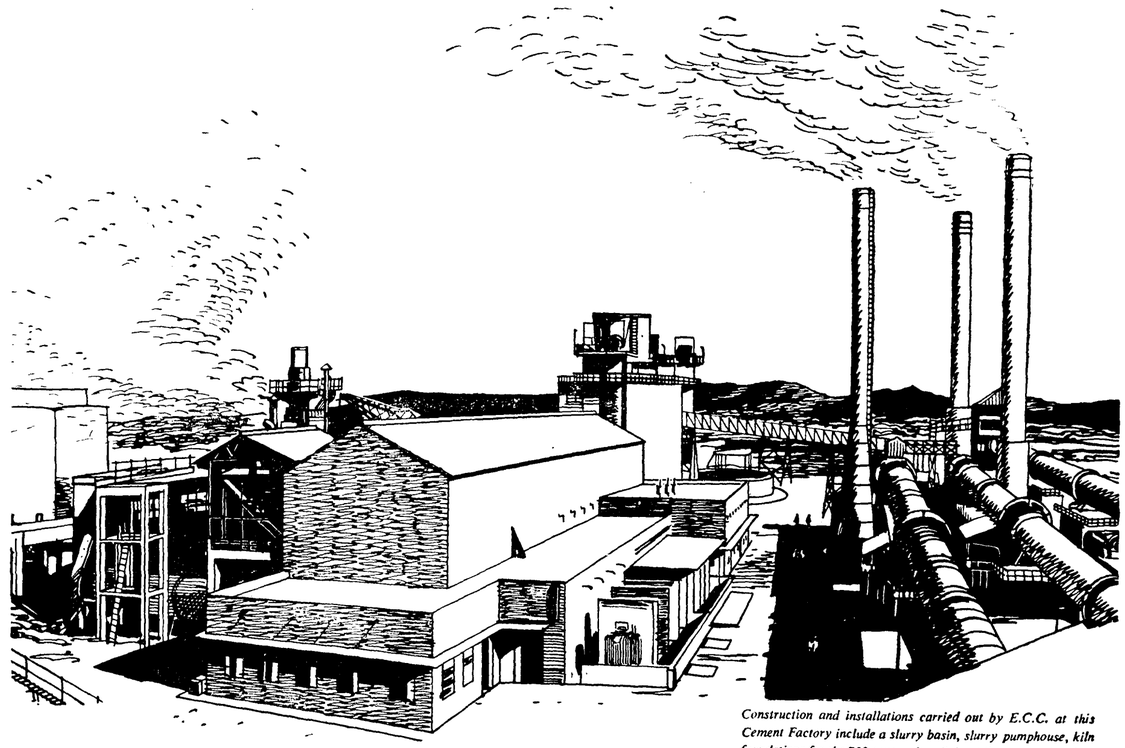
More importance should be given to external survey work, by reorganising the Survey Circles and augmenting the staff in them.—*Accepted.*

It is necessary that the activities of the various revenue departments in checking evasion of taxes should be properly co-ordinated, and that, for this purpose, there should be a regular and systematic exchange of the useful information available with the various departments. The existing liaison arrangements between the various departments should be improved and placed on a more systematic footing.—*Accepted in principle.*

The Department should be provided with the power to grant immunity from penal proceedings or prosecutions to those who having abetted an offence in this respect, come forward to give evidence against an assessee.—*Accepted.*

A detailed schedule of penalties should be drawn up and incorporated in the statute book in place of Section 28 of the Income-tax Act and

(*Continued on page 526*)



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REVISION OF CLOTH AND YARN PRICES

TARIFF COMMISSION ENQUIRY CONTEMPLATED

IT was only last week that we stated in these columns that the virtual wrangle over the issue of cotton yarn and cloth prices had been happily ended, thanks to the spirit of accommodation displayed by millowners. And as our last issue was in print—on Thursday the 8th inst.—Mr. W. R. Natu, Textile Commissioner to the Government of India, had informed a joint delegation of the Bombay and Ahmedabad cloth trade representatives, who met him in Bombay, that the Indian Cotton Mills' Federation had announced the revised cloth prices with the approval of the Central Government. But on the very next day, the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, declared in the Lok Sabha that, in the matter of revising cotton textile prices, the Federation "has not gone so far as the Government wanted them to go" and that the Government "is not fully satisfied with the extent of reduction offered." Mr. Shastri disclosed that the question of referring to the Tariff Commission the mills' cost of production, prices of cloth and other aspects of the cotton textile industry was under consideration of the Government. "It seems necessary," he said, "that an expert study should be made on the subject, with a view to deciding the Government's policy on such an important consumer goods industry in the very near future." In this connection, he observed:

"Because the Government wants to hold down the price line, it has not yet any time asked the industry to reduce prices to a level which will be lower than reasonable levels. . . . In respect of the prices that they (the millowners) themselves have agreed to, I hope the Federation will now make every effort to bring them into immediate effect. Every section concerned, including the wholesale and retail trade, will support the scheme of things which should be brought into operation immediately. . . . The latest decision is a considerable improvement on the Federation's earlier offer and the Federation has also agreed to extend the new prices to deliveries under subsisting contracts and to stamp the ex-mill and retail prices. . . . The consumer will have to be vigilant in ensuring conformity with the stamped prices. . . . With the greater availability of short-staple cotton hereafter, the production of coarse and lower medium varieties of cloth will be increased and the situation in the cloth market will consequently improve."

The statement of Mr. Shastri to the effect that he is still not satisfied with the extent to which cloth and yarn prices have been reduced is rather surprising, especially as it comes after the convincing, lucid exposition of the whole issue by Mr. Krishnaraj M. D. Thackersey, Chairman of the Federation, at a Press Conference in Bombay on Monday the 5th inst. A detailed reference to the observations of Mr. Krishnaraj has been made in our last issue, so that it is unnecessary to refer to them again. It will be clearly evident from his observations that whatever steps the Federation could take for ensuring adequate supply of cloth and yarn at reasonable prices have been taken. Indeed, the new price structure will adversely affect many marginal mills, particularly those producing coarse and medium cloth.

Cost Inflation

If the cotton mill industry is not in a position to effect a further cut in cloth and yarn prices, it is because of the cost inflation over which it has no control. This cost inflation is the result of the marked rise in raw cotton prices, enhanced wages and dearness allowance, and higher cost of stores and other accessories. The currently ruling prices of cotton, for instance, are generally 20 per cent. higher as compared with those prevailing a year ago. Similarly, the average wage cost of a mill in Bombay City has gone up by about 14 per cent., following payment of higher basic wages and dearness allowance. The industry would have certainly borne the incidence of additional production cost if the authorities had enabled it to reduce the unit cost of output by expanding its weaving capacity, modernising plant and machinery, rationalising methods of production and producing popular varieties of cloth. The Central Wage Board has studied the different aspects of the industry in considerable detail and the officially appointed Working Group has assessed the industry's requirements of rehabilitation for the next five years. The facts are crystal clear and there is absolutely no need for a fresh enquiry by the Tariff Commission into the affairs of the textile industry. Instead of ordering such an enquiry, involving unnecessary waste of time and resources, the Government will do well to give, as we stressed last week, sufficient time for allowing the new arrangements to make themselves felt on the trend of cloth and yarn prices and adopt a positive policy that will lead to an increase in production and competition which alone can bring down prices to reasonable levels.

In fairness to the industry, however, it must be said that it is not opposed to the issue of fair prices being referred to the Tariff Commission. On the contrary, it had volunteered to subject itself to such an examination with two objects in view, to vindicate its claim that only a few units had indulged in charging excessive prices and to show that the extent of reduction in prices which it has made is more than what the Commission itself would regard as reasonable. In other words, the industry feels that it would get a better deal than it has had now if its case were referred to the Tariff Commission and that, once price controls are enforced with the backing of the Tariff Commission's formula, it could not be subjected to charges of profiteering. Indeed, the leading spokesmen of the industry are so conscious of the need for a favourable public opinion that they themselves have advocated statutory price controls. Mr. Krishnaraj made it clear at the aforesaid Press Conference that the Federation would welcome statutory enforcement of the reduced prices announced by it. The Government, however, is reluctant to plump for such drastic controls.

Giving Effect To Reduction

Nevertheless, the Cotton Mills' Federation is determined to give effect to the reduction in prices of cloth and yarn to the best of its influence. This is evident from the circular issued by it to all the member-associations of cotton mills. If any member-mill chooses to challenge or defy this directive, the Federation has no sanction to enforce it. As this journal has pointed out on earlier occasions, there are serious limitations to voluntary price controls.

In its circular dated the 7th inst., the Federation has urged upon its members that the revised prices must apply to all cloth and yarn delivered from the 4th of this month, regardless of the contract prices with some exceptions, and that all the mills should start stamping prices on cloth from Saturday the 10th inst.: the cloth and yarn already baled by mills need not, however, be opened and stamped. The following are the exceptions:

Goods for which payment has been received on or before 10th August and which have been held by mills on merchants' account are to be delivered at the contract prices.

Goods for which payment has been received on or after 11th August and which are held on merchants' account should be delivered at prices calculated on the 11th August formula, provided that, where the contract prices are lower than October 1959 prices plus the appropriate percentage, the lower prices prevail.

Goods invoiced on or before 10th August but not paid for should be delivered at prices calculated on the 11th August formula, provided that, where the contract prices are lower than October 1959 prices plus the appropriate percentage, the lower prices prevail.

Goods invoiced on and after 11th August should be delivered at prices calculated under the latest formula, that is, August 1959 price plus the appropriate percentage or the contract price, whichever is lower.

Where the existing contract prices are lower than those under the new formula, the contract prices are to be stamped as the ex-mill prices, the retail prices being stamped by adding 15 per cent., and then the excise duty, additional excise duty and handloom cess must be added together. The price stamping is to be per yard. In respect of yarn, only the ex-mill price is required to be stamped; no retail price need be stamped. The following are the net ex-mill prices to be charged for the principal counts of yarn:

(In Rs. per bundle of 10 lbs.)

6s (manufactured from cotton waste) 13.57; 6s (manufactured from cotton mixing containing not more than 25 per cent. cotton waste), 15.75; 10s, 17.75; 12s, 18.50; 14s, 19.50; 16s, 21.15; 18s, 21.40; 20s, 21.60; 21s, 21.90; 22s, 22.20; 24s, 23.05; 26s, 24.18; 28s, 24.78; 30s, 25.32; 32s, 26.10; 36s, 27.75; and 40s, 28.75.

The differentials to be added to these prices for the use of foreign cotton, for yarn on cones and for doubled yarn have also been fixed as under:

Use of foreign cotton:

Count group	*Use of 100% foreign cotton*	*Use of 50 to 55% foreign cotton*	*Use of 25 to 30% foreign cotton*
20s to 24s	1.50	0.75	0.40
26s to 28s	1.40	0.70	0.35
30s to 38s	1.25	0.60	0.30
40s	1.00	0.50	0.25
Yarn on cones:			
10s to 16s			2.25
18s to 26s			2.85
28s to 36s			3.20
40s			3.50
Doubled yarns:			
2/10s			2.50
2/14s			3.00
2/20s			3.10
2/24s			3.25
2/30s			3.90
2/40s			4.50

The member-mills have been asked to give details of reduction in their sales realisation following the application of new prices to outstanding contracts and also to indicate the new contract prices along with the contract rates of pre-11th August 1960 period for as many varieties of cloth as possible. In respect of varieties for which no contract prices for August 1959 are available, either because the varieties were not sold in that month or because they were not manufactured then, as well as the new qualities to be introduced hereafter, prices must be fixed in parity with the price level indicated therein. The mills are required to work out for such qualities in prices which would have been applicable in August 1959 on the basis of the contract prices of comparable qualities sold in that month and then the appropriate percentage is to be added to arrive at the maximum price permissible under the new formula. The member-associations have been called upon to pursue vigorously the arrangements for opening more retail shops which may be the mills' own shops or approved retail shops, so that cloth at the new price will reach the consumer very quickly preparatory to the sales for *Dassara*, *Puja* and *Diwali* festivals.

The Millowners' Association, Bombay, has already sent out letters to the member-mills, appealing to them to abide strictly by the Federation's decisions on cloth and yarn prices. Incidentally, it has told them that it will shortly be authorising about 50 to 60 retail shops in Bombay as approved retail shops.

The 15 per cent. margin on ex-mill prices of piecegoods allowed to the trade has, however, caused disappointment to wholesale dealers. The margin, it is pointed out, is unremunerative particularly when cloth has to be sold in places which are far away from the manufacturing centres. A deputation of cloth dealers of Bombay and Ahmedabad recently met the Textile Commissioner and complained that, in view of the increase in freight, cartage, godown and other charges, the 15 per cent. margin will be too inadequate to clear the goods with reasonable rate of return especially as the retailers' share out of this 15 per cent. is as high as 12 per cent., or four-fifths. It is reported to have pleaded for the enhancement of the margin or, in the alternative, grant of concession on account of the railway freight. It is also reported to have expressed its misgivings about the stamping of cloth prices. These views, however, are understood not to have found favour with the Textile Commissioner.

PERUVIAN COTTON

Cotton production in Peru during 1959-60 is estimated at 516,000 bales, which is slightly lower than the 1958-59 crop of 518,000. The decline occurred in areas producing Pima and Karnak, thanks to disease and unfavourable weather. Production of Pima and Karnak was around 114,000 bales during 1959-60, as compared with 120,000 bales a year earlier, while 1959-60 production of Tanguis, Acala and Aspere aggregated 402,000 bales, as against the previous year's crop of 398,000 bales. The 1960-61 crop of Pima and Karnak, most of which is harvested during July and August, is reported to be about equal to last seasons crop.

Consumption of cotton in Peru amounted to an estimated 70,000 bales during 1959-60, eight per cent. higher than the 65,000 bales consumed a year earlier. The higher rate of consumption was due to higher domestic demand and increased duties on imported textiles.

WOOL TEXTILE OUTPUT DURING 1959

There was a sharp drop of 21 per cent. in the production of mill-made wool cloth during the year 1959, although yarn output was slightly higher than in 1958. The production of woollen and worsted fabrics declined by 11 and 26 per cent., respectively, while the mixed fabrics output showed a rise of 13.8 per cent. The production of blankets and rugs, hosiery goods, shoddy and other items fell by 25 per cent. The following table gives the details of production during the years 1959 and 1958:

(In linear yards)

	1959	1958
Woollen:		
Suitings	1,531,800	1,729,826
Uniform cloth ...	1,013.782	1,200,963
Lohis	154,039	110,768
Total	2,699,621	3,041,557
Worsted:		
Suitings	4,339,001	5,518,825
Uniform cloth ...	277,964	348,703
Lohis	354,893	861,750
Total	4,971,858	6,729,278
Mixed fabrics:		
Suitings	536,124	487,344
Uniform cloth ...	348,937	168,547
Lohis	231,541	336,208
Total	1,116,602	992,099
Blankets and rugs ...	3,014,017	4,117,647
Hosiery goods	401,919	999,134
Other items	2,979,880	3,296,108
Shoddy	40,851	189,846
Total	6,436.667	8,602,735
Grand Total	15,224,748	19,365,669

The production of woollen and worsted yarn (combined) at 29.5 million lbs. was 1 per cent. higher than a year earlier. The production of woollen yarn rose by 12 per cent., but that of worsted yarn fell by 8 per cent. The States of Bombay and the Punjab recorded an increase of 7 and 29 per cent., respectively, while there was a fall of 5 per cent., 10 per cent., 13 per cent. and 39 per cent. in the States of Uttar Pradesh, West Bengal, Jammu and Kashmir and Mysore, respectively.

The production of woollen and worsted yarn (in lbs.) during 1959 was: woollen yarn 11,968,812; worsted yarn for weaving 8,232,518; worsted hosiery yarn 3,460,301; worsted knitting yarn 3,223,085; carpet yarn 2,607,885; Total 29,492,601.

PAKISTAN COTTON

The Government of Pakistan has announced that the rate of export duty on staple cotton for the new season which started on the 1st inst. shall remain unchanged at Rs. 75 per bale. The export duty on *Desi* varieties grown in West Pakistan shall also remain unchanged at Rs. 40 per bale. The export duty on Comilla cottons of East Pakistan has, however, been reduced from Rs. 40 to Rs. 20 per bale. The reduction has been made, claims the Government, not only to increase the competitiveness of Comilla cotton with Assam/Comilla varieties grown in India, on which presently no export duty is levied, but also to encourage greater cultivation of this variety in East Pakistan which is recognised to be one of the finest of the harsh short-staple growths, and in particular, to promote its cultivation on a more regular basis. The Government, it has also been made known, has no intention of restricting exports of cotton during the season in any way.

As regards the crop situation in Pakistan, according to the first official estimate, released at the end of the last month, the area under 1960-61 crop cotton in Pakistan is 3,198,000 acres, which compares with 3,305,000 acres last year. The area under cotton has generally declined in almost all major cotton growing areas of West Pakistan mainly owing to a shortage of canal water and lack of rainfall before and during sowing time.

NEW WOOL COMBING PLANT

The new commission woolcombing plant of Messrs. Isaac Holdens (India) Private Ltd. will commence operation early next month. In the first few months, only botany wools that are comparatively free from burr will be combed. A progressively wider variety of types will be accepted as the establishment develops. Crossbred wools will be accepted with effect from February 1961. The plant is equipped with Noble combs; French combing machinery will be installed next year.

With the putting up of this plant, the Indian spinners and manufacturers will be able to buy Indian-combed tops from foreign suppliers, or they may buy raw wool and arrange combing themselves. (Woolsorting facilities, however, will not be available for some months.) In either case, the manufacturer saves the foreign exchange represented by combing charges. There will be no restriction on the re-export of wool, tops or by-products owned by foreign topmakers, but the present licensing regulations, slightly modified, will still apply to Indian firms. A tariff of woolcombing charges has been issued. This is higher than that of the Commission Woolcombers Association of Bradford, England, where most of the tops now imported into India are bought. But it appears that this extra cost of converting raw wool to tops will be more than offset by savings in ocean freight and insurance.

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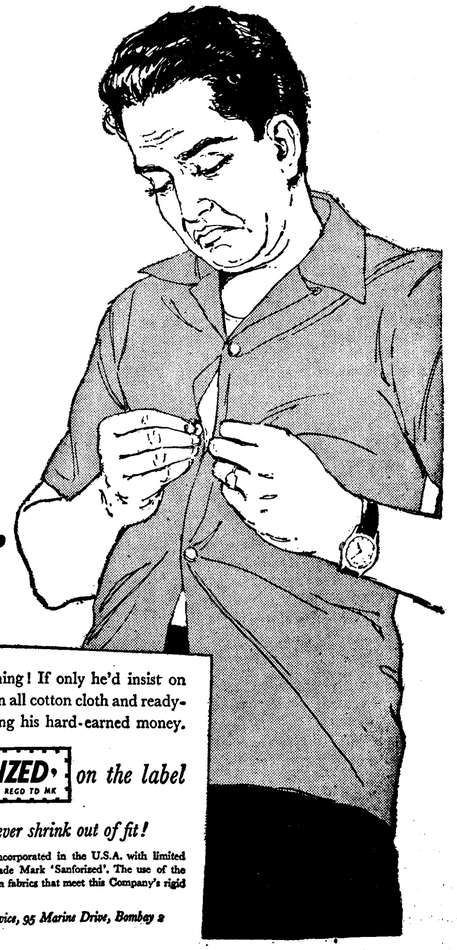

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COTTON INDUSTRY SURVIVES A TRYING PROCESS OF CONTRACTION

NO EARNEST DESTOCKING IN TEXTILES YET

From Our Special Correspondent

MANCHESTER, *6th September*

MANCHESTER LETTER

ONLY a year ago, so swiftly does time fly, the attention of virtually every trader in Lancashire was centred on the situation arising from the response to the redundancy schemes in spinning and weaving. The time was, indeed, a moment of decision for the industry. Facts and figures had been stated, but rumours were then abundant and all sorts of misapprehensions were evident about the effect of the project. It was scarcely surprising that conflicting opinions were everywhere to be found. In such circumstances, chaos and confusion are invariably encountered and it takes time for any industry to settle down after such an upheaval. As the months have slipped by, however, so last year's apparent disorder can be seen in its true perspective.

The subsequent complications resulting from the withdrawal of many firms from the trade, and the problems thrown up by the new relationships which had to be established between suppliers and customers, were gradually solved. Although some unevenness may still exist, the industry, in general, has survived a very trying process of contraction.

Two points of view can be held as to whether the extreme urgency of the search for supplies created by fears of shortages helped or hindered the situation. Producers had to cope with an enormous influx of demand at a time when physical scrapping of machinery and respacing and replacing of plant had to be supervised. The merchants' problems were multiplied by the threat of scarcity and the necessity to discover alternate sources for the provision of goods when old-established contacts were severed.

Exaggerated Fears

Twelve months ago, it was suggested that many of the allegations then being made about such matters as unemployment and need for staggering mill closures would prove to be exaggerated in the long run. There is no need to withdraw our opinions, as they have been well substantiated by subsequent events.

The pressure for additional workers has within the past few days been described as "a panic hunt for scarce male labour," by Miss Alice Foley, the Bolton Weavers' Union Secretary. Even now, after the experience of the months between, Miss Foley is one of those who regards the reorganisation scheme as too drastic. She complains that, instead of finding their way into reorganised mills, many of the older operatives who were declared redundant took the chance to retire, while the younger ones left the industry.

Mr. Roland Thomas, President of the Manchester Chamber of Commerce, has appealed to 5,000 member-firms to intensify their sales efforts in overseas markets in response to the special call made by Britain's Prime Minister. Recalling that Mr. Macmillan had asked whether he could count on British industry to do this, Mr. Thomas said in a message: "Manchester's answer must surely be 'yes.'" The Chamber was appointing a "well-informed" committee to study the problems involved and to recommend what positive steps should be taken as well as any impediments that needed to be removed.

Mr. Thomas said that the Chamber was hoping to set up an advisory service with the object of linking the export skill and experience of some of Manchester's old-established merchant firms, which in their time had built up the textile industry to the world's largest export industry, with the new export goods of today. "Many of these great merchant houses still flourish, with all their accumulated and intimate knowledge of the world's markets," he said, and added: "There must surely be scope for bringing together these reserves of exporting skill and a host of new products which so far have been confined to the home trade."

Changing political opinions on the controversial topic of European industrial integration have obscured, to some extent, certain underlying problems which have a vital bearing on the future of any fresh trading relationships between the countries involved in such a fundamental conception. The possibility that the two distinct groups which have arisen in Europe may merge their interests as a result of negotiations which are still in progress has caused further argument between the supporters of what amounts to a European Federation and those who contend that Britain's participation in such a project would be disastrous.

From the outset of the discussions surrounding this venture into collaboration, one of the main stumbling-blocks has been the ties between the United Kingdom and the British Commonwealth. Attention has been centred on the effect of the scheme to eliminate trade barriers on the agricultural aspect. The links between the Commonwealth and Britain in this sphere are so traditional that many people regarded their maintenance as more essential than a new alignment with countries across the Channel.

What has so far escaped public notice is that the British Government's adherence to the policy of non-interference with imports of cotton and other goods from Commonwealth sources has been equally disturbing to Continental manufacturers when any suggestion of merging "the Six" with "the Seven" has been put forward. European millowners have watched the progress of negotiations between Lancashire trade leaders and their counterparts in Hong Kong, India and Pakistan with close attention. Few of the older cotton industries have escaped the threat of large-scale imports of grey cloth from the countries which are relative newcomers to the scene. Their anxiety is understandable.

"Normal" Competition Pledge

Representatives of the French cotton industry have lately called on their Government to take action to protect the mills against abnormal competition. In this category are placed low wage standards, State monopoly regimes and countries where multiple exchange rates exist. In a report to the Minister of Industry, the French trade urged the establishment of a co-operative system with European countries and others regarded as normal competitors to maintain strict bonds between each other and avoid the provision of loopholes which would encourage the importation of larger quantities of foreign cloth.

The French Government, it is felt, has opened the door to a flood of imports by extending the quota and tariff concessions arranged with its partners in the European Common Market to the member-countries of the G.A.T.T. Britain is singled out as an example of the way in which one country can be used as an entry into another for the Eastern yarn and cloth now reaching European ports in ever-increasing quantities.

Lancashire traders who have discussed this matter with European cotton manufacturing interests have been left in no doubt as to the attitude which Continental millowners take up on this question. The British Government's stubbornness in refusing to enter into what has in the past been regarded as an industrial affair may have to be relaxed, if any agreement is to be reached between the two collateral trade groups in Europe.

Trade Cycles—Which Way?

Without wanting to gratify the beliefs of some of the incurable pessimists in Lancashire trade circles, it cannot be denied that some concern is being expressed about the time-honoured topic of the stocking and destocking cycle. Certainly the phase of stocking went on merrily in the six months which covered the final quarter of last year and the first quarter of 1960. Destocking has not yet begun in earnest, and may well be delayed, if a further buying movement is soon encountered, but the ups and downs of textile production and distribution offer a threat to those engaged in both forms of activity. The following table, which sets out the volume of available cotton and rayon goods from domestic and foreign sources from which exports are substracted, gives a relative guide to the current situation by turning the spotlight on the balance which remains on offer for home trade distribution; comparisons between the position in recent years and today are shown below:

(In million yards)

Year	Output	Imports	Total	Exports	Balance for home trade
1937	4,122	75	4,197	2,001	2,196
1947	2,012	174	2,186	639	1,547
1949	2,592	400	2,992	1,078	1,914
1951	2,960	476	2,436	1,105	2,331
1952	2,192	210	2,402	871	1,531
1953	2,632	143	2,775	895	1,880
1954	2,775	335	3,110	812	2,298
1955	2,479	365	2,844	688	2,156
1956	2,814	380	2,694	595	2,099
1957	2,287	490	2,777	567	2,210
1958	2,030	434	2,474	468	2,006
1959	1,920	575	2,495	411	2,084
First 6 months					
1955	1,350	200	1,550	351	1,199
1956	1,215	201	1,416	301	1,115
1957	1,212	250	1,462	295	1,167
1958	1,105	229	1,334	257	1,077
1959	977	257	1,234	201	1,033
1960	993	382	1,375	201	1,174

Lancashire's own production of cotton and rayon cloth is now very much smaller than even a few years ago, although output more than held its own with the 1959 level. Arrivals of foreign cloth, however, have to some extent neutralised this fall, while the small quantities of goods being exported has resulted in a return to a similar level of cloth being available as in the first six months of 1957 and 1955. A year ago, when the same table was drawn up, it was possible to forecast the future with some optimism, our comment being: "In view of the substantial clearances which took place in distributing houses during the earlier months of the year, there would appear to be scope for steady replenishment purchases in the not too distant future."

This prediction was borne out to a very remarkable degree, the demand which followed the response to the redundancy schemes in spinning and weaving exceeding all expectations. The enthusiasm to buy which

(*Continued on page 532*)

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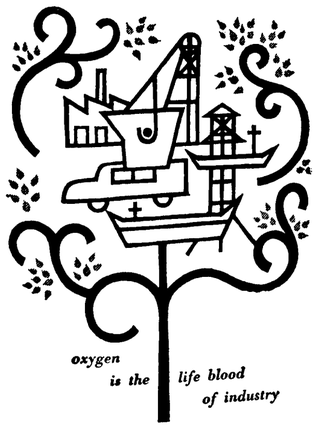

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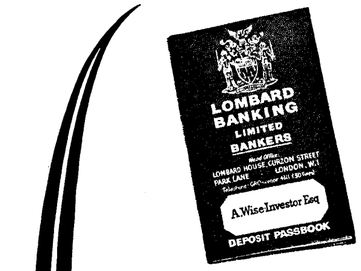

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DEVELOPMENT OF PATENTS IN 1959

INDIAN INVENTORS' CONTRIBUTION SMALL

A COMPREHENSIVE legislation designed to protect the interests of inventors and to stimulate industrial research is expected to be introduced in the next session of Parliament. It will be largely based on the recommendations made by Mr. Justice N. Rajagopala Ayyangar in his Report on the Patent Law Revision submitted to the Government a year ago—14th September 1959 to be precise. Presumably, the Government has not so far finished its consideration of the Report. Mr. Justice Ayyangar, in his report, has stressed the need for mending, rather than ending, the existing patent system, which has been working in India for well over a century, notwithstanding all the difficulties and handicaps which are involved in its application in an underdeveloped country like India. He has advocated the revision of the law in such a way as to make it in conformity with the special industrial and technological conditions of the country. In particular, he has sought to impress on the authorities the need for introducing special provision in the statute to minimise the abuse of patent monopoly and to ensure compulsory working of patents in this country.

The proposed legislation is bound to make a signal contribution to the development of a judicious patent system, which at present is governed by the Patents and Designs Act, passed as early as in 1911. The number of patents originating in India is distressingly small. In 1959, according to the Annual Report of the Patent Office, the total number of applications received by the office was 3,965. An overwhelmingly large number of them—3,239 or over 80 per cent.—had their origin in foreign countries. India accounted for only 726 applications, including 55 submitted by foreign residents in India. Indian contribution is thus less than 20 per cent. The relatively low level of industrial development, and lack of facilities for research and also adequate funds by and large restrict the growth of Indian patents. It is, however, gratifying to note that the rate of growth of patents of Indian origin showed some improvement in 1959, as compared with that in the previous year. The following table shows the trend of applications for patents from persons both in India and abroad since 1947:

	1959	1958	1955	1951	1947
Indians	671	529	403	422	222
Other residents in India	55	73	43	42	45
Foreigners	3,239	2,970	2,290	1,644	2,103
Total	3,965	3,572	2,736	2,108	2,370

Out of the 726 applications which originated in India, (undivided) Bombay contributed 252, followed by West Bengal, Delhi, Uttar Pradesh, Madras, Mysore, the Punjab, Bihar, Kerala and Andhra Pradesh with 156, 128, 37, 32, 30, 29, 17, 17 and 10 to their credit, respectively, the remainder being contributed by the other States. As compared with 1958, there was an appreciable increase in the number of applications originating from India, Switzerland, the U.S., the U.K., the Netherlands, Germany, Sweden, Russia, Israel and Luxembourg. The number of applications originating from Canada, Norway, Australia, Japan, Austria, Rumania, Portugal, Yugoslavia, Southern Rhodesia and certain other European, Asian and Latin American countries also recorded a slight increase. There was, however, a noticeable decline in the number of applications coming from Czechoslovakia, Italy, France, Leichtenstein, Spain and Brazil.

As in the last few years, the majority of the inventions for which patents were applied this year related to chemical industries. In the field of organic chemistry, inventors showed interest in the manufacture of dyestuffs, particularly azo-dyestuffs, anthraquinone dyestuffs and phthalocyamine dyestuffs. A new field of interest to inventors was the preparation of steroids. Inventions relating to synthetic resins were mainly for the preparation of polyolefins, including polypropylene and polythelene. In this field, Indian inventors showed increased interest; their inventions related to the preparation of substituted benzene sulphonyl alkyl ureas, substituted benzene sulphonamido pyriadazines, copper complex biguanide derivatives, ethylene dichloride, furocoumarines, phenols from coal tar, citric acid from sugarcane molasses, etc. In the inorganic field, a large number of inventions were concerned with nuclear reactors, particularly fuel elements, heat exchangers, core elements, etc. Inventions by Indian inventors related to preparation of nickel sulphate from hydrogenation catalyst waste, ammonium sulphate from iron and steel industry waste, metallic halides, alumina, soluble silica from alkaline solutions, sulphuric acid and soda from ammonium sulphate and manufacture of salt from sea water by solar evaporation.

Iron and steel industry continued to command a fairly large number of inventions originating from foreign countries, particularly the U.K., West Germany and the U.S. They mostly related to steel manufacture in open-hearth furnaces and improved processes in oxygen blowing. Only a few inventions originated in India which related to beneficiation of manganese ores, manufacture of ferro-manganese, production of iron from low grade ferruginous clay and manufacture of basic and acid steels. Inventions relating to non-ferrous metal extraction and refining were mostly of foreign origin, and related to processes of extraction and refining of manganese, uranium, separation of niobium from tantalum, reduction smelting of chromium-bearing ores, recovering metal from scrap, recovering zinc, and pneumatic refining of metals. There were a few inventions relating to introduction of magnesium into molten cast-iron and gold extraction which originated in India.

In the sphere of food and agriculture, too, most of the inventions were accounted for by foreign countries. Domestic inventions were concerned with pressure and steam cookers, tiffin carriers, kerosene oil stoves, domestic water heaters, sugarcane mills, as also rice shellers, ploughshares, tractor attachments, cultivating implements and preparation of fertilisers. The other inventions were in the sphere of civil, mechanical and electrical engineering, textile technology, health and sanitation and miscellaneous appliances and processes. Most of them originated from abroad.

So far as designs are concerned, most of the applications for registration were of Indian origin. Out of the total number of 5,175 design applications, 5,145 applications were submitted by Indians. The number of applications for Indian designs was only 4,114 in 1958. This increase in 1959 was mainly shared by (undivided) Bombay, West Bengal and Madhya Pradesh. Over 85 per cent. of these applications related to textile designs, with the (undivided) Bombay contributing as many as 3,961 applications. Applications from overseas designers actually declined from 44 in 1958 to 30 in 1959. Out of this, the U.K. accounted for 22 applications, as against 21 in the previous year.

CONVERSION TABLES

The introduction of metric system for weights and measures is an important landmark in the history of weights and measures. Hitherto, each State had its own units of weights and a reform in the direction of adopting a common unit of weight was long overdue. The authorities, in their wisdom, decided that metric system was the only one that would suit the purpose in view, as it simplified the task of calculation and as it was being followed by most of the other countries in the world. Accordingly, the system was introduced in this country and is being gradually adopted by the various sectors of the economy. By 1st October, its adoption is being made compulsory in several sectors.

In view, however, of the wide variety of units of weights used in the country, their conversion to the metric system is rather complicated and is not easily grasped by the layman without the use of a ready reckoner. Further, having been accustomed to the present system for ages, one cannot even easily remember the new units of measurement. Most people will, therefore, find it necessary to carry with them always a ready reckoner. Mr. A. C. Lakhani, who has wide experience (of about 38 years) in compiling conversion tables, has done a signal service in publishing the *Metric Weights and Measures—Conversion Tables* in a pocket size booklet. The concise booklet is a unique one, in that it gives all the existing Indian weights and measures with their corresponding metric standards and *vice versa*, ranging from the smallest weights, such as grain, ratti and carat, to the heaviest weights, such as maunds and tons, and from an inch to a mile. Another unique feature of this publication is the comparison and conversion factors for capacity measures. Factors for comparison and conversion from one system to the other are given up to six decimal figures, with a view to helping minutest calculations. Fractional conversion tables, price parities, sterling-rupee exchange table and a perpetual calendar from A.D. 1855 to 2000 are additional features which will be found very useful for people in all walks of life. Despite the heavy work involved in the compilation, the publication is priced low, at 60 nP including postage, to suit all pockets. Hindi edition of this booklet is also available and a Gujarati one is under preparation. Copies of this useful publication are available from Lakhani Publications, Shree Vishnu Bhawan, 21, Bhahmanwada Road, Bombay 19.

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SEALING OF JUTE LOOMS TO CONTINUE TILL THE END OF NOVEMBER

I.J.M.A. TO EMBARK ON JUTE DEVELOPMENT PROGRAMME

MEMORIES of the boom conditions in the raw jute market seen towards the close of the 1959-60 season (which ended on 30th June) have been revived by the recent spurt in raw jute prices and the sympathetic rise in jute goods. Although the current prices are well below the peak levels touched in May last, widespread concern is expressed by the industry over the long-term implications of the frequent rise in prices of jute goods on the overseas demand for Indian gunnies. While the good shipment figures for August and September, coupled with the low stocks of jute goods, are responsible to some extent for the recent rise in prices of gunnies, it is admitted on all hands that the main reason for the high level of prices is the inflated price of raw jute due to fears that supplies will be inadequate for the industry's requirements in the 1960-61 season also.

The Central Supervisory Body for Jute, at its meeting early in July last, had estimated a total crop of 6.2 million bales for the current season, 4.7 million bales of raw jute and 1.5 million bales of mesta. This total compared favourably with the aggregate output of 5.7 million bales in the 1959-60 season. At that time, even this estimate was considered as somewhat conservative in some quarters, which thought that the crop might rise to 6.6 million bales. The favourable weather conditions during the growing period went a long way in alleviating the earlier fears about the effect of a prolonged drought which had delayed sowing. But the optimism has proved to be short-lived and the latest ideas about the prospect of raw jute supplies during the current season have changed for the worse. Crop reports from the various districts vary from one another. But the general feeling is that the crop will be smaller than expected and that imports from Pakistan must be liberally allowed. To alleviate the position, the Union Ministry of Commerce and Industry announced recently that about 400,000 bales of jute cuttings would be imported from Pakistan. The announcement was vague, in that it was not clear whether this represented an extra allocation or whether the cuttings already imported were included in this quota. Meanwhile, the political disturbances in Assam and the heavy floods in Orissa have disrupted transport and the arrivals of raw jute into Calcutta have dwindled to disquietingly low proportions, as compared with the corresponding period of last year. In the circumstances, the issue of import licences for only 100,000 bales of cuttings from Pakistan out of the proposed quota of 400,000 bales is being widely criticised.

An Incongruity ?

Reviewing the whole position, in the course of a lengthy statement issued a few days ago, the Indian Jute Mills Association says: "With regard to the current season's crop, it is as yet too early to make a firm estimate of the quantity of jute that will be available, but it is certain that the Government of India's recent policy decision with regard to the import of cuttings from Pakistan will provide a welcome addition to the indigenous production and the question of applying for licences for the import of long jute also is now being considered." While it is a moot point whether the Government will consider favourably the import of a larger quantity of jute from Pakistan than it had announced earlier, the I.J.M.A. has made it clear that "the industry does not intend to be held to ransom for its raw material supplies this year in the manner that occurred towards the end of last season." It adds:

"As soon as the crop can be estimated with reasonable accuracy, the Association will decide to what extent it is necessary to adjust production to ensure that the available raw material will be adequate for the industry's needs with reasonable carryover into next season. In the meantime, the disturbances in Assam and the floods in Orissa have delayed the arrival of jute in Calcutta and it may be necessary to extend the voluntary sealing scheme for a further month, that is, upto 30th November 1960."

The I.J.M.A.'s decision may seem somewhat incongruous in the present context, with prices of jute goods ruling high and the shipments of gunnies encouraging. But what is the alternative? Stating that its decision to adjust production according to the availability of raw jute is a purely short-term solution to the problem, the I.J.M.A. adds:

"It is to be hoped that a reduction in raw jute prices will eventually lead to a reduction in the price of finished goods and the prime objective of the Association at this juncture is to take all steps necessary to ensure that raw jute prices are brought down with the maximum speed to a reasonable and economic level. The one certain means of attaining this objective is to ensure that the percentage of looms sealed is such as to avoid any danger of the raw material supplies being inadequate for the industry's needs. This policy is, however, essentially short-term and the only real solution of the industry's current difficulties is for India to become fully self-sufficient in raw jute on a long-term basis."

While the aforesaid explanation has its validity, it does not answer the question as to how the I.J.M.A. will ensure that the low level of production of jute goods does not lead to a rise in their prices. What if the mills and traders try to push up the prices of goods unduly? What action does the I.J.M.A. propose to take in order to prevent such a development?

Raw Material

At present, the work of increasing the production of jute is being done by only the Central and State Governments. There has, no doubt, been an overall improvement in the production of jute, but this is more due to the extension of the area sown than to improvements in the average yield per acre, which is still very low. In the 1959-60 season, for instance, the yield was 2.66 bales per acre, which compared unfavourably with that of 3.90 bales per acre in East Pakistan. There is considerable scope for both increasing the acreage yield and improving the quality of the jute fibre grown in India. What is more important is that these twin objectives should be achieved as soon as possible. It is gratifying to note, in the circumstances, that the I.J.M.A. has come forward to supplement the efforts of the Central and State Governments with a jute development programme of its own. Outlining the main steps it proposes to take in this direction, the I.J.M.A. says:

"Recent experience has shown how vulnerable the industry's position is when the demand for raw material outstrips the supply in India. It is essential, therefore, that urgent steps be taken to create conditions under which the growers will earn more from the land put under jute, through rationalisation of their methods of production, and the manufacturing industry will have guaranteed supplies of good quality jute at reasonable and stable prices. For this purpose, the I.J.M.A. proposes as a first step to set up Demonstration Blocks in selected districts in West Bengal to educate the cultivators in the use of modern farming techniques and demonstrate what these can achieve. This pilot project will be extended to other States in due course. At the same time, surveys of seed and fertiliser requirements will be carried out by the Association in each of the jute growing States and the machinery for their distribution reviewed. Consideration will also be given to a seed multiplication project for the complete saturation of all the jute growing areas over the next few years. Another important aspect from the point of view of fibre quality is the retting process, and the Association proposes to undertake a survey of the retting facilities in each area with a view to bringing these up to the required standard where necessary."

It is true that the various measures mentioned above will take some time to come to fruition and yield tangible results. But the I.J.M.A. is convinced that the expenditure on this project will be a very sound investment in the long term. At the same time, it has made it clear that its measures can only be complementary to, and not in substitution of, similar work by Governmental agencies. This implies that the ultimate responsibility for increasing the jute output by every possible means lies squarely on the Government, though the industry, on its own part, will not spare its efforts to supplement the official steps.

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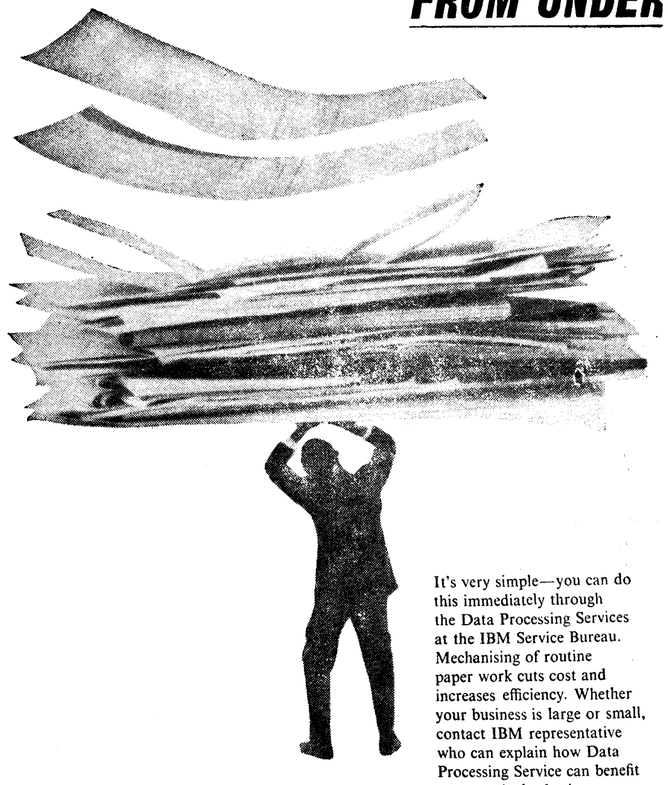

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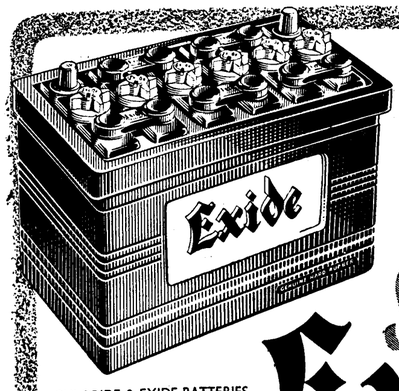

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A copy of the prospectus has been duly delivered for registration to the Registrar of Companies, Bombay.

Consent of the Central Government has been obtained to this issue, and a Licence has been obtained from the Central Government for the establishment of this New Industrial Undertaking. Copies of both of these are open to public inspection at the Registered Office of the Company.

It must be distinctly understood that in giving this consent and granting this licence the Government of India do not take any responsibility for the financial soundness of any scheme or of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

THE SUBSCRIPTION LIST WILL OPEN AT 10-30 A.M. ON WEDNESDAY, 21st SEPTEMBER, 1960 AND WILL CLOSE AT 2-30 P.M. ON THURSDAY, 29th SEPTEMBER, 1960.

APPLICATIONS MUST BE MADE FOR 50 SHARES OR MULTIPLE THEREOF

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AUTHORISED CAPITAL

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Unclassified	1,00,00,000
Rs.	2,00,00,000

ISSUED CAPITAL

7,00,000 Equity (Ordinary) Shares of the aggregate value of	70,00,000
(1) ALREADY SUBSCRIBED	
(a) By Promoters, Directors and their Friends and Associates, 2,80,000 Equity Shares of Rs. 10 each	28,00,000
(b) By The Industrial Credit and Investment Corporation Ltd., 70,000 Equity Shares of Rs. 10 each	7,00,000
Rs.	35,00,000
(ii) NOW OFFERED FOR PUBLIC SUBSCRIPTION	
The balance of 3,50,000 Equity Shares of the nominal value of Rs. 10 each is now offered at par for public subscription in the terms of the prospectus	35,00,000

PAYABLE AS FOLLOWS:—

1. **Rs. 2.50 with application per share.**
2. **Balance of Rs. 7.50 per share in such calls as may be determined by the Directors but not earlier than 3 months of the allotment.**

APPLICATION FOR SHARES

All applications must be for a minimum of 50 shares or a multiple thereof. Applications for shares should be made on the application form attached to the prospectus (or on a printed copy thereof) and delivered, accompanied with proper payment, before the close of the subscription list to any of the Company's Bankers at their BOMBAY, CALCUTTA, DELHI, AHMEDABAD, RAJKOT AND MADRAS Main Offices between 10-30 a.m. and 2-30 p.m. on working days. Further copies of the prospectus and application forms will be available during office hours on working days from the registered office of the Company, above stated offices of the Company's Bankers and the Brokers to this issue named below. Where no allotment is made, the application money in full, and where the number of shares allotted is less than the number applied for the balance of the application money, will be returned by Company by a cheque on their Bankers at Bombay, within two months from the date of the closing of the list.

The Directors do not bind themselves to allot full number of shares applied for and reserve the right to reject any application wholly or in part without assigning any reason thereof. Failure to pay any amount due on the shares allotted, when due, will render the shares and previous payments made thereon liable to forfeiture. The shares when issued will be subject to the Memorandum and Articles of Association of the Company.

The Share Certificates will be issued within six months from the date of the allotment.

BOARD OF DIRECTORS

SHRI B. K. BIRLA, 8, India Exchange Place, Calcutta.

SHRI R. L. KIRLOSKAR, Yantrapur, Harihar, Mysore State.

SHRI KISHORE M. PREMCHAND, 63, Apollo St., Fort, Bombay.

SHRI S. G. NEVATIA, Industry House, Churchgate Reclamation, Bombay-1.

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„ **NAROTTAM B. JAVERI**, 35, Stock Exchange New Building, Bombay-1.

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„ **HARBANS SINGH MEHTA AND CO.**, Parliament Street, New Delhi-1.

„ **KOTHARI AND SONS**, Orient Buildings, Armenian Street, Madras.

AUDITORS

M/S. DALAL AND SHAH, 34, Apollo Street, Bombay-1.

REGISTERED OFFICE

INDUSTRY HOUSE, CHURCHGATE RECLAMATION, BOMBAY-1.

The consents of Auditors, Bankers and Brokers to this issue to act in their respective capacities have been obtained.

BROKERAGE

A brokerage of 12 nP per Equity (Ordinary) Share is payable to certified Brokers and Bankers on the nominal value of the said 3,50,000 Equity (Ordinary) Shares for applications received and allotted bearing their stamps.

OBJECTS OF THE COMPANY

The Company was incorporated on 5th August 1960 with the objects mentioned in the Memorandum of Association. The main objects are to manufacture and sell steel pipes and tubes of all description, particularly welded and galvanised pipes and fittings.

The Government of India has issued an Industrial Licence under Industries (Development and Regulation) Act 1951 to Shri S. G. Nevatia, one of the promoters of the Company to manufacture 24,000 tons of welded steel pipes a year (basis double shifts working). The Government of India has amended the licence making it in favour of the Company.

COMMENCEMENT OF BUSINESS

The Company has obtained the Certificate of Commencement of Business dated the 17th August 1960 from the Registrar of Companies, Bombay.

PROSPECTS FOR STEEL PIPES INDUSTRY

The use of steel pipes is an important index of a rising standard of living. Steel pipes are required not merely for their use as carriers of water but also as carriers of liquids of various kinds in domestic and industrial establishments. It is well-known that there is at present an increase in demand for such pipes to carry water, gas and liquids both in urban and rural areas. With the increase in industrialisation of the country, which has now assumed a considerable tempo, the use of steel pipes will be correspondingly increased. The steel production in the country is increasing rapidly and there are plans for further expansion of steel production. This will obviously need fabrications of various kinds and the manufacture of steel pipes will be an important item of such fabrication. In view of the anticipated increase in demand, the Government of India has planned for increase in indigenous production and this factory has been licensed to be established in the State of Maharashtra for the capacity stated above.

FOREIGN EXCHANGE AND RUPEE LOAN

The Industrial Credit and Investment Corporation of India Ltd., Bombay, have agreed in principle to grant to the Company a foreign exchange Loan of the equivalent of U.S. $8 50,000 (about Rs. 40 lakhs) to pay for the cost of the imported machinery and capital equipment for the proposed factory, subject to the consent of the International Bank for Reconstruction and Development and a further rupee loan of Rs. 15 lakhs to meet part of the cost of capital expenditure. The I.C.I.C.I. loan will be secured by a first mortgage on immovable and movable properties of the company subject to the hypothecation to secure bank borrowings for working capital.

TECHNICAL COLLABORATION

The Company is negotiating with leading Foreign Machinery and Pipe Makers for technical assistance in the form of design and layout of the complete plant, detailed plans for the equipment to be made in India, technical know-how of production of steel pipes, training of Company's employees abroad and in India through foreign technicians for the necessary period and making available technical personnel for erection of the plant and supervision of the initial operations of the plant.

MINIMUM SUBSCRIPTION

The minimum amount which in the opinion of the Directors must be raised by the issue of shares in order to provide the sums required to be provided as per paragraph 5 of the Schedule II to the Companies Act, 1956 and upon which the Directors will proceed to allot shares is Rs. 35 lakhs.

RESOURCES AND DISBURSEMENTS

The total funds available with the Company will be as follows:—

	Rs.
Share Capital proposed to be subscribed by the Directors, Promoters, their friends and associates and I.C.I.C.I.	35,00,000
Capital to be raised by this issue	35,00,000
Foreign Exchange and Rupee Loan to be obtained from The Industrial Credit and Investment Corporation of India Ltd.	55,00,000
Rs.	1,25,00,000

This amount of Rs. 1,25,00,000 will be utilised approximately as under:—

	Rs.
Cost of land, development thereof, construction of factory, office and residential buildings, roads, etc.	20,00,000
Cost of plant and machinery and equipment both imported and indigenously made including freight, insurance, import duty, clearing charges, erection, technical fees, training of technical staff, pre-operative expenses, etc.	90,00,000
Preliminary expenses, brokerage, advertising charges, etc.	1,25,000
Margin for Working Capital	13,75,000
Rs.	1,25,00,000

Note:—Additional finance required for working capital, when the factory goes into production will be available by way of loans from the Banks and other sources.

PRELIMINARY EXPENSES

Preliminary expenses incurred in respect of procurement of Industrial Licence, making necessary investigations, carrying negotiations with suppliers and financiers, are estimated at Rs. 35,000 including expenses towards registration of the Company.

MANAGEMENT AND REMUNERATION OF DIRECTORS

Management of the Company is vested in the Board of Directors of the Company. The Board is authorised to appoint Managing Directors. The Directors shall be entitled to receive fees and travelling expenses, etc., for attending Board or Committee meetings as provided in Articles of the Company. The Directors (including the Managing Director, if any) shall also be paid such further remuneration (if any) as the Company in General meeting may from time to time determine.

LAND FOR FACTORY

Lands suitable for proposed factory in the vicinity of Bombay have been examined and negotiations with the owners thereof are going on to acquire the same, which are expected to conclude soon.

PROFITS

On the basis of the existing prices and after allowing costs, overheads, depreciation and other foreseeable contingencies, in so far as these items can be at present estimated, the Directors are of the opinion, that in the absence of any unforeseen circumstances, the Company should be in a position to pay reasonable dividend on the issued equity shares. The other factories engaged in similar production are making good profits.

TAX BENEFITS

The Company will get the benefit of the Development Rebate and Exemption from tax under Section 15C of the Income Tax Act and the shareholders would also be exempt from Wealth Tax on their holdings for a period of five years, under clause XX of sub-section I of Section 5 of Wealth Tax Act.

NO PAYMENT TO PROMOTERS

No payment is made or proposed to be made to the promoters of the Company, except for reimbursement of actual preliminary expenses incurred by them and no profits or benefits have been given to any other person as promoters of the Company.

RESTRICTIONS IN RESPECT OF RIGHTS TO ATTEND, SPEAK AND VOTE OF MEMBERS

By Article 112, subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands, every member present in person or if a body corporate through a representative appointed under the provisions of Section 187 of the Act and Article 113 or by proxy shall have one vote and on a poll the voting right of such member whether present in person or by representative or by proxy shall be in proportion to his share of the paid-up equity shares capital of the Company.

RESTRICTIONS ON TRANSFER OF SHARES

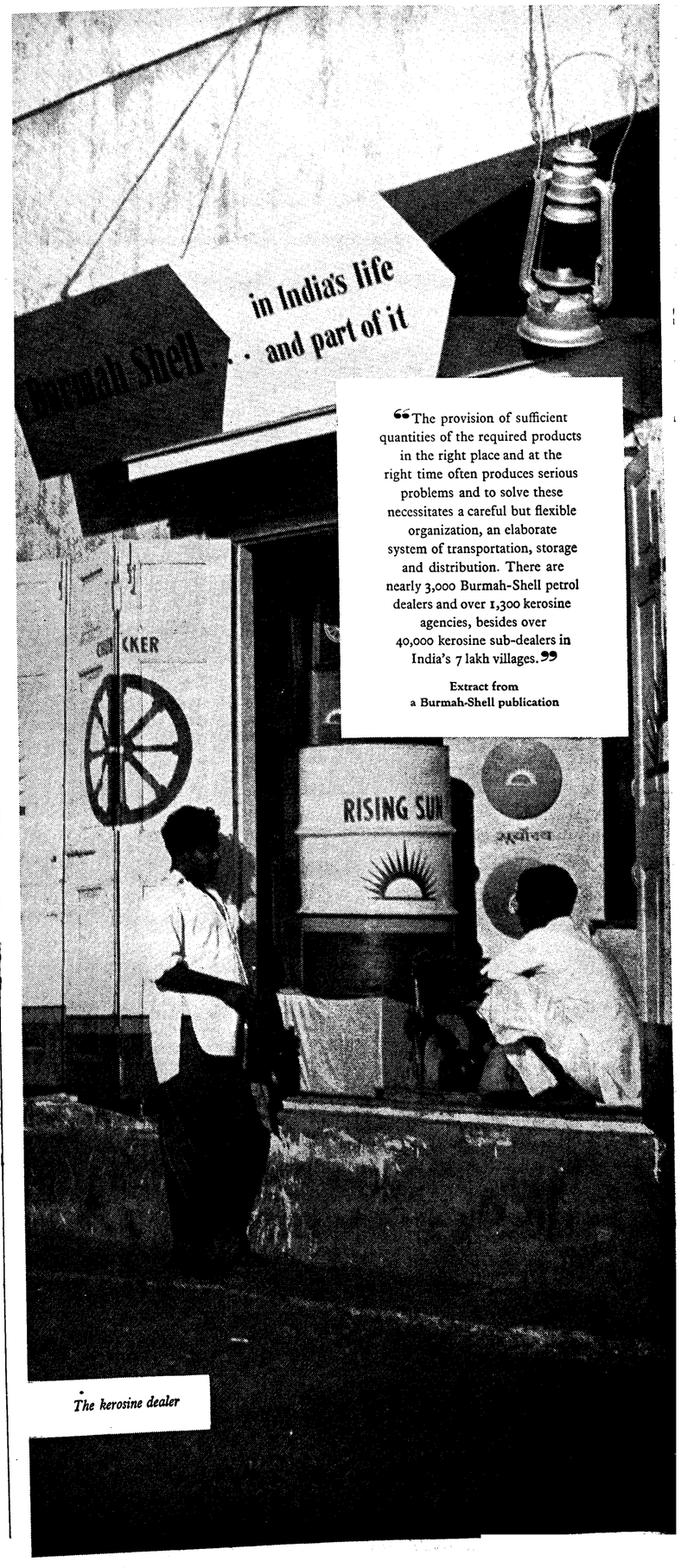
The Directors may, subject to the right of appeal conferred by Section 111 of the Act, decline to register any transfer of shares to a transferee of whom they do not approve.

CONSIDERATION FOR PROCURING SUBSCRIPTION

Up to the date of this prospectus, no commission, discount, brokerage or other payments have been made to any person in connection with the issue or sale of any stock, shares or securities of the Company.

NATURE AND EXTENT OF THE INTEREST OF DIRECTORS

No director of the Company is interested in any manner except as a shareholder and Directors' remuneration as herein stated.



MONETARY AND CREDIT POLICY

OBSERVATIONS OF RESERVE BANK'S CENTRAL BOARD

THE annual reports of the Reserve Bank of India Central Board of Directors are notable not merely because they contain an excellent review of the recent developments in the country's economy but also because they pinpoint the defects, if any, in the economy and suggest measures for removing the same. The latest report, that covering the year 1st July 1959-30th June 1960, is no exception. Some of the observations made in this report are of special significance in the present context when the planners and the powers-that-be are busy giving the final shape to the third Five-year Plan.

The Reserve Bank's Central Board of Directors are of the view that "monetary policy, despite its recognised limitations generally and especially in a semi-developed economy like that of India with a substantial currency component of money supply has a positive role to play in facilitating the attainment of growth with stability." They have, however, qualified this statement by saying that "the techniques of credit regulation have to be modified to suit the changing outlook of the economic scene, bearing in mind the needs of a developing economy."

It would be worthwhile to recall here that, during the year July 1959-June 1960, the Reserve Bank adopted a series of measures designed to ensure credit restraint in the economy which reflected a substantial increase in the rate of growth of industrial production, some decline in agricultural output, a modest improvement in aggregate investment, a further marked advance in the general price level, a rise in the rate of expansion of money supply and bank credit, an intensification of the stock market boom and a further, though small, fall in the foreign exchange reserves. The monetary measures included continuance (with suitable modifications) of selective controls in respect of foodgrains, sugar and groundnuts, extension of these controls to cover all other oilseeds, except cottonseed, resort to instrument of variable reserve ratios alongside other measures, including a ban on direct financing by banks of *budla* transactions, minimum margins in respect of bank advances against ordinary shares and a ceiling on clean advances, further restriction of banks' borrowings under the Bill Market Scheme, and continued employment of the Reserve Bank's open market operations to siphon off the excess liquidity in the economy.

Working of Credit Restraint Measures

Pronouncing their verdict on the working of these measures, the Directors say:

"While thus, in particular sectors, the credit curbs seemed to have worked in the desired direction, the impact of the variation in reserves on total bank credit has so far been limited. Although, immediately following the raising of the reserve requirements in mid-March, the expansion of bank credit in the peak of the busy season was arrested, subsequently in the traditional slack season, the rate of contraction has so far been very small. An important objective of the measure, namely, a reduction in the excess liquidity of the Scheduled banks was achieved, but its effect was largely neutralised by the changes in the other assets and liabilities, that is, by a smaller reduction in borrowing from the Reserve Bank than is usual during this period and also by much smaller investment in Government securities. Between 18th March and 5th August, the aggregate rise in Scheduled banks' total liabilities amounted to Rs. 66 crores; as against the rise in total reserve requirements of Rs. 42 crores, the banks increased their balance with the Bank by Rs. 13 crores, the balance of Rs. 9 crores having been absorbed by a reduction in excess reserves to Rs. 10 crores. Simultaneously, their cash on hand was reduced by Rs. 19 crores. Thus, the free cash reserves of the Scheduled banks (i.e. cash in hand plus excess reserves) declined by Rs. 29 crores. During the same period, the banks' borrowings from the Reserve Bank declined by Rs. 43 crores, but this was somewhat lower than the decline of Rs. 57 crores achieved in the corresponding period last year; also, the outstanding of such borrowing on 5th August 1960 at Rs. 34 crores was about Rs. 30 crores higher than a year earlier. Moreover, the rise in investments in Government securities during this period was very small, being only Rs. 9 crores, as compared to a rise of Rs. 100 crores in the corresponding period in the previous year. The lower rate of rise in Scheduled banks' investments during this period was largely accounted for by a net decline in P.L. 480 funds in Government securities. However, after making allowance for this factor, there would have been net disinvestment by banks of Government securities in the current year. In the circumstances, although the liquidity position of the Scheduled banks became tighter, the rate of contraction of credit has been smaller in the current slack season. Scheduled bank credit increased during the period 18th March 1960 to 5th August 1960 by Rs. 9 crores, as against a decline of Rs. 43 crores and Rs. 72 crores, respectively, in the corresponding periods of last year and the year before last. This is to be explained by the fact that the contraction of bank credit in the current slack season upto 5th August 1960 has been of the order of only Rs. 6 crores, as against Rs. 67 crores in the corresponding period of 1959. The contraction of credit against seasonal commodities has been the same as in the last season, and, in fact, should have been larger but for the lengthening of the crushing season of sugar, which is an important seasonal item of credit. On the other hand, in contrast to last busy season, there has been a steep rise in credit against non-seasonal items this year, mainly on account of the substantial rise in the rate of growth of industrial output."

Banks Should Act

While conceding that "the commencement of either the busy or slack season does not move in a set pattern from year to year" and that one may not expect "the decline in the slack season to be spread over evenly during the period," the Directors view with concern "the rather slow contraction of credit in the 1960 slack season." They have, therefore, urged the banks (*a*) to take energetic steps to bring about a satisfactory contraction of credit, so that they may be in a position to meet the requirements of the next busy season without undue strain, and (*b*) to reduce their access to the Reserve Bank, if the recent credit restraint measures are not to be nullified.

Commenting on the effectiveness of monetary policy, the Directors observe that it cannot be assessed precisely by reference to the behaviour of general and sectional price levels which are dependent upon a variety of other factors bearing on both aggregate and individual demand and supply position. Take, for instance, the curb on bank advances against foodgrains stocks. To the extent these stocks are self-financed or privately financed, the role of bank finance is comparatively negligible. However, even after taking into account the existence of a substantial non-monetised sector and a fairly large unorganised sector of the money market, monetary policy has, the Directors aver, a useful role to play in the maintenance of price stability. This aspect has to be specially stressed in view of the fact that the inflationary potential inherent in the total investment of as much as Rs. 10,200 crores envisaged in the third Plan Draft Outline is considerable and that, unless it is held in check by suitable techniques of credit regulation, the functioning and progress of essential productive sectors of the economy are bound to be jeopardised.

Fiscal and Economic Policies

Whatever may be the types of monetary policy chosen and however efficient is the way in which the policy is administered, it will not be of much avail if it is not accompanied by the adoption of suitable fiscal and economic policies. Indeed, these policies are, as the Directors rightly observe, even more crucial to the successful implementation of planned development. It is on their success that depends the answer to the question: Will the rate of savings to national income increase in the third Plan period from 8 to 11 per cent. so as to match the proposed rise in the rate of investment to national income from 11 to 14 per cent.? It is true that a larger amount of foreign aid than in the current Plan will have to be secured. Even so, the comparatively low level of foreign exchange resources and the inadequacy of earnings from exports even to finance the maintenance of imports impart utmost urgency to the problem of mobilising internal resources to the maximum extent possible. There is certainly no exaggeration whatever in the remark of the Reserve Bank Board of Directors that "this problem poses a challenge to the nation, especially as it is manifest that the volume of deficit financing has to be restricted to the level envisaged in the Draft Outline, namely, Rs. 550 crores, as against the likely actual of Rs. 1,175 crores in the second Plan." Appropriately enough, the Board says:

"A bold investment plan requires an equally bold and determined savings effort which, in concrete terms, means sacrifice by the community through postponement and curtailment of consumption. The precise manner in which this sacrifice is brought forth is a matter for careful consideration, but, clearly, it will involve a much larger tax effort, as also larger investment in securities and savings instruments issued by Government as well as private sector. The necessary corollary of this is economy and austerity in both public and private spending. The stabilisation of the cost of living is also imperative both for domestic reasons as well as for ensuring a cost-price structure which will enable exports to be maintained at a level necessary for the Plan. All this has wide implications for general economic policies which will require to be assiduously worked out.

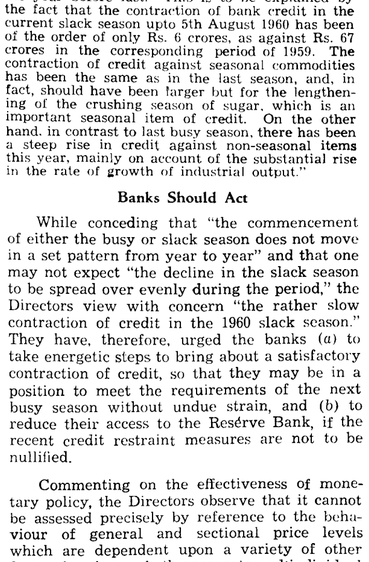
"The institutional machinery for maximum mobilisation and canalising of savings into productive channels also needs to be continuously strengthened. The Reserve Bank is aware of the immensity and urgency of the problem. The Bank has initiated action in this sphere in the past, but further steps will be necessary to adapt the machinery to the larger tasks ahead."

The foregoing observations constitute a broad generalisation of the issues involved and is more or less on lines mentioned in the Draft Outline of the third Plan. Surely, this is not what is expected of the Directors of the Central Board of the Reserve Bank. It would be more in the fitness of things, if they had clearly stated whether or not the assumptions made in the Draft Outline in regard to the resources were realistic. With a large number of economic experts employed by the Reserve Bank, it would have been possible for the Board of Directors to be more specific in their appraisal of the third Plan, if only they had the will. After all, the Reserve Bank, it has been claimed, is not a department of the Finance Ministry, or a wing of the Planning Commission, but an autonomous institution, free to put forward its point of view for the benefit of the Government and the public alike.

The review of the developments in Indian economy as made by the Reserve Bank Board of Directors reveals certain disturbing trends. The price situation, for instance, continues to cause concern. Further, the industries are generally faced with rising raw material prices and growing pressure for wage and salary increases which, to quote the Board, "may seriously affect their competitive capacity in export markets." Again, the capital market has been unusually ebullient, reflecting partly unhealthy speculative activity.

Banking Developments

According to the Board's survey of banking developments during the year July 1959-June 1960, the Reserve Bank continued to play a prominent part in the development of institutional credit for agriculture and industry. The State Bank opened 105 branches, raising the total number since its constitution to 416, thus exceeding the statutory target of 400 additional branches within the period July 1955-June 1960. With the establishment of the State Financial Corporations in Jammu and Kashmir and Gujarat, each of the 15 States in India has now its own Corporation. A notable development in the sphere of financing of small-scale industries was the formulation by the Government of India, in consultation with the Reserve Bank, of a scheme for the guarantee of advances to small-scale industries with a view to providing a measure of protection to lending institutions against possible losses in respect of such advances. The scheme came into force on 1st July 1960 and will be reviewed after two years. Its administration has been entrusted to the Reserve Bank as the agent of the Central Government. It will initially cover 22 approved districts and the guarantee facilities will be available to specified scheduled banks, State Financial Corporations and State Co-operative Banks and other specified institutions. The Refinance Corporation for Industry has formulated certain proposals, for consideration by the Government of India and the Technical Co-operation Mission, which include extension of refinance facilities to a larger number of banks and industries and greater discretion to banks to fix the lending rate subject to its approval. The Corporation has also made arrangements with the International Finance Corporation, Washington, and the Commonwealth Development Finance Company, Ltd., London, and the Industrial Credit and Investment Corporation of India for grant of foreign currency loans.



Co-operative Development

The main feature of schemes for co-operative development for 1960-61 drawn by the State Governments related to State participation in certain categories of co-operative institutions, revitalisation of smaller credit societies, organisation of marketing and processing societies, construction of godowns and provision of staff for co-operative departments and institutions. The Report of the Government of India's Committee on Co-operative Credit, appointed on 5th September 1959 to examine and make recommendations, among other things, in regard to measures necessary for increasing the borrowing power of primary credit societies and the desirability of State participation in the share capital of village societies, was submitted to the Government of India in May 1960 and is under examination. The conclusions of the Conference of State Ministers held in June 1960, in which the Reserve Bank also participated, which covered, among other things, the Report of the Government of India Committee on Co-operative Credit and of the Working Group on Co-operative Farming and Co-operative Development under the third Five-year Plan, are also under examination by the Government of India.

There was a further increase in the volume of finance provided by the Reserve Bank to the co-operative sector. Thus outstanding loans to State Co-operative Banks for financing seasonal agricultural operation and marketing of crops recorded a rise of Rs. 21.92 crores to Rs. 78.19 crores. The Bank continued to subscribe to the debentures floated by the central land mortgage banks, besides giving advice in regard to the terms and timing of such flotations. Credit limits aggregating Rs. 2.45 crores were sanctioned to 12 State co-operative banks at 1½ per cent. below the Bank rate for financing the production and marketing activities of weavers' co-operative societies.

Development of Banking

The Reserve Bank continued to give close attention to the development of the banking system on sound lines through supervision and regulation of commercial and co-operative banks. During the year, 71 scheduled and 238 non-scheduled banks and 256 co-operative banks were inspected, as also 144 large-sized co-operative credit societies and two apex handloom weavers' societies. The total number of offices of scheduled banks rose during the year by 259 to 4,060 and, of the new offices, 87 were opened at places not formerly served by commercial banks.

The Bank sponsored appropriate training courses for different categories of personnel for commercial banks and co-operative institutions and also organised the third Central Banking Course, commonly called the SEANZA Course, for executives of central banks in South-East Asia and the Commonwealth countries.

There was a general deterioration in the employer-employee relations in the banking industry and the Government of India referred the disputes in the industry, including those concerning employees of the Reserve Bank of India, by its notification of 21st March 1960, under the Industrial Disputes Act, 1947 to a National Tribunal for adjudication.

During the year under review, the Bank's income after making statutory and other provisions amounted to Rs. 47.57 crores and expenditure to Rs. 7.57 crores. The net profit available for payment to the Central Government in terms of Section 47 of the Reserve Bank of India Act was Rs. 40 crores, same as in the previous year.

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ENGINEERS' STEEL FILE INDUSTRY

PROTECTION TO BE CONTINUED, BUT AT A LOWER RATE OF DUTY

IN pursuance of the recommendation made by the Tariff Commission, the Government of India has ordered that the protective duty on engineers' steel files be reduced to 35 per cent. *ad valorem*, with effect from 7th September 1960. The rate of protective duty before that date varied from Rs. 7 per dozen for files of not less than 3¾" in length but not exceeding 5½" to Rs. 34 per dozen for files of length between 14 and 18 inches. The new rate of duty represents a reduction in the quantum of protection and is equal to the rate applicable to the files not included in the protected category. Some of the other recommendations of the Commission, which have been accepted by the Government, are:

1. Protection to the engineers' steel file industry should be continued for a further period of three years, that is, up to 31st December 1963.

2. The duty concession enjoyed by the industry in respect of its raw material should be continued, until steel file sections of the requisite quality, type and sizes are indigenously produced in sufficient quantity and at reasonable prices.

3. The Government should take steps to ensure that the industry's requirements for file steel, grinding wheels of bigger sizes and consumable stores are licensed in full.

4 The Government should consider sympathetically applications from the industry for import of equipment for adjusting production to suit the changing pattern in demand.

5. Since the import of old steel files as industrial scrap has created a loophole for import of serviceable files and a threat to the domestic industry, the Government may consider the question of enforcing stricter control on their imports with a view to stopping this malpractice.

The Commission has also called upon the industry to keep itself abreast of the latest developments and try to introduce them for improving quality of product and cutting costs. The producing units have been urged to improve their technique of manufacture and to tighten inspection procedure, in order to improve the quality so as to avoid complaints in this regard. Sub-standard files should be stamped as second quality. No third quality files should be put on the market.

Five Years of Protection

The Commission's recommendations are based on a comprehensive enquiry into the affairs of the industry. It will be recalled that the engineers' steel files industry was granted protection for the first time in 1955, after a Tariff Commission enquiry, by levying specific protective duties ranging according to sizes of the files from Rs. 7.00 to Rs 34.00 per dozen. The scheme of protection, which provided for a review of the adequacy of the rates of duties after two years, was to remain in force upto 31st December 1959 and covered engineers' steel files (including saw files) and rasps of lengths ranging from 4" to 13". It excluded precision files such as needle files (jewellers' files, watchmakers' files), mill tooth files, rotary power files and ampoule files. In 1958, the Commission received reports to the effect that certain importers were circumventing the protective duties by importing files slightly smaller than standard sizes and clearing them at the lower rate applicable to the next smaller size. There were also complaints that fairly large quantities of undersized files had been imported to the detriment of the domestic industry. It was, therefore, decided to re-examine the entire scheme of protection and, after a detailed inquiry, the Commission reclassified the files according to sizes and recommended appropriate rates of duty which were to remain in force upto 31st December 1960. It had recommended the discontinuance of protection to rasps. These recommendations were accepted by Government.

Present Position

The present position of the industry is that it consists of five units, which is the same as at the time of the last enquiry in 1958. Three are in Bombay and two in Calcutta. These are: (1) J. K Engineers' Files, (2) Hakimari Jaichand, (3) John Baker and Sons—all in Bombay, (4) Hindustan Files and (5) Harbanslal Malhotra and Sons Private Ltd., both in Calcutta. There is, however, according to the Commission, the prospect of a sixth unit going into production near Surat by the end of 1960. Further, a licence to set up a factory, with an annual capacity of 90.000 dozen files on single shift in the premises of Shri Ram Mills in Bombay, has been received by a firm, Bhogilal Menghraj & Co. Private Ltd., which intends to manufacture rasps and special types of files. The annual rated capacity, which at the time of the last enquiry was 318.000 dozen, has now gone up to 330,000 dozen on single-shift basis. When the additional capacity already sanctioned is established, the total installed capacity will rise to 702,000 dozen. After taking into account the possibility that some units may not install the capacity sanctioned for them, the Commission estimates that the installed capacity of the industry, on a single-shift basis, may be only 528,000 dozen a year in 1960 and 552.000 dozen a year within the next three years. It, however, feels that, if the industry is helped to adjust its production to suit the changing pattern in demand and also to work double shift, it should be able to meet the domestic demand in full not only for the current year but also for the next three years.

Estimates of demand vary considerably from 400,000 dozen to 600,000 dozen for 1959 and one million dozen for 1962. Following the method of adding the sales of domestic product to imports of the protected categories of steel files, the Commission estimates that the demand for steel files in 1959 must have been of the order of 420,000 dozen, which figure was raised to 500,000 dozen after discussions with representatives of producers, consumers, etc. The demand in future, it is estimated, would rise by 20 per cent. to 600,000 in 1960, 700,000 in 1961 and 800.000 in 1962.

Production

The production of engineers' steel files of all qualities rose from 206,160 dozen in 1957 to 245,363 dozen in 1958 and 279,256 dozen in 1959, representing a rise of 35 per cent. during the three-year period 1957-59. The spokesmen of the industry had stated that there was considerable idle capacity and that, given raw materials, they would be able to meet the demands of the country in full, both quantitatively and size-wise, not only for the current year, that is, 1960, but also for the future. The demand for protected categories of steel files, as noted above, is estimated to rise to 800,000 dozen by 1962. Since import of such files has been banned, the present apparent surfeit of supply will disappear and the increased demand will have to be met entirely from indigenous sources. The domestic industry will, therefore, have to plan production in such a way that no shortage occurred either now or in future. The Commission has, therefore, urged that the industry's requirements for file steels, grinding wheels of bigger sizes and consumable stores should be licensed in full. Further, since there has been a shift in demand to smaller files and half-round and round files, the industry may need to import some equipment for adjusting its production accordingly. The Commission has, therefore, stated that sympathetic consideration of application from the industry for import of such equipment should be given by the authorities concerned.

Quality

As regards the quality of the product, the Commission remarks that it had received divergent views from consumers. While some consumers, including a few large industrial units, have no complaints to make, others have contended that the quality of indigenous files is not on par with imported files, especially Nicholson files. The general complaints are: the indigenous files do not give the required finish; they wear smooth even before five days' use; hardening and tempering are not uniform, so that the quality files even in one box varies from one another; the serrations get blunt within a short period: the surface is generally warped; and cutting efficiency is still low. But it is satisfied that, barring two units, one in Calcutta and another in Bombay, the other three units have taken steps to improve the quality of the product. The Commission feels that most of the complaints regarding quality could have been avoided, if the inspection procedures of the manufacturers were stricter.

On a comparison of the fair ex-works prices of indigenous steel files with the c.i.f. prices and landed costs ex-duty of the imported products, the Commission has found that, barring smaller files of 4" to 10" in length, the other sizes of engineering steel files, commonly manufactured in the country, are not in need of protection. The smaller files are at a disadvantage and the duties required to equate their fair ex-works price with landed cost ex-duty of corresponding imported products, vary from Rs. 3.80 per dozen for 4" files to Re. 0.28 for 10" files.

Quantum of Protection

For the purpose of determining the quantum of protection required, the overall advantage and disadvantage have been taken as the criterion. On this basis, the Commission estimates, the industry has a nominal advantage of 70 nP per dozen. However, after taking into consideration the handicaps under which it has to operate such as dependence on imported raw material, the progress made by it so far under the protective umbrella, and the need for encouraging the industry to go in for the production of rasps, precision files, etc., the Commission has recommended continuation of protection for a further period of three years, that is, up to 31st December 1963. But, in view of the price advantage which the domestic product enjoys over the imported ones, and the massive protection which the industry has lately received from complete ban on imports, the Commission does not see any justification for maintaining the existing high rates of duty. Consequently, it is satisfied that no harm would be done to the domestic industry, if the protective duty is reduced to 35 per cent. *ad valorem* which, as already stated, is equal to the rate applicable to the files not included in the protective category. This recommendation is, however, based on the assumption that the Government will accept the suggestion regarding import of equipment, files steel, grinding wheels and consumable stores and that the rate of duty at present leviable on raw materials and consumable stores will not be altered. This recommendation, as noted above, has been accepted by the Government and it has made it known that the existing concessions will be continued for the present.

BALL BEARINGS INDUSTRY

The Tariff Commission has taken up for investigation the question of continuance of protection to the ball bearings industry. Protection to the industry was first granted for a period of two years, with effect from 1953, as per an enquiry undertaken in the previous year which was subsequently extended for a like period. A second enquiry was conducted in 1956 and the Commission recommended extension of protection for another four years, that is, till 31st December 1960. The present rate of duty is 95 per cent. *ad valorem*, both on adapter bearings as well as on ball bearings not exceeding 2" bore diameter.

A high precision product, used in a variety of machines, ball bearings is a key product without which there can be no industrial progress. The premier producer of ball bearings in the country, the National Engineering Industries, Jaipur, which enjoys a virtual monopoly in production, has asked for protection to the industry at the existing rate of duty for a period of 10 years. Has the progress of the industry during the eight years it has been enjoying protection been sufficiently satisfactory? Has the quality of the product improved? Is the price comparable to those of foreign manufactured bearings? What are the problems of the industry? Has the industry passed its infancy and reached a stage when it can stand on its own legs against foreign competition? If not, how long should protection be continued and at what rate? To what extent has the industry benefitted from the restrictive import policy? These questions are germane to the issue of continuance of protection.

Opening the public enquiry held at Bombay last week, Mr. K. R. P. Aiyangar, Chairman of the Tariff Commission, reviewed the progress of the industry, the present position in respect of production and demand, the probable future trends and the steps taken and the results thereof, to improve the quality of ball bearings indigenously produced. The principal producer of ball bearings is, as noted above, the National Engineering Industries. Its capacity is reported as 0.9 million on single shift and 2.4 million on three shifts. The actual production of bearings upto 2" bore diameter was 1.6 million in 1957, 2.1 million in 1958, 1.7 million in 1959 and 1.3 million during January-June 1960. Two more units have been licensed for the manufacture of ball bearings, one at Poona and the other at Bombay, having a capacity of 1.5 million and 1.6 million respectively on double shift. But these units have yet to establish their factories. However, a small unit with a capacity of 25.000 bearings a year has been set up at Lonavla, near Bombay, but it is producing at present only thrust bearings. There are as many as 14 small units in the Punjab producing ball bearings.

As is usually the case, the demand estimates vary very widely. At the time of the enquiry in 1956, the domestic demand for ball bearings upto 2" bore diameter was estimated at 1.6 million. It was envisaged that the demand would increase to 2.5 million by 1960-61. The Development Wing places the current demand at 4 million and expects it to increase to 11.68 million by 1965-66. The latter figure is based on the targets fixed for the third Plan and includes the demand for both original equipment and replacement. The National Engi-

(Continued on next page)

NEW PRODUCTS AND PROCESSES

Testing Machine for Roller Bearings

A TESTING machine for large roller bearings—such as those used in steel-rolling mills, ore-crushing plants, sluice gates, etc.—has recently been installed in the SKF Central Laboratory. Entirely of SKF design, it is, as far as is known, the only one of its kind in the world. It will test bearings supporting a load of up to 600 tons and having a maximum external diameter of 36 inches. The new testing machine, R5, offers an opportunity to check in the laboratory whether the theoretically calculated bearing properties, evolved by the Swedish enterprise some ten years ago and subsequently recognised internationally, apply to the largest dimensions. The testing machine incorporates many new and interesting features. It is intended exclusively for radial load tests and is designed to test simultaneously three bearings mounted on a common shaft. The load, which is exerted hydraulically, is applied from below against the centre bearing housing (which is larger than the other two). To ensure that the load is constant a sensitive pressure regulator consisting of a weighted piston which also acts as a valve is incorporated in the hydraulic system. If the volume of oil in the system is increased because of a rise in temperature, for example, the piston in the regulator lifts, and oil is released. If the volume is reduced, the piston falls and opens a duct through which oil is forced into the hydraulic system by means of a compressed-air driven pump. The pump delivers oil at a pressure of about 6,000 lb./sq. in., which is nearly 30 per cent. higher than that required for the hydraulic system. The load on the piston of the pressure regulator is only 1/10,000th of the load on the centre bearing. This wide gear ratio may cause even a very slight amount of friction on the regular piston to affect the load on the test bearings. However, friction is avoided by rotating the piston by a small electric motor so as to ensure that a permanent film of oil is formed round the whole periphery of the piston. Any necessary cooling is effected by circulating oil through the bearing housings and the shaft. The oil is in turn cooled by a heat exchanger. All the oil circulating systems are regulated from a central instrument panel, on which the recording instruments and controls are grouped.

Parking-machine

A new type "parking-machine" system which is claimed to increase substantially the effective parking space in large garages or parking buildings was recently demonstrated in Stockholm. Developed by a Swedish technician, with the financial support of the Swedish Inventors' Office, the system is claimed to involve a considerable improvement on similar earlier designs. The new method, which has been called XY-parking after the co-ordinate system in mathematics, is claimed to make it possible to utilise 85-90 per cent. of the parking space in a garage or parking building. The inventor believes that it would be most rationally utilised in multi-storey parking buildings, whether below or above ground. His designs include specially constructed, automatically controlled lifts. The parking takes place on plates arranged in rows close to each other over the entire floor space. Only one lane is uncovered. The simple movement schedule enables quick and safe operation, and the inventor states that a car can be taken out in less than one minute. Through servo-units the cars can be brought into or be taken out of the garage by pushing a signal button having the same number as the parking plate. A big garage of about 300 cars should be able to be supervised by one single man, it is claimed. The XY-garage is also cleaned fully automatically. The platforms on which the cars are parked are shaped so that melting snow and rainwater are collected in their middle and emptied through drain pipes. Sand and gravel are carried away by air- or water jets. The model shown was in full scale. Tests have been made for the planned manufacturing in series of standard units. Standard production is expected to make the building of XY garages considerably cheaper than that of conventional types, and operating costs should be proportionately lower.

Dictating Pool

Pick up your telephone, dial a number, and you can be connected to a dictating machine which is completely under your control—you can start, stop, or 'play back' at will. This was the aim which led a British firm to develop the dictating machine pool system—already in operation in many big commercial houses throughout the world—so that it can be completely controlled by the dictator. The control equipment is installed with standard dictating machines, and with any existing internal equipment which is based on private automatic switchboard systems. The manufacturers claim their equipment—"centradict"—gives complete control by the dictator over a normal telephone set, and that their system is foolproof against mis-operation, either by the dictator or the operator. But the biggest advantage, they say, is in the flexibility and speed of operation. Standard dictating machines are grouped in pairs, each pair having a remote control apparatus common to the two. A feature of the unit is that it is controlled by a typist who can transcribe from either machine whilst the other machine is being used for dictation and can switch the dictator from one to the other without a break in the recorded letter. The units are connected directly to the private internal automatic telephone exchange and use the automatic 'hunting' services available on the exchange. This enables dictation to be made from any telephone on the system simply by dialling a pre-determined number, and, where several units are used, the 'hunting' facility searches and finds a free unit, thus distributing the work evenly over the typing pool.

Radar for the Blind

A radar obstacle detector for blind people, enabling them to detect objects including curbs up to 20 ft. away was one of the novelties at this year's Radio Show at Earls Court, London. Not much bigger than a box camera it is hand-held and emits a narrow beam of highpitched sound which rebounds when it strikes an obstruction and warns the holder. It is at present only in the prototype stage but promises a valuable new aid to sightless people. After carefully analysing the signal radiated by bats and porpoises, it was considered probable that as some animals can move freely without visual aid the same type of signal could be reproduced electronically and used with suitable equipment by blind people as a practical means for moving about unaided. The Sondar signal—as it is called—consists of short bursts at a fairly high audio frequency. The repetition rate of the bursts is in the region of 50 to 100 per second. The actual pulse, in order to be audible to the human ear is modulated at a frequency of about 10,000 c/s. The required signal is obtained from power transistors which operate from a dry battery or accumulator of 9 to 12v. As the transmitted power is in short bursts, a relatively high peak output of 20 watts is obtained for an average battery drain of only 1 watt. The correctly shaped output is fed to a high frequency loudspeaker beamed by means of a suitably shaped horn. In practice the signal reflected by objects at a distance of up to about 20 ft. changes the tone of the signal which to the suitably trained user will convey the distance and location of obstacles.

TV Zoom Camera

A television camera believed to be the first in the world with an integral zoom lens contained within the camera body has been developed jointly by the B.B.C. Engineering Division and a firm of optical specialists owned by Rank Precision Industries Ltd. It has an unprecedented focal range of 2 ins. to 40 ins. and can zoom from long-shots to a close-up that apparently brings an object 20 times nearer to the viewer. Its development became possible through the revolutionary optical design of the lens. In its more conventional form this lens was first used operationally at Princess Margaret's wedding in Westminster Abbey and is being used by the Italians to televise the Olympic Games. In its new form it has been modified to give a wide range of viewing angles required both for outside broadcasting and in the studio. The problem of getting it inside the camera was overcome by using mirrors to fold the path of light behind the lens. This enables the lens and the image orthicon pick-up tube with its electronics to lie side by side. Consequently the layout is compact and keeps the overall length of the assembly down compared with the normal 'in line' arrangement. The achievement of the built-in lens cuts out the numerous normal type lenses that have previously had to be changed for different visual effects. One camera can now produce all the variations of picture scale normally resulting from a complicated system involving many cameras and crews.

Waterproofing Fabrics

Following close on their development of a new synthetic process for the production of a top grade ultra lightweight raincoat fabric, a British firm is now operating another new waterproof process which allows fabrics to "breathe." And at the same time the fabric will withstand a waterproof head of between 15 and 22 ins. applied at the rate of 10 ins. a minute—the average rainproofed and showerproofed gaberdine usually withstands a waterhead of 8 ins. before penetration. The process produces a hard-wearing lightweight material with a compromise between complete waterproofing properties and air permeability which has good flexible and draping qualities and does not subject the wearer to any of the discomforts experienced through excess body heat. The process can be applied to most materials, particularly gaberdine and Duveteen, and allows the passage of air at the rate of 150 cubic centimeters a minute.

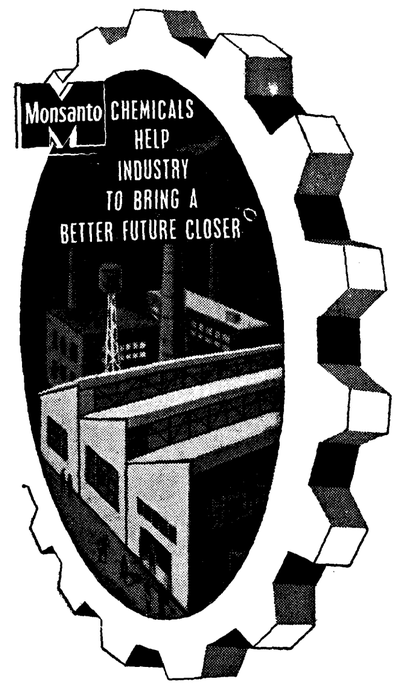
(Concluded from previous page)

neering Industries, however, has estimated the current demand at 3.45 million and anticipates that it will increase to 5.96 million by 1963. On the basis of sales of bearings produced in the country and imports, consumption works out to 2.36 million in 1957, 2.5 million in 1958 and 2.34 million in 1959. The value of imports was over Rs. 1 crore in 1957, Rs. 61.12 lakhs in 1958 and Rs. 48.29 lakhs in 1959. The main sources of imports are West Germany, Sweden, the U.K., Italy, U.S.S.R. and Austria.

Among the problems of the industry, dependence on imports for raw materials such as H.C.I. steel bars, tubes and wires is the principal one. Although small quantities of steel billets are available in the country, there has been complaints that the steel bars that are available required further annealing and straightening. The cost is also said to be high. At present, H.C.I. steel bars are exempt from import duty while H.C.I. steel tubes are assessed to a duty of 20 per cent. *ad valorem* and steel wires to a duty of 25 per cent. *ad valorem* plus Rs. 35 per ton standard and 25 per cent. *ad valorem*, preferential. The manufacturers have put in a strong plea for exemption of duty on H.C.I. steel tubes and wires also.

There have been complaints from consumers regarding the quality of indigenous bearings. They are said to have such defects as noise level in the bearings and tolerance of dimensions. Bearings produced in India are also less durable than the imported ones. The National Engineering Industries, however, claims that it has introduced quality control and installed machines for testing the products at every stage of manufacture.

The price of indigenous bearings, it is alleged, are higher as compared with the corresponding imported type of bearings even after the payment of the heavy duty. This is a point which needs to be thoroughly investigated. A study of the cost structure of the unit should indicate where the disadvantage of the domestic industry in regard to cost lies *vis-a-vis* imported products. Steps should then be taken to correct it so that the price can be brought down to reasonable levels. As Mr. Aiyangar pointed out, the National Engineering Industries Ltd. has a special obligation to consumers in meeting their needs by supplying good quality bearings at reasonable prices, as it is a protected unit enjoying a virtual monopoly in the field.



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PROGRESS OF REINSURANCE ENCOURAGING

NEEDLESS COMPETITION FROM THE PUBLIC SECTOR

REFLECTING the improvement in general insurance, the business of the India Reinsurance Corporation in 1959 recorded a remarkable rise. Having been, until recently, the only professional reinsurance company in India (with effect from 1st January 1960, the Indian Guarantee and General Insurance Company, a subsidiary of the Life Insurance Corporation of India, was converted into a purely reinsurance company), the working results of "India Re" can be taken as indicative of the general trend of reinsurance business in the country.

The experience of general insurers last year was better than in the previous one. Fire, hull and miscellaneous business all yielded excellent results. In keeping with this trend in general insurance, the business of "India Re," which, as all reinsurance business generally do, has, by and large, followed the fortunes of the direct-writing companies. The Corporation wrote a total gross premium from members and others of Rs. 3.55 crores in 1959, as against Rs. 2.84 crores in the previous year. Out of this, Rs. 84.36 lakhs was retroceded to members in fulfilment of its obligation and, after taking into account the premium otherwise retroceded, the aggregate net premium worked out to Rs. 1.82 crores, as against Rs. 1.26 crores in 1958. Claims, commission and expenses of management were lower at 53.94 per cent., 33.00 per cent. and 1.9 per cent., respectively, as compared with 59.46 per cent., 33.68 per cent. and 2.58 per cent., in that order, in 1958. As a result of this, the Corporation was able to show an underwriting profit of Rs. 74,446, as compared wtih a loss of Rs. 67,706 in the previous year. After taking into account interest and dividends and other income and outgo, and after earmarking Rs. 2.80 lakhs as provision for taxation, there is a net profit of Rs. 5.23 lakhs, as against Rs. 5.15 lakhs. In view of this improvement in business and the prospects for better results in future, the Directors have recommended a maiden dividend of Rs. 25 per share of Rs. 500 paid-up, (5 per cent.), subject to deduction of tax. This dividend would absorb Rs. 5 lakhs, leaving a balance of Rs. 23.885 to be carried forward.

Chairman's Statement

The salient features of the working of the Corporation and the progress and problems of reinsurance in the country are outlined by Mr. A. D. Shroff, Chairman, in his statement to shareholders circulated along with the report. Dealing with the departmental results, the Chairman observes that, in the fire department, both the premium and profits have substantially increased, mainly as a result of the revision in the underwriting pattern which has enabled the Corporation to step up its retained Indian premium income. The Corporation has also been successful in getting a very satisfactory premium reciprocity which, on the basis of normal pre-1957 results, would have given back to the Corporation profits more or less at par with the profits ceded by the Corporation. Unfortunately, overseas treaty results have shown progressive deterioration from 1957 onwards. The year 1959 was particularly disastrous for fire business in the U.K. The experience in the early part of 1960 is even worse. Because of the extremely adverse cycle through which foreign business is passing, the profit exchange on the Corporation's overseas trading is still unbalanced.

The Chairman has expressed satisfaction that the Corporation is able to secure an increased share in Indian companies' treaties, apart from the business it received from them as "agreed cession." This portfolio, according to Mr. Shroff, has gradually expanded and more and more companies are extending their support. This is largely due, perhaps, to the more advantageous terms offered by the Corporation to these companies than they used to get from overseas reinsurers, and also because it gives them reciprocity with a substantial element of Indian business. In the marine department, the bulk of the Corporation's retained premiums consisted of cargo business which has registered a small loss. The Corporation has secured additional participation in the Indian hull business from some of the member-companies. The reciprocity secured against retrocession of this business is shared with them. While it is too early to comment on the results of this reciprocal business, taking into account past performance and present trends, there are reasons, according to Mr. Shroff, to be optimistic about the ultimate outcome. The Corporation's experience in the miscellaneous department last year, though less favourable than in the previous year, was satisfactory. Arrangements have been made to retain almost the entire business on net account with suitable protection and this is expected to improve the profit position of the miscellaneous portfolio.

The facultative business of the Corporation continues to grow steadily. The Calcutta branch of the Corporation, which was established in 1958 to render reinsurance facilities to companies in that region, has been making good progress. The Corporation, says Mr. Shroff, is now in a position to provide large facultative covers in all branches of insurance. He wants all the member-companies of the Corporation to approach the Corporation whenever they are in need of facultative cover, including specialised types of insurances.

The Reinsurance Exchange started by the Corporation is working satisfactorily. The Exchange could become a much more effective instrument for increasing the volume of premium retained in the Indian market if all the companies were to utilise it for their facultative placings, reciprocal or otherwise. This will not only increase the net capacity of the Indian market but will also help non-Indian members to convert a larger portion of their Indian gross premium into net premium. Its ultimate effect would be to increase profits in India with a corresponding decrease in the drain on reinsurances. Mr. Shroff has appealed to all members, particularly non-Indian members, to support the Exchange by making use of the facilities offered by it.

Hire-purchase Cover

An important event during the year was the growing demand for guarantees in connection with hire-purchase transactions in motor vehicles. In order to give proper service to members, the Corporation undertook a detailed study of this new, and highly specialised branch, especially keeping in view the conditions in the country. With the co-operation of leading companies, which transact this type of business in India, uniform procedures, policy wordings, ratings, etc., are being formulated. The Corporation has made available to its members sufficient reinsurance facilities for hire-purchase guarantees which has been particularly helpful in view of the very limited overseas reinsurance market for this class of business. The Corporation has checked, Mr. Shroff claims, reinsurance drain not only by improving its underwriting and granting more reinsurance facilities to the companies in India but also by doing publicity work in foreign centres about the scope of the Indian market and also through personal discussions at international conferences. This, we are told, has created a climate of understanding and sympathy for Indian insurance in international markets like London.

It is clear from the aforesaid account that the Corporation has been doing its best to make available all types of reinsurance facilities available in India and to reduce the reinsurance drain. Nevertheless, there would still be some drain, because of the ultimate profit going to the foreign reinsurer as a result of reinsurance placed and/or exchanged with him, after taking into account premiums, losses, commission, etc., paid or received. At present, this drain occurs mainly in respect of (1) aviation hulls and other relative liabilities, (2) marine hulls, and (3) fire. Explaining the position in respect of these businesses, Mr. Shroff says:

"If all companies in India and particularly the branch offices of foreign companies exchange as much of their surplus in all departments as is possible to exchange in India, the drain could be minimised. Another way of saving this drain would be to form Pools of Indian business suitably protected, in which each insurer would contribute from its surplus upto a defined maximum liability per risk and to redistribute the business in the ratio of business received from each participant. Business so pooled and processed could be retained in India. The Corporation would be willing to establish and administer such pools if the members so desire.

"The various steps taken by the Corporation to achieve the end the promoters had in view include stepping up of retained premium income on Indian business by suitable underwriting arrangements, securing of increased reciprocity both in respect of premium and profits, from the overseas reinsurers, and formulating schemes for exchange of treaty and facultative business among local companies, so as to increase the volume of premium retained in the country. These measures, have already begun to yield the expected results. I trust that, once the adverse cycle on foreign business turns favourable, and normal experience on overseas business is realised, the arrangements now made will enable the Corporation to achieve its objective substantially."

Indian Guarantee

It is against this background that the creation of another professional reinsurance company in the public sector has to be viewed. Refuting the contention of the sponsors of the Indian Guarantee and General Insurance Company that the problem of strengthening the Indian market was not satisfactorily solved by the establishment of the India Reinsurance Corporation and that it cannot be solved unless a reinsurance market was created within the country which it was the object of the Indian Guarantee to do, Mr. Shroff points out that the Corporation has made reinsurance facilities available to all companies in the Indian market on the same terms and advantages as obtained elsewhere and that a number of companies have started placing a portion of their reinsurances with the Corporation. Apart from enlarging the reinsurance market by starting the Reinsurance Exchange, the Corporation has also made successful efforts to handle its portfolio of business in the most advantageous manner. In reply to the charge of slow progress of reinsurance, Mr. Shroff observes:

"I am unable to understand in what way the Corporation has failed to strengthen the Indian market by creating a reinsurance market in the country or how the creation of a second reinsurance company would improve the position. The present-day trend in the insurance industry in most countries is towards amalgamation of separate units, in order to reduce the cost of handling the business. From this point of view, one reinsurance corporation supported by the whole industry would serve the purpose better than having two corporations working separately. If the Government wants certain measures to be adopted in order to strengthen the Indian market from the reinsurance angle, this Corporation would always be used as a medium and I assure the Government of our fullest co-operation."

The Solution

The suggestion made by Mr. Shroff himself, in his address to the shareholders of the New India Assurance Company Ltd., seems to be the ideal solution to the situation created by the coming into existence of two reinsurance companies. The Indian Guarantee could specialise in providing the type of reinsurance cover that are not readily available now. At the present stage of the country's development, insurance of agricultural crops, dairy animals and hire-purchase business, etc., have an important role to play. This type of business could develop only if adequate reinsurance cover is available. By specialising in such hitherto unexplored lines, the newly-formed company could be a source of strength to the market without duplicating the commendable efforts already being made by the Corporation in the field of normal type of reinsurance business. Moreover, since the Corporation is a co-operative venture of the private companies, it cannot be regarded as being run for the benefit of any particular individual or firm. Its success will strengthen the insurance market in the country which, in turn, will help the growth of agriculture, industry and commerce.

INDIAN MERCANTILE INSURANCE CO., LTD.

1959 was a year of fairly satisfactory working results for the Indian Mercantile Insurance Company, Ltd. (Manager and Secretary: Mr. C. M. Telivala, Bombay). The progress of the Company, which has been in existence for fifty-two years, having been established as far back as 1907, has been very satisfactory. During the last ten years, 1950-59, the premium income of the Company increased by more than one hundred per cent. Its assets too almost doubled during this period. The dividend record has been uniformly good. In spite of the difficult times through which general insurance is passing, the Company has been paying dividend every year during the last ten years.

The following table gives an idea of the Company's progress during 1950-59:

(In lakhs of rupees)

Year	Net premium	Reserves and funds	Assets	Dividend
1950	17.57	26.04	48.44	1.00
1955	25.95	36.68	71.69	1.26
1957	27.21	32.58	80.70	1.49
1958	30.91	35.76	86.70	1.58
1959	36.07	38.92	88.96	2.37

Continuing the upward trend, the aggregate net premium from all the three departments, namely, fire, miscellaneous and marine, for the year ended 31st December 1959, increased by Rs. 5.16 lakhs to Rs. 36.07 lakhs. The rise in net premium in the fire department was marked, from Rs. 15.89 lakhs in 1958 to Rs. 20.77 lakhs in 1959. Marine premium, too, increased but only less than proportionately,

(Continued on page 532)

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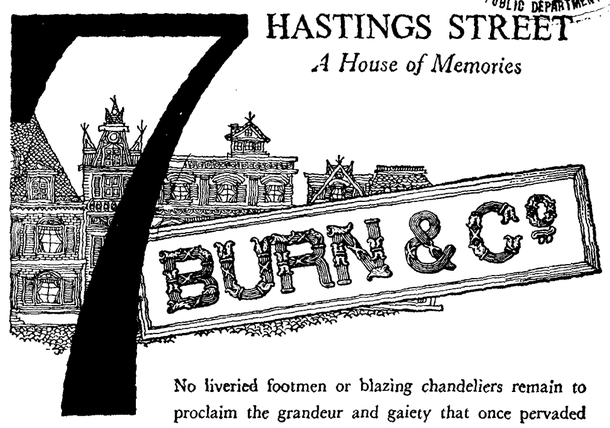

No liveried footmen or blazing chandeliers remain to proclaim the grandeur and gaiety that once pervaded the large red brick mansion that still stands in Calcutta's Hastings Street and which Warren Hastings, India's first Governor-General, built for his charming wife as her town house. For many years this fine residence was the scene of glittering assemblies and balls, the entrée to which was considered a high social privilege.

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SAP 7/58

FOREIGN TRADE CONTROL IN 1959-60

EXPORT RESTRICTIONS RELAXED FURTHER

A SUCCINCT account of the operation of foreign trade controls in India is given in the Administration Report of the Import and Export Trade Control Organisation for the year ended March 1960. By and large, there was no material change in the foreign trade policy during the year under review. The import policy continued to be restrictive, as the foreign exchange situation warranted it. Certain measures were, however, taken with the primary objective of (*a*) conserving foreign exchange resources for essential imports and (*b*) enabling indigenous industry to maintain production at the maximum level so as to sustain the tempo of economic development. In the licensing period April-September 1959, an effort was made to adjust quotas of 93 items "in a manner which would give relief and improve supplies where urgently necessary" by saving foreign exchange. With this end in view, while quotas were reduced in the case of 40 items, they were somewhat increased in respect of another 53 items. List of goods licensable to actual users was also expanded. Another important development of a procedural kind which took place during this period was the inauguration of a scheme to issue licences to certain scheduled industries for the import of raw materials and components on the basis of advance allotments over and above their normal half-yearly quotas. This move was designed mainly to ensure continuity of supply of raw materials to some major industries. Except for certain readjustments, the policy for the second half-year (October 1959-March 1960), was substantially the same.

With a view to promoting exports and earning more of foreign exchange, the import policy followed during the two half-years (1959-60) made special provision for the grant of export promotion licences. Broadly speaking, export promotion licensing was done in respect of the following schemes of export promotion: (1) schemes for the grant of import licences to manufacturers borne on the books of the Development Wing and covering certain export industries; (2) special schemes evolved by the Directorate of Export Promotion in the Ministry of Commerce and Industry; (3) schemes applicable to certain exportable commodities, such as shoes, ropes, fishing rods, manufactures of ivory, coral, etc., and (4) the export incentive scheme for cotton textiles. During the year under review, a number of important export, industries continued to enjoy preferential treatment in accordance with their export performance. The list of items under the Export Promotion Scheme was also expanded.

The other features of the import licensing policy was the issue of "repeat" licences and the facility afforded to importers to utilise soft currency licences for imports from hard currency areas, except in the case of capital goods.

Pattern of Imports

The total imports amounted to Rs. 887 crores in 1959, as compared with Rs. 878 crores in 1958. Despite this overall increase, the percentage of capital goods in the aggregate imports went down from 15.45 in 1958 to 14.25 in 1959, and that of consumer goods (excluding foodgrains) from 10.75 to 10.71. The share of industrial goods (including raw materials), however, rose from 56.74 to 61.60. In absolute terms, the first group accounted for Rs. 126 crores, the second for Rs. 94.77 crores and the third for Rs. 545 crores, their corresponding totals for 1958 being Rs. 133 crores, about Rs. 94 crores and Rs. 488 crores, respectively. The share of foodgrain imports was Rs. 118.97 crores (13.44 per cent. of the total), as against Rs. 146.67 crores (17.06 per cent.) in 1958.

On the export front, the policy of progressive relaxation of control and of organised export promotion consistent with the demands of the internal economy, was continued during the year under review. Altogether as many as 72 items were liberalised in 1959-60. The important features of the liberalisation measures were: (1) a large number of commodities were placed on the free licensing list, as, for example, imported paper and pasteboard, fish meal, leather meal, fish guano, cigarette paper, maple stumps, sillimanite ore, chrome ore, kyanite ore, pickled goat skins, etc.; (2) export quotas in respect of H.P.S. groundnuts in shells and maple wood, which were not allowed for export previously were also released; (3) export of electric control and transmission gear, motors, diesel engines, celery seeds, cover crop seeds other than green manure seeds, dhoob grass seeds, forest seeds including tree seeds and hedge seeds but excluding tarwar seeds, vegetable seeds, silver ores and concentrates and silver bullion, metal and alloys, and certain wild life (dead or alive or part thereof or produce therefrom) were decontrolled.

Apart from decontrol and liberalisation of curbs on the export of a number of items, the Government instituted certain special schemes, which involved the linking of the imports of raw materials and components to the export performance of exporters. For instance, a scheme was drawn up to provide incentive to cotton textile industry to step up exports by granting licences for the import of coal tar dyes, textile chemicals, and colours and raw cotton upto the specified percentages of exports. The list of items of raw materials for which licences could be issued under this scheme was also extended.

Although there was no marked change in the pattern of India's export trade in 1959, the share of exports in the group of food, drink and tobacco, went down from 38 per cent. of the aggregate exports to 31 per cent. The share of raw materials and other manufactured articles went up from 22 per cent. to 26 per cent. and there was a modest increase in the proportion of exports of manufactured goods as well.

According to the aforesaid report, with the industrial development of the country, applications for import licences for raw materials, capital equipment, etc., have been increasing. The number of import licence applications received during the second half-year (October 1959-March 1960) touched a record of 210,197, as against 177,970 in the first half year. It would appear that, although the volume of work of the Trade Control Organisation increased, there was no corresponding increase in staff. Efforts were, of course, made to devise ways and means to simplify the procedure in handling the receipts. The disposal of applications took place at a satisfactory pace. The carry-over of applications at the end of the year was 2.2 per cent. of the intake.

The following table shows the trend of receipts and disposals of applications for both export and import licences over the past eight years:

Licensing period	Receipts	Total (including carry-forward)	Disposals	Percentage of undisposed applications
January-June 1952	61,663	70,886	61,649	14.9
July-December 1952	49,526	58,763	42,487	32.9
January-June 1953	79,852	96,128	88,436	9.6
July-December 1953	79,843	87,535	86,254	1.6
January-June 1956	149,800	150,305	150,128	0.1
July-December 1956	183,645	183,822	183,622	0.1
January-June 1957	138,607	138,807	138,514	0.2
July-September 1957	27,795	28,088	27,733	1.3
October 1957-March 1958 ..	135,875	136,230	135,833	0.3
April-September 1958	141,963	142,360	141,681	0.4
October 1958-March 1959 ..	173,894	174,513	173,721	0.4
April-September 1959	177,970	175,762	176,663	1.2
October 1959-March 1960 ..	210,197	212,296	207,633	2.2

While there was a substantial increase in the fees earned from licensing of imports in 1959 over the previous year, those from export licences tended to decline, following the relaxation of export restrictions. The following table shows the amounts credited to the Government on account of trade licences during the two half-yearly periods in 1959-60, as compared with the corresponding periods in 1958-59:

(Values in lakhs of rupees)

	Import licence fee	Export licence fee
April-September 1958	17.79	3.97
October 1958-March 1959	30.77	8.17
Total ..	48.56	12.14
April-September 1959	31.12	3.00
October 1959-March 1960	36.68	7.25
Total ..	67.80	10.25

The total expenditure of the Import and Export Control Trade Organisation aggregated Rs. 76.73 lakhs, as compared with Rs. 69.96 lakhs in 1958-59. The increase in expenditure, we are told, is a result of additional duties and responsibilities shouldered by the Government. It may be noted, in passing, that, during the year under review, as many as 109 firms were blacklisted and another 240 firms were placed on the suspense list for malpractices. As many as 114 cases were handed over to the Special Police Establishment of the Government of India and convictions were given in 42 cases, while 309 cases were disposed of departmentally during the year without being handed over to the S. P. Establishment.

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INDIA'S FOREIGN TRADE IN JULY 1960

India's exports aggregated Rs. 48.54 crores in the month of July, according to provisional figures just released. This compares rather unfavourably with exports valued Rs. 48.94 crores in the previous month and Rs. 50.86 crores in the corresponding month of last year. Imports at Rs. 73.70 crores, while being lower as compared with those in June 1960 when they were Rs. 84.95 crores, showed an increase of about Rs. 6.22 crores over July 1959. The balance of trade continued to be adverse. It amounted to a deficit of Rs. 25.16 crores, as against Rs. 36.01 crores and Rs. 16.62 crores in June 1960 and July 1959, respectively.

The following table shows at a glance the trend of trade in the first seven months of 1960, as compared with that in the same period of 1959.

(Value in crores of rupees)

	Imports	Exports (including re-exports)	Balance of trade
1960			
January	62.68	53.06	— 9.62
February	69.12	49.81	— 19.31
March	75.67	53.37	— 22.30
April	82.00	48.58	— 33.42
May	82.77	50.74	— 32.03
June	84.95	48.94	— 36.01
July	73.70	48.54	— 25.16
Total ..	530.89	353.04	—177.85
1959			
January	80.24	45.16	— 35.08
February	71.02	42.16	— 28.86
March	73.39	46.95	— 26.44
April	91.84	44.65	— 47.19
May	73.37	44.05	— 29.32
June	81.32	42.92	— 38.40
July	67.48	50.86	— 16.62
Total ..	538.66	316.75	—221.91

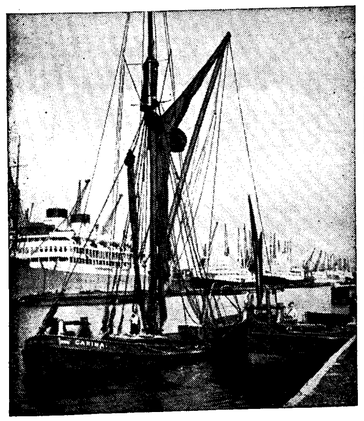
The overall trend in exports during the current year so far has been better than that in the corresponding period last year. Thus, during the first seven months of 1960, exports aggregated Rs. 353.04 crores, as against only Rs. 316.75 crores in the same period 1959. At the same time, imports declined from Rs. 538 crores in January-July 1959 to Rs. 530.89 crores. On account of the expansion of exports and the decline in imports, the adverse trade gap was lower at Rs. 177.85 crores, as against Rs. 221.91 crores. Notwithstanding this, the foreign exchange problem is being felt more acutely today than a year ago. The reason for this is to be found in the fact that the level of foreign exchange reserves has come down to an irreducible minimum and the flow of promised aid from the friendly foreign countries is slower than expected.

INDIA'S EXPORTS TO WEST ASIA AND AFRICA

The view that there is vast scope for increasing India's exports to West Asia and Africa, provided adequate attention is given to the question of prices, packing, publicity and promptness in delivery, is expressed in a booklet, brought out by the World Trade Department of the Indian Chamber of Commerce, Calcutta. The countries covered in this report are Aden, Afghanistan, Iran, Iraq, Pakistan, Saudi Arabia, Turkey, Egypt and Syria (U.A.R.), Sudan and Ghana.

India's exports to West Asian countries, at present, are relatively negligible. Out of India's total exports of Rs. 616 crores in 1959, the share of West Asia was only Rs. 40 crores. Out of the total imports of Rs. 887 crores, imports from West Asia were not more than Rs. 80 crores. India's exports to Africa last year amounted to just about Rs. 40 crores and its imports from this area to Rs. 45 crores. India's main exports to these regions are cotton manufactures, jute goods, tea and tobacco, and main imports raw cotton, raw jute, fruits and petroleum products.

Apart from providing an excellent analytical study of the pattern of trade in these countries against the background of exhaustive data, the booklet furnishes a brief account of the import policy and procedures prevailing in the countries concerned.



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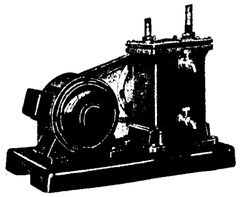

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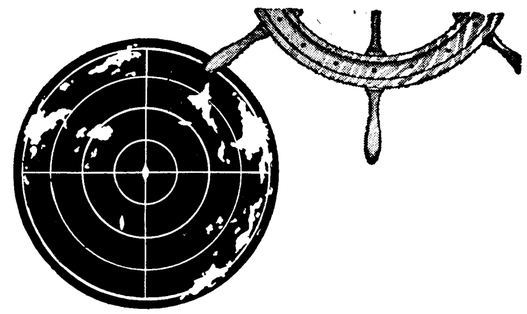

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T.I.S.CO. EARNS RECORD PROFIT

T.M.P. TO COST MORE—CHAIRMAN VIEWS THE FUTURE WITH CONFIDENCE

THE year ended 31st March 1960 was a notable one for the Tata Iron and Steel Company Ltd. (Managing Agents: Tata Industries Private Ltd., Bombay), in that it was the first full year of operation of the expanded plant after the completion of the two-million ton expansion programme (T.M.P.). Although it may be somewhat disappointing to find that the Company has not been able to reach during the year under review or even up to this day a rate of production nearer to the planned capacity of the expanded plant, the Company's performance on the whole should be considered satisfactory, considering the various difficulties with which the Company is still faced.

The salient features of the Company's results for the year under review, as compared with the previous year, are:

1. The production of saleable steel was 38 per cent. more than that in the previous year and nearly 60 per cent. higher than the average output during the period preceding the expansion of the plant.

2. Sales (after allowing rebates payable to the Government under the steel control) show a rise of Rs. 20 crores.

3. Thanks to the increased production and the consequent reduction in cost per unit, the gross profit has risen by Rs. 5.55 crores, or 65.9 per cent., to a peak of Rs. 13.97 crores, thus more than making good the successive declines in the previous three years.

4. The provision for depreciation, on the flat rate basis (introduced last year) of 6¼ per cent. on the original cost of the assets, has gone up by Rs. 2.93 crores to Rs. 8.46 crores, in consequence of the new plant having, for the first time, operated for a full year.

5. No provision for income-tax has been made for the second year in succession. It may be noted here that for 1956-57, the year before the commencement of the two-million ton expansion programme had reached the implementation stage, the Company had set apart Rs. 2.71 crores for taxation out of a gross profit of Rs. 11.76 crores.

6. The net profit has more than doubled itself from Rs. 2.72 crores to Rs. 5.51 crores.

7. With the addition of income-tax recovered on preference dividends, the net profit available for appropriation amounts to Rs. 5.68 crores, as compared with Rs. 2.89 crores for 1958-59, at which level it bears a ratio of 7.73 per cent., having recovered from 5.39 per cent., to which level it had declined in 1958-59 successively from 14.84 per cent. in 1955-56. The ratio of net profit to capital employed, which had likewise declined from 12.83 per cent. in 1955-56 to 2.05 per cent. in 1958-59, has improved slightly to 3.97 per cent. in the year under review.

8. Although no provision for taxation has been made, the allocation to the plant rehabilitation and development rebate reserve has been stepped up from Rs. 2.84 crores to Rs. 4.14 crores, consequent on the substantial addition to the fixed assets during the year.

Net Profit Inadequate

9. In spite of the completion of the huge expansion programme, the net profit at the Company's disposal for distribution is no more than Rs. 1.63 crores, which is totally inadequate in relation to the magnitude of the Company's operations, its share capital and the profits earned in the past years.

10. Out of the aforesaid distributable profit, a sum of Rs. 1.54 crores, which is not taxable, has been transferred to general reserve No. 2, which is made up of allocations from untaxed profits.

11. The entire dividends on ordinary and preference shares are being paid out of the general reserve No. 1 which is made up of taxed profits of earlier years.

12. The liability for dividends has risen by Rs. 1.11 crore, as a result of the new issue of capital and the dividend tax of 30 per cent., which the Company has borne. The Company is, however, entitled to a tax relief of 10 per cent. in respect of dividends payable out of past taxed profits. The abolition of wealth tax and excess dividend tax also has brought about some saving in tax liability. Consequent on these changes in taxation, the net additional burden amounts to only about Rs. 62 lakhs.

13. Under the formula for calculating the profit for the purpose of managing agency commission, the Company has incurred a loss, as in the previous year, after deducting interest charges and depreciation at income-tax rates, as required under the Companies Act. Consequently, no managing agency commission is payable for the second year in succession.

In recommending a dividend of Rs. 6.80 per share tax-free on the old ordinary shares and a *pro-rata* dividend at the same rate on the new shares for three months, the Directors have fulfilled the assurance given by the Chairman last year that the dividend for 1959-60 would be tax-free and have also carried out in full the assurance given in 1956 of maintaining a return of Rs. 10.50 on the old ordinary shares, while providing a fair return on the new ordinary shares also.

The following comparative table provides at a glance an idea of the Company's progress since 1956-57:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds (less rebate)	73,46.54	53,45.01	45,40.49	41,78.75
Other income	2,81.24	2,66.93	2,58.77	2,54.95
Raw materials consumed	14,13.99	11,01.62	9,89.22	32,27.05
Other expenses	48,16.40	36,68.25	28,23.89	
Gross profit	13,97.38	8,42.07	9,86.15	11,76.65
Managing Agents' commission			33.07	31.77
Provision for—				
Depreciation	8,46.72	5,53.44	3,90.53	2,47.43
Taxation		17.00	90.00	2,71.56
Net profit	5,50.66	2,71.63	4,71.96	6,25.89
Recovery of income-tax on preference dividends	17.81	17.81	17.81	14.84
Transfer from reserves	3,76.47	2,27.08	2,23.43	8.60
Transfer to reserves	5,68.32	2,84.00	2,79.00	4,40.18
Provision for bad and doubtful reserve	0.15	1.47	0.17	8.49
Dividends—				
Preference	63.47	56.54	56.54	56.54
Ordinary (old)	2,98.37	1,22.16	1,06.91	1,22.07
Rate per share of Rs. 75	(9.72)‡	(6.80)	(8.25)	(9.50)
Ordinary (new)	14.62†	86.57*	90.09*	32.03*
Rate per share	(2.43)‡	(6.80)	(7.56)	(2.54)
Carry forward	8.47	8.47	4.50	4.15
Ratio of net profit to sales	7.73%	5.39%	11.37%	13.66%
Ratio of net profit to capital employed	3.97%	2.05%	4.47%	8.44%
	(In metric tons)			
Production of—				
Pig iron	1,591,000	1,149,000	1,109,000	1,169,000
Steel ingots	1,555,000	1,166,000	1,122,000	1,088,000
Saleable steel	1,237,000	899,000	790,000	812,000

* Includes interest at 4 per cent. per annum paid out of capital
† Proportionate dividend for three months on the new ordinary shares from 1st January 1960.
‡ Subject to deduction of tax.

An outstanding feature disclosed by the aforesaid table is that, despite all the modernisation and expansion of the Company's steel works involving heavy capital expenditure, its gross profit is up by only a little over Rs. 2 crores, as compared with that for 1956-57, while the net profit, which is what matters from the point of view of shareholders, is actually lower. This shrinkage in the Company's profit-margin reflects partly the rise in cost of production, unaccompanied by a corresponding rise in the ex-mill prices of its products, and partly the failure of the expansion programme to yield the full rate of expected production.

Output Short of Capacity

Thus, notwithstanding the increase during the year under review, the Company's output of saleable steel was still 20 per cent. short of the planned maximum capacity of the expanded plant. This is attributed by the Company's management largely to "difficulties relating mainly to the deterioration in the quality of coal and iron ore, to delays and irregularities in the transportation of raw materials to Jamshedpur over a heavily strained railway system, as well as to the need for certain modifications and additions to the ore crushing and screening plant and to steel melting shop No. 3." The Chairman, however, has given an assurance in his statement to the shareholders that there is "no cause for either worry or despondency," for two reasons. First, in spite of all the difficulties, the production has been stabilised at about 80 per cent. of full capacity. "The continuous operation of a steel plant at its maximum capacity," he adds, "depends on such perfect balance and co-ordination between diverse elements of production, transport, labour and management, covering the operation of so many separate departments and units of plant that it is rarely achieved on a year-round basis. In fact, in most countries an average rate of production of 80 per cent. would be considered quite good." Secondly, the difficulties which are to be overcome are quite clear and the remedies well understood.

Long-range Plan

The immediate short-term programme, which has been initiated and is expected to be completed in a year or so, will, apart from some additions to mining equipment and to the old washing plant at Noamundi, consist mainly in the provision of wet screening at the ore crushing and screening plant at Jamshedpur. Outlining the long-range plan and the cost of the two plans, Mr. Tata says:

"The long-range plan, which will take about four years to complete, will comprise two main projects. One to be undertaken at the mine will consist of a detailed geological survey of our main mines, large-scale washing tests of ore and, based on such survey and tests, the possible construction of ore beneficiation plants at Noamundi and Joda. The other will provide at Jamshedpur complete facilities for unloading, stacking and blending ores and other raw materials received from the mines.

"The cost of the immediate programme will be something under a crore, while the expenditure to be incurred on the long-range plan will depend to a large extent on the survey and tests mentioned above. Whatever the ultimate figure, there is no doubt that it will yield a worthwhile return by way of higher production and lower costs.

"In order to increase the output of steel melting shop No. 3 it has been decided, in line with the latest and growing practice in other countries, to use oxygen on a large scale in the open hearth furnaces to reduce the time taken from one furnace charge to the next. This will require changing the present silica brick roofs of the furnaces to basic roofs and the installation of a large tonnage oxygen plant. These modifications and additions to S.M.S. No. 3 are expected to be completed within two years."

Mr. Tata is confident that the various measures outlined above will, when completed, enable the works to achieve, and possibly exceed the full target output of two million tons of ingots and 1.5 million tons of saleable steel.

It will be observed from the foregoing account that, in effect, the cost of T.M.P. will be very much higher than originally anticipated. But Mr. Tata feels it worthwhile to spend this additional sum. The Company has already spent Rs. 106 crores on the T.M.P. and even assuming that the ultimate cost (including that of proposed modifications and additions outlined by Mr. Tata) comes to Rs. 110 crores, it will still amount, according to the Chairman, to only Rs. 1,100 per ton of ingot capacity. If, on the contrary, the Company had decided to go in for an entirely new integrated steel plant of the same capacity, the cost per ton would have been Rs. 1,800 or over 65 per cent. more. The amount spent so far, namely, Rs. 106 crores, represents an increase of Rs. 11 crores over the cost submitted to and approved by the World Bank. Even on the basis of the ultimate cost of Rs. 110 crores, the excess expenditure would work out to Rs. 15 crores, of which Rs. 6 crores represent increase in import duties on plant and equipment, manufacturers' escalations and increases in the initial provisioning of spare parts. Excluding these items, the excess of expenditure over estimates comes to only about 10 per cent. This, according to Mr. Tata, is, by any standard, "a low figure for a project of this magnitude and complexity."

In assessing the outlook for the Company, one must, however, take note of the increased cost, which will be of the order of Rs. 28 lakhs per annum, of labour as a result of the settlement reached in March last between the unions and the Company.

Balance-sheet Analysed

The Company has made a capital expenditure of Rs. 17.35 crores during the year under review, bringing the total up to the end of the year to Rs. 177.92 crores, of which a sum of Rs. 54.97 crores has been written off, leaving the net cost of the block account at Rs. 122.95 crores. The investments show an increase of Rs. 2.90 crores, reflecting mainly the additional investment in the Indian Tube Company (1953) Ltd. to the tune of Rs. 1.02 crores and the acquisition of a 54 per cent. interest in the Belpahar Refractories Ltd., a new company formed for the manufacture of refractories in collaboration with a German firm. The other current assets aggregate Rs. 11.35 crores, having increased from Rs. 9.93 crores at the end of 1958-59. The total assets thus amount to Rs. 170.17 crores. On the liabilities side, borrowings from banks and others amount to Rs. 67.08 crores, representing a decline of Rs. 6.70 crores over the year; special advance from the Government is unchanged at Rs. 10 crores; and other current liabilities aggregate Rs. 27.03 crores (as against Rs. 31.35 crores), bringing the total liabilities to Rs. 104.11 crores. The net worth of the Company (that is excess of assets over liabilities) is thus Rs. 66.06 crores and this is represented by a paid-up capital of Rs. 33.97 crores and reserves and surplus of Rs. 27.09 crores. The ratio of share capital to gross block as on 31st March 1960 was 1:4.6, as against 1:5.6 a year before and that of share capital to net block was 1:3.2, as against 1:4.1. The capital employed (other than the special advance from the Government) is more or less equally shared by the shareholders' equity and borrowings, while the corresponding shares a year ago were 44 per cent. and 56 per cent., respectively, and at the end of 1955-56, they were 93 per cent. and 7 per cent., respectively.

At the current market value of Rs. 157 *cum-div.*, the yield on the Rs. 75 fully paid-up ordinary shares of the Company is of the order of 4.5 per cent. per annum, free of tax.

MYSORE PAPER'S PROFIT BETTER

EXPANSION SCHEME ON HAND

AN increase of 9 per cent. in production, despite considerable difficulties in obtaining continued supplies of coal and chemicals, has been responsible for the improvement in the earnings of the Mysore Paper Mills Ltd. (Chairman and Managing Director: Mr. M. D. Shivananjappa, Bangalore) for the year ended 31st March 1960. The gross profit, for instance, has recorded a rise of Rs. 6.43 lakhs to a high of Rs. 23.71 lakhs, thus more than making good the successive declines in the previous two years, when the profit had dwindled from Rs. 20.26 lakhs to Rs. 17.28 lakhs. The profit would have been far more encouraging but for the reduction in prices of paper with effect from 1st January 1960. The full effect of this cut will be felt during the current year. The provision for depreciation has been reduced from Rs. 8.94 lakhs to Rs. 7.63 lakhs. After a break of a few years, the Company's profit for the year under review has become liable for taxation and, accordingly, a sum of Rs. 8 lakhs has been set aside for this purpose. Though there was no tax liability in respect of the previous years, the Directors had been making small provisions for future tax liability. In respect of 1958-59, for instance, they had set apart Rs. 70,000 for income-tax, besides providing Rs. 30,000 for wealth-tax liability.

Consequent on the large provision for taxation, the net profit shows only a fractional improvement from Rs. 7.34 lakhs in 1958-59 to Rs. 8.07 lakhs. Out of the net profit, a sum of Rs. 3.64 lakhs has been ploughed back. The rate of gross dividend is proposed to be raised from 12.5 per cent. (inclusive of a cash bonus of 2.5 per cent.) for 1958-59 to 15 per cent. for the year under review, but, as the latter is subject to deduction of tax, the net distribution at 10.5 per cent., represents a cut of 2 per cent. from the previous year's dividend. It is, however, a fraction higher than that paid for 1957-58, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales	1,41.31	1,25.35	1,08.53	1,06.35
Other income	1.06	1.76	1.85	1.50
Closing stocks	1.96	4.01	3.13	3.56
Raw materials and stores consumed	60.44	56.05	46.03	44.05
Other expenses	59.12	53.79	44.54	43.53
Gross profit	23.71	17.28	19.81	20.26
Provision for—				
Depreciation	7.63	8.94	10.00	10.50
Taxation	8.00	1.00	1.30	0.25
Net profit	8.07	7.34	8.51	9.51
To reserves	3.64	3.24	5.42	5.00
,, gratuity fund	0.60	0.80	0.80	2.00
Dividend	3.75	3.12	2.50	2.50
	(D. 15%)*	(D. 10% + B. 2½%)	(D. 10%)	(D. 10%)
Carry forward	0.52	0.44	0.27	0.48

* Subject to deduction of tax.

It will be noted from the table that, notwithstanding a sizable increase in sales over the past three years, the ratio of gross profit to sales has dwindled from 19 per cent. in 1956-57 to 16.8 per cent. in 1959-60, consequent on the rise of over 37 per cent. in the cost of raw materials and stores consumed and of nearly 36 per cent. in other expenses.

The Company completed during the year under review the scheme of renovation, replacements and improvements, as a result of which the first paper machine has been reconditioned and many of the worn-out parts have been replaced, thus helping secure increased production. Orders have been placed for a recausticising" unit for improving the working of the soda recovery plant and the bamboo pulp plant. The work in this connection is expected to be completed at an early date.

The Company has a major expansion scheme on hand, which seeks to raise the production capacity from the present level of 8,000 tons to 18,000 tons. The scheme has been generally approved by the Government of India and the Directors are confident of securing the necessary licences for the purpose at an early date. Meanwhile, negotiations are in progress with the foreign suppliers of plant and machinery for procuring suitable equipments and with credit institutions for securing the necessary finance for both foreign purchases and local expenditure. The scheme will be financed partly by borrowings and partly by the issue of fresh capital. In order to enable the latter, the Company proposes to raise its authorised capital from Rs. 25 lakhs to Rs. 1.50 crores. The terms of the issue are yet to be finalised and are subject to the approval of the Controller of Capital Issues.

The present paid-up capital of the Company is Rs. 25 lakhs and this is supplemented by reserves and surplus aggregating Rs. 37.95 lakhs. The Company repaid, during the year, Rs. 16 lakhs to the Industrial Finance Corporation of India, thus reducing its borrowings from the latter to Rs. 4 lakhs. The total current liabilities as at the end of the year under review are Rs. 48.78 lakhs and these are more than adequately covered by the current assets at Rs. 61.70 lakhs. The gross block has been written down from Rs. 154.04 lakhs to Rs. 50.08 lakhs.

In view of the good outlook for the Company and its highly satisfactory financial position, it is not surprising that its Rs. 10 fully paid-up ordinary shares command a high premium at the current market value of Rs. 30.18 *cum-div.* At this rate, the yield on them is 3.6 per cent. per annum, free of tax.

STAN-VAC REFINING COMPANY

The working of the Standard-Vacuum Refining Company of India Ltd. (Managing Director: Mr. J. C. Howard, Bombay) during the year ended 31st December 1959 has resulted in a higher profit, despite a decline in the volume of crude oil processed, as well as in the sale of products, consequent on the fact that the refinery was shut down twice during the year, once for normal inspection and the second time because the new equipment installed in the combination unit was not up to the Company's own quality specifications. The average quantity of oil processed per day was 33,812 barrels, as compared with 33,890 barrels per day in 1958. Sales show a decline from 409.27 million imperial gallons to 397.54 million gallons, thus offsetting to a large extent the increase in the previous year from 384.77 million gallons (in 1957). While sales in India have recorded an increase from 311.80 million gallons to 351.74 million gallons, exports had necessarily to be curtailed from 97.47 million gallons to 45.81 million gallons.

The gross profit has gone up from Rs. 292.64 lakhs in 1958 to Rs. 346.84 lakhs. After raising the provision for depreciation from Rs. 76.39 lakhs to Rs. 87.12 lakhs and that for taxation from Rs. 81.15 lakhs to Rs. 100.84 lakhs, the net profit is still higher at Rs. 158.88 lakhs, as compared with Rs. 135.10 lakhs for 1958. Out of this net profit, the Directors have set aside Rs. 24.91 lakhs for statutory reserve for development rebate and self-insurance reserves (the corresponding amount set aside last year was Rs. 24.75 lakhs), leaving a profit available for disposal of Rs. 133.44 lakhs, which compares favourably with Rs. 109.82 lakhs for the previous year. Since the closing of the accounts for 1959 the Central excise authorities have made some unexpected demands amounting to Rs. 97.41 lakhs, which, if provided for in the accounts, would have resulted in a reduction in the net profit after allocating to the statutory development rebate reserve and self-insurance reserve, to Rs. 79.86 lakhs. "These demands," the Directors point out, "arise from a difference of opinion in the interpretation of the agreements between the Company and the Government. Discussions on this are still in progress." Meanwhile, the Directors have placed the aforesaid net distributable profit to the general reserve No. 2, representing the taxable profits, and have not recommended any dividend on the ordinary shares. As in the previous year, the dividend on the preference shares is being paid out of the general reserve No. 2.

The net distributable profit (of Rs. 133.44 lakhs) represents a return of 4.44 per cent. on gross income and of 6.58 per cent. on the average capital employed, as compared with 3.90 per cent. and 5.69 per cent., respectively, for 1958. However, the excise demands referred to earlier would, if conceded, reduce the profit to 2.66 per cent. of the gross income and 3.99 per cent. on the average capital employed.

All phases of the refinery expansion programme have been completed during the year under review, resulting in a capital expenditure of Rs. 1.02 crores, and the Company has started supplying asphalt and other additional products required in India, thus resulting in additional foreign exchange savings to India. It may be interesting to note here that the Company's exports during 1959 resulted in a foreign exchange earning for the country of Rs. 2.49 crores, bringing the total of such earnings (including export earnings) since the refinery went into operation in 1954 to Rs. 7.92 crores.

The Company's paid-up capital of Rs. 3 crores is supplemented by reserves and surplus aggregating Rs. 8.26 crores. Besides the debenture loan of Rs. 4 crores, the Company's liabilities amount to Rs. 6.10 crores. The gross block of the value of Rs. 15.95 crores has been written down to Rs. 11.80 crores. The current assets (excluding debenture issue expenses amounting to Rs. 4.74 lakhs) at Rs. 9.56 crores, provide more than adequate cover for the current liabilities other than debenture loan.

ESCORTS LTD.

Escorts Limited, which has its head office in Delhi, will shortly announce public issue of about Rs. 41 lakhs, consisting of Rs. 17 lakhs in equity shares of Rs. 10 each at 50 per cent. premium and Rs. 24 lakhs in redeemable cumulative preference shares of Rs. 100 each, bearing a guaranteed 6.3 per cent. tax-free dividend. The preference stock shareholder will be provided with a certificate of payment of 2.7 per cent. of income-tax paid by the Company on behalf of the shareholder, being deduction at source. The present paid-up capital of Escorts is Rs. 47 lakhs and, after the new issue is fully subscribed, the paid-up capital of the Company will be Rs. 88 lakhs. The Company now has Rs. 16 lakhs in general reserve and share premium account.

For over a decade, Escorts have been functioning as representatives of world-renowned firms like M.A.N. and A.E.G. of West Germany, Massey-Fergusons of U.K. and Westinghouse Electric International Co. of United States. Since Escorts re-established themselves in Delhi, after the partition of India, the Company has arranged sales, erection, service of heavy and light machinery including agricultural equipment of over Rs. 80 crores. Besides representing foreign firms, Escorts have also exclusive representations for India of Koel Diesel Engines over 100 h.p. made by Kirloskars under M.A.N. licence, and cranes of all types manufactured by Hindustan Motors Ltd., also under M.A.N. licence.

During the last three years, Escorts and its subsidiaries have successfully established their own manufacturing plants for pistons, piston rings, sleeves and razor blades. Piston rings and pistons are being manufactured under the technical and financial collaboration agreement with Goetze-Werke. Burshied (West Germany) and Mahle Komm-Gas. Piston rings, sleeves and razor blades are being manufactured by the substantially owned subsidiary companies under the name of Messrs. Goetze (India) Private Ltd., and Sharpedge Private Ltd. respectively. It is said that the automobile ancillary equipment manufactured by Escorts has been well received in the market and has been adopted by the original equipment manufacturers of automobiles and engines. All the teething troubles in the manufacture have been overcome and all these factories are well on the way to earning profits.

The proposed new issue of the Company is for financing establishing of three more factories, that is, X-ray equipment manufacture under the technical collaboration of Westinghouse Electric International Company of U.S.A., railway shock absorbers under the technical collaboration of Rheinmettall G.m.b.H., West Germany and heating elements for electrical appliances under the technical collaboration of Messrs. Eltra K.G., West Germany. Industrial licences have been obtained, land has been purchased, building plans are in progress, import licences for capital equipment are under issue for all these projects.

Practically the entire preference capital issue of Rs. 24 lakhs has been underwritten by the Life Insurance Corporation of India and the National and Grindlays Bank Ltd., New India Assurance Company Ltd., and National Employers' Mutual General Insurance Association Ltd., and the foreign collaborators like M.A.N., Westinghouse and Rheinmettall, G.m.b.H., etc. The Company has maintained attractive dividends on its equity capital for the past several years: the last dividend was 26 per cent., less tax, for 1959.

ASSAM HARD-BOARDS

A new company, Assam Hard-Boards Limited, has been formed for setting up a hardboard plant in Assam. An industrial licence for setting up such a plant has already been obtained by the promoters of the Company. Under the proposed scheme, the Company will undertake manufacture of multipurpose hardboards, with a wide range of applications, based on the last process, with the help of most modern machinery and equipment to be supplied by U.S. collaborators for which final negotiations are in progress.

One of the promoters of the Company, Mr. L. R. Periwal, undertook a world tour recently, in order to have a firsthand knowledge of the latest process of manufacturing of hardboards. One of the special advantages of the proposed plant will be its location in Assam, where abundant supply of raw materials as also cheap power and steam in the form of natural gas will be available. It is said that the cost of production of this unit will be much less than that of the other unit now operating in India. The capital outlay on the project is estimated at Rs. 1 crore.

REVENUE COLLECTIONS UP TO JULY 1960

The revenue realised from important dutiable items in the first four months of the fiscal year 1960-61 amounted to Rs. 230.14 crores. Of this, Rs. 57.16 crores were collected during July, 1960. The corresponding figures for the first four months of the fiscal year 1959-60 were Rs. 199.84 crores and Rs. 51.40 crores for July, 1959. Details under various heads are as follows:

(In crores of rupees)

	July		April-July	
	1960	1959	1960-61	1959-60
1. Customs	12.63	12.52	49.36	47.50
2. Union Excise Duties (excluding Coal cess and Salt cess)	33.20	29.51	130.43	111.21
3. Corporation Tax	3.63	1.39	19.12	8.19
4. Income Tax	7.09	6.16	24.92	25.95
5. Estate Duty	0.11	0.10	0.46	0.60
6. Taxes on Wealth	0.14	0.24	0.95	0.88
7. Expenditure Tax	0.03	0.08	0.07	0.11
8. Gift Tax	0.03	0.02	0.18	0.12
9. Railway Passenger Fare Tax	N.A.	1.18	3.37*	4.35
10. Opium	0.30	0.16	1.33	0.98
Total	57.16	51.40	230.14	199.84

N.A.—Not available.
* Provisional upto June.

SYNOPSES OF COMPANY REPORTS

India Cements Ltd.

THE directors of the above Company (Managing Agents: Messrs. Essen Private Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March 1960.

After meeting all the expenses of operation and after providing for bonus and depreciation, the Company has made a profit of Rs. 47,99,859 (Rs. 29,49,132). To this has to be added the amount brought forward from the previous year of Rs. 70,205 (Rs. 71,092); excess provision for liabilities in the previous year now written back Rs. 5,065 (*nil*) and transfer from dividend equalisation reserve of Rs. 5,00,000 (*nil*), making a total of Rs. 53,75,129 (Rs. 30,20,224). Out of the above amount, appropriations have been made as under:

To donations paid Rs. 69,280 (Rs. 4,38,250), to reserve for development rebate Rs. 33,37,100 (Rs. 21,000) and to investment reserve Rs. 50,000 (*nil*) leaving an available balance of Rs. 19,18,749 (Rs. 14,60,974 after providing Rs. 11,00,000 for taxes). The directors now recommend payment of dividends for the year ended 31st March 1960 as follows:—At 7½ (7½ per cent.) per cent. per annum, less tax, on preference shares, absorbing Rs. 2,27,977 (Rs. 2,23,874) and at 11 (9 per cent. free of tax) per cent. per annum, less tax, on equity shares, absorbing Rs. 16,11,276 (Rs. 11,66,895) leaving a balance of Rs. 79,496 (Rs. 70,205) to be carried forward to next year's account.

During the year under review there was no power cut with the result the factory worked to its rated capacity. The erection of the third unit. 750 tons plant, in Talaiyuthu was completed according to schedule and it was put into commission in the third week of August last year. The sales have been very satisfactory during the year, exports to Ceylon being 28,413 tons. The arrangement with the Cement Marketing Company of India Private Limited, for the sale of the Company's cement is working satisfactorily.

The Company's application to the Industrial Finance Corporation of India, for a loan of Rs. 130 lakhs and guarantee of Rs. 35 lakhs for plant and machinery to be imported from abroad was sanctioned in October 1959. Only a part of the loan, i.e., Rs. 50 lakhs has been so far availed of and the total outstanding to the Industrial Finance Corporation of India now stands at Rs. 85 lakhs. The directors have made arrangements to repay the entire loan outstanding to the Industrial Finance Corporation.

Regarding Vizag Scheme the directors regret to state that the matter of grant of mining lease is still pending with the Andhra Pradesh Government.

As decided at the Extraordinary General Meeting of the Company held on 31st July 1959, an application to the Government of India was made for the appointment and continuation of Messrs. Essen Private Limited as managing agents of the Company for a further period of five years commencing from 15th August 1960. The consent of the Government of India to the same has been received.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,83,14,135	Gross block	4,42,25,287
Reserves ...	60,16,186	*Less*—Depreciation ...	1,03,39,730
Provision for taxation ...	4,130		
Liabilities ...	2,74,98,663	Net block ...	3,38,85,557
Profit and loss account (surplus) ...	79,496	Block in progress ...	1,14,738
		Stores, tools, etc. ...	59,49,220
		Stock ...	5,23,052
		Book debts ...	1,00,19,803
		Investments	8,65,336
		Cash ...	5,54,904
Rs.	5,19,12,610	Rs.	5,19,12,610

Mysore Stoneware Pipes and Potteries Ltd.

The directors of the above Company (Managing Agents: The Mysore Industrial Development Co., Bangalore) submit the audited accounts of the Company for the year ended 31st March 1960.

The surplus available for the year is Rs. 1,10,054 (Rs. 1,51,900), after providing Rs. 51,507 (Rs. 62,864) towards depreciation, development rebate according to income-tax rates and Rs. 1,05,833 (Rs. 1,66,000) towards taxation. Including a sum of Rs. 7,937 (Rs. 6,037) brought forward from last year, the total sum available for distribution is Rs. 1,17,991 (Rs. 1,57,937). The directors recommend the following appropriation:

To declare a dividend of 14-2/7 (10 per cent. tax-free) per cent. or 1-3/7 (Re. 1.00) rupee per share (taxable) on 60,000 shares of Rs. 10 each, absorbing Rs. 85,715 (Rs. 60,000), to transfer to reserves for replacement and rehabilitation of plant and machinery Rs. 10,000 (Rs. 75,000) and to transfer to the gratuity fund Rs. 15,000 (Rs. 15,000), leaving a balance to be carried forward to next year of Rs. 7,276 (Rs. 7,937).

The provision of Rs. 85,715 for payment of dividend will enable the shareholders to get 10 (10) per cent. net dividend and the balance amount will be paid as tax.

The sales were satisfactory. There were difficulties in importing spares, supply of coal of quality and in time and differences with the labour. But for these reasons, production would not have fallen from the normal level. An agreement was reached with labour during the year settling all outstanding issues, including gratuity. On account of these and other payments, the profit is reduced considerably. Therefore, no additions to the general reserve and dividend equalisation fund have been made this year.

The demand for the Company's products, both pipes and firebricks continues to be keen. Old Pipe Kiln No. 5 standing for the last 20 years was demolished towards the end of the year and was rebuilt and put into service by the end of June, 1960.

The expansion of the factory for increasing the output of S.W. pipes and firebricks are progressing satisfactorily. The entire machinery has been imported from U.K. and U.S.A., and except one unit, all of them are installed. The remaining unit is also under installation. The expansion would have been over by now but for the delay in securing steel.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block	13,40,693
Reserves ...	5,26,433	*Less*—Depreciation ...	7,63,285
Provision for taxation ...	1,06,000		
Liabilities ...	3,30,791	Net block ...	5,77,408
Profit and loss account (surplus)	7,276	Stock-in-trade	1,54,009
		Stores, etc.	91,908
		Book debts	4,79,230
		Investments	1,59,519
		Cash ...	1,08,426
Rs.	15,70,500	Rs.	15,70,500

Western India Tanneries, Ltd.

The directors of the above Company (Managing Agents: Messrs. Pratap Pandit & Co., Bombay) present the audited accounts of the Company for the year ended 31st December 1959.

The gross profit for the year amounts to Rs. 12,19,699 (Rs. 11,44,163). After deducting agents' commission, staff salary and general charges amounting to Rs. 5,71,697 (Rs. 5,24,729), the profit amounts to Rs. 6,48,002 (Rs. 6,19,434). From this profit is deducted gratuity amounting to Rs. 3,912 (Rs. 5,469), depreciation written off for the year 1959 Rs. 36,975 (Rs. 43,786), bonus to the Company's staff and workmen for 1959 Rs. 66,997 (Rs. 64,948) and development rebate reserve of Rs. 3,500 (Rs. 16,700), leaving a balance of Rs. 5,36,618 (Rs. 4,88,531). To this is added the balance brought forward from last year of Rs. 7,659 (Rs. 9,128) making a total of Rs. 5,44,277 (Rs. 4,97,659). This amount the directors propose to dispose of as follows: To provision for taxation Rs. 2,49,566 (Rs. 2,90,000), to payment of a dividend at Re. 1.20 and Rs. 2.40 per share of Rs. 5 and Rs. 10 paid up respectively subject to taxation absorbing Rs. 1,68,000 (Rs. 1,40,000), to transfer to general reserve Rs. 1,14,734 (Rs. 50,000), to general reserve for gratuity Rs. 5,000 (Rs. 10,000), to reserve for dividend equalisation fund Rs. 1,360 (*nil*) and to carry forward to next year's account Rs. 5,617 (Rs. 7,659).

The actual number of days the tannery worked during the year ended 31st December 1959 was 306 (306). The directors have paid a bonus at the rate of three months' basic salary to the members of the staff and three months' basic wages to the workmen of the Company out of the profits for the year ending 31st December 1959.

The Board has been building up the general reserve to meet the large outlay which may be necessary when the Municipal Corporation of Bombay enforces removal of tanneries and tanning establishments from Dharavi to Deonar as a part of its scheme to shift the slaughter house from Bandra to Deonar.

The Central Government has approved of the re-appointment of Messrs. Pratap Pandit & Co., as the Company's managing agents for a period of five years with effect from the 16th August 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Gross block	8,33,531
Reserves ...	11,20,200	*Less*—Depreciation ...	4,43,571
Provision for taxation ...	2,45,000		
Liabilities ...	6,09,004	Net block ...	3,89,960
Profit and loss account (surplus)	5,617	Stock-in-trade	3,45,015
		Stores, etc.	2,06,501
		Book debts	6,24,622
		Investments	6,21,813
		Cash ...	4,91,910
Rs.	26,79,821	Rs.	26,79,821

Straw Products Ltd.

The directors of the above Company (Managing Agents: Messrs. J. K. Agents Private Ltd., Bhopal) present the audited accounts of the Company for the year ended 31st December 1959.

The working result of the Company after meeting all the expenses and charges and taking into account bonus to workers and staff, remuneration to directors and commission to the managing agents shows a profit of Rs. 10,80,569 (Rs. 11,16,274) which together with the balance brought forward from the previous year of Rs. 4,919 (Rs. 3,212) and development rebate written back of Rs. 6,85,659 (*nil*) comes to Rs. 17,71,147 (Rs. 12,19,486 including Rs. 1,00,000 transferred from general reserve). After providing for depreciation Rs. 4,48,306 (Rs. 7,86,588) and for development rebate reserve Rs. 44,410 (Rs. 50,479), there is left a balance of Rs. 12,78,431 (Rs. 3,82,419). The directors recommend this amount to be appropriated as under: To provision for taxation Rs. 3,00,000 (Rs. 1,90,000), to payment of a dividend at 15 (12½ per cent. free of tax) per cent. subject to income-tax, on 1,50,000 ordinary shares of Rs. 10 each, fully paid up, absorbing Rs. 2,25,000 (Rs. 1,87,500) and to transfer to general reserve (*nil*) leaving a balance to be carried forward to next year of Rs. 53,431 (Rs. 4,919).

During the year both the plants have worked satisfactorily, and the Company has manufactured different qualities and varieties of board commanding best prices and best competitive value. The Company's gross sales have increased to Rs. 90,70,000 from Rs. 65,46,000 of last year, but due to further increase in the excise duty which affected nine months' production, the Company had to pay Rs. 15,07,000 as against Rs. 9,88,000 last year for excise duty and therefore the net retention of profit did not increase in proportion to higher sales.

The relation between the management and the labour has continued to be cordial.

Paper Mill.—During the year under review, to finance the paper mill of the Company—J. K. Paper Mills—to be established at Jaykaypuram, near Rayagada, in the State of Orissa, the Company issued fresh share capital of Rs. 2 crores. Industrial Finance Corporation of India and The Industrial Credit and Investment Corporation of India Limited had underwritten new capital to the extent of Rs. 50 lakhs each and the subscription of the remaining capital was guaranteed by J. K. Agents Private Limited, the managing agents of the Company and by Sir Padampat Singhania, Kt., Shri Lakshmipat Singhania, and Shri Harishankar Singhania, three of the directors of the Company. The new issue of capital was fully subscribed.

As already reported last year, order for plant and machinery for the paper mills has been placed with Messrs. J. M. Voith, G.m.b.H., West Germany, who have arranged for supply of various units of the paper mill from reputed manufacturers such as Siemens for electrical machinery, Steinmuller for boilers and recovery furnace, Roca for vacuum evaporating plant and Dor Oliver for recoausticising plant. Necessary guarantee to the foreign suppliers for Rs. 3,53,50,000 for deferred payments of the plant and machinery together with interest payable thereon has been issued by the State Bank of India, on the 14th April, 1960. This plant as it stands is expected to be a most modern and up-to-date plant by incorporation of a number of devices which will improve the quality. Land required for the paper mills has been acquired by the Government of Orissa and handed over to the Company. The Company has entered into an agreement with the Government of Orissa for supply of necessary electrical power from the Machkund Grid. The Government of Orissa has already allotted forests to the Company on long leases to ensure continuous supply of raw materials to the mills. The directors are confident that under normal circumstances the paper mill will go into production before the end of 1962.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block	1,18,49,116
Reserves*	95,24,802	*Less*—Depreciation	28,52,132
Provision for taxation ...	13,34,977		
Liabilities ...	94,99,183	Net block	89,96,984
Profit and loss account (surplus)	53,431	Stock ...	16,72,662
		Stores ...	8,26,121
		Raw materials and work-in-progress ...	11,14,395
		Book debts	19,19,121
		Investments	9,83,260
		Other assets	3,38,827
		Cash ...	60,61,023
Rs.	2,19,12,393	Rs.	2,19,12,393

*Reserves include a non-distributable amount of Rs. 60,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955.

Jaipur Metals and Electricals Ltd.

The directors of the above Company (Managing Agents: Messrs. Poonamchand & Brothers Private Ltd., Jaipur) submit the audited accounts of the Company for the year ended 31st December 1959.

The profits for the year amount to Rs. 12,03,142 (Rs. 9,76,663) to which is added the amount brought forward from last year's account of Rs. 10,348 (Rs. 3,296), excess provision for sales tax in previous years Rs. 24,566 (*nil*) and excess provision for wealth tax in previous year Rs. 113 (Rs. 12,701 income-tax refund) making a total of Rs. 12,38,169 (Rs. 9,92,660). Out of this amount, the following appropriations have been made: To provision for depreciation for the year Rs. 3,67,068 (Rs. 2,46,651), to development rebate reserve Rs. 99,369 (Rs. 1,75,276), to managing agents' remuneration Rs. 89,782 (Rs. 81,291), to provision for taxation Rs. 3,60,000 (Rs. 3,20,000), to gratuity reserve Rs. 20,000 (Rs. 25,000) and to general reserve Rs. 50,000 (*nil*), leaving a balance of Rs. 2,51,950 (Rs. 1,11,166 after providing Rs. 4,402 for wealth tax in respect of the years 1956 and 1957 and Rs. 28,874 for additional bonus for the year 1957). From this amount the directors recommend the payment of dividends subject to deduction of tax as follows: 6 per cent. less tax on cumulative preference shares, absorbing Rs. 38,400 (Rs. 22,880), 8.5 (6 per cent, free of tax) per cent. on ordinary shares, absorbing Rs. 1,66,252 (Rs. 67,938) and 19.9 (*nil*) per cent. on deferred shares, absorbing Rs. 39,800 (*nil*) leaving a balance to be carried to next year's account of Rs. 7,498 (Rs. 10,348).

Operations.—The working of the Metres Division during the year under review has shown an all round marked improvement over previous years. The production for the year has been 100,500 Nos. of metres as compared to 87,909 Nos. of metres produced during the previous year. This is the highest ever attained in the Metres Division so far. The Company has now almost reached the target production as licensed by the Government. Efforts are being put in by the Company to obtain Government approval and get a still higher production to meet with the increasing demand for the "Jaipur" House Service Electricity Metres.

46,363 cwts. of material were produced in the Metals Division during the year under review as compared to 44,424 cwts. during the previous year. This aggregated to the total sales turnover of Rs. 1,00,88,042 as compared to Rs. 80,58,775 of the previous year. The rise in the production is more significant as it has been achieved against the continuous adverse supply of raw materials. More efforts are being made to obtain adequate supply of raw materials to achieve continuous increased production.

The directors are pleased to report that the implementation of the scheme for manufacturing Siemens type of metres is progressing satisfactorily. Some items of machinery have been received recently and the major portion of the machinery is expected to be shipped in the later half of 1960. It is hoped that the production of Siemens type of metre will commence during the year 1961. Negotiations were carried on for a further loan of Rs. 15 lakhs from the Industrial Finance Corporation of India to meet the financial requirements of implementing the scheme for the manufacture of Siemens type of metre which has now been sanctioned.

Further research and negotiations were undertaken during the year under review to diversify the production and to utilise maximum capacity of the plant and machinery. Negotiations were also carried on for foreign collaboration for production of special items and it is hoped that these efforts would materialise in near future.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29,55,800	Gross block	48,67,187
Debentures	10,00,000	*Less*—Depreciation ...	19,20,438
Reserves ...	8,40,945		
Provision for taxation ...	8,04,887	Net block ...	29,46,749
Liabilities ...	67,18,063	Machinery in transit ...	2,530
Profit and loss account (surplus)	7,498	Stock-in-trade	66,04,325
		Stores ...	5,93,949
		Book debts	13,64,452
		Investments	2,45,393
		Cash ...	5,69,795
Rs.	1,23,27,193	Rs.	1,23,27,193

Sutna Stone and Lime Co., Ltd.

The directors of the above Company (Secretary: Mr. S. N. Beri, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The Company's profit for the year is Rs. 3,82,681 (Rs. 3,78,081). After providing taxation amounting to Rs. 1,72,000 (Rs. 1,80,000) there remains Rs. 2,10,681 (Rs. 1,98,081). To this is to be added the amount of unclaimed dividend forfeited Rs. 480 (*nil*) and the amount brought forward from the previous year of Rs. 30,880 (Rs. 30,734) making a total of Rs. 2,42,041 (Rs. 2,28,815). From this amount the directors have transferred to equalisation of dividend account Rs. 30,000 (*nil*), to development rebate reserve account Rs. 80,000 (Rs. 70,000) and to general reserve account Rs. 480 (Rs 43,263) leaving a real reserve account Rs. 480 (Rs. 1,15,552). Out of this balance of Rs. 1,31,561 (Rs. 1,15,552). Out of this amount the directors recommend payment of a dividend of 20 (17½ per cent. free of tax) per cent. subject to deduction of income-tax, absorbing Rs. 96,768 (Rs. 84,672) leaving a balance to be carried forward of Rs. 34,793 (Rs. 30,880).

The demand for both lime and limestone during the year was satisfactory but the profit in relation to sales had contracted due to stiff competition consequent upon the free sale of cement. The cost of raising limestone and manufacture of lime has also gone up due to periodical rise in the price of coal, stores as also due to increase in the railway freight.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,83,840	Gross block	19,54,033
Reserves ...	5,46,690	*Less*—Depreciation ...	7,00,655
Provision for taxation ...	3,50,252	Net block	12,53,378
Liabilities ...	4,39,154	Stock ...	2,418
Profit and loss account (surplus)	34,793	Stores ...	39,027
		Book debts	4,00,730
		Investments	18,607
		Cash ...	1,40,569
Rs.	18,54,729	Rs.	18,54,729

Nuddea Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The profit for the year before charging depreciation amounts to Rs. 23,69,489 (Rs. 17,27,647). Adding thereto adjustments on account of previous years amount to Rs. 78,055 (Rs. 43,989), there is a total sum of Rs. 24,47,544 (Rs. 17,71,636). From this amount is to be deducted depreciation for the year of Rs. 6,02,170 (Rs. 5,94,794). wealth tax for 1959-60 Rs. 43,881 (Rs. 40,659), reserve for major overhauls of machinery Rs. 73,513 (Rs. 64,596), reserve for doubtful debts Rs. 35,631 (*nil*) and development rebate reserve of Rs. 1,74,473 (Rs. 83,987). This leaves a credit balance of Rs. 15,17,876 (Rs. 9,87,600). With the amount brought forward from the previous year of Rs. 15,981 (Rs. 79,151) there is an available balance of Rs. 15,33,857 (Rs. 10,66,751). The interim dividend on the ordinary shares at Re. 1 per share, absorbed Rs. 1,33,590 (Rs. 1,33,590) leaving a balance of Rs. 14,00,267 (Rs. 9,33,161). The directors propose that this sum be dealt with as follows: By payment of a final dividend of Rs. 3.00 (Rs. 2.00) per share [this together with the interim dividend paid makes a total of Rs. 4.00 (Rs. 3.00) per share or 8 (6) per cent. per annum] for the year ended 31st March 1960, absorbing Rs. 4,00,770 (Rs. 2,67,180) and by transfer to general reserve Rs. 9,50,000 (Rs. 6,50,000) leaving a credit balance of Rs. 49,497 (Rs. 15,981) to be carried forward.

Trading.—The production of the mills continues to be governed by the working time agreement, in so far as it relates to the restriction of output through the compulsory sealing of looms. During the year under review this was mitigated to some extent by the working of purchased current loom hours and allowing for this, the average percentage of the mills total complement of looms sealed was 8.2 per cent. only.

The industry was fortunate in enjoying favourable trading conditions for the greater part of the year. Prices for jute remained at levels which, taken in conjunction with those attainable for finished goods, allowed mills a reasonable profit. At the same time consumers of jute goods through the world received their goods at rates sufficiently attractive to withstand competition from other packaging materials. Overseas and internal demand ran at a high level enabling the industry to adopt a cautious but flexible policy towards the unsealing of silent looms. The mills shared fully in these improved trading conditions.

With the entire productive units now situated in the North Mill, the directors are considering schemes designed to utilise to the best possible advantage the factory area released by this concentration.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	66,79,500	Gross block	2,30,01,345
Reserves ...	37,53,004	*Less*—Depreciation	1,21,85,728
Liabilities ...	1,20,89,751		
Profit and loss account (surplus)	49,497	Net block	1,08.15,617
		Stocks ...	76,11,042
		Stores ...	10,44 278
		Book debts	23,62,209
		Investments	4,43,441
		Cash ...	2,95,165
Rs.	2,25,71,752	Rs.	2,25,71,752

Katras Jherriah Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st January 1960.

The accounts show a profit, after charging all expenses, of Rs. 11,35,741 (Rs. 9,81,905). Of this taxation provision requires Rs. 5,52,000 (Rs. 7,15,500 including Rs. 15,500 for wealth tax). *Less*: excess provision for taxation in previous years now written back of Rs. 50.000 (Rs. 27,000) amounting to Rs. 5,02,000 (Rs. 6,88,500) leaving a balance of Rs. 6,33,741 (Rs. 2,93,405). With the balance brought forward from last year of Rs. 1,27,146 (Rs. 1,68,572) and unclaimed dividends forfeited under Article 158 of Rs. 37,816 (*nil*), there is a total amount available for appropriation of Rs. 7,98,703 (Rs. 4,77,477 including a transfer of Rs. 500 from capital reserve and Rs. 15,000 being investment realisation surplus). The directors have transferred to development rebate reserve Rs. 21.945 (Rs. 25,147), to capital reserve Rs. 100 (*nil*) and to general reserve Rs. 1,70,000 (*nil*) leaving a balance of Rs. 6,06,658 (Rs. 4,52,146 after paying Rs. 184 on account of forfeited dividends). An interim dividend of Rs. 3.50 (Rs. 3.00 per share, free of tax) per share, was paid on 14th January 1960, absorbing Rs. 1,75,000 (Rs. 1,50,000). The directors now recommend payment of a final dividend of Rs. 6.00 (Rs. 3.50 per share, free of tax) per share, absorbing Rs. 3,00,000 (Rs. 1,75,000), leaving a balance to be carried forward of Rs. 1,31,658 (Rs. 1,27,146). The dividends for the year 1960 are subject to deduction of tax.

As already advised to members in the Notice dated 2nd February, 1960, the shares in the capital of the Company issued after the 1st February, 1960, do not rank for dividend declared in respect of the Company's financial year ended 31st January, 1960. Accordingly, the above dividend will be payable to holders of ordinary shares Nos. 1 to 50,000.

Raisings for the year were 3,37,071 tons compared with 3,44,864 tons in the previous year. As a result of the improved sandstowing arrangements at Laikdih Deep, the raisings of selected 'A' grade coking coal from this colliery improved over the previous year. The output from Seebpore colliery, however, continued to decline with the progressive depletion of its reserves of coal. Despatches, which included purchased coal, amounted to 3,46,957 tons as against 3,54,154 tons.

On 21st January, 1960, the Board made an offer to the members of The Kalapahari Coal Co., Ltd., to acquire their shares giving them the option of payment in cash at Rs. 27 per share, or the issue of one share in this Company for every share which they hold in The Kalapahari Coal Co., Ltd. The holders of 34,332 shares representing 98 per cent. of the issued share capital of The Kalapahari Coal Co., Ltd., accepted the Company's offer, and action was taken in terms of Section 395 of the Companies Act, 1956, to acquire the remaining 668 shares. As a result of The Kalapahari Coal Co., Ltd., is now a wholly-owned subsidiary of this Company.

The Central Government have approved the reappointment of Andrew Yule & Co., Ltd., as managing agents of the Company for a period of 10 years from 15th August 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00.000	Gross block	56,77,095
Reserves ...	21,66,090	*Less*—Depreciation ...	40,80,864
Provision for taxation ...	2,07,487	Net block	15,96,231
Provision for wealth tax	14,232	Stock of coal	1,33,324
Liabilities ...	17,78,678	Stores, etc.	5,56.171
Profit and loss account (surplus)	1,31,658	Book debts	19,52,357
		Investments	3,39,200
		Cash ...	2,20,862
Rs.	47,98.145	Rs.	47,98.145

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

COMPANY MEETINGS AND DIVIDENDS

HASTINGS MILL LTD. Annual General Meeting, Calcutta, 19th September 1960. Dividend: Rs. 6.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 8th to 19th September 1960, both days inclusive.

FORT WILLIAM JUTE CO., LTD. Annual General Meeting, Calcutta, 19th September 1960. Dividend: Rs. 2.25 per ordinary share, subject to deduction of tax. Transfer books remain closed from 8th to 19th September 1960, both days inclusive.

TYROON TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: Rs. 3.00 per share, taxable. Transfer books remain closed from 16th to 26th September 1960, both days inclusive.

MARGARET'S HOPE TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: Re. 1.00 per share, taxable. Transfer books remain closed from 16th to 26th September 1960, both days inclusive.

NILAMBUR RUBBER CO., LTD. Annual General Meeting, Tamaracherry, Pudupadi, Kerala State, 26th September 1960. Dividend: Re. 1.50 per share, taxable. Transfer books will remain closed from 20th to 26th September 1960, both days inclusive.

MCLEOD AND CO., LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: Rs. 15 per ordinary share, and Re. 1 per deferred ordinary share, both subject to deduction of tax. Transfer books remain closed from 16th to 26th September 1960, both days inclusive.

HOOGHLY DOCKING AND ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: 12 per cent. or Rs. 6.00 per share, subject to deduction of tax. Transfer books remain closed from 16th to 26th September 1960, both days inclusive.

KETTLEWELL BULLEN AND CO., LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: Rs. 7.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 19th to 26th September 1960, both days inclusive.

BORREA COAL CO., LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: 10 per cent. or Re. 1.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 16th to 26th September 1960, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: 15 per cent. or Re. 1.50 per share, on founders' shares and 5 per cent. or Re. 0.50 per share, on ordinary shares, both subject to deduction of tax. Transfer books remain closed from 16th to 26th September 1960, both days inclusive.

ALEXANDRA JUTE MILLS LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: Rs. 15.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 13th to 26th September 1960, both days inclusive.

HAILEYBURIA TEA ESTATES LTD. Annual General Meeting, Kottayam, Kerala State, 27th September 1960. Dividend: 12½ per cent. or Re. 1.25 per share (taxable), on the increased equity capital. Transfer books will remain closed from 27th September to 10th October 1960, both days inclusive.

TWYFORD TEA CO., LTD. Annual General Meeting, Kottayam, Kerala State, 27th September 1960. Dividend: 10 per cent. or Re. 1 per share (taxable), on the increased equity capital. Transfer books will remain closed from 27th September to 10th October 1960, both days inclusive.

NEW INDIA FISHERIES LTD. Annual General Meeting, Bombay, 29th September 1960. Dividend: 10 per cent. or Rs. 10 per ordinary share and Rs. 10 per deferred ordinary share, both taxable, payable on or after 24th October 1960. Transfer books remain closed from 13th to 29th September 1960, both days inclusive.

STANDARD-VACUUM REFINING CO. OF INDIA LTD. Annual General Meeting, Mahul, Bombay Suburban District, 29th September 1960.

PARRYS CONFECTIONERY LTD. Annual General Meeting. Madras, 30th September 1960. Dividend: 30 per cent. or Re. 0.30 per share, on the increased share capital. Transfer books remain closed from 16th to 30th September 1960, both days inclusive.

LEDO TEA CO., LTD. Annual General Meeting, Calcutta, 1st October 1960. Dividend: *Nil*. Transfer books will remain closed from 19th September to 1st October 1960, both days inclusive.

APOLLO MILLS LTD. Annual General Meeting, Bombay, 1st October 1960. Dividend: *Nil*. Transfer books will remain closed from 22nd September to 1st October 1960, both days inclusive.

BROACH ELECTRIC SUPPLY AND DEVELOPMENT CORPORATION LTD. Annual General Meeting, Bombay, 3rd October 1960. Transfer books remain closed from 12th September to 3rd October 1960, both days inclusive.

POONA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 3rd October 1960. Transfer books remain closed from 12th September to 3rd October 1960, both days inclusive.

TATA IRON AND STEEL CO., LTD. Annual General Meeting, Bombay, 6th October 1960, at 4-30 p.m. (S.T.). Dividend: Rs. 9.72 per share, on ordinary shares (gross) or Rs. 6.80 per share, free of tax, payable on and after 7th October 1960. Transfer books were closed from 20th June to 14th July 1960, both days inclusive.

INDIAN CABLE CO., LTD. Annual General Meeting, Calcutta, 28th October 1960. Dividend: Rs. 2.25 per share, subject to deduction of tax. Transfer books will remain closed from 14th to 28th October 1960, both days inclusive.

DIRECT TAXES ADMINISTRATION

(*Concluded from page 502*)

corresponding sections of the other direct taxes Acts. The schedule should make distinction between cases of deliberate concealment or gross or wilful neglect and others which are not due to fraud, gross or wilful neglect, the levels of penalty for the latter category being much lower than those for the former. The maximum penalty leviable for concealment or deliberate furnishing of inaccurate particulars should continue to be 150 per cent. of the tax sought to be evaded as at present.

Accepted with the modification that minimum and maximum penalties should be prescribed for various types of offences.

The prior approval of the Inspecting Assistant Commissioners for the levy of penalty should be obligatory only in cases of more serious offences, where the quantum of penalties leviable are heavier. Further, the inspecting Assistant Commissioners should be statutorily required to give a hearing to the assessees before according his approval to the levy of penalty in such cases. The law should be amended requiring the completion of the penalty proceedings within one year of the passing of the relevant assessment order or of the appellate order of the Appellate Assistant Commissioner or the Appellate Tribunal or of the revision order of the Commissioner, as the case may be.

Accepted with the following modifications :—

(1) *In cases of concealment where the minimum penalty leviable is in excess of Rs.* 1,000, *the I.A.C. should not only hear the assessee, but also pass the order of penalty.*

(2) *The penalty proceedings should be completed within two years of the completion of the assessment proceedings.*

Provisions of Section 28(4) of the Income-tax Act and the corresponding provisions of the other direct taxes Acts which bar prosecutions in respect of the same facts on which a penalty has been imposed, should be deleted.—*Accepted.*

Abetment of evasion of tax should be made punishable under the tax laws. A provision similar to the one contained in the Income-tax (Amendment) Bill, 1951 should be introduced in all the direct taxes Acts.

Accepted, subject to the modification that for the present it is not necessary to provide for prosecution for this offence.

The existing provisions relating to exemption of the income of charitable trusts under Section 4(3) (i) of the Income Tax Act should be amended as follows :

* * * *

(b) A charitable trust carrying on a business, which is not in the course of carrying out the primary object of the trust itself, should not be entitled to the exemption under Section 4(3)(i) of the Income-tax Act and this should be made clear in the substantive part of the Section itself.

(c) Where a trust deed contains a clause that the funds of the trust should also be utilised for the relations and family members of the donor or that in carrying out the charitable objects of the trust priority should be given to such relations or members, exemption should not be available under Section 4(3)(i) of the Income-tax Act.

* * * *

(e) As regards the other incomes of the trust, they will be exempt if the conditions under Section 4(3)(i) of the Income-tax Act are fulfilled, but if more than 25 per cent. of such income of a trust is set apart for being spent subsequently for charitable purposes, the amount set apart in excess of 25 per cent. should be taxed in the year in which it is so set apart.—*Accepted.*

A provision similar to Section 16(3) of the Income-tax Act should be made so as to cover cases of assets transferred by wife to the husband. A further amendment may also be made to Section 16(3) of the Income-tax Act so as to cover transfers of assets to minor children by the mother.—*Accepted.*

Section 9(2) of the Income-tax Act should be suitably amended so as to provide that in cases where, after transferring the ownership of a residential property to his wife or minor child, without adequate consideration, the transferor continues to reside in it along with the transferee, there is no escapement of proper tax liability.—*Accepted.*

The law should be so amended that even on the assessee's cessation of his business, etc., or retirement from profession or death, income received after such cessation, retirement or death would be taxed.—*Accepted.*

In the case of companies in which the public are not substantially interested, set off of the earlier years' losses against subsequent profits should be allowed only if the shareholders in the year in which the income is earned are substantially the same as those in the years in which the losses were incurred.—*Accepted.*

In view of the deterrent effect it would have on attempts at evasion, the names of all persons in whose cases penalties have been imposed for Rs. 5,000 or more for the concealment of income, wealth, expenditure, etc., should be published by the Commissioners, in the *Gazette*, as well as in the Press, giving details of their names, addresses and amounts of penalties. If the assessee concerned is a company or firm, the names of all the directors of the company or partners of the firm, as the case may be, should be published, unless it has been established that only a particular director or partner was responsible for the evasion. The publication should be made only after the penalty has become final in appeal and reference. The Central Board of Revenue should have discretion to withhold the publication of names in suitable cases, but the number of cases in which such information was withheld, and the reasons therefor, should be given in the annual administration report, but without mentioning the names of such persons.

This recommendation has been implemented with modification by Clause 9 *of the Taxation Laws (Amendment) Bill,* 1960 *introducing Section* 59A *of the Income-tax Act.*

The following measures may be useful in arousing public conscience against tax evasion :—

(i) People should be educated with regard to the real object of the collection of direct taxes through press, radio, and films.

(ii) Steps should be taken to convince the taxpayers that the money collected through taxes is not spent wastefully but put to proper use.

(iii) No official patronage or recognition or awards should be given to persons who have been penalised for concealment or in whose case prosecution proceedings have been taken. Such a person should not be allowed to become a member of any Committee or Commission appointed by Government.

(iv) Tax evaders should be strictly dealt with and brought to book by the Department in future so that the widely-held feeling in the minds of the public that evasion pays and that evaders are treated lightly is removed. Prosecution proceedings should be launched wherever necessary.

(v) The co-operation of the chambers of commerce and other professional bodies such as Bar Associations, Medical Associations, etc., should be enlisted in the matter of wiping out evasion.

(vi) A special drive should be undertaken to rouse public conscience by enlisting the co-operation of leaders in the various walks of life.—*Accepted in principle.*

The existing three Directorates of Inspection should be recognised into the following four Directorates:

(*a*) Directorate of Inspection.

(*b*) Directorate of Investigation and Intelligence.

(*c*) Directorate of Vigilance.

(*d*) Directorate of Training, Statistics, Research and Publications.

Accepted with the modification that there should be only three Directorates, viz.

(1) *Directorate of Inspection.*

(2) *Directorate of Investigation and Intelligence.*

(3) *Directorate of Training, Statistics, Research and Publications.*

An Annual Administration Report should be published by the Department and laid on the table of Parliament.—*Accepted.*

The Class II cadre of the Income-tax Officers should continue.—*Accepted.*

The present sanctioned strength of Inspectors should be increased by 250.—*Accepted.*

No direct recruitment need be made to the cadre of Class II Income-tax Officers.—*Accepted.*

Undue importance, particularly in a taxing department, should not be attached to anonymous and pseudonymous complaints and nothing should be done to disturb the morale of the officers in the discharge of their duties.—*Accepted in principle.*

If a tax expert is finally convicted for evasion of tax as a result of prosecution under the provisions of the direct taxes Acts, he should be straightaway disqualified from the tax practice and his name removed from the register. Similarly, the conviction of a tax expert under the direct taxes Acts on charges of abetting or aiding his clients in tax evasion, should result in automatic disqualification from tax practice. Any tax expert who is penalised under the direct taxes Acts for concealment of income, wealth estate, gift or expenditure should be disqualified from representation after the penalty proceedings have become final. However, the usual disciplinary procedure should be followed in such cases of penalty and disqualification should not be automatic.

Accepted with the modification that the disqualification may be for such period as may be determined by the Commissioner of Income-tax.

All complaints of inconvenience in the tax offices should be quickly remedied. Adequate and proper amenities, such as waiting rooms, furniture, reading material, cool drinking water, canteens, public telephones, sanitary arrangements, parking space, etc., for the assessees and their representatives should be provided in all tax offices. —*Accepted.*

Greater attention should be paid to organised departmental publicity, and more tax literature in the form of pamphlets, booklets, etc., dealing with the various branches of taxation should be issued. Detailed explanatory notes about the various forms of returns should also be made freely available to the public.—*Accepted.*

The modern media of communication with the public such as radio, motion pictures and other visual aids, should be regarded as essential in the programme of developing public relations.—*Accepted.*

In places other than those where public relations officers function, enquiry counters, should be responsible for assisting the assessees in filling up various return forms, explaining their difficulties and doubts, answering their various queries and guiding them in all possible ways.—*Accepted.*

The public relations officers can prove very useful and helpful in promoting better relations between the department and the public. There should be a whole-time public relations officer in the charge of each Commissioner of Income-tax.—*Accepted.*

A Direct Taxes Central Advisory Committee should be set up for the Headquarters organisation under the Chairmanship of the Union Minister for Revenue and Civil Expenditure. In addition, similar Committees should be constituted separately for the various regional organisations under the chairmanship of the Commissioner concerned. These Committees should fully represent the important interests and viewpoints, and consist of Members of Parliament, representatives of Central and/or State Governments, commerce, industry and other organisations, and professional tax experts. They should advise the Administration on measures for developing and encouraging mutual understanding and co-operation between taxpayers and the Department.

Accepted in principle and a start will be made by constituting a Central Advisory Committee.

II

Recommendations Not Accepted by the Government

1. Basic rates of income-tax should be incorporated in the Income-tax Act.

2. To meet the budgetary requirements, variations may be made in the rates of surcharges through the annual Finance Acts.

3. Such of the existing surcharges as go to the divisible pool should be merged to the basic income-tax rates.

4. In the case of company taxation, the effective rates of tax for the various types of companies should be specified in the Act itself, instead of prescribing the ceiling followed by several rebates.

5. A simpler formula to be specified for allowing rebates to partners of registered firms of income exceeding Rs. 40,000 taxed directly.

Appellate Assistant Commissioners should be transferred from the control of the Central Board of Revenue to that of Ministry of Law.

The Appellate Tribunal should not be granted enhancement powers under the Income-tax Act. Enhancement powers now vested in it under the other direct taxes Acts should be withdrawn.

Provisional assessment under Section 23B of the Income-tax Act should generally be confined to cases where the income returned is above Rs. 20,000.

Section 18A(5) and Section 23B of the Income-tax Act should be amended to allow for provisional refund of advance tax paid where assessments are not completed within three months of the date of receipt of return or alternatively allow interest at 6 per cent. on the amount refundable from the date of filing a return to the date of the issue of refund order.

Powers of settlement available at present to a limited extent under the Income-tax Act for specified types of cases should be enlarged and the Central Board of Revenue should be authorised to arrive at a settlement with the assessee at any stage of the proceedings under the Direct Taxes Acts.

The Government should take a policy decision so as to prevent the officers of the Department, who leave Government service prematurely for joining private employment.

Provisions analogous to Sections 13(3), 7(7) and 50(1) of the U.K. Income-tax Act should be incorporated in the direct taxes statutes.

Notice

THE RELIANCE JUTE MILLS COMPANY, LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Third Annual General Meeting of Members will be held at the Registered Office of the Company, 4, Clive Row, Calcutta, at 12-00 noon on Friday the 7th October 1960, for the following purposes:

(1) To receive and consider the Audited Accounts for the year ended 31st March 1960, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To appoint a Director in place of one retiring.

(3) To appoint Auditors and to fix their remuneration.

Notice is also given that the Share Transfer Books of the Company will be closed from the 1st October to the 7th October 1960, both days inclusive.

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

By Order of the Board,

JARDINE HENDERSON, LIMITED,

D. FORDWOOD,
Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA 1, 29*th August* 1960.

MONEY IN ACUTE SHORTAGE

(*From Our Own Correspondent*)

BOMBAY, 14*th September*

Conditions in the short-term money market continue to be stringent. The stringency is due fundamentally to the acute shortage of floating funds rather than to any broadening of demand for credit. The withdrawal of Rs. 75 crores from the institutional funds for subscription to the State loans has proved to be too heavy for the market which was fairly tight even before. Return of funds to banks from upcountry centres continues to be small, so that banks still figure as borrowers in the market. Interest rates are, therefore, held firm at the previous week's levels. Inter-bank call money is being bid at 3½ per cent. among big, as well as small, banks. House money at seven days' notice is offered 3 per cent. One to two-month deposits are quoted at 3¼ per cent. and deposits of three months and over at 3½ per cent.

There has been no change in the Treasury Bill discount rate either (at 2.540 per cent.). The sale of these bills on tenders is no more than of nominal interest, in that they are being taken up by special quarters against maturing bills. The bills sold this week amounted to Rs. 2 crores. There were no sales of Intermediate Treasury Bills during the period 7th to 10th September. These are, however, likely to be offered this week at the self-same discount of 2.476 per cent. per annum.

There has been a further expansion of Rs. 12.88 crores in notes in circulation during the week ended 9th September 1960. Disclosing this, the Reserve Bank of India statement for that week also shows a rise of Rs. 6.21 crores in notes held in the Banking Department, so that the total note issue has increased by Rs. 19.09 crores. This is covered by a rise of Rs. 20 crores in rupee securities and a small contraction in rupee coin. There is no change in foreign securities at Rs. 123.01 crores, while balances held abroad have suffered a slight drop of Rs. 84 lakhs to Rs. 22.67 crores, in contrast to the successive additions noted in the previous four weeks. The total foreign assets now stand at Rs. 145.68 crores. Deposits of the Central Government are up by Rs. 9.73 crores, while those of other Governments have declined by Rs. 19.43 crores. Deposits of banks have increased by Rs. 5.27 crores. Loans and advances other than to Governments show a decline of Rs. 2.40 crores. Investments are also lower by Rs. 44.87 crores, while there has been an addition of Rs. 21.45 crores to the holdings of Government Treasury Bills.

A marked fall of Rs. 6.64 crores in demand deposits and of Rs. 11.37 crores in time deposits is disclosed by the Scheduled bank's statement for the week ended 2nd September 1960, as compared with that for the previous week. Almost the entire decline in total deposits is accounted for by banks other than the State Bank. Such a large-scale withdrawal of funds, presumably for subscription to State loans, is accompanied by a much sharper rise in advances, which have gone up by no less than Rs. 25.61 crores, of which the share of State Bank alone is Rs. 14.54 crores. Consequently, there have been heavy borrowings from the Reserve Bank and the State Bank; those from the former have risen by Rs. 37.80 crores and from the latter by Rs. 3.83 crores. The changes in the investment portfolios of the Scheduled banks as a whole and of the State Bank, in particular, do not fully reflect the response from the banks to the State loans. For, whereas the investments of all Scheduled banks have risen by only Rs. 3.56 crores, those of the State Bank have actually declined by Rs. 1.81 crores. Very little variation is seen in cash balances, while the State Bank's cash has risen by Rs. 4.23 crores.

The Gilt-edged market has turned a little weak, on account of persistent stringency in the short-term money market and predominance of sellers. The weakness is more pronounced in the State loans section, where 1968, 1970 and 1971 issues have been subjected to heavy selling pressure. The new 4 per cent. 1969 loans are being quoted at large discounts from their issue prices, ranging from 25 nP to 75 nP. Among the Central loans, 3 per cent. 1986 Conversion Loan has declined by 40 nP to Rs. 73.85, despite the proximity of interest payment. 3 per cent. 1970-75 has been marked down by 25 nP to Rs. 90.70 and 3 per cent. 1966-68 by 10 nP to Rs. 95.80. 3½ per cent. 1969 has shed 5 nP to Rs. 99.05.

The persistent firmness of sterling abroad has strengthened the rupee also in terms of the U.S. dollar. This is reflected in the drop in the banks' selling rate for U.S. T.T. (ready) from Rs. 476 to Rs. 475.75 and in their buying rate from Rs. 472.75 to Rs. 472.25 per $100. In New York, spot sterling has shot up from 281.17-281.20 cents to 281.43-281.46 cents and three months' forward from 279.65-279.68 cents to 279.87-279.90 cents.

LINSEED SUPPLIES SCARCE

(*Messrs. A. Bradley & Co.*)

CALCUTTA, 12*th September*

Owing to continued scarcity of supplies, the undertone of the linseed market was very firm throughout the week under review, though only small business was reported in seeds and oils, as buyers and sellers were both reserved.

The oilcake market remained unchanged, only local business passing. India is still out of parity with the U.K. and Continental markets.

The latest quotation for ready and September futures is Rs. 25-50 per maund.

MARGIN ON BULLION REDUCED

(*From Our Own Correspondent*)

BOMBAY, 14*th September*

A notable development of the week under review in the bullion market is the Maharashtra Government's decision to relax margin rules in respect of *Aswayuj* (October) settlements also as in the case of the *Kartik* (November) settlements. Thus, with effect from Friday the 9th inst., the rates of margin are fixed lower at Rs. 40 per tola of gold and Rs. 2,000 per bar of silver, as against the previous rates of Rs. 60 and Rs. 3,000, respectively. A free limit of 2 500 tolas of gold and 50 bars of silver has also been granted. Further, the closing prices for the application of margins have been raised from Rs. 127 to Rs. 130 in the case of gold and from Rs. 213 to Rs. 218 in respect of silver; the corresponding rates fixed for the *Kartik* settlement are Rs. 130 and Rs. 218.

Immediately after the relaxation in margin rules was officially announced on Friday, there was emergence of fresh bull support which lifted up the values of both the metals. The firmness gathered further momentum on the following day. On Monday the 12th inst., however, a sagging tendency developed, following profit-taking at higher levels and reports of larger arrivals of gold and silver. The tendency persisted practically till the close today. Nevertheless, the closing rates were markedly higher than those at the end of last week.

The average daily arrivals during the week were 6,000 tolas of gold and 40 bars of silver, as against 6,250 tolas and 43 bars, respectively, in the previous week. The offtake of gold and silver was at an average rate of 3,250 tolas and 6 bars, the corresponding figures for the previous week being 3,000 tolas and 7 bars. The floating stocks are reported to be around 25,000 tolas of gold and 400 bars of silver.

The Mysore Gold Mine in the Kolar Goldfields of Mysore State will not be closed. This was stated by Mr. K. D. Malaviya, Union Minister for Mines and Oil, while replying to a question in the Lok Sabha on the 9th inst. The Minister, however, admitted that efforts to strike new gold reefs in the mine had not succeeded. Owing to non-availability of ore reserves in that area, it was quite possible that large-scale retrenchment would have to be undertaken, but efforts were being made to transfer surplus workmen of the Mysore mine to the other two mines.

The Board of the Bombay Bullion Association has not yet decided the date for the commencement of trading in the *Kartik* settlement.

In gold, *Aswayuj* settlement began the week (on Friday, since the market was closed on Thursday as a mark of respect to Mr. Feroze Gandhi, M.P.) at Rs. 133.56, as against the previous close of Rs. 133.75, and rallied to touch a high of Rs. 133.75 on Saturday. After declining to Rs. 134.94 on Monday, it recovered to Rs. 135.81 today before finishing at Rs. 135.62. The net gain over the week was Re. 1.78.

The *Aswayuj* settlement in silver was well supported, the quotation spurting from Rs. 224.40 to Rs. 227.12 on Saturday. At this level, profit-taking set in and the settlement moved down, the rate having touched a low of Rs. 226.12 at one time. But towards the close, it was a shade better at Rs. 226.56.

A feature of trading in ready gold and silver during the week was that both the metals were quoted throughout the week at a discount under the forward. The actual discount today was 43 nP in gold and Re. 1 in silver. Today's closing rates were Rs. 135.19 per tola of gold and Rs. 225.06 per 100 bars of silver, as against Rs. 134.37 and Rs. 224.50, respectively, prevailing a week ago.

Ready gold in the London bullion market improved further during the week from 250*s.* 4*d.* to 250*s.* 5½*d.* The rise followed the firming up of the world price for gold from $35.15½-$35.17½ to $35.21-$35.23, owing to Middle Eastern and Continental demand. A recent report from New York avers that the U.S. Administration is still unperturbed over the continued outflow of gold which, it feels, is only a short-term phenomenon and will be reversed in due course. The surplus gold over legal requirements for currency and Federal Reserve deposits is said to be around $7.4 billion. Satisfaction is expressed over the move of foreign banks to build up their investments in U.S. Government securities or in bank balances rather than in gold, although the traditional policy on the part of many central banks to buy gold is fully recognised. Both ready and forward silver in London continued unchanged at 79¼*d.*, as also silver in New York at 91.375 cents.

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

	14-9-60 (closing)	High	Low	7-9-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	135.19	135.56	133.44	134.37
Forward :				
Aswayuj *	135.62	135·81	133.44	133.84
Sovereign	87.25	87.50	87.25	87.25
SILVER				
Ready (.996 fine)	225.56	226.62	223.94	224.50
Forward :				
Aswayuj †	226.56	227.12	224.06	224.40
	13-9-60			6-9-60
London:				
Silver Ready	79¼*d.*	—	—	79¼*d.*
Silver Forward	79¼*d.*	—	—	79¼*d.*
Gold	250*s.*5½*d.*	250*s.*5½*d.*	250*s.*4½*d.*	250*s.*4*d.*
New York:-				
Silver	91¼ cents	—	—	91¼ cents

* 4th October settlement. † 5th October settlement.

LIMITED TRADING IN COTTON

(*From Our Own Correspondent*)

BOMBAY, 14*th September*

Conditions in the cotton market during the week under review remained practically unchanged from what it was last week. There was no business in the futures section, while the spot market reported only limited trading, with dealings in domestic cotton confined mainly to old crop Co2 and new crop Cambodia. Mills were not inclined to purchase cotton at prices above the ceiling rate. The trade was anxiously watching how the controls were going to be enforced. The reported deputation by the Textile Commissioner of an Officer to watch the trend of prices in Pandharpur-Baramati area, where the crop is being marketed, with powers to requisition cotton, if need be, did not surprise traders. Yesterday it was reported that a sizable quantity of cotton grown in this area was requisitioned by the Officer for delivery to nominated mills in Bombay. This has adversely affected the trading in upcountry centres. The possibility of the appointment of such vigilance Officers in other areas, as and when required, is not ruled out.

The trade is becoming more vocal and vehement in its criticism of control measures. The provision requiring compulsory survey of cotton by sworn surveyors of the E.I.C.A. has been subjected to bitter attack. It is said that there is wide variation between the valuation given by the surveyors and that by the *ad hoc* Appeal Committee. This, it is pointed out, has caused considerable uneasiness among sellers.

Typical of the trade point of view is the memorandum submitted to the Textile Commissioner by the Ahmedabad Cotton Merchants' Association which claims to represent 173 members, about one-third of whom have been in the trade for over thirty years. The Association points out that survey of every lot is a genuinely difficult task and will be impracticable. Apart from entailing heavy expenses, and waste of time, since the surveys are to be done at a large number of places by different surveyors, malpractices, it is said, are bound to occur. It has, therefore, pleaded that, as in the past seasons, surveys should be made compulsory only when a price above the basic maximum is demanded by a seller. The Association has also submitted that there is no justification for reducing the basic maximum ceiling price of fine Kalyan 25/32″ staple from Rs. 870 per candy to Rs. 840 per candy for the current season.

While trading in the spot market is thus in a state of flux, the E.I.C.A. has finished its job of preparing a new hedge contract for the current season. The main features of the hedge contract are the following:

(1) The trading ceiling within the ceiling rate during non-delivery period is removed;

(2) Deposits on the net open position shall be payable during the delivery period at the rate of Rs. 100 or Rs. 75 per bale when the prices reach certain levels below or above the ceiling or floor levels respectively;

(3) All descriptions of cotton included in the Hedge Schedule shall be tenderable upto 2/32″ "off" in staple except in certain varieties and upto 1″ class "off" the basic fine grade for grade in all descriptions. The minimum staple tenderable is upto 23/32″ in the case of "Dholleras" and the maximum upto 1-5/32″ in the case of "Cambodia (A)" cottons;

(4) There shall be two delivery months, namely, April and August;

(5) Some changes have been introduced in the by-law regarding fixation of tendering differences when the price of the hedge contract is above Rs. 212 per quintal on the day of fixation of tendering differences. Similarly some changes have also been made in the provisions for invoicing back cotton rejected in survey;

(6) The price quotations will be based on a unit of 3 quintals (300 kilograms).

The necessary amendments to the E.I.C.A.'s By-laws will be submitted for consideration and approval of members on the 21st inst.

Meanwhile, mills have welcomed the Government's announcement detailing the procedure for import of 412,000 bales of U.S. cotton under P.L. 480. Of this amount, 275,000 bales is cotton of staple length 1″ and below but not less than 13/16″. The balance is to consist of cotton within the staple range 1-1/16″ and 1-3/16″. Following the aforesaid announcement, there was good demand from spinners for both higher and lower grades of U.S. cotton. Californian 1-5/32″ G.M. was done at Rs. 1,245 per candy for October-November delivery. Lower grades changed hands at prices ranging from Rs. 1,010 to Rs. 1,025. Southern mills were interested in East African growths. B.P. 52 found buyers at Rs. 1,390. Mwanza fetched Rs. 1,195. Sudan G25 was purchased by some Bombay mills at Rs. 1,951 per candy.

Weather and crop development continue to be watched keenly. Fortunately, the present trend is encouraging. To quote one report: "The rains in the Punjab have stopped; the weather now is quite clear with bright sunshine; westerly winds are proving very helpful in drying and soaking the water from the fields. The damage is much less than the earlier expectations. Andhra and parts of Mysore had the much-wanted rains. The weather in Gujerat and Saurashtra remains partly cloudy with some rains, providing the necessary nourishment to the plants. Berar, Khandesh and Madhya Pradesh also report rains which have proved very helpful to the crop. Further small rains would be very welcome in these areas. On the whole, the crop condition is very good."

Cotton futures in the Karachi market fluctuated within a narrow range in thin trading. Values showed little change over the week. The announcement of the cotton policy for the 1960-61 season, which began on the 1st inst., fell flat on traders as there is nothing in it to enthuse them, except perhaps the assurance that the Government had no intention of restricting exports of cotton in any way

during the current season. The rates of export duty on staple cotton and *Deshi* style were kept unchanged at Rs. 75 and Rs. 40 per bale, respectively. The duty on Com lla cotton of East Pakistan was, however, reduced from Rs. 40 to Rs. 20 per bale. This reduction, it was claimed officially, was made not only to increase the competitiveness of Comilla cotton with the Assam Comilla produced in India, on which there is at present no export duty, but also to encourage its cultivation.

In the futures market, N.T.R.G. January Contract receded slightly to Rs. 67-5 from Rs. 67-8 last week-end while the March Contract was quoted an anna higher at Rs. 67-2. Spot prices remained, by and large, unchanged. Sind *Deshi* was done at Rs. 87 per maund, the same rate as last week. Punjab *Deshi* changed hands one rupee lower at Rs. 82. The following are the latest available quotations—in rupee per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

4F Punjab Roller 83-3; S.G. 87-3; L.S.S. Punjab Roller 86-3; S.G. 90-3; N.T. Roller 87-3; S.G. 92-3; L89F Punjab Roller 90-3; S.G. 95-3.

In sharp contrast to the easiness noted last week, the Alexandria cotton futures market ruled distinctly firm during the week under review. The reported damage to the Menoufi crop at a time when foreign demand was becoming stronger touched off a wave of speculative buying. Both the Karnak and Ashmouni contracts came in for active trading. Their quotations, consequently, rose. Spot premium too hardened. The latest quotations—in tallaris per lb.—from Alexandria are as under, the figures in brackets being last week-end rates:

Karnak: November 75.38 (74.46); January 75.30 (73.90); March 75.48 (74.50). *Ashmouni*: October 64.07 (62.62); December 63.80 (62.30); February 63.85 (62.30).

A further rise in futures values was recorded in the Liverpool cotton market, thanks to the speculative buying and mill covering against sale of yarn. The former was induced by the September U.S. crop forecast falling short of expectation of traders in Liverpool who were counting on a substantial rise in the estimated crop this month. Under pressure of buying both the American and American type contracts advanced. Sudan cotton contracts, too, improved on reports of keen Russian demand for Sudan cotton at Khartoum. The following are the latest quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October 22.70; December 22.70; March 22.70; May 22.75.

American cotton mixed growth contract: October 23.00; December 23.00; March 23.05; May 23.10.

Sudan: September 34.75; November 35.00; January 35.00.

The most important development of the week, as far as the New York cotton market was concerned, was the publication, on the 8th inst., of the third Government crop report for the season. The Crop Reporting Board of the Department of Agriculture estimated the 1960-61 cotton crop at 14.58 million bales (of 500 lbs. each), as against last month's estimate of 14.47 million bales and the 1959-60 crop of 14.55 million bales. The yield per acre was estimated at 451 lbs., as against 447 lbs. in the estimate a month ago and last season's harvested yield of 462 lbs.

The latest crop estimate, though it was in line with that of a leading spot house, was still somewhat below the trade expectation. This strengthened the belief that supplies would get tighter as the season advanced and that, if consumption were maintained at present levels, stocks would have to be drawn down. The possibility of an acute shortage was, however, ruled out. Reflecting this, cotton futures values in New York recorded a perceptible improvement during the week.

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

(In cents per lb.)

	13-9-60	6-9-60	29-8-60
Spot	32.45	32.45	32.45
October	31.36	31.09	31.02
December	31.35	31.29	31.30
March	31.81	31.82	31.83

BOOMLET IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 14*th September*

Malabar black pepper witnessed a boomlet during the week under review, in sympathy with New York and Singapore. New York dealers who were hesitating to buy Lampong around $0.50 during the last week were reported to have bought a sizable quantity at progressively high price from Singapore from $0.51 to $0.53. New York dealers raised their buying limits for Malabar too. They started bidding around $0.53/54, but very few parcels were reported done, as short sellers and speculators boosted the prices so as to make export impossible. The rise in New York at once reflected on Singapore and India, where technical reaction was reported overdue after the recent decline. The present rise in New York, Singapore and India is reported to be due to the following among other reasons:

1. Detention of a sizable quantity of Lampong at the Port of New York.

2. Short-covering by bears in Singapore and India who took short positions during the decline.

At Cochin garbled rose to Rs. 255. Ungarbled was in request at Rs. 1,450. Calicut was quoting at Rs. 1,550. Sellers in Tellicherry area were more stiff when compared with those in Alleppey.

Singapore was firm to steady under buying enquiries from New York, the latest prices for White and Black being Str.$280 and Str.$175, respectively. London refused to follow the present rise, white after having improved to 64½d. declined to 63d. Nervousness among Singapore dealers during the last week seems to have subsided, though temporarily, in view of the sizable support by New York and the resistance to lower prices by stockholders.

Spot in New York rallied from $0.52 to $0.56 as tight position in ready was created by the detention of Lampong ex-two/three steamers from Singapore. It is said in some quarters that the detention can be managed by asking for a second analysis, if the buyers want to pass time for taking delivery for some reason or other. There are unconfirmed reports that some stock of pepper in New York is damaged by the recent heavy rains and gale. Yet, the behaviour of the market there denotes that it is more or less a bull propaganda.

The future of the market depends upon the selling policy of Singapore and Lampong exporters. But the accumulation of stock at ports in Indonesia and the regular weekly arrivals of sizable quantity of Lampong from Indonesia in Singapore will sooner or later have their effect on the market, unless some manœuvring is done in the meantime by strong bulls both in Singapore and New York.

Though the stockholders and dealers in India are bearishly inclined, outside speculators are bullish. It remains to be seen how Indian market behaves in the coming two or three weeks at the time of the maturity of October Contracts in the Cochin Ring and in face of pressure of arrivals at Singapore. Interested parties are floating rumours every now and then that one or other East European countries are in the market for Malabar pepper, with a view to encouraging and sustaining the spirit of the bull speculators.

Ready pepper in Bombay is nominally quoted at Rs. 197 per Bengal maund. At the time of writing, the market is quiet after the recent rise.

BEMBERG YARN RALLIES

(From Our Own Correspondent)

BOMBAY, 14*th September*

Renewed rumours regarding a possible cut in import quota for art silk yarn and hopes of enlarged demand from consuming centres led to a virtual buying spree in Cupressa Bemberg Yarn (60 x 1) during the week under review. The stringency in the money market had no effect. Nor were reports of heavy arrivals of imported yarn during the month of August 1960 of any avail. Consequently, values recorded a distinct improvement. Staple fibre yarn attracted good support on expectations of better enquiry. Imported and indigenously produced art silk yarns, however, tended to move down on account of selling induced by reports of encouraging supply position as a result of heavy imports. Cotton yarns ruled dull. Business put through was limited, with values moving narrowly.

The quantity of foreign art silk yarn that actually arrived in Bombay Port during August 1960 was 4,920,955 lbs., as against 3,134,575 lbs. in the previous month. Imports of synthetic yarn and cotton yarn amounted to 236,879 lbs. and 42,341 lbs., respectively, the corresponding figures for July 1960 being 175,467 lbs. and 42,565 lbs. Exports of cotton yarn from Bombay Port during August aggregated 427,508 lbs., as against 322,272 lbs. and those of cotton sewing thread were of the order of 33,341 lbs., as against 43,634 lbs.

Cupressa Bemberg yarn (60 x 1) October delivery jumped up from Rs. 2,078 to Rs. 2,124. December delivery advanced by Rs. 42 to Rs. 2,127. Spot Cupressa spurted by 13 nP to Rs. 9.50. 150 Japan gathered 3 nP to Rs. 6.09. 120 Italy, however, declined by 6 nP to Rs. 5.56. 120 Janan and 150 Italy lost 4 nP each to Rs. 5.65 and Rs. 6.15, respectively. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade receded by 10 nP to Rs. 5.84. 150 Bt. cones 1st grade dropped 4 nP to Rs. 5.26.

Staple fibre yarn (40 x 2) October delivery evoked good enquiries and recorded a rise of Rs. 18 over the week, today's closing rate being Rs. 729. December contract hardened by Rs. 15 to Rs. 736. Spot Centurys put on 10 nP to Rs. 366. Citys increased by 7 nP to Rs. 3.81. Kohinoors gathered 6 nP to Rs. 3.84.

In the cotton yarn section, ten counts Podars shed 25 nP to Rs. 18. Gokaks were quiet at Rs. 18.37. Twenty counts Moderns were dull at Rs. 23.50, as also Gokaks at Rs. 23.25. There was practically no change in the quotations for sixty and eighty counts. Forty counts, however, met with special support. Minaxis improved by 50 nP to Rs. 31.75 and Maduras by 37 nP to Rs. 31.37.

The following table gives prices of rayon, staple fibre and cotton yarns quoted today, as compared with those eight days ago:

	14-9-1960	7-9-1960
Art silk yarn—	Rs.	Rs.
60/1 Cupressa Bemberg (100 Kg.)		
October	2,124	2,078
December	2,127	2,085
60/1 Cupressa Bemberg spot (per lb.) ..	9.50	9.37
120 Japan (per lb.)	5.65	5.60
150 Japan (per lb.)	6.09	6.06
120 Italy (per lb.)	5.56	5.62
150 Italy (per lb.)	6.15	6.19
Staple fibre yarn—		
October	720.00	711.00
December	736.00	721.00
40 x 2 Kohinoor (per lb.)	3.84	3.78
40 x 2 Century	3.66	3.56
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.00	18.25
20s Gokak	23.25	23.25
40s Minaxi	30.75	30.25
60s Rachuvamshis	59.00	59.00
80s Finlay	80.80	80.80

HIDES AND SKINS BEARISH

(From Our Own Correspondent)

MADRAS, 12*th September*

The tanned hides and skins market seems to be passing through a difficult period. E.I. tanners are not able to sell their output at replacing costs. Importers overseas are not keen to buy except against specific orders and do not seem to have confidence in the prices at origin. Export business has been patchy and small.

The tone is bearish all round—in hides and skins. E.I. tanners hope that the current low level of prices would attract regular and steady business, ere long.

In the tanned skins public auctions held in Germany last week, 40 per cent. of the quantities offered was sold at good prices—sometimes at 9d. over current c.i.f. levels. It must be admitted that most of the parcels were not of the types that were currently required by the German trade.

The next London tanned skins public sales take place on the 26th inst. when 200,000 goat skins and 150,000 sheep skins will be available for sale. Demand is likely to be selective.

GROUNDNUTS MAKE FURTHER HEADWAY

(From Our Own Correspondent)

BOMBAY, 14*th September*

Distinctly buoyant conditions continued to prevail in the oilseeds market during the week under review also. The Prime Minister's call for an all out bid to promote exports by "sending out not merely what we can spare, but by tightening the belt," in his address at the National Development Council, led to considerable speculative buying. Operators believed that fresh export incentive schemes would be brought into force. A section of them, however, continued to be apprehensive about the prospects for exports since they thought that the undue spurt in prices would naturally make the Indian oilseeds and oils uncompetitive in world markets.

In the groundnut section, the firmness displayed in the previous weeks gathered further momentum on sustained bull support during this week, after remaining somewhat subdued in the initial sessions. Despite reports of some improvement in the drought conditions in certain parts of Andhra and Mysore, as also Saurashtra, operators tended to believe that the total production would be smaller than in the previous season. Added to this, there were hopes of more attractive incentives for exports seeds, oils and oilcakes. The spot section, however, remained depressed mainly on account of new crop arrivals on a sizable scale. The support extended by the *vanaspathi* manufacturers was only moderate. The February 1961 contract which had closed at Rs. 204 last week-end spurted to Rs. 207.25 today, after fluctuating between Rs. 202.25 and Rs. 208. Nizam bold, however, suffered a setback of Rs. 2 to Rs. 44.75. Coromandel eased by Re. 1.25 to Rs. 45. Oil ex-mill lost 37 nP to Rs. 24.50.

The castorseed section put on a cheerful appearance during the week, despite protracted absence of enquiries from the U.S. for castor oil. Even the fear of heavy tenders against maturing contract had no effect. The strength in this section was due mainly to the long-term outlook for castor oil exports. Operators expected that the Government might come to the assistance of the trade for promoting exports of oil. The distinct improvement in the volume of castor oil exports so far this year also gave them room for optimism in regard to the scope for prompting castor oil exports. Reports of unfavourable weather conditions from Gujerat was another factor that imparted some strength to this section. The maturing contract forged ahead from Rs. 163.87 to Rs. 177.75 by yesterday. It, however, declined to Rs. 170 today on profit-taking. The May 1961 contract, too, rose from Rs. 169.87 to Rs. 176.75 by yesterday, though it closed little lower at Rs. 175.50 today. Ready Madras also hardened by a rupee to Rs. 34.12. Oil Commercial put on 25 nP to Rs. 18.

In sympathy with other major oilseeds and oils, linseed also ruled firm. While the outlook for export of oil continued to be dismal, there were hopes of new incentives for promoting its exports. The linseed September contract rose from Rs. 31.12 to Rs. 32.06. May 1961 contract was higher by 59 nP at Rs. 33.34. In the ready section, bold ready gathered 87 nP to Rs. 16.62. Linseed oil closed higher at Rs. 16.62, as against Rs. 16.06 last week-end.

The cottonseed section remained subdued, after displaying some strength early in the week. The February 1961 contract improved from Rs. 92.75 to Rs. 93.50 by Friday but gave way subsequently to wind up the week at Rs. 92 today.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	14-9-1960	7-9-1960	30-8-1960
Groundnut	Rs.	Rs.	Rs.
February 1961	207.25	204.00	199.00
Nizam bold	44.75	46.75	46.50
Coromandel ready	45.00	46.75	47.75
Khandesh quality	44.75	46.75	47.50
Oil ex-mill ready*	24.50	24.87	24.75
Railway receipts*	24.19	26.62	24.62
Castorseed			
September 1960	170.00	163.87	164.75
May 1961	175.50	169.87	171.87
Ready Madras	34.12	33.12	33.12
Ready Kanpur	32.87	32.00	31.75
Oil E.S.S.†	19.31	18.94	19.12
Oil commercial†	18.00	17.75	17.94
Linseed			
September 1960	32.06	31.12	31.75
May 1961	33.34	32.75	33.12
Bold ready	32.12	31.25	31.62
Oil ready†	16.62	16.06	15.94
Cottonseed			
September 1960	—	153.50	156.50
February 1961	92.00	92.75	94.50
Niger seed	37.00	37.75	37.50
Kardi seed	24.50	24.50	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter. Rates for 1961 delivery contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms.

EXPORT TEAS IN DEMAND

(From Our Own Correspondent)

CALCUTTA, 13*th September*

Good demand was in evidence in the export auctions held yesterday, but prices disclosed a mixed trend. There was a further improvement in tea bookings to the U.K., and there was no difficulty in getting bookings. Reports from most districts from North East India have indicated poor outturn in August, but immediate prospects were considered fair.

Strong general demand was in evidence at the internal sales held last week, when dusts on offer totalled 20,901 packages. Prices followed a two-way trend. Thus, while medium C.T.Cs added 20 to 30 nP and brighter liquorings from the same category recorded even a bigger rise, orthodox teas declined by 20 to 30 nP. All liquoring teas sold well, and the appreciation in the prices of best C.T.Cs varied, depending on quality. Keen competition was offered to legg-cut Dooars and prices were considerably higher. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. dust Rs. 6.40 to Rs. 6.90, medium Assam C.T.C. dust Rs. 6.00 to Rs. 6.30, medium Assam dust Rs. 4.70 to Rs. 5.30, and medium Dooars dust Rs. 4.60 to Rs. 4.75.

Leaf on offer amounting to 184 packages met with good demand, and prices appreciated.

Offerings during yesterday's auction's totalled 73,375 packages. Depending on quality, there was good demand, but prices were irregular. A strong feature was provided by whole leaf grades which were quoted higher, while the better teas of this kind eased liberally. Prices for best and medium C.T.Cs eased by 50 nP to Re. 1. Although the poorer C.T.Cs met with good support, prices were irregular and more often easy than dear. Tippy teas and Darjeelings declined. Keen competition was offered to plain brokens and fannings and prices rose. Legg-cut teas were also in good demand at hardened rates. Bright liquoring Assam B.O.Ps were about firm, while the plainer liquoring B.O.Ps, better Dooars B.O.Ps and O.Fs eased. Fannings eased, but medium B.Ps were irregular. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 8.00 to Rs. 9.50, best Assam C.T.C. B.P. Rs. 8.00 to Rs. 9.00, clean black pekoe Rs. 5.30 to Rs. 5.55, medium fannings Rs. 5.10 to Rs. 5.40, medium B.P. Rs. 4.80 to Rs. 5.30, plain fannings Rs. 4.45 to Rs. 4.75, and plain B.P. Rs. 4.40 to Rs. 4.55.

Export quota was quoted at ½ nP, but buyers were prepared to offer only ¼ nP. No transactions took place.

GOOD SUPPORT FOR SOUTH INDIAN TEAS

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

COCHIN, 6*th September*

Sale No. 34:—Offerings in sale No. 34 held on 6th September 1960 totalled 780,000 kilograms. *Quality from the Nilgiris and Anamalais was* rather irregular, but from the other districts was well maintained. With good support from both exporters and internal buyers, there was a very strong active market. Prices were generally dearer for most descriptions. Buyers showed keen interest in low mediums and mediums which were up to 20 nP dearer with their fannings sometimes advancing more. There was good demand for good mediums which were irregularly dearer by 10 nP. Highgrowns met with an irregular enquiry. Best highgrowns with improved quality faced keen competition and advanced in price, whilst others came to an irregular market following quality. Demand for C.T.C. and legg-cut teas continued strong and these teas are quoted firm to dearer. There was good support for whole leaf grades at advancing rates.

	1960	1959
	Rs.	Rs.
Low medium	4.00/4.25	3.52/3.74
Medium	4.30/4.55	3.85/4.07
Good medium	4.55/5.15	4.63/4.85
Quality	5.10/8.10	5.07/7.82

The average price realised was Rs. 4.80 per kilo, as compared with Rs. 4.58 in the previous sale and Rs. 4.48 in the corresponding sale of 1959.

Dust Sale 'GG':—294,000 kilograms were offered in sale No. 'GG' held on 8th September 1960. Quality was well maintained. There was a strong general demand and prices were firm to dearer for all descriptions. Coloury mediums, particularly powdery descriptions, were in keen demand and advanced by 10 nP to 20 nP. There was good support for the plainer sorts and low mediums at firm to dearer rates. Highgrowns were well supported, although these sold at irregular rates following quality. C.T.C. and legg-cut types ruled steady on last week's rates. Black grainy descriptions sold well.

The average price realised was Rs. 4.35 per kilo, which compares favourably with Rs. 4.21 fetched in the previous sale and still more favourably with Rs. 4.07 realised in the corresponding sale of 1959.

Export Quota:—No business has been done over the past two weeks and, owing to the further shortfall in the North Indian crop, we think it unlikely that any will be done.

Colombo:—Just over 5¾ million pounds were offered and met with a strong general demand. Best Dimbulas advanced 20 to 30 cents, whilst those below were irregular, but up to 25 cents dearer. Mediums inclined 5 to 15 cents, whilst lowgrowns were steady.

London: North Indian and other growths:—In Monday's auction, there was a strong demand and the best Assams realised attractive prices. Dooars and African teas were dearer.

Ceylon and South Indians:—In Tuesday's sale, 21,026 packages were on offer. Out of this quantity 6,318 packages were from South India. There was a good demand and prices were firm for all descriptions with the better types selling at rates dearer over the previous week.

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

"*Sale* 35:—561,000 kilograms. Market very strong and dearer. Low medium and medium brokens up to 20 nP dearer. Similar fannings up to 40 nP sometimes more. Good medium advanced irregularly 10 nP. Best liquoring much dearer where quality improved. Tippy teas neglected."

RAW JUTE RECEDES

(From Our Own Correspondent)

CALCUTTA, 13*th September*

Although new fibre arrivals continued to be restricted during the week under review, mills were reserved and as a result prices for fibre declined. A decline in prices of goods followed. Market circles made significant note of the interest shown by U.S. buyers towards the end of the week. Support for heavy goods from buyers on behalf of several countries was steady, and mention should be made of the continued Australian buying of cornsacks. As much as three vessels were loaded with cornsacks for Australia. With speculation holding sway in the goods market, the announcement of a decline in stocks of goods with mills as at the end of August did not receive much attention. Moreover, some decline had been anticipated following good month-end business. The stocks of gunnies, amounting to 83.300 tons, were lower by 4.800 tons. The largest fall was recorded in sacking which dropped by 3,500 tons to 4,300 tons. Hessian went down by 800 tons to 30,900 tons and miscellaneous constructions by 500 tons to 9,400 tons.

A factor, which contributed to arrest the upward trend in raw jute was the reserve which mills put up. For it was realised that prices of goods must go down, if steady support should be forthcoming from foreign countries. The fall in fibre prices was significant against the background of rumours spread by bulls that the heavy rains of this week caused floods and that standing crops had been affected. These rumours had been spread by interested quarters, but in fact the splendid rains of this week raised the water levels in canals and tanks and these are now adequate for retting.

It has been a good sign that fibre prices have commenced moving down. The upward trend had been the work of speculators, and the low stocks with mills and the Government of India's delay in the issue of licences for the import of cuttings from Pakistan paved the way for the speculative elements.

On Tuesday, offers of jute goods met with no response, and this was followed by profit-taking by speculators. Moreover, in the futures market there was selling pressure. As a result, in the ready goods section, B. twills fell to Rs. 141.50 from Rs. 143. On the following day selling pressure continued in both ready goods and in futures, and at lower levels some buying was in evidence. However, overseas buyers kept away. Thus, ready B. twills sagged to Rs. 140.80 and hessian 40" 10 oz. to Rs. 48.35. The announcement in the fall in goods in stock with mills was made on Thursday, but, despite this, prices fell as foreign buyers thought that rates must move down further before they extended support. B. twills fell to Rs. 139.75 and hessian 40" 10 oz. to Rs. 47.75. At this stage, buying developed in the futures market, but profit-taking was also in evidence. Thus, November B. twills futures moved up to Rs. 125.80 after opening at Rs. 124.90 to close at Rs. 124.95. Fractional losses were recorded in ready goods on Friday, when B. twills declined to Rs. 138 and hessian 40" 10 oz. to Rs. 47.50. Over the week-end, some interest was shown by the U.S., and hessian 40" 10 oz. hardened to Rs. 48.15. In sympathy, B. twills improved to Rs. 139.65. Prices hardened by a little yesterday, and B. twills closed at Rs. 140.50 and hessian 40" 10 oz. at Rs. 48.25.

Fibre prices moved down, owing to the poor interest shown by mills. However, arrivals in agencies continued to be poor, and sellers were also reserved. This phenomenon even on the eve of the *Poojas*, when growers would be requiring ready cash, added emphasis to the oft-repeated hypothesis that prosperity among growers had considerably added to their holding power in recent years. No doubt, middlemen were also on the stage, but mills confidently expected that the crop being undamaged, a bumper crop would pull down prices as the season progressed. Daissee bottoms October-November declined to Rs. 109.75 per 100 kgs. from Rs. 113.75 and northern bottoms to Rs. 105.75 from Rs. 110.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 12*th September*

Sugar ruled quiet during the week at Rs. 111.50 per bag in wholesale and Re. 1.09 per *seer* in the open market, as against the controlled prices of Rs. 108.50 per bag and Re. 1.01 per *seer*. Supply position was reported to be easy and another monthly quota of 200,000 tons has been released by the Government for sales, but distribution would remain controlled in the U.P., the Punjab and Bihar as before. It was revealed that about 33 per cent. out of the 25,000 tons monthly quota allotted to U.P. was not being lifted, despite increase in per unit quota from 1½ *seer* to 3 *seers* per month.

After an early rise to Rs. 113 to Rs. 114 per bag, sugar declined to be quoted towards the week-end at Rs. 112 to Rs. 113 per bag in the Muzaffarnagar market, thanks to satisfactory supply position. The mills in the district were said to be preparing to begin their crushing season early in November.

Sugar continued quiet at Rs. 113 per bag in the Kanpur market during the week under review.

Khandsari, after ruling quiet during the major part of the week, improved by about Re. 1 per maund towards the week-end, as superior quality was in request from Saurashtra and Kutch, while buyers from the Punjab and Rajasthan were interested in inferior quality. Following heavy rains, *khandsari galaputi* was quoted lower and week-end prevailing prices were:—*galawat* Rs. 23 to Rs. 27; inferior Rs. 29 to Rs. 31; superior Rs. 32 to Rs. 40.50; crystal *khandsari* Rs. 36 to Rs. 41.50 a maund.

Ready *gur* ruled quietly steady, as demand was reported only for dry quality, the stocks of which were very small. The coming cane crop prospects were considered to be bright and crushing operations for *gur* were expected to begin early next month. The prevailing prices were: dry *gur* Rs. 16.25; *kotha* Rs. 15; *shakker* Rs. 17.50 a maund.

Gur was quoted 25 nP to Re. 1 per maund lower in the Muzaffarnagar market during the week, due to poor demand. Stockists were anxious sellers and crushing for new season would commence shortly. A small quantity of new *gur* reached Meerut market which was lifted at Rs. 17 to Rs. 18 a maund. The latest prevailing prices in the Muzaffarnagar market were:—*Chuk* dry Rs. 19.50; *kotha* mixed Rs. 17; *dana minja* Rs. 15 to Rs. 18; *shakker kotha* Rs. 14 to Rs. 15 a maund.

DAMAGE TO FOOD CROPS FEARED

(From Our Own Correspondent)

HAPUR, 12*th September*

Steady to firm conditions prevailed in the food-grains market during the week, as reports of losses to crops were received from the Punjab and some districts of U.P. following recent floods. Wheat at Hapur continued to rule steady at Rs. 17.25 a maund for *dara* quality and at Rs. 18.25 for farm produce. Daily arrivals of wheat were modest, at an average of 150 maunds, which were being lifted by consumers. Sales of wheat and flour were being continued through Government sponsored fair-price shops.

Rice continued to rule quiet during the week. *Sela basmati* was done at Rs. 30 to Rs. 33, *mainpuri* at Rs. 22.75, *ramajwayan* at Rs. 24, *raimunia* at Rs. 25 and *gadda* at Rs. 19.75 a maund. The supply position of rice in the country was reported to be satisfactory, with the present stocks put at 1.2 million tons by the Central Government and Government proposed to build a buffer stock of two million tons. It was said that a fresh five-year agreement would be entered into with Burma to import rice as current agreement was about to end and that negotiations were being held with Thailand to import 50,000 tons of rice.

Gram, after an appreciable advance to Rs. 16 for Punjab variety and Rs. 15.75 for old stuff, registered a halting trend, as the U.P. Government sold its stocks of about 100,000 maunds to traders which were being resold in the market at Rs. 15.31 a maund. Heavy losses to crops in the Punjab were reported. Waterlogging in flooded areas of Punjab and U.P. would also adversely affect *rabi* sowings which would be delayed in most of the areas and, in some cases, no *rabi* sowings would be possible. Barley improved fractionally to Rs. 12.75. *Bejhar*, too, was quoted higher at Rs. 12.25 a maund for inferior quality and at Rs. 12.75 for *moongia* variety.

Preparation of land for *rabi* sowings is in full swing. Apart from some tracts of land which would be waterlogged, all available land vacated from maize and fodder crops would be available for such sowings.

BETTER DEMAND FOR METALS

(From Our Own Correspondent)

CALCUTTA, 13*th September*

Following an improvement in demand, steadier conditions were in evidence in the metal market during the week under review, with prices registering modest gains. Tin opened at Rs. 555 a cwt. and shot up to close at Rs. 563. Demand outpaced supply, and shortage was felt. Trade circles were anxious about the acute foreign exchange situation, but thought that, in view of the importance of metals in industrial development, adequate quotas would be maintained in the important metals. Although reports from Singapore were not encouraging, a dearer trend was in evidence on the London Metal Exchange, where the price rose from £801½ to £803 per ton. During mid-week, however, a low of £798 was touched. Electrolytic zinc was another item which moved up here. At Rs. 175 per cwt., the week's net gain was Re. 1; earlier, the rate had moved down from Rs. 177.50 to Rs. 167 which was the highest level for the week. In London, the price closed substantially higher at £87 a ton, after opening at £85½. The upward trend in London was attributed to the reserve of buyers on the eve of the study group conference on zinc and lead at Geneva.

Copper scrap was in more demand here, in view of resumption of normal railway link through Orissa and accumulated demand from that area and/or from areas linking Calcutta through Orissa. At Rs. 202 per cwt., utensil scrap gained Rs. 2 and the berry quality remained unchanged but firm at Rs. 216 a cwt. The bigger consumers were believed to have adequate stocks of the virgin metal imported on "own" account. The fall in London from £235 to £234½ a ton was due to the better world supply situation. Rhodesian copper has now commenced to flow again to world markets after the termination of the labour dispute. Any possible shortfall in Chile in the event of the disturbed labour situation taking a worse turn there is not considered to affect the balance between world supply and demand. Virgin lead was unchanged at Rs. 66 a cwt.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 9th Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		40,00,00,000
National Agricultural Credit (Stabilisation) Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government	62,63,18,000	
(2) Other Governments	27,25,00,000	
(b) Banks	115,67,53,000	
(c) Others	89,85,28,000	
Bills Payable	10,18,40,000	
Other Liabilities	15,97,50,000	
Rupees	457,25,14,000	

ASSETS	Rs.	Rs.
Notes		14,72,51,000
Rupee Coin		2,35,000
Subsidiary Coin		5,69,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		27,26,48,000
Balances held abroad*		92,67,47,000
Loans and Advances to Governments†		29,17,69,000
Other Loans and Advances		148,57,40,000
Investments		202,76,81,000
Other Assets		11,98,75,000
Rupees	457,25,14,000	

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 10,67,30,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,72,51,000	
Notes in circulation	1808,21,70,000	
Total Notes issued		1822,94,21,000
Total Liabilities		1822,94,21,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		130,51,53,000
Government of India Rupee Securities		1451,65,76,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1822,94,21,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	2nd Sept., 1950	26th Aug., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1795 33	1776 59	1812 32	1664 91
Notes held in Banking Department	35 05	8 51	27 99	14 15	22 36
Foreign Securities	59 50	123.01	123 01	128 01	103 01
Rupee Securities	87.39	1431.66	1431 65	1451 57	1271.19
Banking Department					
Deposits of:					
Government of India	14.39	52 90	62 67	57 38	65 24
Other Governments	..	46 68	28 46	17 85	23 82
Balances held abroad	10.06	20 34	23 52	19 85	21 23
SCHEDULED BANKS					
Demand Liabilities	134.36	796 80	801 55	783 75	737 72
		(22 96)†	(20 98)†	(19 46)†	(23 86)†
Time Liabilities	102.24	1193 75	1212 09	1220 11	1095 99
		(25 70)†	(26 66)†	(28 45)†	(25 70)†
Borrowings from Reserve Bank	..	54 85	17 05	33 09	2 11
		(10 10)‡	(7 25)‡	(10 85)‡	(0 10)‡
Borrowings from State Bank	..	16 05	12 22	11 44	4 24
Cash in India	6.70	48 04	45 50	43 42	41 87
Balances with Reserve Bank	25.17	107 60	110 62	113 36	69 27
Balances with other banks in current account in India	..	16 49	17.09	14 64	13.73
Money at call and short notice in India	..	34 34	35 12	36 56	34.47
Investments (at book value)	..	748 40	744 03	738 11	748 35
Advances and bills	105.9	1129 25	1103 64	1123 03	934 37
STATE BANK					
Deposits	97.76	609 86	608 98	609 97	562 41
Investments	51 99	395 34	397 14	389 26	371 55
Advances	30 35	213 98	199 49	209 51	166 00
Cash	14.69	27 18	22 94	25 79	23 34

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

R—Revised Figures.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	2 50	2 25
Ceylon	13th Aug., 1960	2 50	4
Chile	Feb., 1957	4 50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	3	4
Finland	Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	5	4
Peru	Nov., 1959	6.00	5.50
Philippines	Feb., 1959	4.50	6.50
Portugal	30th Jan., 1944	3	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	Feb., 1945	..	4
Turkey	6th June, 1956	4.50	5
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July, 1936	5	4
U.S.A.	11th Aug, 1960	3.50	4
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest quotable rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 9th Sept. 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,20,00,000
Deposits and Other Accounts		605,12,27,000
Borrowings from Other Banking Companies, Agents, etc.		1,14,25,000
Bills Payable		9,18,13,000
Bills for Collection being Bills receivable as per contra		2,13,33,000
Acceptances, Endorsements and Other Obligations per contra		1,79,49,000
Other Liabilities (including Inter-Office Adjustments)		18,78,24,000
Total .. Rs.		650,98,21,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		31,99,49,000
Balances with other Banks		3,02,09,000
Money at Call and Short Notice		66,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	367,90,78,000	
Other Authorised Investments	9,87,02,000	
		377,77,80,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	202,17,83,000	
Bills Discounted and Purchased	10,05,21,000	
		212,81,03,000
Bills Receivable being Bills for Collection as per contra		2,13,33,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,79,49,000
Premises less Depreciation		1,26,41,000
Furniture and Fixtures less Depreciation		1,30,11,000
Other Assets (including Inter-Office Adjustments)		18,21,83,000
Total .. Rs.		650,98,21,000

Scheduled Banks*

Statement of Affairs for the week ended 2nd Sept., 1960

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	22,97,81,000
(ii) Other demand liabilities	773,92,79,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	25,69,00,000
(ii) Other time liabilities	11,68,05,07,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	15,03,31,000
(ii) Time liabilities	1,02,00,000
Borrowings in India from the Reserve Bank of India†	51,85,75,000
Cash in India	(10 10 30,000)
Balances with the Reserve Bank in India	48,03,97,000
Balances with other banks in current account in India	107,59,82,000
Money at call and short notice in India	16,49,08,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	718,49,29,000
Advances in India	981,59,06,000
Inland Bills, purchased and discounted in India	9,65,79,000
Foreign Bills, purchased and discounted in India	48,00,59,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
21st June	2 00	2 02	2 00	2 745	99 315
22nd to 25th June*	0 07	—	0 07	—	99 326
28th June	2 00	2 00	2 00	2 745	99 315
6th July	2 00	2 00	2 00	2 745	99 310
12th July	2 00	2 02	2 00	2 745	99 325
26th July	2 00	2 00	2 00	2 745	99 310
2nd August	2 00	2 26	2 00	2 737	99 310
3rd to 6th Aug.*	0 16	—	0 16	—	99 322
9th August	2 00	2 00	2 00	2 715	99 310
10th to 13th Aug.*	1 10	—	1 10	—	99 320
16th August	2 00	2 00	2 00	2 540	99 365
17th to 20th Aug.*	0 25	—	0 25	—	99 381
23rd August	2 00	2 00	2 00	2 540	99 365
24th to 27th Aug.*	0 01	—	0 01	—	99 381
6th Sept.	2 00	2 00	2 00	2 540	99 365
13th Sept.	2 00	2 00	2 00	2 540	99 365
Total amount outstanding	23.59	..	23.59	..	..

* Intermediate Treasury Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	27th Aug. 1960	20th Aug. 1960	29th Aug. 1959	July 1960	July 1959	Percentage of Increase (+) or Decrease(−) in June 1960 as compared with July, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	123 5	122 4	120.2	124.0	121.0	+ 2 5	119.0	115.2
Cereals	192	108 4	108 4	107 6	109 5	107 0	+ 2 3	104.1	106.8
Pulses	43	93 1	93 1	90 5	94 1	95 7	− 0.8	93.6	103.9
Fruits and Vegetables	23	135 4	134 5	151 6	126 8	140 5	− 9 8	127.8	117.0
Milk and Ghee	84	119 2	115 6	110 2	121 5	117 6	+ 3.3	113.3	107.3
Edible Oils	47	147 5	147 0R	125 6	147.3	131 3	+12 2	130.4	124.3
Fish, Eggs and Meat	17	128 4	126 9	113 0	127.4	114 7	+11 1	112.0	108.4
Sugar and Gur	46	140.3	139 2	147 6	140.0	146 5	− 4 4	147.0	122.8
Others	50	168 0	168 7	167 1	168 8	161 3	+ 4 6	167.9	151 3
Liquor and Tobacco	21	104 2	104 7	99 2	103 6	98 9	+ 10 8	99.5	95.4
Tobacco	—	102 4	103 3	97 6	108	97 3	+ 11.1	97.9	93.8
Fuel, Power, Light and Lubricants	30	119 4	119 5R	116 1	118 3	115 8	+ 2 3	116.5	116.4
Industrial Raw Materials	145	137 2	136 9R	120.3	137.2	120 2	+14 1	123.7	115.9
Fibres	61	136 3	135 9R	111 3	134 4	119 6	+12 4	113.3	108.0
Oilseeds	60	145.9	145 8R	132 3	150 9	135 3	+11 5	134.6	127.0
Minerals	2	98 2*	98 2	98 2*	98 2	98 2	—	97.8	106.0
Others	22	125 0*	125 2*R	118 1*	126 6	113 6		121.6	109.2
Manufactures	330	122.7	122 4	109.7	121 0	109 2	+10 8	111.8	108.4R
Intermediate Products	41	129 2	130 0	109 8	130.4	108 5	+20 2	113.8	109.3
Finished Products	240	121 6	121.1	105 7	119.4	109 3	+ 9.2	111.3	108.1R
Textiles	147	124 5	123 6	105 2*	120.4	104 5	+15 6	107.8	103.3R
Cotton	—	131 8*	131 6*	113 2*	130 0	113 8	+14.7	116.9*	117.8R
Jute	—	118 4	114 7	91 0	106.8	87 7	+21 9	90.6	86.5
Woollen	—	110 1*	110 1*	104 2*	110 1	104 2	+ 5 7	104.2	105.6
Silk and Rayon	—	101 2*	101 2*	102 7	102 8		+10 7	98.4	93.2
Metal Products	12	146 8	146 8	143 3	146 8	143 3	+ 2.4	144.8	143.1
Chemicals	20	103 8	103 6R	107 8	102 7	106 7	− 3 7	106.9	106.8
Oil Cakes	10	137 2	137 1*	141 4*	139.1	145 3	− 4.3	143.8	136.9
Machinery and Transport Equipment	31	111 1	111 1	105 3*	111 0	105 0	+ 5.8	106.2	103.9R
Others	30	115 6	116 0	113 6	115.8	113 6	+ 1.9	116.4	113.7
All Commodities	1,100	124 9	124 9	116 6	124.7	116.8	+ 6.8	117.1	113.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at the group index.

R—Revised. * Estimated.

State Bank of Pakistan

Statement of Affairs for the week ended 2nd Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		4,15,00,000
Deposits:—		
(a) Central Government	18,59,63,000	
(b) Provincial Governments	1,80,19,000	
(c) Banks	17,57,54,000	
(d) Others	97,03,18,000	
Bills Payable	16,53,000	
Other Liabilities	10,55,92,000	
Rupees	152,67,99,000	

ASSETS	Rs.	Rs.
Notes		10,00,67,000
Rupee Coin		39,000
Subsidiary Coin		46,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		....
Balances held outside Pakistan*		25,07,01,000
Loans and Advances to Governments		9,19,99,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		6,38,92,000
Investments		92,00,76,000
Other Assets		8,80,75,000
Rupees	152,67,99,000	

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,00,67,000	
Notes in circulation	344,94,39,000	
Total Notes issued	....	354,95,06,000
Total Liabilities	....	354,95,06,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion		
Foreign Securities	73,06,99,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		140,74,40,000
B. Rupee Coin	5,01,85,000	
Government of Pakistan Securities	203,28,66,000	
Internal bills of exchange and other commercial paper	....	208,30,51,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,05,000
Total Assets	....	354,95,06,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 41 23 per cent.

EXCHANGE RATES

		12th September 1960	Previous week
Bombay on London—			
Sellers T.T., D.D. Spot	s.	1-5⅛	1-5⅛
Sellers T.T., D.D. upto six months	s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	s.	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	s.	1-5⅛	1-5⅛
Bombay on New York—			
Sellers T.T., D.D.	Rs.	475 75	476 25
Buyers T.T.	Rs.	472 50	472 75
London on New York	s.	2 8110-2 8120	2 8111-2 8113
London on Paris	Frs.	13.781 13 783	13 771-13 773
London on Berne	Sw. Frs.	12 1150-12 1160	12 1158-12 1170
New York on London	s.	281 399 281 420	281.100-281.130

CLEARING HOUSE RETURNS

Centre	Week ended 9th Sept., 1960 Number of Cheques	Amount Rs.	Week ended 2nd Sept., 1960 Number of Cheques	Amount Rs.
Bombay	3,78,404	70,19,70,000	3,58,000	98,31,00,000
Calcutta	1,07,000	77,88,00,000	1,34,000	95,55,00,000
Madras	98,379	12,76,71,530	1,03,000	10,69,00,000
All Centres—				
1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,964,000	109,88,05,00,000
April 1960	..	..	4,536,000	10,42,01,00,000
May "	..	..	4,588,000	10,19,66,00,000
June "	..	..	4,237,000	9,56,09,00,000
July "	..	..	4,210,000	9,52,50,00,000

MARKET GOSSIP

(Concluded from page 495)

been less. Similarly, if production of fertilisers had been given a high priority and stepped up, more crops could have been harvested. If the irrigation and power projects had been carried out to the fullest extent or even if the water resources that have already been conserved are fully used, there would have been a marked rise in farm output. Such instances can be multiplied. Suffice it to say that, due to administrative inefficiency, faulty planning and passionate adherence to socialist ideologies, the country's economic difficulties have been needlessly aggravated.

As far as the steel industry is concerned, nearly a year ago, Mr. Biren Mukerjee, Chairman of the Indian Iron and Steel Company, Ltd., had indicated that production of steel was being threatened by the alarming position that had been "allowed to develop in the country in regard to the supply of coking coal." Consequent on the delay in the establishment of coal washeries in the public sector and the commissioning of the coke ovens of the steel plants in the public sector, he added, the demand for coking coal had increased to a point beyond the availability of coal without excessive ash content. A few months later (in January last) Mr. Jehangir Ghandy, Director-in-charge, Tata Iron and Steel Company, Ltd., also drew pointed attention to the inadequacy of good quality coal and its possible repercussions on steel production. It was feared that, from the middle of 1960, all steel plants would have to accept large quantities of poor varieties of coal. "Given this coal supply," Mr. Ghandy warned, "the result inescapably will be both curtailment of production and increase in costs."

Unfortunately, these prophecies have come true, as witness the statement, in the Lok Sabha, of Sardar Swaran Singh, Minister for Steel, Mines and Fuel, in reply to a call attention notice on the low production of pig iron and steel in Rourkela and Bhilai. The Minister, who is in charge of both steel and coal, admitted that production in both these plants had been affected to some extent by the shortage of coal. He coolly added that the commissioning of the third blast furnace in each of these two plants would be delayed, unless "a reasonable and steady supply of coal to the steel plants" was assured. The following are the production trends in the two plants:

(In metric tons)

	Rourkela		Bhilai	
	Pig iron	Steel	Pig iron	Steel
Upto the end of March 1960	273,000	68,000	487,000	92,000
April 1960	32,787	15,625	55,539	23,761
May "	26,005	13,369	56,180	21,538
June "	26,191	14,360	46,507	22,034
July "	30,599	15,360	49,095	26,027
August " (till 29th)	31,877	16,392	50,712	23,914
Total	147,456	75,106	258,033	117,874

The comparatively low production of pig iron in Rourkela has not been due, according to the Minister, to the shortage of iron ore, the stocks of which have been adequate. It is due to other reasons, of which shortage of coal is only one, and that too only during May and June. During these two months, he said, the supply of dhanla coals was unsatisfactory. As against a monthly programme of 66,000 tons, receipts were only about 34,700 tons in May and 32,000 tons in June. The stocks of coal, which were about 69,000 tons in January 1960, had fallen to about 37,000 tons at the end of August. "The effect of poor receipts of coal," the Minister observed, "has not been as much on current production as on the delay in commissioning the third blast furnace. This furnace can be lighted only after sufficient stocks are built up and steady supplies of coal are ensured."

The Minister, however, expressed satisfaction at the overall performance of Bhilai. Explaining the drop in production in June and July, he observed that, following low stocks of iron ore and poor receipts of coal, the working of coke ovens and, in turn, of the blast furnaces, had to be restricted. The stocks of iron ore went down to a low of 30,000 tons in the middle of July. The trouble had not been due so much to the lack of ore as to the non-availability of transport for bringing the ore from the mines to the rail-head. Rail transport to Bhilai had also been interrupted. As a result of subsequent measures taken, the stocks of iron ore had improved to 63,000 tons by the end of August, and those of coal from 28,800 tons at the end of July to 32,300 tons as on 4th September 1960. But this was far from satisfactory. The Minister assured the House that all possible measures were being taken to improve the transport of coal by pressing more wagons into service and by improving the turnround.

Two points emerge from the aforesaid statement. One, steel production is being adversely affected by shortage of both coal and transport. Second, when the blast furnace in Durgapur is ready for production next month, these difficulties will be aggravated and much capital spent on the erection of these productive assets will remain idle, instead of yielding the badly needed goods and revenue. This gives rise to a chain of reactions, one interlinked to another. The failure of coal production to come up to expectations has an adverse effect on the efficiency and capacity of railways. Both together has a telling effect on steel production. Shortage of steel and scarcity of certain essential imported components on account of foreign exchange difficulties, aggravated by the lag in agricultural output, keep down wagon production and this in turn hampers transport of raw materials to factories and of manufactured goods to consuming centres. The cumulative result of all these forces is further strength to the spiral of inflation. The problem is, therefore, one of coordination of efforts and harmonising the different phases of production. This is no small task, but it will be rendered less difficult, if the Government recasts its industrial policy beginning with coal production. Let the private sector do more and let the public sector take on less responsibility for production. In fine, let each sector work according to its capacity. The Government should not stand on prestige at this critical juncture. A more broadminded policy will certainly earn better dividends in the long run.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base 1949=(100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	111	323	95	103	349	102	106	104	102	115	106	114
1954 "	101	359	98	294	85	95	327	106	105	91	95	102	98	106
1955 "	96	338	87	246	78	86	321	97	101	89	96	96	86	103
1956 "	105	353	98	316	89	105	347	111	114	99	103	115	107	108
1957 "	111	369	104	339	94	112	364	116	114	103	103	123	109	121
1958 "	116	395	110	315	98	120	384	124	118	108	108	128	109	131
1959 "	121	425	120	340	98	132	384	133	120	106	105	125	125	140
March 1959	117	401	117	320	99	129	364	127	126	105	95	121	105	135
April "	117	400	119	313	95	130	364	128	119	101	95	121	104	137
May "	119	406	124	328	95	131	371	131	116	103	96	125	104	138
June "	122	413	125	337	97	132	385	134	117	105	98	129	110	141
July "	124	418	127	345	97	133	399	134	117	105	98	129	110	141
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February "	122	418	119	355	96	136	389	139	122	107	97	121	109	144
March "	121	414	116	339	97	135	392	139	119	104	100	122	109	145
April "	122	421	116	346	97	135	396	138	117	104	103	117	109	145
May "	123	421	120	344	96	135	396	140	116	104	105	117	109	146
June "	124	422	121	360	96	135	399	143	117	107	107†	119†	109	146
July "	126†	423	..	362	..	..	..	..	121	108	..	119†	109†	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J	Cumulative Time Deposits 10-Year J	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits	10-Year Treasury Savings Deposit Certificates 3½% F	10-Year Treasury Savings Deposit Certificates 4% G	15-Year Annuity Certificates G	Total	
	Outstandings	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings E	Outstandings	Receipts	Outstandings	Receipts	Outstandings H
1956-57	3,00	6,01	163,68	..	..	..	25,38	−38,82	44,28	..	..	43	1,32	225,88	446,17
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	23,11	−39,73	43,58	588	547	63	1,87	284,32	599,77
1958-59	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	−40,67	42,57	635	11,68	67	2,41	298,28	690,08
1959-60	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	−41,29	41,63	1,64	21,76	66	2,90	296,62	667,36
January 1959	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	−40,50	42,70	57	10,60	5	2,32	24,07	589,17
February "	1,78	3,87	120,95	9,84	143,14	14,93	219,91	21,13	−40,69	42,67	65	11,68	6	2,41	24,68	581,75
March "	1,73	3,79	119,11	11,56	152,48	22,29	226,92	21,01	−40,74	42,49	63	12,26	11	2,50	23,53	585,98
April "	1,70	3,72	117,25	6,36	157,31	16,39	226,90	20,88	−40,74	42,39	61	12,79	5	2,54	21,98	586,46
May "	1,65	3,65	115,69	5,71	162,02	15,88	224,83	20,76	−40,80	42,33	42	13,19	3	2,56	22,40	589,70
June "	1,65	3,59	114,16	6,03	167,24	15,89	224,23	20,61	−40,88	42,25	53	13,66	8	2,62	24,06	604,97
July "	1,63	3,56	112,40	6,17	172,83	17,23	225,30	20,53	−40,88	42,25	53	13,66	8	2,62	24,06	604,97
January 1960	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19,96	−41,27	41,84	1,13	19,77	5	2,81	23,59	630,20
February "	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	−41,27	41,75	1,05	20,79	6	2,86	25,71	636,66
March "	1,50	3,17	99,14	13,09	221,63	29,24	254,94	19,79	−41,29	41,63	96	21,76	6	2,90	43,47	667,36
April "	1,51	3,11	97,35	6,47	226,14	17,87	255,53	19,68	−41,35	41,58	1,63	23,16	9	2,98	26,16	676,00
May "	1,50	3,07	95,55	6,45	231,20	17,90	251,94	19,55	−41,41	41,50	1,06	24,19	5	3,01	24,67	677,23
June "	1,48	3,02	93,84	5,76	235,58	17,35	253,22	19,50	−44,46	41,41	84	25,05	5	3,04	24,13	677,33
July "	..	..	..	..	..	..	..	..	..	41,32	1,11	26,09	4	3,07	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1958. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'F' are not intended. —Commenced from 2nd Jan., 1959. K—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of May 1960 amount to 1.89 lakhs of rupees.

*WEEK'S STO

FOOD SUPPLY AND POPULATION IN DEVELOPING COUNTRIES

(*Concluded from page 500*)

acquired and evolved. Even higher yields should eventually be possible. Many countries, both intensively and less intensively developed, had recorded yields on individual fields approximating to five tons of foodgrain an acre—two or three times the best national averages. The potential of scientific method was so great that it should eventually be possible to produce such yields to order, with the help of fertilisers, among other things, on a large part (if not all) of the cultivated land.

Dr. H. L. Kay, a former Director of the National Institute for Research in Dairying, too, was of the view that, in underdeveloped countries, increase in food production could be far greater than 50 per cent. Large amounts of extra food could be produced without a single new scientific or agricultural discovery, provided advisers were available to spread the knowledge, sufficient practitioners were able and willing to make use of it, finances permitted it, and the social resources of the country encouraged it. These provisos are important and should provide much food for thought and action by the Central and State Ministers in India. One of the chief reasons for the failure of Indian agriculture to come up to expectations is the non-fulfilment of these provisos which in turn is largely the result of ministerial incompetence and administrative inefficiency.

Birth Control

Quite a number of the participants at the Cardiff meeting stressed the importance of restricting the growth of population. Sir George Thomson, the retiring President of the British Association for the advancement of Science, for instance, observed that, in the long run, the only possible answer to the problem of feeding the increasing world population was the voluntary restriction of births to match the falling death rate. The yearly increase of the world's population was roughly equal to the population of the U.K. This was very largely the result of medical science greatly reducing many diseases which killed. It was, therefore, peculiarly the duty of scientists to find remedies for the difficulty they had caused—the difficulty of feeding a rapidly-increasing multitude of which even now a terribly large proportion was under-fed.

Prof. D. V. Glass of the London University, who dealt with limitation of population by birth control, said it was tempting to believe that, in underdeveloped societies, the spread of birth control and of the small family could be made much more rapid. He was fully in favour of the spread of birth control knowledge and techniques. "But I doubt," he cautioned, "if there is, as yet, much basis for expecting the rapid adoption of birth control and of the small-family pattern in many undeveloped societies." It was by no means certain that, if expert advice and assistance were available, many societies would ask for it in the very near future, for fertility, virility, and national pride still tended to be linked. Finally, even if birth-control policies were adopted and assistance requested and obtained, it would be unwise, he went on to add, to assume any sharp change in levels of fertility. Accordingly, he suggested that the world must be prepared for a very massive underpinning of planned economic and social change, with provision of more ample food supplies as an essential basis. He thus came to the conclusion that, while efforts should be made to restrict population growth through family planning, the problem of raising agricultural production must also be vigorously tackled.

MANCHESTER LETTER

(*Concluded from page 506*)

then became apparent is still being reflected in extended order books and long deliveries. It should not, however, be taken for granted that the change in availability of cloth must necessarily mean a reversal of the trading conditions which were encountered at the end of last year. Autumn usually brings a swing to more activity, and the movement of supplies through the centres of distribution this summer has not been unduly affected by the disappointing weather. Sales recorded by the Wholesale Textile Association for the first half of 1960 compared favourably with those for the same period last year, being up by over 10 per cent.

The strength of demand is so often governed by external circumstances that it is difficult to assess the outcome at any particular moment. The concentration of the industry, following the scrapping of large quantities of machinery, has provided a better background for spinners and manufacturers to dispose of their products. The changing economic scene can have a pronounced bearing on consumption, but unless there is a startling alteration in the position within the next few weeks, consumers will need to put down continuity orders to follow on current contracts.—*All Rights Reserved.*

INSURANCE

(*Concluded from page 518*)

from Rs. 5.80 lakhs to Rs. 6.68 lakhs. The rise in premium in these two departments was, however, offset, to some extent, by the decline in premium in the miscellaneous department from Rs. 9.22 lakhs in the previous year to Rs. 8.61 lakhs. Nevertheless, the net aggregate premium was higher as noted above.

The rise in premium income was, however, accompanied by an increase in claims ratio from 39.9 per cent. in 1958 to 47.4 per cent. Portfolio-wise, claims in the fire department worked out to 30 per cent., as against 23.0 per cent. in the previous year, to 64.8 per cent. in the accident department, as against 47.4 per cent. in 1958, and to 79.3 per cent. in the marine department, as compared with 72.4 per cent. The steep rise in claims in the accident department was due to the adverse experience in East Africa and also the bad results within the country as a result of group working. Consequently, this department showed a loss of Rs. 51,247, as against a nominal profit of Rs. 15,363 in 1958. The marine revenue account continued to be in red, the loss having risen from Rs. 1.25 lakhs in 1958 to Rs. 1.76 lakhs in 1959. These losses were more than made good by the profits of the fire department which showed a handsome improvement from Rs. 3.65 lakhs to Rs. 4.47 lakhs. This is an indication of the extent to which fire business subsidises the other unremunerative risks. No wonder, Mr. Krishnaraj M.D. Thackersey, Chairman of the Company, expressed apprehension about the repercussions of the cut in fire insurance premium by about 10 per cent. with effect from 1st January 1960, on the Company's profit margin. The net departmental profits, inclusive of reserve for unexpired risks, were, however, lower at Rs. 2.21 lakhs as against Rs. 2.54 lakhs in 1958. As a result of the need for making a larger provision for reserves, thanks to the rise in net premium—Rs. 3.02 lakhs were added to the departmental reserves—the net profit shrank to Rs. 4.05 lakhs from Rs. 4.67 lakhs in the previous year. This, together with the net balance of Rs. 2.91 lakhs brought in from last year's account, makes available Rs. 6.96 lakhs which has been appropriated as under. Dividend for 1959, at the rate of Rs. 5.35 per share, less deduction of tax, Rs. 2.27 lakhs. This works out to a net return per share of Rs. 3.75, the same as in the previous year. A sum of Rs. 52,500 has been set apart as bonus to staff. The balance of Rs. 4.17 lakhs, subject to tax for the years 1956 and 1959, has been carried forward.

As a result of the year's operations, the total funds of the Company have increased to Rs. 62.81 lakhs comprising, among others, capital of Rs. 16.92 lakhs, fire fund of Rs. 12.38 lakhs, miscellaneous fund of Rs. 4.31 lakhs and marine fund of Rs. 6.68 lakhs.

PENSIONS IN U.K.

On an average, nearly 12,000,000 benefits and allowances are paid out by Britain's Ministry of Pensions and National Insurance each week, according to the Ministry's report for 1959, just published. At the end of last year, the cost of all payments was at the rate of about £1,200 million a year. The Ministry's staff-training branch gave help and information to over 90 visitors from 37 countries, including India. A large number of visits lasted several weeks, and the longest was for six months. Programmes were arranged to meet individual requirements, and included visits to regional and local offices.

An important feature of this part of the Ministry's work is a training course arranged twice a year under the auspices of the Colombo Plan. At courses held during the year, oversea students—mainly from South-East Asia—received comprehensive instruction in the work and organisation of the Ministry. During the year 1959 comprehensive reciprocal agreements on social security were negotiated with Denmark, Finland, the Irish Republic, the Federal Republic of Germany, and Turkey, and a supplementary one with Switzerland, all of which have been signed. The agreements with Denmark, Finland, and the Irish Republic are already in operation.

At the end of last year, the Ministry was paying, in Britain, about 750,000 war pensions; family allowances to nearly 3,500,000 families with over 9,000,000 children; and—under National Insurance schemes—nearly 5,500,000 retirement pensions, over 540,000 widows' benefits and guardians' allowances, and about 160,000 industrial disablement pensions. Mainly due to the influenza epidemic in February and March 1959, claims for sickness benefit during the year (8,750,000) were nearly 900,000 higher than in the previous year. Claims for unemployment benefit totalled 3,000,000; for maternity benefits 880,000; and for industrial injury benefit about 830,000.

JAYANT PAPER MILLS LTD.

There was very good response from the investing public to the equity issue of Jayant Paper Mills Ltd. As against 12,500 shares offered to the public, there were applications for 638 073 shares, that is, 51 times more than the actual issue. A detailed list of applications has been forwarded to the Bombay Stock Exchange. A scheme for the allotment of shares will be prepared by the Board of Directors of the Company in consultation with the Stock Exchange. This is expected to be done at an early date.

Notices

THE INDIAN CABLE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-first Annual General Meeting of the Shareholders of The Indian Cable Company Limited will be held at the Registered Office of the Company, 9, Hare Street, Calcutta, on Friday, the 28th October 1960, at 11 o'clock in the forenoon, for the following purposes:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1960.
2. To declare Dividends.
3. To re-appoint a Director who retires by rotation.
4. To re-appoint the firm of Messrs. Lovelock & Lewes of 4, Lyons Range, Calcutta, Auditors of the Company for the current year and to fix their remuneration.

AS SPECIAL BUSINESS

5. To consider resolutions in relation to the following matters and things:—
   (a) In pursuance of Section 228(1) of the Companies Act, 1956, to appoint the firm of Messrs. A. F. Ferguson & Co. of Bombay for the purpose of auditing the accounts of the Factory at Tatanagar and the Branch offices of the Company at Bombay, Ahmedabad, Jamshedpur, Kanpur, Nagpur, New Delhi and Secunderabad, and to fix their remuneration.
   (b) In pursuance of Section 228(1) of the Companies Act, 1956, to appoint the firm of Messrs. Fraser & Ross of Madras for the purpose of auditing the accounts of the Branch offices of the Company at Madras, Bangalore and Coimbatore, and to fix their remuneration.
   (c) To determine that the accounts of the Branch office of the Company at Karachi be not audited under the provisions of Section 228(1) of the Companies Act, 1956.

The Share Transfer Books of the Company will be closed from the 14th October 1960 to the 28th October 1960, both days inclusive.

Dividends, if any, declared at this meeting will be payable to Shareholders registered on the Company's Books on the 28th October 1960 or their mandatees.

By Order of the Board,
B. J. WOODLEY,
Chairman.

9, HARE STREET,
CALCUTTA, *26th August* 1960.

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

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT interest for the half-year ending 30th September, 1960, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 30th September, 1960, or in accordance with their instructions.

L. K. SEN CHOWDHRY,
Acting Secretary.

12, MISSION ROW,
CALCUTTA.
10th September, 1960.

COMMERCE

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

VOL. CI. No. 2582 BOMBAY, 24th SEPTEMBER 1960 PRICE Rs. 2

INDUS WATER TREATY

EXACTLY eight days before its fifteenth annual meeting due to be held at Washington early next week, the World Bank has been successful in adding one more feather to its cap. The feather has been drawn from the Indian sub-continent and is made up of the Indus Water Treaty 1960 and the Indus Basin Development Fund, the two agreements which have put an end to the 13-year-old dispute between India and Pakistan over the sharing of the waters of the Indus System of rivers. The World Bank has had to labour hard for nearly eight years, exercise enormous patience and find a lot of money to liquidate one of the toughest and frustrating disputes that have been standing in the way of friendship and peace between India and Pakistan. High in the list of persons, to whom both India and Pakistan are thankful for bringing about this peaceful solution, are Mr. David Lilienthal, a former Chairman of the Tennessee Valley Authority, and Mr. Eugene R. Black, President of the World Bank. It was Mr. Lilienthal who propounded the idea (in 1951) of a comprehensive engineering plan for the development of the waters of the Indus basin, on a joint basis, to be implemented with financial assistance from the World Bank. Mr. Black was taken up by this idea, because he had the foresight to realise the threat to the peace and prosperity of this sub-continent, in particular, and the world, in general, held out by this dispute. He suggested to the Governments of both India and Pakistan that, with the good offices of the Bank, they might be able to resolve their differences and his suggestion was accepted in March 1952. He then organised a team of engineers under the leadership of General Raymond A. Wheeler, spared one of the Bank's Vice-Presidents, Mr. Iliff, for conducting the delicate negotiations between the two countries, and sought and obtained the help of six members of his Bank—Australia, Canada, Germany, New Zealand, the U.S. and the U.K.—for financing the project. The World Bank itself has agreed to provide substantial monetary assistance for implementing the Plan. It has also undertaken to supervise the execution of the various projects in Pakistan. The leaders of Indian and Pakistan delegations—Mr. N. D. Gulhati and Mr. G. Mueenuddin—also deserve the thanks of the peoples of both the countries for their ceaseless and painstaking work during the four years of discussion and negotiation on the World Bank plan. All this would, of course, have been of no avail had there been no sincere desire and determination to reach an agreement on the part of the leaders of India and Pakistan. And here comes the crucial role played by our Prime Minister Nehru and President Ayub Khan of Pakistan. Both of them are rightly entitled to the handsome tributes paid by the leaders of the free world on the conclusion of the Treaty.

There are precedents in the world where major riverine disputes between two riparian sovereign States have been settled through peaceful negotiations. There is the classic agreement between the U.S. and Canada relating to the St. Lawrence Waterway, an agreement that has proved beneficial to both the countries. The agreement regulating the use of the Rhine and Danube rivers in Europe is another example. But the settlement of the Indo-Pakistan dispute over the Indus waters is unique in international relations in one important respect. There is no precedent where six foreign countries have come forward with large financial contributions to facilitate the promotion of an agreement of this nature. Collectively, the six countries mentioned above have agreed to contribute to the Indus Basin Development Fund as much as $640 million (about Rs. 308 crores), all by way of grants and not loans, in addition to the World Bank loan of $80 million (about Rs. 38.5 crores). Of this total of $720 million, all but the equivalent of $235 million are in convertible currencies, the $235 million representing a part of the U.S. counterpart funds held in Pakistan. What is it that has impelled these countries to make this sacrifice? Not the prospect of getting a few sizable engineering contracts, for there is little business gain for the nations concerned. It is their sincere desire to remove sources of threat to world peace that has been the motivating factor. It is this very consideration that has prompted India also to contribute to the Development Fund a sum of $174 million (Rs. 83 crores) in ten annual instalments of equal amount, besides agreeing to a number of conditions which are on the whole economically disadvantageous to it. If, however, the expectation that the end of the water dispute will lead to better relationship with Pakistan and help solve the other disputes turns out to be a mirage, the sacrifices which India and others have agreed to make will have been in vain. But faith and confidence are prerequisites for finding a way out of the Indo-Pakistan impasse. In resolving the water dispute, the vicious circle has been broken at a strategic point. Inasmuch as the Treaty guarantees the unhindered flow (except for essential, though relatively minor uses specifically laid down in the Treaty) of all the waters of the rivers which pass through Kashmir into Pakistan, it should serve to remove the doubts and suspicions of those in Pakistan who contend that India's position as an upper riparian in Kashmir poses an economic threat to their country. If only leaders of Pakistan appreciate this point, a workable solution for the Kashmir problem also can be easily and speedily found.

The Treaty between India and Pakistan is a comprehensive document and provides for all contingencies, leaving nothing to chance, so that there may be no breakdown and revival of the dispute in future. The quantum of water that India can draw from the upper reaches of three western rivers that are allotted to Pakistan and the purposes for which it can be used are clearly specified. Similarly, the quantum of water that India must supply to Pakistan from the three eastern rivers allotted to it during the next 10 to 13 years is also unambiguously laid down. There will be a Permanent Indus Commission consisting of an Indian and a Pakistani Commissioner, representing the interests of their respective countries. They will be responsible for ensuring the smooth working of the Treaty. They are entitled to the privileges of a U.N. representative when they visit each other's territory in connection with the implementation of the Treaty. If they are unable to iron out any differences between the two States, there is provision for calling a neutral expert to whom differences of a technical nature would be submitted for decision. Any major dispute on the interpretation of the Treaty will be left to a court of arbitration. There is also provision for future co-operation between the two countries for building specific projects by one in the territory of the other for such purposes as flood controls and drainage. This comprehensive Treaty ends the Indo-Pakistan Agreement of May 1948 and the charges due from Pakistan under this agreement have been settled at the consolidated figure of Rs. 58 lakhs which will be set off against India's contribution to the Indus Basin Development Fund. Finally, it is "expressly understood" that the Treaty governs the rights and obligations of each party with respect only to the use of the waters of the rivers and that "nothing contained in it shall be construed as constituting a recognition of waiver" of any other rights or claims of either party. The parties are further agreed that neither of them shall invoke the Treaty in support of its own rights or claims pertaining to other matters that are in dispute between them. It will thus be seen that every possible precaution has been taken to ensure the smooth working of the Treaty. There is no doubt that, given goodwill on both sides, the Treaty would be a success.

The greatest beneficiary, in material terms, of the settlement of the Indus water dispute is Pakistan. There is no doubt on that point. About 900 million dollars will be invested in Pakistan in about ten years from now. This will cover the cost of (*a*) link canals to enable Pakistan to replace the water which it is now getting from the eastern rivers with water from the western rivers that is now going waste, (*b*) building two large reservoirs which will provide the water-storage potential to meet, on a firm basis, the irrigation supplies of Pakistan canals during critical periods of fluctuating short-flow supplies and also enable substantial new irrigation development, (*c*) power stations with a capacity of 300,000 kilowatts, (*d*) works for integrating the present canal and river system into the new inter-river link canals, (*e*) remodelling five existing barrages and eight existing canals, and (*f*) sinking some 2,500 tube wells and building drainage works aimed at overcoming waterlogging and salinity in irrigated areas aggregating 2.5 million acres. When all these projects are carried out, the responsibility for which rests with the Water and Power Development Authority of West Pakistan, there will be a tremendous improvement in the range of production and productivity of Pakistani agriculture. No sensible Indian will grudge this economic growth in his neighbouring country. But he will be justified in expecting the Pakistan Government to be prompt in

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settling the debts due to India on which it has been consistently defaulting for a number of years now.

As compared with the large benefits that will accrue to Pakistan from the settlement under review, the gains to India will be relatively small and even that can be realised only after a long period. In the short-run, India is a loser. Even though it is suffering from an acute shortage of foreign exchange, a difficulty which is likely to last for a decade, it has agreed to foot the cost of constructing the replacement link canals amounting to Rs. 83 crores, at the rate of Rs. 8.3 crores per annum. It should have at least insisted on adjusting this amount against the debts due from Pakistan, but, in its anxiety to settle the dispute, the Government has yielded on this point, too. It has also agreed to let Pakistan have water from the eastern rivers for a further period of 10 years. Although this will be at a diminishing scale, it will delay the development of parts of East Punjab and Rajasthan which are badly in need of the water from these areas. It is true that, in order to alleviate this hardship of India, the U.S. Government and the World Bank have agreed to lend India $33 million (Rs. 15.70 crores) and $23 million (Rs. 11 crores), respectively, which will cover the foreign exchange cost of a large earth-fill dam on the Beas river, with a live capacity of 5.5 million acre-feet and a hydro-electricity potential for generating 200,000 kilowatts of power. But these are loans and not grants. Besides, the quantum of assistance is negligible, as compared with what Pakistan is getting. And, what is more, the construction of this dam will take time and till then the completion of Rajasthan canal will have to wait. Surely, India is paying a big price for this deal. Here is one more convincing proof, if any proof were needed, of its sincere desire to live in peace and friendship with its neighbours.

PLAN DEBATE AND AFTER

WITH the completion of its recent consideration by Parliament and the National Development Council, the Draft Outline of the third Five-year Plan has now entered the stage of finalisation. And so the debate thereon in the Press has also entered its final phase. Although already the Planning Commission is known to have sifted and studied carefully the Press comments on the Draft Outline, it may be that the final debate, too, will have served some purpose. For it is not too late for critics to hope that some constructive ideas of theirs may yet gain acceptance at the hands of planners who, with all their bureaucratic propensities, are not wholly irresponsive to public criticism of which this article, incidentally, is but a modest part.

No apology is required for limiting this article to an examination of the most relevant or controversial issues raised in the debate in Parliament and the National Development Council. First and foremost among these issues is the one concerning the distribution of additional incomes generated under the first two Plans. This issue, which is not basically controversial for the simple reason that a study of income distribution is a legitimate statistical exercise germane to perspective planning, has unfortunately been raised and spotlighted in a form that does not augur well for its unprejudiced academic investigation.

The Prime Minister, for example, has propounded the thesis that the success of recent company flotations is attributable to the existence of "a small group of really affluent people." This diagnosis, which may well prejudice the labours of the Distribution of Income Committee, since set up under the Chairmanship of Prof. Mahalanobis, has at least the saving merit of recognising that, "apart from the members of the narrow affluent society in India, there are others today below that scale but in the well-to-do class, much larger in numbers than previously." The relatively far greater increase, since 1954, in the number of income-tax assessees in the lower income brackets than in the upper also bears out in a way Mr. Nehru's latter impression. That a wider and more equitable distribution of the additional incomes generated under the Plans has probably taken place may also be postulated with a measure of confidence in the background of what the Draft Outline of the Third Plan has to say on the question of reduction in inequalities. Here is the relevant quotation from the Outline:

"In a number of directions, measures have already been taken whose total effect in reducing economic and social disparities has been significant. In some of these, a greater advance is anticipated during the third Plan. Thus, within the rural economy, land reform has been a major factor in reducing inequalities. Security of tenures and reduction in rents have been largely achieved. In the course of the next two or three years, the legislation relating to ceilings on agricultural holdings will be implemented. The vast body of cultivators will also become owners of land in their own right. The expansion of irrigation, specially in areas which have in the past suffered from scarcity conditions, contributes to the raising of levels of living for some of the poorest sections in the rural community. Programmes relating to the welfare of backward classes—scheduled tribes, scheduled classes and others—are intended to benefit sections of the population who, in the present conditions, are not able to derive all the benefits due to them from the general plans of development. The extension of elementary education, which will become universal during the third Plan for the age group 6-11 years, the increase in scholarships and other assistance which is contemplated, the establishment of primary health centres, the provision of drinking water supply in almost all rural areas, the eradication of diseases like malaria and the extension of welfare activities of voluntary social service organisations, specially for women and children, go a long way to create the preconditions for equality of opportunity within the community. Increasingly, the community development movement is being required to place greater emphasis on measures to raise the levels of living and to provide work opportunities for the less privileged sections. In many areas, the provisions made for rural industries and rural electrification will also increase opportunities of productive employment. As these various measures are implemented with wider support and understanding from public opinion, their impact will steadily extend to the great majority of the population. Fiscal measures, undertaken with a view to finding resources needed for rapid development and based on the principle that burdens shall be equitably distributed, will also greatly assist the process of reducing old inequalities and preventing new ones arising from the very process of growth."

This is by far the fairest presentation of the real benefits that have materialised and are expected to materialise under conditions of planning. Any statistical appraisal of income distribution would need to take into account this wider diffusion of plan benefits and opportunities. The dependability of any such evaluation cannot, however, be taken for granted, if the inadequacy of imported statistical tools in their applicability to Indian conditions of social and economic stratification is not rectified in time to facilitate more scientific sample enquiries and the like. So long as the scientific complexion of the Mahalanobis Committee is less in evidence than its political overtones, there is bound to be a suspicion that it may start with some preconceived notions about income distribution and provide ammunition for witch-hunters. One has only to recall, in this connection, Mr. G. L. Nanda's remark, in the course of his reply to the Lok Sabha debate on the Draft third Plan, that "what they needed was an enquiry about wealth obtained by black marketing." Any such suggestion of black marketing in an economy which has luckily not been subjected to full-fledged controls as in war time is out of place in the context of the proposed investigation by the Mahalanobis Committee. It is to be hoped that this possible bias will not get into the investigation and distort the goal of objective appraisal of real benefits, besides additional money incomes, which have accrued and are accruing to wide sections of the population.

So much about the issue of income distribution—an issue which has been concretised in an enquiry committee. Other issues, which have figured in the parliamentary debate, have been raised rather feebly and all but forgotten. One such issue is greater reliance on indirect taxation than on direct taxation. While the stress on indirect taxation has been appropriately justified by Mr. Nanda on the ground that direct taxes touch only a smaller number, the debate has left the public no wiser on how more revenue is proposed to be raised through indirect taxes without unduly inflating consumer prices. The question whether the larger part of the additional taxation of Rs. 1,100 crores proposed to be levied by the Centre during the third Plan period has a reasonable chance of being accounted for by indirect taxes on a wide range of newer commodities remains to be answered. The related question whether the rates of excise duties now levied on a wide range of commodities of universal consumption can be steeply increased without any risk of curtailing their consumption and, in the final analysis, their production, has also not been answered. Whether the States can successfully compete with the Centre and raise, by way of indirect taxes, the larger part of the additional taxation of Rs. 550 crores which they are expected to levy, is another unanswered question. If these questions had been squarely faced in the debate and discussed, the need for reducing the excessively high target of additional taxation might well have been recognised by the planners.

Another disappointing outcome of the debate in Parliament is on the score of price stability. Mr. Nanda's assurance that the Government would do everything possible to stabilise the prices of essential commodities has not gone far enough, for he has said in the same breath that "what exactly would be the measures in this connection would depend upon situations and circumstances." Since the idea, canvassed by Mr. S. K. Patil, for a high-powered committee to fix the prices of agricultural commodities has been rejected by the Union Cabinet, any kind of logic or uniformity in the present regime of "partial" food controls is out of question. While it stands to reason that a structure of foodgrain prices, fair alike to the producer and the consumer, in the restraining context of the buffer stocks that are being built up with P.L. 480 food, may work well in practice, it is amazing that the Government still cling to a system of complex "partial" controls on movement, distribution, prices, and so on, which have thus far failed in the sense that they have not prevented the ever-rising trend in prices. The Government's approach, which has since been confirmed by the National Development Council at its latest meeting, does not thus have the merit of at least being a compromise; it is merely a continuation of the discredited old policy of "partial" controls.

This failure on the part of the National Development Council to take a more practical stand on the food prices question is, of course, nothing like a surprise. What is, however, surprising—and that too agreeably—is that the Council has retreated from its original dogmatic stand on co-operative joint-farming. The implications of the Council's cautious approval to the Nijalingappa Committee's recommendations on co-operative farming would need to be more fully appreciated (*vide* the leading article entitled "Retreat to Realism" in our last issue). Otherwise the Council's discussions on the Draft Outline have made no significant contribution in terms of policy-making. While the impossible demands of more than one Chief Minister for bigger State Plans have been rightly rejected by the Council, the State Plans, as they are, with their accent on agricultural production, employment-oriented construction schemes and priority attention to the less-developed areas in each State, have been rightly approved.

It only needs to be added that, even within the accepted framework of outlays under the State Plans, accounting for an aggregate of Rs. 3,650 crores over the third Plan period, there will be considerable scope for less expensive but immediately productive schemes of a labour-intensive character in agriculture, irrigation, soil conservation, road-making, and so on. If, under the dynamic impact of the Union Food and Agriculture Ministry's present production-oriented policies, the States assume the fullest responsibility for executing the relevant schemes, the country may well be out of the wood in the matter of food and agricultural raw materials by the end of the third Plan. This will be quite on the cards, if, at the same time, greater attention is devoted to the rural areas than to the urban in the matter of propagating family planning practices as much to reduce the income disparities between the agricultural and the non-agricultural classes as to reduce appreciably the present birth rate of 40 per thousand which currently involves an annual rate of increase of something more than 2 per cent. in the country's population. The mounting population pressures call for more energetic action, but it is surprising that the National Development Council has not issued the requisite call.

MARKET GOSSIP

A FRESH dose of credit restraints has been administered to the money and capital markets by the Reserve Bank of India in a bid to keep the price levels under check and to ensure economic development with stability. The Bank is convinced that there has been, in recent months, a large expansion in the supply of money and that this is due, to a substantial extent, to an increase in bank credit. It has also reasons to feel that this expansion is responsible, to some extent, for the rise in prices which has been of the order of 8 per cent. in the past one year. Accordingly, it wants to make sure that the supply of credit is restricted, albeit in a manner which will not affect production and employment. There are already a series of credit controls such as selective controls on foodgrains, sugar, groundnut and other oilseeds except cottonseed, special deposit system (variable reserve ratios), ban on direct financing by banks of *badla* transactions in shares, high minimum margins in respect of banks' advances against shares, a ceiling on clean advances, more restrictions on banks' borrowings under the Bill market scheme and so on. Apparently, the Reserve Bank feels that even the cumulative effect of these restraints on price levels has not been adequate and some more restrictions should be placed. A broad hint to this effect was given in the latest annual report of the Central Board of Directors of the Reserve Bank, published last week. After drawing attention to the fact that a part of the reduction in the excess liquidity of scheduled banks had been neutralised by changes in other assets, the report expressed concern over "the rather slow contraction of credit in the 1960 slack season" and exhorted the banks (*a*) to take energetic steps to bring about a satisfactory contraction of credit, so that they may be able to meet the requirements of the next season without undue strain, and (*b*) to reduce their access to the Reserve Bank, if the recent credit restraint measures are not to be nullified. These lines must have been drafted some time ago and the trend of money and capital markets since then shows that the Bank's expectations are not being fulfilled.

The usual busy season will commence in a month from now, but there has hardly been any contraction in the scheduled bank credit. The total of bank credit stands as on 9th September at Rs. 1,126.25 crores, a drop of only Rs. 3.55 crores since 29th April. During the same period of last year, it had come down by Rs. 96 crores. The ratio of credit to deposits is still as high as 58.39 per cent., as against 59.25 per cent., the peak in the last busy season, and 51.58 per cent. a year before. The total borrowings from the Reserve Bank against usance bills and Government securities as on 9th September are Rs. 52.04 crores; a year ago, they were no more than Rs. 1.79 crore. The maximum level of these borrowings was Rs. 79.44 crores during the last busy season and Rs. 61.86 crores in the 1958-59 busy season. There has also been a net disinvestment of investments in Government securities over the year. An important point that deserves to be noted in this context is that, so far during the current slack season, the deposits of scheduled banks have actually declined, from Rs. 1,929.95 crores to Rs. 1,928.75 crores, whereas, during the same period of 1959, they had risen by Rs. 105 57 crores to Rs. 1,794.66 crores. This development, coupled with the introduction of special deposits and heavy borrowings by the State Governments last month, has been mainly responsible for the high level of borrowings from the Reserve Bank, while the continued high level of bank credit must be attributed to larger industrial production, flotation of a large number of new companies and the higher level of wholesale prices. These are developments over which the banks have no control. The Reserve Bank is aware of this. It is also aware that, in the coming busy season, the demand for bank credit will be greater than in the past busy season and that the banks' call on it for assistance will be quite big.

Describing the new credit restraints, a Press note issued by the Reserve Bank says:

"The borrowing of banks from the Reserve Bank at Bank rate will be limited to certain quotas, above which further borrowing will be permitted only on payment of certain penal rates of interest. Each scheduled bank will be allotted a quota for borrowing from the Reserve Bank equal to 50 per cent. of the reserves required to be maintained by it with the Reserve Bank in terms of Section 42, sub-section 1 of the Reserve Bank of India Act (i.e., 5 per cent. of demand liabilities and 2 per cent. of time liabilities). The schedule of charges for borrowing from the Reserve Bank will be as follows:

(1) Scheduled bank borrowings (against Government securities as well as bills) upto 100 per cent. of the quota as given above—at Bank rate.

(2) Scheduled bank borrowings over 100 per cent. but not more than 200 per cent. of the quota—at 1 per cent. above Bank rate.

(3) Scheduled bank borrowings over 200 per cent. of the quota—at 2 per cent. above Bank rate.

In view of the new system of penalty rates, the ceiling limits of borrowing from the Reserve Bank of India, fixed for individual banks under the Bill Market Scheme, will, for the time being, not be operative.

"With a view to ensuring a levering up of the lending rates of banks and avoiding undue distortion in the present pattern of lending rates, the Reserve Bank has also issued a directive to the scheduled banks, requiring them to adhere, effective 1st October 1960, to a *minimum* lending rate of 5 per cent. on all advances, whether existing or new, whether clean or secured, with the exception of advances to other banks, including co-operative banks. Where the minimum lending rates of banks are 5 per cent. or more, the banks should, effective the same date, viz., 1st October 1960, raise the structure of their interest rates further so as to ensure an increase in their average lending rate by at least half a per cent.

"In respect of some very short-term rates on deposits, the Bank has also directed that no scheduled bank shall, effective 1st October 1960, pay interest at more than 2 per cent. below Bank rate, on any deposit (other than inter-bank deposit) repayable on notice or on the expiry of a period not exceeding 21 days from the date of deposit."

In the last few months, some banks have been gradually and quietly stepping up the rates of interest on their loans and advances, but the movement has not been general. The attempts made to secure a general increase in the lending rates of banks through inter-bank agreement did not succeed, largely because the State Bank of India was not willing to toe the line. Now, the Reserve Bank itself has forced them to charge more on their advances. The insistence on a minimum rate of one per cent. above the basic Bank rate will have a profound effect on the State Bank and some of the big banks, as they have been lending money to quite a number of big borrowers at 4½ per cent. In addition, the banks will also find it necessary to restrict the expansion in their advances during the coming months to a considerable extent, as their deposits are not growing fast enough. Most of them will, of course, try to reduce their investments in Government securities by selling them to the maximum extent possible. Indeed, this may be their first action in their attempts to increase cash resources, for borrowings from the Reserve Bank will cost more once their quota is exceeded. Even now, the total of their borrowings from the Bank is well above the quota specified above. According to the formula laid down by the Reserve Bank, the quota of their borrowings at the basic Bank rate of 4 per cent. is about Rs. 32 crores, as the statutory reserve is about Rs. 62 crores. So, on the balance of Rs. 20 crores of their current borrowings from the Bank, they will have to pay now at the rate of 5 per cent. If the total deposits of banks go down in the coming months, as they may well do, what with P.L. 480 funds not flowing into the State Bank, the basic quota also will shrink, so that, in the forthcoming busy season, the proportion of borrowings from the Reserve Bank that will be charged at 5 per cent. may conceivably be greater than that at 4 per cent. If that happens to be the case, the effective Bank rate will be 5 per cent. rather than 4 per cent.

The extent to which banks can unload their investments in Government securities will doubtless depend on the willingness of the Reserve Bank to support the Gilt-edged market. Since the main reason for not raising the Bank rate straightaway seems to be a desire to keep down the cost of borrowings by the public sector and avert a sizable fall in the value of Government securities, consistent support to the Gilt-edged market at current levels is implied. Accordingly, the Reserve Bank may be dumped with large parcels of Gilt-edged securities. In other words, in order to support the basic Bank rate at four per cent., it may have to buy from the banking system Rs. 100-150 crores worth of Government securities in the next six months, which means that there will have been no net borrowings by the Government this year. It is possible that the Reserve Bank may try to dissuade the banks from selling Government securities by gradually reducing its buying price. That this is possible is already evident from the drooping trend of the Gilt-edged market. On the very next day following the announcement of credit curbs, several banks were anxious sellers. This is only to be expected, for they will all try to cash in their investments in Government securities at the best possible rate well before the situation deteriorates. If the Reserve Bank wishes to avoid this rush, it will have to give an undertaking that it will support the Gilt-edged securities at their current value. Since there is a limit upto which the Reserve Bank can support these securities, the basic Bank rate itself will have to be raised sooner or later. It is almost certain now that, next year, the Government will not be able to borrow at the same rate of interest at which it has done this year.

The new credit restrictions announced this week are, of course, novel to this country but not to the rest of the world. The practice of central banking institution lending to commercial banks at varying rates of interest above a specified limit prevails in Japan, France, Greece and some Latin American countries. The complex system which the Reserve Bank has now adopted seems to be patterned after the Japanese system, though the latter is a little more complex. The only other difference is that, in Japan, the basic Bank rate itself is much higher and more closer to the lending rates of commercial banks than in India.

Sugar Exports

Soon after we went to press last week, the Union Food and Agriculture Ministry announced its decision to allow sugar exports. The relevant Press note issued on Saturday the 17th inst. is a very brief one, containing just two sentences: "The Government of India, after taking note of the trend of production, consumption and the supply position of sugar, has decided to release a quantity of 50,000 tons for export. Exports will be made through the Indian Sugar Mills Association." The Press note does not mention the names of countries to which sugar exports will be allowed; the Food Ministry is believed to have in mind Malaya, East Africa, Persian Gulf and some Middle East countries. An official spokesman is, however, reported to have stated at New Delhi that no part of the release of 50,000 tons would be shipped to the U.S. and that talks in regard to exporting sugar to that country were still in progress.

The Press note does not also explain the procedure governing sugar exports. There is, of course, no need for such an explanation, because of the permanent statutory enactment—the Sugar Export Promotion Act, 1958. This Act, it will be recalled, imposes a compulsory obligation on the part of all the sugar mills to surrender to the nominated Export Agency Division of the Indian Sugar Mills Association a portion of the output for export purposes, the loss on sale being borne by the mill concerned. Under the Act, the Centre can, by an order in writing, apportion the quantity of sugar fixed from time to time for export purposes among the various mills in proportion to the quantity of sugar produced by them during a particular season.

The primary consideration which has weighed with the Government in deciding to allow export of sugar is undoubtedly the pressing need for earning foreign exchange in the present context of the none-too-happy balance of payments position. On the basis of the currently ruling prices of sugar in world markets—approximately Rs. 400 per ton—the export of 50,000 tons is expected to fetch a foreign exchange of about Rs. 2 crores. But, as against this, there will be quite a sizable loss of rupee resources to the country—to the tune of Rs. 3.15 crores—in view of the wide disparity between Indian and world prices. The currently ruling wholesale price of sugar in India is about Rs. 1,030 per ton, as against the average world price of Rs. 400, or a difference of as much as Rs. 630 per ton. This difference represents the loss that will have to be borne not only by the State and the industry but also by the consumer.

On an export of 50,000 tons, the Central Government will lose by way of full remission of excise duty (at Rs. 291.25 per ton) about Rs. 1.46 crore and the State Governments by way of remission of cane cess (at Rs. 50.91 per ton) nearly Rs. 26 lakhs. Even after the full remission of excise duty and cane cess together amounting to Rs. 342 per ton, the net export price of sugar (without taking into account the freight rate of Rs. 68 and handling charges of Rs. 35 per ton) will work out to Rs. 688, that is, Rs. 288 more than the world price. The loss on 50,000 tons comes to Rs. 1.44 crore. This amount will have to be subsidised, the incidence of which will fall either on consumers in the form of high prices or on sugar mills by way of lower profits. If the loss were to be spread over the stocks of sugar lying undelivered with mills, estimated at about 720,000 tons, the sugar price would have to be enhanced by Rs. 20 per ton or about one naya paisa per lb. till such time that this quantity is sold out.

The heavy loss on sugar exports is due to the fact that the world prices are currently ruling much lower as compared with those prevailing three years ago. Readers are, perhaps, aware that there was a substantial increase in world prices of sugar from 3.7 cents to 6.7 cents per lb. towards the end of 1956 and the first half of 1957. It was this factor which enabled India to export a fairly large quantity of sugar—147,381 tons valued at Rs. 11.76 crores—during the calendar year 1957. But the position has since changed and the world prices are ruling low.

The Government's decision to release 50,000 tons of sugar for export, of course, has so far not had any effect on the internal sugar markets. This is not surprising, for, apart from the comfortable supply position, the distribution of practically the entire quantity of sugar produced continues to be under official regulation and there is control over the prices at which sugar is sold in the country.

Baghdad Oil Talks

Three important decisions were taken by the Baghdad Conference of six of the world's major oil-producing countries (Saudi Arabia, Kuwait, Qatar, Persia, Iraq and Venezuela) which ended on Wednesday the 14th inst. and to which a reference was made in these columns last week. First, it was unanimously and firmly agreed that all possible steps must be taken to raise the prices of crude oil to the level existing prior to the recent cuts, as well as to ask the companies to maintain staple prices. Secondly, the principle of consultation among the participating countries and oil companies in future developments was accepted, and all the countries agreed to study matters that might so stabilise prices and limit production as to guarantee a stable, regular income to them. Finally, it was decided to form a special body, called the Organisation of Petroleum Exporting Countries, with the object of "unifying and co-ordinating policies at times and eventualities concerning oil production." This Organisation is expected to meet at Baghdad on 15th November to prepare for a second conference at Caracas on 15th January next.

The oil companies must be gratified at the fact that the Baghdad conference did not, as had been feared before, decide to abandon either the 50-50 profit-sharing arrangements between them and the Governments of the producing countries or the system of posted prices. Equally gratified they must be over the postponement of issues like oil pro-rationing scheme, referred to in these columns last week. There is, however, no denying that the oil companies will henceforth "be confronted by something approaching collective bargaining on the part of producing States." At the same time, the oil-producing countries must have noted with satisfaction the decision of oil companies not to make any further cut in posted prices. In fact, ESSO, which had reduced its Middle East crude prices to a greater extent than the other companies, has raised its posted price to the level of the latter.

Outlook for Tea

The tea auctions in London during the last few weeks have witnessed a firm trend in prices of plain teas, contrary to the earlier expectations that the drought in North-east India, which had pushed up the prices of top quality teas, would not have much effect on the plainer varieties. This has been due to the fact that the effects of the drought have proved to be much greater than anticipated. It is now stated that the prolonged drought has not only greatly reduced the early pickings but also caused damage to some gardens to such an extent that there is little hope of recovery in the rest of the season. It is also feared that the later "rain" crops in some of the areas will also be greatly reduced. Supplies of North Indian teas to London auctions were considerably affected by the sharp fall in crop up to the end of August. It is reported that the quantity of tea offered in London in the first week of September was not more than about a third of the amount offered in

EQUITIES RECOVER

CREDIT RESTRAINTS HAVE LITTLE EFFECT

(From Our Own Correspondents)

BOMBAY, 22nd *September*

THE share market maintained a steady tone during the week under review. Prices over a wide front recorded a recovery and, in some cases, the improvement was sizable. Nevertheless, the volume of business was somewhat low, as the operators preferred to be cautious. The fear that the authorities might soon take fresh steps to check excessive speculation was still lingering in the minds of operators. An indication of the possible official move was provided by the fixation by the Controller of Capital Issues of as high a premium as Rs. 18.50 per share for the proposed rights issue of Guest, Keen, Williams to be offered in the ratio of one ordinary share for every share held. This premium, it may be noted, is very much higher than that (Rs. 10) collected when the Company first issued shares to the public in November 1956. This instance led to the fear that the authorities would insist on other companies also collecting high premiums on their rights issues.

The foregoing development was followed by further credit restraints by the Reserve Bank to keep down inflationary pressures. The two measures announced by the Bank yesterday were: (1) to make bank credit dearer by asking banks to charge a minimum interest of 5 per cent. on their advances and also to raise their lending rates by ½ per cent. on an average above the minimum rate and (2) to restrict banks' own borrowings from the Reserve Bank by levying penal rates of interest on excess borrowings above a fixed limit. These measures, which will be effective from 1st October 1960, did not have any serious adverse effect on equities, because of the feeling that the increase in the cost of borrowings was only small. After the initial flutter in the kerb on Wednesday evening, most of the speculative counters managed to regain their poise.

Narrow movements were noted in steel shares. Tata Ordinaries moved between Rs. 157 and Rs. 154.50 before finishing at Rs. 155, as against last week's closing of Rs. 155.75. Indian Irons, after an earlier improvement from Rs. 24 to Rs. 24.60, gave way to Rs. 23.92. Mukand Irons, however, recorded a slight improvement over the week at Rs. 25, reflecting the encouraging outlook indicated by the Directors' report.

Barring a few scrips, the textile section displayed a better tone and prices showed a sizable improvement. Bombay Dyeings were slightly lower at Rs. 66.60, after an early rise from Rs. 66 to Rs. 66.60. Centurys were erratically lower at Rs. 477.50, a loss of Rs. 4 over the week. Kohinoors hardened from Rs. 315.50 to Rs. 323 before drifting down to Rs. 314.50 towards the close. Morarjee Mills suffered a fall of Rs. 39 to Rs. 363, despite the Directors' decision to maintain the dividend for the year ended 30th June 1960 at Rs. 15.05 per share, free of tax (Rs. 21.50 gross). Finlays, however, recorded a rise of Rs. 2 to Rs. 352. Gokaks gained Rs. 2 to Rs. 177 and Khataus Rs. 10 to Rs. 570. Standards staged a marked recovery of Rs. 95 to Rs. 1,405, Svadeshis advanced by Rs. 14.50 to Rs. 260 and Tata Mills by Re. 1.25 to Rs. 43.25. Simplex, too, rose by Re. 1 to Rs. 171.

A mixed trend was noted in sugar shares, presumably due to the fact that a clear picture of the effect of the proposed sugar exports on companies' profit was not available. Belapurs, after moving up from Rs. 374 to Rs. 379, gave way to Rs. 370, while Phaltans improved by Re. 1 to Rs. 179 and Walchandnagars by Rs. 5 to Rs. 298.75.

Cement shares were featureless with hardly any fluctuations. A.C.Cs were unchanged at Rs. 144, Digvijays were dull at Rs. 173.50 and Orissa Cements at Rs. 13.96.

Activity in shipping shares was far from lively. Scindias moved between Rs. 14.80 and Rs. 14.52. Great Easterns recorded a small gain at Rs. 15.80. Among automobiles, Hindustan Motors gained 60 nP to Rs. 18.60 and Premier Automobiles Rs. 3.50 to Rs. 160.50.

Engineering shares were steady. Tata Locomotives were erratic moving between Rs. 288 and Rs. 279, but they closed on balance Rs. 3 higher at Rs. 281. The announcement by the Premier Construction Company of its decision to issue bonus shares lifted the scrips from Rs. 337 to Rs. 365, but much of the gain was wiped out today when they reacted to Rs. 345. The Company proposes to convert the 35,000 promoters' shares of Rs. 3.75 each into 11,666 ordinary shares of Rs. 30 each by capitalising Rs. 2.19 lakhs. It will then issue one bonus share for every two ordinary shares by capitalising a part of the general reserve and capital reserve. The conversion scheme is to be approved separately by the promoter-shareholders and ordinary shareholders, as also by a joint-meeting of all the shareholders and sanctioned by the High Court. Alcocks were a shade lower at Rs. 290. Cooper Engineerings were marked down by Rs. 6 to Rs. 159.50 and Josts Engineerings by Rs. 52 to Rs. 100.50. Larsen and Toubros were a shade quiet at Rs. 42.25, while Voltas gained Rs. 5 to Rs. 278.

In the miscellaneous group, Bombay Burmahs (old) gained on balance Rs. 6 to Rs. 587. Rayon shares were firm, National Rayons advancing by Rs. 7.50 to Rs. 507. Gwalior Rayons were done Re. 1.75 higher at Rs. 41.25. Baroda Rayons, which have now been made fully paid-up at Rs. 100, were done at Rs. 155. Indian Rayons picked up Rs. 8 to Rs. 68. Fears about the prospect of a cut in dividend pushed down Tata Chemicals by Re. 1.08 to Rs. 17.80, while Alembics staged a sharp rise of Rs. 16.25 to Rs. 251.25. Adarsh Chemicals rose by Rs. 5 to Rs. 78.50. While Amar Dyes suffered a drop of Rs. 20 to Rs. 425, Colour Chems advanced by Rs. 20 to Rs. 400. The announcement by Polychem Ltd. that 14.18 per cent. of the dividend declared for the year ended 31st March 1960 would be exempt from super tax and income-tax under Section 15C(4) of the Income-tax Act pushed up the Company's shares from Rs. 255 *cum-div.* to Rs. 270 *ex-div.* Indian Dyestuffs improved by Rs. 50 to Rs. 580 and their new shares by a like amount to Rs. 575. Expectations of a higher dividend lifted up Wimcos by Rs. 11.50 to Rs. 262.50. Ceat Tyres gained Rs. 5 to Rs. 235 and Premier Tyres Rs. 10 to Rs. 91. Philips Carbons changed hands Re. 1.48 higher at Rs. 17. Khandelwal Ferro Alloys improved by Rs. 8 to Rs. 101. West Coast Papers were a bright feature with a rise of Rs. 6 to Rs. 196.

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Calcutta Stock Exchange

CALCUTTA, 21st *September*

Each day of trading on the Calcutta Stock Exchange during the week under review forced the recession in equity prices to take deeper roots and in the process many of the weak holders were eliminated. Thus the overbought position following the post-budget boom has been largely corrected, and measured by the yardstick of yield consideration equity values have put on the grab of reality thereby paving the way for genuine investment activity. However, with considerable part of funds lying blocked up in new issue applications, genuine buying was limited. Now that corrective force has originated from within, further official curbs on speculation are ruled out, although whether the Bank rate would be raised on the eve of the forthcoming busy season has become a matter of conjecture. With a view to ensuring that the demoralising effect of the present recessionary phase does not go beyond a stage greater than necessary, the authorities of the Exchange have taken measures to bring about stability in the market. Accordingly, it was announced during the week that no fresh sales in cleared securities, except of a squaring-up nature should take place until further notice.

Coals continued to search lower levels with Burrakurs touching a low of Rs. 16.62 after opening at Rs. 17.87. Central Indias, however, closed higher on balance at Rs. 10.59 after opening at Rs. 10 and after declining to Rs. 9.81. At Rs. 11.12, South Karanpuras were lower by one point. Western Bengals, after being lower at Rs. 6.75, recovered to Rs. 7.12.

The rapidly-easing trend in jutes reflected the anxiety entertained by mills with regard to the raw material situation. At Rs. 162, Aucklands accounted for a loss of Rs. 12. Unions slipped to Rs. 184 from Rs. 198. Kinnisons receded to Rs. 161 from Rs. 170, while Dalhousies at Rs. 125 were lower by only one point. Alliances were hammered down to Rs. 104 from Rs. 113 previously.

Engineering shares led the general declining tendency. The announcement that the rights issue by Guest, Keen Williams in the proportion of one for one ordinary share would be at a premium of Rs. 18.50 per share disappointed market circles and the share touched a low of Rs. 43.87, as against Rs. 49.75 earlier. Indian Irons touched a low of Rs. 23.92. Texmacos gave way to Rs. 23.10 from Rs. 25.40.

Miscellaneous industrials recorded a lower volume of business at declining rates. Hindustan Motors fell to Rs. 18.31 from Rs. 19.12. Rohtas Industries were lower at Rs. 22.37, as against Rs. 24 earlier. Dunlop Rubbers moved down to Rs. 40.50 from Rs. 41.75.

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Madras Stock Exchange

MADRAS, 21st *September*

Equities suffered a further setback during the week under review, following reports that the Government of India was considering various measures to curb speculation in stock exchanges. It was said that the Government would not permit companies with a good record of dividends to raise fresh capital by issuing new shares at par, but would insist on some premium being collected. It was also said that the Government was making efforts to ensure greater co-ordination among the Company Law Administration, the Controller of Capital Issues and other official bodies controlling stock exchanges and banks, with the object of checking any undue spurt in share values. Today there were strong rumours of the Reserve Bank announcing several measures to restrict credit expansion. Tea shares ruled easy as fresh support was lacking. Coffees were weak on reports of Uganda's move to stabilise exports of coffee. The unofficial estimates of lower coffee crop in Brazil did not have any effect. Rubbers were also depressed. Textiles, sugars and miscellaneous industrials were all subdued.

In the tea section, Hallevburias came in for selling and fell by 25 nP to Rs. 14.25. Nonsuchs lost a like amount to Rs. 27.25. Waterfalls receded by 22 nP to Rs. 4.25. Parksides were lower by 15 nP at Rs. 28.35. Blue Mountains declined by 10 nP to Rs. 5.05. Peermades and United Nilgiris shed 5 nP each, the former to Rs. 23.55 and the latter to Rs. 22.55.

Among coffees, Rajendras retreated by 50 nP to Rs. 14.50. Cowcoodys eased by 30 nP to Rs. 5.30. Consolidated Coffees dropped 5 nP to Rs. 26.05. Ouchterlony Valleys were unchanged at Rs. 4.75. Coffee Lands, however, elicited special support and rose by 30 nP to Rs. 24.80.

Rubber scrips were easy. Malankaras declined by 55 nP to Rs. 20 and Cochin Malabars by 12 nP to Rs. 7.28. Kailas shed 5 nP to Rs. 4.95. Kalpettas changed hands at Rs. 12.35. The Company has announced a dividend of 12.5 per cent., taxable (equivalent to 8.75 per cent. tax free), for the year ended April 1960, as against 12.5 per cent. tax-free for the previous year. Vaikundams were quiet at Rs. 31.45, as also Thirumbadis at Rs. 1.45.

In the textile section, Lakshmis suffered a setback of Rs. 6 over the week, today's closing rate being Rs. 141. Bangalore Woollens moved down by Rs. 3.50 to Rs. 200.50. Coimbatore Cottons fell by Rs 3 to Rs. 167. Travancore Rayons lost 85 nP to Rs. 35.90, after fluctuating between Rs. 35.75 and Rs. 36.75 in the earlier sessions. Maduras receded by 30 nP to Rs. 33.85. Loyals were lower by 25 nP at Rs. 35.25. Buckinghams were neglected at Rs. 205. Coimbatore Pioneers at Rs. 347.50, Coimbatore Spinnings at Rs. 48 and Dhanalakshmis at Rs. 227.

Among sugars, Indias were marked down by 25 nP to Rs. 13.05. Deccans decreased by 15 nP to Rs. 15.80, and Travancores by 10 nP to Rs. 12. Cauverys were subdued at Rs. 144 and United Breweries at Rs. 114.50. East India Distilleries, however, hardened by 50 nP to Rs. 40.25 on enquiries by certain interests.

In the miscellaneous section, cements were particularly weak. Dalmias eased by 15 nP to Rs. 12. Indias shed 6 nP to Rs. 7.19. Andhras lost 5 nP to Rs. 10.45. Orissas were neglected at Rs. 13.50 and Travancores at Rs. 8.80. Among chemicals, F.A.C.Ts declined by 67 nP to Rs. 11. Metturs closed at Rs. 13.25 *ex-div. ex-right*, as against Rs. 14.56 *ex-div. cum-right* last week-end. Mysore Fertilisers changed hands at Rs. 10.65 and Mysore Chemicals at Rs. 27.87. Among other scrips, Western India Plywoods suffered a loss of Rs. 8 to Rs. 290, following the announcement of a lower dividend at 10 per cent. taxable (equivalent to 7 per cent. tax-free), for the year ended March 1960, which compares unfavourably with 10 per cent., tax-free, for the previous year. Aluminium Industries gave way from Rs. 24.50 to Rs. 23.90.

ANUH PHARMA LTD.

It is not often that a manufacturer of indigenous medicine in this country seeks to raise capital by public subscription. Anuh Pharma Limited, a public limited company, registered on 19th February 1960, which has purchased the partnership firm of Messrs. Anuh Pharma, manufacturers of such indigenous drugs as "Rudanil," "Sisanal" and "Ugratin", has announced that it proposes to raise Rs. 10 lakhs for continuing the production and marketing of the products and to attempt the manufacture of new pharmaceutical preparations from indigenous drugs, hitherto known or unknown.

The proposed issue consists of 100,000 equity shares of Rs. 10 each. Out of this, 10,000 shares, of the total face value of Rs. 1 lakh, are being allotted to the partners of "Anuh Pharma" in part payment of the price for the sale of "Anuh Pharma" to the Company. The Directors and their friends have agreed to subscribe to another 10 000 shares. The balance of 80,000 equity shares of the total face value of Rs. 8 lakhs will be offered to the public shortly.

The subscription list will open on 8th October and close on 17th October or later at the discretion of the Directors but not earlier than 12th October 1960. Applications should be for a minimum of 50 shares or multiples thereof. A sum of Rs. 2.50 per share is payable on application and an equal amount on allotment. The balance of Rs. 5 per share will be called in two instalments of Rs. 2.50 each, at the discretion of the Directors at intervals of not less than three months between each call.

The Board of Directors of the Company consists of Mr. P. R. Subramaniam (Chairman) and Messrs. P. V. Pakvasa, N. T. Khandwala, Seventilal K. Shah, Dr. G. Krishna Murty, Dr. S. C. Sheth, Dr. V. P. Bhat, Messrs. M. V. Patnak and V. M. Shah. The Company proposes to manufacture "ethical pharmaceutical preparations" according to scientific standards, for the medical profession. The promoters claim that the products of "Anuh Pharma" are already popular with the medical profession. The raw material, which consists of indigenous herbs and fruits, is said to be available in plenty in the country. As such, the shortage of foreign exchange poses no problem to the Company.

ROHIT PULP AND PAPER MILLS

The Rohit Pulp and Paper Mills Ltd., Bombay, has been granted an industrial licence as well as a import licence for Rs. 1,85,000 under Japanese yen credit. Orders for the machineries have been already placed. It is proposed to manufacture fine qualities of writing and printing papers from rice straw and yarn rags. The Company's mills are to be established in Gujarat State near Pardi. Sixty acres of land have been acquired and 1,000 kv. power has been sanctioned by the Gujarat Electricity Board.

The authorised capital of the Company is Rs. 1 crore and, at present, it is proposed to issue 25,000 equity shares of Rs. 100 each of the total value of Rs. 25 lakhs. Necessary permission to issue the capital has already been received. Out of the above issue, the Directors and their friends have agreed to purchase 12,750 shares. The balance of 12,250 shares will be offered to the public shortly.

NEWS IN BRIEF

OUTPUT of pepper in India in 1959-60 was lower at 508,000 cwts., as compared with 510,000 cwts. in 1958-59 and 532,000 cwts. in 1957-58, according to the Commonwealth Economic Committee's *Tropical Products Quarterly*. The decline is attributed to bad weather.

The State Trading Corporation is contemplating to set up a subsidiary for handling exclusively exports of minerals (iron ore and manganese ore), which are now routed through the S.T.C. and also to amalgamate the Handicraft Development Corporation and the handloom export organisation into one subsidiary organisation.

A Bill to extend the Employees Provident Funds Act to establishments employing 20 or more persons was introduced in the Lok Sabha on the 9th inst. The Act at present applies to 43 industries and establishments and provides the benefit of compulsory contributory provident fund to over 2.6 million workers. It is now applicable to establishments employing 50 or more persons only.

The U.S. Government has approved of a $5 million (Rs. 2.38 crores) loan to the Industrial Credit and Investment Corporation of India (I.C.I.C.) for the purpose of relending the funds to private Indian industries. The loan is from the Development Loan Fund. Details of the credit remain to be negotiated. The industrial categories to be assisted through this loan have been mutually agreed upon by the I.C.I.C. and the D.L.F.

The Railway Board has sanctioned the traffic survey for the construction of a 32-mile Diva-Panvel-Uran broad-gauge line on the Central Railway. The survey will be carried out by the Central Railway Administration. The proposed line is expected to help the economic growth of this underdeveloped Konkan region on the Central Railway and also help relieve congestion in railways around Bombay arising from industrial development.

India is to import Spanish merinos for experimental breeding in the Himalayan region for improving the wool yield of indigenous sheep. Spanish sheep possess smaller bodies and lighter fleeces than the highly developed sheep of Australia, as they are raised under poorer conditions. The Australian sheep have not yielded very good results in the past and it is believed that Spanish merinos may thrive better in the Himalayan region.

An agreement between India and Czechoslovakia for the operation of air services between the two countries was signed on Monday this week at Prague. Air-India International has been operating air services through Czechoslovakia since 1956 and the Czechoslovak Air-lines began operating a service to India in August 1959. The air services by the two airlines, which were being operated under temporary authorisations, would now be placed on a formal basis with the signing of the agreement.

An official Bill seeking to impose ceiling on existing landholdings and on future acquisition of lands in Gujerat has been moved in the Legislative Assembly. The Bill seeks to impose ceilings on perennially irrigated land at 14 to 33 acres and on dry crop land at 56 to 132 acres. Gujerat is the ninth State to sponsor such legislation. It is estimated that about 200,000 acres of land out of about 25.5 million acres of cultivable land in the State will be available as surplus land. There are 250,000 landless families in the State.

Nearly 676 million tons of coal in two seams with an area of 6.3 sq. miles in the recently-discovered Singrauli coalfield in Madhya Pradesh have been proved by the Geological Survey of India. The Singrauli coalfields extend over an area of 800 square miles. The geology of the area indicates that the seams are likely to extend over a larger area and, therefore, the potentiality of the coalfield as a whole is considered fairly substantial. It is proposed to raise 2.5 million tons of coal during the third Plan period from the Singrauli coalfield which will be run by the public sector.

The U.S. Export-Import Bank has approved of a transaction for the purchase by Air-India International of one Boeing 707 commercial jet airliner. The Bank will assist in the sale by extending a credit of $4.1 million to India. The total U.S. dollar cost of the airplane will be $6 million, including airframe spares, ground support and ground handling equipment and personnel, ground and flight training. Following the Bank's formula for the financing of export sales of this type, the Air-India International will pay 20 per cent. of the dollar cost before delivery, the Boeing Airplane Company of Seattle will finance 12 per cent. and the Bank the remaining 68 per cent.

The Government of India has decided to extend the procedure under Rule 191A of the Central Excise Rules, 1944, for export out of India of articles under claim for rebate of duty on the excisable goods used in their manufacture to yard material, commercially known as dress material, as well. This procedure is already applicable to ready-made apparel, tents, cotton bags, umbrellas, *chaddars*, pillow cases, table covers, cotton handkerchiefs and several other articles. The Government has also decided to permit the manufacture in bond of yard material for the purpose of export, under Rule 191B of the above-mentioned Rules.

Work on the construction of the watch factory proposed to be set up at Bangalore as an adjunct to the Hindustan Machine Tool Factory will commence next month, according to Mr. M. K. Mathulla, Managing Director of the H.M.T. Mr. Mathulla has just returned from Japan, after having detailed consultations with the collaborating firm, the Citizens Watch Company of Japan. The watch factory is scheduled to go into production by the end of 1962, with an initial annual capacity of 360,000 watches. The average cost per watch is expected to be less than Rs. 100. The factory is estimated to cost Rs. 2 crores. The Japanese Government has agreed to provide the necessary foreign exchange.

A three-man official delegation, consisting of Mr. K. B. Mathur (Chairman of the Heavy Electricals), Mr. M. Hayath (Chairman of the Central Water and Power Commission) and Dr. B. D. Kalelkar (Senior Industrial Adviser to the Government of India), will shortly leave for a tour of Russia and Czechoslovakia to finalise arrangements for the establishment of two heavy electrical projects during the third Plan period. The two countries have already offered help for these projects. The Indo-Soviet project will produce 750,000 kw. hydro and thermal generating units and high power motors for the steel works. The projects with Czechoslovak collaboration will manufacture thermal units of 600,000 kw. capacity and about 19,000 tons of high pressure boilers. Both projects will produce other matching equipment and have sufficient scope for expansion.

About 26,000 tons of sodium sulphate, an important industrial chemical, can be obtained annually from Sambhar Lake bitterns in Rajasthan by a new process developed at the Central Salt Research Institute, Bhavnagar. The commercial feasibility of the process has been established as a result of pilot-plant trials conducted at the Institute. The new process makes use of the plentifully available "bittern"—about 250,000 tons a year—obtained during the extraction of common salt from the Sambhar Lake brine, the largest single salt production centre in the country. It has been estimated that an industrial plant producing 14 tons of sodium sulphate daily will require an investment of Rs. 9.6 lakhs. About 20 tons of high grade common salt will be obtained as by-product. The return on the total investment is estimated at 31 per cent.

The papers prepared by the Central Statistical Organisation on labour costs on the cotton textiles, cement, jute and sugar industries were discussed by the Steering Group on Wages, at its meeting at New Delhi on the 21st inst. The Group was set up by the Union Labour Ministry in December 1957 to give adequate attention to the question of wages and related issues which have a bearing on labour-management relations. The Group also considered the findings of the report of the National Council of Applied Economic Research on depreciation and replacement practices. The other items considered related to the effect of industrial wages on agricultural prices and the survey of the pattern of absenteeism among colliery workers in the Jharia coalfields.

A central mechanised unit will be established in each State to ensure maximum efficiency and utilisation of construction equipment available at irrigation and power projects within its territory. This is one of the decisions taken at a meeting of the Co-ordination Board of Ministers, held at Bangalore last week, under the chairmanship of Mr. Hafiz Mohammed Ibrahim, Union Minister for Irrigation and Power. The functions of the mechanical units include planning the requirements of construction plant and machinery required for all minor, medium and major projects, except in respect of those major projects which are administered by control boards or corporations. The units will also procure new machinery and ensure that effective use is made of declared surpluses. They will supervise operation and maintenance of equipment as well as planning of major repairs and reconditioning of equipment surplus to the requirements of some projects. They will further lay down proper schedules for census of machinery, history sheets, log books, maintenance sheets, standard system of stores and other records and prepare lists of spare parts and their procurements.

The Seminar on Irrigation and Power held at Bangalore last week recommended, *inter alia*, that the cost of multipurpose river valley projects should normally be allocated to the three main functions —irrigation, power and flood control. Other functions, such as water-supply for domestic and industrial uses, navigation, pisciculture and preservation of wild life should be included in one of these main heads. It also suggested that, in the apportionment of cost of river valley projects, "the use of facilities method," under which the reservoir capacity and the quantity of water utilised will be the basis for calculations, should be adopted. The distribution of costs, it was felt, had to be done for each unit, such as dam, canal, weir, etc., and not for the project as a whole. Suitable adjustments should also be made in cost allocation, wherever necessary, and a review made when there was a significant change in the use of facilities by the various functions. During the construction stage of a project cost allocation, it was recommended, should be done on the basis of proposals to be immediately implemented. Reallocation could be done when the scope of the project was modified. The basis of allocation would continue to be the same whether the beneficiary was one or more States.

The Government of India has appointed experts to assist the Technical Committee which is now examining the question whether the provident fund rate should be increased from 6¼ per cent. to 8⅓ per cent. in certain industries. The Committee was appointed by the Labour Ministry in May last, with Mr. N. R. Meher as Chairman, to examine, in the first instance, six industries—cement, cigarettes, electrical and mechanical or general engineering products, iron and steel, paper and textiles. Following are the experts appointed for each of these industries: Mr. I. M. Mouhdin, Dalmia Cement Workers' Union, Dalmiapuram (cement), Mr. J. D. Harvey, Financial Accountant, the Imperial Tobacco Company of India Ltd., Calcutta, and Mr. Jagannadha Rao, President, I.N.T.U.C., Andhra Branch, Hyderabad (cigarettes), Mr. R. D. Trivedi, Director, Messrs. Jeewanlal (1929) Ltd., Calcutta (electrical, mechanical or general engineering products), Mr. V. V. Ranade of the Indian National Trade Union Congress, Bombay, Mr. R. S. Pande, Agent, the Tata Iron and Steel Company, Ltd., Jamshedpur (iron and steel), Mr. V. G. Gopal, General Secretary, Tata Workers' Union, Jamshedpur (iron and steel), Mr. Dhuleswar Bastia, Rourkela Mazdoor Sabha, Orissa (paper), Mr. M. L. Zutshi, Shri Gopal Paper Mills Ltd., Calcutta (paper), and Mr. G. Ramanujam, Vice-President, I.N.T.U.C., Coimbatore (textiles).

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From Abroad

Russia has agreed to supply Ceylon as many planes as it needs for civil aviation either on an easy long-term basis or under barter arrangements.

The French Government has relaxed restrictions on the imports of a number of commodities, including tea, cashewnuts, manganese ore and frozen seafoods.

The British National Coal Board has raised the pithead prices of all types of coal by an average of 6s. 8d. a ton. The increase, the first in the last three years, is expected to yield an additional annual revenue of £60 million.

The Government of Cuba has nationalised three U.S. banks in the country, namely, the First National Bank of Boston, the Chase Manhattan Bank and the First National City Bank of New York. Earlier, it took over the entire tobacco industry under the pretext that the owners were openly hostile to the economic development of Cuba.

Under a barter deal signed between Hungary and Holland, the N. V. Werkspoor of Utrechit will supply Hungarian railways 380 freight trucks worth about Fls. 6 million for delivery by 1962. In return, Hungary will supply light and heavy industrial machinery. This is the biggest transaction between Hungary and any other country in Western Europe since 1956.

The Combined Policy Research Association, an influential advisory body in Japan, has suggested the possibility of raising Japanese passenger car production from 80,000 in 1959 to 1.2 million by 1970. It has urged the industry to export at least 500,000 cars by 1970. Japan's automobile production is now fast rising and is expected to offer severe competition to the U.S., the U.K. and West Germany.

The world's entire productive capacity for newsprint, about 15 million tons per annum, now seems to be fully utilised, according to a survey made by the Swedish Holmen group of industries in Norway. The reason behind this encouraging development is the unexpectedly large increase in consumption practically all over the world. According to international estimates, productive capacity and consumption are likely to be 17.7 million tons in 1965 and 26 million in 1975.

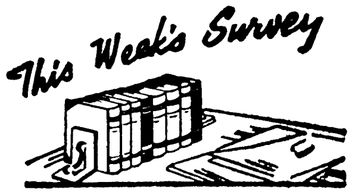
The U.S. Tea Council opines that current record tea imports into the U.S. indicate that tea drinking is growing in popularity in that country. Tea imports rose to a record figure of 73.5 million pounds during the first seven months of 1960, an increase of 7 million over the corresponding period of the previous year. Total tea imports of the year are expected to reach a record of 117 million pounds, as compared with about 108 million tons last year.

President Eisenhower has signed legislation making it easier for U.S. corporations operating in more than one foreign country to take advantage of the full U.S. tax credit due to them. The measure permits U.S. firms to elect whether to compute their foreign tax credit against the U.S. 52 per cent. levy on an overall or a per-country basis. Under the 1954 code, it was mandatory for U.S. firms to calculate their foreign tax credits on a per-country basis. Many instances arose where a company was unable, under this provision, to get the full U.S. credit for foreign taxes paid.

PERSONAL

MR. G. L. Mehta, Chairman of Industrial Credit and Investment Corporation, has been appointed Chairman of the third Finance Commission. Mr. G. R. Kamat, I.C.S., will be the Member Secretary.

Mr. Morarji R. Desai, Union Finance Minister, left Bombay for London on the 17th inst. to attend the Commonwealth Finance Ministers' Conference there. He was accompanied by Mr. M. V. Rangachari, Deputy Governor of the Reserve Bank of India, Mr. V. V. Subramaniam, Deputy Secretary to the Union Minister for Finance, and Mr. V. Y. Tompe, Personal Secretary to the Finance Minister. From the U.K., Mr. Morarji Desai will proceed to the U.S. to attend the annual general meeting of the Board of Governors of the World Bank and the I.M.F.



CEYLON'S CRISIS BUDGET

THERE is something that is commendable but much else that is condemnable in the Budget proposals, announced on 15th inst., by Mrs. Bandaranaike's Government in Ceylon. The good and the bad alike in the proposals, viewed against the background of a crisis or near-crisis in that country's foreign trade sector, with its repercussions on the Government's finances and the domestic economy in general, may seem to be both logical and necessary. But the crisis, which has manifested itself in a depletion of the country's foreign exchange reserves to the level of about Rs. 55 crores in recent weeks—a depletion which has necessitated some very drastic import curbs well in advance of the Budget—and in an anticipated deficit of Rs. 47 crores in the Government's finances, may only partly explain, but not wholly justify, the bad proposals in particular.

The least desirable of these proposals are a tax of Rs. 400 per annum on every foreign resident visa-holder whose stay in Ceylon exceeds three months, and an annual registration fee of Rs. 1,000 for every business, big or small, carried on by non-nationals, either individually or in partnership with Ceylonese nationals. These levies, which have probably no precedent elsewhere, are most likely to have the effect of squeezing thousands of Indian nationals out of Ceylon. One estimate, in this connection, is that there are now 35,000 resident visa-holders among the Indian nationals—the barest minimum, according to the Indian Mercantile Chamber of Ceylon, required for posts of trust and confidence in Indian business establishments. Since 150,000 Indian nationals have left Ceylon in the last ten years on account of the refusal of the immigration authorities to renew their resident visas and about 800,000 persons of Indian origin have been rendered Stateless following the rejection of their claims to Ceylon citizenship, the intended or unintended effect of the present iniquitous levies becomes unmistakably clear. It is a determined attempt to give effect to the Government's policy of Ceylonisation of trade and occupations that offer self-employment. If the remaining visa-holders, most of whom are accountants, trustees, salesmen, petty shopkeepers, and even tailors, barbers and dhobis and whose annual savings are probably very little, cannot manage to pay the proposed annual visa fee and, wherever it applies, the annual registration fee for business, they will have to quit Ceylon for good. Even if some of them hope to be able to pay the levies, the apprehended treatment of children under 16 (who are now included in the single resident visa of their parents) as separate entities for the purpose of levying the visa fee may provoke second thoughts in them. Unless the visa fee and the annual business registration fee are drastically reduced, if not abolished, it is difficult to see how anything more than a few hundreds of substantial Indian business men, who can manage to pay both the registration fee and the visa fee on behalf of their employees, can continue to remain in Ceylon for their living. An estimated annual revenue of even upto Rs. 2 crores from these levies cannot justify their imposition in view of the human factors involved.

If these twin proposals are undesirable from the point of view of Indian nationals, there is one other tax proposal which may be deemed to be equally undesirable from the point of view of the entire private industrial sector in Ceylon. The proposed annual levy of Rs. 50 for every Rs. 10,000 nominal share capital of companies registered under the Companies Ordinance looks very much like a capital levy, or like the wealth tax on companies, now abandoned in India. The proviso that the new levy will not apply to "industrial or manufacturing corporations approved by Government" is by no means clear; if it means that public sector undertakings will be exempted from the levy, it will be patently discriminatory in so far as the private sector is concerned. It will be doubly so in the context of the Ceylon Government's industrial policy under which such industries as iron and steel, cement, chemicals, fertilisers, textiles, tyres and tubes for motor vehicles, sugar and by-products, mineral sands, salt, ceramics, plywood, leather footwear, paper, roofing tiles and ayurvedic drugs are reserved for the expansion of the public sector.

This industrial policy, incidentally, leaves very little scope for expansion of the private sector. What is worse, it cannot also hope to expand in collaboration with foreign private capital in certain fields, because it is proposed to attract foreign investments only to new fields of industrial activity and to fields where the private sector has not already established itself. In the result, the fields open to foreign investors are probably very few; this may be even more true, if it is remembered that, generally speaking, foreign private investors are chary of collaborating with the State in the establishment of industries exclusively reserved for the public sector. The countries that will probably benefit most from the policy adopted by the Ceylon Government are those that belong to the communist world.

In the aforesaid context, the concessions and assurances held out in the Budget to attract foreign investments may not be of much avail in actual practice. The concessions now offered are besides the tariff and tax concessions already available to local Ceylonese enterprises, and include free permission for repatriation of dividends and the eventual repatriation of assets, free permission for bringing in all necessary technical and managerial personnel, permission to such personnel to remit a part of their earnings abroad and avoidance of double taxation. These are good in so far as they go. It may be that foreign collaboration, if it comes forth, will be productive of good in terms of foreign exchange earnings where the enterprises concerned cater to export markets. But the proposal that every case of foreign investment will be submitted to Parliament for approval defies one's understanding. The Ceylon Finance Minister's view that "this would be the best safeguard as far as security of foreign investment is concerned" does not stand to reason, not only because a collaboration agreement between the foreign investor and the domestic investor is a private affair, subject only to some degree of administrative control and having a legal validity of its own, but also because there will be greater, not less, insecurity for foreign investments when they are periodically scrutinised by a Parliament whose political complexion will be changing from time to time. Ceylon's economic crisis would appear to suggest the need not for such devices of doubtful utility but for more forthright guarantees to foreign capital, preferably within a regional framework covering other underdeveloped countries in South-East Asia.

INDUSTRIAL WAGES AND PRICES

At a time when the reliability of national income statistics has been questioned by no less a person than the Governor of the Reserve Bank, it is odd to be told that an official paper with a bearing on wage and price policies has been based on some Central Statistical Organisation surveys done within the framework of those very statistics. If, however, it is taken that the basic data are dependable for this purpose even as they have been deemed to be so all along for other purposes, the conclusions of the official paper would bear examination. The main conclusion that a 20 per cent. increase in the wages of workers employed in large-scale manufacturing industry will result directly in increasing the price level in that sector by 3.71 per cent. is a disquieting confirmation of the extent to which wage-cost inflation can bring about price inflation. That the same percentage increase in wages will result directly in increasing the price level only by 0.05 per cent. in the agricultural sector, by 0.61 per cent. in the small-scale manufacturing sector, by 0.17 per cent. in the mining sector and by 0.28 per cent. in the tertiary sector, cannot, however, be taken to justify any indiscriminate wage increase in the industrial sector without regard to the paying capacity of individual units, especially the marginal and sub-marginal ones, and to the growth of *per capita* national income in the earlier stages of industrialisation.

An increase of 3.71 per cent. in the price level of the large-scale sector, brought about by a 20 per cent. increase in wages, is in any case substantial. Here, it is only the initial effect that has been appraised, for the spiral effect of the increased prices of the products of other sectors entering the large-scale manufacturing sector have not been taken into account. Although wage income represents only 25.7 per cent. of the gross domestic product at factor cost in the economy as a whole, the corresponding percentage in the case of large-scale manufacturing is as much as 48.2. When this factor is considered along with the aforesaid spiral effect, the tendency to discount the inflationary consequences of steep wage increases not related to productivity will have been checked. These are only general comments on some conclusions of the official paper. Further comments have necessarily to await the publication of the relevant surveys made by the C.S.O. and the Indian Statistical Institute. The official paper, however, does highlight the wage-cost side of price inflation—a side which is no less important than its monetary side—but this is more implicit than explicit.

TOURISM

In deciding the quantum of allocation for the development of tourism in the third Plan, the Planning Commission was unwisely niggardly. A sum of Rs. 5 crores provisionally provided for in the Draft Outline for an industry which ranks as the sixth largest foreign exchange earner, can hardly be regarded as adequate, even conceding the existence of other pressing claims on the limited resources. Considering the fivefold rise in foreign exchange earnings from tourism in a period of ten years and the possibility of further increase in future, one cannot help feeling that the Planning Commission was penny-wise and pound-foolish. The present allocation is but an insignificant fraction of the total outlay of Rs. 11,250 crores envisaged in the Draft and too small in view of the growing importance of tourism both as a foreign exchange earner and a potent instrument for promoting international goodwill and understanding. Surely, to an industry, which earned for the country foreign currencies to the tune of Rs. 21 crores in 1959 and which is expected to yield Rs. 90 crores in all during the second Plan period as much as Rs. 200 crores in the third Plan, a more generous provision will have been fit and proper. The flow of foreign tourists to this country, which has been steadily mounting year after year since 1947, is likely to spurt in the next few years as a result of the new impetus which the "Visit Orient Year" and "Visit India" year, due to be celebrated in 1961, is sure to give to tourism. To cope with the increased tourist traffic and to create facilities to attract more foreigners to India's shores more money and better spending of it are called for.

The All-India Tourist Development Council, therefore, did well to appoint, at its meeting held this week in Shillong, a committee, headed by Mr. Shankar Dayal Sharma, Madhya Pradesh Minister for Tourism, to secure from the Planning Commission an increased allocation by taking such steps as the committee deemed fit, including, if required, waiting in deputation on the Prime Minister whose keen interest in tourism is well known. In a persuasive speech delivered at the meeting, Mr. Homi J. H. Taleyarkhan, Maharasthra's Minister for Tourism, told the Council that the sum of Rs. 5 crores proposed for tourism by the Planning Commission was too little, in view of the growing importance and consciousness of tourism. He was of the view that the foreign exchange earnings could be more than doubled, if the Plan allocation itself were doubled to Rs. 10 crores. It is needless to add that the aforesaid committee must work out a detailed project to prove this claim, if it is to carry conviction to the Planning Commission.

The Council also appointed another committee under the chairmanship of Mr. Taleyarkhan to make a detailed survey and assessment of the various requirements of the tourists, both home and foreign, in respect of accommodation, transport, communication, guidance and other facilities and to suggest measures for providing these facilities. The survey is expected to provide a complete picture of the position as it is today, of the gaps that exist and the quickest and most inexpensive means of filling it up. The committee is expected to submit its report before the next meeting of the Council in May next.

While we do not propose to anticipate the findings of the committee nor to visualise its recommendations, attention may be drawn to some of the most glaring shortcomings and lacunæ in the existing tourist arrangements. Provision of adequate hotel accommodation and cheap, comfortable transport facilities are two prerequisites for making the stay of foreign tourists in the country enjoyable. On both these counts, there is still much to be done. Recognising the need for encouraging the establishment of more hotels in the country, the Tourist Development Council has recommended the provision of Government lands to the hotel industry at reasonable market rates. It would be a good thing if foreign hoteliers are invited and encouraged to invest in hotel industry in this country either in partnership with private hoteliers, or with Government. The Pan American Airways had some time ago made an offer to collaborate with the Government of India in the establishment of luxury hotels in Calcutta, Bombay and Delhi and in-type hotels (that is, hotels having well-appointed private rooms but no public rooms) in Madras, Agra, Benaras and Jaipur. It is not known what has become of this offer. If the Government is not in favour of itself being the collaborator in this project, it can invite private hoteliers so inclined to do so. The hotel industry should also be given suitable financial assistance to help it to speed up the construction of hotels.

As regards transport, the present arrangements, though much better than what they were before, leave much to be desired. The Council's suggestions for licensing medium-sized cars as luxury taxis, the provision of self-driven taxis for foreign tourists, evolution of a code of conduct for taxi operators and relaxation of mileage restriction on railway travel, are all well worth consideration. The elimination of irksome custom formalities, abolition of begger nuisance, issue of liquor permits valid in all the States by Indian missions abroad and tourist departments in the country, well-directed and imaginative propaganda in foreign countries, etc., are other matters which, though apparently trivial, are essential for enhancing the tourist attractions of our country.

EXPORT OF ENGINEERING GOODS

A feature of industrial development in India during the last few years is the steady expansion of engineering industries. Despite shortage of raw materials, skilled labour, technical know-how and other handicaps, the industry has given a good account of itself and, what is more, it has made a promising beginning in the sphere of exports, too. The total exports of engineering goods rose by as much as about 60 per cent. to Rs. 3.76 crores in the first half of 1960, as compared with the corresponding period last year. While this growth is not insignificant for a beginner, the share of engineering goods in India's total exports is deplorably small, being no more than 1.25 per cent. In the third Plan, its authors have envisaged a five- to six-fold increase in the export of engineering goods. They have been optimistic enough to aver that the supply position of pig iron and steel is bound to improve with the commissioning of the new steel plants and that this will give a fresh impetus for the development of engineering industry.

Unlike the traditional export items of India which have, by their very nature, limited competition from other countries, engineering industry is a comparatively new comer in the field. Besides, it has to compete with engineering goods made by well-known firms in such countries as the U.K., West Germany and Japan. It is, therefore, essential to make an all-out effort to strengthen the competitive position of the domestic engineering industry, if it is to make any significant impression in world markets. In this context, Mr. Agarwal, Chairman of the Engineering Export Promotion Council, in a Press conference at Calcutta, did well to draw particular attention to the various problems facing the industry and their solutions. The main difficulties of the industry stem from declining industrial incomes due to the high cost of raw materials, increasing wage bills and overheads. Besides, there is considerable idle capacity in the industry. In fact, most units worked only one shift. The productivity of the domestic industry, too, is lower, as compared with foreign countries. According to Mr. Agarwal, these factors as well as the absence of the advantages which exporters from other countries enjoy have placed Indian exporters in an unfavourable position in foreign markets. It is obvious that, in this sphere, India has had to start from scratch and can build up its reputation only on the basis of price and quality. Every machine that comes out of the factory must be subjected to strictest check and inspection in order to ensure that there are no defects in it. Even if there is the slightest defect, it should not be allowed to go out of the assembly line.

The steps that Mr. Agarwal suggested to stabilise Indian exports in overseas markets included giving the exporter favoured treatment as against the non-exporter. For instance, the suppliers of raw materials could extend concessional rates to them. Another important measure suggested was the provision of incentives for more manufacturers to enter the export field—today 50 per cent. of the engineering goods exported were confined to about 20 items manufactured by about 30 firms, whereas there were as many as 3,000 units in the country, employing 20 or more men. In order to improve the present situation, Mr. Agarwal urged the Government to reduce the price of steel, pig iron and tin-plates, to give a rebate in income-tax as is being allowed in Japan, and sizable concessions in shipping and railway freights. These suggestions deserve the serious consideration of the Government, as, apart from the compelling urgency to secure larger foreign exchange earnings, exports of engineering goods will serve the object of diversifying the pattern of India's foreign trade. Care must, however, be taken to see that such assistance is rendered only to the deserving units which are progressive and quality-conscious. It is important to make sure that Government help in any form does not encourage inefficiency among manufacturers.

NATIONAL POWER NETWORK

One of the main recommendations of the seventh Seminar on Irrigation and Power held at Bangalore last week was that a separate unit should be created in the Central Water and Power Commission to formulate plans for the establishment of super-grids on a zonal basis, keeping in mind the need for their gradual integration into an all-India grid. The Seminar suggested that plans for this purpose should be drawn up in consultation with the State Electricity Boards, public electricity undertakings and corporations in the country. The consensus of expert opinion at the Seminar was that super-grids should be planned, designed, constructed and operated by a central agency for each zone. A central generating agency for generation and transmission of power to super-grid receiving stations was also deemed necessary. The unit to be set up in the Central Water and Power Commission was asked to study the organisation, finance, construction, operation, and maintenance of super-grids and submit its proposals at the next Seminar. It was also required to suggest appropriate voltage for each zonal grid, taking into consideration the technical requirements and the economics of the system. It was emphasised that, in planning the super-grids, care should be taken to see that large generating stations were established at the most economical sites in the region as a whole.

This suggestion of the Seminar is in line with the view of the Union Ministry of Irrigation and Power which favours the linking of State transmission systems and the gradual evolution from these systems of a national network or super-grid for the whole country. The proximity of State networks and the power imbalance in certain regions have brought to the fore the importance of a co-ordinated operation of the State power systems by means of suitable interconnections. Writing in a recent issue of *Bhagirath*, a journal of the Central Water and Power Commission, Mr. Hafiz Mohammed Ibrahim, Union Minister for Irrigation and Power, pointed out the advantages of such a power network. A combined and co-ordinated hydro and thermal grid system, according to him, has a greater capacity for firm supply than the sum of individual stations, operating independently. The installed capacities of power stations can be used more effectively, thereby minimising spare generating units and effecting substantial economies in capital cost, operation and maintenance. The frequency and voltage of inter-connected systems are less susceptible to variations arising from sudden changes in load and faulty conditions than in the case of independent and small power systems. The trend in all States has so far been towards inter-connection of important generating stations, hydro and thermal, only within their boundaries. And there is no significant expansion of State grids across the boundaries, except the Damodar Valley Corporation transmission system which covers Bihar and West Bengal and the Chambal system encompassing Madhya Pradesh and Rajasthan.

The Power Development Committee of the Southern Zonal Council has, however, reached some broad conclusions on some inter-State links for the adjustment of power supply to the mutual advantage of the States concerned. This, if implemented, may lead to the establishment of a super-grid system covering the four Southern States, namely, Madras, Mysore, Andhra Pradesh and Kerala. The Union Minister feels that similar super-grid systems would be necessary in future in other zones too.

To refer to the Seminar's recommendations. The establishment of super-grids and their control, it was suggested, should form part of a master plan for power development. The formulation of such a plan should be preceded by a fresh power load survey. It may be noted that the need for such a survey was also endorsed by the Co-ordination Board of Ministers—a high-powered body responsible for policy matters and expeditious implementation of the recommendations of the Seminar—which also met at Bangalore last week. The Board adopted a resolution to the effect that a detailed load survey should be carried out jointly by the State Electricity Boards and the Central Water and Power Commission in order to facilitate the drawing up of a scheme of power development in co-ordination with the general development programme. As the latter is flexible, the power loads also are subject to change. This means that the load survey should be a continuous one.

Construction of super-grids is in keeping with modern trend in power development in advanced countries where not only is bigness in current fashion but super-power stations are also sought to be linked together for economic working and utilisation. A recent example is the project for linking the national electricity systems of Britain and France by means of submarine cables across the English Channel.

TACKLING COAL SHORTAGE

Several measures to meet the acute shortage of coal that is being experienced by various industries, particularly by the steel plants, and to avoid the recurrence of a similar crisis in future have been announced by the railways. These are the outcome of top level discussions between the Railway Minister and the Minister for Steel, Mines and Fuel, during the last few days. The two main factors which have been responsible for the short supply of coal to various industries are (1) the failure of coal production to come up to expectations and (2) the shortage of haulage capacity to move the available coal. While a scheme is being worked out by the Government to raise coal output, the railways have now announced measures to press more wagons into use and have also appealed to all industrial users of coal to build up stocks whenever wagons are readily available.

According to a spokesman of the Railway Board, the following steps are being taken to ease the present tight wagon position:

(1) The periodic overhaul of rail wagons is to be deferred for six months. This will make available an additional quantity of 1.5 per cent. of the wagon fleet.

(2) 4,500 old wagons have been pressed into service for the period of the emergency.

(3) Wagons, which are normally due for discarding, are being retained but these will be operated for short hauls and at low speeds.

(4) The wagon-building programme is being accelerated, with the aid of 100,000 tons of steel which will shortly be imported. This, it is hoped, will help raise the wagon production capacity to 24,000, as against the present output of 15,000 per annum. It may be noted here that the 24,000 wagon manufacturing capacity was the target fixed for the second Plan, but it is now expected to be reached only in the first year of the third Plan.

(5) Coal loading will proceed on the basis of a seven-day week and the needs of steel plants will be met with the daily allocation of about 1,400 wagons.

(6) Quicker turnround will be arranged at the steel plants.

It is stated that the wagon capacity during the first six months of the year was 4,150 per day, while the demand was for 4,550 wagons. It is not clear whether this shortfall can be made up by emergency measures of the type mentioned above. As these old wagons can be used only for short hauls and at low speed, the pressing into service of these wagons may involve delay in the receipt of coal by the consuming centres, not to mention larger expenditure. It also entails the risk of breakdown of services. In the circumstances, it is doubtful whether the stockpiling of coal by the steel plants, let alone by other industries, to such an extent as would ensure a steady and uninterrupted production will be quite successful.

LONDON LETTERS

LABOUR TRAVAIL

From Our Own Correspondent

LONDON, 17*th September*

THE Trade Union Congress, meeting for its annual debates in the Isle of Man, has been made to look completely devoid of policy, at least so far as the general Press, popular and top, is concerned. And the whole Labour movement inevitably appears to be in similar confusion.

Although the general impression has been to discount the possibility of another Labour Government for an indefinite time, on the ground that a party so divided, so lacking in coherent direction, could not possibly win the votes necessary for power, yet it would be unwise to underestimate this party of six million adherents. This is so, even though the *Daily Telegraph*, the leading Conservative newspaper, has urged the party to put itself out of its misery by painless liquidation as early as possible.

Interest in the Trade Union Congress deliberations has centred on two issues, the first of which has attracted most publicity: this is the issue of *defence policy*, whether the country should have its own "nuclear deterrent," or whether it should depend on America, or whether it should not have one at all. The T.U.C. got itself out of its dilemma at the expense of provoking mirth at its inconclusiveness —that is by apparently voting for all three policies at once. In the general argument which has followed this breathtaking approach to the dilemma hardly anyone has pointed out that the Government of today, although they do not talk about it so much, are really in a similar dilemma—for they have decided to rely upon their own deterrent, but they have not got one, and it now seems unlikely that the one they had expected to get will ever materialise. But although the Conservative Party do not parade their difficulties and differences to the same extent as do the Labour, they, being the Government, must be presumed to have a policy, and any changes they make in their policy are made quietly behind the scenes and duly announced with an air of complete unanimity. The Labour Party and Trade Unions, not being in power, can allow themselves the luxury of hammering out very difficult problems of defence, out of which, no doubt, in due time coherence will emerge. It is at least to their credit that they are not afraid to think of all the complications of any policy decided upon.

The second issue, on which confusion again rears its head, is the economic one of State control in the future. Mr. Gaitskell, the leader of the party, declared a year ago that the famous Clause 4, in the Labour Party's constitution, which committed the party to nationalisation as a means of production and distribution, is out of date and must be re-drafted. The Trade Union Congress has now announced its intentions to Mr. Gaitskell and, with dissent, declares both that Clause 4 must remain unchanged *but* that Mr. Gaitskell's thought on amendment of it should be given due weight when it comes to applying the policy of Clause 4. This may sound contradictory but in fact it is the only way in which the party could ever evolve its economic doctrines. No one can ever say in advance how much nationalisation is necessary or what other forms of State control may be more desirable from time to time. The Conservative Party itself is not averse to State control for specific purposes, but not being burdened with a written constitution or with the need to define economic policy in doctrinal terms, it can quietly adapt itself to the economic needs of the time with the minimum of fuss.

The Trade Union Congress has stirred up a great debate, but one should not make light of the fact that all that has emerged is a realisation of the problems about which all citizens need to think, if this country is to make economic progress and hold its own in the balances of world power.

• • • •

Pattern of European Trade

LONDON, *9th September*

Until recently it was assumed that in spite of credit restrictions production had been rising healthily and steadily throughout this year. But every month the indices are revised, and this month the figures for May and June have been drastically reduced so that the hitherto satisfactory picture has now become dull and foreboding.

For the first quarter of this year the production index stood at 123, and for the second quarter at 121½, while the July figure is estimated at about 110. But these are unadjusted figures, and when allowances are made for holidays and so forth the picture becomes for the first quarter 119½, and for the second quarter 120½, with no change in July. In effect, instead of the rising production trend, production has flattened out.

This disconcerting fact is obviously going to bring the Government's policy of credit restriction into question, and if production is not going up and exports are going down, then a little bit of reflation might do no harm.

But it will probably take time to influence the Treasury by such arguments, because so far as exports are concerned, they cling to the theory, which has a good deal to commend it, that if you make it harder to sell at home you stimulate sales abroad. Moreover, the Board of Trade Investments Forecast, compiled from returns made by a number of businesses, show no depression about the future. On the contrary, manufacturers who earlier this year said they would be spending 14 per cent. more in investment than last year, have this summer revised their estimate to 25 per cent. It is true that non-manufacturing concerns have revised their estimates downwards, 20 per cent. to 16 per cent., but over all industry and commerce the general expectation has improved: from an originally estimated increase over 1959 of 16 per cent. to no less than 20 per cent.

And looking ahead to next year, the general business forecast is that investment will rise a further 12 per cent. over this year. Moreover, this general pattern is heavily weighted by basic industries such as iron and steel, motor vehicles and chemicals, which are also big export industries. The authorities have some excuse therefore for saying that since industry sees the future as requiring more and more investment it cannot find the present conditions of tight credit too restrictive. But of course industry does not think that way at all. It lives in the belief and expectation that before long the Government will have to do some pump priming and take the checks off demand. But while the domestic market and the general level of production may be stimulated by some reflationary exercise, what is the prospect for exports? Figures just published by O.E.E.C. hold a tiny germ of consolation for the United Kingdom in showing that it is not alone in its recent decline. France, Germany and indeed the whole of the Common Market countries have exported less in the second quarter of this year than they did in the first.

And the rate of decline is very much the same as for the U.K. But whereas U.K. exports now stand at only some 200 million dollars higher on the quarter than the figures for the first three months of 1959, those of Germany stand at some 500 million dollars higher and so do those of France. These countries had indeed enjoyed a far more rapid rise in their exports over the past eighteen months than had the U.K.

Figures published by the Common Market countries also show that the trade between these countries has greatly increased over the past year. They are to a considerable extent insulating themselves from world conditions. Very different is the picture of the British Commonwealth, which because of its Imperial Preference enjoys comparable advantages to the Common Market. But within this group of countries exports have in fact declined.

Next week the Commonwealth countries will begin discussions in London on their mutual economic problems. While the provision of development assistance for Asiatic and African Commonwealth countries is tabled over a number of sessions, the shorter time initially allocated to European trade problems is likely to be very intensively used. The U.K. has to continue its enquiries as to the attitude of the other Commonwealth countries to closer links with the Common Market—closer links not only for the U.K. but also for the Commonwealth—if this is going to be feasible. The idea of closer links between the Commonwealth countries themselves appears still-born.—*All Rights Reserved.*

Exports from Britain rose by £25 million to £297 million in the month of August, as compared with July (on a seasonally adjusted basis). Imports fell by £3 million to £385 million. Allowing for re-exports, the adverse trade gap was reduced to £74 million, as against £104 million in July. Taking the first eight months of the year together, the U.K. exports were 6.5 per cent. higher than the average for the whole of 1959 and imports were 13 per cent. higher.

AMERICAN LETTER

ILLUSION OF RECESSION

EXPORTI FAIL TO PICK UP

From Our Special Correspondent

NEW YORK, 15*th September*

THE big economic news in recent weeks was the liberalisation of credit. The Federal Reserve system reduced its rediscount rate and individual commercial banks reduced their lending rates as well. The overall business picture remains spotty. Inflation has not progressed as rapidly as in other eras. The conservatives point with pride to this achievement of their Administration, while the free-spending Democrats deplore it as lack of progress. The steel industry continues to operate at the lowest capacity in a non-strike year. Automobiles have been below expectations. The highway programme has been lagging and so have housing starts.

Despite all these obstacles, there are bright angles. Personal income is at the annual rate of $407,000 million. This is a new record and it compares with $386,800 million 12 months previously. Overall employment has also increased. It is now nearly 69 million, as against 67.6 million a year ago. Inventory and purchasing policies have been quite cautious and this has had a moderating effect on business. Production is abundant and there is no fear of shortages. What is not provided by U.S. industry is supplied by imports. All this makes for relative price stability.

Price stability is bothersome to some so-called progressive observers of the economic scene. There has been no relative price stability in the U.S. for so long that for the "progressives" it conjures up the spectre of another recession, or depression. This is true up to a point, of course. Human affairs go in ups and downs, but the more the heights and intensities of the ups and downs can be softened, relative stability can be achieved.

Seasonally adjusted patterns show no striking changes. With a few exceptions, there are very few real economic setbacks. In other words, the U.S. economy is proceeding at a relatively even keel. While factory employment has declined, employment in the service industries has gone up. The United States' share of the export markets has, however, shrunk to a dangerously low point. The export trade drive, as advocated by the President of the U.S., has been stymied by lack of appropriations by Congress. Trade balance deficits were $3,400 million in 1958 and $3,700 million last year. Projections for 1960 are that the deficit will again be above $3,000 million. Said Philip A. Ray, U.S. Under-Secretary of Commerce, the other day: "Even a few years of such deficits could prove to be intolerable and would have disastrous effects domestically and on our world position."

Congressmen went home after a very poor session, following the Republican and Democratic conventions which selected the respective Presidential candidates. About the only new Bill of any substance to make the statutes was a measure to protect Negro voting rights. Nothing at all was accomplished in such fields as Government aid to education, new minimum wages and farm legislation. Medical expenses for the aged came under review by Congress, but the measure fell far short of expectations.

In the face of all these obstacles, the summer rally in the stock markets did not last. Forecasters predict a better tone for the autumn and the winter.

Particularly heartening has been the sale in retail stores. It got off to a much faster start than expected. Schools here usually reopen shortly after the first few days of September. The volume is headed for a greater rise this season than the increase in school population would indicate normally.—*All Rights Reserved.*

The total investment of U.S. companies in foreign countries will go up by 15 per cent. to $2,400 million in 1960, according to a study made by the McGraw-Hill's Department of Economics. This amount relates only to those companies covered by the study; but they accounted for about 60 per cent. of such investment by the U.S. industry. These industrial concerns have plans to expand their overseas investments by another 6 per cent. in 1961. The striking feature of regional pattern of U.S. investment abroad is the shift to Common Market countries, the share of which is expected to go up from 17 per cent. of total U.S. investment abroad in 1959 to 24 per cent. in 1960 and 27 per cent. in 1961. Europe as a whole will account for 50 per cent. of the planned outlays abroad of American manufacturers by 1961.

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FOREIGN ASSISTANCE FOR INDIA

PARIS MEETING OF "AID CLUB" ENDS WITHOUT FIRM COMMITMENTS

BUT for the loose assessment of the resources position when the second Plan was drafted and the failure to regulate imports of non-essential goods during the years 1955 to 1957, India's foreign exchange difficulties would probably have been less serious than they are today. The total deficit in balance of payments on current account over the entire second Plan period was first put at no more than Rs. 1,100 crores and was subsequently raised to Rs. 1,700 crores. As against this revised figure, the external aid actually made available and promised upto June 1960 is Rs. 2,206 crores (including the first Plan carry-over of Rs. 191 crores). In addition, there has been a depletion of foreign exchange assets to the tune of Rs. 600 crores; these assets currently aggregate about Rs. 146 crores, as compared with over Rs. 746 crores at the end of the first Plan period (30th March 1956). In other words, the total of available foreign exchange resources comes to Rs. 2,806 crores, that is, Rs. 1,106 crores more than the revised estimate of the gap, namely, Rs. 1,700 crores. Nevertheless, the planners and the powers-that-be say that there is still an uncovered deficit of Rs. 65 crores! And Mr. Morarji Desai, Union Minister for Finance, has described the present foreign exchange situation as critical. Factually, this description is correct, for none can deny that the country is now at the end of its foreign exchange tether. Apparently, not all the aid promised has materialised and a part of the aid allocated is not readily available to meet the aforesaid gap.

It is reported that Mr. Desai, before his departure from New Delhi for London and Washington, sent "personal letter" to his Cabinet colleagues, exhorting them to exercise utmost economy in foreign exchange expenditure and great care in making arrangements for foreign credits in future. The Press version of the relevant contents of the letter is this: "The country's foreign exchange resources have dwindled to the lowest level and cannot be drawn upon further until they are replenished by fresh foreign assistance.... All commitments involving foreign exchange should be deferred until my return next month."

The Finance Minister would, perhaps, not have felt the need for addressing this letter to his Cabinet colleagues if only the "Aid-India Club"—a new phrase coined in the place of Consortium of five friendly countries in the free world—which concluded a three-day session behind closed doors at Paris on Wednesday the 14th inst., had come out with a firm offer of fresh assistance in the form of untied loans. The meeting of the Club, held under the auspices of the World Bank, was attended not only by the representatives of the Governments of Canada, Britain, West Germany, Japan and the U.S., the five countries that have pledged to grant aid to India for development purposes, but also by observers from Italy, the Netherlands (this country has expressed its desire to join the Club as a full member) and the International Monetary Fund. The Government of France, it is said, had declined the World Bank's invitation to attend the meeting either as a full member of the Club or as an interested observer under the pretext that it already had heavy aid obligations towards other countries, particularly in Africa. Mr. J. Burke Knapp, Vice-President of the World Bank, presided over the meeting. No official *communique* was issued after the meeting. All that the Club did, it is said, was to review the present economic and financial situation of India, to consider the need for further external assistance during 1960-61 (the last year of the second Plan), and to give preliminary consideration to the requirements of the third Plan commencing in April 1961. To quote a Press despatch from Paris:

"The aid group did not attempt to give a collective assurance to India that so much more money would be forthcoming in the next few months for the completion of the second Plan. They left it to the Wor'd Bank—and India herself—to work out the figure on the basis of the pending bilateral aid programmes. Similarly, no definite conclusions were reached regarding external assistance for the third Plan. The aid group merely decided to meet again in six or seven months' time, after the respective Governments had made up their minds about the extent of assistance they could conveniently offer for the third Plan."

The foregoing account and the preoccupation of the U.S. Administration with the ensuing Presidential elections rule out the possibility of India getting any fresh foreign aid during the remaining period of the second Plan. Before the Paris meeting, it was generally expected that the Consortium sponsored by the World Bank would extend loans amounting to about Rs. 143 crores ($300 million) for the current year in order to meet a substantial part of the Rs. 150-crore deficit in respect of commitments already made. Stress is, therefore, laid on the need for the members of the Consortium eliminating processing delays and relax restrictions on tied-to-project aid, so that a substantial part of the pending credits may be released for use by India in the next few months. It will be recalled that, at their meeting in Washington in August 1958, the Consortium estimated the aid needed for the completion of the second Plan at Rs. 446.49 crores ($938 million), but made specific promises in respect of aid amounting to Rs. 166.60 crores ($350 million), which were followed, in March 1959, by further offers aggregating Rs. 119.00 crores ($250 million), or a total of nearly Rs. 286 crores ($600 million). This left a gap of Rs. 161 crores which one thought would be filled in 1960. It is not yet known as to how much of this will be forthcoming in the remaining months of the current fiscal year. Further, since some of the credits are "tied" to particular projects and in view of the processing delays, the earlier calculations have gone awry. The question as to how India will meet its urgent requirements of foreign exchange thus remains unanswered. It remains to be seen whether Mr. Morarji Desai will be able to get something done during his current visit to London and Washington.

As for the foreign exchange needs of the third Plan, serious consideration is likely to be given at the next meeting of the Aid-India Club. This, according to Mr. B. K. Nehru, India's Commissioner-General for Economic Affairs, will take place in March, perhaps at Washington. If that is so, how will India be able to finalise its third Plan in good time? It looks as though this job will have to be delayed by quite a few months, for, unless the quantum of foreign aid is firmly decided, the Plan cannot be proceeded with. Almost every project in that Plan depends on the availability of foreign exchange. The World Bank Mission (leader: Mr. Michael Hoffman) which recently visited India has endorsed the Planning Commission's estimate that, even after the P.L. 480 aid amounting to Rs. 607.62 crores already secured, India would need foreign assistance amounting to Rs. 2,600 crores in the third Plan period. The assistance firmly committed so far is just Rs. 296.45 crores. The whole of this amount represents promises by the Communist countries in Europe—Rs. 240 crores by Russia, Rs. 23.10 crores by Czechoslovakia, Rs. 19.05 crores by Yugoslavia and Rs. 14.30 crores by Poland. It would appear that the prospects of Russia offering any large-scale additional aid are not bright, so that the major portion of the foreign exchange requirements of the third Plan will have to be met by the free world countries.

An idea of the magnitude of the whole problem was given by Mr. Nehru at a Press conference in Paris after the Aid-India Club completed its deliberations. He is reported to have observed:

"In view of the country's poverty, the estimated increase of 5 per cent. each year in the *per capita* income throughout the country in the third Plan is a "minimum." Failure to reach it will mean India's slow disintegration. Of the $21 000 million required for the third Plan, $16.000 million will be raised by India herself, leaving a gap of $5,000 million to be found abroad. We need this aid, because of India's insufficient resources. If we can get it, we should be able to maintain the rate of growth we have envisaged ourselves under the Plan.

"If aid of this order is not forthcoming from members of the World Bank, India will be obliged to turn to other countries, including the Soviet Union. If we do not get foreign capital, the Plan collapses.... We place no limitations on the origin. If the Soviet Union wants to finance the whole thing, it is welcome. We need this aid. We want it from wherever it comes."

In this connection, Mr. Nehru recalled that a World Bank mission recently visited India when it made a critical appraisal of the Plan and said: "Their report certified that the Plan was all right. Thus, we have international endorsement that what we are trying to do is sensible and capable of being done. In the past, India had been accused of trying to do too much. This time, foreign missions have said not only that the Plan is not too ambitious but that it is a minimum for the country."

The case for foreign aid presented thus by Mr. B. K. Nehru is, indeed, quite impressive. It must, however, be emphasised that it is not so much the quantum of aid as the manner in which it is actually made available that is important. There is, for instance, the need for granting aid on a long-term basis, because the burden of debt repayment in the next few years is heavy and cannot be increased. The repayment of the loans and credits needed for the third Plan will have to be spread over a number of years, say 20 to 25, and the first instalment should fall due well after the Plan ends. India, on its part, must not seek aid for projects that are not included in the third Plan. It must also adopt right economic and fiscal policies, so that domestic production can be increased at the optimum rate and the inflow of foreign private capital can be accelerated.

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A novel scheme to attract deposits has been announced by the Export Bank of Israel. Under this scheme, holders of all types of accounts—including current accounts—will be given automatic life insurance cover equivalent to the amount standing to their credit 90 days before their death. The scheme does not involve any additional burden on the depositors, because the premium will be paid by the Bank. There will be no limitations on the drawing of cheques. It will not affect the normal payment of interest which range from ½ per cent. on current accounts to as much as six per cent. on deposits of one year.

The scheme is applicable to anyone between the ages of 18 and 59. A ceiling has, however, been fixed on the maximum amount of insurance payable upon the death of the account-holder at £1,000. Thus, the beneficiary of an account holder, with a balance of £500 to his credit prior to his death, will get, without production of the deceased's will, an additional £500 while the beneficiary of anyone holding £1 000 or more will not get more than £1,000 in addition to his deposit amount.

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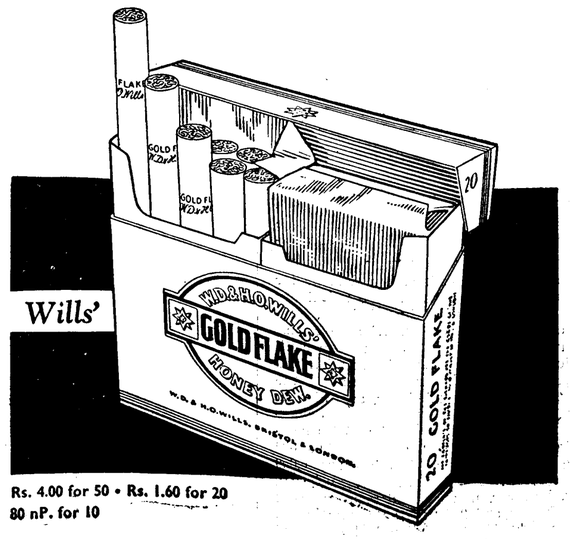

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PROTECTION FOR COTTON TEXTILE MACHINERY

TARIFF COMMISSION INQUIRY

IN a little over three months from now—after 31st December 1960—the protection enjoyed by cotton textile machinery will expire, unless the Tariff Commission recommends continuance of protection beyond that date and the Central Government accepts the recommendation. The Commission is currently examining the question, a public inquiry into which was held at Bombay on Friday the 16th inst. This is the sixth inquiry for this industry; the first one was held as far back as 1947. Spinning ring frames, spindles, spinning frames have been enjoying protection from foreign competition through an import tariff since 17th December 1949, while protection for tin rollers was discontinued from 1st January 1955 and for ordinary looms (first granted with effect from December 1950) after the end of 1957.

The industry has pleaded for extending the period of protection by three to five years on the ground that, if protection is withdrawn without strict control on imports, the industry will have to face severe competition from foreign sources; the existing rate of duty on the protected items is 10 per cent. *ad valorem*. It is said to have drawn the pointed attention of the Commission to the acute raw material supply position, especially in respect of iron and steel, and consumers' resistance due to prejudice against indigenous machinery.

Since the last enquiry by the Tariff Commission in 1957, the cotton textile machinery industry has made modest progress. The annual rated single-shift capacity for the manufacture of spinning ring frames, according to the data given by Mr. K. R. P. Aiyangar, Chairman of the Commission, in his speech at the public inquiry, has gone up from 804 in 1957 to 1,020 at present, of spindles from 780,000 to 1,180,000, of spinning rings from 570,000 to 1,080,000 and of fluted rollers from 260,000 to 330,000. The capacity of automatic looms, however, continues to remain the same as in 1957, namely, 1,560. There are now 13 units manufacturing protected items of textile machinery—six in Maharashtra, three in Gujarat, two in Madras, and one each in West Bengal and Madhya Pradesh. The geographical distribution of the units producing the different items is as follows:

Maharashtra: Spinning ring frames 1; spindles 4; spinning rings 1; fluted rollers 3. *Gujarat*: Spindles 2; spinning rings 1; fluted rollers 1. *Madras*: Spinning ring frames 2; spindles 2; spinning rings 1; fluted rollers 2. *West Bengal*: Spinning ring frames 1; spindles 1; spinning rings 1; fluted rollers 1. *Madhya Pradesh*: Automatic looms 1.

The actual trend of output of different items since 1950 is indicated below:

Items	1959	1957	1954	1950
Spinning ring frames	1,077	1,304	356	186
Spindles	540,000	690,000	570,000	140,000
Spinning rings	670,000	740,000	730,000	180,000
Fluted rollers	150,000	150,000	240,000	70,000
Automatic looms	356	311	Nil	Nil

The production of automatic looms would appear to have improved lately. The number actually produced in the first quarter of 1960 was 1,957. The National Machinery Manufacturers Ltd., Bombay, and Cooper Engineering Ltd., Satara, have been licensed to produce automatic looms in collaboration with foreign firms. They are expected to commence production by about the middle of next year, when the annual capacity for the manufacture of automatic looms will increase to 3,660.

There are varying estimates of demand for the different items of cotton textile machinery prepared by the Textile Commissioner, producers, consumers and consumers' associations. Having regard to the targets of yarn and cloth production and the need for rehabilitation and expansion of plant in the industry to attain the targets, the Textile Commissioner, according to Mr. Aiyangar, has estimated the annual domestic demand over the Plan period at 1,800 spinning ring frames, 850,000 spindles, 1,000,000 spinning rings, 310,000 fluted rollers and 6,000 automatic looms. The Millowners' Association, Bombay, however, places the demand at 2,008 for ring frames and 9,500 for automatic looms. In 1957, the Tariff Commission had estimated the annual demand at 2,810 ring frames, 780,000 spindles, 2,340,000 spinning rings, 310,000 fluted rollers and 8,500 automatic looms.

Thanks to the expansion of capacity and upward trend in output, on the one hand, and strict regulation of imports, on the other, there has been quite a sizable amount of saving in foreign exchange. The total value of imports of spinning ring frames, spindles, spinning rings, fluted rollers and automatic looms in 1959 was Rs. 23.35 lakhs, as against Rs. 178.66 lakhs in 1957. The item-wise imports are given below:

Items	Quantity		Value (Rs. lakhs)	
	1959	1957	1959	1957
Spinning ring frames .. (Nos.)	1	10,108	0.13	87.83
Spindles .. .. (Nos.)	273,567	327,959	2.64	12.70
Spinning rings .. .. (Nos.)	482	993	2.79	5.93
Fluted rollers .. .. (Nos.)	103	716	0.86	3.80
Automatic looms .. (Nos.)	159	2,946	16.93	69.30
Total ..	..	..	23.35	178.66

No licences have been granted since April 1958 for import of ring frames, spindles and fluted rollers, while those for spinning rings were issued on an *ad hoc* basis during April-September 1958 period only. Import licences for automatic looms were also issued on an *ad hoc* basis after April 1958, subject to the condition that installation of these looms will be for producing cloth for export and for such replacement of existing looms as were duly permitted by the Textile Commissioner.

It is, indeed, gratifying to hear from the Textile Commissioner that the quality of spinning ring frames has considerably improved and that of spindles, spinning rings and fluted rollers is satisfactory. He has, however, received complaints against the quality of automatic looms, but it is stated that the producing unit has taken effective steps to rectify the defects noticed so far. With the technical collaboration with a Japanese firm, the Central India Machinery Manufacturing Company, Mr. Aiyangar opined, should be able to improve the quality of its products. In this connection, Mr. Aiyangar alluded to the complaint made by one of the consumers' associations to the effect that the indigenous looms are definitely inferior to the imported ones due to poor casting, absence of precision, defective drop box system, lack of positive let-off and take-up motion, etc. To quote him: "It is further reported that, in spite of the fact that these defects were brought to the notice of the manufacturers, there has been hardly any improvement in quality."

The assessment of the raw material position as made by the Tariff Commission's Chairman reveals that the principal raw materials required for the manufacture of cotton textile machinery are pig iron (No. I and II grades), mild steel, free cutting steel, alloy and tool steel, hard drawn bright steel, tin plate and coke.

(*Continued on page 579*)

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TREND OF WAGES IN TEXTILE INDUSTRY

NEW SET OF OFFICIAL STATISTICS PRESENTED

From Our Special Correspondent

MANCHESTER, 14*th September*

MANCHESTER LETTER

FOLLOWING the negotiations which took place at the beginning of the year, wage rates for Lancashire cotton operatives were advanced by 7½ per cent. early in March. As the general level of earnings prior to this application was already at the highest point yet recorded, the new lift made pay packets reach a fresh peak. This has been duly reflected in the latest returns for wages in manufacturing industry issued by the Ministry of Labour. The figures presented apply to the final week in April this year, but fundamental changes in the tables make it impossible to give a direct comparison between the current figures and those recorded for the past twenty years.

One of the omissions in the new set of tables is the composite average drawn up for earnings obtained by all workers in the particular section. The new statistics merely give the payment secured by men, youths, women and girls. This in itself would not preclude comparisons, but the sub-divisions within the main heading of textiles have also been revised. Whereas the earnings of cotton operatives were previously shown separately, they are now combined with those engaged in the production of yarn from flax and man-made fibres and the weaving of cloth in the linen and man-made fibres branches.

The latest figures to be produced by the Ministry of Labour in this connection are given below:

	Men (21 and over)	Youths (under 21)	Women (18 and over)	Girls (under 18)	All workers
	s. d.	s. d.	s. d.	s. d.	s. d.
October 1950	219 10	126 2	139 11	111 3	163 8
Cotton spinning ..	230 7	129 0	147 9	109 7	174 3
Cotton weaving ..	224 7	124 0	143 2	110 8	168 4
Total cotton ..	247 7	115 7	151 11	101 5	188 10
Rayon weaving ..	247 7	123 3	129 4	96 7	207 4
Textile finishing ..					
April 1960					
Man-made fibre output ..	284 0	133 9	144 8	100 0	..
Spinning and doubling ..	236 9	126 8	146 8	109 0	..
Weaving ..	247 11	120 2	154 4	101 2	..
Hosiery and knitwear ..	297 9	125 1	146 5	98 0	..
Narrow fabrics ..	247 6	117 8	132 10	93 4	..
Made-up textiles ..	230 6	110 4	114 5	83 4	..
Textile finishing ..	250 11	127 6	130 6	98 7	..

Operatives engaged in the cotton industry in October last year were working on average just over 44 hours a week. In April 1960, men in spinning and doubling were working 48.3 hours, although the figure for women was only 41.9 hours. In the weaving section, the latest returns show men operating looms for 45.9 hours and women 41.8 hours. In the textile finishing section, the average hours worked by men had increased to 51 in the week concerned.

Wholesale scrapping of mule-spinning machinery in the Lancashire cotton industry under the Government's £30,000,000 reorganisation scheme has resulted in over 4,500 experienced workers in this branch being forced out of their normal occupations or out of the industry altogether, according to Mr. James Whitworth, Secretary of the Operative Spinners' Amalgamation. In his quarterly report, he says that the small minority of operatives who have accepted re-engagement in the trade have suffered appreciable down-grading in job levels. He fears an added drift of skilled labour from the mills when acceptable alternative work becomes available outside the cotton trade.

A warning to Lancashire millowners that imports of foreign yarn are just as much a problem as the large-scale arrivals of cloth from abroad is also contained in the report. Arrivals of cotton yarn increased from 11,200,000 lbs. in the first half of last year to 19,200,000 lbs. in 1960.

"Whilst imports of cotton cloth are limited by a ceiling under agreements with India, Pakistan and Hong Kong, no such arrangements control the yarn situation," says Mr. Whitworth. "The spinning side of the industry would do well to watch this development carefully, the grave danger being that when the cloth inlet is closed, this means of import would still be open."

Prices and Supplies

There was a time when the eighth day of the month towards the end of the year meant something in the world of cotton. Estimates of the progress of the United States crop then published were of fundamental importance to traders. While the reports are still issued, interest in their contents has declined with the growth of cotton cultivation in other areas, and the artificial conditions now ruling in the markets for the raw material.

Although immediate interest in the crop prospects has slackened, those engaged in the cotton industry at every level cannot afford to ignore the general trend of supplies, for it continues to have a direct bearing on the outlook when fresh business comes up for consideration. At such a moment as the present, when order lists in Lancashire are still fairly extensive and when customers are wondering whether the time is ripe to increase their commitments after a phase of inactivity, the price factor is all-important.

Values of American raw cotton in Liverpool have been relatively steady throughout the year, the spot quotation for one-inch middling having varied from 23.25d. to a low point of 22.20d. at the end of May, and subsequently rising to 22.75d. A firmer tendency in futures during recent weeks has been duly noted by customers, whose intentions to put down further contracts must be governed by sentiment of this kind.

Although stocks are about 1,300,000 bales smaller at 16,400,000 bales as compared with a year ago, the prospects of bigger output in areas outside the United States should offset any decline. On the basis of current returns, stocks plus production in the United States this season should be around 22,000,000 bales, compared with 23,500,000 bales last year.

An indication of the way in which political influences can have important repercussions on trading relationships is given in the annual report presented by Mr. Myles L. Cooper, Chairman and Managing Director of Stavert Zigomala & Co. (Holdings) Ltd., the Manchester merchanting group. "For more than a century Cuba has been an extremely important export market of the textile export section," Mr. Cooper points out.

In the later months of 1959, an excellent order book for Cuba had been built up for delivery in the first quarter of 1960, but, from December onwards, the news went from bad to worse. It began with the virtual stoppage of imports of cotton piecegoods among many other things and culminated in doubts as to the payment of invoices for goods shipped before the introduction of restrictions.

"We have had to face the loss of potential profit on our order book, writing down of unpaid accounts, writing off goods for Cuban orders now disposed of elsewhere and heavy writing down of specialised goods which we will hold for some time to come in the hope that times may change in Cuba," he adds. Mr. Cooper says that some of the blame for the present situation must be put down to American policies, "it now remaining to be seen if dollar diplomacy can salvage a situation where reciprocal trading inaugurated by other great powers may be the beginning of new systems."

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INTERNATIONAL COTTON INDUSTRY MEETING IN HOLLAND

The annual meeting of the International Federation of Cotton and Allied Textile Industries will be held at the Royal Institute for the Tropics in Amsterdam, Netherlands, from 26th September to 1st October 1960, at the invitation of the Dutch Vereniging Katoen-, Rayon- en Linnenindustrie and the De Vereeniging voor den Katoenhandel (The Rotterdam Cotton Association). Dr. W. T. Kroese of Koninklijke Textielfabrieken Nijverdal-Ten Cate N.V. in Almelo, Netherlands, President of the International Cotton Federation, will be in the chair. More than 100 delegates from all Western European countries, the United Arab Republic, Japan and the U.S. will attend.

At this meeting, a detailed survey of the present state of trade and future prospects of the cotton and allied textile industries in the chief producing centres of the world will be made. The Federation's Raw Cotton Merchants' Committee, under the chairmanship of Mr. H. A. J. J. Schaer of Rotterdam, will discuss quality aspects of raw cotton and current problems connected with cotton marketing. The meeting will also hear a progress report on the U.S. cotton quality. The recommendations of the Federation's Technical Committee on fibre testing and introduction of TEX, the new universal yarn count numbering system, will be considered. The Federation's Committee for Market Research and Sales Promotion will hold a special meeting under the chairmanship of Mr. Alfredo Sedó (Spain) to discuss possibilities for international action in the field of cotton textile market research and sales promotion. The meeting will also hear a report by the Chairman of the Federation's Committee for European Affairs, Kommerzialrat Rudolf Seidl (Austria), on latest developments regarding the European Economic Community and the European Free Trade Association and their implications for the cotton and allied textile industries in Western Europe. The other items on the agenda include the study of the possibilities for adopting rules of fair trading regarding textile designs, a discussion on moisture content in cotton yarns and various administrative matters.

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DRAFT THIRD PLAN X-RAYED—I

APPROACH AND PERSPECTIVE

By J. M. Lobo Prabhu

THE ends and means of the third Plan are a mixture like a cocktail, as heady and, may be, as dangerous. The first end is stated to be a socialist pattern of society. If by socialism is implied the welfare of the whole people, this is coincident with the sovereignty of the people in a democracy and with the basic law of economics that as the poor get rich, the rich get richer. If by socialism is implied, according to the current communist pattern, the sovereignty of the State in production and the subjugation of the people in consumption, the welfare of the people is neither a logical nor a factual consequence. The Planning Commission seems to have realised this and to have proposed three modifications: first, that the private sector, which is also composed of "millions of farmers, artisans, traders and small industrialists" may co-exist with the public sector, provided it accepts its discipline; second, that the co-operative sector is a reconciliation between the public and private sectors, and third, that existing economic and social institutions should be related to national development.

On the co-existence of the public and private sectors there may be no dispute, but the question is whether they should co-operate or compete with each other. In principle, by the Industrial Policy Resolution and the legislation based on it, and in practice by reservation of priorities for transport, power, markets, the public sector has left the private sector to co-exist only on the leavings as a camp follower. The question, therefore, resolves itself to this, which should come first, the public or the private sector. The inherent advantages of the private sector are: first, it capitalises, in a natural and age-old way, the enterprise and energies of millions; secondly, it has the natural and general incentive of legitimate gain; and thirdly, being close, on the one hand, to raw materials and to markets, on the other, it works precisely on the law of supply and demand, in the only self-generative way possible. The public sector not only lacks these advantages but is subject to certain disadvantages. In the first place, for its capital, its subjects the common people to loans, taxes and prices in replacement of investment and revenues of those able and willing to contribute them. Secondly, by reason of inexperienced, indifferent and frequently not incorruptible management, State enterprise, particularly in the absence of competition, works at a loss, not having made one naya Paisa of profit in the second Plan, in spite of an aggregate investment exceeding that of the private sector. Thirdly, it has problems of its own size, as, for instance, the recent strike, which nearly paralysed the country. Fourthly, its political affiliations frequently conflict with its economic interests, without the public being aware, except through the taxes and prices they pay.

Private Sector

The third Plan, therefore, should reverse the position, the field being offered to the private sector for as much as it can manage, the public sector being subsequent and complementary. Even before it steps in, the public sector should test the potentials of the private sector by offering participation loans and subsidies, because these reduce the burden on the taxpayer of the full cost of State enterprises. So far, the Public Sector has been the Public Dessicator, drying the people of what little they have, through taxes and prices, only for disengaging private capital and enterprise.

The Commission defends its second aim, co-operative enterprise, as combining individual initiative and small-scale pattern to secure the advantages of large-scale management and organisation. The Commission has obviously ignored the findings of its own Study Team, the Nijalingappa Committee and the public statements of the Governor of the Reserve Bank. The latter found that, while the Reserve Bank had increased its credit from a few lakhs in 1947-48 to Rs. 70 crores in 1958-59, A and B class societies, which can be considered to be reasonably well run, were decreasing while C class societies functioning in a weak and haphazard way, were increasing. Two recent reviews of the Reserve Bank on the working of co-operation in 1956-57-58 disclose that co-operative credit has not been linked with production and marketing and that it is serving mostly clubs of well-to-do farmers in their consumption expenditure, when not used for hoarding grain. If the co-operative pattern is to have any meaning, it should not be imposed from above but should emerge from below, out of a real community of interests for improvement. The sum of Rs. 7 crores in the first Plan and of Rs. 47 crores in the second Plan, which Governments have spent on co-operative administration, have been a waste. Their recovery is fictitious now and will be impossible in the future. It is the common people who have to pay, through taxes and inflation, for this misuse of public funds and credit.

New Vested Interests

The institutional changes in the name of socialism have also been in the interests of only small sections of the people. The abolition of landlords which has piled up a debt of Rs. 600 crores has brought no relief in rent to the cultivators while the change of ownership has only been to indifferent and frequently corrupt officials whose severity has increased the extent of fallows. The favoured treatment extended to factory workers has increased prices for the remaining 90 per cent. of the population, reducing at the same time both production and consumption. Dearness allowances have also favoured a small section of the population being responsible for stabilising prices at rising levels for the rest of the population, vastly greater, not receiving such allowances. Co-operation, as already explained, has made the whole country to support clubs of well-to-do farmers and white-collared employees. Community Development and Social Welfare Projects have not been successful even as show-pieces, because the little that has been attempted by them has not caught on. The multitudinous schemes which the Central Government is always spawning have quadrupled Government employees who largely create work for one another, absorbing, even according to the Congress Parliamentary Committee, the entire tax increase of the last three years. Such institutional changes which adjust relations between two parties, ignore the larger, third party, which has to pay for the consequences. It is the immaturity in thinking of the Government which the Planning Commission naturally reflects that has sacrificed socialism for selectionism.

As a subsidiary aim, the Commission hopes to reduce the population dependent on agriculture from the present level of 70 per cent. to 60 per cent. The Commission obviously ignores that the legislation for ceilings on land, by reducing the size of holdings, will increase the number who will cling to the life-line of agriculture.

The Commission seems to consider that socialism can be measured by the average national income. It suggests that this will rise

(*Continued on page 579*)

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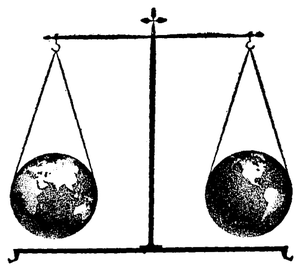

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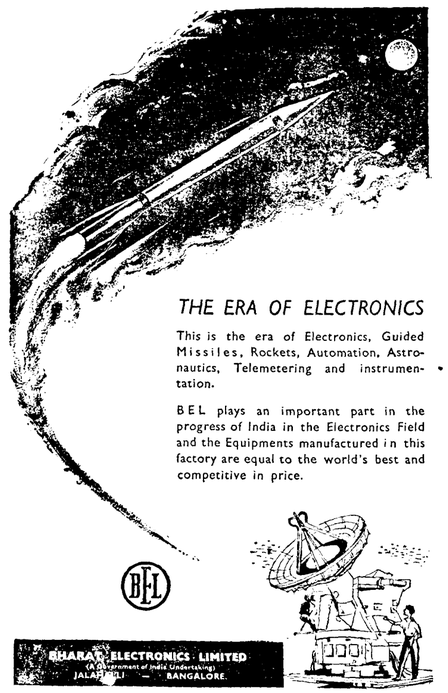

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PALM 'GUR' INDUSTRY IN INDIA

DEVELOPMENT TO BE GREATLY INTENSIFIED

THE development of palm *gur* industry may receive great momentum in the next few years, if the programme formulated by the *Khadi* and Village Industries Commission is fully accepted and implemented. Details of the programme such as those pertaining to the target of output and outlay are, however, not yet available. The importance of the industry stems from three chief considerations. One, the industry is highly labour-intensive, because palm *gur* and palm sugar manufacture must necessarily be carried on near the source of the raw material, that is, the palm, on the decentralised basis of a single or a group of families where the womenfolk and the grown-up children also contribute their labour. Two, the palm constitutes a source of sugar which, it is claimed, is capable of supplementing the increasing requirements of the sweetening agents. Three, to the extent palm *gur* and sugar production is stepped up, fertile land can be released from cane growing to the cultivation of food and other agricultural crops. The palm *gur* industry is said to hold out potentiality of relaxing pressure on fertile land to the tune of a million acres.

It is estimated that there are at present 86.6 million juice-yielding palm trees (excluding coconut palm trees) in India. Of this number, 50 million trees are tappable and, if all these are tapped, about 1.5 million tons of palm *gur* can be obtained every year. The actual production in 1958-59 was only 70,200 tons. The development of the industry to this level, it is further estimated, will provide seasonal employment to 1.8 million persons and off-season employment to 600,000 persons—tappers, boilers and auxiliary rural artisans. The number of persons actually engaged in 1958-59 is placed at 298,234. It is said that, besides offering part-time and full-time gainful employment to tappers and the auxiliary rural artisans during the palm *gur* season, the industry is capable of engaging them in the manufacture of palm leaf fibre and timber utility articles. Whenever the agriculturists and others are involuntarily idle due to the slackness in agricultural operations, they can turn to the production of palm leaf fibre and timber utility articles which are in ever-increasing demand from buyers at home and abroad. The table at the end of the article gives State-wise figures relating to palm *gur* production and employment position in the industry.

Palm *Gur* in Second Plan

The second Plan development programme for palm *gur* industry, it will be recalled, envisaged the establishment of different types of production units to suit the varying skills of tappers. In addition, assistance was to be extended to tappers in different areas. An important item of the programme was assistance to co-operative societies and federations of co-operatives for undertaking and encouraging additional lines of production such as manufacture of palm *gur*, palm leaf and other subsidiary products. According to the revised programme of the All-India *Khadi* and Village Industries Commission, the total development expenditure is expected to increase from Rs. 59 lakhs in 1956-57 to Rs. 86 lakhs in 1960-61, the total expenditure over the Plan period being Rs. 5 crores.

The Central Government subsidises the development schemes of the States on the basis of 50 per cent. of total recurring expenditure. The subsidy is, however, more liberal, namely, 66⅔ per cent., in the case of Orissa in view of its peculiar conditions. The primary objectives of the Centre's assistance are co-ordination of development activities, greater stress on organised production and propagation of the industry throughout the country. Formerly, financial assistance was being given to palm *gur* co-operatives and other registered institutions in the shape of development units of various categories. Such direct assistance has been discontinued since 1958-59. During 1958-59, the *Khadi* and Village Industries Commission disbursed Rs. 21.31 lakhs, of which Rs. 17.48 lakhs were given as grant and Rs. 3.83 lakhs as loans towards the development of industry.

A notable feature of development in the palm *gur* industry in recent years is the formation of units on a co-operative basis. Each unit engages 11 male and 11 female artisans, provides employment for 335 days in a year, the daily number of working hours being eight, and assures an earning of Rs. 100 per month to a family. During 1958-59, 2,743 palm *gur* co-operative societies, with a total membership of 275,000, were working. In order to co-ordinate and consolidate the activities of the societies, State Federations have been established. There are at present eleven such Federations to which are affiliated 1,057 societies. There is also the central federation, called *Akhil Bharatiya Tad Gud Sahakari Mahasangh Ltd.* This institution has been recognised as the chief implementing agency to speed up the pace of progress of the industry on commercial and co-operative lines. Activities like central demonstration squad, propaganda, publicity, exhibitions, conferences and pilot stations have been transferred to this body.

Training

Efforts are being made to impart training in the field of palm *gur* manufacture. During 1958-59, the *Bharatiya Tad Gud Shilpa Bhavan*, the body in charge of technical and specialised training courses, imparted training to 67 stipendiary and 21 non-stipendiary students. The candidates for training were selected from 12 States. In order to investigate the possibilities of tackling the economic problems of the industry, the Economic Research Section of the Commission conducted three enquiries bearing on rent of palm trees, price fixation and Rajasthan evaluation enquiry.

An outstanding accomplishment of the research wing of the *Bharatiya Tad Gud Shilpa Bhavan* is the success in discovering SO_2 preservative as a substitute for lime. This new preservative, it is claimed, will help reduce the cost of production and preserve *neera* for a comparatively longer time. Several improvements have been effected in the tools and equipment used in the palm *gur* industry and these are said to have become popular among artisans. The field trials in the realm of agronomical treatments constitute one of the steps that are being taken to secure a better yield of *neera*.

SUGAR EXPORT TO U.S.

Discussing the issue of sugar exports to the U.S., we stated in these columns two weeks ago (*vide* page 460) that, since Indian sugar was refined, it might get a higher price than what was recently paid by the U.S. to Brazil, namely, 6.50 cents (about 31 nP) per lb. Apropos this reference, an esteemed reader of *Commerce* observes, in the course of a communication to us, that the word "refined" was not used correctly. Explaining his point, he says:

"..... Indian sugar is what is technically known as 'Plantation white sugar' and so it cannot be termed as 'refined.' Our white sugar is made from sugarcane, either by sulphitation or carbonation process of juice clarification, whereas refined sugar is made from raw sugar in large-scale refineries by a different process of filtration, using either bonechar, vegetable carbon or clarifying chemicals. Refined sugar is much superior in whiteness and standing quality to our plantation white sugars. It is, therefore, just possible that our sugar may not be so acceptable to United States as refined sugar which the people there are accustomed to use so long.

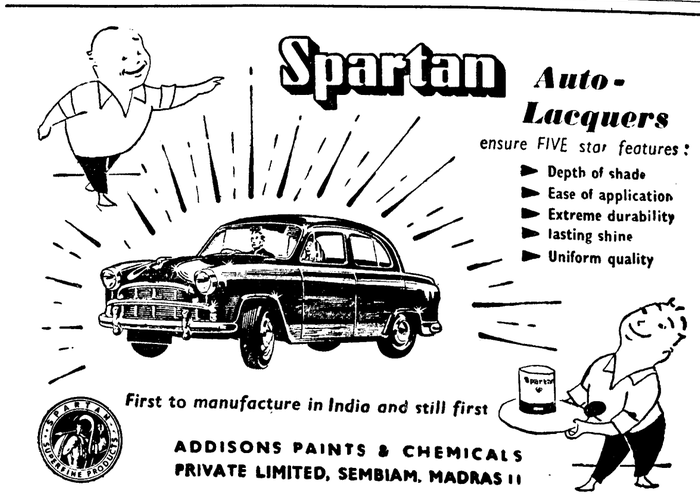
"We should not, therefore, be surprised if Indian sugar does not get as high a price as expected."

HIGHER RECOVERY OF SUGAR FROM CANE JUICE

Higher quantity of sugar from cane juice can be secured if interfering 'non-sugars' are removed out of it. This can be better achieved with the help of Ion-Exchange resin. These findings have been confirmed by the National Sugar Institute, Kanpur, as a result of large-scale experiments carried out in the pilot plant fabricated and installed for this purpose in the Institute. Cane juice contains, besides sugar, many soluble mineral salts and organic substances which are broadly termed as 'non-sugars.' Cane juice is first purified by the conventional liming and sulphuring method (sulphitation) and then filtered to remove all the suspended impurities. Nearly 200 gallons of filtered and purified juice are then treated by the Ion-Exchange process to remove the non-sugar mineral impurities. The demineralised juice is then concentrated and crystallised repeatedly to obtain the maximum amount of sugar. Finally, waste-molasses is obtained which generally contains 30 to 35 per cent. sugar. As a result of this process, an appreciable increase in the recovery of sugar as compared to usual purification system is obtained. Besides, due to the removal of impurities, the waste-molasses so produced from demineralised juice has much better edible characteristics.

Palm "Gur" Production and Employment

States	*Gur* production (In mds.)	No. of persons employed							
		Administrative	Technical	Skilled		Unskilled		Independents full-time and part-time	Total
				Full-time	Part-time	Full-time	Part-time		
Madras	687,992	738	26	..	..	..	..	202,250	203,014
Kerala	600,000	57	6	1,176	485	1,193	605	30,000	33,522
West Bengal	500,000	10	28	2,200	..	4	..	25,000	27,242
Andhra Pradesh ..	97,798	23	17	30	..	54	..	28,321	28,445
Bihar	7,900	35	50	..	..	..	..	275	360
Orissa	6,565	15	54	..	598	..	..	550	1,217
Rajasthan	3,502	7	12	267	10	15	80	491	882
Uttar Pradesh ..	3,000	15	..	57	..	..	..	309	381
Mysore	1,689	15	7	..	..	..	..	127	149
Madhya Pradesh ..	902	33	29	33	645	7	..	670	1,417
Bombay	811	43	38	454	536	462	42	..	1,575
Punjab	52	4	2	..	..	..	..	..	6
Assam	19	2	8	8	..	6	..	..	24
Total ..	19,10,230	997	277	4,225	2,274	1,741	727	287,993	298,234



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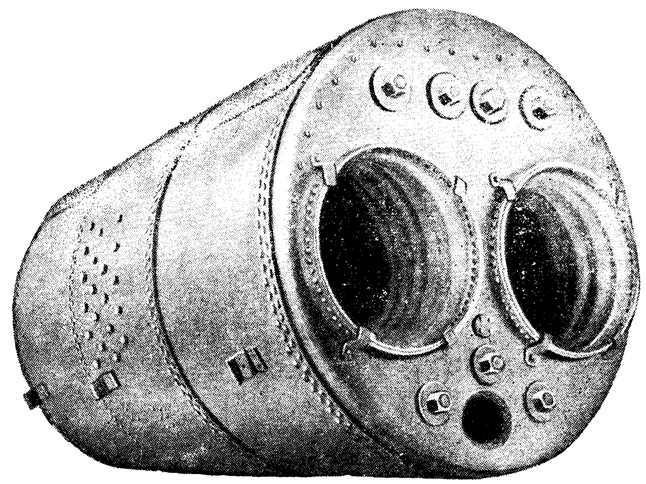
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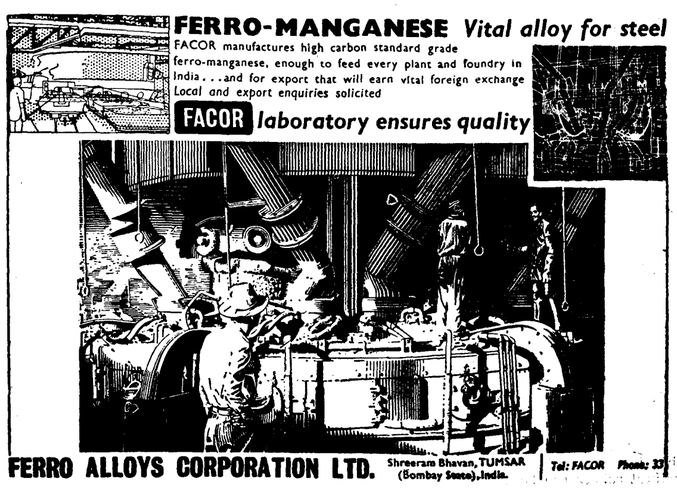


GAP BETWEEN OUTPUT AND DEMAND FOR RUBBER LIKELY TO WIDEN

TARIFF COMMISSION'S SUGGESTIONS FOR RAISING PRODUCTION

NOTWITHSTANDING the various measures taken so far to improve rubber cultivation, the gap between the output and consumption is widening, thanks to the rapid pace of increase in the latter, with which the trend in production is unable to catch up. In the first six months of 1960, for instance, whereas the total production of natural rubber was 9,660 tons, representing an increase of no more than 780 tons over that in the corresponding period of 1959, the total consumption (of natural and synthetic) was of the order of 21,320 tons, having gone up from 18,915 tons in the first six months of last year, or a rise of over 2,400 tons. The gap had to be filled up by substantially larger imports, which rose from 6,290 tons to 9,045 tons. This gap is bound to widen in the coming years, for all available indications go to show that the demand for rubber will expand faster than production.

That this trend is only a continuation of the trend noted for some years past is borne out by the following comparative table:

(In tons)

Year	Production	Consumption			
		Natural	Synthetic	Reclaimed	Total
1956	23,444	28,906	2,409	3,261	34,666
1957	23,767	31,765	3,032	3,837	38,634
1958	24,358	34,756	3,252	4,051	42,059
1959	23,395	38,663	4,342	4,454	47,459
1960 (Jan.-June) ..	9,660	..	..	..	21,320

Between 1956 and 1959, while consumption went up by 12,793 tons, of which natural rubber alone accounted for 9,667 tons, the production shows very little variation, so that the shortfall in supplies of natural rubber alone was of the order of 15,265 tons. It will also be seen from the table that the demand for natural rubber has been rising at the rate of 3,000 tons per annum, while the consumption of synthetic and reclaimed rubber is restricted to the minimum to meet only such demands as cannot be satisfied with the available supplies of natural rubber. On the basis of the trend noted in the past few years, the Tariff Commission, in its latest report on raw rubber prices, estimates the demand in 1960 at 42,000 tons of natural rubber, 5,000 tons of synthetic rubber and 5,000 tons of reclaimed rubber, or a total of 52,000 tons.

Future Demand

As regards the future demand, the Tariff Commission has not been able to make any accurate forecast, in the absence of a clearer picture of the likely development of industries depending on rubber, including synthetic rubber, but it is of the view that the estimates made by the Working Group appointed by the Planning Commission "represent the trend in the growth of future consumption." The Working Group's estimates of the demand and of the shortfall in natural rubber production during the six years 1960-61 to 1965-66 are as follows:

(In tons)

Year	Total demand	Demand for natural rubber	Production of natural rubber	Shortfall in natural rubber
1960-61 ..	52,500	40,000	26,000	14,000
1961-62 ..	50,700	42,700	28,000	14,700
1962-63 ..	67,000	44,000	30,300	13,700
1963-64 ..	74,800	45,800	34,400	11,400
1964-65 ..	83,800	48,800	39,400	9,400
1965-66 ..	93,800	54,300	40,800	13,500

It will be clear from the above table that the gap between domestic production and demand for natural rubber is not likely to narrow down in the immediate future. On the contrary, according to the Tariff Commission, it may even increase with the expansion of industry during the third Plan period. Giving out the reasons for such a conclusion, the Commission adds:

"In the case of natural rubber it takes a minimum period of about eight years from the time trees are planted to realise production. That would mean that during the third Plan period increased production could be expected only from trees already planted. At the same time, it should also be remembered that a large number of trees are due for felling and replanting on a large-scale will have to be undertaken hereafter. In estimating future production, it is, therefore, necessary to take into account the likely loss in current production due to the felling of trees for replanting."

The Working Group is, however, of the view that the aforesaid estimates of production of natural rubber can be improved upon by 1,700 tons in 1962-63, by 1,600 tons in 1963-64, by another 1,600 tons in 1964-65 and by as much as 4,200 tons in 1965-66, provided the planters make some special efforts, such as manuring mature and immature low-yielding areas which are under poor soil conditions, adopting proper protective measures against secondary leaf-fall diseases, taking to intensive methods of tapping and use of yield stimulants, concerting measures for fuller co-operation between labour and employer, so as to increase labour output.

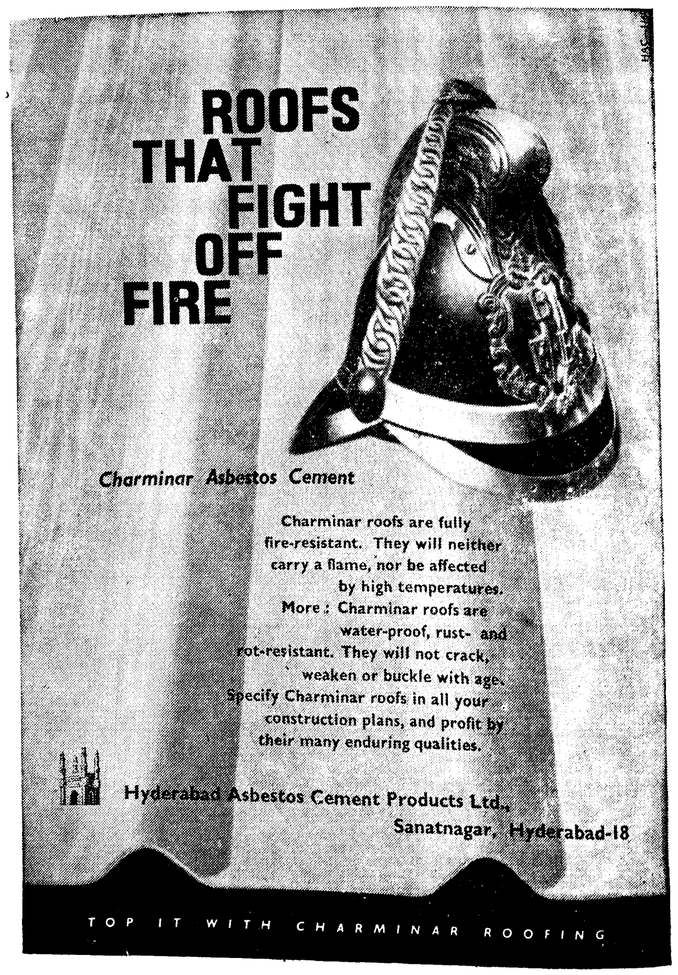
Low Yield

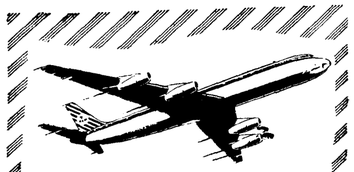
The slackness in domestic production is due to the predominance of small holdings, most of which are uneconomic and the yield on which is poor. In the small holdings (with an area of less than 50 acres) which account for 25 per cent. of the total production, the yield (as of 1958) is 181 lbs. per acre, as against 175 lbs. in 1952. During the same period, the yield on large holdings has risen from 351 lbs. to 419 lbs. per acre. The average yield for the industry as a whole is 314 lbs., having improved from 279 lbs. in 1952. It does not, however, compare well with that of Malaya, at 417 lbs. and Ceylon at 414 lbs. It may be further noted that, in 1959, the yield in Malaya was as high as 1,200 lbs. per acre in some of the high-yielding areas and the average for all selected areas with high-yielding mature rubber was no less than 854 lbs. per acre.

The Tariff Commission is of the view that the solution to the problem of raw rubber shortage in India is a long-term one, but this is inevitable. There are two methods by which this can be done. The first is new planting with high-yielding planting materials on a large scale and the second is the replanting of old and low-yielding with high-yielding varieties. The Commission adds that planting and replanting with high-yielding seedlings cannot be delayed, if the cost of production of rubber in the country is to be brought down in line with costs elsewhere. Otherwise, the high cost of indigenous raw rubber will remain a drag on the manufacturing industry.

A disconcerting feature in the development of rubber noted by the Tariff Commission is the growth of holdings with less than five acres, most of which are planted with ordinary seedlings. "Whatever the reasons for these trends," it adds, "they should be checked immediately so as to strengthen the economic base of the industry." It has, therefore, recommended that, in future, no licence should be given for planting of rubber with ordinary seedlings and encouragement should be given to economic holdings to undertake planting with high-yielding material. The other measures suggested by the Commission for increasing production are: (1) immediate drop in production should be avoided by undertaking replanting on a planned basis; (2) high-yielding planting material should be distributed to small growers at cheap rates; (3) if local nurseries cannot provide the high-yielding material, the Rubber Board should be given facilities to import sufficient quantity of high-yielding planting material suited to the soil conditions of the rubber growing areas; (4) a separate financial agency should be set up to grant financial assistance for the development of a long-term crop like rubber, particularly for stepping up the tempo of new planting; and (5) labour productivity team to investigate means of increasing output and bringing down cost.

Over 250 delegates have now registered for the biggest international conference on natural rubber ever to be held—the Natural Rubber Research Conference at the headquarters of the Rubber Research Institute of Malaya in Kuala Lumpur. The conference, which will begin on 26th September and will end on 1st October this year, is a further reflection of the determination of the Malayan Government and natural rubber interests to make the industry one of the most progressive in the world.





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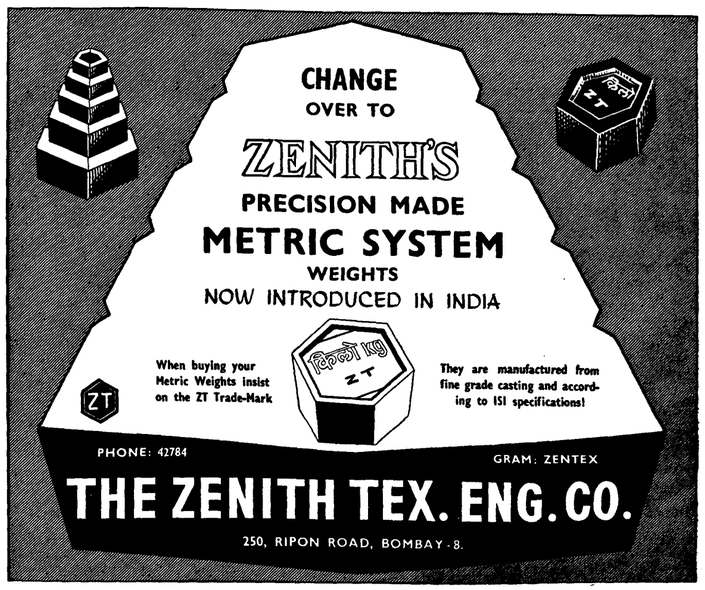

ROAD TRANSPORT'S CONTRIBUTION TO PUBLIC EXCHEQUER

NATIONAL COUNCIL'S PIONEER STUDY

THE National Council of Applied Economic Research, New Delhi, recently completed an enquiry, on behalf of the Union Ministry of Transport, into the financial contribution of road transport to the public exchequer. This is rightly claimed to be a pioneer study, because there is here, for the first time, a systematic presentation of "the dispersed and often incomplete accounts of a decentralised industry which lies partly in the public and partly in the private sector." Its usefulness is also enhanced by the fact that even the Masani Committee on Road Transport Reorganisation which reported last year had not done its own enquiries to give the finding "that, while the railways return to the State only 4 per cent. on public investment, the road transport returns, excluding revenue duties, contribution to the Central Road Fund and road maintenance, as much as 8 per cent. on the investment on roads and 10 to 12 per cent. on the investment on vehicles and also pays income-tax which the railways do not pay." Since the Masani Committee was in no position to establish the authenticity of these estimates made by others, it was only appropriate that the issue raised by it was referred to a research body for comprehensive examination.

This appraisal by the National Council has led to a series of findings which add up to the general conclusion that the financial contribution of the road transport industry to the public exchequer is greater than that of the railways in absolute terms. How great that contribution is, may be known, in the first instance, from the Council's estimate of "gross contribution" which consists partly of payments made by the industry in the course of its operations and partly of payments from its profits, both being made partly to the Centre and partly to the States and local authorities. This "gross contribution" is estimated at Rs. 133.6 crores for 1957-58, the latest year for which complete details were available to the research workers. What follows is a breakdown of this estimate:

(Rupees in lakhs)

	1957-58	1958-59
Public income		
Operational payments :		
Central Road Fund	375	330
Motor vehicle taxation	1,792	1,937
Local Boards	292	292
Excise and import duty	6,498	6,422
Sales tax on fuel	1,020	1,229
Sales tax on vehicle	495	N.A.
Passenger and goods tax	522	642
Octroi, terminal tax, etc.	1,100	1,100
Punitive payments	125	122
Appropriations :		
Income-tax	398	397
Profit of Government road transport undertakings in Union Territories	—5	—2
Railways' share in the profits of Road Transport Corporation	22	N.A.
Profits of State Transport Undertakings	531	554
Interest	154	181
B.E.S.T.	37	N.A.
Total	13,356	N.A.

The gross contribution is then compared with the public costs of roads and road transport, which are termed "cost offsets," so as to arrive at the "net contribution." The estimates of cost offsets have been made for two years—1957-58 and 1958-59 as under:

(Rupees in lakhs)

Cost offsets	1957-58	1958-59
Expenditure on road building :		
Centre	1,655	2,086
States	3,574	3,749
Expenditure on road maintenance :		
Centre	510	548
States	1,846	1,981
Local Boards	300	300
Cost of establishment :		
Centre	26	27
States	559	618
Expenditure on Road Transport Administration :		
Centre	22	23
States	111	114
Cost of traffic control	72	84
Interest on capital invested in nationalised undertakings	154	181
Cost of tax collection	200	200
Total	9,029	9,911

In calculating the overall net contribution, the National Council has adopted two methods. Under the first method, the cost offset for the construction of roads is not allowed for; hence the overall net contribution comes to Rs. 95.6 crores (Rs. 133.6 crores of gross contribution *minus* Rs. 38.0 crores of cost offsets excluding capital construction cost) for 1957-58. Under the second method, all the cost offsets in the above table are taken into account; hence the overall net contribution comes to Rs. 43.3 crores (Rs. 133.6 crores of gross contribution *minus* Rs. 90.3 crores of all cost offsets) for 1957-58. This latter figure of Rs. 43.3 crores probably errs on the side of being conservative, because, while most of the cost offset items are fully accounted for, certain gross contribution items like the revenues of the local boards are described as underestimates. In the opinion of the National Council, the net contribution could be higher, given better transport administration designed to prevent the evasion of certain tax payments, particularly income-tax, passenger and goods taxes and to secure greater profits from State transport undertakings.

Be that as it may, what is relevant in the figure of Rs. 43.3 crores is that it represents 48 per cent. of the total annual public costs of Rs. 90.3 crores on account of roads and road transport. This rate of return is manifestly very high. On another basis, namely, a comparison of the net contribution of Rs. 95.6 crores under the first method with the total capital expenditure (Rs. 500 crores) on the road system, the rate of return works out to only 19.1 per cent. Here the estimate of Rs. 500 crores represents the historic cost and not the replacement cost which would be higher; the National Council's preference for this historic cost is justified on the ground that the capital outlay as calculated by the railways is also the historic cost. Yet another assessment of the net contribution of Rs. 95.6 crores in terms of the investment (Rs. 392 crores in 1957-58) in the road transport industry at the operating level gives a figure of 25 per cent.; here the computation of investment has been confined to the commercial sector (buses and trucks) of the industry. Incidentally, a breakdown of this estimate of investment will be interesting:

(Rupees in crores)

Sector	1957-58
Passenger sector :	
Vehicles	120.7
Workshops	7.9
Land and buildings	33.7
Goods sector :	
Vehicles	195.0
Workshops	24.9
Total investment	382.2

Perhaps the most appropriate basis of assessing the net contribution of Rs. 95.6 crores under the first method is to relate it to the nation's overall capital (Rs. 882 crores) invested in roads and road transport. So assessed, the rate of return works out to 10.8 per cent.—a figure which might come down to 8.8 per cent. if the value of non-commercial vehicles and motor cycles, auto-rickshaws, etc., which the National Council has estimated at Rs. 121 crores, is taken into account. What is noteworthy here is that even if pleasure vehicles, which are not commercial capital assets, are included, the percentage return of 8.8 is still substantial on the nation's entire outlay (Rs. 882 crores *plus* Rs. 121 crores) on roads and road transport.

Whether this rate of return is higher than what is obtained from the railways is the next question. This controversial question, however, has been neatly disposed of by the National Council after a preliminary examination of some railway figures. The Council's considered view here is that "any attempt to calculate and compare precise rates of return (in the case of railways) would involve intricate computations of the capital involved, theoretical estimates of income-tax which might be payable and similar uncertainties." In the result, no firm conclusion that road transport is more profitable to the public exchequer than railways is possible. But, then, the National Council's comparative analysis, howsoever rough it may be, goes to suggest by implication that the railways' contribution is substantially less than that of road transport. While the anxiety of the Council not to get itself involved in the road-rail controversy is understandable, its "rough generalisation" that the railways have been earning about 5 per cent. net on capital does raise the issue to the level of controversy although this rate may not be strictly comparable with the rate of 8.8 per cent. on the entire capital outlay on roads and road transport. The National Council has thus unwittingly raised an issue which calls for further examination.

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E.C.A.F.E. EXPERTS ON HOUSING

Housing experts from 12 Asian countries have just completed a study tour, jointly sponsored by the E.C.A.F.E. and the U.N. Bureau of Technical Assistance, of five European countries—Czechoslovakia, Denmark, the Federal Republic of Germany, the Netherlands and the United Kingdom. The study has been largely confined to questions like housing policy, construction and design, building materials and building research. One of the principal conclusions and recommendations of the study is that existing small towns in Asia should be revitalised, with the private sector participating more fully in housing development side by side with co-operative and self-help housing schemes. Another recommendation is that suitable land policies should be adopted and housing loans and small savings encouraged. A third recommendation is to the effect that Governments of the E.C.A.F.E. region should be encouraged to establish Ministries for Housing and Town and Country Planning, if they have not already done so.

There are also three recommendations regarding construction itself. These are: (i) overcrowding should be avoided, building materials improved and equipment standardised; (ii) the use of existing, traditional building materials should be encouraged and the building materials industry should be left in the hands of the private sector; and (iii) research and construction should be more fully co-ordinated and facilities for studies and tests improved. Another noteworthy conclusion of the study is that the time is not yet ripe for full, large-scale prefabrication of houses in E.C.A.F.E. countries, though it should be possible even now to encourage prefabrication of flooring and roofing components

MANUFACTURE OF DAVID BROWN TRACTORS IN INDIA

David Brown's plans to manufacture tractors in India have been given a new impetus by the Indian Government's decision to allow the British company to build up to 3,500 tractors a year—nearly three times the output permitted under the initial manufacturing licence granted last year. The licence, which covered manufacture of only the 14 h.p. David Brown 2-D, has now been amplified to cover the manufacture of the latest David Brown 850-D and 950-D implematic tractors, of 35 h.p. and 42.5 h.p. respectively. Manufacture will be carried out by David Brown and Mahindra Tractors (Private) Ltd., a company jointly owned by the British company and its Indian distributors, Mahindra and Mahindra Ltd., of Bombay.

A new factory is now being built near Bombay to undertake production of the three types of tractors and implements. Until these premises are ready, part of the existing Mahindra and Mahindra plant is being utilised for assembly and distribution. The first consignment of semi-knocked-down (S.K.D.) tractors was shipped from the United Kingdom last month.

Tooling equipment for the 2-D tractor manufacture has been supplied by the David Brown factory at Huddersfield, Yorkshire, which is now preparing detailed plans for the provision of the extra plant needed for building the 850-D and the 950-D implematic tractors in India. These will initially be shipped S.K.D., but eventually it is planned to manufacture up to 66 per cent. of the components in India. A higher percentage of indigenous manufacture may be feasible ultimately, provided that local industrial development reaches the stage envisaged under India's current development plans.

ASHOK LEYLAND BUSES

In keeping with the latest overseas trends of replacing trams with diesel engined buses, Delhi Transport Undertaking has placed an order with Ashok Leyland Ltd. for the supply of 10 Comet ECPO2/3AR 163" wheelbase chassis to operate in the congested areas of Old Delhi at present served by the tramway division of D.T.U. The new chassis will, with the exception of the wheelbase, be identical with the 340 Comet ECPO2/1R buses at present operated by D.T.U. and the 50 vehicles ordered earlier this year. The communality of running units will facilitate easy maintenance and interchangeability of components but the reduced wheelbase will give greater manouevrability and enable faster schedules to be maintained particularly during peak-hour periods. Tenders for bodywork have been issued and it is expected that the buses will be ready for operation early next year.

NEW PRODUCTS AND PROCESSES

Novel Flow Indicator

THE fouling of sight glasses by highly detergent oils used in the mechanical lubricators of modern diesel engines has led to the development of a new type of flow indicator, in which the approximate rate of flow is shown by the height of a ball in a tapered perspex tube. The inner diameter of the tube increases with height, so that when flow occurs the ball (made of glass or metal according to the viscosity and density of the oil) rises automatically to an equilibrium position, or falls out of sight when the flow is interrupted. A number of ships and power stations have already been equipped with the new indicators, which are made by Alan Muntz & Company, Ltd., Browells Lane, Feltham, Middlesex, England. They have been designed to work at pressures up to 1,000 p.s.i. (70.3 kg./cm.²) and are suitable for any fluid, including gasses. For example, a firm using a corrosive liquid as the catalyst in an electronic paint spraying process has found them of particular value, their main advantages being simplicity, ease of reading and the elimination of any maintenance, since the ball is the only moving part in the device. Alan Muntz & Company have also perfected a new quick-acting non-return air valve, which they hope to exhibit at Olympia next April. Basically this unit consists of a group of tapered channels made of a light alloy with stainless steel membranes or flaps in their sides, which lift to allow the passage of air in one direction but close immediately if a pressure of 1 p.s.i. (0.7 kg/cm.²) in the opposite direction is established. The valve is designed to open and close at 3,000 cycles per minute, and has in fact been tested successfully up to 5,000 cycles per minute. It was originally developed for small, portable air compressors, but could well be used for larger compressors and trials have shown that it may be specially suitable as a suction valve in two-stroke engines, replacing the piston-controlled port inlet system at present in use. Another likely application is as a rapid shut-off valve for use in many types of chemical plant.

Rust Remover

One of the latest rust removers to come on the market is claimed to be as suitable for treating the interior of closed systems such as boiler units, as it is for separate metal components. Among the main advantages claimed for the product is that it can be used without dismantling the equipment being treated and it can be left in a system indefinitely without damaging or affecting in any way the unrusted metal surface. The remover can be added directly to water being circulated through a system without shutting the latter down.

Allweather Paints Ltd., London, the manufacturers, state that "unlike strong aqueous solutions of phosphoric and hydrochloric acids, the new rust remover removes iron oxide by a mild complexing action and does not attack the molecular structure of the unrusted metal body." This feature, it is added, enables the remover to convert iron oxide to a completely soluble form, thus eliminating the need for removing residue from inaccessible places. For cleaning separate items, the product is diluted in the proportion of one part rust remover to 19 parts of water, the components being soaked in the resulting solution for a period of between 4 and 48 hours. Complete plants such as heating and sprinkler systems, heat exchangers and other closed systems can be treated by filling the system with a similar solution and leaving it there for between 24 and 72 hours before rinsing it through. All the ingredients used in the preparation are said to be non-combustible and non-toxic. It sells at £2 10*s.* per gallon.

New Synthetic Rubber

An international synthetic rubber company's plant at Hythe on Southampton Water has brought a new industry to Britain. It was built at a cost of £6,000,000 to make a valuable and versatile synthetic rubber known technically as styrene-butadiene. Until the opening of the plant two years ago Britain had never produced a general purpose synthetic rubber commercially. Heavy as the U.K. industries' demands were—they increased by 2,100 per cent. in the period 1950 to 1958—all of this type of rubber had to be imported at heavy cost in dollars and with no certainty of delivery on time. The Hythe plant is the most modern of its kind in the world producing rubbers of the highest qualities. The product is nowadays used in so many ways, from cars to tap washers, from surgical to sporting goods, as waterproof sheathing, belting, flooring, sponge, in many mechanical applications, as shoe solings—it has become indispensible feature of everyday life. The potential of the plant—100,000 tons a year—is sufficient to meet the increasing requirements of the many consuming industries at home and overseas for a long time to come.

Combine-drier

Two engineers of the Ministry of Agriculture of Byelorussia, I. Safronov and A. Taubin, have designed a continuous-operation grain drier functioning on a self-propelled S-4 combine. Before being fed to the bunker, grain passes through two revolving drums where it is shovelled, dried by a stream of a hot gas-air mixture and freed from weeds for 10-12 minutes. Then a pneumatic elevator carries it to the upper bunker and meanwhile it is cooled. A centrifugal pump installed on the axis of the motor next to the pulley of the combine supplies to the drums the air heated by the water radiator, collector, discharge pipe and sump. This heat is sufficient to lower the moisture content of grain by 6 per cent. from 20 to 14 per cent. The use of the combine-drier makes it possible to do away with the threshing floors at collective and state farms, reduces the shipments of grain and the time of harvesting and prevents grain losses.

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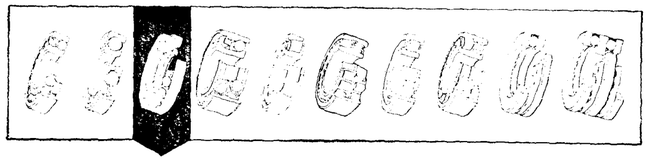

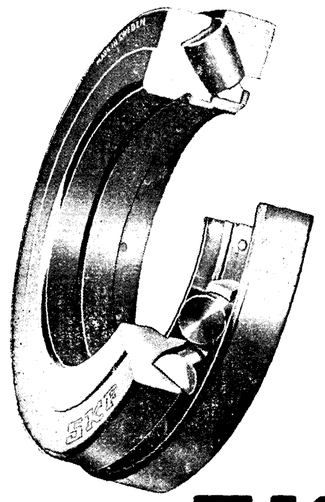

Illustrated here is the SKF SPHERICAL ROLLER THRUST BEARING which has one row of obliquely disposed rollers guided by a high flange on the shaft washer and running on a sphered track on the housing washer. It combines very high carrying capacity with complete self-alignment. The surface of the roller end next to the guiding flange is so formed that the rollers are always separated from the flange by an oil film when under load. The bearing can therefore be used at relatively high speeds, even if the load is very heavy. Unlike other thrust bearings, it can also carry radial loads.

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THE INDIA CEMENTS LIMITED, MADRAS

ADDITIONAL FACTORY LIKELY TO BE SET UP AT SALEM

MR. P. SURYANARAYANA'S SPEECH

ADDRESSING the shareholders of the India Cements Limited at their Fourteenth Annual General Meeting held at Madras on 2nd September 1960, Mr. P. Suryanarayana, Chairman, disclosed that the starting of a branch factory in Visakhapatnam District in Andhra Pradesh had been delayed. Meanwhile, the Directors, he added, were exploring the possibilities of starting a cement factory in Salem.

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

"GENTLEMEN,

"It gives me very great pleasure in welcoming you to the fourteenth annual general meeting of your Company. The report of the Directors and the audited statement of accounts for the year ended 31st March 1960 have been in your hands for sometime now and, with your kind permission, I will take it as read.

"It is needless for me to offer any detailed explanation regarding the financial position and the other aspects of the Company, as the figures in the balance-sheet bear ample testimony to the continued strong and stable position of your Company.

"The working of the factory during the year has been quite satisfactory and was not hampered by any power cut which was till now an annual feature. The factory is functioning with both economy and efficiency. The production has been above rated capacity. The 750 tons plant in Talaiyuthu went into production in August 1959 well ahead of the schedule as envisaged by me during the last general body meeting. But for some minor teething troubles, the new plant is working satisfactorily.

A Decade of Solid Progress

"The infant Indian Republic completed the first decade of its existence, ten years of stress and strain but also of solid progress in many fields. The country has embarked upon successive Five-year Plans for converting an essentially agrarian economy into an industrial one, with the avowed object of making available to the teeming millions of this country the fruits of the present-day scientific and technological advance that tend to raise the living standards. The economic climate has almost been revitalised, so much so that today an investment of Rs. 10 thousand crores for the third Five-year Plan or a rise of 5 per cent. in the national income which would have been considered fantastic in 1951-52, apart from the misgivings of the economic plans as instruments of realisation of certain basic social and economic activities, is now in the realm of possibility of achievement and it is deemed inevitable to sustain a minimum rate of growth. Grave doubts were entertained about the contribution of private enterprise towards the welfare of the nation. They now stand dispelled. The part played by the private sector towards the development of the nation has been realised and the Government are planning financial and technical assistance to industries in the private sector.

Industrial Production

"The pace of industrial production which was slowed down in 1957-58 showed a marked increase in 1959. The rate of increase of general index of industrial production at 151.1 showed an increase of 8.2 per cent., as compared to 1.7 in 1958, 3.5 in 1957 and 7 to 8 per cent. in the three years 1954 to 1956. The cement industry also registered an impressive rise in production in 1959. The production of 6.8 million tons showed a rise of 13 per cent., as compared to 8 per cent. in 1958, due to the completion of many expansion schemes. Your Directors have always given serious thought about the possibilities of expansion of production in your factory and contribute their humble part in serving the expanding economy of your country. It is as a result of such constant endeavours the capacity of your factory has been increased from one lakh tons to five lakh tons.

Cement Factory at Salem

"Due to circumstances entirely beyond the control of the management the starting of the branch factory in Visakhapatnam District in Andhra Pradesh has been delayed. Orders sanctioning the requisite mining rights are still expected from the Andhra Pradesh Government. In the meantime, remittances have already been made towards the first instalment to the suppliers of both the main machinery and electric motors for the expansion scheme. Your Directors are at present also exploring the possibilities of starting a cement factory at Salem in Madras State. Our preliminary investigations have shown that adequate raw materials are available near Salem for the starting of a cement factory.

"I am glad to say that the sales of cement of your factory have been extremely good, and the temporary slowing down in the offtake which we experience during the last year no longer exists, and as envisaged by me in my speech during the last year, there has been a revival of demand and the offtake by Government and all forms of consumers has been growing considerably, and we are today experiencing an acute shortage of cement in certain provinces in the country.

Exports

"I have also referred last year to the necessity of developing the export market for the cement industry to augment the much-needed foreign exchange to carry out our national development programme. It is gratifying to note that the exports of cement in 1959 were substantially higher at 155,000 tons, as compared to 41,000 tons in 1958. The exports of your factory are of the order of 25,000 tons during last year and it would have been much more but for the fact that 20,000/25,000 tons have been diverted to Bombay and Calcutta markets to meet the acute shortage of cement in those areas.

"Mention has been made in the Directors' report regarding the repayment of the loans obtained from the Industrial Finance Corporation of India. I am pleased to confirm that the Company has completely repaid the entire loan outstanding to the Industrial Finance Corporation of India.

Preference Dividend

"As the shareholders are aware, the preference shares of your Company carry a dividend of 7½ per cent. per annum, subject to deduction of Indian income-tax paid by the Company in respect thereof. It has been contended that where the Articles of Association or the terms of the issue of preference shares stipulate that the dividends are subject to tax, tax under Section 18(3D) only is to be deducted. The position has been examined by your Company. The management are inclined to agree, in all fairness to the preference shareholders, that tax under Section 18(3D) only should be deducted in respect of the preference shares of your Company and a voucher for the tax deducted at source be given to the shareholders. This view of the management is, however, subject to any further clarification by judicial decision or otherwise and is not to be regarded as any undertaking by the Company by itself creating any rights or making any representations as to the correct legal position or as any kind of estoppel. The steps to be taken to overcome the difficulties in the way of the preference shareholders, as they now confront your Company, with a view to equitable adjustment of the rights of the preference shareholders in the matter of entitlement to dividend are engaging the earnest attention of your Directors.

Wage Board's Recommendations

"I had occasion, last year, to refer to the setting up of a Wage Board for the cement industry by the Government of India. After examination of the points of view of both the labour and the management, the Wage Board have submitted their recommendations to the Central Government and they have been accepted by the Government of India with some modifications, in February this year. The recommendations were varied and diversified. According to the recommendations, effective from 1st January 1960, the basic emoluments of the workers have almost been doubled. As mentioned in the Directors' report, no provision has been made in the balance-sheet for the additional expenditure to be incurred for the implementation of the Wage Board recommendations. The Government of India have noted the view of the Wage Board that *prima facie*, the industry does not have the capacity to pay the wages recommended on the existing retention price, and they are now engaged in investigating into the question of additional burden on the industry on this account, which we expect the Government to pay fully. I am happy to inform you that your Company has the distinction of being the first to implement the recommendations of the Wage Board.

"The industry is faced with an increase in the cost of packing materials and coal and increased cost of transport and labour necessitating a revision in the retention price allowed to each unit. I earnestly hope that the Government of India would give their utmost consideration to this matter.

Housing for Workers

"Alive as they are to the needs and welfare of the employees, your Directors have programmed to put up tenements for the workers under the Subsidised Industrial Housing Scheme. Labour occupies a very important place in the development of any nation, and more particularly in a relatively underdeveloped country like ours. It has, definitely, a responsibility to

(Continued on page 579)

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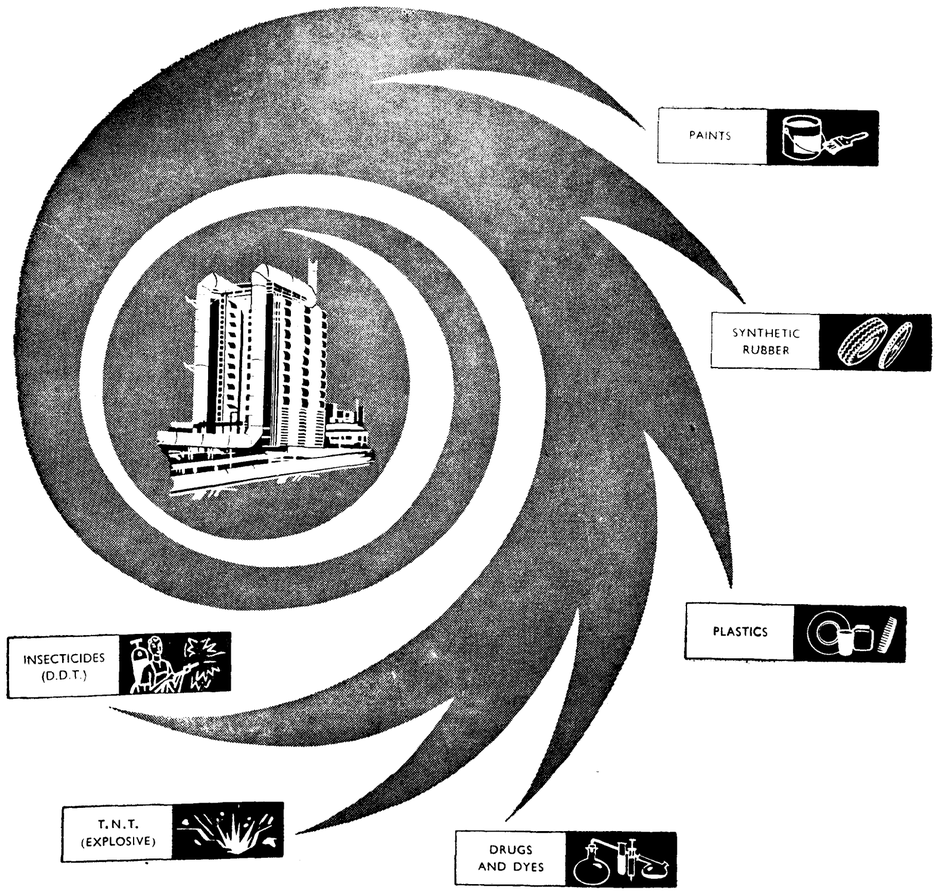
... By-product Coal Chemicals



A steel plant is a many-sided affair. Various iron and steel products are, of course, the main items and their effects on the economy are there for all to see. Billets from Bhilai, for instance, have already toned up an important industry in the country—the Re-rolling Mills.

But the steel plants at Rourkela, Bhilai and Durgapur have another way—somewhat indirect, but no less important—of influencing the country's economy. What may be called a sideline of steelworks, the By-product Plants attached to the coke ovens produce a variety of coal chemicals from the coke oven gas and crude coal tar obtained during the carbonisation of coal into coke. When they go into full production, these By-product Plants, set up at a cost of Rs. 20 crores, will be the biggest chemical production complex of their kind in the country.

Producing eleven different varieties of chemicals, worth Rs. 5 crores a year, the By-product Plants will stimulate a wide range of manufacturing activities. Benzene will, for instance, go into the manufacture of plastics and insecticides like DDT and will feed the proposed synthetic rubber project in Uttar Pradesh. Increased supply of creosote oil, now in short supply, will enable the Railways to treat more wooden sleepers for railway lines. The proposed intermediate dye project and the synthetic drug manfacturing projects are primarily based on by-product coal chemicals from Hindustan Steel. Other industries to be served by these chemicals are paints, disinfectants, aluminium smelting and explosives.

The coal chemicals from three plants :

BENZOL PRODUCTS	ESTIMATED ANNUAL OUTPUT
Benzol/Benzene	6 million gallons
Toluene	1½ million gallons
Xylene	500,000 gallons
Solvent Naphthas	300,000 gallons
TAR DISTILLATION PRODUCTS	
Naphthalene (Hot Pressed)	9,000 tons
Anthracene (Crude)	3,000 tons
Phenol—Pure	1,000 tons
Cresol—Pure	500 tons
Xylenol—Pure	150 tons
Creosote Oils	10,000 tons
Road Tars and Pitches	50/80,000 tons

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METTUR CHEMICAL & INDUSTRIAL CORPORATION LIMITED

EXPANSION SCHEME MAKING GOOD PROGRESS

DR. P. S. LOKANATHAN'S SPEECH AT ANNUAL GENERAL MEETING

THE Twenty-third Annual Meeting of the Mettur Chemical and Industrial Corporation Ltd. was held at Mettur Dam R.S. on 12th September 1960. In the absence of the Chairman, Dr. P. S. Lokanathan, Mr. S. Narayanaswamy, Director, presided over the meeting and read the Chairman's speech. The Chairman pointed out that the first stage of the Company's expansion scheme had been successfully completed. The programme to double the caustic soda production was making good progress. In order to supplement the financial requirements of the scheme, the Company, he said, proposed to issue additional capital to the tune of Rs. 20 lakhs.

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

"GENTLEMEN,

"Once again, I have great pleasure in welcoming you all to the twenty-third annual meeting of the Company.

"With your permission. I will take the annual report and accounts as read, since they have been with you for some time. The past year has recorded better results than the previous year, in spite of several handicaps in regard to maintaining continuous and full production. The first stage of our expansion was fulfilled successfully, the production of caustic soda having been stepped up to 20 tons per day and stable bleaching powder to 30 tons.

"Now that we have commenced production of bleaching powder at a daily rate which should take care of the current consumption in India, it is our earnest hope that the Government of India will take steps to ban the imports of bleaching powder into India.

"We have also put up an electrolytic potassium chlorate plant with a capacity of two tons per day, fabricated and designed mostly by the staff of our research department; but due to non-availability of power we had to defer the commencement of production till the other day when the plant was inaugurated by the Chief Minister of Madras on 30th August 1960. This will meet the growing demand in the country for this chemical which finds the largest application in the manufacture of matches on a cottage industry basis—a large cottage industry in South India.

"As mentioned in the Directors' report, we are considerably affected by the low price fixed by the Government of India for our stable bleaching powder. However, we hope that our efforts to get a revision in price will soon bear fruit.

Additional Capital

"I am glad to inform you that our expansion scheme to double our caustic soda production is making good progress. We have just drawn the first instalment of our loan of Rs. 15 lakhs from the Industrial Finance Corporation of India, who have sanctioned us a loan of Rs. 33 lakhs. To supplement our financial requirements, consequent on increase in the cost of plant and equipment as well as other additions, your Directors have decided to issue, from out of the unsubscribed capital, Rs. 20 lakhs in the form of 2 lakhs of equity shares of Rs. 10 each at par, which issue I feel sure will meet with an overwhelming response as before from you.

"Your Directors have once before, after the commencement of the Companies Act 1956, with the unanimous approval of the shareholders of the Company, recommended the issue of equity shares to the holders of preference shares as well. The present issue of Rs. 20 lakhs face value equity shares represents one-fourth of the existing paid-up capital of the Company which includes Rs. 20 lakhs face value preference shares. Your Directors have thought it fair to ask for and obtain your sanction as on the previous occasion for extending the rights to the new issue, to preference shareholders also, being in conformity with what we have done before.

"Another interesting point to which I would like to draw the attention of this meeting in this context, is that out of a total of 770 preference shareholders on the Company's rolls today, 553 such shareholders are also holders of equity shares of the Company. These 553 preference shareholders, hold among themselves 13,561 shares or approximately two-thirds of the Company's preference capital. Only 217 preference shareholders do not happen to hold equity shares and they hold one-third of the preference share capital of the Company. The Directors have thought it appropriate that the new issue of equity shares should be offered both to equity and preference shareholders and seek your sanction for making the new issue in this manner.

"Orders for the entire plant and machinery for the expansion have already been placed and the first shipments have also started arriving.

Caustic Soda Production

"Production of caustic soda in the country during 1959-60, at 77,555 tons, was nearly 30 per cent. higher than 1958-59 production, which was 60,316 tons. Consumption of caustic soda, which was estimated at 200,000 tons by the end of the second Plan period is expected to increase to 340,000 tons by the end of the third Plan period, that is, 1965-66. Government are taking steps to license necessary additional capacity, consistent with the availability of foreign exchange. Meanwhile, the country is still importing large quantities of caustic soda to meet the gap between demand and production. Imports during 1959 stood at about 147,000 tons, being over double the 62,000 tons imported in 1958. Large releases of caustic soda to the market by the State Trading Corporation of India, through whom all imports are canalised, also created serious distribution problems to indigenous manufacturers on account of sudden gluts in the supply position. The matter was discussed by the industry with the State Trading Corporation of India, who took a helpful attitude by stopping releases for some time and later agreeing to offer regular, but restricted, quantities periodically which would be sufficient to fill the gap. The distribution position has now considerably improved as a result. It is inevitable when external agencies are relied on to make supplies of caustic soda for purposes of rectifying shortages within the country, that shipments of caustic soda should arrive in the country at spasmodic intervals and in such quantities as to have no relation to the requirements of the Indian consumer and cause imbalance in distribution. This naturally results in distress sales by the indigenous producers at a time when the ceiling prices fixed by the Tariff Commission leave a bare margin of profit to the producer, and more particularly at a time when the prices of the plant and machinery are going up day by day and consequential depreciation provisions call for a greater allocation out of gross earnings.

Power Supply

"The power supply position also has shown an improvement during the year by the bringing into commission of the Madras Government's Kundah hydro-electric scheme. However, with the rapid industrialisation which is taking place and the increasing demands for agricultural operations, the problem of overall power shortage still continues to exist. In this context, the Madras Government's Mettur hydro-electric tunnel scheme, which was recently inaugurated by the Chief Minister of Madras, is a most welcome development and with the commencement of operations by the Neyveli thermal power scheme, it is hoped that the power supply position will show further improvement. The Madras Government has also been impressing on the Centre the need for atomic power development in the State, having regard to the restricted possibilities for further power development, and it is hoped that the Centre will consider favourably the claims of Madras State in this respect.

"I should like to make reference also to the steadily increasing food prices, as a result of which there has been a steady and progressive increase in the cost of living index, so that the monthly dearness allowance paid to workers and staff rose to Rs. 65.25 at the end of the year from Rs. 58.87 at the beginning. The index is still mounting and this must be regarded as a disquieting phenomenon.

Preference Dividend

"You will have observed from the report of the Directors, the manner of computation of the net dividend distributable to the preference shareholders. The Board has endeavoured to do justice to the holders of preference shares, while conforming to the changed taxation law relating to 'tax-free' preference shares. While in effect the net dividend receivable by the preference shareholders is lower than what it was in previous years before the law was changed, it was inevitable that the computation should be made in this manner, after the change in income-tax law was made.

"I am, however, happy that the Central Government has introduced legislation to change the Income-tax Act in such a manner as to lay down clearly the procedure to be followed by companies that have 'tax-free' preference shares in their capital structure and which I expect will mitigate the injustice to the holders of 'tax-free' preference shares. I hope this Bill will be passed in the current session of Parliament.

Tax Exemption

"There have been enquiries from some shareholders as to whether the benefit of exemption availed of by the Company under Section 15(c) could not be passed on to them in the form of a direct reduction in the rate of tax that is deducted from the equity dividend. It is true that under Section 18(3F) of the Income-tax Act, an authority rests with the Company to ascertain the total relief under Section 15C and to determine with the help of the Income-tax Officer the amount of tax that can be deducted after adjusting the relief provided under Section 15C. However, such a procedure in actual practice will take time, as this will involve a reference of the audited accounts, after they are got ready, to the Income-tax Officer and in getting a ruling from him as to the actual quantum of income-tax which can be deducted from the 30 per cent. statutory deduction under sub-section 3D. This would entail delay in payment of dividend.

"The Company adopted the procedure of ascertaining the approximate relief available to them under Section 15C and deducted this amount from the total of tax provision that is made from out of the year's profits. You will appreciate that this resulted in increasing the amount available for distribution, which enabled us to decide upon a larger percentage of gross dividend than would have been possible if the approximate abatement under Section 15C had not been taken credit for in computing tax provision. This has resulted in the Board being able to recommend a rate of net dividend approximately equal to the net dividend paid in the previous year.

"I must in conclusion express my warm appreciation of the very cordial relations subsisting between labour and management and the great care and drive exercised by the management to maintain a high level of production in which all the workers and staff have given their unstinted co-operation.

"I would move that the Directors' report and audited accounts for the year ended 31st March 1960 be adopted."

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

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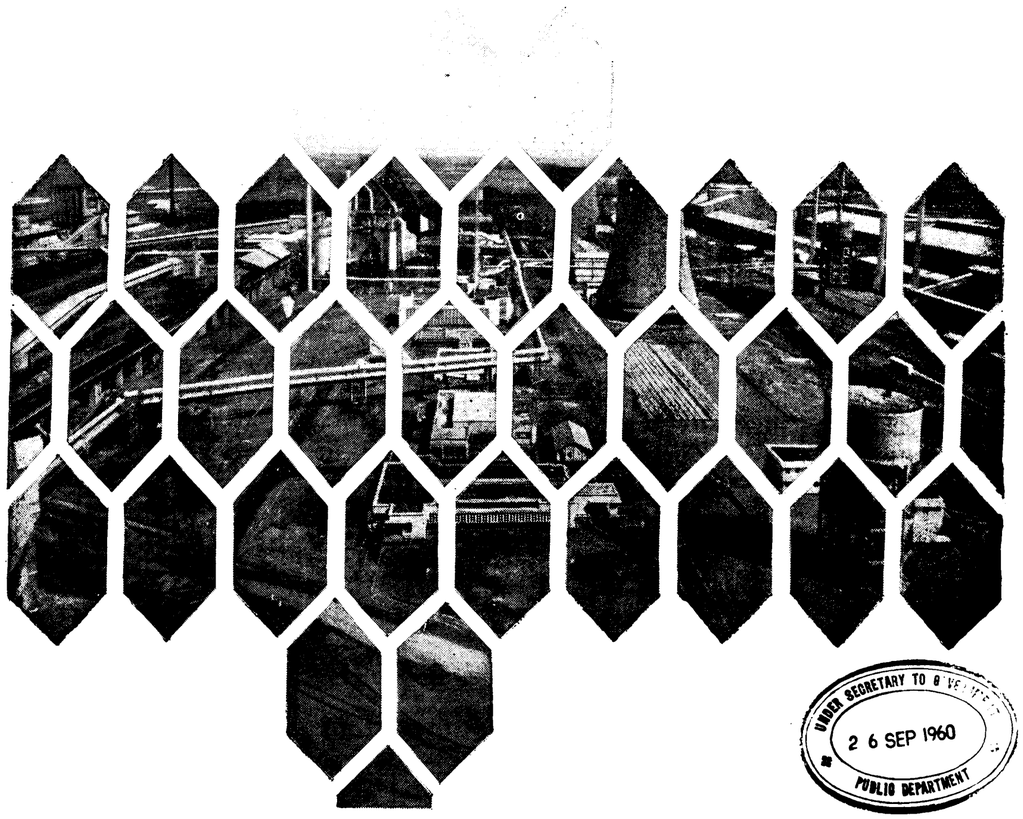

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BRITISH COMPANIES WORKING FOR INDIA

IS GENERAL INSURANCE A "TOTAL LOSS"?

ROLE OF CONTROLLER OF INSURANCE

By "Insurer"

THE general insurance business is today at its lowest since its inception. Some of the companies have shut their doors, some have gone into their shells, that is, they are writing only their Directors' business, while others are gasping for breath wondering whether it is worthwhile running an insurance company with the hazards involved. In other words, the going is not good and, as is usual, the blame for it rightly or wrongly has to be shoved on someone. In the case of insurance, the person to suffer is the Controller of Insurance.

In this article, an endeavour is made to look at the existing state of affairs from the Controller's angle and it is earnestly hoped that the insurers will realise that to throw the blame on somebody's doors is incorrect and that the fault lies with themselves.

The Insurance Amendment Act 1950 has created an Executive Committee, the functions of which are mainly:

(1) "To aid and advise insurers carrying on general insurance business in the matter of setting up standards of conduct and sound practice...."

(2) "To render advice to the Controller in the matter of controlling the expenses of such insurers carrying on business in India...."

(3) "To bring to the notice of the Controller the case of any such insurer acting in the manner prejudicial to the interest of holders of general insurance policies."

It will be apparent that the orbit of this dominant and supreme body, the Executive Committee, is very wide. It has on its shoulders the responsibility of guiding the destinies of insurers and seeing that the companies run their business in a befitting manner. It will be worthwhile to remember that the Committee consists of sixteen members, of which as many as thirteen are from the trade. The remaining three are nominated by the Central Government, one of whom is a non-official not connected with the trade, and, of the remaining two, one is appointed as the chairman of the Committee.

Why Blame the Controller?

Usually, it is alleged that the Controller dominates the proceedings of this body. This may no doubt be true and it cannot be expected to be otherwise. But, surely, the Controller would not dare take any steps which were unanimously opposed by the thirteen representatives of the trade. If there were any fundamental differences on any issues, these members should have resigned *en bloc*. It is learnt that not even one member of the Executive Committee has resigned during the last ten years on account of basic differences over the steps proposed by the Controller. Is not one led by the above facts to conclude that the trade has acquiesced in the actions taken by him so far and that it is wrong to deride the Controller on this score?

The Controller of Insurance has, in fact, given the companies enough time to put their houses in order. He is of the opinion that as the insurers are the persons who have to run the business from day to day and as they are the victims of the sorry state of affairs, they should themselves agree and put forward schemes to him which are acceptable to all. The fact that the 1952 Code of Conduct and the 1957 one are voluntary proves the issue. Rather than introduce legislation, the Controller has felt that the trade should regulate itself. But it is a matter of deep sorrow that the companies have not risen to the occasion.

It is not that the insurance business is bereft of experienced leaders. There are some capable persons who have devoted their entire life to this line. But the human weakness of placing self above others can be seen at its best amongst the insurers. It goes beyond comprehension as to why, during all these years, the companies have not been able to find a workable solution agreeable to all. Each one of the insurers is frustrated and is suffering in silence. Yet no remedy has been evolved. The day all the companies sit together and bury their group rivalries, the solution to the intricate problems of the trade will be solved. Unfortunately, today, each of the two giants in the insurance trade, with their satellites, put up schemes which would be beneficial to them alone, which they alone can implement with ease. The one group tries to outdo the other, with the result that none has benefited so far. This narrow-mindedness of theirs has brought the position of the industry to what it is today.

The only successful section of the 1957 Code of Conduct (which pertains to collection premiums) is that which has been unanimously agreed to. The other sections have failed miserably as the insurers are not fully united on those issues. The question of field workers is a point which will illustrate this statement. It is an acknowledged fact that their utility has ceased and, leaving aside a few genuine field workers, the rest are being used as a mode for rebating. In spite of this glaring phenomenon, the system continues to exist, as one of the strong groups is in favour of it.

Unenviable Position

The Controller of Insurance is placed in an unenviable position at present. As long as the Insurance Act continues in its present form, he has to see that it is implemented *in toto*. The criticisms that have been heaped on him for granting latitudes to companies have forced him to adopt a stricter attitude. Companies have vehemently protested against his recent actions to tighten up the administration of the Insurance Act. The case of issuing of warnings to extravagant insurers can be taken as an example. During the last few years, several companies have exceeded the limits and it is but right that, as required by the Act, warnings should be issued to them, so that, in future, they may be careful. Instead of realising the reasons for the Controller's actions, companies are accusing the Controller of using his powers recklessly. It must be appreciated that, if the Controller is lenient and if at any time any discrepancies are found in the working of companies, he has to face a very wide and, nowadays, awake public. His accommodating the companies may one day lead to a volley of questions being asked in Parliament. As such, it will be realised that his job is an intricate and thankless one.

Another point on which one must sympathise with the Controller of Insurance is regarding the unfortunate cases where some manipulations, adjustments, or irregularities are detected in the working of the companies. Such instances have been rare in general insurance business; yet it would be worthwhile to analyse the Controller's position in this respect. The Controller's office rightly or wrongly is situated in Simla, a nice and cool but a remote city, a place which is far from the hubbub of the insurance world. He has to examine the working of the companies from the printed balance-sheets and the supporting returns that he receives. These accounts and returns are all audited by competent auditors whose integrity cannot be questioned. If these auditors who have access to all the books and also possess wide experience are unable to trace any irregularities, is it not futile to expect the Controller to fathom such errors from printed returns alone? The annual accounts do not after all disclose how, why, and under what circumstances certain transactions took place. Unless and until the Controller has some indication or even a hint of gross bungling being practised, he cannot be expected to move in the matter.

Inspection

It was felt some time ago that a surprise inspection of the books of companies would reveal some glaring irregularities and it was therefore decided to get the accounts and books of companies checked by independent auditors, that is, auditors not in any way connected with the company. It must be said to the credit of the insurers that such investigations did not reveal much and it was thought fit to drop it altogether.

The only way in which manipulations can be traced seems to be to have a very extensive inspecting machinery. The Controller of Insurance does not have at present an investigating staff worth the name. In fact, even a vast checking machinery cannot guarantee against unscrupulous persons committing irregularities. The recent happenings in the banking world is an indication. In spite of the composite inspection personnel at the disposal of the Reserve Bank some misappropriations are alleged to have taken place. As such, in the insurance sphere and under the existing conditions, if some companies close or commit blunders, the Controller should not be discredited for it.

The above remarks, it is to be hoped, will bring out the delicate position of the Controller. In fact, to criticise him is absolutely wrong. The remedy for the ills of the insurance industry lies with the trade itself. The main function of the Controller is not that of an investigator. He has to guide the companies on right lines. He can only lay down rules and regulations for running the companies in a sound and dignified manner, but it is up to the companies to run their business efficiently and in a way which will inspire confidence amongst the public. The adverse publicity recently received by the general insurance business has aided the public in the belief that the general insurance companies are not run in a straightforward manner, that at every stage manipulations are committed and that the business has come down to such a standard that God-fearing and honest people should quit this business.

It is the duty of insurers to see that the prestige of general insurance companies is restored and that they take their rightful place amongst the financial and economic institutions of the country. This can only be done if all the companies unhesitatingly unite in a spirit of sacrifice and consider the interest of all companies as their own. Then alone there is a chance of "salvaging" the general insurance business; otherwise, it will sooner or latter be a "total loss."

CLOSURE OF NEW ASIATIC

Commenting on the closure of the New Asiatic Insurance Company Ltd. we had, in one of our previous issues (*vide* page 3 of *Commerce* dated 2nd July 1960), ventured to ask whether it was a symptom of the malady afflicting general insurance in the country. Giving no credence to all sorts of wild rumours then current, we tried to correlate the closure of some units, of which the New Asiatic of the Birla group was prominent, to the difficulties experienced by the general insurance business as a whole. Information that came our way subsequently showed that there was something more than meets the eye. This was confirmed later in Parliament by the Government. In answer to a question in the Lok Sabha a few days before its adjournment, Mrs. Tarakeshwari Sinha, Union Deputy Minister for Finance, disclosed that an investigation conducted by a team of Government auditors brought out the following malpractices and manipulations:

1. Misappropriation of funds by
   (*a*) showing false payments of claims or commission;
   (*b*) showing lump sum withdrawals of money as expenses of management without indicating proper details; and
   (*c*) making false entries in books.
2. Large suppression of losses by making false entries in the books which were reversed in convenient instalments in subsequent years.
3. Large purchases and sales of shares of allied concerns, not required in the ordinary course of insurance business.
4. Falsification of returns furnished under Sections 28 and 28A of the Insurance Act in respect of investments by excluding from them purchases and sales of various shares.
5. Falsification of books of accounts and the annual returns by showing loans advanced as investments in shares and debentures and improper accounting of the interest received on the loans.
6. Falsification of the books of accounts by showing an investment in shares as a loan and, in the process, depriving the Company of a substantial capital gain on the shares.
7. Advance of loans to various parties in contravention of the provisions of Section 29 of the Insurance Act and consequently falsification of accounts by false entries passed at the end of each year to suppress this fact.
8. Utilisation of life funds by the General Department of the Company in contravention of Section 10(3) of the Insurance Act during the years 1951 to 1954.

A formal communication, according to the Minister, was sent to the Company informing it of the findings of the auditors and giving it an opportunity to explain. The report was, thereafter, examined in the light of the explanation received from the Company in consultation with the Ministry of Law and it was felt that further investigation would be necessary to locate responsibility for the acts which the auditors consider to be wrong. It was, therefore, decided to appoint two directors on the Board of Directors of the Company under the powers vested in the Government by Section 48C of the Insurance Act."

It was only after this decision of the Government that the Company's management decided to stop doing any fresh business. Mrs. Sinha also revealed that investigation by auditors into allegation of malpractices in the Ruby General Insurance Company, Ltd., another company belonging to the same group, were completed and a report was already submitted to Government. She, however, did not disclose the findings of this audit.

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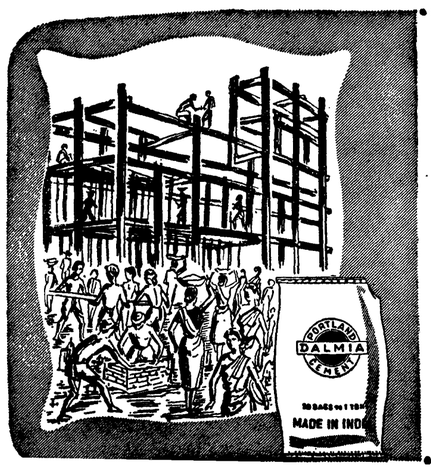

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CENSUS OF MANUFACTURING INDUSTRIES

STATISTICAL POSITION IN 1957

THE Census of Manufacturing Industries in India, published every year by the Joint Director (Industrial Statistics), Central Statistical Organisation, Government of India, Calcutta, seeks to provide comprehensive data on the structure and pattern of 28 selected Indian industries. For the purpose of the Census, only factories registered under the Indian Industries Act, 1948, which employ 20 or more workers on any day and use power are taken into account. The latest available census—twelfth in the series—relates to the year 1957. Although it is concerned with a period which is two years out of date, it contains valuable basic data that are not easily available from other sources. Besides, the year 1957 coincided with the first year of the second Plan—a phase which is bound to go down in India's economic history as a turning point in its industrialisation.

The total number of registered units in the 28 industries was 7,754 in 1957. The data in the Census, however, cover only 6,548 factories (85 per cent.); the other units did not submit returns. The total number of persons employed in these factories aggregated over 1.81 million (including 207,134 persons other than workers). Their salaries, wages and other benefits amounted to Rs. 258 crores. The value of gross production was Rs. 1,646 crores. The value added by manufacture amounted to Rs. 445 crores. (Here the term "value added by manufacture" means "that part of the value of the product, which is created in the factory and is computed by deducting from the gross ex-factory value of output, the value at factory of fuel and materials used, work done for factory by other concerns and depreciation of fixed assets.") The value added per person (a rough measure of productivity) was Rs. 2,453 in 1957. The total capital invested in these industries was to the tune of Rs 1,063 crores, giving a capital-output ratio (productivity of capital) of 0.46 per unit of capital. The following table presents a consolidated picture of aggregates covering the 28 industries in 1957:

TABLE I

(Value in crores of rupees)

Number of factories		
(a) Registered	.. ..	7,754
(b) Returns submitted	.. ..	6,548
Average number of days worked	.. ..	258
Number of persons employed	.. ..	1,813,323
Productive capital	.. .. .. (Rs.)	1,062.61
(a) Fixed capital	.. .. .. (Rs.)	512.41
(b) Working capital	.. .. .. (Rs.)	550.20
Salaries, wages and benefits	.. .. (Rs.)	258.32
Materials, fuel, electricity, etc., consumed	.. .. (Rs.)	1,136.28
Amount paid to other concerns for work done for the factory	.. .. .. (Rs.)	9.37
Cost of transport of materials, fuel, etc., *to* factory and commission to purchasing agents	.. .. (Rs.)	12.55
Total production	.. .. (Rs.)	1,646.21
Amount received from others for work done for them	.. .. .. (Rs.)	13.26
Cost of transport of products *from* factory, commission to selling agents	.. (Rs.)	19.30
Value added by manufacture	.. .. (Rs.)	444.66

An industry-wise breakdown of the aggregates is provided in Table III at the foot of this article. It will be seen from this table that "cotton textiles" constitute the biggest single industry from the point of view of capital outlay, employment provided, total production and the value added by manufacture. It has involved a capital outlay of Rs. 317 crores accounting for 30 per cent. of the aggregate capital of the 28 industries. It gives employment to nearly 762,000 persons, accounting for 42 per cent. of the total employed persons in all the 28 industries. It manufactures goods worth Rs. 473 crores—just about 29 per cent. of the total production of all the relevant industries. And the value added by manufacture comes to Rs. 146 crores or about 33 per cent. of the aggregate value added by manufacture in all the selected industries. These facts are brought together in Table II which also gives the relevant figures in respect of five other major industries, each accounting for a total production of more than Rs. 100 crores.

The data provided by the Census can also be utilised for working out labour and capital productivity. As for labour productivity (figures for which are given in the table covering six major industries), it is measured by the average value added by manufacture per person. It may be noted here that, for inter-industry comparison of productivity, it is not advisable to take "gross physical output per worker," since the units of measurement of physical output are not uniform for all industries and all products. The approach based on "gross value of output per worker" will also be misleading, inasmuch as the proportion of raw materials entering into the final product varies considerably, that is, from over 90 per cent. in the case of processing industries, such as vegetable oils and rice milling, to just about 25 per cent. in the case of ceramics and 40 per cent. each in respect of cement, and iron and steel. It may be seen that, although cotton textile industry stands head and shoulders above other industries in respect of the quantum of capital and output, in the sphere of labour productivity, it yields place to other industries (included in Table II), inasmuch as the value added per person in that industry was only Rs. 1,920, as against Rs. 5,670 in iron and steel and Rs. 2,790 in engineering.

In respect of capital productivity or capital-output ratio (figures for which are also given in Table II covering six major industries), textile industries have fared better, securing the second place. The productivity of capital in the case of that industry is computed at 0.46 per unit of capital employed. This compares favourably with 0.44 in iron and steel and 0.42 in jute textiles, but is lower than that of engineering.

In addition to working out labour and capital productivities, the data in the Census can be employed to appraise the cost structure, trend in general profit margins, etc.

Some general observations on the Census are called for at the end. It is a matter of regret that as much as 16 per cent. of the registered factories (1,206 units) did not respond to the questionnaire of the Census authorities in 1957, though the Census has been a statutory obligation. In 1956, it may be recalled, in this connection, that the proportion of defaulters was only 7 per cent. of the registered factories. Such variations are hardly calculated to ensure strict comparability of data from year to year. It is to be hoped that the Central Statistical Organisation will devise suitable measures for ensuring the fullest co-operation of all the registered factories so as to attain cent per cent coverage.

INDO-NEPAL TRADE TREATY

A new treaty of trade and transit has been signed between the Government of India and Nepal, replacing the one signed in July 1950. It will come into force from 1st November 1960 for a period of five years and extended for another five years thereafter, subject to such modifications as may be agreed upon mutually, unless terminated by either party by giving notice of not less than one year in writing. The treaty seeks to expand the exchange of goods between the two countries, encourage collaboration in economic development, and facilitate trade with third countries. A significant feature of the treaty is the "goal of a common market" between the two countries envisaged in it, with a view to strengthening economic co-operation between them. This object is sought to be realised by the provision for exempting from customs duties and other equivalent charges, as well as from quantitative restrictions, "goods originating in either country and intended for consumption in the territory of the other," subject to such exception as may be mutually agreed upon.

According to the provisions of the treaty, while Nepal will have the right to formulate its own export and import policies, it has been agreed that these will be devised and enforced in a manner that will not injure Indian interests. Besides, any divergence by Nepal from the import policy followed by the Government of India will be preceded by mutual consultations. Nepal is expected to make half-yearly announcements on import policy, as is the case in India. A bi-annual exchange of ideas with this country is, therefore, expected to take place on the subject. The two countries will seek to ensure uniformity in the matter of their export and import duties. Otherwise, large-scale smuggling across an unregulated 500-mile border may follow. Again, if the export of a particular item is banned by India, Nepal will follow suit. Payment for goods and services between the two countries will continue to be made as hithertofore.

In respect of transit, goods intended for import into, or export from, the territories of either country from or to a third country will be accorded freedom of transit through the territories of the other party. Traffic in transit will be exempt from customs duty and from all transit duties or other charges imposed in respect of transit, except reasonable charge for transportation and such other charges as are commensurate with the costs of services rendered for the supervision of such transit.

TABLE II

(Value in crores of rupees)

Industry	Number of persons employed	Capital	Production	Value added by manufacture	Value added per unit of productive capital	Value added per person employed
						Rs.
Cotton textiles	761,758	317.43	473.40	146.06	0.46	1,920
Jute textiles	245,309	85.33	133.24	35.91	0.42	1,460
Sugar	117,059	91.33	112.11	29.17	0.32	2,490
Iron and steel	91,983	119.28	117.72	52.17	0.44	5,670
General and electrical engineering ..	189,054	102.18	147.61	52.68	0.52	2,790
Vegetable oils*	44,964	28.29	129.19	5.40	0.19	1,200

* Excluding edible hydrogenated oils.

TABLE III: *Industry-wise Breakdown*

(Value in crores of rupees)

Name of industry	No. of factories covered*	Productive capital		No. of persons employed	Salaries and wages	Materials, fuel, electricity, lubricants consumed	Total production	Value added by manufacture
		Fixed	Working					
Wheat flour	75 (88)	3.46	3.63	7,682	0.99	38.71	42.40	3.11
Rice milling	1,536 (1,744)	7.14	13.53	63,950	2.85	92.41	99.40	6.01
Biscuits	77 (95)	2.42	1.37	5,372	0.67	4.80	7.43	6.97
Fruit and vegetable processing	26 (32)	0.55	0.55	1,460	0.14	1.01	1.60	0.37
Sugar	148 (185)	30.88	60.45	117,059	10.92	75.88	112.73	29.17
Distilleries and breweries.	50 (50)	2.12	1.91	5,252	0.69	2.24	5.03	2.13
Starch	10 (12)	1.48	2.13	1,887	0.26	3.84	5.07	0.97
Vegetable oils :								
(a) Edible hydrogenated	29 (30)	5.41	7.67	8,467	1.65	55.07	61.12	4.53
(b) Other vegetable oils	919 (1,137)	11.45	16.84	44,964	2.96	120.91	129.12	5.40
Paints, varnishes ..	42 (53)	1.31	3.34	5,409	1.03	6.27	10.51	4.03
Soap	27 (30)	3.34	7.15	5,659	1.40	14.15	20.75	5.98
Tanning	117 (134)	1.00	3.35	10,595	1.00	10.94	12.51	1.42
Cement	27 (28)	35.67	16.96	26,045	4.13	20.88	35.82	10.85
Glasses	82 (106)	5.01	2.30	23,948	2.08	4.39	8.18	3.25
Ceramics	71 (81)	6.00	2.57	23,099	2.96	3.19	7.88	4.15
Plywood and tea chests..	55 (65)	2.20	1.55	6,987	0.68	2.72	4.92	1.87
Paper and board ..	48 (58)	23.42	9.91	31,601	4.75	17.63	32.28	11.99
Matches	42 (47)	1.80	2.02	16,378	2.09	3.67	7.76	3.74
Cotton textiles	498 (570)	129.08	188.35	761,758	118.90	313.34	477.12	146.06
Woollen textiles ..	48 (56)	3.41	7.43	15,996	2.07	12.37	16.93	4.03
Jute textiles	102 (112)	42.46	42.87	245,309	27.99	93.56	133.24	35.91
Chemicals	322 (367)	49.99	37.44	58,846	10.76	50.12	92.87	34.91
Aluminium, copper, brass	199 (241)	9.71	13.46	22,901	3.81	29.69	40.35	10.09
Iron and steel	127 (150)	81.06	38.22	91,983	21.55	57.72	119.52	52.17
Bicycles	67 (82)	3.17	3.90	9,173	1.56	5.89	10.41	3.78
Sewing machines ..	21 (26)	1.66	1.44	5,148	1.34	2.82	4.78	1.63
Electric lamps	10 (15)	0.89	0.92	2,687	0.45	1.50	2.66	1.06
General and electrical engineering	1,754 (2,137)	45.12	57.05	189,054	27.92	88.56	140.12	52.68
Electric fans	19 (23)	1.20	1.87	4,654	0.72	2.09	3.69	1.22
Grand Total ..	6,548 (7,754)	512.41	550.20	1,813,323	258.32	1,136.28	1,646.21	444.66

* Figures in brackets indicate the total number of registered factories in the country.

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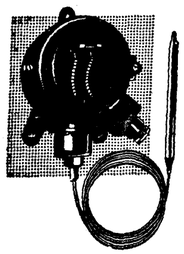

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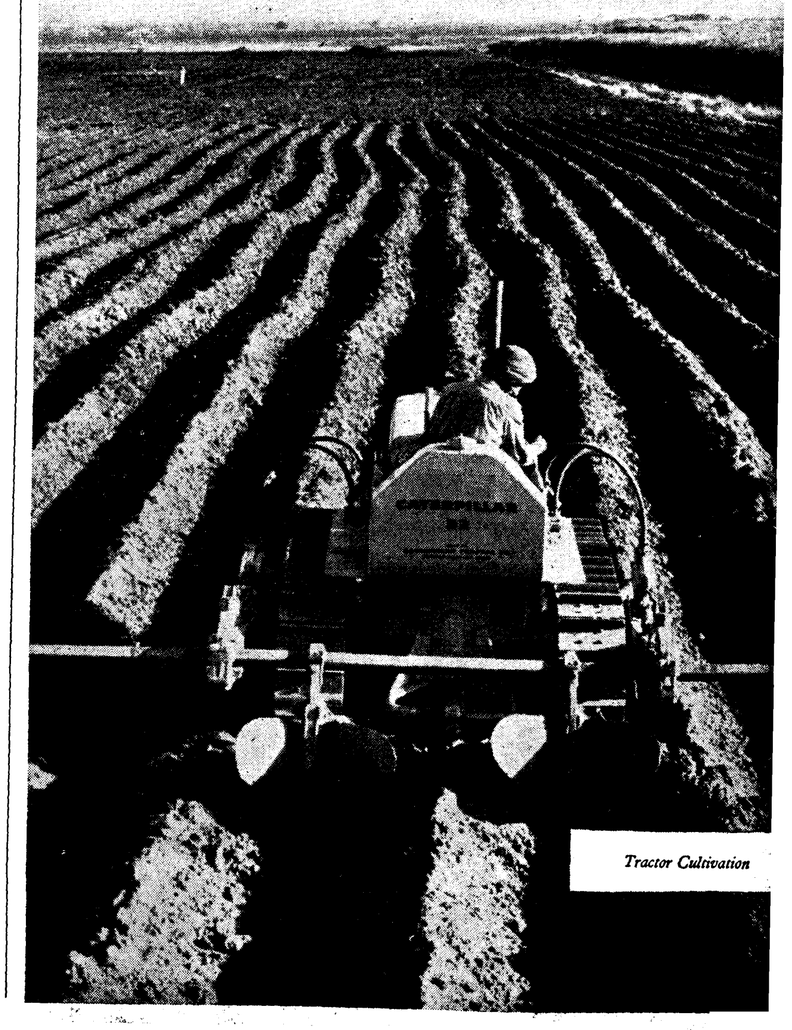

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ALUMINIUM INDUSTRIES MAKE GOOD PROGRESS

GROSS PROFIT TREBLES IN FOUR YEARS

THE financial and production results of the Aluminium Industries Ltd. (Managing Agents: Messrs. Seshasayee Brothers (Travancore) Private Ltd., Kundara, Kerala State) for the year ended 31st March 1960 make impressive reading. Production has recorded a marked rise, the output of bare aluminium conductors having gone up from 26,300 miles (in 1958-59) to about 34,400 miles and that of covered aluminium conductors from 3.5 million core-yards to 7 million core-yards. The production of aluminium rods, accessories and tools is also said to have been maintained at a higher level. The gross profit has shot up from Rs. 36.86 lakhs (for 1958-59) to Rs. 51.99 lakhs for 1959-60, representing an increase of Rs. 15.13 lakhs or 41 per cent., thus maintaining an unbroken upward trend since 1955-56, when the gross profit stood at no more than Rs. 16.96 lakhs. In other words, the gross profit of the Company has more than trebled itself, within a short span of four years. This striking improvement is not the result of profiteering by the Company, but is the outcome of planned expansion in productive capacity.

Consequent on the sharp rise in earnings, the Company has been able to make adequate provision for depreciation in consonance with the large capital expenditure incurred during the year under review, as also to provide for the entire income-tax liability of Rs. 16 lakhs out of the year's profit. Last year, it may be noted, the Company had to draw Rs. 2.85 lakhs from the deferred taxation reserve, in addition to the provision of Rs. 10.35 lakhs made out of the profit, to meet fully the residual income-tax liability after availing itself of the advantage, in full, of the development rebate, to which it was eligible on the new plant and machinery at Hirakud. After providing for managing agency commission, the net profit, at Rs. 19.81 lakhs, represents an increase of Rs. 5.75 lakhs over that for the previous year. Out of the net profit, a sum of Rs. 4.37 lakhs has been ploughed back and this represents the addition to the development rebate reserve. As in the previous year, the Company has availed of, in full, the benefit of the development rebate on the plant and machinery commissioned during the year at Hirakud. As a result of such large addition to the statutory reserve, the Company has not been able to make any addition to its free reserves for the second year in succession. It could have done so, but it would have meant a cut in the net dividend, which is now being maintained. The Directors have recommended a distribution of 18 per cent., subject to deduction of tax, which is equivalent to a net dividend of 12.6 per cent., as compared with 12.5 per cent. free of tax, paid for the previous year.

The progress made by the Company since 1956-57 is well brought out by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	3,40.72	3,35.89	3,75.85	3,17.21
Closing stocks	74.60	40.24	34.03	13.51
Raw materials and stores consumed	2,73.55	2,61.48	3,24.08	2,54.12
Other expenses	15.52	37.79	16.78	38.92
Gross profit	51.99	36.86	35.48	24.32
Managing Agents' commission	3.98	2.71	2.74	1.77
Provision for—				
Depreciation	11.89	9.14	7.53	6.58
Taxation (including wealth tax)	16.31	10.35	14.63	6.95
Net profit	19.81	14.06	10.58	9.02
To reserves	4.37	4.07	2.00	4.00
Dividend	14.40	10.00	8.75	5.00
	(18%)*	(12½%)	(12½%)	(12½%)
Carry forward	1.52	0.49	0.50	0.66

* Subject to deduction of tax.

The Company's Hirakud plant is now producing aluminium rod in excess of its requirement at Hirakud. The surplus is being sold to other conductor manufacturers. As the demand for covered aluminium conductor is rapidly expanding, the Company is making arrangements to enhance production. Despite the intense competition in the field of bare aluminium conductor, the demand for the Company's product is said to be encouraging. With the formal inauguration of the Company's rod mill at Hirakud, the factories at Hirakud have been brought to a fully productive stage. The increased capacity for aluminium rod and bare conductor has enabled the Company to offer more attractive deliveries to its customers.

The Government of India has granted a licence to the Company for the manufacture of high tensile galvanised steel wire at Kundara. The requisite foreign exchange for the importation of machinery and equipment has also been sanctioned and import licences secured. The Directors observe that the work on this project has commenced and that they expect this factory to be in operation early in 1962. The finance for this project will be mainly drawn from the issue of 200,000 ordinary shares of Rs. 10 each at a premium of Rs. 2.50 per share made in July-August 1960.

While the general outlook for the Company is thus promising, investors should take note of the fact that the levy of an excise duty of Rs. 300 per metric ton on indigenous production of aluminium ingot along with a corresponding countervailing import duty on imported aluminium ingot and rod in the last Union budget has resulted in an appreciable increase in the cost of manufacture and a consequent rise in the prices of aluminium conductors of Indian manufacture. As against this, conductors of foreign manufacture can be obtained at the same price as before the imposition of the excise and the countervailing import duties. The Company is, therefore, in a disadvantageous position and the profit-margin for the current year may be less. The Directors, however, hope that this factor will be taken into consideration by the Tariff Commission when it takes up the question of continuance of protection to the bare aluminium conductor industry beyond 31st December 1960.

The financial position of the Company is quite satisfactory, in that the reserve funds as at the end of March 1960, at Rs. 41.36 lakhs, represent more than 50 per cent. of the paid-up capital of Rs. 80 lakhs. The paid-up capital has since been raised to Rs. 100 lakhs and the reserves too stand increased at Rs. 46.36 lakhs consequent on the addition of a share premium of Rs. 5 lakhs obtained on the recent rights issue. In consonance with the expansion of the Company's activity, borrowings, too, have gone up from Rs. 56.87 lakhs to Rs. 119.38 lakhs and other current liabilities from Rs. 90.95 lakhs to Rs. 126.72 lakhs. Nevertheless, the total liabilities are more than adequately covered by current assets at Rs. 280.48 lakhs. There has been an addition of the value of Rs. 27.76 lakhs to the gross block during the year (this is on top of Rs. 36.93 lakhs added in the previous year), bringing the total cost to Rs. 138.72 lakhs. This has been written down to Rs. 83.20 lakhs. Construction works in progress amount to Rs. 3.78 lakhs.

With the additional capital raised in July-August this year, the Company's authorised capital of Rs. 1 crore stands fully issued and subscribed. In order to maintain the Company's pioneering position in the electrical manufacturing industry, it may become necessary to implement further development programmes, involving additional capital. The Directors have, therefore, considered it desirable to increase, for the present, the authorised capital to Rs. 3 crores.

The Rs. 10 fully paid-up ordinary shares are being currently quoted at Rs. 25 *cum* final *div.* At this rate, the yield works out to 5.2 per cent. per annum, free of tax.

ROHTAS INDUSTRIES LIMITED

The Directors of the Rohtas Industries Ltd. have declared an interim dividend of Rs. 2 per share or 20 per cent. (subject to deduction of tax) on ordinary shares for the year ended 31st March 1960. This will, in fact, constitute the full dividend for the year. The dividend for the previous year was 15 per cent., without deduction of tax. Since a portion of the profit of the Company for the relevant period would be exempt from tax under Section 15C of the Income-tax Act, no income-tax or super-tax will be payable by the shareholders on such portion of dividend. The Company is said to have requested the Income-tax Officer to determine the same as required by law. It is, however, understood that, according to the Company's estimates, deductions of income-tax required under Section 18(3D) of the Income-tax Act may be about 50 nP per share, as against the full incidence of deduction of 60 nP on 30 per cent. basis, leaving a net dividend of Re. 1.50 per share. In fact, the gross dividend for the year works out higher than the dividend paid by the Company in previous years as full grossing was not available to the shareholders in such previous years also, due to the entire profits of the Company being not liable to tax.

The dividend is being paid on 15th October 1960 which would enable the shareholders to utilise the amount for payment of subscription money for right shares, the date for which has also been extended to 18th October 1960.

KHATAU MILL DOUBLES DIVIDEND

GROSS PROFIT CROSSES ONE-CRORE MARK

THE recommendation of the Directors of the Khatau Makanji Spinning and Weaving Company Ltd. (Agents: Messrs. Khatau Makanji & Co. Private Ltd., Bombay) to double the dividend on ordinary shares to 32 per cent. for the year ended 30th June 1960 from 16 per cent. paid for the previous year, both subject to deduction of tax, is fully justified by the highly encouraging results of the year under review. The gross profit of the Company has just crossed the one-crore mark, perhaps for the first time in its history, to stand at Rs. 100.15 lakhs, representing an increase of Rs. 37.19 lakhs or 59 per cent. over that for 1958-59. This is on top of a rise of Rs. 33.84 lakhs recorded in the previous year. The dividend is being doubled after ploughing back more than 50 per cent. of the net profit, which has gone up from Rs. 24.51 lakhs to Rs. 42.67 lakhs, even after making a sizably larger provision for taxation, at Rs. 34.20 lakhs, or more than a third of the gross profit, as against only Rs. 18.90 lakhs provided last year. The provision for depreciation is unchanged at Rs. 14.74 lakhs, while in consonance with the increased earnings, the Agents' commission is higher at Rs. 8.54 lakhs, as against Rs. 4.82 lakhs.

The higher earnings of the Company were due to the enlargement and expansion of the manufacture of superfine varieties to meet the growing demand in the market for its well-known qualities. This in turn was enabled by the additional supply of foreign cotton, thanks to the liberalisation of imports of such cotton. The Company could get all the foreign cotton that it required and the same was made available at a premium of 20 per cent. under the Export Incentive Scheme. The rise in prices of the Company's varieties of superfine cloth during the year under review was, according to the Directors, on an average, about 5 per cent. only.

The excellent results of the year under review are highlighted against the background of those for the previous three years in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sales	5,10.08	4,90.00	4,70.49	4,26.57
Closing stocks	89.92	75.03	75.11	98.54
Raw materials, stores, chemicals, etc., consumed	2,22.53	2,41.58	2,36.06	2,42.52
Other expenses	1,89.15	1,86.66	2,07.71	1,46.02
Gross profit	1,00.15	62.96	29.15	40.45
Agents' commission	8.54	4.82	1.55	2.47
Provision for—				
Depreciation	14.74	14.73	13.63	22.59
Taxation	34.20	18.90	5.50	14.15
Net profit	42.67	24.51	8.44	1.24
Transfer from reserve	..	..	..	9.00
To reserves	21.66	18.28	1.74	..
Dividends—				
4% tax-free preference	1.71*	1.71*	1.20	1.20
Ordinary	19.15	9.58	5.98	5.98
	(32%)*	(16%)*	(10%)	(10%)†
Carry forward	0.39	0.24	0.30	0.78

* Subject to deduction of tax.
† In addition, a dividend at 4.25 per cent. was paid for the year 1953-54.

The most notable features of the year's results are: (1) sales have gone up by Rs. 20 lakhs; (2) this is accompanied by a fall of Rs. 19 lakhs in raw materials, stores, etc. consumed; and (3) the ratio of gross profit to sales is as high as 19.6 per cent., as against 12.8 per cent. in 1958-59 and only 9.4 per cent. in 1956-57.

In pursuance of the programme of replacement and renovation, the Company incurred a capital expenditure of Rs. 28.18 lakhs during the year under review, on top of Rs. 33.31 lakhs spent in the previous year. During the last five years alone, such capital expenditure has aggregated about Rs. 1.72 crores. Further orders for new machinery of the value of Rs. 59.03 lakhs for replacement and renovation were placed during the year. The gross value of the block account as at the end of the year under review is Rs. 376.13 lakhs and the book value thereof Rs. 107.21 lakhs. Thus, the fixed assets have been written down by more than two-thirds. The current assets amount to Rs. 315.31 lakhs, exceeding the current liabilities and provisions, at Rs. 249.55 lakhs, by a large margin. The net assets of the Company are worth Rs. 172.97 lakhs, represented by a paid-up capital of Rs. 89.82 lakhs and reserves and surplus of Rs. 83.15 lakhs.

The Rs. 100 fully paid-up ordinary shares are being currently quoted at Rs. 615 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 3.78 per cent. per annum, free of tax.

MUKAND IRON'S PROFIT GOES UP FURTHER

NET DIVIDEND, HOWEVER, LOWER

FURTHER all-round progress is disclosed by the accounts of the Mukand Iron and Steel Works Ltd. (Managing Agents: Messrs. Jeewan Private Ltd., Bombay) for the year ended 31st March 1960. The production of bars and rods, which had consistently risen from 171,000 tons in 1954-55 to 390,000 tons in 1958-59, has further enlarged to 456,000 tons in the year under review. The upward trend in output of castings and other products which had suffered a slight setback last year from 49,000 tons in 1957-58 to 44,000 tons, has, however, further declined to 42,000 tons in 1959-60. The overall sales show a marked rise of Rs. 66 lakhs to a high of Rs. 4.22 crores. The gross profit, which had staged a sharp improvement from Rs. 24.44 lakhs (in 1957-58) to Rs. 37.22 lakhs in the following year, has advanced to Rs. 40.43 lakhs in the year under review. It may, however, be noted that the pace of increase in gross profit is very less marked than in the previous year.

The net profit, too, has gone up by Rs. 3.30 lakhs to Rs. 18.25 lakhs. The provision for depreciation has been raised from Rs. 3.87 lakhs to Rs. 5.36 lakhs, while that for taxation is lower at Rs. 13.25 lakhs, as against Rs. 15 lakhs a year ago. As in the previous year, the Directors have set aside a large part of the net profit to the reserves. While the addition to the general reserve is unchanged at Rs. 8 lakhs, the transfer to the statutory development rebate reserve has been increased from Rs. 2 lakhs to Rs. 2.50 lakhs and a small sum of Rs. 5,830 has been provided for bad and doubtful debt reserve. The Directors have recommended a dividend of 12 per cent., subject to deduction of tax, on the old ordinary shares and a *pro rata* distribution on the new shares issued during the year under review. This works out to a net distribution of 8.4 per cent., and represents a cut from 10 per cent., free of tax, distributed for the previous year. The dividend on deferred shares is, however, higher at 168.6 per cent. subject to tax, or 118.02 per cent. net, as compared with 88.6 per cent. free of tax for 1958-59.

The progress of the Company since 1956-57 is fully illustrated by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales	4,22.11	3,56.10	3,03.01	2,71.12
Closing stocks	23.69	21.68	23.43	8.52
Raw materials, stores, power, etc., consumed	2,99.29	2,50.37	2,31.78	1,69.67
Other expenses	84.13	70.61	66.14	59.42
Gross profit	40.43	37.22	24.44	30.39
Managing Agents' commission	3.57	3.40	2.21	2.67
Provision for—				
Depreciation	5.36	3.87	2.87	4.25
Taxation	13.25	15.00	8.80	6.75
Net profit	18.25	14.95	10.56	16.72
Other income	..	0.42	0.18	0.45
To reserves	10.55	10.00	5.80	14.00
Short provisions of previous years	0.02	0.20	..	..
Dividends—				
5% less tax preference	0.50	0.34	0.50	0.50
Ordinary	5.38	3.97	2.92	1.92
	(D. 12%)†	(D. 8% +B. 2%)	(D. 8% +B. 4%)	(D. 10%)
Deferred	2.10	1.11	1.29	0.70
	(D. 168.6 %)†	(D. 25% +B. 63.4%)	(D. 25% +B. 78%)	(D. 55%)
Carried forward	0.03	0.34	0.59	0.36

† Subject to deduction of tax.

The Company's profit would have been higher still but for the sharp rise of Rs. 13.52 lakhs in other expenses, of which the wage bill alone accounts for about Rs. 8 lakhs, mainly due to higher dearness allowance, increments and larger annual and production bonuses.

The Company had the benefit of improved supply of billets, which increased the production of rolling mills. In the foundry, production of intricate steel castings for the automobile industry commenced on a large-scale basis during the year. The foundry also made all the steel castings for the first two sugar plants manufactured in India. The Company has entered into technical collaboration agreements with an American and an English firm for the manufacture of automatic centre buffer couplers. These are being made in this country for the first time. In fact, the Company has already secured orders worth Rs. 84 lakhs for these couplers from the railways. The preliminary development work in this connection has almost been completed. The Company expects to go into mass production in the near future.

The Company's prospects for the current year appear to be satisfactory. For, according to the Directors, supply of billets continues to be fully secured. Improved methods and planning have, they say, helped in better utilisation of the foundry capacity.

The financial position of the Company is fairly good. The reserves and surplus, at Rs. 45.33 lakhs, represent 63.4 per cent. of the paid-up capital of Rs. 71.43 lakhs. The borrowings and other current liabilities aggregate Rs. 86.78 lakhs, which are covered by a wide margin by current assets at Rs. 123.20 lakhs. The gross block of the value of Rs. 121.27 lakhs (including an addition of Rs. 23.90 lakhs during the year) has been written down to Rs. 80.34 lakhs.

The current market value of the Company's ordinary shares (Rs. 10 paid-up) is Rs. 25.50 *cum-div.* On an *ex-div.* basis, the shares offer a yield of 3.4 per cent. per annum, free of tax.

INDIAN TRADE AND GENERAL INSURANCE CO. LTD.

The accounts of the Indian Trade and General Insurance Company Ltd. (General Manager: Mr. T. M. Telang, Calcutta), for the year ended 31st December 1959, mirror the effect of political and economic factors beyond the control of the Company and of the measures taken by the Company itself to improve its financial and administrative position. The combined net premium of the Company during the year increased by Rs. 8.5 lakhs. Claims cost, except in the fire department, also went up, thanks to the unsettled political conditions in Africa where the Company has substantial business interests. Losses sustained in other territories by insurers who reinsure with the Company also contributed to higher claims. In addition, as a result of the Company's policy of weeding out unprofitable accounts, initiated two years ago, some backlog of claims continued to come against premium received in previous years. All these factors have gone to put up the overall claims ratio, but the rise would have been more than 3.4 per cent. recorded during the year, but for the improvement in direct-writing results in territories other than Africa.

Although the claims experience has thus been adverse, there has been a remarkable improvement on the expense side. At a time of rising prices and when the general tendency for insurance companies is to exceed even the maximum statutory limits set for expenses, it is gratifying to note that the "Indian Trade" has been able to reduce its expenses for the second year in succession. The fall is as much as five per cent. during the year under review, as against 3.4 per cent. in the previous year. In fact, the expense (including commission) ratio of 34 per cent. for the year under review is the lowest in the Company's history and compares very favourably with that of New India (36.4 per cent.), although it is still 8 per cent. higher than that of Oriental (26 per cent.). The net profit earned improved to Rs. 1.24 lakhs, as against Rs. 1.18 lakhs in the previous year. The dividend has been raised to Rs. 2 per share of Rs. 40 paid up subject to tax, as against one rupee, tax-free, in 1958. The following table summarises the working results of the Company during the three years ended 31st December 1959:

(In lakhs of rupees)

	1959	1958	1957
Fire:			
Net premium	37.44	31.53	35.03
Claims	15.67	14.59	15.33
Commission, expenses, etc.	14.73	12.76	16.85
Fire fund	18.72	15.77	17.23
Marine:			
Net premium	24.32	23.26	22.12
Claims	18.98	17.45	15.39
Commission, expenses, etc.	5.20	8.80	8.11
Marine fund	23.66	22.34	20.87
Miscellaneous:			
Net premium	29.03	28.36	22.20
Claims	21.88	16.38	11.10
Commission, expenses, etc.	10.79	10.65	8.68
Miscellaneous fund	14.96	14.18	11.10
Net profit	1.25	1.18	1.01
Dividend	1.20	0.60	0.60
	(5%)*	(2.5%)	(2.5%)
Carry forward	0.29	0.23	0.047

* Subject to deduction of tax.

As will be evident from the above table, the net premium in the fire department, which had suffered a fall of Rs. 3.5 lakhs in 1958, has more than made up the fall to show a rise of about Rs. 6 lakhs. Claims worked out to 41.8 per cent., as against 46.3 per cent. in 1958. Commission and expenses declined from 40.9 per cent. to 39.3 per cent. After transfer of nearly Rs. 3 lakhs to the reserve for unexpired risks, which now stands at Rs. 18.72 lakhs, the account shows an underwriting profit of Rs. 4.41 lakhs.

The increase in net marine premium by Rs. 1 lakh during the year to Rs. 24.32 lakhs is wholly attributed to Indian business. The back-log of claims on incoming reinsurance business led to a rise in claims ratio from 75 per cent. in 1958 to 78.1 per cent. in 1959. The administrative improvement effected in the previous year was reflected in the reduction in commission and expense ratio from 37.8 per cent. to 21.4 per cent. After keeping the reserve for unexpired risks at Rs. 23.66 lakhs, the account shows a deficit of Rs. 56,554.

The miscellaneous department bore the brunt of higher claims resulting from the unsettled political conditions in Africa. The claims experience deteriorated by as much as 12 per cent. on direct underwriting in this department. To make matters worse, claims in respect of incoming reinsurance treaties increased by about 26 per cent. Overall claims ratio rose from 57.7 per cent. to as much as 73.1 per cent., with the result that, notwithstanding the decline in commission and expenses ratio, there was an underwriting loss of Rs. 3.33 lakhs. The miscellaneous fund, at Rs. 14.96 lakhs, amounts to 50 per cent. of premium.

After taking into account interest and dividends and other incomes and debiting expenses of management not applicable to any particular fund account, bonus and other miscellaneous outgo, there is a net profit of Rs. 1.25 lakhs which has been carried to the profit and loss appropriation account. This, together with Rs. 23,075 brought in from the previous year's account, makes available Rs. 1.49 lakhs. The dividend of Rs. 2 per share, less tax, absorbs Rs. 1.20 lakhs, leaving Rs. 28,760 to be carried forward.

The funds and reserves of the Company, as on 31st December 1959, aggregated Rs. 86.39 lakhs, including, among others, a capital of Rs. 24 lakhs and departmental reserves of Rs. 57.35 lakhs.

THE CONCORD OF INDIA INSURANCE CO.

The past year was a difficult one for the Concord of India Insurance Company (Principal Officer: Mr. Noel Maurice Cole, Calcutta) as revealed by the Company's statement of accounts for the year ended 31st December 1959. The overseas business of the Company was mainly responsible for the disappointing results, which, in turn, was a reflection of the difficult conditions of foreign underwriting which the Company, in common with other insurers, had experienced. Indian business, on the other hand, showed good results. Nevertheless, the year's operations resulted in a net loss of Rs. 1.65 lakhs, as against a profit of Rs. 2.74 lakhs in the previous year. The Directors have, however, thought it fit to pay a dividend of Re. 1 per share of Rs. 5, paid-up from the amount carried forward from the previous year's account and by drawing on the contingency and general reserves to the tune of Rs. 2.75 lakhs.

The following table summarises the working results of the Company for 1959 in comparison with those for the previous two years:

(In lakhs of Rupees)

	1959	1958	1957
Fire:			
Premium	34.32	32.42	32.04
Claims	20.53	14.78	12.46
Commission, expenses, etc.	16.10	14.55	17.62
Fire fund	17.16	16.21	16.02
Marine:			
Premium	13.33	13.11	12.80
Claims	11.31	11.62	9.67
Commission, expenses, etc.	3.56	3.58	3.21
Marine fund	13.33	13.11	12.80
Miscellaneous:			
Premium	14.65	14.72	13.33
Claims	13.72	8.95	6.79
Commission, expenses, etc.	4.79	4.92	4.57
Miscellaneous fund	7.33	7.36	6.66
Net profit	—1.65	2.73	3.24
Dividend	2.70*	2.70	2.70
	(20%)	(20%)	(20%)
Carry forward	0.23	1.17	1.13

* Subject to deduction of tax.

As is evident from the table, the combined net premium from the three departments, at Rs. 62.30 lakhs, is Rs. 2 lakhs higher than that in the previous year. The bulk of the increase was accounted for by the fire business, which yielded a net premium of Rs. 34.32 lakhs, as against Rs. 32.42 lakhs in 1958. Marine insurance premium was a shade higher at Rs. 13.33 lakhs, while miscellaneous premium was lower, albeit fractionally, at Rs. 14.65 lakhs. Overall claims increased from 58 per cent. in 1958 to 72.6 per cent. in 1959. Commission and expenses, too, were higher at 40 per cent., as against 37 per cent. in 1958.

The effect of these adverse results was such that even the fire portfolio, which is the one and only profitable account for Indian insurers, suffered an underwriting loss of Rs. 3.25 lakhs, as compared with the profit of Rs. 2.90 lakhs in 1958. The marine and accident and miscellaneous accounts also were in red, the extent of loss being Rs. 1.76 lakhs in marine and Rs. 3.83 lakhs in accident and miscellaneous departments.

In view of these unfavourable results, steps have been taken to restrict the Company's foreign acceptances. Full provision has also been made for all known liabilities, including claims under litigation.

After debiting the departmental losses aggregating Rs. 8.84 lakhs, and crediting Rs. 3.87 lakhs being interest and dividends, less tax thereon, and other incomes, there is still a deficit of Rs. 1.65 lakhs which has been made good by Rs. 1.17 lakhs brought in from the previous year and Rs. 65,648 being the unclaimed dividend and excess provision for taxation in respect of previous years no longer required. This gives a credit balance of Rs. 18,040, to which has been added Rs. 2,75,000 withdrawn from contingency and general reserves making available for distribution in all Rs. 2,93,040. The dividend of Re. 1 per share absorbs Rs. 2,70,000. The balance of Rs. 23,040 has been carried forward.

SYNOPSES OF COMPANY REPORTS

Hastings Mill Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) presented the audited accounts of the Company for the year ended 31st March 1960.

The accounts reveal a profit of Rs. 20,89,374 (Rs. 24,87,053) to which is added the amount brought forward from the previous year of Rs. 2,98,063 (Rs. 3,19,473), provision for depreciation on investment no longer required Rs. 9,00,000 (*nil*) and forfeited dividends Rs. 1,08,227 (*nil*), making a total of Rs. 33,95,664 (Rs. 28,06,526). Out of this, depreciation absorbs Rs. 7,69,324 (Rs. 8,44,463) and provision for taxation Rs. 6,25,000 (Rs. 8,80,000) leaving an available balance at the credit of profit and loss account of Rs. 20,01,340 (Rs. 10,23,063). This amount the directors recommend should be appropriated as follows:—

To transfer to general reserve Rs. 2,50,000 (Rs. 3,00,000), to provision for development rebate reserve Rs. 1,11,400 (Rs. 40,000) and to transfer to investment reserve Rs. 9,00,000 (*nil*). The directors further recommend payment of dividend on 25,000 cumulative preference shares at Rs. 6 (Rs. 6.00 per share, free of tax) per share for the year, subject to deduction of tax, absorbing Rs. 1,50,000 (Rs. 1,50,000), supplemental dividend on 25,000 cumulative preference shares at Rs. 2.57 (*nil*) per share, subject to deduction of tax, in the event of the proposed amendment of the Articles of Association for variation in the dividend right of the preference shareholders being approved, absorbing Rs. 64,250 (*nil*) and payment of dividend on 40,000 ordinary shares at Rs. 6 (Rs. 6.00 per share, free of tax) per share for the year, subject to deduction of tax, absorbing Rs. 2,40,000 (Rs. 2,40,000) leaving to be carried forward to the next year Rs. 2,85,690 (Rs. 2,98,063).

Trading conditions during the first half of the year remained difficult but in the second half the demand for jute goods improved considerably and looms were unsealed gradually as stated above. However, the jute crop of 1959-60 which was expected to be sufficient to meet the requirements of the industry proved otherwise and this together with the drought in the jute growing areas in the early period of sowing worsened the position and resulted in absurdly high prices of raw jute during April and May, 1960. As a measure to meet the serious shortage in raw jute supply, the I.J.M.A. decided to allow its member mills to close down with effect from the 6th June, 1960, as many looms as mills thought fit and to allow the working hours so lost to be made up at any time after the 31st October, 1960. Accordingly, the Company also temporarily sealed 2½ per cent. additional looms from 6th June, 1960 and these will be opened as soon as the new season jute starts to arrive in adequate quantities.

Although the arrivals have been delayed by one and half months, prospects for the new crop jute for the season 1960-61 are considered bright.

Orders were placed for 20 looms with ancillary machines for manufacture of *Carpet Backing Cloth* and at the date of this report, five of the looms have already started production. It is expected that the remaining looms will be put into commission during the current year.

The practice of grossing up of dividends has been abolished by the Finance Act, 1959 and it has been made compulsory for Companies to deduct tax at source. In order to ensure the same percentage of dividend to preference shareholders the directors have recommended that their rights be modified so as to increase their dividend from 6 per cent. to 8.57 per cent. per annum.

Silk Department.—Shree Ram Silk Mfg. Co., continues to make steady progress.

The Company held 1,44,610 ordinary shares of the subsidiary, viz., The Fort William Jute Co. Ltd., as at the close of the latter's financial year ending 31st March 1960. The net aggregate amount of profit in the subsidiary Company for its last financial year with which the shareholders are concerned as the members of the Holding Company is Rs. 3,85,454. Neither this amount nor any part of it has been included in the accounts of this Company as the Holding Company. The net aggregate amount of profits of the subsidiary Company for the previous years since it became subsidiary is Rs. 22,45,354. Out of this sum, Rs. 7,59,150, has been received by the Holding Company by way of dividend on its investment in the subsidiary Company and has been included in the accounts of the Holding Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	65,00,000	Gross block	1,33,64,146
Reserves ...	81,69,633	*Less*—Depreciation ...	76,47,196
Provision for taxation ...	6,70,080		
Liabilities ...	63,74,606	Net block	57,16,950
Profit and loss account (surplus)	2,85,690	Stock-in-trade	67,11,203
		Stores ...	10,14,464
		Book debts	36 81,613
		Investments	46,36,743
		Cash ...	2,39,036
Rs.	2,20,00,009	Rs.	2,20,00,009

Mysore Electrical Industries Ltd.

The directors of the above Company (Chairman: Mr. R. D. Char, Bangalore) presented the audited accounts of the Company for the year ended 31st March 1960.

After providing for all expenses, payment of bonus to staff and operatives, depreciation provision of Rs. 1,13,026 (Rs. 1,09,829), writing off Rs. 261 (Rs. 1,990) for obsolete and discarded assets and adding Rs. 4,812 (Rs. 4,321), being last year's profit brought forward, the total amount available for appropriation is Rs. 9,72,577 (Rs. 5,68,429). The directors recommend appropriation of this amount as follows:—

To provision for income-tax Rs. 4,40,000 (Rs. 3,20,000), to development reserve Rs. 71,053 (Rs. 62,867), to rehabilitation reserve Rs. 50,000 (*nil*), to loan redemption fund Rs. 70,000 (*nil*), to employees' gratuity fund Rs. 40,000 (*nil*), to donations to Mysore Electrical Industries technical institute and other educational institutions, etc., Rs. 20,000 (Rs. 15,000), to payment of dividend at Rs. 24 (Rs. 15.00 per share free of tax) per share, subject to tax on 9,050 old shares, absorbing Rs. 2,17,200 (Rs. 1,35,750) and to payment of dividend at Rs. 12 (*nil*) per share, subject to tax on 5,000 new shares, absorbing Rs. 60,000 (*nil*) leaving to be carried forward Rs. 4,324 (Rs. 4,812 after transferring Rs. 30,000 to general reserve).

The year under review has been one of steady progress. The demand in the country for both high tension and low tension *Switchgear* is increasing with the power generation capacity planned by the Government. The Company is at present producing *Switchgear* for a service voltage upto 11 kV. and an application has been made to Government for permission to manufacture *Switchgear* for higher service voltages also. The production and planning sections as well as the design and development engineering departments have been augmented to cope up with the expansion programme of the Company. Training of personnel is being vigorously pursued at all levels.

Machine tools to the extent of Rs. 83,586 were added during the year to enable better methods of production and removal of production bottlenecks were experienced. The design of the new factory buildings has been finalised and construction work given out on contract. To finance these expansions, arrangements are finalised for a loan of Rs. 6½ lakhs from the Refinance Corporation for Industry through the Company's bankers. The balance of the present requirement was raised during the year by the issue of equity capital to the extent of Rs. 5 lakhs. The Company's shares are being regularly quoted by the Madras Stock Exchange Ltd., Madras.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,05,000	Gross block	13,30,194
Reserves ...	5,79,891	*Less*—Depreciation ...	6,28,269
Provision for taxation ...	4,44,869		
Liabilities ...	14,09,555	Net block ...	7,01,925
		Stock-in-trade	1,78,873
		Raw materials, stores, etc.	6,97,574
Profit and loss account (surplus)	4,324	Book debts	21,10,750
		Cash ...	1,54,517
Rs.	38,43,639	Rs.	38,43,639

Rampur Distillery and Chemical Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Govan Bros., (Rampur) Private Ltd., Rampur U.P.] submit the audited accounts of the Company for the year ended 31st March 1960.

The expansion in the production capacity of the plant has started showing improvement in the profit earnings of the Company. The operations for the year under review have resulted in a net profit of Rs. 1,33,989 (Rs. 58,726) before providing for taxation, but after meeting all expenses and providing Rs. 71,358 (Rs. 61,016) for depreciation, and Rs. 14,500 (Rs. 37,500) for development rebate. The directors recommend payment of a dividend of 4 (3 per cent. free of tax) per cent. subject to deduction of tax, for the year. Though there has been an improvement in the profits during the year under review, the directors are unable to recommend a higher dividend because they wish to conserve the resources of the Company for various capital expenses that are contemplated in the future. These include among others, expenses for further expansion in the production capacity of the Distillery. The results are better this year due to higher production resulting in decrease in production costs, better sale realisations for rectified and denatured spirits and better working results in all sections. The results would have been still better if the offtake of spirits was regular and availability of molasses more adequate. Irregular offtake of spirits had occasionally created storage problems in the past. The situation in this regard has been considerably improved by installation of additional storage space.

During the year under review the Distillery had a run of 214 days and processed 3,26,406 maunds of molasses. The average daily production achieved was 2,895 bulk gallons compared with 1,948 bulk gallons in the previous year. The yield per maund of molasses was slightly better resulting in an overall production of 6,20,889 bulk gallons.

Power Alcohol: The loss in this section has reduced this year. It is learnt that the representation of the All-India Distillers' Association regarding enhancement in the price of power alcohol was referred by the Government of India to the Development Council who have appointed a Sub-Committee to look into the matter.

Indian-made Foreign Liquors: Besides the supplies to canteen stores department, the Company has entered the field of supplies of *Rum* to the defence services through the ministry of food and agriculture, Government of India, during the second half of this year under review, with a consequential increase in sale resulting in higher profits. During the current year, further improvement in this direction is expected.

Country Spirit: All the bonded warehouses, (Rampur, Dhampur, Haldwani and Khatema) except the Bijnore one, have shown better results. The sales at all the warehouses compare favourably with last year. In the current year, 1960-61, the Company has been successful in getting in addition to its existing warehouses, at Pauri Garhwal and Mathura, and consequently better results are expected. The contract for the warehouses in some districts of Madhya Pradesh has been renewed upto 31st March 1962. The service arrangements made for running these warehouses continue to be satisfactory.

The directors have decided to increase the production capacity of the plant to 10,000 gallons per day, or 3 million gallons a year. The Company's application for a licence for this is under consideration of Government of India. The decision to increase the production capacity has been taken primarily because the anticipated requirement of alcohol under the Third Five-year Plan is estimated to be higher than at present and in meeting this demand the Company should not lag behind other distilleries. Another important consideration for this decision has been the setting up of a Synthetic Rubber factory not very far from the Company's distillery, i.e., between Rampur and Bareilly. The coming up of this factory would mean a considerably increased demand for the alcohol of the Company's distillery.

The shareholders, at their last annual general meeting, had re-appointed M/s. Govan Bros. (Rampur) Private Ltd. as the managing agents of the Company for a further period of 10 years commencing from 16th August, 1960, on a remuneration of 10 per cent. of the net profits with a minimum of Rs. 30,000 per year. The Government of India have, however, in accordance with their declared policy, approved the re-appointment with effect from 15th August, 1960, for a period of five years only, on a reducing scale of commission from 10 per cent. to 4 per cent. on the net profits as per slabs announced by the Government of India, with a minimum remuneration of Rs. 20,000 per year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Gross block	25,30,109
Reserves ...	2,92,000	*Less*—Depreciation ...	14,67,024
Provision for taxation ...	29,363		
Liabilities ...	5,50,488	Net block ...	10,63,085
		Work-in-progress ...	20,384
Profit and loss account (surplus) ...	2,192	Stock-in-trade	2,06,388
		Stores, etc. ...	4,90,275
		Book debts ...	3,97,859
		Investments	6,88,821
		Cash ...	7,231
Rs.	28,74,043	Rs.	28,74,043

Parrys Confectionery Ltd.

The directors of the above Company (Managing Agents: Messrs. Parry & Co., Ltd., Madras) present the audited accounts of the Company for the year ended 31st March 1960.

The net profit for the year, before providing for taxation was Rs. 10,70,054 (Rs. 7,30,710) upon which taxation, including a provision of Rs. 75,000 (Rs. 6,000 for wealth tax) for super tax on bonus shares, amounts to Rs. 5,85,219 (Rs. 4,08,644). This leaves a net profit, after taxation, of Rs. 4,84,835 (Rs. 3,22,066). To this should be added the surplus brought forward from last year of Rs. 86,772 (Rs. 74,706) making a total amount available for appropriation of Rs. 5,71,607 (Rs. 3,96,772). Out of this amount the following appropriations have been made or are recommended by the directors: To transfer to capital reserve Rs. 20,000 (Rs. 10,000), to general reserve Rs. 1,00,000 (Rs. 1,50,000) and to pay a dividend of 30 (20 per cent. free of tax), per cent. subject to deduction of tax, absorbing Rs. 3,00,000 (Rs. 1,50,000) leaving a surplus to be carried forward to next year of Rs. 1,51,607 (Rs. 86,772).

The dividend of 30 per cent. subject to deduction of tax on the Company's ordinary share capital (as increased by the bonus issue made on 28th July 1960) for the year ended 31st March 1960 will be proposed at the annual general meeting and, if approved, will be paid on the day following, viz., the 1st October 1960.

Review of Operations.—Sales turnover during the year rose to a new record of Rs. 1.14 crores—a rise of no less than 28 per cent. over the year before. Most of this increase was achieved from sales of wrapped varieties and from an entirely new range of consumer packs introduced during the year. Sales in South India of medium priced *Deccan Sweets* showed a further substantial gain —more than 80 per cent. higher than last year—making a valuable contribution to total profit. Costs continued to rise throughout the year and though a part of the burden was absorbed by higher productivity some further price increases had to be made.

On 28th July 1960 a bonus issue of 2,50,000 ordinary shares of Re. 1 each was made in the proportion of one bonus share for every existing three ordinary shares held by capitalisation of the share premium account. The excess of current assets over current liabilities and provisions as on

31st March 1960 amounted to Rs. 10.24 lakhs as compared with Rs. 8.57 lakhs last year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	12,55,063
Reserves ...	5,52,000	*Less*—Depreciation ...	6,00,215
Provision for taxation ...	6,26,165	Net block ...	6,54,848
Liabilities ...	32,92,870	Work-in-progress ...	12,740
Profit and loss account (surplus)	1,51,607	Stock-in-trade	26,96,533
		Stores, etc.	2,59,791
		Book debts	17,38 536
		Investments	12,047
		Cash ...	2,48,117
Rs.	56,22,642	Rs.	56,22,642

Birpara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts for the year ended 31st December 1959.

The accounts disclose a working profit of Rs. 5,97,798 (Rs. 2,82,339). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of the profit and loss account amounting to Rs. 4,57,081 (Rs. 8,15,264), of which the directors have transferred Rs. 1,75,000 (Rs. 50,000) to revenue reserve and Rs. 28,000 (Rs. 10,000) to development rebate reserve. A dividend on the preference shares at the rate of 8 per cent. for season 1959, subject to deduction of tax, is proposed since it is doubtful whether it is in fact permissible to gross up the dividend in spite of the specific provision in the Company's Articles for the payment of tax-free dividend on the preference shares. It will, however, be observed that the directors have proposed a transfer of Rs. 3,500 (*nil*) to contingency reserve to provide an additional dividend at 3.50 per cent. to the preference shareholders should it become necessary to compensate them once the position has been clarified by the relevant authorities. The directors also recommend that a dividend of 22½ (12½ per cent. free of tax) per cent. on ordinary shares for season 1959 be declared at the annual general meeting, leaving Rs. 40,081 (Rs. 38,764 after transferring Rs. 5,96,000 to buildings and machinery reserve) to be carried forward.

Tea crop was 13,30,029 lbs. as compared with 12,67,475 lbs. in 1958. The average selling price realised was Rs. 2.25 per lb. as against Rs. 2.06 per lb. in the previous year.

Estimates for 1960 provide for a crop of 5,80,000 kilograms or 12,80,000 lbs. at an outlay of Rs. 23,28,960 including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	28,48,801
Reserves ...	17,47,500	*Less*—Depreciation ...	9,90,295
Provision for taxation ...	4,05,304		
Liabilities ...	7,91,975	Net block ...	18,58,506
		Expenditure in progress	28,391
Profit and loss account (surplus)	40,081	Stock-in-trade	11,05,343
		Stores and supplies ...	1,67,305
		Book debts	79 015
		Investments	3,52,700
		Cash ...	3,93,600
Rs.	39.84,860	Rs.	39.84,860

Twyford Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Parkins (Private) Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December 1959.

The result of the year's working after providing for depreciation on buildings, factory and machinery amounting to Rs. 42.126 (Rs. 52,143) and after making provision for payment of income-tax and agricultural income-tax amounting to Rs. 1,00,000 (Rs. 80.000) is a net profit of Rs. 1,13,805 (Rs. 1,06,087) to which must be added the balance of Rs. 1,260 (Rs. 31,923) brought forward from the previous year's account and a sum of Rs. 43,000 (Rs. 32,000) transferred from the dividend equalisation fund making a total of Rs. 1,58,065 (Rs. 1,70,010). Out of this amount, the directors recommend the payment of a dividend of 10 (15 per cent. free of tax) per cent. for the year 1959 on the increased capital of Rs. 15,75,000 (Rs. 11,25,000) absorbing Rs. 1,57,500 (Rs. 1,68,750) leaving a balance of Rs. 565 (Rs. 1,260) to be carried forward to next year's account.

Crop and Price.—9,63,293 (12.13,137) pounds tea was produced during the year under report against an estimate of 11,00,000 lbs. (revised estimate). The shortfall of crop was due to the adverse weather conditions. The cost of production was 179.20 cents per lb. against 152.05 cents in 1958. The net average price realised was 216.83 cents against 178.98 cents in 1958. The stock of tea remaining unsold as at 31st December 1959 was 1,54,728 lbs., all of which have been since sold.

The estimates for the year ending 31st December 1960, is 12,25,000 lbs. tea to be produced at a cost of 175.24 cents per lb. The estimate also provides for a total capital expenditure of Rs. 33,000 for buildings, for electrification of bungalows and for fencing.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,75,000	Gross block	27,37,319
Reserves ...	16,00,500	*Less*—Depreciation ...	3,29,820
Provision for taxation ...	1,68,735		
Liabilities ...	4,25,751	Net block ...	24,07,499
Profit and loss account (surplus)	565	Work under construction	63,312
		Stock of tea	3,65,355
		Stores ...	4,18 862
		Book debts	2,61,761
		Investments	1,101
		Cash ...	2,52,661
Rs.	37,70,551	Rs.	37,70.551

South Behar Sugar Mills Ltd.

The directors of the above Company (Bihta, E. Railway) presented the audited accounts of the Company for the year ended 31st October 1959.

The year's working resulted in a profit of Rs. 2,43,884 (Rs. 1,76,860).

The quantity of cane crushed during the year under report was 30.92 (30.86) lakh maunds and the recovery of sugar per cent. cane was higher than the previous years due to better climatic condition for cane.

	Recovery per cent. cane
1954-55	9.325
1955-56	9.012
1956-57	8.936
1957-58	9.521
1958-59	9.613

The crushing for 1959-60 season appears promising.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,55,000	Gross block	51,97,972
Debentures	15,00,000	*Less*—Depreciation ...	11,46,770
Liabilities ...	69,87,759		
		Net block ...	40,51,202
		Stock-in-trade	4,19,394
		Stores, etc.	9,49,467
		Book debts	18,75,361
		Investments	14,97,218
		Cash ...	27,129
		Miscellaneous expenditure	35,145
		Profit and loss account (deficit)*	14,87,843
Rs.	1,03,42,759	Rs.	1,03,42,759

*The loss brought forward from last year is Rs. 17,77,014. After deducting the profit for the year amounting to Rs. 2,43,884, subject to provision for depreciation and agricultural income-tax and also adjusting the reserve fund amounting to Rs. 45,287, the final debit balance comes to Rs. 14,87,843.

Hooghly Docking and Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1959.

The value of work billed during the year amounted to Rs. 98,17,824 against Rs. 81,83,506 in the year 1958 and the gross profit earned in the year under review was Rs. 8,66,804 against Rs. 6,59,829 in the previous year. Work-in-progress at the end of the year was Rs. 81,10,175 against Rs. 74,42,886 at the beginning. The entire property of the Company has been maintained in good order and repair throughout the period.

After charging all expenses including depreciation, the net profit for the year amounted to Rs. 5,28,833 (Rs. 4,76,404) to which has been added the balance brought forward from the previous year amounting to Rs. 9,214 (Rs. 5,810), making a total of Rs. 5,38,047 (Rs. 4,82,214). Out of this amount there has been provided for income-tax on the profits for the year Rs. 2,78,000 (Rs. 2,91,000 including Rs. 21,000 for wealth tax), an additional liability to tax in respect of the past years amounting to Rs. 1,50,000 (*nil*) and statutory development reserve Rs. 3,000 (Rs. 7,000) leaving a balance available for distribution of Rs. 1,07,047 (Rs. 1,84,214). A sum of Rs. 50,000 has been transferred from development reserve, making the total amount available for distribution of Rs. 1,57,047 (Rs. 1,84,214). The directors recommend that this balance be disposed of as follows:—

By payment of a dividend of 12 (10 per cent. free of tax) per cent., subject to deduction of tax at source under Section 18(3D) of the Income-tax Act absorbing Rs. 1,50,000 (Rs. 1,25,000) and by carrying forward a balance of Rs. 7,047 (Rs. 9,214 after transferring Rs. 50,000 to development reserve).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,50,000	Gross block	60,91,575
Reserves ...	23,60,000	*Less*—Depreciation ...	40.46,109
Provision for taxation ...	4.80,907		
Liabilities ...	68,93,008	Net block	20,45.466
		Stores, etc.	14,39,569
Profit and loss account (surplus)	7,047	Work-in-progress ...	23,84,499
		Book debts	50,61,860
		Cash ...	59.568
Rs.	1,09,90,962	Rs.	1,09.90,962

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

COMPANY MEETINGS AND DIVIDENDS

GENERAL INDUSTRIAL SOCIETY LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: Rs. 4.00 per share, subject to deduction of tax. Transfer books remain closed from 16th to 26th September 1960, both days inclusive.

HOOGHLY DOCKING AND ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 26th September 1960. Dividend: 12 per cent. or Rs. 6.00 per share, taxable. Transfer books remain closed from 16th to 26th September 1960, both days inclusive.

HASIMARA INDUSTRIES LTD. (formerly known as *Hasimara* Tea Co., Ltd.). Annual General Meeting, Calcutta, 1st October 1960. Dividend: 12½ per cent. or Re. 1.25 per ordinary share, taxable. Transfer books remain closed from 16th September to 1st October 1960, both days inclusive.

GUNGARAM TEA CO., LTD. Annual General Meeting, Calcutta, 1st October 1960. Dividend: 15 per cent. or Rs. 15.00 per share, taxable. Transfer books remain closed from 17th September to 1st October 1960, both days inclusive.

KOTAMULLAI TEA CO., LTD. Annual General Meeting, Calcutta, 1st October 1960. Dividend: *Nil*. Transfer books remain closed from 19th September to 1st October 1960, both days inclusive.

NAGAISUREE TEA CO., LTD. Annual General Meeting, Calcutta, 1st October 1960. Dividend: 17½ per cent. or Rs. 17.50 per share, taxable. *Transfer books remain closed from 17th September to 1st October 1960, both days inclusive.*

RUNGAMATTEE TEA CO., LTD. Annual General Meeting, Calcutta, 1st October 1960. Dividend: 7½ per cent. or Rs. 3.75 per share, taxable. Transfer books remain closed from 18th September to 1st October 1960, both days inclusive.

PATRAKOLA TEA CO., LTD. Annual General Meeting, Calcutta, 1st October 1960. Dividend: *40 per cent. or Rs. 4.00 per share, taxable.* The dividend is payable when funds are available in India from Pakistan. Transfer books remain closed from 17th September to 1st October 1960, *both days inclusive.*

TELIAPARA TEA CO., LTD. Annual General Meeting, Calcutta, 1st October 1960. Dividend: 17½ per cent. or Rs. 17.50 per share, taxable. Transfer books remain closed from 17th September to 1st October 1960, both days inclusive.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 3rd October 1960. Dividend: Rs. 2.00 per share, taxable (*includes a special dividend of Re. 1.00 per share*, taxable, as Silver Jubilee dividend). Transfer books will remain closed from 27th September to 3rd October 1960, both days inclusive.

NEW STANDARD ENGINEERING CO., LTD. Annual General Meeting, Bombay, 5th October 1960. Dividend: 12 per cent. or Rs. 12.00 per old ordinary share, subject to deduction of tax. Transfer books remain closed from 15th September to 5th October 1960, both days inclusive.

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 7th October 1960. Dividend: 14 per cent. or Rs. 7.00 per ordinary share, subject to deduction of tax, payable on and after 17th October 1960, both days inclusive.

RELIANCE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 7th October 1960. Dividend: *Nil*. Transfer books will remain closed from 1st to 7th October 1960, both days inclusive.

AUCKLAND JUTE CO., LTD. Annual General Meeting, Calcutta, 8th October 1960. Dividend: Rs. 27.00 per ordinary share (includes interim dividend of Rs. 7.00 per share), subject to deduction of tax. Transfer books remain closed from 22nd September to 8th October 1960, both days inclusive.

LAWRENCE JUTE CO., LTD. Annual General Meeting, Calcutta, 8th October 1960. Dividend: Rs. 15.00 per ordinary share (includes interim dividend of Rs. 7.00 per share), subject to deduction of tax. Transfer books remain closed from 22nd September to 8th October 1960, both days inclusive.

NORTHBROOK JUTE CO., LTD. Annual General Meeting, Calcutta, 8th October 1960. Dividend: Rs. 3.00 per ordinary share (including interim dividend of Re. 0.75 per share), subject to deduction of tax. Transfer books remain closed from 22nd September to 8th October 1960, both days inclusive.

UNION JUTE CO., LTD. Annual General Meeting, Calcutta, 8th October 1960. Dividend: Rs. 25.00 per ordinary share (includes interim dividend of Rs. 7.00 per share), subject to deduction of tax. Transfer books remain closed from 22nd September to 8th October 1960, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th October 1960. Dividend: Rs. 13.00 per ordinary share, final, subject to deduction of tax. Transfer books remain closed from 22nd September to 8th October 1960, both days inclusive.

STANDARD JUTE CO., LTD. Annual General Meeting, Calcutta, 8th October 1960. Transfer books remain closed from 22nd September to 8th October 1960, both days inclusive.

DALHOUSIE JUTE CO., LTD. Annual General Meeting, Calcutta, 8th October 1960. Dividend: Re. 1.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 22nd September to 8th October 1960, both days inclusive.

LANSDOWNE JUTE CO., LTD. Annual General Meeting, Calcutta, 8th October 1960. Transfer books remain closed from 22nd September to 8th October 1960, both days inclusive.

Notices

THE MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-seventh Annual General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Friday, the 7th October, 1960 at 4-30 p.m., for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 29th February, 1960.
2. To declare a dividend.
3. To appoint Directors in place of those who retire, and being eligible offer themselves for re-election.
4. To consider and, if thought fit, to pass, with or without modification, the undermentioned resolution as an Ordinary Resolution:—

ORDINARY RESOLUTION

"RESOLVED that the Authorised Capital of the Company be increased from Rupees Fifty Lakhs to Rupees One Crore divided into 1,50,000 Ordinary Shares of Rs. 50 each and 50,000 Preference Shares of Rs. 50 each."

5. To consider and, if thought fit, to pass, with or without modification, the undermentioned resolution as a Special Resolution:—

SPECIAL RESOLUTION

"RESOLVED that the Articles of Association of the Company be altered by substituting the undermentioned new Article in place of the existing Article 3:—

"3. The Capital of the Company is Rupees One Crore divided into 1,50,000 Ordinary Shares of Rs. 50 each and 50,000 Preference Shares of Rs. 50 each."

6. To consider and, if thought fit, to pass, with or without modification, the undermentioned resolution as a Special Resolution:—

SPECIAL RESOLUTION

"RESOLVED, pursuant to the provisions of Section 360 and other applicable provisions, if any, of the Companies Act, 1956, that the Company hereby approves of a Contract being entered into with Minerva Mills Ltd., an Associate of the Company's Managing Agents, Messrs. N. Sirur and Co. Private Ltd., for letting to Minerva Mills Ltd.. on a monthly tenancy basis, as from the 11th day of August 1960, the Company's Bleach and Dye House and other Buildings appurtenant thereto and the necessary adjuncts thereof at Bangalore, together with the land on which such Bleach and Dye House and such buildings and adjuncts as aforesaid are situated and together also with all the Dyeing and Bleaching Machinery of the Company which now are in or upon or about the said Bleach and Dye House, and the Directors be and they are hereby authorised to enter into such Contract with Minerva Mills Ltd. and to execute and carry the same into effect. The material terms of the said Contract of letting proposed to be entered into with Minerva Mills Ltd. are as follows:—

(a) Minerva Mills will pay to the Company in respect of such letting a monthly rental of Rs. 4,075 net.

(b) The said Contract of letting will continue till such time as the Company can develop the said Bleach and Dye House into a full-fledged Processing Factory for processing the cloth both of the Company as well as of the said Minerva Mills Ltd.

(c) The monthly rental payable by Minerva Mills Ltd. in respect of such letting shall be paid to the Company in advance each month."

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

The Transfer Books of the Company remain closed from the 17th day of August 1960 to the 3rd day of September 1960, both days inclusive.

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

(The holders of the 4½ per cent. Cumulative Preference Shares of the Company have no right to be present or to vote either in person or by Proxy in respect of their holdings of such Preference Shares at the above Annual General Meeting).

By Order of the Board,

N. SIRUR & COMPANY PRIVATE LTD.,
Managing Agents,

N. D. SIRUR,
Managing Director.

BOMBAY, 29*th August*, 1960.

N.B.—The Dividend when declared will be made payable at the State Bank of India, Bombay, on and after Monday, the 17th October, 1960 to those Shareholders whose names stand on the Register of Members on the 3rd September, 1960. The Dividend Warrants will be made negotiable at par at the State Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.

THE COORLA SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTY-EIGHTH Annual General Meeting of the Company will be held at its Registered Office at Readymoney Mansion, Vir Nariman Road, Fort, Bombay, on Friday the 4th November 1960, at 4-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1960.
2. To declare a dividend.
3. To elect a Director in place of Mr. C. P. Wadia who retires by rotation but being eligible offers himself for re-election, and for that purpose to consider and if thought fit to pass the following Resolution as a Special Resolution of which special notice has been given to the Company and is hereby given pursuant to Sections 261 and 281 of the Companies Act, 1956, in as much as the Managing Agents of the Company are authorised by the Managing Agency Agreement between them and the Company to appoint a Director on the Board of the Company and Mr. C. P. Wadia is a relative of the Directors of Cowasjee Jehangir & Co. Private Ltd., the Managing Agents of the Company, and hence an associate of the Managing Agents, and is liable to retirement by rotation, and as he has completed the age of 80 years:—

"RESOLVED that the Company hereby appoints and/or hereby approves of the appointment of Mr. C. P. Wadia as a Director of the Company and it is hereby declared that the age limit laid down in Section 280 of the Companies Act, 1956, shall not apply to him."

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

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

By Order of the Board of Directors.

COWASJEE JEHANGIR & CO. PRIVATE LTD.,
Managing Agents,

COWASJEE JEHANGIR,
Chairman.

BOMBAY, 22*nd September* 1960.

N.B.—The Transfer Books of the Company will remain closed from 14th October 1960 to 4th November 1960.

If the dividend as recommended by the Directors is passed at the meeting, payment thereof will be made to those shareholders whose names are on the Company's Register on 4th November 1960 and the payment will be made on and after 5th November 1960.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

THE DIRECTORS OF THE CALCUTTA TRAMWAYS COMPANY LIMITED announce that subject to final audit, the result of the working for the year ended 31st December 1959, was as follows:—

The Revenue for the year after transferring £80,000 to Renewals and Replacements Account was		£105,509
Against this has been debited		
Provision for Indian Income Tax and Wealth Tax	£42,591	
Debenture Interest ..	21,795	
		64,386
Leaving a balance for the year of		£41,123
In accordance with the Agreement dated 30th August, 1951, between the Governor of the State of West Bengal and the Company, the above balance has been credited to Shareholders' Account		£41,123
out of which is payable:—		
2nd Debenture Stock Redemption	£7,560	
Dividend on Preference Shares, less Tax ..	7,656	
Proposed Dividend of 3½% f.c.d. on Ordinary Shares	24,500	
		39,716
Leaving to be added to the amount carried forward on Shareholders' Account		£1,407

The Annual General Meeting will be held in London at twelve o'clock noon on Tuesday, the 8th November 1960, on which day the warrants for the Ordinary Dividend, if sanctioned, will be posted.

The Ordinary Share Transfer Books will be closed from the 26th October 1960 to the 8th November 1960, inclusive.

By Order of the Board,

R. W. TURNBULL,
Agent.

P.4 MISSION ROW EXTENSION,
CALCUTTA, 17*th September*, 1960.

ROHTAS INDUSTRIES LIMITED
DALMIANAGAR (BIHAR)

THE BOARD OF DIRECTORS DECLARED an interim dividend of 20 per cent. viz., Rs. 2.00 per share (subject to deduction of tax) on Ordinary Shares for the Company's financial year ended 31st March, 1960 payable to those shareholders whose names appear on the Company's Register of Members on 1st September, 1960 or to their mandatee. The dividend although termed "interim dividend" will in fact constitute full dividend for the year and no further distribution in respect of the year ended 31st March, 1960 will be recommended for consideration at the Annual General Meeting to be convened in due course.

The exact amount of tax to be deducted by the Company under Section 18(3D) of the Income-tax Act from the said gross dividend of Rs. 2 per share would be notified as soon as the Income-tax Officer determines the appropriate portion of the dividend on which tax is not payable by the recipient shareholders under the provisions of Section 15C of the Income-tax Act.

The aforesaid dividend on Ordinary Shares will be paid on 15th day of October, 1960 subject to the Income-tax Officer determining the proportion of tax-free dividend in terms of Section 18 (3F) of the Income-tax Act.

The Board of Directors have also extended the date for receipt of subscription money in respect of Right Issue of Ordinary Shares upto Tuesday, the 18th October, 1960.

FOR SAHU JAIN LIMITED,

A. P. JAIN,
Director,
Managing Agents.

15th September, 1960.

MORE CREDIT RESTRAINTS ON BANKS

(From Our Own Correspondent)

BOMBAY, 21*st September*

The most outstanding development of the week is the announcement today of a scheme to restrict Scheduled banks' borrowing from the Reserve Bank, with a view to securing the abatement of the pressure of monetary demand, which has been a contributory factor to the rise in commodity prices. Under this scheme, which will be effective from 1st October 1960, the banks' borrowings against Government securities and usance bills will be restricted to a limit equivalent to 50 per cent. of the reserves required to be kept with the Reserve Bank under Section 42(1) of the Reserve Bank of India Act (that is, 5 per cent. of demand liabilities and 2 per cent. of time liabilities). The borrowings over and above this quota will be permitted only on payment of certain penal rates of interest. The following is the schedule of charges:

Limit	*Rate of Interest*
Up to 100 per cent. of the quota	Bank rate (now 4 per cent.)
Over 100 per cent., but not more than 200 per cent. of the quota	One per cent. above Bank rate
Over 200 per cent. of the quota	2 per cent. above Bank rate.

The Reserve Bank has, however, removed, for the time being, the ceiling limits of borrowings from it, fixed for individual banks under the Bill market scheme, in view of the new system of penal rates.

In addition to the restriction on borrowings by banks, the Reserve Bank has also directed the Scheduled banks to adhere, with effect from 1st October 1960, to a minimum lending rate of 5 per cent. on all advances (clean or secured). It has also directed the banks to raise the structure of their interest rates further, so as to ensure an increase in their average lending rate by at least half per cent. This has been done with a view to "ensuring a levering up of the lending rates of banks and avoiding undue distortion in the present pattern of lending rates. The effect of this directive will be a slightly wider margin of profit for banks, without any worthwhile reduction in their advances.

Another directive issued by the Reserve Bank is that no Scheduled bank shall, with effect from 1st October 1960, pay interest at more than 2 per cent. below Bank rate on any deposit (other than inter-bank deposit) repayable on notice or on the expiry of a period not exceeding 21 days from the date of deposit. At present, the rate of interest paid by banks, under the inter-bank agreement, for deposits up to a period of one month is 3 per cent. This will have to be reduced to 2 per cent. for periods up to 21 days while banks can continue to pay 3 per cent. for periods of more than 21 days, but up to one month. In other words, the spirit of the directive can be defeated by banks accepting 22 days' money.

The restriction on borrowings by banks has been imposed, in view of the fact that the short-term money market continues to be stringent and the level of bank credit has not recorded any worthwhile decline. Further, only a few weeks more remain for the commencement of the busy season and it will be a severe strain on banks' resources when the usual seasonal pressure is superimposed on their existing lending capacity.

There has been no change in interest rates during the week under review. Inter-bank borrowings continue to be done at 3½ per cent., and house money at seven days' notice at 3 per cent. Short-term deposits up to two months are being bid at 3½ per cent. and those of three months and over at 3¾ per cent. There has been no change in the Treasury Bill discount rate either.

The total amount offered at this week's Treasury Bill sales was Rs. 2.50 crores, against the usual tenders for Rs. 2 crores. Sales of Intermediate Bills between 14th and 17th September amounted to no more than Rs. 15 lakhs at a discount of 2.476 per cent. per annum.

A fall of Rs. 15.62 crores in notes in circulation is disclosed by the Reserve Banks' statement for the week ended 16th September 1960. Notes held in the Banking Department are, however, higher by Rs. 6.93 crores, so that the total notes issued show a decline of Rs. 8.69 crores. This is covered on the assets side by a reduction of Rs. 9.94 crores in rupee securities and a rise of Rs. 1.24 crore in rupee coin. There has been no change in foreign securities, but balances held abroad are higher by Rs. 77 lakhs, so that the total foreign assets stand at Rs. 146.45 crores. Deposits of the Central Government and other Governments have gone up by Rs. 19.09 crores and Rs. 8.25 crores, respectively. Deposits of banks, however, show a marked fall of Rs. 16.06 crores. Other loans and advances are lower by Rs. 11.46 crores, while investments have risen by Rs. 23.60 crores.

The Scheduled banks' statement for the week ended 9th September 1960 shows a drop of Rs. 13.95 crores in demand deposits of banks, while time deposits are higher by Rs. 73 lakhs. Of the net decline of Rs. 13.22 crores in total deposits, the State Bank of India accounts for Rs. 4.74 crores. Inter-bank borrowings, too, have declined by Rs. 8.84 crores and borrowings from the Reserve Bank by Rs. 2.82 crores. There has been a reduction of Rs. 3 crores in advances, of which the share of the State Bank is Rs. 1.17 crores. Investments are lower by Rs. 12.44 crores, mainly due to the reduction of Rs. 17.55 crores on State Bank's account, while a rise of Rs. 7.84 crores in cash balances of the State Bank has raised the total cash balances of all banks by Rs. 2.08 crores. Money at call and short notice have gone down by Rs. 6.36 crores.

The Gilt-edged market continues to rule weak due to persistent selling pressure and absence of buyers. 3 per cent. 1986 Conversion Loan was placed at Rs. 73.80 *ex*-voucher, as against Rs. 73.85 *cum*-voucher a week ago. 3 per cent. 1970-75 has been marked down by 10 nP to Rs. 90.60. 4 per cent. 1972 has shed 10 nP to Rs. 101.15, 4 per cent. 1973 and 1979 5 nP each to Rs. 101.10 and Rs. 100.10, respectively. State loans, too, are under selling pressure and, as a result, most of the 4½ per cent. 1970 issues have declined by 50 nP to Rs. 101.

The erratic trend displayed by the pound sterling abroad during the week under review is reflected in the rupee-U.S. dollar cross rates. Banks' selling rate for U.S. dollar spot T.T., after declining from Rs. 475.75 to Rs. 475.25, has risen to Rs. 475.50 per $100. Their buying rate remains unchanged over the week at Rs. 472.25, after moving down to Rs. 472. In New York, spot sterling advanced from 281.43-281.46 cents to 281.64-281.67 cents before receding to 281.47-281.50 cents. Three months' forward was lower on balance at 279.77-279.80 cents, thanks to the widening of the discount from 1.56 cents to 1.70 cents.

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, 21*st September*

Trading in the *Kartik* (November) settlement in gold and silver will commence under the metric system with effect from 1st October next. The Maharashtra Government, it will be recalled, had announced nearly three weeks ago its decision to permit the Bullion Association to start trading in *Kartik* settlement, as well as to relax margin rules in respect of this settlement (for details *vide* page 479 of *Commerce* dated 10th September). But the Association had deferred the consideration of the date of commencement pending the finalisation of arrangements for the switch-over to the metric system. The Association has since decided to introduce the metric system on and from 1st October on the following basis:

Gold: The price of gold will be quoted per 10 grams equivalent to about 0.85 tola, the unit of trading being one kilogram (roughly 85.7 tolas); the original idea was to quote the price per one gram.

Silver: The unit of pricing silver is one kilogram (approximately 85.7 tolas); the unit of trading will be one bar weighing 857.3 tolas.

These units will be fixed under the by-laws of the Association with the sanction of the Maharashtra Government.

The bullion market presented a steady trend during the week under review, barring a minor setback on Monday and yesterday caused by the fear of a possible large inflow of contraband gold from Pakistan. This fear was generated by the likelihood of relaxation of travel curbs between the two countries and the improved political relations. The earlier firmness was engendered by hopes of better demand for the precious metals in the coming months. Further, operators thought that any official move to curb speculation on stock exchanges would release large funds for investment in bullion. Consequently, values of both gold and silver tended to move up.

The average daily arrivals of gold during the week were slightly larger than in the previous week, being 6,400 tolas, as against 6,000 tolas, while actual offtake was lower at 2,800 tolas, as against 3,250 tolas. In the case of silver, both arrivals and offtake were smaller at 30 bars and 4 bars, respectively, the corresponding figures for the previous week being 40 bars and 6 bars. The floating stocks of gold are estimated at 35,000 tolas and those of silver are reported to be around 400 bars.

The *Aswayuj* (October) settlement in gold met with good support and advanced from Rs. 135.62 on Wednesday last week to Rs. 136.62 on Friday and, after easing to Rs. 135.31 yesterday, recovered to Rs. 136.09 today before finishing at Rs. 136.06. The net gain over the week was 44 nP.

In silver, *Aswayuj* settlement began the week at Rs. 226.75, as against the previous closing of Rs. 226.56. It then moved up to touch a high of Rs. 227.44 on Friday. After receding to Rs. 226.19 yesterday, it improved again to Rs. 227.12 today. The closing was lower at Rs. 226.97.

Both ready gold and ready silver continued to be quoted at a discount under the forward throughout the week; the actual discount declined from Re. 1 to 91 nP in the case of silver, while that in gold increased from 43 nP to 56 nP. Ready gold was quoted today at Rs. 135.50, as against Rs. 135.19, and ready silver at Rs. 226.06, as against Rs. 225.56. The highest levels touched in the week were Rs. 136.34 and Rs. 226.50 on Friday the 16th inst.

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

	21-9-60 (closing)	High	Low	14-9-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	135.50	136.34	134.87	135.19
Forward:				
Aswayuj *	136.06	136.62	135.31	135.62
Sovereign	87.75	87.75	87.25	87.25
SILVER				
Ready (.996 fine)	226.06	226.50	225.25	225.56
Forward:				
Aswayuj †	226.97	227.44	226.19	226.56
London:	20-9-60			13-9-60
Silver Ready	79½d.	—	—	79½d.
Silver Forward	79½d.	—	—	79½d.
Gold	250s.3½d.	250s.3½d.	250s.2½d.	250s.5½d.
New York:				
Silver	91¼ cents	—	—	91¼ cents

* 4th October settlement. † 5th October settlement.

DULL CONDITIONS IN COTTON

(From Our Own Correspondent)

BOMBAY, 21*st September*

Trading in the spot cotton market continues to be limited. Barring regular mill demand for CO2 cotton, which are fetching prices ranging from Rs. 1,150 to Rs. 1,215 per candy according to type, interest in other domestic varieties is negligible. Traders are generally inclined to wait and see till October, before starting active business in new crop. By then, it is thought, a clearer picture of the crop would become available. Meanwhile, they are perturbed by the report that some quantities of cotton have been requisitioned in certain areas. In upcountry centres, especially in the Punjab traders and financiers are said to be reluctant to purchase cotton, until the practical implication of the cotton controls now in force and those likely to be introduced, are fully known. A deputation of traders from Ahmedabad is expected to meet the Textile Commissioner to request him to issue allocation for CO2 cotton to Indian mills so that they can complete the purchase of this cotton. The outcome of the proposed meeting of the Cotton Advisory Board, due to be held early next month, is also awaited with interest.

Crop developments and weather continues to be the cynosure of all eyes, for on them hangs the fate of the trade. The progress of the crop so far has been satisfactory. In the Punjab, report of the recent damage to the crop seems to have been exaggerated. In Berar and Khandesh regions, crop progress is reported to be good. Small arrivals are expected by *Deepawali*. Modlai tracts have had some limited rain which has proved beneficial. Some more rain would, however, be welcome. Crop condition in Madhya Pradesh is good. Weather is favourable. A further small instalment of rain, it is said, would be ideal. Gujerat and Saurashtra had sufficient rain last week and this has proved very beneficial to the plants. In the South, although sowings were delayed, they are now almost complete and some rain is needed. If the current progress is maintained for a few weeks more, market observers believe, the crop may well aggregate to five million bales easily.

Mill demand for foreign cotton during the week was less keen. U.S. cotton was the centre of attraction. American cotton Good Midling one inch staple and Elpaso G.M. 1-5/32" were well favoured. The rates were Rs. 1,085-Rs. 1,090 and Rs. 1,280-Rs. 1,290 per candy, respectively. Some Bombay mills showed interest in Syrian cotton, a limited quantity of which was traded at Rs. 1,170 per candy. East African B.P. (U.N.U.G.) changed hands at Rs. 1,450 for prompt shipment.

Exporters are anxiously waiting a quota announcement for Bengal *Deshi*. They are optimistic that the Government would issue a small quota some time next month.

Quiet conditions prevailed in the Karachi cotton futures market during the week. Futures moved in a narrow range in limited trading, with price showing little change over the week. Export demand was small, thanks to the high domestic ruling prices. N.T.R.G. January was unchanged at Rs. 67-2, while the March position advanced by 4 annas to Rs. 66-11. In the spot market, sellers predominated over buyers. Consequently, ready prices came down. Sind *Deshi* was quoted at Rs. 86, per maund as against Rs. 87 last week-end. Punjab *Deshi*, too, receded by one rupee to Rs. 81 per maund. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi: 4F Punjab Roller 81-15; S.G. 85-15; L.S.S. Punjab Roller 84-15; S.G. 88-15; N.T. Roller 84-15; S.G. 90-15; 289F Punjab Roller 88-15; S.G. 93-15.

Crop development so far has been very satisfactory. The dry and comparatively warm weather has been a blessing to the crop in Sind. The N.T. crop has already reached maturity and pickings have started. Sind is expected to produce a good N.T. crop, both quality-wise and quantity-wise. The crop outlook in the Punjab, too, is reported to be promising.

Cotton futures in Alexandria suffered a setback during the week under review. Last week's rise in price would appear to have been overdone and operators were quick to react. Profit-taking and long liquidation resulted in a drop in futures prices. Both the Karnak and Ashmouni Contracts came in for selling.

Expert performance of Egyptian cotton during the season just ended was good. Shipments from 1st September 1959 to 31st August 1960 aggregated 1,172,354 bales (or 730 lbs. each), as against 989,150 bales in the previous season, comprising 260,954 bales of Karnak, 532,342 bales of Menufi, 190,969 bales of Ashmouni, 65,956 bales of Giza-30, 87,256 bales of Dendera and 34,877 bales of other varieties.

Sale of new crop up to the end of last month is placed at 78,200 bales, as compared with 102,609 bales in the same period last year.

Crop reports are satisfactory. Samples of early arrivals indicate that Karnak crop will turn out to be good both in grade and staple. Ashmouni, it is said, is as good as last year while Menufi and Giza 30 are said to be poorer in grade and staple. The following are the latest available quotations—in tallaris per lb.—from Alexandria.

Karnak: November 74.15; January 74.25; March 74.35; May 74.20.

Ashmouni: October 63.80; December 63.56; February 63.65.

A mixed trend was witnessed on the Liverpool Cotton Exchange during the week. While the near deliveries of both the American and American type contracts were a shade easy, the distant positions were firm. In fact, the latter have for some time now shown sustained strength. This is attributed to two factors. First, American c.i.f. offers for the later Spring months are at present about one penny per lb. higher than those for

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autumn shipments. There are two reasons for this: (1) C.C.C. is charging, with effect from 1st August, 25 cent points a month as carrying charges, so that, in five months, the selling price will have advanced by 125 cent points or just over one penny a lb. (2) The 1960-61 U.S. cotton crop is estimated at 14.58 million bales. But consumption *plus* exports is anticipated to be equal to this, or even more. This indicates that, towards the fag-end of the current season it might be necessary to draw on the carryover from last season. Since these would be at the prescribed selling limit of 115 per cent. of parity, as against 110 per cent. of parity set for the current crop, a higher price is indicated. As noted above, these considerations prompted good support for the more distant positions, while the near positions tended to recede. Sudan cotton Contracts in Liverpool were neglected; quotations were nominally unchanged.

The latest available quotations—in pence per lb.—from Liverpool are as under:

American cotton one inch staple contract: October 22.45; December 22.65; March 22.70; May 22.80.

American cotton mixed growth contract: October 23.00; December 22.95; March 23.05; May 23.15.

Sudan: September 34.75; November 35.00; January 35.00.

Trading in the New York cotton futures market was featureless during the week. Export demand was poor, and confined mainly to buying by shippers to fulfil nearby commitments. Mill buying and investments interest were also lacking. Net change in prices over the week was negligible.

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

(In cents per lb.)

	20-9-60	13-9-60	6-9-60
Spot	32.40	32.45	32.45
October	31.32	31.36	31.09
December	31.35	31.35	31.29
March	31.85	31.81	31.82

BLACK PEPPER ERRATIC

(Messrs. Parekh and Co.)

BOMBAY, 21*st September*

Despite easier advices from Singapore, Malabar black pepper during the week ruled steady to quiet but erratic as per alternate bouts of selling or buying by bears or bulls. As is usual in pepper, the buyers withdraw in weak market and the sellers standby when the market discloses a firm tone. Malabar has no strength of its own. Despite record export, the intrinsic position of Malabar pepper does not appear to be as sound as the speculators try to make out because the holders are becoming nervous every now and then owing to the continuous absence of demand from the U.S.A. and the proximity of the new season. The recent reported purchases of about 200-250 tons of Malabar black by Poland and Czechoslovakia were said to be responsible for the present steady tone. Interested bulls are circulating rumours that Russia is in the market, but well-informed quarters does not give any credence to such reports, as Russia is reported to have already purchased a sizable quantity at a very low rate on the basis of New York parity at $0.45/46 from Indonesia.

Estimates of production and stocks with growers are always guesswork. One's guess is as good as another's. The reliable figures available are only for exports. Generally, the trade is in the habit of giving out estimates of production and stocks according to its book positions. The bulls are giving out figures of present stock of Malabar black at 3,000 tons, while well-informed analysts are inclined to put it at around 5,000 tons.

Garbled at Cochin, after improving to Rs. 260, is moving without a definite trend at around Rs. 255. October delivery remains very sensitive and is moving up and down without listing notable business. The crop reports for the new production of Malabar are so far good. The knowledgeable source maintains it at 25,000 tons. Ungarbled pepper is quoted at Rs. 1,462½ at Cochin and at Rs. 1,575 at Calicut.

Singapore is reported to be weak. Private cables show progressively downward revision of prices, while the reports from the Reuter's Agency denote prices without any particular change during the week. Holders there are said to be offering to New York at about $0.50, but the buyers are waiting for new incentives. White pepper appears to be more soft, as Sarawak is said to be offering direct to Europe at lower prices than those quoted for Singapore. Black Lampong is also being offered by Djakarta at lower rates than those ruling at Singapore.

Spot at New York, after improving to $0.56, went down to $0.53 with business at a low ebb, as nobody wants to add to his present commitments pending the result of the present important session of the United Nations. The market is listless, as the dealers expect a further fall in prices, in view of prospects of ample supply since the turnout of a sizable crop in Lampong in Sumatra.

The future of Malabar black depends upon the buying policy of the U.S.A., in particular, as the buying by the U.S.S.R. or other East European countries are not having so much effect, as the selling to these countries is confined to a selected few.

Ready demand is reported to be satisfactory and is being quoted at Rs. 200 per Bengal maund. The spread between ready and October delivery at Cochin has recently shrunk to about Rs. 5 due to the proximity of the due date for October delivery and the move of bull speculators regularly to nibble by buying 5/10 candies of ready goods whenever the support from foreign countries is lacking for keeping up the morale of the holders and the growers who are likely to get tired any time as the new season is fast approaching.

BEMBERG YARN RALLIES FURTHER

(From Our Own Correspondent)

BOMBAY, 21*st September*

The procedure governing allocation of indigenous art silk yarn to the powerloom weaving factories for the ensuing quarter, that is, October-December, has been announced. The allocation will be on the basis of the number of loom shifts worked by the art silk mills during the three months ended June 1960. The actual quantity of yarn to be allocated is fixed at 1.6 lb. per loom per shift in the case of mills submitting monthly reports in the prescribed form regularly to the Office of the Textile Commissioner and at 0.9 lb. per loom per shift in respect of units which are not submitting monthly returns subject, however, to the condition that these units submit the returns in the prescribed WAS I form along with their applications. It is made clear that the allocation will be made only to such units as are holding valid instalment permit and/or registration certificate from the Office of the Textile Commissioner to work powerlooms on art silk yarn.

The allocation procedure was considered to be somewhat rigid and it was felt that the volume of art silk yarn sales by mills might tend to decline. This feeling led to some selling which brought about a fall in prices. National Rayons 150 Bt. cones 1st grade fell by 10 nP to Rs. 5.16 per lb. Similarly, 120 Bt. cones 1st grade dropped 4 nP to Rs. 5.80. Imported art silk yarns ruled irregular. Thus, 120 Italy eased by 6 nP to Rs. 5.50 and 120 Japan was quiet at Rs. 5.65, while 150 Italy gathered 4 nP to Rs. 6.19 and 150 Japan 3 nP to Rs. 6.12. Cupressa Bemberg Yarn (60x1) continued to rule firm, due to hectic buying by certain upcountry interests on persistent rumours of a cut in import quota during the October 1960-March 1961 licensing period. October delivery jumped up by Rs. 57 to Rs. 2,181. December contract rallied from Rs. 2,127 to Rs. 2,161. Spot Cupressa strengthened by 12 nP to Rs. 9.62.

In sympathy with Bemberg yarn and following reports of small stocks with traders and consuming interests, staple fibre yarns showed a tendency to rise. Spot Citys (40×2) hardened by 3 nP to Rs. 3.84. Centurys rose by 2 nP to Rs. 3.68. The quotations for forward deliveries, however, were a shade lower. December contract shed Rs. 2 to Rs. 734 and October position Re. 1 to Rs. 728.

Cotton yarns ruled dull, with the exception of coarse counts which were well supported. It was stated that several mills had begun to stamp prices of cotton yarns. Forty counts Minaxis declined by 44 nP to Rs. 30.31. Maduras lost 12 nP to Rs. 31.25. Sixty counts Raghuvamshis were neglected at Rs. 59, as also Finlays at Rs. 62.62. Eighty counts Moderns were unchanged at Rs. 73, Finlays at Rs. 80.80 and Mahendras at Rs. 71. Ten counts Podars, however, elicited good enquiries and spurted by 25 nP to Rs. 18.25. Gokaks put on 13 nP to Rs. 18.50. Twenty counts Gokaks improved by 25 nP to Rs. 23.50. Moderns were fully maintained at Rs. 23.50.

The following table gives prices of rayon, staple fibre and cotton yarns quoted today, as compared with those eight days ago:

	21-9-1960	14-9-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 Kg.)		
October	2,181	2,124
December	2,161	2,127
60/1 Cupressa Bemberg spot (per lb.) ...	9.62	9.50
120 Japan (per lb.)	5.65	5.65
150 Japan (per lb.)	6.12	6.09
120 Italy (per lb.)	5.50	5.56
150 Italy (per lb.)	6.19	6.15
Staple fibre yarn—		
October	728.00	729.00
December	734.00	736.00
40×2 City (per lb.)	3.84	3.81
40×2 Century	3.68	3.66
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.25	18.00
20s Gokak	23.50	23.25
40s Minaxi	30.31	30.75
60s Raghuvamshis	59.00	59.00
80s Finlay	80.80	80.80

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 21*st September*

The oilseeds market continued to display distinctly firm conditions. Groundnuts staged a smart rally, following the announcement of a repeat quota for H.P.S. groundnut kernels. A Press note issued by the Joint Chief Controller of Exports, Bombay, on the 15th inst. states that the Government of India has decided to give a second repeat allotment of H.P.S. groundnut kernels to established shippers who wish to make further shipments, equal to 20 per cent. of their basic year's exports after they have completed shipments against the current quotas and the first repeat allotment. Co-operative societies of growers of groundnuts will also be given a second repeat allotment equal to the quantity admissible to them under the existing basis of acreage under cultivation during 1956, 1957 and 1958. Shipments against this second repeat allotment granted will be allowed upto the end of December 1960.

This step was generally welcomed by the trade. The fact, however, remains that the repeat quota is not likely to have any appreciable effect on exports, since a large proportion of quotas already released still remains unutilised as the domestic prices have been out of parity with world prices for a long time. At any rate, the measure gave a psychological stimulus to the bulls. It is a debatable point whether the timing of this quota was appropriate. For it was released at a time when the market was distinctly bullish. Consequently, the very purpose of the quota has been defeated.

In view of this export promotion measure, the groundnut section came in for sustained speculative buying. Unfavourable weather conditions in the major producing centres and private estimates of smaller crop in the current season imparted further strength. There was fairly good offtake by *vanaspati* manufacturers. In these circumstances, the forward contracts spurted to new high levels. The February 1961 contract, which had wound up last week at Rs. 207.25, rallied to Rs. 210.25 by Saturday. It, however, moved down subsequently to close today at Rs. 207.25 on profit-taking and also on fears of official intervention to curb speculation. Nizam bold rose by Re. 1.25 over the week to Rs. 46. Coromandel, too, put on a like amount to Rs. 46.25. Oil *ex*-mill finished today steady at Rs. 24.50, after fluctuating between Rs. 24.62 and Rs. 24.87.

Castorseeds also continued to make considerable headway mainly on rumours that the Government of India would permit exports of castorseed. The values would have gone up further but for the protracted absence of the U.S. in the castor oil market, as a result of growing pressure of cheaper Brazilian supplies, and fears of heavy tenders against the maturing contract. Castorseed May 1961 contract advanced from Rs. 175.50 to touch a new high of Rs. 180.25 on Saturday. It eased later, following absence of fresh incentives for bulls and better weather reports. Ready Madras closed today at last week's level of Rs. 34.12, after touching Rs. 34.75 earlier. Oil Commercial hardened by 12 nP to Rs. 18.12.

The linseed section put on a cheerful appearance in the early part of the week in sympathy with other seeds. But the sentiment was subdued towards the week-end in view of dull conditions on the export front for linseed oil. The linseed May 1961 contract hardened from Rs. 33.34 to Rs. 33.75, but gave way subsequently to Rs. 33.28. Bold ready was steady at Rs. 32.12 after touching Rs. 32.37. Linseed oil closed higher at Rs. 16.87, as compared with Rs. 16.62 a week ago.

In sympathy with other seeds, cottonseeds improved initially, but lost ground later. The February 1961 contract which had improved from Rs. 92 to Rs. 93.50 by Saturday sagged later to wind up today at Rs. 91.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	21-9-1960	14-9-1960	7-9-1960
	Rs.	Rs.	Rs.
Groundnut			
February 1961	207.25	207.25	204.00
Nizam bold	46.00	44.75	46.75
Coromandel ready	46.25	45.00	46.75
Khandesh quality	46.25	44.75	46.75
Oil ex-mill ready*	24.50	24.50	24.87
Railway receipts*	24.37	24.19	26.02
Castorseed			
September 1960	—	170.00	163.87
May 1961	177.62	175.50	169.87
Ready Madras	34.12	34.12	33.12
Ready Kanpur	33.12	32.87	32.00
Oil B.S.S.†	19.50	19.31	18.94
Oil commercial†	18.12	18.00	17.75
Linseed			
September 1960	—	32.06	31.12
May 1961	33.28	33.34	32.75
Bold ready	32.12	32.12	31.25
Oil ready†	16.87	16.62	16.06
Cottonseed			
September 1960	—	—	153.50
February 1961	91.50	92.00	92.75
Niger seed	36.00	37.00	37.75
Kardi seed	24.50	24.50	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations relate to sale per cwt. and those for oil per quarter. Rates for 1961 delivery contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms.

QUALITY TEAS LOWER

(From Our Own Correspondent)

CALCUTTA, 20*th September*

Although there was good demand in export auctions held yesterday, prices failed to improve, and that too despite the fall in output in North-East India in August. Production in August was only 95.4 million lbs., as against 101 million lbs. in August of last year. Including the figure for August, production so far totalled 267.9 million lbs., representing a decrease of 36.3 million lbs. compared to the figure for the corresponding previous period. Reflecting this decline in production, arrivals have decreased and shipments so far to the United Kingdom have not even come up to half of those in the corresponding period of last year.

Trade circles said that, thanks to the fall in output, prices of teas suitable for internal consumption might improve in the coming months. However, the price of quality teas are not expected to improve, as indications are not wanting for the illation that Ceylon had succeeded in diverting foreign interest from Calcutta to Colombo auctions. The keener competition from Ceylon coupled with a fall in output here suggests that strong measures are urgently necessary to improve India's export market.

Dusts on offer amounting to 21,133 chests during last week's internal sales met with strong demand, although prices were generally lower. Orthodox exportable teas met with support at lower levels, while the brighter liquoring teas came in for attention at higher rates. Brighter liquoring C.T.Cs were taken at reduced rates. Following quality, best liquoring C.T.Cs were irregular. A strong feature was provided by legg-cut Dooars which, on keen competition, added 15 to 20 nP. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. Rs. 6.40 to Rs. 6.80, medium Assam C.T.C. Rs. 6.00 to Rs. 6.25, medium Assam Rs. 4.80 to Rs. 5.40, and medium Dooars Rs. 4.65 to Rs. 4.80.

Leaf on offer amounting to 470 packages met with good demand.

Although prices followed an irregular trend, offerings during yesterday's export sales, amounting to 55,509 packages, met with a good general demand. A strong feature was provided by the poorer whole leaf grades which on keen competition appreciated in price. However, the better kinds of the same description were an easier market. Plain brokens and fannings also provided a feature. While the lower-priced teas advanced, the better descriptions were firm. Strong competition met legg-cut teas and prices rose impressively. The weakest feature was provided by C.T.C. teas, prices of which with the exception of the secondary fibrous lots, declined by 50 nP to Re. 1 per 1 kg. Darjeelings also declined. Although prices for bright liquoring Assam B.O.Ps and O.Fs were irregular, B.O.Ps were more wanted than O.Fs. Prices for plain liquoring B.O.Ps and O.Fs sagged by 50 nP. Medium B.Ps were fully steady as on keen competition prices hardened. Brighter liquoring fannings were also steady and prices advanced. The quotations inclusive of excise duty per 1 kg. were: best Assam C.T.C. fannings Rs. 7.50 to Rs. 8.50, best Assam C.T.C. B.P. Rs. 7.00 to Rs. 8.00, clean black pekoe Rs. 5.40 to Rs. 5.60, medium fannings Rs. 5.20 to Rs. 5.50, medium B.P. Rs. 5.00 to Rs. 5.50, plain fannings Rs. 4.50 to Rs. 4.75, and plain B.P. Rs. 4.45 to Rs. 4.60.

Export quota was on offer at ½ nP. Buyers were interested only at ¼ nP. No transactions took place.

GOOD DEMAND FOR TEAS AT DEARER RATES

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

COCHIN, 13*th September*

Sale No. 35:—Approximately 560,000 kilograms were offered in Sale No. 35 held on Tuesday, 13th September 1960. Quality from most districts was irregular, but generally tended brighter. There was a strong general demand at dearer rates. Best and improved quality high-grown brokens came to a dearer market, but others in this category ruled firm. Their fannings advanced by a lesser margin. Good medium brokens were well supported and were quoted up to 10 nP per kilo dearer. Low medium and medium brokens received keen competition and were absorbed readily at advances of up to 20 nP per kilo. Medium fannings were the strongest feature and those free from fibre advanced by as much as 40 nP per kilo over valuation. Plainest descriptions followed the general upward trend of the market. Whole leaf grades met with strong demand at dearer rates. C.T.C. types and legg-cut teas sold well at above last rates. Tippy teas were neglected. Black leaf teas were dearer.

	1960 Rs.	1959 Rs.
Low medium	4.20-4.40	3.64-3.86
Medium	4.40-4.75	4.19-4.63
Good medium	4.75-5.40	4.85-5.18
Quality	5.40-8.15	5.29-8.71

The average price realised in Sale No. 35 was Rs. 4.88 per kilo, as compared with Rs. 4.80 in the previous sale and Rs. 4.78 per kilo in the corresponding sale of 1959.

Dust Sale 'HH':—185,000 kilograms were offered in Sale No. 'HH' held on 15th September 1960. Quality was about maintained with a few brighter invoices on offer. There was a strong and active demand at dearer rates. Good and colourey mediums came to a very receptive market registering advances of 10 nP to 20 nP per kilo and sometimes more, with buyers' emphasis on the poorer fibrous types. Keen interest was also shown for medium and low medium which sold at dearer rates. Highgrown received satisfactory support, but were irregular and tended easier. There was better interest shown in the C.T.C. type and legg-cut teas which can be quoted dearer. Black leaf teas came in for improved demand at enhanced rates.

The average price realised in Sale 'HH' was Rs. 4.52 per kilo, as compared to Rs. 4.35 in the previous sale and Rs. 4.07 in the corresponding sale of last year.

Export Quota:—The nominal price is ½ nP per kilo.

Colombo:—Just over 4½ million pounds were offered and met with a strong general demand with buyers following quality closely. Highgrowns advanced 10 cents on last week's closing prices, whilst bright liquoring useful mediums were 5 cents to 10 cents dearer. Other mediums were steady, but lowgrowns declined 5 cents.

London: North Indian and other growths:—In Monday's auction, the North Indian and African offerings came to a strong market and all descriptions sold at dearer rates.

Ceylon and South Indians:—In Tuesday's sale 29,498 packages were on offer, of which 9,744 came from South India. There was a strong market and prices were dearer throughout the sale.

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

"*Sale* 36:—417,000 kilograms. Very strong demand for low medium and medium descriptions which are 10 nP to 20 nP dearer. Good medium advanced up to 30 nP, following improved quality. Best liquoring rather less demand and irregular with quality.

RAW JUTE FIRM

(From Our Own Correspondent)

CALCUTTA, 20*th September*

While prices of jute goods moved within narrow limits and closing levels were lower on balance during the week under review, fibre prices advanced and closed Rs. 3 to Rs. 5 per 100 kgs. higher on balance. That, despite good support from foreign markets, prices of goods did not follow fully the uptrend in raw jute should be attributed to the disinclination, on the part of foreign buyers, to pay higher prices. Australia continued to buy woolpacks and cornsacks. The report of increased burlap consumption in the United States in the month of August pushed up hessian prices. Further, the New York market was steady, although primary consumers cared to add to their inventories in a small way only. The handsome increase in the output figures of mills for August was taken as an indication that mills had commenced unsealing, in stages, the percentage of looms which they had voluntarily sealed in the last two months or so in an attempt to attract reality to prices in the fibre market. The number of hours worked by mills in August was 208, as against only 200 in the previous month, and that also accounted for the higher production, at 94,200 tons, as against 86,800 tons in July. Hessian increased by only 800 tons to 35,100 tons, while sacking showed an increase of 5,900 tons at 48,300 tons. These wide variations showed that mills had transferred a portion of the hessian looms to that of sacking. Apart from the greater demand for sacking as compared to hessian, it was believed that sacking sales admitted of better profits than hessian sales at the prevailing prices of goods and raw jute.

The increased demand for sacking goods and the policy of mills to increase production, so that a squeeze in goods could be avoided and also availability of goods at reasonable prices to foreign buyers could be ensured would, in turn, increase the consumption of fibre by mills. The pre-*Pooja* recession in fibre prices has not yet occurred; on the other hand, prices are daily on the increase. That demonstrates the improved holding power of growers, which should cause no surprise since the co-operative habit has spread. It is also true that middlemen are also making huge money. Against this background, the Government of India's delay in issuing import licences for Pakistani cuttings has come in for sharp criticism. Mills have been unable to enter into commitments with Pakistani exporters in anticipation of the licences based on the quotas recently announced in view of the change in the Pakistani export licensing rule under a recent Presidential edict.

If the Government thinks that the domestic output will be sufficient to meet the demand of mills in full, it will be sadly mistaken. The carry-forward into this season has been very small. In 1959-60 imports of fibre were insignificant, and India had attained almost self-sufficiency. To enable mills to implement their policy of progressive increase in production by unsealing the idle looms, mills would require more fibre than last year. As against the official estimate of 6.2 million bales, the trade estimates that the crop would amount to only 5.5 million bales. The trade also believes that, despite removal of restrictions in the growing of jute in the border areas, the Pakistani crop might not be as big as earlier estimated. In the last week, prices of cuttings in the Pakistani Narayanganj market moved up by Rs. 2 a maund.

The rise in fibre prices, despite the almost stationary character of prices of goods on balance should also be attributed to the knowledge in the market that mills needed more fibre. Their stock position had been affected by restrained purchases in recent weeks in the belief that such a policy would bring down prices. However, this expectation was not fulfilled, and in the meantime mills' stocks depleted. During the week, the East India Jute and Hessian Exchange announced that the maximum price of Rs. 43.50 per maund on trading in raw jute hedge contract for December 1960 delivery would be continued up to 31st October 1960. Trading in raw jute hedge contract for September 1960 delivery ceased from 14th September.

On Tuesday last, ready B. twills spurted to Rs. 142.00 from Rs. 140.50, following the announcement of a Government tender for 19,000 bales of standard B. twills for November delivery. In sympathy, ready hessian 40" 10 oz. hardened to Rs. 48.50 from Rs. 48.25. Following this, there was a good deal of business both in the futures market and in ready goods. On Wednesday, therefore, B. twills at Rs. 143.75 recorded a further rise. At this stage, New York reports indicated higher burlap consumption in August. The effect was that hessian 40" 10 oz. rose to Rs. 48.90, although business passing in this construction was small. Australian interest in woolpacks was in evidence on Thursday, but bear-selling in the futures market pulled down ready B. twills to Rs. 142.55 and ready hessian 40" 10 oz. to Rs. 48.55. On Friday, there was heavy selling pressure in hessian, as a result of which the 40" 10 oz. sagged to Rs. 48.20. In sympathy, ready B. twills moved down and settled at Rs. 141.00 at close. During the week-end, business passing shrunk, and prices were affected. Thus B. twills sagged to Rs. 139.75 and hessian 40" 10 oz. to Rs. 48.10. With little interest being shown yesterday, prices were almost changed. B. twills hovered around Rs. 140 and hessian 40" 10 oz. at Rs. 48.15.

Contrary to earlier expectations, the arrivals of raw jute did not improve. Mills showed good interest, as they needed fibre for replenishment of their stocks. Sellers were reserved. There was no indication of last-minute sales by cultivators to meet cash needs for the *Durga Poojas*. October-November daissee bottoms opened at Rs. 111.25 per 100 kgs. and gradually rose to Rs. 116.50. At Rs. 113.75 September-October Assam bottoms showed a rise of Rs. 4.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 19*th September*

Sugar ruled steady during the week at Rs. 112 per bag in wholesale and at Rs. 1.09 per *seer* in the open market, as against the controlled prices of Rs. 108.50 and Re. 1.01. The supply position of sugar was reported to be easy. A part of the quota allotted through ration shops was not being lifted, but the main influencing factor was the latest release of 50,000 tons for export during the year. Exports would be handled by the Indian Sugar Mills Association, but no part of the release would be allowed to be shipped to the United States.

Sugar improved by Re. 1 to Re. 1.50 per bag in the Muzaffarnagar market in the week-end on export prospects. The latest prevailing prices are Rs. 114.50 to Rs. 115 per bag in wholesale in the open market.

Sugar also stayed steady at Rs. 113 to Rs. 114 per bag in the Kanpur market. The effects of an early export of sugar were yet to be felt in the market.

Khandsari ruled quietly steady, thanks to revival of demand from the consuming areas of the South, but loading facilities were still restricted. The latest prevailing prices in the Muzaffarnagar market where *khandsari* stocks were put at 50,000 maunds were: *Galawat* Rs. 23 to Rs. 27; inferior Rs. 30 to Rs. 34; superior Rs. 35 to Rs. 41; crystal *khandsari* Rs. 36 to Rs. 42 a maund.

Ready *gur* was depressed, as the stocks left were wet and damaged and were not at all in demand. Local stock was about 9,500 maunds. The new season's production would start by the end of the month. Old *gur* stocks were reported in *mofussil* markets and stockists were anxious sellers. Crushers would start producing *gur* and later on turn to *khandsari* production. Prevailing prices here were: *gur* dry nominal Rs. 15.75; *patra* Rs. 14; wet Rs. 12; *shakker* Rs. 16.50 a maund.

Gur also ruled quiet in the Muzaffarnagar market during the week in the absence of good demand and comfortable stocks at about 50,000 maunds. The latest prevailing prices were: *Chaku* dry Rs. 19.25 to Rs. 19.50; wet Rs. 15 to Rs. 15.50; *shakker kotha* wet Rs. 14.50 to Rs. 15; remanufactured Rs. 19 to Rs. 20; *dana minja* Rs. 15 to Rs. 17.50 a maund.

Gur futures ruled both ways during the week in speculative bouts of buying and selling. *Fagun* delivery opened at Rs. 13.87 on Monday last, touched the highest and lowest at Rs. 13.96 and Rs. 13.72, respectively, and was quoted today at Rs. 13.94.

FOODGRAINS BEARISH

(From Our Own Correspondent)

HAPUR, 19*th September*

Quietly depressed trend was witnessed in the foodgrains market during the week. Despite reports of damage to crops in many parts of the country following recent floods, arrivals in the markets improved towards the week-end, due to clear sunny weather. Heavy sales of gram by the U.P. Government in the local markets also acted as a bearish factor. After an early improvement, wheat sagged on Monday to Rs. 17 a maund for average quality and upto Rs. 18.12 for superior farm produce. Daily arrivals of wheat mounted to about 250 maunds, thanks to suspension of wheat levy scheme by the State Government. This definitely checked the rising trend in wheat prices; otherwise crop damage reports due to floods would have resulted in wheat prices touching new heights. Heavy sales of imported wheat and wheat flour through ration shops also imparted weakness.

Rice ruled quiet at almost the unchanged price level of Rs. 30 to Rs. 32 a maund for *sela basmati* quality, at Rs. 24 for *ramajwayan*, at Rs. 25 for *raimunia*, at Rs. 23 for *mainpuri* and at Rs. 19.87 for *gada* quality. The supply position of rice is reported to be satisfactory and crop prospects are also favourable, due to fairly heavy rains in producing areas.

Gram, after the last week's rise upto Rs. 16.25 a maund for Punjab produce, eased to Rs. 15.87 a maund, following heavy sales of old gram stocks by the U.P. Government which is now being resold at Rs. 15.19 a maund in the open market. The stock position of gram is reported to be satisfactory, though in the Punjab following recent damage due to floods, stockists are trying to hold up stocks, Barley was quoted slightly lower at Rs. 12.62 and *bejhar* at Rs. 12.37 to Rs. 12.87 a maund according to quality. New maize was reaching the market at an average of about 200 maunds daily which was being lifted by consumers at Rs. 13.50 to Rs. 14.50 a maund. *Jowar* was quoted lower at Rs. 12.75 to Rs. 13.25 and *guwar* at Rs. 11.50 to Rs. 12.50 a maund.

Among pulses, peas eased fractionally to Rs. 12.50 a maund for *dara* green quality and Rs. 13 for superior white stuff, while old stocks were being lifted at Rs. 11.75 a maund. Demand for peas was not brisk and local stock ran down to 55 *hatties*. Old stocks were being despatched to east U.P. for grinding into *dal*. *Arhar* eased by 50 nP a maund to Rs. 13.50 and, as demand was dormant, local stock was unchanged at 25 *hatties*. New *moong* from South was being lifted at Rs. 21 a maund, while old stuff was quoted at Rs. 19 to Rs. 20 a maund. *Urd* was quoted at Rs. 18.75 and *massor* at Rs. 14 to Rs. 17 a maund.

Preparation of land for *rabi* sowings is in full swing, but rains are now needed for timely sowings. It is reported that heavy tracts of land here recently vacated from maize and fodder crops would be available for *rabi* sowings, if it were to rain here now.

RAW HIDES EASIER

(From Our Own Correspondent)

MADRAS, 19*th September*

Trading in E.I. tanned skins and hides was selective throughout the week. In view of poor response from the U.K., prices declined by 1d. to 2d. on last week's level on hides. Buffs arrivals were fair with good clearance. Buff calf and cow calf remained quiet. In the c.i.f. section, tanned goat skins declined by 6d. but business done was negligible. Tanned prime sheep skins remained steady.

Raw prices ruled easier.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 16th Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		40,00,00,000
National Agricultural Credit (Stabilisation) Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		81,72,11,000
(2) Other Governments		35,50,14,000
(b) Banks		90,61,79,000
(c) Others		92,26,57,000
Bills Payable		16,85,32,000
Other Liabilities		15,53,46,000
Rupees		471,49,39,000

ASSETS	Rs.	Rs.
Notes		21,65,23,000
Rupee Coin		1,47,000
Subsidiary Coin		6,00,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		22,15,75,000
(c) Government Treasury Bills		23,44,47,000
Balances held abroad*		28,67,00,000
Loans and Advances to Governments†		137,10,91,000
Other Loans and Advances		226,37,31,000
Investments		12,01,25,000
Other Assets		
Rupees		471,49,39,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 10,96,30,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	21,65,23,000	
Notes in circulation	1792,59,77,000	
Total Notes issued		1814,25,21,000
Total Liabilities		1814,25,21,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India		
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		131,76,00,000
Government of India Rupee Securities		1441,72,08,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1814,25,00,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	9th Sept., 1950	2nd Sept., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1808 22	1795.33	1812.13	1670 29
Notes held in Banking Department	35 05	14 73	3 51	14 99	17 03
Foreign Securities	59 50	123 01	123.01	128 01	163 01
Rupee Securities	87.39	1451.66	1431.66	1456.57	1271.19
Banking Department					
Deposits of:					
Government of India	14.39	62 63	52 90	55 99	56 82
Other Governments	..	27 25	46 68	16 18	20 47
Balances held abroad	10.06	22.67	20 34	21.48	23.25
SCHEDULED BANKS					
Demand Liabilities	134.86	774 92 (14 94)†	796 89 (22 96)†	778 75 (17 67)†	744 98 (23 38)†
Time Liabilities	102.24	1193 05 (24 87)†	1193 75 (25 70)†	1226 92 (28 04)†	1101 73 (28 66)†
Borrowings from Reserve Bank	..	52 04 (10 67)‡	54 85 (10 10)‡	23 35 (10 90)‡	1 70 (0 10)‡
Borrowings from State Bank	..	15 19	16 05	9 62	3 22
Cash in India	6.70	46 86	48 04	44 93	41 88
Balances with Reserve Bank	25.17	111.79	107.60	110.25	75.13
Balances with other banks in current account in India	..	15.86	16.49	15.74	14.33
Money at call and short notice in India	..	27.98	34.34	37.71	36 57
Investments (at book value)	..	736 05	748 49	733 29	756 87
Advances and bills	106.9	1126 25	1129 25	1119.40	925.71
STATE BANK					
Deposits	87.76	605 12	609 86	614 31	567 09
Investments	51 99	377 78	395 33	393 99	375 74
Advances	30 35	215 31	213 98	204 87	162 29
Cash	14.69	35.01	27 18	35.52	30.68

† Borrowings from Banks excluding the Reserve Bank and the State Bank. *R*—Revised figures.

‡ Borrowing against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	2.50	2.26
Ceylon	13th Aug., 1960	2 50	4
Chile	Feb., 1957	4 50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	Mar., 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	May, 1959	6 50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4 75
Italy	7th June, 1958	4	3 50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4 50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1958	3 50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6.50
Portugal	29th Jan., 1944	4	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4 50	5
Switzerland	26th Feb., 1959	2.50	2
	Feb., 1945	..	7
Turkey	6th June, 1958	4.50	6
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 16th Sept. 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,29,00,000
Deposits and Other Accounts		593,06,19,000
Borrowings from Other Banking Companies, Agents, etc.		14,25,000
Bills Payable		9,17,61,000
Bills for Collection being Bills receivable as per contra		2,14,96,000
Acceptances, Endorsements and Other Obligations per contra		1,78,76,000
Other Liabilities (including Inter-Office Adjustments)		18,75,11,000
Total	Rs.	637,89,41,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,42,29,000
Balances with other Banks		218,58,000
Money at Call and Short Notice		73,33,000
INVESTMENT SEC:	Rs.	
Government and other Trustee Securities	362,01,40,000	
Other Authorised Investments	9,03,01,000	
		371,04,41,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	204,48,01,000	
Bills Discounted and Purchased	9,86,49,000	
		214,35,43,000
Bills Receivable being Bills for Collection as per contra		2,14,96,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,78,76,000
Premises less Depreciation		1,29,42,000
Furniture and Fixtures less Depreciation		1,29,73,000
Other Assets (including Inter-Office Adjustments)		17,74,99,000
Total	Rs.	637,89,41,000

* Intermediate Treasury Bills sold.

Scheduled Banks*

Statement of Affairs for the week ended 9th Sept., 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		14,94,47,000
(ii) Other demand liabilities		759,97,39,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		24,87,18,000
(ii) Other time liabilities		11,68,77,77,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		14,51,59,000
(ii) Time liabilities		67,01,000
Borrowings in India from the Reserve Bank of India†		52,93,70,000 (10 67 30,000)
Cash in India		46 85 96,000
Balances with the Reserve Bank in India		111,79,14,000
Balances with other banks in current account in India		15 85 57,000
Money at call and short notice in India		27,93,00,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		736,05 13,000
Advances in India		979 43,72,000
Inland Bills, purchased and discounted in India		140,11,49,000
Foreign Bills, purchased and discounted in India		48,83,46,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
28th June	2 00	2 00	2 00	2 745	99 310
6th July	2 00	2 00	2 00	2 745	99.310
13th July	2 00	2 02	2 00	2 745	99 325
20th July	2 00	2 00	2 00	2 745	99 310
2nd August	2 00	2 26	2 00	2 737	99 310
3rd to 6th Aug.*	0 16	—	0 16	—	99 325
9th August	2 00	2 00	2 00	2 745	99 310
10th to 13th Aug.*	1 10	—	1 10	—	99 326
16th August	2 00	2 00	2 00	2 540	99 365
17th to 20th Aug.*	0 25	—	0 25	—	99 381
23rd August	2 00	2 00	2 00	2 540	99 365
24th to 27th Aug.*	0 01	—	0 01	—	99 381
6th Sept.	2 00	2 00	2 00	2 540	99 365
13th Sept.	2 00	2 00	2 00	2 540	99 365
14th to 17th Sept.*	0 15	—	0 15	—	99 381
20th Sept.	20 00	2 50	2 00	2 540	99 365
Total amount outstanding	23.67	..	23.67	..	..

* Intermediate Treasury Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	3rd Sept., 1960	27th Aug. 1960	5th Sept., 1959	July 1960	July 1959	Percentage of Increase(+) or Decrease(−) in June 1960 as compared with July, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	124 1	123 5	118 7	124 0	121 0	+ 2 5	119 0	115.2
Cereals	192	108 9	108 4	106 2	109 5	107 0	+ 2 3	104 1	106.8
Pulses	23	94 0	93 0R	87 2	94 0	95 7	− 0 8	93.6	103 9
Fruits and Vegetables	84	129 9	130 1	124 2	126 8	140 5	− 9 8	127 8	117.0R
Milk and Ghee	47	147 2	147 5	108 2	121 5	117 6	+ 3 3	113.3	107.8
Edible Oils	17	130 0	128 4	125 1	147 3	131 3	+12 2	130 4	124 3
Fish, Eggs and Meat	48	130 6	124 4	112 6	127 4	114 7	+11 1	112.0	108.4R
Sugar and Gur	50	149 3	147 8	140 3	140 0	146 5	− 4 4	147 0	127 2
Others	4	160 4	160 0R	106 1	168 8	161 3	+ 4 6	167.9	151 3
Liquor and Tobacco	21	103 7	104 2	99 4	99 8	98 9	+10 8	99 5	96.4
Tobacco	..	101 8	102 4	97 9	108	97 3	+11 1	97.9	93 3
Fuel, Power, Light and Lubricants	30	119 6	119 6R	116 2	118 3	115 6	+ 2 3	116 5	115.4
Industrial Raw Materials	155	137 6	137 2	131 9	137 2	120 2	+14 1	123.7	115 6
Fibres	61	135 8	130 4R	111 6	130 4	109 6	+19 0	113.3	108 0
Oilseeds	61	145 9	143 7	135 3	150 9	135 3	+11 5	134.6	127.0
Minerals	6	98 2*	98 2*	98 2*	98 2	....	....	97 8	105.0
Others	32	125 4*	125 0R	122 7*	126 6	113 6	+11 4	121.6	109.2
Manufacture	290	122 8	122.7	109 9	121 0	109 2	+10 8	111 6	108.4R
Intermediate Products	41	128 7	129 2	110 4	130 4	108 5	+20 2	111 8	108 1R
Finished Products	249	121 8	121 6	109 8	119 4	109 3	+ 9 2	111 3	108.1R
Textiles	147	124 7	124 5	103 4	129 4	104 5	+15 6	107.8	108.3R
Cotton	..	131 7*	131 6*	113 7*	130 0	112 3	+15 7	116.9*	117.8R
Jute	..	—	118 9	118 4	90 9	106 8	− 8 7	98.5	97.5
Woollen	..	—	110 1*	100 8*	101 2*	92 2*	+ 9 7	104 2	105 6
Silk and Rayon	12	146 8	146 8	144 3	146 8	143 8	+ 2 1	144 4	143.1
Metal Products	20	103 9	103 8	103 8	107 4	102 7	+ 4.6	106 7	106.8
Chemicals	10	138 3*	137 2	140 1	139 1	145 5	− 4.3	148.8	136 0
Machinery and Transport Equipment	81	111 0	111 1	105 8*	111 0	105 9	+ 4.8	106 2	108.9R
Others	80	115 6	115 6	113 8	115.8	113 6	+ 1.9	113.4	113.7
All Commodities	1,000	125 2	124 9	116 2	124.7	116.8	+ 6.8	117.5	112.9

Note.—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised.

* Provisional.

State Bank of Pakistan

Statement of Affairs for the week ended 9th Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		5,15,00,000
Deposits:—		
(a) Central Government		12,30,36,000
(b) Provincial Governments		6,37,70,000
(c) Banks		18,11,12,000
(d) Others		97,39,09,000
Bills Payable		13,95,000
Other Liabilities		10,09,31,000
Rupees		152,56,53,000

ASSETS	Rs.	Rs.
Notes		7,99,30,000
Rupee Coin		46,000
Subsidiary Coin		51,000
Bills Purchased and Discounted:—		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills	....	
Balances held outside Pakistan*		26,08,14,000
Loans and Advances to Governments		10,16,00,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		6,01,32,000
Investments		92,60,76,000
Other Assets		8,80,04,000
Rupees		152,56,53,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,99,30,000	
Notes in circulation	346,81,07,000	
Total Notes issued		354,80,37,000
Total Liabilities		354,80,37,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,06,70,000	
Silver Bullion		
Foreign Securities	73,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin	4,87,16,000	140,74,49,000
Government of Pakistan Securities	203,28,66,000	
Internal bills of exchange and other commercial paper	....	208,15,82,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	354,80,37,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 41.25 per cent.

EXCHANGE RATES

	19th September 1960	Previous Week
Bombay on London—		
Sellers T. T. D.D. Spot	1-5⅛	1-5⅛
Sellers T. T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	475 50	475.75
Buyers T.T. Rs.	472 00	472 50
London on New York	2.8156-2.8160	2 8130-2 8130
London on Paris Fcs.	13.78¼ 13 78¾	13 78¼-13 78¾
London on Berne Sw. Fcs.	12 1230 12 1250	12 1130-12.1150
New York on London	281 580 281.610	281.300-281 420

CLEARING HOUSE RETURNS

Centre	Week ended 16th Sept., 1960 Number of Cheques	Amount Rs.	Week ended 9th Sept., 1960 Number of Cheques	Amount Rs.
Bombay	4,18,362	93,40,82,000	3,78,404	76,19,70,000
Calcutta	2,05,000	88,18,00,000	1,97,000	77,88,00,000
Madras	95,000	13,35,43,831	98,379	12,76,71,630
All Centres— 1957-58	..	..	41,672,000	89,54,80,00,000
1958-59	..	..	45,172,000	97,67,12,00,000
1959-60	..	..	50,064,000	109,88,05,00,000
April 1960	..	..	4,636,000	10,42,01,00,000
May "	..	..	4,584,000	10,19,98,00,000
June "	..	..	4,227,000	9,56,09,00,000
July "	..	..	4,210,000	9,52,59,00,000

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	3rd Sept., 1960	27th Aug. 1960	5th Sept., 1959	July 1960	July 1959	Percentage of Increase(+) or Decrease(−) in June 1960 as compared with July, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	124 1	123 5	118 7	124 0	121 0	+ 2 5	119 0	115.2
Cereals	192	108 9	108 4	106 2	109 5	107 0	+ 2 3	104 1	106.8
Pulses	23	94 0	93 0R	87 2	94 0	95 7	− 0 8	93.6	103 9
Fruits and Vegetables	84	129 9	130 1	124 2	126 8	140 5	− 9 8	127 8	117.0R
Milk and Ghee	47	147 2	147 5	108 2	121 5	117 6	+ 3 3	113.3	107.8
Edible Oils	17	130 0	128 4	125 1	147 3	131 3	+12 2	130 4	124 3
Fish, Eggs and Meat	48	130 6	124 4	112 6	127 4	114 7	+11 1	112.0	108.4R
Sugar and Gur	50	149 3	147 8	140 3	140 0	146 5	− 4 4	147 0	127 2
Others	4	160 4	160 0R	106 1	168 8	161 3	+ 4 6	167.9	151 3
Liquor and Tobacco	21	103 7	104 2	99 4	99 8	98 9	+10 8	99 5	96.4
Tobacco	..	101 8	102 4	97 9	108	97 3	+11 1	97.9	93 3
Fuel, Power, Light and Lubricants	30	119 6	119 6R	116 2	118 3	115 6	+ 2 3	116 5	115.4
Industrial Raw Materials	155	137 6	137 2	131 9	137 2	120 2	+14 1	123.7	115 6
Fibres	61	135 8	130 4R	111 6	130 4	109 6	+19 0	113.3	108 0
Oilseeds	61	145 9	143 7	135 3	150 9	135 3	+11 5	134.6	127.0
Minerals	6	98 2*	98 2*	98 2*	98 2	....	....	97 8	105.0
Others	32	125 4*	125 0R	122 7*	126 6	113 6	+11 4	121.6	109.2
Manufacture	290	122 8	122.7	109 9	121 0	109 2	+10 8	111 6	108.4R
Intermediate Products	41	128 7	129 2	110 4	130 4	108 5	+20 2	111 8	108 1R
Finished Products	249	121 8	121 6	109 8	119 4	109 3	+ 9 2	111 3	108.1R
Textiles	147	124 7	124 5	103 4	129 4	104 5	+15 6	107.8	108.3R
Cotton	..	131 7*	131 6*	113 7*	130 0	112 3	+15 7	116.9*	117.8R
Jute	..	—	118 9	118 4	90 9	106 8	− 8 7	98.5	97.5
Woollen	..	—	110 1*	100 8*	101 2*	92 2*	+ 9 7	104 2	105 6
Silk and Rayon	12	146 8	146 8	144 3	146 8	143 8	+ 2 1	144 4	143.1
Metal Products	20	103 9	103 8	103 8	107 4	102 7	+ 4.6	106 7	106.8
Chemicals	10	138 3*	137 2	140 1	139 1	145 5	− 4.3	148.8	136 0
Machinery and Transport Equipment	81	111 0	111 1	105 8*	111 0	105 9	+ 4.8	106 2	108.9R
Others	80	115 6	115 6	113 8	115.8	113 6	+ 1.9	113.4	113.7
All Commodities	1,000	125 2	124 9	116 2	124.7	116.8	+ 6.8	117.5	112.9

Note.—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,731	9 772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,606	27,999	3,484	3,789
Barley	final	8,220	8 243	2,605	2 672
Maize	final	10,457	10,457	3,015	3,381
Ragi	final	6,211	6,192	1,960	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,031
Pulses—					
Gram	final	25 046	24,805	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses§	final	16,075	15,597	1,567	1,559
Rabi pulses†	final	11,071	10,090	....	2,178†
Total pulses	final	58,035	56,483	....	12,289
Total foodgrains		276,415	276,953	....	74,920
Oilseeds—					
Groundnut	final	15 305	14,575	4,390	4,812
Castorseed	final	1,178	1 203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,107	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6 907
Fibres—					
Cotton*	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,548	5,188
Mesta A.	final	796	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	first	706	642	....	2,319†
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	first	864	834	....	2631

Source: Ministry of Food and Agriculture.

§ Excluding Tur.

* in thousand bales of 392 lbs. each.

† Excluding Grain and Tur.

‡ in thousand bales of 400 lbs. each.

R.—Revised.

A.—In thousand tons.

†Final estimate of 1958-59.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Six months ended June 1959	1960
Exports	570,56	615,78	262,36	295 66
Re-exports	8,40	6,96	3,55	5,63
Total Exports	578,96	622,74	265,91	301,29
Imports	864,18	887,38	446,09	458,72
Overall Balance of Trade	−285,22	−264,64	−180,18	−157,43
Exports—				
Tea	136.54	126.39	36,71	35.54
Jute yarns and manufactures	103,82	110,75	49,03	66,19
Cotton yarns and manufactures	52,63	66,14	26,25	31,92
Metallic ores and metal scrap	30,35	34,42	17,60	21,00
Cotton, raw and waste	21,20	16,37	8,70	5,66
Oils—vegetable, mineral and animal	12 35	17,96	5,98	8,95
Fruits and vegetables	21,16	21 08	10,34	12,05
Tobacco	16,29	19 91	10,70	12,35
Mica	9,34	10,31	5,02	4,61
Wool and other animal hair	9,15	12,22	5,49	5,35
Gums, resins and lac	7,16	7,95	3,82	3,79
Spices	8,83	10 17	3,69	10,07
Hides and skins, raw	7,35	10,95	5,21	6,40
Imports—				
Machinery of all kinds	188,92	196,21	95,22	110,71
Iron and Steel	97,80	84,01	48,42	49,27
Oils—vegetable, mineral and animal	80,23	82,62	32,67	42,90
Chemicals, drugs and medicines	65,28	85,20	41,84	43,24
Electrical goods and apparatus	49,04	50,01	24,71	26,60
Vehicles (excluding aircraft, ships and boats)	52,53	60 10	37,89	27,57
Cotton, raw and waste	30 66	34,76	19,22	38,30
Fruits and vegetables	17 43	10,55	6,51	9,44
Paper, pasteboard, etc.	8 29	9,67	4,14	5 58
Dyes and colours	8,76	9,54	4,25	5.50
Spices	2,84	2,52	1,17	1,10
Woollen and worsted fabrics	30	23	9	15
Coir manufactures	1,05	1,19	61	43
Rice	44,02	9,02	3,30	9,15
Wheat	102,65	109,96	61,30	21,45

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During August 1960	84 9
	Corresponding month, 1959	84 9
	Two months ended Aug., 1960	181 0
	Corresponding period 1959	176 5
Stocks	At the end of August 1960	83 3
	Corresponding month, 1959	81 2
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854 9
	July June, 1959-1960	853 5
	July, 1959	79 2
	July, 1960	69 1
For Internal Consumption	July June, 1958-1959	220 0
	July June, 1959-1960	248 3
	July, 1959	15 2
	July, 1960	14 6
	RAW JUTE	(In 000 bales)
Consumption by Mills	August 1960	545
	Corresponding month, 1959	546
	Two months ended Aug., 1960	1,049
	Corresponding period, 1959	1,024
	1957-58	6,134
	1958-59	6,014
	1959-60	6,282

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units Generated‡	Total Units Sold
1956-57	715	6,866 5	7,185 8
1957-58	769	8,677.8	8,103 1
1958-59	815	11,176 9	9,911 1
1959-60	850	12,837 0	10,130 7
1960-60	850	15,029 2	12,130 8
January 1959	811	1,156 2	930 2
February "	811	1,074 6	868 5
March "	813	1,171 1	927 4
April "	813	1,177 1	956 9
May "	813	1,241 6	999 4
June "	813	1,201 5	969 3
January 1960	850	1,255 5	1,055 5
February "	850	1,252 1	1,022 5
March "	850	1,324 4	1,071 0
April "	850	1,325 8	1,081 7
May "	850	1,387 9	1,119 4

* Excludes railway, military and factory) power stations. Data from Power Stations not interconnected with the Tata Power System has been included. ‡ Excluding purchases from non-electric utilities. § As at the end of month.

Source:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12 751	2,120	974	213	111	67	149	29	170	444	41	436	48	148
1956-57	13,586	2,265	1,023	219	108	58	237	24	196	427	30	389	52	180
1957-58	14,314	2,349

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1953-53=100]

Group and Sub-Group	Week ended 10th Sept. 1960	3rd Sept. 1960	13th Aug. 1960	12th Sept. 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.2	101.2	101.2	101.4
2. Government of India	101.0	101.0	101.0	101.2
3. State Government	102.6	102.7	102.7	102.6
4. Municipal, Port Trust, etc.	100.0	100.0	100.0	99.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.8	100.8	100.9	102.1
PREFERENCE SHARES—ALL INDIA.				
6. Total	87.0	86.9	86.9	93.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	174.3	178.8	180.2	153.5
8. *Agriculture and Allied Activities: Total**	170.4	173.2	177.7	156.8
9. Tea Plantations	163.9	166.6	171.6	151.7
10. Coffee Plantations	210.8	213.0	215.3	196.2
11. Rubber Plantations	172.8	175.2	181.7	158.9
12. *Mining and Quarrying: Total*	151.7	156.7	159.9	145.1
13. Coal	121.5	123.7	123.4	113.7
14. Other Mining	172.4	179.2	185.0	166.7
15. *Processing and Manufacturing: Total*	189.0	194.0	195.2	158.9
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	189.4	194.8	195.6	149.3
17. Sugar	192.4	195.3	192.7	177.4
18. Cotton Textiles	155.6	160.3	161.2	124.7
19. Jute Textiles	93.4	95.0	98.4	98.0
20. Silk and Woollen	1065.6	1114.3	1114.8	660.5
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	200.4	205.8	208.7	177.9
22. Iron and Steel	165.4	169.6	168.5	164.3
23. Transport Equipment	409.7	429.8	435.8	283.9
24. Electrical Machinery	137.0	141.5	144.8	136.2
25. Machinery other than Transport and Electrical	213.7	218.0	223.7	180.2
26. Basic Industrial Chemicals	225.7	229.9	223.3	159.9
27. *Processing and Mfg. (Others): Total**	166.0	170.1	172.8	152.8
28. Cement	145.0	148.2	149.9	135.8
29. Paper	230.7	234.4	236.6	212.3
30. *Other Industries: Total**	110.3	112.1	113.7	115.8
31. Electricity Generation and Supply	81.0	82.0	84.1	91.5
32. Trading	115.3	118.9	125.0	104.0
33. Shipping and Other Transport	106.4	108.4	110.7	123.5
34. Construction	323.4	333.4	327.6	305.1
35. *Financial: Total*	173.3	178.6	177.8	172.1
36. Banks	192.4	199.2	194.4	188.3
37. Insurance	138.7	143.9	152.2	142.5
38. Investment Trusts	87.3	91.3	92.7	99.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	180.0	186.1	185.8	157.2
40. Calcutta	159.1	162.6	165.1	146.0
41. Madras	193.9	196.0	196.0	167.7
42. Delhi	228.6	236.4	242.8	183.4

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,106,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Do. 31st March, 1960	1,568,400	1,583,700	1,215,100
May 1959	158,300	116,400	91,600
June "	115,700	114,300	88,100
July "	125,000	121,000	98,500
August "	128,700	125,500	97,100
May 1960	122,500	120,500	93,900
June "	120,200	121,700	92,700
July "	105,700	119,800	96,000
August "	131,300K	131,900K	102,400K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,053,612	827,072	660,695
May 1959	94,105	57,483	49,470
June "	78,795	62,510	49,296
July "	97,082	71,441	55,903
August "	94,830	68,644	57,556
May 1960	83,903	71,579	56,406
June "	80,127	69,140	53,737
July "	72,502K	62,962K	49,897K
August "	100,162K	79,298K	60,899K

K—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	480,771	6,429,319
1958	1,624	628,566	7,797,585
1959*	1,523	692,514	5,605,079
Jan. 1959	171	66,752(163)	820,358(163)
Feb. "	93	33,990(66)	271,353(66)
March "	166	67,563(156)	536,069(155)
April "	175	50,509	507,571
May "	151	53,755(172)	354,517(127)
Jan. 1960	141	72,891(135)	423,077(134)
Feb. "	133	62,075(123)	412,797(123)
March "	125	47,700(114)	470,258(114)
April "	92	37,770(81)	231,511(85)
May "	127	37,675(115)	414,789(115)

† In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.

* Figures relate to all States and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'59-'60	403.64	..	11,750	291 3
Pakistan	'58-'59	86.80	..	2,084	240
Burma	1958	20.02	Kyats 4,344	436	216
Ceylon	1957	9.1	..	507	557
Japan	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines	1958	23.1	Ps. 9,232	2,209	956
New Zealand	1958	2.28	£ (N.Z.) 962	1,069	4,688
Australia	1958	9.80	£ (A.) 4,625	4,920	5,021
U.K.	1958	51.60	£ 18,230	24,310	4,711
U.S.A.	1959	177.1	$ 403,900	193,064	10,901
Canada	1958	17.00	$ 24,660	12,091	7,112
France	1958	44.05	F. Fr. 17,910,000	17,470	3,968
W. Germany	1958	52.1	Dm. 176,400	20,050	3,848
Italy	1958	48.07	Lr. 13,126,000	10,120	2,078
Norway	1957	3.49	Kr. 22,290	1,560	4,470
Sweden	1958	7.40	Kr. 54,910	5,084	6,870
Netherlands	1958	11.10	Grs. 30,180	3,820	3,440
Denmark	1958	4.50	Kr. 28,250	1,960	4,355
Switzerland	1958	5.10	Sw. Fr. 28,300	3,130	6,137

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base 1949 (=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	111	323	96	103	349	109	106	104	102	113	103	114
1954 "	101	359	98	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	87	246	78	96	321	99	99	83	87	98	86	106
1956 "	105	353	98	316	89	105	347	111	109	95	96	106	109	114
1957 "	111	369	104	339	94	112	364	116	114	99	103	115	107	122
1958 "	116	395	110	313	98	120	384	124	113	103	103	123	109	121
1959 "	121	412	125	340	98	125	384	133	120	106	98	125	108	148
March 1959	117	401	117	320	99	128	364	127	126	105	95	121	105	135
April "	117	400	119	313	95	130	364	128	119	101	95	121	104	137
May "	119	406	124	328	95	131	371	131	116	103	96	125	104	138
June "	122	413	125	337	97	132	385	134	117	104	99	130	108	140
July "	124	418	127	345	97	133	399	134	117	105	98	129	110	141
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February "	122	418	119	355	98	136	389	139	122	107	97	121	109	144
March "	121	414	116	339	97	135	392	138	119	104	100	122	109	145
April "	122	421	116	346	97	138	392	138	117	104	103	117	109	145
May "	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June "	124	422	121	360	96	135	399	143	117	107	107†	119†	109	146
July "	126†	423	..	362	..	..	..	..	121	108	..	119†	109†	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J	Cumulative Time Deposits 10-Year J	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F	10-Year Treasury Savings Deposit Certificates 4% G	15-Year Annuity Certificates G		Total	
	Outstandings	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Receipts	Outstandings H
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	186,50	25,38	—33,82	44,28	43	1,32	225,88	448,17
1957-58	..	..	2,22	4,70	167,90	71,45	71,43	179,84	212,01	21,02	—38,73	42,56	547	1,47	264,82	502,77
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,85	67	2,47	286,28	590,08
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66	2,90	296,62	667,36
January 1959	1	..	1,80	3,93	122,83	9,07	135,00	14,37	218,71	21,27	—40,82	42,70	57	10,80	5	2,32	24,07	559,17
February "	2	1	1,78	3,87	120,95	8,64	142,14	14,92	218,39	21,12	—40,80	42,62	58	11,14	5	2,36	25,22	556,41
March "	3	2	1,73	3,79	119,11	11,66	152,48	22,28	226,92	21,01	—40,89	42,57	65	11,68	6	2,41	34,68	561,75
April "	5	3	1,70	3,72	117,25	6,36	157,31	16,39	226,90	20,88	—40,74	42,48	63	12,26	11	2,50	23,52	555,99
May "	7	4	1,68	3,65	115,59	5,71	162,02	15,68	224,83	20,76	—40,80	42,39	51	12,78	5	2,54	21,98	550,46
June "	9	5	1,65	3,59	114,16	6,03	167,24	15,89	224,23	20,61	—40,84	42,33	53	13,19	3	2,56	22,40	549,79
July "	12	7	1,63	3,56	112,40	6,17	172,83	17,23	235,30	20,53	—40,88	42,25	53	13,66	8	2,62	24,06	604,97
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19,96	—41,27	41,84	1,13	19,77	5	2,81	28,59	630,20
February "	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6	2,86	25,71	636,66
March "	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April "	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,88	19,68	—41,35	41,58	1,03	23,16	9	2,98	28,16	675,00
May "	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,06	24,19	5	3,01	24,67	672,253
June "	73	42	1,48	3,02	93,84	5,76	235,58	17,35	253,22	19,50	—44,46	41,41	84	25,05	5	3,04	24,13	677,33
July "	..	..	..	..	..	..	..	..	..	..	..	41,32	1,11	26,09	4	3,07	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of May 1960 amount to 7.33 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1962-65	98.05
3 % Loan	1950	30,33,10,000	1964	98.00
3 % Fg. Loan	1942	1,10,11,78,000	1966-68	95 80
3 % Def. Loan	1945	1,15,04,15,000	1970-75	96 60
2½% Loan	1946	67,00,69,000	1961	98.55
2½% Loan	1946	14,77,48,000	1976	83 50
2½% Loan	1947	78,86,72,000	1962	98 05
2½% N. P. Bonds	1953	75,29,00,000	1961	100 05
2½% N. P. Loan	1954	1,58,17,94,000	1964	99.90
2½% N. P. Bonds (2nd S-ries)	1955	1,53,67,92,000	1965	99 75
3½% Loan	1958	1,07,27,36,000	1962	99 70
3½% N. P. Bonds	1958	93,81,83,000	1967	99 45
3½% Loan	1956	86,63,53,000	1974	99.65
3½% N. P. Bonds (4th Series)	1957	66,99,30,000	1967	100 85
4 % Loan	1957	49,17,27,000	1972	101 15
3½% Loan	1958	58,09,22,000	1963	99 95
3½% Loan	1958	70,00,00,000	1968	99 40
3½% Loan N.P.B.	1958	34,33,99,000	1968	100 65
4 % Loan	1958	48,51,44,000	1973	101 10
4 % Loan	1959	1,37,90,93,000	1969	99.05
4 % Loan	1959	81,06,38,000	1979	100.10
4 % Loan	1960	97,64,60,000	1980	99.90
3½% Bonds	1960	82,66,00,000	1966	99.75
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,33,000	M.	73 00
3 % Loan	1946	2,48,91,33,000	K.	73.80
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100 20
4 % Andhra	1956	5,56,15,000	1st Sept. 1968	100 00
4½% Andhra	1958	5,48,81,000	15th July 1970	101 00
4 % Andhra	1959	6,57,72,000	19th Aug 1971	99.00
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	98.80
4 % Bombay	1948	5,75,97,000	1st Sept. 1962	99.90
3½% Bombay	1951	2,82,37,000	17th Sept. 1962	99.60
4 % Bombay	1952	5,10,80,000	15th July 1963	101 00
4 % Bombay	1953	3,40,34,000	1st Aug. 1964	100 90
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	100 90
4 % Bombay	1956	7,82,20,000	3rd Sept. 1970	100 00
4 % Bombay	1957	6,57,23,000	16th Sept. 1960	102 60
4 % Bombay	1958	6,58,21,000	15th July 1970	102 65
4½% Bombay	1958	4,35,25,000	15th July 1971	102 60
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	100.00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100 00
4 % Bihar	1956	2,12,41,000	3rd Sept. 1968	100 00
4 % Bihar	1958	2,76,71,000	13th Oct. 1970	101 00
4 % Bihar	1959	3,33,32,000	19th Aug. 1971	99.00
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	99.00
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	100.00
3½% Hawrah				
Bridge (New)	1926-27	17,05,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100 20
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	100 20
2½% Madras	1946	3,81,77,000	1st Sept. 1961	88 60
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99 40
4 % Madras	1953	10,25,71,000	15th July 1963	100 40
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 30
4 % Madras	1954	10,47,17,800	1st Sept. 1967	100 00
4 % Madras	1956	15,55,56,000	3rd Sept. 1968	100 00
4½% Madras	1958	5,55,57,800	15th July 1970	101 00
4 % Madras	1959	6,72,72,000	19th Aug. 1971	99.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	99.50
4% Maharashtra	1960	10,00,00,000	29th Aug. 1969	100.00
4 % Mysore(j)	1953	2,96,85,200	1st Dec. 1953-63	101 60
4 % Mysore(j)	1958	5,99,72,000	15th Apr. 1958-68	99 80
4 % Mysore	1952	3,35,47,000	15th July 1962	100 30
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100 00
4 % Mysore	1957	3,34,36,000	19th Sept. 1969	101 00
4½% Mysore	1958	5,51,61,000	15th July 1970	101.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	99.00
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	99.10
3 % M.P.	1948	2,02,29,000	1st Sept. 1964	95.70
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 50
4 % M.P.	1953	1,10,18,000	15th July 1968	100 30
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100 00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100 00
4½% M.P.	1958	2,21,30,000	15th July 1970	101 00
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	99.00
4 % M.P.	1960	4,00,00,000	29th Aug. 1969	99.00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	100 20
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	100 20
4 % Kerala	1956	3,25,61,000	15th July 1963	100 20
4 % Kerala	1958	2,22,08,000	3rd Sept. 1968	99 90
4½% Kerala	1958	3,27,19,000	15th July 1970	101 10
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	99.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	99.00
3 % U.P.	1948	4,03,89,000	..	99.25
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92.25
4 % U.P.	1946	2,12,62,000	1st Sept. 1961	97 75
4 % U.P.	1951	1,86,22,000	17th Sept. 1962	99 25
4 % U.P.	1952	2,22,08,000	1st Aug. 1964	100.40
4 % U.P.	1953	5,58,25,000	15th July 1963	100 30
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	100 20
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	100.20

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
30,00,000	4	1906	1967	
44,00,000	4	1907	1968	99.60
75,00,000	4	1908	1968	
40,00,000	4	1909	1979	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
44,34,278	4	1913	1960	D
80,00,000	4	1913	1974	99.50
86,24,000	4	1914	1975	99.50
10,00,000	4	1915	1960	
10,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
25,00,000	3½	1926*	1950	
35,00,000	3½	1928*	1959	D
12,50,000	3½	1930*	1960	
15,00,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1934*	1975	
15,00,000	3½	1935*	1966	
48,04,000	3½	1936*	1980	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99 00
76,90,100	4	1915	1975	99 00
50,00,000	4	1921	1981	82 80
68,02,3000	6½	1921	1981	144 00N
40,00,000	4	1921	1991	93 00
60,00,000	3½	1925	1965	99 00
25,00,000	3	1925	1963-68	93 00
50,00,000	3	1945	1965	84 75
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84 75
50,00,000	3	1946	2000	74 00
50,00,000	22	1947	1977	78 50
50,00,000	2	1948	1978	83 75
50,00,000	2	1950	1980	82 00
1,50,00,000	2	1951	1981	81 75
50,00,000	3½	1953	1993	99 75
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97 50
99,00,000	4	1954	1984	97 50
77,00,000	4	1956	1986	97 25
1,00,00,0000	4	1956	1986	97 25
1,24,00,000	4½	1957	1987	99 50
1,30,00,000	4½	1958	1988	99 00
1,00,00,000	4	1959	1989	99 50
50,00,000	4½	1959	1989	99 00
1,00,00,000	4	1960	1970	99 25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£892,800	5	1923	1953-83	£81 75
£901,000	5	1924	1954-84	£81 75
£355,100	5½	1932	1962	£91.90
MADRAS				
Rs.				Rs.
28,48,278	3½	1947	1977	
2,50,00001	3	1947	1977	A
3,00,00001	4½	1947	1977	
45,00,0001	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00,0000	4	1901	1961	
30,00,0000	4	1902	1962	
60,00,0000	4	1903	1963	
60,00,0000	4	1904	1964	
30,00,0000	4	1905	1965	97.75
20,00,0000	4	1906	1966	N
15,00,0000	4	1907	1967	
30,00,0000	4	1908	1968	
25,00,0000	4	1912	1972	
13,00,0000	4	1913	1973	
50,00,0000	4	1914	1974	
50,00,0000	4	1915	1974	97.50
40,00,0000	5	1919	1979	118.90
60,00,0000	5	1920	1955-80	
25,00,0000	5	1926	1956-86	115.00N
25,00,0000	4	1927	1961-70	98.00N
10,00,0000	3	1936	1966	
STERLING LOANS				
£556,600		1908	1968	£95.50
£338,0000		1910	1970	£95.50N
CALCUTTA				Rs
50,00,000	4	1834	1964	99 25
35,00,000	3½	1935	1965	96 00
30,00,000	3	1936	1966	91 75
50,00,000	3	1937	1962	96.00
20,00,000	3	1938	1963-68	91 75
50,00,000	3	1952	1962	100.00
1,12,00,000	4	1956	1968	99 25
75,00,000	4½	1958	1968	101 00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1912-18	1974	99.50
10,00,000	5	1920	1980	113.00N
8,25,00,000	3½	1927	1977	87.75
2,13,14,500	3½	1949	1979	87.75
1,00,00,000	3½	1950	1965	95.00
2,74,00,000	4	1952	1964	100 00
2,00,34,000	4	1961	1966	99.00
1,30,00,000	4	1953	1963	100 00
92,19,00,0000	4	1952	1966	99.85
80,87,000	4	1954	1966	99.95
2,50,00,000	4½	1955	1967	100 00
1,57,50,000	4	1956	1968	100 20
1,74,00,000	4½	1957	1969	100 25
4,75,00,000	4½	1958	1970	100 25
3,30,00,000	4	1959	1971	99.00
CALCUTTA				Rs.
10,00,000	3½	1932	1962	108.00
33,91,000	3½	1925	1965	95.00
60,00,000	3	1936	1966	91 00
47,50,000	3	1938	1968	91 00
21,10,000	3½	1932	1972	92 00
16,33,000	3½	1951	1961	99.25
66,88,000	3½	1951	1966	98.40
87,39,000	3½	1951	1971	99 75
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	
72,88,000	4½	1956	1986	100.50
1,67,32,000	4½	1958	1970	
MADRAS				Rs.
15,00,000	3½	1951	1961	107.00N
15,00,000	3½	1

STOCK & SHARE QUOTATIONS

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

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

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

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares: 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
BOMBAY CITY AND ISLAND																
50,00,000	..	1,11,21,372	44,03,340	—16,65,176	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1·40	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,99,481	1,18,20,968	77,24,952	—13,00,519	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	29·00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,40,77,965	9,34,84,561	4,90,54,873	36,929	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg. Co.	66·40	25	2·50	2·50	3·50		3	Y.
10,00,000	29,40,389	78,24,032	48,74,455	47,570	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	132·00	50	15·00	7·50	5·00		3	Y.P.
1,22,95,200	3,37,07,587	9,42,76,180	3,75,31,119	1,22,111	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg. ..	482·50	100	22·00	22·00	31·50		12	Y.P.
26,00,000	29,04,920	1,21,43,644	73,38,437	61,364	Cowasjee Jehangir & Co. Pvt. Ltd	31,460	680	Cooria Spg. & Wvg. ..	133·00	100	12·50*	12·50*	7·50		3	Y.
28,00,000	26,73,573	93,69,335	59,00,007	12,102	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	133·00	50	7·50F	5·00	10·00		3	Y.
34,00,000	29,44,712	87,16,739	65,30,990	—14,31,027	Purannal Bubna Sons	47,356	928	Edward Textiles	207·50xd	200	15·00	15·00(e)	18·00		12	Y.P.
29,98,050	27,57,916	1,51,25,544	80,85,174	23,591	S. L. Jalan, Esq. (Chairman)	46,620	886	Elphinstones Spg. & Wvg.	50	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	65,76,469	1,96,09,118	1,09,41,207	37,155	James Finlay & Co., Ltd. ..	63,212	784	Finlay Mills	352·00	100	20·00	16·00	23·00		12	Y.
50,00,000	52,35,257	1,02,35,144	68,62,387	10,233	M. M. Thackersey, Esq. (Chairman	45,448	1,120	Hindoostan Spg.& Wvg. Mills	236·25	100	15·00	15·00	21·50		12	Y.
12,00,000	1,17,23,947	1,94,91,703	1,40,31,408	—6,27,490	K. M. D. Thackersey, Esq. (Chairman	45,448	1,120	Hindoostan Spg.& Wvg. Mills	4,900·00	1,000	350·00*	350·00	35,00·00(e)	70·00‡	3	Y.P.
									950·00	200	87·50*	87·50	87·50(e)	17·50‡		
2,00,00,000	1,16,525	5,09,02,595	3,68,18,422	—57,69,994	Agarwal & Co.	2,50,414	6,412	India United Mills ..	12·50	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.
D.50,00,000									100	0·10D.	*Nil*	*Nil*	*Nil*			
									1·00	0·1D.	*Nil*	*Nil*	*Nil*			
18,00,000	97,77,876	1,83,36,241	1,28,55,129	17,439	K. M. D. Thackersey Esq.(Chairman)	57,672	1,152	Indian Mfg.	1,000	1,000	325·00*	325·00	200·00(e)	35·00‡	3	Y.P.
									2,270·00	500	162·50*	162·50	100·00(e)	17·50‡		
									1,050·00N	500	162·50*	162·50	100·00(e)	17·50‡		
50,85,000	82,79,165	3,76,13,105	2,68,91,560	27,909	Khatau Makanji & Co. (Pvt.) Ltd.	1,00,000	1,500	Khatau Makanji Spg. & Wvg.	580·00	100	10·00(e)	10·00	16·00	32·00	6	Y.P.
1,00,00,000	1,00,60,099	3,81,90,145	2,95,67,372	27,909	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	382·00	100	18·00	10·00	9·50		12	Y.
40,47,350	38,85,220	1,43,57,502	70,49,840	28,992	N. Sirur & Co. Private Ltd. ..	71,604	1,642	Madan Mills	83·30	50	5·00'C	3·00	5·00		10	Y.
51,75,000	44,00,000	2,84,52,913	2,06,23,269	5,88,354	Piramal Sons Private Ltd. ..			Morarjee Goculdas Spg. & Wvg.	361·00	100	14·00(e)	15·00	21·50		6	Y.P.
									507·00	100	14·00	14·00	22·00			
1,41,12,100	1,72,11,640	11,70,25,574	5,26,37,085	1,66,270	Chinai & Co. Pvt. Ltd. ..			National Rayon Corporation ..	—	100	—	11·20	21·27		12	Y.P.T.
24,00,000	11,16,837	83,71,833	48,70,077	—11,98,634	W. H. Brady & Co., Ltd. ..	45,944	480	New City of Bombay Mfg. ..	142·50	100	5·00	*Nil*	*Nil*		12	Y.
80,00,000	77,589	1,10,42,353	63,37,035	—10,72,122	Sahu S. P. Jain, Esq. (Chairman)	49,012	963	New Great Spg. & Wvg. ..	188·00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
48,00,000	57,19,167	1,76,83,754	1,15,83,593	36,434	Ramnarain Sons Private Ltd.	82,232	1,190	Phoenix Mills	535·00	100	12·50F	10·00	10·00		3	Y.
45,00,000	42,97,687	80,65,529	31,95,108	16,195	Podar Sons Private Ltd. ..	32,600	930	Podar Mills	144·00	100	10·00	18·00*(e)	12·00*		12	Y.P.
10,00,000	..	29,20,573	17,12,113	—1,33,358	R. A. Podar, Esq. (Chairman)	9648	2,127	Sassoon & Alliance Silk Mill	10·00	10	0·25	*Nil*	..		12	Y.
87,70,100	1,21,80,082	2,81,69,010	1,64,24,391	215	M. G. Investment Corp. Private Ltd.	1,64,236	1,620	Sassoon Spg. & Wvg. ..	256·00	100	2·00	2·00	2·50		12	Y.
80,00,000	51,53,455	1,74,14,168	78,40,872	41,961	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,114	Shree Niwas Cotton Mills ..	171·00	50	8·50	8·50	5·00(e)	7·50	3	Y.P.
50,40,000	15,53,956	2,57,79,338	1,00,88,574	—3,49,833	M.	97,588	2,409	Simplex Mills	1,395·00	100	22·50*	20·00	32·00*		12	Y.P.
1,00,75,000	2,51,54,903	3,87,61,421	2,23,24,758	91,528	Mafatlal Gagalbhai & Sons ..	75,036	2,000	Standard Mills	263·00	100	9·00	10·00	14·00		12	Y.P.
1,00,00,000	96,94,067	3,16,61,974	1,74,64,096	1,506	Tata Industries Private Ltd.			Svadeshi Mills	500·00	100	25·00	25·00	36·00		12	Y.
36,00,000	76,44,279	1,98,54,474	1,09,47,832	25,062	James Finlay & Co., Ltd. ..	55,963	1,775	Tata Mills	63·75	25	2·00	1·50	2·50		12	Y.P.
25,57,375	50,22,987	2,68,77,176	1,04,22,689	17,925	Tata Industries Private Ltd.	61,572	944	Victoria Mills Ltd. ..	372·50	100	23·00*	20·00*	20·00		12	Y.P.
16,00,000	64,52,368	1,08,96,173	64,84,479	76,869	Mangaldas Mehta & Co. Private Ltd.	54,864	1,262	Western India Spg. & Mfg.	5,650·00	1,000	325·00	325·00	325·00(e)	70·00‡	12	Y.P.
12,00,000	1,02,12,489	1,79,02,964	1,20,98,784	—17,05,239	Mr. K. M. D. Thackersey (Chairman)											
AHMEDABAD																
40,00,000	23,61,894	1,94,97,024	79,03,199	11,155	Tata Industries Private Ltd. ..	49,168	1,016	Ahmedabad Advance Mills ..	186·00	100	5·00	5·00	6·00 (e)		6	Y.P.T
15,00,000	1,02,99,525	1,39,02,337	79,96,503	....	P. M. Hutheesing & Co., Ltd.	42,768	920	Arvind Mills	450·00	100	25·00	25·00	..		12	Y.P.
60,00,000	2,95,20,296	2,85,00,200	1,40,42,300	1,58,312	Narottam Lalbhai & Co.	66,412	1,216	Arvind Mills	1,290·00	100	35·00*	28·00'C'	40·00		12	Y.P.
28,40,000	45,04,910	2,54,39,512	1,24,50,612	58,596	Manaklas & Brother (Pvt.) Ltd. ..	35,008	892	Aryodaya Ginning & Mfg. ..	500·00	200	*Nil*	25·00'C'	..		12	Y.P.
30,00,000	1,31,57,252	1,17,23,154	70,40,009	957	Lalbhai Dalpatbhai & Co. ..	37,388	915	Asoka Mills	775·00	100	30·00	25·00	22·00	31·00	12	Y.P.
2,06,25,000	2,91,51,534	7,72,08,320	3,30,53,664	21,88,804	Karamchand Premchand Pvt. Ltd.	1,39,120	2,386	Calico	977·50	125	30·00	25·00	27·00*	36·00	12	Y.P.
63,00,000	27,76,707	1,57,37,865	1,12,77,222	5,266	Triumbal Bhogilal & Co., Ltd.	45,836	866	New Shorrock Spg. & Wvg.	680·00	250	25·00	27·00*	..		12	Y.P.
88,00,000	1,17,29,242	1,79,39,243	1,14,51,119	1,21,046	Mafatlal Chandulal & Co., Ltd.	51,112	807	New Shorrock Spg. & Wvg.	1,770·00	125	80·00	35·00*	..		12	Y.
15,00,000	65,41,937	75,47,286	39,87,374	228	Jayabhai Bhogilal Nanavaty & Co...	31,940	572	Ruby Mills	390·00	100	20·00	20·00	20·00		12	Y.P.
80,00,000	96,88,884	1,19,56,793	76,85,644	....	Lalbhai Dalpatbhai & Co. ..	32,828	640	Raipur Mfg.	672·50	100	35·00*	25·00'C'	35·00		12	Y.P.
48,75,000	38,48,164	1,19,39,387	1,14,51,119	11,900	Rohitbhai Chinubhai.(Chairman)	33,156	648	Rohit Mills	242·50	100	8·00*	8·00*	..		12	Y.P.
63,75,000	2,95,76,027	2,43,70,561	1,45,91,824	59,271	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills ..	1,270·00	100	25·00	30·00*	45·00		12	Y.P.
29 25,000	75,75,008	1,12,51,013	77,65,692	23,937	Mafatlal Chandulal & Co. (Ahmedabad) Ltd.	36,828	720	Shorrock Spg. & Mfg. ..	900·00	100	20·00	22·00*	..		12	Y.
35,00,000	39,48,859	1,84,94,622	92,66,130	25,810	Haridas Achratlal & Co. Ltd. ..	41,056	780	Vijaya Mills	640·00	500	40·00*	40·00*	..		12	Y.P.
WEST BENGAL																
15,00,000	3,15,002	39,15,585	25,08,902	41,532	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills ..	7·81	10	0·60	0·50	..		12	Y.P.T
7,11,280	1,56,980	85,52,765	62,49,897	—1,68,477	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill ..	36·00	40	4·00	*Nil*	*Nil*		3	Y.P.
1,30 620																
1,70,000																
24,00,000	5,14,800	1,26,22,986	56,02,346	60 410	Kettlewell Bullen & Co., Ltd. ..	42,912	841	Bowreah Cotton Mills ..	160·00	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28 50,000	29,20,846	1,50,29,025	80,61,726	4,01,950	Kettlewell Bullen & Co. Ltd. ..	43,064	500	Dunbar Mills	19·00	10	*Nil*	*Nil*	*Nil*	10·00‡	12	Y.T.
50 08 000	8,02,433	88,00 719	43,00,719	34,072	Birla Brothers Private Ltd.	43,852	306	Jay Shree Textiles Ltd. ..	13 12	10	0·50	0·65	0 80		12	Y.T.
1,60,00,000	2,07,51,444	4,18,09,599	1,48 09,599	76,764	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Cotton Mills ..	27·06	10	0·75	0·25	0 25		3	Y.T.
O.19,47,750	78,492	50,99,822	32,33,579	—5,21,450	Hazaremul Heeralal	23,036	795	Rampooria Cotton Mills ..	10·12N	10	1·00	0·50	*Nil*		3	Y.
D.5,00,000									2·37N	1D	0·15	*Nil*	*Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
30,00,000	5,43,855	73,05,065	7,21,196	31,634	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd. ..	9·40	10	*Nil*	*Nil*	*Nil*		12	Y.
30,00,000	2,25,000	35,28,280	11,80,165	17,225	Best & Co.(Pondicherry) Pvt. Ltd...	42,656	1,055	Anglo-French Textiles Ltd. ..	121·00	100	6·00	6·00	11·00		12	Y.P.
11,98,600	1,41,251	46,98 852	28,73 699	....	Setna & Co.	24,800	..	Asher Textiles Ltd.	212·80	100	12·50	6·00	6·00		6	Y.
72,00,000	16,98,790	1,92,55,835	68,19,240	2,681	The Industries (I.F.) Department, Government of Andhra Pradesh ..	36,136	725	Asam Jahi Mills	76·00	100	8·50	*Nil*	4·00		9	Y.
1,21,50,000	1,58,99,679	3,79,67,112	3,06,18,958	2,69,251	Binny & Co. (Madras), Ltd. ..	46,240	1,157	Bangalore Woollen, Cotton and Silk Mills	200·50cd	100	10·00'C'	10·00	10·00		12	Y.P.
35,00,000	74,79,507	1,41,25,225	1,01,21,274	1,04,207	Birla Brothers Private Ltd. ..	39,896	1,094	Birla Cotton Spg. & Wvg. ..	18·00N	10	1·50	0·75	..		12	Y.P.
1,78,47,800	3,24,73,971	8,05,80,469	4,78 98,276	2,31,371	Binny & Co. (Madras), Ltd. ..	1,20,288	2,758	Buckingham & Carnatic ..	205 06cd	100	10·00	10·00	10·00		12	Y.P.T.
20,00,000	18,500	51,23,580	26,05,678	—2,79,050	Peirce, Leslie & Co., Ltd. ..	37,539	4	Cammell Laird & Co. ..	10·00	10	0·60(e)	*Nil*	*Nil*		12	Y.P.
15,00,000	5 29 318	53,92,782	33,76,104	19,328	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg. ..	143·00	100	20·00	12·50	15·00	17.00	3	Y.
30,00,000	31,64,314	81,45,632	66,08,685	—3,29 080	Begg, Sutherland & Co. Private Ltd.	27,624	589	Cawnpore Textiles	6·50	5	0·25	*Nil*	*Nil*		3	Y.
9,36,560	6,61,000	68,26,050	33,32,807	15,034	C. R. Srinivasan, Esq.(Chairman) ..	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	13 85	10	0·90	0·90	0·90	1.80	3	Y.P.
35,99,500	29,90,147	1,11,51,577	41,47,473	....	R. Bhasma Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	167·00	100	9·00'C'	6·00	6·00		12	Y.
18,15,000	7,25 196	38,16 552	24,29,633	....	T. A. R. Chettiar Sons & Co. ..	25,340	100	Coimbatore Murugan Mills ..	95·00	100	..	..	..		12	Y.P.
20,00,000	22,23,665	97,89,504	54,27,110	1,28,493	T. R. N. Naidu & Co.	39,546	..	Coimbatore Pioneer Mills ..	347·50	100	20·00	20·00	25·00		12	Y.P.
20,76,900	5,078	1,37,80,700	86,79,844	—15,77,632	R. G. S. Naidu & Co.	70,288	207	Coimbatore Spg. & Wvg. ..	50	*Nil*	*Nil*	..	..		12	Y.
50,00,000	10,87,522	1,50,69,402	81,23,525	—81,23,525	Tata Industries Private Ltd. ..	1,15,188	2,032	Central India	117·00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
29,66,236	24,30,000	1,16,07,949	51,48,633	15,442	R. Hanumanthappa & Son ..	36,586	300	Davangere Cotton Mills ..	114·00	100	9·00	9·00	9·00		3	Y.
3,38,36,225	24,09,63,62	12,81,36,690	7,47,89,631	2,84,684	B. R. Charat Ram & Co. Private Ltd	1,16,636	2,333	Delhi Cloth & General Mills ..	38·00	25	2·00	2·00	2 50†		6	Y.P.T
1,00 563										25	2·00	2·00	2 50†			
48,60,000	29,65,006	1,31,45,544	61,00,929	1,006	M. N. Chettiar & Sons	48,308	201	Dhanalakshmi Mills	227·00	100	10·00'C'	10·00	17·50		12	Y.
63,00,000	1,21,34,814	1,74,64,803	1,53,07,559	95,889	Begg Sutherland & Co. Private Ltd.	48,452	1,194	Elgin Mills	18·37	10	1·00	0·75	1 25		9	Y.P.
48,81,000	28,48,948	1,87,03,402	91,62,727	1,331	Forbes, Forbes Campbell & Co., Ltd.	74,236	..	Gokak Mills	182·00	100	8·00	8·00	6·00		3	Y.P.
40,00,000	56,44,510	1,23,49,778	85,33,203	24,751	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	267·50	100	10·00	15·00	16·00		12	Y.
2,50,00,000	2,39,47,000	6,42,53,523	4,12,24,000	20,81,106	Birla Gwalior Private Ltd. ..			Gwalior Rayon	42 00xd	10	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	1,96,680	1,64,52,347	1,21,05,123	....	K. L. Sekaria, Esq. (Chairman) ..	51,152	1,856	Indore Malwa Limited	120 00	100	6·00	5·00(e)	7·00		12	Y.
8,00,000	10,66,553	35,60,203	20,68,006	....	G. V. Naidu & Co. Ltd.	23,784	..	Janardana Mills	63·00	50	3·00	..	..		12	Y.
15,54,000	15,02,599	57,13,937	33,88,096	7 012	Mr. Bhalruratan Damani (Managing Director)	21,148	512	Jam Shri Ranjitsinghji	1,580·00	1,000	40·00	..	..		12	Y.
16,86,170	13,17,947	82,44,540	41,48,200	1,507	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	11 25	5	1·25	0·75	0·75		6	Y.
4,63,65,300	3,07,35,097	4,65,6,,279	3,36,57,227	2,53,345	Birla Gwalior Private Ltd. ..	56,184	1,635	Jiyajeerao Cotton	15 52	10	0·75	0·75	0·75		12	Y.
67,20,000	25,71,768	1,69,79,996	49,33,767	55,806	Kothari & Sons	53,136	300	Kothari Textiles	12 65	10	1·00	*Nil*	0·07		3	Y.P.
22,00,000	54,81,394	1,98,63,685	1,48,17,868	26,609	M.	51,048	1,243	Lakshmi Cotton Mfg.	501 50	250	15·00	15·00	25·00		12	Y.P.
71,00,000	83,80,960	3,03,40,881	1,58,77,356	17,876	G. K. Naidu & Co.	1,10,800	300	Lakshmi Mills	141·00	50	10·00	6·00	6·00	10.00	3	Y.
A35,50,000									78 50	25	5·00	3·00	3·00	5.00		
58,00,000	1,42,22,327	2,18,43,643	1,46,79,309	6,549	Navinchandra Purshotamdas&Co Ltd	51,996	896	Mafatlal Fine Spg.&Mfg. Co. Ltd	900·00	100	15·00	18·00	29 00*		12	Y.P.
1,75,02,480	4,06,37,833	6,25,73,138	4,25,73,138	2,04,614	A. & F. Harvey Ltd.	4,53,000	..	Madura Mills	33·75	15	2 25	*Nil*	1·875		12	Y.
60,00,000	29,55,000	1,68,45,576	51,49,267	1,57,226	W. A. Beardsell & Co. (Private) Ltd.	25,656	608	Mettur Industries Ltd. ..	392 00	100	20·00	20·00	25 00	80.00	3	Y.
29,80,884	5,71,940	1,05,10,931	50,74,411	....	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills	84·00	100	*Nil*	*Nil*	*Nil*		3	Y.
94,91,850	21,56,146	1,71,94,769	78,81,528	1,85,008	M.	52,408	952	Model Mills (Nagpur) ..	80·00	250	*Nil*	*Nil*	*Nil*		12	Y.P.T.
29,78,100	44,97,618	1,17,73,609	63,34,517	24,962	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. & Mfg. ..	82 00	50	9·00*	5·00	5.00	7.00	6	Y.
13,61,780	..	29,12,641	17,83,314	3,966	K. Tipperudriah (Chairman) ..	6,000	..	Mysore Spun Silk Mills ..	6 25N	10	*Nil*	..	..		3	Y.P.
31,50,000	48,76,391	66,34,980	44,19,186	1,368	J. H. Mehta, Esq. (Chairman) ..	18,776	446	Navsari Cotton & Silk Mills Ltd.	216 25	100	12·00	12·00	12·00		3	Y.
87,23,800	19,78,217	1,77,24,075	67,40,513	....	Banalal Biseeraria Pvt. Ltd. ..	37,788	902	Omanashahi Mills	44 00	100	*Nil*	*Nil*	*Nil*		9	Y.
A 4,00,000	16,56,928	78 14,710	36,35,788	2,940	Bhaghyalakshmi & Co.	47,600	..	Palani Andavar Mills	250 00	50A	9 00	10·00	15·00		12	Y.P.
B 5,00 000									300 00	75B	13 50	15·00	22·50			
15,00,000	....	....	37,30,105	19,70,043	—21,28,862	.. ..	27,980	..	Pankaja Mills Ltd. ..	69 00	100	*Nil*	*Nil*		12	Y.
63,10,000	19,87,447	1,10,86,808	66,04,305	2,661	A. G. Gurusamy Naidu & Co.	60,704	301	Radhakrishna Mills ..	28 75	25 00	3 00	1·50	2·25		12	Y.
80 00 000	28,53,800	92,98,175	42,76,744	....	B. R. Naidu & Sons	41,896	..	Rajalakshmi Mills	74·50	50	4 50	3 00'C'	3 75		12	Y.P.
16,14,300	17,87,061	63,86,578	27,79,402	....	Ramco Agencies Private Ltd. ..	36,036	..	Rajapalayam Mills	130 00	100	12 00	8 00	6.00(e)	9.00	3	Y.
32,32,300	11,20,088	56,78,526	28,55,667	958	Rayalaseema Development Co.	21,200	..	Rayalaseema Mills	114·00	100	10 00	10 00	10 00		12	Y.
10 00,000	6,93,527	54,79,583	33,71,779	3,264	S. B. P. Ponnuswamy Chetty & Sons.	25,088	..	Sivanandha Mills Ltd. ..	27·75	10	1·20	1·50	2·20		12	Y.
36,69,700	23,00,037	1,01,95,864	72,23,021	30,822	D. S. Viswambharlah, Esq. (Mg. Director)	42,924	340	Sri Krishnarendra Mills ..	72·15	50	7·00	4·50	4.00		3	Y.
16,00,000	3,63,34,002	1,15,51,972	88,02,187	31,06,195	Birla Brothers Private Ltd. ..	86,212	1,244	Sutlej Cotton Mills	100 00N	50	6 00	6·00	6.00		3	Y.
17,50,000 O	2,85,28,071	6,33,82,415	1,96,98,173	2,961	M.	1,12,216	2,090	Swadeshi Cotton (Kanpur)	8 50	100.	0·75	*Nil*	..		12	Y.P.
57,50,000 PO									8 25	10P.O.	1 15	0·40	..			
1,00,00,000	70,91,584	4,47,94,206	2,70,17,829	2,29,084	Emcete & Sons (Travancore) Ltd. ..	..	..	Travancore Rayons	35 00	10	1 00	1 25	2.00		12	Y.P.T
13,98,730	8,64,000	20,41,565	15,00,441	661	Moolji Ramjee & Sons ..	18,000	..	Trichinopoly Mills	11 95	10	0 90	0 75	1 25		12	Y.
21,00,000	33,41,000	91,30,605	57,96,375	17,798	R. K. Chetty & Brothers ..	44,424	270	Vasanta Mills	238 50	100	12 00	12 00	16 00		12	Y.
32,00,000	12,58,816	1,94,82,373	1,33,00,940	—11,21,284	The Bombay Co. (Private) Ltd.	49,880	1,360	Vishnu Cotton	103·50	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1957.
Z—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1957 'C'—On increased Capital.
N. B.—All dividends paid since 31st March 1959 are shown as taxable. ‡ On old capital.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1957	1958	1959	1960	Accounts Closed	Reference
	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
CEMENT														
71,99,880	6,89,303	1,60,52,590	69,33,039	22,879	Andhra Engineering Co. (Private) Ltd. ..	Andhra Cement Co.	10·45	B. 10	1·00	0·75	1·00		12	Y.P.
59,90,096	3,22,500	1 72,94,932	6,73,669	2,914	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	9·40	10	*Nil*	*Nil*	0 45		3	Y.T.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
PAPER														
57,43,031	18,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills	59.75	25	*Nil*	*Nil*	2.50		6	Y.P.
45,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Benzal Paper Mills	100.00	25	3.12	5.50	8.00		12	Y.P.T.
88,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd. ..	India Paper Pulp	19.87	10	1.40	1.00	1.00	1.50'C'	3	Y.
25,00,000	37,42,800	1,54,04,003	1,03,35,960	51,068	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	30.12cd	10	1.00*	1.00	1.25*	1.50	3	Y.
1,40,82,500	91,38,720	9,66,23,424	2,36,15,053	1,69,091	Birla Brothers Private Ltd. ..	Orient Paper	43.15	10	1.50	1.50	1.50		3	Y.P.T.
1,25,51,420	1,09,54,333	3,40,18,944	1,26,71,552	1,39,712	K. C. Thapar & Bros. Private Ltd. ..	Shree Gopal Paper Mills	24.50	10	1.25	1.25	1.75		12	Y.P.T.
50,00,000 }							13.19	O. 10	0.60	0.60	0.30		9	
A'10,00,000 }	8,39,122	77 35,854	43,04,384	6,122	Bajoria & Co.	Star Paper Mills	13.19	A. 10	0.60	0.60	0.30		9	Y.P.
2,18,55,240	56,23,786	5,27,98,088	1,40,50,912	72,313	Birla Brothers Private Ltd. ..	Sirpur Paper Mills	18.12	10	0.50	0.65	0.65		6	Y.P.
56,00,000A. }							38.50	A. 10	2.38*	2.38*	2.50*	1.20‡		
56,04,800B. }	4,02,35,63	7,26,92,665	4,02,88,475	1,01,113	F. W. Heilgers & Co. Private Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	38.50	B. 10	2.38*	2.38*	2.50*	1.20‡	3	Y.P.T.
4,37,500P.O. }							3.37	P.O. 2½	0.24	0.24	0.25*	0.17‡		
99,98,875	4,70,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman) ..	West Coast Paper Mills Ltd. ..	198.50	100	*Nil*	*Nil*	*Nil*		6	Y.P.
SAW MILLS AND TIMBER														
12,99,998	22,88,839	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd	Assam Saw Mills	3.37	3	*Nil*					
89,25,000 }	3,45,21,358	5,63,39,009	2,47,17,106	67,223	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	500.50	Old125	47.50K	22.50	23.75	11.00‡	9	Y.
42,00,000 }							396.25	New50	19.00K	9.00	9.50	4.40‡	5	
90,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	28.50	10	2.75	2.50	2.50		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	17,72,056	45,74,076	33,32,351	45,327	P. L. Saraogi, Esq. (Chairman) ..	Balrampur Sugar	3.50	5	0.25	0.25	0.40‡		6	Y.
18,00,000A. }	34,01,264	62,73,828	39,02,829	10,49,000	Narang Bros. & Co. Private Ltd. ..	Basti Sugar	125.00N	A.100	10.00	10.00				
9,00,000B. }							11.50N	B. 10	1.00	1.00			4	Y.T.
19,49,050	10,53,726	43,95,189	27,45,553	41,303	Bangur Bros., Ltd.	Belsund Sugar	13.50	7½	1.00	1.00	1.40		9	Y.
15,00,000	14,05,503	23,44,258	14,90,918	5,149	Cotton Agents Private Ltd. ..	Bharat Sugar	16.00N	10	1.50	1.00	1.50		6	Y.P.
32,00,000	30,06,740	1,62,64,278	1,05,44,575	14,180	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	10.62	10	*Nil*	0.25	*Nil*		6	Y.P.T.
20,00,000	65,53,414	1,66,89,434	1,04,13,264	—16,86,179	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	14.50	10	*Nil*	*Nil*	*Nil*		10	Y.P.
20,10,000	40,35,304	84,98,042	68,37,829	16,996	Begg, Sutherland & Co. Private Ltd.	Champarun Sugar	20.50	10	*Nil*	1.00	1.50		6	Y.
9,58,252	2,93,564	28,55,378	18,68,328	—34,928	K. C. Thapar & Bros. Private Ltd. ..	Deoria Sugar	9.00	10	*Nil*	*Nil*	*Nil*		8	Y.T.
50,00,000	70,17,000	2,22,85,620	1,03,51,333	39,853	Bachraj & Co. Private Ltd. ..	Hindusthan Sugar Mills	265.00	40	7.00	4.00	4.20		6	Y.P.
18,00,000	14,41,216	88,56,210	54,42,213	9,576	Mr. Tulsidas Kilachand (Chairman) ..	Kesar Sugar	92.00N	10	2.50	2.50	3.65		6	Y.P.
7,89,100	28,58,620	52,91,471	30,83,160	6,246	Cotton Agents Private Ltd. ..	New India Sugar Mills	5.37	10	0.37	0.25	0.37		6	Y.P.
11,00,000	4,58,234	49,29,289	29,86,570	10,502	K. C. Thapar & Bros. Private Ltd. ..	New Savan	360.00	100	20.00	20.00			5	Y.
13,38,200 }	48,26,135	78,03,274	29,12,884	24,741	Cotton Agents Private Ltd. ..	New Swadeshi Sugar Mill	50.00N	25	5.00	5.00			6	Y.
36,175 }							182.50	100	12.50	12.50	18.25		7	Y.P.
77,52,960	76,35,199	2,61,13,706	1,41,64,041	16,455	Cotton Agents Private Ltd. ..	Oudh Sugar	13.50	10	*Nil*	*Nil.*	*Nil.*		10	Y.
9,00,000	23,02,870	41,10,941	26,13,335	4,000	M.	Purtabpore Co.	12.19	10	1.50	1.25	1.20		10	Y.
65,59,400	20,22,090	88,23,036	36,83,281	3,91,544	Govan Bros. (Rampur) Private Ltd...	Raza Bulund Sugar	10.50	10	1.50	1.50			2	Y.
5,00,000	6,30,752	29,26,300	23,93,295	1,403	M.	Ryam Sugar	13.12	10	*Nil*	0.25			6	Y.P.
11,00,000	16,90,877	48,13,834	26,03,330	20,614	M.	Samastipur Central Sugar	13.50	10	1.00	1.00	1.50		7	Y.P.T.
39,09,000	28,94,873	1,36,84,427	80,62,270	41 428	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..								
10,02,115	24,660	34,19,315	15,98,051	1,196	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	6.69N	10	*Nil*	*Nil*	*Nil*		6	Y.
15,89,000	13,52,431	35,59,550	20,58,359	40,666	M.	Shri Sitaram Sugar	12.00	10	0.50				8	Y.
8,00,000	43,66,902	1,83,27,976	97,43,200	44,480	Cotton Agents Private Ltd. ..	Upper Ganges Sugar	68.00	10	5.00	5.00	7.25		6	Y.P
16,00,000	14,52,294	38,53,170	28,80,100	1,08,870	M.	United Provinces Sugar	17.00	10	0.75	1.00	1.50		9	Y.
Other Centres														
48,00,000	26,55,000	91,38,886	28,74,622	22,959	Rangarao & Co...	Andhra Sugars Ltd.	29.00	10	1.25	1.50	2.00		9	Y.
10,00,000	6,25,000	91,67,380	4,84,457	21,247	Parry & Co. Ltd.	Cauvery Sugars & Chemicals Ltd. ..	144.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
37,70,100	1,26,04,058	1,59,69,486	1,07,41,336	75,919	W. H. Brady & Co., Ltd. ..	Belapur Company	375.00	50	18.00	20.00*	21.00		9	Y.
80,00,000	15,17,192	44,93,634	27,57,735	5,180	A. H. Bhiwandiwalla & Co. (Bombay)	Bhopal Sugar Industries Ltd. ..	28.00	10	2.00	2.00	2.50		9	Y.P.
50,40,000	16,97,191	83,92,712	57,50,845	2,07,295	Private Ltd.	Shree Changdeo Sugar	34.50	12.50	2.25	2.25	2.90		9	Y.P.
1,09,75,000	36,55,500	1,36,56,345	71,19,655	66,641	Parry & Co., Ltd.	Deccan Sugar & Abkhari	15.95	5	0.72‡*C	0.90	0.90		5	Y.P.
1,00,00,000	1,75,45,932	1,95,60,370	61,101,544	282,286	Parry's Holdings Private Ltd. ..	East India Distilleries & Sugar ..	40.25	51	Sh. 3	Sh. 4	Sh.4		9	Y.P.T.
36,00,000	29,45,860	49,87,880	29,79,997	30,235	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	10.00	10.00	10.00		9	Y.P.
65,57,875	9,79,348	81,86,670	27,89,256	5,62,866	India Sugar Agencies Private Ltd. ..	India Sugar and Refineries	13.05	10	1.00	1.00	1.25		9	Y.P.
16,00,000	17,21,816	1,36,56,912	16,14,400	156	B. B. Ind. Corpn. Private Ltd. ..	Jeypore Sugar	18.00	10	0.60	0.60			6	Y.P.
12,00,000	97,00,290	3,55,12,096	64,84,323	91,745	V. Ramakrishna Sons (Private) Ltd ..	K. C. P. Ltd.	26.00	10	0.75	0.75	1.50		6	Y.P.
	49,93,558	1,48 05,021	66,20,929	1,61,904	M. L. Dahanukar & Co. Pvt. Ltd. ..	Maharashtra Sugar Mills Q ..	264.00	50	100.00*	17.00*	21.00		9	Y.P.
	99,00,189	1,62,19,219	1,01,73,932	45,172	B. M. Krishnan, Esq. (Mg. Director) ..	Mysore Sugar	69.50	10	2.00	3.00*	3.00		6	Y.
	54,93,178	1,29,64,898	73,75,195	63,804	Mafatlal, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	180.00	50	12.00*	10.00	12.50		9	Y.
	4,08,386	78,05,159	39,38,780	59,442	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	26.25	10	1.50	1.50	2.14		9	Y.P.T.
40,00,000	2,02,000	25,30,109	14,67,024	2,192	Govan Bros. (Rampur) Private Ltd. ..	Rampur Distillery & Chemical Co., Ltd.	5.37cd		0.30	0.30	0.30	0.10	3	Y.
15,00,000	43,67,914	1,37,22,721	65,29,942	79,364	Walchand & Co. Private Ltd	Ravalgaon Sugar Farm	108.00	O. 50	12.00	12.50	8.00		9	Y.P.T.
60,00,000							30.00	D. 50	3.75	3.75	3.75			
26,40,000	20,67,000	67,37,434	30,49,961	1,06,833	Parry & Co., Ltd.	Travancore Sugars	12.00	10	1.00	1.00	1.00		7	Y.P.
30,00,000	1,24,16,022	3,47,34,595	1,29,06,496	1,77 732	Walchand & Co. Private Ltd. ..	Walchandnagar Industries	301.25	100	21.00	21.00	20.00		9	Y.P.T.
2,26,25,000														
63,00,000														
52,00,000														
15,00,000,000	96,44,220	1,16,88,916	20,83,063	26,410	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	85.00xd	100	5.00	6.00	3.00		10	Y.P.
80,00,00,000	1,09,44,724	3,99,08,572	1,77,61,898	3,17,991	Dinshaw (Private) Ltd.	Bharat Line	7.64	10	1.20*	1.20*			12	Y.
48 60,00,000	2,04,75,067	8,76,20,428	1,74,30,547	3,34,489	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	15.68	10	1.50	1.80	1.05		6	Y.P.
30,00,000							10.96	5(New)		0.90	0.525			
4555,580	£936,735	£5,811,271	£3,538,891	—£192,506	Kilburn & Co. Private Ltd.	India General Navigation & Rly.[Co...	58.50	£10	*Nil*				12	Y.P.
2,47,50,000	2,59,52,958	18,77,40,719	4,00,93,455	2,09,413	Lionel Edwards (Private) Ltd. ..	India Steamship Co.	10.50	10	1.00	1.00	1.00		3	Y.P.
11,38,57,258	9,29,69,987	$2,02,26,725	3,35,84,307	3,59,994	M.	Scindia Steam Navigation Co. ..	14.68	20	1.25	1.25	1.80		3	Y.T.
2,40,800	21,45,788	13,10,577	9,03,807	1,67,197	R. B. Aiyer, Esq. (Manager) ..	Walford Transport Ltd.	3.12	O. 1	0.14	0.14	0.20		6	
3,10,200P.O. }							2.44	P.O. 1	0.12	0.12	0.15		12	Y.
UNCLASSIFIED (Bombay)														
5,87,00,000	1,46,48,754	5,77,10,152	04,19,200	2,09,69,272	S. H. Turner, Esq. (Chairman) ..	Hindustan Lever	42.00	10	1.40	1.50	2.40		12	Y.
31,07,000	9,13,024	1,17,36,431	72,51,407	—4,82,050	Birla Brothers Private Ltd.	Hind Cycles	115.00	100	12.50P	7.00	*Nil*		3	Y.P.T.
14,98,840	5,27,709	37,56,956	23,16,699	17,694	Choonilal Manilal Private Ltd. ..	Hind Batteries	66.00	50	3.50*	3.00	3.50*	4.50	3	Y.P.
99,99,250	20,22,470	1,31,66,987	....	68,613	Investment Trust of India Ltd. ..	Industrial Investment Trust	73.00	100	5.50	6.00	6.00		12	Y.
1,00,00,000 }	33,17,365	48,22,945	16,84,812	6,237	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	101.00xd	100	11.00	13.00	9.00		11	Y.
24,82,500 }														
3,27,75,475	84,40,713	4,77,85,451	2,21,25,834	2,71,968	Asro-Auto Private Ltd.	Premier Automobiles	164.00	100	6.00	4.00	9.00		6	Y.T.
26,99,200	24,59,766	65,97,395	18,34,590	30,136	Polson Agencies Private Ltd. ..	Polson Ltd.	151.00	10	10.00	10.00	15.00		12	Y.P.
2,75,00,000	1,77,59,354	4,62,08,135	1,92,16,142	4,20,613	Mr. A. Hydari and Mr. S. Gothberg ..	Western India Match Co. Ltd. ..	268.00	100	11.00*	11.00*	16.00*		12	Y.P.
45,00,000	66,42,890	11,56,665	5,47,970	1,56,267	Jehangir P. Patel, Esq. (Chairman) ..	W. H. Brady & Co., Ltd.	355.00	150	25.00	25.00	35.00		12	Y.
Other Centres														
62,50,000	2,04,06,139	3,89,98,591	1,10,43,880	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd..	17.31	O. 10	0.90	0.90	1.00		3	Y.P.T.
80,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd	Aluminium Industries Ltd.	24.10cd	10	1.25	1.25	1.25	1.80	3	Y.
30,00,000	26,44,175	86,06,360	25,56,851	2,24,865	Turner Morrison & Co. Private Ltd. .	Angelo Bros. Ltd.	29.00	10	1.80*	1.50	1.60		3	Y.
30,00,000	20,54,770	40,25,486	14,97,051	1,97,654	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd.	18.50	10	1.25*	1.25*	1.80		3	Y.
80,00,000	85,34,600	1,05,71,881	42,22,343	1,54,774	Associated Hotels of India	Oberoi Hotels (India) Private Ltd.	6.75N	10	0.60	0.60			3	Y.P.T.
2,46,78,690	25,63,610	2,20,70,206	60,76,013	20,076	A. F. L. Collins, Esq. (Mg. Director) .	Ashok Leyland Ltd.	5.70	5	0.30	0.30	0.40		12	Y.P.
80,01,400	88,06,830	77,88,003	41,34,215	5,14,040	A. T. Montgomery, Esq. (Chairman) .	Balmer Lawrie & Co., Ltd.	205.00	100	12.50	20.00	25.00		12	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,095	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	41.62	10	2.50	2.50	4.50		12	Y.
20,00,000	7,79,721	64,19,086		55,032	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	0.50	0.70	1.10		12	Y.
45,97,020	55,50,348	1,22,49,277	63,50,733	2,13,688	K. Julian Scott, Esq. (Mg. Director) .	Britannia Biscuits	98.00	10	1.00	1.20	1.40	2.50	3	Y.
8,35,00,000	1,58,58,664	8,62,78,515	2,65,54,909	74,442	H. S. Chamrvedi, Esq. (Mg. Director)	British India Corporation Ltd. ..	7.24	5	*Nil*	*Nil*	*Nil*		12	Y.P.
1,14,98,000	12,000	1,08,09,000	14,000	27,205	F. Acutis, Esq. (Mg. Director) ..	Cent Tyres of India Ltd.	236.25	100		*Nil*	*Nil*		3	Y.
1,88,80,000	14,44,223	1,90,82,924		2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	8.31	10	0.75	0.75	0.8‡H	0.75	3	Y.
9,00,00,000	5,12,37,5-9	9,62,83,768	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	41.75	10	1.62	1.62	1.65		12	Y.P.T.
11,01,610	81,24,269	59,59,116	20,91,004	7,925	Mr. K. G. Khanna	Dyer Meakin Breweries	22.37	5	0.60	0.75	0.80		12	Y.P.T.
51,26,000	57,17,047	1,60,56,711		3,52,237	Bird & Co. Private Ltd.	Eastern Investments Ltd.	137.06	100	9.00	9.00	14.00		8	Y.T.
14,99,000	3,52,644	48,00,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director) ..	Enfield India Ltd.	15.75xdNXR	10	*Nil*	*Nil*	*Nil*	0.50	12	Y.P.
14,09,000	14,48,121	37,98,175	22,68,488	70,652	Macneill & Barry Ltd.	Gannes Rope Co., Ltd.	215.00	100	12.00	15.00	10.00	17.50	12	Y.P.
40,00,000	4,78,500	70,95,403	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd.	24.31	10	1.50	2.00	2.50		12	Y.P.
65,00,000	39,20,000	29,97,548	14,24,655	1,57,026	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd. ..	12.25	10	1.00	1.00	1.00		3	Y.P.
80,00,000	15,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	230.00	250	15.00				3	Y.P.
4,96,13,250	1,00,51,174	5,80,44,568	2,66,58,383	5,18,731	Birla Brothers Private Ltd.	Hindustan Motors	18.88	10	*Nil*	*Nil*	0.80		3	Y.
80,00,000	16,64,523	99,48,427	53,67,174	1,31,125	Talukdar Law & Co. Private Ltd. ..	Hindusthan Pilkington Glass	28.56	10	0.60	0.60	1.20		3	Y.P.
2,97,67,760	2,01,79,740	2,72,38,273	3,00,11,854	33,42,051	K. C. Mahindra, Esq. (Chairman) ..	Indian Aluminium Co., Ltd.	27.12	10	0.60	0.70	1.20		12	Y.P.T.
3,35,77,700	1,84,79,720	2,76,16,780	1,20,12,729	40,00,510	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	31.75	10	1.50*	1.50*	1.50*		3	Y.P.T.
8,87,970	6,14,570	17,46,166	10,03,558	97,031	M.	Indian Rubber Manufacturers	17.62	10	0.62				3	Y.P.T.
2,00,00,000	99,92,076	5,20,87,893	2,14,74,994	9,72,583	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	32.00	10	1.00	1.00	1.50		9	Y.P.
36,38,850	20,950	49,20,112	15,03,066	2,467	Birla Gwalior Private Ltd.	Indian Plastics Ltd.	12.12	10	0.37	*Nil*	*Nil*		3	Y.
15,16,00,000	9,64,76,893	11,31,66,117	2,88,76,095	24,77,765	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd. ..	11.62	10	0.70	0.70	0.60	0.80	3	Y.P.
2,00,00,000	72,02,100	41,08,517	14,59,807	5,40,165	J. D. K. Brown, Esq. (Mg. Director) .	Jardine Henderson	67.00	100	2.50	2.50	5.00		3	Y.P.
40,00,00000. }	85,87,572	29,69,955	11,94,783	2,49,742	M.	McLeod & Co.	215.00	O. 100	12.50	12.50			3	Y.P.
5,00,000D. }							—	D.O.10	0.75	0.75			12	
1,45,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd	26.25	10	2.12*	2.12*	2.75		9	Y.P.
1,61,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. of India, Ltd.	42.00	10	1.75	1.75	1.75	2.50'C'	3	Y.P.
6,56,250	6,92,502	11,29,686	5,97,362	8,849	Mr. L. Lyon (Chairman)	Mysore Lamp Works	26.25cd	10	1.50	1.50	1.80		3	Y.P.
10,00,000	3,41,884	17,87,071	9,84,534	200	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	14.05	10	1.50	1.25	1.80		3	Y.P.
2,00,00,000	1,15,35,505	3,85,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director) .	Union Carbide India Ltd.	49.00	10	1.40	1.40	1.80		3	Y.P.
59,97,500	1,19,25,897	1,19,56,737	47,07,165	46,185	Associated Ind. Dev. Co. (Pvt.) Ltd...	National Insulated Cable Co.	29.50	10	2.00	2.00	2.00		12	Y.
40,00,000	28,54,925	83,88,459	26,09,774	Do.	Do.	National Rolling & Steel Ropes ..	15.12	10	1.00	1.00	1.00		3	Y.T.
49,97,054	9,15,876	83,55,363	33,67,559	14,523	K. N. Mookerjee, Esq.(Mg. Director) .	National Rubber Manufacturers Ltd. .	16.12	10	1.00	0.60*C'	0.86		6	Y.P.
79,97,000	1,02,10,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	20.94	10	0.90	1.10	1.60		12	Y.
10,00,000	5,52,000	12,55,065	6,00,215	1,51,607	Parry & Co., Ltd.	Parry's Confectionery Ltd.	4.70cdNXR	1	0.20	0.20	0.20	0.30	3	Y.
2,20,00,000	50,68,956	1,67,14,355	48,32,803	1,67,215	F. Vink, Esq. (Mg. Director)	Phillips India Ltd.	28.00	10	0.85	0.85	1.20		12	Y.
2,25,00,000	40,500	66,75,849	30 89,526	2,54,744	M. P. A. Paspatti, Esq. (Mg. Director)	Rallis India Ltd.	118.00	100	*Nil*	*Nil*	*Nil*		12	Y.
25,00,000 O. }	50,000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd.	Radio Lamp Works Ltd.	118.00	100	7.50	9.00	5.00		3	Y.P.
1,77,780 D. }							1.18		0.06	0.06	—			
2,60,80,000	2 20,45,000	14,54,58,965	5,52,72,716	3,773	Sahu Jain Ltd.	Rohtas Industries	23.12XR	10	....	2.00	1.50		3	Y.P.
4,73,200 }	99,259	31,10,322	9,26,551	28,722	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	100 00N	100	6.00	6.00	6.00		3	Y.P.T.
5,13,400 }							50 00N	50	3.00	3.00	3.00			
70,00,000	38,73,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	25.25	10	0.60	0.60	0.80		3	Y.P.
40,00,000	96,89,310	1,32,79,069	76,26,929	8,51,274	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.13xd	10	1.50	1.50	1.50		6	Y.P.
75,00,000	45,78,899	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co., Ltd.	25.25	10	1.00	1.00	1.50		6	Y.P.
15,00,000	95,24,8028	1,18,49,116	28,52,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd.	12.32N	10	1.25	1.25	1.50	0.60	12	Y.P.
9,90,960	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.50	10	*Nil*	0.40	0.60		12	Y.
22,89,270	12,50,000	12,58,953	8,25,089	10,67,057	M.	Tractors (India) Ltd.	30.00	10	2.00	2.25	3.00		12	Y.
2,49,99,600	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar, (Chairman)	Tube Investments of India Ltd. ..	350 00	100	10.00	10.00	10.00		6	Y.
11,56,300	14,70,759	12,72,077	6,76,530	41,732	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	33.25cd	10	2.00	2.00	2.75		9	Y.

TEA AND OTHER PLANTING COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore) Pvt. Ltd.	Bababudin Coffee & Produce Co., Ltd.	9 00	5	1 25	1 25	0 625			Y.P.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.	Balmadies Plantations	2 48cd	2	0 45	0 25	0 15	0 15	6	Y.P.
26,91,270	18,00,000	52,49,279	8,16,788	21,699	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	7 30xd	3	0 52	0 30C'	0 45	0 525	12	Y.P.T.
22,50,000	30,58,661	50,61,756	11,30,917	1,28,049	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	24 55	10	4 00	2 00	2 50		2	Y.P.
71,55,000	63,55,504	1,51,68,273	35,93,779	79,971	R. C. Paterson, Esq.	Consolidated Coffee	26 12	10	4 00	2 00	2 50		6	Y.P.
4,00,000	5,67,423	12,42,809	60,301	3,461	Associated Planters Private Ltd.	Cottanad Plantations	13 25	10	1 75	1 50	1 50		6	Y.P.
18,05,000	9,86,402	31,48,370	6,93,694	24,694	A. V. Thomas & Co., Ltd. ..	Highland Produce	14 70	10	0 75	1 50	1 50		3	Y.P.
8,00,000	7,57,800	20,24,982	3,37,382	6,995	A. V. Thomas & Co., Ltd. ..	Kaiheita Estates	12 35xd	10	2 00	1 00C'	1 25		12	Y.P.
4,00,000	3,00,000	9,64,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd. ..	Kumergode Estates Ltd. ..	5 40	2	0 50	0 40C'	0 40		4	Y.P.
13,50,000	4,77,380	20,94,623	3,70,608	11,167	K. T. Thomas Rathanar, Esq. ..	Malankara Rubber	20 00cd	10	2 25	1 70C'	1 60		10	Y.T.
40,50,000	14,80,388	82,24,890	11,08,490	33,748	A. V. Thomas & Co., Ltd. ..	Midland Rubber	11 55	10	2 00	1 00C'	1 00		3	Y.
3,35,000	4,13,456	10,31,926	2,76,266	46,475	A. V. George & Co., Ltd. ..	Neumeny Rubber	19 50	10	0 75	1 50	1 50		3	Y.P.
2,00,000	4,79,543	7,26,000	55,592	3,026	Associated Planters Private Ltd.	Nilambur Rubber Co.	18 50cd	10	1 50	2 00	1 50		12	Y.P.
19,45,980	22,83,423	48,92,125	15,00,950	3,088	Peirce, Leslie & Co., Ltd. ..	Onchterlony Valley Estates ..	4 75	2	0 60	0 20	0 30		12	Y.P.T.
16,50,000	2,29,315	21,56,112	5,55,520	72,998	Agarwell & Co., Ltd. ..	Pullangode Rubber	1 78cd	2	0 10	0 08	0 10		10	Y.P.T.
13,50,000	8,49,874	47,74,372	4,48,809	44,924	A. V. Thomas & Co., Ltd. ..	Rajaciri Rubber	21 40	10	2 00	2 00	2 00		3	Y.P.
5,50,170	3,00,000	8,87,753	1,22,319	12,009	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	3 80	2	0 30	0 25C'	0 30		6	Y.P.
12,00,000	1,35,000	18,24,855	68,427	15,748	Patons Agencies	Sungam-shwar Coffee Estates Ltd.	7 50cd	2	0	0 37½	0 50		11	Y.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.	Teekoy Rubber (India) Ltd. ..	6 05	10	0 60	0 18	0 18		3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,439	A. V. George & Co., Ltd. ..	Thamarajally Rubber	28 00	10	3 00	3 00	3 60		3	Y.P.T.
9,15,300	5,75,000	23,57,995	1,88,203	7,579	Peirce, Leslie & Co., Ltd. ..	Thirumbadi Rubber Co., Ltd. ..	1 45	1	0 05	0 10	0 07		12	Y.P.
6,00,000	66,742	11,54,891	5,05,490	2,248	Estate Thomas, Esq. (Mg. Director)	Travancore Rubber	12 00	10	1 50	1 00	1 00		9	Y.T.
41,00,000	15,07,458	86,13,006	18,50,697	3,526	Anjalwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	7 95	10	0 40	0 50	0 75		12	Y.
29,00,000	1,36,000	22,16,659	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	19 37	25	1 00	1 50	2 00		12	Y.P.
6,00,000	4,56,000	17,45,808	1,09,210	6,282	P. J. Joseph, Esq.	Vellmalai Rubber & Co.	5 80	5	0 22½	0 50	0 50		12	Y.
2,20,000	4,29,600	10,00,702	1,07,202	23,839	A. V. George & Co., Ltd. ..	Udayarill Rubber Co., Ltd. ..	16 50	10	0 60	0 75	1 50		2	Y.P.T.
3,80,000	2,91,970	9,85,557	38,718	585	M.	Valkundan Rubber Co., Ltd. ..	31 45cd	10	3 50J	3 00	2 50	1 50J	12	Y.P.
12,00,000	11,09,982	15,34,580	1,19,640	1,15,423	Peirce, Leslie & Co., Ltd. ..	Wartchully Estates Ltd.	3 70cd	2	0 15	0 30	0 30	0 30	3	Y.
6,95,000	2,44,181	14,25,129	77,672	2,109	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	7 65	10	1 00	0 50	0 50		3	Y.P.T.

J—Final dividend of Re. 1·50 is on the increased capital.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,51,970	1,17,27,488	45,26,971	25,002	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	12 50	10	0 25	0 25	0 50		3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	180 00	100	10 00	10 00	15 00		3	Y.P.T.
80,00,000	2,79,200	1,26,70,290	99,41,083	—1,88,265	McLeod & Co., Ltd.	1,264	Alliance	104 00	100	*Nil*	*Nil*	*Nil*	6·00‡	12	Y.P.T.
49,20,700	72,81,000	1,99,77,421	2,26,93,087	2,15,974	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	209 00	100	7 00	10 00	12 50		5	Y.P.
40,00,000	37,33,926	1,51,39,985	70,19,427	43,140	Bird & Co. Private Ltd.	2,410	Auckland	162 00	100	*Nil*	6 00	20 00		3	Y.P.
20,00,000	34,53,528	1,46,13,222	77,01,622	28,486	Birla Brothers Private Ltd. ..	959	Bally	215 00xd	100	2 00	6 00	10 00	7 00‡	3	Y.P.T.
£275,000	£626,819	£1,617,018	£1,028,550	—£67,963	Sir John H. Burder (Chairman)	1,889	Barnagore	128 00	£5	*Nil*	*Nil*	10sh.	25·00	3	Y.P.
28,00,000	30,71,190	98,01,914	56,53,841	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	149 00	100	2 25‡	7 50	13 50		12	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Sooraimull Nagarmull	600	Bengal	9 50	10	*Nil*	0 50			12	Y.P.
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd. ..	1,373	Birla	28 37	10	1 00	1 00	1 00	1 50	6	Y.P.T.
36,00,000	23,36,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	124 00	100	*Nil*	5 00	15 00	1 50	6	Y.P.
7,47,380	4,000	45,18,657	34,32,120	—5,20,965	Dayaram & Sons	502	Calcutta Jute Mfg. ..	8 00	*Nil*	*Nil*	*Nil*			3	Y.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	138 00	100	*Nil*	15 00	12 00		12	Y.P.T.
59,16,400	76,57,559	2,11,45,431	1,20,71,737	—92,149	James Finlay & Co., Ltd.	600	Champdany	109 00	100	*Nil*	*Nil*	7 00	4·00‡	11	Y.P.
15,95,000	23,19,096	86,22,904	59,62,749	20,478	Andrew Yule & Co., Ltd.	1,131	Clive	114 00	100	5 00	12 50	12 50‡		3	Y.
30,15,000	88,42,800	1,09,82,980	59,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	11 75	10	1 10	1 25	1 50		11	Y.P.
24,00,000	9,00,000	81,99,034	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	11 44	10	*Nil*	*Nil*			7	Y.P.T.
31,49,200	39,72,331	1,39,58,257	61,31,405	—5,42,070	Bird & Co. Private Ltd.	765	Dalhousie	125 00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
23,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	146 00	100	*Nil*	6 00	14 00		3	Y.P.T.
15,00,000	37,20,000	1,07,39,530	70,08,887	93,729	McLeod & Co., Ltd.	500	Empire	15 75	10	0 75	1 00	1 25		11	Y.P.
21,00,000 } 21,00,000 }	74,32,310	2,61,26,629	1,59,43,058	1,94,546	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd.	370 00 280 00	100 Old 50 New	10.00	20.00	20 00 10 00	}	7	Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Banzur Bros., Ltd.	1,014	Fort William	26 44	10	1 50	1 50	1 50	2.25	3	Y.P.T.
34,32,100	....	2,23,71,885	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	10 62	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd. ..	46 00	10	60 00‡	2 00	4 00		3	Y.P.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	355 00xd	100	2 50	20 00	25 00	30.00	12	Y.P.
40,00,000	81,69,833	1,35,84,146	78,47,196	2,85,600	Banzur Bros., Ltd.	1,078	Hastings	93 00	100	5 00	6 00	6 00	6.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooshly	17 00	10	*Nil*	*Nil*	0 60		3	Y.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	20 94	10	*Nil*	*Nil*	1 00	1.25	3	Y.P.
52,50,000	31,20,000	3,02,67,018	1,67,42,018	1,07,839	Ramdutt Ramkissendas	2,272	Hukumchand	21 44xd	7 50	1 50	1 50	1 50	0.75‡	3	Y.P.T.
67,30,000	20,35,465	1,52,85,188	93,25,868	92,038	M.	790	India	15 62‡	12 50	9 37	15 62‡	12 24		3	Y.
24,00,000 } 'B'19,20,000 } 30,00,000 }	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	155 00 'B' 100 80 00	100 'B' 100 Nil	*Nil* *Nil* *Nil*	5 00 5 00 *Nil*	20 00 20 00 *Nil*		3	Y.P.T.
'B'24,00,000 }	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kanknarrah	77 50	'B' 100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
28,00,000	49,10,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	150 00	100	9 00	12 50	14 00'C'		5	Y.P.
64,00,000	22,12,630	2,20,06,065	1,32,49,119	10,158	Anderson Wright Ltd.	1,530	Khardah	18 00	10	8 00	20 00‡	20 00‡		5	Y.P.
67,58,700	80,85,894	2,41,09,139	1,17,23,523	51,370	F. W. Heilgers & Co., Private Ltd.	1,250	Kinnison	161 00	100	5 00	10 00	10 00		3	Y.P.
24,48,000	29,28,028	1,30,28,840	63,01,868	—7,58,162	Bird & Co. Private Ltd.	931	Lansdowne	113 00	100	*Nil*	*Nil*	*Nil*	7 00‡	3	Y.P.T.
28,00,000	23,68,855	89,86,615	39,14,027	60,304	Bird & Co. Private Ltd.	840	Lawrence	137 50	100	*Nil*	*Nil*	*Nil*		3	Y.P.
81,65,200	28,13,291	2,34,62,530	1,45,89,024	2,82,507	M.	1,294	Meghna	11 62‡	10	0 50	1 75	1 00	7 00‡	3	Y.P.
29,98,900	34,36,392	1,84,55,185	94,33,205	—11,60,635	M.	315	Naihati	61 50	100	*Nil*	*Nil*	*Nil*	0.60‡	3	Y.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd. ..	425	Naskarpara	10 00xd	10	0 25	0 25	0 25		3	Y.P.T.
35,00,000	39,51,328	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	24 00	10	0 75	0 75			10	Y.T.
29,25,000	31,71,872	59,70,547	26,86,084	1,38,023	McLeod & Co., Ltd.	316	Nellimarla Jute	12 25	10	0 90	1 00	1 40		10	Y.P.
1,28,24,350	1,08,88,995	8,59,25,980	1,28,63,717	1,415	Sahu Jain Ltd.	1,765	New Central	23 94	10		1 50	1 50'C'		7	Y.P.T.
16,79,880	48,95,192	1,36,11,869	66,57,100	35,452	Bird & Co. Private Ltd.	567	Northbrook	22 50	10	*Nil*	*Nil*	1 25	0.75‡	3	Y.P.
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	52 00xd	50	*Nil*	2 50	3 00	4.00	3	Y.P.T.
25,00,000	10,23,000	90,80,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	5 00	5	0 37½	0 37½	0 50		7	Y.
20,00,000	42,629	33,90,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9 19	10	*Nil*	*Nil*	*Nil*	*Nil*	7	Y.T.
49,50,000	4,75,546	1,24,81,131	66,72,930	—38,95,851	Jardine Henderson Ltd.	1,276	Reliance	6 94	10	*Nil*	*Nil*	*Nil*		3	Y.P.
£600,000	£488,130	£1,481,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnagur	9 50N	£1	*Nil*	5%†	10%†		3	Y.P.T.
30,00,000	19,67,300	1,24,50,559	91,65,888	69,510	Bazaria More & Co., Ltd.	911	Shree Ambica	24 00	10	0 50	0 50	0 60		12	Y.P.
14,00,000	12,59,725	72,57,128	55,50,728	63,033	Hindustan Investment Corpn. Ltd.	401	Soorah	20 00	10	1 50	1 50	2 50		3	Y.P.
£600,000	£421,784	£1,270,961	£735,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9 50N	£1	*Nil*	3%†	10%†		12	Y.P.
35,98,600	55,90,024	1,06,88,547	46,70,750	75,586	Bird & Co. Private Ltd.	1,326	Union	185 00	100	*Nil*	15 00	20 00	7.00‡	3	Y.P.T.
£400,000	£270,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9 50N	£1	8%†	5%†	10%†		3	Y.P.T.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	4.00	1	*Nil*	*Nil*	0 25		12	Y.P.
														5	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	32,36,200	1,09,35,072	77,39,072	29,129	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	21 25	10	1 25	1 25	1 50		3	Y.
12,00,000	6,14,541	35,95,554	35,74,696	—2,35,349	Jardine Henderson Ltd.	Barraree Coke	14 37	10	0 37	0 50	*Nil*		3	Y.
4,49,350	88,000	9,25,102	5,69,590	1,517	Kalyani Mavji & Co.	Benzal-Bhatdee	6 00	10	0 90	0 60			3	Y.
1,00,00,000	1,84,79,081	6,98,53,688	4,68,54,445	10,20,411	Andrew Yule & Co., Ltd.	Bengal Coal	331 00	100	17 50	17 50	25 00		12	Y.
2,25,000	4,90,871	23,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Benzal-Nagpur	25 00	10	*Nil*	*Nil*	*Nil*		10	Y.P.
40,00,000	10,28,269	1,44,53,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	4 50	10	0 60	0 60			12	Y.
7,15,000	10,15,172	49,80,948	34,84,101	—4,92,536	M.	Bhulanbarasee	6 50N	10	*Nil*	*Nil*			6	Y.P.T.
7,50,000	20,32,392	45,36,993	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd.	Borree	21 62	10	0 75	0 75	1 00		12	Y.P.
90,92,480	1,77,88,238	4,56,32,424	2,17,98,581	1,10,739	Bird & Co. Private Ltd.	Burrakur	17 00	10	0 37	0 37½	1 30		12	Y.P.
49,97,000	82,960	55,20,477	17,60,631	10,769	Hindustan Investment Corpn. Ltd.	Central India	10 50	10	0 50	0 50			12	Y.P.
3,00,000	12,90,590	49,56,445	35,71,353	23,320	M.	Central Kurkend	8 00N	10	0 70	0 50			12	Y.P.T.
6,00,000	1,54,873	6,36,340(k)	....	941	F.W. Heilgers & Co. (Private) Ltd.	Churia	3 25	4	0 20	0 20			3	Y.
16,00,000	....	57,45,962	32,76,326	—28,096	Macneill & Barry Ltd.	Dhemo Main	8 37	10	*Nil*	*Nil*	0 12		12	Y.
£240,000	£370,709	£1,094,395	£794,405	£9,562	Jardine Henderson Ltd.	East Indian	30 25	£1	1 50	1 00			12	Y.
29,63,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	26 50xd	10	1 50	1 50	1 25		12	Y.
10,00,000	1,40,469	14,32,422	4,88,296	45,369	Shastter's Agency Ltd.	Ghusick and Muslia	12 00N	10	*Nil*	*Nil*	0 75		4	Y.
12,00,000	1,01,130	43,53,854	27,66,116	—5,13,177	Killick Industries Ltd.	Hingir-Rampur	23 00	10	*Nil*	*Nil*			12	Y.P.T.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	12 50	10	*Nil*	*Nil*			3	Y.
20,00,000	3,47,660	37,02,778	8,93,679	20,442	Bird & Co. Private Ltd.	Karanpura Collieries ..	180 00	100	*Nil*	*Nil*			6	Y.P.
5,00,000	21,66,090	50,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	47 50	10	*Nil*	5 00	5.00		12	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd.	Kuardi	7 25N	10	0 50	6 50	6.50	9.50	2	Y.P.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd.	Lakurka	15 00N	10	0 12	*Nil*			1	Y.
7,48,240	2,50,000	13,59,873	10,13,353	17,140	Tantia Brothers Private Ltd.	Nasira	8 81	10	0 75	1 00			6	Y.
17,76,280	23,80,325	1,52,03,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	New Beerbhoom	23 00	10	0 75	0 75	1 00		4	Y.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd. ..	New Manbhoom	13 00	10	0 75	1 00	1 50		12	Y.
1,15,000 } 1,57,500 }	3,84,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd.	North West	24 37N 18 00N	10 7 50	1 50	0 50	0 50		10	Y.P.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman) ..	Ondal	11 50	10	1 12	1 12	1 50	1.00‡	3	Y.
8,34,000	1,39,915	29,18,119	11,33,398	3,885	Deepchand Kishenlall	Parasea	18 00	10	0 50	0 50	0 70	0.75‡		
15,75,000	20,39,960	68,80,103	44,84,103	82,685	Shaw Wallace & Co., Ltd.	Pench Valley	22 62	10	2 00	0 50			12	Y.P.
23,99,500	32,78,697	1,47,24,692	1,01,33,389	5,489	B. N. Elias & Co. Private Ltd. ..	Ranegunge	16 75	10	0 75	2 00	1 00		12	Y.P.T.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	23 00xd	10	0 75	1 00	1 00		3	Y.
37,50,000	38,22,000	1,02,58,214	26,37,721	66,372	M.	Sanla Collieries	9 00N	10	1 00	1 00			3	Y.
13,00,000	2,83,010	22,73,864	7,51,427	2,809	S. D. Sethia & Co. Private Ltd. ..	Selected Satgram Collieries.	130 00	100	0 90	12 50			12	Y.
2,50,000	60,000	14,29,679	12,57,285	8,302	M.	Searsole	1 75	1	1 75	1 75	3.00		12	Y.
2,80,000	10,53,529	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	32 25	2 50	0 12	*Nil*	16.00		12	Y.
8,00,000	4,54,665	11,88,800(k)	....	5,451	F. W. Heilgers & Co. (Private) Ltd	Sendra	8.75	10	1 75	1 75	3.00		1	Y.
£8,21,450	1,06,25,748	6,10,30,781	2,90,98,472	54,868	Industries (L. F.) Department (Govt. of Andhra Pradesh)	Singareni	9 25		*Nil*	*Nil*	0.35		12	Y.P.
17,50,000	8,47,303	41,74,067	19,35,899	19,788	Bird & Co., Private Ltd.	South Karanpara	10 25cd	10	1 50	0 75			12	Y.
3,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	11 12	10	0 75	0 75	0.90		12	Y.T.
8,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Williamson Magor & Co., Ltd. ..	Union	14 62xd	10	1 00	1 25	1 50		3	Y.
42,86,000	1,68,505	78,61,905	29,99,423	7,982	Hindustan Investment Corpn. Ltd.	Western Bengal	13 00	10	0 37	0 25			12	Y.
7,00,000	....	59,74,151	29,16,909	—4,85,709	Macneill & Barry Ltd.	West Jamuria	7 19	10	0 50	0 40	0.40		12	Y.
							8 75	10	*Nil*	*Nil*			3	Y.

M—Managed by the Board of Directors. † Less U.K. income-tax. * Including bonus. (k) Investments. 'C'—on increased capital.
‡ General Industrial Society Ltd.—The dividends for 1956 and 1957 are on shares of Rs. 300 each which have since been sub-divided into shares of Rs. 10 each. $—On old capital.
N.B.—All dividends paid since 31st March, 1950 are shown as taxable.

MARKET GOSSIP

(*Concluded from page 535*)

the corresponding week of 1959. The production of North Indian tea up to the end of August aggregated 267.9 million lbs., representing a fall of 36.3 million lbs. over that in the corresponding period of 1959. It was expected that, after the sharp shrinkage of 30.7 million lbs. in July crop, there would be an increase in production in August, but this expectation was belied when the August crop turned out to be 5.5 million lbs. less than that in August 1959.

The crop in Pakistan, too, is far behind that in the previous season. The production up to the end of August is estimated at no more than 17.6 million lbs., as compared with 30.7 million lbs. in the corresponding period of 1959. Consequently, the Pakistan Government has found it necessary to launch a "drink less tea" campaign. In his anxiety to discourage domestic consumption of tea, the Pakistan Commerce Minister has gone so far as to question the necessity for drinking tea. "What do we get from tea by way of nourishment?", he queried, and added: "It is an established fact that tea does not provide any nourishment."

It is considered unlikely that the leeway in both North India and Pakistan will be made up during the rest of the season. This, however, does not mean that the total world supplies of ordinary teas, which constitute the bulk of the blended teas, will be short. For some of the growers in North India are likely to pick all they can in order to reduce the sh

latter is depressed, production must correspond, with less and less to invest. If increase in the national income is only postulated at 5 per cent., an increase in investment at 14 per cent. must cut consumption to the bone, leaving little market to the production. It deserves to be recognised that production and consumption are two parts of the wheels of prosperity. One without the other leads to stagnation or inflation. A fundamental change in thinking, on increasing consumption as a means to increase production, is, therefore, necessary.

The second means is an increase in basic and heavy industries, particularly steel, fuel, power and machine building. Though the second Plan was targeted to increase steel production from 1.3 million tons to 4.3 million tons, the increase in 1959 to 1.7 million tons has only been in the private sector, there being no production worth noticing in the three State factories. In the circumstances, until the present investment fructifies, further investment will only tie up the finance contributed by the people. Secondly, to the extent steel production is increased, coal, railway transport and power are diverted from other requirements of the country. Thirdly, the target of 10.2 million tons of steel and 1.5 million tons of pig iron for the third plan, without coincident development of industries is likely to prove a burden, because before the construction of steel factories began, only a small import of steel was necessary to supplement the indigenous production of 1.2 million tons.

The third means is the development of agriculture. Although even the Minister for Food admitted that our *per capita* consumption of grain is four times that of other countries, until the present habits change, food production has to be increased. The expenditure of Rs. 2,339 crores on agriculture and irrigation in the first and second Plans, however, has not done it, because the peak of production of cereals on which most of the expenditure was devoted was reached in 1954, after which there was a decline in the following four years, till the change in the monsoons brought an increase in 1959. If increase in food production is thus established as a gift of the monsoons, other incentives and instruments than those tried already for raising the food production are necessary.

The fourth means is foreign aid to reduce the dependence on foreign imports. The question is of the form of foreign aid. So long as Government reserves industries for itself, the aid has to be in the form of loans, which not only carry interest but have no assurance of return. The result is that the public have to pay interest without getting production which is cheaper or better. If, on the other hand, foreign investment is encouraged, the foreign exchange will be reduced only to the profits on articles which have served the people, on a competitive basis. The solution of both the problems of foreign exchange and industrialisation is the withdrawal of Government from the responsibilities of State enterprise to the maximum extent possible.

The fifth means is the control of prices. The Government has not learnt that decontrol of food in 1952 for the first time made the country self-sufficient, leading to a record production in 1954, which has only been exceeded now in 1959. Controls create both artificial shortages and demands. Government procurement prevents prices from falling to their natural levels, while zonal barriers relate prices to the risk and cost of crossing them. If there is any shortage, the whole country should share it, subject to such mitigations as are easily possible from the American Food Loan. The third Plan should be essentially based on decontrol, as that is not only the way to reduce prices but also to increase production. Artificial demand is created by Government through dearness allowances, which neutralise the working of the law of supply and demand, illegitimate profit in the black market for its licensed producers and stockists, disproportionate increase in wages to small sections of workers and officials and lastly the corruption which has now become part of the admin stration. If controls continue, inflation will rob the poor in favour of those in positions created by the Government.

The perspective of the third Plan should have been based on the results of the two preceding Plans, particularly the problems which remain unsolved. There is no clear recognition at all in the draft Plan of these problems, while the progress is stated in estimates, rather than actuals. It is only because the first two Plans escaped critical examination that the present one seems to be cast in a golden mist.

(To be continued)

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Balance
15,00,000	1,08,00,000	3,86,012	Allahabad Bank	344 00	100	18 00‡	18 00‡	18 00‡		12	Y.F.
14,50,000				172 00	50	9 00‡	9 00‡	9 00‡			
1,01,000	10,73,220	10,301	Andhra Bank	100 00	100	6 00	6 00	8 02		6.12	R.
40,78,300				85 00	85	5 10	5 10	6 40			
1,00,00,000	1,60,00,625	1,02,801	Bank of Baroda	81 00	50	7.00	6 00	7 00	3.50‡	12	Y.
25,00,000					25 'B'	...	1 50	3 50	1.75‡		
5,50,00,000	3,10,00,000	12,47,743	Bank of India	101 00	50	8 00	8 00	8 00	3.75‡	6.12	R.L.Y.
80,00,000 'A'				101 00	50 'A'	8 00	8 00	8 00	3.75‡		Y.F.
36,00,000	56,30,000	42,473	Canara Bank Ltd.	81 50	50	5 00	5 00	7 50		12	Y.F.
12,47,775	18,00,000	14,561	Canara Banking Corporation Ltd.	75 00	50	5 00‡	5 00	7 50		12	Y.
'A' 5,99,620				188 00	100 'A'	15 00	5 00‡	20 00‡			
'B' 16,00,000	85,00,471	28,596	Canara Ind. & Bkg. Syndicate Ltd.	18 00	10 'B'	...	15 00‡	2 00‡		12	Y.
C 2,00,000				1 85	1 'C'	0 15		0 20‡			
2,02,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd. ..	50 50	25	3 50	0 15‡	4 30		12	R.L.Y.
A 85,50,000				63 50	25	3 50	3 50	4 30			
50,00,000	82,00,000	5,69,301	Devkaran Nanjee Banking Co. ..	62 00	50	5 00	3 50	2.62		12	Y.
1,50,00,000	10,00,000	99,895	Hindustan Commercial Bank ..	10 00	50	*Nil*	*Nil*			12	Y.
50,00,000	2,30,000	5,519	Hindustan Mercantile Bank ..	17 00	50	*Nil*	*Nil*	*Nil*		12	Y.
60,60,000	84,01,884	80,143	Indian Bank	181 00cd	100	15 00‡	13 00‡	001		12	Y.
22,40,000				151 00cd	80	12 00‡	10 40‡	15 00‡		6.12	R.L.Y.
74,53,000	59,36,660	1,76,012	Indian Overseas Bank	175 00	100	10 00	10 00	12 00		12	
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	35 50	25	1 87	2 50	14571		12	
1,25,00,000	2,47,50,000	3,18,830	Punjab National Bank—E ..	18 72	10	1 00	2 00	2 50	1.00‡	12	Y.
5,62,50,000	7,70,00,000	55,87,499	State Bank India	310 00	100	16 00	16 00	20 00		12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	5 88	5	0 44	0 44	0 67		12	Y.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank ..	70 50	50	3 75	3 75	5 50		12	II.
2,08,43,647	83,70,000	1,81,565	United Bank of India	4 70	10	0 30	0 30	0 43		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£8,000,000	£6,500,000	£463,355	Chartered Bank	£2-16-0	£1	15†	15†	15†		12	Y.
H.K. $78,974,750	£10,949,165	£132,295	Hongkong and Shanghai Banking Corporation	£6 1‡	H.K. $125	31*Z	5*	5*		12	Y.
£34,809,506	£24,950,000	£569,125	Lloyds Bank	£3-9-9	£1	15†	12½'C'	12½†	6†‡	12	Y.
£3,421,875	£3,000,000	£301,488	National and Grindlays Bank Ltd.	£1-17-6	sh. 12‡	15†	15†	12½†	6†‡	12	Y.

‡ Includes bonus. † Less tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. x—Ex-Right.
Z.—The final dividend of £1-12-6 is on the increased Capital. C—On increased Capital. * £ per share free of tax.
K—Punjab National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
17,80,000	6	1st December and 1st June ..	Carew & Co.	1913	98 00	1st June 1962
4,00,000	6‡	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	94 00	28th February .. 1970
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	99 00	27th December .. 1962-63
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	82 50	1st November .. 1959-64
25,00,000	4‡	1st May and 1st November ..	Walchandnagar Industries (New)..	1944	65 00	1st November .. 1959-64
COAL						
30,00,000	6	30th April and 31st October ..	Bharat Collieries	1944	90 00	30th June .. 1966
30,00,000	4½	30th June and 31st December ..	Burrakur Coal Co.	1947	85 00	30th June .. 1967 (e)
46,80,000	5½	15th June and 15th December ..	Equitable Coal Co.	1952	100 00	14th December .. 1969 (e)‡
COTTON						
7,00,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1947	85 00	30th April.. .. 1966
4,00,000	6	10th May and 10th November..	Bengal Nagpur	1947	85 00	15th November .. 1966 (h)
65,31,000	5†	1st April and 1st October ..	Buckingham and Carnatic	1952	100 50	1st March .. 1975 (e)
40,00,000	6	1st April and 1st October ..	Gokak Mills	1957	99 00	1st April .. .. 1975 (e)
89,61,000	5	1st June	Tata Mills	1951	92.00	1st June 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September..	Agra Electric Supply Co., Ltd. ..	1950	89 00	31st March .. 1968 (e)
2,00,00,000	5½	15th June and 15th December ..	Ahmedabad Electric Co. Ltd	...	95 00	14th June 1990
98,28,000	5½	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1937	100.00	31st March .. 1978
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	90 00	31st December .. 1964 (e)
65,737,674	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	93 00	31st January .. 1967 (e)
25,00,000	4	30th June and 31st December ..	Gouripore Electric Supply Co., Ltd.	1944	85 00	31st December .. 1970
18,80,000	5	1st January and 1st July ..	Jaipur (Rajputana) Electric Supply Co., Ltd.	1951	91 00	30th June .. .. 1976 (e)
2,00,000	5†T	31st March and 30th September..	South Madras Electric Supply ..	1939	95 00	1st April 1959-61
1,00,000	5†T	3rd April and 3rd October ..	South Madras Electric Supply ..	1939	93 50	30th September .. 1959-63
47,72,000	5	1st March and 1st September ..	Tata Power	1940	98 50	1st July 1970
9,50,00,000	4	1st January and 1st July ..	Tata Power	...	85.00	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	94 00	31st December .. 1969‡
1,50,00,000	6½	1st January and 1st July ..	Braset, Kero, Williams Ltd.	1958	104 50	1st January .. 1966-71
29,18,000	5½	15th September and 15th March.	Indian Hume Pipe (Hearer)	1942	98 25	1st July 1957-62
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd. ..	1946	84 00	31st May 1960-65
3,00,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	99 00	1st October .. 1960 (e)
40,00,000	6	31st December	Textile Machinery Corporation Ltd. ..	1950	99.50	31st December .. 1960 (e)
JUTE						
12,00,000	5½	1st October and 1st April ..	Asiatica	1939	92 00	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	91 00	30th June 1969
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1946	78 00	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd..	1946	90 00	30th June 1963
9,00,000	5	31st January and 31st July ..	Calcutta	1949	87 00	31st July 1969
10,62,000	5	30th June and 31st December ..	Chittavalah Jute Mills	1951	88 50	30th June 1966
10,48,000	5½	31st March and 30th September..	Dalhousie Jute Co.	1954	90 00	31st March .. 1969 (e)
8,86,000	5	15th January and 15th July ..	Empire	1951	90 00	15th July .. .. 1966 (e)
30,00,000	5½	31st March and 30th September..	Howrah Mills Co., Ltd.	1955	95 00	31st March 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd.	1949	90 00	31st December .. 1964 (e)
25,00,000	5½	30th June and 31st December ..	Kelhati	1953	90 00	31st March .. .. 1967 (e)
30,00,000	6‡	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	92 00	14th May 1974
5,00,000	6‡	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1945	85 00	31st December .. 1968
20,00,000	4	31st March and 30th September..	Reliance Jute Mills Co., Ltd.	1950	82 00	8th September .. 1965 (e)
20,00,000	6	30th June and 31st December ..	Union	1937	95 00	31st March 1967
10,00,000	3‡	31st January and 31st July ..	Waverley	1925	80.00	31st July 1969
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
£821,697	4‡	1st January and 1st July ..	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£148,806		1st April and 1st October ..		1933	£74.10N	1st October .. 1974
6,50,000	6	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (e)
£200,000	4‡	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1905	£64N	Any time on six months' notice (e)
4,14,18,000	4‡	1st March and 1st September ..	Scindia Steam Navigation	1949	97.00	1st September .. 1968
PLANTING						
8,75,000	6T.F.	31st March and 30th September..	Nilgiri Tea	...	99.50	1st April .. .. 1968-69†
5,00,000	6T.F.	1st January and 1st July ..	Kallar Rubber Co., Ltd.	1959	100.00	1st July .. .. 1969 -68
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
22,00,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	85 00	31st December .. 1968
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1941	100 00	1st September .. 1964-69 (e)‡
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	100 00	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1916	85.00N	1st February .. 1964
18,98,000	4‡	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	82 00	1st July 1966
50,00,000	4	15th March and 15th September ..	Dalhousie Properties	1948	78 00N	15th September .. 1968
1,00,00,000	6½	31st March and 30th September..	Dalmia Cement (Bharat) Ltd.	1946	82 00	.. 1968
2,04,55,000	6½	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	105 00	1st January .. 1969 (e)††
97,60,000	6½	1st January and 1st July ..	Indian Cable Co., Ltd.	1950	101 50	30th June .. .. 1969 (e)‡
3,00,00,000	6½	1st January and 1st July ..	Indian Aluminium Co., Ltd.	1950	102 75	1st January 1975
12,75,000	6†T	2nd January and 2nd July ..	Mettur Chemical Industries	1949	84 00	30th September .. 1970 (e)
8,31,000	4	31st March and 30th September ..	Martin Burn Ltd (Convertible Notes)	1948	650 00	30th September .. 1972 (e)
44,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)..	1947	410 00	31st December .. 1974
					(per note)	30th September .. 1971
78,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	85.00N	1st April 1965-70
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1956	100 25	30th June .. .. 1981 (e)
1,00,00,000	4½	31st March	Orient Paper Mills Ltd.	1951	92 00	31st March 1959
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	99 00	31st December .. 1966
10,00,000	5½	January and July ..	Shree Gopal Paper Mills Ltd.	1944	95 00	15th July 1966
30,00,000	6	16th Feb and 16th August ..	Shree Gopal Paper Mills Ltd.	1953	98 00	16th February .. 1968 (e)‡‡
4,00,00,000	5½	1st May and 1st November ..	Standard Vacuum Refining Co. India, Ltd.	1953	100 25	1st May 1963-65
21,00,000	6	30th June	Tata Chemicals Ltd	1945	97 00	.. 1968-74
50,00,000	6	.. ..	Tata Oil Mills Co., Ltd.	1950	101 00N	.. ..

(d) These debentures are registered and are transferable by transfer deeds. (h) Option to repay on 3 months' notice at any time at 5 per cent. premium.
† With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. ‡ Any debenture outstanding on 1-6-1965 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-6-1964. †† Rs. 50 lakhs will be redeemed annually by drawings from 1st May 1961 onwards. This Company has option to redeem debentures at 101 per cent. on 1st May 1963 on six months' notice.
† Option to repay at par on six months' notice, on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

3 OCT 1960 PUBLIC DEPARTMENT

COMMERCE

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

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INDUSTRIAL POLICY ISSUES

IT was against the background of a hopeful and, in some ways, buoyant, industrial situation that the Central Advisory Council of Industries discussed some matters of policy at its eleventh meeting at New Delhi last week. Two outstanding facts in this situation were that industrial production in the first five months of 1960 had increased by 13.4 per cent. over that of the corresponding period of 1959 and the second Plan's capacity and production targets of most industries had been fulfilled or exceeded by that time. A no less significant fact was that, in the first half of this year, the number of applications for licensing under the Industries Act was as high as 542 (against 997 during the whole of 1959), despite the fact that the Government had dispensed with the need for obtaining licences for establishing small enterprises by raising the lower limit of employment to 100 persons and of capital investment to Rs. 10 lakhs. But what greatly detracted from an otherwise encouraging situation were the critical shortages in imported raw materials and components required by the developing industries—shortages caused by continued stringency in the foreign exchange position.

There was, therefore, nothing unusual in Mr. Lal Bahadur Shastri's advice that industries should make maximum use of indigenous raw materials for increasing production. But this is a piece of advice which is more easily given than implemented. Fortunately, Mr. Shastri himself recognised that "a large part of imports of components and raw materials were basically developmental in nature." "With every stage of development," he continued, "our import requirements gradually changed from complete machinery items to components and some processed items required for the fabrication of the equipment which was previously imported. Naturally, we could not meet these increasing requirements for development from our own resources, till our economy had grown to a stage when we would be able to finance our own development. It was in support of this that we were seeking assistance from friendly countries." But it is unfortunate that this wholesome recognition of industrial realities is not reflected in an official note, prepared for the consideration of the Council.

This note, which deals with industrial development from the point of view of export promotion, records that "the new industries which have come up under the stimulation of scarcity are not as fully based on indigenous raw materials as would have been the case under more normal conditions" and "the result is that imports of the raw materials have to be permitted for a long time." What this note has failed to recognise is that, in the initial stages of development, production of quality goods might not be possible, except on the basis of imported raw materials and components of high quality. It is strange that the note should argue that "mere temporary advantages in saving foreign exchange in importing the finished products should not be the criterion for granting permission to set up an industry in the country, where such industry requires large-scale import of raw materials." If this criterion were to be followed, there would surely be no case for establishing such industries as petroleum refinery or rayon spinning units. There is no denying the fact that it is more advantageous to the country, from the point of view of foreign exchange saving and employment opportunities, to import raw materials and process them within the country than import finished goods. While it may be a good thing for every new industry to cater not merely to the internal market but to an external one as well, the suggestion that "preference be given, when issuing licences under the Industries Act, to units which undertake to export a particular percentage of their production in such a manner that the foreign exchange expenditure on imports for setting up the plant would be covered by the foreign exchange earnings within a period of two or three years and the exports would be maintained later at the same level," seems to be a tall order. Is it so very easy for a new industry to know well in advance whether there will be a secure foreign market for its products? It is surprising that, while Indian shipping which can be relied upon to earn back, within a short period, the foreign exchange allotted for its expansion has been given a rather niggardly treatment, some new industries which are not so favourably placed as shipping are expected to earn back, within two or three years, the foreign exchange expenditure on their establishment.

It would thus appear that the Council did not take any definite stand on the officially suggested criteria for licensing new industries. Actually, it was given more advice by Government than it probably gave the latter. Mr. Lal Bahadur Shastri, for example, advised the industries to undertake voluntarily fair and equitable distribution of their products and to set up their own organisations for promoting exports. These two pieces of advice were given in general terms. The Minister did not specify how, for example, industries could ensure fair prices and proper distribution at the retail end. Nor was it clear from the speech of a former President of the Federation of Indian Chambers of Commerce and Industry whether the measures taken by it to bring about voluntary price stabilisation by industry had succeeded. Perhaps, the only substantial instance of voluntary price reduction is provided by the cotton textile industry in recent months. Even here, it is premature to claim success for this experiment. The spokesmen of millowners themselves are doubtful, as witness their suggestion for statutory sanctions to enforce the controls worked out by them. In the matter of voluntary organisation for export promotion also, the idea of a pool scheme, under which the losses in exports of a certain proportion of the production of an industry as a whole are shared among all the members of that industry, may have no chance of gaining wide currency, if the experience of sugar exports is any guide. On this matter also, the Central Advisory Council of Industries did not appear to have developed a consensus of opinion.

All this does not mean that the discussions at the meeting of the Council have been entirely fruitless. They have had at least one concrete result. And it is that the Government has been persuaded to recognise the need for increasing the targets for sugar, textile and aluminium industries under the third Plan. While this is a heartening development, it only needs to be added that the increase in the textile target should be allotted to the mill sector which alone will be in a position to deliver the goods at a price the consumer can afford to pay and that new aluminium units should be large enough to achieve economic production, say, of the size of 50,000 tons, instead of the present sanctioned capacity of 10,000 to 20,000 tons. With the need for raising these three industrial targets now recognised, it may be that the third Plan investment target of Rs. 1,050 crores in the private sector industries would be enhanced suitably. In fact, this has been indicated in a way by Mr. T. N. Singh, a Member of the Planning Commission, and this will surely be welcomed by industry.

The Council meeting has, however, had no such happy result on another count, namely, the question of coal production. Although the problems of private collieries were fully explained by their representatives, the Union Minister for Steel, Mines and Fuel, Sardar Swaran Singh, held out no clear cut promises for them. The policy of price control and restrictions on expansion of private collieries have had the effect of retarding the progress of production in that sector, while the public sector collieries, too, have not been in a position to reach the ambitious production target set for them. Practical difficulties, such as the inadequacy of railway facilities and the slow execution of the schemes for washeries to supply high quality coking coal, have also come in the way of higher production in industries where coal plays a key role both as fuel and as raw material. In spite of several handicaps, the collieries in the private sector have certainly performed better than those in the public sector. And they could have performed still better, if controls on the industry had been relaxed in time and a liberal policy in regard to prices had been pursued. Sardar Swaran Singh's remark that, if the private collieries could satisfy the Government as to their optimum production programme in the existing mines, it would be prepared to consider any relaxation in its policy, is a concession which will not be effective. It is like putting the cart before the horse. Since coal is a basic raw material and fuel, the country cannot afford to take the risk of a shortfall in its production in the third Plan also. If the Government is really anxious to serve the public, it must be realistic enough to appreciate the need for giving all possible encouragement to the private sector to step up coal production. The right thing to do, therefore, would be a prior relaxation in the policy in regard to coal which restricts the scope for the expansion of the private sector and an assurance of reasonable assistance. If, after doing so, the Government invites the colliery-owners to come forward with their firm plans for maximising production, it can hope for enthusiastic response from them. But Sardar Swaran Singh's uncharitable remarks about the undoubtedly just criticisms of the World Bank Mission on India's policies on coal and oil suggest that the Government is yet unwilling to admit the realities of the situation where they clash with its major ideological predilections.

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HOW TO STABILISE PRICES

By A Special Correspondent

CURRENT economic thinking in India is dominated by a curious combination of optimism and pessimism about the future. The planners believe that the end of the third Five-year Plan (1961-66) will see the country reaching what is being fashionably called the take-off stage when progress, according to them, will be not only smooth but almost automatic. The picture painted by our policy-makers is thus most alluring, but their optimism is somewhat disturbed by the fact that the goal of material prosperity, especially for the common man, may prove illusory unless prices are held in check and stabilised at a reasonable level.

The issue of holding the price line is thus of vital importance and should be dealt with firmly and realistically. The Planning Commission has been giving its most earnest consideration to the problem, though the remedial measures taken by the Government to hold inflation in check have been singularly ineffective. The first Plan document recognises the need for establishing a judicious relationship between prices and returns in both the public and private sectors, taking into account the fact that, in a developing economy, a certain change in the price structure from time to time is inevitable. But any change in prices should not be of an inflationary character, since such a development, as the Plan document rightly points out, tends to a wrongful diversion of productive resources, besides generating economic instability and social unrest.

"Increase in output," says the same authority, "through fuller utilisation of capacity, through improvement in technical and managerial efficiency, or through harder or more sustained work all round is basically the answer to inflationary pressures and this would be a far better way of bringing supply and demand into equilibrium than some of the other devices which, while doing good, have also a somewhat depressing effect on the economy." Perhaps, the ills of high costs and prices from which the country is suffering today would not have been felt in their present acuteness if practical effect had been given to this salutary admonition in good time. Had this been done, there would have been no occasion for the framers of the draft third Plan to lament that "the level of prices now is more than 20 per cent. above the level at the commencement of the second Plan" or, to reiterate the obvious fact, that "it is essential to ensure that for the third Plan period a suitable price policy is formulated and carried out."

The fact of the matter is that, on the issue of ensuring an adequate and sustained supply of the basic necessities of life, which in an underdeveloped country like India, have a decisive influence on the price structure, the Government's policy has been singularly devoid of foresight and imagination. The production in required quantities of consumer goods, more especially of food and cloth, is, perhaps, more crucial for the success of planning and for ensuring the stability of prices than even an increase in investment and in the output of industrial goods. The unsatisfactory record of the country in the agricultural sector is best illustrated by the following figures of foodgrain production from the year 1951-52 to 1958-59.

(In thousand tons)

Year	Production	Year	Production
1951-52	51,175	1955-56	65,794
1952-53	58,266	1956-57	68,748
1953-54	68,718	1957-58	62,511
1954-55	66,960	1958-59	73,503

The production target, which had originally been fixed at 75 million tons at the end of the current Plan, that is, 1960-61, was revised upwards in November 1956 to 80.5 million tons. Apart from the fact that the possibility of realising this goal within the prescribed period is extremely remote, the rapid increase in the population which, according to the Central Statistical Organisation, is estimated to be 431 million in 1961, has rendered the shortfall in the output of foodgrains a major problem.

The inevitable consequence of the shortage of foodgrains has been an aggravation of their prices, which in its turn, has caused a sharp increase in the cost of living. Food claims the largest part of the income of the common man and this is particularly so in the countryside where incomes are the lowest. Even in industrial areas, it accounts for well over 50 per cent. of a householder's total expenditure. For instance, it is nearly 78 per cent. in a place like Jharia and nearly 52 per cent. in Bombay.* Taking the consumer price index for the working class in the country as a whole, the cost of living rose from 105 in 1951 to 121 points in 1959, largely on account of dearer food.

The importance of self-sufficiency in food and the methods to be adopted for attaining it have been and are being discussed with such thoroughness that nothing useful can be added here. Nevertheless, the fact that the area under irrigation, which is proposed to be increased from some 70 million acres at the end of the current Plan to about 90 million acres by 1966, will still bear a small proportion of some 20 per cent. to the total area under cultivation, deserves to be noted when making optimistic estimates about farm output. The success of agricultural planning thus still largely depends upon the benevolence of nature, upon which too much reliance cannot be placed.

Even so, with such means as are available to the Government, efforts should be made to stabilise and even push back the food prices to a reasonable level by judiciously releasing the buffer stocks that will be acquired from the United States and by entering into long-term agreements with food surplus countries for the supply of rice and wheat over a period of years. A steady increase in the domestic output, combined with imports on favourable terms, should help to hold the price line for food. Success in this attempt will mean winning more than half the battle against inflation.

Similar forethought is necessary in the formulation of the textile policy, since, next to food, cloth has a decisive influence on the living standards of the people. The frequent fluctuations in the fortunes of the cotton mill industry during the two Plan periods is indicative of the lack of a sound textile policy. When cloth prices rose in 1956 for valid reasons, the Government in September of that year imposed a staggering excise burden on the mills as a means of inhibiting higher consumption till the threatened imbalance between the supply and demand for cloth was rectified. But, when a similar situation arose in the current year, the Government chose to adopt an entirely different course of action. It prevailed upon the industry to enforce a major cut in cloth prices on the demonstrably untenable ground that the prices of all categories of cloth had risen by 40 per cent. In actual fact, the quantity of cloth affected was only 5 per cent. of the total output and this was entirely due to the acute shortage of home-grown cotton for producing coarse and lower medium cloths in required quantities.

It is significant that, while the prices of foodgrains have remained consistently high, those of cloth have not risen in glaring disproportion to the increased cost of production. The index of wholesale prices for textiles, which stood at 130 in 1951, declined to 106 in 1956, the last year of the first Plan, and was 105 in 1959. The figure stood at 114 in January this year.

*These figures are taken from the *Indian Labour Statistics*, 1960, page 71. The figures for Jharia and Bombay are those pertaining to the years 1945 and 1944-45, respectively.

There is no doubt that, in an economy struggling to expand, any tendency on the part of prices to play truant must be effectively checked, but the root of the trouble in the organised section of the cotton textile industry is its low profitability in relation to other industries. This fact has been emphasised by the findings of several competent bodies, including the Reserve Bank of India.

So, if cloth prices are to be scaled down to reasonable levels, without affecting the solvency of the industry, the obvious course to adopt is to assist it in securing a reasonable measure of resilience in its cost structure and to enable it to put aside larger sums of money than at present for purposes of modernising its equipment. An arbitrary cut in prices without taking these basic facts into consideration will only result in greater distress to the marginal mills and the consequent setback to production. Such a development will only worsen the position relating to the supply of cloth and its prices. The industry is required to spend an estimated sum of Rs. 180 crores during the third Plan period on the rehabilitation and modernisation of its productive machinery. It is not clear how such a large sum of money can be raised, if the mills are not permitted to make adequate profits.

The question relating to the expansion of the mill industry also calls for a realistic approach. The policy-makers' strange reluctance to face this issue squarely, despite their awareness of the fact that it is only the organised sector that can prevent serious shortages of cloth, accounts in no small measure for the repeated exposure of the industry to crises. Experience during the last two Plan periods has made it abundantly clear that the mills should be given the major task of clothing the population and of achieving higher levels of exports, if it is intended that the consumer should obtain quality cloth at reasonable prices. At the same time, quick decisions are necessary, for the time-lag between the decision to expand the industry and the actual attainment of higher production is considerable.

Thus, the plea for holding the price line calls for a good deal of preparation before practical effect can be given to it. Inflation, it must be remembered, is not a mere post-war phenomenon, but a modern peace-time development. Its existence in various parts of the world is due to different reasons. In advanced countries it is stated to be the result of full employment, social welfare policies and rapid technological development. In underdeveloped countries like India, it is, perhaps, due to forced industrialisation, insufficient development of agriculture and a rapid growth of population. Whatever the reason, in economically weak countries inflation is like a boa-constrictor that devours everything that comes its way, leaving behind a trail of ruined plans and frustrated hopes.

At the same time, we must be clear in our minds as to which year should be chosen as the base year for holding the price line. It will not do to make an arbitrary choice by ignoring the sharp increase that has taken place in the cost of production during the past many years. Whether we belong to the private sector or the public sector, we cannot altogether ignore the profit-and-loss calculus, if enterprises are to remain in business and to increase their activities. What with the increase in the prices of raw materials and the rise in the wage bill, including the salaries of Central Government employees, the cost structure in both sectors of the economy has undergone a radical change. This fact should be borne in mind when measures are taken to stabilise the prices.

In the ultimate analysis, however, it is higher production, through hard work and the will to increase the national wealth, that is the best antidote to rising prices. Piecemeal attempts to secure a reduction in the prices of a few articles, without making a concerted effort to deal with the problem of inflation as a whole, are likely to accentuate the problem, instead of solving it.

MARKET GOSSIP

More on Credit Restraints

BY joining the ranks of central banks which follow unorthodox policies in regard to credit controls, the Reserve Bank of India has only postponed the day when it may have to effect an increase in the basic Bank rate itself. In Japan, the system of differential bank rates has been used mainly to promote exports and discourage imports. In this country, it is being adopted to enable the Government, the largest spender and investor, to borrow at more favourable rates than trade and industry in the private sector. But, as banks have been the largest lenders to the Government and as the demand for finance on them from the private sector is bound to increase in the coming busy season, the Reserve Bank can help the Government to borrow at the favourable (Bank) rate, only if it is prepared to take over from the banks the Government securities which they already possess. This, in effect, will be an inflationary act. The banks have been told to charge more on their advances and pay less on the very short-term deposits (maturing within 21 days). The inter-bank agreement on deposits has been left unimpaired in all other respects, so that banks' profit-margin will broaden. This state of affairs is not conducive to banks maintaining their investments in Government securities at a high level; on the contrary, it is an inducement to them to reduce such investments to the minimum.

The banks, of course, cannot disinvest Government securities on any significant scale, unless the Reserve Bank is willing to buy them. If it refuses to do so, the value of Gilt-edged securities will drop either gradually or swiftly, depending upon the pressure of demand for funds, until they reach a level at which the banks will find it difficult to absorb the capital loss. When that stage is reached, the banks will lean more and more on the Reserve Bank for the supply of funds. The penal Bank rates which they will be obliged to pay will in turn be reflected in their lending rates.

It is hard to say at present as to what will be the levels at which banks will find it not worthwhile disposing of their investments in Government securities, as much will depend on the position of individual banks. But it is generally expected in market circles that, in the busy season that lies ahead, the yield on medium-dated loans of the Union Government may rise to 4.25 to 4.30 per cent. per annum and that on long-dateds to 4.60 per cent. to 4.75 per cent., as against 3.65 per cent. and 4 per cent., respectively, at present. Already, the Reserve Bank has stopped buying any Government loans, except 2½ per cent. 1961. This one-year loan is being taken up presumably because it is maturing next year. The worst sufferers of this policy are the State loans. Almost all the issues floated a few weeks ago have dropped a rupee. The decline in Central Government loans is not yet perceptible, but the pressure is strong and business is not passing for want of buyers. Apparently, banks are generally hoping that, when the busy season starts, the Reserve Bank will be compelled by circumstances to come forward to take over large parcels from them. It remains to be seen whether this hope will materialise.

Two important considerations seem to have weighed with the authorities in not raising the Bank rate straightaway. One, it will add to the cost of Government borrowing and, two, it will bring down the value of existing Government loans, thereby inflicting on the banks heavy capital depreciation. By giving importance to these considerations, the authorities are ignoring the more important consideration of development with stability. There is a tremendous wastage of capital by the public sector, by which we mean right from the Central Government down to the village *panchayats*. A stiff Bank rate is the only way in which some regard for the value of money can be inculcated among the leaders of the public sector. One may argue that, in a planned economy, it should be possible to prevent infructuous expenditure by giving suitable directives and through exhortation. But actual experience in the past one decade has clearly shown that this argument ignores human weaknesses and that, at best, it can function only under a dictatorship. In a mixed economy, where State Governments and Local authorities enjoy a large measure of autonomy, by a growing bureaucracy, a high level of interest rate is as necessary for the public sector as it is for the private sector. On the one hand, it will discourage unproductive and wasteful expenditure, and, on the other, it will serve as a good instrument to extract maximum efficiency and return from the public sector projects. This is true of *entrepreneurs* in the private sector also. The notion that high interest rates will deter economic growth does not hold good so far as underdeveloped countries are concerned, since the element of interest charges in total cost of production is relatively small as compared with other items of cost. Higher interest rates will, on the contrary, prove beneficial by inducing economy and efficiency in the use of capital, by discouraging hoarding of food, raw materials and finished goods, by inducing a high rate of savings and by forcing the State to follow a more sensible fiscal policy. They will restrain boom on the stock exchanges which yields enormous sums of unearned profits to big investors and speculators. In fine, the advantages of high interest rates for an economy like that of India are far greater and more lasting than the disadvantages.

While an increase in the Bank rate itself would have been the right course of action, the present step designed to make bank credit substantially costlier is something better than doing nothing, as it may very well help bring down the prices of agricultural commodities when the new crop starts moving. Only, it means one more disadvantage to the private sector *vis-a-vis* the public sector and the co-operatives. The coal mines, oil enterprises, steel and cement plants, fertiliser factories, the large number of engineering units, the transport undertakings (railways, roads, aviation and shipping) and electricity projects, to mention only a few, which are in the public sector will be able to get finance at a cheaper cost than their confreres in the private sector which would not have been the case if the Bank rate had been raised. At least, the difference would not be as glaring as it will be when the new pattern of interest rates comes into force. The position would be distinctly worse in the case of those industries the prices of which are controlled by the Government either statutorily or through gentlemen's agreements. Electricity, iron and steel, cement, coal, sugar and cotton textiles are some typical examples. If the Bank rate were raised, the electricity undertakings could raise their charges to consumers in order to cover the increase in the cost of borrowed capital. This they cannot do now, unless the Government is prepared to revise the understanding with them. Cotton textiles at least can hope to get some relief by way of lower raw material prices in the coming months. The sugar industry, too, may expect to be compensated by larger supply of sugarcane and extension of crushing season. But coal, iron and steel and cement, which have been enjoying the benefit of low interest rates as prime-borrowers and which have been relying on bank finance to a very considerable extent, will be hit substantially, unless their selling prices are promptly readjusted in an upward direction. There is, however, no reason to believe that this will be done. Even as it is, an increase in the retention prices of these industries to cover the rise in production costs that has already taken place is long overdue, the delay being due to the Government's reluctance to permit it.

Having regard to the disposition of the banks' funds and considering the prospects of heavy demand for bank finance in the coming months when a progressive increase in industrial production is expected, the new credit restraints are bound to have a biting effect. The banks will find it necessary to raise their lending rates by more than half per cent. An analysis of the statistical position of Scheduled banks other than the State Bank of India suggests that, even as it is, the borrowings of these banks are nearly twice as much as their basic quota. This means that, of the outstanding borrowings from the Reserve Bank amounting to Rs. 40 crores, a little over half will be at the Bank rate; of the balance, about Rs. 11 crores will be at 5 per cent. and the remainder at 6 per cent. The position will become pretty difficult when the busy season starts and the Reserve Bank may have to relax the restraint placed through the special deposit system.

It may be noted, in passing, that the State Bank has now no borrowings from the Reserve Bank and its capacity to borrow from it at the basic Bank rate remains unutilised. It is quite likely that the other Scheduled banks may first borrow from the State Bank, say, at 4½ per cent. and repay a part of their borrowings from the Reserve Bank on which they have to pay interest at 5 and 6 per cent. But, when the busy season gathers momentum or even before that, this source may get exhausted. Consequently, even inter-bank call money rate, which is not subject to any ceiling under the inter-bank agreement, may spurt to 4½ to 5 per cent. in the next few weeks. Such a development is likely to put the inter-bank agreement on deposit rates to the severest test.

Meanwhile, the Reserve Bank has made it clear that the savings bank accounts will not be subject to its ceiling of 2 per cent. for very short-term deposits, namely, those repayable within 21 days. Some banks are of the opinion that, in view of this ceiling, the rate for deposits up to one month also should be fixed at 2 per cent., as the present ceiling of 3 per cent. is disproportionately high. As their contention appears to be reasonable, the inter-bank agreement may have to undergo a change to this extent, unless the Reserve Bank agrees to extend the usance from 21 days to one month.

A substantial increase in the banks' lending rates, unaccompanied by a corresponding rise in their deposit rates, will result in a distortion of the pattern of interest rates. Already, the pace of growth of bank deposits has slowed down and, unless this trend is reversed in the near future, the banks will find it difficult to stick to the present ceilings. Many first class industrial concerns themselves may compete with banks for deposits. They may be prepared to pay 4½ or even 5 per cent. for one- or two-year deposits and thereby limit their borrowings from banks which will cost them 5 or 6 per cent., if not more. It may be interesting to recall here that, at the last annual meeting of the T.I.S.Co., quite a few shareholders volunteered to place a part of their funds in fixed deposits with the Company, but the Chairman declined the offer, as he could borrow from banks at a cheaper rate. There will be competition for deposits from other sources as well.

Extent of Fall in Equities

Scrips	Peak so far in 1960	Lowest touched this week	Closing rates 28-9-1960
	Rs.	Rs.	Rs.
Tata Steel	163.75	151.75	153.25
Indian Iron ..	26.15	22.16xd	22.52
T.E.L.CO. ..	349.00	259.00	266.50
Voltas	303.50	255.00	261.00
Hindustan Motors ..	23.24	17.52	18.16
Standard Mills ..	2,065.00	1,290.00	1,325.00
Khatau	850.00	532.50	550.00
Century	544.00	457.50	469.00
Kohinoor	372.00	305.50	307.00
Bombay Dyeing ..	71.90	64.20	64.80
Bombay Burmah ..	658.00	563.00	576.00
Belapur	420.00	362.00	362.00
Tata Chemicals ..	22.04	16.00	16.12
National Rayon ..	569.00	471.00	478.00
Gwalior Rayon ..	51.50	39.00xd	41.00
Polychem	435.00	245.00	255.00
Baroda Rayon ..	167.00 (75.00 pd.)	144.00 (100.00 pd.)	147.00 (100.00 pd)
Colour Chem ..	505.00	377.50	385.00
Premier Tyres ..	108.50	84.00	85.00
Philips Carbon ..	23.24	16.00	16.24
Asian Cables ..	108.50	88.00	88.50
East Anglia Plastics	17.44	11.75	11.87 (23-9-60)
Laxmi Starch ..	233.50	173.75	181.25
Anil Hardboards ..	435.00	360.00	362.50
Hindustan Aluminium	5.32 (2.50 pd.)	8.32 (7.50 pd.)	8.32 (7.50 pd.)

I.F.C.'s Candid Comments

The International Finance Corporation has been unusually frank in its latest (fourth) annual report in discussing in detail the risks, the difficulties and the potential rewards of private capital investment in the developing countries in the free world. Under the caption, *Management of Industry in the Developing Countries*, the general chapter of the report discusses some of the special considerations governing investment in these countries. In doing so, the Corporation has drawn on its first-hand experience, through its investment activities, of the problems involved in establishing new enterprises and expanding and modernising the existing ones. During the last four years of its existence, the I.F.C., it may be noted, has made investments in 17 countries and has investigated projects in 17 others, and this has provided the Corporation a varied experience in helping to solve these problems. Though some of the drawbacks it has noticed had been drawn attention to in its earlier reports, the Corporation has thought fit to reiterate and elaborate them in its latest report, evidently for two reasons. First, the drawbacks still persist and, secondly, it is anxious to see that the developing countries' industrial economies are established on a sound basis, because of its conviction that the rewards outweigh the obstacles and risks.

The Corporation finds that financial, executive and technical experience in the developing countries is limited and political, financial and economic conditions are frequently less stable than in the more highly industrialised countries. These factors, together with the usual necessity to obtain funds and equipment from abroad, combine to create certain problems.

In regard to ownership of enterprises, while there is a wide variety of systems prevalent, the I.F.C. has found "an unquestioned trend towards joint-ventures under international and local sponsorship, based on growing evidence that the advantages outweigh the difficulties." With full realisation that each case must be judged in the light of its particular circumstances and of local conditions, including appropriate timing, the I.F.C. considers that, wherever practicable, joint enterprises are desirable.

The I.F.C. has been concerned during the last four years in a number of projects designed at least to double current production and to add new product lines. It has often found that considerable persuasion is required "to convince the owners and managers that broadening the executive staff is as essential as adding more machines." The two factors which emphasise the need for executives who are experienced, informed and receptive to developments at home and abroad and which are quoted by the I.F.C. are: (1) economic production can be achieved only in large-scale enterprises, the operations of which present complex problems of planning, financing, taxes, labour and public relations, advancing techniques and the development of new products, and (2) increasing competition. In many cases, the I.F.C. has found that the need can be met only by bringing in executives from abroad.

Another disquieting feature found by the I.F.C. is that the increasing scope and complexity of financial management are not widely recognised. It says that technical education is much more widespread than training in finance and business, so that there is more likely to be a shortage of qualified financial experts than of engineering in industrial operations. The result is that, even where management does recognise the need for strengthening its financial organisation, it is difficult to get qualified personnel, especially at the executive level. Equally important is the need for adequate "financial management tools." Unfortunately, the I.F.C. finds that, with some exceptions, even in well-established companies, accounting practices do not give the management and potential investors adequate information. It adds: "There is not only lack of substance in financial reports but also delay in preparing them. Cost accounting is especially inadequate. However, the I.F.C. has found a gratifying response to suggestions for improving accounting and reporting and

(*Continued on page 620*)

EQUITIES RETREAT

HEAVY FALL IN PRICES

(From Our Own Correspondents)

BOMBAY, *28th September*

IN distinct contrast to the steady tone and improvement in values noted in the previous week, the share market struck a diffident note during the week under review. The change in sentiment for the worse was noted particularly after the new account opened on Monday last, when there was heavy bull liquidation followed by bear sales, resulting in a sharp break in equity prices. Reports to the effect that banks would be obliged to restrict their advances on a voluntary basis and fears that the cost of borrowing by industries would be much higher than the increase of ½ per cent. as directed by the Reserve Bank would appear to have caused nervousness among the operators. Towards the close, however, there was a mild recovery on bear covering, but the overall trend was still downward and losses over the week were heavy in several leading counters. Notable among these are Centurys, Kohinoors, Standards, Khataus, Morarjees, National Rayons, Belapurs, Tata Locomotives, Constructions and Voltas in the forward list. Cash scrips too suffered a landslide.

In the steel section, Tata Ordinaries gave way from Rs. 155 to Rs. 151.75, before recouping to Rs. 153.25. Indian Irons were done at Rs. 22.52 *ex-div.*, which on a *cum-div.* basis showed a fall of 35 nP over the week.

Reports of an improvement in cloth offtake failed to arrest the decline in textile shares. After an initial improvement from Rs. 63.60 to Rs. 66.70, Bombay Dyeings relapsed to Rs. 64.80. Centurys, which had advanced from Rs. 477.50 to Rs 482 earlier in the week, touched a low of Rs. 457.50 before finishing at Rs. 462. Kohinoors lost Rs. 7.50 to Rs. 307. Finlays were marked down by Rs. 4 to Rs. 348, Khataus by Rs. 20 to Rs. 550 and Morarjee Mills by Rs. 21 to Rs. 342. Standards were marked down from Rs. 1,405 to Rs. 1,305, but closed a shade higher at Rs. 1,325. A fall of Rs. 8 to Rs. 252 was noted in Svadeshis. Shreeniwas Cottons were Rs. 2 lower, despite the announcement of a rights issue of the value of Rs. 10 lakhs at par in the ratio of one new share for every eight existing shares.

Belapurs were prominent among the sugar shares with a decline of Rs. 8 to Rs. 362. Phaltans shed Rs. 2 to Rs. 177, while Walchandnagars were unchanged at Rs. 29.75. Maharashtra Sugars suffered a loss of Rs. 14.50 to Rs. 249.50.

Cements were listless. A.C.Cs were a shade quiet at Rs. 142.50 Digvijays failed to sustain their ground and fell by Rs. 4.50 to Rs. 169, despite the Company's decision to itself undertake the manufacture of asbestos sheets and pressure pipes, which was to have been done originally through its subsidiary.

Engineerings were weak. Voltas headed the list with a marked fall of Rs. 17 to Rs. 261. Premier Constructions dropped by Rs. 15.50 to Rs. 329.50. Tata Locomotives moved down from Rs. 281 to Rs. 262.50 before gaining ground slightly to Rs. 266.50. Alcocks dipped by Rs. 5 to Rs. 285 and Texmacos by Rs. 2.32 to Rs. 22.48. Larsen and Toubros were placed at Rs. 32 *ex-right* (after going down to a low of Rs. 29.25 *ex-right*), as compared with the previous week's quotation of Rs. 42.25 *cum-right*.

In the miscellaneous section, Bombay Burmahs (old) were hammered down from Rs. 587 to Rs. 563 before recovering to Rs. 576. National Rayons hardened early in the week from Rs. 507 to Rs. 518, but soon retreated to a low of Rs. 471. At the close, however, there was a mild recovery to Rs. 478. Gwalior Rayons were relatively steady at Rs. 41, while Barodas suffered a fall of Rs. 8 to Rs. 147. Tata Oils were marked down by Re. 1.30 to Rs. 73.20 and Tata Chemicals by Re. 1.68 to Rs. 16.12 on fears about cut in dividend. Ceat Tyres were brought down by Rs. 12.50 to Rs. 222.50 and Premier Tyres by Rs. 6 to Rs. 85. West Coast Papers gave way by Rs. 6 to Rs. 190. Chemical and dye shares experienced pronounced weakness. Amar Dyes lost Rs. 30 to Rs. 395. Colour Chems Rs. 15 to Rs. 385 and Dharamsi Chemicals (New) Rs. 26.25 to Rs. 226.25. Indian Dyestuffs were marked down by Rs. 60 to Rs. 520 and Poly Chems by Rs. 15 to Rs. 255. Ferro Alloys dropped Rs. 7 to Rs. 207 and Khandelwals had a similar decline to Rs. 94.

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Madras Stock Exchange

MADRAS, *27th September*

The new credit restraints announced by the Reserve Bank of India early in the week led to cautious and hesitant trading during the week under review. The measures are, penal rates of interest for borrowings from the Reserve Bank by banks in excess of the quota fixed for each bank, increased in the average lending rate by banks to their customers by half per cent. and limit on the interest rate paid by banks on short-term deposits. Operators preferred to wait and watch the impact of these restraints rather than enter into fresh commitments. Consequently, turnover was limited, with values moving narrowly. Textiles were quiet in the absence of fresh support. Teas were dull, though a few selected shares were well fancied. Coffees were subdued on account of lower prices quoted by overseas importers. Rubbers moved down in sympathy. Barring a few shares, sugars were generally easy. Miscellaneous industrials encountered some selling.

In the textile section, Bangalore Woollens were marked down by a rupee to Rs. 199.50. Buckinghams lost a like amount to Rs. 200 *ex-div.* Lakshmis receded from Rs. 141 to Rs. 140 earlier, but recovered to Rs. 140.50 today, the net loss over the week being 50 nP. Travancore Rayons shed 40 nP to Rs. 35.50. Coimbatore Cottons were neglected at Rs. 167. Coimbatore Pioneers at Rs. 347.50 and Coimbatore Spinnings at Rs. 48. Dhanalakshmis changed hands at Rs. 227, Kotharis at Rs. 12.65 and Metturs at Rs. 392. Loyals, however, put on 10 nP to Rs. 35.35.

Among teas, Peermades eased by 10 nP to Rs. 23.45. The Directors of the Company have announced an interim dividend of 7½ per cent. for the current year. Neelamalais declined by 5 nP to Rs. 4.95. Blue Mountains shed 2 nP to Rs. 5.06. Periakaramalais were subdued in the beginning of the week, but recovered subsequently at the last week's level of Rs. 3.54. Haileyburias were quiet at Rs. 14.25, as also Devasholas at Rs. 30.25 and Haileyburias at Rs. 14.25. Parksides and United Nilgiris, however, hardened by 5 nP each to Rs. 28.40 and Rs. 4.25, respectively.

In the coffee group, Cowcoodys came in for selling and fell by 30 nP to Rs. 5.25. Sangameshwars suffered a setback of 16 nP to Rs. 2.40, following announcement of a dividend at 6 per cent., taxable (equivalent to 4.2 per cent. tax-free) for the year ended March 1960, which compares unfavourably with 9 per cent. tax-free for the previous year. Rajendras closed lower by 15 nP at Rs. 14.35. Consolidated Coffees decreased by 10 nP to Rs. 25.95, after touching Rs. 26.12 earlier in the week. But Coffee Lands improved by 45 nP to Rs. 25.25. Ouchterlony Valleys picked up 10 nP to Rs. 4.85.

Among rubbers, Malankaras eased by 25 nP to Rs. 19.75. T.R. and T.'s dropped 5 nP to Rs. 7.90. Cochin Malabars sagged by 3 nP to Rs. 7.25. Thirumbadis lost 2 nP to Re. 1.47. Kailas were unchanged at Rs. 4.95 and Travancore Rubbers at Rs. 12. Highlands, however, rose by 12 nP to Rs. 14.62 and Midlands by 5 nP to Rs. 12.

In the sugar section, Deccans gave way from Rs. 15.80 to Rs. 15.40. Travancores shed 20 nP to Rs. 11.80. The Company has declared a dividend of 10 per cent., taxable (equivalent to 7 per cent. tax-free) as against 10 per cent. tax-free for the previous year. Indias were lower by 5 nP at Rs. 13. East India Distilleries, however, spurted by Rs. 2.25 to Rs. 42.25 on special support. Cauverys rose by 50 nP to Rs. 144.50.

A feature of trading in the miscellaneous section was the sharp setback of Rs. 42 suffered by Western India Plywoods. Ashok Leylands dropped 40 nP to Rs. 8.30 and Aluminium Industries by 23 nP to Rs. 22.77 *ex-div.* Among cements, Travancores lost 10 nP to Rs. 8.70. India Cements declined by 9 nP to Rs. 7.10. But Dalmias put on 15 nP to Rs. 12.15. Among chemicals, F.A.C.Ts were lower by 25 nP at Rs. 10.75. Mysore Fertilisers were neglected at Rs. 10.65, as also Mysore Chemicals at Rs. 27.87. But Mettur Chemicals were higher by 5 nP at Rs 13.25.

BIHAR CABLE AND WIRE INDUSTRIES

The Bihar Cable and Wire Industries Ltd. will shortly come to the capital market with a small equity issue of Rs. 10 lakhs, divided into 100,000 shares of Rs. 10 each. Of these, the Directors, promoters and their friends have agreed to take up 51,000 shares and the remaining 49,000 shares only will be offered to the public. The Bihar State Government is also likely to participate in this issue. The issue will be underwritten and preference in allotment will be given to small investors.

The issue will provide a part of the finance required to establish a group of small-scale units, at a cost of Rs. 20 lakhs. The balance of the cost will be met by a loan of Rs. 5 lakhs from the State Financial Corporation and by borrowings from other sources to the extent of Rs. 5 lakhs.

The Company has been formed to take over the business of Khemka Cable Works and Bihar Wire Industries, two small-scale industrial units now under construction at Patna. Both the units will function as separate units under the ægis of the public company. The Company will add more small-scale units under its phased programme. The Khemka Cable Works proposes to manufacture 20,000 coils (of 100 yards each) of rubber insulated cables and 50,000 r. ft. of welding cables per month. The Bihar Wire Industries have a manufacturing programme of 1,500 tons of galvanised iron wire and 700 tons of barbed wires, wire nails and panel pins per annum. The production capacity is likely to be raised to 12,000 tons of galvanised wire. Partial production is expected to start before the end of the current year. The Company has an influential Board of Directors, headed by Mr. S. M. Dhar, I.C.S. (Retd.), lately Agent of the Tata Iron and Steel Company Ltd. and *ex*-Secretary to the Government of India.

(Concluded from next column)

hit. But what also emerged was the feeling that Commonwealth Preference was the principal economic force holding the Commonwealth together. It certainly looks, following these explorations, that the only way Britain will be allowed to work her way into the Six will be by tagging the Commonwealth countries along with her!—*All Rights Reserved.*

LONDON LETTER

COMMONWEALTH ECONOMICS

SIX AND SEVEN

(From Our Own Correspondent)

LONDON, *23rd September*

THE Consultative Council of Commonwealth Ministers has just concluded its brief session in London with real agreement only on one point—that is, assistance to Africa. But the Special Commonwealth African Assistance Plan (S.C.A.A.P.) is not a plan in the ordinary sense of the word. It does not imply co-ordinated effort. What is intended is a combination of bilateral assistance by those countries that can give it, and Commonwealth countries will keep each other informed—but mainly by annual review—of what they are doing.

The *communique* issued at the end of the talks made no reference to British monetary policy, but the subject, and its impact on the Commonwealth countries, was discussed and stress was laid on the effect of restrictive credit in the U.K., (in particular the high Bank Rate) on the development needs of non-industrial Commonwealth countries. The side revelation of these exchanges was that the Bank of England cannot isolate the amount of hot money in the sterling balances. But the Bank has probably a keener idea, derived from the source of inflow, than the Chancellor of the Exchequer is prepared to admit. Most of the members of the sterling area were obviously rather perturbed about the extent to which the deterioration of Britain's overseas trade position was being masked by the hot money inflow.

But the real meat of the Conference came in the discussions, informal as well as formal, concerning negotiations between the European Six and the Seven, and Britain's possible intentions about linking the one with the other. The wording of the *communique* was:

"U.K. Ministers expressed their concern about the possibility of creating economic division in Europe. They gave an account of the recent discussion in which they had been engaged, making it clear that no negotiations between the two groups had yet begun. They stated, however, that the U.K. Government would be prepared to examine and discuss proposals for a satisfactory solution."

The only surprising thing in this statement was that no negotiations had begun, because the general impression which Ministers had previously given was that they were engaged in negotiations centering around problems of Commonwealth participation and the exclusion of agricultural products. These matters have certainly been discussed by the U.K. Government with the Six, but "discussions" apparently exclude "negotiations."

The Council's reaction to the U.K. statement was embraced in the simple words "it was accepted that any negotiations that took place would ensure that the interests of Commonwealth countries should be safeguarded and every account taken of the continuing importance of intra-Commonwealth trade."

It was left to the Lord Privy Seal, who has gained his rapid promotion in Government office in recent years through an outstanding ability to negotiate without fuss, to get the feelings of the Commonwealth Ministers to the possibility of Britain joining the Six or the Seven joining the Six, as the case may be. Whatever may have been discussed in the past between Britain and the Six, on one hand, and Britain and the Commonwealth on the other, may as well be forgotten, since the Conference marked a new starting point. The Lord Privy Seal, Mr. Heath, who has the special responsibility for European affairs in the Government, was at such pains to probe the views of his Commonwealth colleagues that it caused some surprise. It had not occurred to the Commonwealth Ministers that British thought on this issue was still altogether tentative. They looked in vain for answers to their own queries as to the effect on their own economies of Britain entering the Common Market, and it took a little time to reassure them that it would only be after this Conference and the sounding of the Commonwealth Ministers' views that the Government would again try to think how to get round the problems.

Most of the Ministers, and in particular the New Zealand representative, furiously attacked the idea of Britain entering the Common Market—New Zealand is particularly afraid of her butter and other agricultural exports being

(Continued in previous column)

NEWS IN BRIEF

THE Tariff Commission has taken up for consideration the question of continuance of protection to dyestuff industry. Copies of the questionnaires on the issue may be obtained from the Secretary to the Commission.

The conditions of employment in civil aviation and hours of duty and rest periods of flight personnel are being discussed at the I.L.O. *ad hoc* civil aviation meeting, which began at Geneva on 26th September and will end on the 4th inst.

The Union Government has fixed tariff values for three-phase squirrel cage electric motors of less than ½ horse-power, ranging from Rs. 110 to Rs. 200, for assessment of excise duty. The relevant details are published in the *Gazette of India* dated 24th September 1960.

The Western Shipping Corporation, Bombay, has taken delivery of the 9,300-ton freight m.v. *Vishva Kirti* from the Lubeck Flender-Worke Shipyard, West Germany. With this addition, the Corporation has now a fleet of six ships, including two tankers.

An express cargo service between India and Poland has been inaugurated with the departure of the first Indian vessel *Indian Resource* from Calcutta for Poland last week. The service is in pursuance of the shipping agreement entered into recently between the two countries.

The Indian Jute Mills Association has decided to extend up to the end of December next the scheme for voluntary sealing of jute looms by member mills. The scheme, which was introduced in June last, when the mills were running with only 9 per cent. looms sealed, was originally intended to end at the beginning of November.

A five-member woollen goods export promotion delegation sponsored by the Development Council left Bombay on Monday this week for a month's tour of the Middle East and East European countries. The delegation will explore possibilities of exporting Indian woollen goods in foreign markets and also establish contacts with foreign buyers.

The Government of India has released an export quota of 1,525 metric tons of cotton rags, hosiery cuttings and linen cuttings for the October 1960-March 1962 period. Cotton rope cuttings will also be allowed against this quota. Licensing will be done by endorsement on the shipping bills, subject to a maximum of 25 metric tons per shipper per day, the licence being valid for 15 days only.

The Employees' State Insurance Scheme has been extended to Rajnandgaon in Madhya Pradesh from 24th September 1960. As a result, 3,200 more factory workers will get medical benefits under the scheme. The families of the insured persons in this area will also be entitled to medical care 13 weeks after the insured persons themselves become entitled to medical care.

Vast sources of sulphur pyrites have been discovered in the Amjore area in Bihar, which, it is said, will meet the entire demand for sulphur in the country. The sulphide derived from pyrites can be used in the place of free sulphur now being imported. Meanwhile, the Geological Survey of India has discovered sulphur deposits of a "fairly good quality" in the Andaman and Nicobar islands during its preliminary investigations.

India will receive from the U.S. $17.1 million worth of additional agricultural commodities, under a supplemental agreement to the U.S.-India food accord concluded in May last. The new agreement, signed last week, provides for the sale of $2 million in tobacco, $6.8 million in corn, $4.3 million in milo (a grain *sorghum*), $1 million in soyabean oil and for $3 million towards ocean transportation costs. Payment will be made in rupees the bulk of which will be lent back to economic development projects in India.

Only metric weights will be used for sale of cement throughout the country from the 1st inst. The two-year transition period, when both British and metric weights were allowed to be used side by side, has thus come to an end. Cement has been sold on a gross weight basis so far. Cement bags will henceforward be marked to indicate that each bag weighs 1 cwt. or 51 kgm. gross. While switching over to the metric system, it has been decided that cement should be packed on net weight basis. Under the new system, each bag will contain 50 kgm. cement net, exclusive of the weight of the bag.

Large deposits of metallurgical coal have been located in three areas, two in Bokaro and one in Raniganj (Bihar). The reserves are expected to make India self-sufficient in grade I coal for decades to come. In one of these areas in Bokaro, coal, having coking index ranging from 21 to 23 per cent., has been discovered in an entirely new 74-foot seam broken up into two portions separated by eight feet of non-coal materials. The second deposit in the region relates to coal seams which are being worked at 2,000 feet. Mapping and investigations have shown that the seam at places runs above 1,000 feet level. The discovery at Raniganj is almost on the entire surface, extending over a mile and a half.

An agreement has been reached in Calcutta between the Employers' Association and the Dooars *Cha Bagan Mazdoor Sangha* (affiliated to the I.N.T.U.C.) on the union's main demands. Negotiations for a settlement of the dispute had begun after the issue of a strike notice which was withdrawn by the middle of last month. The agreement provides that the employers represented by the Indian Tea Association and the Indian Tea Planters' Association will give preference to workers' children in filling vacancies at gardens. The union will prepare a list of hardship cases for consideration by the employers who will, however, have the right to determine the number of workers to be employed in a garden. The employers have agreed not to withdraw free medical facilities for workers' children up to the age of 18 years.

The draft memorandum of association and rules of the Indian Investment Centre, set up as an independent non-profit making body for promoting foreign private investment in this country, have been finalised. The Centre will be formally inaugurated by the middle of this month. At a later stage, the Centre will open a branch in New York. It will be a medium through which Indian and foreign business men can co-operate to promote joint industrial enterprises. It is expected to be of special help to small and medium business men. It will also supply information about the Government's fiscal policies and particulars about various industries. It may be recalled that the U.S. Technical Co-operation Mission had given a grant of Rs. 59 lakhs for the Centre. Of this amount, Rs. 34 lakhs will be given as foreign exchange, which is required for inviting specialists from abroad. The balance is to be made available from P.L. 480 rupee funds in India.

Trade talks between India and Iraq have concluded in Baghdad. The Indian delegation to the talks was led by Mr. I. S. Chopra, Indian Ambassador in Iraq and the Iraqi delegation by Mr. Sayed Abdul Latif Alshawaf, Minister for Trade. In a joint *communique*, issued at the conclusion of the talks, the two delegations have stressed that there is considerable scope for increasing economic co-operation and trade between the two countries. Iraqi dates have a good market in India and Iraq offers considerable opportunities for export of Indian tea and other products, such as light engineering goods, hosiery and knitted garments, plastic manufactures and sports goods. It is agreed that immediate steps will be taken by both Governments to facilitate the flow of Iraqi dates to India and Indian goods to Iraq. An Indian Tea Centre will be opened in Baghdad shortly. An Indian Trade Centre is already functioning in Iraq to acquaint importers there with the range of India's products. The two delegations reviewed the difficulties currently experienced in regard to the smooth flow of trade between the two countries. The Indian delegation also had fruitful discussions with businessmen and Government authorities in Baghdad.

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From Abroad

Poland has been authorised to buy tobacco worth $1.5 million from the U.S. against payment of Polish currency. This is the first time since 1939 that Poland imports U.S. tobacco.

West German exports rose by 19 per cent. to DM 30,600 million during the first eight months of 1960, as compared with the corresponding period last year, while imports were higher by as much as 23 per cent. to DM 27,600 million. Consequently, the trade surplus fell from DM 3,200 million to DM 3,000 million.

The U.S. Development Loan Fund has granted a loan of £678,000 to Tanganyika. This is the first time when the U.S. has given aid to East Africa. The loan will finance the rebuilding of a 142-mile road between the ports of Mwanza and Musoma on Lake Victoria, the only surface link between the ports of western Tanganyika and Kenya.

The World Bank proposes to raise a loan of Swiss Frs. 60 million (£5 million) on the Swiss market. This will be the ninth Swiss loan floated by the Bank, which has already borrowed about Swiss Frs. 630 million. A group of Swiss banks will underwrite the loans which will be in the form of 4 per cent. 15-year bonds.

The Oil Consumers' Co-operative Organisation in Norway is contemplating to undertake the distribution of petroleum products, imported by the Norsk Veedol A/s. a subsidiary of the U.S. concern, the Tidewater Oil. For this purpose, the Organisation will build a chain of model petrol stations throughout the country. It will also distribute fuel oil at a later stage.

The West German industrialists, led by the Federation of Industries, propose to raise a loan fund of DM 1,000 million (about £85 million to assist underdeveloped countries. It is suggested that the concerns subscribing to the fund should be given tax concessions from the Government, thus enabling them to reduce the interest rate to the minimum.

The Monsanto Overseas S.A., a wholly-owned subsidiary of the Monsanto Chemical Company of St. Louis in the U.S., has formed a new company in Spain in collaboration with the Aiscondel S.A. of Barcelona. The new Company is the first to be formed under the recent Spanish law which permits equity participation upto 50 per cent. by foreign companies. Previously, participation of foreign companies was limited to a maximum of 25 per cent.

The Canadian Government is currently examining measures to assist the domestic shipbuilding industry. The measures include amendments to the Commonwealth Shipping Agreement which would limit or restrict entirely the free access of Commonwealth shipping to Canadian coastal and inland waters, accelerated depreciation allowances, tonnage replacement subsidy, and the requirement that some or all of Canada's Colombo Plan and N.A.T.O. overseas shipments be carried in Canadian bottoms.

World wool production in 1960-61 will be about 5,560 million lbs. (greasy basis), one per cent. less than the last season's revised total of 5,615 million lbs., according to the Commonwealth Economic Committee. Practically the whole of this anticipated decline is accounted for by Australian and South African clips, which are expected to be lower by 5-7 per cent. Output of wool in New Zealand, however, is likely to reach a new record. Besides, South American position is showing marked recovery after the last year's floods.

A new process of open hearth and blast furnace operations in iron and steel plants has been developed by Russian scientists. The process is claimed to be 30-40 per cent. more efficient than the most modern U.S. process. Disclosing this at a Press conference in Moscow, last week, Mr. Konstantin Petuchov, chief of the Soviet State Committee for Automation and Mechanisation, stated that the factors contributing to greater efficiency were use of natural gas in place of coke in the actual smelting process and cent per cent. automation of the smelting process. He added that Russia was willing to sell the process anywhere abroad.

The British automobile industry is facing serious difficulties and has announced sizable cut backs in production, following lower exports to the U.S. and credit restrictions imposed by the British Government in April last. The production of cars fell by more than seasonal levels from 94,000 in July to 86,000 in August. Exports to the U.S. in August 1960 were less than half the total for August 1959. The Standard-Triumph International Company has cut work for most of its 8,000 employees at Coventry to 19 hours a week as an alternative to wholesale dismissals. This will mean that manual workers earning around £23 a week will only put in 2½ days and have their wages slashed by between £11 and £12. The other car firms in Coventry, including Rootes, Morris and Daimler have also been hit by the slump and are already working short time.

PERSONAL

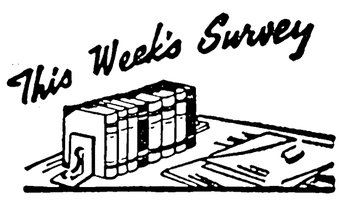
PRIME Minister Nehru left Bombay for New York on 25th September to attend the current session of the U.N. General Assembly.

Mr. G. D. Somani, M.P., and a leading industrialist, left Bombay on Monday this week for a tour of the U.S. and the Continent.

Mr. J. R. D. Tata, Chairman, Messrs. Tata Sons Ltd., has returned from Copenhagen after attending the meeting of the International Air Transport Association.

Mr. C. S. Natarajan (of Messrs. Raj and Co.) and Mr. G. R. Chandrasekariya (of Messrs. Dalal and Co.) have been elected President and Vice-President, respectively, of the Council of Management of the Madras Stock Exchange for 1960-61.

Mr. R. S. Bhatt, at present a member of the Tariff Commission, has been appointed Executive Director of the Indian Investment Centre. Besides Mr. G. L. Mehta, who is the Chairman, the first governing body of the Centre will consist of Mr. A. Ramaswamy Mudaliar, Mr. Kasturbhai Lalbhai, Mr. George D. Woods, Mr. W. G. Puller, Dr. B. K. Madan, Mr. P. C. Bhattacharya, Mr. K. R. K. Menon, Mr. S. Ranganathan and Mr. G. L. Bansal.



MIDDLE-CLASS SAVINGS

THE middle classes are alternately described as the backbone of any society and as a heterogeneous grouping of men, "always grumbling at the rich and trembling at the poor." There is also the classic Marxist portrayal of the *petit bourgeoise*, ever on the verge of proletarianisation in a capitalist society. But this dismal Marxist prognostication has been belied in the advanced non-communist countries where both the middle and the working classes have become greater sharers in general prosperity. Under conditions of democratic or of totalitarian planning, too, the middle classes have virtually become the *elite*, contributing by far the largest quota of technicians, managers, scientific workers and other educated men to the public services and ever growing in absolute numbers and in relation to the other classes. If there is a fall at any time in the real incomes of these classes in *per capita* terms, either because of inflation or because of taxation, there are also two compensating circumstances, namely, the progressive increase in the real benefits and opportunities available to these classes in the wake of economic, particularly industrial, progress and the relative increase in the very size of these classes.

These considerations, which provide a broader perspective for an understanding of the state of middle classes in India, do not, however, figure prominently in the *Plight of Middle Classes in India*—an otherwise thought-provoking pamphlet by Prof. A. R. Wadia, M.P., Director, Tata Institute of Social Sciences, Bombay, just published by the Society for the Propagation of Democratic Thought, Calcutta. The picture that Prof. Wadia has drawn is more concerned with the investing middle class which is only a segment (whatever be its size) of the middle classes in general. But it is a picture which, within its limits, is by no means overdrawn. Prof. Wadia's thesis, in short, is that the middle classes (or middle-income groups, as he seems to think of them) in India have been hit hard as much by a system of taxation which, though broadly patterned on that of Britain and America, does not go well with its struggling industries, as by the rise in their living costs which are not fully neutralised by any increase in their limited incomes. The structure of personal taxation is such that the middle-income groups have now less incentives to work, save and invest. And the middle-class investors have also been losing substantially as a result of the new system of corporate taxation.

The saving potential of middle-class investors can yet become substantial, if the maximum rate of income-tax is brought down to 45 per cent. in terms of the recommendation made by Prof. Kaldor. The present unduly high maximum rate of income-tax gives an "incentive" to the dishonest for tax evasion, while it discourages the honest taxpayers of the middle classes from working hard. In essence, Prof. Wadia's plea is for a system of taxation which will have to be less socialistic, if it is to be in keeping with our democratic polity which, in the context of economic underdevelopment, can ill afford to cut at the roots of middle-class savings. What with State-operated life insurance and State-controlled provident fund schemes pumping out such middle-class savings as are still possible, the private industrial sector is increasingly denied access to them. Joint-stock enterprise, broadly based on middle-class investors who are enabled to save more by appropriate tax concessions and reliefs, can be one of the bulwarks of democracy.

AID FROM BRITAIN

The British Treasury announced on Friday, 23rd September, the grant of financial assistance amounting to £35 million (Rs. 46.67 crores) to India. The major portion of the assistance—£30 million (Rs. 40.00 crores)—represents credits for financing imports of capital goods from Britain during the third Plan period, the balance of £5 million (Rs. 6.67 crores) being "direct" loan for securing a broad range of imports in the current financial year. The Treasury announcement followed talks which Mr. Morarji Desai, Union Finance Minister, had with Mr. Harold Macmillan, U.K.'s Prime Minister, and Mr. Selwyn Lloyd, Chancellor of the Exchequer. And, according to a news despatch from London, Mr. Desai and Mr. Lloyd have agreed that further discussions should take place on the possibility of the British Government and private sources in Britain meeting the foreign exchange cost of about £20 million (Rs. 26.67 crores) required to carry out the proposed extension of the Durgapur steel works.

Details of the credits such as repayment terms and rates of interest to be charged are not available. Presumably, the "direct" credit of £5 million (Rs. 6.67 crores) granted for utilisation during 1960-61 is on lines similar to those of the U.K. Government's Rs. 13.33-crore loan (£10 million) covered by the agreement signed at New Delhi on 16th August last. The latter loan takes a form which makes it readily available to help India's overseas payments. How timely is the grant of "direct" loan will be evident from the fact that, with India's foreign exchange reserves standing at a low level (Rs. 146.45 crores as on 16th September 1960), the problem of financing the imports of essential equipment and materials not covered by external aid received already has become pretty difficult. The loan is repayable over a fairly long period—two-thirds in twenty years and the balance in ten years. What is more, the first instalment of repayment on either portion of the loan will fall due only on 31st May 1966, that is, two months after the third Plan will have ended. Further, the rate of interest is quite reasonable, being the same as that payable by the British Government on a loan for a comparable period *plus* ½ per cent. for administrative charges.

Thanks to the two U.K. "direct" credits of Rs. 13.33 crores and Rs. 6.67 crores, India is now in a position to make purchases, albeit of a modest order, in Britain without having to make immediate payment. It may be noted here that, including the latest credit of Rs. 6.67 crores, the total amount of "direct" loans given by the British Government for India's second Plan comes to Rs. 107.33 crores. This amount, together with the Lazard Brothers' credit of Rs. 15.33 crores for Durgapur steel works, brings the total British assistance to Rs. 122.66 crores, which represents more than 8.2 per cent. of the aggregate foreign financial assistance actually made available to India so far.

The British credit of Rs. 40 crores for the third Plan is described as "an initial act of assistance." The other offers of assistance received so far for the third Plan are Rs. 607.62 crores (P.L. 480) from the U.S., Rs. 240.00 crores from Soviet Russia, Rs 23.10 crores from Czechoslovakia, Rs. 19.05 crores from Yugoslavia, Rs. 14.30 crores from Poland. The total of all these comes to Rs. 944.07 crores, as against the estimated external assistance requirements of Rs. 3,200 crores. Surely, Britain is in a position to help meet a fairly substantial part of this amount. It is reassuring to learn from Mr. Morarji Desai that he has found the climate of understanding and readiness to help India in its third Plan "quite good" in the U.K. and that the British desire to give financial assistance to India, which is always there, is getting stronger. While India will be grateful to Britain and other countries for whatever assistance they have already rendered and will render in future, it is needless to stress that the assistance should be utilised by it wisely and usefully.

LABOUR CONFERENCE

The outcome of the deliberations of the eighteenth session of the Indian Labour Conference, held at New Delhi on 24th and 25th September, has been aptly described by some as a personal triumph for Mr. G. L. Nanda, Union Minister for Labour. With the recent, short-lived strike of the Central Government employees still fresh in the memory of the delegates and with legislation to make the recurrence of such strikes impossible in future remaining on the anvil, it was thought that Mr. Nanda would be administered a dose of his own medicine. It is true that some delegates, representing the Communist-controlled A.I.T.U.C., charged the Government itself with having violated the Code of Discipline and dubbed it as the guilty party. But Mr. Nanda's cogent analysis of the genesis of the strike, the efforts made by him personally to avoid it, and the *raison d'etre* of the proposed legislation for banning strike, was so logical and convincing that even those who started a bitter critics of the Government's policy—some had even demanded the resignation of Mr. Nanda—ended up as its apologists. Mr. Nanda's performance was enthusiastically applauded and termed as "masterly" and "brilliant." It was a classic example of those who had come to scoff having stayed to praise.

The majority of the participants were of the opinion that the strike of Government employees was unjustified, that its outcome was not happy and that steps should be taken to prevent its recurrence. Opinion was divided only on the nature of the steps to be taken. The employers' representative, Mr. Naval H. Tata, cautioned against hasty legislation banning strikes in essential services, and prohibiting outsiders from the civil service and postal unions. He said that the Government could not limit the ban only to some of the essential services in the public sector. For there was essential services in the private sector also. As regards the elimination of outsiders, he felt that outsiders did not always play havoc in the industrial field. "A good outsider," he added, "was a good influence and a bad insider sometimes created more trouble." The question was, therefore, one of drawing a line between the good and the bad ones. This, of course, is true as a general observation, but it is not sufficiently convincing. None of those who contend that the unions of civil servants should be led only by insiders has stated that the leadership of these unions should be in the hands of persons who are not good. The principle that such unions should not be led by politicians is a wholesome one and the Government will do well to accept it.

The A.I.T.U.C. and the *Hind Mazdoor Sabha* delegates also expressed themselves against the ban on strikes. The I.N.T.U.C. leaders pointed out that strikes could not be curbed by law. This approach reflects much confused thinking. In order to get the correct perspective, one must separate the goat from the sheep. The civil servants, pure and simple, as distinct from the workers in the public sector industrial undertakings, cannot have the privilege of going on strike to get their grievances redressed. They must rely on a suitable machinery for negotiating with the Government. It is, here, the authorities have been at fault, though they have now conceded the need for Whitley-type councils.

Mr. Nanda certainly deserved the praises showered on him. For, with a sincerety of purpose and dedication to duty rarely to be found, he has been striving so far, not for an uneasy truce but for stable peace in industry, holding, at the same time, the scales even between employers and employees. Indeed, if, on certain occasions, the scales were found to have been tilted, the incline was towards the workers. It is, however, true to say that the improvement in the climate of industrial relations, in spite of what still remains to be achieved, is a measure of his success in infusing on both employers and employees a part of his own belief in and devotion to the ideal of peaceful settlement of industrial disputes without resort to strikes and lockouts.

In his opening address to the Conference, Mr. Nanda called the strike of the Central Government employees "an unhappy occurrence" and said that it should not be allowed to occur again. The acceptance of the principle of arbitration in the general settlement of disputes between the Government and its employees and the setting up of Joint Negotiating Machinery at various levels constituted, according to him, a remarkable advance in employer-employee relations in the public sector. He also referred to a somewhat "brighter side" of the labour situation in the country, namely, the decline in the number of man-days lost on account of strikes and lockouts since the adoption of the Code of Discipline in 1958. The number of man-days lost, which were as much as 4.7 million during the six-month period January-June 1958, prior to the coming into force of the Code, declined to 3.20 million in the first half of 1959 and to 2.89 million in the period January-June 1960. This computation, according to Mr. Nanda, did not take into account the increase in the number of employees in occupations covered by these figures, which indicated that the forces that were working for harmonious industrial relations were gradually being strengthened.

The spasmodic occurrence of strikes, accompanied by violence, continued to be a source of concern. Complete peace and harmony, he pointed out, could be realised in fullness, only if there were no breaches of the Code and if legal obligations were observed properly and awards and agreements were implemented both in letter and spirit. The faults, he felt, were not confined to one side alone. Both employers and employees had to share the blame. He did not claim perfection for the part which the Government was to play, either. Nevertheless, he felt that the performance was improving and that the conditions were now better than what they were before. Since both the parties were now fairly familiar with the implications of the Code of Discipline, he stressed that the time had now arrived when both should observe strictly the norms of conduct. In the case of lapses, there should be strict application of the sanctions under the Code and rigorous enforcement by Government in cases which involved breaches of law. It was his belief that, as the parties proceeded more and more firmly on the basis of voluntarily accepted obligations and the influence of convention grew, the occasions for the Government to have recourse to the penal provisions of law would diminish progressively. He added that, if the provisions of the Code were not to be invested with statutory force, the Code might have to be strengthened by some more self-imposed and effective sanctions. He himself was not in favour of legal compulsion and, therefore, preferred the former course. There is a lot of force in these observations of Mr. Nanda. As the climate for collective bargaining as is adopted in such countries as the U.S. and the U.K. is not obtaining in this country for a variety of reasons, perseverance with the Code of Discipline is the only practicable alternative left to employers and employees.

The scheme for workers' participation in management also figured in Mr. Nanda's speech. He announced that he proposed to have an independent evaluation of the working of the Joint Management Councils, so that suitable adjustments could be made for ensuring their more effective functioning in future. He admitted that the progress made was meagre even in quantitative terms. One reason for this, according to him, is probably "the insufficient enthusiasm for it among the ranks of both employers and employees. He, however, felt that this should not come in the way of bringing further units under the scheme. Here Mr. Nanda is not wholly convincing; nor does his proposal to extend the scheme irrespective of past performance sound logical. For, if there is lack of enthusiasm and preparedness on the part of the parties, as Mr. Nanda himself feels there is, measures should be taken for removing these defects before the scheme is sought to be extended. Otherwise, it would be another case of putting the cart before the horse.

IMPORTS OF SAW FILES

An apparent difference between what the Tariff Commission recommended (which was accepted by the Government) and what the Development Wing and the Import Control Authorities have understood or not understood has resulted in a situation which has not only denied indigenously produced saw files the benefit of protection, but also threatens to glut the market with cheap, imported files. Saw files had been included by the Tariff Commission in the protected category of files, along with engineers' steel files, but precision files and special files, such as jewellers' files, watchmakers' files, milltooth files, etc., which are not manufactured in India, were not included in the purview of protection. Presumably because the Import Control Authorities did not grasp the Tariff Commission's recommendation, saw files have been classified, along with precision files, as "special" files and imported without their being charged to the protective duty.

The import policy for the years beginning from October 1959 to March 1960 had stipulated that not more than 33⅓ per cent. of the face value of the import quota licences should be utilised for the import of machinist files, the balance being available for special and precision files. Taking advantage of the classification of saw files as "special" files, importers have utilised almost the entire balance of 66⅔ per cent. to import saw files, which account for 40 per cent. of the demand for files in the country. Indigenous producers of saw files, therefore, find the market flooded with cheap German and Japanese files. This, the manufacturers complain, has rendered idle a sizable percentage of their production capacity, which was installed at the specific request of the Tariff Commission.

Furthermore, with effect from 1st April 1960, import of machinist (engineers) steel files was completely banned. As per the Tariff Commission's recommendation, import of saw files, too, should have stood automatically banned. But, because of the anomaly in the classification, saw files continue to be imported. The Government of India recently accepted the recommendation of the Tariff Commission that the protective duty on steel files, including saw files, should be reduced to 35 per cent. *ad valorem*. This downward revision of duty, the manufacturers point out, would only aggravate the unhealthy competition from imported saw files. They, therefore, urge that the classification of saw files as "special" files should be dispensed with and that this variety should be classed along with engineers' steel files as recommended by the Tariff Commission. Unless this is done, producers of saw files aver, they would not be able to compete with the imported file. There should be no difficulty in Government conceding this request, as it is in keeping with the Tariff Commission's findings.

CONTROLS ON WOOLLEN YARN

Full-fledged controls have been clamped down on production, distribution and prices of woollen yarn, with effect from 22nd September 1960. An order to this effect was issued last week under Section 3 of the Essential Commodities Act. It empowers the Textile Commissioner (*a*) to determine the type and quantity of woollen yarn to be manufactured, (*b*) to fix the ex-factory wholesale and retail prices at which the different varieties will be sold, and (*c*) to direct any producer or dealer not to sell any yarn except under a permit issued by him.

The primary objective of the move is said to be co-ordination of woollen yarn production with public needs. But one wonders whether the objective cannot be realised by measures other than controls. After all, the gap that exists between available supplies and actual demand is not wide. The output of woollen-worsted yarn is currently running at an annual rate of nearly 24 million lbs., as against the estimated requirements of about 27-28 million lbs. The rate of output could be easily stepped up, if additional foreign exchange of a couple of crores were released to the industry for importing wool and wool tops. Incidentally, the organised woollen industry in India depends on imported raw materials to the extent of 100 per cent. for its worsted section and nearly 90 per cent. for the woollen section. The problem of getting raw materials has become very acute since wool and wool tops went off the O.G.L. It is the inadequate supplies of raw materials that is largely responsible for the lot of idle capacity—as much as 40 per cent.—at present. Apparently, the Government has come to the conclusion that it cannot afford to spare the extra foreign exchange required for importing the additional raw materials. In the context of the prevailing foreign exchange difficulty, the relevance of this decision cannot be questioned. It is, however, extremely doubtful whether price controls of the type mentioned above will benefit consumers to any significant extent.

INDUSTRIAL ESTATES

The establishment of industrial estates has come to be recognised as an integral part of the programme for the development of small industries in the country. These estates, which are being set up more or less on the pattern of similar British projects, are designed to offer to small undertakings ready-built workshops of standard construction, designed on a unit principle, with planned access for goods and labour, public utility service, opportunities for common servicing and training. Provision is also made in estates for the supply of adequate power, electricity and water. These estates thus go a long way towards removing the difficulties of small entrepreneurs in finding suitable sites equipped with all the necessary facilities. In the third Plan period, it is proposed to set up 300 industrial estates all over the country. The Draft Outline has laid down a tentative outlay of Rs. 27 crores for this programme. The original target in the second Plan was for setting up 100 industrial estates by 1960-61. Notwithstanding the fact that the Central Government grants loans to States for covering the entire cost of the estates, many of the States are yet to make any earnest efforts to implement the programme. Some States such as Bombay (undivided), Madras, Andhra Pradesh and Kerala have, however, made good progress. Nevertheless, it looks as though only about 60 estates will have been fully completed by the end of the current Plan.

(*Continued on page 614*)

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DRAFT THIRD PLAN X-RAYED—II

LESSONS OF FIRST TWO PLANS

By J. M. Lobo Prabhu

IT is difficult to accept the statistics given in the Draft Outline of the Third Plan, first because they are not of the actuals already reached but of the achievement estimated in 1960, secondly because they are in conflict with the figures furnished in other Government publications, notably, *Economic Survey* accompanying the Budget and *India 1960*, and thirdly because the general increase in prices, 20 per cent. wholesale and up to 50 per cent. retail, are interrogations of the increases claimed.

According to the *Economic Survey*, then *per capita* national income has increased from 100 in 1948-49 to 117.7 in 1958-59. Even this increase is largely due to food production, a gift of the monsoons, because, in 1957-58, the *per capita* income was only 111.6. The claim that, during the two plans, the national income is expected to increase by 42 per cent. is therefore misleading.

The Draft Outline concedes that the targets set have not been reached in respect of many commodities. For cotton, against a target of 55 lakh bales, the production just reported is of 37 lakh bales, for steel against the target of 4.3 million tons, the production was of 1.7 million tons in 1959 and, correspondingly, for cement against 130 lakh tons only 68 lakh tons, for cloth against 8,500 million yards only 6,920 million yards and for coal against 60 million tons only 46 million tons.

In power, the installed capacity is expected to be 5.8 million kw. but was actually 3.5 million in 1958-59.

No reference is made to the progress of irrigation, though for the outlay of Rs. 1,400 crores in the two plans an area of 38 million acres is expected to be irrigated on full development. The total increase in the irrigated area from 1950 to 1957 is only of 4.2 million acres. The Auditor-General mentions that for the Rs. 11 crores spent on the Konar Dam, not one kilowatt of power or one acre of irrigation has been achieved so far.

In respect of railways, while the passengers carried increased from 6,250 lakhs in 1941-42 to 13,077 lakhs in 1950-51, which is more than 100 per cent., they increased to only 14,409 lakhs in 1958-59, an increase of only about 10 per cent. The increase in freight has been largely on Government account, for steel factories and food supplies.

Surfaced roads had increased from 97,580 miles in 1950-51 to 107,000 miles in 1955-56. It is difficult to visualise their increasing to 140,000 miles by 1960.

Inflation

It is thus clear that Planning has not even served the limited purpose of achieving targets. On the other hand, it has thrown up many problems, of which the most important is that of inflation. This is by no means only 20 per cent. in the Second Plan as is stated in the Draft Outline of the Third Plan. The wholesale price index for articles in common demand has risen during the period May 1955 to January 1960 for cereals from 67 to 102, pulses 48 to 92, edible oils 76 to 131 sugar and *gur* 82 to 144. The retail price increases are much higher, some items like sugar being obtainable only in the black market. If, during the course of four years, the prices have increased by 50 per cent., not only consumption and production but also export have been depressed. The consequences of the recent wage increase for Government servants and industries governed by Wage Board awards will be a further spurt in prices which, with anticipations of the large expenditure in the Third Plan, will continue to be maintained.

The second consequence of our Plans is the increase in taxation. The first Plan was financed by taxation to the extent of Rs. 574 crores and the second to the tune of Rs. 1,270 crores. For the third, the estimate is Rs. 1,650 crores. As taxation once imposed continues, the annual burden of taxation for the Plan alone will be about Rs. 700 crores, which is much more than the total revenue of the Centre and States in 1950-51. For all this, the return is not visible, except that, of the Rs. 1,270 crores of taxation in the second Plan, Rs. 749 crores were spent on non-Plan items, which are *ex hypothesi*, unproductive.

The third problem has been the arrest of production growth by controls and competition from the State. Last year, the increase in consumer goods, the only result of industrialisation which reaches the people was only three per cent., which was an improvement on the previous two years. If taxes on income and expenditure are an index of industrialisation, they have, in spite of steep increases in rate, only risen from Rs. 125 crores in 1950-51 to Rs. 147 crores in 1959-60. Taxes on commodities and services have risen more steeply, but they are taxes on consumption paid by the whole population, largely for their necessities. Even war-devastated countries have recorded increases which are many times our increases, both in industry and agriculture. Our potential was much greater, because not only do we have undeveloped resources and deficient consumption standards but we had been released from foreign rule. It is a realisation of the importance of the private sector that has made the Third Plan less hostile to it, for, with the public sector having failed, it is only the private sector which has exceeded its targets in spite of the difficulties imposed on it.

The fourth consequence is inefficiency and corruption in the administration, which are not only costing the public more, but are retarding the growth rate of the national output on which it has now a stranglehold.

And, lastly, there has been a drying up of credit, both internal and external. This is because people are realising that, with galloping inflation, they will receive only a fraction of the value of their payments from Government securities on maturity. In the last loan issue, the Reserve Bank had to take up Rs. 40 crores. On the external side, imports are just being slashed, because, though the gap is not larger than was expected, foreign aid is beginning to fail. The U.S. may appear to be generous with its food surpluses, but its industrial equipment is too costly even if loans are made available for buying it. The third Plan is likely to shrink, because, unlike its predecessors, it will not have the same credit to ride on.

Discussion of Priorities

In these circumstances, the discussion of priorities is largely academic. Between economic and social objectives, the priority for the latter ignores that it is largely a consequence of the former. It is only when there is more of the cake that the share of those who have less can be increased. The priorities between agriculture, industry and social overheads have to be determined by the contribution each can make in the near future. In agriculture, with its low productivity, there is a large unused potential for which incentives should be provided. In industry, though more value is added to labour and material, the cost is so high that public enterprise is too much of a strain on the taxes and loans that the people can pay. It is only private enterprise which can draw and develop the resources of the people, without hurting them too much. Social overheads have no immediate tangible contribution to make to production and should wait at least till the population is provided with the minimum means of existence.

The priority between production and consumption is misconceived, because, while it is proposed to raise food consumption from 15 ounces to 18 ounces, an increase of 20 per cent., the general consumption is to go up by only 4 per cent., as if a higher standard is only a matter of eating. The other priorities, like proper phasing of projects, avoiding of bottlenecks, are only procedural but are not likely to be changed as they are inherent in State planning.

Social Objective

If any general principles are to be laid down for planning, the first may be as little planning as necessary and as much competition as possible. It is on this principle that the German economic miracle eventuated after West Germany was in a worse condition than India as a result of controls and planning. Planning may indicate outlines and make up deficiencies, leaving the intelligent self-interest of the people to respond to the economic forces. Competition will maximise production and minimise prices for the benefit of consumers, who represent the whole population. The social objective will be served from the fulfilment of the economic objective. It can be further safeguarded by assuring the right to work, by preventing the emergence of monopolies and by progressive taxation.

Second, the Government may do only what the people are unable or unwilling to do, being responsible mainly for the infra structure of services like roads, ports, irrigation, power and railways. This involves a retreat from many existing enterprises which may be effected gradually by offering capital participation to the public in State enterprises.

Third, the price line may be held and the income of the people increased by reduction of inflation, through the abolition of economic controls.

Fourth, full value for the expenditure of Government may be obtained through independent inspecting agencies with technical qualifications, under subordination, directly to Parliament.

Fifth, Government may only participate in private enterprise through loans and subsidies, if such incentives are necessary.

Sixth, rights in property may be respected to secure full contribution from the people. Right to work may also be recognised both on equitable and economic grounds.

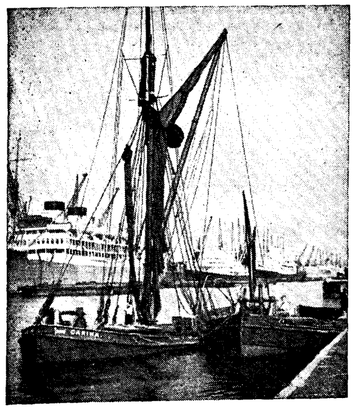
(*To be continued*)

SUI GAS FOR INDIA?

The news from New Delhi that Pakistan's Minister for Fuel and Power, Mr. Z. A. Bhutto, is likely to arrive there shortly to negotiate with Mr. K. D. Malaviya an agreement for the purchase by India of Sui gas is heartening, all the more so because the contemplated transaction, if finalised, will be one more concrete outcome of the recent cordial talks between Prime Minister Nehru and President Ayub Khan. How greatly an Indo-Pakistan agreement covering the import of natural gas from the Sui fields in West Pakistan will bring relief to the power-hungry States of Punjab, Rajasthan, Gujarat and Maharashtra can be easily visualised when it is recalled that the reserves in the Sui gasfield alone have been estimated at 5,000,000 million cu. ft. and the actual output last year had reached a level of 16,000 million cu. ft. It may be broadly figured out that, when the Mari (Stanvac) and Uch gasfields with their reserves of 2,800,000 million cu. ft. and 2,500,000 million cu. ft., respectively, are reopened, Pakistan will have a very large export surplus.

It will be to the advantage of Pakistan to export this surplus gas to western and north-western India rather than to East Bengal for more than one reason. First, the gasfields are already connected by pipeline to Multan from where it will soon be extended to Lahore via Sukkur. As the pipeline will be very near the Indo-Pakistan border, it can be fully utilised to feed the gas into a grid on the Indian side at a comparatively low cost which will mean that this country can become a secure market therefor. Secondly, although East Pakistan can provide a secure market for the Sui gas because the Sylhet and Chhatak gasfields in that part of Pakistan have reserves of only 300,000 million cu. ft. in all, the biggest problem is one of transportation which will have to be done by big specialised tankers with deep-freeze facilities. The construction of liquefaction, storage and re-gasification plants and associated facilities at the loading and unloading ports will involve heavy outlays which will increase the unit costs of transportation from Karachi in the north of the Arabian Sea to Dacca in the north of the Bay of Bengal.

At the same time, it will be to the advantage of India to import the Sui gas for use in the four aforesaid States nearer to West Pakistan and thereby save, as much as possible, on the freight bill on account of the coal transported from East India to those States. If that much Indian coal which is not sent to the western and north-western States can be exported to East Pakistan, it will not only ease the fuel problem there but have the advantage that a secure market can be had for some quantity of Indian coal. This does not mean that India wil have an export surplus in coal for which she will necessarily have to find a market. What is meant is that the import bill on account of the Sui gas can be met by the foreign exchange earnings from the export of coal from East Indian States to East Pakistan. Since 50,000 cu. ft. of natural gas are equivalent, in calorific value, to over two tons of coal, a million tons of coal exported to East Pakistan under a possible exchange arrangement of the kind here suggested will involve the import of 25,000 million cu. ft. of natural gas from West Pakistan in a year. It will thus be to the mutual advantage of both the countries not only to bring the forthcoming negotiations to a successful conclusion but to provide in the agreement itself for an exchange of Indian coal against Pakistan's natural gas in some suitable proportion. The price question, though important, is only a matter of detail.



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(*Incorporated under Nepal Bank Act of 1994 (Sambat)*)

Central Office: KATHMANDU, NEPAL

Authorised Capital	..N.C. Rs. 1 crore
Paid-up Capital	..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund ..	..N.C. Rs. 44 lacs

(N.C. Rs. 160=I.C. Rs. 100)

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INDUSTRIAL FINANCE CORPORATION MAKES GOOD PROGRESS

RECORD LENDINGS—PROFIT AT A NEW HIGH

IN many respects, the year ended 30th June 1960 proved to be the most encouraging one in the history of the Industrial Finance Corporation of India (General Manager: Mr. H. V. Venkatasubbiah, New Delhi). There was a substantial increase in the lendable resources of the Corporation, thanks to the issue of 4 per cent. bonds for Rs. 5 crores and the sanctioning of a loan of $10 million by the Development Loan Fund of the U.S. Government and fresh borrowings from the Government of India. The loans sanctioned during the year reached a peak of Rs. 17.92 crores. The gross income earned was also a record, exceeding Rs. 2.50 crores, and the profit before providing for taxation crossed, for the first time in the last twelve years of the Corporation's existence, the one-crore mark to touch Rs. 1.09 crore, representing an increase of Rs. 36 lakhs over that for the previous year.

Thanks to the improvement in its finances, the Corporation has been able to strengthen its reserves sizably, adding over Rs. 38 lakhs out of its profit. For the fourth year in succession, the Corporation has been able to pay the guaranteed dividend of 2¼ per cent. out of its own earnings, without the aid of any subvention from the Government. On top of this, it has reduced its liability to the Government on account of subvention by another Rs. 10 lakhs; this has brought down the outstanding amount to Rs. 28 lakhs, which is only a little more than 50 per cent. of the total received since its inception. There has been a further welcome decline in defaults from 5.4 per cent. of the amount due in 1958-59 to 4.3 per cent. Also, the downward trend in the ratio of expenses to gross income noted since 1954-55 has been maintained during the year under review, with a further drop from 5.11 per cent. (in 1958-59) to 4.66 per cent.

The salient features of the Corporation's working results for the past four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Interest earned	2,25.40	2,00.05	1,54.36	95.93
Other income	2,83.48	3.85	0.54	0.40
Interest paid	1,28.22	1,15.75	86.85	44.17
Other expenses	13.28	10.29	9.68	8.96
Depreciation	0.12	0.12	0.14	0.13
Profit	1,09.27	73.08	53.42	43.06
Provision for—				
Taxation	49.76	37.71	25.21	8.56
Doubtful debts	..	..	..	22.25
To general reserve	38.26	14.12	11.50	..
,, reserve for contingencies	..	..	..	1.00
Subvention returned to Government	10.00	10.00	5.45	..
To dividend	11.25 (2¼%)	11.25 (2¼%)	11.25 (2¼%)	11.25 (2¼%)
Loans applied for	17,54.10	11,16.57	14,88.50	21,36.25
Loans sanctioned	17,91.74	3,79.00	7,78.50	11,90.75
Loans disbursed	8,40.81	7,47.71	8,33.35	9,77.50
Loans under consideration at the end of the year	7,88.10	11,70.97	14,08.40	11,37.00

The bulk of the rise in profit is due to the capital gain of Rs. 18.30 lakhs arising from sale of investments, including Rs. 9.74 lakhs realised on renunciation of the right to subscribe to right shares.

The number of applications for loans, as well as the amount sought for and sanctioned, recorded an increase during the year under review. There were 38 applications for an aggregate sum of Rs. 17.54 crores (as against 26 applications for Rs. 11.16 crores in 1958-59) and 29 loans for Rs. 17.92 crores were sanctioned, the corresponding figures for 1958-59 being 19 loans and Rs. 3.79 crores. The actual disbursement, at Rs. 8.41 crores, is not only higher than that (Rs. 7.48 crores) in the previous year, but is also very much above the average amount given during the ten years 1948-49 to 1957-58, namely, Rs. 3.48 crores. This brings the total amount of loans approved up to the end of the year under review to Rs. 84.61 crores, covering 329 applications, and the total amount of loans disbursed to Rs. 50.73 crores. The loans declined by the parties or not made available aggregate Rs. 10.95 crores and those awaiting Government's approval Rs. 10.42 crores. The outstanding net commitment is thus Rs. 12.50 crores.

The Corporation sanctioned during the year under review eight loans for Rs. 4.20 crores to co-operative societies, all of which are, or are to be, engaged in the sugar industry. This brings the aggregate loans approved for co-operative societies upto the end of the year to Rs. 19.13 crores, out of which Rs. 18.59 crores represent loans approved for 32 sugar co-operatives, the balance of Rs. 25 lakhs being for a co-operative spinning unit. The loans sanctioned by the Corporation so far for co-operatives represent 23 per cent. of all the loans approved by it and provides an index of the assistance given by it to co-operative societies in accordance with the declared policy of the Government.

As in the previous years, the bulk of the Corporation's loans was for new undertakings (that is, those which went into production after 15th August 1947). Thus, out of the 29 applications which were sanctioned loans during the year, 21 were from new undertakings and these were sanctioned Rs. 15.38 crores, while only eight applications from old undertakings were sanctioned Rs. 2.54 crores for renovation, modernisation and expansion.

An industry-wise analysis of the loans sanctioned during the year under review shows that food manufacturing industry (sugar) continues to top the list, followed by paper, artificial fibres and hotel industry, as will be seen from the following table:

(In lakhs of rupees)

Manufacturing industry	Amount sanctioned		
	Upto 30th June 1959	During the year ended 30th June 1960	Total upto the end of June 1960
Food (except beverage)	20,72.00	5,00.00	25,72.00
Textiles	9,72.75	25.00	9,97.75
Artificial fibres	1,10.00	3,00.00	4,10.00
Wood and cork (except furniture)	30.00	..	30.00
Paper and paper products	5,71.50	4,02.24	9,73.74
Rubber products	50.50	..	50.50
Basic industrial chemicals	7,66.00	84.50	8,50.50
Vegetable and animal oil and fats	11.00	..	11.00
Miscellaneous chemical products	77.25	..	77.25
Glass and glass products	1,27.50	35.00	1,62.50
Pottery, china and earthenware	64.25	60.00	1,24.25
Cement	6,17.00	..	6,17.00
Iron and steel	23.00	..	23.00
Non-ferrous metal	1,17.00	86.00	2,03.00
Metal products	2,90.50	50.00	3,40.50
Machinery (except electrical)	1,42.50	..	1,42.50
Electrical machinery, appliances, etc.	1,81.70	15.00	1,96.70
Rail-road equipment	70.00	45.00	1,15.00
Motor vehicles and ancillaries	1,68.00	9.00	1,77.00
Bicycles	80.50	30.00	1,10.50
Miscellaneous	43.30	..	43.30
Electric light and power	82.75	..	82.75
Hotel	..	1,50.00	1,50.00
Total	66,69.00	17,91.74	84,60.74

This is the first time that the hotel industry has been given financial assistance by the Corporation since 1957 when the I.F.C. Act was amended so as to permit the granting of assistance to this industry. As the amount involved is over Rs. 1 crore, it requires the approval of the Government and this is awaited.

A State-wise analysis of the loans sanctioned so far shows that Maharashtra heads the list, with the largest amount (Rs. 15.96 crores), followed by Madras (Rs. 9.89 crores), West Bengal (Rs. 9.10 crores), Gujarat (Rs. 7.40 crores), Uttar Pradesh (Rs. 7.16 crores), Bihar (Rs. 6.28 crores), Andhra Pradesh (Rs. 6.11 crores), Mysore (Rs. 5.91 crores), Kerala (Rs. 4.28 crores), Orissa (Rs. 3.77 crores), Assam (Rs. 3.62 crores), Punjab (Rs. 3.27 crores), Delhi (Rs. 95 lakhs), Rajasthan (Rs. 89.5 lakhs) and Madhya Pradesh (Rs. 3.5 lakhs).

As stated earlier, the ways and means position of the Corporation improved considerably during the year under review by the issue of 12-year bonds for Rs. 5 crores carrying interest at the rate of 4 per cent. per annum at Rs. 99.75 per cent. Though the terms were more favourable for the Corporation than in the case of the previous year's issue, the response was very encouraging, in that the subscriptions offered aggregated Rs. 6.53 crores. Out of this, the amount retained was Rs. 5.49 crores. This brings the total amount of bonds outstanding at the end of the year to Rs. 22.24 crores. During the year, the Corporation reduced its borrowings from the Central Government from Rs. 13 crores to Rs. 6 crores, but again drew Rs. 7.25 crores, raising the outstanding borrowings to Rs. 13.25 crores. These borrowings continue to carry interest at 4½ per cent. per annum. Borrowings from the Reserve Bank were sparingly availed of, mainly due to the comfortable funds position. The Corporation's handicap in the matter of giving foreign exchange credit was removed by the sanctioning of a loan of $10 million by the U.S. Development Loan Fund in April 1960. This facility was not availed of up to the end of the year under review.

While the applications received by the I.F.C. for guaranteeing deferred payments to foreign manuacturers on behalf of industrial concerns during the year amounted to Rs. 3.72 crores, the applications sanctioned were of the order of Rs. 7.87 crores. This was due to the large number of applications pending at the end of 1958-59. Upto the end of the year under review, the Corporation has approved of applications for guarantee of deferred payments to the tune of Rs. 12.18 crores.

The Corporation underwrote during the year under review an issue of 7 per cent. preference shares for Rs. 50 lakhs by a paper mill, out of which it had to take up Rs. 34.07 lakhs. It also approved of two more proposals for underwriting, one for Rs. 20 lakhs carrying dividend at 7 per cent. (tax-free) and the other for Rs. 25 lakhs carrying a dividend of 6½ per cent. (tax-free). The Corporation's liability in the former case was Rs. 10 lakhs and in the latter Rs. 15 lakhs, the balance being joint or sub-underwritten. These bring the total amount of underwritings approved by the Corporation up to 30th June 1960 to Rs. 187.50 lakhs. This is by no means a sizable amount, but the Corporation took to this business only two years ago.

WORLD BANK BORROWS IN SWITZERLAND

A Swiss franc issue of Bonds of the International Bank for Reconstruction and Development was offered in Switzerland on 23rd September, by a syndicate of leading Swiss banks. The banks offered at par Sw. fr. 60 million (approximately $14 million) of 4 per cent. 15-year Bonds. The Union Bank of Switzerland, the Swiss Bank Corporation and the Swiss Credit Bank head the underwriting group, as they did in previous public offerings of World Bank Bonds on the Swiss market.

The new issue, to be known as the 4 per cent. Swiss Franc Bonds of 1960, will be dated 15th October 1960 and will mature on 15th October 1975. The bonds will have no sinking fund and will be non-callable for ten years. On and after 15th October, 1970 the World Bank may redeem all or part of the issue on any interest payment date on 45 days' notice in case of partial redemption and three months' notice for total redemption. Interest will be payable annually on 15th October, with the first payment due on 15th October 1961. The issue will be listed on the stock exchanges at Zurich, Basle, Geneva, Berne and Lausanne.

This is the ninth public issue of the World Bank in Swiss francs. In addition, there have been three private placements by the Bank in Switzerland. With the present issue, the aggregate of World Bank bond and note issues outstanding in Swiss francs will amount to about Sw. fr. 690 million (approximately $160 million).

INDIAN FIRMS RECEIVE THREE U.S. LOANS

Two Indian industrial firms associated with the Kaiser Industries Corporation in the United States have received two rupee loans equivalent to a total of $3.2 million and a dollar loan of $13.6 million from the Export-Import Bank of Washington. The loan agreements, which will finance increased aluminium and cement manufacturing facilities in India, were signed last week by Mr. Chad F. Calhoun, Vice-President of the Kaiser Industries Corporation, on behalf of the two Indian firms, and by Mr. Samuel C. Waugh, President of the Export-Import Bank.

The Hindustan Aluminium Corporation, Ltd., (Hindalco) received a $13.6 million loan and a $2.1 million rupee loan for part of the cost of an aluminium reduction plant already under construction near the Rihand Dam in Uttar Pradesh. The cost of the 20,000-metric-ton reduction unit is estimated at $30 million and will provide employment for several thousand workers. Hindalco was formed jointly by the Kaiser Aluminium and Chemical Corporation of Oakland, California, and the Birla interests in India.

The Mysore Cements, Ltd., was granted a $1.1 million rupee loan under U.S. Public Law 480 which permits use of currency from the sale of U.S. agricultural products for loans to assist Indian economic development. The loan will help finance the construction of a 100,000-metric-ton cement plant near Ammasandra in Mysore State.

WORLD BANK LOAN TO COLOMBIA

The World Bank has granted a loan equivalent to $5.4 million to equip the new Atlantic railroad in Colombia. When the railroad is completed, it will interconnect Colombia's railway systems and provide the first fast and reliable transportation between Atlantic Ocean ports, central Colombia and the Pacific. The Bank's funds will finance purchases of locomotives, rolling stock and maintenance equipment.

Four private banks are participating in the loan, without the World Bank's guarantee, for a total amount of $512,000 representing the first four maturities and part of the fifth maturity which fall due between 1st May 1962 and 1st May 1964.

The loan is for a term of 15 years and bears interest of 5¾ per cent. per annum, including the 1 per cent. commission which is allocated to the Bank's special reserve. Amortisation will begin in May 1962. The loan is guaranteed by the Republic of Colombia.

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

A copy of the Prospectus having attached thereto the documents referred to hereafter has been duly delivered for registration to the Registrar of Companies, Bombay, as required by Section 60 (2) of the Companies Act, 1956.

The Subscription List will open at the commencement of banking hours on the eighth day of October 1960 and will close at the close of banking hours on the seventeenth day of October 1960 or later at the discretion of the Directors, but not earlier than 12th October 1960.

Application will be made to the Bombay Stock Exchange for permission to deal in and for an official quotation of the equity shares of the Company.

ANUH PHARMA LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956 ON 19TH FEBRUARY, 1960)

SHARE CAPITAL

AUTHORISED:

5,00,000 Equity Shares of Rs. 10 each .. .. Rs. 50,00,000

ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH:

	Rs.
Out of the present issue of 1,00,000 Equity Shares of the face value of Rs. 10 each, 10,000 Equity Shares of the face value of Rs. 10 each are to be allotted as hereinafter mentioned to Dr. G. Krishna Murty, Shri Madhav Vasudeo Pathak, Shri Vinodrai Mansukhlal Shah, Mrs. Sharadabai Krishna Murty, Shri Chitrasen Krishna Murty (*minor*) and Shri Krantikumar Gudibanda in terms of the draft Agreement referred to, in Article 5 of the Articles of Association in part payment of the price for the sale of their business of Messrs. Anuh Pharma carried on by them in partnership, for consideration other than cash. The allotment of the aforesaid 10,000 Equity Shares is in payment of the price of the goodwill of the said business of the Vendors	1,00,000

ISSUE OF SHARES FOR SUBSCRIPTION IN CASH:

The Promoters, Directors and their friends have agreed to subscribe for and take 10,000 Equity Shares of the Company of the face value of Rs. 10 each by payment in cash for the said shares	1,00,000
The balance of 80,000 Equity Shares of the face value of Rs. 10 each is now offered for public subscription in cash at par in terms of the Prospectus	8,00,000
	Rs. 10,00,000

The present issue of Equity Shares except the Shares to be allotted to the Vendors as aforesaid for consideration other than cash shall be payable as follows:

On application—Rs. 2.50 per share.

On allotment—Rs. 2.50 per share.

PRESENT ISSUE:

1,00,000 Equity Shares of Rs. 10 each .. .. Rs. 10,00,000

The balance of Rs. 5 per share will be called in two instalments of Rs. 2.50 each at the discretion of the Directors at intervals of not less than three months between each call and prior notice of at least thirty days shall be given in respect of each call.

Failure to pay allotment money or any cash when due will render shares liable to forfeiture.

Applications should be for a minimum of 50 shares or any multiple of 50 shares.

MINIMUM SUBSCRIPTION

The minimum subscription in respect of the present offer on which the Directors will proceed to allotment is Rs. 3,00,000.

FINANCIAL REQUIREMENTS

The estimated financial requirements for implementing the manufacture and research programme contemplated by the Company will comprise of the following :

	Rs.
(1) Part of the consideration payable to the Vendors ..	22,101
(2) Preliminary expenses including brokerage and remuneration	60,000
(3) Costs of land and building	3,00,000
(4) Costs of machinery, laboratory apparatus and other equipment	3,00,000
(5) Working Capital	3,00,000
	Rs. 9,82,101

While part of the above expenditure may be postponed, recourse may also be made to borrowings for part of the requirements as and when necessary.

DIRECTORS

SHRI P. R. SUBRAMANYAM, Stockbroker, Bombay (Chairman).

SHRI P. V. PAKVASA, Solicitor, Bombay.

SHRI N. T. KHANDWALA, Businessman, Bombay.

SHRI SEVANTILAL K. SHAH, Businessman, Bombay.

Dr. G. KRISHNA MURTY, Consulting Physician, Bombay (Technical Director).

DR. SURESHCHANDRA C. SHETH, Honorary Physician, Dr. Balabhai Nanavati Hospital, Bombay.

DR. V. P. BHAT, Physician, Bombay.

SHRI M. V. PATHAK, Businessman, Bombay.

SHRI V. M. SHAH, Businessman, Bombay.

BANKERS

(1) **BANK OF BARODA LIMITED,** 12, Apollo Street, Bombay-1. And their branches at New Delhi, Kanpur, Calcutta, Madras, Bangalore, Ahmedabad, Cochin, Coimbatore and Hyderabad.

(2) **THE UNION BANK OF INDIA LIMITED,** Dalal Street, Bombay-1. And their branches at Calcutta, New Delhi, Madras, Bangalore, Coimbatore, Madurai and Cochin.

(3) **CANARA INDUSTRIAL & BANKING SYNDICATE LIMITED,** Pherozshah Mehta Road, Bombay-1. And their branches at Madras, Mangalore, Coimbatore, Cochin and Bangalore.

LEGAL ADVISERS

Messrs. TYABJI DAYABHAI & CO., Solicitors, Lentin Chambers, Dalal Street, Bombay-1.

AUDITORS

Messrs. HARIHARAN & CO., Chartered Accountants, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay-1.

MANAGING BROKERS

Messrs. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay-1.

OFFICIAL BROKERS

(1) **Messrs. MACONOCHIE & CO.,** Post Box No. 291, Mercantile Bank Buildings, First Line Beach, Madras-1.

(2) **Messrs. SOMAYAJULU & CO.,** *337,* Thambu Chetty Street, Post Box No. 1263, Madras.

(3) **Messrs. G. M. PYNE,** Allahabad Bank Building, 14, India Exchange Place, Calcutta.

(4) **Messrs. M. NANJAPPAIAH,** Jahgirdar, Post Box No. 71, 181, Cavalry Road, Bangalore.

REGISTERED OFFICE

100, NEW CITIZEN BANK HOUSE, CARNAC ROAD, BOMBAY-1.

CONSENT

The consent in writing of the Directors, Auditors, Managing Brokers, Official Brokers, Bankers and Legal Advisers to the Company to act in their respective capacities has been obtained and has been filed with the Registrar of Companies, Bombay, as required by Section 60 of the Companies Act, 1956 and none of them has withdrawn the consent given.

OBJECTS

The Company was incorporated on 19th February 1960 with the objects mentioned in the Memorandum of Association, a copy thereof is annexed hereto and forms part of the Prospectus. The main object of the Company is to acquire and take over as a going concern the business now carried on in partnership at Bombay under the style and firm name Messrs. ANUH PHARMA.

PROSPECTS

The business being taken over by the Company from the said Partnership Firm ANUH PHARMA has been marketing for a short period of one and a half years pharmaceutical products based on the valuable research made by Dr. G. Krishna Murty since 1936 resulting in a number of drugs of scientific and commercial value. The said firm has been doing business on a small scale without any capital equipment and with limited working capital from September 1958 to February 1960.

The raw drugs had to be bought in small quantities and at higher prices and so the products had to be priced high. The products manufactured were all for specific diseases, and they had to be detailed only to the medical profession for which the propaganda machine was insufficient because of limited capital. For want of capital, sales and propaganda experts could not be employed. And therefore the working results of the vendor firm during the period September 1958 to February 1960 as disclosed in prospectus have not been profitable.

The future of the Industry cannot be based on the initial working during this short period. The results of the research of Dr. G. Krishna Murty are well known. The drugs on which he has worked have high scientific and commercial value. When the Company can buy raw material at low cost in bulk and when the products are manufactured at the Company's own factory the selling price can be brought down. When the Company can manufacture the active principles of these drugs, they can be exported to foreign countries. In addition, with an efficient sales and propaganda department the products now marketed and other new products can have a large turnover and yield ample profits to enable payment of fair dividend on the capital employed, besides provision for research and expansion work. It is estimated that the turnover during the 13 months ending 31st March 1961, may be about Rs. 5,00,000 and in the second year it is expected that the turnover will be about Rs. 10,00,000 with scope for further increase.

AGREEMENT

One of the main objects of the Company as contained in Clause No. 1 of the Memorandum is to acquire and take over as a going concern the business carried on in partnership at Bombay under the name and style of "ANUH PHARMA" together with the goodwill thereof and all its assets and liabilities and to enter into an Agreement referred to in Clause 5 of the Articles of Association of the Company and to carry the same into effect with or without modification.

The consideration for the sale of the said business is to be satisfied by allotment of shares of the Company as hereinafter mentioned and partly in Cash.

The consideration for the Goodwill of the said business is Rs. 1,00,000. The said consideration of Rs. 1,00,000 is payable in two instalments of Rs. 50,000 each. The first instalment of Rs. 50,000 is payable on the completion of the sale of the said business and after the registration of the Company, and the same shall be paid and satisfied by allotment to the Vendors or to their nominee or nominees 10,000 Ordinary Shares of the face value of Rs. 10 each in the capital of the Company on which a sum of Rs. 5 per share shall be credited as Paid-up thereon. The Vendors shall accept such partly paid-up shares of Rs. 5 per share to be credited as Paid-up thereon as aforesaid in payment of the first instalment of Rs. 50,000 payable as aforesaid in part payment of the first instalment of Rs. 50,000 payable as aforesaid in part payment of consideration for the Sale to the Company for Rs. 1,00,000 payable to the Vendors for the Goodwill of the Vendors' business.

The second instalment of Rs. 50,000 shall be paid on or before 30th June 1961 and the same shall be paid and satisfied by a further sum of Rs. 5 per share being credited as Paid-up on each of the Shares allotted to the Vendors as aforesaid on or before 30th June 1961. The Vendors shall accept the same in payment of the balance of the consideration money namely Rs. 50,000 payable to the Vendors for the Good will of the Vendors' business.

The said 10,000 Ordinary Shares of the Company to be allotted to the Vendors as aforesaid are to be allotted by the Company as stated in the said Agreement between the Company and the Vendors for the sale of the said business.

Part of the consideration for the Sale of the said business of the Vendors shall be the payment to the Vendors the value of Stock-in-trade and other assets of the Vendors in Cash. The value of the said Stock-in-trade and other assets of the Vendors is to be such sum as to be certified by Messrs. Hariharan & Co., Auditors of the Company to be the fair value thereof. The Auditors have now certified the value of the Stock-in-trade and all other Assets of the Vendors as Rs. 1,49,557. The liability of the Vendors as on the said date is Rs. 1,27,456. Accordingly the amount payable to the Vendors in cash is Rs. 22,101 as part consideration for sale of their business to the Company (A

(*Continued on page 617*)

WOOL AND WOOLLEN TEXTILES IN THIRD PLAN

NO MORE SPINDLES AND LOOMS TO BE ALLOWED

THE woollen industry would not be permitted to install any additional spindles and looms during the third Five-year Plan period, if the programme of development tentatively drawn up by the Planning Commission were finally accepted and implemented. This programme is in accordance with the recommendation made by the Development Council for Woollen Textiles. The Council is of the view that the present installed capacity of the industry is more than sufficient to produce the entire requirements of woollen-worsted yarn and cloth, inclusive of export demand. The weaving sector of the industry, according to it, is working, on an average, a little over 1½ shifts and the spinning sector only about one shift.

The existing installed capacity of the industry (calculated on the basis of two shifts and 300 working days) is estimated at 67 million lbs. of woollen-worsted yarn and 48 million yards of cloth, whereas the anticipated demand in the last year of the third Plan (1965-66) is put at 45 million lbs. and 30 million yards, respectively. The production targets suggested in the Draft Outline are 52 million lbs. of yarn and 35 million yards of cloth. These figures represent a rise of 18 million lbs. and 12 million yards as compared with the estimated levels of output in 1960-61. The actual production during 1955-56 (last year of the second Plan) was 21.7 million lbs. of yarn and 15.0 million yards of cloth. The productive capacity of wool tops has, however, been fixed substantially higher, at 31.5 million lbs., to be attained in 1965-66, as against 10.0 million lbs. (anticipated) in 1960-61, the actual production being put at the same level.

Trend of Output

The following table indicates the trend of actual woollen yarn and cloth production since 1951:

Year	Fabrics (million yds.)	Yarn (million lbs.)
1951	12.14	17.08
1952	11.38	16.03
1953	13.16	18.50
1954	13.75	19.36
1955	13.58	20.70
1956	16.31	25.58
1957	16.14	27.84
1958	19.37	29.14
1959	15.23	29.49
1960 (Jan.-June)	7.17	13.02
1959 (Jan.-June)	6.84	13.89

The fulfilment of the production targets for woollen yarn and cloth fixed for 1965-66 will, of course, depend largely on the availability of adequate and regular supplies of raw wool. Naturally, the third Plan Draft Outline has provided for a fairly large increase in wool production—from 72 million lbs. (anticipated) during 1960-61 to 90 million lbs. in 1965-66, representing a rise of as much as 25 per cent. It, however, remains to be seen whether such a significant rise will, in fact, be achieved. For the experience of the last few years has not been encouraging. The quantity of raw wool actually produced expanded by no more than five million lbs. during the first Plan period and the addition expected during the second Plan is just seven million lbs.

It is a well-known fact that the bulk of the wool produced in India is accounted for by carpet wool. Nearly half the output is exported every year; the actual exports amounted to 18.17 million lbs. (valued at Rs. 4.95 crores) during the first six months of 1960 and 42.11 million lbs. (Rs. 11.02 crores) in the whole of 1959. At the same time, the country imports large quantities of apparel wool. The actual imports were 12.36 million lbs. (Rs. 5.73 crores) in January-June 1960 and 20.57 million lbs. (Rs. 9.02 crores) during 1959. The third Plan Draft Outline has done well to stress the need for stepping up the yield and improving the quality of wool. During the third Plan, six new sheep breeding farms and 4,000 new extension centres are proposed to be established, the sheep population covered by each centre varying from 10,000 to 15,000. Stress is also laid on the grading of wool at the time of sheep shearing which is essential for improvements in marketing. Drawing attention to the mixture of good wools with the poorer qualities, the Draft Outline says: "It is, therefore, envisaged tentatively that about 300 wool grading and marketing centres to be run by co-operatives of producers should be set up during the third Plan. Facilities for shearing, grading, baling and storing of wool will be provided at these centres. It is expected that, by the end of the third Plan, wool production will be raised to about 90 million lbs."

By the end of the second Plan, we are told, four sheep breeding farms and 380 extension centres will have been set up. In these farms, superior rams are being produced by cross-breeding with exotic breeds and by selective breeding of indigenous breeds. The superior rams are supplied to shepherds with a view to upgrading the wool stock. In the extension centres, groups of villages with a population of 2,000 to 3,000 sheep are selected and the block-owners are provided with superior rams, indigenous or imported, so that these units may become centres of production of superior rams in large numbers. At these centres, improved methods of shearing, grading and other improved practices are demonstrated.

Types of Fabrics Produced

There are at present 162 organised woollen mills in India, of which 32 are purely spinning units, 104 purely weaving units and 26 composite mills. The installed capacity of the industry comprises 69,000 woollen and shoddy spindles, 132,000 worsted spindles, and 4,000 powerlooms. After the implementation of all the schemes licensed up-to-date, the installed capacity at the commencement of the third Plan period is expected to be 79,000 woollen and shoddy spindles, 139,000 worsted spindles and 4,000 powerlooms. Details regarding production of the different types of woollen-worsted fabrics during the years 1958 and 1959 were given in these columns two weeks ago. Details of the total production of 7.17 million yards of fabrics during the first half of 1960 are given below.

Fabrics Produced

(In yards)

Woollen: Suitings 602,470; uniform cloth 585,765; lohis 50,198.

Worsted: Suitings 2,027,142; uniform cloth 136,592; lohis 188,558.

Mixed fabrics: Suitings 117,430; uniform cloth 7,092; lohis 85,592.

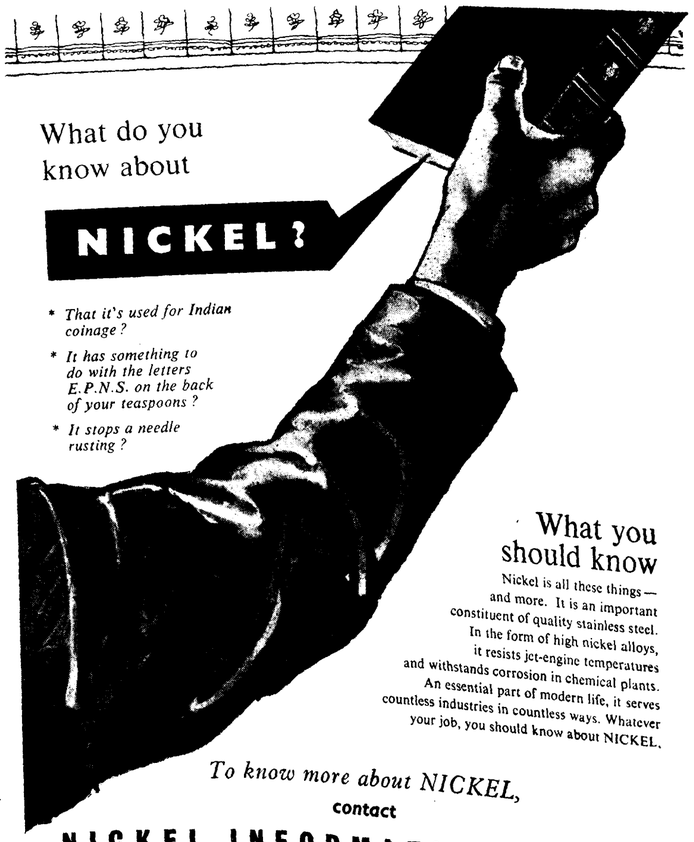
Blankets and rugs: 1,144,807.

Hosiery goods: 268,931.

Other items: 1,869,895.

Shoddy: 18,295.

The Government of India is taking action in regard to the suggestion made by the Development Council to the effect that raw wool and woollen manufactures are to be included in all bilateral agreements. It has also accepted the view that there is no need for forming a seperate *ad hoc* panel at Ludhiana for export promotion under the auspices of the National Small-scale Industries Corporation. The request of the Council to the Directorate of Export Promotion to take up with the Railway Board the West Bengal Hosiery Association's plea or a 50 per cent. rebate of railway freight on hosiery goods meant for export is under examination. The Central Government has already granted, in pursuance of the recommendations put forward by the Council, a licence for setting up a semi-worsted yarn manufacturing plant with 1,000 spindles in Rajasthan. Some time ago, the Council constituted a small committee consisting of five persons to make an on-the-spot study of the manufacturing techniques and other relevant matters for the production of druggets and *kamblis*, as well as to contact the All-India Handicraft Board, the Handloom Board and the Cottage and Development Industries Board for undertaking various schemes formulated for the cottage woollen industry. A tour programme has already been chalked out and the study is expected to be undertaken shortly.



COMPETITION FROM ASIAN TEXTILES

GOVERNMENT URGED TO TAKE SOME MEASURE OF RESTRAINT

From Our Special Correspondent

MANCHESTER, 20*th September*

MANCHESTER LETTER

RELATIVELY few companies dealing with textiles in Lancashire are sufficiently vertical in structure to give them a wide view of the industry at large. Among this minority is Barlow and Jones Ltd., whose Chairman, Mr. Eric Cartwright, is thus able to offer a balanced picture of the various sections in his annual statement. The fact that this group's latest financial results covered 18 months from the beginning of last year to mid-1960 justifies his assertion that this particular period was "one of extreme fluctuation, demonstrating the volatile nature of the industry in its most acute form."

The profits varied in the different sections in which the Company is engaged. The earnings of the condenser spinning mill and the bleach works in 1959 were below those for 1958 and continued on this basis during the current year. "It is quite evident that there is surplus capacity in both these sections," Mr. Cartwright adds, "and results will remain poor until supply and demand are brought closer together." The weaving section of Barlow and Jones made a similar profit last year as in 1958, and so did the fine spinning branch. The raw cotton section showed the greatest change—from a substantial loss in 1958 to a modest profit in the following year. The distributing department also showed better results, as is usual on a rising market.

Reorganisation in Finishing

The group is also involved in the finishing section, so that Mr. Cartwright's comments on the reorganisation scheme now being undertaken should be of interest to the trade generally. The terms of this plan, he says, are not so attractive as those in the spinning and weaving sections, and could indeed be somewhat onerous on the firms which decide to remain in business, whilst not giving great encouragement to firms to consider closure of their works. "Doubtless there were difficulties in producing a satisfactory scheme," he adds, "but it would appear that these created a paralysis which resulted in a year's delay and proposals which cannot be regarded as encouraging. The best that can be said is that the schemes should help to accomplish the very necessary step of reducing the size of the industry. In this respect, it is a little better than the situation in condenser spinning, which would appear to have to bear with the redundancy that exists."

Those who are critical of the sums of money paid out to millowners as compensation for scrapped machinery should note that Mr. Cartwright is yet another Chairman to observe that the total of levies payable will be slightly higher than the amount of compensation received by the Company. Lancashire cotton traders, he asserts, cannot afford to ignore the long-term danger of Asiatic competition. Even when completely reorganised, with all the advantages of new machinery and shift working, the industry cannot possibly compete with Asian imports. "Until the Government makes it clear that there will be some measure of restraint on foreign arrivals, a reluctance on the part of producers to invest in new machinery at today's high prices will be manifest."

Big Mill Switchover

More than 100,000 men and women are now at work in former Lancashire cotton mills which have been taken over by other industries. Between 300 and 400 mills have so far been affected by the transformation, according to the Lancashire and Merseyside Industrial Development Association.

Mr. Eric Allen, the Association Director, described the development as "staggering," with virtually every British industry represented ranging from engineering and rubber to furniture, clothing and the raising of chicks for broilers. A large number of mills had been taken over by existing Lancashire firms, but many others were new to Lancashire.

Since 1952 about 550 mills have closed down for cotton production. At the present time, only about 200 remain empty.

New Rayon Chief

Mr. Stuart Douglas, Deputy Director of the British Man-Made Fibres Federation, has been appointed Director of the Federation from 1st November, following the retirement of Mr. A. J. C. Walters. Mr. Douglas joined the Federation as Assistant Director in 1950, becoming Deputy Director three years later and has since been in charge of the Federation's London office. He was formerly Director of the Textile Institute after serving as an Assistant Secretary of the Manchester Chamber of Commerce.

The appointment can be regarded as an indication that the Man-Made Fibres Federation intends to retain its individuality in a textile industry wherein the possibility of mergers has become more marked in recent years. There have been rumours that an amalgamation of interests might take place between the Federation and the Cotton Board, owing to the growing interdependence of the various fibres in the textile range. It can now be taken for granted that the powerful producers' group in the man-made fibres industry is prepared to support the Federation as a separate entity and that an official link-up with the cotton trade organisations in the near future is unlikely. This view is strengthened by the fact that the Federation has officially stated that it intends to add to its staff by making further senior appointments in due course. Mr. Walters is to continue his association with the Federation in a consultative capacity.

Earlier this year, two moves to integrate trade associations dealing with cotton and the man-made fibres were announced. The British Cotton Industry Research Association is to amalgamate with the British Rayon Research Association in 1961 and negotiations have started for a merger between the Cotton Manufacturers' Association and the Rayon Weaving Association.

Re-training on Automatics

Re-equipment of the cotton industry is bringing its own problems to the mills, especially the provision of labour. Even those who have been employed in the trade for years require instruction when changes in mechanism take place and new methods have to be adopted. To cater for re-training schedules of this kind, the Cotton Board's Productivity Centre is planning a new series of programmes.

Some years ago, specialised operative training was introduced in the weaving section: the system has now been adapted to cover loom overlookers, for whom new courses have been developed. The methods employed are supported by both employers' and operatives' organisations, and provide the basis for special teaching.

Two types of course are available: in one, "transfer training" offers new skill and knowledge about automatic looms to overlookers unaccustomed to such machines: in the other, "refresher training" is provided for those likely to benefit from instruction in newer and more effective methods of operating automatics. A feature of the courses is that both are conducted at the mill concerned. The first step is to select an instructor from the company's overlookers: he is given initial instruction enabling him to re-train those taking the course. Detailed notes are provided to cope with queries and set out the new methods. Another advantage is that the specialised operative training can be adapted to fit the particular requirements of individual mills.

Drop in Production

July output returns failed to provide any clear picture of the situation in Lancashire. Too many towns, particularly in the weaving belt, were on holiday for suitable comparisons to be made, although it should be noted that weekly cloth production during the month at 23,900,000 yards was nearly one million yards a week lower than in July 1959. The fall was entirely the result of reduced output of cotton fabrics, as weavers of man-made fibres and mixtures stepped up their production.

A similar situation arose in the spinning branch where single yarn output was below the 1959 level. This year's July production was 12,350,000 lbs. weekly, as against 13,130,000 lbs., but, again, the output of man-made staple yarns and mixtures was slightly in excess of last year's level.

Very little change took place in the labour situation, the number of available operatives falling by 140 to 184,310. This compares with 200,420 employees on the books of spinners and weavers at the end of July 1959.—*All Rights Reserved.*

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WORLD COTTON EXPORTS TOUCH AN ALL-TIME PEAK

OUTLOOK FOR THE CURRENT SEASON

THE 1959-60 world cotton season, which ended on 31st July 1960, has been termed a "bonanza one in many respects" by the International Cotton Advisory Committee, Washington. Production, consumption, and trade during the season have all been at record levels. In fact, total free world trade in cotton has exceeded any previous season's performance. Exports have amounted to an estimated 15.3 million bales (of 478 lbs. each), as compared with the previous high of 14.3 million bales shipped in 1956-57 and the five-year (1954-55 to 1958-59) average of about 12 million bales. As compared with the 1958-59 season, exports during 1959-60 had risen by nearly four million bales, the largest increase in any one season since the end of the last war. The destination-wise breakdown of the increase in exports is as follows:

	(In million bales)
Increase in exports to India	0.5
Increase in exports to other countries:	
To maintain the 1958-59 level of consumption ...	0.8
To provide for increased consumption	1.4
To build up stocks	1.2
Total ...	3.9

It will be seen from the data given above that the main stimulants to exports have been the increase in consumption and the replenishment of stocks in importing countries. Other contributory factors, however, have been the necessity for India to expand greatly its imports of cotton above the normal volume due to a big fall in its crop and the inability of importing countries to consume out of stocks as they did in 1958-59.

In the U.S., registrations under the 1959-60 U.S. cotton export sales programme are estimated to have aggregated 7.12 million bales till 31st July 1960. Actual shipments during the season amounted to 6.9 million bales, as compared with a mere 2.79 million bales in the previous season. It is noteworthy that the estimated increase in U.S. exports of 4.1 million bales is more than the rise in total world trade. Aggregate exports outside the U.S. during last season, are, therefore, expected to have been slightly less than the 8.7 million bales shipped in 1958-59.

Exports from Outside U.S.

Apart from the U.S., the only other country to record a significant increase is Egypt, exports from which are placed at 1.8 million bales, a level which is at full parity with the pre-War volume. By the end of June 1960, Egypt had already shipped over 1.7 million bales. A notable feature regarding the distribution of exports of Egyptian cotton during 1959-60 season is the sharp decline in shipments to the U.S.S.R., though that country still remains, far and away, the most important single market. Except East Germany, exports to all other destinations in Eastern Europe have been high. Mainland China took about the same quantity as during the previous season. More significant, however, is the sharply higher exports to countries outside the communist bloc. India, for example, has absorbed nearly three times as much cotton as it did in 1958-59, while several other major countries have just about doubled their imports of this growth. Variety-wise, there have been noticeable increases in all staples, except Ashmouni, with the major emphasis being on the extra-long staple varieties.

Africa

Elsewhere in Africa, larger carryover stocks at the beginning of 1959-60 season permitted increased exports from the Congo and Mozambique, while in Tanganyika a record crop was matched by record exports. In Brazil, too, where exports are under quota, there is every likelihood of exports having been higher, though still much under what they were a few years ago. Earlier in the season, it was thought that, up to half a million bales would be available for export. But reduced crop prospects in the southern States have caused estimates of exports to be lowered somewhat.

Increases are expected to have occurred in Turkey and Syria where, in both instances, exports should be over 400,000 bales, a record for Turkey. In many countries, exports have been significantly lower but little cotton remains for sale. Mexican exports are estimated to have declined to around 1.5 million bales—300,000 bales less than in 1958-59, but fully equal to the average of the previous five seasons. The contraction in exports from the Central American countries has been drastic indeed. Reflecting much reduced availabilities, shipments from Nicaragua, El Salvador and Guatemala combined, estimated at roughly 300,000 bales, are well under half their 1958-59 volume. Similarly, exports from Pakistan, Peru and Uganda are all expected to have been less, though there will be no increase in carryover. On the contrary, stocks have been much below normal, the lowest carryover for the last decade in Pakistan and only a few week's supply for the domestic textile industry. Reduced carryover and smaller crop account for the reduction in Sudanese shipments but exports are still expected to have been much higher than average.

Price

It is noteworthy that the increase in exports has been achieved without any reduction in the price level. In fact, prices now are, in every instance, perceptibly higher than what they were a year ago. During the first half of the 1959-60 season, they followed a distinctly upward trend, particularly in longer staples. The second half of the season, however, witnessed a reaction, but it was generally short-lived and prices at the end of the season, though somewhat below the peak, were noticeably higher than a year before. As the season progressed, prices in many markets came to be influenced by the development of a tight statistical situation, while in others the price trend has been activated by substantially larger export demand and continuing heavy shipments to communist countries.

Commenting on the trade prospects for the current season, the International Cotton Advisory Committee's monthly review says that, unless there is another round of increases in consumption and/or a further significant build-up in stocks in importing countries, both of which appear unlikely at present, the chances are that exports during the current (1960-61) season will decline. A return to more normal production in India will also make for lower imports, though imports into India could still be larger than normal if stocks were to be rebuilt to normal levels. This does not mean that trade prospects will be anything but favourable, as compared with previous years.

Export availabilities outside the U.S. in the 1959-60 season were about 8.75 million bales, while, in the present season, they are not likely to be much higher, despite an increase in production potential. There are two reasons for this. First, much of the production increase is expected in India, the bulk of which will be consumed domestically. The likelihood is, therefore, that any increase in production in India will probably result in lower demand for imports rather than an increase in export availabilities. Second, stocks in the net exporting countries, which during the past season were used, in some instances, to bolster exports in the face of declining production, will be at virtually minimum levels in nearly all cases. The

(Continued on page 598)

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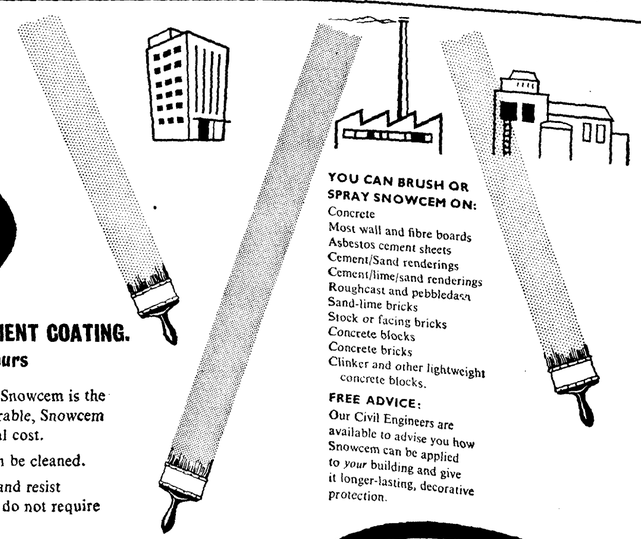

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I. M. F. ON WORLD PAYMENTS RELATIONS

PROGRESS TOWARDS FULL CONVERTIBILITY OF CURRENCIES NOTABLE

EXPLAINING the significance of currency convertibility simultaneously undertaken by ten West European nations towards the end of 1958, we observed in the course of an editorial twenty-one months ago (*vide* page 1 of *Commerce* dated 10th January 1959) that, if the move were to succeed, the next step would be full world-wide convertibility and abolition of all quantitative restrictions on free world trade. It looks as though the forecast will prove correct in the not-too-distant future. In its latest annual report, that covering the fiscal year ended April 1960, the International Monetary Fund (I.M.F.), for instance, declares that the world is now closer to the attainment of a multilateral system of payments free from exchange restrictions than at any time since the beginning of the Second World War. This view is supported on the following grounds:

About half of the Fund's members have currencies which are convertible for virtually all non-residents.

In a number of countries, restrictions on current payments have dwindled to the point of insignificance.

Considerable progress has been made in eliminating discrimination between currencies, particularly between those of dollar and non-dollar countries.

Discriminatory restrictions imposed for balance of payments reasons are now almost completely eliminated by the great majority of Fund members.

Exchange markets are functioning smoothly; all over the world, these markets have benefited from the stability of the U.S. dollar and the external convertibility of the West European currencies.

There has been a steady and continuous decline in the number of bilateral payments agreements.

The use of advance deposit requirements as a condition for obtaining import or exchange licences or for clearing goods through customs has been reduced or eliminated in eight countries.

In countries maintaining exchange controls, the liberalisation of payments of a capital nature has been continued.

Trade Barriers Must be Reduced

It is the aforesaid developments, together with the lessening of inflationary pressures and the great degree of freedom for ordinary commercial lending in many countries, that have imparted marked strength to the payments structure of the world. "All in all, there are," to quote the I.M.F.'s annual report, "good reasons for believing that, granted effective action to control any resurgent inflationary tendencies and the avoidance of extreme creditor positions, the international payments structure that has been carefully built up over the past decade will continue to gain in strength and that it will be able, in the absence of major international disturbances, to face successfully such tests as may arise." Nevertheless, the I.M.F. urges that, in the negotiations for regional arrangements in Europe and elsewhere, "full" attention should be paid to the importance of reducing trade barriers, in order to provide greater opportunities for an expansion of world trade. For, it says, "the more widely the reductions can be extended, the better will be the prospects for a sustained growth of world trade to the benefit of all concerned." It also urges that any tendency to resort to bilateral payments arrangements should be resisted. Warning that trade restrictions are generally harmful to the world economy as a whole and will at best serve only the short-term interests of important economic groups, the Fund emphasises that their elimination requires the most determined action by Governments.

While the lessening of exchange restrictions, simplification of exchange controls and decline in the number of bilateral payments agreements are all very notable developments, there is no denying that the progress towards the establishment of multilateral system of world trade and payments in future will depend on the extent to which "the most troublesome problems" (to borrow the phrase of the I.M.F.) associated with the development of the less developed countries, particularly the primary producing countries, are solved. It is common knowledge that these countries are faced with the pressing problem of instability of export prices, on the one side, and excess of imports beyond the available foreign exchange resources caused by their heavy capital outlay on development, on the other. The I.M.F., of course, can assist these countries, but such assistance can only be indirect, being confined to temporary balance of payments difficulties. It can also impress upon these countries the need for implementing their development plans and policies within a framework of financial stability and under conditions that are free from the distorting effects of inflation. The solutions to the problems of the less developed countries, therefore, lie partly within the countries themselves and partly with the highly developed nations. This aspect has been very well brought out in the I.M.F. report. Thus, it observes:

"In countries whose economies have been tuned for many years to upward price movements and where, therefore, deep-seated distortions have to be corrected, it may not be possible to establish an environment of financial and economic stability all at once, or without transitional difficulties and delays. These temporary difficulties, however, should be weighed against the consequences of perpetuating the waste and injustice inevitably associated with inflation. Once conditions of financial stability are restored and confidence is thus assured, both at home and abroad, a reliable basis for sustained economic growth has been established. The extent to which specific measures are required to initiate or accelerate expansion on sound lines will depend on the conditions in each particular country. In some countries, resolute support of the stabilisation programme will need to be followed by resolute efforts to increase productivity and savings.

"In these circumstances, the responsibility of the more highly developed countries is not confined to the provision of capital for financing development elsewhere, or to the maintenance of more stable market conditions for primary products. Their general tariff and other trade policies are also of great importance. In the future, as in the past, economic development will call for continuous changes in the structure of international trade. These changes can take place only as more liberal trade and tariff policies are widely adopted and as appropriate safeguards are applied, so that the disposal of agricultural surpluses does not disrupt the normal channels of trade. In particular, the effective servicing of development loans would be rendered more difficult—or even made impossible—if the trade policies of the lending countries from which development financing is expected were not adjusted so as to permit easier entry for the products that the less developed countries are best fitted to produce."

Indicative of the general improvement in international payments relations is the appreciable fall in the use of the Fund's resources. The total standby arrangements in force at the end of April 1960 amounted to no more than $291.88 million, as against $1,132.84 million a year before and $884.28 million two years before. The purchases of currency from the fund by members to meet overseas payments obligations during the year 1959-60 aggregated a bare $165.53 million, as compared with $263.52 million in 1958-59, $665.73 million in 1957-58 and $1,114.05 million in 1956-57. The repurchases—this term means repayment of currency borrowed by member-countries—were of the order of $522.41 million. This sum, though it was slightly lower than the previous year's figure of $537.32 million, was the second highest in the Fund's history, having been exceeded only in 1958-59.

Interest Rates in Industrial Countries

(In per cent. per annum)

	1958	1959				1960
	Dec.	Mar.	June	Sept.	Dec.	Mar.
United States						
Treasury bill rate	2.81	2.85	3.25	4.04	4.57	3.44
Government bond yield (medium-term)	3.69	3.94	4.47	4.94	5.07	4.32
Government bond yield (long-term)	3.80	3.92	4.09	4.26	4.27	4.08
Canada						
Treasury bill rate	3.49	4.30	5.11	5.50	5.12	3.01
Government bond yield (long-term)	4.76	4.88	5.08	5.61	5.60	5.32
United Kingdom						
Treasury bill rate	3.16	3.30	3.45	3.48	3.61	4.59
Government bond yield (short-term)	4.30	4.06	4.14	4.30	4.27	4.92
Government bond yield (long-term)	4.89	4.82	4.83	4.85	4.99	5.28
Industrial bond yield	6.02	5.95	5.98	6.00	5.96	6.07
Australia						
Government bond yield (short-term)	4.23	4.00	4.00	3.93	3.95	4.14
Government bond yield (long-term)	4.93	4.89	4.89	4.90	4.93	4.94
New Zealand						
Government bond yield.	4.88	4.86	4.92	4.80	4.75	4.84
Union of South Africa						
Treasury bill rate	3.68	3.53	3.49	3.44	3.28	3.46
National Finance Corporation (deposit) rate	3.50	3.38	3.24	3.18	3.08	3.23
Government bond yield.	5.25	5.25	5.25	5.25	5.25	5.25
Belgium						
Treasury bill rate	2.50	2.25	2.25	2.25	3.50	3.75
Government bond yield.	4.29	4.28	4.27	4.27	4.22	4.26
Denmark						
Government bond yield.	5.22	5.13	5.26	5.47	5.60	5.67
France						
Government bond yield.	5.44	5.39	5.33	5.25	5.03	5.17
Call money rate, private	6.07	4.36	3.67	4.05	4.07	4.17
Germany, Federal Republic of						
Call money rate	2.57	2.63	2.47	2.69	3.82	4.28
Fixed-interest securities yield (total)*	5.6†	5.3	5.3	5.4	6.0	6.4
Italy						
Government bond yield.	5.80	5.40	5.33	5.37	5.36	5.28
Netherlands						
Treasury bill rate	2.26	1.68	1.82	1.66	2.52	2.33
Government bond yield.	4.31	4.07	4.08	4.10	4.21	4.30
Norway						
Government bond yield.	4.68	4.70	4.64	4.55	4.57	4.59
Sweden						
Government bond yield.	4.27	4.26	4.24	4.27	4.44	4.44
Industrial bond yield	5.07	5.06	5.02	5.38	5.23	5.65
Switzerland						
Government bond yield.	3.00	2.85	3.22	3.16	3.25	3.27

* Securities placed during the month of issue.
† January 1959.

Gold and Exchange Reserves

Following the improvement in the free world's balance of payments relations during 1959, the total gold and foreign exchange reserves held by national monetary authorities (excluding the U.S.S.R. and the countries associated with it) fell by only $660 million, notwithstanding the fact that members of the I.M.F. had to pay more than $1,300 million through subscriptions and net repayments and that there was a reduction of a similar amount as a result of the termination of the European Payments Union. The free world official gold and foreign exchange resources as at the end of 1959 stood at $56,790 million, as against $57,450 million on the corresponding date of 1958. Of the drop of $660 million, gold reserves accounted for $220 million, the total of which as at 31st December 1959 was $37,850 million, as against $38,070 million a year before.

Despite the reduction in the total of the countries' gold and foreign exchange reserves during 1959, world liquidity actually improved. According to the I.M.F., "in evaluating changes in world liquidity, account must also be taken of the large increase in the foreign exchange holdings of commercial banks, which, in many countries was made possible by the relaxation of restrictions on movements of capital. The increase in the liquid holdings of U.S. dollars of commercial banks outside the United States alone amounted to about $1.4 billion; and there are indications that their holdings of other currencies also increased substantially. Where confidence in currencies is maintained, the increased scope for international movements of private capital should diminish the need for reserve movements to balance international transactions. On the other hand, any greatly increased flow of private short-term capital may, at certain times, increase the need for compensatory action by national authorities."

Fund's Resources

With further subscriptions and net repayments to the tune of $1,300 million made by the member-countries, the resources that the I.M.F. is able to make available rose much more. Besides gold, almost $3,900 million were subscribed in the members' own currencies. One-third of this amount was in convertible currencies, principally U.S. and Canadian dollars, and the increase in the Fund's holdings of gold and convertible currencies was thus nearly twice the amount by which transactions with the Fund reduced national holdings. Furthermore, the introduction of external convertibility by a number of countries at the end of 1958 increased the usability of the Fund's holdings of their currencies. The currencies of the industrial countries of Western Europe, which are widely used in settlement of international transactions, were thus, in effect, made convertible for current transactions. The Fund's holding of these currencies, which amounted to almost $3.2 billion at the end of 1958, were increased by $1.1 billion during 1959, mainly as a result of additional subscriptions. Because of the revolving character of the Fund's resources, gold and foreign exchange held by the Fund add substantially more to world liquidity than equal amounts held by national authorities; with an increase in the Fund's holdings of gold and of currencies suitable for international settlements that is several times the decrease in national reserves, the international payments mechanism was substantially strengthened in 1959.

A striking feature of the world's balance of payments relations during 1959 was the aggregate surplus of nearly $1,000 million enjoyed by the countries exporting mainly primary products, in contrast to a deficit of about the same size in 1958. Many of the less industrialised countries were able to bring to an end the drain on their international reserves that had been going on for some time, or actually to enlarge their reserve holdings.

The Economic Scene

As usual, the I.M.F.'s report contains an excellent review of the world economic situation during 1959. According to the review, world industrial production (outside the U.S.S.R. and associated countries), which had declined by about 2.5 per cent. in 1958, resumed its growth

last year and exceeded the previous peak of 1957 by more than 7 per cent. The renewed expansion was shared by all industrial countries. It was most striking in Japan, where the cessation of growth in 1958 was followed by a rise of 24 per cent. in output, supported by a substantial increase in both domestic investment and exports.

The recovery in industrial production was achieved with very little upward price movement. Price movements during the upswing were moderate, largely because, in most countries, the mild recession, coming after a period of heavy capital spending, had left considerable unused capacity that permitted marked improvement in output without undue pressure on prices and also because there was a tendency for labour costs per unit of output to fall. In several industrial countries such as France, Italy and the U.S., wages rose less during the recovery and expansion than in the downswing or slowing down in activity. While fiscal and monetary policies were adapted to current requirements, the Governments showed restraint in expanding overall demand, and this helped to discourage expectations of further inflationary developments. Moreover, in the face of increasing international competition, business men tended to adopt more cautious price policies. The very moderate recovery in the prices of some primary products and the continued decline in others were also factors favourable to stability in the general price level. With a few exceptions, wages in general rose somewhat less than the fairly substantial increases in productivity.

The upswing in economic activity in industrial countries during 1959 was accompanied by a renewed expansion of world trade, the value of world exports being higher by 6 per cent. as compared with the previous year which had witnessed a drop of 5 per cent. over 1957. The volume of world trade was about 8 per cent. higher than in 1958. The exports of primary producing countries rose by about the same proportion as those of industrial countries in both volume and value. The rapid expansion of world trade continued in the first quarter of 1960, when the volume of world exports was about one-sixth higher than in the same period of 1959.

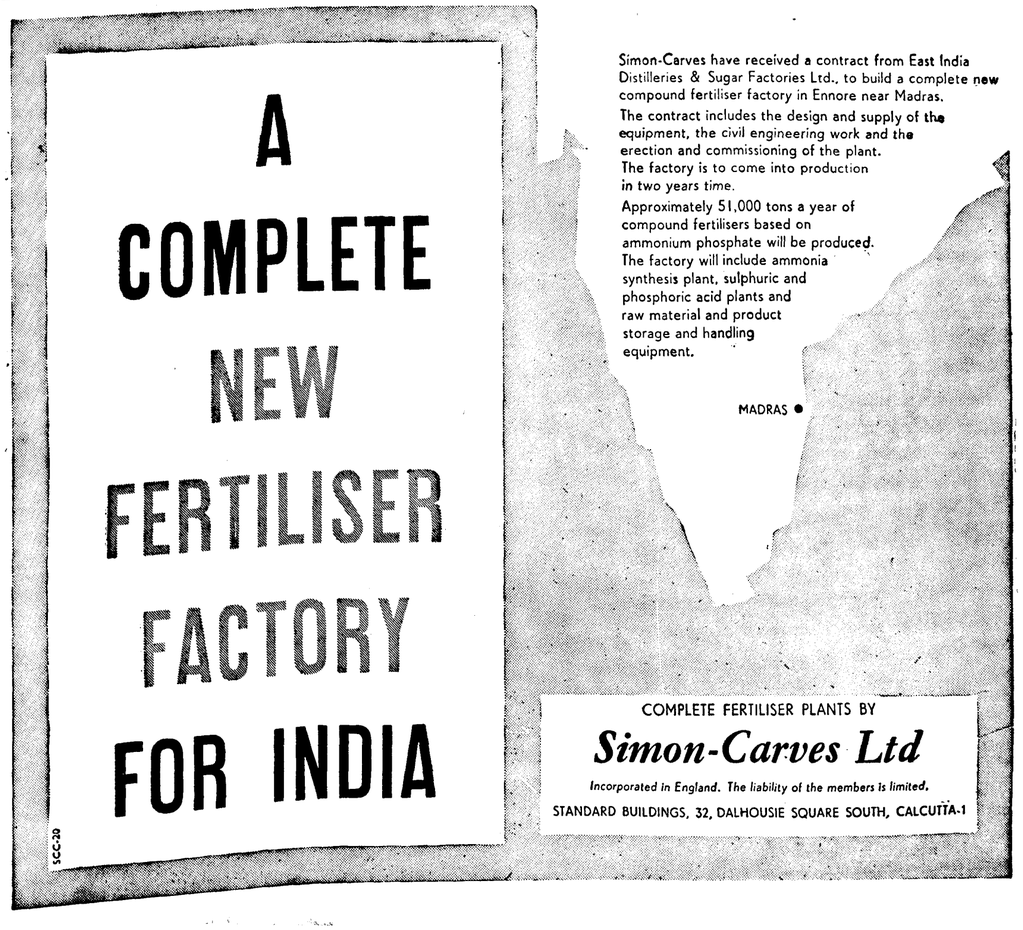
Divergent trends in the volume of trade gave rise to marked changes in the balance of trade between different groups of countries. The primary producing countries as a group improved their trade balance both with the U.S. and with the other industrial countries. The greater part of the deterioration in the trade balance of the U.S., however, resulted from the virtual disappearance of its former large export surplus with other industrial countries. The decline in this surplus was greater than that in the surplus of the other industrial countries in their trade with primary producing countries and with the Soviet area.

A special reference is made in the I.M.F. report to the financial policies in the industrial and the less industrialised countries. The financial policies of the industrial countries in 1959, as in other recent years, had to be put into effect in the context of increasing freedom for foreign exchange transactions. At the same time, attention continued to be paid to contracyclical policy. While the determination and the administration of policy were beset with many difficulties, a remarkable measure of success was, by and large, achieved in the attainment of both economic growth and price stability. This success was facilitated by the substantial increases in the gold and foreign exchange reserves of most industrial countries during 1958, which made possible a wider margin of discretion in the determination of domestic policy.

With the acceleration of private economic activity and increasing credit demands, the remaining expansionary effects of fiscal operations had to be offset by greater monetary restraint than would have been necessary in the absence of this heritage from the recession. There were, however, significant variations among the countries in the timing and the degree of these demand pressures and of the monetary measures designed to keep them under control. In many countries in Continental Europe and in Japan, the upswing gathered strength early in 1959 under conditions of monetary ease brought about partly by an accumulation of gold and foreign exchange reserves which added to bank liquidity and tended to lower interest rates, as will be seen from the table on the previous page.

Many of the less industrialised countries were able in 1959 to bring to an end the drain on their international reserves that had been going on for some time, or actually to enlarge their reserve holdings. Although the deterioration in the terms of trade of primary producers in 1958 and earlier years had been a contributing factor, the rather persistent decline in their reserves also resulted from expansionary financial policies, which, in some countries, were reflected in large and continuous budget deficits. In many countries, credit expansion was used to finance development. Structural defects in the fiscal system were also a source of financial weakness. Moreover, the authorities in several countries had burdened the monetary system with the financing of commodity stocks withheld from export markets. In some countries, excess demand, stimulated by credit expansion, had led to a rise in imports or a capital outflow rather than to any marked increase in domestic prices. In other countries, a substantial expansion of credit resulted in significant price increases, even though a part of the excess demand was absorbed by rising imports. Often a low level of international reserves meant that severe restrictions had to be placed on imports, and most of the effects of credit expansion were, therefore, concentrated upon domestic prices. On the other hand, foreign financial assistance enabled many countries to maintain imports at a higher level than would otherwise have been possible, and hence to finance development expenditure, to the extent of such assistance, without drawing on reserves.

Monetary and fiscal policies were a major factor in halting or reversing the outflow of reserves in 1959. These policies reduced credit expansion and Government expenditures, and tended to reduce the rate of monetary expansion. The resulting improvement in the balance of payments was an offsetting factor and, in a number of countries, a rise in foreign reserves was the main source of continued monetary expansion.



RUBY GENERAL INSURANCE COMPANY LIMITED

MR. M. L. SHAH ON INSURANCE PROBLEMS

NEED FOR CLOSER CO-OPERATION BETWEEN GOVERNMENT AND INSURERS

THE view that it was time the Government of India and the insurance industry jointly considered the problems facing the latter and evolved practical working formulæ to put general insurance on a sound footing was expressed by Mr. M. L. Shah, a director of the Ruby General Insurance Company Ltd., in his speech at the Twenty-fourth Annual General Meeting of the Company, held at Calcutta on 23rd September 1960. The following is the full text of Mr. Shah's speech:

"GENTLEMEN,

"It gives me great pleasure to welcome you to the twenty-fourth annual general meeting of the Company.

"The report of the Directors and the audited accounts for the year 1959 have been with you for some time and with your permission I take them as read.

"The following net premium figures reveal the progress of the Company:

	1949 Rs.	1954 Rs.	1959 Rs.
Fire	20,97,000	32,76,000	57,01,000
Miscellaneous accident ...	32,31,000	37,11,000	57,13,000
Marine ...	8,15,000	12,79,000	20,04,000
	61,43,000	82,66,000	1,34,18,000

"The Company has continued its progress which will be evident from the comparative premium figures of the last several years. The net premium for the year ending 31st December 1959 and the capital and funds as at 31st December 1959 stand at Rs. 1,34,18,000 and Rs. 1,27,81,000, as compared to Rs. 82,66,000 and Rs. 84,53,000 respectively as at the end of 1954.

Fire Department

"More attention is being given to develop the fire business as the results have been comparatively better. The working for the year shows a record profit of Rs. 11,50,000. However, there has been, again, a reduction in the fire premium rates from 1st January 1960 and it would have some effect on the working of the department but it is hoped that, with more attention being given to develop the business of the department, it would still show a reasonable profit.

Motor and Miscellaneous

"The claims experience in this department, particularly in the automobile section, which forms a major portion of the premium income, has been generally bad. We have, however, followed a cautious underwriting policy with the result that though there is a small reduction in the premium income but the working has greatly improved, which will be evident from the small loss incurred this year in the department. The motor premium rates in certain sections have been increased from August 1960 and it is hoped that it would result in some improvement in the claims experience of this section. There is considerable demand of other types of miscellaneous business and your Company is trying to develop these new types of business so that the portfolio may be more balanced and adverse results in one section do not upset the entire working of the Department.

Marine Department

"The working of the marine department shows a big loss on account of the jump in the premium reserve from Rs. 10.90,000 to Rs. 16,04,000 and the adverse claims experience, which is due to the increase in the foreign marine hull business. Your Company has, however, taken steps to reduce the foreign hull business and it is hoped that the department will show improved working in future.

"The loss experience on the import shipments also continues to be rather unfavourable owing to unsatisfactory state of affairs in the various ports of the country. Several representations have been made to the Government, and I feel that it is high time the Government had considered necessary amendment in the Port Acts so as to define more definitely the Port Commissioners' liability for loss or damage to the cargo whilst in their custody.

"Another important development, which is intimately connected with the marine insurance market is the introduction of a Bill in the Rajya Sabha to codify the law relating to marine insurance in this country. It is understood that the matter is presently engaging the attention of the Government of India in the light of the views and suggestions offered by the various bodies and State Governments. With the passing of this Bill, which has already received the support of the various commercial, shipping and insurance organisations, a great lacuna would be removed.

Overseas Business

"You are aware, we are reorganising our overseas business on the basis of the experience gained in the past and in view of the political changes in some countries in recent years which has resulted in contraction of the overseas business, but it is hoped that this will show a better overall working result.

"As is evident from the balance-sheet, the Company has a very strong financial position, the reserves amounting to Rs. 95,00,000 and there is an appreciation of Rs. 25,00.000 in its investment portfolio. It is gratifying to note that the Company continues to command the full confidence of its patrons and constituents.

"It is time the Government of India and the insurance industry sit together and seriously consider the problems facing the industry at present and evolve practical working formulæ to put this important industry on a sound footing. The Government should help the industry in maintaining its reputation and developing its business which is to the ultimate good of the country.

"I hope you will join me in expressing our sincere thanks to the executives, staff, agents, field-workers and other representatives both in India and abroad for their close co-operation which enabled the Company to maintain the progress during the year under review. I also convey my thanks to our valued clients whose support has helped the Company to achieve this position.

"I now move that the Directors' report and audited accounts and balance-sheet of the Company for the year ending 31st December 1959 be approved and adopted.

"Thanking you."

Note: *In the absence of Mr. B. M. Birla, Chairman of the Company, who is out of India, the speech was delivered by Mr. M. L. Shah, who presided over the meeting.*

COTTON

(*Concluded from page 594*)

amount available for export over the next few years, therefore, will depend almost entirely on the level of new crop production. In short, on present reckoning, the export potential outside the U.S. will be roughly the same as in 1959-60. This means that there should still be a continuing demand for U.S. cotton in the present season, albeit somewhat less than the seven million bales exported in the 1959-60 season. The U.S. Department of Agriculture is reported to have in mind an export target of 5.5 to 6.0 million bales for the current season. But, as the production in the U.S. during the current season is unlikely to be more than in the past season and, as stocks in that country have been depleted substantially, there is little possibility of prices of cotton coming down on any significant scale in the 1960-61 season, unless, of course, world demand for cotton goods sustains a sizable fall in the coming months.

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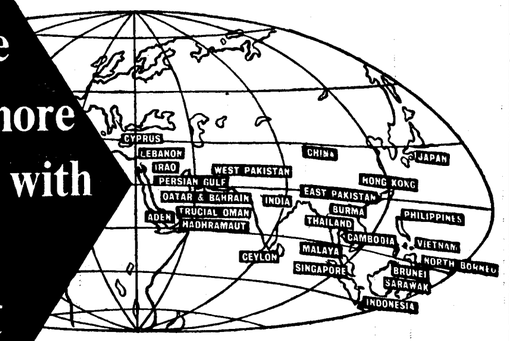

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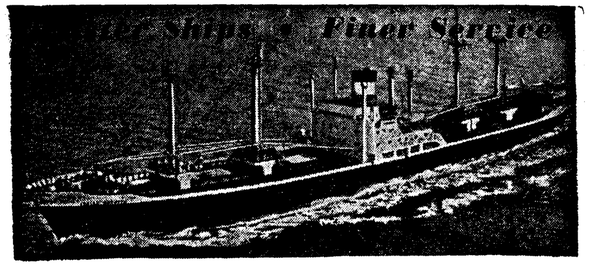

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GENERAL ASSURANCE SOCIETY LIMITED

CHAIRMAN, MR. B. L. JALAN, SUGGESTS HIGH-POWER COMMISSION FOR GENERAL INSURANCE

SOME INTERESTING COMMENTS ON THIRD PLAN

A CRISP review of the outstanding problems confronting India and the world was provided by Mr. B. L. Jalan, Chairman, in his address to the shareholders of the General Assurance Society Limited at their annual meeting held at Calcutta on 26th September, 1960. Commenting on the third Plan, he averred that, generally speaking, deferred credits were preferable to acceptance of foreign private equity capital, as, in the long run, the latter would prove disadvantageous to the country. Referring to the difficulties of general insurers, he wanted the Government to appoint a high-powered commission to review the position afresh and suggest remedies.

The following is the full text of Mr. Jalan's address:

"The premature collapse of the Summit Conference has, once again, whipped up the cold war. The problem of disarmament is nowhere near solution. Congo continues to be in turmoil, in spite of all-out intervention by the United Nations. These developments and events appear to be quite anachronistic in the context of the unprecedented progress that is being achieved in the scientific and technological world, in the field of space and nuclear research, in medicine and in speed of transport. In fact, what we need today is a definite advance towards the 'one world' idea.

"On the contrary, you are also aware of the ideological differences which have been thrown into bolder relief between Communist Russia and China. While China was the first signatory to the doctrine of *Panch Sheel*, she seems to assert that co-existence is not possible and that war between the capitalist and the communist worlds is inevitable. If China believes in the inevitability of conflict between nations, it is no wonder that she continues to occupy forcibly and illegally territories of other nations.

Common Union

"It is, however, a good augury that there is a happy turn in our relations with Pakistan. Only last week, our Prime Minister visited that country to sign the agreement on Canal Waters, thus ending a longstanding dispute. One would only hope that all remaining differences between the two sister countries would soon be resolved. I would suggest that, at an appropriate stage, the South-East Asian countries should examine the possibilities of forming a common union on the lines of the European Common Market for freer trade and, particularly, for joint efforts with respect to investments and economic development.

"India has passed an equally uneasy year in her internal affairs. In the name of linguism, heart-rending events have taken place. It appears that we still lack the emotional integration which would make us one nation. I have been suggesting for a long time that, if the country is to function as one unit bereft of all kinds of linguistic and cultural rivalries, we must redivide the country into geographically homogenous zones.

Bold Third Plan?

"The draft Third Five-year Plan has been formulated. Even a casual look at the broad outline would show that, although it is a *very bold and ambitious programme*, it does not take care of some of our basic needs and hopes!

"Let us take the employment aspect. The planners estimate that the total employment potential of the third Plan outside agriculture might be about 10.5 million out of a total increase in the new entrants of about 15 million. The Prime Minister had rightly observed that what we have been doing so far was hardly enough even to maintain the existing low standard of living and consumption levels.

"The second Plan provided for a deficit financing of the order of Rs. 1,200 crores. It is now estimated that deficit financing of the order of Rs. 1,175 crores will have taken place by the end of the Plan period. In spite of a much larger outlay of over Rs. 10,000 crores, the planners have reduced the level of deficit financing for the third Plan to Rs. 550 crores only. It is proper that the resort to deficit financing should be controlled, as stability of prices is very essential to the successful execution of our Plans, but it is hoped that the position would be kept under constant review and that, as and when the situation demands, the rate of deficit financing would be appropriately increased.

Foreign Exchange

"The most important and crucial factor, however, in our structure of the third Plan is that of foreign exchange. Altogether, there would be a total gap of Rs. 3,200 crores in our foreign exchange budget during the third Plan period. Thus, the foreign exchange gap would be as large as one-third of our total Plan outlay.

"We have now touched the lowest levels of our foreign exchange reserves. The present balance is the bare minimum as foreign reserve. Almost all the existing credit lines of foreign loans have also been exhausted. A stage has come when Government is finding it difficult to sanction any industrial scheme, until the promoters could manage to secure private foreign capital to the extent of their foreign exchange requirements. In most cases, this is not practical. It might militate against the policy which had been adopted earlier of ensuring that the Indian promoters held the controlling interest. It is also not realised that, whenever foreign capital is sought in such proportions as are represented by the foreign exchange requirements of the project, the bargaining capacity of the Indian promoters is very much weakened and it costs us and the country as a whole much more than otherwise.

Deferred Credit Arrangements

"It is understood that, at the present time, Government does not favour even deferred credit arrangements against supply of foreign equipment and that they prefer direct capital participation by foreign collaborators or financiers. The obvious reason is that it is feared that we would not have adequate capacity to pay off the exchange liability in subsequent years by remitting due instalments. I believe that, even from a strictly exchange point of view, deferred payment facilities would be more favourable than direct capital participation.

"A single example would make the point clear. Let us assume that there are available deferred credit facilities of Rs. 10 crores spread over a period of eight years with interest at 6 per cent., for a certain project. On the basis of interest being calculated on progressively reduced debit balances, we would have to remit Rs. 1.55 crores year by year for eight years to clear up the credit facilities of the aforesaid order. Now, if in a case of direct capital participation, we were to remit dividends which may work out as high as, say, 16 per cent., we would have to remit Rs. 1.60 crores every year for an indefinite period while the basic capital liability would remain intact. This only shows that, even exchange-wise, the preference for private foreign capital to the prejudice of deferred credit arrangements will not solve our repayment and repatriation problem in subsequent years. It will only cause a perennial drain on our foreign exchange reserves.

Investment Insurance

"It is, indeed, a very happy development that American capital, the largest and most prospective source of external finance for industries, has shown a growing tendency to participate in Indian industrial ventures. At least three factors are responsible for this welcome new tendency: first, India's subscription to the risk of nationalisation under the U.S. Investment Guarantee Programme; secondly, avoidance of double taxation arrangements with America; and, thirdly, a general shift in the official policy of the country and a growing realisation in our official circles of the importance of the role which private capital, including foreign capital, can play in accelerating the rate of economic growth. The Government has now reversed its policy of reserving industries like fertilisers for the public sector. This is a pointer to our future economic policy. I would recall here my earlier suggestion for the establishment of a World Corporation of Investment Insurance. This, when established, will go a long way in encouraging inflow of foreign capital and solving not only our financial problem but also that of foreign exchange.

Idle Man-power

"It would not be out of place here to mention about the deleterious effect which recent announcements with respect to proposed amendments to the company and taxation laws produce on an otherwise cheerful capital market. The proposal to tax charitable institutions is undoubtedly an ill-conceived one, because such institutions have been a source of great assistance and relief to the poorer sections of the community.

"There is yet another aspect of our Five-year Plan, namely, that of utilisation of idle man-power in the country, which requires pointed attention. We can solve the problem of unemployment a great deal by utilising this surplus labour, on self-help basis, on programmes, such as road building, construction of houses, sinking of wells, etc. In West Bengal, 26,000 houses have been constructed by the village people on the basis of Self-help Scheme in flood-affected areas. It is very gratifying to note that the Chief Minister of Orissa, Dr. H. K. Mahatab, has also decided to follow the same scheme in his State.

Keen Competition in Insurance

"Turning now to the general insurance industry, the basic problem, as we all know, is one of severe internecine competition. It would appear that the general insurance business has ceased to be a profitable and attractive business. Restrictions imposed by Government and the Code of Conduct have only made confusion worse confounded.

"It is now time to make a proper appraisal of the results achieved by the new Code of Conduct promulgated by the General Insurance Council. I would very strongly suggest that the Government should constitute a high-powered commission consisting of all sections, including representatives of the industry, to review the position of general insurance industry in great details and evolve an entirely new basis for its reformation.

Fire Hazard

"Indian fire business is very good, but certain spasms of recurrent fires in certain areas completely upset the results. We find that, almost at an interval of every fortnight, we hear of a very big fire in some Calcutta godown, while there are hardly any fires in the mofussil godowns.

"The problem could be solved if the survey of fire claims were taken up by the Association itself which has no vested interests. The Association will have to maintain a full-fledged department specialised in survey work. The cost of the department, however, would be met out of the survey fees which may be charged on a *pro-rata* basis.

"A lot of money could also be saved, if salvage were properly disposed of. In Bombay, the industry follows the practice of auctioning off the salvaged materials soon after occurrence of fires, but, in Calcutta, this more rational and proper practice is not accepted. It is absolutely necessary that, in all areas of the country, this system of auctioning off the salvaged materials should be followed.

"I would also suggest that the India Reinsurance Corporation should not limit its activities to the conventional type of reinsurance business but must give a lead to the companies in breaking new ground as they have now started doing on a small basis."

Note: *This does not purport to be a complete report of the proceedings of the Annual General Meeting.*

The Life Insurance Corporation has announced immediate concessions for flood victims in the affected areas in Punjab and Orissa holding life insurance policies. The Corporation has waived late fee or interest on unpaid premiums for three months from the due date of the premiums. If a policyholder dies within the period of grace now allowed, the claim will be met in full, subject to deduction of unpaid premiums. These concessions will remain in force upto 31st December, 1960, and will apply to policies which were alive on 1st July, 1960.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

Speech by the Chairman, Mr. F. A. Collett, at the Forty-ninth Annual General Meeting of the Company on 21st September, 1960.

LADIES AND GENTLEMEN,

I have much pleasure in welcoming you to this, the forty-ninth Annual General Meeting of the Company.

The Notice convening this meeting, the Report of the Directors and the Accounts have been circulated, and with your approval we will take them as read. I will now ask the Secretary to read the Report of the Auditors.

Board of Directors

At the end of March this year, Mr. G. H. J. Clarke and Mr. D. B. St. John retired from the Board. Mr. Clarke had served the Company since the end of 1932, and had been a member of the Board for six years. He became Chairman of the Company in December 1955, and has presided over the last four General Meetings of the Company. I was appointed to the Board in December 1959, and following Mr. Clarke's retirement I was elected Chairman of the Company, in which capacity I aspire to serve you as well as my predecessor did.

Mr. St. John first joined the Company in December 1928 and had been a member of the Board for six years, during which time he was mainly responsible for the Company's finances. We wish Mr. Clarke and Mr. St. John much happiness in their well-earned retirement.

In April this year Mr. R. K. Banerjee was appointed Deputy Chairman of the Company, and I am quite sure that in this new capacity he will not only make a further substantial contribution to the progress of the Company, but will also prove invaluable in the assistance he will give me in my new appointment.

Also in April this year Mr. H. C. Reeve, who has served the Company for 27 years, was appointed to the Board.

Mr. J. R. Blaikie has recently resigned from the position of Secretary of the Company, and Mr. B. G. Pearson has been appointed as his successor.

Accounts

You will see from the Accounts in your possession that the net profit for the year has risen from Rs. 115 lakhs to Rs. 142 lakhs, some part of this increase being caused by a reduction in the rate of Income-tax and Super-tax from 51.5% to 45%, coupled with the discontinuance of Wealth-tax on Companies. This decrease in corporate taxation, however, has to be viewed in the context of the new basis of dividend taxation introduced by the Finance Act of 1959, whereby Income-tax is no longer deemed to be paid by the Company on behalf of the shareholders. You are all fully aware of the new provisions, and it is quite unnecessary for me to enlarge upon them.

Apart from this the Balance Sheet and the Profit & Loss Account call for no particular comment, so I will proceed with a review of the Company's activities.

Production of Spare Parts

The very necessary restriction on foreign exchange has made it difficult for the Company to obtain its essential requirements of spare parts for its production machinery. We therefore opened negotiations with the main suppliers of our cigarette making machinery with a view to obtaining increased manufacture of the required spares in India, and I am pleased to be able to tell you that on 1st July this year Molins of India Private Limited commenced manufacture in a new factory in Behala, near Calcutta. Part of the capital of Molins of India Private Limited is being subscribed by your Company, thus ensuring our active participation in the new venture, and we wish it every success.

Leaf Tobacco Supplies

You are probably aware that a very large proportion of the leaf tobacco which we use in cigarette manufacture is produced in Andhra Pradesh, where during the last two years the weather has been very unkind to the producers of flue-cured tobacco. In 1959 very heavy unseasonal rain was experienced at the end of January and the beginning of February—two vital months in tobacco cultivation—while in 1960 exceptionally high day temperatures, coupled with very low relative humidities, had a considerable influence on the quality outturn of the crop.

Events such as these, which lead to an embarrassingly large production of low-grade flue-cured tobacco, are, of course, beyond the control of the cultivator; but another, and perhaps a more serious, problem has arisen during the last few years when tobacco has been produced in undesirable growing areas, which has resulted in decided degradation in the tobacco whilst in storage. Fortunately Government are alive to this problem, which has received the earnest attention of the Indian Central Tobacco Committee, the Extension Staff of the Government of Andhra Pradesh, and the Experimental & Research Department of our main tobacco suppliers, Indian Leaf Tobacco Development Company Limited.

The efficient production of good quality flue-cured tobacco is of paramount importance not only to your Company, but also to India, for exports of unmanufactured leaf tobacco produce foreign exchange annually to the value of between Rs. 13 and Rs. 15 crores. The production of sub-standard flue-cured tobacco, coupled as it is with a tendency to increasing prices, must inevitably be viewed with disfavour by the importing countries, of which the United Kingdom is by far the most important, and they will naturally look elsewhere for their requirements if this undesirable trend is not halted.

It is most important that the cultivators lay far greater emphasis on following the cultural practices recommended by the Indian Central Tobacco Committee, and pay close attention to the proper harvesting, curing and handling of their products, for the alternative can only be continued production of unwanted low-grade flue-cured tobacco, with the inevitable loss of export markets.

New Brands

During the year under review, your Company has marketed several new brands, and with the Annual Report we have enclosed a folder depicting them. They have been designed to appeal to the changing tastes of the consumer and we are optimistic of their success. As Mr. Clarke told you last year, the marketing and advertising of new brands is expensive, particularly in the early stages, but sales in general are encouraging and we hope to reap the benefit of this year's expenditure in future years.

You will have noticed that two of the new brands depicted in the leaflet have filter tips. It is with regret that your Board has had to restrict the distribution of this type of cigarette because the filters are imported and so in short supply. However, the producers of these filters are at present negotiating with the Indian Government for their production in India, and although the establishment of a new industry cannot be hurried, we look forward to the time when local manufacture of filters will enable us to give the consumer unrestricted supplies of this type of cigarette.

Labour Relations

In his speech last year Mr. Clarke referred to the unsatisfactory operation of our factories at Monghyr due to the labour force being greater than was required for the output from that point. Although those conditions continued throughout the year under review, I am pleased to be able to tell you that as a result of improved forward requirements it has been possible to absorb some of the redundant labour by re-introducing a partial double-shift at Monghyr. At the same time we have, with the ready assistance of the Bihar Government and the Trade Union, been able to streamline the labour allocation to some extent and, as a result, we hope to operate more economically in future.

Elsewhere in the organisation also our relations with our employees have improved and it is now becoming more and more apparent to everybody that increased productivity is the only practical answer to increased benefits to the employees and the shareholders alike.

You will remember that in last year's Annual Report we included some photographs of the Company's residential training centre near Calcutta. The requirements of Staff development are by no means simple; however, it is felt that real progress in this field is being achieved and although the value of the staff training centre is difficult to assess accurately, your Board is convinced that it has been a worthwhile venture.

During the year we have extended our training activities and have started technical training for selected groups of employees at some of our production branches. This training is being carried out by our staff who have received the necessary guidance at the training centre, using the techniques of work study and training within industry. It is gratifying to know that as a result of these activities there has been a noticeable improvement in skills and at the same time an encouraging improvement in Management/Labour relations in the areas where the training has been carried out.

Your Company has continued to pursue its policy of providing amenities to its employees and of making working conditions as pleasant as possible. For some years the Company has provided free uniforms and subsidised canteens, given free medical attention in excess of statutory requirements and made annual donations to the sports clubs of the various branches. In addition to this, we have provided Institutes at some of our factories, the latest being the Clarke Institute at Bangalore, which was formally opened by the Governor of Mysore. A photograph of the Institute is reproduced on page 18 of the Annual Report.

A substantial donation was made to the new Saharanpur District Civil Hospital, thus helping towards adequate hospital and other medical facilities to the employees and their families at our Saharanpur branch.

Financial assistance has been given to certain Co-operative Credit Societies at branches where there was evidence of constructive self-help.

The efficacy of all these measures has been amply demonstrated by the increased output which we have been able to achieve. Under the scheme of productivity payments which is in operation in our factories, this increased output has resulted in financial benefit to our employees, all of whom I should like to thank for their continued co-operation.

Prospects

During the first five months of the present financial year, sales have shown a welcome increase over the previous year, in the face of intense competition, and in fact have exceeded all previous records. It is too much to expect profits to keep fully in step with sales, partly because of rising costs and partly because of the continuing tendency of the smoker to switch to lower priced and less profitable brands. Nevertheless your Board had complete confidence in declaring a first interim dividend of 2½%, subject to tax, in respect of the year to 31st March 1961.

THE
UNITED COMMERCIAL BANK
LIMITED
Head Office: CALCUTTA

Authorised Capital	..	Rs. 8,00,00,000
Subscribed Capital	..	Rs. 4,00,00,000
Paid-up Capital	..	Rs. 2,00,00,000
Reserve Fund	..	Rs. 1,75,00,000

BRANCHES AT ALL IMPORTANT PLACES IN INDIA.
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AGENTS ALL OVER THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, *Chairman.* S. T. SADASIVAN, *General Manager.*

ROAD TRANSPORT VERSUS RAILWAYS

NATIONAL COUNCIL'S STUDIES TOUCH OFF NEW CONTROVERSY

IN spite of its professed anxiety to avoid a new road-rail controversy, the National Council of Applied Economic Research (New Delhi) finds itself in the unenviable position of having provoked one by the very act of publishing its two recent studies on road transport. These studies—one pertaining to the contribution of road transport to the public exchequer and the other dealing with the employment potential of road transport—carry the inscription, "confidential, for private circulation only," because they have been carried out at the instance of the Union Ministry of Transport. The National Council has published the two "confidential" studies, presumably with the prior permission of the Transport Ministry which has rarely found itself in agreement with the Railway Ministry on road-rail co-ordination questions. It would appear that, with the rejoinder just issued to the Press on behalf of the Railway Ministry, to the Council's studies, the inner conflict between the two Government departments concerned has emerged into the open as a new road-rail controversy.

The railways' case in respect of their contribution to the public exchequer is first presented here, because the National Council's study on road transport's contribution to the public exchequer has already been dealt with in our last issue. The first point made out in the railways' rejoinder is that the freight rates and passenger fares on the railways are the result of Government policy in public interest and cannot, therefore, yield, in the aggregate, anything more than a reasonable return on the investment. A related point is that the railways make "colossal indirect payments" to the nation—payments which have not been computed in the Council's study; here the railways' argument is that, in the case of two commodities alone, namely, coal and foodgrains, they can quote competitive rates on a basis slightly lower than the minimum rates that can possibly be quoted by road carriers but that the nation's freight bill on account of these two items alone would then go up by over Rs. 100 crores per year. Other "indirect" contributions made by the railways, which are utilised as an instrument of Government policy as ideal employers and in the regional development of the country by adjustment of freight rates, in the promotion of exports, in the opening up of the country through uneconomic new lines, etc., have also not been appraised in precise terms. The railways' argument, thus, is to the effect that, since they have to operate more in public interest than on a strictly commercial basis, they are not in a position to make larger "direct" contributions to the public exchequer.

Major Errors

The railways' rejoinder has also referred to some errors, as distinct from the above omissions, in the National Council's computations. One such error is that the entire figure of Rs. 11 crores per year from *octroi* collections and pilgrim taxes levied by the local authorities have been treated as a contribution of road transport, whereas a substantial portion of it is derived from traffic carried by the railways. Another error is that the income-tax payments of the manufacturers of motor vehicles, etc., have been taken into account, in assessing the contribution of the road transport industry, whereas similar payments made by the private manufacturers supplying wagons, engines and other stores to the railways have not been included. Yet another error is that, in assessing the amount of customs duties paid by railways, only the customs duty on stores imported direct by the railways has been included, whereas the railways do purchase imported stores in India in equally substantial quantities on which also customs duty must have been paid by the original importers. These major errors in the Council's computations, according to the railways' rejoinder, have also been responsible for the underestimation of the railways' contribution to the public exchequer.

On the face of it, the railways' case seems to be pretty strong in the sense that, if the aforesaid omissions and errors had not been there, their contribution to the public exchequer would have been reckoned as substantial as that of road transport. While it is obvious, from the scrappy treatment accorded in the Council's study to the railways' contribution, that the question has not been fully investigated, it is not known why the Railway Board did not put the Council wise at the stage of enquiry itself. If it had more fully co-operated with the Council in its computations, it might have led to a somewhat different result. This is said on the assumption that the railways' 'indirect' contribution could be as much as what has been suggested in the rejoinder. But, if road transport could offer competitive rates for haulage—as it well may with greater encouragement—the railways' "indirect" contribution would have to be reckoned at a much lower figure. For its part, the Railway Board might have to work out the details so as to establish its case as scientifically as the National Council has done in the case of road transport. Such errors in computations as have been pointed out by the Railway Ministry could be easily rectified by the Council if, in its estimation, they have been due to oversight.

But, at the same time, the Railway Ministry would do well to recognise that there has also been an element of oversight in the Council's computation of the contribution of road transport to the national exchequer. As the railways' own reasoning that they have to operate more in public interest than on a strictly commercial basis could be applied particularly to the passenger sector of automobile transport, the latter's "indirect" payment to the nation would also have to be computed in all fairness. It is well known that road transport has been subjected to strict regulation, in public interest, by the State Governments in the matter of freight and passenger loads, fares, etc. The bus services, too, have thus to operate under conditions which rarely allow much elbow room for carrying that part of the incidence of taxation on vehicles, fuel, fares, etc., which cannot be shifted to the user. The real state of affairs is that rate-fixing on strictly commercial lines and with due regard to cost, supply and demand factors is not generally permitted in the road transport sector. Then, there is also the fact that, whereas overcrowding is a common feature of Indian railways, it is not so in regard to passenger transport on roads. If all these facts are taken into consideration, it may be that the "indirect" contribution of road transport will bear a favourable comparison with that of railways.

Oversight

The National Council's comparative study on the employment potential of road transport in 1959 has also come in for criticism at the hands of the Railway Ministry. The Council's estimate of the comparative employment potential of road transport and railways, which is given in the table below, has been questioned by the Railway Ministry on several grounds.

(In lakhs)

	Road	*Rail*
Track construction	6.61	0.08
Track maintenance	3.06	2.71
Vehicular operations	7.12	3.78
Maintenance of vehicles and supply of fuel	4.92	4.22
Terminal services—porters and traders ..	1.59	0.55
Transport administration and traffic control	0.24	0.30
Total ..	23.54	11.64

In the first place, it is argued that the Council has not taken into account the contractors' labour force engaged in railway constructional activities—the labour force which is not reflected in the Railway Board's employment statistics which pertain only to the staff directly employed by the railways. This is, of course, not a serious omission, because the labour force employed by contractors on track construction is probably not substantial now. In any case, the Railway Ministry has not given any estimate of the labour force so employed, and so the Council's following explanation may have to be taken as reasonable.

"The numbers engaged in track construction are not comparable, because the extent of road or rail construction in any year is a matter of policy. The figures indicate only that, in recent years, the construction of railways has been relatively small and the employment potential of track construction far smaller than in the case of roads. The conditions may not be materially different in the near future in this respect."

But on another ground, namely, the labour force employed in the production (as distinct from supply) of fuel (petrol and diesel oil in the case of road transport and coal in the case of railways), the railways' case seems to be strong. Since the railways consume one-third of all the coal produced in the country, the ratio of the labour force engaged in the production of the coal consumed by the railways and of the petrol and diesel oil consumed by road transport in India has been worked out as 50:1. This, according to the Railway Ministry, is a measure of the extent to which the total figures of employment potential worked out by the Council must have been vitiated by this important sector of employment having been ignored. The railways' argument is a valid one, because the Council has taken into account all subsidiary employment such as that in the supply of spare parts, supply and retreading of tyres, etc. for computing the total employment potential in road transport.

Thirdly, while computing the labour force engaged in loading and unloading of goods, the Council has taken into account only the licensed porters and the handling labour employed directly by the railways. The railways' argument here is that the labour force employed through contractors at most of the larger goods sheds and transhipment sheds has not been taken into account in the Council's computation. It is pointed out, in this connection, that the loading and unloading of all full-wagon consignments, which constitute the bulk of the traffic on the railways, is required, under the rules, to be done by the consignors and the consignees themselves.

Possible Revision

If the Council's estimates are revised in the manner suggested by the Railway Ministry, a slightly more favourable picture of employment potential may emerge in the case of railways. Since some of the omissions and errors pointed out by the Railway Ministry, whose technical competence in matters of comparative appraisal may also have to be recognised, would have to be rectified so as to bring the relevant estimates for road transport and for railways strictly comparable, anything like a firm conclusion on the present road-rail controversy seems to be premature. The National Council's broad conclusion that, "if the outlays with regard to which we have choice of investment go more into vehicles than into the building of track, the employment superiority of roads seems to be greater," may still be vindicated, even after a possible revision of its estimates in the light of criticism by the Railway Ministry. This does not mean that another elaborate investigation is called for. After all, there is no likelihood of the entire gap in the comparative employment potential of railways and road transport being narrowed by any such revision.

SALE NOTICE OF TEXTILE MILL

As ordered by the High Court of Mysore, the entire fixed assets comprising about 45 acres land, buildings—a steel structure measuring 625 ft. × 154 ft. and other buildings like workshop, office etc.—and machinery, and stores and other accessories of the KAPILA TEXTILE MILLS LTD. (in liquidation), Nanjangud, (12 miles from Mysore City), will be sold by public auction, as one unit free from encumbrances and attachments, by the Official Liquidator on Saturday, 19th November 1960, at 2 p.m., at the Mill premises.

The mill proper is a post-war composite spinning and weaving mill with 15,000 ring spindles (high draft system) and 300 Northrop type automatic looms with all necessary preparatory machinery both to spinning and weaving, with grey finishing and bleach house machinery, power house, etc. Power for the installed machinery and plentiful water supply assured.

Details regarding machinery and terms and conditions of sale will be supplied free on application to the Official Liquidator.

OFFICIAL LIQUIDATOR.

HIGH COURT OF MYSORE,
BANGALORE-1.

19th September, 1960.

NEW PRODUCTS AND PROCESSES

Measuring Thickness of Textile Threads

A NOVEL nucleonic instrument which will continuously record the variations in thickness of fine threads in textiles during either research or commercial production has been developed by the United Kingdom Atomic Energy Authority. The instrument, the work of the Establishment's Isotope Division technicians, is designed to give an exact analysis of thread, no matter how fine, even when it is used for continuously examining blended textiles where one constituent may have—for example—a relatively low equilibrium content. This is a factor which upsets conventional electrical gauges. The apparatus also possesses the advantage that, while the measurements depend on the determination of the absorption by the thread of radioactive beta particles produced from a radioactive source, the device is so designed that the beta particles are passed through the thread at various angles thereby enabling the shape of the cross section of the thread to be accurately measured. Moreover, the circuits associated with the gauge analyse the short- and long-term thickness variations, and the system is made in such a fashion that variations in air temperature, or in pressure, are automatically compensated for. The instrument, which gives continuous readings while operating, can easily be harnessed to a process control system in order to monitor and oversee the control of thread production, states the U.K.A.E.A.

Flexible Cement

A new plastic cement which is said to provide a resilient bond for surfaces that flex has been developed in Britain. Tests carried out with the new compound are said to have shown that it can be used not only for bonding shoe soles and bookbindings, which are submitted to constant flexing, but also for such diverse application as the mending of torn ship sails, the patching of raincoats and the bonding of metal parts.

The compound can, it is claimed by the scientists responsible for developing it, be used to bond effectively virtually any type of material. It can be used, for example, not only to bond plastics and to bond plastics to metals, or metals to one another, but also to bond concrete, paper, wood, glass and china.

The material is said to be easy to apply and to yield an effective bond, having a very long life even under stringent operating conditions. The flexibility, or resilience, of the bond is ensured by the fact that the compound is based on the use of neoprene man-made rubber. The compound is said to have excellent resistance to atmospheric corrosion and to attack by industrial chemicals.

It is expected to have widespread household as well as industrial applications, and can be used not merely to bond together materials but also, it is claimed, as a filler for use in conditions where resilience is an important factor.

Machine Identifies Letters

An experimental machine that can identify letters of the alphabet, after being taught to do so by a human teacher has been developed by the Cornell Aeronautical Laboratory Inc., at Buffalo, New York. Called the Mark I perceptron, the machine's remarkable abilities represent a breakthrough in data processing, the Laboratory says. Other digital computers now available handle numerical data. The perceptron is taught to recognise letters in almost the same way as a child is taught. The machine's trainer places test letter patterns in view of the machine's photoelectric eye cell. When it makes a correct identification, the trainer leaves it alone. But when it makes a mistake, the trainer corrects it, using electrical controls to make the machine answer correctly.

After only 15 exposures to a letter, the perceptron can recognise it correctly from them on, as long as the letter is written in the same style.

Insulating Material From Newspaper

The United States Insulation Company claims to have developed a method of treating old newspapers with boric acid to produce a light weight, water and heat-resistant insulating material. The insulation provided by the material is so effective, the company reports, that a person could take a handful of it in his hand and play a blow torch flame upon it without feeling any heat at all.

New Suspension Crane

A new kind of suspension crane was recently installed in an automobile factory near Cassel, Germany. Claimed to be the first of its kind in the world and a milestone in the history of crane construction, the four girder suspension crane has a span of 71.4 feet (21.76 meters) and a carrying capacity of ten tons. The fourrail trolley carries a Demag electric hoist with cab and has a special creeping speed unit for hoisting. Up till now there were only single or two-girder suspension cranes. The present span and the loads to be carried, however, required a completely new design. The crane usually unloads containers with semi-finished products, but must also handle heavy special machinery, carrying them from railroad cars or trucks to their place of mounting. From there it takes the containers with the processed parts and carries them to the transport vehicles.

New Use for Fibre-glass

An interesting experiment in the use of fibre-glass, which may have far-reaching effects on future omnibus body construction, is being carried out by the Tilling Omnibus Group at its Eastern Coach Works at Lowestoft, England. The entrance steps, of a new single deck omnibus, has been manufactured entirely from polyester resin-bended glass-fibre. The object of the experiment is to see if there would be worthwhile savings in buildings, maintenance and operating costs if fibre-glass were used on this scale in full production. Testing of the prototype under service conditions may also reveal other advantages such as quieter running owing to the non-resonant nature of the material, and greater comfort in both hot and cold weather because of the very low thermal conductivity of fibreglass compared with aluminium.

Electronic Mail Transmission

Letters may some day be sent to their destinations in less than a second, if experiments being conducted by the U.S. Postal Department are successful. The Department will place in operation in October an experimental facsimile operation for sending mail electronically at split second speeds. In the experiment, in which Government documents only will be used, the material will be transmitted between Washington and the mid-western town of Lansing, Michigan. When brought into the post office from local stations, letters to be transmitted will be opened automatically, scanned electronically and transmitted in less than a second to their destinations. At the receiving end the letters will be reproduced via photography and automatically sealed.

Industrial Thermometer

Rapid and accurate readings of the temperature of any surface or of any liquid or gas temperature can be provided by a new industrial-type thermometer which is now being produced by measuring Instruments (Pullin), Action, London, W3.

Housed in a rectangular case with a window through which the temperature is read, it is small enough to be carried in the pocket. Temperature readings are taken by means of a probe linked to the battery-powered thermometer by a cable.

Two models are available—one scaled at plus 10 degrees C. to plus 110 degrees C. and the other at minus 40 degrees C. to plus 10 degrees C. A Fahrenheit scale is also included on a dial.

Light-weight Fire Pump

A new lightweight fire pump will be shown for the first time during the U.K. annual conference of the Chief Fire Officers Association and the Institution of Fire Engineers between September 26 and 30. The unit weighs only 170 lbs. and will pump 120 gallons per minute. It is being introduced to meet the expanding needs for an ultra-light yet powerful pump and will be inspected by fire officers at the conference which takes place at Bournemouth, Hampshire. It is made by Coventry Climax Engines Ltd., who are the largest manufacturers of portable and trailer fire pumps in Britain. It is powered by an overhead camshaft engine, which is developed to ensure high efficiency, economy of operation and long life without attention. All pumps are fitted with a spring-loaded carbon face shaft sealing gland which is self-adjusting and needs no attention.

All-way-stretch Paper

A U.S. manufacturing concern, Clupak, Inc., has developed a new kind of paper that stretches in all directions. The company believes that the new paper will be of great value for use in disposable diapers, sterile medical gowns, nurses' and barbers' uniforms, bed-sheets, draperies, slipcovers and similar products. The new paper was developed as a result of research work with a commercially sold paper that stretches lengthwise. According to Gerald E. Amerman, president of Clupak, Inc., the all-way-stretch paper is now "halfway between pilot production and actual commercial manufacture." Production of the older one-way-stretch paper involves pressing together the fibres in a wet sheet of paper between a rubber blanket and a heated, polished cylinder. The new paper is made by controlling the recoil of the rubber blanket so the paper sheet is compressed in all directions, not just lengthwise.

Portable Oil Refinery

A small, portable oil refinery has been developed in the United States to help crude oil producers whose wells are not near a pipeline, railroad or other means by which their oil can be transported to a regular refinery. The refinery was developed by an engineering company in Wichita, Kansas. The refinery is so small that it can be carried on a 40-foot truck. As soon as the truck places the refinery close to an oil well, it can start to process the oil. Its capacity is about 200 barrels of oil a day and it turns out various products including gasoline and fuel oil. According to Mr. Harry Litwin, head of the engineering company, the refinery operates with electric motors and does not require water to cool it, since air cooling is used. It weighs about 15 tons. The U.S. engineering concern undertook the job of designing the refinery for a subsidiary of the Tennessee Gas Transmission Company, which has an agreement with Argentina to explore and produce oil in the difficult terrain of Tierra de Guego.

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FAMILY PLANNING—A "KEY" PROGRAMME

ROLE OF EMPLOYERS IN POPULARISING IT

THE need for family planning for economic and health reasons has long passed the stage of debate in this country at least. Now it is time for ensuring effective implementation of the policy accepted at the national level. The people of this country must accept the need for limiting the number of children not as an irritating austerity necessitated by a planned regime and imposed from above but as a way of life practised at individual family level. In a democratic country, family limitation cannot be achieved by legislative enactments or executive fiats. It can be done only by personal decisions taken by hundreds of thousands of wives and husbands. And a society, which professes to respect individual freedom, cannot coerce the people to restrict the size of their families; it is through education and persuasion that they should be led to space the birth and reduce the number of children. Science and modern medicine can be called in to help translate the decisions to reality on the one hand, and to provide a better and more meaningful life, on the other.

This is precisely the reason why family planning, or for that matter any programme touching upon the personal life of individuals, cannot succeed, unless it is carried right down to those who are to put it into effect and who are most affected by it. The Planning Commission has called it a "key programme" for the third and fourth Plans. It has also recognised the value of educational efforts to create the necessary social background to enable family planning to be accepted not as a necessary evil but as a rational way of ordering one's personal life. The Government's effort so far has consisted mainly of opening family planning clinics in both rural and urban areas, distributing contraceptives and undertaking promotional campaigns. Some voluntary social service organisations, too, have taken an active interest in it.

But are these measures sufficient to make the concept seep down to the masses? Efforts in this field is confined largely to some selected urban or semi-urban areas, though there is no denying that family planning clinics are being opened in a few rural centres, too. By the end of the second Plan, 1,797 such centres are expected to be established, a number by no means large for a vast country like ours. Even if this target is reached, not enough will have been done to make any significant impact on the problem. Frankly speaking, not even the fringe of the problem has been touched; and this is particularly true of the countryside.

What Employers Can Do

Something more effective and vigorous has to be done. It is here that non-official agencies other than social service organisations, come in. They can play an important role in driving home to the people the necessity and desirability of family planning. Employers in the private sector, barring a few, have so far looked upon the programme as the concern of the Government and social workers. Both from the larger point of view of the welfare of the community as a whole, as well as the narrower standpoint of the good of one's own employees, the employers have a direct interest in the success of the programme. Many of them might have desisted from taking a more active interest in popularising family planning among their workers for fear of being accused of interfering in their private affairs and religious beliefs. Early this year, Mr. D. L. Betts, Chairman of the Indian Tea Association, Calcutta, however, mustered enough courage to suggest that planters should play a more positive role in the matter. He went so far as to say that, placed as they were in positions of responsibility in respect of the welfare of lakhs of workers, they should be failing in their duty, if they did not give, through competent medical personnel, advice and counsel on a matter which had a direct bearing on the standard of living of workers. We wish all employers in this country accepted the stand taken by Mr. Betts. Since the conditions, which contributed to a high death rate in plantations, have practically disappeared, thanks to better housing and medical care, it is very necessary to make sure that birth rate, too, are controlled and restricted. Otherwise, sheer growth of numbers will not only swallow up the additional wage benefit that might be given but even cut into the existing levels of living. Hospitals and dispensaries, which most plantations of all sorts (including sugarcane) already have, are the ideal centres to "sell" the idea to workers. This is true of other industrial undertakings, too, which have, or propose to have, dispensaries or health centres. It is to be hoped that the trade unions will actively assist the employers in implementing this programme.

Bold Lead

It is rather surprising to see that the lead given by Mr. Betts of the Indian Tea Association in the North was not followed up by Mr. Wilson Mayne, the retiring President of the United Planters' Association of Southern India, when he addressed the annual meeting of the Association at Coonoor in the South last month. Mr. Mayne gave an impressive account of the planters' assistance to workers in regard to such welfare projects as housing and health. It would have been appropriate, if he had stressed the importance of planters taking the initiative to spread the knowledge of family planning techniques also to their workers. Planters have often complained about the high birth rates in their estates and their consequences. The remedy now lies in their own hands.

An important reason why employers should actively propagate birth control among their workers is the immense scope for spreading the idea and techniques in rural areas. The vast majority of workers, especially industrial workers, still have their roots in the villages from where they hail. When they and their womenfolk go "home" on a short holiday or on a visit to meet their relations, they will be in a position to pass on to the latter what they have learned about family planning. Many a time, the workers get a visit or two from their relations in the villages. Such visits, too, will facilitate the flow of knowledge and means of family planning to rural areas. It will, therefore, be no exaggeration to say that employers would be doing a really worthwhile social service, if they undertook the responsibility for helping their workers to know the art of family planning and to practise it. The numerous associations of employers, especially the Federation of Chambers of Commerce and Industry at New Delhi and the Associated Chambers of Commerce at Calcutta, should take interest in this vital problem and induce business men to give a helping hand to the Government in solving it.

The Coal Mines Labour Welfare Fund, it may be mentioned here, has set an excellent example in this respect. It has decided to give a monetary incentive to miners, both male and female, for voluntary sterilisation, subject to certain safeguards to prevent abuses or premature limitation of family. Surely, if there is sufficient response for the scheme and, if it ultimately succeeds in limiting the number of children per family and preventing improvident maternity, it could be counted as a major welfare measure taken by the Fund. The State Government of Gujarat is also reported to have decided to give cash bonuses to those who come forward for sterilisation. The Government of Madras has been following this remedy for some time now and all available reports indicate that it is gradually gaining popularity. Measures like this, coupled with well-directed promotional campaigns, can make the family planning programme a success.

An intensified programme of popularisation of family planning calls for larger funds and more organisational effort than were provided for in the first and second Plans. It is true that Rs. 25 crores for family planning proposed in the draft of the third Plan is about five times the second Plan allocation. Even so, measured against the need, the amount is small. It works out to only about 60 nP per head for five years, that is, 12 nP per head per annum. As compared with this, the proposed outlay in the third Plan on other health programmes, which have the opposite effect, is Rs. 275 crores, that is, eleven times the amount earmarked for family planning. In making this comparison, we do not mean to suggest that too much money has been set apart for health programmes. Only, as the number of mouths to be fed is an important figure in the Plan calculus, a corresponding emphasis should also be laid on family planning.

Implementation

The last word does not appear to have been said on the question of funds earmarked in the Plan. Mr. D. P. Karmarkar, Union Minister for Health, said the other day in Bangalore that the figure fixed in the Draft Outline was tentative and that the allocation would depend upon proper utilisation of funds and the progress of implementation of the programme by State Governments. The Committee on Family Planning, of the Health Panel of the Ministry of Health, had urged a provision of Rs. 50 crores for implementing a minimum programme. It is, however, not known whether the minimun programme has been worked out in detail and whether the sum of Rs. 50 crores suggested by the Committee has been arrived at by a careful assessment of the financial requirements. Experience so far shows that actual expenditure has fallen short of Plan allocation. During the first three years of the second Plan, for which figures are available, only about 16 per cent. of the second Plan provision of Rs. 5.47 crores has been spent on family planning. This indicates that the implementing machinery, which at present consists mainly of medical and health units of State Governments, should be geared to cope with an expanded programme. By simplifying administrative and financial procedures and decentralising financial and administrative authority, it should be possible to speed up the implementation of even a bigger programme.

GRANTS FOR CONTRACEPTIVES

The Government of India have decided to give a token grant of Rs. 1,000 per annum for distribution of contraceptives to commercial organisations, manufacturers, mills, factories, etc. The organisations have to be recommended by the Administrative Medical Officer of the State. They will have to establish family planning clinics in their concerns for the benefit of their workers with their own funds. Free educational material and facilities for training will also be provided by the Government of India.

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BILATERALISM IN INDIA'S FOREIGN TRADE

IS IT ADVANTAGEOUS TO THE COUNTRY?

(Contributed)

LIKE many other countries of the world, India too has in the post-war period been the victim of balance of payments difficulties which have necessitated restrictionist policies both in trade and payments. Planning for economic development has also led the Government to adopt regulatory measures in the sphere of foreign trade. Notwithstanding these factors, India has not kept herself aloof from the general world trend towards currency convertibility and multilateral trade. The general foreign trade policy of the country has been basically non-discriminatory and multilateral. This is in tune with India's membership of the I.M.F. and adherence to the G.A.T.T.

Over the course of the last few years, India has, however, entered into trade agreements with a number of countries. Most of the agreements were signed by the Government of India while some of them were concluded by the State Trading Corporation. The total number of agreements in force at the end of the year 1958-59 was 27. These agreements have varied among themselves as regards purposes, scope and character. The main objects with which these agreements have been concluded are the following:

(1) to secure adequate supplies of commodities in short supply;

(2) to reduce recourse to the hard currency resources of the country by diverting purchases as far as possible to soft currency areas, and

(3) to promote trade relations with the countries concerned and to find new markets for Indian goods.

Trade agreements for the import of food have been essentially *barter deals*. The barter agreement signed with the U.S.A. in 1958 for the import of wheat against export of manganese ore and ferro-manganese is a typical example.

The agreements with the United States under P.L.480 provide for the import into India of surplus agricultural commodities, the sale proceeds of which are transferable to the Government of India as loan or grant or are otherwise spendable by the U.S. Government in India. These agreements do not, therefore, involve the immediate exchange of commodities.

Concession for Concession

Some of India's trade agreements involve the exchange of concession for concession with other countries and thus help liberalise trade. Under trade agreements with countries belonging to the O.E.E.C., India has agreed to treat these countries as falling within the soft currency area for purposes of import and export control and in return these countries have extended to India the liberalisation measures they have adopted or will be adopting to imports from other members of the O.E.E.C.

Many of India's trade agreements are of the 'goodwill' variety, with 'indicative' lists of commodities. Designed to record the desire of the contracting countries to facilitate trade between themselves, they "are intended mainly to suggest the possibilities of trade expansion between the two countries, thereby familiarising each country regarding these possibilities and stimulating trade enquiries and contacts. They carry no obligation on the part of either party to make available or purchase the goods specified and, though bilateral, do not necessarily imply bilateral balancing of trade." Prior to independence there was very little contact between India and many of the countries with which India has now signed agreements. It is claimed that the publicity given to trade agreements in India and abroad has helped foster direct contacts between Indian firms and foreign businessmen and has encouraged direct sales.

Some of India's trade agreements provide for arrangements for effecting payments for imports and exports. Agreements concluded with the U.S.S.R., some of the East European countries and China are of this type. Imports and exports are paid for in rupees. For this purpose, the State Banks of the foreign countries maintain rupee accounts with the Reserve Bank of India and other authorised banks. In the earlier agreements, provision was made for the conversion of outstanding balances at the end of any stated period into sterling. As such, they did not involve conscious attempts to equalise import and export trade. In fact, as balances were convertible into sterling, it was claimed that "these agreements are essentially multilateral in character" and as such "serve to help the promotion of world trade." In recent years, however, as these agreements were revised or new agreements concluded, this provision has been altered. Payment clauses in the agreements with China and Hungary (1957-58) provide for the settlement of all commercial and non-commercial transactions in rupees, instead of "in rupees or pounds sterling as mutually convenient." The new trade agreement with U.S.S.R. as well as some other agreements concluded or modified during the year 1958-59 provide for the payment for imports in non-convertible rupees. In so far as the balances are non-convertible, these agreements could be considered typically bilateral or barter deals. However, while the agreements embody schedules of exports and imports, goods not mentioned in the schedules may also figure in the trade between the two countries. The actual volume or value of trade is also not stipulated in the agreements and imports and exports will take place on the basis of specific contracts to be concluded.

Inconvertible Rupees

It may be observed that, whereas the world trend appears to be towards multilateral payments, the recent tendency on the part of India to conclude bilateral trade-cum-payments agreements providing for settlement in inconvertible rupees appears to be a trend in the reverse direction. Whereas the Reserve Bank's *Report* for 1956-57 *Currency and Finance*, claims that "the agreements do not envisage a bilateral balancing of accounts" and that "the agreements are essentially multilateral in character in that they provide for a settlement in sterling of the outstanding balances," the same *Report* for 1958-59 says that "many of the agreements concluded or modified during the year are directed towards ensuring a balance of India's bilateral trade in addition to enlarging the markets for Indian exports".... "by providing for payment for imports in non-convertible rupees, thereby inducing the contracting country to purchase Indian goods or to spend the proceeds within the country." It would have been helpful if an institution like the Reserve Bank of India had thrown some light on the implications of what appears to be a shift in policy.

It will not, however, be correct to consider bilateralism as an important force in India's foreign trade relations. As stated earlier, India's foreign trade is and will continue to be, by and large, multilateral. 43 per cent. of India's trade (imports *plus* exports) in 1958-59 was with the sterling area, 22 per cent. with the dollar area, 16 per cent. with the O.E.E.C. countries and 19 per cent. with the rest of non-sterling area. The State trading countries with which India has entered into trade and payments agreements form part of the last-mentioned group.

Significance

Are the bilateral trade agreements providing for payments in non-convertible rupees advantageous to India? An answer to this question could be attempted either from the long-term or from the short-term angle. In the immediate present, faced as India is with the mounting need to import capital goods for economic development, the scarcity of foreign exchange resources available and the pressing need to augment export earnings, an arrangement of this type is of obvious attraction. Trade under this arrangement would be beneficial to India—

(a) if the imports contemplated are predominantly capital goods and machinery or essential industrial raw materials not indigenously available,

(b) if the capital goods sought to be imported compare favourably with similar items obtainable from other countries as regards price, quality and technological suitability,

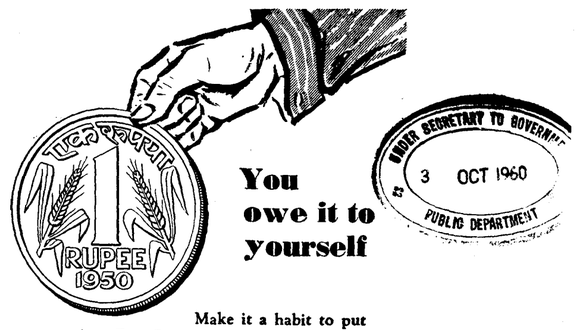
(c) if the imports are available on deferred payment basis,

(d) if this arrangement would result in the augmentation of the total value and volume of exports from India and not a mere diversion in direction, and

(e) if the exports from India are not offered at subsidised prices.

Conversely, to the extent to which any or all of the foregoing conditions are not fulfilled, the advantages to India will be consequently diminished. However, as the agreements do not specify the volume or value of the goods to be exported and imported—these being left to be settled in individual contracts—one need not apprehend any major diversion in the direction of India's foreign trade or any distortion in India's multilateral trade pattern. Further, to the extent to which production and foreign trade in India are in private hands exports at disadvantageous prices are unlikely.

Settlement of balances in non-convertible rupees may be attractive so long as our exports lag behind our import requirements. But, once we develop export balances with the countries in question, the arrangement will be of dubious advantage. In the long run, India's interests obviously lie in effective participation in a network of multilateral trade and payments. One could agree with the Planning Commission that "the objective of commercial policy must be to maximise, in step with other countries, the volume of world trade."



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INDIA'S FOREIGN TRADE DURING JANUARY-JUNE 1960

A COMMODITY-WISE ANALYSIS

A BRIEF account of the general trend of India's foreign trade in the first six months of the current (calendar) year appeared in these columns (vide page 348 *Commerce* dated 29th August 1960). More detailed information on the composition of trade has since become available, with the publication of foreign trade statistics for the month of June by the Department of Commercial Intelligence and Statistics, Calcutta. Accordingly, it is proposed to analyse here India's foreign trade in the first half of this year in terms of principal commodities. It is common knowledge that the foreign trade of a country is influenced to a considerable extent by the general trend of world economic conditions. These were favourable for maintaining the world trade at a high level. Industrial production in most of the advanced countries continued to rise, except perhaps in the U.S., which, it would appear, had developed some signs of an incipient recession towards the close of the period under review. In India, both the Government and business men tried hard to promote exports in order to earn the much needed foreign exchange. Consequently, India's exports during the first half of the year were a little higher at Rs. 302 crores, as compared with Rs. 266 crores in the corresponding period last year. As compared with the previous half-year they were substantially lower by Rs. 55 crores, but this is mainly accounted for by seasonal factors. In the case of India, the second half of a calendar year usually accounts for a larger proportion of exports than the first half. So far as imports are concerned, they rose from Rs. 446 crores in January-June 1959 to Rs. 459 crores during the period under review. They were fractionally higher as compared with the second half of 1959 also when they amounted to Rs. 441 crores.

The following table shows at a glance the trend of India's foreign trade in the first half of 1960, as compared with that in four previous half-yearly periods:

(Value in crores of rupees)

	Import	*Export*	*Balance of trade*
January-June 1960 ..	459	302	—157
January-June 1959 ..	446	266	—180
July-December 1959 ..	441	357	— 85
January-June 1958 ..	390	262	—128
July-December 1958 ..	474	317	—157

Exports

Two detailed tables are also published at the lower portion of this page showing the principal commodities that figure in India's foreign trade. Table I relates to exports, including re-exports and Table II to imports. In both the tables, the position in the half-year under review is compared with that in the same half-year of 1959. It will be seen from Table I that most of India's traditional export commodities, excepting tea and coffee fared better in the first half of 1960 than in the same period last year. There was a notable increase in the export of jute goods (including webbings, carpets, sacks, etc.), the total value being higher by over Rs. 15 crores at Rs. 65 crores, thanks mainly to the steady expansion of domestic production of jute goods, notwithstanding the growing scarcity of raw jute and the consequent sealing of additional looms in jute mills. Exports of cotton yarns and fabrics, too, were higher by about Rs. 6 crores at Rs. 35 crores owing mainly to distinctly larger absorption by the U.K. The total exports of spices rose from a mere Rs. 3.7 crores to Rs. 10 crores. In particular, export of pepper alone at Rs. 7.07 crores during the six months was more than the total (Rs. 4.59 crores) in the whole of 1959, as a result of good overseas demand for Indian pepper, induced by smaller crops in Ceylon and Indonesia. The rise in the exports of iron ore is due to larger purchase mainly by Japan and Czechoslovakia under long-term agreements. Earnings from manganese ore, too, were greater mainly on better demand from the U.S. The offtake of castor oil was at a substantially higher level, thanks to heavier purchases by the U.S., following the smaller castor output in Brazil and the consequent decline in competition during the period. Further, the world demand for castor oil as a first class lubricant tended to be on the high side, due to growth in jet aircraft manufacture and aviation. Other commodities to experience a marked improvement in the shipments to foreign countries were leather goods, tobacco, hides and skins, cashew kernels, oilseeds and essential oils.

A noteworthy feature of India's export trade during the period under review was the steady but small increase in the export of comparatively new manufactured goods. Exports of chemicals, for instance, rose from Rs. 2.16 crores to Rs. 3.01 crores and those of all types of machinery by Rs. 2 crores to Rs. 5.06 crores. In this latter group, non-electric power-generators, electric fans and sewing machines staged a smart improvement. Again, exports of iron and steel were also more at Rs. 2.82 crores, as against only Rs 99 lakhs, following the commencement of production by the new iron and steel plants in the public sector.

In contrast to this improvement there was a sizable setback in some of the well-known foreign exchange earners. Thus, tea suffered a decline, as a result of growing competition from countries like East Africa and Ceylon and a fall in domestic production of tea in the face of an upward trend in home consumption. The last two factors tended to keep the prices of tea, especially plain varieties, at a high level and discouraged exports. Foreign exchange earnings from coffee, too, came down on account of increased competition from other major coffee exporting countries, particularly Brazil and Uganda, and also decline in prices in view of the extremely comfortable supply position of coffee in world markets. India's exports of raw cotton, too, suffered a setback owing to the distressingly small crop. Similarly, export earnings from raw jute fell from Rs. 71 lakhs to Rs. 23 lakhs. Although the quantum of exports of mica improved, its value was lower, presumably as a result of increased competition from Brazil and development of synthetic mica in some advanced countries, apart from the disorganised nature of India's mica trade. Despite some liberalisation of export control on coal, the export earnings from this commodity were lower. Shipments of groundnut oil suffered a distinct setback owing to the uncompetitive domestic prices.

Imports

In the sphere of imports, the improvement was accounted for mainly by larger intake of industrial raw materials. Imports of raw cotton, for instance, doubled, from only about Rs. 19 crores to over Rs. 38 crores and those of raw jute rose from a mere Rs. 57 lakhs to Rs. 4.29 crores. This was necessitated by the smaller domestic crops and rising demand. The intake of petroleum products rose from Rs. 26 crores to Rs. 28.5 crores, and petroleum crude from Rs. 4.6 crores to Rs. 11.7 crores. Similarly, there was a notable increase in the import of non-ferrous metals such as copper, aluminium, lead and zinc. Imports of food, however, were at a distinctly lower level. Thus, wheat declined from Rs. 62 crores to Rs. 21 crores, but rice rose from Rs. 3 crores to Rs. 9 crores.

The prospects for the second half-year are somewhat uncertain. According to seasonal trend, exports in the current half-year should be larger than in the first half, but it is somewhat doubtful whether they will be greater than in the corresponding half of last year. Export demand for cloth, tea, coffee and oilseeds is meeting with some resistance, owing to higher domestic level of prices. World economic trend, too, is rather soft. But, in view of the acute foreign exchange difficulty, strenuous efforts are being made to push up exports and as many as 70 more items have been freed from export controls. The export incentive scheme has also been extended to more goods. The State Trading Corporation, too, is trying to step up exports, especially to the Communist world. In view of all this, it is just possible that India may just manage to hit the export target of Rs. 650 crores fixed for the current year as a whole. There is unlikely to be any significant reduction in imports, as they are already restricted only to items essential for maintaining domestic production at full capacity. Much, however, will depend on the willingness of India's friends abroad to spare some more funds, as it has now been found that even "maintenance imports" at the budgeted level will not be possible without such assistance. The situation may clear itself in the next two or three weeks.

TABLE—I

Exports (including re-exports)

(Value in lakhs of rupees)

	1960 Jan.-June	1959 Jan.-June
Manufactures	129,40	110,25
Of which :		
Leather	13,95	12,42
Cotton yarns	5,37	4,79
Cotton fabrics	29,65	24,33
Jute goods	64,60	49,03
Cement	43	58
Iron and steel	2,82	99
Footwear	1,81	1,60
Machinery, etc.	5,06	2,99
Of which :		
Textile machinery	8	9
Diesel engines	9	4
Sewing machines	30	11
Electric fans	50	21
Power-generators (non-electric)	2,80	2,01
Food and tobacco	87,13	78,46
Of which :		
Tea	35,54	36,71
Coffee	3,82	4,07
Cashew kernel	9,32	7,10
Spices	10,07	3,73
Tobacco (including manufactured)	12,36	10,71
Crude materials	66,49	61,84
Of which :		
Hides and skins	6,41	5,21
Wool, etc.	5,35	5,49
Raw cotton	5,66	8,70
Oilseeds	2,73	2,07
Mica	4,61	5,02
Iron ore	9,57	6,47
Raw jute	23	71
Iron and steel scrap	3,13	1,82
Manganese ore	7,11	7,05
Mineral fuels	4,49	4,03
Of which :		
Coal	2,07	2,53
Petroleum products	2,42	1,49
Chemicals	3,01	2,16
Of which :		
Essential oils	1,83	1,08
Pharmaceuticals	48	38
Oils and fats	6,53	4,49
Of which :		
Castol oil	4,94	1,58
Linseed oil	72	48
Groundnut oil	48	2,05
Total (including others)	302,31	265,90

TABLE—II

Imports

(Value in lakhs of rupees)

	1960 Jan.-June	1959 Jan.-June
Manufactures	108,24	103,78
Of which :		
Iron and steel	49,25	48,42
Copper and alloys	9,99	6,43
Textile fabrics and made-up articles	8,91	11,48
Paper and board	5,58	4,14
Aluminium and alloys	3,62	2,93
Lead and tin	3,52	3,13
Zinc and alloys	4,28	2,62
Machinery, etc.	1,40,95	1,36,97
Of which :		
Power generators (non-electric)	12,34	12,94
Agricultural machinery	36	48
Tractors	2,07	4,14
Metal working machinery	16,46	82
Mining, construction and other industrial machinery	52,17	13,58
Railway vehicles	11,25	42,31
Motor vehicles	14,33	23,11
Aircraft	3,45	14,91
Food	45,64	3,44
Of which :		
Rice	9,15	80,83
Wheat	21,45	3,30
Fruits and vegetables	9,44	61,89
Crude materials	115,00	6,51
Of which :		
Petroleum	11,74	77,13
Petroleum products	28,50	4,59
Cotton	38,30	25,98
Wool, etc.	5,81	10,22
Jute	4,29	5,39
Pulp, waste paper	3,34	57
Crude rubber	5,21	3,20
Chemicals	43,24	2,78
Of which :		
Caustic soda	1,91	41,84
Soda ash	85	4,55
Fertilisers	5,73	1,02
Dyeing, tanning, colouring materials	5,60	7,63
Oils and fats	2,66	4,25
Total (including others)	4,58,72	2,10
		4,46,09

NON-FERROUS METALS

The Development Council for Non-ferrous Metals has estimated the present requirements of copper in the country at 85,000 metric tons, lead at 35,000 metric tons and zinc at 85,000 tons. The domestic production of copper and lead is no more than 8,000 tons and 4,000 tons, respectively. The supplies of zinc metals at present are entirely met by imports. The Government of India has worked out a programme for the exploitation and smelting of copper, lead and zinc ores in Rajasthan. The programme envisages the setting up of an electrolytic copper plant with an annual capacity of 10,000 metric tons of copper metal during the third Plan at Khetri in Rajasthan. The copper ore for the plant will be supplied from Khetri and also from Daribo areas being prospected by the Indian Bureau of Mines. Meanwhile, a zinc smelter with an annual capacity of 15,000 tons is being set up by the Metal Corporation of India at Udaipur. The project is likely to be completed by 1962.

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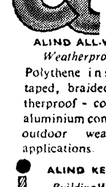

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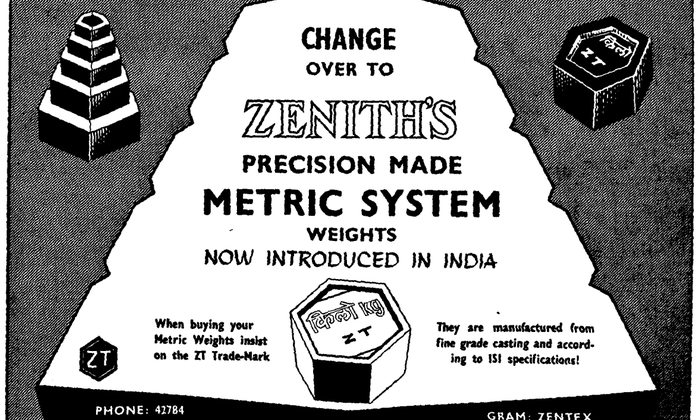

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DALMIA CEMENT'S RESULTS ENCOURAGING

NET DIVIDEND IS, HOWEVER, LOWER

A SUBSTANTIAL improvement in production and despatches of both cement and ceramic has been mainly responsible for the marked rise in the earnings of Dalmia Cement (Bharat) Ltd. (Managing Agents: Messrs. Hari Brothers Private Ltd., Dalmiapuram, Madras State) for the year ended 31st December 1960. The production of cement, which had dwindled from 279,360 tons (in 1957) to 233,636 tons in 1958, increased to 268,621 tons in the year under review. Despatches, too, rose from 231,000 tons to 262,000 tons. Further progress in developing the Company's iron ore mines in the Bellary-Hospet area, resulted in an export of 115,000 tons of iron ore during the year under review. All these favourable trends are reflected in the rise in sale proceeds from Rs. 1.90 crore to Rs. 2.62 crores and in gross profit from Rs. 38.48 lakhs to Rs. 60.55 lakhs, thus making good, to a large extent, the setback from the peak of Rs. 69.12 lakhs touched in 1955.

The provision for depreciation is higher at Rs. 10.34 lakhs, as compared with Rs. 6.23 lakhs in 1958, but the tax liability is sizably lower at Rs. 10.85 lakhs, as against Rs. 17.50 lakhs for the previous year, thanks to the large development rebate available. Out of the net profit of Rs. 34.16 lakhs (which compares favourably with Rs. 11.45 lakhs earned in 1958), the transfer to the development rebate reserve amounts to as much as Rs. 22.21 lakhs, while a year ago such was no more than Rs. 3.85 lakhs. The net profit available for appropriation after setting aside such a large sum to the statutory reserve is, as the Directors point out, "inadequate for payment of the dividend recommended" by them. Consequently, they have had to draw Rs. 5.50 lakhs from the dividend equalisation reserve and Rs. 7.95 lakhs from the general reserve to make good the shortfall. The Directors have also drawn Rs. 6 lakhs from the rehabilitation and expansion reserve, being the expenditure incurred for the purpose, and Rs. 75,000 from the reserve for bad and doubtful debts and have put back Rs. 5.23 lakhs to the rehabilitation and expansion reserve.

The dividend on the 6 per cent. (that is the rate to which the preference shareholders are entitled for the year under review, under the recently amended articles of association) preference shares has been grossed to 8.57 per cent., so that after deduction of tax at 30 per cent., the shareholders will get a net dividend of 6 per cent. The dividends on ordinary and deferred shares at 12 per cent. being subject to deduction of tax, the net distributions amount to only 8.4 per cent. and represent a sizable cut from 10 per cent. paid for 1958 and more so from the 12 per cent. distributed two years ago, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sales	2,62.29	1,90.32	2,25.84	2,14.52
Other income	5.29	6.58	3.93	4.91
Closing stocks	33.01	20.33	12.34	12.19
Expenses	2,06.94	1,58.42	1,72.88	1,67.23
Gross profit	60.55	38.48	57.90	52.20
Managing Agents' commission	5.21	3.30	5.34	4.71
Provision for—				
Depreciation	10.34	6.23	4.92	5.00
Taxation	10.85	17.50	26.50	26.00
Net profit	34.16	11.45	21.13	16.50
To reserves	28.52	10.27	6.93	0.35
Transfer from reserves	20.20	12.26	12.74	..
Dividends—				
Preference	5.28 (6%)	3.69 (6%)	4.31 (7%)	4.11 (7%)
Ordinary	19.92 (12%)†	16.60 (10%)	17.29 (12%)*	10.81 (12.5%)
Deferred	0.60 (12%)†	0.50 (10%)	0.60 (12%)	0.62 (12.5%)
Carry forward	0.25	0.22	7.59	2.85

* On a higher capital.
† Subject to deduction of tax.

The installation of the Company's third cement kiln was completed in October 1959 and clinker production was commenced. The additional output of clinker could not, however, be converted into cement, as the installation of cement mill could be completed only in January 1960. As the clinker produced from the third kiln was not ground in the year under review and has been carried forward at cost, the benefit of the tax concession under Section 15C of the Income-tax Act would be available only from 1960 onwards. The new cement plant is said to be working satisfactorily. The working of the new kiln will, therefore, be reflected in the

During the current year (up to 30th June), the quantity of iron ore shipped was about 95,000 tons, mainly under the new contract for 240,000 tons, which the Company had negotiated with the State Trading Corporation of India Ltd. Shipments against this contract are expected to be completed by the end of February 1961. The measures undertaken to improve rail transport capacity between Hospet and Cuddalore port and to increase the capacity of Cuddalore port itself are expected to stimulate further the exports of the Company's high grade iron ore.

The Company have not been able to obtain full production, according to the rated capacity, of dead burnt magnesite from the plant at Salem, set up in partnership with Dalmia Magnesite Corporation. Every effort is being made to tide over these difficulties and get normal production. The partnership is, however, said to have started earning profits.

The Company's balance-sheet as on 31st December 1959 discloses that the reserves and surplus, at Rs. 57.32 lakhs, are somewhat low, compared to its large assets and turnover. The paid-up capital amounts to Rs. 232.60 lakhs, and borrowings are at a high of Rs. 142.85 lakhs and other current liabilities and provisions at Rs. 126.41 lakhs. The gross block of the value of Rs. 263.50 lakhs has been written down to Rs. 203.02 lakhs. The gross block includes additions during the year amounting to Rs. 127.47 lakhs. Expenses on construction in progress and machinery in transit amount to Rs. 18.65 lakhs. The current assets aggregate Rs. 337.76 lakhs, of which investments alone account for Rs. 201.68 lakhs, including Rs. 24.10 lakhs in Dalmia Magnesite Corporation and Rs. 163.91 lakhs in Dalmia Cement Ltd., a wholly-owned subsidiary. The bulk of these investments are unquoted.

The Rs. 10 fully paid-up ordinary shares are being currently quoted on the Bombay Stock Exchange at Rs. 11.80 *cum-div.* On an *ex-div.* basis the yield on the shares works out to 7.6 per cent. per annum, free of tax.

NEW STANDARD ENGINEERING

The year ended 31st March 1960 has proved to be a highly favourable one for the New Standard Engineering Company Ltd. (Managing Director: Mr. J. V. Patel, Bombay), in that its turnover has expanded from Rs. 51.98 lakhs (in 1958-59) to Rs. 92.83 lakhs and its gross profit has increased from Rs. 6.47 lakhs to Rs. 11.67 lakhs. In consonance with the sizable additions to the gross block during the year under review, the provision for depreciation has been raised from Rs. 1.15 lakhs to Rs. 2.23 lakhs. The provision for taxation, too, has been increased from Rs. 1.76 lakhs to Rs. 4.26 lakhs, leaving a net profit of Rs. 5.18 lakhs, which compares very favourably with that of Rs. 3.55 lakhs for the previous year. Excepting for a sum of Rs. 1.34 lakhs added to the statutory development rebate reserve and of Rs. 25,000 to the reserve for bad and doubtful debts, no other additions to the reserves have been made. The Directors have recommended a dividend of 12 per cent., subject to deduction of tax, which is equivalent to a net distribution of 8.4 per cent., as against 9 per cent. free of tax paid for 1958-59. A similar distribution on a *pro-rata* basis has been recommended on the partly paid new ordinary shares as well. A *pro-rata* dividend at the rate of 9 per cent. per annum (gross) or 6.3 per cent. per annum (net) has also been recommended for a period of one month on the partly-paid preference shares. The dividends absorb Rs. 2.90 lakhs.

The Company was formed in May 1959 by the conversion of the firm of Messrs. Burjorji Pestonji and Sons Private Ltd. into a public limited Company and the absorption of the New Standard Engineering Company (Private) Ltd. It has three factories in Bombay, at Carroll Road, Byculla and Santa Cruz, with facilities for the manufacture of structural steelwork, grey iron castings, machine tools, industrial plant and machinery, mild steel doors and windows and railway signalling and interlocking equipment. As there is no scope for further development of these factories, the Company recently decided to set up a new factory at Goregaon, with the object of establishing a steel structural workshop, for which a manufacturing licence with an annual capacity of 8,400 tons of steel structurals has been obtained. It has also entered into an agreement with a Polish firm for the supply of machinery under deferred payment terms. It will be some time before any significant effect of this expansion programme is reflected in the working results of the Company.

During the year under review, the Company entered into collaboration agreements with a U.K. firm for the manufacture of pneumatic power hammers and with a West German firm for the manufacture of blow room machinery for textile mills. These agreements have been approved by the Government. The Company's agreement with another West German firm for the manufacture of Augusta pneumatic suction system has been extended to cover the production of overhead traveling cleaners for textile mills. The first fruits of these agreements will be seen during the current year. Subject to the approval of the Government, the Company has concluded an agreement with yet another West German firm for the manufacture of air compressors, for which it has received a manufacturing licence. As part of the second phase of development programme after the establishment of the steel structural workshop at Goregaon, the Company proposes to shift its foundry at Carroll Road, with a licensed capacity of 8,400 tons per annum, to Goregaon and modernise and expand it.

In order to finance the setting up of the steel structural workshop, the Company issued towards the end of the year under review fresh capital to the tune of Rs. 52.72 lakhs, made up of 27,723 equity shares of Rs. 100 each and 25,000 6.3 per cent. tax-free preference shares of Rs. 100 each. A sum of Rs. 50 per share has been paid-up on these shares.

The financial position of the Company is reflected in the following synopsis of its balance-sheet as on 31st March 1960:

Liabilities	Rs.	Assets	Rs.
Capital (paid-up)	48,53,925	Gross block	47,79,336
Calls in advance	4,375	*Less*—Depreciation	14,99,037
Reserves and surplus	6,29,042	Net block	32,80,299
Borrowings	16,37,153	Stock-in-trade	21,06,283
Current liabilities and provisions	17,33,537	Book debts	31,93,827
		Investments	43,619
		Cash	2,34,004
Rs.	88,58,032	Rs.	88,58,032

A NEW FIREBRICKS PROJECT

A new company, called the India Firebricks and Insulation Company Ltd., has been formed for the purpose of manufacturing refractories, such as firebricks, silica, basic high alumina, insulating materials, fire cement, mortar and dead-burnt magnesite. Preliminaries about the Company are complete and the prospectus is likely to be issued early next month. The capital of the Company will be Rs. 1 crore, comprising Rs. 75 lakhs in equity shares and Rs. 25 lakhs in preference shares. The equity shares will have a face value of Rs. 10 and the preference shares will be of Rs. 100 each. The whole of the capital will be issued straightaway. Underwriting arrangements are being made.

The factory will be situated in Ranchi Road, Bihar, in view of the proximity of raw materials. Foreign collaboration will be from a well-known U.K. firm, which, besides providing the usual know-how, will participate in capital. It is said that the foreign exchange to the equivalent of over Rs. 50 lakhs for the plant and machinery has already been sanctioned and that the contract for the supply of machinery has been made with the world-famous West German firm, Messrs. Kerabedarf.

The total cost of the project is reported to be Rs. 2.8 crores and that I.C.I.C.I Ltd. has sanctioned a loan of Rs. 54 lakhs to meet the foreign exchange requirements. The I.F.C. of India is expected to grant a long-term loan of Rs. 85 lakhs. The annual capacity of the factory will be 72,000 tons and it is said that the factory will be the biggest of its kind in India. It is likely to go into production by March 1962.

The Company, which will have no managing agents, is being promoted by Mr. Mahavirprasad Morarka. Among the Directors are the Maharaja of Baroda, Mr. Badri Narain and Mr. Kantilal Nahalchand.

SWASTIK TEXTILE MILLS

The Swastik Textile Mills Ltd. (Managing Agents: Messrs. P. Kashinath & Co., Bombay) has earned a gross profit of Rs. 7.63 lakhs for the year ended 31st December 1959, which is only a shade lower than that (Rs. 7.80 lakhs) for 1958 and is well above that (Rs. 6.40 lakhs) earned in 1957. After providing for managing agency commission, the Directors have raised the provision for depreciation from Rs. 1.68 lakhs to Rs. 1.99 lakhs and reduced the provision for taxation from Rs. 2.60 lakhs to Rs. 2.40 lakhs, leaving a net profit of Rs. 2.68 lakhs, as compared with Rs. 2.92 lakhs for the previous year.

The allocation to the reserves has been cut from Rs. 1.76 lakhs to Rs. 67,277, while the dividend on ordinary and deferred shares has been maintained at 7 per cent. and 12 per cent., respectively, but subject to deduction of tax. The dividends on the 5 per cent. preference, ordinary and deferred shares together absorb Rs. 1.97 lakhs leaving a surplus of Rs. 10,982 to be carried forward, including Rs. 7,170 brought in from 1958.

The Company's financial position is fairly encouraging, although the reserves have to be strengthened. The paid-up capital of Rs. 26.5 lakhs is supplemented by reserves and surplus amounting to Rs. 17.99 lakhs, the current assets stand at Rs. 32.92 lakhs. The gross block at Rs. 41.20 lakhs has been well written down to Rs. 21.12 lakhs.

MYSORE SPINNING EARNS MORE

EXPANSION PROGRAMME TO BE TAKEN UP

FOR the second year in succession, there has been a sizable improvement in the working of the Mysore Spinning and Manufacturing Company Ltd. (Managing Agents: Messrs. N. Sirur & Co. Private Ltd., Bombay). The gross profit of the Company, which had risen from a mere Rs. 7,890 in the year ended 28th February 1958 to Rs. 5.50 lakhs in the following year, has further gone up to Rs. 8.49 lakhs in 1959-60, thanks to the revival of demand for cloth and yarn in the second half of the year under review and better realisations. This is the highest profit earned since 1956-57. As in the previous year, only a small provision of Rs. 4,557 has been made for depreciation. The depreciation for the year amounting to Rs. 3.37 lakhs on buildings and machinery has not been provided for. This is because the Directors have found, on a review of the previous year's accounts, that the depreciation provided in the past is more than sufficient to cover the normal depreciation as per the Income-tax Act up to the end of the year under review. In fact, the excess provision amounting to Rs. 1.63 lakhs has been written back. No provision for tax on the profit for the year under review is considered necessary on account of the losses and unabsorbed depreciation allowances of previous years.

After providing for the Managing Agents' minimum remuneration, the net profit, at Rs. 7.99 lakhs, represents an increase of Rs. 3.31 lakhs over the previous year. In addition to the excess provision for depreciation written back, as mentioned above, the Directors have also drawn back the excess provision for wealth tax in respect of 1958-59 and have taken credit for the refunds in respect of insurance premia for previous years. The Directors have ploughed back Rs. 4.35 lakhs to the reserves and have set aside Rs. 2.29 lakhs for gratuity and other provisions and have recommended a dividend of 14 per cent., subject to deduction of tax, on ordinary shares. On a tax-free basis, this is equivalent to 9.8 per cent., and is more or less the same as that (10 per cent.) paid for each of the previous two years, but is on a higher capital raised by the issue of 9,892 shares of Rs. 50 each during the year under review. The dividend on the 4½ per cent. preference shares, which had hitherto been paid free of tax, has now been made subject to deduction of tax.

The progress of the Company since 1956-57 is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended February			
	1960	1959	1958	1957
Sales	1,71.17	1,07.64	1,80.30	1,67.59
Other income	3.70	2.76	68.35	60.87
Closing stocks	34.16	34.93	..	..
Cotton, stores, power, etc., consumed	1,11.70	1,11.48	1,38.98	1,30.98
Other expenses	54.68	33.42	45.90	28.41
Gross profit	8.49	5.50	0.08	11.56
Managing Agents' remuneration	0.45	0.48	0.42	1.28
Provision for—				
Depreciation	0.05	0.05	3.64	3.93
Taxation	..	0.30	0.59	..
Net profit (+) or loss (—)	+7.99	+4.68	—4.57	+6.35
Excess provisions written back	3.06	0.06	8.82	..
Refunds	4.35	0.64	0.28	0.14
To reserves	2.29	1.22	1.23	1.23
,, gratuity and other provisions	..	..	..	..
Dividends—	0.33*	0.33	0.33	0.33
4½ per cent. preference	2.48	2.48	2.48	4.47
Ordinary	4.17 (D. 14%)*	(D. 10%)	(D. 10%)	(D. 12% +B. 6%)
Carry forward	0.25	0.34	0.28	0.36

* Subject to deduction of tax.

The Company has recently purchased from the Minerva Mills Ltd., as associate of the Managing Agents, its bleach and dye house and adjuncts, together with the dyeing and bleaching machinery, for a total consideration of Rs. 8.89 lakhs, with the object of developing it into a full-fledged and up-to-date processing factory for carrying on joint operations of bleaching, dyeing, mercerising and printing of cloth of both the mills more efficiently and economically to the mutual advantage of both the mills.

The Company proposes to undertake a programme of renovation and expansion. It has received permission to install 144 automatic looms by way of expansion under the export promotion scheme. It has also received permission to install a waste spinning plant which can profitably spin the soft wastes of its own mills, as also of the Minerva Mills Ltd. A licence has also been received for the import of new combers from the U.S. To finance a part of the capital expenditure involved in this programme, the Company proposes to issue shortly further equity shares of the value of Rs. 9.93 lakhs and offer the same at par to the existing shareholders in the ratio of one new share for every three existing ordinary shares.

The present paid-up capital of the Company is Rs. 37.25 lakhs and this is supplemented by a reserve of Rs. 45.22 lakhs. The total borrowings and other current liabilities, at Rs. 73.97 lakhs, are well covered by current assets amounting to Rs. 108.06 lakhs. The gross block of the value of Rs. 117.74 lakhs has been written down to Rs. 48.39 lakhs.

The Rs. 50 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 81 *cum-div.* On an *ex-div.* but *cum-right* basis, the shares offer an attractive yield of 6.4 per cent. per annum, free of tax.

COMPANY MEETINGS AND DIVIDENDS

MYSORE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 7th October 1960. Dividend: Rs. 7.00 per ordinary share, subject to deduction of tax, payable on and after 17th October 1960. Transfer books were closed from 17th August to 3rd September 1960, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Annual General Meeting, Kundara, Kerala State, 10th October 1960. Dividend: 18 per cent. or Re. 1.80 per share, subject to deduction of tax (includes interim dividend of 9 per cent. or Re. 0.90 per share). The final dividend is payable on or after 10th October 1960. Transfer books will remain closed from 4th to 10th October 1960, both days inclusive.

DALMIA CEMENT (BHARAT) LTD. Annual General Meeting, Dalmiapuram (Dist. Tiruchirapalli, Madras State), 10th October 1960. Dividend: 12 per cent. or Re. 1.20 per ordinary share and 12 per cent. or Re. 0.12 per deferred share, subject to deduction of tax. Transfer books remain closed from 12th September to 10th October 1960, both days inclusive.

MYSORE LAMP WORKS LTD. Taxable dividend of 20 per cent. or Rs. 2.00 per ordinary share, for the year ended 31st March 1960. Transfer books will remain closed from 11th to 17th October 1960, both days inclusive.

KEMP AND CO., LTD. Annual General Meeting, Bombay, 24th October 1960. Dividend: Rs. 25.00 per share, on shares of Rs. 200 paid up, subject to deduction of tax, payable on or after 7th November 1960. Transfer books will remain closed from 10th to 24th October 1960, both days inclusive.

COORLA SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 4th November 1960. Dividend: Rs. 11.00 per share, subject to deduction of tax, payable on and after 5th November 1960. Transfer books will remain closed from 14th October to 4th November 1960, both days inclusive.

CALCUTTA TRAMWAYS CO., LTD. Annual General Meeting, London, 8th November 1960. Dividend: 3½ per cent. free of tax on ordinary shares, for the year ended 31st December 1959. Transfer books will remain closed from 26th October to 8th November 1960, both days inclusive.

ROHTAS INDUSTRIES LTD. Interim dividend of 20 per cent. or Rs. 2.00 per share, on ordinary shares, subject to deduction of tax, payable on 15th October 1960. This dividend, although termed "interim dividend," will in fact constitute the full dividend for the year and no further distribution in respect of the year will be recommended.

CHAMPDANY JUTE CO., LTD. Final dividend of 6 per cent. or Rs. 6.00 per share, for the year ended 31st March 1960.

MORARJEE GOKULDAS SPINNING AND WEAVING CO., LTD. Taxable dividend of Rs. 21.50 per ordinary share, for the year ended 30th June 1960. Transfer books will remain closed from 10th October to 5th November 1960, both days inclusive.

GREAVES COTTON & CO., LTD. Taxable dividend of Rs. 11.00 per ordinary share, for the year ended 31st March 1960.

ORIENT PAPER MILLS LTD. Taxable dividend of Rs. 2.25 per ordinary share, for the year ended 31st March 1960.

JOST'S ENGINEERING CO., LTD. Taxable dividend of Rs. 4.00 per share, for the year ended 31st March 1960. Transfer books will remain closed from 3rd to 24th October 1960, both days inclusive.

NATIONAL INSULATED CABLE CO. OF INDIA LTD. Taxable dividend of Rs. 2.50 per share (on the increased Capital), for the year ended 31st March 1960.

NATIONAL ROLLING AND STEEL ROPES LTD. Taxable dividend of Re. 1.30 per share, for the year ended 30th June 1960.

(Concluded from next column)

dustry, Department of Company Law Administration, New Delhi, has approved of the reappointment of Messrs. P. Kashinath & Co. as the Managing Agents for a further period of five years commencing from 16th August 1960 and an agreement to that effect is duly executed today.

"I will now conclude my speech after expressing my gratitude and thanks to you all and other shareholders of the Company, our valued customer-merchants and also to the members of staff and labour for the co-operation the Company has received and continues to receive in its day-to-day activities."

SWASTIK TEXTILE MILLS LIMITED

MR. P. K. DIVEKAR'S SPEECH

ADDRESSING the Thirteenth Annual General Meeting of the shareholders of the Swastik Textile Mills Ltd., held in Bombay on 22nd September 1960, Mr. P. K. Divekar, Chairman, said:

"GENTLEMEN,

"I have great pleasure in welcoming you today to the thirteenth annual general meeting of the Company.

"With your permission, I will take the Directors' report and the accounts for the year ended 31st December, 1959 as read. I may mention here that the Company has continued its usual progress, in spite of heavy odds and hope to continue the same in future.

"The first point to which I would like to refer to is the question of compounded levy on cotton powerloom factories. I may recall here that in the year 1958 by a notification, the Government of India bracketed all powerloom factories on cotton with 100 and more looms with the big composite mills for the purposes of the levy of excise duty, with effect from 1st March 1958. As a result of the efforts made from all sides by way of representations, interviews with officials at various levels, the Government of India later revised its earlier decision and intimated to us that all the cotton powerloom factories over 100 looms and up to 300 looms should adjust their economy before the end of February 1960, after which date such factories will be bracketed with the composite mills for the purposes of excise duty. Efforts were again made at the proper time and proper levels which fortunately, and by the grace of the Almighty, bore the necessary fruit. The Government of India in the middle of February 1960, that is, before the expiry of the first period, announced that the concessional compounded levy to cotton powerloom factories over 100 and up to 300 looms will continue beyond the end of February 1960. Had the said concession not been allowed to us beyond February 1960, it would not have been possible for us to run our powerloom factory at Parel with 240 looms at this moment at all. I must mention here that the efforts bore the required fruits with the best wishes of all concerned and the co-operative spirit with which the units similar to us worked together when making representations and at the time of the interviews with the concerned Government officials at all levels. Our thanks to them and also to the Government are due for the same.

"In the Company's activities in the field of the processing of cloth, we have already attained a place of distinction and prominence in such artistic and specialised printing as tapestry, dressware and handkerchiefs. This is done by us by hand screen printing process. Even though these lines are quite new to us, we have confidence that we shall be able to export them in substantial quantities in the near future. It may be noted that even at present we are competing with the foreign goods of similar qualities in the market and soon we shall succeed in putting at least a partial restriction on the import of similar varieties.

"The Company has already received a brand new chainless type, Benninger-Maneklal complete mercerisation plant. The work of erection of the same is in full swing, the foundation thereof and partial installation is already complete. It is expected to start production within the next few months or so. The expected cost of the machinery, erection, installation charges and other auxiliary machinery required for the same is about Rs. 5,00,000. The addition of the mercerisation plant will open up a wide and quite a new field of textile processing for the Company and we have faith that we will fare well in this new field as we had all along done in various new fields in the past. To add to the mercerisation process, we have ordered out a brand new hot air stentering and drying machine worth over Rs. 3,50,000 and it is expected to be received in 8 to 10 months from now.

"It may be very regretfully noted here that in the processing of mineral khaki of drill, the trade is diminishing day by day for various reasons, beyond the control of the Company and hence it is quite essential for us to change over to the new lines of processing of textiles which may compensate the deficit in the other lines.

"I am glad to inform you that the Government of India, Ministry of Commerce and In-

(Continued in previous column)

SYNOPSES OF COMPANY REPORTS

Sellore Electric Supply Corporation, Ltd.

THE directors of the above Company [Managing Agents: Messrs. Chandrie & Co. (Private) Ltd., Madras] present the audited accounts of the Company for the year ended 31st March 1960.

At the outset the directors wish to report that since the close of the accounting year the Government of Andhra Pradesh have issued a notice of acquisition under the Andhra Electricity Undertakings (Acquisition) Act of 1954. Accordingly the directors expect this undertaking to vest with the Government on 10th December 1960. The directors are of the opinion that the net earning basis of compensation will be advantageous to this undertaking.

No change has been made except the withdrawal of prompt payment rebate allowed to consumers from 1st December 1959. During the year 307 new connections were effected bringing the total number of consumers to 4,151.

In the year under review the number of units purchased from the Government of Andhra Pradesh Electricity Department was 36,25,077 as against 33,34,260 in the previous year and this records an increase of 8.7 per cent.

The following table indicates at a glance the progress for the last two years.

Particulars		31-3-1959	31-3-1960
Sales in K.W.H. for:			
Public lighting		1,46,035	1,63,686
Power purposes		14,24,165	16,33,969
General purposes		12,62,970	13,87,800
	Total	28,33,170	31,84,855
Gross revenue	Rs.	5,72,040	6,59,542
Consumers		3,938	4,151
Low tension mains	miles	51.75	57.25
High tension mains	miles	4.46	7.07
Sub-stations		15	17

The company has during the year earned a profit of Rs. 59,250 (Rs. 32,448). The net profit of the Company after providing for depreciation Rs. 45,616 (Rs. 40,488), provision for income-tax Rs. 54,000 (Rs. 42,000), contingencies reserve Rs. 5,770 (Rs. 5,242) and development reserve Rs. 5,941 (Rs. 9,067) amounts to Rs. 55,867 (Rs. 32,448). With the balance brought forward from last year of Rs. 35,613 (Rs. 12,974) and income-tax refund of Rs. 2,703 (Rs. 6,276) there is a total amount of Rs. 94,183 (Rs. 52,891 including Rs. 1,193 being refund from State Insurance Corporation Ltd.). From this is to be deducted appropriations as per Electricity Supply Act [income-tax refund] Rs. 2,703 (Rs. 2,258 income-tax short provision for 1957-58) and appropriations as per Electricity Supply Act relating to the year of account for tariff and dividend control reserve Rs. 3,234 (*nil*) and for rebate to consumers Rs. 3,234 (*nil*) leaving a balance of Rs. 85,012 (Rs. 62,613 after transferring Rs. 11,981 from tariff and dividend control reserve). Out of the balance, the directors recommend the payment of an ordinary dividend of 10 (9 per cent. free of tax) per cent. i.e., Re. 1 (90 nP free of tax) per share for the year subject to deduction of tax and a special dividend of 10 (*nil*) per cent subject to deduction of tax as Silver Jubilee dividend. This will absorb Rs. 62,000 (Rs. 27,000) leaving a balance of Rs. 25,612 (Rs. 35,612) to be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Gross block	11,48,209
Reserves ...	2,89,729	*Less*—Depreciation ...	3,71,255
Provision for taxation ...	54,000		
Liabilities ...	4,41,178	Net block ...	7,76,954
Profit and loss account (surplus) ...	31,480	Stores and tools ...	75,627
		Book debts ...	1,24,652
		Investments	43,829
		Cash ...	95,325
	Rs. 11,16,387		Rs. 11,16,387

Apollo Mills Ltd.

The directors of the above Company [Managing Agents: The Rajputana Textiles (Agencies) Private Ltd., Bombay] present the audited accounts of the Company for the year ended 31st December 1959.

After meeting all working expenses for the year, the result of this year's working shows a loss of Rs. 9,10,020 (Rs. 21,94,602) to which is added the debit balance brought forward from the last year of Rs. 37,55,456 (Rs. 12,80,327) making a total debit balance of Rs. 46,65,476 (Rs. 37,55,456 after adjusting Rs. 4,136 being credits relating to previous years) to be carried forward.

The directors regret that the trading result of this year under review shows a loss, but it can nevertheless be said that the result is neither disappointing nor unsatisfactory when compared to the last year's result, It can be categorically stated that there is considerable improvement in the working of the Company.

The textile industry passed through one more difficult year during 1959. Stocks of cloth held by mills remained at a high level during the year and the prices, especially of coarse and medium count varieties, were also unremunerative. On the other hand, the production costs were very high due to, among other reasons, high prices of Indian cotton and advancing rates of dearness allowance the industry had to pay to the workmen. Units producing grey varieties of coarse and medium counts were more severely hit by the adverse conditions that prevailed during the year.

The directors are, however, pleased to report that the working of the current year has shown a distinct improvement and it is expected that the Company will be able to consolidate and strengthen its resources during this year and to wipe out a major portion of the carry forward loss.

The income-tax assessment of the Company are over upto the assessment year 1955-56, but the appeals are pending for the assessment years 1953-54, 1954-55 and 1955-56. In view of the trading loss, this year also depreciation has not been provided and development rebate reserve has not been created.

The Government of India has approved and sanctioned the re-appointment of Messrs. Rajputana Textiles (Agencies) Private Ltd., as managing agents of the Company, for a further period of not exceeding five years with effect from 15th August 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Gross block*	1,14,24,372
Provision for taxation ...	1,472	*Less*—Depreciation ...	44,03,340
Liabilities ...	1,18,24,556	Net block	70,21,032
		Stock-in-trade	32,27,269
		Stores ...	5,09,532
		Book debts	10,08,800
		Investments	9,31,921
		Cash ...	14,498
		Profit and loss account (deficit) ...	41,12,976
	Rs. 1,68,26,028		Rs. 1,68,26,028

*Gross block excludes Rs. 33,77,226 being value of fixed assets lost in fire in 1952.

General Industrial Society Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The result of the year's working has been a profit of Rs. 14,62,780 (Rs. 12,63,193) to which is added the credit balance brought forward from the previous year of Rs. 1,51,070 (Rs. 39,411) making a total of Rs. 16,13,850 (Rs. 13,02,604). Out of this provision for taxation absorbs Rs 2,00,000 (Rs. 5,21,000), development rebate reserve Rs. 4,68,366 (Rs. 1,50,315) and depreciation absorbs Rs. 4,60,049 (Rs. 2,64,219) leaving a balance of Rs. 4,85,435 (Rs. 3,67,070). The directors recommend that this amount should be disposed of as follows: To pay a dividend at the rate of Rs. 4 (Rs. 2.00 per share, free of tax) per share, subject to deduction of tax under Section 18(3D) of the Income-tax Act, absorbing Rs. 4,32,000 (Rs. 2.16,000) and to carry forward to next year Rs. 53,435 (Rs. 1,51,070).

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours a week throughout the year. As reported last year, a further 1½ per cent. of the registered looms were sealed with effect from 2nd March, 1959, in order to counteract the unhealthy stock position. With the improvement in the stock position, the closure of this 1½ per cent. was withdrawn on the 22nd of June, 1959 and a further 2½ per cent. were opened on the 24th of August, 1959, after which there has been no change during the period under review. One per cent. of the looms were further unsealed with effect from the 2nd of May, 1960 in compliance with the recent decision of the Indian Jute Mills' Association.

Results.—The working results have shown further improvement over the previous year. The trading conditions were difficult in the beginning of the year but by the middle of the year it improved considerably with the increase in demand for jute goods. Towards the end of the year, there was a disproportionate rise in the price of raw material which again made market conditions unfavourable. The prospects for the current year are, at the time of writing this report, not very encouraging.

Foundry.—The Company has remodelled its Cast Iron Foundry and has installed it near the mill premises. It is proposed to produce iron castings for the consumption of the mill as well as for sale to customers.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,80,000	Gross block	94,32,505
Reserves ...	34,18,681	*Less*—Depreciation ...	48,17,924
Provision for taxation ...	8,78,233	Net block	46,14,581
Provision for wealth tax	23,490	Stock-in-trade	38,46,420
Liabilities ...	49,53,758	Stores, etc.	5,71,419
Profit and loss account (surplus)	53,435	Book debts	11,05,366
		Investments	79,057
		Cash ...	1,90,754
	Rs. 1,04,07,597		Rs. 1,04,07,597

Tyroon Tea Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. McLeod & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1959.

The season's working resulted in a profit after providing for depreciation of Rs. 5,61,499 (Rs. 4,38,302) to which must be added profit on farming of Rs. 9,179 (*nil*) and the balance brought forward from 1958 of Rs. 60,600 (Rs. 36,644) making a total of Rs. 6,31,278 (Rs. 5,01,909 including Rs. 26,963 from adjustment account). From this amount must be deducted for adjustment account Rs. 40,358 (*nil*) and provision for taxation Rs. 1,40,000 (Rs. 1,85,000) leaving a balance of Rs. 4,50,920 (Rs. 2,98,600 after deducting Rs. 18,309 being loss on farming). From this the directors have transferred to development rebate reserve Rs. 39,900 (Rs. 10,000) and to buildings and machinery reserve Rs. 1,50,000 (Rs. 1,50,000) leaving an available balance of Rs. 2,61,020 (Rs. 1,38,600) which the directors recommend should be dealt with as follows:—

In payment of a dividend for the year ended 31st December 1959, at the rate of 30 (15) per cent. or Rs. 3 (Re. 1.50 per share free of tax) per equity share, subject to deduction of tax in accordance with Section 18(3D) of the Income-tax Act, absorbing Rs. 1,56,000 (Rs. 78,000) leaving to be carried forward Rs. 1,05,020 (Rs. 60,600).

Tea Crop.—The saleable crop weighed out at 15,510 (15,467) mds. against the estimate of 17,500 (15,000) mds. and was disposed of at an average price of Rs. 2.71 (Rs. 2.47) per lb.

The estimate for season 1960 provides for a saleable crop of 17,600 mds. at a total revenue expenditure of Rs. 25,31,334.

At an extraordinary general meeting held on 25th August, 1960, Messrs. McLeod & Co., Ltd., were appointed the secretaries and treasurers of the Company for a period of five years commencing from 15th August, 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,20,000	Gross block	50,60,323
Reserves ...	25,00,315	*Less*—Depreciation ...	16,66,525
Provision for taxation ...	8,17,445		
Liabilities ...	16,48,617	Net block ...	33,93,798
Profit and loss account (surplus)	1,05,020	Stock of tea	7,86,062
		Stores, etc.	6,10,296
		Book debts	7,01,483
		Investments	53,095
		Cash ...	46,663
	Rs. 55,91,397		Rs. 55,91,397

Alexandra Jute Mills Ltd.

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

The profit for the year after providing for depreciation Rs. 3,22,729 (Rs. 2,51,317) and taxation Rs. 2,05,000 (Rs. 79,500 including Rs. 13,500 for wealth tax), amounts to Rs. 3,09,538 (Rs. 2,38,529). To this must be added—West Bengal Sales Tax received from Central Government in respect of previous years amounting to Rs. 26,438 (*nil*) and the credit balance brought forward from the previous year of Rs. 1,92,640 (Rs. 1,66,651) making a total of Rs. 5,28,616 (Rs. 4,62,780 including Rs. 56,600 transferred from development rebate reserve). From this amount the directors have transferred to development rebate reserve Rs. 1,54,260 (Rs. 1,47,140) to general reserve Rs. 50,000 (*nil*) leaving a balance of Rs. 3,24,356 (Rs. 3,15,640). The directors now recommend that the following dividends be paid subject to deduction of tax in accordance with Section 18(3D) of the Income-tax Act: On 9,000 preference shares at the rate of 7 per cent. per annum or Rs. 7 per share for the year ended 31st December 1959, absorbing Rs. 63,000 (Rs. 63,000) and on 6,000 ordinary shares at Rs. 15 (Rs. 10.00 per share, free of tax) per share for the year ended 31st December 1959, absorbing Rs. 90,000 (Rs. 60,000) leaving a balance to be carried forward of Rs. 1,71,356 (Rs. 1,92,640).

Since the date of the directors' last report certain new preparing machinery has been installed which has improved the efficiency of the Mills.

As Alexandra Jute Mills Ltd. purchased the loom hours of Waverley Jute Mills Co., Ltd. which is closed, an average of 341 looms were worked 96 hours per week on double shift basis by your mills during 1959.

In the year under review trading conditions were fair but since December, 1959, raw jute prices have risen very considerably and in May, 1960, this tendency was accentuated due to the continued spell of dry weather over all the jute districts which hindered sowing operations. Weather conditions improved from the end of May, 1960, and the prospects for the 1960-61 crop are now considered good although the crop will be late by at least one month. However, as a measure to meet the emergency in raw jute supplies, the Indian Jute Mills Association decided to permit its members to close down looms voluntarily with effect from 6th June 1960, and allow the working hours so lost to be made up at any time after 31st October, 1960.

In view of the disparity between prices of raw jute and finished goods the prospects for the current year cannot at present be considered very favourable.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Gross block	76,66,446
Debentures ...	6,00,000	*Less*—Depreciation ...	46,26,917
Reserves ...	13,76,400		
Liabilities ...	47,56,591	Net block ...	30,39,529
Profit and loss account (surplus) ...	1,71,356	Stock ...	34,13,488
		Stores ...	8,15,676
		Book debts ...	8,17,135
		Investments	70,000
		Cash ...	2,48,519
	Rs. 84,04,347		Rs. 84,04,347

Hantapara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs: Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The working profits for the year are as follows: Hantapara division Rs. 7,37,045 (Rs. 4,17,894) and Dumchipara division Rs. 5,97,031 (Rs. 54,648). making a total of Rs. 13,34,076 (Rs. 4,72,542). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfer of Rs. 30,000 (Rs. 50.000 from development rebate reserve) from development rebate reserve, there is a balance at credit of the profit and loss account amounting to Rs. 12,15,831 (Rs. 14,81,842), of which the directors have transferred Rs. 45,000 (Rs. 1,00,000) to development rebate reserve, Rs. 1,60,000 (*nil*) to investment reserve and Rs. 4,75,000 (Rs. 13,59.000 to buildings and machinery reserve) to revenue reserve. A dividend on the preference shares at the rate of 8 per cent. for season 1959, subject to deduction of tax, is proposed since it is doubtful whether it is in fact permissible to gross up the dividend in spite of the specific provision in our Articles for the payment of tax-free dividend on the preference shares. It will, however, be observed that the directors have proposed a transfer of Rs. 1,750 (*nil*) to contingency reserve to provide an additional dividend at 3.50 per cent. to the preference shareholders should it become necessary to compensate them once the position has been clarified by the relevant authorities. The directors also recommend payment of a dividend of 12½ (*nil*) per cent. on ordinary shares for season 1959, leaving Rs. 80,081 (Rs. 18.842) to be carried forward.

Tea Crop. The outturns compared with those of the previous year are as under: For Hantapara 16,60,196 (12,84,045) pounds and for Dumchipara 14,61,009 (12,52,007) pounds. The average selling prices obtained per pound of tea were as follows:—Hantapara Rs. 2.21 (Rs. 1.86) and Dumchipara Rs. 2.17 (Rs. 1.84).

Estimates for 1960 provide for a total crop of 13,24,490 kgs. or 29,20,000 lbs. at an outlay of Rs. 63,60,355, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,50,000	Gross block	71,46,533
Reserves ...	38,35,750	*Less*—Depreciation ...	23,70,874
Provision for taxation ...	3,94,531		
Liabilities ...	14,47,463	Net block ...	47,75,659
Profit and loss account (surplus) ...	80,081	Expenditure-in-progress	20,406
		Stock-in-trade	26,71,233
		Stores ...	3,62,169
		Book debts ...	4,63,750
		Investments	5,07 042
		Cash ...	6,06,566
	Rs. 94,07,825		Rs. 94,07,825

Baradighi Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year after charging Rs. 1,54,561 (Rs. 1,41,385) for depreciation amounts to Rs. 7,78,732 (Rs. 4,23,536). To this is added the balance brought forward from the previous year of Rs. 67,174 (Rs. 85,562) making a total of Rs. 8,45,906 (Rs. 5,16,098 including Rs. 7,000 transferred from reserve for future super-tax). Out of this sum, there has been provided for taxation Rs. 3,14,000 (Rs. 1,96,500), provided for wealth tax, relating to the previous year Rs. 108 (Rs. 14,000), transferred to development rebate reserve Rs. 12,881 (Rs. 8,424) and transferred to general reserve Rs. 1,50,000 (Rs. 50,000) leaving a balance available for disposal of Rs. 3,68.917 (Rs. 2,47,174). The directors recommend payment of a dividend at the rate of 25 (15 per cent. free of tax) per cent. subject to deduction of income-tax and super-tax at the prescribed rates, absorbing Rs. 3,00,000 (Rs. 1,80,000) leaving a balance of Rs. 68,917 (Rs. 67,174) to be carried forward to the next account.

The amount of tea manufactured from the crops of leaf for the year amounted to 15,41,162 (14,93 760) pounds. For 1960 the estimated tea manufacture is placed at 14,80,000 pounds. In spite of the very severe drought in the early part of the current season the amount of tea manufactured from the crops of leaf harvested up to 15th July, 1960 was ahead of last year and it is hoped that, unless weather conditions are unfavourable during the remainder of the season, this increase will be maintained.

Sales.—The quantity of manufactured tea sold in Calcutta amounted to 14,97,366 (14,58,163) pounds and the average sale price was Rs. 2.19 (Re. 1.95) per pound. There has been an encouraging improvement in the quality of the Company's teas produced during 1959 and with the full benefit now being attained from the recently installed humidifying plant there is reason to expect some further improvement in quality during the current year.

The total cost per pound of tea was Re. 1.57 (Re. 1.53). Continued efforts have been made to reduce the cost of production but these were more than offset by a further increase under the Minimum Wages Act, 1948, by which adult worker's wages were raised by 12 nP per day and minor worker's by 6 nP per day with effect from 31st August, 1959.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Gross block	47,37,495
Reserves ...	18,39,305	*Less*—Depreciation ...	26,67,822
Provision for taxation ...	4,28,490	Net block ...	20,69,673
Provision for wealth tax	12,846	Stock-in-trade	8,53,127
Liabilities ...	10,72,417	Stores ...	4,78,565
Profit and loss account (surplus)	68,917	Book debts ...	3,23 081
		Investments	4,502
		Cash ...	8,35,427
	Rs. 46,21,975		Rs. 46,21,975

Navsari Cotton and Silk Mills Ltd.

The directors of the above Company (Chairman: Mr. Jai H. Mehta, Bombay) submit the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year after deducting depreciation of Rs. 2,80,000 (Rs. 2,52,000), development rebate reserve of Rs. 53,000 (Rs. 1,44,000) and provision for taxation of Rs. 90,000 (Rs. 3,72,000), amounts to Rs. 3,43,183 (Rs. 4,03,380). To this is added the balance brought forward from last year of Rs. 21,883 (Rs. 21,503) and the amount transferred from dividend equalisation fund of Rs. 50,000 (*nil*) making a total amount available for disposal of Rs. 4,15,068 (Rs. 4,24,883). The directors have made the following appropriations out of this sum: To payment of proposed dividends on 5,000 cumulative 5 per cent. preference shares of Rs. 100 each, free of income-tax, absorbing Rs. 35,700* (Rs. 25,000) and on 31,500 ordinary shares of Rs. 100 each at Rs. 12 (Rs. 12.00 per share, free of income-tax) per share, subject to deduction of tax, absorbing Rs. 3,78.000 (Rs. 3,78,000) leaving a balance to be carried forward to next year's account of Rs. 1,368 (Rs. 21,883).

The Finance Act 1960, has incorporated certain changes with regard to tax to be deducted at source on dividends. The directors recommend the payment of dividend to the preference shareholders such that their income under the changed conditions is not affected, i.e., they should receive 5 per cent. tax-free dividend as in the past. The directors, therefore, propose payment of a dividend at the rate of Rs. 7.14 nP per preference share of Rs. 100 each, for the year ended 31st December 1959. Out of this sum an amount of Rs. 2.14 nP per share will be deducted and paid to the account of the Central Government as required by the provisions of Section 18 (3D) of the Income-tax Act and that the balance of Rs. 5 per share will be paid to the preference shareholders.

On ordinary shares, the directors have recommended a gross dividend of Rs. 12 per share. According to statutory requirements, deduction of tax at the prescribed rates will have to be made from this gross dividend. The ordinary shareholders (other than non-residents) will, therefore, receive a net dividend of Rs. 8.40 nP per share.

The values of mills' buildings and plant and machinery show an increase of Rs. 48,849 and Rs. 2,38,930, respectively, due to building extensions and the new machinery added. All the machines have been installed and are working satisfactorily.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,50,000	Gross block	66,34,980
Reserves ...	48,76,391	*Less*—Depreciation	44,19,186
Provision for taxation ...	1,48,316		
Liabilities ...	42,67,585	Net block	22,15,794
Profit and loss account (surplus)	1,368	Stock-in-trade	40,19,555
		Stores, etc.	15,44,524
		Book debts	30,76.897
		Investments	13,60,941
		Cash ...	7,25,949
	Rs. 1,29,43,660		Rs. 1,29,43,660

*Subject to deduction of tax at source under Section 18 (3D) of the Income-tax Act.

Gaekwar Mills Ltd.

The directors of the above Company (Chairman: Mr. Jal H. Mehta, Bombay) submit the audited accounts of the Company for the year ended 31st December 1959.

The profit for the year after deducting depreciation of Rs. 4,83,000 (Rs. 4,35,000), development rebate reserve of Rs. 4,13,000 (Rs. 2,00,000) and provision for taxation of Rs. 9,51,000 (Rs. 5,99,000) amounts to Rs. 8,32,677 (Rs. 3,89,035). With the balance brought forward from last year of Rs. 7,074 (Rs. 18,039), there is a total amount available for disposal of Rs. 8,39,751 (Rs. 4,07,074). The directors have made the following appropriations out of this sum: To payment of proposed dividend on 40,000 ordinary shares of Rs. 100 each at Rs. 16 (Rs. 10.00 per share, free of income-tax) per share, subject to deduction of tax, absorbing Rs. 6,40,000 (Rs. 4,00,000) and to transfer to reserve fund Rs. 1,75,000 (*nil*) leaving a balance to be carried forward to next year's account of Rs. 24,751 (Rs. 7,074).

During the period under review, the textile industry in general has had a good year and in light of this the result of this Company may be considered quite satisfactory.

On ordinary shares, the directors have recommended a gross dividend of Rs. 16 per share. According to statutory requirements, deduction of tax at the prescribed rates will have to be made from this gross dividend. The ordinary shareholders (other than non-residents) will, therefore, receive a net dividend of Rs. 11.20 nP per share.

The values of mills' buildings and plant and machinery show an increase of Rs. 53,917 and Rs. 15,96,852, respectively, due to building extensions and the new machinery added. All the machines have been installed and are working satisfactorily.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Gross block	81,40,802
Reserves ...	56,44,510	*Less*—Depreciation	85,83,203
Provision for taxation ...	9,23,979		
Liabilities ...	78,69,583	Net block	42,66,575
Profit and loss account (surplus)	24,751	Stock-in-trade	61,14.586
		Stores, etc.	21,82,402
		Book debts	36,01,868
		Investments	16,15,784
		Cash ...	6,81,608
	Rs. 1,84,62,823		Rs. 1,84,62,823

Ondal Coal Co., Ltd.

The directors of the above Company (Chairman: Mr. P. Prashad, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The Karanpura Mining Syndicate.—During the year ended 31st December 1959, 1,91,578 (1,80,082) tons of coal were raised and 1,83,528 (1,80,627) tons were despatched. The arrangements for raising and selling coal from Religara colliery continues to work satisfactorily.

The profit and loss account after providing for all charges and making provision of Rs. 1,29,862 (Rs. 1,54,788) for taxation shows a profit of Rs. 1,44,566 (Rs. 50,982) to which is added the balance brought forward from the previous year of Rs. 42,423 (Rs. 41,941) making a total of Rs. 1,86,989 (Rs. 92,923). From this is deducted the amount transferred to general reserve of Rs. 80,000 (*nil*) leaving a balance available of Rs. 1,06,989 (Rs. 92.923). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the preference shares at the rate of 6½ (6½ per cent. free of tax) per cent. per annum, subject to deduction of tax, absorbing Rs. 13,000 (Rs. 13,000), by payment of a dividend on the ordinary shares at the rate of 7 (5 per cent. free of tax) per cent. per annum, subject to deduction of tax, absorbing Rs. 52,500 (Rs. 37,500) and by carrying forward Rs. 41,489 (Rs. 42,423).

The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange with the exception of 20/60th share in The Karanpura Mining Syndicate, 30,000 ordinary shares in Coal Shipments (Private) Limited and 25,000 ordinary shares in Chora Coal Co., Ltd., for which no quotations are available. The market value of investments for which quotations are available together with the unquoted investments as valued by the directors amounts to Rs. 20,84,476.

As reported earlier, the Company has virtually changed its business to that of an investment Company and the managing agents Messrs. F. W. Heilgers & Co. (Private) Ltd. resigned with effect from 31st October 1959.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,50,000	Gross block	2,62,538
Reserves ...	16,65,465	*Less*—Depreciation ...	1,42 538
Provision for taxation ...	1,91,189		
Wealth tax provision	3,822	Net block	1,20,000
Liabilities ...	1,23,071	Investments	21,15,095
Profit and loss account (surplus)	41,489	Book debts	2,43,616
		Cash ...	4,96,325
	Rs. 29,75,036		Rs. 29,75,036

Banarhat Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit, after charging all expenses, of Rs. 18,80,496 (Rs. 7,37,005) of which taxation provision requires Rs. 8,05,000 (Rs. 3,10 000) leaving a sum of Rs. 10.75,496 (Rs. 4,27,005). From this has to be deducted tax underprovided in previous years amounting to Rs. 18,121 (*nil*) leaving a balance of Rs. 10,57,375 (Rs. 4,27,005). With the balance brought forward from last year of Rs. 80,635 (Rs. 1,37,198) there is a total amount available for appropriation of Rs. 11,38.010 (Rs. 6,52,826 including forfeited dividends of Rs. 88,623). The directors have transferred to general reserve Rs. 1,25,000 (*nil*) and to development rebate reserve Rs. 5,195 (Rs. 6,191). The directors now recommend that the following dividends be paid: On the preference shares at 9.30 (6.5) per cent. per share, absorbing Rs. 37 200 (Rs. 26,000) and on the ordinary shares at Rs. 32.50 (Rs. 20.00 per share, free of tax) per share, absorbing Rs. 8,77,500 (Rs. 5,40,000) leaving a balance to be carried forward of Rs. 93.115 (Rs. 80.635). The dividends for 1959 are subject to deduction of tax.

A crop of 41,649 maunds was secured and sold at an average price of Rs. 2.31 per lb. which compares with a crop of 38,911 maunds in 1958, sold at an average price of Rs. 2.00 per lb.

Estimates for the current year have been framed for a crop of 40,500 maunds to cost Rs. 52,44,368. By 14th August, 1960, 6 05,219 Kgs. or 16,678 Mds. had been manufactured compared with 7,05,322 Kgs. or 19,437 Mds. to the same date last year.

The Central Government have approved the re-appointment of Andrew Yule & Co., Ltd. as managing agents of the Company for a period of 5 years from 15th August, 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Gross block	63,67,156
Reserves ...	29,62.946	*Less*—Depreciation ...	26 80.596
Provision for taxation ...	8,93,031		
Liabilities ...	33,70,828	Net block ...	36,86.560
Profit and loss account (surplus) ...	93,115	Stock of tea	26.78.754
		Stores ...	7,71,436
		Book debts ...	16,42.446
		Investments	87.063
		Cash ...	15,53,661
	Rs. 1,04,19,920		Rs. 1,04,19,920

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

Notices

THE MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 89th Annual General Meeting of the Company will be held at its Registered Office at Soparibaug Road, Parel, Bombay 12, on Saturday the 5th November 1960, at 11 a.m. (I.S.T.), to transact the following business:—

1. To adopt the Directors' Report and Audited Statements of Accounts for the year ended 30th June 1960.
2. To declare a Dividend on Preference and Ordinary Shares.
3. To elect a Director in place of Shri Sanwal Ram More who retires by rotation under Article 140 of the Articles of Association of the Company, but being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri Gopikisan Piramal who retires by rotation and being eligible offers himself for re-appointment and to consider, and if thought fit, to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and is hereby given to the members:—

   "Resolved that Shri Gopikisan Piramal who retires by rotation and who is a Director, Member and an Associate of Messrs. Piramal Sons Private Limited, the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint an ex-Officio Director to the Board) be and is hereby re-appointed a Director of the Company."

   The reasons which make this Special Resolution necessary are fully set out in the Resolution itself and in para 1 of the Explanatory Statement annexed to this Notice.
5. To consider, and if thought fit, to pass the following Resolution as a Special Resolution:—

   "Resolved that the Company hereby accords its consent to Mahendra Jwalaprasad Tibrewala (a relative of Shri Gopikisan Piramal, Shri Mohanlal Piramal and Shri Manoharlal Jwalaprasad Tibrewala, the Directors of the Company, and an Associate of the Managing Agents of the Company) holding an office or place of profit under the Company as its Assistant Cotton Purchaser with effect from 1st December, 1960 on a monthly salary of Rs. 700 and with such increments and other allowances and benefits as may from time to time be determined by the Directors of the Company."

   The reasons which make this Special Resolution necessary are fully set out in para 2 of the Explanatory Statement annexed to this Notice.
6. To consider, and if thought fit, to pass the following Resolution as a Special Resolution:—

   "Resolved that the Company hereby accords its consent to Mohanlal Murlidhar Adukia (an associate of the Managing Agents of the Company) holding an office or place of profit under the Company as its Storekeeper with effect from 1st December 1960 on a monthly basic salary of Rs. 300 and with such increments and other allowances and benefits as may from time to time be determined by the Directors of the Company."

   The reasons which make this Special Resolution necessary are fully set out in para 3 of the Explanatory Statement annexed to this Notice.
7. To consider, and if thought fit, to pass the following Resolution as a Special Resolution:—

   "Resolved that the Company hereby accords its consent to Ramgopal Rameshwarlal Tibrewala (an associate of the Managing Agents of the Company) holding an office or place of profit under the Company as its Supervisor in the Folding Department with effect from 1st December 1960 on a monthly salary of Rs. 300 and with such increments and other allowances and benefits as may from time to time be determined by the Directors of the Company."

   The reasons which make this Special Resolution necessary are fully set out in para 4 of the Explanatory Statement annexed to this Notice.
8. To appoint Auditors for the current year and to fix their remuneration.

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

The Share Transfer Books of the Company will be closed from Monday, the 10th October 1960 to Saturday, the 5th November 1960, both days inclusive.

By Order of the Board,
For PIRAMAL SONS PRIVATE LIMITED,
MOHANLAL PIRAMAL,
Director,
Agents.

BOMBAY,
Dated, 16th September 1960.

The Dividend, if sanctioned, will be payable from Monday, the 7th November 1960, to those Shareholders whose names stand on the Register of the Company on 8th October 1960.

Dividend Warrants will be posted in due course to the Registered Addresses of the Shareholders. Change of Address, if any, should be notified without delay.

AN EXPLANATORY STATEMENT IN RESPECT OF THE ABOVE ITEMS OF SPECIAL BUSINESS IS HEREWITH ANNEXED.

Explanatory Statement Under Section 173 of the Companies Act, 1956

Re. Resolution No. 4:

Shri Gopikisan Piramal is a Director of the Company who retires by rotation and is eligible for re-appointment. A Special Notice has been received from a Member proposing the appointment of Shri Gopikisan Piramal as a Director in accordance with the provisions of Section 261 of the Companies Act, 1956. Shri Gopikisan Piramal has been a Director of the Company for several years and it is in the interest of the Company to receive the benefit of his advice as a member of the Board. As set out in the Special Notice received by the Company, the reasons which make it necessary to have the Special Resolution are as follows:—

(*a*) The Managing Agents of the Company are authorised by its Articles and by its Managing Agency Agreement to appoint a Director on the Board.

(*b*) Shri Gopikisan Piramal is liable to retirement by rotation of Directors.

(*c*) He is an Associate of the Managing Agents.

Re. Resolution No. 5:

Shri Mahendra Jwalaprasad Tibrewala is a relative of some of the members and Directors of Piramal Sons Private Ltd., the Managing Agents of the Company, and is also a relative of Shri Gopikisan Piramal, Shri Mohanlal Piramal and Shri Manoharlal J. Tibrewala, the Directors of the Company. In view of his above relationship with the members and Directors of Piramal Sons Private Ltd., and with the said three Directors of the Company, he cannot hold any office or place of profit under the Company except with the approval of the Company to be accorded by a Special Resolution under Section 314 of the Companies Act, 1956, and unless the contract of his service is approved by a Special Resolution under Section 360 of the Act. The Board of Directors have decided, subject to the approval of the Company by a Special Resolution as aforesaid, to appoint him as the Assistant Cotton Purchaser of the Company upon the terms mentioned in the Resolution No. 5 set out in the accompanying Notice. For about the last two years he has been working in the Cotton Department of the Company as an apprentice without remuneration and as such he has gained experience in the matter of purchase of cotton on behalf of the Company.

Re. Resolution No. 6:

Shri Mohanlal Murlidhar Adukia is a relative of some of the members of Piramal Sons Private Limited, the Managing Agents of the Company. In view of his above relationship with the members of Piramal Sons Private Ltd. he cannot hold any office or place of profit under the Company unless the contract of his service is approved by a Special Resolution under Section 360 of the Act. The Board of Directors have decided, subject to the approval of the Company by a Special Resolution as aforesaid, to appoint him as Storekeeper of the Company upon the terms mentioned in the Resolution No. 6 set out in the accompanying Notice. For about the last six months he has been working as an apprentice without remuneration in the Stores Department of the Company.

Re. Resolution No. 7:

Shri Ramgopal Rameshwarlal Tibrewala is a relative of some of the members of Piramal Sons Private Limited, the Managing Agents of the Company. In view of his above relationship with the members of Piramal Sons Private Ltd. he cannot hold any office or place of profit under the Company unless the contract of his service is approved by a Special Resolution under Section 360 of the Act. The Board of Directors have decided, subject to the approval of the Company by a Special Resolution as aforesaid, to appoint him as a Supervisor in the Folding Department of the Company upon the terms mentioned in the Resolution No. 7 set out in the accompanying Notice. For about the last one year he has been working with the Company as an apprentice without remuneration.

By Order of the Board,
For PIRAMAL SONS PRIVATE LIMITED,
MOHANLAL PIRAMAL,
Director,
Agents.

BOMBAY,
Dated 16th September 1960.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Company will be held at its Registered Office, 12, Mission Row, Calcutta, on Friday the 21st day of October 1960, at 11 a.m., to consider and if thought fit to pass with or without modification the following resolutions:—

1. *As an ordinary resolution*

   That this meeting approves the re-appointment of Mr. Thomas Leslie Martin as a Governing Director of the Company (managing director for the purposes of the Companies Act, 1956) with effect from the 1st day of October 1960 on the terms and conditions contained in an Agreement dated the 29th day of April 1960 and made between the Company of the one part and Mr. Thomas Leslie Martin of the other part a copy of which was laid on the table and signed by the Chairman for the purpose of identification.
2. *As an ordinary resolution*

   That this meeting approves the re-appointment of Sir Birendra Nath Mookerjee as a Governing Director of the Company (managing director for the purposes of the Companies Act, 1956) with effect from the 1st October, 1960, on the terms and conditions contained in an Agreement dated the 29th day of April 1960 and made between the Company of the one part and Sir Birendra Nath Mookerjee of the other part as modified by an endorsement thereto dated the 19th day of September 1960 copies of which were laid on the table and signed by the Chairman for the purpose of identification.

By Order of the Board,
L. K. SEN CHOWDHRY,
Acting Secretary.

12, MISSION ROW, CALCUTTA,
24th September, 1960.

N.B.—(1) Any member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(2) An Explanatory Statement is annexed to the convening notice issued to the members of the Company.

GREAVES COTTON AND COMPANY LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Fortieth Annual General Meeting of the Shareholders of GREAVES COTTON AND COMPANY LIMITED, will be held on Tuesday the 25th October 1960, at 4.30 p.m. (I.S.T.), at the Registered Office of the Company, 1, Forbes Street, Bombay, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance-sheet and Profit and Loss Account for the year ended 31st March 1960.
2. To declare dividends on preference and equity shares.
3. To elect a Director in place of Mr. Surendr Lall who retires by rotation and, being eligible for re-election under Article 148 of the Articles of Association, offers himself for re-election.
4. To elect a Director in place of Khan Bahadur C. B. Taraporvala who retires by rotation and, being eligible for re-election under Article 148 of the Articles of Association, offers himself for re-election.
5. To elect a Director in place of Mr. Karamchand Thapar, who retires by virtue of the provisions of Section 280 of the Companies Act, 1956, and being eligible offers himself for re-appointment and to consider and, if thought fit, to pass the following Ordinary Resolution of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Mr. Karamchand Thapar, who has attained the age of 65 years and who retires under Section 280 of the said Act be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."
6. To appoint Auditors to hold office for the period from the conclusion of the meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Notes:—(*a*) The relative Explanatory Statement pursuant to Section 173 of the Companies Act 1956 is annexed hereto.

(*b*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

According to Article 118 of the Articles of Association, the instrument appointing a proxy and the power-of-attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not later than forty-eight hours before the time for holding the meeting; in default the instrument of proxy shall not be treated as valid.

(*c*) The Share Transfer Books of the Company will be closed from the 10th day of October 1960 to the 25th day of October 1960 both days inclusive.

(*d*) The dividend when sanctioned at the Annual General Meeting will be payable to those members whose names have been registered on the Company's Registers on 10th October 1960. It will be payable at Lloyds Bank Ltd., Bombay, on and after 14th November 1960.

By Order of the Board of Directors,
N. M. WAGLE,
Managing Director.

1, FORBES STREET,
BOMBAY 1.
29th September, 1960.

INDIA STEAMSHIP COMPANY LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of the India Steamship Company Ltd., will be held at the Registered Office of the Company, "India Steamship House," 21, Old Court House Street, Calcutta, on Monday the 14th November, 1960, at 4 p.m., in order to transact the following business:—

1. To receive the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1960.
2. To sanction payment of dividend on Preference Shares as recommended by the Directors for the year ended 31st March, 1960.
3. To sanction payment of dividend on Ordinary Shares as recommended by the Directors for the year ended 31st March, 1960.
4. To appoint a Director in place of Sir Padamji P. Ginwala, B.A., Bar-at-Law, who retires by rotation and is eligible for re-appointment and to consider and if thought fit to pass the following resolution of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto as required by Section 173 of the said Act.

   RESOLVED that pursuant to the provisions of Section 281 of the Companies Act, 1956, Sir Padamji P. Ginwala, B.A., Bar-at-Law, who has exceeded the age limit prescribed for the Directors in the Companies Act and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors prescribed under Section 280 of the said Act shall not apply to him.
5. To appoint a Director in place of Maharajadhiraja Sir Udaychand Mahtab Bahadur of Burdwan, K.C.I.E., who retires by rotation and is eligible for re-election.

ANNEXURE TO THE NOTICE

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

The following explanatory statement as required by Section 173 of the Companies Act 1956 sets out the material facts relating to the Special business under item 5 mentioned in the accompanying Notice dated the 29th September 1960.

Mr. Karamchand Thapar has now attained the age of 65 years. Under the provisions of Section 280 of the Companies Act, 1956, he vacates the office of Director at the conclusion of the forthcoming Annual General Meeting and he cannot, therefore, be appointed a Director of the Company except by a Resolution in respect of which a special notice has been given in accordance with Sections 190 and 281 of the Companies Act, 1956. The Company has received such a special notice from some members notifying their intention to move the resolution as set out under item 5. Mr. Karamchand Thapar has been on the Board of the Company since 1947, and with his wide and varied experience as a businessman and an industrialist has rendered valuable services to the Company. It is in the interest of the Company that it should continue to receive the benefit of his services. The resolution of which notice is given to the members is commended for acceptance.

By Order of the Board of Directors,
N. M. WAGLE,
Managing Director.

1, FORBES STREET,
BOMBAY 1.
29th September, 1960.

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6. To appoint a Director in place of Mr. S. C. Roy who retires by rotation and is eligible for re-election.
7. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 21st October, 1960 to 14th November. 1960, both days inclusive.

By Order of the Board,
A. MUKERJI,
Assistant Secretary,
India Steamship Co., Ltd.

CALCUTTA. THE 21*st September*, 1960.

The dividend, if sanctioned, will be made payable to those Shareholders whose names stand on the Register of the Company on the 21st October, 1960, and the Dividend Warrants will be posted from 15th December, 1960 onwards.

N.B.—Member entitled to attend and vote is entitled to appoint a Proxy and the Proxy so appointed need not be a member of the Company.

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

In respect of Item No. 4 of the Notice of the Annual General Meeting, Sir Padamji P. Ginwala, who retires by rotation and is eligible for re-appointment, has completed the age of 84 years and hence this needs your approval by a resolution in respect of which a Special Notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such Special Notice from a Member, notifying his intention to move the resolution as set out in the said item. Sir Padamji P. Ginwala joined the Board of Directors of the Company in 1947. During the long period of his association with the Company, he has rendered valuable service to it and it is in the interest of the Company that it should continue to avail itself of his valuable services and advice by retaining him as a Director of the Company.

ROHTAS INDUSTRIES LIMITED

NOTICE

LETTERS OF OFFER FOR RIGHT ORDINARY have already been posted by the Company to the registered holders of ordinary shares in the capital of the Company on the 1st day of September, 1960. If any shareholder requires larger number of Renunciation Forms, he should write to the Company's Office at Dalmianagar (Bihar) for the same.

The Company is advised that exemption from Super Tax will be available as provided in Section 56A of the Indian Income Tax Act on dividends received by Companies in respect of any shares subscribed by them in the present issue of Ordinary Shares in the capital of this Company.

For SAHU JAIN LIMITED,
A. P. JAIN,
Director,
Managing Agents.

19th September 1960.

THE STANDARD VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debentures 1964-68 will be closed for transfers from 17th October 1960 to 31st October 1960, both days inclusive.

N. A. KRISHNAN,
Secretary and Treasurer,
State Bank of India.
Agents for the Standard-Vacuum Refining Company of India Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, *1st October* 1960.

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

Extension of date for submission of Coupons and Applications in respect of new Ordinary Shares

NOTICE IS HEREBY GIVEN THAT THE extended period for submission of coupons in respect of the new Ordinary shares in terms of the Company's Circular dated the 12th October 1959 expires on the 29th September 1960. As some shareholders have not yet exercised their right to obtain shares by submitting the requisite new Ordinary share coupons, the Directors have extended the period for submission of such coupons to 31st December 1960, and the Company's bankers have accordingly been authorised to receive applications on and after the 1st October 1960 upto but not later than the 31st December 1960 in respect of such coupons provided that along with each such application with the required coupons and the moneys to be received with such application interest at the rate of 9% per annum (which the Directors have decided to charge) shall be paid to the Company's bankers as under:—

(i) For applications with new Ordinary share coupons from *resident* shareholders from 16th December 1959 to the date of payment; and

(ii) For applications with new Ordinary share coupons in the case of *non-resident* shareholders from 1st June 1960 to the date of payment.

The Directors have also resolved that the last date for receiving applications in respect of new Ordinary *shares* from the *non*-resident shareholders which was 29th September 1960 be extended upto 31st December 1960 provided that along with each such application and the moneys to be received with such application interest at the rate of 9% per annum thereon (which the Directors have decided to charge) from 1st April 1960 to the date of payment shall be paid to the Company's bankers.

No applications received from resident shareholders on and after the 16th December 1959 and from non-resident shareholders on and after the 1st June 1960 in respect of new Ordinary share coupons and no application received from non-resident shareholders on and after the 1st April 1960 in respect of rights to new Ordinary shares will be entertained by the Directors unless interest is paid as aforesaid. No such application will be entertained after the 31st December 1960.

The above extension of date does not apply to applications in respect of "A" Second Preference shares or "A" Second Preference share coupons, the last date for submission of which was 29th July 1960.

Dated at Bombay this 28th day of September, 1960.

By Order of the Directors,

For and on behalf of

THE TATA IRON AND STEEL COMPANY LIMITED,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,

J. J. BHABHA,
Agent.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Share Transfer Books for Preference Shares in the Company will be closed from the 10th October to the 15th October 1960, both days inclusive, for purpose of payment of the Preference dividend for the half-year ending 30th September 1960. The dividend will be paid on or after the 17th October 1960, to those shareholders whose names appear on the Register of Preference Shares on the 15th October 1960.

By Order of the Board,

L. K. SEN CHOWDHRY,
Acting Secretary.

12, MISSION ROW,
CALCUTTA 1,
Dated, 26th September, 1960.

THE TATA IRON AND STEEL COMPANY, LIMITED

Conversion of Fractional Certificates into Whole Bonus Ordinary Shares

THE LAST DATE FOR THE SUBMISSION OF Fractional Certificates issued by the Company for conversion into whole shares, which was fixed as Saturday, the 1st October 1960, has been extended by the Directors to Friday, the 31st *March,* 1961.

Dated this 28th day of September 1960.

By Order of the Directors,

For and on behalf of

THE TATA IRON AND STEEL COMPANY LIMITED,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,

J. J. BHABHA,
Agent.

LARSEN AND TOUBRO LIMITED

NOTICE OF CLOSING OF TRANSFER BOOKS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Share Transfer Books of the Company will be closed from Monday, the 17th October, 1960 to Saturday, the 5th November, 1960, both days inclusive, for the purpose of further issue of Equity Capital of Rs. 30,00,000.00.

Equity Shareholders registered in the Books of the Company as on 5th November, 1960 will be entitled to "Right" Shares in the further issue of Capital. Notices of the offer of "Right" Shares will be posted to the Registered Address of the Shareholders on or about the first week of December, 1960. Shareholders are requested to notify to the Company any change in their present Registered Address as early as possible.

By Order of the Board of Directors,
LARSEN & TOUBRO LIMITED,
L. & T. (MANAGEMENT) PRIVATE LIMITED,

N. M. DESAI,
Director,
Managing Agents.

Dated: 1st *October,* 1960.

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Share Transfer Books for Preference Shares in the Company will be closed from the 11th October to the 15th October 1960, both days inclusive, for purpose of payment of the Preference Dividend for the half-year ending 30th September, 1960. The dividend will be paid on or after the 1st November, 1960 to those shareholders whose names appear on the Register of Preference Shares on the 15th October, 1960.

FOR THE INDIAN IRON & STEEL CO. LTD.,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA-1.
Dated 26th September 1960.

SURVEY

(*Concluded from page* 587)

It is to be hoped that the causes of this slow growth of industrial estates would be thoroughly diagnosed by the Planning Commission and the Governments concerned and suitable remedies to overcome these difficulties in the next Plan will be suggested. The All India Seminar on Industrial Estates, held at the Guindy Industrial Estate, Madras, this week was a welcome effort, in that it gave an opportunity for experts from different parts of the country to have useful exchange of views on problems of mutual interest. Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, who inaugurated the seminar, stressed the need for extending the scope of industrial estates to rural areas. This, he felt, would attract small industries to villages and towns and check the drift of skill and enterprise from rural to urban areas. He conceded that, for establishing these units in smaller towns and villages, Government might have to give more help, in order to provide such facilities as power and transport. He thought that it might be necessary to give some subsidy in the form of reduced rent, but, he insisted that, as far as possible, the entrepreneurs should manage without other forms of subsidies. This is a very pertinent suggestion. While the small units deserve to be given some aid in the initial stages, they should be encouraged to become self-supporting as early as possible. Sustained spoon-feeding will only retard the pace of the development of small-scale industries, for there is a limit upto which resources for this purpose can be found.

Mr. Manubhai Shah, Union Minister for Industries, in his presidential address urged the small-scale manufacturers to adopt what he called "selective industrialisation." He added that, in Switzerland one rupee worth of raw material was converted into a finished article of the value of Rs. 10. In India, according to Mr. Shah, this ratio of output to raw material was as low as 32 per cent. He wanted this to be increased in such a way as to make it possible to produce output worth Rs. 1,000 from raw materials costing Rs. 100. Mr. Shah called upon the manufacturers to concentrate their attention to selective industries that would help the country save foreign exchange.

One of the deplorable aspects of the development of industrial estates is the lack of well-defined objectives and a positive policy of action. Often, this leads to undesirable results. This may be the reason why the real objectives of the industrial estates have not so far been realised. The Estimates Committee, in its report for 1959-60, has pointed out that a major criterion for setting up the estates, namely, decentralisation of industrial development, remains unfulfilled. To take another specific instance, it is said that the Okhla estate (one of the major industrial estates) at New Delhi was set up as part of the programme for slum clearance. But, out of the 33 units in the estate, only 10 have shifted from their original location in Delhi City and the rest are either new or have dual establishments. It may be noted that, in other estates generally, only new units are preferred. In addition, hardly any progress has been made to introduce a systematic method of setting up ancillary industries. It is, however, gratifying to hear from Mr. Shastri that an expert committee would be appointed shortly to examine what items could be produced in ancillary units and to earmark such items for development in small industries. This is a good move, but its utility will depend on the competence of the members of the Committee and the promptness with which the authorities abide by its recommendations.

GOLD SALES BY THE U.S.

The net sales of gold by the United States during the second quarter of 1960 amounted to $83.5 million and were twice as much as in the first quarter, but were substantially less than those ($732.5 million) in the corresponding period of 1959. This brings the total net sales in the first half of 1960 to $125.3 million and in the fiscal year ended 30th June 1960 to $341.6 million. The list of countries to which sales were made during the year ended 30th June 1960 is headed by France, with sales aggregating $265.7 million, followed by the U.K. $150 million. Sales to Japan amounted to $62.5 million, to Belgium $50.8 million, to Austria $44.5 million and to the Netherlands $34.9 million. Sales to various other countries were of the order of $76.4 million, bringing the gross sales to $684.8 million. Purchases during the year by the International Monetary Fund amounted to $252.1 million, by the Philippines $5 million, Switzerland $20.1 million and Venezuela $65 million. The total of U.S. gold stocks, as on 14th September 1960, was $18,939 million.

A USEFUL SUGAR ANNUAL

The annuals of *The Indian Sugar Industry* (Editor: Mr. M. P. Gandhi and published by Messrs. M. P. Gandhi & Co., Nanabhay Mansion, Sir Pherozshah Mehta Road, Bombay 1, Price: Rs. 6) have been so very popular all these years that the latest 1958-59 Annual needs no elaborate introduction. This edition, as its predecessors, is quite comprehensive in coverage, in that it gives very useful information on practically all the aspects relating to sugar and sugarcane. The developments in sugar industry in India during the season 1958-59 and its position in world economy have been lucidly brought out. The Annual also gives a good account of the functions of the Central Sugarcane Committee and the Development Council, the latest statement pertaining to capital and dividend of sugar mills, comments on the cane price fixation policy and sugar exports, an analysis of the development programme for the industry in the third Five-year Plan. The feature "Sugar Industry at a Glance," which contains over 100 tables relating to production and consumption of sugar and *gur*, cane crop, etc., has been revised and brought up to date.

MERCANTILE BANK LIMITED
(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)

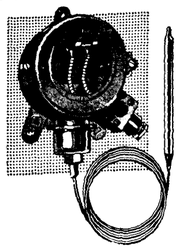
Authorised Capital - - £4,000,000
Issued and Fully Paid Capital - - £2,940,000
Reserve Fund - - - £2,200,000

Head Office:
15, GRACECHURCH ST., LONDON, E.C. 3
West End Office:
123, PALL MALL, LONDON, S.W. 1
Agents in New York: BANK OF MONTREAL AND THE CHASE MANHATTAN BANK
Branches and Agencies:
INDIA, PAKISTAN, CEYLON, BURMA, MAURITIUS, SINGAPORE, MALAYAN FEDERATION, HONGKONG, THAILAND AND JAPAN

The Bank transacts banking business of every description. Current Accounts are opened and Fixed Deposits are received on terms which may be ascertained on application.
Trusteeships and Executorships accepted.
Safe Deposit Lockers available.

52/60, Mahatma Gandhi Road, Bombay.
J. B. STEWART, *Manager.*

INDUSTRIAL AUTOMATIC CONTROL EQUIPMENT
By
MESSRS. FR. SAUTER, SWITZERLAND
★



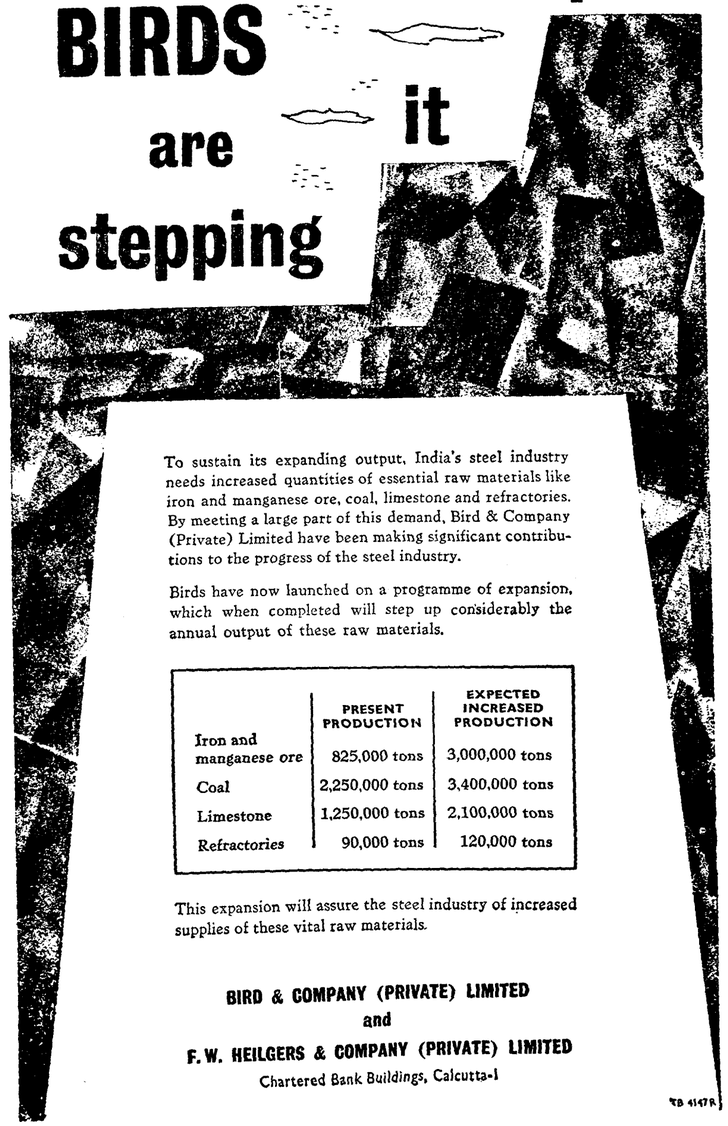
- TIME SWITCHES with/without Astronomical Dials
- IMPULSE EMITTERS
- INTERVAL TIMERS
- RELAYS
- CONTACTORS & LINESTARTERS
- THERMOSTATS OF ALL RANGES
- REFRIGERATION CONTROLS
- PRESSURE SWITCHES
- LEVEL CONTROLS, Etc.

SOLE AGENTS:
TOSHNIWAL BROTHERS (PVT.) LTD.
198, Jamshedji Tata Road, BOMBAY-1
★
BRANCHES:
AJMER - CALCUTTA - NEW DELHI MADRAS

THE BANK OF BEHAR LTD.
Head Office: PATNA
ESTD. 1911
●
BRANCHES AT:
Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.
A. C. BHAT,
General Manager.

BIJLEE
BULBS
For Better Light Efficiency Economy
BIJLEE PRODUCTS (INDIA) LTD.
BYCULLA, BOMBAY 8

BIRDS are stepping up it



To sustain its expanding output, India's steel industry needs increased quantities of essential raw materials like iron and manganese ore, coal, limestone and refractories. By meeting a large part of this demand, Bird & Company (Private) Limited have been making significant contributions to the progress of the steel industry.

Birds have now launched on a programme of expansion, which when completed will step up considerably the annual output of these raw materials.

	PRESENT PRODUCTION	EXPECTED INCREASED PRODUCTION
Iron and manganese ore	825,000 tons	3,000,000 tons
Coal	2,250,000 tons	3,400,000 tons
Limestone	1,250,000 tons	2,100,000 tons
Refractories	90,000 tons	120,000 tons

This expansion will assure the steel industry of increased supplies of these vital raw materials.

BIRD & COMPANY (PRIVATE) LIMITED
and
F. W. HEILGERS & COMPANY (PRIVATE) LIMITED
Chartered Bank Buildings, Calcutta-1

TD 4147R

Trade with Canada

If you are interested in Canada as a field for trade or business expansion, you will find The Royal Bank of Canada a useful ally. Branches from coast to coast. Specialized services for foreign traders available. Ask your banker. Enquiries invited. Correspondents the world over.

London Offices—6 Lothbury, E.C.2. B. Strath, Manager.
2-4 Cockspur Street, S.W.1. R. B. Murray, Manager.

THE ROYAL BANK OF CANADA
Incorporated in Canada in 1869 with limited liability.
Over 980 branches in Canada, the Caribbean area and South America.
HEAD OFFICE: MONTREAL. OFFICES IN NEW YORK AND PARIS
Assets exceed $4,000,000,000

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 23rd Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(i) Central Government	76,62,61,000
(ii) Other Governments	23,43,28,000
(b) Banks	110,71,52,000
(c) Others	91,72,05,000
Bills Payable	15,87,17,000
Other Liabilities	15,55,33,000
Rupees	464,91,99,000

ASSETS	Rs.
Notes	21,28,79,000
Rupee Coin	2,71,000
Subsidiary Coin	4,72,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	21,89,07,000
Balances held abroad*	20,93,01,000
Loans and Advances to Governments†	30,58,35,000
Other Loans and Advances	143,14,32,000
Investments	215,14,78,000
Other Assets	12,06,24,000
Rupees	464,91,99,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 12,25,80,000 advanced to scheduled banks against eligible bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	21,28,79,000	
Notes in circulation	1783,96,59,000	
Total Notes issued	....	1805,25,38,000
Total Liabilities	....	1805,25,38,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		132,76,38,000
Government of India Rupee Securities		1431,72,08,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1805,25,38,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	16th Sept., 1950	9th Sept., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1792.60	1808.22	1796.39	1657.81
Notes held in Banking Department	26.05	21.65	14.73	21.98	20.85
Foreign Securities	69.60	123.01	123.01	123.01	168.01
Rupee Securities	87.89	1441.72	1451.66	1446.65	1261.27
Banking Department					
Deposits of:					
Government of India	14.39	81.72	62.63	65.73	64.34
Other Governments	...	35.50	27.25	29.51	19.97
Balances held abroad	10.06	23.44	22.67	21.74	20.03
SCHEDULED BANKS					
Demand Liabilities	184.86	777.33	774.92	794.60	741.88
		(19.22)†	(14.94)†	(21.79)†	(23.76)†
Time Liabilities	102.24	1184.65	1193.65	1215.29	1112.69
		(25.31)†	(24.87)†	(27.46)†	(29.41)†
Borrowings from Reserve Bank	..	40.41	52.04	25.01	7.49
		(10.96)‡	(10.67)‡	(10.85)‡	(1.90)‡
Borrowings from State Bank	..	14.86	15.19	9.72	3.88
Cash in India	6.70	46.12	46.86	46.93	43.35
Balances with Reserve Bank	25.17	93.91	111.79	113.38	79.20
Balances with other banks in current accounts in India	..	14.73	15.86	16.41	14.20
Money at call and short notice in India	..	31.65	27.98	37.14	37.65
Investments (at book value)	..	736.05	729.64	759.92	759.92
Advances and bills	105.9	1127.63	1126.25	1111.04	928.64
STATE BANK					
Deposits	87.76	593.06	605.12	606.20	578.01
Investments	51.98	371.94	377.78	382.02	375.54
Advances	39.85	214.35	212.81	201.27	160.99
Cash	14.69	26.61	36.01	31.66	37.96

† Borrowings from Banks exceeding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against eligible bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	4
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1956	5	6
Burma	Feb., 1948	..	2
Canada †		2.32	1.93
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	18th Nov., 1953	3.50	3
El Salvador	April, 1957	5	4
Finland	Mar., 1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	22nd Aug., 1960	7.3	6.935
Jordan	4th June, 1942	4	4.50
Lebanon	16th Nov., 1959	2.75	3.50
Mexico	19th Oct., 1959	7	6
Netherlands	14th Feb., 1958	2.50	3.50
New Zealand	14th Jan., 1959	3	4
Nicaragua	Nov., 1959	6.00	9.50
Norway	Feb., 1959	4.50	5.50
Pakistan	12th Jan., 1944	..	2
Peru	7th Aug., 1960	..	4½
Portugal	6th April, 1960	6.25	5.75
Rhodesia	7th Jan., 1958	4.50	5
Spain	12th Dec., 1956	2.50	2
Sweden	1945	..	7
Switzerland	1956	4.50	6
Thailand	1960	5	6
Turkey	1958	8	9
U.A.R. (Egypt)	1960	4	5
U.K.	1951	2	4
U.S.A.	1960	4	5

† Rate at which Bank of Canada will rebuy Treasury Bills sold to the public.

‡ Rate at which Bank of Canada will sell Treasury Bills to the public.

* Rates as at the end of September, 1960.

State Bank of India

Statement of Affairs for the week ended 16th Sept. 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,20,00,000
Borrowings from Other Banking Companies, Agents, etc.		693,06,19,000
Bills Payable		14,25,000
Bills for Collection being Bills receivable as per contra		9,17,64,000
Acceptances, Endorsements and Other Obligations per contra		2,14,96,000
Other Liabilities (including Inter-Office Adjustments)		1,78,76,000
		18,75,11,000
Total .. Rs.		637,89,41,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,42,29,000
Balances with other Banks		2,18,93,000
Money at Call and Short Notice		73,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	362,01,40,000	
Other Authorised Investments	9,93,01,000	
		371,94,41,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	204,48,94,000	
Bills Discounted and Purchased	9,86,49,000	
		214,35,43,000
Bills Receivable being Bills for Collection as per contra		2,14,96,000
Premises less Depreciation		1,26,42,000
Furniture and Fixtures less Depreciation		1,29,73,000
Other Assets (including Inter-Office Adjustments)		17,74,90,000
Total .. Rs.		637,89,41,000

Scheduled Banks*

Statement of Affairs for the week ended 16th Sept., 1960

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	19,22,18,000
(ii) Other demand liabilities	758,11,06,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	25,31,27,000
(ii) Other time liabilities	11,59,37,21,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	14,19,23,000
(ii) Time liabilities	67,00,000
Borrowings in India from the Reserve Bank of India‡	40,40,85,000
Cash in India	(10,96,30,000)
Balances with the Reserve Bank in India	46,12,49,000
Balances with other banks in current account in India	93,91,29,000
Money at call and short notice in India	14,73,15,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	31,55,11,000
Advances in India	729,35,98,000
Inland Bills, purchased and discounted in India	981,73,60,000
Foreign Bills, purchased and discounted in India	97,15,95,000
	48,73,31,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

‡ The figures in bracket represent borrowing from the Reserve Bank against eligible bills and/or promissory notes.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
6th July	2.00	2.00	2.00	2.745	99.310
13th July	2.00	2.05	2.00	2.745	99.328
20th July	2.00	2.00	2.00	2.745	99.310
2nd August	2.00	2.25	2.00	2.737	99.310
3rd to 4th Aug.*	0.15	—	0.15	—	99.321
9th August	2.00	2.00	2.00	2.745	99.310
10th to 13th Aug.*	1.10	—	1.10	—	99.328
16th August	2.00	2.00	2.00	2.540	99.365
17th to 20th Aug.*	0.25	—	0.25	—	99.331
23rd August	2.00	2.00	2.00	2.540	99.365
24th to 27th Aug.*	0.01	—	0.01	—	99.381
6th Sept.	2.00	2.00	2.00	2.540	99.365
13th Sept.	2.00	2.00	2.00	2.540	99.365
14th to 17th Sept.*	0.15	—	0.15	—	99.381
20th Sept.	2.00	2.50	2.00	2.540	99.365
27th Sept.	2.00	2.60	2.00	2.540	99.389
Total amount outstanding	23.67	..	23.67	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 16th Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		5,16,00,000
Deposits:—		
(a) Central Government		9,14,22,000
(b) Provincial Governments		2,04,59,000
(c) Banks		19,76,97,000
(d) Others		99,84,00,000
Bills Payable		13,55,000
Other Liabilities		12,83,91,000
	Rupees	151,91,24,000

ASSETS	Rs.	Rs.
Notes		10,25,98,000
Rupee Coin		49,000
Subsidiary Coin		53,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		....
Balances held outside Pakistan*		28,29,23,000
Loans and Advances to Governments		8,22,00,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		....
Investments		5,72,48,000
Other Assets		92,60,76,000
	Rupees	8,80,77,000
		151,91,24,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,25,98,000	
Notes in circulation	344,62,87,000	
Total Notes issued	....	354,88,85,000
Total Liabilities	....	354,88,85,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	24,66,79,000	
Foreign Securities	73,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	140,74,49,000
B. Rupee Coin		
Government of Pakistan Securities	4,95,84,000	
Internal bills of exchange and other commercial paper	203,28,86,000	
	....	208,24,30,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,48,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,61,000	
Total Assets	....	5,90,00,000
		354,88,85,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 41·24 per cent.

EXCHANGE RATES

	27th September 1960	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T. T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	1-5⅛	1-5⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	475.50	475.50
Buyers T.T. Rs.	472.00	472.00
London on New York	2.8037-2.8000	2.8158-2.8160
London on Paris	13.78⅛-13.78⅛	13.78⅛-13.78⅛
London on Geneva Sw. Fcs.	12.1230-12.1260	12.1230-12.1250
New York on London	280.900-280.930	281.580-281.610

CLEARING HOUSE RETURNS

Centre	Week ended 23rd Sept., 1960 Number of Cheques	Amount Rs.	Week ended 16th Sept., 1960 Number of Cheques	Amount Rs.
Bombay	3,91,483	67,85,38,000	4,18,362	93,40,82,000
Calcutta	1,84,000	85,51,00,000	2,03,000	95,18,00,000
Madras	90,135	12,93,00,709	95,000	13,35,43,831
All Centres—				
1957-58	41,872,000	89,84,80,00,000	..	..
1958-59	45,172,000	97,97,13,00,000	..	..
1959-60	50,064,000	109,58,03,00,000	..	..
April 1960	4,686,000	10,43,01,00,000	..	..
May ..	4,568,000	10,19,66,00,000	..	..
June ..	4,227,000	9,66,03,00,000	..	..
July ..	4,210,000	9,62,59,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	10th Sept., 1960	3rd Sept. 1960	12th Sept., 1959	July 1960	July 1959	Percentage of Increase (+) or Decrease (−) in June 1960 as compared with July, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	124.1	124.1	120.3	126.0	121.0	+ 2.6	119.0	116.2
Cereals	192	108.5	108.9	107.6	109.5	107.0	+ 2.3	104.1	104.1
Pulses	43	95.2	93.6R	88.9	94.9	95.7	− 0.8	93.6	103.9
Fruits and Vegetables	53	150.3	154.9R	156.3	170.8	140.5	+ 9.8	127.8	117.0R
Milk and Ghee	84	121.5	120.9	113.0	121.5	117.6	+ 3.3	113.5	107.3
Edible Oils	47	147.6	147.2	127.2	147.8	131.8	+12.2	130.4	124.8
Fish, Eggs and Meat	17	128.1	127.4	112.1	127.4	114.7	+11.1	112.0	108.4R
Sugar and Gur	48	141.0	140.6	148.1	140.0	146.5	− 4.4	147.0	137.2
Others	50	170.4	169.4	170.5	168.8	161.3	+ 4.6	167.9	154.8
Liquor and Tobacco	21	163.5	163.5R	159.8	163.5	159.8	+ 2.3	158.9	156.6
Tobacco	—	101.3	102.7R	97.7	108.1	97.3	+11.1	97.9	93.8
Fuel, Power, Light and Lubricants	36	119.6	119.6	116.3	118.3	116.8	+ 1.3	116.0	116.4
Industrial Raw Materials	144	138.8	137.5	132.3	137.4	120.2	+14.3	123.7	115.6
Fibres	61	140.0*	138.6	110.2	130.4	100.9	+29.2	118.3	108.0
Oilseeds	60	146.2	145.8	135.4	150.9	136.3	+10.6	128.3	127.0
Minerals	—	98.2*	98.2	98.2	98.2	98.2	....	94.6	107.0
Others	23	125.5*	122.4*	122.4*	126.8	114.0	+11.4	121.8	109.2
Manufactures	296	132.3	132.9R	110.9	131.0	109.2	+19.9	111.4	108.4R
Intermediate Products	41	129.8	129.4R	111.1	130.4	108.8	+19.8	111.3	108.1R
Finished Products	255	133.2	133.8	109.8	131.8	109.3	+20.6	111.4	108.5R
Textiles	147	123.4	124.7	105.1	120.4	104.5	+15.2	107.8	105.8R
Cotton	—	131.1*	131.7*	118.7*	130.0	113.3	+14.7	116.9*	112.8R
Jute	—	114.0	89.6	106.8	114.8	87.7	+21.8	90.6	88.6
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	104.2	105.6
Silk and Rayon	—	100.8*	100.8*	92.2*	102.7	92.8	+10.7	96.0	95.3
Metal Products	12	146.8	146.8	144.8	146.8	145.8	+ 0.7	144.4	143.1
Chemicals	70	105.2	104.6R	108.9	102.7	106.7	− 3.7	106.9	106.8
Oil Cakes	10	138.3	138.3*	141.3	139.1	145.3	− 4.3	143.8	139.0
Machinery and Transport Equipment	31	111.0	111.0	105.8*	111.0	105.9	+ 4.8	106.2	103.9R
Others	30	115.8	115.6	118.5	115.8	118.6	− 1.0	115.4	113.7
All Commodities	1,000	125.2	125.2	117.1	124.7	116.8	+ 6.8	117.1	112.0

Note—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

12, Mission Row,
Calcutta 1,
Dated, 26th September, 1960.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All India (1949=100)	Bombay Base (1934-100)	Ahmedabad Base 1949=100 (1100)	Sholapur Base January (1928-100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Cawnpore Base August (1939-100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1946=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	116
1953 "	106	363	111	323	95	103	349	109	106	104	102	112	102	114
1954 "	101	359	93	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	87	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	363	98	316	89	105	347	111	109	95	96	106	106	114
1957 "	111	369	104	338	94	112	364	116	114	99	103	116	107	126
1958 "	116	395	110	313	98	120	384	124	115	103	108	123	109	131
1959 "	121	412	125	340	99	132	384	133	120	106	98	125	108	148
March 1959	117	401	117	320	99	129	364	127	126	105	95	121	105	136
April "	117	400	119	313	95	130	364	128	119	101	95	121	104	137
May "	119	406	124	328	95	131	371	131	116	103	96	125	104	138
June "	122	413	125	337	97	132	385	134	117	104	99	130	108	140
July "	124	418	127	345	97	133	399	134	117	105	98	129	110	141
January 1960	122	422	123	360	96	135	386	137	121	107	99	120	111	144
February "	122	418	119	356	98	136	389	139	122	107	97	121	109	144
March "	121	414	116	339	97	135	392	138	119	104	100	122	109	145
April "	122	421	118	346	96	135	392	138	117	104	103	117	109	145
May "	122	421	120	344	96	135	396	140	116	104	105	117	109	145
June "	124	422	121	300	96	135	399	143	117	107	107†	119†	109	146
July "	126†	423	..	362	..	..	..	..	121	108	..	119†	109†	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J	Cumulative Time Deposits 10-Year J	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates O	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 5½% F	10-Year Treasury Savings Deposit Certificates 4% G	15-Year Annuity Certificates G	Total
	Out-standings	Out-standings	Out-standings	Out-standings	Out-standings	Receipts / Out-standings	Receipts / Out-standings	Out-standings	Out-standings	Out-standings	Receipts / Out-standings	Receipts / Out-standings	Receipts / Out-standings B
1956-57	.. ..	..	5.00	6.01	163.68	.. ..	176.97	195.60	25.38	—38.82	44.78	43 1.32	225.88 449.17
1957-58	.. ..	..	2.22	4.33	143.45	71.45 71.43	179.86	219.91	23.11	—39.73	42.58 588 547	43 1.87	244.32 589.77
1958-59	.. ..	..	1.76	3.80	119.10	87.45 152.78	191.76	234.91	21.02	—40.67	42.67 636	31.68 67 2.41	286.25 590.08
1959-60	.. ..	..	1.54	3.17	99.14	83.09 221.63	201.42	254.04	19.79	—41.29	41.58 10.64	276.66 66 2.90	296.62 567.36
January 1959	½ ..	..	1.80	3.93	122.83	9.07 155.00	14.37	218.71	21.27	—40.52	42.70 57	10.60 5 2.32	24.07 589.17
February "	2 1	..	1.70	3.87	120.95	9.67 143.14	14.93	219.39	21.13	—40.60	42.62 58	11.14 5 2.36	25.22 588.41
March "	3 2	..	1.73	3.79	119.11	11.66 152.48	22.79	226.92	21.01	—40.89	42.57 65	11.68 6 2.41	94.68 581.75
April "	5 3	..	1.70	3.72	117.25	8.36 157.21	16.19	229.20	20.88	—40.74	42.49 63	12.19 11 2.52	25.42 588.09
May "	6 5	..	1.65	3.65	115.39	8.71 162.02	15.68	224.83	20.74	—40.80	42.39 51	12.79 5 2.64	21.95 588.46
June "	7 6	..	1.65	3.59	114.16	6.03 167.24	15.89	224.23	20.61	—40.86	42.33 42	13.19 5 2.66	22.40 589.70
July "	9 8	..	1.63	3.66	112.40	6.17 172.83	17.23	235.30	20.53	—40.88	42.25 53	13.66 8 2.62	24.06 604.97
January 1960	87 22	..	1.54	3.24	102.61	7.18 204.92	15.16	232.92	19.96	—41.27	41.84 1.13	19.77 8 2.81	25.89 659.20
February "	43 26	..	1.52	3.21	101.09	7.57 210.64	16.94	234.25	19.87	—41.37	41.75 1.05	20.79 6 2.96	25.71 638.64
March "	51 30	..	1.54	3.17	99.14	13.09 221.63	29.24	254.94	19.79	—41.29	41.68 96	21.76 6 2.90	43.47 667.36
April "	57 34	..	1.51	3.11	97.35	6.47 220.14	17.87	253.58	19.68	—41.35	41.58 1.53	23.16 9 2.98	26.16 76.000
May "	64 38	..	1.50	3.07	95.55	6.45 231.20	17.90	253.94	19.55	—41.41	41.50 1.06	24.19 5 3.01	24.57 677.253
June "	73 42	..	1.48	3.02	93.84	6.76 235.58	17.35	253.22	19.50	—41.46	41.41 84	25.05 5 3.04	24.13 677.33
July "	.. ..	..	..	..	..	.. ..	..	..	..	..	41.32 1.11	26.09 4 3.07	.. ..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. F—Progressive net repayments at the end of period from August 15, 1947. G—No sales from June 1, 1957. O—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of May 1960 amount to 7,53 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3% Loan	1938-39	116,17,46,000	1943-65	98.05
3% Loan	1939	30,33,10,000	1964	98.00
3% Loan	1943	1,10,11,78,000	1955-65	95.80
2½% Loan	1945	1,18,08,85,000	1970-75	90.60
3% Def. Loan	1948	57,00,49,000	1961	98.65
2½% Loan	1946	14,77,48,000	1976	83.80
3% Loan	1947	75,86,72,000	1962	98.70
2½% Loan	1947	75,79,00,000	1961	100.05
2½% N. P. Bonds	1954	1,58,17,94,000	1964	99.90
2½% N. P. Bonds (2nd S ries)	1955	1,53,67,92,000	1965	99.75
2½% N. P. Bonds	1956	1,07,27,36,000	1962	99.70
2½% N. P. Bonds	1956	93,81,83,000	1967	99.45
2½% Loan	1956	86,63,53,000	1974	99.65
2½% N. P. Bonds (4th Series)	1957	66,99,80,000	1967	100.85
2½% Loan	1957	49,17,27,000	1972	101.00
2½% Loan	1958	58,05,92,000	1963	99.65
2½% Loan	1958	70,00,00,000	1968	99.40
2½% Loan N.P.B.	1958	84,33,90,000	1958	100.45
2½% Loan	1958	49,61,44,000	1978	101.00
2½% Loan	1959	1,37,90,13,000	1974	99.05
2½% Loan	1959	81,06,38,000	1979	100.00
4% Loan	1960	97,64,00,000	1980	99.00
4% Loan	1960	82,66,00,000	1966	99.75
NON-TERMINABLE LOANS				
3% Loan	1895-97	8,03,33,000	M.	73.00
3% Loan	1946	2,48,91,33,000	K.	73.00
STATE LOANS				
4% Andhra	1955	5,00,16,000	1st Sept. 1967	100 00
4% Andhra	1956	5,48,19,000	3rd Sept. 1968	100 00
4% Andhra	1958	5,48,81,000	15th July 1970	100 00
4½% Andhra	1959	6,57,72,000	19th Aug. 1971	99 00
4½% Andhra	1960	9,00,00,000	29th Aug. 1969	98 75
4% Andhra	1959	6,23,97,000	1st Aug. 1962	97 65
4% Bombay	1952	2,82,97,000	17th Sept. 1962	99 60
4½% Bombay	1953	5,10,80,000	17th July 1963	100 00
4% Bombay	1954	6,24,24,000	1st Aug. 1964	100 90
4% Bombay	1955	9,56,29,000	1st Sept. 1965	100 90
4% Bombay	1956	7,82,29,000	16th Sept. 1969	101 50
4% Bombay	1957	6,57,72,000	15th July 1970	101 50
4% Bombay	1958	6,58,21,000	15th July 1970	100 00
4½% Bombay	1958	4,38,79,000	19th Aug. 1971	100 00
4½% Bombay	1959	6,57,72,000	1st Sept. 1967	100 00
4% Bombay	1959	1,84,02,000	3rd Sept. 1968	100 00
4% Bihar	1954	2,12,41,000	1st Aug. 1964	100 00
4% Bihar	1955	2,74,71,000	15th Oct. 1970	100 00
4½% Bihar	1959	3,33,22,000	19th Aug. 1971	99 00
4% Bihar	1960	8,00,00,000	29th Aug. 1969	99 00
4% Bihar	1960	5,00,00,000	29th Aug. 1969	100.00
4% Gujarat	1956	1,24,00,000	1967	99 50
5½% Guj rat	1956-57	1,50,00,000	1966-68	94 50
4% Hyderabad	1

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 28*th September*

With no sign of abatement of the demand for bank credit from industrial concerns, the short-term money market has continued to experience stringent conditions for yet another week. The position of banks has been rendered more difficult by the latest measures of the Reserve Bank, under which they have to bring down their borrowings from the Reserve Bank substantially in order to escape the penal rates of interest. There has, however been no change in interest rates. Inter-bank borrowings are being done at 3½ per cent., but it is feared that this rate, which is not bound by the inter-bank agreement, may harden soon even before the busy season gets into its stride. Seven days' money continues to fetch 3 per cent. Term deposits are quoted at 3½ per cent. for one to two months and at 3¾ per cent. for three months and over.

There has been no change in the Treasury Bill discount rate either, which was at 2.540 per cent. per annum. The amount offered was Rs. 2.60 crores, as against an invitation for Rs. 2 crores. Tenders for another Rs. 2 crores have been invited for next week. There were no sales of Intermediate Bills during the period 21st to 24th September 1960, but these bills are being offered this week at the same discount rate of 2.476 per cent. per annum.

A contraction of Rs. 8.63 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 23rd September 1960. There has also been a fractional fall in notes held in the Banking Department, so that the decline in total notes issued is of the order of Rs. 9 crores. This is covered by a reduction of Rs. 10 crores in rupee securities and a rise of Rs. 1 crore in rupee coin. There has been no change in foreign securities, at Rs. 123.01 crores, but balances held abroad have dwindled by Rs. 2.51 crores to Rs. 20.93 crores, so that the total foreign assets stand at Rs. 143.94 crores. Deposits of the Central Government and other Governments have declined by Rs. 5.09 crores and Rs. 12.07 crores, respectively. There has, however, been an addition of Rs. 11.10 crores in deposits of banks. Loans and advances other than to Governments show a rise of Rs. 6.03 crores, while investments are lower by Rs. 11.22 crores.

The Scheduled banks' statement for the week ended 16th September 1960 discloses a fall of Rs. 1.86 crores in demand deposits and of Rs. 9.40 crores in time deposits. The aggregate decline of Rs. 11.26 crores is mainly due to the fall of Rs. 12.06 crores in deposits of the State Bank of India. There has been a substantial reduction, to the tune of Rs. 11.63 crores, in borrowings from the Reserve Bank. On the assets side, advances and bills are together higher by Rs. 1.38 crores, consequent on the rise of Rs. 2.33 crores in the State Bank's portfolio, while investments have fallen by Rs. 6.69 crores, of which the share of the State Bank is Rs. 5.82 crores. Cash balances and balances with other banks have dwindled by no less than Rs. 19.73 crores, of which the State Bank accounts for Rs. 8.40 crores.

The Gilt-edged market continues to remain depressed with sellers over in most counters. State loans, in particular, came in for heavy unloading and losses varying from 50 nP to Rs. 2 are not uncommon in the latest 4½ per cent. issues. Among Central loans, 3 per cent. 1986 Conversion Loan is unchanged over the week at Rs. 73.80, while 3½ per cent. 1969 has shed 5 nP to Rs. 99. 4 per cent. 1972 and 1973 declined by 15 nP and 10 nP, respectively, to Rs. 101 and 4 per cent. 1979 has gone down by 10 nP to Rs. 100. Besides 4½ per cent. issues, some of the 4 per cent. 1967 and 1968 State loans too have been marked down by 10 to 20 nP.

The pronounced weakness of sterling abroad during the week under review is duly reflected in the rupee-dollar cross rates. Banks' selling rate for U.S. T.T. (ready) has gone up from Rs. 475.50 to Rs. 476.75 per $100 and their buying rate from Rs. 472.25 to Rs. 473.25 per $100. In New York, spot sterling has slumped from 281.47-281.50 cents to 280.81-280.84 cents and three months' forward from 279.77-279.90 cents to 279.41-279.44 cents.

HIDES OFFTAKE SLOW

(From Our Own Correspondent)

MADRAS, 26*th September*

Arrivals of E.I. tanned cow hides were moderate and offtake by shippers slow but at unchanged prices during the week under review. There were several U.K. inquiries for kips and many parcels of top marks were sold at prices lower than last week. German importers also took tanned cow fifths selection at prices slightly higher than U.K. levels. Demand for cow calf and buff calf was *nil*, while buffalo hides were keenly sought after by shippers to the U.S.A. and by merchants for inland trade.

Tanned goat skins declined by 6*d.*, due to selective overseas inquiries. Tanned sheep middle class tannages were weak, though primes were unchanged.

The next tanned skins auction sale in Germany is to take place on 3rd October when 68,000 goat skins, 13,000 sheep and 3,200 buff calf skins will be offered for sale.

BULLION PRICES LOWER

(From Our Own Correspondent)

BOMBAY, 28*th September*

After displaying a firm undertone in the first two sessions of the week, the bullion market developed a sagging tendency on Saturday which persisted practically till the close today. The earlier firmness was due to hopes of enlarged demand for both gold and silver during the festival days. The new measures of credit restraint announced by the Reserve Bank of India last week-end had no effect. On Saturday, however, the market suffered a setback to values, thanks to selling by spot houses and realising pressure, while fresh buying support was lacking. Consequently, the two precious metals tended to recede. The downward trend continued yesterday also on fears of large contraband arrivals from Goa, following the Government of India's move to open two new routes to Goa. Even reports that the customs authorities at Calcutta had finally confiscated about 38,000 tolas of contraband gold worth Rs. 45 lakhs from the American cargo ship *Ruth Everett* failed to have any influence. When the market opened today, prices showed a tendency to recover, but the recovery was short-lived. There soon emerged some selling, and both the metals declined. The closing rates were lower than those on Wednesday last week. The possibility of a delay in the commencement of business in the *Kartik* (October) settlement in both gold and silver also tended to keep the prices down. It is now learned that the Bullion Association has received the Maharashtra Government's permission and that trading in the new settlement will start on Saturday, 1st October, under the metric system.

The State Government has issued a special *Gazette notification* incorporating new by-laws as applicable to bullion trade under the metric system. The by-laws were considered at the meeting of the Bullion Association Board today.

There was a rise in the average daily arrivals of gold during the week as compared with the previous week, being 6,750 tolas, as against 6,400 tolas, while actual offtake was slightly lower at 2,750 tolas, as against 2,800 tolas. In the case of silver, both the daily rate of arrivals and the actual offtake were more than those last week; they amounted to 32 bars and 6 bars, respectively, as against 30 bars and 4 bars. The floating stocks of gold are reported to be around 30,000 tolas and those of silver are estimated at 500 bars.

In gold, *Aswayuj* settlement began the week at Rs. 135.87, as against the previous closing of Rs. 136.06, and advanced on good support to touch a high of Rs. 136.87 on Friday. Thereafter, the settlement slided down and stood at Rs. 134.75 at one time yesterday. Opening at Rs. 135.37, it improved to Rs. 135.44, but finished lower at Rs. 135.09. The net loss over the week was 97 nP.

The *Aswayuj* settlement in silver moved up early in the week from Rs. 226.97 to Rs. 227.81 and, after declining to Rs. 224.81 yesterday, recovered to Rs. 226.06 today. The closing was, however, lower at Rs. 225.68. The net loss over the week was Rs. 1.29.

For the third week in succession, ready gold and ready silver were both quoted at a discount under the forward. The actual discount for gold increased from 56 nP last week-end to 59 nP today, but that in the case of silver declined further from 91 nP to 68 nP. Ready gold, after rising from Rs. 135.50 to Rs. 136.87 on Friday the 23rd inst., receded to Rs. 144.06 yesterday before recovering to Rs. 134.50 today. Ready silver fluctuated between Rs. 227.00 and Rs. 224.25 and wound up the week at Rs. 225, as against Rs. 226.06.

Ready gold in the London bullion market firmed up from 250s. 3¾d. to 251s. 0¼d. during the week under review. The firmness was engendered by central bank, Continental and Middle East Buying, as well as by easiness of the pound sterling *vis-a-vis* the dollar. The latest available world price for gold is higher at $35.24-$36.26, as against $35.21½-$35.23½ a week before. Both ready and forward silver, however, were unchanged at the last week's level of 79¼*d.*, as also silver in New York at 91.375 cents.

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

	28-9-60 (closing)	High	Low	21-9-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.*
Ready (.99 fine)	134.50	136.31	134.06	135.50
Forward :				
Aswayuj *	135.09	136.87	134.75	136.06
Sovereign	88.25	88.25	87.50	87.75
SILVER				
Ready (.996 fine)	225.00	227.00	224.25	226.06
Forward :				
Aswayuj †	225.68	227.81	224.81	226.97
London:	27-9-60			20-9-60
Silver Ready	79¼d.	—	—	79¼d.
Silver Forward	79¼d.	—	—	79¼d.
Gold	251s.0¼d.	251s.0¼d.	250s.3¾d.	250s.3¾d.
New York:				
Silver	91¼ cents	—	—	91¼ cents

* 4th October settlement. † 5th October settlement.

LINSEED STEADY

(Messrs. A. Bradley and Co.)

CALCUTTA, 26*th September*

Steady conditions prevailed in the linseed market throughout the week. Arrivals of seeds from upcountry were still scarce and turnover was small.

The oil market was stagnant; very little business was done during the week, but prices remained steady.

The oilcake market was steady, small local business passing daily for ready deliveries.

The latest quotation for Ready is Rs. 25.75 per maund.

PROSPECT FOR NEW CROP FUTURES TRADING IN COTTON

(From Our Own Correspondent)

BOMBAY, 28*th September*

With all the formalities for the commencement of futures trading in new crop cotton now over, the way has been cleared for the grant of official permission. The amendments to the by-laws relating to the new hedge contract were accepted by the general body of the East India Cotton Association, Bombay, last week-end and the revised by-laws have been forwarded to the Forward Markets Commission for approval. Traders are optimistic that the F.M.C. will give permission as a matter of course, as it would not possibly take objection to any of the amendments which have all been made after taking into consideration the realities of the cotton situation. It is hoped that trading in new crop will commence by the middle of October or by *Deepavali*, at any rate.

Crop news also has encouraged hopes of getting official permission for futures trading at an early date. The crop is said to be making good progress in all areas. Welcome rains and bright sunshine are reported in parts of Gujarat, Saurashtra, Moglai, Berar and Madhya Pradesh. Punjab and Rajasthan are also experiencing favourable weather, with bright sunshine during daytime and cool nights and dew-fall at dawn. If the present trend is maintained, a crop of about five million bales is considered quite within the limits of possibility, as compared with a mere 3.75 million bales harvested in the previous season.

Trading in the spot market was livelier during the week. The directive of the Textile Commissioner to mills to complete their purchases against the 1959-60 quotas by 15th October indused better enquiries for available lots of old crop. The directive made it clear that the unutilised quotas would automatically lapse on 15th October. CO$_4$ cotton continued to be the centre of attraction. Other growths received moderate attention.

Interest in new crop was generally subdued. Mills were inclined to watch the trend of price and developments in weather. The possibility of requisitioning of stocks by the Textile Commissioner also acted as a restraining influence.

Mill demand for foreign cotton also broadened during the week. U.S. cotton was in the limelight. Bulk purchases by Bombay and Ahmedabad mills were reported in it. East African and Sudan cottons evoked moderate interest.

The way for the import of 412,000 bales of U.S. cotton under P.L. 480 has been cleared, as the Textile Commissioner has started issuing individual quotas for the cotton to mills. These quotas are compulsory, in the sense that every mill has to deposit Rs. 25 per bale as guarantee money. Apparently, the Government wants to make sure that, in case the domestic production of cotton in the current season turns out to be good and supplies are readily available, the mills are not tempted to dishonour their commitments in U.S. cotton, leaving the baby to be held by the Government.

The news that the Government of India has approached the U.S. Government for the supply of a further quantity of one million bales of U.S. cotton under P.L. 480 has encouraged hopes of an assured, adequate supply of U.S. cotton to Indian mills in the coming years. This is said to be in addition to the quantity already contracted for and is meant for stockpiling.

Export demand for Bengal *Deshi* is fairly good. Shippers are covering against sales abroad. Business concluded (subject to availability of licence) with Japan and Continental buyers todate is placed at over 80,000 bales.

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

CO$_4$ (Porbunder) 1,101; CO$_4$ (Morvi) 1,065; Hubli Laxmi 1,060; American G.M. 1" staple 1,072; October-November shipment American 1-5/32" G.M. 1,235; B.P. 52 1,385-1,390; Busoga (UNUG) 1,400.

The Karachi cotton futures market, after having ruled distinctly firm during the first half of the week under review, turned easy towards the close. Fresh export inquiries and good domestic mill demand set off a general buying movement early in the week. Consequently, N.T.R.G. January advanced from Rs. 67-2 to Rs. 68-3 on the 24th September. The March Contract was quoted one rupee higher at Rs. 67-2. These high rates attracted profit-taking and long liquidation, with the result that futures prices declined. Nevertheless, the week's closings were higher than last week-end quotations. The January Contract finished at Rs. 67-11 and March Contract at Rs. 67-9 yesterday.

In the spot section, *Deshi* prices were practically unchanged while the quotations for other growths were slightly lower. Sind *Deshi* was done at Rs. 86 per maund, the same as last week, and Punjab *Deshi* at Rs. 81. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

4F Punjab Roller, S.G. 84-4; L.S.S. Punjab Roller 83-4; S.G. 87-4; N.T. Roller 81-12; S.G. 86-4; 289F Punjab Roller 87-4; S.G. 86-4; 289F Punjab Roller 87-4; S.G. 92-4.

The Alexandria cotton futures market suffered a further setback during the week. The selling pressure witnessed last week continued unabated. Bearish crop news accelerated the downward trend. Both the long-staple Karnak and medium-staple *Ashmouni* contracts were quoted lower.

In the spot market, higher turnover was reported, reflecting the larger arrival of new crop and increased pickings and ginnings. Consequently, spot premiums tended to recede.

The latest available quotations—in tallaris per lb.—from Alexandria are as under, the figures in brackets being last week-end rates:

Karnak: November 73.60 (74.15); January 73.65 (74.25); March 73.78 (74.35).

Ashmouni: October 62.52 (63.80); December 62.45 (63.56); February 62.42 (63.55).

Cotton futures in Liverpool made modest advances during the week. Net gains ranged from 15 penny points in the near and distant deliveries of both the American and American type contracts, to 5 to 10 points in the medium positions. The strength of the former was attributed to short covering while the improvement in the latter was sympathetic. Sudan cotton contracts were quietly steady.

The latest available quotations—in pence per lb.—from Liverpool are as under:

American cotton one inch staple contract: October 22.60; December 22.70; March 22.80; May 22.95.

American cotton mixed growth contract: October 23.15; December 23.00; March 23.15; May 23.30.

Sudan: September 34.75; November 35.00; January 35.00.

Conditions in the New York cotton futures market remained practically unchanged from last week. Turnover was limited. Price trend was, however, generally upwad, indicating the possibility of a tightening up of supply as the season progressed and higher prices. Report from the Cotton Belt continued to show good crop progress. This had its effect on spot prices which tended to recede.

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

(In cents per lb.)

	27-9-60	20-9-60	13-9-60
Spot	32.30	32.40	32.45
October	31.69	31.32	31.36
December	31.40	31.35	31.35
March	31.37	31.85	31.81

GROUNDNUT FUTURES DECLINE

(From Our Own Correspondent)

BOMBAY, 28*th September*

There were two important developments in the oilseeds market during the week under review, namely, (1) the anouncement of a fresh quota for linseed oilcake and (2) the decision taken by the Karmahom Conference to reduce freight rates for oilcakes. A Press note issued by the Joint Chief Controller of Exports and Imports, Bombay, on Monday this week, says that the Government of India has decided to release a quota of 50,000 tons of linseed oilcake and 15,000 tons of coconut oilcake for export to all permissible destinations, except Portuguese possessions in India, during the period October 1960-March 1961. The export quota was generally welcomed by the trade. This, however, came as a disappointment to those who had been anticipating new incentives for linseed oilcake exports. But the present domestic price of linseed oilcakes is not much above world quotations. Operators are, therefore, confident that the quota could be fully utilised if domestic prices are not rigged unduly. In this context, the present freight reduction is considered to be a helpful factor for promoting oilcake exports. The Karmahom Conference will reduce freight rates for oilcake and meal from 100s. to 85s. per ton, with effect from 1st October, apart from abolishing the freight surcharge of 5s. per ton levied on shipments from Saurashtra ports. The deferred rebate of 10 per cent. will be maintained. The revised rates will be in force till the end of December.

The aforesaid developments have not had any perceptible effect on the oilseeds market in general. On the contrary, the market displayed distinct weakness. Only linseeds and spot groundnuts were able to put on a better appearance towards the close. In the futures section, groundnuts suffered a sharp setback, following reports of steady improvement in weather conditions in the major producing centres, namely, Saurashtra and Hyderabad. Speculators became all the more cautious, in view of the fresh dose of credit restraints imposed by the Reserve Bank. The February 1961 contract, which had closed last week at Rs. 207.25, eased gradually to Rs. 205, after fluctuating between Rs. 207.75 and Rs. 205 over the week. In distinct contrast, the spot section in groundnut and groundnut oil continued to make headway thanks mainly to the present tight supply position. Besides *vanaspati* manufacturers and crushers extended sizable support—a seasonal trend on the eve of *Diwali* and *Dassera* festivals. Nizam bold spurted by a rupee to Rs. 47. *Khandesh* quality rose by 75 nP to Rs. 47. Oil ex-mill rallied by 37 nP to Rs. 25.37 and railway receipts by 75 nP to Rs. 25.12.

In the castorseed section, the futures contract came in for alternative bouts of selling and buying, following conflicting reports about weather conditions from castor-growing centres and Brazilian competition in the American market. There were also rumours that the Government of India was examining the question of permitting exports of even castorseeds as distinct from castor oil. Towards the close, however, the sentiment was rather subdued. Thus, over the week, the September 1960 contract wound up today 37 nP lower at Rs. 177.25, after moving both ways between Rs. 179.37 and Rs. 176.75. Spot castorseeds and oils continued to drift downwards. This was due mainly to the protracted absence of U.S. enquiry for castor oil and to the comfortable supply position. Kanpur lost 50 nP to Rs. 32.62. Ready Madras drifted lower by 37 nP to Rs. 33.75. Oil Commercial closed today on a subdued note at Rs. 17.62, as against Rs. 18.12 a week ago.

While groundnuts and castorseeds generally tended to ease, the linseed section elicited some fresh support, thanks to the above-mentioned export quota for oilcake and also on hopes of fresh export promotion measures for linseed oil. There were als some enquiries for linseed oil by export houses. The linseed September contract rose from Rs. 33.28 to Rs. 33.41. Bold ready put on 13 nP to Rs. 32.25. Linseed oil, too, looked up by 13 nP to Rs. 17.

Cottonseeds, however, did not share the improvement in the linseed section. Cottonseed February 1961 contract receded by 75 nP to Rs. 90.75. In the spot section, both non-white and white fell by 25 nP each to Rs. 26.50. Berar was quiet at Rs. 26.50. Oil-washed variety, however, rose by a rupee to Rs. 23.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	28-9-1960	21-9-1960	14-9-1960
Groundnut	Rs.	Rs.	Rs.
February 1961	205.00	207.25	207.25
Nizam bold	47.00	46.00	44.75
Coromandel ready	47.00	46.25	45.00
Khandesh quality	47.00	46.25	44.75
Oil ex-mill ready*	25.37	24.50	24.50
Railway receipts*	25.12	24.37	24.19
Castorseed			
September 1960	—	—	170.00
May 1961	177.25	177.62	175.50
Ready Madras	33.75	34.12	34.12
Ready Kanpur	32.62	33.12	32.87
Oil B.S.8.†	19.12	19.50	19.31
Oil commercial†	17.62	18.12	18.00
Linseed			
September 1960	—	—	32.06
May 1961	33.41	33.28	33.34
Bold ready	32.25	32.12	32.12
Oil ready†	17.00	16.87	16.62
Cottonseed			
September 1960	—	—	—
February 1961	90.75	91.50	92.00
Niger seed	36.50	36.00	37.00
Kardi seed	24.25	24.50	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter. Rates for 1961 delivery contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms.

ART SILK YARN IMPORTS TO BE CUT?

(From Our Own Correspondent)

BOMBAY, 28*th September*

Would the import quota for art silk yarn during the half-yearly licensing period commencing from 1st October be cut? This was the question posed before the trade throughout the week under review. The market was thick with rumours that the overall quota might be reduced by 10-12 per cent. These rumours led to good buying enquiries which brought about a rise in values. In sympathy with art silk yarns and on reports of small floating stocks in the market, staple fibre yarns also recorded an improvement. Cotton yarns lacked support, barring coarse counts which were in demand.

Following the sharp rally in Cupressa Bemberg yarn (60×1) last week and the week preceding it, the Yarn Merchants Association had to declare a special clearing in this yarn on Thursday the 22nd inst. The yarn continued to march upward, though the extent of the rise over the week was much less than that in the previous week. October delivery hardened by Rs. 4 to Rs. 2,185. December contract strengthened from Rs. 2,161 to Rs. 2,178. Spot Cupressa firmed up by 16 nP to Rs. 9.78. Art silk yarns imported from abroad scored handsome gains, 120 deniers Italy advancing by 37 nP to Rs. 5.87 and 150 deniers by 3 nP to Rs. 6.22. 150 Japan spurted by 7 nP to Rs. 6.19. 120 Japan was fully steady at Rs. 5.65. Among indigenous yarns, National Rayons 120 Bt. Cones 1st grade picked up 9 nP to Rs. 5.89. 150 Bt. cones 1st grade gathered 4 nP to Rs. 5.20.

Staple fibre yarn (40×2) October delivery recorded a rise of Rs. 11 over the week, today's closing quotations being Rs. 739. December position put on Rs. 12 to Rs. 746. Spot Centurys improved by 10 nP to Rs. 3.78. Kohinoors were done at Rs. 4.

In the cotton yarn section, ten counts Gokaks increased by 25 nP to Rs. 18.75. Podars were firm at Rs. 18.25. Twenty counts Moderns were steady at Rs. 23, while Gokaks eased by 25 nP to Rs. 23.25. Forty counts Minaxis encountered selling and fell by 19 nP to Rs. 30.12, but Maduras rose by 25 nP to Rs. 31.50 on special support. Sixty counts Raghuvamshis and Finlays dropped a rupee each to Rs. 58 and Rs. 61.62, respectively. Eighty counts Mahendras receded from Rs. 71 to Rs. 70 and Finlays from Rs. 80.80 to Rs. 79.79. Moderns were neglected at Rs.73.

The following table gives prices of rayon, staple fibre and cotton yarns quoted today, as compared with those eight days ago:

	28-9-1960	21-9-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 Kg.)		
October	2,185	2,181
December	2,178	2,161
60/1 Cupressa Bemberg spot (per lb.) ..	9.78	9.62
120 Japan (per lb.)	5.65	5.65
150 Japan (per lb.)	6.19	6.12
120 Italy (per lb.)	5.87	5.50
150 Italy (per lb.)	6.22	6.19
Staple fibre yarn—		
October	739.00	728.00
December	746.00	734.00
40 x 2 (Kohinoor per lb.)	4.00	—
40 x 2 Century	3.78	3.68
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.25	18.25
20s Gokak	23.25	23.50
40s Minaxi	30.12	30.31
60s Raghuvamshi	58.00	59.00
80s Finlay	79.79	80.80

BLACK PEPPER HARDENS

(Messrs. Parekh and Co.)

BOMBAY, 28*th September*

In contrast with Singapore and New York where markets continued to show a weaker tendency, Malabar black pepper hardened during the week under manipulations by a group of bulls who were banking on sizable orders from Russia and/or East European countries in the near future. But, so far, nothing more than 100 tons were reported to have been sold. It will be worthwhile to note that all the communist countries have now become more price-conscious. They do not buy for buying's sake at the price demanded by sellers even when it is a question of their buying on the rupee account or as a barter. Generally, the trade representatives of these countries base their buying prices on the London quotations for black pepper for Sarawak special. When in immediate needs, they pay sometimes 10s. to 20s. higher than the London price but not the inflated price demanded by sellers. It is, therefore, possible that, if the prices of Malabar are boosted by a manœuvring with a view to selling at higher rates, the business to these countries may be lost or they may buy a small quantity to cover their immediate needs and then seek for other sources of supplies like Indonesia, Singapore and Sarawak. The present fluctuations in the price pattern of Malabar are due more to changing moods of professional speculators than to news from overseas markets or weather report or prospects for the coming crop. A section of the trade reports that the present manœuvring is being done with a view to selling to Russia new crop Malabar for shipment during December at higher prices. The present price of Malabar being too high, no business with New York is possible. What little can be sold is to East European countries which have not covered for their autumn requirements. If they do not come out to buy a sizable quantity within a week or two, the market is likely to go down rather sharply, as the harvesting is drawing nearer. The recent curbs on bank lending imposed by the Reserve Bank of India are likely to have an adverse effect on new crop, particularly, as there are no important advance sales by exporters.

Ungarbled at Cochin, after reaching Rs. 1,550, has reacted to Rs. 1,500, with the buyers asking lower. Garbled, after improving to Rs. 265, receded to Rs. 255. October delivery was pushed up by a speculative boosting to Rs. 276½, but, for want of following, it came down to Rs. 262½. Calicut was nominally quoted at Rs. 1,600. Fluctuations in forward are erratic.

Singapore showed a continuously downward tendency under pressure of satisfactory arrivals of New Lampong and comparatively better arrivals from Sarawak. The future of white pepper depends upon the handling of the stock of which was brought back from Europe. The latest prices for black and white are Str.$157½ and Str.$255, respectively.

Quotations by *Reuter's* Agency from Singapore, which are recently marked down by Str.$2½ instead of the usual unit of Str.$0.5, are treated with reserve by the trade.

Spot at New York was marked down to $0.49, with grinders sidelining. Pressure of unsold consignments was responsible for the recent downward revision of the prices. Lampong is being offered at $0.48 for October shipment without much doing. Dealers there are unwilling to buy in a dropping market. They are waiting for new incentives. Present disappointing demand is likely to continue throughout the months of October and November, these being the election months.

The future of the market depends upon how the competition in selling between Lampong and Malabar develops on the arrival of new crop in India. It is too early to forecast the timing of new arrivals and the size of the new crop. All the reports on the subject now being circulated in the market are treated with a reserve, as these will be more or less propaganda either from bulls or from bears.

Ready pepper in Bombay is nominally quoted at Rs. 200 per Bengal maund.

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 27*th September*

In view of the *Pooja* holidays during the week, no sales were scheduled to be held during the week. However, if the rush at tea bookings for the United Kingdom this week be any guide, the forthcoming export sales should exhibit improved demand. Shippers were anxious to send as much tea as possible before the holidays commenced. Increased bookings from here to the U.K. as well as strong trend in the Mincing Lane auctions drew the inference among trade circles here that the trade in the U.K. had started replenishing its depleted stocks.

The tea industry, faced with an ever-increasing cost of production and a greedy exchequer ever ready to claim not only profits in taxation but also "capital" by way of taxation, has lacked any cheerful news in recent years. This absence was broken on Monday last when the Supreme Court, by a majority judgment, declared that the Assam Taxation (on goods carried by road or inland waterways) Act. 1954 was invalid, since it violated Article 301 of India's Constitution which guaranteed the freedom of trade, commerce and intercourse. The Court held that the impunged Act was a clear restriction on free movement of goods, inasmuch as it collected taxes on goods only because they were carried by road or inland waterways within the State. Ever since the carriage tax on tea had been imposed by Assam, the industry had spared no pains to impress upon the authorities the fact that the tax was of a discriminatory nature. All teas coming from Assam to Calcutta by road or inland waterways were subjected to this additional levy, and the levy increased the cost of production in Assam gardens. At one time, the representations of the industry went home with the Union Commerce and Industry Minister, Mr. Lal Bahadur Sastri, whereupon he declared that he sympathised with the demand of the industry and that he hoped that the Assam Government would rescind the tax. This hope was not translated into reality; but at long last, the Supreme Court has pronounced the illegality of the levy. It is to be hoped that the amounts collected by Assam from 1954 up to date would soon be returned to the tea trade and industry together with

"appropriate interest" which should be not less than the return on Government Plan Certificates!

In the internal auctions held on Wednesday last, dusts on offer amounted to 20,716 packages. Prices advanced following strong general demand. Legg-cut Dooars were a strong feature and, on keen competition, the smaller and brighter liquoring teas advanced impressively. The plainer orthodox teas, however, eased. Medium C.T.Cs. were fully steady, the brighter lines displaying an irregular tendency. The best C.T.C.s followed quality. The quotations per one kilogram (inclusive of excise duty) were: best Assam C.T.C. dust Rs. 6.40 to Rs. 6.90; medium Assam C.T.C. dust Rs. 6.20 to Rs. 6.35; medium Assam Dust Rs. 5.00 to Rs. 5.60; and medium Dooars Rs. 4.65 to Rs. 5.00.

Leaf on offer amounting to 245 chests met with good demand.

An internal sale was held at Chittagong on Wednesday last. There was good general demand. Leaf teas were lower, while green teas and dusts were fully firm. Leaf on offer amounted to 10,101 chests and dusts 2,288 chests, in addition to a supplement of 145 chests. Leaf teas opening at As. 2 to As. 4 lower improved as the sales progressed and bids were generally below As. 1/4 to As. 2 below last rates. Legg-cut fannings displayed this trend, quoting at Rs. 2-13. The best liquorings eased by As. 3 to As. 4. In green teas, the offerings of which were 504 packages, the unpolished lots rose As. 2 to As. 4 above valuations. The polished grades realised valuations with young Hyson realising Rs. 3-9-6, fine young Hyson Rs. 3-9-3, and Hyson Rs. 3-9.

The quotations—in Rs. per lb. to which As. 10 should be added by way of excise duty—were: O.F. 2-12-6 to 2-13; B.P.S. 2-11; O.P. 2-9 to 2-10; B.O.P. 2-9-6 to 2-10; Pek. 2-8 to 2-8-6; P.F. 2-7; and B.P. 2-6-6 to 2-7.

Dusts were bid at prices which were As. 1 to As. 1½ below the invoiced prices.

MEDIUM TEAS IN DEMAND

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

COCHIN, *20th September*

Sale No. 36: A total of 417,000 kilograms were offered in Sale No. 36 held on Tuesday, 20th September 1960. Quality in general showed little change, but certain invoices showed some improvement, particularly from the Anamalais. The sale opened to a very strong demand which eased as the sale progressed. Low medium and medium descriptions met keen competition and prices advanced up to 20 nP per kilogram. Good medium teas, particularly those with improved quality, met good enquiry and were sometimes dearer by 30 nP. There was less demand for best liquoring teas which were irregular with quality. C.T.C. types and legg-cut teas continued in demand at firm rates. Whole leaf and black leaf descriptions were strong and dearer. There was better support for a small selection of tippy teas which sold at prices above last.

	1960 Rs.	1959 Rs.
Low medium	4.25-4.50	3.85-3.96
Medium	4.50-4.85	4.29-4.85
Good medium	4.90-5.75	4.96-5.51
Quality	5.25-7.75	5.62-9.04

The average price realised in Sale No. 36 was Rs. 5.06 per kilo, as compared with Rs. 4.88 in the previous sale and Rs. 4.87 in the Corresponding sale of 1959.

Dust Sale 'II': A smaller quantity of 155,000 kilograms was offered in Sale No. 'II' held on 22nd September 1960. A useful selection of dusts was on offer. The market opened to a very strong demand which slackened at the close of the sale. Prices were generally dearer by 20 to 30 nP for most descriptions. Highgrowns were well supported and were dearer following quality. There was keen competition for milled and residual grades which were the strongest feature of the sale. C.T.C. types and Legg-cut types continued in demand and sold at rates above last.

The average price realised in Dust sale II was Rs. 4.57 per kilo, as against Rs. 4.52 in the previous sale and Rs. 4.05 in the corresponding sale of last year.

Export Quota: The market is very quiet with no business being registered. At the time of writing there are large sellers at ½ nP per kilo with buyers scarce.

Colombo: In this week's sale, just over 6 million pounds were offered and met with a strong demand with buyers following quality closely. Uvas sold at around last rates, whilst Dimbulas were irregular and occasionally easier following quality. Low medium brokens were firm, whilst the better mediums were upto 10 cents dearer. Lowgrowns eased 3 to 5 cents whilst plainest were fully firm.

London:—North Indian and other growths: In Monday's auction, there was a strong demand, particularly for best Assams, whilst Dooars and Africans came to a higher market.

Ceylon and South Indians: In Tuesday's sale, 20,611 packages were offered of which 8,345 packages came from South India. The market continued strong and dearer, particularly for teas with improved quality and plainest descriptions.

JUTE RISES, JUTE GOODS EASE

(From Our Own Correspondent)

CALCUTTA, *27th September*

A further rise in prices of jute fibre, following keen interest shown by mills, was the feature of trading in the jute markets during the week under review. But jute goods, after being steadier earlier in the week, eased on profit-taking. Business that took place with overseas buyers of goods was paltry. Although inquiries were many, shippers preferred to remain idle. Another equally significant feature was the thirty-point rise in the price of Pakistani cuttings during the week, when the Government of India released a few import licences to mills. During the last one month, prices of cuttings in Pakistan have been rising, since the demand there from overseas buyers has been fully steady. The mills which received import licences during the week entered into commitments with Pakistani exporters. At the current rate of about Rs. 145 a bale in Pakistan, the c.i.f. price in Calcutta works out to be Rs. 165 per bale, as against Rs. 100 about a month ago. The Government's inordinate delay in issuing licences against the background of desperate pleas put forward by mills to expedite the issue of these licences has done much irreparable harm to the industry. As a sequence of the rising trend in Pakistan, prices of jute yarns in Dundee were raised between £5 and £10 per ton with corresponding increases in cloth prices. These revisions became effective from 24th September.

Earlier in the week, the Committee of the Indian Jute Mills Association reviewed the raw jute stock position in the light of the present paltry arrivals into mills' stations, mills' own stocks and estimates of the current crop. That the position is grave needed no emphasis. Market circles said that the position for this season became all the graver mainly because of the poor carryover. The I.J.M.A. would appear to have realised this focal point, as its Committee thought it essential that the carryover into the 1961-62 season should be reasonable. In order to achieve this object as well as to enable the mills to carry on production within a reasonable cost, the I.J.M.A. would extend the voluntary sealing scheme up to 31st December 1960. When mills were originally permitted by the I.J.M.A. to seal off 3 to 4 per cent. of their producing looms on a voluntary basis depending upon the stock position of each individual mill, it was the hope that, as the season advanced, the raw material situation would improve and that then the scheme could be put to an end to by the end of October. This hope has not yet been realised, and present portends are such that any realisation is far away. If the fibre position failed to improve, there would be no alternative other than to increase the percentage of compulsorily sealed looms from 1st January 1961. Following this announcement early in the week under review, prices of goods firmed up. While, as an immediate reaction, fibre prices moved down by Re. 1 for 100 kgs. after a day or so, raw jute again caught the uptrend and, by the week-end, prices had reached the highest levels for the week. However, yesterday, a reaction was in evidence and a small recession was recorded.

There was a sharp rise in the prices of heavy goods on Wednesday last, following the decision of mills to carry on production at the present reduced scale. Since, however, this rise was not followed by overseas support, ready B. twill's sagged to Rs. 139.30. On the previous working day, that is, Monday, they were quoted at Rs. 140. However, hessians 40" 10 oz. closed with a net gain of 85 nP at Rs. 49.00. The rise in hessians was due to expectations of greater interest from the United States. These expectations were based upon the higher consumption figures for burlap for August—67 million yards, as against 65 million yards in August last year and 59 million yards in the previous month. The monthly average has so far been only 71 million yards, as against 74 million yards in the corresponding period of 1959. On Thursday, the spectacular feature was the rise in the price of hessian 40" 10 oz. to Rs. 50, following keen bazar buying on expectations of overseas interest. In sympathy, ready B. twills hardened to Rs. 142.90. On the following day, hessian 40" 10 oz. was unchanged at Rs. 50, while B. twills hardened to Rs. 143.50, following bullishness in fibre. Over the week-end, profit-taking intervened and prices closed at Rs. 142 for B. twills and at Rs. 49.55 for hessian 40" 10 oz. Mills sold fair quantities for forward delivery. The profit-taking phase continued yesterday, and B. twills moved down to Rs. 139.25 and hessian 40" 10 oz. to Rs. 48.75.

Although fibre arrivals increased during the week, they were ineffective in reversing the price trend, as all arrivals were promptly absorbed and demand outpaced availability. Sellers continued to be reserved and demand was of such an order that the high moisture content was ignored. The announcement by the I.J.M.A. of further measures to cope with the fibre shortage pulled down prices for a time, but soon bulls gained the upper hand. Thus, northern bottoms, after opening at Rs. 112.50, declined to Rs. 111.25, but soon rose to Rs. 116.50 at which stage a reaction set in to reduce the gain to Rs. 115.25. Daissee bottoms at one time were as high as Rs. 120.50, after opening at Rs. 115.25, but closed at Rs. 117.75.

METALS ADVANCE

(From Our Own Correspondent)

CALCUTTA, *27th September*

Following apprehensions about the import control policy, due to be announced at New Delhi on 1st October, metals advanced during the week under review. Market circles realised that the foreign exchange situation was causing anxiety and, though a cut in import quotas would appear justified, the more sober elements in the market thought that, in view of the importance of raw materials to industrial development, there would be no reduction in import quota. Uncertainty, however, clouded prospects of foreign exchange aid to tide over the payments difficulties. Market circles also remembered the recent statement of Mr. Lal Bahadur Sastri, Union Commerce and Industry Minister, that no nation would help India to finance maintenance imports and that, therefore, exports should be stepped up, so that India would be in a position to import adequate industrial raw materials to maintain production on an even keel. In this view and against the background of severe competition which the main export industries, tea, cotton textiles and jute are meeting in world markets, trade circles were not in a position to be entirely sanguine about the forthcoming policy. They also noted the Minister's assurance that there was no intention to delay the policy announcement. Market circles thought that New Delhi would, perhaps, reduce as a temporary expedient, quotas which might be reviewed later on in the six-monthly period or as and when the foreign exchange position improved or India received indications of firm commitments of foreign aid for meeting payments against imports.

Small-scale utensil manufacturers without quotas for virgin metal were in the market for copper scrap and, as a result, scrap was steady though unchanged. Utensil scrap changed hands at Rs. 202 per cwt. and the "berry" quality at Rs. 218 a cwt. In contrast, advices from the London Metal Exchange were quiet. Electrolytic copper opened at £237¼ a ton and gave way to £234. The decline followed the adverse trend in Wall Street and uncertain report from Chuquicamata.

Tin opened at Rs. 558 a cwt. and closed at Rs. 564, after being higher at Rs. 565. The metal was in short supply. Moreover, advices from the Far East markets were firm. In London, the price opened at £805½ a ton and, after being lower at £804¾, hardened to £807½ to £805. The higher trend in London was due to better demand from the Continent and steadier advices from Singapore.

Electrolytic zinc opened at Rs. 172 and closed a rupee higher on balance at Rs. 173. In mid-week, the rate was even higher at Rs. 174.50. Demand was on the high side, while there was not sufficient metal available. The price in London closed at £87 a ton as against the opening of £87⅛.

Lead here was unchanged at Rs. 66. Demand was very little, and stocks continued to be abundant. In London, the price closed lower on balance at £69½ a ton, after opening at £70⅛.

MARKET GOSSIP

(Concluded from page 583)

an increasing realisation of their importance to management."

Inadequate planning, particularly in the financial field, is another defect to which the I.F.C. has drawn attention. The Corporation attributes this to lack of properly trained personnel.

On the financial side, the I.F.C. finds that the total capital proposed to be raised for a particular project often falls short of its requirements. More as a rule than an exception, projects encounter costly delays in construction and in the time required to attain profitable operation. In many cases in which the I.F.C. has invested, the cost "overruns" have ranged from 10 per cent. to 50 per cent. above the estimates. This emphasises the need for more realistic original estimates and provision for reserve sources of finance. Experience seems to have justified the I.F.C.'s insistence on advance agreement that the shareholders be prepared to supply whatever additional equity capital may be needed to complete the projects concerned.

One of the disquieting features of the capital structure of new enterprises in the developing areas noted by the I.F.C. is the large proportion of borrowings, either by way of suppliers' credit, bank credit or borrowings from Government agencies or all of them. "It has become clear to the I.F.C.," the report says, "that, for private industrial development in the growing countries, there is a greater shortage of equity capital than of loans." In many instances, the proportion of proposed borrowings for new projects is as high as 75 per cent. of the total cost. In view of the unhealthy nature of such a capital structure, the I.F.C., as a matter of policy, refuses to invest in projects where debts, carrying fixed interest charges, are larger than the equity. In more developed countries, even this proportion is considered very high. The I.F.C. draws attention to the tendency to minimise the requirements for working capital on the assumption that these can be obtained by short-term bank credits and that banks will renew the credits indefinitely. Emphasising that such reliance can be dangerous, the I.F.C. says that provision for permanent capital should include reasonable amounts for working funds which will be needed continuously and the use of bank credit should be limited to seasonal peaks and unforeseen contingencies.

Despite the obstacles and risks involved in investing in developing countries, the I.F.C. is convinced that there are correspondingly attractions and rewards. It adds: "In the developing areas are growing markets, untapped raw materials and abundant labour able to acquire modern skills. For efficiently managed enterprises, potential profits are greater than in the highly competitive industrialised countries." As evidence of its conviction that the rewards can outweigh the risks, the I.F.C. is investing in the developing areas, sharing the risks and participating to an appropriate extent in the potential returns. A further evidence of this is provided by the latest move to amend the charter of the I.F.C. in order to enable it to invest in equities of private enterprises. At present, the I.F.C. cannot invest in capital stock or shares. However, its investments are not conventional fixed-interest loans. They combine certain features of both debt and equity, thus containing elements of venture capital. Such shares may be in the form of a right to some additional income related to earnings or an option to subscribe to share capital and often a combination of the two. The ban on direct investment in equities is said to be hampering the work of the Corporation. The latest move, which will be discussed at the annual meeting of the Corporation at Washington this week, is expected to be supported by the U.K., the second largest subscriber to the

COMMERCE

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

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ASIAN FEARS ABOUT COMMON MARKET

It is not unoften that a pessimistic view is more easily held than an optimistic one. This is strikingly confirmed by the approach of Asian business opinion (or, a section of it, to be precise) to the European Common Market and the European Free Trade Association and their possible impact on the trade and economies of the underdeveloped countries of Asia. At the root of this pessimism are a good many fears, some of which are exaggerated or probably unwarranted. First and foremost is the fear that the establishment of the Common Market is likely to result in higher tariffs against, or greater restrictions on trade with, the outside countries. Related to this is the fear that countries whose exports are mainly directed to the former low tariff countries of the Common Market would be adversely affected. A third fear is that the promotion of intra-regional trade of the European Economic Community by means of reduction and ultimate abolition of the import duties and import quotas might have some adverse effect on the trade of the Asian countries, particularly in semi-manufactured and simple manufactured goods. Another fear is that, as the linking of the overseas territories of each of the member-countries with the Common Market implies that the preferential treatment accorded to the exports of particular overseas territories to their metropolitan country will now be accorded by all the countries of the Common Market, it would place the Asian exporting countries in a position of competitive disadvantage *vis-a-vis* the "associated territories." There is also the fear that, in like manner, extension of the preferential treatment, now enjoyed by the exports of the metropolitan country to its overseas territories, to the products of all the countries of the Common Market, might mean that the Asian exports to the "associated territories" would have to face still greater competition with the products of the Common Market. It is further feared that the special provisions relating to agriculture in the Common Market countries, such as the use of long-term contracts and the system of minimum prices for agricultural products, could lead to the continuation of agricultural protection in the Common Market and, over a period, have a restrictive effect on imports of agricultural products from third countries. Yet another fear is that the establishment of the Common Market might lead to monopolistic tendencies and stimulate agreements on prices among the exporters of capital goods and machinery. And, lastly, it is feared that a part of the investment funds available from the Common Market countries for the economic development of the Asian region might be diverted to the "associated territories."

Not all these fears on the score of the Common Market, however, have any relevance to the European Free Trade Association (E.F.T.A.), because the latter does not involve the establishment of a common external tariff or the association of overseas territories. But otherwise, there is the fear that Asian exports of semi-manufactured and manufactured goods to countries of the Free Trade Association might be adversely affected because of the competition they would have to face from the products of the other E.F.T.A. countries which will bear lower rates of duties in the transitional period and no duties later on. And the second fear in this context is that the establishment of the E.F.T.A. might encourage the import of raw materials and unprocessed goods in place of finished goods.

The number of fears listed above, which add up to a pretty dismal picture of the possible repercussions of the European Common Market and the E.F.T.A. on the trade and economies of Asian countries, have found ample expression in a study just completed by two Indian *rapporteurs* for submission to the Ninth Session of the Commission on Asian and Far Eastern Affairs of the International Chamber of Commerce to be held at Karachi early in December next. The study has sought to justify these fears in a more detailed manner, but limitations of space forbid reference to more than a couple of them. It is argued, for instance, that the fixing of the external tariffs of the Common Market at a level of the simple arithmetic average, instead of the weighted average, of the duties levied in the four customs territories (France, Germany, Italy and Benelux) will mean a higher new tariff, because the Benelux countries and Germany, which levy comparatively lower import duties than France and Italy, have a larger trade with the outside world. This argument has led to the suggestion that the average rates of duties on various commodities be calculated after giving due weight to the quantity of goods imported at each tariff rate.

What this argument and the related suggestion seem to have overlooked is that the arithmetical average would mean an external tariff at a level lower than that of the import duties formerly levied by France and Italy. Since the Common Market will work not only as a Customs Union but also in due course as an Economic Union providing for free movement of labour and capital and for the co-ordination of social and economic policies of the member-countries, it would be unrealistic to continue to think in terms of greater exports to some countries than to others in the grouping. It is, of course, conceivable that the new external tariff might facilitate greater Asian exports to France and Italy in future. But even this consideration smacks of a geographical approach (based on frontiers) which the European countries concerned are themselves striving to discard in the sense that they want to achieve a certain economic (and even emotional) integration for removing the economic ill-effects of their political frontiers. When the European countries themselves think in terms of evolving into a single community, the Common Market in question would have to be taken as one single market for Asian exports. Moreover, with productive capacity expected to increase a great deal in the European Economic Community as a whole, the prospects of larger markets for Asian exports are distinctly there. Even if anything be lost on the swings, there is a probability of its being made good on the roundabouts. It must, however, be conceded that the Asian suggestion of an external tariff as near as possible to the tariffs levied by the low tariff member-countries of the Common Market is not unreasonable. The Asian countries are already having large adverse balances with the Common Market countries and the only way in which they can ultimately settle them is by increasing their exports to these countries. It would, therefore, be in the interest of the Common Market countries themselves to keep their external tariffs at as low a level as possible. In any case, wherever the proposed changes infringe the G.A.T.T. provisions, the Common Market countries have agreed to negotiate with the outside countries and reach a mutually satisfactory understanding. The important point to be noted here is that neither the Common Market nor the E.F.T.A. have declined to honour their commitments under the G.A.T.T.

Be that as it may, much of this discussion is only of academic interest. For the Common Market is still an experiment, now in its initial stage. Further, some drastic modifications in its present structure are also foreseen in the light of negotiations, now under way, to enlarge the Common Market of six countries by bringing in the seven countries (Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom) of the European Free Trade Association. The whole thing is thus in a nebulous state. The study, however, has its value, in the sense that, by forewarning the Asian countries of the possible adverse consequences, it will have enabled them to be forearmed.

But, on the issues arising from the linking of the overseas territories of each of the member-countries with the Common Market, the *rapporteurs'* study has made a few sensible and worthwhile points. Since the twin fears relating to this question are not wholly unwarranted, the suggestions contained in the following quotation from the study call for serious consideration at the hands of both the G.A.T.T. and the European Common Market:

> "The association of the Associated Territories with the Common Market should be reviewed by the G.A.T.T., as these territories are not incorporated into the E.E.C. Customs Union but stand in a preferential relation to it. This association is not merely the maintenance of an existing preferential system but constitutes a substantial geographical extension of the preferential system in that reciprocal relationship will be established between each member of the Community and Associated Territories having special relationships with another E.E.C. member. The new tariff arrangement, in fairness, should be such as not to completely distort the tariff alignments *vis-a-vis* the third countries. In other words, if the preferential treatment given by an Associated Territory to the metropolitan country is fully extended to all the members of the Common Market, the difference in the tariffs applicable to all the members of the Common Market and the third countries will be wide to the disadvantage of the latter. Therefore either (*a*) the duties levied by the Associated Territories on the goods of the Common Market countries be fixed on the basis of an average; or (*b*) the duties levied on the third countries be substantially reduced."

If, thus, the "associated territories" and the Asian countries come to be placed on the same footing *vis-a-vis* the Common Market, it will be a great gain indeed. Any suggestion of

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retaliation by Asian countries either by way of mutual exchange of tariff and quota concessions within the framework of the G.A.T.T. or by way of a free trade association between some selected countries of Asia would, however, be a counsel of despair and unwarranted, especially when reliance can be placed on the G.A.T.T. to square up things. When the study itself has rightly recognised that the factors which helped the formation of the European Common Market and the E.F.T.A. do not obtain in Asia, it is strange that it has nevertheless put forward a plea for a free trade association of some selected Asian countries.

FERTILISER DISTRIBUTION

THE Fertiliser Distribution Enquiry Committee, which has just submitted its report to the Union Ministry of Food and Agriculture, has made a number of recommendations, some of which are realistic and patently necessary and some others controversial and of doubtful value. The realistic recommendations are as under:

Farmers be offered sufficient fertiliser loans in kind, instead of in cash, and at a reasonable rate of interest.

The rate of commission for distribution be increased, in order to provide adequate incentives to retailers at the village level.

Sales promotion be vigorously carried out by retail distributors and actively supported by extension work for instructing farmers.

States be given in the beginning of the year an indication of the likely allocation of fertilisers quarter by quarter, so that they may be ready with despatch instructions sufficiently in advance of the commencement of supplies.

Influential farmers and dealers in fertilisers at taluk headquarters be consulted on the demand for fertilisers before estimates are prepared in each State.

Co-operative depots be kept open for the sale of fertilisers at hours convenient to farmers.

In order to promote "balanced fertilisation" and to assist in stretching the limited supplies of nitrogen over larger areas, the use of fertilisers in mixed form be encouraged.

The first of the above recommendations is by far the most important and necessary, but it is not clear whether such loans are to be distributed through the primary credit societies in terms of the recommendations of the Vaikunth L. Mehta Committee on Co-operative Credit. As the process of revitalisation and reorganisation of dormant societies and the creation of new 'viable' societies in terms of that Committee's report will take their own time, it may be advisable for the State Governments to distribute the fertilisers directly through the extension agency in the Community Development Blocks. Such a procedure, which does not bring the Revenue Department into the picture directly as an agency for the distribution of loans, will be more expeditious. It will have the added merit that the extension agency, which creates the atmosphere for fertiliser use, is conversant with the solvency of progressive farmers who are fertiliser-minded. And it will also ensure judicious use of fertilisers according to soil requirements which can be broadly appraised by the agricultural demonstrators in the extension agency.

The second recommendation, dealing with the rate of commission for retail distribution, has been justified on the ground that the apex distributing agents and the wholesale agents use up most of the commission meant for distribution, leaving very little for the retailers. If the retail distributors, who can also create some atmosphere for fertiliser use, are enabled to have a fair margin in the entire distribution cost of Rs. 30 per ton, estimated by the Committee, for sulphate of ammonia, it will be very good indeed. This will hold good as much in the case of a co-operative society which does the retailing as in the case of an individual trader. The third recommendation regarding sales promotion, which is related to the third, will also be easily implemented when retailers are assured of a fairer margin. Extension work for instructing farmers will also gather momentum when they have become fertiliser-minded.

The last recommendation regarding "balanced fertilisation" has been made, because there is an acute shortage of nitrogenous fertilisers, while the supply of phosphates exceeds the demand. While this is understandable, there is also a case for "balanced fertilisation" with the help of green manures which can fix atmospheric nitrogen, and of phosphatic fertilisers. Experiments done with different combinations of green manures, phosphates and potash have shown that optimum results can be achieved more easily than when sulphate of ammonia is used alone or in combination with phosphates.

So much about the constructive recommendations made by the Committee. The controversial or less desirable recommendations also call for comment. These recommendations are:

Sales tax on fertilisers be abolished.

Fertilisers be supplied to farmers at as low a price as possible.

A Central Fertiliser Marketing Corporation be created to take over the duties now performed by the Central Fertiliser Pool and to shoulder the additional responsibilities in regard to procurement and distribution of fertilisers in future.

Unnecessary intermediaries in fertiliser trade be eliminated.

The first of these controversial recommendations has been justified on the ground that the incidence of sales tax, which is stated to be as high as Rs. 20 per ton of sulphate of ammonia in some cases, might act as a deterrent to the increased use of fertilisers. This argument, based on the maximum incidence figure of Rs. 20 per ton *in some cases*, does not seem to be fair. The present scarcity of sulphate of ammonia shows that farmers, especially those producing cash crops, would even be prepared to pay higher prices as in fact they are paying to the inter-State smugglers of fertilisers. When supplies are so scarce as now, any idea of providing an incentive to the farmer, by way of sales tax abolition, for greater fertiliser use seems to be wholly out of place. Its only result will be that the States will be deprived of an important source of revenue at a time when they are called upon to raise more tax revenue. Sales tax abolition may also increase the margin of the smugglers and blackmarketeers without in any way benefiting the farmers.

Actually, when there is a black market in sulphate of ammonia, which sells at a higher price than the uniform rate of Rs. 350 per ton upto any rail-head destination, at which it is made available by the Central Fertiliser Pool, any price reduction at this juncture will again add to the margin of smugglers. The second recommendation is, therefore, inappropriate at the present time. When supplies increase during the third Plan period through greater domestic production and imports, if necessary, the pool price can be reduced to provide an incentive for fertiliser use. It may be noted here that even a subsidy to the extent of 25 per cent. of value, which is being given on phosphatic fertilisers and manures, provided the State Governments sponsoring the distribution scheme agree to bear one-half of the total subsidy admissible, has not operated as an incentive for the use of such phosphatic fertilisers. It is thus clear that a concession in price as such by way of either a subsidy or a reduction would be an unnecessary incentive. What the farmers need now is more fertilisers and not a lower price.

The third recommendation for the creation of a Fertiliser Marketing Corporation to replace the Central Fertiliser Pool is ill-timed. The Fertiliser Pool has worked well in the sense that fertilisers have been made available at a uniform price throughout the country—a price which would lend itself, as the Committee itself has admitted, to further reduction without in any way impairing the financial position of the Pool. It would in any case be premature to think of a central marketing body, because more large-scale units in the private sector are yet to be established. Nor is it possible to say that the idea of a central marketing body will gain acceptance at the hands of industry in the absence of a clear picture of its constitution.

The last recommendation for elimination of unnecessary intermediaries in fertiliser trade has been made in the context of a certain preference for distribution through co-operative societies. But primary societies charged with the additional function of fertiliser distribution are also expected to advance loans therefor. This is a far cry, however desirable it may be. For a long time to come, individual wholesalers and retailers will, therefore, have to be depended upon for effective distribution of fertilisers.

SAFETY IN INDUSTRY

THE disturbing revelation of Mr. G. L. Nanda, Union Minister for Labour, in the course of his address to the eighteenth session of the Indian Labour Conference held at New Delhi recently, that the rate of industrial accidents in India had more than doubled in the last twenty years, should come as a rude reminder of the comparative neglect in this country of the question of safety in industries. The increase in the number of accidents can, in a way, be related to the faster pace of industrialisation. But higher industrial activity need not necessarily lead to a higher incidence of accidents, provided adequate safety precautions are taken. In fact, in countries like the U.S. and the U.K., where, too, there has been a tremendous industrial expansion, the opposite trend has been in evidence. Thus, while the accident rate doubled in the last twenty years in India, it declined by about one-third in the U.K. during the same period.

Safety in industry depends, in practice, as much on voluntary efforts of employers and workers as upon safety regulations. The comparatively lower rate of accidents in such countries as the U.K. is the result of vigorous efforts made by the Government, employers and workers to promote a safety climate. In Britain, the concern evinced by both trade unions and employers' organisations in the safety of workers helps to maintain a high level of safety standards and the requirements about accident notification enable factory inspectors to examine the methods of accident prevention in co-operation with employers, machinery manufacturers and interested organisations. There are voluntary organisations for educational campaigns such as the Accident Prevention Movement, which is strongly supported by the Factory, Mines and Quarries Inspectorates. The Royal Society for the Prevention of Accidents helps the movement by providing publicity, and by organising conferences and courses for safety officers. Training for safety is an important facet of the safety drive. Particular attention is paid to this aspect and ample facilities are provided for training safety officers.

In the U.S., the President's Conference on Occupational Safety, an organisation of trade union leaders, industrialists and Government officials, is directly concerned with eliminating job hazards and promoting safety standards in American industry. Since the formation of this organisation in 1948, there has been a steady decline in the injury rate of factory workers.

In India, efforts in this direction have been woefully lacking. The Government, however, seems to be gradually realising the gravity of this problem. It was discussed by the States' Labour Ministers early this year and was brought before the Indian Labour Conference at its recent session. It is now reported that the Government proposes to amend the Factories Act to ensure better safety arrangements in industries. A Bill to amend the Act, it is learned, will be introduced in the next session of Parliament. The proposed amendment will make provision for (1) compulsory inquiry into serious accidents to ascertain their cause and fix responsibility and prescribe punishment for those found guilty, and (2) appointment of safety officers in factories employing more than a specified number of workers.

Among the other measures contemplated for promoting safety-consciousness are institution of safety awards at the Central and State levels, appointment, by State Governments, of one inspector for every 150 factories, and arrangements for training selected inspectors and technical officers in safety methods in foreign countries. The managements of industries will also be asked to undertake a three-point programme: (1) to impart training in safety measures to their workers, (2) to set up safety committees for training and propaganda, and (3) to institute rewards for workers making important suggestions regarding safety. The Government, it is said, will also undertake a safety survey of selected factories in the public sector.

A programme for encouraging safety-consciousness can succeed only if both management and labour co-operate. The Government would appear to have already approached the central organisation of workers for co-operation in this regard. Employers' organisations, too, should give their wholehearted support and encouragement to the programme. The law can prescribe only the minimum safety precautions. The fact that, in many countries, employers have achieved health and safety standards considerably higher than those required by law shows that compulsion has not always been the driving force in making factories and workshops safe and healthy places to work.

MARKET GOSSIP

Fund-Bank Meetings

THE fifteenth annual meetings of the International Monetary Fund and the World Bank—Fund-Bank meetings for short—held at Washington last week were uneventful, though they lasted for a week. As usual, the speeches made by the chiefs of those bodies were illuminating, containing thought-provoking remarks on current international economic problems. They are too long to receive a detailed reference in this column. Mr. Per Jacobsson, the outspoken Managing Director of the I.M.F., who had asserted last year that world inflation was over, took an optimistic view of the world situation and discounted fears of a recession being round the corner. He devoted the major part of his speech to the ways in which the less developed countries could help improve their economic positions through their own efforts, but much of this was only exhortation to them. His observations, for instance, contained no answers to India's basic economic problems. He did, of course, say that the developed countries should encourage imports from the underdeveloped countries and, in response to the valid criticisms of India's Finance Minister, Mr. Morarji Desai, that the I.M.F. was not paying adequate attention to the balance of payments problems of the developing countries, promised to institute a study on trade restrictions and their resulting problems as well as on world commodity price fluctuations. He held out a similar promise two years ago, when he spoke at the New Delhi meetings of the Fund and the Bank, but nothing tangible has emerged so far.

A common criticism about Mr. Per Jacobsson in this part of the world is that he is engrossed too much in the affairs of Europe and America and pays very little attention to the problems of Asia and Africa. In the past two years, he has done precious little to invalidate this charge. While he has ceaselessly preached to the Western world that freedom of payments from exchange restrictions should be followed by greater freedom of trade through the adoption of liberal and non-discriminatory policies, he has not used the great authority he commands as the Chief of the I.M.F. to persuade the European countries to withdraw or reduce the taxes levied by them on consumption of goods exported by the underdeveloped countries. Surely, the I.M.F. Chief must be aware that the acceptance of the sterner discipline implied in Article VIII of the Fund (regarding freedom of trade) by the developed countries will be of no use to the exports of underdeveloped countries so long as the former continue to levy heavy consumption taxes on such items as soft beverages and textiles and also follow other restrictive practices. It is to be hoped that, henceforth at least, Mr. Per Jacobsson will pay active attention to the affairs and needs of developing nations. Indeed, he should pay a visit to the developing countries in order to obtain a firsthand impression of their difficulties. It would be a good thing if the Government of India were to invite him this winter, so that he could have a more intimate picture of this country and the third Plan which is to be launched in April next. Some may say that it is too late in the day to make this suggestion, as Mr. Jacobsson is now in the last year of his term as the Managing Director of the Fund. But he is held in such high esteem by all the members of the Fund that it is almost certain that he will be requested to continue his services to the Fund for another term.

Unfortunately, Mr. Eugene Black, the dynamic President of the World Bank, who has done a great deal for the underdeveloped countries not merely through loans and technical services which the Bank is providing but also by personally prodding the developed countries to take an active interest in their economic plans for development, was not able to report to the meeting of Governors, as he was unwell. It fell to the lot of Mr. W. A. B. Iliff, Vice-President, to address the meeting. In his speech, Mr. Iliff traced the progress of the Bank in the last fifteen years, described its transformation from an essentially dollar bank even five years ago into a truly international bank, outlined the problem of providing development capital to the less developed areas of the world and stressed the responsibilities of the developed countries in this respect. It was on the whole a neat and impressive performance, with some pertinent advice to the capital-hungry nations in Africa, Asia and Latin America. The policy-makers and planners in this country, in particular, will be well advised to read his speech carefully.

Three subjects figured prominently at the Fund-Bank discussions—the U.S. balance of payments and the strain on dollar, the responsibilities of West Germany as the strongest creditor country in Western Europe, and aid to underdeveloped countries. None of these is a new problem. They have all been in existence for some time now. Although the era of world-wide inflation has ended, none of them has ceased to be a live issue. If there was anything new, it was the absence of the pound sterling in the discussions, a tribute to the able manner in which the Conservative Government has managed the affairs of Britain, both national and international. One did not come across any criticism of British policies in this august gathering of the top men of international finance. In fact, the British Chancellor of Exchequer, Mr. Selwyn Lloyd, announced at the meeting of the I.M.F. that his Government had decided to repay, out of its abundant gold and foreign exchange reserves, £20 million of the money it owed to the Fund, leaving a small outstanding of only £30 million. This balance is the remnant of the £200 million ($561 million) loan which it had obtained from the Fund in 1956 to stem the tide following the Suez episode. There was no stipulation at that time as to when and how this would be repaid, but, in March 1959, following the recovery of the British economy from the Suez and other shocks, the British Government repaid $200 million. At the beginning of 1960, it was arranged that the balance should be paid at the rate of £5 million ($14 million) per month. This it did regularly until August last, when it decided to repay in one lump sum £25 million that was due up to the end of 1960. Now it has repaid, in another lump sum, £20 million some six months in advance. This step marks the British Government's optimism about the outlook for the pound sterling and strengthened, albeit indirectly, the hands of Mr. Selwyn Lloyd in his strong criticisms of West Germany's policy of sitting tight on the enormous amount of gold and dollars it has gathered mainly through large balance of payments surpluses in recent years.

Tough Days Ahead for the Dollar

An issue that seems to have caused some anxiety among the delegates who attended the Fund-Bank meetings was the continued adverse balance of payments position of the U.S. and the resultant gold loss. Neither the carefully studied and statistically documented optimistic observations of Mr. Per Jacobsson on this subject, nor the reassuring statements of U.S. Treasury Secretary, Mr. Robert B. Anderson, appear to have cleared their misgivings. In the week ended 24th September, the U.S. lost $181 million worth of gold, the largest weekly loss since 1931. Although the total outflow of gold so far this year has been at a lower pace than in 1959 when the drain was of the order of $1,000 million, in the past eleven weeks, it has been far greater than in the past year. The questions asked are: Can the U.S. afford to lose gold at this rate? If it cannot, what will it do? Devalue the dollar? Raise the price of gold? Reduce or abolish the present 25 per cent. statutory gold cover for the note issue? Slash imports, raise tariffs, curtail foreign aid and discourage export of capital? Force a deflation in the domestic economy, in order to raise the competitive power of its industries? The speeches of Mr. Jacobsson and Mr. Anderson suggest that the U.S. gold reserves are still so large and its economy is basically so sound that none of these need happen, if only the European countries played the game by bringing down their rates of interest and by exporting more capital to underdeveloped countries in united form. But will they? Writing in the last issue of the *Economist*, our London contemporary, its special correspondent says: "Europe must not get so embroiled in its sixes and sevens that it loses sight of wider responsibilities, or jeopardises the international economic co-operation that has been so remarkable an achievement of the post-war world." This is, of course, only an exhortation, but the stake of the free world in the U.S. economy is so large that it is bound to be heeded by the quarters to which it is directed. None of the restrictive steps implied in the series of queries posed above will benefit either Europe or Asia.

Mr. Jacobsson was of the view that the present outflow of gold is due entirely to capital movements, including short-term capital movements caused by higher interest rates in certain West European countries and expectation of a revaluation of the D. Mark. While he was cautious enough to remark that it was too early to conclude that the U.S. payments difficulties had been fully overcome and that continued vigilance was necessary, he drew considerable satisfaction from the undermentioned facts about the U.S. economy: balanced U.S. Government budget, stability of both money supply and prices, and rise in exports to produce a $4,000 million surplus on current account. He was, therefore, inclined to support the U.S. Government's view that "a continuing deficit, since it arises from the movement of short-term funds and private capital, is not a cause for concern and that this is doubly true of the present gold loss."

The U.S. has still $18,700 million worth of gold, $7,700 million above its statutory minimum level of $11,000 million and sufficient to sustain a gold drain at the rate of $1,000 million for the next seven years. It is true that the U.S. has short-term foreign liabilities which are nearly as much as its gold reserves. But all of them are unlikely to be withdrawn. If any such thing were to happen, it would be like a run on the biggest commercial bank in the world. The speculators in Europe and the U.S. may attempt to transfer their funds, but the present gold reserves are large enough to satisfy their itch for making easy money. If they try to go too far, the Governments of Europe can quickly take counter-measures to thwart their attempts. The more difficult problem, however, will be for the U.S. to maintain its private capital exports and Government aid. This will be possible only if it succeeds in improving its competitive capacity in export trade and curtailing its huge defence expenditure. Hence the importance of disarmament. Prime Minister Nehru's valiant efforts at the U.N. this week will be better appreciated, if one cares to view them against this background.

The misgivings about the future of the dollar will, however, persist until a new Government is formed after the forthcoming Presidential elections and its economic policies are announced. Whichever party comes to power, it will have to decide quickly the extent to which it is prepared to attune its domestic economic policies to the needs of the United States' international responsibilities. Meanwhile, it must be recorded here that the U.S. Treasury Secretary unambiguously has reiterated the U.S. decision not to raise the dollar price of gold and his Government's determination to maintain and protect the external value of the dollar. There is no reason to think that the successor to President Eisenhower, whether he be Mr. Nixon or Mr. Kennedy, will not honour this declaration.

There was heavy pressure on Germany at the Fund-Bank meetings to alter its policies in such a way as to eliminate the persistent gain to its exchange reserves. Even France and Italy were subjected to this pressure, as these countries are also accumulating large foreign exchange reserves at the cost of the U.S. and even the U.K. Mr. Jacobsson pointed out that most of the largely developed countries had adequate or very nearly adequate reserves and building up unnecessary reserves might easily involve the misuse of resources. The Chancellor of the British Exchequer, as also the U.S. Under-Secretary of State, Mr. Dillon, stressed the need for Germany, in particular, expanding its capital exports very considerably and modifying its present high interest rate policy. The German delegation was clearly on the defensive. While flatly reiterating that the German Government has no intention of revaluing the D. Mark, Dr. Erhard, the Federal Minister for Economics, conceded the need for his country exporting more capital. He, however, gave no details of any of his Government's plans for achieving this goal, apart from stressing that the flow of private capital should be facilitated through the World Bank, the International Finance Corporation and the underdeveloped countries themselves.

Barring the consensus of opinion among the representatives of developed countries that capital exports to underdeveloped countries should be expedited, nothing concrete has emerged from the Fund-Bank meetings for the latter countries. The only consolation they can have is that the International Development Association, an affiliate of the World Bank, designed to provide loans on more easier terms than those offered by the Bank, will shortly come into being and commence its operations. It is true that the resources placed at its disposal are inadequate. But something is better than nothing and the prospect of getting its funds strengthened at a future date through a further contribution from its wealthy members cannot be ruled out.

West German Aid

The latest move of the West German industrial and financial circles to launch a DM 1,000-million (about Rs. 115 crores) plan for aiding underdeveloped countries is, indeed, heartening, although the quantum of aid is negligible when compared with the actual needs of these countries. It is heartening especially because the aid will be given in the form of long-term credits which will not be tied to any particular project or projects and the rate of interest is likely to be no more than 5½ or 5¾ per cent. which is appreciably less than the ruling rates of interest in West Germany. This move by the German business men and their assurance that they will take steps to encourage private capital exports have, of course, been prompted not so much by any anxiety to help the developing countries as by the eagerness to avoid Government's intervention to curb the boom in German industry. If the industry had not volunteered itself to help curb the boom, the Government might, perhaps, have given effect to its earlier threat of drastic corrective action.

For the purpose of granting credits to the economically backward countries, it is proposed to constitute a development loan fund the details of which were unfolded at Bonn on 29th September by Dr. H. J. Abs, Chairman of the Deutsche Bank (Dr. Abs was one of the three well-known bankers who visited India and Pakistan early this year to study economic conditions) and Herr Fritz Berg, Chairman of the German Federation of Industries. The sum of DM 1,000 million offered by the German industry will be subscribed by the bigger firms in all branches of industry, banks and insurance companies. The subscriptions, which will be entitled to an interest of 5 per cent., are expected to be made before the end of this year. They will be frozen for five years, though during this period, the bonds issued will be acceptable as collateral by banks for advances.

It is hazardous to guess as to what slice India will get out of the aforesaid DM 1,000-million development loan fund. The greater and greater collaboration between Indian and West German industrial interests in recent years, however, indicates that the slice may be quite substantial. It may be mentioned here, in passing, that West Germany has so far authorised for the second Five-year Plan of this country Rs. 107.77 crores, of which Rs. 72.64 crores had been actually utilised upto the end of March 1960. Besides, the West German Government has also agreed to accept a postponement of the repayment of loans that fall due between now and the end of the third Plan. Thus, of the sum of DM 150 million (about Rs. 17 crores) due for repayment at the end of the second Plan, one-third will be paid on the due dates and, of the balance (about Rs. 11.60 crores), one half (DM 50 million) will be repaid in 1965 with a further option to defer it by another four years, and the other half (DM 50 million) will be similarly deferred initially for four years with an option of extension for a further period of eight years, thereby giving India a full margin of 12 years. A similar concession in respect of repayments arising from the Rourkela steel project, which fall due on 31st December 1961, is under consideration. Here, India will repay on the due date only ten per cent. of the amount due; the balance will be split up into two equal instalments to be paid in eight and twelve years, respectively. Likewise, the credit of $100 million (nearly Rs. 50 crores), which Germany promised at the meeting of the World Bank consortium, for completing India's second Plan—the last instalment of $30 million of this credit will be paid this month—can be repaid in twelve years. The repayment of this credit will in no event fall due before the expiry of five years, the object of this arrangement being that the implementation of the third Plan should not be adversely affected. The effect of the adjustments indicated above is that Germany has not only fulfilled its quota of credits for the second Plan but has actually exceeded its promised help to the extent of $23 million (about Rs. 11.5 crores).

FURTHER FALL IN EQUITIES

PAYMENT DIFFICULTIES FEARED

(From Our Own Correspondents)

BOMBAY, *6th October*

AN erratically lower trend was noted on the Bombay Stock Exchange during the week under review, on alternate bear pressure and fresh support at lower levels. Despite the recovery noted on Tuesday and Wednesday from the lowest levels touched during Monday's session, the closing prices, except in scrips and a few other counters, were substantially lower on balance. This clearly shows that the market is still in the grip of fears about a rise in Bank rate. The difficulty in getting adequate bank credit in the coming months would also appear to have induced liquidation. The prospect of right issues by many companies does not seem to hold the same attraction for investors, as it did some time ago, since it is generally believed that such issues will no longer be offered at par or at only nominal premiums. Even the announcement of a higher final dividend by the Bombay Burmah Trading Corporation Ltd., which is the most outstanding news of the week, has failed to enthuse the market; on the contrary, it has been greeted with a mild setback in prices, as the dividend has fallen below the market's expectation.

The undertone of the market at the close was indecisive, on end-of-account considerations and fears of some payment difficulties. A clear picture can be expected to emerge only after the forthcoming settlement goes through. If the big bulls fail to pay the differences due from them, the market may suffer a further substantial setback.

The Directors of Bombay Burmah have recommended a final dividend of 21.2 per cent., subject to deduction of tax, for the year ended May 1960 on the three classes of shares, as against a corresponding distribution of 13 per cent., free of tax, for the previous year, as follows:

Rs. 530 per share on the 100 original shares of Rs. 2,500 each (Rs. 325)

Rs. 26.50 per share on 71,400 old shares of Rs. 125 each (Rs. 16.25)

Rs. 10.60 per share on 84,000 new shares of Rs. 125 each (Rs. 50 paid-up) (Rs. 6.50)

This, together with the interim dividend of 8.8 per cent., subject to deduction of tax paid in July last, makes a total distribution of 30 per cent., subject to deduction of tax, or 21 per cent. free of tax, and compares favourably with 19 per cent. free of tax paid for 1958-59. The transfer books will remain closed from 1st to 22nd November 1960, both days inclusive.

The output of saleable steel by the T.I.S.Co. and I.I.S.Co. during the month of September shows a divergent trend. While the production of saleable steel by the T.I.S.Co. has gone up from 102,400 metric tons in August to 108,000 metric tons, that of I.I.S.Co. shows a fall from 60,899 metric tons to 50,663 metric tons. In September 1959, the output of the two Companies was 94,600 metric tons and 50,219 metric tons, respectively. The aggregate production of pig iron and steel of the two companies during the first six months of the current financial year, as compared with that in the corresponding period of 1959-60, is as follows:

(In metric tons)

	T.I.S.Co.		*I.I.S.Co.*	
	1960-61	1959-60	1960-61	1959-60
Pig iron ...	748,600	765,100	528,007	538,839
Steel ingots ...	764,400	730,100	447,516	388,042
Saleable steel	598,700	570,500	307,345	306,633

Steel shares ruled steady, except for a short-lived dip on Monday last. Tata Ordinaries, after an early rise from Rs. 153.25 to Rs. 154.25, crept down to Rs. 161.75 on Monday. Thereafter, they regained their poise and closed at Rs. 153.50. Indian Irons moved between Rs. 22.72 and Rs. 22.28 before closing at Rs. 22.64, as compared with last week's closing of Rs. 22.52.

Textiles moved in an irregular pattern, but the trend was downward and losses over the week were widespread. Standards were conspicuous in this group, with a drop of Rs. 120 to Rs. 1,205. A pronounced weakness in National Rayons, which declined by Rs. 23 to Rs. 455, was the main feature in the miscellaneous section. On sustained liquidation, Bombay Burmahs (old) shed Rs. 12 to Rs. 564, the lowest level touched being Rs. 549. In an otherwise quiet engineering section, Tata Locomotives and Larsen and Toubros presented a steady front, Voltas were weak. Cash counters showed a mixed trend. Prominent among those which scored handsome gains were Amar Dyes, Ceat Tyres and Premier Tyres.

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Madras Stock Exchange

MADRAS, *5th October*

Equities on the Madras Stock Exchange suffered a distinct setback during the week under review on heavy bull liquidation and bear selling. In view of the continued austere import policy for the current half-yearly licensing period, operators were somewhat inclined to feel that it might be difficult for industries to maintain the high level of production. Textiles ruled easy, thanks to slack buying enquiries. The Government of Ceylon's decision to ban imports of textiles costing more than Rs. 7 per yard and garments (including *saris*) costing over Rs. 40, together with the restrictions on imports of towels imposed a few months ago, was expected to affect exports of textiles to Ceylon. Teas drifted lower on fears of keen foreign competition in world markets. Coffees were dull in the absence of any encouraging overseas advices. Despite reports of a notable increase in production of natural rubber in the month of July, rubber shares too lacked support. The sugar section displayed weakness, as a result of the Government's policy of continuing the "price-linking formula" without any obligation on the part of cane growers to share the loss, if any, suffered by the sugar factories. Operators noted that the Government of India had referred the question of revising the sugar price formula to the Tariff Commission. Miscellaneous shares, particularly cements and chemicals, were depressed.

Among textiles, Buckinghams fell by Rs. 3.50 to Rs. 196.50, Lakshmis lost Rs. 2 to Rs. 138.50, Travancore Rayons declined by Rs. 2 to Rs. 33.50, Coimbatore Cottons, Coimbatore Spinnings and Janardanas moved down by a like amount to Rs. 165, Rs. 46 and Rs. 61, respectively. Kotharis shed 45 nP to Rs. 12.20. Loyals were lower by 35 nP at Rs. 35. Radhakrishnas dropped 25 nP to Rs. 28.50. Maduras fell initially from Rs. 33.85 to Rs. 33.60, but improved subsequently to close today at Rs. 33.70. Bangalore Woollens were quiet at Rs. 195.50 *ex-div.*. Dhanalakshmis at Rs. 227 and Metturs at Rs. 392. South Indias, however, were pushed up from Rs. 126.50 to Rs. 146 on special speculative support.

In the tea section, Haileyburias eased by 25 nP to Rs. 14 and Neelamalais by 17 nP to Rs. 4.78. Chembras lost 15 nP to Rs. 4.85, Peermades declined by 13 nP to Rs. 23.32, despite the announcement of an interim dividend of 7½ per cent. taxable for 1960. Blue Mountains closed lower at Rs. 4.95, as compared with Rs. 5.06 last week-end. Kil Kotagiris dropped 6 nP to Rs. 5.62 and Waterfalls 5 nP to Rs. 4.20. Periakaramalais fell from Rs. 3.54 to Rs. 3.45 before finishing at Rs. 3.50. Nonsuch were neglected at Rs. 27.25. United Nilligiris at Rs. 22.60 and Devsholas at Rs. 30.25.

Coffee Lands were prominent in the coffee section with a fall of 25 nP to Rs. 25. Consolidated Coffees, which had fallen from Rs. 25.95 to Rs. 25.75 earlier in the week, improved slightly to Rs. 25.85 today, a loss of 10 nP over the week. Cowcoodys shed 5 nP to Rs. 5.20. Ouchterlony Valleys initially eased from Rs. 4.85 to Rs. 4.80, but recovered to close at the last week's level today. Balanoors changed hands at Rs. 16.70 and Rajendras at Rs. 14.35. Mysore Amalgamateds were unaltered at Rs. 6.25. The Directors of the Company have declared a dividend of 10 per cent., taxable, (equivalent to 7 per cent. tax-free) for the year ended March 1960, as against 10 per cent. tax-free for the previous year.

Among rubbers, Cochin Malabars were marked down by 35 nP to Rs. 6.90. Midlands lost 22 nP to Rs. 11.78. The Company has announced a dividend of 12½ per cent., taxable, (8.75 per cent. tax-free) for the year ended March 1960, which compares unfavourably with 10 per cent. tax-free for the prevous year. Malankaras were unchanged at Rs. 19.75 and Kailas at Rs. 4.95.

In the sugar section, Cauverys came in for selling and lost Rs. 2.50 to Rs. 142. E.I.Ds eased by Re. 1.75 to Rs. 40.50. Deccans were lower by 45 nP at Rs. 14.95. Indias dropped 10 nP to Rs 12.90 and Travancores 5 nP to Rs. 11.25. United Breweries were quiet at Rs. 114.50 and Mysores at Rs. 60.50.

Among miscellaneous industrials, Textools declined by a rupee to Rs. 188. Among chemicals, Metturs receded by 50 nP to Rs. 12.70. Mysore Chemicals were lower by 30 nP at Rs. 27.50 and Mysore Fertilisers by 20 nP at Rs. 10.45. F.A.C.Ts closed at Rs. 10.62, as against Rs. 10.75. In the cement group, Dalmias eased by 30 nP to Rs. 11.85 and Travancores by 20 nP to Rs. 8.50. India Cements, however, put on 13 nP to Rs. 6.68. Among others, Ashok Leylands lost 35 nP to Rs. 7.95. Aluminium Industries softened by 2 nP to Rs. 22.75.

T.I.S.CO. MEETING

The Government of India has kept in abeyance the grant of licence to the Tata Iron and Steel Company, Ltd. for setting up a plant for the manufacture of alloy steel till the Government's own plan for such a project was finalised. Disclosing this at the annual general meeting of the Company held on the 6th inst. in reply to shareholders' queries, Mr. J. R. D. Tata, Chairman, added that, if the Government granted them a licence, it was the Company's intention to have some foreign associates in the project. He further added that a separate company would be formed for this purpose and the shareholders of the T.I.S.Co. would certainly be given preference for participation in the share capital of the Company.

Mr. Tata also disclosed that the Company was considering the question of placing the shares of the Indian Tube Co. (1953) Ltd. on the market as it has considerably grown in size and is doing quite well. Replying to the suggestion of the shareholders that the shares of the Company should be issued to the shareholders of T.I.S.Co., Mr. Tata said that, while it was a difficult one, in view of the relatively small number of shares to be offered for sale, as compared with that of T.I.S.Co., the suggestion would nevertheless be sympathetically considered.

The shareholders were highly critical of the Company's dividend policy. They were almost unanimous in complaining that the dividend was meagre. If this policy was continued, they were afraid, the value of the Company's shares would go down very much. Some of them warned the Chairman that the Government would nationalise the two companies in the private sector, once its own plants went into full production, in which case it would take the market value of the shares for paying compensation. They, therefore, pleaded for a more liberal dividend. While sympathising with the shareholders, Mr. Tata said that the Directors had maintained the dividend on old shares at Rs. 10.50 and have paid Rs. 9.72 on the new shares and that too within a year after the completion of the expansion programme. Recalling his earlier assurances that an increased dividend could come only out of increased profit, as a result of additional production, Mr. Tata asked the shareholders where was the increased profit. In 1958-59, there was actually a deficit in the disposable profit and, in 1959-60, it was not adequate to pay even the recommended dividend. During the last two years, the Company had actually to withdraw from the reserves nearly Rs. 4.50 *crores* to pay the dividends and how much more, he asked, could the shareholders expect the reserves to be depleted.

The following are the other points that emerged from Mr. Tata's reply to the shareholders:

1. The Company has done its best to impress on the Government the need for an early announcement of the increase in retention prices.

2. It is not in the interests of the shareholders to disclose the increase in retention price asked for by the Company. On the contrary, it will jeopardise the Company's cause.

3. There has been no serious defect in the plant; only a small section of the plant was found defective.

4. The question of inviting deposits from the shareholders will be considered, though the Chairman does not personally like the idea.

5. The Company has applied to the Ahmedabad Stock Exchange for placing the Company's ordinary shares on the forward list. A similar application will be made to the Calcutta Stock Exchange also.

6. The Company does not intend selling any more of its holdings in the Tata Engineering and Locomotive Company, Ltd.

7. The income-tax assessment has been settled up to 1956-57.

HINDUSTAN WIRES LTD.

Hindustan Wires Ltd., a public limited company incorporated in March 1959, with an authorised capital of Rs. 1 crore and a paid-up capital of Rs. 5 lakhs, has announced the details of its public issue. The Company proposes to issue Rs. 45 lakhs, made up of 450,000 equity shares of Rs. 10 each. Of this, the Directors, their friends and associates have agreed to subscribe Rs. 20 lakhs and the balance of Rs. 25 lakhs is available for public subscription. The list will open on 17th October 1960 and will close on 24th October or earlier at the discretion of the Directors, but not before 21st October. A sum of Rs. 5 per share is payable on application. No money is payable on allotment. The balance of Rs. 5 per share will be payable in one or more calls not earlier than four months after allotment.

The main object of the Company is to manufacture high tensile, spring steel, concrete re-inforcement, signal, galvanised, hard bright and annealed wires and wire products. At present, most of these items are largely imported. Indigenous production is mainly confined to bright, annealed and G.I. wires, but it is not sufficient to meet the domestic requirements. The Company has received an industrial licence for production of 5,000 tons per annum. As the domestic consumption is very much in excess of this quantity, there is scope for raising the production by the Company.

The Company's factory is ideally situated at Barrackpore Trunk Road, Sodepur, near Calcutta, with easy accessibility to raw materials, adequate rail and road transport facilities, and water and power supplies. A substantial part of the plant and machinery and auxiliary services have been installed. It is noteworthy that the Company has already gone into production. The plant already acquired and erected is of the most modern type.

The total capital outlay (including working capital) is estimated at Rs. 50 lakhs, of which a sum of Rs. 17 lakhs has already been spent out of the capital already issued, namely, Rs. 5 lakhs, and temporary loans, which will be repaid out of the proposed issue.

In view of the anticipated good demand for the Company's products, the Directors expect the Company to earn a reasonably good profit and, barring unforeseen circumstances, the Company will soon be in a position to pay reasonable dividends. Judging from the present climate in the capital market, the issue, which is only a small one, can be expected to be easily absorbed.

The steel foundry of the Durgapur Steelworks was commissioned recently. The foundry is designed to supply 5,000 tons of steel castings a year for the maintenance requirements of the steel-works. The foundry consists of an electric arc furnace of six-ton nominal capacity of the basic type with hydraulic tilting roof and swivelling mechanism.

NEWS IN BRIEF

THE first factory to manufacture scooters in Mysore State, set up by the Ideal Jawa (India) Private Ltd., with Czechoslovakian technical collaboration, is likely to go into production early next year. The factory will produce 15,000 scooters per annum.

The Government of India and the U.S. began civil aviation consultations at New Delhi on the 3rd inst. These consultations will provide the first opportunity for a general review of civil aviation matters since the two countries signed the air transport services agreement in February 1956.

The Assam Government will lose about Rs. 2.25 crores in revenue annually, as a result of the Supreme Court's judgment declaring void the Assam Taxation (on goods carried by roads and inland waterways) Act. Besides, the Government will have to pay about Rs. 13 crores, if the tax collected for the last six years is to be refunded.

Although the trade agreement between India and China expired over a year ago and has not been renewed yet, India's exports to this country would appear to have not been affected. The value of commodities (mainly jute goods) actually shipped in the first six months of the current year was Rs. 4.4 crores, as against Rs. 8.0 crores in the whole of 1959.

The Government of India has rejected the Indian Cotton Mills' Federation's plea for relaxing restrictions on imports of fluorescent tubes on the score that a Calcutta firm has already been permitted to step up its production of tubes from 1.5 million to 1.8 million annually and that a new unit with a licensed capacity of 792,000 tubes a year will go into production before the end of the year at Shikohabad. With these, the supply position is expected to improve.

Work on the construction of the Rs. 61-crore oil refinery at Barauni in Bihar will commence on 1st January next, and is expected to be completed by 1962. The refinery will have a capacity to process two million tons of crude oil annually, producing aviation *gasolene*, motor gasolene, kerosene oil, diesel oil and bitumen, among others. The crude oil will be brought to the refinery from Naharkatiya oilfields in Assam through a 104-mile pipeline. Soviet Russia is collaborating in the project.

A scheme for intensifying plant protection for oilseeds crop in the Coimbatore, Salem and South Arcot districts has been sanctioned by the Madras Government. The scheme, which is expected to cost about Rs. 5 lakhs, will be implemented with substantial aid from the Central Oilseeds Committee. Under the scheme, it is proposed to carry out effective control measures against pests and disease affecting oilseed crops, particularly groundnuts, by making available to grower, pesticides and fungicides at 50 per cent. of the actual cost.

The Government of India has referred the question of bonus to bank employees to the National Tribunal (President: Mr. Justice Desai), set up in March last to adjudicate the dispute between banking companies and their employees. The Tribunal's award will cover principles and conditions governing payment of bonus, the qualification for eligibility, and the methods of computation of bonus, after making provision for all matters required to be provided for under law or which are usually provided for by the banks.

The collieries supplying coal to steel plants have been advised to boost their production by about 16 per cent. from the present level, if necessary by working one shift on Sundays in order to overcome the present shortage. The railways have also agreed to allot 5,000 wagons a day for coal-loading during the busy season as a result of deliberations between the Union Railway Ministry and the Union Steel, Mines and Fuel Ministry. About 1,440 wagons are being allotted to meet the needs of steel plants. The collieries have been asked to utilise fully the wagons offered.

A new mechanised ore berth was commissioned at the Madras Port last week by Mr. Raj Bahadur, Union Minister for Shipping. The ore berth has adjunct to it, an ore yard. The new berth has a capacity to handle one million tons of ore. It is also designed to handle general cargo. The berth and the ore yard have been formed to expedite the export of iron and manganese ore. The berth is capable of accommodating a ship 500 feet long and 31 feet deep. There are three electric shipping cranes with a load capacity of 13 tons gross each and a working radius of 65 feet. The shipping cranes can handle over 300 tons per hour. The yard, 1,600 feet long and 110 feet wide, is bridged by two transporter cranes running along the full length of the yard. These cranes are equipped with grabs which can take five tons of ore and are capable of completing 30 cycles per hour of stockpiling of ore or loading from the stockpile. With all this equipment, it is expected that there should be no difficulty in loading ore upto 5,000 tons a day by three shifts.

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From Abroad

Poland has offered to provide Ceylon with a fleet of cargo vessels and trawlers on long-term credit.

Fresh oil and gas deposits have been discovered in the Central Asian Republics and North-West Kazakhstan of Soviet Russia. The deposits, it is claimed, compare well with those in the Near and Middle East.

The Dutch Unilever subsidiary in the U.K., Van den Berghs and Jurgens, which has been manufacturing margarine in Britain, will commence marketing a branded butter (Farm Bell), made from a blend of Commonwealth and foreign butters with effect from the 10th inst.

The U.S. earned £220 million in foreign currency from tourists trade during 1959, 11 per cent. more than that in the previous year. The number of overseas visitors was also higher at 1.39 million. It is expected that there will be a further increase in the earnings from foreign tourists in 1960.

A £1-million package deal providing for the export of British finished furniture to Russia in exchange for timber is expected to be concluded between the two countries. The details of the deal were discussed by a delegation of the British Development Council with the officials of the Russian Government at Moscow recently.

The Standard Oil Company of California in the U.S. has increased the prices it pays for certain heavier crude oils in California by as much as 10 per cent. a barrel. The upward revision has been made as a result of the steader demand for heavy crude oils and for the heavy fuel oils refined from these crudes.

The British National Union of Railwaymen has decided to strike work from the night of the 16th inst. in a bid to stop the entire railway system. This strike is designed to protest against the refusal of the British Transport Commission to offer another 4s. 6d. a week to 50,000 engineers in railway workshops. The Union has 330,000 members.

The Japanese steel company, the Sumitomo Shoji Kaisha, has completed negotiations with a Canadian firm, the Silver Standard Mines, for the purchase of one million tons of iron ore from Moresby Islands in Canada. The Japanese firm will give an advance of $1 million, out of the total cost of $2.5 million needed for commissioning the mines.

The import budget of the Japanese Government for the six months beginning from the 1st inst. is placed at $3,530 million, a record figure in Japanese history. Of this, $2,800 million is earmarked for visible imports. The total imports in the last half-year were $3,268 million. Mining and industrial production in Japan is expected to go up by about 20 per cent. during the current financial year.

The British Gas Council proposes to buy liquid gas produced at Hassi r'Mel gasfield in Sahara from 1962 onwards. The eventual output of the gasfield is placed at 20,000 million cubic metres, out of which Algeria will consume only about 5,000 million cubic metres a year, even if the tempo of its industrialisation is stepped up. Meanwhile, the construction of a pipeline connecting the gasfield with the port of Arzew will be completed shortly. This pipeline will carry gas at a rate of 4,000 million cubic metres per annum.

The Government of Belgium proposes to raise the rates of income tax with a view to procuring additional revenue to the tune of £43 million. The present tax system will also be so reformed as to enable the local authorities to levy income-tax on their own account. The Budget will be recast in such a way that current expenditure is met only from current revenue, and not from borrowed funds. The increase in taxation is, however, expected to be only of a temporary nature. The new move is prompted by the impact of the Congo crisis, which cost Belgium about £28 million in extra expenditure and a shortfall of £15 million in revenue.

PERSONAL

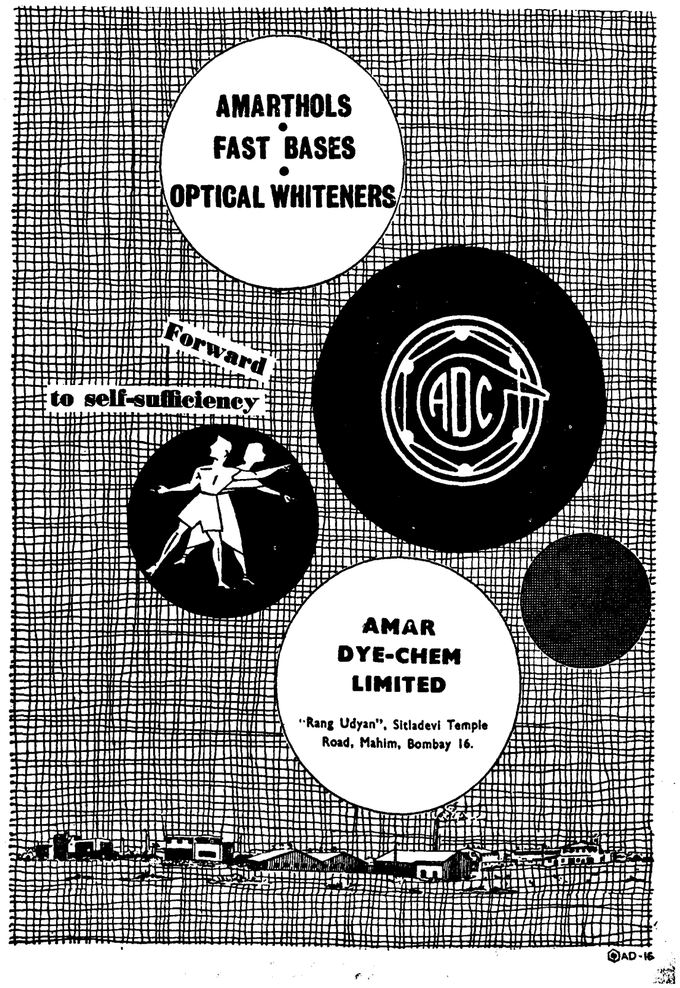
MR. G. Venkateswara Aiyar, till recently a Member of the Board of Revenue, Government of Madras, has assumed charge as the Secretary to the Department of Transport, Government of India.

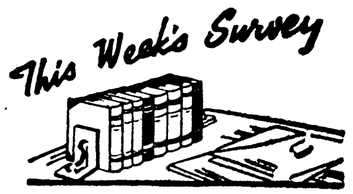
Mr. J. M. Srinagesh, I.C.S., at present Managing Director of the Indian Refineries Ltd., has been appointed Chairman of the Hindustan Steel Ltd. *vice* Mr. G. Pande, who is retiring.

Mr. Morarji R. Desai, Union Minister for Finance, has been elected Vice Chairman of the Board of Governors of the World Bank for 1960-61. Mr. Sunthorn Hongladarom, Governor for Thailand, has been elected Chairman.

Mr. G. S. Gale, President of the National Council of Wool Selling Brokers of Australia and General Manager of the New Zealand Loan and Mercantile Agency Company, has arrived in India on a brief visit to study the possibility of expanding Indo-Australian trade in wool.

Mr. Alexander D. Calhoun, Vice-President, First National City Bank of New York, has assumed general supervision of all the branches of the Bank in the Far Eastern District with effect from the 1st inst. He will be assisted by Mr. C. M. Stewart, a former Sub-Manager of the Bombay branch of the Bank.





SUGAR PRICES FORMULA

THE Tariff Commission has been asked by the Government of India to examine the formula linking the price of sugarcane with that of sugar realised by the mills in all its aspects and suggest modifications with a view to improving it, or evolve a revised all-India formula or regional formulæ in the light of the cost schedule given in the Commission's last year's report on the cost structure of sugar and fair price payable to the sugar industry. It is specially stressed by the Government that the formula recommended, whatever it be, should be simple, easy of application and intelligible to cane growers. Three other questions have also been referred to the Commission for consideration, and these are:

1. Are the industry's claims for rehabilitation allowance in the matter of sugar price division between the mills and the cane growers justified and, if so, what is the rate at which such allowance is to be provided in the price-linking formula?

2. Should the formula be applied to regions where ex-factory prices have been fixed and, in case the formula is not applied, how should the advantage of special incentives given to factories during years of control be shared between the mills and the growers?

3. What is the effect of the price-linking formula on the establishment of new sugar mills with heavy capital outlay and is it necessary to allow any concession to them?

It looks as though the whole issue of sugar prices has once again been referred to the Tariff Commission. Such a reference was inevitable, thanks to the difficulties experienced in the working of the existing formula. This formula, it may be noted, was announced in 1958. The basic principle of the formula is that the cultivators who supply cane to a sugar mill share with the mill the net sugar price realised by the latter during the year in the same ratio as the cost of cane bears to the mill's cost of producing sugar in that year, excluding taxes. For the purpose of the formula, the production cost was to be determined on the basis of the amended Naidu schedule which allowed the industry profit at the rate of As. 10-4 per maund of sugar and a rehabilitation allowance of As. 8-4 per maund. Allowance is also made for items such as selling commission on sugar, extra cost on cane transport, bonus to labour and labour awards. The formula contains a factor 'X' which has to be determined by the Central Government from time to time on the basis of recovery and duration of season of the factories concerned.

The above formula worked well for some time, but, since the Tariff Commission's report of 1959, the method of costing, which formed the basis of the formula, has become inoperative in certain respects. In the first place, apart from varying the estimates of cost of certain items, the Commission has included certain items in the production cost which, under the old formula, were to be adjusted from the prices realised. Further, the Commission has adopted an altogether different basis for determining the profit element and allowed a return of 12 per cent. on employed capital to provide not only for a reasonable profit but also for certain items of expenditure. Under the old system, a uniform element of profit was allowed on each maund of sugar produced. Again, the Commission has not allowed any rehabilitation allowance, while the old formula had provided for a specific allowance. The Government of India has accepted the Commission's recommendations and decided to make use of the cost schedules prepared by the Commission to fix the controlled prices of sugar where necessary. In view of the fundamental changes made by the Tariff Commission, the need for re-examining the price-linking formula has come to the fore.

Whatever may be the recommendations of the Tariff Commission and the Government's decision thereon, it must be said that the very principle of price-linking formula is unsound, inasmuch as it gives to the cane growers the benefit of a share in the sugar mills' profit, without any obligation to share the loss, if any, incurred by the mills. It is a case of heads I win, tails you lose. One would naturally ask: Why is it that this special benefit is conferred only on cane growers and not on the suppliers of raw materials to other industries also, such as the cotton grower and the jute cultivator? Evidently, the price-linking formula is motivated entirely by the immense political influence of cane growers in Uttar Pradesh and Bihar. An even more important reason why the price-linking formula is unsound is that it is not conducive to improving the quality of sugarcane. So long as the farmer gets a good price and a bonus on top of it irrespective of the quality of the cane he raises, he will have no incentive to grow sugarcane with higher sucrose content. As we have referred to this defect in India's sugar economy *ad nauseam*, it is unnecessary to expatiate on it here. But it is, indeed, very distressing to find that nothing effective has been done or is proposed to be done by the powers-that-be to remove this defect. On the contrary, every move that is made by them only tends to perpetuate it. If there is one occupation in this country where a premium is paid on inefficiency, it is growing of sugarcane by individual farmers.

If the Tariff Commission, too, decides not to change the formula, taking note of the aforesaid points, it must at least concede the demand of the industry that adequate rehabilitation should be provided as in the past before the sugar price is made shareable with growers. That this demand is quite justified will be evident from the clear opinion expressed by no less an authority than the Supreme Court in the course of its judgment, given in May 1959, on the dispute between the Associated Cement Companies Ltd. and its workmen. The Tariff Commission must also concede the sugar industry's claim for excluding from the formula the regions where there is control on ex-factory prices of sugar. For the controlled prices are related to the minimum price of cane and the industry as a whole is not supposed to earn anything more than statutory price.

NEW IMPORT POLICY

Neither in content nor in the basic approach has there been any significant departure in the import policy for the current half-year (October 1960 to March 1961), announced this week, as compared with that for the previous period. The policy continues to be distinctly restrictive, but with an eye to maintain production in the country at as high a level as possible. There has been a further cut in the imports of certain raw materials and consumer goods. Some more hardship to the public is, therefore, in the offing. But it must be conceded that the none-too-comfortable foreign exchange situation demands constant vigilance, lest the import bill should get out of control, creating a major crisis. India's sterling balance, it may be noted, touched a low of Rs. 144 crores last week, which compares quite unfavourably with Rs. 213 crores in the beginning of 1960 and Rs. 181 crores a year ago. Besides, the aid given by friendly countries is generally related to specific development projects and this makes it all the more difficult for the Government to use such aid for financing maintenance imports. Viewed thus, it is not surprising that the Government has had to reduce imports further. Among the consumer goods, cotton fabrics, timepieces, wines and whisky figure prominently. The Government has curtailed, or banned completely, imports of a number of industrial raw materials and components, though only those the internal production of which has gone up. These include several iron and steel products, electrical goods and automobile spare parts and raw films. There will, however, be no cuts in annual licences already granted for industrial raw materials. It may also be noted that, while quotas of established importers have been slashed, the list of items to be imported directly by the actual users has been expanded. The cuts in, or banning of, quotas of established importers is expected to result in a foreign exchange saving of Rs. 3 crores. Actual users' licences will be available for 20 new articles, including ball bearings, knitting machines and metals.

In theory, therefore, industrial production should not suffer to any significant extent. In actual practice, however, the setback in the production of certain specified industries may be greater than expected, because even the arrangements made for the past half-year proved inadequate and several industries, notably engineering and chemical units, could not maintain their production at the optimum level. It will not, therefore, be surprising if the hardship experienced by industries dependent upon imported raw materials and components increases in the coming months.

The import policy with regard to some 20 items has not been announced. These goods include machine tools (for established importers), surgical instruments, watches, tyres and tubes, spices, dates, paper, printing paper and agricultural tractors. Apparently, the Government is awaiting the return of Mr. Morarji Desai, Union Finance Minister, from Washington to assess the precise scope for securing foreign assistance likely to be available for the current biennial period. These items obviously do not rank such a high priority in regard to the maintenance of the economy and depending on the amount of foreign exchange available, their imports may be cut or increased. The only disadvantage of this policy is that it will encourage a lot of speculative activity in the goods concerned. The items that have been cut or reserved for a subsequent decision are such that will expand the scope for smuggling which has been flourishing despite all the vigilance of customs officials. Watches and foreign liquor are particularly vulnerable to the smugglers' designs. Further, the cut in liquor may adversely affect tourism, a good source of foreign exchange.

Provision has been made in the current import policy to include eight more industries under the export promotion scheme to qualify for allotment of foreign exchange for importing their essential requirements. The goods are essences for vegetable and food products, polishing rouge for lenses, graphite for pencils, art silk yarn, asbestos, mantle yarn for gas mantles, hemp twine and fish maws, abrasive grains, glass paper, felt bob and putty powder for monumental stones and granite slabs. It is to be hoped that industrialists and traders will endeavour to utilise these facilities and earn more foreign exchange.

While announcing the import policy, the Government has sought to emphasise that the policy is based on the need to effect maximum possible economy in imports. The policy, being restrictive, naturally places "a great deal of responsibility on industrial entrepreneurs and established importers." The Government has, therefore, urged them "to use their licences and quotas to make wise purchases, to make equitable distribution, to maintain a steady price line and help to expand production." The industry and trade will do well to heed this call, coming as it does at a time when the country is facing grave economic problems. The authorities, on their part, should keep a strict watch on the conditions of trade and show no mercy to erring parties.

LATEST ON LAND CEILINGS

The principle of ceiling on land holdings is now past the stage of general controversy, as the powers-that-be are giving effect to it with a determination worthy of a better cause. Already ceilings on future acquisitions have been in operation for many years now in the States of Assam, Bombay (pre-reorganised), Jammu and Kashmir, Madhya Pradesh (Madhya Bharat area), Punjab (including Pepsu area), Rajasthan, Uttar Pradesh, West Bengal, Delhi and the former States of Hyderabad and Saurashtra. Legislation for this purpose has been passed in the last year for the entire reorganised Madhya Pradesh. Already, again, ceilings on existing holdings have been authorised for some years now under suitable legislation in the States of Assam, Jammu and Kashmir, Punjab (Pepsu area), West Bengal, Himachal Pradesh and former Hyderabad State. The Punjab Government (in respect of Punjab area) has also powers to take over land held by owners under personal cultivation in excess of 30 standard acres. To what extent ceilings on existing holdings have been actually enforced in these States and what surpluses of land, if any, have been acquired are not precisely known. It would, however, appear that no uniform enforcement of legislation in all the areas of these States has yet taken place. In Kerala, the Bill passed by the Legislature with the Communist majority has just been reconstructed under the directions of the President. Over the rest of the country legislation has been undertaken only since last year. Bills, for example, have been passed in Gujarat and Rajasthan for ceilings on existing holdings, and in the other States (Andhra Pradesh, Maharashtra, Bihar, Madhya Pradesh, Mysore, Orissa, Uttar Pradesh, Delhi, Madras, Manipur and Tripura) Bills have been either adopted or introduced or published.

It is thus too late in the day to hope for any change in a policy which is already under countrywide implementation. It would, however, be different if the whole thing were to be challenged before the Supreme Court. Will Rajaji and the signatories to his memorandum to President Rajendra Prasad go to Court, now that the latter has declined to oblige him by asking for the Court's ruling? But the more relevant and live issues now centre round four major considerations—level of ceiling, transfers, partitions and compensation. The least controversial of these issues are transfers and partitions, for the Draft Outline of the Third Plan itself has admitted that "it is difficult to distinguish between transfers which are *mala fide* and those which are *bona fide*" and that "it would be justifiable to make a distinction between partitions and transfers." In regard to transfers (other than partitions), the Draft Outline has proposed that "all transfers made after the date of the publication of the ceiling proposals or an earlier date as may be prescribed in view of the local conditions, should be disregarded in computing the ceiling limit for any person or family as the case may be." It may be presumed that the crucial date in this context would be the date of publication of a land ceiling Bill; if this presumption is correct, there can be no valid objection to it. But the reference to "an earlier date as may be prescribed in view of the local conditions" is an unfair alternative which need not find its way into the final third Plan. The recent acceptance, by the Ceiling Sub-committee of the Land Reforms Panel of the Planning Commission, of the aforesaid recommendations regarding transfers and partitions should not be taken as a justification for retaining that alternative provision regarding the crucial date. As for partitions, there is no such unfairness in the approach of the Draft Outline which has laid down that, since partitions relate to separation of shares among the co-sharers, no provision would seem necessary for disregarding partitions that might be made after the crucial date.

A clear picture of the kind that has emerged in the case of transfers is, however, not to be found in the matter of ceiling levels and compensation. As no uniform standard is possible for ceiling levels in different States, it has been laid down in the second Plan itself that the ceiling might be placed at about three family holdings. Where it has been recognised that the balance of convenience lies in favour of each State specifying, according to the conditions of different regions, classes of soil, irrigation, etc., the area of land which may be declared to be a family holding, it is odd that some State Governments have formulated proposals for ceiling levels in terms of particular levels of income, which certainly give the impression that the object of ceilings is to set a limit to rural incomes generally and to urban incomes ultimately. The Draft Outline has, therefore, done well to lay down categorically that "once the ceiling has been determined and the surplus land taken over the owner will have the right to retain his remaining lands" and that "he will not be required to surrender any land if the value or income from the holding is subsequently increased on account of improvements made by him." It is gratifying to know that the Sub-committee of the Land Reforms Panel has accepted this approach of the Draft Outline. But it needs to be added that the determination of family holdings in different regions should be done scientifically with the help of settlement and revenue officers and not arbitrarily under political pressure. Until this is done, the levels of ceiling, now proposed in different States either in terms of income or in terms of area (in ordinary or standard acres) per individual owner or family, should be kept sufficiently flexible for revision in the light of determination of family holdings and prior to the actual enforcement of ceilings legislation.

As for compensation, no clear picture of its quantum has yet emerged. The second Plan no doubt left this to the discretion of the State Governments on the ground that it was an important question of policy to be considered by each State in the light of its conditions. The Draft Outline of the Third Plan has presumably accepted this approach to compensation. If that is so, it passes one's comprehension why less important questions of policy also should not have been left entirely to the discretion of State Governments. If the Planning Commission could lay down the level of ceiling for the country as a whole at three times the family holding, there is no reason why it could not lay down a fair and uniform standard for compensation. The absence of such a standard gives rise to the suspicion that a former Ceiling Sub-committee's recommendation (in 1956) that "the amount of compensation should in no case be more than 25 per cent. of the market value" may be lurking in the background. Although the suggestion of some members in the present Ceiling Sub-committee that compensation quantum should not be more than 40 to 50 per cent. of the market value of land does represent an improvement, the Sub-committee as such has made no firm recommendation. This issue calls for greater attention at the hands of the Planning Commission which is now finalising the third Plan. Meanwhile, it is a matter for further examination whether the compensation proposals in pending land ceiling legislation, which are either in terms of multiples of rental value or of land revenue assessment or in terms of some other formula, will generally work out to a rate of at least 50 per cent. of market values as ascertained from the appropriate authorities administering the Land Acquisition Acts in different States. In saying this, we do not necessarily suggest that 50 per cent. of market value is fair compensation. If respect for equity is to prevail, anything less than 100 per cent. of market value is unfair.

But at least on another ground, namely, exemption from ceiling, there is happily no ambiguity or uncertainty. The present Ceiling Sub-committee has rightly agreed, in terms of the second Plan's land reform policy, that tea, coffee and rubber plantations, orchards constituting reasonably compact areas, specialised farms engaged in cattle breeding and dairy farming, sugarcane farms owned and operated by factories, and efficiently-managed compact farms with heavy investments and permanent structures should be exempted from ceiling. It is to be hoped that the State Governments will scrupulously adhere to this recommendation in their present legislative proposals.

EMPLOYMENT AND THE PLAN

Mr. G. L. Nanda, Union Minister for Labour, had not a word of cheer to say at the second meeting of the Central Committee on Employment, held at New Delhi on the 26th September, regarding the employment situation in the country and the prospects in the third Plan period. Implicit in his statement was the admission that the picture was not likely to change much for the better in the immediate future. In fact, judging from the Draft Outline of the third Plan and the pronouncements of Mr. Nanda, it appears that the labour and employment policies of the Government have now tended to be on the defensive. For the aim is to prevent the situation from deteriorating further, which means providing jobs for all the new entrants to the labour market during the third Plan period, with the backlog of unemployed remaining the same.

According to the estimates given in the Draft Outline, even this object is not likely to be fulfilled completely, because, as against 15 million new entrants to the labour force during the third Plan period, new jobs created will be of the order of only 14 million (10.5 outside agriculture and 3.5 in agriculture). Assuming, for argument's sake, that the third Plan target of 14 million jobs will be achieved, even though the performance during the second Plan does not warrant this assumption, the backlog of unemployed at the end of the third Plan period will have increased by one million persons over that at the beginning of the Plan which itself is expected to be some 2 million higher than the 5.3 million persons remaining unemployed at the beginning of the second Plan. Thus, even after fifteen years of planning and the completion of three Five-year Plans, the unemployment problem will still remain unsolved. In fact, the number of unemployed will be more. The proportion of those without jobs to the total working force will, however, be smaller, because of the increase in the number of people employed. But for planned development, the position would undoubtedly be much worse than it actually is. From the employment angle, this is the only tangible result of planning.

Apart from pointing out the magnitude of the problem and emphasising the need for providing vocational guidance and collecting employment market information, the Minister had nothing new to add to what has already been said in the Draft. He, however, elaborated some of the methods proposed in the Draft for tackling the unemployment problem. Unemployment, according to him, could be solved, not necessarily through large-scale projects but through innumerable small programmes and projects spread throughout the country. The problem, he felt, should be divided into two parts and considered separately. First was rural unemployment. In rural areas, there was more of underemployment than unemployment and a very low standard of living. Underemployment and disguised unemployment in rural areas aggravated the trend of rural-urban migration which resulted in swelling the ranks of unemployed in the urban areas. For utilising fully the man-power resources of rural areas with a view to increasing employment and building up national assets, the Planning Commission and the Centre have recommended to State Governments the following measures:

(1) adoption of scientific methods in agriculture, (2) diversification and strengthening of the rural economic structure on a large scale, (3) the linking of the village economy with the growing requirements of neighbouring towns, and (4) the diversification of the occupational structure of rural areas through the development of processing and other small-scale and village industries.

Mr. Nanda suggested that various works programmes, which were labour-intensive and which would help in building community assets, should receive high priority.

The Minister also underlined the need for developing a large number of non-agricultural activities not only to provide employment but also to bring about a balanced development of the village economy. Rural industries had to be developed not necessarily according to the traditional methods but by using new techniques and a modern scientific approach. Another aspect of creating employment in rural areas, said Mr. Nanda, was to ensure that the various schemes under the Plan were implemented in a co-ordinated manner, so that maximum use was made by the available man-power and that marginal additions to Plans should be made, if they gave more than proportionate return in terms of employment. A pilot study was undertaken to examine this problem. One of the important findings of this study was that unemployment should be broken down into its elements, as much as possible, and tackled directly, to the extent practicable, at a number of points. The State Governments have been requested to undertake similar studies in selected areas.

Apart from the problem of underemployment in the rural areas, there is the more insistent and, in some ways, more complex problem of finding unemployment for new entrants to the labour force estimated at 10 million in the second Plan period and 15 million in the third Plan period. Surveys have shown that the problem of unemployment is more acute among the educated persons. On an average, about 290,000 educated persons join the labour force each year, the figure for the entire period of the second Plan being 1.45 million. The number of such persons remaining unemployed at the beginning of the second Plan was 550,000. The number of persons expected to be absorbed during the second Plan period is equal to the number of new entrants, 1.24 million in the public sector and 200,000 in the private sector. Here, again, those without jobs will be at least as numerous as the backlog of the unemployed at the beginning of the Plan period.

The problem of employment for the population, urban or rural, could be solved satisfactorily, Mr. Nanda averred, only as a result of economic development and that no short-term remedies were possible. In other words, growth in employment depends, to a great extent, on the pace of economic development. This is a clear admission that the Government is helpless in the matter of providing jobs to all those who seek it and that sufficient employment opportunities could result only when the economy reached the stage of self-sustaining growth and that, in the interim period, the country has got to live with the problem. This confession is by no means surprising to those who have been watching the trends in planning in the country. For employment has never been one of the primary objectives of planning in this country. This was evident from the first Plan itself, in which the chapter on employment was relegated to the end of the report and looked more like an appendix. This relative indifference to the employment aspect is evident in the Plan allocations which have not always been governed by the objective of maximisation of production and employment. Considerations which are of secondary importance, such as the relative share of the public and private sectors in the total Plan outlays and distributive justice have vitiated the system of priorities and the pattern of investment. Only an employment-oriented plan which lays less emphasis on aggregate investments and more on the creation of productive employment opportunities, whether in the public or private sectors, or rural or urban areas, can expedite the liquidation of the unemployment problem.

AMERICAN LETTER

ECONOMIC INDICATORS POINT TO A DECLINE

NEW INVENTION IN SPACECRAFT

From Our Special Correspondent

NEW YORK, *28th September*

THESE are hectic days in the United States. The General Assembly of the United Nations has re-convened. Security forces were kept busy in guarding Soviet and satellite chiefs of State. The verbal fireworks and other causes led the stock market averages decline to their lowest point in 18 months.

Both Soviet Premier Nikita Khrushchev and Fidel Castro discredited themselves thoroughly during their stay here. The Russian Prime Minister made ridiculous demands regarding revamping the United Nations. His remarks against "colonialism" could not be understood very well by the people of the U.S. because of Soviet dominance of Poland, East Germany, the Baltic States, Rumania, Hungary and so on.

Mr. Castro and the other 39 men in his retinue made a spectacle of themselves by very ill behaviour. They left their hotel rooms in a very untidy state. It seems that few used the bathrooms. Some rooms were littered with chicken feathers and there was a parade of girls, known to the New York Police Department, going and coming out of their rooms

Goodwill Being Lost

All this could be the beginning of the end of any respect for Communism and for the Red bloc itself. Speaking of Mr. Castro, it is an amazing fact that Cubans in the U.S. who favoured Castro over Batista are now bitterly opposed to Castro. Most of these people have no property holdings and, therefore, are not influenced by the policy of Cuban property expropriation.

The final two top world figures to arrive here on Sunday were Prime Minister Nehru and Prime Minister Macmillan of Great Britain.

With no reflection on the majority of the U.N. delegates, the General Assembly this time has deteriorated into a debating society. Mr. Khrushchev had the audacity to speak for two hours and 19 minutes. He must have very bad advisers, or, if he has good ones, he does not listen to them. With all the talking, nothing has been accomplished.

The mumbo-jumbo double-talk of the two U.S. Presidential candidates has not helped business either. It is the usual phenomenon every four years. All business indices have been dropping.

New Index

A new index has been added recently for the use of forecasters. It is a barometer of 'want' advertisements, that is, the number of people looking for employment. "Help Wanted Trends" is published at Philadelphia and its analysis is based on the advertisements which appear in 114 newspapers in the U.S. in the nation's key labour areas. Rightly, or wrongly, the outlook is for a downturn.

Economic indices have been dragging along. In an unusual Press conference, Mr. Per Jacobsson, Managing Director of the International Monetary Fund at Washington, urged American business to stimulate business activity by cutting prices. He spoke of a "slackening of activity"—and quite rightly so—and he said it had been going on for months. Also, he made no prediction when it would end.

Mr. Jacobsson stressed that the world no longer follows the U.S. price structure and that "the world price level is set now by the competition of many countries. This country has to adapt itself to world prices as many other countries have." This is a very good point, but hardly achievable with present labour policies which pushes up costs beyond increase in productivity.

The present decline—and nobody dares to call it a recession—has two basic reasons. One is the drop in inflationary expectations of which the Eisenhower Administration and the bankers are quite proud. Number two, as a result, there has been more cautious business and consumer buying. Strangely enough, in the U.S. people buy when prices are going up for fear of still higher prices and, when quotes are going down, they do not buy in anticipation of still lower prices.

While production was down in August by about 1 per cent., personal income was up. It set a new record to the seasonably adjusted rate of $407,600 million. This was $300 million more than in July. The biggest factor for this rise was a civil service pay rise which increased Federal wages and salaries. But there was a decline in farm income and manufacturing pay-rolls.

The national job situation is like the rest of the economy. It is not bad, but not quite good enough. Unemployment is causing concern. Specialists say the number of unemployed men is the most disturbing development. There were 1.9 million unemployed men in August. The total has now risen for three straight months. There were 816,000 people in August who had been unemployed for 15 weeks or longer.

Reflecting the worsening balance of payment position owing to the movement of dollars to better paying money markets abroad, the U.S. in the last week of September lost the largest amount of gold in a single week in 29 years. The gold loss was $181 million. It reduced U.S. gold stocks to $18,759 million, the lowest since early 1940. The decline since 1st January was $698 million.

U.S. Electric Rocket Engine

Work has commenced on the development of an electric, or plasmajet rocket engine. The device would be the size of a standard thermos bottle, according to the U.S. National Aeronautical and Space Administration. Such an engine would be three to four times more powerful and efficient that the most advanced chemical propulsion systems.

The U.S. space agency suggests that rocket engines will have to be used to push space craft through the earth's atmosphere, in order to neutralise the power of gravity. Then, the electric-plasmajet engine would take over and supply the power needed for many millions of miles, and/or kilometres, on deep space missions.

To escape from the earth's gravity, space craft have to travel at a speed of 25,000 miles, or 40,000 kilometres, an hour. This is the speed known as "escape velocity."

One important advantage electric engines have over chemical propulsion systems, now in use on the launching pads, is that they will be able to operate over a much longer period of time than their chemical contemporaries. A space craft to fly around Mars or Venus would need an engine which would supply power for a long time.—*All Rights Reserved.*

(Concluded from next column)

ther the cost of a social programme should be met as in Russia out of funds subscribed directly by State-owned industry). This programme is, of course, economically practicable, but its main snag is ensuring its political acceptance!

Everybody is agreed that the country needs increased industrial investment, more technical education and a vast increase in research spending. The Government will only admit financial controls to ensure the first and has no programme for the others. The public, enjoying its consumer boom, sees no need for the drastic programme of the socialist left. The right socialist wing is in danger of becoming lost in frustration (as the Party was in 1950), when it finds it has no power to carry through its industrial policies. Where then is the answer to be found?

If the Labour Party Conference succeeds in stimulating serious public consideration of this fundamental problem facing the British economy, it will have performed a public service. —*All Rights Reserved.*

Finland proposes to secure electric energy from Russia at a rate of 200 million kw. annually for ten years, with effect from 1st January 1961. The huge wood-working concern, Enso-Gutzeit, with mills near the eastern border, will use the power. A special power line will be constructed connecting the grids of the State-owned power company and the Soviet corporation concerned. The erection of the line will be the responsibility of the Finnish Government as far as the frontier, while the Russians will construct the line falling within their territory. Finland has already been receiving power under a similar agreement with Sweden.

THE FAMILIAR DILEMMA

(From Our Own Correspondent)

LONDON, *26th September*

LONDON LETTER

WITH the holiday season scarcely over and little of note to record in the City, interest centres in the political scene. The difficulties of working out a sensible defence policy having been demonstrated to a wondering public at the recent Conference of the Trades Union Congress, it now seems that the difficulties of working out a sensible economic policy are about to be similarly demonstrated at the forthcoming annual Conference of the Labour Party. Nor is this a matter of remote academic interest—on the ground that Labour could not form a Government for many a long day—or a matter of domestic party interest alone: the issue is a vital one for this country and it is to be hoped that the stern content of the debate will not be swamped in sterile ridicule of a party which may not seem able to make up its mind as to what it wants.

For the issue is, indeed, one which transcends party politics; though Labour sees it as a question of how they are to achieve their social ambitions even more than their economic ones, the same arguments apply if one is concerned solely with the familiar dilemma of combining an investment with a consumer boom. It is the question of how to ensure economic priorities.

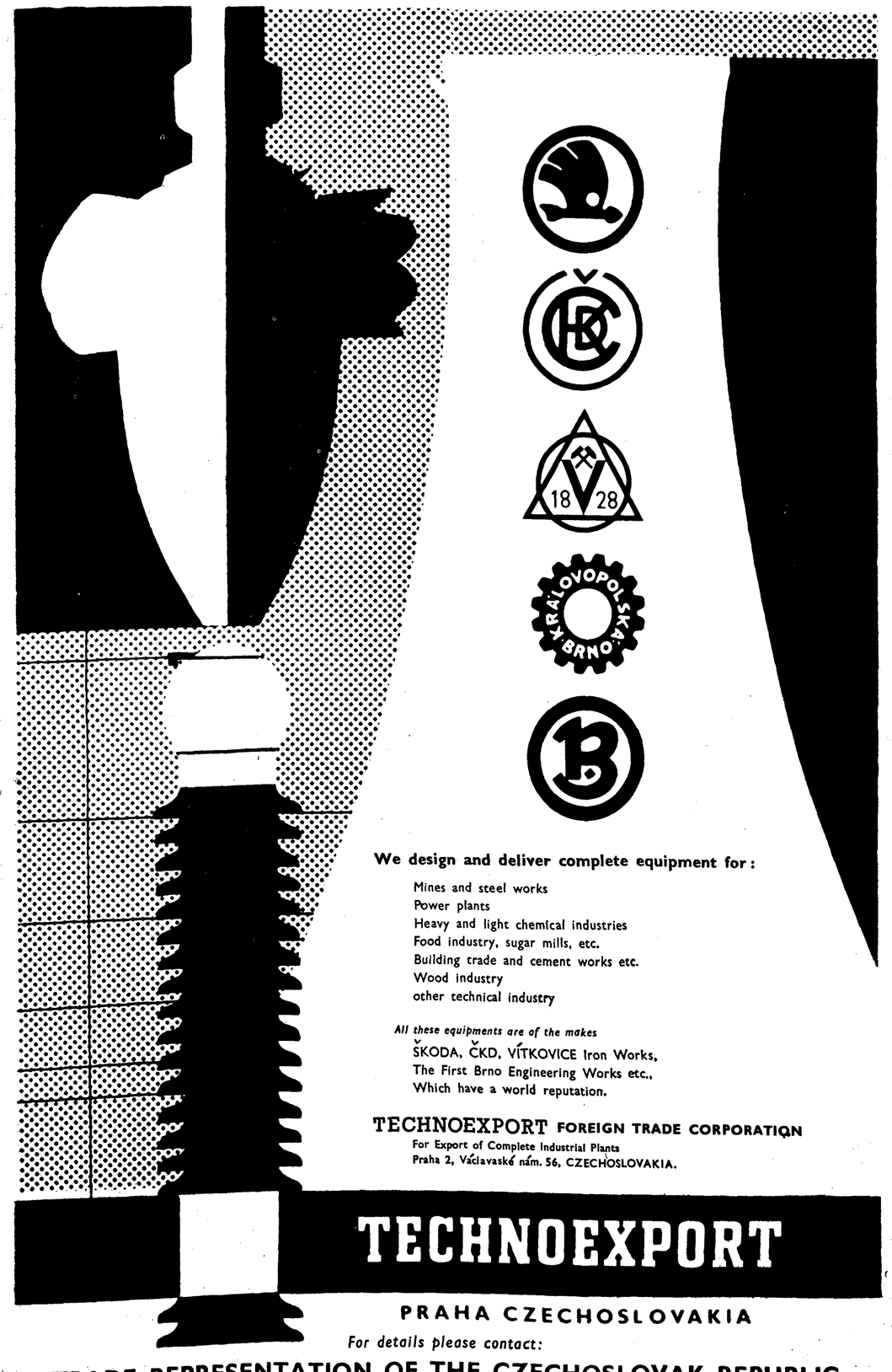
Britain's economic society successfully stimulates the demand for more and more consumer goods and investment is stimulated in so far as it creates the means for meeting such demands. The Labour Party is concerned that the economic means should also exist for a wide social programme of increased education, more public works such as roads, more social welfare, etc., and they also want to see increased investment both as a general means to the increase of wealth and as a means of ensuring this country's economic viability—for example, in increasing exports. To ensure both the increased investment and the social programme, the Labour Party traditionally demanded nationalisation at least of all the important means of production. This demand, in a relatively prosperous society, has apparently cost the Party three general elections in a row—hence the demand by the right wing of the Party, including its leader, that nationalisation should be dropped.

The debate is in danger of degenerating in the public eye into a simple issue of whether the Party is going to insist or not on nationalisation to further its aims. And the right wing is indeed endeavouring to develop this as the issue. If it were all, the Party might well be left to its internal wrangles—but it is far from being all. The issue is what forms of control does the British economy need to ensure that the essential economic priorities of the time can be enforced. The Government wants to see more investment and more exports: it wants this at a time when there is a consumer boom and it fears a strain on overall national resources. It decides, therefore, to check the consumer boom and repeats the crisis of 1954, when both spending and investment were successfully curbed—and the economy plunged into stagnation. This dilemma is fully recognised both by the Government and by all schools of economic thought. A lot of business opinion sees the only solution on traditionalist lines—let restriction lead to unemployment and thus to reduce wages, in the end providing the necessary stimulus for profitable investment. But the Government rejects that solution for political reasons and is at a loss for another one.

The right wing of the Labour Party wants to attack monopolies and restrictive practices and use the instrument of taxation to produce the resources for more social welfare and public works. But how can such a programme succeed? To prevent or break up monopolies is to go against the trend towards economic centralisation being followed by modern industrial countries—it is like demanding the abolition of modern machinery. And how much tax will the public stand? It is all very well to say that increased economic activity will automatically increase the revenue—but this begs the question, how is one to get the increased economic activity?

The left wing of the Labour Party says that increased public ownership is the only way to ensure that the right quantity of investment and the right social priorities are met (the problem of finance still arises and they do not say whe-

(Continued in previous column)



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DEVELOPMENT OF BANKING

FORMATION OF REGIONAL AND UNIT TYPE OF BANKS SUGGESTED

ONE of the peculiarities of the monetary system in India is that the organised banking sector covers only a limited sphere of economic activity variously estimated at between 30 and 50 per cent., and the unorganised and non-monetised sectors constitute a powerful force and a threat to the monetary balance. Bank money, according to a leading banker, is known to represent only about 30 per cent. of the functional money supply and 8 per cent. of the national income, as against about 80 per cent. and 32 per cent., respectively, in the U.S. The impact of cash money outside the banking system and of non-bank credit on economic activities in India is, therefore, of considerable proportions. This impact, it is claimed, is not amenable to the known methods of monetary control. But there is no doubt that this imbalance can be corrected if a rapid and effective expansion of the banking system is allowed to take place. Notwithstanding the limited field it covers, the banking system has been doing a useful service in the growing economy of the country. It is, however, felt that its service can be more effective and purposeful, if it is provided with better facilities and scope.

Unfortunately, the role of banking in the development of the country does not seem to have received the attention it deserves at the hands of the planners. For in none of the three Plans is there any mention about the development of banking. In the circumstances, the various suggestions put forward by Mr. B. K. Dutt, Managing Director, United Bank of India, Calcutta, in the course of Prof. Benoy Kumar Sarkar Memorial Lectures delivered by him a few weeks ago at the University of Calcutta, for a rapid and effective expansion of the banking system, deserve wide attention. Mr. Dutt, it may be noted, was a member of the Committee on Finance for the Private Sector, popularly known as the "Shroff Committee," and as such had a unique opportunity to study the problem at great length. He is also the author of a note on the need for a plan to develop banking, published a little over three years ago.

Need for a Separate Ministry

Mr. Dutt is of the view that the expansion of the banking system is a complete function in itself and needs very much more attention than it receives now. For this purpose, he says, a separate ministry should be created. Its function will be, in the words of Mr. Dutt, "to expand and develop the banking system, with a view to bringing at least the bulk of the economic transactions within its purview, to organise proper control and to manage money through its monetary policies. The Central Bank functioning within such a ministry, which will not be biased by fiscal considerations, but which will, on account of its purpose, be a willing co-operator with the fiscal authorities *on equal terms*, can function in a more effective manner than it can under the present set-up." He has also suggested the immediate formation of a Banking Expansion Commission to make a thorough study of our monetary system, in general and the banking system, in particular, and to take prompt and suitable measures for improvement and further development.

The Plan for the rapid spread of banking facilities, Mr. Dutt suggests, should be geared to the smooth and effective functioning of some other important links in the monetary chain. These include (*a*) marketing of Government securities outside the treasury group and the banking system, and (*b*) raising of risk capital and long, medium and short-term finance by the private sector for productive purposes. The spread in the holdings of Government loans can be done with the assistance of banks. While normally banks may not be willing to undertake the marketing of Government securities, as it would mean a diversion of deposits from the banks to the Government, the difficulty can, according to Mr. Dutt, be overcome, "if the Government decides to select a number of approved banks as depositories of Government funds both for revenue receipts and for sale receipts of the Government loans," as is being done in the U.S.

Banks can also render useful service in developing the capital market by participating in new share issues of sound and well managed companies. This, Mr. Dutt says, can be done by organising suitable consortiums. The development of capital market can also be done by organising unit trusts. The consortiums which take the place of issue houses, can be formed at different centres in collaboration with banks, the L.I.C., insurance companies, the State Financial Corporations, etc. The function of the consortiums is to examine new flotations and to recommend to the associates particular issues for subscription. Describing the main features of the unit trusts, Mr. Dutt says:

"Unit trust which is found in the U.S.A., the U.K. and other European countries, is formed by a company that purchases a block of specified shares and securities and hands it over to Trustees formed for the purpose. The managing company sells to the public, certificates as title to the prescribed uniform fraction of the block; these fractional titles are known as units. If a holder of such units wishes to release his holding, the managing company is obliged to buy it back. Usually banks are appointed trustees for holding the block of shares or securities in trust for the unit holders, the promoting company managing the business of the trust for a specified consideration. The net income is distributed amongst the unit holders. Such unit trusts are eminently suited for enabling participation in equity capital by middle and lower classes who are unable to operate directly on the exchanges or bear the risk of a direct investment. These trusts will also facilitate the banks' participation in consortiums by promoting liquidity of shares."

Co-ordination of the Two Sectors

The development of securities and capital markets with the help of banks will prove effective in checking flow of money into the non-monetary sector and in mobilising the available floating resources in the country and pave the way for better development of banking. There is, however, one difficulty, according to Mr. Dutt, in the way of better, quicker and systematic spread of banking, namely, the competition from the State Bank of India which is in a more privileged position than the banks in the private sector. There is "unhealthy competition" amongst the banks in the private sector, too. Mr. Dutt, therefore, emphasises the need for co-ordination of the two sectors through an effective and dynamic association, which will lead to a planned exploration of the points where banking facilities are urgently needed and the allocation of responsibility for expansion in such areas as between the different units functioning in the system. The need for co-ordination between the commercial banks and other specialised financial agencies is also emphasised by Mr. Dutt, so that the total finances required by a borrower can be provided from one source and properly channelled through banks and the specialised agencies. This will eliminate the need for industrial units obtaining their requirements from non-institutional lenders at high rates of interest.

The spread of banking through opening of branches of existing banks, particularly the better known ones, has been found to be a slow and long-term process. Despite the opening of new branches, about half of the number of towns in the country have no banking facilities. The tendency in recent years has been towards vertical growth of banks. The total number of banks has actually declined from 585 at the end of 1949 to 342 as at the end of 1959, while the number of offices has gone up from 4,359 to 4,687 only. Of the 4,687 offices at the end of 1959, 2,830 represented branches of 13 major banks, having deposits of over Rs. 25 crores. These 13 major banks accounted for over 80 per cent. of the total deposits of all Scheduled banks and for over 90 per cent. of the rise in deposits during the last one decade. Such a growth, depending on a few major banks, Mr. Dutt says, makes the system vulnerable. "The vastness of the country and wide diversity in regional economies," he adds, "point to the need for a more balanced growth of banking with not only a spread of bank offices but also a properly laid structure. In other words, the development of banking has to be more regional, so that the economy of a particular region may not suffer owing to inappropriate or inadequate appreciation of its needs by the larger banks having headquarters elsewhere and functioning in that area through branch offices." The regional development of banking, according to him, can be successful only with a horizontal growth of banking, rather than with the vertical growth.

How such horizontal growth of banking can be achieved is described by Mr. Dutt thus:

"There is need for different types of banks in the country. We must have the larger all-India banks, then we must have medium regional banks having branches at important centres of the respective regions; lower down we must have local banks, in each region, having a spread of branches in their respective areas of operation; and, at the bottom, we must have a large number of banks of the 'unit' type, each bank having one or, say, two or three offices. Let us try to adjust the structure with reference to the administrative division of the country. A unit or unit type bank may be situated at any one place (other than the provincial or divisional headquarters) and have one or two other offices in its close neighbourhood forming part of an economic entity with the town or village of the particular unit bank; a local bank may be a bank with its head office at the divisional headquarters and having offices in the different district and sub-divisional towns (such a bank need not have any office at places within its territory which are already provided with adequate banking facilities); the regional bank would be a bigger bank having its area of operation confined to its own region—for this purpose we may divide the country into, say, half a dozen or so regions. The whole structure has to be suitably co-ordinated through correspondent arrangements; the unit or unit type banks may have arrangements with the local banks, and the local banks in their turn with the regional, the latter having similar correspondent arrangement with the major national banks or other regional banks.

"If we can decide upon such a structure, the rest of the planned expansion may not be too difficult; rather, it will be possible to organise a much larger number of new banking offices in different parts of the country simultaneously and at a very much quicker pace than heretofore. The question that arises at this stage is: how can such new banks be organised? In the present structure, we already have the larger national banks as well as a number of medium banks who may act as regional banks. We, however, do not have any "local" and "unit" banks effectively functioning, except in certain parts of the country.

"I consider that it is possible to organise such local and unit banks by utilising the services of the larger national and medium regional banks. The first thing to be done would be to list the total number of places requiring banking facilities. Then, a priority plan may be chalked out. In doing so, however, due importance will have to be given to each and every region. Secondly, a number of major and medium banks may be selected and different regions may be allocated to them. These banks can then fix up amongst themselves the areas within the respective regions that each will cover. The programme they will be required to work out may provide for opening new branches at such places in their respective areas as may be served adequately through branch offices and organising new local and unit banks at other places within their respective jurisdictions. The new banks may be organised as subsidiaries in the first instance. In such a subsidiary, local interests will have to be associated by inclusion in the Board of Directors and incorporation of the condition that the subsidiary should organise local capital within a given period—say, five-years—at the end of which the capital provided by the sponsor bank will have to be fully repaid and the subsidiary will then be on its own, having only a correspondent arrangement with the sponsor bank for business facilities as well as for continuous advice and guidance. The prospect of becoming an independent unit on fulfilment of certain conditions will enthuse local interest through the initiative of the chief executive of the concerned subsidiary, and, with such local enthusiasm, mobilisation of local resources should not be a difficult task.

"There is, however, the chance of failing to mobilise adequate capital locally to pay off the sponsor bank within the given time. For such contingencies, therefore, a scheme like this will need Government backing; any shortfall should be advanced by the Government against convertible debentures or any other suitable instrument, which the concerned subsidiary, after becoming independent of the sponsor bank, would in due course take back by repaying the Government. Such a banking pattern, instead of adversely affecting the larger banks, will be, in effect, beneficial to them. With growth in the economy and development of banking habit, bank deposits will substantially increase and a consequential benefit will flow to the larger banks. Further, correspondence business between the smaller and larger banks will grow and thus bigger banks will also get the benefit of deposits to be maintained by the smaller banks; and there will also be other remunerative business coming to them from the smaller banks."

Losses to be Reimbursed

The establishment of a subsidiary and its working would also mean some losses. Such losses, Mr. Dutt suggests, should be reimbursed by the Government to the sponsor bank. It may be argued that as such losses are after all to be borne by the public, it will prove to be a burden. Mr. Dutt, however, feels that "if the nation can bear, as it should, the expenses on education and social overheads, it can and should similarly bear the cost of establishing a healthy banking system as well." According to Mr. Dutt's reckoning, the cost may not be heavy. It may not exceed Rs. 50 lakhs per annum for organising 850 unit banks and 150 local banks in the course of five years.

There are, however, some inhibiting factors which need to be removed for a proper growth of banking. These and other suggestions of Mr. Dutt will be dealt with in a subsequent article.

PUBLIC REFERENCE

INDUSTRIAL FINANCE CORPORATION OF INDIA

CHAIRMAN, MR. K. R. K. MENON'S REVIEW

SIGNIFICANCE OF FOREIGN CURRENCY CREDIT EXPLAINED

SPEAKING at the Twelfth Annual General Meeting of the Industrial Finance Corporation of India held at New Delhi on 24th September 1960, Mr. K. R. K. Menon, Chairman, told the shareholders that the Corporation had already received requests for foreign exchange credit to the entire extent of the loan received from the Development Loan Fund. He hoped that the swift use of this facility would pave the way for further credits from the D.L.F. in the near future. He was also hopeful of persuading the World Bank to give the Corporation a substantial loan in convertible currency to meet the pressing needs of its constituents.

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

"GENTLEMEN,

"I have pleasure in placing before you the annual accounts of the Corporation and the report of the Board of Directors for the year ended 30th June 1960. Printed copies of the accounts and of the report are before you. These have also been circulated to all the shareholders. I shall, if you agree, take them as read.

"The year that has passed has been a noteworthy one for the Corporation from many points of view. Our gross profit for the year came to Rs. 2 crores 50 lakhs, which represents an increase of nearly 25 per cent. over that of last year. Our reserves now exceed Rs. 1 crore, after finding a sum of the order of Rs. 50 lakhs to meet a bad debt that we wrote off in 1957. We have put away Rs. 10 lakhs this year also towards repayment of the Government subvention received in the past, and I confidently hope that the balance of our debt to the Government on this account, which now stands at Rs. 28 lakhs, will be repaid in the course of the next three years, if not earlier. The total amount of loans approved by your Board of Directors during the year aggregated Rs. 17 crores 92 lakhs, out of which final sanctions were issued for Rs. 9 crores 15 lakhs, the balance Rs. 8 crores 77 lakhs having been held over pending receipt of Government's orders. The total amount approved by us during the year, viz., Rs. 17 crores 92 lakhs, besides being a very big advance from our last year's figure of Rs. 3 crores 79 lakhs, is also better than the highest figure ever reached by us previously, viz., Rs. 15 crores 18 lakhs in 1955-56. Progress was made in the field of underwriting also, the total for the period ended 30th June 1960 being Rs. 1.87 crores. And last, but not least, during this year, our efforts, dating from as long ago as 1951, to obtain credits in foreign currency, were crowned with success with the sanction by the D.L.F. of the United States Government of a loan of 10 million dollars to us towards the end of the year for being sub-loaned to industrial concerns in this country.

Main Business

"Loans continued to constitute the bulk of our business operations. We had reached in 1955-56 what till now has been the peak, viz., Rs. 15 crores 18 lakhs. It will be recollected that this figure represented a marked advance on the previous two years' figures of Rs. 7 crores 34 lakhs and Rs. 5 crores 27 lakhs, respectively. The peak year of 1955-56 was followed by three years of steady fall—Rs. 11.91 crores in 1956-57, Rs. 7.79 crores in 1957-58 and Rs. 3.79 crores in 1958-59. It is all the more gratifying, therefore, that this has been followed in 1959-60 by the remarkably steep rise to Rs. 17 crores 92 lakhs. It is noteworthy that this phenomenal improvement in our loan operations during the last year, though it partly reflects the strident advance in industrial production that has been taking place recently, cannot be attributed to any easing in the foreign exchange situation or the liberalisation to any appreciable extent in the licensing of the import of capital goods in that year. Out of the Rs. 17 crores 92 lakhs mentioned by me, only Rs. 5 crores 68 lakhs represent loans to concerns which obtained import licences during the year 1959-60; Rs. 1 crore 46 lakhs represent loans to concerns which had obtained import licences in previous years. The balance, Rs. 10.78 crores, is, in the main, accounted for partly by loans to concerns who were to utilise our rupee loans for obtaining foreign currency credits from the Central Government or directly from foreign financial institutions, and partly by loans to concerns—mostly sugar co-operatives—the large bulk of whose capital goods requirements were planned to be obtained by indigenous fabrication. This latter factor has indeed been a very welcome development, particularly the institution by the Government of the consortia for the manufacture of sugar factory machinery in the country. We in the I.F.C. may, I think, look forward with great hope to further and faster progress in this line in the period covered by the third Five-year Plan, in the confident expectation that we should thereby be enabled to play our part adequately in our function of industrial financing, in spite of the continued deficiency in foreign currency resources which has been the major obstacle in our way during the past few years.

Foreign Currency Loan

"I must, however, make it clear that, impressive as has been our achievement in this regard in the past year, the picture that I should have been able to present to you today would certainly have been a very much brighter one indeed if only we had had a certain amount of foreign currency funds also at our disposal. In January 1960, when we were negotiating for a foreign currency loan from the Development Loan Fund of the United States Government, the position was that, for want of import licences alone, loan applications aggregating Rs. 6.15 crores had had to be treated as withdrawn, and out of the remaining applications which we then had on our hands, there were applicants who were counting on foreign exchange credits of the total value of as much as Rs. 20.93 crores to be able to implement the schemes for which our financial assistance had been sought. These figures provide an index of the significance of the foreign currency component in the financing by our Corporation of large-scale industrial enterprises in India at present. Every little assistance in this direction helps, and we have, therefore, reason to be thankful to the Development Loan Fund authorities for the loan of Rs. 4.7 crores in U.S. dollars which they sanctioned to us in April this year. How much of a real need even this small loan has helped to serve can be gauged from the fact that already we have received requests for this entire amount, and we are hoping to process these before the end of a couple of months or so from now. Considering that there was a good deal of initial apathy to be overcome, arising from the fact that, except for individual loans not exceeding a hundred thousand dollars—which is less than 5 lakh rupees—loans from this D.L.F. credit can be availed of in dollars only, and must be utilised for purchase of capital goods exclusively in the U.S.A., I think we may rightly claim that we have made good and swift use of the facility already given to us. I confidently hope that this will pave the way for further credits from the D.L.F. in the future. I am also hopeful that, with the continued good offices of the Government of India, we should succeed in persuading the World Bank, at whose doors also we have been knocking persistently during the last few years, to give us a substantial loan in convertible foreign currency to meet the pressing needs of our constituents.

Terms of D.L.F. Loan

"You will no doubt be interested to know what the main terms and conditions of the D.L.F. loan that we have already obtained are. Briefly, the loan will be available to the I.F.C. for grant of sub-loans to industrial concerns in the private sector in India for approved projects in any industry, except textiles including manufacture of wearing apparel and made-up textile goods, ship-building, tobacco, beverages, petroleum refineries and hotels. Each specific project for which a sub-loan is given by us out of the D.L.F. credit will need to be approved by the D.L.F., if the sub-loan exceeds two hundred and fifty thousand dollars, which is roughly the equivalent of 12 lakh rupees. The payment of the sub-loans will be made to foreign suppliers of capital goods, materials and services, on behalf of the loanee concerns in India, by arrangements made by the D.L.F. through a bank in the U.S.A. The sub-loans will be for periods ranging from 5 to 25 years according to the needs of the industrial concerns. Repayment will be made in Indian currency. Purchases of capital equipments, materials and services out of the sub-loans must, as already stated, be made in the U.S.A. only, except where the loan is for *less* than $100,000, in which case, purchases can be made in any country included in Code 899 of the International Co-operation Administration Geographical Code Book of the U.S.A. Government; this includes U.K. and most of the Western European countries. The sub-loanee, that is, the Indian concern, will have to give an undertaking that the procurements of the capital equipments, materials and services are made in the U.S.A. or elsewhere, at reasonable prices approximating to the lowest competitive price having regard to quality, time, cost, delivery, etc.; this is certainly a wholesome provision which should curb any tendency towards extravagance. Cost of shipment of capital equipments and materials under sub-loans of amounts above $100,000 will be financed only if these are transported in U.S. vessels. 50 per cent. of the gross tonnage of such items will have, in any case, to be transported in privately owned U.S. commercial vessels if such vessels are not declared unavailable. Import duties, tariffs, etc., will not also be financed out of the sub-loans. The rate of interest to be charged by the I.F.C. on the sub-loans has not yet been decided, but it will not, under our arrangements with the D.L.F., exceed 8 per cent. per annum in any case.

Rupee Resources Augmented

"I will turn now for a moment to our rupee resources on which we have been wholly dependent up to the end of the past year. As I have stated in the annual report before you, we went in for a bonds issue again last year, and it proved to be a tremendous success, the required amount of Rs. 5 crores having been oversubscribed within a few hours of the list being opened. In accordance with the usual practice, we retained an additional sum of Rs. 48 lakhs 87 thousand out of the total amount subscribed, which resulted in the total allotment aggregating Rs. 5 crores 49 lakhs. The bonds were for 12 years this time, as against 10 in the preceding year, and the rate of interest offered was 4 per cent. only, as against the previous year's 4¼ per cent., the discount offered being also less, at 0.25 per cent., as against the previous year's 1 per cent. I am sure you will share with me our gratification at this encouraging sign of public confidence. You will also be interested to know that, out of the sum of Rs. 5 crores 49 lakhs which was allotted in all, as much as Rs. 3 crores 81 lakhs were accounted for by allotments to the private sector alone, and Rs. 1 crore 68 lakhs to the Life Insurance Corporation of India.

"Coming now to the distribution of our loan approvals as among the various industries, sugar continued to take the first place in the past year also, followed by paper and rayon. It is to be noted that the bulk of the loans to the sugar industry (Rs. 4.20 crores out of Rs. 5 crores) went to co-operative societies, the total amount of our loans to which now stand at Rs. 18 crores 89 lakhs, distributed among 32 societies located in Assam, Andhra Pradesh, Gujarat, Maharashtra, Madras, Mysore, Punjab and Uttar Pradesh. Out of these 32 sugar co-operatives, 28 availed of loans to the extent of Rs. 14.11 crores. Of these, barring five, which are still in the construction stage and one which has already repaid the loan availed of by it, the output of the remaining 22 during the year under review came to 2.45 lakh tons of sugar; this is equivalent to nearly 10 per cent. of the country's entire production of sugar. The societies have put the loans advanced by us to prof per use, and, in the matter of meeting their commitments relating to the payment of interest and repayment of principal, their record has been satisfactory, which is gratifying in view of the fact that quite a few of these societies are still in the initial stages of production and have had their share of the many teething troubles which beset newly set up factories.

ART SILK YARN SUPPLY POSITION

QUOTA FOR ESTABLISHED IMPORTERS CUT

AS was widely anticipated, the Government of India has applied the import cut axe on art silk yarn. Thus, the quota of established importers has been reduced from 7½ per cent. to 5 per cent. for the current half-year licensing period (1st October 1960-31st March 1961). The actual extent of the cut is, of course, less than what both the art silk weaving industry and the traders feared; it was rumoured that the overall imports might be slashed by 10-12 per cent. The Press version of the import policy does not say anything about the procedure applicable to actual users. It is, however, gathered from enquiries that the actual users would continue to be free to import any deniers and qualities of art silk yarn, nylon yarn and Bemberg yarn. It will be recalled that, in the import policy for the previous half-year, the Government had removed all restrictions on imports.

Two considerations have weighed with the Government in deciding to reduce the import quota for art silk yarn: one, foreign exchange difficulty and, two, marked improvement in indigenous production. The quantity of art silk yarn actually produced during the first six months of the current calendar year was 20.78 million lbs., which compares favourably with 17.22 million lbs. in the corresponding period of 1959. The rise was accounted for by both viscose and acetate yarn. The output of viscose yarn was higher at 18.68 million lbs., as against 15.55 million lbs., and that of acetate was 2.10 million lbs., as against 1.67 million lbs. While the indigenous production of art silk yarn was higher thus, there was a sharp drop in imports of foreign yarn. The total imports during the six months under review amounted to 22.87 million lbs. valued at Rs. 6.80 crores, as against 31.19 million lbs. worth Rs. 8.91 crores in the corresponding period of 1959. Consequently, the total available supplies of art silk yarn during January-June 1960 were lower at 43.65 million lbs. as against 48.41 million lbs. It is not surprising, therefore, that the prices of art silk yarn are currently ruling higher than those in the beginning of the year and a year ago as is indicated below:

(Per lb.)

	Latest available	Beginning of 1960	A year ago
Indigenous yarns:	Rs.	Rs.	Rs.
N.R. 150 Bt. cones I grade.	5.20	4.56	4.19
N.R. 120 Bt. cones I grade.	5.89	5.44	4.50
Imported yarns:			
150 Italy	6.25	5.31	4.81
60×1 Capressa Bomberg .	9.81	7.81	7.44

The statement below indicates the trend of output of the different deniers during the first half of 1959 and 1960, as also in the whole of 1959:

(In thousand pounds)

Varieties	January-June		Whole of 1959
	1960	1959	
Art silk yarn (viscose):			
100 Bright	1,401	1,177	2,166
120 ,, ...	9,961	6,692	16,184
150 ,, ...	5,446	4,924	11,356
300 ,, ...	243	277	679
Others ,, ...	99	163	260
120 Dull	1,346	1,304	2,228
150 ,, ...	167	170	170
Total ..	18,679	14,707	33,054
Art silk yarn (acetate):			
100 Bright	57	15	15
120 ,, ...	488	357	711
150 ,, ...	874	596	1,228
120 Dull	86	74	120
150 ,, ...	192	281	439
300 ,, ...	374	323	579
Others ,, ...	32	24	77
Total ..	2,103	1,670	3,169
Grand Total ..	20,782	16,377	36,223
Staple fibre yarn:			
Upto 10s	60	35	130
11-20s	1,545	2,844	4,669
21-30s	964	1,839	2,619
31-40s	1,883	2,477	4,375
Above 40s	425	389	733
Total ..	4,876	7,584	12,526

Because of the reduction in the total supply of yarns, production of art silk fabrics was substantially lower. It is common knowledge that the weavers of these fabrics have been bitterly complaining of shortage of yarns, resulting in a lot of unemployment of both men and machines. Indicative of this position is the appreciable fall in the output of fabrics produced which during the first half of the year aggregated only 178.40 million yards, as against 210.61 million yards in the same half-year of 1959. The total number of art silk weaving units known to exist is 3,883. An idea of the more important varieties of art silk fabrics produced during the first six months of 1959 and 1960 can be had from the following table:

(In thousand yards)

Varieties	January-June		Whole of 1959
	1960	1959	
Taffeta	12,759	12,267	27,757
Georgette	4,176	3,455	9,245
Crepe	21,155	23,742	54,267
Stioze	3,109	4,101	10,084
Satin	10,907	12,688	25,958
Velvet	1,544	868	2,565
Others	124,748	107,131	270,442
Total ..	178,398	164,252	400,318

The Development Council for Art Silk Industry has recommended for inclusion in the third Five-year Plan quite an ambitious target of production for art silk, staple fibre and art silk-staple fibre mixed fabrics, namely, 880 million yards (inclusive of the quantity required to meet the export demand). This target represents a rise of 480 million yards as compared with the actual output of 400 million yards in 1959.

On this issue, it will be worthwhile to refer to the views expressed by the Association of Man-made Fibre Industry. The Association has urged that the third Plan target currently envisaged by the Planning Commission must be stepped up substantially to meet the growing demands of the country. For, according to it, an increasing population and the continued rise in standard of living are bound to stimulate demand for textiles as a whole, but a large part of this increase may be expected to accrue to rayon fibres for four reasons. One, the growing demand for food production on agricultural land may limit or even reduce the supplies of raw cotton, wool and other allied fibres, by bringing more land (presently used for the growing of cotton) under the plough. Two, raw material for rayon (cellulose woodpulp) is obtained from places unsuitable for food production (from forests and craggy slopes of hills) and will not compete with arable lands desperately needed for growing food crops. Although the supply of this raw material is well assured, research is continually seeking alternative sources. Three, rayon enters into all sections of textile industry on its own or in blends and into every field of apparel, household and textile manufacture—at every price level. Four, these fibres are particularly susceptible to improvement in quality and properties, and can be produced to predetermined specifications.

The targets fixed by the Council for rayon-synthetic yarn and fibre to be achieved by the end of the third Plan (1965-66) are as under:

(In million lbs.)

Filament yarn:	
Viscose .. .. .. (on 120 denier basis)	140
Acetate .. .. .. (,, ,, ,,)	24
Cuprammonium .. .. .. (60 D basis)	10
Synthetic .. .. (30 D basis)	10
Total ..	184
Staple fibre:	
Viscose	130
Acetate	8
Synthetic	3
Total ..	141

According to the Council, though on technical basis the minimum economic size of a unit to manufacture viscose-acetate rayon yarn should be eight million lbs. per annum, initially the units may be licensed for four million lbs. capacity which can be expanded later to eight million lbs. Licensing of additional capacity for manufacturing acetate rayon yarn is to be made on the basis of allowing imports of cellulose acetate in the initial stage on the condition that, after a stipulated period, the production of acetate yarn would be based on indigenous cotton linters and alcohol.

Sometime ago, the Development Council had suggested the formation of a corporation to promote exports of art silk fabrics. The Government of India, however, does not consider it necessary to pursue this idea, since, in its opinion, the export promotion scheme for rayon textiles is functioning satisfactorily. Another suggestion of the Council was that the manufacture of rayon tyre cord and dissolving pulp industry must be brought within the purview of the Council. This matter, we are told, is still under examination. Yet another suggestion was that the Central Board of Revenue might be requested to consider the request of the Association of Man-made Fibre Industry to levy excise duty on rayon yarn on the basis of weight given on packing cases by yarn manufacturers. It is said that the Ministry of Finance has been addressed in the matter by the Commerce and Industry Ministry.

QUALITY CONTROL FOR ART SILK GOODS

Quality control in respect of all art silk goods exported under the export incentive scheme has been reintroduced with effect from the 1st inst. Accordingly, such goods should now conform to the revised regulations for inspection and minimum standard specifications as announced in the Textile Commissioner's trade notice dated 21st September 1960. Further particulars can be obtained from the regional offices of the Textile Commissioner or the Silk and Rayon Textiles Export Promotion Council, Bombay.

After the quality control was first introduced last year, the exporters of art silk goods, especially of the handloom products, made representation to the authorities that adherence to the specifications laid down had greatly handicapped exports. It was reported that actually 80 to 90 per cent. of the goods meant for exports were rejected, since they were below the required standards. As a sequel to these representations, the authorities withdrew the scheme. But now the scheme has been reintroduced with suitable modifications in the light of the views expressed by the interests concerned.

TEXTILE IMPORTS INTO CEYLON

A ban on imports of all cloth costing more than Rs. 7 per yard and garments, including *saris*, over Rs. 40 each has been imposed by the Government of Ceylon. Hitherto, these items were under open general licence. This move is described as a part of the Government's bid to conserve foreign exchange. Only four months ago, it will be recalled, Ceylon had banned the imports of towels from India.

The latest decision of the Ceylon Government is not of much significance in so far as the export trade in Indian cotton textiles is concerned, because the bulk of the cloth exported by India to Ceylon consists of varieties the prices of which are much below the Rs. 7-per-yard level. Moreover, Ceylon has ceased to be an important buyer of Indian cotton textiles. The actual offtake of piecegoods by this country during 1959 was no more than 11.5 million yards, out of the total exports of 810 million yards, as against as much as 24.9 million yards in 1954. Its offtake during 1958 and 1957 was 16.3 million yards and 15.3 million yards, respectively. The Ceylon Government's move may, however, check the upward trend in exports of rayon piecegoods, which are currently at an annual rate of nearly three million yards, as against the actual shipment of 1.08 million yards last year.

WOOL RESEARCH IN NEW ZEALAND

The establishment of an independent wool research organisation in New Zealand to carry out an expanding programme of research into the chemical and physical properties of wool is awaiting Cabinet approval. It is recommended by the New Zealand Wool Board and the Department of Scientific and Industrial Research. Growers and the Government, it is proposed, should contribute equally to the cost of the organisation which will have an initial budget of £100,000. Currently, the Wool Board spends about £30,000 a year on wool research in New Zealand and its commitment to the new project will mean a considerable increase in its research grants. Without waiting for the Cabinet's approval, the Board has already announced that it will grant scholarships immediately, so that promising graduates who would form part of the staff could have three years' study in overseas universities.

In order to co-ordinate the production of worsted yarn with the needs of the general public, the Textile Commissioner has issued a directive to the worsted mills in India, requiring that the production of worsted yarn for different purposes such as weaving, hosiery and knitting shall be in specified proportions. As a result of this directive, out of the total quantity of worsted yarn manufactured during a quarter, the quantities of worsted yarn produced for use for weaving, hosiery and knitting purposes shall have to be 47½ per cent., 32½ per cent. and 20 per cent., respectively.

The Textile Commissioner has informed the Indian Cotton Mills' Federation that the stamping of price on cloth should be done taking the yard as the measure instead of the metric system. The textile industry was to have changed over to the metric system on the 1st inst., and the mills had been asked to stamp prices on the metre basis from that date. A Press release of the Federation says: "It has also been decided that, in those places where cloth has to bear octroi duties or terminal taxes, it would be in order for the retailers to charge such duties to the extent actually borne by the cloth, over and above the retail price and excise duty as stamped on cloth. The mills are, therefore, being advised to stamp on cloth, besides its price, the words "octroi extra."

OVERSEAS TEXTILE TRADE RETURNS

EXPORTS PICK UP—INDIAN GREY CLOTH IMPORTS RISE MARKEDLY

From Our Special Correspondent

MANCHESTER, *27th September*

PERHAPS the most significant single feature of the overseas trade returns for August is the fact that the cost of imported cotton yarns and woven fabrics for the first eight months of the current year exceeded £42,500,000 and came within £25,000 of the earnings secured from British shipments of similar goods abroad. By volume, the quantity of arrivals of all types of cotton goods has far and away outstripped the same products which are exported from the United Kingdom, but now the value is inexorably being overhauled.

MANCHESTER LETTER

A little progress was made by exporters last month when 26,485,000 square yards of cloth were sent abroad, a rise of over four million yards as compared with the low point reached in July. The inward traffic, however, also increased and the total of 61,530,000 yards showed a marked advance as compared with the past few months. So far, 471,540,000 square yards of cotton cloth have been imported, representing an additional 150 million yards as compared with the end of August last year. In the case of finished fabrics, the rate of arrivals has practically doubled at 80,997,000 square yards, while a similar situation exists in the spinning section where yarn imports have reached 26,439,000 lbs. as against 13,556,000 lbs. in the first eight months of 1959.

Eastern Suppliers

Further substantial quantities of greys came from India and undesignated foreign countries during August. At the end of eight months of 1960. Indian cloth arrivals had amounted to 165,804,000 square yards, as against 106,495,000 square yards in the same period of 1959. Pakistan had more than doubled its shipments at 27,857,000 square yards, but the volume of grey cloth reaching British ports from Hong Kong had fallen from 91,753,000 square yards to 61,867,000 square yards.

Curbed by quota restrictions, the imports from China and Japan this year have shown very little change as compared with 1959 and the big adjustment has come in arrivals from other foreign countries, most of which are in Europe. In this case, the imports by the end of August had reached nearly 71 million square yards, as against only 11 million square yards in the same part of 1959.

Comparable shipments of cotton cloth from the United Kingdom are slowly slipping behind last year's level, after keeping pace with the 1959 rate for the first half of this year. The eight-month total was 220,604,000 square yards, as against 227,041,000 square yards last year. In the case of yarn exports, the figure was 14,683,000 lbs., as against 15,396,000 lbs.

More than 100 scientists, technicians and engineers will lose their jobs by the merging of Britain's research organisations in the cotton and rayon industries. They have until next March to find other employment. Sixty of them are at the Shirley Institute, Manchester, headquarters of the British Cotton Industry Research Association. A redundancy problem "of a similar order" will arise at the streamlined modern headquarters of the British Rayon Research Association at Heald Green, Cheshire, Mr. H. B. Gee, the Association Secretary, said last week.

The Rayon Association's headquarters, opened only five years ago by the Duke of Edinburgh, will be closed down when the merger goes through in March. The building will be taken over by the Geigy Company. Staff affected at Heald Green also include clerical, canteen and cleaning workers.

Mr. J. Clayton, Branch Secretary of the Association of Scientific Workers at Shirley Institute, said that compensation talks had taken place with the management. It was thought that many of the younger men would be readily absorbed into other industries, but older men—some in their fifties—might have difficulty in finding fresh jobs.

The merging of the two research organisations was recommended by a Working Party to meet the changed situation in the textile industry.

A Pattern From C.P.A.?

Can the results announced by the Calico Printers be regarded as a reliable guide to forthcoming financial statements from textile companies? That is the primary question which has been occupying the minds of those whose activities bring them in touch with Stock Exchange affairs over the past few days. Much hinges upon the answer to so relevant a feature of financial news at a time when the industry is hesitating in its steps after a period of undoubted prosperity.

During the first six months of the current year, reports received from companies predominantly dealing with cotton and man-made fibres have certainly been encouraging; occasionally the earnings revealed have been extremely favourable. Forecasts have suggested that those groups, especially the bigger combines, which draw up their accounts in the later months of the year will have some surprise packets for shareholders and the markets alike. If the record of the Calico Printers is anything to go by, the annual stocktakings will provoke much "rubbing of hands" among those directly concerned.

Since the emergence of terylene as a commercial project, the income from royalties derived by this particular Company has been the subject of intense interest. The position has now been reached when the net income from this source, after tax, is not far short of the £1,000,000-mark. But it is significant that the revenue from foreign patents provided over 50 per cent. of the royalty income in the twelve months to the end of June. In some cases, the foreign rights have several years still to run—in Germany and Italy until 1965 and in Japan until 1968. The British patents expire in 1963.

Aided by this satisfactory source of income, the Calico Printers' group increased its net profit from £232,431 to £1,865,528, notwithstanding the fact that the taxation charge was trebled at nearly £2,000,000. Satisfactory improvements occurred in the trading results of all sections of the Association's activities, the Board reports; merchanting benefited from the ideal summer weather in 1959 and notable advances were also achieved in export sales.

Shareholders are to gain from a big advance in dividend and a one-for-one scrip issue. Members of other textile companies will be heartened by the indication of the giant strides made by the mills during the past year. Despite the present hesitant mood of buyers, they can still look forward to forthcoming results with considerable confidence.

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Output of man-made fibres in the first eight months of this year was 70,000,000 lbs. higher than in 1959, reaching a new all-time peak. Figures issued by the British Man-Made Fibres Federation show that, to the end of August, production amounted to 395,160,000 lbs., as against 325,300,000 lbs. in the first eight months last year and 276,120,000 lbs. in the same period of 1958.

The August returns were the highest ever recorded for that month, the total of filament yarn and staple produced being 43,180,000 lbs., a rise of 3,500,000 lbs. on August last year. The Federation points out that the wider adoption of staggered holidays in most of the man-made fibre producing factories makes the dip in August product on not as pronounced nowadays as it was a few years ago.

With the end of the holiday period, deliveries of man-made fibre yarns and staple are continuing at a satisfactory level in most textile areas. Anxiety about raw wool prices, however, is causing some hesitation in the wool textile industry, affecting both natural and man-made products.

Judgments at Court

Fully 18 months have elapsed since the cotton trade was thrown into confusion by the adverse verdict on its price regulation systems in spinning and doubling. The Restrictive Practices Court condemned the schemes early in 1959 and the market did not settle down again until some equilibrium was restored by the big buying movement which began last summer. Ever since, producers have been so well engaged that there has been no necessity to shade quotations; efforts to procure goods at cheap rates have been uniformly unsuccessful. It can, therefore, be only of historical interest for traders to read of the progress made to date by the Restrictive Trade Practices Court, but, in view of its substantial importance to the industry at one time, the information may be valuable.

According to a statement made by the Registrar, at the beginning of August this year, there were approximately 2,300 agreements in the register. Of these, over 1,030 had been abandoned or had all restrictions removed from them; 63 agreements had been referred to the Court; 52 had not been defended and the restrictions were, therefore, found contrary to the public interest; 11 agreements had been defended; eight were found contrary to the public interest; one was found consistent with the public interest, as was most of a second and a minor restriction in a third. Dates have been fixed for hearings on nine further agreements before the Court and over 120 more cases are in various stages of preparation for hearing. The Board of Trade has authorised the Registrar to remove 26 agreements from the register as being of no substantial economic significance.

Few Escape Condemnation

The only cases in which restrictions were not found contrary to the public interest were those connected with the Blanket Manufacturers' Association, in which one restriction only was upheld; the Black Bolt and Nut Agreement, in which most restrictions were upheld, and the Water Tube Boiler Makers' Associations, all of whose restrictions were upheld. Mr. R. L. Sich, the Registrar, in a recent speech in Washington, told members of the Anti-Trust section of the American Bar Association that, in most of the cases presented, the Court had not been satisfied of the probability that the public got any substantial benefit from their operation, or would lose any by their disappearance. In some cases the Court had found that the agreements caused substantial detriment to the public. The preparation of cases took from 18 months to three years to draw up, but, on past experience, he said that few of them would get as far as a trial. The fate of a large number of registered agreements often depended upon that of others coming to trial. This inter-dependence of such pacts partly explained why so many had already been abandoned. Critics of the way in which the Restrictive Practices Act has been implemented have suggested that the abandonment of trade agreements would lead to amalgamations between firms involved in the particular industries concerned. Although admitting that some mergers had followed the ending of certain Restrictive Agreements, Mr. Sich said there was "still a long way to go on the merger road" in most British industries before monopoly was created. In a small-unit economy, large-scale operation might produce benefits for the consumer by greater efficiency to offset any loss of competition.—*All Rights Reserved.*

NEED FOR RAISING COTTON YIELDS STRESSED AGAIN

MR. RUIA ADVOCATES COLLECTIVE EFFORT

FOR all the hardships caused by the sharp decline in cotton production during the last season and the imposition of additional controls on the marketing of cotton, the experience of the season would have served some purpose if it stimulated a better appreciation of the importance of stepping up cotton production in India through intensive cultivation and led to renewed efforts towards achieving that end. There was clear appreciation of this point in the speech of Mr. Madanmohan R. Ruia, President of the Cotton Buyers' Association, at the twenty-third annual general meeting of the Association held at Bombay on the 29th September. He said that the failure of the crop had pin-pointed the attention of all sections of the cotton trade, the textile industry and the Government on this vital problem. He was of the view that this problem could not be tackled, unless a collective effort was made by the farmers, the Government and the cotton trade. Mr. Ruia, however, did not say what form this collective effort should take. But he felt that, left to themselves, the farmers would not be able to solve the problem, because farming in this country was more a way of life than a commercial proposition.

Expert Committee

He reiterated that improving the yield per acre was the only alternative left for raising cotton production in the country, because any large-scale diversion in the area under cultivation to cotton, now or at any time in the foreseeable future, had to be ruled out, in view of the more urgent need for self-sufficiency in food. This solution has been advocated time and again, but there has been no tangible result. The question of questions therefore is this: If the remedy had been known for a long time, why is the problem still with us? Mr. Ruia provided no answer to this question. He only referred, in this connection, to the proposal made at the last half-yearly meeting of the Indian Central Cotton Committee for the appointment of an expert committee to probe into price fixation, agricultural production and allied questions and said that, as far as cotton was concerned, it was a wise suggestion, because all the problems bearing on cotton could be expertly examined by it. Farmers and the trade could place their respective view points more forcefully and vigorously before this committee which could advise the Government to take more realistic steps to rectify any deficiencies or weakness in the cotton policy and to intensify the drive for increased production. But, if New Delhi reports are to be believed, the proposal for setting up an expert committee fathered by Mr. S. K. Patil, Union Minister for Food and Agriculture, has not been favourably received by the Cabinet and may, therefore, be abandoned. In any case, what can an expert committee do in regard to the basic question of raising the yield per acre? Expert committees in the past and their expert recommendations have made no difference and the problem persists. There is no reason to believe that another expert committee will be able to do anything better. Even a schoolboy knows how the yield per acre can be stepped up. What is required now is action and not enquiries. If Mr. Ruia can show how the inertia of State Governments can be replaced by vitality for an intensive drive in providing farmers with the wherewithals for raising the yield per acre, he will have done an excellent job and earned the gratitude of millions of people of this country.

Long Staple Cotton

Another important problem that remains to be solved pertains to securing an increase in the production of long staple cotton. The consumers of cloth in this country are no longer content with coarse and grey cloth. Statistics reveal that there has been a remarkable increase in the demand for medium and processed fabrics in recent years. With further improvement envisaged in the standard of living, there is every reason to expect that the consumer will ask for still finer cloth in the coming years. The extent to which the mills can increase the output of finer fabrics depends mainly on the availability of the required type of cotton and, as such, a steady rise in the production of long-staple cotton within the country is an important desideratum. But how is this need to be fulfilled? This question, too, was only posed by Mr. Ruia and not answered. He merely admitted that the problem of increasing the production of long-staple cotton was a difficult one, especially because the soil in many cotton-growing areas was not quite suitable for raising long-staple varieties. At present, the proportion of indigenous long-staple cotton to the total output was, he added, extremely low. The output of cotton of 1" staple and above, for instance, accounted for only 7 per cent. of the total in 1956-57 and 1957-58 and 10 per cent. in 1958-59. He conceded that the Indian Central Cotton Committee was doing its best to find suitable areas for growing this type of cotton, but stressed that their efforts in this direction should be intensified.

Import Policy

In any case, he added, it would be some years before the country could attain self-sufficiency in respect of its long staple cotton requirements. It would, therefore, realistic, he felt, "to reconcile ourselves to the fact that we may have to continue to import foreign cotton for some more time to come." He suggested that it was well worth examining whether, for the interim period, a short-term import policy could be devised so as to ensure continuity of supplies of foreign cotton to mills in the country, irrespective of the fluctuating fortunes of the domestic cotton crop. It was his considered opinion that this could be best done by providing suitable opportunities to both the mills and the trade to participate in the import of cotton, which would help the country to secure its requirements of foreign cotton at the right price and at the proper time. He regretted that, inspite of enlarged imports of cotton in the past season, the trade was denied the opportunity of utilising its experience and expert knowledge in procuring cheaper cotton and, at the same time, arranging for speedier shipments which could have povided a large measure of relief to the domestic textile industry. There is considerable truth in this remark of Mr. Ruia. These are days of specialisation. If the managements of mills leave the procurement of cotton required by them to traders who have specialised in this job, they can devote their time and resources to the task of improving the quality of their products and ascertaining the requirements of consumers. But the worse offenders of this good principle are invariably those business men who are both millowners and cotton merchants.

Alluding to the Central Government's cotton export policy, Mr. Ruia pointed out that the practice of determining the quantum of exports according to domestic availability, though unavoidable, had imparted an element of uncertainty to the exports. He hoped that, since the crop prospects for the current season were so far promising, the Government would issue export quotas as soon as the crop situation was properly assessed. The first-come-first served basis of issuing export licences, followed in the past two years, has proved very satisfactory not only from the point of view of earning foreign exchange but also from the standpoint of giving opportunities to as many shippers as possible. Mr. Ruia, therefore, suggested that the same policy should be continued in the current season as well.

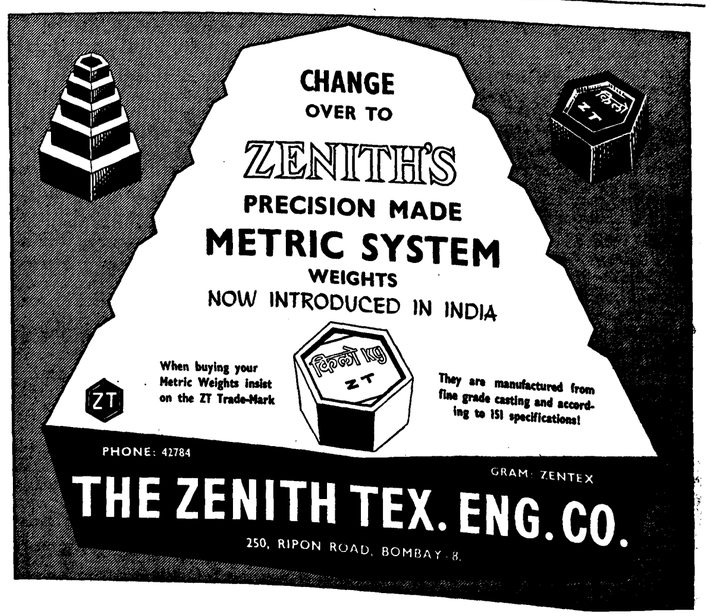
Plea for Patience

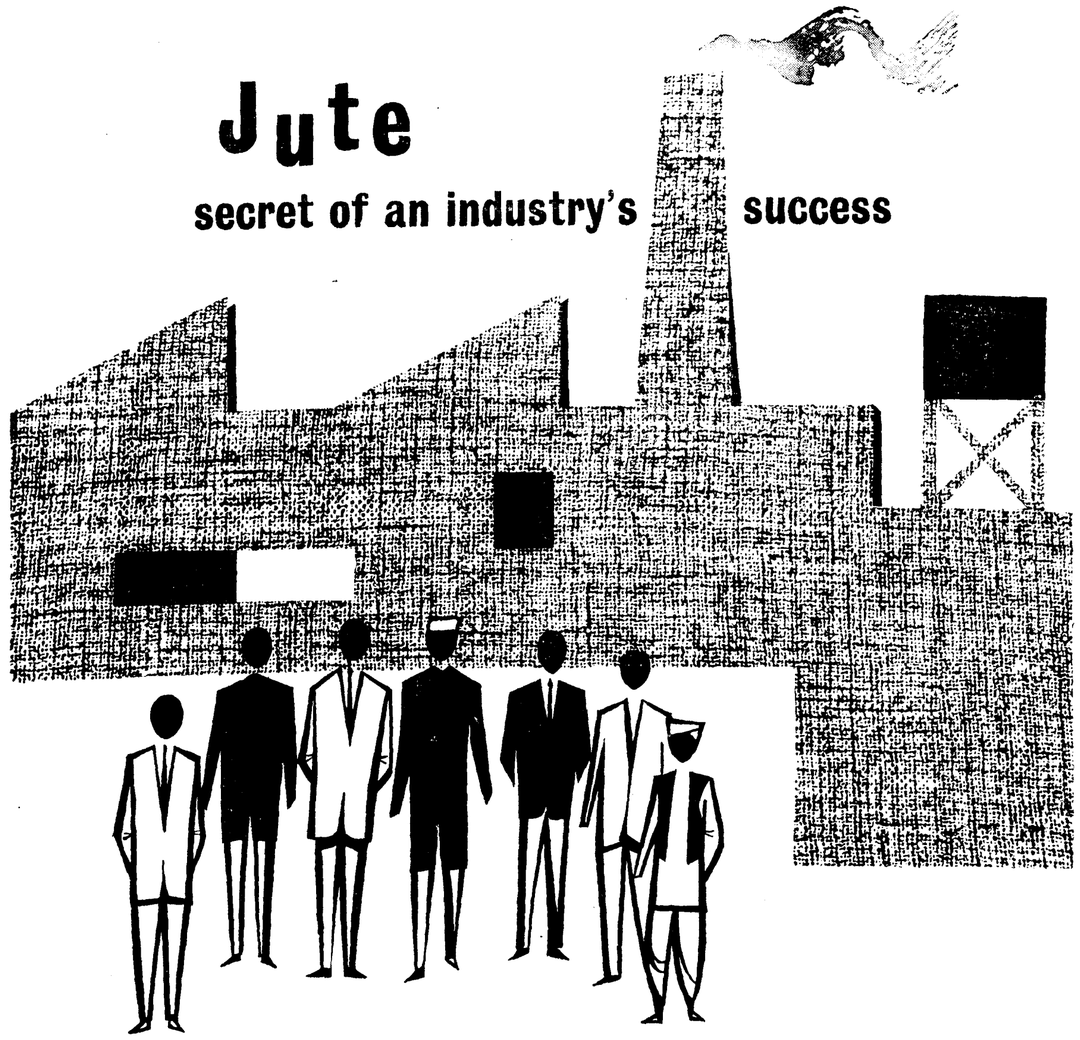
Mr. Ruia was remarkably restrained and reasonable in his comments on the present restrictions on trade and mills in the purchase and sale of cotton. He realised that the authorities were compelled to resort to drastic controls on cotton by the serious situation created by the sharp diminution in supplies. He admitted that compulsory survey of each and every lot of cotton bought or sold and the restrictions placed on mill freedom to buy within the quotas allowed to them were causing considerable hardships to trade and had resulted in a serious curtailment of normal trading activity. But he felt that there was no other conceivable alternative way of dealing with the situation. Counselling patience and understanding, he appealed to the trade to put up courageously with the hardships for a while. He was sure that, if the present optimistic expectations regarding the current season crop were to materialise, the authorities would see their way to relax, if not remove, the present restrictions. The basic problem facing the industry and the trade was to bring about, as speedily as possible, a substantial increase in domestic cotton production. Indeed, he was downright realistic when he remarked that the future of the cotton trade depended, to a large extent, on the successful tackling of this problem. This is all the more the reason why the leaders of cotton trade should take the initiative in persuading the State Governments to launch on a vigorous drive for increasing the per acre yield of cotton, instead of merely repeating the idea in their speeches year in and year out.

SUBMISSION OF RETURNS

The Textile Commissioner has once again issued a warning to traders that non-submission of fortnightly returns showing actual deliveries and sales of Indian cotton to mills will be severely dealt with. According to a notification issued on 30th August 1960, all 'A' and 'B' class licence holders, other than mills were required to furnish to the Textile Commissioner fortnightly statements showing the actual deliveries and sale of Indian cotton to the mills during each fortnight. These statements were to be despatched on or before the 3rd and 18th of each month.

A Press Note issued by the Textile Commissioner says that many licence holders have not yet submitted the returns for the first fortnight of September. They are requested to do so immediately in respect of the first fortnight of September. The Textile Commissioner desires to make it clear, the Press Note adds, that failure to submit the return within the time specified will, in addition to any other action that may be taken, result in the non-renewal or cancellation of the licence.





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SUGAR INCENTIVES TO BE CONTINUED NEXT SEASON

FURTHER NOTABLE RISE IN OUTPUT LIKELY

ALL those sugar mills which produce sugar during the coming season (commencing from 1st November 1960) in excess of the average of their production in the two preceding seasons (1958-59 and 1959-60) will continue to enjoy the rebate of 50 per cent. in the basic excise duty of Rs. 11.25 per cwt. An official announcement to this effect was made in a Press note issued by the Union Ministry of Food and Agriculture on Tuesday, 27th September 1960. In the case of factories which went into production only in the 1958-59 season or thereafter or which did not function during 1958-59 and/or 1959-60, the question of granting rebate will, we are told, be considered on merits as during the current season (1959-60).

The Press note does not mention anything about the policy governing payment of cane prices by sugar mills, because the decision had already been announced several months ago, as early as in April 1960. This decision, it will be recalled, was merely a continuation of the policy adopted for the 1959-60 season. Accordingly, the basic minimum price for cane payable by vacuum pan factories during 1960-61 will be Re. 1.62 per maund for delivery at the gate of the factory, that for cane delivered at rail centres being 12 nP less at Re. 1.50 per maund. Further, there will be a deferred payment related to the price of sugar realised by the factories. This will be under the formula prescribed by the Centre, or under any alternative scheme applied in a State or region by the State Government concerned, with the previous approval of the Centre for linking the price of cane with the price of sugar as realised by the factories concerned.

Consumers' Interests Ignored

It will be evident from the foregoing account that the Government of India has continued the so-called incentive scheme for boosting white sugar output for the second season in succession. While the readiness of the Government to forgo quite a sizable revenue by granting a rebate of 50 per cent. excise duty on "excess" sugar production is commendable, inasmuch as it will provide some impetus to sugar mills to maximise production, it is unfortunate that the interests of the consumers have been relegated to the background. How else is one to explain the Government's decision to continue the enhanced price of cane, although the Government had clearly stated last year that the revised price was for the 1959-60 season only? It is true that the agriculturists will be induced to deliver more cane to factories and less for producing brown sugars (*gur* and *khandsari*). But is not the old price of Re. 1.44 per maund of cane itself very attractive as compared with the prices fetched by several other agricultural commodities? One fails to understand as to why the Government should continue the high minimum price for sugarcane alone when the general trend of agricultural commodity prices is downward. In fact, the monetary yield of cane, as this journal pointed out on an earlier occasion, will actually be much more, because, in addition to the minimum, the growers will receive a share in the prices of sugar realised by the factories in excess of what is regarded by the Government as fair ex-mill prices. Even without the upward revision in cane prices, the supplies of cane to sugar mills might have been as large as it actually was in the current season. For the size of the 1959-60 cane crop was much bigger than in the previous season. The official all-India final estimate of the cane crop for the season puts the aggregate yield at 75.04 million tons, a rise of 4.58 million tons as compared with the 70.46 million tons harvested in 1958-59. Moreover, the prices of *gur* and *khandsari* were ruling at relatively lower levels throughout the season, so that the cultivators would have any day preferred to supply cane to sugar mills even at Re. 1.44 per maund, instead of using it themselves for producing these brown sugars.

Be that as it may, the grant of the 50 per cent. rebate of excise duty on "excess" sugar is certainly an incentive to the industry to produce more. The actual sugar output of 2.41 million tons during 1959-60 was in excess of the average production of the seasons 1957-58 and 1958-59, namely, 1,947,993 tons, to the tune of 462,000 tons. On this basis, the total amount of excise duty rebate received by the mills works out to nearly Rs. 5.20 crores. But, as against this, the Government must have benefited to a greater extent, as a result of the marked increase in production on which excise duty is payable at the concessional rate. By way of the straight increase of 12½ per cent. in the minimum price of cane alone, the cane growers, too, have been benefited to the extent of several crores of rupees.

The following data show at a glance the progress of white sugar production during the past five seasons:

	(In tons)
1955-56	1,861,837
1956-57	2,026,179
1957-58	1,977,794
1958-59	1,918,192
1959-60	2,410,000

The quantum of incentive to sugar mills for the coming season is distinctly less than that for the 1959-60 season. For, by including the latter season, in which production had attained a new peak for the purpose of calculating the average, the average level of production for the industry as a whole has gone up from 1,948,000 tons to 2,164,000 tons. Consequently, the incentive will start operating only after this higher average level is crossed. Nevertheless, the continuance of the scheme of incentives will doubtless encourage the sugar mills to maintain as high a level of output as possible. And in this task, they will be further assisted by two other encouraging factors. One, the sugarcane crop is expected to be larger than in the previous season; the official first estimate of the crop for 1960-61 puts the total area at 5,157,000 acres (2,087,000 hectares), as against the corresponding adjusted estimate of 4,975,000 acres (2,013,000 hectares) for 1959-60. Two, there has been a notable expansion in the production capacity of the industry as a result partly of the establishment of a few new units and partly of the expansion of several existing units. The total annual capacity as re-assessed on the basis of average duration (actual working days) and recovery of sugar per cent. cane for the two seasons (that is, 1957-58 and 1958-59) is estimated at 2.6 million tons, as against about 2,330,000 tons in 1959-60. One estimate of sugar production in the 1960-61 season is as high as 2.70 million tons, as against 2.41 million tons in 1959-60 and 1.91 million tons in 1958-59.

In view of the highly encouraging prospects for sugar supply position thus, there does not seem to be any justification for the present type of controls on this commodity, unless, of course, the Government's intention is to keep down domestic consumption, with a view to squeezing out a sizable amount of sugar for export. But export of sugar is a highly unremunerative proposition. If the Central Government, however, feels that a complete decontrol is not possible now, it must at least prevail upon the States to liberalise their sugar distribution policies.

SUGAR RELEASE

The Union Food and Agriculture Ministry has released 200,000 tons of sugar for sale. There will be no release for free sale from the factories in Uttar Pradesh, Bihar and Punjab, except a small quantity which will be released to each factory for sale to its employees. Allotments of sugar to Madhya Pradesh, Rajasthan, Uttar Pradesh, Bihar, West Bengal, Orissa, Madras, Kerala, Maharashtra, Gujarat, Himachal Pradesh, Assam, Manipur and Tripura from factories in the controlled region will be made only to the nominees of the State Governments. In case of the Punjab and Jammu and Kashmir, allotments will be made direct to the State Governments or to their nominees. Allotments to Delhi will continue to be made on the existing basis. Allotments will be made at prices fixed under notifications dated 25th October 1959 and 4th April 1960. The controlled ex-factory price for U.P. and North Bihar factories is Rs. 37.85 per maund and for factories in Punjab and South Bihar Rs. 38.35 per maund for I.S.S. D-29 grade with the prescribed price differentials for other grades.

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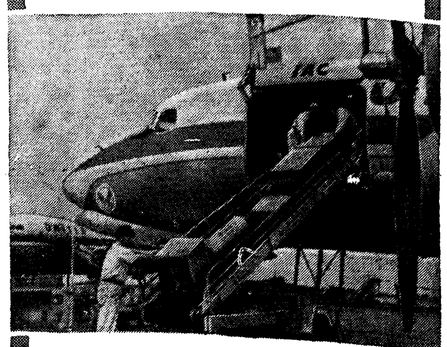

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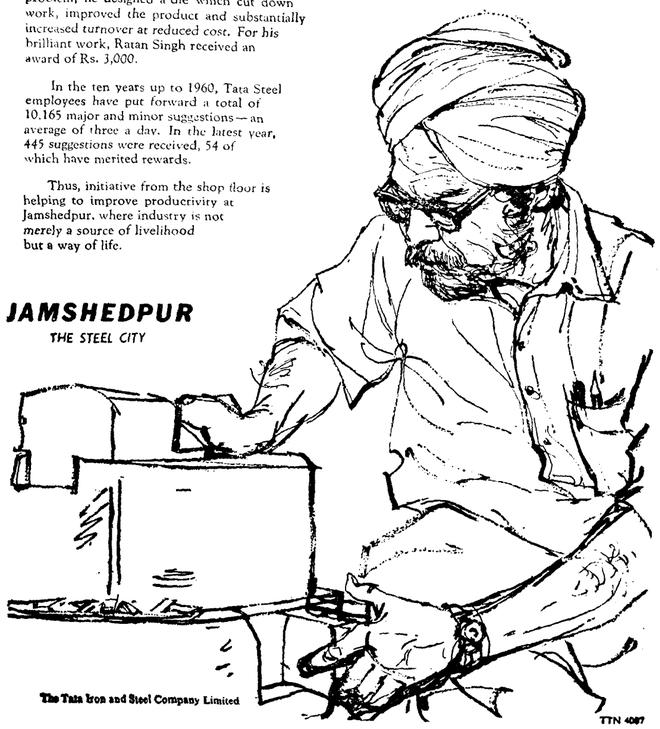

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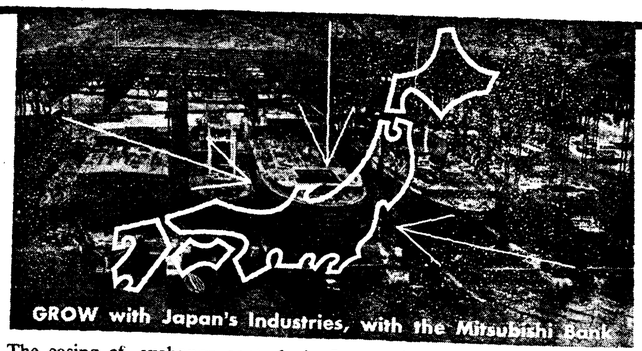

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RESEARCH IN NATURAL RUBBER

LATEST DEVELOPMENTS REVIEWED

THE natural rubber research conference, the biggest international conference on natural rubber ever to be held, which began on 26th September and closed on 1st October in Kuala Lumpur, Malaya, attracted over 250 delegates from various parts of the world and about 80 papers on research on the production of natural rubber and on the preparation and use of natural rubber and latex were read at the Conference.

One of the papers describes the method of growing high-yielding rubber trees from cuttings, which may, if the experimental work proves a success, be of great help in increasing latex production. It is even said that this method can ultimately replace the present bud-grafting method of propagation, which is commonly in vogue, and improve still further the latex production of high-yielding tree. According to the author of the paper, cuttings from young seedlings root easily, but cuttings from mature bud-grafted trees, of proven high yield, are much more difficult to root. The Rubber Research Institute of Malaya has been able to take a stage further the earlier experiments in rooting cuttings and has developed a technique which is so far "the most promising method of producing clones of *Hevea* on their own roots." Several hundred rooted clonal cuttings are said to have been hardened and planted in a nursery and in the field for observation as stocks for future bud-grafting and for transplanting experiments. The growth of many of the cuttings under this method is said to have been very encouraging. One of the aspects of the new process, which is yet to be studied and determined, is its cost and the relative cheapness of the two methods. For a small unit which can produce 25,000 rooted cuttings annually, the capital cost is estimated at 3,000 Malayan dollars and the running costs at 35 cents per hardened cutting.

Intensive Tapping

A new method of tapping, to obtain the maximum amount of latex from old trees before they are felled, is described in another paper. The new method, which is already in commercial use, can double the normal yield from old trees. In some instances, production is said to have been maintained at as much as 1,000 lbs. per acre for over three years and has helped offset losses due to land being out of action for a time after replanting. Under the new technique, known as "intensive tapping," the bark of the rubber tree is tapped at high levels, above the old tapping panel, and the old tapping panel is also tapped as well. The experiments, which were started at the Rubber Research Institute, Malaya, in 1952 have shown that a highly increased yield can be obtained through alternate daily tapping of two cuts over a period of four years. This period can be extended by "opening the high cuts as high as possible and maintaining a strict tapping discipline with as little bark consumption as possible."

In the course of a paper entitled "The Stimulation of Latex Flow by Plant Growth Regulators," the author has given an analysis of the work done in various countries on the application of various substances to plants to regulate their growth, in which rapid advances have been made. Among the latest methods which have proved advantageous is the use of two hormones, known as 2,4-D and 2,4,5-T, which are applied to scraped bark below the tapping cut. A survey of the use of preliminary proprietary formulations in Malaya has shown that over 171,000 gallons of such formulations have been sold during the last four years. One gallon is sufficient to treat 200 trees twice yearly at the recommended rates and there will be about this number of trees per two acres. On a conservative basis, an increase of 200 lbs. per acre is said to have been achieved by this method. On this basis, the additional yield in Malaya over the last four years is estimated at 68.4 million lbs. In monetary terms, on the basis of the average price of rubber in each year, the additional production is equal to 63 million Straits dollars or £7.4 million. "Even if one were extra cautious and halved the totals and allowed for waste," the author of the paper says, "th s is still a very handsome return for the money spent on research."

The growing interest in "Superior Processing" rubber (SP rubber), a new form of natural rubber developed by the Rubber Research Institute, Malaya, is reflected in the fact that as many as four papers were read on the subject. "The SP rubbers are made by mixing vulcanised and unvulcanised latex before coagulation. They are easier to process than normal rubbers and help to speed up production of extruded, moulded and calendered goods. They also help to improve the quality of the product." The total shipments of SP rubbers from Malaya in June 1960 were at the rate of 3,500 tons per annum and they were shipped to 22 countries. The use of additives in the preparation of SP rubber is said to make them less expensive and it is, therefore, reasonable to expect cheaper additive rubbers in the near future.

Synthetic *Vs.* Natural

Speaking as a physical chemist, Prof. Gee of the Manchester University, the author of a paper, posed four problems on future of natural rubber *vis-a-vis* the synthetic natural rubber and other new elastomers and gave his personal answers to them as follows:

(1) There is no present evidence that a material essentially identical with natural rubber can be made synthetically at a price too low to be matched by the growers.

(2) The challenge of SBR may well be intensified by the development of further rubbers of relatively low price, and possessing properties adequate for many purposes.

(3) There is for the first time a real prospect of the development of a synthetic rubber superior to natural rubber in the important application of heavy duty tyres.

(4) Natural rubber can no longer be considered a unique material, but as a typical (though outstandingly good) member of a family of elastomers. Possibilities of modification, while more limited than those of synthetics, are not negligible, especially when attention is given to the important and developing field of blended materials.

The author expressed his confidence that the research and development policy now being pursued was the best way of ensuring a healthy future for natural rubber.

U.K. SIGNS INTERNATIONAL COFFEE AGREEMENT

Britain has signed the International Coffee Agreement for the "coffee year" beginning on 1st October on behalf of Kenya, Uganda and Tanganyika. The signing took place in Washington on 26th September at a meeting of the Board of Directors of the International Coffee Agreement. Under the agreement, Kenya, Uganda and Tanganyika will have an export quota for the year of 2,380,000 bags of coffee beans. This is 200,000 bags less than the first estimate of exportable production. If the estimate is revised upwards in March 1961, then the quota will be increased by the same amount as the estimate is raised.

Although the three East African territories voluntarily restricted their exports last year by a unilateral declaration, they had not hitherto accepted the obligation of full membersh p of the agreement. They will now play a full part in the agreement for the coming year. The decision to accede to the agreement in 1960-61 and to accept the quota on exports "was taken in a spirit of international co-operation and understanding of the problems of other major coffee-producing countries, as well as in the light of East Africa's own problems."

The International Coffee Agreement brings together most of the major coffee-producing countries. Consuming countries are not members, and although Britain has acceded on behalf of the East African territories, this does not affect the United Kingdom itself. The agreement runs for one year only and there is no commitment beyond September 1961. After that time, the policy of Britain and the East African territories will be decided in the light of the report which the Coffee Study Group is expected to produce this year. Both consuming and producing countries are represented on the study group. The United Kingdom is a member and attaches great importance to the work of the group in analysing the long-term problem of international trade in coffee.

The International Rubber Study Group estimates that, in 1960, the world consumption might be some 2,070,000 long tons of natural rubber and 1,770,000 long tons of synthetic rubber, apart from synthetic rubber produced in non-member countries. The world production of natural rubber is estimated at 2,055,000 long tons and synthetic rubber production in member-countries at 1,940,000 tons. In addition, it is estimated that some 160,000 long tons of natural rubber would be delivered from Government stockpiles. The estimated surplus of natural rubber and synthetic rubber production over consumption of 145,000 long tons and 170,000 long tons, respectively, would enable commercial stocks to be rebuilt to more normal level appropriate to the increased world consumption.

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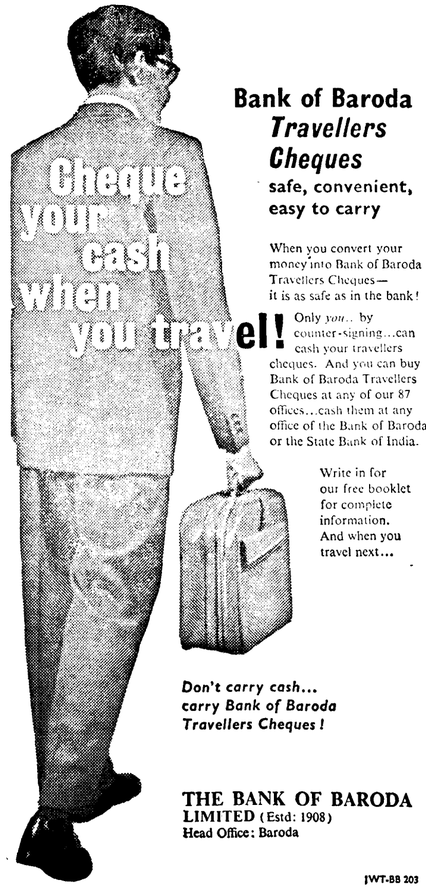

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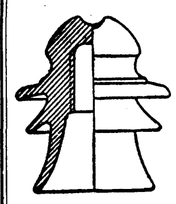

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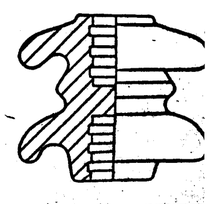

MACHINERY MANUFACTURING INDUSTRIES' PROGRESS

RECENT DEVELOPMENTS REVIEWED

A FAIRLY up-to-date review of the progress made by the machinery manufacturing industries, including machine tools, was made available to the recent meeting of the Central Advisory Council of Industries. This review, on which this summary is based, deals only with the broad developments that have taken place so far in respect of the major industries which number 19 in all and are listed in a table hereunder. It will be seen from this table that the aggregate production of the listed industries in 1960 is valued at Rs. 43.60 crores and their aggregate production in 1965 is estimated at Rs. 221.40-226.60 crores. A fivefold increase in their production over the third Plan period is thus envisaged for all the industries, barring heavy electrical equipment and heavy machinery. The two latter industries have just started production, but their output in 1965 is expected to reach a level of Rs. 26 crores in value terms.

(In Rs. lakhs)

Name of the Industry	Estimated production in 1960	Estimated production in 1965
Paper-making machinery ..	80	650
Tea machinery industry ..	100	150
Cement machinery industry ..	60	475
Sugar mill machinery industry ..	300	1,020
Solvent extraction plant ..	48	250
Mining machinery	15	*1,600
Construction machinery	88	250
Weighing machinery	60	165
Machine tool industry	†600 ‡400	‡2,300 ‡1,500
Electric transformers	700	3,000/3,500
Electric motors	600	3,000
Diesel engine	630	1,188
Power-driven pumps	240	412
Jute mill machinery	175	230
Printing machinery	5	350
Chemical machinery	210	2,000
Boiler industry	50	1,000
Heavy electrical equipment ..	Negligible	2,500
Heavy machinery	"	100
Total ..	4,361	22,140/ 22,640

* Including public sector.
† For machine tools.
‡ For small tools.

It has not been possible to include in the above table suitable capacity figures for each industry, because the picture of approved or licensed capacities is not coherent. Nor are the projected capacity figures available in all cases. But it is still possible to indicate broadly, for each industry, the relevant capacity figures, so that an idea can be had of the progress already registered and yet to be made in the matter of actual installation of the projected capacities. It is, therefore, necessary to give an industry-wise picture of units working and proposed to be established.

Paper-making

In the paper-making machinery industry, new schemes of as many as 15 additional firms have been approved for a total capacity of Rs. 9.5 crores per year. Most of these firms, particularly the ones manufacturing complete plants, have also secured foreign technical collaboration. Four of these units will be manufacturing large-scale paper plants of capacity 50 tons per day, and they will have a total licensed capacity of Rs. 7.2 crores per year; five others will be producing small-scale paper plants of capacity 3 to 10 tons per day, and they will have a total licensed capacity of Rs. 1.2 crores per year. While three units in all have already begun to produce small-scale plants, Tata-Johnsons Ltd. have just taken up, at the Telco Works, production of large-scale paper plants.

In the tea machinery industry, the existing and projected capacity of Rs. 1.75 crores per year, it is expected, would be sufficient not only to meet the entire demand within the country but also to have a reasonable surplus for export. It is stated that Port Engineering Company, Calcutta, have already approached the Government for permission to export their products.

In the cement machinery industry the two existing schemes—A.C.C.A.V.B. works and K.C.P. Ltd.—have a total capacity of Rs. 4 to 5 crores per annum. These two units together will produce 6½ complete cement plants per annum. Two more schemes are also under consideration for approval.

The sugar mill machinery manufacturing industry has now the capacity for 12 complete new plants per year and the equivalent of nine plants per annum for meeting replacement requirements. The total estimated value of these 21 plants will be about Rs. 14 to Rs. 15 crores per year. It is noteworthy that four sugar factories, scheduled to start by 1st January 1961, will be having, for the first time, indigenously manufactured milling plants, boilers and centrifugals.

As for solvent extraction plants, four schemes, in collaboration with the leading foreign firms, have already been approved by the Government. These envisage a production of no less than 36 complete solvent extraction plants per year valued at Rs. 3.6 crores. Their production has already commenced.

Mining machinery will now be manufactured in both the sectors, public and private. The Government-owned Coal Mining Machinery Plant at Durgapur has the capacity to produce 30,000 tons of machinery items per year, valued at Rs. 15 crores. This is being expanded to 45,000 tons per annum to include specialised mining equipment for mineral oils and other minerals. In the private sector, annual production of mining machinery of the value of Rs. 1 crore is expected to commence, from 1962, in the Associated Cement, Vickers and Babcock Works now being set up at Durgapur.

The constructional machinery industry is already producing a large number of items. Two new schemes have also been approved for the manufacture of 4,000 concrete vibrators per annum, valued at Rs. 70 to Rs. 80 lakhs. It is stated that, with the increased tempo of constructional activity in the country, there will be scope for creating additional capacity in this respect.

As for weighing machines, their production in 1959 was of the value of Rs. 48 lakhs. One of the manufacturers in the line, namely, Messrs. Avery Company of India Private Ltd., is expanding its capacity by Rs. 15 lakhs worth of machines per year. It is stated that there is greater scope now for creating additional capacity for this industry.

Machine Tools

The machine tools industry, which has made steady progress in recent years, has units in both the sectors—public and private. In the public sector, the Hindustan Machine Tools will have its capacity doubled to 2,000 machines per annum; two more medium-machine tools manufacturing units are under consideration; Praga Tools Corporation is to be expanded; and a new unit to manufacture heavy machine tools, as a part of Heavy Machine Buildings, is also being set up. In the private sector, existing manufacturers are embarking on expansion programmes. Some new units, which are coming up, are also expected to make a substantial contribution. In the small-scale field also, the industry has made progress, with production having reached a level of Rs. 2.5 to Rs. 3.0 crores in 1959. The Government, it is stated, are prepared to consider arrangements involving reasonable payments by the Indian firms to obtain technical 'know-how,' which is of primary importance for making good quality machine tools. In order to step up domestic production to meet the growing demand and to save imports on account of scarcity of foreign exchange, the Government has decided to permit the private sector to set up new units for the manufacture of various items of machine tools, particularly bench lathes, cone pulley lathes, capstans and turrets, automatic milling machines, drilling machines including bench and pillar drills, radial drills, grinding machines and wood-working machines.

In the electric transformers industry, there is now a total capacity of 1.244 million KVA. Further capacity of the order of 707,800 KVA has been licensed. In addition, schemes for a total capacity of 105,000 KVA have also been approved for the grant of licences.

In the electric motors industry, there is now a total installed capacity of 602,500 h.p. per annum. Additional capacity licensed is 886,320 h.p. per annum. Further schemes for an aggregate capacity of 197,600 h.p. have also been approved for the grant of licences.

Diesel engines production, which has steadily increased from year to year, is also proposed to be expanded by the existing firms. One significant development in the year 1960 is that production of engines upto 200 h.p. would be established. The value of diesel engines expected to be produced in 1965, as per the capacity of units licensed so far, will be about Rs. 12 crores. This does not cover the ancillary industry which has kept pace with the growth of the diesel engine industry and which has increased its production to Rs. 7 crores in the past year.

In the power-driven pumps industry, several firms have not only expanded their existing capacity but also taken up new types of pumps for manufacture. The total capacity of units licensed so far will mean a production of the value of Rs. 4.2 crores per annum.

As for jute mill machinery, light yarn sliver spinning frames are the only item of modern spinning machinery now produced in the country by three firms working in collaboration with one or other of the three principal jute mill machinery manufacturers in the U.K. The machinery items required to modernise all the looms in the jute industry are estimated to number 814 roller winders, 290 pre-beamers and 17,604 shuttleless weaving machines. An *ad hoc* Government committee on jute mill machinery has recommended that the gap in the requirements of jute mill machinery for the third Plan period should be met by expansion of the existing units. New units are likely to be set up only during the fourth Plan period, as the process of modernisation of the weaving section will be spread over the third and fourth Plan periods.

In the printing machinery industry, there are now five units producing or proposing to produce some items like platen presses, stereo rotary and flat bed machines. It is stated that there is still a big gap between the demand and production of printing machinery and that, therefore, there is room for more units to be established.

Chemical Items

Chemical machinery items are now manufactured by no less than 29 firms. But their production in 1959 was just under Rs. 1 crore only. In view of the vast field open to *entrepreneurs*, the following paragraphs are quoted *in extenso* from the official review:

"It is considered that, although quite a few additional schemes have since been approved including one scheme for the manufacture of sulphuric acid and superphosphate plant of 50 and 150 tons capacity per day (production of which has already been commenced by the licensed unit), yet, by and large, most of these units are at present engaged in fabricating different items that make up a complete plant.

"It is of the utmost importance that complete design and drawing should be available in respect of complete plants as mentioned below because only then such units would be in a position to fabricate and supply complete plants. The total demand for chemical plants of types indicated below during the third Five-year Plan is expected to be in the neighbourhood of Rs. 50 crores per year. The present projected fabricated capacity is only to the extent of Rs. 4½ crores approximately. It is apparent, therefore, that considerable effort needs to be made in this field to make our country self-sufficient during the third Plan period. We would, therefore, welcome schemes for the manufacture of complete plants, *inter alia*, for the following industries:

"(a) Nitrogenous fertiliser plant; (b) phosphatic fertiliser plant; (c) soda ash plant; (d) sulphuric acid plant; (e) caustic soda plant; and (f) refining plant, etc.

"The Government of India is considering proposals to set up units in the public sector to manufacture (i) pumps, compressors and heavy duty valves; (ii) plate and vessel shops for different chemical tanks, vessels and equipment, and (iii) measuring and control instruments."

In the boiler industry, the capacities licensed and under implementation now will mean a total production of Rs. 10 crores worth of boilers and boiler parts by 1965. But an assessment of the requirements of boiler plant and machinery during the third Plan for important industries and proposed thermal power stations is Rs. 34 crores per annum. There will thus be a large gap to cover during the third Plan period.

Heavy electrical machinery will be manufactured in the Government factory set up at Bhopal with the collaboration of A.E.I. of U.K., and in two more Government units which are being planned in collaboration with the Soviet Union and Czechoslovakia. The Bhopal factory has just started production. When it goes into full production, Rs. 50 crores worth of heavy electrical equipment will be produced annually; this will be during the fourth Plan period. But, by 1965, it is expected that Rs. 25 crores worth of machinery will be produced.

The industry-wise details thus far given show that, in a number of lines, additional capacities have yet to be approved and licensed. The figures of expected production in 1965 may, therefore, come in for revision.

NEW PRODUCTS AND PROCESSES

Novel Innovations for Cars

THE newest of the American auto models has two rather startling innovations—a curved drive-shaft and a four-cylinder engine made by removing one bank of cylinders from a V-8. Both these appear on the new compact Pontiac. The Pontiac is traditionally the guinea-pig car of General Motors Corporation. New technical ideas usually appear first in the Pontiac and, when proven, are applied to other cars made by the company. A one-piece steel rod, the drive-shaft is 3-inch in diameter and about eight feet long. It is curved downward between the engine and rear axle to avoid the usual shaft hump in the floor of the car. Output shaft of the engine and input of the differential are both slanted downward, with the shaft making a 12-degree curve between them. No universal joint is used and the rod flexes as it turns. The shaft itself runs inside a torque tube. Bearings mounted inside the tube keep the shaft in line with it and ensure the shaft turns in the proper planes as it drives the rear wheels. The axis of the cropped-off engine is upright, with the four cylinders making a 45-degree angle with the vertical axis. Such ancillaries as carburettor, generator, starter and distributor take the place of the right-hand bank of cylinders. Even the distributor cap shows its V-8 origin—it has eight outlets with four of them blanked off in the four-cylinder engine. The purpose of building such an asymmetrical engine is to make use of components which have proved their reliability in the V-8. Also, since most of the engine parts are interchangeable with the present V-8, a dealer has fewer repair parts to stock.

Cold-forging Equipment

A complete cold-forging installation, claimed to be the first of its kind in the world, has been developed by a British company after extensive research and field trials. It takes the form of a complete production line capable of accepting raw barstock at one end and ejecting the finished article at the other end. The installation was shown in operation for the first time publicly at the recent Hanover Machine Tool Exhibition. The equipment shown at the exhibition is being manufactured by two companies, one in the United Kingdom and the other in Germany—both members of the Camp Bird Group, London. Altogether seven machines of the range were shown including the essential basic units required for a complete cold-forging system. These are the cropping machine, the preforming unit, the combined deburring and chamfering machine, the complete automatic cycle surface treatment plant and the actual cold-forging machine. Cold-forging techniques make accurately controlled use of the plastic flow properties of metals in a complex shaping process. This not only requires machines of exceptional rigidity but also tools designed to withstand the enormous forces of cold-forging in continuous operation. Although it will not completely displace chip-forming machining methods, there is a wide range of components in general demand which can be mass-produced by cold-forging at costs which are substantially lower than those of conventional systems.

A New Method of Welding Plastics

A portable installation for the thermal welding of plastic products has been designed at the All-Union Research Institute of Electric Welding Equipment of Leningrad. This installation is intended for electrically welding the products made of the new synthetic material: polyethylene film. This material does not lend itself to welding on high-frequency installations. The machine is capable of joining polyethylene film from 40 to 120 microns thick by the thermal method. Welding can be done at a speed up to 20 metres a minute. An electronic device in the machine ensures a constant temperature and high quality of execution while the energy consumed by the installation is quite small, 250 watts. The thermal method of joining plastics has already attracted the attention of Leningrad's railway car builders, pharmaceutical specialists and other specialists using polyethylene materials for manufacturing various waterproof containers. The laboratory continues to work on improving the regime of welding other synthetic materials by the thermal method.

Mouldable Material for Architects

A new material, which can be moulded into a variety of shapes for the external and internal finishing of walls in buildings, is likely to offer increased scope to architects and builders preparing new designs. Called Dohmcast, the material consists of fine mineral granules each coated with polythene plastic by a special process. As it can be formed under moderate heat and is bendable while remaining in the hot state curves, cornices, pyramids, domes and other forms can be readily produced, says the maker. The cast material is said to be acid-resistant, water repellent and is able to withstand temperature extremes. Costing 3d. to 4d. per pound according to the quantity ordered, Dohmcast is supplied in powder form. After heating in an oven to 125 degrees C. in a chrome-plated steel mould, the material takes shape and—after cooling to 80 or 90 degrees C.—can be tipped out ready for use. By using appropriate moulds various surface effects, such as embossing, may be imparted to the finished surface. The material is being marketed by Dohm, of 167, Victoria Street, London, S.W.1.

PRAGA TOOLS CORPORATION LIMITED

SPEECH OF MR. S. RANGANATHAN AT ANNUAL MEETING

ADDRESSING the shareholders of the Praga Tools Corporation Ltd. at their Fifteenth Annual General Meeting held at Hyderabad on 19th September 1960, Mr. S. Ranganathan, I.C.S., Chairman, observed that the shareholders might look forward now to a phase when positive profits might be made. He, however, indicated that, as a result of the recent labour troubles, the Company's production suffered to the extent of about Rs. 14 lakhs. He assured the shareholders that efforts were being made to increase the tempo of production.

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

"I have great pleasure in extending to you all a cordial welcome to this fifteenth annual general meeting of our Company. The audited statement of accounts for the period ended 30th June 1959 together with the Directors' report thereon have been with you for some time.

"You will notice that the Directors' report to the shareholders incorporated in the annual report has been made more exhaustive than in previous years; we, the Directors considered that it would be desirable to keep the shareholders fully informed of the various aspects of this Company's working. I hope the shareholders will appreciate this. I shall not, in the circumstances, elaborate the points that have already found a place in the Directors' report.

"The manufactures in which your Company has specialised are in greater demand than before and our order books continue to swell with increasing orders. This has made it necessary for us to expand our activities to meet the growing consumption of engineering goods in the country. As you are well aware, your Company is one which manufactures fundamental equipment for the steel processing industry. With the increase planned for steel production in the second and third Plan periods a very heavy responsibility lies on your Company to see that the country is adequately supplied with such equipment to meet the growing demand from the steel processing industry.

Expansion Programme

"The details of the sanctioned expansion programme of this Company have already been indicated in the Directors' report. There is to be an expenditure of Rs. 123 lakhs for increasing production in two phases from the present level of Rs. 60 lakhs per annum to Rs. 160 lakhs per annum. Apart from increased production in the existing lines, the new items of equipment we shall produce will include improved varieties of lathe chucks and drill chucks made to international standards. We are also introducing for the first time in the country the manufacture of tool and cutter grinders. We have already applied to the Andhra Pradesh Government for the acquisition of about 300 acres of land and are hopeful of securing the same at an early date. Orders for machinery have already been placed for just over Rs. 11 lakhs, of which Rs. 3 lakhs worth have been received. Tenders for further machinery are under scrutiny.

"The working results show that satisfactory progress was made during the year under review in all directions. The production for the year was Rs. 62.50 lakhs, that is, a monthly average of Rs. 5.21 lakhs, as against Rs. 4.2 lakhs of the previous year. Sales during the year have been Rs. 73.74 lakhs, that is, a monthly average of Rs. 6.11 lakhs, as against the previous average of Rs. 4.18 lakhs. Our current production consists entirely of readily saleable goods, and in most cases manufacture is being undertaken only against firm orders.

Net Profit

"After making the necessary adjustments for depreciation, taxation and development rebate, the Company has made a net profit of Rs. 4,91,952. Against this profit has to be set off the carryover loss of Rs. 9.9 lakhs. In consequence, the carry-over loss has been reduced to about Rs. 5 lakhs. This remaining loss will also be wiped off in the next balance-sheet, as the Government of Andhra Pradesh have generously waived a sum of Rs. 5.29 lakhs due to them as interest payable on the loans granted to the Company. The shareholders may, therefore, look forward now to a phase when positive profits may be made.

"During the year under report the labour-management relations continued to be cordial and satisfactory. However, after the close of the accounting year, there have been some developments. I would like to refer to these briefly to keep you fully informed of the current position.

"There were disputes between the two rival trade unions and riots inside the factory took place on 27th November 1959 and again in May 1960. In the rioting, in May 1960, workers assaulted some of the officers of the Company. Disciplinary action was taken against some of the workers and things have quietened down and the conditions can be stated to be normal now. As a result of these labour troubles production suffered to the extent of about Rs. 14 lakhs. Efforts are now being made to increase the tempo of production.

"Before I conclude, I wish to thank my colleagues on the Board for their active co-operation and guidance in all our deliberations. I also wish to express my appreciation to the staff of the Company, to the General Manager, in particular, and to the loyal workers for having contributed to the improved working results achieved during the year under review."

N.B.—*The above does not purport to be the report of the proceedings of the Fifteenth Annual General Meeting of the Company held on 19th September*, 1960.

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DRAFT THIRD PLAN X-RAYED—III

RESOURCES—ADMINISTRATION

By J. M. Lobo Prabhu

THE resources for the third Plan provide for investment at 14 per cent. and taxation at 11 per cent. of the national income. Even if a contribution of 3 per cent. of the investment is available from abroad, 22 per cent. of the national income will be under contribution for the Plan, which is not only sizable in itself but may be more so for many reasons. First, the investment, as well as the taxation, which is to be indirect and therefore additive to the price, will involve inflation, which will be more pronounced than that during the second Plan, which was only two-fifths of the size of the third Plan. It has been calculated that, while it took Rs. 3 to produce one rupee worth of production in the first Plan, it is costing Rs. 5 in the second Plan. It may cost Rs. 10 in the third Plan, which will reduce both production and consumption. Secondly, to the extent that investment will be in the public sector, it will be at the expense of the private sector, which not only produced profits but taxes of the order of Rs. 135 crores per year in the second Plan. The absence of these will *pro tanto* increase the tax burden and the inflation on the public. Thirdly, the Plan will involve administrative elaboration, in spite of all assurances to the contrary. During the second Plan, out of Rs. 1,270 crores raised as taxes, as much as Rs. 749 crores went for non-development expenditure, which was not only unproductive but was inflationary for that reason. Fourthly, the second Plan has disclosed that investment in the public sector involves diversion by way of corruption which in P.W.D. estimates can be reckoned at least at 15 per cent. and idle capacity, many machines even rotting while their use is being found. The glib assumption that the public sector is the people's property ignores what little value it represents against the contribution made by the people.

Conscious of Inflation

The Plan is dimly conscious of this and proposes various measures to restrain inflation. The first is the reduction in the consumption of consumer goods, which is not to be allowed to rise by more than 4 per cent. There is some confusion of thought in assuming a rise in *per capita* food consumption from 15 to 18 oz. namely, 20 per cent., on the one hand and restraining other consumption to 4 per cent., on the other. Not only is the consumption of grain in this country excessive by world standards, as the Food Minister is never tired of repeating, but it is also an end in itself, not being proliferative of other production. On the other hand, consumer industries add value to raw material, reaching out backwards to maintain heavy industries and forwards to ladders of trade, paying every one along the way, better than in agriculture, because the net output in agriculture is only Rs. 500 per head, against Rs. 1,700 in mining and factory establishments and Rs. 800 even in small enterprises. The abberration of the Planning Commission has obviously arisen from the fact that shortage of food, which is the largest component in the common man's budget, has inflationary potentials, which can affect the estimates of the Plan. What has not been realised is that consumer goods can compete with food and can reduce its proportions in the Budget, as in other countries, being to that extent, as deflationary as an increase of food supplies. The antithesis between capital and consumer goods is misconceived, because the purpose of the first is to produce the means and of the second the ends which satisfy the people. In the interdependent economy of the free world, many countries have highly developed consumer industries, without capital industries. In most countries, the consumer industries have led to the development of the capital industries. Only Communist countries have tried to be self-sufficient by starting with capital industries, which have served the State for purposes of defence only, so that only just recently after 30 years, consumer industries have been started to meet the minimum requirements of the people. The boast that we have the means of growth with our steel factories is as valid as saying that we have the raw material for other industries. It will be a long way before the end-use of steel is found.

Two other facts, namely, that consumer goods provide employment and taxes in a much larger volume than capital goods, have also been overlooked. On the investment of Rs. 1,100 crores, the private sector provides the State with Rs. 140 crores of taxes per annum, while the public sector with an investment of Rs. 1,500 crores has contributed nothing. In respect of employment opportunities, it is enough to mention that Rs. 180 crores invested in each steel factory can employ only 8,000, while an equal sum invested in engineering industries can employ 100,000, the proportion being higher for other industries and for construction and agriculture. Secondly, our heavy industries, mortgage the country to foreign countries, which alone can supply the equipment and spare parts, on the one hand, and the technical know-how and experts, on the other. At any moment, the countries which have put up the steel plants can disorder their working by withholding their assistance. The whole concept of heavy industries and the commitment they involve deserves to be reconsidered.

If it is conceded that consumer goods are necessary to satisfy the people for their sacrifices and to halt inflation by relieving the pressure of food, the proposals of the Plan to restrain consumption become meaningless. The measures proposed are in any case useless. Taxes on consumption reduce production more than consumption. Limits on deficit finance and credit creation are only meaningful when they restrain investment which is not productive, which, at present, is only in the public sector.

The specified resources will primarily depend on the health of the economy. The taxes will depend on the increase of production and consumption, according as they are direct or indirect and the loans on the confidence that inflation will not water them down. The last loan of the Central Government had to be bought out by the Reserve Bank to the tune of Rs. 40 crores. The loans of the State Governments this year had less response than last year despite intensive canvassing by State Ministers and they are already quoting at a discount. If the Reserve Bank is not responsible for this just now, it will be so in due course, because, during the second Plan, the loans aggregating Rs. 1,300 crores were not from the people, Rs. 670 crores being from the banks and Rs. 630 crores from funding of Treasury Bills, the whole process being back-door deficit finance, with interest to pay for the camouflage.

Surpluses from Public Sector Units

The resources are: first, revenue receipts for which an increase of Rs. 350 crores is projected, though there was a deficit of Rs. 100 crores in the second Plan. Considering the increases in pay following the recommendations of the Pay Commission, which will inevitably be reflected also in the scales of State employees, the deficit is likely to be enhanced, even if indirect taxes show improvement. Only if the Government is prepared to weed out existing posts coincidentally with elimination of fictitious and formal work, can any balance from revenues, be expected. Contribution from railways is placed at Rs. 150 crores, when it has been annually between Rs. 5 and Rs. 6 crores during the second Plan. Fares can be raised, but, apart from the unpopularity involved, the railways cannot face the competition of road transport, which will be strengthened.

Surpluses from other public sector enterprises are estimated at Rs. 450 crores, against *nil* in the second Plan. It is true that, sometime during the third Plan, the steel factories will begin production, but there is little reason to conclude that this will yield profits which can be regarded as revenue, when other factories in the public sector which have been working could not add anything up during the second Plan. In fact, there may be losses which the taxpayer may have to pay, if the conditions of the workers in the public sector are levelled with those of the workers in the private sector, as labour leaders are trying to do. One fundamental factor, which we shall have to realise is that in a democracy, the State cannot enforce its authority as employer against the employees, not only because the latter regard themselves as owners but also because everyone, including the supervising staff, tends to cushion himself on the general taxpayers. State enterprises can only go with totalitarianism, which we lack in politics and cannot have in economics.

Loans from the public are expected to be of the order of Rs. 850 crores. This sum may not be difficult to raise as long as scheduled banks and the Reserve Bank actually take them up. Since this is only deficit finance, the consequence will be inflation which will disturb the Plan estimates. The public can only be interested in loans when inflation is halted and actually reversed, so that the value of the money invested is raised. In respect of Rs. 550 crores proposed to be raised by way of small savings, I have continually pointed out, that they are a fiction. Investments in these instruments are forced by executive authorities and encashments in many States are in excess of purchases. Those who paid instalments to oblige officials, leaving the loans to the banks are less disposed to repeat their losses, while Banks are selling as soon as they can after appropriating the instalments which the investor has abandoned.

The provision of Rs. 550 crores from Provident Funds and Steel Equalisation may be realised, but it has to be remembered that higher steel prices will prevent the expansion of subsidiary industries, for which we have invested so much on steel factories. There is also a presumption that the large quantity of steel to be produced will be fully in demand to bear prices of Government's choice.

Additional taxation is placed at Rs. 1,650 crores, when Rs. 1,000 crores in the second Plan has caused inflation for the economy and distress to the people, Even if indirect, the taxes will fall not only on consumption, but ultimately on production to become progressively self-defeating. Even if the Plan pours money into the economy, the greater part of it will not be with those called upon to pay the taxes. Finance Ministers will find it extremely difficult to increase the existing tax burden.

Foreign Aid

Budgetary receipts from foreign aid are estimated at Rs. 2,200 crores, on the presumption that exports will average Rs. 690 crores, as against Rs. 576 crores in the second Plan and that obligations failing due can be converted into longer-term loans. How exports can improve when rising labour costs and taxes are pricing them out of foreign markets is difficult to see. The trouble with default in obligations due is that it reduces our credit for further loans. In fact, there is a change in the climate for foreign loans, which is making it doubtful whether we shall have, even during the next six months, the credit to import items required to maintain existing industries. There are two broad sources of foreign aid, the U.S.A. and the U.S.S.R. as competitors for our support in the cold war. Their responses may be reduced for two reasons, first that our relations with China have discounted our political influence and, secondly, the focus of the cold war seems to be shifting to Africa. American loans, except in respect of food, which we have already got, are also not very useful, because American prices for industrial equipment are too high. The second set of creditors are the U.K., West Germany and Japan, which have little political interest but are concerned first with disposing of their surplus production and second with securing future business in spare parts and equipment. Loans from these countries will be basically on commercial lines. As the planners have overestimated our internal resources, India may require larger foreign loans than that indicated in the Plan, but, as the climate has changed, we may get much smaller ones.

Deficit financing has been estimated at only Rs. 550 crores, but, because other resources will fail, it may be much more, unless the Plan is drastically cut in respect of the public sector.

The resources for the Plan, therefore, seem to be built on sand. Almost half of them are hypothetical and nearly all of them are inflationary. The Plan will inevitably shrink as the finances fail. Some of the shrinkage can be avoided by transferring the Plan, except in respect of the infra structure of services, to the private sector at once. In any case, its response should be first ascertained, before Government commits the taxpayer's money in the place of private and voluntary savings.

Planning and Organisation

This chapter of the Plan is a confession of the mistakes of the two preceding Plans, but, since the causes are not analysed, the cures are only in the nature of palliatives. The administration has been found to be a confusion of policies and responsibilities, with results not related to the staff and procedures involved. The lack of speed, economy and integrity are also admitted.

Since the administration inherited from the British was the best in the world, the deterioration, now prevailing, must be traced to subsequent changes in it. The first change was political, the Ministers, combining executive and legislative power, bestriding the administration, officials being mere courtiers to fetch and carry, instead of workers with independence and experience. The Plan suggests demarcation of authority, interference being limited to specific rules to be made. Since Ministers have few qualifications other than of political power, their part in the administration should be limited strictly to policy. Secretariat instructions, in this connection, could follow British practice, so that the country is not burdened by unqualified Ministers doing the work of qualified civil servants.

The second change has been the incursion of Government into the economic and social life of the country, through laws on the one hand and controls and State enterprise, on the other. The result is growth in the numbers and powers of officials, untrained and uninterested in the work thrust on them. It is no solution to increase the authority of officials, because they will never use it, when they are subject to political influences, on the one hand, and the criticism of multiple bodies, on the other. The only solution is for Government to retreat from State enterprises and to withdraw controls.

The third change is the introduction of fifth wheels, the Planning Commission at the Centre and the Block Development Organisation in the districts, which diffuse responsibility and add delay to those actually charged with the work. Duplication of executive agencies is the negation of administration. If these fifth wheels are to be maintained at all, their role should be only to watch and assess what the established agencies are doing.

The fourth change has been the increase in scriptory work and workers. On the civil administration of the Centre alone, the expenditure has jumped up from Rs. 35.5 crores in 1948 to Rs. 260 crores at present, with a sizable addition from the Pay Commission's proposals. The only consequence to the public is that it cannot do its own work in its own way. Delay is so regular that almost nothing gets done without personal approach to officials. The rules are so prolific that almost anything can be obstructed by them while everything is delayed. It is only from precise examination both of the procedure and the subjects of work, that the administration can be rendered workmanlike.

The administration for the villages has been obsessed by the idea of decentralisation, though, with science reducing distances, the advantages are with centralisation in the way of economy, supervision and common standards. If, for the purpose of democracy, authority is to be conveyed to the people, it should not be in respect of execution but of supervision. The *panchayats* can be suitably empowered to guide, watch, and assess the work, which the centralised agencies will do for them. This division of functions, while endowing the local bodies with authority, will not disturb departmental responsibility, so long as it is in the interest of the people. This distinction of executive from legislative and supervisory functions may involve a fundamental change but is necessary if the country is to be saved from the consequences of decentralisations, which have already been adversely noticed in Rajasthan and Andhra.

Foreign Trade

The administration in respect of foreign trade also ignores that the function of the State is to guide and assist and not to interfere and compete. Before the second Plan began, the gap in the foreign exchange was negligible. During the second Plan, it was on an average of Rs. 440 crores and during the third Plan it is expected to be Rs. 500 crores. At long last, export controls have been removed in a large way. If import controls are also removed, at least for those items for which the foreign exchange is secured by the parties themselves, the necessity for loans on a Government-to-Government basis will be greatly reduced. It could be almost eliminated, if State enterprises are transferred to the private sector, which will not only improve their returns but encourage foreign investment on which foreign exchange will only arise from the profits, when they are made. The unbalanced traffic between exports and imports is now enhancing shipping costs. Exports require to be boosted, but this involves a drastic change in policy regarding taxes and labour charges. The world is now suffering from overproduction, both agricultural and industrial, and, except in respect of items in which we have a monopoly, which are few and dwindling, we can only compete by cutting down both costs and prices.

The labour policy of the Government which the Plan supports is merely satisfaction of a pressure group of 3 million workers who are unionised, against 40 million landless workers, in particular, and the whole country, in general. The landless workers, whose average wage was Rs. 220 in 1951, are, according to the latest report of the Agricultural Labour Inquiry Committee, worse than before. A need-based wage of Rs. 125 monthly for factory workers, with fringe benefits which add up to about a third as much, is related only to the accident of the workers being in factories and unions. Arising from this need-based wage, the whole country is mulcted first by the loss of exports in competitive markets, second, by the retardation of industrialisation not only from the high proportion of labour costs, 53 per cent. according to the U.N. *Survey*, but also from Government's partiality to labour, which is always placing the employers in the dock, and, thirdly, by the reduction in consumption imposed by high prices. The mistake made by the Government is from conceiving the country as so highly industrialised that, to favour the workers is to favour the largest section of the population. As it is, for a small section, the rest of the population, some 95 per cent. is penalised with high prices, industrial retardation and loss of markets abroad.

Land Reforms

The policy regarding land reforms is similarly the result of group pressure. Broadly, the land reforms aim at giving permanent rights in a family-holding, which may be from five to thirty acres, to those in possession and by revising the rents at half to one-third of those now prevailing. The basic fact which has been ignored is that three-fourths of the rural households have less than five acres of land, one-fifth having no land at all, and one-fourth, less than one acre. What is proposed is really to extend favour to a small class at the expense of the rest who will lose their viability, on the one hand, to bigger holdings and the opportunities for work in the larger farms, on the other. At the same time, ceilings on land, to the extent they have reduced the size of holdings in anticipation of the law, have, in the first place, banished the advantages of large-scale and improved farming, secondly, have pared the surpluses of the larger farms which feed the towns and, thirdly, introduced a predatory note in village relationships, which may go beyond the present ceilings and may extend also to other incomes. If the real intention of the Government was to increase production and, consequentially, the income of every one, the only basis for the rights it was offering should have been the best use of the land. Since half the area is still not covered by land reforms, the Government may consider applying to it the strategy of rights conditional on improved farming. Otherwise, if the Government does not want a reduction of food supplies, there should be standstill on land reforms.

(To be continued)

INDIA'S FOREIGN TRADE IN AUGUST

India had an adverse balance of trade of Rs. 25.69 crores in August 1960, as against Rs. 25.16 crores in the previous month and no more than Rs. 8.08 crores in the corresponding month of the previous year. Exports at Rs. 57.04 crores were Rs. 8.50 crores higher, as compared with July, but showed a decline of Rs. 9 lakhs over that in August 1959. Imports rose from Rs. 65 crores in August 1959 and Rs. 74 crores in July 1960 to Rs. 83 crores in the month under review.

The following table shows at a glance the trend of trade in the first eight months of 1960, as compared with that in the same period of 1959.

(Value in crores of rupees)

	Imports	Exports (including re-exports)	Balance of trade
1960			
January	62.68	53.06	— 9.62
February	69.12	49.81	— 19.31
March	75.67	53.37	— 22.30
April	82.00	48.58	— 33.42
May	82.77	50.74	— 32.03
June	84.95	48.94	— 36.01
July	73.70	48.54	— 25.16
August	82.73	57.04	— 25.69
Total ..	613.62	410.08	—203.54
1959			
January	80.24	45.16	— 35.08
February	71.02	42.16	— 28.86
March	73.39	46.95	— 26.44
April	91.84	44.65	— 47.19
May	73.37	44.05	— 29.32
June	81.32	42.92	— 38.40
July	67.48	50.86	— 16.62
August	65.23	57.15	— 8.08
Total ..	603.89	373.90	—229.99

During the eight months ended August 1960, India's exports improved by Rs. 36 crores to Rs. 410 crores, as compared with the corresponding period of 1959. Imports, too, went up slightly, that is, by Rs. 10 crores to Rs. 614 crores. Consequently, the adverse trade gap for the period as a whole narrowed by about Rs. 26 crores to Rs. 204 crores.

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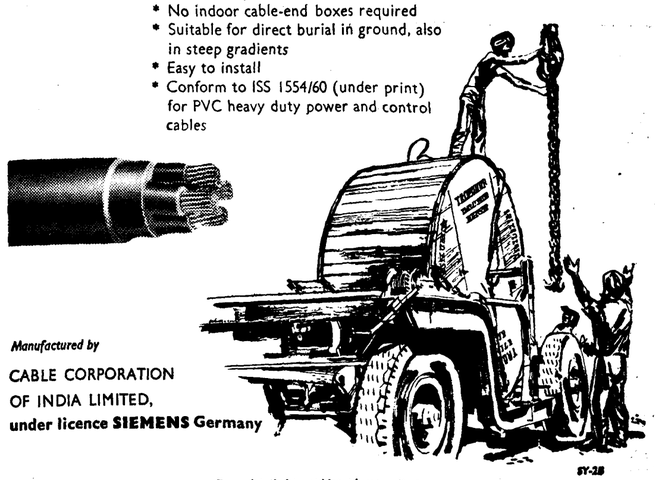

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SY-28

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS AND APPLICATIONS ARE INVITED ON THE BASIS OF THE PROSPECTUS

A copy of the Prospectus, having attached to it the documents required by Section 60 of the Companies Act, 1956 has been delivered for registration to the Registrar of Companies, West Bengal.

Applications will be made to the Calcutta and Bombay Stock Exchanges for permission to deal in and for official quotations of the Shares of the Company.

Certificate of Commencement of Business has been obtained on the 11th April 1959.

The Subscription List will open at the commencement of Banking hours on 17th October 1960 and will close at the close of Banking hours on 24th October 1960. The Directors at their discretion may close the Subscription List earlier, but not before the close of Banking hours on 21st October 1960.

HINDUSTAN WIRES LIMITED

(INCORPORATED ON 28TH MARCH, 1959 UNDER THE COMPANIES ACT, 1956)

SHARE CAPITAL

AUTHORISED CAPITAL :

10,00,000 Equity Shares of Rs. 10 each .. .. .. Rs. 1,00,00,000

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL :

50,000 Equity Shares of Rs. 10 each fully Paid-up, payment having been made in cash .. .. Rs. 5,00,000

PRESENT ISSUE :

4,50,000 Equity Shares of Rs. 10 each .. .. .. Rs. 45,00,000

OUT OF THE PRESENT ISSUE :

2,00,000 Equity Shares of Rs. 10 each are agreed to be subscribed by the Directors and their friends and associates .. .. Rs. 20,00,000

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION :

2,50,000 Equity Shares of Rs. 10 each .. .. .. Rs. 25,00,000

Rs. 45,00,000

TERMS OF PAYMENT FOR ABOVE SHARES

(a) On application .. .. .. Rs. 5.00 per share.

(b) No money is payable on allotment. The balance of Rs. 5.00 per share will be payable on call or calls to be made by the Board of Directors not earlier than four months after allotment.

No shares are to be allotted for a consideration other than in cash.

DIRECTORS

	Name	*Address*	*Description or Occupation*
1.	SIR D. N. MITRA (*Chairman*)	7, Ballygunge Circular Road, Calcutta	Industrialist
2.	SRI M. A. CHIDAMBARAM	Adayar House, Madras-25	Industrialist
3.	SRI HIMATLAL V. GANDHI	Jyoti Sadan, Netaji Subhas Road, Marine Drive, Bombay	Stock Broker
4.	SRI K. KHAITAN	1 & 2, Old Post Office Street, Calcutta	Attorney-at-Law
5.	SRI N. L. BHARTIA	14B, Raja Santosh Road, Calcutta	Merchant
6.	SRI R. S. BAJORIA	10, Clive Row, Calcutta	Merchant
7.	SRI M. L. BHARTIA	14B, Raja Santosh Road, Calcutta	Merchant

REGISTERED OFFICE

16/5 CHOWRINGHEE ROAD, CALCUTTA-13

BANKERS

1. STATE BANK OF INDIA, Strand Road, Calcutta-1.
2. THE CENTRAL BANK OF INDIA LTD., 33, Netaji Subhas Road, Calcutta-1.

SOLICITORS

M/s. KHAITAN & CO., 1 & 2, Old Post Office Street, Calcutta-1.

AUDITORS

M/s. K. N. GUTGUTIA & CO., 33, Netaji Subhas Road, Calcutta-1.

BROKERS TO THE ISSUE

M/s. MURARKA BROTHERS, 7, Lyons Range, Calcutta-1.

M/s. SOHANLALL PACHISIA & CO., 9, India Exchange Place, Calcutta-1.

M/s. RAMNARAIN KAYAN & CO., 7, Lyons Range, Calcutta-1.

M/s. NAVALCHAND T. SHAH & CO., 102, Stock Exchange New Building, 32, Apollo Street, Fort, Bombay.

M/s. DEVKARAN NANJEE & CO., 17, Horniman Circle, Fort, Bombay.

M/s. P. R. SUBRAMANYAM, 70A, Stock Exchange New Building, Apollo Street, Fort, Bombay.

7. M/s. A. B. PANDIT & CO., 32, Apollo Street, Fort, Bombay.
8. M/s. MACONOCHIE & CO., Mercantile Bank Building, Madras-1.
9. M/s. HARBANS SINGH MEHTA & CO., 33, Regal Building, Parliament Street, New Delhi.

MANAGING BROKERS TO THE ISSUE

M/s. G. M. PYNE, 14, India Exchange Place, Calcutta-1.

OBJECTS

The Company was incorporated on the 28th March, 1959 with the objects mentioned in the Memorandum of Association of the Company, a copy whereof is annexed to the Prospectus and forms part thereof. The immediate aim of the Company is to manufacture High Tensile, Spring Steel, Concrete Re-inforcement, Signal, Galvanized, Hard Bright and Annealed wires (6 SWG to 30 SWG) and wire products.

PROSPECTS

At present High Tensile wires, Concrete Re-inforcement wires, fine G.I. wires, Signal wires, etc. are largely imported. Indigenous production of Hard Bright, Annealed and G.I. wires is also not sufficient to meet the requirements of various industries and therefore these wires are also being imported. The Company's plant shall help in reducing these imports.

The Company has already acquired land for the factory on Barrackpore Trunk Road, Sodepur near Calcutta. Factory buildings have been erected, electric and water installations have been completed. Substantial part of plant and machinery and auxiliary services such as pickling, baking, annealing facilities have been installed. *The plant has gone into production from August, 1960.* Some more plant and machinery have been ordered and an import application for the same is pending with the Government. The Company has been granted an Industrial Licence for production of 5,000 tons per annum, but as large quantity of wires of all types is still being imported, and with the increased production of steel in the country, there is a good scope to increase the production of wires by the Company.

PROFIT

The Company's present plant has gone into production and is likely to earn reasonably good profits. Barring unforeseen circumstances, the Company shall be in a position to pay reasonable dividends.

PLANT, MACHINERY AND TECHNICAL SERVICES

The plant already acquired and erected by the Company is of the best and latest type. It has been manufactured by the renowned and world's leading manufacturers of such plant, namely, Sir James Farmer Norton & Co., Ltd. of Manchester, U.K. The existing plant includes Gravity Blocks which have been recently developed, patented and exclusively manufactured by Sir James Farmer Norton & Co., Ltd. Orders for further plant have also been placed with the same manufacturers.

The Company's plant has been planned and installed in consultation with the resident Technical Engineer of Sir James Farmer Norton & Co., Ltd.

The Company's Works Manager is a very competent Engineer and has a very long experience in the line.

LOCATION OF FACTORY

The Company's factory is located on a spacious site at Barrackpore Trunk Road, Sodepur. This location is advantageous from the point of raw material supplies and proximity to market.

WATER SUPPLY

The Company has already installed a deep well Turbine Pump for requirement of water supply together with necessary overhead tanks, etc.

POWER

The Company has already obtained from the Calcutta Electric Supply Corporation 6 KV A/C supply at the factory and also installed a 1000 KVA Transformer together with necessary control gears.

CAPITAL OUTLAY AND WORKING CAPITAL

The estimated requirements are as follow :—

	Rs.
*(1) The cost of land, building, plant and machinery and water and electric installations	37,00,000.00
(2) Preliminary expenses including commission, brokerage and expenses for the issue	1,10,000.00
(3) Working Capital	11,90,000.00
(4) Any other expenditure ...	*Nil*
Rs.	50,00,000.00

*A sum of Rs. 17,00,000 has already been spent in purchase of land, construction of buildings, installation of plant, etc. This has been met by the present subscribed Capital of Rs. 5,00,000 and the balance from temporary loans which are intended to be repaid out of the subscription of the present issue.

The minimum amount which, in the opinion of the Directors, must be raised by this issue of Shares in order to provide the sum required to be provided as per para 5 of the Schedule II of the Companies Act, 1956 upon which the Directors will proceed to allot the shares offered by the Prospectus, has been fixed at 3,25,000 Equity Shares of the nominal value of Rs. 32,50,000 being only a part amount of this issue, out of which Rs. 20 lakhs has been agreed to be subscribed by the Directors and their friends. The balance amount of Rs. 12,50,000 will be arranged by borrowing from the banks and other sources against fixed and other assets of the Company in the ordinary course of business.

SPECIAL BENEFITS

The Company will be entitled to Special Benefits under the Indian Income-tax Act with respect to Development rebate. It will also enjoy the benefits of Section 15C of the Indian Income-tax Act whereby profits upto 6 per cent. on the employed capital will be exempted from tax for the first five years of operation.

MANAGING DIRECTOR

The Board of Directors shall, subject to the approval of the Central Government, enter into an agreement with Sri M. L. Bhartia for his appointment as Managing Director of the Company. An application in this behalf is being made to the Central Government for sanction for such appointment under the relevant provisions of the Companies Act, 1956.

The draft agreement between the Company and Sri M. L. Bhartia provides *inter alia* that Sri M. L. Bhartia shall be paid an annual remuneration of 5 per cent. commission on net profits of the Company computed in the manner laid down in the Companies Act, 1956 and that in the event of the Company having no profits, or its profits being inadequate in any financial year, he is to be paid a minimum remuneration of Rs. 30,000 per annum, provided nevertheless the said Sri M. L. Bhartia shall be entitled to draw a sum of Rs. 2,500 per month towards his remuneration as Managing Director.

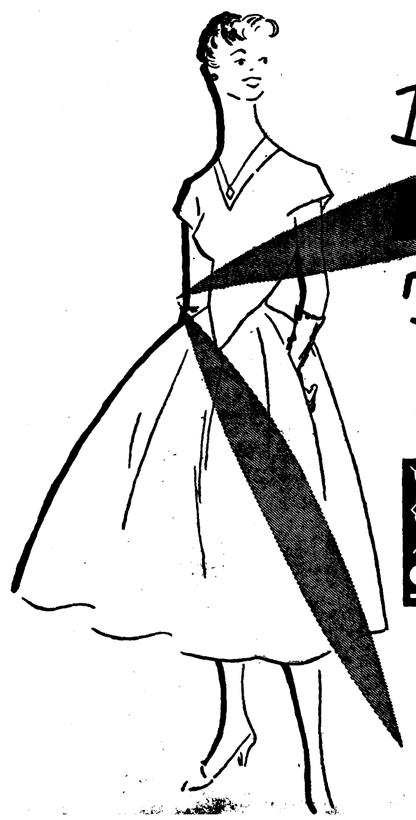
APPLICATION FOR SHARES AND ALLOTMENT

Application for Equity Shares must be for 50 shares or multiple of 50 shares. All applications must be made on the prescribed forms. Copies of Prospectus on the terms of which alone applications will be considered, and application forms may be obtained from the Registered Office of the Company or from the Company's Bankers and Brokers. All application forms properly completed must be lodged together with the amount payable on application with the Registered Office of the Company or with any one of the following Banks, namely :

1. State Bank of India, Calcutta, Bombay, Madras, New Delhi.

2. The Central Bank of India Ltd., Calcutta or with any of their Branch Offices at Ahmedabad, Allahabad, Amritsar, Bombay, Baroda, Bangalore, Calcutta, Cochin, Coimbatore, Delhi, Hyderabad, Jaipur, Kanpur, Lucknow, Madras, Nagpur, Patna, Rajkot and Surat.

Cheques or drafts should be drawn in favour of HINDUSTAN WIRES LIMITED and should bear the words "Equity Issue A/c." Separate cheque or draft must accompany each application.



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# 6280	Silver Crape	Twisted	Yarn
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MUKAND IRON AND STEEL WORKS LTD.

SPEECH OF THE CHAIRMAN, MR. KAMALNAYAN BAJAJ

PLEA FOR GREATER EMPHASIS ON DEVELOPMENT OF STEEL CONSUMING INDUSTRIES

THE Twenty-second Annual General Meeting of the Mukand Iron and Steel Works Ltd. was held at Bombay on 29th September 1960. Addressing the shareholders on the occasion, Mr. Kamalnayan Bajaj, Chairman, expressed the view that the time was opportune for placing greater emphasis on development of steel consuming industries in preference to heavy investment in new steel-making units. This, he said, would help achieve a proper balance between them and consolidate industrial development.

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

"LADIES AND GENTLEMEN:

"I have great pleasure in welcoming you all, and particularly the new shareholders, to the twenty-second annual general meeting of the Company. The Directors' report and the accounts for the year ended 31st March 1960 have been with you for some time. With your permission, I shall take them as read.

"Production and productivity are increasing in many industries throughout the country. Better balance has been achieved during the year by more fully utilising the installed capacities. Still, shortages of food, fuel, power and transport continue to be the major national handicaps. These have retarded further growth to some extent, and hindered at least one of our main steel plants from developing to its full capacity. Besides, until ancillary industries are developed adequately, it will be difficult to stabilise and consolidate our growing industrial economy.

"Demand is increasing at a greater pace than production, specially in consumer goods industries. This has started a spiral of increase in prices and cost of living. The estimated development outlay in the draft outline of the third Plan is far in excess of the domestic resources, which may result in further inflationary tendencies.

"The provision for deficit financing of Rs. 550 crores in the third Plan, as against Rs. 1,200 crores during the second Plan is, no doubt, more realistic. But, unless we ensure against a shortfall in external assistance by way of loans and aid, circumstances may compel us to resort to larger deficit financing, jeopardising the stability of our economy.

A Prudent Way

"It would, therefore, be prudent to divide the programme of the third Plan into two parts: the first consisting of the essential projects depending mainly on internal resources; and the second comprising the remaining schemes, listed in order of priority, to be taken up as and when external assistance is available. This will save us from the difficulties such as were experienced during the second Plan when we were forced to restrict ourselves to the core and ultimately to the hard core of the Plan deferring many of the essential projects, while being obliged to complete less important projects that had already been commenced.

"The total estimated investment during the third Plan period is Rs. 10,200 crores, of which Rs. 4,000 crores have been allocated to the private sector. There should not be any conflict between the public and private sectors, because they are, in fact, complementary aspects of the national sector. In an underdeveloped, mixed economy like ours, rapid progress in the private sector will largely depend upon the growth of the public sector which should, however, restrict its scope to basic and strategic industries. Within this framework, full scope should be given to the private sector to develop. National interest demands that allocation of industries to the public and private sectors should be made on the basis of optimum investments and returns.

"The target for steel calculated at 10.2 million tons of ingots equivalent to 7.5 million tons of finished steel is encouraging. The time is opportune for placing greater emphasis on development of steel-consuming industries in preference to heavy investment in new steel-making units. This will help achieve a proper balance between them and consolidate industrial development.

"While it is desirable to evolve a national wage policy based on a minimum wage and the cost of living index, it must also be linked with productivity. Otherwise, prices and wages will continue to chase each other and national interest will suffer.

"Nepotism, bribery and corruption are bad enough. What is more alarming is that the natural moral fibre of the people is weakening. It is the responsibility of the national leaders to keep awake *Punya Prakop* (righteous indignation) in people to resist evil.

"Prosperity which follows industrial growth and economic development is good. But we must guard against the danger of our going the way of Western countries as the craving for material wants is likely to go on ever-increasing and will be difficult to satisfy. This undesirable trend can be checked if our national leaders and the Government set examples of austerity and simplicity and create an atmosphere of moral and spiritual values in public and private life, which the people will not be slow to emulate.

Two New States

"The States of Maharashtra and Gujarat came into being with goodwill this year. I reiterate the hope I had expressed in 1956, that the rich heritage of our great languages will be utilised towards forging the bonds of unity amongst the people.

"The Government of Maharashtra is alert to the problem of stimulating planned economic development. Ways and means of accelerating the pace of development were discussed in the Maharashtra Commercial and Industrial Conference held recently in Bombay. It is hoped that a comprehensive development plan for the entire State will emerge.

"The recent establishment of the International Development Association under the World Bank will provide for a more flexible type of development lending without the burden of a fixed charge on the borrower's foreign exchange income, in addition to the Bank's regular operations. It is likely to prove beneficial to underdeveloped countries like ours by providing greater borrowing facilities for development programmes.

Manufacture of Intricate Castings

"The Company has taken up the manufacture of intricate castings for the automobile industry and sugar plants and additional components like roller bearing axle boxes and centre buffer couplers for the railways, all of which were hitherto being imported. I am proud that we have been the first to start supplying Indian-made centre buffer couplers to the railways.

"Our expansion programme was delayed as the land acquisition proceedings were contested in the Courts. The judgment of the Supreme Court of India, delivered last month, was in our favour; but a reference before the Maharashtra High Court is still pending. We hope it will be disposed of before long.

"I am glad to say the Government have accepted—though with some modifications—the recommendations of the Tariff Commission on the retention prices payable to the re-rolling industry.

"During the last five years, the average emoluments of the Company's workers have increased by 71 per cent., while the corresponding increase in the cost of living index is only 24 per cent.

"The Company's new air-conditioned office building at Kurla was occupied in February this year.

"The Company has taken out comprehensive insurance cover to safeguard against possible loss of profits due to breakdowns.

"Shri Rameshwarprasad Novatia, a Director of the Company, has been selected as the leader of the specialist team on 'Plant Layout' sponsored by the National Productivity Council of India for a study tour of Japan, United States and West Germany. Shri Viren J. Shah, our Chief Executive, was one of the 30 select participants from all over the country at the First Advanced Management Programme in India conducted by the Massachusetts Institute of Technology in collaboration with the All-India Management Association.

"The relations between the management and employees of the Company continued to be very cordial. I thank the Managing Agents, executives, staff and workers for their efforts in producing satisfactory results of working during the year."

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SALE NOTICE OF TEXTILE MILL

As ordered by the High Court of Mysore, the entire fixed assets comprising about 45 acres land, buildings—a steel structure measuring 625 ft. × 154 ft. and other buildings like workshop, office etc.—and machinery, and stores and other accessories of the KAPILA TEXTILE MILLS LTD. (in liquidation), Nanjangud, (12 miles from Mysore City), will be sold by public auction, as one unit free from encumbrances and attachments, by the Official Liquidator on Saturday, 19th November 1960, at 2 p.m., at the Mill premises.

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Details regarding machinery and terms and conditions of sale will be supplied free on application to the Official Liquidator.

OFFICIAL LIQUIDATOR.

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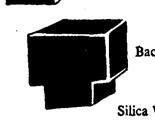

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SWITCHOVER TO METRIC SYSTEM

SCEPTICISM YIELDS PLACE TO CONFIDENCE

By K. V. Venkatachalam

MORE than one attempt was made in the past to standardise weights and measures in India. These, however, were sporadic and met with little success. As a result, there are today numerous types and denominations of weights and measures in use in different parts of the country. Even the number of such weights and measures prevailing is not known with certainty. In the middle of the last century, an attempt was made to standardise weights and measures by adopting the metric system and legislation was enacted for the purpose. Had that law been enforced, India would have been one of the first countries to adopt the metric system. This was not to be. The law remained a dead letter. In 1939, another attempt was made to standardise weights by adopting the standard seer and the pound as the primary units of weight. The law was, however, enforced only in Bombay and parts of Bihar and Punjab. An almost chaotic state of affairs in weights and measures has thus continued to the present day.

In 1955, the Central Government, in consultation with the Planning Commission and the State Governments, decided to adopt decimal coinage and the metric system of weights and measures. The chief objective of the reform was to standardise weights and measures, by establishing a single system for all purposes throughout the country. There were only two alternatives to the metric system. These were: (*a*) the imperial system and (b) the imperial system of length, area and capacity, coupled with Indian weights. Neither of the alternatives would have made the reform easier or less costly. Either of these would be as new to the large masses of the people as the metric system itself. The use of the imperial system has been largely restricted to organised industry, and only educated classes are familiar with it. The number of types of Indian weights in use is legion. Even the standard seer of 80 tolas has been in use in a very limited part of the country. The balance of advantage, therefore, lay in adopting the metric system which is easy to learn and to use, is known and recognised throughout the world, and whose use simplifies all calculations involving weights and measures.

Legislation

The Government's decision to adopt decimal coinage and the metric system was approved by the Lok Sabha in a resolution in 1955. In the same year, legislation was enacted to decimalise currency. The Act was brought into force in 1957; when decimal currency came into circulation. It was planned to replace all the anna and pie coins within three years. Although three years have passed, it has not been possible to eliminate these coins completely, since enough naya paisa coins could not be produced in time to replace them. The bulk of the coinage now in circulation is, however, naya paisa coins. It has been announced that the 2-anna and the 2-pice coins would be demonetised soon. It will not be long before 'anna' and 'pie' go out of the Indian vocabulary.

Legislation to adopt the metric system was enacted in 1956. Since this reform would affect all classes of people in their daily lives, it was necessary to proceed with caution. The Standards of Weights and Measures Act, 1956, therefore, gave the Government power to introduce the new weights and measures gradually according to a phased programme. A period of 10 years was allowed for the complete adoption of the metric system. This period would expire on 31st December 1966. During this period, Government might introduce these weights and measures by stages. They might, if they chose, introduce weights first, followed by measures later. They might introduce the new system in selected areas or classes of undertakings, and extend it to others. Even after the new weights or measures were introduced in an area or a type of undertaking, the continued use of the older weights or measures might be allowed upto three years. These powers are being used to bring about a smooth transition to the new system, with the least inconvenience and cost to Governments and the public.

Elaborate Preparation

The introduction of the new system had to be preceded by a period of elaborate preparation. In India, while standards of weights and measures are laid down by Parliament, laws for enforcing them are made by the States. The State Governments are responsible for enforcing these laws. After Parliament enacted the law to adopt the metric system, laws to enforce it had to be made by all the State legislatures. All the States, except Jammu and Kashmir, have enacted these laws. The laws are identical in all essential respects, being based on a model Bill circulated by the Central Government. This would ensure uniformity in enforcement procedure throughout the country. The States have also set up organisations for enforcing weights and measures.

The Weights and Measures Departments of Governments all over the world are self-supporting. The revenue they earn from fees for stamping weights and measures pay for their upkeep. In India, also, the departments are expected to pay their way when in full working condition. This may not, however, be possible in the beginning. The Central Government has, therefore, promised financial assistance to enable the States to meet any deficit. They have also helped the States in equipping these departments with standard weights and balances. The standards are made in the Central Government Mints, and are verified either by the Mints or the National Physical Laboratory. Balances for verifying commercial weights against the standards are also being manufactured in India now. Efforts are being made to increase the output, and improve the quality of these balances.

Arrangements have been made at Bombay and Patna for training personnel to man the Departments of Weight and Measures. The Governments, both at the Centre and the States, have also conducted publicity to make the people familiar with the new weights and measures. Besides publishing a series of folders and advertisements in the daily Press, they have distributed tables for converting weights, prices, etc., widely. A documentary film on the metric system was shown in commercial cinema houses, and in rural areas by the publicity vans of the State Governments. Sets of demonstration weights have been shown at Information Centres in Community Development and National Extension Service Blocks, and elsewhere.

Different Stages

In October 1958, metric commercial weights were introduced in selected areas in all the States. These areas include important centres of trade and industry, such as Bombay, the Calcutta-Howrah Municipal areas, Delhi, Madras, Kanpur, etc. They comprise about one-tenth of the country. In many of these areas, there had been no enforcement of weights or measures before. It was, therefore, decided to allow two years for the continued use of the older weights. A reform of this kind was, however, bound to come across inertia from the public and the trade. As a result, although the period of two years has nearly expired, very little use is being made of the new weights in these areas. But this was not unexpected. It is clear that the new weights will not come into use, so long as there is the option to use the old weights. The public and the trade in these areas are, however, familiar with the new weights. Arrangements have been made for the supply of metric weights in these areas. There is sufficient stock of weights, verified and stamped by inspectors, with licensed dealers. Inspectors have been visiting shops to help remove any difficulties that the traders may experience. Tables for converting weights as well as prices expressed in weights are being distributed free to traders. A smooth transition to the new system is expected in October 1960 in most of these areas.

On 1st April 1960, the use of metric weights was authorised in the rest of the country as well. Thus, metric weights are now recognised by law for commercial transactions throughout the country. In areas where they were introduced on 1st October 1958, their use in trade have become compulsory from 1st October 1960. Elsewhere, they will become compulsory on 1st April 1962.

On 1st October 1958, the metric system was also introduced in transactions concerning the purchase of materials or sale of products by major industries, such as cotton textiles, iron and steel, engineering, chemicals, cement, paper, etc. In the jute industry, it was introduced from the beginning of the jute season (i.e., 1st July 1958). The industries were also given a period of two years for the continued use of the older weights. Most undertakings in these industries have begun using the metric system in their transactions. A large number of weighing machines used for commercial purposes in these undertakings have been converted to the metric system. Due to the limited capacity in the country for the conversion of these machines, all the machines may not have been converted by 1st October 1960. Machines, which were not converted by 30th September 1960, will continue to be used with conversion tables.

No Misunderstanding

The metric system was adopted in the distribution of petroleum products from 1st April 1960. Although one year was allowed for the continued use of the older units, the oil companies have adopted the metric system in full. Over 10,000 petrol dispensing pumps were converted to deliver petrol in litres. The metric system was introduced in the sugar industry from the beginning of the 1959-60 season. It will become compulsory from the beginning of the 1961-62 season. Even in the 1958-59 season, however, a few sugar factories purchased sugarcane from growers in quintals (100 kilograms). More followed in 1959-60. The change in the weights did not lead to any serious misunderstanding or difficulties between the factories and the growers. Sugar bags are being marked in both kilograms and maunds or hundredweights. The metric system will be introduced in the tea trade on 1st April 1961. Tea will be sold in packages of 500 grams, 250 grams and 100 grams. Vanaspati will be sold in kilograms from 1st October 1960. It is being packed in tins of 4 kg., 2 kg., 1 kg., and ½ kg. Industrial undertakings situated in the areas where metric weights were first introduced on 1st October 1958 will not be permitted to use any other weights after 1st October 1960. A sugar factory, for instance, in these areas must, therefore, use metric weights in transactions from 1st October 1960, though sugar factories situated outside these areas have the option to use other weights till 31st October 1961.

Exports Not To Be Affected

Care has been taken to ensure that the adoption of the metric system in India does not in any way hamper the country's export trade with the U.K., the U.S., and other countries on the foot pound system, particularly in the case of commodities like jute and tea. Our customers in these countries will continue to receive goods of the same quality as in the past, packed and invoiced in the manner they prefer. The packages will be marked in foot pound units and the invoices will show the quantities in these units.

Most major industries have adopted the metric system in their transactions. It would, however, take considerably longer to change the weights and measures used in specifications and designs of products or of the manufacturing equipment used. Metric standards for various materials and products are being published by the Indian Standards Institution. Some of the manufacturers have also begun to produce according to these specifications. Steel sections, for instance, are being produced increasingly in metric sizes. The steel mills in the public sector will be producing these exclusively. The older producers of steel have also replaced their rolls and made other adjustments to enable them to produce metric sections. Very soon, the entire production of steel in India will be in metric sections.

Railways and Postal Services

The commercial branches of the railways adopted the metric system on 1st April 1960. Fare and freight tables are in metric units. Goods and luggage are weighed in metric weights. The railways' weighing machines at important stations have been converted. Where machines are not converted, conversion tables are used. Consignors have, however, been given the option to show weights in forwarding notes in maunds and seers for the time being. The railways' staff would convert these to metric rates, before charging freight.

The metric system was introduced in ports and the shipping industry on 1st July 1960. The metric system will be adopted in the levy of customs and Central excise duties from 1st October 1960. Bills have been passed by the Lok Sabha, expressing the rates of customs and Central excise duties in metric units. The existing rates have been converted and rounded off. There has been no deliberate attempt to increase the rates, and there will be no gain in revenue to the Government. A Bill to amend the Post Office Act expressing postal rates in

(*Continued on page 657*)

PROTECTION FOR BICYCLES

TARIFF COMMISSION EXAMINING CLAIM FOR ITS CONTINUANCE

THE bicycle industry has been receiving protection for the last 14 years. The current term of protection is due to expire at the end of 1960. Most of the producers have pleaded for the continuance of protection for a further period ranging from three to ten years. In response to their request, the Tariff Commission is now examining the claim of the industry for the extension of the period of protection. Some of the large-scale manufacturers of bicycles, however, do not want continuance of protection. The customary public enquiry into the question was held at Bombay on 26th September, with Mr. K. R. P. Aiyangar, Chairman of the Commission, presiding. The industry has made good progress under the shelter of protection and is now able to meet not only the entire requirements of the country but is also in a position to export its products, albeit on a small scale. Opening the tariff enquiry, Mr. Aiyangar drew the attention of the industry to the export prospects. He thought that the prospect for promoting exports of cycles was promising, provided the industry could bring down costs and maintain a high standard of quality. Domestic demand for bicycles is also bound to go up in view of the rise in the standard of living. Mr. Aiyangar pointed out that, though domestic demand had grown, it had not grown fast enough "due partly to the price factor." He, therefore, called upon the producers to ensure full utilisation of capacity, in order to reap the benefits of economies of large-scale production and "pass on the benefits of the low cost to the consumer who had so far borne the burden of protection."

History of Protection

A brief history of protection to this industry will not be out of place in this context. The industry's claim for protection was first examined by the then Tariff Board in 1946. On the recommendation of the Board, protection was granted to the industry upto the end of March 1949 by converting the prevailing revenue duty of 36 per cent. *ad valorem* standard and 24 per cent. *ad valorem* preferential into protective duties at the same rates. Following the second enquiry in 1949, the period of protection was extended upto the end of 1952 at enhanced rates of protective duties of 70 per cent. *ad valorem* standard and 60 per cent. *ad valorem* preferential. Bicycle parts and accessories were also brought within the ambit of protection. The period of protection was subsequently extended from time to time till the end of 1954.

The third tariff inquiry was held in 1954 and the Commission recommended that protection granted to the bicycle industry should be continued upto the end of December 1956 at a reduced rate of duty of 45 per cent. *ad valorem* preferential exclusive of surcharge and the standard rate to be fixed according to the terms of the Indo-British Agreement. Government accepted the recommendation regarding period of protection but fixed the rate of preferential duty at 47½ per cent. *ad valorem* or Rs. 60 per bicycle whichever was higher. The standard rate of duty was fixed at 10 per cent. higher than the preferential rate. Government also decided that the rates of protective duty on components and accessories of bicycles should continue at the then prevailing rate of 70 per cent. *ad valorem* standard and 60 per cent. *ad valorem* preferential. The period of protection was extended in consultation with the Commission for one year, that is, upto 31st December 1957. In 1957, the Commission examined once again the case for the continuance of protection to the industry and recommended protection at the same rates of duty upto 31st December 1960. As the protective duties had, however, been rounded off and modified under the Finance Act (No. 2) of 1957, the protection to the industry has been continued at the revised rate of 65 per cent. *ad valorem* preferential or Rs. 80 per bicycle, whichever was higher, and 65 per cent. *ad valorem* preferential on parts and accessories of bicycles, the standard rates of duty being 10 per cent. more in both the cases.

Production

There are at present 21 large-scale units manufacturing bicycles. At the time of the last enquiry in 1957, too, the number of units was 21, but only 17 among them, with an annual rated capacity of 954,000 cycles (on single-shift basis), were in production. The location of the existing units is fairly widespread, with six in U.P., five in the Punjab, three each in West Bengal and Delhi, and one each in Bombay, Madras, Bihar and Assam. The licensed capacity of the existing units is about 1,438,500, whereas the actual installed capacity is 1,147,500. The production rose from about 797,000 in 1957 to 913,000 in 1958 and 990,982 in 1959. In the first three months of 1960, it increased further to 269,000 bicycles, or an annual rate of over one million.

In the small-scale sector, there were 112 units in 1958, with an aggregate capacity of 500,000 bicycles. These units are located all over the country but there is some concentration in the Punjab, Delhi and U.P. There are 58 units in the northern, 22 in the eastern, 14 in the western and 18 in the southern regions. The number of bicycles produced in the small-scale sector was 132,000 in 1957, 151,000 in 1958 and 172,000 in 1959. The total production, in both the sectors taken together, rose from 928,809 bicycles in 1957 to 1.06 million in 1958 and 1.16 million in 1959.

In the field of components, besides the large-scale bicycle manufacturers who also produced a variety of components for sale, there were 22 units manufacturing exclusively spare parts and components at the time of the last inquiry. Out of those, only 18 were in production. There are at present 23 such units in production and 16 more units have been licensed to produce components.

Demand

The demand for bicycles has also been moving up in recent years. Taking into consideration all relevant factors such as production, sales, imports and exports, the demand for bicycles would appear to have gone up to 1.15 million in 1959, as against 1.06 million in 1958 and 974,000 in 1957. In connection with the present inquiry, the Commission has received varying estimates of demand. The Development Wing has estimated the current demand at 1.4 million bicycles a year and expects it to increase at the rate of 220,000 a year and reach 2.06 million in 1963. The Development Council for Bicycles has estimated the demand to reach 2.5 million bicycles a year by 1965. It is said that some of the producers are, however, experiencing accumulation of stocks and they are not very optimistic about any large increase in demand during the next three years. The Cycle Manufacturers' Association of India has estimated the current demand at 1.15 million bicycles a year and that in 1963 to be at 1.55 million. The All-India Importers' Association has estimated the current demand at 1.5 million and expects it to increase to 2.4 million in 1963 at the rate of 300,000 a year. In respect of replacement demand for components and spares, the All-India Cycle Importers' Association has placed the average cost for bicycle parts and components at Rs. 15 per bicycle a year. It has also estimated the total number of cycles on the road at eight million at present.

The overseas demand for Indian bicycles was only on a very moderate scale. It is, however, gratifying that the industry has made a small beginning. In 1959, India exported about 7,159 bicycles, valued at Rs. 9.87 lakhs, and components worth Rs. 1.61 lakhs. The quality of cycles produced by the large-scale sector, with or without foreign collaboration, is said to be satisfactory, as compared with imported products. Those produced by the small units, however, are not uniformly of good quality, according to the Commission.

Ban on Imports

Imports of bicycles have been banned since 1959. There were, however, some imports, presumably against licences granted prior to the imposition of ban. In 1959, the number of bicycles imported was 696 (valued at Rs. 1.07 lakhs, as against 7,321 (Rs. 9.44 lakhs) in 1958 and 90,180 (Rs. 98.45 lakhs) in 1957. The import of parts and components is also restricted to free-wheels, chains, B.B. fittings, and fork head fittings. Since October 1958, the quota for imports of parts and components has been reduced to 2½ per cent. of half of the best year's imports. The value of imports of components has been reduced considerably, being no more than Rs. 74 lakhs in 1959, as compared with Rs. 96 lakhs in 1958 and Rs. 190 lakhs in 1957.

It may be noted that, owing to the restrictive import control policy, some of the larger producers have intimated the Commission that they are no longer in need of protection. The other units, however, do not share this view. The reasons on which the rest of the industry has based its claim for the continuance of protection are (1) cost of production of indigenous bicycles is high due to high cost of raw materials and indigenously manufactured components, (2) inadequate supply of proper types of raw materials required by the industry, (3) higher capital investment, (4) low labour efficiency and (5) want of good technicians.

Raw Materials

The principal raw materials required by the industry are steel items such as tubes, strips, bars, sheets and wires. While tubes, sheets and black bars are now available indigenously, the requirement of strips, free cutting bars and wires is largely met by imports. Besides steel items, the other raw materials required are brass for brazing purposes, brass wires for nipples, and copper, nickel and chromium anodes. Brass wires and anodes are imported and brass for brazing purposes is available indigenously. Components, such as handle grips, pedals, tyres, tubes and brake inserts, steel balls required for steering, etc., pedal assembly, hubs, free-wheels and rims are generally bought from indigenous sources. The industry also requires a number of consumable stores, including chemicals for polishing, brazing, electroplating and heat treatment. Bulk of these items are imported. Large-scale producers as well as component manufacturers have complained about the inadequate and irregular supply of raw materials and their poor quality. It has also been represented that the procedure for the import of raw materials is cumbersome and involves delays which upsets the production schedule of the producers, particularly as there has been recently some difficulty in obtaining deliveries of steel even in overseas markets. Manufacturers have, however, stated that the licensing policy adopted since 1st April 1960 is likely to improve the raw material position and enable advance planning. Nevertheless, it is complained that the basis of 1957 performance will prove inadequate for the current level of production and the Plan target. The industry has also taken exception to the procedure adopted for obtaining steel produced in the country and defects in the supplies made.

It is to be hoped that the industry's difficulties described above will be removed to a great extent, when supplies of steel from the new iron and steel plants become available in larger quantities. Meanwhile, since the ban on imports provides a good opportunity for the industry to stabilise its position, it has an obligation to consumers to make every effort to reduce the price of cycles which compares quite unfavourably with that of foreign products. While all possible help should be given to the industry, such assistance should not amount to encouraging uneconomic units. Bicycles constitute the poor man's vehicle. The aim, therefore, should be to produce high quality cycles at as low a price as possible. This objective can be served only through mass production.

MR. MANUBHAI SHAH ON INDUSTRIAL POLICY

The imperative need for a major re-thinking on the national industrial programme with a view to assessing the totality of the new stresses and strains and devise remedies to remove them, was emphasised by Mr. Manubhai Shah, Union Minister for Industries, in Bombay last week. This re-thinking, he added, should be done not only on the national level, but also on the individual level of *entrepreneurs*. He observed that the country had begun to feel the strains involved in large-scale economic and industrial development, and, what is more, they were likely to increase in magnitude during the period of the third Plan. Mr. Shah was inaugurating the silver jubilee celebrations of the Paper Products Ltd. He also declared open the new factory of the Company at Thana which will manufacture packaging materials.

The new industrial policy of the Government, Mr. Shah pointed out, would be based on four major objectives, namely, (1) manufacture of basic raw materials within the country, (2) indigenous production of capital goods, (3) substitution and the "imports-from-where-you-can" theory, and (4) export promotion. Mr. Shah observed that all applications from *entrepreneurs* would be scrutinised from these four angles. He assured the industrialists that, if they satisfied these four basic objectives, their applications would receive expeditious consideration of the Government. Mr. Shah appealed to the business community that in future, they should regulate their plans in such a way as to find or produce their requirements of raw materials themselves. He disclosed in this connection that the Government of India propose

(*Continued on page 662*)

IMPRESSIVE RESULTS OF INDIAN CABLES

NET DIVIDEND HIGHER—OUTLOOK ENCOURAGING

THE year ended 31st March 1960 was the first year of full production of proper insulated power cables by the Indian Cable Company, Ltd. (Chairman and Managing Director: Mr. B. J. Woodley, Calcutta). The paper cable factory, which constitutes an important link in the chain of the Company's expansion projects, went into production during 1958-59, and the first fruits of this expansion were reaped in that year itself. In the year under review, the Company realised further benefit, the turnover increasing by 10 per cent. over the year. The gross profit which had gone up from Rs. 111.32 lakhs for 1957-58 to Rs. 144.80 lakhs for the subsequent year, has shot up to Rs. 167.94 lakhs, a new high in the history of the Company, exceeding the previous high touched in 1956-57 by Rs. 7.67 lakhs. The net profit, at Rs. 80.28 lakhs, also shows an impressive rise from Rs. 77.03 lakhs and that too, after an increase in the provision for taxation from Rs. 48 lakhs to Rs. 66.50 lakhs. The transfer to depreciation account remains almost unchanged. It may be noted here that the Company had to write off no less than Rs. 26.30 lakhs as bad debts out of the profit for 1958-59, so that the net profit available for appropriation was substantially lower at Rs. 50.73 lakhs.

The improved results for the year under review have enabled the Directors to recommend a gross dividend of 22.5 per cent. on both ordinary shares and participating preference shares, which, on a tax-free basis, amounts to 15.75 per cent., as compared with 15 per cent. tax-free paid for 1958-59, and more than compensates the shareholders for the amount of tax which has now to be deducted at source. In recommending this dividend, which absorbs Rs. 18.65 lakhs more than in the previous year, the Directors have, according to the Chairman, "taken into consideration the need for husbanding the Company's resources, in order to be able to meet increasing competition, as also the advisability of keeping a dividend level which can fairly be expected to be maintained in subsequent years." They have ploughed back Rs. 18.20 lakhs out of the year's profit to the various reserves, as against Rs. 25.80 lakhs in the previous year, including a sum of Rs. 13 lakhs drawn from the provision for bad and doubtful debts.

The progress of the Company since 1956-57 is clearly brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales	7,91.36	7,20.36	6,88.53	6,97.45
Internal consumption of goods	17.89	9.76	1.43	5.98
Other income	7.23	7.57	9.55	11.86
Closing stocks of finished goods and work-in-progress	92.01	77.77	72.29	73.97
Materials consumed	4,30.60	3,71.28	3,56.22	3,96.36
Other expenses	2,17.85	2,21.63	2,31.96	1,58.24
Gross profit	1,67.94	1,44.80	1,13.32	1,59.68
Directors' commission	3.92	2.61	2.60	3.85
Provision for—				
Depreciation	17.24	17.15	16.99	15.67
Taxation	66.50	48.00	55.00	79.50
Net profit	80.28	77.03	36.72	60.66
Bad debts written off	0.08	26.30	..	0.16
Short provisions, share issue expenses	..	0.40	0.38	..
Excess provisions written back	1.96	13.34	13.22	0.67
To reserves	18.20	25.80	13.00	15.00
„ Other provisions	2.38	1.82	5.58	11.53
„ Dividends—				
Preference	2.90*	1.93	1.93	1.93
Ordinary	55.05 (D. 22½%)*	35.37 (D. 12½ %+15. 2½%)	22.93 (D. 12½ %+15. 2½%)	22.93 (D. 12½ %+15. 2½%)
Carry forward	45.64	40.00	41.30	35.19

* Subject to deduction of tax or 15.75 per cent. net.

While the general growth of industrial activity in this country is enabling the Company to obtain the raw materials required in increasing quantities from indigenous sources, there has lately been some difficulty in obtaining coal and coke, on account of shortage of railway wagons, and the Company has been compelled to rely to a greater extent on road transport for movement of both raw materials and finished goods. There has also been an appreciable increase in prices of raw materials that are vital to the Company's production, such as cotton yarn, raw rubber, jute products and tinplate. Railway freight charges, too, have increased for the fourth time since 1956. Nevertheless, the wider spread of overhead charges by reason of increased production has permitted the Company to make substantial cuts in its selling prices. The Company hopes to pass on further similar benefits to its customers as it makes further progress.

The Company's Contracts Department has had another busy and successful year. Two of the important orders secured are: (1) erection of the mast radiators for the Dacca Navigator Chains which are being installed on the east and west coasts of India and (2) complete supply and erection of the cables for connecting the five 55 m.w. sets, transformers and their auxiliary equipment to be installed in the generating station for the Rihand Hydel Project.

The outlook for the current year is no less promising, despite the growing competition, as will be evident from the following extract from the Chairman's statement.

"Turning now to the current year, I am pleased to be able to report that the results to date are good and that we have a full order book for all our products. But, as I have already mentioned, we are beginning to face greatly increased competition. Since our last annual general meeting, two new cable factories of appreciable size have gone into product on and industrial licences have been granted for several more proposed factories. The demand for electric cables must, however, continue to grow annually and, provided that generation of electricity is expanded at the rate envisaged by the Planning authorities, I believe there will be room for all the cable production capacity so far licensed and that we need have no fear for the future prosperity of this Company."

The Company's financial position is very sound and warrants the hope that the Company will be able to stand competition well. The reserves and surplus, at Rs. 248.64 lakhs, are equal to the paid-up capital. Barring the outstanding debenture loan of Rs. 97.80 lakhs, the Company has no other borrowings. The current liabilities and provisions stand at Rs. 234.76 lakhs and are covered by a huge margin by current assets amounting to Rs. 671.57 lakhs. In pursuance of its programme of expansion, the Company has made additions to the block account to the tune of Rs. 19.62 lakhs during the year under review, bringing the total block account to Rs. 295.40 lakhs. This has been well written down to Rs. 158.29 lakhs.

The latest market value of the Company's Rs. 10 fully paid-up shares is Rs. 31.87 *cum-div.* On an *ex-div.* basis, the yield on the shares is 5.18 per cent. per annum, free of tax.

PRAGA TOOLS CORPORATION DOES WELL

The working of the Praga Tools Corporation Ltd. (General Manager: Mr. B. Venkataraman, Hyderabad) during the year ended 30th June 1959 has yielded encouraging results. The production (in terms of value) amounted to Rs. 62.50 lakhs, which is equivalent to a monthly average of Rs. 5.21 lakhs and compares favourably with that of Rs. 4.26 lakhs in the previous eighteen months. Sales, too, have improved from Rs. 4.18 lakhs per month to Rs. 6.11 lakhs and the gross profit from Rs. 8.46 lakhs (for the eighteen months ended 30th June 1958) to Rs. 11.23 lakhs for the year under review. After providing Rs. 4.81 lakhs for depreciation, as against Rs. 7.27 lakhs, and Rs. 65,000 for taxation (Rs. 14,000), the net profit for the year amounts to Rs. 5.77 lakhs and represents a marked rise from a mere Rs. 47,796 earned in the previous eighteen months. Out of the net profit, a sum of Rs. 5,000 (as against Rs. 60,000) has been transferred to the statutory development rebate reserve, leaving a surplus of Rs. 4.92 lakhs, as against a loss of Rs. 12,204, and this has been utilised to reduce the accumulated deficit of the previous years.

The Company, it may be noted, had been working at a loss since its inception and the accumulated loss at the end of June 1958 was Rs. 30.64 lakhs. This was reduced to Rs. 9.99 lakhs by writing down the share value from Rs. 50 per share to Rs. 35, as sanctioned by the High Court of Andhra Pradesh. The residuary loss was still further reduced to Rs. 5.07 lakhs by the profit earned in the year under review. This balance is expected to be wiped out during the current accounting period (the financial year of the Company is being changed to conform to the Government fiscal year), as the Andhra Pradesh Government has agreed to waive a sum of Rs. 5.29 lakhs, being the interest due to it on the loan of Rs. 17.75 lakhs granted by it. The shareholders may, therefore, look forward now, according to the Chairman, to "a phase when positive profits may be made." It may, however, be noted that the Company's working since the close of the year was affected by labour troubles, resulting in a loss of production to the tune of Rs. 14 lakhs. Efforts are, however, being made to increase the tempo of production.

The Company's manufactures are said to be in greater demand than before and its order books continue to swell with increasing orders. Now that the Company has also reached a profit-earning stage, the Directors have thought it fit to expand its activities to meet the growing demand for machine tools and machine tool accessories. The Company, it may be noted, manufactures fundamental equipment for the steel processing industry. With the increase planned for steel production in the second and third Plan periods, the demand for such equipment from the steel processing industry is expected to grow. The expansion programme is planned not only to ensure maximum utilisation and productivity of the existing plant and machinery but also of the manufacture of additional items of machine tools and accessories. The programme will be undertaken in two phases, the first phase, which has been taken in hand, being estimated to cost Rs. 38 lakhs. Orders have been placed for machinery worth Rs. 11 lakhs, of which a part has already been received. The second phase will involve an additional investment of Rs. 85 lakhs. The Company proposes to manufacture, with British collaboration, lathe chucks, drill chucks, tool and cutter grinders, in addition to the existing range of machine tools and accessories. It is stated that the manufacture of tool and cutter grinders is being introduced for the first time in India.

The most important event of the year was the change in the capital structure of the Company and the participation of the Government of India in the share capital to the tune of Rs. 70 lakhs. Of the total subscribed capital of Rs. 135.92 lakhs, the Government of India has taken up Rs. 70 lakhs, or 51 per cent., the Andhra Pradesh Government Rs. 47.57 lakhs (35 per cent.) and other private shareholders Rs. 18.35 lakhs. There is a balance of Rs. 14.58 lakhs to reach the authorised capital of Rs. 150.50 lakhs. This is earmarked for the Government of India. The share capital held by the State Government includes a sum of Rs. 17.75 lakhs representing the shares issued in adjustment of the secured and unsecured loans given by it in earlier years.

The financial position of the Company needs to be strengthened considerably. As against a paid-up capital of Rs. 135.92 lakhs, the reserves amount to only Rs. 1.68 lakh. The current liabilities and provisions aggregate Rs. 15.48 lakhs. The gross block of the value of Rs. 75.09 lakhs has been written down to Rs. 31.52 lakhs. Capital work-in-progress amounts to Rs. 2.32 lakhs. The current assets aggregate Rs. 115.16 lakhs, besides an outstanding loss of Rs. 5.07 lakhs on profit and loss account.

TATA CHEMICAL DISAPPOINTS

The preliminary results of the Tata Chemicals Ltd. for the year ended 30th June 1960 have confirmed the worst fears of the share market. The old shares of the Company slumped from Rs. 19.40 as on 16th September to Rs. 16.00 on 28th September in anticipation of a cut in dividend. These fears came true when the Directors announced their decision to recommend a reduction in dividend on the old shares from 75 nP per share of Rs. 10 each paid for 1958-59 to 60 nP for the year under review, both subject to deduction of tax. They have also recommended a dividend of 20 nP per share, subject to deduction of tax, on the new ordinary shares, *plus* interest of 40 nP per share, payable out of capital at 4 per cent. per annum, as sanctioned by the Government, making a total of 60 nP per share for the year. Last year, they had paid a dividend of 71.875 nP per share on the new shares, which included an interest element at 38.333 nP per share or 4 per cent. paid out of capital. The dividend of 33.542 nP per share paid out of the year's (1958-59) profit was subject to deduction of tax.

The cut in dividend is a sequel to the sharp fall in the Company's earnings. The profit before providing for taxation and development rebate reserve (but after making provision for depreciation) has dropped from Rs. 43.88 lakhs to Rs. 27.36 lakhs. The provision for taxation has been reduced from Rs. 12.51 lakhs to Rs. 1.05 lakhs, while the transfer to the development rebate reserve has been raised from Rs. 13.30 lakhs to Rs. 14.35 lakhs. The net profit available for appropriation after these allocations (including the surplus brought forward from the previous year) is Rs. 12.03 lakhs, as compared with the corresponding figure of Rs. 18.11 lakhs for 1958-59. As this sum falls short of the amount required to pay even the reduced dividend, namely, Rs. 14.38 lakhs (excluding that to be paid out of capital), the Directors have had to draw a sum of Rs. 2.50 lakhs from the general reserve to make good the shortfall.

On the basis of the latest quotation of Rs. 16.12 *cum-div.*, the yield on the old shares is 2.7 per cent. per annum, free of tax.

MUKAND IRON AND STEEL WORKS LTD.

While reviewing the results of the Mukand Iron and Steel Works Ltd. for the year ended 31st March 1960, in our issue dated 24th September 1960 (*vide* page 563), it was stated:

"The production of bars and rods, which had consistently risen from 171,000 tons in 1954-55 to 390,000 tons in 1958-59, has further enlarged to 456,000 tons in the year under review. The upward trend in output of castings and other products which had suffered a slight setback last year from 49,000 tons in 1957-58 to 44,000 tons, has, however, further declined to 42,000 tons in 1959-60."

The figures of production given above are incorrect. They have been exaggerated by the inadvertent addition of a zero. Thus, the statement should read:

"The production of bars and rods, which had consistently risen from 17,100 tons in 1954-55 to 39,000 tons in 1958-59, has further enlarged to 45,600 tons in the year under review. The upward trend in output of castings and other products, which had suffered a slight setback last year from 4,900 tons in 1957-58 to 4,400 tons, has, however, further declined to 4,200 tons in 1959-60."

BIRD-HEILGERS JUTE MILLS FARE BETTER

OUTLOOK FOR CURRENT YEAR OBSCURE

THE jute companies in the Bird-Heilgers group have generally had a satisfactory period of trading during the year ended 31st March 1960, thanks to the large raw jute crop of 1958-59 and the substantial carryover into the 1959-60 season which enabled them to do simultaneous business in raw jute and manufactured goods at a satisfactory margin of profit for most of the year. Out of the seven companies in the group, as many as six have earned a higher profit than in the previous year, though the extent of increase varies in each case. The only exception to the general trend is provided by the Lawrence Jute Company, Ltd. Many of them have been able to add sizable sums to the reserves and also pay a higher dividend, while only one of them, namely, Lansdowne Jute Company Ltd., while reducing the large deficit brought forward from the previous year, is still in arrears of preference dividend. The Dalhousie Jute Company Ltd., which also had a large carryover deficit, has been able not only to wipe out the deficit and clear off the arrears of preference dividend but also return to the ordinary dividend list with a token payment.

The broad outline of the performances of the seven companies during the last two years is given in the comparative table published at the foot of this page.

Notwithstanding the liberal dividend recommended in the case of Auckland Jute, the net distribution, at 18.9 per cent., is slightly less than that of 20 per cent. paid for the previous year. The Dalhousie Jute has returned to the dividend list after a lapse of three and a half years and after paying the arrears of preference dividend for the three years 1957-58, 1958-59 and 1959-60. The Lansdowne Jute, which went off the dividend list after paying the interim dividend for the half-year ended September 1955, is still in arrears of preference dividend for the three years, 1957-58, 1958-59 and 1959-60. The Directors of the Company have recommended a dividend on the 7 per cent. preference shares for only six months ended 31st March 1957 and even this is being paid out of the general reserve. The dividends of Kinnison, Lawrence and Northbrook, even on a tax-free basis, are substantially higher than those paid for the previous year, while that of Union Jute is lower at 17.5 per cent., as compared with 20 per cent. for 1958-59.

The fortunes of the industry suffered a turn for the worse since *November* 1959, when signs that the 1959-60 crop would be smaller than at first anticipated appeared and prices of raw jute shot up, without any corresponding rise in those of jute goods. While prices of raw jute advanced by 40 per cent. by the end of March 1960, B. twills moved up by only 9 per cent., thus making simultaneous business at a profit impossible. As for the current year, the prospects, according to the Directors of the Companies, are "somewhat obscure," as much will depend on the size of the crop for 1960-61 and the price at which it will be available. At the time of signing the Directors' report, that is, at the end of August, the growth of the crop was satisfactory, but since then ideas about the crop have turned out to be unfavourable. It is in view of this change in crop position that the I.J.M.A. has decided to extend the scheme of voluntary sealing up to the end of December 1960.

Further steps are being taken by some of the mills to complete their modernisation programme. The Auckland Jute has placed orders for 24 automatic weaving machines, which, subject to an import licence being granted, are expected to arrive early in 1961. These weaving machines are of the most modern type and should improve the quality of sacking fabrics, apart from the benefits which will be derived by reducing manufacturing costs. The Company has also placed orders for additional machinery for the modernisation of sacking weft section and for additional spinning and drawing frames. It has been further decided to change over from "short" to "long" draft, with a view to improving the efficiency. The Dalhousie Jute also has placed orders for additional spinning and drawing frames and to change over from "short" to "long" draft. The carpet backing looms of the Northbrook Jute worked to capacity during the year under review and orders were placed for a further 18 wide looms, five of which were erected and commissioned in December 1959. The balance of 13 looms has since been received and erection was completed in July 1960, but reduced offtake has delayed their being put into operation. Orders have been placed for 24 automatic weaving machines and these are expected to arrive towards the end of this year. The modernisation of the sacking weft section of the Kinnison Jute has been completed and orders have been placed for additional spinning and drawing frames and with this, the modernisation programme in the preparing and spinning sections of No. 1 mill is complete for the time being. The spinning and preparing machinery installed in No. 2 mill in 1949 is said to be working satisfactorily. The Directors are giving careful consideration to the possibility of introducing new types of machinery in the other sections of the mills, particularly on the weaving side.

The following are the latest market values of the ordinary shares of the aforesaid companies, as compared with those a year ago. The yield is based on the latest quotations:

	Latest Rate Rs.	*Year ago* Rs.	*Yield* %
Auckland	167.00	200.00	18.3
Dalhousie	125.00	130.00	—
Kinnison	160.00	178.00	13.6
Lansdowne	109.00	135.00	—
Lawrence	135.00	112.00	11.8
Northbrook	22.50	21.50	14.8
Union	184.00	230.00	15.0

G.E.C. AND ENGLISH ELECTRIC LIKELY TO MERGE

The General Electric Company and the English Electric Company, two giants in the British electrical industry, are holding discussions on the possibility of merging themselves into one and, if these talks prove successful, it will bring about one of the biggest industrial mergers in the U.K. for many years, with a combined balance-sheet total of £177 million. According to a statement issued by the Boards of the two companies, many of the activities of the two groups are complementary and having regard to the interests of shareholders and employees, they have agreed to explore immediately the practicability of a merger of the two groups by means of a holding company.

In view of the size of the respective groups, it will take time to examine the details and formulate any definite proposal to the shareholders, but a further statement is expected to be made as soon as possible. The two groups overlap in the fields of heavy engineering, domestic appliances, telecommunications and lighting. The English Electric has, in addition, large interests in the field of aviation, while the G.E.C. is a leading manufacturer of radio and television sets. The combined assets of the two companies will be only slightly lower than that of the other leading company in this field, namely, the Associated Electrical Industries.

(In lakhs of rupees)

	Sales		Gross profit		Net profit		Transfer to reserves		Dividends: Preference		Dividends: Ordinary		Carry forward	
	1959-60	1958-59	1959-60	1958-59	1959-60	1958-59	1959-60	1958-59	1959-60	1958-59	1959-60	1958-59	1959-60	1958-59
Auckland ..	249.30	227.72	39.85	24.21	16.40	14.60	4.50	5.12	1.74	1.22	10.80 (27%)	8.00 (20%)	0.34	0.42
Dalhousie ..	168.45	182.30	16.67	13.69	10.47	7.46	1.30	1.00	4.20*	0.52	0 31 (1%)	..	0.18	—6.42
Kinnison ..	354.65	351.62	37.71	20.59	19.80	9.94	6.68	3.51	1.05	1.05	12 02 (20%)	5.40 (10%)	0.87	0.51
Lansdowne ..	196.24	207.58	11.68	7.27	6.65	1.85	1.23	0.25	0.52†	0.52§	..	..	—2.02	—7.58
Lawrence ..	29.55	52.80	11.80	18.20	8.66	13.90	4.01	7.00	1.28	2.50‡	4.20 (15%)	0.56 (2%)	0.10	0.60
Northbrook ..	202.86	181.41	31.93	15.53	13.54	8.41	12.61	3.25	1.18	0.82	5 04 (30%)	2 10 (12½%)	0.28	0.35
Union ..	192.29	188.49	27.26	26.08	11.26	15.36	3.35	7.55	0.42	0.42	12 00 (25%)	7 20 (20%)	0.36	0.75

N.B.—Ordinary and preference dividends paid out of the profits for 1959-60 are subject to deduction of tax, except the preference dividend paid in January 1960 in respect of the year ended March 1957 by Dalhousie Jute.
* For four years ended March 1960. ‡ For two years ended March 1959. § For the half-year ended September 1956.
† For the half-year ended March 1957.

COMPANY MEETINGS AND DIVIDENDS

DAVANGERE COTTON MILLS LTD. Annual General Meeting, Davangere, 12th October 1960: Dividend: 12 per cent. or Rs. 12.00 per share, subject to deduction of tax, payable on or after 12th October 1960. Transfer books remain closed from 29th September to 12th October 1960, both days inclusive.

CHAMONG TEA CO., LTD. Annual General Meeting, Calcutta, 13th October 1960. Dividend: *Nil*. Transfer books will remain closed from 7th to 13th October 1960, both days inclusive.

DUFFLAGHUR TEA CO., LTD. Annual General Meeting, Calcutta, 13th October 1960. Dividend: 35 per cent. or Rs. 3.50 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 13th October 1960, both days inclusive.

DIMAKUSI TEA CO., LTD. Annual General Meeting, Calcutta, 13th October 1960. Dividend: 30 per cent. or Rs. 3.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 7th to 13th October 1960, both days inclusive.

SOOM TEA CO., LTD. Annual General Meeting, Calcutta, 13th October 1960. Dividend: 30 per cent. or Rs. 3.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 7th to 13th October 1960, both days inclusive.

LINGIA TEA CO., LTD. Annual General Meeting, Calcutta, 13th October 1960. Dividend: 12½ per cent. or Re. 1.25 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 7th to 13th October 1960, both days inclusive.

GOHPUR TEA CO., LTD. Annual General Meeting, Calcutta, 13th October 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 13th October 1960, both days inclusive.

DELHI CLOTH AND GENERAL MILLS CO., LTD. Annual General Meeting, Delhi, 17th October 1960.

MALANKARA RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Kottayam, Kerala State, 21st October 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books remain closed from 5th to 21st October 1960, both days inclusive.

KEMP & CO., LTD. Annual General Meeting, Bombay, 24th October 1960. Dividend: Rs. 25.00 per share, on shares of Rs. 200 paid up, subject to deduction of tax, payable on or after 7th November 1960. Transfer books will remain closed from 10th to 24th October 1960, both days inclusive.

GREAVES COTTON AND CO., LTD. Annual General Meeting, Bombay, *25th October 1960*. Dividend: Rs. 11.00 per ordinary share, subject to deduction of tax, payable on and after 14th November 1960. Transfer books will remain closed from 10th to 25th October 1960, both days inclusive.

SASSOON AND ALLIANCE SILK MILLS CO., LTD. Annual General Meeting, Bombay, 27th October 1960. Dividend: *Nil*. Transfer books will remain closed from 19th to 27th October 1960, both days inclusive.

AMALGAMATED COFFEE ESTATES LTD. Annual General Meeting, Seetagundy Estate, Sitharkunda, P.O., via. Kollengode, Palghat District, 29th October 1960. Dividend: 10 per cent. or Re. 1.00 per share, taxable. Transfer books will remain closed from 18th to 29th October 1960, both days inclusive.

MANDYA NATIONAL PAPER MILLS LTD. Annual General Meeting, Bangalore, 4th November 1960. Dividend: *Nil*. Transfer books will remain closed from 20th October to 4th November 1960, both days inclusive.

MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 5th November 1960. Dividend: Rs. 21.50 per share, taxable, payable from 7th November 1960. Transfer books will remain closed from 10th October to 5th November 1960, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 14th November 1960. Transfer books will remain closed from 21st October to 14th November 1960, both days inclusive.

SUPREME INDUSTRIES LTD. Taxable final dividend of Rs. 7.00 per share (making a total of Rs. 13.00 for the year), for the year ended 31st March 1960. Transfer books will remain closed from 3rd to 12th October 1960, both days inclusive.

KHANDESH SPINNING AND WEAVING MILLS LTD. Taxable dividend of 15 per cent. Transfer books remain closed from 1st to 10th October 1960, both days inclusive.

RADIO LAMP WORKS LTD. Taxable dividend of Rs. 8.10 on old ordinary shares, for the year ended 31st March 1960.

T. STANES & CO., LTD. Taxable interim dividend of 10 per cent. or Re. 1.00 per ordinary share, for the year ended 30th September 1960. Transfer books remain closed from 3rd to 15th October 1960, both days inclusive.

KALPETTA ESTATES LTD. Taxable dividend of 12½ per cent. or Re. 1.25 per share, for the year ended 30th April 1960. Transfer books will remain closed from 7th to 14th November 1960, both days inclusive.

WESTERN INDIA PLYWOODS LTD. Taxable dividend of 10 per cent. or Rs. 10.00 per ordinary share, for the year ended 31st March 1960. Transfer books will remain closed from *21st to 27th* October 1960, both days inclusive.

TRAVANCORE SUGARS AND CHEMICALS LTD. Taxable dividend of 10 per cent. or Re. 1.00 per ordinary share, for the year ended 30th [illegible]. Transfer books will remain closed from [illegible] ber to 7th November 1960, both days inclusive.

SYNOPSES OF COMPANY REPORTS

Karanpura Development Co., Ltd.

THE directors of the above Company [Secretaries and Treasurers: Messrs. Bird & Co. (Private) Ltd., Calcutta] present the audited accounts of the Company for the year ended 31st December 1959.

By the end of the year under review, compensation claims in respect of approximately 10,000 bighas of land, acquired by the Government of India in the Karanpura Coalfields, had been submitted to the National Coal Development Corporation, Ranchi. Since then further areas have been notified for acquisition affecting the Company's leaseholds in Religara and Dari. The directors have therefore instituted legal proceedings under Article 226 of the Constitution of India with the object of obtaining an injunction on the grounds that the two mouzahs constitute "worked areas." In regard to the Chordhara area, the Calcutta High Court has decreed the continuance of the *ad interim* injunction obtained last year by the Company's sub-lessees.

Raisings and Despatches.—During the period 1,530,850 (1,181,007) tons of coal were raised and 1,527,476 (1,152,701) tons were despatched from the Company's various collieries.

The profit and loss account after providing for all charges and making provisions of Rs. 2,04,588 (Rs. 2,28,409) for taxation and Rs. 7,243 (Rs. 5,379) for depreciation, shows a profit of Rs. 1,98,637 (Rs. 1,38,629). To this is added the balance brought forward from previous year of Rs. 3,14,490 (Rs. 1,75,861) making a total of Rs. 5,13,127 (Rs. 3,14,490). From this amount the directors have transferred to statutory development rebate reserve Rs. 1,400 (*nil*) and to general reserve Rs. 1,00,000 (*nil*) leaving a balance available of Rs. 4,11,727 (Rs. 3,14,490). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the founders' shares at the rate of 15 (*nil*) per cent. per annum, subject to deduction of tax, at source, absorbing Rs. 75,000 (*nil*), by payment of a dividend on ordinary shares at the rate of 5 (*nil*) per cent. per annum, subject to deduction of tax, at source, absorbing Rs. 75,000 (*nil*) and by carrying forward Rs. 2,61,727 (Rs. 3,14,490).

Consequent upon the termination of the managing agency of Messrs. Bird & Co. (Private) Ltd., with effect from 15th August, 1960, Mr. D. L. V. Rowe, the ex-officio director of the Company resigned. Mr. Rowe was appointed in pursuance of Clause 94 of the Articles of Association an additional director and chairman of the Board with effect from 16th August, 1960. Mr. D. L. V. Rowe having since resigned, Mr. D. C. B. Pilkington accepted the seat on the Board as its Chairman with effect from 23rd August, 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Gross block	44,79,153
Reserves ...	25,89,686	*Less*—Depreciation ...	13,16,190
Provision for taxation ...	2,49,591		
Provision for wealth tax	17,122	Net block ...	31,62,963
Liabilities ...	42,28,088	Stock ...	82,701
Profit and loss account (surplus)	2,61,727	Stores, etc.	53,607
		Book debts	27,46,214
		Investments	18,77,482
		Cash ...	14,23,247
Rs.	93,46,214	Rs.	93,46,214

Kemp and Co., Ltd.

The directors of the above Company (Chairman: Mr. Jal H. Mehta, Bombay) present the audited accounts of the Company for the year ended 31st March 1960.

The net profit for the year ended 31st March 1960, after providing Rs. 66,040 (Rs. 62,003) for depreciation, Rs. 10,000 (Rs. 3,900) for development rebate and Rs. 1,45,000 (Rs. 1,85,000) for taxation amounts to Rs. 1,65,750 (Rs. 1,25,227) to which is added the amount brought forward from last year of Rs. 31,662 (Rs. 26,435) making a total of Rs. 1,97,412 (Rs. 1,51,662). The directors recommend appropriation of this amount as follows:—

To distribution of a dividend at Rs. 25 (Rs. 20.00 per share, free of tax), gross per share (Rs. 200 paid up) absorbing Rs. 1,50,000 (Rs. 1,20,000) leaving a balance to be carried forward of Rs. 47,412 (Rs. 31,662). The directors consider the provision for taxation as sufficient to meet this liability, and the depreciation on fixed assets as adequate.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Gross block	27,43,796
Reserves ...	6,37,883	*Less*—Depreciation ...	14,20,459
Provision for taxation ...	4,20,288		
Liabilities ...	12,35,964	Net block ...	13,23,337
Profit and loss account (surplus)	47,412	Stock-in-trade	14,40,844
		Book debts	7,36,550
		Investments	12,056
		Cash ...	28,760
Rs.	35,41,547	Rs.	35,41,547

Davangere Cotton Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. R. Hanumanthappa & Son, Davangere) present the audited accounts of the Company for the year ended 31st March 1960.

The working result of the Company for the year is a profit of Rs. 12,40,298 (Rs. 9,27,023), after providing Rs. 7,27,159 (Rs. 7,19,542) for depreciation. After deducting therefrom Rs. 6,138 (Rs. 5,765), donations paid in the year, and including a sum of Rs. 15,442 (Rs. 21,830) brought forward from the previous year, the amount available for distribution is Rs. 12,49,602 (Rs. 9,43,088), which the directors recommend to appropriate as under:—

To development rebate reserve Rs. 1,65,000 (Rs. 3,30,000), to provision for taxes Rs. 4,60,000 (Rs. 1,85,000), to general reserve Rs. 9,664 (Rs. 25,000), to reserve for repayment of mortgage loan Rs. 2,50,000 (Rs. 1,20,000) and to payment of dividend for the year ended 31st March 1960 at 12 (9 per cent. free of tax) per cent. per annum on the paid up share capital, subject to deduction of tax, absorbing Rs. 3,55,938 (Rs. 2,62,227) leaving to be carried forward Rs. 9,000 (Rs. 15,442 after paying Rs. 5,419 on bonus account relating to 1957-58).

The yarn and cloth market was reasonably steady, particularly from the latter half of the financial year. As previously, the Company's products continue to enjoy a high reputation in the market. During the year, a small portion of the yarn production was exported, though at an unremunerative rate.

After struggling with a crisis for three years, while the industry was able to stage a recovery, it had to face a serious shortage in the Indian cotton, whereby the Government had to introduce quota system for supply of Indian cotton. But, this did not prevent prices reaching the ceiling, thereby practically taking away the price advantage on finished products.

Effective steps have been taken to improve production and quality. It is needless to add that in view of the high competition, modernisation and rationalisation are a "must" and the directors have lost no time in taking necessary action in this behalf. The expansion of the spinning section was completed in December 1959. Thus, the present capacity of the spinning section is 40,032 spindles.

The directors have already reported the purchase of Narayandas Chunilal Mills, Gadag, in the Court auction held on 28th July 1959 for Rs. 3,61,001. The original owners have filed number of petitions for cancellation of the sale, for the reason that the bid was low. The matter is still before the Court.

The directors thought it fit to purchase the Kapila Textile Mills (under liquidation) at the auction held on 18th July 1960 for a sum of Rs. 15,25,000, in view of the fact that their attempt to obtain additional allotment of looms from the Government had not met with success so far. This sale was confirmed by the High Court and in appeal, the same was cancelled and ordered to be re-auctioned.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29,66,711	Gross block	1,21,27,978
Reserves ...	28,72,302	*Less*—Depreciation ...	57,71,091
Provision for taxation ...	6,41,628		
Liabilities ...	75,88,754	Net block	63,56,887
Profit and loss account (surplus)	9,000	Stock ...	46,10,793
		Stores ...	6,29,787
		Book debts	24,35,344
		Cash ...	45,584
Rs.	1,40,78,395	Rs.	1,40,78,395

Dufflaghur Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The season's working resulted in a profit on revenue account of Rs. 4,97,720 (Rs. 6,12,609) after providing for depreciation amounting to Rs. 63,649 (Rs. 63,801) and providing Rs. 60,000 (Rs. 58,300) for contingencies. After transferring the above profit, making various adjustments, setting aside Rs. 2,20,000 (Rs. 2,94,000) for taxation, paying an interim dividend of 15 (15) per cent. for 1959 absorbing Rs. 1,05,093 (Rs. 1,05,093), creating a development rebate reserve of Rs. 6,000 (*nil*) and transferring back the balance of Rs. 75,000 (*nil*) in the dividend equalisation reserve to profit and loss account, the balance available for disposal amounts to Rs. 7,23,695 (Rs. 6,52,709). The directors propose to transfer to building reserve Rs. 1,50,000 (*nil*), to repairs and renewals reserve Rs. 50,000 (*nil*) and pay a final dividend of 20 (30) per cent. absorbing Rs. 1,40,124 (Rs. 2,10,186) leaving to be carried forward a balance of Rs. 3,83,571 (Rs. 4,42,523).

The following are comparative statistics of sales for the past three years:—

	Lbs.	Average sale price per lb. Rs. nP
1957	980,116	2.76
1958	1,058,370	2.52
1959	928,388	2.71

The estimate for 1960 provides for a crop of 420,940 kg. (928,000 lbs.) of tea at a cost of Rs. 4.68 per kg. (Rs. 2.12 per lb.).

The term of office of Messrs. Williamson Magor & Co., Ltd., as managing agents of the Company expired on 15th August 1960 in terms of Section 330 of the Companies Act, 1956. The Company in general meeting held on 24th September 1959 had already approved of the proposal that Messrs. Williamson Magor & Co., Ltd., be reappointed managing agents for a further term of ten years from 15th August 1960 subject to the approval of the Central Government. The Central Government gave its approval to the reappointment but reduced the term of office to five years and also prescribed a sliding scale of remuneration instead of the flat rate as under the previous agreement and as proposed under the terms of reappointment. At the Company's general meeting held on 13th August 1960 the reappointment with these modifications was formally confirmed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,620	Gross block	27,54,322
Reserves ...	11,66,000	*Less*—Depreciation ...	14,69,122
Provision for taxation ...	5,91,503		
Liabilities ...	9,12,184	Net block ...	12,85,200
Profit and loss account (surplus)	3,83,571	Stock-in-trade	8,83,779
		Stores ...	4,06,768
		Book debts	1,09,570
		Investments	5,07,774
		Cash ...	5,60,787
Rs.	37,53,878	Rs.	37,53,878

Borrea Coal Co., Ltd.

The directors of the above Company [Secretaries and Treasurers: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta] present the audited accounts of the Company for the year ended 31st December 1959.

Raisings and Despatches.—1,65,837 tons of coal were raised and 1,64,090 tons despatched during the year, compared with 1,71,109 tons raised and 1,74,148 tons despatched during 1958. The decrease in output was due to an illegal strike in March, 1959. It is satisfactory to report that within recent months there has been a substantial increase in raisings due largely to the labour position at the colliery having improved to a considerable extent.

Transport.—Wagon supplies were irregular and at times when there was a congestion of coal in the steel works, no wagons were supplied on several days. In addition, the number of covered wagons supplied prevented full use being made of the mechanical screening arrangements.

The profit and loss account, after providing for all charges, after making provision of Rs. 99,499 (Rs. 1,45,109) for taxation and Rs. 80,381 (Rs. 72,707) for depreciation, shows a profit of Rs. 1,68,376 (Rs. 1,93,549) to which is added the balance brought forward from the previous year of Rs. 20,179 (Rs. 26,931) making a total of Rs. 1,88,555 (Rs. 1,93,549). From this amount the directors have transferred to statutory development rebate reserve Rs. 12,725 (Rs. 66,120) and to general reserve Rs. 55,000 (*nil*) leaving a balance available of Rs. 1,20,830 (Rs. 1,27,429).

The directors propose to dispose of this amount as follows:—

By payment of a dividend on the preference shares at the rate of 6¼ per cent. per annum, subject to deduction of tax at source absorbing Rs. 26,000 (Rs. 26,000), by payment of a dividend on the ordinary shares at the rate of 10 (7½) per cent. free of tax) per cent. per annum subject to deduction of tax, at source, absorbing Rs. 75,000 (Rs. 56,250) and by carrying forward Rs. 19,830 (Rs. 20,179) after transferring Rs. 25,000 to dividend equalisation fund).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,50,000	Gross block	45,36,993
Reserves ...	20,32,392	*Less*—Depreciation ...	28,95,396
Provision for wealth tax	12,217		
Liabilities ...	8,86,473	Net block ...	16,41,597
Profit and loss account (surplus)	19,830	Expenditure in progress	2,50,859
		Stock ...	51,625
		Stores, etc. ...	1,64,493
		Book debts	9,05,552
		Investments	7,94,201
		Cash ...	2,92,585
Rs.	41,00,912	Rs.	41,00,912

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

COMMERCE AND INDUSTRY

(*Concluded from page 649*)

to bring out a list of raw materials which were in short supply. This was the appropriate time, he said, for producing them indigenously, "not so much qualitatively as quantitatively." He wanted the revival of the old spirit of *swadeshi* which was now flagging.

Elucidating the second objective, Mr. Shah expressed the view that the country should go all out to produce capital goods. The ideological conflict involved in the issue whether it was worthwhile and necessary to starve the present generation in order to feed posterity, according to him, was totally wrong. He insisted that both the private and public sectors should make efforts to reduce the dependence on imports. Industrialists were asked to endeavour to restrict imports to the minimum. The third objective of substitution meant that substitutes should be found for raw materials or machinery not available from within the country itself. Besides, if imports were unavoidable, industrialists should import from any country from where they could get it, and not insist on any selected country. He said that this would avoid unnecessary complications. Lastly, Mr. Shah made an impassioned appeal to the nation to take a "religious vow" that it would do all it could to step up exports.

Mr. S. L. Talwar, Managing Director of the Paper Products Ltd., pointed out that proper packaging was a prerequisite for the promotion of exports. He suggested the establishment of (1) an independent Development Council for the packaging industry and (2) a packaging research institute devoted solely to the problem of finding ways and means of making the best use of indigenously available materials and creating protective and functional packages to suit different climatic conditions.

Notices

THE MANDYA NATIONAL PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Second Annual General Meeting of the Members of The Mandya National Paper Mills Limited will be held at the Registered Office of the Company at 14, Palace Road, Bangalore-1, on Friday the 4th November, 1960, at 11 a.m., for the following purposes:—

AGENDA

1. To receive and adopt Directors' report and the audited accounts of the Company for the period ended 30th June, 1960 and the Auditors' report thereon.

2. To appoint a Director in place of Dharmaprakasha Shri M. V. Veerappa, who retires by rotation, and being eligible, offers himself for re-election.

3. To appoint a Director in place of Sardar Anup Singh Bedi, who retires by rotation, and being eligible, offers himself for re-election.

As Sardar Anup Singh Bedi is an Associate of the Managing Agents of the Company, a Special Notice as required by Section 261 of the Companies Act, 1956 has been received by the Company and notice is hereby given to consider and if thought fit, to pass the following resolution with or without modification as a Special Resolution:

"RESOLVED that pursuant to Section 261 of the Companies Act, 1956 Sardar Anup Singh Bedi, an associate of the Bedi and Company Management Private Limited —The Managing Agents of the Company, be and is hereby re-elected a Director of the Company."

4. To appoint a Director in place of Shri P. M. D. Thackersey, who being appointed after the date of the last annual general meeting, retires and being eligible, offers himself for re-appointment.

5. To appoint Auditors and fix their remuneration.

As Special Business

To consider and if thought fit, to pass with or without modification, the following resolutions:—.

6. *As Special Resolution*: "That consent be and is hereby accorded to Shri M. N. Govindappa and Shri N. Krishnappa, who are relatives of Dharmaprakasha Shri M. V. Veerappa, a Director of the Company, being appointed to hold an office of profit under the Company on a remuneration of Rs. 80 and Rs. 140 per month respectively subject to such terms and conditions and such increments as may be decided by the Directors or any Committee of the Directors or the Managing Agents in pursuance to the powers conferred on them in this behalf."

7. *As Special Resolution*: "That the provisions contained in the Memorandum of the Company be altered in manner following, that is to say

"that the words and figures '1,80,000 7% (seven per cent.) free of Income-tax Redeemable Cumulative Preference shares of Rs. 100 each, appearing in Clause V of the Memorandum shall be deleted, and the following new words and figures substituted therefor. '60,000 7% (seven per cent.) free of Income-tax Redeemable Cumulative Preference shares of Rs. 100 each, 1,20,000 6½% (six and a half per cent.) free of Income-tax Redeemable Cumulative Preference shares of Rs. 100 each.'"

8. *As Special Resolution*: "That the Articles of Association of the Company be altered in manner following—that is to say—the words and figures appearing in Clause 4

"1,80,000 7% (free of Income-tax) Redeemable Cumulative Preference shares of Rs. 100 each"

shall be deleted and the following words and figures substituted therefor

"60,000 7% (seven per cent.) free of Income-tax Redeemable Cumulative Preference shares of Rs. 100 each and 1,20,000 6½% (six and a half per cent.) free of Income-tax Redeemable Cumulative Preference shares of Rs. 100 each."

9. *As Ordinary Resolution*: RESOLVED that the Company hereby authorise the Board to issue five lakhs new Equity Shares of Rs. 10 each and 10,000 6½ per cent. Redeemable Cumulative Preference Shares of Rs. 100 each (Redeemable at the expiry of 15 years from the date of allotment) and to offer them for subscription on the following terms and conditions:—

(i) The new Equity shares shall rank *pari passu* with the existing Equity shares of the Company in all respects.

(ii) The new Preference shares shall also rank *pari passu* with the existing Preference shares of the Company in all respects except that they will be entitled to dividend at the rate of 6½ per cent. per annum from the date of allotment.

(iii) The new Equity shares shall be offered for subscription at par to the persons whose names appear in the Company's Registers of Members as holders of Equity shares of the Company on the date of the offer as may be fixed hereafter by the Board of Directors of the Company, as nearly as circumstances admit, in the proportion of 5 new Equity shares for every 14 Equity shares held by each such member on the said date, the shares to be allotted to be suitably adjusted to the nearest multiple of five. The holders of Equity shares may also apply for a larger number of Equity shares than they are entitled to, but their applications will be considered by the Directors after shares have been allotted in the aforesaid proportions.

(iv) The new Preference shares shall be offered for subscription at par to the persons whose names appear in the Company's Registers of Members as holders of Equity shares of the Company, on the date of the offer, as may be hereafter fixed by the Board of Directors of the Company, as nearly as circumstances admit, in the proportion of one new Preference share for every 140 Equity shares held by each such member on the said date. The members holding less than 140 shares shall also be entitled to apply and the members may also apply for a larger number of Preference shares than they are entitled to, but their applications will be considered suitably by the Directors after the shares have been allotted to the holders of the Equity shares above 140.

(v) The offer aforesaid shall be made by the Board by notice, specifying the number of shares offered and limiting the time not being less than one month from the date of the offer within which the offer if not accepted will be deemed to have been declined.

(vi) The offer aforesaid shall include a right exercisable by the member concerned to renounce the shares offered to him or any of them in favour of any other person.

(vii) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they may think fit.

(viii) The issue, offer and allotment of the new Equity shares and new Preference shares aforesaid, shall be made in such manner and on such terms consistent with this resolution as the Board may in its absolute discretion determine and without prejudice to the generality of its powers given in this resolution, the Board is hereby explicitly authorised to decide and settle all questions relating to the issue and allotment to non-resident members of the Company.

(ix) The full amount of Rs. 10 per share on Equity shares and Rs. 100 per share on Preference shares shall be payable with the application.

(x) The Certificate in respect of new Equity shares and new Preference shares shall be complete and ready for delivery within six months after date of the last allotment thereof.

(xi) For the purpose of giving effect to this resolution the Directors be and are hereby authorised to prescribe forms of application and renunciation and other documents in respect of such new Equity shares and new Preference shares and to give such other directions or do such other acts as they think fit including settling any difficulty that may arise in regard to issue and allotment of new Equity shares and new Preference shares.

(xii) The underwriting arrangements for the new issues may be made by the Directors if they think necessary, but the underwriting commission shall not exceed 2½% of the nominal value of the shares.

(xiii) The aforesaid issue shall be made by the Directors subject to the sanction of the Controller of Capital Issues and on such terms and conditions as the Controller of Capital Issues may prescribe.

10. *As Ordinary Resolution*: RESOLVED that the appointments of the under-noted parties as Sole Selling Agents in respect of areas noted against each be confirmed as required under Section 294 of the Companies Act, 1956.

Name of the Party	*Area*
M/s. Canhag Private Ltd., Bombay	Bombay
M/s. Associated Paper Company, Bombay	Gujarat
M/s. South India Corporation (Agencies) Private Ltd., Madras	Kerala and Madras
Mr. K. Srinivas, Mysore ...	Mysore
M/s. Saligram and Company, Bangalore	Andhra Pradesh
M/s. Rai Bahadur Shreeram Durgaprasad (Private) Ltd., Tumsar	Madhya Pradesh
M/s. Sukhdayal Rambilas, Bombay	Uttar Pradesh
M/s. Eastern Paper Syndicate, Calcutta	West Bengal
Thard Brothers (Private) Ltd., Bombay	Bihar
M/s. General Equipment Merchants Limited, New Delhi	Delhi, Punjab, Rajasthan, Jammu and Kashmir
The Orissa Paper Trading Company, Burla (Orissa)	Orissa

11. *As Ordinary Resolution*:

(*a*) RESOLVED that the remuneration paid to every Director at the rate of Rs. 100 per meeting attended by him in terms of Article 103 (*a*) of the Company's Articles of Association be and is hereby approved.

(*b*) RESOLVED further that the remuneration of every Director shall be Rs. 100 per meeting attended by him in terms of Article 103 (a) of the Company's Articles of Association.

The share transfer Registers of the Company will be closed from the 20th October to the 4th November, 1960, both days inclusive.

By Order of the Board,

S. W. G. OLPHERTS FORRESTER,
Secretary.

BANGALORE-1,
25th September, 1960.

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

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 has been annexed to the copies of this notice posted to the members.

THE ASSOCIATED CEMENT COMPANIES LIMITED

NOTICE

THE SHARE TRANSFER BOOKS OF THE Company will be closed from MONDAY, the 7th NOVEMBER to WEDNESDAY, the 30th NOVEMBER 1960, both days inclusive.

By Order of the Board,

FOR THE ASSOCIATED CEMENT COMPANIES, LIMITED,

CEMENT AGENCIES (PRIVATE) LTD.,
Managing Agents,

N. DANDEKER,
Managing Director.

BOMBAY, *29th September*, 1960.

KEMP AND COMPANY, LIMITED

NOTICE

THE SEVENTY-NINTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF KEMP & CO., LTD., will be held at the Office of Messrs. H. M. Mehta & Co., 'Mehta House,' Apollo Street, Fort, Bombay, on the 24th October, 1960 at 4-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1960.
2. To declare Dividend.
3. To elect a Director in place of Shri Jal H. Mehta, who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in place of Shri S. M. Chothia who retires by rotation and to consider and if thought fit, to pass the following resolution, of which Special Notice as required under Section 281 of the Companies Act, 1956, has been received by the Company, and the relative Explanatory Statement concerning which is annexed hereto as required under Section 173 of the Act.

   "RESOLVED that pursuant to the provisions of Section 281 and under other applicable provisions (if any) of the Companies Act, 1956, Shri Shapurji Manchershaw Chothia who has attained the age of 75 years and who retires by rotation, be and is hereby re-elected a Director of the Company, and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said said Act shall not apply to him."

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

The Register of Members and the Share Transfer Register of the Company will remain closed from the 10th October, 1960 to 24th October, 1960 (both days inclusive).

Note: 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote at the Meeting instead of himself. A proxy need not be a Member of the Company.

2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business in item No. 4 set out above is hereto annexed.

3. If the Dividend on Shares as recommended by the Directors is passed at the meeting it will be paid on or after 7th November, 1960 through the Company's Bankers to those Shareholders whose names are on the Company's Register of Members on 24th October, 1960.

By Order of the Board of Directors,

JAL H. MEHTA,
Chairman.

BOMBAY, *dated 9th September*, 1960.

ANNEXURE TO THE NOTICE

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

Shri Shapurji Manchershaw Chothia, who retires by rotation and is eligible for re-appointment, has attained the age of 75 years. Hence he cannot be appointed a Director of the Company except by a resolution, in respect of which a special notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such a notice from a member intimating his intention to move the resolution as set out in the said item. Shri Shapurji Manchershaw Chothia joined the Board of Directors of the Company in October 1938. He has wide and varied experience, and during his long association with the Company, as Director he has rendered very valuable services to the Company. As it is in the interest of the Company that the Board should continue to receive the benefit of his advice and guidance as a member of the Board, it is desirable that he be re-appointed a Director.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER NOTICE

Manufacture of Cast Iron Sleepers

TENDERS ARE INVITED FROM ESTABlished foundries in India, having experience in the manufacture of Cast Iron Sleeper Plates for supply, by 31st December 1961, of about 3,50,000 Tons of Cast Iron CST9 Sleeper Plates both B.G. and M.G. Tenderers may quote for any small quantity according to their capacity. Tenders quoting for the supply of 3,000 Tons and above, of B.G. Cast Iron Sleeper Plates, it would be obligatory to quote for the supply of M.G. Cast Iron Plates also for a quantity of not less than 30 per cent. of the total quantity quoted for.

2. Railway Board would recommend to the Iron and Steel Controller the issue of Pig Iron according to the requirements of the supplier up to a maximum of 100 per cent. of the quantity of sleepers ordered on the firm. The firms are expected to make up the melting losses under their own arrangements.

3. Applications for tender documents should be made to any of the following officers from 7th October 1960:—

(i) The Director, Railway Stores, Railway Board, State Entry Road, New Delhi.

(ii) The Deputy Director Works (Bridges), Railway Board, 14 Strand Road, Calcutta.

Tender Documents embodying conditions of Contract will be supplied at Rs. 3 per set and will be available for sale during office hours.

Relevant drawings, if required, may be had separately on payment of Rs. 8 per set of drawing.

4. Tenders will be received upto 12.00 hours on the 18th November, 1960 and opened in the office of the Railway Board on State Entry Road, New Delhi, at 15.00 hours on the same day.

QURBAN SINGH,
Director, Railway Stores.

NEW DELHI,
Dated 26th September 1960.

WESTERN BENGAL COAL-FIELDS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the shareholders of the Company will be held at the Registered Office of the Company at 8, India Exchange Place, Calcutta on Friday the 4th November 1960, at 3.00 p.m., for the following purposes:—

(1) To consider and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31st March 1960.

(2) To consider declaration of dividend.

(3) To elect Directors in place of Shri S. M. Mohta and Shri R. P. Goenka who retire by rotation but being eligible, offer themselves for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration. Messrs. Singhi & Co., the retiring Auditors being eligible, offer themselves for re-appointment.

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

The Register of members will remain closed from the 20th October 1960 to the 4th November 1960, both days inclusive.

By Order of the Board,

HINDUSTAN INVESTMENT CORPN. LTD.,
Managing Agents.

8, INDIA EXCHANGE PLACE,
CALCUTTA 1.

N.B.:—(i) If the dividend as declared by the directors is passed at the meeting, all dividend will be posted to the Registered addresses of the shareholders whose names appear on the Company's register on the 4th November 1960 or to their order or to their bankers.

(ii) The instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

(iii) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AFORESAID MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

THE BOMBAY BURMAH TRADING CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the above Corporation will be closed from 1st November 1960 to 22nd November 1960, both days inclusive.

FOR THE BOMBAY BURMAH TRADING CORPORATION LTD.,
WALLACE & CO.,
Secretaries & Treasurers.

9, WALLACE STREET,
BOMBAY.

INDUSTRIAL FINANCE CCRPORATION OF INDIA

(*Concluded from page 631*)

"In the matter of the actual drawal from us of amounts against loans approved, there was appreciable increase during the past year, the total disbursements having aggregated Rs. 8.41 crores, as against Rs. 7.48 crores of the preceding year. We continued to make interim payments against approved loans on the same liberal scale as we did in the past, and this has helped considerably towards eliminating the delays that usually arise in connection with the completion of legal formalities before loan documents are finalised. A sum of the order of Rs. 6 crores was paid out during the year under report by way of interim loans alone.

"A larger percentage of loanee concerns was inspected in the course of the past year than in the previous one, and I am glad to say that in the case of the large majority of them we were completely satisfied with their progress in implementing their schemes and with their general financial position and the progress of their production. Quite a few of them also declared handsome dividends with our prior concurrence. The defaults committed by loanee concerns in the payment of interest and repayment of principal tended to come down further in the past year, the percentage being 1.2 and 4.3, as against 1.4 and 5.4, respectively, of the previous year. I would add that, in spite of our vastly increased activities, our administration expenses were not allowed to shoot up on Parkinsonian lines. As a percentage to our gross income, they came down in the past year to 4.66 from 5.11 of the previous year, and 15.65 of four years prior to that.

"I am glad to say our relations with the various Chambers of Commerce and other similar organisations continued to be as close and friendly as in the previous year, and so were our relations with our loanee concerns too. We went ahead during the year with the programme that we had initiated a few years ago of having suitable non-officials nominated as our representatives on the Boards of Directors of our loanee concerns, and I take this opportunity to thank these gentlemen on my behalf, and on behalf of our Board of Directors, for the very valuable work they have done in this capacity.

"It is also my very pleasant duty before I conclude, to convey our hearty thanks to the members of our five Advisory Committees—non-officials and officials—for the very able and effective assistance they have rendered to the Corporation. My thanks are due also to my colleagues on our Board of Directors for their very valuable co-operation and wise counsels, and their generous response to the many calls I have had to make on their time. Finally, I have also great pleasure in conveying the thanks of the Board of Directors, as well as my own, to the General Manager and the entire staff of the Corporation for another year of loyal and devoted work on their part."

10 OCT 1960

MONEY RATES HARDEN

(From Our Own Correspondent)

BOMBAY, *5th October*

'Even though there are still three weeks to go for the traditional busy season to commence, conditions in the short-term money market have already become very difficult, thanks to the unabated demand for bank credit from industrial houses and the attenuated supply of funds. The position has been rendered difficult by the coming into force of the Reserve Bank's recent credit restraint measures with effect from the 1st inst. Under these measures, banks have to pay penal rates of interest on their excess borrowings from the Reserve Bank over and above 50 per cent. of the statutory reserves. They are, therefore, obliged to borrow more funds from the market and reduce their borrowings from the Reserve Bank. Further, the supply of short notice funds from business houses has also been affected by the reduction in interest rate to 2 per cent. for 21 days' money from 3 per cent. paid for periods up to one month till the end of last month. Consequently, banks have become keen borrowers and this is reflected in the hardening of inter-bank call money rate from 3½ per cent. to 4 per cent. among all sections of banks. There is, however, no change in the rates for one to two months' deposits at 3½ per cent. and for three months and over at 3¾ per cent., as these are the maximum fixed under the inter-bank agreement.

The state of the money market is also reflected in a hardening of the discount rate for 91-day Treasury Bills from 2.540 per cent. to 2.552 per cent. per annum. The amount offered at this week's sales was Rs. 2.55 crores, as against Rs. 2.60 crores last week. Tenders for next week are unchanged at Rs. 2 crores. Sales of Intermediate Bills during the period from 28th September to 1st October amounted to Rs. 8 lakhs at a discount of 2.476 per cent. per annum. These will be offered this week also, but at a higher discount of 2.496 per cent. per annum.

An increase of Rs. 6.07 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 30th September 1960. Notes held in the Banking Department are, however, lower by Rs. 6.29 crores. There is hardly any variation in rupee securities or in foreign securities, but balances held abroad have further dwindled by Rs. 4.76 crores, bringing the total foreign assets to a low of Rs. 139.18 crores, a fall of Rs. 39.80 crores over the year. There has been a decline of Rs. 13.31 crores in Central Government's deposits and of Rs. 4.97 crores in other Government's deposits. Deposits of banks, too, have fallen by Rs. 5.78 crores. A sharp decline of Rs. 12.52 crores is noted in loans and advances other than to Governments, of which advances to scheduled banks against usance bills account for Rs. 2.98 crores. Investments are higher by Rs. 7.17 crores, while holding of Government Treasury Bills are lower by Rs. 4.84 crores.

The Scheduled banks' statement for the week ended 23rd September 1960 shows a net fall of Rs. 1.31 crores in deposits, despite the rise of Rs. 3.10 crores on State Bank's account. This means that the deposits of other Scheduled banks have declined by Rs. 4.41 crores. Inter-bank borrowings are also lower by Rs. 2.13 crores, while borrowings from the Reserve Bank have risen by Rs. 6.33 crores. Advances have declined by Rs. 5.05 crores, notwithstanding a rise of Rs. 1.66 crores in State Bank's portfolio. There has been no notable variation in investments, but cash balances and balances with the Reserve Bank have enlarged by Rs. 9.55 crores, despite a fall of Rs. 2.57 crores in State Bank's balances, while money at call and short notice has dwindled by Rs. 4.63 crores.

The Gilt-edged market continues to be listless. Sellers predominated, but, in the absence of any buyers, there has hardly been any business. The growing stringency in the money market is the main restraining influence on institutional support. Though there has been no change in prices in most of the issues, the undertone of the market is reflected in the fall of 5 nP to Rs. 73.75 in 3 per cent. 1986 Conversion Loan and of 60 nP to Rs. 90 in 3 per cent. 1970-75. Among State loans, there has been a further setback in some of the 4 per cent. 1969 issues.

The recovery in sterling abroad after last week's sharp fall is reflected in the hardening of the rupee in terms of dollars. Banks' selling rate for U.S. T.T. (ready) has thus declined from Rs. 476.75 to Rs. 476.25 per $100 and their buying rate from Rs. 473.25 to Rs. 473 per $100. In New York, spot sterling has moved up erratically from 280.81-280.84 cents to 281.01-281.04 cents. Three months' forward has advanced from 279.41-279.44 cents to 279.74-279.77 cents.

LINSEED DULL

(Messrs. A. Bradley & Co.)

CALCUTTA, *3rd October*

There was no change in the linseed market during the week. Prices moved within narrow limits and dull conditions generally prevailed mainly due to the *Pooja* holidays. Seed prices continued to be firm, but sellers showed little interest.

Business in the oil market was slow with buyers and sellers pausing.

The oilcake market was unchanged, small local business being done daily. Foreign markets were dull.

Ready linseed was quoted at Rs. 25.62 per maund.

BULLION PRICES FALL FURTHER

(From Our Own Correspondent)

BOMBAY, *5th October*

Trading in the *Kartik* (November) settlement in both gold and silver under the metric system commenced on Thursday, 29th September, two days earlier than anticipated. The metric system covering the whole of bullion trade was, however, followed with effect from Saturday the 1st inst. The prices are quoted per 10 grams (about 0.85 tola) for gold and one kilogram (85.7 tolas) for silver, the unit of trading being one kilogram (85.7 tolas) and bar of 10 kilograms (857.3 tolas), respectively.

On the very first day of the commencement of business in *Kartik* settlement, there was large-scale switching of transaction from the *Aswayuj* settlement which compelled the bears to pay a high carryforward rate—80 nP in gold and Re. 1.03 in silver. In the *Kartik* settlement, the bulls were obliged to deposit on an *ex parte* basis margin at the rate of Rs. 35 per kilogram in gold and Rs. 600 per bar (of 10 kilograms) in silver; the first 33 kilograms of the yellow metal and 160 bars of the white metal were, of course, exempted. But the margins did not deter the bulls from transferring their commitments till the last days of the settlement. The carryforward rate actually increased further to Re. 1.45 in gold (yesterday) and to Rs. 2.16 in silver (today). This shows that the bears were more eager to carry forward their business to the next settlement than the bulls.

Barring a firm trend noted on Monday, the bullion market ruled easy during the week under review. The easiness was due to heavy arrivals, while offtake was not as large as is generally the case on the eve of the festivals. The average daily arrivals of gold during the week were 9,500 tolas, as against 6,750 tolas in the previous week, whereas actual offtake was only 3,750 tolas, though it was larger as compared with the last week's average of 2,750 tolas. In the case of silver, the average offtake was less than five bars, as against six bars, and arrivals amounted to 21 bars, those in the previous week being 32 bars. The floating stocks of gold are estimated at 30,000 tolas and those of silver are reported to be around 550 bars.

Business in *Kartik* settlement in gold began on Thursday at Rs. 116.60 per 10 kilograms. Due to some selling, the settlement declined to Rs. 115.50 on Saturday. At this level, fresh support emerged and the settlement recovered to Rs. 116.75 on Monday. Thereafter, it receded again and touched a low of Rs. 115.05 today before finishing at Rs. 115.10. The *Aswayuj* settlement began the week at Rs. 115.70. After fluctuating between Rs. 115.74 and Rs. 114.24, it went off the board at Rs. 114.30 yesterday.

In silver, *Kartik* settlement, which commenced at Rs. 194.80 on Thursday, was subjected to selling and moved down to Rs. 193.10 on the 1st inst. After improving to Rs. 194.40 on Monday, it eased to Rs. 193.30 today. The closing rate was slightly higher at Rs. 193.40. The *Aswayuj* settlement ran out at Rs. 191.24 today, as against Rs. 193.34 early on Thursday last. The highest and lowest levels touched during the week were Rs. 193.34 and Rs. 191.15, respectively.

Ready gold continued to be quoted at a discount under the *Aswayuj* settlement throughout, though the actual discount declined from 59 nP last week-end to 20 nP yesterday. The discount under the *Kartik* settlement was Re. 1.60, same as on Thursday, 29th September. The closing rate for the metal today was Rs. 113.50, as against Rs. 114.60 on Thursday, the highest and lowest levels touched being Rs. 115 and Rs. 113.50, respectively. In ready silver, the discount under the *Aswayuj* settlement decreased from 59 nP on Thursday to 21 nP yesterday and ultimately yielded place to a negligible premium of a naya Paisa today. The quotation for the metal receded from Rs. 192.43 early in the week to Rs. 191.35 on Saturday and, after recovering to Rs. 192.80 yesterday, moved down to Rs. 191.15 today before finishing at Rs. 191.25.

Ready gold in the London bullion market retreated from 251s. 0½d. to 250s. 6½d., following the firmness of the pound sterling *vis-a-vis* the dollar and on U.S. reports that the Administration would maintain the official price of gold at its present level. The latest available world price for gold is $35.23-$35.25, as against $35.24-$36.26 a week before. Both ready and forward silver in London improved by ¼d. to 79½d., while silver in New York was unchanged at 91.375 cents.

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

	5-10-60 (closing)	High	Low	29-9-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	113.50	115.50	113.45	114.60
Forward:				
Aswayuj	114.30‡	115.74	114.24	115.40
*Kartik**	115.10	116.75	115.05	116.20
Sovereign	88.25	88.50	88.25	88.25
SILVER				
Ready (.996 fine)	191.25	193.15	191.15	192.48
Forward:				
Aswayuj	191.24§	193.34	191.15	193.07
Kartik †	193.40	194.90	197.10	194.10
London:	4-10-60			27-9-60
Silver Ready	79¼d.	79¼d.	79¼d.	79¼d.
Silver Forward	79¼d.	79¼d.	79¼d.	79¼d.
Gold	251s.6½d.	250s.11½d.	250s.6½d.	251s.0½d.
New York:				
Silver	91.375 cents	—	—	91¼ cents

* 3rd November settlement. † 4th November settlement.
‡ As on 4th October. § As on 5th October

FUTURES TRADING IN COTTON TO BEGIN BY DEEPAVALI

(From Our Own Correspondent)

BOMBAY, *5th October*

One more week has passed and the cotton trade has been left no wiser as to when it can start trading in the new crop hedge contract. Traders hope to strike the first deal before *Deepavali*, the exact date expected being 18th October. Dame Nature seems to be merciful this year. For the weather so far has been favourable and crop progress good. Rains in Berar over the last week-end and locusts attack in Madhya Pradesh and Akola areas, it is feared, might cast dark shadows in an otherwise bright crop picture.

Traders are optimistic that the Forward Markets Commission will not withhold permission for trading in new crop futures. But the question is an important one, considering the delicate supply situation. The F.M.C. is believed to have referred it to New Delhi for decision, which is probably awaiting a clearer picture of the crop to emerge. Perhaps, it is not without reason that the meeting of the Cotton Advisory Board, which was scheduled to be held this week, was postponed to next week. By then, a more accurate assessment of the crop may be possible.

Meanwhile steps are being taken to enforce strictly the controls introduced recently on the marketing of cotton. The Textile Commissioner has approved of the appointment made by the East India Cotton Association, Bombay, of regional survey committees for Ahmednagar, Bhatinda, Abohar, Sri Ganganagar and Delhi. These committees, which are among the 30 regional committees to be set up in the different parts of the country, are expected to survey each and every lot of Indian cotton that is brought and sold in their respective regions.

In the spot market, apart from the usual demand for CO2 cotton, spinners have shown interest in Berar and Moglai varieties. Interest in foreign cotton is mainly confined to U.S. cotton. Spinners from all mill centres, especially Ahmedabad and the South, are regular buyers of U.S. cotton. Consequently, prices have tended to harden. There have been complaints that consignments of U.S. cotton that have recently arrived, have not come up to the usual standards. Some parties are reported to have already taken up the question with the U.S. Commodity Credit Corporation whose Chairman is said to have immediately ordered samples of the defective cotton to be forwarded to him for investigation and assessment. Turnover was not much affected by this news, indicating perhaps that the deliveries were not, as a rule, of substandard quality.

Among other foreign growths, Egyptian, East African and Syrian cotton also attracted mill attention. Moderate business was put through in these, subject to availability of import licences. There are rumours of the possibility of a special payment agreement with U.A.R. involving Syrian cotton also. Such an agreement is now in force in respect of Egyptian cotton.

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

CO2 1,130; American 1-5/32" Good Middling 1,275; American on sample 1,090-1,125; Busoga (UNUG) 1,395; Elpaso 1-3/16" 1,345.

Karachi cotton futures market ruled distinctly firm during the week under review. Export demand was brisk. Spinner inquiries broadened. Shippers started covering against sales overseas. Domestic mills too extended support to the market. Under pressure of buying, N.T.R.G. January Contract advanced from Rs. 67-11 last week-end to Rs. 68-11. The March Contract improved from Rs. 67-9 to Rs. 68-7. The spot market was, however, easy, thanks to large arrivals of new crop. *Deshi* varieties, in contrast to last week's keen buying, met with selling. Sind *Deshi* receded from Rs. 86 last week-end to Rs. 84. Punjab *Deshi* was done three rupees lower at Rs. 78. Other varieties also were quoted lower. The following are the available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

4F Punjab Roller 77-12; S.G. 81-12; L.S.S. Punjab Roller 81-12; S.G. 86-4; 289F Punjab Roller 84-12; S.G. 89-12.

Alexandria cotton futures, after having depicted a firm trend during the first half of the week, tended to recede towards the close. Both the long-staple Karnak and the medium-staple Ashmouni contracts received good buying support touched off by renewed export inquiries. Their quotations, consequently, improved. Subsequently, however, they gave way to profit-taking and liquidation. Further selling was touched off by bearish crop news. Nevertheless, the week's closings were a shade higher than the last week-end quotations. The latest available quotations—in tallaris per lb.—are as under:

Karnak: November 73.60; January 73.47 March 73.85.

Ashmouni: October 62.60; December 62.51 February 62.65.

Cotton futures in Liverpool made handsome gains during the week under review. Active trade covering and commission house buying, evidenced during the week, were influenced by the improved offtake of actual cotton. The virtual absence of hedge selling, expectation of lower tenders and the rising price of U.S. cotton for late shipments imparted further strength to the market. Sudan cotton contracts at Liverpool were neglected. The latest available quotations—in pence per lb.—from Liverpool are given below, the figures in brackets being last week's closing rates:

American cotton one inch staple contract: October 22.80 (22.60); December 23.10 (22.76) March 23.25 (22.80); May 22.95 (23.40).

American cotton mixed growth contract: October 23.35 (23.15); December 23.45 (23.00); March 23.60 (23.15); May 23.75 (23.30).

Sudan: November 35.00 (35.00); January 35.00 (35.00).

A mixed trend was witnessed on the New York Cotton Exchange during the week. While the nearby October Contract came in for selling, in view of the approaching settlement date, the more distant deliveries were steady, thanks to commission house support prompted by wet weather over the cotton belt which was expected to delay harvesting operations.

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

	(In cents per lb.)		
	4-10 60	27-9-60	20-9-60
Spot	32.25	32.30	32 40
October	31.49	31.69	31.32
December	31.40	31.40	31.35
March	31.87	31.87	31.85

CUT IN ART SILK YARN IMPORTS

(From Our Own Correspondent)

BOMBAY, *5th October*

The fears of a cut in art silk yarn imports during the current half-year have proved correct. The quota for established importers has been reduced from 7½ per cent. to 5 per cent., while that for actual users is left unaltered. The actual extent of the cut is, of course, less than what was widely expected. Last week, there were rumours that the overall quota would be lowered by 10 to 12 per cent. The cut in established importers' quota led trade circles to feel that the demand pressure on available supplies from the consuming interests would increase. This feeling induced good buying support and values continued to move up. Staple fibre yarns, however, ruled easy, thanks to the Government's move to permit imports of staple fibre. Effective from 1st April last, the cotton mills which have exported staple fibre fabrics will be granted licences to import staple fibre upto 66 2/3 per cent. of the f.o.b. value of the fabrics exported. Applications for licences are required to be submitted to the Joint Chief Controller of Imports and Exports, Bombay, on a quarterly basis after the import entitlements to which the mills are eligible are certified by the Textile Commissioner. Cotton yarns were regular. Coarse counts lacked support, while medium and finer counts tended to move up.

Cupressa Bemberg yarn (60 x 1) October delivery rallied from Rs. 2,203 per case of 100 kilograms on the 1st inst., that is, before the announcement of import policy, to Rs. 2,235 today. December contract jumped up from Rs. 2,195 to Rs. 2,223. Spot Cupressa advanced by Rs. 65.82 to Rs. 2,217.82. 120 Japan rose by Rs. 10.79 to Rs. 1,247.19, 150 Japan by Rs. 9.45 to Rs. 1,371.25, 120 Italy by Rs. 2.53 to Rs. 1,212.53 and 150 Italy by Rs. 2.87 to Rs. 1,377.87. Among indigenous yarns, 150 Bt. cones 1st grade gained 2 nP to Rs. 11.46 kilogram (2.2 lbs.), while 120 Bt. cones 1st grade lost 3 nP to Rs. 12.93.

Staple fibre yarn (40 x 2) October delivery eased from Rs. 743 to Rs. 734 per case of 90.72 kilograms (200 lbs.). December contract shed Rs. 6 to Rs. 744. Spot Kohinoors were quoted today at Rs. 8.95 per kilogram, as against Rs. 9.02 on Wednesday last week. Centurys were done at Rs. 8.47.

Among cotton yarn, ten counts Gokaks and Podars were quiet, the former at Rs. 18.75 per bundle of 10 lbs. and the latter at Rs. 19.25. Twenty counts Moderns receded by 25 nP to Rs. 23.25. Gokaks declined by a like amount to Rs. 23. But forty counts Minaxis improved by 38 nP to Rs. 30.50. Maduras put on 25 nP to Rs. 31.75. Sixty counts Raghuvamshis were firm at Rs. 58, as also Finlays at Rs. 61.61. Eighty counts Finlays picked up Re. 1.01 to Rs. 80.80. Moderns were unchanged at Rs. 73 and Mahendras at Rs. 70.

SEEDS SUBDUED

(From Our Own Correspondent)

BOMBAY, *5th October*

The oilseeds market suffered a distinct setback during the week under review on sustained bull liquidation. There was, however, some improvement in the sentiment today due to some bullish hopes.

The September contracts of castorseed, cottonseed, linseed and groundnut oil went off the board at the end of last month. The board rates for these contracts were as follows: Castorseed September Rs. 138 plus a penalty of Rs. 2.50, linseed September Rs. 32.50 plus a penalty of one rupee, and groundnut oil Rs. 24 plus a penalty of 50 nP. Total tenders issued against castorseed amounted to 8,900 candies, cottonseed 900 candies and linseed 3,425 tons.

With effect from the 1st inst., prices are quoted for all spot quotations of seeds in terms of 50 kilograms and oils in terms of 10 kilograms, instead of cwts. and quarters, respectively, as hitherto.

It may be noted that the Government of India has extended the validity period for the quota of H.P.S. groundnuts in shell up to the end of March 1961. On 1st April last, the Government had extended the validity period up to the end of last month. This step did not have any perceptible effect on the market.

As already indicated, groundnuts came in for heavy selling on reports that weather conditions were improving in the major producing centres. Arrivals were also better. In a declining market, *vanaspati* manufacturers and crushers preferred not to enter into fresh business. Towards the close, however, fresh buying support was in evidence on hopes of export promotion schemes for groundnut oil and also on fears of damage to crops as a result of locust attacks. The groundnut February 1961 contract, which had wound up at Rs. 205 last week, gradually lost ground to touch Rs. 202.50 by yesterday. It, however, recovered to Rs. 204, a net loss of a rupee over the week. Nizam bold fell from Rs. 47 to Rs. 45.25. Oil ex-mill was lower at Rs. 20.25 (per 10 kilograms), as against Rs. 20.62 on Monday, and Rs. 25.37 (per quarter) last week end.

Easy conditions prevailed in the castorseed section, thanks mainly to the absence of U.S. interest in Indian castor oil and also reports of growing pressure of Brazilian supplies in the American market. But there was some revival of buying towards the close on reports of scarcity of rains in the North Gujerat region, which would affect adversely the sowings. The castorseed May 1961 contract fell sharply from Rs. 177.25 to Rs. 172.87 by Tuesday; it however, improved to Rs. 174 today. Ready Madras shed 25 nP to Rs. 33.50. Castor commercial initially drifted lower, but closed today at the last week's level of Rs. 13.90 (per 10 kilograms).

Dull conditions prevailed in the linseed section, in the absence of any encouraging overseas enquiry for linseed oil. Linseed may 1961 contract declined from Rs. 33.41 to Rs. 33.12. Bold ready lost 25 nP to Rs. 32. Linseed oil remained subdued at Rs. 13.25.

As in the case of other major oilseeds, cottonseeds displayed distinct weakness during the major part of the week. There was, however, a notable recovery today, presumably on fears of damage caused by locust attacks on cotton crop. Cottonseed September 1961 contract closed today Rs. 2 lower at Rs. 88.75, after fluctuating between Rs. 90.75 and Rs. 87 earlier in the week.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	5-10-1960	28-9-1960	21-9-1960
	Rs.	Rs	Rs.
Groundnut			
February 1961	204 00	205 00	207.25
Nizam bold	45 25	47 00	46.00
Coromandel ready	46 75	47 00	46.25
Khandesh quality	45 25	47 00	46.25
Oil ex-mill ready*	20 25	25 37	24.50
Railway receipts*	20 20	25.12	24.37
Castorseed			
May 1961	174 00	177 25	177.62
Ready Madras	33 50	33 75	34.12
Ready Kanpur	32 37	32 62	33.12
Oil B.S.S.†	14 95	19 12	19.50
Oil commercial†	13 90	17.62	18.12
Linseed			
May 1961	33.12	33 41	33.28
Bold ready	32 00	32 25	32.12
Oil ready†	13 25	17.00	16.87
Cottonseed			
February 1961	88.75	90 75	91.50
Niger seed	36 00	36 50	36 00
Kurdi seed	24.00	24 25	24.50

*Rates include excise duty but exclude sales tax.
†Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oils per 10 kilograms, with effect from 1st October 1960.

EMERGENCY IN PEPPER

(Messrs. Parekh and Co.)

BOMBAY, *5th October*

Russia having refused to walk into the parlour of the bulls, Malabar black pepper tumbled like a pack of cards during the week, bringing in its trail financial embarrassment to some who went long in October delivery at progressively high rates. The market became jittery. The holders became nervous. There was a scramble for selling, with buyers holding back. In the circumstances, the Indian Pepper and Spice Trading Association at Cochin had to declare an emergency in the trading of the pepper futures and had to close the market for two days, in view of a continuous fall in the prices. The Board of the I.P.S.T.A. fixed the floor price at Rs. 236 per cwt. and Rs. 206.25 per 50 kilograms for trading in October and December contracts, respectively. No ceiling on the rates of the pepper futures should be allowed by the Forward Markets Commission, as it will be to the detriment of the growers and of the investors who are acting as a support to the growers by buying actuals at the peak of the season and also at the time of hedge lifting. No declaration of emergency should be allowed every now and then on flimsy grounds, unless there are factors that are working against the interest of the growers.

Ready garbled, after touching the highest at Rs. 265, slipped back to Rs. 235. Ungarbled was down from Rs. 1,550 to Rs. 1,300 (nominal). October delivery after climbing to Rs. 276¼ declined to Rs. 236¼. Weakness in the stock markets in India and the recent curbs on lending by the Reserve Bank are some of the factors responsible for the present depression in pepper. There is enough floating stock in the terminal markets and in the jungle. If Russia or other East European countries do not lift a sizable quantity in time, the market is likely to go down after the present corrections. In view of the proximity of the harvesting, timely buying from overseas can only retrieve the position. Otherwise, the prices for Malabar may once again go down, possibly, lower than those at Singapore when the scramble for sellings is likely to ensue.

The future, however, depends upon the attitude of the sellers from Djakarta and Singapore.

Singapore.—Continuous downward revision of prices was witnessed as a result of the substantial arrivals from Lampong and bear pressing. The last quotations for black and white pepper are Str.$145 and Str.$237½, respectively.

Spot in New York came down to $0.45 before improving to $0.46; the highest touched was $0.58.

In London, black pepper was quoted at 36*d.* and white at 53*d.*, the highest being 48*d.* and 76*d.*, respectively.

There appears less chances of sizable buying by both New York and London, unless the market stabilises at a certain level in Singapore and India.

At the time of writing some technical improvement is noticed both in Singapore and New York, which has also its reflections on Malabar. The market having been closed at Cochin, no true assessment of the position is available. However, a section of the trade is expecting some improvement by way of reaction.

Ready pepper in Bombay is nominally quoted at Rs. 195 per Bengal maund.

HIGHGROWN TEAS IN KEEN DEMAND

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

COCHIN, *27th September*

Sale No. 37: Just under 424,000 kilograms were offered in Sale No. 37 held today. Quality from the Nilgiris generally showed an improvement, whilst from the other districts it was maintained. There was a strong general demand at dearer rates. Best and improved quality highgrown brokens came in for the keenest competition seen in recent weeks and advanced up to Re. 1 per kilo. The remainder in this category sold around last rates. Fannings generally advanced to a lesser extent than their corresponding brokens. Good and coloury mediums were irregular with the few imfannings were 5 nP to 10 nP dearer. Low mediums were a strong feature, selling at dearer rates with fannings advancing by a greater margin than their brokens. Tippy teas were neglected. Plainest types generally sold above last rates. C.T.C. and leggcut teas came to an irregular market. Whole leaf grades were strong and dearer. Black leaf teas followed the general upward trend of the market.

	1960	1959
	Rs.	Rs.
Low medium	4.35-4.60	3.96-4.18
Medium	4.60-4.95	4.29-4.85
Good medium	4.95-5.75	4.94-5.40
Quality	5.50-9.00	5.84-9.15

The average price realised in Sale No. 37 was Rs. 5.35 per kilo, which compares favourably with that of Rs. 5.06 obtained in the previous sale and Rs. 5.29 in the corresponding sale of 1959.

Export Quota: There are large sellers at ½ nP per kilo.

Colombo: In this week's sale, just over 6 million pounds were offered. There was a strong demand. The best Uvas came to a lower market. South-west highgrowns and mediums were 5/15 cents dearer with lowgrowns selling at fully firm to dearer rates.

London:—*North Indian and other growths*: In Monday's auction, Best C.T.C. Assams came to a considerably lower market but Orthodox types, Dooars and Africans were fully firm to dearer.

Ceylon and South Indians: Offerings on Wednesday amounted to 15,811 packages, of which 9,366 were from South India. The market met with an irregular demand and prices were generally easier for all descriptions.

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

"*Sale* 38:—550,000 kilograms. Highgrowns less in demand, sometimes a rupee lower. Good medium firm. Low medium and medium strongest feature and irregularly 10 nP to 20 nP dearer. Orange pekoe much easier."

FOODGRAINS DECLINE

(From Our Own Correspondent)

HAPUR, *3rd October*

Foodgrains ruled quietly depressed during the past week, thanks to better arrivals of wheat and new maize. Wheat registered a modest decline to be quoted on Monday at Rs. 16.62 a maund for average quality and upto Rs. 17.75 for better superior farm produce. Daily arrivals of wheat were about 150 to 200 maunds and, besides, sales of wheat flour through ration shops also lessened consumer demand for wheat.

Rice also ruled quiet. *Sela basmati* continued to be quoted at Rs. 30 to Rs. 33, *mainpuri* at Rs. 22.75, *ramajwayan* at Rs. 24, *raimunia* at Rs. 25 and *gadda* at Rs. 19.62 a maund. The supply position of rice was reported to be satisfactory and harvesting of paddy had also begun in some areas.

Gram was almost stationary during the week at Rs. 15.75 a maund for Punjab variety. The U.P. Government's old stocks sold in the market were being resold at Rs. 14.87 a maund. Demand for gram was poor and advices from the Punjab were not encouraging. New maize was attracting good consumer demand and arrivals, too, mounted to an average of 100 maunds, but prices stayed steady at Rs. 13 to Rs. 13.25 a maund according to quality. Old stocks of gram at about 3,500 maunds were lying flat. Barley continued to be stationary at Rs. 12.75 and *bejhar* at Rs. 12 to Rs. 12.75 a maund according to quality. The stock position of these grains was poor and demand, too, was reported to be slack. Preparation of land for *rabi* sowings is in full swing and, while the sowings of coarse grains, including gram, would commence in mid-October, wheat sowings would be towards the end of the month. *Jowar* ruled quiet during the week at Rs. 12.50 to Rs. 13.50 a maund and *guwar* continued to be quoted at Rs. 11.50 to Rs. 12.37 a maund.

In pulses, peas and *arhar* sought lower levels, as demand was dormant and local stocks were heavy. Peas eased by 37 nP to Rs. 11.87 for *dara* green quality and white farm produce was quoted at Rs. 12.37 and old stuff at Rs. 11.25 a maund. Agra operators were in request for some old stuff for *dal*, and peas stock was still heavy at 52 *khatties*. Peas *dal* was quoted at Rs. 13.37 a maund. *Arhar* was quoted at Rs. 13 and *arhar dal* at Rs. 17 to Rs. 18 a maund and local stock was stationary at 25 *khatties*. New *moong* and *urd* were reaching here from outside to be quoted at Rs. 20 a maund each, while old *moong* was quoted at Rs. 19 and *urd* at Rs. 18.75 a maund. *Massor* continued to be quoted at Rs. 14 to Rs. 17 a maund.

SUGAR DRIFTS LOWER

(From Our Own Correspondent)

HAPUR, *3rd October*

After early gains, sugar drifted lower in the week-end to be quoted at Rs. 112.50 per bag in wholesale and Re. 1.06 per *seer* retail in the open market. Supply position of sugar is easy and

despite festival demand, prices were depressed and the Union Government has released a further quota of 200,000 tons for sale. The Government has decided to continue the special incentive scheme and a further rise in sugar production may be expected. The Government of India, in order to export sugar to the U.S., is examining the obligations of the membership of the International Sugar Agreement and also the export quota that India will be able to fulfil. New crushing season would start early in November. The question of decontrol of sugar is being ruled out here in U.P., but more shops are being opened in rural areas to sell sugar at controlled prices.

Following comfortable supply position, sugar eased by a rupee to Re. 1.75 to Rs. 113-Rs. 114 per bag in the open market of Muzaffarnagar during the week.

Sugar was quoted lower at Rs. 112.50 per bag in the Kanpur market. A part of the released quota for sale through fair-price shops in ration was not being lifted in rural areas.

Khandsari was also depressed, the quotation declining by Re. 1 to Re. 1.50 per maund, due to poor demand and anxiety of stockists to sell before the new season's production begins. Stocks of *khandsari* in the Muzaffarnagar market were put at 35,000 maunds. The latest prevailing prices were: *galawat* Rs. 23 to Rs. 27; inferior Rs. 29 to Rs. 32; superior Rs. 33 to Rs. 40; *khandsari* crystal Rs. 36 to Rs. 40; *boora* Rs. 36 to Rs. 38 a maund.

Ready *gur* sagged heavily towards the week-end, as new arrivals mounted to 200 maunds daily and demand was reported to be slack. Prevailing prices for new quality were Rs. 16.25 to Rs. 17, as against old dry stuff quoted at Rs. 14.50 and wet at Rs. 11 a maund. New arrivals would soon mount, but the quality as yet reaching the market was poor. The cane crop was in fairly good condition. Old stocks were still reported here as well as in *mofussil* markets.

Ready *gur* also drifted lower in the Muzaffarnagar market, as old stocks were lying flat and new arrivals had begun. The week-end prevailing prices were: *Chaku* dry Rs. 19.25; *kotha* dry-wet Rs. 16 to Rs. 17; *Dana minja* Rs. 14.50 to Rs. 17.50; *shakker* dry Rs. 20 to Rs. 22 a maund.

Future *gur* moved both ways during the week. Opening at Rs. 13.60 last Monday and touching the highest and lowest at Rs. 13.77 and Rs. 13.47, respectively, *fagun* was quoted today at Rs. 13.70.

HIDES AND SKINS QUIET

(From Our Own Correspondent)

MADRAS, *3rd October*

The hides and skins market ruled quiet during the week under review. Shipment business was at a low ebb, as overseas inquiries were small and E.I. tanners were away due to *Pooja* holidays. Kips seemed to be on the low side and it was thought that there might be overseas enquiries in the near future.

Tanned goat skins 8/9 lbs. average ruled firm due to good demand from the Continent. Other average weights were quiet. Shipment business in tanned sheep skins was halting, but prices were unchanged.

In the London auctions held last week, goat skins realised irregular prices. Old stocks declined 1*s.* 6*d.* per lb. and recent arrivals 6*d.* to 1*s.* A small quantity of semi-prime sheep skins fetched 6*d.* to 9*d.* advance for run selection, while lower ends declined upto 18*d.* Other tannages remained unsold.

Shipments during September were: 2,163 bales tanned cow hides, 94 cow calf, 65 buffs, 99 buff calf, 218 goat and 334 sheep to the U.K.; 59 cow, 65 cow calf, 10 buff calf, 493 goat and 226 calf and 235 goat to the U.S.A.; 2 goat and 241 sheep to the Continent; 15 cow, 65 buffs, 53 buff sheep to Japan.

SWITCHOVER TO METRIC SYSTEM

(Concluded from page 648)

metric units was introduced in the Lok Sabha during the last session. The post office will adopt the metric system soon after the Bill is passed.

Five years ago, there was much scepticism about the proposed reform of weights and measures. This was based on past experience of failure in this regard. The situation has since altered. There is general confidence, now that some of the major difficulties have been overcome, that, by 1966, the metric system will be firmly established in the country. Every step that has so far been taken has been after full consultation with the representatives of trade and industry and it is a matter for gratification that the response from the latter has been throughout most co-operative and helpful. There is every hope that the full adoption of the new system by the end of 1966 will be accomplished smoothly and without any serious dislocation or inconvenience to the public.

An agreement has been signed by the Government of Pakistan with the International Labour Organisation and the United Nations Emergency Fund for a Rs. 1-crore project for the establishment of an industrial centre in East Pakistan. The centre, which will start functioning from January next, will be the first of its kind in the country and will train annually 350 personnel for different levels of industrial management and other posts. It envisages the establishment of a permanent headquarters at Dacca along with a centre for management and supervisory training. Two units for technical training will also be set up at the industrial towns of Narayanganj and Chittagong. The project will involve a foreign exchange expenditure of Rs. 47 lakhs which will be met by the United Nations Emergency Fund. The import of equipment and training of Pakistani instructors abroad will be arranged by the Fund, and the I.L.O. will secure foreign experts on loan.

Notice

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting (being the Seventieth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, No. 2, Netaji Subhas Road, Calcutta, on 1st November, 1960, at 12 noon, for the following purposes:—

(1) To receive and consider the Audited Accounts for the year ended 31st March, 1960, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To confirm the Interim Dividend paid on 27th May, 1960.

(3) To declare a Final Dividend.

(4) To appoint Directors in the place of those retiring.

(5) To appoint Auditors for the current year and to fix their remuneration.

The Share Register of the Company will be closed from 12th October to 1st November, 1960, both days inclusive.

Dividend Warrants will be issued and posted to Registered Shareholders only. Persons holding shares on blank transfer are advised to effect registration of scrip in their names before 12th October, 1960.

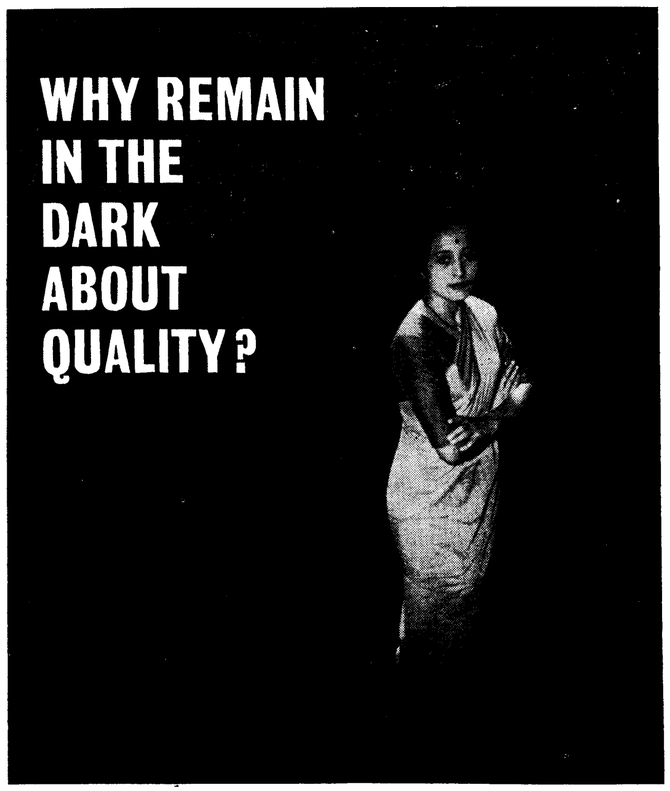
By Order of the Board,

JAMES FINLAY & CO., LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, *3rd October*, 1960.

Note:—(1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member.

(2) The dividend, if declared, will be paid on or after the 1st November, 1960, to those shareholders so entitled, whose names appear in the Company's Books on the 1st November, 1960, or to their mandatees.



There is no reason why you should. For, quality is obtainable wherever standards are maintained, be they in social, economic, or other spheres of human activity.

Standardization helps in promoting economy and efficiency in production and use of goods and services, by providing a common ground of understanding among producers, dealers, consumers and users. The Indian Standards Institution is responsible for developing standards on a national and international basis.

Through research, tests, and quality control schemes, goods produced to specified standards can have the assurance of quality. Many consumer and industrial articles, produced to relevant Indian standards, have been granted the ISI certification mark.

The ISI mark is the guarantee of their quality.

ISI

INDIAN STANDARDS INSTITUTION
NEW DELHI • BOMBAY • CALCUTTA • MADRAS

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 30th Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	63,31,71,000
(2) Other Governments	18,46,01,000
(b) Banks	104,93,64,000
(c) Others	87,52,49,000
Bills Payable	21,17,80,000
Other Liabilities	15,12,01,000
Rupees	440,54,29,000

ASSETS	Rs.
Notes	14,99,32,000
Rupee Coin	4,81,000
Subsidiary Coin	4,90,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	18,85,33,000
Balances held abroad*	16,17,36,000
Loans and Advances to Governments†	27,35,36,000
Other Loans and Advances	130,62,72,000
Investments	222,31,05,000
Other Assets	12,21,54,000
Rupees	440,54,29,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 9,27,80,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,99,32,000	
Notes in circulation	1790,05,84,000	
Total Notes issued	....	1805,03,16,000
Total Liabilities	....	1805,03,16,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		132,52,23,000
Government of India Rupee Securities		1431,74,01,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1805,03,16,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	23rd Sept., 1960	16th Sept., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1783.97	1792.60	1776.59	1642.00
Notes held in Banking Department	35.05	21 29	21 65	27.99	37 37
Foreign Securities	59.50	123 01	123 01	123.01	163 01
Rupee Securities	87.59	1431.72	1441.72	1431.65	1261.38
Banking Department					
Deposits of:					
Government of India	14.39	76.63	81.72	62.67	59.70
Other Governments		23 43	35 50	28 46	17 66
Balances held abroad	10.06	20.93	23.44	23.52	17.90
SCHEDULED BANKS					
Demand Liabilities	134.36	772 07 (17 04)†	777 33 (19 22)†	801 55 (29 98)†	741 02 (28 61)†
Time Liabilities	102.24	1186 51 (25 36)†	1184 68 (25.31)†	1212 09 (26.66)†	1115 57 (29 12)†
Borrowings from Reserve Bank	..	46.74 (12.26)†	40 41 (10.96)†	17 05 (7 25)†	3 16 (0 01)†
Borrowings from State Bank	..	14.95	14.86	12.22	3.16
Cash in India	6.70	45.50	46.12	45.50	41.71
Balances with Reserve Bank	25.17	103.14	93.91	110.62	70.08
Balances with other banks in current account in India	..	15.68	14.73	17.09	13.74
Money at call and short notice in India	..	28.92	31.55	35.12	40.99
Investments (at book value)	..	729 97	729 36	744 93	784 62
Advances and bills	105.9	1122 58	1127.63	1103.64	920.40
STATE BANK					
Deposits	37.76	596.16	593.06	608.98	567.39
Investments	51.99	371 56	371 94	397 14	395 53
Advances	34.35	216.01	214 35	199 49	157 04
Cash	14.69	23.04	26.61	22.94	26.64

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowing against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	2.32	1.93
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	6	4
Finland	1959	6.50	6
France	23rd April, 1959	4.25	4
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd June, 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	5	4
Norway	14th Feb., 1955	3.50	4.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	6.50
Philippines	Feb., 1959	4.50	6.50
Portugal	10th Jan., 1944	..	2
South Africa	10th Aug., 1960	—	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	3
Turkey	Feb., 1948	..	5
United Kingdom	6th June, 1958	4.50	6
U.S.S.R.	23rd June 1960	5	6
U.S.A.	1st July, 1958	3	4
West Germany	11th Aug., 1960	3.50	4
	3rd June, 1960	4	5

Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 30th Sept. 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,20,00,000
Borrowings from Other Banking Companies, Agents, etc.		591,65,45,000
Bills Payable		16,76,000
Bills for Collection being Bills receivable as per contra		9,11,60,000
Acceptances, Endorsements and Other Obligations per contra		2,15,24,000
Other Liabilities (including Inter-Office Adjustments)		1,78,36,000
Total	Rs.	26,40,94,000
		644,10,85,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		26,23,73,000
Balances with other Banks		3,24,25,000
Money at Call and Short Notice		1,13,33,000
INVESTMENTS: Government and other Trustee Securities	359,62,91,000	
Other Authorised Investments	9,88,01,000	
		369,50,92,000
ADVANCES: Loans, Cash Credits, Overdrafts, etc.	210,87,04,000	
Bills Discounted and Purchased	8,17,04,000	
		219,04,08,000
Bills Receivable being Bills for Collection as per contra		2,15,24,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,78,36,000
Premises less Depreciation		1,26,02,000
Furniture and Fixtures less Depreciation		1,30,08,000
Other Assets (including Inter-Office Adjustments)		18,43,94,000
Total	Rs.	644,10,85 000

Scheduled Banks*

Statement of Affairs for the week ended 23rd Sept., 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		17,03,87,000
(ii) Other demand liabilities		755,02,80,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		25,36,01,000
(ii) Other time liabilities		1161,14,72,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		14,38,17,000
(ii) Time liabilities		57,000
Borrowings in India from the Reserve Bank of India‡		46,73,53,000
Cash in India		(12,25,80,000)
Balances with the Reserve Bank in India		45,50,38,000
Balances with other banks in current account in India		103,14,08,000
Money at call and short notice in India		15,67,60,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		26,91,90,000
Advances in India		729,97,15,000
Inland Bills, purchased and discounted in India		977,39,89,000
Foreign Bills, purchased and discounted in India		97,48,64,000
		47,78,40,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
12th July	2.00*	2.02	2.00	2.745	99.325
26th July	2.00	2.00	2.00	2.745	99.310
2nd August	2.00	2.26	2.00	2.737	99.310
3rd to 6th Aug.*	0.16	—	0.16	....	99.325
9th August	2.00	2.00	2.00	2.745	99.310
10th to 13th Aug.*	1.10	—	1.10	....	99.326
16th August	2.00	2.00	2.00	2.540	99.365
17th to 20th Aug.*	0.25	—	0.25	....	99.381
23rd August	2.00	2.00	2.00	2.540	99.365
24th to 27th Aug.*	0.01	—	0.01	—	99.381
6th Sept.	2.00	2.00	2.00	2.540	99.365
13th Sept.	2.00	2.00	2.00	2.540	99.365
14th to 17th Sept.*	0.15	—	0.15	—	99.381
20th Sept.	2.00	2.50	2.00	2.540	99.365
27th Sept.	2.00	2.60	2.00	2.540	99.369
28th Sept. to 1st Oct.	0.08	—	0.08	—	99.381
4th Oct.	2.00	2.55	2.00	2.552	99.365
Total amount outstanding	23.75	..	23.75	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week anded 23rd Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	6,85,04,000
(b) Provincial Governments	2,59,95,000
(c) Banks	20,72,99,000
(d) Others	101,89,83,000
Bills Payable	1,95,74,000
Other Liabilities	10,49,90,000
Rupees	152,69,13,000

ASSETS	Rs.
Notes	13,02,34,000
Rupee Coin	41,000
Subsidiary Coin	51,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	24,14,91,000
Loans and Advances to Governments	6,95,99,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	5,09,53,000
Investments	92,60,76,000
Other Assets	8,76,67,000
Rupees	152,69,13,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,02,34,000	
Notes in circulation	342,02,02,000	
Total Notes issued	....	355,04,36,000
Total Liabilities	....	355,04,36,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion—		
Silver Bullion	24,66,70,000	
Foreign Securities	73,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin	5,11,15,000	140,74,49,000
Government of Pakistan Securities	203,28,66,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		208,39,81,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
		355,04,36,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 41.22 per cent.

EXCHANGE RATES

		3rd October 1960	Previous week
Bombay on London—			
Sellers T.T., D.D. Spot	d.	1-5⅜	1-5⅜
Sellers T. T. D.D. upto six months	d.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	d.	1-5⅜	1-5⅜
Buyers T.T. 10 to 12 months	d.	1-5⅛	1-5⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476.00	....
Buyers T.T.	Rs.	472.75	475.50
London on New York	d.	2.8109-2.8111	472.00
London on Paris	Fcs.	13.77½-13.78½	2.8087-2.8090
London on Berne	Sw. Fcs.	12.1080-12.1100	13.78½-13.78½
New York on London	d.	281.900-281.130	12.1230-12.1250
			280.900-280.930

CLEARING HOUSE RETURNS

Centre	Week ended 30th Sept., 1960 Number of Cheques	Amount Rs.	Week ended 23rd Sept., 1960 Number of Cheques	Amount Rs.
Bombay	3,26,288	73,38,42,000	3,91,483	87,35,38,000
Calcutta	80,000	31,09,00,000	1,06,000	85,51,00,000
Madras	54,261	7,37,66,800	90,198	12,93,00,709
All Centres—				
1957-58	41,972,000	89,54,80,00,000	....	....
1958-59	45,172,000	97,67,15,00,000	....	....
1959-60	50,064,000	106,85,05,00,000	....	....
April 1960	4,586,000	10,42,01,00,000	....	....
May "	4,586,000	10,19,86,00,000	....	....
June "	4,227,000	9,58,05,00,000	....	....
July "	4,210,000	9,52,59,00,000	....	....

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	10th Sept., 1960	3rd Sept. 1960	12th Sept., 1959	July 1960	July 1959	Percentage of Increase (+) or Decrease (−) in June 1960 as compared with July, 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	124.1	124.1	120.3	124.0	121.0	+ 2.5	119.0	116.2
Cereals	195	109.5	109.9	107.6	109 5	107.0	+ 2.3	104.1	103.6
Pulses	45	95.2	93.6R	88.9	94.9	95.7	− 0.8	93.6	108.9
Fruits and Vegetables	25	130.3	134 9R	136.3	126.8	140 5	− 9.8	127.8	117.0R
Milk and Ghee	64	121.3	120.9	113.0	121.5	114.7	+ 5.9	113.3	107.3
Edible Oils	47	147.3	147.2	127.2	147.3	114.7	+ 12.2	130.4	124.9
Fish, Eggs and Meat	17	128.1	130.0	112.1	127.4	114.7	+ 11.1	112.0	108.4R
Sugar and *Gur*	58	141.0	140.6	148.1	140.0	146.5	− 4.4	147.0	127.2
Others	50	170.4	169 4	170.5	168.8	161.2	+ 4.6	147.0	151.3
Liquor and Tobacco	21	103.2	104 5R	99.3	99.8	98.8	+ 1.0	99.5	99.4
Tobacco	—	101.3	102 7R	97.7	106 1	97.8	+ 8.5	97.9	93.4
Fuel, Power, Light and Lubricants	75	119.5	119.6	116.3	118.3	97.8	+ 21.0	111.6	109.6
Industrial Raw Materials	155	138.8	137.0	122.3	137.2	122.1	+ 12.4	99.5	98.4
Fibres	61	140.0*	135.8	145.8	132.2	120.2	+ 9.3	97.9	93.8
Oilseeds	60	145.2	145.8	135.4	150.9	109.6	+ 14.1	118.6	115.4
Minerals	2	99.2*	99.2	98.8	98.3	115.3	+ 12.9	122.7	118.8
Others	32	125.3*	125.4*	126.6	126.6	118.6	+ 11.5	113.3	108.0
Manufacture	220	122.3	122.8R	119.0	121.9	109.5	+ 11.4	134.6	127.0
Intermediate Products	41	129.2	129.4R	111.1	130.4	108.2	+ 20.5	121.8	106.0
Finished Products	248	121.2	121.2	120.6	118.5	108.3	+ 9.4	111.6	109.2
Textiles	147	123.4	124.7	105 1	120.4	104.5	+ 15.2	111.8	108.4R
Cotton	—	131.7*	131 7*	113.7*	130.0	104.2	+ 24.8	111.3	108.1R
Jute	—	114.0	114.0	89.6	106.8	97.7	+ 9.3	108.1	108.1R
Woollen	—	110 1*	110 1*	104.2*	110.1	104.2	+ 5.7	107.8	113.3R
Silk and Rayon	—	100 8*	100 8*	92 2*	102.1	102.7	− 0.6	116.9*	117.8R
Metal Products	12	148 8	148 6	144 8	146.8	92.8	+ 58.2	90.8	86.5
Chemicals	20	105 2	104.6R	143.3	102.7	106.7	− 3.7	104.2	105.6
Oil Cakes	10	138 3	138 3*	141.3	139.1	105.8*	+ 31.5	96.4	93.2
Machinery and Transport Equipment	31	111.0	111.0	105.8*	111.0	115.5	− 3.9	144.4	143.1
Others	30	116.8	115.6	118.5	115.8	115.6	+ 0.2	143.8	106.8
All Commodities	1,000	125.2	125.2	117.1	126.7	116.8	+ 8.5	106.2	138.0
								117.1	116.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,690	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,015	3,381
Ragi	final	6,211	6,192	1,990	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,343	5,931	1,589	1,671
Other Kharif pulses	final	16,075	15,597	1,567	1,559
Rabi pulses	first	11,071	10,090	....	2,178†
Total pulses	final	58,035	56,483	....	12,289
Total foodgrains	..	276,415	276,953	....	74,920
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Other crops—					
Potato	final	706	642	....	2,319†
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	330	330	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	first	864	854	....	263‡

Source: Ministry of Food and Agriculture.

\# In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. R.—Revised.

A.—In thousand bales of 400 lbs. each.

†Final estimate of 1958-59.

§ Excluding Tur.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Six months ended June 1959	1960
Exports	570,56	615,78	262,36	295,66
Re-exports	8,40	6,96	3,55	5,63
Total Exports	578,96	622,74	265,91	301,29
Imports	864,16	887,18	446,09	458,72
Overall Balance of Trade	−285,22	−264,64	−180,18	−157,43
Exports—				
Tea	136,54	126,39	36,71	35,54
Jute yarns and manufactures	103,82	110,75	49,03	66,19
Cotton yarns and manufactures	52,63	66,14	26,25	31,92
Metallic ores and metal scrap	30,35	34,42	17,60	21,90
Cotton, raw and waste	21,20	16,37	3,70	5,06
Oils—vegetable, mineral and animal	12,35	17,96	5,98	8,95
Fruits and vegetables	11,29	13,91	10,70	12,35
Tobacco	9,34	10,31	5,02	4,51
Mica	9,35	12,52	4,49	5,35
Wool and other animal hair	7,16	7,95	3,82	4,76
Gums, resins and lac	8,83	10 17	3,69	10,07
Spices	7,35	10,95	5,21	6,40
Hides and skins, raw				
Imports—				
Machinery of all kinds	188,92	196,21	95,22	110,71
Iron and Steel	97,80	84,01	48,42	49,27
Oils—vegetable, mineral and animal	80,25	82,62	32,67	42,90
Chemicals, drugs and medicines	65,28	65,20	41,84	43,24
Electrical goods and apparatus	49,04	50,01	24,71	26,60
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	37,39	27,57
Cotton, raw and waste	30,66	24,76	19,22	28,30
Fruits and vegetables	17,43	16,52	6,61	9,44
Paper, pasteboard, etc.	8,26	9,67	4,14	5,58
Dyes and colours	8,76	9,54	4,25	5,59
Spices	2,84	2,52	1,17	1,10
Woollen and worsted fabrics	30	23	9	15
Cottonfabrics	1,05	1,19	64	43
Rice	44,02	0,12	3,30	9,15
Wheat	102,65	109,86	61,80	21,45

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During August 1960	94 2
	Corresponding month, 1959	86.9
	Two months ended Aug., 1960	181 0
	Corresponding period, 1959	172 5
Stocks	At the end of August 1960	83 3
	Corresponding month, 1959	81 2
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1959	854 9
	July-June, 1959-1960	833.5
	July, 1959	76 2
	July, 1960	66.1
For Internal Consumption	July-June, 1958-1959	220 0
	July-June, 1959-1960	248 2
	July, 1959	15 2
	July, 1960	14.6
	RAW JUTE	(In 000 bales)
Consumption by Mills	August 1960	546
	Corresponding month, 1959	504
	Two months ended Aug., 1960	1,049
	Corresponding period, 1959	1,024
	1957-58	6,134
	1958-59	6,014
	1959-60	6,282

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of Kilo-watt-hours)

	No. of Concerns†	Units Generated‡	Total Units Sold
1955-56	715	8,806.8	7,186.8
1956-57	769	9,877.8	8,103.1
1957-58	834	11,178.9	9,011.1
1958-59	818	12,837.0	10,347.7
1959-60	850	15,029.2	12,130.8
January 1959	811	1,158.2	930.2
February "	811	1,074.6	888.5
March "	811	1,171.1	927.4
April "	813	1,177.1	956.9
May "	813	1,241.6	999.4
June "	813	1,201.5	969.8
July "	815	1,207.4	1,055.5
January 1960	850	1,262.1	1,022.5
February "	850	1,224.4	1,071.0
March "	850	1,323.3	1,081.7
April "	850	1,387.9	1,119.4
May "	850		

* Hydrabadian railway, military and factory power stations. Thola Power Station being interconnected with the Tata Power System, has been included.

† At the end of period.

‡ Including purchases from non-electric utilities.

Source:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	57	149	29	170	412	41	330	45	148
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	30	389	52	186
1957-58	14,314	2,389	1,229	214	105	52	219	25	212	503	39	476	47	194
1958-59	14,366	2,655	1,296	206	92	36	221	23	184	483	36	514	45	118
1959-60	15,292	2,628	1,343	199	84	34	223	24	185	579	81	522	49	121
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	43	94
February "	13,018	2,431	1,184	186	80	33	201	21	169	422	34	466	45	106
March "	14,365	5	1,296	206	92	36	221	23	184	483	36	514	46	115
April "	1,289	218	122	23	13	3	18	2	17	48	5	41	1	12
May "	2,534	422	262	43	24	6	33	4	33	96	5	83	3	24
June "	3,723	618	386	59	32	9	45	6	48	142	11	123	7	33
July "	4,935	842	500	72	37	11	58	8	65	186	16	155	12	45
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	108
February "	13,847	2,399	1,226	182	77	32	208	22	169	522	72	471	48	119
March "	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	121
April "	1,350	229	122	22	7	3	15	2	15	51	10	42	1	11
May "	2,640	443	254	39	14	5	22	3	31	105	19	87	3	23
June "	3,875	667	373	54	22	8	27	5	49	154	27	130	6	33

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B. G.=2 M. G.) and incorporate revision in respect of earlier months.

Source:—Ministry of Railways.

INDUSTRIAL PRODUCTION

Industries.	Unit	1958	1959	January* 1960	February* 1960	March* 1960	April* 1960	May* 1960	May* 1959
Major Industries—									
Coal	million tons	45.34	47.03	4.12	4.30	4.36	4.38	—	4.02
Steel (Ingots and Metal for castings)	thousand tons	1,813	2,433	260	246	272	248	—	192
Yarn	million lbs.	1,685	1,723	144	139	140	137	—	137
Cloth	million yds.	4,027	4,925	418	403	410	408	—	405
Cement	million tons	6.07	6.82	0.65	0.59	0.69	0.63	0.67	0.59
Jute	thousand tons	1,060	1,051	88 K	87K	93 K	92 K	93 K	88 K
Paper and paper boards	thousand tons	253	294	28	28	30	30	—	20
Matches§	thousand cases	626	548	53	54	66	52	—	54
Sugar	thousand tons	1,957	2,083	498	474	444	265	77	32
Engineering and Electrical Industries—									
Machine tools	Value in lakhs of Rs.	376	438	53	57	67	22	—	33
Electric lamps	millions	30.47	34.84	2.88	3.24	3.43	3.46	—	2.89
Dry cells	millions	168.24	187.3	16.00	16.55	15.63	15.85	15.62	15.41
Power transformers	k.v.a.	1,126,800	1,060,800	88,500	89,000	90,800	98,800	—	74,800
Electric Motors	h.p.	624,000	575,000	45,900	47,500	54,000	50,250	—	48,500
Electric fans	Nos.	636,000	727,200	58,900	77,600	88,800	80,200	—	60,100
Radio receivers	Nos.	198,108	214,920	15,525	17,390	19,680	19,150	—	15,954

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 24th Sept. 1960§	17th Sept. 1960	27th Aug. 1960	26th Sept. 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101 0	101 1	101 2	101 5
2. Government of India	101 0	101 0	101 0	101 3
3. State Government	102 5	102 5	102 7	102 7
4. Municipal, Port Trust, etc...	100 0	100 0	100 0	99 9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 7	100 7	100 8	102 2
PREFERENCE SHARES—ALL INDIA.				
6. Total	86 8	87 0	86 9	93 7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	169 7	171 4	179 1	153 7
8. *Agriculture and Allied Activities; Total**	165 4	167 3	175 1	154 0
9. Tea Plantations	157 2	159 6	169 4	142 5
10. Coffee Plantations	208 9	209 2	213 7	194 6
11. Rubber Plantations	169 1	170 5	157 8	157 9
12. *Mining and Quarrying: Total*	145 9	147 5	167 9	144 2
13. Coal	115 7	117 8	123 7	122 7
14. Other Mining	166 7	167 8	181 3	165 7
15. *Processing and Manufacturing: Total*	183 7	185 7	183 9	159 7
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	184 7	186 6	194 6	151 6
17. Sugar	190 6	191 7	194 4	178 5
18. Cotton Textiles	151 9	153 3	160 8	126 9
19. Jute Textiles	89 9	91 6	96 1	66 8
20. Silk and Woollen	1037 0	1044 3	1099 8	685 6
21. *Processing and Mfg. (Metals Chemicals, etc.): Total**	193 4	195 7	205 0	176 6
22. Iron and Steel	160 2	162 3	168 8	160 6
23. Transport Equipment	285 3	289 6	295 4	246 3
24. Electrical Machinery	132 4	132 7	143 1	137 2
25. Machinery other than Transport and Electrical	205 2	209 0	218 3	190 5
26. Basic Industrial Chemicals	215 2	220 1	225 7	190 5
27. *Processing and Mfg. (Others). Total**	162 4	164 5	171 0	153 3
28. Cement	143 8	144 9	148 6	136 5
29. Paper	218 0	228 8	235 9	211 8
30. *Other Industries: Total**	108 6	109 0	112 9	115 6
31. Electricity Generation and Supply	81 5	81 0	82 6	90 7
32. Trading	110 9	112 4	120 8	105 3
33. Shipping and Other Transport	101 9	103 3	108 1	123 8
34. Construction	316 2	317 1	329 8	309 3
35. *Financial: Total*	171 6	171 9	179 7	170 8
36. Banks	191 1	191 0	198 7	186 6
37. Insurance	134 4	136 3	146 3	141 9
38. Investment Trusts	87 1	87 4	91 4	99 6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	176 7	177 9	185 3	158 4
40. Calcutta	153 7	155 6	163 6	145 4
41. Madras	160 5	162 0	196 4	166 8
42. Delhi	217 4	220 3	238 5	181 6

cluding "Miscellaneous." † Including 'Edible and Vegetable Oils. ovisional.

IRON AND STEEL PRODUCTION (In Tons)

Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
ar ended 31st March, 1957	1,155 500	1,078,600	797 500
Do. 31st March, 1958	1,098,300	1,106 300	780,900
Do 31st March, 1959	1,137 500	1,149,900	884 700
Do 31st March, 1960	1,568,400	1,535,700	1,215 100
ne 1959	115,700	114,300	88,100
ly "	125,000	121,000	93,500
gust "	128,700	125 500	97,100
pt. "	124,300	117,000	93,100
ne 1960	120 200	121,700	92,700
ly "	105,700	119,800	96,000
gust "	121,300QK	131,000K	102,400QK
pt. "	133,300K	138,100K	108,000K
Tata Iron and Steel Co., Ltd.			
ar ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	950,933	608,205	496,217
Do. 31st March, 1960	1,053,612	827,072	660,695
ne 1959	78,795	62,510	49,296
ly "	97,082	71,441	55,903
gust "	94,830	68,644	57,556
pt. "	70,615	60,701	49,428
ne 1960	80,127	60,140	53,737
ly "	72,502K	62,962K	40,897K
gust "	100,162K	79,298K	60,899K
pt. "	100,437K	79,761K	59,063K

—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957	1,630	880,371	6,429,319
1958	1,524	928,566	7,797,585
1959	1,523	692,514	5,605,079
eb. 1959	93	33,990(66)	272,253(66)
arch "	156	67,563(156)	536,069(155)
pril "	175	50,509	507,571
ay "	131	53,756(127)	354,817(127)
ne "	154	77,758(140)	578,798(149)
ly 1960	133	62,075(123)	412,797(123)
gust "	125	47,708(114)	470,258(114)
pril "	92	37,770(85)	331,511(85)
ay "	127	37,675(115)	414,789(115)
une "	154	65,783(138)	390,425(138)

‡ In progress during the month. Figures in brackets show the nber of cases for which the relevant information is not available.

figures relate to all States and centrally administered areas as afte organisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* Income (Rs.)
ndia†	'59-'60	403 04	..	11,750	291 3
akistan	'58-'59	86 80	..	2,084	240
urma	1958	20 02	Kyats 4,344	436	216
eylon	1957	9 1	..	507	557
anan	1957	90 99	Y. 8,252,000	10,915	1,200
hilippines	1958	23 1	Ps. 9,232	2,269	956
ew Zealand	1958	2 28	£(N.Z.) 962	1,069	4,688
ustralia	1958	9 80	£(A.) 4,625	4,920	5,021
.K.	1958	51 60	£ 18,235	24,310	4,711
.S.A.	1959	177 1	$ 403,900	193,064	10,901
anada	1958	17 00	$ 24,660	12,091	7,112
rance	1958	44 05	F. Fr. 17,910,000	17,470	3,921
r. Germany	1958	52 1	Dm. 176,400	20,050	3,848
taly	1958	48 07	Lr. 13,126,000	10,120	2,078
orway	1957	3 49	Kr. 23,290	1,560	4,470
weden	1958	7 40	Kr. 54,910	5,084	6,870
etherlands	1958	11 10	Grs. 30,180	3,820	3,440
enmark	1958	4 50	Kr. 28,230	1,960	4,355
witzerland	1958	5 10	Sw. Fr. 28,300	3,130	6,137

• National income at factor cost—the aggregate of all income ned in the production of goods and services in the course of a year luding net income from abroad.

Source: *International Financial Statistics*, February, 1960.

† Provisional—Based on "quick" estimates (at 1948-49 prices); pared b they Central Statistical Organisation.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base 1949=100	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jalandhar Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	111	323	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	98	294	85	99	327	106	102	102	102	102	100	114
1955 "	96	338	87	246	78	96	321	99	91	95	102	98	94	106
1956 "	105	353	98	316	89	105	347	111	109	95	98	98	88	103
1957 "	111	369	104	339	94	112	364	116	114	99	106	114	96	108
1958 "	116	395	110	313	98	120	384	124	113	103	115	107	107	126
1959 "	121	412	125	340	98	132	384	133	120	106	125	109	109	121
April 1959	117	400	119	313	95	130	364	128	119	101	95	121	104	137
May "	119	406	124	328	95	131	371	131	116	103	96	125	104	138
June "	122	413	125	337	97	132	385	134	117	105	96	125	104	138
July "	124	418	127	345	97	133	399	134	117	105	99	130	108	140
January 1960	122	422	123	360	96	135	385	137	121	107	99	130	111	141
February "	122	418	119	355	98	135	389	139	122	107	97	129	111	144
March "	121	414	116	339	97	135	392	138	122	107	97	121	109	144
April "	122	421	116	346	97	136	392	138	114	104	100	122	109	145
May "	123	421	120	344	96	135	392	140	116	104	105	117	109	145
June "	124	422	121	360	96	135	394	140	116	104	105	117	109	145
July "	120†	423	..	362	..	..	406	143	117	107	107†	119†	109†	146
August "		421							121	108	..	119†	109†	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J	Cumulative Time Deposits 10-Year J	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C	Post Office Saving Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits E	10-Year Treasury Savings Deposit Certificates 3½% F	10-Year Treasury Savings Deposit Certificates 4% G	15-Year Annuity Certificates G	Total	
	Outstandings	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,71	—39,73	43,58	588	591
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—40,67	42,57	547	635
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76
January 1959	1	1	1,80	3,93	122,83	9,07	145,00	14,52	218,71	21,27	—40,62	42,70	57	10,80
February "	2	1	1,78	3,87	120,95	9,64	143,14	14,63	219,30	21,29	—40,80	42,62	58	11,14
March "	3	2	1,73	3,79	119,11	11,66	152,48	22,29	226,92	21,01	—40,69	42,57	65	11,68
April "	5	3	1,70	3,72	117,25	8,36	157,31	16,39	226,90	20,88	—40,74	42,49	65	11,84
May "	7	4	1,68	3,65	115,69	5,71	162,02	15,68	224,83	20,76	—40,80	42,39	51	12,79
June "	9	5	1,65	3,59	114,16	6,03	167,24	15,89	224,23	20,61	—40,86	42,33	42	13,19
July "	12	7	1,63	3,56	112,40	6,17	172,33	17,23	225,30	20,53	—40,88	42,25	53	13,66
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19,96	—41,27	41,84	1,13	19,77
February "	43	26	1,52	3,21	101,99	7,57	210,64	16,04	234,25	19,87	—41,27	41,75	1,05	20,79
March "	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76
April "	57	34	1,51	3,11	97,35	6,47	220,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16
May "	64	38	1,50	3,07	95,55	6,35	231,26	17,60	251,94	19,55	—41,41	41,50	1,05	24,16
June "	73	42	1,48	3,02	93,84	5,76	255,58	17,35	253,22	19,50	—44,46	41,41	84	25,05
July "												41,32	1,11	26,09

Year Month	Total	
	Receipts	Outstandings
1956-57	225 88	440,17
1957-58	264 82	480,77
1958-59	286 28	490 08
1959-60	296,62	667,36
January 1959	71,604	1,542
February "		
March "		
April "		
May "		
June "		
July "		
January 1960	142 50	1,04
February "	141 00	1,04
March "	194 00	1,04
April "	130 00	1,04
May "	140 00	1,04
June "	140 00	1,04
July "	145 00	1,04

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from July 1954 to 1957 and 2nd series issued from January 1958. E—Outstandings in respect of items in column 11 marked 'E' are not included 7,33 lakhs of rupees. F—Outstandings in respect of items in column 11 marked 'F' are not included 7,33 lakhs of rupees. G—1st series issued from 1st April 1960 and the total outstandings at the end of May 1960 amount to

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding Rs.	Repayable
3 % Loan	1938–39	116,17,46,000	1965–85
3 % Loan	1950	30,33,10,000	1964
3 % Rg. Loan	1943	1,10,11,78,000	1966–68
3 % Dev. Loan	1945	1,15,05,83,000	1970–75
2½% Loan	1946	57,00,89,000	1961
2½% Loan	1947	14,77,48,000	1962
2½% Loan	1953	75,29,00,000	1961
3½% N. P. Loan	1954	1,58,17,94,000	1964
3½% N. P. Bonds (2nd S ries)	1955	1,53,67,92,000	1965
3½% Loan	1956	1,07,27,36,000	1962
3½% N. P. Bonds	1956	93,81,83,000	1967
3½% Loan	1956	86,63,53,000	1974
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967
4 % Loan	1957	49,17,27,000	1972
3½% Loan	1958	58,05,92,000	1963
3½% Loan	1958	70,00,00,000	1968
3½% Loan N.P.B.	1958	34,33,90,000	1968
4 % Loan	1958	49,51,44,000	1973
3½% Loan	1959	1,37,35,00,000	1969
4 % Loan	1959	81,06,38,000	1978
4 % Loan	1960	97,64,00,000	1980
3½% Bonds	1960	82,66,00,000	1966

NON-TERMINABLE LOANS

3 % Loan	1896–97	8,93,35,000	M.
3 % Loan	1946	2,48,91,33,000	K.

STATE LOANS

4 % Andhra	1955	5,00,16,000	1st Sept.	1967	100 00
4 % Andhra	1956	6,56,15,000	3rd Sept.	1968	100 00
4 % Andhra	1958	8,48,81,000	15th July	1971	100 00
4½% Andhra	1959	6,57,72,000	10th Aug.	1971	99 00
4 % Andhra	1960	9,00,00,000	29th Aug.	1969	98 25
3 % Bombay	1949	5,29,97,000	1st Sept.	1962	99 55
3 % Bombay	1951	2,82,97,000	1st Sept.	1962	99 60
3½% Bombay	1953	5,10,80,000	15th July	1963	101 00
4 % Bombay	1954	3,40,34,000	1st Aug.	1964	100 90
4 % Bombay	1955	10,56,20,000	1st Sept.	1967	100 00
4 % Bombay	1956	7,82,29,000	3rd Sept.	1970	100 00
4 % Bombay	1957	6,57,23,000	16th Sept.	1969	101 50
4½% Bombay	1958	6,58,21,000	15th July	1971	100 50
4½% Bombay	1959	4,35,29,000	15th Aug.	1971	100 00
4½% Bombay	1959	6,58,13,000	29th Aug.	1971	100 00
4 % Bihar	1955	1,54,02,000	1st Sept.	1967	100 00
4 % Bihar	1956	2,13,41,000	3rd Sept.	1968	100 00
4 % Bihar	1957	2,76,71,000	13th Oct.	1970	100 00
4 % Bihar	1959	3,33,22,000	19th Aug.	1971	99 00
4 % Bihar	1960	3,00,00,000	29th Aug.	1969	99 00
4 % Gujarat	1960	6,00,00,000	29th Aug.	1969	100 00
3½% Huvrah Bridge (New)	1936–37	1,77,08,700	1956–66		94 50
4 % Hyderabad	1955	2,12,46,000	1st Sept.	1967	100 20
4 % Hyderabad	1956	2,18,02,000	3rd Sept.	1968	100 20
2½% Madras	1940	3,81,77,000	1st Sept.	1962	99 45
3½% Madras	1951	3,01,49,300	15th July	1963	100 40
3½% Madras	1953	10,33,71,000	15th July	1963	100 40
4 % Madras	1952	5,24,81,200	1st Sept.	1967	100 00
4 % Madras	1956	10,47,17,000	1st Sept.	1967	100 00
4 % Madras	1956	13,83,56,000	3rd Sept.	1968	100 00
4½% Madras	1958	5,55,57,000	15th July	1970	100 00
4 % Madras	1959	5,72,72,000	29th Aug.	1971	99 75
4 % Madras	1960	12,00,00,000	29th Aug.	1969	99 75
4% Maharashtra	1960	10,00,00,000	29th Aug.	1969	101 60
3 % Mysore(J)	1933	2,95,85,200	1st Sept.	1962	99 80
3 % Mysore(J)	1936	6,99,73,000	30th Apr.	1956-61	99 30
3 % Mysore	1952	3,33,47,000	15th July	1963	100 30
4 % Mysore	1955	3,54,94,000	1st Sept.	1967	100 15
4 % Mysore	1956	4,11,11,000	3rd Sept.	1968	100 00
4 % Mysore	1956	3,34,36,000	16th Sept.	1969	100 00
4 % Mysore	1957	5,51,61,000	15th July	1970	100 00
4 % Mysore	1958	5,43,46,000	15th July	1971	100 00
4 % Mysore	1959	4,00,00,000	29th Aug.	1969	99 10
4 % Mysore	1960	2,03,29,000	15th Sept.	1964	95 70
4 % M.P.	1951	1,02,18,100	17th Sept.	1962	98 50
4 % M.P.	1953	1,10,18,000	15th July	1963	100 00
4 % M.P.	1955	1,63,12,000	1st Sept.	1967	100 00
4 % M.P.	1956	1,58,42,000	3rd Sept.	1968	100 00
4 % M.P.	1958	2,21,30,000	15th July	1970	100 00
4 % M.P.	1959	5,27,27,000	15th July	1971	99 00
4 % M.P.	1960	5,00,00,000	29th Aug.	1969	99 00
4 % Saurashtra	1955	3,50,81,000	1st Sept.	1967	100 20
4 % Saurashtra	1956	2,06,63,000	3rd Sept.	1968	99 50
4 % Kerala	1955	3,25,61,000	15th July	1963	99 90
4 % Kerala	1956	2,22,08,000	3rd Sept.	1968	99 90
4½% Kerala	1958	3,27,10,000	15th July	1970	99 00
4½% Kerala	1959	4,47,05,000	15th July	1971	99 00
4 % Kerala	1960	4,00,00,000	29th Aug.	1969	99 00
2½% U.P.Z.A.	1952	44,93,89,000			49 25‡
3 % U.P.	1938	11,55,31,000	15th Sept.	1961-66	92 25
3 % U.P.	1939	2,12,62,600	1st Sept.	1961	97 75
3 % U.P.	1951	1,86,22,000	17th Sept.	1962	99 25
3½% U.P.	1952	5,29,14,000	15th July	1963	100 50
4 % U.P.	1953	6,58,25,000	15th July	1963	100 50
4 % U.P.	1955	9,10,71,000	1st Sept.	1967	100 00
4 % U.P.	1956	8,48,26,000	3rd Sept.	1968	100 00

PORT TRUST LOANS

BOMBAY

Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
4	1904	1984	Rs.
4	1905	1985	
4	1906	1967	
4	1907	1988	
4	1907	1968	99.60
4	1909	1970	
4	1910	1971	
4	1911	1972	
4	1912	1973	
4	1913*	1960	D
4	1913	1975	99.50
4	1914	1975	99.50
4	1915*	1960	
4	1915*	1975	
4	1922*	1960	
4	1924*	1960	
4	1928*	1960	
4	1930*	1961	D
4	1931*	1961	
4	1932*	1962	
4	1935*	1975	
4	1936*	1966	
4	1936‡	1960	
3½	1938*	1968	
3½	1941	1971	

CALCUTTA

Rs.			Rs.
90,24,300	4	1914	1974	99 00
76,90,100	4	1915	1975	99 00
50,00,000	3½†	1921	1961	92 00
68,02,300C	4†	1921	1981	82 00
60,00,000	4†	1921	1971	144 00N
60,00,000	4†	1924	1961	93 00
50,00,000	3½	1925	1965	99 00
50,00,000	3	1938	1963-68	93 00
50,00,000	3	1940	1965	74 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84 75
50,00,000	2½	1947	1977	79 50
50,00,000	3	1948	1978	83 75
50,00,000C	3	1950	1980	82 00
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1963	99 00
50,00,000	4	1953	1963	100 00
50,00,000	4	1954	1983	97 50
99,90,000	4	1955	1985	97 50
77,00,000	4	1956	1986	97 25
78,00,000C	4	1956	1986	97 25
1,24,00,000	4‡	1957	1987	99 50
1,30,00,000	4‡	1958	1988	99 50
1,00,00,000	4	1959	1989	99 50
50,00,000	4‡	1959	1989	99 00
1,00,00,000	4	1960	1990	99 00
1,00,00,000	4	1960	1970	99 25

STERLING LOANS

Rs.			
£892,600	5	1923	1953-83	£61 75
£901,900	5	1924	1954-84	£61 75
£835,100	5½	1932	1962	£91 00

MADRAS

Rs.			Rs.
28,48,275	3½	1947	1977	
9,88,0000	3	1947	1977	
3,00,000	3	1949	1979	A
45,00,0000	4‡	1954	1984	

IMPR. TRUST LOANS

BOMBAY

Amount Sanctioned Rs.	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
30,00,0000	4	1901	1961	
60,00,0000	4	1902	1962	
50,00,000	4	1903	1963	
30,00,0000	4	1904	1964	
20,00,0000	4	1905	1965	97.75
15,00,0000	4	1907	1968	N
30,00,0000	4	1908	1968	
25,00,0000	4	1912	1972	
13,00,0000	4	1913	1973	
60,00,0000	4	1914	1974	97.50
25,00,0000	4	1916	1976	N
40,00,0000	5	1919	1979	115.90
25,00,0000	5	1920	1955-80	
25,00,0000	4	1926	1956-86	100.00N
10,00,000	3	1936	1961-70	98.00N
		1966	1996	

STERLING LOANS

Rs.			
£566,600	1909	1968	£95.50
£338,000	1910	1979	£95.50N

CALCUTTA

Rs.				
85,00,000	4	1934	1964	99 25
30,00,000	3	1935	1965	96 00
30,00,000	3	1936	1966	91 75
20,00,000	3	1937	1967	96 00
80,00,000	3	1938	1963-68	96 00
1,02,00,000	4	1952	1982	91 75
75,00,000	4‡	1958	1968	100 00
65,00,000	4‡	1959	1974	99 25
				99 75

MUNICIPAL LOANS

BOMBAY

Rs.				Rs.
20,00,000	4	1912-18	1974	99 00
10,00,000	5		1979	99 00
8,25,00,000	3½	1947	1980	113 00N
2,13,14,500	3½	1949	1977	87 75
4,00,00,000	3½	1950	1965	87 75
2,74,00,000	4	1950	1985	95 00
2,00,00,000	3½	1951	1964	90 00
1,30,00,000	4	1952	1982	82 00
92,19,00,000‡	4	1953	1983	98 00
1,00,87,000‡	4	1952	1964	100 00
2,50,00,000	4	1954	1984	90 85
1,57,50,000	4	1955	1968	99 85
1,74,00,000	4	1956	1986	100 00
4,00,00,000	4‡	1957	1987	100 00
3,30,00,000	4	1958	1969	100 00
	4	1959	1971	99 00

CALCUTTA

Rs.				Rs.
10,00,000	5	1922	1962	
33,91,000	5½	1925	1965	103 00
60,00,000	5	1926	1966	91 00
47,50,000	5	1938	1966	91 00
21,10,000	3	1941	1971	91 00
16,33,500	3	1942	1972	91 00
86,88,000	3	1951	1981	92 00
87,38,000	3	1952	1968	99 25
72,50,000	4‡	1954	1974	98 50
2,22,72,000	4	1956	1982	99 75
73,88,000	4‡	1958	1979	100 00
1,67,32,000	4‡	1958	1988	100 00
	4‡	1968	1979	100 50

MADRAS

Rs.			Rs.
15,00,000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107 50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,50,000		
4 % U.P.	1959	8,88,80,000	15th July 1970	100 00
4 % U.P.	1959	7,00,00,000	29th Aug. 1969	99 00
4½% Rajasthan	1956	8,14,19,000	29th Aug. 1969	99 00
4 % Rajasthan	1958	3,84,19,000	15th July 1970	100 15
4 % Rajasthan	1959	5,00,00,000	29th Aug. 1969	100 00
4 % Orissa	1956	3,34,34,000	3rd Sept. 1968	99 00
4 % Orissa	1958	3,28,50,000	15th July 1970	99 00
4 % Orissa	1959	3,82,30,000	15th July 1971	99 75
4 % Orissa	1960

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,51,970	1,47,27,488	45,26,971	25,002	B. N. Elias & Co. Private Ltd.	879	Agarpara	12.06	10	0.25	0.25	0.50		3	Y.P.T
6,00,000	15,76,440	76,66,116	46,26,917	1,71,456	McLeod & Co., Ltd.	456	Alexandra	180.00	100	10.00	10.00	15.00		12	Y.P.T
80,00,000	2,79,200	1,96,70,290	99,41,983	—1,88,295	McLeod & Co., Ltd.	1,264	Alliance	102.00	100	*Nil	*Nil	10.00		3	Y.P.T
49,20,700	72,61,600	3,09,77,421	2,26,93,087	2,15,974	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	292.00	100	*Nil	*Nil	5.00		12	Y.P.T
40,00,000	21,83,168	1,36,05,756	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	167.00	100	7.00	10.00	12.50	6.00	5	Y.P.
20,00,000	34,53,558	1,46,13,235	77,61,622	28,466	Birla Brothers Private Ltd.	959	Bally	200.00	100	*Nil	*Nil	5.00		3	Y.P.
£275,000	£626,819	£1,617,618	£1,028,550	—£47,963	Sir John H. Border (Chairman)	1,889	Barnagore	125.00	£5	*Nil	*Nil	10.00	27.00	3	Y.P.T
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	147.00	100	2.50	7.50	10.00	25.00	3	Y.P.
45,00,000	29,71,745	58,94,691	35,42,933	—5,77,255	Soorajmull Nagarmull	600	Bengal	8.00	10	*Nil	*Nil	2.50		3	Y.P.
91,20,000	2,82,25,130	7,34,46,439	2,26,35,926	93,079	Birla Brothers Private Ltd.	1,575	Bhadrachalam	27.50	10	*Nil	0.50	13.50		12	Y.P.
36,00,000	23,36,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	123.00	100	1.00	1.00	1.00	1.50	6	Y.P.T
7,37,380	4,000	45,18,657	34,32,126	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	*Nil	*Nil	5.00		3	Y.P.
16,00,000	27,51,539	84,00,059	49,11,673	89,183	M.	616	Caledonian	136.00	100	*Nil	*Nil	15.00		10	Y.P.
59,16,400	76,57,559	2,11,45,431	1,20,71,737	—92,149	James Finlay & Co., Ltd.	990	Champdany	117.00	100	*Nil	15.00	12.00		12	Y.P.T
15,95,000	23,10,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	14.50	10	*Nil	*Nil	7.00		11	Y.P.
80,15,000	38,42,800	1,00,82,980	69,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	13.31	10	*Nil	5.00	12.50†	4.00†	3	Y
24,00,000	9,00,000	67,13,337	47,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	11.31	10	*Nil	1.25	1.50		7	Y.P.
81,49,200	13,05,418	1,06,95,075	61,82,315	18,112	Bird & Co. Private Ltd.	766	Dalhousie	125.00	100	*Nil	*Nil			7	Y.P.T
23,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	142.00	100	*Nil	*Nil			8	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,837	93,729	McLeod & Co., Ltd.	500	Empire	15.37	10	*Nil	6.00	14.00	1.00	8	Y.P.T
21,00,000	74,32,310	2,61,26,629	1,59,43,058	1,94,546	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	345.00	100 Old	10.00	20.00	1.25		11	Y.P.
21,00,000								1280.00	50 New			20.00		7	Y.P.T
34,32,100	19,81,948	1,32,23,303	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	26.50	10	1.50	1.50	10.00		8	Y.P.T.
		2,23,71,685	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Gauzes Manufacturing Co., Ltd.	10.87	10	*Nil	*Nil	1.50	2.25	8	Y.P.T.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd.	46.00	10	*Nil	*Nil			8	Y.P.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gouripore	345.00	100	2.50	2.00	4.00		8	Y.P.
40,00,000	81,69,733	1,33,91,146	76,47,196	2,83,000	Bangur Bros., Ltd.	1,078	Hastings	489.00xd	100	5.00	5.00	25.00	30.00	12	Y.T.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooghly	16.00	10	*Nil	*Nil	6.00	6.00	8	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	21.00	10	*Nil	*Nil	0.60		8	Y.P.
52,50,000	31,20,000	3,02,67,918	1,67,39,918	1,07,839	Ramdutt Ramkissendas	2,272	Hukumchand	19.75	7.50	*Nil	*Nil	1.00	1.25	8	Y.P.
87,30,000	20,35,465	1,52,85,188	93,25,888	62,038	India	790	Kamarhatty	15.00	12.50	9.37	15.62†	1.24	0.75†	8	Y.P.T.
24,00,000	28,86,835	1,97,87,286	1,32,79,559	2,65,626	Jardine Henderson Ltd.	1,797	Kamarhatty	150.00	100	*Nil	5.00	15.00		8	Y.P.
'B'19,20,000								150.00	'B'100	*Nil	5.00	20.00		8	Y.
30,00,000	10,09,317	1,76,28,517	1,12,70,000	—13,68,526	Jardine Henderson Ltd.	1,527	Kankanrah	70.00	100	*Nil	*Nil	5.00		12	Y.P.T.
'B'24,00,000								77.50	'B'100	*Nil	*Nil	*Nil			
28,00,000	49,10,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	141.00	100	9.00	12.50	14.00‡		12	Y.P.T.
54,00,000	22,12,630	2,20,06,065	1,32,49,119	10,158	Anderson Wright Ltd.	1,530	Khardah	18.50	10	8.00	8.00	14.00‡		5	Y.P.
58,84,150	42,30,583	1,09,47,580	1,24,97,145	57,472	F. W. Heilgers & Co. Private Ltd.	1,250	Khinkan	160.00	100	*Nil	5.00	10.00		8	Y.P.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	109.00	100	*Nil	*Nil	10.00	20.00	8	Y.P.
28,00,000	11,08,502	69,04,728	41,03,722	10,550	Bird & Co. Private Ltd.	840	Lawrence	135.00	100	*Nil	*Nil	*Nil	*Nil	8	Y.P.T.
61,55,200	26,13,291	2,34,62,559	1,45,89,054	2,82,507	M.	1,294	Meghna	11.56	10	0.50	1.75	2.00	15.00	3	Y.P.
29,98,900	34,36,392	1,04,53,185	94,33,205	—11,60,695	M.	315	Naihati	61.00	100	*Nil	*Nil	1.00	0.60†	3	Y.P.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	425	Naskarpara	10.00	10	*Nil	*Nil	*Nil		8	Y.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	23.50	10	0.25	0.25			8	Y.P.T.
26,25,000	31,71,872	59,70,247	26,86,043	1,38,923	McLeod & Co., Ltd.	316	Nellimarla Jute	12.00	10	0.75	0.75	1.50		10	Y.P.T.
1,28,24,350	1,98,88,995	8,59,25,980	1,28,63,717	1,415	Sahu Jain Ltd.	1,765	New Central	24.62	10	0.90	1.00	1.40		10	Y.P.
16,79,880	38,39,763	1,21,83,607	71,21,636	27,631	Bird & Co. Private Ltd.	567	Northbrook	22.50	10	*Nil	*Nil	1.50	1.50‡	7	Y.P.T.
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Norditea	47.00	50	*Nil	*Nil	1.25		8	Y.P.T.
25,00,000	10,23,000	90,80,888	72,61,540	68,467	McLeod & Co., Ltd.	400	Prestoncy	5.25	5	0.30	0.37½	2.50	3.00	8	Y.P.T.
20,00,000	42,629	33,96,467	22,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.25	10	*Nil	*Nil	3.00	4.00	8	Y.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.87	10	*Nil	*Nil	*Nil	*Nil	7	Y.T.
£600,000	£488,130	£1,484,370	£840,162	£98,943	Thomas Duff & Co. (India) Pvt. Ltd	1,013	Samnagar	9.50N	£1	*Nil	5%†	10%†	*Nil	8	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	24.50	10	0.50	0.50	0.60		12	Y.P.T.
14,00,000	12,56,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	19.00	10	1.50	0.50	0.60		12	Y.P.
£600,000	£421,784	£1,270,993	£735,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	*Nil	3%†	5%†		8	Y.P.
85,98,600	37,29,900	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	184.00	100	*Nil	15.00	20.00		12	Y.P.
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†	25.00	12	Y.P.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	4.00	1	*Nil	*Nil	0.25		8	Y.P.T.
														12	Y.P.
														5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	Accounts Closed	Reference
10,98,990	4,16,126	17,25,120	3,38,737	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.70	10	2.50	1.75*	1.75	1.50‡	3	Y.P.
62,50,000	21,68,071	75,86,425	12,17,718	1,78,799	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain	5.06	2	0.30	0.25	0.25	0.25	6	Y.
5,50,000	5,57,420	15,15,325	3,03,764	350	A. Anantaraman, Esq. (Mg. Director)	359	Chambrakalai Estates Ltd.	2.70	2	0.30	0.30	0.30	0.30	3	Y.P.
9,33,400	15,86,598	26,32,979	8,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates J.	4.90	2	0.20	0.40	0.20	0.30	6	Y.
5,65,920	12,80,979	21,63,320	1,64,704	29,120	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	27.95xd	10	1.75	2.00	2.00	2.00	6	Y.P.
4,80,000	4,76,798	12,48,672	2,12,224	2,380	Srinivas Agencies	441	Coorg Tea H.	5.15	2	1.50	1.00	2.00	2.00	3	Y.
6,00,000	4,82,155	12,25,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea Estates Co., Ltd.	30.25	10	2.50	1.75	2.50	2.50	9	Y.P.
6,74,680	3,25,933	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	2.50*	1.75	2.50	2.50	3	Y.P.
3,50,000	1,26,500	4,04,217	65,755	2,027	Parkins Private Ltd.	198	Emerald Valley Estates	5.65	5	0.50	0.30	0.25	0.50	12	Y.
25,00,000	17,77,500	47,06,200	9,26,371	1,765	Parkins Private Ltd.	1,495	Haileyburia	14.25xd	10	0.50	0.30	0.30	1.50‡	3	Y.
11,85,700	10,77,706	30,00,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kallas Rubber, Co., Ltd.	4.60	2	0.60	1.50‡	2.00	0.40	12	Y.P.
6,00,000	7,65,698	14,87,194	3,32,844	48,233	Peirce, Leslie & Co., Ltd.	466	Kalnag Tea	4.65xd	2	0.20	0.30	0.50	0.50‡	12	Y.P.T.
16,39,438	18,94,704	32,75,491	4,84,787	28,103	Peirce, Leslie & Co., Ltd.	781	Kil Kotagiri Tea	5.65	2	0.40	0.30	0.25	0.40	3	Y.
3,45,000	4,30,000	10,59,843	83,720	1,586	Ipe Oommen & Co. Pvt. Ltd.	262	Kurchermala Plant. Ltd.	8.20	10	0.625	0.75	0.75	0.80	3	Y.T.
5,00,000	70,556	9,28,291	61,372	35,812	Matheson Bosanquet & Co.Pvt.Ltd.	267	Lucky Valley	12.25	10	1.00	1.00	0.625	0.80	10	Y.P.
3,50,000	2,26,500	4,21,218	21,726	17,842	Pasantau & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.60	2	0.30	0.18	0.24	1.00	3	Y.P.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Kapon Thomas, Esq. (Mg. Director)	524	Mlamallay	42.00xd	25	0.25	4.50	3.75	0.10	12	Y.
36,00,000	21,32,870	79,94,364	13,08,926	5,482	A. V. Thomas & Co. (India) Ltd.	1,659	Neelamalai	4.95	5	0.37	4.50	3.75	0.30	3	Y.
12,00,000	6,36,837	26,24,009	5,85,572	150	A. V. Thomas & Co., Ltd.	679	Nellampathy	2.70	2	0.20	0.40	0.37	0.60	3	Y.P.
14,06,250	6,96,349	36,09,977	5,17,286	20,558	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7.75xd	10	0.60	0.60	0.375	0.30	3	Y.P.
23,10,000	9,22,809	32,15,349	3,63,586	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	27.25	10	0.60	0.60	0.30	0.20	3	Y.P.
18,53,600	16,46,585	31,58,647	4,72,968	50,402	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	28.40	10	1.50	2.00	3.50		3	Y.P.T.
6,00,000	3,05,284	8,47,092	63,188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.00	2.50	2.50	2.00	6	Y.
17,00,000	10,44,753	41,24,057	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	23.32	10	2.75	2.50	1.50	2.75	6	Y.
37,94,880	28,17,245	1,10,00,168	34,84,598	80,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.45	2	0.20	0.70	1.62‡	2.00	2	Y.
13,50,000	2,82,500	11,13,472	1,04,534	1,431	A. V. Thomas & Co. (India) Ltd.	865	Sheverov Estates Ltd.	1.95	2	0.20	0.15	0.20‡	2.25	12	Y.P.
9,00,000	12,06,478	27,31,703	7,62,652	3,850	T. Stanes & Co., Ltd.	660	Stanes Amalgamated	16.37xd	10	1.37½	1.40V	0.15	0.35	3	Y.P.
1,25,000	12,000	1,87,528	5,271	559	M.	216	Swinton Estates	2.90	2			1.50	0.125	3	Y.
12,50,000	10,70,828	33,56,356	3,03,028	827	Srinivas Agencies	1,070	Talayar Tea	1.77	2	0.25	0.20	0.15	0.60	6	Y.
16,75,000	16,00,500	27,37,319	3,29,820	565	Parkins Private Ltd.	1,214	Twyford	11.50xd	10	2.00	1.50‡	0.12	0.15	3	Y.
31,93,880	12,29,880	44,14,672	16,57,621	1,03,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	22.00xd	10	2.60	1.77	1.50	1.00‡	3	Y.P.
31,50,000	30,78,147	60,31,062	7,77,318	1,17,892	Kothari Mehta & Co. Pvt. Ltd.	997	Waterfall	4.17	2	0.30	0.25	0.25	1.95	12	Y.
1,00,000	53,087	3,26,355	84,299	2,528	Goodall & Co.	93	Woodcote Estates Ltd.	1.67		0.06	0.09	0.25	0.35	3	Y.
													*Nil	6	Y.P.
														6	Y.P.T.

RUBBER AND OTHERS

										1957	1958	1959	1960		
6,00,000	5,52,435	16,47,874	3,87,652	7,559	Ramani & Co., Pvt. Ltd.	397	Alageswar Estates Ltd.	2.35	2	0.20	0.20	0.15			
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.85xd	10	0.40	0.60	0.75		6	Y.
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.50	10	1.50	1.00	1.50	1.00	3	Y.P.T.
12,07,838	2,28,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,284	Anaparai Estates Ltd.	4.65	2	0.80	0.70	1.50		12	Y.P.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd.	3.85	2	0.35	0.35	0.50		6	Y.T.
4,00,000	2,65,748	7,16,760	98,956	8,216	A. V. Thomas & Co. (Mysore) Pvt. Ltd.		Bababudin Coffee & Produce Co., Ltd.	9.00	5	1.25	1.25	0.35		5	Y.P.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd.		Balmadies Plantations	2.37xd	2	0.45	0.25	0.625			
8,56,115	3,36,253	13,50,384	19,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	B e Be Rubber Estates Ltd.	2.82	5	0.45	0.25	0.15			
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.		Cochin Malabar	6.85	3	0.45	0.25	0.25	0.15	6	Y.P.
22,50,000	30,58,661	50,61,756	11,30,047	1,28,049	Cons. Coffee Estates (Secretaries).		Coffee Lands and Industries	25.25	10	0.50	0.30‡	0.25	0.35	5	Y.P.
71,55,000	63,55,504	1,51,68,573	35,93,779	79,971	R. C. Paterson, Esq.		Consolidated Coffee	25.75	10	0.60	2.00	2.50	0.625	2	Y.P.
4,00,000	5,67,428	12,42,809	60,301	8,461	Associated Planters Private Ltd.		Cottanad Plantations	13.25	10	4.00	2.00	2.50		2	Y.P.
4,08,560	1,75,000	2,71,932	60,407	28,560	Peirce, Leslie & Co., Ltd.	445	Cowcoody Estates (Coffe e).	5.20	2	1.75	1.50	1.50		6	Y.P.
18,00,000	9,86,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.		Highland Produce	14.62	2	1.00	1.00	1.50		6	Y.P.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2.74	10	0.75	1.50	1.19	0.50	3	Y.P.
8,00,000	7,27,800	20,48,983	3,37,382	6,965	A. V. Thomas & Co., Ltd.		Kalpetta Estates	12.35xd	2	0.15	0.15	1.50		6	Y.
4,00,000	3,00,000	9,04,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.		Kumerzode Estates Ltd.	5.40	10	2.00	1.00‡	0.15		12	Y.P.
13,50,000	4,85,241	25,39,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq.		Malankara Rubber	19.75xd	2	0.50	1.00‡	1.25	0.15	12	Y.P.
3,25,000	2,00,000	7,61,984	10,586	11,866	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8.95	2	0.25	1.70‡	0.40		4	Y.P.
40,50,000	14,80,388	88,24,890	11,08,400	33,748	A. V. Thomas & Co., Ltd.		Midland Rubber	11.85	5	1.125	0.75	1.60		8	Y.
3,35,000	4,13,450	16,31,926	2 76,266	46,475	A. V. George & Co., Ltd.		Nenmeny Rubber	19.50	10	2.00	1.00‡	1.50	1.50	10	Y.T.
2,00,000	4,79,543	7,66,900	55,892	3,026	Associated Planters Private Ltd.		Nilambur Rubber Co.	18.50xd	10	0.75	1.50	1.50	1.00	3	Y.
19,45,980	22,83,423	48,92,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.		Ouchterlony Valley Estates	4.80	10	1.50	2.00	1.50		6	Y.
16,50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.		Pullangode Rubber	1.81cd	2	0.60	0.20	1.50		3	Y.P.
13,50,000	8,49,874	47,74,372	4,48,809	44,924	A. V. Thomas & Co., Ltd.		Rajagiri Rubber	21.40	2	0.10	0.08	0.10		12	Y.P.T.
2,00,000	1,65,963	3,50,430	35,171	41,924	Associated Planters Private Ltd.	391	Rajendra Coffee Ltd.	14.35	10	2.00	2.00	2.00		12	Y.P.T.
5,50,000	3,00,000	8,87,753	1,22,319	12,609	Peirce, Leslie & Co., Ltd.		Savamalai Estates Ltd.	3.80	5	1.00	1.25	2.00		3	Y.
12,00,000	1,35,000	18,24,855	68,427	15,748	Patco Agencies		Sangameshwar Coffee Estates Ltd.	2.40cd	2	0.30	0.25*c	0.30	2.50	6	Y.P.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.		Teekoy Rubber (India) Ltd.	6.05	10		0.18	0.18		8	Y.P.
2,50,000	2,75,000	6,13,713	47,098	28,430	A. V. George & Co., Ltd.		Thamarapally Rubber	28.00	10	0.60	0.60	0.60		11	Y.
9,15,300	5,75,000	23,57,605	1,88,203	7,572	Peirce, Leslie & Co., Ltd.		Thirumbadi Rubber Co., Ltd	1.47	1	3.00	3.00	0.60		3	Y.P.T.
6,00,000	66,742	11,54,891	5,03,490	2,248	Kapen Thomas, Esq. (Mg. Director)		Travancore Rubber	12.00	10	1.50	0.10	0.30		3	Y.P.T.
41,00,000	15,07,458	86,13,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.		Travancore Rubber & Tea Co., Ltd.	7.90	10		1.00	1.00		9	Y.P.
							Tropical Plantations Co.	19.37	25	0.40	0.50	0.75		12	Y.
20,00,000	1,36,000	32,16,659	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)		Vellimalai Rubber & Co.	5.60	5	0.62‡	1.50	2.00			
6,00,000	4,66,000	17,45,808	1,02,210	6,282	P. I. J. Joseph, Esq.		Udayagiri Rubber Co., Ltd.	17.00	10	0.60	0.50	1.50		12	Y.P.
2,20,000	4,29,000	10,00,702	1,07,202	23,880	A. V. George & Co., Ltd.		Vaikundam Rubber Co., Ltd.	31.45cd	10	0.60	0.75	0.50		12	Y.P.
8,80,010	2,91,970	9,65,557	38,718	585	M.		Wartyhully Estates Ltd.	8.67cd	2	3.50‡	3.00	1.50		2	Y.P.T.
12,00,000	11,90,982	15,34,680	1,19,640	1,15,483	Peirce, Leslie & Co., Ltd.		Woodland Estates	7.65	10	0.15	0.80	2.50	1.50‡	12	Y.P.
6,95,000	2,44,161	14,25,129	77,672	2,109	M. K. Thomas, Esq. (Mg. Director)				10	1.00	0.50	0.30	0.30	3	Y.
													0.50	3	Y.P.T.

J—Final dividend of Re. 1·50 is on the increased capital.
* Includes bonus. M.—Managed by Board of Directors. V— Includes 50 nP for 30-6-1954. H—Coorg Tea Co.—Dividends for 1956 to 1957 are on shares of Rs. 5 each. Dividend for 1960 is 40 nP per share taxable.
'C'—On increased Capital. J—Chembra Peak Estates—Dividend for 1960 is 40 nP per share taxable.
§ Dividend for the year ended 31st March 1960 is Re. 1·50 per share, subject to deduction of tax. ‡—On old capital.
† Less income-tax.
* General Industrial Society Ltd.—The dividends for 1956 and 1957 are on shares of Rs. 300 each which have since been sub-divided into shares of Rs. 10 each.
N.B.—All dividends paid since 31st March, 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP	1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	Accounts Closed	Reference
4,45,700	13,84,978	23,94,476	8,53,312	....	McLeod & Co., Ltd.	325	Amluckie	26.00	10	5.00	1.00	1.50	1.50	12	Y.P.
2,76,500	3,01,500	12,10,619	4,33,800	2,091	M.	450	Ananda (Assam) Tea	20.50	10	2.00	1.00	2.00	1.50	12	Y.
7,03,250	7,55,763	16,41,189	5,01,215	54,204	Gillanders Arbuthnot & Co., Ltd

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
80,00,000	....	81,38,138	13,22,835	83,215	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	12.75xd	10	*Nil*	*Nil*	*Nil*		3	Y.
18,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21 25	10	1 50	3 50	2 00		9	Y.P.
45,23,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Benzal Potteries	6 01	2½	0 25	0 25	0 356		12	Y.P.
10,00,000	38,68,188	61,22,085	38,30,422	33,561	Bird & Co. Private Ltd. ..	Bisra Stone Lime Co.	31 50	10	1 75	1 75	1 87		3	Y.
14,17,800	4,29,295	27,18,993	13,28,638	4,764	Motichand G. Shaw, Esq. (Chairman) ..	Bombay Potteries and Tiles Ltd. ..	190 00	100	9 00	10 00	....		9	Y.P.
40,00,000	13,76,524	1,16,02,155	10,26,719	23,88,499	Saraf Mor & Co. Private Ltd. ..	Ferro Alloys Corporation Ltd. ..	207 00	100	*Nil*	*Nil*	....		9	Y.P.
41,371,300	41,705,275	23,271,480	21,917,571	107,121	Gillanders Arbuthnot & Co., Ltd. ..	Indian Copper Corporation ..	4.30xd	Sh. 2	0 24	0 24	0.36		12	Y.
0.15,00,000 / ₹.5,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd....	Karanpura Development	13 50	10	*Nil* / *Nil*	*Nil* / *Nil*	1.50 / 0 50		12	Y.
80,00,000	....	14,32,400	....	12,618	Khandelwal Industries Private Ltd. ..	Khandelwal Ferro Alloys Ltd....	96 00	50	....	*Nil*	*Nil*		12	
80,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works	225 00N	10	1 25	1 25	1.80		12	Y.P.
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd. ..	9 81	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
6,00,000	5,26,433	13,40,691	7,63,285	7,276	Mysore Industrial Development Co. ..	Mysore Stoneware Pipes & Potteries ..	15 15cd	10	1 00	1 00*	1 00*	1.428	3	Y.P.T.
20,00,000	54,00,844	64,43,150	31,99,595	88,340	Bird & Co. Private Ltd....	Orissa Minerals	38 25	10	2 00	2 50	3 60		3	Y.
10,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	67 50	10	8 00*	8 00*	5 00		6	Y.
													11	Y.
CHEMICAL														
12,00,000	....	....	....	....	....	Adarsh Chemicals....	72 00	50	....	....	....			
85,00,000	51,37,800	1,87,07,072	65,76,431	9,770	Bhallal Amin & Sons (Private) Ltd. ..	Alembic Chemical Works Co.	240.00xd	100	12.00	12.00	16 00		12	Y.P.
62,00,000 / ₹.47,07,000	96,87,608	5,74,40,416	92,27,839	1,39,901	Imperial Chemical Industries (India) Private Ltd. ..	Alkali and Chem. Corpn. of India ..	31.25	10	0.80	0.80	0.95		9	Y.P.
60,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	410 00	100	*Nil*	*Nil*	12 00		12	Y.P.
29,89,400	24,91,426	1,18,63,272	49,89,003	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	100 00N	100	20 00*	20 00*	28 00*		12	Y.P.
2,00,00,000	39,08,362	3,56,03,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	469 50	100	8 00	10 00	12 00		12	Y.P.
50,92,900	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director) ..	Benzal Chemical and Phar.	112 50	100	6.00	6.00	7 00	7.00	12	Y.
65,00,000	....	1,54,260	15,170	—1,31,376	Ramniwas R. Ruia, Esq. (Chairman) ..	Colour-Chem Ltd.	375 00	100	....	*Nil*	3 00		3	Y.P.T.
13,69,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	250 00	50	5 00	6 00	10 00		3	Y.
64,49,032	56,78,075	1,69,27,890	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd. ..	Dhranzadhra Chemicals	150 00	100	7.50	6 00	6 00(c)		12	Y.
2,46,08,075	14,42,000	5,13,58,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd. ..	F. A. C. T.	10 75	10	*Nil*	0 40	0 60		3	Y.P.
15,00,000	5,85,300	40,58,635	13,14,048	10,072	Marsilal Gazabilal & Sons	Indian Dyestuffs Industries Ltd. ..	535.00xd	100	*Nil*	*Nil*	*Nil*		12	
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jai H. Mehta	Kemp & Co.	370 00	200	15.00	15 00	20 00	25.00	3	Y.P.
60,00,000	22,36,430	1,43,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd. ..	Mettur Chemicals	12.85xdxr	10	0 75	0 87½	0 88	1.25'C'	3	Y.P.
24,81,220	8,99,815	55,35,122	37,41,703	10,884	R. M. Abu Baker, Esq. (Chairman) ..	Mysore Chemicals and Fertilisers ..	10 00	10	0 50	0 50	0 50		3	Y.P.T.
6,00,000	6,34,447	10,12,759	5,77,192	41,137	S. Ramanathan, Esq. (Mg. Director) ..	Mysore Chemical Mfg.	27 87	10	2 00	2 00	2 00		3	Y.
40,00,000	20,96,379	88,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman) ..	Polychem. Ltd.	258 00	50	....	*Nil*	3 00	5.50	3	Y.P.
15,00,000	13,70,168	21,96,365	14,48,006	75,219	C. A. Buxton	Smith Stanistreet & Co.	14 00	5	1 00	0 80'C'	1 25		6	Y.P.
1,39,95,990 / 1,11,76,825	22,71,915	4,95,41,193	1,86,52,803	6,792	Tata Industries Private Ltd.	Tata Chemicals	{ 16 25 / 14 64	10Old / 10New	0.80	0.75 / ..	0 525 / 0 03	7.125	6	Y.P.T.
10,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director).	Travancore Chemical Mfg. Co., Ltd. ..	15.70	10	0.60	0.70	1.00	1.50	3	Y.P.
ELECTRIC (Bombay State)														
6,74,78,395	45,21,053	14,80,35,370	3,57,58,380	4,298	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd. ..	87.00	100	3.25	6.50	6.75			
72,50,000	17,54,523	2,18,23,158	52,04,167	15,95,361	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd. ..	10.16	10	0 42½	0 85	0 90		3	Y.T.
3,02,76,250	96,81,291	9,66,03,356	2,69,10,919	25,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co. ..	1,000 00	1,000	56 00	80.00*	80 00*	85.00*	3	Y.P.
1,75,00,000	78,52,280	4,06,37,561	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply ..	85 30	100	7.00	7 00	7.50	8.00	3	Y.P.T.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd. ..	Broach Electric Supply Development ..	7 00	10	*Nil*	7 00	7.50	8 00	3	Y.
43,89,000	12,56,813	1,57,72,704	61,59,509	5,547	Rajaputana Textiles (Agencies) Ltd. ..	Poona Electric Supply	112 00	100	2.50	7.50	8 00	9.50	3	Y.T.
60,62,500	23,52,407	1,45,50,586	48,79,943	8,210	Killick Industries Ltd.	Surat Electricity	93.00	100	8.75	7 00	7.00		3	Y.P.T.
8,99,99,575	1,01,57,424	7,01,99,385	1,89,09,836	25,291	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply ..	101.50	100	6.62	8 00*	8 00*	8 50*	3	Y.P.
8,15,35,750	2,60,85,771	17,16,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,030.00	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.
West Bengal and Other Centres														
16,00,000	48,96,307	1,33,21,866	36,09,278	48,145	Martin Burn Ltd.	Agra Electric Supply Co., Ltd. ..	127.00	100	10.00	10.00	10.00			
8,00,000	25,00,121	61,21,199	20,47,309	20,466	Martin Burn Ltd.	Harelly Electric Supply	13.50	10	1.25	1 00	1.00		3	Y.T.
17,00,000	40,00,478	1,70,00,592	42,30,422	42,307	Martin Burn Ltd.	Benaras Electric Light & Power Co. ..	14.00	10	1.25	1 00			3	Y.T.
5,91,360	6,40,074	21,80,353	10,40,385	24,424	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7 75	8	0 62	0 40			3	Y.T.
54,262,646	59,748,251	£32,803,591	£12,584,897	£122,137	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.37	51	81%	7%	7%		3	Y.
1,00,00,000	5,11,691	88,13,024	8,33,399	60,537	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8 12	10	1 00Z	0 85			3	Y.P.T.
49,20,000	21,62,824	1,01,16,160	35,85,886	3,77,066	Andrew Yule & Co., Ltd.	Dhanbad Electric Supply	100 00	100	6.50	7 00	7.50		3	Y.
9,24,640	1,10,642	31,32,203	13,41,851	6,562	Moonna Lall & Sons	Jhansi Electric Supply	6.75N	10	0 86Z	0 62½	0.62		3	Y.P.
22,49,700	26,82,145	1,04,76,852	38,07,105	30,945	Martin Burn Ltd.	Jubbulpore Electric Supply	13 37	15	0 92	0 92	0 93		3	Y.T.
4,95,000	2,21,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7 00N	9	1 22Z	0 72			3	Y.
5,82,390	3,35,296	32,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9 75	10	1 25Z	1 00			3	Y.
6,99,850	1,83,973	17,81,092	7,85,161	22,321	G. D. Bhatia, Esq.	Mutira Electric Supply	9 50	10	*Nil*	0 80			3	Y.
35,10,478	37,51,068	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	9 87	10	1 25Z	0 75			3	Y.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.87	10	*Nil*	0 50			3	Y.T.
16,80,000	12,03,832	73,73,245	43,75,524	6,962	Bird & Co. Private Ltd.	Sijuah (Dhenjhai) Elec. Supply Co. ..	9.25	10	0 94	0 68	0.75		3	Y.T.
99,99,680	13,06,142	2,06,37,818	67,68,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn. ..	10 00	10	1 25	0 85	0.90		3	Y.
5,00,000	28,76,733	47,71,638	11,04,876	38,509	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply ..	17 50	10	1 25	1 25	1.25	0.90'C'	3	Y.P.T.
56,01,185	77,21,023	3,84,27,595	1,37,10,470	83,539	Martin Burn Ltd.	U. P. Electric Supply Co.	128 00	100	10 00	10.00	10.00		3	Y.
4,00,000	3,23,215	37,72,899	9,95,390	2,67,421	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	11.50	10	1.00	1.00	1.00		3	Y.P.
ENGINEERING (Bombay)														
33,42,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd. ..	Alcock Ashdown & Co., Ltd.	253.00	100	12.50	12.50	17.00			
19,96,360	2,81,926	20,32,188	7,13,262	2,319	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	89 00	80	8 00	3.00	4.00		12	Y.
35,76,300	19,61,209	79,73,950	45,30,263	72,169	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	155.00	100	7.00	10 00*	13.00*		12	Y.
60,00,000	4,14,207	62,24,434	21,93,824	57,385	Dharamsis & Co.	Hindustan Electric Co., Ltd.	120 00	100	6.00	6 00	10.00		4	Y.P.
6,00,000	4,15,000	1,56,236	1,22,702	5,214	M. R. Rao, Esq. (General Manager) ..	Jost's Engineering	98.75	50	5.00	5.00	10.00		4	Y.P.
44,96,250	4,05,653	62,45,798	27,13,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation ..	17 50	10	*Nil*	0 50	0 775		3	Y.P.
80,00,000	27,03,928	78,01,690	28,57,816	56,253	L. & T. (Management) Private Ltd. ..	Larsen and Toubro Ltd.	33 00	10	1 00	1 25	1 25		3	Y.
1,32,00,000	42,63,182	1,34,87,855	31,17,630	1,18,237	M.	Mahindra & Mahindra Ltd.	21 76	10	1 75	2 20	1 25	1.80'C'	3	Y.
11,00,000	3,45,914	40,22,575	24,15,196	1,016	P. Jhunjhunwala, Esq. (Mg. Director) ..	McKenzies	130 00	100	*Nil*	*Nil*	*Nil*		10	Y.
60,15,060	45,30,000	1,21,27,185	40,92,378	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	24.00	10	1.00	1 00	1.20		7	Y.P.
22,27,700 / 13,83,150	5,36,616	47,79,386	14,09,037	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	{ 108 00 / 137.50	100 / (50 New)	....	....	1 00 / 9.00	1.20 / 12.00	3	Y.P.
22,50,000	1,34,42,446	3,81,298	1,40,739	1,86,103	Walchand & Co. Private Ltd.	Premier Construction	318 00	30	10 00	15 00	18.00	0.50	3	Y.P.
23,00,000	36,23,031	93,40,954	37,60,929	14,393	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd. ..	287.50	100	18.00	18 00	18.00		12	Y.P.
27,53,21,325	27,01,22,014	1,67,40,64,801	54,97,16,236	3,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	153 50	75 Old	9.50	9 50	17.00		6	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	267.50	100	9.00	8.25	6 80	9.72'C'	3	Y.P.
2,85,00,000	42,26,695	82,34,736	18,74,458	2,26,895	S. K. Handoo, Esq.	Voltas Ltd.	263.50	100	9.00	9.00	9.00	13.50	3	Y.P.T.
West Bengal and Other Centres														
6,00,000	34,571	20,51,215	15,01,855	—4,45,320	North Bihar Trading Co., Ltd.... ..	Arthur Butler & Co.	14.00	10	*Nil*					
50,00,000	29,49,221	1,55,21,495	89,56,973	3,60,479	M.	Bhartia Electric Steel	12.75	10	1.25	1.25	1.50		10	Y.P.T.
56,89,790	70,94,966	77,33,705	12,79,388	2,27,080	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.... ..	30 87	10	3.00	1.25	2.25		12	Y.
12,00,000	29,30,393	73,60,535	36,42,693	1,48,354	Balmer Lawrie & Co., Ltd.	Burn & Co. (India) Ltd.	55.00M	10	2 00	2 00	2 00'B'		12	Y.
19,88,670	14,98,541	39,97,530	14,03,655	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	7.12	10	0 50	0 50	0.60		3	Y.T.
40,00,000	40,48,365	91,44,676	42,56,718	78,052	McLeod & Co., Ltd.	Britannia Engineering	13.50	10	0 60	0 60			3	Y.T.
5,00,000	7,72,971	24,83,921	14,48,244	74,493	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	39.00	10	2 00	2 00	2.50		12	Y.P.
84,00,000	2,33,60,602	4,96,65,264	3,04,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	444.00	100	30.00	20.00	28.50	28.50	4	Y.
50,00,000	....	35,75,759	95,632	1,03,035	M.	Calcutta Steel Co., Ltd.	10	10	....	....	....	0.50	3	
1,00,00,000	10,43,478	1,78,16,485	10,15,000	40,325	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10 00N	10	*Nil*	*Nil*	*Nil*		3	Y.P.
2,00,00,000	2,54,07,647	6,74,53,038	2,15,47,390	....	H. M. L. Williams (Mg. Director) ..	Guest, Keen, Williams Ltd.	45 00	10	2 00	2 00	2 40		12	Y.P.T.
12,50,000	23,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hoochly Docking	118 00	50	5 00	5 00	2 40		12	Y.T.
26,94,580	....	5,76,360	3,01,442	—1,24,516	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	19 75	10	*Nil*	*Nil*	6 00		12	Y.P.
12,44,08,990	18,19,23,782	58,53,99,051	12,25,35,220	10,26,658	Martin Burn Ltd.	Indian Iron and Steel	22.60xd	10	1 00	1 00	1.00'C'		12	Y.P.
38,98,500	61,33,742	1,25,74,955	78,35,332	45,708	Martin Burn Ltd.	Indian Standard Wagon	86 00	25	7.50*	5 00	5.00		3	Y.P.
96,00,000 / 29,740	2,50,89,519	2,18,88,229	1,45,63,174	12,96,128	Indra Singh & Sons Private Ltd. ..	Indian Steel and Wire Products ..	{ 33.62 / 17.12	0.10 / 0. 1	4.00* / 0.40*	4 00‡ / 0.40‡	1.62‡ / 0.16‡	7.125	3	Y.P.
90,94,475	57,19,306	3,24,10,270	1,17,26,006	4,647	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	23.50	10	15.0	12.00	12 00		3	Y.
20,00,000	23,52,813	76,16,494	17,47,923	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.75	10	1 25	1 25	1.25			
1,01,99,000	1,02,40,815	2,77,47,845	84,30,378	63,747	B. P. Singh Roy, Esq. (Chairman) ..	Jessop & Co.	21 12	10	*Nil*	0 60	0.858		8	Y.P.T.
24,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi).	Kirloskar Oil Engines, Ltd.	20 86	10	0.90	1 00			3	Y.P.
27,64,800	46,74,683	90,13,956	33,28,450	31,233	Bird & Co. Private Ltd....	Kumarshubi Engineering Works ..	6 56	5	0 45	0 30	0.30'C'		3	Y.
10,00,000	1,90,996	18,32,345	14,72,111	8,513	Marshall Sons & Co. (India), Ltd. ..	Marshall Sons & Co. (India), Ltd. ..	4.81	2	0 40	0 40	0.20		11	Y.
25,00,000 / 7,50,000	29,74,007	92,74,177	47,37,764	4,444	Kirloskar Associates	Mysore Kirloskar Ltd.	{ 142 00 / 173 00	100 / 100	6.00	7.50	12 00 / 6.00		6	Y.
49,96,000	15,78,502	1,30,32,992	75,25,700	2,50,063	M.	National Iron and Steel Co., Ltd. ..	8 50	10	0.62	0.62	0.75		6	
40,00,000	30,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd. ..	Richardson & Cruddas Ltd.	8.44N	10					3	Y.P.T.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd. ..	Saran Engineering Co.	7.25	4	0 40	0 40	0 25		6	Y.P.
1,50,00,000	58,23,079	4,19,73,529	1,06,95,885	87,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	22.70xd	10	1.00	1 50	2 00	0.35	3	Y.
19,92,200	13,07,750	64,82,089	22,23,168	932	Balasundaram & Co.	Textool Co., Ltd.	..	100	20.00	12.00	15.00		12	Y.P.T.
													4	Y.
INSURANCE (x)														
13,50,000	46,52,425	3,45,73,387	....	....	23,040	N. M. Cole, Esq. (Mg. Director) ..	Concord of India	10.50xd	5	1.00	1.00			
10,00,000	11,65,196	28,43,030	....	....	66,390	M.	Devkaran Nanjee Insurance	31.00	50	3.00	3.00	1.00	12	Y.
5,15,000	1,84,95,246	12,38,65,807	....	....	....	R. Varadachari, Esq. (Administrator) ..	Empire of India Life Assurance ..	268.75	100				12	Y.
24,00,000	71,01,264	1,40,68,520	....	....	3,62,182	E. K. Srinivasan, Esq. (Mg. Director) ..	Hercules Insurance	23 50	10	2 00	2.00	2.00	12	Y.
16,92,240	36,38,254	86,70,140	....	....	7,71,928	K. M. D. Thackersey, Esq. (Chairman) ..	Indian Mercantile Insurance	41 50	40	3 50	3.75		12	Y.
18,74,940	3,30,83,259	4,29,34,168	....	....	6,54,184	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	7 12	15	*Nil*			12	Y.
20,00,000	63,51,546	1,74,97,763	....	....	45,112	M. G. Mody, Esq. (General Manager) ..	New Great Insurance	20 50	20	2 00	2.00	2.50	12	Y.
1,06,81,590	8,27,40,502	14,89,78,776	....	....	44,28,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd. ..	{ 54 50 / 55 50	15 / 15New	3.00	4 00 / 4 00	5.70* / 5.70*	12	Y.
32,00,000	20,86,606	1,84,55,055	....	....	8,214	B. K. Setalvad, Esq. (Gen. Manager) ..	Ruby General Insurance Co., Ltd. ..	8.19	8	0 62	0 62		12	Y.
5,75,000	68,08,816	1,14,80,847	....	....	89,014	J. D. K. Brown, Esq.	Triton Insurance	142 00	25	11 25	11 25		12	Y.
15,00,270	39,15,382	1,02,06,244	....	....	10,014	K. C. Desai, Esq. (Gen. Manager) ..	Vulcan Insurance	18 28	10	1 50	1 50	2.00	12	Y.

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Rights.
N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. ‡ On old capital. Z.—Dividend is for fifteen months ended 31st March 1957.
x—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
OIL														
35,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	*Nil*	0.60		12	Y.P.
1,00,00,000	1,59,93,634	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd. ..	23.37	10	2.00	2.00	2.50		12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,56,70,925	46,303	Tata Industries Private Ltd.	Tata Oil Mills	73.00	25	2.50	2 50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,55,770	1,73,025	82,637	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd. ..	16.37	10	1.25	1.50	2.20		10	Y.
PAPER														
37,45,031	18,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills ..	54.12	25	*Nil*	*Nil*	2.50		6	Y.P.
45,00,000	49,79,639	2,34,13,600	1,67,74,300	1,35,498	M.	Benzal Paper Mills	94.00	25	3.12	5.50	6.00		12	Y.P.T.
38,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.50	10	1.40	1.00	1.00	1.50 'C'	3	Y.
69,78,917	....	1,04,58,832	....	....	Bedi & Co. Management Pvt. Ltd. ..	Mandya National Paper .. .. ..

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
UNCLASSIFIED (Other Centres)														
62,50,000	2,04,96,139	8,89,98,591	1,10,43,380	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd. ..	18 12	O. 10	0 90	0 90	1 00		3	Y.P.T.
80,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd. ..	23 65	10	1 25	1 25	1 25	1 80	3	Y.
30,00,000	36,44,175	36,06,360	25,56,851	2,24,865	Turner Morrison & Co. Private Ltd. ..	Anglo Bros., Ltd. ..	19 62	10	1 80*	1 50	2 00		3	Y.
2,46,78,600	25,63,610	2,20,70,298	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director) ..	Ashok Leyland Ltd.	8 50	5	Nil	Nil	0 40		3	Y.
30,00,000	29,24,770	40,25,488	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd. ..	18 50	10	1 25*	1 25*	1 80		12	Y.
1,18,00,000	.....	.....	.....	.....	H. M Cox	Associated Battery	35 87	10	1 50	2 40	4 00	1 50‡	8	Y.
30,00,000	35,34,600	1,05,71,381	42,22,343	1,54,774	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India ..	0 75N	10	0 60	0 60			3	Y.P.T.
80,01,400	83,06,830	77,88,003	41,34,215	5,14,849	A. T. Montgomerie, Esq. (Chairman) ..	Balmer Lawrie & Co., Ltd. ..	205 00	100	12 50	20 00	25 00		12	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd. ..	Bengal Paper Mills Co., Ltd. ..	41 62	10	2 50	2 50	4 50		12	Y.
50,00,000	1,77,398	59,03,167	96,073	—4,55,049	H. R. Sucha, Esq. (Mg. Director) ..	Bharat Commerce & Industries Ltd. ..	17 12	10	Nil	Nil	Nil		12	Y.
20,00,000	7,79,721	64,19,085§§		55,032	Lovelock & Lewis ..	Birds Investment Ltd. ..	12 50	10	0 50	0 70	1 10		9	Y.P.
45,97,950	55,50,348	1,22,49,277	53,50,733	2,13,538	K. Julian Scott, Esq. (Mg. Director) ..	Britannia Biscuits	36 50xd	10	1 00	1 20	1 40	2 50	3	Y.P.T.
8,25,00,000	1,58,58,664	3,62,78,515	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director) ..	British India Corporation Ltd. ..	12 47 75	10	Nil	Nil	Nil		12	Y.P.
1,14,98,000	12,000	1,08,09,000	14,000	27,205	F. Acutis, Esq. (Mg. Director) ..	Cent Tyres of India Ltd. ..	18 00	100	15 00	5 00	20 00		12	Y.
3,38,80,000	14,44,223	1,90,82,924§§		2,16,378	Andrew Yule & Co., Ltd. ..	Clive Row Investment ..	239 00	100	Nil	Nil	Nil		12	Y.
5,00,000	10,00,000	39,64,879	26,58,156	3,266	M.	Delhi Flour Mills, Co., Ltd. ..	8 62	10	0 75	0 75	0 83H	0 75	12	Y.
3,00,00,000	5,12,37,509	9,62,33,758	3,45,33,370	24,03,447	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	16 00N	10	1 00	1 00			3	Y.P.T.
19,91,610	81,24,269	50,50,116	20,01,994	7,929	Mr. K. G. Khanna	Dyer Meakin Breweries ..	41 50	10	1 62	1 62	2 15		12	Y.P.T.
51,26,000	57,17,047	1,60,56,711§§		3,52,237	Bird & Co. Private Ltd. ..	Eastern Investment Ltd. ..	22 75	5	0 00	0 75			3	Y.
14,99,000	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director) ..	Enfield India Ltd.	137 00	100	9 00	9 00	14 00		12	Y.P.
48,90,137	77,72,310	95,23,776	52,36,250	4,07,338	Satya Narain Gupta, Esq. (Chairman) ..	Ganesh Flour Mills Co., Ltd. ..	15.70xdXR	10	Nil	Nil			12	Y.P.
14,00,000	14,48,121	37,98,175	22,65,186	70,632	Macneill & Barry Ltd.	Ganges Rope Co., Ltd. ..	12 50N	12 50	1 50	1 50	1 60		9	Y.P.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	216 00	100	12 00	15 00	17 00	17.50	3	Y.P.
65,00,000	39,20,000	29,07,548	14,24,655	1,57,026	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd. ..	12 12xd	10	0 80	1 25	1 25		3	Y.
40,00,000	4,73,500	70,95,043	41,33,847	10,10,727	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	12 25	10	1 00	1 00	1 00		2	Y.P.
30,00,000	15,67,354	84,04,988	38,51,718	59,181	Andrew Yule & Co., Ltd. ..	Great Eastern Hotel	24 37N	10	1 50	2 00	2 00		12	Y.P.
4,96,13,250	19,51,174	5,89,44,564	2,86,53,383	5,18,731	Birla Brothers Private Ltd. ..	Hindustan Motors	250 00	250	5 00				3	Y.
80,00,000	16,64,523	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd. ..	Hindustan Pilkington Glass ..	18 60	10	Nil	Nil	0 50		3	Y.P.
15,16,00,000	9,64,76,393	11,21,68,117	2,88,70,995	24,77,765	Mr. F. A. Collett (Chairman) ..	Imperial Tobacco Co. of India Ltd. ..	11 19	10	0 70	0 70	0 60	0 80	10	Y.
3,97,67,760	2,01,79,740	9,72,38,273	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman) ..	Indian Aluminium Co., Ltd. ..	26 62	10	0 60	0 70	1 20		12	Y.
2,35,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	R. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	31 87	10	1 50*	1 50*	1 50*	2 25	12	Y.P.T.
2,00,00,000	99,92,076	5,29,27,893	2,14,74,994	9,72,583	Amiya Kumar Sen, Esq. (Mg. Director) ..	Indian Explosives Ltd. ..	37 00	10	1 00	1 00	1 50		3	Y.P.T.
29,88,250	29,950	49,39,112	15,93,808	2,457	Birla Gwalior Private Ltd. ..	Indian Plastics Ltd.	13 00	10	0 37	Nil	Nil		9	Y.
8,27,970	6,14,570	17,40,166	10,03,558	97,031	M.	Indian Rubber Manufacturers ..	18 00	10	0 62				3	Y.P.
2,00,00,000	72,02,100	41,08,517	14,59,307	5,40,165	J. D. K. Brown Esq. (Mg. Director) ..	Jardine Henderson	12 00	10	2 50	2 50	5 00		3	Y.P.
15,00,000	14,50,000	18,54,034	12,14,166	56,593	J. K. Agents Private Ltd. ..	Madhya Pradesh Industries Ltd. ..	15 00	10	2 00	3 50	2 00		3	Y.P.
1,45,82,750	1,13,19,046	69,07,246	16,28,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director) ..	Martin Burn Ltd.	26 37	10	2 12*	2 12*	2 75		3	Y.P.
40,00,000O. 5,00,000D.	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co., ...	210.00	O. 100	12 50	12 50	15 00		3	Y.P.
1,00,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,90,994	K. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. of India Ltd. ..	42.00	D. 10	0 75	0 75	1 00		12	Y.P.
9,05,000	3,88,833	12,14,622	5,16,829	4,812	N. G. Ayyangar Esq. (Mg. Director) ..	Mysore Electrical Industries Ltd. ..	..	10	1 75	1 75	1 75	2.50*C	3	Y.P.
6,56,250	6,92,500	11,29,680	5,97,362	8,349	Mr. J. L. D'Sa (Chairman) ..	Mysore Lamp Works	100	100	8 00	11 00	15 00		3	Y.P.
10,00,000	3,41,884	17,87,071	9,84,534	200	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	26 25cd	10	1 25	1 50	1 60		3	Y.P.
59,97,500	1,19,25,897	1,10,56,737	40,07,165	46,185	Associated Ind. Dev. Co. (Pvt.) Ltd. ..	National Insulated Cable Co. ..	14 05	10	1 50	1 25	1 25		3	Y.P.
30,00,000	17,70,000	49,56,249	25,37,459	87,084	Do.	National Pipes & Tubes Co., Ltd. ..	28 50	10	2 00	2 00	2 00		3	Y.
40,00,000	28,04,825	82,88,459	26,00,674	26,079	Do.	National Rolling & Steel Ropes ..	17 44	10	2 00	1 25	1 50		9	Y.P.
49,97,064	9,15,876	83,55,303	33,67,559	14,523	K. N. Mookerjee, Esq. (Mg. Director) ..	National Rubber Manufacturers Ltd. ..	15 81	10	0 90	1 00	1 00		9	Y.P.
79,97,000	1,02,10,381	1,38,71,653	75,03,474	7,07,950	R. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	16 00	10	1 00	0 60*C	0 85		6	Y.P.
23,32,100	11,02,391	40,65,244§§		45,497	Ramdutt Ramkissendas ..	New India Investment Corpn. Ltd. ..	19 62	10	0 90	1 10	1 60		12	Y.
5,00,000	50,000	12,55,003	6,00,215	1,51,607	Parry & Co., Ltd. ..	Parrys Confectionery Ltd. ..	47 00N	75	2 50	3 75	6 50		12	Y.P.T.
2,20,00,000	50,68,958	1,48,74,355	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director) ..	Phillips India Ltd.	4.49edXR	1	0 20	0 25	0 20		12	Y.
62,50,000	.....	.....	.....	.....	Dunlop Brothers (India) & Co., Ltd. ..	Phillips Carbon	27 25	10	0 34	0 85	1 20	0 30	3	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Razhava Rao, Esq. (Mg. Director) ..	Radio & Electricals Ltd.	4 35	5	0 45	0 375			12	Y.
24,89,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman) ..	Radio & Electricals Mfg. Co., Ltd. ..	18 16	10	1 30	1 60	1 60		12	Y.
25,00,000 O. 1,72,780 D.	50,000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd. ..	Radio Lamp Works Ltd.	115 50	100	7 50	9 00	5 00		3	Y.
2,25,00,000	40,500	66,75,349	30,80,526	2,54,744	M. P. A. Paspatti, Esq. (Mg. Director) ..	Rallis India Ltd.	123 00	100	Nil	Nil			3	Y.P.
2,50,80,000	2,20,45,000	14,54,58,065	5,52,72,710	3,773	Sahu Jain Ltd.	Rohtas Industries	22 50XR	10	....	2 00	Nil		3	Y.
4,73,200 } 5,13,400 }	99,259	31,10,322	9,26,551	28,722	Sathe Food Inds. (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd. ..	50 00N	100	6 00	6 00	6 00		3	Y.P.T.
70,00,000	38,73,198	2,58,89,675	69,19,131	1,60,686	M.	Sen-Raleigh Industries ..	20 24	10	3 00	3 00	3 00		3	Y.P.
75,00,000	45,78,800	1,17,50,536	26,07,280	5,14,591	S. M. Smith, Esq. (Chairman) ..	Silw Wallace & Co., Ltd. ..	25 12	10	0 60	0 80	0 80		9	Y.P.
40,00,000	90,39,310	1,32,79,069	76,20,929	8,41,274	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	23 13	10	1 00	1 00	1 50	0 60‡	12	Y.P.
37,90,180	20,65,000	1,17,02,171	30,48,561	3,369	Standard Motor Co. (India) Pvt. Ltd. ..	Standard Motor Products	17 60	10	1 50	1 50	1 80		12	Y.P.
15,00,000	95,24,802	1,18,49,116	28,92,192	53,431	J. K. Agents Private Ltd. ..	Straw Products Ltd. S	12 32N	10	0 75	0 75	0 90		6	Y.P.
22,89,270	12,50,000	12,58,953	8,25,089	10,67,057	M.	Tractors (India) Ltd.	30 00XR	10	1 25	1 25	1 50		12	Y.
9,98,980	24,035	16,75,003	6,66,618	12,418	Ozale Bros. (Private) Ltd. ..	Travancore Ozale Glass	7 50	10	2 00	2 25	3 00		12	Y.
11,56,300	14,70,739	12,72,077	6,76,530	41,732	E. H. Stanes, Esq. (Mg. Director) ..	T. Stanes & Co., Ltd.	33.25cd	10	Nil	0 40	0 60		6	Y.
2,49,99,000	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar (Chairman) ..	Tube Investments of India Ltd. ..	331 00	100	10 00	10 00	10 00		12	Y.
30,58,950	29,686	68,68,038	17,08,838	56,308	The Cotton Agents Private Ltd. ..	Tungabhadra Industries Ltd. ..	14 62	10	0 75	0 75	0 75		12	Y.
2,00,00,000	1,15,35,505	3,85,11,092	95,31,873	43,03,429	J. R. Galloway, Esq. (Mg. Director) ..	Union Carbide India Ltd. ..	19 00	10	Nil	Nil	Nil		7	Y.
5,00,000	12,00,000	36,58,720	29,58,716	27,831	Vital Mallya, Esq. (Chairman) ..	United Breweries	52 00	10	1 00	1 40	1 80		9	Y.T.
27,00,000	14,07,889	78,12,229	23,59,607	16,554	Shaw Wallace & Co., Ltd. ..	United Flour Mills Ltd.	114 50	10	20 00	60 00	63 00(a)		12	Y.
					A. K. Kaderkutty, Esq. (Mg. Director) ..	Western India Plywoods Ltd. ..	40 00N	10	4 00	3 75	5 25		2	Y.
							248 00	100	10 00	19 00	10 00		11	Y.
													3	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	32,36,200	1,09,35,072	77,39,072	39,129	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20 00	10	1 25	1 25	1 50		3	Y.
12,00,000	6,14,541	35,95,654	33,74,606	—2,35,349	Jardine Henderson Ltd. ..	Barraree Coke	14 00	10	0 37	0 75	Nil		3	Y.
4,49,350	88,000	9,25,102	5,69,530	1,317	Kalvanji Mavji & Co. ..	Bengal-Bhatdee	6 00	10	0 37	1 25			3	Y.
1,00,00,000	1,84,79,081	6,08,53,668	4,68,51,445	10,20,411	Andrew Yule & Co., Ltd. ..	Bengal Coal	320 00	100	0 90	0 60	0 60		3	Y.
2,25,000	4,90,467	1,44,83,072	91,45,467	—24,002	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	25 00	10	1 50	1 50	1 50		3	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	4 75	10	Nil	Nil	25 00		12	Y.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,536	M.	Bhulanbararee	6 50N	10	0 60	Nil	Nil		12	Y.P.
7,50,000	20,32,392	45,36,993	28,95,396	10,830	Borrea	Borrea	21 00	10	Nil	Nil			12	Y.
90,92,480	1,77,68,238	4,58,82,424	2,17,98,561	1,10,738	Bird & Co. Private Ltd. ..	Burrakur	17 12	10	0 75	0 75			9	Y.P.T.
49,97,000	82,060	55,20,477	17,60,531	10,789	Hindustan Investment Corpn. Ltd. ..	Central India	10 60	10	0 37	0 75	1 00		12	Y.P.
8,00,000	12,90,500	49,56,445	33,71,353	23,320	M.	Central Kurkend	8 00N	10	0 50	0 50	1 30		12	Y.P.
6,00,000	1,54,873	6,96,341(k)		941	F.W. Heilgers & Co. (Private) Ltd. ..	Churlia	3 25	10	0 70	0 50			12	Y.P.T.
16,00,000	.....	57,45,982	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	8 00	4	0 20	0 20			3	Y.
£240,000	£370,700	£1,094,305	£704,405	£9,502	Jardine Henderson Ltd.	East Indian	30 00	10	Nil	Nil	0 12		12	Y.
29,63,760	1,07,01,492	4,76,90,617	3,33,28,871	1,20,283	Macneill & Barry Ltd.	Equitable	26 00	10	1 50	1 00			12	Y.
10,00,000	1,40,469	14,24,422	45,369	43,296	Bhatter's Agency Ltd.	Ghusick and Mualla	12 00N	10	1 50	1 50	1 25		12	Y.
12,00,000	1,01,130	43,53,854	27,66,116	—5,13,177	Killick Industries Ltd.	Hingir-Rampur	23 00	10	Nil	Nil	0 75		4	Y.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	12 00	50	Nil	Nil			12	Y.P.T.
20,00,000	3,47,660	37,92,778	8,93,679	20,442	Bird & Co. Private Ltd.	Karanpura Collieries	160 00	100	Nil	Nil	Nil		3	Y.
21,66,000	21,66,000	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	41 00xd	10	Nil	Nil			6	Y.P.
11,00,240	68,356	16,86,967	10,04,163	13,871	H. V. Low & Co. (Private) Ltd. ..	Kuardi	6 50	10	6 50	5 00	5 00		12	Y.P.
9,00,000	10,22,762	28,39,712	22,94,028	3,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	15 00N	10	Nil	Nil	6 50		2	Y.
2,48,240	2,50,000	13,59,873	10,15,353	17,140	Birla Brothers Private Ltd. ..	Nazira	8 81	10	0 75	0 75		9 50	3	Y.P.
17,76,230	23,80,325	1,52,03,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	New Beerbhoom	12 37	10	0 12	1 00			1	Y.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd. ..	New Manbhoom	13 00	10	0 75	0 75	1 00		6	Y.
1,13,000 } 1,57,500 }	3,84,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd.	North West	24 37N	10	0 50	0 50	1 50		4	Y.
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman) ..	Ondal	18 00N	10	1 50	1 50			12	Y.
8,34,000	1,39,915	29,18,119	11,33,398	3,885	Deepchand Kishenlall	Parasea	11 00xd	7 50	1 50	1 12	1 50		10	Y.P.
15,75,000	20,39,600	88,60,103	44,84,103	32,685	Shaw Wallace & Co., Ltd.	Pench Valley	16 00N	10	0 50	0 50	1 12	1 00‡	3	Y.
23,90,500	32,78,697	1,47,24,692	1,01,33,389	5,489	R. N. Elias & Co. Private Ltd. ..	Ranegunge	20 62	10	0 50	0 50	0 70	0 75‡	3	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	16 31	10	2 00	2 00			12	Y.P.
87,50,000	88,22,000	1,02,53,214	26,37,721	66,372	M.	Samla Collieries	12 75	10	1 00	1 00	1 00		12	Y.P.T.
25,00,000	2,83,010	22,78,684	7,51,427	2,600	S. D. Sethia & Co. Private Ltd. ..	Selected Satgram Collieries.	8 50xdN	10	1 00	1 00	1 00		3	Y.
2,50,000	60,000	14,29,679	12,57,985	8,302	M.	Searsole	130 00	100	0 90	1 00			3	Y.
2,80,000	10,53,529	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Sechpore	1 00	10	0 25	0 50			3	Y.
8,00,000	4,54,665	11,88,509(k)	.....	5,451	F. W. Heilgers & Co. (Private) Ltd. ..	Sendra	33 12	2 50	1 12	12 50	16 00		12	Y.
68,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (U. P.) Department (Govt. of Andhra Pradesh) ..	Singareni	8 75	7	1 75	1 75			12	Y.
17,50,000	8,47,303	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	South Karanpara	10 25	10	1 75	1 75	3 00		12	Y.
8,00,000	15,46,229	24,83,605(k)	.....	24,861	F. W. Heilgers & Co. (Private) Ltd. ..	Standard	10 50cd	10	0 25	Nil	0 35		1	Y.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Williamson Magor & Co., Ltd. ..	Union	10 94	10	1 50	....	....		12	Y.P.
49,98,000	1,68,505	78,61,905	29,99,423	7,982	Hindustan Investment Corpn. Ltd. ..	Western Bengal	14 62	10	0 75	0 75	0 75		12	Y.
7,00,000	.....	59,74,151	29,16,009	—4,85,709	Macneill & Barry Ltd.	West Jamuria	12 00	10	0 75	0 75	0 75		12	Y.
							7 37	10	0 37	0 25	1 50		8	Y.
							6 50	10	Nil	0 40	0 40		12	Y.
										Nil			12	Y.
													12	Y.

†—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent. after 13 years. ‡‡ Investment at cost.
§—Clive Row Investment-Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. ¶ With option to redeem at Rs. 7.50 per share and a final dividend of Rs. 52.50 per share of which the shareholders will receive Rs. 2.50 in cash and Rs. 50.00 per share by allotment of five newly created shares of Rs. 10 each. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. * Includes bonus.
M.—Managed by the Board of Directors. (k) Investments. 'C'—On increased Capital.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000	1,98,00,000	3,56,012	Allahabad Bank	344 00	100	18 00	18 00	18 00		12	Y.P.
14,50,000				172 00	50	9 00	9 00	9 00			
1,01,000				100 00	100	6 00	6 00	8 02		6,12	H.
40,74,200	10,73,220	10,301	Andhra Bank	85 00	85	5 10	5 10	6 40			
1,00,00,000				80 50	50	7 00	6 00	7 00	3.50	12	Y.
1,00,00,000	1,60,06,625	1,02,801	Bank of Baroda	—	25'B'	..	1 50	3 50	1 75		
25,00,000				99 50	50	8 00	8 00	8 00	3.75	6,12	R.L.Y.
2,50,00,000	3,10,00,000	12,47,743	Bank of India	100 00	50'A'	8 00	8 00	8 00	3.75		
80,00,000 A				81 50	50	5 00	5 00	7 50		12	Y.P.
36,00,000	66,30,000	42,473	Canara Bank Ltd.	75 00	50	5 00	5 00	7 50		12	Y.P.
12,47,775	18,00,000	14,361	Canara Banking Corporation Ltd.	188 00	100 'A'	15 00	5 00	20 00		12	Y.
'A' 5,00,000				18 00	10 'B'	..	15 00	2 00			
'B' 16,00,000	35,00,471	28,596	Canara Ind. & Bkg. SyndicateLtd.	18 00	10 'B'	..	..	2 00		12	Y.
'C' 2,00,000				1 88	1 'C'	0 15	..	0 20			
2,62,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd. ..	48 75	25	3 50	0 15‡	4 30		12	R.L.Y.
A 2,50,000				52 00	25	3 50	3 50	4 30			
50,00,000	52,00,000	5,69,301	Devkaran Nanjee Banking Co. ..	52 00	50	3 00	3 50	2 52		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank ..	16 50	50	Nil	Nil			12	Y.
60,00,000	2,30,000	5,519	Hindustan Mercantile Bank ..	15 00	50	Nil	Nil	Nil		12	Y.
60,00,000				183 00xd	100	15 00	13 00	60			
22,40,000	84,01,884	80,143	Indian Bank	151 00xd	50	12 00	10 00	15 00		12	Y.
22,40,000				174 00	100	10 00	10 00	12 00		6,12	R.L.Y.
74,53,200	89,36,660	1,76,012	Indian Overseas Bank	35 50	25	1 87	2 50	14571		12	Y.
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	18 75	10	5 00	2 00	2 00	1.001	12	Y.
1,25,00,000	1,47,50,000	3,18,830	Punjab National Bank—K ..	38 50	100	2 00	2 00	2 00		12	Y.
5,62,50,000	2,75,00,000	55,87,499	State Bank India	308 50	100	16 00	16 00	20 00		12	Y.
80,00,000	47,00,000	97,247	Union Bank of India	5 96	5	0 44	0 44	0 57		12	Y.
2,00,00,000	1,75,00,000	1,04,006	United Commercial Bank	78 00

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	100.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	6.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	6.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sep.	82.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb.	Aug.	110.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1929	7.00	July	Apr.	6.40	5
East India Distilleries T.F.C.	£200,000	1897	7.00	Jan.	July	15.62	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	66.00	100
Puritabpore Co. C.	6,00,000	1922	10.00	Oct.	..	12.00	10
Rammuggur Cane T.F.C. ..	4,00,000	1933-36	6.00	Aug.	..	75.00	100
Ravalnaon Sugar C.	20,00,000	1943	6.50	Oct.	Apr.	65.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	8.75	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C. ..	3,50,000	....	10.00	April	May	119.00	100
COAL							
Borres T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	83.00	100
Burrakur (1st) T.F.C.	22,93,800	1901-19	7.00	Apr.	Oct.	91.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	7.50	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	77.00	100§
Karanpura Collieries C. ..	9,89,500	1946	5.50	..	..	57.25	75§
††Khas Kajora C.	1,63,000	1931	5.00	Mar.	Sept.	7.94	10
New Beerbhoom T.F.C. ..	2,60,000	1929	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00xd	100
COTTON							
Ahmedabad Advance T.F.C. ..	10,00,000	1938	5.00	Apr.	Oct.	81.50	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	115.00	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	8.50	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1918	7.00	June	Dec.	51.50	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7.50	Jan.	July	125.00	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr.	..	108.00	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	381.25	495
Century Spg. & Mfg. Co. T.F. R. C.	1,25,00,000	1948	6.00	Dec.	..	106.50	100
Coimbatore Pioneer C.T.F.	1,00,000	1935	6.50	June	..	78.75	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00xd	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	7.00xd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	63.00	100
Essoram T.F.C.	20,00,000	1919	7.00	June	Dec.	109.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	75.00	10
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	9.30	5
Kothari 'B' (Pref.) T.F.C. ..	6,00,000	..	..	..	..	10.00N	250
Lakshmi Cotton (Bombay) C. ..	16,00,000	1896	5.00	..	..	152.50	100
Morarjee Goculdas Spg. & Wvg.T.F.C.	17,25,000	1947	4.50	Jan.	..	71.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	25.00	50
National Rayon C.	1,74,64,700	1947	4.50	..	..	69.50	100
New Great	8,00,000	1912	5.50	Mar.	..	105.00	200
Podar Mills T.F.C.	10,00,000	1943	5.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr	..	47.75	50
Shree Niwas Cotton T.F.C.R. ..	4,80,000	1944	4.00	..	..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1943	3.00	..	..	78.25	100
Svadeshi T.F.C.	15,00,000	1936	6.00	Apr.	Oct.	84.00	100
Swadeshi (Kanpur) T.F.C.	25,00,000	1927	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	8.35	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	100.00xd	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	102.00xd	100
Vishnu C.	15,66,500	1908	7.00	Apr.	..	422.50	500
ELECTRICS							
Andhra Valley Power Supply C. ..	49,34,000	1917	7.00	May	Nov.	1,040.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	..	5.50	..	..	77.00	100
Calcutta Electric T.F.C. ..	19,00,000	1909-11	5.00(f)	June	Dec.	9.12	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F. ..	22,00,000	1940	5.50	Sept.	Dec.	8.56xd	100
Do. (2nd) C.T.F. ..	8,00,000	1940	5.50			8.81xd	10
Surat Electric Co. C.T.F. ..	5,00,000	1939	6.50	Apr.	..	108.00	100
Tata Hydro Electric Power C. ..	89,28,000	1907	7.00	May	Nov.	101.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,100.00	1,000
Vellore C.	1,25,000	1925	6.00	Dec.	..	6.75	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C.	1,30,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	13,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C. ..	15,00,000	1902	6.00	Feb.	Aug.	107.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,99,95,400	1950	5.00	Dec.	..	91.00	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June	..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	85.00	100
Kamani Engineering C.R.	15,00,000	1945	5.00	July	..	68.00	100
††† Kumardhubi Engineering T.F.C. ..	12,00,000	1915	4.00	June	Dec.	85.00N	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	5.00	..	..	92.00	100
Mahindra & Mahindra T.F.R.C. ..	25,50,000	1945	6.00	May	..	97.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	85.00	100
Premier-Construction (1st) C. ..	10,00,000	..	6.25	..	..	76.00	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	..	..	72.00	100
Do do. (3rd) C. ..	56,25,000	1947	4.50	..	..	5.38	10
Tata Iron and Steel (1st) C. ..	75,00,000	1908	6.00	Nov.	..	141.50	150
Do. do. (2nd) C. ..	6,93,81,900	1908	7.50	May	..	113.00	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	91.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	90.00	100
Alliance T.F.C.	15,00,000	1918	6.00	Mar.	Sept.	84.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	94.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	74.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	64.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	94.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	38.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	90.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	87.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	87.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	87.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	70.00	100
Do. (A) (2nd Pref.) T.F.C. ..	8,00,000	1905	7.00	May	Nov.	80.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	105.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1919	7.00	Feb.	Aug.	90.00	100
Fort Gloster T.F.C.	14,00,000	1890-98	7.00	May	Nov.	115.00	100
Do (2nd Pref.) T.F.C. ..	7,00,000	1948	5.00	..	..	73.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00xd	100
Ganges T.F.C.	6,00,000	1918	6.00	June	Dec.	100.00	100
Gouripore T.F.C.	26,50,000	1895-04	6.00	May	Nov	78.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00xd	100
Hooghly T.F.C.	11,76,000	1913	10.00	May	Nov.	10.00	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	90.00	100
Do. T.F.C. (f)	17,50,000	1903-6	7.00	May	Nov.	94.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.00	100
Jagamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	78.00	100
Kankinarrah T.F.C.	10,00,000	1906	6.00	Feb.	Aug.	93.00	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	92.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	89.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	92.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	93.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	93.00	100
Do. (B) T.F.C.	10,00,000	..	7.00	May	Nov.	93.00	100
Nalhati T.F.C.	7,50,000	1905	6.50	Dec.	..	72.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	7.00	May	Nov.	99.00	100
National T.F.C.	5,00,000	1917	4.50	June	Dec.	67.00	100
Nellimarla T.F.C.	5,00,000	1939	7.00	May	Nov.	88.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Apr.	Oct.	82.00	100
Northbrook T.F.C.	15,00,000	1900	7.00	Jan.	July	92.00	100
Reliance T.F.C.	20,00,000	1906-12	5.50	May	Nov.	74.00	100
Soorah T.F.C.	£150,000	1901	6.00	May	Nov.	81.00	100
Shree Ambica T.F.C.	10,50,000	1920	7.00	Feb.	Aug.	Sh. 21.50N	£1
Titaghur C.	11,70,000	1927	7.00	Feb.	Aug.	100.00	100
Union T.F.C.	£150,000	1897	7.50	Mar.	Sept.	95.00	100
Victoria C.	6,00,000	1901-02	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverly T.F.C. (f)	£150,000	1906	7.00	May	Nov.	92.00	100
	7,50,000	1918	6.00	Feb.	Aug.	Sh. 21.50	£1
			6.00	Mar.	Sept.	36.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	52.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	8.50	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5.50	Dec.	..	90.00	100
Indian General Nav. & Rly. C. ..	£244,020	1899	6.00	Mar.	Nov.	69.00	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	..	..	82.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-08	7.00	May	Nov.	37.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	105.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan.	..	109.00	100
Choonabhatti T.F.C.	2,00,000	1914	6.50	Jan.	July	109.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	99.00	100
Hantapara T.F.C.	8,00,000	1901	8.00	Jan.	..	80.00	100
Hasimara T.F.C.	2,00,000	1904	7.00	Mar.	..	109.00	100
Kinsley Golaghat T.F.	3,40,000	1897	6.00	Dec.	..	109.00	100
Mohesma T.F.C.	3,20,000	1929	6.00	May	Nov.	95.00	100
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	9.37	10
New Samanbagh T.F.C.	1,00,000	1903	8.00	Nov.	..	105.00	100
†††Okayti T.F.C.	50,000	1888	8.00	Dec.	..	91.00	100
Passulong T.F.C.	2,05,000	1918	7.00	Jan.	..	84.00	100
Soual River T.F.C.	1,00,000	1909	6.00	Jan.	..	93.00	100
***Tezpore C.	2,05,000	1932	8.00	May	..	100.00	100
Tirribannah T.F.C.	1,00,000	1922	10.00	Jan.	..	10.25	10
				May	Nov.	14.00	100
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	2.70	5
Do. R.C.	2,85,570	1944	6.25	..	..	6.02	10
Cochin Malabar C.T.F.	1,13,300	1932	6.25	..	..	50.75	50
Coffee Lands C.T.F.	10,40,800	..	7.00	June	..	73.00	100
Coonoor Tea C.	1,50,000	1926	5.00	..	..	91.75(d)	100
Cottanad C.T.F.R.	1,00,000	1927	6.00	Apr.	..	73.00	100
Devon Tea C.T.F.	2,00,000	1936	7.50	Nov.	..	10.00	10
Highland Produce C.T.F	3,00,000	..	7.50	July	..	95.00	100
Neelamalai C.T.F.	18,00,000	1943	6.00	July	Jan.	8.03xd	10
Nilgiri Tea C.T.F.	2,81,250	1942	5.00	Jan.	July	7.17	100
Pullangode C.T.F.	1,50,000	1943	6.50	July	..	4.00xd	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	8.05	5
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	7.50xd	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.70	10
						9.50	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..		
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June	..	91.20	100
Alkali & Chemicals T.F.C.	31,00,000	1927	5.00	Apr.	..	86.00	100
Aluminium Corpn. (1st) C.	20,00,000	1928	6.00(f)			86.00	100
Andhra Cement C.T.F.	2,48,800	1927	6.00	Feb.	June	99.00	100
Associated Hotels of India C. ..	21,57,000	1916	7.00	Mar.	Sept.	97.00	100
Bengal Paper Mill T.F.C.	9,00,000	1926	7.50	Aug.	..	101.80	100
Do. "A" T.F.C.	2,00,000	1926	7.00	Mar.	Sept.	52.00	100
Do. "B" T.F.C.	4,00,000	1928	7.00	Aug.	..	52.00	100
Bengal Timber Trading T.F.C. ..	20,00,000	1928	7.00	Mar.	Sept.	12.50	10
Britannia Biscuit T.F.C.	3,00,000	1948	7.00	Mar.	Sept.	51.00	50
British Ceylon Corporation C. ..	15,450	1896	8.00	..	..	104.00	100
British India Corporation T.F.C.	17,50,000	1921	8.00	Aug.	..	65.00	100
Dalmia Cement (Bharat) C.T.F. ..	81,00,000	1918	8.00	Feb.	Aug.	7.75N	100
Dhrangadhra Chemicals T.F.C.R. ..	61,58,210	1920	8.00	Feb.	Aug.	15.00xd	10
Shree Digvijay Cement T.F.R.C. ..	31,91,900	1957	8.00	Feb.	..	8.00N	5
Dunlop Rubber Co. (1st) T.F.C. ..	79,93,875	1956	6.00(f)	Sept.	..	100.00	100
Dunlop Rubber Co. (2nd) C.	30,00,000	1944	6.00	..	..	9.00xd	10
General Investment Trust (1st) T.F.C.	40,00,000	1928	8.00	Dec.	..	88.50	100
Do. do. (2nd)	10,50,000	1956	8.00§	June	Dec.	82.50	100
Gillanders Arbuthnot(f) R.C. ..	1,00,000	1946	6.00	Aug.	..	111.00	100
Hindustan Motors T.F.R.C.	25,00,000	..	5.00	Feb.	..	84.00	100
Humayan Properties T.F.C.	1,60,67,250	..	6.00	Feb.	Aug.	59.00xd	100
India Cement C.	12,00,000	1956	6.00	Apr.	Oct.	59.00xd	100
Indian Aluminium (z) C.R.	29,35,000	1953	6.00	Mar.	..	55.00	100
Indo-Burma Petroleum C.	40,00,000	1946	6.00	..	..	168.50	100
Indian Cable (m) C.	50,00,000	1946	7.50	Oct.	..	7.00	10
India Rubber Mfrs. (n) T.F.C.R. ..	12,87,750	1951	5.00	Apr.	Oct.	93.00xd	100
Jardine Henderson C.	8,28,000	1923	7.00	Jan.	July	70.00	100
Kettlewell and Bullen (1st) C. ..	50,00,000	..	8.00	June	Dec.	88.00	100
Do. do. (2nd) T.F.C.	20,00,000	1944	5.00	Apr.	..	33.00	33
Kumardhubi Fireclay & Silica C.R. ..	10,00,000	..	5.50	Dec.	..	72.00	10
Martin Burn (k) T.F.C.R.	2,00,000	..	8.50	May	..	57.00	100
McLeod and Co. (1st) C.	30,00,000	1915	4.00	May	..	60.00	100
Do. (2nd) F.C.	10,00,000	1946	7.00	June	Dec.	55.00	100
Metal Box Co. C.R.	10,00,000	1930	5.00	Apr.	Oct.	63.00N	100
Mettur Chemicals (Old) C.T.F. ..	80,00,000	1956	5.00	July	Jan.	91.00	100
Mysore Chemicals Mfrs. C.T.F. ..	20,00,000	..	5.00	July	Jan.	50.00	100
Mysore Lamps R.C.T.F.	2,00,000	1963-18	6.00	..	..	63.00	100
National Tobacco (Old) (p) T.F.C.R.	2,50,000	1950	6.00	Feb.	Sept.	87.00	100
Do. do. (New) (q) T.F.C.R. ..	25,00,000	..	4.00	June	..	87.00	100
Orient Paper T.F.C.R.	19,98,000	..	5.00	Aug.	..	8.40	10
Do. do. (r) C.R.	20,00,000	..	4.50	Mar.	Sept.	6.30	10
Rohtas Industries (Old) T.F.C. ..	60,00,000	1936	5.50	Mar.	Sept.	70.00	100
Do. do. (New) T.F.C.	20,00,000	1956	5.50	Jan.	..	82.00	100
†Smith Stanistreet & Co. T.F. ..	85,04,700	..	5.50	Mar.	Oct.	83.00	100
Spencer & Co. "A" C.	5,00,000	1920	7.00-9.00	Apr.	..	63.00	100
Do. "B" C.	23,20,000	1928	4.25	Apr.	..	115.00	100
Standard-Vacuum C.	36,80,000	1922	10.00	Feb.	..	58.00	100
Star Paper T.F.C.R.	75,00,000	1955	6.50	Aug.	..	70.00	100
Tata Chemicals (y) T.F.C.	10,00,000	..	8.50	Jan.	July	8.30	10
Tata Oil Mills C.	59,97,000	..	6.00	June	Dec.	10.75	10
Titagur Paper Mills T.F.C.	29,88,800	1946	5.00	Mar.	Sept.	93.00	100
Do. do. (2nd) T.F.C.	11,50,000	1899	5.00	June	..	74.00	100
	15,00,000	1934	4.50	July	..	88.70	100
			8.00	Jan.	June	56.50	100
			4.50	Jan.	July	129.00	100
						79.00	100

All preference shares are taxable unless otherwise stated.

§§These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (2) Redeemable at Rs. 105 at any time on 3 months' notice. (b) Redeemable after 30th September 1966 at Rs. 125. (f) Redeemable at par after 9th November 1955 on 6 month's notice. (i) Redeemable at par after 31st July 1955 on 6 months' notice. (k) Participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank part passu with ordinary shares after ordinary shares receive 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st October 1958 on 3 months' notice. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st January 1954. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at par on 3 months' notice. (x) Redeemable at 10 per share on 3 months' notice. (z) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Partly paid.

COMMERCE

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

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PROSPECTS OF FOREIGN AID

INDIA'S Finance Minister, Mr. Morarji Desai, has returned from abroad in an optimistic frame of mind. He is confident that sufficient foreign aid can be obtained for financing the third Plan. If some are sceptical of this opinion, they cannot be criticised out of hand as being pessimists. India's foreign balances today are disquietingly low and the prospects of even maintaining the existing level of economic activity are uncertain, as one does not yet know from where this country can get the foreign exchange required to finance the imports of raw materials, spare parts and machinery for re-equipment in the next one year. The first requirement of the country now is a sizable amount of "untied" loans—not "united" loans as is being wrongly printed in a number of daily papers—that could be used for meeting the pressure on our balance of payments. The U.K. and West Germany have provided some help in this direction and the U.S. may give something more. Even so, a substantial gap is still there. Naturally, when tomorrow's position is uncertain, any optimistic talk about the position of the day after is unlikely to impress those who are guided by cold logic. Perhaps, in the next few days, Mr. Morarji Desai may disclose a little more than his mere impression of the prospects that would carry some conviction to the doubting Thomases. Meanwhile, the fact remains that Mr. Desai has met the finance ministers and financiers of the free world, who had come for the annual meetings of the World Bank and the I.M.F., as well as the finance ministers of the Commonwealth at London, and sounded the prospects of future loans. Surely, he ought to know the position better than anyone else. And, what is more, he is not one who misleads others, though he is a born optimist as is the Prime Minister.

Such reports as are available about the happenings at the Fund-Bank meetings warrant the inference that, generally speaking—and this is all that Mr. Desai has done—the climate for getting substantial foreign assistance for India's third Plan is good. The spokesmen of Britain, the U.S., the World Bank and the I.M.F. have all stressed the importance of developed countries rendering adequate long-term aid to underdeveloped countries. The Chancellor of the Exchequer, Mr. Selwyn Lloyd, told the Fund-Bank meetings that, in 1960-61, Britain's aid to developing countries would be at least twice the total of £80 million in 1957-58 and the prospect was one of "steady increases." He conceded that, if the needs of the capital-hungry underdeveloped countries are to be met, "some capital has got to be pumped out of industrialised countries at the expense of their own domestic investment and consumption." Britain has already announced a loan of £30 million as "an initial act of assistance" to India and is willing to talk about further assistance, though it is guarded enough to qualify its stand by saying that it has to share its limited surplus with a number of developing countries.

The U.S. has provided massive aid to India and signed an agreement with it for supplying $500 million worth of wheat and rice during the third Plan period. A clear indication of other forms of aid to reach the industrial targets envisaged in the Plan can be had only after the U.S. elects its new President and he takes over the reins of administration. There is, however, no reason to think that the new Administration will be unresponsive to India's needs. The U.S. economy is basically sound and strong and its capacity to spare the funds required by India has not been impaired. It is true that it is now confronted with a sizable running down of its gold reserves, but it is mainly a short-term phenomenon which may get corrected when the West European countries adopt appropriate monetary measures. Mr. Robert B. Anderson, Secretary of the U.S. Treasury, is of the view that the present relative stagnation in the American economy is simply a transition to a new situation. A striking point made by him is that, "for the first time in many years, inflationary expectations (in the U.S.) have been softened substantially and there is little or no incentive for inventory hoarding or other similar speculative behaviour based on virtually automatic price increases." He believes that the adjustments made by the Administration this year in its economic policies "provide the base for a long period of sustainable non-inflationary growth." The resilience of U.S. economy is borne out by the fact that its commercial exports during the first eight months of 1960 have been 21 per cent. above those in 1959 and that export orders for machine tools in September expanded by 34 per cent. above July. The present rate of unemployment—5.9 per cent. of the labour force—is relatively high and politically unc

ance envisaged in the third Plan. There must be, as mentioned by Mr. W. A. B. Iliff, Vice-President of the World Bank, "orderly programming of projects and resources" by India itself. In this respect, the powers-that-be in this country will be well advised to heed the well-meant and friendly criticisms of the latest World Bank mission on their plans and policies. Dubbing them "uncharitable," as was done by one of the Union Ministers, or insisting on following the oily policies of the Minister for Oil will only tend to mar the climate.

F.I.C.C.I. ON THIRD PLAN

THE Federation of Indian Chambers of Commerce and Industry, which has all along fancied itself in the role of a parallel (though non-official) planning body, does not find quite a few things to its liking in the Draft Outline of the third Five-year Plan. This is as it should be, for the Federation's approach to the third Plan, though not basically different from that of the Planning Commission, has nevertheless been distinguished from it in some matters of detail. But it is difficult to say, from a perusal of the Federation's analysis of the Draft Outline, whether there is a substantially greater area of agreement than of disagreement, or *vice versa*, between the business community in general and the Planning Commission. The points on which they agree or disagree are, however, easily told and examined.

To take the area of agreement first. Here is to be found, at the very outset, a wholesome recognition by the Federation of the fact that economic development in recent years has been due to planning. This testimony by the most representative body of Indian business men has fortunately been qualified by a reference to some restrictive practices which have accompanied economic planning. The second wholesome recognition by the Federation of the factors of complementarity between the public and private sectors—factors which both the Planning Commission and the Commerce and Industry Ministry have repeatedly emphasised—has likewise been qualified by a reference to the "tendency for the authorities at different levels to enlarge their industrial and business activities" in directions which are more appropriate to the private sector. But the qualifying references, such as to "curbs on business" and the administrative tendency to expand industrial and business activities in the public sector, have not been elaborated to show how the policies adopted towards the private sector—policies as in the case of land, coal, oil, mill cloth, fertilisers, etc.—have in fact slowed down economic growth to a lower rate than it would have been otherwise. If the Federation's analysis had driven home this point, its plea for a change in the Government's industrial policy so as to allow private parties into all the fields reserved for the public sector would have gathered more weight. Whether or not the powers-that-be announce a virtually new industrial policy on those lines, it would be true to say that there is some measure of agreement between the Federation and the Government on the need for realism and flexibility in the working of the Industrial Policy Resolution of 1956. But we must hasten to add that more instances of this readjustment in the Government's policy are necessary before one can pay an unqualified compliment to the Government on this point.

As for the area of disagreement, the points at issue seem to represent some very tough problems. The first of these is the problem of bureaucratisation which, according to the Federation, "is a necessary consequence of, and is fed by, the plethora of legislation and proliferation of rules and regulations which we have today." What is the remedy against this bureaucratisation which leads to governmental interference? Since a degree of bureaucratisation is inevitable in a Welfare State, whether or not it is based on a planned economy, the administrators will never recognise either that there is no need for their own proliferation or that there is no need for more administration. The complexities of a diversified and expanding industrial economy do invite administrative interference, and so this problem would not lend itself to an easy solution. The Federation's plea that "legislation and methods of administration must be made the objects of comprehensive and far-reaching reforms" is least likely to be heard in the very quarters which would be affected by the suggested reforms. But this does not necessarily mean that the Federation's suggestion is wrong.

Another tough problem, related to the issue of land ceilings, is equally intractable. The Federation's approach to this question, though sound in principle, ignores practical factors. While it will be politically impossible for the ruling party to abandon its ceiling plank now, there is the saving circumstance that the ceiling levels proposed in different States will not release even 10 million acres of surplus lands—representing about 3 per cent. of all cultivated lands—from substantial landowners in the country as a whole. And there will be the additional saving circumstance that a part of the compensation paid to substantial landowners may become available either for industrial investment or for investment in their own reduced holdings for increasing their productivity. The Federation's plea for radical rethinking on this question of land ceilings has come too late in the day and will only fall on deaf ears.

The third issue raised by the Federation has an immediate bearing on wage policies. Its stand in this connection is to the effect that, while undoubtedly labour must share the gains of prosperity and development, the present policy almost amounts to ensuring gains in advance without even the saving grace of relating them to higher productivity. While this is a perfectly logical and sensible stand, it would be too much to expect a sudden or wholesale reversal of official policies. Greater reliance may, therefore, have to be placed on the planners' sense of pragmatism which is in evidence in some of their agricultural and industrial policies and which, in this case, may well be reflected in a possible "enforcement of productivity standards." A positive plea for the enforcement of such standards would be preferable to a negative plea against all wage increases.

The Federation's stand on price policies may or may not form part of the area of disagreement. This stand, like that of the planners, is rather vague and confused, for the Federation itself has recognised that "price policy as well as the techniques of price regulation raise very complex issues." Already the prices of a number of manufactured commodities and raw materials—iron and steel, cement, paper, sugar, tinplate, caustic soda, soda ash, coal, etc.—have come to be fixed for one reason or another. The Federation has not only not criticised this price regulation but has recognised the need for "maintaining prices at reasonable levels." But, at the same time, it has pertinently pointed out that, "in the long run, mere mechanical contrivance of price stabilisation will not result in reduction in the general level of prices." It may be that the Federation's approach to price policies will take a definite shape only when the Planning Commission evolves clear-cut policies in this regard. Since, however, the Commission is least likely to evolve such policies, there is no knowing whether the Federation will find itself in agreement or disagreement with the planners on this question.

All in all, it would appear that the issues raised by the Federation in respect of governmental interference, land ceilings, wage policies and prices are not so very significant as to constitute a major area of disagreement between itself and the Planning Commission. Where there is thus, both positively and negatively, so much in common between the approach of the Federation and that of the Planning Commission, it is not inconceivable that the latter will meet the former half-way on matters of detail like allocations for the private sector, individual industrial targets, suitable tax policies for enabling more profits to be retained, foreign exchange allocations, and so on. These matters of detail would also need to be examined here.

In the first place, the ratio of investment, assumed in the Draft Outline, of about 61:39 between the public sector and the private sector is, by itself, not a disquieting thing from the overall point of view, for private investment in agriculture, transport, housing, small industries, etc., may well exceed the present estimates even as it has exceeded the original estimates in the second Plan. But what is positively disquieting is that the share of the large and medium industries in the private sector has been fixed at a level considerably lower than that of industries in the public sector. As this share (Rs. 1,275 crores) is less than half of the share (Rs. 3,000 crores) suggested in the Federation's own Draft, a relevant point of criticism is that "the place assigned to the private sector cannot be considered to be very satisfactory." It is all the more unsatisfactory, because the consumption goods industries, which will have to be developed further—partly to stimulate economic growth, partly to neutralise the inflationary effects of development expenditure and partly to keep up the enthusiasm of the broad masses of the population—will be almost entirely in the private sector and have not received the prominence they ought to.

The Federation has, therefore, rightly pleaded for a lower allocation to the public sector and, correspondingly, for a larger allocation to the private sector. A lower target for additional taxation may well mean a substantial addition to the pool of resources available for the private sector and a more efficient utilisation of the people's savings. The Federation's view is that there is a likelihood of the private sector raising larger resources than those estimated in the Draft Outline. First, there would be scope for larger funds from institutional agencies, in view of the fact that the Refinance Corporation and the I.C.I.C.I. have now begun to provide finance and can increase their commitments to a much larger extent. So, the estimate of Rs. 135 crores, in the Draft Outline, from institutional agencies (as compared with Rs. 85 crores in the second Plan) is on the low side. Secondly, the estimate of Rs. 200 crores for new issues in the third Plan period (as against Rs. 120 crores in the second Plan period) is also on the low side, in the opinion of the Federation. Here the point is rightly made that, since the response from the private investors during the last two or three years has shown an encouraging trend, realisation of resources under this head can be much larger; this is on the twin condition that reasonable profits and dividends will be allowed to be maintained and the investment climate will not get vitiated by wrong financial and fiscal policies.

Thirdly, the internal resources of industry, the details of which are not given in the Draft Outline but which are understood to have been estimated in the Planning Commission, will be as under:

	Rs. in crores
(a) Depreciation on gross fixed block of Rs. 2,500 crores estimated to be the average value of total gross fixed assets during the third Plan period	650
(b) Retained profits forming on an average about 2.3 per cent. of total gross fixed assets in use	275
(c) Expansion of industrial credit by banks	300
(d) Trade dues and miscellaneous loans (excluding foreign assistance)	250
Total ...	1,375

Out of the above, a reduction has to be made of over Rs. 750 crores for (a) financing repayment liability of about Rs. 150 crores in respect of loans from institutional agencies, World Bank and deferred payment arrangements negotiated during the second Plan and those likely to be negotiated in the third Plan, and (b) for financing inventory accumulation and other financial assets to the extent of Rs. 600 crores.

These internal resources which will be of the order of Rs. 625 crores can well be larger, in the opinion of the Federation, if the banks expand their industrial credit and the requirements of financing the inventory accumulations can be met from other sources. How the resources can be increased in these two ways, the Federation has not explained. Surely, the banking system, if it is to operate on prudent, though not necessarily conservative, lines with the help of deposits in the main, will not be in a position to meet the enormous working capital requirements of additional industrial production in the absence of appropriate measures for enabling it to attract more savings from the public. Lastly, the Federation's view is that the estimate of Rs. 300 crores in the third Plan (as against Rs. 200 crores in the second) for direct foreign credit/participation in capital is also on the low side. Since the pace of foreign equity capital participation in private industries has shown a rise recently and a number of credits have been negotiated by private parties directly with the U.S. Export-Import Bank, the Federation's optimism on this score seems to be rather justified.

When there is thus scope for raising larger resources for the private industrial sector, provided the qualifications made by the Federation are observed, there is no reason why some individual targets of industrial production, as in the case of private collieries, private fertiliser plants, cement, paper and paper board, copper, lead, zinc, cotton textiles (mill sector), rayon and staple fibre, factory sugar and *vanaspati* should not be suitably increased. If the Federation has pleaded for an increase in the targets of these industries, it is not only because more resources can and will be found for the purpose but because their further expansion would be eminently desirable from more than one point of view. That, incidentally, will also redress the imbalance in the proposed structure of investments in heavy and light industries. The Federation has certainly made out a cogent and unanswerable case not only for a bigger allocation for the private sector but for a greater emphasis on the consumer goods industries which alone will help sustain the confidence of the masses in the Plan.

MARKET GOSSIP

An Oddity in Money Market

THE dear money policy of the Reserve Bank which took effect from the 1st inst., is beginning to make itself perceptibly felt in the short-term money market: Lenders are absolutely scarce, while there are eager borrowers. Short-term deposit rates are unchanged, because of the ceiling fixed under the inter-bank agreement, but inter-bank call money which is outside this agreement is now costing 4½ per cent. In Calcutta and Madras, it is said to be as high as 4¾ per cent. Inter-bank notice money for a short period of two or three weeks is fetching 5 per cent., but turnover is small. An interesting development is the close co-operation which the State Bank of India is extending to the Reserve Bank for ensuring that its monetary policy is effectively enforced. A fortnight ago, we indicated in these columns that, as the State Bank had no borrowings from the Reserve Bank, it might be able to draw funds from the latter at 4 per cent. to the maximum extent of its quota and lend to other banks at a margin of ¼ per cent. or so. But this has not happened. On the contrary, the State Bank is the lender in the inter-bank section in the principal cities such as Bombay, Calcutta and Madras at only 6 per cent., that is, at the maximum rate which banks will have to pay to the Reserve Bank after they exhaust the quotas under the first two slabs. In other centres, however, the State Bank is prepared to lend to banks at 5 per cent. but only limited amounts. The rate of 6 per cent., it may be noted, is higher than the 5 per cent. at which the State Bank is lending to its prime industrial borrowers. This is an unprecedented oddity in the Indian money market, for a highly liquid institution like a bank is asked to pay more than an industrial concern which bears no comparison with banks from the point of view of liquidity.

Two inferences are possible from this development. One, most of the banks must have already exhausted their borrowings from the Reserve Bank under the first two slabs. The other is that the Reserve Bank must have told the State Bank to charge at the maximum rate. Be that as it may, the effect of this development is an increase in the selling pressure in the Gilt-edged market. The Central Government loans are virtually unsaleable, as there are no buyers, except provident funds that are compelled by law to invest only in such loans. The Reserve Bank is still staying out of the market for all loans, except the one repayable next year. The banks, too, are not anxious to lighten their portfolio of Central Government loans, presumably in the hope that, willy-nilly, the Reserve Bank may come to their rescue when the busy season gathers momentum. Further, it is in their own interest not to force the pace of the fall in the value of Central loans, lest they should have to earmark at the end of the year a large part of their profits to cover the depreciation in the value of their investments. Consequently, some of the big banks have been selling their investments in State Government loans. It is understood that the Life Insurance Corporation bought a large parcel of these loans this week at a price giving a yield of 4.30 to 4.35 per cent. per annum. This was done after the meeting of the L.I.C.'s Investment Committee at Madras. All offers of these loans at a yield less than 4.30 per cent. are believed to have been rejected.

The effects of higher interest rates in the organised money market have also permeated the unorganised sector. Since the State Bank's *hundi* rate has gone up and so also the *hundi* rates of other banks, the shroffs and multanis have put up their lending rates to wholesale merchants and shopkeepers from 7½ to 9 per cent. to as high as 12 per cent. If such is the position when there is still a month for the traditional busy season to commence, the stringency in the money market will be felt even more acutely when the busy season gathers momentum, that is, during December to April. It is envisaged in banking circles that, during these forthcoming months, the inter-bank call money rate may go up to as high as 5 per cent. and that their lending rates to trade and industry, which have been put up by ½ to ¾ per cent., may have to be raised by another ½ to ¾ per cent., if not more. In such an event, the rates in the indigenous money market, too, will go up still further. If the Reserve Bank does not relax its restraints, the higher interest rates will certainly keep the goods moving from the producer to the consumer, provided the supply position does not suffer any marked deterioration and thereby encourage hoarding by speculators irrespective of the cost of money. Barring raw jute and one or two other commodities, the chances of such a setback in the supply of goods are, however, slender. The question is whether the Reserve Bank will have the courage of its conviction and stick to its present policy, until there is a perceptible impact on the price front, or whether it will succumb to the pressure of propaganda from interested parties.

Notable View on Cheap Credit

Here is one more weighty support to those who are in favour of higher interest rates and who have been pointing out that cheap credits are not compatible with the needs of an underdeveloped economy. In the course of his address to the annual meeting of the International Finance Corporation towards the close of last month, Mr. Robert L. Garner, President, said, *inter alia*, as follows:

"Historically, there is little evidence that private business men with sound projects have been deterred by borrowing costs of the level of I.F.C.'s. In most of the periods of active growth in the industrialised countries, money rates have been relatively high. If a private business is sound, it does not need subsidy in the form of cheap money. It has been well said that the most expensive kilowatt of electricity is the one which industry needs and cannot get. In the same way, the availability of capital is more vital to business than its cost. . . .

"The question whether cheap Government credits are an effective means of financing private industrial development, in my opinion, deserves more thoughtful attention than it has received. Many advocates of such cheap credit claim that it is essential, if private enterprise is to grow at a satisfactory rate. However, it seems obvious that public funds can supply the requirements of only a small part of the sound business enterprises in the developing countries. The lucky few can increase their profits and thus have an advantage over the many to whom public funds are not available. Furthermore, and even more important, it makes other business men reluctant to pay the higher rates necessary to attract private investment capital. Many of them delay projects in the hopes of eventually obtaining cheaper Government funds, thus retarding sound expansion and obstructing the increased flow of private funds into these countries. Cheap public credits may well in the long run retard rather than advance the pace of private economic development."

Interest Rates in Europe

France has reduced its Bank rate from 4 per cent. to 3½ per cent. and eased hire purchase terms. This has raised hopes that West Germany and the U.K. will follow suit. One view is that the French action is part of a plan conceived at the Fund-Bank meetings at Washington to relieve pressure on the U.S. gold reserves and to discourage the flow of "hot money" into the European financial centres. French official circles themselves have gone out of their way to extend support to this impression. But a week has gone by since France took the action and neither the German Bank rate nor the British Bank rate has been lowered. And, in any case, France did not attract much "hot money." This fact has given rise to the belief that France has taken the initiative more for domestic reasons than for international considerations. At the Fund-Bank meetings, it was Germany which was subjected to heavy pressure to bring down its interest rates, as the existing high levels are not only an attraction for hot money but also stand in the way of export of private capital to underdeveloped countries. To some extent, Britain, too, was subjected to this pressure, though not to the same extent as was the case with Germany. It is, therefore, probable that the German Central Bank may cut its Bank rate first and the Bank of England may follow in a week or two.

I.F.C.'s New Role

An important step in removing what is described as a "serious handicap" both to the growth of the International Finance Corporation's operations and the mobilisation of private capital for foreign investment was taken a few days ago, when the charter of the I.F.C. was amended at the annual meeting of the Board of Governors, so as to enable it to invest in capital stock of private industries and thus become a full "partner in progress," as was envisaged in the original proposal to create the I.F.C. The proposal, which was sponsored by the World Bank and endorsed by the International Development Advisory Board, envisaged the creation of an institution which could not only make loans without Government guarantees but also make non-voting equity investments in participation with private investors. There was, however, objection from many quarters, particularly from the U.S., to giving the I.F.C. the right to make equity investments. The management of the World Bank "reluctantly" accepted this objection and set up the I.F.C.

It was hoped at the time when the Corporation came into existence in July 1956 that this objection to invest in capital stock would not unduly restrict its operations. The experience of the last four years has, however, proved that this restriction is in practice a serious handicap not only to the growth of the institution's operations but to the mobilisation of private capital. A brief outline of the main considerations involved in the latest proposal to remove this limitation was given by Mr. Robert L. Garner, President of the I.F.C., in the course of his address at the recent annual meeting of the Board of Governors of the Corporation.

Being prohibited from making normal equity investments, the I.F.C. has been forced, all these years, into patterns of investment which are complicated and unusual. Such patterns have proved difficult to work out, as they would not easily fit into the laws of many countries. In view of their complicated nature and unfamiliarity to sponsors of industrial projects and then lawyers, they have resulted in lengthy and expensive negotiations and preparation of documents. Such delays and complications are as unwelcome to the I.F.C. as to its customers.

The I.F.C.'s terms of investment normally provide for unsecured loans at a fixed rate of interest, but carry also some additional income related to profits or options on stocks. There is a general tendency on the part of the sponsors to attempt to calculate in definite terms the value of profit participations and options. The evaluations by the sponsors of the profits usually prove to be overoptimistic and these in turn exaggerate the probable return to the I.F.C. While it is generally recognised that the future earnings and dividends on equity and the market value of shares are unpredictable, the sponsors "do not attempt to calculate the cost of straight equity money nor do they object to high rewards to shareholders including themselves." Such an attitude, Mr. Garner complained, has been an important handicap to the I.F.C.

The past few years have seen both individual and institutional investors in the free world putting more of their funds into equities. Those who are willing to venture into the less-developed areas are likewise most interested in the potentials for growth and profits through equity investment. But the I.F.C. was unable to invest in shares. It, therefore, sought the nearest equivalent, namely, options on shares, which it could hope to sell to private investors. Besides the disadvantage that such options are unfamiliar and in some countries illegal, they also present some difficult technical problems. Explaining these, Mr. Garner said:

"To the I.F.C., the option must be of sufficient duration not only for the enterprise to attain results justifying increased value for the optional shares but also to enable the I.F.C. to find willing purchasers before the options expire. Obtaining options of sufficient length to afford reasonable prospects of profit has been one of I.F.C.'s most difficult points of negotiation. From the standpoint of attracting private investors, either to participate with us or to purchase our investments, we would be on more familiar ground and in a more flexible position to dispose of our holdings in shares rather than in options."

The I.F.C. operates with relatively small funds and without the security of mortgages or of Government guarantees of other public agencies. It, therefore, needs maximum flexibility in meeting the needs of private enterprises and in attracting private investments for the growth of developing countries. It is quite obvious that this will be possible only by a direct participation in capital stock of the enterprises. "Given the right to invest in equities at its discretion," Mr. Garner observed, "the I.F.C. could more effectively strengthen, by its own investment, the capital structure of enterprises; encourage private investors to join in with it in taking either preference or common shares; accept the risks and share in the profits of an enterprise in traditional form; negotiate investment terms on simpler and more acceptable lines; make more effective use of options and convertible securities; and co-operate with local institutions in the development of capital markets by underwriting issues of convertible securities and share capital for public subscription."

Mr. Garner, however, made it clear that this did not follow that all the investments of the I.F.C. would be in equity. Where suited, the present pattern would be maintained, while, in others, the investments would be partly in fixed interest loans and partly in equity.

It may justifiably be asked whether the I.F.C. is not taking greater risks in directly investing in equities than in loans. Answering this poser, Mr. Garner took an optimistic view of the prospects and said:

"Looking at each individual case, it is true that the shareholders accept greater risks than creditors. However, for successful ventures, they receive greater rewards. It is my opinion that, over the long pull and with a diversified list of investments spread about the developing world, the I.F.C. and other investors will fare better through investment in equities of well selected enterprises than in any other form."

Mr. Garner made it clear that it was not the intention of the I.F.C. to exercise control over, or participate in the management of, private business in which it invests. It would not also exercise its vote in respect of the stock it held, except in cases of "jeopardy or other special circumstances."

The I.F.C.'s proposal has received the blessings of the World Bank President, Mr. Eugene Black, who is also Chairman of the I.F.C. Endorsing the proposal for prompt and favourable consideration of the Directors, he stated:

"In my opinion, such an amendment is of vital importance to the future of the I.F.C. and would considerably increase the volume of its operations and its usefulness in economic development. The desirability of having the I.F.C. engage in direct equity investment has been mentioned on many occasions. There is no doubt, in my opinion, that such an amendment will mean accelerated activity and simpler investments by the I.F.C."

It is the firm conviction of the I.F.C. that "private industrial growth is the most dynamic force for progress on the economic frontiers of the free world." The test of the I.F.C. is, in a sense, as Mr. Garner put it, the test of the private enterprise system itself and the I.F.C. welcomes the challenge to play a worthy part in this modern venture.

Cement Industry

Cement is aptly described as a "developmental commodity." Indeed, it is impossible to think of implementing the giant multipurpose irrigation schemes and industrial, housing and road projects without the use of cement. The third Plan Draft Outline contains large-scale programmes for these projects, which means that the demand for cement will rise markedly in the coming years. The aggregate requirements in the last year of the third Plan, that is, 1965-66, are expected to be of the order of 13.50 million tons, whereas the capacity at the end of the current Plan is put at 9.50 million tons on the basis of three shifts working 300 days in a year; the existing capacity is a little over 8.32 million tons.

(*Continued on next page*)

EQUITIES STEADY

KHATAUS IN LIMELIGHT

(From Our Own Correspondents)

BOMBAY, 13*th October*

IN refreshing contrast to the sustained weakness in the previous two weeks, trading on the Stock Exchange during the week under review displayed an improvement in sentiment and prices tended to harden. Though trading was far from brisk, presumably due to the cautious attitude of bulls, the acute stringency in the money market and the credit restraints, equities in many counters scored moderate gains; in a few cases, the gains were quite handsome. Consequent on the change in sentiment, for which there were no obvious reasons, the bulls preferred to restrict their offerings, while bears hastened to cover their sales. Fresh support was selective. Encouraging corporate news and the removal of some of the scrips from the list of shares to which special deposit making-up prices payable by bulls are applicable and the fixation of special deposit rates against bears in some scrips would also appear to have induced recovery.

The Stock Exchange authorities removed, at the end of the last settlement, the special deposit making-up prices against bulls in respect of Tata Locomotive, Alcock Ashdown and Belapur and introduced special deposit making-up prices against bears in Standard at Rs. 1,300, while the usual making-up price was Rs. 1,180, and in National Rayon at Rs. 480, against the usual making-up price of Rs. 455.

Steel shares were featureless, consequent on the delay in the announcement of new retention prices. Tata Ordinaries slipped back from Rs. 153.50 *cum-div.* to Rs. 143.25 *ex-div.* (equivalent to Rs. 150.05 *cum-div.*) and, after an improvement to Rs. 146.25, closed lower at Rs. 144.75 *ex-div.* Indian Irons moved between Rs. 22.52 and Rs. 22.84, before finishing at Rs. 22.64, with no change over the week.

Textiles, in general fared better, though leading counters recorded only small variations. Bombay Dyeings gave way from Rs. 64.30 *cum-div.* to Rs. 62.60 *ex-div.* (d.v. 70 nP) and, after gaining some ground to Rs. 63.60, reacted to close at Rs. 62.80. Centurys finished better at Rs. 456 *ex-div.* (div. Rs. 7.00), as against Rs. 460 *cum-div.* a week ago. Kohinoors came up to Rs. 303.50 *ex-div.* (div. Rs. 3.50) from Rs. 301 *cum-div.* and closed at Rs. 298 *ex-div.* The highlight of the section was provided by Khataus with a jump of Rs. 70 to Rs. 607.50. Standards recorded a spurt of Rs. 125 to Rs. 1,350. Morarjees added Rs. 10 to Rs. 360. The Company's results for the year ended June 1960 were encouraging. The Company made additions to plant and machinery to the tune of Rs. 17.57 lakhs during the year and further orders for new machinery to the tune of Rs. 24 lakhs have been placed under the scheme of expansion and modernisation.

Electricity shares elicited support and were marked up. Ahmedabad Electrics improved by Re. 1.50 to Rs. 88 and Tata Hydros by a like extent to Rs. 102.75. Andhra Valleys advanced by Rs. 15 to Rs. 1,010 and Tata Powers by Rs. 17.50 to Rs. 1,037.50.

Bank shares, too, showed an all-round improvement. Barodas gained Re. 1 to Rs. 81.50, Centrals Re. 1.50 to Rs. 50.50, Centrals (New) Rs. 2 to Rs. 54 and Bank of Indias Re. 1.75 to Rs. 101.75. United Commercials picked up 30 nP to Rs. 77.30.

A spurt of Rs. 3.25 to Rs. 144.50 in Associated Cements was the only bright feature in Cements. Digvijays showed no change at Rs. 165.50.

In an otherwise featureless sugar group, Belapurs recorded a smart rise to Rs. 364, after an initial setback from Rs. 352 to Rs. 347. At the close, there was profit-taking which pushed the scrips back to Rs. 361.50. Phaltans were dull, but steady, at Rs. 179, while Walchandnagars were a shade quiet at Rs. 297.

Scindias, among shippings, were listless, moving between Rs. 14.36 and Rs. 14.16. Great Easterns, however, improved by 32 nP to Rs. 16.36. Automobiles, too, presented a contrasting trend. While Hindustan Motors were down by 20 nP at Rs. 18.40, Premier Automobiles hardened by Rs. 2 to Rs. 158.

In the engineering section, Alcock Ashdowns were done at Rs. 256 *ex-right* (as compared with Rs. 283.50 *cum-right* a week ago), following the Company's announcement of a rights issue at par in the ratio of two new shares for every seven shares. Tata Locomotives improved by Rs. 12 to Rs. 281. Larsen and Toubros were steady at Rs. 34. At Rs. 22.52 ex-div., Texmacos showed a rise of Re. 1.32. Premier Constructions provided an exception to the general trend with a drop of Rs. 6 to Rs. 314. Mahindras too were a shade quiet at Rs. 21.24.

In the miscellaneous section, Bombay Burmahs (old) staged a recovery from Rs. 564 to Rs. 572, but could not fully recover the ground lost in the previous week. National Rayons too made a partial recovery, with a rise of Rs. 10 to Rs. 465. Gwalior Rayons were steady at Rs. 39.25, as also Baroda Rayons at Rs. 145. Indian Rayons were in demand and gained Rs. 3 to Rs. 68.50. Tata Oils improved by Re. 1.50 to Rs. 74.50, while Tata Chemicals were dull at Rs. 16.20. Voltas were a bright feature with a smart rise of Rs. 8.50 to Rs. 263, as also Wimcos with a similar gain to Rs. 278. Alembic Chemicals appreciated by Rs. 3.75 to Rs. 245, following the announcement of a rights issue at par in the ratio of one share for every ten old shares. Colour Chems were higher by Rs. 5 at Rs. 375, Dharamsi Chemicals (New) by Rs. 9.50 at Rs. 237.50 and Poly Chems by Rs. 5 at Rs. 265.

Indian Dyestuffs were in request and made a handsome gain of Rs. 55 to Rs. 580. Asian Cables were firm with a rise of Rs. 5 to Rs. 92. Ceat Tyres were marked up by Rs. 7.50 to Rs. 237.50. Hindustan Levers were steady with a rise of Re. 1.25 to Rs. 44.50. Khandelwal Ferro Alloys put on Rs. 4 to Rs. 100. West Coast Papers were in demand on reports that the Company proposed to undertake an expansion programme aimed at increasing the daily output from 60-70 tons to 140-150 tons. The scrips advanced by Re. 1.50 to Rs. 190.

* * * *

Madras Stock Exchange

MADRAS, 12*th October*

Barring textiles, coffees and a few miscellaneous scrips which encountered selling, the Stock Exchange ruled steady during the week under review, thanks to better investment support. The support emanated chiefly from the optimistic assessment of prospects for securing foreign aid for the third Plan as made by the Union Finance Minister soon after his arrival from his foreign tour. Teas elicited good enquiries on reports of encouraging production in the South Indian estates. Rubbers, too, put on a cheerful appearance. Coffees, as already indicated, were somewhat subdued as a rsult of heavy stock accumulations, following failure of demand to keep pace with increased production this year. The news that the East African coffee producers—major competitors of India—had joined the International Coffee Agreement for the current year did not have any perceptible effect. Sugars moved up towards the close, after ruling quiet in the initial stages. Business put through in this section was limited, as operators preferred to await the final decision of the Government on the question of meeting the loss arising from exports. Textiles were easy on reports of large stocks of piecegoods and yarns with mills, presumably because of the hesitancy on the part of retail traders to accept stamped goods. Dull conditions were in evidence in the miscellaneous section, the general tendency of prices being downward.

Among teas, Haileyburias hardened by 50 nP to Rs. 13.25 *ex-div.* Waterfalls put on 3 nP to Rs. 4.23. Neelamalais and Kil Kotagiris rose by 2 nP each, the former to Rs. 4.80 and the latter to Rs. 5.64. Periakaramalais fell initially from Rs. 3.50 to Rs. 3.46, but recovered subsequently to close at Rs. 3.51 today.

In the rubber section, Vaikundams improved by 41 nP to Rs. 30.40 *ex-div.* Kailas picked up 5 nP to Rs. 5. Thirumbadis gathered 3 nP to Re. 1.50. Cochin Malabars were a shade better at Rs. 6.91, after declining from Rs. 6.90 to Rs. 6.75 early in the week. Malankaras were fully steady at Rs. 19.75. But Midlands shed 8 nP to Rs. 11.70, following the announcement of a lower dividend of 12½ per cent. taxable (equivalent to 8¾ per cent., tax-free) for the year ended March 1960, as compared with 10 per cent. tax-free for the previous year.

Among coffees, Coffee Lands gave way from Rs. 25 to Rs. 24.50. Consolidated Coffees lost 35 nP to Rs. 25.50. Ouchterlony Valleys were neglected at Rs. 4.85, Cowcoodys at Rs. 5.15 and Rajendras at Rs. 14.35.

In the sugar group, East India Distilleries attracted good attenton of operators and rose by 50 nP to Rs. 41. Travancores moved up by 12 nP to Rs. 11.87. Deccans strengthened by 5 nP to Rs. 15. Mysores changed hands at Rs. 60.50, same as last week, and United Breweries at Rs. 114.50.

Textiles, as already stated, were dull. Metturs were marked down by Rs. 12 to Rs. 3.80. Premiers dropped a like amount to Rs. 225. Coimbatore Cottons climbed down from Rs. 165 to Rs. 160. Coimbatore Pioneers were done at Rs. 345, as against Rs. 347.50 last week-end. Coimbatore Spinnings eased by a rupee to Rs. 45.

Price movements in the miscellaneous section were narrow. Among cements, Orissas put on 10 nP to Rs. 13.10. Indias picked up 4 nP to Rs. 6.72. Travancores were fancied at Rs. 8.50. Andhras, however, dropped 35 nP to Rs. 10.10 and Dalmias 10 nP to Rs. 11.75. Chemicals were subdued. F.A.C.Ts receded by 37 nP to Rs. 10.25. Mysore Fertilisers and Mysore Chemicals changed hands at Rs. 10.45 and Rs. 27.50, respectively. Among others, Ashok Leylands were higher by 7 nP at Rs. 8.02. Standard Motors were steady at Rs. 17.75 and Textools at Rs. 188. Tube Investments were unchanged at Rs. 331. The Directors of the Company have declared a dividend of 10 per cent., taxable, (equivalent to 7 per cent. tax-free) for the year ended July 1960, as against 10 per cent. tax-free for the previous year. Western India Plywoods slumped from Rs. 248 to Rs. 235.

GENERAL TYRES LTD.

To the rank of firms manufacturing automobile tyres and tubes will soon be added one more unit under the name of General Tyres Ltd. It is sponsored by the National Rubber Manufacturers Ltd., Calcutta, one of the largest producers of mechanical rubber goods and cycle tyres and tubes, in collaboration with that well-known foreign trade corporation of Czechoslovakia, the Technoexport. The Company has already been incorporated, the requisite industrial and import licences secured, and a suitable factory site in West Bengal selected. Details regarding the capital structure of the Company, total outlay on the project and capacity of the factory are not available. It is also not known whether the Technoexport of Czechoslovakia will contribute to the equity capital of the Company. It is, however, stated that arrangements with the foreign firm are at an advanced stage of finalisation for the supply and erection of a complete tyre and tube plant, technical assistance, and licence to manufacture high quality products under the famous "Barum" brand.

GUEST, KEEN, WILLIAMS LTD.

The paid-up capital of Guest, Keen, Williams Ltd. is proposed to be doubled from Rs. 2 crores to Rs. 4 crores by issuing 2,000,000 ordinary shares of Rs. 10 each to existing shareholders in the ratio of one for every share held at a premium of Rs. 18.50. The new shares will rank *pari passu* in all respects with the existing shares excepting for participation in the interim dividend of 80 nP (less tax) on the existing issued capital payable on 30th November next. The transfer books of the Company will be closed from the 17th to 31st inst. (both days inclusive).

MARKET GOSSIP

(Concluded from previous page)

Viewed thus, the capacity target of 15.00 million tons fixed for cement to be achieved by 1965-66 is, as Mr. V. H. Dalmia, Chairman of the Dalmia Cement (Bharat) Ltd., pointed out in his speech at the recent annual meeting of the Company, both realistic and practical, and there should be no difficulty in expanding cement production as envisaged in the Plan.

For the fulfilment of the aforesaid target, there will necessarily have to be, besides the setting up of new units, a programme for rehabilitating and modernising the plants already working. All this will require adequate supplies of cement-making machinery and equipment. It is encouraging to hear from Mr. Dalmia that most of such machinery and equipment will be produced within the country by the middle of the third Plan. By the end of the third Plan, we are told, six to seven cement plants with a daily production capacity of 500 tons will be manufactured annually. The total value of the plants is estimated at Rs. 4-5 crores, with indigenous content of 90 per cent. Even so, "it would be unrealistic," to quote Mr. Dalmia, "to place a total embargo on import of cement machinery."

The mere achievement of the production target fixed for cement is not enough. Steps must be taken to ensure satisfactory distribution arrangements. This aspect is specially stressed because of the problems arising now and again in regard to the disposal of stocks, particularly due to transport difficulties. It is equally important that the authorities follow helpful price and fiscal policies. Given all this, the cement industry will doubtless have a bright future. But the 'if' here is a big one, as the authorities are tardy and stingy in these vital respects. This is precisely the reason why cement shares have failed to enjoy the enthusiastic support of investors.

After assessing the outlook for the cement industry, in general, Mr. Dalmia gave an idea of the progress made by his Company in fields other than cement production. It will be evident from his review that the dead burnt magnesite now being manufactured at Salem by the Dalmia Magnesite Corporation, of which the Dalmia Cement is a major partner, will be in ever-increasing demand from the steel and refractory industries. The requirements of the steel industry alone are placed at 90,000 tons, as against the current annual installed capacity of 64,320 tons. The Company has, therefore, decided to double the capacity. An application for grant of necessary licence and import facilities is being submitted to the Central Government. The shareholders of the Company must certainly have felt gratified at this disclosure by Mr. Dalmia as well as at his statement that the Company's iron ore business is developing satisfactorily.

A Trust for Service

May be, charity cannot solve an economic problem, but instances are legion of personal munificence having helped to heal the sick, wipe the tears from many sorrowful eyes, bring cheer to countless saddened hearts and champion scores of deserving but neglected causes. The sixth annual report of the Trustees of H.E.H. the Nizam's Charitable Trust for the year ended 31st March 1960 reflects the varied fields and ways in which this Trust, formed six years ago, has been carrying on its mission of mercy. Apart from donations to institutions and lumpsum grants to deserving students for studies and to patients for treatment, there is yet another unique way in which the Trust puts its funds to the service of the nation, that is, by investing its surplus funds in safe and promising industries. This not only enables the Trust to augment its income but also promotes, in the process, industrial development.

But it is distressing to note that, during the year under review, the Trustees had to withhold its funds from being invested in this manner, pending the report of the auditors appointed by the Auditor-General of India to inquire into the legality and propriety of the various transactions and investments made by the Trustees." Thereby hangs an unhappy tale of litigation which, as the Trustees point out, has held up the good work that was being done by the Trust. The surplus money has, therefore, been put part[ly] in short-term deposits and partly in Government securities and small savings. The market valu[e] of the assets, as on 31st March 1960, was Rs[.] 6.17 crores, as against Rs. 5.84 crores a year before. The Trust's income rose from Rs. 34.93 lakhs [to] Rs. 40.03 lakhs during the year under review. Very few benevolent trusts in this country can claim such a record.

The Trustees, we are [told], have decided to set apart Rs. 30 lakhs to [meet] the cost of the proposed orthopædic hospital at Hyderabad. Besides, an annual recurring grant of Rs. 7 lakhs has also been sanctioned for the [hos]pital to be made available in two half-yearly [in]stalments after the completion of the construction of the hospital. The Trustees also propose to [ad]vance the establishment of a training school for [nur]ses and mechanics.

NEWS IN BRIEF

AN official delegation is expected to visit Karachi shortly to review the working of the existing Indo-Pakistan trade agreement since it was signed in December last.

An Irish tea delegation, led by Mr. Percey McGrath, has arrived in Madras for discussions with the Tea Board on the question of promoting Indian exports of good quality tea to Ireland.

The Government of India has agreed to grant Rs. 26.5 lakhs to Nepal for financing the construction of a science college building of the Tribhuvan University and a national archives at Kathmandu.

A working group, with Dr. G. P. Kane, Senior Industrial Adviser, Government of India, as Chairman, will shortly be set up to study the various aspects of the development of petro-chemical industry in India.

The first shipload of U.S. wheat under the recent 17-million tons P.L.480 agreement has arrived in India. After unloading a part of the cargo at Madras, the ship has proceeded to Calcutta.

The Japanese Government is currently examining a proposal for extending a new loan of $20 million to India to finance the purchase of Japanese thermal power generating plants, ships and other industrial plants.

India and Tunisia have signed a five-year trade agreement covering exchange of goods worth $15.5 million. Under the agreement, India will export tea and jute while its imports will comprise mainly phosphates and phosphate by-products.

The Union Government proposes to bring forward legislation for the formation of a Central Seed Corporation. The main purpose of the Corporation will be to enable cultivators to obtain an adequate supply of pure and high-quality seed of superior maize hybrids and other varieties of crops.

A proposal for the setting up of a factory to manufacture tractors and earth-moving machinery at Ennore in Madras State has been submitted to the Government by a leading North Indian industrial house. The proposed factory is expected to secure the collaboration of an American firm.

India is among the fourteen countries where increase in food production equalled population growth or exceeded it by upto 0.9 per cent. per annum between the years 1952-53 and 1957-58, according to the latest annual report of the U.N. Food and Agriculture Organisation. India's population during the period rose by 1.3 per cent. and food production by 1.9 per cent.

Food crops worth Rs. 28 crores are damaged every year by white ants and termites in India. This was disclosed by Prof. Humayun Kabir, Union Minister for Scientific and Cultural Affairs, while inaugurating a symposium on "Termites in the humid tropics," organised jointly by the Zoological Survey of India and the U.N.E.S.C.O. South Asia Science Co-operation Office at New Delhi last week.

The Forward Markets Commission has permitted the recognised associations at Delhi, Agra, Kanpur and Bhatinda to commence trading in the 1960-61 season's hedge contract of rapeseed and mustardseed on or after the 8th inst., subject to the same system of special margins as has been prescribed for the previous season's hedge contracts.

Canada has agreed to supply India wheat worth $7 million (about Rs. 3.4 crores) under the Colombo Plan. This is part of the total Canadian assistance of $25 million allocated to India under the Plan for the year 1960-61. Counterpart funds from the sale proceeds of the wheat will be utilised to carry out projects of economic development in India. Canada supplied wheat worth $18 million in 1958-59 and $7 million in 1959-60.

A scheme for opening demonstration-cum-training units in the rice-producing States has been prepared by the Union Ministry of Food and Agriculture. In these centres, Japanese technicians, assisted by Indian farmers, will demonstrate the use of improved methods, techniques and implements for raising rice production. The Japanese Government is expected to provide the necessary technicians and farm implements.

The Planning Commission has recommended that the State Governments should receive Central assistance to the extent of 50 per cent. of expenditure on the implementation of the Nalgarh Committee's recommendations pertaining to reorganisation of agricultural services, including increase in emoluments of employees, in the first two years of the third Plan. Only the Punjab has so far forwarded concrete proposals to give effect to the recommendations.

A 10,250-ton cargo ship *Apja Sushama*, owned by the Appejay Lines, arrived in Bombay last week from West Germany. This is the second of the six second-hand cargo ships acquired by the Company under the "pay while you earn" scheme initiated by the Government of India. With the addition of the new ship, India's total shipping tonnage now comes to 873,250 (G.R.T.) which is just 26,750 tons short of the second Plan target of 900,000 G.R.T.

The Tata Oil Mills Ltd. is understood to have been selected to put up in Bombay a plant to manufacture edible groundnut flour with protein content with the help of the U.N. International Children's Emergency Fund. Another plant will be set up in Madras. The two plants will have a capacity of 10 tons each a day. In the light of the experience gained from the working of these two units, the Government proposes to permit the erection of more plants during the third Plan period.

The 1,550-mile-long canal system in the Damodar Valley which will eventually have a capacity to irrigate a million acres of land in West Bengal, will be taken over by the State Government in December next. Under the agreement now arrived at between the D.V.C. and the Government, West Bengal will keep 5 per cent. of the revenue from the water rates collected to meet the expenditure on the maintenance of the canal. As for future additions and alterations to the canal system, the State Government will submit estimates to the D.V.C. which will allocate the necessary funds to carry them out.

The Indo-Afghanistan trade arrangement has been extended upto 20th July 1961, following the discussions held by an Indian official team with the Afghanistan Government's representatives at Kabul recently. The Government of the two countries have reaffirmed their desire to promote trade between them and take such special steps in terms of the treaty of friendship and commerce between them, as might be found practicable. It has been agreed that facilities would be afforded to registered traders for importing into India dry and fresh fruits, hides and skins, etc. Likewise, facilities would be afforded for import into Afghanistan from India of goods like cotton and woollen textiles, tea, light engineering goods, pharmaceuticals, drugs and chemicals.

The Government of India has accepted in principle the recommendation of the Export Promotion Advisory Council's Standing Committee that export houses be set up for purposes of tapping the export potential of various commodities. This was announced at the meeting of the Committee at Bombay on the 6th inst. under the chairmanship of Mr. Satish Chandra, Union Deputy Minister for Commerce and Industry. The Committee held further discussion on the suggestion for the setting up of an institution for giving information in regard to status and standing of exporters. It was decided that the Federation of Indian Chambers of Commerce and Industry, the Associated Chambers of Commerce, other trade bodies and the Government should further study this problem with a view to investigating ways and means of perfecting or further improving the methods of collecting information in regard to the status of exporters, which are at present used by chambers of commerce and banks. The Committee was also informed that the Government had decided to appoint a committee for devising a machinery for quality control and pre-shipment inspection of exported goods.

The National Small Industries Corporation has introduced two new schemes for the supply of machinery to small-scale units on hire-purchase basis. A sum of $10 million has been provided by the U.S. Development Loan Fund to the Corporation for the import of machines under these schemes. The D.L.F. credit is convertible into any foreign currency, except that purchase of machines valued at about Rs. 2.5 lakhs will have to be made from the U.S. Under one of the schemes, the applicants will have to pay 20 per cent. of the value of the machines in advance to the Corporation and furnish guarantee for the remaining 80 per cent. which will be payable in four equal annual instalments. The second scheme provides for the supply of machines on payment of 20 per cent. of their value at the time of the Corporation's acceptance of the application. An additional 20 per cent. of the value of the machines will be payable before the delivery of the machines and the balance of 60 per cent. will be recovered in five equal annual instalments. Since the introduction of the hire-purchase scheme in 1956, the Corporation has supplied nearly 4,000 machines, valued at more than Rs. 3.5 crores. In all, about 4,000 applications covering 12,500 machines worth Rs. 12.58 crores have been accepted by the Corporation. Orders worth over Rs. 7 crores have so far been placed in respect of both imported and indigenous machines.

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From Abroad

A team of Russian mineralogy experts has submitted a report to the Government of Pakistan on the exploration of oil and other minerals in the country.

The question of imposing a ban on exports of copra is now under the consideration of the Ceylon Government. Such a ban, it is pointed out, will not only secure new markets for coconut oil in Communist countries but also help the oil millers who are finding it uneconomic to buy copra at export rates.

The Leyland Motors of Britain has signed an agreement with the Israel Government under which the Company will establish a plant in Israel to produce buses and trucks upto seven tons without the participation of local interests. In the beginning, only body, radiators, tyres and a small number of parts will be made locally, the rest being imported from the U.K.

Pye, one of the U.K.'s leading television radio and electronics groups, is considering a proposal to transfer its export production operations from Cambridge to Italy. It has already secured a factory at Inverigo near Milan for this purpose. The move is said to have been prompted by the slack demand, following the unwillingness of the Government to ease credit controls and 50 per cent. purchase tax.

PERSONAL

PRIME Minister Nehru returned to India on Tuesday this week, after attending the current session of the U.N. General Assembly.

Mr. Morarji Desai, Union Finance Minister, who participated in the annual meetings of the I.M.F. and the World Bank at Washington, has returned.

Mr. M. Ct. Muthiah, Chairman, Indian Overseas Bank Ltd., has returned to Madras after a tour of the U.K. and the Continent.

Mr. S. C. Stout, United Kingdom Trade Commissioner in Singapore, has been appointed the U.K. Trade Commissioner in Bombay *vice* Mr. C. H. Bayliss who is expected to return home shortly on completion of his term of duty. Mr. Stout will assume charge of his new assignment early next month.

Soviet Russia will export 25 million tons of crude oil and oil products to the Western world this year, according to Mr. Leo D. Welch, Chairman of the Standard Oil Company of New Jersey. This will constitute an increase of two-thirds above the last year's level of 15 million tons. Although the quantities involved are relatively small, they are calculated to disturb the equilibrium of the Western oil market.

Automobile manufacturers in the U.S. have embarked on a vigorous sales drive for compact cars in Western Europe. The Chrysler International has plans to double its European sales, from 15,000 cars in the year ended September 1960 (out of its total exports of 50,000) to 30,000 cars in the current year, chiefly the Valiant and Lancer compacts assembled at its plants in Holland and Switzerland. Its best markets in Europe are Sweden, Switzerland and Benelux. The British market has turned unattractive due to the import duty of 30 per cent. there.

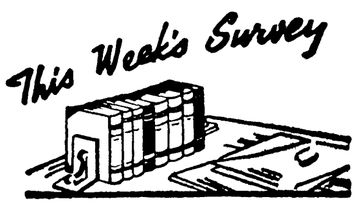
The report that the Ghana Government was contemplating to nationalise foreign firms has been denied by President Nkrumah. The President has, however, stated that the Government will seek to establish a socialist pattern of society, which does not mean nationalisation of private enterprises. According to him, there will be four sectors in the Ghanian economy, namely, State-owned, joint State-private enterprise, co-operatives and purely private enterprise. The President has emphasised that in view of the shortage of capital for development, he will welcome capital investment in Ghana from all sources.

The British Petroleum Company and the California Chemical Company of the U.S. have decided to set up a £7-million joint undertaking, called B.P. California, to construct two aromatics manufacturing plants in Europe. The units will be located adjacent to the existing B.P. refineries at the Isle of Grain, Kent and Dinslaken, West Germany. In their initial phase, the two installations will together produce 19,000 tons of orthoxylene a year and 16,000 tons of ethyl benzene raw materials for plastics, and 22,000 tons of paraxylene, the basic ingredient in the manufacture of polyester synthetic fibres.

Extra jet services to and from Australia via India are to be introduced next month by the B.O.A.C. in collaboration with the jet services of the Air-India International and the Qantas Empire Airways. An extra Comet 4 jet service will fly between London and Melbourne by way of Delhi, Rangoon and Singapore. A return service will call at Singapore, Delhi, Teheran, Istanbul and Frankfurt on its way to London. The new service will bring the total number of Britain-Australia services run by the three airlines to eleven every week—six by B.O.A.C., one by Air-India and four by Qantas Empire Airways.

Remarkable improvement in safety of air travel in recent years has been noted by the statisticians of the Metropolitan Life Insurance Company. During the years 1957-59, the passenger death rate on scheduled airlines in the U.S. averaged only 0.44 for each 100 million passenger miles travelled, as compared with a rate of 4.70 in the 1937-39 period, while, in the decade since 1947-49, there has been a 75 per cent. reduction. On international scheduled flights of U.S. airlines, the passenger death rate fell to 0.56 per 100 million passenger miles in 1957-59 from 15.66 in 1937-39.

The problems of development of the Asian pulp and paper industry will be discussed at an international conference to be held at Tokyo from the 17th to the 31st inst. Sponsored by the three United Nations agencies, the Economic Commission for Asia and the Far East, the Food and Agriculture Organisation and the U.N. Bureau of Technical Assistance Operation, the meeting will discuss technical, economic and financial questions involved in expanding Asian pulp and paper capacity to meet constantly growing demands. Though during the last ten years, domestic output of paper in Asia and the Far East has increased by almost five times, the region's net imports of pulp, paper and paperboard have more than doubled from $77 million in 1949 to more than $160 million in 1957-58. Current consumption of paper averages about 6¼ million tons per year, of which about one and a quarter million tons are newsprint. The total demand for papers and paperboard in Asia and the Far East (including mainland China) is expected to increase to almost 11½ million tons by 1965 and to almost 25 million tons by 1975 (a total practically equivalent to world consumption before World War II)—that is by more than three and a half times in less than 20 years, according to a F.O.A. study just published.



SETBACK TO NATIONALISATION

THE suggestion for altering the extremist phraseology of the policy statement on nationalisation of the British Labour Party, which had sparked off a wave of heated debate between the Party's right and left wings, received the official stamp of approval at the annual conference held at Scarborough (Britain) last week. Although Mr. Hugh Gaitskell's defence policy was rejected, he got the conference to recognise "as a valuable statement of aims" his proposal modifying the concept of wholesale nationalisation embodied in Clause 4 of the Party's Constitution. The new statement, while calling for public ownership of a few "commanding heights of the economy," envisages continuance of a wide private sector of industry. As compared with this, Clause 4, in its original form, reads as follows: "To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of common ownership of the means of production, distribution and exchange and the best obtainable system of popular administration and control of each industry or service."

The right-wingers of the Labour Party, it will be recalled, attributed the unpopularity of the Party, reflected in its defeat in the last general election, mainly to its passionate addiction to the principle of nationalisation. This uncompromising position, they contended, created a false image of the Party in the public mind by associating it with wholesale nationalisation, which, in effect, would mean State capitalism.

The significance of the resolution adopted at the Scarborough conference is that, though the socialist ideal of nationalisation has received a decisive setback, it is rather premature to jump to the conclusion that it will definitely cease to be a source of doctrinal dispute within the British Labour Party. British commentators point out that the bitter controversy may flare up again in the months ahead, for the left wing may canvass support for its stand and try to get the present vote reversed at the next annual conference.

MR. TATA'S PRAGMATIC VIEWS

In his crisp and pointed speech at the fifty-third annual general meeting of T.I.S.Co., Mr. J. R. D. Tata, Chairman, has appropriately turned the spotlight on the most relevant issues of planning today. Inflation, which has been reflected in a one-third fall in the purchasing power of the rupee in the last five years, has naturally claimed his first attention. But there is no attempt here to make political capital out of a situation of inevitable inflationary pressures generated by mounting development expenditure. While their inevitability has been recognised by Mr. Tata himself, their magnitude, in his view, is not altogether uncontrollable. Since large-scale investments with long periods of fruition as in the case of basic and capital goods industries "involve pumping into the economy corresponding increases of purchasing power which are automatically translated into demands for consumer goods," the only practical course open to planners is to provide for a greater increase in the supply of such consumer goods as mill cloth and white sugar. If Mr. Tata has strongly recommended this course, it is because the other alternative of mopping up surplus purchasing power by additional taxation will involve an unbearable addition to the already excessive taxation proposed for the third Plan period.

That this is a pragmatic approach, eschewing ideological considerations, no dispassionate observer can deny. It is in the same spirit that Mr. Tata has chosen not to pursue the "unhappy controversy" over socialistic means, even though they have led to "a mass of costly, time-consuming and ineffective controls." If he has raised the issue whether it would be advisable, in the context of inflationary pressures, to give the basic and heavy industries (including steel) a 60 per cent. share in the proposed investment in industry as a whole, it is not because he invests the huge investment in heavy industries with a sinister socialistic significance. In fact, he is not against priority to steel and heavy industry, if it "can be financed in part by foreign capital which would release the pressure on our foreign exchange resources." This, again, is a severely realistic approach to heavy industrialisation which, though basically necessary for "a modern and fully industrialised nation," would have to be staggered in a less painful manner, if foreign assistance is not possible.

But, happily, circumstances seem to be more propitious for foreign participation in industry, in general. Basic and heavy industries, however, are now beyond the reach of new entrepreneurs, domestic as well as foreign, because their future development in the public sector is governed by the Industrial Policy Resolution of 1956. Pragmatism, again, should dictate that foreign private enterprise be allowed to participate in these fields. Although Mr. Tata is not excessively optimistic about the likelihood of such foreign participation in State enterprises, he has raised the issue in a form that should appeal to the powers-that-be. His twin argument that the tremendous capital expenditure involved in basic and heavy industries is a weighty consideration transcending ideology and that no risks (of, probably, foreign domination and the like) could arise in a controlled economy, politically independent, such as ours, would appear to be sufficiently persuasive. To the extent foreign participation can be secured, to that extent basic industries can be developed with less strain on the country's own resources and "the large funds released in consequence could be diverted to equally vital projects, such as additional fertiliser production and the development of power, fuel and transport resources. Mr. Tata's plea may conceivably find favour with Prime Minister Nehru, who, at one time, seemed to be favourably disposed towards foreign private participation in the Bokaro Steel Project. It is, however, on a matter of detail—whether the Government should have a 51 per cent. or 49 per cent. share in a heavy industry—that the proposition may well founder. Mr. Tata, of course, is not to be expected to take any firm stand on this aspect of the matter.

INDUSTRIAL RESEARCH

Industrial research must be taken to be still in its infancy in India, though the national laboratories organised by the Council of Scientific and Industrial Research have been active in recent years. Expert opinion, like that of Prof. J. B. S. Haldane, has been critical of the research performance of these laboratories. The general impression that they have no outstanding research achievements to their credit has also not been corrected by the C.S.I.R. By and large, it may be taken that neither the C.S.I.R. nor the industry itself has made any substantial contribution in this regard. Even where some results have been achieved by way of new products or new processes, not much is known of the extent to which they have found practical application in industry. It would appear that an industrial extension agency, comparable to the agricultural extension organisation in the Community Development Blocks, has not been operating on the requisite scale. The reasons for this poor performance in terms of laboratory research and commercial exploitation of inventions are not to be sought entirely in the relatively small annual expenditure on scientific and industrial research—just Rs. 5 crores, as compared to Rs. 425 crores in the United Kingdom in 1958-59—but in the known lack of dedication to research on the part of scientific workers in more than one national laboratory. There are also grave doubts whether the scientific talent assembled in the research institutions is uniformly of the best quality.

The situation calls for remedy not only through incentives to attract some foreign scientists and researchers but through a broader organisation for research by industry itself. The latter approach, it is gratifying to note, may be expected to gain currency in the wake of Prof. M. S. Thacker's latest announcement that industries could hope for relief in taxation if each industry could develop its own research institutions. This is the right approach, if foreign experience is any guide. Both in the United Kingdom and in the United States, it may be recalled in this connection, private industry has financed and organised research on a massive scale. In the United Kingdom alone, for example, private industry is responsible for as much as 29 per cent. of the total expenditure (£480 million as of 1958-59) on scientific and technological research. While any such contribution by industry in India is not inherently difficult, its magnitude is a matter for speculation.

As it is, the effort to organise co-operative research with industries and the C.S.I.R. as equal partners has covered only four industries —cotton textiles, silk and art silk, paints and rubber. With industrialists becoming more and more receptive to this idea of co-operative research, it may be that the third Plan will usher in more research units not only for cement, mica, foundry, radio and electronic industries according to present plans but also for a number of other industries. This is a matter of some urgency, because the exigencies of industrialisation and foreign exchange stringency involve materials substitution for which extensive research is a precondition. Industry-wise studies on wastes, as suggested by the All-India Manufacturers' Organisation at its latest quarterly meeting, are also called for in this context. They represent another precondition for research on ways and means of converting the wastes into useful by-products. Surely there is much to be done in this field, besides the present utilisation of blast furnace slag, basic open hearth slag, bagasse and molasses.

SMALL SAVINGS

Although the rate of small savings collections has gone up in recent years—from Rs. 55 crores in 1957-58 to Rs. 82 crores in 1959-60—the total collection for the whole of the second Plan period is estimated at no more than Rs. 380 crores, representing a shortfall of Rs. 120 crores as compared with the original target of Rs. 500 crores. The reasons for the shortfall are not far to seek. Primarily, they are high cost of living, unattractive return, continuous fall in the purchasing power of money and lack of adequate publicity in rural areas. While the first and last causes have come to be recognised by the authorities, the second and third causes are being slurred over. Mrs. Tarkeshwari Sinha, Union Deputy Finance Minister and Chairman of the newly constituted National Savings Central Advisory Board, put the finger on the right spot when she said, at the inaugural meeting of the Board held at Bombay early this week, that the main difficulty in the savings campaign was the successful creation of a psychology of saving in an era of rising prices, especially when the margin of savings of the wage-earning classes also kept on going down. And she candidly admitted that the savings movement had not yet made its mark in rural areas, but added that every effort was being made, through proper publicity and other measures, to overcome this handicap.

The success of the small savings movement depends as much on the ability of the people to save as on the habit of thrift among them. This aspect needs to be specially stressed, because the third Plan Draft Outline has fixed the small savings target pretty high, namely, Rs. 550 crores, as against the estimated collection of Rs. 380 crores in the second Plan (actual collections up to the end of August 1960 aggregated Rs. 324.69 crores) and Rs. 256 crores in the first Plan. If this target were to be achieved, it is imperative that the whole movement of small savings should be conducted, as Mr. S. K. Wankhede, Finance Minister of Maharashtra, aptly put it while inaugurating the Board, in a systematic and scientific way. Addressing the meeting, the Union Finance Minister, Mr. Morarji Desai, made the pertinent point that small savings constituted a measure of public interest in development and the capacity of the people to save more and more. Few would dispute the fact that, in a developing economy, the practice of austerity and thrift involves sacrifices and discomforts for the present generation, to borrow the phrase of Mrs. Sinha. But there is a limit for such sacrifices and discomforts. And, what is more, the public has a right to expect that the money raised through small savings or any other means is not frittered away on execution of ideological schemes but spent wisely on productive projects which will enable the community to enjoy the fruits of development to the fullest extent possible.

APPRENTICESHIP SCHEME

Trained workers are no less a valuable asset in industry than capital. In fact, investment in enriching human capital is as good as that in the most imaginatively planned and carefully thought out project. In countries like India, which are desperately trying to catch up with the West, supply of trained technicians, in adequate numbers and of the requisite quality, is a major desideratum. It is, *prima facie*, paradoxical that, to a country which has, within its four corners, the second largest mass of humanity in the world, manpower should be a problem. Lack of enough hands is surely not the problem, but the shortage of trained and skilled ones. Out of the schools and colleges in this country are moving the largest number of boys and girls in our history, 290,000 a year according to one official estimate. From them must come the technologists, scientists, technicians and craftsmen the country needs.

Shortage of technical personnel is generally associated in the public mind with lack of engineers and scientists. But paucity of skilled workers below the level of degree or diploma holders is an equally, or may be more, pressing problem. Their role in the scheme of industrialisation is no less important. While the former prepare the blue-prints and supervise the job, it is the skilled and semi-skilled workers who actually execute the work and keep the wheels of machines moving.

Most of the technical training centres existing in the country are a legacy of war-time when a number of them were set up to train personnel for industry which provided the sinews of war. After the war, these centres were pressed into the service of civilian needs to train demobilised soldiers for skilled, civilian vocations. This scheme of limited scope was replaced by a technical and vocational training programme drawn up by the Government under which a few centres were started by the Director-General of Rehabilitation and Employment for training 10,000 persons in chosen trades. The annual intake of training centres run by the D.G.R.E. was about 6,000 towards the beginning of the second Plan. The Advani Committee (1956) estimated the requirements for expansion and replacement of all large, medium and small-scale units in the public and private sectors during the second Plan period at 635,000. The Committee realised that the shortage could not be made good during the second Plan, if the training facilities were not expanded substantially. It, therefore, recommended a phased programme of expansion of training facilities in existing institutions and suggested the institution of regular apprenticeship courses and in-plant training in private industrial establishments under the guidance of the National Council for Training in Vocational Guidance. Thanks to the partial implementation of this recommendation, there were, as on 1st June 1960, 135 training centres functioning under the Craftsman Training Scheme of the Ministry of Labour. They imparted training in 28 engineering and 22 non-engineering trades. It is planned to set up more centres and to increase the training capacity of institutions run by D.G.R.E., so that about 30,000 more craftsmen can be trained each year by the end of the second Plan period. Under the National Apprenticeship Training Scheme, 3,296 persons will be given facilities for apprenticeship in various industrial establishments in the country.

The role of private industry in providing training facilities in this country has been negligible so far. Barring some leading, forward-looking establishments, which have their own training schools and apprenticeship schemes, the vast majority of industrial units have been deplorably indifferent to this problem which they seem to regard as the headache of the Government. Even today, in spite of all the brave talk, the position has not improved. If, therefore, with the needs of the third Plan imparting added urgency to the problem, the Government were to initiate some vigorous and concrete measures for getting things done in this sphere it could not be found fault with. The reported decision of the Government of India to launch a programme to get apprentices compulsorily trained by industry in both the public and private sectors should not cause any anxiety either among business men or consumers. The only possible ground for objection is the element of compulsion. But a reasonable measure of compulsion is preferable to leaving things to drift and getting nowhere ultimately. The only safeguard called for is against the misuse of power. The example of the advanced countries of the West like the U.K., the U.S., or W. Germany is not applicable to India. In these countries, a combination of circumstances, including shortage of manpower, have forced business enterprises to train young hands in advance to meet future needs. This, coupled with the interest taken by the Government and trade unions, led to a situation which made legislation superfluous. In Britain, for instance, trade unions have consistently shown their interest in technical education. Many unions insist on a clause for training apprentices being written into agreements with employers. One of the more interesting methods of training is what is called the "sandwich" course of alternate periods of study and industrial training which enables the industry to get men and women who have "grown up" in the works and who combine sound academic education with clear grasp of shop floor problems.

The proposed programme, which is to be initiated next year, aims at imparting training to 200,000 apprentices yearly in industrial units throughout the country. A detailed scheme is said to have already been evolved. It is proposed to give legislative sanction to the scheme by embodying it in a Bill which is under preparation and will be presented in the next session of Parliament. The Bill, we are told, will seek to set up a Central Council of Apprenticeship Training which will be empowered to constitute subordinate Councils at the State level. The function of these Councils is to prescribe, having regard to the need for technical manpower, training quotas in industrial units in the respective States. The scheme is compulsory, in the sense that every undertaking employing over a fixed minimum number of workers will have to take a specified number of apprentices and train them whether or not they will need them. Medium and smaller industrial units employing less than 500 (or is it 50?) workers will be helped by the Government with a subsidy of 50 per cent. of their expenses on training. Bigger units, however, will have to meet the entire training costs all by themselves. The apprentices will be paid monthly salaries ranging from Rs. 75 to Rs. 150 depending on the nature of the job for which they are to be trained and their basic equipment. The programme aims at building up a pool of one million trained workers by the end of the third Plan period.

Employers will be well advised to extend their full support to the scheme. Some such scheme is, in any case, essential, legislation or no legislation, if the Plan is not to flounder on the rock of shortage of men to tend the machines. If, however, employers are opposed, in principle, to legal compulsion, it is up to them to come out with an alternative concrete scheme of their own which will not be compulsory but will have the same object in view and be implemented expeditiously. If they unanimously undertake the responsibility for getting the specified number of apprentices trained within a specified period, there is no reason to suppose that the Government will still insist on legislation, for what is willingly done will be better done and be of more enduring value.

TRADE BARRIERS

It would appear that the renewed expansion of free world trade noted during 1959 persisted in the first half of the current calendar year also. No clear indication of its subsequent progress is yet available, but reports from abroad suggest that the upward trend might not have been kept up in the third quarter. In fact, talks of a slight recession are in the air. Actual figures are available only for the first quarter of 1960. These reveal that the aggregate value of world exports (f.o.b.) during the quarter under reference was at an annual rate of $111,000 million, as against $93,200 million and $94,542 million in the corresponding quarters of 1959 and 1958, respectively. While the rise in the value of exports is attributable in no small measure to the world-wide phenomenon of higher prices, there is no denying that the volume of trade itself has registered an improvement, thanks to the lessening of exchange restrictions, simplification of exchange controls and decline in the number of bilateral payments agreements. Even so, it must be admitted that trade barriers erected in a number of countries continue to hamper world trade. It was, therefore, in the fitness of things that the several leading spokesmen of the industrial and business community assembled at the Fourth International Conference of Manufacturers held at London last week should have strongly urged the need for removing barriers to world trade and setting right the severe imbalance in trade between the industrialised countries and the non-industrialised areas of the world.

The most emphatic call was made by Sir William McFadzean, President of the Federation of British Industries, who spoke of the vital importance of creating wider and freer trade rather than of restricting and confining it in sealed compartments. Here is what he said: "One of the most complex problems arises from the completely different standard of living in certain Eastern countries and the great need of these countries to maintain their respective balance of payments. The less they are able to pay for their development programmes out of export earnings, the more accommodation will the more mature and economically stable countries have to provide in terms of loans or grants-in-aid."

A more or less similar view was expressed by Mr. Fritz Berg, President of the Council of European Industrial Federations, and Mr. William Blackie, head of the U.S. Chambers of Commerce delegation. Stressing that the aim should be the establishment of a true partnership between the countries to be developed and the industrial nations, Mr. Berg observed: "This presupposes the possibility for the former to sell their products in our markets. If they are expected to repay the long-term credits we grant them, this can only be done by way of merchandise." He did well to advocate liberalisation of import policy by the Governments of the advanced countries. He displayed great understanding and right foresight when he advised the industrialised countries to prepare themselves for "certain changes in our own economic structures, giving up certain types of production and leaving them to the emergent industrial nations in Asia and Africa; after all, this is in the spirit of the international division of labour." In his speech, Mr. William Blackie mentioned the increasing volume of imports into North America from low-cost countries such as Japan and Hong Kong and said: "Some domestic industries have obtained temporary protection through voluntary restraints upon imports." Such devices, in his opinion, cannot provide a permanent solution and, yet, Japan and Hong Kong must have permanent markets for their goods. It was this consideration and the fact that the West European countries are in a better financial position now that prompted Mr. Blackie to urge these countries "to open the doors wider to imports from friends in the Far East."

It is to be hoped that the sentiments expressed by the aforesaid speakers will permeate the rank and file of business and official circles in the economically advanced countries of the West and lead to an early relaxation, if not abolition, of trade barriers. Whatever efforts that are made in this direction will, of course, be of no avail, unless they are accompanied by concrete steps to avoid a division in Europe and, at the same time, maintain the economic and political cohesion of the Commonwealth. Mr. Reginald Maudling, President of the U.K. Board of Trade, certainly struck a note of realism when he stated, in his address following a banquet to mark the Conference on the 4th inst., that it was a matter of urgency to find a solution to the threatened division of Western Europe that will be in harmony with the interests and purposes of both groups and that the traditional interests of the Commonwealth nations must be protected. It will be recalled that certain assurances were given by the spokesmen of the British Government to the Commonwealth Finance Ministers when they met at London last month to discuss matters of mutual interest. These have led to certain misgivings among the members of the Common Market. It has even been suggested by some that new obstacles to an understanding in Europe have arisen. Describing this suggestion as a complete misapprehension, Mr. Maudling observed:

"I and my colleagues have pointed out, time and again, the immense importance of the British market for our Commonwealth colleagues and the great significance of duty-free entry, in particular, in our Commonwealth trading system. As we have explained, the fact that the terms of the Treaty of Rome would bring Commonwealth free entry to an end is one of the main difficulties we have always seen in it. We still do over 40 per cent. of our trade with the Commonwealth and, vitally important as is the developing economy of Europe, we should be foolish to neglect this fact. We feel, moreover, that there are great difficulties for us and, indeed, for any industrialised country, in a course which involves putting new or higher duties on imports, thereby increasing production costs, erecting new barriers to the flow of trade, and, in many cases, creating new problems for underdeveloped countries for whom development aid and capital assistance is inadequate without a market for their products. For all these reasons, it is not surprising that, at any meeting of Commonwealth Finance Ministers, great concern should be felt by all present at any possibility of undermining the existing structure of Commonwealth trade. What was to my mind particularly encouraging at the meeting was the understanding of Britain's position and of the political issues involved shown by all our Commonwealth colleagues."

India and other Commonwealth countries will, indeed, be gratified to hear from Mr. Maudling that there is now growing realisation among the European nations of the importance to Europe of the link between Britain and the Commonwealth. Surely, the task of establishing an enlarged European free trade area without giving rise to any fresh problems of Commonwealth trade will not be difficult, provided there is, as Mr. Maudling stressed, the political will to succeed.

DRAFT THIRD PLAN X-RAYED—IV

AGRICULTURE—POWER—INDUSTRIES

By J. M. Lobo Prabhu

HOW technical manpower and scientific research have become so important as to deserve a separate chapter, the Commission has not explained. One only hopes that it does not reflect a transition from actual achievement to academic preparation. What is important to the common man, who is the taxpayer, is that his money is not spent to train a small proportion of the population at high cost for purposes which do not directly serve him and in many cases may not eventuate. The justification for the training proposed can be judged first from the increase in work as indicated by production, second the current availabilities as indicated by the live registers of unemployment.

It is proposed to increase the intake of engineering students which was 5,888 in 1955, to 13,165 in 1960 and to 18,000 in 1966. During 1959-60, industrial production, including electricity, rose from the index number of 122 to 149, about 23 per cent. Even the third Plan targets do not stretch to a 200 per cent. increase to justify an equal increase of staff. The figures for polytechnics are even higher, an increase from 10,484 in 1955 to 24,020 in 1960. to 34,000 in 1966. This is overproduction with a vengeance which the unemployment statistics confirm. The cost of technical education is at least threefold, first that of buildings and equipment required for new institutions, second of teaching, and third of apprenticeship which is going to be made compulsory on industrial establishments, which will doubtless pass the cost on to the consumer in the form of higher prices. A more realistic assessment of the technical services deserves to be made, as overestimates are neither fair to staff trained or to the common taxpayer who has to foot the bill.

There is provision for training 10,000 supervisors and 7,300 managerial staff for small-scale industries. Since there are complaints that small-scale industries are monopolies for only assembling components for supply to Governments, an independent commission should be asked to assess the costs and results, before the provision for small-scale industries is confirmed in the final plan.

There is a provision of Rs. 50 crores for research, in addition to grants made by different ministries in their own fields. The Commission admits that, since 1953, only 21 inventions have resulted from research which have been used for commercial purposes. The complaints about our research are that it attracts only those who cannot find commercial or Government appointment, that the heads of the research institutions, when they are not pinching the inventions of their subordinates, are engaged in administrative work, and that, as there are no pilot plant facilities and designs organisations, the academic results of research are not tested. Expenditure on scientific and industrial research should, therefore, be limited to getting practical results for what has been already undertaken. It would be useful if a team of competent foreign experts could give an assessment on what has been done and advise on what should be done, so that the common taxpayer is not called upon to support illusory schemes.

Agriculture and Rural Economy

There is little original in the programme for development of agriculture. The first item in the programme is irrigation, which is expected to increase by 13 million acres from large and medium projects and by 12 million acres from minor irrigation. It is claimed that, as a result of the first and second Plans, the irrigation potential will increase by 17.5 million acres, of which 12.5 million acres will be used. The record of the area actually irrigated was 4.2 million acres in 1956-57.

In the first place, there is reason very seriously to doubt these figures and the expectations of higher figures from smaller expenditure in the third Plan. Agricultural production is the best index of irrigation and this dropped, in the case of cereals, during the four years following 1954. Secondly, if irrigation is serving its purpose, why are so many States losing on their investment? Thirdly, if irrigation is popular, why is there unused potential which Government thinks will be used only from the levy of a general cess in the area commanded? The only conclusion to be reached is that, in our search for big schemes, no one considered if they would be used by the people.

Minor irrigation from tanks and wells is better but much of the investment on it has gone into the pockets of dishonest officials and contractors, who have never been checked by any proper technical authorities.

The second item is 13 million acres of soil conservation, 40 million acres of dry farming practices and one million acres of reclamation. How unrealistic these figures are can be judged from the fact that, in 1958, the Central Tractor Organisation reclaimed only 42,000 acres and terraced only 4,000 acres. During the first two years of the second Plan, only 490,000 acres were protected through soil conservation measures. Dry farming, which demands more labour and investment and carries a more uncertain and smaller return, will not interest the cultivators, unless the prices increase considerably, which is not expected in the Plan. The only alternative is that the cultivator is offered subsidies, or at least concessions in rent and revenue.

The third item is supply of fertilisers and manures. Since production fell from 1954, in spite of a considerable increase in fertilisers, the inference is possible that in proportion fertilisers increased productivity, the cultivator reduced other factors, notably labour. Care must, therefore, be taken to ensure that the plan to increase nitrogenous fertilisers by nearly three times and phosphatic fertilisers by six times should not be accompanied by a deterioration in agricultural practices. Similarly, the supply of improved implements should not increase the unemployed time of the cultivator, though there is little danger that these implements will be available, as the Council of Agricultural Research has been evolving them for an unconscionably long time and is not likely to reach results, unless it adopts the practical course of studying implements in use, which take account of the soil, animals and men, to remove obvious defects only.

Two more lines of improvement, better seed and better agricultural practices, have not received the emphasis they had in the past. It is stated that the seed multiplication programme will cover 150 million acres. It is not stated what to date is the area under improved seed which the plans have achieved. For the total period of the community projects, upto September 1958, the improved seed distributed was only 157 lakh maunds which gives an annual average of 20 lakh maunds, covering at best 2 million acres. This is a long way to 150 million acres, particularly as the seed issued each year is not self-regenerative being eaten and sold and rarely conserved for sowing in the same holding, not to think of sowing in other holdings. In respect of improved agricultural practices, the last evaluation report on community projects is depressing. The result must be so poor that the Plan has not cared to mention the achievements of the Community Projects.

From the facts that production of cereals fell after 1954 and even after, that rising prices indicate a continuing shortage, it is permissible to conclude that the expenditure of Rs. 2,339 crores during the first two Plans on agriculture and irrigation has been largely infructuous. This is mainly because Government has proceeded on spoon-feeding the cultivator, instead of stimulating his sense of self-help in respect of agricultural practices in which he is as competent as those who attempt to teach him. If Government assistance is *ex post facto* related to self-help, much more could be achieved at much less cost. What the cultivator would value most would be the gift of rights in his land, permanent tenancy, where this has not already been conferred and reduction in revenue where it has been conferred. For instance, a reduction of 5 per cent. can be allowed for each improvement like improved seed, Japanese cultivation, green and organic manuring, contour bunding, and irrigation from self-created new sources. If every holding adopts every one of these five vital improvements, the cost to Governments will be only Rs. 25 crores a year. Larger schemes of soil conservation, seed and fertiliser supplies, as also all schemes of minor irrigation, may remain with Government. It is better that minor irrigation is taken away from the revenue department and entrusted to the irrigation department, as silting has proceeded at a pace that it is nearly everywhere a major work to be done by specialist staff.

The Commission's faith in development blocks, which are to be extended to the whole country, ignores the findings of (*a*) the U.N. Committee that intentions had been confused with achievements, (*b*) of the last evaluation committee that no impression worth noticing had been made and (*c*) the findings of the numerous other State committees that money was spent mostly on staff and equipment and not on the needs of the villages. In fact, as a fifth wheel, the Block Development Organisation has distorted and diminished the work of the regular departments. Unless the Ministry can meet these charges, or appoint an independent committee to make another assessment, not one paisa of the money of the public should be spent on community projects. If the staff cannot be disbanded, it should be spread all over the country to watch and assist the departmental staff in their own work.

Co-operation

Co-operatives and democratic decentralisation are only distractions that have been introduced to mask the failure of Community Development, because co-operatives and *panchayats* were always in the development organisation and, if they could not thrive there, they are unlikely to thrive by themselves. Village democracy is meaningless, unless rights are associated with responsibilities. Merely pouring more money into old patterns may help politically, but not economically. On the other hand, the reduction of administrative authority will allow party interests to victimise the weak. Before democratic decentralisation is extended to other States, a commission of High Court judges and vice-chancellors, probably the only independent officials left, should report on its working in the States where it has been introduced.

For co-operation, a credit of Rs. 675 crores is being provided, which, serving only a limited class of well-to-do farmers, is not fair to the general public which has to bear the interest and the inevitable losses from unrepaid loans. The credit is also more inflationary than actual expenditure of Government, as it is available in the village not only for consumption purposes but for hoarding of grain.

The proposals for dairy development may be welcomed, particularly if they lead to better care of cattle. The provision of Rs. 250 crores for village and small industries can only be fruitful, if it provides for what the people want and not what is forced on them, like khadi and handlooms with subsidies. The progress of a country depends on improving the efficiency of labour and not by perpetuating obsolescence. As soon as alternative employment can be found for existing workers, industries which can survive only with the taxpayers' money must make way for those which pay for themselves, for the obvious reason that they satisfy public demand. The proposal that Government will guarantee bank loans to village and small-scale industries will lead to the suspension by banks of their normal checks, on the one hand, and to extravagance through starting and running new projects by parties who can please officials and politicians, on the other.

The idea of the Commission on improving techniques appears to be confusing. While the Khadi and Village Industries Commission are supported for introducing power, many industries which are now mass-produced are to be demarcated as small-scale. The loss of technique and efficiency, which will be consequent, will be reflected in higher prices which the common people will pay, which certainly cannot be said to be in consonance with the socialist pattern chosen as the goal for the country.

Irrigation and Power

The Commission proposes to spend Rs. 450 crores for completing the existing schemes, Rs. 100 crores for new schemes and Rs. 80 crores for control of waterlogging, flood and erosion. Though the total provision is considerable, the Commission apparently realises that it proceeded too fast in spending Rs. 1,400 crores in the first two Plans, with results which are not reflected either in the food production or in the revenue. The country was entitled to know the factors which the Commission found were responsible for irrigation systems working at a loss in nearly all States. Under the guise of planning, the Government was not justified in establishing works which are uneconomic, on the one hand, and are not fully utilised on the other. The measures now proposed by the Commission are increase of water rate, a compulsory cess in areas commanded, irrespective of the use of water, and third betterment levies. For political reasons, there is little prospect of any of these measures being undertaken. On economic grounds also, they may be reflected in an increase in food prices. There may be some relief if irrigated areas belonging to Government are leased for big farms which may be able to use the water and pay a higher water rate through efficient cultivation. If this goes against the socialist policy of Government, it will at least set up improved types of farming, employ labour on gainful wages and add to the food supplies. In due course, the argument that higher rates are uneconomic will be unsustainable when these farms can pay them. The taxpayer will be relieved that he does not have to pay interest on the investment of Rs. 1,400 crores, without getting the appropriate return in food or revenue.

The position regarding electricity is the same. The Commission mentions that three years ago the Finance Commission commented that State Electricity Boards may be run in such a manner that they meet the interest burden at least. The Commission notices that there has been no improvement since. Nonetheless, the Commission proposes that, when only 11 per cent. of the hydro-electrical potential has been utilised, thermal power, which costs 3 nP per unit and atomic power which is estimated to cost at least 4 nP, should be developed, without waiting for investigations in hydro-electrical power which costs only 1.2 nP. In respect of atomic power, there is an incomparably larger foreign exchange component, higher capitalisation and a risk which even more advanced countries like the U.K. are not willing to bear. The provision of Rs. 51 crores for atomic power, Rs. 24 crores for uranium mining and plutonium extraction is, therefore, a cruel burden on the millions who cannot afford even a wicker light.

Another burden is Rs. 105 crores for rural electrification which does not serve more than 5 per cent. of the villagers with light and less than 1 per cent. with power. With the same money, the villagers would appreciate better roads, houses, schools and drinking water. At the same time, the current will have better uses in towns to cheapen industrialisation. Whatever the political advantages of rural electrification, the subsidies necessary for it disclose its economic liabilities.

Electricity does not pay, because, being a State enterprise, no one is concerned to sell it, connections not being given for months until the staff is bribed. Service is also so bad that one does not understand why the staff is always being increased.

The proposal of the Planning Commission to produce electrical equipment in the country may not reduce cost, if the production is not under competitive conditions both in respect of price and quality. If there is a margin of profit in producing machinery and equipment for electricity in the country, the proper test is to invite foreign investment which, in the conditions of monopoly in India and overproduction elsewhere, is likely to respond quickly. Even indigenous production would do so. In the circumstances, it is not fair to risk the money and credit of the taxpayer in what may be uneconomic due to lack of proper assessment and management. Whatever Government may think of its experts, the latter have no practical experience of manufacture, no personal interest in the investment, and no independence in the management to make a success of a very highly technical production. If some encouragement is to be given to private enterprise, it may be by Government participation in the share capital which can give it a watchful interest in what others more competent than itself can do with reference to both demand and supply.

Irrigation and power are both necessary for a country, but both should be based on economic expectations and not political enthusiasms. Our experts are mushrooms of independence and do not possess the maturity of those who have grown under conditions of sustained industrialisation. In our own interest, we should not hesitate to take assistance at the highest level of those who have greater experience and education till the younger men who are growing under independence are able to lead their departments. Any false sense of self-importance will cost the country, and what is more important the taxpayer who foots the bill, in a measure which can cripple the self-generation of the country. If mistakes have been made in irrigation and electricity the nation could forgive them, counting the consequent loss as the cost of educating democracy, but, if the mistakes persist, history may not forgive or spare democracy in this country.

Industries and Minerals

There are certain axioms which must be recognised in any plan of industrialisation. The first is that the world has reached that stage of interdependence in respect of raw materials and technology that the idea of economic autarchy is outdated. Even in war, no country can survive without exchanges with other countries to maintain its industrial production. Our own industry and technical installations would not survive a month without spare parts and materials we do not and cannot produce. Even Communist countries are continually filching the technical know-how of other countries and obtaining at great cost raw materials to maintain their industrial economies. The real test, therefore, is whether we are importing what we can produce within reasonable time of comparable quality and price.

The second question is this: If there are items we can produce at comparable price and quality, to whom should the finance and risk involved be assigned? In this, two basic factors require to be recognised, first, that State enterprise is not as assertive and alert as private enterprise in which the motive of private gain is combined with the resourcefulness, sacrifice and foresight of human nature to dare much for what benefits most. The second basic factor is that, in State enterprise, the capital is of the taxes and loans of the common people, which should not be risked too much, considering how little they have to spare. In the first and the second Plan, there has been little or no income from the aggregate of all enterprises.

The third axiom is that industrial growth like other growth begins from below, capital and heavy industries being the expression of small industries which satisfy the requirements of people. Only in totalitarian countries do heavy industries take precedence, because of the demands of the Government for war-like preparations. Heavy industries and consumer industries represent the precise difference between the Sovereignty of the State and of the people. Even if the State has to back

(*Continued on page 712*)

105 million tons of food grains

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DEVELOPMENT OF BANKING—II

NEED FOR CREATING PROPER CLIMATE AND PUBLIC CONFIDENCE

THE scheme for development of banking suggested by Mr. B. K. Dutt, in the course of Prof. Benoy Kumar Sarkar Memorial Lectures, a reference to which was made in these columns last week, is only for covering the towns and other important rural or semi-urban centres, which are in need of commercial banking facilities and where conditions are suitable for development of banks. The scheme, therefore, does not come in conflict with the Government's programme for expansion of co-operative banking, which is functionally different and which will have still enough ground to cover. There are, however, some inhibiting factors which, Mr. Dutt feels, must be removed for the proper development of banking. These relate mainly to banking operations and banking control.

The major impediment to the expansion of banking operations is the low margin of profit, consequent on a disproportionate rise in operating expenses. The position can be corrected, according to Mr. Dutt, by improving operating earnings through the elimination of "unhealthy competition" and an increase in service charges. Before, however, this is done, Mr. Dutt suggests that a correct assessment of banking costs should be undertaken. It is disquieting to note that this aspect has received very little attention among banks in India. According to Mr. Dutt, very few banks in India maintain a research staff of their own to work on methods and system and costing. It is true that many banks cannot afford to have a research section of their own, but Mr. Dutt suggests that an active and efficient representative association of bankers should be formed to undertake the work for the benefit of its members.

Higher Output Needed

The cost analysis and methods study might lead to economies in certain items of expenses. But there is one item, namely, wages, the major component of the cost structure, which is beyond the control of banks. The heavy incidence of the establishment charges, which absorb about 60 per cent. of the current operating earnings, after payment of interest can, however, be minimised to a large extent by a higher *per capita* output of the banking personnel within the prescribed hours of work. This can only be achieved through the co-operation of the employees who should be made to realise their responsibility in this regard. Higher productivity can also be achieved by mechanisation of operations and adoption of modern methods of work. Very few Indian banks have resorted to mechanisation. Mr. Dutt says, from his own personnel experience—his bank, the United Bank of India, was the first in this country to mechanise operations on a major scale, including the installation of a punch card system—that it is possible to raise *per capita* output through the process of mechanisation. He, however, feels that the fullest benefit cannot be achieved without a change in the outlook of workers. Much of the mental resistance to mechanisation stems from a faulty notion that mechanisation will lead to unemployment. Dispelling this apprehension, Mr. Dutt observes:

"New fields are increasingly coming within the scope of banking operations, volume is increasing every day and more banking offices will have to be opened. Therefore, at least in the present situation, there is not only no fear of loss of employment but, on the other hand, owing to inadequacy of trained personnel, mechanisation will be useful in diverting trained personnel to man the new offices and to handle the newer types of job operations. Even in the normal course, mechanisation has never been found to limit employment opportunity; rather it has been found to extend it. It may be interesting to note here that, since World War II, despite high level of mechanisation, the number of people employed by banks in the U.S.A. has increased by about 70 per cent."

Secret Reserves

Another operational problem relates to the building up of undisclosed reserves of banks. Mr. Dutt is of the view that, though the need for building up secret reserves is widely recognised, very few banks will be able to raise such reserves, unless there is appreciable rise in the net operating profit. The difficulty will be greater still in the case of banks which have yet to bring their open reserves to the level of their paid-up capital. In this connection, Mr. Dutt makes a plea for a change in the concept of published reserves. Dilating on this point, Mr. Dutt observes:

"The concept of requiring the size of published reserves to become equal to the size of paid-up capital is misleading. Growth of deposit will necessitate expansion of capital; the published reserves can hardly keep pace with this. Even in the U.K. it has not, so far, been possible to achieve this parity. It is the size of inner reserves that makes a bank really shock-proof, not so much the disclosed reserves. I, therefore, think that Section 17 of the Banking Companies Act should be so amended that a bank may not be compelled to transfer a fixed portion of its profit to the disclosed reserves as long as its capital structure bears a specified ratio to deposits; a portion of such allocation may then go towards building the internal reserves which, it bears repetition, is no less important. Such an amendment will also facilitate, to some extent, the extension of bank capital, the need for which I have already discussed."

Bill Market Scheme

Another handicap is the limited utility of the "bill market" scheme. Mr. Dutt feels that the necessary facility should be backed by a bill market proper, where bills may pass hands. This, he says, would reduce excessive dependence on the Reserve Bank, whose lending facility should be used for ultimate finance, in case of necessity. "Such a market," he adds, "can be organised with actual participation of the commercial banks, insurance companies, L.I.C., S.F.Cs., I.F.C.I., I.C.I.C.I., etc. All these institutions may find it useful to operate in the bill market for employing such of their funds as are surplus for a temporary period. Perhaps, such a market may also operate on Treasury Bills."

Mr. Dutt urges the need for better remittance facilities for banks. At present, as between two offices of the Reserve Bank, a scheduled bank is allowed free remittance daily, but as from an office of the State Bank to an office of the Reserve Bank free remittance is restricted to three days in a week. Even this facility, Mr. Dutt says, is one-way and extends only to remittances originating from an office of the State Bank. "All remittances made by banks through the Reserve Bank or its agent, that is, the State Bank," he adds, "should be made free of charge and such facility should be available *daily*." He has also suggested the establishment of teleprinter service for quicker transmission, so that commercial banks can reduce their cash in vaults and effect a substantial economy.

Banking Control

While admitting the need for vesting powers in the Reserve Bank for effective control over and proper guidance of the banking system, Mr. Dutt points out that the existence of powers is not by itself sufficient to produce, either the necessary control or the desired guidance. "The central banking authority needs to be very careful in assessing a situation in an objective manner and both in deciding the adequacy of an action and judging its timeliness." Proceeding, he observes:

"It is also recognised that, in taking the necessary steps, the Reserve Bank should rely more on its powers of suasion, than having recourse to the sanction of law, which is to be used only in extreme cases of delinquency. But, while this objective has to be aimed at, it is at the same time true that, no executive authority, and for that matter, no human organisation, can be free from mistakes, on the one hand, and from a know-all attitude, on the other. These are human frailties, which man has not yet learnt to conquer. The task of the Reserve Bank is, therefore, unenviable. In the course of the exercise of its controlling powers, it is bound to encounter clashes and conflicts, as there is always room for honest and yet unyielding differences with the bank management. A genuine desire to help through tactful persuasion can help in reducing the degree of conflicts, but clashes cannot altogether be avoided.

"Again, banks with varying credit maturity, pattern of assets, rate of growth and degree of strength or weakness, comprise the banking system. A control without power and responsibility to take suitable steps for removing the inhibiting factors, cannot, therefore, be as effective as it is intended to be. Banking control, as has recently been pointed out by the Governor of the Reserve Bank, cannot, by itself, prevent bank failures; there are various other factors, the important ones, to my mind, being general economic situation, the pace of development, and public confidence. While banking control can help in improving the standard of bank management, it cannot, without suitable authority and responsibility, bring about the necessary climate to protect the banking system from the unsettling effects of a changing and developing economy, or even from the repercussions of the corrective measures taken against a delinquent. There is, therefore, need for vesting the banking authority with adequate powers and responsibility in the matter of taking steps necessary for a healthy development of the banking system. Banking needs determined approach and yet tender and careful handling."

This does not mean that commercial banks have no responsibility of their own in this regard. Rightly stressing the need for "further reorientation of their approach to banking control," Mr. Dutt adds: "There is also the need for a positive approach towards adopting modern techniques of management and towards better co-ordination amongst the different banks, with a view to eliminating unhealthy competition and extending more and better services to the community." Such a change in approach may be brought about, Mr. Dutt feels, through extensive training programmes in which the personnel of the banks, as well as the personnel of the central banking institution may participate. The organisation of seminars under the ægis of the Reserve Bank is also suggested by Mr. Dutt, so that the management and executives at different levels of commercial banks and the officers of the Reserve Bank can have full and frank discussion on various subjects relating to bank management and development of banking.

Decentralisation of Reserve Bank

An interesting suggestion made by Mr. Dutt for promoting closer relationship between the banks and the central banking authority is the decentralisation of the Reserve Bank. To quote his own words:

"There may be, say, four or five autonomous Regional Reserve Banks, co-ordinated by a central Board, which will evolve policies and take important decisions, the execution being entrusted to the Regional Banks. Such decentralisation will bring the local management in closer and more intimate contact with their respective regions; this will facilitate not only better appreciation of the local problems and needs but also development of the desired relationship between the banking authority and the commercial banks."

At a time when there are several forces which are threatening the unity of the country, the political implications of this suggestion are important and must be carefully examined before conceding its practicability or necessity. At present, the Reserve Bank is one of the few factors that are sustaining the unity, but the formation of Regional Reserve Banks is liable to weaken it.

Another inhibiting factor to which Mr. Dutt refers is the uncertain climate for creation of public confidence and goodwill. The removal of this uncertainty is the first prerequisite for establishing a healthy banking system. Though bank failures, which usually hit at the very root of public confidence, in this country have not so far been as serious as in many other countries, the banking system "faces uncertainties of a changing economy and has to reckon with a large measure of uncertainty with regard to public confidence." Mr. Dutt is of the view that, while banking control makes an important contribution to the establishment of proper climate, it cannot be a substitute for other measures which have to be taken in this regard. He even fears that certain corrective measures taken under banking control, however prudent, may at times shake public confidence. Such instances are not rare either in this country or elsewhere.

Deposit Insurance

Mr. Dutt has suggested two important measures which can make a significant contribution to infusing public confidence. They are: (1) insurance of bank deposits and (2) rehabilitation of weaker banks. While it is true that bigger banks will not get much direct benefit out of a deposit insurance scheme, the merit of the scheme lies in the fact that a "suitable climate will be created which will facilitate a general growth of banking, including the business of the larger banks." On the contrary, in the absence of such a scheme, a small flutter, even in a minor sector of the system, has, as experience has proved, "its chain reactions which do not always exclude large banks". Mr. Dutt, therefore, pleads that in the "enlightened self-interest" of the major banks they should not only support but also press for a scheme of deposit insurance in this country.

Mr. Dutt is personally of the view that extensive amalgamations of banks are unsuited for the health of the Indian economy. "A small member of very large banks," he adds, "cannot service our economy, efficiently fulfilling all the multifarious requirements. Amalgamations would be necessary and may have to be made in special cases. But the general pattern has to be based on a large number of banks of various sizes and functions. The reduction in the number of banks through amalgamation to a very small number of larger banks would establish a monopoly in the banking system, which is not only undesirable but also contrary to our economic and social concepts."

Rehabilitation of Weaker Banks

It may be argued that the establishment of a large number of small banks might lead to the creation of weaker and sub-standard banks and this, in turn, might make the whole banking structure vulnerable. Mr. Dutt, however, has a scheme, in addition to the deposit insurance system, for placing the weaker links on a sound footing. Based on the American model, the scheme envisages the establishment of a Bank Rehabilitation Corporation. Outlining the main functions of the Corporation, Mr. Dutt says:

"It will make a quick survey of the assets of the banks in liquidation and acquire them at a price determined on progressive terms; provide capital on preferential and redeemable basis to such of the small but sound banks as are not progressing owing to inadequacy of capital; arrange prompt merger, or conversion into subsidiaries on a workable basis, of those banks whose deposits have been impaired; arrange consolidation of uneconomic banks into viable units of suitable size; arrange proper training of the personnel (including management) of the substandard banks."

This Calcutta banker, however, concludes that any system for rehabilitation of weaker banks is bound to affect the confidence of the public and react on the other sounder banks, unless a suitable climate is first created through a scheme of deposit insurance. In other words, he wants insurance of bank deposits to be introduced first and the reorganisation of small and substandard banks later. But most of his confreres in the banking world feel the other way about. It will be interesting to see how this vicious circle is broken in the coming months.

I.F.C'S INVESTMENTS

The International Finance Corporation has announced a commitment to invest an additional U.S.$200,000 in Cementos Bio-Bio, S.A., to help finance the construction and initial operation of a cement plant near Concepcion, Chile. The commitment will bring I.F.C.'s total investment in the company to $1.2 million, the first one, made in 1959, being for $1 million.

The plant is designed to produce approximately 132,000 tons of portland, iron portland, and slag cement for domestic consumption. The cost of the project has been increased from U.S.$4.9 million to U.S.$5.7 million. In addition to I.F.C's investment, financing will be provided by a group of Chilean shareholders. The total I.F.C. investment will be in unsecured dollar notes bearing 7 per cent. interest payable in dollars and maturing between 1966 and 1976. The I.F.C. will also receive additional interest related to profits and an option to subscribe to stock of the Company.

The I.F.C. has also announced a commitment to invest U.S.$1,875,000 in Rauma-Repola Oy of Helsinki, Finland, to help finance expansion and modernisation of the Company's diversified manufacturing operations.

The I.F.C. investment will be in unsecured dollar notes bearing 6 per cent. interest payable in dollars and maturing between 1961 and 1965. In addition, the I.F.C. will receive additional payments dependent on dividends and an option to purchase stock.

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WORLD COTTON TEXTILE SITUATION

CONCERN EXPRESSED OVER POSSIBLE IMPACT OF EUROPEAN DIVISION

ONE hundred and twenty delegates, representing the different West European countries, the U.S., the United Arab Republic and Japan, attended the annual meeting of the International Federation of Cotton and Allied Textile Industries held at Amsterdam, Netherlands, from 26th September to 1st October. The delegates had before them a heavy agenda, which included, besides the customary review of the present state of free world trade in cotton and textiles and future prospects, a wide range of subjects. The subjects covered, among others, are the following:

International action in the field of cotton textile market research and sales promotion;

adoption of rules designed to ensure fair trading regarding textile designs;

latest developments pertaining to the six-member Common Market and the seven-nation European Free Trade Association and their implications for the cotton and allied textile industries in Western Europe;

recommendations of the Federation's Technical Committee on fibre testing and introduction of TEX, the new universal yarn count numbering system;

discussion on moisture-content in cotton yarns;

quality aspects of raw cotton and current problems connected with cotton marketing; and

progress report on the U.S. cotton quality.

The highlight of the meeting was the presentation, by the Chairman of the Federation's Committee for European Affairs, Kommerzialrat Generaldirektor Rudolf Seidl (Austria), of an interesting report on the impact of the present division of Western Europe into two separate integrated areas on cotton textile industry. According to Mr. Seidl's analysis, much concern is expressed over the division of Western Europe which, it is feared, would inevitably have a damaging effect on the export position of the European textile industry as a whole. The Committee has, therefore, considered policies that might form the basis for an all-European integration within the sector of the cotton textile industry. The policies envisage a revision of the rules regarding area origin for tariff purposes as stipulated by the E.F.T.A. Convention, rules which are totally inadequate and leave the spinning section in jeopardy. The cotton industry in Europe is of the view that stability of the European market can be maintained only if imports from countries with entirely different economic and social structures, State-controlled economies or multiple exchange rates are kept within reasonable limits.

Controls Over Exports

The problems of customs tariffs towards third countries is one of the main obstacles to an all-European integration and, as far as textiles are concerned, it is considered advisable to arrive at a harmonisation of the customs tariffs of E.F.T.A. countries to the common outside tariff of the E.E.C. This may also solve the difficult technical problem of the rules of origin which will then become obsolete. Pointing out that the most important task was to arrive at a co-ordination of the European nations' commercial policies, Mr. Seidl observed:

"The textile industry of Europe is willing to leave a fair share of the European textile market to industries in the newly developed countries. However, it is inconceivable that there should be an unlimited increase of textile imports into Europe from year to year at the expense of the old-established European industry which has already substantially reduced its capacity and made sacrifices on world markets. As long as completely different conditions of competition exist in the textile industries of Europe and other parts of the world, order on world markets should be established through the institution of certain controls over the volume of exports."

Some of the more specific implications of the E.F.T.A. and the E.E.C. to the textile industry such as "improvement trade" in grey cloth and need for adopting effective anti-dumping legislation were also referred to by Mr. Seidl. Any arrangement likely to be arrived at on an all-European integration within the framework of the textile industry, he averred, would have to be in conformity with the G.A.T.T. and it might, therefore, become necessary to revise the G.A.T.T., in order to take account of the present conditions in world economy which were completely different from those obtaining at the time when the G.A.T.T. originated fifteen years ago. Dr. W. T. Kroese (Netherlands), President of the Federation, also dealt with the present position of the European cotton industry with particular reference to the G.A.T.T. He was highly critical of the G.A.T.T. in matters such as imports with which Western Europe was unable to compete on equal terms. He urged that 'political' imports at unrealistic prices from the communist world be banned and imports from low wage countries regulated by quota arrangements. In his speech, Mr. W. T. Winterbottom of the U.K. warned against dangers of price-cutting and, like Dr. Kroese, ended on a note of sober optimism for the future. Alluding to the reorganisation of the cotton industry in Britain, he made it clear that its success would depend on the renewal of "limitation-of-exports" agreements with India, Pakistan and Hong Kong.

Textiles in U.S. and Japan

Two interesting papers, one by Mr. R. Houston Jewell and the other by Mr. E. Shimada on the textile industries of the U.S. and Japan, respectively, were read at the meeting. The emphasis in Mr. R. Houston Jewell's paper was on the dangers to the U.S. cotton textile industry from the rising tide of imports. Many of the imported goods were made from U.S. cotton which had been bought at far lower prices than the American mills themselves could obtain it (in the U.S. buyers have to pay the Government "support" price). Mr. Jewell defended and explained the actions of his industry in seeking higher tariff protection during recent months and described the small concessions the U.S. industry had obtained. Mr. Jewell was closely questioned by the panel and the audience on the extent of the danger arising from imports and also on the subject of dual pricing of U.S. raw cotton. In his replies, Mr. Jewell made it clear that both industrialists and growers were against the present dual pricing system but that there were very serious obstacles to a return to a single price system. As regards imports, he said, it was the rate of increase in the last 18 months as much as the volume which was causing alarm.

The survey of Mr. E. Shimada described the recovery of the Japanese cotton industry from the 1958 recession. Production had now regained the 1957 level, but, in the meantime, Japanese production in general had increased substantially so that the textile industry now represented a smaller proportion of the total. This situation had led to competition for labour and the Japanese cotton industry was facing much the same difficulty in recruiting labour as Dr. Kroese and Mr. Winterbottom had reported in Europe. Mr. Shimada spoke of the advantages and disadvantages of Government controls as they exist in Japan and of the plans of the Japanese cotton industry to meet the coming liberalisation programme of their Government. As regards the future, there were good grounds for the belief that, with increasing consumer spending power in Japan, the *per capita* consumption of cotton in Japan would rise. As the population of the country was still rising, the result should be a reduced need dependance on export markets, although cotton textiles would remain one of the major components of foreign trade.

The Committee for Market Research and Sales Promotion discussed the possibility of obtaining the support of all cotton growing and exporting countries in the current efforts to increase cotton textile consumption through market research and sales promotion. The Committee for Man-Made Fibres submitted recommendations aiming at a unification of the terminology of man-made fibres. Some concern was also expressed over the excessive number of trade-marks for man-made fibres in commercial production. This tended to cause confusion among consumers. It was decided that the Federation should seek closer working contacts with the fibre producers. Resolutions submitted by the Federation's Technical Committee regarding fibre testing and standardisation were adopted. It was felt that further efforts should be made, particularly of an educational nature, to speed up the introduction of TEX, the new universal yarn count system. It was also thought that the Pressley method for measuring fibre bundle strength was not sufficiently developed to be used for purposes of arbitration. The Raw Cotton Merchants Committee considered quality aspects of cotton and problems connected with marketing. Much concern was expressed about the continued hampering of trading in futures, caused by two-price systems for raw cotton exports and other forms of governmental interference. The meeting also heard a progress report by Mr. Howard Stovall, President of Cotton Council International, on U.S. cotton quality.

The Union of Greek Cotton Textile Industrialists was accepted as a member of the Federation, and the Japan Cotton Traders' Association as an associate member. This increases the number of countries represented to eighteen. Senator Dr. Kurt Dieterich of West Germany was elected new President of the Federation in succession to Dr. Kroese of the Netherlands, whose term of office will come to an end on 1st November. The next meeting of the Federation will be held at Osaka in Japan from 7th to 13th May 1961.

ALUMINIUM IN TEXTILE INDUSTRY

A century-old dream has been achieved in the U.S. textile industry—a shuttleless loom. Another development, the first major improvement in cotton carding equipment in 60 years, eliminates flats. Both these developments have been made possible through aluminium. The shuttleless loom achieves higher speed, production savings and quieter operations over conventional methods in plain weaving. Aluminium used in ever-increasing quantities in textile processing machinery has played an important part in the production of a streamlines carding machine which combs out matted cotton, so that the fibres can be easily drawn and twisted. In both these applications, aluminium offers easy machining, good dimensional stability and resistance to corrosion.

Developed by Draper Corporation of Hopedale, Mass., the shuttleless loom has realised the dream of inventors ever since the fledging industry began in the early nineteenth century. It is described as reminiscent of the breakthrough achieved with development of the automatic loom nearly 75 years ago. Weaving consists of the interlacing of thread or yarn to produce cloth. On the conventional loom, the shuttle is tossed back and forth at almost invisible speed carrying the crosswise or filling yarn between lengthwise or "warp" threads which are raised and lowered by harness. The shuttleless loom accomplishes similar function by the use of right-hand and left-hand carriers mounted on the ends of flexible steel ribbons or tapes. These carriers respond to the oscillation of an aluminium wheel 18 inches in outer diameter situated at each end of the loom. Aluminium was selected because of its low inertia, hence low starting or moving impulse. In turn, this cuts down on maintenance. The wheels are sand cast and weigh two pounds eight ounces. The loom produces a single sheet of fabric in widths ranging from 36 to 64 inches at a speed of about 250 "picks" per minute in the narrow widths and 200 p.p.m. in the wider widths. Speed of the conventional loom is about 170 to 190 p.p.m.

The new granular card top or conversion unit which eliminates flats consists of four sand cast sections of aluminium alloy which are mounted over the card's big cylinder. The concave and ribbed sections, each weighing about 45 lbs. are set for .007 inch clearance above the cylinder. Once the section has been mounted and set properly no further adjustments are necessary. The 180-pound conversion unit replaces about 1,100 pounds of steel. The inside surface of each aluminium section is covered with pressure sensitive, adhesive-backed sheets of granules which come into contact with the cotton and provide carding action. The granular surface is made of aluminium oxide.

STAMPING OF CLOTH PRICES

A rather peculiar situation has arisen in the cotton piecegoods trade, following larger and larger supplies of stamped cloth. The merchants seem to be generally disinclined to lift such cloth. On the contrary, there is, it is reported, a rush for purchasing unstamped piecegoods, especially coarse and medium counts, which are commanding a premium of 2.5 to 3.0 per cent. over the stamped goods. Consequently, the stocks of cloth lying undisposed with mills have increased. The total of these stocks is currently put at 600.00 million yards, as against 541.5 million yards at the end of August and 449.4 million yards as on 31st July.

Textile traders are very critical of the low profit margin of 15 per cent. allowed to them by the Indian Cotton Mills' Federation. The margin is considered to be not only inadequate but also capable of rendering the scheme of distribution unworkable. Expressing this view, the Madras Piecegoods Merchants' Association points out, in a communication addressed to the Textile Commissioner, that, during the control days, the Government of India had allowed a profit margin of 20 per cent. It is stated that, out of the 15 per cent. now fixed, 3 per cent. goes to stockists at producing centres, 9 per cent. to retailers and 1½ per cent. to meet railway freight, handling charges, etc., thus leaving just 1½ per cent. to wholesalers. The Association has drawn special attention to the high interest rates, enhanced tax burden and increased cost of living and warns that the fixation of a low margin of profit for the trade is likely to induce dealers to resort to various malpractices, such as mixing of unwanted varieties with popular varieties and demanding a premium for the latter. It has accordingly requested the authorities to advise the Federation to raise the profit margin to 20 per cent. and to permit the wholesale dealers to show separately in their invoices the actual railway freight or transport charges incurred by them and collect the same from buyers.

BID TO HALT LABOUR DRIFT FROM MILLS

HOME CONSUMPTION OF TEXTILES VERY ENCOURAGING

From Our Special Correspondent

MANCHESTER, *4th October*

NEW moves to encourage the recruitment of labour in the cotton and rayon spinning and weaving industries include the provision of a higher minimum wage for low-paid operatives and the possibility of a shorter working week. In an effort to halt the drift from the mills, joint talks are scheduled between employers and representatives of the trade unions. As a result of negotiations in Manchester, the basic minimum wage has been raised by nearly 17*s.* a week, from £7 5*s.* 6*d.* to £8 2*s.* 5*d.* This only affects the lowest paid operatives and follows the wage discussions which took place earlier in the year, when a 7½ per cent. increase in earnings was conceded by the employers from the beginning of March.

MANCHESTER LETTER

The trade unions have also submitted a claim for a reduction in working hours, from 45 to 40 hours weekly. The application is in line with attempts being made in many other industries to obtain shorter hours, but the leaders of the 184,000 workers involved contend that, unless the cotton trade offers comparable terms of employment, workers will be tempted to leave the mills and find alternative jobs in competitive industries, which are springing up in the Lancashire textile area. Alderman J. W. Whitworth, General Secretary of the Operative Spinners' Amalgamation, said in Manchester: "I think we are a long way behind in the matter of working hours in the cotton industry. We are right at the back of the queue."

Shorter Working Week

Further, the unions are seeking adjustments in the length of the working week for the increasing number of operatives now employed on shifts. They urge that the 38¾-hour week should be reduced to 37½ hours and that those already working a 37½-hour week should receive higher wages in compensation. The last change in working hours in the cotton industry was in 1946, when the working week was reduced from 48 to 45 hours.

Shortage of labour has been responsible for holding up substantial contracts booked during the big buying movement, which occurred towards the end of 1959. Mills in many districts are advertising daily in local papers for operatives, but competition for labour is fierce.

A Nudge in Time?

Developments during the past few days, leading to the belief that overhead charges are shortly due for another upward revision, to say nothing of the rising movement in raw cotton prices in Liverpool, have given the market for cotton goods in Lancashire just the right amount of pressure to stimulate additional demand and encourage customers not to hang back any more. Previously, the trade had been rather in the doldrums, a state of affairs induced by hesitation among buyers and strict adherence to selling rates by producers. The situation has been aptly described in the latest survey issued by the Cotton Board, covering mainly the second quarter of the year, but indicating later trends.

The volume of orders received by the mills has been much smaller than a year ago, the Board states, but order books still remain very well filled and were even increasing, at least up to the end of July. Certain sectors of the doubling branch, however, seem to be less favourably situated than the rest of the industry.

Contrary to suggestions in some quarters, the survey gives an encouraging account of home consumption of textiles which, it says, has made "excellent progress." In the first seven months of the year, retail sales of clothing, allowing for price changes, were about 7 per cent. greater than in the same period of 1959, which was itself a good year for such business.

Impact of Scrapping

This review has a special significance, being the first to reflect the enormous changes which have taken place in the Lancashire industry since the completion of the redundancy programmes in spinning and weaving. Compared with the same period last year, the number of spindles in place in running mills in the second quarter of 1960 was 13,140,000, as against 24,090,000.

During the twelve months, the number of operable mule spindles declined from 9,380,000 to 2,940,000. In ring spindles, the fall was from 9,810,000 to 6,800,000. The important effect of the scrapping scheme can be seen in the figures relating to machine activity. This year the spinning mills were running at 90½ per cent. of capacity, whereas, in 1959, the average was below 66 per cent.

In the doubling section, the progress made was not as spectacular. The numbers at work had actually increased this year, being 15,350, as against 14,670 in the second quarter of 1959. Machine activity, however, was lower than in spinning, the average being 86.6 per cent., as against 71.3 per cent. last year.

But if this aspect is to be the criterion, the weavers have emerged most successfully from the transformation. Machine activity in the manufacturing branch reached 92.6 per cent in the second quarter this year, as against 73.9 per cent in 1959. The number of looms in place in the Lancashire area has dropped from 236,100 last year to 149,200, of which 40,100 are fully automatic machines.

Additional statistics which are now available in these returns enable comparisons to be drawn between the labour force in each section and, in particular, its composition. The spinners, for example, can boast a higher proportion of juveniles in the mills, although it still remains pitiably small in relation to the industry's needs.

From a total of 71,370 spinning operatives on the books, 24,110 are men and 47,260 women. Of these, juveniles account for 5,580, youths numbering 2,010 and girls 3,570. As recently as in 1955, there were 100,130 operatives available in spinning—35,030 men and 65,100 women. At that time, there were 8,720 juveniles, but the subsequent drift from the mills has been mainly among the girls, as, five years ago, there were 6,310 on the books.

The situation in weaving shows a labour force this year of 76,490, comprising 31,220 men and 45,270 women. Only 3,780 juveniles are available, although the number is little more than 100 below last year's level. Going back five years, however, total manpower was 109,280, including 40,070 men and 69,210 women. The juvenile figure was then 5,790, but some slight encouragement can be gained from the fact that the number of boys in weaving in the second quarter this year was exactly the same as the average in 1955, and shows an increase on those available in each of the following years.

Shift-work Problems

Badly-lit streets are worrying some Lancashire working wives who have switched to early and late shifts following the cotton streamlining plan. Mr. T. B. Boothman, Secretary of Bolton Master Spinners' Association, told the Regional Electricity Consultative Council in Manchester that some wives were making detours to reach the mills rather than go down darkened streets before six o'clock in the morning and after ten o'clock at night. "In most districts lighting in the side streets is unsatisfactory and causing quite a lot of perturbation," he said. Alderman Tom Battersby of Leigh said that his local authority had a five-year plan for lighting improvements.

Cotton Board Conference

If there were any doubts that the subject of this year's Cotton Board Conference was not of vital interest to the trade as a whole, they have been dispelled by the fact that the numbers scheduled to arrive at Harrogate at the end of next week have already exceeded those visiting the Yorkshire spa for the same gathering last year. The obvious inference is that distribution is recognised as the key to the future prospect of the industry, particularly if ways and means can be found to iron out the too frequent slumps and booms of the past. When the conference was held twelve months ago, the industry was still thunderstuck at the unexpectedly large response to the scrapping programme. Many faces will not be seen at Harrogate this year, because the individuals concerned have now left the trade. Interest in the future, however, has not diminished and it is, perhaps, significant that many of the firms which have loyally supported such meetings as those convened by the Cotton Board are still operating their machinery.

Unless there is some sudden change in the situation, it is unlikely that this year's discussions at Harrogate will make the headlines. Talk will be of trade affairs and, although sharp clashes of conflicting opinions may occur, they will probably not be regarded as "newsworthy."

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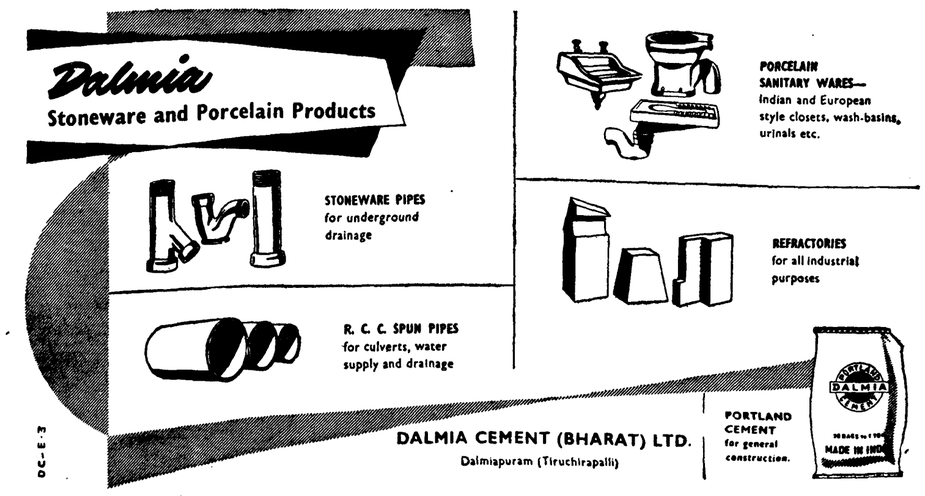

WORLD COTTON SUPPLIES UNCHANGED

PRICE AND TRADE PROSPECTS ANALYSED

A FAIRLY precise idea of the supply position of free world cotton during the current (1960-61) season is now available, thanks to the data collected by the International Cotton Advisory Committee, Washington, from co-ordinating agencies and other officials in the main cotton-producing countries. These data, though preliminary and tentative, show that, for all practical purposes, total supply during the season in the free world would be more or less the same as in the last season. Certainly, no major deviation is indicated either way. Opening stocks are estimated at 16.4 million bales, that is, 1.3 million bales lower than those a year before. Offsetting this is the prospective increase in production. Some changes in the regional distribution of supply are, however, likely to occur. The following table gives an indication of the supply position of cotton during the current season with comparative figures for the past three years:

(In million bales of 478 lbs. each)

	1960-61 (estimated)	1959-60	1958-59	1957-58
SUPPLY				
United States:				
Stocks	7.5	8.9	8.7	11.4
Production	14.3*	14.5	11.5	11.0
Total ..	21.8	23.4	20.2	22.4
Other producing countries:				
Stocks	2.7	3.5	3.9	3.0
Production	17.5	16.4	17.6	16.9
Total ..	20.2	19.9	21.5	19.9
Stocks in net importing countries.	6.2	5.3	6.1	6.2
Total supply outside U.S. ..	26.4	25.2	27.6	26.1
Total ..	48.2	48.6	47.8	48.5

* Latest estimate is 14.5 million bales.

Supply in the U.S., as will be seen from the above table, will be perceptibly lower at 21.8 million bales, as against 23.4 million bales in 1959-60. In view of the exceptionally heavy exports last season, opening stocks are estimated to be down by about 1.5 million bales, while, despite an increase in acreage, the crop is estimated to be 200,000 bales lower, as compared with 1959-60. The Committee, therefore, estimates that supply in the U.S. will be in the neighbourhood of 21.8 million bales, as against 23.4 million bales in 1959-60. The latest (October) official U.S. estimate puts the season's cotton crop at 14.5 million bales, about the same as in the previous season, which indicates that the total supply will be 200,000 bales higher than the Committee's estimate at 22 million bales.

Stocks

Outside the U.S., however, carryover of stocks on 1st August was virtually unchanged as compared with those a year before. But there was the important difference that stocks in the net exporting countries were the lowest ever, particularly in relation to the continually expanding domestic consumption. By contrast, there was heavy replacement demand from importers last season and opening stocks in the aggregate are estimated to be higher by about a million bales, despite a sharp reduction in India.

Describing the position in other parts of the world, the Committee observes in the latest issue of its publication, *Cotton*, as follows:

"Acreage outside the United States will probably increase this season. More cotton has been planted in Egypt, Mexico, Central America and Greece, but acreage up to the end of June was running behind last year in Uganda. Little change in acreage is in prospect for the other major producing countries in the Northern Hemisphere. In the latter part of the season, supply will be augmented by the new crop in South America and Africa but, obviously, it is not possible to give any estimates of production in these areas. Acreage in the Sudan is scheduled to increase slightly as more land is brought under cultivation under the Managil Extension Scheme. In Brazil, cotton growers benefit from high price supports as part of the official policy to encourage production to meet the heavy demands from the domestic textile industry and maintain a satisfactory level of exports. In Argentina, more cotton has been consumed than has been produced in the last two years and production will have to be expanded if this deficit is to be eliminated. The extension of irrigation facilities in Peru has stabilised cotton acreage at around 600,000 acres. The policy in Columbia is apparently to discourage cotton cultivation in marginal areas and acreage will, in all probability, decline.

"The key to crop prospects is, unquestionably, India where production has fallen well behind the official target in the last two seasons. A return to anything like normal yields in this country could easily add a million bales to the production potential this season and could well result in record aggregate production outside the United States.

"Despite the probability of a larger world crop, the amount available for export, though still more than sufficient to cover estimated requirements, will no doubt be less than in 1959-60. In the United States, a crop of 14.5 million bales is not far short of disappearance and, on this reckoning, there would be no major variation in stocks on 1st August 1961. The situation in that country, therefore, is still one of surplus though much less so than a few years ago.

"In other countries, even if total production turns out to be higher, there is not likely to be much, if any, increase in export availabilities. For one thing, the increase in production is predicated to a large extent on a much larger crop in India which, in all probability, would have only a relatively minor effect on the export potential from this country. Second, larger crops in other countries must be set against much lower carryovers in almost all instances and the total amount available for sale abroad may be no more, and in some cases, even less than during the 1959-60 season."

Exports

What are the implications of this supply situation to international trade in cotton? According to the I.C.A.C., world cotton trade will, in all probability, decline from the 1959-60 record. Importing countries have rebuilt their stocks to more comfortable levels and a larger crop in India, which appears likely if present trends were to continue, would probably be reflected in lower imports. Nevertheless, trade is likely to be high in relation to the recent average. *Prima facie*, therefore, the cotton situation may be similar to that in 1959-60, for other countries could export to the maximum and still leave a large market for U.S. cotton. The U.S. Department of Agriculture estimates, in its latest publication, *The Cotton Situation*, that exports during the season would be around 6 million bales, as compared with 7.2 million bales during last season.

Although the Committee does not make any prediction regarding the price outlook, it looks, on present reckoning, as though the international cotton prices this season would continue to be largely determined by Government restrictions in force in the U.S. and in most other producing countries. As a result of these restrictions, the only cotton prices that have seen a major change since the beginning of this season are the spot prices in the U.S. The current spot quotation at New York is 32.25 cents per lb. which is about one cent less than the rate at the beginning of the season. This reflects the effect of the reduction in the U.S. export subsidy rate from 8 to 6 cents per lb. with effect from 1st August.

Hedging

With Government measures largely determining price trends, hedging facilities will continue to be used only on a restricted scale. It is significant that, in spite of the phenomenal increase in world production, consumption and trade since World War II—they reached an all-time peak last year—the volume of futures trading in such leading international cotton markets as New York and Liverpool, has been much below the pre-war levels. Concern was expressed at this shrinkage at the annual meeting of the International Federation of Cotton and Allied Textile Industries held at Amsterdam from 26th September to 1st October 1960. Some observers think that, for the U.S., the present is the most appropriate season for a return to a free, or at least a freer, market, to which it is committed under the National Agricultural Act of 1958, the deadline for the return to one-price system fixed under the Act being 1961-62. They, however, doubt whether political considerations will permit this change to materialise. If the Democrat candidate, Mr. John Kennedy, is elected as the President, the chances of more freedom for futures trading in the U.S. will be slender.

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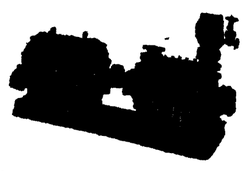
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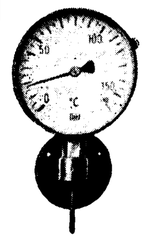
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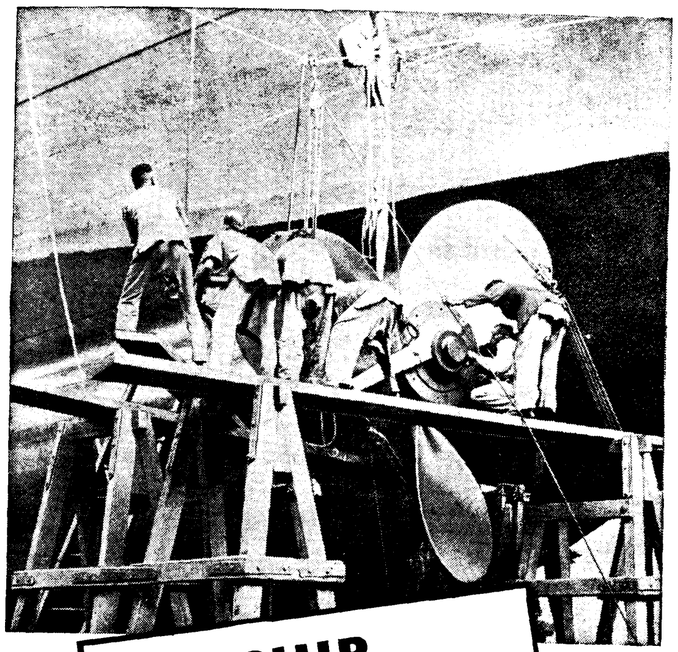
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SUGAR INDUSTRY IN UTTAR PRADESH

STATE GOVERNMENT'S SCHEME FOR RAISING OUTPUT BY 400,000 TONS

THE Government of Uttar Pradesh has submitted to the Centre certain proposals designed to enable the sugar mills in the State to produce an extra 400,000 tons of sugar per annum. Disclosing this in the Vidhan Sabha recently, Mr. H. N. Bahuguna, Deputy Minister for Industries, stated that if the Central Government were to accept the proposals, the aforesaid target would be reached within eighteen months. The Minister did not, however, indicate what exactly these proposals were. Perhaps, they cover partly the expansion of the daily cane-crushing capacity of sugar industry from the existing level of 84,000 tons and partly the regulation of cane supplies to mills.

While the reaction of the Centre to the U.P. Government's proposals is awaited with interest, latest reports from Lucknow suggest that U.P.'s sugar output in the season 1960-61 will register a notable rise. The U.P. Government, according to Mr. Bahuguna, wants the State's sugar factories to start cane-crushing early, so that not a maund of cane grown remains uncrushed. The factories in the Central and Western districts, we are told, are expected to commence production in a day or two and the mills in the eastern districts are likely to begin operations on the 1st of next month. It would appear that the crushing season would continue for 150 days.

The U.P. Government is determined to see that the extra cane grown this year by cultivators in an additional 25,000 acres in the Terai tract of Naini Tal District is utilised by sugar factories, so that the growers do not suffer. This assurance has set at rest the misgivings of cane growers who were fearing that a large part of their produce might go waste, in view of the delay in the commencement of production by the new Kitcha Sugar Mills in Naini Tal district. The factory could not go into production during 1959-60 because of the delay in the release of foreign exchange for import of machinery and equipment. It is, however, expected to begin functioning in March 1961. The Bajpur Sugar Factory is also expected to operate to its full capacity during 1960-61.

Record Production

Thanks to the Central Government's scheme of incentives and the bumper sugarcane crop, the Uttar Pradesh sugar industry achieved during 1959-60 an all-time record output of as much as 1,221,454 tons, a rise of 333,607 tons, as compared with the production of 887,847 tons in 1959-60. The production target fixed for the season was 1,125,000 tons. The total quantity of cane crushed is estimated at more than 12.60 million tons, as against 9.24 million tons. The average recovery of sugar in 1959-60 at 9.69 per cent. was higher than that in the previous season when it was 9.61 per cent.

The sugarcane crop in Uttar Pradesh during the 1959-60 season, as already stated, was a bumper one. The quantity actually harvested was 32.03 million tons which compares favourably with 30.77 million tons. The rise in output was entirely due to the increase in the area sown. The total area under cane was 2,917,000 acres, as against 2,747,000 acres. The average per-acre yield of sugarcane was lower at 10.90 tons, as against 11.20 tons. The all-India average yield was 14.50 tons. It is thus evident that, notwithstanding all talk of sugarcane development work, the conditions under which sugarcane is raised in U.P. have not improved in the least. This unsatisfactory state of affairs is bound to persist so long as cane growers are assured of a definite return in the shape of a substantial minimum price linked only to quantity and not to sucrose-content, as well as a share in the price of sugar realised by mills.

SUGAR EXPORTS TO U.S.

The Union Food and Agriculture Ministry is now examining the obligations of members of the International Sugar Agreement and also the export quota that India will be able to fulfil. The necessity for this country to join the Agreement has arisen from the fact that the U.S. has expressed its willingness to buy Indian sugar, provided such purchases are governed by the Agreement, of which India is not a member at present. To quote a Press report: "The U.S. has thrown a hint that, if India is keen on its proposal (to sell sugar), it will have to become a member of the Agreement and obtain an export quota."

It will be recalled that informal negotiations for the export of Indian sugar to the U.S. were initiated by Mr. S. K. Patil in August last. And his deputy, Mr. A. M. Thomas, had discussions with the U.S. authorities when he was at Washington recently.

Meanwhile, the Government of India has released 50,000 tons of sugar for export to countries other than the U.S. Commenting on the anxiety of the Government to export sugar, a Press report says:

"India's keenness to export some sugar out of the surplus stock stems from two main considerations; one is India's dire need of foreign exchange, which could be met only by substantially stepping up exports; another is that, following special incentive announced by the Government last year to sugar factories and cane growers, sugar production has gone up.... With the recent decision of the Government to continue the special incentive scheme, the Government are confident of a further rise in sugar production next year."

Whatever may be the motivating influence behind the Government's move to export sugar, the fact cannot be denied that sugar exports entail much loss of revenue to the State, on the one side, and additional burden by way of enhanced prices on the consumer, on the other. This is because of the wide disparity between the Indian and world prices of sugar.

The Indian Sugar Mills Association is understood to be carefully examining the possibility of sugar exports to the U.S. and the existing legislation on sugar imports in that country. It is stated that the relevant legislation in the U.S., under which the President has power to approve ad hoc quotas for imports, is to be amended. There is a move to extend the President's power for another year, but, it is said, the U.S. Congress is unlikely to accept the proposal. The Association is examining the possible U.S. demand in respect of both quantity and quality, after India joins the International Sugar Agreement. A part of the export may be in fine sugar and the balance in raw state. The polarisation percentages of various qualities of sugar are also being studied.

Meanwhile, arrangements are being made to finalise the scheme for exporting 50,000 tons of sugar to countries other than the U.S. The Association is reported to have pleaded for an upward revision in the internal prices of sugar in order to subsidise the loss on this export, but, according to another report, no such plea has been made. It would appear that the Government expects the industry itself to share this loss as it did on the previous occasion.

SUGAR OUTPUT IN STATES

The total production of sugar in India during the 1959-60 season (up to 7th July 1960) was 2,400,763 tons. The quantities actually produced in the different States are indicated below:

	Tons
Northern India:	
East U.P.	405,746
West U.P.	815,708
Total U.P. ...	1,221,454
Bihar	325,032
West Bengal	8,808
Punjab	100,704
Rajasthan	12,053
Madhya Pradesh	28,252
Assam	4,236
Maharashtra	392,012
Gujerat	9,286
Southern India:	
Madras	
Kerala	63,208
Orissa	9,287
Mysore	2,775
Andhra	86,128
	136,988
Grand total ...	2,400,763

Every fourth sugar factory plant in the world is the work of Czechoslovak workers and technicians. Following the pre-war tradition of production and export, the Czechoslovak engineering works are now exporting plants for sugar factories in ever-increasing numbers. Among the largest customers in this line is the Soviet Union. Early last month, another important contract was concluded for delivery of two sugar factory plants whose capacity is the highest ever produced in Czechoslovakia. Each sugar factory can produce 3,000 tons of sugarbeet per day. These two bring the total sugar plants exported to the Soviet Union since 1945 to 22. Their erection will be directed by Czechoslovak experts. The contract, worth more than 100 million Kcs, concluded and signed by the representatives of Technoexport and Techmasimport (U.S.S.R.), will be realised in 1961 and 1962.

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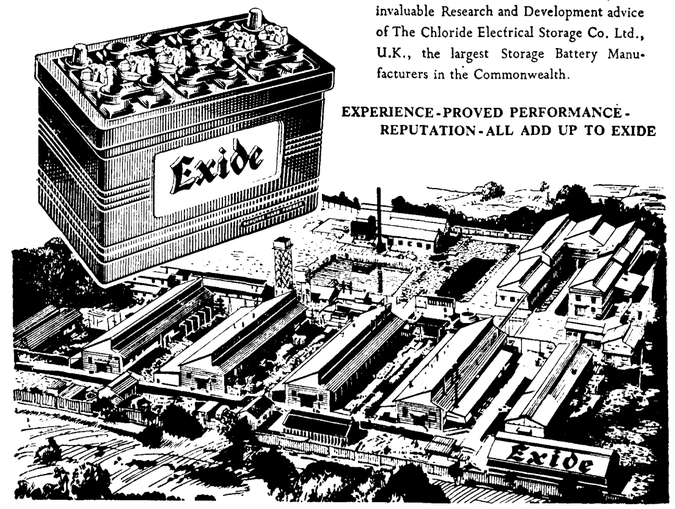

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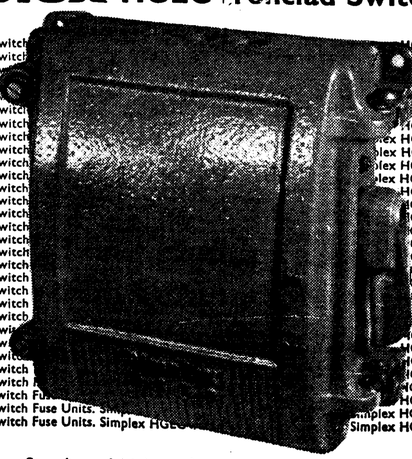

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FRESH MEASURES TO CURB SPECULATION IN RAW JUTE AND GUNNIES

SEQUEL TO SHARP RISE IN PRICES

CONTRARY to earlier expectations that the *Puja* holidays would bring sobriety to the raw jute and jute goods markets and the steady upward trend in prices noted since the beginning of the current season would be halted, the prices of both raw fibre and gunnies have staged a strident rise during the post-*Puja* trading. The jump in sacking prices, in particular, has been striking, taking it beyond the previous peak touched in May this year. In the ready section of the Calcutta market, raw jute firmed up from Rs. 44.50 on the 3rd inst. to Rs. 50 per maund on the 8th which is only Rs. 4.50 less than the record touched in May last, hessian 40" x 10 oz. from Rs. 49.70 to Rs. 53.75 per 100 yards, as against the May peak of Rs. 56, and B. twills from Rs. 141.20 to Rs. 155 per 100 bags, which is Rs. 8 more than the peak of Rs. 147 touched in May.

The giddy heights to which prices have shot up have forced the East India Jute and Hessian Exchange Ltd. to take some emergency measures to control trading in hedge contracts in raw jute and gunnies with a view to checking speculative activity, which is responsible, to a large extent, for the hectic rise in prices. The authorities of the Exchange have banned, with effect from the 10th inst., all fresh transactions in raw jute December 1960 delivery and in hessian cloth and sacking bags November 1960 deliveries until 1st December and 15th November, respectively. Offsetting transactions, in respect of outstanding contracts, have, however, been permitted. The maximum price of Rs. 43 per maund for trading in raw jute, now in force up to 31st October 1960, has been extended up to 1st December 1960. In addition, maximum prices of Rs. 51 per 100 yards and Rs. 140 per 100 bags have been reimposed on hessian and sacking contracts, respectively. The authorities have also completely withdrawn the existing free limit concessions for exemption from payment of special margins in respect of hessian and sacking contracts (November deliveries) and raw jute contract (December 1960 delivery), so that special margins will be payable on all outstanding purchases as before.

Earlier Order Withdrawn

These steps followed the action taken by the E.I.J.H. Exchange last week, suspending, with effect from the 6th inst. and until further notice, all futures trading in raw jute and gunnies. Consequent on the latest steps, the Exchange has withdrawn the earlier suspension order with effect from the 10th inst.

The latest measures have not, up to the time of writing, had any adverse effect on the ready market. Prices have been ruling firm on rumours that the I.J.M.A. would be compelled, by circumstances, to seal more looms. It was only a few weeks ago that the I.J.M.A. announced its decision, after a review of the latest stock returns of mills and estimates of the 1960-61 crop, that the scheme for voluntary sealing of jute looms should be extended up to the end of the year 1960. The Association had also indicated then that, as from 1st January 1961, an increase in the compulsorily sealed complement of looms would be inevitable. It is now rumoured that a further five per cent. of the looms would be sealed next month and another five per cent. in December, bringing the total sealed complement of looms to 19 per cent.

No Effect on Prices

If these rumours of a drastic cut in working looms come true, it would only confirm the worst fears about the current crop, which have been responsible for the speculative activity in the market. For, on the basis of a closed complement of 9 per cent., the estimated consumption of raw jute for the current season was originally placed at 6.8 million bales. This, it was thought, would be more than met by the current crop of 6.2 million bales and the surplus of 1.8 million bales brought in from the 1959-60 season. The rumours of a drastic cut in the production of jute goods as mentioned above suggest that the crop position must have worsened considerably in the last few weeks. While official estimates of a crop of 6.2 million bales have not been revised downwards, trade circles fear that the crop would be very much less, but no precise indication of the unofficial estimates is available. The position has been rendered more complicated by the uncertain supply position in East Pakistan too and prices in that State have shot up considerably. Trade estimates place the crop in East Pakistan at between 4.2 million and 4.5 million bales, as against a normal crop of 6 million bales. There is said to be a veritable scramble for the available supplies from foreign buyers and local mills and sellers are scarce even at higher levels. The price of cuttings has, as a result, spiralled up by more than 50 per cent. to Rs. 180 per bale in about three weeks.

Smaller Arrivals

While no precise estimates of crop in India and Pakistan are available even at this time of the season, when normally the bulk of the crop is marketed, arrivals at mills in Calcutta have been low. During the first two months of the current season (July and August 1960), arrivals were at a low level of 409,300 bales, made up of 61,100 bales from Pakistan and 348,200 bales from India. While, as compared with the corresponding period of 1959, arrivals from Pakistan are higher by 25,900 bales, thanks to the permission given by the Government of India to import a larger quantity of Pakistani cuttings, those from India were lower by 262,500 bales, resulting in an overall shortfall of 236,600 bales. The estimated consumption during the two months is 1,011,500 bales, as against 1,020,000 bales in July-August 1959. The shortfall in actual supply as compared with the consumption has thus widened from 371,000 bales in July-August 1959 to 602,200 bales. The timely arrivals from Pakistan have been rendered infructuous by the non-receipt of licences by mills against their quota. Meanwhile, prices in Pakistan have shot up as stated above, so that even if the issue of licences is expedited, the import of cuttings from Pakistan would prove uneconomic for mills, as the landed cost in Calcutta would be over Rs. 200 per bale. In the circumstances, the reported decision of the Government of India to permit an import of 200,000 bales of cuttings from Pakistan would not only prove very much costly to mills, assuming that the mills will be able to get this entire quantity from Pakistan, but is one more proof of the Government's failure to act in time. In other words, the responsibility for any fall in overseas demand for jute goods as a result of the high prices prevailing now should fall equally on the speculators and the Government alike.

The firm trend in prices of jute goods, despite the control measures taken by the E.I.J.H. Exchange, is also attributed to shortage of gunny stocks with mills. During September, the stocks fell by 5,800 tons to 77,600 tons, bringing the aggregate decline in the last two months to 10,600 tons. At 77,600 tons, the stocks represented the lowest level since April last. As compared to the position a year ago also, the stocks show a fall of 1,100 tons. The decline in September was shared by all varieties, hessian falling by 1,500 tons to 29,400 tons, sacking by 3,700 tons to 39,400 tons and miscellaneous by 600 tons to 8,800 tons.

WORLD COFFEE CROP

The U.S. Agriculture Department has forecast that the world coffee crop in 1960-61 would be 15 per cent. smaller than that of last year. The second (September) estimate of 1960-61 world coffee crop has placed total production at 68,865,000 bags and exportable production at 55,463,000 bags. This is about 15 per cent. below the 1959-60 record, now estimated at a total of 78,066,000 bags and an exportable of 65,974,000 bags.

The North American crop would be only slightly below 1959-60, according to the Department, while the South American crop would be much smaller and the exportable output there would be 22 per cent. below the record 1959-60 production. The African output would be about 8 per cent. higher than 1959-60 production. Drought in Uganda prior to harvest is not expected to hurt the coming crop seriously, the Department's report said. Credit had been hard to obtain recently in Ruanda-Urundi.

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THE TATA IRON AND STEEL COMPANY, LIMITED

CHAIRMAN, MR. J. R. D. TATA'S THOUGHT-PROVOKING REVIEW

INCREASE IN SUPPLY OF CONSUMER GOODS ONLY WAY TO RESTRAIN INFLATIONARY PRESSURE

THE following is the speech of the Chairman, Mr. J. R. D. Tata, delivered at the Fifty-third Annual General Meeting of the shareholders of the Tata Iron and Steel Company, Limited, on Thursday, 6th October 1960.

"LADIES AND GENTLEMEN,

"I must first apologise to you for the delay of a little over a month this year in holding our meeting.

"Although we have repeatedly urged the Government to come to an early decision on our long outstanding claims and pointed out the difficulties and inconvenience caused by the prolonged delay which has taken place, I am sorry to say the matter remains undecided to this day. I am, therefore, unable to enlighten you any further today on this matter which is of such great importance to us. Lest, however, undue hopes are raised in the breasts of the more optimistic amongst our shareholders, I must remind you that during the last two years, including the one under review, we have, in order to pay dividends, drawn nearly Rs. 450 lakhs from our general reserves, the replenishment of which will have first claim on any amount we may obtain in compensatory price increases.

"As my statement, published along with the annual report, included all I had to say directly concerning the accounts and affairs of our Company, I shall today only review briefly some matters of interest to us and to industry generally.

A Year of Progress

"The past year has shown progress in many directions and, in particular, a welcome spurt in industrial production. It is, therefore, all the more disappointing that agricultural output has failed to make effective progress and that the country seems to be as far away as ever from self-sufficiency in food without which all efforts at achieving rapid economic growth must fail.

"In the immediate context, however, the two most serious economic obstacles facing the country are the inflation which steadily erodes the fruits of our development plans before they can reach the people, and the foreign exchange situation which has reached another crisis even more serious than the one we faced in 1957.

"The problem of inflation is perhaps the most threatening and intractable of all. In the last five years alone, the purchasing power of the rupee has fallen by about 35 per cent and, with mounting development expenditure, inflationary pressures will increase further in the years to come. I realise the grievous dilemma and difficulty with which our Government and planners are faced in having to reconcile the need for rapid development involving large and continuous public expenditure with the need to hold the price front. May I suggest, however, that they are themselves aggravating the situation and magnifying the problem by insisting on concentrating development expenditure to the extent that is now being done on basic and capital goods industries, the products of which are incapable of absorbing the additional purchasing power pumped into the economy.

Only Practical Solution

"Large-scale investments with long periods of fruition involve pumping into the economy corresponding increases of purchasing power which are automatically translated into demands for consumer goods. Apart from the imposition of drastic controls over the whole field of consumption, which would be both objectionable and impracticable in a country like ours, the only two possible ways of relieving this type of inflationary pressure are to meet, as far as possible, the demand for consumer goods, or to mop up excess purchasing power by additional taxation which is out of the question in India as the level of taxation is already excessive and the third Five-year Plan has in any case already provided up to the hilt for taxation as the principal source of internal finance. Therefore, an increase in the supply of consumer goods is the only practical alternative at our disposal. In view of the foreign exchange situation which precludes imports other than of food financed by foreign aid, it is clear that we must turn to our own industries for additional consumer goods. Unfortunately, far from encouraging the development of consumer goods industries, the Government impose severe restrictions on further investments in them and on increased output from some sections of the industries which could otherwise help to counter inflation. One example of this is the limitation of 800 million yards, or a mere 16 per cent., imposed on the increased production of mill-made cloth by the end of the Plan period. While recognising the complexity of the problem, I submit that, unless positive steps are taken to counter the inflationary effect of large investments in heavy industry by the balancing growth of consumer goods, the spiral of inflation cannot but continue to grow.

"The gravity of the foreign exchange situation can be judged from the fact that, except for a dangerously small working balance, we have exhausted all our past accumulation of foreign resources and have an annual deficit in our current balance of trade, while we require a further Rs. 2,100 crores of foreign exchange to finance developmental imports under the third Plan, and during the same period we will have to repay foreign loans to the extent of Rs. 600 crores, including interest. It is, therefore, only too clear that unless foreign aid, loans or investments are forthcoming in full measure, the Plan will inevitably have to be pruned, and even our present rate of industrial production may be in jeopardy.

"These grim figures highlight the consequences of our failure to achieve self-sufficiency in food. Since 1st January 1948 we have spent on imports of food over Rs. 1,000 crores from our own foreign exchange resources in addition to nearly Rs. 500 crores obtained through foreign aid mainly from the United States under the P.L. 480 programme. If we had been spared these imports, there would today be no foreign exchange crisis and the task of building up the country's economy would be infinitely easier. We can only hope that the dismal lesson has been fully learnt and that in future nothing will be allowed greater priority than attaining self-sufficiency in food.

Third Plan

"An outline of the third Five-year Plan was recently published and debated in Parliament. As citizens, we are vitally interested in the nature, scope and objective of these Plans with which the Government seek to mould our future economic destinies. As I have said on many occasions before, we in private enterprise are neither against planning nor against doing so on a big scale, provided it is in due relation to available resources. We realise that the all-pervading problem of the country's poverty cannot be solved without bold action and without sacrifice in which all must share. We firmly support the objectives of raising the national income as rapidly as we can and of distributing it as widely and justly as possible. Some of us may regret that so large a part of the Government's economic policies is based on the belief that these objectives can only be attained by socialistic means, as thereby much of the country's effort is wasted in a mass of costly, time-consuming and largely ineffective controls, and the initiative and creative urge of the people is stifled. So much has been said in the past on the subject, some of it by myself, that I will not weary you with a further pursuit of this unhappy controversy. I shall only repeat that, to the extent that we are desired or permitted to do so, we shall, as in the past, continue to offer our full co-operation wherever we can be of service to the nation.

"Reverting to the third Five-year Plan, I have already mentioned the decisive extent to which our ability to raise the necessary foreign exchange will determine whether it can be adhered to or will have to be pruned. In either case, I would plead for the maximum degree of realism, untinged by ideological considerations, in regard to industrial objectives and targets. In the Plan as it stands, the most striking feature is that 60 per cent. of the investment in industry is proposed to be in basic and heavy industries, including steel. While there can be no question that a modern and fully industrialised nation must be largely self-sufficient in these basic industries, the question at issue is whether, with the strictly limited resources at our disposal, and, subjected as we are to heavy and growing inflationary pressures, we can afford at this time to give such overwhelming priority to steel and heavy industry, unless of course they can be financed in part by foreign capital which would release the pressure on our own foreign exchange resources.

"In this context, we welcome the shift in our country's policies towards foreign participation in industry. We have gone a long way from the days when such participation in industry was looked upon with suspicion and discouraged and this is obviously to the good. With the persistent shortage of foreign exchange which is bound to plague us for many years to come, it is obvious that India has much to gain from an influx of foreign capital which, it may be usefully remembered, was what made possible the initial economic growth of the United States of America in the last century.

"However much the Government might prefer to see basic industries developed in the State sector, I sincerely hope, in view of the tremendous capital expenditure involved in such industries, that they will not, on ideological grounds, oppose participation by foreign private enterprise in these fields, if such participation can be secured, which of course is by no means certain. While no risks could arise in a controlled economy such as ours, the benefits to the country would be enormous. Not only would the objective of developing basic industries be met to that extent, but the large funds released in consequence could be diverted to equally vital projects, such as additional fertiliser production and the development of power, fuel and transport resources.

"As it is, industry throughout the country, in both the public and private sectors, is suffering acutely from inadequacies in the supply and quality of raw materials. All the steel plants in India today are operating on a hand-to-mouth basis in respect of coal and rail transport. In fact, during the past few months, the commissioning of three new blast furnaces with their allied coke oven installations have had to be postponed because of lack of coal. I hope that the Government, now fully alerted to the dangers of this situation, will ensure that, in future, supplies of raw materials and transport do not lag behind the growth of industrial capacity.

Output Should Not be Restricted

"However far and fast we may wish to travel in the next five years on the road to full industrialisation, I earnestly plead that, in the final size and shape of the third Five-year Plan and those that follow, we do not at any time divert to expansion the resources required to maintain the full output of existing productive capacity. In the difficult circumstances which confront India today nothing could be more wasteful than to have to restrict output and employment because of a lack of power or raw materials or transport.

"The fact that we may be critical of the Government at times about some of their ideas or policies does not mean that we do not recognise the tremendous efforts they have made and are making to give us a sound administration and to promote the welfare of the 400 million people in their care. It is inevitable that there should be disagreements as to the best means of achieving rapid economic growth. Indeed, it is a healthy sign of vigour in our democracy that there should be such differences of opinion and that they should be fearlessly stated. So long as we share the common will to serve, there should be no possibility of misunderstanding motives and honestly held convictions.

"In the formidable undertaking of freeing in a brief space of time the people of this ancient country from their bonds of poverty, I hope that we shall have a useful part to play, and on your behalf I pledge the full support of the Tata Iron and Steel Company in this great task."

NOTE: *This is not a report of the proceedings at the above Annual General Meeting.*

ANNUAL MEETING OF DALMIA CEMENT (BHARAT) LTD.

MR. V. H. DALMIA OPTIMISTIC ABOUT OUTLOOK FOR CEMENT INDUSTRY

IRON ORE BUSINESS PROGRESSING WELL

NOTWITHSTANDING the occasional difficulties in regard to disposal of stocks, particularly due to transport bottlenecks, the cement industry has, on the whole, a bright future. This was the view expressed by Mr. V. H. Dalmia, Chairman, Dalmia Cement (Bharat) Ltd., in his speech at the Eighth Annual General Meeting of the Company, held at Dalmiapuram (Dist. Tiruchirapalli, Madras State) on 10th October 1960. He, however, feared that there would be a serious setback in the plans to expand the cement industry, if the total embargo on import of cement-making machinery were not relaxed.

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

"GENTLEMEN,

"It gives me great pleasure in welcoming you to the eighth annual general meeting of your Company. The accounts for the year 1959 were sent to you some time back along with the notice of this meeting. The Directors' report which accompanied the accounts deals with some of the important aspects of your Company's operations. There has been a slight decline in the net profit as compared to the previous year. This is mainly due to the transfer of Rs. 22.21 lakhs to the development rebate reserve, as against Rs. 3.85 lakhs only in 1958 and also a higher provision for depreciation. The gross profit before providing for depreciation and development rebate reserve amounts to Rs. 55.35 lakhs, as compared to Rs. 35.18 lakhs for the year 1958. I am glad to inform you that your Company is making steady progress and there is every hope of continued improvement in the working results of your Company in the years to come.

Capacity Doubles

"This is the last year of the second Five-year Plan. As in the first Plan, great progress has been made by the cement industry in the second Plan period also. The installed capacity of the cement industry has already touched 8.35 million tons and is expected to go up to 9.5 million tons by the end of 1960-61. The production capacity has thus doubled over the second Plan period rising from 4.9 million tons to 9.5 million tons.

"Though problems arise now and again in regard to the disposal of stocks, particularly due to transport difficulties, the industry has, on the whole, a bright future. Increasing quantities of cement will be required with the growing tempo of development. In the draft outline of the third Five-year Plan, it has been estimated that by 1965-66 about 13.5 million tons of cement will be needed and to achieve this production, it is planned to raise the installed capacity to 15 million tons. In my view, the target set for the cement industry is both realistic and practical and there should be no difficulty in expanding cement production as envisaged in the Plan.

Cement Making Machinery

"It will interest you to know that, by the middle of the third Plan, most of the cement-making machineries will be manufactured in the country. By the end of the Plan period, six to seven cement plants will be manufactured yearly. The standard size of these cement plants would be 500 tons per day. The total value of the plants excluding electricals would be Rs. 4 crores to Rs. 5 crores per year and the indigenous content of the manufacture is estimated at 90 per cent. The manufacture of cement-making machineries will constitute a landmark in the development of the cement industry in our country and give a fillip to the programme of rehabilitation, modernisation and expansion of the industry. It will be obvious, however, that even though a start will be made towards manufacturing cement-making machineries in the country, the manufacturing capacity will not be able to meet a major part of the requirements of the cement industry for achieving the target of 15 million tons. It would, therefore, be necessary to allow import of plant and equipment after making an appraisal of the extent to which indigenous manufactured machineries would be available. It would be unrealistic to place a total embargo on import of cement machineries and I am afraid, if this is done, there would be serious setback in the plans to expand the cement industry to the extent envisaged in the third Plan.

"Dead burnt magnesite, which is being manufactured at Salem by Messrs. Dalmia Magnesite Corporation, a firm in which your Company is a major partner, will be in ever-increasing demand. It is required in large quantities by the steel industry and by the refractory industry for the manufacture of basic refractories. The current installed capacity for manufacture of dead burnt magnesite is 64,320 tons per annum. If the projects which have been sponsored for expansion of this industry are taken into consideration, it is estimated that, in the next three to five years, the installed capacity will go up to about 100,000 tons. Even then, the total demand for dead burnt magnesite would not be met and there is scope for further expansion of the dead burnt magnesite industry. The steel industry itself will require about 90,000 tons of dead burnt magnesite by the end of the third Plan period, for which alone it would be necessary to raise the annual installed capacity to 115,000 tons. In addition to this, the requirement of dead burnt magnesite by the refractory industry would also be on the increase with the anticipated switch over by the steel industry to all basic roof for the open hearth furnaces. In view of the considerable scope for expansion of this industry, it is proposed to double the production capacity at Salem works and an application is being submitted to the Government of India for grant of necessary licence and import facilities.

Iron Ore

"I am glad to inform you that the iron ore business of your Company is developing satisfactorily. Iron ore has now become an important foreign exchange earner. The export of iron ore has been rising steadily and, in 1958-59, India exported 2.39 million tons. The State Trading Corporation, to whom the entire export of iron ore has been entrusted, is pursuing a wise policy in promoting the exports through long-term agreements with important customers of Indian iron ore. New markets have been established, particularly in Eastern Europe, though Japan continues to be India's main buyer. In view of the growing importance of iron ore in the country's export programme, it has been decided by the Government to make substantial investments in mining, railway transport and port facilities, with a view to augmenting the export of iron ore during the third Plan period, in which considerable assistance is being received from Japan. Your Company is making its due contribution in this export drive, so as to maximise the foreign exchange earnings which are so badly needed to push forward the development plans of our country.

"In my speech last year, I had dwelt on some aspects of tax assessments which create avoidable hardships for the taxpayer. I had suggested that the power of the Income-tax Department to question any business expenditure should be confined to cases where they find the expenditure to be in the nature of tax evasion and it should not be their function to decide whether the expenditure was commercially expedient or to question the quantum of the expense. In a recent case which went up to the Supreme Court in an appeal against the judgment of an Industrial Tribunal, the learned judges of the Supreme Court held that, in the absence of cogent and compelling evidence leading to the definite conclusion and finding that a purported expenditure was sham or had been made with the express object of minimising the profits, with a view to depriving the workmen of their bonus, *it is no part of the duty of an industrial tribunal to substitute its own judgment as to what was or was not commercially justified in the place of the judgment exercised by the company and its directors, in whom in law the management of the company is confided.* The principle enunciated by the Supreme Court is applicable equally to tax assessment cases and I would urge that the law should be suitably amended so that the power of the Income-tax Department to question business expenditure is restricted to cases where on cogent evidence the conclusion is reached that the expenditure was sham or *mala fide* with the ulterior object of tax evasion.

Delays in Tax Assessments

"I would also like to draw the attention of the Government to the long delays that occur in completing the assessments. To some extent, this indifference to early disposal of tax cases can be traced to the advance deposits of taxes required under law. Taxing authorities, therefore, find themselves in no hurry to finalise the assessments. This is particularly true of cases where final assessments are likely to result in a refund. When the cases are ultimately taken up after several years, it is because they would otherwise get time-barred. The assessees are then rushed and numerous informations and statements are required to be furnished within a matter of days. At that late stage, it becomes difficult for the assessee to gather all the details, particularly, because the persons who handled the subjects or transactions may not be available or, if available, may, at that length of time, recollect little about the precise facts or circumstances of the case. The proceedings end up in a large number of arbitrary disallowances of *bona fide* items of business expenditure and the assessee gets penalised for no fault on his part. I would strongly urge that assessments should be disposed of expeditiously. This is in the interest both of revenue and the taxpayer. In this connection, I may also draw attention to the inordinate delays that take place in effecting refunds of tax. Where, on completion of final assessments, refunds become due on account of excess deposits made by way of advance payments of tax, payments should be effected promptly and refund cases should not be neglected as is usual at present. The Direct Taxes Administration Enquiry Committee has also recommended that greater importance than at present should be given to disposal of refund applications. I am glad that this recommendation has been accepted by the Government and hope that necessary instructions will be issued for according highest priority for disposal of the refund cases.

Wage Board's Report

"I would now refer to the report submitted by the Central Wage Board for the cement industry, of which I was a member representing employers. The Board was appointed by the Government of India in April 1958 to work out a wage structure based on the principles of fair wages for the employees of the cement industry. The Board has recommended a uniform set of wage grades for the industry on an all-India basis. A uniform dearness allowance has also been recommended for all the factories, with the exception of factories in Gujarat and Saurashtra regions where somewhat higher dearness allowance has been permitted. The dearness allowance would be adjusted from time to time, having been linked to the All-India Consumer Price General Index—base 1949. In our dissenting note, we the employers' representatives, stressed the importance of linking the fair wages to fair loads of work and recommended that, in accordance with this fundamental principle of wage fixation prescribed by the Fair Wages Committee, workload studies should be carried out in the cement industry. The recommendations of the Wage Board have been accepted by the Government of India. The Government have also considered the views expressed by the employers' representatives in their dissenting note and have decided that a study of workloads would be desirable and should be carried out as early as possible. The Wage Board and subsequently the Government have accepted the position that the industry does not have the capacity to pay the wages recommended by the Wage Board on the existing retention prices and it has been agreed by the Government to allow suitable increase in the ex-works price to take care of the incidence of the higher wages recommended by the Wage Board. Some of the questions arising from the Wage Board report were considered at the Third Session of the Industrial Committee on Cement which was held at New Delhi on 2nd August 1960. It was decided by the Committee that the recommendations of the Wage Board should remain in force for a period of five years with effect from 1st January 1960 and the Chief Adviser of Factories has been asked

(Continued on page 710)

H.E.H. THE NIZAM'S CHARITABLE TRUST

SIXTH ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 1960

1. THE Trust was created by His Exalted Highness the Nizam of Hyderabad on the 14th June 1954, with a corpus of the face value of Rs. 4,90,00,000 (Rupees four crores and ninety lakhs) for relief of the poor, support of religious institutions, provision of medical aid, advancement of education and for any other object of public utility in India in general and particularly for people in the former State of Hyderabad.

2. During the year, the number of Trustees was increased to the maximum permissible under the Deed of Trust by the appointment of Prince Mukarram Jah Bahadur and Sir Said-ul-Mulk, Nawab of Chhatari; and Prince Mukarram Jah Bahadur was unanimously elected the permanent Chairman of the Board of Trustees under Clause No. 7 of the Trust Deed. The Board now consists of:—

(i) Prince Mukarram Jah Bahadur (from 1-2-1960) ... ... *Chairman*
(ii) Sir Said-ul-Mulk, Nawab Chhatari (from 1-9-1959) ... *Member*
(iii) Nawab Zain Yar Jung Bahadur ... ... "
(iv) Shri V. P. Menon ... ... "
(v) Mr. Shavax Ardeshir Lal ... "
Khan Bahadur C. B. Taraporvala ... ... *Secretary*

3. During the period under review, eight meetings of the Board of Trustees were held to deal with the affairs of the Trust, including the consideration of applications received from various public institutions and individuals for donations, lumpsum grants, medical aid, scholarships, etc.

Large Applications

4. The Trustees received during the year a very large number of applications from poor and destitute persons, from unemployed people and poor students. The procedure employed in dealing with the applications was to obtain, where possible, the report of District Officers and heads of hospitals and educational institutions and sift the recommendations before assessing the quantum of assistance in each case. In the absence of such recommendations, the Trustees themselves caused proper investigations to be made before granting relief. The applications dealt with during the year under review are classified under the following broad categories showing the relief or assistance granted:—

A. (i) 246 poor and destitute persons and widows, who are unable to work and have, therefore, no other means of income, were granted maintenance allowances ranging from Rs. 5 to Rs. 20 per mensem.

(ii) Special maintenance allowances ranging from Rs. 25 to Rs. 50 per mensem were paid to 17 widows and poor and destitute persons who had no other source of income.

(iii) 931 poor and deserving students were granted scholarships ranging from Rs. 10 to Rs. 20 per mensem.

(iv) 33 students were awarded special scholarships ranging from Rs. 25 to Rs. 100 per mensem, for higher technical studies.

In all 5,388 beneficiaries (practically all of whom belonged to Hyderabad), including those who were recipients of financial aid before, drew either maintenance allowances or scholarships under the four categories referred to above, as on 31st March 1960, and the total of such payments during the period under review amounted to Rs. 7,28,400.

B. 1,174 patients (almost all of whom belonged to Andhra Pradesh) suffering from T.B., Cancer, Leprosy and other diseases were granted lumpsum financial aid for medical relief. The total amount of medical aid granted to such patients, during the period under report amounted to Rs. 1,05,817.40.

C. 1,069 poor and deserving students (practically all of whom belonged to Hyderabad) were granted lumpsum financial aid, ranging from Rs. 50 to Rs. 200, towards payment of their admission fees, examination fees and for purchase of books, instruments, etc. The total sum of such financial aid, during the year under review amounted to Rs. 98,000.95.

5. During the year under report, foreign scholarships and lumpsum grants for higher education abroad (*including passage money*) amounting in all to Rs. 1,59,000 were provided by the Trust. Almost all the recipients were residents of Andhra Pradesh and care was taken to select only those who had first class degrees to their credit or exceptional merit. In all 32 students have or are receiving financial aid from the Trust in foreign countries. (Appendix 'A'.)

6. Special lumpsum grants aggregating *Rs. 8,13,548.30 were given to Schools*, Athletic Institutions, Sanatoria and other beneficial objects of public utility. Most of the beneficiaries belonged to Andhra Pradesh. (Appendix 'B'.)

7. Recurring grants for periods ranging from 1 to 3 years were granted to various educational and technical institutions, involving an expenditure of Rs. 1,73,000 per annum. A large majority of these institutions are situated in Andhra Pradesh. (Appendix 'C'.)

Investment Policy

8. During the year under review, the Trustees *had to hold in abeyance the policy they* have hitherto pursued of judiciously investing surplus funds in safe and promising industries (thereby incidentally promoting the industrial *development of India and relieving unemployment*) pending the report of the Auditors appointed by the Auditor General of India in terms of the Stay Order passed by the Supreme Court on 21st December 1959 with the consent of the parties. Under the said Order, the Auditors so appointed have been specifically entrusted with the task of enquiring into "the truth, the legality *and the propriety of the various transactions and* investments of the Trustees" besides auditing the accounts of the Trust from its inception. The Auditor General has appointed Messrs. A. F. Ferguson & Co., *Chartered Accountants*, for this purpose, and they have commenced their task from the 24th March 1960, and have not completed it at the time of this report. In the meanwhile, *the surplus funds have been placed in* short-term deposits with various scheduled banks and the Trustees have decided to invest a sum of Rs. 50 lakhs in Government Securities (preferably of Andhra Pradesh) when the loans are floated during this year. They have also decided to invest the maximum permissible amounts in Government Small Savings Schemes, and Rs. 10 *lakhs in sound Preference Shares* yielding 8 per cent. per annum. The Trustees wish, however, to draw attention to the fact that due to the relatively lower yield of Government Securities, the current and future years' income is likely to diminish appreciably, unless the shortfall is made good by higher income from other investments.

9. As will be seen from the audited accounts, the market value of the assets of the Trust has increased to Rs. 6,17,00,000 *as against* Rs. 5,84,00,000 shown last year and the income of the Trust has gone up from Rs. 34,92,720 to Rs. 41,03,142 in *1959-60*. The Trustees have built up a General Reserve of Rs. 49,88,660.46, after setting aside Rs. 30 lakhs in a separate Orthopædic Hospital Fund Account. The net profit on sale of shares, amounting to Rs. 7,31,405.25, has been carried, in total, to the 'Investment Fluctuation Reserve' which now stands at Rs. 27,31,405.25.

10. During the year under report, the Trustees received offers for the purchase, at a profit to the Trust, of the entire holdings of the Trust in three companies, as these investments were the subject comments in certain quarters. In the light of the independent and expert advice obtained by the Trustees, they accepted the highest offers received for the same and the Trust has thereby secured capital profits amounting to Rs. 14,39,500. As these transactions were completed by delivery partly before and partly after the 1st April 1960, the capital profits relating to the former, amounting to Rs. 7,07,000, is shown in last year's accounts, while the capital profits relating to the latter, amounting to Rs. 7,32,500, will appear in the current year's accounts.

Deposits with Banks

11. The Trustees have decided to set apart Rs. 30 lakhs in short-term deposits with scheduled banks to meet the capital cost of the proposed Orthopædic Hospital. All arrangements for setting up and maintaining the Orthopædic Hospital have now been finalised. The hospital will be known as "The Nizam's Orthopædic Hospital," the construction and equipment of which have been entrusted to an autonomous Governing Board consisting of the Trustees and the Secretary of H.E.H. the Nizam's Charitable Trust, for the time being, and four nominees of the Government of Andhra Pradesh viz., the Secretary, Health, Housing and Municipal Administration, the Secretary, Finance Department, the Director of Medical Services, Andhra Pradesh, and the Professor of Orthopædics and Orthopædic Surgeon, Osmania Medical College. The Trustees have further undertaken to make, after the completion of the hospital, an annual recurring grant to the Governing Board of a sum not exceeding Rs. 7 lakhs, in two half-yearly instalments.

12. The other project to which reference was made in the previous Report, namely, the establishment of a school for training artisans and mechanics, is under the active consideration of the Trustees.

13. During the year under report, the Trustees framed Rules governing the grant of foreign scholarships from the Trust, and have invited, this year, applications for four foreign scholarships, two in Mechanical Engineering, one in Metallurgy and one in Pharmacology. In accordance with the above Rules. The Trustees have entrusted the selection of the candidates for foreign scholarships to three separate committees of experts who will make their recommendations after interviewing the candidates, if necessary.

(Sd.) C. B. TARAPORVALA
Secretary

(Sd.) MUKARRAM JAH
(Sd.) AHMAD SAID
(Sd.) ZAIN YAR JUNG
(Sd.) V. P. MENON
(Sd.) S. A. LAL
Trustees.

ANNOUNCEMENT

ANUH PHARMA LIMITED, BOMBAY

The subscription list in respect of 80,000 Equity shares of Rs. 10 each offered in terms of the Prospectus dated 20th September, 1960, was to open on the 8th October, 1960, and in view of slight amendments filed with the Registrar of Companies as noted below on page 10 of the Prospectus, the date of opening of the subscription list is postponed to the 15th instant. Therefore the subscription list will open at 10 a.m. on Saturday, 15th October, 1960, and will close at 5 p.m. on Monday, 24th October, 1960, or later at the discretion of the Directors. The following is the addenda to the Prospectus on page 10 under the heading "Nature and Extent of the interest of Directors." Read fresh paras numbered 7 and 8 as follows:—

(7) Shri N. T. Khandwala has advanced a sum of Rs. 25,000 to Messrs. Anuh Pharma, the Vendors. Interest at the rate of 9 per cent. per annum is payable on the said loan by the Vendors and the loan was given to the Vendors on the hypothecation of part of the stock in trade on 20th July, 1960. *Business and stock of the Firm Anuh Pharma* taken over by the Company is subject to this liability. Shri N. T. Khandwala was co-opted as a Director on 6th September, 1960.

(8) Mr. P. R. Subramanyam has guaranteed the loan of Rs. 25,000 given by the Canara Industrial Syndicate, Ltd., to the Vendors on the hypothecation of the part of stock in trade. *Business and Stock of the Firm Anuh Pharma* taken over by the Company is also subject to this liability.

(Sd.) **P. R. SUBRAMANYAM**
(Chairman)
Anuh Pharma, Limited.

THE MYSORE PAPER MILLS LIMITED

SPEECH OF MR. M. D. SHIVANANJAPPA

CAPACITY TO BE MORE THAN DOUBLED

SPEAKING at the Twenty-fifth Ordinary General Meeting of the Mysore Paper Mills Ltd., held at Bangalore on Friday, 7th October 1960, Mr. M. D. Shivananjappa, I.A.S., Chairman and Managing Director, disclosed that the Government of India had granted a licence to raise the production capacity of the mills from 8,000 tons to 18,000 tons. The capital cost of the expansion scheme would be over Rs. 3 crores, of which about one half would be required in foreign currency. The foreign currency cost was likely to be provided by the Commonwealth Development Finance Company Ltd., London, and the Industrial Credit and Investment Corporation of India Ltd.

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

"LADIES AND GENTLEMEN,

"Before we commence the regular proceedings of the meeting of the members of the Mysore Paper Mills Ltd., it is my painful duty to refer to the sad demise of Capt. Rao Bahadur A. Thangavelu Mudaliar on the 22nd June of this year. As you all know, Capt. Rao Bahadur A. Thangavelu Mudaliar was a Director of this Company ever since its inception and he was also connected with a number of other institutions. By his genial temperament and modesty he had endeared himself to one and all in the State. We have lost one of our stalwarts on the Board and I for one have lost a personal friend. May I request you kindly to stand up in silence for a minute and pay our homage to the memory of the departed soul?

"With your permission I shall be sending the following resolution to the members of the bereaved family:—

"'The General Body of the members of the Mysore Paper Mills Ltd. have learnt with deep sorrow the sad news of the demise of Captain Rao Bahadur A. Thangavelu Mudaliar on 22nd June 1960 and wish to convey their sincere condolences to the members of the bereaved family.'"

(*The business was adjourned for two minutes.*)

"LADIES AND GENTLEMEN,

"I have great pleasure to welcome you to this, the twenty-fifth ordinary general meeting of the shareholders of the Company and to place before you the report of the Directors and the audited balance-sheet for the year ended 31st March 1960. These have been circulated already and, with your permission, I shall take them as read and would proceed to review the salient features of the year's operations.

"I am glad to state that the production during the year under review has been very satisfactory. Last year, the production was 8,000 tons and during the year under review, it has risen to 8,700 tons, exceeding all previous records. The successful implementation of the scheme of renovation and replacement and the reconditioning of the first paper machine and the fairly satisfactory working of the arrangements made for procuring the essential materials within the country and from abroad have largely contributed to this result and I can only hold out hopes of maintaining at least the same level of production during the current year, if only the arrangements made continue to work satisfactorily.

Record Turnover

"I am also happy to report that the turnover during the year has exceeded that of last year by Rs. 16 lakhs amounting to Rs. 1,41,31,000, which is also a record figure. I had informed you last year that the Government of India had referred the question of fixation of prices of paper to the Indian Tariff Commission which concluded its labours and submitted its report to the Government of India and had expressed the hope that fair and reasonable prices would be fixed. But, the Government of India, accepting the recommendations of the Tariff Commission, have issued revised price lists, which have considerably reduced the prices of different varieties of paper with effect from 1st January 1960. This reduction is bound to have greater adverse effects, particularly on smaller units like ours. I do not see any immediate prospect of decline in prices of raw materials, coal or chemicals and also in wages and salary bills. The only way to improve the position, it appears to my mind, is to secure as much economy as possible from technical and operational efficiency. The installation of the recausticising unit for which orders had been placed and equipments received, will, to some extent secure economies, which go to reduce production costs to some extent. I am only hoping that the Government of India would certainly take into consideration the adverse effects that the revision of prices has had on units like ours and would consider the question of revising the prices suitably in the interest of expansion of existing units and starting of new ones.

"I would now like to refer to the balance-sheet and accounts. The good effects of increased production and larger turnover have been reflected in the accounts as you could see. The financial results would have been still better but for the reduction of prices to which I have already referred. We have provided for depreciation on fixed assets calculated in accordance with the rates allowed for normal depreciation and extra shift allowances as per Income-tax Act, amounting to Rs. 7,63,175, Rs. 14,061 towards development rebate and a further sum of Rs. 60,000 towards retirement gratuity. A provision of Rs. 8.00 lakhs has also been made towards taxation, as the profits of the Company for the year become taxable. As on 31st March 1959, the loan of the Industrial Finance Corporation to the Company stood at Rs. 20.00 lakhs, and during the year a sum of Rs. 16 lakhs has been paid, thus reducing the balance to only Rs. 4.00 lakhs, which represents the last instalment due to the Corporation in 1970. These payments far ahead of due dates by nearly a decade have considerably reduced the interest charges. In regard to the disposal of surplus of Rs. 7,76,968 including carryover of last year, your Directors have decided to transfer Rs. 3,50,000 to the general reserve and to recommend declaration of a dividend of 15 per cent., subject to tax, absorbing Rs. 3,75,000, the balance being carried forward.

Dividend

"Last year, taking into consideration the increased production and larger turnover, your Directors recommended payment of 12½ per cent. (10 per cent. dividend and 2½ per cent. bonus) and this year also, taking into consideration the all-round progress made by the Company and having regard to the tax deduction of 30 per cent., your Directors, after careful consideration of all relevant factors, have proposed payment of 15 per cent. dividend. I am aware that deduction of tax at the rate of 30 per cent. as per Finance Act will reduce the percentage to 10.5 or Rs. 1.05 per share. I am glad, however, that a number of shareholders, whose income is not taxable, gets a net dividend of Rs. 1.50 per share, which is more than the dividend declared for last year by 0.25 nP per share.

"The Industrial Finance Corporation of India have communicated their approval to our declaration of 15 per cent. dividend in terms of the mortgage deed, for which I am thankful to them.

"It is indeed a matter for gratification that the labour-management relations continue to be very cordial. Your Directors were pleased to sanction a bonus of four months' salary or wages to the employees for the year ended 31st March 1960 and the same has been disbursed.

"Reference had been made by some shareholders at the last meeting for celebration of the Silver Jubilee of our Mills on a grand scale and I recall that I had said that steps would be taken to arrange for the celebration at the appropriate time. I find that the Company has been registered as a joint-stock company on 20th May 1936 and the foundation-stone of the factory was laid by His late Highness Sri Krishnaraja Wadiyar Bahadur of revered memory on 1st April 1937 and the Mills went into production in 1938. Taking these several dates into consideration, your Directors will be fixing up the appropriate date for the celebration of the silver jubilee during 1961-62.

Expansion Programme

"As you are aware, the question of expansion of the production capacity of your Mills is engaging attention practically ever since the first scheme of expansion was implemented. The scheme has not yet been implemented, not because of want of well-considered scheme or lack of funds, but mainly because of the difficulties of procuring the necessary foreign exchange for payment of value of plant and machinery to be imported from abroad. I informed you when we met last year about this time that we had submitted our application to the Gov-

(*Continued on page 706*)

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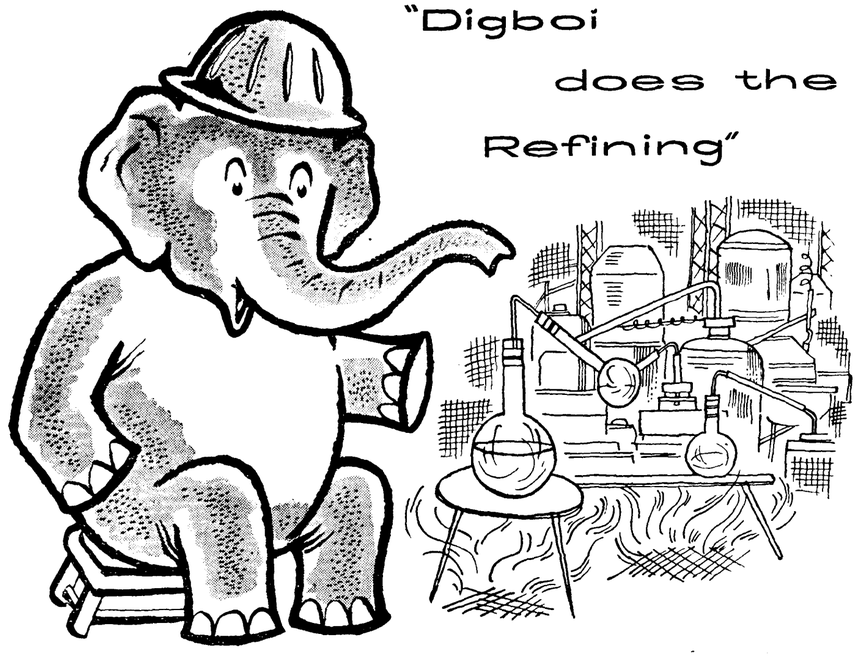
Memoirs of an Elephant—5



You know, I really can't understand these people at the AOC. After all the trouble they take to find the oil, they tell me that when they do, it is "crude" and that it has to be "refined".

It is now about 60 years since they started this "refining" business in Assam. They say that their plant in Digboi was the first in India operating on modern lines. During these years, many additions have been made to the plant. Among others they added a Dubbs Cracking Plant, an Edeleanu Plant, Atmospheric and Vacuum Tube Stills, and Oil Heaters. A new petroleum plant and a new Lubricating Oil Distillation unit were added in 1954.

One thing, they seem to keep right up-to-date in Digboi utilising all the latest technical "know-how" and equipment.

From what I have heard, this "crude" oil can produce many different things like—Motor Spirit, Kerosine, Diesel Oil and at least another hundred products.

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A. C. BHAT,
General Manager.

FERRO ALLOYS CORPORATION LTD.

TEETHING TROUBLES ARE OVER

CHAIRMAN, MR. DURGAPRASAD SARAF'S REVIEW

ADDRESSING the shareholders of the Ferro Alloys Corporation Ltd., at their Fourth Annual General Meeting held at Tumsar, Bombay, on 24th September 1960, Mr. Durgaprasad Saraf, Chairman, said that the Company had been able to get over the teething troubles, which were common to all industries, and that the Company was on the "path of progress and prosperity." With the disposal of accumulated stocks and with the execution of the orders on hand, he added, the Company would be able to wipe off the deficits and to declare a satisfactory dividend for the current year.

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

"GENTLEMEN,

"I have great pleasure to accord to you all a hearty welcome at the fourth annual general meeting of the Company and to present to you the Directors' report and the auditors' statement of accounts for the year ended 31st December 1959, for adoption.

"During the year 1959, the Company entered its second year of production and ferro-manganese worth approximately Rs. 1 crore was manufactured. Out of the three furnaces only two were under operation. The total sales aggregated to Rs. 42.43 lakhs. Although the sales during 1959 were considerably more than in the previous year 1958, the same were much below our estimates. The main reason for this was that we were under an obligation to supply a very large quantity to State Trading Corporation for the Indo-U.S. barter and, therefore, we could not take up any other large-scale commitment for supply of ferro-manganese. Besides, in the home market the demand was not very satisfactory as the steel plants in the public sector who are the largest internal consumers of this commodity, have not started production to their full capacity. In spite of these odds, it is a matter of very great satisfaction for the Company that it was able to push up its sale to the extent it has done and to introduce its produce to new markets abroad and also to new customers at home.

Delay in Shipments

"The Indo-U.S. wheat barter which, you must be aware, was finalised in 1959. Under this barter agreement your Company has been allotted the largest quota. The supplies were expected to be commenced at any moment at short notice right from November 1959. But unfortunately, the shipments did not commence until June 1960. It is the proverbial broad red-tape of the Government which takes very long to finalise any and every point. And this misfortune prevails, despite the fact that the S.T.C. is a business institution primarily, though it is owned by the Government. It will be in the interest of all concerned if Government decisions are taken quickly.

"However, you must have noted from the Directors' report that our Company has already exported two full shiploads of ferro-manganese weighing 20.090 tons during the current year and further shipments will follow soon. All the three furnaces of the Company are working to full capacity since the beginning of this year and we expect to complete our quota under the barter during the stipulated time.

"You will also be glad to learn that substantial orders for the Company's ferro-manganese have been received during the year for meeting the requirements of the steel plants of Hindusthan Steel Ltd., at Bhilai, Durgapur and Rourkela. A good portion of the orders from the H.S.L. have already been executed and necessary arrangements have been made to supply the balance. The Company is also meeting the requirement of ferro-manganese of many other foundries and iron and steel works in India. Our produce has been found to be satisfactory in all respects by our customers in India and abroad, as is evident from the repeated orders placed with us.

"It may, therefore, be certainly said that the Company's 'teething troubles' which are common to all pioneer industries, are well over and the Company is marching on the path of progress and prosperity.

"I have no hesitation in informing you that, with the disposal of the accumulated stocks for the last two years and with the execution of the orders already placed with the Company, we shall be able to wipe off all our earlier deficits and shall be able to declare a satisfactory dividend for the current year.

"From the Directors' report you might have seen the manifold activities of the Company in undertaking the various schemes of labour welfare, in increasing the production capacity and consequential reduction in the cost of production.

"An important point which I dealt with in my speech last year related to the increase in the capital of this Company. As I pointed out to you earlier, the Company now finds itself rather under-capitalised and it is necessary to increase the same adequately. An application for the required sanction has been submitted long-ago to the Controller of Capital Issues. The consent is expected shortly, after which steps will be taken to issue the capital. I may tell you that the Directors propose to offer further capital to the existing shareholders in the first instance.

Problems and Difficulties

"I would also like to avail this opportunity to say a few words about the problems and difficulties that confront our industry.

"The first and foremost difficulty arises from the incapacity of our country's transport system to meet the requirements of the industries. Under the plans of the Central and State Governments we see a large number of industries coming up every year both in the public and private sectors. All those industries require means of transport for moving huge quantities of the various raw materials to the factories and the finished products to the markets. It is a matter of regret that our means of transport have not been adequately and properly developed to cope with our requirements. Often, an industry finds itself starved of essential raw materials resulting in loss of production, unemployment of labour, and a trial of problems. This problem needs immediate attention and solution by the authorities in the Government.

"Closely concerned with the above is the problem of railway rates and the allotment of wagons on priority basis. It is an accepted principle in all countries aspiring for industrial uplift, to charge the incoming raw materials to factories and the outgoing finished products to markets at concessional rates. This is of imperative importance to industries depending on export such as the ferro-manganese industry.

"Exports of manganese and ferro-manganese which earn valuable foreign exchange for the nation, need all the protection and patronage of the Government to enable it successfully to meet the competition abroad and to establish itself firmly. It is also equally necessary to make allotment of wagons for movement of industrial materials on priority basis since the industry cannot afford to wait and watch.

"The Government should also ensure that our industry is supplied power at a cheap rate. In spite of the gigantic power projects constructed under the Five-year Plans, the rate of electricity supplied to industries is very much high as compared to the rate available to industries in foreign countries. Since power forms an important element in the cost of production of our industry, the high rate prevailing in India reduces the competitive power of our industry.

"The Company has made representations to the proper authorities and the Ferro-Manganese Producers' Association has also taken up the matter. Let us hope that they will receive due consideration of the Government.

"Trade unionism in factory labour is a healthy sign. The Government have also enacted various labour laws to ameliorate the condition of factory labour and have provided machinery for settlement of disputes. The defect in our trade unionism is often to be found in its leadership. There is rivalry for it between one group and another. Many times the leadership does no better than to exploit the poor, illiterate workers to achieve their own ends by giving false hopes to them. When they fail in fulfilling their promises they call for strikes, legal or illegal. To accept strike as a very sacred weapon to be used as the last resort is a very theoretical notion, so far as trade union leaders are concerned. The advantages and disadvantages of a strike are not properly weighed. The result is that the industry, the workers and the Government all suffer. It is necessary, therefore, that the trade union leaders give due thought to all aspects before they launch a strike. I also feel that the law relating to strike should be made more strict than it is now.

"I must also draw the attention of the Government to the urgent need for simplification of the complicated system of taxation of dividends, as also of the sales tax in the States and at the Centre; the need for expeditious disposal of import applications specially for spare parts and raw materials not available in India, and the quick settlement of claims and payment of refunds in various departments, particularly the railways. These are very important for the proper development of any industry.

Outlook for Ferro-manganese

"As regards the ferro-manganese industry, it has acquired a special significance in the context of our fourfold increase in the steel-making capacity and the need for stepping up of our foreign exchange earnings. It is, therefore, regretted that the Government propose to export manganese ore, instead of ferro-manganese, under another barter deal under negotiation for import of cotton. India's production of ferro-manganese has so far been limited, but it has got much scope for expansion. I shall, therefore, appeal to the Government to consider the interest of this industry which occupies an important place in our plan for industrialisation.

"Before I conclude I will like to express my grateful thanks to my colleagues on the Board for their valuable co-operation and guidance. I shall also like to thank the Managing Agents for steering the Company clear through a period of initial difficulties. I thank you, gentlemen, for your patience."

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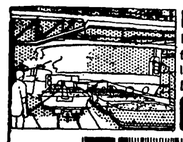

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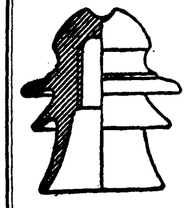

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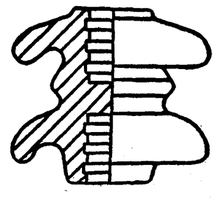

CAPITAL FOR ALL—BUT SAFETY FIRST

VIEWS OF A SWISS BANK

[The need for foreign capital, private and Government alike, for the development of underdeveloped countries is now universally recognised. Not all the underdeveloped countries, however, follow economic policies that facilitate the inflow of such capital. On the contrary, quite a few of them often resort to policies that scare away foreign capital. The reactions of capital-exporting countries to such policies are clearly brought out in the article on this page, published by the courtesy of the Swiss Bank Corporation, Basle. The author of the article has also briefly outlined the attempts made both in the distant past and in recent years to enunciate a code that will induce confidence among foreign investors and be acceptable to the capital-importing countries. The article is undoubtedly a timely contribution and the points of view stated therein deserve to be pondered by this country's leaders, not only because we are ourselves a capital importing-country but also because it will be to the advantage of the underdeveloped areas as a whole, if India can take the lead in evolving a code of the type mentioned here.—ED.]

MORE than ever before in peace time, foreign assets are today liable to be expropriated, confiscated or nationalised by the Governments of newly founded States. And yet, paradoxically enough, it is the less-developed countries who are, more than ever, trying to attract Western capital. At a Press conference held at Accra early in July, Dr. K. Nkrumah, Prime Minister of Ghana, expressed deep regret that the West, and the United States in particular, have not so far proposed a sufficiently courageous plan for helping the new African countries. But for their part the Western countries were at that moment faced with nationalisation in Cuba, confiscation in Indonesia, and expropriation at the very heart of Africa, in the Congo, where a few days later thousands of Europeans were forced to flee, in many cases leaving home and fortune behind them.

Will the excesses of the few now cause the industrialised countries of the West to cut down, to the detriment of the many, their programmes of economic aid? Certainly not. But the time has come to separate the wheat from the tares: the time for the honest borrowers, those ready to respect private property—whether national or foreign—to make their intentions known. The capital available in the West will be for them first.

As vain as they are numerous have been the attempts to make creditor and debtor undertake to respect certain rules and thereby further the movement of private capital from country to country.

A conference organised in Paris by the League of Nations for codifying the economic rights of foreign nationals failed to reach an agreement in 1929. Two years later, the International Chamber of Commerce (ICC) adopted a resolution that remained however inoperative. After the Second World War, the ICC carried on with this work and succeeded in drawing up an "International code for the equitable treatment of foreign investments." Up till now, however, this code has remained a dead letter.

Many other similar schemes have met with the same lack of success during recent years. In 1953, M. Charles de Loes, president of the Swiss Bankers' Association, took up again the idea of a multilateral convention open to all countries. The experts of several States wrestled once again with the problem. Under the auspices of that well-known banker, Hermann J. Abs, the Gesellschaft zur Förderung des Schutzes von Auslandinvestitionen e. V. of Cologne submitted in 1957 to the world of international finance as a basis for discussion a draft international convention for the mutual protection of private property rights in foreign countries. Too far-reaching to be applied, even in the eyes of many of the European experts, this draft had to be much modified before it could be set before the Governments interested.

For its part, the United Nations Organisation (U.N.O.) has also given the matter some attention. It might have been hoped that, within a body where the influence of the West is not preponderant, the less developed countries would have been prepared to come to an understanding with the creditor nations satisfactory to both parties. In actual fact, the General Assembly of the United Nations adopted a resolution on 11th December 1954, "recommending the countries exporting and importing capital to ... negotiate agreements making it possible to protect investments against certain non-commercial risks, provided such agreements be compatible with their own national legislation." On 9th August 1956, the Economic and Social Council of U.N.O. approved a recommendation of similar intent. In its turn, the ICC returned to the attack and, on 3rd May 1957, suggested the holding of a conference under the auspices of the United Nations. However, this conference was never held.

One point is, alas, only too obvious: at present, it is quite unrealistic to expect all the countries requiring economic aid to subscribe to a multilateral agreement for the protection of private investments abroad. We must be content with multilateral agreements between a limited number of countries or with measures taken, either individually or bilaterally, by the countries interested.

Faithful to their ideals of universality, the United States have up till now rejected the drafts of all multilateral conventions that might not receive the approbation of at least a majority of the countries of the free world. But, being at the same time eminently practical people, the Americans are pioneers both in the matter of national guarantees for exports of capital and in that of bilateral agreements for the fair treatment of foreign investments. Though they themselves do not always respect it (cf. the conflict of Swiss and American interests over the Interhandel affair), the United States regard the sanctity of private property as a fundamental principle of their ethical code and try to implant it at the international level by means of such agreements. Recently, other creditor countries have followed in their footsteps. On March 1959, the United Kingdom concluded an agreement of this kind with Iran. On 25th November 1959, Western Germany signed with Pakistan the first agreement giving scope to her guarantee system.

Working along the same general lines, the Swiss parliament on 8th March 1960 asked the Federal government to study a proposal of M. Ernst Schmidheiny. This well-known Swiss industrialist has suggested that the Confederation should organise for the protection of Swiss investments abroad a system of guarantees similar to that operating for the export of ordinary goods. Premiums collected on foreign investments would flow into a guarantee fund, which would be utilised to compensate the investor in the case of losses due to political upheaval, nationalisations, transfer difficulties, etc. The big Swiss industrial firms are mostly in favour of the idea, whereas the banks are, for their part, showing more reserve. The changes made two years ago in the Federal law governing the guarantee against export risks have made it possible since 1959 to insure certain loans and commercial credits against political hazards. Should one go a step further? Is there not a danger that to widen the scope of the guarantee will favour undesirable State interference in the sphere of private initiative? This is an important matter for Switzerland and deserves careful study.

Speaking more generally, the idea of insuring foreign investments against risks of a non-commercial nature really means that countries who meet their engagements punctually pay for those who do not. True, the bilateral agreements usually insisted on by the Governments of the capital-exporting countries make a certain broad selection of partners possible and reduce the disadvantages of premiums that would otherwise be much too high. But it becomes very difficult to negotiate such agreements when the various exporters of capital begin to compete for the preferential treatment of foreign investments. The recent breakdown in the talks between Western Germany and Greece may give food for thought.

So it would seem that, despite their advantages, national guarantees, coupled with bilateral agreements for the protection of foreign investments form a system ill-suited to an era when the less-developed countries are no longer appealing for funds to a single creditor, but to several at once.

As they are skeptical as to finding a code of behaviour acceptable to the whole free world, and yet realise the serious limitations of national guarantees, coupled with bilateral agreements, several European countries have decided to consider the problem of protecting foreign investments in a new way.

The basic conception is that the European countries, whether industrialised or underdeveloped, should sign a multilateral convention which would then be submitted to all States ready to recognise certain principles of international law and to abide by the decisions of a tribunal of arbitration.

One of the advantages of this idea is that it would be possible to benefit by the work—now in an advanced stage—done during the last few years in view of establishing a free-trade zone among all the O.E.E.C. countries.

Wishing to further the flow of capital within the projected zone, Switzerland had submitted in 1957 to the Directorial Committee of E.P.U. a draft international convention on the guarantees to be afforded to investments of foreign capital. Also, Western Germany had submitted the draft mentioned earlier on. Objections, having been brought forward by various countries, among whom was Great Britain, the draft had to be much revised and was once more, in May of 1959, passed to the O.E.E.C.

By then, however, the free-trade zone had become impracticable. But it was becoming increasingly clear that the members of O.E.E.C. would have every reason to co-ordinate their efforts at least on one ground, namely, that of aid to underdeveloped countries. The two drafts in question were precisely intended to facilitate the unhealthy growth of a system of preferential agreements on a bilateral basis. On 7th April 1960, the Council of Ministers of the O.E.E.C. decided to instruct the Committee on Invisible Transactions to draft a new text on the basis of the existing documents. Thanks to the work done previously, this new draft was rapidly produced and, during the month of June, the experts of the countries belonging to O.E.E.C. were able to meet in Paris in order to discuss the preliminary form of the convention, as drafted by the said committee.

At this advanced stage, negotiations are at present held up by the reform of O.E.E.C. itself. There is little to fear from the delay, for O.E.C.D.—the Organisation for Economic Co-operation and Development which is to succeed O.E.E.C.—will doubtless pursue the efforts made up till now at the European level for co-ordinating aid to the underdeveloped countries. But it may be wondered whether the participation of the United States and Canada as full members will not jeopardise a project that is on the threshold of realisation.

Up till now, many compromises have been reached in the O.E.E.C. framework. Owing to lack of unanimity, certain points, such as that of collective sanctions, had to be dropped. Elsewhere, agreement could be achieved. Thus, it is generally recognised how important a part a tribunal of arbitration might come to play in the carrying-out of the agreement. And there is general approval for the method of gaining experience within a limited area of a system of mutual protection, before inviting countries from other civilisations to take part.

The method has, it is true, certain drawbacks. A multilateral convention set up on a take it or leave it basis might perhaps ruffle the feelings of less-developed States who do not share Western views on the respect due to private property. But would it not be misleading these countries, to allow them to remain in the belief that they can in future substantially increase the financial aid received from international organisations and foreign governments by recourse to private Western capital, and yet not modify their ideas on the treatment of foreign investments? And would it not be unfair if the underdeveloped countries, who are ready to join a multilateral system engineered both by creditor and by debtor States for an easier international flow of capital, should find their plans for economic expansion delayed, because the whole free world has not yet been able to agree on what guarantees should be afforded to private investments abroad?

Whatever may be the rights and wrongs of the case, the draft multilateral convention for the protection of foreign investments drawn up by O.E.E.C. in no way endangers efforts made at the world level towards a similar end, nor does it stand in opposition to existing schemes for national guarantees. By allowing underdeveloped countries adhering to the convention to enjoy the benefits of a guarantee of international security when applying for foreign capital, such a convention might well in the end induce the countries outside the scheme to make the concessions necessary for a solution applicable to the whole free world. And better than any bilateral agreement, this convention might provide the means for making that indispensable selection among potential borrowers without which any national guarantee against political risks would be too onerous.

EUROPEAN FREE TRADE ASSOCIATION AND FUTURE WORLD PROSPERITY

IS IT AN OBSTACLE IN THE WAY OR WILL IT HELP?

By Jossleyn Hennessy

AUTHOR OF "THE EUROPEAN COMMON MARKET" AND "THE OUTER SEVEN"

CAN the European Free Trade Association prosper? Will its only achievement be to consolidate Europe in two rival blocs? Will the interest of the Commonwealth suffer? These are questions which are being widely asked up and down the Commonwealth today. If the 13 European countries which comprise the European Common Market and E.F.T.A. could have formed one market, the buying power of their citizens, and their powers to import from the rest of the world, would have been greater. But if, after the failure of the negotiations to achieve such a solution, the Seven countries which had remained outside the Common Market had not grouped themselves into the E.F.T.A., Europe would have been divided, not merely into two units, but into many—the Six plus the separate units of the rest of Europe. The multiplication of wealth of Europe as a whole, and the total buying power of its importing units, would have been less than it is under the present situation.

Chances of Survival

What are the chances of E.F.T.A. surviving as a prosperous and viable trading partnership alongside the apparently far more economically powerful Six? These are much more favourable than might appear at first sight. It is true that the E.F.T.A. population—and therefore the size of its internal market—is apparently little more than half that of the European Economic Community (E.E.C.); but the combined national incomes of the Seven countries total two-thirds of those of the Six: their total foreign trade is three-quarters, and their imports of manufactures four-fifths those of the E.E.C. Clearly, the Seven have a higher *per capita* income than the Six.

It is true that the recent rate of growth of the E.F.T.A. economies appears to be slower than that of the Six. But it seems likely that a part of this advantage of the Six was due to special circumstances. Their recovery came with a rush comparatively late, whereas some members of E.F.T.A. began their recovery earlier.

Despite the war and post-war difficulties, industrial production doubled in the E.F.T.A. countries. There seems no reason why it should not continue to expand at the same rate; indeed, the high proportion of the world's technological innovations which originate within the Seven suggest that it may rise faster. Moreover, since this rate of growth was achieved in years when the E.F.T.A. countries were seven separate units, an even faster rate of growth should become possible now that they are co-operating as partners in E.F.T.A.

Commonwealth Understanding

Commonwealth countries will readily understand why the United Kingdom was unable to throw in its lots with the Six. For Britain to have joined a European Customs Union would have meant raising tariffs against imports from the Commonwealth, or creating new ones where none existed. Its membership of E.F.T.A. involves it in nothing like this. E.F.T.A. members are moving in the direction of free trade among themselves, for their greater prosperity. But nothing in the E.F.T.A. undertakings affects the trading relations of its members with third parties. E.F.T.A., like the Commonwealth itself, is based on the concept of close consultation and co-operation among a group of independent sovereign States; the E.E.C. has certain supranational features.

The E.F.T.A. emerged because, in the course of the previous free trade area negotiations, its seven members were drawn together by two basic facts: (1) a desire to co-operate in political and economic matters to the fullest extent, without (2) abandoning their independence as sovereign States.

After the failure of the wider negotiations, they were able to agree on a Convention within six months. This Convention was not an instrument of trade war, drawn up in anger against the Six. It was an agreement (1) to try to bridge differences with the Six and (2) to expand trade among themselves. The Seven thought that a smaller free trade area was better than none at all.

There was, indeed, a risk that part of the increasing trade among themselves might arise from diverting trade from the Six, and that this might create animosities. The political leaders of both Six and Seven have shown statesmanlike appreciation of this fact and have vied with each other in avoiding provocative actions. The possible extent of trade diversions has, in fact, been exaggerated, because where trade is long established and buyers accustomed to certain dealers and goods, it takes time and big price differences to induce a switch. Nor would either E.F.T.A. or E.E.C. countries be anxious for too rapid a switch in existing mutual trade for fear of provoking reprisals.

In the United Kingdom Parliament, on 25th July, Mr. Selwyn Lloyd, who was then Foreign Minister, insisted that it was in the general interest to try to reduce discrimination between the two groups; he suggested that the forthcoming G.A.T.T. (General Agreement on Tariffs and Trade) conference should be used to secure a reduction in the level of world tariffs, and, at the same time, he promised that the United Kingdom would do all in her power to strengthen the political will in Europe towards achieving agreement. All the evidence suggests that there is, in fact, a developing pressure of opinion in Europe towards such agreement.

The emergence of this new mood in Europe has been hastened by the collapse of the Summit conference, which has brought out into the open, once more, the continuing importance of the United Kingdom's role in Europe and of the value to Europe of the United Kingdom's relationship with the rest of the Commonwealth. This is illustrated by two recent events.

First, the resolution passed on 11th July by the Committee for the United States of Europe, headed by such veterans of the movement for European unity as M. Jean Monnet, which declared that "today it is possible to envisage the participation of all in the common task of uniting Europe."

Mr. Selwyn Lloyd welcomed this resolution as revealing "quite a different attitude from the exclusive idea of the Six that once existed. There is growing evidence of the political will to find a way to the goal of European unity in some form. . . . In the present state of the world—the current difficulties in East-West relations, the explosive happenings in Africa, the dangers elsewhere—it is obvious that Europe must come together." Second, the invitation of the German Chancellor, Dr. Adenauer, to Mr. Harold Macmillan to Bonn. This has been taken as showing Dr. Adenauer's adoption of the view that a continued economic split entailed grave political dangers. The meeting gave Mr. Macmillan an opportunity to stress that, while the E.F.T.A. has helped to keep alive momentum among the Seven towards greater co-operation in Europe, they also recognised that the E.F.T.A. is not a complete substitute for broader European economic arrangements, so that, while building up the Association, they were continuing to search for solutions to the wider problem. Repeated official declarations have made it clear that the United Kingdom Government recognises that no new approach can succeed if it is confined to commercial problems.

Macmillan's Views

On the other hand, Mr. Macmillan impressed on Dr. Adenauer that no new approach from the Six can succeed, if it ignores the United Kingdom's relations with the other Commonwealth countries. The Commonwealth is sustained in part by the export opportunities that the United Kingdom provides by granting free entry to Commonwealth products. Now that Europe is more than ever alive to its responsibilities to the developing countries, it is easier for the Six to appreciate the objections to any agreement which would result in reducing the export opportunities of a group which includes some of these nations and also result in weakening the Commonwealth as a whole; which is an important element in the stability of the free world.

What emerged from the Bonn conference was that Germany and the United Kingdom agreed to investigate how Commonwealth free entry could be reconciled with Britain's participation in an all-European trading area. In short, the E.F.T.A. is serving its two basic purposes: (1) the building of a bridge between the two Europes; (2) the creation by seven countries of a free market to expand trade among themselves and with other countries.

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AUTOMOBILE SPARKING PLUG INDUSTRY

PROTECTION TO CONTINUE

THE Government of India has recently accepted the Tariff Commission's recommendation that protection to the automobile sparking plug industry be continued upto 31st December 1963 at the existing rates of duty, which are 92½ per cent. *ad valorem* standard and 85 per cent. *ad valorem* preferential for sparking plugs of British manufacture. The relevant resolution embodying this acceptance has also drawn the attention of the industry to the Commission's recommendation that "the industry should make efforts to tap indigenous sources for the supply of raw materials such as cement filler and high refractory cement powder."

The Tariff Commission's report, on which the Government of India has passed the above resolution, has given a succinct account of the present position of the industry. There are only two units now in the country producing automobile spark plugs—Motor Industries Company Ltd., Bangalore (M.I.Co.) and Auto Accessories (India) Private Ltd., Bombay. M.I.Co. was established in 1951 in technical collaboration with Robert Bosch Gm.b.h. (West Germany) which, since 1959, has come to have a 58 per cent. share in the total issued capital of Rs. 150 lakhs. The Company has undertaken to bring back the share of Bosch to 49 per cent. when fresh rupee capital is issued. The royalty to Bosch, which was originally fixed at 4 per cent. on net sales, has been reduced at the instance of Government to 2 per cent. from 1955. The manufacturing activities of this company are at present confined to fuel injection equipment and spark plugs. The net profits earned by it, after providing for depreciation, increased from Rs. 10.3 lakhs in 1956 to Rs. 19.2 lakhs in 1957 and Rs. 69.2 lakhs in 15 months from January 1958 to March 1959. The other company, Auto Accessories (India) Private Ltd., also established in 1951, has a paid-up capital of Rs. 4.4 lakhs now. It has had, since 1956, the technical collaboration of Smith Motor Accessories, U.K. It pays a royalty of 4 per cent. on sales to Smiths for the technical know-how. And its activity is confined to the manufacture of spark plugs only. This company incurred losses in 1956-57 and in 1957-58 and made a profit of Rs. 1.1 lakh in the year ended September 1959.

Both the companies together have achieved a production of 882.000 numbers of sparking plugs in 1959 and 271.000 numbers in the first quarter of 1960. Both the companies have fixed their targets of production which they are planning to achieve during the current year and the next three years. These targets are as under:

(In thousand numbers)

	1960	1961	1962	1963
M.I.Co.	800	850	900	1,000
Auto Accessories ..	400	450	500	550

These targets are liable to vary according to demand. This demand is of two types: (i) for original equipment and (ii) for replacement. The requirement for original equipment on the basis of the anticipated production of petrol vehicles in 1960 would work out to 136.000 and the replacement demand to 890.000 on the basis that the life of the plug, if related to mileage, will be about 10.000 miles.

There has been a sharp decline in imports of sparking plugs since 1957. In 1959, for instance, the imports stood at a very low figure of 8,100 plugs as compared with about 7 lakhs in 1955. This fall is accounted for by the fact that imports of sparking plugs have been banned since 1957. As for exports, there have been virtually none. In pursuance of its policy to promote exports, the Government of India has, however, allowed rebate of customs and central excise duties paid on raw materials used in the manufacture of sparking plugs.

The most pressing problem facing the industry is in respect of raw materials, most of which have still to be imported. The ones that are now imported are "bright drawn free cuting mild steel hexagonal bars", rectangular nickel wire, round nickel manganese silicon alloy, cold drawn bright M.S. tubes, bright drawn steel wire, sodium silicate solution, cement filler and high refractory cement powder. The only item now available locally is "bright drawn free cutting brass rod". It is stated that the first three imported items, which are special alloys, are not likely to be produced in the country, unless there is substantial demand for it. The next two items will be available shortly, when the production of steel goes up. As for sodium silicate solution, it is becoming available locally. It is in regard to cement filler and high refractory cement powder that the Commission has made a specific recommendation to the effect that indigenous sources should be tapped.

Quantum of Protection

For determining the quantum of protection required by the industry, the Tariff Commission has adopted the lowest f.o.b. price of Re. 1.03 furnished by M.I.Co. With the addition of 5 nP for marine freight and insurance, the c.i.f. price at an Indian port comes to Re. 1.08 per plug. On the other side, the costs of production in M.I.Co. for three most popular types of plugs, namely, HW175 T1, HW145 T2 and HM145 T1, have been estimated by the Commission at Rs. 192.62, and Rs. 202.66 and Rs. 255.21 per 100 pieces. The Commission's estimates of fair ex-works prices based on the costs of production are given below:

(Per 100 pieces)

	HW 175 T1(N) Rs.	HW 145 T2(N) Rs.	HM 145 T1(N) Rs.
Material costs	104.65	111.42	155.68
Manufacturing costs, including royalty	87.97	91.24	99.53
Cost of production	192.62	202.66	255.21
Return on capital employed ..	18.48	19.04	22.08
Fair ex-works prices	211.10	221.70	277.29
Fair ex-works price per piece..	2.11	2.22	2.77

N.B.—In the above estimates, return on capital employed has been allowed at 10 per cent. the capital employed being taken as the value of the net assets *plus* the working capital requirements equivalent to seven months' cost of production.

The existing import duty of 92½ per cent. *ad valorem* is not to be increased, because it is sufficient, in the opinion of the Commission, to protect the indigenous industry. This conclusion has been arrived at on the following basis:

	Rs.
C.i.f. price for Bosch sparking plug	1.080
Customs duty	0.999
Clearing charges	0.005
	2.084
Landed cost without duty	1.085
Fair ex-works cost, including duty on imported components	2.111
Disadvantage of fair ex-works cost against landed cost	1.026
Disadvantage as a percentage of c.i.f. price ..	95%

The difference between the disadvantage as computed above and the existing rate of import duty of 92½ per cent. is thus too small to warrant any revision.

Finally, in recommending continuance of protection for the industry, the Commission has accepted the view of Government departments, transport organisations, automobile manufacturers and other consumers that the industry has shown good progress so far under protection. The Commission's further findings are that the quality of the output is satisfactory and prices charged are reasonable and that the domestic industry (which is dependent on imported raw material) is at a considerable disadvantage in regard to cost as compared with overseas manufacturers who produce spark plugs in millions. Since a spark plug is a vital part of the automobile engine and its manufacture as an ancillary industry is essential for the quick development of the automobile industry, the Commission has recommended that protection to this industry be continued till such time (31st December 1963) as it can bring down its cost substantially to the level of plugs produced in foreign countries. It would thus appear that the claim for continuing the protection has been fully established.

TRANSPORT DEVELOPMENT IN ASIA

The whole field of transport in relation to economic development in Asia has been under close review at a United Nations meeting held in Bangkok since 27th September 1960. The present status and problems of transport in countries of the E.C.A.F.E. region, estimates of future transport needs in the process of economic development, and the financing of transport are among the main topics discussed at the meeting on the basis of studies prepared by the secretariat of E.C.A.F.E. and the International Bank for Reconstruction and Development as well as documents presented by participating Governments.

Emphasising the role of transport in the process of economic growth, the secretariat paper dealing with the first item on the agenda points out that transport makes an indirect contribution to the national income and development through the expansion of almost all sectors of the economy. After throwing light on post-war growth and pattern of traffic and the position of existing transport facilities, the E.C.A.F.E. paper gives percentage shares of different means of transport in the expenditures earmarked for economic development in Asian countries.

Another secretariat paper brings out the close interdependence between transport development and economic growth and shows how estimates of future transport requirements could be drawn up. Outlining the various steps that can be taken to keep a balance between overall economic activity and transport development, the paper stresses that more attention should be paid to the promotional role of transport—a role which is not sufficiently emphasised in the present plans of the Asian countries.

Under the agenda item "choice of means of transport and investment criteria," another secretariat document indicates the advantages and disadvantages of alternative means of transport and emphasises the careful examination that must precede the final allocation of investments in various modes of transport.

Another E.C.A.F.E. study prepared on the subject of the financing of transport development, poses the question "What should be the appropriate rate policy for nationalised transport undertakings?" The paper emphasises that the development of transport should be viewed in the broader perspective of economic development as a whole and not as an entity in itself. From this point of view, the question of optimum allocation of the foreign assistance funds among various sectors requires to be examined and delegates attending the working party would describe the experience of their respective countries in this respect.

PUSH-BUTTON 'PORTERS' IN U.K. SHIP

Push-button 'porters' have been installed in the new 40,000-ton liner *Oriana* which is due to start trials on 22nd October. It is the first time in the building of a British merchant ship that a completely automatic system of loading and offloading baggage and stores has been installed. It will cut the turnround time in port and manual labour. The 'porters' will make the ship completely independent of shore installations for the handling of baggage and stores for the 3,100 passengers and crew. The system, which is of British design, supplants the traditional methods of manual handling with nets or cranes. The basis of the system is two conveyors, each with a central boom and two pivoted jibs. In short, these are aligned with conveyors down the centre of the vessel. Baggage is taken from the conveyors to storage rooms by endless chain elevators, the loading steward pre-selecting the deck by push-button control.

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NEW PRODUCTS AND PROCESSES

A New Medium Duty Spot Welder

ELECTRO Mechan-Heat Limited, of Surrey, London, has recently introduced the Type M.50 Mk. III medium-duty spot welder, which has a nominal rating of 50 kVA at 50 per cent. duty cycle and has been designed primarily for use with 18-22 gauge bright mild steel sheet. The machine, producing up to 300 spot welds per minute, is suitable for stitch-welding and will be of particular value in the motor industry or in sheet metal working shops, where high spot-welding speeds are required. The welding head has a very low coefficient of friction, being fitted with hardened steel rollers mounted on ball bearings and machined at the periphery to a V-shaped profile. This "V" profile engages the knife edge of a hardened steel guide, so that contact is made over a very small working surface and easy movement of the ram is assured. Welding pressure at the electrode tips is of the order of 1100 p.s.i. at an air line pressure of 80 p.s.i. This is achieved by mounting a standard 5" diameter air cylinder on the welding head. An air reservoir has been incorporated to reduce the effect of pressure irregularities due to small bore feed pipes when working at high welding speeds. An air pressure regulator has also been provided. As an optional extra a special "high lift" air cylinder can be fitted. This allows the electrode tips to be opened to a maximum of 5" for the insertion or removal of work pieces and returned to the normal gap for welding.

The electrode clamps fitted to the upper and lower arms are movable and may be turned horizontally through 180° to facilitate the spot welding of long sections. The electrode holders can be adjusted vertically in the clamps, and the lower arm can be raised or lowered through 8 inches of movement. For machines fitted with the "high lift" air cylinder, two foot pedals are supplied. The first brings the welding head down to a normal spot-welding position, the second initiates the welding cycle. The welding cycle is controlled by a 3-stage or 4-stage electronic timer in conjunction with an ignitron contactor. Squeeze, weld, forge and off time can each be varied between 3 and 70 cycles (based on a 50 cycle A.C. supply) by means of stepless controls fitted to each stage of the cycle. The machine is equipped with a standard Electro Mechan-Heat stacked-core transformer. Heat regulation is obtained through an 8-position tap link panel. The equipment is normally supplied to operate on any two phases of a 400/440 volt 50 cycle 3-phase supply.

Electrically Conductive Glass

A new process for making electrically conductive glass has been developed in Russia. In the process the glass is heated almost to its melting point and then treated with tin chloride. This process, it is claimed, causes the glass to become a permanent conductor of electricity. Glass treated in this way is said to lose some of its transparency although only a small amount, and a slight iridescence becomes noticeable, but it is claimed that this extends the use of the glass rather than limits its practical application. Tests carried out with the glass are said to have shown that it may still be used for the production of windscreens of motor-cars and aeroplanes, enabling the glass to be heated by a small electric current thereby preventing the formation of ice. The glass may also be used for heating living rooms and offices. At the same time, the process is said to be cheaper and in many ways simpler than that used so far for the production of electrically conductive films on the surface of glasses. It is believed that the electrical properties of the glass are caused by the formation of a thin film of tin oxide anchoring itself to the silica network of the surface of the glass. The tests are also said to have shown that the application of heat has very little effect on the conductivity of the glass, and as a result the new glass can be used effectively as a resistance material in electronic equipment. It may also be used, it is claimed, in advertising and in the manufacture of instrument panels, since the treated glass will transmit sufficient current to light an electric lamp. Many other industrial applications are expected to be developed.

New Hard Anodizing Processes

A competitor for existing hard-anodising processes which is said to be 10 to 50 times faster has been announced by Toro Manufacturing Corporation of Minneapolis, U.S. Regular processes take 10 to 50 minutes to build a 1-mil coating; the Toro process deposits the same coating in one minute. In addition to high speed, the process offers increased electrical efficiency, lower bath refrigeration requirements, and lighter product colour. Mechanical properties of the coating are said to be equivalent to those of the four other hard coating processes—Martin, Sanford, Alumilite and Hardas. Key to the speed of the new process is its ability to use very high current densities without burning the aluminium. Current density is 20 to 40 times greater than the 25 to 100 amperes per sq. ft. commonly used. Because of the high currents used, the process is limited by the heat conductivity and the surface-to-volume ratio of the part being treated. However, it can be used on most common products with the exception of aluminium foil and similar very thin products. The Toro coating is light in colour and ranges from a silver grey to a medium grey, as contrasted with the dark grey and black of other hard coatings. A wide range of colours can be obtained by dyeing the coating.

Micro-measuring Instrument

A new micro-measuring instrument made by the Swiss manufacturer, Projectina, is designed to permit the flawless projection, 7 to 3.000 times enlarged, of specimens in the textile, paper, chemical, metallurgical and other fields. Simultaneously with the projection of the specimen on a wall screen, microscopic examination may be carried out using a built-in eyepiece. Measurement to within 1/1,000 millimetre may be performed. The outstanding feature of the instrument, says its maker, is the incorporation of two optical sets which permits direct comparison of two specimens side by side on the same screen. A reeling attachment for the examination of two lots of wire or yarn can be provided to permit continuous comparison by the operator. Specimens can be examined by transmitted light, surface light for maximum relief effects, or by a combination of these two types of lighting. Simple polarising equipment is available and can be used for projection and microscopical work, with transmitted and surface light, for micro- and macro-projection. Photomicrography is said to be considerably simplified on the projectina instrument. With the aid of adaptors a range of photographic equipment can be used, it is stated, to give in about 60 seconds, a good photograph in the magnification range of 7 to 2,000. Depending on the various accessories required for specific applications, the apparatus varies in cost from £270 to £600.

Household Furniture by Carton

You can now buy a complete set of breakfast furniture in a carton—assemble it while the food is warming in the oven—and serve your first meal in it within 15 minutes. This ingenious product is now being manufactured for export by a British firm. The carton—no bigger than a large suitcase—weighs less than 55 lbs. Inside are four tubular steel chairs and a table (size 3 ft. x 2 ft.) in knock-down form. The table top is of stainproof construction and the chairs have foam plastic seats with washable plastic covers. A screwdriver and a spanner are the only tools required to complete the assembly of the set in 15 minutes, by following the instructions supplied with the carton. By exporting the set in 'do-it-yourself' form, the manufacturers have drastically reduced the cost of freight. The result: an inexpensive and attractive household product which, by virtue of its steel construction, is particularly suited to withstand the rigours of tropical climates.

Lint-free Cleaning Gauze

Taslan viscose rayon yarn has been used by Samuel Courtauld and Co. of Britain to produce a lint-free cleaning gauze. Since its initial launching a year ago, Courtauld reports that the gauze has found wide acceptance among manufacturers of scientific equipment, optical equipment and other products where the exclusion of dust particles is important, and Anti-Dust Services of Dudley, Worcs, has now been appointed as distributor. The maker claims the gauze is capable of absorbing liquid up to 7½ times its own weight and has chemical properties which make it suitable for a variety of cleaning purposes. It is said to be unaffected by most organic solvents, mineral acids and common alkalis in dilute solutions and to withstand temperatures of up to 150 degrees Centigrade for short periods. Anti-Dust will also market the gauze in the form of lint-free dusters 18 inches square.

Identifying Alloys

A feature of a new instrument now in full production by Townson and Mercer of the U.K. for differentiating between various alloys by indicating the difference in conductivity of a layer near the surface is that the sensing head has been made relatively insensitive to distance. It will, therefore, says the manufacturer, give a constant reading even if the head is not kept square on the surface or if the surface itself is uneven. The Sortationer, as it is called, will in addition give constant readings whether the surface is anodised or painted, or both. Normally used to identify materials which have lost their identity marks or to show the degree of heat treatment, it is also said to have proved useful for indicating which side of single-sided aluminium coated sheet is clad.

Storing Chemicals

Fuller use of existing storage capacity for bagged chemicals and similar dry powders can be obtained, it is claimed, by using a recently introduced hydraulically-operated "pallet-levelling" press. A press of this type, supplied by Heenan and Froude of Worcester, England, and installed in the warehouse of a large Midlands chemical company is claimed to have successfully increased existing storage capacity by at least 50 per cent. The press reduces the space required for storage by taking a fully loaded pallet and applying an even spread of pressure to the top of the load. This compression in addition to reducing the overall height of the loaded pallet also improves the stability of the stack; loads for transport by road can also be made more secure.

Immersion Heater for Laboratory

A useful device for the laboratory is a small rod-shaped radiant immersion heater for heating beakers, water baths or small tanks. Called the Red Rod, it has a quartz sheath which is said to be immune to attack from most chemical solutions. Hydrofluoric acid, phosphoric acid and concentrated caustic alkalies are listed as the exceptions. When used, the heater has only to be plugged into the power supply and rested against the side of the vessel. It is supplied with 6 feet of cable and is available for voltages of 100-120, 200-220 or 230-250. Three sizes are made—300, 400 and 500 watts—and they have respective overall lengths of 10, 12 and 14 inches.

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DELHI: The whole of Delhi.

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SHARING GAINS FROM HIGHER PRODUCTIVITY

COMMITTEE TO EVOLVE NORMS

JUST as every one is on the side of good and against evil, all are for higher productivity in industry, agriculture, trade and commerce, indeed in every branch of human endeavour, for, productivity, shorn of the abstractions of its concept and measurement, is a synonym for progress. Unfortunately, however, the methods of obtaining higher productivity and the relative roles of the different factors of production are not so non-controversial as they may seem to be at the surface. The question of sharing the gains of productivity, in particular, is highly controversial. Apportioning of the fruits of higher productivity presupposes value judgments, involving the entire gamut of economic, social and political considerations, which are capable of exciting conflicting viewpoints. But there can be no running away from the problem. Unless the parties know fully well how the gains are going to be shared and are satisfied with it, they cannot be expected to work wholeheartedly for raising the general level of productivity. It is, therefore, essential that certain norms governing the distribution of the gains of productivity must be laid down beforehand.

The two-day seminar on productivity at New Delhi organised by the National Productivity Council was concerned, among others, with this important question. The seminar considered, in great detail, the principles which should govern the question of sharing the gains of productivity. It reaffirmed the principles embodied in the Charter of the National Productivity Council. It was agreed that the gains of productivity should be shared between the community, the investors and the workers. The community will benefit by a reduction in prices, increase in the variety and quality of goods, increased yields from taxation and savings from development projects and welfare measures. The investors will benefit by way of higher returns and opportunities for expansion and reinvestment, while the workers will derive benefits in the form of higher wages, shorter working hours, improved working conditions and increased employment opportunities.

Priorities

From discussion of the priority to be followed in regard to the distribution of the gains of productivity, it was felt that appropriate considerations should be given to the requirements of raising the current wages to the minimum level, where they are below the need-based minimum. It was emphasised that adequate consideration should be given to all the aspects of the problem of sharing the gains. It would be necessary to ensure that higher productivity does not result in, or add to, unemployment or to demotion or loss of earnings to workers. Productivity processes should not lead to any undue intensification in workloads nor should they undermine the growth and development of trade union organisations.

The seminar recognised the difficulties involved in measuring the increase in productivity and determining the specific shares of the gains, both of which require technical appraisal. It, therefore, recommended that an expert committee, consisting of representatives of employers, workers and productivity experts, should be constituted by the National Productivity Council for recommending (a) the indices which should be used, (b) the methods to be adopted for measuring the productivity gains, and (c) the principles and methods of distributing the gains in the context of conditions prevailing in the industries now and during the next ten years.

The aforesaid committee will be well advised to study the experience of some of the advanced countries of the West on this important subject. These countries have laboured hard in the post-war years in arriving at equitable solutions to this problem. It must, however, be borne in mind that the economies of these countries are not centrally planned and the sharing is, therefore, governed not by the decisions of central planning authorities nor by principles or standards previously laid down, but by the free play of economic forces. Another significant point to be borne in mind is that, in almost all these countries, there has been full employment which has facilitated adoption of labour-saving devices, albeit at heavy capital expenditure. A recent study, by the International Labour Office, of the manner in which the benefits of industrial and technological progress were distributed in five countries, namely, W. Germany, Japan, Norway, the United Kingdom and the United States during the period 1950-57, throws some interesting light on the question.

Generally speaking, there are four ways of sharing out the benefits of higher productivity, either immediately, or after a lapse of time. They are: (1) an increase in wage (including fringe benefits), (2) increase in other incomes, (3) reduction in hours of work, or (4) reduction in prices. The ways in which these four forms combine do not follow a regular pattern. The study reveals that (a) the gross national product, at constant prices, in the period and in the countries under review, has grown much faster than the volume of employment. In other words, there has been a rapid rise in productivity. (b) The workers' share in the national income increased much faster than the rate of growth of the national product and, even if allowance were made for the expansion in employment, there is no doubt that most of the benefits of higher productivity went to the workers in the form of wage increases. And (c) there has been a general tendency for reduced hours, though the reduction is only moderate.

Lower Prices

In the countries under reference, higher productivity has led to an appreciable increase in wages, a smaller rise in other incomes and a moderate improvement in leisure. As regards the fourth way of sharing out the benefits of higher productivity, namely, lower prices, it is not easy to analyse this phenomenon, because, thanks to the presence of various built-in inflationary pressures, it is difficult to isolate the causes and relate the change in prices to changes in productivity. There is, however, clear evidence that, in these countries, the benefits of higher productivity that passed on to the community in the form of lower prices have been very substantial.

The four ways of sharing out economic progress thus appear to occur simultaneously in varying degrees. While, by and large, the greatest share of the benefit from productivity goes to wage earners mainly in the form of higher wages and, secondarily, in the form of shorter working hours, the other productive factors also receive a share and consumers, likewise, benefit through a relatively long-term fall in prices of products affected by technical progress. In other words, while these four forms of sharing exist side by side, their relative importance unquestionably varies immensely from one country and period to another.

Each of the four ways has different economic consequences, but irrespective of the consequences, each mode of sharing must be such that (1) it is fair and acceptable to all economic agents involved, (2) it must not entail either inflation or a contraction of the economy and (3) it must not compromise the prospects of continued economic growth. The economic consequences may be examined in the light of these threefold prerequisites.

First, lower prices. Theoretically, lower prices have a number of advantages. Prominent among them is that they "socialise" the benefits of higher productivity by passing them on to all members of the community. This is perfectly reasonable, since technical progress does not belong to any particular section of the community. But one disadvantage of lower prices is that they add to the burden of indebtedness by increasing the amount of real wealth represented by each monetary unit used for interest or debt payments. In other words, they fail to encourage the use of more capital-intensive methods and it is often precisely these methods that lead to higher productivity. Thus, lower prices are liable to act as anything but a stimulus to the spread of technical progress.

Secondly, higher income for the employer, that is, profits and income on capital. This automatically results, if prices do not fall in proportion to the rise in productivity, unless the workers' share in the product is increased. If productive efficiency is to continue to improve, there can be no doubt that, in the general interest, the remuneration of capital must be high enough to allow a sufficient rate of formation of new capital. This is particularly important in the case of the economically underdeveloped countries. Some economists, notably, Prof. Arthur Lewis (*The Theory of Economic Growth*), take the view that profits are the type of income most likely to be saved and invested. Others point out that this increase in the stock of capital can only be justified and will continue if the demand for consumer goods expands and this implies an all-round growth in incomes, that is, wage incomes, to a large extent. Apart from this purely economic consideration, socially speaking, it would normally be difficult to allow all the benefits of higher productivity to go to the *entrepreneurs* and capitalists. Furthermore, when higher profits are reinvested productively, it will be in the interest of the entire community, especially in underdeveloped countries, where they may help to create more jobs for the unemployed.

Thirdly, higher wages. Higher wages can be quite readily conceded if productivity rises, but the size of the workers' share in the benefits and the number of workers involved raise some very awkward problems. For instance, how large the workers' share should be is hard to assess, because financial provision has also to be made for the need to keep abreast of technical progress and to improve productive equipment.

Finally, shorter hours of working. Here, the choice could be between shorter working hours with the same earnings, assuming that the hourly rates of pay do not change, or the same working hours and higher earnings. In the long run, it is certain that shorter working hours, that is, a preference for leisure, as against higher output, result in a smaller volume of real wealth than would have been produced, if the productive effort had been maintained. Capital accumulation is inevitably curtailed and the rate of growth of the economy is restricted. Whatever the attractions of this benefit in the advanced countries, to the underdeveloped countries, this alternative can have little use. For these countries there is no escape from hard work for another 20 to 25 years.

No Universal Recipe

It is clear from the foregoing account that "sharing the benefits of higher productivity is never a completely straightforward matter and there is no universal recipe for doing it in the optimum way in all circumstances." In practice, according to the I.L.O. study, (1) the actual share taken by the various parties laying claim to the increment, or, more generally, to the benefits of higher productivity, is largely determined by their relative power, though, particularly in systems where political democracy is the rule, this relative power will largely depend on the support of public opinion for any particular claim. (2) In the short run, the impact, whether good or bad, of this sharing on the economic situation will depend on the nature of the environment in which option is exercised and, above all, on the economic position at the time. (3) In the long run, some methods are more favourable than others to capital accumulation and, therefore, to rapid economic growth.

These, then, are some of the issues and problems involved in the question of distributing the benefits of progress. In countries, the economies of which are not centrally planned, the free play of the economic forces and the relative bargaining strengths of the partners in progress have led to the evolution of patterns of distribution which vary widely from one another. In democratically planned economies such as India, however, the question cannot be left to be decided by the impersonal working of the market mechanism. Norms and guiding principles have, therefore, got to be laid down through mutual discussion and understanding among all the four interests concerned, namely, Government, consumer, labour and capital. The aim must be a balance between equity and efficiency. But this balance can only be struck if the consequences of ways of sharing the benefits of productivity are fully perceived and analysed, having regard to the special circumstances of each individual case. As the I.L.O. study rightly points out, if these consequences can be ascertained and generally recognised, the emotion can be largely taken out of the subject and economic progress and social peace ensured. It is to be hoped that the committee mentioned at the outset will make a dispassionate approach to the question.

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PRICES OF PETROLEUM CRUDE

IMPLICATIONS OF BAGHDAD MEETING

[The Arab League's second oil conference, due to be held at Beirut this month, will be dominated by the recent agreement at Baghdad between leading oil exporting countries to set up O.P.E.C. with a view to consulting together on important matters affecting their oil interests and to bringing about stability in crude oil prices. Some of the considerations which arise are outlined below. As well as providing a forum for discussing many aspects of the international oil industry, the forthcoming wide-ranging talks at Beirut should bring much enlightenment about this significant new development.]

THE evolving relationships between the international oil companies and the Governments of the main countries in which they produce their raw materials are in many respects unique. And, due to oil's immense importance in the affairs of both producing and consuming countries, these relationships extend into that nebulous shadowland where trade and politics intermingle, and there are no well-worn paths to follow. The major oil groups can each take a long view and maintain continuity of thought and policies on the complex issues involved. But, in the crude oil producing countries, Governments and ministers may come and go, and each in their time pursues policies which they believe will best serve their individual country's interests. And, as do the oil companies themselves, they come up against the hard fact that the circumstances in which international oil trading occurs, and upon which their fortunes are so dependent, lie largely beyond their influence. This is inevitable in view of the diversity and complexity of the marketing of the wide range of petroleum products in so many countries by so many companies. It cannot be compared with the marketing of a more homogeneous commodity such as coffee or sugar, which it has proved possible to bring under some sort of international agreements, although with only partial success. The major international oil groups themselves, despite their size and ubiquity, are compelled to accept changes in marketing conditions, which frequently bring big swings either up or down in the profitability of their operations.

Nevertheless, some of the major oil exporting countries are now seeking to concert their policies in the hope of exerting some influence over crude oil prices. Thus, last month, for the first time, representatives of five crude exporting countries, accounting between them for over 85 per cent. of the free world's crude exports, got together to express agreed opinions on the principles which they suggest should govern the marketing of crude oil. Principles, of course, are always much easier to agree than the ways in which they should be put into effect. And practice always reveals many problems and conflicts of interest which can be covered by forms of words so long as only generalities are involved. Nevertheless, it is significant that representatives of Iraq, Kuwait, Saudi Arabia, Persia and Venezuela attended the hastily summoned conference in Baghdad and agreed upon the setting up of the Organisation of Petroleum Exporting Countries (O.P.E.C.). The resolutions passed at the conference were submitted for approval to the Governments concerned. And the Government of Qatar, which sent an observer to the conference, has indicated that it wishes to join O.P.E.C., which is open to applications for membership from other countries.

The general objectives of O.P.E.C. are to agree upon common policies *vis-a-vis* the oil companies, and it is planned to hold the next full meeting in Caracas next January. The immediate occasion of the Baghdad meeting, however, was to voice collectively the exporting countries' objections to the recent reductions in Middle East crude oil posted prices. The conference resolved, *inter alia*, that every effort should be made to restore the price cuts and expressed its wish that the companies should consult with them, in order to explain any new circumstances requiring price changes that may arise in future.

The recent cuts in crude prices in Middle East countries, however, since they occurred at a time of fast rising crude exports, will not result in any absolute drop in the Governments' revenues. Revenues will no doubt again be higher this year, though lower than they might have been if the price changes had not been necessary. Nevertheless, the reaction has been a strong one. An important reason for this, doubtless, was the already serious concern in Venezuela at the arrested growth of its oil revenues due to static production, arising from causes which are peculiar to that country. Posted crude prices in Venezuela have not yet been changed. But they were already out of line before the recent changes in the Middle East, and it remains to be seen how Venezuelan oil can remain competitive with that of the Middle East.

It ought perhaps to be made clear that, under the contracts between the concessionary countries and the oil companies, there is freedom to fix posted prices at the levels which the companies believe to be right. They naturally have no option but to adjust prices to meet trading conditions. These embrace the marketing conditions in importing countries, where the real value of crude oil is finally established by what the various petroleum products can be sold for. And products prices, as is well known, have been very weak in the major European and other markets for some time, with price cutting for the principal products becoming progressively greater. No concession agreement with a company trading world-wide has contained a requirement for the exporting country to have a voice in fixing posted prices. The simple reason is that the company would not risk the big investment needed to find, develop and export oil under the highly competitive conditions that traditionally rule, if it could not have freedom to dispose of the oil as it thought best. The assumption underlying a concession agreement is that the oil company will always command the best price it can, in the light of all the circumstances it has to meet. To a business concern that is natural enough. Yet, in some of their remarks, some of the producing countries' spokesmen imply that oil companies somehow find an advantage in cutting prices, and that they sell oil cheaper than they need. To anyone engaged in oil marketing this is clearly very wide of the mark.

The justification which the oil producing countries find for their concern with posted prices (and in the case of Venezuela, with discounts also) is that these govern the level of their revenues, upon which their local development and

(*Continued on page 706*)

Direct Payments by Oil Companies to Governments(e)

(Millions of dollars)

	Persia	Iraq	Kuwait	Saudi Arabia	Total
1950 ..	45	15	12	113	185
1951 ..	23	39	18	165	245
1952 ..	..	112(a)	57	212	381
1953 ..	..	144	169	226	539
1954 ..	9	191	194	281	675
1955 ..	91	206	282	275	854
1956 ..	153	193	293	283	922
1957 ..	213	144(b)	308	303	968
1958 ..	273(c)	237(d)	354	302	1,165
1959 ..	258	252	345	315	1,170

(a) Including $21 million paid in settlement of previous claims.

(b) Including $7 million in settlement of previous claims.

(c) Including $25 million bonus paid by the Pan American Oil Company to the Persian Government.

(d) Including $12.6 million in settlement of previous claims.

(e) The Venezuelan Government received in 1959 revenues from the oil industry equivalent to $960 million, comprising hydrocarbon taxes, income taxes, import duties, and other taxes.

Source: United Nations "*Economic Developments in the Middle East, 1958-59.*"

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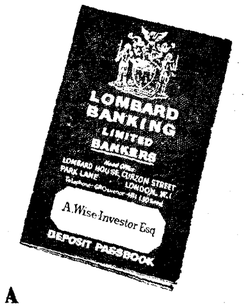

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COMPANY FINANCES DURING 1958

UPWARD TREND IN GROWTH MAINTAINED, BUT AT A SLOWER PACE

ALTHOUGH the year 1958 continued to witness inflationary conditions, certain sectors of the economy experienced recessionary tendencies. Thus, as against an increase in the rate of investment in the public sector, there was a slackening of investment in the private sector, due partly to the restrictions on imports of plant and equipment. The upward trend in industrial growth noted since 1953, no doubt, continued during 1958, but the pace of expansion was slower than in 1957 and 1956. This is clearly reflected in the finances of joint-stock companies relating to 1958, an analysis of which has been published in the latest issue of the Reserve Bank of India *Bulletin*—September 1960. For the purpose of this study, the Bank has chosen 1,001 companies, the same number as for the previous three years (though not the same companies), which account for 77 per cent. of the paid-up capital of all companies in the sectors covered. It must also be noted that the study covers the financial results of companies whose accounting year ended between July 1958 and June 1959.

The fixed assets of these 1,001 companies showed a smaller expansion in 1958 than in 1957, due partly to the completion or virtual completion in the preceding two years of the investment programmes in some industries under the second Five-year Plan, while inventory build-up, which had already slowed down in 1957, was negligible in 1958, reflecting, among other things, the continued shortages of certain essential raw materials due to import restrictions. The total gross capital formation (increase in gross fixed assets and inventories) in 1958 was, therefore, smaller, at Rs. 147 crores, as compared with that of Rs. 226 crores in 1957. Sales, the main source of income, recorded a smaller rise than in 1957. Expenditure, too, rose, but the increase was, however, smaller than that under sales and other income, so that the profit (before tax), which had suffered a sharp setback in 1957, improved moderately during the year under review. Thanks to the increase in profit, dividends were somewhat higher and retained profits also increased moderately. As regards sources of finance, the share of external sources (other than free reserves and surplus, depreciation and tax reserves) declined sharply from 72.3 per cent. in 1957 to 51.5 per cent. in 1958, due mainly to the considerably reduced recourse to borrowings from banks. Correspondingly, the share of internal sources rose from 27.7 per cent. in 1957 to 48.5 per cent. in 1958.

Earnings and Expenses

The earnings, expenses, profits and allocations of companies for the four years 1955 to 1958 are compared in the following table:

TABLE I

(In crores of rupees)

	For the year			
	1958	1957	1956	1955
INCOME				
Sales	1,789.38	1,703.14	1,566.15	1,396.60
Other income	22.40	20.26	17.30	14.60
Closing stocks of finished goods and work-in-progress ..	270.43	280.85	254.37	202.52
EXPENDITURE				
Opening stocks	280.75	256.39	204.74	190.60
Raw materials consumed and other manufacturing expenses	1,007.64	1,027.46	955 23	829.70
Excise duty	114 81	89 81	62 43	52.55
Other expenses	494.14	467.48	425 96	364 98
Managing Agents' remuneration.	8.91	8.47	11 89	14 69
Depreciation provision ..	56 03	52 29	46.69	42.30
Profits before tax	119.93	107 33	130 88	118 92
Less—Tax provision	55.63*	51 57	59.10	50.57
Profits after tax	64.30*	55.76	71 78	68.05
Dividends	46.44*	42.22	42.44	38.93
Profits retained	17 86	13 54	29.34	29.12
Total ..	2,082.21	2,004.25	1,837.82	1,613.72
Ratio of—	%	%	%	%
Gross profit† to total capital employed‡ ..	8.0	7.5	9 6	10.2
Gross profit† to gross sales ..	8.7	8.2	10.1	10.4
Profit after tax to net worth§	7.1	6.4	8.8	9.1
Dividends to paid-up (ordinary) capital	9.0	8.8	9.5	9.0

* These figures are not strictly comparable with those of the previous years, on account of the changes in the corporate taxation in the Finance Act, 1959. Tax at source on dividend income of shareholders is included in dividends and not in tax provision in respect of companies which closed their accounts between April and June 1959.

† Gross profit includes Managing Agents' remuneration, interest charges and tax provision, but excludes depreciation.

‡ Capital employed represents total net assets.

§ Net worth represents paid-up capital plus free reserves and surplus.

The upward trend in sales noted since 1953 continued in 1958 also, but the pace of increase was diminishing in the last three years. The slowing-down was more pronounced in 1958 than in the previous two years. Of the increase of Rs. 86 crores in 1958, as much as Rs. 65 crores were accounted for by five major industries, namely, cotton textiles, iron and steel, sugar, cement and other textiles. On the expenditure side, there was a fall of Rs. 19.8 crores or 1.9 per cent. in raw materials consumed and other manufacturing expenses, as compared with a rise of Rs. 72.2 crores in 1957 and of Rs. 125.5 crores in 1956. The fall was particularly marked in cotton textiles, jute textiles, sugar, engineering, chemicals and trading. The decline in cotton and jute textiles was mainly attributable to decline in prices, that in chemicals and engineerings to import restrictions and in trading industry to reduced purchases. All other heads on the expenditure side recorded a rise, thanks to an increase in salaries and wages, employees' welfare expenses, interest paid consequent on heavy borrowings for developmental purposes. The excise duty paid rose by another Rs. 25 crores, thus more than doubling the burden on this account in the last three years.

Profit Higher

The sharp break in profits before tax noted in 1957 proved to be temporary, in that they rose again in 1958, but still lagged behind those in 1956 by no less than Rs. 10.95 crores. An industry-wise analysis of the profits before tax shows that, whereas in 1958, shipping, iron and steel, sugar and mineral oils recorded a fall, in 1957, textiles, tea plantations and transport equipment mainly accounted for the decline in the trend.

The aggregate net profit (after tax) for 1958, dividend and the rates of dividend are not strictly comparable with those of the previous years, consequent on the changes in the system of company taxation introduced by the Finance Act of 1959. Further, as a part of the companies chosen for the latest study closed their accounts after March 1959, in which case the new system of taxation was applicable, the comparison is not on all fours. Subject to this limitation, the net profits, dividends distributed (both quantum and rate) and profits retained were still below those for 1956 or 1955.

As will be seen from the table above, the profitability, as measured by the ratio of gross profit to total capital employed, ratio of gross profit to gross sales and the ratio of net profit to net worth (paid-up capital and reserves and surplus) was better than that in 1957, though still lower than in 1956 or 1955.

The frequency distribution of the 1,001 companies according to percentage of gross profits to total capital employed shows that, in 1958, no more than 148 companies had a profitability of over 15 per cent., while, at the other end of the scale, 111 companies suffered a deficit. 579 companies had a profitability rate of 4 to 15 per cent. and, in the case of 163 companies, the profitability rate was low, ranging from 0 to 4 per cent.

Finances Compared

The pattern of assets and liabilities for the last four years is presented in the following comparative table:

TABLE II

(In crores of rupees)

	As at the close of			
	1958	1957	1956	1955
LIABILITIES				
Paid-up capital	555.50	527.06	498.79	466.01
Of which :				
Ordinary	459.67	434.88	404.50	380.85
Preference	95.83	92.68	89.29	85.16
Free reserves and surplus ..	352.98	338.31	322.60	280.97
Tax reserve	121.80	117.05	117.91	106.30
Borrowings	552.04	510.97	408.03	312.87
From banks	261.36	253.20	204.65	139.46
From finance corporations ..	16.46	15.44	11.56	8.17
Debentures	55.14	50.58	51.58	53.04
Others	219.08	191.75	140.24	112.20
Trade dues and other current liabilities	354.30	334.26	294.23	250.13
Miscellaneous non-current liabilities	17.67	16.37	15.78	13.80
Total ..	1,954.29	1,844.02	1,652.34	1,430.08
ASSETS				
Gross fixed assets	1,389.16	1,244.71	1,070.35	935.79
Less—Depreciation	537.35	487.34	441.77	404.84
Net fixed assets	851.81	757.37	628.58	530.95
Stocks and stores	566.03	563.00	511.35	420.37
Investments	109.58	107.37	106.26	105.47
Book debts	332.16	323.51	302.02	260.46
Other assets	20.35	20.69	23.49	22.52
Cash balances	74.36	72.17	80.64	90.31
Total ..	1,954.29	1,844.02	1,652.34	1,430.08

The total gross assets at the end of 1958 shows an increase of Rs. 160 crores over the year before and of Rs. 657 crores over the three years, and the total net assets are higher by Rs. 110 crores and Rs. 524 crores, respectively, so that the addition to depreciation during these three years is Rs. 132 crores. Of the total net assets at the end of 1958, net fixed assets at Rs. 852 crores, accounted for 43.6 per cent., as against 41.1 per cent. at the end of 1957, and 37.1 per cent. at the close of 1955. The net worth (paid-up capital and free reserves) represented 46.5 per cent. of the total liabilities, the ratio having fallen from 46.9 per cent. at the end of 1957 and 52.2 per cent. at the end of 1955. The declining trend in liquidity of companies noted since 1955 continued in 1958 also, as witness the fall in the ratio of current assets to total net assets from 59.8 per cent. in 1955 to 56.5 per cent. in 1957 and further to 54 per cent. in 1958. The ratio of current assets to current liabilities also stood lower at 1.27 per cent., as against 1.31 per cent. in 1957 and 1.49 per cent. in 1955.

Gross Assets Formation

As will be seen from Table II, the gross assets formation, at Rs. 160 crores, was smaller than that (Rs. 237 crores) in 1957 and Rs. 259 crores in 1956. The rise in fixed assets amounted to Rs. 144 crores (or Rs. 30 crores less than the rise in 1957), the rate of increase falling from 16.3 per cent. in 1957 to 11.6 per cent. This reflects partly the completion or virtual completion in the preceding two years of the large investment programmes in some industries under the second Five-year Plan and partly the effect of continued import restrictions. Inventory accumulation was only meagre at Rs. 3 crores or 0.5 per cent., having fallen from Rs. 52 crores or 10.1 per cent. in 1957. Consequently, the ratio of gross assets formation to total assets formation rose from 73.5 per cent. in 1957 to 90.1 per cent. in 1958. The share of inventories in total assets formation, which had dwindled from 35.1 per cent. in 1956 to 21.8 per cent. in 1957, declined further and rather sharply to a mere 1.9 per cent.

An industry-wise analysis of gross fixed assets formation shows that iron and steel continued to dominate, accounting as it did for as much as Rs. 40 crores or 27.9 per cent. of the total gross fixed assets formation, as against Rs. 68 crores or 39.2 per cent. in 1957. Together with cotton textiles, engineering, cement and shipping, this industry contributed about two-thirds of the gross fixed assets formation in 1958. Even though additions to inventory in the iron and steel, jute, cement, paper, vegetable oil, chemicals, coal, tobacco and electricity industries together amounted to Rs. 19 crores in 1958, there was a sizable reduction in cotton textiles and sugar, resulting in a very low overall rate of inventory formation.

During the year under review, the gross capital formation, comprising fixed assets and inventories, amounted to only Rs. 147 crores, as against Rs. 227 crores in 1957. As the study covers only companies representing 77 per cent. of the paid-up capital of all companies, it is estimated that the total capital formation for the entire public limited companies sector during 1958 may be of the order of Rs. 191 crores, of which gross fixed assets would be about Rs. 187 crores and inventories Rs. 4 crores. For the three years 1956-58, which correspond roughly to the first three years of the second Five-year Plan, the gross capital formation in the private corporate sector may be placed at Rs. 778 crores, of which about Rs. 589 crores would be in fixed assets.

Sources of Finance

An analysis of the sources of finance shows that the pattern underwent a significant change during 1958. There was a marked decline in the importance of external sources (that is, those other than free reserves and surplus and depreciation and taxation reserves), whereas these had played a dominant role in 1956 and 1957. Thus, the total assets formation of Rs. 160 crores in 1958 was financed to the extent of only Rs. 82.6 crores or 51.5 per cent. by external sources, while these had accounted for 72.3 per cent. in 1957 and 63 per cent. in 1956. Borrowings from banks, which had constituted the largest single source of external finance in 1956 and 1957 and had accounted for Rs. 65.2 crores or 25.2 per cent. and Rs. 48.6 crores or 20.5 per cent., respectively, contributed no more than Rs. 8.2 crores, or 5.1 per cent., in 1958. Fresh capital issues were also lower at Rs. 20.2 crores in 1958, as compared with Rs. 27.9 crores in 1957. As already pointed out, there was a corresponding increase in internal sources, accounting, as they did, for Rs. 77.7 crores or 48.5 per cent. of the total funds in 1958, as compared with Rs. 65.8 crores or 27.7 per cent. in 1957 and Rs. 95.91 crores or 37 per cent. in 1956. The bulk of these came from depreciation reserve, which accounted for Rs. 50 crores or 31.2 per cent. in 1958, having gone up from Rs. 45.6 crores or 19.2 per cent. in the previous year. The addition to the free reserves was only slightly higher at Rs. 22.9 crores, as against Rs. 21.1 crores in 1957. The total financing during the three years 1956-58 aggregated Rs. 657 crores, of which external sources provided no less than Rs. 417 crores or 63.5 per cent. Borrowings from banks constituted the largest single source, providing nearly 20 per cent. of the total funds. It may be noted with interest that, during the preceding five years 1951-55, external sources of funds were relatively less important, the share of these in the total funds being 40 per cent., while that of internal sources was 60 per cent.

New Issues

New issues of shares and debentures in 1958, at Rs. 27.1 crores, were smaller than those (Rs. 29.1 crores) in 1957, but were larger than those (Rs. 23.8 crores) in 1956. A notable feature of the new issues was that, while the proportion of ordinary shares in total new issues declined from 84.8 per cent. in 1957 to 63.5 per cent., that of debentures rose from a mere 3.3 per cent. to 21.8 per cent. The share of preference issues also increased from 11.9 per cent. in 1957 to 14.7 per cent. in 1958. Industry-wise, engineering accounted for a large portion of the total new issues. This industry raised Rs. 7 crores by way of ordinary shares, followed by cement (Rs. 4.6 crores) and chemicals (Rs. 1.7 crores). These three industries together accounted for over three-fourths of the total issues of ordinary capital. Again, in the total new issues of preference shares amounting to Rs. 4 crores, the share of engineering industry was Rs. 1.7 crores and over three-fifths of the debenture issues were by the engineering industry alone. Bonus issues amounted to Rs. 8.3 crores in 1958, of which over 70 per cent. or Rs. 5.9 crores was by the iron and steel industry.

GREAVES COTTON DOES WELL

Notwithstanding the severe restrictions on imports, Greaves Cotton and Company Ltd. (Managing Director: Mr. W. M. Wagle, Bombay) has had a favourable year of trading during the twelve months ended 31st March 1960. Its turnover recorded a sizable improvement over the previous years, the increase over 1958-59 alone being Rs. 44 lakhs to a high of Rs. 4.95 crores. Over the past three years, the turnover shows an expansion of Rs. 1.30 crore or 35.6 per cent. This progress was mainly due to the increased supplies of products manufactured by subsidiary and associated companies, towards development and expansion of which Greaves Cotton has made substantial contributions during the past few years. In addition, the Company was able to secure during the year under review valuable business from essential projects financed from foreign aid and the profit derived from this business also served to increase its income by no less than Rs. 7 lakhs. Both these are reflected in a further rise in gross profit from Rs. 39.72 lakhs (for 1958-59) to Rs. 47.56 lakhs, bringing the aggregate increase in profit during the past three years to Rs. 24.95 lakhs (from Rs. 22.61 lakhs in 1956-57).

The net profit (after providing for depreciation and taxation) amounts to Rs. 27.82 lakhs, representing an increase of Rs. 7.34 lakhs over 1958-59. About a third of the net profit—Rs. 9.12 lakhs to be precise—has been ploughed back to the various reserves. The dividend on ordinary shares is being raised from 7.5 per cent., free of tax, paid on the present capital for 1958-59 to 11 per cent., subject to deduction of tax, or 7.7 per cent. net, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales	4,95.13	4,50.98	4,53.36	3,65.18
Other income	31.49	24.87	19.87	12.44
Closing stocks of finished goods and work-in-progress ..	1,31.19	89.43	98.69	1,48.98
Expenses (including materials consumed)	4,80.63	4,35.62	4,38.01	3,55.01
Gross profit	47.56	39.72	35.22	22.61
Provision for—				
Depreciation	1.24	0.99	0.80	0.56
Taxation	18.50	18.25	17.00	11.05
	27.82	20.48	17.42	11.00
Net profit	1.28	..	..	..
Transfer from reserves ..	9.12	6.68	4.77	1.50
Transfer to reserves ..	1.01	1.00	0.93	0.25
Pension and gratuity provision.				
Dividends—	3.92†	2.75	2.75	2.75
Preference	14.85	10.12	8.84	6.63
Ordinary	(11%)†	(7½%)‡	(10%)	(7½%)
	0.44	0.25	0.22	0.09
Carry forward				

† Subject to deduction of tax.

‡ On an increased capital of Rs. 135 lakhs raised by the issue of additional capital of Rs. 46.6 lakhs in 1958.

The Company's increased turnover in 1958 benefited from the expansion of the cone and tube plant. This plant is now, according to the Directors, set to run at its maximum capacity and they feel that it should contribute usefully to the Company's turnover during the current year. Further progress was made during the year in the expansion programme of Messrs. Ruston and Hornsby (India) Private Ltd., one of the subsidiaries, to cover production of air-cooled and water-cooled multi-cylinder vertical engines. Import licences have been obtained and orders placed for plant and equipment to be procured from abroad. Regular production is expected to commence in the third quarter of 1961. Enquiries from prospective users indicate that the proposed wide range of engines will meet a long-felt need for industrial applications in the country. Production of calender bowls by another new company, known as Mather Greaves Private Ltd., formed for the purpose, is expected to commence before the end of the year 1960. Production of reduction gears by Messrs. David Brown Greaves Private Ltd., formed in June last, is expected to commence in June 1961. The Company will also manufacture marine gear boxes, for which there is considerable demand in the country. Yet another new company, known as Drayton Greaves Private Ltd., was formed in August 1960 for the manufacture of steam traps and regulators. An import licence for the necessary plant and equipment has been received. There has been some delay in the finalisation of the Company's negotiations with the Australian collaborators about the terms for the manufacture of Diamond drill bits. These have now been finalised and the Company has submitted an application to the Government for sanction of the project. Once the Government's sanction is received, the Directors are confident of implementing the project expeditiously.

As and when these new projects materialise, they are expected to contribute to the Company's profits by way of providing additional supply of goods for sale, as well as by way of dividends on investment. It is gratifying to note that trading during the current year indicates a steady improvement in supplies from indigenous sources. The additional investments in the new projects are expected to be of the order of Rs. 42.67 lakhs, of which Rs. 40 lakhs will be provided from the loan secured from the I.C.I.C.I. in April last.

The Company's reserves and surplus as at the end of March 1960 stand at Rs. 50.56 lakhs, as against a paid-up capital of Rs. 185 lakhs. Borrowings amount to Rs. 88.11 lakhs, having gone up from Rs. 60.31 lakhs a year ago. The other current liabilities aggregate Rs. 155.10 lakhs. The Company's assets comprise net fixed assets at Rs. 14.20 lakhs, investments at cost at Rs. 158.76 lakhs, stock-in-trade, stores, tools, etc., at Rs. 133.49 lakhs, book debts at Rs. 151.31 lakhs and cash balances at Rs. 26.05 lakhs.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 166 *cum*-div., at which rate and on an *ex*-div. basis, the yield is 4.9 per cent. per annum, free of tax.

NEW ALCAN NAME FOR LARGE U.K. FABRICATOR

Aluminium Limited's principal fabricating subsidiary, formerly known as Northern Aluminium Company, Ltd., has changed its corporate name to "Alcan Industries Limited" and is in a position to inaugurate one of the largest aluminium rolling mills in the world. The 50-year-old British subsidiary, with three plants and 7,000 employees, is the largest single user of Alcan primary aluminium produced in Canada. The change in company name is an implementation of Aluminium Limited's policy to identify its world-wide operating and trading subsidiaries under the Alcan title.

Started originally in 1909 as a sales outlet in Britain for Canadian aluminium, Alcan Industries Limited has been expanded through the years into a $50 million fabricating operation. Its newly expanded plant at Rogerstone, South Wales, contains the largest aluminium rolling mill in the world outside the United States. It will be capable of rolling plate to widths of 11 feet for use in shipbuilding, and wide sheets for structural and transportation uses. The new mill was formally inaugurated on 6th October. The change of the British company's name involves no change in ownership, manufacturing activity, or sales policies. Alcan Industries Limited formerly produced the range of products marketed by Alcan Asia Limited in the Far East under the name Noral.

FERTILISER PLANT AT INDORE

A new company, known as Agro-Chemicals and Fertilisers Ltd., has been formed to undertake the manufacture of superphosphate in Madhya Pradesh at Indore. The Government has already granted industrial licence to establish a factory for this purpose. This will be the first fertiliser factory in west Madhya Pradesh where Chambal Project will irrigate 750,000 acres of land from next year.

The authorised capital of the Company is Rs. 1 crore, consisting of 90,000 equity shares and 10,000 6¼ per cent. tax-free (that is, 9.285 per cent. taxable) cumulative redeemable preference shares of Rs. 100 each. The capital proposed to be issued is Rs. 40 lakhs in the form of 30,000 equity shares and 10,000 preference shares. The Directors and promoters have already taken Rs. 15 lakhs equity shares and Rs. 15 lakhs equity shares will be offered to the public very shortly. The total cost of the project estimated is Rs. 40 lakhs, of which Rs. 30 lakhs will be provided by the proposed capital issue. The Company has applied to the I.C.I.C.I. for foreign exchange credit and has approached the L.I.C. with a request to take up a part of the preference share capital.

The factory will produce 30,000 tons of superphosphate per year. The erection work is hoped to be completed by the end of 1961 and production is expected to commence in January 1962. There will be no managing agency.

A NEW INDO-U.S. TYRE VENTURE

India will have another large tyre manufacturing factory which, when it goes into full production, will considerably relieve the truck tyre and tube shortage in the country. The Madras Rubber Factory, Madras, one of the biggest rubber factories in India, has been given an industrial licence to manufacture automobile tyres and tubes. The new factory will manufacture tyres and tubes in collaboration with Mansfield Tyre and Rubber Company, one of the well-known rubber companies in the United States, which will also subscribe nearly 25 per cent. of the capital. The factory has also obtained a long-term loan of $2.5 million from an American bank.

The capacity of the factory, when it goes into full production early in 1962, will be over 300,000 tyres and tubes per annum. One of the highlights of the collaboration agreement is that the India-made tyres can be exported throughout the world, except the United States and Canada. While the capacity of all the factories in India is only 2.5 million tyres a year, the demand of tyres is expected to go over 4 million tyres during the third Five-year Plan.

Mansfield tyres are not new to India; they were widely in use in the country before World War II. This is Mansfield's second collaboration arrangement, the first being in Egypt.

COMPANY MEETINGS AND DIVIDENDS

DELHI CLOTH AND GENERAL MILLS CO., LTD. Annual General Meeting, Delhi, 17th October 1960. Dividend: 12 per cent. or Rs. 3.00 per share, on ordinary shares of Rs. 25 each and Re. 0.30 per share, on ordinary shares of Rs. 2.25 each.

MALANKARA RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Kottayam, Kerala State, 21st October 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books remain closed from 5th to 21st October 1960, both days inclusive.

KEMP & CO., LTD. Annual General Meeting, Bombay, 24th October 1960. Dividend: Rs. 25.00 per share, on shares of Rs. 200 paid up, subject to deduction of tax, payable on or after 7th November 1960. Transfer books remain closed from 10th to 24th October 1960, both days inclusive.

GREAVES COTTON & CO., LTD. Annual General Meeting, Bombay, 25th October 1960. Dividend: 11 per cent. or Rs. 11.00 per share, subject to deduction of tax, payable on and after 14th November 1960. Transfer books remain closed from 10th to 25th October 1960, both days inclusive.

FORT GLOSTER INDUSTRIES LTD. Annual General Meeting, Calcutta, 26th October 1960. Dividend: 25 per cent. or Rs. 25.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 17th to 26th October 1960, both days inclusive.

SASSOON AND ALLIANCE SILK MILLS CO., LTD. Annual General Meeting, Bombay, 27th October 1960. Dividend: *Nil*. Transfer books will remain closed from 19th to 27th October 1960, both days inclusive.

SANGAMESHWAR COFFEE ESTATES LTD. Annual General Meeting, Madras, 28th October 1960. Dividend: 6 per cent. or Re. 0.12 per share, subject to deduction of tax. Transfer books will remain closed from 18th to 28th October 1960, both days inclusive.

AMALGAMATED COFFEE ESTATES LTD. Annual General Meeting, Seetagundy Estate, Sitharkunda, P.O., via. Kollengode, Palghat District, 29th October 1960. Dividend: 10 per cent. or Re. 1.00 per share, taxable. Transfer books will remain closed from 18th to 29th October 1960, both days inclusive.

UPPER JUMNA VALLEY ELECTRICITY SUPPLY CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Transfer books will remain closed from 25th to 31st October 1960, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Transfer books will remain closed from 25th to 31st October 1960, both days inclusive.

BAREILLY ELECTRICITY SUPPLY CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Transfer books will remain closed from 25th to 31st October 1960, both days inclusive.

UNITED ELECTRICAL INDUSTRIES LTD. Annual General Meeting, Quilon, 31st October 1960. Transfer books will remain closed from 24th October to 6th November 1960, both days inclusive.

CHAMPDANY JUTE CO., LTD. Annual General Meeting, Calcutta, 1st November 1960. Dividend: Rs. 6.00 per share, final, subject to deduction of tax, payable on or after 1st November 1960. Transfer books remain closed from 12th October to 1st November 1960, both days inclusive.

HINGIR-RAMPUR COAL CO., LTD. Annual General Meeting, Bombay, 2nd November 1960. Dividend: *Nil*.

MANDYA NATIONAL PAPER MILLS LTD. Annual General Meeting, Bangalore, 4th November 1960. Dividend: *Nil*. Transfer books will remain closed from 20th October to 4th November 1960, both days inclusive.

MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 5th November 1960. Dividend: Rs. 21.50 per share, taxable, payable from 7th November 1960. Transfer books remain closed from 10th October to 5th November 1960, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 14th November 1960. Dividend: Re. 1.00 per share, taxable. Transfer books will remain closed from 21st October to 14th November 1960, both days inclusive.

NATIONAL INSULATED CABLE CO. OF INDIA LTD. Annual General Meeting, Calcutta, 21st November 1960. Dividend: Rs. 2.50 per ordinary share, on the increased capital, subject to deduction of tax, payable on or after 12th December 1960. Transfer books will remain closed from 8th to 21st November 1960, both days inclusive.

NATIONAL ROLLING AND STEEL ROPES LTD. Annual General Meeting, Calcutta, 21st November 1960. Dividend: Re. 1.30 per share, subject to deduction of tax, payable on or after 12th December 1960. Transfer books will remain closed from 8th to 21st November 1960, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Dividend of £4 per cent. net (Tax applicable at 7s. 9d. in the £) on the Company's ordinary stock, for the year ended 31st March 1960.

SYNOPSES OF COMPANY REPORTS

Sassoon and Alliance Silk Mill Co., Ltd.

THE directors of the above Company (Chairman: Mr. Ramnath A. Podar, Bombay) present the audited accounts of the Company for the year ended 31st December 1959.

The profit and loss account of the Company for the year shows a credit balance of Rs. 26,253. After adjusting this amount against the loss of Rs. 3,61,580 brought forward from the previous years, the balance of Rs. 3,30,227 has been carried forward to the next year, out of which Rs. 1,78,222 has been set off in the balance sheet against the general reserve.

Considering the successive heavy losses sustained since 1952, the Company has made considerable progress during the year under report. The installation of new machinery has resulted in better quality and efficiency affording more scope for changes in variety of fabrics to cater to wider markets. Production was also stepped up by about 60 per cent. as compared to last year. On the other hand, there have been quite a number of adverse factors, such as increases in excise levy on fabrics as well as yarn, cut in the import allocations for yarn, rise in dear food allowance payable to workers, etc. The directors feel that the Company should be in a position to do better in 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	29,94,246
Liabilities ...	46,35,981	*Less*—Depreciation ...	16,74,307
		Net block ...	13,19,939
		Stock ...	26,22,799
		Stores, etc. ...	3,25,127
		Book debts	12,04,275
		Cash ...	11,836
		Profit and loss account (deficit)	1,52,005
Rs.	56,35,981	Rs.	56,35,981

Western India Plywoods, Ltd.

The directors of the above Company (Managing Director: Mr. A. K. Kaderkutty, Baliapatam) present the audited accounts of the Company for the year ended 31st March 1960.

After providing Rs. 11,00,000 (Rs. 46,033) towards development rebate on the hard board plant, Rs. 2,02,237 (Rs. 1,45,901) for depreciation on machinery, buildings, etc., and Rs. 1,55,000 (Rs. 1,30,000) for bonus to staff and workers, the surplus as per the audited account shows a sum of Rs. 3,06,634 (Rs. 13,31,663). With the balance brought forward from last year of Rs. 16,554 (Rs. 20,286) making a total of Rs. 3,23,188 (Rs. 13,51,949). The directors recommend to dispose of this amount as follows:—

To pay a dividend of 6 (6 per cent. tax free) per cent. subject to deduction of tax, on the cumulative preference share capital of the Company absorbing Rs. 37,050 (Rs. 37,050) and to pay a dividend of 10 (10 per cent. tax free) per cent. subject to deduction of tax on the ordinary share capital absorbing Rs. 2,80,737 (Rs. 2,70,000) leaving a balance of Rs. 5,401 (Rs. 16,554 after providing Rs. 7,48,000 to reserve for income-tax and wealth tax; Rs. 50,000 to dividend equalisation reserve; Rs. 30,000 to rehabilitation reserve; Rs. 2,00,000 to reserve for Industrial Finance Corporation Loan repayment and Rs. 345 to reserve for contingencies) to be carried forward to the next year's account.

The working of the Company continues to be satisfactory. The new hard board factory went into production by the end of February, 1960 and the Company's products have already come into the market and well received.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	37,47,000	Gross block	98,81,836
Reserves ...	25,59,264	*Less*—Depreciation ...	25,54,513
Provision for taxation ...	8,060		
Liabilities ...	48,25,610	Net block ...	73,27,323
Profit and loss account (surplus)	5,401	Buildings under erection ...	11,837
		Stock-in-trade	22,75,111
		Stores, etc.	2,13,186
		Book debts	12,45,406
		Investments	1,002
		Cash ...	71,470
Rs.	1,11,45,335	Rs.	1,11,45,335

Mandya National Paper Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Bedi and Co. Management Private Ltd., Bangalore) present the audited accounts of the Company for the period from 1st April 1959 to 30th June 1960. As all the transactions are of a non-revenue nature representing expenditure incurred during the period of construction to be allocated towards capital expenditure, a profit and loss account has not been made up.

During the period under report, 3,97,927 equity shares of Rs. 10 each and 60,000 seven per cent. tax-free redeemable cumulative preference shares of Rs. 100 each, were offered for subscription and have been fully allotted. The directors are pleased to report the confidence of the public in the future of this Company, which is evident from the fact that the issue of equity shares was heavily over-subscribed.

Agreements with the Technical collaborators and machinery suppliers, Messrs. Parsons & Whittemore, in respect of deferred payments to the extent of Rs. 1.82 crores to meet the cost of machinery and technical services, with the Industrial Finance Corporation of India for guaranteeing the deferred payments and with the Mysore Sugar Company Limited for the supply of Bagasse (primary raw material), have been satisfactorily concluded and executed.

The Company have already acquired 28 acres and 26 guntas of land at Belagola for the construction of the Factory and that is considered adequate for the expansion scheme also. The construction of the Factory buildings is in progress according to schedule. Suitable arrangements for the additional supply of Bagasse will be made in due course with Mysore Sugar Company Limited. Negotiations are also in progress with the Government of Mysore for allocation of bamboo areas. The mills are designed on Pandia continuous system which is capable of using any raw material for pulping, be it bagasse, straw, bamboo or wood with equal ease and facility. Adequate water supply and power will be available for the expansion. The shipments of machinery from abroad have commenced. The erection and installation of plant and machinery is expected to be completed by July-August 1961.

In December 1959, the Government of India announced their acceptance of the recommendations of the Tariff Commission resulting in a substantial cut in the prices of paper from 1st January of this year. The directors have considered the expansion of the present capacity from 35 tons per day to 70 tons per day, as the proposed expansion would lead to more efficient, economical and profitable operations from lower manufacturing cost per ton of paper produced. The total cost for the expansion is estimated at Rs. 1.8 crores out of which Rs. 1.2 crores will be met by deferred payment arrangements with the Company's Technical Collaborators on similar lines as before and the balance of Rs. 60 lakhs will be met out of the present proposed issue. By addition of less than half of the original estimated capital requirement, the production capacity of the mills will be doubled.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	99,55,542	Block ...	1,04,58,852
Calls in advance ...	50,38,282	Expenditure during construction ...	5,96,371
Current liabilities and provisions	2,27,811	Stores, etc. ...	2,14,288
		Book debts ...	5,59,641
		Cash ...	30,16,670
		Miscellaneous expenditure ...	3,75,813
Rs.	1,52,21,635	Rs.	1,52,21,635

Tulsipur Sugar Co., Ltd.

The directors of the above Company (Secretary: Mr. M. P. Jhunjhunwala, Calcutta) present the first audited accounts of the Company for the period from 21st April 1959 to 30th June 1960.

As per scheme sanctioned by the Hon'ble Calcutta High Court, the Company took over half of the assets and liabilities of Balrampur Sugar Co. Ltd., by allotment of equity shares to the shareholders of the latter Company. As a result, the Company took over the Tulsipur Sugar Factory out of the two Sugar Factories owned by the said Balrampur Sugar Co. Ltd. on the 1st July, 1959. In the matter of closing the financial year, therefore, the directors have thought it desirable to follow what has been the practice for a great number of years by the said Balrampur Sugar Company Ltd.

The results for the period after deducting all working charges and commission show a profit of Rs. 3,86,950 to which is added the provisions and sundry items amounting to Rs. 25,539 making a total of Rs. 4,12,489. Out of this provision has been made for depreciation amounting to Rs. 1,12,399, for development rebate reserve Rs. 1,34,000 and provision for taxation Rs. 60,000 leaving a balance available for disposal of Rs. 1,06,090. The Company has paid an interim dividend at 62 nP per share, absorbing Rs. 86,804 leaving a balance to be carried forward of Rs. 19,286.

The interim dividend of 62 nP per share is subject to deduction of income-tax and is in effect the final dividend payable out of the profits.

The factory started working on 21st November 1959 and continued till 5th May 1960. During the period your factory crushed 33,43,913 maunds of cane as against 21,57,885 maunds, in 1958-59, when the factory was owned by The Balrampur Sugar Company Ltd. The average recovery obtained was 9.53 per cent. compared to 9.56 per cent. for the last year. The factory worked for 143 days compared to 103 days during the previous year. The reason for the lower recovery during the period under review is heavy rains during the latter part of the year just before the commencement of the crushing which delayed the maturity of cane and affected recovery. The working of the factory resulted in the record production of more than 24 lakh tons of sugar during the season, which exceeds the target fixed for the second Five-year Plan.

The directors have been in constant correspondence with the various department of State and Central Governments for construction of the roads in neighbouring area of the factory as well as for sinking of more tubewells. Inspite of repeated representations no marked improvement is visible but the directors expect that in the coming years some definite steps towards above will be taken by the Government. On completion of the roads and sinking of more tubewells, the production and availability of cane will be increased to a great extent.

Expansion: The expansion work has been progressing well according to the schedule. The capacity of the factory has been expanded during the period from 746 tons to 890 tons. The scheme for expanding the same further to 1,200 tons is in hand and is expected to be completed by 1961. For the said expansion of 890 tons, a capital expenditure of Rs. 7,00,000 about has been incurred and it is estimated that a further sum of Rs. 15 lacs approximate will be spent in the proposed expansion of the capacity to 1,200 tons. This, it is expected will have a great influence in reducing the manufacturing expenses and increasing the overall efficiency of the factory.

Season 1960-61: According to the information available it is expected that in the coming season, the Factory shall be able to crush more cane in a shorter period, than the period under review, as a result of expanded capacity which will be commissioned before the start of ensuing season. Depending upon weather, rains and other factors such as price for raw materials and products and other expenses the directors are hopeful of getting better results next year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,035	Gross block	28,89,883
Reserves ...	10,42,692	*Less*—Depreciation ...	15,99,355
Provision for taxation ...	60,000		
Liabilities ...	69,01,761	Net block ...	12,90,528
Profit and loss account (surplus) ...	19,286	Block under erection ...	3,23,096
		Stock-in-trade	53,70 838
		Stores, etc. ...	7,44,336
		Book debts ...	8,22,246
		Investments	1,65,000
		Cash	7,730
Rs.	87,23,774	Rs.	87,23,774

Malankara Rubber and Produce Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. John Sons' Estates and Agencies (Private) Ltd., Kottayam] present the audited accounts of the Company for the year ended 31st March 1960.

Rubber.—The crop harvested during the season was 6,70,174 lbs. (3,03,986 kg.) at an estate cost of Rs. 4,79,027.12, i.e., 71.48 cents per lb. compared to 6,85,499 lbs. at 67 cents per lb. during the previous season. The average price obtained for the season's rubber was 148.50 cents per lb.

Coconut.—The crop for the season was 5,56,222 nuts as compared to 5,70,984 nuts obtained during the previous season. The average price realised for the season's crop was Rs. 22.39 per 100 nuts as compared to Rs. 23.61 per 100 nuts for the previous season.

Pepper.—A crop of 8,164 lbs. pepper including rejections was collected during the season. This crop has not yet been sold.

The net profit for the season was Rs. 2,09,136 (Rs. 2,48,667) after writing down depreciation on buildings, machinery, etc., amounting to Rs. 37,582 (Rs. 31,719) and after providing Rs. 2,12,000 (Rs. 2,36,000) against income-tax both agricultural and non-agricultural for assessment year 1960-61 and also Rs. 24,552 (Rs. 2,894) against short provision of income-tax, etc., for the previous year. The Agricultural Income-tax authorities have disallowed the proportionate expenditure incurred for the upkeep and maintenance of immature rubber and treated the capital receipt from the sale of rubber trees, coconut trees and other jungle trees as revenue receipt in the previous year's assessment and consequently the agricultural income-tax assessment was much higher than that provided in the previous year's accounts. An appeal has been filed against this assessment. The final outcome of this appeal would mainly depend upon the decision of the Supreme Court of India where a test case sponsored by the Planters Association on the question whether maintenance expenses of immature plantation should be treated as revenue or capital expense is still pending.

Including the previous year's balance brought forward of Rs. 11,167 (*nil*) the sum available for allocation is Rs. 2,20,303 (Rs. 2,48,667). The directors propose to pay a dividend of 15 (16 per cent. free of tax) per cent., taxable amounting to Rs. 2,02,500 (Rs. 2,16,000). The directors have transferred Rs. 7,861 (Rs. 21,500) to general reserve account to fully provide for the capital expenditure not covered by capital receipts and depreciation provision and the balance of Rs. 9,942 (Rs. 11,167) is proposed to be carried forward to next year.

The estimate for the current season is for a crop of 6 lakhs pounds dry rubber at an estate cost of 83.12 cents per pound excluding income-tax and super tax as well as managing agency commission and head office expenses. From the result obtained so far it is expected that the actual crop for the season would exceed the estimate.

During the season 1960-61, there is replanting of rubber in 67.80 acres of old area, besides new planting in 41 acres in virgin land. Also a part of the coconut area badly affected by leaf disease, comprising of 50.07 acres, is being planted up with rubber.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Gross block	21,39,476
Reserves ...	4,85,241	*Less*—Depreciation ...	4,08,190
Provision for taxation ...	2,08,787		
Liabilities ...	3,06,915	Net block ...	17,31,286
Profit and loss account (surplus)	9,942	Stock ...	96,418
		Other assets	68,915
		Book debts	8,280
		Cash	4,55,986
Rs.	23,60,885	Rs.	23,60,885

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

Notices

RESERVE BANK OF INDIA

APPLICATIONS ARE INVITED FOR THE following posts in the Bank:

(A) Posts and Scales of Pay

(i) Banking Officers:—Rs. 375-55-815 E.B. 55-925-60-1,045.

(ii) Probationary Assistants:—Rs. 250-25-450 E.B. 25-650

(iii) Banking Assistants:—Rs. 175-12.50-300 E.B. 20-440.

Note: Candidates possessing exceptionally good qualifications and experience of value to the Bank may be given a higher starting pay in the prescribed scales.

In addition to pay, the selected candidates will be eligible to draw local pay, house allowance and dearness allowance at the rates prescribed by the Bank from time to time.

(B) Qualifications

(i) *Banking Officers*: Applicants should have:—

(*a*) a first or high second class Master's degree of any recognised Indian or foreign University with Economics, Banking, Commerce or Accountancy as a special subject of study and should also have proficiency in drafting. They should possess at least 10 years' practical experience of work in a commercial bank and should have held responsible positions such as an Agent or an Inspector of branches for some time; or

(*b*) they should be Chartered Accountants with a minimum standing of 5 years.

Preference will be given to those who have passed the examinations of the English or Indian Institute of Bankers.

(ii) *Probationary Assistants*: Applicants should have a brilliant academic record and a first or high second class Master's degree of a recognised Indian or foreign University with Economics, Banking, Commerce or Accountancy as a special subject and should also have some proficiency in drafting. Educational qualifications may be slightly relaxed in the case of candidates who have passed the Institute of Bankers' examinations and/or possess practical banking experience in a supervisory capacity in a commercial bank. Candidates who have applied recently for these posts in the Department of Banking Operations or the Agricultural Credit Department in response to previous advertisements dated the 6th February and 13th August 1960 need not apply again.

(iii) *Banking Assistants*: Applicants should have a high second class Master's degree or a first class Bachelor's degree of a recognised Indian or foreign University in Economics, Commerce, Banking or Accountancy and also have some proficiency in drafting. Educational qualifications may be slightly relaxed in the case of candidates who have passed the Institute of Bankers' examinations and/or possess some practical commercial banking experience.

THE SELECTION BOARD WILL INSIST ON A VERY HIGH STANDARD OF SUITABILITY IN MAKING SELECTIONS FOR THE ABOVE POSTS AND ONLY THOSE CANDIDATES WHO POSSESS HIGH ACADEMIC QUALIFICATIONS AND ADEQUATE EXPERIENCE OF THE TYPE SPECIFIED ARE ADVISED TO APPLY.

(C) Age Limits as on 1st November 1960

(i) *Banking Officers*: Candidates should not ordinarily be over 35 years of age but the age limit may be relaxed in the case of candidates with exceptionally good experience of value to the Bank.

(ii) *Probationary Assistants*: Between 21 and 25 years.

(iii) *Banking Assistants*: Between 18 and 24 years.

In the case of (ii) and (iii) the maximum age limit is relaxable but not beyond 30 years in the case of:

(i) candidates possessing special qualifications and experience of value to the Bank;

(ii) candidates with approved war service;

(iii) ex-employees of banking institutions whose services had to be terminated for reasons of economy or as a result of the banks going into liquidation;

(iv) personnel retrenched from Government offices after at least one year's service applying through Employment Exchanges; and

(v) candidates belonging to the Scheduled Castes or Scheduled Tribes.

2. Candidates who wish to apply for more than one category of posts must submit *separate* applications accompanied by separate application fees and *should clearly indicate the post for which they have applied.*

3. Applicants for the posts of Banking Officers and Probationary Assistants must remit with their applications a fee of Rs. 7.50 for each post by cheque or bank draft on a *Scheduled Bank* payable at Bombay or by Postal Order. Applicants for the posts of Banking Assistants must remit a fee of Rs. 2.00. *The application fee is in no case refundable.* Bonafide refugee candidates *not in employment* applying through Employment Exchanges are exempted from payment of application fees while in the case of candidates belonging to Scheduled Castes/Tribes, the fee will be reduced to one-fourth.

4. Applications in the candidate's own handwriting in the prescribed forms obtainable from the Reserve Bank's offices at Bombay, Calcutta, Kanpur, New Delhi, Nagpur, Madras, Bangalore, Lucknow, Trivandrum and Patna accompanied by copies (*originals should not be sent*) *of certificates regarding age and educational qualifications, statements of marks secured in the Graduate and Post Graduate degree examinations and two testimonials* should be forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box No. 406, Bombay No. 1, so as to reach him on or before the 5th November 1960.

5. *Candidates should also indicate in their applications whether they had applied previously for a similar post in the Reserve Bank and if so with what result.*

6. Candidates already in service will be required to produce a proper discharge certificate from their employers in the event of their being selected, at the time of their appointment in the Bank's service.

7. Candidates belonging to Scheduled Castes/Scheduled Tribes should mention this fact prominently in their applications and also enclose a copy of a certificate to that effect from a competent authority.

8. Selected candidates must be prepared to serve in any office of the Bank in India and to undertake tours when required.

9. Appointments will be subject to candidates being found medically fit for service in the Bank by the Bank's Medical Officer.

10. If any candidate desires to have his application acknowledged, he should send it by "Registered Post—Acknowledgement Due." Apart from those who may be specially called, interviews will not be granted to candidates nor will the Bank enter into correspondence with them.

11. Canvassing will be regarded as a disqualification.

ORIENT PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-second Annual General Meeting of the ORIENT PAPER MILLS LIMITED will be held at the registered office of the Company at Brajrajnagar in the district of Sambalpur (Orissa) on Wednesday, the 9th November, 1960, at 11 a.m., for the following purposes:—

(*a*) To receive and consider the report of the Directors and to adopt the audited accounts of the Company for the year ended 31st March, 1960.

(*b*) To declare dividends on Preference and Ordinary Shares.

(*c*) To elect Directors in place of those who retire by rotation.

(*d*) To Appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

(*e*) To consider to appoint H. H. Maharajadhiraj Sir Sawai Man Singhji Bahadur of Jaipur as a Director of the Company. He was appointed as an additional Director of the Company by the Board of Directors and shall hold office under Section 260 of the Companies Act, 1956, and Article No. 126(*a*) of the Articles of Association of the Company, only upto the date of the annual general meeting. A notice has been received from a member of the Company, signifying his intention to propose at the annual general meeting that His Highness be appointed a Director of the Company.

It is considered advisable in the interests of the Company, to appoint him on the Board, to avail of his valuable advice.

(*f*) To consider and if thought fit, to pass with or without modification, the following resolutions as Special Resolutions:—

(i) RESOLVED that the payment of commission to the Directors (including whole-time or Managing Directors, if any) under Article 117 of the Articles of Association of the Company, be and is hereby sanctioned for a further period of five years with effect from the 1st April, 1961.

(ii) RESOLVED that the loans taken by the Company since 1st April, 1956, from its Managing Agents, Messrs. Birla Brothers Private Ltd., from time to time and payment of interest thereon be and are hereby approved and confirmed and that sanction be and is hereby accorded to the Directors to borrow from the Managing Agents such amount as may be considered necessary by them on such terms and conditions (including rate of interest and security) as may be considered proper by them in their discretion.

EXPLANATORY STATEMENT

f(i) The Directors (including the whole-time or Managing Directors, if any) are paid commission upto 1% on the net profits of the Company under Article No. 117 of the Articles of Association of the Company. The shareholders passed a Special Resolution at an Extraordinary General Meeting providing for payment of such commission upto 31st March, 1961. As required under the provisions of the Companies Act, 1956, this resolution has now been proposed to obtain your sanction to continue the said payment for a further period of five years with effect from the 1st April, 1961.

f(ii) Messrs. Birla Brothers Private Limited, the Managing Agents of the Company, have in the past granted interest-bearing loans to the Company from time to time for the Company's requirement. It may be necessary in future also for the Company to take loans from the Managing Agents at such rate of interest and on such terms and conditions and on such security as may be agreed to between the Board of Directors of the Company and the Managing Agents. In case the granting of such loans by the Managing Agents be considered as services rendered by them to the Company, within the meaning of Section 360 of the Companies Act, 1956, this resolution has been submitted to the Shareholders for their sanction.

With reference to the first resolution stated above, the Directors are interested to the extent of the commission payable to them. A copy of the Articles of Association may be inspected either at the registered office of the Company at Brajrajnagar or at 8, India Exchange Place, Calcutta, on any working day during business hours.

With reference to the resolution seeking for your sanction to borrow money from and payment of interest to the Managing Agents, it may be pointed out that Shri G. P. Birla and Shri A. L. Goenka are the nominee Directors of the Managing Agents on the Board of the Company. Shri G. P. Birla is also a member and an executive of the Managing Agents.

The Register of Members and the Share Transfer Books will remain closed from the 20th October to 9th November, 1960, both days inclusive.

By Order of the Board,

B. K. VYAS,
Secretary.

8, INDIA EXCHANGE PLACE,
CALCUTTA, *the 26th September*, 1960.

N.B.—(i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(ii) The dividends, when declared, will be payable to registered shareholders as on the 9th November, 1960, on or after the 1st December, 1960.

THE MYSORE PAPER MILLS LTD.

(Concluded from page 690)

ernment of India for expansion of the production capacity from 8,000 to 16,000 tons and that it was receiving active and sympathetic consideration at the hands of the Central Government and also said that, if my anticipation of securing necessary licences be fulfilled, steps would be taken to place specific proposals before you for consideration. In this connection, I am happy to inform you that industrial licence under the Industries (Development and Regulation) Act 1951 to expand the production capacity from 8,000 tons to 18,000 tons has been received from the Government of India. As stated in the Directors' report, the scheme of expansion has been formulated and proposals have been made to finance the scheme both by borrowings and increase of share capital. The capital cost of the scheme is estimated to be over Rs. 300 lakhs, of which about one-half would be required in foreign currency.

"In the month of July of this year I had to go abroad in connection with the work of Messrs. Tungabhadra Steel Products Ltd., Tungabhadra Dam, and as per the desire of your Directors, I took this opportunity to negotiate for a foreign exchange loan with the Commonwealth Development Finance Company Limited, London. Our General Manager, Sri V. K. Subramanian, also accompanied me in my tour. We had several discussions and consultations with the authorities of the Commonwealth Development Finance Company Limited, London, and the Industrial Credit and Investment Corporation of India Limited, Bombay, and I am happy to keep you informed that our requests have been receiving favourable and sympathetic consideration at their hands. I have every hope that, subject to the usual formalities to be observed in accordance with the rules and procedures, the required loan in foreign exchange would be made available to us ere long. I should also add that both the Commonwealth Development Finance Company Limited, London, and the Industrial Credit and Investment Corporation of India Limited, Bombay, have expressed their desire to participate in the equity capital, if possible. As regards the rupee loan to be obtained, we have contacted the Industrial Finance Corporation of India, New Delhi, and I am sure that, with the cordial relations we are having with them and record of repayment of their loan, the required support and assistance would be forthcoming.

"Enquiries had been sent out and quotations from well-known machinery manufacturers have been received and they are under our consideration. The General Manager and myself, during our visit abroad, also contacted the several machinery manufacturers and had the opportunity of studying at close range the conditions and trends obtaining in capital goods markets in foreign countries. I am confident that, after the question of foreign exchange loan is finally decided, we would be able to finalise our scheme, which would be both sound and economical. I may also keep you informed that, in view of the difficult position of foreign exchange, we would like to purchase as much indigenous machinery as possible and this aspect will be kept in view while finalising the scheme.

"I now come to that aspect of the scheme which requires your immediate consideration. The proposal to raise the authorised capital to Rs. 1½ crores is before you for approval and I have no doubt you would accord your approval to the proposition to enable us to take up the scheme for implementation. I should like to add that the amount will be collected as and when the necessity for funds arises.

"Before I conclude, I wish to express on behalf of the Directors and the shareholders our grateful thanks to the Central and State Governments for the abiding interest they have in the progress of the Mills. I am very grateful to my colleagues on the Board for the uniform courtesy, consideration and valuable guidance I have been receiving. I wish also to express on behalf of the Directors and myself our warm appreciation of the willing and efficient co-operation of all our employees.

"Ladies and gentlemen, I now move that the Directors' report and the audited balance-sheet and the profit and loss account for the year ended 31st March 1960 be approved and adopted."

Note:—This is not a report of the proceedings at the above meeting, of which proceedings a separate note will be circularised.

COMMERCE AND INDUSTRY

(Concluded from page 700)

welfare programmes rest. It is human enough to want to have more and more revenue, and, as the accompanying table shows, the countries concerned have enjoyed a remarkable rise in oil revenues over the past few years. But it must be realised that prices of all commodities fluctuate from time to time. Yet, down the years, none has enjoyed such relatively stable prices as crude oil and no commodity has brought such rapid increases in income to the producing countries. The desire for security of income is, of course, understandable; but oil groups have no less concern with maintaining their levels of income.

Despite occasional fluctuations in market prices, there will be still higher oil revenues in the years ahead. Almost certainly, however, revenues will not progress on the same scale as during the past ten years or so, which must be regarded as a quite abnormal period of economic expansion. Abundant oil reserves are now available both in the Middle East and elsewhere and new producing countries are coming into the picture. Oil, like any other commodity, has no intrinsic worth other than what it will fetch from people who want it. In today's circumstances, it is a less valuable commodity in the world market than it was when relative scarcity prevailed. A comparatively new factor is the increasing competition from Russian oil which is certainly depressing market prices. Though the volume of Russian exports, now running at a rate equivalent to less than half the production in Iraq, may not seem impressive in relation to the free world's demand, the impact in certain markets has affected the price level of much larger quantities of oil. It should be remembered also, however, that, to a significant extent, competition within the oil industry arises, and will arise still more in the future, from the past actions of some of the oil producing countries themselves, who have felt it desirable to attract more concerns to their territories regardless of these concerns' lack of marketing outlets. Oil exporting countries cannot hope to isolate themselves from the workings of the highly competitive industry of which they are an integral part.

Several months ago, Dr. Perez Alfonzo, the Minister for Mineral Affairs in Saudi Arabia, first put forward the idea of international prorationing with the thought of keeping supply closer in line with demand and so maintaining the level of prices. The same idea was put forward at Baghdad in more general terms. Here again, the control which the Government would then seek to exercise over producers' outputs would run counter to the freedom to produce and export which all the concessionaires enjoy under their concession agreements. As has already been pointed out in these columns, it is hard to see how such a scheme could be carried out equitably and successfully, in view of the marked differences in the established positions of the affected countries and companies, and the fact that several new producing/exporting countries are eagerly anticipating the development of their own oil resources. The prorationing systems practised in the United States and Canada have been evolved in different legal settings and with different purposes from those of international price maintenance.

There is obviously an underlying interdependence between the producing countries and oil companies, which implies a need for mutual understanding. It is in the reaching of a better understanding that lies the primary justification for the conferences called by the Arab League last year in Cairo and again this month in Beirut. This month's conference is being attended also by observers from Venezuela and from other non-Arab countries. Nothing but good can come from the open discussion by representatives of the Governments and of the local industry of their common interests, their problems and their differences. The cut and thrust of argument can do much not only to bring mutual enlightenment in regard to facts, but to create better feelings and remove prejudices. Lack of knowledge and understanding by the producing countries of the immense complexities of the international oil business has, in the past, often led to misunderstandings and strained relationships with the oil companies and worse, sometimes to suspicion or ill-will.

If through the Arab League conferences, or through O.P.E.C., better appreciation of the problems of the oil industry can be got, then it will be all to be good. The oil companies can do something to help. Their active participation in the Arab League's conferences is very valuable. It is certainly true, however, that despite the mounting volume of information they dispense, the companies are, for fear of distortion and consequent difficulties, and for fear of competitors, still often reluctant to make pronouncements on possibly controversial matters such as prices, which are of crucial importance to all who have a stake in the industry.

It was a highy welcome feature of last year's conference in Cairo that, in the atmosphere of goodwill and bonhomie created, problems were freely and openly discussed. With that experience, one may expect similar frank and interesting discussions at Beirut this month. In one sense, the recent Baghdad meeting has stolen some of the thunder of Beirut. But the ideas evolved at Baghdad will give fresh point to the many controversial questions that will certainly be raised at this month's assembly.—*By arrangement with Petroleum Press Service.*

Notices

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

TENDER NOTICE

Manufacture of Cast Iron Sleepers

TENDERS ARE INVITED FROM ESTABlished foundries in India, having experience in the manufacture of Cast Iron Sleeper Plates for supply, by 31st December 1961, of about 3,50,000 Tons of Cast Iron CST9 Sleeper Plates both B.G. and M.G. Tenderers may quote for any small quantity according to their capacity. Tenders quoting for the supply of 3,000 Tons and above, of B.G. Cast Iron Sleeper Plates, it would be obligatory to quote for the supply of M.G. Cast Iron Plates also for a quantity of not less than 30 per cent. of the total quantity quoted for.

2. Railway Board would recommend to the Iron and Steel Controller the issue of Pig Iron according to the requirements of the supplier up to a maximum of 100 per cent. of the quantity of sleepers ordered on the firm. The firms are expected to make up the melting losses under their own arrangements.

3. Applications for tender documents should be made to any of the following officers from 7th October 1960:—

(i) The Director, Railway Stores, Railway Board, State Entry Road, New Delhi.

(ii) The Deputy Director Works (Bridges), Railway Board, 14 Strand Road, Calcutta

Tender Documents embodying conditions of Contract will be supplied at Rs. 3 per set and will be available for sale during office hours.

Relevant drawings, if required, may be had separately on payment of Rs. 8 per set of drawing.

4. Tenders will be received upto 12.00 hours on the 18th November, 1960 and opened in the office of the Railway Board on State Entry Road, New Delhi, at 15.00 hours on the same day.

QURBAN SINGH,
Director, Railway Stores.

NEW DELHI,
Dated 26th September 1960.

ASSOCIATED BATTERY MAKERS (EASTERN) LIMITED

MEMBERS OF THE COMPANY WHO HAVE not yet surrendered their Letters of Allotment in exchange for the relative Share Certificates should submit their Letters of Allotment duly endorsed to the Company's Registrars, Andrew Yule & Co., Ltd., 8, Clive Row, Calcutta-1, as soon as possible.

ASSOCIATED BATTERY MAKERS (EASTERN) LTD.,
H. M. COX,
Secretary.

CALCUTTA, *12th October 1960.*

TREASURY BILL RATE HARDENS FURTHER

(From Our Own Correspondent)

BOMBAY, *12th October*

There has been no change in the state of the money market during the week undere review. If anything, the stringency has become a little more acute. Thanks to the persistent demand for bank credit and the need for reducing borrowings from the Reserve Bank, banks are keen borrowers, but lenders are scarce. The prevailing condition is not, however, reflected in the interest rates, except in the Treasury Bill discount rate, which has hardened further. Inter-bank call money is being bid at 4 per cent. among all sections of banks and the chances of this rate moving up after the busy season sets in are not ruled out. House money at 21 days' notice is unchanged at 2 per cent., the ceiling fixed by the Reserve Bank. Short-term deposits for one to two months are being offered 3½ per cent. and for three months and over 3¾ per cent.

The 91-day Treasury Bill discount rate has, however, hardened further to 2.560 per cent. per annum from 2.552 per cent. The amount offered at Rs. 2.35 crores, is slightly less than that (Rs. 2.55 crores) received last week, against the usual invitation for Rs. 2 crores. There were no sales of Intermediate Treasury Bills during the period from 5th to 8th October. They will, however, be offered again this week at the same rate as last week, namely, Rs. 99.376 per cent., that is at a discount of 2.496 per cent. per annum.

The Reserve Bank of India statement for the week ended 7th October 1960 shows a sizable expansion of Rs. 20.87 crores in notes in circulation, while notes held in the Banking Department are lower by Rs. 2.78 crores, so that the total notes issued are higher by Rs. 18.10 crores. This is covered by a rise of Rs. 20 crores in rupee securities and a reduction of Rs. 1.90 crore in rupee coin. There has again been no change in foreign securities, but a small, but welcome, rise of Rs. 1.62 crore is noted in balances held abroad, bringing the total foreign assets to Rs. 140.80 crores. Deposits of the Central Government are lower by Rs. 7.98 crores and those of the other Governments by Rs. 7.21 crores. There has been only a fractional rise in deposits of banks. Loans and advances to Governments show an increase of Rs. 11.83 crores and other loans and advances a decline of Rs. 2.88 crores. A marked fall of Rs. 35.38 crores is noted in investments, while holdings of Government Treasury Bills have increased by Rs. 6.93 crores.

A drop of Rs. 2.87 crores in deposits is disclosed by the Scheduled banks' statement for the week ended 30th September 1960, mainly due to the fall of Rs. 4.50 crores on State Bank's account. Inter-bank borrowings have, however, gone up by Rs. 2.92 crores. While borrowings from the Reserve Bank have dwindled by Rs. 13.29 crores, those from the State Bank are higher by Rs. 2.92 crores. There has been an increase of Rs. 5.01 crores in advances and bills, of which the share of the State Bank of India is Rs. 3.03 crores. The fall in deposits and reduction in borrowings from the Reserve Bank, accompanied by an increase in advances, have resulted in a disinvestment of Government securities to the tune of Rs. 3.76 crores, the share of the State Bank being Rs. 2.05 crores, and also shrinkage in cash balances of Rs. 6.71 crores, despite an increase of Rs. 5.44 crores in the State Bank's portfolio. Money at call and short notice has, however, gone up by Rs. 5.14 crores.

The Gilt-edged market continues to be dominated by sellers and, in the absence of buyers, business in Central loans is next to nothing. State loans have been marked down heavily, the extent of fall ranging from 10 nP to 75 nP in 4 per cent. loans and up to Re. 1.50 in 4½ per cent. issues. Among Central loans, 3 per cent. 1986 Conversion Loan is stagnant at Rs. 73.75, and 3 per cent. 1970-75 Loan is stagnant at Rs. 73.75, and 3 per cent. 1966-68 has shed no less at Rs. 90, while 3 per cent. 1966-68 has shed no less than 20 nP to Rs. 95.60. 2½ per cent. 1962 has been marked down by 5 nP to Rs. 98. In the State loans section, Maharashtra 4 per cent. 1969 has declined by 10 nP to Rs. 99.65, 4 per cent. 1970 by 40 nP to Rs. 99.60, and 4 per cent. 1971 by 45 nP to Rs. 99.55. 4½ per cent. 1969, 1970 and 1971 loans have each shrunk by Re. 1.50 to stand at par. 4 per cent. 1969 West Bengal is lower by 10 nP at Rs. 99.65, similar loan of Madras by 25 nP at Rs. 99.65, Andhra by 25 nP at Rs. 98 and U.P. by Rs. 98.25, Andhra by 25 nP at Rs. 98 and U.P. by 75 nP at Rs. 98.25. 4½ per cent. 1970 loans have all moved down by 50 nP to Rs. 99.50, except West Bengal which stands at par.

There has been a slight weakening of the rupee in terms of the U.S. dollar during the week, which is reflected in a rise in the banks' selling rate for sterling abroad. Thus, in New York, spot sterling has retreated from 281.01-281.04 cents to 280.86-280.89 cents and three months' forward from 279.64-279.67 cents to 279.60-279.63 cents.

TRADING IN LINSEED LIMITED

(Messrs. A. Bradley and Co.)

CALCUTTA, *10th October*

The linseed market was rather lifeless during the week and prices showed little movement either way. The general undertone remained firm, but trading was very limited. Stocks of seed were small and sellers were reserved. Crushers were showing interest for ready and forward deliveries.

The oil market was steady, though business was negligible. Sellers were not inclined to do much at current prices.

The oilcake market ruled firm, despite the quiet trend of overseas markets. Local buyers showed great interest for ready and forward deliveries, good business passing daily.

The latest quotation for ready linseed is Rs. 25.50 per maund.

BULLION EASY

(From Our Own Correspondent)

BOMBAY, *12th October*

The bullion market ruled distinctly easy in the first two sessions of the week, but picked up strength on Saturday which persisted till today when a sagging tendency was experienced again. The earlier easiness was due to rumours of heavy arrivals of contraband gold and large inflow of silver from upcountry centres. Selling was, therefore, in evidence and both the metals suffered a setback. Even large-scale bear-covering was not of much avail. The downward trend was checked on Saturday when continued bear-covering and scattered support led to a recovery in values. The recovery gathered momentum in the subsequent two sessions, too, thanks to the reported seizure of 17,000 tolas of gold worth Rs. 22 lakhs from the Italian liner *Asia* in Bombay on Saturday. Today the market presented a quiet trend in the absence of the usual large pre-*Deepavali* demand for precious metals. Over the week, ready gold was better, while forward gold and silver were a shade easy.

The average daily arrivals and offtake during the week were less than in the previous week, being 9,000 tolas and 3,600 tolas, as against 9,500 tolas and 6,750 tolas, respectively. But, in the case of silver, both arrivals and offtake were higher, the former at 26 bars, as against 21 bars, and the latter at six bars, as against five bars. The floating stocks of gold are reported to be around 39,000 tolas and those of silver are estimated at 600 bars.

In gold, *Kartik* settlement began the week at Rs. 114.35, as against the previous closing of Rs. 115.10, and moved down to touch a low of Rs. 113.70 on Friday. After recovering to Rs. 115.60 on Monday, the settlement receded to Rs. 114.95 today before finishing at Rs. 115.05.

The *Kartik* settlement in silver encountered selling and declined from Rs. 193.40 to Rs. 191.80 on the 7th inst. At this level, some support emerged and the quotation improved to Rs. 193.45 on Monday. After easing to Rs. 192.60 today, the settlement closed at Rs. 192.80.

Although ready gold continued to be quoted at a discount under the *Kartik* settlement throughout the week, the actual discount decreased from Re. 1.60 on Wednesday last week to 80 nP today. The ready rate fluctuated between Rs. 114.95 and Rs. 112.40 before winding-up at Rs. 114.25, that is, 75 nP higher than a week ago. In ready silver also, the discount under the *Kartik* settlement declined from Rs. 2.15 to Re. 1.70. The closing rate for the metal today was Rs. 191.10, as against Rs. 191.25 a week ago.

Ready gold in the London bullion market improved from 250*s.* 6½*d.* to 250*s.* 9¾*d.* on the 7th inst., following Continental and Far East demand. The latest available world price for gold is $35.2½-$35.23½, as against $35.23-$35.25 a week before. Both ready and forward silver in London were unchanged at 79½*d.*, as also silver in New York at 91.375 cents.

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

	12-10-60 (closing)	High	Low	5-10-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	114.25	114.95	112.40	113.50
Forward:				
*Kartik**	115.05	115.60	113.70	115.10
Sovereign	89.00	89.00	88.75	88.25
SILVER				
Ready (.996 fine)	191.10	191.60	190.10	191.25
Forward:				
Kartik†	192.80	193.45	191.80	193.40
London:	11-10-60			4-10-60
Silver Ready	79½*d.*	—	—	79½*d.*
Silver Forward	79¾*d.*	—	—	79¾*d.*
Gold	250*s.* 9½*d.*	250*s.* 9½*d.*	250*s.* 6¾*d.*	250*s.* 6¾*d.*
New York:				
Silver	91.375 cents	—	—	91.375 cents

* 3rd November settlement. † 4th November settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COW HIDES FIRM

(From Our Own Correspondent)

MADRAS, *10th October*

Owing to broadening of inquiries from importers in the U.K. and the Continent, E.I. tanned cow hides firmed up sharply in the local market. Lower grades, which were a drag on the market, were taken up briskly and higher prices were established all round in the overseas market. If E.I. tanners put up their prices fantastically, importers are not likely to follow them.

Arrivals of tanned cow hides were of the usual volume and they met with ready clearance at firm prices. Buff calf and cow calf were neglected unless at bargain prices. Buffalo hides ruled firm due to U.S. demand.

Importers on the Continent and the U.K. were keen buyers of tanned goat skins 8/9 lbs. average. Top marks registered further increase. Other averages also improved in sympathy. Prime sheep was in good demand, but commons were neglected.

It is reported that the U.S.S.R. is buying raw goat skins in North India and, if the quantities taken are important, tanned goat skins will move up.

PROSPECTS FOR FUTURES TRADING

(From Our Own Correspondent)

BOMBAY, *12th October*

The cotton trade has been given a fresh lease of life. Much to the relief of traders, the Forward Markets Commission has granted permission for conducting futures trading in the new crop from 18th October under the amended by-laws of the East India Cotton Association, Bombay, which have been approved by it. The main features of the new contract, it will be recalled, are: (1) the basis to be Fine M.G. Moglai Jarilla 25/32"; (2) trading unit to be 3 quintals (300 kilograms); (3) floor and ceiling prices to be Rs. 417 and Rs. 693, respectively, for 3 quintals; (4) delivery months to be April and August; (5) there will be no trading floor and ceiling during the non-delivery period; (6) tenderable cottons 2/32" off in staple and 1½ grade off in grade.

The general feeling among traders is that business in new crop will not have to face the kind of odds it did in the past season. With the crop prospects remaining good and adequate supply of foreign cotton assured the statistical position of cotton will be such as to facilitate a fairly smooth sailing for the hedge contracts. If, however—and it is surely too early to be dogmatic—the expectations about the size of the crop, fail to materialise it will upset all these calculations.

So far crop developments have been fairly satisfactory. Weather has generally been helpful. But locusts infestation in part of Gujarat, Madhya Pradesh, Khandesh, Berar and Moglai areas is a source of anxiety. Arrivals have been delayed in Khandesh and Berar owing to recent showers. Arrivals in the Punjab are, however, gathering momentum.

The end of the uncertainty regarding futures trading had a beneficial effect on trading sentiment in the spot market. Sewri reported larger turnover. The reports of sporadic requisitioning of cotton by the Textile Commissioner in different parts of the country had an unsettling effect on business at Sewri. Mill demand was centred round CO2, but in anticipation of quota allotment for indigenous cotton, spinners showed interest in Khandesh, Berar, Moglai and Wagad cotton.

Export demand for Bengal *Deshi* was fairly good. Prices, however, tended to look down, thanks to increasing arrivals. Uncertainty about export quota following the news that mill interest was against grant of export quota until after three months, discouraged substantial business.

The demand for foreign cotton was well maintained. U.S. cotton continued to be in the limelight. But it is said that, since the deliveries received of late have been found to be not up to the usual standard, mills are going in for U.S. cotton on "type" instead of on "description" basis so that they could be sure of quality.

East African growths too came in for business. Some Bombay mills bought a limited quantity of higher grade Sudans. Only stray interest was noted in Syrian cotton. The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri:

CO2 1,050-1,251. Laxmi (Old crop) 1,107. American G.M. 1,100 Nov.-Dec. shipment, Elpaso 1-3/16" 1.351. Sudan XG41 1,585.

Quietly steady conditions prevailed in the Karachi cotton futures market during the week under review. In the absence of any fresh incentive, trading was featureless. Values moved in a narrow range, showing little net change over the week. N.T.R.G. January contract improved fractionally to Rs. 68-12, as against Rs. 68-11 last week-end. The March contract, too, rose by a like amount to Rs. 68-2.

In the spot market, *Deshi* prices suffered a further setback. Sind *Deshi* was quoted Rs. 2 lower at Rs. 86, while Punjab *Deshi* ruled barely steady at Rs. 78.

The downward trend noted in the Alexandria cotton futures market last week gathered momentum during the week under review. Larger arrival of new crop, coinciding with slack export demand, induced speculative selling. Futures values consequently receded. The loss was shared both by the Karnak and Ashmouni contracts. Weather conditions so far is reported to be satisfactory. The crop is likely to exceed earlier expectations. The first official estimate put the 1960-61 cotton crop at 10.75 million kantars, as against 9.96 million kantars last year. Staple lengthwise break-down is as under:

(In '000 kantars)

	1960-61	1959-60
Over 1⅛"	5,227	5,204
" 1¼"	2,491	1,529
" 1⅛"	3,017	3,231
Scarto	228	211

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

Karnak: November 72.90; January 72.70; March 72.90; May 72.90.

Ashmouni: October 62.18; December 62.05; February 62.20; April 62.48.

Cotton futures in Liverpool remained practically unchanged during the week. Mill coverage was small and commission house buying negligible. Spinners were more interested in buying actual cotton against yarn sales than in hedging in forward cotton. Near deliveries of both the American and American types contracts, ruled remarkably steady, while the more distant positions advanced slightly on speculative support.

The latest available quotations—in pence per lb.—from Liverpool are as under:

American cotton one inch staple contract: October 22.80; December 23.00; March 23.20; May 23.25.

American cotton mixed growth contract: October 23.25; December 23.25; March 23.25; May 23.70.

Sudan: November, January, March 35.00.

In its October crop forecast the U.S. Department of Agriculture estimated the 1960-61 cotton crop at 14.55 million bales of 500 lbs., as against 14.58 million bales a month ago and last season's 14.55 million bales. The ten-year (1948-57) average is 14.04 million bales. The yield per acre was put at 450 lbs., as against 451 lbs. a month ago, 462 lbs. last season and the ten-year (1948-59) average of 329 lbs.

In anticipation of the crop report, trading in the New York cotton futures market was generally quiet. The Department's estimate turned out to be *broadly in line with general trade expectation*. While the estimate had thus little in itself to influence price trends, on expectation of higher price support, the more distant positions attracted speculative support. Spot prices, however, was five cent points lower at 32.20 cent.

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

(In cents per lb.)

	11-10-60	4-10-60	27-9-60
Spot	32.20	32.25	32.30
October	31.55	31.49	31.69
December	31.41	31.40	31.40
March	31.94	31.87	31.87

TEA DECLINES

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

COCHIN, *4th October*

Sale No. 38: Approximately 550,000 kilograms were offered in Sale No. 38 held on 4th October 1960. Quality in general was well maintained and there was a useful selection of low medium and medium teas on offer. *Highgrowns*, in general, met less enquiry and sold at easier rates and in some cases prices declined up to Re. 1 per kilo. There was a strong demand for low medium and medium teas which declined as the sale progressed, and these were irregular and up to 20 nP dearer. Good medium brokens and fannings are quoted firm. Clean black leaf descriptions, particularly fannings, were well supported and advanced in price. C.T.C. types and legg-cut descriptions were weaker and prices eased. A small selection of tippy teas met little support. Whole leaf grades met less support than of late, particularly orange pekoe grades which were much easier.

	1960	1959
	Rs.	Rs.
Low medium	4.40-4.70	3.85-4.07
Medium	4.70-5.00	4.18-4.85
Good medium	5.00-5.70	4.85-5.29
Quality	5.50-8.75	6.28-9.37

The average price realised in Sale No. 38 was Rs. 5.17 per kilo. as against Rs. 5.35 in the previous sale and Rs. 5.27 in the corresponding sale of 1959.

Dust Sale 'JJ': A total quantity of 330,000 kilograms was offered in Sale No. 'JJ' held on 6th October 1960. There was a useful selection of dusts on offer. There was a good general demand, but prices were easier by 20 to 30 nP for most descriptions. There was less support for highgrown dusts which were often easier and a number of them were withdrawn from the sale. Keen interest was shown for clean black grainy sorts which sold at slightly easier rates than last. Low mediums and mediums were well supported, but these declined by 10 to 20 nP. Plainer sorts and milled descriptions declined further and sometimes were easier by up to 30 nP. C.T.C. and Legg-cut types also shared in the downward trend of the market.

The average price realised in Dust Sale 'JJ' was Rs. 4.49 per kilo. as compared with Rs. 4.57 in the previous sale and Rs. 4.05 in the corresponding sale of last year.

Export Quota: The market remains very dull and practically no business has taken place, although there are large sellers at ½ nP per kilo.

Colombo: In Monday's sale, there was a good demand and, although the better Dimbulas opened lower, demand strengthened as the sale progressed and they closed 10 to 20 cents dearer. Uvas were easier following quality. Mediums came to an irregularly lower market whilst lowgrowns and Persian Gulf types were up to 5 cents dearer. Highgrown fannings met with restricted enquiry.

London:—North Indian and other growths:—In Monday's auction, the market opened on an irregular note, but closed firm to dearer for all descriptions.

Ceylon and South Indians:—On Tuesday, 20,453 packages were offered, of which 8,513 packages were from South India. There was a good demand, particularly for useful coloury mediums, which often sold at dearer rates.

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

"*Sale* 39:—480,000 kilograms. Good, but irregular, demand. Low medium and medium brokens 10 to 20 nP easier, but similar fannings, particularly black leaf, irregularly 10 nP dearer. Good medium steady. Best liquoring lower, except where quality maintained. C.T.Cs firm to dearer."

BEMBERG YARN RALLIES

(*From Our Own Correspondent*)

BOMBAY, *12th October*

There was a sharp rally in Cupressa Bemberg yarn (60 x 1) during the week under review. The rally followed a buying spree which emerged from fears of scarcity in supplies of art silk yarn developing in the next few months as a result of the cut in established importers' quota for the current half-year. The marked fall in art silk yarn imports into Bombay port during September as compared with the previous month also imparted strength. The actual imports aggregated 3,769,750 lbs., as against 4,920,955 lbs. The imports of synthetic yarn were, however, higher, albeit slightly, at 237,390 lbs., as against 236,819 lbs. Staple fibre yarn lacked support, due to expectations of enlarged arrivals of fibre from abroad, in view of the official decision to permit imports. Even the possibility of reduced sales of yarn by composite mills following the cut in their fibre quota failed to enthuse operators. Cotton yarns generally tended to move up. Twenty counts were particularly firm. Exports of cotton yarn from Bombay during September were of the order of 383,472 lbs., as against 427,508 lbs. in August.

Spot Cupressa Bemberg yarn (60 x 1) forged ahead from Rs. 2,217.82 to Rs. 2,314.83 per case of 100 kilograms. October contract picked up Rs. 11 to Rs. 2,246. December delivery spurted by Rs. 35 to Rs. 2,258. 150 Japan advanced by Rs. 6.62 to Rs. 1,377.87. 150 Italy was firm at Rs. 1,212.53. 120 Japan, however, eased by Re. 1.59 to Rs. 1,245.60. 150 Italy dropped Rs. 13.22 to Rs. 1,364.65. Among indigenous yarns, National Rayons 150 Bt. Cones 1st grade hardened by 5 nP to Rs. 11.51, while 120 Bt. Cones 1st grade lost 6 nP to Rs. 12.87.

In the staple fibre yarn section, 40 x 2, October delivery rose by Rs. 3 to Rs. 737. December position gathered Rs. 5 to Rs. 749. Spot Centurys were fully maintained at Rs. 8.47. Kohinoors were done at Rs. 8.92, as against Rs. 8.95.

Among cotton yarns, ten counts Gokaks were firm at Rs. 18.75. Citys shed 13 nP to Rs. 18.12. Twenty counts Moderns and Gokaks improved by 25 nP each to Rs. 23.50 and Rs. 23.25, respectively. Forty counts Moderns were quoted at Rs. 32.75. Sixty counts Finlays were fully steady at Rs. 61.61, as also Raghuvamshis at Rs. 58. Eighty counts were firm at Rs. 73. But Finlays declined by Re. 1.01 to Rs. 79.79.

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

	12-10-1960	5-10-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.) October	2,246.00	2,235.00
December	2,258.00	2,223.00
60/1 Cupressa Bemberg spot	2,314.83	2,217.82
120 Japan (per 100 kg.)	1,245.60	1,247.19
150 Japan (per 100 kg.)	1,377.87	1,371.25
120 Italy (per 100 kg.)	1,212.53	1,212.53
150 Italy (per 100 kg.)	1,364.65	1,377.87
Staple fibre yarn—		
October (per 90.72 kg.)	737.00	734.00
December (per 90.72 kg.)	749.00	744.00
40+2 Kohinoor (per kg.)	8.92	8.92
40+2 Century (per kg.)	8.47	8.47
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.12	18.25
20s Gokak	23.25	23.00
40s Modern	31.75	
60s Raghuvamshis	68.00	68.00
80s Finlay	79.79	80.80

SEEDS IMPROVE

(*From Our Own Correspondent*)

BOMBAY, *12th October*

In distinct contrast to the trend in the previous week, the oilseeds market staged a smart rally during the week under review, thanks to bullish crop reports and hopes of fresh export incentives. The sentiment was, however, subdued today, mainly on account of profit-taking.

Although the actual business put through on the export front was negligible, operators took particular note of the fact that the export performance of oilseeds and oilcakes has so far been generally encouraging. Exports of castor oil rose by as much as 100 per cent. to 42,590 tons during the first nine months of 1960, as compared with the corresponding period in 1959. Exports of castorseeds are banned. In the groundnut section, the shipment of groundnut oil was somewhat lower at 2,000 tons. But exports of groundnut seeds had more than doubled during the period to 12,480 tons. Groundnut oilcakes, however, fared badly. In the linseed section, linseed oil exports were higher by over 500 tons at 5,161 tons. While exports of seeds were negligible, those of oilcakes made a substantial improvement.

The following table shows the trend of exports of seeds, oils and cakes in the first three quarters of the current year, as compared with the corresponding period of last year:

(In tons)

	Jan.-Sept.	
	1960	1959
Oilseeds:		
Groundnuts	12,480	6,169
Linseed	3	2
Sesame	403	232
Kardi	95	180
Rape and mustard ..	16	9
Oils:		
Groundnut	2,002	2,575
Linseed	5,161	4,647
Castor	42,590	21,277
Sesame	7	206
Rape and mustard ..	7	72
Oilcakes:		
Groundnut cake	17,239	29,967
Groundnut meal	90,829	92,418
Linseed	37,142	19,479
Cottonseed	2,187	10,070
Mowra	179	637
Niger	3,902	50
Sesame	20	67

To revert to the market trend. The groundnut section, which had turned steady at the close of the previous week, elicited fresh speculative support on reports of damage to crops in some of the major producing centres and also on hopes of new schemes for giving further incentives to exporters. Reports from Madras indicated widespread attack of caterpillar in certain groundnut-growing districts there. The spot section in seeds and oils, too, was distinctly cheerful and rose to new high levels of the season. This strength was induced by the tight supply position as seen from the smaller arrivals of new crop at terminal centres as well as poor carryover from the previous season. Crushers and vanaspati manufacturers extended sizable support in view of the forthcoming *Dipavali* festival. There was, however, a setback towards the close of the week, mainly as a result of larger arrivals from Khandesh and bearish crop reports. Crushers and *vanaspati manufacturers* seemed to have reached an overbought position and, consequently, their purchases tapered off. In these conditions, the groundnut February 1961 contract rose from Rs. 204 to Rs. 208.25, before closing today at Rs. 206.50. Khandesh quality spurted by Rs. 2.75 to Rs. 48, after fluctuating between Rs. 45.25 and Rs. 49.50. Oil ex-mill advanced from Rs. 20.25 to Rs. 21.90.

The castorseed section, too, was in the limelight during the major part of the week. It attracted much speculative interest on strong rumours that the Government would shortly lift the ban on exports of castorseed. There were also rumours suggesting Japanese interest in Indian castor oil. It is said that there is the possibility of a Indo Japanese barter agreement involving castor oil. Crop reports were also encouraging. Another important bullish factor was the report that the West Coast of India and Pakistan, U.S.A., Atlantic Conference lines proposed to reduce freight rates for castor oil to the U.S. in order to meet the increased competition offered by non-Conference lines. Reports of a better crop in Brazil, however, brought values to lower levels at the end of the week. Weather reports from castor-growing regions also showed signs of improvement in the crop position. Castor May 1961 contract, which had wound up last week at Rs. 174, rallied to Rs. 178 by Saturday, but drifted lower subsequently to Rs. 174.75. Ready Madras put on 30 nP to Rs. 33.80, after rising to Rs. 34.12 early in the week. Oil Commercial closed 20 nP higher at Rs. 14.10, after moving between Rs. 14 and Rs. 14.19.

The linseed section was steady but turned rather quiet at the close in the absence of any encouraging overseas advices for linseed oil. Linseed May 1961 contract rose initially from Rs. 33.12 to Rs. 33.41, before closing today at Rs. 33.06. Bold ready picked up 37 nP to Rs. 32.37. Linseed oil improved from Rs. 13.25 to Rs. 14.

Dull conditions prevailed in the cottonseed section. The cottonseed February 1961 contract fell by 75 nP to Rs. 88. In the ready section, nonwhites and Berars were quiet at Rs. 20.25 each, while whites put on 25 nP to Rs. 20.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	12-10-1960	5-10-1960	28-9-1960
Groundnut	Rs.	Rs.	Rs.
February 1961	206.50	204.00	205.00
Nizam bold	49.00	45.25	47.00
Coromandel ready	49.75	46.75	47.00
Khandesh quality	48.00	45.25	47.00
Oil ex-mill ready*	21.90	20.25	25.37
Railway receipts*	21.75	20.20	25.12
Castorseed			
May 1961	174.75	174.00	177.25
Ready Madras	33.80	33.50	33.75
Ready Kanpur	32.75	32.37	32.62
Oil R.S.S.†	15.25	14.95	19.12
Oil commercial†	14.10	13.90	17.62
Linseed			
May 1961	33.06	33.12	33.41
Oil ready†	32.37	32.00	32.25
Cottonseed	14.00	13.25	17.00
February 1961	88.00	88.75	90.74
Niger seed	36.50	36.00	36.50
Kardi seed	24.25	24.00	24.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms, with effect from 1st October 1960.

SUGAR EASY

(*From Our Own Correspondent*)

HAPUR, *10th October*

Sugar ruled quietly depressed during the week, thanks to better supply position following the fresh release of 200,000 tons. The week-end prices in the open market were Rs. 112.50 per bag and Re. 1.09 per seer (retail). Although the Union Government has issued an export quota of 50,000 tons and fresh efforts are being made to sell sugar to the U.S., export prospects are considered to be bleak, as prices abroad are much lower than those prevailing in India. The new crushing season will begin early next month; a few factories are reported to be in need of coal supplies before they commence crushing operations.

Easy tendency was witnessed in the Muzaffarnagar sugar market also, due to further easy supply position. There was less demand for sugar for conversion into *boora*, as Gujerat and Saurashtra were having better supplies. The week-end open market wholesale prices were Rs. 112 to Rs. 113 per bag. The quotas given for distribution in ration were not being fully lifted.

Sugar drifted lower in the Kanpur market too. D 29 quality was quoted at Rs. 112 to Rs. 112.50 per bag, thanks to better supply position and poor demand.

Khandsari sought lower levels, as demand was slack and the stockists were anxious sellers. The new season's production will not commence before mid-December. The latest available prices are about Rs. 2 to Rs. 3 per maund lower than those prevailing last week. *Gulawat* was quoted at Rs. 20 to Rs. 25, inferior at Rs. 27 to Rs. 32, superior at Rs. 33 to Rs. 37.50, crystal *khandsari*

at Rs. 33 to Rs. 37 and boora at Rs. 35 to Rs. 36 a maund.

After suspension due to heavy rains, *gur* production began but arrivals were still small at 50 maunds daily and that too of poor quality. Meanwhile, old stockists were anxious sellers and, although such stocks were small here at about 9,000 maunds, stocks in mofussil areas and in the Punjab were reported to be heavy. Following recent rains, cane crop prospects have become still brighter, though damage also has been reported due to gusty winds in some areas. Cane crushers have begun purchase of cane at Re. 1 per maund. The week-end prices of *gur* were: new Rs. 15 to Rs. 17; old *kotha* Rs. 13 to Rs. 15; wet Rs. 10.75 a maund.

Gur also registered a fall in the Muzaffarnagar market, due to lack of demand. *Chaku* eased by Re. 1.75 to Rs. 2 and *dana minja* lost Re. 1 per maund. The week-end prices of old stocks put at about 20,000 maunds were: *chaku* dry Rs. 17 to Rs. 17.50; dry-wet Rs. 15 to Rs. 15.25; wet Rs. 13, *dana minja* Rs. 13.50 to Rs. 16 a maund.

Gur futures were bearish, as operators from Bareilly and other centres were heavy sellers. *Fagun* opened at Rs. 13.70 last Monday, touched the lowest of the week at Rs. 13.47 and was today quoted at Rs. 13.50.

FOODGRAINS STEADIER

(*From Our Own Correspondent*)

HAPUR, *10th October*

Foodgrains depicted a steadier trend during the week under review. Business was very poor in the earlier part due to heavy rains, but it resumed towards the week-end, though daily arrivals were still meagre due to waterlogging in rural areas. The unusually heavy rains earlier last week have proved beneficial for *rabi* sowings which are now possible on enlarged scale, but many crops, including urd, *bajra*, *juwar*, cotton and even paddy standing in the fields, have been adversely affected. Rabi sowings will soon commence as weather has become clear and gram, coarse grains and peas sowings by the week-end, and wheat sowings later.

Wheat here recorded modest gains to be quoted at Rs. 17 a maund for average quality and upto Rs. 18 for better farm produce. Daily arrivals of wheat during the major part of the week were negligible due to heavy rains and paucity of arrivals and reports of losses to crop were the main factors that influenced the market sentiment. Wheat arrivals would now mount with the clearing up of weather.

Rice continued to rule quiet, *sela basmati* quoting at Rs. 30 to Rs. 33, *ramajwayan* at Rs. 24, *raimunia* at Rs. 25, *mainpuri* at Rs. 23 and *gadda* at Rs. 19.75 a maund. The supply position of rice was satisfactory and harvesting of paddy has begun and last week's heavy rains and gusty winds have caused some damage to the standing paddy crops.

Gram sought higher levels when Punjab quality was quoted at Rs. 16 and old stuff at Rs. 15 a maund. Demand for gram was fairly good and local stocks were fast running down. Punjab advices, too, recorded a steady trend. Barley was steady at Rs. 12.75, while *bejhar* at Rs. 12 a maund for inferior quality and Rs. 12.75 for *moongia* variety. New maize attracted good demand from consumers and, as arrivals were small, prices improved fractionally to Rs. 12.75 to Rs. 13.12 a maund according to quality. *Juwar* was quoted at Rs. 13 to Rs. 14 and *guwar* white at Rs. 12 to Rs. 13 a maund. With the clearing up of weather, preparation of land for *rabi* sowings had commenced and actual sowings of peas, gram and coarse grains will begin by the week-end and that of wheat a week later.

Among pulses, peas and *arhar* improved due partly to some demand from east U.P. and partly to reports of damage to *urd* and *moong* and other crops following heavy rains last week. Peas *dara* was quoted at Rs. 12.25, old stuff at Rs. 11.75 and white farm quality at Rs. 13.75 and peas *dal* at Rs. 13.75 a maund. Local peas stock ran down by two *khatties* during the week to 50 *khatties*, as against 45 *khatties* last year when peas *dara* was quoted at Rs. 11.62 a maund. *Arhar* improved by 25 nP a maund to Rs. 13.25 and *dal* was done at Rs. 17.25 to Rs. 18 a maund and *arhar* stock was unchanged at 25 *khatties* as against 30 *khatties* last year when *arhar* stood Rs. 17 a maund. Old *urd* changed hands at Rs. 18.50 and new at Rs. 19.50. *Moong* was quoted at Rs. 18.50 to Rs.19.25 a maund and *massoor* at Rs. 14 to Rs. 17 a maund.

Notice

GUEST, KEEN, WILLIAMS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the Company will be held at the Offices of Jardine Henderson, Limited, 4, Clive Row, Calcutta, on Tuesday the first day of November, 1960 at 12-00 noon, for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution, namely:—

That this Meeting hereby approves the proposal of the Directors that 20,00,000 Ordinary Shares of Rs. 10 each in the authorised capital of the Company be issued in accordance with the Letter of Consent dated 14th September, 1960 from the Controller of Capital Issues at a premium of Rs. 18.50 nP. per share and that such new shares shall rank *pari passu* with the shares already issued (and in particular that the new shares shall not confer on the holders thereof any right to participate in the interim dividend declared on 16th September, 1960 at the rate of 80 naye Paise per share (less tax) on the existing issued capital payable on 30th November, 1960 but shall entitle the Holders thereof to participate in all dividends declared hereafter) and shall be offered in the first instance to persons whose names are entered in the Register of Members on the 31st October, 1960 in the ratio of one new share for every share held by such persons respectively on such date and otherwise on the terms and conditions to be contained in the Letter of Rights whereby such new shares are offered to the persons aforesaid. Provided that in terms of the said Letter of Consent the subscription monies for 6,02,105 of the said new shares which are to be offered to Guest, Keen & Nettlefolds, Limited in accordance with this Resolution shall be satisfied by the transfer by Guest, Keen & Nettlefolds, Limited to Guest, Keen, Williams, Limited of 1,04,000 Ordinary Shares of Rs. 100 each in Sankey Electrical Stampings Private Limited credited as fully paid.

The Register of Members of the Company will be closed from 17th October, 1960 to 31st October, 1960 both dates inclusive.

By Order of the Board,

R. B. RITCHIE,
Secretary.

Registered Office:
41, CHOWRINGHEE ROAD
CALCUTTA-16
6th October, 1960

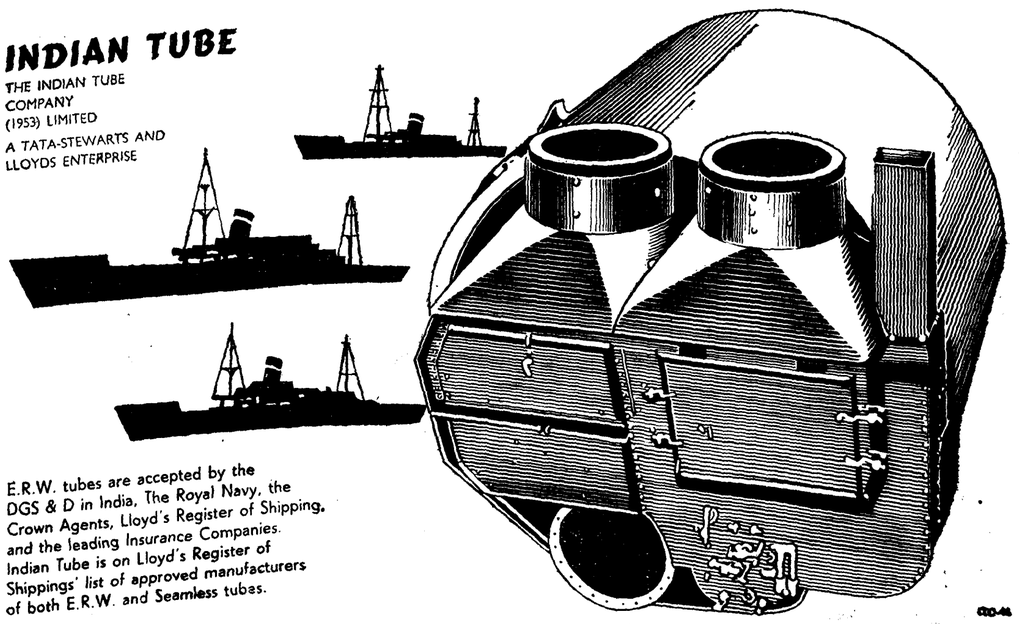
Note: A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such proxies need not be members of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Meeting.

The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 has been issued to all Shareholders.

E.R.W. MARINE BOILER TUBES

Recognised for their outstanding performance E.R.W. steel boiler tubes, manufactured by Indian Tube, are specially designed for protracted use in land, loco and marine boilers. High frequency current ensures efficient welding, and normalising is carried out in controlled atmosphere furnaces to produce a ductile tube with a smooth, blue finish. Rigid quality control from the raw material stage to the finished product guarantees that Indian Tube's E.R.W. tubes will meet all the tests specified by Lloyd's Register of Shipping. E.R.W. tubes are, in every respect, the equivalent of seamless tubes of similar dimensions.

INDIAN TUBE
THE INDIAN TUBE COMPANY (1953) LIMITED
A TATA-STEWARTS AND LLOYDS ENTERPRISE



E.R.W. tubes are accepted by the DGS & D in India, The Royal Navy, the Crown Agents, Lloyd's Register of Shipping, and the leading Insurance Companies. Indian Tube is on Lloyd's Register of Shippings' list of approved manufacturers of both E.R.W. and Seamless tubes.

CO-46

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 7th Oct., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long-term Operations) Fund		40,00,00,000
National Agricultural Credit (Stabilisation) Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		55,33,92,000
(2) Other Governments		11,25,39,000
(b) Banks		105,61,49,000
(c) Others		85,95,25,000
Bills Payable		16,34,73,000
Other Liabilities		15,52,18,000
	Rupees	420,01,26,000

ASSETS	Rs.	Rs.
Notes		12,21,71,000
Rupee Coin		1,80,000
Subsidiary Coin		5,31,000
Bills Purchased and Discounted—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		23,78,31,000
Balances held abroad*		17,79,28,000
Loans and Advances to Governments†		39,10,41,000
Other Loans and Advances		127,74,84,000
Investments		186,94,27,000
Other Assets		12,28,23,000
	Rupees	420,01,26,000

* Includes Cash and Short-term Securities.

† *Includes Temporary Overdrafts to State Governments.*

The item 'Other Loans and Advances' includes Rs. 8,30,80,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,21,71,000	
Notes in circulation	1810,91,18,000	
Total Notes issued	....	1823,12,89,000
Total Liabilities	....	1823,12,89,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	122,00,89,000	
Foreign Securities	....	
Total of A	....	240,76,92,000
B. Rupee Coin	....	130,61,00,000
Government of India Rupee Securities	....	1451,74,01,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1823,12,89,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	30th Sept., 1950	23rd Sept., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1700 04	1783.97	1795.33	1649 25
Notes held in Banking Department	85 06	14 99	21 29	8 51	30 06
Foreign Securities	59 50	123 01	123 01	123 01	163 01
Rupee Securities	87.39	1431.74	1431.72	1431 66	1261 40
Banking Department					
Deposits of:					
Government of India	14.39	63.32	76 63	55 09	60 06
Other Governments	..	13.46	23 43	46 63	9 86
Balances held abroad	10.06	16.17	20 93	20 34	15 98
SCHEDULED BANKS					
Demand Liabilities	134.86	775 00	772 07	796 80	745 22
		(10 51)†	(17 01)†	(22 80)†	(25 80)†
Time Liabilities	102.24	1183 62	1186 51	1193 75	1114 52
		(25 81)†	(25 36)†	(25 70)†	(30 12)†
Borrowings from Reserve Bank	..	33 41	46 74	54 85	7 88
		(9 29)†	(12 26)†	(10 10)†	(0 76)†
Borrowings from State Bank	..	17 87	14 05	16 05	4 28
Cash in India	6.70	45 77	45 50	48 04	39 81
Balances with Reserve Bank	25.17	96 20	103.14	107.00	77.89
Balances with other banks in current accounts India	..	15 64	15.68	16.49	13 49
Money at call and short notice in India	..	32 06	26 92	34 34	39 59
Investments (at book value)	..	726 21	729 97	748 49	790 08
Advances and bills	168.9	1127 59	1122 58	1129 25	923 19
STATE BANK					
Deposits	97.76	591.65	598.16	609 86	574 39
Investments	51.99	369 51	371 56	395 33	397 48
Advances	80.35	219 05	216 01	213 68	157 92
Cash	14.69	26 24	23.04	27.18	34.27

† Borrowings from Banks excluding the Reserve Bank and the State Bank. *R*—Revised Figures.

‡ Borrowing against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3 50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	2.32	1.93
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4 50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	3	4
Finland	Mar., 1950	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4 75
Italy	7th June, 1958	4	3 50
Japan	23rd Aug., 1960	7.3	6 935
Mexico	4th June, 1942	4	4 50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1958	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	5	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6 50
Portugal	16th Jan., 1944	..	2
South Africa	10th Aug., 1960	4	3
Spain	11th April, 1960	6.25	5.75
Sweden	18th Jan., 1960	4 50	5
Switzerland	26th Feb., 1959	2.50	2
	Feb., 1948	2	2
Turkey	6th June, 1958	4.50	6
United Kingdom	23rd June 1960	6	6
U.S.S.R.	1st July, 1936	4	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 7th Oct., 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		520,28,90,000
Borrowings from Other Banking Companies, Agents, etc.		14,25,000
Bills Payable		9,52,81,000
Bills for Collection being Bills receivable as per contra		2,19,18,000
Acceptances, Endorsements and Other Obligations per contra		1,77,13,000
Other Liabilities (including Inter-Office Adjustments)		18,13,82,000
Total	Rs.	633,83,59,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,55,71,000
Balances with other Banks		3,53,31,000
Money at Call and Short Notice		93,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	360,86,19,000	
Other Authorised Investments	9,83,01,000	
		370,74,20,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	204,06,21,000	
Bills Discounted and Purchased	9,33,21,000	
		213,89,42,000
Bills Receivable being Bills for Collection as per contra		2,19,18,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,77,13,000
Premises less Depreciation		1,25,43,000
Furniture and Fixtures less Depreciation		1,30,35,000
Other Assets (including Inter-Office Adjustments)		18,63,13,000
Total	Rs.	633,83,59,000

Scheduled Banks*

Statement of Affairs for the week ended 30th Sept., 1960

	Rs	Rs
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		19 51 10 000
(ii) Other demand liabilities		755,49,20,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		23 80,73,000
(ii) Other time liabilities		1157,81,21,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		17,30,88,000
(ii) Time liabilities		47,00,000
Borrowings in India from the Reserve Bank of India‡		33,41,28,000
Cash in India		(9 27,89,000)
Balances with the Reserve Bank in India		45 76 01,000
Balances with other banks in current account in India		96 23,08,000
Money at call and short notice in India		15,63,91,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		32,06,46,000
Advances in India		726,20,60,000
Inland Bills, purchased and discounted in India		989 31,000
Foreign Bills, purchased and discounted in India		47,82,32,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs
1960					
26th July	2 00	2 00	2 00	2 745	99 310
2nd August	2 00	2 26	2 00	2 737	99 310
3rd to 6th Aug.*	0 16	—	0 16	—	99 327
9th August	2 00	2.00	2 00	2 745	99 310
10th to 13th Aug.*	1 10	—	1 10	—	99 296
16th August	2 00	2 00	2 00	2 540	99 365
17th to 20th Aug.*	0 25	—	0 25	—	99 331
23rd August	2.00	2.00	2 00	2 540	99 365
24th to 27th Aug.*	0 01	—	0 01	—	99 341
6th Sept.	2.00	2 00	2 00	2 540	99 365
13th Sept.	2.00	2 00	2 00	2 540	99 365
14th to 17th Sept.*	0 15	—	0 15	—	99 341
20th Sept.	2.00	2 50	2 00	2 540	99 365
27th Sept.	2 00	2 60	2 00	2 540	99 369
28th Sept. to 1st Oct.	0 03	—	0 03	—	99 381
4th Oct.	2.00	2 55	2 00	2 552	99 365
11th Oct.	2.00	2.35	2.00	2.560	99.360
Total amount outstanding	23.75	..	23.75	..	..

* Intermediate Treasury Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	24th Sept., 1960	17th Sept., 1960	26th Sept., 1959	August 1960	August 1959	Percentage of Increase (+) or Decrease (−) in Aug., 1960 as compared with Aug., 1959	Financial Year Average 1959-60	Financial Year Average 1958-59
Food Articles	206	133 9	133 6	121 9	133 9	121 7	+ 1 8	119 0	115 2
Cereals	102	108 2	108 3	108 4	108 1	109 3	− 0 2	104 1	106 8
Pulses	43	94 5	95 5	93 2	93 7	92 6	+ 1 2	93 6	103 9
Fruits and Vegetables	23	110 2	114 8	127 1	134 7	152 1	−11 4	127 8	117.0R
Milk and Ghee	34	127 2	122 8	117 9	118 7	113 9	+ 4 2	113 3	107.5
Edible Oils	47	151 0	149 7	129 8	148 0	113 9	+ 16 9	110 4	124.5
Fish, Eggs and Meat	23	126 1	125 1	118 6	127 0	116 8	+ 8 7	112 0	105.4R
Sugar and Gur	48	136 7	137 4	140 0	140 1	143 1	− 2 1	112 0	105.4R
Others	50	172 3	172.8R	168 6	170 7	168 4	+ 1 3	115 2	107.5
Liquor and Tobacco	21	105.5	104 6	100 2	108 7	98 3	− 5 5	107 9	95.4
Tobacco	—	103 7	102 7	98 7	105 0	96 6	+ 8 7	98 5	95.4
Fuel, Power, Light and Lubricants	39	119 8	119 8	118.3	119 5	115 5	+ 3 5	116 5	115 4
Industrial Raw Materials	185	141 1	138 1R	123 8	137 0	119 4	+ 14 8	123 7	115 6
Fibres	61	143 0	140 5	149 8	144 1	149 6	− 3 6	122 7	115 6
Oilseeds	60	149 2	147 2R	138 4	144 1	149 6	− 3 6	122 7	115 6
Minerals	2	98 2*	98 2	98 3*	98 2	98 3	− 0 1	108 1	108 0
Others	62	153 5	153 5	153 5	153 5	153 5	—	127 0	108 0
Manufactures	286	122 8	122 6	119 0	122 5	116 3	+ 5 3	97 8	108 0
Intermediate Products	41	130 5	129 5	111 9	131 0	109 5	+ 19 6	121 6	109 2
Finished Products	248	121 6	121 4	103 8	121 1	103 8	+ 16 7	113 8	110 3
Textiles	147	123 9	123 5	104 9	122 5	104 9	+ 16 8	111 3	108 1R
Cotton	—	131 4*	131 4*	111 1	131 4	111 1	+ 18 3	117 8	113 6R
Jute	—	116 6	115 9	88 3	115 1	90 3	+ 16 0	116 9*	117 8R
Woollen	—	110 1*	110 1*	104 2	110 1	104 2	+ 5 7	90 6	86 5
Silk and Rayon	—	100 8*	101 8*	102 0	92 3	—	+ 10 5	104 2	105 6
Metal Products	12	146 8	146 8	144 5	146 8	143 3	+ 2 4	98 4	93 2
Chemicals	29	105 5	108 4	104 0	107 1	—	+ 2 6	144 4	143 1
Oil Cakes	10	139 1	138 8*	141 0	142 1	142 1	— 3 2	106 8	106 8
Machinery and Transport Equipment	31	111 2	111 2	105 9*	111 1	105 3	+ 5 5	143 8	136 0
Others	93	115 8	116 0	113 7	115 0	113.8	+ 1 0	106 2	103.9R
All Commodities	1,000	125 7	125 2	118 1	125 0	117.1	+ 6.7	113 4	113.7
								117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that Group Index. *R*—Revised. * Estimated.

State Bank of Pakistan

Statement of Affairs for the week ended 30th Sept., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		5,15,00,000
Deposits:—		
(a) Central Government		11,05,62,000
(b) Provincial Governments		61,20,000
(c) Banks		20,73,81,000
(d) Others		103,61,39,000
Bills Payable		33,32,000
Other Liabilities		10,09,00,000
	Rupees	156,45,23,000

ASSETS	Rs.	Rs.
Notes		12,30,02,000
Rupee Coin		45,000
Subsidiary Coin		54,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		....
Balances held outside Pakistan*		24,80,20,000
Loans and Advances to Governments		7,33,00,000
Provincial Governments' Debtor Balances		....
Other Loans and Advances		19,22,13,000
Investments		92,90,76,000
Other Assets		8,85,83,000
	Rupees	156,45,23,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,30,02,000	
Notes in circulation	342,33,55,000	
Total Notes issued	....	355,03,57,000
Total Liabilities	....	355,03,57,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion		
Foreign Securities	73,00,03,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin	5,10,36,000	140,74,49,000
Government of Pakistan Securities	203,28,63,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		208,39,02,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
Total Assets	....	5,00,06,000
		355,03,57,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 41.22 per cent.

EXCHANGE RATES

	11th October 1960	Previous Week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-5⅜	1-5⅜
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—	1-6¼	1-6¼
Sellers T.T. D.D. Rs	476 50	476.00
Buyers T.T. Rs	473 25	472 75
London on New York £	2 8093-2 8091	2 8103-2 8111
London on Berne Sw. Frs	13 791	13.774-13 784
New York on London	12 1040-12 1100	12.1080-12.1100
	280.360-280 890	281.090-281.130

CLEARING HOUSE RETURNS

Centre	Week ended 7th Oct., 1960 Number of Clearings	Amount Rs.	Week ended 30th Sept., 1960 Number of Clearings	Amount Rs
Bombay	4,30,219	1,05,21,18,000	3,26,288	73,33,42,000
Calcutta	..	..	80,000	31,00,00,000
Madras	1,28,149	16,07,33,278	84,261	7,37,66,830
All Centres—				
1957-58	41,872,000	89,54,80,00,000	..	..
1958-59	45,172,000	97,67,12,00,000	..	..
1959-60	50,064,000	109,88,05,00,000	..	..
June 1960	4,227,000	9,56,07,00,000	..	..
July ..	4,210,000	9,52,59,00,000	..	..
Aug..	4,377,000	9,96,31,00,000	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India	'50-'51	403.64	..	11,750	291 3
Pakistan	'58-'59	86 80	..	2,084	240
Burma	1958	20 02	Kyats 4,344	434	216
Ceylon	1957	9 1	..	507	557
Japan	1957	90 90	Y. 8,252,000	10,915	1,200
Philippines	1957	23 1	P. 9,237	2,309	1,000
New Zealand	1958	2 28	£(N.Z.) 962	1,069	4,688
Australia	1958	9 80	£(A.) 4,625	4,920	5,021
U.K.	1958	51 60	£ 18,230	24,310	4,711
U.S.A.	1959	177 1	$ 403,900	103,064	10,001
Canada	1958	17 00	$ 24,660	12,091	7,112
France	1958	44 05	F. Fr. 17,910,000	17,470	3,926
W. Germany	1958	52 1	Dm. 176,400	20,050	3,848
Italy	1958	48 07	Lr. 13,126,000	10,120	2,078
Norway	1957	3 49	Kr. 23,290	1,559	4,470
Sweden	1958	7 40	Kr. 54,910	5,084	6,870
Netherlands	1958	11 10	Grs. 30,180	3,820	3,440
Denmark	1958	4 50	Kr. 28,250	1,960	4,355
Switzerland	1958	5 10	Sw. Fr. 28,300	3,130	6,137

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 1st Oct., 1960§	24th Sept., 1960	3rd Sept., 1960	3rd Oct., 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101 1	101 0	101 2	101 6
2. Government of India	101 0	101 0	101 0	101 5
3. State Government	102 4	102 5	102 7	102 7
4. Municipal, Port Trust, etc.	100.0	100 0	100.0	99.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.7	100 7	100.8	102.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	87 0	86 8	86 9	93 6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	167.4	169 7	178 8	154 5
8. *Agriculture and Allied Activities: Total*	165 2	165 4	173 2	153 7
Plantations	157 3	157 2	166 6	146 4
9. Tea Plantations	209 6	208 9	213 0	195 3
10. Coffee Plantations	170 0	169 1	175 2	158 8
11. Rubber Plantations	145 2	145 9	158 7	144 6
12. *Mining and Quarrying: Total*	115 7	115 7	122 7	115 4
13. Coal	163 5	160 7	179 2	166.7
14. Other Mining	180 5	183 7	194 0	181.2
15. *Processing and Manufacturing: Total*	189 1	184 7	194 8	153 4
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*	189 7	190 6	195 3	180 7
17. Sugar	169 4	151 9	169 0	125 5
18. Cotton Textiles	89 9	89 9	95 0	97 0
19. Jute Textiles	1000 8	1037 0	1114 3	603.5
20. Silk and Woollen	195 4	199 1	203 6	177 8
21. *Processing and Mfg. (Metals Chemicals, etc.): Total*	189 1	193 4	205 6	177 8
22. Iron and Steel	155 0	160 2	160 6	160 8
23. Engineering	373 8	385 1	429 8	287 2
24. Electrical Machinery	132 4	132 4	141.5	138 3
25. Machinery other than Transport and Electrical	203 7	205 9	218 0	192 1
26. Basic Industrial Chemicals	200 3	215 2	229 9	152 3
27. *Processing and Mfg. (Others) Total*	161 1	152 6	170 1	154 0
28. Cement	141 7	143 8	148 2	137 0
29. Paper	218 0	218 0	234 4	212 0
30. *Other Industries: Total*	107 6	108 6	112 1	115 2
31. Electricity Generation and Supply	81 3	81 5	82 0	90 5
32. Trading	108 7	110 0	118 9	104 9
33. Shipping and Other Transport	103 3	104 3	108 4	124 0
34. Construction	305 9	316 2	333 4	309 5
35. *Financial: Total*	171 1	171 6	179 6	170 2
36. Banks	191 0	191 0	199 2	186 4
37. Insurance	132 0	134 4	143 9	139 3
38. Investment Trusts	87.2	87.1	91.3	100.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	171 7	176 7	186 1	159 7
40. Calcutta	153 7	153 7	162 0	145 6
41. Madras	189 9	190 5	196 0	168 1
42. Delhi	213 9	217 4	236 4	183.4

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils. § Provisional.

IRON AND STEEL PRODUCTION (*In Tons*)

Pig Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797 500
Do. 31st March, 1958	1,008,300	1,108,300	788,900
Do. 31st March, 1959	1,157,500	1,149,900	884 700
Do. 31st March, 1960	1,568,400	1,535,700	1,215 100
June 1959	115,700	114,300	88,100
July "	125,000	121,000	93,500
August "	118,700	125 500	97,100
Sept. "	124,300	117,100	93,100
June 1960	132,900	121,700	92,700
July "	105,700	119 800	98,000
August "	131,300K	131,000K	102,400K
Sept. "	133,300K	138,100K	103,000K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,015	507,540	410,558
Do. 31st March, 1959	959,933	608 205	406,217
Do. 31st March, 1960	1,053,612	827,072	660,695
June 1959	78,705	62,510	49,006
July "	97,082	71,441	55,903
August "	94,830	68,644	57,556
Sept. "	70,615	60,701	49,428
June 1960	84,127	69,105	53,737
July "	79,502K	62,062K	49,897K
August "	100,162K	79,258K	60,899K
Sept. "	100,437K	79,761K	60,663K

K—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total or Average number of workers involved	Number of man-days lost
1957*	1 630	489,371	6 429 319
1958*	1 524	928 866	7,707 585
1959*	1,523	692,514	6,005 079
1959 Feb.	93	83,900(66)	271,253(66)
March "	166	67,583(156)	8,8,069(155)
April "	175	50 509	1,507,571
May "	131	53,755(127)	354,517(127)
June "	154	77,758(149)	788,798(149)
July "	183	62,075(123)	412,797(123)
Aug. "	125	47,709(114)	470,258(114)
Sept. "	92	37,770 85)	231,511(85)
Oct. "	127	37,675(115)	414,789(115)
Nov. "	154	68,783(138)	390,435(138)
Dec. "	..	..	..
1960 Jan.	..	..	..
Feb.	..	..	..
March	..	..	..
April	..	..	..
May	..	..	..
June	..	..	..

* Provisional. † In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.

Figures relate to all States and centrally administered areas as after reorganisation.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base (1934-100)	Ahmedabad Base 1949=(100)	Sholapur Base January (1928-100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City (1949=100)	Delhi (1949=100)	Ajmer (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jalgaon (1949=100)	Ranchi (1949=100)
1952 Average	103	337	104	810	92	101	361	102	108	109	111	112	99	115
1953 "	106	363	111	823	95	103	349	109	106	104	102	112	100	114
1954 "	101	359	98	794	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	87	746	78	96	321	99	99	85	87	98	98	103
1956 "	105	353	98	818	89	105	347	111	109	95	96	106	109	114
1957 "	111	369	104	838	94	112	364	116	114	99	103	115	107	128
1958 "	116	395	110	813	98	120	384	124	113	103	105	123	109	131
1959 "	121	412	125	840	98	132	384	133	120	106	98	125	108	148
April 1959	117	400	119	813	95	130	364	128	119	101	95	121	104	137
May "	119	406	124	828	95	131	371	131	116	103	96	125	104	138
June "	122	413	125	837	97	132	385	134	117	104	99	130	108	140
July "	124	418	127	845	97	133	399	134	117	105	98	129	110	141
January 1960	122	422	123	860	96	133	385	137	121	107	99	120	111	144
February "	122	418	119	855	98	136	389	138	122	107	97	118	109	144
March "	121	414	118	839	97	135	392	138	119	104	100	119	109	145
April "	122	421	116	846	97	138	392	138	117	104	103	117	109	146
May "	123	421	120	844	96	136	396	140	116	104	105	117	109	145
June "	124	422	121	860	96	135	389	143	117	107	107	119	109	146
July "	126†	423	122	862	101	137	406	145	121	108	108	119	109†	146
August "	..	421	..	..	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

| Year Month | Cumulative Time Deposits 5-Year J Outstandings | Cumulative Time Deposits 10-Year J Outstandings | National Savings Certificates 5-Year A Outstandings | National Savings Certificates 7-Year B Outstandings | National Savings Certificates 12-Year B Outstandings | 12-Year National Plan Savings Certificates O Receipts | 12-Year National Plan Savings Certificates O Outstandings | Post Office Savings Bank Deposits Receipts | Post Office Savings Bank Deposits Outstandings E | 10-Year National Plan Certificates D Outstandings | Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E | 10-Year Treasury Savings

DRAFT THIRD PLAN X-RAYED—IV

(*Concluded from page 677*)

heavy industries to make up such leeway as may have been imposed by Colonial rule, the proportion with consumer industries has to be maintained in the very name of democracy and socialism. The people can be called upon to sacrifice something, but not everything for the State.

The fourth axiom is that industrial growth is a function of the general economic growth and can be in advance of it only by sacrificing the common people for the few rich and powerful. When the landless labourer has an annual income of Rs. 104, the rural population of Rs. 220 and the general population of Rs. 290, industries on the model of countries which have hundred times these incomes can neither be appropriate nor successful. The first responsibility of the Government is to foster those industries which increase the production and consumption of these classes, proceeding upwards as it succeeds in each stage.

The failure to recognise these axioms is evident in the admissions of the Commission that the steel, fertiliser, heavy electrical targets were not reached, in spite of expenditure in the public sector exceeding the provisions of the second Plan. The Commission also admits the shortage of industrial machinery, aluminium, newsprint and chemical pulp, not to speak of various consumer items. In respect of fertilisers, it is inviting private enterprise to take up the establishment of a few units.

The Plan proposes Rs. 2,500 crores for industries, Rs. 1,500 crores in the public sector and Rs. 1,000 crores in the private sector. An overall provision of Rs. 571 crores is made for steel. Before this investment is made, it will be fair to the masses, which have provided the finance, to see what steel will be available and how it will be absorbed in the economy. The pig iron, instead of the targetted steel which has so far been produced, had to be exported, straining, on the one hand, the transport and, on the other, the coal supplies which were short for such consumer needs like textiles. In 1955-56, before the construction of steel factories imposed a new demand for steel, our imports of steel were worth only Rs. 12.1 crores, less than half the interest we are paying on the investment on steel factories. Since then, industrial production has gone up by 23 per cent., against which the production of steel in the factories which existed before has increased by 42 per cent. Whatever the new State factories produce will have to be matched by new demands, which are not in view. The investment on steel factories is only part of the total, because investment on transport, coal mines and other mining add up to nearly as much. And all this may only produce for us mountains of steel for which even storage may not be available.

The target for coal has been fixed at 95 million tons, as against 46 million reached in 1959. Considering how unresponsive the private sector is on account of price policies and how slow the public sector is on account of the inexperience of management, the target appears unrealistic. The Neivelli project has also made little progress.

The foundry forge capacity may be welcome, if only to use the steel which will be produced. Being in the public sector, however, when it will be available and how it will function must remain subject of speculation. The same is true of heavy machinery plant also. The Defence prototype factory at Ambarnath does not inspire confidence after the Defence Ministry produced trucks and tractors which would not work. The expansion of the Hindustan Ship Yard would inspire more confidence if the Government could disprove that it costs twice as much to assemble the majority of imported parts than to buy a new ship. In fact, the Planning Commission had a responsibility to disclose the economics of existing State enterprises before recommending a vast expansion of capacity.

The development of mineral oils is to be welcomed, but, with the loss of nearly two years only to select the sites for the refineries to refine the Nahorkatiya crude, the production may be more of politics than oil. The whole policy in respect of oil exploration is wrong. In the first place, when we have no trained personnel worth speaking of and have to depend on foreigners, the interest of the latter can only be secured by their investment. It is stated that foreign interests have now been invited, but, if they are treated with suspicion and frightened with socialism, the response will be small. Our policy may follow that of other oil countries which have done well with the help of foreign investment, with the addition that the Government may participate in the capital from the beginning. Secondly, political interference of which the present outburst in Assam is a logical conclusion could be eliminated by leaving exploitation of oil to the private sector. Thirdly, in respect of refining and certainly in respect of distribution, Government may be duplicating the existing private capacity. It would be better if the Government's policy in respect of oil were not mixed with unnecessary vinegar.

For iron ore, a huge target of 32 million tons is set, when, in 1959, it was able to produce only about 7.5 million tons. Besides, the Government is not willing to spend enough on ports and connecting railways, on which exports depend. The expectation that the capacity for nitrogenous fertilisers, now at 148,000 tons (N), can be pushed up to 1,000,000 tons (N) appears to be unduly optimistic, considering the capital investment involved. The response of the private sector will be conditional on the present monopoly prices, which being so much higher than world prices, may not be fair to the farmer. Engineering industries for making the machines required by cement, paper, sugar, cotton and sulphuric acid factories are left to the private sector. If these factories are to be licensed, the quality may be poor and the prices too high to attract demand. If competition is allowed its way, even foreign interests may be forthcoming, with which Indian interests or even the Government can participate. In respect of automobiles, the targets are not commensurate with the demand at prices comparable in other producing countries. If only Government withdraws its taxes for revenue, the automobile industry and public transport in this country will grow to its proper size. In respect of consumer goods, a slight increase is promised in cotton and rayon textiles, which serve the general public and a little increase in paper, which serves a limited class. The imbalance between the investment on capital and producer goods, on the one side, and consumer goods, on the other, involves not only a sacrifice for the present generation but also provides a strong potential for inflation.

The whole plan for industries seems to recall children in a nursery with meccano sets. There is no maturity of thought, because the Plan lacks the foundation of current satisfaction for the people which alone can establish the demand-supply position basic to continuing production. The preceding two Plans have shown how State enterprises do not work to schedule and capacity and cannot produce profits. This is not only due to the nature of management but wrong selection of industries. If Government could suspend its incursion into the sphere of industry, the people will be spared higher taxes and prices and have things in the market that can improve their way of living and working.

(*To be continued*)

DALMIA CEMENT (BHARAT) LTD.

(*Concluded from page 688*)

to arrange intensive workload studies in selected units to begin with.

"You would be glad to learn that the outstanding dispute in regard to bonus for the year 1958, to which a reference was made in my speech last year, has been settled along with the question of bonus for the year 1959 as a result of mutual discussions with the workers' unions.

Under a settlement, which was brought about through the efforts of Shri R. Venkatraman, Minister of Industries and Labour, Government of Madras, workers have undertaken to maintain industrial peace and discipline and to forbear from having resort to any strikes or go-slow for a period of five years. The agreement lays down the procedure which is to be followed by the parties for the settlement of their differences or demands raised by any of the unions. I am sure that both the management and labour will stand to benefit by this agreement, because the smooth working of the factory is in the interests of both.

"Before I conclude, I would like to express our appreciation of the services rendered by the officers, staff and workers of the Company during the year.

"I would now request you to proceed with the consideration of the subjects on the agenda of the meeting."

N.B.—*The above extract of the speech does not purport to be the report of the proceedings of the Eighth Annual General Meeting of the Company held on 10th October 1960.*

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th October 1960.

	Closing quotation 6-10-1960	High	Low	Closing quotation 13-10-1960
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	178.00	—	—	178.00
Apollo (2)	1.40	1.38	1.32	1.36
Baroda Rayon (75)	145.00	149.00	143.50	145.00
Bombay Dyeing (25)	64.30	64.50	62.60	62.80xd
Bradbury (50)	132.00	—	—	132.00
Central India (200)	112.50	115.00	112.00	113.00
Century Mills (100)	460.00	461.50	446.50	456.00xd
Coorla Sh. (100)	133.00	—	—	133.00
Dawn (50)	135.50	146.00	133.00	133.00
Edward Textile (200)	267.50	—	—	267.50
Elphinstone (50)	55.00	—	—	55.00
Finlay (100)	344.00	347.00	342.00	346.00
Gokak (100)	175.00	178.00	173.00	174.50
Gold Mohur (100)	237.50	240.00	235.00	240.00
Gwalior Rayon (10)	39.00	39.50	38.60	39.25
Ind. Untd. Defd. (1)	1.58	1.58	1.50	1.54
Ind. Untd. Ord. (10)	12.64	12.52	11.72	12.04
Indian Rayon (37.50)	65.50	70.50	65.50	68.50
Indore Malwa (100)	122.00	125.00	115.00	123.00
Khatau (100)	537.50	607.50	572.50	607.50
Kothoory (100)	301.00	303.00	295.50	298.00xd
Lakshmi (250)	502.00	—	—	502.00
Mafatlal (100)	800.00	860.00	795.00	850.00
Minerva Mills (100)	84.00	—	—	84.00
Model Naurang (250)	80.00	—	—	80.00
Morarji (100)	350.00	364.00	345.00	360.00
Mysore (50)	80.00	80.00	79.00	79.00
National Rayons (100)	455.00	470.00	448.50	465.00
New City (100)	142.50	—	—	142.50
New Great (100)	194.00	—	—	195.00
Phoenix (100)	129.50	137.00	129.50	133.00
Podar Mills (100)	139.00	140.00	139.00	140.00
Raymond Woollen (100)	108.50	110.00	108.50	109.00
Sasoon Silk (10)	10.12	—	—	10.12
Sasoon Spg. (10)	48.00	—	—	48.00
Shrinivas (100)	245.00	245.00	230.00	234.00
Simplex (50)	167.00	168.00	166.00	168.00
Standard (100)	1,225.00	1,380.00	1,175.00	1,350.00
Swadeshi (100)	248.00	255.00	243.00	248.50
Swan (100)	497.50	—	—	497.50
Tata Affil (25)	42.50	43.00	42.00	42.50
Vishnu (100)	100.00	—	—	100.00
Western India (1,000)	5,650.00	—	—	4,500.00
BANKS				
Bank of India (50)	100.00	101.75	99.50	101.75
Do. (New (50)	101.50	102.50	101.00	102.25
Bank of Baroda (50)	80.50	81.50	80.20	81.50
Central (25)	49.00	51.00	48.50	50.50
Central 'A' (25)	52.00	54.00	51.70	54.00
Dena Bank (250)	52.00	—	—	52.00
Punjab National (10)	18.75	18.88	18.70	18.88
Union Bank (5)	5.92	5.90	5.92	5.90
United Com. (50)	77.00	77.30	77.00	77.30
ELECTRIC COS.				
Ahmedabad (100)	86.50	89.00	85.00	88.00
Amalgamated (10)	10.12	—	—	10.12
Andhra Valley (1,000)	995.00	1,012.50	995.00	1,010.00
Bom. Sub. El. (100)	84.00	84.50	84.00	84.50
Surat (100)	83.00	84.00	88.00	84.00
Tata Hydro (100)	101.25	102.35	100.50	102.75
Tata Power (1,000)	1,020.00	1,043.25	1,015.00	1,037.50
INSURANCE COS.				
British India (10)	12.00	12.00	11.92	11.92
Empire of India (100)	268.75	—	—	268.75
Ind. Mercantile (20)	41.50	—	—	41.50
Jupiter (15)	7.12	—	—	7.18
New India (16)	54.80	54.70	53.70	54.00
Vulcan (10)	18.28	—	—	18.28
STEEL COS.				
Ind. Iron (10)	22.64	22.64	22.48	22.64
Mukund Iron (10)	24.00	24.48	23.48	24.00
Tata Steel Ord. (75)	153.50	152.75	143.25	144.75xd
SUGAR COS.				
Belapur (50)	352.00	364.00	347.00	361.50
Dhampl (10)	28.00	—	—	28.00
Chandpee (12.50)	34.50	—	—	34.50
Phaltan (50)	178.50	180.00	177.00	179.00
Walchand Ind. (100)	299.00	298.00	296.00	297.00
CEMENT COS.				
Associated Cts. (100)	141.25	145.50	140.00	144.50
Digvijay (100)	165.50	166.00	164.50	165.50
MISCELLANEOUS				
Alcock Ashdown (100)	293.50	—	—	—
Bom. Burmah (125)	564.00	302.00	237.00XR	256.00XR
Do. (New) (50)	200.00	578.00	562.00	572.00
Br. B. Petrol (4 sh.)	1.80	202.50	200.00	202.50
Br. I. Corpn. (5)	7.00	1.78	1.74	1.76
Cooper Eng. (100)	155.00	7.64	7.00	7.04
Colour Chem. (100)	370.00	160.00	159.00	160.00
Blnd Cycle (100)	115.00	380.00	362.50	375.00
Hindustan Lever (10)	43.25	—	—	115.00
Hindustan Motors (10)	18.00	44.75	43.50	44.50
I. C. & Invest. Corporation (100)	—	18.64	18.08	18.40
Indian Dyestuff (100)	70.00	—	—	70.00
Indian Copper (2 sh.)	525.00	590.00	580.00	580.00
Ind. Inv. Tr. (100)	4.36	4.36	4.28	4.32
Kilburn (100)	70.00	—	—	76.00
Larsen & Toubro (10)	101.00	103.50	101.00	103.50
Mahindra & Mahindra (10)	33.25	34.00	32.75	34.00
New Central Jute (10)	21.76	22.12	21.24	21.24
Polson (100)	25.00	—	—	25.00
Pre. Automobiles (100)	151.00	151.50	150.00	151.00
Premier Con. (50)	156.00	150.00	153.00	158.00
Scindia (20)	320.00	321.00	308.00	314.00
G. B. Shipping (10)	14.32	14.36	14.16	14.28
Shivrajpur (10)	16.04	16.50	16.00	16.36
Sirpur Paper (10)	67.00	68.50	66.00	66.50
Tata Chemicals (10)	17.48	17.76	17.00	17.16
Tata Locomotive (100)	16.24	16.40	16.00	16.20
Tata Oil (25)	260.00	281.50	264.00	281.00
Turnaco (10)	73.00	75.00	72.50	74.50
Voltas (100)	22.50	24.00	22.00	22.50xd
W. I. Match (100)	254.50	267.00	252.00	263.00
W. Coast Paper (100)	289.50	290.00	208.00	278.00
	188.50	192.50	188.00	190.00

GOVERNMENT SECURITIES	6-10-1960	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	13-10-1960
	Rs			Rs.
2½% 1961	—	—	—	—
2½% 1962	98.55	—	4.29	98.55
2½% 1976	98.05	—	3.06	98.05
3 % 1964	88.80	—	4.17	88.80
3 % 1963-65	98.00	—	3.48	98.00
3 % 1966-68	98.00	—	3.68	98.00
3 % 1970-75 1st Dev.	95.65	3.68	3.82	95.60
3½% 1986 Con. Loan	90.25	3.82	3.64	90.00
3½% 1961 N.P. Bonds	99.70	4.20	3.89	99.70
3½% 1964 N.P. Loan	100.05	—	4.07*	73.75
3½% 1965 N.P. Bonds	99.85	—	3.50	100.00
3½% 1962	99.70	—	3.54	99.85
3½% 1967 N.P. Bonds	99.80	—	3.57	99.70
3½% 1974	99.80	—	3.53	99.80
3½% 1967 N.P. Bonds	99.70	—	3.58	99.50
3½% 1969 Loan	100.75	—	3.78	99.70
3½% 1968 N.P. Bonds	99.95	—	3.63	100.75
3½% 1963 N.P. Bonds	99.90	—	3.64	99.90
3½% 1968 N.P. Bonds	99.95	—	3.57	99.50
4 % 1972 Loan	100.85	—	3.51	99.95
4 % 1973 Loan	101.00	—	3.67	100.85
4 % 1979 Loan	100.75	—	3.90	101.00
4% 1966 Bonds	100.00	—	3.92	100.75
3½% 1980 Loan	99.75	—	4.00	100.00
	99.90	—	3.55	99.75
		—	4.01	99.90

*Current Income. 24—Ex-dividend.

COMMERCE

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

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SOLUTION TO GERMANY'S DILEMMA

THE economic prosperity of West Germany has become a problem for the Western world. It is considered to be a source of disequilibrium, the remedy for which is said to lie in the hands of Germany itself. German leaders themselves are agreed that something must be done to correct this situation. Mr. Karl Blessing, President of Deutsche Bundesbank, candidly remarked, in a recent report to the International Monetary Fund, that the experience of his country showed that "one can have too much of a good thing" and recited the series of steps taken by the German Government to discourage the inflow of "hot money." At 5 per cent., the West German Bank rate, it may be noted, is one per cent. less than that in the U.K. and yet more foreign capital is seeking investment in Germany than in Britain. As at the end of August last, gold and foreign exchange holdings of Germany were no less than $6,507 million, more than twice as much as those of Britain which had only $3,023 million. At the close of 1959, the reserves of Germany stood at $5,014 million, though a year earlier they were at $6,321 million. Besides, there is full employment in Germany. In a nation of 53 million, the number of unemployed in mid-September last was a mere 111,000, the bulk of which must be unemployable persons. Actually, there is an acute labour shortage, there being five vacancies for every man or woman wanting a job. And this is the position after permitting about 350,000 foreigners to work in Germany and after introducing quite modern labour-saving devices at all possible levels. The shortage of manpower is so acute that, in some parts of Germany, employers are said to be offering a premium for workers and in others they are willing to let army personnel do overtime during their spare hours. German firms are also spending enormous sums on advertising in Canadian papers, in order to induce German emigrants to return "home" where highly paid jobs are available for the mere asking. The German industries are still working overtime, as both export and domestic demand for goods is strong. Order books continue to lengthen. Pending contracts for delivery of capital goods at the close of August last were 50 per cent. higher than the corresponding figure a year before.

German industrial circles, however, do not fully agree with everything that is mentioned above. While admitting that the business tide in their country is running high and that there is need for preventing a runaway boom, they contend that there are some disturbing signs, too, in their economy which the foreign critics are apt to ignore. The points made by them are: Of late, both prices and cost of living in Germany have tended to rise. Wages and fringe benefits to workers have recorded a marked rise. They are no longer lagging behind the increase in the output per worker. The pressure for still higher wages and shorter working time is still being kept up by the trade unions. Export demand is tending to fall. In the first six months, Germany's export surplus suffered a fall of 20.2 per cent., as compared with the same period of 1959. There is no such thing as a guaranteed export surplus in world trade and history has many examples of nations which saw their surplus balances of trade turn into deficits in no time. As Germany is a nation living on exports, it should do nothing that will tend to depress its exports.

Many in this country may wonder as to why German prosperity should worry the other Western countries. The answer is simple. In the first place, the increase in its foreign exchange reserves is causing a strain on the U.S. dollar, the key currency of the world, and since none in the free world wants to see the U.S. economy weakened, Germany is being urged to arrest its super-boom. And, secondly, it is natural even for nations to feel jealous of one another, though they may be friends and belong to the same political camp. There is no doubt that the high degree of German efficiency and its financial virtue during the past ten years have made German manufactures highly competitive. The secret of Germany's successes in export markets is attributed to (*a*) stable and competitive prices, (*b*) high productivity, (*c*) a high rate of investment in the capital goods industry for the products of which foreign demand is strong, (*d*) a high degree of priority to foreign orders, (*e*) readiness to adjust prices to meet foreign price conditions, and (*f*) traditional export-mindedness. One of the countries to lose a sizable part of their export markets to Germany is Britain. And it is no wonder that the British Press is very liberal in its advice to Germans as to how they should end this boom and correct the excessive surplus in their balance of payments position. Among the solutions suggested three stand out prominently: a reduction in interest rates, a revaluation of the Deutsche Mark, and more aid to underdeveloped countries in the form of untied long-term loans. The emphasis laid by British financial commentators is more on revaluation of the D. Mark than on the other two. The German leaders' assertion at the I.M.F. meeting last month that they were opposed to a change in the external value of their currency, either upward or downward, does not seem to have silenced these critics.

It used to be argued some two or three years ago that W. Germany was a socially depressed country and that it must allow the standard of living of its people to rise. This criticism does not hold good any longer, for, with full employment, high wages and only a moderate rise in price levels, the living standards in Germany have staged a marked rise. Actually, the domestic demand for all types of consumer goods in W. Germany today is so high that price levels are tending to go up. This is said to be one of the reasons why the Central Bank of West Germany is reluctant to reduce its lending rate. If notwithstanding this development in recent years Germany is still in a position to export its goods on competitive terms, it is because of its high level of productivity. Must a country enhance the external value of its currency just because it is more efficient than its competitors? It would be a strange answer, indeed, if it were to be in the affirmative.

From the point of view of India and other underdeveloped countries, which have been importing capital goods, industrial raw materials and components from W. Germany and hope to continue this trade in future too, revaluation of the D. Mark will be disadvantageous and must be opposed at the appropriate forum. It does not confer any advantage on Germany itself. It is also opposed to the principle of stability of exchange rates for ensuring which the I.M.F. was established. Revaluation of D. Mark will add to the cost of imports from Germany. It will reduce the net value of such aid as Germany is willing to give to the underdeveloped countries. One may argue that it will stimulate the imports of raw materials and other goods into W. Germany. This is, however, true only upto a point and in any case this objective can be served by persuading the West German Government and industrialists to lift the restrictions on imports. Besides, since India and other developing countries will be net importers from W. Germany for a long time to come, the loss arising from revaluation of D. Mark will be more than the gain. Even from the point of view of developed countries such as the U.S. and the U.K. themselves, an upward valuation of D. Mark is an undesirable remedy, inasmuch as it will only serve to shield their inefficiency and act as a disincentive to bringing down the cost of their capital goods.

The ideal solutions to the problem of imbalance in Germany's external payments situation are the adoption by Germany of appropriate monetary measures to check the influx of hot money and the grant of long-term loans in large amounts and at reasonable rates of interest to countries like India which are in a position to absorb such assistance in a gainful manner. At least, a good part of these loans should be expendable anywhere in the world, so that they may not have a boomerang effect on German economy. It is obvious that, with German industry already fully employed, the German boom will only become hotter, if the loans are used for buying German goods. If, on the contrary, they are utilised to pay for orders placed with other countries, there will be an equitable dispersal of the excessive gold and foreign exchange reserves which are the cause of disequilibrium in the Western world. In fine, the development needs of India and similar countries provide a first class opportunity for W. Germany to get out of its dilemma of embarrassing riches with benefit to all and injury to none.

ROAD TRANSPORT

WITH the publication of the report of the Indian productivity team on the road transport industry in the United Kingdom, West Germany and the United States, the time has verily come to give the unseemly road-rail controversy its quietus. If only the Railway Board recognises without equivocation that the original narrow basis of competition between road and rail transport has simply ceased to exist in an expanding economy which provides ample room for all modes of transport, the salutary recommendations of the productivity team will be seen in their proper perspective. These recommendations, it may be straightaway acknowledged, are among the most realistic ones ever drawn up in the light of foreign experience and of our own transport conditions and are comparable in their significance to the findings of the Sarabhai delegation to Japan on productivity. And they bring, incidentally, a deal of credit to the National Productivity Council which sponsored the team for the purpose of getting the best possible advice on how to raise the productivity of road transport in India and develop it further.

The expert findings of the team (which consisted of four official and eight non-official

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representatives in the line) on road transport conditions and trends in the three Western countries would need to be presented at the outset. By far the most important basic finding is that people in these countries "enjoy the fundamental right of providing better service at cheaper cost." This right is recognised by the Governments concerned, exercised by their subjects and enforced by the courts. Here is a lesson for this country, which, as the team has so happily put it, is to the effect that "a contractionist philosophy goes ill with an expansionist economy." An expanding transport economy of the kind can also, as it does in the Western countries, ensure optimum utilisation. This is where the second most important lesson is drawn. It is that "the whole of the road transport economy in these countries is patently characterised by maximum utilisation of vehicles, for the capital and overhead costs get progressively diminished per mile of a longer and longer run." And the most telling fact in this context is that high productivity is rendered possible in the Western countries by the daily mileage done by a vehicle which is often as much as 500 miles and by the annual run which is no less than 150,000 miles, if not more. The emphasis on good maintenance of vehicles and equipment, through proper schedules for docking and repairs, in large as well as small undertakings and the great importance attached to reclamation of worn out parts and to their re-use within the realms of safety are two other noteworthy features of the road transport scene in the Western countries. And these have also been conducive to higher productivity.

How State regulation of road transport in the Western countries has fostered it, and not hindered it in any way, is also admirably brought out in the team's report. In the first place, speed limits have been liberalised to permit vehicles to travel at high speeds so as to get the maximum by way of mileage and payload. The State has been able to do this, because it has provided fast highways, eliminated, by fencing or by other steps, such factors as ingress or cross-traffic which retard quick transit and also kept out slow-moving traffic from fast highways. Another vital step taken in the Western countries towards increasing productivity in the road transport industry is to permit the use of heavy trucks and truck-trailer and tractor-trailer combinations. The gross weight allowed for combinations in the United States and Germany, for instance, is 32 tons, so that a load of as much as 25 tons can be carried; this compares with a gross laden weight of eight to twelve tons permitted for trucks in India, which enables vehicles to carry a load of five to eight tons only. On the basis of their observations, the team has effectively discounted the fears expressed in some quarters in India that the use of such combinations will be a danger to public safety and that they are unfit for use on roads less than 22 feet wide. If the team has taken a forthright stand on this issue, it is because the use of these combinations has cut road transport costs in the Western countries by as much as 77 per cent. in the past two decades. The team is thus convinced that "it is these combinations that constitute the backbone of road transport productivity in the West."

Another remarkable thing about State regulation of road transport in the Western countries is that it has helped the organisation of bigger operating units. In the United States, for instance, once an operator has a certificate of public convenience and necessity, he can put as many vehicles into service as the growth of his business warrants. This certificate, again, is perpetual and does not need to be renewed periodically; the operator thereby gets every incentive to build up his concern on sound business lines. But, at the same time, it is ensured that the freedom to expand does not result in the creation of surplus transport capacity, with the consequent tendency to indulge in wasteful and cut-throat competition. The appropriate regulation in this connection is that the tariffs which are fixed by the operator and once filed with the authorities cannot be changed except with the latter's prior approval. Competition, thus, is on service and not on price.

Other striking features of the road transport industry in the West and of its regulation by the State may also be briefly summarised here. First, a good deal of development of the road transport industry in the United States, for instance, has been due to the amount of information collected by research and other means by the Inter-State Commerce Commission. Secondly, a useful practice in the United States and West Germany is that trailers do not require separate permits; they merely have to pay taxes like private cars and different trailers may be used in conjunction with any prime mover. Thirdly, in all the Western countries visited by the team, spending money on training of drivers, maintenance and managerial personnel is considered worthwhile, because the operators get returns in terms of better maintenance of vehicles, maximum utilisation and economy in the use of fuel and lubricating oils. Fourthly, a sound trade union movement, under responsible leadership, is conducive to productivity and this is what obtains in the Western countries; disputes are generally solved by mutual agreement but are, sometimes, referred to voluntary arbitration. And last but not the least is the remarkable change that has come about in the position of road transport, thanks to the facilities given by the State. This is proved by some figures. In West Germany, the share of road transport which carried 16 per cent. of the total volume of surface transport in 1950 rose to 25.8 per cent. in 1955; in the U.K., road transport accounted for 46 per cent. and railways for 54 per cent. of the total of road and rail transport (in ton-miles) in 1954 and they represented 56 per cent. and 44 per cent. respectively, in 1958. In Britain especially, according to the Ministry of Transport, "whatever unit of measurement is used, road transport is now the major means of inland carriage of goods."

It is in the light of this objective appraisal of trends and conditions in the road transport industry in the three Western countries that the Indian productivity team has framed its recommendations for application to this country. The first priority in these recommendations has been rightly accorded to the evolution of a "progressive philosophy" in relation to road transport. The need for this philosophy will be apparent when it is remembered that production of commodities is expected to reach a level of 370 million tons by 1966 and 1,000 million tons by 1980. Since the capital cost of constructing roads is substantially lower than that of railway lines and its employment potential per unit of investment far greater (being 17 per bus and 11 per truck), the powers-that-be would do well to resort increasingly to road transport as and when additions to the existing overall transport capacity are called for. If they do this, it will be in keeping with the trend in the advanced countries of the West. A related development should be that the country's 20-year road plan can usefully have at least one per cent. of the roads or 6,000 miles as special national highways exclusively for motor traffic with four traffic lanes capable of accommodating multi-axled truck-trailer combinations of 28 tons payload capacity. An equally worthwhile development could conceivably be in the direction of so designing at least 24,000 miles of roads as to enable heavy motor vehicles to run at 50/60 miles per hour. These two suggestions are so realistic and sensible that they should easily commend themselves for immediate consideration by the powers-that-be before the Planning Commission takes action on its Transport Co-ordination Committee's recommendations, whatever they be.

Of a piece with the team's plea for the highest priority to an expansionist reorientation of State policies relating to road transport is the cogent case it has put forward for many-sided productivity research. To quote the relevant extracts from the team's report:

"Research, however, can alone show us the basis and the lines of expansion; and this research has to be so designed as to increase the productivity of the road transport system in every possible way. We in fact require a wide variety of research projects; research in vehicle manufacture; research in vehicle operation and maintenance; research in dust prevention and its effect on maintenance; research in the use of oils, their reclamation, etc., research into road transport as a service for goods and passengers; research into markets, for after all road transport comes into being and flourishes on supplying markets in adequate measure and at proper time; research into refrigeration, for that would expand markets and make a wide variety of goods marketable through road transport, etc. Obviously, even this long list is illustrative.

"In collaboration with the Ministry of Finance and Departments of Finance of the State Governments, a research project on the incidence of road transport taxation needs to be undertaken as a matter of urgency; for, so far, we have been arguing in the air and on the basis of guesses and surmises as to what happens when a tax is levied, as for example, on diesel oil. If continuing research is undertaken, a rapid answer becomes possible and the State becomes free from political pressures in the application of its policies.

"A similar research project into the restrictive and other effects of the regulatory measures enforced by Governments also appears to be immediately warranted. While the State Governments go on imposing regulations for a variety of reasons, the operators go on complaining that they hamper their business. The result is that regulations are made and unmade in a somewhat irrational manner, with the exercise of authority, on the one hand, and a complaining attitude, on the other. If a comprehensive study of regulations were available alongside the collection of relevant facts and figures, each regulation could be checked up in the light of those facts and figures, and the studies already made. It would then become obvious whether a regulation was genuinely restrictive and whether it was in the public interest. . . ."

The case for research in so many lines is so self-evident that it does not call for any supporting comment. Only, it needs to be added that, if the team's recommendations based on Western experience are to be rationally applied to this country's road transport, such many-sided research is a necessary precondition therefor. An equally necessary precondition for efficiency in road transport is the creation of training facilities at every level. Noteworthy in this connection is the team's emphasis on the need for imparting special training to drivers not only in driving but also in repair and maintenance.

The team's other suggestions would also bear examination. One of these is that some sort of combination of existing small operators be brought about, so that they become economically self-sufficient. Another is that compulsory arbitration and adjudication in the settlement of labour disputes in the road transport industry is not desirable. The feasibility of these two suggestions is by no means clear, although their desirability is obvious.

But the team's specific recommendations for removal of restrictions and reduction in the incidence of taxation on road transport are as manifestly feasible as they are desirable. These recommendations are:

No conditions should be imposed on a permit in respect of route length or area of operation, which would prevent the goods vehicles being run for at least 50,000 miles a year.

There is need for a change in attitude towards speed limits. The existing speed limits of 25 to 30 miles per hour should be increased by 10 miles in both cases.

We recommend that truck-trailer and tractor-trailer combinations with a gross weight of 20 tons should be immediately permitted on our roads, the weight being increased to 28 tons in the next five years and further to 32 tons in the next ten years.

The axle-weight system should immediately replace the laden-weight system.

All road transport restrictions imposed on considerations of rail-road co-ordination should be abolished, as they constitute a brake on productivity in the road transport industry.

The team recommends a systematic and comprehensive review being made of the whole range of taxation on road transport

In particular, the team recommends reductions in vehicle taxes in Madras and Andhra and in the Central duty on petrol and diesel oil, as also the abolition of the surcharge on diesel-engined vehicles in Bombay and of the double taxation now prevalent in many States on trans-border operation of transport vehicles. Octrois which constitute a great harassment to road transport should be replaced by a surcharge on sales tax on commodities consumed in the respective municipal areas.

The foregoing suggestions deserve to be accepted for implementation early in the third Plan period not only because they are good in themselves but because they represent the unanimous conclusions of a team which included four official representatives and which "really felt like a team and enjoyed working as such." This journal has no hesitation in lending its weight to them and in subscribing to its conviction that its recommendations will become the basis of making the road transport system a more efficient instrument than it is today for movement of men and materials. This conviction is not unrelated to the vital basic trends in the transport sector—trends which are in general operation in almost every country in the world.

MARKET GOSSIP

THE steam has been let off the share markets. The last few weeks of *Samrat* 2016 witnessed distinctly sober conditions in striking contrast to the orgy of bulls right from March 1960 upto the end of July 1960. The credit for restraining the bulls goes primarily to the Government and the Reserve Bank. It is true that the Stock Exchange authorities—we refer here only to Bombay and Calcutta—did introduce some checks, but their action followed the constant prodding by the Government behind the scenes. Even then, they took action only after the unhealthy boom had gathered momentum and misled many an unwary investor. The theory that "the market contains within itself a self-adjusting mechanism" is not true, at any rate not so far as the Indian share markets are concerned. Left to itself, this mechanism will operate only after enormous damage is done to the interest of investors. It must be remembered that a boom in shares in a socialist economy, where faith in the virtues of free enterprise is lacking, is equally harmful to industries, as it gives rise to wrong notions among the powers-that-be and the adoption of wrong fiscal policies.

For a long time, the authorities themselves connived at the boom this year. They let it grow, in order to induce investors to support the capital issues of numerous companies, old and new alike, and in the mistaken belief that it would draw away speculators from the commodity markets. But they too were slow and hesitant in taking appropriate action against the bulls before the boom got out of hand. The result is that, today, there must be quite a sizable number of investors loaded with high-priced stocks which they will have to nurse for a fairly long time, if they are to receive an economic return on their investments and see even a modest capital appreciation. Meanwhile, they may have to go through many anxious moments and be disturbed by concern for the safety of their money. Some may even be tempted to cut their losses by selling out their investments. These, unfortunately, are the travails of investors who buy shares in times of boom, ignoring considerations of yield.

What finally arrested the boom and reversed the trend was the cumulative effect of a number of measures taken by the Government. The series of credit restrictions ending with the one which, in actual practice, has meant an increase in the Bank rate to 5 per cent., constitute a substantial check on speculators who went long in equities. The special margins levied on bulls by the Stock Exchange authorities has also proved useful albeit in a small way. Equally important is the change in the Government's policy in regard to issue of new shares by existing companies. This development has gone a long way towards discouraging speculation in shares based on expectations of a right issue on very favourable terms.

It may be recalled here that, in order to help companies to raise their requirements of capital, the Government was following a liberal policy. It insisted on companies collecting only a nominal premium, irrespective of the market value of their existing shares. In several cases, it permitted the issue of new shares even at par. It was exercising wide discretion in this matter and the considerations that weighed with it in deciding the terms of issue were not disclosed to the public. Indeed, there were so many incongruities that one used to wonder whether the Government had any policy at all and whether it was not functioning in an arbitrary fashion. Even now, one does not know whether it has evolved a clear-cut policy and spelled out the principles for determining the premium to be collected on the issue of new shares. By keeping the investing public in the dark on a very important point like this, the Government itself is encouraging speculation, even though its declared intention is to the contrary. One fails to understand the need for secrecy in this matter. It is not suggested that the policy should be rigid. It could, and should, be flexible, but there can be no policy without some basic principles. If these basic principles are evolved and made known to the public, every one concerned will know where he stands.

In the case of Guest Keen Williams' issue of new shares, the Directors had originally proposed that the premium would be 100 per cent. of the paid-up value, that is, Rs. 10 for Rs. 10. Subsequently, the Government seems to have insisted on the premium being raised to as high as 185 per cent. This came as a shock to the stock markets and depressed not only the G.K.W. shares but also other scrips (Standards, for instance) which had sky-rocketed in expectation of right issues with high growth prospects at par or at only a small premium. Obviously, the Government's intention was to teach a lesson to speculators and the G.K.W. new issue came quite handy for this purpose.

Be that as it may, the share markets are greeting *Samvat* 2017 in a chastened mood. During the last few days, the bears naturally tried to take advantage of the break in the bull phase, but, unlike in the case of a boom and perhaps stung by the repeated charges of bolting the stable door after the horse has been stolen, the Stock Exchange authorities acted more promptly in restraining the enthusiasm of bears. In Calcutta, sensitive and technically vulnerable counters were protected against a bear raid by abolition of short sales in the critical week. In Bombay and Ahmedabad, stringent margins were imposed on bears. These steps have limited the bearish mischief. Further, the fear that a leading bull operator might not honour his commitments has proved false. It is said that he has met all the payments due from him on account of the last settlement, though it amounted to a sizable sum, variously put at between Rs. 25 lakhs and Rs. 30 lakhs. In Calcutta, too, there have been no payment difficulties. This development has instilled confidence among the operators.

Although in a sober mood, the share markets are not taking a sombre view of the future. Undoubtedly, there are many risks, as the problems confronting the country are tough and the situation contains many uncertainties. But, as Prime Minister Nehru is wont to say, only the dead have no problems and it is only he who dares will have the opportunity of getting a handsome reward. It is relatively easy to give a long list of misgivings and the dangers lurking in the scene, but more difficult to paint an optimistic picture. While we reserve a detailed analysis of both the sides for our next issue, our conclusion is that the time is opportune for selective buying of growth stocks giving a yield of 4 per cent. to 5 per cent., tax-free. This advice holds good only to genuine investors, that is, those who have funds to spare and are in a position to sit tight on their investments at least for the next two years, if not longer. It is not for those who wish to pick up investments with the help of borrowed money, for credits will cost dearly in the coming months and may not be easily available. Further, there are quite a few risks that make the short-term outlook highly uncertain.

Oil—Who is Exploiting?

It is a trait among some individuals and institutions to accuse others of exploitation just to cover up the very same defect from which they themselves suffer. To this category belongs the Government of India, the Minister for Oil, Mr. K. D. Malaviya, to be more precise. Time and again, Mr. Malaviya has charged the oil companies on the score of reaping enormous profits year after year. This allegation does not seem to be well founded, if the data contained in the survey of the activities of the Burmah-Shell Oil Storage and Distributing Company of India Ltd. during the year 1959 are any guide. This Company is the largest of the three distributors of petroleum products, the total quantity handled by it last year being 3,628,123 metric tons, as against 2,976,813 tons in the preceding year. Out of the aggregate trading receipts of the Company amounting to Rs. 152.16 crores, the F.O.B. value of products accounted for Rs. 49.33 crores (32.42 per cent. of the total), distribution costs, including depreciation and amortisation, for Rs. 33.89 crores (22.28 per cent.), and ocean freight for Rs. 7.34 crores (4.82 per cent.). Of the balance of Rs. 61.60 crores, as much as Rs. 58.93 crores (38.73 per cent. of the total) represented payments to the Government, leaving just Rs. 2.67 crores, or 1.75 per cent. of the total proceeds, for reinvestment and payment of dividends to shareholders. Who then is exploiting the consumer—the oil companies or the Welfare State?

It will be seen from the aforesaid details that oil companies, in general, and Burmah-Shell in particular, are golden geese. If they are nourished and encouraged to grow, they will yield more and bigger golden eggs. Instead, Mr. Malaviya seriously thinks that the public sector itself can take up this function, so that the country can have the eggs without having to pay for the cost of feeding these geese. On the face of it, his idea sounds attractive. But, on deeper thought, one gets the doubt whether the public sector has the capacity to produce the golden eggs as frequently and as cheaply as these foreign geese can.

To return to the Burmah-Shell's activities. Mention must be made here of the reductions in the ceiling on selling prices of specified petroleum products effected by Burmah-Shell twice, in May 1958 and October 1959. The benefit of these reductions, however, has been denied to the consumer because the Government has absorbed it itself through additional excise duty in the name of finding resources for financing the second Plan. In fact, despite reductions in the Company's selling prices, the consumer today is paying more for his requirements of motor spirit and high-speed diesel as compared with the position before the reductions. Thus, the Company's prices of motor spirit and high-speed diesel have been lowered from Re. 1.10 and 87 nP per gallon on 19th May 1958 to 87 nP (on 1st November 1959) and 72 nP (on 1st March 1960), respectively, whereas the corresponding consumer prices have risen from Rs. 2.95 and Re. 1.63 to Rs. 2.98 and Rs. 2.31, respectively.

Apart from the meagre balance of Rs. 2.67 crores left for reinvestment and payment of dividends to shareholders, the Burmah-Shell has practically no control over items of distribution costs such as wharfage, pumping charges and Port Trust dues, packages and internal freight. Similarly, the cost of raw materials like steel and cement is predetermined and the wages paid to personnel are to a large extent, set by the scales prescribed by Industrial Tribunals. No wonder the Company is constrained to remark that "the margins available under the prices instituted by the agreements are extremely slender and the generation of funds for reinvestment and for the remuneration of shareholders is going to be an extremely difficult exercise." When such is the position, how can one expect the oil companies to find the enormous amounts of capital required to meet the expanding demand for petroleum products? It is estimated that the total consumption of these products, which has increased from 2.2 million tons in 1948 to 6.6 million tons in 1959—an average growth of over 10 per cent. per annum—will more than double itself by the end of the third Plan. Oil experts put the investment needed for locating and marketing every extra ton of oil at Rs. 600 and, on this basis, the total outlay required to meet the growth of Indian demand in the third Plan period comes to Rs. 500 crores. In view of the magnitude of the problem involved thus, would the oil companies not be justified if they were to ask the powers-that-be to accord to them a more helpful and sympathetic treatment?

Problem of Surplus Coffee

Coffee planters in India are faced with the problem of marketing the rapidly rising crop, consequent on the none-too-encouraging internal offtake and fall in exports as a result of a world surplus. The 1959-60 crop has so far (up to the end of September) yielded 49,106 metric tons, representing an increase of nearly 3,000 metric tons over the receipts in the corresponding period of 1959 and constituting a new record in the history of coffee planting in this country. The internal offtake during the first nine months of 1960 aggregated 21,556 metric tons, which shows a fall of 1,420 metric tons from that in the first nine months of 1959. Up to the end of September 1960, exports out of the 1959-60 crop amounted to 9,787 metric tons, as against 12,634 metric tons up to 8th October 1959 out of the 1958-59 crop. Tenders have been invited for exporting another 2,784 metric tons. Assuming that this quantity is exported, it will still leave a surplus of 8,029 metric tons to be sold against the allocation of 20,600 metric tons from the 1959-60 crop. Last year, the Coffee Board had fixed an export quota of 17,000 metric tons out of the 1958-59 crop and a quantity of 3,367 metric tons was left to be sold at this time last year.

The problem is expected to assume a more serious proportion next year when the exportable surplus will be still higher, as a bumper crop is anticipated. The planters cannot, however, think of reducing coffee production, as it would mean a higher cost of production and would result in many companies suffering losses. Even with the increasing production and a larger per acre output, the cost per acre has gone up many times during the last few years, while the return to the grower has actually declined. Thus, in 1952, the return to the grower was fixed at Rs. 2.25 per point, but because of the realisation of higher export prices, the actual return was better at Rs. 2.75. Eight years later, notwithstanding all the rise in cost of production, the retention price is lower at Rs. 2.20 per point. What is more, it is considered very unlikely that in the coming years producers will get more than the present price. Highlighting this problem, Mr. U. K. Lakshman Gowda, Chairman of the Mysore State Planters' Association, in his speech at the second annual meeting of the Association held at Mysore this week, said:

"Without increasing our production per acre and the size of our total crop, we cannot meet the increase in costs. But the more we produce the larger the surplus. If the world price is lower than the retention price, then the greater the loss we have to bear. The consumers who have long been accustomed to the idea that their coffee should be subsidised for them would now resent a subsidy in the reverse, namely, a subsidy on export. The growers, in fact, face a very difficult situation and it requires organised approach if we are to meet the problem of crop disposal."

One of the means of meeting this problem of surplus is to enlarge the internal market. The problem of marketing coffee has not been a matter of deep thought for growers during the last 15 years. It is being looked after by the Coffee Board. With the marked change in the world market and rise in domestic production, the growers are now seriously concerned over the future of Indian coffee. They are considering certain proposals in this connection. One of them, according to Mr. Lakshman Gowda, is the creation of a Commonwealth Pool, to which the Indian surplus coffee can be consigned and can be marketed from London. They are also considering the question of setting up a joint propaganda organisation for Commonwealth coffee. The East African producers have now a joint representation in London and are considering the question of setting up an African Coffee Promotion Board. If this idea, before it takes final shape, could be converted into a Commonwealth Coffee Propaganda Board, Mr. Lakshman Gowda suggested, it might help Indian coffee and also save a great deal by way of cost. How far this idea will bear fruit remains to be seen, but an attempt is worth making.

Alind's Progress

On the occasion of its Decennial Celebrations held at Kundara in Kerala on the 8th inst., the Aluminium Industries Ltd.—"Alind," for short—could certainly look back upon its career with much pride and satisfaction. The Company has achieved notable progress in the production sphere, the actual output of bare aluminium conductors having risen from less than 3,000 miles in 1951 to as much as 34,400 miles during the year ended March 1960 and that of covered conductors from about 1.5 million core-yards in 1958, when production was first undertaken, to 7.0 million core-yards in 1959-60. A high level of production is also being maintained in aluminium rod, accessories and tools. The covered conductor manufacturing capacity is being further increased in order to cater to the expanding market for this product. The Company has now gone into the manufacture of high-tensile galvanised steel core wire and is continuously exploring the possibilities of new lines of development. Truly, the Company is fully worthy of the tribute paid by Mr. Panampalli N. Govinda Menon, a former Chief Minister of Kerala, that it "furnishes a

(Continued on page 1481)

ANOTHER GAINFUL YEAR FOR EQUITIES

UNDERTONE AT CLOSE QUIETLY STEADY

(From Our Own Correspondent)

BOMBAY, 18*th October*

THE trading on the Stock Exchange for the *Samvat* year 2016 came to a close yesterday. The *Moorat* trading for the coming year will be done on Thursday the 20th inst., between 5 p.m. and 6 p.m. As this issue has to go to press two days earlier than usual on account of holidays, it is not being covered here. It is, however, proposed to make a brief survey of the trend of the market in the Hindu year now drawing to a close. The year has turned out to be another gainful one, on the whole, for investors in equities. It is true that the undertone at the close of the year was somewhat subdued, due to a variety of factors, such as imposition of heavy margins and special deposits on leading speculative counters by the Stock Exchange authorities, the application of credit restraints by the Reserve Bank to curb excessive speculative activity, the extreme stringency in the money market, the increase in the lending rates of banks, fears of further severe action by the Government to check speculation and the prospect of a rise in the Bank rate. But, on the whole, it was a year of boom for the stock exchanges. The trend was bullish and several counters touched new high levels, exceeding the previous year's peaks by a sizable margin.

The trend is reflected in the rise in the index number of variable dividend industrial security prices for Bombay (base: 1952-53=100) from 159.9 for the week ended 31st October 1959 to a peak of 189.1 in the week ended 23rd July 1960 before reacting to 170.1 in the week ended 8th October, representing a gain of 10.2 points over the year. The highest point touched in the previous *Samvat* year was 162.7 in the week ended 10th October 1959.

The highlights of the year's trading were provided by Century, Khatau, Standard and Mafatlal in the textile group, rayons, chemicals and dyes in the miscellaneous section and Larsen and Toubro, Tata Locomotive and Voltas in the engineering group. There were, no doubt, exceptions too to the general trend, prominent among them being the steel shares, A.C.C. in the cement section, and all shipping scrips. Cash scrips provided a bright feature of the year's trading and gains were marked in chemicals and dyes. The year was also noted for the keen demand for new issues, the number of which was considerably larger than in the previous year. Many of them were heavily oversubscribed and established unprecedented records.

The following table gives an idea of how the leading counters fared during the year under review.

	Pre-*Diwali* closing 1959 28-10-1959	Highest since	Lowest since	Pre-*Diwali* closing 1960 17-10-1960
	Rs.	Rs.	Rs.	Rs.
Tata Steel Ordinary	154.50*x.d.*	164.50	143.00	145.25*x.d.*
Indian Iron	23.84*x.d.*	26.55	21.84	22.92*x.d.*
Bombay Dyeing	67.60*x.d.*	72.70	62.20	62.90*x.d.*
Century	600.00*ex.d.*	544.00*x.r.*	429.00	465.00*x.d.*
Kohinoor	310.50	372.00	290.00*x.d.*	299.00*x.d.*
Khatau	266.25*x.d.*	850.00	240.00	510.00
Standard	635.00	2,065.00	631.50	1,317..
Belapur	331.00	420.00	310.50*x.d.*	367.00
Bombay Burmah	535.50	658.00	419.50	571.50
National Rayon	375.50	617.00	346.50	470.00
Gwalior Rayon	25.00	51.50	24.00	39.00
Tata Oil	64.00	89.50	58.00	74.50
Tata Chemical	17.88	22.04	15.08	16.12
Amar Dye	246.50	535.00*x.r.*	232.00*x.r.*	425.00
Indian Dyestuff	327.50	1,000.00	320.00	563.75*x.d.*
T. E. L. Co.	209.25	349.00	193.50	284.00
Larsen and Toubro	24.00	56.50	24.00	34.25
Premier Construction	365.50	390.00	290.00	306.50
Voltas	179.00	307.00	176.00	260.00
Hindustan Motor	13.36*x.d.*	23.24	12.76	18.72
Premier Auto	131.00	197.00	132.00	163.75
A.C.C.	151.75	156.75	137.50	144.50
Wimco	227.00	283.00	225.00	278.00
Scindia	16.92	17.32	13.40	13.72

To revert to our customary weekly review. Trading during the week under review was restricted to three days in view of the intervening holidays for *Diwali*. Though activity was far from brisk, the undertone was steady and the recovery noted last week was sustained in many counters. There was a general feeling that the long-term outlook for the economy as a whole was bright, thanks to the proposed large outlay on the third Plan and good prospects of getting larger foreign capital. There was, nevertheless, an undercurrent of hesitancy and operators were unwilling to go headlong, in view of the Budget uncertainty. The Budget for 1961-62, the first year of the third Plan, is expected to be a crucial one.

Steel shares were steady. Tata Ordinaries gaining ground from Rs. 144.75 to Rs. 145.25 and Indian Irons from Rs. 22.64 to Rs. 22.92.

Textile scrips too were a shade better. Bombay Dyeings were done up to Rs. 63.10, as against last week's closing of Rs. 62.80, and finished at last week's closing of Rs. 62.90. Centurys gained Rs. 9 over the week to Rs. 465. Kohinoors picked up a rupee to Rs. 299. Finlays were done Rs. 2 higher at Rs. 348. A notable exception was provided by Khataus which fell by Rs. 97.50 to Rs. 510, presumably due to disappointment over the Chairman's statement at the annual general meeting on Friday last that the Directors did not have under consideration any scheme for diversification of the Company's activity. He also ruled out the prospect of undertaking a new project unless it was closely allied to the main line of activity of the Company. Further, he indicated the possibility of the current year's profit showing a considerable fall and that as the Company was within the mischief of Section 23A of the Income-tax Act, the dividends were bound to fluctuate. All these remarks completely belied the rumours prevailing in the market earlier which were primarily responsible for the sharp rise in the price of this scrip. Standards shed a part of their last week's gain, falling from Rs. 1,350 to Rs. 1,317.

Sugar shares gained some ground under the lead of Belapurs, which hardened by Rs. 5.50 to Rs. 367. Walchandnagars were steady at Rs. 297.50.

Cements were conspicuously dull, A.C.C. showing hardly any change over the week at Rs. 144.50. Digvijays were a shade lower at Rs. 165.

In the engineering section, Premier Constructions were prominent with a drop of Rs. 7.50 to Rs. 306.50. Tata Locomotives hardened to Rs. 284, after an initial setback from Rs. 281 to Rs. 273. Alcocks were unchanged over the week at Rs. 256. Voltas were marked up by Rs. 6 to Rs. 269.

Shippings were quiet, with Scindias dipping to Rs. 13.72. Automobiles, however, were steady, Premier Autos being a bright feature with a gain of Rs. 5.75 to Rs. 163.75.

In the miscellaneous section, Bombay Burmahs were listless, fluctuating between Rs. 576 and Rs. 561. National Rayons added a further gain of Rs. 5 to Rs. 470, while Gwaliors were a shade quiet at Rs. 39. Chemicals and Dyes were lower, Amar Dyes declining by Rs. 10 to Rs. 425, Colour Chems by Rs. 5 to Rs. 370, Indian Dyestuffs by Rs. 16.25 to Rs. 563.75 and Poly Chems by Rs. 10 to Rs. 255. Ceat Tyres hardened by Rs. 2.50 to Rs. 240, while Premier Tyres shed Rs. 2.30 to Rs. 87.

WM. POWELL & SONS LTD.

Messrs. Wm. Powell and Sons Ltd. inform the applicants for the recent capital issue of shares of the Company that, after protracted correspondence, it has been decided by the Calcutta Stock Exchange Committee to allot the shares as follows:—

For applicants of 50 shares—5 shares for each applicant with alternate allotment eliminating 50 per cent. of the applicants. This alternate allotment to be made under the supervision of the member of the Committee.

For applicants for 100 shares to 950 shares—at 5 per cent.

For over 1,000 shares—at 4 per cent.

The allotment and regret letters are now being issued.

NSIC FORGES AHEAD...

★ Contracts valued at approximately Rs. 7 crores have been secured by the small units with the assistance of the Corporation.

★ About 4,000 machines, both imported and indigenous, worth over Rs. 3.5 crores have been supplied to small units on easy instalment payment basis.

★ Besides exporting leather footwear and stockinette valued over Rs. 176 lakhs, small-scale industries products valued over Rs. 50 lakhs have been marketed under the various internal Marketing Aid Schemes of the Corporation.

★ Factory buildings costing approximately Rs. 75 lakhs in the Industrial Estate at Okhla (Delhi) and Naini (Allahabad), have already been constructed and expansion programme of the former estate estimated to cost Rs. 45 lakhs is under execution.

★ A Prototype Production and Training Centre at Rajkot has already been set up; 75 per cent of the work of construction of workshop buildings for another such Centre at Okhla, has also been finished. These Centres will impart training to artisans and develop prototypes of machine tools for production on commercial scale by small-scale units.

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NEWS IN BRIEF

THE Russian-built rolling mills at Bhilai, with an annual capacity of 400,000 tons, will be commissioned by Prime Minister Nehru on the 30th inst.

A four-member Soviet delegation, led by Mr. N. S. Patolichev, Minister for Foreign Trade, has arrived in New Delhi to finalise trade arrangements between the two countries for the next three years.

Eleven Indian-built Leyland Comet bus chassis were loaded at the Madras Wharf for delivery to Ceylon last week. This shipment completes the first contract for twelve Indian-built Comets received recently by the Ashok Leyland Ltd., Madras, on behalf of Leyland Motors Ltd. from the Ceylon Transport Board.

The Government of India has sanctioned a scheme for granting enhanced rate of subsidy of Rs. 1,000 per acre from this year onwards for replanting low-yielding unselected rubber areas registered with the Rubber Board. The subsidy will be paid in seven annual instalments, the first being Rs. 400 per acre and the remaining Rs. 100 per acre each year.

An official delegation (leader: Dr. D. S. Kothari, Scientific Adviser to the Union Defence Minister) has left for Moscow to conclude a deal for the purchase of transport aircraft, helicopters and certain categories of engineering equipments from Russia. These supplies, it is said, are required urgently for the development of communications in the northern border areas.

The second coke-oven battery of the Durgapur Steelworks was lighted by Mr. Macolm Macdonald, the U.K. High Commissioner in India, on the 13th inst. The first battery was lighted in August 1959. The Durgapur plant will have three batteries in all, which together will carbonise every day 5,200 tons of dry coal into 3,900 tons of coke. Each battery consists of 78 ovens.

The Indian collieries produced 29.64 million tons of coal during January-July 1960, as against 27.60 million tons in the corresponding period in 1959. Of this quantity, the private sector alone accounted for 25.10 million tons. The Raniganj coalfields led with a production of 10.27 million tons, followed by the Jharia coalfields the share of which was 9.14 million tons.

A jute delegation, led by Mr. D. C. B. Pilkington, Chairman of the Indian Jute Mills Association, has left on a tour of the U.S., Argentina, Canada and the U.K., to establish personal contacts with customers and to study prospects for expanding exports. The visit has been timed to coincide with the autumn meeting of the Textile Bag Manufacturers' Association, which represents the U.S. importers of burlap.

The U.S. Government has announced that it will finance the entire cost of the proposed Trombay fertiliser plant estimated at Rs. 27.6 crores. The foreign exchange component of Rs. 14.3 crores will come from the U.S. Development Loan Fund, while the rupee cost of the plant will be met by a loan of about Rs. 13.3 crores from the P.L. 480 counterpart funds. The details of the loan agreement are still to be negotiated. The aid brings the total U.S. aid to India to Rs. 1,727 crores.

A study group to examine the question of starting certain industries with the joint effort of the Government and the private sector in Maharashtra, has been set up by the State Government in accordance with the suggestion of the State's Consultative Committee on third Plan. Mr. R. G. Saraiya, a well-known industrialist and banker, is the chairman of the group, the members being Messrs. Naval H. Tata, S. M. Joshi, A. R. Bhat, R. M. Deshmukh and A. B. Bardhar. The Secretary to the Industries and Labour Department is the member secretary of the group.

The total purchases made by the Government of India from indigenous manufacturers has gone up from Rs. 42 crores in 1953-54 to Rs. 161 crores in 1958-59. In 1959-60, it amounted to Rs. 153 crores out of the total purchases worth Rs. 182 crores. This information was furnished by Mr. N. E. S. Raghavachari, Director-General of Supplies and Disposals, in his speech at the fifth meeting of the Western Regional Purchase Advisory Council held in Bombay last week. The foreign exchange component in the Government's purchases fell by Rs. 13 crores in 1959-60, as compared with the previous year.

The Union Government has decided to permit the imports of fruits (dried and fresh), asafœtida, cumin seed and medicinal herbs from Afghanistan on an *ad hoc* basis during the period ending 20th July 1961. This step has been taken in pursuance of the trade arrangement recently agreed to between the two countries. Those who have participated in the Indo-Afghan trade in these commodities during the four years ended June 1956 and who have already been registered as approved importers will be eligible for the import permits. Imports will be allowed within a limited monetary ceiling.

An exhibition of the industrial designs in vogue in the U.S. and the U.K. was declared open by Mr. Sri Prakasa, Governor of Maharashtra, in Bombay, on Monday this week. The exhibition is organised by the Museum of Modern Art, New York, under the auspices of the National Small Industries Corporation. On display are 300 articles of everyday use—household china and cutlery, porcelain and glassware, electrical and sound equipment, sanitary fittings, tools and furniture made of iron, wood, cane and nylon. The Ford Foundation has given a grant for meeting the expenditure on the acquisition of exhibits as part of its efforts in India "to stimulate industrial growth, particularly among the small-scale industrialists."

The Kerala Assembly has voted for exemption of plantations from the provision of ceiling fixed in the Agrarian Relations Bill. The Bill was originally passed by the erstwhile Communist Government, but was returned by the President for its reconsideration by the newly elected legislative body. An official amendment adopted by the House also exempts lands owned or held by a university, religious, charitable or educational institutions, or a public trust, including *wakfs*, the income of which is appropriated entirely for such institutions, from the ceiling provision of the Bill. Except on has also been made applicable to land granted to defence personnel for gallantry for the duration of their lifetime. Another amendment adopted lays down that a landlord may take over from a tenant any holdings comprising agricultural land if such holding is necessary for plantation purposes or if the tenant wilfully commits any damage to the land. In such cases, the tenant shall be entitled to solatium in the manner prescribed.

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From Abroad

The U.S. Export-Import Bank has announced the authorisation of a $6.4-million credit to Pakistan for the purchase of U.S. equipment to process raw cotton, including gins, precleaning elements and delinting machines.

Almost every second West German employer contributes to the transportation cost of his wage and salary earners. The percentage of workers receiving such contributions varied from three to five per cent. of the firm's labour force. It is highest in rural areas where employers have difficulties in getting the necessary manpower.

The Government of Pakistan is negotiating with the West German company, the Daimler-Benz, to establish a plant for manufacturing trucks and buses in the country in association with local capital. The proposed plant will have a capacity of 1,500 units per year. The country's need for trucks and buses is growing rapidly and it is estimated that, during the next five years, an additional 24,000 trucks and 12,000 buses will be needed. Moreover, the Government intends to denationalise road transport in some regions and this will result in a further increase in demand.

West German collieries are making headway in their efforts to mechanise coal production and make life easier for the miners. In July 1960, about 36 per cent. of total coal output in the Ruhr area came from 287 fully mechanised collieries, as against only 15 per cent. (139 fully mechanised collieries) in 1957. Meanwhile, first tests have begun in the Ruhr area to make the big dream of the mining engineers come true: the fully mechanised "deserted" coal face requiring no human labour at all.

The West German Government has approved of a Bill authorising the Ministry of Federal Property to make available upto DM 1,500 million (£130 million) for aid to less-developed countries. The Government proposes to expand its aid programme further. It is proposed to use the Fund for granting long-term credit "on terms acceptable to the recipient countries." In addition to these measures, the industrial concern have volunteered to contribute to a DM 1,000-million loan fund for the needy countries. This fund will be administered by the publicly owned Reconstruction Bank, which will pay an interest of 5 per cent. to depositors. It will, in turn, be able to lend the money at interest of about 5½ per cent.

U.S. Companies added $2,500 million to their investments in foreign subsidiaries and branches in 1959, a larger increase than in 1958 but substantially, less than that of the peak year 1957, according to a recent report of the U.S. Department of Commerce. Capital outflow of $1.4 million and reinvested earnings of $1.1 million last year raised the total value of U.S. firm's foreign investments to $30,000 million. The flow in 1959 included some $160 million to acquire additional stock of existing subsidiaries or other companies already established abroad. The share of the U.K. in the additions being made to direct investments in Europe was about 45 per cent. Much of the increase in the recent flow to Europe has gone to West Germany and France, with Italy and the Netherlands also showing large gains.

Several automobile manufacturers in the U.K. have announced cutbacks in production, following the general pause in world trade, partial return to seasonal trading, hire-purchase restrictions, etc. The British Motor Corporation, for instance, has announced curtailment of output to the extent of 12½ per cent., which will put on short time 23,500 workers out of the 51,500 employed. Its output will decline by 2,000 vehicles a week, though it will still be higher than last year. The Rover Company has decided that all car assembly line workers will go on to a four-day week "for the time being." Vauxhalls have already laid off 1,000 persons and asked another 26,000 employees to go on to a four-day four-night week, with effect from the 14th inst. About 700 men have been dismissed from the Mullners body-making subsidiary of the Standard Triumph International, and, at the Coventry motor plant, 2,000 workers are on a 2½-day week and another 6,000 have lost one shift. The other automobile firms have also followed suit.

Industrial production in the Common Market countries of Western Europe (France, West Germany, Italy, Belgium, Netherlands and Luxembourg) is expected to be higher by 11 per cent. in 1960, as compared with last year, according to the latest quarterly report of the Commission for European Economic Community. The percentage rise was 7½ in 1959 and 3 in 1958. The report says that economic expansion will continue in the first half of 1961 also, but there are some doubts of exports to outside countries resuming their increase over this period. There has already been a fall in exports, notably because of diminished sales to the U.S., and the Community's trade balance has gone slightly into deficit.

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PERSONAL

MR. V. Nanjappa, I.C.S., Joint Secretary, Atomic Energy Establishment, has been appointed Director-General of Posts and Telegraphs *vice* Mr. V. Shankar, I.C.S., who will assume charge as the Special Secretary, to the Union Ministry of Food and Agriculture shortly.

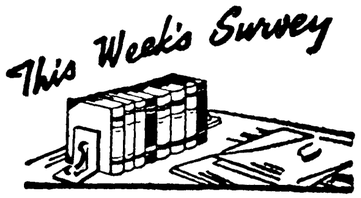
Mr. S. Ranganathan, I.C.S., Secretary, Union Ministry of Commerce and Industry, is scheduled to leave for Geneva on Friday next week to attend the forthcoming meeting of the G.A.T.T. as the leader of the Indian delegation.

Captain Dennis I. Peacock has been appointed Chief of Flight Operations of the B.O.A.C. with effect from 15th inst. in the place of Captain T. W. Farnsworth, who recently resigned.

Dr. N. G. Chokkanna, Director of Research, Coffee Board, has left for Ivory Coast to attend the F.A.O. technical meeting on coffee production and protection which commences at Abidjan on the 21st inst.

Mr. Harish C. Jain, Chairman and Managing Director of the National Advertising Service and Vice-President of the Advertising Agencies Association, will lead the Indian delegation to the second Asian Advertising Conference to be held at Tokyo at the end of this month.

Mr. W. P. G. Maclachlan, M.B.E., General Manager of the Assam Oil Company, will be leaving India shortly. His place as representative and General Manager of the Burmah Oil Company's interests in India will be taken by Mr. M. J. Condon, C.B.E., who has also been appointed to succeed Mr. Maclachlan on the Board of Oil India (Private) Ltd. As the headquarters of the Company is being transferred to New Delhi, Mr. Condon will be stationed there. At the same time, Mr. G. N. S. Robertson is taking over the administration of the Assam Oil Company with his headquarters at Digboi in Assam.



ANOTHER MAHALANOBIS COMMITTEE

THE Planning Commission has just announced the composition and terms of reference of the Distribution of Income and Leveis of Living Committee, a subject which, it may be recalled, figured prominently in the recent debate in Parliament on the Draft Outline of the third Plan. This committee, which is headed by Prof. P. C. Mahalanobis, Honorary Statistical Adviser to the Government of India, is composed of eight other members, namely, Dr. V. K. R. V. Rao (Director, Institute of Economic Growth, Delhi), Dr. P. S. Lokanathan (Director-General, National Council of Applied Economic Research, New Delhi), Dr. B. N. Ganguli (Director, Delhi School of Economics), Mr. Vishnu Sahay (Secretary, Planning Commission), Mr. D. L. Mazumdar, (Secretary, Department of Company Law Administration), Dr. B. K. Madan, (Executive Director of the Reserve Bank of India), Mr. B. N. Datar (Adviser, Ministry of Labour and Employment) and Mr. P. C. Mathew (Director, Central Statistical Organisation) as Member-Secretary. The expert composition of the committee suggests that its labours may be informed by a high degree of objectivity.

The terms of reference of the Committee also suggest that it will not be concerned merely with a probe into concentration of wealth. While, no doubt, it is particularly expected "to ascertain the extent to which the operation of the economic system has resulted in concentration of wealth and means of production," it will also review changes in levels of living during the first and second Plan periods and study recent trends in the distribution of income and wealth. Since there are gaps in the existing statistical and economic data—gaps which the Committee is expected to identify—the guess may be hazarded that it may not reach any sweeping conclusions on the basis of imperfect and incomplete data. The need for a committee of this kind for appraising objectively all the real benefits, besides additional money incomes, accruing to wide sections of the population under conditions of planning, has already been emphasised in a leading article in this journal (*vide* page 534 of the issue dated 24th September 1960). The changes in levels of living will not, of course, lend themselves easily to precise statistical computation. But, then, this has got to be done on a continuous basis, so that it can be statistically established that the continued existence of the few rich does not militate against the betterment of the poor. It is to be hoped that the Mahalanobis Committee will conduct its enquiries quietly and scientifically without unduly publicising them. If its integrity and objectivity are not to be questioned later, it should studiously avoid publicity and political involvement.

SUGAR TARGET

It is not merely the sugar industry but the consumer also that has reason to feel gratified at the statement of Mr. Manubhai Shah, Union Minister for Industry, made while inaugurating the twenty-eighth Annual Convention of the Sugar Technologists' Association of India held at Kanpur on Saturday the 15th inst., that the third Plan target for white sugar production was being stepped up from 3.0 million tons to 3.5 million tons, in view of the need for exporting sugar arising from scarcity of foreign exchange. On more than one occasion in the past, this journal has pointed out that the three-million-ton target is a conservative one, inasmuch as it does not take into account (a) the nutritional requirement of sugar (estimated by experts at nearly 23.00 lbs., as against 13.87 lbs. assumed by the Planning Commission), (b) the possible increase in consumption of sugar if its price is brought down to a reasonable level, and (c) the need for earmarking a portion of output for purposes of buffer-stock, not to speak of the exigency of meeting export demand. The more responsible section of the industry has itself warned against the danger of sugar output failing to keep pace with enhanced demand at the end of the Plan, unless the target is raised now alone, since it requires at least three years to bring additional capacity into existence.

Viewed thus, the latest move of the authorities to raise the target is, indeed, commendable. But the question is: Will the consumer of sugar enjoy the fruit of such an expansion of production? This poser is specially raised, because, although the quantity of sugar actually produced has risen markedly in recent years—from less than a million tons in 1949-50 to 2.42 million tons in 1959-60—the price paid by the consumer continues to be high in all conscience. The reasons are not far to seek. Apart from the poor sucrose-content in cane and the defective system of linking cane prices to quantity irrespective of quality considerations, the incidence of taxation is pretty heavy. On every pound of sugar costing 55 nP (retail), the Government collects by way of excise duty as much as 13 nP, as against 3.3 nP levied in 1950-51, when the price of sugar was about 35 nP per lb. In other words, excise duty now accounts for 24 per cent. of the sugar price, as against just 10 per cent. ten years ago. Further, the main ground on which the Government is willing to enhance the target is not underestimate of domestic demand but the need for developing an export market. While this need is undoubtedly there, it is a moot point whether its fulfilment is a feasible proposition. The Government's desire to promote exports of sugar may, however, be welcomed, if it at least succeeds in driving home the point that the efficiency of sugarcane growing requires to be vastly improved.

It will be highly desirable to reach the increased target of 3.5 million tons through an all-round rise in efficiency, that is, in the farms and factories alike. Mr. Manubhai Shah no doubt did stress this aspect, but his remarks sounded hackneyed and well-worn. For he said:

"While the industrial and mechanical engineers are busy with their slide rules and drawing boards in designing and fabricating the required machinery for the factory, on the field side the soil chemists, the biologists and other agricultural scientists have to pursue vigorously their quest for more knowledge about the cane plant. . . . The most important feature of the sugar industry is its close tie with agriculture, affecting the fortunes of millions of cultivators. . . . Unless the needs of the ordinary cane growers, who form the backbone of this agricultural industry, are taken into consideration while suggesting improved patterns, no real and substantial improvement can be expected. Work in test fields and laboratories should be continued for finding out higher yielding varieties of sugarcane, more effective fertilisers and better agricultural methods."

Such sentiments have been expressed so often and so repeatedly without being followed by energetic steps to translate them into action that they have almost lost their force. If the authorities are really earnest about solid improvement in sugarcane growing, they must unhesitatingly accept and implement the system of paying for cane on the basis of both weight and quality, as is the case of all other agricultural commodities. Payment on quality basis, as Mr. Desraj Narang, President of the Convention, rightly declared, would arouse the necessary quality-consciousness among cultivators, for, once the grower realises that quality cane will receive a premium, he will be anxious to improve the quality of his produce and take appropriate steps in that direction. It is true that there are certain inherent difficulties in the way of implementing the scheme in North India, but "it is," to quote Mr. Narang, "upto the Government and the various organisations concerned to devote attention to remove them."

CUBA AND GHANA: THE CONTRASTS

By the end of June last, Dr. Fidel Castro's revolutionary Government in Cuba had expropriated a number of foreign properties including the Shell refinery. Almost half the American investments (valued at $1,000 million) had been taken over by that time or prepared for seizure. Last month, the American banks in Cuba were also nationalised. Till very recently, the campaign of seizure of foreign properties has been sought to be justified on the ground of nationalism (or anti-Americanism) and anti-imperialism. But, with the latest nationalisation measures announced by the Cuban Government, Dr. Castro's revolution is now clearly seen as a full-fledged Communist revolution. The earlier unverified story that several leading members of the Castro Government are actually Communist party members seems to have been confirmed now. Cuba, thus, may virtually become a part of the Communist bloc and its foreign policy will be increasingly co-ordinated with Soviet "cold war" directives.

It is in this "cold war" context that the latest nationalisation measures in Cuba have acquired an alarming significance. Almost the entire economy is now socialised, following the Government's order to nationalise banks and most commercial enterprises and key industries of the country. The expropriation law covers 382 enterprises, including 105 Cuban sugar refineries, 50 textile factories, 13 big stores, eight rail-road lines, five big breweries, 18 rum and alcohol distilleries, 19 construction enterprises, 13 maritime firms, 47 commercial warehouses, 11 coffee companies and 11 cinema circuits. The tobacco industry, too, has already been taken over. Among the enterprises now expropriated are American-owned sugar mills, nickel mines, rubber factories, railroads and commercial companies. At one sweep, therefore, almost all foreign private enterprises and virtually all domestic private enterprises have been eliminated. Nobody knows what compensation will be given, for the expropriation law has merely stated "that indemnities would be paid in accordance with terms to be set later." All this means that the Cuban revolution is following the typical Communist pattern.

No such alarming development has, however, taken place in Ghana which, according to rumours last week, was on the point of taking over foreign-owned commercial interests. Dr. Nkrumah's Government in Ghana, like the Nehru Government in India, seems to be only moderately socialist, and so its latest policy announcement, which has belied last week's rumours, has been greeted with "qualified satisfaction" in London. Although, according to this policy statement, Ghana is to evolve a socialist pattern of society, no nationalisation of existing private enterprises is contemplated. What is contemplated is only a mixed economy with four sectors—State-owned, joint State-private, private enterprise, co-operatives, and purely private. Dr. Nkrumah's salutary recognition that there is an acute world shortage of capital for development and that foreign capital should be encouraged in such a way as to guarantee a reasonable return for investment, has gone a long way towards scotching the nationalisation rumours. In fact, he has described them as "pernicious, wicked and deliberately calculated to damage the reputation and good faith which Ghana has built up." This forthright statement, together with the accent on the word "evolution" in relation to the socialist pattern of society, distinguishes Dr. Nkrumah so fully from Dr. Castro that no further comment is required on the two contrasting pictures. The only question is whether a moderately socialist lead such as that of Dr. Nkrumah, who seems to have taken a leaf out of Mr. Nehru's book, will wean the newly independent African countries away from the influence of Communists.

DEFINITION OF "WORKER"

Two recent judgments of the Supreme Court on the definition of the term 'worker' in the Indian Factories Act have made an amendment to the Act necessary if the object of the legislation is not to be defeated. The term 'worker,' according to the Court, covered only persons who had the relationship of servant to the factory and that it did not extend to the employees of a contractor working in the same premises. The latest of the two decisions on this question was made by the Court on the 12th inst., while dismissing the appeal filed by the State of Kerala against Messrs. Gujrat Travancore Agency from the judgment of the Kerala High Court. The facts of the case are as follows:

The Inspector of Factories, Kerala, during his inspection of the premises occupied by the respondent, found 23 persons employed in garbling pepper and packing it in bags. The Agency was prosecuted for failing to register the concern under the Factories Act and commencing work without prior permission on the contention that, since the Agency was employing more than 20 persons in a manufacturing process, it was bound to register itself under the provisions of the Factories Act. It was argued on behalf of the Agency that the premises was not a factory and that the persons employed in garbling pepper were not 'workers' within the meaning of the Factories Act.

The case originated in the magistrate's court and travelled all the way through sessions to the High Court and finally to the Supreme Court. The magistrate convicted the Agency. The Sessions Court upheld the conviction. The Kerala High Court, however, set aside the conviction. The State, therefore, went in appeal against the Court's decision.

The Supreme Court held that there was no doubt that the Agency was engaged in a manufacturing process and, if 20 or more 'workers' were employed in it, it would be considered 'factory.' But the crucial question was whether the 23 persons employed within the premises were 'workers.' To decide this, the Court examined the definition of the term 'worker.' Referring to one of its earlier decisions, the Supreme Court recalled that it was held that, to determine whether a person was a worker, "the proper test was to see whether or not the employer had control and supervision over the manner in which the work was to be done." It was held therein that the employees of a contractor working on the premises were not workers. Giving the same interpretation, the Court held that the employees involved in the case under reference were not workers and that, therefore, the view held by the High Court was correct. The appeal was, accordingly, dismissed.

If this definition of the Supreme Court is allowed to stand without amendment to the Indian Factories Act, it may encourage employment of workers in factories through independent contractors in order to escape the obligations involved under the Act. This tendency is likely to prevail in small establishments, where it is that non-observance of the provisions of the Act is generally found. All that an employer has to do is to engage less than 20 persons and use contract labour for the rest of his requirements. This ambiguity would not have arisen, if the Act had made it clear that it meant to cover contract labour of the kind mentioned above. This again underlines the need for greater care and clarity in the drafting of statutes.

TRADE UNIONISM

Mr. V. V. Giri, Governor of Kerala, and a former Labour Minister of the Government of India, is a firm believer in the principle that a strong trade union movement is a bulwark of industrial democracy. He is against everything that has the effect of weakening the trade union movement. And he never misses an opportunity to drive home this point. Sometime ago he suggested suspension of adjudication for a period of three years on a trial basis, for adjudication, in his view, cut at the root of the trade union movement. His reasoning is that, as long as the law courts were there to decide industrial disputes, workers would be inclined to go to the court, to the neglect of the union.

Less controversial, however, is his stand on the question of multiplicity of unions. Mr. Giri thinks that one union for one industry is the ideal arrangement. Inaugurating a cellulose film factory at Rayonpuram (Kerala) this week, Mr. Giri again reiterated this stand. He said that, in the interest of bargaining power, there should be one body to deal with employers and the latter must feel that they were dealing with a representative body. Mr. Giri, however, seems to slur over the difficulties in achieving the object. Equally unrealistic is his recent suggestion that all the three democratic, all-India trade union organisations in the country, namely, the I.N.T.U.C., H.M.S. and U.T.C., should join together to form one single unit. Whatever the advantages of this merger—and it will certainly not be an unmixed blessing—it is difficult to conceive of an overnight change of heart in the unions' bosses, which alone could bring it about. And considering the fact that all unions other than the I.N.T.U.C. directly derive their inspiration and leadership from political parties which are rival to the one in power, it is futile to think of these unions coming together, unless they are prepared to sink their political identity by merging with the Congress Party or, alternatively, cease to be political parties, confining themselves only to trade union work.

Multiplicity of unions itself is the result of the existence of different political parties trying to win over the support of workers by championing their cause. If, therefore, unions should merge together and organise themselves on the basis of one union for one industry, politicians must withdraw themselves from the field. Their presence has led to the growth of mushroom unions, with weak finances and undesirable leadership. This is confirmed by a study made by the Labour Bureau of the Government of India. According to a note prepared by the Bureau on the subject, in spite of State encouragement, trade unionism in India continues to suffer from some major weaknesses. The Bureau has listed four of them: (1) political rivalries leading to multiplicity of unions owing allegiance to rival political parties and thus leading to disunity in the ranks of the working class, (2) outside leadership of unions, (3) inadequacy of funds, and (4) illiteracy among workers. The first two, it may be noted, is the direct result of political parties dominating the trade union field.

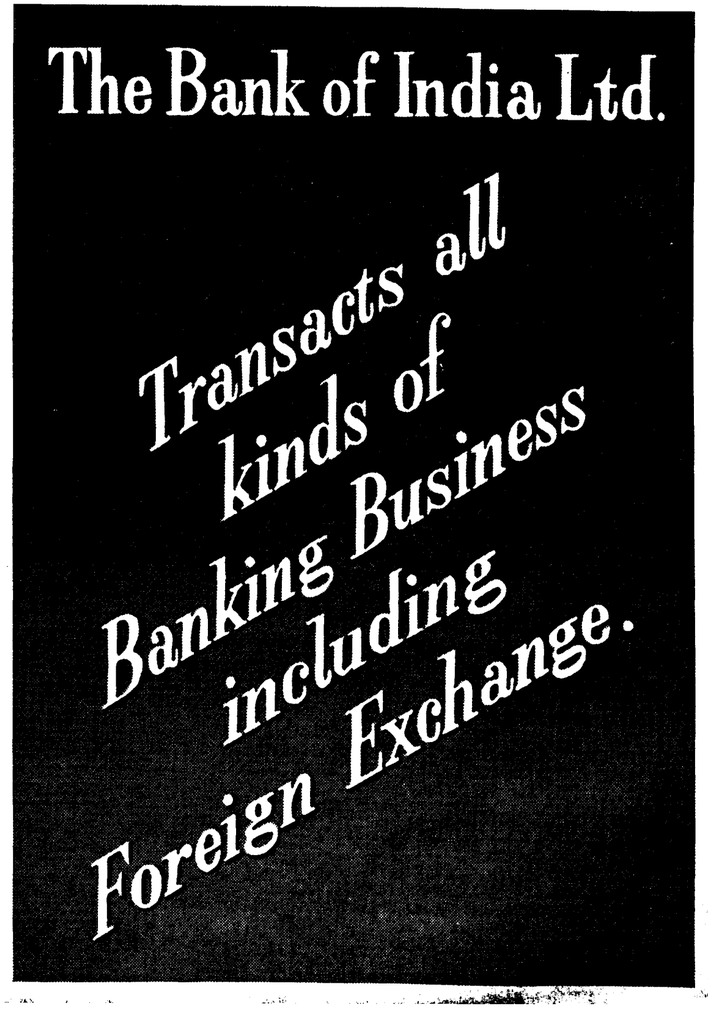
AGRICULTURAL IMPLEMENTS

It is common knowledge that one of the principal factors that retard productive efficiency in Indian agriculture is the continued use of outmoded tools and implements for farm operations. Although substantial sums have been spent on agriculture in the first and second Plans, no effective measures have been taken so far to ensure steady technical progress in this sector. In the Draft Outline of the third Plan, the Planning Commission has candidly confessed that, "despite frequent consideration of the subject at the expert level and general recognition of the importance of improved tillage and harvesting practices for scientific agriculture, practical action has invariably lagged behind." It is to be hoped that the second conference of experts on production, distribution and popularisation of improved agricultural implements, held at Kharagpur, West Bengal, last week, will not be as ineffective as the previous discussions. The Conference, inaugurated by Dr. Punjab Rao S. Deshmukh, Union Minister for Agriculture, was attended by senior officials of the Indian Council of Agricultural Research, representatives of the Central Government, State Governments, manufacturers of agricultural implements, educationists and farmers.

Improvement in agricultural tools does not imply mechanisation as is prevailing in the U.S. or the U.K. or Russia. It chiefly means that Indian farmers should be enabled to possess better and more efficient types of tools than they have at present. The introduction of these tools need not necessarily displace any labour. On the contrary, it may even lead to larger employment, albeit in other farms. There is even scope for mechanising certain operations. Explaining this point, Dr. Deshmukh observed that, if the fields could be tilled and got ready at a faster rate than now, with the help of machine-driven implements, such as small tractors extensively used in Japan, it would enable timely sowing of seeds over much larger areas under crops. A moderately-priced thresher driven by an oil engine or an electric motor, which was cheap enough in operation costs, since rural electrification was making some progress, would certainly be a good thing for Indian farmers. Dr. Deshmukh added that winnowing machines would also be most useful in any region where there was not enough blowing wind.

While these suggestions are theoretically sound, their implementation will not be easy. In the first place, cultivators must be convinced of the increased dividends they will get by adopting new techniques. Secondly, the Government will have to come to the assistance of private industrialists to ensure steady supply of the relatively new types of tools. All these call for concerted efforts on the part of the Government, the industry and other agencies concerned with agricultural development.

The Planning Commission has asked the States to evolve a programme of action for improving the financial returns from the irrigation projects during the third Plan period. Provisional estimates of receipts on revenue account for the third Plan has been roughly estimated at Rs. 100 crores from irrigation, that is, an annual average of Rs. 20 crores, as against the annual average of Rs. 10 crores during the second Plan period. The Commission has laid stress on upward revision of water rates, with a view to relating them more closely to the current value of crops and bringing in greater uniformity in the system and the scales of existing water rates in various regions. The State Governments' attention has also been drawn to the recommendation of the Taxation Inquiry Commission (1953-54) that a compulsory water cess should be levied on the entire area for which irrigation facilities are provided, irrespective of whether water is taken by cultivators or not.



AMERICAN LETTER

RUSSIAN PREMIER MAKES LITTLE IMPRESSION

ECONOMIC TREND UNCERTAIN

From Our Special Correspondent

NEW YORK, *13th October*

ACTIVITY has been increasing in certain lines of business in the beginning of the autumn season, but the bedlam in New York continues with the General Assembly of the United Nations still in session at this writing.

Prime Minister Fidel Castro of Cuba has left. It was reported in one of the papers here the other day, rightly or wrongly, that he and his brother Raoul had deposited $50 million (U.S.) in Swiss banks.

Premier Khrushchev has just left, after haranguing the U.N. on several occasions. Whether he knows it or not, he has made many enemies. He showed not only bad manners, but, as psychiatrists tell me, there are slight indications of a mental case. This may or may not be so. For, it is very difficult for Westerners to understand and gauge the psychology of a Slav, who is kind-hearted, on the one hand, and brutal as well as ill-mannered, on the other. But even the African bloc, with its new members in the U.N., which Russia wants to wean away from independence into its Soviet orbit, have been shying away from the Kremlin "protectors."

This was very evident in the U.N. meetings. A neutralist bloc emerged and Prime Minister Nehru of India emerged as the leader. He was widely acclaimed by many, but not by all. But he was very cordially received officially on all Government levels.

Police motor cycle sirens continue to scream in mid-town New York as they escort dignitaries hither and yon and often one cannot get across the street because of security measures.

As readers in India will know from their daily papers, President Eisenhower is refusing to see Premier Khrushchev after he wrecked the summit conference and after his ill behaviour here. This was done with the full approval of British Prime Minister Macmillan who was rudely interrupted during his U.N. speech by the Soviet Prime Minister. Mr. Macmillan came out on top and behaved with the utmost reserve, while Mr. Khrushchev was almost hysterical without getting anywhere.

This is an inside report worth noting in India. It also explains, in part, the behaviour of the American economy. There is caution in the air. Mr. Khrushchev's threats of force are not taken too lightly, although they are being discounted in many quarters.

There are many anomalies in the situation. Prominent labour leaders refused to see the Soviet Prime Minister. Yet, he was wined and dined at the Biltmore Hotel here by one of the richest men in the U.S., Cleveland financier Mr. Cyrus Eaton. There were pickets around and police in great numbers kept them away from the hotel entrance. Policemen are being paid overtime these days.

Disappointing Aspects

Partly because of this, there have been disappointing aspects in the U.S. economy. Capital investment has levelled off rather than increased. The general expectation was for an appreciable gain. There is also disappointment over the rate of growth, or the lack of it, in overall industrial production, personal income and the gross national product. The figures in themselves leave little to be desired. New jobs in the service industries have taken up the slack in the manufacturing industries. More people than ever before were employed gainfully last summer.

Including the armed forces, the employed numbered about 71 million and the upward trend is expected to continue. The only question is whether this growth rate is sufficient, in view of the increasing population and the increasing requirements resulting from this development. Nobody has the answer whether or not that growth rate will take care of the increasing wants, needs and desires of the expanding U.S. population in the face of the Soviet threat to overtake heavy industrial production by 1970 without loss of the present standard of living.

There are other disturbing factors. One is the discouraging steel production rate. Another is rising labour and production costs which have been pricing this country out of many markets. This, in turn, has led to an increase of imports and to a considerable outflow of gold. As a chain reaction, there has also been a squeeze on profit margins which is aggravated by an unrealistic tax structure.

In addition, the forthcoming Presidential elections next month and the inherent uncertainties of future Government policy make for caution and conservative planning.

Pro and con debates are raging about another possible recession in the U.S. There is no ready answer for that. To stem fears, the Federal Reserve system, as stated in previous despatches, has softened its credit policy. The Treasury, as well, has been quite careful in its refunding and new money raising operations. Caution by manufacturers is matched by consumers. Buying plans, as determined by the U.S. Census Bureau survey, show little change from last year. Financial expectations vary only slightly.

Farm Outlook

The farm outlook is better than expected. Farm surpluses are piling up at the expense of the Government. The income of farmers is running very close to last year's level. Earlier forecasts predicted a decline of 7½ per cent. in 1960, as compared with 1959. But for the first eight months of this calendar year, cash receipts from farm marketings, of $19,500 million, were ½ per cent. higher than last year. Farm product prices rose—particularly those for dairy products, fruits and eggs. This was offset by lower quotes for meat animals, chicken and potatoes.

The $1,000 million Inter-American Development Bank opened for business on the first of the month. It has received already capital subscriptions of nearly $110 million from 12 countries in addition to substantial amounts of other national currencies. The paid-up share capital will amount to $381 million of which half will be in U.S. dollars. Felipe Herrera of Chile is President of the new Bank and the U.S. Executive Director is Mr. Robert Cutler. There are great hopes that the new Bank will improve materially U.S.-Latin American relations, Premier Castro of Cuba notwithstanding.

Presidential Election

In the meantime, the U.S. Presidential election campaign is entering its final phase. Vice-President Richard Nixon, the Republican candidate, and Senator John Kennedy, the Democratic candidate, have seen fit to discuss public issues on television. Before election day, early in November, there will have been four such panel meetings. The first two were rather boring, in my opinion. At this point, the vote may be close, but the outcome will depend on last minute developments. Although Mr. Kennedy has a more forceful personality than Mr. Nixon, I cannot see him as the next President of the U.S. I may be wrong. Either way, it will not make too much difference.—*All Rights Reserved.*

Notice

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THE REGISTERS OF MEMBERS AND Transfer Books of the Company will be closed from 14th November to 4th December 1960, both days inclusive, in connection with Final Dividend for the remaining part of the year ended 31st March 1960, payable on or after 5th December 1960.

By Order of the Board,

For THE AMALGAMATED ELECTRICITY CO., LTD.,
For N. C. JAVERI & Co.,

N. C. JAVERI,
Partner,
Managing Agents.

BOMBAY, *12th October*, 1960.

TRADE WITHIN THE COMMONWEALTH

THE NEW PATTERN

By F. Cassell

THE economics of the Commonwealth defy precise analysis. The Commonwealth is not, was not, and was never intended to be, primarily an economic association.

Yet, from the outset, its economic aspects have loomed large, because trade invariably accompanied the flag—either a step ahead or a step behind—in its progress round the world. In that sense, the Commonwealth was founded on trade. The pattern of that trade was simple enough; goods manufactured in Britain were exchanged for the primary foods and raw materials produced by the colonies overseas.

The United Kingdom capital and management largely developed the mines and plantations and financed the building of the railways to open up the deep continental interiors to the world market. Britain's ships carried the products, mainly to London, where they were sold in the great commodity markets of the City, and British bankers tided the producer over the gap between production and sale. The City, in short, was the hub.

This pattern of trade and finance, it must be stressed, evolved naturally. It was suited both to the needs of the colonies and to the needs of Britain's manufacturers. It required no Government assistance—the spirit of the age, in any case, was firmly against such assistance. The trade flowed through natural channels and was not directed by discriminatory tariffs.

Today, the pattern of Commonwealth trade and finance is far more complex. Britain is no longer the sole—or even the principal—supplier of manufactured goods in the world. The City of London is no longer the pre-eminent source of development capital. Many of the oversea members of the Commonwealth have important manufacturing sectors in their own economies and most of them are actively trying to stimulate the growth of such sectors. The natural pattern of trade, moreover, is distorted by the imposition of tariffs, import quotas and exchange controls.

Surplus of Primary Products

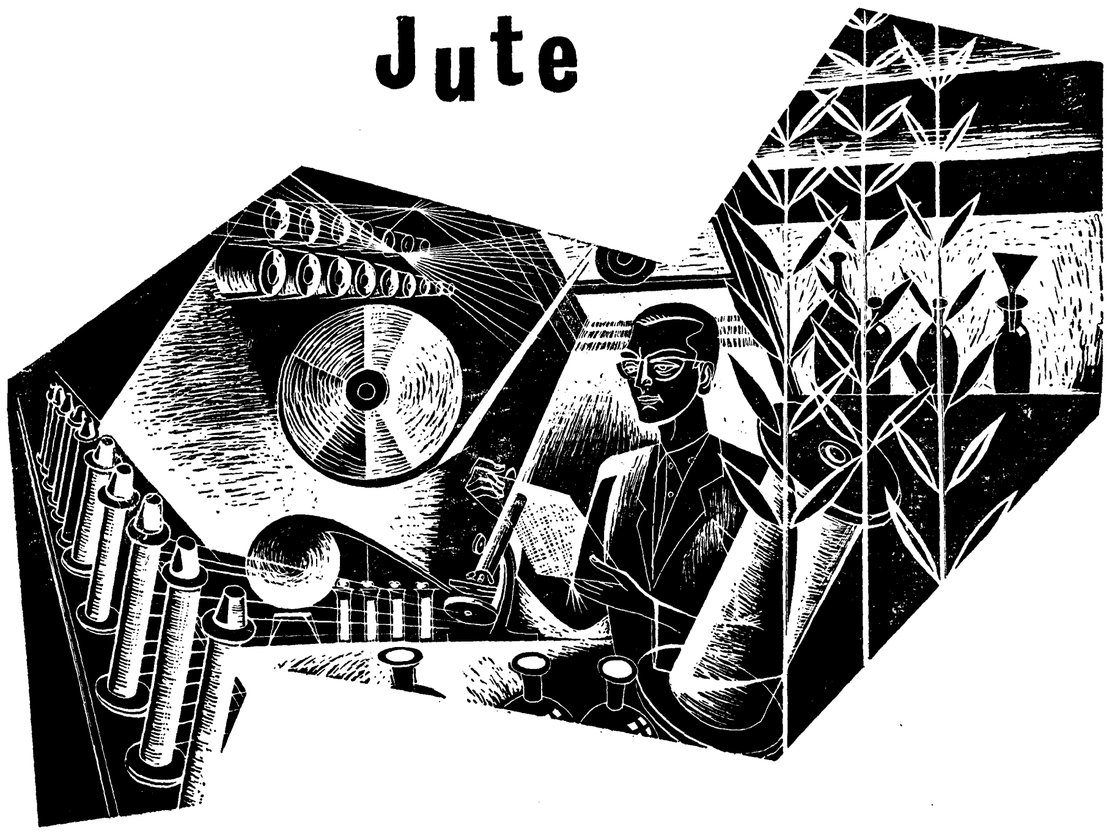
Even so, the underlying basis on which the growth of trade was based can still be discerned. The typical transaction is still the exchange of New Zealand butter or Australian wool for locomotives or insurance services from Britain. The oversea Commonwealth remains basically a producer of primary products. It produces half or more of the free world's total output of wool, jute, sisal, gold, platinum, nickel, manganese, titanium, cocoa, tea, pepper, barley and asbestos; more than a third of its natural rubber, tin, chrome, rice, groundnuts and copra; and more than a fifth of its bauxite, copper, lead, zinc, silver, wheat, oats, cane-sugar, vegetable oils and oilseeds, butter, diamonds, and wood-pulp.

In many primary products, therefore, the Commonwealth is able to achieve a substantial export surplus. Similarly, Britain remains essentially an exporter of manufactured goods—indeed, the steep decline in coal exports since 1914 has made manufactures bulk even more heavily in Britain's export list. As such natural incentives to trade are strong. Commonwealth countries now account for approximately under a third of the total world trade and about half of this trade is with other members. The proportion is highest for New Zealand and the Federation of Rhodesia and Nyasaland, about three-quarters of whose trade is within the Commonwealth. It is lowest for Canada—about one-fifth.

Canada's close economic ties with the United States of America no doubt largely account for the relative smallness of its trade within the Commonwealth, but it seems unlikely that they can account for it entirely. Canada's trade figures suggest that, in the post-World War II period, the trade and exchange restrictions associated with the inconvertibility of sterling have been a more important influence on Commonwealth trade than have the preferences accorded to Commonwealth imports under the Ottawa Agreements of 1932. The move to external convertibility at the end of 1958, followed as it logically was by the relaxation of most discriminatory restrictions on dollar imports, should enable Canada to expand her trade with other Commonwealth countries. The convertibility of sterling has thus removed the major obstacle that, since 1939, has divided

(*Continued on page 748*)

Jute



— an industry on the march

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OPERATIONS OF THE WORLD BANK

TRULY INTERNATIONAL IN CHARACTER

THERE is little exaggeration in the claim of Mr. W. A. B. Iliff, Vice-President of the International Bank for Reconstruction and Development, that the Bank is in every sense of the word an international bank. Mr. Iliff, who made this claim in his speech at the recent World Bank annual meeting, in the absence of Mr. Eugene R. Black, President, substantiated this with statistics relating to the growth of the Bank during the last fifteen years of its existence and more particularly in the last few years, both as a lender and as a borrower in the world capital markets. Ten years ago, the Bank had a membership of 48 nations and its lendings aggregated about $800 million to finance various projects in fourteen countries. Five years later, the membership stood at 56 and the total investments ran to about $2,300 million spread over 37 different countries. In other words, within a period of five years, the ratio of borrowing countries to the member-countries grew from 30 per cent. to 66 per cent. Today, the Bank's membership covers 68 nations and its commitments exceed $5,000 million in no less than 50 different countries, representing 78 per cent. of the member-countries. A more significant aspect of the growth of the Bank's operations is that, in the last three years alone, its lending has nearly equalled the total in the first ten years. Another equally important feature of the Bank's lending is that, consistently during the last five years, attention has been diverted more and more to the less developed areas of the globe, Asia and the Middle East receiving the largest slice of the lendings in each of these five years.

Prospect of Membership Broadening

There is every possibility of the membership of the Bank broadening in the coming years and the demand on its resources increasing. "The time is not far off," Mr. Iliff declared, "when new countries entering the community of independent nations will have brought the total number of sovereign States to more than 100. Most of these new nations will be ill-supplied with development resources and determined to do something about their poverty. Most of them will, therefore, probably become members of the World Bank."

The aforesaid growth in the Bank's lending operations would not have been possible, if there had been no corresponding expansion in its resources. Ten years ago, for instance, the available funds of the Bank for lending came almost entirely from the paid-in capital of the U.S. and Canada and from $250 million borrowed money, all of which had been raised in the American market. During the next five years, the Bank's sources of finance took on more of an international complexion; out of the total capital subscriptions amounting to $942 million, the share of countries outside the U.S. was $307 million. Today (as on 30th June), the international character of the Bank's finances has been more thoroughly established. Thus, the members' paid-in capital available for lending, exclusive of the U.S.'s subscription, amounts to more than $1,000 million, out of a total of $2,025 million. Of the Bank's outstanding funded debt at $2,073 million, about 53 per cent. is held outside the U.S., a very remarkable change from the position five years ago. In other words, ten years ago or even five years ago, the Bank was largely a dollar bank, but today it is truly international in character. The Bank's securities are widely held throughout the world. Investors in more than 40 different countries hold the Bank's securities which have been established in the money markets of Belgium, Canada, Germany, the Netherlands, Switzerland, the U.K. and the U.S.

Largest Borrowing Outside U.S.

An indication of how deep, as well as wide, are the international sources of funds available to the Bank is provided by the Bank's borrowings after the close of the fiscal year ended 30th June 1960. In July last, the Bank was able to borrow from the Central Bank of Germany an equivalent of $240 million, partly in dollars and partly in Deutschemarks, with a maturity of 12 years. This is not only the Bank's largest borrowing ever undertaken outside the U.S. but is by far the largest single borrowing the Bank has made anywhere, since the issue of $250 million in the U.S. market in the summer of 1947. It may be noted, in passing, that over the past three years, Germany has been the Bank's most important source of borrowed funds. The Bank has made three other issues since the end of the last fiscal year. The first was a roll-over operation of $30 million issue that matured in July last and extended for a period of another three years. The second was a sale outside the U.S. of two-year 3½ per cent. bonds for $100 million and the third was a public issue in Switzerland of 4 per cent. 15-year bonds for Sw. Frs. 60 million. The latest Swiss bond issue brings the total World Bank bonds and notes outstanding in Swiss francs to about Sw. Frs. 690 million.

Purchase of Loans

There has been a widening interest in the purchase of World Bank loans on the part of investors all over the world. During the last ten years, sales of parts of the Bank's loans, without its guarantee, have brought back to the Bank $804 million and, of this, $500 million have come from outside the U.S. These, in effect, represent repayments to the Bank before maturity and such early replenishment of the Bank's resources reduces, by a corresponding extent, its need to go to the market for new funds. As these loans do not carry the Bank's guarantee, such large-scale purchases of loans provide an indication of the investors' confidence in the creditworthiness of the member-Governments concerned.

In conformity with the pattern of operations set during the last few years, the Bank's lending operations during the last fiscal year, namely, the one ended 30th June 1960, were largely confined to the less-developed areas. They aggregated $658.70 million, as against $703.12 million in 1958-59 spread over as follows:

(In million dollars)

	1959-60	1958-59
Asia and Middle East	272.60	354.00
Africa	182.70	110.60
Latin America	134.40	136.52
Europe	69.00	102.00
	$658.70	$703.12

Though the total lendings were slightly lower than the record touched in the previous year—this is mainly accounted for by Asian and Middle East countries—the bulk of the loans has gone to the less developed areas. This is the fifth year in succession that Asia and the Middle East received the largest share of the year's loans. The low level of new loans to European countries reflects the ability of these countries to find enough domestic capital to meet their needs of development finance or to borrow in the capital markets of the world on their own.

Emphasis on Development of Basic Services

The pattern of lending shows the usual emphasis on the development of basic services, such as transport and power supply, as will be borne out by the purpose-wise analysis of the loans in the last two years:

(In million U.S. $)

	1959-60	1958-59
Transport	245.00	257.20
Electric power	208.00	294.00
Industry	146.00	149.00
Agriculture	60.00	3.50
	$659.00	$703.70

The new commitments made during the year under review bring the aggregate effective loans of the Bank to $3,664 million, of which $2,807 million have been disbursed. The actual disbursements during the year amounted to $544 million, as against $583 million in the previous year.

Despite the fact that the loan commitments and actual disbursements were slightly below those of 1958-59, the year under review was an active one for the Bank which established many fresh records. The Bank's net earnings amounted to $59.5 million, representing an increase of $13 million over the previous year's record. Its reserves were strengthened by $86.5 million, the largest addition made so far in any year, to a total of $506.5 million. The net borrowings of the Bank amounted to $168 million, raising the funded debt at the end of the year to $2,073 million. The year was also an active one from the point of view of technical assistance activities for the Bank, particularly in a new role, that of executing agency for projects of the U.N. Special Fund.

Prospects for Development Capital

Commenting on the outlook for the less-developed areas in so far as the availability of development capital is concerned, Mr. Iliff observes that there is a possibility of a continuing growth in the supply of capital and says:

"So far as the future is concerned, it is not always as easy to see new sources of capital as it is to see the needs for it. But there does not appear to be any shortage in sight of development capital prepared to move on conventional terms. The volume of private international lending and investment in foreign securities has been growing; foreign bonds publicly issued in the major capital markets during 1858 and 1959 amounted to more than three times the total floated in 1952 and 1953. And this is exclusive of refunding operations. This expansion has been marked by an increase in the number of countries able to invest abroad, notably, of course, those countries of Western Europe where sustained improvement on domestic and foreign account has come about.

Even the present pattern of interest rates suggests the possibility of a continuing growth in the supply of conventional development capital, while attention today is directed to the recent rise in long-term interest rates in Europe, it should not be overlooked that European interest rates in general are significantly lower now than they were at the peak of the earlier European boom in 1957. Moreover, since 1957, controls over capital movements have been eased. These are indications that the supply of capital in Europe has expanded substantially in the past three years, giving still further support to the view that capital flows to the low-income countries can continue to increase."

Change in International Relationship

In fact, as the World Bank report points out, the year 1960 marks the beginning of a period of change in international relationship, largely because of a "heightened international awareness of the financial requirements of the less-developed countries of the world." There is also a growing realisation in industrial countries of the need for exporting more development capital and to do it on more flexible terms of payment. This is reflected in the formation of a Development Assistance Group by the U.S., Canada, and the principal industrial countries of Europe, the careful study of a proposal to include the U.S. and Canada as members of the O.E.E.C. and to include development assistance as a concern of the Organisation, and the steps taken towards the establishment of the International Development Association, which will be able to provide development finance to the less-developed areas on terms more flexible than those of the World Bank's own loans. It is expected that the I.D.A. will be ready to commence operations in a few weeks.

U.K.'S NATIONAL INCOME

Details of how Britain's living standards have improved in the decade 1949-59 and of the changes in the spending habits of the average Briton are given in the national income and expenditure Blue Book just issued in London by the Central Statistical Office. Personal incomes in Britain rose by 85 per cent. in the period. Measured in real terms—that is, after allowing for rises in prices and costs—the increase was 25 per cent. National income in 1959 stood at £18,931 million, an increase of £590 million over the previous year. Total investment rose steadily over the decade. As a proportion of the gross national product, gross fixed investment increased from 14½ per cent. in 1949 to about 17¼ per cent. in 1959. Last year, shoppers spent £15,715 million on goods and services, as compared with £8,878 million 10 years ago. Nearly £4,800 million went on food, almost double the figure of 1949. In 1959, there were 12,400,000 people (counting husband and wife as one) receiving less than £500 before tax. There were 761,000 receiving between £1,500 and £5,000, and 3,000 who received more than £6,000 after tax, compared with only 900 in 1958. Out of each £1 of consumers' spending, 6s. 1d. went on food, 1s. 3d. on drink and 1s. 4d. on tobacco. Spending on cars and motor cycles more than trebled in 1959 as compared with 1949, but expenditure on entertainment was 3d. in the £, as compared with 5d. in 1949.

THE CHARTERED BANK

The Chartered Bank has raised its authorised capital from £5 million to £5.5 million by the creation of 500,000 new shares of £1 each. The decision to this effect was taken at an extraordinary general meeting of the Bank held on the 12th inst. The new shares will be issued fully paid-up to the existing stock-holders in proportion to the stock held as on the 8th inst. For this purpose, a sum of £500,000 has been capitalised out of the Bank's reserve fund. After the allotment, the new shares will be converted into £500,000 stock ranking *pari passu* with the existing stock of £5 million. The withdrawal of £500,000 from the reserve fund has been restored by a corresponding transfer from the contingency reserve, so that the reserve fund remains at £5.5 million, equivalent to the paid-up capital of £5.5 million.

The Bank, it may be recalled, recently paid an interim dividend of 8 per cent. actual, subject to deduction of income-tax at 7s. 9d. in the £. The Directors hope to maintain the total dividend for the year at 15 per cent. per annum on the increased capital.

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FINANCES OF COTTON MILL INDUSTRY

PROFITS EARNED VERY LOW

THE cotton mill industry has, once again, come to be a controlled sector of Indian economy. Not only is the general level of yarn and cloth prices being regulated, but the cost structure of the industry has also become rigid, the mills being practically unable to have any influence on the different elements of cost of production. It will not, therefore, be surprising if the profitability of the industry, which is already low *vis-a-vis* a number of other industries, turns out to be lower still in the coming years. Naturally, capital will tend to shun this industry and this will result in a more serious backlog of rehabilitation and modernisation. The officially appointed Working Group has estimated the cotton mill industry's capital requirements for rehabilitation over the next five years at Rs. 180 crores. Surely, current events are not, as Mr. Krishnaraj M. D. Thackersey, Chairman of the Indian Cotton Mills' Federation, rightly pointed out at a Press conference early last month, calculated to help the industry to attract capital which seeks avenues only where returns are better.

That there is no exaggeration whatever in the aforesaid statement is clearly borne out by the Reserve Bank's study of the finances of 1,001 joint-stock companies for the year 1958, with comparative data for the preceding three years, the results of which are published in the September 1960 issue of the *Reserve Bank of India Bulletin*. It will be evident from the review that the cotton mill industry has always been making the lowest profits among the organised industries. Table III at the end of the article indicates the gross profits as percentage of gross sales earned by the cotton mill and other industries, gross profits as percentage of total capital employed, and profits after tax as percentage of net worth for the years 1956, 1957 and 1958. The figures published, which relate to bigger mills and hence present a better picture than what it really is, are up to 1958. The condition of the industry in the subsequent year was a little better, but it must have deteriorated considerably in the current year, thanks to the high cost of raw cotton and stores, increase in wages and the reimposition of price controls, albeit through a gentlemen's agreement. There is little reason to believe that the position will improve to any significant extent in the coming year.

Taxes

The Reserve Bank's study reveals that, in 1958, the 204 cotton mill companies earned a total profit (before tax) of no more than Rs. 7.48 crores which, though somewhat higher than the sum of Rs. 4.93 crores earned in the previous year, was markedly lower as compared with Rs. 24.68 crores for 1956 and Rs. 24.71 crores for 1955. Even here, tax provision absorbed quite a good bit—Rs. 6.93 crores in 1958, as against Rs. 6.50 crores in 1957, Rs. 10.76 crores in 1956 and Rs. 9.73 crores in 1955. The tax provision as percentage of profits before tax was as high as 132 in 1957 and 73 in 1958, as against 44 in 1956 and 39 in 1955. Consequently, the mill industry's net profit, that is, after tax, was a bare Rs. 55 lakhs. Actually, in 1957, there was a loss of Rs. 1.57 crore, in contrast to the profit of Rs. 13.92 crores in 1956 and Rs. 14.98 crores in 1955. The aggregate dividends distributed by the 204 mills amounted to Rs. 6.66 crores in 1958, as against Rs. 6.61 crores, Rs. 8.44 crores and Rs. 8.33 crores in the previous three years, respectively. More details are given in Table I.

Dividends constituted 7.9 per cent. of ordinary paid-up capital of 204 cotton mill companies in 1958, as against 8.0 per cent. in 1957, 10.7 per cent. in 1956 and 10.9 per cent. in 1955. The proportion no doubt appears to be sizable, but it must be remembered that the total capital actually employed by the mill industry is very much larger than the paid-up capital. A more appropriate yardstick is to express dividends as percentage of net worth (paid-up capital plus all reserves). This percentage was only 4.0 in 1958 which is lower than the figure of 5.1 for all the 1,001 companies taken for the study. The corresponding figures for the year 1955 were 5.1 and 5.2, respectively. Further, it must be noted that, for both 1957 and 1958, dividends have been paid out of profits made in the previous years. The depletion of reserves in these two years, as will be seen from the trend of profits retained in the business, is no less than Rs. 14.30 crores. To this extent, there has been a distinct deterioration in the financial strength of the industry.

The 204 cotton mill companies earned a total income of Rs. 482.49 crores in 1958, as against Rs. 469.48 crores in 1957, Rs. 450.74 crores in 1956 and Rs. 421.98 crores in 1955. The major portion of the income in 1958, Rs. 400.94 crores, to be precise, came from sales, figures for the three previous years being Rs. 382.46 crores, Rs. 379.88 crores and Rs. 373.61 crores, respectively. Included in the income is the value of closing stocks and work-in-progress which was Rs. 78.14 crores, as against Rs. 83.88 crores in 1957, Rs. 68.18 crores in 1956 and Rs. 46.28 crores in 1955. These figures clearly show a rise in sales realisation in 1958, but this was of no avail to the industry, as the benefit had been almost fully neutralised by the cost inflation.

Expenditure

On the expenditure side, the major portion is accounted for by the value of raw materials consumed and other manufacturing expenses which together accounted for Rs. 245.40 crores in 1958, as against Rs. 255.20 crores in 1957, Rs. 239.99 crores in 1956 and Rs. 216.13 crores in 1955. Salaries and wages absorbed Rs. 94.69 crores, as against Rs. 93.57 crores, Rs. 89.71 crores and Rs. 80.51 crores, respectively, in the three years preceding 1958.

The balance-sheet total of 204 cotton mills as at the close of 1958 stood at Rs. 355.45 crores, as against Rs. 354.95 crores in 1957, Rs. 331.60 crores in 1956 and Rs. 288.20 crores in 1955. It will be noted that, whereas there was an impressive increase of Rs. 66.75 crores in the balance-sheet total between 1955 and 1957, the addition to it over 1958 was a mere Rs. 50 lakhs. This reflects the stagnation that prevailed in the industry in that year and the sizable depletion of resources to pay some dividend at least to shareholders. A break-up of the liabilities and assets is given in Table II.

The foregoing analysis of the financial position of cotton mill industry will bring out the vicious circle in which the industry finds itself today. It cannot attract finance due to its low profitability and it cannot improve its profitability unless it finds the necessary money for modernisation and rehabilitation. If the industry is to be in a position to cater to the expanding clothing requirements of the nation and earn precious foreign exchange through exports, it is of the utmost importance that serious consideration be given to the problem of improving the profitability of the industry to a level at which it will have sufficient margin to plough back the amounts required to meet at least a part of the cost of replacing its assets and to sustain a level of dividend that will induce confidence among investors in the shares of cotton mill companies. The facts given here are clear enough to discredit the adverse propaganda against the industry and to justify the latter's insistence that its demand for a fair ex-mill price be referred to the Tariff Commission for its impartial verdict. In its understandable anxiety to keep the prices of cloth and yarn down by compelling the manufacturers to sell their production at unremunerative prices, the Government is actually forcing the nation to live on the capital. There is a limit upto which this can be done. It is dangerous to carry this policy too far, for, when capital, especially of a consumer goods industry like cotton textiles, is eaten away, there will be no barrier against hyper-inflation and anarchy.

ART SILK FABRICS—A CORRECTION

In the article on art silk industry appearing in these columns two weeks ago (*vide* page 632), the table relating to the production of art silk fabrics shows the total output in the first six months of 1959 as 164,252,000 yards. This figure was based on preliminary estimates. Actually, the output was 210,614,000 yards. The breakdown of the different varieties of fabrics—in thousand yards—are: Taffeta 16,700; georgette 4,040; crepe 28,861; shioze 4,966; satin 15,184; velvet 931; others 139,917.

TABLE I

Profits and Dividends

	1958	1957	1956	1955
Retained profits* (in crores of Rs.)	—6.12	—8.18	5.48	6.65
As percentage of profits before tax	— 82	—166	22	27
As percentage of profits after tax	—1,116	..	39	44
Dividends (in crores of Rs.)	6.66	6.61	8.44	8.33
As percentage of profits before tax	89	134	34	34
As percentage of profits after tax	1,216	..	61	56

Allocation of profits during the four years 1955 to 1958

(In crores of rupees)

Profits before tax	61.81
Tax provision	33.93
Profits after tax	27.88
Dividends	30.04
Retained profits	—2.16

* Retained profits=transfers to reserves (other than depreciation and taxation reserves) and profit carried to balance-sheet.

TABLE II

Liabilities and Assets

(In crores of rupees)

	1958	1957	1956	1955
LIABILITIES				
Paid-up capital	92.88	89.78	87.35	83.96
Of which:				
Ordinary	77.96	76.31	73.97	70.95
Preference	14.92	13.47	13.38	13.01
Free reserves	75.28	81.24	91.16	79.73
Taxation reserve	17.97	18.64	19.74	19.13
Borrowings	115.58	113.88	82.29	57.36
Trade dues and current liabilities	50.79	48.33	47.99	45.85
Miscellaneous liabilities	2.96	3.07	3.07	2.17
Total	355.45	354.95	331.60	288.20
ASSETS				
Gross fixed assets	274.69	255.79	229.89	206.86
Less depreciation	147.00	138.48	130.69	122.32
Net fixed assets	127.69	117.31	99.21	84.54
Stocks and shares	139.39	151.28	137.82	109.37
Receivables	42.69	39.96	40.78	34.59
Investments	21.79	22.59	22.75	22.85
Advance of income-tax	11.84	13.31	12.38	12.63
Other assets	1.51	1.42	1.84	1.80
Cash and bank balance	10.54	9.07	10.84	22.43
Total	355.45	354.95	331.60	288.20

TABLE III

Profits of Cotton Textile and Other Industries

Industry	No. of companies	Gross profits as percentage of gross sales†			Gross profits as percentage of total capital employed†*			Profits after tax as percentage of net worth§		
		1956	1957	1958	1956	1957	1958	1956	1957	1958
Cotton textiles	204	8.5	3.2	4.0	9.7	3.4	4.5	4.7	3.9	4.0
Other textiles	11	16.0	11.9	12.0	8.1	6.7	9.9	3.0	3.2	6.3
Iron and steel	2	22.9	18.0	15.2	11.7	6.8	6.0	4.0	4.0	3.8
Engineering (*a*)	85	9.3	8.6	9.5	9.7	9.1	9.7	5.3	5.2	6.1
Mineral oils	2	28.9	22.7	20.9	20.9	16.3	13.8	12.2	7.5	6.9
Cement	11	17.2	13.5	11.9	10.2	8.0	7.6	5.8	6.8	5.4
Sugar	73	10.9	8.7	7.5	10.1	9.9	9.3	6.1	5.9	6.6
Paper	13	13.9	12.9	16.1	10.4	9.4	12.2	5.4	5.3	6.1
Matches	4	7.0	5.2	5.7	12.6	10.5	13.7	7.5	7.5	7.3
Coal	47	7.3	9.1	10.1	6.2	8.5	9.3	4.4	4.7	4.9
Electricity generation‡	21	25.6	24.4	25.2	6.3	6.9	7.3	5.0	5.7	5.6
Shipping	10	21.4	21.9	11.0	9.0	8.7	4.4	4.0	4.1	3.8
Tea plantations	167	23.7	12.0	15.2	14.6	7.3	9.4	7.7	4.9	5.0

† Including managing agents' remuneration, interest charges and tax provisions but excluding depreciation.

* Total net assets.

(*a*) (1) Non-ferrous metals, (2) Transport equipment, (3) Electrical machinery, and (4) Machinery (other than transport and electrical).

‡ Depreciation deducted as per conditions stipulated in Electricity (Supply) Amendment Act, 1948.

§ Paid-up capital plus all reserves (other than taxation and depreciation reserves) and balance of profit.

HONG KONG WANTS PACT ON IMPORTS TO BE ENDED

DOMESTIC DEMAND FOR COTTON GOODS HIGH

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 11th October

FIGURES showing the very substantial imports of foreign cotton goods which arrived in British ports during August have brought a renewal of discussion on the whole problem of purchases of foreign cloth and the outlook in Lancashire concerning the pacts with Commonwealth countries, the first of which—with Hong Kong—is due to end early in 1962.

As the arrangements with India and Pakistan hinge on the maintenance of similar restrictions on the Colony's trade, it can be said that the whole pattern of this flimsy structure rests on the action which may be taken next year to deal with the situation. Textile industrialists in India and Pakistan have made it quite clear that they will feel no longer bound to honour their own voluntary curtailment of exports, if the arrangements with Hong Kong are allowed to lapse.

Since the agreements were originally negotiated, after tremendous efforts had been made by the British delegates, both in face-to-face discussions and at long range, some of the terms then settled have become obscured in the light of subsequent developments. It is perhaps as well that the facts of the matter should be restated, together with an up-to-date account of how the quotas are operating. Interim comments have not always been quite on the mark.

Terms of Agreement

In the first place, it should be recalled that, when the terms were settled, the arrangements with each country were entirely voluntary; the ceilings represented only cloth and garments scheduled for retention in the home market. There is no limit to the amount of goods which can be imported for subsequent re-export. Another vitally important factor is the interchange of supplies within the self-imposed quota between grey cloth, finished materials and made-up garments.

In the case of Hong Kong, the total annual limit was 164 million square yards; for India 175 million square yards and Pakistan 38 million square yards. As the pacts were spread over a three-year period, the terms permitted some overlap between each separate year, so that, if the ceiling was exceeded in, for example, 1960, smaller quantities would be shipped to this country next year.

This, in fact, has already happened in the case of India; the Board of Trade has notified British importers that the quantity allocated in 1960 is greater than the ceiling figure of 175 million square yards. As provided by the arrangements between the Cotton Board and the Indian industry, this excess will be deducted from the ceiling figure in 1961, and based period allocations for India will in all cases be less than those for 1960.

Arrivals So Far

Licences to import cloth and other cotton goods obviously do not coincide with the actual imports in a given period, due to the time lag. Over the first seven months of the current year, arrivals of cotton cloth from India, for retention in the home market, were equivalent to 122 million square yards. This included grey cloth, finished goods and the cloth equivalent of made-up garments. On this basis, India would supply Britain's home market over a full year with something like 210 million square yards—substantially more than the voluntary quota.

In contrast, the arrivals of similar goods from Pakistan this year have been slightly below the ceiling. In the first seven months, imports amounted to 19 million square yards, as against the annual quota of 38 million yards.

Traders in Hong Kong have had a lot to say lately about the possibility of tearing up the agreement and resuming unrestricted operations with those merchants in Lancashire who wish to acquire their cloth. Reports reaching Britain have made it seem that a storm was brewing, but most of the argument appears to have been, in reality, internal. When the system of ceilings was adopted, the majority of the cloth being shipped to the United Kingdom was in the grey state. Lately, the emphasis has shifted in a marked manner to the provision of garments for the British home market.

Garments to the Fore

The weavers in the Colony have been vociferous in their complaints about the arrangement, but they must surely be manufacturing most of the cloth, whether it is shipped as grey goods, processed or made up into garments. Those most likely to suffer are British garment-making firms which must already be feeling the pressure of these expanding arrivals from the Colony.

Comparative figures for Hong Kong over the first seven months of the year to those given above for India and Pakistan show actual arrivals of 102 million square yards of cotton goods. At the end of July, the rate of imports from the Colony was running at an annual level of 175 million square yards. Of this, 78 million yards represented greys, 10 million yards finished materials and 87 million yards the cloth equivalent of made-up garments.

Statements made in Hong Kong have underlined the apparent losses incurred by the effect of the ceiling plan and the apparent gains made by other countries, including India, Pakistan and European manufacturers. The very sharp rise in purchases of made-up goods has been hidden in this way, although it is clear that grey cloth sales are likely to diminish in the future. This in itself is no real hardship, as the earnings from finished cloth or garments must be far more remunerative than the shipment of fabric in loom-state.

Newcomers Send More

Figures now to hand covering the first half of the year show how several countries, whose exporting capacity was once thought negligible, have lately raised their shipments of grey cloth to the United Kingdom. A number have sent more goods in the first half of this year than throughout 1959—in some cases there have been astronomical increases.

Spain, for example, sent 24,838,000 square yards in the first half of this year against 7,681,000 square yards throughout 1959; arrivals from Portugal totalled 4,109,000 square yards against 100,000 square yards; imports from the United States were 1,387,000 square yards, against only 17,000 square yards in the whole of last year and Canada has already provided 2,109,000 square yards, against only 6,000 square yards.

Egypt's share in this trade has also broadened unmistakably—from 638,000 square yards in the whole of 1959 to 3,660,000 square yards in the first half of this year, while the Netherlands have shipped 1,257,000 square yards, as against 893,000 square yards. Imports from a number of other countries are running at well above last year's level, notably from the Irish Republic, Yugoslavia, France, the Soviet Union and Bulgaria.

Strong Retail Demand

During the summer, there were fears that the unfavourable weather would react on the textile trade, reversing the keen demand for clothing which was such a potent factor in the trade revival of 1959. Yet, considering the absence of long sunny periods, customers at retail level bought more freely than might have been expected.

According to the latest report of the Cotton and Rayon Merchants' Association, demand from the shops still continues strong. It is suggested that the imposition of hire-purchase restrictions may have helped to boost sales of textiles by diverting the purchasing power of the public towards cash transactions.

As compared with the first quarter of the year, however, a marked reduction in the level of converters' bookings of new business in cotton, spun rayon and mixture fabrics took place in the second quarter. Purchases of grey cloth by converters were also reduced, but not to the same extent as their sales.

The situation at the half-year, therefore, reflected an increase in the unsold commitments of converters which, the Association believes, were in all probability higher than for some years back. In the first six months this year deliveries of finished cloth were about 5 per cent. above the quarterly average in 1959.

Merchants to Exchange "Know-how"

Three hundred Manchester merchanting concerns, with wide experience in assessing and developing export markets, are throwing open their vast storehouse of "know-how" to smaller firms all over North-West England who, at the moment, do little or no exporting at all.

They have accepted an invitation from the Manchester Chamber of Commerce to put their experience at the disposal of "the little man" as part of an elaborate plan drawn up by the Chamber to lend maximum support to the Prime Minister's call for increased exports. Its aim primarily is to stimulate experience of a wide range of consumer goods. The Chamber has set up an advisory panel which will put the companies in touch with the big merchanting organisations.

Mr. Roland Thomas, President of the Chamber, who is also the Director of the merchanting organisation of the Calico Printers' Association, in outlining the purpose of the scheme, said Manchester was for many years the centre of what was, in its time, the world's largest export trade—exports of Lancashire-made cotton textiles. The export merchants of the city developed a close knowledge of markets and techniques in market research and, although some of the merchants had disappeared, a great many remained.

Mr. Thomas said the country's export trade was too narrowly based. About 30 per cent. of U.K. exports were handled by 40 firms, notably cars and engineering products.—*All Rights Reserved.*

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COTTON CROP PROSPECTS STILL UNCERTAIN

NO DECISION YET ON EXPORTS

WITH one more critical month still to go, it is hardly surprising that the Cotton Advisory Board, which met at Bombay on the 13th inst., could not make any firm estimates of the size of the cotton crop during the current season. Weather and crop developments till the end of September were satisfactory. But developments in October and November can upset all previous calculations. The Board, therefore, wisely saddled its tentative estimate of the crop with a rider. In the Board's view, the crop would be 5 million bales of 400 lbs. each (gross), *if all went well*. The qualification in italics is important, since none can say whether all will be well in the next two months. In view of the uncertainty about the crop, the Board recommended that a decision on the question of allowing exports should wait and that no export quota should be announced at present. Those who had hoped for something concrete to emerge from the deliberations of the Board were thus disappointed. There are, however, strong reports in the cotton market that the Government is unlikely to wait that long so far as exports of *Desi* (short-staple) varieties are concerned. Apparently, the shortage of foreign exchange may force the authorities to take a risk and allow Bengals and other *Desi* varieties to be exported.

The Cotton Advisory Board also considered the question of allocation of Indian cotton to mills, reservation of certain percentage for compulsory purchase of Cambodia 'A' and 'B' cottons by mills, allocation of foreign cotton stapling 1.1/16" and above, the working of the Survey Committees, differentials for certain varieties of cotton and requisitioning of cotton. But it does not seem to have made any specific recommendation in this regard, for the official Press Note on the meeting is silent on this important aspect. No wonder the meetings of the Board have of late ceased to evoke the interest they did formerly among the traders. It is not clear as to why there should be so much secrecy about the proceedings of the Board's meeting.

Statistical Position

Be that as it may, the supply outlook has shown some change for the better. Among traders, the psychology of shortage is gradually yielding place to one of adequacy, if not of plenty. With sufficient supplies of foreign cotton taken for granted, the feeling is that the total supply of raw cotton during the current season would, in any case, be more than in the past season, provided the crop turns out to be in line with present estimates, which, though necessarily tentative, place the crop at five million bales, about 1.25 million bales higher than last season's output. As there was a carry-over stock of 985,000 bales as on 1st September 1960, the assumption is a supply of 5.98 million bales of Indian cotton, as against 5.66 million in the previous year. The position in respect of foreign cotton, too, is better. The stocks of this cotton as on 1st September, 1960 aggregated 490,000 bales. Prospective arrivals during the current season against the 1959-60 quota are estimated at 300,000 bales. In addition, import quotas released so far for the current season aggregate 600,000 bales, making in all 1.39 million bales. As compared with this, the supply of foreign cotton in the previous season, that is, carryover *plus* imports, amounted to 1.16 million bales. The following table gives the revised estimate of supply and distribution of cotton in the 1959-60 season and preliminary estimates of supply for the present season:

(In thousand of 400 lbs. each)

1959-60 season	Indian	Foreign	Total
Carryover as on 1-9-1959 ..	1,850	185	2,035
Production 1959-60 ..	3,810	..	3,810
Imports 1959-60	..	980	980
Total supply ..	5,660	1,165	6,825
Mill consumption 1959-60 ..	4,475	675	5,150
Exports	200	..	200
Disappearance 1959-60 ..	4,675	675	5,350
Carryover on 1-9-1960 ..	985	490	1,475
1960-61 *season* :			
Estimated production ..	5,000	..	5,000
Arrivals against 1959-60 import quota	..	300	300
Import quota provided so far	..	600	600
Total supply ..	5,985	1,390	7,375

Source : *Volkart Brothers.*

It is clear from the above table that *undue optimism* regarding supplies is not warranted. For, even if the present crop expectations are fulfilled, it will not materially alter the supply of Indian cotton, thanks to the lower stocks at the beginning of the season, which are only half of what they were at the start of the past season. Clearly, therefore, imports of medium-staple cotton, which had to be permitted in the last season, should, of necessity, have to continue in the present season also, if production of yarn and cloth is to be maintained and if prices are to be held even at the levels fixed by the authorities. If, unfortunately, the crop turns out to be less than expected, we will have yet another year of scarce supplies.

We reproduce below, by courtesy of Messrs. Volkart Brothers, their assessment of the crop position and prospects as at the end of September:

"In the Punjab, September passed without a drop of rain, creating very favourable conditions

(*Continued on page 748*)

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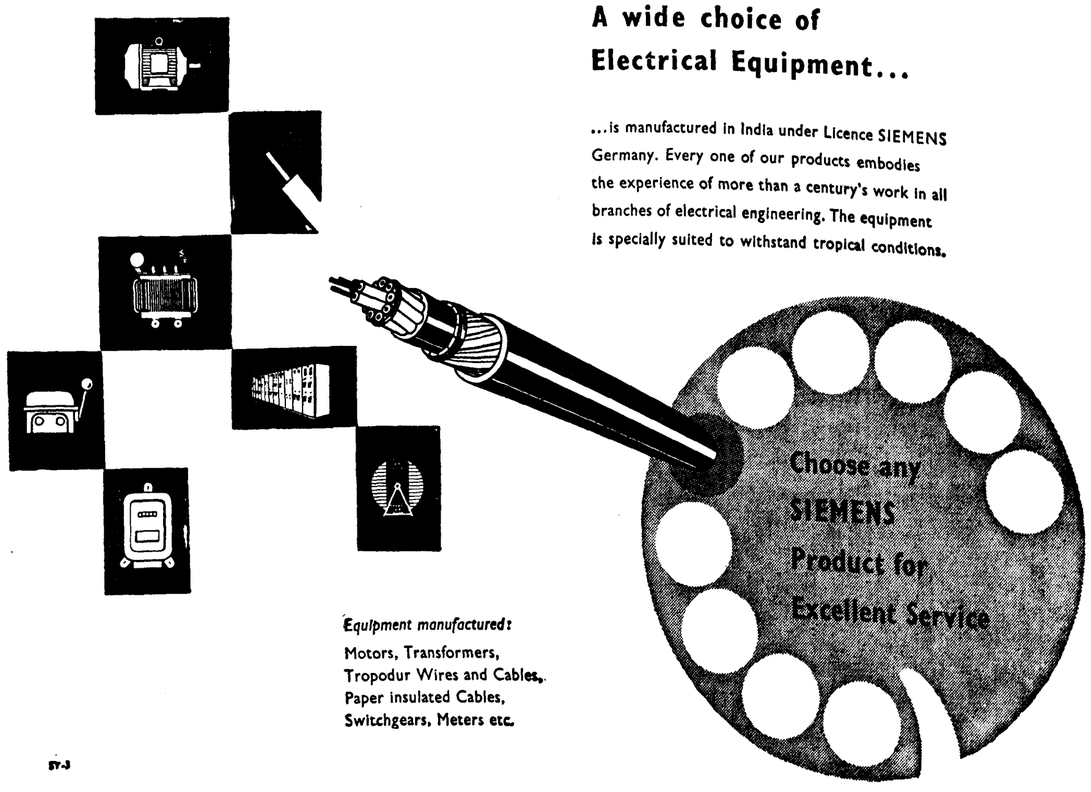

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Today there is a network of roads covering the country, and still more are being built to convert the nation into a neighbourhood. It is along these roads that merchandise can move to the remotest village or hamlet in the country. They are the highways to economic progress.

As a new source of supply of a versatile road building material, the newly-commissioned asphalt plant of the Stanvac Bombay Refinery will be a big help to India's road-building programme. Completed in ten short months at a cost of 102 lakhs of rupees, this plant can turn out in one year enough asphalt to surface 12 parallel roads, each 12 feet wide, running all the way from Delhi to Calcutta. Furthermore, the plant has increased the foreign exchange savings generated by the Company's Refinery —the first large modern one to be built in India. Since its completion in 1954 more than 73.56 per cent of all the petroleum products sold by Standard-Vacuum in India has been refined here. The initial cost of the Refinery was Rs. 1,193 lakhs. Of this total initial investment Stanvac advanced Rs. 793 lakhs and Indian sources provided another Rs. 400 lakhs. Since 1954, Stanvac has made additions totalling Rs. 401 lakhs for plant expansion and improvements. It now provides more than 20 per cent of India's total needs for refined petroleum products.

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RECENT TRENDS IN WORLD SUGAR

CUBA PROPOSES TO SELL ITS ENTIRE OUTPUT TO RUSSIA

ALTHOUGH more than a month has elapsed since the Union Food and Agriculture Ministry announced the release of 50,000 tons of sugar for export to countries other than the U.S., not a ton has actually been sold and shipped so far. For arrangements are yet to be finalised for giving effect to the scheme of export. The Committee of the Indian Sugar Mills Association considered the issue at a meeting held at New Delhi recently and the Association's President, Mr. D. D. Puri, is also understood to have discussed the export programme with Mr. B. B. Ghosh, Secretary to the Food Ministry. The one question that is yet to be decided is apparently as to how the loss on sugar exports should be shared—by the industry itself or the consumers as a whole through an increase in the selling price of sugar. As for sugar exports to the U.S., the Food Ministry is contemplating to apply for membership of the International Sugar Agreement and also for an export quota.

In the context of India's efforts to build up an export market for sugar thus, a review of some of the developments that are now taking place in the world sugar trade will be quite interesting. Moves are afoot for the conclusion of a barter arrangement between Cuba and Soviet Russia under which the latter will acquire the entire annual sugar crop of Cuba for years to come in exchange for machinery and other goods needed by Cuba. The details of the arrangement are expected to be finalised by Dr. Ernesto Guevara, President of the National Bank of Cuba, during his visit to Moscow next month. Commenting on this move, the *Daily Telegraph* of London points out that one important aspect of the deal is that it would probably upset the world stabilisation agreement on sugar prices. "It would seem," to quote it, "that Dr. Guevara, on behalf of the Fidel Castro regime, intends to withdraw from the Agreement. Communist countries, including China, have already agreed to take more than a third of Cuba's 1961 crop. The U.S. formerly took about this amount. Cuba's average annual output is six million tons."

World Agreement

If the aforesaid deal were to come about, the World Sugar Agreement would have to be revised drastically. For Cuba accounts for very nearly half of the aggregate world export tonnage of 6,858,600 (excluding the Indonesian special reserve, surrendered in May 1960). In effect, as on 3rd August 1960, its export quota was 3,340,474 tons. And there are fears that Soviet Russia, after having purchased the entire Cuban sugar, will have a dominating influence in the world sugar markets.

The offer of Soviet Russia to buy the whole of Cuban sugar production has been prompted purely by political considerations and it is unfortunate that Cuba has allowed itself to be influenced by this communist country. It may be noted that the price at which sugar is proposed to be sold to Russia is only 3.25 cents per lb. which is substantially lower than the premium price of 5.25 cents paid by the U.S. and also 0.75 cent below the actual production cost of private sugar companies in Cuba.

U.S. Purchase of Cuban Sugar?

In the meantime, American officials have had second thoughts about their decision to end completely U.S. purchases of Cuban sugar, according to the U.S. correspondent of the *Financial Times*, London. The reappraisal of sugar policies, he says, has been prompted not by any *rapprochement* with Castro's regime but by the possibility of the regime being replaced one day and, therefore, the U.S. wants to maintain economic relationship with Cuba which implies keeping some portion of the total U.S. quota available for Cuban sugar. Any decision on the part of the U.S. Administration to buy Cuban sugar will necessitate an early approach to the new Congress for authority to grant Cuba a quota for 1961. In this connection, the *Financial Times* correspondent observes:

"The decision to cut off all 1960 imports from Cuba has already involved the U.S. in a complex economic and political situation. The Dominican Republic, which would normally have been one of the chief recipients of increased quotas to make up the Cuban shortfall, has been placed under the interdict of the Organisation of American States. But the Administration failed to obtain Congressional authority to deprive the Republic of its increased quota. Instead, the U.S. is to pay only 3.7 cents a pound for Dominican sugar—2 cents less than normal. A similar arrangement would probably be applied to any Cuban purchases in 1961. The fact that Dominican supplies will still be available should somewhat ease the anxiety of the sugar industry over the failure of Congress to enact a further extension of existing sugar legislation. Present authority expires on 31st March—a fact that would make early 1961 legislation essential, even if there were no plans for a partial restoration of Cuba's status."

It is Cuba's sugar deals with Soviet Russia and the U.S. that will influence the allotment of basic export tonnages to the members of the World Sugar Agreement for 1961 and subsequent years. On the fifth of this month, the Sugar Council anounced the redistribution of 457,022 metric tons of sugar surrendered by Peru (230,000 tons), Dominican Republic (140,000 tons) and China (87,022 tons), because these countries were unable to make use of the whole of their original allocation. Of this total, Cuba has been allotted 355,000 tons and Brazil 80,954 tons, the balance being spread among Hungary, Mexico and the Philippines. The announcement has not affected the sugar market, inasmuch as it makes no difference to the overall supply and demand position. Sugar is now quoted in the London market at £28¾ per ton, the same as that prevailing before the redistribution of quotas. It will be recalled that, at its seventh session held at London on 21st July 1960, the Sugar Council estimated the net import requirements of the world free market at 7,230,000 metric tons (raw value), as against the total supplies amounting to 5,978,000 tons on the basis of quotas in effect at the beginning of the season along with the anticipated supplies from non-member countries. The Council, therefore, raised the total member-countries' export quotas to 105 per cent. of their basic tonnages, that is, to 6,858,000 tons.

CANE DEVELOPMENT IN U.P.

A meeting of the representatives of nine sugar mills and cane unions in the districts of Nainital, Bareilly, Rampur, Etah, Shahjahanpur and Pilibhit in Uttar Pradesh, as well as the officers of the Cane Development Department, was held at Bareilly on the 8th inst. The meeting was specially convened to consider, among other subjects, the reservation proposals of the sugar mills. Presiding over the meeting, Mr. G. S. Chooramani, Cane Commissioner, Government of Uttar Pradesh, deprecated the lack of response on the part of sugar millowners to cane development scheme and their unwillingness to extend their full co-operation to cane growers. Revealing that only one factory in Rampur area had so far participated in the factory development plan, Mr. Chooramani urged the mills to join the scheme. He said: "It is in their own interest to co-operate with the Department, as failure to do so would only entail loss to them. The industry is faced with keen competition from the South and, unless the factories extend their fullest co-operation in developing the gate area, they very much run the risk of losing the ground."

The factory development plan, it may be noted here, envisages development of 5 000 acres of land in the area of the choice of the mills. The factory is to spend on development of cane in this area Rs. 2 lakhs by way of interest-bearing loan and Rs. 2 lakhs by way of interest-free loan. This amount is to be placed at the disposal of the Department for being spent over a period of five consecutive years. A subsidy of Rs. 50,000 is also to be paid to growers annually. The objective of the plan is to ensure that the sugar mills will not experience any shortage of cane.

The Cane Commissioner called upon the defaulting sugar mills to liquidate the dues to cane growers immediately. Otherwise, he warned that no allotment of sugarcane areas would be made to them. Further, he exhorted the cultivators to reduce the cane acreage and grow not only more cane per acre but also more sugar per acre.

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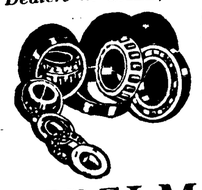

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THE ALUMINIUM INDUSTRIES LIMITED

MR. S. NARAYANASWAMY'S SPEECH

POSSIBILITIES OF NEW LINES OF DEVELOPMENT BEING EXPLORED

THE Fourteenth Annual General Meeting of The Aluminium Industries Limited was held at Kundara on 10th October 1960. Addressing the shareholders on the occasion, Mr. S. Narayanaswamy, Chairman of the Company, gave a review of the progress made by the Company so far and added that the Company was exploring the possibilities of new lines of development. At present, it was examining one particular project, in regard to which the potential seemed large. He hoped that the Company would shortly be able to announce the details, after it was assured of all the facilities for embarking on the project.

The following are extracts from Mr. Narayanaswamy's speech:

"Before I commend the results of the year for your consideration and move for adoption of the annual report and accounts, I would like to make some observations by way of review of performance and of assessment of prospects. Alind has set up some records in 1959-60. The production of bare conductors improved to 34,400 miles from 26,300 miles in the preceding year and that of covered conductors to 7 million core yards from 3.50 million core yards. Our profits before allowing for depreciation and taxes were Rs. 47,69,783.00 for the year, while the corresponding figure for the previous year was Rs. 33,54,830.00. The increase in profit of just over Rs. 14 lakhs enabled us to make provision for the increased tax liability of Rs. 16 lakhs wholly from out of the year's revenue, after providing Rs. 11,88,838.00 towards normal depreciation and Rs. 4,36,750.00 towards development rebate. This profit has enabled us to recommend a dividend of 18 per cent. for the year, which leaves in the hands of the shareholder a net dividend of 12.6 per cent., as against a 'tax-free' dividend of 12.5 per cent. which the shareholders have been receiving since the Company commenced paying dividends in 1951. Your Directors are happy to have been able to recommend a retainable dividend not below the quantum of previous years.

Covered Conductors

"The demand for our covered conductors has been increasing rapidly and we have been stepping up our manufacturing capacity to satisfy this growing demand. It is evident that our covered conductors, while fulfilling the exacting stipulations of our more fastidious customers and wiring contractors, are found to be well within the reach of middle income groups, judging by the broad pattern of our custom and the heartening absorption of our output. I have reason to hope we shall do even better in covered conductors this year. The monthly production curve in the current year seems to bear out my optimism.

Hirakud

"Our Hirakud plant has been in full commission, with the Chief Minister of Orissa doing us the honour of switching on the rod rolling mill earlier this year. Our Hirakud rod rolling mill, which is an improvement on our Kundara unit, has a rolling capacity in excess of what our cable unit can absorb. The surplus is being sold to sister bare conductors manufacturers. Our enhanced installed capacity since Hirakud was commissioned has enabled us to make nearer-dated delivery offers than before and there is evidence that consuming Governments and Electricity Boards are appreciative of our less remote-looking delivery dates. Despite increasing competition resulting from the larger installed A.C.S.R. capacity in the country, the demand for Alind conductors continues satisfactory.

"The management initiated negotiations with the Orissa Government on two matters, namely, the high sales tax incidence on aluminium ingots purchased by us from the neighbouring Indian Aluminium Company and the high electricity tariff fixed for our factory. The State Government very considerably effected a reduction in the sales tax on metal purchased. As regards electric energy rates, Government have not so far announced a reduction, though we have impressed on them the fact that high energy charges result in considerable increase in rolled-rod costing and that this in its turn results in certain anamolies. The electricity tariff now in force is such as to make it cheaper to transport our rolled rod from Kundara to Hirakud or for that matter to import it from abroad after allowing for duties. The Orissa Electricity Department are, we dare say, alive to the economics of working of so electricity-intensive a plant as our Properzi Rolling Mill and it is our hope they will pass early orders announcing concessional supply rates.

Galvanised Steel Wire Project

"At Kundara, our work in connection with the high tensile steel wire plant has commenced. The terrain having been levelled, work in connection with the factory buildings will shortly get going. I am confident we shall keep to our original time-table of commissioning the plant early in 1962. The visit of our General Manager to Japan has enabled us to get a clearer picture of the technical details as well as our commitments and this I am happy to say has enabled us to secure some economies in the capital outlay. Our Japanese collaborators, Messrs. Kokoku Iron and Steel Wire Manufacturing Company, Ltd., with whom we are already linked in regard to steel wire supplies now consumed by us, have been most helpful in meeting our requirements. We have deputed one of our engineers to Japan to get the necessary factory training meantime. On completion of this project, we shall achieve self-sufficiency in our range of bare-conductor raw material and I am glad that we shall be the first in the country to achieve it.

"The Company is continuously exploring the possibilities of new lines of development and at the moment we are examining one particular project in regard to which the potential seems large. Our colleague on the Board, Mr. B. V. D. Menon, has just returned after a trip to Europe when he has had discussions with our technical consultants who have been most helpful. The financial and foreign exchange aspects of this attractive project are under scrutiny by the Board. You will appreciate it is not in the interests of the Company that I should disclose more about it at this stage—at any rate till we are sure we have all the facilities for embarking on it. We have every hope that the Company will shortly be enabled to make an announcement.

Capital Issue and Finances

"I am happy to note that our recent issue of 200,000 shares made at a premium of 25 per cent. was well oversubscribed. With this issue our paid-up capital reaches Rs. 1 crore which is the limit of our present authorised capital. As you are aware, special resolutions are coming before this meeting to increase the authorised capital to Rs. 3 crores and to make consequential alterations in our Memorandum and Articles.

The recent issue will meet the financial requirements of about one half of the capital cost of our steel wire project. For the balance, we shall be drawing on our reserves. We have been finding in recent months that our requirements of working capital have increased considerably with the Hirakud plant in full operation. Our bankers have been most considerate and understanding of the peculiar exigencies of working capital of this Company in the past. But your Directors feel that an obligation is thrown on the Board at this stage to make satisfactory arrangements to lift the Company from a state of chronic ways-and-means squeeze. This has been caused, in my opinion, by our habit of drawing on our reserves to finance in part our expansion schemes, with the quite laudable object of keeping the capital-asset ratio at a low level; and the squeeze has been aggravated by the augmented resource needs of Hirakud. This process of drawing on reserves for capital expenditure has the indirect effect of causing capital programmes to be financed out of short-term borrowings, which your Directors consider to be an unwholesome practice. At the same time, they are not in favour of making any further issue of capital for the time being. They have, therefore, decided that the best course would be to make a medium-term debenture issue of Rs. 45 lakhs. This will amount to a partial replacement of the finance now provided by banks. Such a debenture issue will release the Company, at any rate for the time being, from periodical ways-and-means pressures. It will not, however, add to our outgoings in the form of interest charges, nor thereby reduce the Company's distributable profits; for we shall only be paying to debenture-holders, interest which we are now paying to our bankers. In short, in the context of our ways-and-means finances, it amounts to a shift in interest-receiving agencies and no more. The increased earning power of the Company will take care of our sinking fund obligations. The terms of the debenture issue will be announced, as soon as the necessary sanction from the Capital Issue Controller is received.

Review of Tariffs

"The Tariff Commission have taken up for review the question of continuing protection for the bare conductor industry as the present tariff expires in 1960. The picture as to external aluminium conductors has altered considerably in the last two years. The aluminium metal price has declined in Europe and America and there has been a corresponding marking down of bare conductor prices. World competition for bare conductor markets, particularly in project-intensive countries like India, has increased greatly. Countries that command low cost aluminium have a natural advantage over countries like India that produce them at high cost. Another new factor the Indian conductor industry has to reckon with, is the offer of bare conductors by some European countries on rupee-payment terms, which claim to take the sting out of our foreign exchange stringency. The Central Government have been inclined to encourage these rupee-payment deals in bare conductors, notwithstanding the large installed capacity in India licensed by them.

"The decline in foreign conductor prices, on the one hand, and the high cost of bare metal in India have been tending for sometime to neutralise the advantage of protective tariffs. Since the excise duty was imposed on electrolytic aluminium of Rs. 300.00 per metric ton under the Finance Act of 1960, notwithstanding the countervailing import duty, it is possible for a foreign seller of bare conductors to place his wares on the Indian market on terms more attractive than the domestic producers, when rupee payment is acceptable to the sellers. Indian conductors made with indigenous high cost metal with excise duty of Rs. 300.00 per metric ton of metal pyramided thereon create an impression of exorbitance which is not healthy for a growing industry. This is a point for serious consideration by the Tariff Commission.

Price Fixation

"Another aspect of the matter is that of fixation of ex-factory prices on the base of costing principles approved by the Tariff Commission. Price fixation is intended to protect consumers against high prices and profiteering. However, the levy of an excise duty of Rs. 300.00 per metric ton on bare metal has lifted the table of conductor prices in such a manner as to deprive ex-factory price fixation of much of its significance from the consumers' angle. I often wonder if the fixation of ex-factory prices, with which duty Central Government have charged the Tariff Commission, affords any satisfaction to the consumer, who is intrigued by the spectacle of the same Central Government levying excise duties on the very articles the factory cost of which is so painstakingly investigated by cost accountants of the Tariff Commission, who incidentally take care to see that in the process, some very legitimate outgoings by way of expenditure are disallowed.

World Bank Mission's Report

"It is interesting to observe from a Press summary recently published that the World Bank Mission have recommended a re-examination of the present system of price fixation by the Tariff Commission, based on a 8 to 12 per cent. return on capital employed, on the ground that such a system in actual experience, leaves little finance for expansions. While I have not read the full report, it is clear from the Press summary that the World Bank Mission, from a wider and more objective angle and with its vision undistorted by 'vested interests,' have strongly endorsed the view held in many responsible quarters in this country, that the present rigid price-fixing policy based on employed capital has whittled down retainable resources in the background of prevailing high cost expansion needs. The consumer in whose interests all this relentless vigilance is claimed to be exercised, finds meantime, that the small gains in ex-factory price fixations are more than cancelled out by excise duties levied on the article when it reaches him. One hopes the Central Government will give the World Bank Mission report the attention that so high-level and disinterested a document deserves, in the interests of internal capital formation in industry.

Serpent Eating Its Tail

"In the case of the aluminium bare conductor industry, about 98 per cent. of the consumption is by State Governments, project authorities and Electricity Boards. The incidence of these excise duties therefore falls on Governmental bodies and the duties have the effect of channelling revenue from States and Statutory Boards to Central Government; which means a retrocession in part of Plan finance earlier provided by the Centre to these Governments and agencies. It is a rehash of the classical story of the serpent eating its tail.

"In the process of reconnoitring for resources to finance our Plans, our tax gatherers, particularly in the field of indirect taxation, unwittingly, but not infrequently, fly to great heights only to do parachute landing on the unmuscular shoulders of State Governments, who are not slow to avail of these handsome opportunities for clamouring for larger Plan allocations to meet the larger expenditure. Today, consequently, we see this snowball of consumer prices and project costs assuming disconcerting proportions.

"In conclusion, I must take the opportunity of placing on record our great appreciation of the loyalty and capacity for team work first among the top executives of the Company, which has enabled the units at Kundara and Hirakud to be maintained at a high pitch of efficiency and, secondly, the sense of dedication with which the engineers, technicians and all ranks of skilled and unskilled workers have carried on the good work of the Company. I cannot resist paying a tribute to the work done by our colleague on the Board, Sri B. V. D. Menon, whose vigilance and foresight have enabled us to grow as we have done; to our General Manager, Sri V. G. G. Nayar, whose energy and zeal have imparted dynamism to our work both routine and developmental; to Sri N. Satyanathan, our Secretary, whose clear-headed approach to our accountancy and costing problems has enabled us to keep our affairs in proper trim.

"Gentlemen, I move that the annual report, balance-sheet, profit and loss and appropriation accounts for the year ended 31st March 1960 be adopted."

Note: *The above does not purport to be the report of the proceedings of the fourteenth annual general meeting of the Company held on 10th October 1960.*

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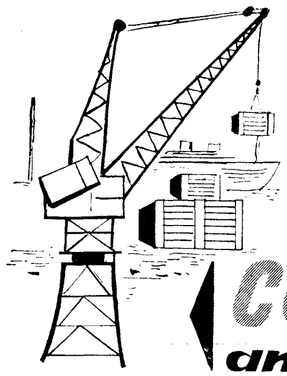

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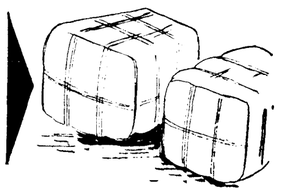

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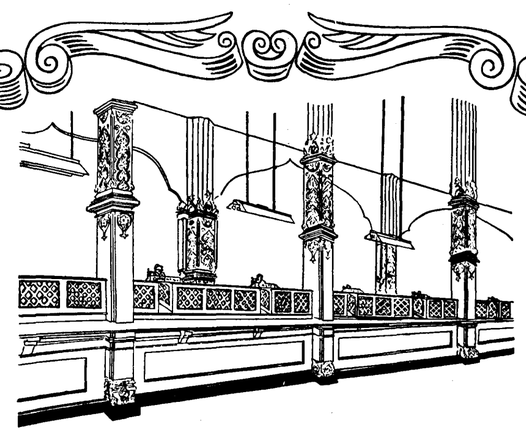

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AIDING LESS-DEVELOPED NATIONS

CLIMATE FOR FOREIGN INVESTMENT MUST BE MADE FAVOURABLE

[In our last issue, we published, by the courtesy of the Swiss Bank Corporation, Basle, an interesting article on the need for creating conditions that would facilitate inflow of foreign capital, private and Government alike, into the underdeveloped countries. How imperative is this need is very lucidly brought out in a review in the October issue of the Monthly Bank Letter *published by the First National City Bank of New York. This review, which is reproduced on this page, discusses the growth of inter-Governmental loans and grants, evolution of soft loans, co-ordination of aid programmes and Russia's competition in this field. It warns that the underdeveloped countries cannot fail to establish the climate required to attract foreign private capital and, at the same time, claim more Government grants and loans to make up for the lack of private foreign investment. After all, the underdeveloped countries must remember that the people of the developed nations will be most reluctant, as the review aptly remarks, to provide, through taxes, funds that they do not wish to entrust to other nations of their own free will.*—ED.]

AT the Americas' Economic Conference in Bogatá last month, the United States promised to devote over the years "large additional resources to the inauguration and carrying forward of a broad new social development programme for Latin America." This new programme—together with the establishment earlier this year of the Inter-American Development Bank, the creation towards the end of September 1960 of the International Development Association, and President Eisenhower's call at the United Nations for a new "long-term African development programme"—brings foreign aid once again into the limelight.

Flows of Government economic aid to the underdeveloped parts of the world have never been bigger than at the present time. Yet, many wants for aid among less-developed nations remain unsatisfied. Their hunger for capital has been stimulated not only by growing populations and eagerness to raise living standards but also by quickening political and social changes since World War II.

Providing capital for less-developed nations is "the challenge of our time," as a special committee headed by Mr. W. Randolph Burgess, U.S. Permanent Representative to the North Atlantic Council, recently stated in a report dealing with future economic co-operation among the United States, Canada, and Western Europe: "We are convinced that none of the problems facing our countries collectively is more important than that of assisting the underdeveloped countries in their progress towards higher living standards, greater freedom and a fuller life for their peoples."

Inter-Governmental Loans and Grants

During the nineteenth century and, indeed, until about a generation ago, economic development proceeded by leaps and bounds without anybody's being concerned about the "problem." As Europe increased its savings, capital became available for investment in America and wherever else Western civilisation was free to enter. Individual savers in England and other European countries thus lent money to the pioneers of our prairies, the Australian bush, and the Argentine pampas; they also invested heavily in Asia and Africa. Apart from wars, Government-to-Government loans were almost unknown; there were no international development agencies and no "experts" prescribing a "rate" of economic growth. Investment rested on the free market, the rule of law, and respect for money. Progress, springing from the inventive genius of free men, could be taken for granted.

The United States and other nations that made extensive use of private foreign capital suffered in no way for having attracted it. The performance, of course, varied from country to country and from time to time. There were defaults, but, on the whole, capital-exporting nations earned reasonable rates of return for risks taken.

During the late 1920s and the 1930s, private savings in richer countries began to flow less freely into poorer lands. The virtual collapse of international bond markets in the 1930s was one of the factors which led, in due course, to the establishment of the World Bank (International Bank for Reconstruction and Development) after World War II. Owned by member-Governments, the Bank lends only to Governments or with Government guarantees. Meanwhile, the Export-Import Bank, created in 1934, continued as the principal U.S. official lending agency to foreign Governments.

The World Bank raises money to lend by selling bonds in the financial markets of the United States and Europe. But, with the notable exception of Canada, bond issues by foreign Governments and Government agencies in New York and other capital markets have remained relatively small in recent years.

Throughout the post-war years, the United States has been extending economic aid under a succession of programmes as listed in the following table which shows the U.S. and international economic aid agencies and programmes:

(In billion dollars)

	Date of establishment	Form of aid	Authorisations	Disbursements
United States:				
Export-Import Bank	1934	Loans	$10.7	$7.4*
International Co-operation Administration and predecessors	1948	Mainly grants	26.1	24.9
Sales of agricultural surpluses against local currencies and emergency food relief (PL 480)	1954	Loans and grants	4.3	3.7
Development Loan Fund	1957	Loans	1.4	0.3
Inter-American Aid for Social Development	1960	Loans and grants	0.5	..
International:				
International Bank for Reconstruction and Development	1944	Loans	5.2	3.9†
International Finance Corporation	1956	Loans	‡	‡
International Development Association	1960	Loans	..	..
United National Technical Assistance	1949	Grants	0.2	0.2
United Nations Special Fund	1959	Grants	‡	‡
Regional:				
Inter-American Development Bank	1960	Loans	..	..
European Investment Bank§	1958	Loans	0.1	‡
Overseas Development Fund§	1958	Grants	0.1	‡
Colombo Plan	1950	..	..	..

* Of which, $4.0 billion repaid. † Of which, $0.7 billion repaid.
‡ Less than $50 million. § European Common Market.

The latest addition is the Inter-American programme for social development for which Congress recently authorised, "as a first step," $500 million. (An additional $100 million was appropriated for rehabilitation of areas of Chile devastated by earthquakes earlier this year.) This programme, financed by the United States, is to be administered "primarily" by the Inter-American Development Bank, which is to begin operations later this year. Such aid is to be matched by "measures of self-help."

The United Kingdom, France, the Netherlands, and certain other countries also have Government lending agencies and programmes to provide aid. Altogether, some twenty-five agencies or programmes, including those covered in the table, operate in the field today.

"Soft" Loans

Towards the end of September 1960, the International Development Association was established as an affiliate of the World Bank. The new body is to grant loans at low interest rates, repayable in whole or in part in the borrower's own currency.

The trend is to get away from grants—which are apt to be objectionable to taxpayers—and from hard currency loans like those of the Export-Import Bank or the World Bank. Furthermore, the newer agencies are empowered to extend loans with longer maturities and at cheaper rates than are available from the older ones.

These new kinds of loans are thus designed for borrowers who want and need dollars or other hard currencies but do not have the visible ability to repay in the same coin. They are akin to grants. A point has been made that, while the newer agencies can make soft loans, they need not be soft lenders; and that soft loans are preferable to outright grants, because loan procedures exert a discipline on lender and borrower alike to ensure that a project so financed be soundly conceived. This can hold true if a country also disciplines itself in its general fiscal and monetary policies and thus preserves value for its currency in terms of local prices.

There is a natural tendency for borrowers to seek the least onerous terms. It is easier to meet the test of repayment in "local currency" than in dollars, pounds, or marks. Obviously, there is danger lest "bad loans drive out good ones."

Co-ordinating Aid Programmes

There are now so many Government-sponsored agencies and programmes working in the area of international financial aids that it is hard for the citizen to keep up with them all. It is also hard for aid applicants to know just where to go. Besides, there is a good deal of overlapping, though each new programme seemingly has had special circumstances to justify its coming into existence.

To eliminate overlapping, waste, and maladministration, particular grants and loans should be related to the recipient country's own efforts, and activities and contributions of U.S. agencies should be related to those of international institutions and others. Indeed, U.S. and other agencies have recently endeavoured to co-ordinate aid to Spain, Turkey, India, and Pakistan. A Development Assistance Group has been formed among the principal capital-exporting countries to discuss informally various aspects of co-operation in this field. With such a multiplicity of pipelines for channelling aid, the effort can be weakened by overorganisation.

The problem of co-ordination is not confined to aid programmes within each recipient country. There is also the problem of co-ordinating the whole effort of economically more-advanced nations to assist the less-developed lands. Throughout recent years, economic aid has been increasing, with the relative contribution of the United States and the other industrialised nations remaining fairly constant. In 1959, Government grants and loans by the industrialised countries of the Free World to the less-developed nations were estimated at $4 billion, of which the United States supplied about two-thirds, and France and the United Kingdom most of the remainder. The extent of economic assistance granted to less-developed nations by certain industrialised free world countries is indicated below:

(In million dollars)

Country	Annual average 1954-56	1957	1958	1959	Total 1954-59
Australia	23 7	34 3	41 5	34 7	181.6
Belgium	4 0	8 0	12 0	22 2	54 2
Canada	21 4	23 2	60 5	67 4	215 3
Denmark	..	..	0 5	0.2	0.7
France	481 4	857 1	754 6†	770 0	3,825 0
Germany‡	8 0	33 5	107 1	124 9	274 5
Italy‡	5 5	7 6	10 2	38 6	72 9
Japan‡	11 4	8 0	3 0	13 0	53 2
Netherlands	19 5	24 7	22 9	26 9	133 0
New Zealand	3 3	5 8	8 0	4 6	28 3
Norway	1 0	0 9	1 5	0 7	6 1
Sweden	0 7	0 3	0 8	1 1	4 3
Switzerland	0 1	0 1	0 1	0 1	0 6
United Kingdom	161 5	155 9	177.2	241 1	1,058 7
	736 5	1 154 4	1,194 6	1,345 8	5,904 3
United States	1,554 6	2,417 0	2,250 7	2,694 0	12,025 5
Grand Total‡	2,291 1	3,571 4	3,445 3	4,039 8	17,929.8

Note.—Amounts disbursed (grants and loans) during fiscal years of countries concerned.
† The apparent drop in French aid expenditures is largely accounted for by devaluations of the franc at the end of 1957 and 1958.
‡ Not including reparations payments to less-developed countries (Germany about $428 million, Japan $204 million Italy $181 million through 1959).
Source: Department of State, *Bulletin*, 22nd August 1960.

There is no accurate yardstick for comparing the degree of aid effort by various countries. However, as the table shows, there are countries economically and financially strong enough to shoulder a larger part of the aid burden than they have until now. German leaders have recognised publicly the need to assume a greater share of the overall effort.

Russia's Aid "Competition"

Russia has also engaged, since 1954, in supplying aid to less-developed nations. Including modest amounts provided by Russia's European satellites and Red China, economic aid by the Soviet bloc to other nations had reached the equivalent of $3 billion by April 1960, according to data published by the U.S. State Department. In 1959, such aid reportedly aggregated $1 billion—by far the largest amount in any single year.

These are sizable figures, but they must be seen in perspective. In the past three years, as the table shows, the United States alone has extended economic aid at a rate of $2.5 billion a year, and the other industrialised free world countries $1.2 billion. In addition, the World Bank has lent close to $700 million annually. Finally, private capital outflows from the United States, Canada, Europe, and Japan to less-developed countries must also be taken into account; these have been estimated for recent years at $2 billion annually. Thus, the total runs beyond $6 billion a year.

On paper, the terms of Soviet loans are generous, with nominal interest rates of 2 or 2½ per cent. In reality, however, they may be onerous, as many recipients have learned by comparing Russian prices, qualities, and delivery conditions with those of the West. A closer acquaintance with Russian barter dealings and State trading will make it easier to appraise realistically the "advantages" gained from Russian aid.

As time passes and the novelty of Russian aid wears off, the recipients will also realise that greater reliance on Soviet aid dangerously increases their economic dependence on Russia. In fact, these and other deficiencies and shortcomings are becoming all too apparent.

The Neglected Partner

Government grants and loans as well as credits by the World Bank and, soon, by the Inter-American Development Bank and the International Development Association aim at expanding basic economic facilities in such fields as transportation, communications, irrigation, and power. Formerly, underdeveloped nations floated Government bonds to finance such projects; but the provision of capital for public works now tends to be regarded as falling within the province of official lending.

Private investment from industrial nations has not been fully enlisted in the task of developing others. To be sure, there has been, over the past decade, a remarkable revival of private long-term investment from the United States and Western Europe. But it has gone, for the most part, to rapidly expanding countries with a substantial industrial sector, such as Canada, Australia, and Mexico. Private capital has also flowed in sizable amounts to finance the development of important natural resources like oil or metals. Little of it has gone into manufacturing and processing industries or into public utilities.

Private capital cannot be driven by compulsion. It must be attracted. Attracting American and European investment funds to less-developed countries is not an easy matter, in view of the competing demands for capital in the more-developed countries themselves. Yet, the available private capital is potentially many times as great as the amount that can be supplied from Government coffers. Investors, understandably, tend to shun countries where they encounter currency disorders, exchange controls, confiscatory taxation, expropriation, company law discrimination, and nationalistic restrictions on management. But when a country offers reasonable assurances of financial stability, respect for contracts, and equality of treatment with domestic capital, foreign capital responds favourably.

The developing nations can secure much-needed capital for development primarily in one of two ways: they can create a favourable investment climate and thus attract capital from abroad, or, alternatively, they can forgo capital imports, but they must then step up their own capital formation even at the cost of depressing already-low living standards. The first course requires a strengthening of the bonds between the more-developed and the less-developed nations—above all, free trading and payments and the rule of law. The second course entails immense material and spiritual sacrifices such as those now enforced in Communist China.

One thing is certain, however. Less-developed countries cannot fail to re-establish the conditions needed to attract foreign private capital and, at the same time, claim more Government grants and loans to make up for the lack of private foreign investment. People in the more-developed nations will be most reluctant, in the long run, to provide, through taxes, funds that they do not wish to entrust to other nations of their own free will.

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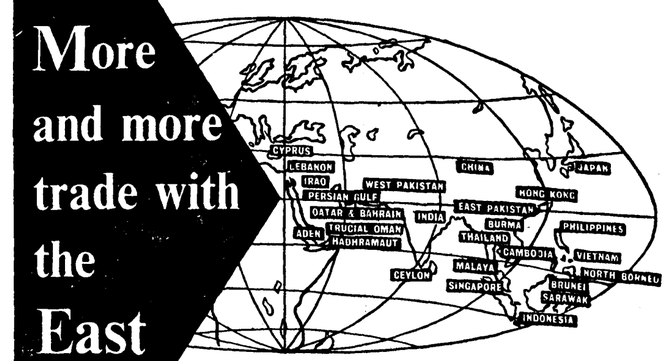

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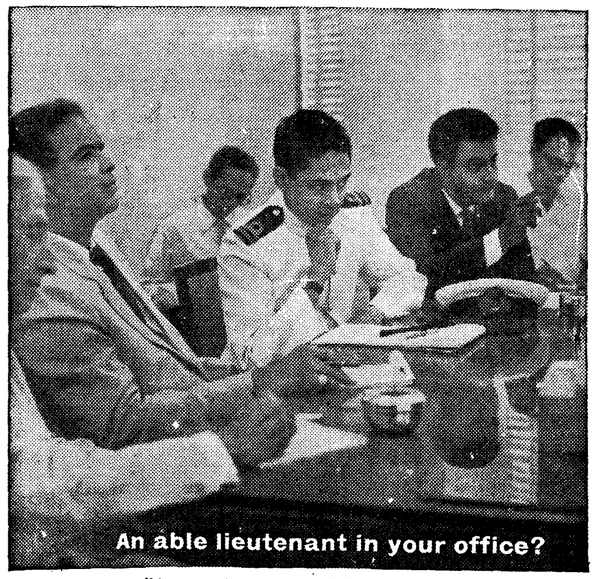

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PISTON ASSEMBLY INDUSTRY

PROTECTION TO CONTINUE FOR THREE YEARS

THE Government of India has accepted the Tariff Commission's recommendation that protection be continued to the piston assembly (pistons, piston rings and budgeon pins) industry upto 31st December 1963 at the existing rates of duty, namely, 50 per cent. *ad valorem* standard and the preferential rate of duty where applicable in accordance with the Indo-U.K. Trade Agreement. The Government has also accepted the related recommendation that chromium-plated rings be brought within the scheme of protection, and has given effect to it from 7th October 1960. The Government's resolution on the Commission's report has, at the same time, taken note of another recommendation "for suitable action to the extent possible." This recommendation is to the effect that the Development Wing of the Ministry of Commerce and Industry should ascertain from piston manufacturers the specifications and quality of pig iron required by them and arrange with the Iron and Steel Controller to plan the requirements of the industry and place allocations with those producers who can make pig iron according to the specifications of the piston manufacturers. The attention of the domestic manufacturers of internal combustion engines of all types has been drawn to the recommendation that they should finalise their arrangements for obtaining their requirements of piston assembly and components from indigenous sources and that those units of the piston assembly industry which have entered into foreign collaboration should take steps to get the restrictive provisions regarding exports suitably modified in their own interests as well as for the development of export trade. Besides, the Government has drawn the attention of the indigenous aluminium industry to the recommendation that, if it could not augment its supply of aluminium alloy ingots, it should not at least reduce the supplies to piston manufacturers below the existing levels.

The Tariff Commission's report contains a review of the progress of the industry to date. The broad findings of this review are that the industry, by its performance in the last five years, has justified the grant of protection and taken steps to expand and diversify its output but that it has not yet become fully established because there is a large measure of consumer preference for the imported product. Two other handicaps under which the industry labours at present are the relatively higher cost of indigenous alloy and other raw materials and the absence of effective integration of its production with that of the main automobile industry.

The present position of the industry would need to be described in this context. There are only two big units now in the country—India Pistons (Private) Ltd. and Goetze India (Private) Ltd. A licence has been recently issued to Escorts Agents (Private) Ltd., an associate of Goetze India, to manufacture pistons in collaboration with Messrs. Mahle, a West German firm. India Pistons is located near Madras; it has entered into a twenty-year technical collaboration agreement with Associated Engineering Holdings, a joint enterprise of four leading British manufacturers in the line, which receives an engineering fee of 5 per cent. on sales. The paid-up capital of this Company (which started production in 1950) as on 31st March 1959 is Rs. 25 lakhs. The second company—Goetze India—has its factory at Bahadurgarh in Patiala district. This company, which started production of piston rings in 1957, also manufactures chromium-plated rings. It has a technical collaboration agreement with Goetzwerke Friedrich Goetze A.G., of West Germany, which receives a royalty of 3 per cent. on net sales. The subscribed capital of the Company is Rs. 23.4 lakhs. There is also a small unit—Hindustan Pistons (Private) Ltd., Madras—which has a paid-up capital of only Rs. 1.6 lakhs. It employs less than 50 workers and produces piston assembly for industrial and agricultural engines.

These three units together produced in 1959 nearly 282,000 pistons and 276,000 gudgeon pins. The two bigger units together produced in the same year nearly 4.77 million piston rings, of which chromium-plated piston rings were about 214,000. The current total demand for pistons and gudgeon pins alone has been estimated in the Tariff Commission's report as under:

	Pistons	*Gudgeon pins*
For original equipment	314,600	314,600
For replacement ...	776,000	776,000
Total ...	1,090,600	1,090,600

The above replacement estimates have been based on the following number of motor vehicles on the road, as on 15th January 1960, reported to the Commission by the Ministry of Transport:

Private motor cars	213,327
Jeeps	18,316
Motor cabs	15,875
Motor cycles	57,345
Auto rickshaws	3,567
Other public service vehicles ...	42,507
Goods vehicles	137,749
Miscellaneous vehicles	28,834
Total ...	517,520

And the original equipment estimates have been based on the Jha Committee's estimate that the production of cars (including jeeps) and commercial vehicles will rise in the third Plan period from 20,000 and 32,000 to 48,000 and 59,000, respectively.

As for piston rings, the number required for original equipment is four for each piston and twice the number for replacement, as occasions for replacement of rings will be twice as many as pistons. On this basis, the Commission has estimated the current demand for rings at 7.5 million which is expected to increase by 10 per cent. per year in future.

After the completion of the sanctioned expansions by the end of 1960, the total capacity of the industry for pistons and gudgeon pins would be 1.4 million each and for rings 9.3 million on double-shift basis.

With current demand exceeding indigenous production, it is not surprising that imports have been substantial. As of 1959, the imports are as under:

	(Numbers)
Piston assemblies	192,231
Pistons	90,363
Piston rings	254,829
Gudgeon pins	201,511

But this situation of liberal imports, in the opinion of the Commission, need not be continued, inasmuch as the industry is now able to produce articles upto the standard required and will soon be in a position to meet the indigenous requirements in full. There are signs that the users also are becoming increasingly satisfied with the quality and performance of piston assemblies including components manufactured in the country.

While it is conceivable that, even in the absence of protection, the industry may hold its own, the case for continuance of protection rests mainly on the ground that, without it, the progress of developing indigenous designs will be seriously hampered. The Commission's costing shows that, of the five costed items, three have a fair margin *vis-a-vis* c.i.f. import prices, and that, in the case of the other two, a duty of not less than 25 per cent. will be required. Still, if the Commission has recommended neither a reduction of the rate of duty nor discontinuance of protection, it is because the industry has yet to develop good indigenous designs and, as an important automobile ancillary industry, its development requires a close watch so long as the main industry itself stands in need of protection.

The most pressing problem facing the industry is on the score of raw materials like aluminium alloy for pistons, special steel for gudgeon pins and expender rings and pig iron. At present, the requirements of aluminium alloy (LM. 13) are not met fully from indigenous sources. Already the Aluminium Corporation of India, which has been supplying aluminium alloy, has taken the stand that it would not be in a position to make the alloy in view of the extreme shortage of aluminium metal. And it has requested that it should be permitted to import virgin metal for this purpose along with the alloy metals such as nickel, silicon, magnesium and copper so that the necessary tonnage of alloy may be regularly supplied to the piston manufacturers. The Commission's recommendation in this connection is merely to the effect that the indigenous aluminium industry, if it could not augment its supply of aluminium alloy ingots, should not at least reduce the supplies to piston manufacturers below the existing levels. The need for this recommendation is not clear, particularly when the Commission itself has admitted that the import price of LM. 13 alloy is at present about Rs. 800 per ton cheaper than the indigenous product. As for special steel, it is not available indigenously and so has to be entirely imported. As for pig iron, which is available locally, its quality would need to be improved so as to reduce the phosphorus, silicon, manganese or carbon content. The Commission made an appropriate recommendation in this regard as mentioned at the outset. High speed and alloy tools, gauges, testing apparatus, etc., have also to be imported by piston manufacturers. On the whole, it has been estimated that the imported raw materials account for about 30 per cent. of the industry's present requirements. If aluminium alloy, too, comes to be imported in larger quantities, this proportion will go up correspondingly.

MINERAL "DISCOVERIES"

Mr. K. D. Malaviya's Ministry has always had an excessive craze for publicity. On more than one occasion, it has rushed to the Press with its stories of "discoveries" of oil, gas or coal, not all of which have turned out to be genuine. Public memory being proverbially short, not many know that the Ministry's penchant for "discoveries" has a long story behind it. This story, which may be likened to a tragi-comedy, is unfolded by one Mr. K. V. Subrahmanyam who seems to know what he is talking about. Writing recently in the *Hindustan Times*, he says:

"Ten years ago, about the time of the first general election, Mr. K. D. Malaviya and the then Secretary in his Ministry, Mr. S. S. Bhatnagar, announced the discovery of a 'gold belt' in Orissa such as would, according to them, transform the economy of Orissa and also provide it with a faculty of mining engineering at Utkal University. Everyone in his senses knew that it was a hoax. So has it proved itself to be. No one now talks of gold in Orissa.

"Not long after, Mr. Bhatnagar announced at a reception at Dhanbad that during the flights over Kashmir when the Baramula campaign was in progress a huge 'sulphur field' had been discovered —sulphur is one of the minerals of which India has practically no resources. Ten years after this announcement no sulphur has come from Kashmir because there is no such field in existence there. Close on the heels of the discovery of the new Klondyke in Orissa came the announcement by Mr. Malaviya of the unearthing of a new Kimberley at Majhgawan (Panna). We shall leave this subject for the present to some of our M.Ps to probe into. Meanwhile, the biggest of hoaxes, one which has cost the country a few crores of rupees and foreign exchange, was being hatched—the 'discovery' of coking coal in Korba (Madhya Pradesh) which was to enable the location of a million-ton steel plant in this State. Once that was done at Bhilai the truth was allowed to come out that there was no coking coal at Korba. All the coking coal has to come from Bengal and Bihar.

"A short while ago, Mr. Malaviya's Ministry announced the 'discovery' of huge copper deposits at Khetri in Rajasthan, and earlier figures of analysis of ½ per cent. or so moved up to 1½ per cent. thus ranking these copper deposits with those of Katanga and the Rhodesias—the deposits of Chile would pale into insignificance before the discovery. But curiously enough, none seems to be interested in these deposits except Poland, as new an entrant to modern industry as India itself.

"The latest of Mr. Malaviya's discoveries beats them all. The immediate background to the announcement of this new 'discovery' should be remembered which is as follows: There has been an acute shortage of coking coal of the right quality and in sufficient quantity at all the steel plants; and furnaces which had been built at Bhilai and Rourkela cannot be started for want of coke. Even as recently as last year, in spite of warnings by the steel producers, the Minister for Steel, Mines and Fuel defended the policy of the Government of India of encouraging the export of this precious coking coal. There has been no less a shortage of other qualities of coal as well. Railway operation has been seriously affected for want of coal because loco drivers are not magicians to

(*Continued on page 748*)

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NEW PRODUCTS AND PROCESSES

Earthmoving Equipment

TWO machines which can be adapted to a variety of constructional work have been added to a range of earthmoving equipment manufactured by a U.K. firm. One is a self-propelled dumper trailer with a load capacity of up to 10 tons designed to operate in terrain which is inaccessible to lorries and tractor-towed trailers. Because it is mounted on an articulated frame the entire unit can turn in a radius of only 13 ft. and the dumpen body can be tipped to an angle of 90° to ensure complete discharge of the load. The unit has four wheels to ensure that the weight of the load is transferred to the combined driving and pivotal wheels of the power unit. The machine, diesel-powered, is equipped with hydraulic steering and air brakes. The cab is of fibre-glass construction and the engine cover is hinged to the front bumper for maximum accessibility. The second machine which can be used in conjunction with the dumper, is a mobile heavy duty excavator. It can be used for mass excavation, square-hole digging, loading, foundation digging, site skimming, land stripping, trench work and ditch and dyke cleaning. All these operations can be carried out under power through a working range of 190°. Two hydraulic outriggers which extend on either side of the machine provide good stability and they can be independently retracted to allow for excavation work close up to the foundations and walls of buildings. The fully-enclosed cab has two sliding lock-up doors, built in lockers for papers and tools, sliding windows and a fibre-glass roof which is free from drumming and admits maximum light.

Novel Car Spare Wheel

A revolutionary type of car spare wheel, which is only one inch thick when not in use, easy to handle, and can be stowed in a very small space, was exhibited at the Motor Show held in London recently. It consists of a special pneumatic tyre mounted on a modified type of wheel about one inch wide. This means that the combined tyre and wheel can be stowed away in very little space and handled with ease during an emergency. When needed, the tyre is inflated by a small cylinder of carbon dioxide, about nine inches long, and containing sufficient gas to inflate the tyre to the correct pressure. If necessary, inflation can be carried out by conventional methods. Once inflated, the tyre becomes nearly circular in cross-section and in this condition is used conventionally, being bolted on in the usual way after removal of the punctured tyre/wheel assembly. It should be driven at reasonable speeds, and will then normally be adequate for all emergencies likely to be met during the life of the car. After the punctured tyre has been repaired, the wheel is removed. The tyre, when deflated, regains its former shape.

New Polishing Process

A Swiss firm has invented a new process called "rotolisation" for polishing metal pieces. The metal pieces which have got to be scraped, cleaned and polished are placed into metal or wooden drums or barrels, which are lined with rubber, where they come into contact with an appropriate chemical product, together with small balls made of a very hard mineral substance, which are calibrated very exactly and the diameter of which varies, according to requirements, from two to forty millimetres. As a result of the rotary movement of the drum, these balls come into contact with all the parts of the metal pieces that have to be cleaned. This "rotolisation" brings with it a number of important advantages to the metallurgical industry, of which we will now only mention safety in usage and an economical efficiency.

Push-button Soldering Iron

A British product—a soldering iron which requires neither flame nor electricity—offered by Jenolite Ltd., 13-17 Rathbone Street, London, W. 1, is said to be particularly suited to underdeveloped countries. It is heated by a cartridge, fitted inside a detachable copper tip which generates at over 86° for six to eight minutes when fired by the operator. The cartridges are non-explosive and safe to handle. Soldering tips for the iron are interchangeable. Apart from the standard ⅝ inch pyramid tip, there is a ¾ inch pyramid and chisel tips of ⅜, ½ and 1 inch.

New Packaging Material

A new packaging material of plastic, aluminium foil and paper developed in the U.S. permits the electronic sterilisation of surgical sutures after they have been sealed in their container. The material is claimed to give a tight seal, not to be affected by the sterilisation beam of 7 m. electron volts radiation, and to be resistant to the alcohol-formaldehyde mixture in which the packages are stored. The radiation is claimed to kill even the bacterial spores which are most resistant to ordinary germicides.

Antiseptic Plastic

A new polyethylene plastic, claimed to have inherent antiseptic qualities, is now being used in the U.S. to cast plastic toys for very young children. The maker says the antiseptic qualities due to a germicide mixed into the plastic before casting, last the life of the toy. He also said laboratory tests show it was particularly effective against the tough staphylococcus germs. Other uses seen for the plastic are in waste baskets, door knobs, telephones and arm-rest on public vehicles.

The Tank Lorry

PRE-SHIPMENT INSPECTION OF EXPORTS

JAPAN SETS A GOOD EXAMPLE

WITH the ambitious third Plan on the anvil, India has necessarily to make a determined and concerted drive to expand its exports. There is no doubt that much greater effort than that made in the second Plan will be called for to attain this object.ve. The increase in exports during the second Plan period so far (1956-59) was barely 2.5 per cent., which compares unfavourably with the world average of 20 per cent. Both the Government and the industry have realised the gravity of the situation and the compelling urgency to boost India's export earnings. There, however, seems to be some reluctance on their part to come to grips with the basic problems affecting foreign trade. It is fairly well known, for instance, that some of the products that are exported are yet to adhere strictly to a well-defined system of quality control and standards—a prerequisite for winning the confidence of overseas buyers. As early as in 1957, the Export Promotion Comm.ttee (Mr. V. L. D'Souza: Chairman) pointed out the need for checking the quality, weight, volume, condition of goods, their containers, marks and all other particulars before shipment of Indian goods and ensuring that, in all these respects, they left nothing to be desired. No specific action has been taken to give effect to this recommendation to all goods that are exported. Subsequently, the Standing Committee of the Export Promotion Advisory Council, once again, took up the matter and recommended that the Director-General of Supplies and Disposals should undertake pre-shipment inspection of goods. The Government has apparently postponed the consideration of this scheme on grounds of administrative difficulties. It would appear, however, that the Standing Committee's repeated requests have not gone in vain. For the Government has now revised its earlier stand and decided at long last to set up a special committee to go into the question of quality control and pre-shipment inspection measures. It is to be hoped that the Committee will complete its task expeditiously and that the Government will implement the Committee's recommendations without delay.

Inspection in India

It must, however, be mentioned here that a system of voluntary pre-shipment inspection already exists in the case of a few products. The Cotton Textiles Fund Committee has a scheme of a voluntary character for the inspection of exports of cotton textiles. Art silk fabrics have also been brought under a similar scheme. Besides, exports of mica are subjected to such a scheme, operated by the Mica Export Promotion Council. The other existing measures of quality control include the compulsory grading of such goods as tobacco, hemp, raw wool, and lemon grass oil for exports, as also the voluntary quality control scheme for the E.I. tanned hides and skins operated by the Leather Export Promotion Council. It will be seen from this that, apart from these exceptions, a judicious system of pre-shipment inspection is conspicuous by its absence in the case of other export items.

In this context, it will be in the fitness of things to refer to the system followed by Japan which has emerged from the wreckage of the last war as a modern industrial colossus in the Pacific. Unlike in the 'thirties, its exports now are not confined to cheap consumer goods, fine silks and toys, but high class quality goods, heavy industrial plant and machinery, and electrical, as well as electronic, equipment of high precision. Indeed, the performance of this country on the export front during the post-war period has been so spectacular that it has become a source of some concern to exporters in the highly developed countries, such as the U.S., the U.K. and also those in the Continent. Japanese exports have staged a smart rally from no more than $820 million in 1950 to $3,457 million in 1959. During the first six months of 1960, its exports aggregated $1,842 million, or a still higher annual rate of over $3,680 million.

The factors that have contributed to this excellent progress of Japan in the sphere of world trade are many. A general improvement in world trading conditions, the necessities of the Korean war that compelled Japan to make a forced march, large U.S. aid, heavy investments on modern plant and machinery, the adoption of American productivity methods and manufacturing techniques and, above all, the innate Japanese patience, tenacity and sense of purpose, all these have been responsible for what Japan is today, namely, a modern industrial nation. But no less important is the emphasis laid in Japan on the maintenance of competitive quality and standards, as is evident from the introduction of a scheme of pre-shipment inspection of exports. As many as 145 major export goods, which account for about 50 per cent. of the total Japanese exports, are subjected to compulsory pre-shipment inspection by law. These goods include, among others, sewing machines, reagent chemicals, pottery and porcelain ware, mechanical toys, cotton textiles, rayon fabrics, plywood, and canned foods. Of the 145 products, 59 items are in the category of textiles, 36 in agricultural and aquatic products, 29 general merchandise and 25 machinery and metal manufactures. Under the new Export Inspection Law, which came into force in February 1958, exports of the specified commodities are authorised only in cases where the quality of each item is in conformity with fixed standards; in other words, their export is, in principle, prohibited, unless they are "passed" by the specially designated Government organs or private inspection organs.

Standards for Metals and Machinery

A brief account of the scheme, as well as details regarding the relevant law, is given in a brochure, compiled by the Japanese Ministry of International Trade and Industry, and published by the Japan Export Trade Promotion Agency, Tokyo. The Japanese Government has also published two books giving exhaustive details with illustrations, of the inspection standards prescribed by it in respect of appearance, structure, size function, etc., for a wide range of metal and machinery items. The first volume is concerned with wire nettings, screws and rivets, bearings, parts and accessories for textile machines, farm machines and instruments, saws, sewing machines, timepieces, electro-machinery and instruments, etc. The second volume relates to such goods as cameras, refracting telescopes, projectors, parts of automobiles, internal combustion engines and bicycles. All those who are interested in promoting India's exports, especially those who are specifically entrusted with the task of export promotion, will do well to study these publications for their guidance.

The scope of compulsory inspection of exportable goods in Japan is more comprehensive than a mere checking up of quality and standards at the final stage of shipment. The export inspection is classified into three phases: (1) inspection of quality, (2) inspection of packing conditions, and (3) inspection of materials and manufacturing process. The inspection of quality means the examination of the quality of all designated commodities with a view to testing whether their quality conforms to the standards fixed by the Government. The inspections on both quality and packing conditions are categorically performed by a single organ. But as regards some commodities, the quality of which cannot be maintained unless their packing condition is inspected by special export inspection organs, they are specially inspected by the inspection organ concerned with packing conditions. These special commodities comprise silk fabrics, bolting cloth, rayon fabrics, bemberg rayon fabrics, and acetate rayon fabrics; these are designated by Cabinet Order. All of them are required first to be inspected in regard to quality by the Textile Products Inspection House, after which they are subjected to inspection on packing conditions to be conducted by a designated inspection organ specialising in inspection of packing conditions.

Inspection of materials and manufacturing process is a supplementary inspection for finished goods. The inspection of materials is applied to the finished products, the inspection of which cannot be satisfactorily performed merely through quality inspection, and after they have passed this supplementary inspection, the finishing process is applied to them. Then these finished products are again subjected to a final inspection. This is a good way of avoiding a wasteful inspection on finished products in which bad quality materials may be used. These special commodities comprise rayon fabrics, bemberg rayon fabrics, acetate fabrics woven with long filament yarn, acetate fabrics woven with spun yarn, cotton fabrics, spun rayon velveteen, spun rayon corduroy, cotton velveteen and cotton corduroy. These commodities are always required to be inspected by export inspection organs in regard to their pre-processed goods (fabrics fresh from the weaving machine) and only if they pass the inspection, the manufacturers apply their finishing touches to them. These finished goods are again subjected to the final inspection of their quality before they are exported.

Two Methods

There are two methods of inspection, namely, the 100 per cent. inspection and the random sampling technique. The former method implies that each unit of any commodity is subjected to inspection individually. The latter method means that the quality of one lot of commodity is determined by means of scientific inspection on the basis of random sampling.

Although designated commodities are exported according to the fundamental principles of export inspection as explained above, there are some designated commodities which are not fit for such a compulsory export inspection. As regards such commodities, the qualification of quality is entrusted to the self-indication by the exporters and the manufacturers of export commodities. The export standards on quality to be applied to these commodities are also stipulated by the Government. Such items are diesel engines for railway vehicles, viscose staple fibre, rayon filament yarn, seeds, menthol, pyrethrum, dried aquatic products (excluding tangle), salted aquatic products; monosodium glutamate, timber of inch size (excluding lauan timber), flooring, electric poles, and railway timber. In the case of all these goods, manufacturers and exporters themselves inspect the quality of the commodities at their own responsibility in conformity with the inspection standards on quality, and indicate on the commodities "Export Standards," implying that their quality is in conformity with the fixed standards or marks of grades, together with the name or title of the organ and the date of indication, and report without delay to the Government Inspection Organs on the items of the designated commodities, their quantity and their destination, etc.

Apart from this procedure, the Government organs, too, conduct surprise inspections at any time on both designated commodities and others, in order to make sure that export inspection is properly conducted. The persons found violating the provisions of law in exporting their products are punished by three years' imprisonment or are fined upto 300,000 yen.

This brings us to the question of the agencies concerned with the task of inspection in Japan. There are six Government organs and 39 private institutions, authorised by the Government, to carry out inspection of exports. Both the Government and private agencies are well equipped with the necessary scientific personnel and research equipment for carrying out the inspection. The total number of officers in the Government institutes is 1,001 and the staff in the private institutes number as many as 3,567. The private institutions are absolutely independent of the industries concerned and work under the close supervision of the Government. Their status is equal to that of a judiciary and have excellent equipments for research as well. In all there were no less than 1,975 persons holding the designation of inspectors, as at the end of August 1959. It is thus evident that an elaborate machinery will be required in this country if it is to implement a comprehensive pre-shipment inspection scheme evolved on the Japanese model.

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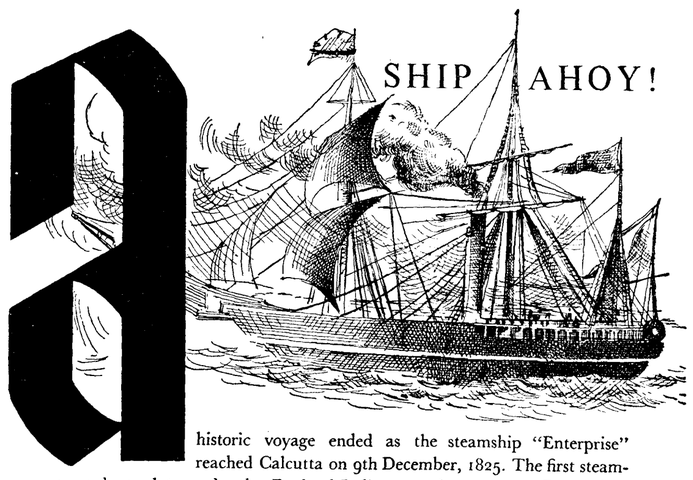

historic voyage ended as the steamship "Enterprise" reached Calcutta on 9th December, 1825. The first steam-powered vessel to make the England-India run, the 500-ton "Enterprise" won a cash prize of Rs. 100,000 offered by Calcutta's trading community for this truly pioneering achievement. Her captain on the hazardous voyage round 'the Cape' was James Henry Johnson, Commander, Royal Navy, and a hero of Trafalgar.

Though the "Enterprise" was the first ocean-going, partly steam-propelled ship to arrive at any Indian port, small steam-powered craft were being built in Calcutta as early as 1823.

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MARKED RISE IN EARNINGS OF D.C.M.

FURTHER DIVERSIFICATION OF ACTIVITY UNDER CONSIDERATION

A MARKED rise in earnings is disclosed by the accounts of the Delhi Cloth and General Mills Company Ltd. (Managing Agents: Messrs. Bharat Ram Charat Ram & Co. Private Ltd., New Delhi) for the year ended 30th June 1960. The gross profit, for instance, has recorded a rise of over Rs. 42 lakhs to Rs. 2.93 crores, thanks to an expansion of Rs. 1.71 crores in sales, consequent on an improvement in the working of the various units, notwithstanding several handicaps. With this rise, the upward trend in the Company's gross profit noted since 1956-57 has not only been maintained but has gathered momentum. Nevertheless, the gross profit still lags behind the record one of Rs. 3.24 crores earned in 1953-54, when the Company's sales aggregated no more than Rs. 19.42 crores. This shows how, despite the growth in various directions, the Company's profit margin has thinned down. This is not a peculiar feature of this Company alone and is due, as readers are well aware, to the all-round rise in costs.

The net profit, too, shows an impressive rise from Rs. 73.82 lakhs in 1958-59 to Rs. 104.42 lakhs, even after providing more for Managing Agents' remuneration, depreciation and taxation, as will be seen from the accompanying table. The total tax liability for the year under review is Rs. 126.50 lakhs (including taxation in Pakistan amounting to Rs. 38 lakhs), of which relief on account of foreign taxation is Rs. 26.50 lakhs, leaving a net tax liability of Rs. 100 lakhs. As much as 52 per cent. of the net profit, or Rs. 54.50 lakhs, is being ploughed back, as against 50 per cent. in the previous year. Last year, a sum of Rs. 30.03 lakhs was utilised to make some adjustments in respect of taxation, Managing Agents' remuneration and transfer to general reserve, but this came entirely out of the excess additional depreciation provided in previous years.

In consonance with the trend of profit, the dividend on ordinary shares is proposed to be raised from 10 per cent. to 12 per cent., both subject to deduction of tax. This works out to a tax-free distribution of 8.4 per cent., as against 7 per cent. for the previous year. In raising the dividend, the Directors have more than made good the cut made last year from 8 per cent. free of tax paid for each of the years 1957-58 and 1956-57. The additional tax burden which the Company has taken upon itself on behalf of the shareholders is Rs. 12.22 lakhs. This is on top of Rs. 10.18 lakhs paid in respect of 1958-59.

The results of the Company for the year under review are highlighted against the background of those for the previous three years in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale proceeds	31,78.63	30,08.00	29,41.60	27,84.38
Other income	45.63	19.19	15.03	11.96
Stocks at close	5,10.21	3,91.04	4,88.02	4,64.43
Raw materials consumed	16,94.88	13,97.01	14,68.79	14,57.43
Excise duty and cane cess	2,72.19	2,65.96	2,73.42	2,11.46
Other expenses	10,83.42	10,36.62	9,70.63	9,19.81
Gross profit	2,92.92	2,50.61	2,28.97	2,27.09
Managing Agents' remuneration	18.34	16.25	12.61	11.62
Provision for—				
Depreciation	70.17	65.53	88.91	97.16
Taxation	1,00.00	95.00	59.18	80.68
Net profit	1,04.42	73.82	68.27	37.63
Excess provisions written back	0.08	30.03	..	..
To reserves	54.50	37.00	36.10	..
,, adjustments	..	30.03	..	..
Donations	5.12	0.57	..	6.00
Dividends—				
Preference	4.27*	4.27*	2.99	2.99
Ordinary	40.72* (12%)	33.96* (10%)	27.15 (8%)	27.15 (8%)
Carry forward	2.72	2.35	4.81	2.78

* Subject to deduction of tax.

An idea of the working of the various units during the year under review can be had from the following extract from the Directors' report:

"Despite cost inflation, due to appreciable rise in cotton prices, owing to failure of crops, and enhanced incidence of wages and dearness allowance, following the implementation of the Textile Wage Board's recommendations, your textile units did well during the year. The working of silk factory, however, was handicapped on account of short supply of raw material. In spite of power supply difficulties, the working of Lyallpur Cotton Mills has been satisfactory. The working of the chemical division was marked by all-round improvement in production. However, profits of caustic soda plant have been seriously affected by price control enforced since October 1959. Fertiliser sales have shown an improvement, but will require intensive selling effort in the next few years for enabling our plant to run on full capacity. The vanaspati factory showed improvement in production, but the results have not been as satisfactory as last year, as a consequence of selling prices not moving in parity with the steep rise in oil prices. This trend may get more emphasised in the years to come. Sugar factories' working was normal. We are considering the expansion of our sugar factories. Slow, but steady, progress is being maintained in our confectionery business. The distillery showed a marked improvement all round."

The Company has a network of 275 retail shops and agencies to cater to the needs of the consumer directly at reasonable prices. The exports of cloth have increased, notwithstanding the import restrictions in the U.K. The Company has recently started exporting its Lyallpur Mills' products also.

In order to keep pace with the technological developments and to maintain the Company's competitive capacity, the Directors have taken in hand renovation and modernisation of one of the old units of the cloth mills at Delhi. Further proposals for diversification of manufacturing lines are under consideration.

The Company's balance-sheet as on 30th June 1960 shows that reserves and surplus stand at Rs. 467.21 lakhs, as against a paid-up capital of Rs. 410.76 lakhs. The borrowings (secured and unsecured), including debenture loans continue to be at a very high level, namely, Rs. 733.73 lakhs, or nearly 180 per cent. of the paid-up capital. The other current liabilities and provisions amount to Rs. 322.81 lakhs and are covered more than four times by current assets at Rs. 1,326.06 lakhs. The gross block of the value of Rs. 1,446.04 lakhs has been written down to Rs. 608.45 lakhs.

The Rs. 25 fully paid-up ordinary shares are being currently quoted at Rs. 35.35 *cum-div.*, at which rate and on an *ex-div* basis, the yield is 6.31 per cent. per annum, free of tax.

FORT GLOSTER CUTS NET DIVIDEND

CABLE PLANT DOING WELL

JUDGED against the background of the adverse turn against consumers in the raw jute and gunnies market since the end of November 1959, the performance of the Fort Gloster Industries Ltd. (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) during the year ended 31st March 1960 can be said to be satisfactory. Despite all penal measures to check speculation, prices of raw jute rose sharply on fears of acute shortage of fibre. Prices of finished goods, too, moved up in sympathy, but not in proportion to the increase in raw jute, with the result that simultaneous business became completely uneconomic during the latter part of the year under review. Nevertheless, the Company's gross profit has recorded an improvement to Rs. 37.94 lakhs from Rs. 36.58 lakhs earned in 1958-59, to which level it had jumped up successively from Rs. 12.46 lakhs in 1956-57.

The results would have been worse but for the favourable trading conditions in the earlier part of the year under review and the commencement of production of cables in January 1960. There has also been a gradual improvement in the output of cables since then. The Company had some difficulty in importing raw materials in the initial stages, but this has now been overcome to a large extent. The Company's cables are produced with the technical collaboration of British Insulated Callender's Cables Ltd., London, and are said to be popular with dealers and consumers. They have been approved by the Indian Standards Institution. There is no doubt competition from manufacturers of sub-standard cables, but the Directors hope that standard materials will continue to have its market. The full effect of the working of the Company's cable section will be reflected in the current year's results.

To revert to the financial results of the year under review. The provision for depreciation has been raised from Rs. 8.73 lakhs to Rs. 10.29 lakhs, while that for taxation has been pruned from Rs. 12.52 lakhs to Rs. 4.25 lakhs, consequent on the large development rebate to which the Company is entitled on its cable plant and on the additions to plant and machinery in jute mills. The net profit, therefore, shows a larger rise than the gross profit, having gone up from Rs. 12.03 lakhs to Rs. 20.42 lakhs. In order to get the benefit of development rebate, the Company has had to transfer as much as Rs. 13 lakhs to the development rebate reserve. The transfer of such a large slice of the net profit would have meant a drastic cut in the dividend on ordinary shares. In order to offset to some extent this inequitable position, the Directors have written back Rs. 5.50 lakhs from the general reserve. Even so, a reduction in net dividend has been inevitable after setting aside, as usual, Rs. 1.75 lakhs to the debenture sinking fund. The Directors have recommended a dividend of 25 per cent. on the fully paid-up and partly paid-up shares, subject to deduction of tax. This represents a tax-free distribution of 17.5 per cent. and does not compare favourably with the 20 per cent. free of tax paid for the previous year. They have also recommended a supplemental dividend of 3 per cent. and 2.14 per cent., on the 7 per cent. and 5 per cent. cumulative preference shares, respectively, payable in the event of the proposed amendment to the Company's Articles of Association to vary the dividend rights of the preference shares being approved.

The following comparative table gives an idea of the Company's progress since 1956-57:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales	3,84.73	3,82.27	4,02.02	3,96.37
Other income	2.64	24.10	2.79	1.48
Closing stocks of gunnies	27.91	18.47	13.92	16.68
Raw jute consumed	2,02.84	2,25.20	2,33.56	2,36.46
Other expenses	1,56.02	1,49.14	1,43.38	1,40.77
Gross profit	37.94	36.58	25.03	12.46
Managing Agents' remuneration	2.97	3.30	1.90	0.98
Provision for—				
Depreciation	10.29	8.73	7.49	5.65
Taxation	4.25	12.52	1.08	..
Net profit	20.42	12.03	14.56	5.83
Transfer from reserves	5.50	..	..	..
To reserves	14.75	2.88	8.95	..
Dividends—				
Preference	1.90*	1.33	1.33	1.33
Ordinary	10.50 (25%)*	8.40 (20%)	4.20 (20%)	2.10 (10%)
Carry forward	0.72	1.94	2.54	2.45

* Subject to deduction of tax.

The outlook for the current year is rendered somewhat obscure by the uncertain position in respect of the 1960-61 raw jute crop. While official sources say that the crop is fairly satisfactory, though they add that a correct assessment would be possible only after six weeks from now, trade circles fear an acute shortage of fibre, necessitating a scaling of looms. The Company's second phase of modernisation has been handicapped due to import restrictions for want of foreign exchange. Licence for the import of a part of machinery has, however, been granted very recently and some of the machinery is expected to arrive by May 1961.

The Company's financial position is quite satisfactory, though borrowings constitute a high proportion of its working capital. Considering the size of the undertaking, the paid-up capital is small at Rs. 63 lakhs and this is supplemented by reserves and surplus amounting to Rs. 84.37 lakhs. The total borrowings (including those against debentures) have gone up over the year from Rs. 79.77 lakhs to Rs. 144.12 lakhs, while the other current liabilities and provisions stand at Rs. 80.31 lakhs. The additions to the gross block during the year under review were of the order of Rs. 82.23 lakhs, raising the total value as at the end of the year to Rs. 341.70 lakhs. The book value thereof as at the end of the year is Rs. 172.65 lakhs. Capital works-in-progress amount to Rs. 88,353. The current assets, investments, book debts and cash balances aggregate Rs. 198.27 lakhs.

The current market value of the Company's Rs. 100 fully paid-up ordinary shares is Rs. 335 *cum-div.* On an *ex-div.* basis, the yield works out to 5.5 per cent. per annum, free of tax.

TRITON INSURANCE CO., LTD.

A.D. 1959 was a year of satisfactory working for the Triton Insurance Company Ltd. (Managing Director: Sir John Brown, Calcutta). The net profit is higher at Rs. 3.58 lakhs, as against Rs. 2.94 lakhs in the previous year. The Directors have, however, thought it prudent to make some provision for the rainy day. After maintaining the dividend at the previous year's level of 45 per cent., but subject to deduction of tax (the net return to shareholders is, therefore less, at 31.5 per cent.) the whole of the balance of Rs. 1.88 lakhs has been carried forward, as against a mere Rs. 89,047 carried forward in the previous year.

The combined net premium amounted to Rs. 34.11 lakhs, comprising Rs. 23.48 lakhs in the fire department, Rs. 8.06 lakhs in the marine department and Rs. 2.57 lakhs in the miscellaneous department, as against Rs. 37.18 lakhs in the previous year. The decline in premium in the fire department was sharp, from Rs. 28.39 lakhs to Rs. 23.48 lakhs. Thus the prediction made by the Directors in the previous year's report that, as a consequence of the special reinsurance cession in reciprocation of certain credits built up in the previous years having come to an end, premiums from that source would be lower, has come true. The unexpected drop in reinsurances received from treaty reinsurers was another contributing factor. Claims aggregated Rs. 15.26 lakhs, as against Rs. 16.04 lakhs in the previous year. In the fire department, claims experience, especially in respect of the Company's overseas fire business, was adverse. Nevertheless, the accounts shows a higher profit of Rs. 4.64 lakhs, as against Rs. 3.15 lakhs for 1958. The only other department which showed a profit, though nominal, is the miscellaneous portfolio. The marine department, which yielded a surplus of Rs. 3,271 last year, was in the red to the extent of Rs. 58,910 in the year under review. This loss, the Directors point out, was mainly due to the higher hail damage claims from North Indian tea gardens. The miscellaneous account showed a higher profit margin, Rs. 28,768, as against a mere Rs. 4,449 in 1958, thanks to cautious underwriting. The net departmental contributions to the profit and loss account, after meeting claims, expenses of management and commission and maintaining the reserves for unexpired risks at 50 per cent. of premium in both the fire and miscellaneous department, excluding additional reserves, and 100 per cent. in the marine department, were Rs. 4.34 lakhs. After charging expenses not applicable to any particular account, providing for taxation and taking credit for forfeited dividends and profit on investments, there remained a balance of Rs. 3.58 lakhs. This, together with Rs. 89,047 brought in from the previous year's account, made available for distribution Rs. 4.47 lakhs. The dividend of 45 per cent. per share of Rs. 25 paid-up, absorbed Rs. 2.59 lakhs, leaving Rs. 1.88 lakhs to be carried forward.

UNDER SECRETARY TO G... 25 OCT 1960 PUBLIC DEPARTMENT

UNITED INDIA FIRE AND GENERAL INSURANCE CO., LTD.

ACTING CHAIRMAN, MR. N. RAMA RAU, SAYS CEILING ON EXPENSES NEEDS REVISION

THE formula for the limitation of expenses of management of insurance companies, which had attracted a good deal of criticism of late, came in for renewed attack at the hands of Mr. N. Rama Rau, Acting Chairman of the United India Fire and General Insurance Company. Addressing the shareholders at the Twenty-second Annual General Meeting of the Company held at Madras on 27th September 1960, Mr. Rama Rau observed that there was no rational basis for the limitation of expenses fixed under Section 40-C of the Insurance Act and Rule 17-E of the Insurance Rules and that the changed and changing conditions made the formula positively unrealistic and nearly unworkable. He regretted that nothing had so far been done to alter the rule suitably. Referring to the suggestion for group working, Mr. Rau said that a change in the general outlook of insurance in regard to the future organisation of business was necessary for it to be made a practical proposition.

The following are extracts from Mr. Rama Rau's speech:

"GENTLEMEN,

"I extend a cordial welcome to all of you and thank you for your kind presence here today.

"You have had with you printed copies of the Directors' report, balance sheet, and the revenue accounts of the Company for the year ended 31st December, 1959 and with your permission I shall take them as read. The main features of the business and accounts for 1959 are brought out in the Directors' report, which I have no doubt you have all read. I shall also say a few words in regard to the same but before doing so, may I take the liberty of placing before you a few facts connected with the business of the Company in the past, in the hope that you will consider the same interesting, though not very useful at present. Curiosity led me the other day to look up some of the old *Insurance Year Books* published annually under the authority of the Government of India and I came across the following information. At the end of 1940, our paid-up capital stood at 3 lakhs and 8 thousand rupees. Our business figures were Rs. 52,000 for fire business and Rs. 10,000 for miscellaneous or motor business. At that time, we had not started to transact marine insurance business. Our business funds amounted to the modest sum of Rs. 25,000. Exactly ten years later, that is, at the end of the year 1950, the position revealed by the *Year Book* is that our capital was Rs. 10 lakhs paid-up (as it is at present) and that our insurance funds amounted to Rs. 8.5 lakhs. Our net premium income was Rs. 6 lakhs in fire, Rs. 2 lakhs in miscellaneous and Rs. 6 lakhs in marine. We have now before us the accounts for 1959 which show that, while our capital remains still at Rs. 10 lakhs paid-up, our fire business shows a net premium of a little over Rs. 12.5 lakhs, our miscellaneous department has done business yielding a net premium of Rs. 7 lakhs approximately and that our marine business has brought a net premium of Rs. 6 lakhs and odd. The marine department could have shown higher figures but for the fact that in the light of bad experience in recent years, it was considered prudent to reduce our commitments in this section. Our reserves amounted to more than Rs. 20 lakhs. The figures I have quoted may or may not be impressive; that depending upon the angle from which we view them. But they convey a definite feeling that the Company's business has been steadily progressive and also that the Company's funds have been increasing. In three years when the Company celebrates its silver jubilee, it is my hope that the Company will be able to show even further progress.

Accounts

"With regard to the accounts, there is not much that calls for comment. I understand that in taking the fire premium into account, the premiums due to us from foreign Treaty Reinsurers in respect of one quarter have been omitted. These figures are usually late in coming; and in not including them in this year's account, we have merely followed a practice not unknown among insurers. They will find a place in the current year's accounts. Our premium income should have been somewhat higher, if it had been possible to incorporate these premiums in the accounts now submitted to you.

"The total net premiums received by the Company during the year under review amounted to nearly Rs. 26 lakhs—about Rs. 12.5 lakhs in fire, about Rs. 7 lakhs in the miscellaneous department and Rs. 6 and odd lakhs in marine. After meeting expenses and claims and adjusting departmental reserves so as to maintain them at 50 per cent. of the premiums in fire and miscellaneous and 100 per cent. in marine, there is a net balance of Rs. 3 lakhs 40 thousand and odd which has been transferred to the profit and loss account. Out of this, your Directors were of the opinion that a sum of Rs. 1,00,000 should be transferred to the general reserve, which now stands at Rs. 4 lakhs. After making other appropriations for taxes, etc., and taking into account the interest earned, the balance arrived at is Rs. 1 lakh 12 thousand and odd and, on this basis, your Directors have recommended payment of a dividend of 80 nP per share, subject to deduction of tax.

Expenses

"During recent times, prices of commodities have been constantly going up and the cost of living has been gradually increasing. We do not know where this will stop. But this rise in prices and in the cost of living has affected the expense side of our business adversely. To add to this, there was a recent reduction of premium rates in fire business; which implies that the same amount of labour and expense will be required for a lower premium income. It remains to be seen how this reduction in premium rates will react on the expense ratios of companies. According to Section 40-C of the Insurance Act and Rule 17-E of the Insurance Rules, which were enacted in 1939, a limitation has been placed on the expenses to be incurred for general insurance business. There was no rational basis for the rule when it was made and the rapidly changing conditions have made the rule positively unrealistic and nearly unworkable. The rule, at best arbitrary when it was brought into force long ago, has ceased to be useful for determining the necessary measure for expenses required for the conduct of business. It is now agreed on all hands that the rule does not satisfy the present-day requirements but no effort has been made to alter the rule suitably. One redeeming feature is that the Controller of Insurance is in a position to soften to a limited extent the effects of a rigorous application of the rule and companies have to depend on his judgment, understanding and goodwill when they have to face a difficult situation arising from a strict enforcement of the rule.

Group Working

"There is only one other topic in regard to which I wish to say a few words on this occasion. While it may be expected that the rapid industrialisation and growth of economic activity in the country will help to create opportunities for an increasing volume of general insurance business, it is necessary that companies carrying on business, if they are to function efficiently and well, will have to make themselves fit and ready to absorb all the new business. There is now a scramble for business on account of a large number of companies doing business and a lack of sufficient business to go round. It is necessary that the companies should grow in strength in order to meet the future requirements of the trade. One suggestion that has been made is that the existing companies should merge together by forming into groups. This suggestion is worth considering but the principal difficulty lies in finding a satisfactory formula which will not only do justice to the companies seeking to join together but give satisfaction to all the interests concerned. A change in the general outlook of insurers in regard to the future organisation of business will also be needed in order to bring the proposition within the range of a practical scheme."

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

SITALAKSHMI MILLS LTD.

The year ended 30th June 1960 represents the first full year of production of the Sitalakshmi Mills Ltd. (Managing Agents: Messrs. C. S. Ramachary & Co., Pasumalai, Madurai) after it started working in August 1958. During the short period of its working, the Company has made creditable progress. It had paid a modest dividend of 3 per cent. (subject to deduction of tax) on the ordinary shares in the first year of its working, namely 1958-59, and has stepped it up to 9 per cent., subject to deduction of tax, for the following year, and that too after building up a decent reserve, thanks to the appreciable increase in its earnings. In the year 1958-59, when the Company's mills had worked only for about eight months, it had earned a gross profit of Rs. 3.40 lakhs and this has trebled itself to Rs. 10.24 lakhs in the year under review. After setting aside Rs. 82,473 for Managing Agents' remuneration, as against Rs. 19,511 for the previous year, and providing Rs. 2.78 lakhs for depreciation (Rs. 1.43 lakhs) and Rs. 70,000 (*nil*) for taxation, the net profit amounts to Rs. 5.94 lakhs, which compares very favourably with Rs. 1.78 lakhs for 1958-59.

Out of the net profit, a sum of Rs. 4.66 lakhs has been transferred to the development rebate reserve, the corresponding addition made last year being Rs. 1.35 lakhs, and Rs. 30,000 to the general reserve. The dividend on the 6 per cent. tax-free preference shares has been maintained at 6 per cent. (net). The Company is entitled to tax exemption under Section 15(C) of the Income-tax Act. After taking into account such exemption, the net amount of tax deducted from the dividends on preference and ordinary shares is 19.2 per cent.

The Company is a purely spinning unit, with a capactiy of 12,000 spindles. In fact, the installation of the full complement of 12,000 spindles was completed only in March last.

The following synopsis of the latest balance-sheet will give an idea of the Company's financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital (paid-up)	10,00,000	Gross block	30,68,764
Reserves and surplus	6,33,599	*Less*—Depreciation	4,17,257
Borrowings	11,72,734	Net block	26,41,507
Current liabilities and provisions	3,70,029	Stock-in-trade and stores	3,14,478
		Book debts	2,05,581
		Investments	3,377
		Cash	11,469
	Rs. 31,76,362		Rs. 31,76,362

The additions to the block account during the year under review amounted to Rs. 9.03 lakhs.

PREMIER FERTILISERS LTD.

The Premier Fertilisers Ltd., one of the new units to be set up in the State of Madras for the manufacture of fertilisers, will shortly enter the capital market, with an equity offer for providing a part of the capital cost of the project. The authorised capital of the Company is Rs. 1 crore, made up of 250,000 9 per cent. taxable preference shares of Rs. 10 each and 750,000 ordinary shares of Rs. 10 each, of which ordinary shares of the value of Rs. 50 lakhs will be issued for the present. The Directors, signatories to the memorandum and their friends have already taken up Rs. 12 lakhs and the Industrial Credit and Investment Corporation of India has agreed to subscribe Rs. 3 lakhs. The balance of Rs. 35 lakhs will be available for public subscription. The entire public issue is being underwritten by two banks to the extent of Rs. 20 lakhs in the aggregate and a group of five brokers in Bombay, Madras and Calcutta to the tune of Rs. 15 lakhs. Out of the equity capital of Rs. 35 lakhs offered, a sum of Rs. 7.5 lakhs is being reserved to the underwriting brokers, that is, to the extent of 50 per cent. of their underwritings, so that the balance actually available to the public is Rs. 27.5 lakhs only. The list for public subscription is expected to open in the second week of November. A sum of Rs. 5 per share is payable on application and the balance of Rs. 5 on allotment.

(*Continued on page 742*)

SYNOPSES OF COMPANY REPORTS

Sangameshwar Coffee Estates Ltd.

THE directors of the above Company (Chairman: Mr. R. Radcliffe, Madras) present the audited accounts of the Company for the year ended 31st March 1960.

After providing for depreciation and all charges except taxation, the accounts show a profit of Rs. 2,10,255 (Rs. 2,54,816) to which is added the balance brought forward from last year of Rs. 15,748 (Rs. 13,432) making a total of Rs. 2,26,003 (Rs. 2,68,248). After deducting from this the dividend on preference shares up to 31st March 1960—subject to tax, absorbing Rs. 29,750 (Rs. 24,500), transferring to taxation reserve Rs. 63,500 (Rs. 85,000) and transferring to development reserve Rs. 50,000 (Rs. 35,000) there remains a balance of Rs. 82,753 (Rs. 1,23,748). The directors recommend payment of a dividend of 6 (9 per cent. free of tax) per cent. on equity shares—subject to tax, absorbing Rs. 72,000 (Rs. 1,08,000) leaving a balance to be carried forward to next year's account of Rs. 10,753 (Rs. 15,748).

The capital expenditure under the various heads—without including Rs. 26,417 on account of work in progress—amounted to Rs. 55,390.

Crop and costs.—The crop harvested during the year was disappointingly small at 177,568 tonnes at a cost of Rs. 131.62 per 50 kilograms compared with the original estimate of 371 tonnes. Among other factors, the unsatisfactory blossom showers by their late arrival and insufficiency, caused poor setting of the blossom while the unfavourable weather conditions of a severe and prolonged south-west monsoon caused a considerable shortfall in the crop outturned for the year. The poor outturn of clean coffee to fruit picked and below-average sizing of berries have also added to the shortfall. This experience has been more or less general throughout Mysore where a fall of 30 to 40 per cent. from the estimated crop occurred in a number of places. By reason of the substantially smaller crop, the cost of production on the estates has inevitably increased. The estate expenditure for 1959-60 amounted to Rs. 4,67,432 representing Rs. 402.00 per acre or Rs. 2,632 per metric tonne. This expenditure has borne the cost of one manurial application as against two in previous years. Comparative statement of production and costs for the last three years is as under:—

Year	*Coffee crop in tonnes*	*Estate expenditure per metric tonne*	*All-in-cost per metric tonne*
		Rs.	Rs.
1957-58	432.142	1,589	1,969
1958-59	271.470	2,179	2,718
1959-60	177.568	2,632	3,307

The crop harvested and delivered to the Coffee Board has been valued at Rs. 2.25 per point. Outturn statements and valuation reports in respect of this crop have been received only partially. Final payment on 1957-58 season crop has been received making the total for the year Rs. 2.51 per point. 1958-59 season crop has been valued at Rs. 2.40 per point being the figure so far disbursed by the Coffee Board.

1960-61 *season crop.*—The prospects for the current year's crop are considered good and the present estimate is Arabica 282 tons and Robusta 58 tons. This estimate should be treated with reserve owing to the new disease that has struck coffee in South India but present indications are that this figure will be reached. It shows a very considerable shortfall from the expectations made in March 1960 and is largely due to a poor 'set' of the blossom flower and to a certain amount of crop dropping in the past month.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,50,000	Gross block	18,80,245
Debentures	5,04,000	*Less*—Depreciation ...	1,09,554
Reserves ...	1,85,000		
Provision for taxation ...	80,851	Net block ...	17,70,691
Liabilities ...	1,80,862	Work-in-progress ...	26,417
Profit and loss account (surplus)	10,753	Coffee stock ...	5,10,536
		Stores, etc. ...	43,067
		Book debts ...	24,530
		Cash ...	1,36,225
Rs.	25,11,466	Rs.	25,11,466

Amalgamated Coffee Estates Ltd.

The directors of the above Company (Managing Director: Mr. K. N. Neelakantan, Seetagundy Estate, Palghat District, Kerala State) present the audited accounts of the Company for the year ended 31st March 1960.

The result of the year's working after providing for depreciation on buildings, machinery and furniture, etc., amounting to Rs. 55,762 (Rs. 70,622) after paying debenture interest of Rs. 28,500 (Rs. 28,500) and income-tax on debenture interest of Rs. 12,239 (Rs. 12,252) and after providing for income-tax and Kerala agricultural income-tax amounting to Rs. 1,40,600 (Rs. 97,507) is a net profit of Rs. 1,19,757 (Rs. 1,22,507) to which must be added Rs. 57,315 (Rs. 1,21,432) brought forward from last year's account, making a total of Rs. 1,77,072 (Rs. 2,43,939). Out of this, 6 per cent. dividend, subject to deduction of tax, on preference shares for the year amounting to Rs. 36,000 (Rs. 36,000) has since been paid leaving a balance of Rs. 1,41,072 (Rs. 2,07,939) now available. The directors recommend the following appropriations:—

To pay a dividend of 10 (7½ per cent. free of tax) per cent., subject to deduction of tax, on the equity shares for the year ended 31st March 1960, absorbing Rs. 67,500 (Rs. 50,625), to transfer to development reserve Rs. 50,000 (Rs. 1,00,000) leaving a balance of Rs. 23,572 (Rs. 57,315) to be carried over to next year's account.

A total crop of 33,052 bushels of coffee which gave an outturn of 399 tonnes and 799 kgs. cured coffee and 45,518¾ pounds of cardamom were harvested during the year ended 31st March 1960. Coffee was produced at a cost of Rs. 138.33 nP per 50 kgs. and cardamom at Rs. 6.30 nP per pound. The average price realised on coffee was Rs. 173.35 nP per 50 kgs. and that of cardamom was Rs. 9.68 nP per pound.

The estimates for the year ending 31st March 1961 provide for 200 tons of coffee and 60,000 pounds of cardamom.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,75,000	Gross block	19,03,351
Debentures ...	4,75,000	*Less*—Depreciation ...	2,97,284
Reserves ...	1,60,527		
Provision for taxation ...	1,78,946	Net block ...	16,06,067
Liabilities ...	9,74,662	Stock of coffee	10,92,478
Profit and loss account (surplus) ...	23,572	Stores ...	2,98,959
		Book debts ...	74,063
		Cash ...	16,140
Rs.	30,87,707	Rs.	30,87,707

Badra Coffee Estates Ltd.

The directors of the above Company (Managing Agents: Young India Agencies (Private) Ltd., Bangalore) present the audited accounts of the Company for the year ended 31st May 1960.

The Company's working for the year resulted before allocations in a profit of Rs. 1,41,646 (Rs. 1,62,520). To this is added the balance brought forward from last year of Rs. 35,949 (Rs. 35,306) making a total of Rs. 1,77,595 (Rs. 1,97,826). From this amount the directors recommend payment of a dividend on preference shares at 7½ (7½) per cent. per annum free of tax absorbing Rs. 11,250 (Rs. 11,250), 10 per cent. of the net profits to managing agents Rs. 14,165 (Rs. 16,252), transfer to general reserve Rs. 47,634 (Rs. 50,000), provision for taxation Rs. 15,000 (Rs. 10,000) and payment of a dividend on equity shares at 15 (17½) per cent. absorbing Rs. 63,750 (Rs. 74,375) leaving a balance to be carried forward to next year's account of Rs. 25,796 (Rs. 35,949).

The coffee crop harvested during the year is 147.967 tons consisting of 15.425 tons of arabica and 132.542 tons of robusta. The estimate for the next year is 17 tons of arabica and 195 tons of robusta making a total of 212 tons.

The crop of coffee this year is lower than the previous year. The profit this season is also lower than the last season and hence a dividend of 15 per cent. on equity shares has been recommended. The estates are well maintained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,75,000	Gross block	8,56,375
Reserves ...	4,00,000	*Less*—Depreciation ...	92,884
Provision for taxation ...	1,97,032		
Liabilities ...	2,26,974	Net block	7,63,491
Profit and loss account (surplus)	25,796	Stock of coffee	3,78,366
		Stores, etc.	13,541
		Book debts	1,58,640
		Investments	11,658
		Cash ...	39,106
Rs.	14,24,802	Rs.	14,24,802

Gohpur Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The season's working resulted in a profit on revenue account of Rs. 1,97,576 (Rs. 1,98,439) after providing for depreciation amounting to Rs. 58,327 (Rs. 48,064) writing off development expenditure of Rs. 16,549 (Rs. 21,291) during the year on Tea Estate and providing Rs. 40,000 (Rs. 30,000) for contingencies. After transferring the above profit, making various adjustments, setting aside for taxation Rs. 96,000 (Rs. 1,05,000 including Rs. 1,500 for wealth tax), transferring to building reserve Rs. 50,000 (*nil*) the balance available on profit and loss account amounts to Rs. 1,98,856 (Rs. 1,77,153 after adjustment). From this amount it is proposed to pay a dividend of 10 (5 per cent. tax-free) per cent. for 1959, absorbing Rs. 67,600 (Rs. 33,800) leaving to be carried forward Rs. 1,31,256 (Rs. 1,43,353). In view of the extremely difficult cash position of the Company, the directors regret that it is not possible for them to recommend a higher rate of dividend for the season 1959.

The following are comparative statistics of sales for the past three years:—

	Pounds	*Average price per lb.*
1957	609,452	Rs. 2/69
1958	635,432	Rs. 2/46
1959	586,588	Rs. 2/61

The estimate for 1960 provides for a crop of 281.230 kg. or 620,000 lbs. of tea at a cost of Rs. 4/54 nP per kg. or Rs. 2/06 nP per lb.

The term of office of Messrs. Williamson Magor & Co., Ltd. as managing agents of the Company expired on 15th August 1960 in terms of Section 330 of the Companies Act, 1956. The Company in General Meeting held on 24th September 1959 had already approved of the proposal that Messrs. Williamson Magor & Co., Ltd. be reappointed managing agents for a further term of ten years from 15th August 1960 subject to the approval of the Central Government. The Central Government gave its approval to the reappointment but reduced the term of office to five years and also prescribed a sliding scale of remuneration instead of the flat rate as under the previous agreement and as proposed under the terms of reappointment. At the Company's general meeting held on 13th August 1960 the reappointment with these modifications was formally confirmed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,76,000	Gross block	22,56,199
Reserves ...	4,90,000	*Less*—Depreciation ...	10,31,899
Provision for taxation ...	1,70,246		
Liabilities ...	7,37,774	Net block ...	12,24,300
Profit and loss account (surplus)	1,31,256	Stock of tea ...	5,56,314
		Stores, etc. ...	2,04,958
		Book debts ...	52,721
		Investments ...	1,47,024
		Cash	19,959
Rs.	22,05,276	Rs.	22,05,276

Soom Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The season's working resulted in a profit on revenue account of Rs. 2,10,134 (Rs. 3,18,205) after providing for depreciation amounting to Rs. 14,372 (Rs. 9,492) and writing off expenditure of Rs. 95 (Rs. 562) incurred on Tea Estate during the year. After transferring the above profit, making various adjustments, setting aside Rs. 95,000 (Rs. 1,59,654 including Rs. 3,000 for wealth tax), for taxation and paying interim dividend of 15 (15 per cent. tax-free) per cent. for 1959, absorbing Rs. 45,000 (Rs. 45,000) the balance available on the profit and loss account amounts to Rs. 2,70,267 (Rs. 2,52,909 after paying a second interim dividend of 10 per cent. absorbing Rs. 30,000). From this amount it is proposed to transfer to repairs and renewals reserve account Rs. 25,000 (*nil*), to building reserve account Rs. 25,000 (*nil*) and to pay a final dividend of 15 (25 per cent. tax-free) per cent. for 1959 absorbing Rs. 45,000 (Rs. 75,000) leaving to be carried forward Rs. 1,75,267 (Rs. 1,82,909 after transferring Rs. 5,000 to staff account).

The following are comparative statistics for the past three years:—

	Pounds	*Average price per lb.*
1957	301,467	Rs. 3/26
1958	312.398	Rs. 3/49
1959	312,255	Rs. 3/17

The estimate for 1960 provides for a crop of 304,000 lbs. or 137,900 kg. of tea at a cost of Rs. 2/63 nP per lb. or Rs. 5/81 nP per kg.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Gross block ...	7,56,966
Reserves ...	4,45,000	*Less*—Depreciation ...	3,49,266
Provision for taxation ...	2,40,500		
Liabilities ...	2,67,283	Net block ...	4,07,700
Profit and loss account (surplus)	1,75,267	Stock of tea ...	2,18,971
		Stores ...	1,32,105
		Book debts ...	43,286
		Investments ...	2,03,194
		Cash	4,22,794
Rs.	14,28,050	Rs.	14,28,050

Hansqua Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts disclose a working profit of Rs. 2,54,113 (Rs. 3,013). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfers of Rs. 5,000 (Rs. 13,500) to development rebate reserve, and Rs. 50,000 (*nil*) to investment reserve, there is a balance at credit of profit and loss account amounting to Rs. 1,06,457 (Rs. 6,841). The directors recommend that a dividend of 17½ (*nil*) per cent. be declared at the annual general meeting, leaving Rs. 18,957 (Rs. 6,841) to be carried forward.

Tea crop was 6,01,231 lbs. as compared with 5,20,265 lbs. in 1958. The average selling price realised was Rs. 2.08 per lb., as against Rs. 1.74 per lb. in the previous year.

Estimates for 1960 provide for a crop of 2,35,000 kilograms or 5,20,000 lbs. at an outlay of Rs. 9,47,852, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Gross block	14,91,443
Reserves ...	11,12,294	*Less*—Depreciation ...	5,03,408
Provision for taxation ...	1,58,281		
Liabilities ...	2,49,437	Net block ...	9,88,035
Profit and loss account (surplus) ...	18,957	Stock of tea ...	4,61,520
		Stores ...	37,803
		Book debts ...	1,24,212
		Investments	1,25,315
		Cash ...	3,02,084
Rs.	20,38,969	Rs.	20,38,969

Dimakusi Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The season's working resulted in a profit on revenue account of Rs. 3,63,120 (Rs. 2,95,598) after providing for depreciation amounting to Rs. 62,779 (Rs. 60,690) and Rs. 65,000 (Rs. 40,000) for contingencies. After transferring the above profit, making various adjustments, setting aside

Rs. 1,50,000 (Rs. 1,35,000 including Rs. 5,000 for wealth tax) for taxation and paying an Interim Dividend of 15 (10 per cent. tax-free) per cent. for season 1959 on ordinary shares absorbing Rs. 71,010 (Rs. 47,340) the balance available on profit and loss account amounts to Rs. 2,83,502 (Rs. 2,67,581). From this amount it is proposed to transfer to building reserve Rs. 50,000 (Rs. 25,000 to repairs and renewals reserve) pay a cumulative preference dividend of 8 (8) per cent. for season 1959 absorbing Rs. 5,608 (Rs. 5,608), pay a final dividend of 15 (15) per cent. for season 1959 on ordinary shares absorbing Rs. 71,010 (Rs. 71,010) and carry forward Rs. 1,56,884 (Rs. 1,65,963).

The crop of tea sold in 1959 amounted to 678.462 (682,908) pounds and the average sale price per pound of tea was Rs. 2.80 (Rs. 2.63).

The estimate for 1960 provides for a crop of 704,000 lbs. [319,330 kg.] of tea at a cost of Rs. 2.06 nP per lb. [Rs. 4.55 per kg.].

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,43,500	Gross block	17,09,184
Reserves ...	7,15,000	*Less*—Depreciation ...	7,61,684
Provision for taxation ...	2,65,467		
Liabilities ...	5,43,410	Net block ...	9,47,500
Profit and loss account (surplus) ...	1,56,884	Stock of tea	5,30,209
		Stores, etc. ...	2,87,353
		Book debts ...	62,801
		Investments	1,50,283
		Cash ...	2,46,115
Rs.	22,24,261	Rs.	22,24,261

Kalasa Tea and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Peirce Leslie & Co., Ltd., Mangalore) submit the audited accounts of the Company for the year ended 31st March 1960.

Crops and Costs.—The tea crop for the year amounted to 481,973 (506,751) pounds. The all-in-cost per pound was 166 (159) cents. The average sale price per pound of tea was 212 (199) cents.

After providing for depreciation and all charges, except taxation the accounts show a profit of Rs. 2,26,621 (Rs. 2,13,561) to which is added the balance brought forward from last year of Rs. 67,834 (Rs. 76,650) and surplus reserves for taxation no longer required of Rs. 2,628 (*nil*) making a total of Rs. 2,97,083 (Rs. 2,90,211). After deducting provision for taxation of Rs. 77,000 (Rs. 86,277), transfer to general reserve of Rs. 50,000 (Rs. 41,500) and transfer to development rebate reserve of Rs. 1.850 (Rs. 4,600) there is left an available balance of Rs. 1,68,233 (Rs. 1,57,834). The directors recommend payment of a dividend of 20 (15 per cent. free of tax) per cent. absorbing Rs. 1,20,000 (Rs. 90,000) leaving a balance to be carried forward of Rs. 48.233 (Rs. 67,834).

The estimates for the current year provide for a crop of 5,34,500 pounds, at an estate expenditure of 128 cents per pound. The all-in-cost per pound would come to 160 cents per pound.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block	14,87,744
Debentures	2,17,500	*Less*—Depreciation	3,33,844
Reserves ...	7,65,696		
Provision for taxation ...	44,645	Net block	11,53,900
Liabilities ...	2,42,963	Stock of tea	1,20,739
Profit and loss account (surplus)	48,233	Stores, tools, etc. ...	1,32,618
		Book debts	51,550
		Cash ...	4,60,230
Rs.	19,19,037	Rs.	19,19,037

Barnagore Jute Factory Co., Ltd.

The directors of the above Company (Chairman: Sir John H. Burder, London) present eighty-ninth annual audited accounts of the Company for the year ended 31st March 1960.

The profit for the year amounts to £308,964 (£286,539) from which has to be deducted depreciation of fixed assets amounting to £50,773 (£55,154) leaving a net profit of £258,191 (£285.619 including £54,234 being refund of income-tax. To this amount has to be added the balance brought forward from last year's account of £67,968 (debit of £175,567) leaving a balance of £326,159 (£110,052). Out of this amount the directors have transferred to general reserve £150,000 (*nil*), to contingencies reserve £25,000 (*nil*) and to development rebate reserve £2,104 (£1,815) leaving a balance of £149,055 (£90,937 after providing £5,800 for Indian wealth tax and paying £11,500 on account of arrears of preference dividends). Out of this amount the directors propose the payment of the following dividends for the year ended 31st March 1960: A dividend of 5 per cent. on preference shares less tax, absorbing £6,125 (£6,125) and a dividend of 30 (10) per cent. on ordinary shares less tax, absorbing £50,531 (£16,844) leaving a balance to be carried forward of £92,399 (£67,968).

As foreshadowed in the last report of the directors the results of the year's trading were satisfactory. On account of past losses and depreciation allowances the Company is not liable to tax in either the U.K. or in India.

Prospects for the current year at the time of writing this report are far from encouraging so far as the industry's profits and its foreign markets are concerned and, in fact, the profits of the Company for the first quarter of the current year show a substantial fall; but there are indications that more stable conditions are now returning. Although jute constitutes the largest portion of the cost the other main factor in the cost of production is wages, and the report of the setting up of a Wage Board for this industry in India prompts the directors to express the hope that any increase in wages which it may be found necessary and desirable to award will be accompanied by a fully compensating increase in the productivity of labour. Meanwhile the process of further modernisation continues and additional machinery is now on order, which is calculated to show a valuable return in economy of labour as well as in an improvement in the quality of the fabrics produced.

The directors referred in their last report to a contract for the sale of the South Mill land, buildings and machinery, and they advised that a dispute had arisen regarding the terms of the agreement and that a case had been instituted in the High Court in Calcutta. They now report that this case has been amicably settled whereby it has been agreed that the sale agreement shall be regarded as cancelled, and an agreement has been entered into for the sale as scrap of certain obsolete machinery in the South Mill. As far as can be ascertained at present the excess of the written down value of the machinery scrapped over the proceeds of sale is approximately £55,000. The transaction will be given effect to in next year's accounts when the contract should be completed. The South Mill buildings and land remain the Company's property, and fresh consideration is being given to the best use or disposal of these assets.

Accounts in brief are as under:—

Liabilities	£	Assets	£
Capital ...	475,000	Gross block	1,601,226
Reserves ...	803,923	*Less*—Depreciation	1,065,825
Provision for taxation ...	9,740		
Liabilities ...	255,367	Net block ...	535.401
Profit and loss account (surplus)	92,399	Machinery not yet installed ...	12,472
		Stock and stores ...	544,432
		Book debts	277,389
		Investments	17,569
		Cash ...	249,166
	£1,636,429		£1,636,429

Reliance Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The profit and loss account, after providing the sum of Rs. 26,000 (Rs. 9,811) for depreciation and payment of Rs. 1,03,751 (Rs. 98,339) as retrenchment compensation to workers, shows a balance of profit for the year of Rs. 17,52,377 (Rs. 7,47,842). Out of this amount the directors have provided for taxation Rs. 69,000 (Rs. 17,000 for wealth tax) and for contingencies Rs. 9,32,000 (*nil*) leaving a balance of Rs. 7,51,377 (Rs. 7,30,842). Against this amount has to be adjusted the balance at the debit of profit and loss account as at 31st March 1959 amounting to Rs. 38,95,850 (Rs. 46,26,693) leaving a balance at the debit of profit and loss account of Rs. 31,44,473 (Rs. 38,95,851) to be carried forward to the next account.

In compliance with the working time agreement of the Indian Jute Mills Association the mill was permitted to work 48 hours per week with 14 per cent. sealed from the beginning of the accounting period. As a result of a substantial improvement in the unhealthy stock position, Association Members were permitted to unseal 1½ per cent. on 22nd June 1959 and a further 2½ per cent. was unsealed on 24th August 1959, leaving a total of 10 per cent. under seal. This figure was reduced by a further 1 per cent. with effect from 1st May 1960.

The Company's quota of current loom hours was again sold for a period of six months from 7th September 1959 and the arrangement has been further continued for the sixth months to 3rd September 1960.

The lease of various jute and gunny godowns to the Government of India for foodgrain storage continues and it has been possible recently to make more godowns available to the Government, thereby bringing in a further Rs. 6,000 per month income, the total now receivable from the Government amounting to Rs. 25,000 per month. As a result of the regular monthly profit the Company has been able to clear its indebtedness to the managing agents.

The directors do not consider the time has yet come to reopen the mill. Present trading prospects for manufacture on old type machinery are not favourable and a machinery modernisation programme cannot be embarked upon until the debit balance on profit and loss account has been materially reduced.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	69,50,000	Gross block	1,24,96,816
Debentures	25,00,000	*Less*—Depreciation ...	66,97,870
Reserves ...	14,07,546		
Provision for taxation ...	1,06,168	Net block ...	57,98,946
Liabilities ...	4,33,362	Stores and spare parts	10,35,679
		Book debts	5,52,601
		Investments	1,97,233
		Cash ...	6,68,144
		Profit and loss account (deficit)	31,44,473
Rs.	1,13,97,076	Rs.	1,13,97,076

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

COMPANY MEETINGS AND DIVIDENDS

BARNAGORE JUTE FACTORY CO., LTD. Annual General Meeting, London, 26th October 1960. Dividend: 30 per cent. or £1 10s. per share. Transfer books remain closed from 13th to 26th October 1960, both days inclusive.

FORT GLOSTER INDUSTRIES LTD. Annual General Meeting, Calcutta, 26th October 1960. Dividend: 25 per cent. or Rs. 25.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 17th to 26th October 1960, both days inclusive.

SANGAMESHWAR COFFEE ESTATES LTD. Annual General Meeting, Madras, 28th October 1960. Dividend: 6 per cent. or Re. 0.12 per ordinary share, subject to deduction of tax. Transfer books remain closed from 18th to 28th October 1960, both days inclusive.

AMALGAMATED COFFEE ESTATES LTD. Annual General Meeting, Seetagundy Estate, Sitharkunda, P.O., via Kollengode, Palghat District, 29th October 1960. Dividend: 10 per cent. or Re. 1.00 per share, taxable. Transfer books remain closed from 18th to 29th October 1960, both days inclusive.

UPPER JUMNA VALLEY ELECTRICITY SUPPLY CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Dividend: Re. 1.35 per share, taxable. Transfer books will remain closed from 25th to 31st October 1960, both days inclusive.

SAUGAR ELECTRICITY SUPPLY CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Transfer books will remain closed from 25th to 31st October 1960, both days inclusive.

BAREILLY ELECTRICITY SUPPLY CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Dividend: Re. 1.10 per share, taxable. Transfer books will remain closed from 25th to 31st October 1960, both days inclusive.

EAST INDIA TEA CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax. Transfer books will remain closed from 25th to 31st October 1960, both days inclusive.

SEAJULI TEA CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Dividend: 17½ per cent. or Re. 1.75 per share subject to deduction of tax. Transfer books will remain closed from 25th to 31st October 1960, both days inclusive.

NAGRI FARM TEA CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Dividend: 20 per cent. or Rs. 2.00 per share subject to deduction of tax. Transfer books will remain closed from 25th to 31st October 1960, both days inclusive.

NORTH-WESTERN CACHAR TEA CO., LTD. Annual General Meeting, Calcutta, 31st October 1960. Dividend: Rs. 30.00 per share, subject to deduction of tax (includes interim dividend of Rs. 15.00 per share). Transfer books remain closed from 21st to 31st October 1960, both days inclusive.

CHAMPDANY JUTE CO., LTD. Annual General Meeting, Calcutta, 1st November 1960. Dividend: Rs. 6 per share, final, subject to deduction of tax, payable on or after 1st November 1960. Transfer books remain closed from 12th October to 1st November 1960, both days inclusive.

HINGIR-RAMPUR COAL CO., LTD. Annual General Meeting, Bombay, 2nd November 1960. Dividend: *Nil.*

COORLA SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 4th November 1960. Dividend: Rs. 11.00 per share, subject to deduction of tax, payable on and after 5th November 1960. Transfer books remain closed from 14th October to 4th November 1960, both days inclusive.

MANDYA NATIONAL PAPER MILLS LTD. Annual General Meeting, Bangalore, 4th November 1960. Dividend: *Nil.* Transfer books remain closed from 20th October to 4th November 1960, both days inclusive.

MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 5th November 1960. Dividend: Rs. 21.50 per share, taxable, payable from 7th November 1960. Transfer books remain closed from 10th October to 5th November 1960, both days inclusive.

ORIENT PAPER MILLS LTD. Annual General Meeting, Brajrajnagar, District Sambalpur, Orissa, 9th November 1960. Dividend: Rs. 2.25 per ordinary share, taxable. Transfer books remain closed from 20th October to 9th November 1960, both days inclusive.

KALPETTA ESTATES LTD. Annual General Meeting, Alleppey, 14th November 1960. Dividend: 12½ per cent. or Re. 1.25 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 14th November 1960, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 14th November 1960. Dividend: Re. 1.00 per share, taxable. Transfer books remain closed from 21st October to 14th November 1960, both days inclusive.

NATIONAL INSULATED CABLE CO. OF INDIA LTD. Annual General Meeting, Calcutta, 21st November 1960. Dividend: Rs. 2.50 per ordinary share, on the increased capital, subject to deduction of tax, payable on or after 12th December 1960. Transfer books will remain closed from 8th to 21st November 1960, both days inclusive.

NATIONAL ROLLING AND STEEL ROPES LTD. Annual General Meeting, Calcutta, 21st November 1960. Dividend: Re. 1.30 per share subject to deduction of tax, payable on or after 12th December 1960. Transfer books will remain closed from 8th to 21st November 1960, both days inclusive.

COOPER ENGINEERING LTD. Annual General Meeting, Bombay, 22nd November 1960. Dividend: Rs. 9.10 per old ordinary share (net) and Rs. 8.60 per new ordinary share (net), payable on and from 30th November 1960. Transfer books will remain closed from 1st to 22nd November 1960, both days inclusive.

RUBY GENERAL INSURANCE CO., LTD.

A perceptible improvement in net premium is disclosed by the accounts of the Ruby General Insurance Company Ltd. (General Manager: Mr. B. K. Setalvad, Calcutta) for the year ended 31st December 1959. The combined net premium rose slightly from Rs. 1.32 crores in 1958 to Rs. 1.34 crores during the year under review. Ten years ago, the premium income of the Company was less than half this figure, Rs. 61.43 lakhs to be precise, indicating the more than 100 per cent. rise in premium in a decade. Of the premium incomes during the year under review, the fire department accounted for Rs. 57 lakhs, miscellaneous for Rs. 57.13 lakhs and marine for Rs. 20.04 lakhs. The corresponding figures for 1958 were Rs. 56.40 lakhs, Rs. 59.73 lakhs and Rs. 15.71 lakhs, respectively. There was thus a substantial rise in the premium in the marine section, a moderate rise in the fire department, while, in the miscellaneous section, the net premium declined.

The rise in premium, coupled with a slight decline in the claims ratio, resulted in a higher net profit of Rs. 4.52 lakhs, as against Rs. 3.67 lakhs in the previous year. A part of this has been utilised for strengthening the reserve for doubtful debts and the taxation reserve, the former by Rs. 6,560 and the latter by Rs. 1,25,000. Out of the balance, the Directors have recommended a dividend of 80 nP per share of Rs. 8 paid-up, subject to tax, which after deduction of tax, works out to 56 nP per share, as compared with 62 nP tax-free for the previous year.

The combined net premium from the three departments, namely, fire, miscellaneous and marine, as noted above, aggregated Rs. 1.34 crores. Net claims paid and outstanding amounted to Rs. 73.52 lakhs, comprising Rs. 20.76 lakhs in the fire department, Rs. 33.64 lakhs in the miscellaneous department and Rs. 19.12 lakhs in the marine department, as against Rs. 73.72 lakhs in all the three departments in the previous year. Commission and expenses aggregated Rs. 49.23 lakhs made up of Rs. 22.12 lakhs in the fire department, Rs. 23.56 lakhs in the miscellaneous department and Rs. 3.55 lakhs in the marine department. After the requisite transfers to the reserves for unexpired risks, the accounts disclose an underwriting profit of Rs. 2.57 lakhs. This was due entirely to the profit made by the fire department which not only made good the loss in others (Rs. 8.06 lakhs in the marine department and Rs. 88,258 in the miscellaneous department), but also left a substantial margin indicating thereby the extent to which the Company, like all other general insurers in this country, leans on fire business for its very existence.

After taking into account interest, dividends, rent and other miscellaneous income and expenses not applicable to any particular account and miscellaneous outgo, there is a net profit of Rs. 4.52 lakhs to which is added the net balance of Rs. 8,214 brought in from the previous year, making in all Rs. 4.59 lakhs. Out of this Rs. 1.25 lakhs has been transferred to the reserve for taxation and Rs. 6,560 to the reserves for doubtful debts. The dividend of 80 nP per share absorbs Rs. 3.20 lakhs, leaving Rs. 8,270 to be carried forward.

The capital and reserves of the Company stood at Rs. 1.23 crores, as on 31st December 1959, made up of a paid-up capital of Rs. 32 lakhs and departmental reserves of Rs. 70.26 lakhs. Ten years ago, the Company's owned resources were no more than Rs. 79.97 lakhs. There has thus been a 50 per cent. rise in resources since then.

COMPANY AFFAIRS

(*Concluded from page 739*)

The capital cost of the project to reach the stage of production is estimated at Rs. 63.50 lakhs, which will be met by the proposed equity issue (Rs. 50 lakhs), a foreign exchange loan of Rs. 11 lakhs from the I.C.I.C.I. and the balance of Rs. 2.50 lakhs by borrowings from banks.

The plant will be located at Cuddalore—a port town—in the Madras State and will have an annual capacity of 40,000 tons of superphosphate and 16,500 tons of sulphuric acid. The situation of the factory is ideal from the point of view of transport facility and of quick disposal of its products to the agriculturists in South Arcot and other neighbouring districts. The plant and machinery will be supplied by three West German firms, which will be responsible for their erection, for bringing them into production and for training the Company's personnel. The profit-earning capacity of the fertiliser industry is claimed to be fairly high and the Company, with its modern plant, is expected to do well and give a reasonable return on the capital employed.

The Company is being promoted by Mr. M. Ct. Muthiah, Chairman of the Indian Overseas Bank Ltd. and United India Fire and General Insurance Company Ltd., Madras, who will be the Chairman of the Board of Directors. The other Directors of the Company are: Mr. M. Ct. Pethachi, Mr. S. P. Virmani, Mr. D. P. Goenka and Mr. AR. Ramanathan. Messrs. Emcete and Sons Private Ltd. will be the Managing Agents of the Company.

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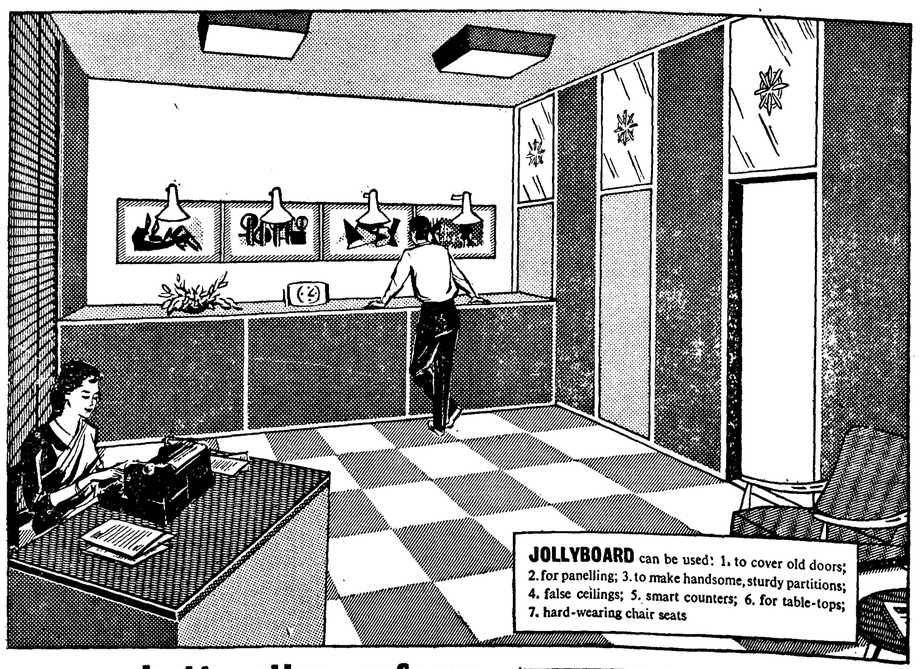

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This is only an announcement for information and not a prospectus. Applications are invited on the basis of the prospectus, copies of which are available from the Company's Registered Office, the Bankers and the Brokers mentioned hereunder.

The consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent, the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

A copy of the prospectus, having attached to it the documents required by Section 60 of the Companies Act, 1956, has been delivered to the Registrar of Companies, Delhi, for registration. Applications have been made to the Delhi and Calcutta Stock Exchange Associations for permission to deal in and for quotation of the shares of the Company.

The Subscription List will open at the commencement of banking hours on the 24th day of October, 1960, and will close at the discretion of the Directors at any time after the 29th day of October, 1960.

ESCORTS LIMITED

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1913 AS A PRIVATE COMPANY ON 17TH OCTOBER, 1944 AND CONVERTED INTO A PUBLIC COMPANY ON 21ST DECEMBER, 1959)

SHARE CAPITAL

		Rs.
Authorised Capital:		
10,00,000	Equity Shares of Rs. 10 each	1,00,00,000
50,000	10% (less tax) Redeemable Cumulative Preference Shares of Rs. 100 each (Redeemable after 5 years from the date of allotment by 3 months' notice in writing in conformity with the Companies Act, 1956, at the option of the Company)	50,00,000
50,000	9% (free of company's tax) Redeemable Cumulative Preference Shares of Rs. 100 each (Redeemable after 5 years from the date of allotment in conformity with the Companies Act, 1956, at the option of the Company)	50,00,000
		2,00,00,000
Issued Capital:		
3,89,000	Equity Shares of Rs. 10 each	38,90,000
15,000	10% (less tax) Redeemable Cumulative Preference Shares of Rs. 100 each	15,00,000
		53,90,000
Subscribed and Paid-up Capital:		
3,89,000	Equity Shares of Rs. 10 each	38,90,000
8,100	10% (less tax) Redeemable Cumulative Preference Shares of Rs. 100 each	8,10,000
		47,00,000

PRESENT ISSUE

		Rs.
1,71,000	Equity Shares of Rs. 10 each at Rs. 15 per share	17,10,000
24,000	9% (free of company's tax) Redeemable Cumulative Preference Shares of Rs. 100 each (Redeemable after 5 years from the date of allotment by 3 months' notice in writing in conformity with the Companies Act, 1956, at the option of the Company) at par	24,00,000
		41,10,000

UNDERWRITING

The following Underwriters have underwritten the Preference issue:—

(i)	Life Insurance Corporation of India	Rs. 6.50 lacs
(ii)	National and Grindlays Bank Ltd., New Delhi	Rs. 6.00 lacs
(iii)	New India Assurance Company Limited	Rs. 5.00 lacs
		Rs. 17.50 lacs

The Underwriters will receive a commission of 2½% against the amounts underwritten by them.

The Directors have satisfied themselves regarding the resources of the Underwriters and hereby certify that the Underwriters are fully capable of underwriting the issue.

FIRM SUBSCRIPTIONS

The Company has agreed to allot the following Preference Shares against requests for firm subscriptions :—

(i)	National Employees' Mutual General Insurance Association Limited	Rs. 2.00 lacs
(ii)	Westinghouse Electric International S.A.	Rs. 0.50 lacs
(iii)	Maschinenfabrik Augsburg-Nuemberg A.G. (W. Germany)	Rs. 2.39 lacs
(iv)	*Messrs. Rheinmetall GmbH. (W. Germany)	Rs. 1.61 lacs
	Total	Rs. 6.50 lacs

* Subject to permission for investment by the Government of India

BROKERAGE

Brokerage will be paid by the Company to members of the recognised Stock Exchanges at 18 nP per Equity Share and 1% of the nominal value on Preference Shares.

PAYMENT

Applications must be made for a minimum of fifty Equity Shares or a multiple thereof or five Preference Shares or a multiple thereof. Every application for Equity or Preference Shares must be accompanied by 50% payment and the balance of 50% will be payable on allotment. Application moneys in respect of which no allotments are made shall be returned within two months from the date of closing of the subscription list.

DIRECTORS

1. MR. H. P. NANDA, Managing Director, Industrialist, 12, Jor Bagh Nursery, New Delhi-3.
2. MR. A. H. LAWRENCE, Businessman, Motibagh Palace, Patiala.
3. MR. VINCENT MCKIM WHITE, Regional Director and Vice-President of Westinghouse Trading Co. (Asia) Limited., 23, Carmichael Road, Bombay-26.
4. MR. SHANTANU LAKSHMAN KIRLOSKAR, Industrialist, General Manager and Director, Kirloskar Oil Engines Ltd., Poona, 'LAKAKI,' Shivaji Nagar, Poona-5.
5. SODHI KARTAR SINGH, Businessman and Landlord, Townsend, Jakhoo, Simla.
6. MR. R. L. KHANNA, Businessman, 203, Golf Links Area, New Delhi.
7. MR. HARBANS SINGH MEHTA, Stock and Share Broker, 29A, Friends Colony, New Delhi.

MANAGING AGENTS

MESSRS. HARPARSHAD & COMPANY PRIVATE LIMITED, New Delhi.

REGISTERED OFFICE

H-2, CONNAUGHT CIRCUS, NEW DELHI.

AUDITORS

MESSRS. S. N. DHAWAN & COMPANY, Chartered Accountants, C-37, Connaught Place, New Delhi.

BANKERS

THE NATIONAL AND GRINDLAYS BANK LIMITED, New Delhi.

BROKERS

New Delhi

1. MESSRS. HARBANS SINGH MEHTA & CO., 33, Regal Buildings, Connaught Place, New Delhi.
2. MESSRS. R. K. RELAN & COMPANY, United India Life Building, F, Connaught Place, New Delhi.

Calcutta

MESSRS. PLACE SIDDONS & GOUGH (PRIVATE) LIMITED, 6, Lyons Range, Calcutta.

Bombay

1. MESSRS. LEWIS & JONES, Bank of Baroda Building, Apollo Street, Bombay-1.
2. MESSRS. BATLIVALA & KARANI, Union Bank Building, Dalal Street, Fort, Bombay-1.
3. MESSRS. R. R. NABAR & CO., 31, Dalal Street, Fort, Bombay-1.

Madras

MESSRS. PATERSON & COMPANY, 22, Errabalu Chetty Street, Madras 1.

RESERVES AND DIVIDENDS

The Company has transferred to its General Reserve Account various amounts during the past years, which stands at Rs. 8 lacs as on 31st December 1959. From the accounting results of the Company for the last 7 years, it would appear that it has paid dividend at good rates on its Ordinary Shares, which is as under:—

1. 1953	17.092%	Free of tax
2. 1954	11%	do.
3. 1955	8%	do.
4. 1956	13%	do.
5. 1957	14%	do.
6. 1958	18%	do.
7. 1959	26%	Free of company's tax

DIVIDEND ON PRESENT ISSUE

The shares allotted in terms of this issue shall rank for any dividend declared after the date of allotment in proportion to the period during which such shares have been held.

PROSPECTS

In the trading business according to the accounting practice of the Company, the commission received from the foreign Principals is booked on actual receipt basis, and profits on self-buyer business on the basis of final completion of the contracts. Against the orders already booked, secured and confirmed and contracts under execution, commissions and profits exceeding **Rs. Seventy lacs (Rs. 55 lacs as commission and Rs. 15 lacs as margin on contracts under completion) have accrued to the Company as on 1st July 1960.** These profits and commissions are due to be received in next 3-4 years, and would form part of the profits of the Company during the years 1960 to 1964. The Company has for past several years established Branch offices in important towns like Calcutta, Bombay, Madras, Delhi, Patna and Kanpur, etc., and has a well spread Sales and Service Dealer organisation in most of the important towns in India.

MANUFACTURING SCHEMES

Piston Rings: In 1956 the Company brought about an agreement to manufacture Piston Rings and Cylinder Liners by Goetze (India) Private Ltd., under the Technical and Financial Collaboration and Licence of Messrs. Goetzewerke Friedrich Goetze A.G. Burscheid (West Germany) who are the largest producers of Piston Rings in Europe. Goetze (India) Private Limited, a subsidiary of the Company are suppliers of original equipment to automotive and engine builders in India.

Pistons: The Company has established under Licence No. L/7(5)N-13/58 dated 24th May 1958 granted by the Government of India under the Industries (Development and Regulation) Act, 1951, a factory for manufacturing Pistons in Patiala in collaboration with **Messrs. Mahle Komm.-Ges.-Stuttgart-Bad Cannstatt, West Germany.** The factory commenced production in May 1960 and has already supplied several lacs worth of Pistons to Automobile Manufacturers as original equipment and replacement. The manufacturing is phased to reach complete manufacture in 1961. The annual installed production capacity of the Piston factory from 1961 is expected to exceed Rs. 60 lacs.

X-Ray Equipment: The Company has been granted an Industrial Licence No. L/5(7)-N-3/59 dated 23rd November 1959 by the Government of India under the Industries (Development and Regulation) Act, 1951, for manufacturing X-Ray equipment in India. The scheme

(*Continued on page 748*)

INTER-BANK CALL MONEY DEARER

(From Our Own Correspondent)

BOMBAY, 19*th October*

Conditions in the short-term money market have become more difficult for borrowers. In addition to the usual pre-*Divali* trade demand, banks' borrowings from the market to reduce their own borrowings from the Reserve Bank in order to avoid penal rates of interest have added to the pressure. This is reflected in a further upswing in inter-bank call money rate from 4 per cent. to 4½ per cent. House money at 21 days' notice is, however, unchanged at 2 per cent. fixed by the Reserve Bank. Short-term deposits for one to two months are being bid at 3¼ per cent. and for three months and over at 3½ per cent.

The 91-day Treasury Bill discount rate is maintained at 2.560 per cent. per annum. The total amount offered in this week' sale of these bills by dealers was Rs. 2,40 crores. Tenders for next week are unchanged at Rs. 2 crores. There were no sales of Intermediate Bills, but they will continue to be offered at the self-same discount rate of 2.496 per cent. per annum.

The Reserve Bank of India statement for the week ended 14 October 1960 discloses a slight fall of Rs. 2.27 crores in notes in circulation and a rise of Rs. 2.18 crores in notes held in the Banking Department. There is no change in foreign securities, while balances held abroad show a negligible rise. The total foreign assets now stand at Rs. 140.85 crores. There has been a decline of Rs. 2.66 crores in Central Government's deposits, while other Government's deposits are up by Rs. 32.55 crores and deposits of banks by Rs. 4.54 crores. Loans and advances to Governments show a decline of Rs. 12.95 crores. A spectacular rise of Rs. 59.83 crores is noted in investments, while Treasury Bills holdings are lower by Rs. 6.58 crores.

The Scheduled banks' statement for the week ended 7th October 1960 is the first one after the imposition of penal rates of interest on banks' borrowing from the Reserve Bank. It shows that the banks as a whole have reduced their borrowings to such an extent as to escape the penal rates. The picture is, however, vitiated by the inclusion of the data relating to the State Bank of India, which has no borrowing from the Reserve Bank. If the State Bank's figures are excluded, it is found, on a rough calculation, that the excess of borrowings of other Scheduled banks over the quota (that is, 50 per cent. of the statutory minimum to be kept with the Reserve Bank) is about Rs. 9 crores as on 7th October, on which the banks must have paid interest at 5 per cent. The statement discloses a sharp rise of Rs. 16.29 crores in demand deposits and a decline of Rs. 15.22 crores in time deposits over the week. There is thus a net rise of Rs. 1.07 crores in total deposits, despite a decline of Rs. 2.36 crores in deposits of the State Bank of India. Inter-bank borrowings are lower by Rs. 2.98 crores; borrowings from the Reserve Bank have declined by 2.87 crores and those from the State Bank by Rs. 2.71 crores. A fall of Rs. 5.58 crores is noted in advances, of which the State Bank accounts for Rs. 5.15 crores. Investments stand reduced by Rs. 6.27 crores, despite a rise of Rs. 1.23 crores in the State Bank's portfolio. Cash balances have, however, swollen by Rs. 8.21 crores, notwithstanding a shrinkage of Rs. 6.37 crores on State Bank's account.

The Gilt-edged market is distinctly easy, with sellers over and a sizable setback in Central Government and State Government issues. 3 per cent. 1986 Conversion Loan has dropped 10 nP to Rs. 73.65. 3 per cent. 1970-75 has shed 15 nP to Rs. 89.85 and 3 per cent. 1964 and 1963-65 10 nP each to Rs. 97.90. 3¼ per cent. 1965 and 1967 have declined by 10 nP each to Rs. 99.60, 3½ per cent. 1974 by 10 nP to Rs. 99.50 and 4 per cent. 1972 by 15 nP to Rs. 100.70. In the State loans section, 4¼ per cent. issues have been marked down by 25 —75 nP and 4 per cent. 1971 loans by a rupee.

There has been a hardening of the rupee in terms of the U.S. dollar. Banks' selling rate for U.S. T.T. (ready) has fallen from Rs. 476.50 to Rs. 476 per $100 and their buying rate from Rs. 473.25 to Rs. 472.75 per $100. This is in consonance with the recovery in sterling abroad, spot sterling in New York moving up from 280.86-280.89 cents to 281.15-281.18 cents and three months' forward from 279.60-279.63 cents to 279.64-279.67 cents.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 17*th October*

Quietly steady conditions were witnessed in the foodgrains market during the past week, thanks to reports of heavy losses to crops due to untimely heavy rains in the beginning of October and consequent floods in many parts of the country and locust invasions in M.P., Saurashtra and Gujerat. Preparation of land for *rabi* sowings is in full swing and in some places sowings of coarse grains, including peas and gram are under way. It is, however, feared that a large tract of land, which was waterlogged recently, due to floods would not at all be available for *rabi* sowings.

Wheat prices at Hapur recorded modest gains. The ruling price is Rs. 17 a maund for average quality and upto Rs. 18 for better farm produce. Daily arrivals of wheat here have mounted to an average of 250 maunds, partly due to clear, sunny weather and partly due to the fact that wheat seed supplied to cultivators through Government seed stores and co-operative societies is again being resold in the open market. The U.P. Government is selling wheat through ration shops and each card holder is now further allowed to purchase Rs. 10 worth of wheat flour. Rice prices continued quiet

MARGIN ON BULLION

(From Our Own Correspondent)

BOMBAY, 19*th October*

After displaying a firm undertone in the first three sessions of the week, the bullion market developed a sagging tendency on Monday which persisted practically till the close yesterday. The *Moorat* trading will be held today from 6 p.m. to 9-30 p.m. The firmness early in the week was engendered by emergence of pre-*Deepavali* demand for both gold and silver. Consequently, prices registered a rise. On Monday and Tuesday, however, both the metals encountered selling, thanks to heavy arrivals and stale liquidation. The previous gains were completely erased. Actually in gold, yesterday's closing rates were lower than those at the end of last week, while silver reverted to last week's levels.

A notable development of the week was the commencement of trading in *Margashir* (December) settlement in both gold and silver on Tuesday the 18th inst. Trading is subject to the same margin regulations as are applicable to the *Kartik* (November) settlement. Immediately after business in this settlement started, the rate for transferring commitments from *Kartik* settlement payable by bulls increased from the stipulated level of 75 nP to 90 nP. The bears in *Kartik* settlement were, therefore, obliged to pay a margin of Rs. 800 per kilogram. The *Margashir* settlement commenced at Rs. 115.35 and, after declining to Rs. 115.25, recovered to close at Rs. 115.50. *Kartik* settlement fluctuated between Rs. 115.30 and Rs. 114.50 before winding up the week at Rs. 114.60, as against Rs. 115.05 on Wednesday last week. Ready gold dropped 50 nP to Rs. 113.75.

In silver, *Kartik* settlement rose from Rs. 192.80 to Rs. 193.90 on Saturday and, after easing to Rs. 192.50, recovered to Rs. 192.80 yesterday. *Margashir* settlement began at Rs. 194.15 and closed at Rs. 194.30. Ready silver stood at Rs. 191.55 yesterday, as against Rs. 191.10 a week ago, the highest and lowest levels touched being Rs. 191.70 and Rs. 190.10, respectively.

Reflective of good demand, the average daily offtake of gold and silver during the week were larger at 4,400 tolas and 8 bars, as against 3,600 tolas and 6 bars, respectively, in the previous week. The average rate of arrivals were smaller, being 8,000 tolas and 23 bars, as against 9,000 tolas and 26 bars, respectively. The floating stocks of gold are estimated at 35,000 tolas and those of silver are reported to be around 625 bars.

The world price for gold in the London bullion market now stands at $35.30 per ounce, the peak level touched since trading in that market was resumed in 1954. At this level, the premium commanded over the U.S. official selling price of $35.08 comes to a record of 22 cents. The firmness of gold is attributable partly to continued purchases by some central banks and partly to exchange of large private holdings of dollars into gold. The purchase of gold, it is said, is being encouraged by persistent rumours concerning the possibility of a rise in the U.S. buying price for gold which has stayed put at $35 an ounce for over 25 years now. There were also rumours regarding both the U.S dollar and the German Deutsche Mark. Ready gold in London has risen from 250s. 9¾d. on the 11th inst. to 251 yesterday. Ready and forward silver, however, were both unaltered this week too at 79¼d., as also silver in New York at 91.375 cents.

The feature of trading in the *moorat* session today was the imposition of margins in both gold and silver, following the sharp rise in the *budli* payable by bulls for transferring commitments from *Kartik* to *Margashir* settlement, the rate of *budli* being more than a rupee in gold and Re. 1.50 in silver. The bears in gold and silver *Kartik* settlement were obliged to deposit a margin of Rs. 2,000 per kilogram and Rs. 300 per bar, respectively. Gold *Kartik* settlement began at Rs. 114.55 and, after declining to Rs. 114.10, finished at Rs. 114.30. *Margashir* settlement fluctuated between Rs. 115.65 and Rs. 115.20 before closing at Rs. 115.40. In silver, *Kartik* and *Margashir* settlements commenced at Rs. 192.90 and Rs. 194.35. After receding to Rs. 192.70 and Rs. 194.25, they finished at Rs. 193 and 194.55, respectively.

KIPS ARRIVALS SMALLER

(From Our Own Correspondent)

MADRAS, 17*th October*

Arrivals of kips are smaller than usual. Shippers are active, as the U.K. importers are slowly paying increased prices. Top marks are in good demand and higher prices have been established without difficulty. U.K. demand for cow hides and cow calf skins lower ends is brisk. Arrivals of buff hides are small and prices are ruling firm. The cow calf market has also improved following a few sales to the U.K. Buff calf is neglected, unless at very low levels.

Owing to good demand from the Continent, prices of tanned goat skins have hardened further. Tanned sheep skins remain unchanged.

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when *sela basmati* was quoted at Rs. 30 to Rs. 33, *mainpuri* at Rs. 22.87, *ramajwayan* at Rs. 24, *raimunia* at Rs. 25 and *gadda* at Rs. 19.62 a maund. Supply position of rice was satisfactory and new paddy is reaching the markets in larger quantities as harvesting of paddy is nearing completion.

Gram prices improved fractionally to Rs. 16 a maund, for Punjab variety, while old stocks sold by U.P. Government recently were quoted at Rs. 15 a maund. Punjab advices also indicated a steady trend in gram prices. Demand for seed purposes is also reported. Barley was priced at Rs. 12.75 a maund and *bejhar* at Rs. 12 a maund for *matrelli* quality and Rs. 12.75 a maund for *moongia* variety. New maize continued to attract good consumer demand. Prices sought higher levels as arrivals were still poor. Maize was quoted at Rs. 12.75 to Rs. 13.12 and *guwar* and *jowar* at Rs. 12 to Rs. 13 and Rs. 13 to Rs. 14 a maund.

TRADING IN NEW CROP HEDGE CONTRACT BEGINS

(From Our Own Correspondent)

BOMBAY, 19*th October*

After remaining closed for about two months, the cotton futures market has again sprung to life. On Tuesday the 18th inst., at 11.17 a.m., to be precise, official trading in new crop futures contract commenced with the blessings of all concerned. The first deal in I.C.C. Jarilla, April 1961, the new hedge contract, was struck at Rs. 567.25 per three quintals. It is noteworthy that not only was the opening rate lower than the unofficial quotation for the contract a few days back but even after its appearance on the Board, the Contract showed signs of slight weakness and declined to Rs. 565.50 as the session advanced. This rate, which was very much lower than the unofficial quotation prevailing only a few days back, attracted spot houses support. Consequently, the Contract improved to Rs. 572 at close which, incidentally, was the highest for the day. Today there was no regular session of the market. The Contract was unofficially quoted at Rs. 570.

The new Contract's horoscope, according to competent observers, does not indicate any bullish future. The bearish slant of the Contract, with a wide range of varieties tenderable against it, the possibility of a good crop of about 5 million bales, adequate supplies of foreign cotton and the strict control over the marketing of cotton exercised by the Government make the outlook for the Contract somewhat bearish. Much, however, will depend on the size of the crop, which, in spite of good progress made so far, has still not passed the critical stage. The *Moorat* trading which will be done today from 6-30 to 10-30 p.m. and tomorrow from 4 to 6 p.m., will give an indication of the operators' current assessment of the Contract's future.

Spot prices at Sewri also showed an easier tendency, thanks to larger arrival of new crop. Mill demand centred round CO2. But Berar and Khamgaon growths also received some attention. Mills were inclined to postpone purchases in anticipation of quota allocation and a fall in prices. The delay in the issue of quota for new crop Indian cotton to mills also affected business. The time limit for completing purchase of old crop against last season's quota was again extended from 15th to 31st October. This gave rise to the feeling that the issue of quota for new crop might be delayed further. It was also thought that the quotas will be given on staggered basis to prevent any possible spurt in prices.

Export demand was considerably less than in the previous season. The suggestion of the Cotton Advisory Board not to issue quotas at present disappointed the traders who had done substantial business in anticipation of quota. They point out that undue delay in issuing the quota will adversely affect the export prospects, as foreign buyers will cover their requirements from alternative sources.

Interest in foreign cotton was well maintained early in the week, though, towards the close of the week, a holiday mood prevailed. Americans, East Africans and Sudans attracted good attention. Prices of Egyptians hardened on bullish advices from Alexandria.

Indian spinners had a rare opportunity this week to meet Mr. Loutfy Mansour, a member of the U.A.R. parliament and a prominent exporter of Egyptian cotton, and exchange ideas regarding trade in Egyptian cotton. Mr. Mansour said that the U.A.R. was trying to do away with export discount altogether. The discount rate, which stands at 6 per cent. at present, will be further reduced and eliminated completely. Referring to the complaints about the quality of Syrian cotton, Mr. S. Hamwi, Acting Consul General of the U.A.R., in Bombay, observed that since Indian buyers entered Syrian market late, only after most of the Syrian cotton crop which is comparatively of small quality, was sold, the little that remained was perhaps not upto the mark. This remark implies that they should enter the Syrian cotton market sufficiently early in the season if they wish to buy good quality cotton. This seems to be quite a convincing explanation.

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

CO2 1,165-1,170; Laxmi (Old crop) 1,025; American G.M. 1" on type 1,100; California 1-5/32" 1.255; B.P. 52 1,398; Busoga 1,250.

BEMBERG YARN MOVES DOWN

(From Our Own Correspondent)

BOMBAY, 19*th October*

For the first time after eleven weeks, cupressa Bemberg yarn (60×1) suffered a setback during the week under review. The setback followed liquidation by some bulls who were sitting tight over their holdings all these days on rumours of heavy arrivals in the next two weeks. Spot cupressa fell from Rs. 2,314.83 to Rs. 2,286.17 per 100 kilograms. October delivery receded from Rs. 2,246 to Rs. 2.222 and December position from Rs. 2,258 to Rs. 2,252. Imported and indigenous art silk yarns of 120 and 150 deniers met with good buying support induced by hopes of enlarged demand following better performance on the fabrics export front. 120 Japan spurted by Rs. 22.04 to Rs. 1.267.64 and 150 Japan by Rs. 13.24 to Rs. 1,391.11. 120 Italy was firm at Rs. 1,212.53, as also 150 Italy at Rs. 1,364.65. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade picked up 12 nP to Rs. 11.63 per kilogram.

In sympathy with art silk yarn and on reports that the Government had abolished controls on export of staple fibre yarn, prices in this section tended to move up. 40×2 December position hardened by Rs. 4 to Rs. 753 per 90.72 kg. and

October delivery by Rs. 3 to Rs. 753. Spot Kohinoors strengthened by 27 nP to Rs. 8.19 and Centurys gathered 5 nP to Rs. 8.52.

Cotton yarns were dull in the absence of any encouraging development. Traders preferred to await emergence of demand from both consuming centres and overseas buyers. The latest available quotations—in Rs. per bundle of 10 lbs.—for a few counts are: 10 Podar 18.75; 20 Modern 23.50; 40 Madura 31.75; 60 Raghuvamshi 58; Finlay 79.79.

Moorat trading in the yarn market will commence at 5 p.m. tomorrow.

OILSEEDS QUIET

(From Our Own Correspondent)

BOMBAY, 19*th October*

A new scheme for expanding exports of groundnut oil has been announced by the Government of India. Tenders have been invited, for the first time, from exporters, including established shippers, for the shipment of groundnut oil and salad oil.

Under the scheme, for every ton of groundnut oil exported, 3½ tons of groundnut expeller cake will also be allowed to be exported. Similarly, for every ton of salad oil exported, four tons of groundnut expeller cake will be permitted to be exported. Import of copra and palm oil will also be allowed against the exports. Tenders should be forwarded to Mr. M. P. Mathur, Director of Export Promotion, Ministry of Commerce and Industry, New Delhi, by name before the end of this mnth. Tenders should indicate the quantity of groundnut oil or salad oil which the party will undertake to export on a firm basis during the period ending 31st January 1961, the minimum quantity of copra and palm oil sought to be imported against these exports, the countries to which exports would be made and the ports from which shipments would be effected. Export permits in respect of groundnut oil and salad oil will be granted immediately to those whose tenders are accepted. Each tender should be accompanied by a bank guarantee of 5 per cent. of the value of the tender as security for completing the shipment of the export quota of groundnut oil and salad oil allotted to them during the prescribed period. The bank guarantee will be released on fulfilment of the export by the parties.

The scheme is designed to compensate for the loss suffered from export of groundnut oil (the world prices of which are considerably lower than domestic prices). The technique of linking the export of expeller cake (in which India has a distinct price advantage) with that of oil has already been in practice. Of late, the price of oil has gone up, while the export demand for expellers has come down. In order, apparently, to bridge this widening gap, the Government has linked the oil exports with imports of copra and palm oil—the ruling domestic prices of which are substantially higher, as compared with their world prices. Apparently, there is an element of gambling in this scheme in view of the possibility of fluctuation in prices of all the commodities involved. Tenders are to be submitted now (presumably on the basis of current prices), for transactions to be made before the end of next January; but by December, it is likely that domestic price of copra will decline because of larger arrivals during that season from Alleppey and Cochin. Consequently, the margin of profit for importers of copra, too, will decline. The bank guarantee is another risk for the exporter of groundnut oil, because he may lose that amount in case he is not able to fulfil his undertaking. Viewed from a wider angle, it is doubtful whether all these artificial measures to boost exports are worth the trouble. Ultimately, the domestic consumer has to bear the cost of these incentives.

In view of the many uncertainties involved, this export promotion scheme failed to enthuse operators in the groundnut section. In fact, values in the groundnut section drifted to lower levels, thanks mainly to larger arrivals and relatively smaller purchases by *vanaspati* manufacturers and crushers. Persistent reports of better crops also induced speculative sellings. In these conditions, groundnut February 1961 contract, which had closed at Rs. 206.50 last week, declined to close today at Rs. 205.50, after fluctuating between Rs. 204.75 and Rs. 207.50. Khandesh quality gave way from Rs. 48.75 to Rs. 47.50. Oil ex-mill lost Re. 1.40 to Rs. 20.50.

Castorseeds, too, were subdued in the absence of any encouraging advices. Brazilian supplies of castor oil, it is said, have been making their presence felt on the American market. Favourable weather conditions in the major producing areas in India aggravated the downward trend. Castor May 1961 fell from Rs. 174.75 to Rs. 172.87, before closing today at Rs. 173.37. Ready Madras eased by 30 nP to Rs. 33.50. Oil Commercial declined from Rs. 14.10 to Rs. 14.

Distinctly easy conditions prevailed in the cottonseed section, following reports of larger cotton crop this year. The cottonseed February 1961 contract fell from Rs. 88 to Rs. 85.50. Berars shed 25 nP to Rs. 20. Non-white also lost a like amount to Rs. 20. White was neglected at Rs. 20.

The linseed section, however, was slightly better, mainly on account of some Australian enquiries for linseed oil. The linseed May 1961 contract rose from Rs. 33.06 to Rs. 33.19. Bold ready was steady at Rs. 32.37 as also linseed oil at Rs. 14.

BLACK PEPPER CLIMBS DOWN

(Messrs. Parekh & Co.)

BOMBAY, 18*th October*

The usual review of the pepper market did not appear last week, as trading remained suspended from the 4th to 10th inst. This week, despite various devices to prop up prices, Malabar black pepper (garbled) declined to a new low level of Rs. 217½ for October delivery, owing to liquidation by stale bulls at the time of due date. Ungarbled climbed down to Rs. 1,250. Calicut was marked down to Rs. 1.350. The decline was accelerated following the declaration of an emergency, the closure of the market under one pretext or another for about six days and the enforcement of new procedure to close the trading ring at every advance or fall of Rs. 4 on any working day. A section of the trade believed that the prices would not have declined so much if trading had been free and adjustments of positions either by bulls or bears were allowed without hindrance.

December delivery was quoted at Rs. 211½. At the time of writing, it improved to Rs. 216½ on stray enquiries and on hopes that tenders of about 180 tons issued against October delivery would be lifted without difficulty.

Singapore, after touching the low of Str. $140 and Str. $222½, improved to Str. $145 and Str. $232½ for black and white, respectively, on short covering following meagre arrivals of Sarawak white. The market at the time of writing is reported to be steadier, as sizable sales of Lampong black to the U.S.A. at prices ranging from $0.42 to $0.45 were reported done.

Spot in New York improved from $0.45 to $0.48, due to some demand from grinders who thought that it was advisable to do some buying at around $0.42, as there would be resistance from sellers at lower prices.

New crop arrivals of Malabar black have started coming in at Alleppey, though in small quantity. Henceforward, if weather remains clear, arrivals are likely to augment and Asta quality is expected to arrive in the first or second week of next month.

The future depends upon the attitude of the sellers of Lampong in Indonesia and Singapore. Next month when the Malabar crop starts moving, India may sell in competition, as there is no advance sales against the new crop so far.

Ready pepper in Bombay is quoted at Rs. 240 per 100 kilos.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, 17*th October*

There was virtually no change in the linseed market this week. Firm prices were maintained, while the turnover was rather limited. Millers were not very active, owing to unfavourable crushing margins.

The oil market ramained steady. There was a notable improvement in the local demand and also enquiries from Australia.

The oilcake market ruled firm, due to good local demand and limited stocks with mills.

Ready was quoted at Rs. 25.62 per maund.

DEMAND FOR TEA LESS

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

COCHIN, 11*th October*

Sale No. 39:—Just over 480,000 kilograms were catalogued for Sale No. 39 held on Tuesday, 11th inst. Quality was well maintained. There was less general demand, but clean black fannings came to a strong and dearer market. Selected best liquoring highgrowns were firm to dearer, but the lesser sorts were 25-50 nP lower. Good medium descriptions were firm. Medium and low medium kinds eased 10-20 nP, except clean fannings in these categories which advanced by a similar margin. Lowgrown and plain sorts declined 5-10 nP per kilo. C.T.C. and legg-cut teas were firm. Tippy teas sold at a drop of 50 nP to Re. 1 per kilo. Whole leaf grades again came to an easier market.

	1960 Rs.	1959 Rs.
Low medium	4.30-4.60	3.75-3.97
Medium	4.60-4.85	4.08-4.63
Good medium	4.85-5.50	4.63-5.18
Quality	5.50-9.10	5.84-9.26

The average price realised in Sale No. 39 was Rs. 5.00 per kilo, as compared with Rs. 5.17 for the previous week and Rs. 5.09 in the corresponding sale of 1959.

Dust Sale 'KK':—258,000 kilograms were offered in Sale No. 'KK' held on 13th October 1960. Quality generally showed a slight decline with a few brighter invoices on offer. There was a good general demand. Mediums were well supported, but were irregular and generally easier by 5 nP to 10 nP per kilo with the exception of the coloury sorts which realised fully firm rates. The residual grades registered declines of 10 nP to 20 nP per kilo. Highgrowns received less attention and sold at lower rates. C.T.C. and legg-cut types received good support, but came to an easier market.

The average price realised in Dust Sale 'KK' was Rs. 4.54 per kilo, as against Rs. 4.49 in the previous sale and Rs. 3.99 in the corresponding sale of 1959.

Export Quota:—There are large sellers at ½ nP per kilo.

Colombo:—Just over 6 million lbs. were offered. Highgrown brokens were generally 10 cents to 20 cents easier, but fannings met with better demand and were mainly dearer. Good mediums eased 10 cents to 15 cents, whilst lesser mediums and lowgrowns were up to 5 cents easier. Persian Gulf sorts and bought leaf descriptions were steady.

London: North Indian and other growths:—In Monday's auction, there was a good demand. Useful liquoring Assams were irregular and occasionally easier following quality, but medium and plain descriptions were dearer.

Ceylon and South Indians:—On Tuesday, 21,000 packages were offered, of which 7,304 packages were from South India. The market met with an active demand and prices were very firm on last week's rates.

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

"*Sale* 40:—600,000 kilograms. Good demand for low medium and medium, which are fully firm. Good medium and best liquoring irregular and easier, following quality. Whole leaf strong and dearer.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 17*th October*

Despite good festival demand for *Diwali*, sugar prices ruled quiet. Prices quoted were Rs. 112 per bag in wholesale and Re. 1.09 per *seer* in the open market, thanks to easier supply position. No free sale releases were made to the factories in U.P., Punjab and Bihar. The sugar which reached the market, was through sales by the Government ration shops, as a sequel to the increase in sugar quota from three to four and a half seers *per capita* for *Diwali*. The sugar factories, which were planning to start earlier, are, however, obliged to revise their programme due to acute shortage of coal.

Prices in the sugar market at Muzaffarnagar showed slight improvement in the week-end. Smaller grains were quoted at Rs. 112 to Rs. 113 per bag, while bold crystal was quoted at Rs. 114 to Rs. 115 per bag due to brisk festive demand. New crushing would not begin before beginning of November. Sugar prices ruled quiet in the Kanpur market also, thanks to satisfactory supply position.

Khandsari prices showed a sagging tendency during the week. Demand was reported to be slack reflecting easier supply. Few crushers have gone into production by purchasing cane at Re. 1 per maund, but they are manufacturing *gur* instead of *khandsari*, which would be produced at a later stage. Prevailing prices of *khandsari* at the week-end were: Galawat Rs. 22 to Rs. 25, inferior *khandsari* Rs. 28 to Rs. 32, superior Rs. 33 to Rs. 37, crystal Rs. 34 to Rs. 38, boora Rs. 35 to Rs. 37 a maund.

New *gur* arrivals have mounted to an average of 500 maunds. But outside demand and festive enquiry were brisk. Prices of new *gur* consequently registered sharp rises to quote at Rs. 20 per maund. Old stocks were neglected at Rs. 15 per maund, for *kotha* quality. Cane crop prospects are very bright.

Old *gur* prices sought lower levels in the Muzaffarnagar market owing to beginning of new season and lack of demand for old stocks. Stocks were being cleared by despatching the goods on unsold accounts to consuming areas. New arrivals would soon mount and week-end prevailing prices were: Old *gur* chaku Rs. 16.50, *kotha* dry-wet Rs. 15, wet Rs. 14, *gur pansera* new Rs. 19.75, dana minja Rs. 13.50 to Rs. 16.50 a maund.

After early fall, *gur* futures advanced on bull support. *Gur* fagun, after having opened at Rs. 13.50 last Monday, declined to Rs. 13.20 and then improved to Rs. 13.42 quoted today.

MARKET GOSSIP

(*Concluded from page 715*)

classic example of success of what industry and hard work can accomplish."

The progress made by Alind is to be attributed in no small measure to the tariff protection granted to the bare conductor industry. But, lately, the advantage of protect.ve tariffs is being neutralised by the decline in foreign conductor prices, on the one hand, and the high cost of bare metal in India following imposition of excise duty (Rs. 300 per metric ton) on electrolytic aluminium, on the other. This aspect figured prominently in the speech of Mr. S. Narayanaswamy, Chairman of the Company, at its recent annual meeting, the full text of which is published on pages 730 and 731 of this issue. A foreign seller of bare conductors, Mr. Narayanaswamy said, was in a position to place his wares on the Indian market on terms more attractive than the domestic producers when rupee payment was acceptable to the seller. Naturally, the Indian conductors made with indigenous high-cost metal with excise duty pyramided thereon create an impression of exorbitance which, he averred, was not healthy for a growing industry. It is to be hoped that this point will be taken into consideration by the Tariff Commission which is currently examining the question of continuing protection for the industry.

Alind's Chairman was also very critical of the fixation of ex-factory prices on the basis of costing principles approved by the Tariff Commission. He wondered if the fixation afforded any satisfaction to the consumer "who is," to quote him, "intrigued by the spectacle of the same Central Government levying excise duty on the very articles the factory cost of which is so painstakingly investigated by the cost accountants of the Tariff Commission who, incidentally, take care to see that, in the process, some very legitimate outgoings by way of expenditure are disallowed." Mr. Narayanaswamy approvingly drew the attention of the authorities to the World Bank Mission's recommendation that the present system of price fixation by the Commission based on a 8 to 12 per cent. return on capital employed be re-examined. The system, as he rightly remarked, has whittled down retainable resources at a time when the cost of expansion is high. Surely, it will be in the interests of internal capital formation in industry as well as in that of the consumers at large if the present system of fixing retention prices is re-examined and replaced by a more rational formula. By focussing attention on this issue, Mr. Narayanaswamy has, indeed, done real service in the cause of industrial development in general.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 14th Oct., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits—	
(a) Government—	
(1) Central Government	52,67,52,000
(2) Other Governments	43,80,49,000
(b) Banks	110,16,00,000
(c) Others	88,24,54,000
Bills Payable	20,46,19,000
Other Liabilities	18,08,07,000
Rupees	463,42,81,000

ASSETS	Rs.
Notes	14,39,42,000
Rupee Coin	2,99,000
Subsidiary Coin	5,51,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	17,20,48,000
Balances held abroad*	17,83,81,000
Loans and Advances to Governments†	23,24,18,000
Other Loans and Advances	138,58,28,000
Investments	246,77,79,000
Other Assets	12,30,32,000
Rupees	463,42,81,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The Item 'Other Loans and Advances' includes Rs. 8,77,15,000 advanced to scheduled banks against reserve bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,39,42,000	
Notes in circulation	1508,63,73,000	
Total Notes issued	....	1823,03,15,000
Total Liabilities	....	1823,03,15,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		130,42,72,000
Government of India Rupee Securities		1451,83,51,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1823,03,15,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept. 1939 (pre-war)	7th Oct., 1960	30th Sept., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1810 91	1790 04	1808.22	1686 53
Notes held in Banking Department	35 05	12 22	14 99	14 73	10 48
Foreign Securities	59 50	123 01	123 01	123 01	163 01
Rupee Securities	87.39	1451 74	1431.74	1451.66	1281 40
Banking Department					
Deposits of:					
Government of India	14.39	55 34	63 32	62 63	56 11
Other Governments	..	11 25	18 46	27 25	6 23
Balances held abroad	10.06	17.79	16 17	22 67	14 20
SCHEDULED BANKS					
Demand Liabilities	134.86	700 42 (18 64)†	775 00 (19 51)*	774 92 (14 94)†	728 94 (23 64)†
Time Liabilities	102.24	1166 29 (23 70)*	1183 62 (25 81)*	1193 65 (24 87)*	1110 68 (28 18)†
Borrowings from Reserve Bank	..	20 58 (8.31)‡	33 44 (9 28)‡	52 04 (10 67)‡	10 20 (2 08)‡
Borrowings from State Bank	..	15 15	17 87	15 19	6 28
Cash in India	6.70	48 48	45 77	46 86	41 09
Balances with Reserve Bank	25.17	101.67	96 20	111.79	70 98
Balances with other banks in current account in India	..	15.67	15 64	15.86	13 24
Money at call and short notice in India	..	32 69	32 06	27 98	32 64
Investments (at book value)	..	719 93	726 21	736 05	781 06
Advances and bills	105.9	1122 01	1127 59	1126 25	935 89
STATE BANK					
Deposits	87.76	589 29	591 65	605 12	566 82
Investments	51 99	370 74	369 51	377 78	392 24
Advances	30 35	213 89	219 05	212 81	159 37
Cash	14.69	23.11	26 24	35 01	21.02

† Borrowings from Banks excluding the Reserve Bank and the State Bank. *R*—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	6	8
Burma	..	2.82	3
Canada†	..	1.93	3
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	4 April, 1960	6	4
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th Feb., 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4 75
Italy	7th June, 1958	4	3 50
Japan	23rd Aug., 1960	7.3	6 935
Mexico	4th June, 1942	4	4 50
Netherlands	16th Nov., 1959	2.75	3 50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	3.50	4 50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9 50
Philippines	Sep., 1959	4.50	6 50
Portugal	10th Jan., 1944	3	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
	Feb., 1945	2	1
Turkey	6th June, 1956	4.50	6
United Kingdom	23rd June 1960	5	6
U.S.S.R.	1st July 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 7th Oct., 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,20,00,000
Deposits and Other Accounts		589,28,90,000
Borrowings from Other Banking Companies, Agents, etc.		14,25,000
Bills Payable		9,52,81,000
Bills for Collection being Bills receivable as per contra		2,19,18,000
Acceptances, Endorsements and Other Obligations per contra		1,77,13,000
Other Liabilities (including Inter-Office Adjustments)		18,13,82,000
Total .. Rs.		633,88,59,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,55,71,000
Balances with other Banks		3,55,34,000
Money at Call and Short Notice		93,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	350,86,19,000	
Other Authorised Investments	9,88,01,000	
		370,74,20,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	204,06,21,000	
Bills Discounted and Purchased	9,83,21,000	
		213,89,42,000
Bills Receivable being Bills for Collection as per contra		2,19,18,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,77,13,000
Premises less Depreciation		1,26,43,000
Furniture and Fixtures less Depreciation		1,30,59,000
Other Assets (including Inter-Office Adjustments)		18,67,30,000
Total .. Rs.		633,88,59,000

Scheduled Banks*

Statement of Affairs for the week ended 7th Oct., 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		18 63,53,000
(ii) Other demand liabilities		771,78,07,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		23,60,90,000
(ii) Other time liabilities		1142,58,72,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		14,58,46,000
(ii) Time liabilities		57,00,000
Borrowings in India from the Reserve Bank of India‡		30,57,67,000 (8,30,89,000)
Cash in India		48,48,46,000
Balances with the Reserve Bank in India		101,66,76,000
Balances with other banks in current account in India		15,66,69,000
Money at call and short notice in India		32,68,85,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		719,93,41,000
Advances in India		1122,01,59,000
Inland Bills, purchased and discounted in India		102,16,47,000
Foreign Bills, purchased and discounted in India		49,10,36,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
26th July	2.00	2.20	2 00	2 745	99 310
2nd August	2.00	2.26	2 00	2 737	99 310
3rd to 6th Aug.*	0.16	—	0 16	—	99 325
9th August	2.00	2.00	2 00	2 745	99 310
10th to 13th Aug.*	1.10	—	1 10	—	99 326
16th August	2.00	2.00	2 00	2 540	99 365
17th to 20th Aug.*	0.25	—	0 25	—	99 381
23rd August	2.00	2.00	2 00	2 540	99 365
24th to 27th Aug.*	0.01	—	0 01	—	99 381
6th Sept.	2.00	2.00	2 00	2 540	99 365
13th Sept.	2.00	2.00	2 00	2 540	99 365
14th to 17th Sept.*	0.15	—	0 15	—	99 381
20th Sept.	2.00	2.50	2 00	2 540	99 365
27th Sept.	2.00	2.60	2 00	2 540	99 380
28th Sept. to 1st Oct	0.08	—	0 08	—	99 381
4th Oct.	2.00	2.55	2 00	2 552	99 365
11th Oct.	2.00	2.35	2 00	2 560	99 360
Total amount outstanding	23.75	..	23.75	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 7th Oct., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits—	
(a) Central Government	11 75 41,000
(b) Provincial Governments	1 39,09,000
(c) Banks	19,12,75,000
(d) Others	102 47,58,000
Bills Payable	35,91,000
Other Liabilities	11,15,32,000
Rupees	154,41,09,000

ASSETS	Rs
Notes	8,30,93,000
Rupee Coin	48,000
Subsidiary Coin	60,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	25,19,85,000
Loans and Advances to Governments	9,75,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	12 30 92,000
Investments	99,00,76,000
Other Assets	8,82,55,000
Rupees	154,41,09,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,30,93,000	
Notes in circulation	349,23,47,000	
Total Notes issued	....	357,54,40,000
Total Liabilities	....	357,54,40,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion—		
Silver Bullion	24,66,79,000	
Foreign Securities	73,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
		140,74,49,000
B. Rupee Coin	4,61,19,000	
Government of Pakistan Securities	206,28,66,000	
Internal bills of exchange and other commercial paper	....	
		210,89,85,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,200	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,00,00,000
Total Assets	....	357,54,40,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 40 93 per cent.

EXCHANGE RATES

		11th October 1960	Previous Week
Bombay on London—			
Sellers T.T. D.D. Spot	*s.*	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	*s.*	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	*s.*	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	*s.*	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476 50	476 00
Buyers T.T.	Rs.	473 25	472 75
London on New York	*s.*	2·8080-2·8091	2·8100-2·8111
London on Paris	Fcs.	13 791	13 771-13 781
London on Berne	Sw. Fcs.	12 1080-12 1100	12 1080-12.1100
New York on London	*s.*	280·360-280·890	281·090-281.130

CLEARING HOUSE RETURNS

Centre	Week ended 14th Oct., 1960 Number of Cheques	Amount Rs.	Week ended 7th Oct., 1960 Number of Cheques	Amount Rs.
Bombay	4,44,000	88,20,00,000	4,30,219	105,21,18,000
Calcutta	2,10,000	98,36,00,000	1,89,000	89,87,00,000
Madras	1,07,013	12,83,33,739	1,28,149	10,07,38,278
All Centres—				
1957-58	41,672,000	89,54,80,00,000	..	..
1958-59	45,172,000	97,67,12,00,000	..	..
1959-60	50,054,000	109,88,05,00,000	..	..
June 1960	4,227,000	9,56,02,00,000	..	..
July "	4,210,000	9,52,59,00,000	..	..
Aug., "	4,377,000	9,96,31,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	1st Oct., 1960	24th Sept., 1960	3rd Oct., 1959	August 1960	August 1959	Percentage of increase (+) or Decrease (−) in Aug., 1960 as compared with Aug., 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	122 8	123 9	122 8	123 9	121.7	+ 1 8	119 0	118 2
Cereals	192	109 6	108 2	108 5	109 1	109 3	− 0 2	104 1	106 8
Pulses	43	94 7	94 5	93 0	93 7	92 6	+ 1 2	92 6	103 9
Fruits and Vegetables	23	108 9	110 2	132 6*	134 1	152 1	− 11 4	127 8	117 0R
Milk and Ghee	84	123 9	127 2	117 8	118 7	106 9	+ 4 2	113 3	107 3
Edible Oils	47	151 8	151 0	129 6	148 0	126 6	+ 16 9	130 4	124 3
Fish, Eggs and Meat	17	121 8	123 1	127 0	116 8	148 1	− 8 7	112 0	106 4R
Sugar and *Gur*	48	136 3	136 7	155 1	140 1	152 4	− 8 5	147 0	127 7
Others	50	171 0*	172 3	172 4	170 7	165 4	+ 3 2	167 9	151 3
Liquor and Tobacco	21	105 5	105.5	100 2	105 7	102 3	+ 3 3	99 5	95 4
Tobacco	—	103 7	103 7	98 7	105 0	96 6	+ 8 7	97 9	93 8
Fuel, Power, Light and Lubricants	38	119 5	119 5R	114 9	115 5	115 5	+ 3 5	116 5	115 4
Industrial Raw Materials	165	140 6	141 1	123 8	137 0	119 4	+ 14 7	116 5	115 4
Fibres	61	140 6	143 0	109 2	134 1	109 6	+ 22 4	123 7	118 6
Oilseeds	60	150 3*	149 2	138 6	147 0	131 7	+ 11 6	113 3	108 6
Minerals	2	98 2*	98 2*	98 3*	98 2	98 2	—	131 6	127 0
Manufacture	32	125 2*	125 1*	125 3	125 9	116 3	+ 8 3	97 8	106 0
Intermediate Products	290	123 7	122 7R	110 4	122 5	109 5	+ 11 9	121 6	109 2
Finished Products	41	129 7	130 0R	112 4	131 0	109 2	+ 19 9	111 6	108 4R
Textiles	249	121 5	121 5	110 1	121 1	109 5	+ 10 6	113 8	110 2
Cotton	147	123 9	123 9	105 5	123 5	104 9	+ 17 7	111 3	108 1R
Jute	—	131 4*	131 4*	114 3*	131 1	113 0	+ 16 0	116 9*	113 8R
Woollen	—	—	116 6	89 6	115 1	90 3	+ 27 5	93 6	86 5
Silk and Rayon	—	110 1*	110 1*	104 2*	110 1	104 2	+ 5 7	104 2	105 6
Metal Products	—	110 8*	100 8*	91 8*	102 0	92 3	+ 10 5	94 4	93 2
Chemicals	12	146 8	146 8	144 5	146 8	132 9	+ 10 4	144 4	143 1
Oil Cakes	20	105 8	105 6	108 3	104 0	107 1	− 2 9	106 9	104 8
Machinery and Transport Equipment	10	139 7*	139 1	144 8*	137 5	142 1	− 3 2	143 8	136 0
Others	81	111 2	111 2	105 9*	111 1	105 8	+ 5 0	106 2	103 9R
All Commodities	1,000	125.1	125.7	118.7	125 0	117 1	+ 6.7	117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assumed to the respective sub-group to arrive at that group index. R—Revised.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base (1934-35=100)	Ahmedabad Base (1949=100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	111	323	95	103	349	109	106	104	102	112	109	114
1954 "	101	359	98	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	87	246	78	96	321	99	99	83	87	98	88	103
1956 "	105	353	98	316	89	105	347	111	109	95	96	108	104	114
1957 "	111	380	104	339	94	112	364	116	114	99	103	115	107	128
1958 "	116	395	110	313	98	120	384	124	113	103	103	123	109	131
1959 "	121	412	125	340	98	122	384	133	120	106	98	125	108	144
May 1959	119	406	124	328	95	121	371	131	116	103	96	125	104	128
June "	122	413	125	337	97	122	385	134	117	104	99	129	108	140
July "	124	418	127	345	97	123	399	134	117	105	98	130	108	140
August "	125	420	125	348	98	134	406	134	118	105	102	129	109	142
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February "	122	418	119	355	98	136	392	139	122	107	97	118	109	144
March "	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April "	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May "	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June "	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July "	126†	423	123	362	101	137	406	145	121	108	108	119	109†	146
August "	..	421	..	359	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year Out-standings	Cumulative Time Deposits 10-Year Out-standings	National Savings Certificates 5-Year A Out-standings	National Savings Certificates 7-Year B Out-standings	National Savings Certificates 12-Year B Out-standings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Out-standings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Out-standings	10-Year National Plan Certificates D Out-standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Receipts	10-Year Treasury Savings Deposit Certificates 3½% F Out-standings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Out-standings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Out-standings	Total Receipts	Total Out-standings B
1956-57	..	..	2,00	6,01	163,68	..	..	176,97	196,50	25,38	−38,82	44,28	..	..	..	43	1,32	225,88	440,17
1957-58	..	..	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	−39,73	43,58	588	547	63	1,87	264,32	509,7	
1958-59	..	..	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	−40,67	42,57	635	11,68	67	2,41	286,28	560,68	
1959-59	..	..	1,54	3,17	99,14	83,09	221,43	201,48	254,39	19,79	−41,29	41,68	10,64	21,78	66	2,90	292,02	567,36	
1959-60	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
March 1959	3	2	1,73	3,79	119,11	11,66	152,48	22,29	226,92	21,01	−40,69	42,57	65	11,68	6	2,41	34,68	581,75	
April "	5	3	1,70	3,72	117,25	6,36	157,31	16,39	228,90	20,88	−40,74	42,49	63	12,26	11	2,50	23,52	585,09	
May "	7	4	1,68	3,65	115,69	5,71	162,02	15,68	224,83	20,76	−40,80	42,39	51	12,79	5	2,54	21,98	583,46	
June "	9	5	1,65	3,59	114,16	6,03	167,24	15,89	224,23	20,61	−40,86	42,33	42	13,19	3	2,56	22,40	589,70	
July "	12	7	1,63	3,56	112,40	6,17	172,83	17,23	225,30	20,53	−40,88	42,25	53	13,66	3	2,62	24,06	604,07	
August "	15	9	1,65	3,51	110,64	6,04	178,11	15,12	237,06	20,44	−40,94	42,19	87	14,19	3	2,64	22,11	610,67	
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15	232,92	19 96	−41,27	41,84	1,13	19,77	5	2,81	23,59	630,20	
February "	43	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	−41,27	41,75	1,05	20,79	6	2,86	25,71	636,66	
March "	51	30	1,54	3,17	99,14	13,09	221,63	20,21	254,94	19,79	−41,28	41,68	96	21,76	6	2,90	43,47	667,36	
April "	57	34	1,51	3,11	97,35	6,47	226,14	17,87	255,68	19,73	−41,35	41,58	1,63	23,16	8	2,98	26,16	676,00	
May "	64	38	1,50	3,07	95,55	6,45	231,20	17 00	251,94	19,55	−41,41	41,50	1,05	24,19	5	3,01	24,67	672,53	
June "	73	42	1,48	3,02	93,84	5,74	235,58	17,35	253,22	19,50	−41,46	41,41	84	25,05	5	3,04	24,13	677,33	
July "	81	47	1,45	2,98	92,30	5,83	240,30	15,25	255,92	19,44	−41,40	41,32	1,11	26,09	4	3,07	22,36	684,15	
August "	..	..	..	..	..	..	..	..	..	..	..	41,21	1,17	27,22	9	3,14	..	..	

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities, repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to Mar 30, 1957 E—Progressive net repayments at the end of period from August 15, 1947 F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of July 1960 amount to 9,28 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	97 90
2½% Loan	1950	30,33,10,000	1964	97 90
2½% Loan	1943	1,10,11,78,000	1966-68	95 60
2½% Fg. Loan	1945	1,15,05,83,000	1970-75	89 85
2½% Dev Loan	1946	57,00,69,000	1961	98 60
2½% Loan	1946	14,77,48,000	1976	83 50
2½% Loan	1947	75,56,72,000	1962	98 00
2½% Loan	1953	75,29,00,000	1961	100 05
3½% N. P. Bonds	1954	1,58,17,94,000	1964	99 90
3½% N. P. Loan				1,10,00,000
3½% N. P. Bonds (2nd S rles)	1955	1,53,67,92,000	1965	99 60
3½% Loan	1956	1,07,27,36,000	1962	99 70
3½% Loan	1956	93,81,83,000	1967	99 45
3½% N. P. Bonds	1956	86,63,53,000	1974	99 50
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100 85
4 % Loan	1957	49,17,27,000	1972	99 95
4 % Loan	1958	58,05,92,000	1968	99 40
2½% Loan	1958	70,00,00,000	1968	99 60
3½% Loan	1958	34,33,90,000	1968	100 60
3½% Loan N.P.B.	1958	99,51,44,000	1978	99 00
3½% Loan	1959	1,37,90,93,000	1969	100 00
3½% Loan	1959	81,06,38,000	1978	99 90
4 % Loan	1960	97,84,00,000	1966	99 60
3½% Bonds	1960	82,66,09,000	1966	73 00
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	73.70
3 % Loan	1946	2,45,01,33,000	K.	73.70
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	100 00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100 00
4 % Andhra	1958	5,48,81,000	15th July 1970	99 25
4½% Andhra	1959	8,77,77,000	19th Aug. 1971	98 00
4 % Andhra	1959	9,00,00,000	20th Aug. 1969	97 20
4 % Andhra	1959	5,29,97,000	1st Aug. 1962	99 60
4 % Bombay	1961	2,52,97,000	17th Sept. 1962	99 60
3½% Bombay	1961	1,50,00,000	15th July 1963	101 00
4 % Bombay	1961	1,50,00,000	1st Aug. 1964	100 00
4 % Bombay	1962	3,40,34,000	1st Sept. 1967	100 00
4 % Bombay	1965	9,56,29,000	1st Sept. 1970	99 60
4 % Bombay	1966	7,99,20,000	16th Sept. 1969	99 25
4 % Bombay	1967	6,67,23,000	16th July 1972	99 25
4½% Bombay	1968	6,58,21,000	15th July 1970	99 25
4½% Bombay	1968	4,35,26,000	15th July 1971	99 55
4½% Bombay	1969	6,15,15,000	19th Aug. 1971	100 00
4 % Bombay	1969	1,64,02,000	1st Sept. 1967

ESCORTS LIMITED

(*Concluded from page 743*)

involving collaboration with **Messrs. Westinghouse Electric International Co. (U.S.A.)** has been approved. The manufacture is scheduled to commence by June 1961. Under the agreement the Company will be producing all types of diagnostic fluoroscopic and therapeutic X-Ray equipment for medical purposes and also diagnostic and fluoroscopic, X-Ray equipment for Industrial use. The annual turnover of finished X-Ray equipment is expected to exceed Rs. 50 lacs.

Razor Blades: Sharpedge Private Ltd., a subsidiary company, has established a blade factory in Okhla Industrial Estate. It has installed one of the latest German Plants with a capacity of over two crores blades per annum. Increase in production by additional machinery is planned.

Railway Shock Absorbers: The Company has received Industrial Licence No. L-7(4)/2/MEI/60 dated 20th July, 1960 from the Government of India, under the Industries (Development and Regulation) Act, 1951, for manufacturing Shock Absorbers for the Indian Railways under the technical and financial collaboration of Messrs. Rheinmetall GmbH., W. Germany. The Company is expected to go into manufacture during the year 1961 and the annual turnover is expected to be Rs. 20 lacs.

Heating Elements for Electrical Appliances: The Company has entered into Technical Collaboration Agreement with Messrs. Eltra K.G., West Germany for the manufacture of Heating Elements (both round and flat type) required for almost all types of household electrical appliances. The technical collaboration agreement has been approved by the Government of India and the Industrial Licence No. L-5(9)-2/EEI/1960 dated 26th July 1960 has been received.

TRADE WITHIN THE COMMONWEALTH

(*Concluded from page 720*)

Canada's economy from that of the rest of the Commonwealth.

But, by the same token, convertibility has largely removed the incentive that the previous structure of exchange control gave to trade among sterling countries of the Commonwealth. This gives no cause for regret—rather it is a source of satisfaction that sterling has been able to dispense with the crutches that it had to rely on for so many years after World War II.

It does, however, raise questions about the future of Commonwealth trade, in particular whether so large a proportion of trade will in future be transacted "within the family." Certainly, the inducements to intra-Commonwealth trade offered by Imperial Preference have been severely whittled down since World War II. An analysis by Sir Donald MacDougall and R. Hutt in the journal of the Royal Economic Society, *Economic Journal*, in 1954 of the extent of such preferences revealed that, whereas in 1937, the average margin of preference accorded to Britain's exports to the Commonwealth and that accorded by Britain to imports from the Commonwealth were both 10 to 12 per cent., by mid-1953 they had fallen to about six per cent. It has almost certainly fallen further since, and the decline seems likely to continue as new trade and tariff agreements are negotiated, though any firm forecast must wait upon the relationship eventually established between the Commonwealth and the trading blocs now emerging in Europe.

If, therefore, trade within the Commonwealth is to expand in the years ahead, it will almost certainly have to do so by natural means. The basis for such an expansion is not lacking. The Commonwealth presents a market of nearly 700,000,000 consumers, and a market within which labour, capital and managerial skills as well as physical goods have traditionally been free to move.

Unhappily, in recent years that freedom has been limited in some directions and the basic unity and manner of the market disturbed. In some cases, tariffs or quotas have been imposed to protect newly-established industries, in others to protect old and declining industries from the competition of new and cheaper sources of supply. Any such retreats from the traditional freedom of movement within the Commonwealth market must be viewed with grave misgivings.

The Commonwealth should show itself adaptable to the new pattern of trade that is likely to emerge gradually in the years ahead as the industrialisation of many of the oversea members gathers pace. If, in the future, a greater proportion of Commonwealth trade is accounted for by the exchange of manufactures against manufactures this would simply be parallel to the recent—and prospective—trend in world trade. Indeed, as living standards rise, the demand for manufactured goods is likely to expand more quickly than the demand for primary products, and an increase in trading in manufactures would seem essential, if the Commonwealth is to retain its share of total world trade.

The fundamental governing policy should surely be to let production flow naturally from the producers with the greatest comparative advantage and not to try to distort that flow by erecting obstacles to trade. The prime aim must always be to reduce trade barriers, wherever they are. In the long run, this may mean that Commonwealth countries do a larger share of their trade with outside countries. If the total of world trade is increased thereby, this should give no cause for disquiet.

COTTON

(*Concluded from page 726*)

for plant growth and a rapid development of the bolls. Undoubtedly, some lasting damage had been caused in the eastern and south-eastern parts by floods, following torrential rains, early in August. From the other parts of the Punjab, however, there has been nothing but good news so far. Notwithstanding the generally favourable weather conditions upto now, a realistic assessment of crop prospects in the Punjab must take into account the fact that the overall acreage under cotton there has, in the recent past, tended to decrease from year to year. Whilst the western half of the Punjab—and particularly the Ganganagar circle of Rajasthan—has been expanding the acreage under cotton, a large number of cotton fields have disappeared in the eastern half where water-logging caused by excessive rains plus seepage from irrigation canals over the last few years, has rendered vast tracts unfit for cotton cultivation. Too optimistic production forecasts for the Punjab have, therefore, to be regarded with a great deal of caution. Meanwhile, arrivals of Bengal *Deshi* have already started, and provided we have dry weather from now onwards, P/American will be ready for marketing early in November.

"The central belt—consisting of Omras, Gujarat and Saurashtra—has witnessed a most orderly withdrawal of the monsoon current. Long periods of dry and sunny weather were interrupted by short spells with moderate rains. Cotton plants developed most satisfactorily under these favourable conditions. A most unexpected threat to the standing crop has now turned up in the shape of an unheard-of invasion of locust. Enormous swarms of locusts have been sighted in various parts in the Omras and some damage to cotton has already been reported from some isolated places. A fierce battle is being fought now in order to destroy the menace, and it is hoped that further damage can be prevented. Lately some further rains have been reported from various parts of the Omras which, though not very desirable for the early 197/3 crop, do not seem to have caused any damage worth mentioning.

"Down south, heavy and widespread rains provided all the moisture needed for a proper development of the early varieties and the sowings of the main crops. Towards the end of September, the need for an immediate break in the rainy weather was increasingly felt.

"With normal crop development, from now onwards, a crop of some 5,000,000 bales is now a distinct possibility."

Thus, all available indications are that the authorities should be watchful and, if they must err, they should do so on the side of safety.

ENGINEERING

(*Concluded from page 734*)

burn stone which they are supplied with in the name of coal. Wise counsels like those of Mr. J. J. Ghandy have been advising against the erection of another steel plant at Bokaro when even the existing ones are not able to get their supply of coking coal. So Mr. Malaviya has to 'discover' the much-needed stuff to silence the Cassandras at the nick of time. Hence the timing of the new 'discovery.'

"One can only be amused at Mr. Malaviya's emphasising the point that the newly-discovered coking coalfield is 'within a stone's throw' of the proposed steel plant at Bokaro when one remembers that I.I.S.Co's Kulti works which are located right on a coking coal mine and their Burnpore works which are on the very edge of coking coal mines have both been suffering from inadequate supplies of this coal. But what is one to think of a responsible Minister who in the same interview states, first, that 'these three big discoveries could provide enough coal for more and more steel plants for a pretty long time,' and follows it up by the startling revelation: "We have yet to prove the quantitative dimensions of the new deposits.' Or is it once again a case of Mr. Malaviya deciding beforehand the quantity of coking coal that should be discovered to meet the requirements of all the steel plants, including that at Bokaro, for decades to come, and then entrusting the task of 'proving the quantitative dimensions of the new deposits' to the Indian Bureau of Mines?

"What Mr. Malaviya calls 'discoveries' have been known to everyone who had spent some time in the coalfields of Bengal and Bihar, and had, in fact, been discovered long before Mr. Malaviya was born. Only, in those days and down to yesterday, grade one coal could not be used in blast furnaces because coal washing was still in its infancy. If Mr. Malaviya has any doubts, let him go through the publications of the Geological Survey of India and the reports of the geologists employed by Messrs. Bird & Co.

"I say all this because the Geological Survey of India, which is as much a part of Mr. Malaviya's Ministry as the Indian Bureau of Mines, was busy for five years geologically resurveying these areas and for another five years riddling them with diamond-drill holes. A fraction of the number of these holes drilled would, in the hands of competent men, have been considered more than adequate not only to make detailed estimates of the quantity of coal and its quality, but also to block out optimum size producing units, to arrive at decisions regarding which blocks to work by open cast and which by underground methods and to collect such other relevant data for safe and economical working of these units, namely, the make of water, noxious and inflammable gases, strata conditions, etc.

"If after all this puncturing of these areas with bore-holes literally producing the effects of confluent smallpox and not scientific prospecting we are yet to make a beginning with the proving of the reserves under the ægis of the Bureau of Mines, are we dealing with technical organisations engaged in finding facts or executive arms of professional politicians wielding unbridled power to assist them in cooking up figures?"

Notice

RESERVE BANK OF INDIA

APPLICATIONS ARE INVITED FOR THE posts of Deputy Chief Officers in the Department of Banking Operations of the Bank.

(A) **Scale of Pay**:—Rs. 1,275-75-1,575

Note: Candidates possessing exceptionally good qualifications and experience of value to the Bank may be given a higher starting pay in the prescribed scale.

In addition to pay, the selected candidates will be eligible to draw local pay (at centres where it is admissible) and house allowance at the rates prescribed by the Bank from time to time.

(B) **Age Limit**: Candidates should not be over 45 years of age as on 1st November 1960.

(C) **Qualifications:** Applicants should have a minimum of 15 years' commercial banking experience out of which not less than five years should be in a responsible position. Preference will be given to applicants with high academic qualifications who have made a special study of Economics, Banking, Commerce or Accountancy.

THE SELECTION BOARD WILL INSIST ON A VERY HIGH STANDARD OF SUITABILITY IN MAKING SELECTIONS FOR THE ABOVE POST AND ONLY THOSE CANDIDATES WHO STRICTLY SATISFY THE ABOVE REQUIREMENTS ARE ADVISED TO APPLY.

2. Applicants for the above post must remit with their applications a fee of Rs. 7.50 by cheque or bank draft on a *Scheduled Bank* payable at Bombay or by Postal Order. The application fee is in no case refundable.

3. Applications in the prescribed form obtainable from the Reserve Bank's offices at Bombay, Calcutta, Kanpur, New Delhi, Nagpur, Madras, Bangalore, Lucknow, Trivandrum and Patna accompanied by copies (*originals should not be sent*) of *at least* two testimonials should be forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box No. 406, Bombay No. 1, so as to reach him on or before the 12th November 1960.

4. Candidates already in service will be required to produce a proper discharge certificate from their employers in the event of their being selected, at the time of their appointment in the Bank's service.

5. Selected candidates must be prepared to serve in any office of the Bank in India and to undertake tours when required.

6. Appointments will be subject to candidates being found medically fit for service in the Bank by the Bank's Medical Officer.

7. If any candidate desires to have his application acknowledged, he should send it by "Registered Post—Acknowledgment Due." Apart from those who may be specially called, interviews will not be granted to candidates, nor will the Bank enter into correspondence with them.

8. Canvassing will be regarded as a disqualification.

UNDER SECRETARY TO GOVERNMENT
31 OCT 1960
PUBLIC DEPARTMENT

COMMERCE

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

VOL. CI. No. 2587 BOMBAY, 29th OCTOBER 1960 PRICE Rs. 2

OIL MINISTER'S FOLLY

THE more we study the statements of Mr. K. D. Malaviya, Union Minister for Mines and Oil, the more we feel convinced that his policies and actions are not conducive to the rapid development of petroleum industry in this country. Indeed, they will prove to be a formidable stumbling block to the country's economic progress as a whole, unless they are modified in good time. In the earlier issues of this journal, we have explained how "the dog in the manger" and "pennywise and pound foolish" characteristics of his policies have made a significant contribution to India's current foreign exchange problem. But, unfortunately, Mr. Malaviya thinks that his critics are shortsighted and biassed in favour of private enterprise and foreign capital. He seems to be clear in his mind that all further expansion in the petroleum industry should only be in the public sector. It is, therefore, almost useless to hope that further comments will make any impression on him. It is for the public to judge whether he is right or wrong and be forewarned of the possible damage to the third Plan.

From time to time, especially at crucial moments, when the controversy reaches an awkward stage or when he has to make a policy pronouncement for public consumption, Mr. Malaviya does concede that the Government would welcome the co-operation of private sector and that the task awaiting the country is so enormous that there is room for both the sectors to expand. But, sooner or later, he contradicts the spirit of this statement by doing or saying something that cold douches the desire of the existing foreign companies to invest more in this country. We advisely say "desire," instead of "enthusiasm," for these companies can hardly be enthusiastic now, after all the cold-war tactics that have been indulged in by the Minister in his anxiety to clear the field for the public sector.

It must be made perfectly clear here that the opposition to the public sector entering the oil business is based not on any ideological grounds, though they are sound by themselves, but on purely practical considerations. In the first place, the Government has not the large financial resources required to develop and handle, in a short period of five years from now, a turnover of some six to eight million tons of petroleum products right from the stage of prospecting to that of marketing. Even if it can obtain them somehow, they can be utilised for other urgent purposes, because the private sector is willing to find the capital for oil, given appropriate working conditions. Secondly, the Government does not possess the necessary personnel, both technical and managerial, nor is there any bright prospect of it being able to assemble a sufficient number of competent workers within any reasonable time. And, thirdly, it has no previous experience whatever in oil business and is purely at the mercy of foreign advisers who are by no means friends of democracy. It is clear from some of the statements of the Minister himself that he is not as well informed as he should be about this complicated and intricate business to take right judgments. Some in this country are inclined to think that Prime Minister Nehru's observations in the latest session of the U.N. General Assembly on international problems have marred the prospects of getting foreign aid for the third Plan. This may or may not be true, though we are of the view that there is hardly any substance in that opinion. But we think that Mr. Malaviya's policies and pronouncements are distinctly harmful to the prospects of receiving adequate foreign assistance, because they are lacking in economic realism and are motivated by devotion to a particular dogma. They will surely make the task of the World Bank and the Finance Minister, in regard to securing aid from the Western countries, extremely difficult.

It is common knowledge now that the Burmah-Shell Refineries Ltd. has put forward an attractive scheme for expanding its refinery capacity by approximately a million tons to four million tons and for the addition of a lubricating oil plant (*vide* page 424 of Commerce dated 3rd September 1960 for details). The Company has undertaken to find the necessary foreign exchange on its own responsibility. It is confident of completing the refinery expansion in 18 months and the lubricating plant within a further year. The demand for petroleum products is going up quite fast and the need for this additional capacity is clearly there. On the understanding that this proposal would be considered purely on its economic merits by the Government, the Company voluntarily surrendered the duty protection last year, with retrospective effect from 1st October 1956 on motor spirit and from 1st July 1959 on high speed diesel oil, low diesel oil and furnace oil. In addition to this, it has also expressed its readiness to negotiate on the other aspects of refinery agreement considered as harsh on the country by Mr. Malaviya, provided it is allowed to proceed with this expansion scheme. But what has Mr. Malaviya done? It is reported—and the report remains uncontradicated though full ten days have passed—that he has decided to expand substantially the planned public sector refineries, one at Nunmati (Assam) and the other at Barauni (Bihar), meant for refining the crude discovered in Assam oilfields. Although the exact figure is not mentioned, it is said the Minister wants to expand the capacity of these two refineries from the present target of 2.75 million tons to 4 million tons. This means that he is not willing to sanction the Burmah-Shell's scheme for expansion.

Apparently, Mr. Malaviya is not a believer in the popular saying that "a bird in the hand is worth two in the bush." This may be a hackneyed adage and one may sound school-boyish in quoting it. In this context, however, it is very appropriate. Here is a company, known for its efficiency and integrity, with an eighty-year-old association with this country, with enormous world-wide experience and resources in men and material alike. Even if it is a devil, it is a known devil. It is quite willing to expand its activities, involving heavy investments. But Mr. Malaviya has spurned its offer, for no other reason than his belief that the public sector can do the job better and more remuneratively for the country. This is a questionable assumption, for reasons already mentioned and those that follow. First, he is evidently banking on more Russian help about which nothing is known and, even if it can be had, it could be used for other public sector purposes for which Western aid is not forthcoming or, if available, is inadequate. Secondly, there is no knowing when even the original plans for the Nunmati and Barauni refineries will fully fructify. Even now there are doubts about the appropriateness of Barauni as the ideal site. The plans are, of course, so well advanced that they will one day be executed, but a delay of two or three years more is quite a possibility. And it is only after that the expansion of these refineries will be taken up. This may mean that, at best, the four-million-ton capacity will be reached in the last year of the third Plan. As against this, if the Burmah-Shell scheme is allowed to go through, this additional refinery capacity can be attained by the end of the first year of the Plan. Thirdly, though some additional oil deposits have been discovered in Assam in the current year, it is still a gamble to plan on the basis that there will be sufficient crude production in Assam to feed a refining capacity of four million tons per annum in Eastern India. And, fourthly, the cost of refining oil in Nunmati and Barauni is very likely to be substantially higher than in a port like Bombay.

The slow pace at which the Oil and Natural Gas Commission—the body through which Mr. Malaviya operates—is working in regard to prospecting is already well known in knowledgeable circles. The lay public, however, is not aware of it, because of the wide publicity given to the spectacular "discovery" of oil in the Cambay and Baroda region. But the seaboard of Gujarat is not the whole of India. It represents only a fraction of the area to be prospected. It is estimated that India has 400,000 square miles of sedimentary areas worthy of being prospected. The Indo-Stanvac project in West Bengal has now been abandoned after drilling a few dry holes. Even in the Cambay region, the oil reserves are yet to be established. The job that remains is far too big to be handled by the public sector. Realising this, the Government invited foreign prospectors to submit their proposals. Although the rules and regulations it announced towards the close of 1959 were vague and left many fundamental issues to be decided through negotiation with the Government, quite a good number of foreign companies, including those already operating in this country, responded. Ten months have passed since the last date for submission of applications. Yet the Commission has not been able to conclude agreement with any one of them and has sent a mission to Europe for exploration and study. The chief reason for this delay is the reluctance of Mr. Malaviya to negotiate with the existing operators in the country. He wants to see whether anyone else will offer better terms. Meanwhile, much valuable time is being lost and the world oil market has turned in favour of buyers, with a large surplus of crude. Delay in exploration and discovery of oil will be very expensive in terms of foreign exchange of which the country has very little. In his anxiety to save pennies for the country, Mr. Malaviya may unwittingly hitch the wagon to the stars of prospectors who are of doubtful merit. Let not the public forget about the way in which technical collaboration was secured for the Visakhapatnam shipyard

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from a country not known for its talent in ship-building and the results that followed.

Undue zeal for expanding the public sector—Mr. Malaviya is the leader of the socialist ginger group within the Congress Party—and excessive care for economy in the cost of foreign assistance are not qualities that can be regarded as valuable assets in the leadership of a country which is not endowed with technical skill, managerial ability and money in sufficient quantity, but which at the same time wants to make rapid economic progress. The Minister for Oil must have the mind of an industrialist who is anxious to show quick results and does not higgle-haggle over the terms of getting foreign collaboration. The pity is that the Government does not learn even from experience. Mr. Malaviya's present policy reminds us of many missed opportunities for this country. Two of these may be recalled here: the loss of fertiliser production which could have been avoided if the Burmah-Shell's proposal to put up a fertiliser plant at Trombay three or four years ago had been accepted and the loss of several crores worth of industrial goods, as well as the delayed growth of quite a few industries, on account of power shortage caused by the fruitless controversy between Tatas and the erstwhile Bombay Government over the Trombay power project. Mr. Malaviya's vendetta with oil companies is similar to that of Dr. Jivraj Mehta with Tatas early in the fifties and the consequences seem to be almost identical. The refusal to allow the scheme for expanding the Burmah-Shell Refinery means the loss of scope for establishment of a number of subsidiary industries in Maharashtra, not to speak of the possibility of a shortage of oil itself. It is, therefore, to be hoped that the Union Minister for Oil will reverse his decision before it is too late.

PRIVATE COLLIERIES CAN DO IT

BY all accounts, the coal industry in the private sector has not been fighting a losing battle. That its pleas are just beginning to be heard is confirmed by the latest agreement at Calcutta between its representatives and the Union Ministry of Steel, Mines and Fuel. This agreement, under which there will be no ceiling on coal production in the private sector during the third Plan period, is no small gain. If anything, it is a distinct improvement in the sense that there may be some elbow room for the private collieries to expand their production to a higher level than the 60 million tons laid down in the Draft Outline of the third Plan. Since a flexible target in this case can conceivably turn out to be a higher target, there should be no hesitation in congratulating Sardar Swaran Singh on what is probably one more instance of the dawn of realism in the high quarters of Government. But we must hasten to add that there is still a long way to go before the industry's just battle for a fairer deal can be won, for several are the hurdles still on its way.

There is, at the outset, no certainty whether the aggregate of additional production programmes which the individual collieries are now asked to frame will be definitely accepted as the private sector's target, if it turns out to be much in excess of the 16 million tons laid down in the Draft Outline. Already the Joint Working Committee of the four mining organisations covering the private sector coal industry has estimated, on the basis of returns from 151 units, that an additional production of 19.5 million tons (as against 16.0 million tons laid down in the Draft Outline) will be possible. Since there will be a shortfall of 3.5 million tons (targeted 44.0 million tons *minus* 40.5 million tons of actual production in 1960-61) in the private sector's achievement of its second Plan target, the additional production in the third Plan, according to the industry's own expectation, will have to be 23.0 million tons (19.5 *plus* 3.5). This should be the minimum additional target according to the industry's recent estimates which seem to be rather cautious. Indeed, the aggregate of individual collieries' production programmes would have to be higher than this 23 million tons if the overall target for the industry in both the sectors were to be hit. Otherwise, the public sector will have to raise in all an additional 26.5 million tons by 1965-66, which will mean an increase of 250 per cent. over its actual production of about 8 million tons in 1960-61. (The figure of 26.5 million tons, it may be noted here, represents the third Plan target of 21 million tons of additional production *plus* 9 million tons to make up for its shortfall in the achievement of its second Plan target of 16 million tons *minus* 3.5 million tons out of the 19.5 million tons now suggested for the private sector.) It may not be in a position to achieve that much increase, if past experience is any guide. What is, therefore, necessary is to make a realistic assessment of the limitations of the public sector and to pitch its target at a lower but feasible level. Unless this is done in advance, the private sector will not know, as it ought to, at the very beginning itself, to what extent it should expand, so that the overall target of 97 million tons per annum is reached in time. If the public sector's target is brought down to the manageable level of, say, 22 million tons as of 1965-66, the private sector's share will become 75 million tons by that year.

The question is whether the private collieries will be able to increase their production from 40.5 million tons in 1960-61 to 75.0 million tons in 1965-66. This may seem to be a more optimistic estimate of expansion possibilities in the private sector than what its own representatives have now indicated. But it need not be so, if the "basic requirements" listed by the industry are fully met. These requirements are economic prices for coal, additional finance needed for development and improved raisings, adequate subsidy for stowing and also for deep and difficult mining operations, sufficiency and regularity in the supply of wagons for coal movement from pitheads, greater facilities for imports of essential stores which are in short supply, and security of tenure of working leases. The industry's hope is that, if the hurdles now hampering the full utilisation of its potential are removed, the total figure of 23 million tons of additional production in 1965-66 as compared with 1960-61 can be taken as good as actual production. This is a case of restrained optimism. After all, the industry's representatives seem to have overestimated the expansion possibilities of the public sector coal industry in the belief that there is no room for practical adjustment between the two sectors under the Industrial Policy Resolution of 1956.

A more forthright stand is certainly called for not from the sectional point of view of the private coal industry but from the national point of view. What the national interest requires is more coal. And this can be more easily produced by the private coal companies, which have been so long in the field and have built up so much experience, than the public sector which is lacking in these qualities. The following passage in the recent World Bank Mission's report may be appropriately quoted in this context:

> "The expansion of the private sector has been restricted as an act of Government policy, which has reserved the opening up of new areas to the public sector. Price control has also discouraged the private companies from investing more in the industry. It is possible to sympathise with some of the considerations underlying the Government's policy and yet to feel that the way in which this policy has been applied is contrary to the nation's economic interests. As the Mission sees it, the overriding need now is to get more coal quickly and other considerations should be subordinated to this purpose."

The Mission's specific recommendations to meet this situation are that private collieries be encouraged to raise all the coal they can, restrictions on the issue of new mining leases be lifted, prices be adjusted to provide the industry with larger resources for investment, and the differential between prices of coking and non-coking coal be increased. If these recommendations are accepted by the powers-that-be, the existing collieries will be in a position not only to plough back more profits for financing expansion but to raise fresh capital from the public.

The price question is most crucial in this context. Although two small price increases have been given since March last—the first in April to the tune of 81 nP per ton and the second in September to the tune of 6 nP per ton—they are both intended to cover the additional incidence of labour costs resulting from the Das Gupta Award and the Mines (Amendment) Act, 1959. The industry's case for a price increase on the ground of higher manufacturing costs and greater need for augmenting internal resources for reinvestment is yet to be fully conceded. It is not clear from the reports of the recent conference in Calcutta between Sardar Swaran Singh and the representatives of the industry whether any price increase will be sanctioned. The Minister's assurance that the Government would decide, before 10th November, on the attitude to be adopted with regard to the industry's difficulties, probably covers the price question also. Probably it does not, because the offer of assistance from the Coal Cess Fund (created in February last) to gassy mines and those involving heavy pumping is intended to meet their higher costs of production. Whether this assistance is thought of as a substitute for a general price increase in the industry as a whole, is the question.

If the answer is in the negative, it will be very good indeed. It will be pertinent to add that the industry's profit-margin (after tax) works out, as of 1958, to no more than 4.9 per cent. of net worth—a rate which is less than in the case of industries such as textiles other than cotton, engineering, mineral oils, cement, sugar, paper, matches, electricity generation and tea. If this is all that a wasting industry can earn, how can it make greater allocations to development reserves and give higher dividends which alone will bring about a climate in which fresh capital issues for expansion can be successful? The fact that not a single coal company in recent years has issued fresh equity capital for expansion is an eloquent commentary on the present deplorable state of affairs.

RESOURCES FOR AGRICULTURE

THE Planning Commission's Panel on Agriculture has just put forward a demand for additional financial allocations for agriculture in the third Plan on the ground that the 'reasonable' targets therefor cannot otherwise be achieved. In a sense, this is not an unreasonable demand, for, if financial expenditure is taken as a rough-and-ready index of physical performance, the proposed aggregate outlay (public and private) of about Rs. 2,500 crores on agriculture, community development and irrigation in the third Plan will be just 50 per cent. more than the corresponding outlay in the second Plan, whereas the targeted level of agricultural production in 1965-66 is required to be about two-thirds more than the corresponding level in 1955-56. If private investment in agriculture falls short of the estimate of Rs. 800 crores, as it well may in the context of doctrinaire reforms now being enforced, the financial allocation will be found still more inadequate.

There are two conceivable ways in which this situation of inadequacy of resources in relation to the necessary agricultural targets can be remedied. One of these will be to make a judicious use of the available resources; this can be done by executing less expensive but more labour-intensive schemes in the fields of irrigation (especially minor), reclamation and soil conservation and by administering aids to agriculture more efficiently so that they are not wasted or misused. And the other way will be to negotiate, if necessary, another P.L. 480 deal with the United States for the exclusive purpose of providing some additional resources for the agricultural plan. An appropriate number of unemployed and under-employed rural labourers, for instance, can be employed at an annual cost equivalent to one million tons of P.L. 480 foodgrains in schemes connected with the construction of distributaries and field channels in the commanded areas of major and medium irrigation projects, renovation of silted-up tanks, digging of wells, raising of green manure, etc. It may be that both these methods can be combined, so that there will be no need for disturbing the Draft Outline's pattern of outlays by sectors.

The Panel's view, like that of the Food and Agriculture Ministry, cannot be easily brushed aside, if actual achievement is to correspond to the physical targets. Particularly in the matter of food, the effort for achieving self-sufficiency will have a reasonable chance of success, if the financing potential of P.L. 480 food is utilised as much as possible for agriculture and its allied sectors. A target of 100-105 million tons is by no means high. If anything, it is probably on the low side because an estimated population of 480 million in 1966 should reasonably have 110-115 million tons which alone, after a deduction of 12½ per cent. for seeds and wastage and 5 million tons as emergency reserve, will mean a net availability of 20 oz. *per capita* per day for actual consumption. The Planning Commission, it may be recalled, had originally provided for a *per capita* daily consumption of 20 oz. on the basis of an originally estimated population of 434 million in 1966. But, in the light of the present estimate of 480 million mouths in 1966, the target of *per capita* daily consumption has actually been brought down to 18 oz. This is the barest minimum because, after allowing for an acceleration of 2 oz. in demand that may be caused by additions to incomes flowing from development, it will virtually represent no more than what was available in 1959. So the food production target of 100-105 million tons, appropriate to a *per capita* daily availability of 18 oz., is not on the high side. And it will not be impossible of achievement, if such constructive proposals as are put forward by the Food and Agriculture Ministry find favour with the Planning Commission and the State Governments alike.

MARKET GOSSIP

Dollar in the Ringer

ON the eve of the last general elections in Britain, there was a flight of money from the pound sterling, as it was believed by a section of international financiers and British investors themselves that, if the Labour Party were to return to power, it would pursue inflationary policies, in order to keep up the domestic economy which in turn would affect the external value of the currency. Now a similar scare about the U.S. dollar has been started, with the U.S. Presidential election due to be held in ten days' time. There have been reports that, if the Democrats were to win, they would follow a policy of cheap money which would ultimately debase the dollar. Some of the observations made by the contestants to the Presidentship have themselves proved to be the grist to the speculators' mill. The only difference is that, when capital starts moving out of Britain, it does not upset the price of gold in terms of dollars, for the pound sterling is convertible into dollar and the sterling-dollar rate is defended by the Bank of England when it tends to reach the lower level of the parity. But, when there is a flight of capital from dollar for want of confidence, the price of gold in terms of dollar is directly affected, for the external value of dollar is expressed in terms of gold. If confidence in dollar suffers a setback, the only other store of value that attracts the attention of dollar-holders is gold.

One way of restoring confidence in dollar is its acceptance by the U.S. Federal Reserve Bank against payment in gold. But the rub here is that the Federal Reserve Bank at New York sells gold only to central banks and, that too, only for "legitimate monetary purposes." Consequently, when individuals and private institutions scramble for gold, as they did in the London market this week, there are not sufficient floating supplies to meet such demand and the prices shoot up. Under the I.M.F. rules, the Bank of England or the central bank of any other country for that matter cannot take advantage of this situation and sell gold at above the parity, that is, $35 plus the cost of transferring gold from New York. Further, if they sell at the parity price in order to meet what is admittedly a demand for hoarding, they will be breaking the gentlemen's understanding with the U.S. Federal Reserve Bank. Even if they do, they will not be able to sell for long, because they will find it difficult to replenish their gold reserves. The Federal Reserve Bank may refuse to oblige them, for accepting dollars against payment in gold in such circumstances will mean selling gold for non-monetary purposes. The significance of this condition is that a foreign private holder of U.S. dollars is in the same position as a U.S. citizen; he has no right of converting his dollar balances into gold. If he wants to have that privilege, he should pay the price of gold ruling in markets outside the world.

Strictly speaking, the existence of the London gold market, where anyone can buy gold against payment in dollar, has facilitated the present international speculative run on the dollar. Two years after the Conservative Party returned to power, that is, in 1954, the British Government allowed the London market to be reopened as a well-organised free world market. The object was to augment the U.K.'s invisible exports by encouraging private arbitrage business in gold which was till then a post-war monopoly of Zurich in Switzerland. The Bank of England itself has been keeping the London market alive by supplying limited quantities of gold from time to time. Now that the price of gold has gone into a heavy premium, ranging from 10 to 14 per cent., the British Press has been suggesting that the Federal Reserve should abandon its policy of not intervening in overseas gold markets and of selling gold only in New York at $35.0875 per fine ounce and conduct open market operations in London till such time as the premium on gold disappears. This is a very funny suggestion and we have no doubt that the U.S. authorities will treat it as such. Why should they oblige the speculators in London? They could as well allow a free market in gold in New York itself.

Indeed, the existence of a free gold market in London is against the spirit of I.M.F. regulations. The best solution would be to close the London gold market. If it is conceded, as all responsible sections of the British Press have done, that a devaluation of the dollar is not in the best interests of the free world, then all avenues which facilitate sniping at the dollar by speculators should be eliminated.

Much of the present selling pressure on dollar and the resultant rise in the price of gold are the outcome of the activities of international financiers and speculators who do not hesitate to make the best out of every possible opportunity. Today it may be dollar and tomorrow it may be sterling. This is one of the disadvantages inherent in convertibility of currencies. But some safeguards must be evolved under the I.M.F. rules whereby this freedom to speculate is not allowed to be carried on to such an extent as to stampede the world into a currency crisis, which will have serious repercussions on world trade and the economic development of poor countries such as India. Surely, there is need for fresh thinking on this subject by the I.M.F. With ideas of Welfare State dominant in every country of the world and with new forms of international co-operation in vogue, the present-day world is by no means suited to return to the days of *laissez faire*.

It is absurd to try to judge the real value of dollar by the price of gold ruling in a narrow market dominated by speculators and hoarders. The U.S. economy is undoubtedly the strongest in the world. The suggestion that a country with an export surplus of well over $3,000 million should devalue its currency is unconvincing. It is true that the U.S. has a deficit of some $3,000 million on its balance of payment position, but this is solely due to its investments abroad, defence aid to the free countries, including the richest nations in Western Europe, and economic aid to underdeveloped countries. Must such a country which has been cheerfully and readily discharging its international obligations be forced to devalue its currency? The West European countries would be ungrateful to the U.S., their benefactor, if they were to allow such a development to take place. Viewed thus, the reduction in the British Bank rate on the 27th inst. from 6 per cent. to 5½ per cent. is a move in the right direction, though a belated and inadequate one. The rush for gold in the London market seems to be rapidly subsiding now with the latest quotation being no more than $35.75, as compared with a high of $41 seen a week ago.

International Air Fares

One of the most knotty problems of international aviation has been solved for the time being. After deliberations lasting for about a month, the International Air Transport Association (I.A.T.A.) agreed last week at Cannes to a reduction in passenger fares. Most substantial reductions are between North and South America, the West Coast of the U.S. and Tokyo. Fares between Europe, Africa and the Middle East and between Europe and the Far East and Australia, however, have been kept unchanged, in view of the reduction in fares on most of these routes that was effected early this year. The pattern of special group and inclusive tour fares designed to promote greater off-season tourist traffic will be further expanded and improved. Special holiday fares, which proved successful last spring, will be offered again this autumn. Cargo rates, however, will be kept at their present levels, pending a special conference to be held early next year. The I.A.T.A. has also decided that economy class passengers should, in future, be served with meals. If the Government concerned approve of the new fare schedules, it will come into force either on 1st December next or 1st April 1961 and will be valid for two years.

Thus the talks on fares, which had meandered on to dead ends at the Tokyo meeting, have proved fruitful at Cannes. The reduction in fares would not have been possible but for the record profit made by most airline companies last year. In fact, 1959 was the most profitable year in the history of international air transport industry, with a profit of £50 million, as compared with a mere £5.5 million in the previous year. Operating revenues last year increased by 11.8 per cent. to £1,646 million and operating expenses by 8.8 per cent. to £1,596 million. This improvement was the result of a marked expansion in all types of traffic. Thus, during the year under review, scheduled passenger traffic on all the world's airlines was up by 14 per cent. as compared with that in 1958, cargo traffic by 16 per cent. and mail by a like percentage. Increases made by I.A.T.A. members, who carry 88 per cent. of the world traffic, were even better.

Prominent among those who had been pressing for a cut in fares was Sir William Hildred, Director-General of the I.A.T.A. In his annual report to the I.A.T.A., Sir William vigorously pleaded that, in order to attract new traffic and new markets which, he thought, airlines should do if they were to make their operations profitable, especially in view of the introduction of the costly jet aircrafts, fares must be reduced. The best way of reducing fares was through economy in expenditure, though this was a hard thing to do. In order to achieve this result, he advised air transport companies to devote steady and fanatical attention to economy in every phase of operation.

Emphasising the need for cutting costs, Sir William pointed out that, though the industry had enjoyed a "breath of fresh air" last year, the introduction of jets, which had raised the available seat capacity to a peak, posed many problems to the industry, financial and others. It rendered the piston-engined aircraft obsolete and re-equipment of airlines with jets a necessity. The process of re-equipment was no doubt continuing at a "fantastic rate." At the end of 1958, for instance, the I.A.T.A. members had only 14 jets. Nine months later, they had 110. By the end of September this year, they had 290 and by the close of 1962 they would have as many as 600 jets.

This programme has had a tremendous financial impact on the industry. The new capital required, according to Sir William, "has been happily forthcoming," thanks to the strong faith shown by manufacturers, governments, banks, insurance companies, etc., in the future of the industry. But the disposal of the obsolete aircrafts has posed a problem of considerable magnitude. It is estimated that there will be a surplus in the industry of anywhere from 1,200 to 1,800 piston-engined aircrafts by the end of next year. A solution to this problem will tax the ingenuity of the leaders of aviation industry.

Beirut Oil Congress

Writing on the deliberations of the conference of five oil-producing nations in Middle East and Venezuela, held at Baghdad from 10th to 17th September last, we stated in these columns five weeks ago that the oil companies would henceforth be confronted by something approaching collective bargaining on the part of producing States. The veracity of this statement is amply borne out by the *communique* issued at the end of the week-long second Arab Petroleum Congress at Beirut in Lebanon on Saturday the 22nd inst. The *communique* contains the most important resolutions adopted at the Congress the full text of which is not available at the time of writing. But it leaves the decisions taken by the Congress in no doubt at all. Thus, the Congress has (a) pledged support to the Governments of producing countries in their refusal to recognise the recent price cuts; (b) denounced the companies for having reduced the prices of crude oil and petroleum products without the approval of the Governments of the Arab producing countries; and (c) agreed to support the Arab Government's demands and efforts aimed at improving oil concession terms.

The Beirut Congress was attended by about 550 delegates from 15 countries. In addition to all the Arab League States excepting Tunisia, Kuwait and Qatar also attended as full participants. There were also observer delegations from India, Pakistan, Japan, Venezuela, Mexico, Turkey, Indonesia, Brazil and Argentina, as well as representatives of the oil companies having relations with the Arab States. The Indian delegates were Mr. A. M. Ghosh, a senior member of the Oil and Natural Gas Commission, and Mr. S. D. Bhambri, Deputy Secretary to the Ministry of Oil.

There were interesting discussions on three papers contributed by members of the Saudi Arabian delegation—"Oil prices" by Sheikh Tariki, Director-General of Petroleum Affairs, "Pro-rationing" by Mr. Mathew Skidick, and "Government's right to abrogate contracts unilaterally" by Mr. Frank Hendryx, American Oil Adviser. The most controversial of these was the note on oil prices. In this note, Sheikh Tariki contended that the oil companies were making enormous "unshared profits" outside those declared by the Middle East operating companies. Many delegates are reported to have repudiated this contention in varying terms.

On their part, the representatives of the oil companies forcefully defended the move to reduce prices in the light of recent developments. And it is a pity that the official spokesmen of the Arab oil-producing countries should have denounced the move by ignoring these developments. There is, for instance, the increasing threat from the Soviet Union the crude oil exports of which are currently running at 350,000 barrels a day. Moreover, the world surplus productive capacity of crude oil itself is appreciable, estimated at as much as 250 million tons annually. When such is the position, the prices of petroleum products cannot be artificially maintained at very high levels. The mainstay of the Arab countries' economies is no doubt oil, but the Governments of the countries cannot be oblivious of the need for ensuring to the consumers a legitimate share of the benefit of enhanced supplies through lower prices.

No less important is the fact that, if oil is to continue playing an all-important role in the economic development of the countries, they should not, as Mr. John Ivers and Mr. Edward Symonds of the First National City Bank of New York, stressed in a paper entitled "Energy for economic development" submitted at the Beirut Congress, disturb their existing relationship with the oil companies. Appropriately enough, the authors drew attention to the "very heavy investment" required for the development of new oil markets in developing countries—as much as $1,700 million over the next decade on the basis of $6,000 for every barrel of oil produced per day—and warned the Arab countries against the danger of taking any step that might undermine the position of their petroleum in meeting the strong competition, particularly in the mass markets of Europe and North America, or other energy form such as hydro-electricity, natural gas and nuclear power.

General Tyres

As has been expected for some time now, the pace of new issues in the capital market is rising. The latest in the field is General Tyres Ltd., a public limited company incorporated in June last and promoted by the National Rubber Manufactures Ltd., Calcutta, which is itself one of the largest manufacturers of mechanical rubber goods and cycle tyres and tubes in India. The National Rubber has, since its incorporation in 1946, rapidly expanded its activities, its *monthly* turnover increasing from Rs. 11 lakhs in 1956 to about Rs. 21 lakhs during the first six months of 1960. In pursuance of its policy of expansion, the N.R.M. sponsored the project for the manufacture of automobile tyres and tubes and promoted a separate company, General Tyres Ltd., for this purpose, and will be its Managing Agents.

The authorised capital of General Tyres Ltd. is Rs. 2 crores, made up of 1.5 million equity shares of Rs. 10 each and 50,000 preference shares of Rs. 100 each, of which 450 equity shares of Rs. 10 each has already been issued. It is now proposed to issue a further 799,550 equity shares of Rs. 10 each at par and 20,000—9 per cent. (free of company's tax, but subject to deduction of tax at the prescribed rate) cumulative redeemable preference shares of Rs. 100 each at par. This means that the issued and subscribed capital will be Rs. 1 crore. Of the proposed issue, the Directors and their friends have agreed to subscribe Rs. 14.955 lakhs in equity shares and the Managing Agents have undertaken to get Rs. 25 lakhs of equity shares subscribed by their own shareholders. The balance available for public subscription is only 400,000 equity shares of Rs. 10 each (Rs. 40 lakhs) and 20,000 preferences of Rs. 100 each (Rs. 20 lakhs).

The entire equity issue available for the public has been underwritten by the Bank of Baroda Ltd., Calcutta, and the entire preference issue by the Industrial Finance Corporation of India, New Delhi. Thus, the Company is fully

(Continued on next page)

EQUITIES RETREAT

SENTIMENT DEPRESSED

(From Our Own Correspondents)

BOMBAY, *27th October*

A CHILL wave blew over the Stock Exchange during the week under review and sentiment remained depressed, in the absence of any fresh lead. The *Moorat* session for the new *Samvat* year 2017, held on Thursday the 20th inst., was devoid of its traditional exuberance. Trading appeared to be more formal to mark the occasion and, as such, fluctuations were confined to a narrow range. Activity in the subsequent sessions of the week was also far from brisk and cheerful. There was a disposition on the part of operators not to enter into fresh commitments and, if possible, to lessen them as much as they could. There was, therefore, a further drop in prices over a wide front. The stringent credit conditions would appear to be a serious handicap to operators. End-of-account considerations also weighed heavily with the operators. Further, they were inclined to await the outcome of the forthcoming session of the A.-I.C.C. at Raipur commencing on the 29th inst.

Operators in Standard Mills' shares were sadly disappointed when the Chairman of the Company announced, at an extraordinary general meeting held on the 26th inst., that the Company proposed to float a separate concern for the manufacture of various petro-chemical products. The shares of the Company experienced hectic activity for sometime past on expectations that the Company would expand its activity by taking up this line and offer rights shares to raise fresh capital for the purpose. Those who had pushed up the scrips on that account were, therefore, disappointed yesterday when the Chairman disclosed that a separate company would be floated with foreign collaboration. This would mean that the investors in this venture would have to wait for a few years to get returns, unlike in the case of rights shares if the new venture had been part and parcel of the Standard Mills, even if it be that they might be asked to pay a stiff premium or the rights issue. The shares of the new Company will, however, be offered at par. The broad details of the new venture are: (1) The capital cost will amount to Rs. 7.5 to Rs. 8 crores. (2) The factory will be located in the Thana or Kolaba district of Maharashtra. (3) The scheme envisages the manufacture of 24 chemical products, some of the important chemicals being, 16,500 tons of caustic soda and/or caustic potash, 13,200 tons of chlorine, 5,000 tons of polyvinyl chloride, 4,000 tons of aluminium chloride, 1,000 tons of ethylene oxide and glycol, 720 tons of carbon tetrachloride, 300 tons of hydrofluoric acid and 300 tons of freon gas, all per annum. (4) Some of the chemicals to be manufactured will be based on petroleum feed stocks, while a few of them will be manufactured for the first time in this country. And (5) Negotiations are being carried on with foreign firms for technical collaboration.

In reply to the shareholders' demand for offering the shares to the shareholders of the Standard Mills, the Chairman said that the Directors would give due consideration to this request and see how best it could be conceded. The meeting gave its approval to the Standard Mills Company's proposal to acquire one of the mills of the Surat Cotton Spinning and Weaving Mills Private Ltd. at Dewas, near Indore. The Dewas unit is said to be equipped with automatic looms. Being situated in a deficit State (Madhya Pradesh) in respect of cloth, there is scope, according to the Chairman, for utilising profitably the surplus funds and capacity of the Standard Mills at Dewas.

To revert to the trend of the market. Steel shares were distinctly quiet, Tata Ordinaries declining from Rs. 145.25 (the closing level in the pre-*Moorat* session) to Rs. 141.75 today. Indian Irons showed a steady trend in the *Moorat* trading with a rise from Rs. 22.92 to Rs. 23.20, but subsequently gave way to Rs. 22.52.

Standards gave a lead to the downward trend in textiles, just as they led the section in the boom period. The scrips fell by no less than Rs. 242 over the week to Rs. 1,075. Centurys shed Rs. 12.50 to Rs. 452.50. Bombay Dyeings provided an exception, but the fluctuations were narrow and a small gain was recorded at Rs. 63.20. Central Indias were marked down by Rs. 6 to Rs. 107, Gokaks by Rs. 13 to Rs. 162. Khataus by Rs. 33.75 to Rs. 476.25 and Kohinoors by Rs. 17 to Rs. 282. Svadeshis suffered a sharp fall of Rs. 15 at Rs. 233.50. Morarjees, New Great, Shree Niwas, Simplex, Tata Mills and Mafatlals were the other prominent counters which participated in the reactionary trend.

Despite the credit restraints, bank shares were steady. United Commercials were conspicuous with a rise of Re. 1.80 to Rs. 78.80, Centrals (new) put on Re. 1 to Rs. 54.50 and Bank of Indias gained a rupee to Rs. 102.

Sugar shares followed the general trend, Belapurs moving down from Rs. 367 to Rs. 362. Maharashtra Sugars shed Rs. 12 to Rs. 245 and Kesar Sugars Rs. 26.25 to Rs. 198.75. Walchandnagars were, however, a shade better at Rs. 298.75.

Shipping and automobile scrips were lethargic. Scindias gave way to Rs. 13.44, after an improvement in the *Moorat* session from Rs. 13.72 to Rs. 13.96. After moving up from Rs. 18.72 to Rs. 19.20, Hindustan Motors drifted down to Rs. 18.80. Premier Automobiles fell over the week by Rs. 2.50 to Rs. 161.25.

Engineering shares were conspicuous with sizable falls all round. Aicocks were marked down by Rs. 4 to Rs. 252. Tata Locomotives gave way from Rs. 284 to Rs. 272. Premier Constructions declined by Rs. 9.50 to Rs. 297, Voltas by Rs. 12.50 to Rs. 256.50, Mahindras by 76 nP to Rs. 21 and Larsen and Toubros by 25 nP to Rs. 34.

In the miscellaneous section, Bombay Burmahs (old) dipped from Rs. 571.50 to Rs. 562. Rayons were weak, National Rayons suffering a loss of Rs. 11.50 to Rs. 458.50, Gwaliors Re. 1 to Rs. 40, Barodas Rs. 6.50 to Rs. 139 and Indian Rayons Rs. 2 to Rs. 66. Tata Oils recorded a fall of Re. 1.50 to Rs. 73 and Wimcos Rs. 12 to Rs. 266. Losses in the cash section were particularly heavy, chemicals and dyes being the worst sufferers. Ceat Tyres declined precipitously from Rs. 240 to Rs. 220 and Premier Tyres from Rs. 87 to Rs. 82. West Coast Papers provided one of the few exceptions, with a rise of Rs. 3.50 to Rs. 195.

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Madras Stock Exchange

MADRAS, *26th October*

Steady conditions prevailed on the Stock Exchange during the week under review. There was a revival of investment support in several counters. Plantation shares were well favoured. thanks largely to the amendment of the Kerala Agrarian Relations Bill exempting plantations from the provision of ceiling. In particular, teas were keenly bid. The rise in prices was also helped by encouraging advices from auction centres which suggested better export demand. Rubbers, too, attracted good support, induced by the proposed grant of an enhanced rate of subsidy (Rs. 1,000 per acre) for replanting low yielding unselected rubber areas registered with the Rubber Board. Coffees, however, were somewhat subdued, presumably owing to the news that a new disease was affecting coffee plantations in Mysore. Textiles tended to move up, following reports of good overseas enquiries for piecegoods and yarn. Sugars and miscellaneous industrials were quite active.

Among teas, Peermades spurted by 53 nP to Rs. 23.85. Chembras rose by 20 nP to Rs. 5.15. Parksides put on 15 nP to Rs. 28.15. Neelamalais were higher by 5 nP at Rs. 4.85. Blue Mountains improved from Rs. 4.90 to Rs. 5.02 before closing at Rs. 4.94 today. Devasholas changed hands at Rs. 29.87. Kil Kotagiris at Rs. 5.70 and Nonsuchs at Rs. 27.25. But Waterfalls shed 8 nP to Rs. 4.30. Periakaramalais initially rose from Rs. 3.51 to Rs. 3.54, but eased subsequently to Rs. 3.50.

In the rubber group, Cochin Malabars hardened by 10 nP to Rs. 7.05. Midlands gained a like amount to Rs. 11.85. Thirumbadis gathered 3 nP to Re. 1.53. Kailas were fully maintained at Rs. 5.10.

Coffee shares, as already stated, were generally easy, Consolidated Coffees declining by Re. 1.35 to Rs. 23.15, Coffee Lands by Re. 1.25 to Rs. 23.25 and Cowcoodys by 8 nP to Rs. 5.12. Rajendras were neglected at Rs. 14.35, as also Balanoors at Rs. 16.70. Ouchterlonys, however, attracted special support and picked up 15 nP to Rs. 5.05.

In the textile section, South Indias rallied from Rs. 150 to Rs. 160. Travancores rose from Rs. 32.95 to Rs. 33.60 before finishing at Rs. 33. Lakshmis spurted by Rs. 5 to Rs. 145. Bangalore Woollens advanced by 50 nP to Rs. 197. Maduras put on 10 nP to Rs. 33.85. Buckinghams were fancied at Rs. 196.50, Coimbatore Cottons at Rs. 160, Metturs at Rs. 380 and Premiers at Rs. 225. Vijayakumars were unaltered at Rs. 122. The Directors of the Company have declared a dividend of 6 per cent., taxable (equivalent to 4.2 per cent. tax-free) for the year 1959, as against 6 per cent., tax-free, for the previous year. Radhakrishnas were enquired at Rs. 28.50, Pankajas at Rs. 69 and Kotharis at Rs. 12. But Janardanas were marked down by Rs. 4 to Rs. 57, reflecting the disappointment of operators over the decision of the Directors of the Company to pass over the dividend for the year 1959 also. Dhanalaxmis lost a rupee to Rs. 223. Coimbatore Pioneers decreased by 50 nP to Rs. 347.

A feature of trading in the sugar section was the rise in the quotation for East India Distilleries from Rs. 42 to Rs. 44. Deccans strengthened by 40 nP to Rs. 15.40; they had gone up to Rs. 15.65 earlier in the week. Travancores scored a gain of 20 nP to Rs. 12.10. United Breweries were firm at Rs. 114.50. Indias, however, shed 28 nP to Rs. 12.62 and Cauverys 25 nP to Rs. 141.

Cements and chemicals were generally well favoured. Among the former, Indias rose from Rs. 6.92 to Rs. 7.20. Orissas were higher by 10 nP at Rs. 13.25. Travancores were steady at Rs. 8.55 and Dalmias at Rs. 12. Among chemicals, Mysore Fertilisers put on 15 nP to Rs. 10.60. Metturs improved by 9 nP to Rs. 12.65. Mysore Chemicals and F.A.C.Ts were fairly steady at Rs. 27.50 and Rs. 10, respectively. Among other miscellaneous industrials, Textools gathered a rupee to Rs. 189. Aluminium Industries firmed up by 80 nP to Rs. 22.80 *ex-div.* Ashok Leylands gathered 25 nP to Rs. 8.30. Western India Plywoods were quoted at Rs. 230, same as last week. Indian Steel Rollings changed hands at Rs. 10.62.

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Calcutta Stock Exchange

CALCUTTA, *26th October*

The special session held on Wednesday last marked the beginning of the Hindu New Year on the Calcutta Stock Exchange. Although business passing was restricted on that day, deals were put through at firm rates. The Exchange remained closed on Thursday and Friday, and the feature of trading in the subsequent sessions was that, while speculatives recorded fractional losses, interested support pushed up miscellaneous shares from the attractive low levels touched previously following the Government measures to curb speculation. It would appear that the worst phase of the recessionary trend is over, and that genuine investment support is once again filtering through, albeit in small measure. Hectic rises are ruled out for the time being, and it would not be a surprise if the convalescence period is prolonged. Budget uncertainties would certainly act as a cautioning influence, and yield considerations should prove the guiding factor. Rumours that the L.I.C. would soon be in the market for some of the "blue chips" was a factor which arrested the selling pressure in evidence in recent weeks, when the heavy bull liquidation had scissored many a bulge. Anxiety continues to centre around foreign aid prospects, on which depend the possibility of unhindered imports of raw materials and essential items for industry. Meanwhile, Government's changed attitude to the private collieries, as evidenced during Monday's conference between the Union Minister for Steel, Mines and Fuel and the representatives of the coal industry has been noted with satisfaction by operators in the coal section, while the high fibre prices and New York reports of a shift of consumer-interest to cheaper-priced substitutes, in view of the high prices of jute goods, drove away buying interest from jute shares.

(Concluded from previous page)

assured of the success of its entire issue. The list for public subscription will open on 3rd November 1960 and will remain open till 8th November in respect of equity shares and till 10th November in respect of preference shares. The Directors have, however, the discretion to close the list for equity shares earlier, but not before 7th November 1960. A sum of Rs. 5 per share is payable on application in respect of equities and Rs. 50 per share on preference shares, the balance being payable on calls at not more than 50 per cent. per call.

The Company's factory will be situated in Kankinarrah District, 24 Parganas, West Bengal, which is about 20 miles from Calcutta. The plant will have a licensed capacity for an annual production of 120,000 tyres and 120,000 tubes for buses and trucks and 60,000 tyres and 60,000 tubes for passenger cars. The Company has entered into a technical collaboration agreement with Technoexport Foreign Trade Corporation, Praha, Czechoslovakia, a well-known firm in the field of rubber goods manufacture, for the supply and erection of plant and machinery and for technical assistance in the production of tyres and tubes. The Government of India has granted a licence for the import of a complete automobile tyre and tube plant of the value of Rs. 80 lakhs from Czechoslovakia.

The total capital outlay required for the project is Rs. 2.20 crores, which will be provided thus: Rs. 1 crore from share capital issue, Rs. 60 lakhs by way of loan from the Industrial Finance Corporation of India, Rs. 40 lakhs by deferred payment and Rs. 20 lakhs by borrowings from banks. The I.F.C.I. has agreed to guarantee the deferred payment to the extent of Rs. 40 lakhs to the Czechoslovakian firm.

In view of the enlarged capacity target fixed under the third Five-year Plan, which is double the capacity in 1960-61, the Directors are optimistic that there will not be any difficulty in selling the entire production. Investors will, no doubt, have to wait for a few years to earn a dividend, but they can hope to get a reasonable return after the Company goes into production.

The Company has an influential Board of Directors, under the chairmanship of Dr. A. Ramaswami Mudaliar.

Premier Fertilisers

Another new public issue which will be placed on the market in a few days' time is that of Premier Fertilisers Ltd. (Managing Agents: Messrs. Emcete and Sons Private Ltd., Madras). The details of this issue were given in our issue dated 22nd October 1960 (*vide* page 739) and the public announcement is published on pages 772-73 of this issue. The list for public subscription will open on 7th November and will close on the 14th or earlier at the discretion of the Directors, but not earlier than 11th November 1960. The issue is a relatively small one, amounting to Rs. 50 lakhs, of which only Rs. 35 lakhs will be available for the general public.

The bright prospects for the Company are highlighted by two factors, namely, (1) the demand for fertilisers will be in excess of the supplies for at least some years to come, and (2) the factory is situated in a district where paddy, sugarcane and groundnut are grown and the demand for superphosphate fertiliser will be continuous. Further, the demand from the neighbouring districts is also very high. Apart from the fact that the Company can thus find a ready market for its products, the agriculturists from these districts can get their requirements without incurring heavy cost on transport.

NEWS IN BRIEF

INVESTIGATIONS conducted at the Forest Research Institute, Dehra Dun, have shown that jute sticks can be used to make pulp suitable for newsprint-grade paper. The yield is officially estimated at 85 per cent.

Production of iron ore during the month of August 1960 was 826,000 metric tons. This brings the total output during January-August 1960 to 7,094,000 tons which was higher by 40 per cent., as compared with the 5,078,000 tons produced in the corresponding period last year.

The Government of Mysore is reported to be considering the question of handing over the management of the Kolar Gold Mines, either to the Central Government or to a separate Corporation to be set up by the State Government itself. The mines were nationalised in 1956.

All restrictions on exports of staple fibre yarn, activated coconut shell, charcoal, silk yarn—hand spun made out of silk waste, generators, gas engines and steam engines, as also bort, industrial diamonds, cinematograph equipments and bamboo used as paper-making material, have been abolished.

Trade between India and Poland is expected to increase by 20 per cent., under the terms of a new agreement signed at Warsaw last week. Under the agreement, Poland will export to India industrial equipment, machine tools, mining machinery, rails, chemical products and paper, in exchange for vegetable fibres, ores, untreated leather and food products.

The Central Government has decided to institute one prize of the cash value of Rs. 3,000 along with a President's gold medal for evolving improved bullock-drawn implements and another prize of the cash value of Rs. 2,000 for the hand tools, including garden tools. The prizes are to be awarded annually commencing from 1961-62 to successful competitors.

The World Bank has agreed to grant a loan of $20 million to the Industrial Credit and Investment Corporation of India. A formal agreement to this effect is to be signed shortly. The I.C.I.C.I. had received two loans of $10 million each in 1955 and 1959. The I.C.I.C.I. is the only organisation in the country that gives foreign exchange facilities to industrialists.

The Tariff Commission has been asked to undertake a fresh examination of the cost of cement production in the different manufacturing units for determining the fair ex-works prices payable to producers from 1st July 1961. The three-year period, for which the Government had fixed fair ex-works prices on the basis of the Tariff Commission's recommendations in 1958, will expire on 30th June 1961.

The production of copper ore during January-August 1960 was 291,414 metric tons. This represents an increase of about 8 per cent., as compared with the output of 269,252 metric tons in the corresponding period of the preceding year. The entire production was reported from the Singhbhum district of Bihar State. The production of copper metal during the same period was 5,904 metric tons, as compared with 5,184 metric tons in the corresponding period of 1959.

A licence has been granted for the establishment of a Rs. 9-crore pulp and paper factory to be located in the North Canara district in Mysore State. The factory will be put up in the private sector in collaboration with a French company which will participate in the issue capital to the extent of Rs. 50 lakhs, besides providing a deferred credit of Rs. 362 lakhs. The proposed factory, expected to go into production by 1962, will manufacture 110 tons of dissolving pulp per day from bamboo.

An Indian delegation, led by Mr. Karnail Singh, Chairman of the Railway Board, is expected to visit Karachi for talks with the representatives of the Pakistan Government over the proposal to have a railway link between the two wings of Pakistan, that is, from Rawalpindi to Dacca through Indian territory. The talks are scheduled to take place for three days from 14th November. It will be recalled that some discussions on this subject were held at New Delhi previously, but no agreement has so far been reached on important questions, such as relaxation of customs and visa regulations.

The U.S. Government has approved of a $25 million D.L.F. loan (Rs. 11.9 crores) to India for financing the purchase of equipment for small and medium-scale private enterprises in the fields of metallurgy, electrical installations, machine tools, earthmoving machinery and chemicals. The loan is repayable in rupees. The approval of a loan of this type marks a departure from the practice of D.L.F. in recent months, during which it has given only project-type loans. This is the 22nd loan given to India by the D.L.F. and brings the total amount of U.S. economic assistance received by India to $3,654 million (Rs. 1,739 crores).

The Central Board of Revenue has decided that the existing Tobacco Regional Advisory Committee and the Manufactured Products Advisory Committee functioning in each Central Excise Collectorate should be merged into one Advisory Committee for both manufactured and unmanufactured products in each collectorate. The existing non-official members of both the Committees will continue as members of the newly constituted single committee for their full term. The functions of this Committee will be purely advisory and it is constituted mainly for resolving procedural difficulties of a general nature.

The Madhya Pradesh Government has decided so to amend the ceiling on Agricultural Holdings Bill (already passed by the Vidhan Sabha) as to reduce the ceiling from 28 "standard acres" to 25 "standard acres." This move is a sequel to the suggestion made by the Central Committee for Land Reforms. It is also proposed to lower the maximum acreage permitted for dependents from 53 to 50 standard acres and to impose certain restrictions on the price to be charged by individual holders for the surplus land to be disposed off by them within the prescribed period.

A simple and economic method of manufacturing diaminophenol sulphate, an important chemical used in photography and for dyeing hair and fur, has been developed at the Central Electro-Chemical Research Institute at Karaikudi. Among the advantages of the new method are the low cost of the base material, a yield of 60 to 65 per cent. and the facilities of re-use of the spent catholyte. The cost of production of diaminophenol sulphate in a plant with an annual capacity of 15,000 lbs. has been estimated at Rs. 6.30 per lb., the lowest compared with other electrolytic and chemical processes. The cost of the imported material under the trade name *Amidol* is said to be Rs. 36 per lb.

During the half-year ended 30th September 1960, the Import Trade Control Organisation received a record number of 216,073 applications, as compared with 178,762 during the corresponding period last year. The disposal of applications kept pace with receipt and the number of pending applications was 1,403 only or 0.6 per cent. of the total applications. In addition, the Organisation also dealt with a large volume of correspondence on the question of policy, interpretation of rules and regulations, appeals, etc., from the trade and various chambers of commerce and trade associations. The number of such communications during the period was over 750,000. A close watch was kept in order to prevent malpractices. Forty-one firms were black-listed during this period for contravention of the Import and Export Trade Control Regulations. In order to simplify the procedure and ensure speedier handling of applications, a large number of items were licensed on a yearly basis. The "repeat-value" licensing scheme introduced during the period October 1959-March 1960 was continued. Facilities were also extended for import of essential raw materials and equipment by the indigenous industries during this period.

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From Abroad

Nigeria has joined the General Agreement on Tariffs and Trade (G.A.T.T.) as a full member.

Cuba has withdrawn its membership of the International Bank for Reconstruction and Development.

Soviet scientists are claimed to have discovered a new antibiotic, called *Monomycin*, that is very effective in surgical operations on the abdominal cavity.

The Government of Cuba has nationalised the import trade. All imports will, hereafter, be made by the Cuban Bank of Foreign Trade. Export trade had already been nationalised three months ago.

Italy and Russia signed last week a barter deal under which, the former will buy Soviet oil in exchange for 240,000 tons of steel tubing for oil and gas pipelines as well as a few other goods.

The first fully-automated post office in the U.S., capable of handling 1.5 million pieces of mail a day, has been inaugurated at Providence, Rhode Island. The new post office uses automated machinery to convey, sort, cancel and route letters and parcels.

The U.S. Government has banned all kinds of exports to Cuba, except those of medicines and some food materials. At the same time, the Maritime Administration has barred the sale, transfer or charter of American ships to Cuban interests without its approval.

The Indian rupee has ceased to be legal tender in Kathmandu, Nepal, with effect from the 17th inst., as part of the Government's policy to end the dual currency system in the country. Elsewhere in the country, the Indian rupee will continue to be in currency for some time more.

National income in the U.S. rose to a new high annual rate of $419,000 million in the second quarter of 1960, which was higher by $5,000 million as compared with the first quarter of 1960, and $14,000 million above the corresponding quarter of 1959. Most of the major types of income, other than corporate profits, shared in the rise in income.

West German coal and steel industries spent DM 45 million for research and promotion of science last year. About DM 10 million were non-committed grants of steel companies for German science. Another DM. 7 million were spent for university and other non-industrial research in steel. The balance of DM 28 million was mostly used to finance joint research programmes of the coal industry.

In order to expand exports, the U.K. Government has decided to set up a new Export Council for Europe on the lines of the existing Dollar Export Council. The Council, headed by Sir William McFadzean, President of the Federation of British Industries will initially be concerned with the U.K.'s trade problems *vis-a-vis* the members of the European Free Trade Association, and reach out to the rest of Europe at a later stage. Besides, the Government has authorised the Export Credit Guarantee Department to insure credit on longer terms than the normal maximum in certain special cases.

In a report published recently, the U.N. Food and Agriculture Organisation has forecast a continuous increase in world agricultural production in 1960-61. Wheat, sugar, fats and oils, meat, cotton and some other commodities are expected to touch record levels of output. Large grain crops in exporting countries this autumn indicates, according to the report, that stocks of wheat and coarse grains will rise sharply in 1960-61. Coffee stocks, too, will increase further. Prices for agricultural products had varied little so far this year, as against 1959, but there may have been "a slightly further increase" in their relation to the prices of manufactured goods.

The growth rate of West German automobile industry slowed down somewhat in September. The industry produced 157,908 passenger cars. This was, no doubt, higher by about 20 per cent., as compared with September 1959, but not quite as much as the 27 per cent. growth rate reported for the first nine months of 1960 taken together, as against the comparable period of 1959. Baby cars, with less than 500 c.c. of cylinder volume, are losing ground. The production of this type of car was 25 per cent. lower, as compared with the first three quarters of 1959, while production increases ranging from 23 and 117 per cent. were recorded, by different types of larger cars.

With a view to curbing the rapid economic expansion in West Germany, the Association of German Chambers of Commerce and Industry has put forward a five-point plan. The provisions of the plan are: 1. Neutralisation of purchasing power by not spending all taxation revenue and by permitting industrial concerns to deposit money with the Central Bank. 2. Powers to control hire-purchase on the British model. 3. Restriction of taxation concessions made for funds invested in housing. 4. Increased aid to the developing countries to be financed by loans raised from business on the model of the DM. 1,000 million (£85 million) development loan fund, to which industry proposes to subscribe. 5. Measures to encourage private capital exports.

The saving potential, especially voluntary private saving, has played a major role in the remarkable economic growth of Japan in recent post-war years, according to the September issue of the quarterly *Economic Bulletin* of the Economic Commission for Asia and the Far East. Defining "saving" as the "residual of current income after appropriation for current expenditure," irrespective of whether this residual is in the form of tangible or financial assets, the article analyses the formation and distribution of saving and the channels through which it is transformed into investment. Stating that the propensity of urban workers to save has gradually risen and is at present by no means lower than that both of pre-war Japan and of developed countries today, the article emphasises that the most significant reason for this high propensity is the traditional saving custom, supported by the wide propagation of education, hard-working habits, strong will to raise the standard of living of the Japanese people and so on.

PERSONAL

MR. R. D. Birla, chief of Birla Brothers, Bombay, has returned to Bombay after spending two months in the U.K.

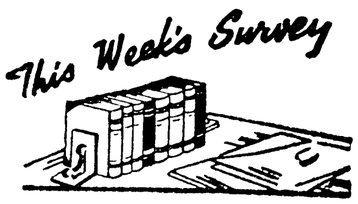
Dr. H. Winkhaus, a noted West German industrialist, has arrived in India for a three-week visit of important industrial centres, including Rourkela.

Mr. G. D. Birla, who went on a business tour of Western Europe, has returned. He has deferred his intended tour of Russia as a guest of the Soviet Government to a future date.

Mr. P. S. N. Prasad, a former Economic Adviser to the Reserve Bank of India and a member of the Economic Division of the World Bank, has been appointed Economic Adviser to the Federal Government of Nigeria. The World Bank has lent his services to the latter for a maximum period of three years.

Mr. K. Swarup, Chief Administrative Officer, Integral Coach Factory, and Mr. R. Rajagopalan, Director, Standards (Mechanical) of the Research (Design and Standards) Organisation of the Ministry of Railways, have left for Argentina to study the requirement of the Argentine Government in respect of the global tender they have called for about 300 railway passenger coaches, and explore the possibilities of the Indian railways giving quotation against the tender.

Mr. G. Pande, until recently Chairman of the Hindustan Steel Ltd., and a former Chairman of the Railway Board, has been appointed Chairman of the Advisory Committee on the manufacture of low-cost cars in the public sector. The other members of the Committee are: Messrs. K. B. Lall, Additional Secretary, Ministry of Commerce and Industry, V. K. R. Menon, Director, International Labour Bureau (Indian Branch), New Delhi, K. L. Ghei, Joint Secretary, Ministry of Finance, Rear-Admiral D. Shankar, Controller-General, Defence Production Organisation, Ministry of Defence, and Dr. B. D. Kalelkar, Senior Industrial Adviser, Ministry of Commerce and Industry.



COMMODITY PRICES

THE trend of commodity prices in India continued to be upward during the third quarter of the current calendar year. The all-India index number of wholesale prices (base: 1952-53=100) for the last week of September stood at 125.4 -it was higher still at 125.7 in the week ended 8th October—as against 122.9 three months before, 117.7 early in the year and 116.2 a year before. Thus, over the year ended September 1960, the index advanced by 9.2 points, or a rise of nearly 8 per cent. The increase in prices during the third quarter was accounted for by all the constituents, with the solitary exception of liquor and tobacco, the average index of which receded from 109.5 in June to 105.5 for the last week of September. The index of food articles moved up from 120.3 to 122.9, of industrial raw materials from 139.7 to 145.7, of intermediates (manufactures) from 127.2 to 129.2, of finished products from 118.7 to 122.5, and of fuel, power, lighting and lubricants from 118.0 to 119.5.

Among the food articles, pulses contributed largely to the rise in prices, their combined index rallying from 90.0 in June to 94.7 towards the close of September. As for cereals, the price index, which had gone up from 107.0 in June to 110.0 in July, tended to decline thereafter and stood at 107.4 during the week ended 1st October. The following table indicates the trend of prices of a few important foodgrains prevailing at Hapur, as well as other agricultural commodities:

Commodities	Latest available	Three months ago	At the begining of the year	A year ago
Foodgrains :				
Wheat (per maund) ..	17.50	17.75	18.62	17.50
Rice (Basmati) (per maund)..	31.50	33.00	31.00	33.50
Maize (per maund) ..	12.94	12.25	11.37	11.41
Jowar (per maund) ..	13.50	15.00	11.75	13.00
Other commodities :				
Gur (pansera) (per maund) ..	17.75	17.00	17.25	23.00
Khandsari (dry) (per maund..	34.00	39.50	42.00	44.00
Pepper (ready) (per maund) .	245.00	225.00	205.00	98.50
Oilseeds :				
Groundnut (Nizam bo'd) Per cent	44.00	49.50	39.25	36.00
Castorseed (Madras) Per cwt.	33.87	35.25	32.50	30.37
Linseed (Bold) Per cwt. ..	32.50	33.62	34.00	34.62
Cotton (Mogtal Jarilla Fine H") per candy	820.00	950.00	950.00	755.00

The latest reports from the different parts of the country indicate that prices of foodgrains have generally registered a fall and that they have not shown any distinct tendency to rise even in areas affected by drought such as Andhra Pradesh and Mysore or in the flood-affected areas in Orissa. The decline in prices is attributed to larger arrivals in the terminal markets and brighter crop prospects for the 1960-61 season. The comfortable supply position must be attributed to large-scale distribution of grains through fair-price shops and continued curbs on bank advances against grains. The total production of foodgrains in 1960-61 is expected to be of the order of 74.00 million tons, as against 71.75 million tons in 1959-60 and 74.92 million tons in 1958-59; sometime last month, Mr. S. K. Patil had put the production even at 75.00 million tons. In a Press interview at Madras on Sunday this week, Dr. Punjabrao Deshmukh, Union Minister for Agriculture, stated that there would be a record paddy crop this year, despite droughts and floods in several regions. He expected the country to be fairly self-sufficient in rice, especially because many people had started supplementing their diet with wheat.

With the anticipated increase in production and the monthly arrivals of about 300,000 to 350,000 tons of foodgrains from the U.S. under the 17-million-ton P.L. 480 agreement, the prices of foodgrains should, other things remaining the same, seek lower levels in the coming months. In sympathy with foodgrains and following improvement in the production of sugarcane, *gur* and sugar, the prices of these sweetening agents may also be expected to record a fall. The sugarcane crop harvested in 1959-60 was a bumper one, being 75.04 million tons, which compared very favourably with 70.46 million tons produced in 1958-59. Indications are that the current season will witness a still higher level of cane output. The all-India first estimate of the cane crop for 1960-61 puts the total area at 5,157,000 acres (2,087,000 hectares), as against 4,975,000 acres (2,013,000 hectares) sown in the previous season.

Another important agricultural commodity the prices of which have tended to recede of late is cotton. Moglai Jariila (25/32" staple length length) is currently quoted in Bombay at Rs. 820 per candy of 784 lbs., as against Rs. 950 touched in July. Nevertheless, it is still much higher as compared with the rate of Rs. 755 prevailing this time last year. The prices may fall further, albeit only slightly, as more and more of the current crop and also imported cotton arrive in the different markets. The psychology of shortage among traders is gradually yielding place to one of adequacy.

Oilseeds have also staged a retreat in the past few weeks, but market circles feel that prices will once again harden in the not too distant future. This view is based on the ground that the supply position will fail to keep pace with the rising trend of demand. The trade estimates of the oilseeds crops for 1960-61 place the total output at no more than 6,440,000 tons, which, though it compares slightly favourably with 6,352,000 tons in 1959-60, is substantially lower than what was actually harvested in the 1958-59 season, namely, 6,907,000 tons. The groundnut crop is estimated at 4,500,000 tons in shell (4,390,000 tons in 1959-60 and 4,812,000 tons in 1958-59), castorseed at 115,000 tons (108,000 tons and 112,000 tons), linseed at 422,000 tons (425,000 tons and 447,000 tons), sesamum at 400,000 tons (392,000 tons and 511,000 tons), and rape and mustard at 1,000,000 tons (1,037,000 tons and 1,025,000 tons).

It will be evident from this brief resume that agricultural commodities will generally rule easier in the next few months. If the advantage of a fall in prices is to be enjoyed by the widest section of the community, the Government should allow sufficient time for prices to stabilise themselves at a reasonably lower level before plunging into price support measures. One is constrained to stress this point, because of Dr. Deshmukh's remark early in the week that the Government should protect the farmer when there are bumper crops and prices fall and that minimum prices must be fixed for various commodities in consonance with the prices of other articles. This journal is no less anxious than the Government that agriculturists should be assured of fair prices. Only, fair prices should not mean inflated prices which are not fair to consumers.

ENGINEERING EXPORTS

It is now abundantly clear that a viable balance of payments position cannot be reached by India, unless its capacity to export is strengthened alongside expansion of production in the different sectors. Although every effort must be made to augment exports of traditional commodities like tea, cotton textiles, jute manufactures, coffee, vegetable oils, tobacco, shellac and pepper, increasing reliance will have to be placed on new items of exports such as engineering, chemical and pharmaceutical goods in which India has made some substantial progress in recent years. The scope for earning much precious foreign exchange through enlarged sales abroad of engineering goods in particular seems to be vast. This at any rate is the view held by persons who are well informed. In his speech at the recent annual meeting of the Jay Engineering Works Ltd. held at Calcutta, Lala Shri Ram, Chairman of the Company, for instance, expressed his confidence that, by the end of the third Plan, exports of engineering goods alone could rise to Rs. 50 crores a year, provided the Government and the manufacturers were to "make up their minds."

The Government is no doubt fully conscious of the urgency of promoting exports. In fact, quite a number of steps have been taken. Nevertheless, much still remains to be done. Of utmost importance is the need for a quick decision on the part of the Government as regards the various incentives to be given for exports or difficulties to be removed. Lala Shri Ram did well to lay special stress on this aspect. An interesting suggestion he threw here was the appointment of a high-power committee consisting of, say, the Secretaries of the Finance, Industries, Steel and Railway Ministries and two representatives of the Export Promotion Councils, "with very wide power to take quick decisions and implement them without too much of red-tapism." He also urged provision of long-term credit on exports of engineering goods at a low rate of interest and concessions in income-tax.

Lala Shri Ram had also a word or two to say to fellow industrialists. He exhorted them to make every effort to export more and more year after year, though the margin of profit might be lower than in the case of the domestic market. Indeed, he wanted them to share *pro rata* on the basis of their production such loss as might be suffered by those whose goods were of approved quality and who exported over a specified minimum. He even went to the extent of suggesting that, if manufacturers could not form their own associations for this purpose, a small cess might be levied and that the exports of these goods might be handed over to the State Trading Corporation which would utilise the normal trade channels for the purpose.

The aforesaid suggestions of Lala Shri Ram amount to a plea for the provision of a subsidy. There is nothing revolutionary nor novel about it. Even highly developed countries have resorted to such practices from time to time. Britain, for instance, has followed for a long time a system of two prices, one for the home market and another for export markets. As engineering industries in India will have to compete with their confreres in the developed countries, who have had the benefits of low capitalisation and higher technological and marketing efficiency, there is a strong case for giving special facilities to exporters of engineering goods, though this may not be true of consumer goods or food articles. But care must be taken to ensure that such assistance does not (*a*) lead to an unduly high price for domestic buyers of engineering goods, (*b*) serve as a cover for inefficiency on the part of either management or labour and (*c*) engender a sense of complacency among the exporters in the discharge of their normal functions such as market research and sales promotion. Lala Shri Ram, however, carries his enthusiasm for exports too far when he advocates the use of State Trading Corporation. While there may be a need for collective action on the part of manufacturers to push through exports of products which have to face stiff competition from superior sources, the S.T.C. is unlikely to replace or meet that need effectively. Lala Shri Ram's confidence in the ability of the S.T.C. to pioneer export markets in engineering items, requiring after-sales servicing, etc., is unlikely to be shared even by his colleagues in industry and trade.

TOBACCO

India is one of the largest producers of tobacco, next only to the U.S. and China. Although the area under tobacco cultivation in India is only about 0.4 per cent. of the total area under cultivation, it plays a significant role in the economy of the country. Tobacco provides employment to about 1,600,000 growers and 900,000 curers in the country. Besides, about 500,000 merchants and commission agents are engaged in this trade. Moreover, the industry gives employment to millions of people in different forms and in different parts of the country. Tobacco is a good source of income to growers and traders alike. Indeed, in some parts of the country, tobacco constitutes the most important cash crop and the mainstay of the cultivators. Apart from earning about Rs. 12—14 crores of foreign exchange annually, it contributes about Rs. 45 crores to the Government's revenue by way of excise duty. The value of the total output of raw tobacco is estimated at about Rs. 50 crores a year. The total production rose to 281,000 tons in 1959-60, from 261,000 tons in the previous year. Despite the puritanical aversion for smoking and chewing in India, the consumption of this commodity has been on the increase in recent years reflecting the extent to which the country is getting sophisticated. Inaugurating the All-India Tobacco Seminar at Guntur (Andhra Pradesh) this week, Dr. Punjabrao Deshmukh, Union Minister for Agriculture, pointed out that, along with the increase in population and national income, the domestic demand for this stimulant also would steadily go up in the years to come. He, therefore, emphasised the need for raising production of good quality tobacco. Emphasis should be laid, he took care to add, on increasing the yield per acre. This point needs to be particularly stressed, since extensive cultivation of this cash crop will trespass upon the land available for food and vital cash crops. The output of tobacco should, therefore, be raised mainly by adopting better techniques of production, use of good seeds and the like.

While an increase in tobacco production will be quite welcome, it must be borne in mind that adequate outlets also must be found for it. In recent years, tobacco growers have been experiencing periodical crisis of mounting stocks and fall in prices. This state of affairs will not be conducive to the growth of tobacco cultivation. Now, only about 14 per cent. of tobacco produced in the country is exported. It should be possible to raise this percentage, provided the right type of tobacco were grown. Dr. Deshmukh rightly insisted that growers should devote greater attention to improve the quality of their produce, if they wished to sell more of it in overseas markets. The prospects for exporting top grade tobacco, such as the *virginia* variety, are quite bright. Dr. Deshmukh highlighted this point by drawing attention to the fact that, although top grades accounted for only about one-third of the total production, they accounted for as much as two-thirds of the total value of exports. Practically, the entire top grade tobacco was being purchased by the U.K. Emphasising the need for expanding production of top-grade tobacco further, Dr. Deshmukh observed:

"By and large, there has been no difficulty in the marketing of our top grades and even medium grades of *virginia* tobacco. There is, however, no regular outlet for the low grades. You will recollect that some time back, the low grades had accumulated and had presented a serious problem. They were, however, cleared, albeit with some difficulty, thanks to the interest shown by China in these grades. China took 28 million lbs. of unmanufactured tobacco in 1956-57 and 21 million lbs. in 1958-59. She, however, did not enter the market during last year nor is there any indication that she will do so this year. It is, therefore, necessary to find alternative markets for these low grades, so that the tobacco trade is not faced with the problem of accumulation of stocks. Simultaneously, however, efforts shbuld be made to improve the quality of our produce so as to minimise the outturn of low grade."

It will be seen from the aforesaid quotation that Dr. Deshmukh has clearly established the case for switching over from low and medium grades to high grades. But it is not enough if this point were established before a select gathering in Guntur. The message must be conveyed to every tobacco grower in the country and, what is more, he must be enabled to effect the necessary change in cultivation. It is the responsibility of Dr. Deshmukh to see that the State Governments concerned successfully carry out the task.

There is no denying the fact that grading and standardisation of tobacco, and the compulsory scheme for quality control, introduced in 1945, have gone a long way towards winning the confidence of importers abroad. Before the introduction of these measures, Indian exports of tobacco were quite insignificant, fetching no more than a crore of rupees. This has now gone up by over 10 times. India has now actually become the fifth leading world exporters of tobacco, after the U.S., Federation of Rhodesia and Nyasaland, Turkey and Greece. The moral is clear.

I.B.R.D. SURVEY OF LIBYA

Libya brings immediately to one's mind the decisive battles waged by the British Army against the Germans on the North African front in the last World War. This former Italian colony became independent in 1951 and has since been governed by a constitutional monarchy, with a federal system of government which provides for a large measure of autonomy to each of its three provinces, Tripolitania, Cyrenaica and Fezzan. But this Moslem country which has four (federal and three provincial) separate governments, each with its own head of state, parliament, cabinet and extensive range of departments, has a population of only 1,153.000. With an area well over half the size of India and a population density of one per square kilometre, Libya may seem to be woefully underpopulated. But there is no warrant for any such impression, for the land is almost entirely desert and most of the people live along the narrow Mediterranean coast and just 100,000 near oases widely scattered throughout the country.

This underdeveloped country, for which national income statistics are not readily available. seems now to be poised for expansion under the impact of the recent discovery of oil. This much is recognised in the report (*The Economic Development of Libya*) of a survey mission organised by the World Bank at the request of the Libyan Government. But this recognition that the discovery of oil holds out the long-term prospect of establishing a prosperous economy is qualified by the finding that the petroleum industry is unlikely in itself, either directly or indirectly, to provide employment and wages for more than a fraction of the Libyan people. The qualification is certainly necessary in the light of experience in some Middle East countries which, with their excessive reliance on the petroleum industry, have not developed well in all directions. It is. perhaps, with a view to avoiding a repetition of such experience in Libya, too, that the World Bank Mission has surveyed the possibilities, and suggested plans for all-round economic development of that country. The Mission's specific recommendations for a five-year plan are calculated to develop all sectors of the economy.

A high priority in this plan is rightly given to training of skilled manpower, because the rate of economic growth will be powerfully influenced by the supply of professional and technical personnel. An equal priority is assigned to the creation of a more effective organisation to plan and execute economic policies and projects. This, according to the Mission, can be done only by strengthening the authority of the federal government and by securing better co-ordination between the Centre and the provinces. Since the oil boom has its inflationary impact on the Libyan economy, the Mission has suggested liberalisation of import policy, immigration of skilled workers from abroad and invitation to foreign firms to undertake major construction projects. Even if all this is done, conditions in Libya will still not favour the development of industry on a large scale. Greater reliance will, therefore, have to be placed on agriculture, animal husbandry and fisheries and on tourism for increasing the national income. The Mission has suggested several suitable measures for the development of these sectors.

COLOMBO PLAN

In assessing the achievements of the Colombo Plan, the Colombo Plan Council has, indeed, been very modest. The Plan alone, says the Council in its annual report for 1959-60, cannot claim credit for the changes for the better that have occurred in the countries covered by the Plan since its inception in 1950. But it justifiably claims that "it can record that the novel forms of international co-operation that it was convened to promote only nine and a half years ago are accepted and working smoothly in South and South-East Asia and in the Colombo Plan countries outside the area."

Here is proof of the more tangible benefits which the Colombo Plan has brought to member-countries apart from encouraging economic and technical co-operation which it, no doubt, did. Since 1950, when the plan took shape, as many as 15,116 persons in South and South-East Asia learnt new skills and attained higher standards of efficiency in skills previously acquired. 1,729 experts visited the countries of the region to perform and demonstrate a wide variety of highly technical tasks. Equipment valued at £9.50 million came into South and South-East Asia. The overall cost of the Colombo Plan technical aid borne by countries providing the training or supplying the experts and equipment is estimated at £46.40 million. In 1959-60 alone, 4,268 persons received training in skills, ranging from steel engineering to journalism and printing. 535 new experts, in addition to those already in the field, and equipment valued at £2.96 million were supplied by the donors to the member-countries.

It is gratifying to note that India played a leading role in this international give and take of technical assistance. Of the 4,268 trainees given training last year, 1,045 persons were from India. Of the 535 experts, India received 93. On its part, India supplied four experts and provided training facilities for 272 trainees, bringing the total number of persons trained by it since the inception of the Plan to a respectable figure of over one thousand. In fact, of the eleven countries which provided training facilities to their Colombo Plan partners in 1959-60, India ranked fifth, next only to the U.S., the U.K., Australia, and Canada.

It is a measure of the success of technical co-operation under the Colombo Plan and other aid programmes that, in a number of practical and technical skills, the countries of South and South-East Asia are now in a position to provide a high level of training for their own people. It is a heartening feature of the Plan that member-countries, which have good training facilities to offer, are willing to make them available to others that still lack them. It is true, as the annual report of the Council pertinently remarks, that ten years is too short a time to bring about dramatic changes in the welfare of 700 million people. But there can be no doubt that, apart from providing training facilities, experts and equipment so badly needed by the countries of the region, the Colombo Plan has been instrumental in the recipient fostering that spirit of international economic co-operation among the member-countries for which it has become almost a synonym.

THE GOLD RUSH

(From Our Own Correspondent)

LONDON, 21*st October*

THE fantastic rise in the price of gold on the London Bullion Market at the end of this week is the result of speculative frenzy operating with inadequate supplies. The possible repercussion of this agitation of the market and the rumours to which it gives rise may become significant. At the moment of writing, it is a tempest in a teacup.

LONDON LETTER

The London gold market works in a fairly rigid manner. Every morning, the broker members meet to marry off purchases and sales and to agree on a price at which all such business should be settled. Gold may be purchased by holders of foreign currencies or overseas holders of free sterling; apart from the direct offerings which may be made to brokers, the only source of supply which they have is the Bank of England which is acting as the agent of Commonwealth banks of producer countries. The market itself is completely free and, when there is no speculative rush, sales from the Bank of England to the market or even by the Federal Reserve Bank (the U.S.) are enough to keep it in balance. The price at which it will be kept in balance is normally the price at which gold, sold by the Federal Reserve Bank at a fixed $35 per ounce can be resold in England—allowing about 9 cents for the Federal Reserve Bank's charges and about 15 cents for shipment, there should normally be a ceiling price in the market of not more than $35.25. But, on Tuesday the 18th inst., the ceiling was exceeded by 10 cents, on Wednesday by a further 20 cents; and, on Thursday, the normal price was lost in a wave of speculation which at one time put the price at $41.

Anyone buying gold at this price is going to lose money, unless the American price of gold is altered; that is, the dollar is formally devalued in terms of gold.

The position of the Federal Reserve Bank is that it buys and sells gold without limit at $35, but only to and from central banks and, of course, U.S. producers. Theoretically, the Bank of England could buy gold from the Federal Reserve Bank and sell it in the London Bullion Market and make a profit until prices come back to parity. But, if it did this, it would be indulging in the same game of speculation against the dollar and, since the Federal Reserve Bank could quite easily sell gold into London if it wants to, the business of controlling the market can just as well be left to the American authorities.

Each week sees a gold drain from America. The total for the year to date is some $875 million, reducing the present stock to the equivalent of some £6.500 million. The U.S. remains the world's richest gold depository, and it can afford a drain even of this order for some time. The reason for the drain is not the activity of the gold market, except in a very indirect sense. Americans and dollar holders can get better rates on their money in Germany and the United Kingdom than in the United States. There have been heavy flows of dollars (hot money) into these countries and Switzerland. But now that Switzerland is penalising hot money by refusing to pay interest on it and even charging a commission, some of the American funds are being switched into gold.

There are, therefore, two gold markets in the world. The first market between central banks in which gold is priced at $35, and the second the free gold markets, such as the London Bullion Market in which the price may be anything if demand sufficiently outruns the supply. The latter market is at the present moment simply the playground of either scared American investors or anti-dollar speculators. The Federal Reserve Bank and, indeed, the American Government have stated that there is no intention to devalue the dollar and the buyers on the gold market can do what they like—it will make no difference to the transactions between central banks. On the other hand, there is no doubt that they would like to see Bank rates in Germany and Britain come down and so stop the excitement of the American dollar exporter. The real culprit is considered here to be Western Germany, which, with a very active balance of payments, persists in operating as if it were a poor country which must fight inflation and can neither invest enough abroad or attract sufficient imports.—*All Rights Reserved.*

EFFECTS OF HIGH TAXATION

KEYNES' OBSERVATIONS IGNORED

THE idea that increased taxation is necessarily anti-inflationary is based on a peculiarly static view of the economic process. It assumes that, if the Government imposes higher rates of taxation or additional (new) taxes, the extra revenue represents money extracted from the community and to that extent the community's spending is reduced. But this approach ignores entirely the dynamics of the matter—it ignores entirely how the community is likely to react to the additional taxation which it now finds itself compelled to pay. The community does not submit passively to higher taxation. It finds the increased taxes irksome, and the natural irritation which it feels is translated into a desire to do something about it. In one way or another, the different sections of the community eventually take action to counter the effects of the increased taxes on their own pockets. And this activity inevitably gives rise to inflationary consequences.

Let us suppose that the increased taxation takes the form of higher rates of personal income taxation, designed, in the main, to reduce consumer expenditure. The wage- or salary-earner finds his pay packet lighter; the private business man his profits lowered; the professional man his income reduced. They do not take this "lying down." They seek round for ways to circumvent the impact of the higher taxes on their incomes. In the case of the wage- and salary-earner, this will soon result in a "build-up" of pressure for higher wages or salaries; the professional man may decide to raise the scale of his fees or charges; the business man will endeavour where possible to lift his prices so as to maintain his profits intact.

Nor would these consequences be avoided if the increased taxation took the form of higher indirect taxes on items of consumer expenditure. Apart from the undesirable direct effect of such taxes in raising prices, the higher living costs will give rise to a similar series of consequences as the various sections of the community adjust themselves to the new situation and endeavour to maintain their real income intact.

On the other hand, if company tax is increased, the tendency of companies will be to treat the additional tax as a cost and raise their selling prices in order to maintain their profits. For instance, companies engaged in constructional work, which look for a given profit on jobs they quote for, will almost certainly raise their quotes to cover the additional tax. If the jobs are Government jobs, the practice will increase the cost of capital projects and involve Governments in additional expenditure.

Raw Material of Economics

One of the great laws of economics which Keynes propounded—but which has somehow been mislaid by many of his followers—is that people develop a habitual standard of life which they do not willingly or easily relinquish and which they strive to maintain. Keynes never forgot—indeed how could he—that the primary raw material of economics, in its practical sense, consists of human beings and that natural human reactions to given measures of policy could be ignored only at the possible cost of rendering the measures abortive. With too many economists today economics has become a kind of exercise in simple mathematics, of addition and subtraction, so that, if you subtract so much from this form of expenditure and add it on to that, total expenditure is unaltered and balance is maintained. This ignores human reactions to the measures undertaken and makes of economics a far simpler thing than in fact it is.

Keynes applied his concept of a "habitual standard of life" to his analysis of the effect of a change in income upon the spending and saving of the income recipient. He argued that, faced with a reduction in income, a man would tend to reduce his savings rather than his customary expenditure on consumption. This is not without relevance to the problem we are considering.

An increase in taxes designed to reduce expenditure on consumption will be nullified, at least in part, by the fact that people will call upon their savings in order to maintain their spending on their everyday needs. Increased taxation will thus mean a reduction in voluntary savings.

It might be argued that, while increased taxation would have little or no effect on spending for consumption, the drawing down of savings will mean that less money will be available for private investment. As a consequence, investment expenditure will be reduced and this will have at least some deflationary effect. But, in an environment of full employment and rapid economic development and expansion of markets, it is hardly likely that business men will submit tamely to this situation. They will strive to obtain their funds from other sources, by additional borrowing or, if that is denied to them, by competing for some of the savings going into Government and semi-Government investment; or by raising prices to provide additional finance from their own earnings. All these responses would intensify inflationary pressures—the first and third obviously, the second, by forcing the Government to seek other avenues of finance to maintain its own expenditure.—*By courtesy of* REVIEW, *published by The Institute of Public Affairs, Victoria, Australia.*

DOUBLE TAXATION IN EUROPE

The third report of the O.E.E.C. Fiscal Committee, entitled *The elimination of double taxation* follows on the two reports published under the same title in 1958 and 1959. It contains a new series of five articles which the Council of the O.E.E.C. recommended member-countries to adopt in the double taxation conventions applying between themselves, together with detailed commentaries of an illustrative and interpretative nature. Two of these articles are of special importance, as they contain uniform rules concerning the allocation of profits to permanent establishments and associated enterprises. The adoption of these articles in double taxation conventions will make it possible to clarify, standardise and guarantee the fiscal situation of taxpayers in each member-country who are engaged in commercial, industrial or financial activities in the member-countries.

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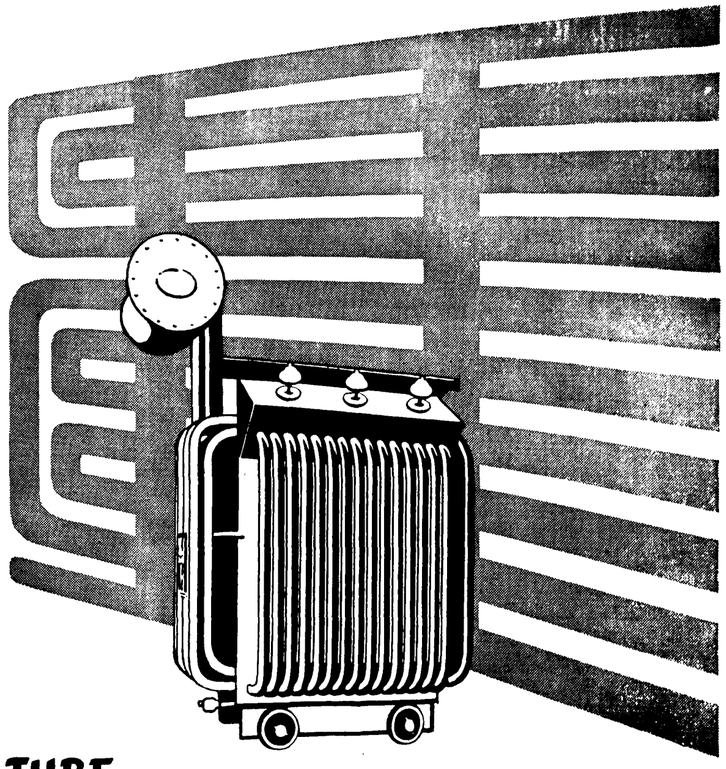

INDIAN TUBE

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TAXATION IN THE THIRD PLAN

RESTRAINT ON CONSUMPTION UNDERESTIMATED

By Dr. B. Natarajan
DIRECTOR, NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH

IT is important that we clearly understand the real magnitude of additional taxation implied in the successful carrying through of the programme of investment envisaged in the draft third Plan. For the estimates of the requirements of additional tax revenues reflect the extent to which private consumption has to be checked over the Plan period in order to finance increased Government consumption and investment without generating inflation.

Increases in income are expected to arise as a result of increased public and private investment. At the same time, the resources needed for the extended scale of investment are to be tapped from the increased flow of incomes as the process of development moves along. It is clear then that increases in investment and in income are interdependent in a very real sense. Unless incomes rise, as expected, in a given year and unless part of the increase is made available for investment, the level of investment in the subsequent year will fall below the target. Assuming that national income does increase in the given year according to expectations, there arises the crucial problem of appropriating part of the increase for purposes of investment. Failure at this point will prevent the realisation of the income targets for the succeeding years.

Part of the increase in incomes in the private sector will be made available for investment through voluntary savings by individuals and non-profit institutions and through the retention of part of the increased profits by corporations. This forms a common pool of voluntary savings on which both private enterprise and the Government have to draw upon. Over the third Plan period, the amount that is likely to be available from this pool for financing increased Government investment is expected to fall far short of needs. This shortfall has to be made good by increasing the tax and non-tax revenues of the Government. Since however, non-tax revenues are quantitatively not very significant, the major emphasis is placed on increasing tax revenues.

Increases in tax (and non-tax) revenues are required also to finance expected (and presumably unavoidable) increases in current expenditure outside the Plan as well as a certain amount of current outlay under the Plan. When one is estimating the magnitude of increase in tax revenues necessary to implement the Plan, one must consider the total requirements of finance, i.e., the total needed to meet Plan outlay and increases in expenditure outside the Plan. The Planning Commission has no doubt taken into account the probable increases in current non-Plan expenditure in estimating the resources available for financing the Plan, but it has failed to state explicitly how much of the additional resources will be required merely to meet increases in non-Plan expenditure.

While discussing the methods of financing the Plan, the draft third Plan report mentions Rs. 1,650 crores as the target of additional taxation. It must be noted here that the term "additional taxation" is used by the Planning Commission to mean only the yield, over the five-year period, of measures adopted to raise additional tax revenues. These measures would mainly consist of the raising of the rates of existing taxes and the imposition of new taxes, but measures to reduce evasion may also be included in this connection. It would be wrong to assume, however, that a sum of Rs. 1,650 crores is all that *the people are required to pay in the form of additional tax revenues* in the five-year period, because, as noted above, "additional taxation" for the planners means only the yield of additional taxes and *does not include the increases* in the yield of already existing taxes at rates at which they are presently being levied.

To explain. The total tax revenue of the Centre and the States is placed at Rs. 1,250 crores in 1960-61. Even in the absence of additional tax measures, tax revenue at the existing rates of taxation will progressively increase merely as the result of increases in income and economic activity. Therefore, the people will be paying, say, Rs. 1,345 crores in 1961-62, Rs. 1,440 crores in 1962-63 and so on; in 1965-66 tax revenue may amount to Rs. 1,710 crores. (These are only illustrative figures, but they are more or less equal to the figures arrived at by the Planning Commission in their projections of revenue at existing rates of taxation.) It follows that the additional tax (at existing rates) paid by the people in 1961-66 will amount to Rs. 1,395 crores. When the Planning Commission speaks of the target of Rs. 1,650 crores of additional taxation, it means that we should attempt to raise by additional tax measures Rs. 1,650 crores, in addition to the Rs. 1,395 crores mentioned above. If the target is to be fulfilled, the people must be made to pay total *additional* tax amounting to Rs. 3,045 crores in the five-year period. To be sure, this is supposed to be paid out of the additional incomes generated in the economy, but it is important for us to remember that this is the magnitude of restraint to be placed on increases in private consumption through the mechanism of taxation.

In view of this, it is indeed misleading to say that only Rs. 1,650 crores of additional taxation is needed to finance the Plan. Since this figure is often repeated in Parliament and outside, one may easily come to believe that the additional tax money people are asked to pay amounts only to Rs. 1,650 crores. The Planning Commission is, of course, aware that this figure refers only to the yield of new tax measures. But how many others are? Here is a report of Mr. Morarji Desai's statement in Parliament: "Stating that additional taxation to the extent of Rs. 1,650 crores both by the Centre and the States during the third Plan period was by no means easy, Mr. Desai said, 'It will certainly be a burden on the country. But the burden is not such as it cannot be borne. . .'" It is obvious that statements such as these are misleading if not actually incorrect. If the magnitude of the effort is to be fully revealed to all concerned, the total figure of Rs. 3,045 crores (or whatever the actual figure may be) should be mentioned.

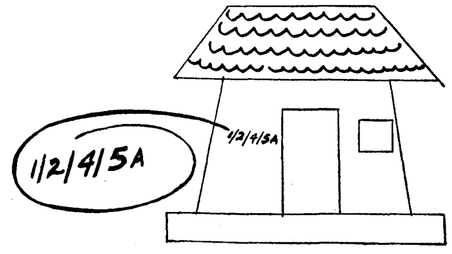
In the draft third Plan it is estimated that the balance at the present level of taxation will amount to Rs. 350 crores. This figure has been derived by deducting the projected increases in non-Plan expenditure from projected increases in revenues at the existing rates of taxation. In other words, a large part of the automatic increases in tax payments is absorbed by the increases in non-Plan expenditure. That is how the total automatic increase in tax revenues gets concealed in the figure. It would have been better for all concerned if the Planning Commission had chosen to reveal how exactly the figure of Rs. 350 crores had been derived.

We may conclude that the scheme of financing proposed by the Planning Commission carries with it the implication that the magnitude of restraint on additional private consumption, to be achieved through mechanism of additional payments, would amount roughly to Rs. 3,000 crores.

But even this degree of restraint is insufficient. The scheme contains provision for deficit financing to the tune of Rs. 550 crores. Leaving aside for the moment the concomitant expansion of private credit, we may say that deficit financing by the Government on this scale will place a further restraint on private consumption because the first result of deficit financing is appropriation by the Government of real resources in the community for purposes of investment. If national output is increasing fast, prices will tend to fall in the absence of any deficit spending. That would enable the people to enjoy an increase in real incomes and hence in consumption. By preventing or at least arresting somewhat a fall in prices, deficit spending checks a possible rise in consumption. Hence, if we take into account Rs. 550 crores of deficit spending, the total restraint on consumption or forcible withdrawal of spending power implied in the Plan scheme amounts to nearly Rs. 3,600 crores. It is against the background of this fact that the political and economic feasibility of implementing the draft Plan should be considered.

CENSUS 1961

10 February—5 March



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CREDIT RESTRICTIONS IN BRITAIN

GOVERNOR AGAINST KEEPING THEM TOO LONG AND TOO RIGIDLY

THE recent issue of a long-term loan—5½ per cent. Treasury stocks repayable in 2008-12—by Britain has touched off speculation in that country over the prospect of a relaxation in the application of credit restraints. This "eternity" issue, as it is called, with an incentive for overseas investors that tax will not be deducted at source, is interpreted in financial circles as a move to encourage a trend which is already in evidence, namely, substantial purchases of gilt-edged securities in the London market by foreign investors. It is felt that it is a move to retain a large part of the 'hot' money (short-term funds) which has been flowing into Britain as a result of the high interest rates prevailing in that country as permanent investment and thus prevent a flow back of the short-term funds to the countries of origin. Such retention of overseas funds might, it is felt, relieve the pressure on domestic resources and obviate the need for continuing the present credit restrictions, which have been the subject of severe criticism by British industrialists.

The prospect of an immediate relaxation of credit restraints, let alone complete removal of them, has been ruled out by the Chancellor of the Exchequer and the Governor of the Bank of England. Speaking at the Lord Mayor's dinner (commonly known as "Bankers' Dinner"), at Mansion House last week to the bankers and merchants of the city of London, the Chancellor, Mr. Selwyn Lloyd, made it clear that "it is too soon to talk of demand becoming insufficient." He, however, reiterated his assurance made two weeks ago at the Conservative Party Conference at Scarborough that "the current restrictive measures will be eased just as soon as we think it is safe to do so in the interests of the economy of the country as a whole. That is, as soon as we judge that the rate of investment and the growth of exports will not suffer thereby."

Demand Still High

Dispelling all fears that the investment demand was not sufficient, Mr. Selwyn Lloyd said:

"When we stand back at this half-way point in the financial year and look at the picture as a whole, we need a sense of proportion. In some ways, we are stronger than we have been. Our productive system is more fully employed now than it was when the restrictive measures were taken. Investment demand in particular is, and looks like remaining, strong. A high level of productive capital investment is essential, if Britain is to earn her living in world markets that are becoming increasingly competitive.

"And it was always the hope of my predecessor that the restrictive measures which he introduced earlier this year would exert a greater restraining influence on consumption than on investment, a hope which has been largely fulfilled. But we must not forget that an investment boom, however welcome in its longer-term effects, exerts, in the short run, considerable pressure on our total resources."

Speaking on the credit restraint measures, the Chancellor claimed that the new special deposit scheme had proved its worth, though he conceded at the same time that it had not been without its difficulties. "It has, like all new things," he added, "led to a good deal of discussion. I don't see any great mystery about it; the object of the calls which the Bank of England made was to put the banks concerned in a position in which it would be natural for them to take a rather stricter view of further expansions in their lendings. And this is what they have been doing. As the published figures show, there has already been a marked fall in the rate of increase in bank advances, and it may well be that the restraining influence of the calls already made is by no means exhausted." The Chancellor also justified the hire-purchase restrictions, which have provoked a considerable amount of adverse comment, probably more than any other of the measures of restraint. These restrictions have played their part in moderating the level of demand for credit. He was well aware that they bore heavily on a particular group of industries, but he added that they were a good deal milder than those imposed on previous occasions. "But in the long run," Mr. Lloyd added, "it is in the interests of all, including the manufacturers immediately affected, that the economy as a whole would be protected from more violent fluctuations."

No doubt, sterling has been strong in the exchange markets for most of this year and Britain's reserves have been rising, but the underlying position is still considered not good enough. Commenting on this judgment of the position, the Chancellor observed:

"For over a year now our current overseas earnings have not been enough to pay for imports and to meet our necessary public expenditures abroad and also to finance the large and steadily increasing flow of overseas aid and investment. Aid to underdeveloped countries is an obligation which we all accept; and we wish to do more. Overseas investment is in our long-term interest. But if our current earnings are insufficient, it means that our short-term liabilities increase and our position is necessarily weakened. It is true that the present level of our short-term interest rates has attracted a good deal of money to London. This has increased our reserves, but has brought a corresponding increase in our liabilities. Such an inflow does not provide a dependable basis for sustaining our long-term investment and aid policies."

The Only Remedy

The only remedy to correct the situation is to improve the export earnings and to restrict home demand. Emphasising this point, Mr. Lloyd said:

". . . . We have no alternative but to seek continuous improvement in our export performance. By comparison with our needs this has been disappointing in recent months. In the last six months, while imports have gone on rising, our exports have been levelling off. This makes it all the more necessary to make sure that home demand is kept within bounds, so that there is room for an expansion in exports, and a greater incentive to achieve it. We must be quite clear on the respective roles of Government and industry. The achievements of higher exports is primarily the role of exporters. The Government's role can only be indirect to help with publicity and information, to help with export credit guarantees, to reduce conflicting pressures at home, to negotiate fair trading conditions abroad and generally to remove hindrances."

With a view to improving Britain's exports, the Board of Trade has just announced the setting up of an Export Council for Europe and has made a limited extension of the facilities offered by the Export Credit Guarantee Department.

Governor's Views on Credit Restraints

The Governor of the Bank of England, Mr. Cameron Cobbold, also endorsed the views of the Chancellor on credit restrictions when he said that it would be unwise to make any changes in credit restrictions until there was no risk of "starting the pot boiling again." At the same time, he added that it would be equally unwise, in view of the developments in other centres, to maintain too much rigidity too long "merely for fear that minor adjustments might be misinterpreted as a change of direction."

Expressing his views on the special deposit scheme, the Governor observed:

"The special deposits scheme, as the Chancellor has said, is not particularly mysterious, and indeed it is very similar to schemes which have been in use elsewhere. I am not myself enamoured of any of these technical devices. Their usual purpose is to correct an excess of liquidity, which it would be better to prevent at the source. But prevention is not always possible, and special deposits have this year proved a useful addition to our monetary armoury.

"Without going too far into technicalities, I would add two comments on this subject. Experience so far has confirmed us in the view which we expressed to the Radcliffe Committee that this device is to be preferred to other similar arrangements having approximately the same effect. And I still have the feeling that any prolonged or frequent use of this system (or indeed of any form of credit squeeze on the banks, voluntary or compulsory) is both unfair to the organised banking community, and in the long run liable to be ineffective, unless some similar restraint can be applied to wider categories of short-term lenders."

Mr. Cobbold was of the view that it was too early to assess exactly the part played by monetary measures, individually or collectively, in restraining the boom which was gathering force in the last spring. "But experience since September 1957 suggests," he added, "that monetary policy, in general, and Bank rate, in particular, exercises greater influence now, when there is more underlying stability in the economy, than it could in the early years after the war, when the economy was distorted and inflationary pressures overwhelming." He, however, added that monetary policy could only carry a part of the burden of economic adjustment and could not be effective, if it was expected to work against, rather than in support of Government policies in fiscal and other fields.

The most notable development during the past twelve months was the heavy movement of international funds between different markets, as a result of different levels of interest rates in different countries. Commenting on this trend, the Governor said:

"It is a sign of freer trade and payments and of more international confidence. Provided that movements do not get too big and that there is no underlying disequilibrium, it need not bother us unduly. I see no cause to cheer when these short-term money movements cause our reserves to rise; nor shall I see cause to complain if our reserves fall because they go the other way. This is what reserves are for. And a good deal of what now looks like short-term money may, in fact, turn out to be more permanent investment.

"I hope that we shall all get more used to regarding the International Monetary Fund as a second line of reserves for this sort of purpose. Too little importance has been attached to the very large increase in their facilities which was arranged last year, and to the part which they can play in offsetting these movements. Provided that countries are pursuing proper financial policies, the Monetary Fund will doubtless be willing to stand behind them. I should like to see countries draw on these facilities as a matter of ordinary business when they need to reinforce reserves, and repay when reserves are rising; recent advance repayments by Her Majesty's Government have been an instance of this policy. If drawing on the Monetary Fund is regarded as only a last resort, then half its utility is lost because it will come to be seen as a crisis measure which may cause as much nervousness at it allays.

"Yet we cannot be wholly confident that these movements of funds between markets can always be kept within reasonable bounds. Any major and persistent movement which went unchecked might threaten stability. The mere fact that interest rates are materially higher in some countries with a balance of payments surplus than in some others with a deficit suggests that in the Central Banks and Treasuries of the world, we have still a good deal of hard thinking to do on this subject."

Cut in Bank Rate Possible

It is clear from the foregoing remarks of the Chancellor of the Exchequer and the Governor of the Bank of England that the British Government is not keen on keeping the credit restraints any longer than absolutely necessary. Observers in London feel that the day is not far off and that the restrictions may be relaxed, at least to some extent, early in the winter months. Reading between the lines of Mr. Cobbold's observations on international movement of funds, they are of the view that the Governor is not against a reduction in the Bank rate. Their expectation, therefore, is that a cut in the rate will be announced within the next few weeks.

TWO U.S. LOANS FOR INDIA

The United States Government has approved of two loans of $25 million (Rs. 11.9 crores) each, one to the Government of India for the importation of capital equipment and the other for financing imports of steel and steel products by private and public enterprises. The loans will come from the U.S. Development Loan Fund (D.L.F.), and will provide immediate help towards India's foreign exchange requirements during the closing months of the second Five-year Plan. The first loan will be used for procuring equipment to increase the productive capacity of small and medium-sized private industrial enterprises in the fields of metallurgy, electrical installations, machine tools, earthmoving equipment and chemicals.

The approval of a loan of this type marks a departure from the practice of D.L.F. in recent months, during which it has given only project type loans. In recent years, India's foreign exchange resources have been increasingly devoted to large-scale projects, in accordance with India's objective of self-sustained economic growth. Consequently, there is a need for foreign exchange to cover capital imports in the immediate months ahead for establishment, expansion and modernisation of smaller private enterprises. Funds provided by the D.L.F. are expected to attract additional investment of Indian rupees by Indian investors and to contribute substantially to strengthening the private industrial segment of the Indian economy.

Steel sheets are expected to account for more than half of the procurement under the second loan. The remainder will consist of tinplate, strips, tool and alloy steel, billets, wire and rods. This is the third loan given by the U.S. Development Loan Fund to India for steel procurement. The first agreement, signed in December 1958, provided for $40 million worth of steel for private and public sector undertakings; and the second, concluded in July 1959, for $20 million for private industrial projects. The loans bring the total of U.S. financial assistance to India so far to $3,679 million (Rs. 1,751 crores) of which the loans from the D.L.F. account for $429 million (over Rs. 200 crores). The loans from the D.L.F. are repayable in rupees.

DRAFT THIRD PLAN X-RAYED—V

TRANSPORT—COMMUNICATIONS—SOCIAL SERVICES

By J. M. Lobo Prabhu

AN investment of Rs. 1,220 crores is to be made on railways, to secure only a 3 per cent. increase in non-suburban passenger traffic, with no relief to the overcrowding. Seventy per cent. of the increase in freight will be on account of steel, coal and cement, which does not benefit the common man. An increase of 1,200 new mileage is promised, of which 200 miles is for the steel factories and the rest for areas in the north of India, to the obvious disappointment of the rest of the country. What are obvious deficiencies of the railways as far as the common man who finances the development is concerned? First, the extension of the lines to new areas. In 1947-48, the mileage was 33,985, in 1957-58 it was 34,889, the largest part of the increase serving steel factories. Independence, therefore, has not given the common people the advantage of railway connections which the British and private companies were constantly providing. The second deficiency is in respect of comfort. In spite of the heavy investment on coach-building factories, the Commission itself admits that overcrowding will continue, which implies not only discomfort but loss of revenue both from people who avoid travelling and from people who can travel without being checked. The third deficiency is that, instead of trains being speeded up, in many lines they are slower than they were thirty years ago. The fourth deficiency is failure to run in time, which is so general and chronic that the public is learning to allow at least half an hour for short runs and one hour for long runs, as railway time. The fifth deficiency is safety in travel which is alarmingly reduced by increase in accidents. If the Railway Board was challenged to furnish comparative statistics of accidents, the public would rise against it. Nonetheless, the capital at charge for railways has nearly doubled itself in the first two Plans and will be trebled in the third Plan. The Planning Commission has failed to examine all these questions, being content to be the post office of the Railway Board.

The proper programme for railways should give priority for extension of mileage as it not only serves the convenience of the people but the expansion of trade and industry. At the same time, work on the tracks can employ the idle labour in a far greater measure than work in railway factories and workshops. The commercial companies which gave India 34,000 miles of railways in ninety years knew this better than our own Government which has not given more than 900 miles, of which the greater part is for steel factories. The final Plan should, therefore, plan generously for new lines, the increased expenditure being well within the capacity of the country as it involves no foreign component.

Roads

In respect of road construction, there is similarly a neglect of the interest of the common people. While the Conference of Engineers recommended an increase of 252,000 miles for 20 years which would mean 60,000 miles for the five-year span of the third Plan, the provision is only for 20,000 miles. The Commission would rather spend Rs. 18 crores for adding 5,000 buses to State Transport Organisations, which, while denying people the convenience of private lines, are nearly all working at a loss. If there was denationalisation of motor transport, the public would gain by the competition of private lines, on one hand and by relief in taxation for maintaining uneconomic State transport organisations on the other. The increase in road mileage should not only be according to the recommendations of the Engineers but even more, as it is the best and most general way of reducing the unemployment of 45 million.

Shipping and Ports

The increase in shipping tonnage is to be welcomed, but we cannot afford State enterprise which is producing ships at double the world cost. For economy, both in investment and foreign exchange, we may invite foreign enterprise, which is all too ready to invest, in view of excess tonnage in most countries. We need not be afraid of political strings, because Cuba has just proved what was always true that, in the present conditions, it is the investing country which is more bound than the country in which the investment takes place.

In respect of ports, the Commission states that the policy is to improve the capacity of existing ports than to add new ports. This is not what the people of the country with the greatest coastline expected. The concentration on existing ports not only strains the capacity of labour and land, leading to payment of wages which are several times those of the class from which labour is drawn and creating problems of congestion, but also strains the railway system. At the same time, the other parts of the country are deprived of the benefit of shorter transport for development of their resources. Further, the whole country is exposed to the military risk of an unnecessary concentration. The Government, which appointed a Minor Ports Inquiry Committee, has wholly ignored its recommendations, thereby proving once again that committees are appointed only for their own sake and not for action to be taken. In the final Plan, unless the Government implements the recommendations of the Committee—this implies a reduction in the expenditure which Government is lavishing on its pet schemes—the maritime development of the country will be frustrated.

Aviation

There is a provision of Rs. 30 to Rs. 33 crores for air corporations. It is enough to remark that, if the Government had not nationalised air transport, the common taxpayer who cannot even afford a bullock cart would have been spared this investment and the continuing losses of income on the existing investment. On the contrary, the country would have derived revenues, as other countries do, from aviation companies which make large profits. The same is the position regarding broadcasting for which there is a provision of Rs. 7 crores. An income larger than that would have accrued if we had followed the example of at least Ceylon and left broadcasting to private enterprise. The result at present is that more people listen to Ceylon Radio than all the 28 Indian stations which broadcast only what the Government wants and not what the people like. The Planning Commission would have rendered good service to the country if it had made a listeners' research on Indian broadcasting. Both civil aviation and broadcasting are eminently suited for the denationalisation to which the Prime Minister is now attracted.

Social Services

Social overheads are very important but it is a moot question whether they are the cause or the result of economic overheads. Man does not live by bread alone but, without a sufficiency of bread, he cannot live for anything else. Education, health, social progress are only meaningful, when gnawing deficiencies do not cause frustration among people. The proposition can even be hazarded that, if the people are provided with economic competence, they will themselves take care of education, health and social progress. If without competing with other countries, the Government could concentrate on providing employment opportunities even on minimum wages to the whole population, plans for education, health, scheduled classes would follow from the people's own contributions.

The proposals for social services are further weakened by the fact that no assessment of the results during the two Plans has been made in terms of benefit to the people. Considering so much was new and experimental, the patterns adopted in the past ten years should be repeated only if they have justified themselves by yielding adequate results.

For school education, the Plan provides for an increase from Rs. 273 to Rs. 500 crores, largely to cover the increase in enrolment from 57 million to 87 million. The number of university students has increased from 634,000 in 1955-56 to 900,000 in 1960, the intake of engineering colleges from 5,888 to 13,165 and of polytechnics from 10,484 to 24,020 and the third Plan is to near double all these figures. Achievement is conceived in terms of enrolment and not of education. In the primary schools, half the students do not acquire literacy; in high schools, as well as in the recent university examinations, the proportion of failures was very high, that for the Mysore University alone being 78 per cent. In the universities, the Central Minister has recently admitted, the failures in the intermediate examination are 47 to 50 per cent., and in the degree examination 47 to 52 per cent. If failures are reduced in any proportion, there will be a virtual extension of education without extra cost. In the primary stage, the compulsion to be applied may be that no student once enrolled will leave, without attaining literacy. In the higher stages, admission may be strictly on the basis of merit, which will compel more attention to studies than any other measure. Teachers may be made more interested in their work, by being allowed a bonus related to the percentage of passes.

There are two obsessions with the Commission, first that primary education should be of the basic pattern and that higher education should be increasingly scientific and technical. The basic pattern is admitted to be more costly and has not been proved to be more efficient. No one who can afford it, including the Prime Minister and his colleagues, sends his children to the basic education schools. Unless a commission of experts, preferably foreign, examines the results of basic education, its extension should not be allowed. In respect of technical education, the danger is that there may be more qualified students than employment opportunities. Even now on the live registers of Employment Exchanges, there is a backlog of 14,000 in the industrial supervisory services, 105,000 in the skilled and semi-skilled and 69,000 in the educational service. It is even admitted in the Plan that this is in spite of the fact that technical employment is not preferred in view of the increased emoluments of unskilled workers.

The provision for health is to be increased from Rs. 230 crores to Rs. 300 crores. The results of past expenditure are not encouraging. The number of patients treated in 1947 was 430 lakhs and the expenditure Rs. 463 lakhs; in 1957, the patients were 1,334 lakhs, while the expenditure was Rs. 2,346 lakhs, which means that treatment now costs twice as much. This is not explained by any marked improvement, because corruption has now become the rule before one can get treatment in Government hospitals.

There is a provision of Rs. 25 crores for family planning, without considering the results of the past four years. With a monthly average of two cases of sterilisation, per centre at a cost of about Rs. 1,000, it would take thousands of years and thousands of crores of rupees to check the population. The experience of other countries is that a rising standard of living is the only effective check to population growth. It is on this the Government should concentrate, as also on increasing recreations which can take couples away from darkness and each other's arms. Even if the sum of Rs. 25 crores was utilised in establishing more cinemas in villages, sexual preoccupation would decrease, paradoxical as it may appear.

Housing

The provision for housing is the meagre sum of Rs. 120 crores, though 90 per cent. of the houses in villages and all houses in slums are not fit even for animals to live in. In other countries and even in our own towns, a house is regarded not only as the best investment but the highest expression of status and personality. Also, in other countries, even those most advanced, housing is subsidised by the Government, because housing provides employment by itself and in the industries which supply materials and implements to it. Our housing programme has first made the mistake of being largely confined to industrial and plantation workers, who are not satisfied because they only remain tenants, while the owners have to provide the finance the interest on which is higher than the house rent allowances they would otherwise pay. The idea of the Commission that construction of new factories will be conditional on simultaneous provision of housing will have two results: most industries will be prevented and those which are not will be so heavily capitalised that consumers will have to pay higher prices. The proper programme for housing must capitalise on house pride, induce investment of savings and provide by itself security for borrowing, being started on subsidies equal to about one-fifth of the investment. For village houses, which cost about Rs. 1,000, a subsidy of Rs. 250 involves a provision of Rs. 250 crores for one crore houses. If this provision is transferred from village and small industries, the latter will be resuscitated in a natural way, employing a vastly greater population than at present. The measure will be socialist not only because of the employment opportunities it will create but also because it will secure health and comfort through a cherished right of property created.

The provision for Social Welfare Projects has been raised to Rs. 25 crores, in spite of the finding of the Evaluation Committee that they have only provided fringe benefits to a small section of the people. Before time and money are

(Continued on page 771)

COTTON TEXTILE IMPORTS INTO U.K.

CEILING PACT BENEFITS CONTINENTAL EXPORTERS

WHAT is the future of the voluntary cotton textile export ceiling agreements entered into by India, Pakistan and Hong Kong with the United Kingdom? This question has now come to the fore, thanks to the concern expressed by some of the British textile manufacturers over the persistently upward trend of imports in recent months and the plea for ending the pact on ceiling put forward by traders and millowners in Hong Kong. One of the issues which figured prominently in the discussions at the recent Annual Conference of the U.K. Cotton Board related to the inter-industry agreements with India, Pakistan and Hong Kong. In his speech, Mr. Reginald Maudling, President of the Board of Trade, assured the Conference that he and his colleagues at the Board had been left in no doubt about the urgency of making an early approach to the other parties to the agreements about their renewal. A few days after the Conference, Sir Alfred Roberts, General Secretary of the Operative Spinners' Amalgamation, one of Britain's three big cotton unions, expressed his keen anxiety about imports of foreign grey cloth. In a statement issued to the Press on the 19th inst., Sir Alfred observed:

"The three countries which have voluntary agreements with Lancashire restricting shipments of cloth to Britain—Hong Kong, India and Pakistan—have between them increased their exports to Britain by over 58 million yards in the seven months to the end of July. These increases are provided for and are accepted. But the most disquieting feature is the increase in imports from other countries. These amounted to 114.5 million yards over the seven months as compared with 58 million yards in 1959. . . . There has been a further increase of 32 million yards in arrivals of other cotton cloth, making the total imports into Britain for the seven-month period approximately 410 million yards. This figure is slightly more than half of our own cotton cloth production for the same period. It is true that some cloths are imported for processing and re-export, but this fact by no means accounts for the substantial increase most of which is taking the place of our own production."

While the textile interests of Britain are complaining of large imports, their counterparts in Hong Kong have lately been urging the tearing up of the ceiling pact and resumption of unrestricted operations with those merchants in Lancashire who wish to acquire their cloth. A reference to this plea was made by our Manchester Correspondent in his despatch published last week (*vide* page 725). The Hong Kong General Chamber of Commerce has since come out with its review of the working of the pact during the first half of the three-year term beginning from February 1959. The chief conclusion drawn by the Chamber is that the Hong Kong-Lancashire textile pact has already cost the Colony dearly in terms of business lost to India, Pakistan and other countries such as Spain, Yugoslavia, Italy, Portugal and Sweden. "The benefit of the penalty thus imposed on the Hong Kong trade," to quote it, "is to benefit not the U.K. producer but, in the majority of cases, the overseas supplier. . . . Many Hong Kong exporters are unable to meet British orders because of a lack of available quota. This limit in supply has forced British manufacturers to turn to other sources for cloth which Hong Kong used to provide." Substantiating this charge, the Chamber has cited the following statistics:

Hong Kong's exports of cloth during 1959 were lower by 29 million square yards as compared with the previous year, while Pakistan's exports were higher by an equal quantity. Yugoslavia and Spain, which exported less than 1,000 square yards of cloth to Britain in 1958, shipped during 1959 six million yards and over seven million yards, respectively. The other countries that boosted their supplies of grey textiles to Britain were Italy (+99,000 yards) and Sweden (+129,000 square yards). Preliminary figures for the first six months of 1960 as compared with the corresponding period of 1959 show that British imports of grey cloth from India, Pakistan and European countries increased, whereas those from Hong Kong fell as is indicated below:

(In thousand yards)

	January-June	
From	1960	1959
India	128,950	80,140
Pakistan	22,029	7,023
Other countries (believed to be mainly European in origin)	49,578	6,244
Hong Kong	44,388	70,696

The Chamber has drawn attention to the many uses to which the cloth imported from Hong Kong into Britain is put. Much of the cloth forms the basis of the leather cloth that upholsters many British cars. Poplins and lightweight sheetings are used for making blouses, shirtings, pyjamas and similar articles of clothing. Heavyweight shirtings are used for bed linen and like uses. Shirtings, drills and denims find their outlet as shirts, overalls, loose covers for furniture and car seats. Gaberdines are used extensively in British-made raincoats and other cloths are used for the interlinings of suits, costumes and overcoats. The cheaper cost of the Hong Kong cloth used in these articles, it is stated, is reflected in the final cost to the public of the finished product and the fact that British manufacturers now use other and more expensive supplies means that, as a direct result of the undertaking, the prices of many goods made in the U.K. have been forced up.

Declaring that all cloth shipped to Britain from Hong Kong is sent in response to a definite order, the Chamber observes: "If a situation arises where the supplier must tell his customers that he cannot provide the required goods because he has undertaken not to do so, the customer clearly looks for another supplier not operating under such restrictions. It is well known that, in business, it is more difficult to regain a lost customer than to gain a new one, so that Hong Kong merchants may eventually find that their former customers are no longer available."

British cotton industry circles, however, feel that the arguments adduced by the Hong Kong General Chamber of Commerce are not without certain fallacies. It is pointed out, for instance, that the total annual limit for imports from the Colony was set at 164 million square yards, of which 46 million square yards were in the cloth equivalent of made-up garments. One important defect of the scheme has been to shift the emphasis from shipments of grey cloth to the provision of garments for the British home market. At the end of July 1960, imports from Hong Kong were running at an annual rate of 175 million square yards, comprising 75 million square yards of grey cloth, 10 million square yards of finished materials and 87 million square yards of made-up garments. It is, therefore, said that, although the weavers in Hong Kong may not be obtaining as big a share of the grey cloth trade as in the past, their material is being made up and exported in the shape of clothing.

There is no reason to believe that the severe criticisms levelled against the pact by the Hong Kong textile interests will result in its termination before the expiry date or in its non-renewal after the due date, though it is quite possible that, when the time comes for the renewal of the pact, the agreement will be suitably modified to accommodate the Colony's points of view. So far as India (and also Pakistan) is concerned, textile interests have made it clear to Lancashire that they would feel no longer bound to honour their own voluntary curtailment of exports, if Britain were to allow the arrangements with Hong Kong to lapse. This advance notice is, by itself, sufficient to stiffen the attitude of Lancashire interests and work hard for the renewal of the agreement. The President of the Board of Trade himself has, as mentioned at the outset, already endorsed their desire for the continuation of the present so-called voluntary understanding. All this, however, does not disprove the contention of Hong Kong that the ceiling pact has only conferred unexpected benefits on the Continental manufacturers of cotton goods at the expense of the underdeveloped Commonwealth countries. There is now sufficient evidence that the ceilings under the pact constitute an underestimate of the U.K.'s requirements. Unlike in previous years, the increase in imports of cloth into the U.K. have not in any way adversely affected production and employment in Lancashire. Nor has it created any balance of payments problem to Britain. Such being the case, there is no need for all this cry against imports of cotton textiles into Britain. Nor is there any need for renewing the present pact when it expires. Actually, Lancashire should gracefully agree not to insist on India's excess exports of cloth to be adjusted against its quota for the coming year.

STEPPING UP CLOTH PRODUCTION: A TIMELY WARNING

The series of measures taken by the Indian Cotton Mills' Federation have arrested the upward trend in cloth and yarn prices, at any rate for the time being. But if the move is to confer lasting benefits on the consumer, it is imperative to step up the production of mill-made cloth to a higher level. This will be possible provided the authorities extend all support and encouragement to the mill sector. Some of the steps that the authorities should take were impressively indicated by Lala Bharat Ram, Chairman of the Delhi Cloth and General Mills Co., Ltd., when he addressed the annual general meeting of the Company at Delhi on the 17th inst. In brief, the steps advocated by him are as follows:

Cotton imports must be immediately allowed not only to meet the needs of the current season and to make good the shortfalls of the last season but also to build up a sizable buffer-stock.

The mill industry must be provided with the means to achieve its target—sufficient supplies of raw materials at reasonable prices, adequate financial assistance for modernisation and renovation, and some restraint on fiscal burdens.

The production programme for cloth should be so drawn up as to ensure a reasonable balance between supply and demand.

In this connection, Mr. Bharat Ram warned against undue reliance on the decentralised sector to meet the expanding clothing requirements of the country in the coming years. Appropriately enough, he questioned the veracity of the figures pertaining to the production of handloom cloth, because the statistics were based not on actual reports of output but on the quantities of yarn released and the cloth that should have been woven from these. The official figure relating to output of handloom cloth is 1,900 million yards per annum, whereas it was surmised, according to Mr. Bharat Ram, that the actual production could not be more than 1,100 million yards. The gap between the two figures, he added, was so wide that one could easily imagine the situation that would arise if the increased target proposed for the handloom industry were allocated to it without scientific investigation. The points raised by Mr. Bharat Ram are quite timely and pertinent. Certainly, there is no exaggeration in his warning that there is bound to be a scarcity of cloth again with resultant higher prices, if the handloom industry fails to achieve the large increase proposed for it in the third Plan and the mill industry's output is limited to the planned target of 5,800 million yards.

FAIR PRICES FOR WOOLLEN TEXTILES

The Government of India has asked the Tariff Commission to recommend fair ex-mill prices and wholesale and retail prices for all types of woollen, shoddy woollen and worsted yarn (including hosiery yarn) and fabrics (including hosiery goods and manufactures). The Commission has also been asked to suggest fair ex-mill prices and fair prices payable by consumers in various regions. In conducting the enquiry, the Commission, it is suggested, is to take into account the cost of raw materials, power, wages and other relevant factors. The Government's decision is a sequel to the need for ensuring that woollen and worsted manufactures are made available to consumers at reasonable prices.

The cotton textile mills' production during the month of September 1960 is provisionally estimated at 145 million lbs. of yarn and 426 million yards of cloth. The corresponding figures for September last year were 148 million lbs. and 412 million yards, respectively. At the end of September 1960, the composite units of industry carried an estimated total stock of 386,000 bales of 1,500 yards each) of cotton cloth, of which 188,000 bales were unsold and 198,000 bales were sold but not lifted.

Notice

HUKUMCHAND JUTE MILLS, LTD.

NOTICE TO SHARE-HOLDERS

NOTICE IS HEREBY GIVEN THAT THE next Annual General Meeting of the Shareholders will be held at the Registered Office of the Company. 9. Brabourne Road, Calcutta, on Friday, the 18th November, 1960, at 4-30 p.m. for the following purposes:—

1. To receive and pass the Directors' Report and Audited Accounts for the year ended 31st March, 1960.
2. To declare Dividends.
3. To elect Directors in place of those retiring.
4. To appoint Auditors.
5. To transact any other business that may be brought before the meeting.

Divients, if declared. will be paid to Registered Share-holders only.

The Share Transfer Register of the Company will be closed from the 8th November, 1960 to 18th November, 1960, both days inclusive.

By Order of the Board,
RAMDUTT RAMKISSENDASS,
Managing Agents.

CALCUTTA, *the 21st October*, 1960.

COTTON BOARD'S ANNUAL CONFERENCE

MR. MAUDLING DISPELS FEARS REGARDING EFFECTS OF REORGANISATION

From Our Special Correspondent

MANCHESTER, *18th October*

MANCHESTER LETTER

FEARS that the Government's £30-million reorganisation plan for the Lancashire cotton industry would result in substantial and widespread unemployment and a scarcity of cloth had not been justified by events, said Mr. Maudling, President of the Board of Trade, at the opening of the Cotton Board's annual conference at Harrogate. "No doubt there are individual difficulties," he said, "but, in general, the problem has been more one of shortage of labour than of unemployment. Not surprisingly there has been an increase in imports which is only to be expected at a time when the industry is delivering every thing that it can physically produce." He observed: "It is a fact that, despite the widespread elimination of excess capacity and a fall in the number of employees in the industry, production of cotton, man-made fibre and mixture yarn and cloth was higher in the first half of 1960 than in the first half of 1959."

The progress made under the scheme was very encouraging, Mr. Maudling added. The scrapping phase in spinning, doubling and weaving was now over and half the spindles and 40 per cent. of the looms had gone. "The re-equipment phase," he pointed out, is getting under way and the results of increased machine utilisation can already be seen. These show a great advance on the position 12 months ago and there has been a considerable extension of shift working. If it had not been for the shortage of labour, no doubt further gains would have been achieved."

Fibres Merger

Fusion at top level between organisations representing the users of cotton and man-made fibres was urged by Lord Rochdale, Chairman of the Cotton Board, at the final session of the conference. Welcoming the prospects of a merger between the British Man-made Fibres Federation and the Cotton Board, he said he was convinced that some such development must take place and that the advantages would outweigh any temporary difficulties. He observed:

"The industry in Lancashire is one industry processing different materials, and I believe it is entirely against its interests to divide itself into two rigid camps having very little contact with each other.

Five-yearly Review

The five-yearly review of the Cotton Board had now begun, Lord Rochdale added. As independent chairman, his own personal view was to urge strongly that firms using man-made fibres, as defined in the Cotton Industry Development Council orders, should become constituents of the cotton Board, so that the central organisation in the industry should really represent the whole of the Lancashire industry. Announcing details of the progress of the redundancy schemes in the textile finishing industry, Lord Rochdale said that the minimum scrapping targets had already been reached in the yarn processing section and the bleaching sub-section. In the case of dyeing and printing, about 60 per cent. and 55 per cent., respectively, of the targets had been achieved.

Sales Stimulants

Several speakers during the discussions called for more promotional and publicity campaigns to stimulate sales of textile products, particularly cotton goods. Mr. Alan Draper, Vice-Chairman of the Textile Institute, said that the Cotton Board's promotion schemes should be intensified and emphasis directed to those sections which could be expanded more profitably.

Mr. Frank Winterbottom Managing Director of A. & S. Henry & Co., said that the Government had not done enough to prevent the erosion of Lancashire's export trade. Within the previous week, India had made an unparalleled decision to permit no imports whatever of British-made cotton cloth for balance of payments reasons, while cloth and yarn imports from India had expanded substantially. "The whole position has an air of unreality," he declared.

Scottish Prints Works to Close

After several months of speculation, the future of the Dunbartonshire dyeing and print works of the United Turkey Red Company Ltd., has been decided. The £26,000,000 Calico Printers' Association, the Manchester textile group, which bought the £1,606,120 capital of the Scottish company in June, announced last week "with great regret" that the Alexandria Print Works was to be closed under the Government reorganisation scheme for the textile finishing trade. Progressive redundancy of at least 1,200 employees will be involved by the closure of the factory during the next two or three months. Individual notices, which must be worked under the terms of the compensation agreement, will be issued as circumstances require. The Directors of the Calico Printers' Association, in an official statement, said: "This course has been adopted only after the most careful consideration of all the factors involved, including those raised when the deputation headed by Mr. Tom Steele, M.P., came to Manchester."

Full investigations into costs of production gave no promise of the works being capable of economic operation under the highly competitive conditions prevailing in textile printing, the Board added. An application to close the works under the reorganisation scheme had been lodged with the Cotton Board. Provided this was accepted employees would become eligible for compensation within the terms agreed with the various trade unions. The compensation rates for displaced workers range from £10 for men with three years' service to £4 10s. per year for those with 30 years' service and over. Women will get from £6 for three years' service to £2 15s. per year for those with 30 years' service and over.

Unified Research

Confidence in the successful outcome of the merger between the British Cotton Industry Research Association and the British Rayon Research Association was expressed by Mr. John Lindley, President of the B.C.I.R.A., at the annual meeting. The merger, which was recommended by a Working Party, involved the closing down of the modern headquarters of the B.R.R.A. at Heald Green, Cheshire, and a concentration of research effort at the Didsbury, Manchester, research station of the B.C.I.R.A. Mr. Lindley told the meeting: "The unified research efforts that will thus be available to the industry will, I confidently believe, make a timely and essential contribution to the reorganisation of the trade that is now taking place, and ensure that co-operative research makes its full contribution to the future welfare of the industry at a time when, more than ever before, its future is inextricably bound up with the successful application of scientific and technological advances."

The annual expenditure of the new research organisation is likely to be in the region of £500,000. Mr. H. A. J. Duncan, the Treasurer, said that the industry's financial support would come mainly from a statutory levy collected by the Cotton Board. Initially, this was not likely to exceed £245,000. In addition, there would be an annual grant of about £70,000 from the producers of man-made fibres and a "large annual grant" from the Department of Scientific and Industrial Research. As a result of the merger about 100 scientists, technicians and other members of staff of the two bodies will be redundant.—*All Rights Reserved.*

TERYLENE HOSE

Those who think of terylene only as a material used for making curtains, dripdry shirts and dresses will be surprised to hear about a terylene reinforced refuelling hose now used by the British Admiralty for rough weather astern refuelling at sea. This type with its good resistance to "stretch" has replaced the conventional hose and is also suitable for a variety of factory applications. Terylene belts, it is claimed, make possible saving in space, weight and cost. Terylene is valuable for tarpaulins, protective clothing, ropes, slings, webbings and safety harness, valve diaphragms, fuel and water tanks and inflatable buildings.

The cause of the generation of static electricity in synthetic fibres is now being investigated by scientists in Britain, according to Dr. D. W. Hill, Director of the Shirley Institute, Manchester. The problems arising from static electricity, especially with synthetic fibres, are well known. They cause, for example, yarns to balloon out instead of lying parallel during processing, or to cling to machinery. Similarly, garments may cling to the body or give electric sparks that constitute a fire or explosion hazard in inflammable atmospheres, including those that may exist in operating theatres.

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DEMAND FOR COTTON BY 1980

AN INTERESTING PROJECTION

DURING the ten-year period, 1949-50—1958-59, cotton production in India rose by 2 million bales (of 392 lbs. each) to 4.8 million bales while mill consumption of Indian cotton rose by a like amount to 4.62 million bales. What will be the size of cotton production and the nature and extent of demand for Indian cotton twenty years hence? This question, which might at present seem only of academic interest, should exercise the minds of at least the leaders of the cotton mill industry and those in charge of planning the country's development. A study undertaken by Dr. P. C. Bansil, of the Perspective Planning Division of the Planning Commission and published in the latest issue of the *Indian Cotton Growing Review*, the journal of the Indian Central Cotton Committee, attempts to give a dimensional picture of the demand for cotton by 1930. The estimates made and conclusions drawn are entirely those of the author's and not of the Division.

The study, being an attempt to project the demand for the future, has necessarily to be based on certain assumptions. One of the assumptions is that, by 1980, when the country would have undergone a period of thirty years of planned development, sufficient purchasing power will be generated to enable every family to spend for the minimum quantity of cloth. It is assumed that, by 1980, per capita income would possibly be double that in 1960.

Projection of future demand calls for the assumption of a certain minimum requirement of cloth, an assumption which cannot but be arbitrary, subject to a large measure of error. The author is inclined to accept 35 yards of cloth for adults and 18 yards for children suggested by Dr. S. B. L. Nigam as the minimum requirement. The National Planning Committee (in 1938) had laid down 45 yards as the minimum while 30 yards were considered to be the minimum by the authors of the Bombay Plan. Stripped down to the bare bone, the reasoning is as follows:

Consumption pattern of cloth in various countries indicates that consumption has a direct relation with income levels. Egypt, with a per capita income of 170 U.S. dollars, consumes 29 yards of cloth, while India with a per capita income of 75 dollars consumes 18 yards of cloth. Climatically, according to the author, India compares quite favourably with a country like Egypt where the wearing apparel consists mostly of cotton cloth. It is assumed that India will achieve the Egyptian standard in regard to per capita income by 1980 and hence cloth consumption, at 30 yards per head, may possibly be the level which India will be able to achieve in twenty years.

If the Egyptian level of 30 yards per capita is achieved by 1980, it would mean, according to the author, an increase of 72 per cent. in per capita consumption of cloth, as compared with that at the end of the second Plan. According to the assumed minimum requirements, 35 yards will be required for adults and 18 yards for children. Some might be consuming more and some less than this minimum. Taking all these into consideration, a target of 30 yards per capita, according to the author, would be quite reasonable. An estimated population of 550 million in 1980 would, therefore, require 16.500 million yards of cloth. The author estimates the export requirement at 1.500 million yards. Assuming that one pound of cotton is sufficient to manufacture four yards of cloth, the author calculates that the cotton requirements for the manufacture of cloth alone (both for home requirements and export) would be of the order of 12 million bales. Taking into consideration requirements of cotton for other purposes, including exports, the total demand for cotton by 1930 is expected to be 13.5 million bales. The table in column 1 gives the break-up of the requirements.

The author is fully aware that the contribution of man-made fibres in meeting the demand for cloth cannot be ignored, especially in view of the large inroads they have made on cotton in countries like the U.S. and U.K. But, according to him, artificial fabrics are costlier when compared with cotton textiles and there is little possibility of their being very popular in India, particularly in rural areas. It is therefore quite possible, he believes, that, in the next 20 years, the percentage of cloth produced from man-made fibres to cotton cloth will be more or less the same as at present.

As against the projected demand of 13.5 million bales of cotton, the second Plan target is 6.5 million bales. But actual production, as judged from present trends, will not exceed 6.3 million bales. Hence, in twenty years' time, production will have to increase by more than hundred per cent. The author goes on to examine the ways and means of achieving this growth. He suggests that, since cotton yields on irrigated lands are already much higher than on rain-fed lands, if 10 million acres are brought under irrigation, as compared with a mere 2 million acres irrigated at present, out of a total of 20 million acres sown to cotton, nearly 60 per cent. of the targeted production could be raised from them.

The assumptions in the aforesaid projection are not unreasonable, but whether they are realistic is a different question. Much will depend on the type of economic policies followed by the Government and the means of production encouraged by it. An important point that should be borne in mind, in this connection, is that consumption of cloth is not inelastic and that it is sensitive to changes not only in the price of cloth but also in the price of other essential commodities and services.

(In '000 bales)

	1960-61	1965-66	1970-71	1975-76	1980-81
Net export of raw cotton	200	..	250	500	700
(a) Exports	400	500	650	800	900
(b) Imports	600	500	400	300	200
Extra-factory consumption	300	350	450	550	600
Export of yarn	80	70	80	90	100
Yarn for sewing, hosiery, etc.	50	60	70	90	100
Export of manufactured cloth	660 (1,000)	730 (1,100)	800 (1,200)	870 (1,300)	1,000 (1,500)
Home requirement of cloth	5,430 (8,200)	6,700 (10,050)	8,200 (12,300)	9,500 (14,250)	11,000 (16,500)
Net cloth requirement	6,090 (9,200)	7,430 (11,150)	9,000 (13,500)	10,376 (15,556)	12,000 (18,000)
Gross requirements of cotton	6,300	7,910	9,850	11,600	13,500

Figures in brackets represent cloth in million yards (1,500 yards=1 bale approximately).

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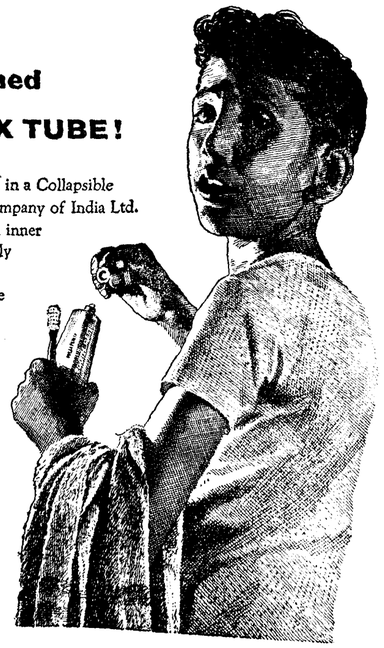

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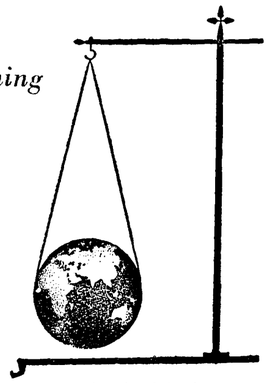

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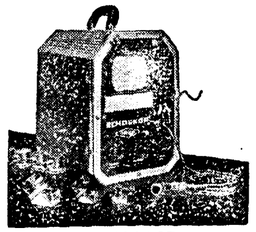

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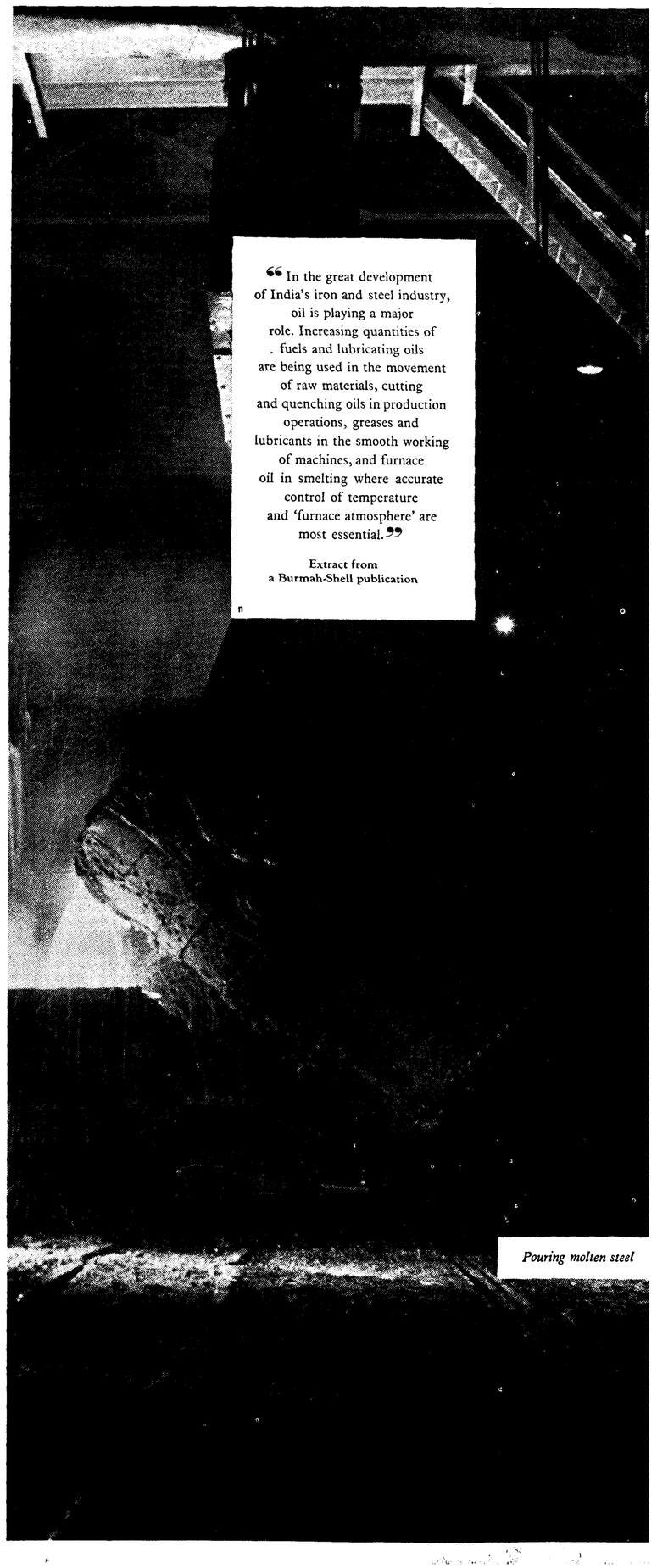

"In the great development of India's iron and steel industry, oil is playing a major role. Increasing quantities of fuels and lubricating oils are being used in the movement of raw materials, cutting and quenching oils in production operations, greases and lubricants in the smooth working of machines, and furnace oil in smelting where accurate control of temperature and 'furnace atmosphere' are most essential."

Extract from a Burmah-Shell publication

Pouring molten steel

WORLD CO-OPERATION IN TAX MATTERS

FISCAL DOCUMENT BUREAU'S ENCOURAGING ANALYSIS

ONE more interesting annual report on the study of world taxation problems, that covering the calendar year 1959, has been published by the International Bureau of Fiscal Documentation, Herengracht 196. Amsterdam (Netherlands). The first report was published in 1954, although the Bureau came into existence many years earlier, in 1938, to be precise. The dominant theme of all these reports is that more attention should be devoted to the study of foreign tax systems, that the individual countries or certain interested circles in them should co-operate with one another in such a study, and that the persons who have studied other systems of taxation intensively can generally explain as to where the system is out of step with current developments and offer helpful suggestions for improvement.

It is, indeed, heartening to learn from the latest annual report of the Bureau that international co-operation in matters of taxation "is definitely developing and is tending to extend its influence to more and more bodies interested in fiscal problems." This view is supported on the following grounds:

The Fiscal Committee of the O.E.E.C. has performed "new and fundamental work" during the last few years. It has brought out two reports with recommendations for articles to be included in double taxation agreements, the result of which will eventually be a multilateral convention for the avoidance of double taxation; the Committee consists of senior officials from the finance ministries of the member-countries. (The third report of this O.E.E.C. Committee on elimination of double taxation has just been published.—ED.)

Employers' associations in several countries are beginning to co-operate and the first fruit of such co-operation will be the appearance of a new publication of major importance in the near future.

The publishers of well-known taxation journals in the six Common Market countries of West Europe, supported energetically by their editors, have begun to co-operate by publishing tables and summaries of the different tax systems, so that their readers can obtain some idea of the fiscal legislation of the countries immediately round them. The summaries are contained in a brochure published by the Bureau in the Netherlands. Towards the close of 1959, the publishers of the journals decided to extend the scale of their co-operative endeavours by issuing a quarterly.

In 1959, after some preparatory discussions, a basis was found on which the more important bodies of tax consultants in the C.M. countries could co-operate. It is their task to watch that the interests of their clients in fiscal matters receive proper consideration, particularly where the clients operate on an international scale.

Harmonisation of Taxes

The Bureau analyses the many aspects of the harmonisation of the fiscal question. As readers are aware, since the Rome Treaty was signed nearly two years ago, a number of proposals have been put forward for harmonising the fiscal legislations of various countries in Western Europe and indicating the means to be employed to achieve the ends. In this connection, the Bureau refers to the harmonisation of indirect taxes like turnover tax and excise duty as laid down in Article 99 of the Rome Convention (Common Market). The purpose of this Article was to make it clear that the first step in any scheme to harmonise taxes must be to amend suitably the regulations which, on the one hand, exempt exports from tax and, on the other, charge special supplementary turnover tax on imports to compensate for the loss of tax on exports. The Bureau considers this starting point as unsatisfactory and observes that, more and more, it is being recognised that maintenance of rules relative to refunds or compensatory taxes has the effect of buttressing the artificial fiscal frontiers which was the very opposite of what the Convention was set up to achieve. Some of the problems brought to light by investigations are summarised below:

"Too small a refund of tax or too small a charge may be expected to impair the ability of business to compete. Direct and indirect taxes are components making up one whole, the taxation system of a country. Taken together, they govern the 'fiscal climate' of a country; taken together, they determine the approximate 'fiscal equipoise' of a country. The proportions in which direct and indirect taxes constitute a burden on the taxpayer, even assuming that the respective burdens can be exactly computed, do actually differ from country to country. At any rate, for the time being, these differences in proportion will have to remain, if only for the reason that the psychological approach to taxation in general varies from country to country. Bearing in mind that, in the case of both types of tax generally, there is an opportunity of shifting the tax burden, or part of it, to someone else, that such opportunities are not always the same, because they are caused by the variations in market pressures of many kinds, and that these are quite unpredictable; it needs little proof that taxation constitutes an element in fixing the price of every product and that this element will be composed of indirect as well as of direct taxes. But so long as one does not know the relative importance of the factors involved (and it is doubtful whether that will ever be known), it would be premature to disturb the relationship between the two types of taxes mentioned before.

"Whereas business enterprises manufacturing and selling their product within one and the same country would be subject to both direct and indirect taxes, in case of exports, the existing methods would have a different consequence. Because of the refunds and compensations in respect of the indirect taxes, these taxes would be levied in the country of the consumer, not in the country where the goods were produced. In the case of direct taxes, the position is exactly the reverse. Undertakings in countries with low direct taxes and high indirect taxes are better off than undertakings exporting in the opposite direction. The former can obtain a large refund on their exports and these exports will be subject to a low compensatory tax on import, while the undertaking itself is subject to a low direct tax. In the latter case, the manufacturers will have to pay a high direct tax in the country where the goods are produced, and these goods will be subject to a severe indirect tax in the country where they are to be sold."

Difficulties in Harmonising

The Bureau has drawn attention to certain difficulties in the way of harmonising tax laws in the Common Market countries. Special mention is made of (*a*) the varying ways in which the concepts of law systems operate when applied in practice through the medium of the substantive law of a particular country to a particular situation; (*b*) the differences in the general political, religious, social or economic foundations of the countries concerned—it is emphasised that these differences can be harmonised only if it is possible to harmonise, in some degree, the principles on which the foundations of the life of countries concerned rest; and (*c*) the difficult task of attaining harmony where the fiscal systems as such are substantially different.

The Bureau then analyses the possibilities of harmonising tax laws. Its analysis reveals that the various systems of taxation could be simplified by reducing the number of taxes in force so that countries would be left with only a few main taxes. There are a number of small taxes that hardly affect the State budget, but, nevertheless, make comparisons in the matter of tax burdens more difficult. The Benelux countries, Belgium, the Netherlands and Luxemburg have indicated that it is possible to cut down the number of certain types of taxes in force. These countries have already agreed to reduce the number of excise duties levied. While it is true that it has not yet been possible to attain the desired unification, the delay can be explained as being due to two causes, the one being difficulties which were not allowed for at the time and the other that unifying involves much more in the way of consequences than merely harmonising and cannot be hurried. The fiscal legislation of the German Federal Republic is very similar to that of Luxemburg and the Netherlands, and that would facilitate the process of harmonising the fiscal systems of these three countries. The Bureau has good reason to believe that the fiscal system of Belgium will be reformed in the direction of assimilating its income-tax legislation to that of the income-tax and corporation income-tax of the Netherlands. France is now moving in the same direction; the latest measure of reform recently introduced is the substitution of single income-tax payable by individuals for the former dual system of income-tax levied both at a flat rate and on a progressive scale.

Now that the majority of countries have concluded double taxation treaties with one another, it can be said that this has resulted in a closer approximation of fiscal terms generally throughout the world. More and more the same provisions tend to be used to govern a particular situation, for instance, the treatment of real property, of royalties from parents, and the definition of permanent establishments of foreign enterprises in another country tend to be governed by provisions which have become standardised. There is even a tendency to standardise the rules applicable to movable property, although a number of problems in this connection still await solution. The Fiscal Committee of the O.E.E.C. has produced a series of recommendations designed to make multilateral conventions a possibility and in doing so has performed an important task.

Depreciation Allowances

Despite all this, the Bureau feels that the countries are still very far from the state of harmony in the matter of ascertaining profits for income-tax purposes. In its considered opinion, it will be possible to lay down common methods of computing depreciation allowances. How this scheme can be implemented is described as follows:

"Those countries which permit accelerated depreciation or investment allowances might be prevailed upon to adopt agreed standard rules in their laws. It would not be difficult to introduce identical rules governing the right to carry forward losses, or to define, once and for all, what are deductible expenses for income-tax purposes. The ideal thing would be for every country concerned to enact a model law, in which the liability to assessment would be worded in exactly the same terms. It might then be possible to call in the aid of the recommendations of the Fiscal Committee of the O.E.E.C. and to define the import of the terms 'domicile,' 'residence' and 'ordinary residence' for tax purposes. A model law of the kind contemplated could then proceed to define such matters as permanent establishment, carry-forward of losses, depreciation expenses allowable as a deduction for income-tax purposes, and so on. It might even be possible to print the sections so that one type of letter would be used only for regulations common to all model enactments, while another type would indicate the matters peculiar to the country concerned. The method we propose will naturally not solve all problems. The abstract words of the statute are not the end; they must either be interpreted by the judiciary or supplemented by implementing regulations. Inevitably, judicial interpretation will proceed by people brought up in a particular country and, inevitably, it will not be uniform. Nevertheless, a useful start could be made in this manner."

The scheme to harmonise fiscal laws, it is pointed out, is fraught with difficulties, but it has possibilities, and one thing about it is certain: harmony will not extend to the rates of tax, for the reason that, in many countries, income and profit taxes, together with taxes on property ('direct' taxes), are of paramount importance. In other countries, taxes on turnover and consumption ('indirect' taxes) play the major part in providing revenue for the State. The list which follows shows the extent of the differences, though only in a rough way; it is not entirely accurate because the countries concerned do not distinguish between direct and indirect taxes in exactly the same way, but it gives a general idea of the position:

	Direct taxes Per cent.	Indirect taxes Per cent.
Belgium	47	53
Federal Republic	53	47
France	40	60
Italy	30	70
Luxemburg	59	41
The Netherlands	60	40

Why should there be such differences and which is the system that should be given preference? Answering these posers, the Bureau says:

"It is mainly a matter of the psychology of the people of the countries concerned. In countries

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which rely chiefly on direct taxes, the arguments in favour of direct taxation rest on the assumption that such taxes are inherently just in the fiscal sense and have proper regard to capacity to pay. But there are countries in which the opposition to direct taxation is so strong that the main reliance must be placed on indirect taxes as revenue-getters; the State could not obtain the revenue it required by other means. Is there any evidence to prove that a system of direct taxation is to be preferred to a system of indirect taxation or to prove the converse proposition? The answer depends again on the attitude of the people of the country concerned to fiscal exactions. No answer can be correct in all cases. As long as these psychological differences in attitude exist, it will be impossible to expect tax rates to conform to one and the same standard."

Too much reliance, the Bureau warns, should not be placed on comparisons of the tax burdens, because the total of taxes borne by an enterprise need not necessarily be higher even in a country which subjects profits to very high rates of tax than in a country where profit taxes are low, but the various kinds of indirect taxes constitute a very heavy burden. According to it, the rates of tax can only be applied to an ascertained figure of taxable income. It is really necessary to go behind this figure and find out how it is made up, that is, one should examine the allowance for depreciation, the possibility of availing oneself of investment allowances, of a carry-forward of losses, etc. One should not confine oneself to a comparison of fiscal burdens; it is necessary to assess how the advantages that a taxpayer is granted either in return for the taxes he has paid or as a member of a community that pays the taxes compare with what taxpayers in other countries get. A country may collect heavy taxes, but the benefits obtained from the taxes collected may far outweigh the benefit obtained by taxpayers in a country which has the appearance of burdening its people much less with taxation but which may impose other, non-fiscal, charges. The observations just made merely touch on some of the problems which a really profound study of taxation on an international basis would inevitably be called on to elucidate. The problems involve issues actually affecting the Common Market at the present time; and the same problems are of importance in the field of international tax law, in general.

New Fiscal Legislations

After analysing the fiscal implications of the European Common Market thus, the Bureau surveys the notable fiscal developments all over the world. The survey covers, *inter alia*, measures taken to encourage capital investment abroad, tax reform in France, changes in laws affecting death duties, turnover taxes and international tax law. It is seen from this survey that a number of developing countries, as, for example, Pakistan and Israel, have introduced measures to encourage foreign firms to invest capital in existing or new industries within their borders by granting such firms tax exemptions and privileges. Some European countries such as Belgium, the Netherlands, West Germany and Luxemburg have also adopted similar measures. In many countries, the opposite tendency has been observed. The countries include, among others, New Guinea, Uruguay and Venezuela. There are cases where new legislation has added to the fiscal burdens of non-residents, though it cannot be said that all this legislation was discriminatory. The rates of tax have been increased in Argentina, Chile, Haiti, Italy, Malacca, Singapore, Mexico, Nicaragua and Peru, while the same have been reduced to some extent in New Zealand, Sweden and the U.S. The system of taxation in France has been modified substantially on the basis of the recommendations made by the special commission on taxation. There are some changes in laws affecting death duties in France, Canada and West Germany. As for turnover taxes, major alterations have been made in Belgium and Sweden.

In the sphere of international tax law, the Bureau's report mentions the conclusion of a number of new conventions and modifications of several existing ones. Included in the list is the convention concluded in 1959 between India and the U.S. Under the convention, the U.S. allows its taxpayers a credit for a national amount of Indian tax which, in fact, has never been paid at all, because it was remitted by virtue of a tax holiday. The report also alludes to the recommendations of the O.E.E.C. Fiscal Commission on a number of tax treaty provisions relating to taxation of income from shipping, inland waterways transport and air transport enterprises and of their crews; taxation of income in respect of dependent and independent personal services; taxation of income from immovable property; and taxation of capital.

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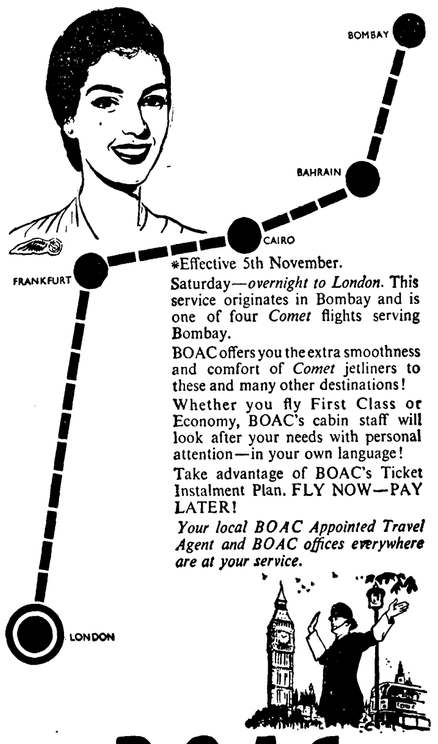

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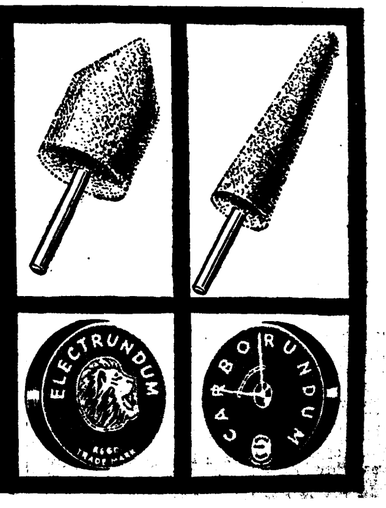

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SOME IMPRESSIONS OF RUBBER CONFERENCE

MALAYA PASSING THROUGH WAVE OF PROSPERITY

By a Correspondent in Kuala Lumpur

THE Fifteenth Rubber Study Group Conference, which ended on 1st October 1960, was appropriately held in Malaya, the world's second largest producer of rubber and to the economy of which rubber is the most important single product. The Group's conferences are always shrouded in mystery, partly because Governments are its members and partly because much of the discussion nowadays tend towards a reflection of the natural rubber producers' fear of that chemical enemy, synthetic rubber. In fact, the American visitors were outspoken about their estimates of natural's remaining years. The Group for the first time implicitly recorded its acceptance of synthetic polymers in these words: "In the long run, it was felt that the increasing production of the new stereoregular synthetic rubbers will exercise an important stabilising influence on natural rubber prices at competitive levels." In other words, natural must sell at competitive prices with factory-made rubber and the superiority claimed for its qualities is no longer heard. Last year, the world's largest consumer of rubber, the U.S.A., reduced its offtake of natural to 20 per cent. of the total.

Before synthetic rubbers began to claim qualities of the natural, the two important advantages they enjoyed were fixed prices and speedy adjustability of output to visible demand. Natural took its unhurried course from planting to production which would not keep pace with the demand for rubber. That led to the alternating phases of booms and slumps. In boom times, rapid expansion of planting took place but no rubber was produced. By the time the new rubber trees came into bearing, the downswing would have already begun and the rubber planted in the boom itself was the cause of the slump. The synthetic (factory-made) rubber, however, was amenable to more precise control and less waste. As it showed in 1950-51, 1955-56 and in 1959-60, the short-term pressures for rubber supplies can raise the natural's prices to rise to giddy heights and drive manufacturers to expand the base of synthetic usage. Meeting as it did after a prolonged wave of boom conditions, the Study Group found it more than ever necessary to warn the growers of natural rubber that a wildly fluctuating price was the most dangerous malady affecting their produce and that it would, if allowed unchecked, give the victory to the synthetic.

For many years, the International Rubber Study Group has been considering various measures of stock retention, supply regulation and marketing, in order to hold prices at a steady level and this year's conference was marked for the scarcely concealed anxiety to hold down prices. Among the countries having a predominantly plantation economy, Malaya is probably one of the largest. If in Ceylon tea is responsible for 65 per cent. of the Island's export trade, in Malaya the position of rubber is even more crucial. The export duty on rubber alone accounts for 20 per cent. of the Federation's revenue. This heavy dependence on the plantation industry both in Ceylon and Malaya make the Governments of these two countries to pay close attention to the affairs of the industry and respond to its needs with an alacrity, hardly noticeable in India in the relationship between the Government and the plantation industry.

Rubber is Malaya's most important single crop and its prosperity makes Malaya one of the wealthiest among Asian countries. From about 3.5 million acres, Malaya produces rubber valued at over Rs. 220 crores. The Malayan peninsula is divided into two States and is governed under a Federal constitution. About seventy per cent. of the land is under forest, some parts of which have not yet been penetrated by man. The reasons for the country's current wave of prosperity is the high price of rubber and the large production of tin which, too, is fetching a good price. Malaya's iron ore production is rising and this year a ready buyer, Japan, will take 4,750,000 tons worth about Rs 27 crores. Last year, Malaya had a comfortable trade balance of Rs. 100 crores and the first quarter of this year was leading with Rs. 35 crores.

Flushed with money thus, Malayan building boom is at its height and, in almost every town, private residences are being constructed on a scale so lavish that it is almost difficult to believe that one is in an eastern town. Pataling Java, the new suburb of Kuala Lumpur, is almost a free copy of a modern suburb in the U.S. Kenny Hill Drive, cutting through Kuala Lumpur's fashionable residential area, reminds one of Thornhill Drive, Oakland, California, more than any South-West Asian town.

Many may not be aware that Malaya's rubber industry was founded on a grant from the Government of India which sent Wickham's expedition to the Amazon basin and subsequently took action to propagate rubber in India, Ceylon and Malaya. The cultivation of rubber begun from Wickham's seeds covered only a few hundred acres in 1896. Within the next ten years or so, over a million acres were planted to rubber and today, out of 5.5 million acres under cultivation in Malaya, 3.5 million acres are under rubber. Such a heavy dependence on rubber has its perils, though, so far, it has helped the Federation immensely. Rubber being closely related to Western industrial progress, the advance made there is instantly reflected in the price paid for rubber. The earning from this commodity has been so handsome that the Federation has been able to go ahead with standards of social welfare still in the planning stage elsewhere. The earnings from rubber will still be available to Malaya for several years to come, so that it can, if it is wise, comfortably build a modern industrial economy.

(Concluded from next column)

are registered on the Exchange. The statements called for were twofold. First, they related to outstanding position of transactions in these contracts as on 15th October 1960 relating to hessians—40" x 10 oz. and 40" x 7½ oz.—B. twills—cornsacks and heavy cees—and raw jute. These statements were required to be submitted on the 24th inst. Secondly, they were asked to submit weekly statements of transactions commencing from the week ended 22nd October in jute goods and raw jute as mentioned above. The statements should give quantities, the names of sellers and buyers and the delivery periods, and are to be submitted every Tuesday following the week for which the statement relates.

Another important factor which has been responsible for the decline in prices of raw jute is the announcement of the official estimate of Pakistani crop. According to the Provincial Directorate of Agriculture, the final estimate of jute crop in East Pakistan for the season 1960-61 is 5,625,000 bales, which represents an increase of 261,882 bales over the previous season's crop. Though it is substantially higher than the earlier expectation of a crop of 4.2 to 4.5 million bales, it falls short of the record crop of 6,001,000 bales harvested in 1958-59, but trade circles still feel that the official estimate is on the high side. The increase in output in East Pakistan, as estimated by the Government, is attributed to larger acreage, consequent on the abolition of jute licensing system and the withdrawal of the ban on cultivation of jute in the border areas. The total area under jute during the season is placed at 1,517,800 acres, as against 1,375,000 acres in the previous season.

JUTE GOODS OUTPUT LOWER

The production of jute goods during September 1960 suffered a sizable fall of 4,800 tons to 89,400 tons, in contrast to the sharp rise of 7,400 tons in the previous month. As compared with the corresponding month of 1959 also, the production in the month under review shows a decline of 3,200 tons.

The lower output in September was due to shorter working hours, the number of hours worked being 192, as against 208 in the previous month, consequent on the *Pooja* holidays. The decline was mainly in hessians, which have fallen by 2,600 tons to 32,500 tons, at which level they form 36.3 per cent. of the total output. In the previous month, they constituted 37.3 per cent. and in September 1959 they formed 40.5 per cent. of the total production. Sackings have declined by 400 tons to 47,900 tons. These represent 53.5 per cent., as against 51.3 per cent. in the previous month and 52.7 per cent. in September 1959. Miscellaneous constructions, at 9,000 tons, show a fall of 1,800 tons over the month and a rise of 2,700 tons over the year.

RAW JUTE AND GUNNY PRICES DECLINE

MORE LOOMS SEALED—MILLS BUY RAW JUTE ON QUOTA BASIS

THE speculative boom in raw jute and gunnies seems to have abated and prices have taken a downward trend, thanks to the concerted efforts of the I.J.M.A. and the East India Jute and Hessian Exchange Ltd. to curb it. In raw jute, Assam bottoms October delivery, for instance, has come down to Rs. 138 per 100 kilograms (as on the 22nd inst.) from a peak of Rs. 151.50 touched on the 13th inst., which was nearly Rs. 5.50 above the record level touched during the previous boom in May last. In jute manufactures, hessian 40" x 10 oz. October delivery has dropped from Rs. 59.25 per 100 yards to Rs. 54 and B. twills (October delivery) from Rs. 183 to Rs. 176 per 100 bags. The decline in prices is, however, not large, as compared with the sharp rise recorded since the beginning of the current season. This is presumably due to the continued uncertainty about the current year's crop of raw jute.

Following the steps taken by the East India Jute and Hessian Exchange early this month to check speculation by banning all fresh transactions in futures trading, the member-mills of the I.J.M.A. entered into a gentlemen's agreement to refrain from purchasing raw jute for one week. This was later on extended up to Friday the 14th inst. and was subsequently further extended up to the 22nd inst. Except for minor deflections, the agreement is said to have worked well. The mills have again started purchasing raw jute with effect from Monday this week, but on a quota basis, in accordance with a scheme worked out by a sub-committee of the I.J.M.A.

Close on the heels of the aforesaid agreement, the Committee of the I.J.M.A. recommended, at its meeting on the 15th inst., the sealing of 5 per cent. of the looms with effect from the 17th inst. on a voluntary basis. It was also indicated that there was a possibility of an additional 5 per cent. of the looms being sealed with effect from the 24th inst., if conditions warranted. Subsequently (on the 21st), the Committee of the I.J.M.A. recommended the further sealing of 5 per cent. of the looms with effect from Monday this week. This has brought the total sealed complement of looms to 19 per cent., including 9 per cent. compulsorily sealed. In recommending the sealing of looms on a voluntary basis, the I.J.M.A. has chosen the middle-of-the-road policy. For the I.J.M.A. was earlier reported to have been considering a proposal to seal more looms on a compulsory basis. Obviously, this proposal did not find favour with the Government of India, which still holds the view that the current season's crop of raw jute is fairly satisfactory. According to official sources, a firm assessment of the crop can be made only after a few weeks more and the question of compulsory sealing of a larger percentage of looms would have to be considered by the end of December after the Indian crop and the availability of supplies from Pakistan were known. The Committee of the I.J.M.A. has, therefore, left it to the discretion of individual mills to close the looms on the basis mentioned earlier. Many of the mills, however, have already implemented the recommendation.

Labour Feels Concerned

Meanwhile, the West Bengal Government seems to have been concerned over the implications of this move from the point of view of labour and has asked the representatives of the I.J.M.A. and the Central trade union organisations to meet the Labour Commissioner and discuss the situation arising out of the above decision. The Joint Secretary, State Labour Ministry, is also expected to meet the representatives of the I.J.M.A. These meetings are scheduled to be held this week.

The ban on fresh hedge contracts, the fixation of maximum prices and the imposition of stiff margins by the East India Jute and Hessian Exchange would appear to have diverted speculative activity to transferable specific delivery contracts. Consequently, the Exchange, with the concurrence of the Forward Markets Commission, decided to collect data relating to outstanding positions in transferable specific delivery contracts in raw jute and jute goods from the primary markets, with a view to enabling the Exchange to consider what appropriate action may be called for relating to trading in T.S.D. contracts. The Board of E.I.J.H. Exchange called for statements not only from the members of the Exchange but also from licensed brokers for raw jute and gunnies whose names

(Continued in previous column)

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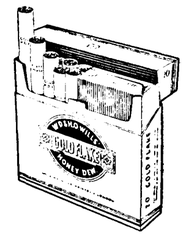

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RUSSIA'S OIL EXPORTS

FURTHER INCREASE LIKELY IN FUTURE

RUSSIA'S massive entry into the world's oil markets has been the subject of anxious debate in recent months. Its oil deals with Italy, West Germany, Finland, the United Arab Republic, India, Japan, Cuba, etc., have generally provided for a price just below the ruling market price. It is obvious that these oil agreements are intended to get in exchange a whole range of raw materials for Russia's own development programme. Italy, for instance, is supplying, in exchange for Russia's oil and refined products (which it took at the rate of 62,000 barrels a day last year), steel tubing for oil and gas pipelines and synthetic rubber. Under the latest agreement for the import of 12 million tons of Russian oil over the next four years, Italy will have met 20 per cent. of her total oil needs from that source. If, according to one reliable forecast, Italy's oil needs are met, before many years are past, to the extent of 50 per cent. by Russia, it will have become the biggest single overseas customer for the latter's oil.

The other customers for Russian oil and refined products have also been buying substantial quantities. Last year, the United Arab Republic took 50,000 barrels a day, Germany 38,000, Finland, 36,000, and Japan 12,000. The United Kingdom, however, took last year only 580 barrels a day. What quantities have been bought by these countries in the current year and what will be bought by them in the next few years are not precisely known, although, according to Soviet statistics, Russia exported last year 1.8 million tons of crude and 5.9 million tons of refined products to West Europe alone. According to the U.N. Economic Commission for Europe, Russian oil sales to West Europe this year are not expected to be as much as in 1959 when they accounted for about 3 per cent. of total West European oil imports. India, of course, will be importing substantial quantities in the coming years. Japan will be purchasing, besides the usual quantity, substantially more under a six-year Russian contract with one of the leading independents, Idemitsu. Cuba is already and will continue to be importing large quantities. Under the proposed agreement between Russia and Pakistan for building an oil refinery, the latter country will be presumably importing Russian crude for refining.

Although a growing number of countries are thus becoming customers for Russian oil, it is not possible to work out an aggregate (covering both crude and refined products) for their possible purchases in the coming years. But there can be no gainsaying the fact that the magnitude of these purchases will be large enough to cause anxiety to the world oil companies, namely, Caltex, Stanvac and Shell. Sooner or later, these companies may have to seek an arrangement with Russia in respect of both prices and sharing of markets. The stand taken by these companies that they will not refine Russian crudes in the importing countries is understandable in the context of the composite character of their operations and the commercial competition, that is developing; this may also bring the Russians round to a satisfactory international arrangement, as has happened in the case of tin and a number of other commodities in which it is also a substantial producer. It is stated that Russia is under a necessity to export more and more crude, since the expansion of its refining capacity is lagging behind the growth of crude output. This situation may be favourable to the oil companies in their possible negotiations with Russia on the oil export question.

Be that as it may, currently the question is whether Russia is really a formidable competitor. To answer this question one will have to get an idea of its current and prospective oil production. In absolute terms, Russian oil production this year is estimated at 144 million tons (in terms of crude), as against the United States' 352 million tons. A confident forecast has it that Russian output will rise rapidly and steadily approach nearer to the current level of U.S. production. Since a growing effort is being put into the search for oil and natural gas in the U.S.S.R., it is expected that the 1965 target (230 to 240 million tons of oil) and the 1972 target (350 to 400 million tons) will almost certainly be reached or exceeded. After allowing for the export of one-fifth of Russia's planned higher production of around 350 to 400 million tons, it is estimated by the *Petroleum Press Service* that oil consumption per head in 1972 in that country will be between one and one and a quarter tons a year, representing 30 to 40 per cent. of the possible U.S. level at that time, and about 40 to 50 per cent. of what the U.S. level is today. These figures show that Russia's production, domestic consumption and export of oil will register huge increases in the coming decade. That Russia will become a formidable competitor in the world's oil markets is certain, for, in ten years' time, it may be in a position to export at an annual rate of 70 to 80 million tons.

In this context, it will be useful to have an idea of the present and prospective energy patterns of the United States and the Soviet Union. A neat picture of this position is provided in the October 1960 issue of the *Petroleum Press Service*. The relevant figures are given in the following table:

	Today		*1965 (g)*		*Early 1970s (g)*	
	U.S.S.R.	*U.S.A.*	*U.S.S.R.*	*U.S.A.*	*U.S.S.R.*	*U.S.A.*
Population (millions) ..	213(b)	177(b)	..	..	270	230
Energy use (million tons coal equiv.)..	600(a)	1,430(a)	930	..	1,700	2,500
Energy use per head (tons coal equiv.)..	3(a)	8(a)	..	..	6	11
Oil use (million tons) ..	108(b)	420(b)	190(h)	..	300(h)	725
Oil use per head (tons) ..	½(b)	2½(b)	..	..	1	3
Crude oil production (million tons)	144(e)	352(e)	235	407(d)	375	(e)
Feet drilled (millions) ..	23(a)	200(a)	52	..	..	..
Geophysical crews operating ..	758(a)	480(a)	1,200	..	..	..
Natural gas consumption (*f*) (million c.f.d.) ..	4,850(c)	31,700(b)	14,500	..	28,500	55,000

(*a*) 1958.
(*b*) 1959.
(*c*) 1960.
(*d*) Assuming growth 1960-65 at 3 per cent. a year.
(*e*) Continued growth at 3 per cent. a year would give a figure of 520 million tons by 1975.
(*f*) Figures for U.S.S.R. are gross production including whatever gas is flared.
(*g*) Some of these figures are the mean between upper and lower limits referred to in the text.
(*h*) Assuming one-fifth of planned production is exported.

With the projected increase in natural gas production in the U.S.S.R., its energy pattern will come closer to that of the United States. It is estimated, on the basis of the production targets set forth in the Soviet Seven-year Plan, that the contribution of natural gas to Russian energy consumption will rise from five per cent. in 1958 to almost 25 per cent. of the total by 1972. The contribution of oil, after allowing for export of one-fifth of its total production, to Russian energy consumption will rise from 23 per cent. in 1958 to only 26 per cent. by 1972. Meanwhile, the relative contribution of coal will drop from nearly 60 per cent. to about 40 per cent. The remaining 10 per cent. or so of Russian energy use will be contributed by other sources such as hydro-power, peat, wood, shale oil and some atomic power by 1972. As for the energy pattern in the United States, oil accounts for 46 per cent., natural gas 27 per cent., coal 23 per cent. and hydro-power 4 per cent.; here the non-commercial fuels have been left out of account. Little change is expected in this pattern of U.S. energy consumption in the next 10 to 15 years. Thus, by the mid-seventies, oil will play a lesser role and coal a greater role in the U.S.S.R. than in the U.S. Otherwise, the energy patterns of the two countries will be comparable in 10 to 15 years' time. In terms of coal equivalent, Russia's energy use by 1972 may well be 1,700 million tons or around six tons per head, while consumption in the U.S. then will be 2,500 million tons or around 11 tons per head.

A.E.I. MULTI-CHANNEL CARRIER EQUIPMENT FOR OIL INDIA PIPELINE PROJECT

The Transmission Department of A.E.I. Telecommunications Division announces that a £130,000 order for carrier transmission equipment has been received from Murphy Radio of Welwyn Garden City. The equipment will form part of an extensive radio network for the 720-mile Oil India Pipeline Project in Northern India. Work on the laying of the pipeline, considered to be one of the largest of its kind in the world, is scheduled to start in November.

The main purpose of the radio link will be to provide the control headquarters of Oil India Private Ltd., at Nunmati with telemetering facilities, ensuring a constant check on oil flow output along the pipeline from the issuing station to the terminal refinery. The radio link will have an ultimate capacity of 34 channels for telemetering and teleprinter facilities, and speech transmission. Teleprinter services will be allocated on a separate channel connecting pump and maintenance stations on an individual link basis.

The transmission path will follow the oil pipeline route from the issuing station at Nahorkatiya, in the State of Assam, westwards along the Brahmaputra Valley for 260 miles to the pipeline control headquarters and Government oil refinery at Nunmati. It will then cross to the north side of the river and continue westwards for a further 460 miles skirting the Pakistan frontier and ending at the terminal oil refinery of Barauni, in the State of Bihar.

The A.E.I. transistorised channelling equipment of the most up-to date type will be installed at the terminal and intermediate stations, and at most of the repeater stations along the route. Over the longer communication arm, to the west, fifteen radio repeaters and back-to-back terminals will be positioned with local access to A.E.I. channelling equipment, while nine radio repeaters will be spaced at intervals over the shorter distance, to the east. Access points established at the repeater pumping stations and maintenance stations will allow mobile V.H.F. links to be fed into the main network. In the event of a possible emergency breakdown, the carrier channelling equipment will automatically transfer to stand-by radio repeater units.

The A.E.I. multi-channel carrier system chosen conforms to the international standards recommended by the Comite Consultatif International Telephonie et Telegraphie (C.C.I.T.T.). Each voice channel occupies a bandwidth of 4 kc/s and will transmit speech frequencies from 300-3,400 cycles. The speech channels are combined into a basic group of 12 channels covering a frequency bandwidth of 60-108 kc/s. Three of these 12 channel groups are then translated into the frequency band 6-156 kc/s so as to allow a total of 36 channels to be transmitted over the radio path. Two of the 36 channels are concerned with the control frequencies associated with the working of the radio link, leaving a total of 34 channels available for conveying pipeline information.

The contract will be carried out in two phases. Carrier equipment for the eastern link will be shipped out in June 1961 and should be fully operational by December. The western section will follow in October 1961, and should be ready for switch-over in April 1962.

L.D. PROCESS FOR BOKARO PLANT

An Indian firm of consulting engineers is reported to have recommended the L.D. process of steel manufacture for the fourth public sector steel plant proposed to be set up at Bokaro on the ground that the installation and operating costs of this process are appreciably lower than those of the open hearth process. In the expert opinion of the firm, the L.D. process is also the best for the type of products proposed to be manufactured in the Bokaro plant. If this recommendation is accepted, there will be three L.D. converters of 120 tons capacity each for producing two million tons of ingot steel annually on the basis of 30 heats per day per converter.

In the L.D. process, developed in Austria, a stream of high pressure oxygen is blown on to a bath of molten iron under controlled conditions. Iron is quickly refined and converted into steel. According to operational data collected during pilot plant trials at the National Metallurgical Laboratory, the processing time taken in converting iron into steel—six to eight hours by the conventional steel-making process—can be cut down to 15 minutes by the L.D. Process.

The Technical Director, Hindustan Steel Ltd., has also outlined, in a recent paper, the factors in favour of the L.D. process. The most important of these are efficiency and economy. The capital cost of an L.D. plant is said to be only half that of an open hearth plant and operating costs are still lower. The L.D. process also helps to reduce investment costs in soaking pits and fuel consumption for heating because its supply of ingots is practically continuous compared with intervals of 10 to 12 hours for big open hearth furnaces. Operation of the soaking pits can, therefore, be organised in a better way.

DURGAPUR COKE FOR T.I.S.CO.

It is reported that the T.I.S.Co. has just placed a fresh order for the purchase of 50,000 tons of coking coal from Durgapur. This is to provide against a possible "lean day." This brings the total quantity of coke purchased by T.I.S.Co. from Durgapur and Rourkela coke ovens to 130,000 tons since last year, Durgapur accounting for 100,000 tons and Rourkela 30,000 tons.

It is revealing to know in this connection how the shortage of coking coal—a shortage which involves its import from Rourkela and Durgapur—has affected the T.I.S.Co's production schedules and finances alike. The purchase of coke from Rourkela and Durgapur cost the Company Rs. 7 and Rs. 10 per ton respectively in freight which is non-recoverable under the price escalation scheme currently in force. It is stated that while T.I.S.Co's expansion to an annual production of 2,000,000 tons of steel ingots was planned on the use of hundred per cent. washed coal, less than 30 per cent. of the coal consumed during the last financial year was received in washed condition, compelling the use of poorer varieties of coal and consequent curtailment in production schedules.

In its representation to the Government for an upward revision in the retention price of steel, T.I.S.Co. is understood to have pointed out that owing to deterioration in the quality of coal there was increase in the average works cost by Rs. 45 lakhs in the past two years. But this was not admitted by the Government, as it stood outside the escalator clause.

With its projected height of 537 feet reached recently, Trinity Dam in northern California has become the highest earth-filled dam in the world, according to an announcement by the U.S. Interior Department. Building the dam has required placement of 33 million cubic yards of earth and rock. Trinity is part of the Central Valley Reclamation Project. It will create a lake containing 2.5 million acre-feet of water when filled. Storage of water behind the dam will begin this autumn.

NEW PRODUCTS AND PROCESSES

Marine Loading Calculator

HULL damage caused by badly distributed cargo is an important factor in ship loading, particularly in large vessels. As a result there is a world-wide demand for a rugged, easily operated calculator that can work out hull stress quickly and accurately for every condition of loading. To meet this demand, a British Company is reported to have obtained sole manufacturing and selling rights for a device which will be marketed under the trade name Sperry-Sintef loading calculator, according to the British periodical *Engineering*. The calculator is a robust electrical computor, built from standard sub-assemblies, and does not employ valves. The sub-assemblies are arranged in a shallow alloy case for bulkhead mounting in the ship's deck office, the length of the case depending on the size of the ship. Each calculator is calibrated before installation according to the ship's characteristics. The operation of the calculator is self-evident from its control panel appearance. An engraved plan of the ship shows cargo compartments (each with its own tonnage setting), surmounted on the left by a selector switch, associated mean draught and shear stress setting knobs and a balance meter for setting to zero. On the right are similar arrangements for obtaining trim and bending movement.

Impregnated Bearings

Intensive research by a British firm on bearings impregnated with polytetrafluoroethylene, better known as P.T.F.E., has resulted in the production of not only an improved material, but a cheaper one. The new bearing, known as Polyslip I.M., has four or five times the performance merit of the earlier material. The bearings are of 14 sizes—between three-sixteenths of an inch internal diameter and two and a half inches. For each size of bore there will be two alternative lengths. The external size can be varied as desired by machining, but the internal bore must not be machined. Sizes outside the standard can be specially manufactured. Polyslip I.M. is a bearing of porous bronze produced by powder metallurgical methods with its working surface impregnated with a mixture of P.T.F.E. and a lead additive. Used dry, a bearing will last 1,000 hours under a P.V. factor of 6,500 (P.V.=lb./sq. in.×ft./min.) and does not pick up dust. The pressure element can reach 4,000 lbs. per square inch, the maximum the bronze matrix will withstand. Temperatures can be as high as 280°C, or as low as—200° C. and provided the liquid does not attack the base metal, the bearing may be totally immersed without harmful effect. Indeed, its performance is often enhanced.

Machine for Disposal of Waste

Shipping companies, hospital authorities, hoteliers, laboratories and other large administrators in fields where large quantities of waste material must be disposed of quickly and hygienically are showing interest in a new heavy-duty waste disposer machine that has been introduced by a U.K. firm. The makers, who are supplying one of the machines to a Government laboratory in Kenya, claim the unit has a unique operation enabling it to handle more categories of waste materials than previously possible with this class of unit. One feature of the machine is found in the powerful jets of water impinging into the teeth of the cutter ring from the periphery of the pulverising impeller. These jets speed the breaking up of waste as it is forced against the cutter teeth by the impeller and also wash the machine clean after use. The unit is powered by a three horse-power motor, continuously rated and fitted with a reversing contactor-starter incorporating overload protection. The motor can be supplied in either 200 or 400-volt three-phase for 50 or 60 cycle operation. The water to the machine is controlled by a magnetic solenoid valve. For applications in ships' galleys, the units are supplied with A.C. or D.C. motors conforming to sea-going specifications.

Photographic Developer

A simple and economic method of manufacturing diaminophenol sulphate, an important chemical used in photography and for dyeing hair and fur, has been developed at the Central Electro-Chemical Research Institute, Karaikudi. Among the advantages claimed for the new method are the low cost of the base material, a yield of 60-65 per cent. and the facility of re-use of the spent catholyte. The cost of production of diaminophenol sulphate in a plant with an annual capacity of 15,000 lbs. has been estimated at Rs. 6.30 per lb., the lowest, as compared to other electrolytic and chemical processes. The cost of the imported material, under the trade name *Amidol*, is Rs. 36 per lb.

Automatic Air Communications

The Radio Corporation of America has developed an automatic air traffic communications system which, it says, can contact upto 500 airplanes in two minutes on a single frequency. The system, described by RCA as the first ever developed to meet the specific requirements of air traffic control, provides for the automatic transfer of essential routine flight information from ground control centres to planes and back again. It was designed to correct the crowded communications conditions caused now by time-consuming voice reports from pilots.

Tyre-wear Measured in Laboratory

The U.S. National Bureau of Standards reports devising a laboratory method of measuring wear and tear on automobile tyres. The method, it is said, is important to tyre manufacturers who, in the past, have expended on time-consuming, expensive road-testing of tyres, where results have sometimes been conflicting. In the new method, tyres are held against the inner surface of a cylindrical roadway at selected speeds for test runs of 500 miles or more. Factors such as speed, load, temperature and inflation pressures are rigidly controlled.

JAY ENGINEERING WORKS LIMITED

SPEECH OF CHAIRMAN, LALA SHRI RAM

THE Twenty-third Annual General Meeting of the Jay Engineering Works Limited was held at Delhi on 15th October 1960. Addressing the shareholders on the occasion, Lala Shri Ram, Chairman, disclosed that steps were being taken to increase production of electrical stampings not only to meet the Company's own requirements but also to supply the needs of other consumers. He added that the production of Zig-zag sewing machines was likely to start in January or February next year.

The following is the full text of Lala Shri Ram's speech:

"LADIES AND GENTLEMEN,

"The balance-sheet and profit and loss accounts and the Directors' report have been in your hands for some time and these, with your permission, I will take as read.

"The comparative figures of sales, etc., between the year ended 31st March 1959 and the year ended 31st March 1960 are:—

	For the year ended	
	31-3-1959	31-3-1960
	Rs.	Rs.
Sales	5,33,24,107	7,20,63,503
Profit before providing for income-tax	44,22,192	51,94,362
No. of sewing machines made..	1,97,126	2,42,035
No. of fans made	2,70,807	3,45,772
No. of schools	527	716
No. of students	40,000	50,000
No. of selling points	1,500	1,800

"You will be glad to know that for the first time the fan factory was able to produce more than 50,000 fans in the month of April 1960.

Price Reduction

"As you know, at the time of the last Budget, when additional excise duty was levied on fans, we soon after reduced the prices to the extent of the additional excise duty (in spite of the fact that the excise duties on aluminium sheets and ingots, pig iron, etc., meant monthly increase in cost of over fifty thousand rupees), so that our customers did not have to pay net higher prices for our fans, in the hope that increased production will cover this loss.

"So far, we had been making electrical stampings to meet part of our requirements. We have now been granted a licence to increase our capacity for making laminations, so that we may be able not only to meet our entire requirements but also be able to supply to other manufacturers. Steps have been taken to add necessary amount of machinery, etc. for this purpose.

"We started the hire-purchase scheme not only in the case of sewing machines but in the case of fans also, particularly for the cold weather. Although our scheme will mean higher cost and less profits, yet it will help those buyers, who could not pay the full price at one time, to pay by easy instalments, total cost being the same.

"Air-circulators, exhaust fans, and fractional h.p. motors are now in regular production.

"I am sorry to say that zig-zag sewing machine is still not in production, but this time I am glad that, while we could have started production somewhere about July or August, but our design section got some new ideas, which will make the machine more efficient than before, and we are now hoping that we will start production by January or February next year.

"We have now made a good study and have good experience of the foreign markets, and the export of our sewing machines can be considerably increased.

Capacity to be Increased

"Since the present factory cannot meet the demand we have applied for a licence for a complete new unit of the capacity of 25,000 sewing machines a month, mainly of the zig-zag type, and I and my colleagues are confident of being able to export almost the whole production of the new factory. We hope the licence will be soon granted.

"During the year, we have fully mechanised our foundry and it is, if not the only one, one of the very few mechanised foundries in the country.

"As is well known, our country is in a difficult position so far as foreign exchange is concerned. In keeping with our policy of continuously increasing our exports, I am glad, that while in the year ended 31st March 1959 our exports were worth about Rs. 45 lakhs, in the year ended 31st March 1960 our exports were over Rs. 80 lakhs. Every effort is being made to see that by 31st March 1961 we may be able to increase our exports to somewhere near Rs. 1,25,00,000.

"While on the question of exports, I will appeal to all brother industrialists, particularly of the non-traditional type, to make every effort to export more and more year after year, and to those not exporting, to start exporting. It is true that the margin of profit by sale in India is much higher than what it would be if the goods are exported, but we have also to remember that these margins of profit by sale in India, are due to the Government's policy of severe restrictions on imports. It is, therefore, the duty of all of us to help our country by increasing exports in the hour of its need.

A Few Suggestions

"I will also, in all humility, make a few suggestions to the Government. It is very necessary that quick decisions should be arrived at as regards the various incentives to be given for exports, or difficulties to be removed, and I would suggest that a high-power committee consisting of, say, the Secretary of the Finance Ministry, of the Industries Ministry, the Steel Ministry, and the Railway Ministry, with two representatives of the Export Promotion Councils be formed with very wide power, to take quick decisions, and implement them without too much of red-tapism. Of course, where they may consider it necessary, they can consult higher authorities.

"Among other incentives an important one is about the long-term credit on engineering goods for export, and the other a lower rate of interest on long-term credit. Everybody is interested in export and while the Reserve Bank gives loans at concessional rates for agricultural purposes, co-operative purposes, handloom purposes, etc., in this case also it can help, particularly in the case of non-traditional items. I also think, and very strongly, that concessions in the matter of income-tax, etc., should also be given in the case of exports.

"While no doubt it is true that in a very small way there is some increase in the exports of engineering goods, but it is not enough, and I am sure that if the Government and the manufacturers make up their minds, then by the end of the third Five-year Plan, the exports of engineering goods alone should go up to worth about 50 crores of rupees a year.

Losses Should be Shared

"I would, therefore, suggest that individual industries should make their own associations to share such losses of profits as may be suffered by those whose goods are of approved quality and who export in increasing quantities. These may be shared by all manufacturers *pro rata* on the basis of their production. If, however, manufacturers cannot form their own associations, then even at the risk of incurring the displeasure of the business community, I would suggest that on such industries a small cess may be levied, and the exports of those goods may be handed over to the State Trading Corporation who I hope will utilise the normal trade channels for the purpose, but we must make up our own mind that every year the export of engineering and non-traditional goods should go on increasing so that in the last year of the third Five-year Plan we export not less than 50 crores worth of engineering goods alone, and if possible even more.

"I have pleasure in saying that the relations with our staff and workers continue to be cordial, and it is the result of these relations that we have been able to increase production steadily, and we are, therefore, grateful to all our colleagues whether in the factory side or on the sale for their devotion and hard work."

IMPORTANCE OF INDUSTRIAL SAFETY

CAUSES AND REMEDIES

By Dr. J. L. Rastogi
UNIVERSITY OF LUCKNOW

THE need for increasing productivity in Indian industries, with a view to maximum utilisation of resources, cannot be overemphasised. Productivity has been defined as "the ratio between the output of wealth and the input of resources used up in the process of production." The object of the present productivity movement, therefore, has been to increase the ratio of output to input. One of the challenges in this direction has been the rising incidence of industrial accidents. An accident is a sudden occurrence in an industrial plant causing injury or damage to men or machinery, resulting in loss of production during working hours.

In spite of the importance of industrial safety in increasing productivity in the country, so far no attempt has been made to collect adequate statistics and systematically analyse the probable causes of industrial accidents. The available accident statistics do not present the true picture of the State of affairs. Because they relate only to accidents causing injuries—fatal and non-fatal, while those not resulting in an injury are not reported and taken into account. Even the picture presented by such figures is, however, very grave. The number of accidents has continuously witnessed a rising trend, as will be seen from the accompanying table. Although partly such a trend of industrial accidents has been due to better reporting, yet it cannot be reconciled with the improved and safer conditions of work and the reduced number of working hours under the Factories Act of 1948.

Cost of Accidents

The cost of industrial accidents is usually very heavy. Besides providing first aid to the victim of an accident, the management has to compensate him according to the nature and severity of the injury. The indirect cost involved is even more important. It cannot be measured in monetary terms. An accident means loss of production during the time the work stops either due to damage to the equipment or due to an injury to an employee. It may lead to an injury or it may be without any injury. Again, an injury may be fatal or non-fatal, while the latter may be total or partial or temporary or permanent. If the injury is non-fatal, the worker may take some time to recover and his substitute may not be of the requisite standard and may damage the material, machinery and the name of the concern. Even in cases of non-fatal accidents workers sometimes migrate to their villages and fail to report on duty even after recovery. In cases of fatal accidents the loss generally becomes irreparable while accidents leading to permanent disability give rise to replacement and affect labour turnover.

Besides, more time and money are needed on the part of management for investigating and disposing of accidents and in recruiting, training and supervising new workers to prevent production hold-ups. Inadequate attention to industrial accidents, also, takes away sympathy, loyalty and co-operation of employees affecting the productivity of the concern adversely.

The hardships and difficulties caused to a victim of an accident are in no way less important. Each non-fatal accident affects the working capacity and earnings of a worker according to its nature and severity. In case of a total permanent disability, all hopes of leading a useful life are gone. If it is partial, an employee's productivity and earning capacity are considerably decreased. Even in case of temporary disability, a worker has to wait for sometime to resume normal work. Thus, in spite of the compensation workers receive under the Workmen's Compensation Act, 1923 or Employees State Insurance Act, 1948, accidents have a demoralising effect on them, increasing their proneness to accidents and decreasing their productivity.

Whose Responsibility?

The responsibility for industrial safety or for elimination of accidents is that of both management and workers. The management's responsibility for providing safe conditions of work is legal as well as moral. Under the Factories Act of 1948, management is responsible for providing adequate safeguards against mechanical hazards and use of dangerous substances. The Act provides for adequate fencing of dangerous machinery, casing of new machinery, regulation of work on or near machinery in motion and of the use of hoists, lifts, cranes, etc. It also prescribes control of employment of young persons on dangerous machinery and prohibition of employment of women and children on certain types of machinery. Adequate precautions against dangerous fumes, explosive or inflammable dust, gas and in case of fire, etc., have also to be taken.

The responsibility of the management, in this regard is, however, much more than what has been provided for in the Factories Act, because, first, safety provisions in the Act are general and do not serve the specific needs of any industry and, secondly, mere adequate safeguards against mechanical hazards and use of dangerous substances are ineffective without education of workers on safety and effective supervision to ensure strict observance of safety rules so that causes leading to accidents may be eliminated as far as humanly possible.

The moral responsibility of management for industrial safety is all the more important. Safety and well-being of workers are management's sacred trust which must be honoured by providing adequate safeguards against various industrial hazards. In fact, in view of the immense cost involved in accidents, it is in their own interest to provide safe work environment.

The management's responsibility for industrial safety is widely diffused. Partly it rests with the top executives who provide for safe and healthy work environment but largely it is vested in the foremen and departmental heads who are responsible not only for maintaining the quality and quantity of the output but also for safe performance by workers under their direct control.

While the management is thus responsible for providing safe conditions of work, the primary responsibility for safety lies with the workmen themselves. Every worker should realise the immense cost and hardships involved in accidents. The responsibility of each worker is not only to turn out the goods of requisite quantity and quality but also to perform his assignment safely.

Causes Not Far to Seek

Irrespective of the responsibility for industrial accidents, an analysis of their causes is essential to take decisive and effective steps for their prevention. But as the underlying causes of an accident may be many, it cannot be attributed to one particular cause. An attempt is made here to indicate the various causes that may, collectively or individually, lead to accidents:

1. *Mechanical Hazards.*—In the past, one of the important causes of industrial accidents was leaving the machinery largely unguarded or inadequately guarded. In those days the risk of an employment injury was regarded as a natural corollary of industrial employment for which the management was not responsible. Gradually, with the growth of public interest, workers' organisations and State interference, employers have been held responsible for providing safe conditions of work and proper protection against accidents. In spite of the fact that dangerous parts of industrial equipment have been properly enclosed and use of harmful substances controlled, accidents due to mechanical hazards are not uncommon. In the absence of adequate statistics it is not possible to assess the contribution of these to occurrence of accidents. Most of the accidents taking place under this head are, however, due to either faulty layout or defective designing of machinery.

2. *Physical Hazards.*—A number of accidents can be directly traced to work environment. In spite of the provisions of the Factories Act regulating working conditions, actual conditions with regard to workroom temperature, ventilation, lighting, etc., are far from satisfactory in most of the mills as the law is being observed only in letter and not in spirit. The incidence of accidents is high in departments where ventilation is defective and temperature uncomfortable. Improper and inadequate lighting also result in a number of accidents. Again, accidents are more common during night than in day, as work during night is uncomfortable and has to be performed in altogether artificial light which if improperly arranged gives rise to glare and strain.

3. *Personal Attributes.*—Sometimes accidents occur, in spite of the best care of the management and adequate safeguards against various industrial hazards. In such cases, particularly, and even when they are caused due to aforesaid reasons, accidents occur, due to workers' own traits and attitude of mind. Every worker has his own aims and aspirations, preferences and prides, and accident rates are generally higher where workers' reasonable desires and needs are not given proper attention. Some workers are irresponsible, careless and untrustworthy by their very nature, but these qualities are not always their hereditary attributes. Sometimes, the work environment may develop adverse qualities in employees. The main factors responsible for undesirable traits among workers are:

(*a*) *Fatigue.*—This is a natural consequence of work which, if inadequately attended, affects the productivity of the concern adversely. It leads to monotony, dullness and strain which have been the underlying causes of most of the accidents. Fatigue may be due to various reasons such as uninterrupted long hours of work, unscientific rest pauses, faulty layout causing unnecessary movement, bad lighting and ventilation, etc.

(*b*) *Wrong Selection and Placement.*—The task of selection of workers in our country is still not scientifically conducted. There is neither job analysis nor job standardisation. Vocational and psychological tests are very seldom organised. The task is still left to the *mistry*, who, due to his multifarious duties, has not been able to do full justice to this assignment. A wrongly selected and wrongly placed worker is more prone to industrial accidents, as he will fail to adjust himself to the needs of the industry and take sufficient safeguards and precautions while at work. For him, work becomes largely monotonous, strenuous and distasteful and, under such conditions, even a slight negligence gives rise to an industrial accident.

(*c*) *Inadequate Instructions and Training.*—So far adequate attention has not generally been paid to education and training of employees. There is neither any induction course nor a well planned training programme, with the result that their aptitude, initiative and interest in work remain undeveloped. In the absence of an induction course, workers fail to appreciate

Statement showing the number and incidence of injuries in manufacturing industries

Year	Fatal		Non-fatal		Total	
	Number	Per 1,000 workers employed	Number	Per 1,000 workers employed	Number	Per 1,000 workers employed
1947	214	0.09	58,549	25.74	58,763	25.83
1948	259	0.11	67,805	28.73	68,064	28.84
1949	250	0.10	75,366	30.96	75,616	31.06
1950	240	0.10	72,168	29.24	72,416	29.34
1951	234	0.09	75,713	29.84	75,947	29.93
1952	257	0.10	91,033	35.46	91,290	35.56
1953	256	0.10	93,431	36.96	93,687	37.06
1954	267	0.10	93,765	36.21	94,032	36.31
1955	274	0.10	1,16,010	43.12	1,16,284	43.22
1956	278	N.A.	1,28,177	N.A.	1,28,455	N.A.
1957	346	N.A.	1,31,149	N.A.	1,31,495	N.A.
1958	357	0.12	1,30,913	43.79	1,31,270	43.91

SOURCE: *Indian Labour Year Books.*

the importance of their work in the enterprise, the use of safety devices and the need for taking adequate precautions to avert accidents. Again due to inadequate job training, new entrants pick up the habits of other workers who are themselves not properly trained, thus perpetuating bad working methods, inefficiency and accidents.

Accident Prevention

Whatever may be the causes, it is in the interest of the national economy to reduce accidents. The success of any accident prevention programme depends on the active interest and co-operation of the management and the workers in industrial safety. Management should realise the immense cost which the factory has to bear due to accidents both in monetary and output terms.

The first step in any programme for preventing accidents would be collection of adequate statistics and analysis of the probable causes leading to accidents. However, a study of only those accidents that cause injury is not enough. It has been noticed in almost all industrially advanced countries that more than 90 per cent. accidents do not result in any injury and can easily be avoided by slight care and foresight. Thus, proper investigation of all accidents whether causing an injury or not would furnish useful lessons for prevention of accidents in future. Such an investigation will disclose whether insufficient guarding of machinery, inadequate training of workers, unsuitable working conditions or workers' own traits have been responsible for an accident.

The sixteenth session of the Labour Ministers' Conference has rightly recommended the appointment of safety officers in factories where the strength of labour exceeded a prescribed number or where the processes were of a particularly hazardous nature. They should be expert in safety engineering. Besides collecting adequate accident statistics in each concern, they should be responsible for investigating the causes of accidents and suggesting remedial measures.

Steps should be taken to provide adequate safeguards against mechanical and physical hazards and to rid the workers of their undesirable traits. So far as mechanical hazards are concerned, provisions of the relevant law should be strictly observed. Defective and dilapidated machinery should be replaced and layout of the old worksheds should be reorganised as soon as practicable. In processes where dangerous substances are used workers should be provided with proper protective apparel.

Proper workroom atmosphere is also a prerequisite for industrial safety. Conditions with regard to temperature humidity, dust and fumes, etc., should be properly controlled and ventilation and cleanliness adequately provided. Provision of lighting requires special attention in any such programme. In a modern factory, mere general lighting is not enough. Each work point should be properly illuminated and intensity of light should be adequate to enable a worker to attend to his job easily. Again, working of the night shift should not be permitted except in exceptional circumstances and in industries requiring continuous processes. Ordinarily, working hours should be fixed in such a way that the work stops by midnight so that workers may utilise the later part of the night for sleeping.

"Fatigue study" is yet another important adjunct of any safety programme. It enables employers to fix most suitable rest intervals. Thus it helps reduce monotony, frustration, strain and negligence among workers and creates their active and genuine interest in work improving their productivity and reducing accidents.

Mere control and regulation of mechanical and physical hazards are, however, not enough for industrial safety. For any effective plan for accident prevention, undesirable traits in workers should be converted into co-operative and constructive qualities. Selection of workers should be preceded by job analysis and physical and psychological tests, so that each operative has the necessary aptitude and calibre for the job he is assigned. As soon as a worker is appointed, he should be given a brief induction course introducing him to the firm, its policies, products and actual work.

Safety-consciousness

As industrial safety is a joint responsibility of all those taking part in productive effort, steps should be taken to generate safety-consciousness among departmental heads, foremen and workers. Departmental heads and foremen should be made responsible not only for requisite quantity and quality of output but also for safe performance of workers under their direct control. They should be given adequate instructions in safety engineering and training in the use of safety devices. Safety education of workers should be an integral part of an induction course. As soon as an employee joins the concern, he should be given a safety handbook and explained in detail the safety rules and the use of safety devices with practical demonstrations whenever needed. In this direction, use may be made of audio-visual media and repercussions of workers' negligence and avoidance of safety rules should be publicised through posters, playcards, cinema films, etc. Periodical refresher courses should also be organised to acquaint the departmental heads, foremen and workers in the use of latest safety devices.

Incentives—monetary and non-monetary—may also be made use of for generating and maintaining the interest of departmental heads, foremen and workers in industrial safety. Those with clean records should be properly rewarded by paying them bonus, additional wages or fixed emoluments or by granting them holidays with pay. Safety awards, however, should not only recognise past safe working but also stimulate safe performance even afterwards. Sometimes, non-financial incentives are more effective in making workers' more careful and reducing accident rates. These have to be devised by taking into account individual characteristics of employees. In order to gain the full co-operation of workers in productive and safety programmes, their aims and aspirations, pride and preferences should be honoured and given effect to. Efforts should be made to generate in them a spirit of loyalty and responsibility. Recognition to departmental heads, foremen and employees with clean records will create in them a sense of pride and satisfaction, adding to their efficiency and safe performance.

Association of Workers

The best method to arouse and secure workers' interest in industrial safety is their association in any programme of industrial safety. Workers should be encouraged to inform the management of any unsafe practice or condition as soon as it is noticed. Besides, they should be inspired to give their own suggestions for improving safety conditions in industry. For the convenience of workers, suggestion boxes should be placed near at hand. These suggestions should be periodically collected and properly scrutinised by the management and placed before a joint safety committee of the management and workers' representatives. However, only workers with clean records of service should be entitled to become the members of such committees. If found to be satisfactory, each suggestion should be given a reasonable trial and, if beneficial, adopted to benefit the employees and the industry. Those whose suggestions are adopted should be adequately rewarded as a token of their knowledge and consciousness. In case it is not accepted, the reason therefor should be promptly communicated to the worker concerned. Joint safety committees should also be responsible for conducting safety meetings, accident investigations, and for recommending measures for accident prevention.

Expenditure for providing safe work environment and safety education should no longer be regarded as waste. It is a profitable investment which more than offsets itself by reducing ineffective time on the part of the management and the workers and by preventing waste of money, material and machinery.

The proposal of the Assam Government to create a pool guarantee fund out of the ½ per cent. extra interest charged on loans given to tea estates under the second Plan for constructing houses for estate labour has been accepted by the Central Government. The tea interests were unable to avail themselves of the loan because they had no security to offer, the garden assets being already hypothecated to banks for actual working expenses. Now, a committee of the Government and planters has finalised rules making it possible for the estates to secure the loans in the current year. The estates will have the option to take loans at 4½ per cent. with adequate security or may pay 5 per cent. interest without any additional security excepting land and houses to be built thereon against the pool guarantee fund envisaged. A sum of Rs. 12.5 crores has been provided in the current year's budget towards plantation labour housing.

DRAFT THIRD PLAN X-RAYED—V

(*Concluded from page 759*)

lavished on the oddments of society, the government should take care of those who are healthy but are unemployed. Prof. Mahalanobis himself calculated that unemployment in India adds up to 45 millions. If work and wages are provided for these, they will themselves take care of the delinquent and handicapped. The needs of women and children can be entrusted to the local school teachers or the *gram sewaks*, if the latter are to be continued.

Prohibition

In respect of prohibition, the Commission evades assessment on the ground that a committee of officials and enthusiasts has been appointed to review the working. This Committee should inquire into the consequences of prohibition, which are not only involving a loss of revenue of more than Rs. 100 crores per annum but are destroying people's health and respect for law. Nearly everywhere as much illicit liquor as the people require is available at even a fraction of its previous price. This is inevitable, because liquor can be easily distilled by anyone out of raw materials which are abundant and because, while the rich may have permits for foreign liquor, the poor cannot have them for Indian liquor, even on grounds of health. While this infringes on the socialist pattern, so does the loss of revenue arising from the attempt to make a small proportion of the population abstinent at the cost of the whole population. Unless an independent Committee of Inquiry disproves these objections to Prohibition, the Planning Commission has no right to support the prohibition policy of the Government.

(*Concluded*)

THE INDIAN BANK LTD.
H. O: NORTH BEACH ROAD, MADRAS-1

CAPITAL

Authorised Capital	Rs.	1,00,00,000
Subscribed Capital	Rs.	88,60,000
Paid-up Capital	Rs.	82,99,435
Reserve & other Funds	Rs.	85,01,884
Deposits (as on 30-6-1960)	Rs.	45,18,48,512

DEPOSITS

CURRENT ACCOUNT — SAVINGS BANK — FIXED, SHORT TERM DEPOSITS—3 YEAR CASH CERTIFICATES YIELDING 4·06% COMPOUND INTEREST

FOREIGN EXCHANGE

FOREIGN EXCHANGE OF EVERY DESCRIPTION:
London Agents: WESTMINSTER BANK LIMITED
New York Agents:
FIRST NATIONAL CITY BANK OF NEW YORK

G. S. SUNDARAM, Secretary

ESTD-1907

This is only an announcement and not a Prospectus and applications are invited on the basis of the Prospectus, copies of which are available from the Company's Registered Office, the Bankers, the Underwriters and the Brokers mentioned hereunder.

A copy of the Prospectus having attached thereto the documents referred to hereafter has been duly delivered for registration to the Registrar of Companies, Madras, as required under Section 60 of the Companies Act, 1956.

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

A licence has been obtained from the Central Government for the establishment of this industrial undertaking of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence, the Government of India do not take any responsibility for the correctness of any of the statements made or opinions expressed in regard to it.

The Madras Stock Exchange has agreed to grant an official quotation for the shares of the Company, and permission to deal in them on the Company complying with the necessary formalities after closure of the subscription list.

The Subscription List will open at 10 a.m. on Monday, 7th November, 1960 and will close at 2-30 p.m. on Monday, 14th November, 1960 or earlier at the discretion of the Directors but not earlier than 2-30 p.m. on Friday, 11th November, 1960.

PREMIER FERTILISERS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

SHARE CAPITAL

AUTHORISED CAPITAL :	Rs.
2,50,000—9% Taxable Cumulative Preference shares of Rs. 10 each	25,00,000
7,50,000—Equity shares of Rs. 10 each	75,00,000
	1,00,00,000

ISSUED CAPITAL :	
Present Issue :	
5,00,000—Equity shares of Rs. 10 each	50,00,000

Out of the present issue, the signatories to the Memorandum have already subscribed among themselves for 31,200 Equity shares of Rs. 10 each to the aggregate value of Rs. 3,12,000. The promoters and their friends have further subscribed for 88,800 Equity shares of Rs. 10 each to the aggregate value of Rs. 8,88,000. The Industrial Credit and Investment Corporation of India Limited, Bombay, have agreed to subscribe for 30,000 Equity shares of Rs. 10 each to the aggregate value of Rs. 3,00,000. The balance of the issued capital, namely, Rs. 35,00,000 consisting of 3,50,000 Equity shares of Rs. 10 each is offered for public subscription at par for cash in terms of this Prospectus and is payable as follows :

On application .. .. Rs. 5 per share.
On allotment .. .. Rs. 5 ,,

Failure to pay allotment money when called for within the time mentioned shall render the share liable to forfeiture.

The entire balance of issue, namely, Rs. 35,00,000 now offered to the public has been underwritten.

No shares are issued for consideration other than cash.

The Company has agreed to give preferential allotment to the extent of 50% of the shares underwritten by each of the Brokers in respect of specific applications submitted by them and marked firm allotment.

BOARD OF DIRECTORS

1. SRI M. Ct. MUTHIAH (Industrialist), *Chairman.* "Bedford House", Vepery, Madras-7

   Chairman of:—1. The Indian Overseas Bank Limited, Madras. 2. The United India Fire & General Insurance Co., Limited, Madras.

   Director of:—3. The Industrial Finance Corporation of India, New Delhi. 4. Kerala Financial Corporation, Trivandrum. 5. Andhra Pradesh State Financial Corporation, Hyderabad. 6. The Madras Industrial & Investment Corporation Ltd., Madras. 7. The Reliance Motor Company Private Limited, Madras. 8. The Mysore Paper Mills Limited, Bangalore. 9. The Travancore Rayons Limited, Rayonpuram, Kerala, etc.

2. SRI M. Ct. PETHACHI (Industrialist), "Bedford House", Vepery, Madras-7.

   Director of:—1. The Indian Overseas Bank Limited, Madras. 2. The Travancore Rayons Limited, Rayonpuram, Kerala. 3. The Reliance Motor Company Private Limited, Madras. 4. The Reliable Hire Purchase Company Private Limited, Madras. 5. Emcete & Sons Private Limited, Madras, etc.

3. SRI S. P. VIRMANI (Industrialist), No. 33, Najafgarh, Industrial Area, New Delhi-15.

   Director of:—1. Industrial Finance Corporation of India, New Delhi. 2. State Bank of India (Central Board), Bombay. 3. Jammu & Kashmir State Financial Corporation, Srinagar. 4. Uttar Pradesh Financial Corporation, Kanpur. 5. Seshasayee Paper & Boards Limited, Tiruchirapalli. 6. Punjab Financial Corporation, Chandigarh, etc.

4. SRI D. P. GOENKA (Industrialist), 9, Brabourne Road, Calcutta-1.

   Director of:—1. Industrial Credit & Investment Corporation of India Limited, Bombay. 2. Calcutta Steel Company Limited, Calcutta. 3. Caledonian Jute Mills Co., Limited, Calcutta. 4. Hindustan Aluminium Corporation Limited, Bombay. 5. Naihati Jute Mills Company Limited, Calcutta. 6. State Bank of India (Local & Central Board). 7. Hastings Mill Limited, Calcutta, etc.

5. SRI AR. RAMANATHAN (Industrialist) "Sunny Side," No. 1, Dr. Alagappa Chettiar Road, Vepery, Madras-7.

   Chairman of:—1. The Travancore Rayons Limited, Rayonpuram, Kerala.

   Director of:—2. The Indian Overseas Bank Limited, Madras. 3. United India Fire & General Insurance Company Ltd., Madras. 4. Emcete & Sons Private Limited, Madras. 5. Emcete & Sons (Travancore) Private Ltd., Rayonpuram, Kerala. 6. M. Ct. M. Corporation Private Ltd., Pudukotai, etc.

PROPOSED MANAGING AGENTS

MESSRS. EMCETE & SONS PRIVATE LIMITED, 30, Coral Merchant Street, Madras-1.

BANKERS

THE INDIAN OVERSEAS BANK LIMITED, Esplanade, Madras-1.

THE BANK OF BARODA LIMITED, 3. Errabalu Chetty St., Madras-1.

UNDERWRITERS

THE INDIAN OVERSEAS BANK LIMITED, 151, Mount Road, Madras-2.

THE BANK OF BARODA LIMITED, Apollo Street, Fort, Bombay-1.

MESSRS. SOMAYAJULU & COMPANY, 337, Thambu Chetty Street, Madras-1.

MESSRS. R. R. NABAR & COMPANY, 31, Dalal Street, Fort, Bombay-1.

Jointly:—

MESSRS. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay-1.

MESSRS. MACONOCHIE & CO., Mercantile Bank Buildings, First Line Beach, Madras-1.

MESSRS. G. M. PYNE, Allahabad Bank Buildings, 14, India Exchange Place, Calcutta-1.

BROKERS

MESSRS. SOMAYAJULU & COMPANY, 337, Thambu Chetty Street, Madras-1.

MESSRS. R. R. NABAR & COMPANY, 31, Dalal Street, Fort, Bombay-1.

MESSRS. P. R. SUBRAMANYAM, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay-1.

MESSRS. MACONOCHIE & COMPANY, Mercantile Bank Buildings, 1st Line Beach, Madras-1.

MESSRS. G. M. PYNE, ALLAHABAD BANK BUILDINGS, 14, India Exchange Place, Calcutta-1.

LEGAL ADVISER

SRI M. RANGANATHA SASTRI, Advocate, Supreme Court, No. 1. Dr. Rangachari Road, Madras-4.

AUDITORS

MESSRS. SURI & COMPANY, 1/29, Mount Road, Madras-2.

REGISTERED OFFICE

150-A, MOUNT ROAD, MADRAS-2.

CONSENTS

The consents in writing of the Bankers, Brokers, Legal Adviser and Auditors of the Company to act in their respective capacities have been obtained and have been filed with the Registrar of Companies, Madras, and have not been withdrawn.

OBJECTS

The Company was incorporated on 31st March 1960 with the objects mentioned in the Memorandum of Association. The main object is to manufacture superphosphate and other chemical fertilisers.

PROSPECTS

The supply of superphosphate is very much below our country's demand being only about 10 per cent. Before the end of the Third Plan period, our requirements will be approximately 10 lakh tons. According to certain statistics, for Madras State alone, the requirement is 5 lakh tons. With the new awakening amongst farmers, the demand for superphosphate will be in excess of supply and the prospects for the Company are, therefore, bright. As the factory is being located at Cuddalore in South Arcot District, where paddy, sugarcane and groundnut are grown, the demand for superphosphate fertiliser will be continuous. Further, the demand from Tanjore District which is very near from the factory site is also very high. Therefore, the manufactured goods will easily find a sale.

PROJECT

The Company has been granted a licence by the Government of India under the Industries (Development and Regulation) Act, 1951, for the establishment of a fertiliser plant in the State of Madras, with a manufacturing capacity of 40,000 tons of superphosphate per annum and 16,500 tons of sulphuric acid per annum.

LOCATION OF THE FACTORY

A site in the vicinity of Cuddalore O.T. Railway Station in the State of Madras has been purchased for the factory, and the price for the same has been advanced by the promoters who are entitled to be reimbursed.

RAW MATERIALS

Raw materials like sulphur and rock phosphate, etc., have to be imported from abroad and hence location of the factory near a port will be advantageous. In the Third Five-year Plan, greater emphasis has been laid on the increase of foodgrains and consequently systematic use of chemical fertilisers is advocated. There will therefore be no difficulty in getting the requisite raw materials from abroad under the actual users' import licences.

SITE

A plot of approximately 20 acres of land near the Cuddalore Port has been purchased from Mr. Mohammad Ismail Maracair, Sonegar Street, Cuddalore Old Town, Cuddalore Taluk, South Arcot District, for a total cash price of Rs. 38,479 including stamp duty, registration charges, etc. It is an absolute sale of freehold property in favour of the Company.

WATER SUPPLY

Water for the factory will be taken from the bore wells that have been sunk in the factory site. The site being on the coast and in an area where the water-table is high, the factory will get sufficient water for its purposes.

ELECTRICITY

We do not anticipate any difficulty in getting the requisite electric power for the factory inasmuch as the power requirement itself is not very high and the Government of Madras have also given the necessary assurance for providing the required power, subject to prevailing grid conditions.

TRANSPORT FACILITIES

Cuddalore being a seaport, it is an additional advantage for the transportation of raw materials, etc., by sea route. The site being in close proximity to Cuddalore O.T. Railway Junction on the Southern Railway, suitable rail transport facilities are available. In addition, suitable road transport facilities also are available, giving easy connection with other important commercial towns. The manufactured goods can, therefore, be moved easily by road or by rail to any place.

PLANT AND MACHINERY

Messrs. Chemiebau Dr. A. Zieren G.M.B.H., Koln Am Rhein, West Germany, have offered to supply all the necessary plants for sulphuric acid and superphosphate and they will be responsible for the erection and bringing into operation of the factory and the training of Company's personnel. They are well known in India and have supplied acid plants to various concerns in India which have been found very satisfactory in working. The items of machinery and equipment of indigenous origin are reserved to be procured in India.

IMPORT LICENCE

The Company has obtained an Import licence No. CCP 998245/60HQ/CG. dated 23rd September 1960, from the Chief Controller of Imports and Exports, Government of India, New Delhi for the import of the above plant and machinery.

FOREIGN EXCHANGE

The Industrial Credit and Investment Corporation of India Limited, Bombay, have agreed in principle to lend to the Company an amount in foreign currencies equivalent to U.S. $235,000 (approximately Rs. 11 lakhs) to pay for the cost of the imported machinery and capital equipment for the proposed factory, subject to the approval of the International Bank for Reconstruction and Development. The loan will be repayable in half-yearly instalments extending over a period of seven years. The interest payable on this loan will be 7½% per annum, with a commitment charge of 1% per annum on the amount of the loan undrawn from time to time. In addition, an amount equal to a quarter of one per cent. of the total amount of the loan sanctioned shall be payable as an examination fee.

The loan will be secured by a first mortgage of all the existing and future moveable and immoveable properties of the Company and a floating charge on other assets subject to the hypothecation to secure bank borrowings for working capital.

CAPITAL OUTLAY AND MINIMUM SUBSCRIPTION

In respect of the public issue under this Prospectus, the minimum subscription on which the Directors will proceed to allotment is Rs. 20 lakhs being 2 lakhs of Equity shares of Rs. 10 each.

The capital required to reach the stage of production is estimated as follows:

	Rs. (in lakhs)
Land and Buildings	9.50
Machinery and equipment including freight, insurance and erection charges	26.50
Preliminary expenses including underwriting commission and brokerage	2.50
Working capital	25.00
	63.50

This amount is proposed to be met as follows:

Equity share capital from the promoters and their friends, and I.C.I.C.I.	15.00
Equity share capital to be raised by this issue	35.00
Foreign exchange loan from I.C.I.C.I.	11.00
To be raised from bankers and other sources as and when required	2.50
	63.50

ESTIMATE OF PROFITS

The fertiliser industry in India has shown a reasonably high potentiality for profit earning. The proposed superphosphate factory will be equipped with up-to-date plant and machinery incorporating the latest methods of fertiliser production which also effects substantial savings in cost of production. The Company, therefore, has reasonable scope for earning profits, and the Directors feel that the operation of the factory will yield a satisfactory return on the capital invested.

COMMENCEMENT OF BUSINESS

The Company has obtained a Certificate of Commencement of Business, dated 7th September 1960, from the Registrar of Companies, Madras, after filing the Statement in lieu of Prospectus. The report of the Auditors under Section 56 of the Companies Act and Schedule II is set out below and they have given their consent to the issue of the Prospectus with the Statement included in the form and context in which it is included. They have not withdrawn such consent before delivery of the copy of the Prospectus for registration.

DIRECTORS

The Articles of the Company provide that the number of Directors shall be not less than three, and until otherwise determined by a General Meeting, not more than nine excluding any Director nominated by Government or financing institutions.

The qualification of a Director other than ex-officio Director and the Directors nominated by Government or any financing institutions, shall be his holding of shares in the capital of the Company of the face value of Rs. 5,000.

The Articles provide that the remuneration of each of the Directors including the ex-officio Directors and the Directors nominated by Government or any financing institutions shall be such sum not exceeding Rs. 100 as may be decided upon by the Board of Directors from time to time for every meeting of the Board or Committee attended by him.

The Articles also provide that the Company allow or pay to any Director, such sum as the Directors may consider fair compensation for his expenses in connection with his attending the meeting, in addition to his remuneration.

APPOINTMENT OF DIRECTOR BY THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LIMITED, BOMBAY

The Industrial Credit and Investment Corporation of India Limited, Bombay, have, as one of the terms of their giving a loan of requisite foreign exchange for the Company, the right to appoint, if they so desire and deem it necessary, an ex-officio Director to the Board, who shall not be liable to retirement and shall not be required to hold qualification shares.

MANAGEMENT AND CONTROL

It is proposed to appoint Messrs. Emcete & Sons Private Limited, 30, Coral Merchant Street, Madras-1, as Managing Agents for 15 years and an application for the approval of the said appointment and the terms of the Managing Agency, has been made to the Government of India. According to the said draft terms, the Managing Agents will be paid by way of remuneration a commission on the net profits of the Company at the following rates:

10%	on the first	Rs.	10	lakhs or fraction thereof.	
9%	,, next	,,	10	,,	,,
8%	,, ,,	,,	10	,,	,,
7%	,, ,,	,,	10	,,	,,
6%	,, ,,	,,	10	,,	,,
5½%	,, ,,	,,	25	,,	,,
5%	,, ,,	,,	25	,,	,,
4%	on any sum over one crore of rupees.				

In the event of inadequacy or absence of profits, the Managing Agents will be paid a minimum remuneration of Rs. 50,000 per annum. The expression "net profits" shall have the same meaning as defined under Sections 349 and 350 of the Companies Act, 1956.

The Subscribed Capital of Messrs. Emcete & Sons Private Limited is Rs. 5,00,000.

The Managing Agents shall be entitled to appoint to the Board two Directors or one Director as the case may be according as the total number of Directors is more than five or less than five, and such nominated Directors shall not be liable to retire in rotation.

Subject to the Government's approval of the said appointment, the control and management of the business of the Company shall vest in the Managing Agents who will exercise all such powers of the Company required to be exercised by them as per the provisions of the Companies Act.

OPTION OR PREFERENTIAL RIGHTS TO SUBSCRIBE

No contract or arrangement has been entered into or is proposed to be entered into by the Company whereby any option or preferential right of any kind has been given or is proposed to be given to any person to subscribe for any shares, except the firm allotment to the extent of 50% of the underwriting of each of the brokers the allotment to the promoters and their friends and to the Industrial Credit and Investment Corporation of India Ltd., Bombay, for the amount subscribed by them mentioned *supra*.

UNDERWRITING AGREEMENTS

The Company has entered into agreements with the following Bankers and Brokers according to which they have agreed to underwrite Equity shares of the face value set respectively against their names:

Name	*Amount Rs. (in lakhs)*
The Indian Overseas Bank Ltd., Madras ..	10
The Bank of Baroda Ltd., Bombay ..	10
Messrs. Somayajulu & Company, Madras ..	5
,, R. R. Nabar & Company, Bombay ..	5
,, P. R. Subramanyam, Bombay ,, Maconochie & Co., Madras and ,, G. M. Pyne, Calcutta .. Jointly	5
Total ..	35

In the opinion of the Directors, the resources of the said Underwriters are sufficient to discharge their respective underwriting obligations.

The Underwriters are entitled to an underwriting commission of 2½% of the face value of the shares respectively underwritten by them exclusive of brokerage hereinafter mentioned.

Subject to clause 10 of the Articles of Association of the Company, brokerage at the rate of 1% will be paid on all allotments made in respect of applications bearing the stamp of a Bank or a recognised broker. Brokerage on the same basis is payable to Underwriters in addition to the underwriting commission, on allotments in respect of applications made or procured by them and bearing their respective rubber stamps.

STATUTORY AND GENERAL INFORMATION

Preliminary Expenses: The total preliminary expenses are estimated to be Rs. 2,50,000 which is inclusive of all the expenses of this issue, brokerage and the Underwriters' commission. The amount will be advanced by the promoters in the first instance and they are entitled to be reimbursed by the Company.

Save as provided above no amount or benefit has been paid or given or is intended to be paid or given to any promoter or officer of the Company.

APPLICATION FOR SHARES AND ALLOTMENT

Application for Equity shares must be for a minimum of 50 shares. All applications should be made on the form attached to the Prospectus copies of which can be had from the Registered Office of the Company, the Company's Underwriters, Bankers and Brokers.

The application forms duly completed together with cheques or drafts for the full amount of Rs. 5 per share payable on application must be delivered before the closing of the subscription list to the Company at their Registered Office or to any of the Company's Bankers, Underwriters, or Brokers.

Remittances should be made by cheques or drafts drawn on any Bank situate in Madras, Bombay, or Calcutta. Cheques or drafts on other stations must include Bank charges at 25 nP per cent. subject to a minimum of 62 nP per cheque or draft; otherwise, the application is liable to be rejected.

Cheques and drafts should be made payable to PREMIER FERTILISERS LIMITED or to one of the Company's bankers—marked "Account PREMIER FERTILISERS LIMITED" and should be crossed. A separate cheque or draft must accompany each application form.

Allotment will be notified by the despatch of Allotment Letter but the Directors reserve the full uncontrolled right of accepting or rejecting any application in whole or in part in either case without assigning any reason. Where an application is rejected or not accepted in full, the whole or any balance of the application money received will be refunded to the applicant by cheque on the Company's Bankers at Madras within two months of the date of opening of the list. No interest will be paid by the Company. No allotment will be made in the names of Partnership firms, minors, non-residents or their nominees or Trusts. The shares when issued will be subject to the Memorandum and Articles of Association of the Company.

PROSPECTUS OF GENERAL TYRES LIMITED

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinion expressed with regard to them.

A licence has been obtained from the Central Government for the establishment of this new industrial undertaking of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any statements made or opinion expressed in regard to it.

Certificate for Commencement of Business No. 24704 dated 4th August, 1960, has been issued by the Registrar of Companies, West Bengal.

A copy of this Prospectus having attached thereto the documents mentioned hereinafter has been delivered to the Registrar of Companies, West Bengal, for registration, as required by Section 60 of the Companies Act, 1956.

Permission has been obtained from the Calcutta Stock Exchange to deal in and for an official quotation of the Shares of the Company.

The Subscription List will open at the commencement of banking hours on Thursday, 3rd November, 1960, and will remain open up to the close of banking hours on Tuesday, 8th November, 1960, in respect of the Equity Shares and up to the close of banking hours on Thursday, 10th November, 1960, in respect of the Preference Shares. The Directors at their discretion may close the Subscription List for Equity Shares earlier but not before the close of banking hours on Monday, 7th November, 1960.

GENERAL TYRES LIMITED

(INCORPORATED ON 14TH JUNE, 1960, UNDER THE COMPANIES ACT, 1956)

AUTHORISED SHARE CAPITAL	Rs.	2,00,00,000
divided into :		
(1) 15,00,000 Equity Shares of Rs. 10 each ..	Rs.	1,50,00,000
(2) 50,000 Preference Shares of Rs. 100 each ..	„	50,00,000
	Rs.	2,00,00,000
ISSUED SHARE CAPITAL		
450 Equity Shares of Rs. 10 each fully paid	Rs.	4,500
PRESENT ISSUE		
(1) 799,550 Equity Shares of Rs. 10 each at par ..	Rs.	79,95,500
(2) 20,000 9% (Free of Company's Tax but subject to tax deducted at source at the prescribed rate from time to time) Cumulative Redeemable Preference Shares of Rs. 100 each at par	Rs.	20,00,000
	Rs.	99,95,500
OUT OF THE PRESENT ISSUE		
(1) the Directors and their friends have agreed to subscribe for and will be allotted 149,550 Equity Shares of Rs. 10 each	Rs.	14,95,500
(2) National Rubber Manufacturers Ltd. have undertaken to get 250,000 Equity Shares of Rs. 10 each subscribed for by their Shareholders and to take up such number of shares, if any, as may not be subscribed for by their shareholders	Rs.	25,00,000
NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION		
(1) 400,000 Equity Shares of Rs. 10 each	Rs.	40,00,000
(2) 20,000 9% (Free of Company's Tax but subject to tax deducted at source at the prescribed rate from time to time) Cumulative Redeemable Preference Shares of Rs. 100 each	Rs.	20,00,000
	Rs.	99,95,500

UNDERWRITING

The entire present issue to the public is being underwritten as follows :—

Underwriters	*Amount in Rupees*	
	Equity Shares	*Preference Shares*
1. Industrial Finance Corporation of India, New Delhi	Nil	20,00,000
2. The Bank of Baroda Ltd., Calcutta ..	40,00,000	Nil
	40,00,000	20,00,000

In the opinion of the Directors the resources of the underwriters are sufficient to discharge their underwriting obligations.

APPLICATIONS AND SUBSCRIPTIONS

Applications for shares by members of the public must be for a minimum of 50 Shares or multiples of 50 Shares in respect of Equity Shares.

TERMS OF PAYMENT OF ABOVE SHARES

Equity Shares :

On application .. Rs. 5.00 per share
Balance .. Rs. 5.00 per share payable on calls to be made but no call will exceed Rs. 2.50 per share and there shall be an interval of at least one month between calls.

Rs. 10.00 per share

Preference Shares :

On application .. Rs. 50.00 per share
Balance .. Rs. 50.00 per share payable on calls to be made but no call will exceed Rs. 25.00 per share and there shall be an interval of at least one month between calls.

Rs. 100.00 per share

Failure to pay the balance money on any call when made will render the share liable to forfeiture.

DIVIDEND AND CAPITAL

The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits of the Company and may, subject to the provisions of Section 207 of the Companies Act, 1956, fix the time for payment.

No dividend shall be payable except out of the profits and no dividend shall carry interest as against the Company.

Rights of Preference Shares

Dividends : The Preference Shares shall confer upon the holders thereof the right to a fixed cumulative preferential dividend of 9% per annum, free of Company's tax but subject to tax deducted at source at the prescribed rate from time to time, on the capital for the time being paid up thereon. The Preference Shares shall rank for dividend from the day of allotment on the amount for the time being paid up thereon.

Capital : The Preference Shares shall also confer on the holder thereof the right on winding-up to payment of capital and arrears of dividend whether earned, declared or not upto the commencement of winding-up in priority to the Equity Shares but shall not confer any further right to participate in any profits or assets.

Subject to the provisions of the Companies Act, 1956, the Company shall have the option to redeem the whole or any part of the said Redeemable Preference Shares at par at any time or times after the expiry of 5 years but not later than 10 years from the date of issue at the option of the Company on giving not less than six months' previous notice in writing specifying the date of redemption and, in the case of partial redemption, the number of shares to be redeemed.

Rights of Equity Shares

Dividend : Subject to the provisions of the Companies Act, 1956, and to the Articles of Association of the Company the net profits of the Company from time to time determined to be divided in respect of any year or other period shall be applied first in paying the preferential dividend on the capital paid up on the Preference Shares and the surplus shall be divisible amongst the holders of the Equity Shares in proportion to the amount paid up on the Equity Shares held by them respectively.

Capital : On a winding-up the holders of Equity Shares shall be entitled to payment of capital after paying off the capital on Preference Shares and other dues thereon or in respect of other liabilities of the Company.

DIRECTORS

Name	*Address*	*Description and Occupation*
1. SIR A. RAMASWAMY MUDALIAR, K.C.S.I., D.C.L. (Oxon.), (Chairman).	C/o India Steamship Company Ltd., "India Steamship House," Calcutta-1.	Industrialist and Chairman, India Steamship Co., Ltd.
2. MAHARAJADHIRAJA SIR KAMESHWARA SINGH (of Darbhanga).	"Darbhanga House," 3, Middleton Street, Calcutta-16.	Industrialist and Chairman, Walford Transport Ltd.
3. MR. J. L. ESPLEN	6, Lyons Range, Calcutta-1.	Stock Broker and Managing Director, Place, Siddons & Gough Private Ltd., Calcutta.
MR. R. G. EDWARDS .. is the Alternate Director for Mr. J. L. Esplen.	6, Lyons Range, Calcutta-1.	Stock Broker and Managing Director, Place, Siddons & Gough Private Ltd., Calcutta.
4. MR. H. J. SILVERSTON ..	29, Netaji Subhas Road, Calcutta-1.	Solicitor and Partner, Orr, Dignam & Co., Solicitors, Calcutta-1.
5. MR. K. N. MOOKERJEE ..	"Bakulia House," Kidderpore, Calcutta-23.	Industrialist and Managing Director, National Rubber Manufacturers Ltd., Calcutta.
6. DR. D. BANERJEE, M.Sc., Ph.D. (Lond.), F.I.R.I., F.R.I.C.	"Leslie House," 19, Chowringhee, Calcutta-13.	Rubber Technologist and Director and Technical Adviser, National Rubber Manufacturers Ltd., Calcutta.

REGISTERED OFFICE

"LESLIE HOUSE," 19, CHOWRINGHEE, CALCUTTA-13.

MANAGING AGENTS

NATIONAL RUBBER MANUFACTURERS LTD., "LESLIE HOUSE," 19, CHOWRINGHEE, CALCUTTA-13.

TECHNICAL COLLABORATORS

TECHNOEXPORT FOREIGN TRADE CORPORATION, Praha, Czechoslovakia.

BANKERS

1. THE BANK OF BARODA LTD., Calcutta,
2. LLOYDS BANK LIMITED, Calcutta,
3. THE UNION BANK OF INDIA LIMITED, Calcutta.

SOLICITORS TO THE COMPANY

MESSRS. DUTT & SEN, 6, Old Post Office Street, Calcutta-1.

SOLICITORS TO THE ISSUE

MESSRS. ORR, DIGNAM & CO., 29, Netaji Subhas Road, Calcutta-1.

AUDITORS

MESSRS. G. BASU & CO., Chartered Accountants, 6, Hastings Street, Calcutta-1.

UNDERWRITERS

1. INDUSTRIAL FINANCE CORPORATION OF INDIA, New Delhi.
2. THE BANK OF BARODA LTD., Calcutta.

MANAGING BROKERS

PLACE, SIDDONS & GOUGH PRIVATE LTD., 6, Lyons Range, Calcutta-1.

BROKERS

1. MESSRS. LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay.
2. MESSRS. PATERSON & CO., 22, Errabalu Chetty Street, Madras-1.
3. MESSRS. HARBANS SINGH MEHTA & CO., 33, Regal Buildings, Parliament Street, New Delhi.

CONSENTS

Consent in writing of the abovenamed Bankers, Solicitors, Auditors, Brokers to act in their respective capacities have, been filed with the Registrar of Companies, West Bengal. The Auditors of the Company have given and have not upto the date of delivery to the Registrar of Companies, West Bengal, of this Prospectus for registration, withdrawn their written consent to the issue of the Prospectus with the inclusion therein of their Report set out below in the form and context in which it appears.

OBJECTS OF THE COMPANY

The Company was incorporated on 14th June 1960 with the objects mentioned in the Memorandum of Association of the Company and particularly to undertake immediately the manufacture of and carry on business in automobile tyres and tubes and components and accessories relating to tyres and tubes.

MANUFACTURING LICENCE

The Government of India has issued under the Industries (Development and Regulation) Act. 1951 a licence No. L/30-1/N-12/60 dated 19th March, 1960, for the manufacture of automobile tyres and tubes.

IMPORT LICENCE

The Government of India has issued Import Licence No. 999469/HQ dated the 30th March, 1960 for a total amount of Rs. 80,00,000 for the purchase of a complete automobile tyre and tube plant from Czechoslovakia.

FACTORY SITE, POWER AND WATER SUPPLY

The Company has entered into an Agreement to purchase from Calcutta Tanneries (1944) Ltd. of 96, Garden Reach Road, Calcutta-23, a suitable factory site at Kattadanga Road, Kankinarrah, Dt. 24 Parganas, West Bengal, which is about 20 miles from Calcutta, situated near a railway siding, the total area of land being approximately 94 Bighas. The land is permanent leasehold and on the land there are three main brick-built buildings and other structures covering an area of approximately 70,000 sq. ft. which can be converted and utilised for the purposes of the Company, which is advantageous to the early implementation of the project. The Company has agreed to pay Rs. 7,00,000 in cash as the purchase price for this factory site.

The factory site has its own power-house for the supply of part of the electricity required. Arrangements will be made with the Calcutta Electric Supply Corporation Ltd. for the supply of the additional power required.

The factory site has a 300'×6" bore Tube-well fitted with an electric pump and connected to its own reservoir which is capable of meeting the entire requirements of water-supply for the factory.

RAW MATERIALS

The basic raw material, namely, raw rubber and certain fabrics and mineral fillers are largely available from indigenous sources. Other materials such as synthetic rubber, rayon tyre-cord, carbon black and special chemicals like rubber accelerators and anti-oxidants are now being imported but manufacturing units are being set up to manufacture such items in India to meet the demand of the industry.

PLANT AND MACHINERY

The complete Automobile Tyre and Tube Plant is being purchased from Technoexport Foreign Trade Corporation, Praha, Czechoslovakia. Further reference to this Plant is made under the heading "Technical Collaboration." Technoexport has indicated that it is in a position to ship about half of the plant and machinery required within this year which would assist the early implementation of the project.

PROMOTION BY NATIONAL RUBBER MANUFACTURERS LIMITED

This Company is sponsored and promoted by National Rubber Manufacturers Limited of Calcutta. National Rubber Manufacturers Limited has since its incorporation in 1946 rapidly expanded its activities and at present is one of the largest manufacturers of mechanical rubber goods and cycle tyres and tubes in India. As a result of this expansion which is nearly complete its monthly turnover has increased from Rs. 11,00,000 in 1956 to approximately Rs. 21,00,000 during the first six months of 1960.

In pursuance of this policy of expansion National Rubber Manufacturers Ltd., has sponsored this project for the manufacture of automobile tyres and tubes in India and has promoted this Company for this purpose. It has undertaken all the preliminary work involved and has obtained the manufacturing and import licences necessary for the project and has negotiated with Technoexport Foreign Trading Corporation of Czechoslovakia for the supply of the complete Plant for the manufacture of tyres, etc. and for all technical assistance in the production. It has also negotiated the purchase of the factory site in West Bengal for the Company.

National Rubber Manufacturers Limited has acquired an extensive knowledge and experience of the Indian market and has an established sales organisation throughout India. In order to obtain the benefit of this experience the Company has appointed National Rubber Manufacturers Ltd. as its Managing Agents and arrangements are also being made for National Rubber Manufacturers Ltd. to share its sales organisation for the sale of the automobile tyres and tubes and other ancillary products manufactured by the Company once the Plant goes into production so that a ready and quick market will be available for such products.

TECHNICAL COLLABORATION

The Promoter, National Rubber Manufacturers Ltd., had negotiated and entered into an Agreement with Technoexport Foreign Trade Corporation, Praha, Czechoslovakia in November 1959 for the supply and erection of the complete Automobile Tyre and Tube plant and for technical assistance and collaboration in the operation of the Plant and the production of automobile tyres and tubes. This Agreement has with the consent of all parties concerned been assigned to this Company on the 1st October, 1960. The Government of India has given its approval to the technical collaboration with Technoexport.

Technoexport is the Foreign Trade Corporation of Czechoslovakia engaged in the export of complete industrial plant and machinery and equipment produced by the Czechoslovak Engineering Industry.

Technoexport specialises (*inter alia*) in the export of plant and machinery for processing of rubber, particularly for the production of tyres and tubes of motor cars, motor cycles, bicycles, rubber and tennis balls, rubber toys, rubber thread, etc. The rubber manufacturing Plants have been set up in 25 countries including Indonesia, Iran, Burma, Lebanon, U.A.R., Iraq, Austria, German Democratic Republic, Yugoslavia and other European countries. Recently Technoexport has supplied a complete rubber plant to Indonesia which has already been erected and put into operation with the assistance of Czechoslovak experts. The products of this factory are equal in quality to all well-known products of this kind. The Czechoslovak Rubber Tyre factories produce high quality tyres under the well-known "BARUM" brand which are exported to 68 countries including West Germany, Sweden, Near, Middle and Far East, etc.

The following is briefly the scope of the agreement entered into with Technoexport.

(1) Supply of Plant and Machinery

Technoexport will supply the plant, machinery and equipment required for the manufacture of automobile tyres and tubes for the sum of Rs. 71,00,000. It will also prepare the Final Project Report based upon the Preliminary Project Report already prepared by Technoexport comprising all technical aspects relevant to the setting up of the Plant at the Factory site. The Plant will be capable of manufacturing high quality tyres and tubes. Payments will be made on deferred terms for which the usual interest of 6% per annum will be charged. The Corporation has indicated that it is in a position to ship about half of the Plant and Machinery by December 1960.

(2) Supervision of Erection

Technoexport will arrange for selected technical personnel to be sent to India from Czechoslovakia who will erect the Plant and put it into production. The Company will bear the salaries, travelling expenses, etc., of such technical personnel who are sent to the Plant.

(3) Technical Assistance

Technoexport will send out specialised technicians who will work at the Plant for periods varying from 6 months to 24 months whose responsibility it will be to ensure that stipulated production is achieved at the Plant and Indian personnel are trained to take over the running of the Plant. Selected Indian personnel will also be sent for training to factories in Czechoslovakia at the cost of the Company. The Company will bear the expenses, salaries, etc. of the technical personnel sent to the Plant.

(4) Technical Aid and Licence to Use "BARUM" Trade Mark

Technoexport together with Rudy Rijen National Corporation, who are manufacturers of automobile tyres in Czechoslovakia, will supply to the Company all technical know-how and assistance including the use of secret processes and patents relating to the manufacture of automobile tyres and tubes according to the latest standards in Czechoslovakia. The Corporation will arrange for the use of the "BARUM" Trade Mark in India by the Company for a period of 10 years on payment of fees and subject to certain conditions.

All payments in terms of the above items are to be made in Indian rupees by virtue of the Trade Agreement entered into between the Government of India and the Government of Czechoslovakia. Therefore, there is no foreign exchange requirement in connection with this Project.

EXPORTS

No restriction has been imposed by Technoexport on the export by the Company of its tyres and tubes to any country in the world and Technoexport have also agreed to purchase at current prices 5,000 tyres and tubes per annum for a period of four years from the commencement of production for export to Czechoslovakia and other countries.

MARKET POSSIBILITIES AND BUSINESS PROSPECTS

The road mileage per 1,000 square miles of area in India is only 250 against 1,003 in U.S.A., 3,035 in France and 3,242 in U.K. Thus, there is ample scope for development of roads in this country. The Five-Year Plans envisage considerable increase in road transport facilities in India. During the period of the first Plan the road mileage increased from 2,44,000 to 3,16,668 and the expected level of achievement at the end of the Second Plan is 3,79,000 miles. The increase in agricultural and industrial production expected to take place in the Third Five-Year Plan period would naturally call for additional road transport facilities. The Draft Outline of the Third Plan provides for construction of substantial additional mileage of roads and also lays down the following targets for the manufacture of different categories of Automobiles :—

	Estimated production in 1960-61 (In Nos.)	*Target for 1965-66 (In Nos.)*
Passenger Cars ...	20,000	30,000
Commercial Vehicles ...	28,000	60,000
Jeeps and Station Wagons	5,500	10,000
Motor Cycles, Scooters and Three-wheelers	16,000	48,000
	69,500	1,48,000

The anticipated progress in the road sphere as above is sure to raise considerably the demand for automobile tyres and tubes. The position with regard to the existing and future manufacturing capacity licensed or to be licensed by the Government of India having regard to the expected demand by the end of the Third Five-Year Plan period as estimated by the Planning Commission is indicated by the following table:—

Description	*Estimated capacity by 1965-66*	*Capacity in 1960-61*
Automobile Tyres ...	3.7 millions	1.76 millions
Automobile Tubes ...	3.7 millions	1.81 millions

PRODUCTION PLANS

The Licence issued by the Government of India authorises the Company to establish a new industrial undertaking in West Bengal for the manufacture of Automobile Tyres and Tubes in collaboration with Technoexport, Praha, Czechoslovakia, with annual capacity as follows:—

	Tyres	*Tubes*
For Buses and Trucks ...	1,20,000	1,20,000
For Passenger Cars ...	60,000	60,000
Total ...	1,80,000	1,80,000

The Directors anticipate that there will not be any difficulty in selling the entire production of the Company as above in view of the large increase of demand as estimated by the Planning Commission.

ESTIMATED PROFITABILITY

The Directors have estimated the cost of production of tyres and tubes on a conservative basis. After careful scrutiny of cost of raw materials, establishment and other direct expenses and on the basis of a conservative estimate of sales the Directors think that the Company may reasonably expect to earn sufficient profit to pay a reasonable dividend on the invested Capital.

TAX BENEFITS

According to present law, the Directors consder that (*a*) the Company will be entitled to special benefits in respect of Development Rebate under the Indian Income-tax Act and may also enjoy a Tax-holiday for five years in respect of profits up to six per cent on the employed capital under Section 15C of the Indian Income-tax Act.

(b) Shareholders of the Company would also be exempt from Wealth-tax on their holdings for a period of five years under Clause XX of Subsection (1) of Section 5 of the Wealth Tax Act and may also be exempt from tax on such dividend paid from the Company's profit exempted from tax under Section 15C of the Indian Income-tax Act.

FINANCIAL ARRANGEMENTS WITH INDUSTRIAL FINANCE CORPORATION OF INDIA

(a) Loan

Industrial Finance Corporation of India have agreed to grant a loan of Rs. 60,00,000 to the Company to be utilised towards the acquisition of land, buildings, plant and machinery for the project. The loan is to be secured by a mortgage of the existing and future fixed assets of the Company at an interest of 7% per annum with a rebate of ¼% if instalments of principal and interests are paid on due dates. So long as this mortgage would subsist the Industrial Finance Corporation of India may at any time appoint not more than two persons to be Directors of the Company and such nominee Directors shall not be subject to retirement by rotation nor required to hold qualification shares. The Company may also borrow from its Bankers from time to time against hypothecation of stocks raw materials and finished goods to raise working capital. During the currency of the loan the dividend on Equity Shares shall not without the prior approval of the Corporation exceed 8% and certain other restrictions are imposed on the Directors and Managing Agents of the Company. The other terms and conditions of the loan are set out in the Corporation's letter dated 15th October, 1960 and eventually a formal agreement embodying (*inter alia*) these terms will be entered into between the Company and the Corporation.

(b) Guarantee for Deferred Payments

Industrial Finance Corporation of India have also agreed to guarantee the deferred payments in respect of the contract with Technoexport for the purchase of the Automobile Tyre and Tube Plant to the extent of Rs. 40,00,000 and will be paid a commission of 1% per annum with a rebate of ¼% on the terms and conditions of the Guarantee being duly fulfilled.

MINIMUM SUBSCRIPTION, CAPITAL OUTLAY AND SOURCES OF FINANCE

The minimum subscription in respect of the present issue on which the Directors will proceed to allotment is Rs. 60.00.000 being the whole of the share capital now offered for subscription by the public.

The Capital outlay required for this project will be as follows:—

	Rs.
Land and Building	26,00,000
Machinery, Installations and Equipments	1,07,00,000
Cost of Project Report payable to Technoexport	4,00,000
Preliminary expenses, Underwriting, Commission and Brokerage	3,00,000
Working Capital	80,00,000
Rs.	2,20,00,000

Sources of Finance

The above amount will be provided for as under:—

	Rs.
(*a*) Out of the present Issue ...	1,00,00,000
(*b*) Loan from Industrial Finance Corporation of India ...	60,00,000
(*c*) Deferred payment	40,00,000
(*d*) Loans from Banks (to meet part of the working capital as and when required in the usual course of business) ...	20,00,000
Rs.	2,20,00,000

EXPENSES OF THE ISSUE

The expenses of the Issue other than brokerage and underwriting commission are estimated at Rs. 70.000 and will be payable by the Company.

BROKERAGE

Brokerage will be paid to Brokers and Banks at 10 nP per equity Share of Rs. 10 and Re. 1 per Preference Share of Rs. 100 each on allotments made in respect of applications bearing their stamps. Place, Siddons & Gough Private Ltd., Calcutta. are the Managing Brokers to the Issue and will be in addition entitled to a commission of 5 nP per Equity Share subscribed by the public.

The total amount of brokerage payable by the Company is estimated at Rs. 80,000.

UNDERWRITING COMMISSION

Industrial Finance Corporation of India, New Delhi, will be paid an underwriting commission of 2½% and brokerage of Re. 1 per share on the number of Preference Shares that may not be taken up by the public.

The Bank of Baroda Ltd. will be paid an underwriting commission of 2½%.

The total amount of underwriting commission payable by the Company is estimated at Rs. 1.50.000.

PAYMENT TO PROMOTERS, ETC

No amount or benefit has been paid or given or is intended to be given to any Promoters, Brokers, Directors or otherwise of the Company apart from the normal remuneration.

AUDITORS' REPORT

In accordance with the provisions of Clause 24 of Part II of Schedule 2 of the Companies Act, 1956 we report that the account of General Tyres Limited which was incorporated on 14th June, 1960 has not been made up at any time since the incorporation of the Company.

G. BASU & CO.,
Chartered Accountants.

6, HASTINGS STREET,
CALCUTTA, *the 1st October*, 1960.

DIRECTORS

The Articles of Association of the Company provide that:—

(*a*) Until otherwise determined by a General Meeting. the number of Directors shall not be more than 15 or less than 3.

(*b*) The qualification of a Director other than Special, Ex-officio or Debenture Directors shall be the holding of Equity Shares of the nominal value of at least Rupees One thousand in the Company.

(*c*) Until otherwise determined by the Company in a General Meeting the remuneration of a Director for his services shall be such a sum as may be fixed by the Board of Directors not exceeding Rs. 250 for each meeting of the Board or Committee thereof attended by him. Subject to the limitation provided by the Companies Act, 1956 the Directors shall be paid 1% of net profit of the Company or other remuneration as the Company in a General Meeting may from time to time determine and such additional remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine provided that the Ex-officio Directors shall not be entitled to such remuneration.

The remuneration of Directors shall in so far as it consists of a monthly payment be deemed to accrue from day to day. In addition to remuneration payable as aforesaid Directors may be paid all travelling, hotel and other expenses properly incurred by them (*a*) in attending and returning from meetings of the Board of Directors or a committee thereof, or (*b*) in connection with the business of the Company.

(*d*) So long as the loan from Industrial Finance Corporation of India shall remain due it will be at liberty to appoint Directors not exceeding two to the Board of Directors of the Company. The Directors so appointed shall not be subject to retirement by rotation nor shall they be required to possess any share qualification prescribed by the Articles of Association of the Company nor shall they be counted for determining the total number of Directors.

(*e*) National Rubber Manufacturers Ltd., whilst they shall be the Managing Agents of the Company shall have the right to appoint Ex-officio Directors not exceeding two and such Directors shall not be subject to retirement by rotation nor shall they be required to possess share qualification prescribed by the Articles of Association of the Company nor shall they be counted for determining the total number of Directors.

INTEREST OF DIRECTORS AND PROMOTERS

1. Mr. J. L. Esplen, Managing Director of Place, Siddons & Gough Private Ltd., who are the Managing Brokers and one of the Brokers to the Issue, is interested in the brokerage payable to them.

2. Mr. R. G. Edwards, Managing Director of Place, Siddons & Gough Private Ltd., who are the Managing Brokers and one of the Brokers to the Issue, is interested in the brokerage payable to them.

3. Mr. H. J. Silverston is a Partner of Messrs. Orr, Dignam & Co., who are the Solicitors to the Issue. and to that extent is interested in the fee payable to this Firm.

4. Mr. K. N. Mookerjee is the Managing Director and Dr. D. Banerjee, a Director of National Rubber Manufacturers Ltd., who are the Managing Agents of the Company and as such they are interested in the remuneration payable to the Managing Agents.

5. All the Directors are interested to the extent of the shares subscribed for by or to be allotted to them and also in the remuneration of 1% of the net profit to be distributed amongst them. Save as above no Director has any financial or any other interest in the promotion of the Company and in any other property acquired or proposed to be acquired by the Company.

6. National Rubber Manufacturers Ltd. which has promoted this Company, has been appointed its Managing Agents and has also agreed to have subscribed either by itself and/or by its shareholders 2,50,000 Equity Shares of Rs. 10 each. Mr. D. N. Kapur, a Director of National Rubber Manufacturers Ltd., is also a Managing Director of Place, Siddons & Gough (Private) Ltd. and Mr. K. Kheshvala, a Director of National Rubber Manufacturers Ltd., is also a Partner of Messrs. Lewis & Jones, one of the Brokers to this Issue.

BORROWINGS

Subject to the restriction imposed by Section 293 of the Companies Act, 1956, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge the undertaking, property and uncalled capital or any part thereof and to issue Debentures and other Securities.

VOTING RIGHTS

Subject to any special rights or restrictions as to voting affecting any particular class of shares, on a show of hands every member entitled to vote and present in person shall have one vote and upon a poll every member entitled to vote and present in person or by proxy shall have one vote for every share held by him provided that no company shall vote by proxy so long as a resolution of its Directors under the provisions of Section 187 of the Act is in force. The holders of Preference Shares shall be entitled to receive notice of and to be present at any General Meeting but shall not be entitled to speak at such meeting or to vote by virtue or in respect of their holding of Preference Shares unless a resolution is proposed directly affecting the rights or privileges attached to such Preference Shares. Subject as aforesaid, every member of the Company holding any Preference Share capital shall in respect of such capital be entitled to vote on every resolution placed before the Company at any meeting if the dividend due on such capital or any part of such dividend has remained unpaid in respect of an aggregate period of not less than 2 years preceding the date of commencement of the meeting. The voting rights of such holders of Preference Shares on a poll shall subject to the provisions of Section 89 and Sub-section (2) of Section 92 of the Act be in the same proportion as the capital paid up in respect of the Preference Shares bears to the total paid-up equity capital of the Company.

VARIATION OF RIGHTS

The special rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Companies Act, 1956 and whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the subscribed shares of the class or with the sanction of a special resolution passed at a special General Meeting of the holders of the shares of that class.

RESTRICTION ON TRANSFER OF SHARES

There are no restrictions on the transfer of fully paid shares, but the Directors may, subject to the right of appeal conferred by Section 111 of the Companies Act, 1956, decline to register any transfer of partly paid shares.

INDEMNITY

Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

OPTION TO SUBSCRIBE

Save as mentioned herein no contract or arrangement has been or is proposed to be entered into whereby any option or preferential right of any kind will be given to any person to subscribe to any shares out of the present issue to the public.

ISSUES OTHERWISE THAN IN CASH: OPTION

No shares have been issued or agreed to be issued otherwise than in cash. No shares have been issued at a premium nor are any shares presently to be issued at a premium. No share or loan capital is under option or agreed to be put under option.

MANAGING AGENTS

National Rubber Manufacturers Limited, 19, Chowringhee, Calcutta, has been appointed as the Managing Agents of the Company for a period of 10 years from 1st October, 1960 with the approval of the Government of India (*vide* their letter No. 9 (770)-C.IV/60 dated 14th October, 1960). The remuneration to be paid to them in respect of their services as Managing Agents for each financial year or part thereof of the Company is based on the net profits of the Company determined in accordance with the provisions of the Companies Act, 1956 as follows:

(i) 10 per cent. on the first 10 lacs net profits or fraction thereof;

(ii) 9 per cent. on the next 10 lacs net profits or fraction thereof;

(iii) 8 per cent. on the next 10 lacs net profits or fraction thereof;

(iv) 7 per cent. on the next 10 lacs net profits or fraction thereof;

(v) 6 per cent. on the next 10 lacs net profits or fraction thereof;

(vi) 5½ per cent. on the next 25 lacs net profits or fraction thereof;

(vii) 5 per cent. on the next 25 lacs net profits or fraction thereof;

(viii) 4 per cent. on any sum over one crore of rupees net profits.

In the event of loss or inadequacy of profits in any financial year, the Managing Agents shall be entitled subject to the prior approval of the Government of India to receive by way of minimum remuneration the sum of Rs. 50,000 for such financial year.

The Managing Agents are entitled to be reimbursed by the Company the expenses incurred by them on behalf of the Company as may be determined by the Board of Directors of the Company subject to the provisions of the Companies Act, 1956. The Managing Agents are to provide the Company with office accommodation at Calcutta and at such other places in which they may be able to provide such accommodation and the Company will pay to the Managing Agents such rent and outgoings as the Board may from time to time determine. In the event of the Managing Agents being entitled to compensation for loss of office, the limit of such compensation will be governed by Section 366 of the Companies Act, 1956. The Managing Agents will have the right to nominate not more than two Directors on the Board of the Company.

The Authorised Share Capital of the Managing Agents' Company is Rs. 1 Crore and the Subscribed and Paid-up Share Capital is Rs. 60.00,000 made up of 5 lakhs Ordinary Shares of Rs. 10 each and 10.000 Preference Shares of Rs. 100 each fully paid up.

MATERIAL CONTRACTS

The following contracts not being contracts in the ordinary course of business which are or may be material have been or are proposed to be entered into by the Company:—

1. An Agreement with Technoexport Foreign Trade Corporation, Praha, Czechoslovakia, for the supply of the Automobile Tyre and Tube Plant, supervision of erection of machinery and equipment, technical assistance and licensing of the "Barum" trade mark as recorded in the Note of Discussions dated 5th November, 1959 and by supplemental agreement dated 1st October, 1960 between Technoexport, National Rubber Manufacturers Ltd. and this Company and by the letter of Technoexport dated 18th October, 1960.

2. An Agreement entered into with Calcutta Tanneries (1944) Ltd., regarding the purchase of 94 bighas of land at Kankinarrah, 24 Parganas, West Bengal, the terms of which are recorded in four letters exchanged between the parties between the 20th July, 1960 and the 9th August, 1960.

3. Agreement to sanction a loan of Rs. 60 lacs from The Industrial Finance Corporation of India, New Delhi, on the terms set out in the letter dated 15th October, 1960 with enclosed Memorandum of final terms.

4. An Agreement for the guaranteeing of deferred payments to Technoexport by Industrial Finance Corporation of India, New Delhi, up to Rs. 40 lacs on the terms set out in the letter dated 15th October, 1960.

5. An undertaking given by Technoexport to purchase for export at current prices 5,000 tyres and tubes per annum for four years as recorded in their letter dated 3rd October, 1960.

6. An Agreement between this Company and Industrial Finance Corporation of India, New Delhi, for the underwriting of the Preference Shares to the extent of Rs. 20,00,000 on the terms set out in the letter dated 15th October, 1960 with its enclosures.

7. An Agreement with The Bank of Baroda Ltd. for underwriting of Equity Shares now being offered to the public on the terms set out in their letter dated 18th October, 1960 with its enclosures.

8. An Agreement entered into on the 20th October, 1960 with National Rubber Manufacturers Ltd. appointing them Managing Agents of the Company.

9. By letter dated 17th October, 1960 Mr. K. N. Mookerjee and Dr. D. Banerjee, Directors of the Company, have given an undertaking to the Company to subscribe in cash either by themselves and/or by their friends for 149,550 Equity Shares in the Company.

10. By letter dated 15th October, 1960 National Rubber Manufacturers Ltd. has given an undertaking to the Company to get 250,000 Equity Shares subscribed by its Shareholders and to take up such number of shares, if any, as may not be subscribed for by its shareholders.

INSPECTION

A printed copy of Memorandum and Articles of Association of the Company, the Consent Order of the Controller of Capital Issues, the Licence issued by the Central Government for setting up the Factory, Import Licence in respect of Plant and Machinery, copies of the material contracts listed in this Prospectus, the Report of the Auditors of the Company, the Consent of the Central Government to the appointment of the Managing Agents and the Consent of the Ministry of Commerce and Industry (Central Government) to the arrangements with the Technical collaborators can be inspected at any time on working days during the usual office hours at the Registered Office of the Company for a period of fourteen days from the date of publication of this Prospectus or until the Subscription Lists are closed whichever is earlier.

APPLICATION FOR SHARES AND ALLOTMENT

Applications for Equity Shares must be for a minimum of 50 shares or multiples of 50 shares. Applications for Equity and Preference Shares must be made on the form accompanying the Prospectus which can be had from the Company's Bankers or Brokers to the Issue.

All application forms duly completed must be lodged together with the amount of Rs. 5 per share in respect of Equity Shares and Rs. 50 per share in respect of Preference Shares with either of the following Banks, namely:—

(1) The Bank of Baroda Ltd., Calcutta, or with any of their Branch offices in the Indian Union.

(2) Lloyds Bank Limited, Calcutta, or with any of their Branch offices at Calcutta, Bombay, New Delhi, Madras and Amritsar.

(3) The Union Bank of India Ltd., Calcutta, or with any of their Branch offices at Calcutta, Bombay, Delhi, Madras, Kanpur, Ahmedabad, Bangalore, Coimbatore, Cochin, Surat, Baroda and Hyderabad.

The remittance should be made by cheque or draft which, if it is desired to avoid payment of Bank charges, must be drawn payable either at the particular office or branch of one of the above Banks to which the application form or cheque or draft is being sent, or upon a branch of any other bank situated in the centre to which the application is being forwarded.

All cheques or drafts drawn on Banks situated at places other than those mentioned above should include a sum at the rate of 25 nP per cent. of the amount remitted subject to a minimum of 0.75 nP to cover all the commission and Bank charges; otherwise the application is liable to be rejected or the amount adjusted against the application moneys.

Cheques or drafts should be drawn in favour of one of the Bankers to the Issue "A/c General Tyres Limited—Equity Issue" in the case of applications for Equity Shares and "A/c General Tyres Ltd—Preference Issue" in the case of applications for Preference Shares. For the applicant's protection, cheques or drafts should be crossed "A/c Payee only." A separate cheque or draft must accompany each application.

Allotment will be notified by despatch of an allotment letter but the Directors reserve the full and uncontrolled right of accepting or rejecting any application in whole or in part, in either case without assigning any reason. Where an application is rejected or not accepted in full, the whole or any balance of the application money received will be refunded to the applicant in which event Bank commission, if any, will be payable by the applicant.

SHARE CERTIFICATES

Share Certificates will be issued in exchange for Letters of Allotment within six months from the date of allotment.

Dated the 21st October, 1960.

A. RAMASWAMI MUDALIAR
by his authorised agent
K. N. Mookerjee.

KAMESHWARA SINGH
by his authorised agent
K. N. Mookerjee.

R. W. EDWARDS
alternate Director for
J. L. Esplen.

H. J. SILVERSTON
K. N. MOOKERJEE
D. BANERJEE

DELHI CLOTH AND GENERAL MILLS CO., LTD.

LALA BHARAT RAM ANALYSES PROBLEMS OF COTTON MILL INDUSTRY

PLEA FOR A CAREFUL ASSESSMENT OF HANDLOOMS' PRODUCTION CAPACITY

SPEAKING at the Annual General Meeting of the Delhi Cloth and General Mills Company Ltd., held at Bara Hindu Rao, Delhi, on 17th October 1960, Lala Bharat Ram, Chairman of the Company, pointed out that the cotton mill industry was now faced with a situation in which it had to meet increasing costs without having the facilities for matching these with increased productivity through renovation of machinery and improvement in techniques. He thought that the actual production of cloth by handlooms had been exaggerated and wondered whether they would be able to deliver the goods. He, therefore, pleaded for a more realistic allocation of the production target to the mill sector, so that adequate supplies of cloth might be made available to the people at reasonable and stable prices.

The following is the full text of Lala Bharat Ram's speech:

"LADIES AND GENTLEMEN,

"With your permission, I will take the accounts and Directors' report as read.

"It is a matter of satisfaction that the profits of the Company are better than in the last year.

"The cotton mill industry, as a whole, has also fared better than in the last year in the matter of profits. This, however, should not mislead us to think that the industry is set straight on the road to higher and higher prosperity and that the various difficult problems it had to face in the past no longer exist. On the contrary, it appears to me that as one set of difficulties are surmounted, another set is ready to appear in its place. During the last year, I had made a reference to the difficult situation in the matter of supplies of cotton. This continued to grow worse due to the lower Indian crop and the Government not taking timely steps to import larger quantities of cotton. There was, thus, both a physical insufficiency of raw material as well as a considerable increase in its price. As is to be expected in a period of planned development, the demand for cloth kept on rising. Consequently, the prices of cloth went up all over the country. These circumstances leading to this difficult situation have, I am afraid, not been sufficiently appreciated by those who have been criticising the cotton mill industry.

Increase in Costs

"Apart from the increases in the price of cotton and its physical insufficiency, the costs of the industry have been further increased by the recommendations of the Textile Wage Board which granted an *ad hoc* increase to all workers from 1st January, 1960, and has also stipulated a further increase with effect from 1962. At the same time, the industry has not been permitted to increase its capacity and is, therefore, unable to recoup these increasing costs by larger volumes of production. The cotton mill industry is one of the oldest in the country and a large part of its machinery is not only old in years but also obsolete in its working. Adequate replacement and renovation programmes call for large-scale financial outlay, which are beyond the limited internal resources of the industry. A considerable part of such machinery has also to be imported for which foreign exchange is not freely available. Financial institutions like the N.I.D.C., I.F.C., etc., are no doubt assisting with loans, but these are far from adequate and are subject to many limitations. The industry, therefore, faces a situation in which it has to meet increasing costs without having the facilities for matching these with increased productivity through renovation of machinery and improvement in techniques.

"If the industry is to be placed on a sound footing and the demands of consumers met at reasonable prices, it is essential that these basic problems must be identified and solved in a rational way. The first step to be taken, to my mind, is to increase at once the availability of cotton not only for the current season but over a period of years. For this purpose, I would suggest that the Government should immediately import cotton, not only to meet the needs of this season and to make good shortfalls of the last season but also to build up a sizable surplus buffer stock. The mere existence of such a buffer would have a healthy influence on the prices of cotton which in turn would enable the prices of cloth to be kept at a reasonable level.

Prospect of Scarcity of Cloth

"The production programme for cloth should be made out so as to ensure a reasonable balance between the supply and demand for cloth. The demand for cloth at the end of the third Plan period has been estimated by the Planning Commission at 9,300 million yards per annum. The Indian Cotton Mills' Federation has placed this demand somewhat higher, but even the Planning Commission's target of 9,300 million yards will call for additional cloth output of over 2,000 million yards. It would appear to be the intention of the planners that out of this increase, some 500 million yards should be allocated to the mill industry and the rest to the handloom and powerloom sectors. It is well known that the handloom sector can only thrive on the basis of subsidy and that its development must eventually be at some cost to the general public. Apart from this, it is pertinent to consider how far the handloom industry could be in a position to achieve the increase proposed for it, because, if it fails to do so, and the mill industry's production is limited to the planned targets, there is bound to be again a scarcity of cloth, with resultant, higher prices.

"The performance of the handloom industry during the second Plan period does not carry the promise that it will be able to achieve the higher targets proposed for it in the Draft Third Plan. There is considerable doubt whether the published statistics give an accurate picture of the actual production of the handloom industry. The published statistics of production by handlooms are not based on actual reports of production but derived from the quantities of yarn released for the handloom industry and the cloth that should have been produced from these. The production, according to these published statistics is of the order of 1,900 million yards per year, whereas it is surmised that the actual production could not be more than 1,100 million yards. The gap between these two figures is so wide that one can easily imagine the situation that could arise if the increases proposed for the handloom industry were allocated to it without scientific investigation.

"It is my earnest submission that we look on this as a problem, not of farming out production opportunities to this sector or that but of providing adequate supplies of cloth to the people of the country at prices which are both reasonable and stable, so that standards of living may rise. If this purpose is kept in mind all these issues fall into perspective, and it will be easy to see the need for production to be allocated on a realistic basis and for providing the industry with the means to achieve its targets, namely, sufficient supplies of raw materials at reasonable prices, adequate financial assistance for modernisation and renovation, and some restraint in fiscal and other increases in costs.

"There is another important aspect which makes it desirable that we strengthen the cotton mill industry in the country. As is well known, the textile industry is one of the major earners of foreign exchange by export of cloth. But increasingly in the past years competition in the export markets is becoming harder to face while at the same time the costs of the industry at home are going up, with the result that there is a serious threat of being priced out of the export markets. The recent conspicuous rise in the prices of cloth within the country led to diversion of cloth from exports to domestic markets. From the point of view of exports also, therefore, it is essential that domestic prices should be kept at a reasonable level, so that the exports do not suffer.

"Incidentally, you will be glad to know that the exports of your Company have further increased during the year, and we are the second largest exporters of cotton textiles from India.

"From these matters which are specific to the textile industry, let me dwell for a while on a subject basic to the progress of all our industries, namely, the problem of agricultural production and prices. Experience with the first and second Five-year Plans has taught us two important lessons. One is the imperative need, if standards of living are to rise, for keeping price levels stable over a period of years. The other is the realisation that agricultural prices are and will continue in the foreseeable future to be a major influence on price levels. In the field of agriculture, as in that of industry, the most effective means of keeping prices low and stable is to increase productivity. In fact, there is no alternative to this, for it is only on the basis of reasonable prices of agricultural products that sustained industrial progress can be built and standards of living improved.

Indiscipline Among Employees

"I know I am, perhaps, treading on delicate ground, but it does seem to me that it is time for the Government and the people to give thought to the serious indiscipline that has crept into almost every walk of life. If this is not given immediate consideration and steps are not taken to remedy the position, it is bound to lead to a permanent weakness in the structure of our society. Confining myself, however, to indiscipline among employees as a class, I would humbly urge upon the Government to consider the effect of labour legislation on this problem of discipline in industry. Our labour legislation is founded on the belief that employees are always exploited and they should be meticulously protected from such exploitation. The actual effect of such legislation, however, has often been to protect inefficiency and indiscipline on the part of the employee by making it extremely difficult for the employer to take corrective action quickly and effectively enough. I am willing to grant that in some cases individual injustices do occur, but an elaborate legal structure built to protect every one from every such injustice has resulted in large-scale indiscipline going unpunished. I would, therefore, suggest that we should weigh the two evils—one of indiscipline affecting the entire fabric of society and the other of stray cases of individual injustices occurring here or there.

"As is well known, the Company is required, under the new Income-tax Law, to deduct income-tax at 30 per cent. from all dividends. This would cause hardship to holders of preference shares with fixed rates of dividends as they would now be paid only those rates minus 30 per cent. As this is not equitable to them, you will be pleased to know that your Directors have proposed to change the rates of dividend payable on these shares so as to ensure that after deduction of 30 per cent., these shareholders will get the same net amount as before.

"Before I close, let me convey my thanks to all my colleagues who form part of this organisation—the D.C.M.—and whose efforts have been responsible for the satisfactory working of the Company."

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

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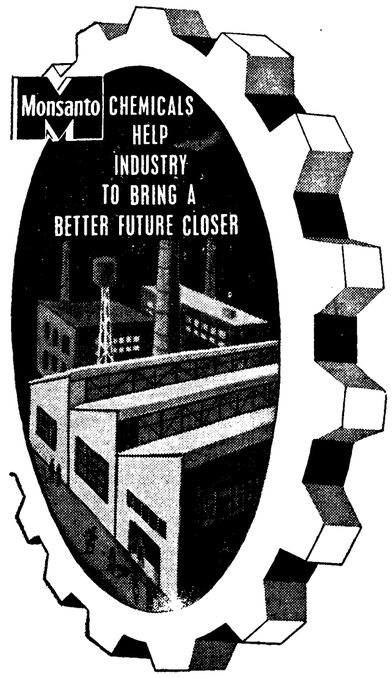

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LIFE INSURANCE IN THE U.S.S.R.

POLICYHOLDERS EXCEED 11 MILLION

By G. Ushakov

STATE insurance in the U.S.S.R. is one of the ways of building up reserve funds out of which to compensate citizens, collective farms and other co-operative organisations for losses and damages inflicted by natural calamities. The fund also serves as a source of additional security to working people in the event of total or partial disability resulting from an accident, and, finally, enables the insured to receive fixed benefits upon reaching a specified age.

Insurance is a State monopoly in the U.S.S.R. and all forms of property and personal insurance are handled by the Government. This guarantees full indemnity to the insured in the event of property loss or personal misfortune. The business is transacted by Government agencies subordinated to the finance ministries of the constituent republics. Every republic has its own self-operating Insurance Department. General supervision over the State insurance system is exercised by the Ministry of Finance of the U.S.S.R. A system of State reserves has been established for the purpose of ensuring the expansion of socialist reproduction and of eliminating possible difficulties and damages caused by natural calamities. The reserves are used to make up for any losses suffered by State enterprises and organisations.

The State insurance system protects co-operative organisations, collective farms and individual citizens in the event of loss or damage to their structures, stocks, equipment, household effects, livestock or vehicles owing to natural adversities. The Soviet Government promotes also measures to safeguard the health of the citizens and to provide for their welfare in old age and in case of disablement. This can be seen from the steady increase of appropriations for public health and social security. The right of Soviet citizens to material security in old age, and in the event of sickness or disablement, is guaranteed by the Constitution of the U.S.S.R. and is sustained by free medical service and a broad social insurance system.

Personal Insurance

Personal insurance, which guarantees fixed payments to the insured as security against certain contingencies, is supplementary to the State social insurance and social security benefits provided at the Government's expense. There are two forms of personal and property insurance—voluntary and compulsory. Compulsory insurance has a limited sphere of application; voluntary insurance has a much wider scope. Certain kinds of property, such as houses and cattle, for example, can be insured under both schemes—compulsory and voluntary. Household effects can be insured only under the voluntary scheme. The voluntary arrangement predominates in the sphere of personal insurance. Compulsory insurance of individuals extends only to persons serving at rail, water, air or motor transport (excluding commuters), to the members of local voluntary fire brigades and companies (against fire-fighting hazards) and to workers of certain other organisations.

The different forms of voluntary insurance include: compound insurance, accident insurance, life insurance, and insurance against the risk of death or disablement.

Compound Insurance

This form of insurance affords the insured and his family fuller security than any of the other forms. A compound policy provides for the payment of insurance benefits to the insured:

(a) upon attaining the age specified in the contract and the consequent expiration of its term;

(b) in the event of permanent and total disability due to a traffic accident, an explosion, a cave-in, a burn, an injury, a lightning stroke or any other misfortune stipulated in the terms of a standard contract.

In the event of the policyholder's death from any cause whatsoever, the insurance sums are paid to his family or to the beneficiaries named in his will.

Compound life insurance contracts are concluded with citizens of the U.S.S.R. between the age of 16 and 60 for terms of 5, 10, 15 and 20 years.

The premiums charged per thousand roubles of insurance depend on the age of the insured and the duration of the contract. The insurance sum is practically unlimited, and this likewise applies to all other forms of voluntary personal insurance. However, if the amount of life insurance exceeds 5,000 roubles, the policy is drawn up only after a medical examination and contingent on its result.

In the event of incapacitation, the insured is entitled to a proportionate part of the insurance sum and is also granted certain advantages. If the loss of capacity ranges from 30 to 50 per cent., his premium payments are reduced by half. If the percentage is higher, he is entirely freed from further premium payments. Should the insured wish to cancel the policy before it expires, he is entitled to a partial refund of the paid premiums. He can also receive a part of the insurance sum in the form of a loan. A compound life insurance policy can be supplemented with a contract providing for the payment of a pension to a specified beneficiary in the event of the insured's death.

Accident Insurance

Under this scheme the State pays insurance in the event of the insured's permanent disability or death resulting only from a traffic or industrial accident, from the use of firearms or tools, from an explosion, cave-in, burn, injury, lightning stroke, electric shock, frostbite or freezing, sudden poisoning, or from an attack by a beast or malefactor.

Persons from 16 to 70 years of age are eligible for insurance without any medical examination, and a policy can be taken out for a term of one to five years in varying sums. The premium rates for accident insurance range from 2.50 to 12 roubles a year per thousand roubles of indemnity, depending on the occupation of the insured. A 5 per cent. discount is offered on a three-year insurance, 10 per cent. on a four-year term, and 15 per cent. on a five-year term.

In the event of partial or permanent disability, the State pays a percentage of the insurance commensurate with the degree of incapacity caused by the accident.

The benefits under life insurance and insurance against risk of death or disablement are paid to the policyholder if he becomes disabled, or to the persons he names as his beneficiaries in the event of his death. As distinct from accident insurance, life insurance has no specified term whereas insurance against the risk of death or disablement is given for a period of up to 20 years.

Insurance under both these headings is extended to persons from 16 to 60 years of age, and the premium rates range from 1.08 to 5.75 roubles a month per thousand roubles of indemnity, depending on the age of the insured and the term of the contract.

On a life insurance policy premiums may be paid over a period as long as 10 or 20 years, but the rates in such case are somewhat higher.

Besides the aforementioned four types of life insurance, there is also a pension insurance scheme, whereby the State Insurance Department is given a certain sum, in lump or in instalments, which is paid out to the insured in the form of a pension. The pension may be paid during the policyholder's lifetime or for a fixed number of years (5, 10, 15, etc.).

Transaction of Business

Life insurances are transacted in the offices of the State Insurance agents. The agent, as a rule, has commission over a number of institutions and enterprises within a certain area where he conducts exploratory work and renders insurance services to the residents of the neighbourhood.

Insurance premiums are either collected by agents, or paid by the insured through savings banks or the inspectorates. The staff employees of the inspectorates, as well as the insurance agents, give explanatory talks on insurance at public meetings. Moreover, the public is kept informed on insurance matters through various media of advertisement.

The steady advancement of the working people's welfare, the stability of the Soviet rouble and the improvement of insurance services are factors that create favourable conditions for embracing a greater number of people with personal and property insurance. By the end of 1959, the number of policyholders exceeded 11 million. In some enterprises, up to 80-90 per cent. of the workers have taken out insurance policies.

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EMPLOYEES' STATE INSURANCE

Total cash benefits amounting to over Rs. 9.91 lakhs were paid to the industrial workers in Greater Bombay and Vidarbha region under the Employees' State Insurance Scheme, during July last. Of this amount, Rs. 7,92,254 were paid as sickness benefit, Rs. 44,445 as maternity benefit, Rs. 80,526 as temporary disablement benefit, Rs. 35,816 as permanent disablement benefit, Rs. 9,448 as dependents' benefit and Rs. 29,442 as extended sickness benefit. According to the progress report of the scheme for the month, 9,326 workers were newly registered under the scheme, while the total number of insured workers entitled to medical care was 6,69,098 at the end of the month under report.

In Greater Bombay and four *talukas* of Thana District, 18,070 workers attended diagnostic centres, while X-Ray plates were taken in 2,004 cases and blood examination was made in 2,576 cases.

The persons admitted to hospitals numbered 1,045, while the total number of beds occupied during the month was 16,886.

Over Rs. 2.52 lakhs were spent on medicines and other appliances and the payments made to insured medical practitioners amounted to over Rs. 4.07 lakhs, during the month under review.

The medical inspectors inspected 81 dispensaries of insurance medical practitioners, 22 shops of chemists and 46 hospitals.

TRADE APPRENTICES AND EMPLOYEES' STATE INSURANCE

Ordinarily all employees in covered establishments, including the trade apprentices who are employed directly by the employer on wages, are covered under the Employees' State Insurance Act, 1948, and contributions in respect of them are payable, according to a ruling of the Regional Director, Employees' State Insurance Corporation, Bombay. But the position of such apprentices who have been allotted by the Central or State Governments or by educational institutions for training with the employers, is that they are not to be covered under the Employees' State Insurance Act, 1948 irrespective of the fact whether they are paid fully or partly by the Central or State Government or the employer.

SCOPE FOR NEW INDUSTRIES IN KOYNA AREA

BROAD INDICATIONS IN SURVEY REPORT

THE Koyna hydro-electric project, now under construction, is bound to give a fillip to the economic development of Maharashtra, particularly of the relatively backward regions around the project. For cheap power (at a tentatively estimated cost of five nP per unit for bulk consumers) from this project will make for better utilisation of local resources, both men and material, and is likely to promote the development of power-oriented industries, such as electro-chemical and metallurgical industries. Foreign experience suggests that this will be so. In the U.S., France, Scotland, Russia and Scandinavian countries, for instance, such industries have tended to gravitate to places very near the source of large blocks of low-priced hydro-electric power. In Sweden and Canada, it is said, 25 per cent. of the total power is consumed by such industries. Even in India, power supply from the Damodar Valley project in West Bengal has provided an impetus to the growth of many industries, such as iron and steel, cement, locomotive manufacture, copper, coal, mica mines and fertilisers. A similar, if not wholly identical, development may be expected in the Koyna Project region also.

As early as during the First World War, Messrs. Tatas investigated the power potential of the Koyna Valley with the main purpose of establishing aluminium and electro-chemical industries. In 1947, the Government of Bombay, with a view to meeting the increasing power requirements of the city of Bombay and its environs, revived the idea and initiated detailed investigation as a result of which the present scheme was launched in January 1954. It is proposed to develop a total power potential of about 500,000 kw. with a provision of 67,500 million cubic feet of water for power generation. The project, scheduled to be executed in three stages, is expected to generate 60,000 kw. by April 1961, with added 60,000 kw. capacity to be ready every six months thereafter until the total capacity in the first stage of 240,000 kw. is attained. Although no final estimate of the price of power from the project can yet be made, the Chief Electrical Engineer of the Koyna Project has tentatively estimated it to be about five nP per unit for bulk consumers.

Object of Survey

In this context, it is a good thing that the Economic Investigation Branch of the Small Industries Service Institute, Bombay, has completed a survey of the Koyna Project area on behalf of the State Government. The survey was designed to assess the industrial potential of the Koyna Project area, examine the scope of expansion for the existing industries and possible opportunities for the establishment of new industries and also to gauge the extent and location of demand for power from existing and prospective industries. The present report discusses the economic resources of the region, important existing industries, possibilities of new industries and future load estimates of the region and covers the districts of Sholapur, North and South Satara, Kolhapur, Kolaba and the northern part of the Ratnagiri district in the State. The factual analysis contained in the report and the recommendations made therein are bound to be useful in formulating programmes of industrial development for this area.

Among the selected districts, Kolhapur, Ratnagiri and North Satara have substantial mineral resources. Kolhapur has rich deposits of bauxite, amounting to about 15 million tons, including 5 million tons at Udgeri. Some quantity of bauxite is found in Kolaba district, too. Ratnagiri district is endowed with manganese ore, iron ore, ilmenite and chromite. There is a relatively higher percentage of cultivated land in Sholapur, North and South Satara and Kolhapur districts, the principal commercial crops being sugarcane, groundnut and cotton. The other two districts form a rice-growing tract. The four districts on the plains are more industrialised than the Konkan districts and are known for sugar, textiles and oil milling industries as well as engineering works. There are two sugar factories each in Sholapur and North Satara and one each in South Satara and Kolhapur districts. The city of Sholapur is characterised by the development of textile mills, four out of seven textile mills in the district being located in the city. The oil mills are spread all over the four districts which are rich in oilseed resources. The engineering industry, that is, small scale, is mainly concentrated in Kolhapur City, where there are at present 87 mechanical and automobile workshops. There is also one large-scale unit each in North and South Satara districts. Of the two Konkan districts, Kolaba is comparatively industrialised, on a minor scale, with the growth of rice and *poha* factories, salt and paper-making industries. The important cottage industries in the six districts are handloom, oil *ghanis*, leather work and blacksmithy. Ichalkaranji in the district of Kolhapur and Sholapur City are the important handloom and powerloom centres. Besides, Kolhapur is also known for *gur* making.

Prospects

The survey has made an attempt to assess the prospects for setting up new industrial units in the selected areas. In fact, already one sugar mill each in Sholapur, North and South Satara districts and four in Kolhapur district are scheduled to go into production soon. Kolaba district appears to offer possibilities for the establishment of caustic soda, chlorine, soda ash and chemically pure salt plants. Licence has already been granted to set up a soda ash and caustic soda plant at Uran in Kolaba.

Only broad indications of the possibilities of establishing new industrial units are given in the survey. In the absence of demand analyses and of geological surveys to assess the quantum of resources, detailed schemes have not been worked out. According to the survey, Koynanagar in North Satara district seems to offer good prospects for the setting up of phosphoric acid and superphosphate plants and Karad in the same district for an ammonium sulphate plant on account of their nearness to the power station. As Kolhapur district is rich in good quality bauxite deposits, particularly at Udgeri, it may be possible to set up a smelter for the production of alumina at Udgeri. The location of an aluminium plant for reducing alumina to aluminium metal will depend on comparative transport and power costs. Chiplun in Ratnagiri district, owing to its nearness to Koyna power station, appears to provide suitable location for a calcium carbide plant, with a capacity of 20 tons per day, but, in the absence of geological survey, the possibility of setting up such a plant needs detailed investigation. The Directorate of Industries, Bombay, has suggested the possibility of electrolytic production of caustic soda for the possible aluminium plant. Khopoli and Khorpada in Kolaba district offer some locational advantages for the development of paper-making and rayon plants.

It is also suggested that a special survey should be undertaken to examine the scope for promoting intensive development of small industries in the selected areas. Such a detailed study of small industries was not found possible in the present survey on account of the rapidity with which it was completed.

Power Consumption

The production and consumption of power have steadily been on the increase in recent years. In all the six districts, the electricity consumed for industrial purposes has registered an increase of 15.5 per cent., that is, from 12.9 to 14.90 million kw.h. during the period 1951-55. During the same period, the quantum of power generated has increased from 11,744 kw. to as much as 88,344 kw. There are now in all 31 power stations in the area. Kolaba accounts for 80 per cent. of the generating capacity and Sholapur for the maximum industrial load of 80 per cent. as of 1955. It is estimated that the demand from potential new units will aggregate 1,107,000 kw.h. per day, including 914,000 kw.h. for possible additional units and 193,000 kw.h. for licensed units. This estimate of power requirements is itself an index of the vast scope for new industries in the Koyna Project region.

The survey report has also given a district-wise break-up of the power requirements. First, Kolaba district, with locational advantages for the development of chemical and rayon industries, will account for consumption of 100,000 kw.h. per day, or 51.8 per cent. of the total estimated consumption per day, for licensed units. Kolhapur district will consume about 60,300 kw.h. per day, or 31.2 per cent., predominantly for the four sugar factories expected to go into operation shortly. The expansion of sugar industry in the districts of Sholapur, North and South Satara, consequent upon the location of one licensed sugar factory in each of the three districts, will be a significant factor in the demand for power in these three districts, which together account for 32,670 kw.h. per day or 16.9 per cent. There are no licensed units in Ratnagiri district.

As for potential estimated demand, Kolhapur district will account for 603,000 kw.h. per day, or 66.6 per cent. of the total for the six districts. This is mainly owing to the possible location of an aluminium plant requiring 600,000 kw.h. per day, for an annual capacity of 10,000 tons. Next to Kolhapur, Ratnagiri district will require 172,000 kw.h. per day, or 18.8 per cent., if selected as a site for calcium carbide and electrolytic caustic soda plants. Kolaba will consume 76,125 kw.h. per day, or 8.3 per cent., depending on the location of rayon and paper plants. The low offtake of power indicated for Sholapur, North and South Satara districts can be attributed to the fact that the future industrial pattern of this area is likely to be governed more by the expansion of existing industries than by the emergence of new power-oriented industries, with the exception of Koynanagar and Karad which may offer favourable location for superphosphate and ammonium sulphite plants, respectively. A superphosphate plant with a capacity of 100 tons per day will consume 45,000 kw.h. per day.

The survey has not, however, worked out the power requirements for the expansion of other industries, such as general engineering units, oil and *dal* milling, and tanning. Apparently, the period of one month fixed for a survey of this kind naturally circumscribed the scope and, therefore, the utility of its findings. Moreover, this report was submitted to the Bombay Government early in 1959 and the latter has taken 20 months to release the report to the public. Since the preparation of the report, much has happened and several new industries have been licensed for the area under review. It is, therefore, to be hoped that an expert body will make a further exhaustive study of the industrial potential of the areas adjoining the Koyna Project and draw up detailed project reports on the same lines as the National Council of Applied Economic Research has done in its techno-economic surveys of some States like Bihar and Madhya Pradesh.

THE HANOVER FAIR FOR 1961

The fifteenth Industries Fair will be held at Hanover between 30th April and 9th May 1961. Since the fair was first held in 1947, its importance for international trade has constantly increased. To accommodate the growing number of German and foreign exhibitors, it has been necessary to extend the exhibition area every year, but it has not yet been possible to satisfy everyone. From 30,000 sq. m. in 1947, the covered area available grew to 285,000 sq. m. in 1960, with 314,000 sq. m. being provided for 1961. The open-air section has increased from 8,000 sq. m in 1947 to 162,000 sq. m. in 1960, with 192,000 sq. m. being provided for next year. The 5,000 exhibitors expected for 1961 will thus have a total area of 506,000 sq. m. at their disposal.

The exhibitors are solely producer firms, and play an important part in foreign trade. They are represented by top-level executives, which enables vital and decisive negotations to be held. In view of this, authoritative commercial delegations and many economic experts from abroad attend the fair. Such is the scope and diversity of the German and foreign displays in each branch that the possibilities of comparison cannot be bettered. National pavilions not being permitted, each branch of industry is a self-contained entity. This feature is greatly appreciated by the visitors. German and foreign producers of a given article exhibit in the same section. All this a great aid to visitors particularly interested in a given branch. Over twenty industrial European and oversea countries maintain, in addition, information offices in Hanover, which advise on questions of foreign trade.

Foreign exhibits are a very important feature of the fair. The number has materially increased over the last few years, having doubled in four years to 836 firms out of about 4,800 exhibitors in 1960. Despite this increase in participation from abroad, many firms are still on the waiting list. Some of these will be able to exhibit in 1961. In 1960, French firms led with 177 exhibitors, followed by Great Britain and the United States with 96 and 91 respectively. Twenty-four European and oversea countries exhibited this year.

Foreign visitors have also been appearing in increasing numbers. While the 1959 fair was visited by buyers from 93 countries, visitors from 103 nations attended in 1960. Visitors from the United States were 45 per cent. above the previous year. Among these, particular reference should be made to a group of more than 100 buyers from various branches who remained several days in Hanover to make a detailed survey of the exhibits.

INDIA STEAMSHIP SUFFERS HEAVY LOSS

DIVIDEND, HOWEVER, TO BE PAID OUT OF RESERVES

IT is said of shipping companies, and experience has actually borne it out, that they rarely enjoy boom periods, while lean years, when competition assumes more serious proportions, are more common. A typical instance of such experience is provided by the results of the India Steamship Company Ltd. (Managing Agents: Messrs. Lionel Edwards Private Ltd., Calcutta) during the last few years, despite an expansion in the number of voyages and a rise in freight earned. The Company's gross profit, for instance, had gone up from Rs. 26.87 lakhs in the year ended March 1955 to a peak of Rs. 253.63 lakhs in 1957-58, all within a period of three years, when the freight earned had increased from Rs. 4.01 crores to Rs. 7.75 crores. The turn of events in the subsequent two years was so quick and adverse, following the general recession in international trade which began early in 1958, that the gross profit of the Company precipitously dwindled to Rs. 142.82 lakhs in 1958-59 and further to Rs. 48.94 lakhs in the latest year of its working, namely, the one ended 31st March 1960, notwithstanding the continued growth, albeit at a slower pace, in freight earnings to Rs. 8.38 crores during these two years. The number of liner voyages during these two years increased from 30.5 to 47.5 and of coastal voyages from 1 to 9. The cargo carried in all trades consistently rose from 532,000 freight tons in 1957-58 to 734,000 freight tons in 1958-59 and further to 894,349 freight tons in the year under review.

Two Adverse Factors

It is quite obvious that the Company could not remain unaffected by the depression in the world freight market, both in volume and freight rate which began early in 1958. During the year under review, in particular, two factors would appear to have seriously affected the Company. The first one, which was common to all liner shipping companies, was the aggressive competition from tramps which offered rates of freight which made many shippers divert their custom from their usual liner companies. The Conferences, too, reduced their freights to meet the fierce competition, particularly in commodities which could form bulk cargo; even then, the lines were heavily handicapped. The ships of the Company had to call at an even greater number of ports than usual to secure the cargo and had necessarily to incur heavy expenses by way of port dues and other similar charges. The second and more serious factor was "the unhealthy and unfair competition to which the Company was subject from some of the liner companies which are its colleagues in the main Conferences."

After providing for the minimum managing agency commission of Rs. 50,000 and Rs. 91.29 lakhs for depreciation, the Company has suffered a loss of Rs. 42.85 lakhs in the year under review, as against a net profit of Rs. 60.67 lakhs for the previous year. Last year, the entire net profit was transferred to the development rebate reserve, whereas this year, in view of the huge loss, the Directors have not been able to set aside anything for this statutory provision. Nevertheless, the dividends on ordinary and preference shares have not been skipped over. The ordinary dividend is being maintained at 10 per cent., but subject to deduction of tax. In other words, the net dividend has borne a cut of 30 per cent. The dividend on the 5 per cent. tax-free preference shares has been grossed by the extent of tax deductible at source, so as to maintain the net dividend at 5 per cent. The necessary sum (Rs. 26 lakhs) is being drawn from the dividend equalisation reserve. This is on top of Rs. 20 lakhs withdrawn last year, to make good the shortfall in the amount required for dividend distribution. Thus, in all, the dividend reserve has been depleted to the extent of Rs. 46.54 lakhs in the last two years, as will be seen from the comparative table at the foot of the previous column. Prudence demands that, as and when profit improves in future, the replenishment of these reserves be given a higher priority over an increase in the return to shareholders.

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Freight earned	838 59	804 04	775 04	600 17
Other income	7 74	9 87	12 63	4 97
Port expenses	314 42	281 09	209 85	185 82
Charter hire	50 82	14 68	..	..
Other expenses	432 15	375 33	324 79	252 14
Gross profit	48 94	142 82	253 63	167 08
Managing Agents' commission	0 50	6 50	10 20	11 50
Depreciation	91 29	75 50	50 37	48 36
Net profit (+) or loss (—)	—42 85	+60 67	+174 97	+107 22
To reserves	..	60 67	143 58	81 01
Transfer from reserves	26 54	20 00	..	..
Dividends—				
5 per cent. preference	1 70†	1 25	1 25	1 25
Ordinary	24 75 (10%)†	24 75 10%)	24 75 (10%)*	22 50 (10%)
Carry forward	40 76	2 09	8 09	2 71

* On the increased capital of Rs. 247 50 lakhs raised by the capitalisation of Rs. 22 50 lakhs from the share premium account during 1957-58.

† Subject to deduction of tax.

Outlook

While conditions in the shipping world have not changed for the better, the Chairman of the Company, Dr. A. Ramaswami Mudaliar, in his address to the shareholders to be delivered at the annual general meeting of the Company to be held on 14th November 1960, takes a fairly optimistic view of the future for Indian shipping, in general, and of the Company, in particular. Thus, he says:

"I have given a faithful picture of conditions that existed during the year. I confess, however, that there may be overtones in the picture presented and that it may lead you to the belief that the future is one of unrelieved gloom. I do not hold to that belief myself. International shipping is notoriously subject to fluctuations, sometimes violent fluctuations. I consider that we have passed through such a period and that it will not be unreasonable to look forward to a less anxious future. Your Company, in particular, is firmly established and rests on a solid basis. The eagerness and enthusiasm which its officers of all ranks and the staff show is unabated. The interest that is taken by the authorities in the development of Indian shipping is gratifying and encouraging..... The establishment of the Shipping Co-ordination Committee holds out promise of fair treatment to Indian shipping. When the chartering section of this Committee is properly organised and broadbased, it should help the development of Indian tramp shipping, so badly needed by the country. Above all, the development of shipping in the public sector, in so far as it is within proper limits is, in my opinion, a help and not a hindrance to the development of Indian shipping in the private sector. It will present to the authorities more directly and more vividly the difficulties and handicaps which it suffers from and thereby will increase still further the awareness of problems of Indian shipping by the authorities. I, therefore, take a fairly optimistic view of the future of Indian shipping and of your Company, in particular."

While the Company's financial position is fairly satisfactory, it is to be noted that its borrowings from the Government of India continue to grow, thus increasing the burden of interest charges. The instalments of loan received during the year amounted to Rs. 2.95 crores, while repayments during the year aggregated about Rs. 58 lakhs, bringing the net outstanding borrowings as at the end of the year to Rs. 13.09 crores. The interest charges on the Government loans have gone up during the year by Rs. 7.41 lakhs to Rs. 26.50 lakhs, which represent over 6 per cent. of the expenses other than port expenses and charter hire. The paid-up capital is unchanged at Rs. 2.75 crores, while the reserves stand depleted from Rs. 3.59 crores to Rs. 2.90 crores. The current liabilities and incomplete voyages account for Rs. 2.34 crores. The additions to the fleet during the year amounted to Rs. 4.93 crores, bringing the gross value of the block account to Rs. 22.69 crores. This has been written down to Rs. 17.73 crores. The current assets amount to Rs. 3.34 crores.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 10.52 *cum-div.* On an *ex-div.* basis, the yield on these shares works out to 7.12 per cent. per annum free of tax.

MORARJEE MILL MAINTAINS DIVIDEND

Notwithstanding the high cost of raw materials and stores, particularly of Indian cotton on account of poor crop, and the incidence of compensation payable to workers pursuant to the Supreme Court's judgment for the period 1st January 1951 to 31st July 1952 for idle hours due to failure of electricity, the Morarjee Goculdas Spinning and Weaving Company Ltd. (Managing Agents: Messrs. Piramal Sons Private Ltd., Bombay) has fared well during the year ended 30th June 1960. Its gross profit has gone up by Rs. 5.61 lakhs to Rs. 41.09 lakhs, the highest touched in recent years. This improvement is mainly due to the larger turnover, sales of cloth recording an increase of Rs. 21.52 lakhs to Rs. 394 lakhs.

The net profit is, however, lower at Rs. 15.93 lakhs, as compared with that of Rs. 17.17 lakhs earned in 1958-59, consequent on the substantially larger provision made for depreciation at Rs. 11.91 lakhs, as against Rs. 5.25 lakhs in the previous year. The addition to the reserves also has been raised from Rs. 3 lakhs to Rs. 5.65 lakhs, while the dividend on ordinary shares is proposed to be maintained at 21.5 per cent. subject to deduction of tax, or 15.05 per cent. free of tax. The dividend on the 4½ per cent. tax-free preference shares is proposed, as in the previous year, to be grossed to 6.43 per cent., so that, after deduction of tax, the net return will be unchanged at 4½ per cent., tax-free.

The salient features of the year's results are compared with those of the previous three years in the following table:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale proceeds	3,94.00	3,72.48	3,66 08	3,23.53
Other income	8 85	4 01	0 68	0.45
Cotton consumed	155 28	138.74	159.10	158.95
Stores, spares, chemicals, power and fuel consumed	54 92	55 14	53 16	46.86
Wages and other expenses	151 56	147 13	120.37	96.26
Gross profit	41 00	35 48	34 11	21.91
Managing Agents' commission	3.25	2.71	2.05	1.48
Provision for—				
Depreciation	11.91	5 25	17.25	6.07
Taxation	10.00	10 35	3.00	1.00
Net profit	15.93	17.17	11.21	12.46
Transfer from reserves and other funds	..	..	..	..
To reserves	5.65	0 23	3 20	8.02
Dividends—		8.00	5.88	13.64
4½ per cent. preference	1.11*	1 11*	0 78	0.78
Ordinary	11 13 (21.5%)*	11 13 (21.5%)*	7 76 (15%)	7.24 (14%)
Carry forward	0.43	2.38	0.22	0 28

* Subject to deduction of tax.

The Company appears to have stepped up its exports of cloth during the year under review, as witness the increase in premium on cotton entitlement under the export incentive scheme from Rs. 2.09 lakhs to Rs. 8.02 lakhs.

The Company's financial position is quite satisfactory. The paid-up capital of Rs. 69 lakhs is supplemented by reserves and surplus aggregating Rs. 51.12 lakhs. The outstanding borrowings have been reduced from Rs. 82.97 lakhs to Rs. 65.83 lakhs, though the other current liabilities have risen from Rs. 59.65 lakhs to Rs. 81.64 lakhs. The total liabilities are more than adequately covered by current assets aggregating Rs. 181.77 lakhs. The additions to the fixed assets during the year were of the order of Rs. 18.44 lakhs, bringing the gross value thereof to Rs. 302.82 lakhs. This has been well written down to a book value of Rs. 85.82 lakhs. In addition, the Company has placed orders for new machinery to the extent of about Rs. 24 lakhs.

The current market value of the Company's Rs. 100 fully paid-up ordinary shares is Rs. 345 *cum-div.*, at which rate the yield on them works out to 4.56 per cent. per annum, free of tax.

GREAVES COTTON & CO., LTD.

In our write-up on the working of Greaves Cotton & Co. Ltd. during the year ended 31st March 1960, published on page 703 of our issue dated 15th October 1960, the name of the Managing Director was given as Mr. W. M. Wagle, whereas it should read Mr. N. M. Wagle.

In para 3 of the same write-up, it was stated that the Company's increased turnover in 1958 benefited from the expansion of the cone and tube plant. The year of increased turnover should read 1959, or more correctly, 1959-60, instead of 1958.

ALEMBIC CHEMICALS

All shareholders of the Alembic Chemical Works Company, Ltd., Baroda will get one new ordinary share for every ten shares held at par, that is, Rs. 100 per share. The total number of new shares to be issued is only 10,000. The Directors of the Company propose to issue these after increasing the authorised capital from Rs. 1 crore to Rs. 2 crores. The required resolutions will be moved at an extraordinary meeting of shareholders convened for 17th November next. The permission of the Controller of Capital Issues is not required, as the issue is within the exemption limit of Rs. 10 lakhs.

ORIENT PAPER PUTS UP DIVIDEND

CAPACITY OF AMLAI PROJECT TO BE RAISED

CONTRARY to general expectations last year that the outlook for the year ended 31st March 1960 of the Orient Paper Mills Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) was not bright, the results of the Company for the year under review make encouraging reading. Sales have gone up by Rs. 84 lakhs and gross profit has recorded a rise of Rs. 39.59 lakhs to a fresh high of Rs. 197.71 lakhs. No doubt, the Company's production was affected by labour strike for over two months and by the unsatisfactory performance of the "soda recovery" plant and the renovated "board machine." The upward trend in the cost of raw materials, salary, wages and other expenses continued to persist, resulting in a further rise in cost of production. On top of this, the prices of paper and board were reduced with effect from 1st January 1960. The representations made by the Company to the Orissa Government for the abolition or reduction of the levy on bamboos and coal carried by means other than railways or airways did not yield results. These adverse factors were, however, offset by the better working since last summer of the "soda recovery" plant and "board machine" as a result of improvements made, as well as by the better working efficiency of the mills and increased production, consequent on the expansion and modernisation carried out by the Company.

The rise in net profit, however, is less marked, having gone up from Rs. 65.77 lakhs to Rs. 72.44 lakhs only. This is the result of larger provisions for depreciation and tax liability, as will be seen from the accompanying table. A sum of no less than Rs. 30 lakhs out of the net profit has been ploughed back, but this is smaller than the Rs. 37 lakhs added last year. The dividend on ordinary shares is being raised from 15 per cent. per annum, free of tax, paid consistently for the three years 1956-57 to 1958-59 to 22.5 per cent., subject to deduction of tax, or 15.75 per cent. (net). The dividends on 5½ per cent. tax-free and taxable preference shares are subject to deduction of tax, but the Directors propose to make such additional distributions as may be payable on the passing of the Preference Shares (Regulation of Dividends) Bill 1960.

The encouraging progress of the Company in recent years is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds (gross)	7 85 12	7,01 12	5 40 90	4,57 17
Other income	21.21	9.39	7.98	14.52
Closing stocks of finished goods and stock-in-process	14.20	6.27	7.43	7.63
Raw materials, stores, spares, etc., consumed	2,69 10	2 52 78	1,81 00	1,50 29
Excise duty	1,06 16	98 28	74 51	43 29
Other expenses	2,32 59	2,01 34	1,56 01	1 36 27
Gross profit	1,97 71	1,58 12	1,37 35	1,34 98
Managing Agents' remuneration	12.77	10.70	10.55	11.32
Provision for—				
Depreciation	72 50	51.00	50.00	30 00
Taxation	40 00	30 65	38 00	40 00
Net profit	72 44	65.77	38 80	53 66
To reserves	30 00	37.00	12.00	25.00
Dividends—				
5½ per cent. preference	6 87*	6 26	6 24	6 13
Ordinary	33 03 (22½%)*	22 02 (15%)	22 02 (15%)	22 02 (15%)
Carry forward	4.23	1.69	1.20	2.63

* Subject to deduction of tax.

In pursuance of its programme of modernisation and expansion, the Company made a capital expenditure of about Rs. 41 lakhs during the year under review, bringing the total cost of the block account to Rs. 10.01 crores (including the addition of Rs. 80 lakhs on revaluation of assets effected during the half-year ended 31st March 1950). The net book value of the block account is Rs. 6.94 crores, the depreciation provided so far being Rs. 3.08 crores. This provision is less than the normal depreciation required to be provided under the Income-tax Act, but the Directors consider it adequate in view of the reserve for repairs and renewals amounting to Rs. 60 lakhs. The current assets aggregate Rs. 3.26 crores, and these are shorter than the current liabilities and provisions (including borrowings) standing at Rs. 3.68 crores. The paid-up capital has been raised from Rs. 2.82 crores to Rs. 3.27 crores, following the issue of 45,554—5½ per cent. tax-free cumulative preference shares of Rs. 100 each. The reserves and surplus amount to Rs. 3.25 crores, including a capital reserve of Rs. 87.14 lakhs created out of revaluation of assets ten years back.

The Government of India has granted a licence to the Company to increase the capacity of the paper mill to be set up at Amlai, Madhya Pradesh, from 100 to 150 tons per day. An application has been made to the Export-Import Bank of Washington for a loan to cover the foreign exchange cost of the project. Negotiations for the purchase of necessary machinery have been finalised, subject to the sanction of loan by the Ex-Imp Bank and the issue of import licence by the Government of India.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 41.15 *cum-div.*, at which rate and on an *ex-div.* basis they offer a yield of 3.96 per cent. per annum, free of tax.

ESCORTS LIMITED

The list for public subscription to the capital issue of Escorts Ltd. opened on Monday, the 24th inst. and will close at the discretion of the Directors at any time after the 29th inst. The Company is offering Rs. 41.10 lakhs, made up of 171,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share and 24,000—9 per cent. (free of company's tax) redeemable cumulative preference shares of Rs. 100 each at par. The Company's present paid-up capital is Rs. 47 lakhs, made up of 389,000 equity shares of Rs. 10 each and 8,100—10 per cent. (less tax) redeemable cumulative preference shares of Rs. 100 each. Of the present issue, preference shares of the value of Rs. 17.50 lakhs have been underwritten. The Company has also agreed to make firm allotment of preference shares to the tune of Rs. 6.50 lakhs. Thus, the entire preference issue is assured of being taken up. Being an established firm with manufacturing schemes which hold promise of good demand, the Company can expect to have an encouraging response to its equity issue as well. A sum of Rs. 7.50 per equity share and of Rs. 50 per preference share is payable on application for a minimum of 50 equity shares and 5 preference shares and the balance is payable in full on allotment.

The Company was incorporated in October 1944 as a private company and was converted into a public one in December 1959. Since its inception, the Company has been functioning as representatives of world renowned foreign manufacturers like M.A.N. and A.E.G. of West Germany, Westinghouse Electric International Co. of U.S. and Massey-Ferguson of the U.K. and Canada, to mention only a few. It has been supplying, erecting and servicing heavy machinery to the various projects of the public and private sectors in the first and second Five-year Plans. It is receiving from the foreign principals commission on orders booked, as well as profit on self-buyer business on the basis of final completion of contracts. The accrued commission and profit on orders already booked and on contracts under execution amounts to Rs. 70 lakhs as on 1st July 1960. This will be received in the course of the next three or four years and will form part of the profits of the Company during the years 1960 to 1964.

In recent years, the Company has taken up manufacturing activity. This is proposed to be enlarged and extended. It is manufacturing piston rings through its subsidiary, Goetze (India) Private Ltd. in collaboration with the West German firm of Goetze. Its factory at Patiala is manufacturing pistons in collaboration with another West German firm. The factory commenced production in 1960. The Company has secured a licence to manufacture x-ray equipment in collaboration with Westinghouse. Production is expected to commence in June 1961. It has secured licence for manufacturing shock absorbers for railways and heating elements for electrical appliances. Its subsidiary, Sharpedge Private Ltd., has established a factory in Okhla for manufacture of razor blades.

The present capital issue will be used to finance partly the expansion of the piston factory at Patiala and the x-ray equipment manufactory at Faridabad, at a total cost of Rs. 70 lakhs. The balance will be obtained through borrowings from banks.

The Company has a fairly reasonable dividend record and the present issue will be entitled to any dividend that may be declared after the date of allotment in proportion to the period during which the shares have been held.

NEWSPRINT PLANT AT KARAD

A newsprint mill is shortly to be set up at Karad, 220 miles from Bombay, by Messrs. Sahu Jain Ltd., managing agents of one of India's largest industrial complexes, comprising companies engaged in paper, sugar, cement, heavy chemicals and nitrogenous fertiliser manufacturing. The plant will produce 60,000 tons of newsprint per annum from bagasse, using methods developed through eight years of American research. The Indian company has entered into an agreement with Crown Zellerbach Corporation, San Francisco, California, and the Hawaiian Development Company, for supply of technical assistance and patent rights for production of newsprint from bagasse, the fibrous residue of sugar production.

The two American organisations perfected the method during eight years of intensive research into methods for making paper of commercial quality from sugarcane fibre. The resulting newsprint has received extensive testing on high-speed news presses at speeds of more than 40,000 impressions per hour. The experience gained from this research both in Hawaii and in various Crown Zellerbach installations in the north-western United States led to patented processes for producing better quality paper than previously existing grades from this fibre source. These processes, according to the officials of Crown Zellerbach, are highly useful in areas having sources of bagasse but few sources of softwood, the usual raw material for newsprint manufacture.

The proposed Maharashtra plant, for which the Government of India has already granted an industrial licence, will represent an investment of approximately $20 million, or nearly Rs. 10 crores.

COMPANY MEETINGS AND DIVIDENDS

SWADESHI COTTON MILLS CO., LTD. Annual General Meeting, Kanpur, U.P., 31st October 1960. Dividend: Rs. 5.71 or 0.571 per cent. per share, on preferred ordinary shares. Transfer books remain closed from 24th to 31st October, 1960, both days inclusive.

WESTERN BENGAL COALFIELDS LTD. Annual General Meeting, Calcutta, 4th November 1960. Dividend: Re. 0.60 per share, subject to deduction of tax. Transfer books remain closed from 20th October to 4th November 1960, both days inclusive.

BRITANNIA ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 5th November 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax, payable on or after 26th November 1960. Transfer books remain closed from 22nd October to 5th November 1960, both days inclusive.

SHREE BHAWANI COTTON MILLS LTD. Annual General Meeting, Calcutta, 5th November 1960. Dividend: *Nil*. Transfer books remain closed from 27th October to 5th November 1960, both days inclusive.

MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 5th November 1960. Dividend: Rs. 21.50 per share, taxable, payable from 7th November 1960. Transfer books remain closed from 10th October to 5th November 1960, both days inclusive.

TRAVANCORE SUGARS AND CHEMICALS LTD. Annual General Meeting, Trivandrum, Kerala State, 7th November 1960. Dividend: 10 per cent. or Re. 1.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 24th October to 7th November 1960, both days inclusive.

RAYON MILLS COMMERCIAL CORPORATION LTD. Annual General Meeting, Bombay, 7th November 1960. Transfer books remain closed from 25th October to 5th November 1960, both days inclusive.

ORIENT PAPER MILLS LTD. Annual General Meeting, Brajrajnagar, District Sambalpur, Orissa, 9th November 1960. Dividend: Rs. 2.25 per ordinary share, taxable. Transfer books remain closed from 20th October to 9th November 1960, both days inclusive.

CHAMPARUN SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 10th November 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books remain closed from 25th October to 10th November 1960, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, London, 10th November 1960. Dividend: 4 per cent. final (making a total of 7½ per cent. actual for the year), payable on 14th November 1960.

TATA CHEMICALS LTD. Annual General Meeting, Bombay, 11th November 1960. Dividend: Re. 0.60 per share, subject to deduction of tax, payable on and after 14th November 1960. Transfer books were closed from 3rd September to 1st October 1960, both days inclusive.

KALPETTA ESTATES LTD. Annual General Meeting, Alleppey, Kerala State, 14th November 1960. Dividend: 12½ per cent. or Re. 1.25 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 14th November 1960, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 14th November 1960. Dividend: Re. 1.00 per share, taxable. Transfer books remain closed from 21st October to 14th November 1960, both days inclusive.

ANGLO INDIA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 16th November 1960. Dividend: 20 per cent. or Rs. 20.00 per share, subject to deduction of tax. Transfer books will remain closed from 31st October to 16th November 1960, both days inclusive.

VELLORE ELECTRIC CORPORATION LTD. Annual General Meeting, Madras, 24th November 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 17th to 24th November 1960, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Annual General Meeting, Ernakulam, 28th November 1960. Dividend: 12½ per cent. or Re. 1.25 per share, subject to deduction of tax. Transfer books will remain closed from 21st to 28th November 1960, both days inclusive.

ASHER TEXTILES LTD. Dividend of 12½ per cent. or Rs. 12.50 per share, subject to deduction of tax, for the year ended 30th June 1960. Transfer books will remain closed from 11th to 24th November 1960, both days inclusive.

ALAGESWAR ESTATES LTD. Dividend of 7½ per cent. for nine months ended 31st March 1960. Transfer books will remain closed from 17th to 27th November 1960, both days inclusive.

MIDLAND RUBBER AND PRODUCE CO., LTD. Taxable dividend of 12½ per cent. or Re. 1.25 per ordinary share, for the year ended 31st March 1960. Transfer books will remain closed from 21st to 28th November 1960, both days inclusive.

RADIO AND ELECTRICALS MANUFACTURING CO., LTD. Taxable final dividend of 11 per cent. or Re. 1.10 per share, for the year ended 31st March 1960.

TUBE INVESTMENTS OF INDIA LTD. Taxable dividend of 10 per cent. or Rs. 10.00 per share, for the year ended 31st July 1960.

SYNOPSES OF COMPANY REPORTS

Birla Cotton Spg. and Wvg. Mills Ltd.

THE directors of the above Company (Messrs. Birla Brothers Private Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The profit and loss account, after adjusting the debit balance brought forward and after transferring a sum of Rs. 1,45,289 (*nil*) from general reserve, shows a net balance of Rs. 21,53,737. Out of this, provision has been made for depreciation of Rs. 6,50,228 (Rs. 3,84,569), for development rebate Rs. 4,75,000 (Rs. 25,000) and for taxation Rs. 6,00,000 (*nil*), leaving a balance available for disposal of Rs. 4,33,509. The directors recommend payment of dividend subject to deduction of income-tax on 3,50,000 ordinary shares of Rs. 10 each at 1 (*nil*) per share, absorbing Rs. 3,50,000 (*nil*) leaving a balance to be carried forward (including credit balance at Jaipur not transferred to head office) of Rs. 83,509.

During the year under review there was further increase in the price of cotton, coal, dyes and chemicals, etc. The dearness allowance paid to the employees had also to be increased. Further from 1st January, 1960, wages had to be increased in accordance with the recommendation of the Textile Wage Board. All these factors contributed to an increase in the cost of production. There was, however, an improvement in the prices of coarse and medium quality cloth manufactured by the Company. In the circumstances the working results for the year are considered satisfactory.

The ginning and pressing factory at Malout worked satisfactorily while the tent factory worked only to a partial capacity on account of paucity of orders received from the Government.

The shareholders are aware about steps taken for the amalgamation of Merchandise and Stores Ltd. and Rajputana General Dealers Ltd. with the Company. During the current year sanction of the Punjab High Court, Circuit Bench, Delhi, was obtained for the amalgamation of the two Companies with the Company and both the Companies have been amalgamated with the Company. Necessary steps in this connection are being taken.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Gross block	1,66,23,840
Reserves ...	78,10,478	*Less*—Depreciation ...	1,20,16,290
Provision for taxation ...	59,139	Net block ...	46,07,550
Liabilities ...	1,18,65,826	Stock-in-trade	1,16,44,233
Profit and loss account (surplus)	83,509	Stores, etc.	16,74,945
		Book debts	26,23,351
		Investments	22,83,634
		Cash ...	4,85,219
Rs.	2,33,18,952	Rs.	2,33,18,952

Champdany Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. James Finlay & Co., Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The accounts show a profit of Rs. 8,18,221 (Rs. 10,52,286) after charging Rs. 7,04,660 (Rs. 6,06,291) for depreciation and Rs. 3,74,417 (Rs. 86,347) in respect of development rebate reserve. To this profit falls to be added the credit balance brought forward from the previous year of Rs. 92,149 (debit of Rs. 5,45,989) making a total of Rs. 9,10,370 (Rs. 5,06,297). Out of this sum there has been transferred to contingency reserve account Rs. 1,50,000 (*nil*) leaving a balance available for disposal amounting to Rs. 7,60,370 (Rs. 5,06,297). The directors on 27th May, 1960, declared an interim dividend in respect of the year ended 31st March, 1960, at the rate of Rs. 4 (Rs. 3 per share, tax-free) per share subject to the deduction of income-tax absorbing Rs. 2,36,656 (Rs. 1,77,492). The directors now recommend the payment of a final dividend for the year ended 31st March, 1960, at the rate of Rs. 6 (Rs. 4 per share, tax-free) per share subject to the deduction of income-tax which will absorb Rs. 3,54,984 (Rs. 2,36,656). This will leave a credit balance of Rs. 1,68,730 (Rs. 92,149) to be carried forward to the next account.

Trading conditions during the year under review have on the whole enabled the mills to work at a profit and the benefit is now being felt from the introduction of treble shift working in the preparing and spinning departments at both Champdany and Wellington Mills. In order to obtain further economies in manufacturing costs double shift working was introduced in the weaving departments of both mills with effect from December, 1959.

Owing to uncertainties about the availability in adequate quantities of raw jute during the current year, and having regard to the ever increasing competition from Pakistan mills the outlook is obscure.

During the year the directors have placed orders for machinery required to manufacture *Wide Carpet Backing* and although there have been considerable difficulties in obtaining the necessary import licences it is hoped that this plant will be in operation at Wellington Mill by March of next year.

In accordance with the provisions of the Indian Jute Mills Association's working time agreement, the mills worked 48 hours per week during the year under report. Between 14 per cent. and 10 per cent. of the registered loomage at each mill was sealed at various times under the provisions of the working time agreement.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,16,400	Gross block	2,17,74,524
Reserves ...	81,81,976	*Less*—Depreciation ...	1,17,03,511
Liabilities ...	30,32,980	Net block ...	1,00,71,013
Profit and loss account (surplus)	1,68,730	Stock ...	45,86,330
		Stores ...	9,65,949
		Book debts	13,37,572
		Investments	2,05,700
		Cash ...	1,33,522
Rs.	1,73,00,086	Rs.	1,73,00,086

Champarun Sugar Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: The British India Corporation Ltd., Kanpur, U.P.) present the audited accounts of the Company for the year ended 30th June 1960.

The results for the year, after making the usual provisions for taxation, depreciation and adjustments, show a surplus of Rs. 5,80,972 (Rs. 6,80,174). The directors have transferred to rehabilitation reserve [including Rs. 36,405 (Rs. 1,944) for development rebate reserve] Rs. 3,00,000 (Rs. 4,00,000). After adding the balance from the previous year of Rs. 16,996 (Rs. 6,822), there is an available sum of Rs. 2,97,968 (Rs. 2,86,996). This amount, the directors recommend, should be disposed of as follows:—

In payment of a dividend of Re. 1.50 (Re. 1.50) per share, subject to deduction of tax, for the year ended 30th June 1960, absorbing Rs. 2,70,000 (Rs. 2,70,000) leaving to be carried forward to next account Rs. 27,968 (Rs. 16,996).

Barrah factory commenced crushing on 27th November, 1959 and ended on 8th April, 1960, while at Chanpatia factory crushing started on 9th November, 1959 and continued upto 2nd May, 1960.

The quantity of cane crushed at both the factories was the maximum available. At Barrah 26,49,700 (24,20,567) maunds of cane was crushed with a recovery of 9.49 per cent., as against 9.81 per cent. in the previous year; while at Chanpatia the crush reached 32,30,980 (33,68,876) maunds with a recovery of 9.28 per cent., as against 9.86 per cent. last year. The lower recovery is symptomatic of the general decline in recovery in the North Bihar cane delta in regard to which the Indian Sugar Mills Association have already taken up the matter with the State Government for suitable relief.

The Company's estates continued to produce cane both for crushing and seed purposes. Both the factories have been maintained in good condition.

Cane plantings for the current season in the areas serving the Company's factories have been on an increased scale as compared to the last year. The cane crop uptil now is considered to be satisfactory and it is expected that cane in larger quantities would be available for crushing in the ensuing season.

On the expiry of Messrs. Begg, Sutherland & Company Private Limited's term of the managing agency, with effect from 15th August, 1960, in pursuance of Section 330 of the Companies Act, 1956, the British India Corporation, Limited have been appointed as the secretaries and treasurers of the Company. This does not, however, involve any material change in the management of the Company as the director-in-charge as also the other technical and administrative staff remain unchanged, thereby ensuring continuity of policy and efficient management.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,00,000	Gross block	84,73,277
Reserves ...	45,46,234	*Less*—Depreciation ...	64,52,904
Provision for taxation ...	6,52,519	Net block ...	20,20,373
Liabilities ...	46,73,942	Machinery under erection ...	72,947
Profit and loss account (surplus)	27,968	Stock-in-trade	66,43,426
		Stores, etc. ...	12,67,574
		Book debts ...	14,75,480
		Investments	36,600
		Cash ...	1,84,263
Rs.	1,17,00,663	Rs.	1,17,00,663

Cooria Spinning and Weaving Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Cowasjee Jehanjir and Co., Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1960.

The profit for the year after providing for depreciation Rs. 5,55,426 (Rs. 5,56,885), for development rebate reserve Rs. 10,085 (Rs. 1,93,000) and provision for taxation Rs. 2,40,000 (Rs. 1,10,000) amounts to Rs. 2,91,058 (Rs. 1,37,954). To this is added the balance brought forward from previous year of Rs. 61,364 (Rs. 58,223) and net credits relating to previous years of Rs. 9,393 (debit of Rs. 59,813) making a total amount available for disposal of Rs. 3,61,815 (Rs. 2,56,364 including Rs. 1,20,000 transferred from dividend reserve). From this the directors recommend payment of a dividend at the rate of Rs. 11 (Rs. 7.50 per share, free of tax) subject to deduction of tax, which will absorb Rs. 2,86,000 (Rs. 1,95,000) leaving a balance to be carried forward to next year's account of Rs. 75,815 (Rs. 61,364).

The Finance Act, 1959, has abolished, with effect from 1st April 1960, the legal fiction about the "grossing up" of dividend and has made it incumbent on the Company to deduct tax at source at the prescribed rate from all dividends declared for the previous year assessable to tax in the financial year 1960-61. To compensate for the loss of tax credit shareholders enjoyed prior to the said amendment the directors have recommended the payment of a gross dividend of Rs. 11 per share for the year, which will bring the dividend to be received by individual shareholders to Rs. 7.70 net per share.

During the first half of the year the cloth market was dull particularly in coarse and medium varieties but the last six months of the year witnessed a steady improvement in the prices of all varieties coupled with good demand from the local and overseas markets. The advantage the Company gained as a result of this improvement was however off-set by an abnormal increase in the cost of cotton and the higher rate of dearness allowance payable to the employees. In view of all these factors, the directors trust that the results for the year will be considered satisfactory.

The Indian Cotton Mills' Federation has called upon all the mills as from 4th September 1960 not to charge more than 25 per cent. in the case of coarse, 22 per cent. in the case of lower medium and 18 per cent. in the case of higher medium varieties over August 1959 contract prices as the extent the profit margin of the Mill for the current year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	26,00,000	Gross block	1,21,99,369
Reserves ...	29,15,005	*Less*—Depreciation ...	78,24,358
Provision for taxation ...	3,17,637	Net block ...	43,75,011
Liabilities ...	30,69,192	Stock-in-trade	34,52,265
Profit and loss account (surplus)	75,815	Stores, etc. ...	6,45,097
		Book debts ...	3,80,118
		Investments	88,669
		Cash ...	36,489
Rs.	89,77,649	Rs.	89,77,649

North-Western Cachar Tea Co., Ltd.

The directors of the above Company (Managing Agents: Assam Trading Co., Calcutta) present the audited accounts of the Company for the year ended 31st December 1959.

The profits from Kurkoori Tea Estate amounted to Rs. 2,64,309 (Rs. 1,83,433), from Bicrampore Tea Estate to Rs. 1,50,632 (Rs. 1,56,814) and Silcoorie Tea Estate to Rs. 2,85,595 (*nil*), making a total of Rs. 7,00,536 (Rs. 3,40,247). On transfer of this sum to profit and loss account and after making necessary adjustments, there remains a balance at credit Rs. 6,65,448 (Rs. 3,68,709). The directors have transferred to taxation reserve Rs. 2,55,598 (Rs. 1,55,000) leaving a balance of Rs. 4,09,850 (Rs. 2,13,709). With the balance brought forward from last year of Rs. 40,393 (Rs. 88,303), there is a total amount of Rs. 4,50,243 (Rs. 3,02,012). The directors recommend to dispose of this amount as follows: To interim dividend on 7,000 shares at Rs. 15 (Rs. 10 per share, free of tax) per share, subject to deduction of income-tax, declared on 9th March 1960, absorbing Rs. 1,05,000 (Rs. 70,000), to final dividend on 7,000 shares at Rs. 15 (Rs. 20 per share, tax-free) per share, subject to deduction of income-tax), absorbing Rs. 1,05,000 (Rs. 70,000), to transfer to development reserve Rs. 2,340 (Rs. 21,620), and to transfer to general reserve Rs. 1,00,000 (*nil*) leaving a balance to be carried forward of Rs. 1,37,903 (Rs. 40,392 after transferring Rs. 1,00,000 to dividend equalisation fund).

Outturns and average selling price are as follows:—

Tea crop from Kurkoorie Estate was 6,178 (6,228) maunds, from Bicrampore Estate 4,355 (3,976) maunds and from Silcoorie Estate 7,400 (6,557) maunds. Average selling price per pound of tea was as follows:—

Kurkoorie Re. 1.69 (Re. 1.85); Bicrampore Re. 1.70 (Re. 1.81) and Silcoorie not known (Rs. 2.06).

Estimate for 1960 provide for a crop of 17,500 maunds at an outlay of Rs. 17,50,000.

Managing Agents.—Messrs. Assam Trading Co. of 1 and 2, Old Court House Corner, Calcutta, have been appointed as managing agents of the Company for a term of five years with effect from 12th January 1960 with the prior approval of the Central Government.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Gross block	21,37,538
Reserves ...	8,73,960	*Less*—Depreciation ...	3,98,015
Provision for taxation ...	5,78,140	Net block ...	17,39,523
Liabilities ...	14,17,806	Stock-in-trade	7,73,935
Profit and loss account (surplus)	1,37,903	Stores	2,45,188
		Book debts ...	1,51,868
		Investments	7,42,456
		Cash ...	54,839
Rs.	37,07,809	Rs.	37,07,809

Hingir-Rampur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th June 1960.

Output.—Raisings for the year totalled 141,744 tons as compared with 124,475 tons for the preceding year, which shows an increase of 17,269 tons.

Sales.—The total sales for the year amounted to 143,654 tons as compared with 115,895 tons for the preceding year. This figure too could have been exceeded had wagon indents been met in full by the railway.

Coal prices.—The Company's coal was graded by the Coal Board in November 1959 and classified as grade III. The Das Gupta Award became operative from 30th December 1959 under which among other things, underground loaders became entitled to dearness allowance on lead and lift wages. To meet the additional expenditure resulting from this Award, as also the enhanced dearness allowance to all workers based on the All-India Average Consumer Price Index Number, the Central Government permitted an increase of Re. 0.81 per ton in the controlled price of the Company's coal with effect from 1st April 1960. Thus the controlled prices for steam and slack coals are now Rs. 22.06 and Rs. 21.06 per ton, respectively.

Development work.—Work on a new area, i.e., 10 dip, has been proceeding for some months past and initial raisings of approx. 2,000 tons per month of better grade coal are expected from July 1960, gradually increasing to 5,000/6,000 tons per month.

Railway siding.—Negotiations with the railway authorities regarding modification of the existing siding to handle 55/60 wagons per day instead of the present 25 wagons to which reference was made in last year's report are expected to be concluded very soon.

Managing agency agreement.—The Central Government have agreed to the re-appointment of Killick Industries Ltd. as managing agents of the Company for a further period of five years commencing from 1st July 1960.

The results of the year's working, after seting aside Rs. 1,95,369 (Rs. 1,83,603) for depreciation and amortisation and Rs. 26,834 (Rs. 36,130) in respect of development rebate reserve (as required under the Income-tax Act), show a profit of Rs. 3,77,921 (Rs. 17,155). Setting off the profit against the loss of Rs. 5,70,177 (Rs. 6,34,206) brought forward from the previous year and deducting from the balance Rs. 5,127 (Rs. 46,874), credited back in respect of provision made for additional income-tax for the year ended 30th June 1953, there is left a balance of Rs. 1,87,129 (Rs. 5,70,177) which is carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Gross block	43,44,376
Reserves ...	1,27,964	*Less*—Depreciation ...	27,68,441
Provision for taxation ...	5,723	Net block ...	15,75,935
Liabilities ...	11,86,372	Work-in-progress ...	43,972
		Stock of coal	1,980
		Stores and tools ...	7,18,828
		Book debts	7,89,394
		Investments	18,117
		Cash ...	41,704
		Profit and loss account (deficit) ...	1,30,129
Rs.	33,20,059	Rs.	33,20,059

Travancore Sugars and Chemicals Ltd.

The directors of the above Company (Managing Agents: Messrs. Parry and Co., Ltd., Trivandrum) present the audited accounts of the Company for the year ended 30th April 1960.

The net profit for the year before providing for taxation was Rs. 9,48,902 (Rs. 7,57,689) upon which taxation, less a transfer of Rs. 90,000 (Rs. 2,40,000) from taxation equalisation reserve, amounts to Rs. 4,60,000 (Rs. 2,85,000) leaving a net profit, after taxation of Rs. 4,88,902 (Rs. 4,72,689). To this should be added the surplus brought forward from last year amounting to Rs. 1,06,833 (Rs. 1,07,287) making the profit available for appropriation Rs. 5,95,735 (Rs. 5,79,976). Out of this amount the following appropriations have been made or are recommended by the directors: Transfer to capital reserve Rs. 24,000 (Rs. 16,000), to general reserve Rs. 50,000 (Rs. 50,000) and to dividends for the year as follows: On preference share capital—interim dividend of 5 per cent. subject to deduction of tax, absorbing Rs. 75,000 and ordinary share capital—10 (10) per cent. subject to deduction of tax, absorbing Rs. 3,00,000 (Rs. 3,00,000) leaving a surplus to be carried forward to next year, subject to payment of the final dividend on the 5 (5 per cent. for the whole year) per cent. preference share capital for the year ended 30th April 1960, of Rs. 1,46,735 (Rs. 1,06,833).

Review of Operations—Sugar.—Crushing for 1959-60 season commenced on 27th September 1959 and finished on 2nd March 1960, the duration of the season being 155 (184) days. During this period 1,19,273 (1,33,210) tons of cane were crushed and 9,891 (11,057) tons of sugar produced at a recovery of 8.29 (8.30) per cent. The recovery for the season is approximately the same as last year, but the tonnage crushed was lower due to lower yields obtained by the ryots.

Spirit.—Sales of spirit continued at a satisfactory level.

Pharmaceuticals.—Sales to Government and to the general public during the year continued to be satisfactory despite disturbed conditions during June and July 1959 experienced in Kerala State.

At 30th April 1960 the capital and revenue reserves of the Company, excluding the taxation equalisation reserve, aggregated Rs. 12,87,735 as against Rs. 11,73,833 last year. The liquid position of the Company has improved in so far as excess of current assets over current liabilities and provisions amounted to Rs. 31.05 lakhs as at 30th April 1960 as compared with Rs. 29.57 lakhs last year.

N.B.—Although the Preference Shares [Regulation of Dividends] Bill has been introduced into the Lok Sabha it has not yet been passed into law and certain of its provisions are by no means clear. Thus it is not possible at present to determine the full rate of dividend to be paid on the preference share capital for the year ended 30th April 1960. To alleviate hardship, the directors have decided to pay an interim dividend on the preference share capital of 5 per cent. i.e., the minimum rate applicable subject to deduction of tax and will declare the final dividend thereon immediately the position has been clarified.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Gross block	69,10,952
Reserves ...	21,96,500	*Less*—Depreciation ...	33,56,498
Provision for taxation ...	10,63,061	Net block ...	35,54,454
Liabilities ...	25,58,745	Work-in-progress ...	38,926
Profit and loss account (surplus)	1,46,735	Stock ...	35,09,081
		Stores, tools, etc. ...	9,21,148
		Book debts ...	14,29,393
		Other assets	2
		Cash ...	10,12,037
Rs.	1,04,65,041	Rs.	1,04,65,041

Kalpetta Estates, Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas and Co., Ltd., Alleppey, Kerala State) submit the audited accounts of the Company for the year ended 30th April 1960.

Tea crop secured during the year 2,92,637 (3,17,627) lbs. at a cost of Rs. 1.38 (Re. 1.25) per lb. against an estimate of 3,10,000 (2,80,000) lbs. at Re. 1.23 per lb. the average sale price being Re. 1.86 per lb. as against Re. 1.73 in the previous year. The shortfall in crop due to adverse weather conditions contributed mainly to the increase in cost of production.

Rubber crop harvested during the year 2,67,500 (2,71,700) lbs. at a cost of Re. 1.16 (Re. 1.17) per lb. against an estimate of 2,65,000 (2,50,000) lbs. at Re. 1.16 per lb. The average sale price realised was Re. 1.53 per lb. as against Re. 1.50 in the previous year.

Cardamom crop secured during the year was 7,523 (9,425) lbs. at a cost of Rs. 6.05 (Rs. 4.73) per lb. as against an estimate of 10,000 (10,000) lbs. at Rs. 5.06 per lb. The shortfall in crop was due to adverse weather conditions and had resulted in a higher cost of production. The average price realised this year was Rs. 8.97 per lb. against Rs. 8.23 last year.

Coffee: Against an estimate of 240 (160) cwts. at a cost of Rs. 152.16 (Rs. 200) per cwt. the crop secured was 166 (254) cwts., cost of production being Rs. 200.00 (Rs. 143.52) per cwt.

Estimate for 1960-'61

	Quantity		Cost
Tea ...	3,10,000 lbs.	Rs.	1.30 per lb.
Rubber ...	2,65,000 lbs.	Rs.	1.14 per lb.
Cardamom ...	10,000 lbs.	Rs.	5.18 per lb.
Coffee ...	200 cwt.	Rs.	229.60 per cwt.

The net profit for the year after allowing for depreciation, managing agents' commission and Central and State taxes works out at Rs. 98,865 (Rs. 94,972) to which is to be added the balance of Rs. 6,965 (Rs. 11,993) brought forward from last year. Thus the profit available for distribution will be Rs. 1,05,830 (Rs. 1,06,965). This amount the directors recommend be disposed of as under:—

To pay a dividend of 12½ (12½) per cent. subject to deduction of tax absorbing Rs. 1,00,000 (Rs. 1,00,000) to transfer to reserve for development rebate Rs. 4,500 (*nil*) and to carry forward Rs. 1,330 (Rs. 6,965).

The properties of the Company have been regularly visited and are maintained in good condition. Arrangements for extending the cardamom area in Chulika and new planting and replanting of rubber areas in Poonoor are progressing satisfactorily. A further area of 38.33 acres has been planted up with tea during this year in Chulika. During the year under review, 200 acres out of the 400 acres of abandoned rubber area have been sold and the full sale consideration received. The value of the 6,097 acres of Vellarmalai land contracted to be sold during 1956-57 has been fully received, possession handed over and the value of lands and buildings so handed over adjusted in this year's accounts.

Messrs. A. V. Thomas & Co., Ltd., have been re-appointed as managing agents for five years from 15th August 1960 and a fresh managing agency agreement has been executed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Gross block	17,97,748
Reserves ...	8,36,553	*Less*—Depreciation ...	3,49,814
Provision for taxation ...	1,53,203	Net block ...	14,47,934
Liabilities	2,85,322	Stock ...	2,20,581
Profit and loss account surplus ...	1,330	Stores ...	1,14,409
		Book debts ...	95,107
		Investments	21,861
		Cash ...	1,76,516
Rs.	20,76,408	Rs.	20,76,408

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

Notices

THE RAYON MILLS COMMERCIAL CORPORATION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRD ANNUAL GENERAL MEETING of The Rayon Mills Commercial Corporation Limited will be held at the Registered Office of the Corporation at Resham Bhavan, 78 Veer Nariman Road, Bombay-1, on MONDAY, the 7th November, 1960, at 4.00 p.m. (I.S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and the audited Profit and Loss Account and the Balance Sheet for the year ended 31st March, 1960.

(2) To appoint Directors in place of Shri J. G. Vakharia, Shri V. C. Gandhi and Shri D. K. Khetani, who retire by rotation, but being eligible offer themselves for re-appointment.

(3) To appoint three Directors to fill the vacancies created by the resignation of Sarvashri J. K. Turakhia, S. H. Kharwar and R. U. Shah.

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

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

(ii) The share transfer books of the Company will remain closed from Tuesday, the 25th October, 1960, to Saturday, the 5th November, 1960 (both days inclusive).

By Order of the Board of Directors,

I. P. PAREKH,
Director.

RESHAM BHAVAN,
78, VEER NARIMAN ROAD,
BOMBAY-1.
17*th October*, 1960.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has to-day declared an Interim Dividend of 15 per cent. (subject to deduction of Income-tax) in respect of the year ending 31st December 1960, payable on or after 15th November 1960, to members registered in respect of shares of the Company on 15th November 1960. Dividend Warrants will be despatched to members and no application to the Company is necessary.

The Register of Members of the Company will be closed from 1st November 1960 to 15th November 1960, both days inclusive.

By Order of the Board,

BALMER LAWRIE & CO., LTD.,

D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 21*st October*, 1960.

ANGLO-INDIA JUTE MILLS CO., LTD.

THE DIRECTORS AT THEIR MEETING held on 17th October, 1960, decided to recommend to the Shareholders that the following dividends be declared at the Annual General Meeting to be held on 16th November, 1960, for the year ended 31st March 1960:

On Preference Shares @ 7% per annum (Rs. 7 per share) subject to deduction of income-tax.

On Ordinary Shares @ 20% per annum (Rs. 20 per share) subject to deduction of income-tax.

The Share Transfer Books of the Company will be closed from 31st October to 16th November, 1960, both days inclusive.

By Order of the Board,

DUNCAN BROTHERS & CO. LTD.,
Managing Agents.

CALCUTTA, 16*th October*, 1960.

THE WEST COAST ELECTRIC SUPPLY CORPORATION, LIMITED

Registered Office: MADRAS-1

NOTICE OF THE 26th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 26th Annual General Meeting of the Shareholders of the WEST COAST ELECTRIC SUPPLY CORPORATION, LIMITED will be held at the Registered Office of the Company, at No. 20, Second Line Beach, Madras-1, on Wednesday the 30th November, 1960, at 3 o'clock in the afternoon.

AGENDA

1. To consider and adopt the Directors' Report and Audited Accounts for the year ended 31st March, 1960.
2. To declare Dividend on Preference and Ordinary Shares.
3. To elect Directors in the place of those retiring.
   (a) To appoint a Director in the place of Sri M. Subbaraya Aiyer, who retires by rotation and to consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution of which a Special Notice as required by Sections 261 and 281 of the Companies Act, 1956, has been received by the Company.

   "RESOLVED that the age limit under Section 280 of the Companies Act, 1956, shall not apply to Sri M. Subbaraya Aiyer who is aged 75 years and that he be appointed a Director of the Company by this Special Resolution as required under Section 261 of the Companies Act, 1956, notwithstanding the fact that he is an associate of Messrs. Chandrie & Co. (Private) Ltd., who are the Managing Agents of this Company."

   (b) To appoint a Director in the place of Sri S. Viswanatha Mudaliar who retires by rotation and to consider, and if thought fit, to pass the following Resolution which will be proposed as a Special Resolution of which a Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company.

   "RESOLVED that Sri S. Viswanatha Mudaliar who is a Director and a member of Messrs. Chandrie & Co., Private, Ltd. (the Managing Agents of the Company) be and is hereby appointed as a Director of this Company by this Special Resolution as required under Section 261 of the Companies Act, 1956."
4. To appoint Auditors for the year 1960-61 and fix their Remuneration.
5. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 24th November, 1960 to 30th November, 1960, both days inclusive.

By Order of the Board,

FOR CHANDRIE & CO. PRIVATE LIMITED,

S. VENKATARAMAN,
Director,
Managing Agents.

11*th October* 1960.

N.B.—(a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company.

(b) The Dividend when sanctioned will be paid on and from 1st December, 1960 to those members whose names stand on the Register of Members on the 23rd November, 1960.

(c) The Explanatory Statements concerning the Special resolutions referred to in items 3 (a) and (b) are being posted to the Members individually.

THE VELLORE ELECTRIC CORPORATION, LIMITED

NOTICE OF 31st ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 31st Annual General Meeting of the Shareholders of THE VELLORE ELECTRIC CORPORATION, LIMITED, will be held at the Registered Office of the Company at No. 20, Second Line Beach, Madras-1, on Thursday the 24th November, 1960, at 12 noon, to transact the following business, viz.:—

1. To receive and adopt the Directors' Report and the Audited Statements of Accounts for the year ended 31st March, 1960.
2. To declare a Dividend on Preference and Ordinary Shares for the year 1959-60.
3. To appoint Directors in the place of:
   (a) Shri V. R. Ramanatha Ayyar retiring by rotation.
   (b) Shri V. M. Ramaswamy Mudaliar retiring by rotation.
4. To appoint Auditors for the year 1960-61 and to fix their remuneration.
5. To transact any other business that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from Thursday the 17th November, 1960 to Thursday the 24th November, 1960, both days inclusive.

By Order of the Board,

FOR CHANDRIE & CO. PRIVATE LIMITED,

S. VENKATARAMAN,
Director,
Managing Agents.

Registered Office:
20, SECOND LINE BEACH,
MADRAS-1, 5*th October* 1960.

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

(2) The Dividend when sanctioned at the Meeting will be paid on the 29th November, 1960 to those Members whose names stand on the Register of Members on the 16th November, 1960.

BHARAT NIDHI LIMITED

5, Parliament Street
NEW DELHI

NOTICE

THE BOARD OF DIRECTORS AT A MEETING held today have decided to renounce the right of Bharat Nidhi Ltd. to subscribe new Ordinary Shares of Rs. 10 each in Rohtas Industries Ltd., against payment at par in favour of the Company's shareholders in proportion of one new ordinary share in Rohtas Industries Ltd. for every 10 fully paid ordinary shares or 40 partly paid ordinary shares held in this Company. Renunciation of this right will be made in favour of holders of ordinary shares whose names appear in the Register of Members of the Company on 31st October, 1960. Provided however that in case of non-resident and also in case the entire right or part thereof receivable by a shareholder is less than one ordinary share in Rohtas Industries Ltd., the total of rights as regards non-residents and such fraction or fractional part of the shares collectively will be renounced in favour of Sahujain Services Private Ltd. or their nominee upon trust to deal with the same (subject to sanction of the Reserve Bank of India in case of non-residents) as they think proper on behalf of and for the benefit of the shareholders concerned.

Share transfer books and register of members of the Company will be closed on 31st day of October 1960.

By Order of the Board,

SHITAL PRASAD JAIN,
Chairman.

18*th October* 1960.

THE COCHIN STATE POWER AND LIGHT CORPORATION, LTD.

Registered Office: Huzur Jetty, Foreshore, ERNAKULAM

Branch Office: 20, Second Line Beach, MADRAS-1

NOTICE OF THE 24th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 24th Annual General Meeting of the shareholders of THE COCHIN STATE POWER AND LIGHT CORPORATION LTD., will be held at the Registered Office of the Company, at Huzur Jetty, Foreshore, Ernakulam, on Monday the 28th November, 1960, at 2 p.m.

AGENDA

1. To consider and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st March 1960.
2. To consider the declaration of a dividend for the year 1959-60.
3. To appoint a Director in the place of Sri G. A. Krishnamurthy who retires by rotation.
4. (a) To pass a resolution that the age limit prescribed under Section 280 of the Companies Act, 1956 shall not apply to Shri S. Ganapathisundaram for which special notice has been received.
   (b) To appoint a Director in the place of Shri S. Ganapathisundaram who retires and is eligible for re-appointment if the resolution under Section 281 of the Act is passed.
5. To appoint Auditors for the current year and fix their remuneration.
6. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 21st November 1960 to 28th November 1960 both days inclusive.

By Order of the Board,

FOR CHANDRIE & CO. (PRIVATE) LTD.,

S. VENKATARAMAN,
Director,
Managing Agents.

ERNAKULAM, 10*th October* 1960.

Note: (i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.

(ii) The Dividend when sanctioned at the Annual General Meeting will be paid on or after 29th November 1960 to those members whose names stand on the Register of Members on the 20th November, 1960.

(iii) The Explanatory Note relating to item 4 of the Agenda is being posted to the members individually.

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have declared an Interim Dividend of Re. 1 (Rupee one) per share less tax to be deducted in accordance with the provisions of the current Finance Act, on the Ordinary Share Capital of the Company for the year ending 31st December 1960, payable on the 28th November 1960 to those members whose names appear on the Register of Members on the 7th November 1960.

The Ordinary Register of Members will be closed from the 7th November 1960 to 28th November 1960, both days inclusive.

By Order of the Board,

STEEL BROTHERS & COMPANY LTD.,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA, 17*th October* 1960.

ACUTE STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, 26*th October*

Acute stringency prevails in the short-term money market. The trade demand for credit does not seem to have petered out even after Diwali. On top of this, there has been a pressure of demand from the industrial sector. Banks are hard put to find the money to meet the situation and any borrowing from the Reserve Bank can only be at a penal rate of interest. Some of them are already said to be paying 6 per cent. on their excess borrowings from the Reserve Bank. They are also borrowing from the State Bank of India at 6 per cent. In order to avoid paying such penal rates, banks are said to be bidding inter-bank call money at higher rates. Till yesterday, the inter-bank rate among all sections of the banks for overnight money was 4½ per cent., but today the rate hardened to 4½-4¾ per cent. among the larger Indian banks and exchange banks and to 4¾ per cent. among the smaller banks. Some of them are said to have even offered 5 per cent. for seven days' money, but business at this rate is said to be limited and confined to a few small banks, who presumably find it cheaper to borrow from fellow commercial banks at this rate even after making allowance for brokerage than to pay 6 per cent. to the State Bank or the Reserve Bank. House money at 21 days' notice is, however, unchanged at 2 per cent. and short-term deposits at 3½ per cent. for one to two months and at 3½ per cent. for three months and over.

The prevailing trend is also reflected in the results of the 91-day Treasury Bill sales this week. While the amount offered is no more than that (Rs. 2 crores) invited, the discount rate has hardened a little from 2.560 per cent. to 2.565 per cent. per annum. The tenders being against maturities, they are being continued. Tenders have been invited for another Rs. 2 crores next week. There were no sales of Intermediate Bills during the period 19th to 22nd October, but they will be offered this week from the 26th to the 29th inst.

For the second week in succession, the Reserve Bank of India's statement shows no notable variations in the Issue Department. The latest statement for the week ended 21st October 1960 discloses a rise of only Rs. 3.38 crores in notes in circulation and a decline of Rs. 3.94 crores in notes held in the Banking Department. Foreign securities are again unchanged at Rs. 123.01 crores, while balances held abroad have risen by a fraction to Rs. 17.93 crores, raising the total foreign assets to Rs. 140.94 crores. In the Banking Department, deposits of banks have dwindled by Rs. 6.75 crores, while loans and advances other than to Governments are higher by Rs. 2.33 crores. Investments have risen by Rs. 1.64 crores, but holdings of Government Treasury Bills have declined by Rs. 10.23 crores.

The Scheduled Banks' statement for the week ended 14th October 1960 discloses a rise of Rs. 4.22 crores in demand deposits and a fractional fall in time deposits. Of the increase of Rs. 4.09 crores in total deposits, the State Bank of India accounts for Rs. 1.04 crores. Inter-bank borrowings have dropped by Rs. 4.08 crores and borrowings from the Reserve Bank by no more than Rs. 37 lakhs. Borrowings from the State Bank have also declined by Rs. 3.24 crores. Bank credit has fallen by Rs. 5.90 crores, despite a rise of Rs. 2.34 crores on State Bank's account. Investments stand reduced by Rs. 12.21 crores, of which the share of the State Bank of India is Rs. 10.23 crores. Cash balances have swelled by Rs. 5.44 crores, following an increase of Rs. 4.39 crores in the State Bank's till. Money at call and short notice is, however, lower by Rs. 2.43 crores.

There has been a further weakening of the trend in the Gilt-edged market, in the absence of any support and persistent offering, thanks to the stiffening of credit conditions. While 3 per cent. 1986 Conversion Loan, after sagging from Rs. 73.65 to Rs. 73.50, has improved to Rs. 73.60, 3 per cent. 1970-75 has been marked down by 75 nP to Rs. 89.10 and 3 per cent. 1966-68 by 15 nP to Rs. 95.45. 3½ per cent. 1964 is lower by 25 nP at Rs. 99.65, 3½ per cent. 1965 and 1966 has each shed 10 nP to Rs. 99.50. 3½ per cent. 1967 and 1968 has declined by 20 nP and 15 nP, respectively, to Rs. 99.25 and 3½ per cent. 1969 by 5 nP to Rs. 98.95. 3¾ per cent. 1974 is being quoted 20 nP lower at Rs. 99.30, 4 per cent. 1972 5 nP down at Rs. 100.65 and 4 per cent. 1979 has suffered a similar fall to Rs. 99.95. 4 per cent. 1980 has declined by 10 nP to Rs. 99.80. Among State loans, 4 per cent. 1969, 1970 and 1971 are all on offer and decline in prices range from 10 nP to Re. 1.65.

Thanks to the continued improvement in sterling abroad, the rupee also has further gained ground in terms of the U.S. dollar. Banks' selling rate for U.S. T.T. (ready), for instance, has dropped from Rs. 476 to Rs. 475.75 per $100 and their buying rate from Rs. 472.75 to Rs. 472.25 from $100. In New York, spot sterling has advanced from 281.15-281.18 cents to 281.35-281.39 cents and three months forward from 279.64-279.67 cents to 280.23-280.27 cents.

COW HIDES EASY

(From Our Own Correspondent)

MADRAS, 24*th October*

There was no significant change in the hides and skins market during the week under review. Prices remained firm in all sections, but cow hides were a shade weak, due to restricted buying by U.K. importers and resistance to higher prices demanded by shippers. It was reported that spot stocks in the U.K. had been cleared and dressers were not needy for stocks. With the end of the dock strike and discharge of held-up cargo, it is likely that prices of cow hides will ease to some extent. Cow calf and buff hides ruled firm in the local market, due to short arrivals. Buff calf was steady, following some inquiries for shipment to U.K. and U.S.A. Tanned goat and sheep skins ruled firm.

GOLD LEADS

(From Our Own Correspondent)

BOMBAY, 26*th October*

The first week of the Hindu new year witnessed firm conditions in the bullion market, although there was some setback today on account of profit-taking. Gold attracted excellent support induced by bullish advices from London as well as other foreign markets and sizable purchases by upcountry interests. The daily average offtake of gold during the week was of the order of 5,000 tolas, as against 4,400 tolas last week and 3,600 tolas in the week preceding it. Arrivals, too, were larger (8,600 tolas, as against 8,000 tolas), but they were well absorbed. Even reports suggesting heavy floating stocks of 45,000 tolas—some estimates place them higher at 60,000 tolas—had no effect. In sympathy with gold, silver tended to move up. There would indeed have been a notable rise in prices but for selling by Calcutta traders and scattered profit-taking at every rise. The average rate of arrivals was also less, being 14 bars, as against 23 bars. Offtake, too, was lower at five bars, as against eight bars. The floating stocks of silver are estimated at 800 bars.

In view of the reported large floating stocks, ready gold and silver continued to be quoted at a discount under the *Kartik* settlement, though the discount declined in the later sessions of the week—from 95 nP to 45 nP in gold and from Re. 1 to 30 nP in silver. Ready gold, which finished at Rs. 113.35 in the *moorat* session on Wednesday last, rallied to touch a high of Rs. 115.95 yesterday. It, however, receded to Rs. 114.80 today before closing at Rs. 115. The net gain since the commencement of the new year's business is Re. 1.65. Ready silver advanced from Rs. 192 (closing) in *moorat* session to Rs. 193.35 yesterday, but eased to Rs. 192.70 today. Towards the close, it was better at Rs. 193.

The *Kartik* (November) settlement in gold moved up from Rs. 114.30 in *moorat* session to Rs. 116.65 on Monday. After declining to Rs. 115.35 today, it recovered to Rs. 115.55. *Margashir* (December) settlement stood at Rs. 116.45 today, as against Rs. 115.40 in *moorat* session, the highest and lowest levels touched being Rs. 117.35 and Rs. 115.40, respectively. The rate for transferring commitments from the near to the distant settlement continued to be against bulls throughout, but, since the actual rate declined from more than a rupee early in the week to 90 nP today, the bears in the *Kartik* settlement were not required to pay a margin of Rs. 2.000 per kilogram as was the case in the *moorat* session and on Thursday this week.

In silver, *Kartik* settlement rose from Rs. 193.00 in *moorat* session to Rs. 194.25 on Saturday the 22nd inst. After receding to Rs. 193.40 today, it finished better at Rs. 193.70. *Margashir* settlement fluctuated between Rs. 195.75 and Rs. 194.60 and finished at Rs. 195.15 today, as against the closing of Rs. 194.55 in *moorat* session. The *budli* payable by bulls to get their commitments transferred from *Kartik* to *Margashir* settlement was below the level of Re. 1.50 at which a margin of Rs. 300 per bar comes into force. In the *moorat* session, it will be recalled, the bears had to pay the margin because the *budli* stood at Re. 1.55.

The London bullion market was in the grip of a "gold rush fever" during the week under review. Under the impetus of persistent rumours of a possible upward revision in the U.S. official price of $35 per ounce, the world quotation for gold in London scaled a peak of $40 on Thursday the 20th inst.—it was higher still at $41 in unofficial dealings—as against $35.30 two days earlier (Tuesday the 18th inst.). The quotation declined to $36-$37 on the following day but moved up again thereafter and stayed in the range of $37.75-$38.50 on Tuesday this week. On 21st October, the U.S. Treasury reaffirmed its decision to maintain the dollar at its existing gold parity and issued the following statement:

"The United States will continue its policy of buying gold from and sellling gold to foreign Governments, central banks, and, under certain conditions, international institutions, for the settlement of international balances or for other legitimate monetary purposes, at the established rate of $35 per fine troy ounce, exclusive of handling charges.

"As Treasury Secretary Robert B. Anderson has stated many times in the past, it is our firm position to maintain the dollar at its existing gold parity."

This report, however, failed to have any sustained effect on speculative buying. After a pause, the rush for gold reappeared, with London brokers receiving orders from all over the world to "buy at best."

Following firmness of the world price, ready gold forged ahead from 251*s.* to 270*s.* There was, however, no change in both ready and forward silver which stood at 79¾*d.* Silver in New York was also unaltered at 91.375 cents.

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

	26-10-60 (closing)	High	Low	19-10-60 *Moorat* (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	115.00	115.95	113.35	113.35
Forward:				
*Kartik**	115.55	116.60	114.30	114.30
Margashir	116.45	117.35	115.40	115.40
Sovereign	90.00	90.50	90.00	90.12
SILVER				
Ready (.996 fine)	193.00	194.15	192.00	192.00
Forward:				
Kartik	193.70	194.25	193.00	193.00
Margashir	195.15	195.75	194.60	194.55
London:	25-10-60			18-10-60
Silver Ready	79¼*d.*	—	—	79¼*d.*
Silver Forward	79¾*d.*	—	—	79¼*d.*
Gold	270*s.*	270*s.*	251*s.*	251*s.*
New York				
Silver	91.375 cents		—	91.375 cents

* 3rd November settlement. † 4th November settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES DULL

(From Our Own Correspondent)

BOMBAY, 26*th October*

Listless and quiet conditions have come to prevail in the cotton futures market. *Moorat* trading in cotton futures, which was done on Wednesday the 19th inst. from 6-30 p.m. to 9.30 p.m., was devoid of the usual excitement. Operators were cautious and seemed to mind every step they took. In fact the Jarilla April 1961 Contract moved either way, for quite some time without indicating any definite trend. The opening rate of Rs. 578.50 was the highest. Although the Contract moved down to Rs. 575 as the session progressed, it improved at close to Rs. 576, showing a net fall of Rs. 2.50. This is perhaps a reflection of the operators' assessment of the probable trend of cotton prices in the current season. In fact, in spite of the issue of new crop quotas earlier than expected, support from mills was far from being firm. They seemed reluctant to enter into firm commitments without being sure of what the crop was going to be like. In any case, the majority of operators are not prepared to take a bullish view of the future, what with the prospect of good crop and adequate supplies of foreign cotton and strict price and quality controls excised by the Government.

The price trend in the post-*Moorat* session of the market confirmed this impression. For the Contract moved steadily down from the *moorat* high of Rs. 578.50 to Rs. 568 on Monday. There has been a recovery since then which appears to have been of a technical nature. The low level, no doubt, attracted some investment support which helped the recovery. Opening at Rs. 575.50 today, the Contract firmed up to Rs. 578 before closing a shade lower at Rs. 577.75.

In the spot market, following the release by the Textile Commissioner of new crop Indian cotton quotas to mills (20 per cent. for Bombay mills and 30 per cent. for upcountry mills), there was fairly good demand from spinners for new crop Khamgaon and Berar, in addition to the usual interest in CO2. This was only in the initial stages. But soon the mills were inclined to postpone purchases as far as possible in anticipation of falling prices. The general tendency of ready prices was to move down.

A development of interest during the week was the commencement of trading in non-transferable specific delivery contracts from Monday the 24th inst. The varieties permitted for trading are Moglai, Berar, Madhya Bharat and Khandesh cotton, 520F Buri American and CO2 (both certified and uncertified). Trading in these contracts has, however, dull with limited turnover. Actual business took place only in two or three varieties although trading in as many as eight is permitted. There are traders who doubt whether the delivery contracts will have a smooth sailing in the current season.

Export inquiries for Bengal *deshi* were and still are few and far between. A moderate demand was reported for foreign cotton, particularly for U.S. cotton. Other growths were, in comparison, neglected.

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

CO2 1.165; American G.M. 1" staple 1,100-1,115; Elpaso 1-3/16" 1,325.

Delivery contracts: Bengal 695; Berar 13/16" 870; Khamgaon 27/32" 895.

In spite of larger new crop arrivals, cotton futures in Karachi ruled firm during the fortnight under review, thanks to brisk spinner demand and renewed export inquiries. Both the January and March Contracts advanced, on good support, from Rs. 69-12 and Rs. 68 8 a fortnight ago to Rs. 69-3 and Rs. 68-14, respectively. In the spot market *deshi* prices were easy due to pressure of new crop. Sind *deshi* was quoted at Rs. 81 and Punjab *deshi* at Rs. 83. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

4F Punjab Roller 78-1; S.G. 82-1; L.S.S. Punjab Roller 81-1; S.G. 85-1; N.T. Roller 84-1; S.G. 89-1; 289F Punjab Roller 85-1; S.G. 90-1.

Firm conditions prevailed in the Alexandria cotton futures market. Speculative buying induced by hopes of better West German demand for Egyptian cotton, following the resumption of trade talks between West German and Egyptian representatives, and strong advices from the spot market led to a rally in prices. Although new crop arrivals were gathering momentum, they did not exert much pressure on prices, thanks to the tendency of growers and upcountry merchants for stocking. Reports from Alexandria say that picking is active and has spread to almost all districts. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being the rates prevailing a fortnight ago:

Karnak: November 75.76 (72.90); January 74.85 (72.70); March 74.70 (72.90).

Ashmouni: October 65.60 (62.18); December 65.02 (62.05); February 64.85 (62.20).

Limited turnover with narrow price movements characterised trading in the Liverpool cotton futures market during the fortnight. Interest continued to be confined to actual cotton, with only routine business being done in the forward section. Prices tended to ease. The October U.S. crop forecast had no effect on the market. The official estimate of the crop, apart from having been in line with trade expectation, showed little change from last month's figures. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October 22.65; December 22.70; March 23.15; May 23.30.

American cotton mixed growth contract: October 23.20; December 23.05; March 23.50; May 23.65.

Sudan: November, January, March 35.00.

Cotton futures in New York recorded modest gains during the period under review. Although

the announcement of a higher acreage for 1961 by the Secretary of Agriculture prompted some Commission House selling, it was more than offset by the general buying movement inspired by the delay of crop movement and slow progress of pickings. Earlier losses were not only made up but the Contracts closed with net gains of over 10 cents points each.

The following are the latest available quotations from New York, as compared with those a fortnight and three weeks ago:

(In cents per lb.)

	25-10-60	11-10-60	4-10-60
Spot	32.25	32.20	32.25
October	31.53	31.55	31.49
December	32.05	31.41	31.40
March	—	31.94	31.87
May	32.40	—	—

BLACK PEPPER IMPROVES

(Messrs. Parekh & Co.)

BOMBAY, *26th October*

After the evening up of business in October delivery, Malabar black pepper improved during the week in sympathy with New York and Singapore. Spot in New York rose from $0.48 to $0.54, in view of tight stock position. Singapore ruled fairly steady, with an all-round improvement in prices, though to a small extent. Black pepper in Singapore rallied to Str.$147½ and white to Str.$245. New York dealers are reported to have paid for Malabar black for shipment by the named steamer at $0.49 and for October shipment at $0.48. The main reason for the change in sentiment at Singapore is said to be the report of some kind of restrictions on export of Lampong black pepper to Singapore from Indonesia. "Gold Rush" and the subsequent improvement in the prices of gold in London, the fear of devaluation of U.S. dollar, the signs of improvement in the Democrats chances in the coming Presidential election and the present degeneration in the political situation are some of the causes responsible for the present steadiness in both New York and Singapore. Judging from the present arrivals of light berries ex-new crop Malabar in the terminal market at Alleppey, the trade in general is expecting ASTA quality to arrive by the second week of November. The recent on-the-spot survey of the conditions of the standing crop confirmed the opinion held by a section of the trade that the new crop would be not less than 25,000 tons.

Garbled at Cochin was done at rates ranging from Rs. 217½ to Rs. 225, and ungarbled from Rs. 1,250 to Rs. 1,300. If New York continues to buy Malabar black at about $0.49/50, there are chances of a further improvement, as the liquidation by the weakholders having been finished the present holdings are now in strong hands.

The future depends upon the buying policy of New York dealers. If they buy big lots and that too rather aggressively, the market is sure to improve. But should they persist on buying hand-to-mouth and prefer to fill in their requirements from the incoming consignments, black pepper may go down when the pressure of new crop Malabar is felt, coupled with the anxiety of holders in Singapore and Indonesia to liquidate.

The present policy of the closing of the trading ring for the day when there is a rise or fall of Rs. 4 in prices is to the detriment of growers, particularly in view of the impending new crop. If there are no advance sales either in the ring or in export, it will be difficult to absorb new arrivals when the season starts. The trade in general is looking to the Forward Markets Commission for smooth and unrestricted business in the hedge market.

Ready pepper in Bombay is quoted at Rs. 245 per 50 kilos.

BUYING SPREE IN ART SILK YARN

(From Our Own Correspondent)

BOMBAY, *26th October*

There was a buying spree in art silk yarns during the week under review, the first post-*Diwali* week, thanks to apprehensions of an acute scarcity in supplies developing in the next few weeks and stray rumours of a possible enhancement of rates by foreign suppliers. Operators were busy extending their commitments, with the result that values touched dizzy heights. Induced by firmness of art silk yarns and on hopes of good overseas enquiries for Indian staple fibre yarn following the abolition of controls on exports, the prices of these also tended to move up. Cotton yarns, however, were dull, as operators preferred to await a clearer picture of the trend of output in the light of raw cotton supply position, as well as revival of demand from foreign countries.

The *moorat* trading in the yarn market on Thursday the 20th inst. was a dull affair. Business put through was limited with values moving narrowly.

Among imported art silk yarns, 150 Japan forged ahead from Rs. 1,391.11 to as high as Rs. 1,488.90. 120 Japan spurted by Rs. 41.89 to Rs. 1,309.53. 120 Italy and 150 Italy climbed up from Rs. 1,212.53 and Rs. 1,364.65 to Rs. 1,267.64 and Rs. 1,432.99, respectively. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade rose by 7 nP to Rs. 11.70. 120 Bt. cones 1st grade were done at Rs. 12.84, as against Rs. 12.88. Spot cupressa Bemberg yarn (60 x 1) advanced by Rs. 15.43 to Rs. 2,301.60. October delivery registered a rise of Rs. 24, today's closing rate being Rs. 2,246. December contract rallied from Rs. 2,252 to Rs. 2,286.

In the staple fibre yarn section, 40 x 2 October delivery put on Rs. 5 to Rs. 745. December delivery improved by Rs. 7 to Rs. 760. Spot Centurys gathered 2 nP to Rs. 8.54. Citys were firm at Rs. 8.82 and Kohinoors at Rs. 8.96.

Cotton yarns, as already stated, ruled dull. Ten counts Gokaks were unchanged at Rs. 18.75, as also Podars at Rs. 18.12. Twenty counts encountered selling. Gokaks declining by 38 nP to Rs. 23.12 and Modems by 25 nP to Rs. 23.25. Forty count Maduras, however, met with some support and picked up 75 nP to Rs. 32.50. Sixty count Raghuvamshis receded from Rs. 61.61 to Rs. 59.59. Eighty counts Moderns were quiet at Rs. 73. Mahendras at Rs. 79.79 and Citys at Rs. 70.50.

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

	26-10-1960	19-10-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)		
October	2,246.00	2,222.00
December	2,286.00	2,252.00
60/1 Cupressa Bemberg spot	2,301.60	2,286.17
120 Japan (per 100 kg.)	1,309.53	1,267.64
150 Japan (per 100 kg.)	1,488.90	1,391.11
120 Italy (per 100 kg.)	1,267.64	1,212.53
150 Italy (per 100 kg.)	1,432.99	1,364.65
Staple fibre yarn—		
40×2 October (per 90.72 kg.)	745.00	740.00
40×2 December (per 90.72 kg.)	760.00	753.00
40×2 Century (per kg.)	8.54	8.52
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.12	18.12
20s Gokak	23.12	23.50
40s Madura	32.50	31.75
60s Finlay	59.59	61.61
80s Modern	73.00	73.00

GROUNDNUTS TURN QUIET

(From Our Own Correspondent)

BOMBAY, *26th October*

Trading in the oilseeds exchange commenced on a buoyant note, but, towards the close, the trend became a little soft. The *moorat* trading, which was spread over two short sessions on Wednesday and Thursday (18th and 19th inst.) was marked by distinctly firm conditions. Groundnuts were well supported on hopes of better export business in groundnut oil as a result of the new export promotion scheme, announced by the Government recently (referred to in these columns last week). There were reports that substantial quantity of groundnut oil was sold to Burma and the U.K. in anticipation of acceptance of tenders by the Government. Groundnut cake, too, came in for good support from overseas buyers. Castorseeds and linseed moved up in sympathy with groundnuts. Cottonseed was held firm on news of distinctly firm conditions in the raw cotton market.

An important development of the week was the granting of permission by the Forward Markets Commission to commence trading in the 1960-61 season's transferable specific delivery contracts in groundnuts, castorseeds and linseed. Accordingly, trading in the December 1960-January 1961 delivery contract in groundnut, and February-March 1961 delivery contracts in castorseed and linseed, was started on Wednesday last. Business in these contracts will be subjected to the following conditions: (*a*) Trading in transferable specific delivery contracts in groundnut will be subject to the same scheme of special margins as has been prescribed by the Commission in respect of the February 1961 delivery in hedge contract of groundnut. (*b*) No member of the Exchange shall enter into transferable specific delivery contracts for the purchase or sale of groundnut, castorseed and linseed, the rights or liabilities under which or under any delivery order, railway receipt, bill of lading, warehouse receipt or any other document relating to which, are transferable more than six times. (*c*) The members of the Exchange shall submit statements relating to sale or purchase of these contracts in such form as may be prescribed by the Commission from time to time.

It may be noted here that the Board of the Bombay Oilseeds and Oils Exchange has urged, in a communication sent to the Government of India, the clarification of the many ambiguities involved in the latest export promotion scheme. The Board has called upon the Government to evolve an integrated policy in this respect and notify even at this stage: (1) specific quantity of groundnut oil that the Government would like to export for the period ending January 1961, (2) specific quantity of copra and/or palm oil that would be allowed to be imported against export of groundnut oil, and (3) the exact basis of allowing such exports. The Board has also appealed to the Government that the initial period of shipment should be extended upto March 1961 as it would give better opportunity for negotiating export business. An early consideration of these points by the Government will dispel the atmosphere of uncertainty prevailing among the trade regarding the new scheme.

To revert to the market trend. There were some export enquiries for groundnut oil and oilcakes and, consequently, values moved up in this section. The tables were turned subsequently, following larger arrivals of the new crop in terminal markets. In these conditions, groundnut February 1961 contract rose from Rs. 205.50 to Rs. 208.25 by Monday, but gave way later to close at Rs. 206.50. Nizam bold suffered a setback of Rs. 3 to Rs. 45.75. Oil ex-mill declined by a rupee to Rs. 19.50, after fluctuating between Rs. 20.50 and Rs. 19.25.

Although castorseed section elicited speculative support in the initial sessions on hopes of better export demand for castor oil, easy conditions prevailed towards the close on reports of Brazilian supplies of oil to the U.S. at the price lower than the domestic price. The May 1961 contract fell from Rs. 174.31 to Rs. 173.50 after touching Rs. 175.50 earlier in the week. Madras small closed unchanged at Rs. 33.62, although it had touched Rs. 33.87 on Monday. Oil Commercial rose from Rs. 14 to Rs. 14.31, but declined subsequently to close today at Rs. 14.10.

In the linseed section, the May 1961 contract declined from Rs. 33.37 to Rs. 33.31. Bold ready, however, improved from Rs. 32.37 to Rs. 32.62. Linseed oil, too, picked up 20 nP to Rs. 14.20 on some export enquiries.

In the cottonseed section, the February 1961 contract rose by 50 nP to Rs. 87.50. In the spot section, non-Whites put on 25 nP to Rs. 20.25. Whites and berars, too, gathered 25 nP each to Rs. 20.25 each.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	26-10-1960	18-10-1960	12-10-1960
	Rs.	Rs.	Rs.
Groundnut			
February 1961	206.50	205.50	206.50
Nizam bold	43.50	46.50	49.00
Coromandel ready	—	47.50	49.75
Khandesh quality	44.50	45.75	48.00
Oil ex-mill ready*	19.50	20.50	21.00
Railway receipts*	19.25	20.50	21.75
Castorseed			
May 1961	172.75	173.37	174.75
Ready Madras	33.62	33.50	33.80
Ready Kanpur	32.50	32.19	32.75
Oil B.S.S.†	15.15	14.94	15.25
Oil commercial†	14.10	14.00	14.10
Linseed			
May 1961	33.31	33.10	33.06
Bold ready	32.62	32.37	32.37
Oil ready†	14.20	14.00	14.00
Cottonseed			
February 1961	87.50	87.00	88.00
Niger seed	87.50	87.50	86.50
Kardi seed	24.25	24.25	24.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms, with effect from 1st October 1960.

GOOD DEMAND FOR EXPORT TEAS

(From Our Own Correspondent)

CALCUTTA, *25th October*

Good demand was in evidence in the export sales held yesterday. The fall in U.K. tea stocks in the week ended 14th October to 72 million lbs. from 80 million lbs. in the previous week apparently resulted in stronger demand. In addition, tea arrivals to Calcutta have declined.

Dusts on offer during the internal sales held last week amounted to 21,187 chests. The general demand was good at lower levels. Prices for the plainer medium C.T.C. teas were firm, while the brighter liquoring and smaller-sized teas eased by 10 to 15 nP. The best C.T.Cs were lower by 20 nP, while the smaller and thicker liquoring teas were Orthodox exportable teas eased by 5 to 10 nP, in good demand at firm rates. Legg-cut Dooars declined by 20 nP. The quotations per 1 kg., inclusive of excise duty, were: best Assam C.T.C. dust Rs. 6.40 to Rs. 6.70, medium Assam C.T.C. dust Rs. 6.20 to Rs. 6.30, medium Assam dust Rs. 4.90 to Rs. 5.60, and medium Dooars Rs. 4.65 to Rs. 5.00.

Leaf on offer amounting to 490 chests met with strong general demand, the green teas selling well.

In the export sales held yesterday, offerings aggregated 73,280 packages. Excepting a few lines, all teas were sold at firmer rates. Strong support was accorded from both overseas and internal buyers. Fannings were shown better attention than brokens. A decline in prices was recorded in better C.T.Cs and orthodox Assam B.O.Ps and O.Fs, while all the rest realised higher prices. The quotations per 1 kg. inclusive of excise duty were: best C.T.C. Assam fannings Rs. 6.50 to Rs. 7.00, best Assam B.P. Rs. 6.20 to Rs. 6.70, clean black pekoe Rs. 5.40 to Rs. 5.70, medium fannings Rs. 5.10 to Rs. 5.50, medium B.P. Rs. 4.70 to Rs. 5.10, plain fannings Rs. 4.70 to Rs. 5.10, and plain B.P. Rs. 4.50 to Rs. 4.65.

Export quota changed hands at ¼ nP per kilo.

TEAS WELL MAINTAINED

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

COCHIN, *18th October*

Sale No. 40.—Offerings in Sale No. 40 held today amounted to 600,000 kilograms. Quality was generally well maintained with the exception of highgrowns, which were irregular. The market met a good demand, particularly for low medium and medium descriptions, which strengthened as the sale progressed and finished firm to dearer on last week's closing rates. Good medium teas, with the exception of those with improved quality, were often easier. Buyers showed keen interest in black leaf descriptions, particularly fannings which were the strongest feature of the sale. Highgrown continued to be irregular and prices for these declined considerably following less competition. There was a strong demand for whole leaf grades which sold at firm to dearer rates; orange pekoes being the main feature. C.T.C. and legg-cut teas met less support and sold at rates below last. A small selection of tippy teas sold around last week's rates.

	1960	1959
	Rs.	Rs.
Low medium	4.30-4.60	3.96-4.18
Medium	4.60-4.85	4.18-4.85
Good medium	4.85-5.50	4.18-5.40
Quality	5.50-6.70	4.96-5.40
		5.62-9.35

The average price realised in Sale No. 40 was Rs. 5.17 per kilo, as compared with Rs. 5.00 in the previous sale and Rs. 5.27 in the corresponding sale of 1959.

Dust Sale 'LL'.—A total quantity of 300,000 kilograms were offered in Sale 'LL' held on Friday, 21st October 1960. A useful selection of dusts were on offer. There was a good general demand, although prices were slightly easier for most of the descriptions. Buyers showed keen interest in residual and poorer descriptions which were strong and dearer. Colour mediums are quoted steady. There was fair enquiry for highgrowns but these tended easier. C.T.C. types and legg-cut types met keen competition and were strong.

The average price realised in Dust Sale 'LL' was Rs. 4.43 per kilo, as against Rs. 4.54 realised in the previous sale and Rs. 4.01 in the corresponding sale of 1959.

Export Quota.—The market remains unchanged and at the time of writing there are large sellers at ½ nP per kilo.

London:—North Indian and other growths.—18,990 packages were offered in the sale on Monday, of which 17,953 packages came from North India. The market met a good demand, particularly for teas from Dooars which were firm. Others met good support at firm to dearer rates. Assam C.T.Cs were slightly irregular.

Ceylon and South Indians.—Tuesday's sale amounted to 14,589 packages, of which 9,147 packages were from South India. The market continued strong and plainer descriptions were dearer by 1d. to 2d.

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

"Sale 41.—595,000 kilograms. Good general demand. Low medium and medium brokens firm to occasionally dearer, similar fannings tending easier. Good medium barely steady. Best liquoring often a rupee below valuation. Whole leaf strong."

JUTE GOODS MOVE DOWN

(From Our Own Correspondent)

CALCUTTA, *25th October*

A notable event affecting the trend in the jute markets during the week under review was the recommendation to its member-mills by the Indian Jute Mills Association to seal voluntarily an additional 5 per cent. looms from 24th October. This decision failed to have any reaction on fibre prices so far, but while prices of goods dropped in a small way, subsequently the trend firmed up in the absence of any reaction on fibre prices. It is understood that mills would seal another 5 per cent. looms, if necessary, later. However, in an attempt to drive down fibre prices to reasonable levels, mills would henceforth be purchasing fibre only on a quota system, which has been evolved by a subcommittee of the I.J.M.A. A redeeming feature in the fibre position is that arrivals, although not showing any rise, are being maintained and mofussil prices are tending to reach Calcutta's parity. Arrivals in Cossipore are estimated higher than for this time last year. The loom sealing move has naturally been ill received by the West Bengal Government, and the Labour Commissioner and the trade unions have been urged to go into the question; but in the present situation of high prices for fibre there would appear to be no alternative to adjusting production according to the availability of fibre. Production estimates have continually been very optimistic and it is expected that when once the fibre requirements of mills are reduced in tune with the present trends in the fibre markets, arrivals would increase. Thus, in the near future mills would be enabled to revise the policy of production.

The official forecast of the 1960-61 Pakistani crop is an encouraging feature. The Provincial Directorate of Agriculture in East Pakistan has now estimated production to total 5,625,000 bales which would be higher than 261,882 bales as compared to last year's actual output. It is stated that acreage has increased following the withdrawal of restrictions on the growth of jute in border areas and the cancellation of the licensing system. Meanwhile, the decision of the I.J.M.A. to restrict production of goods has arrested the uptrend in the Naranganj market. The Dundee industry has taken a grave view of the phenomenal rise in fibre prices, and the British Jute Trade Federal Council has urged the Pakistan Government to examine the position in the light of the dangers ahead. It is significant that, according to New York reports, burlap is today facing stronger competition from substitutes and that there is the danger of burlap losing ground permanently to cheaper-priced substitutes. Meanwhile, in accordance with current prices, the Pakistan Government has refixed minimum export prices for long jute on f.o.b. basis. However, jute cuttings would continue to be free from minimum prices which, it would be recalled, were removed from 21st July 1959. A disturbing news of importance to the Pakistan industry during the week was the reported South African plan to grow fibre in an area of 145,000 acres. South Africa imports Pakistan jute goods valued at £5,300,000 every year.

Very little business passed through the goods market, as the high prices for gunny kept away overseas buyers. Following selling pressure on Tuesday last, ready B. twills moved down to Rs. 168 from Rs. 178, but lower levels soon attracted buying. Hessian 40" 10 oz. dropped to Rs. 54.25 from Rs. 57. On Wednesday, the market was closed due to *Diwali*. On Thursday, conditions became steadier following buying interest at lower levels. Accordingly, hessian 40" 10 oz. hardened to Rs. 55 and B. twills to Rs. 174. On the following day, the I.J.M.A. move to reduce production was announced. Prices moved down at first following selling pressure, but soon began to move up. Ready B. twills closed lower on balance at Rs. 172 and hessian 40" 10 oz. at Rs. 54.25. Over the week-end, B. twills moved up to Rs. 176, but hessian 40" 10 oz. sagged to Rs. 54. The rates quoted yesterday were Rs. 174.50 and Rs. 54.25, respectively.

During the entire week, mills refrained from purchasing raw jute in an attempt to force down fibre prices. This caused northern bottoms to move down to Rs. 134 per 100 kg. October-November from Rs. 140.50 and daissee bottoms to Rs. 138 from Rs. 144.50. It was subsequently known that mills would henceforth purchase fibre only on a quota system and it was indicated that mills would not rush to make purchases. Northern bottoms nominally moved up to Rs. 139.50 and daissee bottoms to Rs. 143.50.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *24th October*

Quiet conditions prevailed in the foodgrains market during the week. Despite floods and droughts, rice and wheat maintained a downward trend for sometime past. Knowledgeable circles attribute this trend to the note of confidence generated by the large P.L. 480 grain imports. Rice even in drought-affected Andhra Pradesh and Mysore States showed no significant increase, as September rains had improved the crop prospects. In the flood-affected areas of Orissa, rice tended to move down since September and, in U.P., Bihar, M.P., West Bengal and Maharashtra, rice either declined or displayed steadiness in recent weeks. As for wheat, prices this year are lower than in 1959 except in Bihar. In August and September, wheat prices which had earlier registered some gains, showed a decline in U.P., M.P., Gujerat and Saurashtra. Suspension of wheat levy scheme in U.P. in August and the stoppage of procurement in M.P., resulted in a considerable fall in wheat prices in these States. Moreover, arrivals of wheat also improved considerably.

Wheat at Hapur registered a modest decline during the week to be quoted now at Rs. 17 a maund for average quality, while farm superior produce was quoted at Rs. 17.87 a maund. Daily arrivals were about 150 maunds which were being lifted by consumers and the demand for seed purposes was being met mostly by supplies through Government seed stores.

Rice was depressed during the week. *Sela basmati* was quoted at Rs. 30 to Rs. 32.50, *ramajwayan* at Rs. 23.50, *raimunia* at Rs. 24.50, *mainpuri* at Rs. 23.50 and *gadda* at Rs. 20.50 a maund. New paddy was reaching the markets in large quantities and Dr. P. S. Desmukh, Union Minister for Agriculture, has hinted that, despite droughts and floods in several regions in the country, there would be a record paddy crop this year.

Gram and other coarse grains, on the other hand, continued to rule steady to firm, following poor supply position and good seasonal demand. Gram improved to Rs. 16.25 a maund for better Punjab produce, while old stocks were quoted at Rs. 15.25 a maund. Demand for gram was increasing and advices from Punjab also recorded a steady trend. Local gram stock was put at about 13,000 maunds. Barley improved fractionally to Rs. 13 and *bejhar*, too, was quoted higher at Rs. 12.50 to Rs. 13 a maund. New maize arrivals were still small and, due to good consumer demand, prices sought higher levels at Rs. 13 to Rs. 13.25 a maund. *Jowar*, however, was quiet at Rs. 13 to Rs. 14 and *guwar* at Rs. 12 to Rs. 13 a maund.

In pulses, peas attracted good demand from the South and East U.P. side, but stockists were reluctant sellers, expecting better prices later. Peas *dara* green was quoted at Rs. 12.44, old stocks at Rs. 11.75 and superior farm white quality upto Rs. 14.50 a maund. Local peas stock was put at 45 *khatties*, the corresponding figure last year being 44 *khatties* when peas *dara* was quoted at Rs. 11.50. *Arhar* ruled quiet at Rs. 13 to Rs. 13.25 a maund and local stock was put at 22 *khatties*, the corresponding figures last year being 30 *khatties* when *arhar* was quoted at Rs. 17.37. New *urd* was done at Rs. 19, new *moong* at Rs. 19 and *massor* at Rs. 14 to Rs. 17.

Sowings to *rabi* grains is in full swing. Barring waterlogged areas following last untimely heavy rains, sowings would be timely and are expected to be on a larger scale as the land vacated from fodder and maize crops will be available for *rabi* sowings.

SUGAR RECEDES

(From Our Own Correspondent)

HAPUR, *24th October*

Despite good festival demand, sugar sought lower levels, thanks to easy supply position, as quotas were allowed to confectioners for *Diwali* and, for consumers also, sugar was made available in ample quantity. Prices eased by about a rupee per bag in the open market to be quoted wholesale at Rs. 111.50 per bag and retail at Re. 1.09 per *seer*. None of the factories in this area has as yet started crushing operations due partly to coal shortage. The factories hope to start production early next month

Sugar in the Muzaffarnagar market also drifted lower, following easy supply position despite brisk festival demand. The week-end prices were: Rs. 111 to Rs. 111.50 per bag wholesale and at Re. 1.12 per *seer* retail in the open market, as against the controlled prices of Re. 1 per *seer* retail.

Sugar in the Kanpur market also ruled quiet in the week-end at (D29) Rs. 112 to Rs. 113 per bag.

Although demand for *deshi khandsari* was brisk due to festival demand, prices eased by about Re. 1 to Rs. 2 per maund, because Gujerat and Saurashtra, the main consuming centres, showed no interest. Sugar quotas had been increased in both these centres, with the result that prices had come down sharply. Only a small quantity was sent to Punjab side. The latest prevailing prices were: *Galawat* Rs. 20 to Rs. 24; inferior Rs. 27 to Rs. 30; superior Rs. 32 to Rs. 36; crystal *khandsari* Rs. 33 to Rs. 35 a maund.

New *gur* arrivals were slowly mounting and were about 2,000 maunds today, but, although the entire arrivals were lifted to outside despatch, thanks to satisfactory loading facilities, prices eased by about Re. 1 per maund under pressure of arrivals to be quoted at Rs. 17 to Rs. 18.75 for new *pansera* quality and Rs. 20 a maund for *shakker*. Old *gur* was rotting and was not at all in demand even at the lower prices of Rs. 13 to Rs. 13.50 a maund and wet stocks were quoted as low as Rs. 10.50 a maund. Arrivals of new *gur* would soon mount and it was feared that prices would decline further.

Old *gur* and *shakker* eased sharply in the Muzaffarnagar market during the week in the absence of ready demand. New arrivals were still small at an average of 500 to 750 maunds daily, but arrivals would increase substantially within a week. Week-end prices for new stuff were: *pansera* Rs. 20, *shakker* Rs. 23; and *shakker masala* upto Rs. 25, as against the prices of old stocks at: *pansera* Rs. 15; *shakker* Rs. 18 a maund.

TIN ADVANCES

(From Our Own Correspondent)

CALCUTTA, *25th October*

Quiet conditions were in evidence in the metal market during the week under review, barring tin which staged an impressive recovery in price. The cancellation of the trade quota for import of brass and copper semis has been a subject of talk in trade circles. Considering that on an average the import of these items by the trade had been only about 30 per cent. of the annual imports, it is open to question whether this would amount to any saving in foreign exchange. What has been done is that, in future, only actual users will be able to import brass and copper semis. The trade has established good contacts, and it is a pity that this will now go waste. If by and by actual users are thus compelled to take over the business of the established importers, this would only mean annihilating a category of business and financing and forcing actual users to go through all the formalities that are necessary in import.

Mainly on considerations of limited supply position, tin spurted from Rs. 553 to Rs. 564 before closing at Rs. 562. Demand was keen and immediate arrivals were not anticipated. On the other hand, an easing trend was recorded on the L.M.E. Opening at £810 per ton, the price lost to £804½ to close at £809. The easier trend was attributed to limited prospects for industry as a whole. In view of holidays, there was hardly any demand for copper scrap here, with berry scrap at Rs. 218 a cwt. and utensil scrap at Rs. 200 a cwt. In London, copper opened at £222½ per ton and, after giving way to £218½, finished at £221½. Electrolytic zinc opened here at Rs. 170.50 a cwt. to sag to Rs. 169. Virgin lead remained unchanged at Rs. 66 a cwt.

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MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 21st Oct., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,21,83,000
(2) Other Governments	32,89,90,000
(b) Banks	103,40,77,000
(c) Others	90,46,09,000
Bills Payable	21,41,38,000
Other Liabilities	21,60,95,000
Rupees	453,01,01,000

ASSETS	Rs.
Notes	10,45,48,000
Rupee Coin	1,46,000
Subsidiary Coin	5,87,000
Bills Purchased and Discounted—	
(a) Internal	
(b) External	
(c) Government Treasury Bills	6,97,61,000
Balances held abroad*	17,93,49,000
Loans and Advances to Governments†	25,89,26,000
Other Loans and Advances	130,91,23,000
Investments	248,41,63,000
Other Assets	12,34,98,000
Rupees	453,01,01,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 9,43,15,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,45,48,000	
Notes in circulation	1812,01,74,000	
Total Notes issued	....	1822,47,22,000
Total Liabilities	....	1822,47,22,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A	....	240,76,92,000
B. Rupee Coin	....	129,81,40,000
Government of India Rupee Securities	....	1451,88,90,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1822,47,22,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	14th Oct., 1960	7th Oct., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1808 64	1810.91	1792.60	1681.06
Notes held in Banking Department	35.05	14 39	12 23	21 65	16.60
Foreign Securities	59.50	123 01	123 10	123 01	162.01
Rupee Securities	87.39	1451.84	1451.74	1441.72	1281.51
Banking Department					
Deposits of:					
Government of India	14.89	52 68	55 34	81 72	53.01
Other Governments	...	43 80	11 25	35 50	29.93
Balances held abroad	10.06	17.84	17.79	23.44	22.17
SCHEDULED BANKS					
Demand Liabilities	134.86	792.37 (16.37)†	790 42 (18 64)†	777 33 (19 22)†	742.80 (23.42)†
Time Liabilities	102.24	1164 34 (21.88)†	1166 29 (23.70)†	1184 68 (25 31)†	1116.80 (28.42)†
Borrowings from Reserve Bank	..	30 21 (8.77)†	30 58 (8.31)‡	40 41 (10.96)‡	3.59 (0.01)‡
Borrowings from State Bank	..	11.91	15 15	14.86	4.22
Cash in India	6.70	47 50	48 48	46.12	44.56
Balances with Reserve Bank	25.17	107.76	101.67	93.91	79.19
Balances with other banks in current account in India	..	15.99	15.67	14.73	14.24
Money at call and short notice in India	..	30 25	32.69	31.55	33.18
Investments (at book value)	..	707.72	719 93	729.36	780.25
Advances and bills	105.9	1116 12	1122 01	1127.63	932.21
STATE BANK					
Deposits	87.76	590 33	589 29	593.06	570.36
Investments	51.99	360 51	370 74	371.94	387.68
Advances	30.35	216 23	213 89	214.35	159.26
Cash	14.69	27 50	23.11	26.61	30.84

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	2.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	2
Canada †	..	2.45	2.73
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	6	4
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6.50
Portugal	10th Jan., 1944	..	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
	Feb., 1945	..	7
Turkey	6th June, 1958	4.50	6
United Kingdom	27th Oct., 1960	6	5.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	4
West Germany	3rd June, 1960	4	5

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 21st Oct., 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,20,00,000
Deposits and Other Accounts		578,87,96,000
Borrowings from Other Banking Companies, Agents, etc.		30,25,000
Bills Payable		8,98,84,000
Bills for Collection being Bills receivable as per contra		2,04,21,000
Acceptances, Endorsements and Other Obligations per contra		1,72,92,000
Other Liabilities (including Inter-Office Adjustments)		15,77,15,000
Total .. Rs.		620,53,83,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,16,46,000
Balances with other Banks		4,15,41,000
Money at Call and Short Notice		46,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	340 37,67,000	
Other Authorised Investments	9 67,96,000	
		350,05,63,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	205,98,80,000	
Bills Discounted and Purchased	10,22,36,000	
		216,21,16,000
Bills Receivable being Bills for Collection as per contra		2,04,21,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,72,92,000
Premises less Depreciation		1,26,68,000
Furniture and Fixtures less Depreciation		1,31,06,000
Other Assets (including Inter-Office Adjustments)		24,13,63,000
Total .. Rs.		620,53,83,000

Scheduled Banks*

Statement of Affairs for the week ended 14th Oct., 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		16,36,92,000
(ii) Other demand liabilities		775,99,09,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		21,87,60,000
(ii) Other time liabilities		1142,46,30,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		11,19,25,000
(ii) Time liabilities		72,90,000
Borrowings in India from the Reserve Bank of India†		30,29,61,000
Cash in India		(8,77,15,000)
Balances with the Reserve Bank in India		47,50,04,000
Balances with other banks in current account in India		107,76,44,000
Money at call and short notice in India		15,99,19,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		30,25,40,000
Advances in India		707,72,38,000
Inland Bills, purchased and discounted in India		968 14,22,000
Foreign Bills, purchased and discounted in India		97 74,95,000
		50,22,95,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
2nd August	2.00	2.26	2.00	2.737	99.310
3rd to 6th Aug.*	0.16	—	0 16	—	99 325
9th August	2.00	2.00	2.00	2.745	99.310
10th to 13th Aug.*	1.10	—	1 10	—	99 326
16th August	2.00	2.00	2 00	2.540	99 365
17th to 20th Aug.*	0.25	—	0 25	—	99 381
23rd August	2.00	2.00	2 00	2.540	99 365
24th to 27th Aug.*	0.01	—	0 01	—	99 381
6th Sept.	2.00	2 00	2.00	2.540	99 365
13th Sept.	2.00	2 00	2.00	2.540	99 365
14th to 17th Sept.*	0.15	—	0 15	—	99 381
20th Sept.	2.00	2 50	2 00	2 540	99 365
27th Sept.	2.00	2.60	2 00	2.540	99 369
28th Sept. to 1st Oct	0.08	—	0 08	—	99 381
4th Oct.	2.00	2.55	2.00	2.552	99 365
11th Oct.	2.00	2 35	2 00	2.560	99 360
18th Oct.	2.00	2 40	2 00	2 560	99 360
25th Oct.	2.00	2.00	2.00	2.565	99 355
Total amount outstanding	25.75	..	25.75	..	..

* Intermediate Treasury Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	8th Oct., 1960	1st Oct., 1960	10th Oct., 1959	August 1960	August 1959	Percentage of Increase(+) or Decrease(−) in Aug., 1960 as compared with Aug., 1959	Financial Year Average 1959-60	1958-59
Food Articles	364	122.1	122.9 R	125.1	123.9	121.7	+ 1.8	119.0	118.2
Cereals	192	107.0	109 4	110.2	109 1	109 3	− 0 2	104.1	106.8
Pulses	43	94.7	94.7	93.8	93.7	92 6	+ 1 2	93.6	103.9
Fruits and Vegetables	23	110.3	108 9	141.0	134 7	132	− 11 4	127.8	117.0R
Milk and Ghee	94	119.7	123 9	122.8	118 7	113 9	+ 4 2	113.3	107.8
Edible Oils	47	154.6	151.5 R	130.7	148 0	126 6	+ 16 9	130.4	124.2
Fish, Eggs and Meat	17	123.1	122.9 R	112.6	127 0	116 8	+ 8 7	112.0	108.4R
Sugar and Gur	48	134.3	136 3	158.4	140 0	140 7	− 5.5	147.0	127.2
Others	20	170.0*	171.0*	172.8*	170 7	165 4	+ 3 2	167 9	151.3
Liquor and Tobacco	156	105.5	105 5	100.2	106.7	98.3	+ 8.5	107.9	98.6
Tobacco	13	103.7	103 7	98.7	105 0	96.6	+ 8 7	99.6	90.4
Fuel, Power, Light and Lubricants	38	119.6	119 5	117.0	119 5	109.8	+ 8.8	97.9	93.8
Industrial Raw Materials	155	145.7	142.2 R	123.7	127 0	113.6	+ 11.8	116.8	115.4
Fibres	61	153.8	144.1 R	108.9	134.1	109 6	+ 22.4	122.7	118.3
Oilseeds	60	150.0	150.8* R	138.8	147 0	131 7	+ 11.6	113.3	113.8
Minerals	2	98.2*	98.2 R	98.3*	98 2	98 2	—	134.6	127.0
Others	32	125.2*	125 2*	125.1	125 9	116 3	+ 8 3	97.8	106.0
Manufactures	290	123.4	122 8 R	111.1	122 5	111 0	+ 9 8	111 6	109.2
Intermediate Products	41	129.2	129.7	114.5	131 0	109 5	+ 19 6	111.3	108.4R
Finished Products	249	122.5	121 5	110.5	121 1	109 2	+ 20 0	111 8	110.3
Textiles	147	125.5	123 9*	105.9	123 5	104 9	+ 10 6	113.8	108.1R
Cotton	—	131.4*	131 4*	114.6*	131.1	112 0	+ 17 0	111 3	108.1R
Jute	—	122.8	—	90.7*	115 1	90 3	+ 16 0	107 8	108.1R
Woollen	—	110.1	110 1*	104.2*	110 1	104.2	+ 27 5	116.9*	117.8R
Silk and Rayon	—	101.3*	101.3* R	91.8*	102 0	92 3	+ 5 7	90 6	86 5
Metal Products	12	146.8	146 8	144.5	146 8	143 3	+ 10.5	104.2	105 6
Chemicals	20	105.6	105 6	107.6	104 0	107 1	+ 2.4	96.4	93.2
Oil Cakes	10	139.1*	139 7*	150.1*	137 5	142 1	− 2 9	144.4	143.1
Machinery and Transport Equipment	31	111.2	111 2	105.9*	111 1	105 8	+ 3 2	106.9	108 8
Others	80	115.8	115.8	113.7	115 9	113 8	+ 5.0	143 8	136.0
							+ 1.8	106 2	103.9R
All Commodities	1,000	125.7	125.4 R	120.1	125.0	117.1	+ 6.7	113.4	113.7
								117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised. * Estimated.

State Bank of Pakistan

Statement of Affairs for the week ended 14th Oct., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	10,13,38,000
(b) Provincial Governments	3,41,79,000
(c) Banks	10,45,70,000
(d) Others	18,02,45,000
Bills Payable	104,12,27,000
Other Liabilities	79,44,000
Rupees	11,54,49,000
	156,21,82,000

ASSETS	Rs.
Notes	6,52,14,000
Rupee Coin	851,00,70,000
Subsidiary Coin	....
Bills Purchased and Discounted:—	357,52,84,000
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	26,72,79,000
Loans and Advances to Governments	10,60,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	....
Investments	13,48,00,000
Other Assets	99,00,91,000
	8,86,96,000
Rupees	156,21,82,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,52,14,000	
Notes in circulation	351,00,70,000	
Total Notes issued	....	357,52,84,000
Total Liabilities	....	357,52,84,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	24,66,79,000	
Foreign Securities	73,06,09,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin		
Government of Pakistan Securities	4,59,63,000	140,74,49,000
Internal bills of exchange and other commercial paper	206,28,66,000	
	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan—		210,88,29,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	....	
Rupee Coin	1,00,90,000	
	29,51,000	
Total Assets	....	5,90,06,000
		357,52,84,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40.93 per cent.

EXCHANGE RATES

		25th October 1960	Previous Week
Bombay on London—			
Sellers T.T. D.D. Spot	d.	1-5⅛	1-5⅛
Sellers T. T. D.D. upto six months	d.	1-5⅛	1-5⅛
Buyers T.T. upto nine months	d.	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	d.	1-6⅛	1-6⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	1-6½	1-6½
Buyers T.T.	Rs.	475.75	475.75
London on New York	c.	472 25	476.50
London on Paris	Frs.	2 8138-9 8140	473 00
London on Berne.. Sw. Frs.		13.8214-13.83	2 8097-2 8100
New York on London	c.	12 1130-12 1150	13 8144-13 814
		281.350-281.390	12 1090-12 1110
			281.020-281.505

CLEARING HOUSE RETURNS

Centre	Week ended 21st Oct., 1960 Number of Cheques	Amount Rs.	Week ended 14th Oct., 1960 Number of Cheques	Amount Rs.
Bombay	3,05,000	59,94,00,000	4,44,000	88,26,00,000
Calcutta	1,60,000	65,56,00,000	2,10,000	98,36,00,000
Madras	73,526	9,27,77,237	1,07,013	12,83,33,739
All Centres—				
1957-58	41,672,000	89,54,80,00,000	..	..
1958-59	45,172,000	97,07,12,00,000	..	..
1959-60	50,064,000	109,86,05,00,000	..	..
June 1960	4,227,000	9,54,02,00,000	..	..
July "	4,210,000	9,52,59,00,000	..	..
Aug., "	4,377,000	9,96,31,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and Condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1954-55	82	75	77	78	54	255	94	104	122	90	102	112	82	114	100	102	107	110
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	131	93	99	118	117	127	130	130	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
January 1959	..	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145
February "	..	92	124	112	133	125	167	109	121	131	105	102	112†	117	142	133	82	111†	145
March "	..	92	114	110	131	119	157	111	121	132	100	102	114*	121	138	133	82	111†	145
April "	..	95	100	108	125	85	151	124	121	132	96	102	113	122	142	133	84	111†	145
May "	..	98	92	112	126	78	168	123	121	158	97	105	113	132	144	133	85	113	145
June "	..	102	93	116	130	76	179	121	121	165	96	105	115	135	145	133	87	113	145
July "	..	109	95	120	134	76	177	122	121	162	98†	104	118†	135	148	133	88	113†	145
August "	..	113	96	120	130	72	165	115	121	164	97	102†	118†	129	150	133	90	113†	145
January 1960	..	102	97	119	125	72	207	107	127	154	100	115	144†	131	168	135	96	123†	146
February "	..	105	98	121	128	80	196	113	127	156	94†	114	134	139	140	135	96	125†	146
March "	..	106	94	117	123	74	180	111	127	149	94†	113	141	141	132	135	98	125†	148
April "	..	108	91	121	122	76	184	119	127	147	102	113	154	144	130	140	103	125	148
May "	..	113	87	123	126	76	194†	123	127	145	108	113	158	149	130	140	117	125	148
June "	..	114	87	127	128	80	187	125	127	144	111	112*	187	146	128	140	113	126†	148
July "	..	115	92	130	132	89	207	126	127	148	111	112	155	150	130	140	107	129	148
August "	..	115	90	127	129	86	212	121	127	148	107	112	166	140	130	140	115	131	147

* Provisional. † Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast 1959-60 (In thousand acres)	1958-59 (In thousand acres)	1959-60 (In thousand tons)	1958-59 (In thousand tons)
Cereals—				
Rice	final 81,343	81,437	29,338	30,354
Wheat	final 31,508	31,141	9,734	9,772
Jowar	final 41,602	42,584	7,866	8,714
Bajra	final 26,699	27,999	3,484	3,780
Barley	final 8,220	8,243	2,605	2,672
Maize	final 10,457	10,457	3,615	3,381
Ragi	final 6,211	6,192	1,860	1,877
Small millets	final 12,340	12,417	2,012	2,072
Total cereals	final 218,380	220,470	60,514	62,631
Pulses—				
Gram	final 25 040	24,865	5,390	6,881
Tur	final 5,843	5,931	1,589	1,671
Other Kharif pulses‡	final 16,075	15,597	1,567	1,559
Rabi pulses‡	final 12,788	12,992	2,690	2,761
Total pulses	final 59,752	59,385	11,236	12,872
Total foodgrains	278,132	279,855	71,750	75,503
Oilseeds—				
Groundnut	final 15 305	14,575	4,300	4,812
Castorseed	final 1,178	1,203	103	112
Sesamum	final 5,510	5,500	392	511
Rape and Mustard	final 7,167	6,021	1,037	1,025
Linseed	final 3,921	3,965	425	447
Total oilseeds	final 33,081	31,263	6,352	6,907
Fibres—				
Cotton*	final 19,252	19,926	3,835	4,686
Jute A.	final 1,707	1 811	4,548	5,158
Mesta A.	final 706	825	1,098	1,488
Sannhemp	final 813	807	80	81
Other crops—				
Potato	first 706	642	....	2,319†
Sugarcane	final 5,178	4,803	75,038	70,456
Ginger (Dry)	final 37	36	13	12
Pepper (Black)	final 232	230	25	26
Chillies (Dry)	final 1,499	1,471	339	326
Tobacco	final 934	807	281	261

Source: Ministry of Food and Agriculture. ‡ Excluding Tur.

* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur.

A.—In thousand bales of 400 lbs. each. R.—Revised.

†Final estimate of 1958-59.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	Jan. to Dec. 1959	Seven months ended June 1959	Seven months ended June 1960
Exports	570,56	615,78	313,56	342,67
Re-exports	8,40	6,96	3,82	7,16
Total Exports	578,96	622,74	317,38	349,83
Imports	864,18	887,38	509,03	532,39
Overall Balance of Trade	−285,22	−264,64	−191,65	−182,56
Exports—				
Tea	136,54	126,39	45,77	43,13
Jute yarns and manufactures	103,82	110,75	49,95	76,59
Cotton yarns and manufactures	52,63	66,14	31,45	37,87
Metallic ores and metal scrap	30,35	34,42	20,34	24,79
Cotton, raw and waste	21,20	16,37	10,50	6,38
Oils—vegetable, mineral and animal	12,35	17,96	7,62	10,96
Fruits and vegetables	21,16	21,08	12,71	14,39
Tobacco	16,29	13,91	11,34	13,01
Mica	9,34	10,31	5,80	5,45
Wool and other animal hair	9,35	12,22	6,52	5,76
Gums, resins and lac	7,16	7,95	4,57	5,48
Spices	8,83	10 17	4,19	11 01
Hides and skins, raw	7,35	10,95	5,98	6,93
Imports—				
Machinery of all kinds	188,92	196,21	111,87	125,43
Iron and Steel	97,80	84,01	53,35	59,06
Oils—vegetable, mineral and animal	80,23	82,62	36,76	50,03
Chemicals, drugs and medicines	65,28	85,20	48,92	50,52
Electrical goods and apparatus	49,04	50,01	29,45	29,84
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	41,75	30 77
Cotton, raw and waste	30,66	34,76	23,12	45 34
Fruits and vegetables	17,43	16,52	7 13	10,07
Paper, pasteboard, etc.	8,26	9,67	5,42	6 76
Dyes and colours	8,76	9,54	5,10	6,65
Spices	2,84	2,52	1,42	1,35
Woollen and worsted fabrics	30	23	11	16
Cotton fabrics	1,05	1,19	77	48
Rice	44,02	9,12	4,50	9 36
Wheat	102,85	109,86	68,16	25,06

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During September 1960	89.4
	Corresponding month, 1959	92.6
	Three months ended Sept., 1960	270.4
	Corresponding period 1959	292.1
Stocks	At the end of September 1960	77.6
	Corresponding month, 1959	78.7
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	833.5
	July, 1959	76.2
	July, 1960	65.7 R
	July-June, 1958-1959	79.9
	July-June, 1959-1960	220.0
For Internal Consumption	July-June, 1958-1959	248.3
	July-June, 1959-1960	15.2
	July, 1959	14.6
	July, 1960	18.1
	RAW JUTE	(In 000 bales)
Consumption by Mills	September 1960	519
	Corresponding month, 1959	537
	Three months ended Sept., 1960	1,563
	Corresponding period, 1959	1,554
	1957-58	6,134
	1958-59	6,014
	1959-60	6,282

R=Revised

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units Generated†	Total Units Sold
1956-56	715	8,606.8	7,188.8
1956-57	769	9,877.8	8,108.1
1957-58	834	11,176.9	9,011.1
1958-59	818	12,837.0	10,360.7
1959-60	850	15,029.2	12,130.8
January 1959	811	1,156.2	930.2
February "	811	1,074.6	868.9
March "	813	1,171.1	954 9
April "	813	1,177.1	999.4
May "	813	1,241.6	969.3
June "	813	1,201.5	1,055.5
January 1960	850	1,252 1	1,022.5
February "	850	1,324 4	1,071.0
March "	850	1,325 3	1,081.7
April "	850	1,387.9	1,110 4
May "	850	1,379.8	1,113.9
June "	....	....	....

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

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

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

| Year/Month | Total No. of Wagons Loaded | Coal and Coke | Grains and Pulses | Oil-seeds | Raw Cotton | Cotton Manufactures | Raw Jute | Jute Manufactures | Sugar | Cement | Pig-iron | Iron and Steel (Others) |

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

(1953-53 = 100)

Group and Sub-Group	Week ended 15th Oct. 1960§	8th Oct. 1960	17th Sept. 1960	17th Oct. 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.0	101.1	101.1	101.7
2. Government of India	100.8	100.9	101.0	101.6
3. State Government	102.2	102.4	102.5	102.7
4. Municipal, Port Trust, etc.	100.0	100.0	100.0	99.9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100.7	100.7	100.7	102.1
PREFERENCE SHARES—ALL INDIA.				
6. Total	86.3	86.8	87.0	93.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	165.1	165.6	171.4	156.5
8. *Agriculture and Allied Activities; Total**	161.8	162.0	167.3	154.3
9. Tea Plantations	153.7	153.8	159.6	146.6
10. Coffee Plantations	264.8	268.1	269.2	235.2
11. Rubber Plantations	167.1	168.0	170.3	161.7
12. *Mining and Quarrying: Total*	145.5	145.4	147.5	144.6
13. Coal	114.2	114.4	117.8	122.1
14. Other Mining	167.0	166.5	167.8	166.0
15. *Processing and Manufacturing: Total*	177.7	178.4	185.7	164.0
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	173.1	173.6	186.6	155.2
17. Sugar	187.1	187.2	191.7	152.3
18. Cotton Textiles	148.2	148.3	153.3	132.3
19. Jute Textiles	87.2	89.2	91.6	98.6
20. Silk and Woollen	960.7	963.7	1014.3	765.6
21. *Processing and Mfg. (Metals Chemicals, etc.): Total**	186.8	188.4	195.7	181.5
22. Iron and Steel	150.1	152.9	162.3	164.2
23. Transport Equipment	376.2	377.3	389.7	328.1
24. Electrical Machinery	138.3	136.8	132.7	140.9
25. Machinery other than Transport and Electrical	202.9	202.5	209.0	195.9
26. Basic Industrial Chemicals	206.0	207.9	220.1	167.9
27. *Processing and Mfg. (Others). Total**	158.4	159.0	164.5	155.3
28. Cement	139.8	139.0	144.9	137.7
29. Paper	212.1	213.2	228.8	214.7
30. *Other Industries: Total**	107.1	107.1	109.0	115.4
31. Electricity Generation and Supply	81.9	81.3	81.0	90.2
32. Trading	109.6	109.0	112.4	104.7
33. Shipping and Other Transport	104.0	104.1	104.3	123.5
34. Construction	282.1	283.2	271.1	324.7
35. *Financial: Total*	169.6	170.5	171.9	169.9
36. Banks	189.4	190.3	191.0	185.9
37. Insurance	130.4	131.0	126.3	139.6
38. Investment Trusts	86.9	88.1	87.4	100.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	170.3	170.1	177.9	162.1
40. Calcutta	151.3	152.1	155.6	150
41. Madras	184.4	186.2	192.0	171.2
42. Delhi	214.4	215.3	220.2	188.9

Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils. Provisional.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,106,800	799,800
Do. 31st March, 1959	1,137,500	1,149,900	884,700
Do. 31st March, 1960	1,568,400	1,532,700	1,215,100
June 1959	115,700	114,500	88,100
July ,,	125,000	121,000	93,000
August ,,	128,700	125,500	97,100
Sept. ,,	124,300	117,100	93,100
June 1960	120,200	121,700	92,700
July ,,	105,700	119,800	96,000
August ,,	131,300K	¥31,600K	102,400K
Sept. ,,	133,300K	138,100K	108,000K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,380	410,553
Do. 31st March, 1959	959,933	608,205	496,217
Do. 31st March, 1960	1,053,612	827,072	660,695
June 1959	78,795	62,510	49,296
July ,,	97,032	71,441	55,903
August ,,	94,830	68,844	57,556
Sept. ,,	79,615	60,701	49,428
June 1960	80,127	69,140	53,737
July ,,	72,502K	62,962K	40,897K
August ,,	100,162K	79,268K	60,389K
Sept. ,,	100,437K	79,761K	50,963K

K—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes‡	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,271	6,429,519
1958*	1,524	922,566	7,797,585
1959*	1,523	692,514	5,805,079
Feb. 1959	93	33,990(66)	271,253(66)
March ,,	166	67,560(156)	505,099(155)
April ,,	175	50,509	507,571
May ,,	131	53,755(127)	354,517(127)
June ,,	154	77,758(149)	598,798(149)
Feb. 1960	133	62,076(123)	412,797(123)
March ,,	125	47,700(114)	470,258(114)
April ,,	92	37,770(85)	331,511(85)
May ,,	127	37,675(115)	414,780(115)
June ,,	154	65,783(138)	390,426(138)

‡ In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.

Figures relate to all States and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'59-'60	403.64	..	11,750	291.3
Pakistan	'58-'59	86.80	..	2,064	240
Burma	1958	20.02	Kyats 4,344	436	216
Ceylon	1957	9.1	..	507	557
Japan	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines	1958	23.1	Ps. 9,232	2,209	956
New Zealand	1958	2.28	£ (N.Z.) 962	1,069	4,688
Australia	1958	9.80	£ (A.) 4,623	4,920	5,021
U.K.	1958	51.40	£ 18,230	24,310	4,711
U.S.A.	1958	177.1	$ 403,900	193,084	10,901
Canada	1958	17.00	$ 24,660	12,091	7,112
France	1958	44.05	F. Fr. 17,910,000	17,470	3,964
W. Germany	1958	52.1	Dm. 176,400	20,050	3,848
Italy	1958	48.07	Lr. 18,126,000	10,120	2,078
Norway	1957	3.49	Kr. 23,290	1,560	4,470
Sweden	1958	7.40	Kr. 54,910	5,084	6,870
Netherlands	1958	11.10	Grs. 30,180	3,320	3,440
Denmark	1958	4.50	Kr. 23,250	1,960	4,355
Switzerland	1958	5.10	Sw. Fr. 23,300	3,130	6,137

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934-100)	Ahmedabad Base 1949=(100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Ranchi Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 ,,	106	363	111	323	95	103	349	103	106	104	102	112	108	111
1954 ,,	101	359	98	294	95	99	327	106	105	101	97	98	98	106
1955 ,,	96	338	87	246	78	96	321	105	91	95	96	102	98	108
1956 ,,	105	353	98	316	89	105	347	111	109	98	98	106	106	114
1957 ,,	111	389	104	339	94	112	364	116	109	95	96	98	108	108
1958 ,,	116	395	110	313	98	120	384	114	99	95	96	106	106	114
1959 ,,	121	412	125	340	98	132	384	133	120	106	98	123	109	131
May 1959	119	406	124	328	95	131	371	131	116	103	96	125	108	146
June ,,	122	413	125	337	97	132	385	134	117	104	96	125	109	145
July ,,	124	418	127	345	97	133	399	134	117	104	99	130	104	138
August ,,	125	420	125	318	98	134	406	134	118	105	98	129	110	141
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February ,,	122	418	119	355	98	136	393	139	122	107	97	120	109	142
March ,,	121	414	116	339	97	135	392	138	122	107	97	118	111	144
April ,,	122	421	116	346	97	136	399	138	119	104	100	119	109	143
May ,,	123	421	120	344	96	135	396	140	117	104	100	117	109	145
June ,,	124	422	121	360	96	135	399	140	116	104	103	117	109	145
July ,,	126	423	122	362	101	137	406	145	117	107	107	117	109	145
August ,,	126†	421	..	359	..	..	..	..	121	109	108	119	109†	146

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J	Cumulative Time Deposits 10-Year J	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F	10-Year Treasury Savings Deposit Certificates 4% G	15-Year Annuity Certificates H	Total
	Outstandings	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Receipts / Outstandings	Outstandings	Outstandings	Outstandings	Receipts / Outstandings	Receipts / Outstandings	Receipts / Outstandings
1956-57	.. ..	3,00	6,01	163,68			176,97 / 196,50	25,38	—38,82	44,28			
1957-58	.. ..	1,66	4,73	143,45	71,45	71,43	179,86 / 214,91	23,11	—39,73	43,58	588 / 547	43 / 1,32	225,88 / 440,17
1958-59	.. ..	1,76	3,80	119,10	87,45	152,78	191,76 / 234,91	21,02	—40,67	42,57	635 / 1,87	67 / 2,41	284,32 / 599,77
1959-60	.. ..	1,54	3,17	99,14	83,09	221,63	201,48 / 254,94	19,79	—41,29	41,68	10,64 / 21,76	66 / 2,90	286,24 / 709,09
March 1959	3	2	1,73	3,79	119,11	11,66	152,48	22,28 / 226,92	21,01	—40,89			286,24 / 709,09
April ,,	6	3	1,70	3,72	117,25	6,36	157,31	16,39 / 226,90	20,88	—40,74	42,57 / 65	63 / 1,87	284,32 / 599,77
May ,,	7	4	1,68	3,65	115,60	5,71	162,02	15,88 / 224,83	20,76	—40,80	42,39 / 63	63 / 1,87	284,32 / 599,77
June ,,	9	5	1,65	3,59	114,16	6,03	167,24	15,89 / 224,23	20,61	—40,86	42,39 / 61	12,26 / 11	284,32 / 599,77
July ,,	12	7	1,63	3,56	112,40	6,17	172,83	17,23 / 225,30	20,53	—40,88	42,33 / 42	12,79 / 5	284,32 / 599,77
August ,,	15	9	1,65	3,51	110,64	6,04	178,11	15,12 / 237,06	20,44	—40,94	42,25 / 53	13,66 / 3	284,32 / 599,77
January 1960	37	22	1,54	3,24	102,61	7,18	204,92	15,15 / 232,92	19,96	—41,27	41,84 / 1,13	19,77 / 5	284,32 / 599,77
February ,,	43	26	1,52	3,21	101,09	7,57	210,64	16,04 / 234,25	19,87	—41,27	41,75 / 1,05	20,79 / 6	284,32 / 599,77
March ,,	51	30	1,54	3,17	99,14	13,09	221,63	29,24 / 254,94	19,79	—41,29	41,68 / 96	20,79 / 6	284,32 / 599,77
April ,,	57	34	1,51	3,11	97,35	6,47	226,14	17,87 / 253,58	19,68	—41,35	41,58 / 1,63	23,16 / 6	284,32 / 599,77
May ,,	64	38	1,50	3,07	95,55	6,45	231,20	17,00 / 251,94	19,55	—41,41	41,50 / 1,06	23,16 / 9	284,32 / 599,77
June ,,	73	42	1,48	3,02	93,84	5,76	235,58	17,35 / 255,22	19,50	—44,46	41,41 / 84	24,19 / 5	284,32 / 599,77
July ,,	81	47	1,45	2,98	92,30	5,83	240,30	15,25 / 255,02	19,44	—41,49	41,32 / 1,11	26,09 / 4	284,32 / 599,77
August ,,											41,21 / 1,17	27,23 / 3	284,32 / 599,77

Note :—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—Issued from June 1, 1957. G—1st series issued from July 1, 1957. H—Outstandings in respect of items in column 1 marked 'E' are not included.
J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of July 1960 amount to 9,28 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	97.90
2½% Loan	1950	30,33,10,000	1964	97.90
3 % Fg. Loan	1942	1,10,11,78,000	1966-68	95 45
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	89.10
2½% Loan	1946	57,00,69,000	1961	98.60
2½% Loan	1946	14,77,48,000	1976	83.50
2½% Loan	1947	75,86,72,000	1962	98.00
3½% N. P. Bonds	1953	75,29,00,000	1961	100.05
3½% N. P. Loan	1954	1,58,17,94,000	1964	99.65
3½% N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.50
3½% Loan	1956	1,07,27,36,000	1962	99.65
3½% N. P. Bonds	1956	93,81,83,000	1967	99.45
3½% Loan	1956	86,63,53,000	1974	99.25
3½% N. P. Bonds (4th Series)	1957	66,99,30,000	1967	100.85
4 % Loan	1957	49,17,37,000	1972	100.65
3½% Loan	1958	58,05,92,000	1963	99.95
3½% Loan	1958	70,00,00,000	1968	99.25
3½% Loan N.P.B.	1958	84,33,90,000	1968	100.65
4 % Loan	1958	49,51,44,000	1973	100.60
3½% Loan	1959	1,37,90,93,000	1969	98.95
4 % Loan	1959	81,06,38,000	1979	99.95
4 % Loan	1960	97,64,00,000	1980	99.80
3½% Bonds	1960	22,66,00,000	1966	99.50
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	73.00
3 % Loan	1948	2,45,91,93,000	K.	73.60
STATE LOANS				
4 % Andhra	1955	5,90,16,000	1st Sept. 1967	100.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	100.00
4½% Andhra	1958	5,45,81,000	15th July 1970	99.20
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	98.00
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	97.10
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	97.55
3½% Bombay	1951	2,82,97,000	15th Sept. 1962	99.50
3 % Bombay	1953	5,10,80,000	15th July 1963	101.00
4 % Bombay	1952	3,40,34,000	1st Aug. 1964	100.90
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	100.90
4 % Bombay	1956	7,82,20,000	3rd Sept. 1979	99.00
4 % Bombay	1957	6,57,23,000	16th Sept. 1969	99.00
4½% Bombay	1958	6,58,21,000	15th July 1970	99.25
4½% Bombay	1958	4,58,25,000	15th July 1970	99.00
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	99.00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	100.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	100.00
4 % Bihar	1956	2,76,71,000	13th Oct. 1979	100.60
4 % Bihar	1959	3,33,32,000	19th Aug. 1971	97.10
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97.10
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	98.50
3½% Hyderabad Bridge (New)	1936-37	1,77,08,760	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	100.20
4 % Hyderabad	1956	2,15,26,000	3rd Sept. 1968	100.20
2½% Madras	1946	3,81,77,000	1st Sept. 1961	98.80
3½% Madras	1951	3,01,49,300	17th Sept. 1962	99.45
3½% Madras	1953	10,23,71,000	15th July 1963	100.25
4 % Madras	1954	8,34,84,000	1st Aug. 1964	100.25
4 % Madras	1955	10,47,17,000	1st Sept. 1967	100.00
4 % Madras	1956	13,23,50,000	3rd Sept. 1968	100.00
4½% Madras	1958	5,15,57,000	15th July 1970	99.30
4 % Madras	1958	5,72,72,000	19th Aug. 1971	98.00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	98.00
4% Maharashtra	1960	10,00,00,000	29th Aug. 1969	98.00
3 % Mysore(J)	1933	2,85,25,000	1st Dec. 1953-63	101.60
3 % Mysore(J)	1936	5,99,73,000	30th Apr. 1956-61	99.80
4 % Mysore	1953	3,33,47,000	15th July 1962	100.25
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	100.00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	100.00
4 % Mysore	1957	3,34,56,000	16th Sept. 1969	99.25
4½% Mysore	1958	5,61,61,000	15th July 1970	99.25
4 % Mysore	1958	5,43,45,000	19th Aug. 1971	98.00
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	98.00
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	95.70
2½% M.P.	1951	1,02,18,100	17th Sept. 1962	99.45
4 % M.P.	1953	1,10,15,000	15th July 1963	100.10
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	100.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	100.00
4½% M.P.	1958	2,21,30,000	15th July 1970	99.50
4 % M.P.	1958	5,27,37,000	19th Aug. 1971	98.00
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97.10
3 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	100.20
4 % Saurashtra	1956	2,66,63,000	3rd Sept. 1968	100.25
4 % Kerala	1956	2,25,51,000	15th July 1963	99.90
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	99.90
4½% Kerala	1958	3,27,10,000	15th July 1970	99.00
4 % Kerala	1958	4,47,08,000	19th Aug. 1971	97.10
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.10
2½% U.P.E.A.	1952	44,98,89,000	..	49.00Z
3 % U.P.	1938	1,55,31,000	15th Sept. 1961-66	92.50
3 % U.P.	1948	2,12,65,000	1st Sept. 1961	97.75
4 % U.P.	1951	1,86,22,000	17th Sept. 1962	99.25
4 % U.P.	1953	5,56,14,000	1st Aug. 1964	100.25
4½% U.P.	1958	8,58,25,000	15th July 1963	100.00
4 % U.P.	1958	9,10,71,000	1st Sept. 1967	100.00
4 % U.P.	1958	8,48,26,000	3rd Sept. 1968	100.00

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	98.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1966	
48,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,08,900	4	1912	1973	
1,25,876	4	1913*	1960	D
80,00,000	4	1913	1974	98.00
85,25,000	4	1914	1975	
10,00,000	4	1914*	1960	
55,00,000	4	1916*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
18,25,000	3½	1924*	1963	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	98.00
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
45,00,000	3½	1937*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99.00
76,80,100	4	1915	1975	99.00
50,00,000C	4††	1921	1981	82.00
63,02,300C	6½	1921	1981	144.00N
60,00,000	4	1921	1991	98.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1968-68	93.00
50,00,000	3	1945	2005	74.00
50,00,000	3	1946	1976	84.00
50,00,000	3	1946	2006	74.00
50,00,000	3	1947	1977	78.50
50,00,000	3	1948	2008	82.75
50,00,000C	3	1950	1988	82.00
50,00,000	3	1951	1991	81.75
1,50,00,000	3½	1953	1981	99.75
50,00,000	4	1953	1993	100.00
50,00,000	4	1953	1983	97.50
50,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
73,00,000C	4	1956	1996	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.50
1,00,00,000	4	1959	1989	99.00
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1990	99.25
1,00,00,000	4	1960	1970	99.25
STERLING LOANS				
£292,500	3	1923	1963-65	£61.75
£301,000	5	1924	1954-64	£61.75
£335,100	5½	1932	1962	£91.00
MADRAS				
Rs.				Rs.
38,48,875	3½	1947	1977	
9,86,000‡	3	1947	1977	▲
3,00,000‡	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
50,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	
15,00,000	4	1906	1966	
20,00,000	4	1907	1967	
25,00,000	4	1908	1968	
40,00,000	4	1912	1972	
25,00,000	4	1913	1973	
40,00,000	4	1916	1974	
50,00,000	4	1917	1976	
60,00,000	5	1919	1987-79	118.90
25,00,000	5	1926	1985-86	
10,00,000	8	1926	1956-86	115.00N
		1926	1966	98.00N
STERLING LOANS				
£566,500		1908	1968	£95.80
£338,000		1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1924	1964	99.25
35,00,000	4	1925	1965	96.00
30,00,000	3½	1935	1966	91.75
30,00,000	3	1936	1968	96.00
80,00,000	3	1938	1968-68	91.75
1,02,00,000	4	1952	1992	100.00
50,00,000	4	1956	1968	100.00
65,00,000	4½	1959	1974	101.90

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
28,00,000	4	1913-18	1974	99.00
10,00,000	4	1920	1960	113.90N
8,25,00,000	3½	1947	1977	97.75
3,13,14,500	3	1948	1978	87.75
4,00,00,000	3	1949	1979	95.00
2,00,34,000	3½	1952	1965	98.00
2,50,00,000	3½	1961	1966	98.00
92,19,00,000	4	1952	1992	98.00
86,37,000	4	1952	1962	99.85
2,50,00,000	4	1954	1964	99.85
1,50,00,000	4	1955	1967	99.85
1,74,00,000	4	1956	1966	100.00
4,75,00,000	4	1957	1968	100.00
3,50,00,000	4	1958	1978	99.25
		1959	1979	99.25
Rs.		**CALCUTTA**		Rs.
10,00,000	3½	1932	1962	100.00
62,91,000	4	1938	1965	95.00
60,00,000	4	1938	1968	91.00
47,60,000	3	1938	1968	91.00
31,10,000	3½	1938	1972	91.00
1,25,00,000	4	1951	1972	99.25
66,88,000	4	1951	1981	98.50
97,84,000	4	1952	1982	98.75
73,50,000	4	1952	1992	98.50
2,22,72,000	4	1953	1993	98.75
73,86,000	4½	1958	1988	100.00
1,67,32,000	4½	1958	1978	—
		1959	1979	
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107.00Z
15,00,000	3	1953	1963	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1953	7,85,59,000	15th July 1970	99.25
4 % U.P.	1958	8,88,36,000	19th Aug. 1971	98.00
4 % Rajasthan

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,51,970	1,17,27,388	45,26,971	25,092	B. N. Elias & Co. Private Ltd. ..	879	Acarpara	11.94	100	0 25	0 25	0 50	..	3	Y.P.T.
60,00,000	15,76,400	76,66,446	46,26,917	1,71,256	McLeod & Co., Ltd.	456	Alexandra	155 00	100	10 00	10 00	15 00	..	12	Y.P.T.
60,00,000	2,79,000	1,26,70,000	99,41,063	—1,88,937	McLeod & Co., Ltd.	1,264	Alliance	96.00	100	Nil	Nil	Nil	..	12	Y.P.T.
40,20,700	72,61,000	3,09,77,421	2,26,43,087	2,15,074	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	290.00	100	7 00	10 00	12 50	6.00‡	5	Y.P.
40,00,000	21,85,185	1,06,05,356	76,49,904	24,111	Bird & Co. Private Ltd.	810	Auckland	151.00	100	Nil	5 00	20 00	..	3	Y.P.
20,00,000	34,53,588	1,16,15,222	77,61,622	28,486	Birla Brothers Private Ltd. ..	959	Bally	199.00	100	Nil	5 00	20 00	27.00	3	Y.P.T.
5,25,000	4,83,523	21,60,229	11,05,825	—2,05,289	Sir John H. Burder (Chairman) ..	1,589	Barnagore	129.00	100	2 00	6 00	10 00	25.00	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	129.00	£5	Nil	5 00	10 00	£1.10sh	3	Y.P.
45,00,000	29,71,745	58,94,501	35,42,933	—5,79,255	Soorajmull Nagarmull	600	Bengal	143.00	100	2.50	7.50	13.50	..	3	Y.P.
91,92,000	2,85,25,150	2,71,86,402	2,26,35,926	93,079	Birla Brothers Private Ltd. ..	1,373	Birla	8.00	10	Nil	0 50	..	..	12	Y.P.
36,00,000	29,36,695	1,19,81,794	78,84,779	62,417	Andrew Yule & Co., Ltd.	991	Bowreah	26.62	10	1 00	1 00	1 00	..	6	Y.P.T.
7,47,280	4,000	45,18,757	24,32,129	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg. ..	118.00	100	Nil	5 00	15 00	1.50	3	Y.P.
18,00,000	27,51,530	81,60,069	49,11,673	30,165	M.	616	Caledonian	8.00	10	Nil	Nil	..	..	10	Y.P.
50,15,400	81,81,276	2,17,71,211	1,17,66,511	1,68,709	James Finlay & Co., Ltd.	2,009	Champany	136.00	100	Nil	15 00	12 00	..	12	Y.P.T.
15,95,000	23,10,796	86,22,994	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Chengail	107.00	100	Nil	Nil	7 00	..	11	Y.P.
80,15,000	28,42,880	1,69,52,980	59,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalsah	14.66	10	Nil	5 00	12 50‡	10.00	3	Y.
24,00,000	9,00,000	81,59,024	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	13.25	10	1 10	1.25	1.50	..	11	Y.P.
81,40,200	13,05,418	1,06,85,073	64,82,215	18,142	Bird & Co. Private Ltd.	766	Dalhousie	11.31	10	Nil	Nil	..	..	7	Y.P.T.
23,00,000	41,30,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	119.00	100	Nil	Nil	Nil	..	3	Y.P.T.
15,00,000	37,20,000	1,07,35,530	70,08,837	93,729	McLeod & Co., Ltd.	500	Empire	142.00	100	Nil	6.00	14.00	1.00	3	Y.P.T.
21,00,000	83,65,324	3,41,09,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd. ..	15.37	10	0 75	1.00	1.25	11	3	Y.P.T.
21,00,000	19,81,948	1,22,23,203	76,17,723	1,04,899	Bangur Bros., Ltd.	1,014	Fort William	{336.00 Old 280.00 New	100 Old 50 New	10.00	20.00	20.00	25.00	7	Y.P.T.
34,32,100	....	2,23,71,635	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	23.50	10	1.50	1.50	1.50	2.25	3	Y.P.T.
10,80,000	24,18,681	94,32,505	48,17,924	53,425	M.	607	General Ind. Society Ltd.	10.56	10	Nil	Nil	Nil	..	3	Y.
24,00,500	63,55,441	2,55,58,677	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	345.00	100	2.50	2.00	4.00	3	3	Y.P.
40,00,000	81,09,622	1,33,04,146	76,41,106	2,85,620	Bangur Bros., Ltd.	1,078	Hastings	89.00	100	5.00	20.00	25.00	30.00	12	Y.T.
16,80,000	21,42,845	72,60,481	53,26,713	40,754	Baijnath Bajoria	720	Hoogbly	89.00	100	5.00	5.00	6.00	6.00	3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,81,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	20.00	10	Nil	Nil	0 60	..	3	Y.P.
62,50,000	31,20,000	3,02,67,018	1,67,42,018	1,07,889	Ramdutt Ramkissendas	2,272	Hukumchand	21.00	10	Nil	Nil	1.00	1.25	3	Y.P.
87,20,000	20,25,465	1,52,85,168	96,85,468	62,403	M.	790	India	15.00	10	12.50	0.37	1.50	..	3	Y.P.T.
24,00,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	{115.00 145.00	100 100	15.62‡ Nil	1.24 5.00	3 20.00	0.75‡	3	Y.P. Y.
*B'19,20,000								*B' 100	*B' 100	Nil	6.00	20.00	..		
30,00,000	10,09,317	1,76,28,517	1,12,70,060	—12,68,526	Jardine Henderson Ltd.	1,527	Kankinarrah	77.50	100	Nil	Nil	20.00	..	12	Y.P.T.
*B'24,00,000								*B' 100	*B' 100	Nil	Nil	Nil	..		
28,80,000	49,10,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	137.00	100	Nil	Nil	Nil	..	12	Y.P.T.
54,00,000	22,10,230	2,20,06,065	1,32,49,119	10,158	Anderson Wright Ltd.	1,530	Kharidah	18.75	10	12.50	14.00‡	..	..	3	Y.P.
59,80,150	42,50,583	1,99,43,994	1,43,20,416	87,502	F. W. Heilgers & Co. Private Ltd.	1,370	Kinrhsen	8.00	10	Nil	Nil	20.00‡	..	5	Y.P.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	151.50	100	Nil	5.00	10.00	..	3	Y.P.
58,80,000	11,08,592	69,04,728	41,03,722	10,339	Bird & Co. Private Ltd.	640	Lawrence	109.00	100	Nil	Nil	Nil	20.00	3	Y.P.T.
81,60,200	28,12,131	2,24,65,580	1,43,84,924	2,82,507	M.	1,294	Meghna	128.00xd	100	Nil	Nil	Nil	..	3	Y.P.
29,98,900	34,56,992	1,04,50,185	94,29,295	—11,60,635	M.	315	Naihati	11.44	10	0.50	1.75	1.00	15.00	3	Y.P.
20,00,000	13,14,376	36,81,253	24,27,490	4,229	Howrah Trg. Co. Private Ltd. ..	425	Naskarpara	10.00	10	Nil	Nil	..	0.60‡	3	Y.
25,00,000	29,51,226	48,49,757	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	23.50	10	0.75	0.25	Nil	..	3	Y.P.T.
26,25,000	21,77,572	59,70,247	28,86,043	1,58,522	McLeod & Co., Ltd.	1,029	Nellimarla Jute	12.00	10	0.75	0.75	0.75	..	10	Y.P.
1,28,74,350	1,18,88,995	3,59,25,980	1,28,63,717	1,415	Sahu Jain Ltd.	1,765	New Central	23.56	10	0.90	1.00	1.40	..	10	Y.P.
16,79,880	38,39,762	1,21,83,607	71,21,556	27,631	Bird & Co. Private Ltd.	567	Northbrook	21.00xd	10	Nil	1.50	1.50'C'	..	7	Y.P.T.
66,78,500	38,72,004	2,20,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,002	Nuddea	45.00	50	Nil	Nil	1.25	3.00	3	Y.P.
25,00,000	10,23,000	72,61,540	68,84,377	56,437	McLeod & Co., Ltd.	400	Presidency	4.50	5	0.30	0.37½	0.60	4.00	3	Y.P.T.
20,00,000	42,623	53,96,467	12,05,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.75	10	Nil	Nil	Nil	..	3	Y.
40,50,000	14,07,346	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.12	10	Nil	Nil	Nil	..	7	Y.T.
6,00,000	4,88,399	21,84,376	5,88,445	1,03,931	Thomas Duff & Co. (India) Pvt. Ltd	2,073	Samnagore	9 50N	£1	Nil	Nil	Nil	..	3	Y.P.T.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Begg, Sutherland & Co., Ltd. ..	911	Shree Ambica	24 00N	£1	5%†	10%†	Nil	..	3	Y.P.T.
14,40,000	12,50,725	72,57,128	55,50,728	63,663	Hindustan Investment Corpn. Ltd.	401	Sirpur	19.00	10	0.50	0.50	0.60	..	12	Y.P.
20,00,000	2,93,784	51,77,061	37,39,049	24,347	Thomas Duff & Co. (India) Pvt. Ltd	1,704	Titaghur	9 50N	£1	Nil	1.50	2.50	..	3	Y.P.
35,58,000	57,59,060	80,38,439	50,50,466	55,993	Bird & Co. Private Ltd.	1,226	Union	171.00xd	100	Nil	3%†	10%†	..	12	Y.P.
2,00,000	2,79,697	51,26,678	37,60,723	£8,1176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9 50N	£1	Nil	15.00	20.00	25.00	12	Y.P.
2,50,000	6,20,000	82,90,905	44,48,712	1,03,663	McLeod & Co., Ltd.	447	Waverley	3.56	1	Nil	5%†	10%†	..	3	Y.P.T.
											0.25	0.25		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	Accounts Closed	Reference
10,98,990	4,16,126	17,05,120	3,68,737	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber ..	16.70	10	2.50	1.75*	1.75	1.50‡	3	Y.
52,50,000	21,07,911	72,17,718	18,17,793	1,78,790	Kothari & Sons (Ayer) Pvt. Ltd.	1,229	Blue Mountain	4.94	2	0.30	0.25	0.25	0.25	12	Y.P.
5,50,000	5,57,120	15,75,932	3,03,764	199	S. Ambalavanan, Esq. (Mg. Director)	350	Chandramalai Estates Ltd. ..	2.90	2	0.30	0.30	0.24	..	6	Y.
9,03,400	15,76,593	26,62,209	8,15,911	1,38,660	Pelree, Leslie & Co., Ltd.	1,336	Chemmba Peak Estates J...	5.05	2	0.20	0.30	0.24	..	6	Y.
15,00,000	12,30,570	29,63,830	1,64,704	29,129	Matheson Besanquet & Co. Pvt. Ltd	392	Coonoor Tea	27.25	10	1.75	2.00	0.20	0.30	3	Y.P.
4,50,000	4,77,784	12,16,672	2,12,864	2,589	Srinivas Ayengar &	441	Coorg Tea H.	5.32	2	1.50	1.00	1.00	1.00‡	9	Y.
6,00,000	4,82,155	12,25,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	314	Devashola (Nilgiri) Tea ..	29.87	10	2.50	1.75	2.50	2.50	3	Y.P.
2,50,000	3,25,323	10,81,347	2,29,577	4,512	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	2.50*	1.75	2.50	2.50	12	Y.P.
2,50,000	1,79,000	4,04,217	65,265	2,027	Parklins Private Ltd.	198	Emerald Valley Estates ..	5.65	5	0.50	0.30	0.75	1.50‡	3	Y.P.
25,00,000	17,77,500	47,66,050	9,26,511	1,38,660	Parklins Private Ltd.	1,495	Hillcliffe	13.50	10	1.00	1.00	1.00	0.40	3	Y.P.
6,00,000	7,65,626	14,87,714	3,33,844	48,235	Pelree, Leslie & Co., Ltd.	466	Kadasa Tea	4.32	2	0.20	0.30	0.24	1.50‡	6	Y.
16,25,000	18,94,704	32,75,491	4,84,787	28,105	Pelree, Leslie & Co., Ltd.	781	Kil Kotagiri Tea	5.70	2	0.40	0.30	0.25	0.30	12	Y.P.T.
3,45,000	4,20,000	8,00,000	1,58,279	1,588	Jos Gommen & Co., Pvt. Ltd.	262	Marthandamala Plant. Ltd.	8.20	10	0.60	0.65	0.75	0.40	3	Y.T.
5,00,000	70,556	9,28,291	61,372	35,812	Mathesan Besanquet & Co. Pvt. Ltd.	267	Lucky Valley	12.25	10	1.00	0.75	0.625	0.70	10	Y.P.
3,50,000	26,500	3,51,353	21,726	17,415	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.60	2	0.30	1.00	1.00	1.00	3	Y.P.
3,50,000	6,21,199	12,15,199	2,88,777	1,418	Eapen Thomas, Esq. (Mg. Director)	324	Mamallay	39.38	25	0.18	0.24	0.10	0.10	3	Y.
36,00,000	21,32,879	79,94,964	13,08,956	5,482	A. V. Thomas & Co. (India) Ltd. ..	1,650	Neelamalai	4.85	5	0.37	0.37	0.37	5.00	3	Y.P.
12,00,000	6,30,837	26,24,009	5,35,572	150	A. V. Thomas & Co., Ltd.	679	Nellianthy	2.85	2	0.29	0.30	0.30	..	3	Y.P.
24,16,250	6,65,346	38,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7.19	10	0.62	0.75	0.30	0.20	3	Y.P.
23,10,000	9,23,559	39,03,858	5,63,655	35,337	Harrisons & Crosfield Ltd.	896	Nonsuch Tea	27.25	10	2.00	2.00	0.60	..	3	Y.P.
13,53,800	16,46,535	31,58,547	4,72,968	60,402	Mr. P. S. M. Chockalingam (Chairman)	579	Parkside	29.00cx	10	1.50	1.75	2.50	2.00	3	Y.P.T.
6,00,000	3,06,284	8,47,697	63,188	64,227	S. Sivaramakrishna Aivar, Esq. ..	500	Peninsular Plantations Ltd.	21.35	10	3.00	2.50	2.50	2.75	6	Y.
17,00,000	10,41,753	41,24,957	14,46,521	44,631	Asphiwall & Co. (Travancore), Ltd.	1,557	Peermade	23.35cd	10	2.50	1.75	2.50	2.00	12	Y.
37,94,880	28,17,245	1,10,00,168	34,84,598	80,253	Pelree, Leslie & Co., Ltd.	3,483	Periakaramalai	3.54	2	0.30	0.30	0.25	0.25	12	Y.
13,50,000	2,82,500	11,13,472	1,04,534	1,431	A. V. Thomas & Co. (India) Ltd. ..	865	Sheveroy Estates Ltd.	2.00	2	0.20	0.15	0.20°C	0.25	12	Y.
9,00,000	12,06,478	27,35,093	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	16.02xd	10	1.37½	1.40V	0.80	0.125	3	Y.P.
1,25,000	12,000	1,87,528	5,271	559	M.	216	Swinton Estates	2.00	2	..	0.15	0.15	0.60	6	Y.
12,50,000	10,70,828	32,56,350	3,03,628	527	Srinivas Agencies	1,079	Talayar Tea	1.75	2	0.25	0.20	0.12	0.10	3	Y.T.
15,75,000	16,00,500	27,37,310	3,29,820	565	Parklins Private Ltd.	1,214	Twyford	11.40	10	2.00	1.50°C	1.50	1.00‡	3	Y.
21,93,280	12,29,630	44,14,672	15,67,021	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	21.60	10	2.50	1.77	1.50	1.00°C	12	Y.
33,50,000	30,78,147	60,31,052	7,77,818	1,17,892	Kothari Mehta & Co. Pvt. Ltd. ..	997	Waterfall	4.35	2	0.30	0.25	0.25	1.95	3	Y.
1,00,000	53,087	3,26,355	84,299	2,528	Goodall & Co.	93	Woodcote Estates Ltd. ..	1.67		0.06	0.09	0.06	0.25	6	Y.
													Nil	6	Y.
														6	Y.P.T.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,435	16,47,874	3,87,652	7,559	Ramani & Co., Pvt. Ltd.	397	Alageswar Estates Ltd. ..	2.35	2	0.20	0.20	0.15	..	6	Y.
6,76,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.75cd	10	0.40	0.60	0.75	1.00	6	Y.
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.50	10	1.50	1.00	1.50	..	3	Y.P.T.
12,07,838	2,28,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,264	Anaparai Estates Ltd.	4.65	2	0.80	0.70	0.50	..	12	Y.P.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd. ..	554	Badra Coffee Estates Ltd. ..	6.84	2	0.35	0.35	0.35	..	12	Y.P.
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore) ..		Bababudin Coffee & Produce ..	9.00	5	1.25	1.25	1.25	..	6	Y.T.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd. ..		Balmadies Plantations ..	2.36	2	0.25	0.25	0.625	..	6	Y.T.
3,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Ba Ba Rubber Estates Ltd. ..	2.90	5	0.25	0.25	0.15	0.15	6	Y.P.
28,91,279	18,00,000	52,49,278	8,13,788	21,699	Pelree, Leslie & Co., Ltd.		Cochin Malabar	7.05	3	0.25	0.30°C	0.45	..	3	Y.P.
22,50,000	30,58,861	50,61,756	11,30,047	1,28,049	Cons. Coffee Estates (Secretaries).		Coffee Lands and Industries ..	23.25	10	4.00	2.00	2.50	0.525	3	Y.P.
71,50,000	63,55,504	1,51,68,273	35,93,779	79,971	R. C. Paterson, Esq.		Consolidated Coffee	23.40	10	4.00	2.00	2.50	..	2	Y.P.
4,00,000	5,67,423	12,42,809	60,301	3,461	Associated Planters Private Ltd. ..		Cottanad Plantations	13.25	10	1.50	1.50	1.50	..	2	Y.P.
4,08,560	1,75,000	2,71,803	60,407	26,560	Pelree, Leslie & Co., Ltd.	445	Cowcoody Estates (Coffees) ..	5.12	2	1.00	1.00	1.00	..	2	Y.P.
18,00,000	9,88,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.		Highland Produce	14.30	10	0.75	1.50	0.50	..	3	Y.P.
1,20,000	49,000	1,84,450	5,148	2,033	Young India Agencies Pvt. Ltd. ..	220	Kadur Coffee Estates Ltd. ..	2.74	2	0.15	0.15	0.15	0.201	6	Y.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kallas Rubber, Co., Ltd. ..	5.15	2	0.60	0.50	0.50	0.15	12	Y.P.
8,00,000	8,36,533	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	11.83	10	2.00	1.00°C	0.50	0.40	5	Y.P.
4,00,000	3,00,000	9,04,554	1,45,547	12,518	Pelree, Leslie & Co., Ltd.		Kumerzode Estates Ltd. ..	4.80	2	0.50	0.40°C	1.25	1.25	2	Y.P.
13,50,000	4,85,241	25,39,476	4,08,190	9,942	K. T. Thomas Kathanar, Esq. ..		Malankara Rubber	19.75cd	10	1.25	1.70°C	1.50	..	3	Y.P.
3,25,000	2,50,000	7,61,984	10,301	11,086	Associated Planters Pvt. Ltd. ..	906	Mercara Rubbers Ltd.	8.87	5	0.75	1.00	1.00	1.50	10	Y.P.
40,50,000	14,80,388	88,24,890	11,08,400	83,748	A. V. Thomas & Co., Ltd.		Midland Rubber	11.85cd	10	2.00	1.00°C	1.00	..	3	Y.P.
3,35,000	4,13,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.		Nenmeny Rubber	10.50	10	0.75	1.50	1.00	..	6	Y.
2,00,000	4,70,545	7,96,900	55,892	8,026	Associated Planters Private Ltd. ..		Nilambur Rubber Co.	18.00cd	10	1.50	2.00	1.50	..	3	Y.P.
10,45,980	22,83,423	48,92,125	16,66,960	8,088	Pelree, Leslie & Co., Ltd.		Ouchterlony Valley Estates ..	5.02	2	0.60	0.50	1.00	..	12	Y.P.
16,50,000	2,29,315	21,56,112	5,52,520	72,398	Asphiwall & Co., Ltd.		Pullangode Rubber	1.80	2	0.10	0.08	0.30	..	12	Y.P.
13,50,000	8,49,874	47,74,372	4,48,809	44,924	A. V. Thomas & Co., Ltd.		Rajagiri Rubber	20.12	10	2.00	2.00	2.00	..	10	Y.P.T.
2,00,000	1,65,063	3,50,450	35,171	41,924	Associated Planters Private Ltd. ..	391	Rajendra Coffees Ltd.	14.35	5	1.25	2.00	2.50	..	12	Y.P.
5,50,170	3,00,000	8,87,753	1,22,788	12,699	Pelree, Leslie & Co., Ltd.		Savamalai Estates Ltd.	3.80	2	0.30	0.30	2.50	..	3	Y.P.
12,00,000	1,85,000	18,80,245	1,60,554	10,753	Patco Agencies	1,162	Sangameshwar Coffee Estates	2.25cd	2	..	..	0.18	..	6	Y.P.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.		Teekoy Rubber (India) Ltd. ..	6.05	10	0.60	0.60	0.18	0.12	11	Y.P.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.		Thamarapally Rubber	28.00	10	3.00	3.00	3.00	..	3	Y.P.T.
9,15,300	5,75,000	23,57,605	1,88,203	7,572	Pelree, Leslie & Co., Ltd.		Thirumbadi Rubber Co., Ltd	1.53	1	0.05	0.10	0.08	..	3	Y.P.T.
6,00,000	66,742	11,54,891	5,03,490	2,248	Espen Thomas, Esq. (Mg. Director)		Travancore Rubber	11.50	10	1.50	1.00	0.07	..	12	Y.P.
41,00,000	15,07,458	86,12,006	18,50,697	3,526	Asphiwall & Co. (Travancore) Ltd.		Travancore Rubber & Tea ..	19.05	10	0.40	0.50	1.00	..	9	Y.P.
20,00,000	1,36,000	32,16,659	8,57,958	11,924	P. T. Thomas, Esq. (Mg. Director)		Tropical Plantations Co. ..	19.37	25	1.00	1.50	0.75	..	12	Y.
6,00,000	4,56,000	17,45,808	4,02,210	6,282	P. T. Joseph, Esq.		Velimalai Rubber & Co. ..	5.10cd	5	0.62½	0.50	2.00	..	12	Y.
2,20,000	4,29,000	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.		Udayagiri Rubber Co., Ltd.	17.00	10	0.60	0.75	0.50	..	12	Y.P.
8,80,010	2,91,970	9,65,557	38,718	585	M.		Valkumdan Rubber Co., Ltd.	30.40	10	3.50‡	3.00	2.50	..	12	Y.
12,00,000	11,90,982	15,34,580	1,19,640	1,15,423	Pelree, Leslie & Co., Ltd.		Wartyhully Estates Ltd. ..	3.38	2	0.15	0.30	0.50	1.50‡	12

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
30,00,000	...	31,38,138	13,22,835	83,215	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	12.50	10	*Nil*	*Nil*	*Nil*		3	Y.
15,50,000	11,52,441	14,90,854	7,95,406	6,159	Kalputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.28	10	1.50	3.50	2.00		9	Y.P.
55,23,146	15,49,326	1,57,35,785	51,99,661	14,572	Bharat Ram Bhagat & Co. ..	Bengal Potteries	6.75	2½	0.25	0.25	0.356		12	Y.
10,00,000	38,68,168	81,22,085	38,30,422	33,561	Bird & Co. Private Ltd. ..	Bisra Stone Lime Co.	31.50	10	1.75	1.75	1.87		3	Y.
14,17,800	4,29,295	27,18,993	13,28,638	4,764	Motichand G. Shaw, Esq. (Chairman)	Bombay Potteries and Tiles Ltd. ..	190.00	100	9.00	10.00	...		9	Y.P.
40,00,000	13,78,524	1,16,02,155	10,26,719	23,88,499	Saraf Mor & Co. Private Ltd. ..	Ferro Alloys Corporation Ltd. ..	197.50	100	*Nil*	*Nil*	...		9	Y.P.
51,371,300	51,705,275	43,271,480	21,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation ..	4.44	Sh. 2	0.24	0.24	0.36		12	Y.P.
0.15,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd.... ..	Karanpura Development ..	15.62	10	*Nil*	*Nil*	0.50		12	Y.
F.5,00,000									*Nil*	*Nil*				
80,00,000	...	14,32,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd. ..	98.00	50	...	*Nil*	*Nil*		12	Y.
30,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.25	*Nil*		12	Y.P.
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd. ..	9.81	10	*Nil*	*Nil*	1.80		12	Y.P.T.
6,00,000	5,26,433	12,40,693	7,63,285	7,276	Mysore Industrial Development Co. ..	Mysore Stoneware Pipes & Potteries	15.15	10	1.00	1.00	*Nil*		12	Y.P.T.
20,00,000	54,00,644	64,43,150	31,99,595	88,340	Bird & Co. Private Ltd.	Orissa Minerals	37.25xd	10	2.00	1.00•	1.00•	1.[illegible]	8	Y.P.T.
10,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	66.00	10	8.00•	8.00•	3.60		6	Y.
											5.00		11	Y.
CHEMICAL														
12,00,000	...	...	...	...		Adarsh Chemicals	72.00	50	...	...	...			
85,00,000	51,37,800	1,87,07,072	65,76,431	9,770	Bhailal Amin & Sons (Private) Ltd. ..	Alembic Chemical Works Co. ..	257.00	100	12.00	12.00	...		12	Y.P.
68,00,000					Imperial Chemical Industries (India) Private Ltd.						18.00		12	Y.P.
2,47,97,000A	96,87,608	5,74,40,416	92,27,839	1,39,901		Alkali and Chem. Corpn. of India ..	32.37	10	0.80	0.80	0.95		12	Y.P.
60,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd. ..	Amar Dye-Chem. Ltd.	420.00	100	*Nil*	*Nil*	...		9	Y.P.
29,89,400	24,94,428	1,18,83,272	49,89,005	47,108	Kasturbhai Lalbhai & Co. ..	Anil Starch Products Ltd. ..	100.00N	100	20.00•	20.00•	12.00		12	Y.P.
2,00,00,000	39,08,362	3,56,03,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	469.50	100	8.00	20.00•	28.00•		12	Y.P.
50,92,900	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director) .	Bengal Chemical and Phar. ..	110.00	100	6.00	6.00	12.00		12	Y.P.
65,00,000	...	1,54,260	15,170	—1,31,376	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	352.00	100	...	6.00	7.00		12	Y.
13,69,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co. ..	Dharamsi Morarji Chemical Co., Ltd.	250.00	50	5.00	*Nil*	*Nil*	7.00	3	Y.P.T.
84,49,032	56,78,075	1,69,27,890	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhranzadhra Chemicals	144.00	100	7.50	6.00	10.00		8	Y.
3,46,06,075	14,62,000	5,13,68,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	10.00	10	*Nil*	6.00	4.00(c)		12	Y.
15,00,000	5,85,390	40,58,635	13,14,048	10,072	Mafatlal Gagralbhai & Sons ..	Indian Dyestuffs Industries Ltd. ..	530.00	100	*Nil*	0.40	0.80		3	Y.P.
12,00,000	6,37,883	27,45,736	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	375.00	200	15.00	*Nil*	*Nil*		12	Y.
60,00,000	22,36,430	1,43,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.65	10	0.75	15.00	20.00	25.00	3	Y.P.
24,81,220	8,99,875	55,35,132	37,41,703	10,884	B. M. Abu Baker, Esq. (Chairman)	Mysore Chemicals and Fertilisers ..	10.60	10	0.50	0.87½	0.88	1.25'C'	3	Y.
6,00,000	6,34,447	10,12,759	5,77,192	41,137	S. Ramanathan, Esq. (Mg. Director) .	Mysore Chemical Mfg.	27.50	10	2.00	0.50	0.50		3	Y.P.T.
40,00,000	20,96,379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman) .	Polychem. Ltd.	236.00xd	50	2.00	2.00	2.00		3	Y.
15,00,000	13,70,108	21,96,365	14,48,006	75,219	C. A. Buxton	Smith Stanistreet & Co.	14.44	5	*Nil*	1.00	3.00	5.50	3	Y.P.
1,39,95,990	42,17,119	5,89,55,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	16.04	100d	0.80	0.80	0.80'C'		3	Y.P.
1,11,91,270							14.64	10New		0.75	0.525	0.60	6	Y.P.
10,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director).	Travancore Chemical Mfg. Co., Ltd. ..	15.75	10	0.60	0.08	0.618	0.60	6	Y.P.T.
										0.70	1.00	1.50	3	Y.P.
ELECTRIC (Bombay State)														
6,74,78,395	45,21,053	14,80,35,370	3,57,58,380	4,298	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd. ..	88.30	100	3.25	6.50	6.75	9.00	3	Y.T.
72,50,000	17,54,523	2,18,23,158	52,04,167	15,95,361	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd. ..	10.20	10	0.42½	0.85	0.90		3	Y.P.
3,02,76,250	96,81,201	9,66,03,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co. ..	1,002.50	1,000	66.00	80.00•	80.00•	85.00•	3	Y.T.
1,75,00,000	78,52,280	4,06,37,564	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply ..	84.50	100	7.00	7.00	80.00•	80.00•	3	Y.P.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd. .	Broach Electric Supply Development.	7.00	10	*Nil*	0.50	7.50	8.00	3	Y.P.T.
48,89,000	12,58,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd. .	Poona Electric Supply	112.00	100	2.50	2.50	6.00	6.66	3	Y.
60,52,500	28,52,407	1,43,50,580	48,79,945	5,210	Killick Industries Ltd.	Surat Electricity	84.50	100	8.75	7.00	8.00	9.50	3	Y.
2,99,99,575	1,01,57,424	1,01,57,424	1,89,09,836	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply ..	102.50	100	5.52	8.00•	7.00		3	Y.P.T.
5,15,85,750	2,60,85,771	17,16,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,028.75	1,000	56.25	80.00•	80.00•	85.00•	3	Y.P.
												85.00•	3	Y.P.
													8	Y.
West Bengal and Other Centres														
10,00,000	48,96,807	1,33,21,866	36,09,278	48,145	Martin Burn Ltd.	Agra Electric Supply Co., Ltd. ..	125.00	100	10.00	10.00	...			
8,00,000	25,00,121	61,21,199	20,47,309	20,466	Martin Burn Ltd.	Bareilly Electric Supply	13.50	10	1.25	1.00	10.00			
17,00,000	14,20,478	1,52,58,972	43,70,422	42,307	Martin Burn Ltd.	Benaras Electric Light & Power Co. ..	14.00	10	1.25	1.00	1.00		3	Y.T.
5,91,360	6,40,074	21,80,353	10,40,385	24,424	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7.75	8	0.62	0.40			3	Y.
54,262,646	£10,126,973	£33,604,377	£13,302,118	£108,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	15.00	£1	8½%	7%	7%	7½%	3	Y.T.
6,60,090	5,11,491	28,13,024	8,33,390	60,637	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8.00	10	1.00Z	0.65			3	Y.
48,20,000	21,62,824	1,01,14,160	35,85,886	3,77,066	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	6.50	10	0.50	0.50	0.75		3	Y.P.T.
5,16,540	1,10,642	31,32,203	13,41,851	6,562	Moonna Lall & Sons	Jhansi Electric Supply	13.12	10	0.86Z	0.62	7.50		3	Y.
22,49,700	26,82,345	1,04,26,882	38,07,105	30,945	Martin Burn Ltd.	Jubbulpore Electric Supply	9.12	10	0.92	0.92	0.924		3	Y.P.
4,95,000	2,21,874	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzaree Electric Supply	7.50N	9	1.22Z	0.72	0.93		3	Y.
5,82,990	3,85,396	32,13,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	9.75	10	1.25Z	1.00			3	Y.
6,99,850	1,83,973	17,84,092	7,88,164	22,321	G. D. Bhagat, Esq.	Muttra Electric Supply	9.50	10	0.80	0.80			3	Y.
35,10,478	37,51,068	1,32,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	9.37	10	1.25Z	0.75			3	Y.
9,10,000	1,93,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.87	10	*Nil*	0.50			3	Y.
18,80,000	12,09,832	73,73,245	43,72,024	6,962	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co. ..	9.50	10	0.94	0.66	0.75		3	Y.
69,99,680	18,06,142	2,06,37,818	67,68,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn. ..	9.50	10	1.28	0.87	0.90		3	Y.
5,00,000	28,76,733	47,71,538	11,04,878	38,509	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply ..	17.50	10	1.25	1.25	1.25	0.90•C'	3	Y.T.
56,01,185	77,21,023	3,84,27,765	1,37,11,270	83,559	Martin Burn Ltd.	U. P. Electric Supply Co.	125.00	100	10.00	10.00	10.00		3	Y.P.T.
4,00,000	8,22,215	37,72,899	9,95,390	2,67,421	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	12.50cd	10	1.00	1.00	1.00		3	Y.
													3	Y.P.
ENGINEERING (Bombay)														
28,42,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd. ..	Alcock Ashdown & Co., Ltd.	252.00XR	100	12.50	12.50	17.00			
19,98,360	2,81,926	20,32,188	7,13,262	2,319	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	85.00	80	8.00	3.00	4.00		12	Y.
35,76,300	19,61,209	79,73,950	43,30,263	72,169	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	160.00	100	7.00	10.00•	13.00•		12	Y.
40,00,000	4,14,207	62,24,434	57,385	1,98,824	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	110.00	100	6.00	7.00	10.00		6	Y.P.
40,00,000	4,15,000	1,56,236	1,22,702	5,214	M. R. Rao, Esq. (General Manager)	Jost's Engineering	98.75	50	5.00	5.00	5.00		4	Y.
44,96,250	4,05,653	62,45,798	27,13,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation ..	17.52	10	*Nil*	0.50	0.775		6	Y.
80,00,000	27,05,928	78,01,690	28,52,816	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	34.00	10	1.00	1.25	1.25		12	Y.P.
1,22,00,000	42,63,182	1,34,87,855	31,17,630	1,18,227	M.	Mahindra & Mahindra Ltd.	21.24	10	1.75	2.25	2.50	1.80'C'	9	Y.P.
11,00,000	3,45,914	40,22,575	24,15,196	1,016	P. Jhunjhunwala, Esq. (Mg. Director) .	McKenzies	130.00	100	*Nil*	*Nil*	1.25		3	Y.P.
60,15,060	45,30,000	1,21,27,185	40,92,378	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	23.68	10	1.00	1.20	*Nil*		7	Y.P.
22,27,700							108.00	100	...	...	1.00•	1.20	3	Y.P.
13,86,150	5,36,616	47,79,336	14,99,037	92,426	J. V. Patel, Esq. (Mg. Director) ..	New Standard Engineering	153.50	(50 New)	...	...	9.00	12.00	3	Y.P.
22,50,000	1,34,42,446	8,81,298	1,40,739	1,86,103	Walchand & Co. Private Ltd.	Premier Construction	30.00	30	10.00	12.00	18.00	0.50	3	
25,00,000	36,23,031	93,40,964	37,60,929	14,393	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd. ..	276.25	100	18.00	18.00	17.00		12	Y.P.
27,53,21,325	27,01,22,014	1,67,40,64,801	54,97,16,236	8,46,787	Tata Industries Private Ltd.	Tata Iron and Steel	143.75xd	75 Old	9.50	8.25	8.25		12	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,684	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	277.00	100	8.00	9.00	9.00	9.72'C'	3	Y.P.
2,85,00,000	42,28,696	82,34,736	18,74,468	2,26,895	S. K. Handoo, Esq.	Voltas Ltd.	262.50	100	9.00	9.00	9.00	13.50	3	Y.P.
													3	Y.P.T.
													8	Y.
West Bengal and Other Centres														
6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	13.00	10	*Nil*					
50,00,000	29,49,221	1,55,51,495	89,56,973	2,60,479	M.	Bhartia Electric Steel	12.06	10	1.25	1.25	1.50			
56,59,790	70,94,966	77,33,705	12,79,388	2,27,080	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	31.00	10	8.00	1.25	2.25		10	Y.P.T.
12,00,000	29,30,393	73,60,535	36,42,693	1,48,354	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55.00N	10	2.00	2.00'B'			12	Y.
19,86,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	7.06	10	0.50	0.50	0.60		12	Y.
40,00,000	41,48,365	98,27,711	48,02,270	1,82,481	McLeod & Co., Ltd.	Britannia Engineering	14.50	10	0.60	0.60	1.00		3	Y.T.
5,00,000	7,72,971	24,63,921	14,48,244	74,493	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	19.00	10	2.00	2.00	2.50		3	Y.P.
84,00,000	2,33,60,602	4,96,65,264	3,04,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	435.00	100	20.00	20.00	28.50		12	Y.P.T.
50,00,000	...	95,75,759	95,832	1,03,035	M.	Calcutta Steel Co., Ltd.	16.31	10	*Nil*	*Nil*	...	28.50	12	Y.P.T.
1,00,00,000	10,43,478	1,78,16,185	10,15,000	40,325	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	*Nil*	*Nil*	*Nil*	0.50	4	Y.T.
2,00,00,000	2,54,07,647	6,74,59,338	2,15,47,390	...	H. M. L. Williams (Mg. Director) ..	Guest, Keen, Williams Ltd.	40.00	10	2.00	2.00	*Nil*		3	Y.T.
12,50,000	28,60,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	105.00	50	5.00	5.00	2.40		12	Y.
36,54,590	...	5,79,969	3,01,442	—1,24,516	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	19.75	10	*Nil*	*Nil*	6.00		12	Y.T.
12,44,08,990	18,19,23,782	58,53,99,051	12,26,85,220	10,26,658	Martin Burn Ltd.	Indian Iron and Steel	22.50xd	10	1.00	1.00'C'	*Nil*		12	Y.P.T.
88,98,500	61,33,742	1,23,74,955	72,85,332	48,708	Martin Burn Ltd.	Indian Standard Wagon	87.00	25	7.50•	5.00	1.00		12	Y.P.T.
90,00,000						Indian Steel and Wire Products	39.44	O. 10	4.00•	4.00•	5.00		3	Y.P.
79,740	2,50,89,519	2,18,88,229	1,45,63,174	12,96,128	Indra Sinzh & Sons Private Ltd.		17 12	O. 1	0.40•	0.40•	1.62½	7.125	3	Y.P.
90,94,475	57,19,306	3,24,10,270	1,17,26,006	4,647	Madan Mohanlall Shriram & Co. Pvt. Ltd.						0.16¼		3	Y.
20,00,000	23,52,813	76,16,494	17,47,993	75,109	J. K. Industries Private Ltd.	Jay Engineering Works, Ltd.	27.00	10	15.0	12.00	12.00			
1,01,99,000	1,02,40,815	2,77,47,845	84,80,378	63,747	B. P. Singh Roy, Esq. (Chairman)	J. K. Steel Ltd.	17.94	10	1.25	1.25	1.25			
24,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi).	Jessop & Co.	20.50	10	*Nil*	0.60	0.858		3	Y.P.T.
27,84,800	46,74,683	90,13,966	33,28,450	31,233	Bird & Co. Private Ltd.	Kirloskar Oil Engines, Ltd.	20.44	10	0.90	1.00			6	Y.P.T.
10,50,000	1,90,990	18,32,345	14,72,111	8,513	Marshalls (Direction) Private Ltd.	Kumardhubi Engineering Works ..	6.75	3	0.45	1.00			6	Y.P.
25,00,000	29,74,007	92,74,177	47,37,764	4,444	Kirloskar Associates	Marshall Sons & Co. (India), Ltd. ..	5.00	2	0.40	0.40	0.30'C'		3	Y.P.
7,50,000							142.00	100	6.00	7.50	9.00		11	Y.P.
40,96,000	15,78,502	1,30,32,992	75,25,700	2,50,063	M.	Mysore Kirloskar Ltd.	175.00	100	...	...	0.20			
40,00,000	30,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd. ..	National Iron and Steel Co., Ltd. ..	8.50	10	0.62	0.62	6.00		6	Y.P.
6,00,000	11,05,251	31,29,091	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Richardson & Cruddas Ltd.	8.44N	10	...	...	0.75			
1,80,00,000	55,23,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Saran Engineering Co.	7.00	4	0.40	0.40	...		6	Y.
19,92,200	13,07,750	64,82,089	22,23,168	932	Balasundaram & Co.	Textool Co., Ltd.	21.50	10	1.50	1.50	0.25		3	Y.P.T.
							189.00	100	20.00	12.00	2.00	0.35	3	Y.P.
											15.00		12	Y.P.T.
													4	Y.P.T.
														Y.
INSURANCE (x)														
18,50,000	46,52,425	1,45,73,387	....	23,040	N. M. Cole, Esq. (Mg. Director) ..	Concord of India	10.56	5	1.00	1.00				
10,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	30.25	50	3.00	3.00	1.00			
5,15,000	1,84,95,246	12,38,65,607	....	....	R. Varadachari, Esq. (Administrator) .	Empire of India Life Assurance ..	268.75	100	...	...	...			
24,00,000	71,01,264	1,40,68,520	....	3,62,182	R. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23.12	10	2.00	2.00	2.00			
16,62,240	36,38,254	86,70,140	....	7,71,928†	K. M. D. Thackersey, Esq. (Chairman).	Indian Mercantile Insurance	42.50	40	2.50	3.75				
18,74,940	2,30,83,259	4,29,34,168	....	6,54,184†	M. J. Rao, Esq. (Administrator) ..	Jupiter General Insurance	7.12	15	*Nil*		2.00			
20,00,000	63,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager) .	New Great Insurance	21.00	20	2.00	2.00				
							54.00	15	3.00	4.00	2.50			
1,06,81,590	8,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director) ..	New India Assurance Co., Ltd. ..	55.20	15New		4.00	5.70•			
						Ruby General Insurance Co., Ltd. ..	7.94	8	0.62	0.62	5.70•			
82,00,000	20,96,696	1,84,55,055	....	8,214	B. K. Setalvad, Esq. (Gen. Manager) .	Triton Insurance	142.00	25	11.25	11.25				
5,75,000	67,12,673	1,13,08,480	....	1,88,129	J. D. K. Brown, Esq.	Vulcan Insurance	17.00	10	1.50	1.50	11.25			
15,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager) ..						1.50	2.00		

* Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. Ex.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. ‡ On old capital. Z.—Dividend is for fifteen months ended 31st March 1957. X.B.—Ex. Bonus.

x—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
OIL														
35,00,000	80,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	*Nil*	0.60		12	Y.P.
1,00,00,000	1,59,93,034	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd. ..	23.31	10	2.00	2.00	2.50		12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,56,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	73.80	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,55,770	1,73,025	82,687	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd. ..	15.87xd	10	1.25	1.50	2.20		10	Y.
PAPER														
57,42,031	18,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills	58.50	25	*Nil*	*Nil*	2.50		6	Y.P.
45,00,000	49,79,629	2,34,13,600	1,67,74,890	1,35,493	M.	Benzal Paper

MISCELLANEOUS COMPANIES—*Continued.*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
62,50,000	2,04,96,139	3,89,98,591	1,10,43,380	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd. ..	17.75	O. 10	0.90	0.90	1.00		3	Y.P.†
80,00,000	39,83,750	1,38,71,449	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd.	22.75xd	10	1.25	1.25	1.25		3	Y.
30,00,000	36,44,175	36,06,360	25,56,851	2,24,865	Turner Morrison & Co. Private Ltd. ..	Angelo Bros., Ltd.	19.75	10	1.80*	1.50	1.25	1.80	3	Y.
2,46,78,600	25,63,610	2,20,25,205	69,76,913	20,000	A. L. Collins, Esq. (Mg. Director) ..	Ashok Leyland Ltd.	8.37	5	0.30	0.30	2.00		3	Y.
30,00,000	20,24,770	40,25,468	21,81,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd.	18.50	10	1.25*	1.00	0.40		12	Y.
1,18,00,000	....	....	....	....	H. M Cox	Associated Factory	37.75	10	1.50	1.25*	1.80		12	Y.
30,00,000	33,34,600	1,05,71,381	42,22,343	1,54,774	Oberoi Hotels (India) Private Ltd. ..	Balmer Lawrie & Co., Ltd.	6.75N	10	1.50	2.40	1.80		12	Y.
80,01,400	83,00,830	77,88,003	41,34,215	6,14,649	A. T. Montgomery, Esq. (Chairman) ..	Balmer Lawrie & Co. Ltd.	213.00	100	0.60	0.60	4.00	1.501	3	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co. Ltd. ..	Bengal Flour Mills Co., Ltd.	41.94	10	2.50	20.00	25.00		3	Y.
50,00,000	1,77,308	59,03,167	96,073	—4,55,649	Bharat Commerce & Industries Ltd. ..	Birds Investment Ltd.	17.50	10	Nil	2.50	4.50		12	Y.
20,00,000	7,79,721	64,19,086§§	....	55,023	H. R. Sugla, Esq. (Mg. Director) ..	Britannia Biscuits	13.37	10	0.50	0.70	Nil		12	Y.
45,97,020	55,59,343	1,22,49,277	55,59,723	2,13,633	Lovelock & Lewes	British India Corporation Ltd.	38.00	10	1.00	1.10	1.10		12	Y.F.
8,25,00,000	1,58,58,664	3,62,78,515	2,65,54,909	74,142	K. Julian Scott, Esq. (Mg. Director) ..	Ceat Tyres of India Ltd.	7.16	5	Nil	1.20	1.40	2.50	3	Y.
1,14,98,000	12,000	1,08,09,000	14,000	27,265	H. S. Chaturvedi, Esq. (Mg. Director) ..	Chic Flour Mills Ltd.	229.00	100	Nil	Nil	Nil		3	Y.F.
1,38,80,000	14,44,223	1,99,82,994§§	....	2,16,378	P. Acutis, Esq. (Mg. Director) ..	Delhi Flour Mills Co., Ltd.	8.44	10	Nil	Nil	Nil		12	Y.
5,60,000	10,00,660	39,04,879	26,56,156	3,266	Andrew Yule & Co., Ltd. ..	Dunlop Rubber Co. (India) Ltd.	16.00N	10	0.75	0.75	0.83H	0.75	12	Y.
3,00,00,000	5,12,37,509	9,62,33,758	3,45,33,270	24,03,447	M.	Ecor Meakin Breweries	40.75	10	1.00	1.00			12	Y.F.
19,91,610	81,24,269	50,59,114	20,01,994	7,929	John Lockham, Esq. (Mg. Director) ..	Eastern Investment Ltd.	19.00	5	1.62	1.62			12	Y.
91,26,000	57,17,447	1,09,56,115	....	3,52,237	M.	Enfield India Ltd.	134.00	100	0.60	0.75	2.15		12	Y.P.
14,99,000	3,52,644	48,20,791	7,18,280	4,810	Bird & Co. Private Ltd. ..	Ganesh Flour Mills Co., Ltd.	15.20	10	9.00	9.00			3	Y.
48,90,137	77,72,310	95,23,776	52,36,250	4,07,393	S. K. Kanoria, Esq. (Mg. Director) ..	Ganges Rope Co., Ltd.	12.50N	12.50	Nil	Nil	14.00		3	Y.F.
14,00,000	14,16,121	37,08,175	22,56,456	70,652	Martin & Burn Ltd.	General Papers Ltd.	216.00	100	1.50	1.50	0.50		12	Y.
7,50,000	4,20,000	1,21,085	43,931	5,551	Gany & Co.	Gillanders Arbuthnot & Co., Ltd.	12.12xd	10	0.80	15.00	17.00	17.50	12	Y.
65,00,000	39,20,000	29,07,543	14,24,655	1,57,026	P. E. G. Woodbine Parish, Esq. ..	Godfrey Phillips India Ltd.	12.25	10	1.00	1.25	1.25		3	Y.
40,00,000	4,73,500	70,41,493	41,39,147	10,40,721	D. S. Barron, Esq. (Chairman) ..	Great Eastern Hotel	24.37N	10	1.00	1.00	1.00		3	Y.
30,00,000	15,67,354	84,64,988	38,51,718	59,181	R. P. R. Syndicate	Hindustan Aluminium Corp. Ltd.	250.00	250	1.50	2.00	2.00		3	Y.F.
4,96,13,250	19,51,174	5,80,44,564	2,86,53,383	5,18,731	Birla Brothers Private Ltd. ..	Hindustan Pilkington Glass	18.00	10	Nil	Nil			12	Y.
80,00,000	16,64,523	99,48,417	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd. ..	Imperial Tobacco Co. of India Ltd.	27.00	10	Nil	Nil	1.50		12	Y.
15,16,00,000	9,61,76,893	11,21,66,117	2,85,72,905	24,77,765	Mr. F. A. Collier (Chairman) ..	Indian Aluminium Co., Ltd.	27.00	10	0.70	0.70	0.70		12	Y.
3,97,67,760	2,01,79,740	9,72,38,273	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman) ..	Indian Cables	27.00	10	0.60	0.70	1.20	0.80	3	Y.
2,35,77,700	2,02,99,643	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director) ..	Indian Oxygen Ltd.	38.25	10	1.50*	1.50*	1.50*	1.20	12	Y.F.
2,00,00,000	99,92,076	5,26,27,793	2,14,73,994	9,72,583	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Plastics Ltd.	11.00	10	1.00	1.00	1.50*	2.25	3	Y.P.†
29,88,250	39,500	49,12,112	15,93,066	2,457	Birla Gwalior Private Ltd. ..	Indian Rubber Manufacturers	18.00	10	0.37	Nil	Nil		9	Y.
8,27,970	6,14,570	17,46,166	10,03,558	97,031	M.	Jardine Henderson	67.00	10	0.62	Nil	Nil		3	Y.
2,00,00,000	72,62,100	41,08,517	14,59,867	5,40,165	J. D. K. Brown, Esq. (Mg. Director) ..	Madhya Pradesh Industries Ltd.	14.76	100	2.50	2.50	5.00		3	Y.P.
15,00,000	14,50,000	18,54,004	12,14,166	56,593	J. K. Acutis Private Ltd. ..	Martin Burn Ltd.	26.31	10	2.00	3.50	2.50		3	Y.P.
1,45,85,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director) ..	McLeod & Co., ...	200.00xd	O. 100	2.12*	2.12*	2.75		3	Y.F.
40,00,000 O.	74,10,730	31,01,156	12,70,257	2,42,718	M.		12.50	D. 10	12.50	12.50	12.50		9	Y.F.
5,00,000 D.						Metal Box Co. of India Ltd.	44.50	10	0.75	0.75	15.00			
1,60,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman) ..	Mysore Electrical Industries Ltd.	172.80	100	1.75	1.75	1.75		12	Y.F.
9,05,000	3,88,838	12,14,622	5,16,829	4,812	N. G. Ayyangar Esq. (Mg. Director) ..	Mysore Lamp Works	26.25xd	10	8.00	11.00	15.00	2.50'G'	3	Y.P.
6,56,250	6,92,500	11,29,080	5,97,362	8,849	Mr. J. L. B'Sa (Chairman) ..	Mysore Tobacco	14.05xd	10	1.25	1.50	15.00		3	Y.
10,00,000	3,41,884	17,87,071	9,84,524	200	M. Mukund (Mg. Director) ..	National Insulated Cable Co.	29.94	10	1.50	1.25	1.60		3	Y.
59,97,500	1,19,25,897	1,19,96,737	40,07,165	46,185	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Pipes & Tubes Co., Ltd.	18.31	10	2.00	2.00	1.25		3	Y.P.
30,00,000	17,70,000	49,56,249	25,37,450	82,884	Do.	National Rolling & Steel Ropes	15.87	10	2.00	2.00	2.00		3	Y.
40,00,000	28,64,825	82,88,459	29,90,674	20,079	K. N. Mookerjee, Esq. (Mg. Director) ..	National Rubber Manufacturers Ltd.	16.25	10	0.60	1.00	1.50		3	Y.P.
49,97,064	9,15,876	83,55,363	33,67,559	14,523	R. N. Shaw & Co. Private Ltd. ..	National Tobacco Co.	19.19	10	0.60	0.60'G'	0.85		3	Y.P.
79,97,000	1,02,39,381	1,36,71,675	75,46,474	7,07,850	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	47.00N	75	0.90	0.90'G'	0.85		6	Y.F.
23,32,100	11,02,391	40,65,244§§	....	45,497	Parry & Co., Ltd.	Parrys Confectionery Ltd.	4.42	1	2.50	3.75	1.60		12	Y.
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	P. C. Vink, Esq. (Mg. Director) ..	Phillips India Ltd.	27.50	10	2.50	2.50	6.50		12	Y.F.
2,20,00,000	50,08,956	1,48,74,355	48,82,803	47,214	Duncan Brothers & Co., Ltd. ..	Phillips Carbon	18.00	5	0.34	0.20	0.50		12	Y.
62,50,000	....	....	....	....	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4.85	5	....	0.85	1.20	0.80	3	Y.
24,89,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman) ..	Radio & Electricals Mfg. Co., Ltd. ..	18.20xd	10	0.45	0.675	....		12	Y.
26,00,000 O.							115.50	100	1.30	1.60	1.60		12	Y.
1,72,780 D.	50,000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd.	Bajaj Electricals.	....	10	7.50	9.00	5.00		12	Y.
2,25,00,000	40,500	66,75,349	30,89,526	2,54,744	M. P. A. Paspatti, Esq. (Mg. Director) ..	Ralli India Ltd.	122.50	100	1.18	2.06			3	Y.
2,50,80,000	2,20,45,000	14,54,58,905	5,52,72,716	5,773	Sahu Jain Ltd.	Rohtas Industries	22.81	10	....	Nil	Nil		3	Y.F.
4,73,200	99,259	31,10,322	9,26,651	28,722	Sathe Food Inds, (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd.	100.00N	100	....	2.00	Nil		3	Y.F.
5,13,400							50.00N	50	6.00	6.00	1.50		3	Y.F.
70,00,000	48,73,198	2,58,69,676	52,19,131	1,60,686	M.	Sen-Raleigh Industries	25.37	10	3.00	3.00	6.00		3	Y.F.
75,00,000	45,78,890	1,17,60,538	28,07,280	5,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co., Ltd.	24.75	10	0.60	0.80	0.80		3	Y.F.
40,00,000	96,89,310	1,32,79,060	76,26,029	8,41,274	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	21.87	10	1.00	1.00	0.80		3	Y.F.
27,00,180	20,65,900	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	17.12xd	10	1.50	1.50	1.50		3	Y.F.
15,00,000	95,24,802	1,18,49,116	28,52,132	53,451	J. K. Agents Private Ltd.	Steel Products Ltd. S	12.32N	10	1.25	0.75	0.90	0.60	12	Y.F.
22,89,270	12,50,000	12,58,053	8,25,089	10,07,057	M.	Tractors (India) Ltd.	29.00	10	1.25	1.25	1.50		12	Y.F.
9,98,980	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.50	10	2.00	2.25	3.00		12	Y.
11,56,300	14,70,739	12,72,077	6,76,530	41,722	E. H. Stanes, Esq. (Mg. Director) ..	T. Stanes & Co., Ltd.	32.55xd	10	2.00	2.00	2.00		12	Y.
2,49,99,600	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar (Chairman) ..	Tube Investments of India Ltd.	317.00xd	100	10.00	10.00	10.00		12	Y.
30,58,950	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd. ..	Tungabhadra Industries Ltd.	10.00	10	Nil	Nil	10.00		9	Y.P.
2,00,00,000	1,15,35,505	3,85,11,692	31,31,873	43,53,429	J. R. Galloway, Esq. (Mg. Director) ..	Union Carbide India Ltd.	60.50	10	1.40	1.40	Nil		7	Y.
8,00,000	12,00,000	26,58,720	29,58,716	27,831	Vital Maliya, Esq. (Chairman)	United Breweries Ltd.	114.50	10	20.00	60.00	1.80		9	Y.T.
5,00,000	6,80,591	8,62,358	5,62,017	9,730	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	40.00N	10	4.00	3.75	63.00(a)		12	Y.
31,29,500	25,59,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	230.00xd	100	10.00	19.00	5.25		3	Y.
											10.00	10.00'G'	11	Y.
													8	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	32,36,200	1,09,35,072	77,39,072	89,129	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	20.69	10	1.25	1.25	1.50		3	Y.
12,00,000	6,14,541	35,95,654	33,74,696	—2,35,349	Jardine Henderson Ltd.	Barraree Coke	14.00	10	0.90	0.50	Nil		3	Y.
4,49,850	88,000	9,25,102	5,59,380	1,317	Kalyanji Mavji & Co.	Bengal-Bhatdee	6.00	10	0.90	0.50	2.00		3	Y.
1,00,00,000	1,84,79,081	6,98,53,688	4,68,54,445	10,20,411	Andrew Yule & Co., Ltd.	Benzal Coal	323.00	100	17.50	17.50	25.00		3	Y.
2,25,000	4,90,671	23,57,602	21,45,467	—24,002	Andrew Yule & Co., Ltd.	Bengal-Narpur	23.00	10	Nil	Nil			12	Y.
40,00,000	10,28,269	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	4.69	10	0.60	0.60	Nil		12	Y.
7,15,000	10,15,172	49,80,946	34,84,101	—4,92,636	M.	Bhulanbararee	6.50N	10	Nil	Nil			10	Y.P.
7,50,000	20,32,392	45,36,993	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd. ..	Borrea	20.25xd	10	0.75	0.75	1.00		12	Y.
90,92,480	1,77,68,288	4,68,82,424	2,17,98,561	1,10,738	Bird & Co. Private Ltd.	Burrakur	17.37	10	0.37	0.37½	1.80		6	Y.P.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd. ..	Central India	10.81	10	0.50	0.50			12	Y.P.
3,00,000	1,54,873	49,58,445	33,71,353	23,320	M.	Central Kurkend	8.00N	10	0.70	0.50			12	Y.
6,00,000	....	6,36,341(k)	....	941	F.W. Heilgers & Co. (Private) Ltd. ..	M.	3.25	4	0.20	0.20			12	Y.P.T.
16,00,000	....	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	7.94	10	Nil	Nil	0.12		3	Y.
£240,000	£370,709	£1,094,395	£704,405	£9,562	Jardine Henderson Ltd.	East Indian	30.25	£1	1.50	1.00			12	Y.
29,63,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	25.75	10	1.50	1.50	1.25		12	Y.
10,00,000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	12.00N	10	Nil	Nil	0.75		12	Y.
12,00,000	1,27,064	43,44,376	27,68,441	—1,87,129	Macneill & Barry Ltd.	Hingir-Rampur	23.00	50	Nil	Nil			4	Y.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	12.00	10	Nil	Nil	Nil		12	Y.
20,00,000	3,47,660	37,92,776	8,93,679	20,442	Bird & Co. Private Ltd.	Karanpura Collieries	160.00	100	Nil	Nil		Nil	3	Y.P.T.
5,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Kardih	40.00xd	10	6.50	6.50	5.00		3	Y.
10,00,240	68,356	16,86,967	10,94,163	13,271	Macneill & Barry Ltd.	Kasuria	7.25N	10	Nil	Nil	9.50		12	Y.P.
9,00,000	10,50,782	26,36,712	22,94,328	3,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	15.00N	10	0.12	1.00		9.50	2	Y.
7,48,240	2,50,000	13,59,878	10,13,353	17,140	Bird & Co. Private Ltd.	Nazira	8.12xd	10	0.75	0.75	1.00		3	Y.P.
17,76,280	23,80,325	1,52,03,776	1,01,37,915	81,185	Tantia Brothers Private Ltd. ..	New Beerbhoom	22.87	10	0.75	1.00	1.00		1	Y.
6,00,000	76,179	33,16,876	22,81,014	1,34,222	Andrew Yule & Co., Ltd.	New Manbhoom	18.00	10	0.50	1.50	1.50		6	Y.
1,15,000	3,84,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd.	North West	24.37N	10	1.50	1.50	1.50	1.00	12	Y.
1,57,500							18.00N	7.50	1.12	1.50	1.50	1.00	10	Y.
7,50,000	16,65,466	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman)	Ondal	11.00	10	0.50	0.50	1.12	0.75	3	Y.
5,84,000	1,39,915	29,18,119	11,33,398	3,885	Deepchand Kishenlall	Parasea	16.00N	10	0.50	0.50	0.70	0.75	3	Y.
15,75,000	20,39,900	68,60,103	44,84,103	32,685	Shaw Wallace & Co., Ltd.	Pench Valley	20.75	10	2.00	2.00	2.00		3	Y.
28,99,500	32,78,697	1,47,24,692	1,01,33,389	5,489	Andrew Yule & Co. Private Ltd. ..	Raneegunge	17.00	10	0.75	1.00	1.00		12	Y.P.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	B. N. Elias & Co. Private Ltd. ..	Rewa	22.00	10	1.00	1.00	1.00		12	Y.P.
37,50,000	36,62,393	1,08,14,676	34,23,229	—6,590	Shaw Wallace & Co., Ltd.	Samla Collieries	8.50N	10	0.90	0.90	1.00		12	Y.P.T.
13,00,000	2,83,010	22,73,864	7,51,427	2,609	M.	Selected Satgram Collieries.	130.00	100	9.25	12.50	0.70		3	Y.
2,50,000	60,000	14,29,679	12,57,285	8,302	S. D. Sethia & Co. Private Ltd. ..	Searsole	1.00	2.50	0.12	Nil	16.00		3	Y.
2,80,000	10,53,329	30,28,230	20,57,054	45,862	M.	Seebpore	32.62	7	1.75	Nil			3	Y.
8,00,000	4,54,665	11,88,809(k)	....	5,451	Andrew Yule & Co., Ltd.	Sendra	8.75	10	0.25	Nil	9.00		12	Y.
68,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	F. W. Heilgers & Co. (Private) Ltd. ..						0.25		12	Y.
					Industries (I. F.) Department (Govt. of Andhra Pradesh) ..	Singareni	10.50xd	10	1.50	0.75			12	Y.P.
17,50,000	8,47,303	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	South Karanpara	10.81	10	0.75	0.75	0.75		12	Y.
8,00,000	15,46,229	24,83,605(k)	....	24,861	F. W. Heilgers & Co. (Private) Ltd. ..	Standard	13.00	10	1.80	1.25	0.90		12	Y.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,962	Williamson Magor & Co., Ltd. ..	Union	12.00	10	0.37	0.25	1.50		12	Y.
49,98,000	3,56,533	86,93,251	32,76,682	7,982	Hindustan Investment Corpn. Ltd. ..	Western Bengal	7.69	10	0.50	0.40			12	Y.
7,00,000	....	53,74,151	29,16,909	12,536	Macneill & Barry Ltd.	West Jamuria	6.50	10	Nil	Nil	0.40	0.60	12	Y.
													12	Y.
													12	Y.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	100.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	6.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sep.	82.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-21	8.00	Feb.	Aug.	110.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July	Apr.	6.40	5
East India Distilleries T.F.C. ..	£500,000	1897	7.00	Jan.	July	16.50	£1
Gwalior Sugar R.D.	6,75,000	1910	7.00	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	66.00	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	12.00	10
Ramnuggar Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	78.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	62.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	8.75cd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	122.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	83.00	100
Burrakur (1st) T.F.C.	22,93,800	1901-19	7.00	Apr.	Oct.	91.00	100
Do. (2nd) C.	4,50,000	1946	6.00	Mar.	Sept.	7.50	10
Equitable T.F.C.	4,00,000	1895	6.00	..	..	77.00	100½
Karanpura Collieries C.	9,89,500	1946	5.50	Mar.	Sept.	57.25	75p.
††Khas Kajora C.	1,93,000	1931	5.00	Jan.	July	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr.	Oct.	80.00xd	100
COTTON							
Ahmedabad Advance T.F.C. ..	10,00,000	1939	5.00	Apr.	Oct.	79.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	115.00	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	8.50	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	55.50	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7.50	Jan.	July	125.00	100
Cambodias C.T.F.	1,00,000	1923	7.00	Apr.	..	108.00	100
Central India T.F.	50,00,000	1912	6.00	Apr.	Oct.	107.25	100
Century Spg. & Mfg. Co. T.F.B.C.	1,25,00,000	1946	6.50	June	..	278.75	100
Coimbatore Pioneer C.T.F.	1,00,000	1946	6.00	May	..	112.00cd	100
Elgin T.F.C.	11,00,000	1912	8.00	July	..	7.00cd	10
Elgin 'B' T.F.C.	4,20,000	1948	8.00	May	Nov.	62.50	100
Elphinstone C.	25,00,000	1919	7.00	June	Dec.	109.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	Nov.	..	75.00	10
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Dec.	..	9.30	5
Kothari C.T.F.	18,00,000	1937	6.00	..	..	10.00N	250
Kothari 'B' (Pref.) T.F.C.	6,00,000	..	6.00	..	..	152.50	100
Lakshmi Cotton (Bombay) C. ..	16,00,000	1898	5.00	..	..	71.50	100
Morarjee Goculdas Spg. & Wvg.T.F.C.	17,25,000	1947	4.50	Jan.	..	25.00	50
Mysore Spg. C.	7,45,000	1944	4.50	..	..	60.00	100
National Rayon C.	1,74,64,700	1947	5.00	..	..	105.00	100
New Great	8,00,000	1913	5.50	Mar.	..	65.00	100
Podar Mills T.F.C.	10,00,000	1943	6.00	Feb.	..	47.73	50
Rajalakshmi C.T.F.	2,00,000	1922	6.50	Apr.	..	66.00	100
Shree Niwas Cotton T.F.C.B. ..	4,80,000	1944	4.00	..	..	66.00	100
Sholapoor T.F.C.B.	32,00,000	1942	5.00	..	..	84.00	100
Svadeshi T.F.C.	15,00,000	1935	6.00	Apr.	Oct.	71.00	100
Svadeshi (Kanpur) T.F.C.	25,00,000	1927	6.00	June	..	8.20	10
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	96.75xd	100
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	99.00xd	100
Do. (2nd) C.T.F.	1,50,000	1938	7.00	..	..	422.50	500
Vishnu C.	15,66,500	1908	7.00	Apr.	..		
ELECTRICS							
Andhra Valley Power Supply C. ..	49,34,000	1917	7.00	May	Nov.	1,040.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	..	5.50	..	..	77.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June	Dec.	9.12	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50 }	Sept.	Dec.	{ 8.55	10
Do. (2nd) C.T.F.	8,00,000	1940	5.50 }			{ 8.75	10
Surat Electric Co. C.T.F.	5,00,000	1928	6.50	Apr.	..	108.00	100
Tata Hydro Electric Power C. ..	86,97,000	1918	7.50	May	Nov.	103.50	100
Tata Power T.C.	1,25,000	1928	6.00	Dec.	..	1,101.25	1,000
Vellore C.						6.75cd	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C.	1,50,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	13,00,000	1896-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	107.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,60,95,400	1950	5.00	Dec.	..	91.00	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June	..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	85.00	100
Kamani Engineering C.R.	15,00,000	1945	5.00	July	..	56.00	100
††Kumardhubi Engineering T.F.C. ..	12,00,000	1915	4.00	June	Dec.	85.00N	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	5.00	..	..	97.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May	..	86.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	79.50	100
Premier-Construction (1st) C. ..	10,00,000	....	6.25	..	..	72.00	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	..	..	5.36	10
Do. do. (3rd) C. ..	56,25,000	1947	4.50	..	..	141.50	150
Tata Iron and Steel (1st) C. ..	75,00,000	1908	6.00	Nov.	..	109.00xd	100
Do. do. (2nd) C. ..	6,93,81,900	1908	7.50	May	..		
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	91.00	100
Alexandra T.F.C.	9,00,000	1903	7.00	Feb.	Aug.	90.00	100
Alliance T.F.C.	16,00,000	1895	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	97.00	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	74.00	100
Do. (2nd) (i) C.	10,00,000	1909	7.00	June	Dec.	88.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	93.50	100
Barnagore C.	£200,000	1896	6.00	May	Nov.	88.00	25
Belvedere T.F.C.	7,00,000	1908	7.00	Jan.	July	88.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	87.00	100
Bridge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.00N	100
Caledonian T.F.C.	10,00,000	1918	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	87.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	87.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	70.00	100
Do. (A) (2nd Pref.) T.F.C. ..	8,00,000	1906	7.00	May	Nov.	80.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	105.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Jan.	Aug.	90.00	100
Fort Gloster T.F.C.	14,00,000	1890-98	7.00	May	Nov.	115.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	73.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00xd	100
Ganges T.F.C.	6,00,000	1918	6.00	June	Dec.	100.00	100
Gourepore T.F.C.	25,00,000	1895-04	6.00	May	Nov.	78.00	100
Hastings T.F.C.	28,50,000	1935	6.00	Mar.	Sept.	84.00	100
Hooghly T.F.C.	11,76,000	1913	10.00	May	Nov.	9.02	10
Howrah T.F.C.	8,75,000	1899	7.00	May	Nov.	96.00	100
Do. T.F.C. (f)	17,50,000	1903-6	7.00	May	Nov.	94.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	78.00	100
Kankanrrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	93.00	100

JUTE—*Continued*

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	92.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	80.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	92.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	95.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	93.00	100
Do. (B) T.F.C.	10,00,000	....	5.50	Dec.	..	72.00	100
Nahlati T.F.C.	7,50,000	1905	7.00	May	Nov.	90.00	100
Do. (2nd) (f) T.F.C.R. ..	10,00,000	1945	4.50	June	Dec.	67.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	82.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	91.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	74.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	80.00	100
Sammuzur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Seerah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	100.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	92.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	92.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverly T.F.C. (f)	7,50,000	1918	5.00	Mar.	Sept.	39.50	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	52.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	8.62	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C. ..	£244,030	1899	6.00	Mar.	Nov.	69.00	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	..	..	82.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	37.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	105.00	100
Birpara T.F.C.	1,00,000	1900-08	8.00	Jan.	..	100.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	99.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	80.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	109.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	100.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec.	..	95.00	100
Moheema T.F.C.	3,20,000	1928	6.00	May	Nov.	9.37	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan.	July	105.00	100
New Samanbagh T.F.C.	1,00,000	1903	8.00	Nov.	..	91.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	93.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	100.00	100
***Tezpore C.	2,05,000	1922	8.00	Jan.	..	10.25	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May	Nov.	14.00	100
PLANTING							
Be Be Rubber C.	1,45,005	1944	6.25	..	..	2.70	5
Do. R.C.	2,85,570	1944	6.25	..	..	6.02	10
Cochin Malabar C.T.F.	1,13,300	1922	7.00	June	..	79.75	50
Coffee Lands C.T.F.	1,50,000	1926	5.00	..	..	74.00	100
Coonoor Tea C.	1,00,000	1927	6.00	Apr.	..	89.65xd	100
Cottanad C.T.F.R.	2,00,000	1936	7.50	Nov.	..	10.80	10
Devon Tea C.T.F.	3,00,000	....	7.50	July	..	95.00	100
Highland Produce C.T.F	18,00,000	1943	6.00	July	Jan.	8.03	10
Neelamalai C.T.F.	2,81,250	1942	6.00	Jan.	July	7.17	10
Nilgiri Tea C.T.F.	1,50,000	1942	6.50	July	..	3.77xd	5
Pullangode C.T.F.	6,00,000	....	6.00	Mar.	..	8.05	10
Teekoy Rubber C.T.F.	16,00,000	....	6.00	Mar.	Sept.	7.20xd	10
T. R. & T. Co. C.T.F.	5,00,000	1943	6.00	June	Dec.	7.05	10
Waterfalls R.C.T.F.			6.00	Nov.	..	9.50	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	91.50	100
Do. do. (2nd) T.F.R.C. ..	5,00,000	..	5.00	June	..	86.00	100
Alkali & Chemicals T.F.C.	81,00,000	1937	5.00	..	..	99.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	6.00(t)	Apr.	..	97.00	100
Andhra Cement C.T.F.	21,67,000	1918	6.00	Feb.	June	101.80	100
Associated Hotels of India C. ..	9,00,000	1925	7.50	Mar.	Sept.	52.00	100
Bengal Chemicals T.F.C.	2,00,000	1908	7.00	Aug.	..	12.00	10
Bengal Paper Mill T.F.C.	4,00,000	1928	7.00	Mar.	Sept.	51.00	50
Do. "B" T.F.C.	20,00,000	1948	6.00	..	..	104.00	100
Bengal Lumber Trading T.F.C. ..	3,00,000	1896	8.00	Aug.	..	65.00	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	7.75N	100
British Ceylon Corporation C. ..	17,50,000	1918	6.00	Feb.	Aug.	15.00xd	10
British India Corporation T.F.C.	51,00,000	1920	8.00	Feb.	..	8.00N	5
British Insulated (Bharat) C.T.F.	61,58,210	1937	6.00(t)	Sept.	..	109.00	100
Dalmia Cement (Bharat) C.T.F. ..	51,91,900	1956	6.00	..	..	9.00xd	10
Dharangadhra Chemicals T.F.C.R. ..	79,93,875	1944	5.00	Dec.	..	88.50	100
Shree Digvijay Cement T.F.R.C. ..	30,00,000	1928	6.00§	June	Dec.	82.80	100
Dunlop Rubber Co. (1st) T.F.C. ..	40,00,000	1936	6.00	Apr.	..	111.00	100
Dunlop Rubber Co. (2nd) C.	1,00,000	1946	6.00	Feb.	Aug.	84.00	100
General Investment Trust (1st) T.F.C.	1,00,000	..	6.00	Feb.	Aug.	99.00xd	100
Do. do. (2nd)	25,00,000	..	5.00	Apr.	Oct.	50.00xd	100
Gillanders Arbuthnot(f) B.C. ..	1,60,67,250	1958	6.00	Mar.	..	56.00	100
Hindustan Motors T.F.R.C.	12,00,000	1933	6.00	..	..	183.00	100
Humayan Properties T.F.C.	29,85,000	1946	7.50	Oct.	..	7.00	10
India Cement C.	40,00,000	1948	5.00	June	..	88.00xd	100
Indian Aluminium (g) C.R.	50,00,000	1921	7.00	Jan.	July	70.00	100
Indo-Burma Petroleum C.	12,37,750	1923	6.00	June	Dec.	87.00	33
Indian Cable (m) C.	8,28,000	..	5.00	Apr.	..	33.00	10
India Rubber Mfrs. (n) T.F.C.R. ..	50,00,000	1946	5.50	Dec.	..	72.00	100
Jardine Henderson C.	20,00,000	..	5.50	May	..	57.00	100
Kettlewell and Bullen (1st) C. ..	10,00,000	..	4.00	May	..	50.00	100
Do. do. (2nd) T.F.C.	2,00,000	1915	7.00	June	Dec.	56.00	100
Kumardhubi Fireclay & Silica C.R. ..	30,00,000	1945	5.00	Apr.	Oct.	93.00N	100
Martin Burn (k) T.F.C.R.	10,00,000	1930	6.00	Jan.	July	91.00	100
McLeod and Co. (1st) C.	40,00,000	1936	5.00	July	Jan.	50.00	100
Do. (2nd) F.C.	30,00,000	..	6.00	..	..	63.00	100
Metal Box Co. C.R.	20,00,000	1903-18	6.00	Feb.	Sept.	87.00	100
Mettur Chemicals (Old) C.T.F. ..	2,00,000	1930	6.00	June	..	98.75	100
Mysore Chemicals Mfrs. C.T.F. ..	2,50,000	..	4.00	Aug.	..	36.40	10
Mysore Lamps R.C.T.F.	25,00,000	..	5.00	Mar.	Sept.	6.80	10
National Tobacco (Old) (p) T.F.C.R.	75,00,000	..	6.00	Mar.	Sept.	70.00	100
Do. do. (New) (q) T.F.C.R. ..	20,00,000	1936	5.50	Jan.	..	92.00	100
Orient Paper T.F.C.R.	60,00,000	..	5.50	Apr.	Oct.	83.00	100
(2nd) (r) C.R.	20,00,000	1936	7.00-9.00	Apr.	..	63.00	100
Rohtas Industries (Old) T.F.C. ..	85,04,700	..	4.00	Apr.	..	115.00	100
Do. do. (New) T.F.C.	5,00,000	1920	10.00	Apr.	Oct.	58.00	100
†Smith Stanistreet & Co. T.F. ..	23,20,000	1898	6.50	Jan.	Aug.	70.00	50
Spencer & Co. "A" C.	36,80,000	1922	8.50	Jan.	July	8.35	10
Do. "B" C.	75,00,000	1955	8.50	Jan.	July	58.70	100
Standard-Vacuum C.	10,00,000	..	5.00	June	Dec.	10.75	10
Star Paper T.F.C.	50,97,000	..	6.00	Mar.	Sept.	93.00	100
Tata Chemicals T.F.C.	29,88,800	1946	4.50	June	..	74.00	100
Tata Oil Mills C.	11,50,000	1899	4.50	July	..	88.70	100
Titagur Paper Mills T.F.C.	15,00,000	1934	4.50	Jan.	June	80.00	100
Do. do. (2nd) T.F.C.				Jan.	July	120.00	100
						79.00	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 month's notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares after any time at Rs. 115 on one month's notice. (n) Redeemable at par after 1st January 1954. (o) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (q) Redeemable at to 9 per cent. (t) Free of Income-tax upto 6 nh. in the £. (u) Redeemable at par on 3 months' notice. (s) Participating on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Partly paid.

COMMERCE

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

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CONGRESS DEBATE ON THIRD PLAN

AT Shuklanagar over the week-end, Mr. U. N. Dhebar, while moving the principal resolution on the third Plan, wanted the All-India Congress Committee to approve it "with the consciousness that is required in democratic, socialist planning." What actually happened was, however, the very reverse of what Mr. Dhebar wanted. How else can the A.-I.C.C.'s uninterested but unanimous approval of the resolution be described? True, most members of that supreme Congress body were too obsessed with the elections to its Central Election Committee to give thought either to the basic premises or to the related details of the third Plan. But this only explains, not justifies, the desultory character of the debate in a political forum which is sometimes described as the nation's unofficial parliament. If most members took little or no interest in the debate but still passed the resolution unanimously, they were either absent-minded or lacked the kind of conciousness which the mover of the resolution had. Perhaps, in only one sense was this nothing like a dire misfortune; for, if the A.-I.C.C. members lacked the "democratic" consciousness required in planning, they also lacked the "socialist" consciousness! He should be a less than perspicacious observer who would say that the A.-I.C.C. is uniformly dedicated to the socialist proposition and, in this, it is a homogeneous entity. What the Congress seems to have accepted, albeit undoubtedly with some reservations, is Nehruvian Socialism and, that too, more out of a sense of devotion to Mr. Nehru's personality than out of any reasoned conviction.

This Nehruvian Socialism, repeatedly described by its author as anything but dogmatic, has at least one major dogma in it—the dogma that the public sector alone could get heavy industries going and thereby bring about industrialisation. Mr. Nehru's contention at the A.-I.C.C. meeting was that the private sector had neither the capacity nor the mental approach to set up heavy industries because, in his view, it was obsessed with securing quick dividends. Both the dogma and the contention, it would appear, have a couple of fallacies in them. One of these is that heavy industrialisation would necessarily have to be initiated by the State because it is thought of, by implication or otherwise, as an attribute of socialism. What is overlooked here is the historical fact that heavy industrialisation had been initiated by private enterprise in the advanced countries of the West. And the other fallacy is that the private sector in India does not have the 'capacity' to undertake heavy industrialisation. It is conveniently forgotten here that the private sector has been deprived of that capacity in two ways—first, through the Industrial Policy Resolution of 1956 and, secondly, through a fiscal and financial policy that leaves very little in the common pool of savings for the share of the private sector which is, thus, not in a position to mobilise the large investible resources required by heavy industries. To say that the private sector does not have the mental approach to set up heavy industries would also be less than fair. By all accounts, this sector is willing to play its part if only it is allowed to do so in collaboration with foreign private enterprise which will bring in the required technical know-how and foreign exchange resources. Only the dogma that heavy industries should belong to the socialised sector stands in the way. Since this dogma has been laid down emphatically by Mr. Nehru himself, it is not surprising that no member of the A.-I.C.C. chose to criticise it.

The A.-I.C.C. debate was otherwise notable for some constructive criticism of planning policies. Mr. Ajit Prasad Jain, former Food and Agriculture Minister, for instance, rightly criticised the Planning Commission for not according top priority to family planning for the propagation of which a committee of the Health Ministry had recommended an outlay of Rs. 100 crores during the third Plan. Since the food and population problems are inter-related and bound to become more acute at the end of the third Plan than at its beginning, the effort to bring down the birth rate would have to be intensified from now. Mr. Jain's contention that the Planning Commission had arbitrarily cut down the outlay under the family planning head to Rs. 25 crores and that this reduction would mean abandonment of plans for many more clinics and distribution of contraceptives had, therefore, a lot of force in it. He was likewise in the right where he made the point that, with the allocations now proposed for agriculture, its physical targets might not be achieved. Mr. Jain, however, did not suggest ways and means of increasing the effective resources for agriculture without disturbing the Draft Outline's pattern of outlays by sectors. That this can be done has been indicated in a leading article entitled "Resources for Agriculture"

EXPORTS OF SPICES

THE Spices Export Promotion Council, which was inaugurated at Ernakulam last week by the Union Deputy Minister for Commerce and Industry, Mr. Satish Chandra, meets a real need. Although India's name has down the ages been associated with the export of spices, there is now a genuine need for a special body which can take upon itself the responsibilities for furthering the cause of export of this variety of agricultural produce. This is because the export trade in spices continues to be threatened by other rivals. The Council will, therefore, have a somewhat difficult task in defending the present level of export and an even more difficult task in increasing the export trade.

India's exports of spices in the first half of the current year were valued at Rs. 10.21 crores, as against Rs. 10.44 crores in the whole of 1959 and Rs. 9.33 crores in the whole of 1958. These figures suggest that India's export trade has picked up. But it is well to remember that other producers are offering keen competition in world markets, so that, unless this country is constantly alive to the importance of prices and quality, there is a danger that the improvement in trade which has taken place in the first half of the year may not be maintained. Among other rivals to India, mention may be made of Borneo and Sarawak for pepper, Zanzibar for cloves, Jamaica and Sierra Leone for ginger and Guatemala for cardamom.

Among India's spices, the pride of place is taken by pepper. In the first half of the current year, its exports were valued at Rs. 6.79 crores, as against Rs. 4.27 crores in the whole of 1959 and Rs. 2.98 crores in the whole of 1958. India should be able to develop a sizable surplus in pepper for export purposes, considering that its consumption is placed at 9,000 tons, as against its output of pepper estimated at about 26,000 tons. World output this year is expected to be of the order of 59,000 tons. At the same time, world consumption is likely to move up to about 61,600 tons, of which the U.S. alone will account for 17,000 tons. Of the other major producers, Indonesia and Sarawak account for 19,500 tons and 8,500 tons, respectively. In view of the fact that world consumption is ahead of world production, there is bound to be a genuine demand for pepper from this country. A disturbing feature of world pepper economy in general, and Indian pepper economy in particular, has been the wide fluctuations in pepper prices. This often results in unexpected prosperity or unlooked for poverty for producers. This is a circumstance which is not conducive to the maintenance of a constant and prosperous export trade. Unless prices are maintained at reasonable levels after allowing for normal fluctuations arising from disturbances to supply and demand, India's export trade in pepper is bound to suffer. There is no reason why the Government should not consider pepper as an eligible candidate for receiving price support aid. In any case, any arrangement which is calculated to hold the prices at reasonable levels will increase the foreign offtake of this produce. Overseas buyers must be assured that supplies from this end will be available at all times and at correct prices.

The chief problem, however, is to increase the export surplus in pepper. This can be done only through extending the area under pepper cultivation and increasing the per-acre yield of pepper. It may be mentioned here that the third Five-year Plan aims at augmenting the area under pepper by 7,000 acres to about 240,000 acres. Other elements in the programme for pepper are replacement of non-bearing vines by superior high-yielding vines and extension of plant protection measures to an area of 20,000 acres. These measures are expected to raise the production of black pepper to about 30,000 tons by 1965-66. In the draft third Plan for Kerala, a provision of Rs. 35.71 lakhs has been included for pepper development. The schemes contemplated include grant of long-term loans to pepper growers for new planting, intensive cultivation and application of fertilisers. It would appear that at present there is practically no fertiliser application for pepper vines in this chief pepper growing region. There is no doubt that the adoption of superior agricultural practices will lead to increased production and also bring higher incomes to farmers.

Next to pepper in importance as a foreign exchange earner is cardamom. In the first half of the current year, exports of cardamom were valued at Rs. 1.57 crores, as against Rs. 3.29 crores in the whole of 1959 and Rs. 3.57 crores in the whole of 1958. The production of cardamom is expected to increase to about 2,260 tons in 1960-61, as against a mere 1,400 tons a decade ago. In the third Plan, a programme for cardamom includes the establishment of a factory in Kerala and the extension of the area under cardamom by 16,000 acres. These measures are expected to increase cardamom production to about 2,625 tons by 1965-66.

Under the next group of spices may be included ginger, turmeric and chillies; in the first half of the current year, the exports of these three commodities were valued at Rs. 35 lakhs, Rs. 20 lakhs and Rs. 49 lakhs, respectively, as against Rs. 52 lakhs, Rs. 26 lakhs and Rs. 31 lakhs in 1959 and Rs. 51 lakhs, Rs. 50 lakhs and Rs. 79 lakhs in 1958. A study of these figures will show that there was a substantial setback in export of these three items in 1959. The ground lost last year is now being made up. This is an encouraging trend. Kerala accounts for 70 per cent. of Indian output of ginger estimated at 14,500 tons. High prices have affected adversely India's exports of ginger in the last two seasons. Since those who deal in pepper deal in ginger also, there is a feeling that, if pepper rules at a high level, ginger also should command high prices. *The Export Promotion Bulletin*, issued by the Export Promotion Division of the Office of the Joint Chief Controller of Exports and Imports to synchronise with the inauguration of the Spices Export Promotion Council—it carries a wealth of information on Indian spices which is also neatly presented—records the views of an exporter of curry powder who points out that "growers and dealers of both pepper and ginger are the same in the production and sale centres and most illogically they feel that the high prices for pepper should reflect in ginger also." Perhaps, a wider dissemination of information about world prices and Indian production trends will help correct such misconception among traders. So far as turmeric is concerned, further publicity in its uses should increase its offtake. As regards chillies, there is need for adopting some scientific system of classification which will be beneficial to the producers and exporters at this end and the importers at the other.

In his address to the Export Promotion Council, Mr. Satish Chandra did well to emphasise the importance of quality control. A voluntary quality control scheme has been initiated in cardamom. Similar schemes deserve to be adopted in respect of other spices. As Mr. Satish Chandra pointed out, no enduring foreign trade can be built up without proper quality control. The Council should address itself to this task without delay, though it will be obviously some time before a suitable scheme for different spices are evolved. There is also need for streamlining the marketing arrangements, so that spices move freely from production centres to assembling centres and from there to ports. There are two factors which make the task of the Council particularly difficult, complex and onerous. In the first place, unlike many other export promotion bodies, the Council is not concerned with just one or two commodities but a whole range of commodities, coming under the term 'spices'. This classification is perhaps based on culinary, rather than economic, considerations. There are no less than 21 items under the broad group 'spices'. This suggests that the Council will be hard put to it to give adequate attention to all spices. What it can reasonably be expected to do is to concentrate its attention on some of the major spices and keep others under study. Secondly, whereas other export commodities from India have a few well-defined markets, spices are marketed in small quantities in a large number of countries. For instance, about 10,000 tons of Indian ginger find their way to no less than 60 markets. This is a source of strength as well as weakness to the export trade. Because spices are distributed among many countries, any reduction in offtake in some markets can nearly always be made up by stimulating exports to other markets. At the same time, this means that export publicity has to be undertaken in many countries. The way the Council faces up to this challenge will be watched with interest.

DEVELOPMENT AID

"POVERTY anywhere constitutes a danger to prosperity everywhere": This famous declaration by the twenty-sixth session of the I.L.O. (held at Philadelphia in May 1944) continues to pose a world challenge even today, notwithstanding all the national and international action to aid the development of backward regions. For the quantum of aid already rendered and is being rendered has not been commensurate with the actual requirements, with the result that the tempo of economic development in these regions is still very slow. Viewed against this background, Mr. B. K. Nehru, Indian Commissioner-General for Economic Affairs, may be acknowledged to have done real service to the cause of economic progress in India and other underdeveloped countries by focussing attention on the need for assistance on a massive scale. Speaking at the meeting of the U.N. General Assembly's Economic Committee at New York the other day, Mr. Nehru called upon the industrialised countries to lay aside one per cent. of their national income to provide funds for the economic development of underdeveloped nations. The funds for capital and technical assistance, he urged, should be immediately increased to $7 billion (net, not gross) per annum, the actual contributions being made by the developed countries in proportion to their national income. In this connection, he commended for acceptance the following two special measures:

(1) The United Nations should create a Capital Fund. So far, all efforts to establish such a Fund within the United Nations have "floundered on the rock of sustained opposition by the industrialised countries."

(2) The capital of the International Development Association ($1 billion, of which $250 million are contributed by the underdeveloped countries themselves) should be immediately doubled. The method of paying capital subscription to the Association should be changed to ensure that 50 per cent. of the increased capital is made available to it straightway. The rest of the capital transfers needed to conform to the standard of one per cent. of the national income might be made through bilateral arrangements or through private foreign investment or through capital markets.

Mr. Nehru's imaginative plea is reminiscent of Mr. Paul G. Hoffman's thesis on massive multilateral aid in the sixties in his recent booklet—*One Hundred Countries, One and One Quarter Billion People*. But one wonders whether Mr. Nehru's views will have any real effect, what with the persistently dim prospects of an agreement on the disarmament issue. But his suggestion for making available a substantial part of the capital assistance in the form of "soft" loans should at least be accepted and implemented by the industrialised countries. This journal has itself stressed the need for such loans on more than one occasion in the past. The economic resources of the industrialised countries are so vast that they can easily grant sizable long-term loans carrying reasonable rates of interest, repayable largely in borrower's own currency. And a good portion of the loans must be expendable anywhere in the world. Only then will the recipient countries be in a position to absorb the assistance in a gainful manner.

No less important is the need for removing the present tariff and other obstacles to the exports of underdeveloped countries. This aspect was impressively highlighted by Mr. Nehru. He said: "It seems to my delegation wholly unjustifiable that, in the second half of the twentieth century, rich and industrialised countries, whose techniques and capital resources give them a natural advantage in producing most of the complex products of modern industrial society, should continue to subsidise simple industries where they are relatively inefficient at a great cost to themselves and considerable harm to the developing countries." There is also the need for solving the pressing problem of fluctuations in the prices of primary commodities, a problem that has been confronting the underdeveloped countries for quite a long time now. Such fluctuations, as Mr. Nehru aptly remarked, constitute a drag on development and are capable of swallowing up all external assistance given by industrialised countries over the years. Here, again, Mr. Nehru's views are so refreshingly in accord with Mr. Hoffman's pregnant dictum that "development aid is in essence trade, just as increased trade is development aid."

Whatever may be the scale and nature of foreign aid made available by the economically more prosperous nations, a special responsibility is cast on the countries that receive the aid. These countries must utilise the aid wisely and not spend it on the implementation of ideological or spectacular projects. At the same time, they must endeavour their best to create conditions for attracting as much foreign private capital as possible. Even if some advanced countries think of aid as "charity", the beneficiaries should themselves feel that they are under a moral obligation to utilise it in the most effective manner.

MARKET GOSSIP

THIS week has witnessed a distinct recovery in share values in both cash and forward lists. The recovery is particularly notable in the case of leading counters. Tata Steels have advanced by Rs. 3.25, in contrast to a drop of Rs. 3.50 suffered last week. Similarly, Belapurs have risen by Rs. 17.50, Centurys by Rs. 19.50, National Rayons by Rs. 30.50 and Telcos by Rs. 12.50. In the previous week, all these scrips had staged a retreat, the actual extent of the fall being Rs. 5, Rs. 12.50, Rs. 11.50 and Rs. 12, respectively. The buoyancy of the share market has been whipped up principally by scattered rumours of a possible relaxation of credit restrictions, as well as firmness of bullion and other commodity markets. The recent purchase of scrips on a sizable scale by the L.I.C. has also imparted some strength. The market has apparently ignored Mr. Nehru's remark at the A.-I.C.C. session that the State alone could bring about an industrial revolution and not the private sector which was obsessed with securing quick dividends and lacked the capacity and the mental approach to set up heavy industries. Nor has it taken serious notice of the Union Finance Minister's call for tightening up of belts and payment of taxes necessary for development in the course of a radio interview on Saturday. It is, however, difficult to say whether the bullish phase of the market will persist in the coming weeks and, if so, how long. For much will depend on the general trend of prices which, in turn, will influence the cost structure of industries, and on the adequate availability of funds for essential production purposes.

"Dear Money" Policy

Although full five weeks have elapsed since the "dear money" policy of the Reserve Bank took effect (on 1st October), there is still no sign that the policy has had any marked effect in bringing down bank credit. It is true that the total advances of scheduled banks have declined, from Rs. 1,127.59 crores as at the end of September to Rs. 1,116.29 crores in the week ended 21st October, the latest period for which data are available, or a fall of just Rs. 11.30 crores. But this fall has been accompanied by a shrinkage of Rs. 26.49 crores in deposits in the same period—from Rs. 1,913.30 crores to Rs. 1,896.81 crores, so that there is practically no change in the credit ratio at 58.85 per cent., which is more or less the highest for the slack season of the current year and is only fractionally lower than the last busy season's peak of 59.25 per cent. It is also substantially higher than the ratio of 51.22 per cent. in the corresponding week of last year. In other words, this means that several industrial and business houses are meeting a part of their credit requirements by drawing on deposits. Similarly, the borrowings of scheduled banks from the Reserve Bank have decreased very negligibly, the total of the borrowings as on 21st October being Rs. 32.69 crores, as against Rs. 33.44 crores at the end of September. In view of penal rates on borrowings from the Reserve Bank above certain stipulated levels, high interest rate of 6 per cent. charged by the State Bank, and low rate of interest on short-term deposits under inter-bank agreement as well as on house money, the banks are finding it difficult not only to meet the growing demand of credit but also to reduce their borrowings from the Reserve Bank. No wonder, therefore, that inter-bank call money rate has gone up from 3½ per cent. before the credit restrictions were announced to 4½ per cent. at present.

It is now feared that, during the busy season, which has just commenced, the industrial and business community will experience much hardship in obtaining funds from the banking sector, so much so that it may be compelled to turn to the unorganised sector for borrowing at higher rates of interest. If such a contingency were to arise, it would, so goes the argument, step up output costs in industry, a development which nullifies the very objective of credit restraints, namely, holding of the price line. The Reserve Bank of India, however, seems to feel that such fears are exaggerated. In fact, the "dear money" policy is considered to be an urgent necessity. Addressing a meeting held under the auspices of the Society for International Development (Madras Branch) at Madras on Tuesday this week, Mr. H. V. R. Iengar, Governor of the Reserve Bank, declared that the Bank's recent policy of "dear money" was aimed at reducing the demand for credit for non-productive purposes like speculation on stock exchanges and commodity markets and that, on the whole, the policy would exercise a downward pull on inflationary pressures. Mr. Iengar, of course, stressed that the Reserve Bank's role was to reduce the pressure of monetary demand without, at the same time, hampering production; money must be made tight but not at the expense of production, for that would be self-defeating.

One, however, would ask: How can money be made tight when the money supply has increased as a result of heavy deficit financing? Mr. Iengar himself frankly admitted that money supply had proved somewhat excessive. And he did well to urge that we should be clear about the magnitude of the problem. It was here that he once again expressed concern over the price developments that have taken place during the second Plan. The concern, he said, was due to two factors—first, increase in prices affects the very essentials of existence for the people and, secondly, the rate of increase has recently been too high. Surely, the country cannot, as Mr. Iengar aptly put it, afford a continuous increase particularly at this rate and steps must be taken to halt the process.

Cotton Textile Prices

There will be an important meeting of the leading millowners and Central Government officials at New Delhi on Monday next week. The meeting has been convened to consider the terms of reference of the Tariff Commission on the issue of cotton textile prices. It is reported that the Union Ministry of Commerce and Industry is contemplating to ask the Commission to submit an interim report within two months and a detailed report later. While the consensus of opinion among millowners appears to be that the Tariff Commission enquiry will bring out clearly the reasonableness of the extent to which prices have been reduced and prove the falsity of the allegation of consumer exploitation by the industry, some textile interests are believed to have suggested the feasibility of evolving fair prices for textiles without reference to the Commission at all.

Since the trade generally prefers to await the findings of the Commission and the Government of India's decision thereon, offtake of cloth is likely to be on a restricted scale for sometime to come. As it is, the offtake is small, thanks to the disinclination on the part of many traders to lift stamped cloth in large quantities. It is stated that, in some centres, this cloth is being sold at a discount of 2 to 3 per cent. Export business in cloth is also somewhat slack. The quantity actually shipped from Bombay Port during the month of October is estimated at no more than 43.00 million yards, as against 44.73 million yards in September and 55.08 million yards in August. It is not surprising that the stocks of cloth with mills have increased. The total of these stocks, according to one estimate, is now around 600 million yards, as against 579 million yards at the end of September, 541 million yards as on 31st August and 449 million yards towards the close of July.

Indo-Soviet Trade

The joint statement by Indian and Soviet Trade Ministers on the working of the Indo-Soviet Trade Agreement of 1958 has emphasised the need for increasing the volume of trade and diversifying its content. It is expected that, at the end of the Trade Agreement period, that is, by November 1963, the present level of exports and imports will have nearly doubled itself. This expectation may well materialise only on the side of imports, because oil products will figure prominently in the coming years. It is doubtful if non-ferrous metal imports from the Soviet Union will increase greatly from their 1959 level of Rs. 12.7 crores out of that year's total imports valued at Rs. 16.7 crores from that country. Since, in the first seven months of 1960, imports as a whole have aggregated Rs. 6.8 crores only, recent trends do not point to any substantial increase in imports of paper, machinery and chemicals. If a doubling of imports takes place, it will be more on account of oil products than on account of the four familiar items including non-ferrous metals.

If the imports from the Soviet Union thus double in the next three years, it may not necessarily mean that India's exports to that country will also double. The chances are that it will only mean the raising of imports to a level of parity with our exports which, as of 1959, are at the level of Rs. 30.3 crores (composed of Rs. 11.6 crores on account of coffee, tea, etc., Rs. 5.5 crores' worth of hides and skins, Rs. 4.4 crores on account of textile yarn, fabrics, etc., Rs. 2.2 crores worth of raw textile fibres, Rs. 1.3 crore on account of footwear, and so on). Since, in the first seven months of 1960, India's exports as a whole have aggregated Rs. 15.9 crores only, recent trends do not point to any significant expansion of our exports in the coming years. It may be that what the Soviet Union aims at is only the balancing of its trade with this country by stepping up its exports by way of oil products.

Bajaj Auto

Two more industrial ventures have come out this week with offers of public issue of shares to finance their new projects. One of them is Bajaj Auto Ltd., which has recently commenced production of scooters. The authorised capital of the Company is Rs. 1 crore, all in equity shares of Rs. 100 each, of which it has already issued Rs. 9.90 lakhs. It now proposes to issue a further Rs. 60.10 lakhs, of which equities of the value of Rs. 25.74 lakhs will be offered at par to the existing shareholders of the Company. The shares not taken up by the existing shareholders or their nominees will be subscribed by the Directors and their friends. The balance of Rs. 34.36 lakhs will be available for public subscription at par. This will bring the total issued capital to Rs. 70 lakhs. The subscription list will open on the 14th inst. and will close on the 19th or earlier at the discretion of the Directors, but not before the 16th inst. A sum of Rs. 25 per share is payable on application and another Rs. 25 on allotment. The balance is payable on calls. Applications should be for a minimum of five shares.

The object of the Company is to manufacture Vespa scooters and Vespa three-wheelers, under technical collaboration with the well-known Italian firm of Messrs. Piaggio and Co., Genoa. The Company is a pioneer in introducing scooters and autorickshas in India. In 1948, it commenced importing the components and assembling them in India. In 1959, however, it was granted a licence to manufacture scooters and three-wheelers with an installed capacity of 6,000 units per annum on single-shift working. The estimated annual production of motor cycles, scooters and three-wheelers by the end of the second Five-year Plan is 16,000 units and a target of 48,000 units is fixed under the third Plan. There is, therefore, the prospect of the Company's production finding a ready market. The Company, in fact, started production in June last and in September it produced no less than 476 scooters and in October the production rose to 515. The Company expects to maintain the present rate of production of about 500 scooters per month till the factory is shifted to Poona by about the middle of 1961, when, subject to the availability of import licence for components, the Company would be in a position to step up production steeply. The Company proposes to apply later on to the Government of India for licence to expand its installed capacity. The capital requirement of the whole project is estimated at Rs. 70 lakhs, which is being met entirely by the equity issue.

The Company earned a net profit of Rs. 1.45 lakh for the year ended 31st March 1960 and paid a dividend of 20 per cent. The shares that are being offered now will not, however, be entitled to any dividend that may be declared in respect of the current year. The Company's Managing Agents are Messrs. Jamnalal and Sons Private Ltd., Bombay.

Isaac Holdens

The other venture which will open its list for public subscription of its equity issue on the 14th inst. is Isaac Holdens (India) Ltd. The authorised capital of the Company is Rs. 1.75 crore, made up of 1.50 million equity shares of Rs. 10 each and 25,000 preference shares of Rs. 100 each. Its issued and paid-up capital is Rs. 23.72 lakhs, all in equity shares, of which equities of the value of Rs. 6.38 lakhs have been issued to Isaac Holden and Sons Ltd. of Bradford (U.K.) in consideration for machinery supplied and Rs. 12.33 lakhs to the Anglo-India Jute Mills Company, Ltd., Calcutta, in consideration for the purchase of land and building for location of factory. A further equity capital of Rs. 4.28 lakhs will be issued to the British parent company, Isaac Holden and Sons Ltd., for additional machinery that is now under shipment. It is proposed to issue a further Rs. 47 lakhs, in 470,000 equity shares of Rs. 10 each. Of these, Isaac Holden and Sons of U.K. has agreed to subscribe Rs. 5.32 lakhs, the Anglo-India Jute Mills Company, Ltd. Rs. 8.65 lakhs and the Directors and friends Rs. 3.77 lakhs. This will bring the total holdings of Isaac Holdens of Britain to Rs. 15.98 lakhs or 21.3 per cent. of the total issued capital and of Anglo-India Jute to Rs. 20.98 lakhs or 28 per cent. The balance available for public subscription is Rs. 27.25 lakhs. A sum of Rs. 5 per share is payable on application and the balance in one or more calls. The list will close on the 19th inst.

The Company was incorporated in November 1959 as a private company and was converted into a public one a few days ago. It is a joint collaboration of Isaac Holden and Sons Ltd. of U.K., a leading firm of commission combers, Messrs. Duncan Brothers and Co. Ltd., a well-known agency house of Calcutta, and the Anglo-India Jute Mills Company, Ltd., the largest jute mill company in India, of which Duncan Brothers and Co. Ltd., are Managing Agents. The object of the Company is to set up a wool-top plant for sorting, scouring and combing raw wool into wool-tops. This venture is the first of its kind in this country. At present, the country's entire requirements of wool-tops are being met by imports. The establishment of the plant, with an annual capacity of 10 million lbs. of wool-tops, by Isaac Holdens will do away with a large part of the imports and thus save considerable foreign exchange. In fact, the first stage of the project is nearing completion and production is expected to commence by the end of 1960. The proposed equity issue is to provide a part of the finance required for the second stage of the project. The estimated capital cost of the first stage is Rs. 57.47 lakhs and this has been secured by issue of equity capital and loan from banks. The second stage of development is expected to cost Rs. 62.49 lakhs, of which the proposed equity issue will provide Rs. 47 lakhs. The balance will be obtained by borrowings from banks. The factory is located in the premises formerly occupied by a part of the Jagatdal Mill of the Anglo-India Jute Mills Company, Ltd. The machinery is of the most modern and up-to-date design. In addition, the Company will have the benefit of technical collaboration from Isaac Holden and Sons of U.K. As the present supply of wool-tops to the worsted spinning industry falls very much short of its requirement, the prospects for this new venture appear to be bright.

Investment Clubs in U.K.

Whether it is due to the anxiety to protect the real value of savings in an inflationary era or to the desire to participate in the rising profits of industries, the investment habit is spreading rapidly in countries like the U.K. among those who had so far remained financially unsophisticated. Middle and working classes, which had hitherto looked upon stock exchange investment as fit only for dabblers in high finance, are more and more taking to investments in equities which are regarded as a good hedge against inflation. The small investor, as this class of investors with limited incomes has come to be called, is not conversant with the working of the intricate stock exchange mechanism. Nor does he possess the skill and expertise required to make sound investment. Since his means are limited, he is not in a position to get, on his own, expert advice. Many innovations have been pioneered in Western countries to help the small man to invest wisely. The Unit Investment Trusts formed in many West European countries, which have now became an important agency in mobilising the savings of the small investors and channelling them to productive investments, have this object in view. Yet another novel idea is the investment club which is fast becoming popular in Britain.

An investment club generally consists of a group of friends, workmates or casual acquaint-

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EQUITIES BULLISH

HANDSOME GAINS ALL ROUND

(From Our Own Correspondents)

BOMBAY, *3rd November*

A DISTINCT change in sentiment for the better was noted in the Stock Exchange during the week under review and there was a marked recovery in prices all round, thanks to the revival of bull support and covering by short-sellers. The improvement was particularly visible in the new account which commenced on Monday this week and was sustained during the rest of the week. The remark of Mr. Nehru to the effect that the private sector had neither the capacity nor the mental approach to undertake the industrialisation of India—a task which, according to him, could be achieved by planned activity in the public sector—and his attacks on the critics of planning did not have any adverse effect on the market. The endorsement by the A.-I.C.C. of the third Plan was construed as favourable to a further substantial growth in industrial activity. The bullish sentiment was also aided by two other factors, namely, (1) reports of purchases on a fairly large scale by the L.I.C. and (2) hopes of a relaxation of credit restrictions by the Reserve Bank to meet the demand for bank credit for essential purposes during the busy season which has just commenced. At higher levels, there was some profit-taking, but the net gains over the week were sizable and widespread.

The recovery in steels was assisted by hopes of an early announcement of retention prices and higher output of steel during the month of October. Tata Ordinaries staged a rise to Rs. 145.75, after a drop early in the week from Rs. 141.75 to Rs. 140.25. The closing was done at Rs. 145. Indian Irons advanced from Rs. 22.52 to Rs. 23.36.

Notwithstanding the slackness in offtake of cloth, textile scrips hardened, under the lead of Centurys, which shot up from Rs. 452.50 to Rs. 473.50 before closing at Rs. 472. Bombay Dyeings improved by 80 nP to Rs. 64 and Kohinoors by Rs. 6.50 to Rs. 288.50. Central Indias, Khataus, Standards, Svadeshis and Mafatlals were other prominent counters which scored handsome gains, as will be evident from the table in the third column.

A feature of the week's trading in bank shares was the spurt in United Commercials from Rs. 78.80 to Rs. 86. Central Banks (old) were marked up by Re. 1.30 to Rs. 53 and their new shares by Rs. 2.50 to Rs. 57.

Cement shares shared the general bullishness of the market, as indicated by the rise of Rs. 4.25 to Rs. 147.25 in A.C.C. Orissa Cements advanced by Re. 1.04 to Rs. 14.60.

Belapurs were conspicuous among sugars with a marked gain of Rs. 17.50 to Rs. 379.50. Phaitans were up by Rs. 3 to Rs. 181.50 and Walchandnagars by Re 1.25 to Rs. 300.

Engineering shares were in the forefront and handsome gains were recorded. Alcocks appreciated by Rs. 5.50 to Rs. 257.50. Telcos by Rs. 12.50 to Rs. 284.50, Larsen and Toubros by Rs. 3.50 to Rs. 37.50 and Premier Constructions by Rs. 14.50 to Rs. 311.50. Voltas hardened by Rs. 5.50 to Rs. 262.

While shipping shares were featureless but steady, automobiles attracted good attention, Hindustan Motors scoring a gain of Re. 1.80 to Rs. 20.60 and Premier Automobiles Rs. 11.25 to Rs. 172.50.

In the miscellaneous section, rayons provided a bright feature. National Rayons jumping up from Rs. 458.50 to Rs. 489. Gwalior Rayons added no less than Rs. 6 to Rs. 46 and Barodas Rs. 4.50 to Rs. 143.50. Bombay Burmahs (old) were firm, moving up from Rs. 562 to Rs. 584. Tata Chemicals, Tata Oils, Wimcos, and Shivrajpurs were all bid at higher levels. In the cash group, chemicals and dyes changed hands at substantially higher rates. Amar Dyes put on Rs. 32.50 to Rs. 452.50, Colour Chems Rs. 20 to Rs. 352.50, Indian Dyestuffs Rs. 27.50 to Rs. 547.50 and Poly Chems Rs. 18.75 to Rs. 250. Ceat Tyres were prominent with a rise of Rs. 30 to Rs. 250. West Coast Papers advanced by Rs. 9.50 to Rs. 204.50.

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Madras Stock Exchange

MADRAS, *2nd November*

Equities on the Stock Exchange were subdued in the early sessions of the week under review in the absence of follow-up support, but picked up strength towards the close, following revival of some investment buying. Textiles were well favoured. Teas moved up on hopes of better export demand for Indian tea. Rubbers were well maintained. Coffees, too, hardened in sympathy. Sugars and miscellaneous industrials put on a cheerful appearance.

South India Viscose provided a bright spot in the textile section, the quotation advancing from Rs. 160 to Rs. 169. Laxmis spurted by a rupee to Rs. 146. Buckinghams too gained a like amount to Rs. 197.50. Travancore Rayons rose by 85 nP to Rs. 33.85. Radhakrishnas were higher by 25 nP at Rs. 28.75. Kotharis gathered 10 nP to Rs. 12.10.

In the tea section, Waterfalls advanced by 60 nP to Rs. 4.90, following the announcement that the Company had secured the Government's permission to issue as bonus 787,500 equity shares of Rs. 2 each. Heileyburias rose by 50 nP to Rs. 14. Blue Mountains firmed up by 41 nP to Rs. 5.35. The Company proposes to issue 525,000 equity shares as bonus. Peermades were higher by 20 nP at Rs. 22.80. Chembras and Parksides hardened by 15 nP each to Rs. 5.30 and Rs. 29.50, respectively. But Nonsuchs declined by 25 nP to Rs. 27, following the disappointment of the operators over the announcement of a final dividend of 10 per cent., taxable, making a total of 20 per cent., taxable (equivalent to 14 per cent. tax-free) for the year ended June 1960, which compares unfavourably with 20 per cent. tax-free, for the previous year.

Among coffees, Consolidated Coffees fell from Rs. 23.15 to Rs. 22.75, before closing at Rs. 24. Cowcoodys gathered 3 nP to Rs. 5.15. The Directors of the Company have declared a final dividend of 15 per cent., taxable, making a total of 25 per cent., taxable (equivalent to 17.5 per cent. tax-free) for the year ended June 1960, as compared with 25 per cent. tax-free for the previous year. Mysore Coffees were unchanged at Rs. 5.50. The Company has announced a dividend of 16 per cent., taxable (equivalent to 10.5 per cent. tax-free) for the year ended March 1960, as against 15 per cent. tax-free for 1958-59.

In the rubber section, Twyfords improved by 45 nP to Rs. 12. Midlands climbed up by 40 nP to Rs. 12.25. Highlands rose by 15 nP to Rs. 14.45.

In the miscellaneous section, Orissa Cements were marked up by 60 nP to Rs. 13.85. India Cements put on 5 nP to Rs. 7.25, *cum-right*. Among chemicals, F.A.C.Ts hardened by 15 nP to Rs. 10.15. Mysore Fertilisers were higher by 10 nP at Rs. 10.70. Among others, Aluminium Industries improved by 45 nP to Rs. 23.25 and Ashok Leylands by 43 nP to Rs. 8.73.

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Calcutta Stock Exchange

CALCUTTA, *2nd November*

The Calcutta Stock Exchange commenced the week under review on a dull note, and most transactions earlier in the week recorded losses. Movements became narrow, but at the lower levels buying support came forth. Although in the last two sessions the volume of business remained small, share prices showed an attempt to rise from earlier low levels. The lack of any forthright decision on economic issues facing the country at the Raipur A-I.C.C. session was a whip for uncertainty. However, Bombay rumours foreseeing the likelihood of the Reserve Bank relaxing the recent credit control measures contributed to firmness for a while. Likewise, the possibility of expansion of credit, if and when the Reserve Bank revised the special deposit scheme, restricted selling pressure. The release of good corporate results, such as those of the National Insulated Cable Company of India Ltd., resulted in greater attention being paid to selected counters.

Coals were neglected. Burrakurs at first moved down to Rs. 17.50 from Rs. 17.75, but recovered the loss before closing. Equitables staged a late rise to Rs. 26.12 from Rs. 25.75, as did South Karanpuras to Rs. 11.37 from Rs. 10.81. Borreas were forced down to Rs. 20.12 from Rs. 21.62 previously.

Jutes were quiet, as it was expected that the current difficulties facing the mills would be reflected in the working results for the current year. Aucklands remained unchanged at Rs. 151, while Hukumchands, continuing the rise, touched Rs. 21.50. Agarparas fell to Rs. 11.62 from Rs. 12, while Birlas were fractionally better at Rs. 28.50.

A small recovery was in evidence in the engineering section. Indian Irons at Rs. 23.29 closed better. Texmacos opened at Rs. 21.80 and recovered to Rs. 22.85. Burn & Cos. at Rs. 450 were better by Rs. 19, while Britannia Engineerings were unchanged at Rs. 14.31.

Teas were quiet. Bishnaths, at Rs. 20, receded by 50 nP, while Hantaparas realised Rs. 128, as against Rs. 130 previously. At Rs. 15.87, Tezpores were fractionally higher, and, on interested buying, Banarhats were taken up to Rs. 314 from Rs. 303.50 previously.

Miscellaneous industrials disclosed a hardening trend, following buying support at lower levels. Following a good working report and the announcement of a dividend of 25 per cent., subject to tax, as against 20 per cent. tax-free, National Cables were better at Rs. 31.37 and, at Rs. 18.19, National Rollings accounted for a gain of Rs. 2.38. National Pipes were firm at Rs. 18.94, while Balmer Lawries changed hands a rupee lower at Rs. 213. Indian Cables hardened to Rs. 34.44 from Rs. 33.06 and Indian Oxygens were firm at Rs. 38.12.

ULTRAMARINE BLUE FACTORY

A company under the name of Ultramarine and Pigments Ltd., with an authorised capital of Rs. 50 lakhs has been registered in Bombay, promoted by Mr. N. S. Rajam and Mr. N. R. Swamy, Directors of Chemidye Trading Co. Private Ltd., Bombay. It is proposed to locate the factory in Madras with a production capacity of 100 tons Ultramarine Blue (dhobi blue or neel) per month. Necessary foreign technical collaboration has been obtained on very reasonable terms and the terms of collaboration have been approved by the Government. It is understood that, with the commissioning of the new factory, the entire demand of the country both of domestic and industrial consumers will be completely met from indigenous production. The Industrial Credit and Investment Corporation has agreed to give a loan of Rs. 7 lakhs including the necessary foreign exchange for the import of machinery. The Company is expected to come out with a public issue of shares in the course of this month.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 3rd November, 1960.

	Closing quotations 27-10-1960	High	Low	Closing quotations 3-11-1960
TEXTILES	Rs.	Rs.	Rs.	Rs.
Alsn. Adv. (100)	175 00	175.00	173.00	173 00
Apollo (2)	1 32	1 40	1 32	1 40
Baroda Rayon (100)	139 00	144 00	135 50	143 50
Bombay Dyeing (25)	63 20	64 00	62.90	64 00
Central India (100)	182 00	—	—	182 00
Century Mills (100)	107 00	112 00	106 00	112 00
Cooria Sp. (100)	452 50	473 50	447 50	472 00
Dawn (50)	133 00	—	—	133 00
Edvard Textile (200)	133 00	134 50	132 00	133 00
Elphinstone (50)	263 75	263 75	260 00	260 00
Finlay (100)	54 80	55.00	54 80	55 00
Gokak (100)	347 00	347 00	340 00	345 00
Gold Mohur (100)	162 00	170 00	159 00	169 00
Gwalior Rayon (10)	246 00	250 00	240 00	250 00
Ind Unit Deld (1)	40 00	46 00	39 00	46 00
Ind Unit Ord (10)	1 62	1 78	1 58	1 76
Indian Rayon (50)	12 16	12 20	12 08	12 52
Indore Malwa (100)	68 00	68 00	65 50	67.50
Khatau (100)	122 00	125 00	118 00	120 00
Kohinoor (100)	476 25	488 50	462 50	462 50xd
Lakshmi (250)	282 00	291 50	272 50	288.50
Mafatlal (100)	500 00	502 50	501 00	502 50
Minerva Mills (100)	725 00	805 00	705 00	805.00
Model Nagpur (250)	84 00	—	—	84 00
Morarji (100)	80 00	—	—	80 00
Mysore (50)	343 00	351 00	343 00	351 00
National Rayons (100)	79 00	—	—	79 00
New City (100)	466 00	489 00	455 00	480 00
New Great (100)	142 50	—	—	142 50
Phoenix (100)	190 00	195 00	190 50	191 50
Podar Mills (100)	140 00	143 00	140 00	148 00
Raymond Woollen (100)	136 00	138 50	133 00	138 50
Sassoon Silk (10)	102 00	107.00	101 50	107 00
Sassoon Spg. (10)	10 24	—	—	10 24
Shrinivas (100)	50 50	50.50	49.70	50 50
Simplex (50)	231 00	236 00	226 00	234 00
Standard (100)	165 00	166 00	163 00	165 00
Svadeshi (100)	1,075 00	1,197 00	1,080 00	1,142 00
Swan (100)	233 50	241 50	230 00	238.50
Tata Mill (25)	498 75	502 50	495 00	502.50
Vishnu (100)	40 75	42 25	40 50	41.50
Western India (1,000)	4,500 00	—	—	4,800.00
BANKS				
Bank of India (50)	102 00	102 50	101 80	102 50
Do. (New (50)	102 00	103 00	102 00	102 50
Bank of Baroda (50)	81 20	84 50	81 00	81 00
Central (25)	54 70	53 00	51 50	53 00
Central A (25)	54 50	57 00	54.50	57 00
Dena Bank (50)	54 50	—	—	57 00
Punjab National (10)	13 88	—	—	82 50
Union Bank (5)	5 98	6 08	6 00	18 88
United Com (50)	78.80	86.00	79.00	6 04
ELECTRIC COS.				86.00
Ahmedabad (100)				
Amalgamated (10)	88 20	88.70	88 00	88 50
Andhra Valley (1,000)	10 30	10 24	10 20	10 24
Bom. Sub. Ht (100)	1,002 50	1,007 50	1,000 00	1,007 50
Surat (100)	84 50	85 50	84 50	85 50
Tata Hydro (100)	84 50	84 50	84 50	84 50
Tata Power (1,000)	102 25	103.75	102.25	103 75
	1,024.00	1,032.50	1,021.25	1,032.50
INSURANCE COS.				
British India (10)				
Empire of India (100)	11.92	—	—	11.92
Ind Mercantile (20)	268 75	—	—	268.75
Jupiter (15)	41 50	—	—	41 50
New India (10)	7 12	7.12	7.08	7 80
Vulcan (10)	58.50	54.20	53.50	58 50
	17.00	—	—	17.00
STEEL COS.				
Ind. Iron (10)	22.52	23 36	22.40	23 36
Mukund Iron (10)	23.64	24.76	23 24	24 24xd
Tata Steel Ord. (75)	141.75	145 75	140 25	145 00
SUGAR COS.				
Belapur (50)	362 00	379 50	360 00	379.50
Bhopal (10)	28 00	28.05	28.00	28 05
Chaigdeo (12 50)	34 50	34.50	33 25	33 25
Phaitan (50)	178 50	182 50	176 00	181 50
Walchand Ind. (100)	298.75	300 00	296 25	300 00
CEMENT COS.				
Associated Cts (100)	148 00	148 80	141 50	147 25
Digvijay (100)	163 00	164.00	160 00	163.00
MISCELLANEOUS				
Alcock Ashdown (100)	252 00 XR	259 00	252 00	257 50
Bom. Burmah (125)	562 00	584 50	561 50	584 00
Do. (New) (50)	202 50	203 75	202 50	203 75
Br. B. Petrol (4 sh.)	1 90	2 22	1 88	2 14
Br. I. Corpn. (5)	7 29	7 36	7 20	7 20
Cooper Engg. (100)	160 50	171.00	160.00	171 00
Colour Chem. (100)	332 50	355.00	320 00	352 50
Hind Cycle (100)	105 00	4—	—	105 00
Hindustan Lever (10)	45 00	25 25	—	45 00
Hindustan Motors (10)	18 80	0 00	18.72	20 60
I. C. & Inv. Corporation (100)	69 50	—	—	69.00
Indian Dyestuff (100)	520 00	557 50	510 00	547 50
Indian Copper (2 sh.)	4 40	4 54	4 36	4 50
Ind. Tar Pr. (100)	79 80	—	—	79 00
Kilicks (100)	102 50	108 50	102 00	103 50
Larsen & Toubro (10)	34 00	38 00	33 50	37.50
Madhusudan & Mahadu (10)	21 00	21 64	21.00	21 48
New Central Jute (10)	25 00	25 00	23.48	23 48
Pelsons (100)	151 00	152 50	151 00	152 50
Pre. Automobiles (100)	161 25	174 25	161 00	172 50
Premier Cars (50)	297 00	313 50	295 50	311 50
Scindia (25)	13 44	14 04	13 32	13 92
S. B. Shipping (10)	16 00	16 16	16 00	16 00
Shivrajpur (10)	16 00	69 00	65 70	68.50
Super Paper (10)	17 72	18 00	17 52	18 52
Tata Chemicals (10)	15 92	17 60	15 80	17 32
Tata Locomotive (100)	272 00	286 75	269 00	284 50
Tata Oil (25)	75 00	76 50	71 50	74 50
Texmaco (10)	22.52	22 92	22 24	22 92
Voltas (100)	256 50	266 50	254 24	262.00
W. I. Match (100)	266 00	274.00	262 50	271 50
W. Coast Paper (100)	195 00	206.00	192 00	204 50

GOVERNMENT SECURITIES	27-10-1960	Gross Yield		3-11-1960
	Rs.	Earlier Redemption	Later Redemption	Rs.
2½% 1961	98 50	—	4.54	98.50
2½% 1962	98 00	—	3 76	98 00
2½% 1963	88 50	—	4 17	88 50
2½% 1964	97 90	—	3.54	97 90
2½% 1965-66	97 80	—	3.54	97 80
2½% 1970-75 1st Bev.	96 40	3.78	3 48	97 80
2½% 1960 Con. Loan	89 00	4 87	3 67	95 40
2½% 1961 N.P. Bonds	73 60	4 87	3 96	89 25
2½% 1964 N.P. Bonds	100 00	—	4.06*	73 90
2½% 1965 N.P. Bonds	99 65	—	3 45	100 05
2½% 1966	99 50	—	3.60	99 65
2½% 1967 N.P. Bonds	99 65	—	3.66	99 30
2½% 1974	99 30	—	3.46	99.55
2½% 1967 N.P. Bonds	99 20	—	3 61	99 30
2½% 1975 Loan	100 75	—	3.54	99 90
2½% 1968	99 90	—	3 62	99 00
2½% 1963 N.P. Bonds	99 50	—	3.66	100 75
2½% 1968 N.P. Bonds	99 96	—	3.61	98 90
2½% 1972 Loan	100 05	—	3.51	99.60
4 % 1972 Loan	100 70	—	3 67	99 95
4 % 1979 Loan	100 60	—	3.95	100 65
3½% 1964 Bonds	99 95	—	3 95	100 50
3½% 1960 Loan	99 50	—	4.01	100 50
	99 88	—	3.60	99 80
			4.01	99 40
				99 90

*Default Income. 10—Rs.

NEWS IN BRIEF

THE State Trading Corporation has decided to import 12 tons of mercury at an estimated cost of Rs. 12 lakhs. The Corporation will distribute the imported mercury among actual users, recommended by the Director of Industries in various States.

The Textile Commissioner has been empowered to regulate the production and sale of all types of woollen yarns, and to fix the maximum price of all types of woollen yarns and fabrics, including hosiery goods. An order to this effect has been issued under the Essential Commodities Act, 1955.

A Burmese trade delegation is visiting India shortly for talks with the Government representatives on the renewal of the rice agreement between the two countries. The existing agreement under which India is to buy 2 million tons of rice over a five-year period is due to expire at the end of the current year.

The Government of India has drafted a 20-year plan for the development of roads with an estimated expenditure of Rs. 5,200 crores, according to Mr. Raj Bahadur, Union Minister for Transport and Communications. The plan envisages the expansion of road mileage from 350.000 to 600,000 (both rural and highways).

Trade between India and Yugoslavia is expected to increase by about 20 per cent. in 1961 as a result of the agreement signed at Belgrade last week. The total value of trade in each direction during 1960 is estimated at $10 million. The agreement followed negotiations between an Indian trade delegation, led by Mr. K. R. F. Khilnani Joint Secretary, Union Ministry of Commerce and Industry, and the representatives of the Yugoslav Government.

Iron ore deposits have been detected in a five-mile seam of Sunkadakatte, very near the famous pilgrim centre Subrahmanya, in the South Kanara district of Mysore State. It is estimated that three to five million tons of iron ore can be mined from the area. The iron content of the ore is said to be from 56 to 58 per cent. Further investigation is being conducted by the Geological Department in a 25-mile long area between the pilgrim centre of Dharmasta'a and Subrahmanya and more iron ore deposits are expected to be found there.

An all-India agricultural census by the process of national sample survey is proposed to be undertaken by the Central Government. The object of the census is to collect data relating to the size and status of holdings, agricultural implements, livestock figures and other matters germane to agricultural planning. A proposal to conduct the census by a process of direct enumeration as part of the general census operations next year has not been accepted on account of problems of trained manpower and costs.

Two more schemes for the manufacture of razor blades have been sanctioned by the Central Government. Under these two schemes, a total production capacity of 132 million blades per annum is envisaged. There are already five units for manufacturing razor blades, with an annual production capacity of 629 million blades. The demand for razor blades in this country is computed at about 1,000 million per annum. Of late, India has been able to export some razor blades to some countries, such as Burma, Kenya, Ethiopia and Iran.

On the recommendation of the Reserve Bank of India, the Central Government has granted a moratorium to the Indo-Commercial Bank, Mayavaram, Madras, from 25th October to 24th December 1960. The grant of moratorium, it is made clear, does not indicate any sudden or recent change in the position of this or any other bank operating in the Madras area. The question of reconstructing the Indo-Commercial Bank and amalgamating it with some other major banks has been under consideration for some time past and the moratorium has been declared in the general interest of the depositors of the Bank and with a view to facilitating the contemplated reconstruction and amalgamation. Arrangements are now being made to amalgamate the Bank with the Punjab National Bank.

The Heavy Electricals Factory, Bhopal, and the two heavy electrical plants to be set up in the third Plan period are proposed to be brought under one management. The preliminary project report for the new plant to be erected with Czechoslovakian help is expected to be received in the third week of November, while the report for the other plant to be set up with Soviet help will be received towards the end of December. Two teams, one from Czechoslovakia and another from the Soviet Union, will visit India to discuss the report with the officials of the Government of India one month after the submission of the preliminary project reports. An Indian delegation, headed by Mr. K. B. Mathur, Chairman of the Heavy Electricals, has just returned after discussing the details of these two projects with the Czech and the Soviet authorities.

A pilot plant for the production of multi-purpose food, the first of its kind in India, has been installed at Coimbatore. The project is sponsored by the Central Food Technological Research Institute, Mysore. After a trial run of six months, the plant will be taken over by a leading private industrialist, Mr. G. R. Govindarajulu. The plant is capable of producing three tons of food per shift of eight hours and, if worked round the clock, it will yield nine tons. The process of production consists of mixing specially prepared low fat groundnut flour and Bengal gram in the proportion of three to one. It has been found that by mixing proteins from two vegetable sources, such as groundnut meal and Bengal gram, it is possible to get a protein mixture, more useful than any single vegetable protein. In order to make this supplementary food more complete, certain vitamin, such as vitamins A and B and calcium are also added.

Medium-wave radio transmitters will be manufactured at the State-owned Bharat Electronics Ltd., Bangalore, under an agreement signed between the B.E.L. and the Nippon Electric Company, Japan's biggest electronic manufacturing factory. The agreement marks a further step forward in the manufacture of electronic equipment in India and is the third that the B.E.L. has entered into for technical collaboration with foreign manufacturers. The other two are with Marconi and Pye of the U.K. and Philips of Holland. The medium-wave transmitters to be manufactured at the B.E.L. are to be supplied to All India Radio. Sixty sets are to be supplied in two years in the first phase. Under the terms of the agreement, the Japanese firm will train Indian personnel in their factory in Japan, besides providing them with the required technical knowhow. To start with, 30 transmitters will be imported immediately to meet the immediate requirements of All India Radio's expansion plans, while in future the transmitters will be progressively manufactured at the B.E.L. The Nippon Electric Company has installed short-wave transmitters at the lighthouse off Vizag, while another set is functioning at the Ranchi station of A.I.R.

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From Abroad

The cost of living index (1947-49=100) in the U.S. rose to a record of 126.8 in September, representing an increase of 1.3 per cent., as compared with the corresponding month last year. A further rise is believed to have been recorded in October.

The two leading television radio and electronic companies of Britain, Pye and E. K. Cole, have decided to merge themselves into a £25 million group. A holding company will be set up with Mr. C. O. Stanley, Chairman of Pye, as the new Chairman, and Mr. Eric Cole, Chief of E. K. Cole, as Deputy Chairman.

The British Export Credit Guarantee Department transacted a record amount of business in the third quarter of this year. A total of £180.2 million was covered under E.C.G.D. "commercial" insurance during the period, bringing business in the first nine months of the year up to £520.7 million—£61.3 million, or 13 per cent. higher than in the same period of 1959.

Two world-famous textile firms in the U.K., Messrs. J. and P. Coats and Messrs. Patons and Baldwins, which together have assets amounting to over £130 million, are reported to be making arrangements for a merger. The main business of J. and P. Coats is manufacture of cotton and synthetic sewing thread while that of Patons and Baldwins consists of worsted woollen and synthetic yarns production.

The view that Japan's exports in 1960 will aggregate $4,138 million, or an increase of 18.4 per cent. over last year, is expressed in a report of the Japanese Ministry of Trade. Imports are expected to go up by 24 per cent. to $4.455 million. The excess of imports will be more than offset by a surplus in the balance of invisible trade. Exports during the third quarter at $1,050 million were the highest figure since the war.

Norway's new oil refinery, claimed to be Scandinavia's biggest, has now gone into production at Slangenstangen, on the Oslofjord. The new refinery, owned by A/S Esso-Raffineriet, Norge—a subsidiary of Standard Oil of New Jersey—will be able to process some 2 million tons of crude annually, producing motor spirit, jet fuel, diesel oils and fuel oils for industry and domestic heating, as well as various gases.

The largest private bank in France, the Banque de Paris, has commenced banking operations in the U.S. through a new subsidiary, the Parisbas Corporation, set up in Wall Street. The initial paid-up capital of the subsidiary will be $12 million. It is the first time in recent years that a large foreign financial house has gone into business in the U.S. and is a reversal of the trend of American banking companies opening branches overseas.

Jute mills in East Pakistan have reduced their working hours by 33 per cent., in view of tight raw jute supply position. The restriction, though described as temporary, will mean the closing down of one shift. It has been enforced, following a decision by the Pakistan Jute Mills Association that working three shifts is uneconomical in view of high prices. The mills had been working 144 hours in a six-day week to meet a growing demand for jute goods from abroad, but hours will now be restricted to 96.

The Trans World Airlines inaugurated a jet service between India and the U.S. on the 2nd inst. The Company is using the world-famed Boeing 707 Intercontinental superjets to provide the fastest service. The superjets fly from New York to Bombay, halting at Rome and Dhahran, and cover the distance of approximately 8,000 miles in 15 hours and 45 minutes flying time. The west-bound superjet makes an additional stopover at Paris. The T.W.A. superjet service expansion to Bombay brings the total of overseas cities served by T.W.A. superjets to 10 on its 50,000-mile route network.

PERSONAL

DR. B. V. KRISHNAMURTHY of the Delhi School of Economics has been appointed by the United Nations Bureau of Technical Assistance Operations to serve as Economic Adviser to the Government of Saudi Arabia.

Dr. Homi J. Bhabha, Chairman of the Atomic Energy Commission and Director of the Tata Institute of Fundamental Research, Bombay, has been elected President of the International Union of Pure and Applied Physics (I.U.P.A.P.). He will hold the office for three years.

Mr. W. H. Nicoll and Mr. R. Rievergelt have been elected President and Vice-President, respectively, of the Cochin Chamber of Commerce for 1960-61. Messrs. G. J. Asher, C. T. Jacob, T. A. K. Nair and R. J. Watson have been elected members of the Committee.

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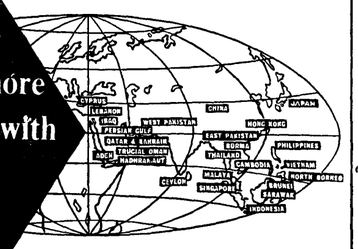

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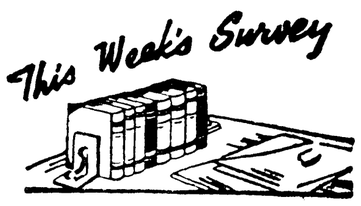

PHYSICIAN, HEAL THYSELF !

THERE is enough evidence to show that the holier-than-thou attitude of the public sector towards the private sector has no more basis in fact that the erroneous assumption that the former has a nobler aim and is fairer to labour. In fact, if reports in the Press are any indication, the managements of several undertakings in the public sector, far from being model employers, are worse than some unenlightened private employers. Recently, it came to light that discontent among the workers of the Bhilai project was so seething that it erupted into major disturbances which "bewildered" officials in charge. It was reported that there were no Standing Orders for the workers and that the promises of the project authorities were more honoured in the breach than in the observance. At the Rourkela steel plant, it was said, women workers were employed to work after 7 p.m. in violation of the provisions of the Factories Act.

Now comes the news that Hindustan Steel Ltd., which manages the three steel plants at Rourkela, Bhilai and Durgapur, has been found guilty of violating and disregarding labour laws by the Orissa State Labour Commissioner. An inquiry by the Commissioner is reported to have revealed, among other things, that "the prescribed limit on working hours was not observed, weekly holidays were not granted, nor overtime paid."

This is not the first instance of the Government failing to practise what it preaches to private employers. This, apart from being bad in itself, also has the undesirable consequence of weakening the moral strength of the Union Labour Ministry in its efforts to get employers and workers in the private sector to observe labour laws and implement awards and agreements. For if it cannot persuade its own sister Ministries to confirm to the labour laws and honour the Code of Discipline, how can it in fairness ask employers in the private sector to do so? The Government before pointing an accusing finger at the mote in the private sector's eye would do well to remove the beam from its own. Physician, heal thyself!

WORLD BANK LOAN TO I.C.I.C.I.

The total investment requirements of the private sector in terms of both equity capital and foreign exchange component of their development plans are great, and, if this sector is to play its part in full, adequate industrial finance has to be assured. The enhanced rehabilitation costs in industries have also added to this problem, with the result that institutional loans have become an essential prerequisite for both development and replacement. The part played by the Industrial Credit and Investment Corporation of India Ltd. (I.C.I.C.I.) in providing medium and long-term industrial finance, as well as equity capital, to the private sector has been significant. But more significant is the fact that I.C.I.C.I. is the only organisation which caters to the foreign exchange requirements of the industries in the private sector.

In this context, the news that the World Bank has approved of another loan, amounting to $20 million (Rs. 9.60 crores), to the I.C.I.C.I. is indeed welcome. It indicates the continued confidence of the World Bank in the working of the institution and also points to the brisk pace of industrial activity in the country. The I.C.I.C.I. has been able to advance loans to the full extent of foreign exchange reserves available to it. This also shows that the significant gap between sanctions and utilisation of loans apparent in its performance in previous years has been narrowed down. There is no doubt that the position in this respect is bound to improve in the future.

This is the third loan sanctioned by the World Bank. Two earlier loans of $10 million each (corresponding to Rs. 4.8 crores each) were sanctioned earlier to meet the foreign exchange requirements of projects financed by the I.C.I.C.I. The latest loan is for a period of ten years which may be extended to 14 years by mutual agreement. Interest will be applied to each portion of the loan at the Bank's current rate when such portion is committed for one of I.C.I.C.I's projects. Amortisation of the loan will begin on 1st November 1963.

In the five years of its functioning, the I.C.I.C.I. sanctioned loans and direct equity participation amounting to Rs. 15.4 crores and its underwriting operation in shares aggregated Rs. 8.4 crores, of which it had to take up Rs. 3.6 crores. A part of this investment, as well as of direct equity participations has already been sold in the market at a capital profit. About 60 per cent. of the I.C.I.C.I.'s loans have been in foreign exchange and, during the past year and a half alone, foreign exchange loans averaged $10 million annually. The $20 million in foreign exchange made available by the World Bank, through its two previous loans, has been virtually exhausted. The proceeds of the new $20 million loan, it is stated, will enable it to meet the requirements of its borrowers for the next two years.

Including the new loan, the I.C.I.C.I.'s total resources amount to Rs. 42.10 crores ($89 million). Seventy per cent. of its Rs. 5 crores paid-up share capital is held by Indian shareholders and the balance by British and American investors. The Government of India has advanced Rs. 17.5 crores to the Corporation. A sum of Rs. 50 lakhs has been ploughed back out of the Corporation's earnings.

INDUSTRIALISATION OF KERALA

For the first time in hundred and three years an Indian, Mr. T. A. K. Nair, took the chair to deliver the presidential address at the annual general meeting of the Cochin Chamber of Commerce held on Friday, 28th October, at Cochin. His speech surveying the economic problems and industrial prospects of Kerala was marked by objectivity and constructive criticism of Government's policies in keeping with the Chamber's tradition.

With the formation of a fairly stable Government last year, Kerala, one of the problem States of India, began to take stock of its economic backwardness and its slower pace of industrial progress as compared with that in some other States. In a situation like this there is always a search for scapegoats and a convenient one was found in the Union Government which was accused of having neglected Kerala. The more responsible and knowledgeable sections of the people knew, as did some of the leaders too, that the chief culprit was the political instability of Kerala, with Ministries changing as if in a game of musical chairs. Now that the State has come to enjoy a period of comparative peace and stability, it is time to attend to the real problems of the State—unemployment and industrialisation.

That the business community is fully aware of the problems and is willing to share the burden of industrialisation with the Government is evident from the remarks of Mr. T. A. K. Nair, the Chamber's President. Mr. Nair hit the nail on the head when he said that the lack of a peaceful industrial climate in the past, mainly resulting from labour indiscipline, had hamstrung the State's progress. It is encouraging to be told by him that the policy statement in regard to the development of industries issued by the State Government in June last revealed "a keen awareness on the part of the Government of the industrial backwardness of the State and of the imperative need for a peaceful industrial climate as a condition precedent for accelerated industrial activity." It may be true, as Mr. V. V. Giri, Governor of Kerala, pointed out recently, that the reluctance of industrialists from outside Kerala to invest their money in the State is based on an exaggerated fear of the conditions there. But the existence of this fear, well or ill-founded, is evident from the comment, quoted by the Governor, of one industrialist, that he did not mind risking his money in Kerala but did mind risking his life there. That such an impression has deprived Kerala of many industrial enterprises is testified to by Mr. Nair. According to him, the lack of a peaceful atmosphere has deterred private *entrepreneurs* from choosing Kerala for setting up large-scale industries even in cases where the natural advantages in the State were otherwise attractive. It is to be hoped that the Kerala Government will not fail to take cognisance of this fact while implementing its industrial policy. For, as Mr. Nair rightly pointed out, unless the supreme importance of discipline and increased productivity is realised by labour and respected in practice the future of the State will be bleak.

The third Plan is in the process of taking final shape. Every State is anxiously awaiting its share of the Plan cake. The President of the Chamber therefore made more than a passing reference to the Plan. He seemed to share the view held by many in the State that the second Plan allocation to Kerala was less that what it deserved. Quoting statistics in support of his contention, Mr. Nair said that Kerala's total outlay for the second Plan was Rs. 87 crores, as against Rs. 111 crores which was considered legitimate. Again, according to him, out of the total investment proposed in the Central industrial sector of Rs. 657 crores, only Rs. 79 lakhs (for a D.D.T. factory at Alwaye), which works out to a mere 0.1 per cent. of the total, was invested in Kerala. Regarding the States third Plan, Mr. Nair made the following observation:

"Under the third Plan, a sum of Rs. 1,470 crores is proposed for the entire country for investment under industries in the Central sector. The Kerala Government consider that a minimum investment of Rs. 300 crores should be made in the Central and State sectors together out of a total outlay of Rs. 307.06 crores estimated for the State. But they have estimated that only Rs. 20 to Rs. 30 crores would be invested in the private sector during the third Five-year period. This low figure goes to show that the Government have not been able to create the proper climate for attracting necessary private capital for investment in this State. Unless this is done it would hardly be possible to achieve the basic objectives of the State's third Plan. . . . It is also not clear how the State is going to raise the resources, especially the sum of Rs. 50.6 crores from additional taxation as estimated in the Draft Plan."

Mr. Nair also referred to some fiscal matters of all-India importance. He said that the Union Government's policy in respect of personal and corporate taxation was not conducive to the creation of a proper climate for increased flow of foreign capital to the country. He cited as an instance Section 42 of the Income-tax Act which, he felt, was being interpreted to the detriment of foreign concerns which would otherwise be keen on investing in India. Clause XIV(a) to Section 4, according to him, took away the inducement of foreign technicians to stay longer than the period to which the reliefs given under the clause are applicable.

Dealing with problems of local importance, the President called for suitable modifications in tax laws to enable rapid expansion of trade and industry. One of the bottlenecks of industry, he pointed out, is the shortage of power supply. The present installed capacity of 117,500 kw., according to him, is quite inadequate to meet Kerala's power needs. When the projects contemplated, or now under construction, are completed the generating capacity will increase to 726,500 kw. by 1966 which will be adequate to meet the State's requirements. But the immediate problem is the present shortfall of about 30,000 kw. which will be acutely felt in the next two years. The only way of tiding over this difficulty, according to Mr. Nair, is to install diesel sets of suitable capacity, aggregating 20,000 kw. before June 1961. This, no doubt, would involve an outlay of about Rs. 1.5 crores. The urgency of the problem would appear to underline the need for the suggested investment.

JUTE INDUSTRY

It is most appropriate that Dr. B. P. Kedia, President of the Gunny Traders Association, should have emphatically condemned the speculative increases in raw jute and jute goods prices in his speech at the annual general meeting of the Association held at Calcutta on Friday last week. Such increases, if allowed to persist longer, would, as Dr. Kedia very pertinently warned, do irretrievable harm to export trade by undermining the competitive capacity of jute goods in foreign markets. This aspect is to be specially stressed in the present context of (a) Pakistan's renewed efforts to expand production and exports of jute goods, (b) competition from other packaging and wrapping materials, (c) imposition of certain restrictions on imports of jute manufactures by the Governments of the European Common Market countries, and (d) controls over Indian jute fabrics imports into Britain.

Jute goods, it is common knowledge, constitute one of the two largest earners of foreign exchange for the country. The total value of jute yarns and manufactures actually exported during the first seven months of 1960 was Rs. 76.59 crores, as against Rs. 49.95 crores in the corresponding period of 1959 and Rs. 110.75 crores in the whole of 1959. If India's jute fabrics are to maintain their leadership among the packaging and wrapping materials of the world, it is imperative to stabilise their prices at reasonable levels and improve their quality. Dr. Kedia did well to urge the immediate introduction of a system of quality control and compulsory inspection of jute goods prior to shipment. He also emphasised the urgency of taking effective action to curb speculative variations in prices, as well as the need for improving marketing of goods through proper publicity, advertisement, efforts to find new uses for jute goods and goodwill missions to markets abroad.

The aforesaid export promotional measures will, of course, not be of any avail unless energetic steps are taken to ensure to the jute industry adequate supplies of quality raw jute at an economic price. Of the total productive capacity, 19 per cent. is currently lying idle. The forced closure of looms, as Dr. Kedia rightly said, puts a drag on the industry's resources, besides creating unemployment. It will be recalled that, during the 1959-60 season, the jute crop suffered a distinct setback, actual production being 5,646,000 bales (including the *mesta* crop of 1,098,000 bales), as against 6,646,000 bales (1,488,000 bales of *mesta*) harvested in 1958-59, whereas the actual consumption requirements were as much as 6,800,000 bales. The Draft Outline of the third Plan envisages a production target of 1,100,000 tons of jute goods to be achieved in 1965-66. Dr. Kedia certainly struck a note of realism when he declared that the stepping up of raw jute output must remain for many years to come a matter of the highest priority. In his opinion, the third Plan target of output should not be anything less than eight million bales.

The increase in raw jute production, as Dr. Kedia pointed out, must be achieved not by raising the acreage but by intensifying cultivation. Notwithstanding all the loud talk in this direction, progress achieved has not been quite encouraging. The highest yield per acre so far obtained is 2.85 bales, as against 5.00 bales in China and 4.00 bales in Pakistan. To quote Dr. Kedia:

". . . intensification of cultivation has not received the attention that it deserves and there is ample scope for effecting improvement in this direction. . . . The results achieved so far from the experiments made at research centres in India have abundantly demonstrated that, with the help of improved methods of agriculture and by supplying better seeds and fertilisers to growers, it can be possible to get near about 4 bales of jute from one acre, on an average. . . . Along with the quantitative aspect of jute production quality is also of vital importance, because the general texture, appearance, and the finish of the manufactured goods chiefly depend on the quality of the raw material used. India is still deficit in high grade and better coloured jute required for the manufacture of good hessians. Besides possessing a stronger texture and superior weaving qualities, therefore, the fibre should have such colour as may compare well with that of its counterpart in Pakistan. For this what is needed is improvement in the techniques of retting and better facilities for same."

Since raw jute accounts for 60 per cent. of the total cost of jute goods production, its prices naturally exert a powerful influence on the prices of jute goods. Drawing attention to this aspect Dr. Kedia suggested the desirability of evolving a plan to ensure uniform regulation of jute supply in spite of Nature's vagaries. Labour cost is another important factor to which he referred. There is considerable force in his contention that increase in wages, though necessary in a developing economy, must be accompanied by higher productivity. It is to be hoped that the Wage Board for Jute Industry will bear this fact in mind.

BOMBAY PORT TRUST

The quantum of cargo handled at the docks and bunders administered by the Bombay Port Trust rose to an all-time record of 13.15 million d.w. tons in 1959-60. This is in distinct contrast to the trend in the previous year, when the total weight of the cargo transmitted through the port showed a substantial decline. The improvement in performance in 1959-60, according to the Administration Report for the year, published by the Port Trust was shared both by docks and bunders. The volume of imports which passed through docks alone increased from 3.70 million tons in 1958-59 to 3.96 million tons and exports from 1.64 million tons to 1.80 million tons. The total traffic handled by the docks thus aggregated 5.76 million tons, as against 5.34 million tons in the previous year. From the point of view of revenue earned, machinery formed the largest single item in the import trade. The other important items, in order of revenue earned on them, were grains (in bulk), iron and steel, vegetable and mineral oils, cement and cotton. In the export trade, important items, in order of revenue earned on them, were oilcakes, piecegoods, manganese ore, iron, vegetable oils and cotton. The volume of imports handled at the bunders, including Butcher Island, increased from 4.71 million tons to 5.46 million tons and that of exports from 1.70 million tons to 1.93 million tons. The total traffic touched 7.39 million tons, as against 6.41 million tons. The increase, both in imports and exports, was accounted for chiefly by bulk mineral oils.

The following table shows the trend in the expansion of trade handled by the Bombay Port during the last decade:

(In'000 D.W. tons)

	Imports	Exports	Total
1950-51	5,185	1,702	6,887
1951-52	5,807	1,673	7,480
1952-53	4,965	1,943	6,638
1953-54	4,775	1,951	6,726
1954-55	5,630	1,954	7,584
1955-56	6,707	3,599	10,306
1956-57	8,239	3,740	11,979
1957-58	9,302	3,808	13,110
1958-59	8,419	3,333	11,752
1959-60	9,413	3,733	13,146

With the expansion in the volume of traffic, the financial position also tended to improve. The general account for the year under review closed with a surplus of Rs. 2.43 crores, which compared favourably with Rs. 1.84 crores in the previous year. The aggregate revenue, on general account alone, including surcharge, amounted to Rs. 11.51 crores, as compared with Rs. 10.63 crores in the previous year. The total expenditure on general account was higher by Rs. 28 lakhs at Rs. 9.08 crores. The total revenue on general and pilotage accounts taken together (excluding special receipts) rose from Rs. 10.86 crores to Rs. 11.75 crores and expenditure from Rs. 8.93 crores to Rs. 9.22 crores.

In respect of port development and modernisation, it would appear that an effort is being made to slow down the execution of vital programmes. Representatives of trade and industry have been clamouring for the expeditious implementation of what is popularly known as the "minimum scheme," outlined as early as in 1949, for the modernisation of the

(*Continued on page 847*)

AMERICAN LETTER

ELECTION CAMPAIGN AND U.N. MEETINGS

ANOMALIES IN AMERICAN ECONOMY MANY

From Our Special Correspondent

NEW YORK, *25th October*

OUTSIDE of the usual newspaper, radio and television turmoil of the election campaign, Africa and India have become the focal points of discussion in the United States. Indeed, India emerged in the General Assembly meetings of the United Nations as the champion of the new independent countries. This was a very constructive development. Reports of these discussions were disseminated widely throughout this country. The general American public is not particularly world-wise and international-minded. Despite their various national and racial family backgrounds, most people were too busy developing this country and making money to pay much attention to the outside world.

Thrust into leadership of the Western world, they are, let us say, infants in international diplomacy and world trade. To oversimplify the issue, there are still intelligent persons in this country, perhaps even specialists in their own field who do not know the difference between Budapest and Bucharest and where they are.

Outside of the few people who have business in India, the Far East in general and in Africa, the American people know very little, if anything, about these areas, particularly Africa. In passing, it may be observed that the new member delegates from the dark Continent behaved with great dignity and wisdom, unlike Premier Castro who spoke for more than four hours and Premier Khrushchev who took off one shoe and banged it on his desk which prompted the Chairman to dismiss the Assembly.

Emphasis On Trade and Economics

Both the election campaign for President of the United States and the United Nations meetings, in a sense, were eye-openers for the proverbial man in the street. The emphasis in both areas was really on trade and economics with the possible exception of occasional anti- and pro-Soviet political outburst. Both the campaign and the meetings made it quite clear that better living conditions, generally speaking, make for less social unrest and its unpleasant consequences. Domestically, the Democrats want to achieve greater prosperity by spending and spending. In order to achieve election, which Senator John F. Kennedy is trying to buy, there have appeared out of a blue sky predictions by so-called experts, including university professors, most of whom need extra money, that a new recession is around the corner. Deficit spending, of course, means deficit financing.

The Republicans, as stated previously, are for as stable a dollar as possible and with Budget surpluses which in certain areas require tightening of belts. The British have responded to such government appeals quite admirably. Outside of the farming areas, the U.S. urban population is not quite so constituted. Also, the recent rise in the price of gold in the so-called "free markets" have left additional doubts in the minds of people about the stability of the U.S. dollar.

At the present time, Mr. Nixon still seems to be ahead. But U.S. Presidential election campaigns are too long, there is too much mud-slinging and too many unsubstantiated accusations by the candidates. The last week is the decisive one and much can happen in the meantime.

There are a number of anomalies in the U.S. economy. Despite a dip in wages, personal income has risen. Wage and salary income dropped $400 million in September, while total personal income rose by $200 million to a total annual rate of $408,400 million, according to Government statistics.

The only trouble is that, in parenthesis, there is also the invariable phrase "on a seasonably adjusted basis," but there is no explanation how this "adjustment" is being computed. But the U.S. is statistics-happy to begin with and both the optimists, and the pessimists can prove their points. Also, statistics are lagging and it takes time before they are printed and, by that time, conditions may have changed. There is also the anomaly of extremely prosperous and depressed areas, owing to changing consumer demands, changing industrial and agricultural conditions and the weather.

According to official estimates, final figures for September will show a drop of unemployment to 3.4 million, as against 3.8 million in August. This would reduce the jobless rate of the total labour force from 5.9 per cent. in August to 5.4 per cent. in September. Yet, department store sales were off last month. For the year, as a whole, however, they ran about 2 per cent. ahead of the comparable period of last year. Steel is still in the doldrums, operating at only 50 per cent. of capacity or thereabouts. Industrial inventories and sales have declined. But there were optimistic Government guestimates. Estimates place 1960 exports at $19,500 million, owing to higher shipments of raw cotton and jet airliners. Imports are estimated at $15,000 million because of reduced receipts of such items as autos, coffee, cattle and oil products.

Activity Spotty

Despite all propaganda, there is no denying that U.S. business and industrial activity is spotty, sluggish and/or stable. It is a question on one's mental outlook and a question of semantics. Consumer buying of durable goods such as appliances and furniture has not come up to expectations. Housing starts, although improving, have been running well below the comparable period of 1959. Profit margins have narrowed and aggregate corporate profits are below the glittering prospects pronounced earlier in the year, which was to be regarded as the first of the "golden 1960s".

Despite these developments, the total output of goods and services in the U.S., employment, income and in most areas, investment and spending remain at near record levels. In recent weeks, the records of which have not yet appeared in statistics, the downward pressure in the economy seems to be lessening. The marketing of crops will also help a good deal. But two disturbing factors will be with us for the rest of the year and beyond. One is the uncertainty of the policies of the incoming President and of the new Congress. The other is the uncertainties of the foreign situation. This applies not only to the accelerated cold war between the East and the West but also to the fate and future of the new independent nations in Africa and elsewhere.

Owing to the vicissitudes of economics with which every developing country is confronted, the nations will need help. Both the East and the West will try to wean them from each other. It could be a considerable strain on the U.S.—*All Rights Reserved.*

(Concluded from next column)

needed to reinforce reserves, and repay when reserves are rising ... if drawing on the Fund is regarded as only a last resort then half its utility is lost because it will become to be seen as a crisis measure which will cause as much nervousness as it allays."—*All Rights Reserved.*

"OUTER SEVEN" CONFERENCE

A political and economic conference of the seven-member countries of the European Free Trade Association (Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the U.K.) is being organised by the U.K. Council of the European Movement. It will be held in London from the 7th to 9th inst. under the joint chairmanship of Sir Edward Beddington-Behrens and Mr. Alfred Robens. Leading members of the Governments of "the Seven" will attend the opening session or the dinner on the first day. The British Prime Minister, Mr. Harold Macmillan, will speak at the dinner, and Mr. Reginald Maudling, President of the Board of Trade, will speak at the closing session on the 9th inst.

The purpose of the conference is to exchange views on the Stockholm Convention in the light of its stated aims, namely, "to promote in the area of the association, and in each member State, a sustained expansion of economic activity, full employment, financial stability, and continuous improvement in living standards." The conference will bring together politicians, industrialists, bankers, and trade-union leaders of the seven countries. While the groups have opportunities of discussing their own problems among themselves, it is pointed out, the conference will provide a platform where different points of view can be exchanged in an informal manner without the need to feel encumbered by the passing of resolutions.

UNCOMMON SENSE IN MONEY MARKET

From Our Own Correspondent

LONDON, *28th October*

THIS week's reduction in the Bank Rate by ½ per cent. to 5½ per cent. has been accompanied by all the usual statements—that it does not really mean very much, that there is no change in the policy of credit restriction and that "continued restriction is necessary." The Chancellor of the Exchequer, speaking after the change at the Dinner of the Institute of Directors' Conference, had to reconcile this interest reduction with the speech he had made just a week before at the London Bankers' Dinner, when he was justifying all the various measures that were restricting credit. Mr. Selwyn Lloyd was speaking on both occasions to a well prepared brief and it would be too much to expect him to say anything of particular interest. He, however, made it clear on both occasions that the Treasury and the Government believed that demand is still, broadly speaking, in excess of supply and that credit restrictions are necessary to divert resources to exports and investment.

LONDON LETTER

But it would be a justifiable point to say that this indication of Government policy was negative and could not carry much conviction that it would succeed in its objective. This point was reinforced by the Governor of the Bank of England, Mr. Cobbold, at the Dinner, when he went out of his way to give a closer exposition of the Bank's views on monetary policy than is usual. And, here, he admitted "that monetary policy can only carry a part of the burden of economic adjustment and cannot be effective if it is expected to work against rather than in support of Government policy in fiscal and other fields." He also drew a comparison between interest rates in countries with a balance of payment surplus and those with a balance of payments deficit. He was concerned that countries with a surplus should be maintaining high interest rates and he hinted that he would not be opposed to interest rates in this country going down—this was widely interpreted as forecasting a cut in the Bank rate, although few thought that it would take place quite so soon after such a chorus of speeches on the need to maintain credit restrictions.

Credit Policy

For the moment, the Government have no intention of making it easier to buy goods on hire purchase, nor do they propose to relax the obligation of the clearing banks to maintain 1 per cent. of their deposits with the Bank of England. But Mr. Cobbold, in the earlier speech, already referred to, emphasised that credit policy should not be too rigid. He believed that monetary policy, when an economy was reasonably stable, was much more effective than it was at present fashionable to give it credit for. And one must suppose that, since the Bank rate is the most obvious weapon of monetary policy, the Bank of England is ahead of the Treasury in seeing the need for letting up on tight money.

The Governor of the Bank had also some useful things to say on hot money and the role of the I.M.F. He saw no cause of cheer because British reserves were going up as a result of a hot money inflow, encouraged by high interest rates. And it is to be hoped that as much notice was taken of his subsequent remark "nor shall I see cause to complain if our reserves fall because they (short-term money movements) go the other way. *This is what reserves are for.*"

In the Bank's view, moreover, some of the hot money inflow may be less volatile than is usually supposed. A good deal seems to have gone into the Gilt-edged market where prices have been encouragingly low and, short of any crisis, it will take more than small changes in interest rates to cause a selling movement of Gilts and the scuttling away of the hot money.

Finally, he stressed that the proper function of the I.M.F. was to provide the second line of reserves upon which Central Banks should draw freely and not only in time of extreme difficulty. The I.M.F. has for the past year had increased resources and, subject to borrowers pursuing proper financial policies, Mr. Cobbold said that he would like "to see countries draw on these facilities as a matter of ordinary business when they

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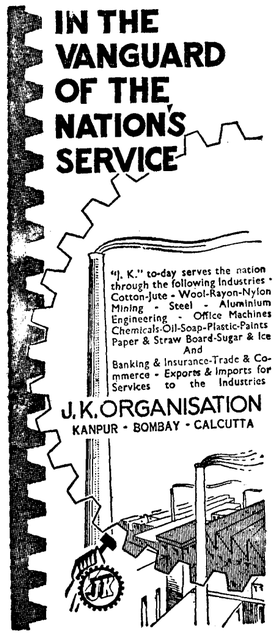

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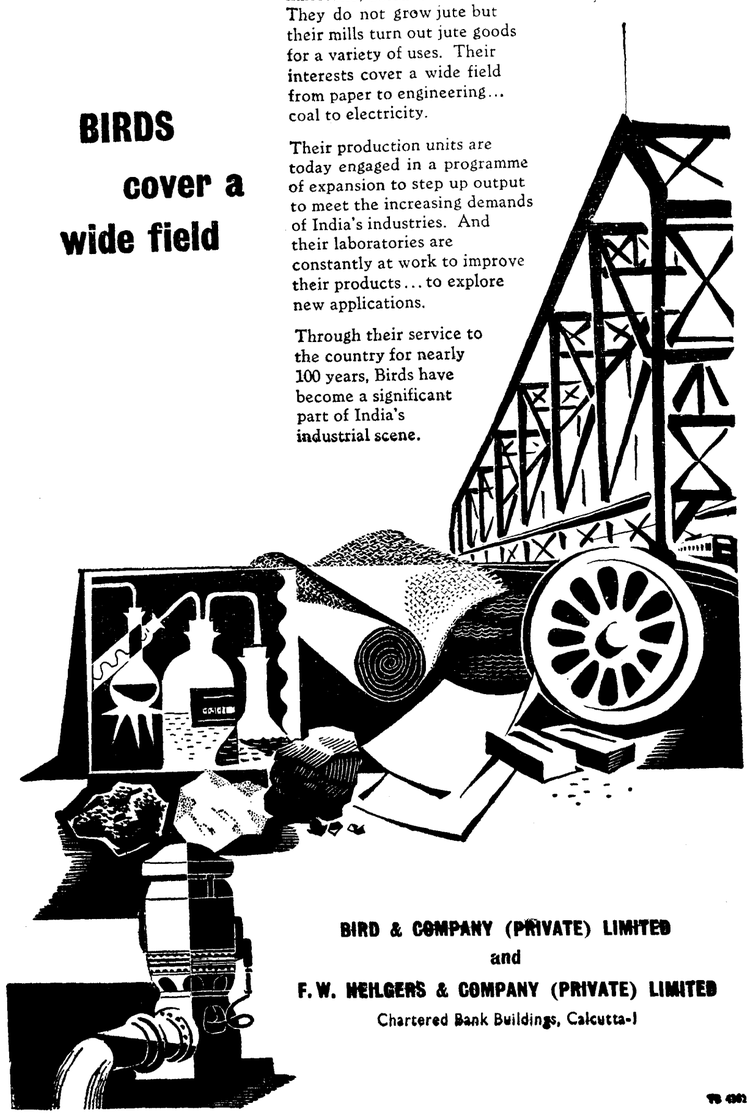

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By Messrs. JOHN & ROW

An indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

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DOES MONEY ALWAYS DEPRECIATE?

HISTORICAL PRECEDENT NOT CONCLUSIVE

NOWADAYS, savers and investors are often told by a section of investment advisers that they should not buy ordinary life insurance policies or annuities in excess of their minimum needs but should put their wealth in real estate or commodities. Investors, in particular, are advised to prefer equities to bonds or other fixed yielders. This advice generally rests on the belief that there is a historical tendency for prices to rise. It is, therefore, argued that, even though the current return from investment in bonds may be higher than on equities, the actual yield on the bond holders' investment may be very much lower than the interest earned, when the loss in real capital value due to the price rise is taken into account. It is pointed out, as an illustration of this statement, that the real return for most war-time investors in Government bonds has been negative, the average annual rate of change of prices having been greater than the money rate of interest.

This problem of the possible fall in the value of one's savings is not merely of academic interest, because, for most people, savings involve a sacrifice of the immediate satisfaction that could have been secured from present consumption. From this point of view, every saver is interested in knowing whether he will stand to lose by putting his money, say, in the form of life insurance, post office savings and national plan certificates. The question of prize bonds is, of course, different, because it raises different issues. In India, some eminent economists have been contending that the colossal magnitude of deficit financing which we have undertaken during the second Plan period is corroding the value of people's savings and this has created a psychology in favour of gold, real estate and various commodities for storing one's wealth—decidedly a bad form of investment from the point of view of economic development of the country.

This whole issue, namely, whether there is any validity in the so-called historical law of prices to rise, has been examined very thoroughly by Prof. R. G. Lipsey of the London University in the latest issue of *Lloyds Bank Review* (October, 1960) in the light of the time series data of prices extending back to 1264. While there is a general paucity of data in regard to many time series extending back to previous centuries, the valuable work of Prof. Phelps Brown and Miss Sheila Hopkins has provided an index of prices in Britain for the last seven centuries, beginning from 1264. This remarkable index provides a reasonably accurate indication of variations over the last seven centuries in the cost of purchasing a constant bundle of goods. The main commodities included in this index are: farinaceous products, meat and fish products, butter and cheese, drink, fuel and light, and textiles. Variations in this index over the periods of ten and fifty years should give a reasonably general indication of the changes in the value of the saver's and investor's pounds.

Rising Price Trend

A close study made by Prof. Lipsey of the Brown-Hopkins index indicates that the average trend in British prices over the seven centuries from 1275 has been an increase of one-half of one per cent. per annum. This rising trend provides the basis for the postulated historical law of rising prices. But it is also clear from the index that there are many periods in history in which the price level movements *do not* follow the trend line. There are actually periods in which the price level *fell*, and there are other long periods in which there is no discernible upward or downward trend in the level of prices. The percentage changes between the main peaks and troughs of the price level over these seven centuries are as follows:

Period	*Number of years*	*Percentage change in price level*
1275-1525	250	+ 29
1525-1650	125	+550
1650-1744	94	− 38
1744-1813	69	+263
1813-1893	80	− 51
1893-1920	27	+183
1920-1932	12	− 59
1932-1959	27	+322

By comparing the value of the price index in each year with its value in the preceding year, Prof. Lipsey has found that there were 343 years in which the price level rose from one year to the next, and 328 years in which the price level fell, while, in 12 years, the price level held constant. The short-term trend is noted as follows:

The longest period of *uninterrupted* price rise was the thirteen years from 1940 to 1952; the next longest period was the seven years from 1912 to 1918; and there were only three periods of six successive years of price rises—1478-83, 1762-67, 1835-40. The longest periods of successive price decreases were the three five-year periods 1473-77, 1651-55 and 1926-30.

Prof. Lipsey, therefore, concludes that the price level fell from one year to the next a most exactly as many times as it rose, and that, before giving advice to savers and investors on the basis of the "historical law of prices" to rise, a detailed examination of price level movements will be necessary. Prof. Lipsey has done this by finding out whether the price level was higher or lower ten years from 1275, that is, in 1285. Then, this procedure can be repeated every year from 1275 until 1949, noting each time whether the price level was higher or lower ten years after the date in question. This procedure may also be repeated using a time horizon of fifty years. Starting at 1275, the price level fifty years from that date, is first examined. This procedure is repeated for every year until 1909, relating the price level in that year to the price level in 1959. The results of these calculations, according to him, are as follows:

When the time-span is fifty years, there are eighty-two instances in which the price-level fell by an amount between zero and 9 per cent. The next most frequent result is for the price level to rise by an amount not greater than 10 per cent. There are sixty-nine instances in which the price-level rose by an amount not greater than 10 per cent. over a half-century period.

When the time-span is changed to ten years, the frequency of price level increases upto ten per cent. (125 instances) is almost the same as the frequency of price level decreases between zero and nine per cent. (124 instances).

Bias Towards Inflation

The frequency distribution over a fifty-year time horizon does show a definite bias towards inflation. There are 635 years between 1275 and 1909, and a guess that the price level would be higher fifty years from the date on which the forecast was made would have been correct in 66 per cent. of these years and wrong in only 34 per cent. Nevertheless, much credit cannot be given to the "historical law" of price increases, as, in one out of every three instances, the implied assumption that prices would rise over the following half-century turned out to be quite wrong. When, moreover, one adopts the time span of only ten years, one will find that the tendency towards inflation becomes much less marked than it is over a fifty-year horizon. Between the years 1275 and 1949, for instance, the guess that the price level would be higher ten years after the year in question would have been right 57 per cent. of the time and wrong for 43 per cent. Further, the periods of price increases are not spread evenly throughout the seven hundred years taken for this review. The following table summarises the results of a guess taken every year of each century as to the change in the price-level over periods of ten and fifty years:

A guess taken in each of these years that the price level would be higher	*Percentage of correct guesses*	
	Fifty-year horizon	*Ten-year horizon*
1275-1299	60	36
1300-1399	43	48
1400-1499	60	48
1500-1599	99	48
1600-1699	57	81
1700-1799	91	47
1800-1899	45	75
1900-1909	100	46
1900-1949	..	80
	..	68

The table shows that, in most centuries, it was a fairly good bet that the price level would rise over a period of fifty years. Only in the fourteenth and the nineteenth, the odds favoured a fall in the price level, when the time horizon was fifty years.

Exceptions

The evidence of history is, however, fairly strongly in favour of inflation, if one's time horizon is fifty years, although there are some quite long periods which provide exception to this rule. Thus, the peak level of 216 in the year 1316 was not again exceeded until 1546, that is, as many as 230 years later. The peak level of 1650 was not surpassed for 61 years, nor that of 1711 for 82 years. It was more than a century before prices again reached the heights seen during the Napoleonic wars.

In the case of ten-year time horizon, the picture shows a marked variation. The bet that the price level would be higher ten years hence, would be wrong more times than it would be right. This is particularly so in the thirteenth, fourteenth, fifteenth, seventeenth and nineteenth centuries. In fine, the evidence of history does *not* support an argument that runs as follows:

"Favourable inducements to invest in bonds (with, say, a ten-year maturity period) should be discounted severely, because bonds do not provide a necessary hedge against the almost inevitable inflation."

A person following this advice would have gone wrong more times than he would have been right in most of the centuries between 1275 and the present time.

From this discussion, Prof. Lipsey draws the conclusion that the basis for the widespread belief in the historical law of rising prices appears to be the fact that there were five major inflations in the seven centuries under consideration. The inflations which caused permanent increases in the price level have been concentrated into only three historical periods, the other two inflationary periods being followed by almost serious deflations. The first inflation between 1525 and 1650 was due to the debasement of the coinage by the Tudor Monarchs and the influx of Spanish gold and silver from the New World. The last half of the eighteenth century—from 1744 until the Napoleonic wars—was the second great period of prolonged inflation, the likely cause of this inflation was the rapid growth in the number of banks during this period leading to a large expansion in the money supply. The third period of inflation is associated with the Napoleonic wars (1790-1813). The price level rose rapidly from 1773 and reached the peak in 1813. The last two periods of inflation are those associated with the two world wars of this century. During the first World War, the price level rose sharply, but fell again quite drastically throughout the 1920's. The price level again rose severely during the second World War; this price level movement was not even temporarily reversed, so that a permanently higher level of prices came to be established.

The close examination of the historical data by Prof. Lipsey indicates that (1) there have been a number of major inflationary periods. Two of them, Napoleonic war period and the first World War period were followed by deflations of more or less equal severity; (2) there

(*Continued on*

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THIS IS AN ANNOUNCEMENT ONLY AND NOT A PROSPECTUS.

The Consent of the Central Government has been obtained to this issue.

A Licence has been granted by the Central Government for effecting a substantial expansion of the Company's existing industrial undertaking.

A copy of the Prospectus having attached thereto documents as required under Section 60 of the Companies Act, 1956, has been delivered to the Registrar of Companies, Maharashtra, for registration.

Application will be made to the Bombay Stock Exchange for permission to deal in and for an official quotation of the shares of the Company.

The Subscription List will open at the commencement of Banking hours on the 14th day of November, 1960, and will close at the close of Banking hours on the 19th day of November, 1960, or earlier at the discretion of the Directors but not before the close of Banking hours on the 16th day of November, 1960.

UNDER SECRETARY TO GOVERNMENT 7 NOV 1960 PUBLIC DEPARTMENT

BAJAJ AUTO LIMITED

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1913)

CAPITAL

AUTHORISED	
1,00,000 Shares of Rs. 100 each	1,00,00,000
ALREADY ISSUED, SUBSCRIBED AND PAID UP	
9,900 Equity Shares of Rs. 100 each	9,90,000
PRESENT ISSUE	
60,100 Equity Shares of Rs. 100 each	60,10,000
As per Special Resolution passed by the Company on 15th October 1960 these shares are offered as follows :—	
TO EXISTING SHAREHOLDERS	
25,740 Equity Shares of Rs. 100 each at par	25,74,000
Shares not taken up by the existing shareholders or their nominees will be subscribed by the Directors and their friends.	
FOR PUBLIC SUBSCRIPTION	
34,360 Equity Shares of Rs. 100 each offered at par to the public for subscription in cash	34,36,000
Rs.	60,10,000

DIRECTORS

(1) SHRI KAMALNAYAN BAJAJ (*Chairman*), Industrialist, 31B, Carmichael Road, Bombay-26.
(2) SHRI MADANMOHAN R. RUIA, Industrialist, 96, Napean Sea Road, Bombay.
(3) SHRI RAMNATH PODAR, Industrialist, Podar Mansion, 10, Marine Drive, Bombay-1.
(4) SHRI SHANTANU L. KIRLOSKAR, Industrialist, "Lakaki," Poona-5.
(5) SHRI M. K. FIRODIA, Industrialist, Navipeth, Ahmednagar.
(6) SHRI RAMESHWAR PRASAD NEVATIA (*Ex-Officio*), Industrialist, Pitaie Prasad, Worli Sea Face, Bombay 18.
(7) SHRI V. J. SHAH (*Ex-Officio*), Industrialist, 41, Bhulabhai Desai Road, Bombay-26.

REGISTERED OFFICE

134, DR. ANNIE BESANT ROAD, WORLI, BOMBAY-18.

MANAGING AGENTS

JAMNALAL SONS PRIVATE LIMITED. Head Office: 51, Mahatma Gandhi Road, Bombay-1.

BANKERS

1. THE PUNJAB NATIONAL BANK LIMITED, Karimjee House, Sir Phirozeshah Mehta Road, Bombay-1.
2. THE CENTRAL BANK OF INDIA LIMITED, Mahatma Gandhi Road, Bombay-1.

BROKERS

1. MESSRS. NAVALCHAND T. SHAH & CO., Union Bank Building, Bombay-1.
2. MESSRS. MAHADEVIA BROTHERS, Stock Exchange Building, Bombay-1.
3. MESSRS. JASHWANTLAL V. BHAGAT, 5, Hamam Street, Bombay-1.
4. MR. JAYANT AMERCHAND KALIDAS, Stock Exchange Building, Bombay-1.
5. MESSRS. INDRALAL MADANLAL JHUNJHUNWALA, Agakhan Building, Dalal Street, Bombay-1.
6. MR. L. G. BHOLE, 76, Stock Exchange Building, Bombay-1.
7. MESSRS. HARBANS SINGH MEHTA & CO., 33, Regal Building, New Delhi 1.
8. MR. JAGAN NATH SYAL, 27, Stock Exchange Building, Asaf Ali Road, New Delhi.
9. MESSRS. G. M. PYNE, 14, India Exchange Place, Calcutta-1.
10. MESSRS. CHITRA & CO., 322-323, Linghi Chetty Street, Madras-1.

AUDITORS

MESSRS. DALAL & SHAH, Chartered Accountants, Apollo Street, Bombay-1.

SOLICITORS

MESSRS. CHIMANLAL SHAH & CO., Dalal Street, Bombay-1.

TERMS OF PAYMENT OF SHARES OFFERED TO THE PUBLIC

On application ... Rs. 25 per share
On allotment ... Rs. 25 per share
Balance ... Rs. 50 per share, as and when called in accordance with the Articles of Association, but not earlier than six months, after the date of allotment. No call shall exceed Rs. 25 per share and no call will be made payable within three months after the last preceding call was payable.

Rs. 100 per share

Applications for shares from the public must be for a minimum of 5 shares or for multiples of 5 shares.

The shares of the present issue will not be entitled to any dividend that may be declared on the Equity Shares in respect of the Company's financial year ending on 31st March, 1961.

OBJECTS OF THE COMPANY

The object of the Company is principally to carry on the business of assembly, manufacture and sale, distribution, dealership, import, export, etc., of all types of automobiles, in particular, of VESPA SCOOTERS and VESPA THREE-WHEELERS and to carry on business and activities, ancillary or supplemental thereto and other objects as set out in detail in the Memorandum of Association of the Company.

HISTORY OF THE COMPANY

This Company is pioneer in introducing Autorikshas and Scooters in India. In the year 1948, the Company commenced import of components in S.K.D. condition and assembled and built Autorikshas and Scooters.

In the year 1953, the Company alone submitted a scheme for the progressive manufacture of Scooters and three-wheelers in India to the Tariff Commission.

The Government of India has issued a Licence No. L/7(5)/N-53/59 dated 25th September 1959, for the manufacture of Scooters and three-wheelers with an installed capacity of 6,000 numbers per annum on a single-shift working.

In the draft outline of the Third Five Year Plan published by the Planning Commission, it is stated that the production of Scooters, Motor-cycles and three-wheelers in India is estimated at 16,000 units per annum by the end of the Second Five Year Plan, and the Commission have proposed a target of production of 48,000 Scooters, Motor-cycles and three-wheelers to be reached by the end of the Third Five Year Plan. The Company will, therefore, in due course apply to the Government of India for the expansion of its installed manufacturing capacity.

The Company has commenced production of Scooters in the month of June 1960, and has produced 476 Scooters in the month of September 1960.

PLANT SITE

The Plant will be located near Poona in the State of Maharashtra.

COLLABORATION AGREEMENT

The Company has been granted a Licence by Messrs. PIAGGIO & CO., Genova, Italy, for the manufacture of VESPA SCOOTERS and VESPA COMMERCIAL THREE-WHEELERS (AUTORIKSHAS). They have agreed to provide the technical know-how for the manufacture of the same, and an agreement for the Licence and the technical know-how has been entered into with them on the 18th February 1960.

Messrs. PIAGGIO & CO. are the pioneers in the Scooter Industry in the World. They, at present, produce more than a lakh and fifty thousand Scooters per year in their own plant at Pontedera, near Pisa in Italy; and VESPA SCOOTERS are being manufactured under Licence from them in five other countries, namely, France, Great Britain, Germany, the Netherlands and Spain.

Messrs. PIAGGIO & CO. have also agreed to train Indian Technical Personnel in their factory in Italy.

BROKERAGE

Brokerage will be paid by the Company to the members of a recognized Stock Exchange and to Banks at the rate of Rupee One per share allotted on the application bearing their stamps.

CAPITAL OUTLAY AND MINIMUM SUBSCRIPTION

The minimum subscription in respect of the public issue on which the Directors will proceed to allot is Rs. 34,36,000.

The Capital requirement is estimated as follows:—

	Rs.
1. Cost of land, building, power and water	21,00,000
2. Cost of machinery, equipment, erection and electrification	42,00,000
3. Working Capital	7,00,000
Rs.	70,00,000

This requirement is proposed to be financed as under:—

			Rs.
1. Existing Share Capital			9,90,000
2. Present Issue:			
Existing shareholders, etc.		Rs. 25,74,000	
Public Subscription		34,36,000	60,10,000
		Rs.	70,00,000

PAST DIVIDENDS

Year ended	Profits before taxation	Profits after taxation	Rate of dividend
	Rs.	Rs.	
31-3-1956 ..	2,50,909	1,01,909	..
31-3-1957 ..	4,04,748	1,75,668	10%
31-3-1958 ..	3,59,605	1,70,356	18%
31-3-1959 ..	1,80,603	72,308	40%
31-3-1960 ..	2,67,652	1,45,152	20%

MANAGING AGENTS

Jamnalal Sons Private Limited, who were appointed Managing Agents of the Company in the year 1954, have been reappointed for a further period of five years from 16th August 1960, on a remuneration of 10% commission on the net profits of the Company subject to a minimum remuneration of Rs. 12,000 per financial year only in the event of absence or inadequacy of profits.

IMPORT LICENCE FOR MACHINERY

The Company has been granted by the Chief Controller of Imports a Licence for Rs. 24,97,150 in favour of the Company on cash basis under D.L.F. Line of Credit for imports of capital goods for the manufacture of Scooters and Autorikshas.

INSPECTION OF DOCUMENTS

Copies of the Prospectus and the documents mentioned therein are open for inspection at the Registered Office of the Company.

APPLICATIONS AND ALLOTMENTS

All applications must be in the Form accompanying the Prospectus which can be obtained from the Company's Office and the Company's Bankers and Brokers. All application forms properly completed must be lodged together with the amount payable on application with the Company's Registered Office or with any of the following Bankers, namely:—

1. THE PUNJAB NATIONAL BANK LTD., Karimjee House, Sir Phirozeshah Mehta Road, Bombay-1
2. THE CENTRAL BANK OF INDIA LTD., Mahatma Gandhi Road, Bombay-1

or with any of the Offices of the said Bankers in the following cities, namely, Ahmedabad, Bangalore, Baroda, Bombay, Calcutta, Delhi, Hyderabad, Indore, Jaipur, Kanpur, Madras, Nagpur, Poona, Rajkot and Trivandrum.

All Cheques or Drafts drawn on Banks situate at places other than those mentioned above should include a sum at the rate of 25 nP per cent. (minimum 62 nP) of the amount remitted to cover all the commission and Bank charges; otherwise the application is liable to be rejected.

Cheques or Drafts should be drawn in favour of "BAJAJ AUTO LIMITED, A/C. NEW ISSUE." For applicant's protection the Cheques or Drafts should be crossed "A/C. PAYEE ONLY." A separate Cheque or Draft must accompany each application.

The allotment will be indicated by the despatch of an allotment letter, but the Directors reserve the full uncontrolled right of accepting or rejecting any application in whole or part without assigning any reason. Where the application is rejected or not accepted in full, the whole or any balance of the application money received as the case may be, will be refunded without any interest to the applicant (in which event, the Bank's commission, if any, will be payable by the applicant) within 2 months from the date of closing the subscription list.

ISSUE OF SHARE CERTIFICATES

Share certificates will be available for issue in exchange for letters of allotment within 9 months of allotment.

DEVELOPMENT OF WOOL IN INDIA

WHAT PRIVATE SECTOR SHOULD DO

BY A CORRESPONDENT

A REFERENCE was made to certain aspects of wool growing industry in this country by Mr. Kailashpat Singhania, Chairman of the Raymond Woollen Mills, in his speech at the annual meeting of the Company held at Bombay on 1st July 1960. He made suggestions pertaining to grading of wool and emphasised the need for improving the breeds so as to obtain finer quality which, he said, would not only offer a better outlet for indigenous manufacturers but fetch a higher value when exported. It was also strongly advocated that concentrated efforts should be made and suitable measures adopted by the Government to achieve the ultimate objective of self-sufficiency in the manufacture of items required by defence services.

Before proceeding further, it would be appropriate to examine the conditions under which sheep breeding is carried on in this country and those responsible for it. It is true that Rajasthan is one of the States which produces the largest quantity of wool. Hence it will be reasonable to state that whatever is good for the shepherds of Rajasthan should naturally be good for the shepherds of other States and it is an incontrovertible fact that the general conditions under which these shepherds work do not differ from State to State. It is also an irrefutable fact the condition under which these brave and worthy sons of India carry out their respective functions are deplorable. They do not receive any aid or contribution from the said State Governments and/or the Central Government, nor have they ever received any kind of help in any form or manner from the wool trade, industry or the public.

Role of Shepherds

A fact that must not be lost sight of is that shepherds are nomadic tribes and they are generally compelled to travel thousands of miles on foot, along with their family and livestock, in search of proper water and appropriate pastures. They do not have a fixed abode and are subject to natural calamities such as floods, famines and epidemics. Apart from these calamities to which they are constantly subject, there is an additional threat to their very existence when their flocks go astray in search of pasture lands and sometimes damage the crops belonging to farmers who then abuse and assault the poor and illiterate shepherds. It will, therefore, not be an exaggeration to state that the Indian shepherd, in spite of all these difficulties, survive and is in a position to produce an adequate supply of wool which no other shepherd in the world can produce in similar circumstances.

It will not be out of place to mention here that these worthy sons of our soil, even with all the hazards to their lives, make a notable contribution to the country's economy. Exports of wool earn foreign exchange to the tune of Rs. 10 crores annually. The shepherds also supply more than Rs. 10 crores worth of wool for home consumption, and wool for making carpets, etc., mutton, bones, hoofs and the like, skins, and manure.

Viewed thus, foremost attention should, indeed, be paid to the pressing needs of shepherds; they should have a land of their own for proper settlement, so that they could be stationed permanently in one particular area to avoid migration from time to time. In the absence of such a move, it will be useless to embark on any mission to improve the quality of wool. No doubt this task in itself is so gigantic, because the area involved is rather large, and it is a matter of doubt whether the Government can handle such a scheme successfully. It is postulated by some agencies that the Government must do this or that, but one ventures to ask: Why should we expect the Government to do everything in our country and can this not be tackled by those interested in the commodity?

It is an established fact that, in view of the poor economic conditions of our country, no import licences will be granted for import of woollen piecegoods for many years to come. This in itself is a blessing in disguise for the woollen manufacturers of this country, as they have not to fear foreign competition. This will be an excellent opportunity for the woollen industry to prove to the Government beyond a shadow of doubt that what the latter could not achieve for so many years past can successfully be achieved by the private sector. And this can be done as follows:

(a) Steps to be taken by the private sector to establish a farm of at least 10,000 acres. Special attention should be paid to the selection of the breed of ewes and rams and the same should be run on commercial basis in an economical and appropriate manner so as to prove to the Government that their academic experiments for well over 15 years have not borne the desired results.

(b) Similar large-scale farms for finer wool may be established in the Nilgiri region where the flocks should consist of foreign rams for the purpose of cross-breeding with indigenous ewes. South India is purposely selected, as there is more population of sheep there than in the North where better type of wool is obtained. By following this suggestion, the North breed will remain unadulterated, while, in the South, the advantages of improved cross-breeding will thus be achieved.

(c) Woollen manufacturers should voluntarily guarantee that they would be willing to purchase the available stock of particular count at a precise price irrespective of large or small quantity.

Large-scale Scheme Wanted

In the humble opinion of this correspondent, a large-scale scheme with proper management is vital and will also demonstrate to the Indian shepherds the advantages of better shearing and grading or sorting.

Apart from the suggested establishment of farms on an organised scale, due attention must be devoted to the sorting and grading of wool. Although there is at present compulsory Government grading scheme, which only applies to wool exported out of India, it is also a well-known fact that the scheme is still in its infancy. The scheme confines itself to colour classification and the approximate yield of the material packed and tendered for export. Even the yield is so inaccurate that foreign buyers do not recognise it and have the wool tested in independent testing houses at destination. The Government has so far neither cared nor contemplated to sort and grade the wool according to its quality, nor does it have proper wool sorters. Needless to mention that a wool sorter is a craftsman who has been trained by years of experience; he must possess important faculties such as good eyesight and a keen sense of touch and be able to render a prompt and reliable decision. Appropriate attention must be devoted to induce our younger generation to study wool technology and adequate facilities to be provided for this class of people to gain the actual experience in sorting, grading, etc., and other know-how, so that when such personnel is ready, they can be employed to check up the wool at the source at the time of shearing, before any adulteration can possibly be attempted by interested parties.

TEXTILE INDUSTRY IN SPAIN

The Government of Spain has announced the programme for modernising the textile industry. The broad details of the programme are as follows:

The industry will form a cotton textile organisation. Fundacion Textil Algodonera, to which will join companies on a voluntary basis. The organisation may finance operations by fixed interest bearing bonds. Credit may also be granted by the Bank of Industrial Credit.

In order to stimulate technical and commercial reorganisation and concentration of smaller units, concerns with spindles and looms not exceeding 10,000 and 150, respectively, will be exempt from stamp and issue duties.

Preferential treatment will be accorded to them in foreign exchange allocations for buying machinery abroad when necessary, particularly when re-equipment is required for competing in the export market. On the official side, the modernisation plan will be under the control of a co-ordination committee and also of an all-purposes committee which will fix a four-month period during which it will accept applications for assistance, after which development plans based thereon will be formulated during the succeeding three months.

Arrangements will likewise be made to meet expected redundancy arising from technological improvements.

The need for modernisation of machinery and equipment in the textile mills of Spain is urgent because a large part of the equipment is obsolete. Half the looms in existence is 40 years old and 20 per cent. of the spinning machinery was installed before 1900. What is worse, the Spanish textile industry suffers from a proliferation of small units with less than 10,000 spindles where the mass of outdated machinery is concentrated.

The industry's output capacity exceeds normal home and export demand. Notwithstanding the obsolescence of equipment, the industry has endeavoured to step up exports markedly in recent years. The value of textiles actually exported in the first half of 1960 was as much as $21.7 million, as against $16.4 million and $5.4 million in the whole of 1959 and 1958, respectively. The total exports for the entire year are expected to be of the order of $45 million. The industry has, of course, been assisted mainly by the Government which has exempted textiles manufactured for export from internal indirect taxation (12 per cent.) and permitted exporters to use the exchange accruing from their sales to buy an equivalent amount of foreign cotton.

NEW "TEFLON" FIBRE

The Du Pont de Nemours International, S.A., Switzerland, has announced the release of a new "Teflon" PEP-fluorocarbon monofilament fibre (250 deniers and 1,200 deniers) and 100 denier multifilament yarn of "Teflon," the lightest weight yarn produced of the material for experimental use. The prices quoted are $35 and $75 per lb., respectively. The Company has also announced the production, on a commercial scale, of 200 denier multi-filament "Teflon" fibre, which was hitherto being sold in experimental quantities, at $27 per lb. Further, the price of 400 denier and 1,200 denier multi-filament yarn and staple fibre of "Teflon" TFE-fluorocarbon has been revised downward from $20 to $14 per lb.

It is claimed that the "Teflon" fibre has outstanding chemical resistance, for which there is no known solvent. The fibre retains its strength even after prolonged exposure at operating temperatures ranging from minus 100 degrees Fahrenheit to plus 500 degrees. The fibre is completely mildew-resistant and is not degraded even after years of outdoor exposure to ultra-violet rays. This combination of properties of "Teflon" has, among other things, led to the development of greaseless bearings lined with the fibre, and to use in packings, seals, filters and protective suits. The new monofilament is believed to be potentially useful in such fields as chemical distallation, in vacuum filters of window screen construction, and in brushes, wherein the bristles, made of the new monofilament, can be dipped in any acid or solvent without damage.

Nearly 100 companies in the United States are producing commercial fabrics and other products of "Teflon" at present.

U.K.-HONG KONG TEXTILE PACT

The criticisms levelled against the cotton textile export ceiling agreement between Hong Kong and Great Britain by the textile interests in Hong Kong were referred to in these columns last week. A recent report from this Colony avers that a group of influential textile leaders has launched a campaign to seek "further consultation" with Lancashire regarding the present textile pact. The group is using Clause 12 of the pact as the basis of the campaign to seek suspension of the pact. The clause states that, if, during the currency of the pact, there should occur any major changes in the pattern of U.K. import trade in cotton textiles to the detriment of either the Hong Kong industry or Lancashire industry, there should be further consultation at the request of either industry to consider whether any consequential modifications to this pact are necessary.

The campaign was launched following the Hong Kong Government's reported move to map out a "mutual benefit" plan in order to renew the pact when it expires on 1st February 1962. The plan, which was said to be mutually beneficial to Hong Kong and Lancashire, will be in the form of increasing the existing quota. It is stated that Lancashire manufacturers are likely to exert pressure through the Government in order to renew or extend the pact. Mr. N. C. Chang, Chairman of the Federation of Hong Kong Cotton Weavers, is reported to have said: "We are surprised at this shocking news. In fact, we are contemplating suspension of operation of the pact, in view of rapidly increasing imports of cotton piecegoods into the U.K. from other European countries. Owing to the changing pattern of U.K. import trade, the reason for the Hong Kong Lancashire pact is no longer there."

Details regarding the offer of Japan to sell textile machinery and equipment to Pakistan were discussed by a mission sponsored by the Japanese Machinery Exporters Association with the officials of the Pakistan Ministry of Industries at Rawalpindi recently. Japan has agreed to finance 355,000 spindles and 3,000 looms worth $20 million (£7.143,000) for the production of finer quality cloth. The machinery will be supplied on an individual basis by Japanese industrialists to their Pakistani counterparts. Japan signed an agreement with Pakistan in 1953 for the supply of textile machinery on the basis of deferred payments, and, under that agreement, Japan supplied 60 per cent. of the present spindles. Most of the remainder came from Britain. The second Five year Plan envisages the installation of an additional 550,000 spindles and 5,000 looms to raise the production of yarn from 380 million lbs. to 520 million lbs.

The trading practices of Japanese exporters of wool textiles were defended recently at Bradford by Keiichi Matsumura, Commercial Counsellor at the Japanese Embassy in London. They have been criticised for the extensive use of English language markings which, it is alleged, are calculated to give the impression that the goods are of English origin. Mr. Matsumura explained that the Japanese Government's system of inspecting exports had been tightened and new standards of requirement were such as to remove causes for complaint. The new code was perhaps a little looser than the International Wool Textile Organisation's code of fair trading practices, but he believed it to be reasonable. Many Japanese manufacturers, he explained, were not members of the I.W.T.O. and it was not easy to impose the I.W.T.O. code on non-members. One difficulty, he added, rose from an apparent prejudice against Japanese goods in certain markets, which preferred to see goods marked "Foreign" rather than "Made in Japan".

MORE ON COTTON BOARD'S CONFERENCE

MANPOWER RETENTION AND PROMOTIONAL SALES DRIVE URGED

From Our Special Correspondent

MANCHESTER, 25*th October*

MANCHESTER LETTER

WHEN the representatives of employers and trade unions in the spinning and weaving branches of the Lancashire cotton industry meet at the end of this week to discuss the claim for shorter working hours, they will face a virtual *fait accompli*. The decision of the textile finishing trade to arrange for the introduction of a 42½-hour week from the end of next month has put the spinning and weaving employers on the spot. In reality, it had been generally accepted in the industry that some concession was almost inevitable, but it now looks as if the negotiations will be concentrated on the hours to be worked when shifts are in operation. In this instance, the unions have claimed that the 38½-hour week should be reduced to 37½ and those operatives already employed on a 37½-hour week should receive a compensating bonus.

The tight labour situation was frequently referred to during discussions at the Cotton Board Conference and, again, it was widely conceded that, to encourage new entrants, the terms and conditions offered must be at least as favourable as those in rival trades. The need to retain manpower, no less than to stimulate a bigger intake of young workers, is of paramount importance if the industry is to take full advantage of the current reconstruction programme. Finishers are not the only textile workers to secure a shorter week; operatives in the silk trade are to work 42½ hours weekly from the New Year and a claim is pending in narrow fabric manufacture.

Conference Roundup

Those who attended the Harrogate conference took due note of the major issues which were debated, but, amid the traditional spate of words, it is easy to miss some quite important points which crop up in discussion or as a sideline. In the final debate after Lord Rochdale's statement, Mr. W. T. Winterbottom was closely questioned about his previously expressed views that further scrapping of machinery would be necessary beyond the scale already arranged under the redundancy programmes. He reiterated his opinion that, during the re-equipment phase, more plant would have to be dismantled.

The average count of yarn spun in the industry was becoming steadily coarser, he pointed out, and it only needed to go a further 10 per cent. coarser to involve a reduction of another one million spindles within the next three years. This did not mean, he emphasised, that fewer operatives would necessarily be employed. The extension of shift-working was a vital factor and the labour shortage was likely to persist. On this point, Lord Rochdale observed that only twelve months previously any speaker who had suggested a shortage of labour in the cotton trade would have been ridiculed, but the Cotton Board's inquiry into the likely requirements of young workers over the next five years had shown that twice as many would be needed as the present rate of recruitment. Millowners had estimated they would require about 7,200 newcomers a year over the next five years.

Promotional Plans Favoured

Several speakers called attention to the importance of publicity in promoting the sale of cotton goods. In addition, it was clearly felt that more statistical information should be provided by the Cotton Board on the lines of that supplied by the Man-Made Fibres Federation. Teenage spending power was inevitably mentioned as a sector which obviously required close attention, but it is hardly likely that any farseeing distributor would ignore the size and scope of such a market in this day and age.

In connection with any promotional sales drive, the suggestion of a London centre for cotton, on similar lines to those catering for other fibres, was mentioned. There appears to be some division of opinion within the industry as to whether this project should be operated by individual firms or by the trade as a whole, but Mr. G. D. Hughes, the merchanting member of the Cotton Board, pointed out that not every firm had a London office. He felt that a centre where information could be obtained about cotton and interested buyers put in touch with producers might have favourable results.

In addition to providing news about the response to the finishing reorganisation scheme, Lord Rochdale, in answer to a question, clarified the prospects about the possibility of a re-equipment grant being provided for this section as in spinning and weaving. "It seems to me a pretty good bet that, provided the minimum targets are reached by the sections as regards scrapping, there would not be much doubt that the re-equipment grant will be made to the finishers as in the other schemes," he declared.

Seasonal Export Demand

One aspect of the export situation which is not always fully recognised was mentioned by Mr. F. E. F. Spiegelberg, the Manchester merchant. He pointed out that Lancashire shippers were greatly helped in pre-war days by having a large export offtake in the Southern Hemisphere. The seasons in the countries in that part of the world are the reverse to Britain's, so that the markets of Australia, New Zealand, South Africa and the Argentine were keeping merchants and finishers busy at times when they would otherwise have been slack. As many of these countries have now established their own industries, the impact of seasonal fluctuations in demand has become a much more serious problem.

Mr. Frank Winterbottom's contributions to these conferences in the past have often created much interest. His remarks on this occasion were no less to the point. "So far concentration seems to have reduced capacity too much," he declared. On the rise of foreign cloth imports, he said: "Presuming that what is bought and financed continues to be sold, the total yardage figures seem to throw doubt on the estimate of demand that formed the basis for the redundancy schemes in our industry here."

Part of the decline in Britain's cotton textile export markets could be attributed to the fact that the Government had not done all it could to arrest this erosion, Mr. Winterbottom contended. In the previous week, the Indian Government had made an unparalleled decision to permit no imports whatever of Lancashire cotton cloth, for balance of payments reasons. "The whole position has an air of unreality," he continued, and said: "On paper we are granted imperial preference of 40 per cent.—in practice, we get not the slighest advantage. Did we make the wrong decision when our industry declined years ago to consider a linking of two-way trade in cotton textiles with India?"

More Comment on Imports

Imports of cotton cloth into Britain in the first seven months of the year aggregated more than half of Lancashire's own cotton cloth production over the same period. Sir Alfred Roberts, General Secretary of the Cardroom Workers' Amalgamation, one of the three principal cotton unions, gave the comparison in a report which showed that the overall figure for cotton cloth imports to the end of July was approximately 410 million yards. "It is true, he said, that some cloths are imported for processing and re-export, but this fact by no means accounts for the substantial increase, most of which is taking the place of our products."

The three countries with whom Lancashire had a voluntary agreement restricting shipments—Hong Kong, India and Pakistan- had increased them by over 58 million yards in the seven-month period. These increases, however, were provided for and were accepted. What was most disquieting was the increase in imports from other countries. These amounted to 114,500,000 yards in the seven-month period, as compared with 58 million yards in 1959. There had also been a further increase of 32 million yards in arrivals of other cotton cloths.

Sir Alfred said that the export situation continued to deteriorate also, although figures were not so startling as in the case of imports. Rather was it a steady decline, year by year, in both cloth and yarn. Cotton cloth exports for the first seven months of the year were 3 million yards less than the all-time low figures of 1959 and approximately half what they were in 1954.—*All Rights Reserved.*

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CHANGING FACE OF WORLD COTTON ECONOMY

SOME BASIC FACTS ABOUT PRODUCTION AND DISTRIBUTION

IN spite of the serious inroads made by artificial fibres on the market for cotton in recent years, the latter continues to be the major apparel fibre of the world—in 1959, for instance, it accounted for 63.6 per cent. of the world fibre consumption. But cotton's share in total world fibre consumption has been, and is steadily declining. In 1949, cotton accounted for 69.3 per cent. of world fibre consumption while, ten years after, that is, in 1959, it was responsible for only 63.6 per cent.

Cotton is truly an international material, in that it is produced in over sixty countries from a total sown area of 80 million acres. Although cotton growing is thus widely dispersed geographically, the major portion of production is concentrated in a few countries which have the agro-climatic conditions suitable for this crop. Thus, four-fifths of the world acreage under cotton is shared between six countries. India accounts for 24 per cent. of world cotton acreage (19.3 million acres), U.S. for 19 per cent. (15.1 million acres), China for 19 per cent. (15.0 million acres), U.S.S.R. for 7 per cent. (5.3 million acres), Brazil for 6 per cent. (4.6 million acres) and Pakistan for 4 per cent. (3.4 million acres). Of the total world production of 58 million bales (of 400 lbs. each), nearly 75 per cent. of production is accounted for by four countries. India contributes 9 per cent, (5 million bales), U.S.A. 31 per cent. (17.8 million bales), China 19 per cent. (11.0 million bales) and U.S.S.R. 15 per cent. (8.9 million bales).

Wide Disparity in Yield

Thus, it is seen that India, which has the highest acreage under cotton, accounting for 24 per cent. of the total, contributes only 9 per cent. of total world production, while the U.S., with 19 per cent. of the area under cotton, contributes as much as 31 per cent. of world production. This is due to the wide disparity in yields in these countries. In fact, cotton shows the widest disparity in yield from country to country. Average yields ranging from 700 to 900 lbs. per acre are recorded in minor cotton-growing countries such as Israel (934 lbs.), El Salvador (703 lbs.), and Guatemala (706 lbs.), and in the major cotton-growing countries, it varies from 90 lbs. in India to 329 lbs. in the U.S. and 448 lbs. in Egypt. The world average works out to 277 lbs. roughly, which is almost three times the Indian yield.

As with yield, so with staple and fineness of cotton. The longest and finest cotton in the world, Sea-Island cotton grown in the West Indies, has a staple length of 1¾" to 2", whereas the shortest staple cotton, Comilla, grown in India and Pakistan, has a staple length of ¾". The following table gives the percentage of production by staple length in some of the major producing countries:

(Approximate)

	1⅛" and above	1-1/32"-1¼"	1" to 1-3/32"	13/16" to 31/32"	Less than 13/16"	Total
U.S.A. ..	0.5	3	72.5	24	..	100
China ..	..	..	..	85	15	100
U.S.S.R. ..	8	8	83	1	..	100
India ..	..	..	10	60	30	100
Egypt ..	50	50	..	..	..	100

Raw cotton utilisation is even more widely distributed than production. Every country in the world uses cotton, the annual consumption aggregating 55 million bales (of 400 lbs. each) or over 95 per cent. of yearly production. Leading cotton consuming countries are the U.S. (10.5 million bales), China 10.2 million bales), U.S.S.R. (7.3 million bales), India (5.2 million bales) and Japan (2.9 million bales). It is noteworthy that China, a comparative newcomer in the industrial field, consumes as much cotton as the U.S., both of which together account for 38 per cent. of the world's consumption. India consumes only 10 per cent. and Japan 5 per cent. *Per capita* consumption of cotton also shows wide divergence from country to country, reflecting the standards of living, *per capita* incomes, mode of living and climatic conditions. Thus, *per capita* consumption is highest in North America, as high as 21.2 lbs., while in Europe it is almost half of this, namely, 10.7 lbs. Oceania ranks third, with a *per capita* consumption of 8.7 lbs., followed by Central and South America (7.3 lbs.) and Asia (4.8 lbs.). *Per capita* consumption is lowest in Africa, at 3.1 lbs.

The main cotton-producing countries like the U.S.A., U.S.S.R., China and India utilise by themselves a large proportion of their production. Consequently only a minor portion, that is, about 28 per cent. of world production, moves in international trade. The same is the case with cotton textiles. Out of the world production of 5.8 million metric tons, only 10 per cent. enters world trade. The main exporters of cotton textiles are Japan (134,000 metric tons), India (96,000 metric tons) and U.S.A. (59,000 metric tons).

The U.S. tops the list of producers of cotton textiles in the world, with an output of 1.4 million metric tons. China produces 0.9 million metric tons and ranks second. U.S.S.R. accounts for 0.7 million metric tons. The share of India and Japan are 0.5 million and 0.4 million metric tons, respectively.

The picture of the world cotton textile industry has changed substantially since the turn of the century. A remarkable feature is the decline of the importance of W. Europe—the cradle of the textile industry—as a producer and exporter of cotton textiles. It is quite unlikely that it will ever be able to recapture the lost position. With most of the producing countries building up their own cotton manufacturing industries. Europe's importance in world textile economy is progressively dwindling.

T.C. TO REQUISITION COTTON FOR MILLS

With the new crop movement gathering momentum in the Punjab and Berar areas, the Government is poised for immediate action to enforce the cotton control by requisitioning cotton, if prices threaten to rise above the ceiling. In a Press Note issued on Friday the 28th inst., the Textile Commissioner has invited mills to approach him, in case prices tended to rise above the ceiling in these areas, to requisition cotton for them against their quotas. Detailing the procedure, the Press Note adds:

"Mills are requested to intimate the Textile Commissioner their immediate requirements of cotton from each of the areas where it has started moving, mentioning the varieties required in accordance with the Schedule 'A' of the Textile Commissioner's notification dated 30th August, 1960 and the balance of the quota for the current season which has not been utilised.

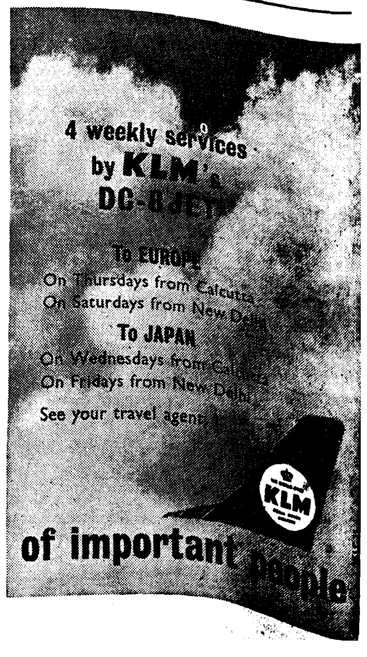
"While every effort will be made to meet the minimum requirements of the mills, there is no guarantee that the quantity asked for will be made available to them.

"With a view to ensuring that the quantities released are taken delivery of in proper time, mills which require the cotton to be requisitioned, will deposit with the East India Cotton Association Ltd., Bombay, along with a copy of their application, an advance equal to Rs. 25 per bale which will be returned after the delivery is completed. In case the full quantity is not requisitioned against such applications from mills, the deposit on such balance will be returned. If, however, the cotton requisitioned is not taken delivery of by the mills as required by the requisitioning order, this deposit will be liable to be forfeited."

The announcement has been received with considerable anxiety by the cotton trade which sees in it the danger of new crop stocks with the trade, which are comparatively small, being requisitioned. If this were done, traders point out, it will create a scare which will make the marketing of crop difficult. They wonder whether the Government will dare to requisition *kapas*, without which it will be impossible to bring down the price of lint cotton.

U.S. COTTON ACREAGE FOR 1961

U.S. cotton farmers can plant 18,398,424 acres of upland cotton next year, according to the acreage announcement for 1961 made by the Secretary of Agriculture, Mr. Benson. This is 2,088,424 acres more than the initial acreage allotment for this year's crop. On account of a choice in the programme the farmers were eventually allowed to plant 17,527,880 acres this year. The allotment for next year's crop is thus 870,544 acres more than the final plantings this year. The 1961 acreage is calculated to produce a crop of 15.56 million bales (of 500 lbs. each) of upland cotton.



REHABILITATION ALLOWANCE FOR SUGAR INDUSTRY

I.S.M.A.'S PLEA FOR ACCEPTANCE

BOTH the sugar industry and cane growers are awaiting the Tariff Commission's verdict on the price-linking formula and the Government of India's decision thereon. One of the specific issues referred to the consideration of the Commission, as readers are aware, relates to rehabilitation allowance as a prior charge on profit. For quite a long time, the sugar industry has been claiming the provision of such an allowance in the price-linking formula. In its report on the cost structure of sugar and fair price payable to sugar industry, submitted in September last, the Tariff Commission did not recommend the grant of any rehabilitation allowance for fixation of ex-factory price for the following reasons:

"... in the past, extra margins such as Rs. 2 per maund as additional profit in the season 1947-48 were allowed from time to time to factories in the price of sugar in the past decade. No one can object to the producers having carried out the expansion programmes with the resources they had, because the demand for sugar was increasing, prospects were good and additional investment was urgently necessary. On business grounds, this was a perfectly natural thing to do. But having done so, it is against canons of social justice to claim that, since they have applied the resources they had for expansion, the consumer, in whose interest control is imposed, should now be called upon to pay the cost of their rehabilitation programme which, all the available evidence shows, was delayed so long. Having considered all aspects of this question, we have come to the conclusion that there is no case for a uniform allowance for rehabilitation to all units in the sugar industry."

That the aforesaid reasons, which were accepted by the Government (*vide* its resolution dated 4th April 1960), do not constitute an objective view is impressively highlighted by the Indian Sugar Mills Association in a memorandum on the Commission's report submitted to the Government of India. The Association finds no reason why the Commission has not made any provision for rehabilitation in sugar as in the case of steel and cement industries when the need for replacement and modernisation is as pressing in the sugar industry as in the latter industries. It points out that, in view of the manifold increase in the price of machinery, the normal depreciation is inadequate to cover more than a fraction of the rehabilitation charges.

Alluding to the extra margin of Rs. 2 per maund of sugar allowed to sugar industry in 1947-48, the Association states that the Commission is, perhaps, not aware that this extra margin was allowed as the industry was constantly losing in the three seasons prior to 1947-48 because of disparity in estimates of duration and recovery per cent. taken by the U.P. and Bihar Sugar Control Board for price fixation and those actually achieved by the industry. It also alludes to the fact that the benefit of the increase in sugar price from Rs. 21-7 in 1946-47 to Rs. 35-7 in 1947-48 when the commodity was decontrolled did not go to the mills but to cane growers, the Government and the labour. For the cane price was raised from Re. 1-4 to Rs. 2 per maund, the cess on the cane crushed in mills from an anna to As. 3 per maund and the minimum wages of workers from Rs. 36 to Rs. 45. Even here, the industry was not able to realise the higher price for a substantial part of the sugar produced in 1947-48. It was so because, while fixing the price for the 1948-49 season, the carryover stocks of sugar produced in 1947-48, amounting to 175,000 tons (23 per cent. of the total sugar output of 768,000 tons in U.P. and Bihar), were valued at Rs. 32 per maund only. The former Tariff Board itself admitted this point in its report of 1949.

In this connection, the Association observes that the market price did not suddenly come down from Rs. 35-7 to Rs. 32; there was a continuous decline in the price of sugar and, even in respect of the remaining production of 593,000 tons for which there was a non-statutory price ceiling of Rs. 35-7 per maund as per the understanding between the industry and the Governments of Uttar Pradesh and Bihar, the factories realised considerably lower price, due to the persistently falling market prices. "Thus the so-called increase of Rs. 2 per maund," to quote it, "was, in fact, not realised by the factories."

By the word "rehabilitation," the Association says, is meant nothing more than the difference between the normal depreciation available on the basis of historical cost and the normal depreciation which will be available on the present-day replacement costs of the machinery. Surely, the sugar industry, as the Association avers, would not have strongly pressed its claim for rehabilitation allowance, if the prices of machinery and equipment had not risen six to seven times as compared with those prevailing before the war. But, in view of the abnormal increase in prices and since the cost schedules evolved by the Commission have provided for nothing to build up reserves, rehabilitation allowance is essential.

Proceeding, the Association refers to the inclusion of the reduction in manufacturing cost due to expansion of capacity by employment of whatever share funds the industry had with it in the assessment of cost. There seems to be some justification in its remark that the Commission, by calculating actual costs on the basis of expanded capacity, takes away from factories the benefit of expansion in terms of reduced manufacturing cost in the larger interest of the consumer and that, in the name of this interest, the factories are sought to be penalised by denying them the much needed rehabilitation allowance. It is quite correct when it says that, if fresh capital had been employed for expansion, the cost of effecting the same would not have been less than the rehabilitation cost per maund of sugar required by the industry.

The foregoing account will clearly indicate that the sugar industry's claim for the provision of an adequate rehabilitation allowance before the profit is determined for purposes of calculating the bonus for growers is a reasonable one. And it is to be hoped that the claim will be conceded by the Tariff Commission. After all, has not the Supreme Court, the highest judicial authority in the country, itself held (vide its judgment of May 1959 on the dispute between the management and workers of the Associated Cement Companies Ltd.) that the cost of rehabilitation of plant and machinery should be considered as a prior charge?

EARLY CRUSHING OF SUGARCANE

In order to induce the sugar mills to commence crushing operations as early as possible, the U.P. Government has decided to refund the cane cess at 6 nP per maund on all such cane as is crushed by a factory in excess of the quantity crushed by it during the season 1959-60. The concession will be enjoyed only by those units in West U.P. which started crushing on or before the 4th inst. and units in East U.P. which start crushing on or before the 10th inst. The concession will, however, have one disquieting effect, namely, encouragement to mills to crush cane that is not properly mature in the earlier parts of the season and, consequently, loss of sugar. One wonders whether this is a wise move, especially when the sugar supply position is highly encouraging with ample stocks with mills.

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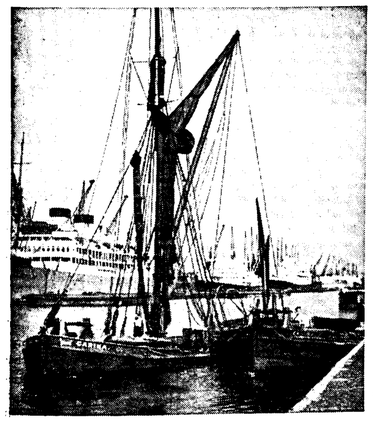

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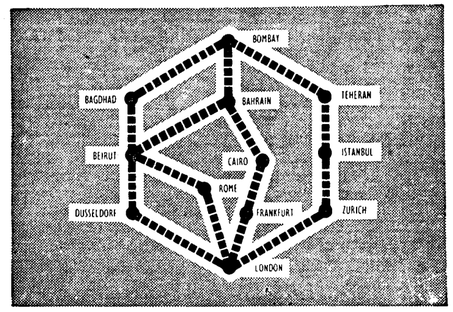

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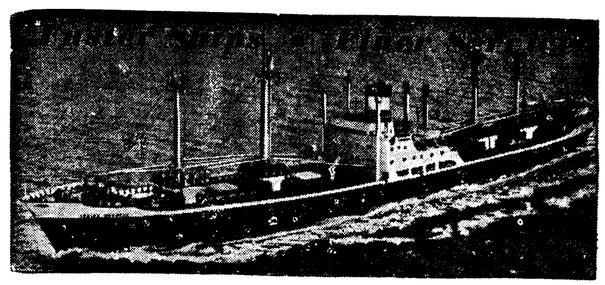

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TREND OF TEA MARKETS DURING CURRENT SEASON

SHARP FALL IN NORTH INDIAN CROP

THE trend of production of tea in India, especially in North-east Ind a, during the current season has not been encouraging. The estimated total output of tea up to the end of September 1960 amounts to only 487.4 million lbs., representing a fall of 26.9 million lbs. from the 514.3 million lbs. in the corresponding period of 1959. This is in distinct contrast to the slight increase of 7.6 million lbs. recorded up to the end of September 1959 over the output (506.7 million lbs.) in the corresponding period of 1958. The shortfall in crop in the current year so far is mainly accounted for by North-east India, where the production has dwindled from 401.2 million lbs. to 358.9 million lbs. and is even below the 384.3 million lbs. produced up to the end of September 1958. The decline in output in North-east India has to a large extent been made good by the increase in South Indian crop from 113.1 million lbs. to 128.5 million lbs. During the corresponding period of 1959, tea production in South India had declined by 9.3 million lbs.

Production in Pakistan, too, closely follows the pattern of North-east Indian tea and has dropped by 14.4 million lbs. to 24.9 million lbs. It also falls short of the crop in the corresponding period of 1958 by 12.4 million lbs. The decline in North-east Indian and Pakistan teas amounting to 41.3 million lbs. has more than offset the increase in output in other leading tea producing areas. Thus, the increase in South Indian crop noted above is accompanied by a rise of 21.3 million lbs. (up to the end of September) in Ceylon, of 5.4 million lbs. (up to the end of August) in British East Africa, including Nyasaland, and of 2.7 million lbs. (up to July) in Indonesia. Production in Mozambique up to the end of July shows a fractional fall, as will be seen from the following comparative table of production in leading producing countries of the world during the last three seasons:

(In million lbs.)

	1960	1959	1958
North-east India (up to Sept.)	358.9	401.2	384.3
South India " " "	128.5	113.1	122.4
Pakistan " " "	24.9	39.3	37.3
Ceylon " " "	329.1	307.8	311.9
British East Africa (up to Aug.)	52.8	47.4	41.7
Mozambique (P.E.A.) (up to July)	16.6	17.4	13.6
Indonesia (up to July) ...	56.8	54.1	57.8
Total ...	967.6	980.3	969.0

It is in consonance with the trend of production that the exports of North-east Indian tea during the current season have suffered a sharp fall. From 1st July upto 15th October 1960, the quantity of tea exported amounted to 82.3 million lbs., as compared with 138.8 million lbs. in the corresponding period of 1959. Of these, exports to the U.K. have fallen from 91.7 million lbs. to 57.9 million lbs. and to other markets from 47.1 million lbs. to 24.3 million lbs., in contrast to the successive increases noted in the corresponding periods of the previous seasons. Notable among the importing countries other than the U.K., the exports to which have declined substantially, are Sudan, the U.S., Canada, Irish Republic, Egypt, U.S.S.R., Turkey, West Germany and Eastern Europe, as will be borne out by the following comparative table:

(In million lbs.)

	14th July to 15th Oct.	
	1960	1959
U.K.	57.95	91.72
Sudan	2.34	9.03
U.S.S.R.	5.29	6.61
U.S.	3.11	5.75
Egypt	3.37	4.20
Irish Republic	1.50	4.37
Canada	2.75	4.03
Turkey	0.91	3.88
Iran	1.95	2.36
Persian Gulf and Iraq ...	1.54	1.58
West Germany	0.85	1.69
Eastern Europe	—	1.95
Other places	0.74	1.63
Total ...	82.30	138.80

Shipments of tea from Cochin from 1st April to 30th September 1960 show a small rise to 44.85 million lbs. from 42.46 million lbs. in the corresponding period of 1959, mainly due to the increase in exports to the U.K. from 22.66 million lbs. to 24.13 million lbs. and despatches to Indian ports from 5.10 million lbs. to 6.62 million lbs. There has been a marked rise in shipments to Sudan from 0.17 million lbs. to 1.25 million lbs. Exports to U.S.S.R. have also gone up from 3.10 million lbs. to 3.16 million lbs., while shipments to the U.S. have declined from 2.92 million lbs. to 2.15 million lbs., to Canada from 2.88 million lbs. to 2.22 million lbs. and to Australia from 3.45 million lbs. to 2.56 million lbs.

The trend of prices fetched by North Indian teas during the current season, both in the sales for export and for internal consumption, has been more favourable than in the previous season. The average price realised by North Indian tea in export sales up to 18th October 1960 was Rs. 5.89 per kilo, as compared to Rs. 5.36 in the corresponding period of 1959. During the same period, the price of tea dusts for internal consumption showed a rise from Rs. 4.39 to Rs. 5.29 per kilo and of other grades for consumption in India from Rs. 3.86 to Rs. 4.35 per kilo. In Cochin, the average price realised in export sales up to 25th October 1960 was Rs. 4.63 per kilo, representing a slight decline from Rs. 4.70 per kilo fetched in the corresponding period of 1959. The price of tea dusts has, however, gone up from Rs. 3.85 to Rs. 4.21 per kilo.

Thus, on the whole, the North Indian and South Indian tea estates have had a fairly satisfactory season so far in respect of prices. So far as the North Indian producers are concerned, the rest of the season is also not expected to be anything unfavourable. Discussing this in their latest monthly review, Messrs. J. Thomas and Co. Private Ltd. observe:

"During the month (September) buyers of teas suitable for consumption in India operated strongly and plain teas appreciated by about 15 nP per kilo. Thus, while we should be surprised if plain tea continued this upward tendency, we do not anticipate much of a fall in prices in the immediate future, since, due to the shortfall in crop, strong internal buying is likely to continue and this, we fear, will be at the expense of exports to the benefit of Ceylon since the price for plain tea in India is now well above current world levels.

"In London, there has been a temporary shortage of good tea, aggravated by the strike in the docks and to date the price average for North Indian teas is 9.6 pence per lb. higher than last year, but only 134,015 packages have been sold compared with 230,075 packages last season. However, at the end of the month prices for Assam teas showed a marked drop, while prices for plain tea remained firm, so that it is reasonable to expect a further fairly rapid decline in prices for the best teas as quality falls away. Thus, the familiar seasonal price pattern is again apparent, but it is possible this year that the price range between plain and the best quality teas in London may be still narrower than last year.

"Prices for dusts which are also at present at an extremely high level are unlikely to show much falling away, since, with the shortage in the North Indian crop, there is little chance of there being any surplus of this type of tea; C.T.C. type we expect to continue to sell particularly well."

The prospects for North Indian tea have been rendered somewhat encouraging by the latest ruling by the Supreme Court on the Assam Carriage Tax. The Court which heard appeals by certain producers against the State of Assam has declared void the Assam Taxation Act, 1954 for goods carried by road or inland waterways. This tax had been levied at the rate of 7 nP per lb. The Assam State Government has not, however, issued any order whether it will refund past payments of this tax to producers.

NEW WAGE AGREEMENT IN MYSORE PLANTATIONS

A new wage agreement was arrived at in Mysore a few days ago giving a general increase to all categories of daily-rated plantation workers in the State. The negotiations have been going on for sometime after the three-year agreement signed in May 1957 came to an end. The present agreement is for a period of two years, unless the proposed Central Wage Board for coffee makes its recommendations before the expiry of the period. In case there is a delay in the Board coming to a decision, the agreement will continue until its decision is given.

A significant change is that the different rates that existed between Coorg and old Mysore areas will end. But there will continue to be a difference between small holdings of below 50 acres and large holdings. But workers in both categories of hold-

(Continued on page 834)

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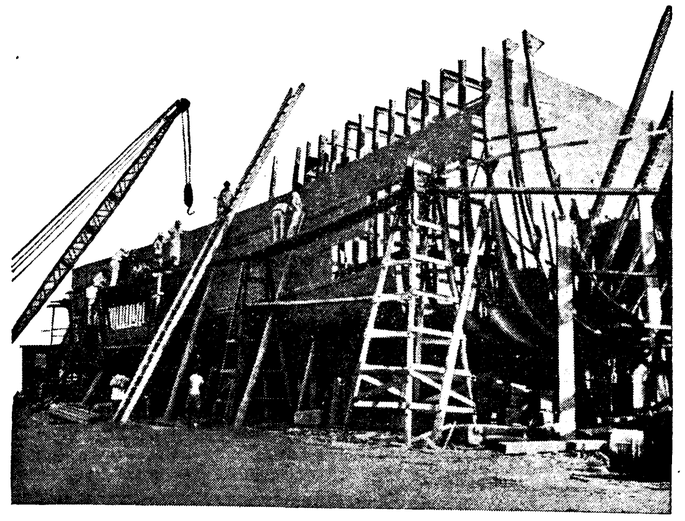

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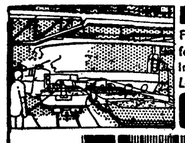

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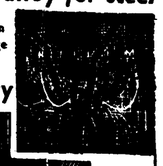

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BHOPAL HEAVY ELECTRICAL FACTORY

FIRST PHASE OF PRODUCTION COMING TO FRUITION

THE Bhopal Heavy Electrical Factory, the first of its kind in India and the biggest in Asia, will be formally inaugurated by Prime Minister Nehru on 6th November. This public sector unit, with which the Associated Electrical Industries of the United Kingdom have been associated as technical consultants, has already commenced production of transformers, switchgears, control gears and capacitors in its first phase. Since early 1959 it has been working on double shift so as to produce Rs. 12.5 crores worth of these items of heavy electrical equipment over a period of time. It is this plan, which has now come to fruition at a cost of about Rs. 18 crores incurred since the beginning of construction, that will receive the Prime Minister's blessings at the inauguration ceremony. Construction work connected with the second and third phases of the project is already under way; after this is completed in 1961 traction equipment, industrial motors, hydro and thermal turbines and generators will begin to be manufactured. It is noteworthy that production in the factory is being planned in close association with the Central Water and Power Commission and the Electricity authorities of the States. It is expected that by the end of the third Plan the Bhopal factory will contribute one million kilowatts of generating equipment per annum. This will be a very substantial contribution, considering that by the end of the second Plan the country will have only 5.8 million kw. electrical power capacity. And its contribution, by way of foreign exchange saving on account of one million kw. of generating equipment, will be no less substantial.

The maximum size of generators and transformers to be produced by the factory has been increased from the original 50,000 kw. to 150,000 kw. in view of the latest assessment of India's needs.

According to present production schedules, equipment that will be manufactured by the end of March 1961 will be Rs. 3 crores, in 1962 Rs. 9 crores and in the beginning of the fourth Plan Rs. 25 crores. The last figure represents the optimum output that will be reached by progressive stages from 1963 onwards. It may be that this will go up to Rs. 35 crores if further expansion is initiated. In the earlier stages, production will have a 60 per cent. indigenous content; this will go up to a higher proportion rapidly. It will be open to private parties to manufacture such imported components as would not be manufactured at Bhopal, and so suitable steps in this regard are being taken to interest them.

Construction History

The Bhopal factory, it may be recalled, was conceived during the closing years of the first Plan. In November 1956, the technical consultants (Messrs. Associated Electrical Industries of the United Kingdom) submitted their detailed project report. Subsequently, to meet the foreign exchange cost of the project, a loan of £2.72 million was also negotiated with a consortium of British banks. The consultants, who have had experience of putting up several heavy electrical factories, were at first sceptical of factory construction being finished within the time limit envisaged in their report, the more so in view of the serious shortage of steel in the country. It was not possible to adopt too many labour-saving devices in construction work because projects such as these were also expected to provide employment opportunities to large numbers of skilled and unskilled workers. Despite this handicap, the factory was constructed ahead of expectations with the assistance and encouragement of the technical consultants. The factory authorities have justly taken pride in the fact that this great venture in Indo-U.K. co-operation has worked so smoothly and efficiently. In the same way the training scheme, sponsored in association with the consultants, has worked well and contributed the required quota of technical hands for the project. A large training school and workshop—undoubtedly the largest and best-equipped in India (and ranking high by world standards)—are attached to the factory. There are now 3,000 men under training in the school. Ninety-seven experienced engineers sent to the United Kingdom for extended training courses have already returned; another 89 are still completing their training there. More are still to be sent in the next year or two to meet requirements during the later phases of development.

A special feature of the Bhopal factory is its inspection and quality control department which is intended to build up and maintain a reputation for quality. This department will ensure that no apparatus is made which does not comply with the standard required by the design engineers and agreed with the customer. It has its staff of experienced engineers spread out over the entire factory. They inspect the components and products at every stage of manufacture starting from the raw material to the finished product and reject any which fails to reach the prescribed standard. They are also responsible for witnessing tests on finished apparatus to ensure compliance with the design engineers' specification. This department is thus responsible for ensuring that the good name and prestige of the the factory are not endangered by the despatch of unsatisfactory equipment. At the same time, it is ensured that manufacturing costs are not needlessly increased by the rejection of components or apparatus for faults which would not affect the efficiency or reliability of the finished equipment.

A related feature of the factory is that it has a well equipped testing laboratory, where facilities are available for mechanical, metallurgical, chemical and electrical tests of various materials to the company's standards and specifications. The Inspection Department gets samples of raw materials thoroughly tested here.

The Preventive Service

It is stated that one of the advantages of inspection at every stage of the manufacturing cycle is the contribution to economy made by rejecting or rectifying components before too much labour had been expended on it. Apart from rejecting defective components, there is a preventive aspect to the duties of the Inspection Department. The preventive service consists of the following:

(a) Feed back of information to the production department as soon as possible, so that faulty production may be stopped.

(b) Analysing the results of inspection so that causes of defects may be recognised and avoided.

(c) Following up service reports and customers' complaints.

(d) Training operatives in methods of quality control.

(e) Studying production troubles with a view to minimising defectives.

The work of inspection in a heavy electrical factory, it is further stated, is very different from the viewing or gauging which is carried out in mass production factories making locomotives, motor cars, refrigerators, etc. In the heavy electrical factory, where things are made to customers' requirements, the inspector must be able to use his judgment to find whether a certain operation (fabrication, machining, assembly, etc.) would meet the requirements of satisfactory operation of the final product. He must be able to suggest modifications. It is not just a case of accepting if it is correct to a drawing or a gauge. If judgment is not used, the scrap will be disproportionate. For this reason, inspectors are picked from the highest class of skill available on the shop floor. The standards of inspection and quality control are thus maintained at the highest level in the Bhopal factory—standards which can be more easily ensured in all new enterprises in both the sectors—public and private.

(Concluded from next column)

and the problem posed by inadequate training facilities.

These factors should also be kept in mind as regards financing transport projects, though it was recognised "that governments should assume responsibility for providing finance to the development of transport, whether nationalised or not." Transport is an important infrastructure of the economy, investment in transport is often large, slow-yielding and risky, and the "benefits of transport are not confined only to the users of transport services, but are shared by all members of the community."

TRANSPORT DEVELOPMENT IN ASIA

BANGKOK MEETING'S CONCLUSIONS

IT may be recalled that a reference to the meeting of a United Nations Working Group recently held in Bangkok to review the whole field of transport in relation to economic development in Asia was made in the issue of "*Commerce*" dated 15th October, 1960. This meeting concluded its deliberations in the first week of October. It was agreed at the meeting that there should be an integrated approach to transport planning and adequate co-ordination in the development of the different modes of transport such as railways, roadways, airways and waterways.

The session was attended by some 59 transport experts and economists from 20 E.C.A.F.E. member countries, plus observers from a non-member nation, from two special sed agencies and four non-governmental organisations.

Among the specific suggestions made by the Working Party for future activities in this field, both by individual governments of Asia and by the E.C.A.F.E. Secretariat, were these:

Adequate statistical data should be collected for planning transport development, and governments should help in this regard particularly by collecting some data on non-mechanised means of transport.

Governments should undertake further research into the possible factors affecting the relationship between transport demand and economic growth, and also undertake surveys on future transport needs and projects.

Expert Personnel

High priority should be given to the training of expert personnel in the field of transport in the region, and techniques should be worked out for the fuller utilisation of the Asian labour force.

An inventory of existing transport facilities in the region and a survey of actual traffic conditions and needs might be valuable in determining the conditions and quality of transportation in Asia in order to plan for the future.

The report of the Working Party also noted the present status and problems of transport in the region, and its important role in general development, since "during the last decade in almost all countries of the region as much as 20 to 40 per cent. or more of total public developmental expenditures have been channelled into the transportation sector."

The document noted rehabilitation efforts made since the war to normalise transport facilities, the development of railways, roads and water routes, as well as the growing importance of air transport. It thus called for a fuller utilisation of existing capacities in this field and for the co-ordinated development of the various modes of transport.

Delegates agreed that in planning transport development, governments should take into account international and intraregional transport links and co-ordinate their transport plans.

"For instance," the report said, "the possibilities of connecting national roads and railways could be studied, shipping services could be linked, harbour facilities for handling international traffic developed and frontier formalities simplified. In this connection, mention was made of the Asian Highway project sponsored by E.C.A.F.E., as a very desirable line of development."

On the question of estimating future transport needs within the structure of development, the experts agreed that transport can at times spur general development, but that both direct and indirect effects of new transport facilities have to be taken into account in assessing their economic justification. Duplication should be avoided, and the region's limited resources should be used with the maximum efficiency.

It was also felt by the meeting that transport planning should be co-ordinated with plans for general economic development, and that the role of the private sector should be taken into account.

Regarding the choice of means of transport in planning, delegates felt that the choice would depend on geographical features in each country, the nature of existing traffic and the comparative costs of developing the various modes of transport. The shortage of foreign exchange should also be considered, as well as the role of a large labour force in the region.

(Continued in previous column)

NEW PRODUCTS AND PROCESSES

Hot-dip Aluminising of Steel Wire

A METHOD for aluminising steel wire has been worked out at the National Metallurgical Laboratory, Jamshedpur, and is being piloted to a semi-commercial stage. Hot-dip aluminising of steel wire provides excellent resistance to atmosphere and high temperature corrosion. The process uses a molten salt flux for aluminising posts and telegraph wire, an aqueous flux for continuous aluminising or an organic flux for both purposes. After picking in an alkali-lined tank for 12 seconds and washing, the steel wire enters the fluxing bath, which comprises a tank containing boiled linseed oil heated by an immersion heater. The oiled wire enters the molten aluminium bath. The length of traverse of wire through the bath is such that the wire remains in contact with metal for about 15 seconds. This period is optimum for the oil to vaporise and the metal coating to form. The surface of the aluminium bath is cleaned from time to time mechanically. The wire emerges from the bath vertically and travels in air a long way to allow the excess metal to flow down and the wire to cool.

Electric Firelighter

An electric firelighter, produced by the General Electric Company, Ltd., of London, gets a coal fire blazing in two or three minutes—without the use of paper, wood chips or matches. This is how it works. You push the nozzle of the firelighter—which resembles a toy 'space gun'—into the grate. Then you bank up coal around it. Turn a key on the appliance and a jet of hot air (temperature: 800°C.) is sprayed on the coal. When the fuel is alight you turn off the heater so that the firelighter blows cold air onto the fire. This fans the flame into a healthy blaze and cools the firelighter so that it can be put away without burning anything. The firelighter will ignite any of the usual solid fuels. It takes two or three minutes to get a coal fire alight and not more than 15 minutes for even the most intractable types of coke. It incorporates a number of safety features. The barrel is surrounded by an outer case which is cooled by an independent air stream, and never gets hot. The heater can only be switched on by a special key, and the key cannot be removed until the heat is switched off again. If the fan stops working, the current is automatically switched off.

Thickness of Electroplates

A novel technique, based on the impedance change of the stripping cell, has been developed for determining the thickness of electroplates at the Electro-Chemical Research Institute, Karaikudi (Madras). The technique consists in dissolving out a small well-defined area of the electroplate (chromium plating on copper or cadmium plating on mild steel) by passing constant current in the electrolysing system containing suitable stripping solution and superimposing with electrolysing current a small constant alternating current. The resulting D.C. voltage actuates a relay that stops a timer (Dekatron Scaler) which is started at the time when constant current is switched on and counts the pulses of the A.C. ripple. Knowing the exact time required for dissolving the electroplates its thickness is calculated by applying Faraday's Laws.

Road Tar

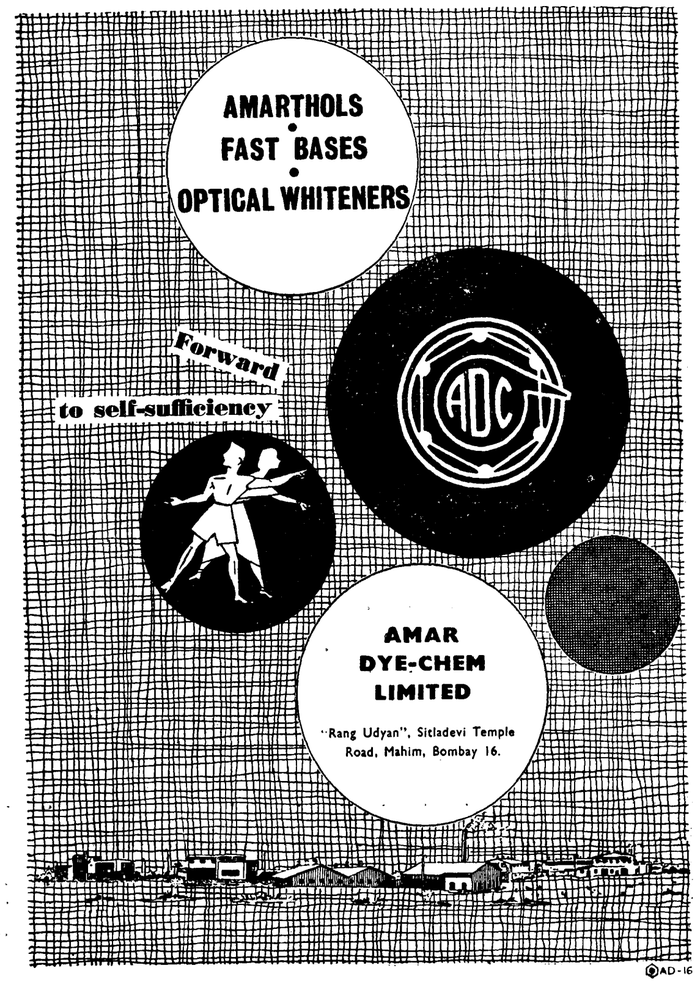
A process for the preparation of good quality road tar from tar produced by the low-temperature carbonisation of coal has been developed by the Regional Research Laboratory, Hyderabad. It essentially consists in preparing the base pitch by blowing air through the tar at about 300°C. in the presence of catalysts and blending the pitch with suitable tar oils to obtain tar of the required grade. The products have been found to be satisfactory as road binders. Large amounts of low-temperature tar will be available as by-product when commercial low-temperature carbonisation plants for the manufacture of smokeless domestic coke come into operation. About 5 million tons of the tar is likely to become available as a result of carbonisation of 70 million tons of coal annually by 1970.

Home Clothes Dryer

A new home clothes dryer invented in the U.S. will be controlled by the actual humidity left in the cloth rather than by time or temperature of drying. The innovation is expected to make for more precise drying, with greater flexibility of operation. Most present-day dryers operate for a pre-set time of 10 to 20 minutes. More sophisticated—American engineering slang for "complicated"—ones act by measuring the temperature of the exhaust. When the temperature is high enough to have dried the cloth theoretically, the dryer turns itself off. This does not always mean that such heavy, absorbent materials as towels are actually dry. The new system—mechanical details have not yet been made public—will actually measure the humidity left in the clothing before deciding to turn itself off.

New Atomic Clock

Harvard University scientists have built a new atomic clock which is said to be 100,000 times more accurate than present models. Atomic clocks are devices that trap hydrogen atoms; they tell time because the atoms give off measurable radiation at very precise intervals. Heart of the new clock is a solid-state Maser that holds the hydrogen atoms loosely so as not to distort their "tone." The clock is expected to have an accuracy of one part in 10 to the 15th power (one followed by 15 zeros). Its exact accuracy will have to be measured by an identical clock now being built.



THE ANDHRA BANK LIMITED

Central Office: MASULIPATNAM

Applications are invited for posts of Inspectors of Branches from Chartered Accountants in the grade of Rs. 300-25-650, with Dearness and House Rent Allowances as per Rules in force. Candidates having good personality, Banking experience and C.A.I.I.B. qualification will be preferred. Applications stating age, qualifications, experience, etc., should reach the General Manager on or before the 25th November, 1960.

—Chairman.

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS.

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinion expressed with regard to them.

The Central Government have granted a licence (copy of which is open to public inspection at the Registered Office of the Company) for this industrial undertaking. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundness of the undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

A copy of this Prospectus, having attached to it the documents required by Section 60 of the Companies Act, 1956, has been delivered for registration to the Registrar of Companies, West Bengal.

Application will be made to the Calcutta and Bombay Stock Exchanges for permission to deal in and for official quotations of the Shares of the Company.

The Subscription List will open at the commencement of banking hours on Monday, 14th November, 1960, and will close at the close of banking hours on Saturday, 19th November, 1960.

ISAAC HOLDENS (INDIA) LIMITED

(INCORPORATED AS A 'PRIVATE COMPANY' ON 7TH NOVEMBER, 1959, UNDER THE COMPANIES ACT, 1956, AND CONVERTED TO A 'PUBLIC COMPANY' BY A RESOLUTION OF THE COMPANY PASSED ON 28TH OCTOBER, 1960)

AUTHORIZED CAPITAL: Rs. 1,75,00,000

Divided into

(i)	15,00,000 Equity Shares of Rs. 10 each	Rs. 1,50,00,000
(ii)	25,000 Preference Shares of Rs. 100 each	Rs. 25,00,000
		Rs. 1,75,00,000

No Preference Shares are proposed to be issued for the time being and they may only be issued with the rights approved by the Central Government.

ISSUED SHARE CAPITAL

2,37,151 Equity Shares of Rs. 10 each	Rs. 23,71,510
upon which Rs. 10 per share is credited as paid up, payment having been made as follows :—	
63,806 Shares of Rs. 10 each for a consideration other than cash, viz., for machinery supplied	Rs. 6,38,060
1,23,345 Equity Shares of Rs. 10 each for a consideration other than cash, viz., for land and buildings for location of factory	Rs. 12,33,450
50,000 Equity Shares of Rs. 10 each for cash	Rs. 5,00,000
	Rs. 23,71,510

SHARE CAPITAL AWAITING ISSUE

42,849 Equity Shares of Rs. 10 each credited as fully paid up will be issued to Isaac Holden & Sons Ltd. Bradford (U.K.), for additional machinery contracted for and now under shipment .. .. Rs. 4,28,490

PRESENT ISSUE

4,70,000 Equity Shares of Rs. 10 each, of which Rs. 5 is payable on application .. .. Rs. 47,00,000

OUT OF THE PRESENT ISSUE

(1) Isaac Holden & Sons Ltd., Bradford (U.K.), have agreed to subscribe for and will be allotted 53,241 Equity Shares of Rs. 10 each	Rs. 5,32,410
(2) Anglo-India Jute Mills Co., Ltd., have agreed to subscribe for and will be allotted 86,516 Equity Shares of Rs. 10 each	Rs. 8,65,160
(3) The Directors and their friends and others have agreed to subscribe for and will be allotted 37,743 Equity Shares of Rs. 10 each	Rs. 3,77,430
	Rs. 17,75,000

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION

2,92,500 Equity Shares of Rs. 10 each	Rs. 29,25,000
	Rs. 47,00,000

DIRECTORS

Name	*Address*	*Occupation and Description*
1. SHRI K. P. GOENKA (*Chairman*)	31, Netaji Subhas Road, Calcutta	Industrialist and Chairman and Managing Director of Duncan Brothers & Co., Ltd.
2. MR. J. R. S. RAPER	Isaac Holden & Sons, Ltd., Bradford (U.K.). .	Industrialist and Chairman and Director of Isaac Holden & Sons, Ltd., Bradford (U.K.).
MR. H. J. SILVERSTON is alternate for MR. J. R. S. RAPER ..	29, Netaji Subhas Road, Calcutta	Solicitor and member of Messrs. Orr, Dignam & Co., Calcutta.
3. SHRI ARVIND NAROTTAM LALBHAI	Shalimar, Shahibag, Ahmedabad	Industrialist, Businessman and Director of other Companies.
4. SHRI K. N. MOOKERJEE	19, Chowringhee, Calcutta	Industrialist, Businessman and Managing Director of National Rubber Manufacturers Ltd.
5. MR. W. H. ROBINSON, A.T.I., A.M.B.I.M.	Holdens (Ireland) Ltd., Dublin, Eire ..	Director and General Manager of Holdens (Ireland) Ltd., Dublin, Eire.
MR. D. H. ADAMSON is alternate for MR. W. H. ROBINSON ..	Anglo-India Jute Mills Co., Ltd., Jagatdal, 24 Parganas (West Bengal).	Senior Mills Manager, Anglo-India Jute Mills Co., Ltd., Jagatdal.
6. MR. G. E. HOARE, M.B.I.M.	31, Netaji Subhas Road, Calcutta — ..	Departmental Manager, Duncan Brothers, & Co., Ltd., and Director of other Companies.

REGISTERED OFFICE

31, NETAJI SUBHAS ROAD, CALCUTTA-1.

MANAGING AGENTS

DUNCAN BROTHERS & CO., LTD., 31, Netaji Subhas Road, Calcutta-1.

BANKERS TO THE ISSUE

1. THE BANK OF BARODA LTD., P.O. Box 313, India Exchange, Calcutta-1.
2. LLOYDS BANK LIMITED, 29, Netaji Subhas Road, Calcutta-1.
3. NATIONAL AND GRINDLAYS BANK LTD., 19, Netaji Subhas Road, Calcutta-1.

SOLICITORS

MESSRS. ORR, DIGNAM & CO., 29, Netaji Subhas Road, Calcutta-1.

AUDITORS

MESSRS. LOVELOCK & LEWES, 4, Lyons Range, Calcutta-1.

BROKERS TO THE ISSUE

1. MESSRS. PLACE, SIDDONS & GOUGH (PRIVATE) LTD., 6, Lyons Range, Post Box No. 592, Calcutta-1.
2. MESSRS. BATLIVALA & KARANI, Union Bank Building, Dalal Street, Fort, Bombay-1.
3. MESSRS. BAGLA & CO., 8, Lyons Range, Calcutta-1.
4. MESSRS. G. M. PYNE, 14, India Exchange Place, Calcutta-1.
5. MESSRS. NAROTTAM B. JAVERI, 35, Stock Exchange New Building, Apollo Street, Bombay-1.
6. MESSRS. HARBANS SINGH MEHTA & CO., 33, Regal Buildings, Post Box No. 300, New Delhi-1.

The consents in writing of the above named bankers, solicitors, auditors, and brokers to act in their respective capacities have been filed with the Registrar of Companies.

APPLICATIONS AND SUBSCRIPTIONS

Application for shares by members of the public must be for a minimum of 100 shares or multiples of 100 shares but allotment may be made of less than 100 shares.

TERMS OF PAYMENT OF ABOVE SHARES

(a)	On application ...	Rs. 5.00 per share
(b)	Balance	Rs. 5.00 per share payable on call or calls to be made not earlier than 4 months after allotment.
		Rs. 10.00 per share.

DIVIDEND AND CAPITAL

The Company in General Meeting may on the recommendation of its Board of Directors declare a dividend to be paid to the members according to their rights and interest in the profits of the Company and may, subject to the provisions of Section 207 of the Companies Act, 1956, fix the time of payment.

No dividend shall be payable except out of the profits of the Company during the year or any other undistributed profits or out of the monies provided by the Central or State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

MODIFICATION OF RIGHTS

Rights attached to equity shares, preference shares and any other class of shares in the issued capital of the Company may be modified as permitted by Article 57 of the Articles of Association of the Company and the provisions of Section 106 of the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.

CREATION OR ISSUE OF FURTHER SHARES

Subject to the Articles of Association of the Company shares in the capital of the Company for the time being shall be under the control of the Board of Directors, who may allot or dispose of them or any of them on such terms and conditions, either at par or at a premium or (subject to the provisions of Section 79 of the Companies Act, 1956) at a discount, as the Board may think fit. Provided that if at any time subsequent to the first allotment of shares it is proposed to increase the subscribed capital of the Company by the issue of new shares then subject to any direction to the contrary, which may only validly be given by the Company in General Meeting, the Board shall issue such shares in the manner set out in Section 81 (1) of the Companies Act, 1956, save that the Board may determine whether or not an offer of new shares shall include a right to renounce in favour of any other person.

VOTING RIGHTS

Articles 77 to 80 deal with the voting rights which members are entitled to exercise. The voting rights of members as fixed by the Articles are in accordance with the provisions contained in Section 87 of the Companies Act, 1956. Article 77 provides that subject to any restrictions for the time being attached to any class or classes of shares, on a show of hands every member present holding equity share capital in the Company, has one vote and on a poll every member present or by proxy has one vote for every equity share held by him.

Article 78 refers to the voting rights to be exercised by a body corporate. The Article provides that a body corporate which is a member of the Company may by a resolution of its Board of Directors or any other governing body in accordance with the provisions of the Section 187 of the Companies Act, 1956 authorize such person as it thinks fit to act as its representative at any meeting of the Company. The Article further provides that the person authorized by such body corporate shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the body corporate which he represents, as that body could exercise as a member of the Company.

Article 79 refers to votes being exercised in respect of a deceased, insane or insolvent member. It provides that any person entitled under the transmission Article to transfer any shares may vote at any General Meeting in respect of such shares in the same manner as if he were a registered holder of such shares provided the requirements laid down in the said Article are fulfilled by such person.

Article 80 relates to the exercise of voting rights by members registered jointly in respect of a share. It provides that where there are joint registered holders any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto. If more than one such joint holder be present at a meeting either personally or by proxy the member whose name stands first on the Register of Members in respect of such shares shall exercise the voting rights in respect of such shares.

Article 82 requires that the instrument appointing proxies must be in writing or, if the appointer is a body corporate, under its seal or signed by an officer or a duly authorized attorney. A proxy need not be a member of the Company and any member may appoint more than one person as proxy to attend on the same occasion.

RESTRICTION ON THE RIGHT TO TRANSFER SHARES

No transfer will be registered unless a proper instrument of transfer duly stamped and executed by and on behalf of the transferor and the transferee in accordance with Article 37 of the Company's Articles of Association is delivered to the Company along with the certificate or, if no such certificate is in existence, the Letter of Allotment in respect of the shares duly endorsed by the allottee.

Subject to the provisions of Section 111 of the Act, the Board may without assigning any reason for such refusal, within two months from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a partly paid share upon which the Company has a lien.

No transfer may be made to a minor or person of unsound mind.

BORROWING POWERS

Article 58 provides that the Board may, from time to time at its discretion, subject to the provisions of Sections 292 and 370 of the Companies Act, 1956 raise or borrow, either from the Directors or from elsewhere, and secure the payment of any sum or sums of money for the purposes of the Company.

Article 59 provides further that the Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and, in particular, by the issue of bonds (perpetual or redeemable), debentures or debenture-stock or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

The Board of Directors of the Company is by resolution of the Company passed on 22nd August 1960 permitted to borrow monies from time to time for and on behalf of the Company, so that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is, reserves not set apart for any specific purpose.

OBJECTS OF THE COMPANY

The Company was incorporated on 7th November 1959 with the objects mentioned in the Memorandum of Association of the Company and in particular to carry on the business of Processors, Wool Sorters, Scourers, Machine Combers, Recombers and Dyers of all types of fibres and materials, whether natural, artificial or synthetic, for the textile industry.

HISTORY OF THE COMPANY

The formation of the Company, the first of its kind in India, is the result of collaboration between Isaac Holden & Sons Ltd. of Bradford, England, a leading firm of commission combers in the Bradford trade, Duncan Brothers & Co., Ltd. the well-known Calcutta Agency House, and Anglo-India Jute Mills Co., Ltd. which is the largest Jute Mill Company in India, Duncan Brothers & Co., Ltd., being its Managing Agents.

Wooltops are the principal raw material of the Worsted Spinning Industry and the raw wool must be sorted, scoured and combed before use by that industry. It is not intended that the Company shall purchase wool or sell tops on its own account but raw wool will be consigned to it by topmakers and others for sorting, scouring and combing into wooltops on a tariff payment basis.

The Company has obtained permission to receive for processing raw wools being the property of topmakers resident overseas without Import-Export licence formalities other than that of accounting to the governmental authorities for the disposal of all wools so received.

India's consumption of imported wooltops during the last three years has been as follows:—

	Lbs.
1957	16,266,075
1958	15,899,480
1959	15,234,080

Wooltops may only be imported against licences and the shortage in foreign exchange has resulted in the supply of tops being much below the requirement of the spinning industry. The establishment of the Company's plant will assist in rectifying this position. The decision to proceed with the present scheme was taken by the promoters after visits by Mr. W. H. Robinson, A.T.I., A.M.B.I.M., now a Director of the Company, who has considerable experience in the establishment and operation of combing mills both in the U.K. and overseas and Mr. J. R. S. Raper, the Chairman of Isaac Holden & Sons Ltd., of Bradford, England, and the project has also received the close personal attention of Mr. K. P. Goenka, Chairman of Duncan Brothers & Co., Ltd., and of Anglo-India Jute Mills Co., Ltd., and a Director and Chairman of the Board of this Company.

Manufacturing Licence: The Government of India has issued under the Industries (Development and Regulation) Act, 1951 a licence No. L/23/3/N-13/59 dated 10th July 1959 for a wool-combing plant of an installed capacity of ten million pounds of wooltops per annum. The attainment of this licensed production is planned to be achieved in two stages. First the installation of Noble Combs with necessary preparatory and ancillary machinery. Secondly, the installation of additional combs with necessary preparatory and ancillary machinery to achieve a total capacity of ten million pounds per annum. Ultimately the Company intends to install a dyeing plant.

The first stage is now in course of completion; one wash bowl unit and twelve combs with requisite machinery have been erected at the Company's factory as well as six carding engines given to the Company by Isaac Holden & Sons Ltd. (packing, carriage and freight from the U.K. being at the Company's expense) for use pending the arrival of the twelve new carding engines which are on order. Six additional combs, together with a wash bowl unit and machinery to complete the first stage are in course of transit, being supplied by Isaac Holden & Sons Ltd. in consideration of allotment of 42,849 equity shares awaiting issue. Production on that part of the first stage which has already been installed is due to commence before the end of 1960.

The proceeds of the present issue will largely be applied to financing the second stage of development. Import Licences for this stage have been applied for, it being the intention to install the plant and machinery as delivered and thereby achieve a gradual development of production up to the licensed capacity of ten million pounds per annum. The machinery to be installed will be of the most modern and up-to-date design available today and the Directors consider that the prospects for profitable working are good.

PLANT SITE AND POWER, ETC.

The factory is located in premises, formerly a part of the Anglo-India Jagatdal Jute Mill, which are suitable for the purpose and have been purchased by the Company. Accommodation for the staff and for the storage of raw wool is available on a rental basis from Anglo-India Jute Mills Co., Ltd., and certain essential administrative services are also available from that Company.

Arrangements have been made with the Calcutta Electric Supply Corporation Ltd., for provision of the electric power required and an ample supply of water is available.

VENDORS OF PROPERTY

The Company has acquired the following property for a consideration other than cash:—

1. (a) Name—Anglo-India Jute Mills Co., Ltd.
   Address—31, Netaji Subhas Road, Calcutta.
   Occupation—Public Company registered in India.
   (b) Amount Payable—1,23,345 fully paid Equity Shares of Rs. 10 each.
   (c) Nature of the title or interest in property acquired by the Company—Permanent Leasehold Land and Buildings thereon.
   (d) Nature of the transaction—The Company has acquired land and buildings consisting of part of the vacant property at Jagatdal Mill and as consideration has allotted 1,23,345 fully paid Equity Shares of Rs. 10 each to Anglo-India Jute Mills Co., Ltd. Material particulars of the parts of the properties conveyed are as follows:—
   Buildings—A block of buildings covering an area of 3.128 acres.
   Motor Alley—A two-storied building covering an area of .131 acres.
   Boiler House—Construction on an area of .058 acres.
2. (a) Name—Isaac Holden & Sons Ltd.
   Address—Alston Works, Bradford 8, England.
   Occupation—Public Company registered in the U.K.
   (b) Amount payable—1,06,655 fully paid Equity Shares of Rs. 10 each.
   (c) Nature of the title or interest in property acquired by the Company—Absolute ownership of machinery comprising two wash bowl units and eighteen Noble Combs with necessary backwashing and gilling machines and punches, more particularly described in the schedule to the Agreement dated 13th January 1960.
   (d) Nature of the transaction—The Company has purchased machinery previously used by Holdens for the purpose of treatment and processing of wool as more specifically described in the Agreement hereinbefore referred to, and in consideration the Company has agreed to allot 1,06,655 fully paid Equity Shares of Rs. 10 each to Isaac Holden & Sons Ltd., Bradford (U.K.). It was mutually agreed that shares should be allotted to Isaac Holden & Sons Ltd., Bradford (U.K.) against the rupee equivalent value of the machinery actually delivered to the Company in Calcutta. Accordingly 63,806 fully paid Equity Shares of Rs. 10 each were allotted by the Company to Isaac Holden & Sons Ltd., Bradford (U.K.) on 10th May 1960 against items of machinery delivered at Calcutta as aforesaid. The remaining 42,849 shares will be allotted when the balance of machinery now under despatch has been received by the Company.

TECHNICAL COLLABORATION

Isaac Holden & Sons Ltd., Bradford (U.K.) as Technical Consultants will for a period of ten years from 7th November 1959 advise the Company on all technical matters relating to the erection, operation and maintenance of the Company's factory, instruct and train the Company's technical personnel in India and in the United Kingdom, supply to the Company such technical experts and advisers as may reasonably be required on a reimbursement of expenses incurred basis, and act as procurement agents in the acquisition of raw materials or other commodities required by the Company.

As consideration Isaac Holden & Sons Ltd., Bradford (U.K.), will receive in Sterling in the United Kingdom payments as follows:—

A Royalty-cum-Technical Fee of 10% per annum of the net trading profits earned by the Indian Company (such net trading profits to be ascertained as prescribed in the Indian Companies Act, 1956) in each year up to the sixth year of actual production. Thereafter the Royalty-cum-Technical Fee will be reduced to 7½% of the net profits and all payments on this account will cease after the tenth year.

The minimum remuneration payable on account of the above will be Rs. 50,000 per annum but if in any year the minimum remuneration specified is not earned by the English Company the minimum remuneration will be paid as specified but any excess payment over the actual sum earned will be adjusted against payments in subsequent years.

The Government of India have approved the foregoing collaboration as well as the issue of equity share capital to Isaac Holden & Sons Ltd., Bradford (U.K.), to which reference has already been made.

DIRECTORS

The Articles of Association of the Company provide that unless otherwise determined by special resolution the number of Directors shall be not less than six nor more than nine. Provision is also made in Article 102 for the appointment by the Board of an alternate for a Director absent for a period of not less than three months from the State in which the meetings of the Board are ordinarily held.

It is also provided that Isaac Holden & Sons Ltd., Bradford (U.K.), so long as they shall hold office as Technical Consultants and that Duncan Brothers & Co., Ltd., as long as they are Managing Agents of the Company, shall each be at liberty to appoint one Director of the Company and to remove any Director so appointed and appoint another in his place. The Directors so appointed shall not be liable to retire by rotation subject to the approval of the Central Government if required to Article 103.

Unless otherwise determined by the Company in general meeting a Director is not required to hold any qualification shares.

Article 94 of the Articles of Association of the Company provides for the remuneration of the Directors. Subject to the provisions of the Companies Act, 1956 and unless otherwise determined by the Company in General Meeting each Director or his alternate shall be entitled to receive Rs. 100 for each meeting of the Board or Committee of the Board attended by him. The Directors shall also be entitled to receive a commission of 1% of the net profits of the Company in any financial year, divisible between them in such proportions as the Board may determine, or failing that in equal proportions. The Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending Board and Committee meetings or otherwise incurred in the execution of their duties as Directors of the Company.

Without prejudice to the generality of the foregoing Article, if any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from Calcutta for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

INTEREST OF DIRECTORS

1. Mr. Keshav Prasad Goenka is Chairman and a Managing Director and a member of Duncan Brothers & Co. Ltd., the Managing Agents of the Company, Chairman and a Director and member of Anglo-India Jute Mills Co. Ltd. and also a Director and a member of the Bank of Baroda Ltd. which is one of the Bankers of the Company.
2. Mr. James Rhodes Stanley Raper is Chairman and Managing Director and a member of Isaac Holden & Sons Ltd., Bradford (U.K.), one of the promoters, and is therefore interested in the transactions with that Company.
3. Mr. William Henry Robinson is Director and General Manager of Holdens (Ireland) Ltd., Dublin, Eire, in which company Isaac Holden & Sons Ltd., Bradford (U.K.), have an interest, and is therefore interested in the transactions with that Company.
4. Mr. Geoffrey Edward Hoare is a Departmental Manager and a member of Duncan Brothers & Co., Ltd. Calcutta, the Managing Agents of the Company, and a member of Anglo-India Jute Mills Co. Ltd.
5. Mr. Henry Joshua Silverston is a Director and a member of Anglo-India Jute Mills Company Ltd., and a partner in Messrs. Orr, Dignam & Co., the Solicitors to the Company.
6. Mr. David Henderson Adamson is Senior Mills Manager of Anglo-India Jute Mills Co. Ltd., one of the promoters and is therefore interested in the transactions with that Company.

All the Directors will be interested to the extent of the shares in the capital of the Company subscribed or to be subscribed for and allotted to them and to companies in which they are interested.

UNDERWRITING COMMISSION

Neither is any underwriting commission payable in respect of the present issue, nor has any such commission been previously paid by the Company.

BROKERAGE

Brokerage will be paid by the Company to the Brokers to the Issue mentioned in the Prospectus and to members of any recognised Stock Exchange and to Bankers at the rate of 15 nP per share in respect of the aforesaid such Equity Shares offered to the public for subscription and allotted in respect of applications bearing their stamps.

PRE-INCORPORATION EXPENSES

The amounts of pre-incorporation expenses reimbursable to the promoters are as follows:—

	Rs.
Isaac Holden & Sons Ltd., Bradford (U.K.)	38,341.43
Duncan Brothers & Co. Ltd. ...	26,516.26
Anglo-India Jute Mills Co. Ltd.	12,220.00

The above expenses were incurred in connexion with the formation of the Company and the amounts are reimbursable by the Company

and have been paid except for the sum due to Isaac Holden & Sons Ltd. Bradford (U.K.), a non-resident, for which permission of the Reserve Bank of India is required and has been applied for.

PAYMENTS TO PROMOTERS AND COMPANIES IN WHICH THEY ARE INTERESTED

1. Amounts payable to Isaac Holden & Sons Ltd., Bradford (U.K.):—

(a) Reimbursement of pre-incorporation expenses only amounting to Rs. 38,341.45 as above.

(b) Remuneration and reimbursement of expenses in accordance with the Technical Consultants Agreement above referred to.

2. Amounts payable to Duncan Brothers & Co. Ltd. :—

(a) Reimbursement of pre-incorporation expenses of Rs. 26,516.26.

(b) Remuneration to which they will be entitled as Managing Agents of the Company, reimbursement under the agreement hereinafter referred to, and rent of office accommodation.

(c) As consideration for guarantee given to the Bank of Baroda Limited for loan of up to a limit of Rs. 10 lacs to the Company against the security of stores and stock in trade, a commission of 1% in each financial year of the Company calculated upon day to day debit balances of the Company with the Bank of Baroda Ltd. in respect of such loan.

(d) Interest at a rate of 1½% above the Reserve Bank of India rate for the time being in respect of demand loans, with monthly rests, on moneys borrowed by the Company from Duncan Brothers & Co. Ltd. from time to time.

3. Amounts payable to Anglo-India Jute Mills Co. Ltd. :—

(a) Reimbursement of pre-incorporation expenses of Rs. 12,220.

(b) Rent for staff quarters, storage of raw wool and remuneration for use of Central Services at the rate of Rs. 15 per month per worker employed by the Company.

(c) Price of a transformer and switch gear, Rs. 50,100.

Save as disclosed in the Prospectus no other payments are to be made to Isaac Holden & Sons Ltd., Bradford (U.K.), Duncan Brothers & Co. Ltd., or Anglo-India Jute Mills Co. Ltd.

Duncan Brothers & Co. Ltd. is a member and the Managing Agent of Anglo-India Jute Mills Co. Ltd.

CAPITAL OUTLAY AND MINIMUM SUBSCRIPTION

The Capital required to complete the First Stage of operation is estimated to be as follows:

Item		*Source of Funds*
Land and Buildings	Rs. 12,33,450	Shares already issued.
Machinery	Rs. 10,66,550	Shares already issued or awaiting issue.
Twelve Carding Engines	Rs. 16,70,000	Loan from Bank of Baroda, Limited, secured by hypothecation of the twelve Carding Engines.
Pre-incorporation Expenses	Rs. 77,077	Rs. 5,00,000 shares already issued, and loan from Bank of Baroda, Limited.
Site preparation and Constructional work	Rs. 13,25,000	
Pre-operation Expenses	Rs. 3,75,000	
	Rs. 57,47,077	

The Additional Capital required to complete the Second Stage of operation is estimated to be as follows:

Process Machinery	Rs. 41,90,000	
Recombing Plant and Miscellaneous Machinery	Rs. 10,95,000	
Dyeing Plant	Rs. 7,70,000	
		Rs. 60,55,000
Expenses of this Issue—		
Brokerage	Rs. 43,875	
Miscellaneous	Rs. 1,50,000	
		Rs. 1,93,875
		Rs. 62,48,875
The amount to be raised by this Issue		Rs. 47,00,000

It is intended that the balance Rs. 15,48,875 and any increase there may be in the actual cost over the estimated cost of the plant and facilities, together with the sum required to provide working capital estimated at Rs. 15 00,000, shall be raised by loans from the Company's Bankers and if necessary other sources, including the Managing Agents.

The minimum subscription in respect of the public issue under this Prospectus on which the Directors will proceed to allot is Rs. 29,25,000 being the whole of the equity share capital offered for subscription by the public.

AUDITORS REPORT

THE DIRECTORS,
ISAAC HOLDENS (INDIA) LIMITED,
31, NETAJI SUBHAS ROAD, CALCUTTA.

4, LYONS RANGE, CALCUTTA-1.
28th *October* 1960.

Gentlemen,

In accordance with the provisions of clause 24 of Part II of Schedule II of the Companies Act, 1956, we report that no accounts of Isaac Holdens (India) Limited have been made up in respect of any period since the incorporation of the Company.

Yours faithfully,
LOVELOCK & LEWES.

MANAGING AGENTS

Duncan Brothers & Co. Ltd., 31, Netaji Subhas Road, Calcutta, have been appointed, with the approval of the Government of India, as the Managing Agents of the Company for a period of ten years from the date of incorporation of the Company at the following remuneration based on the net profits of the Company computed in accordance with the Companies Act, 1956:—

(i) 7½ per cent on the first Rs. 50 lakhs or fraction thereof.
(ii) 5½ per cent on the next Rs. 25 lakhs or fraction thereof.
(iii) 5 per cent on the next Rs. 25 lakhs or fraction thereof.
(iv) 4 per cent on any sum over one crore of rupees,

with a minimum remuneration of Rs. 20,000 per annum. Duncan Brothers & Co. Ltd. will, subject to the provisions of the Companies Act, 1956, be reimbursed for expenses incurred on behalf of the Company and paid rent for office accommodation provided to the Company. The terms upon which Duncan Brothers & Co. Ltd. hold office as Managing Agents are embodied in an agreement in writing dated 22nd August, 1960. Neither the Articles of Association nor the agreement with the Managing Agents provides for payment of compensation for loss of office and the question if it arises will be dealt with according to law.

The authorized capital of Duncan Brothers & Co. Ltd. is Rs. 2,70,00,000 divided into 45,000 4% Cumulative Preference Shares of Rs. 100 each and 2,25,000 Ordinary Shares of Rs. 100 each, while the subscribed and paid-up Capital is Rs. 1,35,00,000 divided into 45,000 4% Cumulative Preference Shares of Rs. 100 each and 90,000 Ordinary Shares of Rs. 100 each.

IMPORT LICENCE

The Company has received import licences from the Government of India for the plant and machinery, etcetera, required for the first stage of operation. Application has been made for necessary import licences to carry the second stage of operation into effect and a licence to the value of Rs. 15,00,000 has already been received.

INSPECTION OF DOCUMENTS

The following agreements and documents can be inspected at any time during the usual business hours at the Registered Office of the Company until 14 days after the opening of the subscription list:—

1. Agreement dated 13-1-60 between Isaac Holden & Sons Ltd. Bradford (U.K.), Duncan Brothers & Co. Ltd. and Anglo-India Jute Mills Co. Ltd. with reference to the formation and promotion of the Company and reimbursement of expenses incurred.

2. Print of the Memorandum and Articles of Association.

3. Licence No. L/23/3/N-13/59 dated 10th July 1959 issued by the Government of India under the Industries (Development and Regulation) Act 1951 in favour of the Company and letter reference No. CA. EC. TPQ 4016/766-59 dated 8-12-59 approving the terms of the collaboration with Isaac Holden & Sons Ltd., Bradford (U.K.).

4. Consent Order No. R272 C.C.I./60 dated October 27th 1960 issued by the Controller of Capital Issues in favour of the Company.

5. Conveyance dated 10-5-60 by Anglo-India Jute Mills Co. Ltd. to the Company, of a part of the Jagatdal Jute Mill in consideration of an allotment of 1,23,345 Equity Shares credited as fully paid up.

6. Agreement dated 13-1-60 with Isaac Holden & Sons Ltd., Bradford (U.K.), for purchase of machinery in consideration of an allotment of 1 06,655 Equity Shares credited as fully paid up.

7. Agreement dated 13-1-60 with Isaac Holden & Sons Ltd., Bradford (U.K.), for the rendering of technical assistance with subsequent amendment dated 22-8-60.

8. Agreement dated 22-8-60 setting out the terms upon which Duncan Brothers & Co. Ltd. hold office as Managing Agents and Approval No. 9(641)-C.I.I./60 dated 1st July 1960 of the Central Government under Section 326 of the Companies Act, 1956.

9. Memorandum of an agreement not in writing with Anglo-India Jute Mills Co. Ltd. for renting of staff quarters, etc., and for the use of Central Services, (latter chargeable at the rate of Rs. 15 per month per worker employed by the Company).

10. Letters of Hypothecation issued in favour of the Bank of Baroda Ltd.

11. Correspondence with Platt Brothers Ltd., concerning the supply of twelve new Carding Engines for Rs. 16,70,000.

12. Correspondence with Mackintosh Burn (Private) Ltd. for supply and construction of drains, floors and other building works for Rs. 4 01,277.21 nP.

13. Correspondence with John Thompson India Private Ltd. for supply of water softening plant for Rs. 26,934.

14. Correspondence with Stewarts and Lloyds of India Private Ltd. for fabrication and erection of piping, and supply of tanks, for Rs. 3,08,756.

15. Correspondence with Braithwaite & Co. India Ltd. for fabrication and erection of overhead tank and staging for Rs. 24,670.

16. Correspondence with the English Electric Co. Ltd. for supply of electrical equipment for Rs. 1,08,306.20 nP.

17. Correspondence with Philips India Ltd., for supply and erection of fluorescent lighting for Rs. 2.18,905.

18. Correspondence with Anglo-India Jute Mills Co. Ltd. for purchase of a transformer and switchgear for Rs. 50,100.

19. Correspondence with Duncan Brothers & Co. Ltd., relating to the terms upon which the latter will lend money to the Company and guarantee loans taken by the Company from Bank of Baroda Ltd.

MEMORANDUM OF ASSOCIATION

The Memorandum of Association has been signed by the following persons each of whom has taken up the number of shares shown against his name.

	Shares
KESHAV PRASAD GOENKA, Merchant 31, Netaji Subhas Road, Calcutta.	One
GEOFFREY EDWARD HOARE, Merchant 31, Netaji Subhas Road, Calcutta.	One

APPLICATION FOR SHARES AND ALLOTMENT

Application must be for 100 shares or multiples of 100 shares and must be made on the form accompanying the Prospectus, which can be had from the Company's Bankers and Brokers to the issue. All application forms duly completed must be lodged, together with the amount payable on application, (i.e. Rs. 5/- per share) with any of the following Banks, namely:

1. THE BANK OF BARODA LTD., P.O. Box 313, India Exchange, Calcutta-1.
2. LLOYDS BANK LIMITED, P.O. Box 306, 29, Netaji Subhas Road, Calcutta-1.
3. NATIONAL AND GRINDLAYS BANK LTD., P.O. Box 218, 19, Netaji Subhas Road, Calcutta-1.

or with any of their Branch Offices at the addresses listed below.

AHMEDABAD

The Bank of Baroda Ltd., P.O. Box 44, Bhadra, Ahmedabad.

AMRITSAR

The Bank of Baroda Ltd., P.O. Box 91, Katra, Arluwalia, Amritsar.
Lloyds Bank Limited, Amritsar.
National and Grindlays Bank Ltd., P.O. Box No. 3, Hall Bazar, Amritsar.

BOMBAY

The Bank of Baroda Ltd., P.O. Box 347, Apollo Street, Fort, Bombay.
Lloyds Bank Limited, Dr. Dadabhoy Naoroji Road, Bombay-1.
National and Grindlays Banks Ltd., P.O. Box 141, Mahatma Gandhi Road, Bombay.

DELHI

The Bank of Baroda Ltd., P.O. Box 376, Connaught Circus, New Delhi.
Lloyds Bank Limited, 10, Parliament Street, New Delhi, 1.
National and Grindlays Bank Ltd., P.O. Box 317, 'H' Block, Connaught Circus, New Delhi.

KANPUR

The Bank of Baroda Ltd., P.O. Box 55, 58/65, Birhana Road, Kanpur.
National and Grindlays Bank Ltd., P.O. Box 26, 16/54, Mahatma Gandhi Road, Kanpur.

MADRAS

The Bank of Baroda Ltd., P.O. Box 1668, Errabalu Chetty Street, George Town, Madras.
Lloyds Bank Limited, 378, Netaji Subhas Chandra Bose Road, Madras.
National and Grindlays Bank Ltd., P.O. Box No. 64, 3 North Beach Road, Madras.

SURAT

The Bank of Baroda Ltd., P.O. Box 6, Bhaga Talav Kanpith, Surat.

Cheques and drafts should be drawn in favour of one of the Bankers of the Issue "A/c Isaac Holdens (India) Ltd.—Equity Issue" and should be crossed "Account Payee Only." A separate cheque or draft must accompany each application and such cheque or draft *Must* be payable at the particular centre (as above) in which the application is lodged.

Cheques *Must* be drawn on a branch of any Bank in the City where the application is tendered. *Outstation cheques will not be accepted.*

If payment is made by a Bank draft, it *Must* be drawn on a branch of a bank in the City in which the application is tendered.

Drafts or cheques drawn otherwise than in accordance with the above will NOT be accepted and the relevant application will be rejected.

BANKERS AS NOMINEES: Applications made in the names of Banks will be consolidated and treated as one, unless separate accounts are specified.

Allotment will be notified by the despatch of an allotment letter but the Directors reserve the full uncontrolled right of accepting or rejecting any application in whole or in part without assigning any reason. Where an application is rejected or not accepted in full, the whole or any balance of the application money received will, subject to the provisions of Section 73 of the Companies Act, 1956, be refunded within eleven weeks from the closure of the subscription list.

ISSUE OF SHARE CERTIFICATES

The share certificates will be issued in exchange of letters of allotment within nine months of allotment.

(Sd.) K. P. GOENKA,
J. R. S. RAPER, by his authorized agent, H. J. SILVERSTON
H. J. SILVERSTON, (alternate)
A. N. LALBHAI, by his authorized agent, K. P. GOENKA.
K. N. MOOKERJEE,
W. H. ROBINSON, by his authorized agent, D. H. ADAMSON
D. H. ADAMSON, (alternate)
G. E. HOARE.

CALCUTTA, 29th October 1960.

L.I.C. COMPLETES FOUR YEARS

PROGRESS SHOWS MANY ENCOURAGING FEATURES

WITH a degree of understandable pride in its past record and justifiable confidence in the future, the Life Insurance Corporation of India entered the fifth year of its existence on 1st September 1960. Four years is no doubt too short a period to measure the success of an institution whose business is selling life insurance but it is sufficient to provide an indication of the trend and direction of progress. Growth of new business indicated in the premium income, quality of business as reflected in the percentage of lapses, efficiency of management as revealed by the trend of claims and expense ratios and quality of service, the nature and composition of assets showing the efficiency with which the investment portfolio is managed are some of the progress indicators of a life insurance company. The character of ownership of a company does not affect the nature of life insurance business and these indicators can, therefore, be relied upon to reflect a true picture of the progress of a company whether it is privately or publicly owned.

To take the first indicator, namely, new business. During the period under review, new business increased from Rs. 260.84 crores at the end of 1955 to Rs. 429 crores in 1959. The 1959 figure represents an increase of 25 per cent. over that of the previous year. The number of policies issued increased by 41 per cent. in two years to 1.15 million in 1959, bringing the number of policies in force at the end of the year nearly seven million. The total business in force, which was Rs. 1,220 crores at the end of 1955, rose to Rs. 1,964 crores in 1959, a net increase of Rs. 744 crores or more than 60 per cent. Thus, till the end of 1959 since nationalisation, new business increased by 100 per cent. and total business in force rose by more than 60 per cent.

These figures must be judged against the background of nationalisation and the developments in the economy. Nationalisation, with Government guarantee of cash payment for each and every policy issued by the Life Insurance Corporation, inspired in the insuring public a confidence which, in the politico-economic situation obtaining in India, no private company could command. Moreover, life insurance in India is still in its infancy. The vast majority of the people are uncovered. Total business in force is only about 15 per cent. of the national income, as compared with countries like the U.S. and Canada where it actually exceeds the national income. Although levels of income and standard of living in India are poor by comparison, considering the small coverage so far, the growth potential is substantial.

Life insurance, unlike property or other kinds of insurance, is a basic need of every one. Until, therefore, each and every person is covered by a life policy, life insurance can be regarded as a necessity. Upto a certain point, that is till the minimum level is reached, sales efforts are likely to produce increasing returns. Resistance will develop and become increasingly difficult to be overcome after this point and the rate of expansion may necessarily slow down then.

Targets and Performance

During the initial periods, therefore, the rate of expansion could be out of all proportion to the effort put in. In fact, promotional campaigns and sales efforts are only catalytic agents. The confidence of the public arising from Government guarantee, the impact of economic progress on income levels, the rising level of literacy coupled with the reduction in premium rates soon after nationalisation and the promotional measures undertaken by the Corporation have created an atmosphere conducive to growth of insurance. This has been exploited by the Corporation to a considerable extent through an enlarged field force and expanded office organisation. This is evident from the fact that the Corporation exceeded its five-year plan target of Rs. 415 crores fixed for 1959 by Rs. 14 crores. The performance during the first half of 1960, however, does not warrant optimism that the target for this year will be easily reached. During the first half of the year, total business completed amounted to Rs. 102.27 crores, as against Rs. 96.27 crores in the corresponding period of the previous year. Past experience has shown that the second half of the year contributes most of the increase in new business. Nevertheless, it remains to be seen whether during the six-month period, June 1960 to December 1960, the Corporation could produce more than four times the business done in the previous six months, which it must do if the target of Rs. 525 crores is to be hit.

While on new business, a phenomenon to which attention needs to be drawn is the widening gap between "the introduced" and "the completed" business which was as much as Rs. 15 crores as at the end of August 1960. The fact that some introduced business cannot be completed because of declinature, acceptance on terms other than proposed, changes in the financial position of the proposer, etc., can only partly explain this gap. The disparity is due, in quite a large number of cases, to poor salesmanship or ineffective closing. Some alteration in the plan, of which there are many variations, or some method by which it could be made easier for the party to buy and keep alive the policy, could surely bring a fair amount of this business firmly on to the books. Another reason for completed business falling far short of introduced business is the failure of agents to collect the full first premium along with the proposal. The Corporation is understood to be thinking of strictly enforcing the practice of collecting the first premium in full along with the proposal with effect from next year. This will no doubt go some way in narrowing the gap.

Lapses

The percentage of lapses, as mentioned above, gives an indication of the quality of business. Judged by the lapse ratio, the quality of business done by the Corporation has not only been good but improving steadily. The percentage of lapses to the mean business in force, which was 7.6 per cent. in 1955, declined to 6.4 per cent. in 1957 and to 5.1 per cent. in 1958. The lapse ratio for 1959 is not yet available, but if the aforesaid trend had persisted, the ratio would be lower.

That life insurance is not only a cover against risks but also a form of saving is indicated by the fact that, of the Rs. 28.14 crores paid by the Corporation by way of claims in 1959, as against Rs. 25.05 crores in 1958, Rs. 21.10 crores were maturity claims and only Rs. 7.04 crores death claims. Lately, however, a disturbing trend in claims experience has been noticed. According to the Chairman's own admission, there has been "a very large number" of early claims arising from the death of policyholders within two years of the coming into force of policies. This underlines the need for vigilance and honesty on the part of the field force and medical examiners of the Corporation. The management of the Corporation will do well to devise a system of special reward to those who bring high quality business.

It is also noteworthy that the increase in new business has not been accompanied by a rise in expenses. In fact, expenses have shown the opposite trend. The renewal expense ratio, which was 15.89 per cent. in 1957 and 15.46 per cent. in 1958, declined to 12.92 in 1959. This, it may be noted, is 2.08 per cent. below the statutory ceiling of 15 per cent.

Training of Personnel

The rate of growth of life insurance depends not upon the potential which is vast and as yet practically untapped, but on the capacity to absorb and service the business. The Corporation has made considerable headway in this respect. The number of branch and sub-offices, which was 216 on 1st September 1956, increased to 345 at the end of 1959. Efforts have also been made to improve the quality of the personnel by imparting training to agents and field officers and the administrative personnel. Since the inception of the training programme till the end of August 1960, 5,785 agents and field officers were trained in the Corporation's training establishments. This has led to be a perceptible improvement in the output of the field personnel. The average output of a field officer was Rs. 4.9 lakhs of new business in 1957. It increased to Rs. 6.5 lakhs in 1958 and to Rs. 7.5 lakhs in 1959. Similarly, the average output of agents also rose, from Rs. 31,067 of new business in 1957 to Rs. 37,494 in 1958 and to Rs. 44,435 in 1959.

Investment

The handling of the investment portfolio is an important aspect of the management of an insurance company. Since investments of the Corporation are strictly regulated by legislation, the area for exercising investment judgment and showing financial prudence is limited. Only in respect of that percentage of funds invested in the shares of companies is the Corporation called upon to prove its mettle as an investor. But considering that the Corporation's total investments are well over Rs. 10 lakhs a day, the amount going into the equities of public limited companies, though a small percentage of the total investment, could, in absolute terms, be substantial. A usual complaint of the Corporation nowadays is that it is becoming increasingly difficult to find outlets for its funds other than in Government and approved securities owing to the comparative short supply of sound scrips. Consequently there has been a decline in the percentage of investments in the shares of companies in the private sector. With the decision to revive the grant of loans on the mortgage of properties, it should be possible to offset, to some extent, the shrinkage of investment in the private sector. The spate of new issues in recent months must also have provided the Corporation an opportunity to invest in promising ventures.

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EUROPEAN FREE TRADE ASSOCIATION

ITS IMPACT ON INDIA'S TRADE EXAMINED

By T. Mohan Chandar Menon

THE European Free Trade movement, which began about the middle of the 1950s, found concrete expression in the European Economic Community, popularly known as the Common Market, that was brought into being by the Rome Treaty of 1957. The establishment of the E.E.C. was also, paradoxically enough, the cause of the first major rift among the Western European countries on the proposed European integration scheme. W. Germany, France, Italy, Belgium, the Netherlands and Luxembourg, who believed in a closely integrated union, embracing all the important economic activities of their members, decided on 25th March 1957 to form the European Economic Community which went much beyond a Customs Union, and called for the sacrifice of many sovereign rights. The other group led by the United Kingdom and including Sweden, Norway, Denmark, Austria, Switzerland and Portugal, voted for a looser association where the individual members would be able to retain many of their rights as nation States. There were various other reasons for the different attitudes of the two blocs. The U.K., for example, had her Commonwealth obligations to consider, while Switzerland, with her tradition of neutrality, could not agree to any compromise on national sovereignty. Similarly, different considerations weighed with the others in their attitude towards the Common Market. And even now five members of the O.E.E.C. (Organisation for European Economic Co-operation) are outside the two groups. The second group was formed on 20th November 1959 and was named the European Free Trade Association.

There are mainly three differences between the two blocs. Firstly, while the E.E.C. will eventually abolish all internal tariffs and will have a common external tariff, the E.F.T.A. countries have decided to abolish the internal tariffs only and will retain individual external tariffs against non-members. Secondly, the E.E.C., unlike the E.F.T.A., associates the overseas territories of the members. Thirdly, the E.E.C. scheme applies to both industry and agriculture, whereas the E.F.T.A. is confined only to trade in industrial goods, because full agreement has not been achieved on a policy for agriculture. Apart from these, there are various other differences arising out of the different objectives of the two associations and on account of the fact that, while the E.E.C. has decided on a high degree of integration of economic activities among its members, the E.F.T.A. essays more modest and practical objectives.

Trade of the Seven

The E.F.T.A. comprises seven countries which are geographically dispersed and are at different stages of development ranging from the pastoral Denmark to the highly industrialised U.K. Together, however, they will form an important region in world trade. The combined total trade of the Seven in 1957 constituted 36,319 million U.S. dollars or 17.7 per cent. of world total. Their share of world imports is larger than their share of world exports. The total imports in 1957 amounted to $20,065 million or 19.0 per cent. of world total, and exports $16,254 million equal to only 16.5 per cent. of world exports. (The E.E.C.'s part in world trade is bigger than the E.F.T.A.'s, accounting, as it does, for about 23 per cent. of world exports and imports). The E.F.T.A. it may be noted, will account for a bigger share of world imports than the U.S.A., whose share is only 12 per cent.

The E.F.T.A. region as a whole has a trade deficit with the rest of the world. Portugal and Norway have the largest deficits amounting roughly to 43 per cent. and 36 per cent. reckoned as a proportion of their imports, respectively. In the case of Switzerland, exports represent only 79 per cent. of her imports, whereas the U.K.'s adverse balance in trade totals 18.4 per cent. of imports. Of the Seven, Sweden, Austria and Denmark have the smallest deficits, amounting to 12 per cent., 13 per cent. and 15 per cent. of imports, respectively.

The great differences in the economic structures of the Seven are reflected in their foreign trade. The most industrialised countries are the U.K., Austria, Sweden and Switzerland. These countries depend largely on imports for their raw materials, food and fuels. The percentage share of these items in the import bill is the highest in the case of U.K., accounting, in 1957, as they did for 72.4 per cent. of that country's total imports by value. This ratio was 44.1 per cent. for Austria, 39.7 per cent. for Switzerland and 38.1 per cent. for Sweden. In exchange, these countries export machinery, equipment and other manufactured goods. Exports of these items represent about 75 per cent. in the case of U.K. and Switzerland, and 68 per cent. and 55 per cent. for Austria and Sweden, respectively. Norway and Portugal, though not so highly industrialised as the others, do export a good deal of manufactured goods, machinery and equipment. Denmark, on the contrary, derives the bulk of her earnings abroad from her food exports which constitute 61 per cent. of the total. For Norway, Portugal and Denmark, the bulk of imports consist of manufactured goods, machinery and equipment, which account for about two-thirds of Norway's imports and half of Portugal's and Denmark's.

Table I gives the percentage composition of the Seven's foreign trade.

Effects on Third-country Exports

Non-members exporting to this region will be affected adversely mainly by two measures proposed by the E.F.T.A. The first is the elimination of tariffs on all imports originating within the region and the second the abolition of all quota restrictions against member-countries.

As the favourable treatment will be extended only to goods of the region, a scheme for determining the origin of goods has been drawn up. This scheme is based on the following principles:

1. A percentage criterion of value added to goods within the area. Commodities will qualify for area treatment if 50 per cent. of their price has been added within the region. To help calculate the percentage qualification, a basic materials list has been formed. The materials included in the list would be regarded as of area origin irrespective of their actual origin when calculating the percentage of area content in goods.

2. A process criterion. A list of qualifying processes has been drawn up. Goods would qualify for area treatment if it could be shown that one of the processes included in the list has been performed within the area.

Abolishment of Tariffs

Under the measure relating to tariffs, all duties on the imported goods originating within the area of the E.F.T.A. will be progressively dismantled. The first round of reductions took place with effect from 1st July 1960, when the member-countries cut internal tariffs by 20 per cent. This will be followed by eight annual reductions of 10 per cent. each.

The removal of tariffs on intra-regional exports will have inimical effects on exports from the outside world to the region. The actual danger to third-country exports will depend on two factors. One is the extent of competing trade that third countries have with the Seven. The second is the prevalence and height of tariffs in the E.F.T.A. countries against the outside world's trade with them.

To examine the extent of area competition to third countries' exports to the region, Table II which shows the provenance of the Seven's imports, will be useful.

From the table it is apparent that the region as a whole is dependent on the outside world for the major portion of its imports. The countries which have the largest degree of dependence on the region for their imports are Denmark and Norway, who obtain about 40 per cent. of imports from other members of the Association. The area supplies roughly a quarter of the imports of Portugal and Sweden, while for the U.K., Austria and Switzerland it is of minor significance. If, as is seen, the outside world is of major importance for E.F.T.A. imports, then, *ipso facto*, the competition from member-countries to third countries will be limited. The competition that is present from within the region seems to be more marked in machinery, transport equipment, manufactured goods and chemicals.

The E.F.T.A.'s import trade from the E.E.C. is also presented in the foregoing table, in order to show the commercial importance of

TABLE I

Commodity-composition of the E.F.T.A. Countries Trade with the World

(In percentage of total)

Commodity group		U.K.	Austria	Denmark	Norway	Portugal	Sweden	Switzerland
Food	I.	33.8	14.6	12.1	10.6	9.1	10.9	17.5
	E.	3.7	3.9	60.7	18.3	17.8	4.0	5.2
Beverages and tobacco	I.	2.9	1.6	2.2	0.9	1.0	1.4	2.3
	E.	2.5	0.2	1.2	..	9.6	..	0.8
Crude materials	I.	27.2	15.1	10.7	7.4	18.3	8.3	11.4
	E.	3.5	20.9	5.4	18.1	18.3	38.5	2.0
Fuels and related materials	I.	11.4	14.4	18.4	11.4	14.3	18.9	10.8
	E.	4.6	2.6	0.1	0.5	3.3	0.2	0.1
Oil and fats	I.	1.5	2.1	0.8	0.6	1.2	1.0	0.8
	E.	0.2	..	1.3	6.8	3.1	0.4	0.1
Chemicals	I.	2.8	6.8	8.3	5.1	9.1	6.5	6.7
	E.	8.0	4.2	3.1	8.2	6.7	2.4	16.5
Manufactured goods	I.	13.4	18.6	26.1	25.9	22.2	23.7	27.0
	E.	29.3	48.9	7.0	36.2	35.4	25.6	20.8
Machinery & transport equipment	I.	4.7	22.4	17.7	33.6	21.2	23.1	16.5
	E.	39.5	14.2	17.1	10.5	2.6	26.8	27.3
Other manufactures	I.	1.9	4.5	3.6	4.5	3.4	6.3	6.9
	E.	6.0	5.0	3.6	1.3	3.1	2.3	27.4
Miscellaneous	I.	0.4	..	..	..	..	..	0.1
	E.	2.7	0.1	0.4	..	..	..	..
Total	I.	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	E.	100.0	100.0	100.0	100.0	100.0	100.0	100.0

I=Imports; E=Exports.

TABLE II

Origin of E.F.T.A. Imports

(In percentage of total)

		Total	Food, drink and tobacco	Crude materials	Fuels	Oil and fats	Chemicals	Machinery and equipment	Other manufactures
United Kingdom	R.W.	78	82	83	92	92	47	41	66
	E.F.T.A.	10	9	13	..	4	13	13	13
	E.E.C.	12	9	4	8	4	40	46	21
Austria	R.W.	36	70	59	68	44	15	8	12
	E.F.T.A.	12	3	13	..	13	16	12	22
	E.E.C.	52	27	28	32	43	69	80	66
Denmark	R.W.	24	63	60	28	10	13	17	13
	E.F.T.A.	40	11	26	58	55	45	38	38
	E.E.C.	36	26	14	24	35	42	45	49
Norway	R.W.	30	75	64	39	51	29	12	21
	E.F.T.A.	39	18	20	32	35	29	55	37
	E.E.C.	31	7	16	29	14	42	33	42
Portugal	R.W.	42	78	80	88	100	18	7	9
	E.F.T.A.	21	12	9	6	..	30	38	25
	E.E.C.	37	10	11	6	..	52	55	66
Sweden	R.W.	36	69	65	56	61	25	15	18
	E.F.T.A.	25	16	19	14	22	32	30	30
	E.E.C.	39	15	16	30	17	43	52	52
Switzerland	R.W.	32	52	59	18	47	31	18	22
	E.F.T.A.	11	8	10	3	..	8	14	14
	E.E.C.	57	40	31	79	53	61	68	64

N.B.: R.W.=Rest of the world.

the Community to the Association. In fact, for Austria, Portugal, Sweden, Switzerland and the U.K., the E.E.C. accounts for a larger share of imports than the E.F.T.A. itself. Austria and Switzerland obtain more than half of their imports from the Common Market, while Denmark, Norway, Portugal and Sweden purchase well over 30 per cent. of their import requirements from the E.E.C. The U.K.'s dependence on the E.E.C. for imports, though more than her dependence on E.F.T.A., is still less than 15 per cent. of the total.

On account of the largely Europe-oriented trade structure of the six members of the E.F.T.A., it is certain that the impact of the Association will be mostly felt by the other European countries, and more especially by the Six of the E.E.C.

For the non-European countries, especially the primary goods exporters, the U.K. is the only important trading partner of the Association. As such, Britain's widely dispersed trade interests will be a mitigating factor on the adverse affects of the Association on non-members' exports to the region. This is more so when we remember that the lion's share of Britain's imports is accounted for by her Commonwealth associates whose exports already enjoy liberal tariff treatment in the U.K. market under the Commonwealth Preferences Scheme.

From the foregoing discussion, it appears that the competition to the outside world from intra-regional exports of the E.F.T.A. will be mostly felt by the E.E.C. which has such a big stake in the import trade of most members of the Association. The U.K., particularly, will gain considerably in the markets of other member-countries. To member-countries, most of the gain will be in the field of manufactured goods, namely, machinery, transport, equipment and other manufactured commodities.

More than actual trade it is the extent of "preferential trade" or area trade which will receive special tariff treatment that matters from the point of view of assessing the impact of tariff elimination within the region on imports from outside. In other words, the outside world has to bother only about those items which will have to pay a duty when imported from them, but will not have to do so when imported from within the area. For this, the structure of the tariff walls in the seven countries of E.F.T.A. has to be studied.

Tariff Structure

Tariff comparisons are difficult on account of the different nature of duties (e.g., revenue or protective; specific or *ad valorem*) and also on account of the differences in tariff classifications adopted by the various countries. The E.F.T.A. countries (except Portugal) have, however, now adopted the Brussels nomenclature, according to which all goods entering international trade are classified under some 1,100 headings. The P.E.P. (Political and Economic Planning) have recently made a useful study of the tariff structure in the West European countries. The brief examination of the tariff structure in the E.F.T.A. countries that follows is based on this publication.

The U.K. is easily the leading high-tariff country of the Association. Her tariffs are particularly high against chemicals, textiles, machinery and transport equipment. But, as mentioned earlier, the U.K. tariff wall is built against non-Commonwealth countries, and as such the high tariffs are not applicable to its purchases from Commonwealth sources, which account for a good deal of U.K. imports. Next to the U.K., Austria imposes fairly heavy duties on imports. Machinery, transport equipment, manufactures of metals, textiles, paper, rubber and leather are the items against which stiffer tariff restrictions are applied in Austria. Switzerland's tariffs are not high, but they are applied on the widest range of goods including basic materials (important for India), which is a group that is comparatively free from tariffs in the region. Norway and Sweden are examples of countries where tariffs are used selectively. A large number of items such as basic materials, leather, rubber, paper, iron and steel, and other metals are practically free from duties in these two countries. But other items like chemicals (alcohols, etc.), textiles, machinery and transport equipment face fairly high tariffs in these two countries.

Briefly stated, the impact of tariff elimination within the region on exports of non-member countries will be as follows:

First, tariffs are prevalent mostly on machinery, transport equipment, chemicals and textiles. This implies that the elimination of tariffs on intra-regional imports will tell most on countries exporting the above items such as W. Germany, France, Belgium, Italy and the U.S. Secondly, the omnipresent tariff restrictions on textiles in the E.F.T.A. will affect many of the textile exporting countries including India. Thirdly, the comparatively generous treatment meted out to basic materials should reduce apprehensions of the primary goods exporting countries, regarding the creation of the E.F.T.A

Abolishment of Quotas

In international trade, quota restrictions have been used more effectively than tariffs to control trade. For third countries, the measure regarding abolishment of quotas against member-countries' trade, therefore, assumes greater importance than the measures regarding tariff elimination. Unfortunately, information about quota restrictions is meagre to enable an assessment of the likely consequences to third country exports of the removal of quantitative limitations on member-country exports. Broadly speaking, however, the E.F.T.A. countries have not resorted to this method of trade curtailment. Some important items that have been subjected to quantitative restrictions occasionally are tobacco and textiles. Quantitative control of imports is generally resorted to in times of emergency and, for this reason, if for nothing else, the outside world can depend on the fairly good prospects of the growing prosperity of the member-countries for only a limited use of quota restrictions for regulating their imports.

India and the E.F.T.A.

The seven countries of the Association constitute an important region for India's foreign trade. The importance is more for Indian exports, as the area accounts for 30 per cent. (1958 basis) of the total, as against 21 per cent. of the total in the case of imports. Almost the whole of this trade, however, is represented by the U.K. Britain's share in India's trade amounts to roughly 20 per cent. of total imports and 28 per cent. of total exports. In the discussion that follows, only the effects on Indian exports are considered.

In Table III below exports from India to the E.F.T.A. of major items and total exports of these are given.

The table clearly reveals the insignificance of the E.F.T.A. for Indian exports, if the U.K. is excluded. On account of this, the implications of the Association for India will largely be concerned with the U.K.'s membership of the Association.

For our exports, the U.K. is a sheltered market. Our exports enjoy special tariff treatment there under the Commonwealth Preferences Scheme. These privileges are extended in the case of about 90 per cent. of our exports in the form of duty-free entry in the U.K. market. Where this is the case, at worst, Britain allowing the E.F.T.A. exports to enter free of duty can mean only a comparative loss to India, in the sense that the special privilege that she hitherto enjoyed together with other Commonwealth countries will now be extended by the U.K. to the other members of the Association.

TABLE III

Major exports from India to E.F.T.A. and exports of these items to all destinations in 1958

	India's exports in 1958 in Rs. lakhs		
	World	E.F.T.A.	U.K.
Jute fabrics	5,886.8	636.3 (11)	531.2 (9)
Cotton fabrics of standard types	2,535.5	83.1 (3)	64.6 (25)
Hides and skins, raw	717.0	63.3 (9)	53.4 (7)
Leather	1,825.4	1,239.0 (68)	1,226.0 (67)
Essential oils	208.8	56.2 (27)	42.5 (20)
Castor oils	305.4	132.0 (43)	126.4 (41)
Coffee	717.9	129.9 (18)	69.7 (10)
Tea	13,654.4	8,952.3 (66)	8,947.6 (65)
Raw cotton	1,520.0	78.8 (5)	73.6 (5)
Cotton twist and yarn—			
(i) Grey unbleached	435.1	59.7 (14)	0.4
(ii) Bleached	182.2	39.8 (22)	39.6 (22)
Wool, raw	934.6	310.8 (33)	307.0 (33)
Tobacco—			
(i) Unmanufactured	1,470.1	1,099.0 (75)	1,084.1 (74)
(ii) Manufactured	158.6	..	..
Manganese ore	15,584.4	186.0 (1)	167.7 (1)
Vegetable non-essential oils	744.8	317.4 (43)	311.7 (42)
Oilseeds and oilcakes	34.3	12.6 (37)	..
Spices	883.1	82.9 (9)	24.4 (3)
Total of above	47,798.4	13,479.1 (28)	13,069.9 (27)
Total including others	57,655.5	17,109.5 (30)	16,524.2 (29)

Figures in brackets represent percentage share of total.

This poses no real danger, as there is little competing trade from within the region. Even in commodities which appear at first to offer some competition, it is seen that the interests of the member-countries and of India do not really clash. Cotton textiles and hides and skins raw are illustrative of this. Switzerland is the member-country which exports cotton fabrics. Her interests here lie in fabrics of the white bleached and printed varieties. Now these are items of minor importance to India at present. Again, in the case of hides and skins raw, we see that the member-countries' exports consist of raw cattle hides and calf skins as against raw goat skins from India. Cattle hides and calf skins do not really compete with goat skins which is a finer, softer variety of skin used for different purposes.

Exports from India which have to pay a duty in the U.K. constitute a very minor portion of our export list. Major commodities among these are coffee, tobacco and sugar preparations. In these items, if the intra-regional exports are accorded free entry by the U.K., then she will be showing to exports of member-countries even more favourable treatment than what she accords to her Commonwealth associates. This constitutes a real source of danger to the privileged exports from the Commonwealth, if there is sufficient competing trade from within the region. Happily for India the items of her export which have to pay duty do not have any competition from regional sources. It may, therefore, be concluded that, as far as the U.K. is concerned, the interests of Indian exports are well protected.

As has been pointed out earlier, although exports from India to the other six members constitute only about 5 per cent. of its total exports to the region and as such should not be a cause for anxiety for us, it may nevertheless be worthwhile knowing what are the items of Indian export which will feel the impact of the establishment of the Association. Table III will show that, among the important commodities which are exported from India to the region, the six members account for a respectable portion of Indian exports of oilseeds and oilcakes, cotton twist and yarn grey unbleached, coffee and essential oils. Apart from these, a good deal of jute fabrics and cotton textiles of standard types are also taken by the Continental members of the Association from India. Out of these, there is scope for expansion of trade from within the region at some expense to Indian exports in items such as cotton textiles of standard types, jute fabrics and cotton twist and yarn grey unbleached, for which there is sufficient capacity within the region itself. The most important exporter of these items among the members of the Association is Britain who is likely to make some inroads into our trade. But, on account of two factors, this danger is minimised. First, the amount of trade with the E.F.T.A. in the items likely to be affected is a small portion of our total trade in these commodities. Secondly, if the U.K. will be the gainer, then some of her gains is likely to be passed on to us by way of larger U.K. imports of semi-finished goods and raw materials related to the manufacture of these commodities.

Trade-creating Possibilities

Upto now, it is only the trade-diverting aspects of the E.F.T.A. that have been discussed. It will be incorrect if before concluding we do not have a look into the other side of the picture—the trade-creating possibilities of the Association. There certainly appears to be something to look forward to in this respect. First, the Association will bring into being a trading bloc of seven countries which account for nearly one-sixth of world exports and one-fifth of world imports. The existence of such a powerful area cannot but lend some stability to world trade. World trade has been only too frequently the victim of the vagaries of economic conditions of a country like the U.S. The recent world recession brought about mainly by a slackness in economic activity in the U.S.A. was an unpleasant reminder of the old adage that, if America sneezes, the rest of the world catches pneumonia. Such a hopeless dependence on one country will certainly be reduced by the creation of other powerful trading areas. Secondly, it is one of the basic objectives of the Association to bring about a greater expansion of economic activities in the member-countries than it would be possible for these countries to achieve individually. The success of this objective will bring with it greater demand for world goods.

On balance, therefore, while we will do well assiduously to watch the developments arising out of the creation of the E.F.T.A., there is certainly no ground to take an alarmist view of the situation. There are dangers and opportunities. And, as always, the challenge is more important than the threat.—*All Rights Reserved.*

GROWING SHARE OF EUROPE IN WORLD TRADE

ANALYSIS IN A U.N. STUDY

EUROPEAN countries have been making determined efforts in recent years to establish their supremacy in international trade no less than in the sphere of industrial production. Thanks to this bid, there has been a notable increase in the share of Europe in world trade between 1957 and 1959, according to the latest issue of the *Economic Bulletin for Europe*, published by the Secretariat of the United Nations Economic Commission for Europe (E.C.E.). This increase, the *Bulletin* adds, was largely at the expense of North American exports to western Europe as well as that of overseas primary exporting countries. In these overseas primary exporting countries, however, the reduction in their share of world trade was smaller for imports than for exports since "they had been building up their foreign currency reserves." The aforesaid issue of the *Bulletin* is devoted entirely to European trade developments and problems. The following aspects are given particular emphasis: western Europe's trade with overseas countries, intra-western European trade supplemented by a summary of the latest developments in the field of the institutions, tariffs and other arrangements of the European Economic Community and European Free Trade Association and east-west European trade and payments relations. The *Bulletin* also contains a special note on recent developments and problems of export-credit guarantees.

The *Bulletin* observes that intra-western as well as intra-eastern European trade have in past years, including the first half of 1960, constituted the most expansive sectors of world trade. East-west European trade increased faster than total world trade, although the quantum of trade remained relatively small. Soviet exports to the rest of eastern Europe, which had fallen by 9 per cent. between 1957 and 1958, increased by 27 per cent. between 1958 and 1959, partly as a result of new credits extended to these countries. It may be recalled that in 1957 also there had been an increase of as much as 44 per cent. in Soviet exports to eastern Europe, on account of Soviet credits. Another feature of recent European trade highlighted by the *Bulletin* is that the trade of eastern Europe (including Soviet Russia) with overseas primary exporting countries (excluding mainland China and other countries of the eastern trading region) levelled off in 1959. In particular, there was a fall in deliveries on credit terms to such countries as India and the United Arab Republic.

W. European Imports

Thanks to the resumption of a rise in Western European production in mid-1959, there was a sizable increase in imports from overseas countries towards the end of the year and during the early months of 1960. From October 1959 to March 1960, the volume of western Europe's imports from overseas countries increased by 20 per cent., as compared with the corresponding period of 1958-59, or rather more than production. Higher imports from the U.S. were a later feature of the expansion, but such imports rose faster than imports from overseas primary-exporting countries. This movement conforms to the experience of western European expansion from 1953 to 1957. There was a time-lag between the growth of exports from the primary-producing countries to western Europe and North America and their imports from the industrialised countries. The *E.C.E. Bulletin* notes that a slight decline in western Europe's exports to the U.S. occurred since the autumn of 1959, and since imports from the U.S. increased very fast during that period, there was a sharp increase in western Europe's visible trade deficit ($939 million at an annual rate in the first half of 1960, as compared with $200 million in the second half of 1959 and with a rough balance in the first half of that year).

The *Bulletin* points out that, during the post-war period, the countries presently constituting the European Economic Community have been economically the most dynamic in western European intra-trade, thus gradually increasing their share of western European output and trade. In particular, trade among the E.E.C. countries themselves has grown faster than other sectors of intra-western European trade. But the E.E.C. countries were also the most dynamic trade partners for the other western European countries in recent years and still in 1959, when the first tariff cuts on intra-E.E.C. trade took place. The *Bulletin* states that the tariff discrimination put into effect in the E.E.C. may have resulted in some deflection of E.E.C. imports away from E.F.T.A. countries to the benefit of E.E.C. countries. There was, on the other hand, some acceleration of intra-E.F.T.A. trade already during the first half of 1960, although the first tariff cuts among the Seven took effect only on 1st July 1960.

East-West European Trade

The trade between countries of western Europe and eastern Europe continued to make much headway in 1959 and in the first half of 1960. The *Bulletin* says that the expansion in 1959 was concentrated on eastern European exports of foodstuffs (particularly wheat), petroleum, pig iron and other industrial materials, and on western European exports of industrial equipment. The Soviet Union accounted for three-fifths of the increase in eastern European exports to western European countries between 1958 and 1959. This was largely due to the bumper wheat harvest of 1958, but the percentage rise in exports was even greater for petroleum and petroleum products (6 million tons in 1958 and almost 11 million tons in 1959). However, the authors do not expect that this rate of expansion of Soviet exports of petroleum will be kept up in 1960. Soviet exports to western Europe of timber, pig iron, raw cotton, flax and many other crude materials also increased, while there was a decline in exports of aluminium, tin and cellulose. The rapid expansion in Soviet exports to western Europe in 1959 and the first half of 1960 was accompanied by a steep increase in imports of industrial equipment from that area, in particular from France, West Germany and the U.K. Data for the first half of 1960 indicate an increase in western European exports to the Soviet Union of almost 80 per cent. over the first half of 1959.

A brief account of the east-west European Payments Agreements and their implications for trade relation is also found in the *Bulletin*. The *Bulletin* has analysed the significance of the growing use of convertible western European currencies. It also stresses that "for a few western European countries, whose export structures do not correspond to the scale of import priorities of the eastern European planning authorities, and who have a weak trading position with western markets, bilateral trading may be a means of expanding their trade with eastern Europe and hence their total exports." The analysis of the changes in the bilateral component of trade during the 'fifties stresses the effect of terms-of-trade fluctuations, as well as the deliberate efforts on both sides to achieve balanced trade. The expansion in east-west European trade during that period has been concentrated on higher reciprocal exchanges between pairs of eastern and western European countries, while import and export surpluses have tended to fall.

Export Credit Guarantee

Another important aspect to which the *Bulletin* draws attention is the recent developments in the sphere of export-credit guarantee schemes prevailing in Europe. According to the *Bulletin*, recent measures by a number of Governments, especially in western Europe and North America, to expand the scope of export-credit guarantee schemes point to the growing importance of these arrangements in international trade. As long as international trade was financed principally by bank acceptances or documentary credits for short-term transactions, and by securities floated by the larger debtors on well-organised capital markets for medium-term or long-term transactions, export finance and export-credit insurance raised no special difficulties, according to the *Bulletin*. Changes were introduced into the operation of traditional schemes in the late 'forties and in the 'fifties. Recent developments represent a move towards both the standardisation of existing schemes (much along the lines of the British, French and West German systems) and their extension. For that reason, the desirability of closer co-operation among countries running export-credit guarantee schemes is emphasised. The need for such co-operation is most evident in the problem of assessing to what extent medium-term export credits might be utilised as a source of additional finance for development.

GOVERNMENT'S STORES PURCHASES

PREFERENCE FOR INDIGENOUS PRODUCTS

THE policy of the Government of India regarding the stores purchase programme is so designed as to utilise indigenous production to the maximum extent possible, even if it meant according price preference and relaxing specifications within reasonable limits. This was disclosed by Mr. K. C. Reddy, Union Minister for Works, Housing and Supply, while inaugurating the eighth meeting of the Central Purchase Advisory Council. While imported stores of the value of Rs. 44 crores were purchased by the Directorate-General of Supplies and Disposals (D.G.S. and D.) during 1955-56 out of the total purchases amounting to Rs. 120 crores, the value of imported stores purchased in 1959-60 was no more than Rs. 20 crores, as against the total purchases of Rs. 182 crores. In other words, the percentage of the imported stores to total purchases fell sharply from 37 to 16.

Mr. Reddy stated that the D.G.S. and D. had effected purchases to the tune of Rs. 780 crores, of which indigenous products accounted for Rs. 584 crores, during the first four years of the second Plan. The purchases in the final year of the second Plan (1960-61), according to Mr. Reddy, were expected to be Rs. 200 crores, making a total of Rs. 980 crores for the second Plan as a whole. He added that, in view of the considerably higher financial outlay envisaged for the third Plan, it was reasonable to expect that purchases by the D.G.S. and D. during the coming years would be substantially higher than in the second Plan.

Planning Wing

In order to handle this anticipated additional load, the D.G.S. and D. had set up a Planning Wing entrusted with the responsibility of collating demands from the indenting departments and statistics of installed indigenous capacity, with a view to enabling the Central Purchase Organisation to enter into long-term arrangements with the industry. At the last meeting of the Council, it was decided that certain problems connected with the payment of sales tax, consignee's right of rejection of stores and variation in the rates of customs duty due to changes in the classification, should be referred to the sub-committee of the Council, whose recommendations should be further considered by the Council.

The following table gives at a glance the group-wise orders for stores which were placed by different Central Government departments during 1958-59:

(Value in crores of rupees)

	Indigenous	Imported	Total
Food materials	5·36	96·17	101·52
Tobacco	0·21		0·21
Textiles	17·33	0·10	17·34
Footwear	2·23		2·23
Other leather and its products	0·32	0·01	0·33
Wood	3·79	2·13	5·92
Paper and paper products	9·54	0·48	10·02
Rubber products	4·96	0·12	5·08
Chemicals	6·52	8·57	15·09
Non-metallic mineral products	43·83	15·89	59·71
Basic metal industries	5·49	11·36	16·85
Metal products	14·08	0·45	14·53
Electric machines	20·22	6·66	27·18
Other machines	6·66	10·83	16·83
Transport equipments	43·66	30·57	74·23
Miscellaneous industries	2·76	2·04	4·80
Total	186·28	185·77	372·05

Alluding to the complaint of the All India Manufacturers' Organisation that certain Government departments were purchasing imported stores, although indigenously manufactured products conforming to the required specifications were available, Mr. Reddy pointed out that in so far as the Central Purchase Organisation was concerned, before any indigenous offer which was up to the specifications was rejected, the personal orders of the Director General were invariably taken.

The C.P.O. had been making endeavours to enter into long-term arrangements with the industry through Rate and Running Contracts, according to Mr. Reddy. In the case of some of the Rate Contracts the supply had not been regular as manufacturers had not been able to plan their production in the absence of a regular flow of orders. Instructions had now been issued to the C.P.O. to conclude Running Contracts in preference to Rate Contracts wherever it was possible to forecast requirements. The conclusion of Running Contracts would enable the industry to plan their manufacture in advance and assist the C.P.O. in rendering effective service to the indentors.

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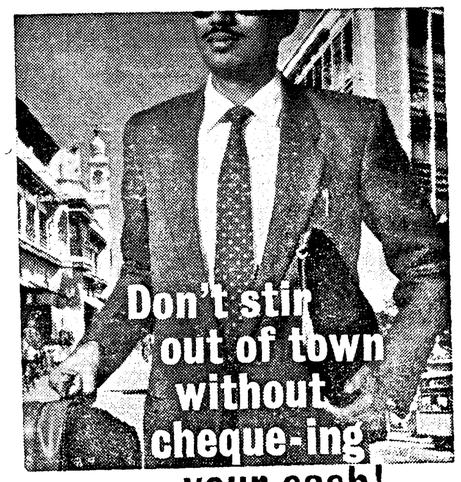

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C.E.S.C.'S EARNINGS IMPROVE

PLANS FOR REPLACEMENT OF OLD PLANT DROPPED

THE industrial expansion throughout the licensed area in which the Calcutta Electric Supply Corporation Ltd. operates and the development of housing in Calcutta and its suburbs have increased the demand for power. This is fully reflected in the Company's results for the year ended 31st March 1960. There is a rise of 139.5 million units to 1,816.6 million units in the power sold and of £720,000 to £8.82 million in sale proceeds of current. There has also been an increase of £27,000 in other income, of which interest earned on Treasury Bill investments and bank deposits alone accounts for about £25,000. Consequent on the increase in demand for energy, the cost of generation and distribution has also risen by £534,000 to £4.56 million. Of this expenditure, the cost of coal, including handling and ash disposal charged, amounts to £2.83 million, representing an increase of £373,000 over the year. It may be noted in passing that this major item of outlay represents 80 per cent. of the total operating cost of generation. There has also been an increase in the cost of power purchased from the Damodar Valley Corporation. Commensurate with the expansion of the Company's system, wages and cost of materials too have moved up. Nevertheless, the Company's gross profit (before providing for depreciation and taxation) has increased from £2.63 million to £2.86 million, thus maintaining the upward trend noted for some years past.

The net profit, at £1.66 million, shows a small increase of only £63,000, consequent on the larger provision of £929,176 for depreciation (as against £900,782 for 1958-59) and of £759,324 for taxation (£623,222). The clear profit for the year, as calculated under the Electricity (Supply) Act, 1948, has, however, fallen short of the reasonable return to which the Company is entitled by £67,353 and this is made good by a corresponding transfer from the special reserve. An additional sum of £349,403 has been transferred from the special reserve, but this is entirely being placed to the consumers' benefit account as directed by the West Bengal Government. In view of the continued expansion of the Company's operations, the Directors have considered it essential to conserve its finances to meet the consequential expenditure. Accordingly, they have set aside from the year's profit £575,000 for plant expansion and replacements, on top of £525,000 added last year. To meet the statutory requirement, they have added £35,866 to the contingency reserve, which had received £33,417 a year ago, besides strengthening the debenture sinking fund and and making the usual provisions for retiring gratuity fund and writing off cost of issue of debentures. They have also recommended a slight increase in dividend from 7 per cent. to 7.5 per cent. (actual) by putting up the final distribution from 3.5 per cent. to 4 per cent.

The salient features of the Company's results for the year under review are compared with those for the previous years in the following table:

(In £s sterling)

—	For the year ended 31st March			For 15 months ended March 1957
	1960	1959	1958	
Sale of current	8,834,610	8,114,777	7,322,268	7,987,957
Other income	141,762	114,680	145,122	113,328
Cost of generation distribution, etc.	4,557,626	4,023,443	3,511,820	4,196,813
Other expenses	1,562,756	1,577,357	1,347,499	973,615
Gross profit	2,855,990	2,628,657	2,608,071	2,931,357
Depreciation	929,176	900,782	843,551	999,579
Taxation	759,324	623,222	537,702	82,900
Net profit	1,167,490	1,104,653	1,226,818	1,848,878
Transfer from reserves ..	416,756	100,247	77,951	
To reserves	660,866	619,829	735,536	1,037,685
„ debenture sinking fund	151,532	143,219	134,844	158,549
„ consumer benefit account	349,403	..	..	127,981
„ gratuity fund and debenture issue expenses ..	51,670	51,670	51,670	64,588
Dividends—				
5 per cent. preference ..	65,075	95,000	95,000	103,906
Ordinary	319,699 (7 5%)	298,386 (7%)	298,386 (7%)	362,324 (6.8% p.a.)
Carry forward	108,138	122,137	119,341	130,008

The Company's financial position as on 31st March 1960 is quite sound. The paid-up capital of £6.16 million is supplemented by reserves and surplus aggregating £10.23 million. The Company has so far redeemed £1.38 million worth of debentures, leaving an outstanding balance of £3.63 million. The current liabilities and provisions aggregate £4.51 million. The current assets stand at £4.08 million. The cost of debenture issue yet to be written off is £162,538. The Company's capital expenditure during the year amounted to £1.16 million and was almost entirely on transmission and distribution systems. This was financed out of the provision of £929,000 for depreciation and the allocation of £575,000 for plant expansion and replacement reserve, thus demonstrating, once again, that the Company has been able to provide, within the limits permitted by the reasonable return on the capital base, internal finance for the expansion of the Company's undertaking. This brings the total capital expenditure up to the end of the year to £33.60 million, which has been well written down to a book value of £20.30 million. The Company proposes to make an annual outlay of not less than £1.25 million on its transmission and distribution systems and this estimate is based on the anticipated increase in the demand for power.

The Company's future expansion of its generating capacity has been stopped by the West Bengal Government and its additional requirements are being met by the Damodar Valley Corporation, though not to the full extent required, under an agreement with the D.V.C. The agreement provided for an initial supply of 45 MW. to be increased year after year. But the West Bengal State Government has again intervened and has placed a ceiling on the quantum of direct supply from the D.V.C. at 100 MW. Commenting on this, Sir Harry Burn, Chairman of the Company, says, in his review accompanying the Directors' report and accounts, as follows:

"The Company's understanding of the arrangement with the Damodar Valley Corporation has been that the latter would be responsible for meeting all the Company's requirements of power in excess of that provided by its own capacity and, in fact, at the beginning of last year, a supplemental agreement was completed with the Damodar Valley Corporation to govern supplies in excess of 100 MW. The Company has, however, now been advised by the West Bengal Government that it is not their policy that the Company's offtake from the Damodar Valley Corporation shall exceed 100 MW. and that its import requirements in excess of that figure will be provided through the agency of the West Bengal State Electricity Board, first from the latter's new station at Durgapur and thereafter from a super-station which they propose to build at Bandel on the west bank of the River above Calcutta. The Company has been given to understand that, under this arrangement, the State Board will be able to afford it a supply of 40 MW. by June 1963 rising to 60 MW. in June 1964 and that shortly thereafter all the Company's requirements can be met. I need hardly say that the State Board will have the Company's full co-operation in bringing this plan to the earliest possible fruition and, in this connection, negotiations are already in train for the siting of the necessary supply points, etc.

"Meantime, the demand on the Company's system continues to grow at a rate of some 7½ per cent. per annum compound, and it is feared that some restriction of supply to the public may occur before the State Board's supply is fully available. Should any such restriction become necessary, it will, needless to say, be kept to the absolute minimum, and will be done under the direction of Government acting under the powers conferred on it by the Indian Electricity Act 1910."

Though the Company was not permitted to increase its generating capacity, it had requested permission for replacing its obsolete plant at the Old Cossipore Station by the addition of one further 50 MW. set at New Cossipore. But the West Bengal Government has turned down this request also, in view of its own plans, and the Company has accordingly had to abandon this programme.

The Company's ordinary stocks of the value of £1 each are being currently quoted on the Calcutta Stock Exchange at Rs. 15.12 *cum-div.*, at which rate the yield on them is 7.1 per cent. per annum.

ANNUAL MEETING OF COMPANIES

The Department of Company Law Administration has clarified that the non-holding of annual general meeting of a company by its officers, as required under the Companies Act, will not be considered a defence against penalty for offences like failure to present accounts of the company before the general meeting, or non-filing of the annual list of members and summary of share capital with the Registrar of Companies. The Department has pointed out that a breach of each of these provisions is an independent offence and is liable to separate penalty according to the provisions of the Companies Act.

In a recent case, this failure to hold the annual general meeting was pleaded as a defence against the non-presentation of accounts. The Supreme Court held that this position was untenable and that "a person charged with an offence could not rely on his own default as an answer to the charge, and so, if the person charged is responsible for not calling the general meeting, he cannot be heard to say in defence to the charge that the annual general meeting had not been called."

TATA CHEMICALS EARN LESS

BORROWINGS MOUNT UP

AS was briefly stated in our issue dated 8th October 1960 (*vide* page 650), the working of the Tata Chemicals Ltd. during the year ended 30th June 1960 suffered a setback and, as a result, the Directors have had to prune the dividend on old ordinary shares from 7.5 per cent. (for 1958-59) to 6 per cent. and on new shares from 7.2 per cent. to 6 per cent (including interest at 4 per cent. payable out of capital). The dividends for 1958-59 and 1959-60 are both subject to deduction of tax. The full details of the accounts now available show that the gross profit has dropped from Rs. 69.15 lakhs in 1958-59 to Rs. 50.88 lakhs, due to factors beyond the control of the management. It must be noted here that the previous year's profit had included a sum of Rs. 4.77 lakhs being the net profit earned on sale of assets, whereas there has been no such extraneous earning during the year under review, so that the actual decline in profit on trading is only Rs. 13.50 lakhs. Even this setback has occurred, despite the fact that revenue from sales is maintained at the previous year's level.

The decline in profit is attributed by the Directors to the following adverse factors:

(i) The inevitable interference with the production of existing units by plants under construction, reduced operations and lower efficiencies arising from the trials and commissioning of new units under the expansion programme, (ii) the reduction of Rs. 10 per ton in the price of soda ash for the full year, as against four months in the previous year and a reduction of Rs. 30 per ton in the price of caustic soda from October 1959 following the recommendations of the Tariff Commission, (iii) the higher cost of salt due to lower production, (iv) higher interest charges and (v) the increased dearness allowances to workers and staff from December last.

The following comparative table presents the salient features of the Company's results during the last four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale of products	341 31	340.70	341.70	265 59
Other income	9.74	11.57	7.52	7.33
Closing stocks of finished goods ..	31.41	35.17	36.28	40.97
Raw materials and stores consumed	106.56	101.78	101.26	85.33
Other expenses	103.61	181.34	201.99	132.79
Gross profit	50.88	69.15	45.98	54.79
Managing Agents' commission ..	2.27	4.45	2.86	2.81
Provision for—				
Depreciation	20.75	20.00	17.25	26.56
Taxation	1.05	12.51	12.42	7.07
Net profit	26.81	32.19	13.45	17.45
To reserves and other provisions	14.85	14.12	2.65	3.50
Transfer from reserves ..	2.60	0.40	2.80	..
Dividends—				
5 per cent. preference ..	3.75*	4.28*	8.00	8.00
Ordinary	10.64 (6%)*	14.25 (7.5%)*	10.66 (7.5%)*	11.20 (8%)
Interest at 4 per cent. payable out of capital on new shares.	4.48	4.30	0.19	..
Carry forward	0.14	0.07	0.04	0.09

* Subject to deduction of tax.

It will be noted that the drop in net profit is smaller than that in gross profit, thanks to the substantially lower provision for taxation. Despite the decline, the net profit for the year under review is nearly double that for 1957-58. If, however, the proposed dividend is less than that paid two years ago, it is due to the fact that as much as 53.5 per cent. of the net profit—Rs. 14.35 lakhs, to be precise—has had to be set aside to the statutory development rebate reserve, as against only Rs. 2.30 lakhs two years ago. Such a large allocation to the statutory reserve has resulted in a shortfall in the distributable sum available for paying even the reduced dividend and this is made good by drawing Rs. 2.50 lakhs from the general reserve.

The Company's production of soda ash amounted to about 62,000 tons, which was only slightly more than that of the previous year. The expectation of a much higher output was not realised due to interference with the production of existing units by plants under construction and owing to unavoidable delay in the completion of the new units. Approximately 40 per cent. of the new equipment was installed and put into commission during the year. The major units installed were the new brine refinery, the new ammonia still and the steam tube drier. The drier is the largest of its kind in India and is capable of calcining 300 tons of soda ash per day; being a new type of equipment, it has taken a somewhat longer period than expected to be brought into successful operation. The new ammonia still has, however, gone into production comparatively smoothly.

The operation of the caustic soda plant has shown an all-round improvement; as compared with the previous year, produ[illegible]

about 9 per cent. and the efficiency of the plant was also better. The output of sodium bicarbonate showed a substantial improvement over the previous year with the commissioning of new equipment. Owing to heavy rains during the monsoon of 1959 and scattered showers occurring during the precipitating season, there was a substantial fall in the production of both solar and vacuum salt. The production of solar salt was only 71,000 tons, as compared with 100,000 tons in the previous year and 154,000 tons in 1957-58. The completion of the new salt works at Samalsar was also hampered by unusually heavy rains, and these works are now expected to be completed by the end of the calendar year. The substantial fall in production depleted the normal salt reserve at Mithapur, and it became necessary for the Company to purchase salt at substantially higher cost in the current year from Saurashtra and other centres in order to maintain the higher production anticipated at the soda ash plant. The rains also affected the working of the marine products section where production was lower by about 29 per cent.

In the field of agro-chemicals, the production of BHC increased by more than 20 per cent. with the completion of the first phase of the expansion programme. Further expansion of the plant is under progress and, when completed, the manufacture of a new pesticide, "Lindane," will be taken up. Orders for the Lindane plant have been placed in Germany and the plant is expected to be completed by June 1961. The production of copper oxychloride was made to the requirements of Tata-Fison. Output was, however, restricted due to growing competition in this field from other manufacturers. A new product, copper sulphate, was placed on the market during the latter part of the year under review.

The Company's balance-sheet as on 30th June 1960 shows that its borrowings continue to mount up and consequently its burden of interest is growing. The Company issued during the year under review 5 per cent. 'A' mortgage debentures of the value of Rs. 1 crore repayable in 1970-75 and these were pledged with the State Bank of India for additional cash credit facilities. The outstanding borrowings against these and old debentures as on 30th June 1960 are Rs. 116.50 lakhs, as against Rs. 46.21 lakhs a year ago. The short-term loans also have risen from Rs. 145.75 lakhs to Rs. 208.83 lakhs, bringing the total borrowings to Rs. 325.33 lakhs, representing 48 per cent. of the capital employed; this ratio has gone up from 36 per cent. a year ago. The other current liabilities and provisions aggregate Rs. 112.56 lakhs. The total liabilities and provisions, at Rs. 437.89 lakhs, are not adequately covered by current assets which amount to only Rs. 290.61 lakhs. The additions to the block account during the year aggregate Rs. 95.04 lakhs, bringing the total cost of the block account to Rs. 589.53 lakhs. This has been written down to Rs. 382.79 lakhs. The depreciation provided so far thus amounts to Rs. 206.74 lakhs. The estimated arrears of depreciation still to be provided amount to Rs. 48.93 lakhs. In addition to the net block mentioned above, plant and machinery of the value of Rs. 30.03 lakhs are awaiting installation as at the end of the year and capital work-in-progress amounts to Rs. 88.67 lakhs. The net assets of the Company thus aggregate Rs. 354.20 lakhs and are represented by a paid-up capital of Rs. 311.88 lakhs and reserves and surplus of Rs. 42.31 lakhs. Considering the magnitude of the undertaking and the capital employed in it, the reserves of the Company are very small and need to be considerably strengthened.

The current market value of the Rs. 10 paid-up ordinary shares (old) of the Company is Rs. 15.88 *cum-div.* On an *ex-div.* basis, the yield on the shares is no more than 2.7 per cent. per annum, free of tax.

BRITANNIA ENGINEERING TO DIVERSIFY ACTIVITIES

The recommendation of the Directors of the Britannia Engineering Company Ltd. (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) to step up the dividend on ordinary shares for the year ended 31st December 1959 from 6 per cent. free of tax paid consistently for the three years 1956-58 on the present capital to 10 per cent., subject to deduction of tax, or 7 per cent. free of tax, is in consonance with the higher earnings of the Company. The gross profit has gone up from Rs. 13.23 lakhs (in 1958) to Rs. 18.86 lakhs. The net profit, too, has recorded a marked rise from Rs. 2.61 lakhs to Rs. 6.53 lakhs, in refreshing contrast to the sustained decline in the previous three years. The Directors have not added anything, as in the previous year, to the reserves of the Company, except a sum of Rs. 1 lakh to the development rebate reserve, which had received Rs. 1.06 lakh a year ago. The enhanced dividend on ordinary shares on a gross basis absorbs Rs. 1.60 lakh more, at Rs. 4 lakhs. The dividend on the 7 per cent. tax-free preference shares is subject to deduction of tax, so that the net dividend works out to only 4.9 per cent. The Directors have not made any provision for the additional distribution of 25 per cent. payable to the preference shareholders if the Preference Shares Dividend Bill becomes law.

The following comparative table brings out clearly the progress of the Company since 1956:

(In lakhs of rupees)

	For the year ended 31st December			
	1959	1958	1957	1956
Sales and work done ..	185 64	157 94	122.85	143 59
Closing stocks and work-in-progress ..	78.35	76.02	62.10	52.90
Raw materials and stores consumed	99.17	96.56	66 74	70 88
Other expenses	67.70	49.70	46 59	62.60
Gross profit ..	18.86	13.23	10 18	10.49
Managing Agents' commission ..	1.52	1.00	0.55	0.53
Provision for—				
Depreciation	5.49	5.23	4 92	4.53
Taxation	5.32	4.39	1.13	0.38
Net profit	6.53	2.61	3.58	4.95
To reserves	1.00	1.06	..	3.00
Dividends—				
7 per cent. preference ..	0.49*	0.36	0.05	..
Ordinary	4.00	2.40	2.40	2.40
	(10%)*	(6%)	(6%)	(6%)
Carry forward	1.82	0.78	1.08	0.35

* Subject to deduction of tax.

Note.—The Company's preference shares originally carried a dividend of 6 per cent. per annum, tax-free, but in May 1958, the dividend was raised to 7 per cent. per annum, tax-free.

The Company manufactures textile machinery, tea machinery, railway carriage and wagon components, road rollers and a wide variety of other materials required for railway and other engineering companies. More recently, it has taken up wagon building activity and manufacture of printing machines. The production of road rollers during the year under review is said to have been satisfactory and, with the new plant coming into operation, the Directors anticipate a further improvement in production. There has been a sustained demand for tea dryers throughout the year and the resultant increased production thereof has, to a large extent, offset a falling-off in turnover of other items of tea machinery. The wagon building factory at Mokameh, Bihar State, has commenced production and, with increased supplies of raw materials now becoming available, the output is expected to show substantial expansion. At Titaghur, the manufacture of printing machines is well in hand and the first batch of flat bed stop cylinder machines is expected to be ready for sale shortly. The Directors have under consideration plans for further diversification of the Company's activities, in collaboration with reputable foreign firms.

In view of the Company's plans for further diversification of its production and for expansion of its activities, it is considered desirable to raise the authorised capital of the Company from Rs. 1 crore to Rs. 2 crores, by the creation of 500,000 new ordinary shares of Rs. 10 each and 500,000 unclassified shares of Rs. 10 each.

The present paid-up capital of the Company is Rs. 46.95 lakhs, made up of 400,000 ordinary shares of Rs. 10 each and 6,948 7 per cent. cumulative tax-free preference shares of Rs. 100 each. The reserves and surplus aggregate Rs. 42.06 lakhs. The total borrowings (including those against debentures of the value of Rs. 30 lakhs) amount to Rs. 130.11 lakhs and other current liabilities and provisions Rs. 61.92 lakhs. The gross block of the value of Rs. 98.27 lakhs (including additions made during the year and value added by revaluation in 1939) has been written down to Rs. 50.25 lakhs. The current assets, at Rs. 232.04 lakhs, more than adequately cover the borrowings and other current liabilities. Of the current assets, the expenditure made up to the end of the year under review on factory under construction at Mokameh accounts for Rs. 16.64 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 14.16 *ex-div.*, at which rate the yield works out to 4.9 per cent. per annum, free of tax.

TRAVANCORE RAYONS TO RAISE OUTPUT OF CELLULOSE FILM

The Travancore Rayons Ltd. has applied to the Government of India for licence to increase its production capacity of cellulose film by 5 tons per day to bring the total capacity to 15 tons per day, in view of the growing demand for this packaging material. The Company recently started its third cellulose film plant and it has already gone into full production. The Company's present capacity of cellulose film production is 10 tons per day. The increased production is expected to meet the country's demand for this versatile wrapping material and, in addition, contribute to earning some valuable foreign exchange by export of surplus film.

Production of cellulose film was first started in 1950 and the Travancore Rayons Ltd. was the pioneer manufacturer of this product in this country. The initial capacity was 1.25 tons per day and later it was brought up to 2 tons. In 1955, a second plant with a capacity of 3 tons per day was installed. The third plant, which has now been started, is a high speed machine with a capacity of 5 tons per day. The Company is also converting plain cellulose film into moisture-proof and heat-sealing type to meet the demand for this variety. At present, the Company is equipped to make 5 tons of MST per day.

Cellulose films hold an undisputed place in the ever-expanding packaging industry. Already there is good demand for this product in this country. With the introduction of newer types of cellulose film, suited for different kinds of packaging, demand is bound to increase. It is with a view to satisfying the prospective demand that the Company proposes to raise its capacity. Needless to point out that with increased production, it will be possible to export a greater quantity to foreign markets, thus saving much needed foreign exchange. The Company hopes that the Government will extend all possible assistance to such a vital industry.

COMPANY MEETINGS AND DIVIDENDS

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, London, 10th November 1960. Dividend: 4 per cent. final (making a total of 7½ per cent. actual for the year), payable on 14th November 1960.

TATA CHEMICALS LTD. Annual General Meeting, Bombay, 11th November 1960. Dividend: Re. 0.60 per share, subject to deduction of tax, payable on and after 14th November 1960. Transfer books were closed from 3rd September to 1st October 1960, both days inclusive.

AURUNGABAD MILLS LTD. Annual General Meeting, Bombay, 11th November 1960. Dividend: Nil. Transfer books remain closed from 1st to 11th November 1960, both days inclusive.

BRITISH BURMAH PETROLEUM CO., LTD. Annual General Meeting, Bombay, 16th December 1960. Dividend: Re. 0.07 (final), payable on and after 5th January 1961. Transfer books will remain closed from 18th November to 9th December 1960, both days inclusive.

ANGLO-INDIA JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 16th November 1960. Dividend: Rs. 20.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 31st October to 16th November 1960, both days inclusive.

PENCH VALLEY COAL CO., LTD. Annual General Meeting, Calcutta, 17th November 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax. Transfer books will remain closed from 9th to 17th November 1960, both days inclusive.

AMALGAMATED COALFIELDS LTD. Annual General Meeting, Calcutta, 18th November 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax. Transfer books will remain closed from 9th to 18th November 1960, both days inclusive.

HUKUMCHAND JUTE MILLS LTD. Annual General Meeting, Calcutta, 18th November 1960. Dividend: Rs. 2.15 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 8th to 18th November 1960, both days inclusive.

COOPER ENGINEERING LTD. Annual General Meeting, Bombay, 22nd November 1960. Dividend: Rs. 13.00 per share (includes a bonus of Rs. 3.00 per share), on the increased capital, subject to deduction of tax, payable on and from 30th November 1960. Transfer books remain closed from 1st to 22nd November 1960, both days inclusive.

VELLORE ELECTRIC CORPORATION LTD. Annual General Meeting, Madras, 24th November 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 17th to 24th November 1960, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Annual General Meeting, Ernakulam, 28th November 1960. Dividend: 12½ per cent. or Re. 1.25 per share, subject to deduction of tax. Transfer books will remain closed from 21st to 28th November 1960, both days inclusive.

TUBE INVESTMENTS OF INDIA LTD. Annual General Meeting, Madras, 28th November 1960. Dividend: 10 per cent. or Rs. 10.00 per share, subject to deduction of tax. Transfer books will remain closed from 18th to 28th November 1960, both days inclusive.

AMALGAMATED ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 28th November 1960. Dividend: 10 per cent. or Re. 1.00 per ordinary share (includes an interim dividend of Re. 0.5 per share and a bonus of Re. 0.10 per share), subject to deduction of tax. Transfer books will remain closed from 14th November to 4th December 1960, both days inclusive.

WEST COAST ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 30th November 1960. Dividend: 15 per cent. or Re. 1.50 per ordinary share, subject to deduction of tax, payable on and from 1st December 1960. Transfer books will remain closed from 24th to 30th November 1960, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Interim dividend of Re. 1.00 per ordinary share, subject to deduction of tax, for the year ending 31st December 1960, payable on 28th November 1960. Transfer books will remain closed from 7th to 28th November 1960, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Interim dividend of 15 per cent. or Re. 1.50 per share, subject to deduction of tax, for the year ending 31st December 1960, payable on or after 15th November 1960. Transfer books remain closed from 1st to 15th November 1960, both days inclusive.

ASHER TEXTILES LTD. Dividend of 12½ per cent. or Rs. 12.50 per share, subject to deduction of tax, for the year ended 30th June 1960. Transfer books will remain closed from 11th to 24th November 1960, both days inclusive.

ALAGESWAR ESTATES LTD. Dividend of 7½ per cent. for nine months ended 31st March 1960. Transfer books will remain closed from 17th to 27th November 1960, both days inclusive.

MYSORE TOBACCO CO., LTD. Dividend of 10 per cent. or Re. 1.00 per share, subject to deduction of tax, for the year ending 31st March 1960. Transfer books will remain closed from 5th to 17th December 1960, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Interim dividend of 8 per cent. or Re. 0.16 per share, subject to deduction of tax, for the year ended 31st March 1960. Transfer books will remain closed from 14th to 25th November 1960, both days inclusive.

SYNOPSES OF COMPANY REPORTS

Amalgamated Coalfields Ltd.

THE directors of the above Company (Managing Agents: Messrs. Shaw Wallace and Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The Company's profit for the year is Rs. 4,66,150 (Rs. 16,10,855). And after providing taxation on profits for the year of Rs. 1 85,336 (Rs. 11,04,891) there remains a sum of Rs. 2,79,814 (Rs. 5,05,964). To this amount is to be added provision for liabilities no longer required of Rs. 2,19,295 (Rs. 5 00,961), provision for taxation no longer required of Rs. 21,042 (Rs. 30,265), adjustment relating to previous periods of Rs. 16,219 (*nil*) and the amount brought forward from the previous year of Rs. 39,129 (Rs. 40,639) making a total of Rs. 5,75 499 (Rs. 10,77,829). From this amount has to be deducted:—Transfer to development rebate reserve of Rs. 2,23,500 (Rs. 1,03,200) and transfer to general reserve of Rs. 85,000 (Rs. 3,50,000) leaving an available sum of Rs. 2.66 999 (Rs. 4,21,629 after transferring Rs. 2,00.000 to contingencies reserve). Out of this the directors recommend payment of a dividend of 10 (15 per cent. tax-free) per cent. subject to deduction of tax, absorbing Rs. 2,55,000 (Rs. 3.82,500) leaving a credit balance to be carried forward of Rs. 11,999 (Rs. 39 129).

Output and despatches of Steam and other grades of coal for the last three years are as follows:—

Year ended	*Raisings* Tons	*Despatches* Tons
31st March 1960	9,00,348	9,05,752
31st March 1959	9,46,564	9,28,545
31st March 1958	8 61,267	8,59,453

Raisings and despatches were low during the year owing to a number of reasons, amongst them being the inadequate supply of wagons and the delays experienced in obtaining permits from the Mines Department for depillaring. These difficulties were overcome towards the end of the year which resulted in increased raisings and despatches which trend, coupled with the price increase introduced in November 1959, is expected to lead to improved results during the year ending 31st March 1961.

Capital expenditure during the year was Rs. 14,70.781 including the previous year's work-in-progress of Rs. 6,64,908. Most of this sum was spent on developing two key producing units of the Company.

To offset loss in production from Collieries whose life is nearing completion, a new property has been bought and production will start as soon as formalities have been completed. To meet the cost of this and other projected development plans, considerable finance will be necessary and it is the directors' intention to conserve as much cash as possible. Accordingly, the directors after transferring Rs. 2,23,500 to development rebate reserve and Rs. 85,000 to general reserve have recommended a dividend of 10 (15 per cent. free of tax) per cent. subject to deduction of tax.

Grading was introduced on the 16th November 1959 when the new selling prices applicable to this Company came into force.

This Company along with others in the Coal Industry was saddled with additional expenditure as a result of the Arbitration Award which had to be implemented from 31st December 1959 as well as the implementation of other Mines Rules and Regulations and it is regretted that an inadequate compensatory price increase was allowed as from 1st April 1960. Grading of Colliery workers had to be introduced as from 1st June 1960 and here again an inadequate increase in price was allowed as from 24th August 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,50,000	Gross block	1,23,77,423
Reserves ...	35,44,700	*Less*—Depreciation ...	80,99,853
Provision for taxation ...	4,44 000		
Liabilities ...	43,48,395	Net block ...	42,77,570
Profit and loss account (surplus) ...	11,999	Work-in-progress ...	65,807
		Stores, etc. ...	28,59 565
		Stock ...	1,18,322
		Book debts ...	38,01,348
		Cash ...	2,76,482
Rs.	1,13,99,094	Rs.	1,13,99,094

Pench Valley Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The Company's profit for the year is Rs 4,07,190 (Rs 6,96,352) and after providing taxation on profits for the year of Rs. 2 11 785 (Rs. 4,33,435), there remains Rs. 1,96 605 (Rs. 2,62,917). To this has to be added provision for liabilities no longer required of Rs. 1,86,957 (Rs. 1,98,704) and amount brought forward from the previous year of Rs. 22,685 (Rs 38,465) making a total of Rs. 4,15,647 (Rs. 5,24,985 including Rs. 26 899 being provision for taxation not required). From this amount the directors propose to transfer to development rebate reserve Rs. 1,03,600 (Rs. 1,34 800), to general reserve Rs. 75,000 (Rs. 2,00,000) and to contingencies reserve Rs. 60,000 (*nil*) leaving an available sum of Rs. 1,72,047 (Rs. 1,90,185). Out of this amount the directors recommend payment of a dividend of 10 (10 per cent. tax-free) per cent. subject to deduction for income-tax absorbing Rs. 1,57,500 (Rs. 1,57,500) leaving a credit balance to be carried forward of Rs. 14,547 (Rs. 32,685).

Output and despatches of steam and other grades of coal for the last three years are as follows:—

Year ended	*Raisings* Tons	*Despatches* Tons
31st March, 1960 ...	4,96,108	4,97,427
31st March, 1959 ...	5,00,161	5,03,180
31st March, 1958 ...	4,80,042	4,74,880

Owing to inadequate wagon supply during the first six months, raisings and despatches during the year could not be maintained at the previous year's level. Raisings and despatches upto end of August this year show considerable improvement and, in the absence of any unforeseen adverse circumstances, this trend is likely to be maintained.

Capital expenditure during the year was Rs. 8,85,830 excluding the work-in-progress of Rs. 19,148 but inclusive of work-in-progress of the previous year of Rs. 1,92,984. To replace the loss of output of Barkui Colliery, a new area of 184.60 acres, adjacent to Dongarchickli Colliery, has been taken over and preliminary work in this area is already being undertaken.

To meet the cost of developing this new area and to carry out other contemplated development plans, considerable finance will be necessary and it is of paramount importance to conserve cash to the utmost. Accordingly the directors after transferring Rs. 1,08,600 to the statutory development reserve, Rs. 60,000 to contingencies reserve and Rs. 75,000 to general reserve, have recommended payment of a dividend of 10 per cent. subject to deduction for income-tax, leaving a carryforward of Rs. 14,547.

Grading was introduced on the 16th November 1959 when the new selling prices applicable to this Company came into force.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,75,000	Gross block	76,91,776
Reserves ...	22,83,200	*Less*—Depreciation ...	47,81,408
Provision for taxation ...	2,08 000		
Liabilities ...	31,00,478	Net block ...	29,10,368
Profit and loss account (surplus) ...	14,547	Work-in-progress ...	19,148
		Stock ...	47,197
		Stores ...	16,89,623
		Book debts ...	21,41,517
		Investments	2,44,740
		Cash ...	1,28,632
Rs.	71,81,225	Rs.	71,81,225

Western Bengal Coalfields Ltd.

The directors of the above Company (Managing Agents: Hindustan Investment Corporation Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The profit for the year before charging depreciation and taxation amounts to Rs. 11 36,309 (Rs. 8,40,122) from which are deducted—provision for income-tax Rs. 2,84,000 (Rs. 2,45,000), provision for cess charges Rs. 50,000 (Rs. 35,000) and provision for depreciation Rs. 3 26,775 (Rs. 2,78,000) leaving a balance of Rs. 4,75,534 (Rs. 2 82,122). With the balance brought forward from last year's account of Rs. 7,982 (Rs. 7,951) and excess provision and refund of wealth tax now written back Rs. 1,900 (*nil*) there is a total of Rs 4,85,416 (Rs. 2 90,073). Out of this, after transferring to development reserve Rs. 1,73,000 (Rs. 82,171) there remains a balance of Rs. 3,12,416 (Rs. 2,07,902). The directors recommend payment of dividend at Re. 0.60 (Re. 0.40) per share, subject to tax, absorbing Rs. 2 99,880 (Rs. 1,99,920) leaving a balance to be carried forward to the next year's account of Rs. 12,536 (Rs. 7,982).

Report was made last year of the loss of the sand gathering station at the Samla Manderboni Colliery due to floods. An amount of Rs. 1,02,506 representing this loss has therefore, been written off in the profit and loss account this year. However, inspite of this loss and the resulting upsetting of the working, the results this year show an improvement over last year.

Raisings and Workings:

	1958-59 tons	1959-60 tons
Raisings	2,54,969	2 62,176
Despatches	2,49,458	2,47,283
Colliery consumption ...	9,179	9,491

At Moira Colliery, the sinking of the pit to the Jambad Seam has been completed and the drift to work as the second outlet has also been completed; driving in coal has now been started. The pit is being fitted out and regular raisings are expected to start in early 1961.

The collieries are again feeling the difficulty of wagon shortage which not only results in mounting of stocks at the pithead but also affects the production adversely.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,98,000	Gross block	86,93,251
Reserves ...	3,56,533	*Less*—Depreciation ...	32,75,682
Provision for taxation ...	7,07,928	Net block ...	54,17 569
Liabilities ...	29,93,151	Stock of coal	1,18,926
Profit and loss account (surplus) ...	12,536	Stores, etc ...	7,56,742
		Book debts ...	25,58,475
		Investments	1,51 804
		Cash ...	64,632
Rs.	90,68,148	Rs.	90,68,148

East India Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The season's working resulted in a profit on revenue account of Rs. 2 83,363 (Rs. 1,32,821) after providing for depreciation amounting to Rs. 90,266 (Rs. 75,848) and providing Rs. 1,02,600 (Rs. 86,277) for contingencies. After transferring the above profit, making various adjustments, setting aside Rs. 1,50,000 (Rs. 38 000) for taxation and creating a development rebate reserve of Rs. 5,000 (*nil*) the balance available on profit and loss account amounts to Rs. 3,31,213 (Rs. 2,15,741). From this amount it is proposed to transfer to building reserve Rs. 1,00,000 (Rs. 50,000) and pay a dividend of 10 (5 per cent. tax-free) per cent. for season 1959 on ordinary shares absorbing Rs. 1,00,000 (Rs. 50,000) and carryforward Rs. 1,31,213 (Rs. 1,15,741).

The following are comparative statistics of sales for the past three years:—

	Pounds	Average price per pound
1957	1,182,837	Rs. 2/48
1958	1,153,223	Rs. 2/47
1959	1,191,489	Rs. 2/56

The estimate for 1960 provides a crop of 547,950 kg. or 1,208,000 lbs. of tea at a cost of Rs. 4/94 per kg. or Rs. 2/24 nP per lb.

The term of office of Messrs. Williamson Magor & Co., Ltd., as secretaries [but deemed to be managing agents] expired on 15th August 1960, in terms of Section 330 of the Companies Act, 1956. The Company in general meeting held on 24th September 1959 had already approved of the proposal that Williamson Magor & Co., Ltd., be reappointed managing agents for a further term of ten years from 15th August 1960, subject to the approval of the Central Government. The Central Government gave its approval to the reappointment but reduced the term of office to five years and also prescribed a sliding scale of remuneration instead of the flat rate as under the previous agreement and as proposed under the terms of reappointment. At the Company's general meeting held on 13th August 1960, the reappointment with these modifications was formally confirmed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	33,05,749
Reserves ...	9,57,600	*Less*—Depreciation ...	12,68,049
Provision for taxation ...	1,54,965		
Liabilities ...	12,71,531	Net block ...	20,37,700
Profit and loss account (surplus) ...	1,31,213	Stock in-trade	8,41,934
		Stores, etc. ...	3,20,104
		Book debts	1,86 314
		Investments	1,19,049
		Cash ...	5,908
Rs.	35,15,309	Rs.	35,15,309

Seajuli Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The season's working resulted in a profit on revenue account of Rs. 1,38,413 (Rs. 1,84,715) after providing for depreciation amounting to Rs. 33,460 (Rs. 34,014) writing off development expenditure of Rs. 4,129 (*nil*) incurred during the year on Tea Estate and providing Rs. 55,000 (Rs. 30,000) for contingencies. After transferring the above profit, making various adjustments and setting aside Rs. 47,000 (Rs. 83,000) for taxation, transferring to building reserve Rs. 50,000 (Rs. 25,000), to staff account Rs. 4,000 (Rs. 7,000) the balance available on profit and loss account amounts to Rs. 1 34 863 (Rs. 1,66,576). From this amount it is proposed to pay a dividend of 17½ (22½ per cent. tax free) per cent. for 1959 absorbing Rs. 43,575 (Rs. 56,025) and carryforward Rs. 91,288 (Rs. 1,10,551).

The following are comparative statistics for the past three years:—

	Pounds	Average price per pound
1957	420 226	Rs. 2/91
1958	439.136	Rs. 2/74
1959	470,732	Rs. 2/65

The estimate for 1960 provides for a crop of 440 000 lbs. or 199,580 kg. of tea at a cost of Rs. 2/34 nP per lb. or Rs. 5/16 nP per kg.

The term of office of Messrs. Williamson Magor & Co., Ltd., as managing agents of the Company expired on 15th August 1960, in terms of Section 330 of the Companies Act, 1956. The Company in general meeting held on 24th September 1959, had already approved of the proposal that Williamson Magor & Co., Ltd., be reappointed managing agents for a further term of ten years from 15th August 1960, subject to the approval of the Central Government. The Central Government gave its approval to the reappointment but reduced the term of office to five years and also prescribed a sliding scale of remuneration instead of the flat rate as under the previous agreement and as proposed under the terms of reappointment. At the Company's general meeting held on 13th August 1960, the reappointment with these modifications was formally confirmed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,49,000	Gross block	12,83,249
Reserves ...	4,30,000	*Less*—Depreciation ...	6,96,549
Provision for taxation ...	1 22,445		
Liabilities ...	5,30,833	Net block ...	5,86,700
Profit and loss account (surplus) ...	91,288	Stock-in trade	5,24,908
		Stores, etc. ...	2,31,595
		Book debts	59,701
		Investments	2 512
		Cash ...	18,150
Rs.	14,23,566	Rs.	14,23,566

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

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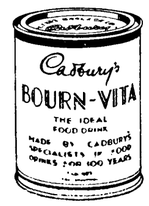

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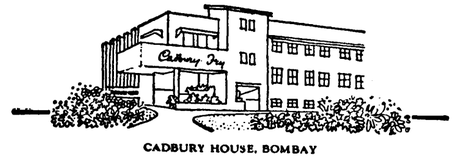

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Notices

THE KARANPURA COLLIERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-second Annual General Meeting of THE KARANPURA COLLIERIES LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Monday the 28th November, 1960, at 10.30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 29th February, 1960, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Directors in place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

AS A SPECIAL RESOLUTION

5. To consider and if thought fit, to pass with or without modification the following Resolution which will be proposed as a Special Resolution, namely:—

"Resolved that the Company may borrow money from time to time from its Secretaries and Treasurers provided the Secretaries and Treasurers are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Secretaries and Treasurers and the Directors of the Company but so that the money lent shall not at any time exceed Rupees Two Lacs in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Secretaries and Treasurers and the relative explanatory statement concerning which as required by Section 173 of the said Act is appended."

The Share Transfer Registers of the Company will be closed from the 14th November, 1960 to the 28th November, 1960, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

CALCUTTA, *the 27th October*, 1960.

Notes:—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 10th December, 1960, to those members so entitled whose names appear in the Company's books on the 28th November, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

With regard to item No. 5, it is pointed out that the Company may require temporary financial accommodation from time to time and as the Secretaries and Treasurers are prepared to lend money to it at a rate of interest which is more favourable than the Company could have obtained from its Bankers, it is proposed to take advantage thereof. Section 370 of the Companies Act, 1956, as well as relative clauses in the Articles of Association of your Company empower your Company to take loans from the Secretaries and Treasurers at a rate of interest to be agreed upon between them and the Board. The Auditors of your Company are of the opinion that granting of loans by the Secretaries and Treasurers constitute a service by them in terms of Section 360 of the Act and that such arrangement should be approved by the Shareholders by Special Resolution pursuant to the above section. Counsel's opinion on the question is to the contrary but in order to remove any doubt in the matter it is proposed to pass a Special Resolution confirming the arrangement.

Sir Walter Michelmore, the Chairman of the Board of Directors and member of your Company, is also Managing Director of Messrs. Bird & Co. (Private) Limited, the Secretaries and Treasurers of your Company.

To the extent indicated above the Secretaries and Treasurers of the Company may be deemed to be interested in the business referred to in the resolution.

THE BRITISH BURMAH PETROLEUM COMPANY, LIMITED

(Incorporated in England)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Annual General Meeting of the Company will be held at Noble Chambers, Parsi Bazar Street, Fort, Bombay, on Friday the 16th December, 1960, at 4.30 p.m. (S.T.), for the following purposes:—

(*a*) To receive the Balance Sheet and Statement of Accounts for the year ended 31st March 1960 together with the Reports of the Directors and Auditors thereon;

(*b*) To declare a Final Dividend;

(*c*) To elect a Director in place of Mr. A. P. Faickney, who retires by rotation and being eligible offers himself for re-election;

(*d*) To elect a Director in place of Mr. C. R. Jussawalla, who retires by rotation and being eligible offers himself for re-election;

(*e*) To appoint Auditors and fix their remuneration;

(*f*) To transact any other ordinary business.

A Member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a proxy or proxies to attend and speak, and on a poll vote in his stead. The person so appointed need not be a Member of the Company.

By Order of the Board,
THE BRITISH BURMAH PETROLEUM CO. LTD.,
F. S. PANTHAKI,
Acting Secretary.

NOBLE CHAMBERS,
PARSI BAZAR STREET,
FORT, BOMBAY,
25th October, 1960.

If the Dividend as recommended by the Directors will be passed at the Meeting, payment of the same will be made on and after 5th January 1961 to those Members whose names stand on the Company's Register on 18th November 1960.

Shareholders are requested to notify any change in their addresses without delay.

JARDINE HENDERSON, LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Fourteenth Annual General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta-1, on Thursday, the 22nd December, 1960, at 11.15 a.m., for the following purposes:—

1. To receive and consider the Audited Accounts for the year ended 31st March, 1960, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the Dividends already paid on the Preference Shares and to declare a Dividend on the Ordinary Shares of the Company.
3. To appoint Directors in place of those retiring.
4. To appoint Auditors and to fix their remuneration.

Notice is also given that the Transfer Books of the Ordinary Shares of the Company will be closed from the 1st December, 1960, to the 22nd December, 1960, both days inclusive.

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

By Order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW, CALCUTTA-1.
17th October, 1960.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD.

TIRUCHIRAPALLI

NOTICE

1. The Directors have sanctioned the payment of an *ad-interim* dividend for the year 1960-61 of 4½ per cent. less tax on Equity shares and 2¼ per cent. plus 20 per cent. thereon less Income-tax deduction of 30 per cent. on 1st and 2nd Preference shares.

2. The warrants will be made out in the names and addresses of shareholders standing registered in our books as on 26th November 1960 or holders of mandates and posted on and after 19th December 1960. The shareholders are requested to notify immediately any change of their address to the Company.

3. The Register of Members and share transfer books of the Company will be closed from 26th November 1960 to 5th December 1960 (both days inclusive).

4. Such of those shareholders who are not liable to pay Income-tax may apply to the concerned Income-tax Officers for Income-tax Exemption Certificate under the proviso to Section 18 (3D) of the Income-tax Act and file the same with the Company. In such cases of compliance, no deduction of Income-tax will be made from the dividends.

N.B.—Holders of Blank transfers are advised to have the shares registered in their names in time before closure of books.

By Order,
SESHASAYEE BROTHERS (PRIVATE) LIMITED,
Managing Agents and Chief Engineers.
TIRUCHIRAPALLI, *27th October*, 1960.

KARANPURA COLLIERIES LIMITED

AT THE MEETING OF THE BOARD OF Directors held on Thursday the 27th October, 1960, the following dividends were recommended to be paid for the year ended 29th February, 1960.

On Preference Shares at the rate of Rs. 4.40 per share per annum (being Dividend at the stipulated rate of Rs. 5.50 per share less Income-tax at the Company's rate viz. 20 per cent. thereof) after deduction of tax at source.

On Ordinary Shares at the rate of 7½ per cent. per annum subject to deduction of tax at source.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.
CHARTERED BANK BUILDINGS,
CALCUTTA, *27th October* 1960.

PLANTING

(Concluded from page 818)

ings will receive a wage increase. The new rates are:—

	For coffee estates of 50 acres and above	*Small holdings (below 50 acres)*
	Rs. nP	Rs. nP
Men	1 62	1 53
Women	1 23	1 12
Adolescents	1 00	0 95
Children	0 80	0 80

For tea estates of more than 600 planted acres, the wages are: Men Re. 1.67, women Re. 1.28, adolescents Re. 1.05 and children Re. 0.80. Maistries will receive Rs. 2.12 in Coorg area and Re. 1.85 in old Mysore area. The agreement takes retrospective effect from 1st August 1960.

The Labour Commissioner of Mysore, through whose good offices the negotiations were conducted, took an active part and helped towards an amicable settlement.

This agreement is the second one since 1957 and the total wage increase for an adult male worker in Mysore coffee estates has been of the order of 62 per cent. Coffee industry is facing hard times due to world surplus and India itself has increased its output by 176 per cent. to very nearly 50,000 tons and has an exportable surplus of about 20,000 tons. The unsold stock with the Coffee Board at the beginning of October was over 25,000 tons, while the new crop will start arriving from the latter half of November. As against Rs. 2.75 per point received by growers in 1953 the prospect for this year on the 1959-60 crop is only Rs. 2.23 per point. Notwithstanding this, the industry decided to arrive at an amicable settlement by mutual negotiations as it has done before, although the proposed Central Wage Board for coffee to be set up by the Government of India is expected to go into the wage question.

Mysore including Coorg has very nearly 160,000 acres under coffee and accounts for a total production of about 68 per cent. of India's coffee. The present agreement will cover approximately 140,000 workers and the annual increase in the wage bill for the industry is tentatively estimated at between Rs. 35 and Rs. 40 lakhs.

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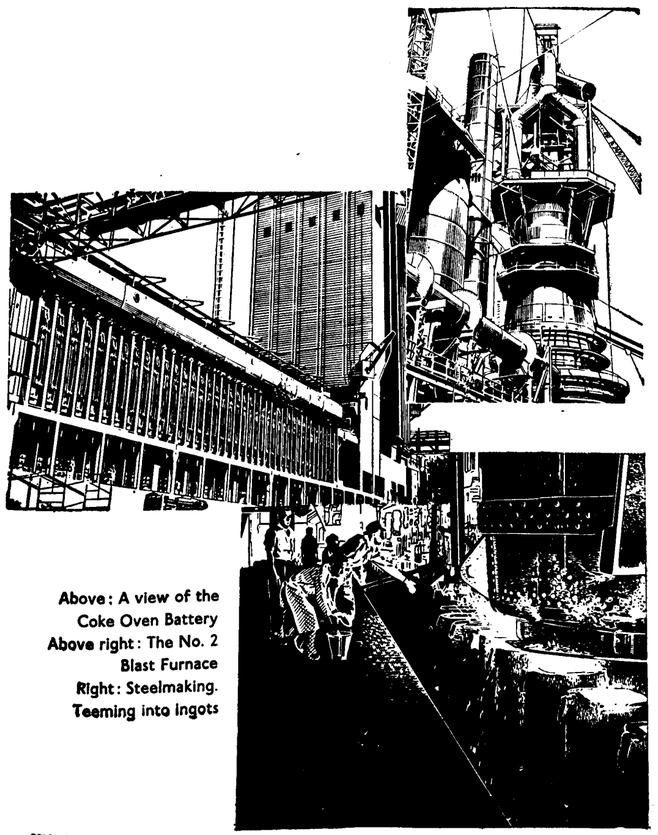

Above: A view of the Coke Oven Battery
Above right: The No. 2 Blast Furnace
Right: Steelmaking. Teeming into ingots

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BRITISH COMPANIES WORKING FOR INDIA

PSIC 19

MONEY RATES FIRM

(From Our Own Correspondent)

BOMBAY, *2nd November*

Conditions in the short-term money market have not undergone any notable change in the last one week, except a small improvement in supplies, thanks to the return of funds to banks from up-country centres. However, the available supplies still fall far short of the demand for bank credit and banks continue to be borrowers. Consequently, inter-bank call money rate has remained firm at 4½ per cent. per annum among all sections of banks. House money at 21 days' notice is being bid at 2 per cent. and short-term deposits at 3¼ per cent. for one to two months and at 3½ per cent. for three months and over.

There has been no change in the Treasury Bill discount rate at 2.565 per cent. per annum. The amount offered at this week's sale of the Bill was, however, slightly higher at Rs. 2.35 crores, as compared with Rs. 2 crores offered last week. Tenders for next week are unchanged at Rs. 2 crores. There were no sales of Intermediate Treasury Bills during the period 26th to 29th October 1960. They will, however, continue to be offered at the self-same discount of 2.496 per cent. per annum.

A contraction of Rs. 17.84 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 28th October 1960. Notes held in the Banking Department are, however, higher by Rs. 18.72 crores, so that the net rise of Rs. 89 lakhs in total notes issued is covered by corresponding changes in rupee securities and rupee coin. There is again no change in foreign securities, but balances held abroad are higher by Rs. 1.81 crores, so that the total foreign assets now stand at Rs. 142.75 crores. Deposits of the Central Government have gone up by Rs. 12.14 crores, while those of the other Governments have declined by Rs. 8.65 crores and of banks by Rs. 2.85 crores. Loans and advances have risen by Rs. 2.51 crores, while other loans and advances have declined by Rs. 15.04 crores, of which advances to Scheduled banks against usance bills account for Rs. 2.89 crores. Investments have also decreased by Rs. 4.96 crores, but holdings of Government Treasury Bills are higher by Rs. 4.98 crores.

The Scheduled banks' statement for the week ended 21st October 1960 discloses a sharp fall of Rs. 21.65 crores in deposits of banks, of which the share of the State Bank of India accounts for Rs. 11.45 crores. There has also been a fall of Rs. 1.71 crores in inter-bank borrowings, while the borrowings from the Reserve Bank have risen by Rs. 2.49 crores. Advances are only fractionally higher and there has been no worthwhile variation in the State Bank's portfolio. Investments stand reduced by Rs. 10.73 crores, mainly due to the fall of Rs. 10.45 crores on State Bank's account. Cash balances have shrunk by Rs. 8.40 crores, and money at call and short notice by Rs. 3.66 crores, of which State Bank of India accounts for Rs. 4.18 crores and Rs. 93 lakhs, respectively.

The Gilt-edged market continues to rule weak with a further fall in prices, particularly in the State loans, where the drop in values has been heavy. Institutional support is still conspicuous by its absence. 3 per cent. 1986 Conversion Loan has, however, recorded a rise of 55 nP to Rs. 74.15 on bear covering. 3 per cent. 1970-75 has also gained 5 nP to Rs. 89.15. 3 per cent. 1964 and 1963-65 has each shed 10 nP to Rs. 97.80 and 2½ per cent. 1962 has been marked down by 15 nP to Rs. 97.85. 3½ per cent. 1964 has shed 10 nP to Rs. 99.55, 3½ per cent. 1965 20 nP to Rs. 99.30 and 3½ per cent. 1966 15 nP to Rs. 99.35. 3½ per cent. 1969 is lower by 5 nP at Rs. 98.90 and 3½ per cent. 1974 by 30 nP to Rs. 99. 4 per cent. 1972 has recorded a fall of 15 nP to Rs. 100.50 and 4 per cent. 1979 10 nP to Rs. 99.85. 4 per cent. 1980 has, however, improved by 5 nP to Rs. 99.85. Among State loans, 4 per cent. 1967 to 1971 issues are the worst sufferers. the losses ranging from 50 nP to Rs. 3. 4 per cent. 1963 and 1964 loans also have been heaviy marked down by 25 nP to 85 nP.

The persistent firmness of sterling abroad is reflected in a further hardening of the rupee in terms of the dollar. Banks' selling rate of U.S. T.T. (ready) has declined from Rs. 475.75 to Rs. 475.25 per $100 and their buying rate from Rs. 472.25 to Rs. 472. In New York, spot sterling has crept up from 281.35-281.39 cents to 281.64-281.67 cents and three months' forward from 280.23-280.27 cents to 280.43-280.47 cents.

BASE METALS EASE

(From Our Own Correspondent)

CALCUTTA, *1st November*

Base metals tended to ease during the week under review. The easiness was due to induced bright prospects of non-ferrous metals imports from the U.S.S.R. At the recent Indo-Soviet trade talks held in New Delhi, it was agreed to increase the trade between the two countries by 100 per cent. in the next three years, and non-ferrous metals have been included in the list of items offered for export to India from the U.S.S.R. Berry quality scrap declined from Rs. 200 to Rs. 218 a cwt. and utensil scrap from Rs. 218 to Rs. 215. Demand was good at these levels.

On the London Metal Exchange, electrolytic copper opened at £217¾ a ton and improved to close at £219, following good West German demand.

Electrolytic zinc opened here at Rs. 168.25 and at one time was as low as Rs. 164, before closing at Rs. 166. The lower trend, despite good demand, should be attributed to prospects of imports from Russia. The present stock position, however, continues to be tight, and there are no immediate prospects of a change for the better. In London, the price opened at £88 per ton and after hardening to £88½, gave way to £88. Virgin lead was unchanged at Rs. 66 a cwt. Demand was low, but stocks were plentiful. Tin here opened at Rs. 561 and closed higher on balance at Rs. 563.

BULLION UNDER F.M.C.

(From Our Own Correspondent)

BOMBAY, *2nd November*

The outstanding developments of the week in so far as the bullion market is concerned are the application of Sections 15 and 18(3) of the Forward Contracts (Regulations) Act, 1952 to gold and silver within the limits of Greater Bombay and the simultaneous granting, under Section 6, of recognition to the Bombay Bullion Association to conduct forward trading in the two precious metals for a period of three years. The two notifications to this effect were issued by the Union Commerce and Industry Ministry on Thursday, 27th October. Forward trading in transferable as well as non-transferable contracts is permitted in gold and silver in Greater Bombay only through the Bombay Bullion Association which has been recognised under the Bombay Forward Contracts Control Act 1947. The notification now issued maintains this position unchanged, except that the Association will now be recognised under the Forward Contracts (Regulations) Act, and will be supervised by the Forward Markets Commission, instead of by the Government of Maharashtra as hitherto. The position regarding forward trading in bullion in the rest of the country remains unchanged.

The aforesaid decision of the Government has set at rest the prolonged rumours regarding the future of forward trading in bullion, some anticipating its ban and others its continuance. Commenting on the decision, Mr. Chandulal Kasturchand Shah, President of the Association, says: "The Government has now recognised the necessity that a hedge market for silver and gold should exist."

The firm trend noted in the bullion market last week gathered fresh momentum during the week under review. The renewed firmness was engendered by reduced arrivals in the wake of rising offtake. Buoyancy of commodity markets and encouraging advices from Calcutta also imparted strength. Consequently, prices registered further gains. The daily average arrivals of gold and silver were 5,800 tolas and 17 bars, as against 8,600 tolas and 23 bars, respectively, in the previous week. Offtake of gold was of the order of 4,000 tolas (5,000 tolas last week) and that of silver 7 bars (5 bars). The floating stocks of gold are estimated at 60,000 tolas and those of silver are reported to be around 700 bars.

In gold, *Kartik* (November) settlement spurted from Rs. 115.55 to Rs. 116 yesterday and, after declining to Rs. 115.65, recovered to Rs. 115.90 today before finishing at Rs. 115.75. *Margashir* settlement fluctuated between Rs. 117 and Rs. 115.35 and closed at Rs. 116.80, as against Rs. 116.45 on Wednesday last week. Barring Friday and Saturday, the *badli* payable by bulls to get their commitments transferred from the near to the distant settlement stood at Re. 1, so that the bears in *Kartik* settlement were required to pay a margin of Rs. 20 per 100 grams. The rate widened to Re. 1.05 today.

The *Kartik* settlement in silver, which was quoted at Rs. 193.70 last week-end, touched a high of Rs. 195.20 today. The closing was a shade easy at Rs. 195.05. *Margashir* settlement was done at Rs. 196.50 today, as against Rs. 195.15 on Wednesday last, the highest and lowest levels touched during the week being Rs. 196.60 and Rs. 195.35, respectively. The rate for transferring commitments from *Kartik* to *Margashir* settlement continued to be Re. 1.45 throughout the week.

Spot prices of bullion showed a hardening tendency. Gold strengthened by 65 nP to Rs. 115.65, the highest level touched being Rs. 116 yesterday. Silver climbed up from Rs. 193 to Rs. 194.90 today.

The "gold rush" in the London bullion market subsided to a great extent during the week under review. The world price for gold was a shade over $36 per fine ounce at yesterday's "fixing," as against $37.75-$38.00 on Tuesday, 25th October. There were excellent enquiries for gold at a rate below $36, but some of the bids were withdrawn at the actual "fixing" price. In a *communique* issued on 28th October, the U.S. Treasury warned speculators that it was prepared to support the Bank of England if it decided to intervene to stabilise the currently floating gold market. The Treasury said that, since 1954, British authorities had bought and sold gold whenever they thought it advisable and recalled that the United States had for some time sold gold to the Bank of England and bought it back at the official price. The rumours that any central bank would be given a gold guarantee for its dollar stock on the condition that it holds on to it were described as "nonsense" by a spokesman of the Federal Reserve Bank of New York.

Following the decline in the world price for gold, ready gold in London climbed down from 270s. to 256s.; it was lower still at 254s. on 27th October. Ready and forward silver, however, continued to rule unchanged at 79½d., as also silver in New York at 91.375 cents.

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

	2-11-60 (closing)	High	Low	26-10-60 (closing)
	Rs.	Rs.	Rs.	Rs.
GOLD				
Ready (.99 fine)	115.65	116.00	114.80	115.00
Forward:				
*Kartik**	115.75	116.00	115.35	115.55
Margashir	116.80	117.00	116.25	116.45
Sovereign	90.00	90.00	89.00	90.00
SILVER				
Ready (.996 fine)	194.90	195.00	193.40	193.00
Forward:				
Kartik	195.05	195.20	193.90	193.70
Margashir	196.50	196.60	195.35	195.15
London	1-11 00			25-10-60
Silver Ready	79½d.	—	—	79½d.
Silver Forward	79½d.	—	—	79½d.
Gold	256s.	270s.	254s.	270s.
New York				
Silver	91.375 cents	—	—	91.375 cents

* 3rd November settlement. † 4th November settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, *2nd November*

In contrast to the dull conditions witnessed last week, the cotton futures market ruled distinctly firm during most part of the week under review. Reports of damages to the crop in the Punjab and the smaller volume of new crop arrivals, as compared with the previous year, touched off a wave of buying which gathered momentum when investors and upcountry operators too entered the market and made purchases. Since the ruling spot prices were at the ceilings, the futures contract was regarded a cheap buy. Under pressure of large-scale buying, the Jarilla April 1961 contract firmed up from Rs. 581.50 (per three quintals) at the beginning of the week to Rs. 593 on Monday. This high rate naturally attracted profit-taking and values receded. Easier advices from the spot market, following large arrivals of new crop and the news that many mills had applied to the Textile Commissioner for requisitioning cotton for them against their quotas as per his notification issued on Friday, 28th October, prompted selling. From a high of Rs. 593 on Monday, the Jarilla April Contract declined to Rs. 586.25 yesterday. But it again rallied today, on firm spot house support, to Rs. 595.25. The finish was, however, a shade lower at Rs. 594. The net gain over the week was Rs. 16.25.

In the spot section, new crop cotton met with good demand. Varieties like Khandesh, Berar, Jarilla, etc., found buyers. Although prices were firm early in the week, they tended to recede towards the close due to fear of requisitioning and lower advices from upcountry centres. Mills were reluctant to purchase at the high prices. The Textile Commissioner announced on the 28th ult. mo that he would requisition cotton for mills against their quotas if approached. The procedure is as follows: Mills are to intimate the Textile Commissioner their immediate requirements of cotton from each of the areas where it has started moving, mentioning the varieties required in accordance with the Schedule "A" of the Textile Commissioner's notification dated 30th August 1960 and the balance of the quota for the current season which has not been utilised. With a view to ensuring that the quantities released are taken delivery of in proper time, mills, which require the cotton to be requisitioned, will deposit with the East India Cotton Association Ltd., Bombay, along with a copy of their application, an advance equal to Rs. 25 per bale which will be returned after the delivery is completed. In case the full quantity is not requisitioned against such applications from mills, the deposit on such balance will be returned. If, however, the cotton requisitioned is not taken delivery of by the mills as required by the requisitioning order, this deposit will be liable to be forfeited. Taking advantage of the Textile Commissioner's offer to requisition cotton for mills against their quotas some mills applied to the East India Cotton Association, Bombay, for specified quantities to be requisitioned for them. More mills are said to be approaching the E.I.C.A. for the purpose.

In pursuance of the policy of random requisitioning, the Textile Commissioner has already requisitioned 4,500 bales of cotton so far in the current season from dealers and allotted them to mills. Further quantities, it has been announced, will be requisitioned for mills in areas where the crop has started moving and where it is feared that the prices will pierce the ceiling. The Textile Commissioner has already deputed his officers to Khandesh, Marathwada and Vidarbha regions of Maharashtra and the Punjab for the purpose of requisitioning cotton, if necessary.

Export demand for Bengal *Deshi* was keen, thanks to strong rumours of an imminent export quota announcement. Prices of this variety consequently hardened. Business already done, subject to licence, is estimated to be round about 100,000 bales.

Demand for foreign cotton was fairly well maintained. Since mills have to complete their buying of U.S. cotton against their quotas before the end of this month, there was good demand for American varieties especially higher grades. Purchases out of 412,500 bales American cotton quota to date are estimated at about 235,000 bales. Among other foreign cottons, Egyptians attracted the attention of some Southern mills. Other growths were neglected.

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

CO2 1,110-1,150; Moglai 810; Khamgaon 27/32" 895. American on sample 1,120. American good middling 1" staple 1,111. El Paso 1,325.

SLUMP IN BEMBERG YARNS

(From Our Own Correspondent)

BOMBAY, *2nd November*

Panicky sales of large stocks of cupressa Bemberg yarn (60 x 1) by a few holders led to a slump in the prices of these yarns. The sales followed strong rumours regarding grant of import licences under the export promotion scheme in a couple of weeks. But art silk yarns ruled firm, thanks to limited floating stocks with traders and good equities from consuming centres. Reports regarding export business in art silk fabrics were also quite encouraging. The actual exports during the month of October are estimated at 4.4 million yards, as against 3.24 million yards in the previous month. In sympathy with these yarns, staple fibre yarns also tended to look up. Cotton yarns continued to be dull. Business put through was limited, with values moving narrowly. Traders noted reports that the representatives of the cotton mill industry would be meeting the Union Minister for Commerce at New Delhi on the 7th inst., to discuss the question of referring textile prices to the Tariff Commission.

Applications for licences for import of art silk yarns during October-March 1961 are required to be submitted to the Joint Chief Controller of Imports not later than the 30th of this month in the case of powerloom units and 31st December 1950 for the remaining categories. Art silk powerloom weaving units should submit their applications giving, *inter alia*, information regarding the value of import licences for art silk yarn obtained during the period April-September 1960 and the number of powerlooms installed and working on art silk yarns only.

Cupressa Bemberg yarn (60 x 1) December delivery was subjected to nervous liquidation and fell by Rs. 148 to Rs. 2,138. February delivery was quoted today at Rs. 2,138. Spot cupressa moved down from Rs. 2,301.60 to Rs. 2,259.71. Among imported art silk yarns, 150 Japan hardened by Rs. 41.09 to Rs. 1,529.99 and 150 Italy by Rs. 26.46 to Rs. 1,459.45. 120 Japan was fully maintained at Rs. 1,309.53. 120 Italy, however, lost Rs. 15.22 to Rs. 1,252.42. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade improved by 4 nP to Rs. 11.74, while 120 Bt cones 1st grade eased from Rs. 12.84 to Rs. 12.64.

In the staple fibre yarn, 40 x 2 Citys picked up 9 nP to Rs. 8.91. Kohinoors gathered 4 nP to Rs. 9. December contract declined by Rs. 9 to Rs. 751. February contract was done at Rs. 759 today.

Among cotton yarns, ten counts Gokaks were unchanged at Rs. 18.75, as also Podars at Rs. 18.12. Twenty counts Moderns changed hands at Rs. 23.25, same as last week, and Gokaks at Rs. 23.12. Forty counts Maduras dropped 50 nP to Rs. 32. Sixty counts Finlays were quiet at Rs. 59.59. Eighty counts Moderns receded by a rupee to Rs. 72. Finlays were neglected at Rs. 59.59 and Mahendras at Rs. 79.79.

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

	2-11-1960	26-10-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)		
December	2,138.00	2,286.00
February	2,138.00	..
60/1 Cupressa Bemberg spot	2,259.71	2,301.60
120 Japan (per 100 kg.)	1,309.53	1,309.53
150 Japan (per 100 kg.)	1,529.99	1,488.90
120 Italy (per 100 kg.)	1,252.42	1,267.64
150 Italy (per 100 kg.)	1,459.45	1,432.99
Staple fibre yarn—		
40×2 December (per 90.72 kg.)	751.00	760.00
40×2 February	759.00	..
40×2½Century (per kg.)	8.53	8.54
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.12	18.12
20s Gokak	23.12	23.12
40s Madura	32.00	32.50
60s Finlay	59.59	59.59
80s Modern	72.00	73.00

GROUNDNUTS RALLY

(From Our Own Correspondent)

BOMBAY, *2nd November*

The oilseeds market put on a distinctly cheerful appearance during the major part of the week under review. Towards the close, however, the market became subdued mainly on profit-taking. Groundnuts and oil elicited substantial speculative support. A section of operators felt that the recent export promotion scheme for groundnut oil would open out considerable scope for stepping up shipments of oil, which would ultimately render the domestic supply position quite tight. Local crushers and *vanaspathi* manufacturers, too, extended good support. In these conditions groundnut futures staged a smart rally to touch a new high of the season, piercing the special margin levels. But for the relatively larger arrivals of the new crop, values would have made further headway. The higher levels, however, attracted profit-taking today, resulting in a notable decline in values. The groundnut February 1961 contract, which had wound up at Rs. 206.50, rose to Rs. 213.75 before closing today at Rs. 211.50. Nizam bold improved from Rs. 45 to Rs. 45.75 by Monday, but lost ground subsequently to Rs. 44.25. Oil ex-mill finished higher by 25 nP at Rs. 19.50 after fluctuating between Rs. 19.25 and Rs. 19.90 over the week.

Castorseeds displayed distinctly firm conditions, mainly on reports of some business in oil with the Communist countries. There were, however, no encouraging enquiries for castor oil from the U.S., and the prospects for its re-entering the Indian market were also uncertain in view of the increasing pressure of supplies from Brazil. Consequently, some selling was in evidence towards the close. Castor May 1961 contract initially spurted from Rs. 173.50 to Rs. 177.37 by yesterday but eased to Rs. 177.62 today. Ready Madras improved from Rs. 33.50 to Rs. 34.25, it had touched Rs. 34.44 earlier in the week. Oil commercial was higher by 25 nP at Rs. 14.25.

Steady conditions prevailed in the linseed section largely as a result of reports of firmness in North India. Linseed May 1961 contract closed at Rs. 33.69, as against Rs. 33.31 last week-end. Bold ready rose by 38 nP to Rs. 33. Linseed oil put on 6 nP to Rs. 14.25.

Cottonseed prices hardened on firm advices from raw cotton market. Cottonseed February 1961 contract rallied from Rs. 87.50 to Rs. 90.50. In the spot section, whites gathered 25 nP to Rs. 20.50. Berars and non-whites also put on 25 nP each to Rs. 20.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	2-11-1960	26-10-1960	18-10-1960
Groundnut	Rs.	Rs.	Rs.
February 1961	211.50	206.50	205.50
Nizam bold	44.25	45.50	46.50
Coromandel ready	45.00	—	47.50
Khandesh quality	45.00	44.50	45.75
Oil ex-mill ready*	19.50	19.50	20.50
Railway receipts*	19.25	19.25	20.50
Castorseed			
May 1961	175.62	173.75	173.37
Ready Madras	34.25	33.62	33.50
Ready Kanpur	33.10	32.50	32.19
Oil B.S.S.†	15.20	15.15	14.94
Oil commercial†	14.25	14.10	14.00
Linseed			
May 1961	33.69	33.31	33.19
Bold ready	33.00	32.62	32.37
Oil ready†	14.25	14.20	14.00
Cottonseed			
February 1961	90.50	87.50	87.00
Nagar seed	36.50	37.50	37.50
Kurdi seed	24.50	24.25	24.25

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms, with effect from 1st October 1960.

BLACK PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, *2nd November*

During the earlier part of the week under review, Malabar black pepper continued to rule firm in sympathy with Singapore and New York. White pepper in Singapore rallied to Str.$275 establishing a rise of Str.$50 within a couple of days under manipulations by bulls. Lampong pepper in Singapore showed a gain of Str.$20 on short-covering, the greater part of the stock being in the hands of the bulls. Arrivals from Indonesia failed to come up to the general expectation of the trade.

Spot in New York climbed from $0.53 to $0.56 under buying by bulls and short-covering by bears. Higher price also brought forth some demand from grinders who did not buy in the declining market. There being a difference of nearly 7 cents between the spot and the shipments by steamers during October, there are chances of more pepper going to New York as unsold consignments from almost all the primary markets like Singapore, Djakarta and India.

The future of the market will depend upon how these consignments will be marketed. Past experience regarding the sales of unsold consignments in New York is far from pleasant. Once the pepper reaches New York, the dealers there will not buy unless at their own price, as they know that these consignments will sooner or later have to be marketed in the U.S.A.

At the time of writing, Lampong pepper in Djakarta is reported to be firm, as the Government there is trying to keep up the prices by various means. Unless there is timely demand from overseas, the market in Indonesia is likely to rebound lower, in view of the sizable production of Lampong crop this year and the poorer export to date, because of various restrictions placed by the local Government. Singapore being the entry port with more facilities for re-export, regular export of Lampong pepper is well-nigh impossible except through it.

New arrivals, both at Alleppey and Cochin, are now augmenting and are likely to have their effect by the second week of November. Malabar pepper for October shipment was reported done at prices ranging from $0.48 to $0.50½.

In the later part of the week, however, the market ruled quiet in sympathy with Singapore which was reported to have lost Str.$20 in white and Str.$2½ in black from the highest level of Str.$275 and Str.$160, respectively

Ungarbled at Cochin was done from Rs. 1,275 to Rs. 1,350, while garbled from Rs. 220 to Rs. 232½. Business in December delivery remained poor, there being a continuation of trading restrictions by the Forward Markets Commission. The forward ring at Cochin had declared an emergency twice during the year. The declaration of emergency in any forward trading is in itself bad and does not augur well for its future working as the growers and the dealers who are doing genuine hedge business will lose confidence in the trading.

The scheme for running a second forward ring for black pepper in Bombay after being almost approved by the authorities concerned has not yet been implemented. The present delay in the granting of recognition by the Government of India under the Forward Contracts Regulation Act, is reported to be due to lack of proper guidance. It will be in the interest of the export of pepper and the growers as business can be more efficiently conducted in Bombay than at Cochin.

Ready pepper in Bombay is nominally quoted at Rs. 246 per 50 kilos.

TEA PRICES FIRM

(From Our Own Correspondent)

CALCUTTA, *1st November*

Firm prices and a strong general demand were the feature during yesterday's export sales. During the week, tea bookings did not show any improvement as arrivals from gardens continued to be poor and slow.

At last week's internal sales, dusts on offer amounting to 22,537 packages met with good demand at lower prices. Excepting for the smaller orthodox teas, which were taken at firm to dearer rates, all other teas realised irregular and lower prices. Prices for the exportable teas fell by 10 nP. Brown Dooars met with good demand at lower rates. Among C.T.Cs, the mediums declined by 15 nP, and the best by 20 nP. The quotations per 1 kg. inclusive of excise duty, were: best Assam C.T.C. dust Rs. 6.30 to Rs. 6.60, medium Assam C.T.C. Rs. 6.10 to Rs. 6.25, medium Assam dust Rs. 4.90 to Rs. 5.60, and medium Dooars Rs. 4.65 to Rs. 5.00.

Leaf on offer amounting to 784 chests met with good demand, the green teas receiving the keen attention of buyers.

On offer during yesterday's export sale were 71,057 packages which met with a good general demand. However, a few lines of plain liquoring Assam B.O.Ps failed to receive the attention of bidders. With regard to the general price trend, an irregular tone was in evidence with rates showing a tendency to recede. The quotations inclusive of excise duty per 1 kg. are: best Assam C.T.C. fannings Rs. 6.50 to Rs. 7.00, best Assam C.T.C. B.P. Rs. 6.20 to Rs. 6.60, clean black pekoe Rs. 5.40 to Rs. 5.70, medium fannings Rs. 5.00 to Rs. 5.30, medium B.P. Rs. 4.70 to Rs. 5.00, plain B.P. Rs. 4.50 to Rs. 4.65, and plain fannings Rs. 4.70 to Rs. 5.00.

DUST TEAS DEARER

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

COCHIN, *25th October*

Sale No. 41:—Approximately 595,000 kilograms were offered in Sale No. 41 held to-day. Quality was well maintained. There was a good demand, but prices were somewhat irregular. Selected best high-growns sold at below last prices, whilst the lesser kinds came to a considerably lower market, many being withdrawn without bid. Medium, low-medium and low-grown brokens sold readily at fully firm to dearer rates, but good medium brokens were barely steady. Fannings in these categories were irregular and tended easier. C.T.C. and legg-cut teas sold well. Whole leaf grades opened irregular, but towards the close sold at firm rates.

	1960 Rs.	1959 Rs.
Low medium	4.30-4.60	3.82-4.08
Medium	4.60-4.85	4.19-4.74
Good medium	4.85-5.50	4.85-5.18
Quality	5.25-8.50	5.51-9.37

The average price realised in Sale No. 41 was Rs. 5.02 per kilo, as against Rs. 5.17 in the previous sale and Rs. 5.16 in the corresponding sale of 1959.

Dust Sale 'MM': Just over 220,000 kilogrammes were offered in Sale 'MM' held on Thursday, 27th inst. There was a strong general demand. Highgrowns received more support than in recent weeks, but at slightly easier rates. All mediums came to a receptive market and sold at rates which were fully firm and up to 10 nP dearer. C.T.C. and legg-cut teas followed the upward trend of the market and were strong. A few lines of legg-cut teas, however, were barely steady.

The average price realised in Dust Sale 'MM' was Rs. 4.52 per kilo, as compared with Rs. 4.43 in the previous sale and Rs. 4.07 in the corresponding sale of 1959.

Export Quota: There has been some activity and business has taken place at ¼ nP per kilo.

Colombo: In this week's sale, just over 5½ million lbs. were offered and met with an exceptionally strong demand. Dimbulas advanced 30 to 40 cents, whilst Uvas and medium teas were 10 to 20 cents dearer. Lowgrowns advanced 5 to 15 cents.

London: North Indian and other growths: In Monday's auction, there was a good demand. Best C.T.Cs were irregular following quality, but all the remainder were fully firm to dearer.

Ceylon and South Indians: In Tuesday's sale, 14,006 packages were on offer, of which 7,040 packages came from South India. The market followed Monday's pattern. Best liquoring teas were irregular and sometimes easier. All others were dearer by 1d. to 2d.

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

"*Sale* 42:—640.000 kilogrammes. Market opened very strong, but eased later. Plain and low medium ten to twenty nP dearer, particularly black leaf types. Medium and good medium fully firm and occasionally dearer. Highgrowns very irregular. C.T.Cs and whole leaf stronger and dearer."

JUTE AND GUNNIES SPURT

(From Our Own Correspondent)

CALCUTTA, *1st November*

A feature of the trading in jute markets during the week under review was a substantial rise in prices in both jute goods and fibre. Although, in view of the prohibitive prices for jute goods, overseas buyers restricted their activity, prices rose following the Pakistan report that mills in Pakistan were contemplating a modest reduction in working hours in view of the limited availability of raw jute and the need to bring jute goods production in line with the supplies of fibre. Mills in India have already cut their production in a substantial way, and with the sealing of 5 per cent. looms a week ago, the number of looms now remaining idle have risen to 18 per cent. of the total complement. These measures have not so far had the desired effect, namely, the abatement of the uptrend in fibre prices. On the other hand, as stated earlier, fibre prices have daily been rising this week, and the trend would suggest that the climax of the hardening phase has not yet been reached. All the same, trade estimates of the size of the crop both in India and Pakistan reveal a sense of optimism, as it is stated that the crops would be sufficient to meet internal and external requirements.

Indeed, this note of optimism is borne out from the quantum of fibre arrivals in the month of September 1960, figures in respect of which are now available. For arrivals during the month

(*Continued on page 847*)

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 28th Oct., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	65,26,00,000
(2) Other Governments	24,21,85,000
(b) Banks	100,55,02,000
(c) Others	93,05,61,000
(d) Others	25,97,38,000
Bills Payable	22,16,51,000
Other Liabilities	31,36,36,000
Rupees	461,36,38,000

ASSETS	Rs.
Notes	29,18,01,000
Rupee Coin	1,43,000
Subsidiary Coin	6,39,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	11,26,18,000
Balances held abroad*	19,74,11,000
Loans and Advances to Governments†	98,10,18,000
Other Loans and Advances	115,87,21,000
Investments	243,15,77,000
Other Assets	12,66,77,000
Rupees	461,36,38,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 6,54,55,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	29,18,01,000	
Notes in circulation	1794,18,06,000	
Total Notes issued		1823,36,07,000
Total Liabilities		1823,36,07,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		130,53,71,000
Government of India Rupee Securities		1451,09,44,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1823,36,07,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept. 1939 (pre-war)	21st Oct., 1960	14th Oct., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173 37	1812 02	1808 04	1783.97	1168.24
Notes held in Banking Department	35 05	10 45	14 30	21 29	30 65
Foreign Securities	59 50	123 01	123 01	123 01	163 01
Rupee Securities	37.39	1451 89	1451 84	1431.72	1251.59
Banking Department					
Deposits of:					
Government of India	14 39	53 22	52 68	76 63	67 39
Other Governments	..	32 90	43 80	23 43	18 19
Balances held abroad	10.06	25.89	17.84	20 93	24.86
SCHEDULED BANKS					
Demand Liabilities	134 36	785 11	792 37	772 07	748 72
		(15 48)†	(16 37)†	(17 04)†	(27 24)†
Time Liabilities	102.24	1148 24	1164 34	1156 51	1125 74
		(21 05)†	(21.88)†	(25 36)†	(27.94)†
Borrowings from Reserve Bank	..	22 70	30 21	46 74	3 03
		(9 43)‡	(8 77)‡	(12 26)‡	(Nil)‡
Borrowings from State Bank	..	12 14	11 91	14 95	4 04
Cash in India	6.70	48 34	47 50	45 50	43.15
Balances with Reserve Bank	25.17	99 06	107.76	103.14	74.83
Balances with other banks in current account in India	..	15.45	15 99	15.68	14.74
Money at call and short notice in India	..	26 60	30 25	26.92	37.16
Investments (at book value)	..	697 00	707 72	729 97	794 97
Advances and bills	105.9	1116 29	1116 12	1122.58	931.86
STATE BANK					
Deposits	87 76	578 88	590 33	596 14	557 46
Investments	51 99	359 06	360 51	371 56	397 44
Advances	30 85	216 21	216 23	216 01	157 64
Cash	14.69	23 32	27.50	23 04	30.67

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	..	2.45	2.73
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1956	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1949	4.50	6.50
Portugal	10th Jan., 1944	..	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
	16th Dec., 1945	1	7
Turkey	6th June, 1956	4.50	6
United Kingdom	27th Oct., 1960	6	5.50
U.S.S.R.	1st July, 1938	5	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	3rd June, 1960	4	5

Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 28th Oct., 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,20,00,000
Borrowings from Other Banking Companies, Agents, etc.		583 16,63,000
Bills Payable		39,25,000
Bills for Collection being Bills receivable as per contra		8,40 11,000
Acceptances, Endorsements and Other Obligations per contra		1,94,82,000
Other Liabilities (including Inter-Office Adjustments)		1,70,26,000
Total .. Rs.		15,97,83,000
		624,41,46,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,44,23,000
Balances with other Banks		3,58,53,000
Money at Call and Short Notice		66,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	335,38,12,000	
Other Authorised Investments	9,82,96,000	
		345,21,15,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	204,54,57,000	
Bills Discounted and Purchased	11,51,57,000	
		216,06,14,000
Bills Receivable being Bills for Collection as per contra		1,94,82,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,70,26,000
Premises less Depreciation		1,51,74,000
Furniture and Fixtures less Depreciation		1,32,31,000
Other Assets (including Inter-Office Adjustments)		30,81,01,000
Total .. Rs.		624,41,46,000

* Intermediate Treasury Bills sold.

Scheduled Banks*

Statement of Affairs for the week ended 21st Oct., 1960

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	15 47,80,000
(ii) Other demand liabilities	769 62,88,000
Time Liabilities in India	
(i) Borrowings from banks other than the State Bank and a notified bank†	21,05,16,000
(ii) Other time liabilities	1127,18,48,000
Borrowings in India from the State Bank and/or a notified bank	11,81,54,000
(i) Demand liabilities	32,00,0
(ii) Time liabilities	
Borrowings in India from the Reserve Bank of India†	22,69,70,000
Cash in India	(9,43,15,000)
Balances with the Reserve Bank in India	48,31,12,000
Balances with other banks in current account in India	99,06,15,000
Money at call and short notice in India	15,45,10,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	26,59,52,000
Advances in India	696,90,77,000
Inland Bills, purchased and discounted in India	964,62,22,000
Foreign Bills, purchased and discounted in India	101,43,96,000
	90,23,18,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent	Rate of allotment in full Rs.
1960					
9th August	2.00	2.00	2.00	2 745	99 310
10th to 13th Aug.*	1.10	—	1.10	—	99 326
16th August	2.00	2.00	2.00	2 540	99 365
17th to 20th Aug.*	0 25	—	0 25	—	99 381
23rd August	2.00	2.00	2.00	2 540	99 365
24th to 27th Aug.*	0 01	—	0 01	—	99 381
6th Sept.	2.00	2.00	2.00	2 540	99 365
13th Sept.	2.00	2.00	2.00	2 540	99 365
14th to 17th Sept.*	0 15	—	0 15	—	99 381
20th Sept.	2.00	2 50	2.00	2 540	99 365
27th Sept.	2.00	2 60	2.00	2 540	99 369
28th Sept. to 1st Oct.	0 08	—	0 08	—	99 381
4th Oct.	2.00	2 55	2.00	2 552	99 365
11th Oct.	2.00	2 35	2.00	2 560	99 360
18th Oct.	2.00	2 40	2.00	2 560	99 360
25th Oct.	2.00	2 00	2.00	2 565	99 355
1st Nov.	2.00	2 35	2.00	2 565	99 360
Total amount outstanding	25.59	..	25 59	..	..

State Bank of Pakistan

Statement of Affairs for the week ended 14th Oct., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits—	
(a) Central Government	10 13 38,000
(b) Provincial Governments	3 14,79,000
(c) Banks	18,02 15,000
(d) Others	104 12 27,000
Bills Payable	79 14,000
Other Liabilities	11,51,49,000
Rupees	156,21,82,000

ASSETS	Rs.
Notes	6,52,14,000
Rupee Coin	47,000
Subsidiary Coin	55,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	26,72,79,000
Loans and Advances to Governments	10,69,00,000
Other Loans and Advances	....
Investments	13,48,00,000
Other Assets	90,00,91,000
Rupees	8,86,96,000
	156,21,82,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	6,52,14,000	
Notes in circulation	351,03,70,000	
Total Notes issued	....	357,52,84,000
Total Liabilities	....	357,52,84,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	24,66,79,000	
Foreign Securities	73,06,03,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin		140,74,49,000
Government of Pakistan Securities	4,59,03,000	
Internal bills of exchange and other commercial paper	206,28,66,000	
	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		210,88,29,000
Gold Coin and Bullion		
Sterling Securities	19,02,000	
Government of India Securities	4,40,68,000	
Rupee Coin	1,00,00,000	
	29,51,000	
Total Assets	....	5,90,06,000
		357,52,84,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40·93 per cent.

EXCHANGE RATES

		1st November 1960	Previous week
Bombay on London—			
Sellers T. T. D/D. Spot	d.	1-5⅛	1-5⅛
Sellers T. T. D/D. upto six months	d.		
Buyers T.T. spot to nine months	d.	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	d.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D/D.	d.	1-6¼	1-6¼
Buyers T.T.	Rs.	475 50	475 75
London on New York	Rs.	472 00	472 25
London on Paris	Fcs.	2 8140-2 8145	2 8138-2 8140
London on Bernn	Sw. Fcs.	13 7-8 14 7/8	11 821-13 83
New York on London		12 1140-12 1150	12 1140-12 1150
		281 340-281 380	281 350-281 390

CLEARING HOUSE RETURNS

Centre	Week ended 28th Oct., 1960 Number of Cheques	Amount Rs.	Week ended 21st Oct., 1960 Number of Cheques	Amount Rs.
Bombay	4 14 000	94 97,00,000	3,05,000	59,91,00,000
Calcutta	1,83,000	76 86,00,000	1,60,000	65,46,00,000
Madras	1,08 207	14 81,13,452	73,526	9,27,77,237
All Centres—				
1957-58	(41 672,000)	89,54,80,00,000	..	..
1958-59	(45,172,000	97,87,12,00,000	..	..
1959-60	50,064,000	109,88,05,00,000	..	..
June 1960	4,227,000	9,56,02,00,000	..	..
July ..	4,210,000	9,52,59,00,000	..	..
Aug ..	4,377,000	9,96,31,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	15th Oct., 1960	8th Oct., 1960	17th Oct., 1959	August 1960	August 1959	Percentage of Increase (+) or Decrease (−) in Aug., 1960 as compared with Aug., 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	121 3	122 1	125 0	123 9	121 7	+ 1 8	119 6	115 2
Cereals	192	116 0	107 0	110 3	109 1	109 2	− 0 2	104 1	106 8
Pulses	43	94 4	94 7	94 4	93 7	92 6	+ 1 2	93 6	108 9
Fruits and Vegetables	23	116 2	110 3	125 0	131 7	152 1	− 13 4	127 8	117 0R
Milk and Ghee	84	114 7	119 6 R	122 1	118 7	115 2	+ 4 2	113 3	107 3
Edible Oils	47	154 8	151 6	130 2	148 0	127 6	+ 16 0	130 4	124 3
Fish, Eggs and Meat	17	128 5	123 7 R	119 0	127 0	116 8	+ 8 7	112 8	108 4R
Sugar and Gur	48	135 2	134 3	162 7	140 0	170 7	− 5 2	147 0	127 2
Others	50	169 0	170 0*	174 7*	170 7	165 4	+ 3 2	107 9	151 2
Liquor and Tobacco	31	105 5	105 5	100 2	106 7	103 7	+ 2 9	98 2	98 4
Tobacco	—	103 7	103 7	98 7	105 0	96 6	+ 8 7	97 9	98 8
Fuel, Power, Light and Lubricants	30	119 5	119 6	117 0	119 4	111 8	+ 14 7	116 5	115 4
Industrial Raw Materials	61	166 6	145 3 R	122 6	137 0	115 5	+ 18 6	122 7	115 6
Fibres	60	148 5	149 4 R	135 8	147 0	131 7	+ 11 6	113 3	108 0
Oilseeds	2	97 9*	97 9 R	98 3*	98 1	98 3	− 0 2	134 6	127 0
Minerals	39	125 5*	124 8	125 0	126 3	114 3	+ 10 5	97 8	108 0
Others	390	126 6	122 4 R	119 6	131 0	109 2	+ 20 0	112 6	109 2
Manufactures	41	130 1	129 4 R	111 4	122 5	109 5	+ 11 9	121 6	109 2
Intermediate Products	249	126 0	122 4 R	110 8	131 0	109 5	+ 19 6	112 9	103 4R
Finished Products	145	131 0	123 1	123 5	123 5	109 5	+ 12 8	111 3	108 1R
Textiles	—	131 1*	131 1*	115 5*	106 6	123 5	− 13 7	112 9	103 3R
Jute	—	146 8	146 8	122 8	104 9	104 9	0 0	111 3	108 1R
Woollen	—	101 1*	101 1*	101 2*	91 1*	115 1	+ 17 7	107 8	103.3R
Silk and Rayon	—	101 3*	101 3*	91 8*	90 3	104 2	+ 16 0	110 9	103.3R
Metal Products	12	146 8	146 8	144 6	102 0	92 3	+ 27 5	117 1	117 5R
Chemicals	20	104 5	104 5	114 0	146 8	143 3	+ 5 7	91 6	98 4 R
Oil Cakes	10	142 0*	139 1*	148 3*	104 0	107 1	+ 10 5	104 2	105 6
Machinery and Transport Equipment	31	111 2	111 2	103 9	137 5	142 1	− 2 4	144 4	143 1
Others	30	115 9	115 9	113 7	111 1	115 9	− 3 2	106 9	106 8
					113 8	113 8	+ 5 0	143 8	136 0
All Commodities	1,000	128.9	125 6 R	119.9	125 0	117 1	+ 1 8	116 2	103.9R
							+ 6.7	117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,338	30,354
Wheat	final	31,508	31,141	9,731	9,772
Jowar	final	41,092	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,220	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,860	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,330	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses	final	16,075	15,597	1,567	1,559
Rabi pulses†	final	12,788	12,092	2,690	2,761
Total pulses	final	59,752	59,285	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Castorseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,500	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,021	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton*	final	19,252	19,026	3,875	4,686
Jute A.	final	1,707	1,811	4,548	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	first	700	642	....	2,319†
Sugarcane	final	5,178	4,803	75,038	70,456
Ginger (Dry)	final	37	36	13	12
Pepper (Black)	final	232	230	25	26
Chillies (Dry)	final	1,499	1,471	329	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur.
* In thousand bales of 392 lbs. each. ‡ Excluding Gram and Tur. R.—Revised.
A.—In thousand bales of 400 lbs. each.
†Final estimate of 1958-59.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Seven months ended July 1959	1960
Exports	576,56	615,78	313,56	342,67
Re-exports	8,40	6,66	3,82	7,16
Total Exports	578,96	622,74	317,38	349,83
Imports	864,18	887,38	509,03	532,39
Overall Balance of Trade	−285,22	−264,64	−191,65	−182,56
Exports—				
Tea	136,54	126,39	45,77	43,13
Jute yarns and manufactures	103,82	110,75	49,95	76,59
Cotton yarns and manufactures	52,63	66,14	31,45	37,87
Metallic ores and metal scrap	30,35	34,42	20,34	24,79
Cotton, raw and waste	21,20	10,37	10,50	6,38
Oils—vegetable, mineral and animal	12,35	17,96	7,62	10,96
Fruits and vegetables	21,16	21,98	12,71	13,99
Tobacco	16,29	13,91	11,34	13,04
Mica	9,34	10,31	5,80	5,35
Wool and other animal hair	9,35	12,22	6,52	5,76
Gums, resins and lac	7,19	7,95	4,57	5,48
Spices	8,83	10,17	4,19	11,01
Hides and skins, raw	7,35	10,95	5,98	6,03
Imports—				
Machinery of all kinds	188,02	196,21	111,97	125,43
Iron and Steel	97,80	84,01	53,35	50,06
Oils—vegetable, mineral and animal	80,23	82,62	36,76	50,03
Chemicals, drugs and medicines	65,28	85,20	48,92	50 52
Electrical goods and apparatus	49,04	50,01	29,45	20,84
Vehicles (excluding aircraft, ships and boats)	52,53	60,10	41,75	30 77
Cotton, raw and waste	30,66	34,78	23,12	45 34
Fruits and vegetables	17,43	16,52	7,13	10,07
Paper, pasteboard, etc.	8,26	9,67	5,42	6,70
Dyes and colours	8,76	9,54	5,10	6,65
Spices	2,84	2,52	1,42	1,35
Woollen and worsted fabrics	30	23	11	16
Cotton fabrics	1,05	1,19	77	88
Rice	44,02	9,12	4,50	9 36
Wheat	102,65	109 86	68,16	25,66

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During September 1960	89 4
	Corresponding month, 1959	92 4
	Three months ended Sept., 1960	270 4
	Corresponding period 1959	269 1
Stocks	At the end of September 1960	77 6
	Corresponding month, 1959	75·7
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854 9
	July-June, 1959-1960	833 5
	July, 1959	76 2
	July, 1960	65·7 R
	Aug., 1960	79·9
	July-June, 1958-1959	220 0
	July-June, 1959-1960	248 3
For Internal Consumption	July, 1959	15 2
	July, 1960	14 6
	Aug., 1960	18.1
	RAW JUTE	(In 000 bales)
Consumption by Mills	September 1960	519
	Corresponding month, 1959	537
	Three months ended Sept., 1960	1,563
	Corresponding period, 1959	1,554
	1957-58	6,134
	1958-59	6,014
	1959-60	6,282

R=Revised

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units Generated†	Total Units Sold
1955-56	715	8,805.8	7,185 8
1956-57	760	9,877.8	8 103 1
1957-58	834	11,176.9	9,011 1
1958-59	818	12 837 0	10 366 7
1959-60	850	15,029 2	12,130.6
January 1959	811	1,156 2	930 2
February ,,	811	1,071 6	888 5
March ,,	813	1 171 1	927 4
April ,,	813	1,177 1	954 9
May ,,	813	1,241 8	999 4
June ,,	813	1,201 5	969 8
January 1960	815	1,297 4	1,055 5
February ,,	850	1,252 1	1,022 5
March ,,	850	1,324 4	1,071 0
April ,,	850	1,325 8	1,081 7
May ,,	850	1,387 9	1,119 4
June ,,	850	1,379.8	1,113.9

* Ex-leaving railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System, has been included. † Including purchases from non-electric utilities.
‡ At the end of period. *Source*:—Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,781	2,120	974	213	111	57	149	29	170	412	41	330	68	146
1956-57	13,566	2,265	1,023	219	108	58	207	24	196	427	30	389	52	150
1957-58	14,314	2,349	1,229	214	105	52	219	25	213	503	39	476	47	194
1958-59	14,356	2,455	1,296	206	92	36	221	23	184	483	36	514	45	113
1959-60	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	137
January 1959	11,784	2,228	1,083	166	70	30	180	19	151	394	32	422	42	94
February ,,	13,018	2,431	1,184	186	80	33	201	21	169	433	34	466	45	108
March ,,	14,365	5	1,296	206	92	36	221	23	184	483	36	514	46	113
April ,,	1,289	218	122	23	13	3	18	2	17	48	5	41	1	13
May ,,	2,334	425	202	43	24	6	33	4	33	96	6	82	3	26
June ,,	3,723	518	386	59	32	9	45	6	48	142	11	122	7	36
July ,,	4,935	842	500	72	37	11	58	8	65	186	16	165	12	46
January 1960	12,477	2,184	1,111	165	77	30	195	20	155	473	62	427	47	108
February ,,	13,847	2,399	1,226	182	77	32	208	22	172	471	48	419	48	110
March ,,	15,292	2,628	1,343	199	84	34	223	24	183	579	81	522	49	131
April ,,	1,350	226	122	22	7	3	12	2	15	51	10	42	1	11
May ,,	2,640	443	254	39	14	5	22	3	31	105	19	87	3	23
June ,,	3,875	667	373	54	22	8	27	5	49	154	27	130	6	33
July ,,	5,013	854	495	67	27	10	37	6	63	196	32	165	12	46

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

INDUSTRIAL PRODUCTION

Industries	Unit	1958	1959	February* 1960	March* 1960	April* 1960	May* 1960	June* 1960	June 1959
Major Industries—									
Coal	million tons	45 34	47 03	4 30	4 36	4.38	4 35	—	3 81
Steel (Ingots and Metal for castings)	thousand tons	1,813	2,433	246	272	248	240	—	192
Yarn	million lbs.	1,085	1,223	139	140	137	139	143	136
Cloth	million yds.	4,027	4,025	403	410	408	410	421	405
Cement	million tons	6 07	6 82	0 59	0 69	0 63	0 67	0 63	0 57
Jute	thousand tons	1,060	1,051	87 K	93 K	92 K	93 K	91 K	83
Paper and paper boards	thousand tons	253	294	28	30	28	29	—	23
Matches	thousand cases	626	648	54	56	53	56	57	54
Sugar	thousand tons	1,957	2,083	474	444	265	77	3	—
Engineering and Electrical Industries—									
Machine tools	Value in lakhs of Rs.	376	438	57	67	23	25	—	35
Electric lamps	mill

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

(1952-53 = 100)

Group and Sub-Group	Week ended 22nd Oct. 1960	15th Oct. 1960	24th Sept. 1960	24th Oct. 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 9	101 0	101 0	101 7
2. Government of India ..	100 7	100 8	101 0	101 6
3. State Government ..	102 1	102 2	102 5	102 8
4. Municipal, Port Trust, etc..	100 0	100 0	100 0	99 9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 7	100 7	100 7	102 1
PREFERENCE SHARES—ALL INDIA.				
6. Total	86 1	86 3	86 8	93 1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	166 5	165 1	169 7	156 9
8. *Agriculture and Allied Activities: Total** ..	162 3	161 8	165 3	157 7
9. Tea Plantations	154 4	153 7	157 0	149 9
10. Coffee Plantations	204 4	204 8	208 9	206 2
11. Rubber Plantations	167 5	167 1	169 1	162 3
12. *Mining and Quarrying: Total*	149 2	145 5	145 9	143 6
13. Coal	115 1	111 2	115 7	111 6
14. Other Mining	172 5	167 0	169 7	165 0
15. *Processing and Manufacturing: Total*	179 3	177 7	183 7	164 4
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	179 7	178 4	184 7	157 5
17. Sugar	189 0	187 1	190 6	185 0
18. Cotton Textiles	148 3	148 2	150 9	133 5
19. Jute Textiles	87 1	87 5	89 9	99 3
20. Silk and Woollen	979 0	960 7	1037 0	711 7
21. *Processing and Mfg. (Metals Chemicals, etc.): Total** ..	139 2	136 8	193 4	181 8
22. Iron and Steel	151 5	150 1	160 2	162 9
23. Transport Equipment ..	386 0	376 2	385 0	295 5
24. Electrical Machinery ..	140 9	138 3	132 3	142 3
25. Machinery other than Transport and Electrical ..	205 7	203 9	205 9	199 3
26. Basic Industrial Chemicals ..	206 8	206 0	215 2	180 5
27. *Processing and Mfg. (Others) Total**	160 0	158 4	162 4	153 1
28. Cement	141 0	139 8	143 8	134 0
29. Paper	214 9	212 1	218 0	214 7
30. *Other Industries: Total** ..	107 3	107 1	108 6	115 1
31. Electricity Generation and Supply	82 0	81 9	81 5	90 2
32. Trading	111 8	109 6	110 9	105 2
33. Shipping and Other Transport	123 6	123 6	123 6	123 0
34. Construction	320 3	292 1	316 2	320 8
35. *Financial: Total*	170 6	169 5	171 6	169 6
36. Banks	197 7	189 4	191 1	184 9
37. Insurance	130 7	130 4	134 4	142 3
38. Investment Trusts	87 7	86 9	87 1	99 9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	171 9	170 3	176 7	161 5
40. Calcutta	152 7	154 3	153 6	140 7
41. Madras	185 4	184 4	190 5	173 6
42. Delhi	218 2	214 4	217 4	189 0

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957 ..	1,155,500	1,073,600	797,500
Do. 31st March, 1958 ..	1,098,300	1,106,300	786,900
Do. 31st March, 1959 ..	1,137,500	1,140,900	884,700
Do 31st March 1960 ..	1,568,400	1,533,700	1,215 100
July 1959	125,000	121,000	98,500
August ,, ...	128,700	125,500	97,100
Sept. ,, ...	124,300	117,100	93,100
Oct. ,, ...	133,200	129,600	104,600
July 1960	105,700	110,800	90,000
August ,, ...	131,300K	131,900K	102,400K
Sept. ,, ...	133,300K	138,100K	108,000K
Oct. ,, ...	145,000K	150, 00K	114,230K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957 ..	695,156	532,315	441,483
Do. 31st March, 1958 ..	733,945	507,580	410,558
Do. 31st March, 1959 ..	950,033	608,206	496,217
Do. 31st March, 1960 ..	1,053,612	827,072	660,695
June 1959	78,795	62,510	49,296
July ,, ...	97,082	71 441	55,903
August ,, ...	94,830	68,844	57,556
Sept. ,, ...	79,015	60,701	49,428
June 1960	69,127	60,140	53,737
July ,, ...	72,502K	62,962K	49,897K
August ,, ...	100,162K	79,236K	60,899K
Sept. ,, ...	100,437K	70,761K	50,663K

K—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	385,371	6,429,319
1958*	1,824	928,566	7,797,545
1959*	1,523	692,514	5,605,079
Feb. 1959 ..	93	33,900(66)	271,253(66)
March ,, ..	166	67,559(156)	3,46,059(155)
April ,, ..	176	50,509	507,571
May ,, ..	131	53,756(127)	354,517(127)
June ,, ..	154	77,758(149)	788,78(149)
Feb. 1960 ..	133	62,079(123)	414,797(123)
March ,, ..	125	47,700(114)	470,258(114)
April ,, ..	92	37,770(85)	331,511(85)
May ,, ..	127	37,675(115)	414,789(115)
June ,, ..	154	65,788(138)	390,425(138)

† In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.

Figures relate to all States and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India† ..	'59-'60	408.64	..	11,750	291.3
Pakistan ..	'58-'59	86.80	..	2,084	240
Burma ..	1958	20.02	Kyats 4,344	436	216
Ceylon ..	1957	9.1	..	507	557
Japan ..	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines ..	1958	23.1	Pp. 9,232	2,209	956
New Zealand.	1958	2.28	£ (N.Z.) 902	1,089	4,688
Australia ..	1958	9.80	£ (A.) 4,625	4,920	5,021
U.K. ..	1958	51.60	£ 18,230	24,310	4,711
U.S.A. ..	1958	177.1	$ 403,900	193,064	10,901
Canada ..	1958	17.00	$ 24,680	12,091	7,112
France ..	1958	44.05	F. Fr. 17,910,000	17,470	3,926
W. Germany ..	1958	52.1	Dm. 176,400	20,050	3,848
Italy	1958	48.07	Lr. 13,126,000	10,120	2,078
Norway	1957	3.49	Kr. 23,290	1,560	4,470
Sweden	1958	7.40	Kr. 54,910	5,084	6,870
Netherlands. ..	1958	11.10	Grs. 30,180	3,820	3,440
Denmark	1958	4.50	Kr. 28,250	1,960	4,355
Switzerland. ..	1958	5.10	Sw. Fr. 28,300	3,130	6,137

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	Delhi (1949=100)	Cochin (Base June 1954=100)	Ahmedabad (Base 1949=100)	Sholapur (Base January 1928=100)	Kanpur (Base 1949=100)	Nagpur (1949=100)	Calcutta (Base August 1939=100)	Madras City (Base 1949=100)	Delhi (Base 1949=100)	Almer (Base 1949=100)	Gauhati (Base 1949=100)	Jamshedpur (Base 1949=100)	Jaipur (Base 1949=100)	Simla (Base 1939=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 ,, ...	106	363	111	323	95	103	349	109	106	104	102	112	102	114
1954 ,, ...	101	359	98	294	85	99	327	106	105	91	95	102	99	106
1955 ,, ...	96	338	87	246	78	96	321	99	99	83	87	98	98	106
1956 ,, ...	105	353	98	316	89	105	347	111	109	95	96	106	109	108
1957 ,, ...	111	369	104	339	94	112	364	116	114	99	96	106	109	114
1958 ,, ...	116	395	119	313	98	120	384	124	113	103	103	115	107	126
1959 ,, ...	121	412	125	340	98	125	384	133	120	106	98	125	108	140
May 1959 ..	119	406	124	328	95	131	371	131	116	103	96	125	104	138
June ,, ..	122	413	125	337	97	132	385	134	117	104	99	130	108	140
July ,, ..	124	418	127	345	97	133	399	134	117	104	98	129	110	141
August ,, ..	125	420	125	348	98	134	406	134	118	105	98	129	110	141
January 1960 ..	122	422	123	360	96	135	385	137	121	107	99	130	111	144
February ,, ..	122	418	119	355	98	136	389	139	122	107	99	130	111	144
March ,, ..	121	414	116	339	97	135	392	138	119	104	97	118	109	144
April ,, ..	122	421	118	346	97	136	392	138	117	104	100	119	109	144
May ,, ..	123	421	120	344	96	135	396	140	116	104	103	117	109	145
June ,, ..	124	422	121	360	96	135	399	143	117	105	105	117	109	145
July ,, ..	126	423	122	362	101	137	406	145	121	107	107	119	109	145
August ,, ..	126†	421	..	359	..	..	410	..	121	109	108	119	109†	146
Sept. ,, ..	..	418	..	..	..	..	..	..	..	..	104†	122	108	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J	Cumulative Time Deposits 10-Year J	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F	10-Year Treasury Savings Deposit Certificates 4% G	15-Year Annuity Certificates G	Total
	Outstandings	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Receipts	Outstandings		Outstandings	Receipts	Outstandings	Receipts	Outstandings
1956-57	3,00	6,01	162,68	..	..	..	176,92	196,50	25,38	..	..	..	..	..
1957-58	2,22	4,73	143,45	71,45	71,43	179,86	213,91	23,11	—38,92	44,28	..	..	..	..
1958-59	1,76	3,80	119,10	87,45	152,78	191,76	234,91	21,02	—39,75	43,58	588	..	..	..
1959-60	1,54	3,17	99,14	83,09	221,63	201,48	254,94	19,79	—40,67	42,57	635	647	63	1,37
March 1959 ..	3	2	1,73	3,79	119,11	11,66	152,48	22,29	—41,29	41,98	10,64	21,76	66	2,90
April ,, ..	5	3	1,70	3,72	119,25	6,36	157,31	21,39	—40,69	42,55	65	11,68	6	2,41
May ,, ..	7	4	1,68	3,65	116,69	5,71	162,02	15,68	—40,74	42,49	53	11,68	6	2,41
June ,, ..	9	5	1,65	3,59	114,16	6,03	167,24	15,89	—40,80	42,39	51	12,26	11	2,50
July ,, ..	12	7	1,63	3,56	112,40	6,17	172,83	17,22	—40,86	42,32	42	12,76	5	2,54
August ,, ..	13	9	1,55	3,51	110,64	6,04	178,11	15,13	—40,94	42,25	53	13,19	3	2,61
January 1960 ..	37	22	1,54	3,24	102,61	7,18	204,92	15,15	—40,94	42,19	87	13,86	3	2,62
February ,, ..	43	26	1,52	3,21	101,09	7,57	210,64	16,94	—41,27	41,84	1,13	14,19	3	2,64
March ,, ..	51	30	1,54	3,17	99,14	13,09	221,63	20,24	—41,27	41,75	1,05	19,77	5	2,81
April ,, ..	57	34	1,51	3,11	97,35	6,47	228,14	17,87	—41,29	41,68	96	20,79	6	2,86
May ,, ..	64	38	1,50	3,07	95,55	6,45	231,20	17,00	—41,35	41,58	1,03	21,16	6	2,90
June ,, ..	73	42	1,48	3,02	93,84	5,76	235,58	17,35	—41,41	41,50	1,06	24,19	5	2,98
July ,, ..	81	47	1,45	2,98	92,30	5,83	240,30	15,25	—41,41	41,41	84	25,05	5	3,01
August ,, ..	..	..	..	..	..	..	..	..	—41,49	41,32	1,11	26,09	4	3,07
										41,21	1,17	27,23	9	3,14

Note.—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition buildings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'F' are not included. I—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of July 1960 amount to 9.28 lakhs of rupees.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
3 % Loan	1938-39	118,17,46,000	1963-65	97.80
3 % Loan	1950	30,33,10,000	1964	97.80
3 % Pg. Loan	1943	1,10,11,78,000	1966-68	95 45
3 % Dev Loan	1945	1,15,05,83,000	1970-75	89.15
2½% Loan	1946	57,00,89,000	1961	98.40
2½% Loan	1946	14,77,48,000	1976	83.50
2½% Loan	1947	75,86,72,000	1962	97 85
3½% N. P. Bonds	1953	75,29,00,000	1961	100.05
3½% N. P. Loan	1954	1,58,17,94,000	1964	99 55
3½% N. P. Bonds (2nd S-ries)	1955	1,53,67,92,000	1965	99.30
3½% Loan	1956	1,07,27,36,000	1962	99.65
3½% N. P. Bonds	1956	93,31,85,000	1967	99.30
2½% Loan	1956	86,63,53,000	1974	99.00
3½% N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.85
4 % Loan	1957	49,17,27,000	1972	100.50
3½% Loan	1958	58,05,92,000	1963	99.95
3½% Loan	1958	70,00,00,000	1968	99.25
3½% Loan N.P.B.	1958	54,35,95,000	1968	100.00
4 % Loan	1958	49,51,44,000	1973	100 60
3½% Loan	1959	1,37,90,93,000	1968	98.90
4 % Loan	1959	81,06,33,000	1979	99.85
4 % Loan	1960	97,64,00,000	1980	99.85
3½% Bonds	1960	82,66,00,000	1966	99.35

NON-TERMINABLE LOANS

3 % Loan	1896-97	8,93,33,000	M.	73.00
3 % Loan	1946	2,48,91,33,000	K.	74.15

STATE LOANS

4 % Andhra	1955	5,60,16,000	1st Sept. 1967	97.20	
4 % Andhra	1956	4,56,15,000	3rd Sept. 1968	97.15	
4½% Andhra	1958	5,48,31,000	15th July 1970	99.25	
4 % Andhra	1958	6,57,72,000	19th Aug. 1971	97.00	
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	97.00	
3½% Bombay	1949	5,29,97,000	1st Aug. 1962	97.55	
3½% Bombay	1951	2,82,97,000	17th Sept. 1962	99.60	
4 % Bombay	1953	5,10,80,000	15th July 1963	100.40	
4 % Bombay	1952	2,23,24,000	1st Aug. 1964	99.30	
4 % Bombay	1955	9,59,29,000	1st Sept. 1967	100.90	
4 % Bombay	1956	7,82,20,000	3rd Sept. 1970	98.00	
4½% Bombay	1957	6,57,23,000	16th Sept. 1969	99.25	
4½% Bombay	1958	4,58,21,000	15th July 1970	99.25	
4 % Bombay	1958	4,35,25,000	15th July 1971	99.25	
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	98.00	
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.15	
4 % Bihar	1956	1,13,41,000	3rd Sept. 1968	97.15	
4½% Bihar	1958	2,76,71,000	15th Oct. 1970	99.25	
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00	
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97.00	
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	98.00	
3½% Howrah Bridge (New)	1936-37	1,77,08,750	1956-66	94.50	
4 % Hyderabad	1955	2,12,40,000	1st Sept. 1967	99.00	
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	99.00	
2½% Madras	1946	3,81,77,000	1st Sept. 1961	86.60	
3½% Madras	1951	3,01,49,000	17th Sept. 1962	92.45	
3½% Madras	1953	10,52,71,000	15th July 1963	99.40	
4 % Madras	1952	5,24,81,000	1st Aug. 1964	99.40	
4 % Madras	1955	15,47,17,000	1st Sept. 1967	97.20	
4½% Madras	1956	12,56,00,000	3rd Sept. 1968	97.15	
4½% Madras	1958	5,55,57,000	15th July 1970	99.25	
4 % Madras	1958	5,72,72,000	19th Aug. 1971	97.00	
4 % Madras	1960	12,00,00,000	29th Aug. 1969	97.00	
4 % Maharashtra	1960	10,00,00,000	29th Aug. 1969	98.00	
4 % Mysore(f)	1932	2,98,86,200	1st Dec. 1953-63	101.60	
3 % Mysore(f)	1936	5,99,73,900	30th Apr. 1956-61	99.80	
4 % Mysore	1954	3,33,47,000	15th July 1963	99.50	
4 % Mysore	1955	3,33,47,000	1st Sept. 1967	97.20	
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.15	
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	99.25	
4½% Mysore	1958	5,51,51,000	15th July 1970	99.25	
4 % Mysore	1960	4,43,46,000	19th Aug. 1971	97.00	
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	97.00	
3 % M.P.	1948	2,02,29,000	15th Sept. 1964	95.70	
3½% M.P.	1951	1,05,18,100	17th Sept. 1962	98.50	
4 % M.P.	1953	1,10,18,000	15th July 1963	99.40	
4 % M.P.	1955	1,68,12,000	1st Sept. 1967	97.20	
4 % M.P.	1958	1,58,42,000	3rd Sept. 1968	97.15	
4½% M.P.	1958	2,30,30,000	15th July 1970	99.25	
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97.00	
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97.00	
4 % Saurashtra	1956	3,50,31,000	1st Sept. 1967	99.00	
4 % Saurashtra	1956	2,66,58,000	3rd Sept. 1968	99.00	
4 % Kerala	1953	3,25,61,000	15th July 1963	99.00	
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00	
4 % Kerala	1956	3,27,10,000	15th July 1970	99.00	
4½% Kerala	1958	4,47,05,000	19th Aug. 1971	97.00	
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00	
3½% U.P.Z.A.	1952	44,93,89,000	..	48.75Z	
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92.25	
3½% U.P.	1946	2,12,62,000	1st Sept. 1961	97.75	
4 % U.P.	1951	1,86,22,000	17th Sept. 1962	99.25	
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.40	
4 % U.P.	1953	5,58,25,000	15th July 1963	99.40	
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	97.20	
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.00	

PORT TRUST LOANS

BOMBAY

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
Rs.				
36,50,000	4	1994	1944	
35,00,000	4	1995	1945	
15,00,000	4	1926	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.00
56,00,000	4	1909	1969	
75,00,000	4	1910	1971	
1,10,00,000	4	1911	1972	
73,35,876	4	1912	1972	
1,70,00,000	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
88,35,000	4	1914	1975	97.00
10,00,000	4	1915	1975	
55,00,000	4	1915*	1975	
75,00,000	4	1922*	1966	
12,50,000	3½	1926*	1966	
13,50,000	3½	1928*	1959	
12,50,000	3½	1929*	1960	D
15,00,000	3½	1931*	1961	
48,04,000	3½	1935*	1966	
10,00,000	3½	1938*	1968	
7,90,000	3½	1941	1971	

CALCUTTA

Rs.				
90,24,300	4	1914	1974	99.00
70,90,100	4	1915	1975	99.00
50,00,000C	5½†	1921	1961	99.00
68,02,300C	6½	1921	1961	82.00
60,00,000	4½	1931	1961	144.00N
50,00,000	3½	1935	1965	99.00
25,00,000	3	1952	1963-68	93.00
50,00,000	3	1945	1965	74.00
50,00,000	3	1946	1966	84.75
50,00,000	3	1946	1966	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
1,50,00,000	3½	1953	1988	99.75
50,00,000	4	1953	1963	99.00
50,00,000	4	1953	1963	97.50
90,00,000	4	1954	1969	97.25
77,00,000	4	1956	1986	97.25
75,00,000C	4	1956	1986	97.25
44,00,000	4½	1956	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1989	99.00
1,00,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	99.25

STERLING LOANS

Rs.				
£382,600	5	1923	1963-83	£61.75
£901,000	5	1924	1964-84	£61.75
£385,100	5½	1932	1962	£81.00

MADRAS

Rs.				Rs.
28,48,575	3½	1947	1977	
9,56,000†	3	1947	1977	
3,00,000†	3	1949	1979	A
45,90,000†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.				Rs.
38,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
80,00,000	4	1905	1965	
15,00,000	4	1906	1966	
30,00,000	4	1907	1967	
25,00,000	4	1908	1968	
25,00,000	4	1909	1969	
50,00,000	4	1913	1973	
25,00,000	4	1914	1974	97.50 N
40,00,000	5	1915	1975	
66,00,000	5	1919	1957-79	118.00 N
25,00,000	5	1925	1956-86	115.00N
25,00,000	5	1927	1961-79	99.00N
10,00,000	5	1926	1966	

STERLING LOANS

Rs.			
£566,600	1909	1968	£95.50
£338,000	1910	1970	£95.50N

CALCUTTA

Rs.				
59,00,000	4	1934	1964	99.25
85,00,000	3½	1936	1966	96.00
80,00,000	3	1936	1966	91.75
50,00,000	3	1937	1967	90.00
20,00,000	3	1938	1968-88	91 75
100,00,000	3	1938	1968	100.00
75,00,000	4½	1956	1983	99.25
65,00,000	4½	1958	1968	101 00
	4½	1959	1974	99.75

MUNICIPAL LOANS

BOMBAY

Rs.				Rs.
20,00,000	4	1913-18	1974	99.00
10,00,000	5	1918	1978	118.00N
85,00,000	3½	1947	1977	87.00
2,13,14,500	3½	1949	1979	87.00
4,00,00,000	3	1950	1980	97.00
2,74,00,000	3	1951	1981	95.00
2,00,34,000	3	1952	1964	100 00
50,00,000	3½	1951	1966	98.00
92,19,00,000	3	1952	1968	96.00
86,87,000†	4	1952	1964	99.00
2,54,00,000	4	1953	1963	99.00
1,74,00,000	4	1954	1967	97.50
4,75,00,000	4	1955	1967	97.25
3,30,00,000	4	1956	1967	97.25
	4	1957	1967	99.50
	4	1958	1968	99.00
	4	1959	1969	99.00
	4½	1959	1989	99.00
	4	1960	1970	99.00
	4	1960	1970	99.25

CALCUTTA

Rs.				Rs.
10,00,000	5½	1932	1962	100.00
60,00,000	5	1925	1965	95.00
47,50,000	5	1936	1966	91.00
21,10,000	3½	1938	1968	91 00
16,33,000	3½	1941	1972	92.00
66,82,000	3½	1951	1972	99.25
87,36,000	3½

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,51,970	1,17,27,488	45,26,971	25,002	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	11.02	10	0.25	0.25	0.50		3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	155.00	100	10.00	10.00	15.00		12	Y.P.T.
80,00,000	2,79,200	1,26,70,200	90,41,083	—1,88,265	McLeod & Co., Ltd.	1,264	Alliance	96.00	100	*Nil*	*Nil*	*Nil*		6	Y.P.
49,20,700	72,81,000	3,09,77,421	2,28,93,087	2,15,974	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	200.00	100	7.00	10.00	12.50	6.00	12	Y.P.
40,00,000	21,33,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	150.00	100	*Nil*	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,53,528	1,46,13,222	77,61,622	28,436	Birla Brothers Private Ltd. ..	959	Bally	193.50	100	*Nil*	5.00	20.00	27.00	3	Y.P.T.
$275,000	$803,923	$1,601,226	$1,005,825	—$92,399	Sir John H. Burder (Chairman) ..	1,889	Barnagore	2.00	6.00	10.00	25.00			3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	*Nil*	*Nil*	*Nil*	10sh.		£1 10sh	3	Y.P.
45,00,000	29,71,745	58,94,991	35,42,933	—5,73,255	Soorajmull Nagarmull	600	Bengal	143.00	100	2.50	7.50	13.50		12	Y.P.
91,26,000	2,82,25,130	7,34,86,439	2,26,35,926	23,070	Birla Brothers Private Ltd. ..	1,373	Birla	8.00	10	*Nil*	0.50			6	Y.P.T.
36,00,000	23,36,695	1,19,81,167	72,34,779	62,431	Andrew Yule & Co., Ltd.	901	Budge-Budge	28.50	10	1.00	1.00	1.00	1.50	3	Y.P.
7,47,380	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	118.00	100	*Nil*	5.00	15.00		10	Y.P.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	8.00	10	*Nil*	*Nil*			12	Y.P.T.
50,16,400	81,81,976	2,17,74,554	1,17,03,511	1,68,730	James Finlay & Co., Ltd.	2,600	Champdany	136.00	100	*Nil*	15.00	12.00		11	Y.P.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	600	Cheviot	107.00	100	*Nil*	*Nil*	7.00	10.00	3	Y.
80,15,000	88,42,800	1,09,82,980	59,87,035	2,33,594	McLeod & Co., Ltd.	1,131	Chitavalsah	14.00	10	*Nil*	5.00	12.50‡		12	Y.P.
24,00,000	9,00,000	81,89,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	13.31	10	1.10	1.25	1.50		7	Y.P.T.
31,49,200	13,05,418	1,06,05,075	64,32,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	11.31	10	*Nil*	*Nil*			3	Y.P.
28,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	119.00	100	*Nil*	*Nil*	*Nil*	1.00	3	Y.P.
15,00,000	37,20,000	1,07,39,530	70,08,837	93,729	McLeod & Co., Ltd.	500	Empire	142.00	100	*Nil*	6.00	14.00		11	Y.P.
21,00,000 }	83,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd. ..	15.25	10	0.75	1.00	1.25		7	Y.P.T.
21,00,000 }	19,81,948	1,32,23,303	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	336.00	100 Old	10.00	20.00	20.00	25.00		Y.P.T.
								290.00	50 New			10.00	12.50		
34,32,100	....	2,23,71,685	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	23.50	10	1.50	1.50	1.50	2.25	8	Y.P.T.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd. ..	10.31	10	*Nil*	*Nil*	*Nil*		3	Y.P.
24,00,000	63,55,441	2,55,68,077	1,72,11,662	63,314	Macneill & Barry Ltd.	1,394	Gouripore	60.00**	100	2.00	4.00			12	Y.T.
40,00,000	51,69,633	1,33,84,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	345.00	100	2.50	20.00	25.00	30.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hooghly	89.00	100	5.00	5.00	6.00	6.00	3	Y.P.
65,52,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	10.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
52,50,000	38,25,000	3,18,43,014	1,77,83,014	1,63,177	Ramkuti Ramkissendas	2,272	Hukumchand	20.50	10	*Nil*	*Nil*	1.00	1.25	3	Y.P.T.
87,30,000	20,35,465	1,52,85,168	93,25,868	62,038	M.	790	India	21.00	7.50	1.50	*Nil*	1.00	1.25	3	Y.P.
24,00,000 }	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhary	15.25	12.50	9.37	15.62‡	1.24	0.75‡	3	Y.
'B'19,20,000 }								146.00	100	*Nil*	5.00	20.00			
30,00,000 }	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kankanrah	134.00	'B' 100	*Nil*	5.00	20.00		12	Y.P.T.
'B'24,00,000 }								77.50	100	*Nil*	*Nil*	20.00			
28,00,000	49,10,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	68.00	'B' 100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
54,00,000	22,12,630	1,32,49,115	80,15,158	1,63,630	Anderson Wright Ltd.	1,530	Kharagh	137.00	100	9.00	12.50	14.00‡C'		3	Y.P.
59,80,150	42,30,583	1,99,43,494	1,24,07,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Khinlson	18.00	10	5.00	5.00	20.00‡		3	Y.P.
24,48,000	10,76,201	1,06,86,090	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	151.50	100	*Nil*	5.00	10.00‡	20.00	3	Y.P.T.
28,00,000	11,08,592	69,04,726	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	99.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
31,85,200	28,13,291	2,24,92,259	1,45,89,024	2,82,507	M.	1,294	Mazna	128.00xd	100	*Nil*	5.00	20.00	15.00	3	Y.P.
29,98,900	34,36,392	1,84,53,185	94,33,205	—11,60,635	M.	315	Naihati	12.00	10	0.50	1.75	1.00		3	Y.P.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd. ..	425	Naskarpara	61.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
35,00,000	39,51,326	48,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	National	10.00	10	0.25	0.25			10	Y.P.T.
26,25,000	31,71,872	59,70,247	26,86,043	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	23.50	10	0.75	0.75			10	Y.T.
1,28,24,350	1,98,88,995	8,59,25,980	1,28,63,717	1,415	Sahu Jain Ltd.	1,765	New Central	12.00	10	0.90	1.00	1.40		7	Y.P.T.
16,70,880	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	23.00	10		1.50	1.50‡C'		3	Y.P.
66,79,500	38,53,004	2,30,01,345	1,21,85,723	49,497	Macneill & Barry Ltd.	1,092	Nuddea	21.00xd	10	*Nil*	*Nil*	1.25	3.00	3	Y.P.T.
25,00,000	10,23,000	99,89,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	45.00	50	*Nil*	*Nil*	*Nil*		3	Y.
20,00,000	42,629	33,90,467	12,06,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	5.00	5	0.30	0.37½	0.50	4.00	7	Y.T.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	8.75	10	*Nil*	*Nil*	*Nil*		3	Y.P.
5,00,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	6.12	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
30,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	9.50N	£1	*Nil*	5%†	10%†		12	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	24.50	10	0.50	0.50	0.60		3	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	19.00	10	1.50	1.50	2.50		12	Y.P.
35,98,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	9.50N	£1	*Nil*	3%†	10%†		12	Y.P.
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	171.00xd	100	*Nil*	15.00	20.00	25.00	3	Y.P.T.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	9.50N	£1	3%†	5%†	10%†		12	Y.P.
								3.56	1	*Nil*	*Nil*	0.25		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	Accounts Closed	Reference
10,00,000	4,16,126	17,25,120	8,38,787	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber ..	16.70							
62,50,000	21,68,071	75,86,425	17,17,718	1,78,799	Kothari & Sons (Agts.) Pvt. Ltd.	1,329	Blue Mountain	25.25	10	2.50	1.75*	1.75	1.50§	3	Y.P.
5,50,000	5,57,420	15,15,332	3,03,764	109	K. Anantarman, Esq.(Mg. Director)	350	Chandramalai Estates Ltd.	2.95	2	0.30	0.25	0.25	0.25	3	Y.P.
9,33,400	15,86,598	26,32,979	8,15,911	1,88,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates J...	5.15	2	0.30	0.37	0.37	0.37	6	Y.
5,65,920	12,80,970	21,63,320	1,64,704	29,120	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	27.25	2	0.20	0.40	0.20	0.30	3	Y.P.
4,80,000	4,76,798	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea H.	9.40	10	1.75	2.00	2.00	2.00‡	3	Y.
6,00,000	4,82,155	12,25,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	344	Devashola (Nilgiri) Tea ..	29.87	10	1.50	1.50	1.50	1.50	9	Y.P.
6,74,630	3,25,933	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	2.50*	1.75	1.75	2.50	12	Y.P.
3,50,000	1,26,500	4,04,217	65,265	2,027	Parkina Private Ltd.	198	Emerald Valley Estates ..	5.45	5	0.50	0.30	0.30	0.50§	3	Y.P.
25,00,000	17,77,500	47,66,275	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleyburia	14.00	10	2.50	1.50	1.50	0.40	12	Y.
6,00,000	7,65,696	14,87,744	3,33,844	48,233	Peirce, Leslie & Co., Ltd.	466	Kalaa Tea	4.30	2	0.20	0.20	0.30	1.25‡C'	12	Y.T.P.
16,39,438	18,94,704	32,75,491	4,84,787	28,103	Peirce, Leslie & Co., Ltd.	781	Kil Kotaciri Tea	5.68xd	2	0.40	0.30	0.30	0.30	3	Y.T.
15,00,000	10,59,213	58,72,720	1,58,730	1,536	Jas Oommen & Co. Pvt. Ltd. ..	262	Kurchermala Plant. Ltd. ..	8.20	10	0.625	0.75	0.625	0.70	10	Y.P.
5,00,000	70,556	9,28,291	61,372	35,812	Matheson Bosanquet & Co.Pvt.Ltd.	257	Lucky Valley	12.25	10	1.00	1.00	1.00	0.80	10	Y.P.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.60	2	0.30	0.18	1.00	1.00	12	Y.
3,00,000	6,23,190	12,48,100	2,88,717	1,418	Kapon Thomas, Esq. (Mg. Director)	524	Miamallay	39.38	25	6.25	6.25	4.50	3.75	3	Y.
36,00,000	21,32,879	79,04,364	13,08,936	5,482	A. V. Thomas & Co. (India) Ltd. ..	1,659	Neelamalai	5.00	5	0.37	0.37	0.37	0.37	3	Y.
12,00,000	6,36,837	26,24,009	5,35,572	150	A. V. Thomas & Co., Ltd.	679	Nellikampathy	2.85	2	0.20	0.20	0.30	0.30	3	Y.P.
14,06,250	6,95,346	38,09,977	5,17,286	20,658	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	7.35	10	0.62	0.75	0.30	0.20	6	Y.P.
22,10,000	9,23,899	32,15,349	3,63,586	35,375	Harrisons & Crosfield Ltd. ..	836	Nonsuch Tea	27.00xd	10	2.00	2.00	0.50		3	Y.P.
13,13,600	16,46,535	31,58,547	4,72,968	50,402	Mr. P. S. M. Molyneux (Chairman)	579	Parkside	29.30cx	10	1.50	2.00	3.50	2.00	3	Y.P.T.
6,00,000	3,06,284	8,47,690	63,188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninsular Plantations Ltd.	21.35	10	2.00	2.50	2.50	2.75	6	Y.
17,00,000	10,41,763	41,24,957	14,46,521	44,631	Anginalli & Co. (Travancore), Ltd.	1,557	Peermade	22.25xd	10	2.75	2.50	1.50	2.00	3	Y.
37,94,880	23,17,245	1,10,01,961	54,84,598	80,553	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.52	2	0.90	0.70	0.20‡C'	2.25	12	Y.P.
13,50,000	2,82,500	11,13,472	1,04,534	1,431	A. V. Thomas & Co. (India) Ltd. ..	865	Sheverov Estates Ltd.	1.98	2	0.20	0.15	0.15	0.25	3	Y.P.
9,00,000	12,06,478	27,35,093	7,62,652	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	15.50	10	1.37½	1.40V	0.15	0.125	3	Y.P.
1,25,000	12,000	1,87,528	9,271	559	M.	216	Swinton Estates	2.90	2	....	0.10	0.80	0.60	6	Y.
12,50,000	10,70,828	33,56,356	8,03,028	827	Srinivas Agencies	1,070	Talayar Tea	1.75	2	0.25	0.15	0.15	0.60	6	Y.T.
15,75,000	16,00,500	27,37,310	3,29,820	565	Parkins Private Ltd.	1,214	Tavyford	11.90	10	2.00	0.20	0.12		3	Y.
21,93,280	12,29,850	44,14,672	15,67,021	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	21.62	10	2.50	1.50‡C'	1.50	1.00‡C'	12	Y.P.
£1,50,000	£0,78,147	£0,31,052	£,77,818	1,17,892	Kothari Mehta & Co. Pvt. Ltd. ..	997	Waterfall	4.90	2	0.30	0.25	0.25	1.25	3	Y.
1,00,000	53,087	3,28,355	84,299	2,528	Goodall & Co.	93	Woodcote Estates Ltd.	1.67		0.00	0.09	0.06	0.25	6	Y.
													Nil	6	Y.P.
														6	Y.P.T.

RUBBER AND OTHERS

										1957	1958	1959	1960		
6,00,000	5,52,435	16,47,874	3,87,652	7,559	Ramani & Co., Pvt. Ltd.	397	Alageswar Estates Ltd.	2.35xd	2	0.20	0.20	0.15			
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.15xd	10	0.40	0.60	0.75		6	Y.
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.50	10	1.50	1.00	0.75	1.00	3	Y.P.T.
12,07,838	2,33,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,254	Anaparai Estates Ltd.	6.85	2	0.80	0.70	1.50		12	Y.P.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd. ..	554	Badra Coffee Estates Ltd. ..	3.84	2	0.30	0.30	0.50		12	Y.P.
4,00,000	2,55,748	7,16,780	98,936	8,216	A. V. Thomas & Co. (Mysore)	1,135	Bababudin Coffee & Produce	9.00	5	1.25	0.35	0.35		6	Y.T.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd. ..		Bandamdies Plantations ..	2.36	2	0.25	0.25	0.25		5	Y.P.
8,66,115	3,86,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)		Be Be Rubber Estates Ltd.	2.90	2	0.25	0.25	0.15	0.15	6	Y.P.
29,91,279	19,00,000	33,49,879	8,61,788	21,669	Peirce, Leslie & Co., Ltd.		Cochin Malabar	6.95	3	0.25	0.25	0.25		5	Y.P.
22,50,000	20,58,661	50,61,766	11,30,047	1,28,049	Cons. Coffee Estates (Secretaries).		Coffee Lands and Industries	23.25	10	4.00	0.80‡C'	0.45		3	Y.P.
71,55,000	63,55,804	1,51,68,278	35,93,779	79,971	R. C. Paterson, Esq.		Consolidated Coffee	23.50	10	4.00	2.00	2.50	0.525	3	Y.P.
4,00,000	5,67,428	12,42,809	60,301	3,461	Associated Planters Private Ltd. ..		Cottanad Plantations	13.25	10	4.00	2.00	2.50		3	Y.P.
4,08,560	1,75,000	2,71,893	60,407	28,560	Peirce, Leslie & Co., Ltd.	445	Cowcoody Estates (Coffee) ..	5.12	2	1.00	1.50	1.50		6	Y.P.
18,00,000	9,86,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.		Highland Produce	14.20	10	0.75	1.50	0.50	0.201	3	Y.P.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd. ..	220	Kadur Coffee Estates Ltd. ..	2.74	2	0.15	0.15	1.50		6	Y.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kallas Rubber, Co., Ltd. ..	5.10	2	0.60	0.60	0.15		12	Y.P.
8,00,000	8,36,558	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	11.83xd	10	2.00	0.50	0.50	0.15	5	Y.P.
4,00,000	3,00,000	9,64,554	1,45,547	12,618	Peirce, Leslie & Co., Ltd.		Kunnergode Estates Ltd. ..	4.80	2	0.50	0.40‡C'	0.40	0.40	6	Y.P.
13,50,000	4,80,241	25,39,476	4,08,100	9,942	K. T. Thomas Kathanar, Esq. ..		Malankara Rubber	18.00xd	10	2.25	0.40‡C'	1.25	1.25	2	Y.
3,25,000	2,50,000	7,61,984	10,586	11,586	Associated Planters Pvt. Ltd. ..	906	Mercara Rubbers Ltd.	8.87	5	0.75	1.70‡C'	1.40		4	Y.P.
40,50,000	14,80,388	88,24,890	11,08,400	83,748	A. V. Thomas & Co., Ltd.		Midland Rubber	12.00xd	10	0.75	1.00	1.00	1.50	10	Y.T.
3,35,000	4,13,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.		Nenmeny Rubber	19.50	10	2.00	1.00‡C'	1.00		3	Y.
2,00,000	4,79,543	7,96,900	55,892	3,022	Associated Planters Private Ltd. ..		Nilambur Rubber Co.	16.95xd	10	0.75	1.50	1.50		6	Y.P.
19,45,980	22,89,423	48,92,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.		Ouchterlony Valley Estates	5.03	2	1.50	1.50	1.50		3	Y.P.
16,50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.		Pullangode Rubber	1.85	2	0.60	0.20	0.30		12	Y.P.
13,50,000	8,49,874	47,74,372	4,48,809	44,924	A. V. Thomas & Co., Ltd.		Rajagiri Rubber	20.12	10	2.00	0.08	2.00	0.10	12	Y.P.T.
2,00,000	1,55,963	3,50,980	35,171	41,924	Associated Planters Private Ltd. ..	391	Rajendra Coffees Ltd.	14.35	5	1.25	2.00	2.00	2.00	10	Y.P.T.
5,50,170	5,00,000	8,87,753	1,23,319	12,609	Peirce, Leslie & Co., Ltd.		Savamalai Estates Ltd.	3.53	2	0.30	0.25	2.00	0.30	3	Y.P.
12,00,000	1,85,000	18,80,245	1,09,554	10,753	Patco Agencies	1,162	Sangameshwar Coffee Estates	2.25xd	2	0.30	0.25‡C'	0.30	0.30	6	Y.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.		Teckoy Rubber (India) Ltd. ..	6.03	10	0.60	0.60	0.18	0.12	3	Y.P.
2,50,000	2,75,000	5,13,713	47,038	28,430	A. V. George & Co., Ltd.		Thamarapally Rubber	28.00	10	0.60	0.60	0.60		11	Y.
9,15,800	5,75,000	23,57,805	1,88,203	7,572	Peirce, Leslie & Co., Ltd.		Thirumbadi Rubber Co., Ltd	1.53	1	3.00	3.00	3.00		3	Y.P.T.
6,00,000	66,742	11,54,891	5,03,490	2,248	Kepen Thomas, Esq. (Mg. Director)		Travancore Rubber	11.50	10	1.50	0.10	0.30		12	Y.P.
41,00,000	15,07,458	86,13,006	18,50,697	3,628	Aspinwall & Co. (Travancore) Ltd.		Travancore Rubber & Tea ..	8.00	10	1.50	1.00	1.00		9	Y.T.
20,00,000	1,35,000	32,15,359	8,57,958	11,924	P. T. Thomas, Esq. (Mg. Director)		Tropical Plantations Co. ..	19.37	10	0.40	0.50	1.00		12	Y.
6,00,000	4,56,000	17,45,808	1,02,210	6,282	P. I. J. Joseph, Esq.		Vellimalai Rubber & Co. ..	5.20xd	5	1.00	1.50	0.75		12	Y.
2,20,000	4,29,600	10,00,702	1,07,202	23,330	A. V. George & Co., Ltd.		Udayagiri Rubber Co., Ltd.	17.00	10	0.60	0.50	0.50		12	Y.P.
3,80,010	2,91,970	9,85,557	38,718	585	M.		Vaikundam Rubber Co., Ltd.	30.40	10	0.60	0.75	0.90		12	Y.
12,00,000	11,00,982	15,34,680	1,19,640	1,15,483	Peirce, Leslie & Co., Ltd.		Wartyhully Estates Ltd. ..	3.35	2	3.50‡	3.00	1.50		2	Y.P.T.
6,35,000	4,85,925	13,55,991	91,382	2,962	M.	844	Woodland Estates	7.65	10	0.15	0.30	0.30

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
80,00,000	....	31,38,138	13,22,835	83,215	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	12.50	10	*Nil*	*Nil*	*Nil*		3	Y.
18,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.28	10	1 50	3 50	2 00		9	Y.P.
55,23,146	15,49,326	1,57,35,785	51,99,081	14,572	Bharat Ram Bharat & Co.	Bengal Potteries	6.75	24	0 25	0 25			12	Y.
10,00,000	88,88,188	81,22,985	38,30,422	33,561	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	31.50	10	1 75	1 75	0 356		12	Y.
14,17,800	4,20,295	27,18,993	13,28,638	4,764	Motichand G. Shaw, Esq. (Chairman) ..	Bombay Potteries and Tiles Ltd. ..	190.00	100	9 00	10 00	1 87		9	Y.P.
40,00,000	13,76,524	1,16,02,155	10,26,719	23,88,499	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd. ..	197.50	100	*Nil*	10 00	..		9	Y.P.
£1,371,300	£1,705,275	£3,271,480	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd. ..	Indian Copper Corporation	4.52	Sh. 2	*Nil*	*Nil*	*Nil*		12	Y.
Rs.15,00,000 / F.5,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	16.12	10	*Nil* / *Nil*	*Nil* / *Nil*	1 50 / 0 50		12	Y.
50,00,000	....	14,32,400	....	12,618	Khandelwal Industries Private Ltd. ..	Khandelwal Ferro Alloys Ltd. ..	98.50	50	*Nil*	*Nil*	*Nil*		12	Y.P.
20,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26 00N	10	1 25	1 25	1 80		12	Y.P.T.
50,00,000	10,01,024	1,16,80,530	59,85,620	−19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd. ..	10 75	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
6,00,000	5,26,433	13,40,693	7,63,285	7,276	Mysore Industrial Development Co. ..	Mysore Stoneware Pipes & Potteries ..	14.15	10	1 00	1 00*	1 00*	1.428	3	Y.
20,00,000	54,60,644	64,43,150	31,99,595	88,340	Bird & Co. Private Ltd.	Orissa Minerals	37.50	10	2 00	2 50	3 60		6	Y.
10,46,370	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	68.00	10	8 00*	8 00*	5 00		11	Y.
CHEMICAL														
12,00,000	....	....	....	....		Adarsh Chemicals	68 00	50						
85,00,000	51,37,800	1,87,07,072	65,76,431	9,770	Bhallal Amin & Sons (Private) Ltd. ..	Alembic Chemical Works Co.	245.00	100	12 00	12 00	16 00		12	Y.P.
62,00,0000 / 47,97,0004	96,87,608	5,74,40,416	92,27,839	1,39,901	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India ..	32.00	10	0 80	0 80	0 05		12 / 9	Y.P.
60,00,000	30,78,579	86,00,417	21,21,588	35,088	Amritlal & Co. Private Ltd. ..	Amar Dye-Chem. Ltd.	440 00	100	*Nil*	*Nil*	12 00		12	Y.
29,80,400	24,94,426	1,18,63,272	49,80,005	47,108	Kasturbhai Lalbhai & Co. ..	Anil Starch Products Ltd.	100 00N	100	20 00*	20 00*	12 00		12	Y.P.
2,00,00,000	39,08,362	3,56,03,722	1,05,40,064	72,945	Lalbhai Sons & Co.	Atul Products Ltd.	460 50	100	8 00	10 00	28 00*		12	Y.
50,92,000	52,05,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director) ..	Benzal Chemical and Phar.	110 00	100	6 00	6 00	7 00	7.00	12	Y.
65,00,000	....	1,54,260	15,170	−1,31,376	Ramniwas R. Ruia, Esq. (Chairman) ..	Colour-Chem Ltd.	345 00	100	....	6 00	7 00		3	Y.P.T.
13,69,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd. ..	246 25	50	5 00	6 00	10 00		12	Y.
64,49,032	56,78,075	1,69,27,890	67,30,529	−1,11,025	Sahu Bros. (Saurashtra) Private Ltd. ..	Dhrangadhra Chemicals	142 00	100	7 50	6 00	10 00		12	Y.
3,46,06,075	14,62,000	5,13,64,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd. ..	F. A. C. T.	10 10	10	*Nil*	*Nil*	4 00(c)		3	Y.P.
15,00,000	5,85,300	40,58,635	13,14,948	10,072	Matallal Gazalbhai & Sons	Indian Dyestuffs Industries Ltd. ..	537.50	100	*Nil*	*Nil*	0 60		12	Y.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	375 00	200	15 00	15 00	20 00	25.00	3	Y.P.
60,00,000	22,36,439	1,43,65,891	77,81,045	12,716	Seshasayee Brothers Private Ltd. ..	Mettur Chemicals	12 05	10	0 75	0 87½	0 88	1.25 G	3	Y.P.T.
24,81,220	8,99,875	55,35,132	37,41,703	10,884	B. M. Abu Baker, Esq. (Chairman) ..	Mysore Chemicals and Fertilisers ..	10 70	10	0 50	0 50	0 50		3	Y.
6,00,000	6,34,147	10,12,759	5,77,192	41,137	S. Ramanathan, Esq. (Mg. Director) ..	Polychem, Ltd.	27 50	10	2 00	2 00	2 00		3	Y.
40,00,000	20,96,379	58,16,750	11,97,185	27,841	Ramdas Kilachand, Esq. (Chairman) ..	Smith Stanistreet & Co.	243 75	50	*Nil*	*Nil*	3 00	5 50	3	Y.P.
15,00,000	13,70,168	21,96,365	11,48,006	75,219	C. A. Buxton	Tata Chemicals	14 69	5	1 00	0 89 G	1 25		6	Y.P.
1,39,95,900 / 1,11,91,270	42,17,119	5,89,52,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	17 32 / 15 39	100bl / 10New	0 80	0 75	0 525	0 60	6	Y.P.T.
10,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director).	Travancore Chemical Mfg. Co., Ltd. ..	15.87	10	0 60	0 70	1 00	1 50	3	Y.P.
ELECTRIC (Bombay State)														
6,74,78,395	45,21,053	14,80,35,370	3,57,58,380	4,298	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd. ..	88 00	100	3 25	6 50	6 75			
72,50,000	17,54,523	2,18,23,158	52,04,167	15,95,3614	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd. ..	10 20	10	0 42½	0 85	0 90		3	Y.T.
3,02,76,250	96,81,201	9,66,03,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co. ..	1,007 50	1,000	66 00	80 00*	80 00*	85.00*	3	Y.P.
1,75,00,000	78,52,280	4,06,37,564	98,99,329	1,937	Killick Industries Ltd.	Bombay Suburban Electric Supply ..	85 30	100	7 00	7 00	7 50	8 00	3	Y.P.T.
7,07,029	1,03,967	16,97,265	8,70,296	1,536	Rajaputana Textiles (Agencies) Ltd. ..	Broach Electric Supply Development ..	7 00	10	*Nil*	0 50	0 60	0 66	3	Y.
48,39,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd. ..	Poona Electric Supply	108 50	100	2 50	7 50	8 00	9 50	3	Y.P.T.
80,62,500	23,52,407	1,43,50,560	46,79,945	5,210	Killick Industries Ltd.	Surat Electricity	84 50	100	8 75	7 00	7 00		3	Y.
2,39,99,575	1,01,57,424	7,01,96,385	1,89,09,876	22,284	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply ..	103.50	100	5 52	8 00*	8 00*	8.50*	3	Y.P.
5,15,35,750	2,60,85,771	17,10,28,987	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,027.50	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.
West Bengal and Other Centres														
10,00,000	48,96,307	1,33,21,866	36,09,278	48,145	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	125.00	100	10.00	10.00	10.00		3	Y.T.
8,00,000	25,00,121	61,21,199	20,47,309	20,466	Martin Burn Ltd.	Bareilly Electric Supply	13.50	10	1.25	1 00	1.00		3	Y.T.
17,00,000	44,20,478	1,62,53,562	43,70,422	42,307	Martin Burn Ltd.	Benaras Electric Light & Power Co. ..	14 00	10	1 25	1 00	1.00		3	Y.T.
5,91,360	6,10,074	21,80,353	10,40,385	24,424	Octavius Steel & Co., Ltd.	Calcutta Electric Supply	15 00	8	0 62	0 40			3	Y.T.
£4,262,646	£10,126,973	£32,604,377	£13,302,114	£108,138	Harry Burn, Esq. (Chairman)	Cuttack Electric Supply	8 00	10	*Nil*	7%	7%	7%	3	Y.
6,60,000	5,11,401	28,13,674	8,33,390	60,037	Octavius Steel & Co., Ltd.	Dishergarh Power Supply	100 00	100	6 50	7 00	7 00	7.50	3	Y.P.T.
43,20,000	21,62,234	1,01,16,160	35,85,886	3,77,066	Andrew Yule & Co., Ltd.	Jhansi Electric Supply	6 75N	10	0 86%	0 62½	0 87	0 90	3	Y.P.
5,34,640	1,10,642	31,32,203	13,41,851	6,562	Moonna Lall & Sons	Jubbulpore Electric Supply	13 25	10	0 92	0 92	0 92		3	Y.P.
22,49,700	26,82,345	1,04,26,882	38,07,105	30,945	Martin Burn Ltd.	Mirzapore Electric Supply	7 50N	9	1 22½	0 93	0 93		3	Y.
4,05,000	2,21,374	12,36,011	6,02,238	21,890	Octavius Steel & Co., Ltd.	Mozuffarpore Electric Supply	9 75	10	1 25%	0 72			3	Y.
5,82,300	3,35,296	32,18,465	11,47,405	30,061	Octavius Steel & Co., Ltd.	Mutira Electric Supply	9 50	10	1 25%	1 00			3	Y.
6,99,850	1,83,973	17,84,092	7,83,164	22,321	G. D. Bhagat, Esq.	Patna Electric Supply	10 12	10	0 80	0 80			3	Y.
85,10,478	37,51,068	1,32,14,704	51,65,504	1,90,005	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6 87	10	1 25%	0 75	0 75		3	Y.
9,10,000	1,03,940	9,80,980	5,10,827	40,589	Octavius Steel & Co., Ltd.	Sijhuli (Darrjeeling) Elec. Supply Co.	9 50	10	0 94	0 68			3	Y.T.
16,80,000	12,03,832	73,73,245	43,75,524	6,962	Bird & Co. Private Ltd.	South Madras Electric Supply Corpn.	10 00cd	10	1 28	0 87	0 75		3	Y.T.
69,99,680	13,06,142	2,06,37,818	67,68,084	3,023	Seshasayee Bros. Private Ltd.	Upper Jumna Valley Elec. Supply ..	17 50	10	1 25	1 75	0 90		3	Y.T.
5,00,000	28,76,733	47,71,538	11,94,576	38,509	Martin Burn Ltd.	U. P. Electric Supply Co.	125 00	100	10 00	10 00	10 00	0.90 C*	3	Y.P.T.
66,01,185	77,21,023	3,84,27,595	1,37,10,470	83,539	Martin Burn Ltd.	Vellore Electric Corporation	12.50cd	10	1 00	1 00	1 00		3	Y.T.
4,00,000	8,23,215	37,72,869	9,95,390	2,67,421	Chandrie & Co. Private Ltd.								3	Y.P.
ENGINEERING (Bombay)														
23,42,200	49,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd. ..	Alcock Ashdown & Co., Ltd.	258 00XB	100	12 50	12 50	17 00			
19,96,360	2,81,926	20,32,188	7,13,202	2,310	W. H. Brady & Co., Ltd.	Brady Engineering Ltd.	85 00	80	3 00	3 00	4 00		12	Y.
45,10,800	25,03,443	39,35,757	40,96,294	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	167 50	100	7 00	10 00*	14 00		12	Y.
40,00,000	4,14,207	62,24,434	21,98,624	57,385	Dharamsinh & Co.	Hindustan Electric Co.	110 00	100	6 00	7 00	10 00	13.00*C*	6	Y.
6,00,000	4,15,000	1,56,236	1,22,702	5,214	M. R. Rao, Esq. (General Manager) ..	Kamani Engineering Corporation ..	98 50	50	5 00	5 00	5 00		4	Y.P.
44,96,250	4,05,653	62,45,798	27,13,547	2,467	Octavius Steel & Co., Ltd.	Larsen and Toubro Ltd.	17 35	10	*Nil*	1 00	0 775		3	Y.
40,00,000	27,00,928	58,53,816	28,59,810	56,253	L. & T. (Management) Private Ltd. ..	Mahindra & Mahindra Ltd.	38 00	10	1 00	2 00	1 25		3	Y.P.
1,32,00,000	42,63,182	1,34,87,855	31,17,630	1,18,237	M.	McKenzies	21 48	10	1 75	2 20	1 25	1.80 C*	3	Y.P.
11,00,000	3,45,014	40,22,575	24,15,196	1,016	P. Jhunjhunwala, Esq. (Mg. Director) ..	Mukand Iron & Steel	130 00	100	*Nil*	1 00	1 25		3	Y.P.
60,15,000	45,30,000	1,21,27,185	40,92,378	3,253	Tewan Private Ltd.		24 40	10	1 00	1 20	*Nil*		10	Y.P.
29,27,700	5,36,616	47,79,336	14,99,037	92,426	J. V. Patel, Esq. (Mg. Director) ..	New Standard Engineering	106 00 / 145 50	100 / (75 New)	..	..	1 00*	1 20	7	Y.P.
13,86,150						Premier Construction	311 50	30	10 00	12 00	9 00	12 00	3	Y.P.
22,50,000	1,34,42,446	8,81,298	1,40,739	1,36,103	Walchand & Co. Private Ltd.	Structural Engineering Works Ltd. ..	280 00	100	18 00	18 00	17 00		12	Y.P.
25,00,000	36,23,031	93,40,904	37,67,929	14,093	Bhagat & Sons Private Ltd.	Tata Iron and Steel	145 50	75 Old	9 50	8 50	8 25		12	Y.P.
7,53,21,325	27,01,22,014	1,67,40,64,801	54,97,16,236	8,46,767	Tata Industries Private Ltd.	Tata Locomotive	283 00	100	8 00	9 00	6 25	9.72 C*	6	Y.P.
7,99,99,200	1,71,91,786	21,41,33,116	9,39,94,684	2,24,171	Tata Industries Private Ltd.	Voltas Ltd.	265.00	100	9.00	9 00	9 00	12.50	3	Y.P.
2,55,00,000	42,26,696	82,34,736	18,74,468	2,26,895	S. K. Handoo, Esq.						13.00†		3	Y.
West Bengal and Other Centres														
6,00,000	34,571	20,51,215	15,01,855	−4,45,520	North Bihar Tradinz Co. Ltd.	Arthur Butler & Co.	13.00	10	*Nil*					
50,00,000	20,49,221	1,55,21,495	89,56,973	3,60,479	M.	Bhartia Electric Steel	12 06	10	1 25	1.25	1.50		10	Y.P.
56,59,700	70,94,966	77,33,705	12,70,388	2,27,080	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	55 00N	10	2 50	2 50	2 00†	2.25	12	Y.
12,10,000	20,30,303	59,50,525	36,42,093	1,48,354	Palmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	7 00	10	0 50	0 50	0 50		12	Y.T.
19,88,670	7,04,341	39,07,530	14,03,035	32,996	Robinson Wilson & Co., Ltd.	Britannia Building and Iron	14 31	10	0 60	0 60	0 60		12	Y.T.
40,00,000	41,48,365	98,27,511	48,02,704	1,82,481	McLeod & Co., Ltd.	Britannia Engineering	39 00	10	2 00	2 00	1 00		3	Y.P.
5,00,000	7,72,071	24,65,921	14,48,244	74,493	Palmer Lawrie & Co., Ltd.	Br. I. Electric Construction	450 00	100	20 00	20 00	20 00		12	Y.P.
84,00,000	2,33,60,602	4,96,65,284	3,04,73,871	1,24,616	Martin Burn Ltd.	Burn & Co.	16 37	10			28 50		12	Y.
50,00,000		35,75,759	95,032	1,03,035	M.	Calcutta Steel Co., Ltd.	10 00N	10	*Nil*	*Nil*		28.50	4	Y.T.
1,00,00,000	10,43,478	1,78,16,485	10,15,000	40,325	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	50 00	50	2 00	2 00	*Nil*	0.50	3	Y.
2,00,00,000	2,54,07,847	6,74,45,038	2,15,47,395	....	H. M. L. Williams (Mg. Director) ..	Guest, Keen, Williams Ltd.	105 00	100	5 00	5 00	2 40		12	Y.P.
12,50,000	23,00,000	60,91,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	19 75	10	*Nil*	6 00	6 00		12	Y.P.
36,94,590	....	5,76,360	3,01,442	−1,24,516	Palmer Lawrie & Co., Ltd.	Indian Galvanising Co.	22 20	10	1 00	1 00	*Nil*		12	Y.P.
2,44,68,990	18,19,23,782	58,53,09,051	12,25,85,220	10,26,028	Martin Burn Ltd.	Indian Iron and Steel	87 00	25	7 50*	1 00	1 00		12	Y.P.
38,98,500	61,33,742	1,23,74,955	72,85,332	48,708	Martin Burn Ltd.	Indian Standard Wagon	19 75	10	*Nil*	6 00	6 00		12	Y.P.
95,00,000 / 79,740	2,50,80,519	2,18,88,229	1,45,63,174	12,06,128	Indra Singh & Sons Private Ltd. ..	Indian Steel and Wire Products ..	17 12	O. 1	0 40*	4 00‡ / 4 00‡	1 62½ / 0 16½	7.125	3	Y.P.
90,94,475	57,19,306	3,24,10,270	1,17,26,006	4,647	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	28 00	10	15 0	12 00			3	Y.
20,00,000	23,52,813	76,16,494	17,47,993	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	17 62	10	1 25	1 25	12 00			
1,01,99,000	1,02,40,815	2,77,47,845	84,30,378	63,747	R. P. Singh Roy, Esq. (Chairman) ..	Jessop & Co.	20 25	10	*Nil*	1 00	1 25		3	Y.P.
22,23,187	10,05,500	44,80,071	17,36,080	26,666,50	Kirloskar Sons & Co. (Kirloskarwadi).	Kirloskar Oil Engines, Ltd.	20 52	10	0 00	1 00	0 858		6	Y.P.
27,64,800	46,74,683	90,13,956	33,28,450	31,233	Bird & Co. Private Ltd.	Kumardhubi Engineering Works ..	8 87	3	0 45	0 30			10	Y.P.
10,50,000	1,90,990	18,32,345	14,72,111	8,513	Marshalls (Direction) Private Ltd. ..	Marshall Sons & Co. (India), Ltd. ..	4 94	2	0 40	0 40	0 30	0.30 C*	3	Y.
25,00,000 / 7,50,000	29,74,007	92,74,177	47,37,764	4,444	Kirloskar Associates	Mysore Kirloskar Ltd.	142 00 / 175 00	100 / 100	6 00	6 00	7 50	12 00	11 / 6	Y.P.
49,96,000	15,78,502	1,30,32,902	75,25,700	2,50,063	M.	National Iron and Steel Co., Ltd. ..	8 50	10	0 62		6 00			
40,00,000	30,56,944	50,38,480	13,50,471	9,038	S. B. Ind. Development Co., Ltd. ..	Richardson & Cruddas Ltd.	8 44N	10		0 62	0 75		6	Y.
6,00,000	11,05,251	31,29,001	21,37,426	17,915	Bezg, Sutherland & Co. Private Ltd. ..	Saran Engineering Co.	7.00	4	0 40	0 40	0 50		3	Y.
1,50,00,000	55,23,079	4,19,73,529	1,06,05,885	37,294	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd. ..	22 85	10	1 50	1 50	0 25		6	Y.J.
19,92,200	13,07,750	64,82,089	22,23,168	932	Balasundaram & Co.	Textool Co., Ltd.	189.00	100	20.00	12.00	2 00	0.85	3	Y.P.
											15.00		12	Y.P.
													4	Y.
INSURANCE (x)														
13,50,000	46,52,425	1,45,73,387	....	23,040	N. M. Cole, Esq. (Mg. Director) ..	Concord of India	10 56	5	*Nil*					
10,00,000	11,85,196	28,43,930	....	66,390	M.	Deccaran Nanjee Insurance	32 00	50	3 00	3 00	3 00	1.00	12	Y.
5,15,000	1,84,05,246	12,38,65,607	....	3,62,182	E. K. Varadachari, Esq. (Administrator)	Empire of India Life Assurance ..	268 75	100	3 00	3 00	3 00		12	Y.
24,00,000	71,01,264	1,40,68,520	....	7,71,024†	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23 12	10	2 00				12	Y.
16,92,240	36,38,254	88,70,140	....	6,54,184†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	41 50	40	3 50	2 00	2 00		12	Y.
18,74,040	3,20,83,250	4,29,34,168	....	65,51,184†	M. J. Rao, Esq. (Administrator) ..	Jupiter General Insurance	7 12	15	*Nil*	3 50	3 75	2.00	12	Y.
20,00,000	63,51,546	1,74,97,763	....	45,112	M. G. Mody, Esq. (General Manager) ..	New Great Insurance	21 00	20	2 00				12	Y.
1,06,81,590	8,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director) ..	New India Assurance Co., Ltd.	125 00 / 63 70	100 / 15	3 00	2 00	2 50		12	Y.
2,00,000	20,00,666	1,84,55,055	....	8,214	B. K. Setalvad, Esq. (Gen. Manager) ..	Rubv General Insurance Co., Ltd. ..	54 70 / 8.15	15New / 5	0 62	4 00	5 70*		12	Y.
5,75,000	67,12,673	1,13,08,480	....	1,88,129	J. D. K. Brown, Esq.	Triton Insurance	142 00	25	11 25	0 62	4 00	5 70*	12	Y.
15,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager) ..	Vulcan Insurance	17 00	10	1 50	11 25	11 25		12	Y.
										1 50	2 00		12	Y.

* Includes bonus. † Subject to taxation. C—On Increased Capital. B.—Includes a distribution of Re. 0 75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex Rights

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by the Board of Directors. ‡ On old capital. Z.—Dividend is for fifteen months ended 31st March 19

x—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
OIL														
36,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0 40	*Nil*	0 60		12	Y.P.
1,00,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd. ..	24 06	10	2 00	2 00	2 50	1.00‡	12	Y.P.
70,07,475	49,40,586	2,47,94,315	1,66,70,926	46,303	Tata Industries Private Ltd.	Tata Oil Mills	75.00	25	2 50	2 50	3 25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,65,770	1,78,025	82,687	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd. ..	15.87xd	10	1 25	1 50	2 20		10	Y.
PAPER														
57,49,681	18,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills	58.50	25	*Nil*	*Nil*	2.50		6	Y.P.
48,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	94 00	25	3 12	5 50	8 00		12	Y.P.T.
36,20,000	80,26,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19 81	10	1 40	1 00	1 00	1.50 'C'	2	Y.
69,78,917	....	1,04,58,852	....	....	Bedi

MISCELLANEOUS COMPANIES—*Continued.*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
82,50,000	2,04,06,139	3,89,98,591	1,10,43,380	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd. ..	18 31	O. 10	0.00	0.90	1.00		3	Y.P.T.
80,00,000	32,83,750	1,28,71,849	55,31,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd. ..	23 10	10	1.25	1.25	1.25	1.80	3	Y.
80,00,000	36,44,175	36,06,360	25,56,851	2,24,865	Turner Morrison & Co. Private Ltd.	Anzelo Bros., Ltd.	19 75	10	1 80*	1.50	2.00		3	Y.
2,46,78,690	25,65,610	2,20,70,206	60,76,018	39,076	A. R. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8 53	5	0.30	0.30	0.40		12	Y.
30,00,000	20,24,770	40,25,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gottliebz	Assam Match Co., Ltd. ..	18 50	10	1 25*	1.25*	1.80		12	Y.
1,18,90,000					H. M. Cox	Associated Battery	27 87	10	1 50	2.40	4 00	1.50	8	Y.P.T.
30,00,000	35,34,000	1,05,71,381	43,22,343	1,54,774	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India ..	6 75N	10	0 00	0 60			3	Y.P.T.
80,01,400	83,06,830	77,86,005	41,34,275	5,14,549	A. T. Mookherjee, Esq. (Chairman)	Balmer Lawrie & Co., Ltd. ..	213 00	100	12 50	20 00	25.00		12	Y.
12,00,000	22,70,218	35,14,323	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	41 34	10	2.50	2.50	4.50		12	Y.
50,00,000	1,77,398	59,03,167	96,073	—4,55,619	R. R. Sagla, Esq. (Mg. Director)	Bharat Commerce & Industries Ltd.	17 50	10	Nil	Nil	Nil		12	Y.
20,00,000	1,70,721	64,19,08055		55,032	Lovelock & Lewis	Birds Investment Ltd.	13 37	10	0 50	0 70	1.10		12	Y.P.
45,07,020	55,50,314	1,22,19,977	59,50,733	2,13,758	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	38 37	10	1 00	1.20	1.40	2.50	3	Y.P.T.
8,25,00,000	1,58,58,664	3,62,78,515	2,05,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd. ..	7 36	5	Nil	Nil	Nil		12	Y.P.
1,14,98,000	12,000	1,08,39,000	14,000	27,205	F. Acutis, Esq. (Mg. Director) ..	Coat Tyres of India Ltd.	220 00	100		Nil	Nil		12	Y.
1,38,80,000	14,44,923	1,99,82,92355		3,266	Andrew Yule & Co., Ltd. ..	Clive Row Investment	8 62	10	0 75	0 75	0.8311	0.75	12	Y.
5,60,000	10,00,000	39,64,879	26,56,158	2,86,000	M.	Delhi Flour Mills, Co., Ltd. ..	16 00N	10	1 00	1 00			3	Y.P.T.
8,00,00,000	5,12,37,509	9,62,33,758	3,45,32,270	24,03,447	John Luckham, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	41 75	10	1 62	1 62	2.15		12	Y.P.T.
19,91,610	81,24,289	50,59,116	20,91,994	7,0,29	Mr. K. G. Khanna	Dyer Meakin Breweries	19 00	5	0 60	0.75			12	Y.P.T.
$1,26,000	57,17,047	1,09,66,71155		3,52,237	Bird & Co. Private Ltd. ..	Eastern Investment Ltd.	134 00	100	9 00	9 00	14 00		12	Y.
14,70,000	25,50,114	45,23,701	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	15 20	10	Nil	Nil	0 50		12	Y.P.
48,30,137	77,72,310	95,39,776	52,36,250	4,07,358	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd. ..	12 50N	12 50	1 50	1 50	1 50		12	Y.P.
14,00,000	14,48,121	37,98,175	22,68,186	10,769	Marshall & Parry Ltd.	Ganges Rope Co., Ltd.	216 00	100	12 00	15 00	17 00	17 50	3	Y.
7,50,000	4,20,000	1,21,085	41,231	5,551	Gany & Co.	General Papers Ltd.	11 25xd	10	0 80	1 25	1 25		8	Y.
66,00,000	39,20,000	29,97,548	14,24,655	1,57,026	P. E. G. Woodline Parish, Esq.	Gillanders Arbuthnot & Co., Ltd.	12 25	10	1 00	1 00	1 00		12	Y.P.
40,00,000	4,75,000	70,05,493	41,39,847	10,40,721	D. S. Barton, Esq. (Chairman)	Godfrey Phillips India Ltd. ..	24 37N	10	1 50	2.00	2.00		12	Y.P.
30,00,000	15,97,354	84,61,088	28,51,718	50,184	P. R. Sundaram	Great Eastern Hotel	250 00	250	5.00		2.00		3	Y.
4,95,12,250	19,51,174	5,80,41,564	2,86,53,783	5,18,731	Pirla Brothers Private Ltd. ..	Hindustan Motors	7 00	10	Nil	Nil			3	Y.
80,00,000	16,64,523	90,48,137	33,67,174	1,31,125	Hindustan Pilkington Glass ..	Hindustan Pilkington Glass ..	27 00	10	Nil	Nil	0.50		3	Y.P.
15,16,00,000	9,41,56,505	11,31,66,137	2,88,76,995	24,77,754	Mr. L. C. Goyal (Chairman)	Imperial Tobacco Co. of India Ltd.	27 00	10	0 60	0.60	1 20		10	Y.
8,97,67,760	2,91,79,744	9,72,58,273	3,99,11,654	33,42,651	K. C. Mahindra, Esq. (Chairman)	Indian Aluminium Co., Ltd. ..	11 50	10	0 70	0 70	0 60	0 80	3	Y.
2,33,75,760	2,02,99,038	2,96,48,176	1,37,19,570	45,61,361	B. J. Woodlee, Esq. (Mg. Director)	Indian Cables	28 62	10	0 60	0 70	1 20		12	Y.P.T.
2,00,00,000	99,02,676	5,26,37,899	2,14,74,934	9,72,583	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	21 25	10	1 50*	1 50*	1 50*	2.25	3	Y.P.T.
29,84,250	29,650	46,10,142	15,43,005	1,457	Hirjis Gwalior Private Ltd. ..	Indian Plastics Ltd.	38 50	10	1 00	1 00	1 50		3	Y.
8,27,970	6,11,750	12,36,166	1,00,558	97,031	M.	Indian Rubber Manufacturers ..	10 81	10	0 37	Nil	Nil		4	Y.P.
2,00,00,000	73,02,140	41,05,517	11,50,307	5,40,165	J. D. K. Brown, Esq. (Mg. Director)	Jardine Henderson	18 00	10	0 62				3	Y.P.
15,00,000	14,50,000	18,84,004	12,14,166	56,593	J. K. Agents Private Ltd. ..	Madhya Pradesh Industries Ltd.	67 00	100	2 50	2 50	5.00		3	Y.P.
1,45,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	26 50	10	2 12*	2.12*	2.75		9	Y.P.
60,00,000 } 6,00,000 D. }	74,10,750	91,91,156	12,79,257	2,42,718	M.	Metal Box Co. of India Ltd. ..	203.00xd	O. 100	12.50	12.50	15.00		12	Y.P.
1,60,00,660	1,64,75,151	3,35,31,731	1,25,74,003	23,96,991	K. C. Mahindra, Esq. (Chairman)	Mysore Electrical Industries Ltd.	43 87	D.O.10	0.75	0.75	1.00		3	Y.P.
9,05,000	2,88,834	12,14,622	5,15,229	4,812	N. G. Ayyangar Esq. (Mg. Director)	Mysore Lamp Works	172 80	10	1 75	1.75	1.75	2.50*C	3	Y.P.
6,56,250	6,92,500	11,79,080	5,97,962	8,849	Mr. J. L. D'S (Chairman)	Mysore Tobacco	100 00	100	8.00	11.00	15.00		3	Y.
10,09,000	3,11,884	17,87,071	9,83,053	240	M. Mallaraji Urs, (Mg. Director)	National Insulated Cable Co. ..	26 25xd	10	1 25	1 50	1.00		3	Y.P.
59,07,500	1,19,56,737	1,19,56,737	40,07,165	46,145	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Pipes & Tubes Co., Ltd.	14 05xd	10	1 50	1 25	1 25		3	Y.
30,00,000	17,20,000	49,56,249	25,52,559	87,684	Do.	National Rolling & Steel Ropes ..	31 37	10	2 00	2 00	2 00		3	Y.P.
40,00,000	28,61,925	82,88,459	56,00,071	26,979	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	31 37	10	2 00	2 00	2 00		3	Y.P.
49,97,065	9,15,876	83,55,303	35,03,633	14,523	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	18 19	10	0 60	1 00	1 00		9	Y.P.
79,97,000	1,02,19,381	1,36,71,675	75,68,474	7,07,573	Ramdutt Ramkissendas ..	New India Investment Corpn. Ltd.	29 50	10	0 60	0 60C	0 85		12	Y.
22,37,100	11,01,791	40,05,24455		45,497	Parry & Co., Ltd.	Parrys Confectionery Ltd. ..	47 00N	75	2 50	1 10	1 60		12	Y.
10,00,000	5,52,000	12,55,003	6,30,215	1,51,657	P. C. Ninan, Esq. (Mg. Director)	Phillips India Ltd.	4 42	1	0 20	3 75	6.50		12	Y.
2,20,00,000	50,68,956	1,48,74,255	48,82,803	47,214	Imperial Brothers & Co., Ltd. ..	Phillips Carbon	27 87	10	0 34	0 20	0 20	0.30	12	Y.
62,50,000	....	....	....	....	Duncan Brothers & Co., Ltd. ..	Phillips Carbon	18 00	5	....	0 85	1.20		12	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4 15	5	0 45	0 375	....		12	Y.
24,89,344	2,28,127	33,81,124	18,21,778	42,759	T. Shanmuga, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19 35xd	10	1 30	1 60	1 60		12	Y.
25,00,000 O. } 1,72,750 D. }	50,000	15,32,491	4,45,126	14,470	Jamnalal Sons Private Ltd. ..	Rajaji Electricals	117 50	100	7 50	5 00	5.00		3	Y.
2,25,00,000	40,500	66,75,349	30,89,526	2,54,744	M. P. A. Pasupati, Esq. (Mg. Director)	Rallis India Ltd.	56 50	50 New	1 18	2 00	5.00		3	Y.P.
2,50,00,000	2,20,45,000	14,54,54,905	5,52,72,716	2,773	Sahu Jain Ltd.	Rohtas Industries	121.00	100	Nil	Nil	....		3	Y.P.
4,73,200 } 6,13,400 }	99,259	21,10,322	9,26,551	28,722	Sathe Food Inds. (Private) Ltd.	Sathe Biscuit and Chocolate Co., Ltd.	22.37xd	10	Nil	Nil	Nil		3	Y.P.T.
70,00,000	38,74,108	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	100.00N	100	6 00	6 00	6.00		3	Y.P.
78,00,000	45,78,899	1,17,50,526	26,07,280	5,14,791	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	50.00N	100	3.00	3.00	3.00		3	Y.P.
40,00,000	96,85,810	1,52,70,929	76,20,929	8,41,271	C. W. Steidensun, Esq.	Spencer & Co., Ltd.	55 37	10	0 60	0 60	0 85		9	Y.P.
37,50,180	29,65,740	1,17,02,171	20,18,561	3,809	Standard Motor Co. (India) Pvt. Ltd.	Spencer & Co., Ltd.	22 00	10	1 00	1 00	1.50		12	Y.P.
15,00,000	95,43,892	1,13,39,116	28,56,372	53,431	J. K. Agents Private Ltd. ..	Standard Motor Products	17 12	10	1 50	1 50	1.50		12	Y.
22,50,270	12,50,000	12,58,763	8,25,089	10,67,057	M.	Straw Products Ltd.	10 62	10	0 75	0 75	1.50	0.601	6	Y.
9,98,980	11,50,000	16,73,952	6,66,458	12,418	Ogale Bros. (Private) Ltd. ..	Tractors (India) Ltd.	32 92N	10	1 25	1 25	1.50		12	Y.
11,50,000	14,50,729	12,17,677	6,76,559	41,732	E. H. Stanes, Esq. (Mg. Director)	Travancore Ogale Glass	7 50	10	Nil	2 25	3.00		12	Y.
2,49,99,600	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar (Chairman)	T. Stanes & Co., Ltd.	32.55	10	2.00	2.00	2.75		9	Y.P.
30,58,950	29,686	68,78,978	17,68,838	56,308	The Cotton Agents Private Ltd. ..	Tube Investments of India Ltd. ..	317.00xd	100	10.00	10.00	10.00		7	Y.
3,00,00,000	1,15,35,505	2,57,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director)	Tungabhadra Industries Ltd. ..	10 00	10	Nil	Nil	10.00		3	Y.T.
8,00,000	12,00,000	36,58,720	20,58,716	27,381	Vital Malliya, Esq. (Chairman) ..	Union Carbide India Ltd.	50 50	10	1 40	1 40	1 80		9	Y.
5,00,000	6,80,591	8,62,358	5,92,017	9,739	Shaw Wallace & Co., Ltd. ..	United Flour Mills Ltd.	114 50	10	20 00	60 00	63.00(k)		12	Y.
31,29,500	25,59,264	99,81,835	23,54,513	5,491	A. K. Kaderkutty, Esq. (Mg. Director)	United India Plywoods Ltd.	40.00N	10	4 00	3.75	5.25		2	Y.
						Western India Plywoods Ltd.	223.00xd	100	10.00	19.00	10.00	10.00'C'	3	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	35,44,700	1,23,77,423	80,90,853	11,099	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20.25	10						
12,00,000	6,14,541	35,95,654	33,74,606	—2,35,349	Jardine Henderson Ltd.	Barraree Coke	14.00	10	1.25	1.25	1.50	1.00	3	Y.
4,40,350	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co.	Bengal Coal	324.00	100	0.87	0 50	Nil		3	Y.
1,00,00,000	1,84,79,081	6,98,53,588	4,08,54,415	10,20,411	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	23.00	100	0.90	0.60	Nil		3	Y.
2,25,000	4,90,671	23,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd. ..	Bharat Collieries	4.84	10	Nil	Nil	25.00		12	Y.
40,00,000	10,22,209	1,44,83,027	77,59,407	—4,02,536	Sahu Jain Ltd.	Bhutanbararee	6.50N	10	0.60	0.60	Nil		10	Y.
7,15,000	10,15,172	40,80,046	34,84,101	2,93,237	M.	Borrea	20.12	10	Nil	Nil			12	Y.P.
7,50,000	20,32,202	45,36,093	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd.	Burrakur	17.75	10	0.75	0.75			6	Y.P.
80,92,480	1,77,68,238	4,68,82,424	2,17,98,561	1,10,738	Bird & Co. Private Ltd.	Central India	11.44	10	0.37	0.75	1.00		12	Y.P.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd.	Central Kurkend	7 36	5	Nil	Nil	1.80		12	Y.P.
3,00,000	12,90,590	49,56,445	33,71,353	23,320	M.	Churlia	8.00N	10	0.50	0.50			12	Y.
6,00,000	1,54,873	6,36,341(k)		941	F.W. Heilgers & Co. (Private) Ltd.	Dhemo Main	3.00	10	0.70	0.50			3	Y.
16,00,000	....	67,45,962	32,76,328	—28,095	Macneill & Barry Ltd.	East Indian	8.56	4	0.20	0.20			3	Y.
£240,000	£370,709	£1,094,395	£791,465	£9,502	Jardine Henderson Ltd.	Equitable	30 25	10	Nil	Nil	0.12		12	Y.
29,63,750	1,07,01,492	4,79,99,617	3,33,24,971	1,20,288	Macneill & Barry Ltd.	Gilmick and Mualia	26.12	21	Nil	Nil			12	Y.
10,00,000	1,40,469	14,24,422	4,83,206	45,369	Bhatter's Agency Ltd.	Hingir-Rampur	1.50	10	1.50	1.00	1.25		12	Y.
12,00,000	1,57,964	43,43,376	27,68,441	—1,57,129	Macneill & Barry Ltd.	Hurriladih	23.00	10	Nil	1.50	0.75		4	Y.P.T.
8,00,000	2,50,000	24,57,868	19,08,774	163	Macneill & Barry Ltd.	Karampura Collieries	12.00	50	Nil	Nil			12	Y.
20,00,000	3,47,660	37,92,776	8,93,679	20,422	Bird & Co. Private Ltd.	Katras Jherriah	160.00	10	Nil	Nil	Nil		3	Y.P.
5,00,000	21,66,099	56,77,095	40,80,564	1,31,658	Andrew Yule & Co. Ltd.	Kuardi	40.00xd	100	Nil	Nil		Nil	6	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd. ..	Lakurka	7.25N	10	0.50	5.00	5.00		12	Y.P.
9,00,000	10,32,782	28,39,712	22,94,028	2,568	H. V. Low & Co. (Private) Ltd. ..	Nazira	15.00N	10	Nil	Nil	0.50	9.50	2	Y.
7,48,240	2,50,000	13,59,873	10,13,353	17,140	Tantia Brothers Private Ltd. ..	New Beerbhoom	7.00	10	0.12	1.00			1	Y.
17,76,230	23,80,325	1,52,03,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	New Manbhoom	22.87	10	0.75	0.75	1.00		6	Y.
6,30,000	76,179	33,16,876	22,81,014	1,34,222	Octavius Steel & Co., Ltd. ..	North West	13.00	10	0.75	1.00	1.50		4	Y.
1,15,000 } 1,57,500 }	3,84,624	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd.	P. Prashad, Esq. (Chairman) ..	24.37N 18.00N 11.00	10 10 7.50	0.50 1.50 1.12	1.00 1.50 1.12	1.50 1.50	1.00	12 3	Y.P. Y.
7,50,300	16,65,465	2,62,538	21,15,095(k)	41,493	Deepchand Kishenlall	Parasea	16.00N	10	0.60	1.12	1.50	1.00	8	Y.
8,34,600	1,39,915	29,18,119	11,33,398	3,885	Shaw Wallace & Co., Ltd.	Pench Valley	20.75	10	0.50	0.50	1.12	0.751	3	Y.P.
15,75,000	27,33,200	76,91,776	47,81,408	14,547	B. N. Elias & Co. Private Ltd. ..	Rewa	17.00	10	0.50	0.50	0.70		12	Y.P.T.
28,99,500	32,78,697	1,47,24,692	1,01,33,389	5,489	Shaw Wallace & Co., Ltd.	Samla Collieries	22.37	10	0.75	2.00			12	Y.
13,50,000	6,38,385	42,17,417	32,31,916	24,549	M.	Selected Satgram Collieries ..	8.50N	10	0.75	1.00	1.00	1.00	3	Y.
37,50,000	36,62,910	1,05,14,676	34,23,229	—6,560	S. D. Sethia & Co. Private Ltd. ..	Searsole	130.00	10	1.00	1.00	1.00		3	Y.
2,50,000	2,83,010	22,73,864	7,51,427	2,609	M.	Seebpore	1.00	100	0.90	0.50			12	Y.
1,50,000	60,000	14,55,979	12,57,285	8,302	Andrew Yule & Co., Ltd.	Sendra	32.62	2 50	0.12	9.25	0.70		12	Y.
2,50,000	10,35,522	30,26,230	20,57,054	45,862	F. W. Heilgers & Co. (Private) Ltd.	Singareni	8.75	7	1.75	12.50	16.00		12	Y.
2,80,000	4,54,665	11,88,809(k)		5,451	Industries (I. F.) Department (Govt. of Andhra Pradesh)	South Karanpara		10	0.25	1.75	3.00		1	Y.P.
8,00,000	1,24,58,755	7,11,84,197	3,11,11,631	90,858		Standard	9.97xd			Nil	0.35		12	Y.
63,21,450					Bird & Co. Private Ltd.	Tinpahar	11.62	10	1.50				12	Y.
17,50,000	8,47,303	41,74,967	19,33,899	19,788	F. W. Heilgers & Co. (Private) Ltd.	Union	13.00	10	0.75	0.75	0.75		12	Y.
8,00,000	15,46,229	24,83,605(k)		24,861	Williamson Magor & Co., Ltd. ..	Western Bengal	12.00	10	1.50	0.75	0.90		8	Y.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Hindustan Investment Corpn. Ltd.	West Jamuria	7.75	10	0.37	1.25	1.50		12	Y.
49,98,000	3,56,533	86,93,251	32,75,682	7,982	Macneill & Barry Ltd.		7.19	10	0.50	0.25			12	Y.
7,00,000	....	59,74,151	29,16,909	12,536				10	Nil	0.40	0.40	0.60	12	Y.

§.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955. ‡‡ Investment at cost.
M.—Clive Row Investment.—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1956 and 37 nP for the year ended 31st March 1956. * Includes bonus.
(a) United Breweries Ltd.—The dividend for 1959 consists of an interim dividend of Re. 7·50 per share and a final dividend of Re. 52.50 per share of which the shareholders will receive Rs. 2.50 in cash and Rs. 50.00 per share by the allotment of five newly created shares of Rs. 10 each. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. 'C'—On increased Capital.
M.—Managed by the Board of Directors.

SURVEY

(*Concluded from page 807*)

Prince's and Victoria Docks. The scheme was expected to cost Rs. 20 crores, including a foreign exchange component of Rs. 5·7 crores. Presumably on account of the Government's reluctance to meet this expenditure, the original scheme has now been whittled down substantially. The revised scheme, which is said to be "more modest and economical and likely to increase the revenue-earning potential of the port," is estimated to cost no more than Rs. 8.35 crores, including a foreign exchange component of Rs. 1.50 crores. It provides for the combination of Victoria and Alexandra Docks by the construction of a communication passage between them and the creation of six new deep water berths along the sides of the passage. The Victoria Dock Berths will thus be served by the Entrance Lock of Alexandra Dock, instead of by the Tidal Gates of the Victoria Dock, as at present, and it will be possible for vessels with a draft upto 30 ft. to be berthed in the latter dock. The cargo-handling potential of the berths on the eastern side of the Victoria Dock will also be increased by reclaiming land on the harbour side, laying additional roads and railway sidings, constructing new transit sheds and providing space for open storage. To those in this region who expected the original scheme to be put through during the third Plan period, the revised plan has come as something of a disappointment. As is shown in the table above, the volume of trade handled by the Bombay Port has been steadily on the increase. It is reasonable to expect a further expansion in this trade during the third Plan. It would be prudent to expand port facilities in time to prevent congestion and consequent disruption of the smooth flow of trade.

BANKING

(*Concluded from page 810*)

have also been periods of long-sustained deflation comparable in size and magnitude to the major inflations. Omitting the deflations, which merely reversed the price increases of the earlier inflations, the only major long-run deflation is the one found in the nineteenth century; (3) there were also periods when the price level was approximately stable; (4) that long-run trend has been subjected to such short-term "random shocks" as variations in the level of business activity, good and bad harvests, changes in the terms of trade; etc.; and (5) the three major inflations in British history are associated with larger changes in the quantity of money.

It also follows from Prof. Lipsey's study that a person's guess about price-rise will be correct, if his time period extends into one of the major periods of economic upheavals. If inflationary periods are taken away from his time horizon, then the investor's guess will be wrong for 52 times out of 100. So the investor who uses historical precedent as a basis for an assumed bias towards inflation is actually relying on the occurrence of one of the major economic upheavals over the period of his investment.

On the complete evidence of history, there is a slight margin of the odds in favour of inflation, but it is hardly sufficient to justify ignoring any important differential inducements to invest in bonds rather than equities. On the contrary, if the investor believes that his period of investment will not extend into any major economic upheaval, the historical data gives a bias in favour of deflation rather than inflation.

Of course, the conditions will be different for an investor situated in a country like India where successive plans involve budgetary deficits. Even in advanced economies, the obligation of maintaining full employment may mean bouts of deficit financing in the years to come. These will cause a secular expansion in the money supply which will be accompanied by a secular upward drift in the price level. But this, according to Prof. Lipsey, is an argument which is unlikely to be accepted by all reasonable men as conclusive without the need for presentation of further evidence.

In conclusion, Prof. Lipsey states that, if investors are advised to expect continued inflation on the basis of the new arguments, they are being told that the future experience of changes in the money supply will be very different from what it was in the past. If the advice is based on only historical precedent, it rests on a very shaky basis, indeed. "The evidence of simple historical precedent," he avers, "is at best inconclusive."

MARKET REPORTS

(*Concluded from page 837*)

aggregating 384,300 bales (347,050 bales from India and 37,250 bales from Pakistan) were higher by 29,650 bales compared to September 1959 when arrivals amounted to only 354,650 bales. Arrivals from Pakistan were higher by 3,300 bales and those of Indian origin by 26,350 bales. It should also be noted that September arrivals were also higher by 141,100 bales (138,350 bales from India and 2,750 bales from Pakistan) compared to the revised figure of arrivals in August 1960. However, taking the figures for the present season up to now, that is, July-September, arrivals at 805,150 bales (695,250 bales from India and 109,900 bales from Pakistan) have been lower by 196,250 bales compared to the corresponding previous figure. Countrywise, arrivals from India dropped by 259,250 bales while those from Pakistan increased by 63,000 bales, which has been due to relaxation of import control.

During the week, reports from mofussil agencies indicated that fibre arrivals had increased. However, in view of the upward trend, both buyers and sellers were reserved. As stated last week, mills have been advised to purchase raw jute only on a quota system by the Indian Jute Mills' Association. According to this system, mills which have fibre stocks for three weeks or less, are authorised to buy not more than 1½ weeks' consumption.

On Tuesday last, in the goods market there was selling pressure, as a result of which ready B. twills declined to Rs. 171 from Rs. 174.50 and ready hessian 40" 10 oz. to Rs. 54.00 from Rs. 54.25. On the following day, prices fluctuated widely, but closing levels at Rs. 171.25 and Rs. 53.75 did not disclose any marked changes. Speculative buying soon followed, and a leading operator turned a big buyer. Thus, on Thursday, B. twills rose to Rs. 173 and hessian 40" 10 oz. to Rs. 55. This was followed by buying by other operators, and prices after rallying to higher levels

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	100.00	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.50	100
Carew & Co. T.F.R.C. ..	8,00,000	1875	6.00	Mar. Sep.	82.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb. Aug.	110.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July Apr.	6.40	5
East India Distilleries T.F.C.	£200,000	1897	7.00	Jan. July	16.50	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec. ..	82.00	100
Do (Non-redeem.) ..	5,00,000	1940	7.00	Dec. ..	66.00	100
Puriabpore Co. C.	6,00,000	1922	10.00	Oct. ..	12.00	10
Ramnugger Cane T.F.C. ..	4,00,000	1933-36	6.00	Aug. ..	78.00	100
Ravalgaon Sugar C.	20,00,000	1942	5.50	Oct. Apr.	62.00	100
South Behar Sugar	5,00,000	1935	7.00	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	8.75cd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April May	121.00	100
COAL						
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct. Apr.	88.00	100
Burrakur (1st) T.F.C.	22,90,800	1901-19	7.00	Apr. Oct.	91.00	100
Do. (2nd) C.	4,50,000	1944	6.00	.. ..	7.50	10
Equitable T.F.	4,00,000	1895	6.00	Mar. Sept.	77.00	100‡
Karanpura Collieries C. ..	9,89,500	1946	5.50	.. ..	58.00	75‡
††Khas Kajora C.	1,93,000	1951	5.00	Mar. Sept	7.50	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan. July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr. Oct.	80.00xd	100
COTTON						
Ahmedabad Advance T.F.C. ..	10,00,000	1929	5.00	Apr. Oct.	79.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan. July	115.00	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov. ..	8.50	10
Bowreah 'A' T.F.	6,00,000	1900	7.00	Feb. Aug.	160.00	100
Do. 'B' T.F.	5,00,000	1908	7.00	Feb. Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June Dec.	63.50	50
Buckingham & Carnatic O.T.F. ..	21,30,200	1928	7.50	Jan. July	125.00	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr. ..	108.00	100
Central India T.F.	50,00,000	1912	6.00	Apr. Oct.	381.25	495
Century Spg. & Mfg. Co. T.F.R.C.	1,25,00,000	1946	6.00	Dec. ..	107.75	100
Coimbatore Pioneer C.T.F.	1,00,000	1934	6.50	June ..	78.75	100
Ekin T.F.C.	11,00,000	1912	8.00	May ..	112.00cd	100
Ekin 'B' T.F.C.	4,20,000	1948	8.00	July ..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May Nov	62.50	100
Kesoram T.F.C.	20,00,000	1919	7.00	June Dec.	109.00	100
Khatau Makanji (2nd) T.F. ..	29,92,500	1947	4.00	Nov. ..	75.00	10
Kothari C.T.F.	6,00,000	1947	6.00	Dec. ..	9.30	5
Kothari 'B' (Pref.) T.F.C. ..	6,00,000	....	6.00	.. ..	10.00N	250
Lakshmi Cotton (Bombay) C. ..	16,00,000	1896	5.00	.. ..	150.00	100
Morarjee Goculdas Spg. & Wvg.T.F.C.	17,25,000	1947	4.50	Jan. ..	71.50	100
Mysore Spg. C.	7,45,050	1944	4.50	.. ..	25.00	50
National Rayon C.	1,74,64,700	1947	5.00	.. ..	68.50	100
New Great	10,00,000	1913	6.50	Mar. ..	105.00	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb. ..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr. ..	47.75	50
Shree Niwas Cotton T.F.C.B. ..	4,80,000	1944	4.00	.. ..	66.00	100
Shoolapoor T.F.C.R.	32,00,000	1943	5.00	.. ..	78.25	100
Swadeshi T.F.C.	15,00,000	1935	5.00	Apr. Oct.	84.00	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June ..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May ..	8.20	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr. Oct.	96.75xd	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	99.00xd	100
Vishnu C.	15,06,500	1908	7.00	Apr. ..	422.50	500
ELECTRICS						
Andhra Valley Power Supply C. ..	49,34,000	1917	7.00	May Nov.	1,040.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	....	5.50	.. ..	77.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June Dec.	9.00	£1
Poona Electric C	4,00,000	1935	7.00	June Dec.	101.00	100
South Madras (1st) C.T.F.	25,00,000	1940	5.50	Sept. Dec.	{ 8.50cd / 8.75cd	100 / 10
Do. (2nd) C.T.F.	8,00,000	1940	5.50			
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr. ..	108.00	100
Tata Hydro Electric Power C. ..	80,28,000	1907	7.00	May Nov.	103.50	100
Tata Power T.C.	88,97,000	1918	7.50	May Nov.	1,100.00	1,000
Vellore C.	1,25,000	1923	6.00	Dec. ..	6.75cd	10
ENGINEERING						
Arthur Butler (Muzaffarpore) T.F.C. ..	1,20,000	1919	7.00	Mar. ..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	13,00,000	1896-98	7.00	Feb. Aug.	116.00	100
Do. (2nd) T.F.C. ..	15,00,000	1902	6.00	Feb. Aug.	107.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec. ..	91.00	100
Indian Standard Wagon T.F.C.	19,86,500	1918	7.00	June ..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	85.00	100
Kanani Engineering C.R.	15,00,000	1945	5.00	July ..	56.00	100
††Kumardhubi Engineering T.F.C. ..	12,00,000	1915	4.00	June Dec.	85.00N	100
Larsen and Toubro Ltd. T.F.B. ..	13,00,000	1946-47-51	5.00	.. ..	93.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May ..	97.00	100
Mckenzies (1st) T.F.C.	5,50,000	1907	5.50	.. ..	86.00	100
Premier-Construction (1st) C. ..	10,00,000	..	6.25	.. ..	79.50	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	.. ..	72.00	100
Do. do. (3rd) C. ..	56,25,000	1947	4.50	.. ..	141.50	150
Tata Iron and Steel (1st) C. ..	75,00,000	1908	6.00	Nov. ..	103.50	100
Do. do. (2nd) C.	6,93,81,900	1908	7.50	May ..		
JUTE						
Agarpara T.F.C.	10,00,000	1927	7.00	Jan. July	91.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb. Aug.	90.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar. Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	97.00	100
Auckland C.	10,00,000	1909	5.50	May Nov.	74.00	100
Do. (2nd) (f) C.	15,00,000	1946	4.50	June Dec.	88.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr. Oct.	93.50	100
Barnagore C.	£200,000	1896	6.00	May Nov.	88.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan. July	88.00	100
Birla C.	23,54,200	1919	7.50	June Dec.	87.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan. July	45.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June Dec.	87.00	100
Chiravalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	87.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May Nov.	71.00	100
Do. (A) (2nd Pref.) T.F.C. ..	8,00,000	1906	7.00	May Nov.	80.00	100
Dalhousie T.F.C.	15,00,000	1908-18	7.00	May Nov.	105.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	90.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	5.00	May Nov.	115.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	.. ..	73.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	110.00xd	100
Ganges T.F.C.	6,00,000	1916	8.00	June Dec.	100.00	100
Gourepore T.F.C.	26,50,000	1895-94	6.00	May Nov	78.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar. Sept.	82.00xd	100
Hoogbly T.F.	11,76,000	1918	10.00	May Nov.	9.62	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	96.00	100
Do T.F.C. (f)	17,50,000	1903-6	7.00	May Nov.	94.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	92.00	100
Kamarhatty T.F.C.	16,00,000	1896-04	6.00	Feb. Aug.	78.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	93.00	100
JUTE—*Continued*						
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	92.00	100
Khardah T.F.C.	9,00,000	1895-99	6.00	May Nov.	80.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May Nov.	92.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	95.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	93.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec. ..	93.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May Nov.	78.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June Dec.	99.00	100
National T.F.C.	5,00,000	1917	7.00	May Nov.	87.00	100
Nellimarla T.F.C.	5,00,000	1920	6.00	Apr. Oct.	88.00	100
New Central T.F.C.R.	23,00,000	1916	7.00	Jan. July	82.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May Nov.	91.50	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May Nov.	74.00	100
Samnuggur C.	£150,000	1901	6.00	Feb. Aug.	80.00	100
Seorah T.F.C.	10,00,000	1920	7.00	Feb. Aug.	Sh. 21.50N	£1
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar. Aug.	100.00	100
Titaghur C.	£150,000	1897	6.00	Feb. Sept.	92.00	100
Union T.F.C.	6,00,000	1901-02	7.00	Feb. Aug.	Sh. 21.50	£1
Victoria C.	£150,000	1898	6.00	May Nov.	92.00	100
Waverly T.F.C. (f)	7,50,000	1918	5.00	Feb. Aug.	Sh. 21.50	£1
				Mar. Sept.	39.50	£0
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov. ..	53.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr. Oct.	8.62	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1943	5.50	Dec. ..	91.00	100
Indian General Nav. & Rly. C. ..	£244,030	1899	6.00	Mar. Nov.	90.00	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1923	5.00	.. ..	82.00	100
TEA						
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May Nov.	87.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-06	6.50	Jan. July	105.00	100
Birpara T.F.C.	1,00,000	1900-03	6.50	Jan. ..	100.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan. July	100.00	100
Gielle C.	2,00,000	1884	6.00	Sept. ..	99.00	100
Hantapara T.F.C.	50,000	1901	6.00	Jan. ..	80.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Jan. ..	109.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec. ..	100.00	100
Mohseema T.F.C.	3,20,000	1928	6.00	May Nov.	95.00	100
New Dooars T.F.C.	2,00,000	1907	6.50	Jan. July	9.37	10
New Samanbarh T.F.C.	1,00,000	1903	8.00	Nov. July	105.00	100
†††Okayil T.F.R.C.	50,000	1888	7.00	Dec. ..	91.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan. ..	84.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	Jan. ..	93.00	100
***Teaports T.F.C.	2,05,000	1922	8.00	Jan. ..	100.00	100
Tirribannah T.F.C.	1,00,000	1922	10.00	May Nov.	10.25	10
					14.00	100
PLANTING						
Be Be Rubber C.	1,48,005	1944	6.25	.. ..	2.70	5
Do. R.C.	2,85,570	1944	6.25	.. ..	6.02	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June ..	80.75	50
Coffee Lands C.T.F.	10,40,600	..	7.00	.. ..	74.00	100
Coonoor Tea C.	1,50,000	1924	6.00	Apr. ..	80.00	100
Cottanad C.T.F.R.	1,00,000	1927	7.00	July ..	10.80	10
Devon Tea C.T.F.	2,00,000	1926	7.50	Nov. ..	95.00	100
Highland Produce C.T.F	2,00,000	..	7.50	July ..	9.00	10
Neelamalai C.T.F.	18,00,000	1943	6.00	Jan. ..	8.03	10
Nilgiri Tea C.T.F.	2,81,250	1943	5.00	Jan. July	7.17	10
Pullangode C.T.F	1,50,000	1943	6.00	July ..	8.77xd	5
Teakop Rubber C.T.F.	6,00,000	..	6.00	Mar. Sept.	8.00	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	Nov. ..	7.20xd	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00		7.95	10
					9.80	10
MISCELLANEOUS						
Alembic Chemicals (1st)	5,00,000	..	6.25	June ..		
Do. do. (2nd) T.F.R.C. ..	5,00,000	..	5.00	June ..	86.50	100
Alkali & Chemicals T.F.C.	21,00,000	1937	5.00	June ..	88.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	6.00	Apr. ..	86.00	100
Andhra Cement C.T.F	2,48,800	1937	6.00(t)	.. ..	98.50	100
Associated Hotels of India C. ..	21,67,000	1916	6.00	Feb. June	7.75N	100
Bengal Chemicals T.F.C.	(2nd)	1928	7.00	Mar. Sept.	97.00	100
Bengal Paper Mill T.F.C.	2,00,000	1903	7.50	Mar. Sept.	101.50	100
Do. "A" T.F.C.	4,00,000	1928	7.00	Mar. ..	50.00	100
Do. "B" T.R.C.	20,00,000	1948	6.00	Mar. Sept.	12.00	10
Bengal Timber Trading T.F.C. ..	3,00,000	1896	6.00	.. ..	51.00	50
Britannia Biscuit T.F.C.	15,450	1921	8.00	Aug. ..	104.00	100
British Ceylon Corporation C. ..	17,50,000	1913	8.00	Feb. Aug.	66.00	100
British India Corporation T.F.C. ..	81,00,000	1920	8.00	Feb. Aug.	7.75N	100
Dalmia Cement (Bharat) C.T.F ..	61,58,210	1937	6.00	Feb. ..	15.00xd	10
Dharamdhra Chemicals T.F.C.R. ..	31,91,900	1956	6.00(f)	Sept. ..	8.00N	5
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	6.00	.. ..	118.00	100
Dunlop Rubber Co. (1st) T.F.C. ..	30,00,000	1926	6.00	.. ..	9.00xd	10
Dunlop Rubber Co. (2nd) C.	40,00,000	1926	6.00	Dec. ..	88.50	100
General Investment Trust (1st) T.F.C.	10,000	1946	6.00	June Dec.	82.50	100
do. (2nd)	1,00,000	..	5.00	Apr. ..	111.50	100
Do	25,00,000	..	6.00	Feb. Aug.	88.00	100
Gillanders Arbuthnot(f) R.O. ..	1,50,67,250	1956	6.00	Feb. Aug.	89.00xd	100
Hindustan Motors T.F.C.	12,00,000	1938	6.00	Apr. Oct.	50.00xd	100
Humayan Properties T.F.C.	29,85,000	1948	6.00	Apr. Oct.	58.00	100
India Cement C.	40,00,000	1945	7.50	Mar. ..	192.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	6.00	Oct. ..	7.00	10
Indo-Burma Petroleum C.	60,00,000	1921	7.00	June ..	88.00xd	100
Indian Iron (m) C.	12,87,750	1922	6.00	Jan. July	99.62	100
India Rubber Mfrs. (n) T.F.C.R. ..	8,28,000	..	6.00	June Dec.	87.00	100
Jardine Henderson C.	50,00,000	1946	5.00	Apr. ..	80.50	10
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.00	Dec. ..	72.00	100
Do do. (2nd) T.F.C. ..	10,00,000	..	5.50	May ..	57.00	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	1915	4.00	May ..	80.00	100
Martin Burn (h) T.F.C.R.	30,00,000	1946	5.00	June Dec.	56.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	Apr. Oct.	88.00N	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July Jan.	91.00	100
Metal Box Co. C.R.	30,00,000	..	5.00	July Jan.	50.00	100
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1902-10	6.00	.. ..	92.50	100
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	Feb. ..	87.00	100
Mysore Lamps R.C.T.F.	2,50,000	..	6.00	Sept. ..	98.75	100
National Tobacco (Old) (p) T.F.C.R. ..	25,00,000	..	4.00	Aug. ..	8.40	10
Do. (New) (q) T.F.C.R. ..	19,98,000	..	4.50	Mar. Sept.	6.80cd	10
Orient Paper T.F.C.R.	20,00,000	1936	4.50	Mar. Sept.	70.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Mar. Sept.	91.50	100
Rohtas Industries (Old) T.F.C. ..	20,00,000	1936	5.50	Apr. Oct.	83.00	100
Do. (New) T.F.C.	85,00,000	..	7.00-5.00	Apr. Oct.	68.00	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	4.25	Apr. ..	115.00	100
Spencer & Co. "A" C.	25,20,000	1898	10.00	Apr. ..	98.00	100
Do. "B" C.	25,80,000	1922	8.50	Aug. ..	70.00	50
Standard-Vacuum C.	75,00,000	1956	6.00	Jan. July	8.35	10
Star Paper T.F.C.R.	10,00,000	..	6.00	Jan. July	10.90	10
Tata Chemicals T.F.C.	59,97,000	..	5.00	Mar. Dec.	91.00	100
Tata Oil Mills C.	29,86,800	1946	5.00	Sept. ..	74.00	100
Titagarr Paper Mills T.F.C.	11,50,000	1899	5.00	June ..	88.70	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	8.00	July ..	90.00	100
			4.50	Jan. June	120.00	100
				Jan. July	79.00	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

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COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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POLICY OF DEARER MONEY RIGHT

WITH the 1960-61 busy season well under way, the change in the Reserve Bank's policy slightly in favour of dearer money has come in for a certain amount of adverse criticism by a section of the business community. This is not surprising, for the pinch of tight money conditions is already being felt by some. The series of measures taken by the Bank were designed to hurt speculators and discourage hoarding of goods, without retarding production. If they are causing a certain amount of hardship and engendering a sense

PROPOSALS FOR PEOPLE'S SHARES

IT redounds to the credit of the official study group, headed by Mr. D. L. Mazumdar, Secretary to the Company Law Department, that it has adopted a cautious and balanced approach towards the question of public participation in the capital of State enterprises. The cautious approach is found in the group's proposal that a start be made, on an experimental basis, with a limited number of companies (Sindri Fertilisers and Chemicals Ltd., Hindustan Machine Tools Ltd., and selected State road transport corporations) and that these could offer upto 25 per cent. of their equity shares to the public. And caution is certainly necessary, for an experiment alone can help shape a final practical scheme. But, if the caution stems from the group's view or, rather, fear that the proposal might, in certain circumstances, have the effect of diverting investments from existing securities, it seems to be rather unnecessary. For an element of healthy competition in the capital market may be to the good of both the sectors —public and private.

The group's idea that a final scheme should be so devised as to tap dormant pools of resources, limited though they be, in the organised and unorganised sectors of the economy may sound practical. But it is practical only in the context of the group's disinclination to assume confidently that it will be possible for State undertakings to ensure an average net rate of return on equity capital that will compare favourably with the average net yield on investments in similar undertakings in the private sector. It is thus the fear that State enterprises might not be sufficiently profitable that seems to have persuaded the group to observe that "it should be possible through a carefully devised scheme to draw upon these (dormant) pools of resources, so that they may be utilised for participation in types of investment which provided a high degree of security, combined with a reasonable rate of return, although not necessarily a competitive rate." The underlying idea here is probably that the public sector corporations could issue equities with an assured minimum rate of return, thereby doing away with the risk of no dividend at all in some years that might turn out to be bad ones.

By and large, however, a balanced approach of limited 'denationalisation' or 'privatisation' is discernible in the extracts from the group's report which appears to have leaked out to a small section of the Press. Comment here has necessarily to be based on the published extracts in the absence of the full report on which the Planning Commission may well be sitting tight for many more months, because it is probably deemed 'confidential' still. Incidentally, the Government's, or the Planning Commission's, habit of letting out, deliberately or otherwise, portions of important reports and documents to a favoured few in the Press, instead of making them available simultaneously to all the newspapers, is to be strongly deplored.

That is by the way. Reverting specifically to the group's basic approach, it is found that the issue bearing on the probable impact of the proposal on the total pool of investible resources and the flow of these resources as between the different sectors of the economy has been presented as the most crucial one. It is argued here that, if the public are to be induced to participate in the financing of State enterprises, the average net rate of return on their investments in these undertakings should compare favourably with the average net yield on investments in similar undertakings in the private sector. *If* this is done, some significant diversion of resources from the private to the public sector may conceivably take place. *If* such diversion takes place, comparable undertakings in the private sector may be compelled to raise the average net returns on investments at the cost of undistributed reserves which might otherwise be available for re-investment. Again, *if* investments in the public sector are made nearly as attractive as those in comparable private sector undertakings, it is argued that those who have currently made investments in Government securities, national savings certificates, etc., might divert them to Government industrial ventures.

All the 'ifs' in the above arguments are theoretical ones, for they are based on the assumption—which is no small assumption in the context of the objective conditions in which public undertakings have hitherto operated and are also likely to operate in the future—that State undertakings can be as profitable as similar undertakings in the private sector. If anything, it is an unwarranted assumption, and so the entire logical edifice based on it crumbles. But these arguments, presumably advanced by representatives of private industry, have found favour with the study group which has, thus, recommended that the proposal of public participation in the capital of State enterprises be formulated "in such a way that, instead of merely diverting investments from existing securities, the scheme, in effect, makes some addition to the total investments in the public and private sectors." What this basic approach of the study group has overlooked here is the consideration that public participation in the equity capital of State enterprises has a greater psychological significance than a purely economic one. People's participation in the share capital of Government undertakings may bring the two sectors—public and private—closer together in terms of mutual understanding. Such a trend will not be out of place in a mixed economy such as ours.

Where wholesale denationalisation is ruled out, limited public participation in the capital of State enterprises will create the feeling in the public mind that 'Statism' is not an article of faith with the Government of India and the Planning Commission. It is in this context that the study group's proposal for an initial experiment, covering a limited number of companies, is to be welcomed. The companies selected by the group offer the maximum possibility of attracting private capital. It is the group's view that, if this experiment succeeds, the list of companies could be progressively extended at the discretion of the Government. It is needless to add that the offer of these issues to the public should be carefully timed. The appropriate time would be when there is a shortage of blue chips on the stock exchanges, taking up the value of equities to unduly high levels.

The group's detailed proposals covering this experiment also call for some comment. One of them is that, in order to enable persons of relatively modest means, including the employees serving in Government undertakings, to subscribe to their shares, it would be necessary to issue the shares in small denominations of, say, Rs. 100 each. This would have to be modified, for Rs. 100 is by no means a small denomination; Rs. 10 would be more appropriate. The group has not come to any definite conclusion on the point whether any limit should be laid on the maximum amount of shares which any individual could hold. Nor has it come to any definite conclusion on the point that the right of transferability of these shares be indirectly limited only to "natural persons," that is, individuals as distinct from corporate bodies. The group has wisely come to the conclusion that the question whether these limitations should eventually form part of the scheme could be considered in the light of the experience of its working for some time. The group has, however, suggested, that, if it is decided to exclude corporate bodies from the scheme, at least co-operative societies should not be debarred from taking up the shares. Why this co-operative fad should be brought in here, too, passes one's comprehension.

The group is perfectly right in holding the view that, having nursed the selected companies to their present profitable position, it would seem to be equitable for the Government to ask for a reasonable price for the portion of the equity capital of those companies which it proposes to transfer to the public. It may be noted that it is a normal practice to issue the shares of existing companies at a premium. This practice was followed by the West German Government when it denationalised two of its largest industrial undertakings. Only, the premium should not be fixed at an unduly high level. It will not be out of place to remind the Government, in this connection, that, when it compelled some of the wholly foreign-owned companies, such as Hindustan Lever, Indian Oxygen and Associated Batteries to throw open a part of their equity capital to our nationals, it allowed them to collect only a modest premium, even though their financial position and dividend record might have justified a higher premium. Incidentally, the group's proposal that as much as 75 per cent. of equity capital be held by Government would need to be modified, as it is too high. This proportion should not be more than 66⅔ per cent., for, otherwise, there will be no adequate effective voice for public shareholders in the management of these undertakings. The group's proposal that the shares offered to the public should be allowed to be listed on the recognised stock exchanges is realistic, for their transferability and negotiability alone would render them more attractive to the public. It should be possible for the Government, in consultation with the stock exchange authorities, to prevent cornering or other forms of speculative manipulations in these shares.

The study group has also examined the types of companies that are not suitable for the experiment under review. Specifying them clearly, it observes:

"Some Government companies, by reason of the activities which they carry on, or for other reasons of administrative policy, may never be suitable for inclusion in the scheme under consideration. These companies would generally fall under the following broad categories: (*a*) companies engaged in the production of goods required for the defence of the country; (*b*) companies in which security considerations would not permit public participation: and (*c*) companies engaged in monopolistic and quasi-monopolistic ventures, comparable to fiscal monopolies in some countries of the world, in which the Government may desire, as a matter of policy, to retain 100 per cent. control in its own hands."

The exemptions under (*a*) and (*b*) are unexceptionable, but not those under (*c*), for the monopolistic character of these concerns will by no means be altered by allowing the public to be minority shareholders in them. There is, for instance, no reason why a part of the share capital of the Life Insurance Corporation should not be held by individual investors.

KENNEDY'S ECONOMIC POLICIES

SENATOR John Fitzgerald Kennedy, Democratic President-elect of the United States, will have the great advantage of working in harmony with a Senate and a House of Representatives which have Democratic majorities. The economic policies he may initiate either in the domestic sphere or in the sphere of foreign aid will, therefore, have the fullest legislative backing. His election to the high office has rightly given rise to the hope that something like a Marshall Plan may be launched to aid the developing countries in Asia and in Africa. In particular, his sponsorship, more than a year ago, of a resolution in the Senate, which called for the creation of a special multi-national economic mission to recommend joint means for rendering long-term aid to India, is remembered with gratitude in this country. His remark at the time that "as long as our efforts are aimed only at ensuring short-term solvency, they only leave plans for an effective Indian development programme suspended in mid-air" is also significantly recalled by the United States Information Service itself.

While it is natural for every country to think immediately (and rather selfishly) of what the Democratic victory will mean to it, the American citizens must be fairly well aware of what it means to them. For Mr. Kennedy's domestic economic policies have been well formulated and explained at some length in the course of the election campaign. It will, however, be difficult even for Americans to predict with any degree of accuracy as to what will be the exact outcome of the implementation of these policies and whether they will be implemented at all in full, for circumstances may change beyond Mr. Kennedy's expectations. The policy of heavier public expenditure that is favoured by Mr. Kennedy, ostensibly for the purpose of stimulating a still higher rate of economic growth, for instance, may conceivably have the effect of unbalancing the Federal budget and producing inflation. If it does, it may well undermine the stability of the external value of the dollar. Since, however, Mr. Kennedy has given the twin pledge that he will not devalue the dollar or unbalance the budget, his Administration will have to find adequate ways and means of financing the promised welfare schemes. It will be relatively easy for the President-elect to keep his promise, if the buoyancy in tax yields keeps pace with the buoyancy in the economy.

Whether the buoyancy in the economy will be maintained is the fundamental question. The chances are that it will be, if the minimum wage measures are applied in a way that will not produce a cost-inflation. It is here that Mr. Kennedy's promises to labour may have to be modified in practice. While increased public expenditure on housing or teachers' salaries may be desirable from the welfare point of view, their inflationary potential will also have to be reckoned with. How the cost-price spiral will be prevented in an already high cost economy is by no means clear. It will be a challenge to the Harvard economists behind Mr. Kennedy to devise ways and means of promoting greater social welfare and ensuring a larger outflow of Federal funds to the States to keep pace with the nation's birth rate, without producing inflation in the process.

MARKET GOSSIP

THE share markets have practically ignored the victory of Senator John F. Kennedy in the U.S. Presidential elections. This development undoubtedly heightens the prospects of U.S. aid for India's third Plan. It is not that the markets are not aware of this point. Indeed, their initial reaction was slightly bullish, but later on they must have developed some second thoughts. Probably, they want to await some concrete developments. After all, it is one thing to make proposals when one is not in power and has no administrative responsibility to implement them. It is another thing when the author of these proposals comes to power. He will be confronted with a number of difficulties, political and economic. While Mr. Kennedy has undoubtedly been more imaginative and understanding than his Republican confrere so far as aid to India is concerned, it remains to be seen to what extent he will be able to fulfil his desire. The fact remains that the U.S. has a balance of payments problem, while the claimants of aid from that country are increasing in number. The task will become relatively easy, if Mr. Kennedy succeeds in bringing about disarmament at an early date. It is to be devoutly hoped that, in this respect, Providence will bestow good luck on Mr. Kennedy, instead of frowning, as it has done on President Eisenhower.

The major reasons for the failure of the share markets to sustain the bullish tempo witnessed last week are (*a*) the inordinate delay on the part of the Government in announcing the retention prices for iron and steel, and (*b*) the waning hope of any early relaxation in credit restrictions, so that money may be had more easily than at present. It is said that the former factor is the excuse given by a prominent speculator to play bear in the shares of Tata Iron and Steel. As for the second factor, the banks have urged the Reserve Bank to make some concessions, but one of their spokesmen says that they are not confident of an immediate response.

Meanwhile, the inter-bank agreement on rates of interest payable on deposits has been modified, permitting an increase of ¼ per cent. on all time deposits maturing after two months. Details of this change in the agreement are given on page 883 and the new rates will come into force from next week. This is undoubtedly a wise move on the part of banks; otherwise, the risk of a breakdown of the agreement under the stress of acute stringency will be great. Of course, it would have been better, if the banks had been a little more liberal to their time depositors, especially the small and medium types. This point will be appreciated only if the banks believe that interest rates do influence the pace of savings to a significant extent. But, unfortunately, the vast majority of bankers, especially the bigger ones, have no faith in this theory. Fed by inflation and cheap money for well-nigh twenty years, they are complacent enough to think that it is a sheer waste of money to pay any interest on deposits.

A perusal of the full text of Mr. H. V. R. Iengar's speech at Madras last week clearly shows that it is an excellent defence of the Reserve Bank's policy of making money dearer. He has effectively disposed of the contention that this policy will only accentuate inflationary pressure by adding to the cost of money and by slowing down the pace of production. While not denying that the cost of bank credit will go up, he has convincingly argued that the impact of such increase on the total cost of production and cost of living will be negligible. To those who expect any sizable relaxation in credit restrictions, he has not held out much hope. To quote him:

"Dearer money can never, at any time, be regarded as a complete policy in itself; it is a relative thing and obviously must be subject to a process of adjustment. But I foresee that, as a general policy, what will happen as a result of extension of institutional finance is a gradual reduction in the cost of money to those who are now paying unconscionable rates and perhaps a gradual rise to those who have hitherto been obtaining it very cheaply—in other words, a gradual readjustment and, in due course, a smoothening of the great inequalities in cost which now exist. The Reserve Bank can, of course, readjust its measures from time to time—tighten, as it were, the nuts and bolts. For example, we have not hitherto made any direct attempt to revise the statutory requirements in regard to the liquidity of banks. Our minimum liquidity requirements are somewhat low on world standards—being only 20 per cent. of liabilities. The minimum liquidity in the U.K. by convention is 30 per cent. and this does not include medium and long-dated securities as in the case of India. This is a matter to which, at the appropriate time, attention will have to be drawn. But this again would not be a new policy; it would be merely the tightening up of existing policy."

Cotton Textile Prices

Three important issues were discussed at the meeting of the representatives of the Indian Cotton Mills Federation and the spokesmen of the Union Ministry of Commerce and Industry at New Delhi on Monday this week. They related to (*a*) reference to the Tariff Commission of the issue of cloth and yarn prices, (*b*) stamping of prices, and (*c*) raw cotton supply position. No definite decision was taken on these issues, excepting the categorical declaration by Mr. Nityanand Kanungo, Minister for Commerce, that a Tariff Commission inquiry was inevitable. The statement thus rules out the plea for evolving fair prices for textiles without reference to the Commission put forward by some millowners. It was, however, made clear by Mr. Kanungo that what was required was not merely a short-term fixation of prices but the determination of the basis on which textile prices could be fixed from time to time, taking into account the various fluctuating elements in the cost of production, capital structure of the industry, return on capital employed and distribution charges.

The spokesmen of the Federation are believed to have indicated what it considers to be the rational approach to the problem of fixing prices of textiles. One of the specific suggestions made is that the Tariff Commission should be asked to determine both ceiling and floor prices for the different varieties of textiles (cloth and yarn), with provision for adoption of suitable official measures such as relief in taxation whenever prices go below the floor level. It is particularly emphasised that the normal forces of supply and demand should be allowed to play within these limits in the textile markets. The Minister, we are told, gave the assurance that, while making the reference to the Commission, the Government would duly consider this suggestion as well as the other views expressed by the Federation.

It is to be hoped that the Government of India will not waste much time in finalising the terms of reference of the Commission and that the Commission also will complete the inquiry as early as possible. Since the question of determining fair textile prices is quite a comprehensive and complex one, some feel that there will be prolonged delay. The Federation's spokesmen did well to stress the expeditious completion of the inquiry. It is gratifying to learn that special arrangements will be made to ensure that the Commission's findings will be finished in about four to six months. Only the Government should take speedy action on these recommendations. This aspect is to be specially stressed because the time taken between the date of submission of reports by the Commission and the date on which the Government takes its decisions is usually unduly long, as witness the position of retention prices for steel. Needless to add here that, until the Government's final decision on textile prices is made known, the pace of offtake of cloth and yarn is bound to be slow.

At the New Delhi meeting, the millowners assured the Minister that the industry was sparing no effort to give effect to the voluntary reduction in textile prices. Here is the gist of what they said:

Stamping of prices: This has had a salutary effect in bringing down prices. Most of the mills have already fallen in line with the Federation's scheme of stamping fair prices. The industry is now confident that prices would be held.

Raw cotton: The Federation has issued instructions to all the mills not to purchase raw cotton above the ceiling rates.

The attention of the Government was drawn to the impact of the rising costs of raw materials, enhanced wages and higher transportation charges. And it was urged that all these should be taken into account while fixing the fair prices of cloth and yarn

Crisis in Jute Industry

It looks as though the present crisis in jute industry is nowhere near its end. For some weeks past, the industry has been held to ransom by speculators in raw jute and gunnies and prices of the fibre have shot up to levels at which mills find it extremely difficult to buy raw jute and manufacture gunnies. Prices of gunnies, too, have gone up to staggering levels which have scared away foreign consumers. The steps so far taken by the industry and by those in charge of the market to control speculation and bring down prices do not seem to have had any sustained effect on raw jute and gunnies. On the contrary, after a pause, speculation has spread wider and prices have moved up to high levels. The resistance of foreign buyers to the sharp upturn in gunny prices is reflected in a sizable drop in the offtake of gunnies from mills. It is said that exports of jute goods during the month of October have been the poorest for any month during the last many years, resulting in a huge loss of foreign exchange, which the country can ill-afford at present.

The steps so far taken by the East India Jute and Hessian Exchange Ltd., namely, the ban on fresh hedge contracts, the fixation of maximum prices and the imposition of stiffer margins, had proved ineffective, as these measures have only served to divert speculation to transferable specific delivery contracts. The Exchange, therefore, first asked its members and all licensed brokers to submit statements of their outstanding positions in raw jute and gunnies as on 15th October 1960. On top of this step, the Exchange has now called upon all members and licensed brokers to register all T.S.D. contracts in all varieties of raw jute and in certain constructions of jute goods, passed or entered into by them on 31st October 1960 or thereafter, until further notice, within three days of the completion of the business under any of the said contracts. It is stated that some of the mills themselves have been buying T.S.D. contracts in gunnies and this is partly responsible for the present high prices of jute goods. It is evidently this undesirable practice on the part of mills that has invited the E.I.J.H. Exchange to tighten up the regulation of T.S.D. contracts. The Government of India, too, has intervened and amended the by-laws of the Exchange, with a view to conferring on the latter more powers to curb speculation. The amendments, *inter alia*, empower the Board of the Exchange to regulate trading in any delivery or deliveries in T.S.D. contracts in raw jute and jute goods, to evolve a scheme of registration of such contracts and parcel delivery orders (P.D.O.) issued the registration, to specify the number of transfers of P.D.O.s, to impose special margins on T.S.D. contracts, and to fix maximum and minimum prices and to vary them from time to time. All these powers, as also the power to close outstanding T.S.D. contracts in raw jute and jute goods, would also be exercisable by the Forward Markets Commission, if it considers that the interests of the trade or the public interest so require. In effect, the mills are to blame themselves, to some extent, for their present plight.

It is no doubt true that there is an acute shortage of raw jute in this country and this has been one basic cause for the speculative activity, despite all assertions to the contrary by the Government of India. It is distressing to note that the Government has not yet been able to make an assessment of the crop, although four months of the current season have passed. Usually at this period of the season the bulk of the crop must have been marketed. Things have been made worse by the Government by delaying the issue of import licences. By the time they announced the second quota of 2,00,000 bales, prices in Pakistan had shot up, so that the import of cuttings from that country has become costlier. The price of cuttings in Pakistan has jumped up from Rs. 185 per bale to Rs. 240, despite the official forecast of a crop of 5.6 million bales in that country. This shows that the official estimates of the crop in Pakistan are not trusted. In fact, the Pakistan Jute Mills Association, fearing an acute shortage of crop in the current season, has asked its member mills to curtail production by restricting temporarily the working week to 96 hours from the average of 133-144 hours per week hitherto. This will mean a cut in output by one-third. The sharp rise in prices in Pakistan has resulted, according to close observers in Calcutta, in smuggling of raw jute from India into Pakistan. This is an unprecedented development, as, hitherto, it was Pakistani jute that was being smuggled into India.

As if all these ills are not enough to cripple the industry, the mills are also faced with stiff opposition to the recent additional sealing of looms by 10 per cent. from the workers, as well as the State and Central Governments. According to the unions, 18,000 workers have been affected by the cut in production, while the mills say that the number is only 8,000 and that the unemployment is confined only to temporary workers. The tripartite talks held at Calcutta on Monday this week to evolve an agreement on the problem of unemployment ended in a failure. The I.J.M.A. is reported to have offered to unseal only 5 per cent. of the looms to bring the sealed complement of looms to 14 per cent., provided the workers agree to reduce the hours of work to 45 a week, so that the number of unemployed can be reduced. The mills fear that, if they do not resort to this gradual method now, they may have to seal a still larger percentage of looms in January or so. The workers' representatives are, however, somewhat uncompromising.

Meanwhile, the Chief Minister of West Bengal is said to have strongly protested to the Central Government against the Centre's belated policy in respect of raw jute import and has laid the blame squarely on its shoulders. Meanwhile, it is feared that the Centre may step in and clamp down control on the jute trade and industry, as it is credited with the view that the sealing of looms by mills at present is too drastic. It is not known when and how the whole distressing episode will come to an end.

Outlook for the Dollar

The outflow of gold from the U.S. shows no sign of having subsided. References to this subject appear on two subsequent pages in this issue. Information received after we went to press shows that, on a single day last week, on the 3rd inst., to be precise, the U.S. lost $175 million dollars worth of gold, perhaps an all-time record, bringing the total drain during the brief period of four days from 31st October to 3rd November (both days inclusive) alone to $258 million. Of the $175 million lost on the 3rd inst., as much as $117 million were bought by France to pay off its debt of $131 million to the I.M.F. The balance of $58 million, itself a large figure, was taken up by other countries. Total gold loss during the calendar week bids fair to be a record, the biggest previous loss in any banking week (ending Wednesdays) since 1931, being $181 million in the week ended 21st September 1960. As on the 3rd inst., U.S. gold stock stood at $18.159 million, still about 45 per cent. of the free world's total, as against 66⅔ per cent. in 1949 when it stood at its peak. But what has given a new edge to speculation against dollar is the fact that gold stock has fallen below the short-term dollar holdings of foreign countries, all of which are, or are capable of being converted into, claims on U.S. gold stock. Although the latest position in regard to these liabilities is not known, as on 31st August 1960, the last reported date, they stood at $17,771 million. In the months of September and October, they are expected to have increased by about the same amount as in the two previous months, August and July, namely, $552 million, to about $18,323 million, a figure that exceeds the gold stock by a small margin of $164 million. This marginal discrepancy has, however, little practical significance. There is still *nearly* hundred per cent. gold cover for all external short-term liabilities of the U.S., whereas the corresponding cover for the sterling liabilities of Britain is no more than 25 per cent.

The crucial question is this: What will happen if the drain persists and gold stocks tend to decline below the $18,000 million mark, which has come to have some special significance? This level is stated to be the minimum which defence experts are said to have considered strategically necessary

(*Continued on page* 888)

EQUITIES DRIFT LOWER

NATIONAL RAYONS, HOWEVER, SPURT

(From Our Own Correspondents)

BOMBAY, *10th November*

THE bullish fervour on the Stock Exchange noted last week proved to be a short-lived affair. Barring a few exceptions, which added further smart gains over the previous week's rises, the trend was reversed during the week under review and losses over the week were widespread. The absence of any announcement regarding the widely anticipated relaxation of credit controls and fears that there might not be any increase in retention prices for the present and that, even if any increase were given, it would be meagre, would appear to have induced a sense of caution among the bulls, who, as a result, hastened to book their profit. Selling was somewhat more pronounced in Tata Steels during the last two days. Sentiment in textile shares was also at a low ebb following the Government of India's determination to refer the question of cloth prices to the scrutiny of the Tariff Commission. There were, however, a few notable exceptions to the general trend and these were provided by Standards among textiles, Belapurs in the sugar group, Tata Locomotives among engineerings and National Rayons in the miscellaneous section. Cash scrips were on offer and losses in chemicals and dyes were fairly sizable.

After an improvement in the earlier part of the week from Rs. 145 to Rs. 146.75, Tata Steels suffered a setback to Rs. 143. Indian Irons closed with a loss of 24 nP at Rs. 23.12, after moving up to Rs. 23.52.

Textiles were listless. Centurys fluctuated between Rs. 483 and Rs. 467 before finishing at the last week's closing of Rs. 472. Bombay Dyeings came up to Rs. 64.60, but soon reverted to Rs. 64.20. Kohinoors were marked down by Rs. 5 to Rs. 283.50. Central Indias lost Rs. 6 to Rs. 106 and Finlays Rs. 5 to Rs. 341. Khataus declined by Rs. 12.50 to Rs. 450. Podars, Shree Niwas, Simplex and Svadeshis were other prominent counters which suffered losses. Standards, however, scored a gain of Rs. 33 to Rs. 1,175, on top of a rise of Rs. 67 in the previous week.

Bank shares looked up. Central Banks gaining Rs. 2 to Rs. 55 and their new shares Rs. 2.50 to Rs. 59.50. Bank of India (new) picked up Rs. 2.50 to Rs. 105, while United Commercials shed a part of their previous week's gain with a drop of Re. 1 to Rs. 85.

Cements were quiet, Associated Cements declining by Rs. 2.25 to Rs. 145. Digvijays moved down by Rs. 3 to Rs. 160. Orissas were, however, higher by 52 nP at Rs. 15.12.

Belapurs were the only bright feature in the sugar section due to proximity of dividend with a spurt of Rs. 3.50 to Rs. 383. Phaltans moved down by Rs. 2 to Rs. 179.50 and Walchandnagars by Rs. 3 to Rs. 297.

Tata Engineering and Locomotives provided the highlight of the engineering section with a gain of Rs. 7.50 to Rs. 292. The peak level touched during the week was Rs. 303.50. Alcocks shed Re. 1.50 to Rs. 256. Larsen and Toubros were a shade quiet at Rs. 37 and Premier Constructions were marked down by Rs. 4 to Rs. 307.50. Mahindras shed 40 nP to Rs. 21.08. Voltas drifted down by Rs. 2.50 to Rs. 259.50.

Shippings were quiet, Scindias giving way from Rs. 13.92 to Rs. 13.68. Great Easterns declined by 52 nP to Rs. 15.48. Sentiment in automobiles was affected by selling in Hindustan Motors which fell by Re. 1.16 to Rs. 19.44. Premier Autos were hardly steady at Rs. 173.25.

Trading in miscellaneous shares was marked by the hectic rise in National Rayons. Though the closing price, at Rs. 517, was well below the week's best level of Rs. 532, the gain over the week was no less than Rs. 28. Gwalior Rayons were, however, weak with a drop of Rs. 2.25 to Rs. 43.75. Barodas were featureless at Rs. 143. Tata Oils were marked down by Re. 1 to Rs. 73.50 and Tata Chemicals by 56 nP to Rs. 16.76. Other chemicals and dyes ruled weak. Adarsh fell by Rs. 3.50 to Rs. 66, Amar Dyes by Rs. 12.50 to Rs. 440. Colour Chems by Rs. 15 to Rs. 337.50 and Indian Dyestuffs by Rs. 17.50 to Rs. 530. Ceat Tyres suffered a loss of Rs. 10 to Rs. 240 and Premier Tyres Re. 1 to Rs. 81. West Coast Papers gave way from Rs. 204.50 to Rs. 200. Khandelwals were lower by Rs. 3.50 at Rs. 96 and Ferro Alloys by Rs. 2.50 at Rs. 195. Kirloskar Oils changed hands Re. 1.24 lower at Rs. 20.76.

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Calcutta Stock Exchange

CALCUTTA, *9th November*

A modest recovery following some amount of buying by the L.I.C. was a feature of trading on the Calcutta Stock Exchange during the earlier part of the week under review. The ground was set when the L.I.C.'s decision to purchase Rs. 1 crore worth of equities was made public, following which covering demand was lively. Further, expectations of relaxation of credit control measures by the Reserve Bank encouraged optimism, and resulted in some amount of replacement buying. However, as the week progressed, demand declined, and prices registered a fall.

Among cotton textiles, Kesorams recovered to Rs. 29.56 from Rs. 28.06 to close at Rs. 29.12. Dunbars at Rs. 23 were fractionally higher, while Basantis moved down to Rs. 8.37 from Rs. 8.69.

Excepting a few features on interested buying, coals were quiet. Bengals at Rs. 336 gained Rs. 5, and Equitables moved to Rs. 26.44 from Rs. 26.12. Central Indias, after being unchanged at Rs. 11.56, drifted down to Rs. 11.25, and after being higher at Rs. 17.94 Burrakurs lost ground to Rs. 17.50. Pench Valleys moved down to Rs. 19.50 from Rs. 20.62, but Dhemo Mains at Rs. 8.69 were higher by a few nP.

Jutes were extremely quiet, with Agarparas being unchanged at Rs. 11.62. Kelvins declined to Rs. 138 from Rs. 141. Baranagores were transacted at Rs. 119 as against Rs. 130 previously. Deltas were shown attention at only Rs. 140, as against Rs. 142 previously, while Lansdownes met with business at Rs. 100, as against Rs. 99.

Engineering shares were shown greater attention. The steady improvement in steel supplies in recent months are enabling plants to come nearer to capacity. Burn & Cos. were fully firm at Rs. 451. Jessop & Cos. changed hands at the fractionally improved rate of Rs. 21 before falling to Rs. 20.87. Indian Irons opened at Rs. 23.33 and moved up to Rs. 23.46 but fell to Rs. 23.27. Despite a fall in production in October, the hardening trend earlier in the week was attributed to rumours regarding retention prices.

Among teas, Hasimaras gained to Rs. 23 from Rs. 21.62 previously, while Dhunseris fell to Rs. 15.50 from Rs. 16.12 and Gillapukris to Rs. 26.50 from Rs. 28.37. Methonis at Rs. 19.50 were almost one point higher.

Miscellaneous industrials recorded several features. Indian Oxygens were lifted to Rs. 39.12 from Rs. 38.44. On imminence of dividend announcement, Associated Batteries were better at Rs. 37.75. National Rollings continued to forge ahead to touch a high of Rs. 18.12 and National Pipes spurted to Rs. 19.62 from Rs. 18.87. National Cables maintained Rs. 31.62, while Aikali and Chemicals were better at Rs. 33. Orient Papers rose to Rs. 42.10 from Rs. 41.70, but reacted to Rs. 41.75. At Rs. 46.12, Hindustan Levers were higher by almost one point. Martin Burns moved down from Rs. 26.50 to Rs. 27.50 and after being firm at the higher rate shed to Rs. 26.87. From Rs. 20.25, Hindustan Motors moved to Rs. 20.65 to shed to Rs. 19. Following the announcement of a rights issue of one share for one at par, Electric Constructions at Rs. 16.25 recorded a small gain.

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Madras Stock Exchange

MADRAS, *9th November*

Distinctly steady conditions prevailed on the Stock Exchange during the week under review, thanks to revival of good investment and professional buying. Sugar scrips moved up on hopes that the U.S. would import Indian sugar at prices much higher than those prevailing in world markets. Teas put on a cheerful appearance, following the release of second interim export quota and reports of higher prices fetched at auction centres. Coffees, too, elicited good enquiries on reports of effective measures taken by the Government of Mysore and Kerala to eradicate the disease which recently affected coffee plantations. Rubbers hardened in sympathy. Textiles were well favoured on expectations that the industry would receive a fair deal at the hands of the Tariff Commission, which is now being asked to determine fair prices for cloth and yarn. In the miscellaneous section, chemicals and cements were particularly strong.

In the sugar section, Cauverys spurted by 50 nP to Rs. 142.50. East India Distilleries improved by 25 nP to Rs. 44.25. Indias gathered 8 nP to Rs. 12.40. United Breweries were firm at Rs. 114.50 *cum-div. cum-right*. The Directors of the Company have announced a final dividend of 35 per cent., taxable, making a total of 60 per cent., taxable, or Rs. 6 per share (equivalent to 42 per cent. tax-free) for the year ended March 1960. The Company has also announced the issue of 80,000 equity shares of Rs. 10 each at par to equity shareholders as on 30th December 1960 on a *pro rata* basis. Deccans rose initially from Rs. 15.65 to Rs. 15.80, but declined subsequently to Rs. 15.60 on profit-taking.

Among teas, Haileyburias advanced by 50 nP to Rs. 14.50. Parksides rose by 45 nP to Rs. 29.75. Nonsuchs were higher by 25 nP at Rs. 27.25. Chembras put on 10 nP to Rs. 5.40. United Nilgiris were steady at Rs. 62 and Peermades at Rs. 22.80. Waterfalls changed hands at Rs. 4.90. The Company has declared a dividend of 12½ per cent., taxable (equivalent to 8.75 per cent. tax-free) for the year ended June 1960, as compared with 12½ per cent., tax-free, last year. Blue Mountains fell from Rs. 5.35 to Rs. 5.15. The Company has declared a dividend of 12½ per cent. taxable (equivalent to 8.75 per cent. tax-free) for the period ended June 1960, as compared with 12½ per cent., tax-free, for the previous year. It has also decided to issue bonus shares in the ratio of 1:5 to holders as on 21st December 1960. Kil Kotagiris were lower by 5 nP at Rs. 5.60.

In the coffee group, Coffee Lands jumped up by Re. 1.25 to Rs. 24.50 and Consolidated Coffees by 50 nP to Rs. 24.50 on better crop reports for the respective estates for the year 1960-61. Cowcoodys put on 2 nP to Rs. 5.17. Ouchterlonys were maintained at Rs. 5. Balanoors at Rs. 16.70 and Rajendras at Rs. 14.35.

Among rubbers, Cochin Malabars advanced by 38 nP to Rs. 7.33. Midlands were higher by 10 nP at Rs. 12.35. Kailas gathered 5 nP to Rs. 5.15. Thirumbadis picked up 2 nP to Rs. 1.55. Vaikundams were fancied at Rs. 30.40. Malankaras, however, shed 25 nP to Rs. 17.75.

In the miscellaneous section, F.A.C.Ts rose by 36 nP to Rs. 10.52. Mysore Fertilisers were higher by 20 nP at Rs. 10.90. Mettur Chemicals hardened by 15 nP to Rs. 12.80. Mysore Chemicals were unaltered at Rs. 10.90. The Company has announced a dividend of 20 per cent., taxable (equivalent to 14 per cent. tax-free) for the year ended March 1960, as against 20 per cent., tax-free, for the previous year. Among cements, Orissas went up by 40 nP to Rs. 14.25. Andhras were higher by 10 nP at Rs. 9.80. Travancores were steady at Rs. 8.55. Indias, however, weakened by 13 nP to Rs. 7.12. Among others, Western India Plywoods shot up by Rs. 5.50 to Rs. 228.50. Ashok Leylands were firm at Rs. 8.73, Indian Steel Rollings at Rs. 10.50 and Textools at Rs. 190.

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NEWS IN BRIEF

WITH a view to relaxing official controls over the co-operative movement, the Government of India has decided that no Minister or Deputy Minister should hold office in co-operative organisations.

Thirteen representatives of the Japanese iron and steel industry, led by Mr. O. Ashizawa, have arrived in India for a fortnight's tour of the steel towns of Jamshedpur, Rourkela, Bhilai and Durgapur.

The West German firm, Demag, has submitted to the Government of Madras a project report on the proposed steel plant in the State, using Neyveli lignite and Salem iron ore and adopting low-shaft furnace technique.

The Punjab Government proposes to extend the present concessions granted to scheduled castes and backward classes to all people in the low-income group, that is, persons earning a monthly income of not more than Rs. 100.

A new trade and payments agreement between India and Czechoslovakia has been concluded in Prague. The agreement, which will be valid for three years, will come into effect from 1st January 1961. It provides a framework for expanding trade between the two countries on the basis of equality and mutual benefit.

A group of seven prominent Indian businessmen left New Delhi on the 1st inst. for an overseas tour, sponsored by the U.S. Government. The businessmen, who are members of the National Productivity Council's marketing and distribution team, will spend seven weeks in the U.K., the U.S. and West Germany. They will study marketing research and advertising techniques used in selling consumer, engineering and producer goods and quality and inventory controls.

The Madras Government has passed orders reverting to multi-point taxation at 2 per cent. on sales of tinned, canned, bottled or packed foods or provisions in the State. The sales tax on articles, such as fruit products, Horlicks, biscuits, honey, pickles and *appalams* will now be calculated at the rate of 2 per cent. multi-point, instead of 6 per cent. single-point on packed goods. It had been represented to the Government that the levy of single-point tax at 6 per cent. on the articles had seriously affected the trade in these articles.

Several rural automatic telephone exchanges have been specially designed and manufactured for the Ceylon Government by the Indian Telephone Industries Ltd., Bangalore. These exchanges are in units of 50 subscriber lines totally enclosed in neatly finished dust-proof metallic cabinets. It is stated that they can be extended to an ultimate capacity of 150 lines in units of 50 lines. The exchanges, with their associated equipment, were specially designed and made to the specification of Ceylon's Posts and Telegraphs Department.

The first consignments of 10,784 tons (over 3.1 million gallons) of the best quality Russian superior kerosene for the Government-owned Indian Oil Company (I.O.C.) arrived on Monday this week in Bombay. This is the second shipment of Russian petroleum products to reach India under the recent agreement between the I.O.C. and the Sojuznefteexport, the Russian Export Organisation. The first shipment of 11,390 tons of high speed diesel (gas) oil was received on 17th August. The I.O.C. will sell imports through Government agencies and through private channels.

A pilot plant for the manufacture of pulp and paper was inaugurated by Mr. M. V. Krishnappa, Union Deputy Minister for Food and Agriculture, at the Forest Research Institute, Dehra Dun. The plant is capable of producing six tons of paper daily. It has been specially designed for research on the production of different types of paper. It is also suitable for training technical personnel in pulp and paper technology. The plant costs Rs. 60 lakhs. The U.S. Technical Co-operation Mission gave aid amounting to Rs. 27 lakhs for the pilot plant in the form of equipment and technical service.

Over 200,000 acres of land were irrigated in 1959-60 by the Tungabhadra Project—an inter-State venture undertaken by the Andhra Pradesh and Mysore Governments. In addition, the Tungabhadra power system produced 160.9 million kw.h. of electricity during this period. This power was supplied to Andhra Pradesh and Mysore States, and the power system will eventually be integrated with the proposed super-grid for the southern States. The Tungabhadra's project consists of a masonry dam, creating a reservoir with a water-spread of 146 sq. miles, three main canals, and three power houses. The length of the dam is 5,712 ft. and its storage capacity 133,000 million cubic ft. of water.

A factory for the manufacture of alarm clocks is proposed to be established at Hyderabad. Two foreign firms, one French firm, "Jazz," and the other Swiss, "Favre-Leuba," are participating in the project. Mr. C. C. Desai, a former Secretary, Union Ministry of Commerce and Industry, will head the board of the company which is undertaking the project. Foreign exchange for the project will be found partly from a loan given by the Industrial Finance Corporation and partly from the capital participation by the French and Swiss firms. The factory is expected to go into production within a year. When fully completed, it will manufacture 10,000 alarm clocks a month. It will also undertake the manufacture of precision instruments.

An agreement covering supply of plant and machinery for stepping up steel production to 100,000 tons in the Iron and Steel Works at Bhadravati has been signed between the Mysore Government and three West German firms, including Demag and A.E.G. The present capacity of the plant is 30,000 tons a year. The capital cost of the scheme is estimated at Rs. 7 crores. Under the contract, necessary technical assistance will be given by the firms, besides training some Indian engineers in West Germany. The firms will also install the machinery. The scheme also includes manufacture of steel ingots by the L.D. process. The State Government, it is stated, is also thinking of setting up one more electric pig iron furnace and a tool and alloy steel plant.

The Oil Advisory Committee, which met at New Delhi on Monday the 7th inst., recommended that immediate steps should be taken to remove the imbalance in the consumption of petrol and diesel by way of adopting technological and chemical devices in the processes of consumption and supply. The appointment of a committee consisting of the representatives of the Ministries of Finance, Commerce and Industry, Transport and Communications and Steel, Mines and Fuel and the oil producing and refining companies in India for the purpose was suggested. The report of the Steering Committee appointed by the Oil Advisory Committee at its last meeting was considered. It was also suggested that the Steering Committee should review the pattern of production and consumption of petroleum products in the country on a continuing basis. Mr. K. D. Malaviya, Union Minister for Mines and Oil, who presided over the meeting, advised the Committee to take an optimistic view of the consumption pattern of petroleum products in view of the speedy pace of industrialisation that was taking place in the country. He also advised them to take a long range view of various other connected problems and find a solution in a co-ordinated way.

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From Abroad

Steel output in Italy rose by 27 per cent. to 6.11 million tons during January-September 1960, as compared with the corresponding period in 1959.

Pakistan will import Japanese textile machinery up to 300,000 spindles and 3,000 looms on a long-term credit basis. An agreement to this effect has already been signed.

Rolls Royce of Britain has signed an agreement with the Continental Motors Corporation of the U.S., under which it has obtained manufacturing and sales rights in Europe for the full range of Continental piston engines for light aircraft.

The Government of Sudan has given preliminary approval for the establishment of two oil refineries, one to be put up by the Italian E.N.I. and the other by Shell and British Petroleum. Each of the refineries is expected to cost £6 million.

Under an agreement signed between the British firm of Raleighs and Bianchi of Italy, the former will undertake manufacture of Bianchi scooters in the U.K. The scooter, to be known as the "Raleigh Roma," is of 80 c.c. with three-speed gears and a dual seat.

The Indonesian Government has published a new Petroleum Bill turning over the entire oil industry in the country to State companies or contractors nominated by the Government. The Standard-Vacuum, Caltex and Shell companies control extensive oilfields in Sumatra and Borneo at present.

Britain's first two atomic-power stations under the current nuclear-power programme are stated to be now less than a year off completion. One is at Berkeley, on the River Severn, and the other at Bradwell, Essex. Both are likely to start supplying power to the national Grid at the end of next summer. Their net electrical output will be 275 megawatts and 300 MW respectively.

The view that prospects for world production of rice in the 1960-61 season are generally satisfactory, despite earlier setbacks in some Asian countries, has been expressed in a review, just published in London by the Commonwealth Economic Committee. A record crop is forecast in Japan. Large harvests are expected in Indonesia and Burma, too.

A new integrated steelworks, claimed to be one of the most advanced and economical in Europe, is to be built in Britain at an estimated cost of £60 million. The project, planned by Tube Investments Ltd., will raise the Company's steel production from 450,000 tons a year to 875,000 tons in 1965. Work is to start next year and the plant will be commissioned in 1964.

Equipment has been perfected by Electromatic Shopblinds of London to lower shopwindow blinds automatically when sunlight reaches a degree of intensity which might damage goods on display. When the level of intensity has fallen below the danger point, the blinds will be automatically raised. The unit consists of a photo-electric cell and has transistorised control.

Britain is still the greatest nation of tea-drinkers in the world, according to a review appearing in the latest issue of *Plantation Crops*, just published by the Commonwealth Economic Committee in London. Coffee-drinking is on the increase in the U.K., but the popularity of cocoa as a hot beverage is declining. In 1959, the average Briton consumed 9.6 lbs. of tea and 1.8 lb. of coffee.

Demand for capital goods reached a record level in West Germany in September, with orders exceeding deliveries by 10 per cent. Whereas August orders for capital goods were 47 per cent. higher than those in August 1959, the increase from September to September was 26½ per cent. The index figure for new orders in the capital goods industry (monthly turnover in 1954=100) was 281. For industry as a whole, the index figure was 214 and the increase over September 1959 was 12 per cent.

The Government of Israel has signed an agreement with a U.S. company, granting it prospecting rights to a part of Israel's phosphate deposits. The agreement provides that the U.S. company—the name of which has not been released—spend at least £90,000 on prospecting in the next two years. Should the deposits uncovered justify it, the Company will invest up to £3 million in erecting a processing plant capable of turning out a minimum of 500,000 tons of phosphates annually. In addition, the plant will produce several hundred thousand tons a year of phosphate-based cattle fodder.

The first unit trust in Britain catering solely for trade unions is expected to be founded soon. It will have an initial investment of under £1 million supplied by a group of unions with a total membership of over 2 million. The group includes the Shopworkers, Railwaymen, Miners, General and Municipal workers, and the London Typographical Society. Negotiations are already proceeding with a number of other interested organisations, representing a further 500,000 workers—the National Union of Seamen, the Agricultural Workers, the Woodworkers, the Weavers and the Transport Salaried Staffs' Association. It is hoped that the trust will eventually invest nearly £2 million in equities.

A British firm of automatic control manufacturers, Honeywell Controls Ltd., of Middlesex, has received the biggest single contract in its history—worth £300,000 from India. The order is for automatic fuel-measuring instruments on the 720-mile length of the new oil pipeline in eastern India. A large part of the equipment involved will be made in Scotland. The builders of the pipeline, Burmah Oil Company (Pipe Lines) Ltd., placed the order with Honeywell, whose main factory is at Motherwell in Scotland. Work on the project is expected to begin this month and finish by the middle of 1961. Manpower at the factory is to be increased by one-third in an extension programme of £1 million.

The Soviet proposal for technical assistance in exploration of oil and other technical resources has been accepted by Pakistan "in principle." The proposals were recently handed over to the Pakistan Government by a Russion oil delegation. On the basis of classified information and data supplied by the Government, the Soviet delegation is understood to have been satisfied that the possibility of striking oil in certain areas is bright. The Russian offer to Pakistan differs from the usually known Western pattern, in that Russia will not be offering any aid nor will it be forming a commercial company to search for oil. Although details are lacking, Russian participation, it is understood, will be in the form of long-term credits at low rate of interest.

Production of oil in the Middle East during the first nine months of 1960 was at the all-time record level of 193.71 million metric tons. This was higher by over 22 million tons, or about 13 per cent., as compared with the corresponding period of 1959. All the leading producing countries showed record yields. Kuwait, the largest producer in the Middle East, produced 60.88 million tons, an increase of 16 per cent. over the output in the first nine months of 1959. The next largest producer, Saudi Arabia, with 44.28 million tons, showed a 12 per cent. increase. Persian output rose by 11 per cent. to 37.39 million tons and that in Iraq by 15 per cent. to 35.02 million tons. Chief among the other producing areas were Qatar, which yielded 6.5 million tons and the Kuwait-Saudi Arabia Neutral Zone, where output of 5.24 million tons was almost 15 per cent. higher.

PERSONAL

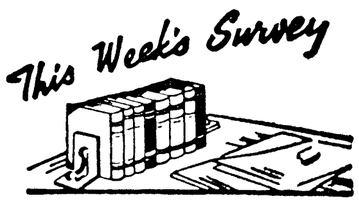
SIR Paul Gore-Booth, the U.K. High Commissioner to India, presented his credentials to the President on the 5th inst. He succeeds Mr. Malcolm Macdonald.

Dr. Hans Reuter, President of Demag and a member of the West German Atomic Commission, arrived in India on the 3rd inst. on a fortnight's visit of various industrial centres in the country.

Mr. H. Bizot, General Manager, Comptoir National D'Escompte De Paris (French Bank), will be in Bombay shortly to preside over the celebrations of the Bank's centenary in India.

Mr. W. A. Swift, Chairman of W. S. Malden Ltd., New Malden, Surrey in the U.K. will visit India this month to explore the possibility of expanding his firm's trade with India. The firm imports considerable quantities of hand-made embroidered blazer badges produced in India.

Mr. L. A. Green, of the London firm of Messrs. S. Berendsen Ltd., is now in India for the purpose of expanding business and promoting sales. Berendsens are a merchant firm dealing in a number of lines of iron and steel goods and agricultural machinery, acting as export agents for several British manufacturers.



FIFTY YEARS OF TATA ELECTRICITY

THE story of Tata Electricity is no less fascinating than the story of Tata Steel. In either case, it is a saga of enterprise and daring; in either case, the monument to Jamsetji Tata's vision and foresight not only endures but continues to expand. Scarcely have three years passed since the T.I.S.Co. celebrated its Golden Jubilee. It is now (November 1960) the turn of the Tata Hydro-Electric Power Supply Company, Ltd., to celebrate its Golden Jubilee. If the Andhra Valley Power Supply Company, Ltd., (launched in 1916) and the Tata Power Company, Ltd., (launched in 1919) are taken together in this context, it will be seen that Tatas have made a big contribution to power generation in the last 40 to 50 years.

The story of Tata Electricity may even be said to have begun much earlier than 1910, for, well before Jamsetji formed, in 1897, a small syndicate to further his plans for a hydro-electric scheme, he had come to use electricity in all his mills, albeit on a bit expensive and small scale. Jamsetji looked far ahead of others in his day and pursued his vision with a single-minded devotion in the face of heavy odds. That even the then Secretary of State for India, Lord George Hamilton, was not entirely hopeful of the success of Jamsetji's enterprise could be inferred from a letter from the India Office at that time, which said: "As to the scheme for utilising the electric power generated in the heights of the Ghats for the purposes of Bombay and its neighbourhood, Lord George can only say that, if it is brought to a successful issue, it will be an achievement of which you may indeed be proud." Even Jamsetji himself did not live to see the fruition of his dream, for he passed away in 1904. It was given to Sir Dorab to translate his father's dream into reality. Thus was born the Tata Hydro-Electric Power Supply Company, Ltd., which began selling power from February 1915. This Tata power has been sold to the consumer at the lowest rates ever since—rates which have continued thus far to be lower than those charged in any other part of India. With the expansions that have taken place from time to time in the generating capacity, Tata Electricity has made a massive contribution to industrialisation and urban well-being—a contribution of which Bombay City, no less than the House of Tatas, is justly proud.

EXCISE AND CUSTOMS

The constitution of a seven-member committee to examine the working of the Central Excise Department and to make recommendations for its reorganisation is, indeed, a commendable move. Both the choice of the personnel of the Committee and the terms of reference signify the Government's anxiety to tone up the administration of excise duties. The Committee includes well-known business men and industrialists and is presided over by no less a person than Mr. A. K. Chanda, until recently Comptroller and Auditor-General of India. The issues referred to the Committee are comprehensive in coverage, with particular stress on the need for achieving maximum efficiency at minimum cost, as well as for rationalising, simplifying and improving the Central Excise Act and the rules and procedures thereunder. The Committee is required to submit its report by the end of October next.

The great importance attached to the reorganisation of the excise machinery is only as it should be, considering the increasing reliance that is now being placed on indirect taxation to meet a larger part of the expanding expenditure of the Government. Excise duties constitute the biggest earner of revenue for the Central exchequer. Out of every Rs. 5 accruing as revenue receipts, these duties account for over Rs. 2. The estimated collections of excise in the current fiscal year, that is 1960-61—the last year of the second Plan—amount to Rs. 330 crores, representing, as much as 41 per cent. of the aggregate anticipated revenue of Rs. 920 crores. The percentage share was no more than 17 in 1950-51 (before the era of planning began), when the actual collections were Rs. 68 crores out of the total revenue receipts of Rs. 411 crores. The collections are expected to rise to Rs. 600 crores by the end of the third Plan (1965-66).

Since excise duties are such a fruitful source of revenue, it is imperative that the collecting machinery and the procedures followed by it should be examined with a view to adapting them to their new role. This view was also expressed by the Estimates Committee of Parliament in its fifty-seventh report. Equally imperative is the need for improvement in administration, for, because excise duties are collected at the source, there can be much avoidable sense of grievance if there is inexpert handling. This applies to customs administration too. Inaugurating the conference of Collectors of Central Excise and Customs in Bombay on Tuesday the 8th inst., Dr. Gopala Reddy, Union Minister for Revenue and Expenditure, did well, therefore, to urge the officials to be fair and just to the public. He said: "It is not enough, if the officials are revenue-minded; they should be careful about public opinion. . . . If the public is dissatisfied with the administration, they will feel frustrated." In his speech, Mr. V. T. Dehejia, who will shortly assume charge as the Secretary to the Revenue Department in the Union Ministry of Finance, also emphasised that the administration should not be mechanical but be fair, reasonable and efficient.

Customs duties constitute another important source of revenue to the Centre. The budget for 1930-61 has taken credit for a total collection of Rs. 162.50 crores, as against Rs. 157.15 crores in 1950-51, and the estimate for 1965-66 is about Rs. 180 crores. It is thus evident that, as compared with excise, the reliance placed on customs duties to provide additional funds is less substantial and is bound to play a diminishing role. This is because of the necessity to keep down rates of duties on imports as far as possible so as to avoid a heavy burden in the form of higher cost of production within the country. As readers are aware, the bulk of India's imports consist of capital goods, essential components and raw materials. Revenue in the form of export duties is also bound to shrink, in view of (*a*) growing competition in world trade and (*b*) the need for giving special incentives to exporters for winning more exports in order to meet the country's requirements of foreign exchange. Nevertheless, efforts must always be made to ensure a continuous improvement in administration. It is gratifying that the Government of India has already taken quite a number of measures in this direction on the lines suggested by the Customs Reorganisation Committee (Chairman: Mr. F. C. Badhwar) and also by the Customs and Central Excise Advisory Council. Even so, much still remains to done, especially in the fields of pilferage at the docks and delay in customs appraisal.

INDO-GERMAN TRADE

India's adverse balance of trade with West Germany has been a persistent headache to the Union Government all these years. Statistics of trade since 1952 show that the annual deficit has increased by leaps and bounds. In that year, it was Rs. 12.6 crores and in 1957 as high as Rs. 106.6 crores. But, in the first seven months of the current year, it is only Rs. 53.4 crores—a trend which may well mean a deficit of only about Rs. 91 crores for the whole year, if the present import and export trends are maintained. Probably this represents a turn for the better because India has exported to West Germany Rs. 11.3 crores worth of goods in the first seven months of the current year as against Rs. 10.0 crores in the whole of last year. The expected level of imports from that country to the value of about Rs. 110 crores in the whole of 1960, though not substantially less than the 1959 level of Rs. 119 crores, should not be deemed a disquieting trend by itself if India's exports have really begun to register a rising trend.

(Value in crores of rupees)

Year	India's imports from W. Germany	India's exports to W. Germany	Balance of trade
1952	25.15	12.54	— 12.61
1953	29.54	10.46	— 19.02
1954	38.60	14.75	— 23.85
1955	53.96	15.79	— 38.17
1956	81.54	14.64	— 66.90
1957	122.82	16.22	—106.60
1958	93.95	14.82	— 79.13
1959	118.72	19.61	— 99.11
1960 (Jan.-July) ..	64.69	11.30	— 53.39

But it is by no means clear that the rising trend is distinctly in evidence, for, as Mr. Lal Bahadur Shastri stated at the fourth annual general meeting of the Indo-German Chamber of Commerce at Bombay, the improvement in India's exports in the first seven months of 1960 is very slight, considering the dimensions of the problem. Even this slight improvement is only a part of, and is relatively less than, the general improvement in India's export trade with a number of countries in the first seven months of the current year as compared with the corresponding period of last year. The following figures would bear this out:

India's exports to	*Jan-July* 1959 (Rs. crores)	*Jan-July* 1960 (Rs. crores)
Canada	8.7	9.3
U.S.A.	54.9	58.3
U.K.	77.7	82.7
Belgium	2.3	2.7
Italy	3.0	4.3
Japan	20.4	21.4
Egypt	4.0	7.7

It is not surprising that imports from West Germany have also begun to register a declining trend in the context of a low level of India's annual exports to that country continuously over a number of years. This, as Mr. Lal Bahadur Shastri has rightly pointed out, should be disquieting to West Germany itself. It is clear that, unless that country imports more of Indian goods like tobacco, cotton textiles, shellac, mica, carpets, floor coverings, sports goods, handicrafts, leather, coffee and tea and some new items like sewing machines, diesel engines and iron castings, its exports to West Germany may have to appreciate the need for providing as much finance as possible for facilitating continued imports of vital machinery and equipment needed by India which, as of 1959, account for nearly two-thirds of all imports from that country. Mr. Lal Bahadur Shastri has drawn pointed attention, in this connection, to the feasibility of two types of collaboration between the two countries.

Under the first type, not only the equipment for the projects but also the continued import of raw materials will be looked after by the export potential generated by the arrangement. The idea that the equipment and know-how of West Germany should be coupled with India's own resources in men and materials so as to make it possible for a part of the manufactured products to find their way into international trade is commendable. It will mean collaboration between German industry and Indian industry in the setting up of export industries.

Under the second type of collaboration, which is now working in a small way, it will be possible for West Germany to help India to improve the quality of production of some raw materials which can thus find easier and larger markets in that country. At present, the only example of this type of collaboration is provided by the assistance rendered by a German expert working in Andhra Pradesh to produce certain varieties of virginia tobacco which are in large demand in Germany. It is expected that, when this experimental project is extended to cover a larger area, German cigarette manufacturers will purchase the tobacco produced. If this type of collaboration succeeds, it will alone mean a substantial rise in this country's exports. If, at the same time, West Germany liberalises the quota restrictions more speedily than it has done so far, it will augur still better for our exports to that country. Mr. Lal Bahadur Shastri's expectation of a much better deal from West Germany may yet be fulfilled if Indo-German trade also involves increasingly Indo-German collaboration in industry and agriculture alike.

It must, however, be recognised that the possibilities of increased export trade with Germany cannot be enhanced by mere liberalisation of import restrictions and reduction in taxes on consumption. True, such liberalisation may improve the exports of tea, coffee and cashewnuts on which heavy import duties are now levied by that country. But this will not be the case where textiles, light engineering goods and some raw materials are concerned, because these will have to face even otherwise severe competition from other exporting countries. It is, therefore, of the utmost importance that Indian producers should make their goods competitive in terms of prices, quality and salesmanship. Even if all this is done and exports increase in consequence, there will be no likelihood of Indo-German trade being fully balanced in the foreseeable future as the heavy imports from that country stem from India's developmental needs. And, since German machinery and equipment will continue to be required on a large scale for some years to come, the case for more German aid in the form of long-term loans should be self-evident.

BRITISH ECONOMY

An expert diagnosis of the causes of the slower pace of economic growth in Britain, as compared with some other countries in Western Europe, has been made by Political and Economic Planning, an independent, non-party, research organisation of Britain, better known by its initials P.E.P. In a report entitled *Growth in the British Economy*, the P.E.P. has warned that, if British economy does not expand faster, in a few years' time, Britain would find itself having a lower standard of living than many of its competitors across the Channel. A comparison of the rate of investment in seven European countries shows that Britain ranks last but one, among the seven countries arranged in descending order according to the rate of annual investment during the years 1953-57.

The P.E.P. discerns two reasons for the slow rate of growth, one psychological and the other economic. The British people, it maintains, are not sufficiently keen on economic development. Both management and labour, and, more widely, people in general, do not attach, so we are told, such high priority to material progress as might lead them to great enough efforts to achieve the economic results, for example, of the U.S., W. Germany or the Soviet countries. The British business man, according to it, lacks dynamism and that restless, aggressive spirit, which had been responsible, in no small measure, for the supremacy of Britain in the industrial field in the past. Instead, he desires "an easy life and small but safe profits." The British worker, too, the P.E.P. points out, though not less demanding than his counterparts in other countries, is not willing to put in the effort and sacrifice required for a more affluent life. In other words, although he is as persistent in demands for higher wages as workers in any other country, he is not prepared "to take risks, move to a new job and fight for advancement." The P.E.P. goes on to add: "If the prospect of more wealth is held out to him, but at the risk of unsettling his established pattern of life, perhaps of being separated from his family for a period, then he is inclined to settle for things as they are."

Among the economic reasons for the too-slow growth, the P.E.P. gives pride of place to lack of planning. There is, it is said, very little investment planning in the country. Even in nationalised industries, according to it, there seems to be a failure to co-ordinate investment plans of even closely related industries. In the private sector, there is no planning and co-ordination of investment, except in the steel industry. The P.E.P. feels that, in official economic thinking in Britain, maintenance of full employment, avoiding inflation and averting balance of payments crisis have been given higher priority than economic growth.

There is no evidence to suggest, says the report, that the high level of general taxation has been harmful to investment and industrial growth or that large spending on social security has retarded progress. On the contrary, it maintains, expenditure on health and education, as a necessary condition to expansion, should be increased. But it does concede that harm may be done by high marginal rates of tax at the early surtax level, by death duties falling on family firms and by a general bias of the tax system that tends artificially to reduce the cost of labour in relation to capital.

Having spotted the inhibitory factors, the P.E.P. goes on to suggest ways and means of stimulating economic expansion in Britain. It suggests that there should be more planning of investment programmes and production targets in the private and public sectors. The P.E.P. favours investment of a more labour-saving type, because it feels that, as the expansion of the economy proceeds in the 1960s, it will be limited by renewed shortage of labour before all the surplus capacity built up in the years of high investment since 1955 has been utilised.

The crucial problem of Britain, the P.E.P. admits, is that industrial expansion invariably leads to a crisis—either a setback in export markets owing to increased demand at home or balance of payments trouble due to excessive imports. And, when restrictive measures are introduced to remedy the situation, they also result in a slowing down of production. The only solution to this dilemma of inflation and deflation, in the P.E.P.'s view, lies in a wage policy that will see to it that the annual percentage rise in wages does not exceed the percentage rise in productivity. But it is not optimistic that such a policy would receive general endorsement in the near future.

The conclusions and recommendations of the P.E.P. study, not to mention the basis of its comparison, are highly controversial. It is not possible to comment on them at length within the scope of this short note. Suffice it to say its advocacy of "more planning" in the economy may attract some political attention and give a sharper edge to socialist swords. It is difficult to share the P.E.P.'s dissatisfaction with the rate of Britain's economic growth. It has been as high as it could for a small country, with sizable international commitments. There has been sustained full employment, with a standard of living which is, perhaps, the highest in Europe. Britain currently finds itself in the unenviable position of having to steer clear of the Scylla of inflation and the Charybdis of deflation. If, in the process, the rate of expansion suffers a little, it could not be helped. It is the price to be paid for stable, though less spectacular, progress But it is a small price, having regard to the enormous leeway that underdeveloped countries have to make up and the contribution which the developed countries such as the U.K. have to make for speeding up their progress.

RAYON MILLS' CORPORATION

It must be said to the credit of the Rayon Mills' Commercial Corporation that it has done some useful work during the brief period of fourteen months after it commenced operations on 5th September 1959. The Corporation has endeavoured to meet a part of the credit requirements of art silk weaving units which are its members. In his speech at the annual meeting of the Corporation held at Bombay on Monday this week, Mr. D. N. Shroff, Chairman, disclosed that, upto 31st of last month, the Corporation had rendered assistance to the extent of over Rs. 12.69 lakhs against pledge and nearly Rs. 11.68 lakhs against letters of credit. It had also offered hypothecation facilities for an amount of Rs. 3.70 lakhs. The credit facilities may be expected to be larger in the coming months, now that the capital of the Corporation has been raised by Rs. 5 lakhs and is proposed to be raised further by an equivalent sum. What is more, the Corporation, we are told, has made arrangements with the Bank of Baroda Ltd. for cash credit facilities to the tune of Rs. 60 lakhs against hypothecation of stock-in-trade, Rs. 30 lakhs against pledge and Rs. 50 lakhs for opening letters of credit. Further, the State Bank has been requested to grant a clean credit advance of Rs. 25-30 lakhs against yarn imported under licences issued against art silk fabric exports.

The importance of such facilities lies in the fact that the art silk weaving units are finding it difficult to secure funds as a result of the restricted credit policy of commercial banks and are not able to obtain hypothecation and other means of credit through the usual channels such as the Reserve Bank's scheme of guarantee of advances to small industries, State Bank's assistance, the Industrial Credit and Investment Corporation, the Refinance Corporation for Industry, and the co-operatives. The credit facilities made available by the Corporation have certainly enabled many units to plan a production programme and implement it, especially in slack seasons without making distress sales. Reassuring is the statement of Mr. Shroff that it is the endeavour of the Corporation to ensure that "lack of finance shall soon become a matter of the past." In addition to providing credit facilities, the Corporation has also been assisting the mills in obtaining deliveries of yarn from indigenous manufacturers.

While all this is useful work, the Corporation's move to undertake exports of fabrics and distribution of yarn imported by the State Trading Corporation under various trade agreements would appear to be not a wise one. Why should this organisation try to trade (import or export) in art silk yarns and/or fabrics, thereby displacing quite a number of persons engaged in it for several years? By all means, the Corporation can render service in the field of export by laying down and enforcing quality standards and by offering arbitration facilities.

DOLLAR *VS.* THE REST

From Our Own Correspondent

LONDON, *5th November*

LONDON LETTER

IN October, the British gold reserves rose by £46 million following a rise of £33 million in September. As a matter of policy and not of necessity, the Bank of England took the opportunity to make advance repayments of the last of its outstanding debt to the International Monetary Fund: it repaid £20 million in September and the final balance of £30 million in October (it could have held on to these balances for another year had it wished) *plus* a capital payment of £5 million in respect of the liquidation of the E.P.U. Thus, the net increase over the two months as published is £24 million, raising the reserves to £1,121 million at the beginning of this week.

All this has been done at a time of the year when the pound is traditionally weak, with import payments overseas. It has been possible, because, in the earlier part of the period, the Bank was upholding a Bank rate of 6 per cent. and in the last two or three weeks because of the panic rush into gold by Americans—a rush which has had largely to be satisfied through the London bullion market with a corresponding demand for sterling.

It is the latter which has now sent the price of sterling to its highest level for this year, namely, $2.81\frac{3}{4}$, a rate at which the Bank is obliged to convert its dollars into gold with the Federal Reserve Bank. Strong sterling and weak dollar are two sides of the same picture.

Over this same period, when the Bank has been acquiring gold, the American stock has been dwindling—in four weeks in September by £110 million and in four weeks of October by £100 million. Although it is the recent losses that have been spectacular, it must be remembered that gold has been seeping out of the United States for the past three years at a very steady rate; in 1958, $1,279 million; 1959, $1,078 million; 10 months 1960, $1,122 million, but, at present progress, 1960 will create a record.

Behind the short-term speculation, which sent gold up to fantastic prices in London a fortnight ago, it is now clear that there is a heavy bear movement against the dollar on the part of Americans themselves. The London gold price, after the first week's flurry, has moved mostly between $36 and $37 and, at $36½ for a substantial turnover (as compared with the F.R. price to other central banks of $35), it is clear that there is a flight from the dollar.

American financial policy has been opposed to meeting the speculators by making free sales of gold. Dollars have been sold to the Bank of England and to all European central banks and the latter, as their dollar stocks have swollen, have, in due course, converted them at the Federal Reserve Bank. The American Treasury could not bring itself to appreciate the wave of distrust that has been building up against the dollar, but, with reserves in excess of $18,300 million it could still swallow its pride—if it believes in an undevalued dollar—and either take the initiative in buying dollars freely from central banks against gold or (though this would offend Western canons of finance) even in selling gold to its own nationals. It is difficult to see over here what prevents the U.S. Treasury from taking the first step for nothing but harm results at present from the doubts on the stability of the U.S. dollar.

Of course, policies of easier credit in the U.K. and still more in Germany would weaken the pressure to get into other currencies, but the real trouble is deeper—it is an urge to get out of dollars. In the City—and the same is true of West European capitals—a dollar weakness is not really welcomed, as the dollar has too long been the symbol of stability on which other currencies have relied. Yet, surely this is carrying respect for American finances too high. There is, however, no disposition here to be chauvinistic and look for the day when sterling might once again supersede the dollar as a symbol of stability—though it may come without being looked for!—*All Rights Reserved.*

ON THE ARENA

BY THE ARCHER

Inflation—What Remedy ?

DURING the past few weeks, I managed to collect a sizable amount of material from newspapers and financial journals on the subject of inflation and increase in prices, their causes and cures. The cuttings which I have before me contain interesting views: one or two in defence of Government, a few wholly condemnatory of Government, one pragmatic and suggestive, and others either pedestrian, naive or pedantic. Let us have a quick look at this odd assortment.

In compliance with current-day protocol, I shall refer, first, to a speech of Dr. P. Subbarayan, Union Minister for Transport and Communications, at Erode, lamenting Rajaji's part in observing an Anti-Inflation Day. One newspaper quotes Dr. Subbarayan as having said: "There is no inflation and people are not experiencing any hardship. It is true that there was deficit financing, but Government and the Union Finance Minister would expand the currency only to the bearest minimum to finance the Plan and they are fully conscious of inflation and its evil effects." According to another newspaper, the Minister is reported to have averred that "there is no inflation due to deficit financing." I do not know which version is correct but both are good enough for comment. If the first statement is correct, the learned doctor was adopting the method pursued by most village *mantrikas* to relieve the pain of persons stung by scorpions. After mumbling a few incantations, the *mantrika* would raise his voice and shout: "You have no pain, nothing; don't whine; get up and walk; go!" and that will be the end. The sufferer would beat a hasty retreat, apparently well, but whether the pain returned after he reached home, no one knew nor cared. If, however, the second report is more authentic, we can only presume that Dr. Subbarayan was defending the limit of deficit financing, afraid, perhaps, that someone like Edwin Cannan (the Head of the London School of Economics shortly after the First World War) might bring a complaint against the Finance Minister for selling worthless paper as good money. Edwin Cannan did so before the Oxford Profiteering Tribunal impeaching the Chancellor of the Exchequer, and, may be, Dr. Subbarayan was acquainted with him during his Oxford days.

Another set of views were expressed by Mr. R. Venkataraman, Minister for Industry in Madras, at a recent symposium. He claimed that (*a*) the increasing prices in the country was a healthy sign of its growing economy and prosperity, (*b*) while capitalists and share market people may feel disconcerted about the trend of rising prices, workers should not shout, because, if prices were brought down much, their income would also go down and investment would then decrease, (*c*) monetary pressure could be reduced by absorbing the loose money into Government coffers by direct taxation and loans. Mr. Venkataraman is an old hand at labour leadership and knows that his views can be effectively driven home only if they are beamed to the working class. This obviously explains his assertion that they should put up with high prices to maintain the tempo of investment which will sustain employment and high wages. He has no solicitude for the class of people between "capitalists and stock market people," on the one hand, and "workers," on the other! He would gladly have them pulverised by high taxation. Mr. Venkataraman also disclosed that the State Government had a proposal to sponge off from circulation a part of the payments made as bonus to workers by stipulating that amounts exceeding three months' salary should be given only in the shape of National Savings Certificates. Apart from the resistance that this proposal is likely to be met with, there is the possibility that the certificates will be surrendered at the end of the first year when the post offices concerned may have to work overtime and keep open at nights and holidays to meet the rush of payments. Well-wishers of the Congress Party should suggest that proposals to siphon off bonus payments may be postponed till after the 1962 elections. In the meantime, an expert committee can be appointed to investigate the scheme and shelve it. After all, discretion is the better part of valour.

Mr. J. R. D. Tata on "Inflation"—*vide* his speech at the last annual meeting of TISCO shareholders—is crisp, suave and analytical. The substance of what he said is that, as the large-scale investments which have taken place in the past have pumped large increases of purchasing power into the economy, there has been an increase in the demand for consumer goods of which there is an acute short supply, and the only practical course open to planners is to provide for an increase in the establishment of industries to produce them. Drastic controls over price and consumption are impracticable and objectionable; additional taxation to mop up purchasing power is neither feasible nor advisable: and the Government's policy for encouraging existing consumer goods industries is deliberately restrictive. Mr. Tata suggests that, if the Government is determined to carry the Third Plan through in its draft form, it should develop such basic industries as fertilisers, power, fuel and transport with foreign capital participating in State enterprises so as to relieve the strain on our resources. His exhortation seems to me to be similar to that of the British housewife to her husband when he is going away for a few days on a business tour: "John, I wish you were not going to be away for so long; but, if you must, please be good; and, if you can't be good, please be careful!"

Under the caption "Inflation at large" (one that reminds me of man-eater at large), Prof. B. R. Shenoy has written to say that inflation has increased consumption and reduced the rate of savings and has caused undue foreign exchange difficulties; it cannot be remedied by selective credit controls which, while budget deficits continued, can only add to the chaos; it cannot be checked by price controls which only give rise to black markets; it cannot be remedied by an increase in production, as inflationary funds cannot be absorbed by larger output from factories; and it cannot be corrected by food-grain releases from buffer stocks. He ends by saying that "inflation cannot be remedied except by putting a stop to it." This looks like playing with words, but, fortunately, Prof. Shenoy clarifies the statement by demanding that deficit financing should stop. In his view, it is an "economic untruth" to say that some inflation and rising prices, balance of payment difficulties, import restrictions and strategic price controls are inevitable in a developing economy and cites the cases of Germany, Japan, Italy, Switzerland, and France where the "economic miracle" has worked. Well, well, that is that. And, if Prof. Shenoy is correct, all these countries must have had something which we do not have—some great virtue or adventitious aid—or we must be having something which they do not have—some deep-seated malady, perhaps. If we stop deficit financing, will we be in clover?

Mr. A. D. Shroff of the Swatantra Party would like to have "realistic" planning displace "ideological" planning, i.e., targets of expenditure should match available resources. Creation of purchasing power through increase of note supply has produced all the inflation that we are faced with. As against notes in circulation of Rs. 1,232 crores in 1948-49, we had a figure of Rs. 1,731 crores in March 1960. At the beginning of the second Plan, credit created by banks had grown from Rs. 979 crores to Rs. 1,017 crores, while, on 1st April 1960, it had touched Rs. 1,835 crores. All considered, Mr. Shroff is of the view that our third Plan target is overambitious, unrealistic and likely to result in widespread and extensive hardship. Since Rajaji is also of the same view, it looks as though the Swatantra Party will face the next General Election with this as the main plank in its platform.

In a somewhat prosaic article published sometime ago on "Holding the Price Line," Mr. K. Santhanam offers quite a few textbook solutions such as increased agricultural production, economy in Government expenditure, keeping down the cost of transport communications and power, excise duties and sales tax, and balancing the budget without further taxation or deficit financing. He also suggests raising the Bank rate and the rate of interest on all forms of small savings. He advocates a spirit of austerity, drastic reductions in the number of official conferences, touring committees, receptions and excessive travelling by Ministers and officials. With the last suggestion, I entirely agree, but how will the newspapers find material to fill their columns, and what about work for the press photographers?

Maximisation of output, according to Mr. H. M. Patel, is the only way to fight inflation. Incidentally, he commends the German example (after the war) wherein labour and capital entered into a truce to impose self-denying ordinances on themselves, and suspend trade unionism, with a view to plough back profits for capital development. I ask, of what use is it for us to consider this example, when we keep on calling German post-war recovery as the "German Miracle"?

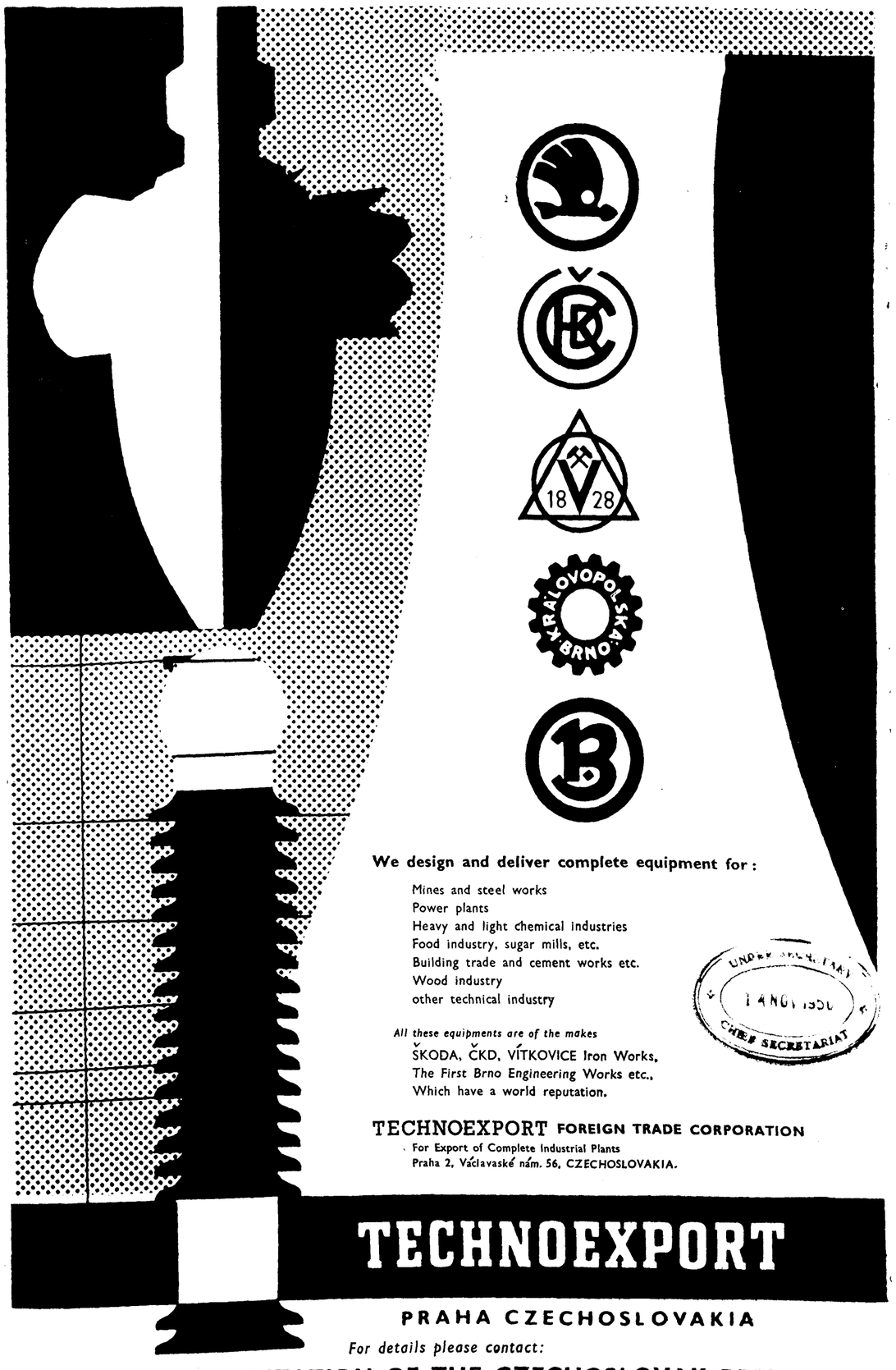
I am afraid this subject of inflation and high prices is becoming an obsession with most of us, and tends to increase our frustration. So let us change over to something less morbid.

* * * *

Protection Against Neglect By Husband

It is notified in the Press that the Madras Government has informed its employees that, in cases where a Government servant is reported to have acted in a manner unbecoming of him, as, for instance, neglect of his wife and family, departmental action can be taken against him on that score, without invoking any of the conduct rules. Government proposes to invoke the rule in the Madras Civil Service Rules which specifies the nature of penalties that may, for good and sufficient reasons, be imposed on a Government servant, and has held that neglect of his wife and family *in a manner unbecoming of a Government servant* (italics mine) may be regarded as sufficient reason for taking action under this rule. In cases where legal proceedings have been instituted by an aggrieved party, Government will take no action as it might constitute contempt.

If this decision had been framed as a Bill before the Legislature, it would have been necessary to lay down precise definitions for the terms "neglect," and "family" and the phrase "in a manner unbecoming of a Government servant." Neglect, like cruelty, is very much of a subjective term in matrimonial relationship. A very eminent film star was divorced by his wife for cruelty, the proof of which was that he used to bring home friends who talked about Kant. A wife may allege neglect on the part of the husband, if he is guilty of intelligent conversation with others in her presence, or played bridge with his friends, or went for long walks by himself or attended cinema shows twice a week without taking her along. If he worked late hours in his office or was preoccupied with looking to the comforts of his superior officer, he would be guilty of neglect of his wife and family, and the official superiors may be impleaded along with him for abetting the offence. As regards the phrase "unbecoming of a Government servant," could anyone tell me whether Government servants have a separate code of ethics superior to what is applicable to others, such as lawyers, doctors, bank officials etc.? It is bad enough to be told that attestations to pension receipts, *vakalats*, *affidavits* and declarations are valid only if they are signed by "Gazetted Officers," but it is manifestly absurd to claim that what is *becoming* of a Government servant is something very superior to what is becoming of other equally civilised members of society. And, finally, why use the word "family" if, as I presume, all that is meant is children? Would family include a man's mother-in-law or unmarried sister-in-law who may be sponging on him as dependents on the wife? Confusions, subterfuges and absurdities are bound to result when the new rule is enforced, and the Madras Government would be well advised to leave the Civil Procedure Code and the Criminal Procedure Code to take care of hard cases.



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GOLD AND DOLLARS CONTINUE TO FLOW INTO BRITAIN

WILL BANK OF ENGLAND RATE BE CUT FURTHER?

THE United Kingdom has, it is said, reduced its Bank rate as a matter of gesture to its friend across the Atlantic, the U.S. The speculation over the prospect of devaluation of the U.S. dollar, which led to a sharp rise in the price of gold to $41 in the London market, has also considerably calmed down during the last two weeks. But this does not seem to be the end of the story of flow of hot money from the U.S. into Britain and the drain of gold stocks from the former country. For the flow continues and there has been renewed speculation about the prospect of a further cut in the British Bank rate. The two main factors which have been responsible for this speculation are: (1) the sharp rise in Britain's gold and convertible currency reserves during October and (2) the wide disparity in interest rates between those in the U.S. and the U.K. in favour of the latter, notwithstanding the recent half per cent. cut in its Bank rate.

Britain has added another £11 million to its gold and currency reserves during the month of October. This increase has been arrived at after payment of £30 million to the International Monetary Fund as the last instalment on its borrowing of £200 million in September 1956 and £5 million to settle E.P.U. bilateral debts. The true increase in reserves is, therefore, of the order of £46 million and compares very favourably with £33 million in September and over £50 million each in August and July. This is the ninth month in succession to witness an increase in the reserves, from a low of £959 million at the end of January to £1,121 million at the end of October. Such a consistent rise in Britain's reserves has occurred during the months which are seasonally unfavourable for sterling area trade balance. Now that the season of adverse trade balance is over, it is expected that the addition to the reserves during the coming months is not likely to slacken. The main contributory factor for the rise in Britain's reserves during October was, as in the previous months, the flow of capital funds to London, which has more than offset the U.K.'s deficit on current account and the heavy drawing on reserves by several members of the sterling area.

During the very week in which Britain obliged the U.S. with a cut of ½ per cent. in the Bank rate, the U.S. lost $108 million of gold and increased its foreign liabilities by $157 million, thus worsening its monetary position by $265 million or nearly £100 million in one week. This has brought the U.S. gold loss during the whole of October to $280 million, in contrast to the rise of $129 million in Britain's reserves. Germany also has strengthened its reserves by $116 million to $7.3 billion (as compared with Britain's total of $3.15 billion) during the first three weeks of October. The French gold and dollar reserves rose by $25.8 million to $2,135.7 million and the Swiss reserves by 120 million Swiss francs to 9,381 million Swiss francs (equivalent to $2,182 million) during the month of October. The French and Swiss reserves included a gold stock of $875.5 million and 173 million Swiss francs ($40 million), respectively. The loss of gold by the U.S. to the tune of £100 million in one week is said to be worse than what happened to sterling even at Britain's worst post-war exchange crisis in 1957.

The loss of $280 million of gold in October has brought the total decline in U.S. gold reserves to over $850 million since the end of June. This is the result of the persistent large-scale conversion of dollar into gold by the various countries which have benefited by the huge amounts of dollars supplied by the U.S. for building up their economy during the last three years. In 1958, foreign countries were said to have utilised two-thirds of their newly acquired dollars to buy gold from the U.S. In 1959 and up to the end of June 1960, they, however, bought much less gold, but the trend has been reversed again since then. During the last three years, the U.S. has been suffering from a balance of payments deficit. In 1959, it had a deficit of $3.8 billion and in the current year it is not expected to fall much short of last year's.

The private capital outflow from the U.S. is currently estimated at a rate above that of $2.3 billion in 1959. Since the end of June this year, the capital outflow, normally of a long-term investment in character, has gathered momentum as a result of short-term funds to the financial centres in Europe. The most important factor said to be responsible for the flight of short-term funds is the strength of European currencies *vis-a-vis* the U.S. dollar which has made the short-term capital sensitive to interest differentials between the major financial centres. The short-term interest rates in the U.S. have declined by about 2 per cent. during the current year, while there has been a corresponding rise in the U.K. and Germany. Even after making allowance for the cost of covering the exchange risk, the interest arbitrage has proved to be profitable. Another factor which has been responsible for the flight of "hot" money (short-term funds) is the speculation over the prospect of devaluation of dollar. As the *Monthly Bank Letter* (November issue) of the First National City Bank of New York aptly remarks: "In the outflow, we have something like a cat chasing its own tail. People are moving funds abroad because of the balance of payments deficit and it is this very outflow of funds which is enlarging that deficit."

The main beneficiary of the flow of funds and gold from the U.S. is the U.K., which is the most powerful magnet for international funds. This position has been strengthened further by the cut in the French Bank rate on 6th October from 4 per cent. to 3½ per cent. Even after the more recent cut in Britain's Bank rate, the Treasury Bill rate in London, at 5½ per cent. per annum is more than two times that of 2¼ per cent. in New York and is higher than the current money rates in Germany.

The U.S. authorities are now making an all-out effort to relax their credit policy and infuse buoyancy into their economy. With this end in view, the Federal Reserve System quite recently eased the bank reserve requirements, as a result of which an extra $1,500 million of cash will soon be injected into the banking system. Examining the implications of this step, Mr. Paul Bareau, the *Daily Mail* financial columnist, says:

"By putting this large extra amount of cash at the basis of the credit system a large expansion of total bank credit could be secured.

"It is not surprising that this policy of pump priming should be taking place, since a Presidential election is impending. But it is a policy which must cause still more pressure to fall on the dollar. The lower yields in the New York market will cause still more hot money to come into London and other European capitals wh e this money can earn two or three times as much as in New York. Hence the S.U.S. messages from Washington and New York to which we have now responded, rather meagrely by the half per cent. cut in Bank Rate.

"The Germans, the main culprits in attracting gold from the United States, have so far not responded at all. They are still terrified of the very word inflation—and who would not be in a country which has seen its currency utterly wiped out by inflation twice in the course of one generation?

"In due course, however, the Germans will take the necessary step and reduce their Bank rate below the present figure of 5 per cent. When this happens and if hot money and gold continue to pour into London it should not take long to convince the Treasury and the Bank of England that another downward move in Bank rate would be in accordance with the rules of the game."

It looks as though West Germany will also oblige the U.S., if the latest step taken by the Bundesbank in pruning the interest rates for Money Market Paper is any indication. On the 2nd inst., the Bank reduced the rates by ⅛ per cent. This was followed by a further cut of ⅛ per cent. on the 3rd inst. As a result of these cuts, the Bundesbank rates for Money Market Paper are: 30-59 day Treasury Bills—4⅜ per cent., 60-90 day Bills—4½ per cent., 6-month Treasury Bonds—4¾ per cent., 18-month Bonds—5 per cent. and two-year Bonds—5⅛ per cent. This is taken as a prelude to a cut in the Bank's Discount Rate itself from the present 5 per cent. It will not be surprising if the Bank does it even before these lines are printed. The German Central Bank has not made any change in the rule forbidding the sale of Money Market Paper to non-residents, so that the latter are not directly affected by these cuts.

The International Monetary Fund received a payment on the 3rd inst. from the Government of France amounting to approximately $131.08 million, of which $116.70 million was in gold and $14.38 million in United States dollars. This completes repayment of the drawings made by France in 1957 and 1958, the total of which at one point aggregated $393.75 million.

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Notices

BARAREE COKE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-ninth Annual General Meeting of Members will be held at the Registered Office of the Company, 4, Clive Row, Calcutta, at 11 O'clock a.m. on Friday, the 9th December, 1960, for the following purposes:—

(1) To receive and consider the Audited Accounts for the year ended 31st March, 1960, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.

(2) To appoint a Director in place of the one retiring.

(3) To appoint Auditors and to fix their remuneration.

Notice is also given that the Share Transfer Books of the Company will be closed from 30th November to 9th December, 1960, both days inclusive.

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

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

4, CLIVE ROW,
CALCUTTA, *28th October*, 1960.

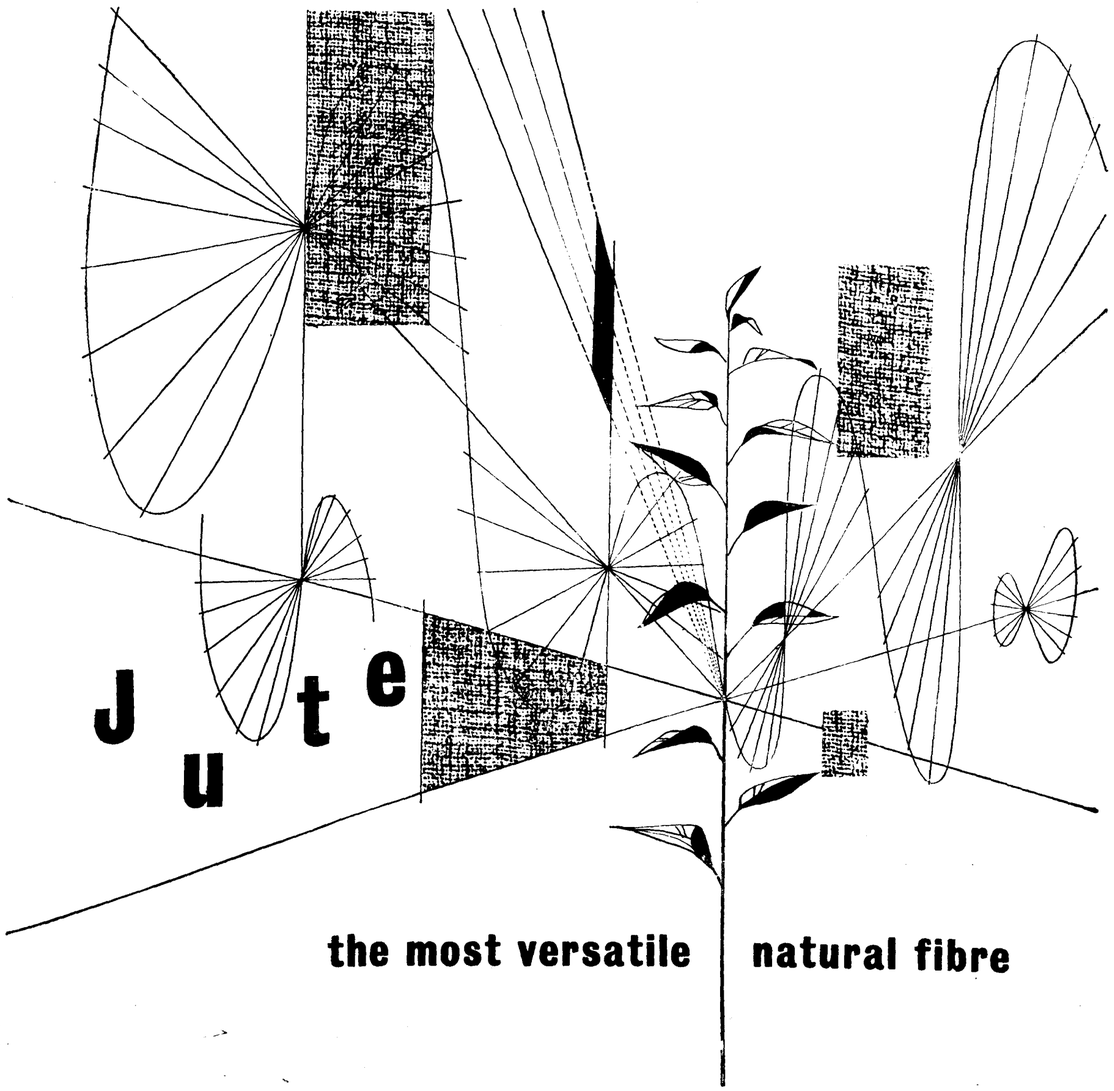
BALMER LAWRIE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has to-day declared an Interim Dividend of 7 per cent. (subject to deduction of Income-tax) in respect of the year ending 31st December, 1960, payable on or after 14th December, 1960 to members registered in respect of shares of the Company on 14th December, 1960. Dividend warrants will be despatched to members and no application to the Company is necessary.

The Register of Members of the Company will be closed from 25th November 1960 to 14th December 1960, both days inclusive.

By Order of the Board,
D. MANSON,
Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *7th November*, 1960.



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TEXTILE IMPORTS INTO WEST EUROPE

VIEWS OF A BRITISH ECONOMIST

IT is regrettable that some in the industrially advanced countries of the free world, especially in Western Europe, continue to advocate imposition of a blanket ban on imports of cotton goods from Oriental nations. No one will, of course, object to measures such as those designed to curb dumping of textiles by countries which are noted for uncommercial selling or production methods, as, for instance, Communist China. But to impose a total ban on all imports of textiles of Asian origin will surely be a gross injustice to underdeveloped countries like India that are struggling hard to raise the woefully low level of living standards through industrialisation. The authorities in India have no doubt offered certain incentives to boost export trade in cotton textiles. The objective of the incentives, however, is not to encourage dumping of textiles in foreign markets but only to balance, to some extent, the effect of the series of adverse factors confronting the industry—steep rise in raw cotton prices, mounting labour cost and heavy tax burden. The cotton mills in India are no longer having the advantage of low cost cotton which they had enjoyed for quite sometime now, inasmuch as they are paying almost the same prices—in fact, higher prices in some cases—as those paid by their counterparts in other countries. Similarly, the incidence of wages in India is relatively higher than in Europe, having regard to the low productivity per worker in this country.

The Western nations would not be fair to India and other Asian countries, if they were to take any unilateral decision to restrict textile imports. But they can by all means try to withstand competition from imports through improvement in efficiency of manufacture and reduction of prices. This aspect was impressively brought out by Dr. Helen Makower of the London School of Economics and Political Science, in her address given before the Committee for European Affairs of the International Federation of Cotton and Allied Textile Industries at a meeting held in Stresa in Italy sometime ago.

What is 'Dumping'?

At the outset, Dr. Makower seeks to define the concept of "dumping." Dumping, she says, is selling abroad at a price below the fair market price. Referring, in particular, to the so-called social dumping—that is, selling of goods abroad at prices much lower than the importing country's price due to sweated labour or otherwise low cost abroad—she emphasises that to legislate against such imports would damage the standard of living of not only the exporting country but also the importing one. "The gains from international trade," to quote her, "*consist in* profiting from the difference in comparative cost, for example, from the fact that wages abroad compared to interest rates abroad are lower than this ratio is at home. Under free trade, both countries *gain* (this doctrine was first set out by Ricardo). We should, therefore, not try to re-define the term 'dumped goods' in order to cover the cost of low cost goods."

An interesting question posed by Dr. Makower is: Should an anti-dumping tariff be imposed in cases where the threat comes from the substitution of commercial trading by State-dictated deals in imports and exports, the motive being often military or ideological and may be in conflict with the economic motive? Dr. Makower observes that this problem is too big to be treated in this way but minces no words when she states that, at the same time, a method of anti-dumping tariffs may be too insidious to be desirable. Rather, the presence and power of authoritarian States compels the Western countries, according to her, to deal with them and the most helpful line is that of co-ordinated trade policy by the countries on the point. It is against this background that Dr. Makower sets out the approach to the problem posing the textile industry. Here are her views:

"Now we have to be extremely careful in this whole question of anti-dumping and, more broadly, prospective commercial policy. The present situation is such that it would be only too easy for the textile industry to lead the way in a general disastrous stampede of Europe down the slippery slope of inefficiency, protection, more protection, until Europe becomes an isolated island of high costs and old-fashioned methods and low standards of living. It would only take a few big industries, like the textile industry, engineering industry, motor cars and chemicals, to shut out foreign competition and settle down to inefficient, old-fashioned methods and the standard of living in Europe would be really seriously reduced. If the textile industry takes a defensive policy, it is too conspicuous for other industries not to follow. But, if three or four other big industries follow, textiles like every one else will feel the consequences in a fall in national output."

Dr. Makower has clearly warned that, where there is a recession and one big industry such as textiles takes the shortsighted line of least effort and starts upon the protective course, that action may turn the whole European Community from a regional move towards freer trade and better allocation of resources to one of protection—every man for himself, beggar-my-neighbour and poverty. She, therefore, urges that the positive action to be taken should be as follows:

1. Anti-dumping legislation to prevent real dumping (in the strict sense) of textiles.
2. Look forward to, and anticipate, the universal adoption in Europe of lowest-cost methods.

Productivity

In this connection, Dr. Makower draws attention to the varying degrees and types of protection and in the costs of production or productivity levels in the textile industry of the various European countries. Pointing out that the question of productivity is a complex one, she observes:

"Every country has a different history and a different present position as regards its textile machinery, its raw materials and its manpower. Nevertheless, you will be able to see your way through these complexities to a true assessment of which countries, and which units within those countries, are the lowest-cost producers in each line of production. Each country should then make a new appraisal of not where its cost advantage has been in the past but where its cost advantage lies now. In those lines where it has a *disadvantage*, it should set about *either* to reduce its production or else to *change its methods from the high-cost* to the low-cost ones. This will entail many different things: the scrapping of obsolete machinery and the installation of the most efficient machinery; the abandonment of restrictive practices and demarcation rigidity; the adoption of new, perhaps more intensive, marketing and sales methods."

Dr. Makower refers next to the suggestion of the Federation's Committee for European Affairs that textile imports from countries with entirely different economic and social structures, State-controlled economies or multiple exchange rates into Western Europe should be limited. She no doubt thinks that the practical solution lies not in the adoption of any one of the methods (quantitative restrictions, tariffs, customs quotas, price restrictions and anti-dumping legislation) to the exclusion of all but in the utilisation of several of them simultaneously. She, however, hastens to add that there is a principle here which is important. The principle as explained by her is as follows:

If the West European nations are to maintain their free economy and not simply to adopt the dictatorial methods of the authoritarian States, they must see to it that, in the Western Hemisphere, as between the free countries, there are really free competition, competitive prices and liberalised trade. Hence, the reduction in textile tariffs and liberalisation of textile trade are extremely important.

Dr. Makower accordingly calls upon the West European nations to make, *pari passu* with their efforts to get Government action of a protective nature against unfair exports, efforts for freeing trade and assisting production of the most efficient mills even where this means closing down certain concerns. "With this regenerated, rationalised, competitive European textile industry, we will," to quote her again, "then be strong to face the Far Eastern situation."

This is certainly quite a fair assessment of the whole problem of textile imports into the West European countries. Whatever may be the scale of imports, they have not had any serious impact on the economies of these countries at any time in the sphere of either production or employment or balance of payments. Why then should there be anxiety and agitation on the part of the West European countries over the issue of textile imports? As this journal has stressed on more than one occasion in the past, no one will complain if the Western nations succeed in withstanding competition from Asian textile exports through sheer weight of their efficiency.

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FUSION OF TEXTILE ASSOCIATIONS

TALKS ON LABOUR'S CLAIM FOR SHORTER WORKING WEEK

From Our Special Correspondent

MANCHESTER, 1st *November*

STREAMLINING of employers' associations in the spinning and doubling sections of the Lancashire cotton and man-made fibres industries is recommended in a "four-into-one" plan, sent out to nearly 500 firms for their approval. The scheme has been drawn up following the concentration of the cotton and rayon textile industry under the Government's £30-million reorganisation scheme. Chiefs of the Master Spinners' Federation, Yarn Spinners' Association, Yarn Doublers' Association and Rayon Staple Spinners' and Doublers' Association have urged their members and all engaged in these branches of the trade to support their amalgamation into one new body to be called the British Spinners' and Doublers' Association. The fusion of the present associations is advocated on the grounds of effectiveness, economy and solidarity.

MANCHESTER LETTER

Millowners have been asked for their views by 10th December. It is hoped to bring the merger into effect from the beginning of April 1961.

Merger Already Agreed

Already agreed is a "marriage" between the Cotton and Rayon Research Association, scheduled for completion next year. In the weaving branch, the Cotton Manufacturers' Association and the Rayon Weaving Association are drawing up a scheme to join forces. The new organisation in the spinning and doubling sections would be financed by a levy of not more than 1½*d.* per mule equivalent spindle per annum, and a reserve fund may be provided by pooling the existing reserves of the four present associations, subject to legal advice.

Still outside the arrangements will be the Condenser and Allied Spinners and Manufacturers' Association, representing processors of cotton waste, which wishes to retain its separate entity. Lord Rochdale, Chairman of the Cotton Board, who presided over the negotiations, in a letter to the firms concerned, says: "I can only hope most sincerely that the proposals will commend themselves to you."

The six trade leaders who conducted the initial talks on the project, including Col. J. B. Whitehead, Managing Director of the Lancashire Cotton Corporation and Mr. W. T. Winterbottom, Chairman of the Fine Spinners and Doublers Ltd., says that the formation of the new single organisation would increase the solidarity and effectiveness of the trade and would be greatly in the interests of the whole industry. Unanimous support to the proposals has been given by the central committees of all four associations.

Joint talks opened in Manchester last week on the claim for a shorter working week for more than 180,000 workers in the cotton spinning and weaving industry and were adjourned to a later date to give employers an opportunity of considering the case put forward by the unions. The claim is for the basic working week of 45 hours to be reduced to 40, with adjustments also in the hours of shift workers. Union negotiators called for the concession without loss of earnings and for compensatory payments to shift workers to maintain wage differentials. The present 45-hour week has stood since 1946.

Changes in World Trade

One of the most surprising facts which statisticians at the Cotton Board have lately unearthed is that world trade in cotton cloth since the war has not followed the downward trend which most people would have sworn had occurred. In 1959, they point out in the latest quarterly review, the volume of international business in cotton goods was probably higher than in any post-war year, except 1951 and 1957. What is more, the total for 1960 will almost certainly be above last year's level.

To merchants in Lancashire who have been busily engaged in procuring goods from the Continent, following their inability to obtain supplies on reasonable price or delivery terms from Hong Kong, the news of the rapid rise in shipments from Western European manufacturing areas will come as no shock. The Cotton Board describes this development as "possibly the most striking feature of trade in the first half of 1960." The increase as compared with last year was about 35 per cent. in exports from Continental Western Europe.

Oddly enough, in a world which thinks of cotton as a declining fibre and its man-made rivals as a steadily increasing force, the post-war history of export trade in man-made fibre cloth has shown very considerable variations. After 1952, when the cotton slump in Lancashire was at its height, shipments of man-made fibre goods made a steady and rapid increase, so that the volume of export trade had more than doubled by 1957. Subsequently, smaller quantities were exchanged in both 1958 and 1959, while the business done in each of the first two quarters of this year was about 3 per cent. lower than in the same period last year.

The emergence of France as a big exporter was the major point arising from the 1959 figures. The French industry has gained further ground this year, so that not only have its exports marched ahead of Britain's but they now take third place behind Japan and India, having exceeded the rate of shipments from the United States.

Lancashire's position is being attacked from numerous sources. Although exports of cotton fabrics remain the fifth highest, the small quantity of man-made fibre cloth sent abroad means that when the totals are combined, Britain's exports are well below those of Germany as well as Holland. The falling-off in exports of cloth woven in Britain was considerably more severe than the shipment figures indicate. Re-exports of processed grey cloth expanded over the half-year, so that the disposal of Lancashire-made material represented a smaller proportion of the whole.

Expensive Imports

When the August overseas trade returns were being reviewed the point was made that the cost of imports of cotton yarn and cloth into the United Kingdom this year had practically overtaken the comparable earnings from shipments of similar goods. September saw the switch become complete, as over the nine months the amount paid for arrivals reached £48,398,319, while the value of exports was £47,553,906. There is no need to underline the fact that, on the basis of volume, the quantity of practically every type of cotton goods being imported is now more than twice the level of equivalent British exports.

During the third quarter of the year, cotton cloth shipments abroad dwindled still further, being 73,858,000 square yards, as against 84,579,000 square yards in the second quarter and 87,238,000 sq. yards in the first three months of the year. In contrast, arrivals of foreign cloth in the third quarter, at 178,332,000 sq. yards, were nearly 5,000,000 yards up on the previous three months and were only 2,000,000 yards lower than the peak reached in the first quarter of 1960.

Arrivals of all types of cotton cloth over the nine months were 532,926,000 sq. yards, as against 370,684,000 sq. yards in the same period last year, while exports were 245,675,000 sq. yards, as against 251,811,000 sq. yards. Grey cloth imports from Hong Kong put in a spurt during September, being 13,461,000 sq. yards, bringing the total from this source for the first three-quarters of the year to 75,328,000 sq. yards, out of arrivals from all quarters of 440,761,000 sq. yards. India still supplies the biggest quantity, with 14,531,000 sq. yards, and over the nine months sent 180,279,000 sq. yards of grey cloth to this country.

A significant rise has taken place in the volume of cotton yarn secured from overseas sources this year. To the end of September, exports showed little change at 16,518,300 lbs., as against 16,986,500 lbs., but foreign suppliers shipped 29,133,800 lbs. for use in British mills, compared with 14,808,800 lbs. in the same period of 1959.—*All Rights Reserved.*

TEXTILE TYPE FIBRE-GLASS

A textile type fibre-glass is now being made for the first time in Australia in the new factory of Australian Fibre Glass Pty. Ltd., at Dandenong, near Melbourne. It will be used in the thermal and acoustic insulation fields. The factory commenced production at the beginning of August, when total investment was approximately £A600,000. The new buildings house two basic production installations—one for the continuous filament textile type fibre and the other for the wool type used for its insulating properties. The textile type will be produced in rovings and chopped-strand mat form for the rapidly growing reinforced plastics industry. Rovings will also be twisted into yarn for the textile weavers, for fibre-glass decorative drapes and hangings.

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WORLD COTTON SITUATION

SUPPLY AND DISAPPEARANCE MAY BALANCE THIS SEASON

THE 1959-60 season was, by common consent, one of the best years for world cotton with production, consumption, and trade, all having been at record levels. What is in store for cotton this season is a question of current interest to cotton textile mills and cotton traders throughout the world. The consensus of opinion is that last year's experience will not be repeated this season. For, as the International Cotton Advisory Committee (I.C.A.C.), Washington, points out, last year's favourable situation itself was due, to some extent, to fortuitous circumstances. On the one hand, production was held down by the low level of prices at the time of planting in some countries and by crop failure in India. On the other hand, the rate of increase in cotton consumption was exaggerated, to a certain extent, in the sense that bearish speculation in the 1958-59 season had carried consumption to an abnormally low level. The combination of reduced production in some countries and rising consumption *plus* continued heavy exports to Communist countries resulted in a further reduction in cotton surplus from 17.7 million bales (of 478 lbs. each) on 1st August 1959 to 16.4 million bales on the same date this year, the lowest level since 1953.

Exports during the past season were somewhat higher than would normally have been the case, considering the increase in consumption. During the preceding season, importers had to run down stocks to the minimum and it was only natural, therefore, that when the price trend turned upwards again, replacement demand inflated the volume of imports over and above that needed for current consumption.

These factors are relevant for judging the prospects for raw cotton for the current season. In assessing the production potential, for instance, the assumption must be, according to the I.C.A.C., that a return to more normal yields in India would occur. Here, as is common knowledge, the crop has had a good start and, barring adverse developments, production should be somewhat larger than in the previous season. Average yields in this country are about 100 lbs. per acre and, with about 20 million acres planted to cotton, production could normally be about five million bales (of 400 lbs. each) which is about 1.25 million bales more than last season's output. Everything, however, depends upon the weather. In view of adverse weather in some areas and the invasion of locusts in some others, crop ideas, which had earlier been round 5 million bales, are now being revised downwards to 4.8 million bales (of 400 lbs. each).

Acreage is reported to be significantly higher in Mexico, Central America, Egypt and Greece—all relatively high yielding areas—and production should increase. Acreage this season is expected to be higher in the Sudan and, probably, in Brazil too. Aggregate production outside the U.S. thus shows promise of being considerably higher than in 1959-60 and, depending primarily on India, could even exceed the record 17.6 million bales harvested in 1958-59. With a U.S. crop of about 14.5 million bales, this could mean a total production of around 32 million bales, which, if it materialises, will be an all-time record.

As regards the probable level of consumption, in the U.S. according to the Committee, the prospects are for a slow-down in the not too distant future. This is confirmed by the U.S. Department of Agriculture which predicts U.S. consumption in 1960-61 at 8.75 million bales, as compared with 9 million bales last season.

In Western Europe, though textile manufacturers in most countries are reported to have ample orders for the rest of 1960, the outlook for the full season will depend very much on the developments in the new year and, in particular, on the tempo of economic activity. The general feeling is that no major deviation from the 1959-60 level of cotton consumption will occur.

The difficulties recently experienced by the textile industry in India would be over, if there is an adequate supply of indigenous cotton during the season, in which case there should be a reversal of the downturn in consumption of Indian cotton witnessed during the last season (4.42 million bales, as against 4.62 million bales in the previous season). Consumption in Japan is presently running at the rate of a quarter of a million bales per month, or an annual rate of 3 million bales. Whether this rate will be maintained without a build-up in yarn stocks is open to doubt in the context of

(*Continued on page* 866)

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Capital Paid-up	...	Rs. 3,00,00,000
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THE BANK OF INDIA LIMITED

INVESTMENT OF LIFE INSURANCE FUNDS

L.I.C.'S PORTFOLIO ANALYSED

LIFE insurance, even in countries which offer other well-developed sources of profitable investment, occupies the pride of place among the media of savings. It scores over others in that it combines the elements of risk cover and savings. In Britain, for instance, in spite of keen competition from National Savings, Building Societies, Unit Trusts, Investment Clubs, etc., life insurance retains its position as the largest haven for new net savings. Apart from offering financial protection to millions, life insurance, by providing a continuous flow of new savings to finance industrial expansion, helps the community, in general, to enjoy higher standards of living. Thanks to the rapid growth of life insurance, the latter aspect is becoming increasingly important. In Britain, for instance, life offices have about a million pounds (that is about 13½ million rupees) a day to be invested. In India, where life insurance is still in its adolescence if not infancy, investible funds arising from life insurance aggregate over a million rupees a day. How this money is invested is a question which is of more than sectional interest.

But, unlike in Britain, where the insurance companies are free to follow their own investment policies, in India, the Life Insurance Corporation's investment is strictly regulated by law. Nevertheless, periodic examination of the investment portfolio of the Life Insurance Corporation will reveal the trends in investment within the broad framework laid down by law. The latest annual report of the Life Insurance Corporation of India, covering the calendar year 1959, just published, contains detailed information regarding the Corporation's investments as on 31st December 1959. The total book value of investments pertaining to life business, as on 31st December 1959, was Rs. 455.98 crores. Of this, Rs. 443.75 crores were in India and Rs. 12.23 crores outside India. The following table gives the break-up of the investments as on 31st December 1959:

(Rs. in crores)

	In India	Outside India
Central Government and other approved securities.	315.74	..
Municipal securities not included above	0.96	..
Foreign Government, Municipal, etc., securities ..	..	11.06
Shares and debentures	81.58	0.47
Loans to State Government for Housing Schemes.	4.10	..
Amounts due from State Governments in respect of their controlled business taken over	6.45	..
Loans to co-operative housing societies	1.20	..
Loans on mortgage of property	10.37	0.11
House property	22.57	0.58
Other investments	0.77	..
Total ..	443.75	12.23

The total book value of the Corporation's investments pertaining to life business on the said date in stock exchange securities was Rs. 409.82 crores, of which Rs. 398.28 crores were in India and Rs. 11.54 crores outside India. Out of the investment in India, investments in the public sector, comprising Central and State Government securities and the major portion of "approved" securities and shares in Government companies, amounted to Rs. 311.60 crores or 78.2 per cent. of the total, while investments in the private sector, consisting of debentures and shares of joint-stock companies and also some of the approved securities, amounted to Rs. 86.68 crores or 21.8 per cent. The following table gives a comparison of investments in the public and private sectors during the three years 1957, 1958 and 1959:

(Rs. in crores)

	1959		1958		1957	
	Amount	%	Amount	%	Amount	%
Public Sector						
Central Government securities	212.18		200.42		185.55	
State Government securities.	64.66		55.37		42.53	
Approved securities	34.50		31.83		27.04	
Debentures, preference and ordinary shares in joint stock companies	0.26		0.50		..	
Total ..	311.60	78.2	288.12	78.1	255.12	77.37
Private Sector						
Approved securities ..	5.86		5.14		5.48	
Debentures, preference and ordinary shares	81.32		75.67		69.14	
Total ..	86.68	21.8	80.81	21.9	74.62	22.63

As is evident from the above table, the share of the private sector in the Corporation's investment has been steadily declining. From 22.63 per cent. in 1957, it fell to 21.90 per cent. in 1958 and to 21.80 per cent. in 1959, while that of the public sector has been correspondingly increasing from 77.37 per cent. in 1957 to 78.20 per cent. in 1959.

Total holdings in debentures and shares of joint-stock companies and co-operative societies amounted to Rs. 81.58 crores, as compared with Rs. 69.14 crores at the end of 1957. These were spread over most of the States in several industries. Industry-wise, engineering industries had the pride of place, accounting for Rs. 9.73 crores. Electricity undertakings ranked second (Rs. 9.20 crores), followed by cotton (Rs. 7.59 crores), iron and steel (Rs. 6.84 crores), cement (Rs. 4.48 crores), jute (Rs. 4.25 crores), paper (Rs. 3.24 crores), banks (Rs. 2.99 crores), coal companies (Rs. 2.24 crores), investment trusts (Rs. 1.81 crores), sugar (Rs. 1.79 crores), chemicals (Rs. 1.76 crores), managing agents (Rs. 1.70 crores), plantations (Rs. 1.66 crores), shipping (Rs. 1.60 crores), insurance (Rs. 1.60 crores), and textiles other than cotton (Rs. 1.34 crores). Other industries accounted for Rs. 17.76 crores.

Industry-wise Distribution

Although there is no marked change in the distribution of investment as between industries, it is noteworthy that, the engineering industries, which held the second place in 1957, have come to occupy the first place in the investment portfolio in terms of the quantum of investments. This is only as it should be, as engineering industries have tremendous growth prospects.

The share of investments in equities (including shares in subsidiary companies) in the private sector is as follows:

(In crores of rupees)

	1959	1958	1957
Book value	39.85	35.07	31.88
Market value ...	45.30	35.33	28.71

It will be noted from the foregoing figures that the addition to the book value of equities is of the order of Rs. 8 crores over 1957, that is, about Rs. 4 crores per annum. But the rise in market value is quite sharp, being no less than Rs. 16.59 crores. This reflects the substantial capital appreciation that took place in equities during the period under review. At the end of 1957, the market value was less than the book value, while two years thereafter, such was higher by about 13 per cent.

Similar to stock exchange investments in its effect on industrial development, is the underwriting activity of the Corporation. During the year under review, the Corporation underwrote nine new issues to the extent of a total of about Rs. 1.21 crores, comprising Rs. 30 lakhs in debentures and loans, Rs. 70 lakhs in preference shares and Rs. 20.80 lakhs in ordinary shares. Of the nine issues underwritten, six were placed in the market, out of which the Corporation received an allotment of Rs. 62.36 lakhs against Rs. 65.98 lakhs applied for. As compared with this, in the previous year, that is, in 1958, the Corporation underwrote 19 new issues to the extent of an aggregate amount of Rs. 2.74 crores. During the sixteen-month period ended 31st December, 1957, the Corporation underwrote 21 new issues involving an aggregate amount of Rs. 1.87 crores. Thus the underwriting activity of the Corporation was less in 1959 both in regard to the number as well as the amount of issues underwritten.

Comparison With Britain

A comparison of investment of life funds in India and Britain shows few similarities and many contrasts. This is not surprising because, as noted above, while the Life Insurance Corporation's investments are strictly regulated, life insurance companies in the U.K., true to the British tradition, are unfettered by law. But, by tradition and voluntary regulation, the investment policy of British life offices has attained a general pattern. Last year, 15.5 per cent. of investments pertaining to life business went into mortgages, 25 per cent. into gilt-edged securities, 21 per cent. into debentures, loan stocks, preference and guaranteed stocks and shares, 20.5 per cent. into equities and 18 per cent. into real property, a percentage distribution which is virtually unchanged from the previous year. The only change is the decline in the proportion of investments in gilt-edgeds from 26.5 per cent. to 25 per cent. which is exactly matched by a rise in investment in equities from 19 to 20.5 per cent. This trend away from fixed interest bonds and towards investments with varying yield has been the most striking feature of the investment portfolio of British offices. This is due partly to the liquidation of the massive gilt-edged portfolios built up during the war period as the insurance companies' contribution to war effort and the increasing attraction of equities as a hedge against inflation. Thus, while the proportion of investment in British Government securities declined from 43 per cent. to 24 per cent. during the period 1948 to 1958, that in ordinary shares of joint-stock companies increased from 11 per cent. to 20 per cent. In India, however, the position is different. Under law, not more than 10 to 12 per cent. of the investment could be in equities. So whatever be the advantages of equity investments from the point of view of yield and capital appreciation, the Corporation cannot overstep this limit. But the time has come when the L.I.C. should be permitted to invest a slightly larger proportion of its funds, say, upto 20 per cent. in first class equities.

RECORD FIRE LOSSES IN BRITAIN

With the occurrence of another serious fire at Chadderton last month, involving a loss estimated at about £200,000, fire losses in Britain so far this year aggregated £33 million, as compared with £24 million during the same period last year. Total fire losses last year were a record high of £44 million. Previous annual fire losses had averaged only £25 million for many years. No wonder the British Home Secretary recently described fire, crime, and road accidents as the three main enemies of society.

The increase in the incidence of fire has imparted additional urgency to fire-fighting. Insurance companies in Britain engage in the battle against fire in four main ways. Fire insurance surveyors are continually inspecting premises, and advising on fire precautions, whilst at the same time, the insurance companies have a differential premium structure which gives strong financial incentives to policyholders to take proper prevention measures. Secondly, the insurance companies founded in 1935 the Fire Research Station at Boreham Wood, and now share its cost with the Government. This station provides much valuable new information about the behaviour of materials when exposed to fire and the best techniques of fire-fighting and fire-protection in buildings. Thirdly, in order that the community might derive the utmost benefit from this research, the Fire Protection Association was formed by the companies as a national centre to formulate codes of practice for fire protection, and to give advice on problems relating to fire in all types of buildings. Finally, the companies seek to limit the damage to property once a fire has started by opening three Salvage Corps in London, Liverpool and Glasgow, whose duty it is to attend all outbreaks where salvage work may be practicable.

Notice

THE BURRAKUR COAL COMPANY LIMITED

NOTICE OF INTERIM DIVIDENDS

THE BOARD OF DIRECTORS HAVE DECLARED on 27th October, 1960, the following Interim Dividends in respect of the Company's financial year ending 30th June, 1960, subject to deduction of tax at source.

On 1st Preference Shares at the rate of Rs. 3.50 per share.

On 2nd Preference Shares at the rate of 24 naya Paise per share.

On Ordinary Shares at the rate of 50 naya Paise per share.

The above dividends will be paid on or after 16th December, 1960, to those shareholders (or their mandatees) whose names appear in the Company's books on 3rd December, 1960, as the registered shareholders of the above shares.

The Share Transfer Registers of the Company will be closed from 21st November, 1960 to 3rd December, 1960, both days inclusive.

By Order of the Board,

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CALCUTTA, *4th November, 1960.*

WORLD FATS AND OILS

PACE OF PRODUCTION EXPANSION SLOWS DOWN

THE world prices of fats and oils have been moving rather irregularly in recent months. Thus, among oils, castor, groundnut and soya-bean oils have shown a distinctly hardening trend, while coconut, linseed and palm oils have suffered a setback. As for seeds, linseed and copra have eased, but groundnut is steady, though prices have lately tended to decline. The table below indicates the trend of prices currently prevailing in London as compared with those a year ago, as well as the highest and lowest levels touched during 1960:

Commodities	Latest available	High	Low	A year ago
Oils	£	£	£	£
Castor, Indian	129½	136½	122	115½
Coconut, Straits, 3½% ..	94	136	92	139½
Groundnut, B.W.A., 3/5% ..	109½	125½	111½	103½
Linseed, crude	107	115	100	118½
Palm, Sumatra	79	86½	78½	82
Soyabean, European	88½	86½	72	79½
Seeds				
Groundnut, Nigerian ..	65½	77½	65½	65½
Linseed, Can. No. 1 ..	49½	57½	49½	67½
Copra, Philippines	$181½	$265	$173½	$255

The behaviour of prices of fats and oils does not seem to have been influenced greatly by the supply position. A brief reference to the recent trend of world fats and oils output as reviewed by Mr. C. A. Faure of Unilever at the Congress of the International Association of Seed Crushers held at London towards the end of July was made in our issue of 13th August 1960 (*vide* page 275). A more detailed analysis of the trend based on the facts assembled by Mr. Faure is contained in *The Times Review of Industry*. This analysis shows that, although the pace of increase in production has slowed down during the current calendar year, the estimated total output is still higher as compared with that in the two previous years. Mr. Faure places the total output at 32.050 million metric tons, as against the revised estimate of 31.565 million tons produced in 1959 and 29.325 million tons in 1958. The percentage rise in 1960 over 1959 is thus 1.5, as against 5.0 in 1959 over 1958. The estimate of world production of oils and fats for 1960 is assessed after taking into account the carryover of crops harvested last autumn and not used in 1959, as well as the quantity of the final product likely to be processed from this year's harvest. The excellent prospects for the soyabean and cotton groups in the U.S., it is felt, should enable that country to exceed 7.5 million tons in fat and oil production. It is also believed that the effect of last year's olive crop will be felt in the current year's production in Western Europe and that output in Asia and Oceania is higher. African output is, however, estimated at present to be lower by about 5 per cent. in 1960.

Production

The estimated total production of fats and oils in the major producing areas of the world for the year 1960 is compared with that in 1959, 1958 and 1957 and the pre-war year in the following table:

(In thousand metric tons)

	1960*	1959*	1958	1957	Pre-war
U.S.A.	7,665	7,390	6,535	6,634	3,543
Rest of America ..	3,055	2,915	2,750	2,586	1,557
W. Europe	4,330	3,990	4,310	4,115	3,337
Rest of Europe ..	1,740	1,660	1,520	1,240	1,231
Africa	2,775	2,910	2,775	2,555	1,502
India and Pakistan ..	2,675	2,785	2,510	2,560	2,274
China and Manchuria.	3,220	3,140	2,840	2,925	3,341
Philippines	715	620	705	875	452
Rest of Asia	1,920	1,870	1,630	1,965	1,775
U.S.S.R.	3,240	3,515	3,015	2,675	2,000
Oceania	775	770	735	765	575
World Total ..	32,050	31,565	29,325	28,895	21,587

* Preliminary forecast.

The anticipated increases in the output of commodities during 1960 are fairly widely distributed. The percentage rise in 1960 over 1959 is 15 in the case of olive oil, 8 in coconut oil, 7 in soyabean and sesame oils, 6 in cottonseed oil, and 5 in palm oils. Animal fats are expected to be nearly 2 per cent. more plentiful. Butter production has gone up by about the average rate for the group as a whole, but the increase is accounted for mainly by tallow. The production of industrial oils has declined, the fall being marked in the case of linseed and minor vegetable oils. There is, however, a slight improvement in castor bean oil output.

The world exports of fats and oils are expected to touch an all-time peak of 7.854 million tons in 1960, exceeding the previous peak of 7.742 million tons reached last year. The net rise in 1960 is, of course, much less than what it was in 1959, being 112,000 tons, as against 599,000 tons. The accompanying table indicates the trend of exports of different oils and fats during the past four years as compared with the pre-war average (1934-38). It reveals that the notable rise in exports last year originated in the U.S., India, Ceylon, Oceania and some of the African territories. Supplies from Argentina and Uruguay were lower, as also those from the Philippines, Malaya and China. Exports from India and Ceylon rose by nearly 80 per cent. The position of this area has, however, changed lately. It is pointed out that the lower output in the current year, together with the increasing local needs, may before long transform it from a net exporter to a net importer.

Consequent on the higher level of home production of oils and fats (mainly olive oil and butter), the import requirements of Western Europe are rather lower in 1960. The *per capita* consumption is believed to be less than in 1959. The average consumption for all countries is slightly reduced, but population growth has raised the total usage by nearly one per cent. The U.S. which, in spite of high production, requires to import certain types of oil and fat, is also likely to take less this year. Elsewhere, the tendency is for imports to rise. Japan is

Trend of Exports

(In thousand metric tons—in terms of oil or fat)

	1960 (forecast)	1959 (partly estimated)	1958	1957	1934-38 (average)
Copra and coconut oil.	1,113	973	1,034	1,364	1,057
Palm kernels ..	397	395	409	375	320
Palm oil	581	571	566	588	447
Groundnuts	847	816	862	762	826
Soyabeans	1,286	1,213	1,028	865	432
Cottonseed	409	335	167	310	189
Linseed	374	433	370	500	572
Other vegetable oils ..	633	638	617	583	523
Butter	429	444	462	411	500
Lard	366	379	305	336	173
Tallow	955	870	665	802	162
Whale oil (including sperm)	490	489	519	499	507
Fish oils	174	186	149	170	121
Total ..	7,854	7,742	7,143	7,515	5,829

expected to step up its purchases by more than 10 per cent., and Africa, the Middle East and the Indian Sub-continent by 4 to 5 per cent.

Recent studies of past trends and future requirements of oils and fats lead to the conclusion that, over the next 15 years, world needs will have risen by about 50 per cent. This calculation rests not only on population projections but also on the assessed increase in consumption which higher standards of living are likely to bring about. In the more developed countries, an annual rate of increase of 1.5 per cent. is looked for and, in the less developed areas, the figure may be as high as 4.5 per cent.

The aforesaid estimate of 50 per cent. rise in world requirements of fats and oils over the next 15 years seems to be justified when viewed against the growth in production—average of one million tons a year—in the past 15

(*Continued on page 885*)

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Everything which is vital grows — a seed into a tree, an idea into an enterprise, a school of thought into a way of life. Each adds to it carefully with the passage of years. Often, the transformation of an idea into reality can be accelerated by deliberate direction and effective planning.

Standard-Vacuum's Executive Development Programme is a case in point. It began as an idea more than fifteen years ago to increase the number of Indians in management positions. At the time there were only three Indians of this category with the Company. How quickly the idea has developed into reality can be seen from the fact that at the end of last year in Stanvac's Marketing Organization alone there were 897 Indians in management positions. Another 113 Indians were holding similar positions in the Stanvac Refinery. Adding the number of Indians in management positions in the Indo-Stanvac Project, the total for 1959 came to 1040.

As more and more Indians qualify for management positions, the number of overseas personnel (who at one stage held an over-whelming majority of senior jobs) continue to decline.

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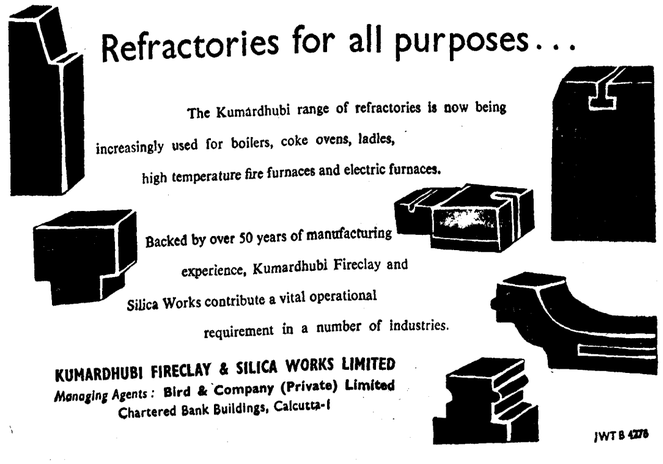

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RUBBER RESEARCH IN MALAYA

SOME VALUABLE LESSONS FOR INDIA

By A Correspondent

IT was a senior officer of the Rubber Research Institute's Smallholders Advisory Service who told me, in the large library which was turned into a lecture hall during the Rubber Research Conference, about the achievements of the Institute in a few short sentences. He said that Malaya had produced a strain of rubber plant which could come into bearing within 3 years and 9 months of planting and would yield 800 pounds within the first year of tapping. There are fields in the Federation capable of yielding over 1,500 pounds and having a potential reaching over 2,000 pounds. The trees are more disease-resistant and less susceptible to wind damage, a common weakness of high-yielding clonal plants.

The most important achievement of Malaya through hard-driven, lavishly financed, go-ahead research is to make the main commercial crop of the Federation to face up to the challenge posed by man-made rubber of the post-war era. The First International Natural Rubber Conference, held at Kuala Lumpur from 26th September to 1st October 1960, was actually a grand flag-hoisting ceremony by the world's greatest rubber research centre. On the third mile along Ampang Road in Kuala Lumpur City is the largest concentration of talent and experience in rubber research. Scientists from 22 different countries arrived not only to take part in the week long talks and exchanges, but to see what new advances Malaya has made in the propagation of rubber and the processing of the product. Many international rubber men stayed over from the Rubber Study Group's meetings to meet and listen to men who will make natural to compete and hold its own against the advancing waves of synthetic rubber.

India has many things to learn from Malaya in the matter of raising a successful plantation crop and controlling it without stuffily sitting on it. Rubber was introduced to Malaya in 1877 but 20 years later there were only about 350 acres under this crop on the Peninsula. Within the next 15 years, a million acres were planted and today Malaya has over 3½ million acres under hevea rubber, almost 64 per cent. of the total cultivated area in the Peninsula.

Research in rubber began almost immediately after rubber was found plantable in the Malayan soil and the pioneer in the study of the many aspects of rubber planting, Mr. Henry Nicholas Ridley, occupies a very important place in the history of rubber research and of the industry in Malaya. It was, however, in 1926 that the Institute became an autonomous body with means to support itself outside the wings of the Agricultural Department of the Federated Malayan States.

Strength of Staff

The Rubber Research Institute now employs over 70 senior research men and a supporting staff of some 470 at the headquarters in Kuala Lumpur and on the 3,000-acre Experimental Station at Sungei Buloh, about 15 miles north-west of the City. The soils, botanical and pathological divisions of the Institute conduct research in all aspects of cultivation of the rubber plants and the harvesting of the crop. The chemical division deals with the processing of the crop into the desired forms. In addition to the administrative section, the Institute has a statistics division, a publication and information section, with an excellent library and a division responsible for advisory service. Certain important changes in the organisation of the rubber industry, mainly in relation to research work, were proposed by the Committee headed by Prof. G. E. Blackman in 1952. The research organisation is now controlled by a board constituted under the Malayan Rubber Fund (Research and Development) Ordinance 1958.

The Malayan Rubber Fund (Research and Development) Ordinance is worth a close study by the Government of India in the Ministry of Commerce and Industry. As in the case of the Indian Plantation Boards, the Malayan Rubber Fund Board has an appointed chairman, but his appointment is owed to a selection board constituted under the Ordinance and having on it an equal number of nominees of Government and industry. In other words, the industry is a party to the appointment which in effect makes a lot of difference to an offhand and unquestionable Government selection. The Board itself is a compact ten-member body with the Controller of Research and Chairman as ex-officio member. Half the number of seats, namely, five, are filled by nominees of the producers' association and a further two in consultation with it. The result is a homogeneous body which has common interests and purposes. The Minister in charge of the Board is competent to give a directive to the Board and it shall be carried out by the Board, but the Board has the right, under the statute, to express its views, if it differs from the directive issued and the Minister is obliged to place, both his directive and the views of the Board, before the Federal Council. Nothing could more effectively prevent capricious interference with the autonomy of a Statutory Board or irresponsible behaviour by a Board.

The Board is supported by a fund raised from the levy of a cess on the rubber exported. During 1959, a total of over Rs. 1.80 crores were collected by the cess of which slightly over Rs. 1 crore was devoted to the Research Institute. The Board is also responsible for providing funds to develop new uses for rubber and the promotion of natural rubber throughout the world. What constitutes the most remarkable feature of the organisational pattern of the rubber industry in Malaya is that the Statutory Rubber Fund Board is charged with one clear responsibility, namely, research and development and none else. The replanting schemes are operated by another statutory organisation and its success or failure is to be attributed to that particular organisation. This separation of functions has one great advantage in that the inadequacy of an all-comprehensive Board does not blight all the vital services to an industry.

Replanting

In Malaya, replanting is not something to which the Chairman of the Board attends in his spare time. It is the responsibility of a separate Board constituted with the sole object of successfully replanting the whole stand of old trees. The replanting schemes are separated into two parts, one covering large growers owning 100 acres or more and the other covering only small holdings of less than 100 acres. The total area under small holdings is slightly in excess of 1,550,000 acres out of the 3½ million acres under rubber. The number of small holdings is estimated to be in excess of 390,000 and the task of making them replant at some loss to their current income is an immense task. In order to put the whole work force of replanting experts and administrators behind the small-holder drive, the big holdings have been left to carry out replanting on their own. Since a large proportion of big holdings had already carried out replanting before the scheme came into being, a system was devised whereby a refund could be made of the replanting cess collected from them.

To gain some idea of the task that faced the Rubber Industry (Replanting) Board in 1953, one can consult the Smallholders Enquiry Committee report, which provides a graphic account. In 1953, 937,000 acres of small holdings were over 30 years and nearly 340,000 acres were past 20 and approaching 30 years. In other words, 80 per cent. of small-holding rubber was due for replanting by 1961. During the period of the first seven-year replanting programme, 317,820 small-holding acres were replanted. This represents an area in excess of the total planted under rubber in India.

The total replanting effort of the Malayan rubber industry is, of course, greater than the small-holdings achievement. During the same period, the large holdings had replanted 414,200 acres, bringing under high-yielding strains 55.2 per cent. of the total estate acreage in the country.

Impressive Achievement

Something of the gigantic achievement in replanting comes through in yield statistics. The increase in yield per acre for the whole of Malaya for the entire industry was 181 pounds, rising from 460 to 641 pounds or by 40 per cent. in eight years. But there is a very marked difference in the average of yields between replanted and old areas in bearing. The average yield of high-yielding acreage in 1959 was 898 pounds, as against 434 pounds from old trees. It was estimated last year that over 35 per cent. of the Malayan stand yield over 800 pounds per acre.

The replanting effort is not something confined to the Replanting Board and the growers, but extend to several organisations whose active co-operation contributes to the result. Apart from the large grower organisations, the small-holder associations form an important link between the Board and the small holders. But the most striking contribution is made by the Smallholder Advisory Service, organised by the Rubber Research Institute. The purpose of this Service is to convey to the small holders, in a manner they can understand and practise, the lessons learnt from research and experiments carried out by the Institute. But the infectious enthusiasm which seemed to strike one very forcibly when talking to men of this Service at the Institute means that the Advisory Service is something more than a reproducer or interpreter of scientific tracts. Its men are friends and guides of the small holders and, very often, the acceptance of a technical advice depends on the acceptance of the adviser as a trusted friend in the first place. The Advisory Service functions with as much faith in the useful advice it can offer as on a well planned publicity drive to induce the growers to seek such advice and use it.

Labour Union

An important lesson to be learnt from this successful rubber producing country is its highly developed labour utilisation. The ratio of labour and staff to the acreage is low and it enables higher earnings for the workers and consequently a higher standard of living. About 50 per cent. of the labour force on Malayan estates are of Indian origin, about 30 per cent. Chinese and the rest Malayan. With the largest number of workers in Malaya concentrated in rubber industry, the development of the labour movement in this industry is of considerable significance to the country. What has been achieved by 'pure' trade unionism, uncorrupted by political parties, finds impressive expression in brick and mortar, glass and chromium and steel of the "Plantation House," the headquarters of the National Union of Plantation Workers in Petaling Jaya, a few miles from Kuala Lumpur. The large number of service departments and the general standard of business efficiency within "Plantation House," gave it the air of a well managed business office. One of its officials said with evident pride that, while the union intends to be powerful, it does not intend to be political. Its members are the only workers in Asia to win an output-*cum*-price rated wage scheme. It is possible for the rubber industry to pay high wages, because the employment rate varies from 6 to 10 acres per worker. Neither the employers nor the workers accept the Indian practice of a high employment rate with small output and low wages per head. The opinion expressed was that over-employment on an estate would only help to increase the number of slackers, to reduce supervisory efficiency and also the standard of living all round. The rubber worker is a substantial buyer of goods and services and, therefore, a stimulator of Malayan economy. The ratio of supervisory and managerial staff in the industry is also relatively low as compared with Indian practices.

COTTON

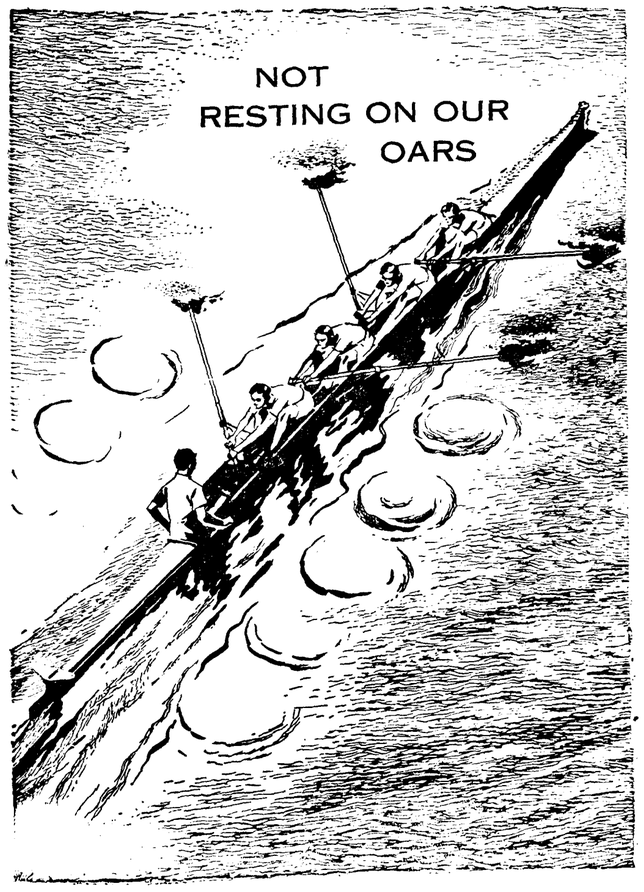
(*Concluded from page 862*)

the present difficult trading conditions. Stricter controls on cotton yarn production are reported to be under contemplation. There is some possibility, therefore, that aggregate consumption in the main cotton consuming countries taken together might decline. An offsetting factor in the past has been the rapid development of textile industry in several primary producing countries, but, even here, there has of late been a perceptible loss of momentum in some instances. In such countries, as the Philippines and Sudan, however, the textile industries are still expanding.

In fine, according to present reckoning, there will be cause for satisfaction, if consumption is maintained at the last season's level, which was an all-time record. If net exports of communist countries, too, were to remain at the level prevailing in the last three seasons, production and disappearance would roughly be in balance. There would, therefore, be little change in total carryover at the end of the season.

COMMITTEE TO REVIEW COTTON EXTENSION WORK

A cotton committee, consisting of 21 officials and non-officials, has been constituted to review from time to time, the cotton extension work in Gujerat. The Director of Agriculture would be ex-officio Chairman of the Committee. Gujerat produces, on an average, one million bales of cotton annually which constitute about 22 per cent. of the country's total cotton production.



Indian Tube is expanding again! Indeed it must, to meet the growing demand for steel tubes in step with the rising tempo of construction and industrial activity. A licence has just been received for the installation of 90,000 metric tonnes of additional capacity in continuous weld tubes, used mainly for water supply, steam and gas installations, and for a variety of structural and engineering purposes.

With the addition of a second high-speed continuous weld mill, Indian Tube's capacity in this category will go up to 200,000 tonnes, taking the total for all varieties of tube—including 30,000 tonnes of seamless, and 20,000 tonnes of electric resistance weld tubes—to 250,000 tonnes, an impressive advance achieved in the five years since the first mill came into operation. In addition, Indian Tube makes tubular steel poles for which it has a capacity of 150,000 a year.

As all the general services required for this expansion already exist at the tube works in Jamshedpur, the new mill will be completed and commissioned within a short time. This will bridge the present gap between supply and demand.

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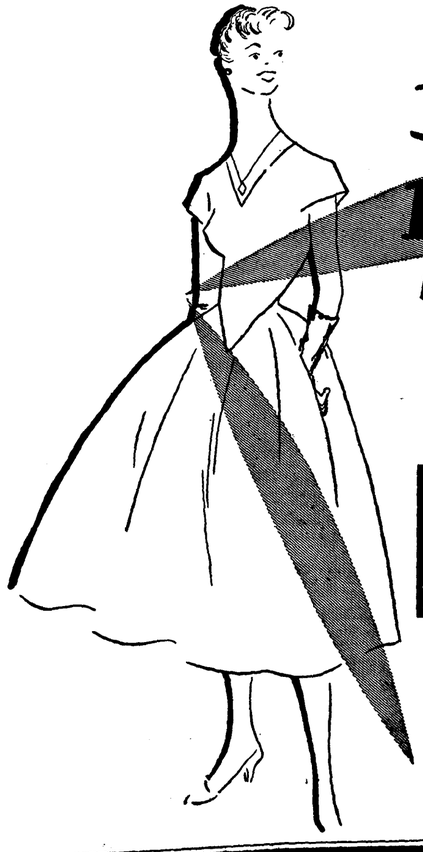

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ECONOMIC TRENDS IN NETHERLANDS

GOVERNMENT TAKES MEASURES TO CURB EXCESSIVE EXPENDITURE

THE Netherlands Minister of Finance opened his explanatory memorandum for the presentation of the budget for 1961 to the States-General with a review of the economic situation and the expected economic development of the Netherlands for the years 1960 and 1961. The following has been culled from that review.

The boom which dominated the economic climate of the Netherlands in 1959 has continued unabated in 1960, considerably exceeding the expectations entertained at the turn of the year. The Dutch economy has been able rapidly to overcome the recession of 1958 and to make this give way to a renewed expansion accompanied by high levels of employment and production.

Employment

Apart from a short drop in the recession years 1952 and 1958, employment in post-war Holland has been maintained at a high level. Even in the two years mentioned, unemployment was scarcely greater or even less than in the boom years before the war. This is largely due to the fact that, while home expenditure fell, exports continued to rise in those years also. The measures adopted by the Government to stimulate business and the easiness of the capital market also contributed to the improvement of the economic situation in the course of the two recession years and to the promotion of employment.

During 1959, the unemployment figures with seasonal correction fell from 92,000 to 63,000 persons. In 1960, the drop has rapidly continued. At the end of August, the labour reserve amounted to 48,000, corresponding to 1.4 per cent. of the non-self-employed working population. The demand for labour is outstripping the supply to an increasing extent. In various sectors, particularly the metal industry and the building industry, stresses have arisen. A further increase in the tension on the labour market is expected for the coming months.

Production

The increase in employment went hand in hand with a strong expansion in production. In 1959, the total production had already risen by about 5½ per cent. Towards the end of the year, the tightness of the labour market gave rise to the expectation that the rate of expansion would drop somewhat in 1960. Nevertheless, the current year has to date shown a considerable rise in production.

The reserves in the productive machinery seem to have been greater than was initially thought. The increase in the gross real national production for 1960 is estimated to be 8½ per cent. This rise has in part been made possible by the extensive investments in recent years.

Prices and Wages

The price level has developed quietly since 1958. The cost of living in 1959 was over 1 per cent. higher than in 1958. As a result of the general rent increase on 1st April 1960 and the abolition of the consumer subsidy on milk, the cost of living in 1960 rose by about 2 per cent. as compared with 1959. Apart from this, the price level has remained stable this year.

In accordance with the adjustments agreed upon and approved, the total of wages in industry, transport and agriculture rose by about 10 per cent. in the period from mid-August 1959 (on the eve of the introduction of the new differentiated system for fixing wages) to mid-June 1960.

Consumption and Investment

As a result of the wage increases and the rise in other incomes, private consumption increased strongly in 1960 as compared with the previous year—by more than 6 per cent. in volume (as against over 3 per cent. in 1959). Investments in business were stimulated by expansion of markets at home and increase in exports. Partly as a consequence of fiscal measures to promote investment, the gross investments in fixed assets of business enterprises rose in volume by about 11 per cent. in 1959. An increase of approximately 15 per cent. is estimated for 1960. Investments in equipment are increasing sharply in particular; the extent of investments in buildings for commerce and industry is limited by the production capacity of the building industry.

The housing programme remained at approximately the same level. It has comprised 80,000 dwellings per year since 1958. Stockpiling reached about fls. 600 million (1 Dutch florin=26 U.S. cents) in 1959; a figure of fls. 1¼ milliard is estimated for 1960. After a reduction in 1959 of about 2 per cent. consumption by the Government will rise by about 2½ per cent. in 1960. On the other hand, Government investments will increase considerably less than in 1959.

Foreign Trade

The expansion in expenditure led to an increase in imports of goods and services. While 1959 showed a rise of 13½ per cent. as compared with the preceding year, an increase of about 14 per cent. is estimated for 1960. Conditions remained favourable for Dutch exports as a result both of the strong expansion in the Federal Republic of Germany and other countries on which the foreign trade of the Netherlands is concentrated and of the progressive lifting of restrictions on international trade. In 1959, exports of goods and services rose by approximately 12 per cent.; an increase of over 11 per cent. is estimated for 1960.

The percentage coverage of imports by exports was 87 for the period January-August in 1960; this percentage was 88 for the corresponding period in 1959. The surplus on the balance-of-payments current account on a transaction basis amounted to over fls. 1,800 million in 1959. It is expected that the surplus for 1960 will drop to fls. 1,250-1,300 million. On a cash basis, the balance-of-payments current account gave a surplus of fls. 545 million for the first six months of 1960, as against fls. 715 million for the corresponding period in 1959.

Economic Tension

While, in 1959, the strong growth in demand could be absorbed practically without stresses on account of the spare capacity in the productive machinery, bottlenecks are beginning to occur as the boom progresses. This applies particularly to the labour market, where the situation of 1956 is being approached. In contrast to then, however, the balance-of-payments current account shows a surplus. This difference can be explained by the fact that the overstrain in 1956 was the result of an excessive increase in internal expenditure; now, the initial impulse is derived much more from exports.

A difference with 1956 can also be established on the capital market. In that year, investments rose and savings fell, so that the rate of interest on the capital market increased. At present, partly due to the considerably greater savings, the capital market is quite easy and the rate of interest is tending rather to fall.

Although the present situation differs considerably from that in 1956, the rapid increase in expenditure and the attendant strain on the labour market have nevertheless caused the Netherlands Government to apply correcting measures to the economy. On 29th April last, some restrictions were introduced into the fiscal facilities for promoting investments. In addition, in the course of May, projects for supplementary employment were in some areas closed to workers of certain age groups or entirely shut down. The basic principle in drawing up the building programme for 1960 was that the volume of building should not rise above that for 1959; a licensing system ensures that the building programme is not exceeded.

As in 1959, liquid assets are being tied up by the Government in that more funds are being withdrawn from the capital market than are necessary to finance the deficit in the Government sector. In 1959, over one milliard more guilders were borrowed than was necessary to finance expenditure. In the months of 1960 which have already elapsed, the State has withdrawn fls. 600 million from the capital market by issuing two long-term loans; this is already more than is necessary for the entire year from the financing point of view.

Outlook for 1961

The rapid expansion in expenditure gives rise to the question of whether it must not be feared that, in 1961, the existing strain on the economy will develop into overstrain with all the consequences thereof. It is to be expected that the important impulse, which is now derived from exports, will continue in the near future. The expansion in the market areas of Western Europe, which are of importance to the Netherlands, shows no signs of diminishing. A further increase is also forecast for internal expenditure. It is, however, expected that both private consumption and investments in fixed assets of businesses in 1961 as compared with the preceding year will increase to a lesser degree than in 1960. The same levels as in 1960 are expected for housing and stockpiling; Government expenditure will increase to some extent.

The rise in the total gross national production in 1961 is estimated to be 5-6 per cent. (as against 8½ per cent. in the current year.) Exports and imports will both increase further, but probably less than in 1960. It is expected that the balance of payments in 1961 will again show a smaller surplus than in the preceding year.

The Finance Minister's general conclusion is that the economic situation in the Netherlands will continue to be tense. In his opinion, even greater caution than in 1960 will have to be exercised with regard to increase in expenditure.

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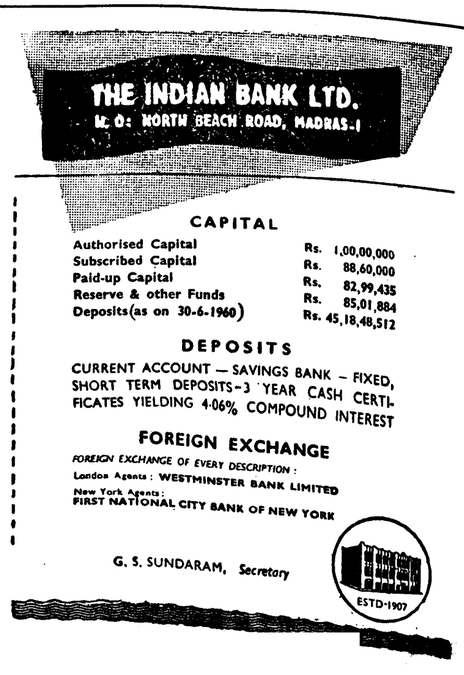
A Dutch engineering firm has developed a new type of fully automatic power band saw with hydraulic feeding mechanism. This band saw has an accurate adjustment, a short setting-up time and a stable stop; the material itself is not used as a stop, but the sliding carriage is provided with one. The machine is also equipped with a work-clamping fixture for clamping and cutting 225×130 mm bundles of material.



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CHAIRMAN, MR. GOPIKISAN PIRAMAL'S SPEECH

SPEAKING at the Eighty-ninth Annual General Meeting of the Morarjee Goculdas Spinning and Weaving Company Ltd., held at Bombay on 5th November 1960, Mr. Gopikisan Piramal, Chairman, disclosed that the Company proposed to bring the total installed capacity of the weaving shed to about 2,000 looms. It was also expanding its printing, dyeing and finishing activities to cope with increased cloth production. The Company's application for the addition of 23,000 spindles was pending with the Government and, if this were sanctioned, it would bring the installed capacity to about 10,000 spindles.

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

"GENTLEMEN,

"It gives me great pleasure to welcome you all to the eighty-ninth annual general meeting of your Company. Today's meeting will pleasantly remind you that your Company next year completes a notable career of 90 years. The Directors' report and audited statements of accounts have been with you for some time now and I trust you will permit me to take them as read.

"With the state of the economy that has been obtaining in the country for quite some years now, annual addresses from the chair cannot but be carry-overs from the preceding year's roster of caveats and dissatisfactions over the Government's conduct of economic affairs. Indeed, one is inclined to conclude that the considered expressions of those who are intimately and vitally implicated in industry and trade are persistently turning out to be the croakings of a Cassandra who could never influence the course of events in time.

"I do not propose to weary you with tedious homilies on what the Government should do and should not do in respect of such matters as the extent of the market that the organised sector of the industry (*vis-a-vis* the decentralised sector) may pre-empt, the modernisation and rationalisation of the industry, the export situation, etc. These are matters of common knowledge to you all and are the subject of constant reiteration from various quarters.

The Year's Developments

"This afternoon I will refer only to a few developments that have occurred over the year and which have immediate relevance to our industry.

"The details of the third Five-year Plan are being hammered out and the published draft outline of the Plan reveals itself as an extension of the studied policy of subordinating the interests of the organised sector of the industry to the interests of the largely subsidised decentralised sector.

"During the year both the domestic and the foreign offtake of cotton textiles has been rather satisfactory: but this has been largely due to adventitious circumstances and certainly not due to a fundamental re-ordering and realignment of the cost structure of the industry. On the contrary, fresh strains have been imposed on the industry's wage and raw material bills. The recent Wage Board recommendations of an increase in the *per capita* basic wage by Rs. 8 per month till 1961-end, with retrospective effect from January 1960, and a further increase of Rs. 2 per month from 1962 onwards, have created an additional charge on our finances. You will realise that this increase has not been linked up with industrial productivity and efficiency, but is meant only to offset the spiralling cost of living for which the Government is responsible. Secondly, the poor cotton crop has adversely affected our cost-production schedules; this year's crop expectations are, however, reported to be favourable. On the export front, apart from the fact that our price and quality manœuvrability is reduced due to these and other factors, it should also be borne in mind that most of our traditional export markets are moving towards autarky.

"Recently, the Government was seized of the question of cloth prices and its loud and soft-pedalling policy more or less obliged the industry to mark down the prices of certain varieties of cloth with August 1959 prices as the base-line. The Government's stand during this episode has clearly demonstrated that it has no rational conception of the economics of the industry and has reacted to the situation in the manner of a small-time trader. The industry still remembers that during the lean period of 1957-59, no significant countervailing measures were forthcoming from the Government. It should, therefore, be urged upon the Government that the textile industry does possess a long-term budget, that its economic accounting practices are not those of a peddler and that, unlike the Government, it does not possess the Aladdin's Lamp of deficit financing.

"The Reserve Bank of India has of late been attempting to neutralise the created money with which the economy is suffused and several monetary weapons in the Bank's armoury have been drawn out in an effort to hold the price line. Apart from selective credit controls on sugar, foodgrains, etc., variable reserve ratios, the prohibition of *budla* financing by banks, ceiling on clean advances, etc., the Reserve Bank has made the borrowing and lending operations of Scheduled banks difficult and costly. These monetary measures have the effect of reducing the liquidity of trade and industry, leading to a measure of financial inconvenience, which can be got over only at a higher cost.

Automatic Looms

"Coming closer home, that is, to the Company's activities you will be glad to know that we have been granted 96 automatic looms in replacement of existing plain looms. Out of these looms 48 have been installed and will be fully in commission by the end of this month. Your Company also expects to receive a further sanction of automatic looms for replacement purposes. Moreover, the Company has been granted an industrial licence for the installation of 336 auto looms as an addition to the existing weaving capacity of the Company under the Export Promotion Scheme. Orders will be placed for these looms immediately the import licence is received. This will bring the installed capacity of the weaving shed to about 2,000 looms. The weaving preparatory machines for these additional looms are already on order. On the finishing side, the Company is expanding its printing, dyeing and finishing activities by adding new plant and machinery to cope with the increased cloth production.

"An application is also pending with the Government for an addition of 23,000 spindles for manufacturing yarn to feed the expanded weaving capacity. This addition, if sanctioned, will bring the installed capacity to approximately one lakh spindles.

"The overall cost of these replacement and expansion operations will work out to about Rs. 75 lakhs and these activities do not involve any additional expenditure on housing the new plant and machinery as we have adequate accommodation with us.

"It will be realised that these additions and improvements to the mills that are being undertaken will enable us to turn out faultless cloth at cheaper rates thereby increasing our export potential and also our profit margin.

"The shipment of the Sanforizing range to which I had alluded last year has been delayed on account of registration of the trade mark. Negotiations between the 'Sanforized' patent owners and the Government have only recently been finalised. The range has now already been shipped by the manufacturers and will be installed in the current year.

"The Company's selling agents have resigned and your Company is handling its sales directly since March 1960. The change has been quite successful and has meant considerable saving in selling agency commission to your Company. It is, therefore, not the intention of the Company to alter the position for the time being at least.

"Over the year, it has been our constant endeavour to be in *rapport* with labour and to maintain uninterrupted industrial relations in an age of strikes and strifes.

Outlook

"In the final analysis, in spite of the handicaps under which we are functioning, the industry will always be assured of its legitimate status and prospects, because the civilised world will always have to clothe itself.

"I have to thank sincerely my colleagues on the Board, and the executives, staff and workers of the Company, for the loyal and unstinted co-operation extended by them.

"It gives me great pleasure to inform you that my brother and colleague on the Board, Dr. Mohanlal Piramal, has recently been awarded a Doctorate in Industrial Sociology by the University of Bombay. The subject of his special study and investigation was 'Social Conditions of Textile Labour in Bombay with special reference to Productivity.'

"In conclusion, I shall thank you all, gentlemen, for being kind enough to be present here today. I now move that the Directors' report and the audited balance sheet and profit and loss account for the year ended June 1960, already sent to the shareholders, be and are hereby adopted."

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

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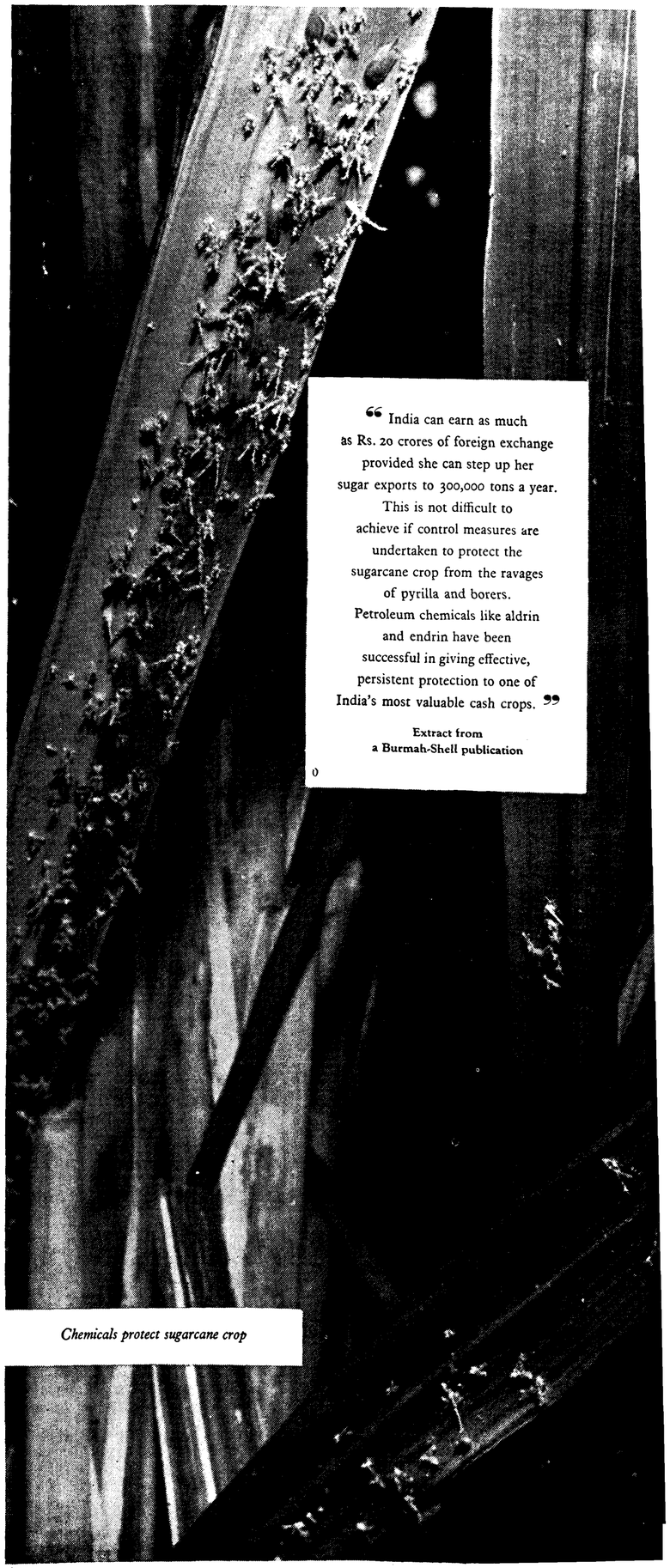

"India can earn as much as Rs. 20 crores of foreign exchange provided she can step up her sugar exports to 300,000 tons a year. This is not difficult to achieve if control measures are undertaken to protect the sugarcane crop from the ravages of pyrilla and borers. Petroleum chemicals like aldrin and endrin have been successful in giving effective, persistent protection to one of India's most valuable cash crops."

Extract from a Burmah-Shell publication

Chemicals protect sugarcane crop

THE CONSUMER CALLS THE TUNE

SIGNIFICANCE OF BEIRUT CONFERENCE

IN any free market economy, the consumer is the ultimate arbiter of what is bought and sold and at what prices. Only where there are no substitutes available is his freedom to buy as he thinks fit decisively limited. This is the basic truth which underlies all industrial and commercial activity outside the communist countries. And even within those countries, the consumer is making his voice felt to an increasing extent. The fact that the consumer is the governing force in a free economy is often obscured by the complexities of our modern economic system, evident enough in the marketing of petroleum products. It remains, nonetheless an inescapable fact, and it is noteworthy that the interests of the consumer were not specifically discussed at the recent conference in Beirut.

The first resolution adopted a few weeks ago by the founding countries of O.P.E.C. in their initial meeting in Baghdad stated that the members of O.P.E.C. would formulate a system to stabilise crude oil prices by, among other means, the regulation of production, with due regard to the interests of the producing and of the consuming countries, and to the necessity of securing a steady income to the producing countries, an efficient, economic and regular supply to the consuming nations, and a fair return on their capital to those investing in the petroleum industry. Nothing surely, could be more unexceptionable than the sentiments expressed in the latter part of this statement of intentions. Everyone, producing countries, companies and consumers, alike must agree that all should have a fair deal. What is at stake, however, is how to interpret and apply generalised good intentions of this character.

Not Much Room for Complaint

So far, the producing countries have really very little to complain about. Only Venezuela has felt significant effects, and that largely because of the haste of a previous Government in stimulating exploration by a large number of independent U.S. companies, who were forthwith shut out of their intended markets in the United States by the U.S. Government's restrictions on oil imports. It is more a fear of the future which impels the Governments of the Middle East today to concern themselves with pricing and associated problems. In this, they are, in one sense, quite right. There is no doubt that, in the face of excess crude producing and refining capacity, competition in the crude exporting countries' biggest market, Western Europe, is very tough, although, as time passes, the cycle of adjustment will work towards bringing about a better equilibrium.

It is, moreover, certainly true that too sharp a decline in products prices, entailing corresponding declines in crude prices, would be a serious matter. Looking beyond the immediate present, this would be so, at least as much from the consumers' viewpoint, as from that of the producers. To keep pace with demand during the next 15 years, and yet still maintain a reasonable level of underground reserves, will very likely require additions of new oil reserves during that period of as much as 220 billion barrels. This would be what would be necessary if the ratio of proved reserves to current production were allowed to decline from the present 40 years to only 15 years. In itself, such a decline would not matter greatly. For many years, U.S. proved crude reserves have been only about 12 to 13 times current production. But, if the free world's reserves ratio were to drop to 15 years, it would imply that an immense new exploratory effort would have to be mounted to keep pace with the growth of demand after 1975. If, however reserves were to be kept up to the equivalent of 25 years' production at the 1975 rate, it could mean that as much as 430 billion barrels would have to be added to reserves in the next 15 years. That would entail adding to oil reserves some 40 per cent. more than was actually added in the 15 years just passed, which itself was a period of record-breaking additions.

It is clear, therefore, that oil prices must continue to be high enough to make available the very large sums of money which will have to go into continuing exploration. On the other hand, it is equally clear that consumers would not tolerate any attempt to hold them to ransom, at a time when everyone knows that there is a greater abundance of actual and potential developed oil production than has ever existed before. Among others, the countries of the European Common Market, who have already shown active interest in energy questions, would certainly react unfavourably and exert their growing strength, in energy as in other spheres, to protect their interests as energy consumers. The unhappy experiences of producers of other international commodities in attempts to create artificially high prices by restricting production is proof enough of the impossibility of continuing success in any such arrangement, where several producers or producing countries are involved and where the markets are at all widespread. In the case of oil, in the present situation in Europe, and indeed elsewhere also, it is plainly out of the question that the consumer could be exploited. And, indeed, it is unlikely that the producing countries have any intention of doing so.

The sort of reaction which might be expected may be gauged in a broad way by the recent and planned actions of a number of major consuming countries, actions taken even without a threat of having to pay unreasonable prices for oil imports. Because the U.S. Government believed that foreign supplies were insecure, it has been prepared to back the wishes of its domestic producers for one of the boldest measures of protection ever put into effect in the United States. And with shale oil in the background, already virtually economic at the prices which American consumers are used to paying, there is no necessary reason why the U.S. market should not continue indefinitely to be closed to any large new influx of foreign oil. In Europe, France, will soon be in a position to supply the whole of her oil requirements from franc zone production, largely from the Sahara, though in practice for quality and other reasons some of this production will be moved to other countries and crude from elsewhere imported into France. Argentina provides another important instance where a major and successful effort to develop indigenous production is being made.

The Great Weakness

Apart entirely from these moves to develop indigenous sources of oil supply, the great weakness of any attempt to keep oil prices unduly high would be the existence of growing production from new sources elsewhere, anxious to capture as big a share of the world market as possible. It must be doubtful whether countries such as Libya would be prepared to forgo their great opportunity for prosperity in the interests of other countries' revenues. Russian oil, too, is already a source of price weakness in Europe and elsewhere, and it cannot be lightly assumed that it will not become more troublesome in the future.

More than this, however, account must be taken also of competitive fuels. A very substantial part of oil's rapid growth in recent years has been directly due to the advance of black oils at the expense of coal. Europe's coal industries are fighting back hard. Productivity—output per man—in most major producing countries has risen sharply, production is being concentrated on the most efficient pits, and widespread efforts are being made to improve the range and efficiency of coal utilisation. What still counts most heavily against coal is its being prices. But if oil prices too were to rise, a strong reaction in favour of indigenous coal production could easily be sparked off.

Natural Gas

Natural gas, too, is becoming of major importance. Its biggest selling point is its low price. Any stiffening of oil prices would add still further to the attractions of gas. Admittedly, within a few years, much of Europe's natural gas consumption may come from other areas. But so far as the transport of frozen gas by ships is concerned, the Middle East countries are not in a very favourable position, since gas from these countries would need to come through the Suez Canal, upon which it would be unlikely that consuming countries would wish to become in any way dependent for another form of energy. And, in any event, to sell natural gas in place of oil is a poor bargain, as U.S. producers have long since discovered.

It comes down then to this, that too low oil prices would be most undesirable for all concerned, while too high prices would significantly check the growth of demand. This does not mean that no changes in prices should occur at all. In their discussions of the problems of international commodity agreements, economists have long recognised that the great vice of such agreements was the attempt to keep prices too rigid, without adequate allowance for long-term structural changes in demand and supply. When demand for a commodity is definitely in excess of supply, it is essential that some price rise should occur to encourage an increase in productive capacity. But, equally, when productive capacity is in excess of demand, it is necessary that some downward price adjustment should be made to reduce the incentive to further increase capacity. It is such a movement that is now occurring in oil. Long-term considerations dictate that it cannot go too far, but some adjustment is desirable to help bring about the correct relationship between demand and supply.

Oil Companies' Plight

In the past, the integrated oil companies have coped with this problem with remarkable success, following a steady middle course, which has promoted a high rate of growth of production while ensuring that earnings were always sufficient to provide funds for the finance of adequate new exploration and development. Their success may be judged best, perhaps, by the fact that, at various times, they have been verbally attacked by both producing and consuming interests, the first claiming that prices should be higher, the latter that they should be lower. Perhaps, the most striking instance of the latter has been the position taken up by the Indian Minister for Mines and Oil, Mr. Malaviya. Contrasting with the oil producing countries' demands for higher prices to support their development programmes, he asked for lower prices to support the balance of payments position of India in the furtherance of India's development programme.

Clearly, for both producing and consuming countries to achieve satisfaction along these lines is impossible. And Mr. Malaviya's answer is that the companies should bear the effects of the two conflicting demands by cutting their profits. In the short run, this makes a debating point. But, in the long run—and not a very long run at that—it is a barren response, since both producing and consuming countries depend on the generation of sufficient capital in the form of what are misleadingly termed oil profits. Without such generation of funds for ploughing back, the future supply of oil could not be assured.

The conclusion of the debate must be, in fact, what the resolution adopted at Baghdad (and cited above) clearly saw, that there is an essential mutuality of interests between the producing countries, the oil companies and consuming countries. All three are vitally concerned with the maintenance of a long-term supply of oil at reasonable prices. Whatever criticisms are made at Beirut or elsewhere, the fact remains that large integrated oil companies are an indispensable link between the producing and consuming countries. Their ability to explore, develop and produce is amply demonstrated. No less important is the provsion of the physical and institutional means on a vast scale of moving, storing, refining and distributing an increasing volume of oil. But, in the end, the whole vast gamut of oil operations depends on the consumer wanting the oil, and on its being available at what he deems to be a reasonable price.—*By special arrangement with the Petroleum Press Service.*

AIR-INDIA BOEING ON PROVING FLIGHT

Air-India's Boeing 707 Intercontinental jet "Annapurna" left Bombay on a proving flight to Tokyo on 5th November, on its way to Seattle, U.S.A., to undergo "flight characteristics improvements" modifications. "Annapurna" is the first of the three Air-India Boeings scheduled for modifications in U.S.A.

The modification programme, initiated by Boeing Airplane Company, is designed to improve flight handling of all Boeing jet aircraft, as a result of experience gained during one year of jet operations. The modification programme consists of installation of fully powered rudder control in place of partially powered rudder control as at present. The fully powered rudder control as at reduce rudder pedal forces required to be applied by Air-India pilots. The present vertical fin will be extended by approximately 3 feet and a small fin will be added below the tail of the aircraft. This will result in added lateral stability of the airframe at low speeds.

The second Boeing aircraft "Nanda Devi" will leave for Seattle next month and the third aircraft "Everest" by the end of the year. The entire modification programme will be completed between November 1960 and January 1961 and will be carried out without affecting flight schedules of Air-India.

NEW PRODUCTS AND PROCESSES

Treating Heart Disease

A medicinal substance unknown to science heretofore has been discovered in the cardiac muscle by the scientists of the Institute of Animal Morphology under the direction of the Corresponding Member of the U.S.S.R. Academy of Sciences Khachatur Koshtoyants. The researchers of the Institute claim to have studied the effect of this substance on individual organs of animals, in particular on an isolated heart of a rabbit. Already, after a few seconds, the muscular activity of the heart rapidly increased, as if under the action of Adrenalin or similar preparations. Yet, as shown by experiments, Adrenalin has a much weaker effect and disintegrates in 20 to 30 minutes, while the newly discovered substance isolated, for example, from the heart of a frog, has a stronger and more durable effect. It has been proved by experiments that the new substance is secreted by the heart in response, in particular, to the chemical effect of Adrenalin. At the same time chemical analysis revealed that it was not of the same kind as Adrenalin. Repeatedly testing the effect of the new substance on the hearts of different animals the scientists have drawn the conclusion that in the future it can be used for the medical treatment of cardiac and many other diseases of man.

Controlling Mine Fires

The U.S. Bureau of Mines has reported progress in the use of high expansion foam to control underground mine fires. The technique, developed originally in England, is based on the use of chemicals—frequently the home laundry type of detergent—to create the foam which is driven by air from the mine ventilating equipment toward the fire. The Bureau describes foam attacks on 16 test fires set in a mine, 14 with coal, one with wood, and one with oil as a fuel. Fighters were able to control 13 of them. Not controlled were three coal fires subjected to foam that was purposely low in water content. According to the findings, there must be a minimum of two-tenths of an ounce of water per cubic foot of foam to be effective. Studies also disclosed that, though many of the fires were completely extinguished, in other cases the foam's main effect was to cool the atmosphere around the fire which allowed the experimenters to invade the fire area and make a direct and final attack with water or other extinguishing methods or load the hot material into cars for removal from the mine. It was also found that foam has a blanketing effect which reduces oxygen and prevents air circulation.

Flame-proof Rubber

A U.S. scientist at a recent meeting of the American Chemical Society described a new type of rubber which is not only flameproof but extinguishes flame. One use for the amazing material is in coating soldiers' uniforms, reported Dr. J. C. Montermoso of the U.S. Quartermaster Research and Engineering Command, Natick, Massachusetts. It will provide some protection even against nuclear explosions, which set off intense heat. The material, called nitroso rubber, has other attractive features. It is resistant to solvents and a variety of strong chemicals, remains flexible and usable at 40 degrees below zero and stands up against sunlight and ozone, indicating a long storage and service life. Experts also predict its use in rubber parts for tanks and various other military vehicles. From the scientist's angle, the rubber is fascinating because its molecular "backbone," instead of being composed entirely of carbon, is composed of carbon, oxygen and nitrogen. The new material contains no hydrogen unlike other rubbers.

Testing Adhesive Bonds

Adhesive bonds are at present being used for many purposes and are both economically and mechanically preferable to riveted joints. Stress concentrations occur round rivets, screws and bolts, whereas the load on an adhesive bond is uniformly distributed over the surface. It will be obvious that the adhesive bond should be tested when its strength is a vital factor, for example in aircraft construction where safety is imperative. The relevant test method should naturally be non-destructive. An aircraft factory at Amsterdam, Holland with more than thirty years' experience in adhesive bonds, has developed a special non-destructive method of testing the strength of both metal-to-metal bonds and *sandwich bonds* of skin plating to core material. The apparatus can also be used to test adhesive bonds between plastics. It is the first known apparatus to provide numerical qualitative data on adhesive bonds by a non-destructive method. Numerous experiments with this apparatus have shown that a non-destructive shear strength of adhesive bonds can be evaluated with an accuracy of about 0.4 kg./sq. mm.=570 p.s.i. and a probability of 95 per cent.

Shaded Pole Motor

A new shaded pole motor which is fully tropicalised to operate in virtually any weather conditions is now being marketed by the British Vacuum Cleaner and Engineering Co., Ltd., Goblin Works, Leatherhead, Surrey, England. The motor has been produced to meet the need for precision engineering at a low price and the model meets many requirements for which more expensive types are normally employed. Typical applications are for fans and actuators and the type is already being supplied for driving mixers in corrosive atmospheres in the chemical industry, for cooling apparatus on television cameras and for use in several types of electronic computors. The unit is continuously rated (without air stream cooling) at 12 watts with 2-watt output, and operates on 230/115 mains voltage to maximum of 2700 r.p.m. A 50-watt version with an output of 12 watts is also available for use where more power is required.

New Plastics That Outwear Steel

New plastics that have greater durability than steel and stretch like rubber were revealed at a recent meeting of the American Chemical Society in New York City. The new materials, derived from a type of chemicals called polyurethanes, are expected to be used in heavy duty applications such as tyres for lift tracks, skids for jet planes and gears. The polyurethane compounds are made from a combination of three types of chemical building blocks known as isocyanates, polyesters and amines, according to C.F. Blaich, Jr. of the Carwin Company, North Haven, Connecticut. Through the proper choice and proportioning of the ingredients, compounds can be produced that are stronger than mild steel but which can be stretched to twice their length. They resume their original dimensions when the tension is relaxed.

Device to Combat Noise

Noise to the left of us, noise to the right of us, noise above and behind to bombard us throughout the day. This terrifying modern problem produces fatigue—and tired workers can be a danger to themselves and their colleagues. The Building and Insulation section of the Factory Equipment Exhibition held at Manchester from 21st September to 1st October spotlighted one way to combat noise —sprayed asbestos. It can be applied to many different kinds of surfaces, including plaster, brickwork, timber or metal. In reducing noise it cuts fire hazards too, for one inch of sprayed asbestos is equivalent in fire protection to two inches of concrete. There is also an anti-vibration felt used to isolate machinery and buildings from vibration or to deaden vibration by virtue of its high damping capacity.

Snippets

Jute sticks have been used at the Forest Research Institute, Dehra Dun, to make pulp suitable for newsprint-grade paper. The yield is 85 per cent.

Among other processes and products reported are the development at the Regional Research Laboratory, Hyderabad, of a new group of resins from castor oil for use in surface coatings; production of auto hair-hardening foundry core oil from linseed oil at the National Chemical Laboratory, Poona, and a process of electro-polishing stainless steel, using sulphuric acid in place of phosphoric acid, evolved at the National Metallurgical Laboratory, Jamshedpur.

Instrument to Aid Pathology

A tiny electrode, which directly measures oxygen in the body, may show the relationship of oxygen to life processes, says a spokesman of Beckman Instruments, Inc., of New York, makers of the device. The platinum-tipped electrode, .005 inch in diameter, can be inserted into blood vessels and other body fluid reservoirs, even the brain. Called the physiological gas analyser, it could be used to locate heart defects, informing an anæsthetist of oxygen absorption and studying prenatal brain damage and senility. The usual method of taking a blood sample results in loss of oxygen and accuracy. The electrode is so small that it fits inside a standard hypodermic needle used to make blood samples.

Fresh Water From Sea Water

Research workers of the Australian Commonwealth Scientific and Industrial Research Organisation are developing a filter for a machine to extract salt from sea water. An atomic power station operating such a machine could provide water for developing millions of semi-desert acres in Australia within the next 20 years according to Dr. R. C. Pratt, who is in charge of the C.S.I.R.O.'s chemical engineering section. Dr. Pratt says fresh water could be produced from the sea by this method within the framework of the present economic structure in Australia at a cost of seven or eight shillings per every 1,000 gallons.

Quality. Something intangible. Yet it is present in any form of human activity where certain standards are maintained.

Take everyday commerce, for example. There are many goods in the market which are not made to any standard. And yet, if they could be, they would have the assurance of quality.

Today, there are relevant standards, prescribed by the Indian Standards Institution, for the manufacture of many consumer and industrial products. On application, and after exacting tests and examinations, ISI also gives its certification mark to those manufacturers whose goods conform to specified standards. The ISI mark is the guarantee of quality.

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RAILWAY RATES POLICY IN INDIA

NEED FOR A RATIONAL INQUIRY INTO THEIR COST ASPECT

By R. Ramadas

THE scope of this essay is limited; it intends to make out a valid plea for a cost-based approach to the problem of railway rates and to emphasise the need for the establishment of a costing service on the Indian State Railways. The British Transport Commission had set up such a service, with a Director of Costing in charge. The methods of costing as applicable for railways are still in a pioneering stage but "there is no doubt that, under the regime of the British Transport Commission, there has been very substantial progress towards identifying the numerous factors which influence the cost of different services by road and rail." The problems encountered, the formulation of suitable techniques and the results of studies are made available in the Annual Reports of the Commission for the years ended December 1950 and 1951 and in an article by A. W. Tait (B.T.C. Director of Costings) in *British Transport Review*, April 1955. A detailed investigation has also been conducted in the United States into rail, motor truck and large costs in the lower Mississippi Valley. The results of this investigation are contained in *Comparisons of Rail, Motor and Water Carrier Costs*, published by the Board of Investigation and Research. (Senate Document No. 84, 79th Congress, 1st Session.)

The view was commonly held that even to attempt to determine the particular rail costs of moving particular amounts of traffic was to try to do the impossible thing. Railway working expenses were regarded as "unallocable," being "fixed" over the short period and having been incurred commonly for a variety of services. The dominant role of railways in inland transport enabled "discriminatory charging," a policy of fixing railway charges, "discriminating between commodities by value and based upon the average costs of operating traffic over the system as a whole." The aim has been primarily to secure a certain net financial result over the railway system as a whole. But such a "management approach" has had three consequences. First, a substantial degree of "cross-subsidisation," offsetting the losses on certain services against the profits on others, resulted. Secondly, a wide divergence developed between railway charges for particular services and their costs. And, finally, "faced with competition from road services where charges are determined by the costs of the particular services run on the freight carried," railways fared badly.

When the railways possessed a virtual monopoly of inland transport, there was no pressure to ascertain the particular costs of particular services or to develop costing services. But, with the development of other forms of transport, the need to cost particular rail services became urgent. If railway rates continue to diverge from cost in such competitive conditions on services where their charges are high in relation to their costs, the railways are laid open to competition from road transport, which eats into the profits required to meet the losses sustained where their charges are low in relation to their costs. Railway charging schemes have to orient themselves increasingly in tune with influences on the cost side of provision of services. This change in the traditional attitude is necessary in the interests of railways themselves, and also because cost provides the basis of co-ordination.

If the ascertaining of the costs of particular services is in fact impossible, then there is no economic means of co-ordinating rail transport with other means of transport. This extreme view "is no longer so strongly held" in the U.K. or the U.S. In India, the railways appear to still believe in *ad-hoc* measures to check competition and the basic issues of co-ordination are yet to be recognised. The Railway Freight Enquiry Committee of 1958 has merely recommended a switch-over to the percentage method of classification of goods traffic and failed to discuss the need for costing services.

A few interesting observations of the Director of Costings, British Transport Commission, made probably on the basis of his investigations, are detailed below:

Case 1.—It is firmly held in many quarters that the carriage of minerals is one of their tasks for which the railways are particularly suited. But it was pointed out to the British Transport Tribunal by the British Transport Commission's Director of Costings, Mr. A. W. Tait,* that, while there may be some ways in which minerals make for economical running, "the necessity of returning the empty wagons after they have delivered their load is apt to involve the railway in heavy costs."

Case 2.—The traditional view that the cost of carrying a ton or a passenger for a mile diminishes the larger the number of miles for which it or he is carried is expressed in the widespread practice of "tapering" railway rates as distance increases. But larger transits generally involved a proportionately greater time spent in marshalling yards, and, even if only the trunk haul was considered—marshalling costs being excluded—there was no evidence from costing studies that its cost diminished as distance grew.†

Case 3.—It is widely believed that high density is a factor which tends to lower costs. But it is perfectly possible for traffic to be so dense that even the largest units of capacity are overtaxed and for this reason comparatively inefficient. Railway costings show that high costs are often found in the stations which handle the heaviest traffic, for precisely this reason.‡ In the context of excessive strain on existing railway assets in India, this observation is worth sober reflection.

The point of the above recapitulation of the experience of the British Transport Commission in the field of traffic costing would be lost, unless we keep in mind that, before such investigations began to shape railway rate policies, the British structure of rates and fares diverged widely from costs and that the same is substantially true of Indian State Railways even today. Why is it that railways persisted with these large divergencies between costs and rates? One fundamental reason is the statutory recognition given to "what the traffic will bear" in the General Classification. But more important was the prohibition of undue preference entailing the obligation of "equality of treatment."

Equally fundamental in perpetuating such divergencies is the force of public opinion. With the enactment of the Transport Act of 1953 in Great Britain, the railways were set free to make what charges they liked, provided these were within the maximum in each case for which a maximum would be fixed by the Transport Tribunal or in other cases provided that they could satisfy the Tribunal that their charges were reasonable. The Commission was not obliged to publish anything except its maximum charges; and it was at the same time relieved of the other main grievance of the railways, the legal prohibition of "undue preference" and the "equality clause."

With such relaxation of the legal framework and in the light of the pronouncements of the British Transport Commission that "... it is of vital importance ultimately that the true costs of the various services shall be brought home to the customer," it should be evident that the Commission is anxious to bring its charges for different services more into line with their differing costs, so far as they could be ascertained.

So far as the Indian State Railways are concerned, the Classification Scheme brought into effect from 1958 is practically subject to the same defects as the earlier one, except that classes are expressed on the percentage method. Rates continue to be fixed on value considerations and quite often diverge widely from the actual cost involved. The flexibility of the earlier practices is lost by restricting station-to-station rates and exception rates. The legal prohibition of undue preference and the operation of "equality clause" continue as before. Rates cannot be varied to suit individual needs as on the British Railways operating under the provisions of the Transport Act of 1953. The obligation to contribute to general revenues at 4 per cent. of the capital at charge is itself a rigid formula influencing the level of railway rates. One feels that the Indian State Railways are but poorly equipped to face the full effects of motor competition of the type existing in Western countries. The low manufacturing capacity of the indigenous automobile industry, restrictive licensing policies, high taxation and inadequate roads combine, however, to keep back the growth of road transport industry and thus leave the palm with the railways, at any rate for the time being.

*See Minutes of Evidence, B.T.C. (Railway Merchandise) Charges Scheme 1955, 946, p. 113.

†Transport Tribunal, Merchandise Charges Scheme 1955, Minutes of Evidence, 959, p. 114, and 1010, p. 115.

‡*Ibid*, Minutes of Evidence, 922, p. 112.

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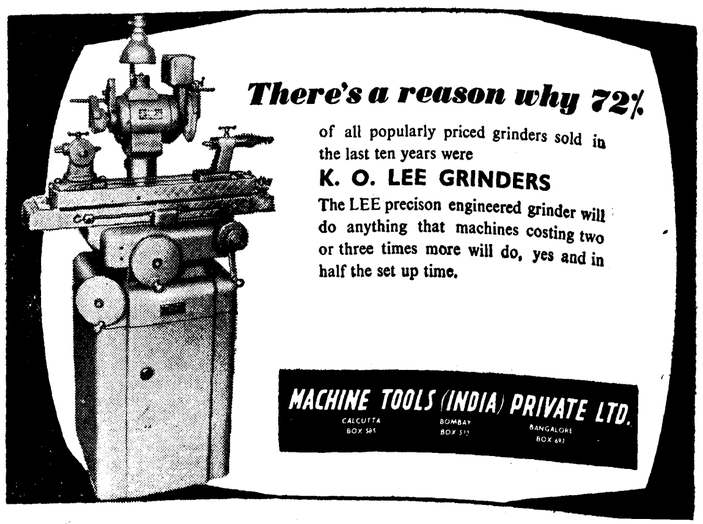

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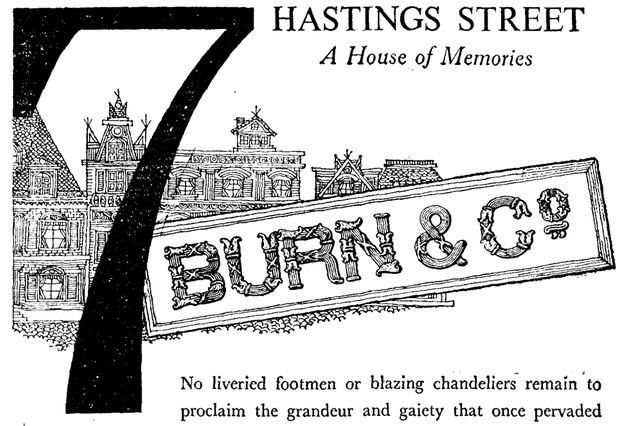
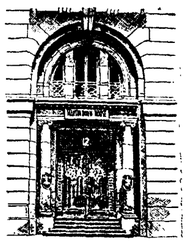


No liveried footmen or blazing chandeliers remain to proclaim the grandeur and gaiety that once pervaded the large red brick mansion that still stands in Calcutta's Hastings Street and which Warren Hastings, India's first Governor-General, built for his charming wife as her town house. For many years this fine residence was the scene of glittering assemblies and balls, the entrée to which was considered a high social privilege.

In 1827, No. 7 was acquired for the purpose of its business by the old established engineering firm of Burn & Company which occupied it for almost a century. By reason of its expanding business, Burn & Company found this historic building with its cobbled carriage drive and spacious rooms too small, and in 1925, the Company was forced to sever its link with this house of memories and moved to larger premises in Clive Street, where it joined hands with Martin & Co.



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REGIONAL INTEGRATION IN LATIN AMERICA

PROBLEMS AND PROSPECTS EXAMINED

THE movement towards closer economic integration initiated in Western Europe, with the formation of the European Economic Community (E.E.C.) of the Six (France, West Germany, Italy, Belgium, Netherlands and Luxembourg) has led to similar attempts elsewhere in the world. What is particularly remarkable is that some of the less developed countries have chosen to follow suit, with Latin American countries taking the lead. In the past two years, treaties have been signed establishing two regional groupings, together encompassing twelve of the twenty Latin American republics. Regionalism has advanced farthest in Central America, where five countries—Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua—have agreed to eliminate barriers to trade among themselves, establish a common tariff *vis-a-vis* third countries, and take measures to co-ordinate their industrial development. But, in terms of the size of the nations involved, a more far-reaching step was the signing last February of the Montevideo Treaty, according to which seven countries—Argentina, Brazil, Chile, Mexico, Paraguay, Peru, and Uruguay—agreed to free their trade with each other. Some of the Asian countries are also considering the possibility of establishing regional trading blocs. In this context, a succinct study of the problems of, and prospects for, the "Emerging Common Markets in Latin America," appearing in the September 1960 issue of the *Monthly Review of the Federal Reserve Bank of New York*, is bound to be read with interest.

Differing Problems

The author of the aforesaid study makes no secret of the fact that "integration by underdeveloped countries, whether in Latin America or elsewhere, obviously entails problems that are in many ways both different from, and more difficult than, those faced by the European nations." Elucidating this aspect, the article observes:

"In Europe, integration involves essentially the sweeping away of artificial barriers to an increase in trade for which there is already a natural basis in the existing economic structure. The European Common Market is geographically compact and possesses a superb transportation and communication network; the six nations are highly industrialised, and trade between them has long comprised a significant part of their total trade. Moreover, a strong interest in closer political ties in Western Europe has greatly facilitated the formation of a common market.

"The conditions that favour economic integration in Western Europe do not, by and large, exist today in Latin America. There is little basis for intra-regional trade in the present economic structure of the Latin American countries. They are largely self-sufficient in foodstuffs and export chiefly agricultural products and minerals. The trade of these countries has, therefore, been directed to the industrial nations that need Latin America's primary products and can supply Latin America with the manufactured goods it requires. While manufacturing has expanded rapidly in some Latin American countries in the post-war period, it is generally on a scale at most sufficient only to meet domestic requirements and characterised by high production costs. Moreover, the limited opportunities for trade between the Latin American countries has provided little incentive for bridging the region's great expanses and rugged terrain with adequate transport facilities, with the result that freight costs within the region are often prohibitively high."

The relative insignificance of intra-regional trade in Latin America, taken as a whole, can be gauged from the fact that, since 1948, the proportion of such trade is only about 9 per cent. of their total exports. In contrast, even in 1948, before the liberalisation of intra-European trade had begun, the European Common Market countries did more than 25 per cent. of their total trade with one another. Besides, within the two groups seeking integration, there are substantial differences in the relative importance of intra-regional trade to individual countries but such trade is not large for any of them, except Paraguay. Moreover, intra-Latin American trade has been concentrated on a few commodities. Venezuelan petroleum has in recent years accounted for as much as one-third of trade within Latin America, and the rest has been made up mostly of a relatively small number of foodstuffs and raw materials. Trade in manufactured goods has been very small.

But so far as the signatories of the Montivideo Treaty are concerned, the position is different. The intra-regional trade has generally been more important between these countries (except Mexico) than elsewhere in Latin America, with Brazil selling as much as about 40 per cent. of its total exports to the members of the Montivideo Treaty, Argentina 35 per cent., Peru 11 per cent., Chile 8 per cent., Uruguay and Paraguay 3 per cent. each and Mexico 1 per cent. The fact remains, however, that trade has been limited to a few primary commodities, principally wheat from Argentina, coffee and fresh fruits from Brazil, metals and petroleum from Chile, cotton from Peru, and timber from Brazil and Paraguay. The integration is sought not only to maintain existing trade, but also to develop new trade.

Ultimate Goal

The ultimate goal of the seven Latin American countries, according to the preamble to the Montevideo Treaty, is to achieve "complementarity and the integration of their national economies" in the fullest sense. However, the treaty itself actually seeks only the more limited goal of a free trade area. The heart of the treaty is the agreement by the signatories that over the next twelve years "they will eliminate gradually, for substantially all their reciprocal trade, charges and restrictions of all types that bear upon the importation of goods originating in the territory of any contracting party." There is no provision in the treaty for the formation of a full customs union through unification of the external tariffs of the seven countries. The re-export within the region of goods imported from outside countries is prohibited, except by special agreement or where the goods have undergone some processing by the importing country.

The actual reduction of tariffs, quotas and other restrictions is to be achieved through annual negotiations in which the seven countries will draw up national lists of tariff reductions for each country, together with a common list of products upon which all the countries must eliminate their tariffs. On the national lists, each country must show successive annual reductions of 8 per cent. in the weighted overall average of its tariffs on the goods that it actually imported from other treaty countries in the preceding three years. In addition, under the common-list procedure, each country will be required by the end of the twelve-year period to eliminate tariffs on goods that have been traded anywhere in the region, even if they have not entered into its own intra-regional trade. At the end of three years, the common list must include goods that account for 25 per cent. of all intra-area trade; 50 per cent. must be included after six years, 75 per cent. after nine years, and substantially all trade by the end of the twelfth year.

Limitations

The article under review seeks to emphasise that the aforesaid procedure for the reduction of tariffs and other trade barriers is limited in two important respects. In the first place, the seven countries are apparently specifically committed to include on the national and common lists only goods actually traded within the region. Secondly, the rate at which tariffs on individual commodities are to be reduced is, in effect, left to each country. The 8 per cent. annual reductions that must be shown on the national lists apply only to the average tariff level, and presumably a country may meet this requirement in any given year during the transition period by substantially reducing some duties while leaving other products fully protected. In addition, the placing of a commodity on the common list will apparently mean only that duties on it must be eliminated by the end of the twelve-year period.

Apart from these defects, it is reasonable to expect that economic integration will be beneficial so long as it leads to the establishment of a market large enough and sufficiently well endowed with a variety of natural resources to permit significant economies through specialisation and large-scale production. The seven countries' huge and diverse natural resources, according to the article, offer ample scope for the division of labour. It opines that the opportunity of serving a combined market comprising about 140 million persons should make it possible for even the more complex and capital-intensive modern industries to operate in the region on an efficient scale. So far as the Central American countries are concerned, however, not only their combined size but also the volume of their natural resources is small. Nevertheless, we are told that the proposed bloc of Central American countries appears to make possible the establishment of many lighter industries that could not function within the sheltered national markets of the participating countries. It is also possible that this bloc may only be the first step towards the formation of a wider Latin American Common Market, just as the Benelux Union led to the establishment of the Common Market.

The overall benefits that will accrue from economic integration in practice will depend, it is said, on the completeness of the integration of Latin American markets. "Production can be fully rationalised only where all sectors of the economies of the participating countries are opened to competition, so that the allocation of resources can be determined in a genuinely free market." The article adds that "partial economic integration is likely to exclude just those hard-core protected products from whose liberalisation the most important benefits can be obtained."

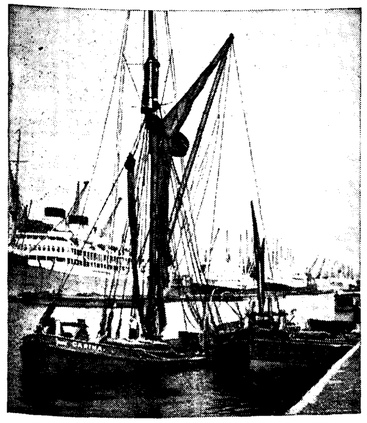
Conclusion

In conclusion, the article points out that the short-run impact of a reduction of trade barriers among the Latin American countries is likely to be no more than marginal, in view of the existing low level of intra-regional trade. Over the longer run, however, the broadening of Latin American markets can serve to stimulate industrialisation and give it a more rational basis than the limited national markets. But the pace of economic development cannot be stepped up without a sharp rise in investment not only in manufacturing itself, but also in such essential supporting activities as power production and transportation. The article stresses that common markets can contribute to increasing investment by opening up profitable new business opportunities in manufacturing that will attract Latin American capital away from investment in real estate and construction and that will induce Latin American investors to repatriate some of the very substantial amounts of capital they now hold abroad. In addition, its proponents hope that the possibilities of investment in industries serving Latin American common markets will stimulate the inflow of foreign capital into the region, just as the formation of the European Common Market has led to larger U.S. and other outside investment in that area.

The article then goes on to observe that the low incomes of the Latin American countries limit domestic savings, while, in many instances, fundamental fiscal and other changes are needed in order both to improve savings and investment habits and to attract a larger inflow of foreign capital. Further, "the extent to which Latin American countries will be able to take advantage of the opportunities offered by economic integration is linked to the solution of other basic economic problems, such as the maintenance of internal and external economic balance, as well as to the development of an adequate regional transportation network. The gains from economic integration will also depend on the ability of the participating countries, when implementing their respective treaties, to make the difficult transition from national protectionism to an economic environment in which the nature and direction of industrial growth and trade expansion are determined by the forces of competition."

PRODUCTIVITY IN PLASTICS INDUSTRY

The suggestion that labour should be so educated as to develop a healthy and enlightened attitude towards productivity and understand the problems faced by management in introducing the latest advances in plant and processing, has been made in a report on plastics industry, just published by the National Productivity Council. This will become certainly possible, the report adds, by fostering a sense of partnership and unity of interest between labour and management. The report was prepared by a team of experts, sponsored by the N.P.C. with assistance from the U.S. Technical Co-operation Mission. The team visited the U.S., Italy and Japan for a comprehensive study of the technological advances and productivity techniques adopted in plastics industry in respect of production, planning and marketing. It also studied the factors governing expansion in production and consumption of plastics, methods of imparting technological education in plastics as well as in plant practical training for personnel at various levels and organisation of small-scale industries in plastics. The report surveys the present position of the industry and deals with its expanding needs. The development of raw materials and their application and processing techniques have also been dealt with in the report.



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IMPRESSIVE PERFORMANCE BY N.I.C.CO.

GROSS PROFIT AT A RECORD—FURTHER EXPANSION SCHEME IN HAND

THE year ended 31st March 1960 was one of substantial progress for the National Insulated Cable Company Limited (Managing Agents: Associated Industrial Development Company (Private) Ltd., Calcutta), in refreshing contrast to the sizable setback suffered in the previous year. There was a marked improvement in output due to the implementation of the expansion scheme and the demand for the Company's products continued to be good. This is reflected in the rise in turnover from Rs. 1.92 crores in 1958-59 to Rs. 3.49 crores and the sharp jump in gross profit from Rs. 43.16 lakhs to a record of Rs. 82.88 lakhs. The net profit has more than doubled itself from Rs. 16.01 lakhs to Rs. 41.72 lakhs.

In consonance with this encouraging trend, the Directors have ploughed back no less than Rs. 18.31 lakhs or about 44 per cent. of the net profit to the reserves, as against only Rs. 4 lakhs or 25 per cent. in the previous year. The dividend also is being stepped up from 20 per cent. to 25 per cent., but since the latest distribution is subject to deduction of tax, the net return works out to 17.5 per cent. This is, however, on a capital higher by 50 per cent., following the issue during the year of 300,000 ordinary shares of Rs. 10 each, so that, on the old capital, the proposed dividend represents 37.5 per cent. gross or 26.25 per cent. net, as compared with 20 per cent. free of tax paid consistently for the previous three years.

The following comparative table gives an idea of the encouraging progress made by the Company during the year under review:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	3,49.14	1,92.50	2,84.96	3,21.59
Closing stocks	36.07	19.91	16.38	47.93
Consumption of raw materials and stores and spares	2,17.92	1,08.97	1,40.92	2,17.58
Other expenses	49.01	41.11	76.82	36.07
Gross profit	82.88	43.16	67.52	68.01
Managing Agents' commission	7.86	4.09	6.56	6.64
Provision for—				
Depreciation	4.28	2.30	1.95	1.61
Taxation	29.02	20.77	32.40	32.13
Net profit	41.72	16.01	26.61	27.63
Excess provisions written back	..	..	..	9.59
To short provisions of previous years	0.50	0.16	0.14	..
,, reserves	18.31	4.00	16.55	24.00
Dividend	22.50 (25%)*†	11.99 (20%)	11.99 (20%)	11.99 (20%)
Carry forward	0.86	0.46	0.60	2.68

* Subject to deduction of tax.
† On the increased capital of Rs. 90 lakhs raised in September 1959 by the issue of 300,000 shares of Rs. 10 each.

Two years ago, the Company commenced manufacture, for the first time in India, of grooved copper or cadmium copper contact wire required for electric traction schemes. As a result of this venture, the Company has been able to save for the country substantial foreign exchange. It is now only necessary to import raw copper for the manufacture of these wires, instead of importing the manufactured wire. The bulk demands for the grooved contact wire are only from new schemes of railway electrification. These demands are now said to be at their peak. Even so, the capacity of the Company's plant is, according to the management, such that it is still not fully loaded. As in the previous year, the demand for A.C.S.R. continued to be slack during the year under review also. The procurement of high tensile galvanised steel wire became rather difficult on account of the formalities involved in the procedure for importing it from abroad. In spite of this, many new units have been licensed and some of them have been established. The Government expects that the demand for A.C.S.R. and all aluminium conductors will increase, as a result of additional power generating capacity in the third Five-year Plan. If this materialises, the present units may get enough load to engage them. Otherwise, the present trend of slackness in demand, coupled with additional plants established, will bring about idle capacity in the industry.

The Company's copper rod rolling mill has been installed and trial runs have been successfully completed. The Company has in hand a further expansion programme for increasing the manufacture of existing types of products and for a new line, namely, the making of armoured cables for railway signalling and other purposes. The necessary steps are being taken to bring this expansion into effect next year. In short, barring the uncertainty regarding the demand for A.C.S.R., the outlook for the Company appears to be fair.

The Company's financial position is sound. The paid-up capital of Rs. 90 lakhs is supplemented by reserves and surplus aggregating Rs. 138.43 lakhs, of which the general reserve alone accounts for Rs. 80 lakhs. The total outstanding borrowings as at the end of the year amount to Rs. 116.12 lakhs, which include a debenture loan of Rs. 10 lakhs secured by 5¼ per cent. debentures of Rs. 2,000 each. The debentures were due for redemption on 15th July 1960, but were extended for a further period of five years, with an option to redeem them at any time after 15th July 1963. The rate of interest was also raised to 6 per cent. The Company has a debenture redemption fund of Rs. 10 lakhs. If, however, the Directors have not chosen to redeem the debentures out of this fund, it must have been due to the fact that raising of fresh funds for financing the expansion programme after repayment of the existing debenture would be costlier. The current liabilities and provisions aggregate Rs. 134.02 lakhs and these, together with the borrowings mentioned above, are more than adequately covered by current assets, book debts and cash balances at Rs. 398.73 lakhs. There has been an addition of Rs. 24.97 lakhs to the block account during the year; this is on top of Rs. 25.70 lakhs expended in the previous year and brings the total capital expenditure up to the end of the year to Rs. 131.19 lakhs. This has, however, been well written down to Rs. 79.84 lakhs.

The current market value of the Rs. 10 fully paid-up ordinary shares of the Company is Rs. 31.62 *ex-div.*, at which rate the yield on them is fairly attractive at 5.5 per cent. per annum, free of tax.

SEKSARIA MILLS

The Maharashtra State Government proposes to run the Seksaria Cotton Mills Ltd. (now in liquidation) on a leave and licence basis. It will submit its proposals regarding the same to the State High Court before 1st December 1960. This is a sequel to the order of the High Court, made on the 4th inst., asking the official liquidator of the Mills to invite offers to run the Mills on leave and licence basis from 16th December 1960 onwards. It is, however, for the High Court to choose the best offer from among similar offers from various parties. In the meantime, the Mills will continue to be in the possession of the State Government till 15th December and will be run by it on the same terms and conditions on which it had been running the Mills for the last two years. The Mills, however, have remained closed since 24th October 1960, following the order of the official liquidator. The High Court directed the official liquidator to hand over *de jure* possession of the Mills to the State Government with effect from 4th November 1960 and also ordered that the Government would be deemed to have been in possession of the Mills from the date of its closure, namely 24th October, and that the State would be liable to pay all such charges as it was paying previously.

The High Court's order arose out of an appeal filed by two workers of the Mills on behalf of themselves and other workers of the Mills against the decision of Mr. Justice Mody, who had dismissed their petition earlier. The workers, who had claimed to be unsecured creditors, had prayed that the official liquidator should be directed to call a meeting of the unsecured creditors to consider the order of the Textile Commissioner prohibiting the sale of the Mills and to allow the Government to continue to run the Mills. The official liquidator it was stated, was contemplating challenging the order of the Textile Commissioner and, in the meantime, he thought it necessary to keep the Mills closed. In the opinion of the learned judges who disposed of the appeal, it was not necessary to keep the Mills closed, simply because the liquidator contemplated challenging the Textile Commissioner's order.

The State Government has paid the workers full wages for the eleven days during which the Mills had remained closed.

(Concluded from next column)

year (in June 1960), the Company issued 30,000 —5¼ per cent. debentures of Rs. 1,000 each to meet the capital cost of the first 30 M.W. set in "C-2" extensions. Out of the proceeds, it repayed the then existing 4½ per cent. second mortgage debentures amounting to Rs. 2 crores.

The Rs. 100 fully paid-up ordinary shares are being quoted at a low of Rs. 88.50 *cum-div.* (final: Rs. 3.15 net), as against Rs. 96.20 a year ago. On an *ex-div.* basis, the yield works out to 5.7 per cent. per annum, free of tax.

AHMEDABAD ELECTRICITY EARNS RECORD PROFIT

GENERATING CAPACITY TO BE INCREASED FURTHER

THE results of working of the Ahmedabad Electricity Company Ltd. (Managing Agents: Killick Industries Ltd., Bombay) during the year ended 31st March 1960 are encouraging. As many as 10,082 new consumers were connected during the year under review, as against only 4,787 in the previous year. Sales of energy for public and private lighting and fans, which had gone up by 3.22 million Kw.h. in 1958-59, have risen by another 4.58 million Kw.h. to 34.76 million Kw.h. during the year under review. Likewise, sales of energy for power purposes have increased by 24.17 million Kw.h. to 525.07 million Kw.h., on top of a rise of 33.14 million Kw.h. in 1958-59. Supply of energy to North Gujarat Grid has, however, declined by 20.34 million Kw.h. to 138.38 Kw.h., in contrast to the increase of 22.81 million Kw.h. Nevertheless, the total sales of energy are higher by 8.41 million Kw.h., though such increase is much less than that of 59.17 million Kw.h. in 1958-59.

The gross profit of the Company has improved by Rs. 10.46 lakhs to Rs. 140.58 lakhs, following a rise of Rs. 11.51 lakhs recorded in the previous year. Despite the increase in the managing agency remuneration and provision for depreciation, the net profit, at Rs. 84.11 lakhs, has improved by no less than Rs. 11.35 lakhs, in the absence of any liability for wealth tax, which had absorbed Rs. 5.06 lakhs in the previous year. The addition to the reserves has been raised from Rs. 9.67 lakhs to Rs. 16.87 lakhs. Despite the encouraging results, the net dividend for the year is lower at 4.9 per cent. (7 per cent. subject to deduction of tax), as against 6.75 per cent., without deduction of tax, for the previous year. An increase in net dividend or even the repetition of the same dividend would have meant a cut in the allocations to the reserves. The Company's capital is so large that even an increase of ½ per cent. in net dividend would take up nearly Rs. 4.5 lakhs more, in addition to the burden of 30 per cent. tax, which the Company is bearing on behalf of the shareholders.

The following comparative table gives an idea of the progress made by the Company since 1957-58:

(In lakhs of rupees)

	For the year ended 31st March		
	1960	1959	1958
Sale of energy	4,93.27	4,55.76	3,99.99
Other income	9.57	7.96	7.43
Consumption of coal and fuel	2,55.61	2,41.23	2,02.76
Other expenses	1,06.65	92.37	86.05
Gross profit	1,40.58	1,30.12	1,18.61
Agents' remuneration	7.95	6.96	5.74
Provision for—			
Depreciation	48.52	45.34	44.28
Taxation		5.06*	5.00*
Net profit	84.11	72.76	63.59
Transfer from reserve or excess provisions written back			
Capital expenses written off	..	0.13	2.07
To reserves	0.36	0.37	0.37
Dividend	16.87	9.67	8.43
	61.23 (7%)†	59.05 (6⅔%)	56.86 (6⅓%)
Carry forward	0.01	0.04	0.01
Sales of energy (in million kw. h.)	698.21	689.80	630.63

* Provision for wealth tax.
† Subject to deduction of tax.

The Company hopes to commission the first 30 M.W. plant (in the second half of the 'C' station) in March 1962. The foreign exchange of this plant will be covered by the loan of $3.9 million granted by the Development Loan Fund, the agreement for which was signed in June 1960. To meet the ever-increasing demand for power in the city of Ahmedabad and its environment, the State Electricity Board has permitted the Company to expand its generating capacity by another 30 M.W.

The Company's paid-up capital is Rs. 8.75 crores and this is supplemented by reserves and surplus aggregating Rs. 1.17 crores. The outstanding borrowings as at the close of the year are Rs. 2.17 crores (including a debenture loan of Rs. 2 crores secured by 4½ per cent. debentures). The other current liabilities and provisions amount to Rs. 1.48 crores. The additions to the fixed assets during the year under review were of the order of Rs. 48.42 lakhs (on top of Rs. 95.31 lakhs added in the previous year), bringing the gross value of the block account to Rs. 15.24 crores. The book value thereof is Rs. 11.19 crores. Capital works-in-progress amount to Rs. 41.59 lakhs. The current assets aggregate Rs. 2.15 crores. After the close of the

(Continued in previous column)

ANGLO-INDIA JUTE PAYS MORE

MARKED RISE IN EARNINGS

THE Anglo-India Jute Mills Company Ltd. (Managing Agents: Messrs. Duncan Brothers and Co., Ltd., Calcutta), reputed to be the largest jute mill company in India, with a total complement of 2,561 looms, has been considerably benefited during the year ended 31st March 1960 by the comfortable raw jute position which enabled the industry as a whole to carry on simultaneous business in raw jute and gunnies on a profitable basis until November 1959, that is, during eight months of the year under review. Notwithstanding the subsequent sharp rise in raw jute prices on fears of a shortage of supply, the prices of gunnies were maintained at a high level throughout the year under review, thanks to the purchases by Russia and China and reasonable American offtake of hessians. As a result, the gross profit of the Company has improved by Rs. 27.80 lakhs to a peak of Rs. 72.77 lakhs. It must, however, be noted that all this rise in profit is not due to trading in gunnies. It includes a profit of Rs. 21.15 lakhs earned on sale of fixed assets. Even if this is excluded, the increase in profit is sizable, considering the high prices of raw jute which prevailed during the closing months of the year under review.

The net profit, at Rs. 25.54 lakhs, shows a rise of Rs. 15.40 lakhs, even after raising the provision for depreciation from Rs. 12 lakhs to Rs. 22.15 lakhs. This includes an additional depreciation of Rs. 12.15 lakhs provided to bring down the fixed assets to the income-tax written down value. In other words, the book value of the Company's fixed assets was in excess of the value as per Income-tax Act. A little over 50 per cent. of the net profit has been ploughed back, of which a sum of Rs. 5 lakhs has been provided as a reserve against depreciation in value of the trade investments in subsidiary companies. The Directors have also set aside Rs. 1.20 lakhs to the contingency reserve to compensate preference shareholders for tax deducted at source at the rate of 30 per cent., but the actual payment will be made in accordance with the provisions of the Preference Dividend Bill after it becomes law. Meanwhile, the dividend on the 7 per cent. preference shares is proposed to be paid after deducting the 30 per cent. tax. The Directors have recommended a dividend of 20 per cent., subject to deduction of tax, on ordinary shares. On a tax-free basis, it amounts to 14 per cent., as compared with 12.5 per cent. paid for the previous year. This is the third year in succession for which the dividend is being stepped up from 7 per cent. paid for the year ended 31st March 1957.

The salient features of the Company's results for the last four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	6,44.69	6,28.69	5,93.21	5,15.25
Other income	22.00	4.43	1.68	7.22
Closing stocks of gunnies and work-in-progress	44.35	37.87	27.51	33.24
	2,58.18	2,63.89	2,90.12	3,17.34
Raw jute consumed	1,62.27	1,54.86	99.31	..
Purchases of gunnies	1,73.48	1,69.41	1,75.79	1,91.91
Expenses	72.77	44.97	29.67	19.41
Gross profit	4.18	3.33	2.15	0.50
Managing Agents' remuneration	22.15	12.00	12.00	10.00
Provision for—				
Depreciation	20.90	19.50	2.00	..
Taxation	25.54	10.14	13.52	2.72
Net profit	..	2.00	..	3.00
Transfer from reserve	..	3.40	5.21	..
To reserves	12.80	..	..	..
Dividends—				
7 per cent. preference	2.80*	2.80	2.80	2.80
Ordinary	9.84 (20%)*	6.15 (12.5%)	4.92 (10%)	8.44 (7%)
Carry forward	2.26	2.16	2.37	1.78

* Subject to deduction of tax.

The Company owned four mills. Production was recently rationalised by closing down Jagatdal and Upper Mills and working the Lower and Middle Mills, on a multi-shift basis. During the year under review, the Company completed the sale of the Upper Mill property. A substantial part of the plant and machinery in the Jagatdal Mill has also been sold to Messrs. Isaac Holdens (India) Ltd. for the establishment of a wool combing plant, in consideration for the allotment of 123,345 equity shares of Rs. 10 each of the latter company. The Company (Anglo-India Jute) has also agreed to take up a further 86,516 equity shares of Rs. 10 each out of the proposed public issue of Isaac Holdens. The Directors are of the view that the investment in this new venture would provide a profitable source of income for the Company and there will be a saving in administrative costs also. The wool combing plant is expected to go into production during the current month.

The modernisation of the preparatory and spinning sections of the Middle Mill was completed during the year under review and both the working mills (Middle and Lower) are now fully equipped with modern sliver spinning machinery. The Company has commenced the modernisation of the winding and beaming machinery at Lower Mill and this is expected to lead to both economy in operation and an increase in efficiency through the supply of better yarn. The Company has applied for licence for importing similar modern machinery for Middle Mill also.

While the rationalisation of production and modernisation of plant and machinery will improve the efficiency and bring about economy in operation on a long-term basis, the short-term outlook depends upon the availability of adequate supplies of raw jute and at economic prices. This is the most uncertain factor at present and one cannot, therefore, be very optimistic about the current year's earnings, in view of the high prices of raw jute and drastic sealing of looms to curtail production.

The latest available quotation of the Company's Rs. 100 fully paid-up ordinary shares is Rs. 200 *cum-div.*, at which rate the yield on them is 7.5 per cent. per annum, free of tax.

WORKING OF COMPANIES ACT

During the quarter ended 30th September 1960, 108 companies (including one private company in the State of Pondicherry) with an authorised capital of Rs. 16.36 crores were registered in the southern region comprising the four States of Andhra Pradesh, Kerala, Madras and Mysore. Out of them, 7 were public companies with an authorised capital of Rs. 12.45 crores, 98 were private companies with an authorised capital of Rs. 3.91 crores, one was an association not for profit and two were guarantee companies. Transport companies continued to form the major group among the new registrations in Madras State accounting for 55 companies. The total investment by way of increase in paid-up capital of the companies was of the order of Rs. 2.03 crores. Four giant companies, namely, Madras Aluminium Company Ltd., Shardlow India Private Ltd., Aruna Sugars Limited, T.I. Diamond Chain Private Ltd., with an authorised capital of Rs. 10 crores, 1 crore, 2 crores and 70 lakhs for the manufacture of aluminium products, stampings and forgings, sugar and cycle chains and other parts, respectively, were floated in Madras State.

During the period under review one foreign company, namely, William Goodacre and Sons (India) Limited established its place of business in India at Alleppey in Kerala State, while another foreign company, S. A. Ackermans and Van Haaren India Limited, ceased to have its place of business in Andhra Pradesh.

During the quarter under review, 55 companies with a total paid-up capital of Rs. 15.69 lakhs were struck off the register of companies, 20 companies with a total paid-up capital of Rs. 17.74 lakhs went into liquidation.

* * * *

Two hundred and forty-five new companies with a total authorised capital of over Rs. 27 crores were registered under the Companies Act, 1956 in the Eastern Region comprising West Bengal, Assam and Orissa, during the half-year ended 30th September 1960. This is stated in a review of the working of the Department of Company Law Administration, Eastern Region, for the first half of 1960-61.

Of the new companies, 20 were public limited companies with an authorised capital of Rs. 16.50 crores, 221 were private companies having an authorised capital of Rs. 10.74 crores and four were companies limited by guarantee. The review adds that fifty-seven public and private companies with a total paid-up capital of Rs. 78.78 lakhs went into liquidation and 20 public and private companies with a paid-up capital of Rs. 9.86 lakhs were finally dissolved. In addition, one company limited by guarantee went into liquidation. The names of 779 companies having a paid-up capital of Rs. 46.01 lakhs were finally struck off under Section 560 of the Act.

* * * *

One hundred and twenty-one companies with a total authorised capital of Rs. 28.78 crores were registered in the Western Region comprising Maharashtra, Gujerat and Madhya Pradesh, during the quarter ended 30th September 1960. Of these, 15 were public and 106 private companies. During the previous quarter also 121 companies were registered with a total authorised capital of Rs. 15.51 crores.

Thirty companies with a total paid-up capital of Rs. 52.05 lakhs went into liquidation during the quarter, as against 24 companies in the previous quarter.

Names of 76 companies were struck off the register under Section 560 of the Companies Act, 1956. Also, 29 companies were declared to have been dissolved during the quarter under the provisions of the Act.

COMPANY MEETINGS AND DIVIDENDS

WOODLAND ESTATES LTD. Annual General Meeting, Trivandrum, 18th November 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax. Transfer books will remain closed from 18th to 21st November 1960, both days inclusive.

COOPER ENGINEERING LTD. Annual General Meeting, Bombay, 22nd November 1960. Dividend: Rs. 13.00 per share (includes a bonus of Rs. 3.00 per share), on the increased capital, subject to deduction of tax, payable on and from 30th November 1960. Transfer books remain closed from 1st to 22nd November 1960, both days inclusive.

ASHER TEXTILES LTD. Annual General Meeting, Tirupur, 24th November 1960. Dividend: 12½ per cent. or Rs. 12.50 per share, subject to deduction of tax, payable on or after 1st December 1960. Transfer books will remain closed from 11th to 24th November 1960, both days inclusive.

VELLORE ELECTRIC CORPORATION LTD. Annual General Meeting, Madras, 24th November 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 17th to 24th November 1960, both days inclusive.

BHAGALPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 25th November 1960. Transfer books will remain closed from 18th to 25th November 1960, both days inclusive.

VELIMALAI RUBBER CO., LTD. Annual General Meeting, Kottayam, 28th November 1960. Dividend: 12 per cent. or Re. 0.60 per share, subject to deduction of tax. Transfer books will remain closed from 26th to 28th November 1960, both days inclusive.

MIDLAND RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Alleppey, 28th November 1960. Dividend: 12½ per cent. or Re. 1.25 per share, subject to deduction of tax. Transfer books will remain closed from 21st to 28th November 1960, both days inclusive.

KARANPURA COLLIERIES LTD. Annual General Meeting, Calcutta, 28th November 1960. Dividend: 7½ per cent. or Rs. 7.50 per ordinary share, subject to deduction of tax, payable on or after 10th December 1960. Transfer books will remain closed from 14th to 28th November 1960, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Annual General Meeting, Ernakulam, 28th November 1960. Dividend: 12½ per cent. or Re. 1.25 per share, subject to deduction of tax. Transfer books will remain closed from 21st to 28th November 1960, both days inclusive.

TUBE INVESTMENTS OF INDIA LTD. Annual General Meeting, Madras, 28th November 1960. Dividend: 10 per cent. or Rs. 10.00 per share, subject to deduction of tax. Transfer books will remain closed from 18th to 28th November 1960, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 29th November 1960. Dividend: Rs. 4.50 per share, final (making a total of 7 per cent. of Rs. 7.00 per share, for the year), subject to deduction of tax, payable on and after 2nd December 1960. Transfer books were closed from 1st to 19th October 1960, both days inclusive.

BROOKE BOND ESTATES INDIA LTD. Annual General Meeting, Calcutta, 29th November 1960. Dividend: Re. 1.50 per share, subject to deduction of tax. Transfer books remain closed from 2nd to 29th November 1960, both days inclusive.

GILLAPUKRI TEA AND SEED CO., LTD. Annual General Meeting, Madras, 30th November 1960. Dividend: 25 per cent. or Rs. 2.50 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 21st to 30th November 1960, both days inclusive.

WEST COAST ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Madras, 30th November 1960. Dividend: 15 per cent. or Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 24th to 30th November 1960, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Annual General Meeting, Bombay, 2nd December 1960. Dividends: Final dividend of Rs. 530 per share, or original share of Rs. 2,500 each; Rs. 26.50 per share, on old ordinary shares of Rs. 125 each and Rs. 10.60 per share, on new shares of Rs. 125 each (Rs. 50 paid-up), all subject to deduction of tax. Transfer books remain closed from 1st to 22nd November 1960, both days inclusive.

BRITISH BURMAH PETROLEUM CO., LTD. Annual General Meeting, Bombay, 16th December 1960. Dividend: Re. 0.07 per share, final (net), payable on and after 5th January 1961. Transfer books will remain closed from 18th November to 9th December 1960, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 22nd December 1960. Dividend: Rs. 7.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 1st to 22nd December 1960, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. *Ad-interim* dividend of 4½ per cent. or Re. 0.45 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 26th November to 5th December 1960, both days inclusive.

SIJUA (JHERRIAH) ELECTRIC SUPPLY CO., LTD. Dividend of Re. 1.00 per ordinary share, subject to deduction to tax, for the year ended 31st March 1960. Transfer books will remain closed from 14th to 29th November 1960, both days inclusive.

SALEM-ERODE ELECTRICITY DISTRIBUTION CO., LTD. Taxable dividend of 12 per cent. or Re. 1.20 per ordinary share, for the year ended 31st March 1960.

TINNEVELLY-TUTICORIN ELECTRIC SUPPLY CO., LTD. Taxable dividend of 10 per cent. or Re. 1.00 per ordinary share, for the year ended 31st March 1960.

SYNOPSES OF COMPANY REPORTS

Cooper Engineering Ltd.

THE directors of the above Company (Managing Agents: Messrs. Walchand and Co. Private Ltd., Bombay) present the audited accounts of the Company for the year ended 30th June 1960.

The net profit for the year after providing Rs. 11,50,000 (Rs. 4,00,000) for taxation and Rs. 2,98,837 (Rs. 2,82,697) for development rebate reserve amounts to Rs. 7,78,573 (Rs. 4,61,242) to which is added the amount brought forward from the previous year of Rs. 72,169 (Rs. 63,527) making a total of Rs. 8,50,742 (Rs. 5,24,769). The directors have transferred to contingency reserve including gratuity Rs. 1,00,000 (*nil*) and to general reserve Rs. 1,00,000 (Rs. 1,25,000) leaving a balance of Rs. 6,50,742 (Rs. 3,99,769). The directors now recommend payment of a dividend on equity shares at Rs. 10.00 (Rs. 10.00) plus a bonus of Rs. 3.00 (Rs. 3.00) per share subject to deduction of tax and adjustment, absorbing Rs. 5,75,000 (Rs. 3,27,600) leaving a surplus to be carried forward of Rs. 75,742 (Rs. 72,169). The dividend for the year ended 30th June 1960 is on the increased capital of Rs. 45,19,800 (Rs. 25,20,000).

The Company has taken up the manufacture of CVR-5 *High Speed, Vertical Diesel Engine* developing 5 h.p. at 1800 RPM duly incorporating the *Ricardo Comet Combustion Chamber*. The directors also inform that GP-32" *Longest Stroke, Heavy Duty, Grade* 1 *Shaper*, ever to be made in India, was manufactured at the Company factory at Satara Road and put into operation in the machine tool division.

During the year under report the sales of oil engines, machine tools and looms, etc., have been increased by about Rs. 42,31,930 over the sales of last year. There is an increased demand for oil engines, machine tools and looms.

In respect of exports, the Company is getting a good response to the oil engines from the Middle East and Far East Countries. The Company has exported oil engines to the tune of about Rs. 4 lakhs during the year under report to Burma, Egypt, Thailand, Iran and Muscat.

The Company participated in various exhibitions where the oil engines, pumps and shaping machines were exhibited.

The construction of a new Factory of machine tools at Chinchwad is in progress and it is expected that the production will start in the near future.

The directors propose to increase the authorised capital of the Company from Rs. 1 crore to Rs. 2 crores by creation of 50.000 equity shares of Rs. 100 each and 50,000 unclassified shares of Rs. 100 per cent. each. It is also proposed that the existing unissued 50,000 5½ per cent. cumulative preference shares of Rs. 100 each be termed and known as 50,000 unclassified shares of Rs. 100 each.

During the year under report consent from the Central Government has been received approving the re-appointment of Messrs. Walchand & Co. Private Ltd. as managing agents of the Company with effect from 22nd May 1960, on the same terms and conditions as approved by the Members at the 18th Annual General Meeting held on 27th November 1958, except the terms of Office which is fixed at 5 years and remuneration which is fixed on a sliding scale. Necessary managing agency agreement has been executed accordingly.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,19,800	Gross block	93,35,767
Reserves ...	25,03,443	*Less*—Depreciation ...	46,96,997
Provision for taxation ...	11,67,475		
Liabilities ...	76,02,309	Net block ...	46,38,770
Profit and loss account (surplus) ...	75,742	Work-in-progress ...	3,22,618
		Stock-in-trade	50,99,188
		Stores, etc. ...	14,26.142
		Book debts ...	37,57,678
		Investments	1,35,054
		Cash ...	4,89,319
Rs.	1,58,68,769	Rs.	1,58,68,769

Grob Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

Crop.—The following table shows the total crop made and the quantities sold for export and internal consumption:—

Gardens	Crop	Expenditure		Total
		Garden	Calcutta	
	Maunds	Rs.	Rs.	Rs.
Doyang	6,000	9,85,173	1,43,360	11,28,533
Dessoie	6,000	8,28,585	1,48,325	9,76,910
Kanu	11,800	14,16,226	2,90,101	17,06,327
Teen Ali	7,800	11,20,768	2,00,129	13,20,897
Total ...	31,600	43,50,752	7,81,915	51,32,667*

* Excluding expenditure of a capital nature estimated to amount to Rs. 6,96,000.

Owing to the severe drought experienced earlier this season it is unlikely that the crop originally anticipated will be harvested.

	Sold		Total
	In Calcutta for export	In Calcutta for internal consumption	
	Maunds	Maunds	Maunds
Teen Ali	6,511	568	7,079
Doyang	3,375	1,550	4,925
Dessoie	4,923	850	5,773
Kanu	9,050	1,768	10,818
Total ...	23,859	4,736	28,595

The average price realised was Rs. 2.46 nP per lb. as compared with the same price obtained for the previous season's crop of 32,205 maunds.

The Company's Export Quota for Season 1959 was:—Teen Ali 5,859 maunds; Doyang 4,751 maunds; Dessoie 3,924 maunds and Kanu 8,187 maunds.

Due to a very droughty condition prevailing in the later part of the season and owing to a severe hail damage in April 1959, at Doyang the crop harvested fell considerably short of the estimate.

The profit for the year amounts to Rs. 2,89,513 (Rs. 6,75,994). After adding to this the adjusted credit balance brought forward from 1958 of Rs. 43,281 (Rs. 96,613) and excess provision for liabilities in respect of previous years no longer required of Rs. 1,05,103 (Rs. 25,000) there is a total amount of Rs. 4,37,897 (Rs. 7,97,607). From this is to be deducted initial contribution to superannuation fund—final instalment Rs. 22,398 (Rs. 22,398) and transfer to development rebate reserve of Rs. 27,457 (Rs. 14,200) leaving a credit balance of Rs. 3,88,042 (Rs. 5,11,009 after transferring Rs. 2,00,000 to buildings and machinery reserve and Rs. 50,000 to hail insurance reserve) on profit and loss account. The directors recommend that this balance be disposed of as follows:—

To pay a dividend of 14 (15 per cent. tax-free) per cent. for season 1959, after deduction of tax, absorbing Rs. 3,26,072 (Rs. 4,65,818) and to carry-forward Rs. 61,970 (Rs. 45,191).

In September 1959, the authorised capital of the Company was increased from Rs. 20,00,000 to Rs. 30,00,000 divided into 6,00,000 equity shares of Rs. 5 each. Thereafter 1,55,272 shares of Rs. 5 each were offered and issued to the shareholders at a premium of Rs. 2.50 nP per share. The present issued capital of the Company is Rs. 23,29,085 (Rs. 15,52,725).

The estimates for season 1960 are as follows:—

Gardens	Crop	Expenditure		Total
		Garden	Calcutta	
	Maunds	Rs.	Rs.	Rs.
Doyang	6,000	9,85,173	1,43,360	11,28,533
Dessoie	6,000	8,28,585	1,48,325	9,76,910
Kanu	11,800	14,16,226	2,90,101	17,06,327
Teen Ali	7,800	11,20,768	2,00,129	13,20,897
Total ...	31,600	43,50,752	7,81,915	51,32,667*

* Excluding expenditure of a capital nature estimated to amount to Rs. 6,96,000.

Owing to the severe drought experienced earlier this season it is unlikely that the crop originally anticipated will be harvested.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,29,085	Gross block	67,36,725
Reserves ...	36,34,739	*Less*—Depreciation ...	20,38,780
Provision for taxation ...	11,23,278		
Liabilities ...	16,16,836	Net block ...	46,97,945
Profit and loss account (surplus) ...	61,970	Work-in-progress ...	3,36,803
		Stock of tea	18,83,147
		Stores ...	7,43,127
		Book debts ...	8,89,680
		Investments	9,596
		Cash ...	2,05,610
Rs.	87,65,908	Rs.	87,65,908

Hoograjuli (Assam) Tea Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The accounts show a profit of Rs. 3,05,064 (Rs. 50,127). Out of this provision for taxation absorbs Rs. 1,60,000 (Rs. 17,000), development rebate reserve takes Rs. 10,081 (Rs. 2,767) and general reserve Rs. 1,00,000 (*nil*) leaving a balance of Rs. 34,983 (Rs. 30,360). After adding the balance brought forward from last year of Rs. 10,955 (Rs. 5,595), adjustment from the previous year of Rs. 91,478 (*nil*) and provision for wealth tax written back of Rs. 1,952 (*nil*) the total amount available for distribution is Rs. 1,39,369 (Rs. 37,805 including Rs. 1,850 transferred from general reserve). The directors now recommend payment of a dividend at Rs. 2.50 (Re. 0.50 per share, tax-free) per share, subject to tax absorbing Rs. 1,25,000 (Rs. 25,000) leaving a balance to be carried forward of Rs. 14,369 (Rs. 10,955 after providing Rs. 1,850 for wealth tax).

The Company has extended its plantation area over 11.14 acres during the year under review. The Company has secured a crop of 8,519 maunds during the year as against 6,146 maunds produced last year. After sale, loss on handling and sampling there remained a balance of 3,234 maunds as on 31st December 1959 for sale in 1960.

It is estimated that the production in the current year will be much less than that of the year under review due to continuation of long drought over which there is no control.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Gross block	11,97,176
Reserves ...	6,86,998	*Less*—Depreciation ...	4,67,668
Provision for taxation ...	1,70,809		
Liabilities ...	5,80,125	Net block ...	7,29,508
Profit and loss account (surplus) ...	14,369	Stock of tea ...	3,71,655
		Stores, etc. ...	59,251
		Book debts ...	7,16,994
		Investments	52,420
		Cash	22,473
Rs.	19,52,301	Rs.	19,52,301

Janardana Mills Ltd.

The directors of the above Company (Chairman: Mr. A. L. Govindarajulu, Coimbatore) present the audited accounts of the Company for the year ended 31st December 1959.

After deducting all working expenses and interest and providing Rs. 94,227 (Rs. 70,484) for depreciation, the year's working has resulted in a net profit of Rs. 73,103 (loss of Rs. 6,29,909). Rs. 3.459 (*nil*) and Rs. 966 (*nil*) have been expended therefrom for wealth tax and donations, respectively, leaving a balance of Rs. 68,678. This balance of profit has been adjusted against Rs. 6.29,909, the loss brought forward from last year. The balance of loss, Rs. 5,61,231, is carried over to next year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,90,000	Gross block	36,26,185
Reserves*	6,18,770	*Less*—Depreciation ...	22,28,141
Provision for taxation ...	45,641		
Liabilities ...	18,04,571	Net block ...	13,98,044
		Stock-in-trade	14,16,584
		Stores ...	1,00.320
		Book debts	4,17,125
		Investments	13,794
		Cash ...	13,115
Rs.	33,58,982	Rs.	33,58,982

*Reserves are shown after deducting the debit balance of Rs. 5,61,231 in the profit and loss account.

Midland Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) present the audited accounts of the Company for the year ended 31st March 1960.

Estate	*For the year ended 31st March 1960*	
	Estimate lbs.	*Crop secured* lbs.
Tea:		
Arnakal ...	15,00,000 (14,00,000)	15,01,300 (15,25,800)
Rubber:		
Mukampala ...	2,50,000 (2,25,000)	2 53,823 (2,16,055)
Perinaad ...	5,40,000 (5,40,000)	5,54,039 (5,46,177)
Sittar ...	1,50,000 (2,00,000)	4,22,490 (1,37,980)
Total ...	9,40,000 (9,65,000)	9,30,352 (9 00,212)

The tea crop for the year has exceeded the estimate, though lower than last year's. The yield per acre works out at 1,346 lbs. as against 1,397 lbs. last year. The reduction in crop is due to general adverse weather conditions in 1959. Cost of production ex-estate was Re. 1.29 (Re. 1.32) per pound. The average sale price realised during the year amounted to Rs. 2.06 (Re. 1.82) per pound. Regular shipments of the estate's teas have been sent to London during the year and the prices secured have been satisfactory.

The rubber crop secured amounted to 9,30,352 lbs. as stated above. The decrease was due to the reduction in the tapping area consequent on the replanting programme undertaken by the Company. The cost of production for the year was 98 nP (96 nP) per pound. The average sale price realised during the year was Re. 1.56 (Re. 1.55) per pound.

The net profit for the year after allowing for the usual depreciation and outgoings amounted to Rs. 12,44,566 (Rs. 9,59,406). Out of this, a sum of Rs. 6,00,000 (Rs. 4,00,000) has been provided for income-tax and Rs. 2,500 (4,000) for reserve for development rebate. This amount together with the balance brought forward from previous year of Rs. 33,748 (Rs. 2,531) makes a total of Rs. 6,75,814 (Rs. 5,41,948 after transferring Rs. 15,989 to investment depreciation reserve) available for distribution. Out of this sum, the directors have decided to pay preference dividend for the year at 6 per cent. less the tax deductible under Section 18 (3) (D) which would absorb Rs. 1,03,200 (Rs. 1,03,200), and the balance of Rs. 5,72,614 (Rs. 4,38,748) is recommended for distribution as under:—

12½ (10 per cent. tax-free) per cent. dividend, subject to deduction of tax, for the year 1959-60 on equity shares, absorbing Rs. 5,06,250 (Rs. 4,05,000) and the balance to be carried over to next year Rs. 66,364 (Rs. 33,748). The balance carried over will be sufficient to pay the increased dividend on preference capital as per provisions of the preference shares (Regulation of Dividends) Act, 1960, for which a Bill has been introduced in the Parliament. When the Bill is passed, the necessary revision for payment of the additional dividend will be given effect to and the amount of increased dividend will be paid to the Preference Shareholders.

Estimates for 1960-61—*Crop.*—Tea 15,50,000 lbs. at Re. 1.19. Rubber 9,45,000 lbs. at Re. 0.95.

The properties of the Company were regularly visited by the visiting agents and the managing agents' representatives and are reported to be in excellent order and condition. A small portion of a division of Mukampala Estate, 264.40 acres in extent has been sold for Rs. 5,50,000 and possession handed over on 2nd April 1960. It is also considered desirable to sell the balance area of Mukampala Estate at an advantageous price, in order to augment the cash resources of the Company. This will enable the Company to carry out the development and expansion schemes and particularly construction of a tea factory, on Arnakal Estate.

In accordance with the provisions of the Companies Act, 1956, Messrs. A. V. Thomas & Co., Ltd., have been reappointed as managing agents for five years from 15th August 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	57,70,000	Gross block	90,79,614
Reserves ...	14,21,444	*Less*—Depreciation ...	11,84,844
Provision for taxation ...	8,36,051		
Liabilities ...	13,61,572	Net block ...	78,94,770
Profit and loss account (surplus)	66,364	Stock-in-trade	4,29,311
		Stores, etc.	5,34,744
		Book debts	2,90,362
		Investments	1,89,035
		Cash ...	1,17,209
Rs.	94,55,431	Rs.	94,55,431

Shree Bhawani Cotton Mills Ltd.

The directors of the above Company (Managing Director: Mr. S. M. Mohta, Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The year's working shows a surplus of Rs. 8,90,362 (Rs. 4,73,146). Out of this amount provisions have been made for depreciation amounting to Rs. 6,81,113 (Rs. 2,78,704) and for development rebate reserve Rs. 2,00,000 (*nil*) leaving a sum of Rs. 9,269 (Rs. 1,94,442). To this is to be added the credit balance brought forward from the previous year's account of Rs. 7,971 (debit of Rs. 1,86,471) leaving a credit balance of Rs. 17,240 (Rs. 7,971) which the directors propose to be carried forward.

The year's working shows a considerable improvement over that of last year. Sales are higher by 18 per cent. and gross profit before depreciation by 90 per cent. The working results would have been better but for the fact that the mills experienced acute shortage of electric power during the year under review as a result of restrictions imposed on power supply by the Bakhra Nangal Hydel Project authorities due to reduced energy output caused by water shortage in the dams. The power shortage resulted in the closure of a part of the mills for a long period and there were also some sporadic shut-downs.

The cotton crop, during the cotton year 1959-60, was the lowest on record for several years and amounted to only 37¼ lakh bales as against 48¼ lakh bales for the previous year. This resulted in an acute shortage of cotton and a very substantial quantity of cotton had to be imported from abroad at prohibitive rates. The rates of indigenous cotton also rose very considerably.

The depreciation and statutory development fund provisions are higher than those of last year, but the profits for the year are still inadequate to write off entirely the up-to-date depreciation. Consequently, it has not been possible to recommend any dividend on the preference shares.

Accounts in brief are as under:

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00.000	Gross block	60,59,817
Reserves ...	2,00,000	*Less*—Depreciation ...	9,59,817
Liabilities ...	72,02,892		
Profit and loss account (surplus) ...	17,240	Net block ...	51,00,000
		Stock ...	42,02,363
		Stores, etc. ...	3,68,541
		Book debts ...	5,73,067
		Investments	16,000
		Cash ...	1,60,161
Rs.	1,04,20,132	Rs.	1,04,20,132

Swadeshi Cotton Mills Co., Ltd.

The directors of the above Company (Chairman: Mr. Mungturam Jaipuria, Kanpur) present the audited accounts of the Company for the year ended 31st December 1959.

After making the usual adjustments and meeting all expenses but without making any provision for development rebate or depreciation, there is a profit of Rs. 28,01,351 (Rs. 7,52,991) to which has to be added the balance brought forward from 1958 of Rs. 2,961 (Rs. 2,64,970), thus making the total of Rs. 28,04,312 (Rs. 10,17,961). Out of this amount there has been set aside for development rebate Rs. 19,00,000 (Rs. 1,75,000 for wealth tax), leaving a balance available of Rs. 9,04,312 (Rs. 8,42,961). Keeping an overall view of the financial results, the directors have not considered it necessary to make any provision for depreciation.

During the year under review the cotton textile industry in India fared comparatively better than the last year. This improvement, however, was noticeable only in the last quarter of the year. A vast majority of the mills running coarse and medium counts worked at a loss during the years 1958 and 1959. The working results of the Company's mills at Kanpur, however, resulted in profit of Rs. 26,43,396 during the year 1959 as against profit of Rs. 18,14,733 during the previous year. The Pondicherry mills suffered a loss of Rs. 9,42,265 during the year under review as against a loss of Rs. 12,04,193 in 1958. The Company's plant at Naini made a profit of Rs. 10,17,119 as against a profit of Rs. 3,15,900 in 1958. Even the Vanaspati Plant at Shegaon, which had disclosed loss of Rs. 1,73,449 during 1958 has shown a profit of Rs. 83,101 during 1959.

The directors take pleasure in reporting that the working of the various units of the Company during the year 1960 has shown very much better results. The working of the mills at Kanpur has, as usual, been up to the requisite standard of efficiency. Even the Company's mills at Pondicherry, which had been a drain on the Company's funds since its acquisition in the year 1956, has shown signs of improvement and it is expected that the losses during the current year will be considerably minimised, if not altogether eliminated. The directors are confident that if nothing untoward happens between now and the closing of the year 1960, they would be in a position to recommend the allocation of much larger amounts for the declaration of dividends.

The directors recommend that a sum of Rs. 12,00,000 (*nil*) be carved out and transferred from the reserve fund, presently showing a credit balance of Rs. 60,00,000 to be placed to the credit of profit and loss account for the specific purpose of declaration of the following dividends:—

On 35,000 preference shares of Rs. 100 each at 8.57 (6 per cent. free of tax) per cent. absorbing Rs. 3,00,000 (Rs. 2,10,000) and on 15,75,000 preferred ordinary shares of Rs. 10 each at 5.71 (4 per cent. free of tax) per cent. absorbing Rs. 9,00,000 (Rs. 6,30,000). The directors further recommend that the sum of Rs. 9,04,312 (Rs. 2,961) standing to the credit of the profit and loss account be carried forward to next year.

The Company has been making special efforts to promote export trade in textiles. To cope up with the need of the present times it is also taking steps to modernise its capital equipment in line with the latest techniques. The directors are also taking steps to install processing machinery at its Kanpur Mill with a view to change the pattern of production in order to satisfy the market demand for processed goods. The new textile mill of the Company at Udaipur which is under erection at present is, it is hoped, likely to go into production early next year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,10,00,000	Gross block	6,42,05,504
Reserves ...	2,42,28,071	*Less*—Depreciation ...	1,96,78,129
Provision for taxation ...	46,39.675		
Liabilities ...	5,98,73,254	Net block ...	4,45,27,375
Profit and loss account (surplus)	9,04,312	Work under progress at Udaipur	2,05,783
		Stock ...	2,40,54,799
		Stores ...	45,62,301
		Book debts	1,50,66,800
		Investments	2,01,79,200
		Other assets	38,617
		Cash ...	20,10,437
Rs.	11,06,45,312	Rs.	11,06,45,312

Vellore Electric Corporation Ltd.

The directors of the above Company [Managing Agents: Messrs. Chandrie & Co. (Private) Ltd., Madras] present the audited accounts of the Company for the year ended 31st March 1960.

During the year under review, the Corporation has electrified 6 villages and added to its list 1,032 new consumers bringing the total number of consumers to 12,652. The capital expenditure incurred during the year amounted to Rs. 2,59,445. The Corporation has put up 4.45 miles of H.T. lines, 25.06 miles of L.T. lines and erected 6 substations.

The following comparative statements will show the progress made during the year:

	1958-59	1959-60
Total units purchased in K.W.H. ...	1,59,81,088	1,86,63 432
Total units sold in K.W.H. ...	1,38,22,729	1,64,46.194
Cost of units purchased (in rupees) ...	5,80,460	7,61,503
Gross revenue (in rupees)	13,71,697	17,62,585
No. of villages electrified ...	57	63
No. of consumers connected ...	11,620	12,652

Tariff Rates:—As indicated in the directors' last report with increase of the supply rate by the State Electricity Board on and from 1st October 1959, the Corporation has in turn raised the tariff rates to the consumers on par with the tariff rates adopted by the State Electricity Board in their area of supply. The Corporation has not increased its rates on public lighting. There is a very great demand from prospective consumers for power and the Corporation has to carry out several extensions to see that the entire area of its licence is fully developed.

The directors have during the year under review convened an extraordinary general meeting whereby the authorised share capital was increased to Rs. 10 lakhs and since the close of the year the directors issued Rs. 4 lakhs equity share capital and they inform the shareholders that the entire issue has been subscribed for. There was a total estimate of Rs. 7½ lakhs worth of extensions on hand for which Rs. 4 lakhs have been raised by the issue of share capital. The Company had approached the State Electricity Board and the Government for a loan of Rs. 3½ lakhs out of Rs. 25 lakhs set apart by Government for advancing loans to private licensees during the year 1960-61. As this report goes to the Press the directors have intimation that the Government have allowed Rs. 2 lakhs for 1960-61. The Company may avail of the loan and thus carry out most of the obligations to the public in their licence area during the next financial year.

The profit and loss account shows a net profit of Rs. 1,02,121 (Rs. 63,997) after providing for reserve for depreciation as per Supply Act Rs. 1,56,691 (Rs. 1,34,722) provision for income-tax Rs. 85,000 (Rs. 30,000), provision for development reserve Rs. 1,000 (Rs. 20,000), provision for staff gratuity reserve Rs. 30,000 (*nil*), provision for contingent reserve Rs. 10,260 (Rs. 9,432) and provision for special reserve Rs. 11,500 (*nil*). To this is added the amount transferred from tariff and dividend control reserve of Rs. 15,866 (Rs. 11,074), the balance brought forward from previous year of Rs. 2,67,421 (Rs. 2,25,579) and excess provision for taxes made in last year of Rs. 2,093 (Rs. 8,932) making a total of Rs. 3,87,501 (Rs. 3,14,921 after including Rs. 11,074 transferred from tariffs and dividend control reserve and Rs. 5,340 being the balance in debenture security fund account). From this has been transferred to tariff and dividend control reserve Rs. 15,866 (*nil*) and to reserve for rebate to consumers Rs. 15,865 (*nil*) leaving an available balance of Rs. 3,55,769 (Rs. 3,14,921). Out of this amount the directors now recommend the payment of a dividend of 6 (6) per cent. on preference shares and 15 (10) per cent. on the ordinary shares, both subject to deduction of tax for the year ended 31st March 1960 which will absorb Rs. 67,500 (Rs. 47,500) leaving a balance of Rs. 2,88,269 (Rs. 2,67,421) to be carried forward. The dividend on ordinary shares will be paid only in respect of the capital subscribed and paid up as on 31st March 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,25,000	Gross block	40,87,637
Reserves ...	9,34,990	*Less*—Depreciation ...	11,42,884
Provision for taxation ...	87,363		
Liabilities ...	20,74,160	Net block ...	29,44,753
Profit and loss account (surplus) ...	2,88,269	Stores, tools, etc. ...	2,82 230
		Book debts ...	3,54,739
		Investments	73,377
		Cash ...	2,54,683
Rs.	39,09,782	Rs.	39,09,782

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

Notices

THE MYSORE CHEMICALS AND FERTILISERS, LIMITED, MYSORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Annual General Meeting of the Shareholders of the Mysore Chemicals and Fertilisers, Ltd., Mysore, will be held at 11 a.m. on Wednesday the 14th December 1960, at the Registered Office of the Company, at 1129, Vanivilasa Road, Mysore, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1960 with the Auditors' Report.
2. To declare a Dividend.
3. To elect Directors in the place of:—
   (i) Sri K. H. Srinivasan, M.A., B.Sc. (Edn),
   (ii) Sri K. Subbarao Ramaswamy, M.Sc.,
   (iii) Sri S. Ramanathan

   who retire in rotation and are eligible for re-election.
4. To appoint Auditors for the year 1960-61 and to fix their remuneration.

Under Article 29 of the Articles of Association of the Company, the Share Transfer Books of the Company will be closed from 1st December to 14th December 1960 both days inclusive.

Note:—Every member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and a PROXY NEED NOT BE A MEMBER.

By Order of the Board,
A. GANESH,
Secretary.

1129, VANIVILASA ROAD,
MYSORE,
Dated 1st November 1960.

Note:—The dividend when sanctioned will be made payable at the Indian Bank, Ltd., Bangalore City and branches on and after 11th January 1961. The dividend warrants will be posted to those shareholders whose names appear on the Register of the Company on 1st December 1960.

The shareholders are requested to intimate the change of address, if any, immediately.

The Directors have recommended payment of 10 per cent. dividend or Re. 1 subject to deduction of tax on every share of Rs. 10 for the year.

Shareholders whose income is not taxable, are requested to obtain a Certificate from the Income-tax Officer of their respective circle and to send the same to the Company before 1st December 1960.

Under Section 257 of the Companies Act 1956, notice of Candidature for the office of the Directors is to be left in the Registered Office of the Company in writing not less than 14 days before the date of the meeting.

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

(*Incorporated in England*)

DRAWING OF 5% RUPEE DEBENTURE STOCK 1970 FOR REDEMPTION

HOLDERS OF 5 PER CENT. DEBENTURE Stock (Indian Issue) are hereby advised that a Drawing will be held on Thursday the 1st December, 1960, at 10.30 a.m.

Notice is hereby given that the Indian Debenture Register will be closed for a period of 11 days from 21st November to 1st December, 1960, both days inclusive.

By Order of the Board,
H. C. BOWKER,
Acting Agent.

VICTORIA HOUSE,
CALCUTTA, *1st November*, 1960.

Notices

CENTRAL INDIA COALFIELDS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the shareholders of the Company, will be held at the Registered Office of the Company, at 8, India Exchange Place, Calcutta 1, on Wednesday the 30th November 1960 at 3.00 p.m., for the following purposes:—

(1) To consider and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31st March 1960.

(2) To consider declaration of dividend.

(3) To elect a Director in place of Raja B. N. Ray Chowdhury who retires by rotation but being eligible, offers himself for re-election.

(4) To appoint a Director in place of Sir D. N. Mitra who retires by rotation and to consider and if thought fit, to pass the following resolution, a special notice of which, as required under Section 281 of the Companies Act 1956, has been received by the Company, and is hereby given to the shareholders.

"Resolved that Sir D. N. Mitra who has attained the age of 69 years and who retires by rotation, be and is hereby re-appointed a Director of the Company and that the age limit prescribed under Section 280 of the Companies Act 1956, shall not apply to him."

Sir D. N. Mitra has rendered valuable advice from time to time since his appointment as a Director of the Company. It is desirable to avail of his valuable advice by retaining him as a Director of the Company and as such the above Ordinary Resolution shall be proposed under Section 281 of the Companies Act 1956.

(5) To appoint Auditors for the current year and to fix their remuneration. Messrs. Singhi & Co., the retiring Auditors being eligible offer themselves for re-appointment.

Special Business

(6) To pass the following resolution as a Special Resolution:—

"Resolved that the Company do hereby approve of and authorise the payment of commission at 1 per cent. of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956 to the Directors of the Company."

The Share Transfer Books of the Company shall remain closed from the 14th November 1960 to the 30th November, 1960 both days inclusive.

By Order of the Board,
HINDUSTHAN INVESTMENT CORPORATION LIMITED,
Managing Agents.

8, INDIA EXCHANGE PLACE,
CALCUTTA 1.
The 31st October, 1960.

N.B. :—(i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(ii) The instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the above meeting.

(iii) *Explanatory statement with regard to the special business*:

Article 108 of the Articles of Association of the Company provides that the Directors shall be entitled to receive in each year a commission of 1 per cent. of the net profits of the Company. Although the Articles make express provision for payment of the commission as aforesaid to the Directors a view has been taken that under Section 309(4) of the Companies Act 1956, your sanction by special resolution is required for payment of the commission to the Directors. Hence the resolution is submitted for your approval.

All the Directors are to be deemed to be interested in this arrangement to the extent of remuneration proposed to be paid to them.

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-seventh Annual General Meeting of the Shareholders of the Corporation will be held at the Sheth Goculdas Tejpal Auditorium, Gowalia Tank T.T., Bombay 7, on Friday the 2nd December, 1960, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and audited accounts for the year ended 31st May, 1960.

2. To sanction the declaration of a dividend.

3. To elect a Director in place of Mr. Pratapsinh Mathurdas, who retires by rotation and being eligible offers himself for re-election.

4. To elect a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation and being eligible offers himself for re-election.

5. To elect a Director in place of Mr. Neville N. Wadia, who retires under Section 260 of the Companies Act, 1956, and being eligible offers himself for re-election.

6. To appoint Auditors for the period until the next Annual General Meeting of the Corporation and to fix their remuneration.

7. To appoint Branch Auditors at a remuneration to be fixed by the Board.

8. To consider and if thought fit, to pass the following ordinary resolution:

"That the Corporation hereby approves of the appointment and consents to the continuance of Messrs. Montague L. Meyer (Australia) Ltd., as Sole Selling Agents of the Corporation's Timber in South Australia and the Northern Territory of Australia for a period of one year commencing from 1st July 1960 and thereafter for such further period or periods as may be deemed fit not exceeding in the aggregate five years from 1st July 1960, on a commission of 3 per cent. on C.I.F. prices, provided that the rate of commission may be decreased or increased by 1 per cent. at the discretion of the Corporation and the Agent to conform with prevailing market conditions, and provided further that the maximum commission shall not exceed 4 per cent. on the C.I.F. prices."

By Order of the Board,
WALLACE & CO.,
Secretaries and Treasurers.

BOMBAY, 18*th October*, 1960.

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

Warrants for the dividend, if declared, will be posted to shareholders on the 5th December, 1960 and will be payable on and from that date.

The Transfer Books of the Corporation will be closed from the 1st November, 1960 to the 22nd November, 1960, both days inclusive.

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

The Corporation, seeking to increase its sales of Timber in Australia, has appointed Messrs. Montague L. Meyer (Australia) Ltd., as its Sole Agent in South Australia and the Northern Territory for a trial period of one year, which may be extended if considered desirable. Trading conditions there are likely to vary from time to time and it is therefore thought necessary to keep the commission rate flexible; but it would generally be payable at or about 3 per cent on C.I.F. prices and would in no case exceed 4 per cent.

Section 294 of the Companies Act, 1956, requires the approval of the Corporation to this appointment, which is proposed as a Resolution under item 8 of the business of the Meeting.

THE BELAPUR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the above Company will be closed from the 21st day of November, 1960 to the 20th day of December, 1960, both days inclusive, for purposes of the Declaration of Dividend.

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

To the Shareholders of the Belapur Company, Limited, and in particular to:

Mr. William Abel.

Messrs. Rajabali Hasom Paroo & Sons Ltd.

THE AHMEDABAD ADVANCE MILLS LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Monday, the 28th November 1960 to Tuesday, the 20th December 1960, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Secretaries & Treasurers.
T. V. BADDELEY,
Director.

BOMBAY, 1*st November*, 1960.

THE AHMEDABAD ELECTRICITY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Annual General Meeting of the Shareholders of the Company will be held on Tuesday, 29th November, 1960, at 4.00 p.m. (S.T.), at Sunderbai Hall, Nathibai Thackersey Road, Bombay 1, to transact the business listed in the Notice with Explanatory Statement dated 10th October, 1960, sent separately to the Shareholders of the Company at their Registered addresses.

By Order of the Board,
For THE AHMEDABAD ELECTRICITY COMPANY LTD.,
KILLICK INDUSTRIES LIMITED,
A. N. HAKSAR,
Managing Director,
Managing Agents.

BOMBAY, 10*th October*, 1960.

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

BANKS TO REVISE DEPOSIT RATES

(From Our Own Correspondent)

BOMBAY, 9*th November*

An event of considerable import to the short-term money market is the revision of the inter-bank agreement on maximum rates of interest on deposits. The agreement, which will come into force on Monday, the 14th inst., provides for the division of the period of deposit into several slabs and fixation of rates of interest for each slab, instead of only three slabs under the existing agreement. In revising the terms of the agreement, the banks have also increased the rates of interest on deposits by a quarter per cent. for periods over two months.

The agreement has reduced the minimum period for a term-deposit from 7 days to 3 days and the minimum notice period for withdrawal of notice money also from 7 days to 3 days.

The following are the maximum rates of interest fixed under the inter-bank agreement:

	Rate per annum
1. *For notice money:*	
(a) at a withdrawal notice of from 3 days up to and including 21 days	2 %
(b) at notice of more than 21 days ...	3 %
2. *For term deposits:*	
(a) of 3 days and over up to and including 21 days	2 %
(b) of 22 days and over up to and including 30 days	3 %
(c) 31 days to 60 days	3¼%
(d) 61 days and over, but less than 12 months	3½%
(e) 12 months and over, but less than 24 months	3¾%
(f) 24 months and over, but less than 48 months	4 %
(g) of 48 months and over, but less than 60 months	4¼%
(h) 60 months and over	4½%

The present agreement, it may be noted, provides for payment of interest for term deposits under one month and for notice money at 3 per cent. per annum, for deposits of one month and over but less than three months at 3¼ per cent. and for deposits of three months and over at 3½ per cent. The Reserve Bank has fixed the rate of interest on notice money up to and including 21 days at 2 per cent.

As in the previous agreement, banks having deposits of less than Rs. 25 crores are permitted to pay ¼ per cent. more than the above rates, except in the case of notice money and term-deposits of 3 days and over and up to and including 21 days.

The State Bank of India has accepted the suggestion that, in the case State subsidiary banks, the latter should have the discretion to offer ¼ per cent. more than the aforesaid maximum rates at the time of renewal of old deposits or accepting new deposits, only if they find that their average monthly deposits have fallen below the level at which the deposits stood on 30th June 1950.

Another important change made by the latest agreement is that, while the maximum period for a term-deposit is now fixed at two years, banks will be free to accept deposits for any length of period. Hitherto, banks could only sell savings certificates, if they wished to have funds from the public for periods longer than two years.

To revert to our customary review. Conditions in the short-term money market have again turned difficult after a slight improvement in the previous week. As a result, banks are keen borrowers and interest rates are firmly held. Inter-bank call money is being bid at 4½ per cent., House money at 21 days' notice at 2 per cent. and short-term deposits for one to two months at 3½ per cent. and for three months and over 3¾ per cent.

For the third week in succession, the discount rate on 91-day Treasury Bills has remained unchanged at 2.565 per cent. per annum. The amount offered also is no more than nominal at Rs. 2.20 crores against maturities of bills of the value of Rs. 2 crores. There have been no sales of Intermediate Bills for the fifth consecutive week, but they continue to be offered.

An expansion of Rs. 14.12 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 4th November 1960. Notes held in the Banking Department are lower by Rs. 15.40 crores. Foreign securities are unchanged at Rs. 123.01 crores, while the upward trend in foreign balances noted in the previous week has been reversed with a drop of Rs. 1.47 crores, so that the total foreign assets now stand at Rs. 141.28 crores. Deposits of the Central Government have gone up by Rs. 9.16 crores, while those of other Governments are lower by Rs. 14.05 crores. A rise of Rs. 3.24 crores is noted in deposits of banks. Loans and advances to Governments show a rise of Rs. 6.56 crores and other loans and advances of Rs. 6.87 crores.

The Scheduled banks' statement for the week ended 28th October 1960 shows a rise of Rs. 7.54 crores in demand deposits of banks and a fall of Rs. 3.20 crores in time deposits. The net rise of Rs. 4.34 crores in total deposits is mainly due to the increase of Rs. 4.29 crores in deposits of the State Bank of India. Inter-bank borrowings also are higher by Rs. 3.35 crores, while borrowings from the Reserve Bank show a significant reduction of Rs. 16.07 crores and those from the State Bank Rs. 1.49 crores. Advances have declined by Rs. 5.11 crores, but these are entirely accounted for by banks other than the State Bank. Investments are lower by Rs. 7.45 crores, of which the share of the State Bank is Rs. 4.84 crores. Cash balances are lower by Rs. 2.76 crores, despite a rise of Rs. 2.11 crores in the State Bank's portfolio. Money at call and short notice has, however, gone up by Rs. 4.70 crores.

The Gilt-edged market continues to rule easy, with a further fall in values, ranging from 5 nP to 25 nP. 3 per cent. 1986 Conversion Loan has shed 10 nP to Rs. 74.05. Among State loans, 4½ per cent. loans have hardened by 10 nP to Rs. 99.35, following the decision of the Bombay Municipal Corporation to issue a loan of Rs. 3 crores, carrying an interest of 4½ per cent. at Rs. 99.25. The loan will have a maturity of 12 years.

After an initial hardening in continuation of the previous week's trend, sterling suffered a setback with a loss over the week. In New York, spot sterling closed at 281.49-281.52 cents, after gaining from 281.64-281.67 cents to 281.72-281.75 cents. Three months' forward declined over the week from 280.43-280.46 cents to 280.37-280.40 cents. This is reflected in a weakening of the rupee in terms of the U.S. dollar, banks' selling rate for U.S.T.T. (ready) having gone up from Rs. 475.25 to Rs. 475.50. Their buying rate is, however, unchanged over the week at Rs. 472 per $100.

SILVER FIRM, GOLD QUIET

(From Our Own Correspondent)

BOMBAY, 9*th November*

An irregular trend was in evidence in the bullion market during the week under review. Thus, silver ruled distinctly firm, but gold was quiet. The firmness of silver was engendered by fears that the existing stocks (estimated at 700 bars) will not be sufficient to meet the demand in the forthcoming busy season. The speculative buying from Calcutta and Delhi, in particular, was keen. Gold, however, lacked support, thanks to reports of large floating stocks of as much as 125,000 tolas in the local market as a result of heavy arrivals of contraband metal from the West Asian region.

The daily average offtake of gold during the week was lower at 3,800 tolas, as against 4,000 tolas in the previous week, while arrivals were more, being 9,800 tolas, as against 5,800 tolas. In the case of silver, offtake and arrivals were at an average of seven bars (same as last week) and 38 bars (17 bars) respectively.

The *Margashir* (December) settlement in gold began the week at Rs. 116.65, as against the previous close of Rs. 116.80, and declined to Rs. 116.05 on Monday the 7th inst. After recovering to Rs. 116.75 today, it eased again to finish at Rs. 116.60. *Kartik* settlement went off the board at Rs. 114.75 on Friday, as against Rs. 115.75 on Wednesday last. The rate for transferring commitments from *Kartik* to *Margashir* settlement, which was against bulls, widened further from Re. 1.05 to Re. 1.45 on the 4th inst., so that the bears in *Kartik* settlement continued to pay a margin of Rs. 20 per 100 grams.

Ready gold came in for selling and receded from Rs. 115.65 to Rs. 114.65 on Monday. At this level, some support emerged and the quotation improved to Rs. 115.65 today. The closing was 15 nP lower at Rs. 115.50. The discount under the *Margashir* settlement narrowed down slightly from Re. 1.15 to Re. 1.10.

In the silver section, *Kartik* settlement ran out at Rs. 195.70 on the 5th inst., as against Rs. 195.05 on Wednesday last week. The *Margashir* settlement fluctuated between Rs. 196.60 and Rs. 198.50, before winding up at Rs. 197.65, the net gain over the week being Re. 1.05. The *badli* payable by bulls to get their commitments transferred from the near to the distant settlement, after increasing from Re. 1.45 to Re. 1.55 on Friday, declined to Re. 1.45 on the following day. On Friday, the bears were obliged to pay a margin at the rate of Rs. 300 per bar.

Ready silver met with good buying support and advanced from Rs. 194.90 to Rs. 196.65 on Monday. After declining to Rs. 195.20 on the same day, it recovered thereafter and touched Rs. 196.85 today before finishing at Rs. 196. The net rise over the week was Re. 1.10.

The world price for gold in the London bullion market moved within the range of $36-$37 per fine ounce during the week, the latest available quotation being $36¼-$36⅜. Early in the week, the South African Finance Minister urged an upward revision in the U.S. official gold price of $35. Addressing the annual meeting of the Afrikaans Chamber of Commerce at Johannesburg, he said: "I wish to ask our American friends whether it would not be in their own interests to investigate the whole problem, so that the dollar price of gold can be increased at the best time and with the least disruption." Ready gold in London rose from 256*s.* to 258*s.* on the 3rd inst., but declined thereafter and stood at 255*s.* yesterday. Ready and forward silver, however, continued to remain unchanged at 79½*d.*, as also silver in New York at 91.375 cents.

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

	9-11-60 (closing)	High	Low	2-11-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	115.50	115.65	114.65	115.65
Forward:				
Kartik	114.75§	115.60	114.75	115.75
*Margashir**	116.60	116.75	116.05	116.80
Sovereign ..	90.00	—	—	90.00
SILVER				
Ready (.996 fine)	196.00	196.85	194.95	194.90
Forward:				
Kartik	195.70§§	195.80	195.05	195.05
Margashir†	197.65	198.50	196.60	196.50
London:	8-11-60			1-11-60
Silver Ready	79½*d.*	—	—	79½*d.*
Silver Forward	79¼*d.*	—	—	79¼*d.*
Gold	255*s.*	258*s.*	255*s.*	256*s.*
New York:				
Silver	91.375 cents	—	—	91.375 cents

§ On 4th November. §§ On 5th November.
* 5th December settlement. † 6th December settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES RALLY AT CLOSE

(From Our Own Correspondent)

BOMBAY, 9*th November*

With export quota rumours set at rest by the Textile Commissioner's categorical statement that no quota would be released until such time when prices came down below the ceiling and domestic needs were covered, operators in the cotton market had nothing to speculate upon except weather and crop developments. And these did play a prominent part in influencing the price trend of cotton futures during the week under review. Early in the week, the market firmed up on keen bidding touched off by rumours that a leading cotton firm had revised its crop estimate downward to 4.8 million bales from the previous estimate of 5 million bales. The smaller arrival of new crop and brisk mill demand prompted further buying. The I.C.C. Jarilla April 1961 contract spurted from the week's opening level of Rs. 596 to Rs. 609.50 on Friday, the 4th inst. This high level, however, could not be maintained for long. A react on ensued. Profit-taking and liquidation by those who had gone "long" led to a fall in prices. Reports of further requisitioning of cotton by the Textile Commissioner and the news that more mills were applying for cotton to be requisitioned against their quotas, accelerated the downward trend. From a high of Rs. 609.50 mentioned above, the April contract declined to Rs. 596 yesterday. Today, however, there was a reversal of this trend, thanks to heavy short-covering and upcountry support. The victory of Senator Kennedy in the U.S. Presidential election, which was bullishly interpreted, imparted further strength to the market. Opening today at Rs. 601.50, the Jarilla April contract spurted to Rs. 612.25, the day's highest level, and finished at that level. Thus not only were earlier losses made up but the contract closed with a net gain of Rs. 18.25 over the week.

In the spot section, there was regular mill demand for new crop Khandesh, Mogai and Berar varieties. Punjab cotton evoked interest. Export interest in Bengal *Deshi* receded following the Textile Commissioner's announcement. Prices tended to find lower levels.

Shippers are disappointed that no export quota will be released, until at least the end of December. Foreign buyers, they argue, will not wait till the Government makes up its mind to export cotton. Bengal *Deshi* crop this season is estimated at 350,000 bales, which is 150,000 bales more than what is normally required for home consumption. It is argued, therefore, that at least 100,000 bales of Bengal *Deshi* could be safely released for export. The Government, as also the mill industry, however, thinks otherwise. It fears that a quota at the present moment will bullishly react on the domestic price of cotton and make the task of holding the price line even more difficult. Perhaps it also wants to make sure that the crop will be of the size anticipated, namely, 5 million bales.

Interest in foreign cotton was largely confined to selected U.S. cotton. Other growths were neglected. Mills and importers are agitated at the report that the licensing of the import quota for 200,000 bales of cotton from any area, announced last July, will be further delayed. It is understood that mills will represent to the Government for immediate licensing.

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

Berar 875; CO2 1,240-1,250; American on sample 1,111; Californian GM 1-5/32" 1,250; Mwanza 1,265.

Cotton futures in the Karachi market tended to ease during the fortnight under review. Although export demand and domestic mill interest were good, larger new crop arrivals exerted a downward pressure on prices. N.T.R.G. January, which was quoted at Rs. 69 3 a fortnight back, is currently priced at Rs. 68-8. The March contract is quoted 8 annas lower at Rs. 68-6. Spot prices, barring those of *Deshi* varieties, which were in good demand by overseas buyers, eased. Sind *Deshi* is quoted at Rs. 81 per maund and Punjab *Deshi* at Rs. 85. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

4F Punjab Roller 77-2; S.G. 81-2; L.S.S. Punjab Roller 80-2; S.G. 84-2; N.T. Roller 83-10; S.G. 89.

After having ruled distinctly firm during the first few days, cotton futures in the Alexandria cotton market steadily declined in the subsequent sessions. The earlier firmness was attributed to brisk demand from communist countries. However, as the demand dried up and new crop came to the market in larger quantities, prices beat a retreat. The closing rates are, therefore, below those prevailing two weeks ago. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being the closing rates a fortnight ago:

Karnak: November 74.60 (75.76); January 73.71 (74.85); March 73.55 (74.70).

Ashmouni: December 64.23 (65.02); February 63.95 (64.85); April 64.10 (64.85).

Trading on the Liverpool cotton exchange was fairly active during the fortnight under review. Brisk offtake in the spot market, where American and Egyptian cotton met with support imparted strength to futures section. The uncertainty about the outcome of the Presidential election in the U.S. was an unsettling factor. Nevertheless, both the American and American type contracts steadily moved up. Sudan cotton contracts in Liverpool advanced on keen buying influenced by firm advices from Khartoum. The latest available quotations—in pence per lb.—from Liverpool are as under, figures in brackets being the closing rates two week's ago:

***American cotton one inch staple contract*: December 22.90 (22.70); March 23.45 (23.15); May 23.65 (23.30).**

American cotton mixed growth contract: December 23.75 (23.05); March 23.95 (23.50); May 23.95 (23.65).

Sudan: November, January, March 35.75 (35.00).

Although the volume of trading in the New York cotton futures market was small, thanks to the uncertainties of the Presidential election, prices followed an upward trend. This was due to buying support induced by reports of adverse weather at the time of harvesting in some regions and good export demand.

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

(In cents per lb.)

	7-11-60	25-10-60	11-10-60
Spot	32.20	32.25	32.20
December	31.68	31.53	31.41
March	32.25	32.05	31.94
May	32.64	32.40	—

ART SILK YARNS DECLINE

(From Our Own Correspondent)

BOMBAY, *9th November*

There was a fall in the values of art silk yarns during the week under review, following reports of large arrivals and slack enquiries from consuming centres. Staple fibre yarns, however, ruled firm on hopes of enlarged demand. Cotton yarns were dull. Business put through was limited and prices of all counts were almost unchanged. The Press Note issued by the Textile Commissioner regarding the regularisation of unauthorised powerlooms in the different parts of the country was noted by operators, but it had no effect on the trend of the market.

Among imported art silk yarns, 150 deniers Italy fell by Rs. 26.45 to Rs. 1,433. 120 Italy dropped Rs. 13.42 to Rs. 1,239. 150 Japan shed Rs. 2.80 to Rs. 1,521.19. 120 Japan was a shade easy at Rs. 1,309.50. In the indigenous group, National Rayons 150 Bt. cones 1st grade receded by 33 nP to Rs. 11.41 and 120 Bt. Cones 1st grade by 32 nP to Rs. 12.32. Cupressa Bemberg yarn (60 x 1) moved down from Rs. 2,259.71 to Rs. 2,224.44. December and February contracts, however, were both firm at Rs. 2,143 as against Rs. 2,138.

Staple fibre yarns tended to rise. 40 x 2 December delivery hardened by Rs. 10 to Rs. 761. February delivery rose by a like amount to Rs. 769. Spot Centurys picked up 16 nP to Rs. 8.69. But Citys eased by 9 nP to Rs. 8.82 and Kohinoors by 4 nP to Rs. 8.96.

Cotton yarns were around the last week's levels. Ten counts Podars were done at Rs. 18.12. Twenty counts Moderns and Gokaks were quoted at Rs. 23.24 and Rs. 23.12, respectively. Sixty counts Finlays changed hands at Rs. 59.59. Eighty counts Moderns were unaltered at Rs. 72, as also Finlays at Rs. 79.79 and Citys at Rs. 70.50.

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

	9-11-1960	2-11-1960
	Rs.	Rs.
Art silk yarn		
60/1 Cupressa Bemberg (100 kg.)		
December	2,143.00	2,138.00
February	2,143.00	2,138.00
60/1 Cupressa Bemberg spot	2,224.44	2,259.71
120 Japan (per 100 kg.)	1,309.50	1,309.53
150 Japan (per 100 kg.)	1,521.19	1,529.99
120 Italy (per 100 kg.)	1,239.00	1,252.42
150 Italy (per 100 kg.)	1,433.00	1,459.45
Staple fibre yarn		
40 x 2 December (per 90.72 kg.)	761.00	751.00
40 x 2 February .. "	769.00	759.00
40 x 2¼ Century (per kg.)	8.69	8.58
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.12	18.12
20s Gokak	23.12	23.12
30s Gokak	27.00	27.00
60s Finlay	59.59	59.59
80s Modern	72.00	72.00

* * * *

The Government of India has decided that a lenient view may be taken by regularising the unregistered powerlooms through the issue of formal permits from the Textile Commissioner subject to certain conditions. All unregistered powerlooms which were declared in the census already held by the State Governments or which were in existence on 31st October 1960 and were working with an excise licence issued before that date, shall be granted an opportunity to obtain a permit from the Textile Commissioner for continued operation under such conditions as may be prescribed by him. Every owner of an unregistered powerloom which was in existence on 31st October 1960 should submit to the Textile Commissioner an application (in triplicate) in the prescribed form for a permit, so as to reach him by 30th November 1960. Each application should be accompanied by a Treasury receipt in respect of a fee at the rate of Rs. 500 per unregistered powerloom. Unregistered powerlooms in respect of which an application for permit has not been received before 30th November 1960, will be sealed and their owners prosecuted. The penalties for such breaches include imprisonment and fine, besides confiscation of looms. The grant of permits to unregistered powerlooms will not entitle the owners to claim, as a matter of right, allotment of any quota of indigenous or imported art silk or other non-cotton yarn. They will, however, be able to avail themselves of any import entitlements for yarn which they may earn under the Export Promotion Scheme. In future, no new powerloom will be allowed to be installed except in cases where it is required for the purpose of imparting vocational training in any educational institution or for some other special purpose approved by the Textile Commissioner.

SEEDS ACTIVE

(From Our Own Correspondent)

BOMBAY, *9th November*

The oilseeds market witnessed hectic activity during the week under review, with groundnuts and castorseeds forging ahead. It is not surprising, therefore, that the Forward Markets Commission should have issued a warning to the effect that it would be "constrained to resort to severe measures to stamp out illegal trading and arrest the rise in futures prices," if the operators did not take immediate steps to halt "unhealthy speculative activity, evasion of special margins and option trading." In a communication addressed to the trade, the F.M.C. states:

"Complaints have been received that the futures prices of groundnut and groundnut oil, castorseed, rapeseed and mustardseed are being rigged up owing to unbridled speculative activity, evasion of special margins and option trading. When the Commission relaxed the special margin in respect of trading in the groundnut futures (new crop) contract, it was intended as a measure of assistance to the trade. The Commission expresses regret that at a time when arrivals of groundnut at the terminal markets are good and are gathering momentum day by day, futures prices are being continuously pushed up to higher and higher levels. The removal of the special margin with regard to castorseed has been misused, and rampant speculation is pushing up prices, particularly when no demand has developed for the new crop."

While there is considerable truth in the Commission's view, the authorities have themselves to blame for the current firmness in the oilseeds market. For one of the important factors responsible for the current spurt is the Government's own new incentive scheme for the promotion of exports of groundnut oil. The scheme raised hopes of securing substantial business in groundnut oil. The speculation was only abetted by ambiguities involved in the scheme and also by the delay in announcing the basis on which permission will be granted for exports.

The performance of seeds and oils on the export front has been generally satisfactory, which, in turn, serves as a bullish factor. In October, shipments of castor oil were higher at 3,839 tons than in the previous month. Exports of linseed oil rose from 81 tons to 107 tons. Exports of groundnut oil, however, declined by 6 tons to 23 tons. Similarly exports of oilcakes were also lower.

To revert to the market trend. The groundnut section displayed distinctly firm conditions in the beginning of the week, but gave way subsequently on fears of new measures by the F.M.C. to curb speculation. Rumours that export quota for groundnut oil under the new scheme will be restricted to about 10,000 tons also dampened the enthusiasm of bulls. The sentiment at the close was further adversely affected by substantial arrivals, which brought down values in the ready section for seeds and oils. The February 1961 contract spurted from Rs. 211.50 to Rs. 212, before closing at Rs. 208.75. Nizam bold encountered selling and declined by Rs. 2.25 to Rs. 42. Oil ex-mill fell by 75 nP to Rs. 18.60.

Cheerful conditions prevailed in the castorseed section, following bullish crop reports from Gujerat. Although there were no encouraging enquiries for castor oil from the U.S. or any other important customers, the overall increase in export of castor oil so far this year encouraged the operators to extend fresh support. The May 1961 contract gradually rose from Rs. 175.62 to Rs. 176.87. Ready Madras put on 6 nP to Rs. 34.31. Oil Commercial closed steady at Rs. 14.31, as against Rs. 14.25.

In the absence of any export demand for linseed oil, the linseed section remained dull. The May 1961 contract lost 19 nP to Rs. 33.50. Bold ready receded by 38 nP to Rs. 32.62. Linseed oil, however, picked up 12 nP to Rs. 14.37.

In the cottonseed section, February 1961 contract initially rose from Rs. 90.50 to Rs. 90.75, but drifted lower subsequently to Rs. 89. In the spot section, non-white, white and Berar were steady at Rs. 20.50 each.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	8-11-1960	2-11-1960	26-10-1960
	Rs.	Rs.	Rs.
Groundnut	208.75	211.50	206.50
February 1961	42.00	44.25	45.50
Nizam bold	43.00	45.00	—
Coromandel ready	43.00	45.00	44.50
Khandesh quality	18.75	19.50	19.50
Oil ex-mill ready*	18.50	19.25	19.25
Railway receipts*			
Castorseed	176.87	175.62	172.75
May 1961	34.31	34.25	33.62
Ready Madras	33.31	33.10	32.50
Ready Kanpur	15.15	15.20	15.15
Oil B.S.S.†	14.31	14.25	14.10
Oil commercial†			
Linseed	33.50	33.69	33.31
May 1961	32.62	33.00	32.62
Bold ready	14.37	14.25	14.20
Oil ready†			
Cottonseed	89.00	90.50	87.50
February 1961	38.00	36.50	37.50
Niger seed	24.25	24.50	24.25
Kardi seed			

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BLACK PEPPER HARDENS

(Messrs. Parekh & Co.)

BOMBAY, *9th November*

Malabar black pepper showed a hardening tendency during the week, following reports that a couple of hundred tons were purchased by Rumania. There were unconfirmed reports that Russia was in the market for Malabar and had purchased about 400 tons. Ready ungarbled was done at Rs. 1,350 while garbled was under request by exporters at about Rs. 235. Ungarbled at Calicut was nominally quoted at Rs. 1,400. Daily arrivals in both Alleppey and Cochin are now averaging more than 100 candies. The arrivals, however, are often interrupted by rains in the area. On the onset of sunny weather, there will soon be pressure of increased arrivals at the terminal centres of Alleppey and Cochin.

Singapore is quiet but steady. Values of both white and black are steadily held at the levels of Str.$257½ and Str.$155, respectively, under repeated support by bulls. Yet, the undertone is far from healthy, as higher prices are attracting increased arrivals from Sarawak and Indonesia and overseas' markets are refusing to follow.

Spot in New York is quoted at $0.55, there being manipulated shortage of "spot" pepper, the major part being in strong hands. The present sizable margin of difference between the spot and the afloat in New York indicates that heavier unsold consignments from the sources are on the way.

There being more supply of pepper in the world market, the commodity seems to have lost appeal to most dealers in consuming countries like the U.S.A. Unless war psychosis or boosting by strong bulls from producing and consuming countries working in unison, there is the possibility of pepper prices still going lower, if not immediately, in the near future.

The harvesting season in India has begun and Malabar black will have more say in the world market from now onwards. It will not, therefore, be out of place to discuss the prospects of Malabar black pepper during the coming months.

With the possibility of Lampong new crop reaching a high figure of 20,000 tons, of Malabar new at about 25,000 tons and of Brazil new at about 7,000 tons, there will be no shortage of pepper in the world. As a consequence, the U.S.A. and other important consuming countries are likely to revert to their old policy of buying hand to mouth only. The prices of Malabar black pepper are likely to go lower, as the following factors are likely to work against any higher upward surge barring manipulation by speculators or war psychosis:

Stringency in the money market in India;

curb on the lending by banks under instructions from the Reserve Bank of India;

likelihood of reduction in the loan-limit on pepper by local banks;

uncertainty regarding the future value of U.S. dollar;

lack of holding capacity of dealers in India as elsewhere;

fear of competition from Lampong black pepper both in U.S.A. and in other consuming markets, because the major part of the production is still to be marketed;

possibility of Russia diverting some of the buyings in black pepper to Indonesia, in view of the recent bilateral agreement with Indonesia;

absence of advance sales of new crop Malabar black in the overseas markets. Hedge sales on the exchange are also comparatively poor, in view of the recent restrictions placed at Cochin. Daily fluctuations of more than Rs. 4 either way are not allowed in the operation of future trading at Cochin. There is hardly any justification for such a measure, as it is against the interest of hedge sellers and growers, particularly when Indian market for pepper is guided by the U.S.A. where daily fluctuation of 4 cents per lb. (about Rs. 18 per cwt.) even on New York Exchange is officially allowed. If at all any limit for the daily fluctuations on the Cochin Exchange is necessary it should be not less than Rs. 20 per day.

Attitude of the Forward Markets Commission against higher prices on the forward rings for almost all the commodities.

At the time of writing, the market is quiet, the exporters having already covered their requirements and under the pressure of new arrivals which are now on an increase. Ungarbled is quoted at Rs. 1,300 and garbled at Rs. 227½, with buyers awaiting developments.

Ready pepper in Bombay is nominally quoted at Rs. 258 per 50 kilos.

EXPORT TEAS SHOW MIXED TREND

(From Our Own Correspondent)

CALCUTTA, *8th November*

Prices during yesterday's export auctions were firm to dearer. Note was taken of the dearer trend in the Mincing Lane sales. Bookings of tea from Calcutta port registered a small improvement during the week, and the recent fall in this regard was expected to be reflected in U.K. stocks. In the week ended 28th October, U.K. stocks increased by 3 million lbs. to 74 million lbs., as compared to the previous week. In the Colombo auctions also, a dearer trend was in evidence, and it was stated that the Middle Eastern buyers were fully active.

It can now be stated that tea production in North East Indian gardens would be similar to that of last year. This is based on the expectation that the loss in production earlier in the year due to drought would also be made good. The proportion of common teas would, however, be higher compared to superior grades. In fact, such a shift in production has been in evidence in almost all producing countries. World production is tending higher than consumption and according to a world survey output is moving up by 2 per cent. every year. Efforts at improvement of quality would be a method by which production could be reduced.

During the week it was announced that the Tea Board would make a second interim export quota release for 1960-61 to the tea estates to the extent of 5 per cent. of the crop basis, thus bringing the total so far released to 60 per cent. of the crop basis, pending final notification of export allotment for 1960-61.

Dusts on offer during the internal sales held last week totalled 21,693 packages. The general demand was good, and prices were firm at the decline. Darjeelings were fully firm to dearer. Demand for medium C.T.Cs was fair, but the price gave way by 10 nP to 15 nP. The best C.T.Cs sagged by 20 nP. Grainy legg-cut teas eased by 15 to 20 nP, while the smaller types rose. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. dust Rs. 6.30 to Rs. 6.50, medium Assam C.T.C. dust Rs. 6.00 to Rs. 6.20, medium Assam dust Rs. 4.90 to Rs. 5.60, and medium Dooars dust Rs. 4.65 to Rs. 5.00.

The offerings during the export sales held yesterday amounted to 70,836 packages. There was a strong general demand, but prices registered a mixed trend. Keen competition was offered to Dooars B.O.Ps. and all clean black fannings recorded handsome gains on good bidding. Among Darjeelings, the better lots were fully steady but the poorer ones eased. Tippy teas were irregular, although demand was good. Among C.T.Cs, the good C.T.C. fannings were fully steady and often buoyant, but the brokens of the same category met with poor demand and lost in price. Among whole leaf grades, the better and more stylish teas were shown keen attention, while the poorer teas registered a decline. Assam B.Ps also eased, but fannings of the same category were dearer. An easing trend was also recorded in medium Assam B.O.Ps and O.Fs. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 6.50 to Rs. 7.00, best Assam C.T.C. B.P. Rs. 6.10 to Rs. 6.50, clean black pekoe Rs. 5.30 to Rs. 5.70, medium fannings Rs. 5.00 to Rs. 5.40, plain B.P. Rs. 4.50 to Rs. 4.65, medium B.P. Rs. 4.65 to Rs. 4.95, and plain fannings Rs. 4.80 to Rs. 5.10.

PLAIN TEAS IN KEEN DEMAND

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

COCHIN, *1st November*

Sale No. 42: Approximately 650,000 kilograms were offered in Sale No. 42 held today. Quality remained unchanged. The market opened to a very strong demand which eased as the sale progressed. There was keen competition for plainer and low medium descriptions, particularly fannings of black appearance which advanced by 10 to 20 nP. There was good enquiry for mediums and good mediums which were fully firm and those with quality under this category sold at dearer rates. Highgrowns were again irregular and sold at easier rates than last. However, there were a few selected lines under this category which sold at firm rates. Whole leaf grades and a small selection of tippy teas were strong and dearer.

	1960	1959
	Rs.	Rs.
Low medium	4.35 4.70	3.82-4.08
Medium	4.70-4.95	4.19-4.74
Good medium	4.95 5.50	4.85-5.18
Quality	5.28-8.50	5.51-9.37

The average price realised in Sale No. 42 was Rs. 5.09 per kilo, as against Rs. 5.02 in the previous sale and Rs. 5.27 in the corresponding sale of 1959.

Dust Sale 'NN':—*200,000* kilograms were offered in Sale 'NN' held on 3rd inst. There was a strong general demand. Highgrowns came in for useful support at slightly higher prices than last week. All other descriptions were keenly competed for at firm to dearer rates. Residuals sold at higher levels. C.T.C. types came in for useful enquiry.

The average price realised in Dust Sale 'NN' was Rs. 4.55 per kilo, as compared with Rs. 4.52 in the previous sale and Rs. 3.96 in the corresponding sale of 1959.

Export Quota:—The market remains quiet with last business being registered at ¼ nP per kilo.

Colombo:—Only 4½ million lbs. were offered this week and met with a very strong demand at dearer rates for all descriptions, except liquoring fannings which were barely steady. Highgrown brokens advanced 10 to 25 cents, mediums and plainest sorts 10 to 15 cents, whilst lowgrowns were 7 to 10 cents dearer.

London: North Indian and other growths:—In Monday's auction, there was a strong demand, particularly for teas up to 5/6d. which advanced 1d. to 3d. Best liquoring sorts were irregular with quality.

Ceylon and South Indians:—Tuesday's sale comprised 10,124 packages. Of this quantity, 6,516 packages were from South India. The market continued strong and those teas with improved quality frequently sold at dearer rates.

As we go to press, Messrs. Forbes, Ewart and Figgis Privated Ltd., wire:

"*Sale* 43:—558,000 kilograms. Strong general demand. Plain and low medium 10 nP dearer. Medium and good medium fully firm to dearer. Best liquoring highgrowns very irregular with quality black leaf, particularly fannings, strongest feature and sometimes 50 nP dearer. Whole leaf very strong and dearer."

JUTE MARKET QUIET

(From Our Own Correspondent)

CALCUTTA, *8th November*

Following anticipations of some New Delhi move towards introduction of control on the supply of raw jute to mills, quiet conditions were in evidence in the jute market during the week under review. Prices in both raw jute and goods eased but the recession was only small. Foreign buyers of goods continued to keep away from the market and reports from the New York burlap market indicated a handsome rise in prices following a similar trend in the primary market, induced by the possibility of reduced production in India and Pakistan. The warning contained in the *Jute Bulletin* issued by the Indian Central Jute Committee against the dangers of substitution in foreign countries was considered timely. Substitution takes place at the cost of heavy capital expenditure and a come-back involves time. Stating that exports of jute goods in October had been poorest in any month for many years past, the *Bulletin* pin-pointed attention at the resultant foreign exchange loss to the country and its effects on the economy at a time when the country was passing through an acute payment crisis.

Considering the rate of arrivals, trade circles are of the view that it compared favourably with that of last year and that prices have been reacting. It is thought that things would make some improvement in the near future; perhaps the decline in prices recorded during the week was the beginning of a corrective phase needed as a matter of extreme urgency. There was hardly anything of note in the freight market for gunny as buyers continued to be silent. On Tuesday last, prices of ready goods hardened following bullish activities of local operators. Ready B. twills advanced to Rs. 180.50 from Rs. 179 and ready hessian 40" 10 oz. to Rs. 58.25 from Rs. 58. On Wednesday, prices dropped following reports anticipating stern measures to end speculation in the jute trade. B. twills declined to Rs. 177.50 and hessian 40" 10 oz. to Rs. 57.25. There was practically no business on the following day and the quotations at Rs. 179.00 and Rs. 57.00 were nominal. In the absence of genuine support, operators were under selling pressure, which on Friday forced down B. twills to Rs. 177.50 and hessian 40" 10 oz. to Rs. 55.75. The quotations at Rs. 178.00 and Rs. 55.75 over the week-end were again nominal. Over the week-end, the East India Jute and Hessian Exchange announced that all members and licensed brokers of the Association should register with the Association all transferable specific delivery contracts in all varieties of raw jute and in certain specified varieties of jute goods, passed or entered into by them on 31st October and thereafter, until further notice, within three days of the completion of the business under any of the said contracts. Although no business took place yesterday, hessian 40" 10 oz. steadied up to Rs. 56.50 but B. twills were lower at Rs. 175.50.

Fibre prices eased as arrivals increased. Northern bottoms (November-December) opened at Rs. 142 per 100 kgs. and gradually declined to Rs. 136.50 to recover to Rs. 139.25. Prices in the Narayanganj market also declined and the decline was attributed to financial difficulties in the trade and fears of Government measures to stop sale of wet jute. The improved arrivals in the agencies in India gave ground for the belief that the crop would be at least as much as that of last year. In order to enable the East India Jute and Hessian Exchange to exercise greater control over trading in transferable specific delivery contracts, necessary amendment in the by-laws has been effected by the Government. The amendments give power to the Exchange for greater regulatory control, inasmuch as it can restrict transactions in the above contracts, impose special margins and fix maximum and minimum prices.

KIPS ARRIVALS SMALL

(From Our Own Correspondent)

MADRAS, *7th November*

The inflow of stocks from tanneries was small during the week under review. Prices ruled steady, following several U.K. inquiries. Exporters to America were in the market for buff calf and buff hides, and sellers were quoting stiff prices.

Tanned goat skins were firm. Demand was mostly for top grades, while tanners were interested in selling all selections combined. Consequently, export trading was small. There was no change in the tanned sheep skins market.

The third series of German tanned skins public auctions took place on 31st October. Lower selections and substandard parcels were difficult to move. Goat skins suitable for Suede and well selected sheep skins run selections fetched attractive prices.

Shipments during October were: 2,920 bales tanned cow, 143 cow calf, 37 buffs, 150 buff calf, 402 goat and 302 sheep to the U.K.; 35 cow, 154 cow calf, 45 buff calf, 570 goat and 344 sheep to the Continent; 110 buffs, 10 buff calf and 245 goat to the U.S.; 91 sheep to Japan.

RICE DEPRESSED

(From Our Own Correspondent)

HAPUR, *7th November*

Barring rice which was quietly depressed, thanks to arrivals of new paddy in the markets, all foodgrains, including pulses, ruled steady to firm during the week under review. Sowings of wheat and other coarse grains are almost over, while the sowing of peas still continues, and the land recently vacated from sugarcane crop is being used for such sowings. Wheat at Hapur registered modest gains in the week-end to be quoted at Rs. 17.25 a maund for average quality and upto Rs. 18.37 for better farm produce. Daily arrivals of wheat, which had mounted to an average of 250 maunds last month following suspension of wheat procurement by the U.P. Government in mid-August, shrinked again to about 100 maunds these days. However, the food situation in the State is reported to have improved as offtake from the fair-price shops even in deficit eastern districts has gone down and the Government is selling wheat at Rs. 15 and flour at Rs. 16 a maund through fair-price shops. The number of such fair price shops in U.P. is reported to be more than 5,000 and stocks with Government are as much as 1,25,000 tons, including wheat, gram and rice.

Rice sought lower levels to be quoted now at Rs. 29 to Rs. 31 per maund for sela basmati, while *mainpuri* was quoted at Rs. 21.50, *ramajwayan* at Rs. 22, *raimunia* at Rs. 23.50 and *gadda* at Rs. 18.75 a maund. Supply position of rice was easy, as new crop was reaching the markets. It is reported that, overall, there will be a record crop of rice this year in the country.

Hardening trend in gram prices continued, as prices touched Rs. 17 a maund for better Punjab variety, while old stocks were quoted at Rs. 16 a maund. Local stocks were fast running down and were about 9,000 maunds now. Barley continued steady at Rs. 13 and *bejhar* was quoted at Rs. 12.25 a maund for inferior quality and upto Rs. 13 for *moongia* variety. Maize was steady at Rs. 12.50 to Rs. 13 a maund according to quality and, as maize arrivals were better from outside, local stock of maize mounted to about 17,000 maunds today. *Juwar* continued to be quoted at Rs. 13 to Rs. 14 and *guwar* white at Rs. 12.50 to Rs. 13 a maund.

In pulses, peas and *arhar* attracted good demand from grinders for *dal*. Prices stayed steady, but local stocks were fast running down. Other pulses ruled quiet, as new *urd* and *moong* were reaching the markets. Prevailing prices on Monday (in rupees per maund) were peas *dara* 12.75; farm white 14.12; peas *dal* 14.25; old peas 12; *arhar* 13 to 13.75; *arhar dal* 18 to 19; new moong 19.50; new *urd* 18.75; *massor* 14 to 17.

TIN RISES, COPPER DECLINES

(From Our Own Correspondent)

CALCUTTA, *8th November*

While there was good demand for tin and the price firmed up during the week under review, copper scrap gave way, due to lower demand following availability of virgin metal to permit-holders. News of importance during the week was the announcement that, in accordance with the new policy, the State Trading Corporation would make arrangements to import 12 tons of mercury worth Rs. 12 lakhs. The S.T.C. would also distribute the same equitably among the different consumers. It would be remembered that Mr. Lal Bahadur Sastri, Union Commerce and Industry Minister, had announced in his speech at the Import Advisory Council meeting in New Delhi a couple of months ago that, in view of the allegation that established importers had exploited the scarcity of mercury and sold their holdings at high prices, the trade would be handed over to the S.T.C.

During the week, utensil scrap sagged from Rs. 200 to Rs. 198 a cwt. and berry quality from Rs. 218 to Rs. 215. Demand was poor, in view of the availability of virgin metal to consumers. On the London Metal Exchange, electrolytic copper opened at £219¼ a ton and, after being lower at £218½, hardened to close at £222. This higher trend followed continued troubled situation at Chinquicamata and encouraging trend of consumption as determined by the figure for the month of September. Tin opened here at Rs. 565 per cwt. Demand was good, but a sagging tendency developed subsequently and the price, after being lower at Rs. 562, closed at Rs. 564. The lower trend was due to easier advices from Penang. On London, there was good demand from the Continent and the price improved to £802½ a ton from £796 earlier in the week. Electrolytic zinc opened here at Rs. 166 a cwt. and closed lower at Rs. 164, following anticipations of imminent arrivals. In contrast, the London price gained from £88½ to £88¾ per ton, thanks to higher consumption report. The local quotation for lead eased from Rs. 65 to Rs. 64 a cwt., because demand was poor as compared to the comfortable stock position.

WORLD FATS AND OILS

(*Concluded from page* 864)

years. Nevertheless, *The Times Review of Industry* says:

"....it must be remembered that world output at the end of the war had suffered a setback as compared with pre-war and that the present high level of production is at least partly the result of a series of excellent harvests, especially in the United States. Since 1938, output in the United States has more than doubled and its share of world production has risen from 16 to 23 per cent. Its share of world exports has grown from less than 2 per cent. to over 30 per cent. in the same period. It is clear, therefore, that conditions in the export market in oil and oilseeds are closely linked to the fortunes of the American crops."

The availability of groundnut, linseed and lard is likely to be reduced in the coming years, but the shortfalls are expected to be more than outbalanced by larger supplies of cottonseed, soyabeans and coconut oils. In the past few years, temporary shortages of specific types of oil have forced manufacturers to explore the possibilities of substitution, and great progress is claimed to have been made in overcoming the difficulties which such substitution entails. And it is concluded that, as the problems which attend interchange of raw materials are resolved, the ability to switch from one type of fats and oils to another will have a steadying effect on the markets.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 4th Nov., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	74,52,07,000
(2) Other Governments	10,20,22,000
(b) Banks	103,80,36,000
(c) Others	92,31,45,000
Bills Payable	21,48,69,000
Other Liabilities	21,54,71,000
Rupees	453,34,50,000

ASSETS	Rs.
Notes	13,77,76,000
Rupee Coin	2,37,000
Subsidiary Coin	6,59,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	7,85,60,000
Balances held abroad*	18,26,60,000
Loans and Advances to Governments†	24,58,84,000
Other Loans and Advances	123,71,79,000
Investments	245,27,71,000
Other Assets	12,73,80,000
Rupees	453,34,50,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 5,89,25,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,77,76,000	
Notes in circulation	1808,29,95,000	
Total Notes issued		1822,07,71,000
Total Liabilities		1822,07,71,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		129,28,10,000
Government of India Rupee Securities		1452,02,69,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1822,07,71,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	28th Oct., 1960	21st Oct., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173 37	1794.18	1812.02	1790.01	1686.20
Notes held in Banking Department	35.05	29.18	10 45	14.99	10.69
Foreign Securities	59.50	123 01	123 01	123.01	163.01
Rupee Securities	37.39	1451.99	1451.89	1431.74	1281.65
Banking Department					
Deposits of:					
Government of India	14.39	65.36	53.22	63.32	55.01
Other Governments	....	24 25	32 90	18.46	30.26
Balances held abroad	10.06	19 74	25.89	16 17	35.19
SCHEDULED BANKS					
Demand liabilities	134.36	797 20 (20.03)†	785.11 (15 48)†	775.00 (19 51)†	724.83 (23.55)†
Time liabilities	102.24	1143.84 (19.86)†	1148.24 (21.05)†	1139.62 (25.81)†	1125.10 (27.63)†
Borrowings from Reserve Bank	..	16.63 (6.54)‡	32.70 (9 43)‡	33 44 (9.28)‡	13.85 (1.70)‡
Borrowings from State Bank	..	10.65	12.14	17.87	5.83
Cash in India	6.70	48.69	48.34	45.77	38.66
Balances with Reserve Bank	25.17	95.65	99.06	96 20	72.07
Balances with other banks in current account in India	..	15.75	15.45	15.64	13.60
Money at call and short notice in India	..	31 30	26.60	32.06	32.75
Investments (at book value)	..	689 54	697.00	726.21	794.12
Advances and bills	105.9	1111.18	1116 29	1127.59	941.45
STATE BANK					
Deposits	87.76	583.17	578.88	591.65	569.66
Investments	51.99	345 21	350.06	360.51	396.02
Advances	21.35	216.01	216.21	219.05	161.50
Cash	14.69	25 43	23.32	20.24	25.79

† Borrowings from Banks excluding the Reserve Bank and the State Bank. *R*—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	8.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	....	3
Canada†	..	2.45	2.73
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1960	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1960	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1958	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1959	4.50	6.50
Portugal	10th Jan., 1944	..	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
	Feb., 1948	....	1
Turkey	6th June, 1958	4.50	6
United Kingdom	27th Oct., 1960	6	5.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	4
West Germany	3rd June, 1960	4	5

Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 4th Nov., 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,20,00,000
Borrowings from Other Banking Companies, Agents, etc.		579,21,68,000
Bills Payable		76 25,000
Bills for Collection being Bills receivable as per contra		9,40,55,000
Acceptances, Endorsements and Other Obligations per contra		2,23,34,000
Other Liabilities (including Inter-Office Adjustments)		1,53,90,000
		16 15 80,000
Total .. Rs.		622,50,02,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,72,85,000
Balances with other Banks		5,99,98,000
Money at Call and Short Notice		86,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	345 68 25,000	
Other Authorised Investments	9,94,36,000	
		355,62,61,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	201 45,73,000	
Bills Discounted and Purchased	12,66,26,000	
		214,11,99,000
Bills Receivable being Bills for Collection as per contra		2,23,34,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,53,90,000
Premises less Depreciation		1,26,76,000
Furniture and Fixtures less Depreciation		1,75,58,000
Other Assets (including Inter-Office Adjustments)		20,05,54,000
Total .. Rs.		622,50,02,000

Scheduled Banks*

Statement of Affairs for the week ended 28th Oct., 1960

	Rs.	Rs.
Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified Bank†		20,02,00,000
(ii) Other demand liabilities		777,17,17,000
Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		19,85,54,000
(ii) Other time liabilities		1123,98,59,000
Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		10,49,85,000
(ii) Time liabilities		15,00,000
Borrowings in India from the Reserve Bank of India†		16,62,91,000
Cash in India		(6,54,35,000)
Balances with the Reserve Bank in India		48,69,29,000
Balances with other banks in current account in India		95,65,19,000
Money at call and short notice in India		15,75,29,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts		31,29,77,000
Advances in India		689,54,43,000
Inland Bills, purchased and discounted in India		960,37,80,000
Foreign Bills, purchased and discounted in India		157,71,89,000
		43,05,72,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
16th August	2.00	2.00	2.00	2.540	99.365
17th to 20th Aug.*	0.25	—	0.25	2.540	99.381
23rd August	2.00	2.00	2.00	2.540	99.365
24th to 27th Aug.*	0.01	—	0.01	2.540	99.381
6th Sept.	2.00	2.00	2.00	2.540	99.365
13th Sept.	2.00	2.00	2.00	2.540	99.365
14th to 17th Sept.*	0.15	—	0.15	—	99.381
20th Sept.	2.00	2.50	2.00	2.540	99.365
27th Sept.	2.00	2.60	2.00	2.540	99.369
28th Sept. to 1st Oct.	0.08	—	0.08	—	99.381
4th Oct.	2.00	2.55	2.00	2.552	99.365
11th Oct.	2.00	2.35	2.00	2.560	99.360
18th Oct.	2.00	2.40	2.00	2.560	99.360
25th Oct.	2.00	2.60	2.00	2.565	99.355
1st Nov.	2.00	2.35	2.00	2.565	99.360
2nd to 5th Nov.*	0.27	—	0.27	—	99.376
8th Nov.	2.00	2.20	2.00	2.565	99.360
Total amount outstanding	24.76	..	24.76	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 28th Oct., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	10,95,76,000
(b) Provincial Governments	3,99,91,000
(c) Banks	18,81,95,000
(d) Others	108,90,19,000
Bills Payable	15,21,000
Other Liabilities	9,75,92,000
Rupees	160,65,24,000

ASSETS	Rs.
Notes	9,58,82,000
Rupee Coin	59,000
Subsidiary Coin	61,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	26,61,21,000
Loans and Advances to Governments	9,74,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	....
Investments	18,02,67,000
Other Assets	87,65,82,000
	9,00,19,000
Rupees	160,65,24,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,58,82,000	
Notes in circulation	351,04,03,000	
Total Notes issued	....	360,62,85,000
Total Liabilities	....	360,62,85,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	21,66,79,000	
Silver Bullion		
Foreign Securities	73,51,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
	....	218,52,33,000
B. Rupee Coin		
Government of Pakistan Securities	4,69,61,000	
Internal bills of exchange and other commercial paper	208,83,19,000	
	....	141,19,96,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:		
Gold Coin and Bullion	19,02,000	
Government of India Securities	4,40,62,000	
Rupee Coin	1,00,00,000	
	29,51,000	
Total Assets	....	5,90,06,000
		360,62,85,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40.71 per cent.

EXCHANGE RATES

		8th November 1960	Previous Week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 11/16	1-5 11/16
Sellers T. T. D.D. upto six months	s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	s.	1-5 3/16	1-5 3/16
Buyers T.T. 10 to 12 months	s.	1-6 1/16	1-6 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475.50	475.50
Buyers T.T.	Rs.	472.25	472.00
London on New York	Rs.	2.8162-2.8164	2.8140-2.8145
London on Paris	Frs.	13.794-13.794	13.783-13.79
London on Berne	Sw. Frs.	12.1240-12.1310	12.1140-12.1150
New York on London	s.	281.340-281.380	281.340-281.380

CLEARING HOUSE RETURNS

Centre	Week ended 4th Nov., 1960 Number of Cheques	Amount Rs.	Week ended 28th Oct., 1960 Number of Cheques	Amount Rs.
Bombay	3,83,123	80,76,75,000	4,14,000	94,97,00,000
Calcutta	1,04,000	92,29,00,000	1,84,000	76,80,90,000
Madras	91,631	12,31,19,834	1,08,207	14,81,13,452
All Centres—				
1957-58	41,672,000	89,54,80,00,000	..	..
1958-59	45,172,000	97,67,12,00,000	..	..
1959-60	50,064,000	109,88,05,00,000	..	..
June 1960	4,227,000	9,56,02,00,000	..	..
July ,,	4,210,000	9,62,59,00,000	..	..
Aug., ,,	4,377,000	9,96,31,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	22nd Oct., 1960	15th Oct., 1960	24th Oct., 1959	Sept., 1960	Sept., 1959	Percentage of Increase(+) or Decrease(—) in Sept., 1960 as compared with Sept., 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	121.4	121.3	123.9	123.9	120.5	+ 2.8	119.0	116.2
Cereals	192	105.6	106.0	109.8	108.5	107.6	+ 0.8	104.1	106.8
Pulses	43	94.7	94.4	94.3	94.7	89.9	+ 5.3	93.6	102.9
Fruits and Vegetables	23	116.4	116.2	117.4	122.2	139.1	-12.1	127.8	117.0R
Milk and Ghee	84	114.3	114.7	112.0	122.3	113.6	+ 8.5	113.3	107.2
Edible Oils	47	152.9	154.8	129.9	148.9	127.6	+16.7	130.4	124.5
Fish, Eggs and Meat	17	127.8	128.5	110.7	126.9	112.1	+13.2	112.0	108.4R
Sugar and *Gur*	48	135.7	135.2	173.9	138.9	148.2	— 6.3	147.0	137.3
Others	50	173.9	169.0	175.9	171.2	168 6	+ 1.5	167.9	151.3
Liquor and Tobacco	21	105.5	105.5	102.5	104.5	99.7	+ 4.8	99.5	95.4
Tobacco	..	103.7	103.7	101.1	102.7	98.1	+ 4.7	97.8	97.3
Fuel, Power, Light and Lubricants	38	120.0	119.7	116.9	119.5	114.2	+ 4.6	115.5	95.8
Industrial Raw Materials	155	147.5	150.2	121.8	136.7	122.6	+11.5	123.7	115.6
Fibres	61	158.6*	166.6	109.0	129.5	110.1	+17.6	111.6	103.9
Oilseeds	60	149.0	148.5	133.5	146.9	115.2	+26.7	118.3	108.0
Minerals	2	97.9*	97.9*	97.7	98.2	136.1	+ 7.9	124.6	127.0
Others	32	126.5*	125.5*	124.9	124.6	122.9	— 0.1	97.8	105.0
Manufactures	286	125.0	126.8	111.3	114.9	110.0	+ 1.5	107.3	104.5
Intermediate Products	41	130.6	130.1	114.9	122.5	111.3	+10.4	111.6	103.2
Finished Products	249	124.0	124.0	110.8	121.5	110.8	+ 9.6	111.3	105.2
Textiles	147	128.0	131.4	109.8	123.9	105 2	+17.8	107.8	103.2
Cotton	—	129.0*	131.4*	115.5*	131.6	114 0	+15.4	107.5	103.2
Jute	—	139.0*	146.8	89.5	116.4	89.4	+30.2	115.9*	117.0R
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	90.6	86.6
Silk and Rayon	—	101.7*	101.3*	91.8*	100.8	92.0	+ 9.6	104.2	105.6
Metal Products	12	146.8	146.8	144.6	146.8	144.4	+ 1.7	96.4	98.2
Chemicals	20	104.6	104.6	106.9	106.3	103.3	— 2.8	144.4	143.1
Oil Cakes	10	142.2*	142.0*	152.6	138.6	141.4	— 2.1	104.9	106.2
Machinery and Transport Equipment	81	111.2	111.2	105.9	111.2	105.9	+ 5.0	145.8	103.9R
Others	30	116.0	115.9	114.0	115.0	113.7	+ 1.1	106.2	113.4
All Commodities	1,190	126.1	126.9	116.8	125.3	117.2	+ 6.9	113.4	112.7
								117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base (1934-100)	Ahmedabad Base (1949=100)	Sholapur Base January (1928=100)	Kanpur (Base 1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	237	101	310	92	101	351	102	108	108	111	112	99	115
1953 ,,	106	363	111	323	95	103	349	109	106	104	102	112	109	114
1954 ,,	101	359	98	294	85	99	327	106	105	91	95	102	98	108
1955 ,,	96	338	87	246	78	96	321	99	99	83	87	98	88	108
1956 ,,	105	353	98	316	89	105	347	111	109	95	96	106	109	114
1957 ,,	111	369	101	339	94	112	364	116	114	99	103	115	107	126
1958 ,,	116	395	110	313	98	120	384	124	113	103	103	123	109	131
1959 ,,	121	412	125	340	98	132	384	133	120	106	98	125	108	140
May 1959	119	406	124	328	95	131	371	131	116	103	96	125	104	138
June ,,	122	413	125	337	97	132	385	134	117	104	99	130	108	140
July ,,	124	418	127	345	97	133	399	134	117	105	98	129	110	141
August ,,	125	420	125	348	98	134	406	134	118	105	102	129	109	142
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February ,,	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March ,,	121	414	116	330	97	135	392	138	119	104	100	119	109	145
April ,,	122	421	116	340	97	136	392	138	117	104	103	117	109	145
May ,,	122	423	120	344	96	135	396	140	116	104	105	117	109	145
June ,,	124	422	121	360	96	135	399	141	117	107	107	119	109	146
July ,,	124	422	122	362	101	137	406	145	121	109	108	119	109†	146
August ,,	126†	421	..	359	..	..	410	..	121	109	104†	122	108	..
Sept., ,,	..	418	..	361	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J	Cumulative Time Deposits 10-Year J	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F		10-Year Treasury Savings Deposit Certificates 4% C		15-Year Annuity Certificates G		Total	
	Outstandings	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings		Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts
1956-57 ..	..	..	3.00	6.01	163.68	....	....	176.97	196.50	25.38	—38.82	44.28	....	..	43	1.32	225.88	440.17
1957-58 ..	..	..	2.22	4.73	143.45	71.45	71.43	179.86	213.91	23.11	—39.73	43.58	588	547	63	1.87	204.32	599.77
1958-59 ..	..	..	1.76	3.80	119.10	87.45	152.78	191.76	234.91	21.02	—40.67	42.57	435	11.68	67	2.41	286.28	590.08
1959-60 ..	..	..	1.54	3.17	99.14	83.09	221.03	201.48	254.94	19.79	—41.29	41.68	10.64	21.76	66	2.90	296.62	667.36
March 1959	3	2	1.73	3.79	119.11	11.66	152.48	22.29	226.92	21.01	—40.69	42.57	65	11.68	6	2.41	34.68	581.75
April ,,	5	3	1.70	3.72	117.25	6.36	157.31	14.39	226.90	20.88	—40.74	42.49	63	12.26	11	2.50	23.52	585.06
May ,,	7	4	1.68	3.65	115.40	5.71	162.02	15.68	224.83	20.76	—40.80	42.39	51	12.79	5	2.51	21.98	586.46
June ,,	9	5	1.65	3.59	114.16	6.03	167.24	15.89	224.28	20.61	—40.88	42.25	53	13.66	3	2.62	24.06	604.97
July ,,	12	7	1.63	3.56	112.40	6.17	172.33	17.23	225.30	20.53	—40.94	42.19	87	14.19	3	2.64	22.11	610.67
August ,,	15	9	1.65	3.51	110.64	6.04	178.11	15.12	237.06	20.44	—41.27	41.84	1.13	19.77	5	2.81	23.59	630.20
January 1960	37	22	1.54	3.24	102.61	7.18	204.92	15.15	232.92	19.96	—41.27	41.75	1.05	20.79	6	2.86	25.71	636.66
February ,,	43	26	1.52	3.21	101.09	7.57	210.61	16.04	234.25	19.87	—41.27	41.68	.96	21.76	6	2.90	43.47	667.36
March ,,	51	30	1.54	3.17	99.14	13.09	221.63	29.24	254.94	19.79	—41.29	41.68	.96	21.76	6	2.90	28.16	76.000
April ,,	57	34	1.51	3.11	97.35	6.47	226.14	17.87	253.58	19.68	—41.35	41.58	1.63	23.16	9	2.98	28.16	67.253
May ,,	64	38	1.50	3.07	95.55	6.45	231.20	17.00	251.91	19.55	—41.41	41.50	1.06	24.19	5	3.01	24.67	677.33
June ,,	73	42	1.48	3.02	93.84	5.76	235.58	17.35	253.22	19.50	—41.49	41.32	1.11	26.09	4	3.07	22.36	684.15
July ,,	81	47	1.45	2.98	92.30	5.83	240.30	15.25	255.92	19.44	..	41.21	1.17	27.23	9	3.14	..	..
August ,,	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1950 and the total outstandings at the end of July 1960 amount to 9.28 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1963-65	97.70
3 % Loan	1950	30,33,10,000	1964	97.70
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	89.10
2½ Dev. Loan	1945	1,15,05,83,000	1970-75	98.60
2½ % Loan	1946	57,00,49,000	1961	83.50
2½ % Loan	1946	14,77,42,000	1962	87.85
2½ % Loan	1947	75,86,72,000	1962	100.05
2½ % N. P. Bonds	1953	75,29,00,000	1964	99.45
2½ % N. P. Loan	1954	1,58,17,94,000	1964	99.20
2½ % N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99.65
2½ % N. P. Loan	1956	1,07,27,30,000	1962	99.00
3½ % N. P. Bonds	1956	93,81,85,000	1967	99.00
2½ % Loan	1956	86,63,53,000	1974	....
2½ % N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100.75
4 % Loan	1957	49,17,27,000	1972	100.50
3½ % Loan	1958	58,05,92,000	1963	99.05
3½ % Loan	1958	70,00,00,000	1968	99.00
3½ % Loan N.P.B.	1958	84,33,33,000	1968	100.60
4 % Loan	1958	49,51,44,000	1973	98.90
3½ % Loan	1959	1,37,90,93,000	1969	99.85
4 % Loan	1959	81,06,38,000	1979	99.90
4 % Loan	1960	97,64,00,000	1980	99.30
3½ % Bonds	1960	82,66,00,000	1966	....
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,33,000	M.	73.00
3 % Loan	1946	2,48,91,33,000	K.	74.05
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.15
4½ % Andhra	1958	5,48,81,000	15th July 1970	99.25
4 % Andhra	1959	6,57,72,000	19th Aug. 1971	98.75
4 % Andhra	1960	9,00,00,000	29th Aug. 1972	96.75
3 % Bombay	1949	5,20,97,000	1st Sept. 1962	97.55
3½ % Bombay	1951	8,32,97,000	17th Sept. 1963	99.40
4 % Bombay	1953	5,10,80,000	15th July 1963	100.20
4 % Bombay	1952	3,40,34,000	1st Aug. 1964	100.00
4 % Bombay	1955	9,56,55,000	1st Sept. 1967	98.40
4 % Bombay	1957	7,82,20,000	3rd Sept. 1969	99.35
4½ % Bombay	1957	6,57,23,000	16th Sept. 1970	99.35
4 % Bombay	1958	6,58,21,000	15th July 1971	99.20
4½ % Bombay	1958	4,55,25,000	15th July 1971	97.20
4 % Bombay	1959	6,68,13,000	19th Aug. 1971	97.

INVESTMENT TRUST MOVEMENT

SCOPE FOR ITS GROWTH FAIRLY PROMISING

THE scope for promoting growth of investment trusts in India is fairly promising, in view of the progress of economic development under the Plans, according to a study appearing in the October 1960 issue of the *Reserve Bank of India Bulletin*. The study, analyses the main distinguishing features of two types of investment trusts, namely, management investment trusts and unit trusts and gives a brief account of the investment trust movement in Britain and the U.S. Both management trusts and unit trusts in the U.K. are reviewed, while, in respect of the U.S., open-end investment companies or mutual funds (which closely correspond to unit trusts in Britain), in view of their pre-eminence, are given special attention. The study sets out next the present state of the investment trust movement in India and its deficiencies on the basis of such data as are available. In conclusion, the study examines the scope for the development of investment trusts, specially unit trusts in India, and offers some suggestions in this behalf. The following is a brief summary of the article.

The main characteristic of an investment trust is "that it enables the investor, through a single commitment, to diversify his investments over a large number of securities and thereby reduce the risks of capital depreciation and poor dividends." Broadly, there are two types of investment trusts, namely, (i) management investment trusts which are organised and function as companies and (ii) unit trusts which, unlike management investment trusts, are created under a trust deed, which provides, among other things, for the regulation of management in regard to investment of funds. In management investment trusts, the capital may consist of ordinary and preference stocks or shares and also loan capital, including debentures. They are mainly concerned with the investment of funds thus raised, in the securities of other corporations as well as Governments. The shares of these investment companies, like those of other companies, are traded on the stock exchanges. In a unit trust, there are three parties—(i) the promoter of the trust, (i) the "trustee," that is, the trust company or bank which holds the securities and/or cash authenticating and delivering the participating certificates to the promoter, and (iii) the owners of the participating certificates who, by the act of buying these certificates (from the promoters) become *ipso facto* parties to the indenture or agreement under which they are issued. Generally, the price at which the sub-units (participating certificates) are offered by unit trusts is based on the prices of the underlying securities on the stock exchange on the day of (or on the day previous to) the sale of the sub-units and is 'loaded' to cover management and other expenses like brokers' commission. The managers stand ready to buy back the sub-units from holders who wish to dispose them off, this buying back price being also based on the market prices of the underlying securities. This ensures free marketability for the sub-units. The capital structure of a unit trust is simple. Unlike in the management investment trusts, there is only one type of capital, namely, the sub-units or the certificates of participation; there is no borrowed capital employed in the trust; ownership in the unit trust assets is direct, in the sense, participating certificates or sub-units represent directly the corresponding share in the underlying securities.

Investment Trusts in U.K.

The earliest of investment trusts in the U.K. were established in 1863. The progress of the movement in the first two decades was rather slow, but, with the advent of the second industrial revolution and the prosperity which followed, the movement derived a special stimulus. The years since 1900 till about the outbreak of World War I were marked by great expansion in the U.S. railroads and a good part of the huge amounts of capital involved was financed by British investors through the medium of investment trusts. The years 1924 31 witnessed a significant expansion; by 1931, there were about 190 investment trusts with a total paid-up capital of about £250 million. British trusts were, by and large, able to pull through the crisis of the depression years, mainly because of the sizable reserves which had been built up through a conservative policy of investment and dividend distribution. The growth of the movement in the post-war years upto 1953 was somewhat slow, due mainly to the complete ban imposed on new issues of over £50,000 by investment trusts. After 1953, reflecting partly relaxation of restrictions on capital issues but mainly as a result of capital appreciation, the assets of investment trusts have grown substantially. According to the Committee on the Working of the Monetary System (Radcliffe Committee), the combined assets of 256 out of 282 members of the Association of Investment Trusts in 1957 amounted to a market value of £1,142 million, as against £619 million in 1949.

The unit trust movement in the U.K. is comparatively a later development, having originated in the U.S. The first unit trust in the U.K. was established in 1931. The progress of unit trusts in the U.K. was marked in the late 1930s. By March 1939, 96 unit trusts had been formed, their net assets being estimated at over £80 million. In the years immediately following the war, this momentum in the growth of the movement was not sustained. Like the management investment trusts, the growth of unit trusts in the post-war years was also cramped by the operation of the Capital Issues Control. In 1959, the movement appeared to have received a fresh impetus. The total funds of the unit trust movement at the end of 1959 were estimated around £200 million which are double those a year ago. Allowing for capital appreciation, new money attracted into the movement in 1959 was placed around £50 million.

Investment Trusts in U.S.A.

In the United States, the investment trust movement did not make any significant progress till late in the 1920s. Following the widespread failure of management trusts in the depression years, due partly to abuses on the part of management, fixed unit trusts became popular. The popularity of fixed trusts, however, proved short-lived. Many fixed trusts which carried railroad stocks in their portfolios suffered a sharp diminution in earnings in the 1930s, mainly because of the setback in railroad profits and partly because of the high costs of management. It is the management trusts that recorded sustained growth and at present dominate the American trust movement. The article distinguishes two types of management investment trusts, namely, closed-end investment companies and open-end investment companies. The latter, which correspond closely to British unit trusts, have recorded sustained progress in post-war II years, and hold at present a pre-eminent position among American investment companies. As of December 1959, the assets of 155 member-companies of the National Association of Investment Companies reached a new high of $15.8 billion. The number of shareholder accounts touched 4.3 million.

Investment companies are important among institutional stock holders in the U.S. According to an estimate made by the Securities and Exchange Commission, out of the estimated total holdings of $66.5 billion of common and preferred stocks as of 31st December 1954 by all institutions, investment companies (closed and open-end together) accounted for $9.1 billion or about 14 per cent.—next only to that of personal trusts and more than treble the holdings of life insurance companies.

Investment Trusts in India

Investment trusts developed in India much later than either in the U.K. or the U.S. Although the first investment trust in India was reported to have been formed in 1869, effective development of the movement is said to have commenced only in the 1930s. The reasons for the late development lie basically in the low volume of savings available for investment, as also partly in the absence of adequate investment outlets conducive to the promotion of investment trusts. Industrialisation and along with it, the growth of the joint-stock enterprise in India were slow to emerge and their growth was not significant in the initial years. The setting up in 1933 of the Industrial Investment Trust Ltd. by a prominent firm of stock brokers in Bombay (Messrs. Premchand Roychand and Sons who act as its Secretaries and Treasurers) marked the beginning of the phase of growth of investment trusts in India. A few important and large investment trusts were established in 1936. In the following year, the House of Tatas launched the Investment Corporation of India Ltd. Along with these, there was a spate of relatively small investment trust companies, most of which, however, were of the 'bucket-shop' variety. With the break in prices in 1937, most of such investment companies went into liquidation. During the world war (II) years, there was an impetus to the investment trust movement mainly because of the interest evinced by a number of managing agents in establishing investment trust companies. As of March 1959, the total number of both public and private limited investment and trust companies was 595 with a paid-up capital of Rs. 37.7 crores, as compared with 122 companies with paid-up capital of Rs. 15.2 crores in March 1936. Of the 595 investment and trust companies as of March 1959, only 5 companies had a paid-up capital each of Rs. 1 crore and above; 4 companies Rs. 50 lakhs and above but below Rs. 1 crore each and 17 companies Rs. 25 lakhs and above but below Rs. 50 lakhs each; at the other end, over one-half (305 companies) had a paid-up capital below Rs. 1 lakh each and more than one-fifth (131 companies) Rs. 1 lakh and above but below Rs. 5 lakhs each.

According to available data (in respect of 32 companies) mainly relating to the year ended 1956-57, except in a few major cases, paid-up capital consisted virtually of ordinary share capital. The stated objects of several companies included many which were not at all relevant to investment business proper.

The pattern of investments of investment companies reflected the association with managing agency or other industrial groups; in the case of several companies, such investments were spread over a few companies only, some of which were either *private* limited companies and among the rest were many companies whose shares were not quoted on the stock exchanges. By and large, there was little or no evidence of disinterested diversification of investments. Two notable exceptions mentioned in the article are the Investment Corporation of India Ltd. and the Industrial Investment Trust Ltd.; the former had, as on 30th June 1959, investments of the order of Rs. 3.96 crores, distributed among as many as 400 different securities; the latter had, as of 31st December 1959, investments of the order of Rs. 1.31 crore spread over about 200 securities.

The concluding section, which discusses the scope for development of investment trusts in India, makes some suggestions regarding the broad lines on which unit trusts can be organised in India—a proposal recommended by the Committee on Finance for the Private Sector (Shroff Committee: 1954). Considering the essential requirements for the successful launching and operation of unit trusts such as the integrity and proven record of the sponsoring management group, experience in investment techniques, contacts with the relatively big corporate houses, and a fairly large organisation on a countrywide basis, the article suggests that some of the more prominent industrial houses, brokers' firms and insurance companies would seem to be the appropriate agencies to organise and sponsor unit trusts in India. The possibility of some of the existing well run investment trusts organising unit trusts or converting themselves into unit trusts is also suggested; the availability of suitable blocks of portfolio securities and investment experience accumulated over a long period of time are points mentioned in their favour.

In a scheme for the promotion of unit trusts, tax concessions have, according to the article, a significant place. It is pointed out that, in spite of super-tax concession, the few relatively large investment trust companies in India, which function on the lines of true investment trusts, were not able to provide sufficient attraction to the small investor in the matter of returns offered as well as capital appreciation. It appears that, in fostering the promotion and growth of unit trusts in India, there is a strong case for exemption of the trust income from tax. Under the new scheme of taxation, an investor who resorts to the unit trusts is worse off than if he were to invest directly, other things remaining the same. For the investment income of the trust will be subject to income-tax (its income being, however, exempt from super-tax) and this income will again be subject to tax (deduction of tax at source) when this income is distributed by the unit trust as dividends to unit holders. To meet this situation, the article proposes that, in addition to exemption from super-tax, the unit trust income should also be exempted from income-tax; the concession should be extended to investment trusts also. The grant of this concession would, of course, be subject to suitable safeguards against abuse.

Looking to the safeguards and protection to the investor, a measure of regulation of the unit trusts in India is also proposed. The Investment Company Act 1940 in the U.S. and the Prevention of Fraud (Investments) Act, 1939 in the U.K. are mentioned as useful guidance in this regard. Since at present the investment and trust companies in India are organised and function under the Companies Act, there being no separate statute, it is considered convenient to bring the investment and trust companies and the proposed unit trusts togther under a separate piece of legislation. The article concludes that, in the task of mobilisation of resources for progressively bigger plans, there is need to experiment with the creation of new financial intermediaries to appeal to the varied interest and preferences of the investing public and that unit trusts would also contribute to the democratisation of industrial share ownership and, thus, to the furtherance of some of the objectives of the Directive Principles of State Policy.

MARKET GOSSIP

(Concluded from page 851)

to keep the economy and defence apparatus in good order. Will the U.S. authorities permit the gap between gold reserves and short-term liabilities to widen? Will the strategic minimum level itself be lowered? He will indeed be a bold man who can predict how the new Administration will tackle the problem. But one thing is certain. The new U.S. President, Senator John Kennedy, has unequivocally reiterated that there will be no devaluation of the dollar.

In U.S. banking circles, however, the present strain on the dollar is not considered as anything more than a passing phase. Currency experts are of the view that, looking ahead, there is no reason to doubt the strength of the dollar. Thus, according to the *Monthly Letter* of the First National City Bank of New York, the dollar is still a "strong and desirable currency." Other currencies, backed by productive economies and large monetary reserve also, have, it admits, grown strong and become increasingly desirable. It draws pointed attention to the fact that, in addition to its gold reserves, the U.S. has considerable short-term and long-term assets abroad. The long-term assets exceed long-term investments of foreigners in U.S. by some $28 billion. Indeed, year after year, U.S. investments abroad are larger than the combined increase in its short-term indebtedness to foreigners and its gold loss. Nevertheless, considering what has happened, the Bank's *Monthly Letter* thinks that it will be necessary for the U.S. to be watchful of its "international solvency and sensitive to weakening of confidence in the U.S. dollar as a standard of value equivalent to gold and the common denominator in international financial settlement." Much, of course, will depend upon the monetary and fiscal policies of the Democratic Administration. In this connection, the *Monthly Letter* concludes thus:

"... it is clear that we will need to exercise more discretion than at some times in the past in the use of economic stimulants. Specifically, we can no longer afford to carry cheap money to extremes or let go the reins on Government spending. ... We need to find fiscal policies, such as tax reforms, which can check recessions and stimulate creative effort and growth without opening the floodgates to inflation."

COMMERCE

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

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HASTY DECISION ON CLOTH PRICES

THE vigilance that is being exercised by Members of Parliament over the trend of prices, especially of consumer goods, is something about which the electorate could be legitimately proud. White sugar and cotton piece-goods made by mills evoke greater concern among them than any other manufactures. Neither brown sugar nor cloth made by handlooms hardly receive similar attention, whatever might be the extent of rise in their prices. This is not surprising, because of the numerical superiority of the manufacturers of these cottage-industry products over those of the mill-made goods. Any criticism of the former set of producers or the distributors of their products will be politically inconvenient. But in this country of have-nots, underemployed farmers and disgruntled employees, it pays politicians to criticise, from all available platforms, the large-scale manufacturers of piece-goods and white sugar and to keep the Ministers concerned on their toes. As many as 27 members of the Lok Sabha, for instance, participated in a short-notice question on cloth prices this week. It was almost the first subject to figure in the question hour on Monday, when the House reassembled for the winter session. Mr. Nityanand Kanungo, Minister for Commerce, and Mr. Lal Bahadur Shastri, Minister for Commerce and Industry, explained the steps taken for bringing down the prices of cloth. The latter averred that he was not satisfied with the extent of fall in prices and sounded a note of warning to millowners and cloth merchants that, if prices did not decline further, the Government would have to resort to price control and rationing. This warning seems to have had at least one effect, namely, assuage the sense of anxiety displayed by the not inconsiderable number of M.Ps over cloth prices. These guardians of the public would have served the interests of consumers better had they paid some attention to the basic causes for the rise in cloth prices and the steps taken to eliminate them. Had they done so, they would have had an occasion to comment on the failure of State Governments to take energetic measures for stepping up agricultural production and of the Central Government to act in time for averting a rise in price levels. Price variations are only the outcome of changes in the demand and supply situation. Cloth prices would not have gone up, if production had been allowed to move ahead of demand. Defects in Government policy over a number of years constitute the basic cause for the plight of consumers of cloth. It is to these—they are well known to readers of *Commerce*—that Members of Parliament must address themselves, instead of frequently nibbling at the problem.

Their superficial approach is actually compelling the Government to think in terms of palliatives which, while providing some short-lived relief, aggravate the malady in the long-term. The industry concerned becomes the victim of a chronic disease, needing crutches and sedatives for ever. There is good reason to fear that the cotton textile industry will soon be in that position, unless the Government's approach undergoes a refreshing change before it is too late. The threat of introducing controls and rationing is unnecessary and undesirable. The cloth situation is now well under control. The upward trend of prices has not only been arrested but actually reversed. After some initial mistakes in regard to securing cotton which could have been avoided if the industry's advice had been heeded, the Government acted generously and energetically in allowing massive imports of foreign cotton to make up for the drastic shortfall of nearly 1.3 million bales (of 400 lbs. each) in domestic production. As a result, production of cloth has been kept up. In the first half of the year, there was a lot of speculation in cloth and yarn, and prices were boosted. The price increases, according to millowners' own admission, were greater than warranted by the substantial rise in the prices of cotton, stores, spares and labour. There was undoubtedly a need for taking preventive measures and the industry's spokesmen themselves volunteered to take the initiative. Even at that time, when there was some justification for contemplating statutory controls over prices and distribution, the Government of India wanted, rightly in our opinion, to avoid them. Now, when the situation is easier and, what is more, the prospect of a further improvement is bright, why should the Government think and talk in terms of resorting to the use of these weapons? We see no compelling reasons.

Thanks to an improvement in weather conditions and the high level of prices realised by farmers last year, the cotton crop now being harvested promises to be in the neighbourhood of five million bales. It is true that the cotton supply position is nevertheless not that comfortable to permit free trading in the commodity. The authorities have realised this and taken a series of steps to prevent speculators from boosting the price and cornering of stocks by mills that are more happily placed in regard to resources and managerial talent. With this safeguard, it should be possible to keep the prices of cotton well within the ceilings. Thus, the main factor that generated an upward movement in cloth and yarn prices is well under control. The more than informal, but broadly workable, price control evolved by the spokesmen of the industry seems to be functioning fairly satisfactorily and has put an end to hoarding by merchants. If the present dear money policy is kept up, and there is no reason why it should not be, revival of hoarding will become pretty difficult. With production being maintained at a high level, the availability of cloth bids fair to increase in the coming months. And, if the mills succeed in getting cotton at the ceiling prices, they should be able to sell their production even below the prices which are now being stamped. They can at least compete more effectively in the export markets, now that they will be paying for cotton about Rs. 150 per candy less than they did in the 1959-60 cotton season. The Government's objective should, therefore, be to create conditions of normalcy for the industry and trade, so that they can plan their production and marketing programmes in peace and in accordance with the requirements of consumers. Indeed, the aim should be to do away with even the present informal price controls. The time and resources that will have to be expended in working out fair prices and in enforcing them may be more profitably utilised for planning expansion of production and improving the industry's efficiency. There can be no two opinions that these are the only two ways in which both the domestic and export markets can be effectively served.

For these reasons, it was unnecessary for the Government to have referred the question of fair ex-mill prices to the Tariff Commission, which is already overworked and short-staffed. It is true that some of the industry's spokesmen themselves were in favour of this course as well as introduction of statutory price controls. They, however, voted in favour of this approach out of despair. They were tired of charges of profiteering repeatedly levelled against the industry and of the pressure from the Government for further and still further reduction in prices. They thought that, if the matter were referred to the Tariff Commission, they would get a better deal than the arbitrary manner in which the Ministry of Commerce and Industry was insisting on a cut in the mills' selling prices. They favoured statutory price controls as a protection against their being maligned by politicians and labour leaders and made scapegoats of the Government's omissions and commissions. They also thought that that was the only way to make the black sheep in their midst observe the fair prices. They were right in this, because gentlemen's agreements had not been a success in the past. The Government, too, preferred the Tariff Commission's chit of fair prices to protect itself against unfair criticisms in public and Parliament.

The Tariff Commission may provide a cover against public criticism for both the industry and the Government. But such a cover may conceivably go against the long-term interests of consumers. Since cloth is produced in thousands of varieties by units of varying standards of efficiency and equipment, as well as locational advantages and disadvantages, fixation of fair prices in a manner that will not retard the modernisation of the industry and its growth along lines suited to consumer preferences will be an extremely difficult, if not an impossible, task. To fix fair ex-factory prices for bulk commodities with fewer varieties and standard specifications such as steel, cement and sugar is one thing and to fix prices for thousands of varieties, almost each with varying specifications, is another. Even in the case of a commodity like paper which has fewer varieties than cloth, the Tariff Commission's recommendations were far from satisfactory and the consumers' interests have not been fully protected in terms of either quality or types of paper. Nor is the past experience of the Tariff Commission's price fixation of cloth and yarn happy from the point of view of investors and consumers alike. Public memory is proverbially short. There can be no full-fledged price control without a strict control over the varieties and sorts of cloth to be manufactured. The reimposition of such detailed controls will result in an era of stagnation, instead of vigorous growth, for the textile industry which can thrive only under fair competitive conditions. It is suggested by some that price controls on a consumer necessity like cloth will be essential for the success of the third Plan. This is true only on paper, for the price stability under a system of controls will be of a phony type.

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UNDER SECRETARY 1 NOV 1960 CHIEF SECRETARIAT

TRADE AND DEVELOPMENT AID

THERE is enough awareness in the West of the daily widening gap between the less-developed countries and the rest of the world. There is also equal awareness of the need to bridge this gap in two related ways. The first of these, to which the Vice-Chairman of the Contracting Parties to the G.A.T.T. referred in his closing address to the recent inaugural meeting of the 1960-61 Tariff Conference at Geneva, is to promote the exports of the lesser developed areas in the markets of the highly industrialised countries. This could be done by the advanced countries reducing the tariffs on those products which are of special interest to the poorer countries such as coffee, tea, cocoa beans, tobacco, oilseeds, certain manufactured products like textiles and light engineering goods. And the other way, to which the G.A.T.T. Annual Report on International Trade in 1959 has referred, is to help the non-industrial countries to raise their *per capita* income from the present (1960) estimated figure of 100-125 dollars to 160 dollars by 1969 and thereby bring about an annual *per capita* rate of economic growth of 3.2 per cent. during the nineteen-sixties, as against an average rate of 1.8 per cent. in the fifties. This could be done by stepping up foreign aid to these countries to the level of about £2,000 million (about Rs. 2,667 crores) a year for the next decade.

All this renewed awareness of the poverty of the non-industrial countries and of the need to assist them more effectively has stemmed from some disquieting trends in world trade in the last year. That the long-term tendency for the value of exports of non-industrial areas to industrial countries to rise less than world exports as a whole has probably come to a halt, in spite of a low level of prices for primary products, is not such a redeeming trend as it may seem, for it has been accompanied by a sudden drop (in relation to world trade) in the imports which the non-industrial areas received from the industrial countries. The trade deficit of the non-industrial areas, which had been of the order of $2,600 million (f.o.b.) in 1957 and 1958, practically vanished in 1959. This may be welcomed from the short-term financial point of view, but, as the G.A.T.T. report rightly emphasises, "it reflects, since it was brought about not only by larger exports but also by smaller imports, a decline in foreign supplies to the non-industrial areas, the continued flow of which is an indispensable condition for sustained improvements in the standard of living in the developing countries." In other words, the non-industrial countries have been compelled by balance of payments difficulties to reduce their developmental imports. Since this is a general trend, all developing countries, including India, have an interest in exporting to the industrial areas not only more primary products but also some industrial goods which they have begun manufacturing. It is in this context that the G.A.T.T. Executive Secretary's statement that "the older industrialised countries will have to surrender some sector of light manufactures to new industries in the developing countries, finding their compensation in concentrating on the more specialised and dynamic forms of industrial production on which their economic growth in any case depends," acquires a good deal of significance. It only needs to be added that, if such a fruitful and imaginative international division of labour can be brought about and international trade expands as a consequence, it will be in the interest of the richer countries themselves which, then, can reduce correspondingly the aid by way of loans and grants they are being called upon to give either on a bilateral or on a multilateral basis. In the ultimate analysis, the best form of development aid would be to enable the non-industrial countries to earn more surpluses on their trading accounts.

That, in broad outline, is the background against which two special studies forming part of the G.A.T.T. report for 1959 would need to be examined here. In the first study analysing trade between industrial and non-industrial areas during the period 1953-58 are given a number of findings, the chief of which are:

(1) The non-industrial areas exported to North America and Western Europe during the period on an average about 11 per cent. of the volume of their food production and about 40 per cent. of their production of agricultural raw materials and mining products which, respectively, accounted for almost one-tenth and one-fourth of the consumption in the industrial areas. North America and Western Europe exported 6 to 7 per cent. of their manufacturing production to the non-industrial areas, which covered about one-third of the consumption in the latter.

(2) The hypothesis set forth in earlier G.A.T.T. annual reports concerning a smaller increase in export proceeds of the semi-industrialised than of the purely primary-producing countries seems to be confirmed also for the period 1953-55.

(3) For the period as a whole, exports of manufactured goods to the non-industrial areas grew much faster both in value and in volume than the industrial areas' imports of primary products.

(4) The share of imports of manufactured goods from North America and Western Europe which non-industrial areas as a whole could finance from current income fell during 1953-58 from about 90 to 65 per cent. The increasing deficit was balanced by an increase in capital transfers of about $4,500 million, of which more than $2,500 million were official donations and official and private long-term capital made available by the industrial countries.

(5) The increasing share of exports of manufactured goods financed by capital transfers added during 1953-58 about $3,000 million at 1953 prices to the exports of the industrial areas. During the same period, the increase in export earnings of the primary-producing countries raised the volume of exports only by $1,000 million. Thus, the increase in capital transfers cushioned the repercussions of the relative decline in export earnings of the non-industrial areas on exports and production of the industrial areas, especially in Western Europe, where such transfers, though they came mostly from the United States, had a clearly positive effect on activity in manufacturing industries.

(6) Changes in the terms of trade gave North America and Western Europe an increase in real national income which can, for the period as a whole, be roughly estimated at about $2,800 million at 1953 prices. At the same time, however, the changes in terms of trade decreased the import capacity, and probably also the imports, of the non-industrial areas by about $1,700 million. Nevertheless, there was a net gain from improved terms of trade for the industrial areas of about $1,000 million.

While the above findings are mostly self-explanatory, some comment would still appear to be useful. The second finding that the export proceeds of the semi-industrialised countries have registered a smaller increase than those of other primary producing countries has a particular relevance to India. As this is a semi-industrialised country, it has the patent need to increase its export earnings by exporting some of its manufactured goods to the industrial countries from which it has to import capital goods and machinery for its further industrialisation. If it is possible for the industrial countries to trade more and more among themselves by dealing in manufactured goods, it should be possible for them to import from India too such goods to some extent. But the scope for this trade will be restricted, if Britain places a ceiling on imports of cotton goods and W. Germany restricts imports of sewing machines by subjecting them to a heavy import duty. The last three findings, taken together, show that the trade deficits of the non-industrial countries have been balanced by capital transfers from the industrial countries and that such capital transfers have financed the exports of manufactured goods from the industrial countries and thereby increased the level of their employment and industrial production, as well as of their real national income. Since these capital transfers have mostly come from the United States, it is clear that that country has contributed as much to the continued prosperity of the industrial countries as to the development of the non-industrial countries. Whether the United States will be able to make a greater contribution of this kind in the sixties in the absence of general disarmament and of greater collaboration from the other industrial countries is a moot question, President-elect Kennedy's abundant goodwill notwithstanding.

The second study contained in the G.A.T.T. report is related to the first, for it deals with the trade developments and economic progress of the non-industrial areas during the nineteen-fifties and the prospects for the future. The main findings of this study are:

(*a*) The most conspicuous trend in the trade development of the non-industrial countries over the past decade has been the continuous widening of the trade gap since the end of the Korean boom, a gap which had assumed an alarming magnitude by 1958. The growth in imports reflected the marked increase in the volume of investment and the expansion in secondary production. Besides substantial imports of capital goods and raw materials for industry, the low-income countries also imported large quantities of foodstuffs. Notwithstanding the substantial growth in domestic production of manufactured goods (by about 50 per cent., during the fifties), the total import expenditures on consumer goods were almost maintained.

(*b*) Despite the attainment of a high annual rate of growth in the nineteen-fifties—about 3.8 per cent.—in the national income of the less-developed countries, their average *per capita* income rose from $103 in 1950 to $119 in 1958, recording an annual growth rate of only 1.8 per cent. This was because of a 2 per cent. annual increase in their total population during the period.

(*c*) The persistent tendency for aggregate import expenditures to continue far in excess of such import capacity as is generated by actual exports, especially since the mid-fifties, constituted the most striking and, at the same time, the most disturbing feature of the trade developments of the non-industrial countries in the course of the last decade. Though the deteriorat on in the balance-of-trade position during the fifties was to a large extent cushioned by the supply of loans and aid and by drawings on foreign exchange reserves, the accumulation of foreign claims and the burden of servicing debts which the inflows of aid involve, are factors which may give rise to serious stresses and strains in the future course of trade and payments. While unprecedented massive amounts of investment aid, largely in the form of capital goods, would no doubt continue to be vitally needed to push forward the economic development of the non-industrial world, the problem of achieving a manageable trade balance in the nineteen-sixties would remain no less important.

These findings, again, are broadly as relevant to India as to other less-developed countries. Only one qualification is needed in so far as the applicability of a part of the first finding to this country is concerned. It is that, with the substantial growth in domestic industrial production in India, the total import expenditures on consumer goods have come to be progressively curtailed from year to year. Although India's position as a semi-industrialised country is thus somewhat different from that of other less-developed countries, its continued imports of food both on commercial and on P.L. 480 accounts suggest that its industrialisation is yet to grow to the point of having a massive dynamic impact on its agricultural production as in the United States and in Japan. The problem of achieving a manageable trade balance in the sixties in so far as India is concerned would have to be tackled in two major ways—one by greater exports of industrial goods to industrial as well as other non-industrial countries and the other by greater domestic production of foodgrains and agricultural raw materials. If the increases in imports of industrial raw materials essential for sustaining domestic production are paid for by such export earnings and by savings in the import bill for food, cotton, jute, etc., future development aid will have the more beneficial effect of pushing forward India's basic and heavy industrialisation which is still marking time.

The study's findings and conclusions in respect of capital transfers from the industrial countries in the nineteen-fifties and of capital needs of the non-industrial countries in the sixties are of great interest as much to India as to other less-developed areas. The aggregate total of the private capital flow (including re-invested profits), governmental assistance and multilateral economic aid to the low-income countries ran, according to the study, at an annual level of about $5,000 million during 1956-58, of which official grants alone accounted for about $1,500 million, originating mainly in the United States and directed to a limited number of countries. But long-term credits, carrying low interest rates, which could be repaid in local currencies were in extremely short supply during the nineteen-fifties. As for the sixties, the study forecasts greater availability of international financial assistance because the capital resources of the World Bank have been doubled, the I.M.F. quotas have been increased by 50 per cent., the International Development Association has commenced working, the Inter-American Development Bank is shortly beginning its operations, and virtually all the industrialised countries are now in a position to pool their energies to furthering the development of non-industrial countries. But this should also be accompanied by appropriate trade policies "directed to the sound use of economic resources," for trade and development aid are interrelated things. Since the estimated total import expenditures of the less-developed countries would rise progressively from $34-40,000 million in 1960 to $47-55,000 million in 1969 (at c.i.f. prices of 1960) and since external assistance to the tune of $12,500-$13,000 million a year, estimated on the basis of one set of assumptions, will not be available to finance all their additional import needs, they will have to place their reliance, in the last analysis, on an expansion of exports. It is here that the G.A.T.T. report has clinched the argument that "it would be unrealistic to envisage a continued economic growth for at least some developing countries—India at its present level of development is a classic example—without a growing volume of exports of their manufactured goods" such as cement, rayon and cotton textiles, diesel engines, bicycles, hardware items, and a wide range of light engineering products. Although there is nothing new in this idea—it has, in fact, been broadly accepted by the developed countries—it is yet to be implemented in actual practice. The G.A.T.T.'s support to it is, therefore, welcome.

MARKET GOSSIP

Special Deposits

SOON after we went to press last week, the Reserve Bank of India announced its decision to return to banks half of the special deposits collected by it from 11th March 1960 and also to suspend, for the time being, the additional reserve requirement in respect of increases in deposits that take place over the level as on 11th November 1960. This decision has been welcomed by banks in the spirit of something is better than nothing. They would have been happier if the whole of the impounded deposits had been released, as had been requested by them. The Reserve Bank, however, has chosen to go slow. The way in which the order has been issued by the Reserve Bank suggests that, in some cases, the banks may still have to keep special deposits in certain circumstances. Thus, if the level of deposits of a bank were to fall below the level that was obtaining on 11th March 1960 and rise again, 25 per cent. of that increase would have to be kept with the Reserve Bank. But, if the increase were to exceed the level as of 11th November, no additional deposit would be required. The point to be borne in mind, in this connection, is that the entire additional reserve requirement has not been suspended; it has only been modified.

Unlike the Bank of England, the Reserve Bank does not show separately the special deposits made by the banks. It is, therefore, difficult to indicate the exact amount of funds, representing the surplus, that has been released to banks in the light of aforesaid changes. But knowledgeable circles place this amount at between Rs. 16 crores and Rs. 18 crores. The effect of this development on the money market is perceptible. There are more lenders than borrowers among banks and the inter-bank call money rate has fallen from 4½ per cent. to 4 per cent. Selling of Government securities by banks has abated to a considerable extent. The share markets, too, are a little cheerful. But all this is only a change in sentiment. The amount now released will soon get absorbed in meeting the seasonal demand for bank credit. It is equal to only about 10 per cent. of the additional funds that will be required by banks between now and April next. The money market will, therefore, become tight again.

The banks had also suggested to the Reserve Bank to lift the ceiling of 2 per cent. on deposits up to and including 21 days. In other words, they wanted to revive the system of house money of seven days' notice, fetching as much as one to two months' deposits. The Reserve Bank has turned down this suggestion.

The banks are keen that the Reserve Bank should resume its support to the Gilt-edged market. So far, there has been no change in the earlier decision of the Reserve Bank to keep out of the market. The moment it decides to reverse this decision, it will be faced with large parcels of Government securities. With deposits with banks not growing by any worthwhile extent, how will the banks be able to meet the seasonal expansion in the demand for credit, except by lightening a part of their investment portfolio? They can, of course, borrow from the Reserve Bank, but they will have to pay interest at the stiff penal Bank rates. But, if the Reserve Bank were to relent and buy Government securities from banks at rates giving yields that are appreciably below the penal Bank rates, the object of dearer money policy would be neutralised to a considerable extent. Some of the banks, however, would be happy and contented, if the Reserve Bank were to give an assurance that it would not place a limit to the amount which the banks could borrow at the top penal rate of six per cent. In effect, this suggests that banks would be quite prepared to pass on to their clients the incidence of the increase in the cost of credit from the Reserve Bank.

Belapur Dividend

The shareholders of the Belapur Company, Ltd. have very encouraging news. For the year ended 30th September 1960, the Directors of the Company have recommended a dividend of Rs. 29 per share (of Rs. 50 each), subject to deduction of tax, which is equal to a net dividend of Rs. 20.70. This compares very favourably with a gross dividend of Rs. 21, or a net of Rs. 14.70, for 1958-59 and more than restores the cut made last year from the record dividend of Rs. 20 per share (including a bonus of Rs. 4 per share) for 1957-58. The profit figures have not yet been made available to the Press, but there is no doubt they must be a record; otherwise, the Directors of the Company, who have been known for their judicious appropriation policy, would not have recommended such a handsome dividend. Reliable reports indicate that the net profit has nearly doubled, as compared with that for 1958-59, and is the highest on record. It may be noted that, to pay the proposed dividend alone, the Company will require a little over Rs. 40 lakhs. In addition, the Directors must have tucked in a substantial amount to the reserves.

Stanvac

At long last, Stanvac has surrendered, with effect from the 15th inst., the duty protection on all products covered by the refinery agreement with the Government of India. The Company had, of course, given up the duty protection on petrol three years ago, but hung on to that on all other products, though its rival, Burmah-Shell, which started refinery operations later than Stanvac, had completely given it up some 16 months ago. Belated as it is, Stanvac's action is a welcome development and strengthens the case of foreign capital for expanding their investment in oil operations and marketing, which is both desirable and necessary. It is to be hoped that Caltex, too, will fall in line before long.

W. German Bank Rate

The cut in West German Bank rate by one per cent. from five to four per cent., on Thursday the 10th inst., was no surprise, as it was generally expected. In fact, it came much later than was due. The only doubt was about the extent of the cut, which, being as much as by full one per cent., was the largest reduction at one stroke since 1951. Announcing the cut, the Bundesbank said that it was done exclusively for balance of payments reasons. It also made a reference to the Federal Government's plan to aid underdeveloped countries and welcomed it "as calculated to reduce the internal circulation of money and, at the same time, to reduce surpluses in the balance of foreign payments."

Will the cut in the discount rate by one per cent. bring down the interest rates in W. Germany to parity with those in countries such as the U.K. and the U.S. and thereby stop the inflow of "hot" money into West Germany, which, together with that country's large trade surplus, has considerably dislocated the world payments pattern? Financial experts in London think that it will not. The reduction will no doubt, they concede, go some way to bridge the gap that exists between interest rates in West Germany and other countries, but it will not go far enough. As the boom in West German economy is continuing, quantitative restrictions on credit have not been relaxed. Consequently, though the reduction in discount rate has made money cheaper, it has not made it easier. The likelihood of a decline in German borrowings abroad or of German banks placing short-term funds abroad, especially in London, is, therefore, considered dim. Even after the reduction, the attraction of interest rates in London to W. German banks is negligible. It is true that the Bank rate in Britain is 1½ per cent. higher than the reduced Bank rate in W. Germany. But money is still dear in Germany. The overdraft rates ranged from 8 to 11 per cent. before the reduction in the discount rate, being the highest in the world. They are so even after making allowance for the cut by one per cent. Unless, therefore, German interest rates come down to a level which makes investment of short-term funds in foreign countries attractive, the flow of foreign funds into Germany is likely to continue. Bonn and London financial circles, therefore, think that the chances of a further cut in the German Bank rate cannot be ruled out entirely.

Plans for Pumping Out Marks

If the disparity in interest rates between Britain and W. Germany is still wide enough to attract short-term funds to Germany, it is much more so when compared with interest rates in the U.S., which are appreciably below those in the U.K. Indeed, the gap is so large that it is a moot point whether the problem can be solved merely through an adjustment in interest rates. The fear of giving encouragement to inflation is so strong in Germany that the authorities there are very reluctant to practise cheap money policy. It will be recalled that, in order to discourage flow of hot money, the German authorities directed the commercial banks (in August last) not to pay any interest on foreign-owned deposits and not to sell money market paper to non-residents. Besides, the German Central Bank announced its willingness to enter into dollar swap transactions with German banks under which it will buy forward dollars at a 1½ per cent. premium for periods upto six months. In effect, this was a subsidy to German banks to keep funds abroad. Despite all these measures, the flow of foreign money into Germany has continued, apparently because funds could still be more profitably invested in Germany than elsewhere and also because the D. mark is a stronger currency than any other.

Stopping the inflow of hot money is only a part of the problem. Some way or other must be devised to reduce the present rate of heavy balance of payment surplus of Germany, currently running at the annual rate of $2,000 million. It is this consideration that invests the plans for providing economic aid to underdeveloped countries that are now being drawn up by the Federal Government with more than usual interest. While enabling these countries to develop rapidly, enlarged aid will also help Germany to reduce its balance of payments surplus to a level at which it will not put other countries' currencies under undue strain. Giving an account of the various proposals for aid to underdeveloped countries and their position, the Bonn correspondent of the London *Economist* observes:

"There has been no dearth of ideas for dealing with the situation; but neither—unhappily for progress—has there been of conflicting assessments of what the situation is. Proposals have been aired, drafted, amended and sometimes withdrawn—such as that for a "compulsory" loan by industry to help the underdeveloped countries. Nobody knows for certain whether a general tax is to be levied for the same purpose, or whether building licences are to be introduced and industry required to pay certain taxes in advance as part of the attempt to save the economy from the dangers of overstrain. The proposals which, at the time of writing seem to be nearest fulfilment, include a Government loan to finance aid to the developing countries, to which industry, banks and insurance companies would subscribe DM 1,500 million (about £127.5 million) and the various federal states, which have financial surpluses, at least DM 500 million (£42.5 million). Further contributions are to come from the sale of Volkswagen shares between January and March (another DM 500 million), from counterpart funds (DM 200 million) and from optimistically anticipated cuts in Government spending (about DM200 million). The loan would be allocated by bilateral agreements. Germany's contribution to collective aid, chiefly through the United Nations' technical assistance programme, is to be raised by $2 million in 1961 to a total of $5.3 million (DM 22.23 million)—an increase of 56 per cent. over this year's contribution."

West Germany's friends in the Western bloc, however, continue to complain that it has been lagging behind them in helping underdeveloped countries. It is pointed out that, while the U.S., France and the U.K. spent $12 billion, $4 billion and $1 billion, respectively, for aid to underdeveloped countries during the last five years, West Germany spent barely a quarter of a billion dollars for the purpose. The *Economist*, for instance, points out that "the test will be not plans and projects but how many marks are pumped out." The U.S. now is very particular, especially in view of the recent strain on the dollar, that West Germany should shoulder a fair share of the burden. It is, perhaps, to drive home this point to West German authorities and for speeding up the aid plan that Mr. Robert Anderson, the U.S. Secretary of Treasury, and Mr. Douglas Dillon, Under-Secretary of State, are now on their way to Bonn. The most important subject of their discussion with Bonn will, of course, be an increase in Germany's share in the cost of defending Europe against Communism.

I.D.A.

Tuesday the 8th inst. was one more memorable day in the exciting career of the World Bank, in that it marked the official commencement of operations by its affiliate, the International Development Association—the I.D.A., for short—for financing economic growth of countries in the less developed regions. At the inaugural meeting held on that day, the Executive Directors of the I.D.A. sanctioned an administrative budget, approved of bylaws and seal, and authorised the I.D.A. to engage in certain financial transactions necessary for its working. Twenty-two countries, including India, have so far accepted membership of the I.D.A., with subscriptions aggregating $726.72 million payable in annual instalments over five years, the first instalment being payable within 30 days after the date of the inaugural meeting, that is, before 8th of next month. The other countries in Asia, Africa, Europe, and Latin America have completed various stages of the membership procedure. If all the 68 members of the World Bank join the I.D.A., its total initial subscriptions will amount to $1,000 million, of which over three-quarters—$787 million, to be precise—will be available on a fully convertible basis.

The functions assigned to the I.D.A. and the manner in which they will be discharged are fairly well known by now. These aspects have been extensively dealt with in an earlier issue (*vide* page 194 of *Commerce* dated 6th February 1960), so that it is unnecessary to go into them again. A brief reference to the broad functions may, however, be made here. The I.D.A. will provide financial assistance to the less developed areas of the world included within its membership on terms which bear less heavily on the balance of payments of these countries than conventional loans. A considerable degree of flexibility is permitted by the I.D.A. Articles both in terms of lending and in the purposes for which loans may be made. I.D.A. loans may carry lenient terms of repayment (for example, loans may be repayable in foreign exchange with long maturities or long periods of grace, or both, or repayable wholly or partly in local currency) or the loans may be made free of interest or at a low rate of interest, or they may incorporate some combination of these terms. It may finance a wider range of projects than the Bank, including projects which are not revenue-producing or directly productive; the only stipulation of the Articles is that projects shall be of "high developmental priority." Since both agencies will have the same management, the I.D.A. will apply the same high standards as the Bank with respect to the planning, administration and financing of the projects it assists.

The I.D.A. owes its origin to an idea first mooted more than two years ago by Senator Monroney of the U.S. and which received public support from President Eisenhower in August 1958. The capital resources of the I.D.A. being limited (just $1,000 million) and considering that the foreign aid requirements of the underdeveloped countries—there are said to be as many as 48 such countries—are very vast, estimated at about $5,600 million (Rs. 2,667 crores) a year over the next decade, the assistance which the I.D.A. can render cannot but be of a modest nature. Even so, it will doubtless be able to make a distinct contribution to the development of the economically backward nations. The success of the I.D.A. will, of course, be judged by the extent to which it will venture further than the World Bank is able to go in countries that have only a limited capacity to service conventional foreign debt and support development undertakings that hold out promise. Having as it does an influential Board of Executive Directors, presided over by that dynamic personality, Mr. Eugene R. Black, President of the World Bank, the I.D.A. can be expected to play a vigorous role in furthering the development objectives and supplementing the activities of the World Bank. Surely, the hope expressed by Mr. W. A. B. Iliff, the Bank's Vice-President, at the last annual meeting of the Bank, that, "through I.D.A., we shall be able to reach peoples hitherto unaccessible to the Bank and to give them the prospect of better, healthier and more productive lives," is not an extravagant one.

SHARE MARKET CHEERFUL

TEXTILES, HOWEVER, RECEDE

(From Our Own Correspondents)

BOMBAY, *17th November*

WITH the exception of textiles and a few scrips in other sections which ruled easy, the share market put on a cheerful appearance during the week under review, especially after the new account on Monday the 14th inst. The chief factor that inspired the buying sentiment was the relaxation in credit restrictions announced by the Reserve Bank on Friday. Operators thought that this step would greatly help the industrial and business firms to meet their credit requirements from the organised banking sector during the busy season. Simultaneously with the Reserve Bank's notification, the Government of India announced a further increase in the retention prices for steel by Rs. 4.85 per ton. The increase was considered sufficient to cover the specified cost increases under the escalator clause, though some operators preferred to await the final decision of the Government on the Company's plea for a rise in prices to compensate for the cost increases not covered by the escalator clause and for the fixation of prices for a further period commencing from 1st April 1960. The normal carry-forward charges at the last settlement, the publication of an encouraging Directors' report and statement of accounts of the Indian Iron and Steel Company, higher dividend announcement by the Belapur Company, and rumours of the official sanction for expansion of T.E.L.CO. also imparted strength, Textiles, however, encountered some selling, thanks to the threat of clamping down of controls and rationing held out by Mr. Lal Bahadur Shastri in Parliament on Monday.

Tata Steels began the week at Rs. 143.50, as against the previous close of Rs. 143, and advanced to Rs. 145 on Monday. After declining to Rs. 143 on the following day, they recovered to Rs. 144 today before finishing at Rs. 143.75. Indian Irons rose from Rs. 23.12 to Rs. 24.04, but closed a shade quiet at Rs. 24. The net gain over the week was 88 nP. Mukand Irons hardened from Rs. 23.60 to Rs. 23.76 in the later sessions. After easing to Rs. 23.24, they recovered to Rs. 23.48 today.

In the textile section, Kohinoors dropped Rs. 7.50 to Rs. 276. Finlays fell by Rs. 6 to Rs. 335. Svadeshis softened by Rs. 3.50 to Rs. 231.50. Shreenivas suffered a loss of Rs. 3, today's closing rate being Rs. 228. Indores declined by Rs. 2 to Rs. 120. New Greats shed Re. 1.50 to Rs. 190. Simplex and Standards eased by a rupee each to Rs. 162 and Rs. 1,174, respectively. Bombay Dyeings moved down from Rs. 64.20 to Rs. 63.10 today before finishing at Rs. 63.30, or a net loss of 90 nP. Tatas eased by 50 nP to Rs. 40.50. Elphinstones, however, met with special support and picked up Rs. 6 to Rs. 61. Central Indias hardened by Re. 1.50 to Rs. 107.50, Khataus by Re. 1.25 to Rs. 451.25 and Podars by Re. 1 to Rs. 136. Centurys gathered 50 nP to Rs. 472.50.

Bank shares were well fancied. Bank of Indias rallied from Rs. 102.25 to Rs. 106, 'A' shares rising by Rs. 2.50 to Rs. 107.50. Central Banks picked up 50 nP to Rs. 55.50, with 'A' shares quoted at Rs. 60.50, as against Rs. 59.50. Barodas gained 50 nP to Rs. 81.80. Punjab Nationals put on 24 nP to Rs. 19.24. Unions were fully maintained at Rs. 5.96, as also United Commercials at Rs. 85.

Sugars were firm. Belapurs provided the brightest feature, the quotation forging ahead from Rs. 383 to Rs. 402; at one time today, they were higher still at Rs. 410. The rise reflected the operators' satisfaction over the higher gross dividend of Rs. 29 recommended for the year 1959-60, as against Rs. 21 distributed in the previous year. Phaltans spurted by Rs. 5 to Rs. 184.50. Walchands improved by 50 nP to Rs. 297.50. But Changdeos were a shade easy at Rs. 33, as against Rs. 33.25.

Among cements, Associated Cements advanced by Rs. 2.25 to Rs. 147.25 and Orissas put on 12 nP to Rs. 15.24, while Digvijays shed 25 nP to Rs. 159.75.

Good buying enquiries were visible in the engineering section. The rumours of official sanction for expansion of production capacity pushed up Tata Locomotives from Rs. 292 to Rs. 308 today. At this level, some profit-taking set in and the rate declined to Rs. 307. Premier Constructions advanced by Rs. 4 to Rs. 311.50. Voltas strengthened by Rs. 3.50 to Rs. 263 on hopes of encouraging working results. Larsen and Toubros increased by a rupee to Rs. 38. Mahindras gathered 44 nP to Rs. 21.52. Ferro-Alloys moved up by Rs. 3 to Rs. 198. Alcocks, however, encountered some selling and eased by a rupee to Rs. 255. Among minings, Shivrajpurs improved by Re. 1 to Rs. 68 and Indian Coppers by 8 nP to Rs. 4.48.

Automobile and shipping shares attracted support. Premier Autos were bid Rs. 2.25 higher at Rs. 175.50 on reports of expansion plans. Hindustan Motors hardened by 80 nP to Rs. 20.24. Among shippings, Scindias rose by 80 nP to Rs. 14.48. Great Easterns scored a gain of 36 nP to Rs. 15.84. The working results of the Company for the year ended June 1960 are satisfactory, notwithstanding the depression in shipping trade. The Directors have recommended a dividend of Re. 1 on fully paid-up ordinary shares and 50 nP on partly paid shares.

In the electricity section, Andhra Valleys were well favoured and rose by Rs. 15 to Rs. 1,022.50. Tata Powers were fully maintained at the last week's level of Rs. 1,037.50. Ahmedabads and Bombay Suburbans, however, declined by 30 nP each to Rs. 88.50 and Rs. 85.50, respectively. Tata Hydros eased by 25 nP to Rs. 103.25.

Among miscellaneous industrials, Bombay Burmahs registered a rise of Rs. 9.50 to Rs. 593, following the announcement by the Company that the tea crop during the five months ended 31st October 1960 was higher at 2,646,892 lbs. (made tea), as against 2,191,298 lbs. in the corresponding period last year. T. Maneklals firmed up by Rs. 17.50 to Rs. 617.50. National Rayons strengthened by Rs. 6 to Rs. 523. Asian Cables advanced by Rs. 6.50 to Rs. 98. Anil Hardboards and W. H. Bradys rose by Rs. 2.50 each, the former to Rs. 345 and the latter to Rs. 360. Colour-Chems rose from Rs. 337.50 to Rs. 340 on satisfactory results during the first year of its working. Wimcos gathered a rupee to Rs. 272. Tata Chemicals picked up Re. 1.04 to Rs. 17.40 *ex-div.*, following the Chairman's statement at the annual meeting that the output in the current year would be higher than in 1959-60. Tata Oils gained 50 nP to Rs. 74. Indian Dyestuffs, however, came for selling and receded by Rs. 10 to Rs. 520. Ceat Tyres were neglected at Rs. 235, as against Rs. 230 last week-end. Poly Chems declined by Rs. 3.75 to Rs. 243.75. Premier Tyres shed Re. 1 to Rs. 80, Killicks 75 nP to Rs. 102.50 and Phillips Carbons 24 nP to Rs. 17.52.

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Madras Stock Exchange

MADRAS, *16th November*

Equities on the Stock Exchange continued to be well maintained during the week under review, thanks mainly to the Reserve Bank's announcement releasing a part of the immobilised funds of Scheduled banks and suspending the scheme for impounding of deposits. Sugars were active due to investment support. Teas moved up on encouraging advices from auction centres. Rubbers were steady. Coffees, however, were subdued on reports of comfortable world supply position and the consequent unencouraging prospects of higher prices for domestic coffee. Moderately strong conditions prevailed in the textile section despite the warning given by Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, that the Government was considering the question of introducing controls and rationing of textiles. Miscellaneous scrips, particularly chemicals and cements, ruled firm.

In the sugar section, Cauverys picked up a rupee to Rs. 143.50. East India Distilleries rose by 25 nP to Rs. 44.50. Deccans improved from Rs. 15.60 to Rs. 15.70, but closed lower at Rs. 15.65. United Breweries changed hands at Rs. 114.50, Indias at Rs. 12.40 and Mysores at Rs. 60.50.

Among teas, Haileyburias strengthened by 25 nP to Rs. 14.75. Swintons gathered 20 nP to Rs. 3.10 *cum-div.*, following the announcement of 12.50 per cent., taxable, (equivalent to 8.75 per cent. tax-free) for the year ended March 1960, as against only 7.50 per cent. tax-free for the previous year. United Nilgiris gained 13 nP to Rs. 21.75. Devasholas hardened by a like amount to Rs. 30. Kil Kotagiris put on 5 nP to Rs. 5.65. Neelamalais were higher by a naya paisa at Rs. 4.88. Periakaramalais initially improved from Rs. 3.53 to Rs. 3.54, but closed today at the last week's level. Waterfalls were maintained at Rs. 4.90, Peermades at Rs. 22.80 and Nonsuchs at Rs. 27.25. Talavars were unchanged at Rs. 1.78 *cum-div.* The Directors of the Company have announced a dividend of 8 per cent., taxable, (equivalent to 5.6 per cent. tax-free) for the year ended March 1960, as compared with 5 per cent. tax-free for the previous year. Parksides were fancied at Rs. 29.75 *cum-div.* The Company has declared a final dividend of 20 per cent., taxable, making a total of 27½ per cent., taxable (equivalent to 19.25 per cent. tax-free), for the year ended June 1960, as against 27½ per cent. tax-free for the previous year. Blue Mountains, however, lost 10 nP to Rs. 5.05.

In the rubber section T.R. and T. strengthened by 60 nP to Rs. 9.20 in anticipation of a better dividend. Midlands put on 15 nP to Rs. 12.50. Cochin Malabars closed steady at Rs. 7.33, after touching Rs. 7.35 earlier in the week. Kailas were firm at Rs. 5.15 and Vaikundams at Rs. 30.40. But Malankaras shed 5 nP to Rs. 17.70.

As already stated, coffees were easy. Coffee Lands suffered a loss of 75 nP to Rs. 23.75. Consolidated Coffees declined by 35 nP to Rs. 24.15. Rajendras were lower by 10 nP at Rs. 14.25. Ouchterlony Valleys and Balanoors were unaltered at Rs. 5 and Rs. 16.70, respectively. Cowcoodys, however, gathered a naya paisa to Rs. 5.18.

A notable feature of trading in the textile section was the spurt in the quotation of Laxmis from Rs. 150 to Rs. 156.50. Dhanalaxmis advanced by Rs. 2 to Rs. 225. Travancore Rayons were quoted higher by a rupee at Rs. 35.50. Janardanas, too, gained a like amount to Rs. 58. Maduras rose by 70 nP to Rs. 34.70. Buckinghams were fully steady at Rs. 198, so also Bangalore Woollens at Rs. 196, Kannanoors at Rs. 155, Premiers at Rs. 225, Coimbatore Pioneers at Rs. 347 and Radhakrishnas at Rs. 29. South Indias, however, came in for selling and declined by Rs. 2 to Rs. 167. Metturs fell by Re. 1.50 to Rs. 370. Coimbatore Spinnings lost 50 nP to Rs. 44.

In the miscellaneous section, Mysore Fertilisers advanced by 65 nP to Rs. 11.55. Mettur Chemicals were higher by 40 nP at Rs. 13.20. F.A.C.Ts closed at Rs. 10.50, as against Rs. 10.51. Mysore Chemicals and Travancore Chemicals were firm, the former at Rs. 27.50 and the latter at Rs. 60. Among cements, Orissas were marked up by 55 nP to Rs. 14.80. Andhras scored a gain of 20 nP to Rs. 10. Indias put on 8 nP to Rs. 7.20. Dalmias, however, shed one naya paisa to Rs. 11.25. Among others, Western India Plywoods rallied from Rs. 228.50 to Rs. 236.50. Ashok Leylands gathered 7 nP to Rs. 8.80 and Aluminium Industries 5 nP to Rs. 23.05. Tube Investments, however, gave way from Rs. 317 to Rs. 305.

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Calcutta Stock Exchange

CALCUTTA, *16th November*

Absence of adequate floating funds, consequent on the mopping up of surplus investible money by the spate of new issues, explained the cautious mood of operators and the intermittent tendency for prices to sag on the Stock Exchange during the week under review. Fair conditions for a smart recovery had, however, set in, following a number of developments. First, it was easy to see that India stood to gain more from the United States with a Democratic Party President, and the President-elect had already declared his intention to accord greater help to India. Secondly, the Reserve Bank's announcement of relaxation of the recent credit curb measures with a view to enabling banks to meet the demand for funds in this busy season should have ordinarily been hailed by an increase in commitments on the Exchange, but the announcement had been anticipated for some time now. Thirdly, the long-awaited increase in steel retention prices, announced this week, did not cause a buoyancy, although this and the excellent working results of the Indian Iron and Steel Company Ltd. for the year ended March 1960 were received by the market with jubilation. It was realised that the increase of Rs. 4.85 a ton in the retention price was a fair compensation for increased working costs and that this would not increase the profitability to shareholders. Retention price for the period beginning on 1st April 1960 would be awaited with greater interest. Earlier in the week, the support accorded by the L.I.C. to several miscellaneous scrips contributed to gains and, in fact, sellers of industrials were difficult to be located. Excepting for a few features here and there on selected buying, jutes were listless, as, though the uptrend in fibre prices had been arrested as a result of the recent measures taken by the Forward Markets Commission, prices of fibre and goods were reported maintained at high levels and export inquiries in goods were insignificant.

Notice

THE MIDLAND RUBBER AND PRODUCE COMPANY LIMITED

ALLEPPEY

(Incorporated in Travancore, Kerala)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23rd Annual General Meeting of the Company will be held at the Registered Office in Beach Road, Alleppey, at 10 a.m., on Monday, the 28th November 1960, to transact the business as set out in the Notice sent to the members of the Company, individually.

The Directors have recommended a dividend of 12.5 per cent. on the Equity Shares for 1959-60, subject to deduction of tax under Section 18(3) (D) of the Income-tax Act, and the same, if approved by the General Body, will be paid to those Equity Shareholders whose names stand registered in the books of the Company on the 28th November 1960.

The Directors have also declared the 6 per cent. dividend on Preference Shares for 1959-60, subject to deduction of tax under Section 18(3) (D), and this will be paid to those Preference Shareholders who are on the Registers of the Company as on 28th November 1960.

The Share Transfer Books and Registers of Members of the Company will remain closed from 21st to 28th November 1960 (both days inclusive) during which period no transfer of shares will be registered.

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

By Order of the Board,
A. V. THOMAS & CO., LTD.,
Managing Agents.

ALLEPPEY,
31st October, 1960.

NEWS IN BRIEF

A NEW mechanised coal berth and the remodelled south quay No. 2 in Madras harbour were declared open last week by Dr. P. Subbaroyan, Union Minister for Transport and Communications.

The final decision on the question of declaring Kandla port as a free trade zone will be taken by the Central Government soon, according to Mr. Raj Bahadur, Minister of State in the Union Ministry of Transport and Communications.

The next round of talks between the Finance Ministers of India and Pakistan on the outstanding financial issues are due to be held at New Delhi from the 23rd to 25th inst. The talks will be preceded by a meeting at official level on the 22nd inst.

The Industrial Committee on Plantations, which met at Calcutta last week, has agreed to have separate Wage Boards for tea, coffee and rubber, with two representatives from among employers and employees for each crop for each Board, instead of a Tribunal.

A five-member delegation, led by Mr. Karnail Singh, Chairman of the Railway Board, has left for Rawalpindi to discuss with the Pakistan railway officials the proposal for setting up a railway link between the eastern and western wings of Pakistan through Indian territory.

The 90,000-kw. first unit of Bhakra Dam's left-bank power house, claimed to be the biggest hydro-electric plant in Asia, was put into commission on the 14th inst. The generating unit, established in the seven-storeyed box-type earthquake-proof building, will be the first of the five units with same capacity to be installed.

The Railway Board is placing orders with foreign countries for the import of 96,000 tons of steel. The average price of imported steel is Rs. 675 c. & f. per long ton. The countries with which orders are being placed are: Japan, Holland, the U.K., West Germany, Spain, the U.S., France, Belgium, Norway, Sweden and Italy.

A teleprinter factory will be established at Guindy in Madras with the technical collaboration of Olivetti, an Italian firm. It will attain the full production capacity of 1,000 teleprinter machines, 100 printing perforators, 100 autotape transmitters and 200 reperforating attachments by 1963-64.

The International Co-operative Alliance will shortly open at New Delhi an educational centre to serve the needs of co-operative institutions in the South and South-East Asian region. The proposed centre will have a practical, rather than academic, bias. The Centre will organise courses, seminars and conferences on subjects of interest to co-operative movement in the region.

The United Arab Republic is reported to have offered to sell a further quantity of rice to India. A representative of *Misr*, Egyptian foreign trade agency, is expected to visit India for discussions with the Central Government on the matter. It may be recalled that, earlier this year, India secured 100,000 tons of rice in exchange for tea, jute, textiles and engineering goods.

Five Parliamentary committees have been constituted to consider the different aspects of the draft third Plan. The subjects to be dealt with by the committees are policy, resources and allocations (Chairman: Mr. K. Santhanam), industry, power and transport (Mr. Jairamdas Daulatram), agriculture and rural economics (Mr. Ram Subhag Singh), social services (Mr. Mahavir Tyagi) and technical manpower and scientific research (Mr. T. S. Avinashalingam Chettiar).

An amendment to the Employees' Provident Fund Act, 1952 (at present applicable to establishments employing 50 or more persons) which seeks to widen the scope of the Act to cover establishments employing 20 or more persons, was passed by the Lok Sabha on the 14th inst. Another amendment, passed by the House, makes retaining allowance paid in seasonal establishments, like sugar factories liable for provident fund contributions. These amendments are not applicable to registered co-operative societies employing less than 50 persons and working without the aid of power. Small-scale and cottage industries employing between 20 and 50 persons have been granted exemption for a period of five years.

Production of iron ore during September 1960 was 835,000 metric tons. This brings the total output during January-September 1960 to 7.97 million tons which was higher by 39 per cent., as compared with the 5.72 million tons produced in the corresponding period of 1959. Orissa was the chief producing State during September, with an output of 269,000 tons, followed by Bihar with 226,000 tons. Madhya Pradesh and Mysore recorded an output of 153,000 tons and 146,000 tons, respectively, while the output in Maharashtra was 23,000 tons. During the month, despatches of iron ore for consumption in the iron and steel plants aggregated 528,000 tons, while despatches for export were 121,000 tons.

It is learned that the Government of India has sought Japanese collaboration for setting up a plant to manufacture "people's car" in India. If the present plans materialise, Japan will invest about 2,500 million yen in the plant. The new plant is expected to produce a model of a Japanese car, probably the "Datsun Blubird", manufactured by the Nissan Motor Company. Most of the parts for assembly in the initial stage will be imported, except for pressed and cast parts. All parts of the model are expected to be produced locally within about two and a half years. Under the plan, the initial production rate will be a few thousand cars annually. This will be expanded subsequently to 20,000 or 30,000 cars a year.

On the recommendation of the Reserve Bank of India, the Central Government has granted a moratorium to the New Citizen Bank of India, Bombay, for a period of three months from 15th inst. to 14th February 1961, under the provisions of Section 45 of the Banking Companies Act, as recently amended. The grant of this moratorium, it is explained, does not indicate any sudden or recent change in the position of this or any other bank operating in the Bombay area. The question of reconstructing the New Citizen Bank of India and amalgamating it with some other major bank has been under the active consideration of the Reserve Bank and the moratorium has been declared in the general interests of the depositors of the Bank and with a view to facilitating the contemplated reconstruction and amalgamation.

The Government of India is still examining the crop insurance scheme submitted by the Punjab Government. The scheme, which is expected to cost over Rs. 1.16 crores, covers two major food crops (wheat and gram) and two important cash crops (cotton and sugarcane). It will be spread over three years starting with six centres of the size of Community Development Block in six selected districts. At the end of the three years, the progress of the scheme will be reviewed and, if found satisfactory, will be extended to other crops and other districts. In the areas of operation, insurance of crops will be made compulsory to ensure full participation and the premium is to be recovered with land revenue. The scheme will cover all risks, including losses due to floods, hail, drought, locusts, pests, etc., and calamities beyond the control of cultivators.

The programme to expand penicillin production at the Pimpri Antibiotics Factory by 60 per cent., that is, from 25 to 40 million mega units annually, has been completed. This was disclosed by Mr. Manubhai Shah, Union Minister for Industries, in the Lok Sabha this week. In regard to the manufacture of streptomycin and dihydrostreptomycin, civil works in respect of the factory building are in progress. Almost all the equipment has been ordered by the Company. An engineer from the U.S. is on site to supervise the work of installation. According to the present schedule, the new plant is likely to commence production by the end of 1961. The pilot plant for tetracyclines, with a capacity of 1.5 tons annually, is also under construction. Besides, a detailed project report for the production of 50 tons of vitamin 'C' at the Pimpri factory is being prepared in consultation with the National Chemical Laboratory.

The U.S. Ford Foundation has announced grants amounting to $169,640 for advisory and training services by the U.S. universities in fields ranging from teacher education to administration of economic development in India. Of this, a sum of $64,640 will be given for research on problems of worker-management relationship in India in the context of industrial development. Five Indian institutions will share this amount. They are the Indian Institute of Technology ($36,230), Lucknow University ($1,830), Patna University ($6,220), Tata Institute of Social Sciences ($5,200) and the Xavier Labour Relations Institute ($15,160). The remaining part of the grant, that is, $105,000, will go to consultants in India in the field of extension training, management association programmes, rural community development, teacher-education and urban community development. The Foundation has also announced grants aggregating $1,311,000 for Pakistan. Two of the grants of $531,000 and $370,000 will be used to help advance the reconstruction of Pakistan's educational system. The third grant of $410,000 will be used to continue advisory training and research assistants from Michigan State University to two academies of village development in Pakistan.

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From Abroad

The West German bank rate has been cut from 5 to 4 per cent., with effect from the 11th inst. On 3rd June last, the rate had been raised from 4 to 5 per cent.

Hourly industrial wages in West Germany in the third quarter of 1960 were about 12 to 14 per cent. higher than those a year ago. This growth rate is one of the largest in the post-war economic history of this country.

West Germany has imposed a fresh duty on imports of light engineering goods, such as sewing machines. As this will affect exports of Indian-made sewing machines, India is taking steps to lodge a strong protest against this impost.

The Pressed Steel Company in the U.K., which supplies the maiority of car manufacturers there with bodies, have announced retrenchment of workers, following cutback to production of cars in most of the automobile plants. About 1,100 workers of the Swindon plant of Pressed Steel will be relieved of duties shortly. Those remaining will have to work on short time.

A new international scheme for the development of agriculture in Africa on the lines of the Colombo Plan was suggested by Dr. B. R. Sen, Director-General of the U.N. Food and Agriculture Organisation, in his speech at the first regional F.A.O. meeting at Lagos, Nigeria, last week. Dr. Sen pointed out that the new plan should be less loose and more multilateral in character than the Colombo Plan.

PERSONAL

DR. S. Radhakrishnan, Vice-President of India, left for Paris to attend the U.N.E.S.C.O. conference, which commenced there on Monday this week.

Mr. G. D. Somani, M.P., and a well-known industrialist, returned to Bombay after a tour of the U.S., the U.K. and the Continent early this week.

Mrs. Tarakeshwari Sinha, Union Deputy Minister for Finance, left for Tokyo last week-end to attend the annual general meeting of the Colombo Plan Consultative Committee, as the leader of the Indian delegation.

Mr. P. C. Neogy, formerly Director-General, Research, Design and Standardisation Organisation, Union Ministry of Railways, has taken over charge as the General Manager of the Durgapur Steel Project from Mr. K. Sen, I.C.S.

Mr. Panampalli Govinda Menon, a former Chief Minister of Travancore-Cochin State and Mr. Mathur, an economist from Rajasthan, have been appointed members of the third Finance Commission. Mr. G. L. Mehta and Mr. G. R. Kamat have already been named Chairman and Member-Secretary, respectively.

Mr. A. R. V. Iyer, an expert in hides and skins business, and Manager of the Skins and Hides Department of Messrs. Gordon, Woodroffe and Co., (Private) Ltd., Madras, has retired after 25 years of service. Mr. Iyer has been writing the weekly report of the Madras hides and skins market for *Commerce* for several years now.

Mr. Govind R. Hada, Chief Officer of the Hindusthan Gas Company, Ltd., Calcutta, one of the Birla group enterprises, has flown to Czechoslovakia for exploring new business possibilities. He will also visit most of the other European countries to secure technical collaboration and know-how for establishing some new industries.

Mr. C. W. Hamilton, Managing Director of McCalls Macalloy Ltd., Sheffield, England and President of the Prestressed Concrete Development Group of the U.K., has arrived in India, after visiting the Company's plants in the U.S. and Australia. On behalf of his Company, Mr. Hamilton will finalise an agreement with I.R.C. Weldmesh (Private) Ltd., Calcutta, for the production of Macalloy steel in India under sole licence.

Mr. Cameron Cobbold, Governor of the Bank of England for the past eleven years, has submitted his resignation, due solely to his conviction that, "in present-day conditions, it is a mistake for any one individual to remain too long at the head of the Bank." His resignation has been accepted by the British Government and the Earl of Cromer, at present head of the United Kingdom Treasury Delegation in Washington and also Economic Minister in the British Embassy there, has been chosen as his successor. Lord Cromer has been appointed for a period of five years from 1st July 1961, as Mr. Cobbold's resignation takes effect only on 30th June 1961.

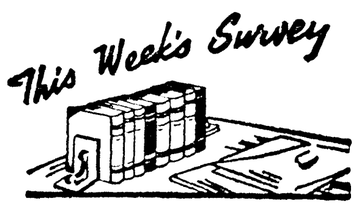
The gross national product of West Germany will go up by 7.5-8 per cent. at constant (1954) prices, as against 6.4 per cent. in 1959 and 3.2 per cent. in 1958, according to a forecast by the W. German Ministry of Economics. National productivity (production of goods and services per head of the working population) is likely to rise by about 5.5 per cent., as against 5.2 per cent. in 1959 and 2.1 per cent. in 1958.

The Republic Aviation Corporation of the U.S. and the Dutch Fokker aircraft works have decided to co-operate to produce a vertical take-off aircraft at Amsterdam. They will also establish a European inspection repair and overhaul centre, as well as an on-the-spot maintenance service to support the Republic F. 105. Another joint Republic-Fokker project will be in the sphere of production of a transport aircraft for both civil and military purposes.

The Government of Ceylon is expected to sign an oil agreement with Russia under which the latter will ensure regular supply of Soviet oil. The prices for the oil are said to be 25 per cent. below the current world market prices. The oil will be sold on a Government-to-Government basis. The Ceylon Government is already taking steps to arrange for distribution through a network of co-operative wholesale establishment depots. Engineers are also surveying storage facilities at Colombo and Trincomalee.

Japan will sell to Pakistan 300,000 spindles and 3,000 looms, worth about Rs. 10 crores, under an agreement signed between the Japanese Textile Machinery Exporters' Association and the Pakistan Industrial Finance Corporation. The financial part of the individual agreements will be underwritten by the P.I.F.C. and the Japanese Government will give assurances on the recovery of the amount if any defaults occur. Pakistan has at present 1.9 million spindles, which will be raised to 2.5 million by the end of the second Five-year Plan.

A Burmese trade mission, which has been negotiating a rice deal with the Government of Ceylon for over a month, has returned to Rangoon without reaching any agreement. It is learned that the Burmese team asked for £33 for a ton of rice, which is £1 more than the previous rate. The Ceylon Government considered the new rate to be excessive in view of the declining world rice price. Ceylon also requested that Burma should purchase more Ceylon commodities, but the Burmese representatives could give no assurance on this point.



RETENTION PRICES FOR STEEL

THE present uniform retention price of steel, including the excise duty of Rs. 52 per ton, payable to the Tata Iron and Steel Company Ltd. and the Indian Iron and Steel Company Ltd., is Rs. 470 per ton. It may be recalled that, following the recommendation of the Tariff Commission, the Government of India fixed, early in 1956, the average retention price payable to the two Companies at Rs. 393 per ton. Since then, the increase of Rs. 77 (Rs. 470 *minus* Rs. 393) has been accounted for by the excise duty of Rs. 52 and the three compensatory price increases aggregating Rs. 25. These compensatory price increases have resulted from changes in railway freight, changes in statutory prices of coal and other fuel, raw materials, stores or machinery and changes in labour costs. Of these price increases, the last one to the tune of Rs. 5 per ton was sanctioned in November 1959. It is noteworthy that the aggregate price increase of Rs. 29.85 per ton (including the latest one of Rs. 4.85 referred to below) for the five-year period comes to about 8 per cent. of the earlier retention price of Rs. 393 per ton—an increase which is less than that in the general level of prices during the same period.

The Government of India has just announced that the average retention price payable to the two companies is being increased by Rs. 4.85 per ton for the period 1955-56 to 1959-60. This increase, it is understood, is more or less in accord with the industry's representations. Of this, Rs. 2.85 is intended to compensate for the increases on admissible items of manufacturing cost under the escalator clause and Rs. 2 to cover the increases in labour costs due to negotiated settlements. With this increase of Rs. 4.85 in all per ton, the final price adjustment will have been made for the five-year period ended 31st March 1960. This price increase, however, will involve no increase in the official selling prices of steel which average Rs. 598 per ton uniformly at all rail-heads in the country. It could be easily absorbed by the Steel Equalisation Reserves, now that steel imports are running at a lower level than was estimated earlier.

What does this latest price increase mean to the T.I.S.Co? Since the adjusted 1954-55 retention price in the case of this company was Rs. 343 per ton, it has been required to credit to its Development Fund the difference (Rs. 50) between that adjusted retention price and the uniform retention price of Rs. 393 per ton fixed early in 1956. The present price increase of Rs. 4.85 per ton, it is expected, will enable the T.I.S.Co. to increase the contribution to its Development Fund by Rs. 2.22 per ton, that is, to the level of Rs. 52.22 per ton for the last year of the five-year period ended 31st March 1960.

In the case of the Indian Iron and Steel Company, it may be recalled, the 1954-55 adjusted retention price was Rs. 386 per ton, which was higher than that of T.I.S.Co.'s because of higher manufacturing costs. This Company, too, has been required to credit to its Development Fund the difference (Rs. 7) between that adjusted retention price and the uniform retention price of Rs. 393 per ton fixed early in 1956. The present price increase of Rs. 4.85 per ton will not enable the I.I.S.Co. to increase the contribution to its Development Fund; it will, at best, enable the Company to maintain its contribution of Rs. 7 per ton for the period mentioned above. This is not surprising because the I.I.S.Co. is a smaller unit and its cost increases during the period must have been relatively greater than those of the T.I.S.Co.

While the present price increase of Rs. 4.85 per ton seems to have given satisfaction to the T.I.S.Co. in so far as it covers the specified cost increases under the escalator clause, its representations for a price increase to compensate for cost increases over the five-year period not covered by the escalator clause are still pending. What the Company has asked for by way of such additional compensatory price increase is not known precisely. Unless a further increase is given, the T.I.S.Co. may be hard put to it to replenish its general reserves to the extent of Rs. 4.5 crores—the amount which has been drawn from them during the years 1958-59 and 1959-60 for the purpose of paying dividends. Apart from this, the Company has also represented to Government that the Tariff Commission's price scheme has not resulted in any accretion to the company's internal resources, during the period in question, towards financing the Two Million Ton Programme and that the price structure from 1st April 1960, should be so revised as to take into account the higher depreciation and interest charges which the Company has to bear in consequence of the increased cost of the expansion programme. So, what the T.I.S.Co. expects is a further price increase which will compensate for the cost increases not covered by the escalator clause and also for the higher depreciation and interest charges arising from the expansion programme.

PROHIBITION

The highlight of the two-day meeting of the Central Prohibition Committee, held at New Delhi this week, was the vigorous plea made by Mr. Shriman Narayan, a member of the Planning Commission, for abrupt and sudden introduction of a nation-wide prohibition programme. Violation of prohibition laws, which, he opined, attracted "exaggerated" comment in the Press, was no argument for scrapping prohibition. "We do not scrap the criminal code," he went on to add, "because there are a number of violations." Knowing fully well the economics of prohibition, Mr. Narayan, who is himself an economist, hastened to counter the economic argument against prohibition. He said that this argument was untenable, because, while the States earned a total of Rs. 40 crores as revenue from liquor, three times this amount went down the drain as people spent roughly Rs. 120 crores on drinks. He reassured the State Governments that they need not be apprehensive about the effect of total prohibition on their budget. The Planning Commission, he confidently averred, was prepared to help the States balance their budgets and suggest the feasibility of alternative sources of income. Opposing piecemeal measures, Mr. Narayan argued that, in such a matter as prohibition, too much of phasing towards progressive realisation was futile. Introduction of two or three dry days in a week or declaration of a few districts or taluks as dry in a State was only half-hearted measure. He, therefore, voted for total prohibition all over the country.

Mr. Narayan is right when he says that partial prohibition, like partial controls, cannot succeed. But does that mean that total prohibition will succeed? Enforcement of prohibition laws will be rendered no less difficult by bringing the whole country within their scope. May be, the problem of preventing smuggling from wet to dry areas will not be there, but will it prevent illicit distillation which, on the Union Home Affairs Minister's own admission, is going on on an "enormous" scale? Neither Mr. Narayan nor Mr. B. N. Datar, Minister for Home Affairs, who termed the suggestion for abolishing prohibition as "a counsel of despair," cared to ask this question or answer it. How can they, when it is no secret that, if its aim is to prevent people from consuming liquor, prohibition has not succeeded. Here is one proof, if proof is needed of the failure of prohibition in Bombay. The Prohibition Division of the Greater Bombay Police filed 2,054 cases, arrested 659 persons and seized 1,229 gallons of illicit liquor in one week alone (the week ended 3rd November). It is common knowledge that only a small fraction of the violation of the law is actually detected. It is naive to claim, in the face of such facts, that prohibition has resulted in weaning away people from alcohol.

The protagonists of prohibition point out that it has benefited many. Surely it has enriched producers and vendors of illicit liquor. The confirmed addict still gets his usual quota of inferior and injurious stuff. Money, not dearth of liquor, is the limiting factor. If, however, the aim was to make liquor unobtainable to those who would, once in a way, like to have a sip, then prohibition may be said to have fairly succeeded. But against this must be set the temptation to take to drink, which comes to have the flavour of a forbidden fruit, arising from the legal prohibition of liquor drinking. On balance, therefore, the advantage of prohibition is precious little. Prominent on the debit side is the substantial loss of revenue to the exchequer and the heavy expenditure incurred on enforcement. Are the doubtful benefits, which prohibition is claimed to have conferred on the people, really worth the price paid? Surely not, considering that, if a fraction of the revenue from liquor were spent on educating the masses on the evils of alcohol and rendering medical relief and welfare service, their results would have been more tangible and of more lasting value.

Unfortunately, these considerations did not weigh with the Central Prohibition Committee which was merely content with suggesting measures for the strict enforcement of the law in areas where prohibition is in force. The principal recommendations of the Committee are:

1. Prohibition of drinking even in wet areas, in public places, such as hotels, restaurants and clubs. Hotels, restaurants and clubs, however, may be allowed to have licensed side-rooms set apart for permit-holders.

2. Creation of ten-mile dry belts surrounding wet areas. The object is to prevent smuggling of liquor from wet areas to the adjoining dry areas.

3. Discouraging advertisements and other public inducements relating to drink by persuasion, as far as possible, and, if it fails, by legislation.

4. The progressive reduction in the strength of country liquor and the quantities supplied to liquor shops.

5. Closing liquor shops in or near specified industrial and other development project areas and transferring liquor shops to places away from main streets and living quarters in towns and villages.

6. Encouraging cheap and healthy soft drinks.

7. Systematic and planned educative propaganda to be made by social workers and welfare organisations.

All these are admirable on paper. But could they be implemented and made to produce the desired results by the weight of law? Past experience does not warrant optimism that they could be. What is required is a well-thought-out temperance movement and not enforcement of country-wide prohibition. Special steps must, however, be taken to minimise the drink evil in the rural and industrial areas. From this point of view, the recommendations 4 to 7 are pertinent and deserve to be implemented as an alternative to total prohibition.

CONFERENCE OF THE SEVEN

A political and economic conference of the seven European Free Trade Association (E.F.T.A.) countries—Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom—was held in London last week under the auspices of the United Kingdom Council of the European movement. Statesmen, industrialists, bankers and trade unionists from these countries took part in the conference. Its four commissions also examined such questions as relationships of E.F.T.A. with the European Common Market and the rest of the world, commercial and economic development within E.F.T.A., investment, financial and monetary policy within E.F.T.A. and labour and social problems. Since the reports of these commissions are not yet available, reference is made here only to the proceedings of the plenary session on the opening day.

The pervading temper of the conference was one of European unity. This unity was not just economic and commercial; in the opinion of Mr. Selwyn Lloyd, Britain's Chancellor of the Exchequer, it had also a political value or significance. The cultural content of this unity was emphasised by the British Prime Minister, Mr. Harold Macmillan. While all this was pleasing to the ear, there were two potent factors that could cause disunity—the special interests of the partners, such as those of Britain in the Commonwealth, and the uneasy relationships between the Common Market Six and the E.F.T.A. Seven. It was, therefore, rather premature for the Chairman of the United Kingdom Council of the European movement to talk of a "Commonwealth-European solution, which would unite the free countries of Europe with Commonwealth and French and other European oversea territories"—a solution which "would create a vast and viable group, balancing raw materials and industrial production."

Before that distant goal could be reached, the Six and the Seven would have to come together in a closer relationship. Since there are no early prospects of their coming together, more immediately they would at least have "to learn to live side by side," in the words of a London paper. Mr. Edward Heath, the Lord Privy Seal, confidently averred that "the times for recrimination between the two European groups—the Six and the Seven—are past and there is now an atmosphere for better relationships." It remains to be seen to what extent this optimism will be justified by future developments. As things stand, the trend, however, seems to be in favour of "internal consolidation" as the more immediate objective of the E.F.T.A. This could conceivably come about through better exploitation

of the opportunities for increasing trade among the Seven. For, when trade inside the E.F.T.A. responds to the lowering of trade barriers, the benefits of economic integration will be more clearly seen and there will be greater industrial expansion. If the trading problem is solved at an early date, the E.F.T.A.'s greater goals, namely, a sustained expansion of economic activity, full employment, increased productivity and the rational use of resources, may well be within sight. But this will necessarily be a slower development, because the economic power of the E.F.T.A. is not as great as that of the Six in which more rapid expansion could come about, as, indeed, it has. Still the Seven have something to learn from the Six.

OILSEEDS

The view that the tentative target of 9.5 million tons set for oilseeds production for the third Plan would be insufficient to meet the growing demand for both edible and industrial requirement was expressed by Mr. Ramdas Kilachand in his presidential address at the annual general meeting of the Bombay Oilseeds and Oils Exchange Ltd., held at Bombay last week. Mr. Kilachand pleaded that the proposed target should be raised upwards to at least 11 million tons. In order to fulfil a bigger target, he called upon the State Governments to make strenuous efforts to give all possible help for increasing agricultural production by providing better seeds, fertilisers, implements and irrigation facilities. This, he felt, was necessary as it would improve the per-acre yield, which is still very low, according to international standards. In putting forward these views, Mr. Kilachand was voicing the feelings of trade and industry, not to mention those of consumers. Oilseeds constitute both food and cash crops. They are a valuable foreign exchange earner. They can perform this function satisfactorily only if the supply is adequate to take care of the domestic needs which are steadily rising under the pressure of expanding population and increasing development expenditure. His plea to State Governments is quite appropriate, because it is only they who can promote the "grow-more-per-acre" campaign, a task in which they have been significantly found wanting.

Mr. Kilachand doubted the utility of the recently announced export incentive scheme for groundnut oil, under which tenders are invited for the export of groundnut oil, linking it with imports of copra and palm oil and the issue of export quota for expeller cakes. He felt that, had the Government fixed a specific ratio between the groundnut oil and copra and palm oil, export promotion would have been served better. He then went on to say: "Another difficulty is the short period allowed to exporters for fulfilling exports. It has, time and again, been pointed out to the Government that short-term policies do not work to the advantage of our country, because the foreign buyers take full advantage of this by unnaturally reducing prices for the goods in case of our items of export. Foreign sellers also quote high prices in case of items of imports. Further, shipping difficulties may be experienced when the shipping period is short."

Mr. Kilachand, therefore, reiterated that the Government should announce its export policy on a long-term basis, stating the quantity of groundnut oil to be exported and specific import incentives.

The timing of the announcement of the tender scheme was another subject on which Mr. Kilachand had some comments to offer. He remarked that the time chosen by the Government was inappropriate and that, if the scheme had been announced in the earlier part of last season, the export of groundnut oil would have gone up as desired by Government. He felt that "if proper incentives" were given at the right time with a long-term policy, it would surely pay dividends.

While it is desirable, in theory, to have a long-term export policy, there are practical difficulties in evolving such a policy. The crucial point to be borne in mind, in this connection, is that the Government has a responsibility to domestic consumers who account for the disappearance of the bulk of the oil produced. The export policy for such agricultural commodities as groundnuts have necessarily to be subjected to periodical review, taking into account the changes in the demand and supply position. Otherwise, exports will entail a heavy cost to domestic consumers. This does not mean that the Government's export policy, on groundnut oil in particular, has always been right. The present tender system, for instance, has led to sizable speculation, which could have been avoided had the Government specified the proportion of imports of copra and palm oil that would be permitted against exports of groundnut oil. The Government could have also laid down a ceiling for the export of groundnut oil. Furthermore, tenders were submitted by the trade in October itself. But the Government has not yet announced the details of the scheme. The consequent speculation in groundnuts and side markets has invited the wrath of the Forward Markets Commission. The F.M.C. has now raised the margin level on groundnuts, apart from introducing new margins on trading in castorseeds, for the first time for the new crop. These measures could have been avoided, if the enthusiasts of export promotion had the vision to perceive the consequences of their action.

While a judicious export policy is bound to help promote shipments of vegetable oils, it is also essential that adequate shipping facilities at reasonable freight rates should be ensured. On this problem, Mr. Kilachand observed as follows:

"While the recent reduction in freight by Karmahom Conference on cakes is welcome and may help the trade to a limited extent, one cannot help having the feeling that this reduction is made rather out of compulsion as the number of non-Conference ships coming to India carrying P.L. 480 goods has increased; these ships, it may be noted, are prepared to carry goods at a much lower freight rate on their return voyage. The real and lasting remedy, in my opinion, lies in the abolition of the rebate system and, on behalf of the export trade of the country, I would, once again, urge the Government to take effective and early steps in this direction."

As a shipper of oils and oilseeds, Mr. Kilachand may be right in holding the views quoted above. But shipowners, too, have their own story to tell. They complain that the existing freight rates are uneconomic. In any case, the fact remains that Indian shipping companies have not been making much of a profit these days, a fact of which Mr. Kilachand himself must be acutely aware as one having a significant stake in India's premier shipping company. It is not for us to suggest a solution to this difficult problem. Perhaps, the right thing to do would be to see that Indian shipping expands rapidly, but, here again, the dog-in-the-manger policy is sought to be preserved and sustained by invoking nationalism to the extreme.

U.S. FOOD AID TO INDIA

The token bag of wheat that Mr. Ellsworth Bunker, U.S. Ambassador to India, presented to Mr. S. K. Patil, Union Minister for Food and Agriculture, on Saturday the 12th inst., means something more than a mere mark of the completion of delivery to India of 11 million tons of American wheat under the first four P.L. 480 agreements, begun in 1956, and the commencement of the delivery of 17 million tons under the agreement of 4th May 1960. For it also represents, as Mr. Bunker very aptly remarked, the interest that the U.S. has taken, and will continue to take, in India's economic development. Indeed, the token bag of wheat is "symbolic," to quote Mr. Patil, "of the significant measure of goodwill," constructive co-operation and democratic solidarity between the two countries."

The first P.L. 480 agreement was signed on 29th August 1956, followed by three others—on 23rd June 1958, 26th September 1958 and 13th November 1959. Under these agreements, India has received a total of 11 million tons of wheat, 400,000 tons of rice, 625,000 bales of cotton, 375,000 tons of corn and grain sorghum, 3,000 tons of tobacco and 20,000 tons of dried milk powder. The aggregate value of these commodities is Rs. 460.5 crores ($967.5 million). Besides helping India to meet a part of the food requirements in periods of scarcity, the agreements have considerably assisted this country's developmental needs. As much as 80 per cent. (Rs. 343.0 crores) of rupee proceeds amounting to Rs. 460.5 crores from the sale of commodities has been given by the U.S. Government as grants or loans to the Government of India for aiding development projects. Of the balance, Rs. 43.8 crores are given as loans to private enterprises and Rs. 73.7 crores are reserved for U.S. Government expenses in India.

The sums reserved for grants and loans to the Indian Government amount to Rs. 93.3 crores and Rs. 249.7 crores, respectively, but agreements so far concluded under these heads cover only Rs. 18.51 crores and Rs. 132.33 crores, respectively. The allocations—in crores of rupees—for the different projects are: *Grants*: River valley development 5.94; malaria eradication 8.00; U.P. Agricultural University 1.00; Indian Institute of Technology, Kanpur 0.45; Indian Investment Centre 0.22; All-India Institute of Medical Sciences Hospital, New Delhi 2.90. *Loans*: River valley development 79.16; Refinance Corporation 26.20; Sharavati Hydro-electric Project 6.97; Industrial Credit and Investment Corporation 10.00; Industrial Finance Corporation 10.00.

An understanding has been reached that the following projects, which have been granted loans by the U.S Development Loan Fund to meet their foreign exchange needs, will be given loans from P.L. 480 sale proceeds to meet their local currency costs, but separate agreements are yet to be signed; the projects will be financed in their entirety by the U.S.:

Name of project	*D.L.F. loan to meet foreign exchange costs* ($ million)	*Rupee loan from P.L. 480 sale proceeds* (Crores of rupees)
Chandrapura Thermal Power Station	30.0	20.5
Durgapur Thermal Power Station Extension	20.0	3.4
Barapani Hydro-electric Project (Assam)	2.5	6.2
Barauni Thermal Power Station (Bihar)	3.8	1.3
Kanpur Thermal Power Station Extension	1.6	1.0
Trombay Fertiliser Plant	30.0	13.3
Total	87.9	45.7

Out of the Rs. 43.8 crores reserved for loans to private enterprises under the Cooley amendment, Rs. 10.82 crores have already been sanctioned, as under:—Otis Elevator of India, Ltd. Rs. 10 lakhs; Goodyear Tyre and Rubber Company of India Rs. 2.25 crores; Mysore Cements Ltd. of Bangalore (Messrs. Sarangapani Mudaliar and Kaiser) Rs. 55 lakhs; Hindustan Aluminium Ltd. (Messrs. Birla Bros. and Kaiser) Rs. 1.00 crore; Synthetics and Chemicals, Ltd. (Messrs. Kilachand and Firestone) Rs. 3.92 crores; Messrs. Sharpe and Dohme (Private) Ltd. Rs. 50 lakhs; Ex-Cell-O India (P) Ltd. (Messrs. Amerind Engineering Company of Bombay) Rs. 20 lakhs; Premier Tyres, Ltd., Kerala (Dayton Rubber Company of U.S.A. and Indian Associates) Rs. 30 lakhs; and Seshasayee Paper and Board, Ltd. (Messrs. Seshasayee Bros. Ltd. and Parsons and Whittmore) Rs. 2.00 crores.

The fifth P.L. 480 agreement signed on 4th May 1960 and its two supplements of 29th July and 23rd September together cover commodities worth Rs. 535.3 crores ($1,334.7 million). The commodities include 16 million tons of wheat, one million tons of rice, 100,000 tons of milo, two million lbs. of tobacco, 134,000 tons of corn, 4,000 tons of soyabean oil and 330,000 bales of cotton. The wheat and rice shipments will be spread over four years, while the other commodities will arrive in the near future. Of the total sale proceeds of Rs. 635.2 crores, Rs. 535.6 crores will be given to the Government of India (half as grant and half as loans) for economic development and Rs. 31.8 crores as loans to private enterprise, the remaining portion of Rs. 67.8 crores being reserved for U.S. Government uses.

A detailed analysis of the P.L. 480 agreements has been made here specially to highlight the generous and humanitarian act of the U.S. Surely, the whole of India was with Mr. Patil when he expressed profound gratefulness to the Amerian people, the Administration and, above all, to President Eisenhower for such an Act. But for this assistance, which has helped to neutralise a good part of the inflationary effects of large doses of deficit financing, it is extremely doubtful whether the economic advance which India has made in the past ten years would have been possible at all.

RESEARCH IN INDUSTRY

An esteemed reader of *Commerce* writes:

"Your article entitled 'Industrial Research' in the October 15 issue of *Commerce* was most timely but did not hit hard enough on the present unhappy situation obtaining in that field of activity which, unprepared and ill-equipped as we are, we seem to be rushing into, because we feel every industrially advanced country is doing so and therefore, and for no other reason, we also should!! It is not merely enough either to multiply national laboratories or persuade unwilling units of industry to part with their money, in order to establish what you have called co-operative research. There should be first and foremost men of the highest calibre who can undertake to do research in the right direction. When we are so short of technical personnel even to man the industries we have started, how can we expect to have research men to work on subjects of which they neither have practical experience nor the slightest conception of the industry's requirements? You have very rightly observed in your article that expert opinion of people like Prof. J. B. S. Haidane has been critical of the research performance of the national laboratories. Instead of trying to rectify these defects, the ambition of the C.S.I.R. and its Director seems to be to multiply such laboratories—perhaps for the kudos that accrues to them for

(*Continued on page* 929)

ON THE ARENA

By The Archer

P. M. On Private Sector

DURING the last ten days, I have been trying to ascertain the reactions of a number of persons to the Prime Minister's statement at the A.-I.C.C. meeting at Shuklanagar to the effect that private industry was obsessed with securing quick dividends and lacked the capacity and the mental approach to set up heavy industry and bring about an industrial revolution in India. Most of them have lightly glossed over the Prime Minister's remarks with winks and smiles, implying that this was another of his emotional utterances; and only one person tried to explain that all that was meant was a reiteration of the philosophy underlying the Industrial Policy Resolutions of 1948 and 1956. I sincerely hope the latter is correct. But I feel that it amounts to irreverence to so august a person as the Prime Minister to gloss over his swipe at the private sector without saying "I beg your pardon." The desire to make every venture a profit-earning proposition is one that should and must govern all enterprises—private or public—and, at a sustained level, the tempo of effort may well become a laudable obsession.

The meaning of the word "obsess", according to Chamber's Dictionary, is "to occupy the thoughts of, obstinately and persistently." So, if an *entrepreneur,* who has obtained his capital from public subscription, is constantly and obstinately and persistently thinking of earning profits (and quickly, if possible) to distribute dividends to his shareholders, he should be praised for contributing to economic growth, rather than cursed as being greedy. I have no doubt that all the estimable gentlemen who have been placed in charge of the large industrial corporations in the public sector are—or should be—perpetually endeavouring to turn the enterprises into good profit-earning propositions. If they fail to do so, they will not only fail in their duty but also seriously embarrass the Finance Minister (no doubt as a member of the Planning Commission) who has assumed an income of Rs. 440 crores (among resources for the third Plan) from surpluses of public enterprises other than Railways, which are expected to yield a profit of Rs. 150 crores.

Despite what the Prime Minister feels about the propriety of aiming at quick returns, these estimable gentlemen will do well to go hammer and tongs on the job of securing profits from the State enterprises under their control. I dare say that it was some such thinking that was at the bottom of the recent increases in telephone rates through unilateral cancellation of all existing agreements governing "Own your telephone" contracts, and stepping them up; and, if this does not come under "obsession for quick profits," I should like to know what does. It is only a monopolistic State enterprise that can get away with so much as the telephone administration has; only, its excuse is that resources should be found for the third Plan. The Prime Minister might, perhaps, justify even an indecent obsession for more profits on the part of railways, posts, telegraphs and telephones on the ground that the money is obtained from the people by the people for the people, but, in the ultimate analysis, it seems to me that most other obsessions can be magnificent as long as they generate sustained human endeavour. I need only mention, as unction to my distressed mind, that so lofty a person as the Prime Minister may well word his thoughts a little more happily (and less unkindly) than he does these days; for, I feel rather strongly that it is unkind to abuse an industrialist for wanting to make quick profits as it is to say that a man is henpecked, because he is being kind to his wife.

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On Eating Rice

Mr. Nehru has given the call for an eat less rice movement; in order to ease the food position, he would like people to eat all varieties of foodgrains and vegetables. Not content with this exhortation, he has added that eating too much rice made one lethargic and idle and that he was not sure of its effect on the brain. The tragic fact, however, is that those who eat large quantities of rice, or, for that matter, wheat or maize, do so, not because they do not favour the concept of a balanced diet, but because they cannot afford the luxury of pulses, cereals, vegetables, milk and other edible products and are, therefore, forced to consume large quantities of one type of basic grain for sustenance. As regards Mr. Nehru's quip that eating too much rice dulls the brain, I may assure h.m, from my not inconsiderable personal experience, that nature has been quite fair in distributing stupid and idiotic people in all parts of the country, irrespective of the staple crop, and that, while overeating in general (of wheat or meat, rice or maize) does result in increasing blood circulation in the stomach more than in the brain, rice is not more sinister in its action than its counterparts. All this apart, may I invite Mr. Nehru's attention to a very significant passage in the New Testment (Matthew xv: 17, 18), namely, "Whatsoever entereth in at the mouth goeth into the belly and is cast out with the draught; but those things which proceed out of the mouth cometh forth from the heart, and they defile the man." So, why should we get worked up about the eating habits of our people to a greater extent than about their talking habits? Indeed, why?

* * * *

Buffaloes and Cows

In the comfortable and expansive days of the dim distant past and before I degenerated into a sophisticated member of society depending on pasteurised milk in sealed bottles, I owned cows and buffaloes and got acquainted with some elementary facts regarding their maintenance and upkeep. I was, therefore, not a little amused to read Mr. Morarji Desai's statement at Anand, when he opened the Amul Baby Food and Cheese Plant, that too much consumption of buffalo milk had resulted in our intelligence being as dense as that of the buffalo. Apart from the fact that this is an ungracious aspersion on an animal which gives away its milk even without a thought for its calf, it is unscientific to assert that buffalo milk has an adverse effect on human intellect. It is certainly richer in fat content than cow's milk, twice or more perhaps, but that only makes it more desirable for several purposes. Further, the buffalo is considered a better animal than the cow as a commercial proposition, as it eats more roughage and needs less concentrates.

In this context, I should like to record a few observations on livestock development in our country. At the outset, I would draw attention to Mr. Nehru's statement a few days ago that his Soviet cow yielded more than a maund of milk a day. I am informed by experts that this is not so spectacular a phenomenon as "to write home about" (although we might write to the Soviet Union), for cows owned by farmers in England and Sweden are reported to yield 28,000 lbs. to 30,000 lbs. per year, while one maund per day works out to 24,000 lbs. per lactation year of 300 days. As far as I can see, no attempt has been made in India to propagate cattle which can achieve high yields, and most of the State schemes for cattle development appear to be tinkering with breeds yielding two to three pounds per day. While the strains of Indian cattle can bear improvement, not all of them need to stay as poor yielders, as many a cow yields below her potential because of underfeeding. For efficient production, a cow needs plenty of grass and concentrates—neither of these is in abundance in India. Grazing lands are poor in extent and the grass that they carry is not of the best variety. Concentrates in the form of seed and oilcakes are also in poor supply, so that most of the milch animals are left to fend for themselves while the milk that they give is actually forced out of them.

In Britain, where high producing cows abound, every farmer sets apart one acre of land specifically for growing cattle fodder. Very few of our farmers can afford such allocation as the pressure on land has continuously increased by diversion to remunerative cash crops. Individual effort in this direction cannot be expected; only the State can evolve an efficient system of land utilisation and ensure that specific areas are set apart for grazing fodder. Plenty of green grass will increase milk yield and reduce the animals' need for concentrates. Britain imports practically all the nuts and seeds which go to make concentrates and, yet, milk in Britain costs only about 5d. per pound. As far as I know, there are no manufactories of concentrates in our country. The oilcakes available here are variable in quality and so adulterated that their nutritive value is doubtful. Here, again, State enterprise should fulfil the need. I understand that a Fodder and Grazing Committee has been in existence in this country for the last three decades. One has yet to see the fruits of its labours in improving fodder resources. If good cattle feed is made available in the country at a reasonable price, every cattle owner will gladly feed his animals properly. With proper feeding alone, the production of Indian cattle can be stepped up by 25 per cent.

On the breeding side also, we have made little progress. Good breeding implies the use of good foundation stock and of these we have few. It has been established that the worth of a bull or cow is decided on the basis of the progeny it produces—the progeny test. How many progeny-tested bulls have we? I believe, none. Instead, any bull that comes from a Government farm is designated a "pedigree bull" and is allowed to breed at stud. Artificial insemination which is believed to extend the use of a bull and enable him to sire hundreds of calves in a year is widely practised, and extraordinary claims are made for it in our official reports. While artificial insemination can effect quick improvements with good stock, it can do considerable damage if the basic stock is poor. To use it with unproved bulls is a most uncritical and dangerous approach. (Also, it will be psychologically deleterious for the cows.) If the process which has been in use in India for the last fifteen years has produced results, where are the fruits of it? What assessment has been made and which is the organisation doing it? I know that statistics and figures exist regarding the inseminations done, calves born, etc., but, while figures cannot lie, liars can figure. So, perhaps, that is why we see so little tangible improvement!

Government farms are no solution for a sound policy of land apportionment for animal feed. They carry heavy overheads, their utility is limited and they are, on the whole, uneconomic. The correct thing to do is to organise a livestock industry as in Western countries. The establishment of a Milk Marketing Board, as in England, charged with the responsibility, not only of marketing milk, but also of breeding good stock and feeding them, will be the right step. Co-operative farms, with local breeders as members, in each district will help solve local needs for milk. Above all, a country-wide policy of breeding the best to the best, combined with scientific feeding and management should be laid down.

Too often we hear of the rigours of the Indian climate adduced as a reason for the poor quality of our cattle. But some of the finest of the world's cattle are found in the arid regions of Africa and Australia—it is, therefore, not the climate but man's ingenuity that is responsible.

CANADA'S EXPORT DRIVE

What is described as the most intensive export drive has just been launched by Canada. Forming part of the drive is a mammoth conference of Trade Commissioners from Canada's 63 posts in 49 countries scheduled to be held at Ottawa on the 30th inst. The main objective of the conference is to explore the possibilities of expanding every trading opportunity abroad. Explaining the urgency of the situation, Mr. George Heas, Canada's Minister for Trade and Commerce, says:

"Today, we are faced with the economic resurgence of countries devastated during the war, and the even greater threat to our export lifelines, posed by the trading activities of countries endeavouring to secure our traditional markets. The global trading struggle is being further intensified by the emergence of trading blocs in Europe and a tremendous step-up in the trade promotion efforts of our competitors, including our western allies, and even other members of the Commonwealth. Trade is of such vital importance to Canada, and to each and every Canadian, that we must without delay marshal our forces to take advantage of every possible trading opportunity."

Canada is the fourth largest exporter in the world, after the U.S., the U.K. and West Germany. Its actual exports are currently at an annual rate of $5,650 million. Its endeavours to increase exports will, of course, affect its trade with India but only to a limited extent, in view of the continued tight import policy pursued by the Government of India. There has been a distinct improvement in India's trade with Canada of late. During the first seven months of 1960, India had a favourable balance to the tune of Rs. 2.80 crores, its exports and imports amounting to Rs. 9.30 crores and Rs. 6.50 crores, respectively. An adverse balance of Rs. 20.14 crores was in evidence during the year 1958 which, however, declined to Rs. 7.09 crores in the following year. The improvement was due largely to the drop in imports into India from Rs. 34.66 crores in 1958 to Rs. 22.21 crores in 1959 and partly also to the slight rise in exports from Rs. 14.54 crores to Rs. 15.12 crores.

AMERICAN LETTER

POLICIES ARE DECIDED BY CONGRESS AND NOT THE PRESIDENT

COMPACT CARS IN GOOD DEMAND

From Our Special Correspondent

NEW YORK, *8th November*

THE elections in the United States are over. The most charitable thing that can be said perhaps is the French proverb "*Plus ça change, plus ça même chose,*" or, "The more things change, the more they remain the same."

The election rallies were rather undignified, particularly the television appearances which produced nothing but platitudes. In fact, there was no outstanding issue which separated the Presidential candidates, including the big ado about economic policies.

Such policies are decided anyway by the Congress and not by the White House. The President may suggest and ask for legislation, but the Congress decides, though there is a veto power by the President which may again be overridden by the Congress.

Presidents are human, of course, and have different opinions whether or not they belong to the Party in power, or on the opposition side. It is regrettable that President Eisenhower could not have stood for election again. He could have won under any major ticket, either Democratic, or Republican, because he was essentially and still is a national hero, identified with liberation of Europe. This Presidential election revolved around words, words and promises by non-national heroes. But the American people have made up their minds, anyway.

Little Change

Economically, there will be little change, if any. And, if there are changes, they will be quite gradual. The new Congress will not convene until January, anyway. Despite soft spots in steel which is still operating at only one-half of its capacity, and some industries which are considered "soft," there is not too much wrong, drastically, with the American economy.

Almost 68 million people are gainfully employed at the present time. Personal income is running at the rate of $408,400 million a year, against $384,300 million a year ago. The change in the Presidency next January cannot possibly alter this situation drastically.

For some reason or other, there is still widespread concern about the U.S. economy. At the same time, there is a good deal of optimism.

The National Industrial Conference Board made a survey the other day, and a substantial number of 173 manufacturing companies, which were asked a number of questions, anticipate that their new orders, billings and profits in the first half of 1961 will be higher than in the first six months of 1960.

In this group of respondents, there is considerable optimism in spite of the soft spots. New orders and pre-tax profits, it is anticipated by the respondents, will increase. About one in four expects that orders will be unchanged. Only about 33 per cent. predict a decline in new orders and earnings below those of the comparable period in 1960. Statistically speaking, this is a pretty good record, all other factors being equal.

Three years ago, when the U.S. economy was entering a recession, the situation was reversed. Then, only one-third of the co-operating executives predicted an increase in new orders and in earnings.

This time one-half of all respondents who, presumably, know what they are talking about, expect their billings to gain in the first six months of 1961, as compared with the like 1960 period.

Inventories, generally, are slightly larger than they were last year, but then they were run down considerably. Not much increase is expected in this area, rather stability, or a slight decline.

The overall rate of production is anticipated to increase. Again, predictions in the fall of 1957 were virtually the reverse. Also, capital expenditures for plant and equipment, it is generally felt, will be higher from here on in, with four companies out of ten projecting their spending in this area to be the same in 1961 as in 1960.

U.S. Car Makers Learn

After several years of placidity, U.S. automobile manufacturers have finally awakened. Instead of huge autos with unnecessary fins and fancy trimmings, they are now building what they call "compact" cars. They have learned from the import of foreign makes which have achieved considerable popularity in the U.S.

The U.S. concept of "planned obsolescence" should be the next motion to fall by the wayside. This concept played on the ego of those who would not be caught with anything but the latest models. Yet, the Volkswagens and Rolls-Royce have hardly changed in appearance and enjoy great sales here.

One concrete result of the wholesale switch to "compacts" has been an increase in sales. According to the latest reports, mid-October automobile sales ran ahead of the pace set in the previous reporting periods and they were 4.1 per cent. higher than in the same period of 1959.

A rather significant development, outside of the political rantings, took place at the United Nations here. The General Assembly requested the Secretary-General to accept the offer of the Government of Chile to transfer a plot of land for the construction of a building to house U.N. and specialised agency offices.

This project might well be emulated by other nations, including India which has played such an important role in the U.N., economically, culturally and politically. Such a proposition could become the focal point for the free thinking peoples of the Far East.

The U.N General Assembly authorised the expenditure of not more than $1,550,000 for the construction of the building in Chile. There will be subsequent progress reports.

Under the agreement recently enacted, Chile undertakes to urbanise the site upon which the building will stand. It will arrange for the provision of the necessary utility services and the erection of a fence. Santiago has agreed also to regulate the use to be made of the adjacent land, so that it shall not detract from the amenities of the site. The U.N. parcel of land in Chile consists of 46,763 square metres, part of Vitacura Park under the jurisdiction of the municipality of Las Condes. The Economic Commission for Latin America will be represented there.—*All Rights Reserved.*

The world capacity to produce fully synthetic fibres this year is estimated at about 900,000 tons and is expected to rise to one million tons next year. World production during 1959 at 575,000 tons was 38 per cent. more than in the previous year. Last year's world production consisted of 335,000 tons of polyamides, an increase of 26 per cent. over 1958; 100,000 tons of acrylic fibres (+67 per cent.); 85,000 tons of polyester fibres (+55 per cent.); and 55,000 tons of other types of fully synthetic fibres (+49 per cent.).

The business machines industry is enjoying boom conditions in West Germany, reflecting the increasing efforts made to increase office workers' productivity. Production of such machines rose to DM 458 million during the first half of 1960, an increase of 18 per cent. over a year ago. Of this, about 45 per cent. were exported, and of total domestic sales, about 30 per cent. came from abroad, with the U.S. as the most important customer and supplier. Of the total world exports of business machines, the W. German industry now supplies 18 per cent., a share which puts it in the second place behind the U.S. but ahead of the U.K. and Italy.

The Australian Government has announced measures to stabilise the economy, which include an increase in the bank overdraft rate from 6 to 7 per cent. and an increase of sales (purchase) tax from 30 to 40 per cent. on motor cars and station wagons. The Government has also introduced legislation abolishing eligibility for tax deduction by companies raising money from the public by convertible notes. Further, it proposes to bring forward legislation in 1961 to make insurance companies and superannuation funds invest a minimum of 30 per cent. of their investment funds in Government securities.

Western European countries such as Italy, Belgium and Holland are currently making strong bids to extend economic ties with Mexico. Belgium has offered technicians and machinery for a zinc-refining plant in Saltillo, Coahila. Italy has offered Mexico help in exploring its agricultural, livestock, forestry, mining and pharmaceutical potential, especially with a view to exporting to Italy and the European Common Market. Italy has also plans to set up in Mexico production plants for fertilisers, insecticides and machinery, and to buy Mexican cotton, coffee, meat, cocoa and honey. A trade mission is at present exploring the possibilities. Holland, too, proposes to collaborate with Mexico in the building of one of the largest shipyards in Latin America, in the Pacific port of Mazatlan.

OUTER SEVEN ASCENDANT

(From Our Own Correspondent)

LONDON, *11th November*

LONDON LETTER

IT was, perhaps, inevitable that apart from the Prime Minister's speech at the opening in London this week of the Political and Economic Conference of the Seven, the British Press should have taken little note of what was going on, though other European countries, including America, were inclined to treat these questions of trade relationships rather more seriously than the insular English are accustomed to, and gave them far more space in their Press.

For, of course, this was not the sort of Conference from which anything spectacular could emerge: it was expected that more noble sentiments would be voiced, and they were, both by the Prime Minister and the Foreign Secretary, Mr. Lloyd—on the need for economic unity, on the desirability of fine solutions to the "many practical problems involved," on the need to work towards a wider arrangement for European trade, and so forth.

But E.F.T.A. is in its infancy. It is still setting up its machinery for consultation and if the E.F.T.A. Action Committee envisaged does get into operation, it will devise further means of strengthening E.F.T.A. It is only a year ago that the Governments concerned agreed to form a free trade area, and only on 1st July of this year that the first cut in tariffs of 20 per cent., and the increase in quotas took place. Over the next ten years, tariffs and quotas generally are to be abolished between these Seven countries by continuous percentage changes and, therefore, quite apart from any other action, trade relations between the Seven countries are bound to become much closer.

Yet E.F.T.A., unlike E.E.C., otherwise known as the Customs Union of the Six, has plenty of loopholes in its constitution, in order to make the negotiations easier, and, in particular, special arrangements will be made for agricultural products, one of the burning issues that divided the U.K. from the Common Market. The more the loopholes are used, the less effective E.F.T.A. will be, and the speech of the Chairman of the U.K. Council of the European Movement, Sir Edward Beddington Behrens, who had promoted the Conference, deserves more recognition than it has received. He seized on the second burning issue that split the U.K. from the Common Market, the issue of Commonwealth Relations, and said that he himself favoured a Commonwealth solution. He would like to see the union of the European Thirteen with the Commonwealth countries, but there is a shorter-term objective—that is, to bring the Commonwealth countries into the Seven.

Country of Origin System

E.F.T.A. could do this more easily than could the E.E.C., since E.F.T.A. is not committed to a common external tariff. It provides for such things as Commonwealth preference and differing rates of tariff by each country in accordance with its own arrangements with third parties. Thus, one of the difficult technical pieces of machinery of the E.F.T.A. is the setting up of a country of origin system, so that goods getting into the Outer Seven over the lowest tariff wall do not reach the higher tariff countries at a preferential rate. Yet, over the next ten years, these problems will disappear, except for the loopholes, and it is perhaps the feeling that the loopholes are excessive that prevents the E.F.T.A. from enjoying the same confidence as the E.E.C.

Hence, also, the new Action Committee will be required to publicise the work of E.F.T.A. as well as to enquire into investment, financial and monetary policies and taxation policies.

Finally, from the Conference, there emerged a philosophical picture which distinguishes E.F.T.A. from the E.E.C. While the Common Market relies upon the hard facts to complete economic integration to bring the countries together, and envisages further Government action towards political unification, the E.F.T.A., with its looser relationships, relies far more upon individual enterprise in forging links between the countries concerned.

E.F.T.A. will offer many opportunities to British businessmen, and to the businessmen of other countries—the larger firms here are beginning to get E.F.T.A.-minded, and are considering the effect on them in the home market and the export possibilities of reduced tariffs: but it is too soon to say that this consciousness is as widespread in the economic polity of E.F.T.A. as it is in the economic policy at home. The Government here will use exhortation to make the union effective rather than direct action.—*All Rights Reserved.*

FRENCH BANK'S CENTENARY

The Comptoir National D'Escompte De Paris, popularly known as the "French Bank," scored a century in India this year, when it completed hundred years of existence in this country. Its centenary in India was celebrated this week, to participate in which, Mr. H. Bizot, General Manager of the Bank, flew to India from Paris. Its three branches in India, one each at Bombay, Calcutta, and New Delhi, are among the total of 800 branches spread over many countries. The French Bank is thus a truly international bank. It was founded 112 years ago in Paris by virtue of a Government Decree and converted, in 1854, into a private banking institution and christened as *Comptoir D'Escompte De Paris*. It was further reorganised 35 years later in 1889 and given the present name.

It is noteworthy that the Calcutta branch of the Bank, which was opened in 1860, is one of the first foreign branches of the Bank. When European cotton industry turned its attention to India in the second half of the past century for raw cotton, the French Bank was in Bombay to help them and the exporters in India. During the past hundred years, the Bank has actively participated in India's foreign trade and played a prominent role in developing trade relations between France and India.

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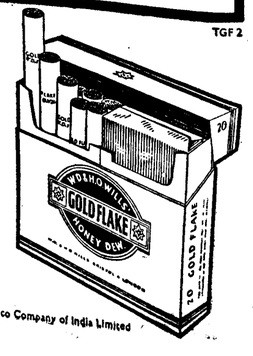

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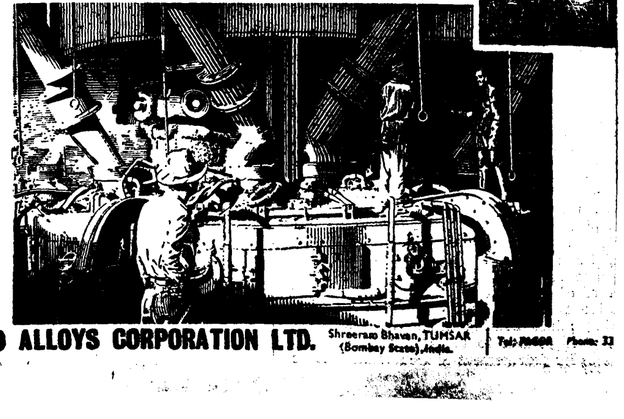

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RAISING PRODUCTIVITY OF HANDLOOMS

U.P.'S SCHEME TO INTRODUCE MORE AND MORE POWERLOOMS

THE reported move of the Uttar Pradesh Government to embark upon a more intensified programme to encourage mechanisation of the handloom industry in the State is, indeed, commendable. The programme envisages the setting up of 750 powerlooms and four yarn preparatory factories to feed these looms with sized beams in the handloom co-operative sector by the end of the second Five-year Plan (March 1961). It is stated that the primary co-operative societies of handloom weavers with satisfactory record of work will shortly switch over from handlooms to powerlooms in a bid to produce quality fabrics "to suit all pockets." Each primary society, we are told, will be allotted up to 15 powerlooms. The State Government will advance a loan of Rs. 2,500 for the purchase of looms with electric motor and Rs. 1,000 as working capital, besides Rs. 87.75 as share capital loan to each society. As for the purchase of machinery and other equipment for the preparatory factory, a sum of Rs. 1,29,750 each will be given partly as loan and partly as grant to the societies.

The progress made in the implementation of the powerloom scheme in Uttar Pradesh so far during the current financial year is claimed to be quite notable. According to a recent review of the progress, two preparatory factories are being established—one in Khalilabad and the other in Tanda—for supplying sized beams to powerloom units having six to fifteen looms scattered over a wide area all around the preparatory factory in the districts of Basti and Faizabad. All the 268 looms required to be installed in the two districts have already been purchased and received, and, along with installation of looms, the construction of loom sheds is in progress. The buildings of the preparatory factories have reached upto roof level and the consignments of the equipment have started arriving.

Weavers' Earnings Low

The active steps taken by the U.P. Government to introduce powerlooms in the handloom sector are in striking contrast to the stiff opposition offered by some State Governments to the programme. In spite of all the official spoon-feeding over a number of years, the economic conditions of handloom weavers have not improved to any significant extent. The average monthly earning of over 50 per cent. of the total number of weavers is said to be no more than Rs. 50. The low level of wages continues to be a serious problem and it becomes, as a recent study by the Indian Branch of the International Labour Office revealed, all the more complex, because of the fact that any increase in wages will go towards increasing the price of handloom cloth which will adversely affect its competitive position *vis-a-vis* the mills. The earnings of weavers can certainly be enhanced but only through measures designed to augment the present low level of productivity.

Viewed thus, the statement of Mr. M. Bhaktavatsalam, Minister for Home Affairs and Agriculture, Government of Madras, that the weavers who are members of co-operative societies are now assured of almost continuous employment with decent wages for their livelihood seems to be somewhat exaggerated. Addressing the first Madras State Handloom Finance Seminar held at Coimbatore on Thursday the 10th inst., Mr. Bhaktavatsalam said:

"The weavers' co-operative movement in the State has expanded considerably since the commencement of the second Plan and generally since the inception of the Cess Fund (in 1953). This is due to the Government pursuing a policy of utilising the co-operative machinery for the amelioration of the handloom weavers. The movement made great strides and there are now more than 1,050 weavers' co-operative societies in the State and about 210,000 looms working for them. ... The Cess Fund schemes are being implemented in the State with effect from the year 1953-54. More than Rs. 1.25 crore are being spent every year on an average on these schemes which touch all aspects of the handloom industry."

Mr. Bhaktavatsalam referred also to the series of measures aimed at ameliorating the conditions of weavers engaged in the cotton, art silk and silk industry. These measures include Government's participation in the share capital structure of the State Handloom Weavers' Co-operative Society and the three co-operative spinning mills; housing schemes for weavers; grant of loans (Rs. 25 lakhs each during 1958 and 1959) for procurement of accumulated stocks with primary societies as well as for their disposal: assistance in ensuring yarn supplies at reduced prices; loan to the State Handloom Weavers Co-operative Society for issuing loans on the pledge of stocks of "Bleeding Madras" variety of handloom cloth; and delegation to the Far East to explore the possibility of finding an alternative market for this variety.

Handlooms in Third Plan

Making a brief reference to the handloom industry in the third Plan, the Minister observed:

"The handloom industry is being given an appropriate place in the formulation of schemes under the third Plan, as the Government are conscious of the role which the handloom industry is playing in providing the cloth requirements of the nation and in providing employment opportunities to a large section of the people. The weavers' co-operatives should be assured of a congenial climate for their healthy growth and development. The first and foremost requisite for their steady development is finance for production and marketing. Finance should be made available to them irrespective of the tangible assets of the borrowers. For this very reason, the credits are canalised through the co-operative banks. This seminar has, therefore, been convened at a very appropriate moment to review the working of the Reserve Bank's scheme of financing, to find out the bottlenecks in the actual implementation of the scheme, and to evolve remedies, so that the weavers' co-operative societies may draw as much funds as they require for maintaining and increasing production and achieving the targets set before them."

The mere provision of financial assistance, though it will greatly help the weavers whose financial position is weak, is not enough. Nor will the supply of improved types of cottage looms and appliances bring about any improvement in the productivity of the handloom industry. What is more urgently wanted is, as this journal has ere now emphasised, the implementation of a bold programme for replacing the cottage type hand-operated looms with powerlooms. It is gratifying that the U.P. Government has fully recognised this aspect and it is to be hoped that its example will be emulated by the other State Governments as well. There are already signs of a change in the attitude of the Madras Government. A few weeks ago, the Chief Minister of Madras appealed to handloom weavers to go in for powerlooms, so that they could earn more and exist without subsidy from the Government. It is high time the Madras Government took energetic measures for spreading powerlooms in its area.

MAN-MADE FIBRES IN U.K.

There are at present few signs of a reversal of the upward trend of man-made fibre production in the U.K., according to Sir William Palmer, Chairman of the British Man-made Fibres Federation. Speaking at the annual meeting of the Federation in London the other day, Sir William stated that output of fibres was 420 million lbs. in 1958 and might reach nearly 600 million lbs. in the current year, that new plant had come into use and that proposals of new fibres were being considered. His review of the recent trends reveals that demand for fibres is still good. Stocks are not unduly high and retail sales of clothing, which rose steadily early in the year, showed surprisingly enough a pronounced spurt upwards in the early autumn. The future of the man-made fibre industry lies in the development of new uses rather than in the expansion of existing ones. One of the reasons for the decline in shipments is the relatively high and increasing labour costs which makes Britain less competitive in price in many parts of the world. To quote him:

"There seems, indeed, no likelihood at present of an improvement in the exports of finished man-made fibre textile products. Our exports of finished cloth declined from 13 million yards in 1957 to 64 million square yards in 1959 and an annual rate of 56 million square yards in the early part of the present year."

A part of the decline is attributed to the virtual disappearance of the trade in finishing imported grey cloth for export. There was, he declared, no hope of compensating for this by increased exports to Europe, because the total market was not large and many countries in the European Free Trade Area had efficient home industries.

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SCRAPPING SURPLUS CAPACITY

TIME LIMIT FOR APPLICATIONS EXTENDED

From Our Special Correspondent

MANCHESTER, *8th November*

MANCHESTER LETTER

READING between the lines of the legal notices and the official statement from the Cotton Board that the time limit for submitting applications to scrap plant in the finishing trade's reorganisation scheme has been extended, it is reasonably fair to assume that the minimum targets have not yet been reached in all sections, but are clearly within the range of attainment. Lord Rochdale had announced at Harrogate that the targets had been passed in yarn processing and bleaching, but that the applications then received in dyeing and printing represented about 60 and 55 per cent., respectively, of the targets.

It should be recalled that the arrangements made for these redundancy programmes show distinct variations as compared with the spinning and weaving schemes. For one thing, the Cotton Board has power to reject an application, if the special committee concerned feels the dismantling of particular plant would prejudice the supply position in the section. It follows that, although negotiations have taken place between individual firms and the authorities covering an amount of machinery exceeding the minimum objective, subsequent rejections might bring the productive units concerned below the targets.

Another important aspect is that, once an application has been accepted, the machinery must be scrapped, irrespective of whether the section concerned attains its target, so that it is possible that the Government aid of two-thirds of the cost of the redundancy programme may not be available. The sponsors of the programmes will obviously do their best to stimulate owners of works into putting sufficient plant into the schemes to make them fully effective.

Price Level Comparisons

Regimentation has often been accused of creating a situation in industry today which offers little incentive to the individualist and provides a safeguard for the inefficient and unadventurous trader. Charges of this kind were levelled against the price regulation arrangements once in force in the spinning and doubling branches of the cotton industry, but, since their abrogation nearly two years ago, the trend of selling rates for yarn and other products has been able to develop on lines more fitting to the traditional pattern of supply and demand.

There remain critics of any system and, after the keen buying wave which occurred twelve months ago in Lancashire, there were complaints from users who contended that prices had been lifted too high. These arguments have lately gathered strength due to the latest phase of activity, in which spinners and manufacturers have booked substantial contracts at widening margins.

Producers must have listened with some satisfaction to the comments made by Lord Rochdale at the recent Cotton Board conference, when he made a number of observations on existing price levels. "I have no doubt that there may be black sheep in the cotton industry, as in any other walk of life," he said, "who have tried to take advantage of the situation and tried to get away with excessive prices, but I am quite sure that, in the main, these increases have been reasonable, due to the increase in the price of cotton, as well as to the world-wide revival in the cotton trade, rather than to the reorganisation schemes."

Similar rises in quotations, added Lord Rochdale, had occurred in the prices of cotton goods from such diverse suppliers as the United States, India and Hong Kong. At the same time, it has frequently been stated, and this was confirmed by the Cotton Board Chairman, that prices were generally uneconomic in the business recorded up to the final months of last year. This was the result of what he described as "dead weight of surplus capacity and the inevitable weak seller."

B. of T. Index Numbers

Wholesale price index numbers published monthly by the Board of Trade are based on the figure of 100 in 1954. The index for cotton yarn in February 1959, at the time of the dissolution of the Yarn Spinners' Agreement, reached a low point of 82.1, but, despite all the subsequent developments and the overwhelming call for supplies which ensued, the latest figure in September this year was exactly 100, bringing prices back to the 1954 level.

The cotton cloth quotation reached its low point in May 1959, when 86.9 was posted. The subsequent rise took the index to 96.8 by the end of last year and the figure broke through the 1954 level during March when 101.9 was quoted. By September this year, the index of representative cloth constructions was 104.7. On a similar basis, the cost of the majority of goods outside the textile field is very much higher.

Index numbers are issued by the Board of Trade covering nearly 100 commodities produced in the United Kingdom and, of these, barely a dozen show a reduction on the 1954 average. Several of these are in the textile branch, notably spun rayon yarns, linen, wool tops, worsted yarns, Harris tweed and serge. On the other hand, big advances in prices have been recorded in coal, which now stands at 145, hard coke at 147.6, iron castings at 135.8, domestic hollow-ware at 131, tools at 132.6 and aluminium products at around 130.

In addition to the orders being secured on home account for textile plant as part of the second phase in the reorganisation schemes for the cotton and allied industries, makers of British textile machinery are still managing to export bigger quantities this year than at any time since 1957. For the first nine months, shipments amounted to 981,312 cwts., an increase of nearly 170,000 cwts. as compared with last year.

Earnings from this trade have already reached nearly £38 million. Provided this level is maintained in the final quarter of the year, the value of textile machinery shipments may well break all records, exceeding the previous peak of nearly £50,500,000 achieved in 1952. Nor can this improvement be attributed to a sudden switch by foreign consumers to British plant, as the purchases from a number of sources have increased on a steady basis, with one rather notable exception. This is the very big expansion in shipments to the Soviet Union, which to the end of September this year amounted to 114,086 cwts., as against 44,751 cwts. in the same period of 1959.

At one time, India's purchases of British textile plant represented about a quarter of the available export trade, but takings have lately shrunk and, in the nine months, the figure is just under 100,000 cwts. Supplies sent to Pakistan have risen fourfold and other countries where very substantial increases in textile machinery shipments have taken place include South Africa, Poland, Portugal, Israel, Japan, the Philippines and Peru. In contrast, notable declines in shipments have occurred in the volume of plant sent to Egypt and Iran. The United States has also taken smaller supplies, as have Brazil, France, and Hong Kong, but the general picture remains encouraging.

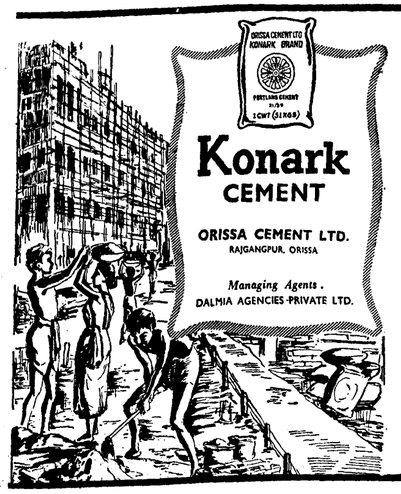
Small Companies' Profits

Nine out of ten of the smaller private companies in Britain are failing to make profits sufficient to safeguard their trading future. Mr. G. L. Page, Managing Director of the National Union of Manufacturers' Advisory Service, said in Manchester last week: "It is a serious problem—serious for the individual firms and serious for the nation when one takes account of the fact that a very important share of our labour force, probably over 40 per cent., is employed in small firms and a considerable slice of our industrial capital as well."

Among many smaller firms, there was "almost an air of indifference" to the profit objective. The question of profitability was subordinated to the current problems of getting orders, materials and production and holding on to labour.

Mr. Page, who was speaking at a one-day conference on the theme "Managing to Make a Profit," added: "The problem of small firms is not that there is no machinery available to provide their financial needs. It is that they are not a sufficiently reliable and rewarding investment. They play an essential and valuable part in making all manner of necessary goods and products but they don't make profits."

Mr. G. A. Hutcheson, Executive Director of the National Union of Manufacturers' Advisory Service, said that the proper application of work study had "time and time again" achieved increases in productivity ranging from 30 to 100 per cent. and sometimes considerably more. At the same time, unit labour costs had been reduced by 10 to 50 per cent. "With this kind of prize in sight it is surprising that less than 3 per cent. of the smaller firms in the United Kingdom have made effective use of work study," he said.—*All Rights Reserved.*



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INDUSTRIAL DISPUTES IN 1959

CAUSES AND RESULTS ANALYSED

ADDRESSING the eighteenth session of the Indian Labour Conference, held at New Delhi in September last, Mr. G. L. Nanda, Union Labour Minister, observed that there were signs that the forces working for harmony in industrial relations were gradually being strengthened. Quoting figures in support of his contention, Mr. Nanda said that the number of man-days lost on account of strikes and lock-outs has been steadily, though slowly, declining since the coming into force of the Code of Discipline from 1st July 1958. The number of man-days lost, which was as high as 4.7 million during the first half of 1958, declined to 3.20 million in the first half of 1959 and 2.89 million in the first six months of 1960. The number of man-days lost during the second half of 1959 was also substantially lower at 2.4 million, as compared with 3.09 million in the corresponding period of the previous year. This calculation does not take into account the increase in the number of employees during the period which is a relevant factor in the assessment of the improvement in industrial relations. The real improvement in industrial relations must, therefore, have been more marked than would appear from the figures quoted above.

The conclusion that, of late, labour unrest has been on the decline is corroborated by an analysis of industrial disputes in 1959, made by the Labour Bureau of the Union Ministry of Labour, and published in the latest (October) issue of the *Indian Labour Journal*. For the purpose of the analysis, the total number of man-days lost has been taken as an indicator of industrial unrest in different States and industries. This is a fairly reliable indicator, because it takes into account both the number of workers involved and the duration of work-stoppages. For purposes of comparison between different States and industries, however, the severity rate of industrial dispute, represented by the ratio of man-days lost to the corresponding man-days available for work, has been taken as a better indicator than absolute figures of man-days lost. Taking all the economic sectors together and comparing the position with 1958, it is seen that, though the number of disputes increased by a fraction (0.5 per cent., to be precise) in 1959, the number of workers involved and man-days lost decreased by 25.3 per cent. and 27.8 per cent. respectively. There was also a fall in the average time-loss per dispute, average number of workers involved per dispute and average duration of disputes in 1959. The details are as under:

	1959	1958
Average time-loss per dispute (man-days) ...	3,679	5,117
Average number of workers involved per dispute ...	453	609
Average duration of dispute (days)	8.1	8.4

The severity rates, however, indicated a mixed picture, with some sectors showing an improvement in industrial relations and others a deterioration. Thus, from the value of severity rates, it would appear that industrial relations in the manufacturing sector showed gradual deterioration during the period 1957 to 1959. In plantations and ports, the situation showed improvement in 1959, as compared with the preceding two years, while, in coal mines, it deteriorated slightly. Severity rates for other sectors could not be computed due to non-availability of data.

State-wise, West Bengal, Bombay, Madras and Kerala together accounted for 62.5 per cent. of the total number of disputes and 67.0 per cent. of the total number of workers involved and 64.9 per cent. of the total number of man-days lost. The average time-loss per dispute was highest in Orissa (45,483 man-days).

Industry-wise, the manufacturing sector accounted for 76.6 per cent. of the total time-loss during 1959. As for other sectors, mining and quarrying accounted for 10.9 per cent. of the total time-loss, transport and communication for 3.2 per cent., construction 2.5 per cent., agriculture, forestry, and fishing 2.4 per cent., electricity, gas, water and sanitary services 1.8 per cent., commerce 0.9 per cent., services 0.8 per cent. and others 0.9 per cent.

The highest time-loss was recorded by the cotton mill industry, followed by cement, jute mills, and silk mills. About 54 per cent. of the total time-loss in the mining and quarrying group was recorded in coal mines. As compared with the previous year, the time-loss increased in the manufacturing sector, commerce and service groups, but decreased in other major groups.

Among the major disputes resulting in a time-loss of over 100,000 man-days, the dispute in the Madura Mills Company Ltd., which involved 12,496 workers and resulted in a loss of 715,504 man-days, stands high in the list. The strike was resorted to as a protest against introduction of new workloads in some departments. Other major strikes during the year were those in the Orissa Cement Ltd. (man-days lost 250,314), Bengal Laxmi Cotton Mills Ltd., Hooghly (man-days lost 120,000), Machinery Manufacturing Company Ltd., Calcutta (man-days lost 109,000) and Orient General Industries (man-days lost 136,000).

A breakdown of the disputes according to causes indicates the relative damage done by each. The table below is self-explanatory:

Causes	1959			1958		
	No. of disputes	No. of workers involved	Man-days lost	No. of disputes	No. of workers involved	Man-days lost
Wages and allowances ..	405	138,009	10,54,611	464	340,609	31,00,576
Bonus	153	96,941	512,027	173	115,209	10,46,921
Personnel ..	382	142,883	13,46,795	443	204,921	21,91,225
Retrenchment ..	53	13,471	263,105	66	14,879	102,140
Leave and hours of work ..	55	26,124	29,173	47	23,856	174,811
Others	444	261,160	23,11,438	331	227,133	12,75,846
Not known ..	39	15,028	115,999	10	1,960	6,056
Total ..	1,531	693,616	56,33,148	1,524	928,566	77,97,585

It is, however, noteworthy that disputes relating to wages and allowances were the highest in number, followed closely by those relating to 'personnel. These two together accounted for 52.6 per cent. of all disputes regarding which information is available, 41.4 per cent. of total workers involved and 43.5 per cent. of total man-days lost. The corresponding percentages for 1958 under the same causes were 59.7, 59.0 and 67.9, respectively. Thus there was a decrease in the percentage of disputes, workers involved and man-days lost due to 'wages and allowances, and 'personnel' in 1959, as compared with 1958. The proportion of disputes and workers involved relating to 'bonus,' 'retrenchment' and 'leave and hours of work' showed only slight variations. The percentage of man-days lost relating to 'bonus' decreased and that due to retrenchment increased in 1959, as compared with 1958.

Of the total number of terminated disputes in 1959, for which data are available, 23.7 per cent. were successful, judged from the point of view of employees, 14 per cent. were partially successful and 32.3 per cent. were unsuccessful. In the remaining 30 per cent., work was resumed without any final decision having been reached, the dispute remaining either under further negotiation or under reference to an industrial tribunal. As compared with the previous year, the percentage of disputes which were successful and partially successful, decreased and that of unsuccessful disputes increased. The percentage of workers involved and time-loss in unsuccessful disputes also increased from 21.4 and 22.9 in 1958 to 40.7 and 29.7 respectively, in 1959. The percentage of number of workers involved in 'indefinite' cases decreased sharply as compared with 1958.

The number of terminated disputes, classified by duration shows that 67 per cent. of the work stoppages, which terminated in 1959, lasted for not more than five days each. Fortunately, disputes continuing for a month or more accounted for only about 9.7 per cent. of the total.

Disputes were relatively few in large undertakings. But, when they arose, they involved a large number of workers and resulted in heavy loss of man-days. During the year, units employing 1,000 or more workers were responsible for only about 21.1 per cent. of disputes, but these involved 70.5 per cent. of total workers and 61.0 per cent. of total time-loss.

An analysis of the methods of settlement of disputes indicates that Government intervention continued to play the leading role in dispute settlement. Thus, disputes which terminated as a result of Government intervention formed 39.5 per cent. of the total. Mutual negotiation accounted for 25.6 per cent. In 34.9 per cent. of disputes, the workers resumed their duties voluntarily. Most of the cases of voluntary resumption of work by the employees were unsuccessful or indefinite from the point of view of workers, whereas a large proportion of disputes terminating through conciliation and mediation by Government were wholly or partially successful from the point of view of employees. In the case of disputes terminating through mutual settlement also, a large proportion was successful or partially successful for the workers.

A computation of wages and production lost by industrial disputes would show the extent of loss suffered by workers through wages forfeited and by the employers through loss of production. Out of the 1,531 disputes in 1959, information regarding wages lost is available in the case of 1,002 disputes and data on loss of production are available in the case of 751 disputes. In these cases, the wage loss was of the order of Rs. 1.25 crores and production loss amounted to Rs. 6.93 crores.

The largest number of disputes were in cotton textile mills, being no less than 166. Although loss of production and wages involved in all these disputes are not known, it is calculated that 130 disputes resulted in a loss of Rs. 48.35 lakhs in wages to workers and 72 disputes resulted in a loss of Rs. 1.74 crores by way of production. Disputes in plantation numbered 120 of which 82 accounted for a total wage loss of Rs. 1.23 lakhs and 48 in production loss of Rs. 5.36 lakhs. There were 76 disputes in coal mines. Half of them accounted for a loss of Rs. 6.43 lakhs as wages and Rs. 25.17 lakhs as production. There were 107 disputes in metal products manufacture (except petroleum and coal), of which 41 were responsible for the loss of Rs. 3.21 lakhs as wages and 31 disputes for production loss valued at Rs. 25.67 lakhs.

Classification of disputes according to the affiliation of workers' unions revealed that the unions affiliated to the Communist-led A.-I.T.U.C. were responsible for 46.2 per cent. of the disputes for which data are available and 53.8 per cent. of the man-days lost. I.N.T.U.C. unions accounted for 26.9 per cent. of disputes and 24.6 per cent. of the man-days lost. The *Hind Mazdoor Sabha* accounted for 18.3 per cent. of disputes and 15.5 per cent. of man-days lost. The United Trade Union Congress was responsible for 8.6 per cent. of the disputes and 6.1 per cent. of the number of man-days lost.

FRINGE BENEFITS IN W. GERMANY

A comprehensive survey of fringe benefits paid to workers in trade and industry in W. Germany made recently by the Federal Statistical Office revealed that, in 1957, employers' contribution to social security and social services averaged 44 per cent. of 'straight' wages and salaries (that is, gross wages and salaries paid for time actually worked). This was made up of obligatory contributions amounting to 28 per cent. and the balance voluntary contributions. The major heads of contributions, compulsory and voluntary, were as under:

	Percentage of "straight" wages and salaries
Obligatory contributions: (by law or collective agreements)	
(1) Social security schemes	14.0
(2) Paid holidays	11.0
(3) Contributions and payments called for by special legislation	3.0
Total ..	28.0
Non-obligatory contributions:	
Contribution to pension funds	5.4
Grants for housing projects	1.1
Vocational training	0.7
Health and related services	1.5
Cash benefits (bonus, profit sharing, scholarships, allowances, etc.)	7.1
Total ..	15.8
Other voluntary contributions	0.6
Grand total ..	44.4

Although detailed figures of fringe benefits currently paid are not available, it is estimated that they would add up to roughly 46 per cent. of 'straight' gross wages. Laws raising the workers' sick pay and employers' contributions to statutory health insurance, which came into force since 1957, are expected to have increased the value of compulsory contributions. The voluntary contributions, too, must have gone up in proportion.

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Like its predecessors in the Efficiency Publication series, this little book (Management Efficiency by R. K. Murti, 194-A, Bhaudaji Road, Bombay-19, pages 111, price Rs. 10) bears the imprint of the author's unique approach to the problems of life. But unlike them, it is not intended for the general reader, although he too may profit by reading it, but is meant for the professional class of managers to help them to draw out the best in them as well as in others who work under them. It contains serious, indeed solemn, ideas, adapted and simplified for application to the problems of the work-a-day world. These ideas, which are a synthesis of the spiritual, moral, intellectual and philosophical, are all drawn from India's rich cultural heritage, tempered and tested on the anvil of the author's own personal experience. A distinguishing characteristic of the book is that it is original and refreshingly so.

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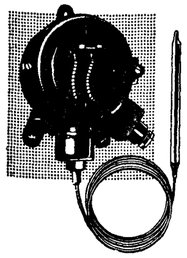
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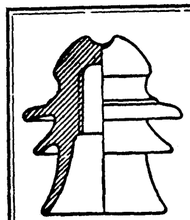
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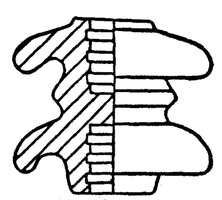

BIHAR-U.P. SUGAR BOARD MEETS

PLEA FOR STILL HIGHER CANE PRICES RENEWED

ONE is simply loathed to read the report in the daily Press time and again that the Joint Sugar Control Board for Uttar Pradesh and Bihar wants an enhancement of the minimum sugarcane prices. At a meeting held at Lucknow on the 7th inst., the Board decided to recommend to the Central Government fixation of higher cane prices for the 1961-62 season, namely, Re. 1.75 per maund for gate delivery and Re. 1.62 for delivery at outstations, as against Re. 1.62 and Re. 1.50, respectively, applicable in both the past (1959-60) and current (1960-61) seasons. The Board is quite a responsible body, consisting as it does of representatives of the two State Governments, sugar millowners and cane growers, and is presided over by no less a person than the Chief Minister of Uttar Pradesh, Dr. Sampurnanand. It is deplorable that such a body should have urged a further increase in cane prices, in addition to the 12½ per cent. rise effected last year as part of the incentive scheme to boost sugar production. It is all the more deplorable because Dr. Sampurnanand and Mr. L. P. Sahi, Bihar's Deputy Minister for Industry, have joined hands in clamouring for a higher cane price, instead of impressing upon the other members of the Board the fact that any such move was beset with disquieting consequences.

The minimum price of Re. 1.62 per maund of cane is itself sufficiently high and accounts for over 50 per cent. of the cost of sugar production. The heavy incidence of cane cost is due to the low sucrose content of cane which is not taken into account at all for making payment to cane growers, inasmuch as the cane price is linked only to weight. In all other sugar-producing countries, the price of cane is *fixed on the basis of its quality*. Even in India, the same basis is adopted for determining the prices of other agricultural commodities. Naturally, the prices of cane per maund are higher than in most other countries, though the quality is poor. Whereas out of 100 maunds of cane it is possible to get 14.33 maunds of sugar in Australia, 12.25 maunds in Cuba and 11.40 maunds in Java, we hardly get 10 maunds (all-India average) in this country.

Disquieting Effect

Even with the erstwhile statutory minimum price of Re. 1.44 per maund, cane growing appeared to have been very profitable *vis-a-vis* several other crops. Otherwise, would there have been such a marked expansion in the area sown to this crop in Uttar Pradesh and Bihar? The aggregate area under cane in these two States during 1959-60 was 3,082,000 acres and 437,000 acres, as against 1,973,000 acres and 300,000 acres, respectively, in 1953-54. The increase in price to Re. 1.62 has resulted in a further substantial rise in area, especially in U.P. Any further upward revision in cane price is bound to divert to cane growing a large part of the fertile land which can be better utilised for growing foodgrains (as well as other crops) and also to add to inflation in the form of still higher prices for sugar.

Apart from the high minimum price, the cane growers also enjoy a share in the prices of sugar realised by the factories without any obligation whatever on their part to share the loss, if any, incurred by mills. Only the cane grower is the beneficiary of this distinct advantage. Why should not this advantage be conferred on the cultivators of other crops too? Surely, from whatever angle one looks at it, the aforesaid principle of sharing is most defective and irrational. The adoption of this principle in the sugar industry is bad enough. But what is worse is that the sugar mills are asked to make an advance payment to growers even months before the actual prices realised by them on sale of sugar are assessed. It is a pity that Dr. Sampurnanand has openly justified this irrational policy, as witness his following remarks at the Sugar Control Board meeting:

"This issue (payment of the deferred cane price) has been a perpetual thorn in the side of the industry and hampered considerably the creation of the much-needed congenial atmosphere. The problem needs immediate solution and, pending the final decision by the Tariff Commission on the price-linking formula, industrialists should agree to an *ad hoc* payment as a gesture of their goodwill and also restore confidence amongst the growers. Much botheration can be saved if an outright increase is given as a substitute for the formula which, in spite of all simplifications, will not be easily grasped by the cane growers."

Dr. Sampurnanand's anxiety to be on the right side of cane growers is no doubt understandable, but he should not overlook the serious repercussions on the sugar industry which is endeavouring to maintain as high a level of output as possible. The cane growers can certainly wait till the Tariff Commission submits its report and the Central Government takes its decision thereon. After all, before 1958-59, no such sugar price-sharing formula was in existence.

Be that as it may, the Sugar Control Board was informed of the progress made and difficulties encountered in the scheme for payment of cane price on quality basis which is being experimented in three sugar factories of the State. The consensus of opinion was that the experiment should be linked with price and the quality producers should be paid accordingly. The report of the Price-linking Advisory Committee was also considered by the Board. The Committee which was set up in pursuance of the recommendations of the Patna meeting of the Joint Sugar Control Board in September 1959, was entrusted with the task of evolving a similar price-linking formula, for application to the States of Uttar Pradesh and Bihar, in place of one statutorily enforced by the Government of India since 1958-59. The Central formula was considered to be too complicated to serve the interest of the cane growers. The Committee could produce no agreed formula, as the one evolved by it was not agreed to by the industrialists. After participating at the initial stages of the meeting, the sugar millowners took the firm stand that nothing should be done till the decision of the Tariff Commission was announced.

Formalities regarding the formation of the National Federation of Co-operative Sugar Factories have been completed and the Federation is expected to be registered shortly. It is organised by 24 co-operative sugar factories which produced during the 1959-60 season 286,000 tons of sugar out of the estimated production of 2.41 million tons. It will co-ordinate the working of co-operative sugar factories in the country and assist in the promotion and organisation of new co-operative factories. Seven more units will go into operation by April 1961, raising the annual sugar production on co-operative basis to about 400,000 tons. The constitution of the Federation is designed to ensure a balanced and equitable representation to all the constituents.

Although official figures are not available, the increase in sugarcane in the Eastern range of Uttar Pradesh is estimated to be roughly between four to five million maunds over that of last year. Putting it in terms of increase in the crushing season, the crushing season is expected to have a run of full six months this year, as against five and a half months last year. The increase in cane production has been due not to any improvement in the development of sugarcane but to more and more areas going under cane cultivation and lessening the acreage under food.

Sugar production in India during the season 1959-60 up to 30th September amounted to 2,415,000 tons, as against 1,914,000 tons in the corresponding period last season. The offtake of sugar from factories during September was 181,000 tons, as against 179,000 tons in the same month in 1959. The total despatches upto 30th September were 1,849,000 tons, as against 1,922,000 tons by the same date last season. The total closing stocks with factories as on 30th September were 729,000 tons, as against 337,000 tons on the same date last season.

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MALAYAN RUBBER INDUSTRY LOOKS AHEAD

PRODUCTION MAY EXCEED 1.5 MILLION TONS IN THE NEXT FIFTEEN YEARS

By A Correspondent

FOR anyone flying from Singapore to Kuala Lumpur or further on to Penang, the tremendous replanting activities going on in Malaya becomes a strikingly graphic operation. It can be seen from the air amidst mills and miles of rich forest land. The country presents an unending carpet of tufted green and it is broken by sharply cut clearings of all shapes. Each clearing, unless covered by grown plants, looks like the whorls on a gigantic fingerprint. They represent new clearing or land prepared for replanting and each of them covers thousands of acres. In India, a thousand-acre estate is considered 'large' and there are very few estates of over 2,000 acres. In Malaya, they go in for much larger units, most of them being 2,000 to 5,000 acres and several units in much larger sizes. This allows companies to have specialist services that smaller units cannot afford.

Following Japanese occupation, rubber had suffered badly and management organisation had collapsed. But the revival of the industry presented an opportunity for experimenting with new methods and some of the innovations have become permanent features. Instead of having several factories to process rubber in distant fields, the collection from the field and delivery to the factory has been motorised. With the arrival of synthetics, the industry has learnt to produce special-purpose rubber and about 55,000 tons of such chemically treated and specially packed rubber was exported last year. The preservation in latex form and the bulk transportation of liquid latex became a new development. Today, the share of latices and skim rubber in Malayan export is about 11½ per cent. of total output, or, 137,000 tons per annum. The concentration of factory operations at one central point even for the largest and most widely spread estate is quite common and management opinion is that it is cheaper and more efficient.

There are three specific objectives in the formulation of managerial attitudes in Malayan planting. The first and foremost is survival against the onslaught of man-made rubber. The industry reconciled itself to the fact that, in the world-wide market, natural must stand on its own merits of usefulness, availability and price and that no manufacturer of rubber goods will play favourites to oblige natural rubber producers. The second is that Malaya's economic progress is bound with rubber to a greater extent than even Cuba's to sugar or Brazil's to coffee. The third, and probably the most important, is the Malayan planter's acceptance of the challenge of change.

Malaya was under occupation for three years and the industry lost about 40 per cent. of its managerial personnel. In 1948 started the next crucial challenge to the existence of the country and planters were a specially favoured target of the communist terrorists. The impact of these two events, together with the threat of synthetic development, created the psychological background for the changes the industry has had during the last fifteen years.

The setting up of the Rubber Producers' Council of Malaya as the single and most authoritative spokesman of the industry was a significant act in keeping with the new direction the industry's leadership was taking and it meant carrying all shades of producer opinion together. The British part of the industry, with its long management experience, superior organisation and clearer understanding of the challenge posed before it and the country, was associating native opinion and enterprise with it as full and working partners. The technological break-through in producing rubber cheaper than synthetic, in offering types and qualities of rubber for new forms of usage and in producing enough rubber of all kinds to meet the rising world demand occurred during the last ten years were parts of the new spirit animating the industry in Malaya.

The most articulate and immediate challenge posed by synthetic rubber evoked in the ndustry the determination to develop the quali-ies and increase the yield and production of natural. The International Rubber Study Group's Conference in September saw an acceptance by the producers of natural that it has o live with synthetic rubber but also that they now how. Indeed, it was surprising for many synthetic men that natural has so developed that, quality for quality, it could be produced cheaper than isoprenes the characteristics of which could match natural's.

The planter does not overlook certain basic advantages which synthetic rubber has. It is not affected by wind or rain; it can be produced with more precision regarding characteristics, quantity and better timing than natural; the time in which synthetics can be produced from the time a need is felt is shorter than a rubber tree can be planted and a yield obtained. Nevertheless, work is going on to overcome these handicaps. The famous Gaugh plants are capable of coming into yield in less than four years after planting, that is, only a little more than the time that will be taken for the Bareilly plant to be in production. Mr. W. E. Klippert, the Chief of Goodyear's plantations division, forecasts that, at a yield rate of 1,200 pounds, rubber can be produced at U.S. cents 10 per pound. The Firestone plantations in Liberia, went past this mark for their total 87,000 acres in 1959. Over 12,600 acres obtained more than 1,300 pounds per acre in Malaya in 1959, according to the Government Statistician of the Federation. Natural rubber, provided full advantage is taken of the replanting programme, can fully face the challenge of synthetics on the price front. As for availability, the output of natural rubber exceeded 2 million tons in 1959 for the first time. The output was doubled in twenty years. The increase was almost 600,000 tons or by 43 per cent. since 1949. The rubber industry in Malaya has before it the prospects of producing 735,000 tons in 1960 or a rise of 37,200 tons over the actual of 1959, a jump to 965,000 tons by 1965, to 1,275,000 tons five years later and 1,520,000 tons by 1975. In fifteen years, the Malayan output would more than double itself. This must be seen against the fact that to reach less than 700,000 tons it took Malaya sixty years in the past.

This broad vista of progress can be seen only by a well-organised industry moving under a farsighted leadership and having a purpose broader than showing a good profit and loss account. It is the great good fortune of Malaya that it has such an industry.

Malaya's economic future, however, cannot always be tied wholly to one single industry and it is here that any Government plan for diversification and development of industries becomes a reality only because rubber produces the surplus which can be diverted for such development. Taxation does not sit so lightly on rubber in Malaya as many believe. Export duty on rubber in 1959 brought the Federation very nearly Rs. 22¾ crores. As rubber enjoyed high prices during the year, the total levy exceeded Rs. 32 crores under four different imposts. But a little more than Rs. 9 crores would flow back to the industry whether in the form of replanting subsidy, research finance or as price assistance fund during lean years. The weight of export duty and customs cess on each 100 pounds of rubber is in excess of Rs. 38¼. In addition, the Federation receives about 22 per cent. of its revenue from income-tax on rubber.

A new trend in Malaya's rubber industry has a mutually contradictory outward appearance. There have been complaints of fragmentation of large viable units, but it has not been possible to fix with any certainty the extent of planted area which fell to this misfortune. But it also led to an opposite trend, namely, the amalgamation of small and medium units to form large ones or take-over by existing large companies properties in their neighbourhood, thus leading to larger units which lend themselves to more efficient management.

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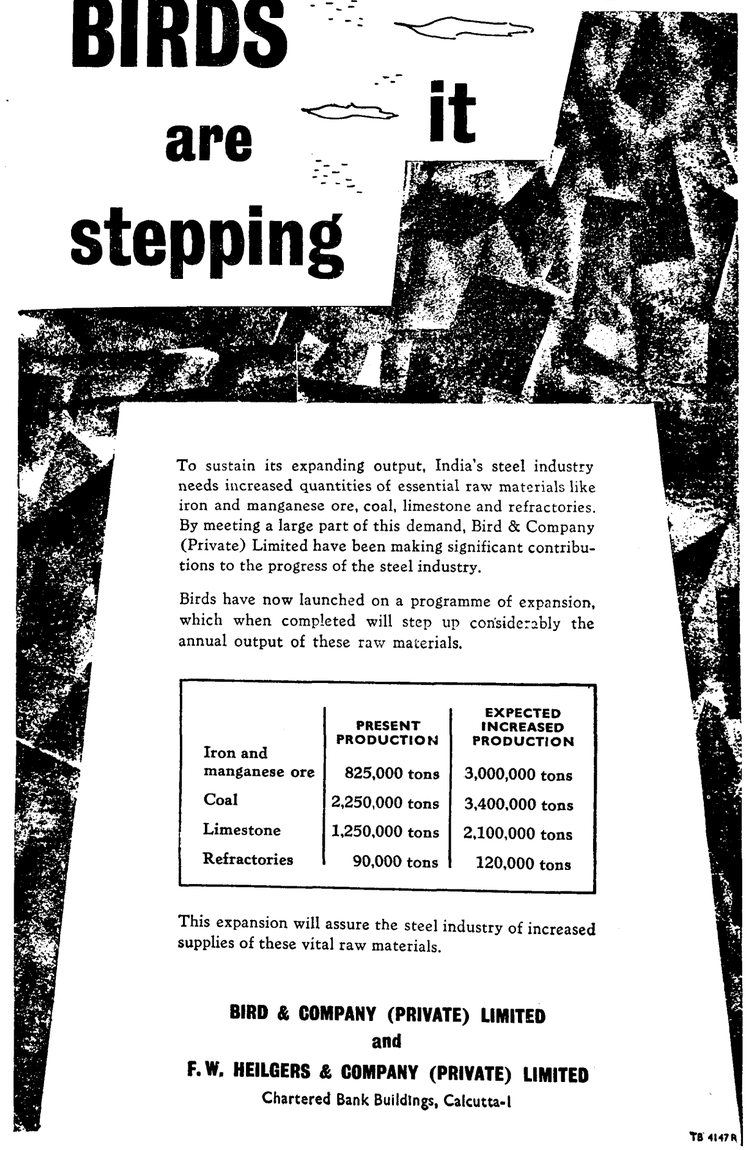

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BRITISH PROGRESS IN NUCLEAR ENGINEERING

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IN a technical sense, nuclear power has come to stay. What is more, there are indications that, by the end of this decade, it will become competitive in those areas where fuel costs are somewhat above average and that, by the mid-sixties, it may achieve competitive status in those places where fuel costs are high. These two conclusions have recently been expressed by Mr. Sterling Cole, Director-General of International Atomic Energy Agency. Already remarkable progress has been registered, in his estimation, during the last six years to make nuclear power dependable, safe, and economic. But nuclear plants are still large-sized units in the more advanced countries, but determined efforts are being made to accomplish economies in capital, fuel and operating costs. These countries are yet to develop small and medium-sized reactors which, according to expert opinion, are at a cost disadvantage as compared with large ones. The less developed countries which, in the opinion of Mr. Cole, have to look for a suitable supplementary source of power for their industrialisation have a legitimate interest in nuclear power which can be produced by small and medium-sized plants. But the more advanced countries are yet to make a joint effort to develop reactors for conditions prevalent in the less developed countries.

Cost Per Unit

As things stand, the progress that is being made in economic construction and operation of large-sized nuclear power stations is all that is noteworthy and significant. It is in this context that current experience in the United Kingdom has some relevance for India, which is to build its first large-sized atomic power station during the third Plan. The latest annual report of the United Kingdom Atomic Energy Authority gives an authoritative account of the improved U.K. techniques in nuclear engineering. It is recorded that there have been several steady but marginal improvements in this sphere, resulting in a fall in the cost of power in the nuclear stations. A series of engineering refinements and better understanding of nuclear physics have contributed to this achievement. There are now a more economic burn-up of fuel; improved transfer of heat from reactor to steam-raising plant; and higher steam temperatures, which immediately lead to better turbine performance. These have resulted from improvements in the design of the fuel containers which have led not only to greater reliability but to increased transfer of heat from the reacting uranium fuel to the gas flow that takes the heat to where it can do its job of producing steam. These advances will be fully tried out in what will be the most powerful atomic generating station, namely, the one that is being constructed at Dungeness, in the south-east of England. This will be the sixth station to be built as part of Britain's power-from-the-atom programme. It is estimated that this Station will generate power at a cost comparable with a conventional coal-fired plant in the same area—possibly below 0.7*d.* per unit.

Capital Cost

So much about the cost of power. As for the capital cost, it is steadily being brought down with each new station. This is considered vital, for, whereas the economics of conventional power generation is based on comparatively low capital cost but heavy expenditure on fuel, an atomic station is very costly to build but cheap in its fuel requirements. Any reduction in capital cost, then, is immediately reflected on cost per unit generated. A significant development in the past 12 months has been that of "new generation" reactors which promise to be more economical than the Calder Hall types which, too, have increased their thermal output to 15 per cent. above the designed capacity. The "new generation" reactors mean that more economical power stations are on their way, with a promise of substantial reductions in capital costs. One of these reactors is now being built at Windscale, within sight of the original Calder Hall. It is a prototype known by the initials A.G.R. (Advanced Gas-cooled Reactor), and is fuelled with slightly enriched uranium oxide pellets carried in stainless steel cans. Gas outlet temperature will be much higher—some 150° C higher—than that of existing plants, offering considerably greater generating efficiency. This design of reactor, according to the U.K.A.E.A., offers the best prospect of early achievement of competitive nuclear power in Britain, that is, electricity that can be less costly than that generated by the most up-to-date of coal- or oil-fired stations. An even more advanced project is the experimental high-temperature, gas-cooled reactor that is being built at Winfrith Heath, Dorset. This project, known as Dragon, is a joint undertaking in which scientists and engineers of 12 European nations are working to perfect what was initially an advanced British idea for a highly economic power-producing plant.

While the first new stations of the A.G.R. type are expected to be constructed only towards the end of the 1960's and their capital cost is estimated to be less than that of the Magnox plants now being built, it is also significant that the capital cost of the Calder Hall type stations has been reduced by an average of £8 per kilowatt a year. By this means, according to the Scientific Correspondent of the *Financial Times*, the capital cost has been reduced from £160 per kilowatt installed capacity for the Berkeley station to £110 for the Dungeness. It is likely to be £95 per kilowatt, or even less, for the Oldbury station. The capital costs for seven nuclear power stations in the U.K. are given below:

Name of station	*Capacity* MW.	*Cost* £ per kw.
Berkeley	275	160
Bradwell	300	159
Hinkley Pt.	500	133
Trawsfynydd ...	500	123
Dungeness	550	110
Sizewell	600	100
Oldbury	550	90-95

It is stated that this trend of falling capital cost will continue for a further two or three years and there is a possibility that stations of the Calder Hall or Magnox type could be built with a capital cost of £75 per kilowatt installed capacity, that is, less than half that of the Bradwell and Berkeley stations due to come into operation next year.

How India can benefit from this British experience is by no means clear, in the absence of more active Indo-British technical collaboration. The first atomic power station to be built in India would necessarily have to be based on foreign experience. Why cannot a satisfactory working arrangement be negotiated with the U.K.A.E.A., as with the Russians is the question.

HYDRO-POWER POTENTIAL

The Anniversary Number of *Bhagirath*, the irrigation and power monthly of the Central Water and Power Commission, is notable for the articles on power. It is seen from one of the articles that India's firm hydro-power resources capable of economic development, according to a recent preliminary survey, would be about 24 million kw. at 100 per cent. load factor, and 40 million kw. at 60 per unit load factor—the present annual load factor on most of our major systems. As against this potential, the total plant capacity of all hydro stations in the country at the end of the second Plan would aggregate 2.2 million kw. corresponding to a firm water power potential of about 1.7 million kw. at 60 per cent. load factor. It is suggested that, as demands for power grow rapidly, the best combination for economic generation of electricity would be to generate as much of the energy requirement as possible from "base load" thermal and nuclear power stations, and so modify the hydro schemes as to enable them to operate as non-base or peak-load stations. Their plant capacities would, of course, have to be suitably augmented for the purpose. It is calculated that, if the annual load factor on hydro stations is reduced to about 40 per cent., it would be possible to absorb on hydro stations alone, a peak demand of the order of 60 million kw. with the currently estimated total hydro-power potential of 24 million kw. at 100 per cent. load factor. Assuming that the present pattern of load demand continues, with a ratio of 6 : 4 between non-base and base loads, the corresponding base load—to be met from thermal generation, both nuclear as well as coal fired—would be 40 million kw., taking the total peak demand to 100 million kw. A specific recommendation is, therefore, to the effect that the hydro schemes, currently being developed and those under consideration, should be designed to permit this essential future peak load operation well within the life of hydro schemes, which is of the order of 100 years or more.

PETROLEUM INDUSTRY AND THIRD PLAN

The Institute of Economic Growth, Delhi, with Dr. V. K. R. V. Rao as Director, has been functioning for some time now, with a handsome grant from the Ford Foundation which has given equally handsome grants to the National Council of Applied Economic Research, New Delhi, and the Gokhale Institute of Politics and Economics, Poona. The first publication brought out by the Institute is an "occasional paper" on Petroleum Industry and the Third Plan. This study may seem to be rather superflous after the earlier projection studies by Burmah-Shell, National Council of Applied Economic Research, etc. But it has some value, in that it has highlighted the problem of growing imbalances between the demand and supply of various petroleum products. These imbalances by the end of the third Plan are estimated by Mr. P. N. Dhar, author of the paper, as under:

(In thousand tons)

Product	*Estimated demand*	*Estimated production*	*Surplus or deficit*
Motor spirit	1,000	1,725	+ 725
Kerosene	3,000	1,095	— 1,905
High speed diesel	3,000	1,529	— 1,471
Light diesel oil ..	730	559	— 171
Furnace oil	2,100	1,832	— 268
Bitumen	530	429	— 101

The main imbalances in the above table relate to motor spirit and middle distillates (kerosene and diesel fuels). The author says that these are in conformity with the general trends in many other countries. The ultimate solution to the problem of automotive fuel imbalances is to find ways by which the differences in engines and fuels will be eliminated, so that there is a common fuel for a common form of engine. But, for the immediate, the suggestion made by the author is that the tax on kerosene be increased, so as to raise its price to about Rs. 2.40 nP per gallon or by about 60 per cent. It is expected that kerosene consumption can be brought down by this fiscal method by about 0.7 million tons. A rise in the tax rate on diesel oil also is suggested to reduce the demand for it by more than 0.25 million tons. This reduction in the demand for kerosene and diesel oil *plus* the increased use of gasoline will reduce the demand for additional refining capacity by about one million tons. This reduction in refinery capacity, in turn, will mean a foreign exchange saving of Rs. 50 crores during the third Plan. All this sounds so good on paper. But how will the rural public and the road transport operators react to the suggested increases in taxes on kerosene and diesel oil?

WHEEL FORGING PRESS

The 6,000 ton hydraulic wheel forging press for the Durgapur Steel Works has been designed to forge cheese-shaped steel ingots into solid railway wheel blanks, ready for rolling and finishing, in five operations taking less than 90 seconds. The Wheel and Axle Plant at Durgapur, of which this press will be the primary productive unit, is scheduled to come into service in July 1961. The plant is planned for initial production of 45,000 railway carriage and wagon wheel sets a year (two wheels and one axle per set), with provision for subsequent expansion to 75,000 wheel-sets annually in the future. This output is required to meet the Indian Railway Board's carriage and wagon building programme, which is a vital part of India's expanding economy.

The 6,000 ton hydraulic wheel forging press has been built by Davy and United Engineering Company Ltd.—a member company of ISCON—the British Consortium constructing the Steelworks at Durgapur.

NEPAL BANK LIMITED

(Incorporated under Nepal Bank Act of 1994 (Sambat))

Central Office: KATHMANDU, NEPAL

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Paid-up Capital	..N.C. Rs. 25 lacs
Reserves and Exchange Fluctuation Fund ..	..N.C. Rs. 44 lacs

(N.C. Rs. 160=I.C. Rs. 100)

16 Branches and Sub-Offices in Nepal

Enquiries are invited from Banks, Commercial Concerns and Tourists for information regarding Prospects, Procedure and Regulations in Nepal.

NEW PRODUCTS AND PROCESSES

Railway Wagons for Transport of Powder Substances

A DUTCH engineering firm has developed a new means of transport (pressure silo wagon) for powdered and granular substances. The pressure silo wagon consists of 15 cubic metres or 17 cubic metres spherical steel tanks mounted in a set of two on a two axle flat railway truck. The low deadweight of the spherical tanks (about 3 tons including platform, ladder, lines, oil and water separator, etc.) ensures a large capacity and a high pay load. The carrying capacity is 28 tons at a total loaded wagon weight of 40 tons (axle load 20 tons). The discharging system of the pressure silo wagons is based on the addition of air or another gas by means of a compressor with a maximum operating pressure of 2.8 atm. gauge, as a result of which the mixture of powder and gas behaves as a liquid. Hence the pressure silo wagons are provided with a system of pipelines, the necessary fittings and water and oil separators. While being unloaded the mixture can be readily pumped through the pipelines, even over a distance of a few hundred yards from the railway wagon to the processing plant in the factory. The special discharging system required for pressure silos of a similar capacity is being patented. The pressure silo wagons mean a substantial simplification of transport and saving in transport costs and are therefore eminently suitable for factories which are regularly supplied with powdered base materials such as cement, fertilisers, soda, salt, various other chemicals, flour, sugar, etc. They can be handled by one operator. The discharging time depends on the product carried, the distance and the compressor used, but averages 15 minutes per spherical silo.

Ticket and Document Conveyor

A ticket and document conveyor which will help to speed the documentation of passengers, has been installed for British European Airways at London Airport. Designed and manufactured by a U.K. firm, John Thomas Ltd., Wolverhampton, it is built in eight bays, each 6 ft. 10 ins. long, and stands 6 ft. 3 ins. from the floor, the discharge end feeding documents to the flight control desk. The total length is 62 ft. 2 ins. and can be increased if necessary. The main conveyor structure is of aluminium, with Perspex side members providing full view of the tickets or documents being conveyed. The drive unit, at floor level, is comprised of a fractional horsepower electric motor, suitably tensioned, driving an endless belt running at 160 ft. per minute which passes over aluminium rollers revolving on "Sealed for Life" bearings. The tickets are "posted" at any one of eight posting slots, one to each bay. The manufacturers say that although the conveyor at London Airport is designed to deal with tickets up to 6 ins. deep, the design could readily be adapted for using larger sheets, or could be used for handling work cards, records, and numerous types of documents and correspondence which passes between departments in large modern offices and factories where speed is essential. Many variations can be made including reversing mechanisms, speed variation, directional changes and inclines, counters, additional discharge points and stops for holding tickets for individual attention. The lightness in weight and the manufacture of standard sections provide for easy and quick installation under almost any reasonable condition.

Hydraulic Turbo-coupling

A hydraulic coupling of the hydrokinetic type which, in addition to a pump impeller and a turbine wheel, features a supply chamber which is fitted to the pump impeller and communicates by means of two ball valves with the working chamber between pump impeller and turbine wheel has been developed by a Netherlands firm. This design ensures that the quantity of oil in the working chamber which determines the power transmission is automatically adapted to the available engine power output. The inlet ball valves have independent outside adjustment, thereby enabling the engine speed to be set accurately while the working chamber is being filled by injection from the supply chamber. The engine is not connected to the machinery during the starting-up period. When the engine has reached the required speed the working chamber is filled from the supply chamber and a very smooth connection is established between engine and machinery. It is also possible to vary the speed of injection and to adapt it to the use for which the machinery is intended. At a low engine speed (e.g. during idling) part of the oil flows back from the working chamber to the supply chamber via the outlet ball valve.

New Process for Extracting Metals

A fundamentally new process of extraction of non-ferrous and rare metals from ore without smelting has been developed by Ukrainian specialists in Kiev. Under the new technique, for which only electricity and a solution are needed, all non-ferrous metals, sulphur and rare elements contained in the ore (germanium), selenium, tellurium, indium and others) are extracted separately but in one continuous process. Copper, lead, zinc, nickel are extracted in the form of oxides, sulphur in pure form, and rare elements in the form of rich concentrates. The new technique, developed by Dr. Nikolai Fortunatov of the Institute of General and Inorganic Chemistry, ensures high purity of non-ferrous metals thus obtained and radically improves working conditions. Moreover, losses of metals and rare elements in slags, dust and gases are completely eliminated. The first such pilot plant is effectively operating at the Kirovgrad Copper Refinery in the Urals where it is used to extract non-ferrous metals and rare elements from waste products such as metallurgical dust. At the present time an improved, fully automated installation has been created at the Institute. It will be used to process rare elements and such metals the separation of which is extremely difficult: lantanum, cerium, niobium and others.

Colouring Potteries

A pottery firm in the English Midlands, Wengers Ltd., which supplies ceramic colours to potters all over the world, has developed a new medium for its colours which simplifies decoration and offers substantial savings to manufacturers of china, earthenware and decorated ceramics of every kind. The old medium was oils and fats; the new medium is the secret of the company but extensive tests support the claim that it reduces the work of the decorator, reduces the number of "firings", reduces the number of handlings of the pottery and enhances the brilliance and holding qualities of the colours. Savings of up to 25 per cent. have been made in the manufacture of certain classes of pottery as a result of using the new colours. The firm say this has been achieved because the colours are supplied ready mixed, thus cutting out the process of mixing by the decorators, cutting down to one the number of "firings" and the number of times pottery pieces have to be handled under the traditional process of manufacture. The new colours do not "run" when painted on and this means that several colours can be applied before "firing". Among English manufacturers the development is considered to be a "break through" of considerable importance.

New Tool for Metallurgists

A new electronic X-ray instrument developed by British research workers has been described by a physicist as "the most powerful tool put into the hands of metallurgists since the optical microscope was adapted to their use in the early eighteenth century." It opens up new fields of research into the structure of metals because it can create visual images of the minutest particles in metals and alloys by the use of electronic X-ray beams. Magnification goes up to 3,000 times and a particle as minute as a quarter-of-a-millionth of an inch can be examined in detail. The instrument named "Scanning Electroprobe X-ray Microanalyser" is being produced by a U.K. firm, Cambridge Instrument Co., Ltd., London. Only three have so far been made but orders for five of the instruments have been received from the United States and enquiries from Europe and Japan.

Anti-Corrosion Compound

A new compound which can be applied, it is claimed, to wet surfaces to give fully effective protection against corrosion has been developed in Britain. Even when applied to very wet surfaces the compound is said to dry firmly bonded to the surface which it is designed to protect, and to produce a resilient protective film. At the same time, the material is non-toxic and has no odour or taste, and is said to be very cheap to use. One gallon of the compound will cover, it is claimed, 300 square feet. Tests carried out with the material are said to have shown that it will provide protection against corrosion even under highly corrosive conditions and long periods of exposure to the atmosphere, or to salt spray conditions. It is said to be easy to store for long periods of time and yet can be readily applied by means of a brush or similar technique.

Letter Sorter

A machine developed in the U.S. to teach mail sorters in the new automatic post offices uses the principle of conditioned reaction. Letters are presented one by one to the sorter who presses a series of buttons to set up a code which will send the letter to the right mail bag. Psychologists say that when a key pushes upward, an operator who has his fingers on it will subconsciously push against it. In the training machine, sample letters are presented and at the same time the machine pushes up the proper key to code it. A loudspeaker also announces the proper code for that address. Subconsciously, the operator learns to associate each address with the proper code.

Electronic Welding

Electronic welding is a new metal-welding method elaborated in Moscow. Its principle, in brief, is as follows: If electrons are compressed together and directed in one direction they form a powerful stream. When they hit a metal surface the electrons decelerate and collide with each other, just as the passengers of a bus would if it suddenly hit an obstacle. Practically all of the kinetic energy changes into heat energy. The metal hit by the electronic stream melts. The new welding device has been named an electronic gun. This gun, of course, serves only peaceful purposes. It can be used to weld such refractory metals and alloys as tungsten and molybdenum.

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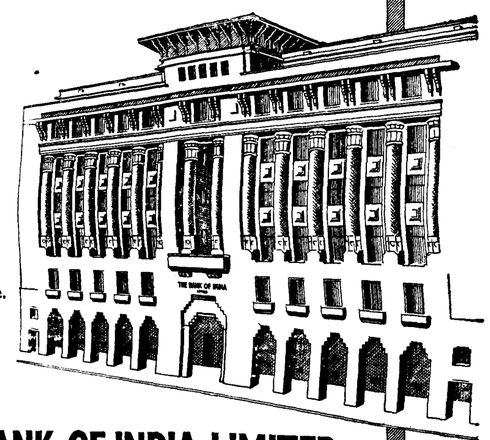

THE BANK OF INDIA LIMITED

INDIAN ECONOMIC DEVELOPMENT IN A DEMOCRATIC FRAMEWORK

REALISTIC PLANNING REQUIRED

By A. D. Shroff

PRESIDENT, FORUM OF FREE ENTERPRISE

SOCIALISM in effect means State ownership of all the means of production, distribution and exchange. Socialism means either the outright expropriation or steady deprivation of all private property from individuals. Socialism means hostility to private enterprise in any form and its replacement by State Planning of a comprehensive character. This has been described by John Strachey, British socialist theoretician, as follows:

"If we reject the self-acting mechanism of profitability, as too unjust and too wasteful, we must find some other mechanism of regulation. The sole alternative method by which complex, highly developed economic systems such as those of Britain and America can be regulated is by means of the deliberate decisions of some central body as to what goods, and how many of each of them, shall be produced. The organisation of production by means of such conscious decisions is called a system of 'planned production for use.' This is the type of economic system now being built up in the Soviet Union. It is socialism."

In view of the ideology of socialism put before our country, it is not surprising that people in high quarters should express open hostility to private enterprise. For instance, the Governor of the Punjab was reported in the Press as having said at a meeting in Patiala on 7th October 1960, that, in a backward country like India, it is criminal to have private sector at all. The offensive tone of such an unrestrained statement should be ignored but for the dangerous implications it carries to the democratic way of life.

Class Hatred

Socialism thrives on class hatred. This gospel of hatred is disastrous to social harmony and stability without which there can be no economic progress. Moreover, the preaching of hatred, however effective it may be from the point of view of capturing or maintaining political power, is anti-democratic in character. An important aspect of democracy is the rule of reason. It is difficult to see how the gospel of class hatred is compatible with the democratic concept of the rule of reason.

In the second place, those who claimed to have come into possession of the means of social progress in the socialist formula make no bones that the comprehensive State planning which they adopt for economic development has ultimately to give up all democratic pretensions in order to be effective. The lines emphasised by me in the following passages from a book by a socialist economist who was a visiting professor in the Indian Statistical Institute (which provided the draft framework of the second Five-year Plan) is revealing:

"Obviously, genuine economic planning requires an almost complete mastery over the prices of the main goods as well as over income; otherwise, there would be, through the price mechanism, such a reallocation of national income and of the investible resources that the plan would be defeated. Recent developments have shown that it was impossible to keep the desired price level, while other instances have shown also that, when powerful private interests want a given price change, they finally get it. In my opinion, this is due not to a lack of economic understanding but to a lack of economic control; for the planning authorities to fulfil big economic tasks, big economic powers are required. Such powers are not so much dependent on legal stipulations (which may be required) as on a socio-economic structure which gives real powers to the planning authorities, i.e., ultimately to the State."—Charles Bettleheim, in *Studies in the Theory of Planning.*

Lord Keynes Recalled

It is clear from happenings in other countries that, whereas private property and private enterprise are two of the essential safeguards in a democracy, the socialist society which cannot countenance these institutions and concentrates all economic power in the State naturally ends up in a totalitarian State which is the modern name for unmitigated tyranny. Even Lord Keynes, whose theories are approvingly quoted by socialists, had the following to say with regard to individual enterprise:

"Let us stop for a moment to remind ourselves what these advantages are. They are partly advantages of efficiency—the advantages of decentralisation and of the play of self-interest. The advantage to efficiency of the decentralisation of decisions and of individual responsibility is even greater, perhaps, than the nineteenth century supposed; and the reaction against the appeal to self-interest may have gone too far. But, above all, individualism, if it can be purged of its defects and its abuses, is the best safeguard of personal liberty in the sense that, compared with any other system, it greatly widens the fields for the exercise of personal choice. It is also the best safeguard of the variety of life, which emerges precisely from this extended field of personal choice, and the loss of which is the greatest of all the losses of the homogeneous or totalitarian State. For this variety preserves the traditions which embody the most secure and successful choices of former generations; it colours the present with the diversification of its fancy; and, being the handmaid of experiment as well as of tradition and of fancy, it is the most powerful instrument to better the future."

Fortunately, all over the world, there is rethinking on socialism. Socialism today is like a battered ship without rudder and engine but gifted with a mutinous crew disputing with the captain and among itself as to the captaincy of the vessel which they can neither control nor direct. Unseemly quarrels amongst heads of various socialist States and groups regarding the interpretation of the socialist theology is but an indication that socialism is fast disintegrating.

Keener Awareness

In democratic countries, which underwent to some extent socialist experimentation, the awareness of the failure of socialism is keener. For instance, after the last general election in the U.K., analysing the causes of failure of the Labour Party, one of the leading theoreticians of the Party, and the Financial Secretary of the Treasury in the former Labour Government, Dr. Douglas Jay, made some interesting comments:

"The word 'nationalisation' has become damaging to the Labour Party. This is a fact; and it is no use denying it, even if you deplore it. ...

"The myth that we intended to 'nationalise' anything and everything was very powerful in this election—any canvasser will agree. We must destroy this myth decisively; otherwise, we may never win again."

At the recent conference of the Labour Party proceedings, it was clear that the British socialists now recognise that private enterprise has a useful role to play.

Human Nature

Socialism has failed, because it has not reckoned with human nature as it is. To quote the apt words of an eminent British writer on this subject, Ivor Thomas:

"The rock on which socialistic experiments have hitherto always foundered is human nature. Any sound political system must be based on a correct appreciation of human nature; and socialism is bound to fail because it offends the best elements in human nature and panders to the worst.

"The men for whom statesmen have to legislate are neither angels nor beasts. They are neither wholly good nor wholly bad. The legislator who assumes that they are wholly good will make an error not less harmful than he who assumes that they are wholly evil; the latter will concentrate so much on repression that he will not extract the 'soul of goodness' that is to be found even in 'things evil,' 'would men observingly distil it out,' while the former's structures will be wrecked by lack of co-operation from the people he trusts. There are, indeed, some men who are almost entirely good, and others who are almost wholly evil, but the statesman would be foolish to legislate for a society either of saints or of sinners. It is his duty to construct a society which is suited to the average human being, compounded as he is of good and evil ingredients; and he must leave the extremes in either direction to be provided for by special measures.

"The prime fact of human nature which the wise statesman must take into account is that men will exert themselves for their own benefit, or for that of their families, regarded as an extension of themselves, as they will exert themselves for no one else; and, in particular, men are not prepared to work for the State or for any other collectivity as they will work for themselves or for their families. Perhaps, this is a defect in human nature, but it is a fact, and the statesman ignores it at his peril."

Socialism which arose as an ethical protest against the injustices of the earlier-day capitalism argued that concentration of economic power by the possession of huge and extensive machinery in a few hands is dangerous to democracy. Today, not only has the State come to have many weapons in its armoury to control and regulate private capital, but technology is also leading to decentralisation of both the mode of production and ownership of capital. For instance, electric power can be taken to the remotest villages where people can ply privately-owned small machines. Shares in public companies are owned by a large number of small investors. The changing pattern of industrial ownership and diffusion of the power over the means of production frustrates the socialist ambition of concentration of all the means of production in the hands of the State. Reason and commonsense demand that we, in this country, make a very close study of all these trends in economic history and technological development.

As for first-hand experience, our people have by now got a taste of socialism. The first bitter fruits are State trading, State enterprises and the evolution of a perquisitive society.

S.T.C.

The State Trading Corporation in India has not only extended its activities to cover over 50 items, but is now planning establishment of subsidiary corporations. Established channels of trade, rendering a very fine service to the community, are apprehensive that S.T.C. may render them destitute overnight. The damage done by S.T.C. to the national economy and its dangers have been pointed out by me on previous occasions. Findings of the Estimates Committee of Parliament, which recently went into the working of the State Trading Corporation, have substantiated these observations. The Estimates Committee is presided over by Mr. H. C. Dasappa, a former Finance Minister of Mysore State, and mainly consists of the members of the ruling party. In its 86th report, the Committee observed:

"There is some justification in the complaints of the private sector that the S.T.C's entry into manganese trade has not helped in securing many new fields of export or substantial increase in its value."

On S.T.C's cement handling, the Committee said:

"During the period of one year from 1st July 1956 to 30th June 1957, the S.T.C. imported 2,27,254 tons of cement. The total cost of the imported cement, including the cost of acquisition, etc., was Rs. 287.39 lakhs and the total amount of sale price, value of closing stock and value of stock in transit was Rs. 239.86 lakhs. Thus the excess of cost of the imported cement over the value realised therefrom was Rs. 47.53 lakhs.

"As against this, the S.T.C. sold during the year 50,48,837 tons of indigenous cement in the country and recovered from the consumers import subsidy amounting to the extent of Rs. 353.42 lakhs, at the rate of Rs. 7 per ton.

"Thus, deducting the loss of Rs. 47.53 lakhs incurred on imported cement, the S.T.C. earned a surplus of Rs. 306 lakhs on account of the import subsidy only during the year.

"The Committee consider it most inappropriate that, in addition to the considerable revenue raised by levy of high excise duty, Government should have taken advantage of its monopoly in raising substantial additional revenues by fixing high prices for cement. They are of the opinion that, if such additional revenue had to be raised, it should have been done through a specific taxation measure with the approval of Parliament and not under executive action by charging higher prices for an essential commodity like cement."

It is disturbing to get reports from abroad that, in their zeal to build up State trading in India, representatives of S.T.C. are condemning private enterprise with foreigners and urging them not to enter into deals with private enterprise in our country.

State Industries

The picture with regard to State industrial undertakings is equally unhappy. A recent publication by the Cabinet Secretariat, entitled *Principal Public Sector Undertakings in India,* listed 19 organisations completed and in full operation, 7 incomplete and not in full operation and 20 commercial, financial and miscellaneous undertakings. The Estimates Committee of Parliament sometime ago noted that the full picture with regard to State undertakings was not available. For years now a campaign of vilification against private enterprise has been intensively carried on. On the other hand, it is surprising that, even when legitimate criticism is levelled against State undertakings, it is resented. It is the sacred duty of the public to criticise State undertakings where and when they go wrong, as, at least theoretically, they belong to the people. It is regrettable that very little material is available on the operation of these undertakings. Even the Estimates Committee of Parliament was constrained to remark on this aspect. A newspaper report in February 1960 said:

"Considering the huge investment of public funds in these undertakings, the Committee said, the existing method, available to Parliament of keeping itself fully informed of these undertakings, is neither adequate nor satisfactory. At present, Parliament does not get a comprehensive picture. There was no consolidated information with regard to the total investment and subsequent change made therein or with regard to the working of the undertakings and its net effect on the national economy. Even with regard to individual undertakings, the information available was not adequate."

Principles of commercial administration are not prominent in the operation of State undertakings, because they are run by officers who have got power without accountability. In some cases, they are headed by individuals who do not have any business experience, but whose sole qualification is a political past which entitles them to receive favours at the hands of the Government. The question of efficiency in these undertakings rarely arises, if ever, because the general public, through taxation and excise levies, has to subsidise their losses. An investigation into their working is urgently called for.

There is one question of importance which needs to be determined with regard to State undertakings. According to the Company Law, it is obligatory to make public the appointment of relations of directors in the companies in which they have an interest. Some patient individual has calculated that there are about 65 categories of relations, both legitimate and illegitimate, who are covered by this provision. It will be in the fitness of things that a similar rule be applied to all ministers, both Central and State, M.Ps and M.L.As and Government officials drawing over Rs. 1,000 with regard to their relations employed in State undertakings.

Perquisitive Society

This aspect of State undertakings brings us to a very important outcome of a socialistic society. While socialism is out to destroy the so-called acquisitive society, it creates a perquisitive society—a society in which, as George Orwell remarked, all people are equal, but some are more equal than others. These perquisites are to be paid for by the public of the country and are insidious, in that their accumulation takes place in a gradual manner. The revelation of the Estimates Committee that, of Rs. 1,044.2 crores additional taxation collected in the name of the second Plan, only Rs. 439 crores will go for Plan expenditure should occasion a number of thoughts in the minds of the public. It shows how the precious money collected in the name of Plan is squandered away on non-developmental civil expenditure and mostly on perquisites.

Perquisites are accumulated imperceptibly. Recently, we learnt that, in Maharashtra State, the legislators are to be given free travel concessions on State Transport buses throughout the State. Occasionally, demands are made even in Parliament for free air travel, although Members of Parliament already enjoy the following benefits:

1. Free first class travel on Indian Railways.
2. Priority in rail and air bookings.
3. Rs. 400 per month salary.
4. Rs. 21 per day, while attending the session.
5. 1,800 free telephone calls.
6. Subsidised housing in New Delhi.
7. Subsidised furnishings.
8. Contributory medical health scheme.
9. Concession in flying club.

The perquisites enjoyed by Government servants at all levels are too numerous to be listed. It is desirable to make a survey of all these perquisites and to do away with them. It will be more in consonance with the spirit of democracy to give higher salaries to our Ministers, legislators and Government servants rather than to

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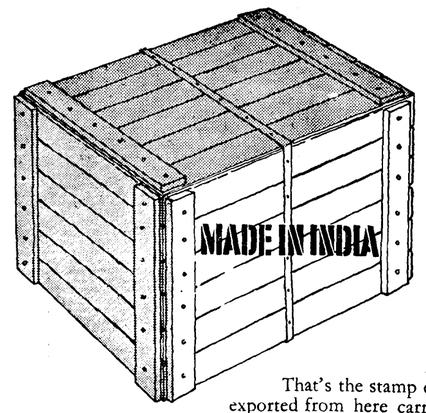

That's the stamp each article exported from here carries. With it the article also carries a high stake—the country's prestige. If the article is below standard quality—if it does not conform to specifications or supplies are not according to approved sample, down goes India's prestige.

Let's give no occasion for the door to be slammed by others on further exports. One manufacturer's fault may spoil other's market as well and all goods "Made in India" get the blame.

Keep the country's reputation high—preserve the confidence which goods made in India have gained. Help the country to earn the much needed foreign exchange. Let your transactions be clean in letter and spirit and your manufactured articles maintain the highest standard. Strict quality control and adoption of modern techniques will enable your goods to compete in world markets.

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allow them numerous perquisites which, in the long run, cost more to the country and create "private property" of a most undesirable character, and undermine the democratic way of life.

Comprehensive Planning

To round off the picture of socialism, we must examine comprehensive planning as implemented under this ideology. It is necessary to emphasise that planning is essential for rapid and large-scale economic development of the country. It is also important to remember that planning is no monopoly of socialism. Planning in some form or other has always obtained. The difference arises as to the mode of planning.

Planning under socialism, as it obtains in an aggravated form in Russia and China and as it has been sought to be implemented in India in the second and third Plans within a democratic structure, is of a *comprehensive* character. As Walter Eucken, father of philosophy of social market economy so successfully implemented in West Germany, has pointed out, planning can be not only *centrally directed*, but also *centrally administered*. Comprehensive planning assigns to the State complete control of economic activity and also seeks to entrust to the State the task of *administering* the plan in totality. This type of planning was not unknown in historical times, as, for instance, in ancient Egypt and has led to some inevitable results like loss of freedoms and repression of the creative forces in society. In a country like India, with our cherished democratic way of life, this type of planning cannot be implemented, unless one is prepared to throw overboard the democratic constitution and resort to full-scale rationing of food and consumer articles, physical controls over raw materials, mobilisation and direction of labour, confiscation of private property, compulsory savings and, in short, economic serfdom of the people.

The Alternative

If comprehensive planning is unsuited to India, what is the alternative, it may be asked. The alternative is realistic planning. Such planning reckons that every individual and group of individuals in society have got plans of their own. It seeks to co-ordinate these plans in a direction meant to lead the country to rapid and large-scale economic development. Thus, the initiative and enterprise of the individual's is harnessed, while their liberties are preserved and utilised for furthering economic development. Realistic planning, in order to fulfil this goal, lays down targets of development reckoning the available resources. The fiscal and monetary policies, especially the policy with regard to taxation, would be such as to give incentives to the people to work hard, to save and to invest.

In realistic planning, moreover, the State concentrates upon creating pre-conditions for economic development and laying down the infra-structure. Briefly stated, the pre-conditions include development of a network of highways, railways, waterways, ports and air terminals, a first-class postal, telegraphic, telephonic and overseas communication services, educational facilities designed to increase the social and technical skills of individuals; a sound administrative set-up with clear and simple rules and regulations which do not frustrate the objective of economic development as various controls and regulations are doing today, attention to basic, though not spectacular requirements like afforestation and soil conservation measures.

Realistic planning respects the cardinal principle of planning, i.e., better co-ordination and more efficient working of existing departments rather than creation of new departments and authorities. How far our country is from providing the pre-conditions is evident from such letters as the following which appear frequently in the Indian Press:

"Today I went to the Calcutta 19 (Ballygunge) Post Office to buy three post cards and was told by the counter clerk that postcards were out of stock. This would not have surprised me if this happened in some small village post office, but Ballygunge is a post office in a big city."

Within the framework of realistic planning, free enterprise has to play a very important role. The time has come when free enterprise must look to new horizons. It is no longer a question of mere profits but also taking hold of the opportunity to serve the country.

Need for Change in Outlook

Free enterprise has to reckon with the changing social context and accordingly re-adapt some of the old principles of business management. For instance, 50 years ago, family members used to look after any established family business. That was the way business was institutionalised. Today, the economy has diversified and is undergoing further diversification. We are coming to an age of far greater division and specialisation of labour than ever before. The confines of the family cannot provide the necessary skills and talent for institutionalising a business or industrial undertaking in this changed context. Therefore, outside talent has to be recruited and fostered. Moreover, mobility within free enterprise should increase so that people of initiative and enterprise who show their mettle can rise to the topmost position. The band of *entrepreneurs* should increase and there should be more exchange of information on management techniques.

Another important direction in which free enterprise has to operate is to win the confidence of its biggest potential ally, the consumer. Efficiency, courtesy and other lubricants of the wheels of progress need to be applied to the mechanism of the economy. The consumers' desires should be ascertained by market research and their needs catered to. After all, the phrase "standard of living" has got meaning only in the context of meaningful production which, in simple terms, means catering to the needs of the consumer.

We have to grasp the significance of the new orientation of free enterprise in the changed context. Free enterprise contributed finances liberally for the freedom movement of this country. That tradition continued after independence and contributions were given to political parties for social service. Now the time has come when free enterprise, through its own representative organisations like the chambers of commerce and free voluntary organisations outside the pale of politics, should render service to the community. This service should be of such a character as to make for better citizenship, a harmonious community life and maximisation of scope for the creative talents of individuals. It is only in commercially prosperous eras that the flowering of the finest of human talents has been possible. With their shrewdness, organisational skill and resources, it will not be difficult for free enterprisers to take up this leading role again.

This new orientation will strengthen democracy considerably. In the first place, it will mean taking out many aspects of life from the pale of politics and a phenomenal increase in voluntary activity in society. As Mahatma Gandhi rightly emphasised, voluntary activity is the foundation of democracy.

Second, this would generate new and continuous leadership at various levels of life. One of the major crises of modern civilisation is the inadequate provision of leadership. The socialist ideology aims at providing a uni-central leadership for a pluralistic society and, therefore, it inevitably fails. We cannot allow society to operate in a vacuum. The leadership has to be developed throughout the country in different facets of life, in various walks of life and at all levels. This is a challenge which free enterprise must accept if it wants to survive and serve the public and wants to see that democracy also survives.

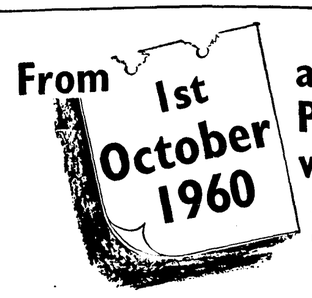
CENTRAL REVENUE COLLECTIONS

The revenue realised from items on which duties are levied and collected by the Central Government in the first six months of the financial year 1960-61 amounted to Rs. 366.65 crores. Of this, Rs. 74.68 crores were collected during September 1960. The corresponding figures for the first six months of the financial year 1959-60 and for the month of September 1959 were Rs. 328.49 crores and Rs. 77.86 crores, respectively. Following are details of the revenue realised under various heads:

(In crores of rupees)

	September		April-September	
	1960	1959	1960-61	1959-60
Customs	13.74	14.04	77.95	74.21
Union excise duties, excluding coal cess and salt cess	31.65	29.28	193.90	168.19
Corporation tax	14.51	14.43	36.78	24.43
Income-tax	13.48	18.02	47.02	50.65
Estate duty	14	19	82	97
Taxes on wealth	27	52	1.47	1.58
Expenditure tax	3	2	13	14
Gift tax	6	4	23	20
Railway passenger fare tax	N.A.	91	5.73*	0.33
Opium	80	41	2.62	1.79
Total	74.08	77.86	366.65	328.49

* Provisional upto August. N.A.—Not available.



all Shalimar Paint Products sold by weight went metric

These products are now available either in the new metric standard packs or in current standard packs with the metric equivalents clearly indicated.

We hope the following data will help you to "be Bright" and reckon right:

Old Standard Packs	Metric Equivalent Marked	Standard Metric Packs	Approx. difference between Old & New
56 lbs.	25.4 kilograms	20 kilograms	— 5.4 kilograms (11 lbs. 15 oz.)
28 lbs.	12.7 kilograms	10 kilograms	— 2.7 kilograms (5 lbs. 15 oz.)
14 lbs.	6.35 kilograms	5 kilograms	— 1.35 Kilograms (3 lbs.)
7 lbs.	3.18 kilograms	—	—
4 lbs.	1.81 kilograms	2 kilograms	+190 grams (6.7 oz.)
3 lbs. 8 oz.	1.59 kilograms	1.5 kilograms	— 90 grams (3.1 oz.)
1 lb.	454 grams	500 grams	+ 46 grams (1½ oz.)

Weight for Weight, Volume for Volume, the price is as before—as is the quality

Between October 1st 1960 and April 1st 1961, under the Standard of Weights and Measures Act, 1956, all products (sold by weight and by volume) manufactured by Shalimar Paint will go metric. We will keep you advised.

be-BRIGHT-buy SHALIMAR PAINTS

SHALIMAR PAINT, COLOUR & VARNISH COMPANY PRIVATE LIMITED

CALCUTTA • BOMBAY • MADRAS • NEW DELHI • KANPUR • (Agents overseas)

TRAVANCORE SUGARS AND CHEMICALS LIMITED

CHAIRMAN'S SPEECH AT ANNUAL GENERAL MEETING

SUGAR INDUSTRY LIKELY TO BE FACED WITH SURPLUS PRODUCTION

A NOTE of caution about the prospects for sugar industry was struck by Mr. G. N. Noel-Tod, Chairman of the Travancore Sugars and Chemicals Ltd., in his speech, read in his absence by *Rajyasevaniratha* S. Chattanatha Karayalar, at the Twenty-third Annual General Meeting of the shareholders of the Company held at Trivandrum on 7th November 1960. Mr. Noel-Tod pointed out that, with a number of new factories coming into production throughout India, it seemed probable that there would again be surplus production, which would have to be exported at a considerable loss. In view of such surplus production, it seemed odd, he said, that there should be controls over the sale of sugar and, in certain areas, even shortages due to transport difficulties.

The following is the full text of Mr. Noel-Tod's speech:

"GENTLEMEN,

"In the unavoidable absence of the Chairman, Mr. G. N. Noel-Tod, who is at present on the high seas on his way back to India, it falls to me to address you today. May I first of all extend a hearty welcome to you to this, the 23rd annual general meeting of your Company. The accounts and Directors' report for the year ended 30th April 1960 have been in your hands for the statutory period and, with your permission, I shall take them as read.

"Since we last met, there have been two changes on the Board. Owing to his preoccupation with other duties, Mr. Hadfield resigned from the Board in August this year. Due to his very considerable knowledge of the sugar industry, particularly of the cane side, his services have been of inestimable benefit to the Company and I should like to place on record our appreciation of them. In his place, Mr. M. J. Edwards has been co-opted to the Board and you will be asked to confirm this appointment later on in this meeting. We welcome Mr. K. P. Viswanathan Nair as the Government Nominee Director in place of Mr. M. Abdussalam. Mr. Abdussalam's advice and help in matters requiring reference to Government was always freely given and most welcome. We are sure that we can look forward to similar assistance from his successor.

Rise in Net Profit

"As you will have noticed, results for the year are not unsatisfactory and are very much in line with those for the previous year. There was a slight increase of Rs. 16,213 in the net profit after taxation. The value of sales and cost of sales are higher due to the increase in sugarcane price and selling price of sugar fixed by the Government of India. Perhaps I should comment on the large increase in the profit adjustments relating to previous years, which you will see from the notes attached to the accounts, is largely represented by the sum of Rs. 1,24,000 being provision for additional payment to ryots in respect of cane supplied during the 1958-59 season. There has been a small but satisfactory increase in the excess of current assets over current liabilities, and considerable improvement in the Company's cash position. Much of this, however, will be required for the enlargement and improvement of the distillery to which I will refer later.

"Last year, the Chairman told you that the start of the crushing season was delayed owing to labour troubles and this probably had some effect in depressing the average recovery of the crop. Unseasonal floods were also experienced, with the result that the total crush was slightly under 1,20,000 tons, as compared with 1,33,000 tons the previous year. The recovery was only marginally lower, 8.29 per cent., as against 8.3 per cent.

"The season began on 27th September 1959 and, on 25th October, the Government of India increased the minimum price of cane from Rs. 39.20 to Rs. 44.10 per ton. At the same time, a special excise duty of Rs. 50.40 per ton was collected on stocks of sugar held by the factory on that date, and the amount paid by us was Rs. 66,362. As a result, the Company has been unable to pay anything extra to the growers who delivered 19,270 tons of cane between 27th September and 25th October, although it seems most unfair that they should be penalised. Their claim is obviously only against the Government of India and the Company has every sympathy with it.

Sugar Price Formula

"Last year, the Chairman referred to the uncertainty of the Company's liability in respect of the Government of India's price-linking formula. The situation is worse today in that the Government of India have still made no announcement of the final factor, but have referred the formula back to the Tariff Commission for fresh examination and recommendations. Thus, the Company is faced with a possible liability of uncertain dimensions on about 2½ lakh tons of cane supplied during the past two seasons and, in the absence of any information, no conclusive provision could be made to cover it. I cannot think of any other industry which has been left in this unenviable position of having had to sell its final product without knowing what it has cost over so protracted a period. It is to be hoped that, on its re-examination, the Tariff Commission will devise some more reasonable formula. Certainly one of its terms of reference is to arrive at a simple formula which will easily be understood by the growers. I have no hesitation in saying that, if the price-linking formula were applied in the manner which has been rumoured, it is doubtful if the margin of profit left to your factory with its low recovery would be sufficient to make continued operations at all attractive. Needless to say that the strongest possible representations are being made by the South Indian Sugar Mills Association and similar bodies to the Tariff Commission to take into account the position of factories such as yours, and we can only hope that commonsense in the long run will prevail.

"Meanwhile, the Company has continued to offer the usual Brix bonus based on quality which has proved popular with the growers. It has been paid in respect of the 1958-59 season, together with an additional Rs. 2 per ton of cane. Further, the Brix bonus has been reserved in respect of the year ending 30th April 1960. These will stand to be deducted from anything Government finally order to be paid under the price-linking formula.

"The current season started as planned early in September and prospects are average. It is hoped to crush about 1,30,000 tons of cane and the quality so far is slightly better than that experienced last year.

Sugar Surplus

"As you are possibly aware, last year's all-India sugar production reached a new record of 24.1 lakh tons and the country is now faced with a surplus. It is estimated that there will be about 5 lakh tons carryover at the beginning of the 1960-61 season. To ease the situation, the Government of India have released 50,000 tons for export, of which your Company's share is 206 tons. The loss on this quantity will probably amount to about Rs. 1 lakh and this will have to be taken care of in the current year's accounts. In addition, the Government of India are understood to be negotiating with the U.S. Government to sell a large tonnage of surplus sugar on which there will also, inevitably, be a loss. It seems odd that, in view of this surplus production, there should be control over the sale of sugar and in certain areas even shortages, but these latter are due to transport difficulties. Although there has been a considerable increase in production of sugar, the offtake has shown very little improvement in the past three years, possibly due to the availability of *gur* and *khandsari* at attractive prices. There are prospects of some improvement in the offtake of sugar in the current year, but, with a number of new factories coming into production throughout India, it seems probable that there again will be surplus production, which will have to be exported at a considerable loss.

"In these circumstances, while, on the one hand, the outlook for the sugar industry cannot be considered encouraging, on the other, every State seems determined to become self-sufficient, including Kerala. Kerala is, of course, largely deficit, but whether it is an ideal area for growing sugarcane is certainly open to question. The most alarming feature is that there is a proposal to start a co-operative factory at Pandalam in the Achenkoil river valley, at a site only eight miles from Pamba river factory. It is our considered opinion that two factories situated so near together cannot obtain adequate cane supplies for economic working, and the result could only be competition for the available supplies of cane, with the result that both factories would run at a loss. Pamba river factory can easily be expanded to take additional cane when supplies are available and the quality justifies taking this step. Your Company have made strong recommendations to the Government of Kerala not to sanction the establishment of another sugar factory so close to an existing one and, in the interest of all concerned, we do hope that Government will pay heed to our warning.

Distillery

"The distillery worked continuously throughout the year and there was no difficulty in selling all the spirit we were able to produce. The present still is now 22 years old and, besides having outlived its normal useful life, is of insufficient capacity to deal with all the molasses produced by the sugar factory. Your Board has, accordingly, sanctioned the purchase of a new still of larger capacity. No difficulty is anticipated in continuing to sell our total production, as indications are that the demand for industrial spirit will continue to expand with the industrial development of the country.

"Due to a temporary disruption in our selling arrangements, there was a slight setback in the sales of potable liquor last year, but the situation is being rectified and I think from now we can look for an increase in the demand and profitability from this section of our activities.

"The pharmaceutical works registered a slight improvement in turnover, but the profits were a little lower, due to high costs and increased selling and administrative expenses. Our current agreement with Government whereby Government purchase 50 per cent. of their requirements from us, comes up for reconsideration in April next year and, if a renewal cannot be obtained on favourable terms, serious consideration may have to be given as to whether it is worthwhile continuing this branch of the Company's activities.

Labour Relations

"I am pleased to be able to report an improvement in labour relations at the factory. Last year, the Chairman told you that an agreement was reached which, among other things, covered the payment of bonus and, as a result, the current season started smoothly, for the first time for many years, without the threat of a strike. As you are probably aware, the report of the Sugar Wage Board has been submitted to Government and is expected to be published shortly and it is difficult to forecast what effect this will have on the fortunes of your Company, except that it is likely to add to the already very substantial wage bill. In anticipation of the Wage Board report, a gratuity scheme for all employees has already been introduced on the lines of what is expected to be recommended by the Sugar Wage Board.

"In the light of the actual financial results and the uncertainty regarding the future, I am sure you will appreciate why your Directors have felt unable to recommend any higher dividend than for the previous year. You will also notice in the report that, to avoid hardship, an interim preference dividend at the rate of 5 per cent. less tax is being paid, and the balance will be paid as soon as the implications of the Government's Preference Shares (Regulation of Dividends) Bill have been clarified. The balance payable will have to be met from the carry forward, and this is one of the reasons why it has been considered expedient to increase this amount by some Rs. 40,000.

"In conclusion, I should like to thank all employees of the Company for their hard work and co-operation during the year under review

(*Continued on page 926*)

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

INCREASED SALES TO ALL CLASSES OF CONSUMERS

DEMAND CONTINUES TO EXPAND

SIR HARRY BURN'S REVIEW

THE Sixty-third Annual General Meeting of The Calcutta Electric Supply Corporation Limited was held on 10th November in London.

Sir Harry Burn, K.B.E., F.C.A., the Chairman, presided.

The following is his review, which had been circulated with the report and accounts:—

Industry continues to expand throughout the whole of the licensed area, and housing development proceeds in Calcutta and its suburbs to remedy the shortage of dwelling space for all classes of the population.

The demand for energy grows, and I am able to report increased sales to all classes of consumers during the year ended 31st March 1960. The total energy sold increased by 140 million units to 1,817 million units. The major portion of the increase in demand came from industry.

Energy sold for power purposes refers principally to industrial demand, which accounted for 90 per cent. of these sales. The balance covers public water works and domestic power, the latter being mostly for air-conditioning and refrigeration. All the principal classes of industrial consumers recorded higher consumption than in any previous years. The jute industry, our largest consumer, increased their demands by 18 million units to 430 million units. Further progress in modernisation and rationalisation of jute mill machinery has helped to improve trading conditions for this industry, whose exports were the highest for 10 years. Next in importance are rolling mills and engineering workshops, whose consumption increased by 32 million units to 243 million units. Expansion will continue when supplies of steel improve. Of the remainder of our industrial consumers the most important are cotton mills, chemical works and paper mills.

Demand Rises Further

Further expansion took place in the demand for low tension industrial power, sales increasing by 14 million units to 114 million units and the number of consumers again increasing by over 1,000 to more than 15,500. Public water works and sewage pumping stations consumed 90 million units, an increase of 8 million units. Half of this increase was from the Calcutta Corporation, which is expanding its water supplies, and the remainder was from the State Government's Sonarpur-Arapanch Drainage Scheme. There was again a large increase in domestic power sales, which rose by 5 million units to 61 million units. The larger demand is mostly due to air-conditioning units, which are being manufactured locally.

Sales of energy for lights and fans rose by 16 million units to 243 million units. There has been an appreciable increase in residential buildings in our area of supply and greater use of fans resulting from improvements in the standard of living of many middle-class families.

Public lighting sales increased by one million units, which was almost entirely due to additional street lighting by the Calcutta Corporation.

The only consumer for traction purposes is the Calcutta Tramways Company Ltd. Their consumption, which rose by 3 million units to 46 million units, shows some recovery in their operations, which were disrupted by labour troubles during the previous year. Provided that their operating conditions remain stable, consumption during the current year should reach that for the year ended 31st March 1958, of more than 49 million units.

There are seven distributing undertakings taking bulk supplies from the Company. Five of these undertakings are owned by the State Electricity Board, which was thus responsible for over 92 per cent. of the total sales of 66½ million units and almost entirely for the increase of 3½ million units during the year.

Two-thirds of the sales under special contracts were at our special tariff to owners of large office and residential buildings, public institutions, cinemas, and hotels. Sales to these consumers increased by 5 million units to 61 million units during the year. The remaining consumers under special contracts are the Central and State Governments, the Calcutta Corporation, and the Calcutta Port Commissioners; consumption improved in each case

Revenue Account

The effect of the increase in the demand for energy is shown in the revenue account, where it will be seen that the receipts from sales of current have risen by over £700,000 to approximately £9,000,000. Interest received amounts to £43,727, an increase of £24,858 over the previous year, and is attributable to the return on Treasury bill investments and interest on bank deposits. As a corollary to the higher demand on the system the cost of generation and distribution increased by £534,000 to £4,560,000 and of this expenditure the cost of coal, including handling and ash disposal charges, amounted to £2,826,000 an increase of £373,000 for the year. This major item of outlay represents 80 per cent. of the total operating cost of generation. The cost of power purchased from the Damodar Valley Corporation shows a slight increase of £11,000. Increases in wages and costs in respect of materials are commensurate with the expansion of the Company's system.

The depreciation charge has risen by £29,000 to the figure of £929,000. The wealth tax, to which I made reference in last year's review, was not in fact abolished until 1st April 1960 and has thus entailed a charge of £99,700 in the revenue account. This final instalment has been calculated with reference to the values of the Company's assets at 31st March 1959, in accordance with the Indian Wealth Tax Act. The net revenue after taking into account the depreciation charge has increased by £200,000. Sales of energy for the current year show a satisfactory expansion and conform with our forecasts of future demands.

I will now deal with the net revenue account. As regards the Indian tax position I am glad to say that settlement has been reached in respect of the appeals which were pending a year ago and to which I made a reference in last year's review. The charges for United Kingdom and Indian taxation adjust the position up to 31st March 1960, but no relief is available in the tax element of the preference dividend for the year.

Th clear profit for the year falls short of the reasonable return to which the Company is entitled by the sum of £67,353, and this has been made good by a transfer from special reserve.

Special Reserve

It will be convenient here to explain how the special reserve, which stood at the figure of £961,113 on 31st March 1959, has been dealt with in this year's accounts. In order to meet an anticipated shortfall between the clear profit and reasonable return the State Government was asked to approve of an appropriation from this reserve for this purpose. In acceding to this request Government directed that the reserve should be allocated in accordance with the provisions of Clause II (1) of the Sixth Schedule of the Electricity (Supply) Act, 1948. Effect has been given to this decision relating the appropriations required to the reasonable returns of the periods of account concerned, i.e., the calendar years 1949 to 1952. Tariffs and dividends control reserve and consumers' benefit account receive allocations of £349,404 and £349,403 respectively, and a balance of £262,306 remains in the reserve which is available for meeting shortfalls between clear profit and reasonable return.

After providing for the shortfall disclosed in the accounts the reserve stands at £194,953, which amount, together with the tariffs and dividends control reserve, is to be set off against any future shortfalls of clear profit.

The allocation to the consumers' benefit account has been given effect to through the net revenue account as it is an appropriation which is not in the nature of a reserve and is in fact a charge related to the reasonable returns of the accounting periods to which I have made reference.

The allocation for the contingency reserve fund has been made as required by the Act and it is proposed to make the customary contribution to the retiring gratuity fund. Provision has been made for debenture interest and sinking fund charges. In view of the continued expansion of the Company's operations it is essential to conserve our finances to meet the consequent capital expenditure. The Board, therefore, have deemed it advisable to appropriate a sum of £575,000 to special appropriations for plant expansion and replacements. Dividends on the preference stock amounting to £65,075 have been paid and it is proposed to pay a final dividend of 4 per cent. (actual) on the ordinary stock making 7½ per cent. (actual) for the year. The net earnings for the year have enabled the Company further to strengthen its internal finances and also permit of an increase in the final dividend on the ordinary stock. The balance left to be carried forward on net revenue account is £108,138.

The balance-sheet shows an improvement in the cash position in the form of treasury bills and deposits with bankers. This accumulation of funds is in part being applied in payment of Indian tax now falling due on settlement of the appeals against which deposits are held with our bankers in Calcutta. Dividend payments are also covered and funds have been made available to meet commitments in respect of plant and other expenditure in the United Kingdom.

Capital Expenditure

Capital expenditure during the year amounted to £1,160,000 and was almost entirely for our transmission and distribution systems. By far the greater part of the expenditure was on mains and service connections. As a provision for capital expenditure during the year and pending at 31st March 1960 (£595,000) there was available the sum set aside for depreciation of £929,000 and the allocation to special appropriations for plant expansion and replacement amounting to £575,000 thus making a total provision of £1,504,000. During the period 1st January 1951 to 31st March 1960, capital expenditure totalled £11,925,000 and the depreciation provisions, together with reserves and special appropriations during that period, amounted to £12,140,000. These figures follow on those given in the 1959 review and demonstrate what has been accomplished during recent years, within the limits permitted by the reasonable return on the capital base, to provide internal finance for the expansion of the Company's undertaking.

The forecast of capital expenditure over the next four years based on the anticipated increase in demand indicates an annual outlay of not less than £1¼ million on our transmission and distribution systems.

In February of this year Sir William Lamond visited Calcutta and was there for a period of three weeks. During his visit he met the Chairman of the State Electricity Board and the Chairman of the Damodar Valley Corporation to discuss the Company's future power requirements. He also had the pleasure of meeting Dr. Roy, the Chief Minister, and discussed with him questions of interest to the Company. Dr. Roy and the Chairman of the State Board and the Damodar Valley Corporation are fully acquainted with our problems. He also took advantage of the opportunity to meet the leaders of commerce and industry in Calcutta. He found, as usual, that our officers and staff continue to devote great care and attention in promoting the interests of the Company and maintaining efficiency.

I attach importance to the training of young Indian engineers for employment in our Company. Under our technical training scheme, which has been in operation for nearly 14 years, young Indian graduates are chosen by a selection committee in Calcutta for a short period of training in our undertaking [illegible] after they are brought to the United

for further training and on their return to Calcutta they are taken on to the permanent staff. In addition to this scheme we have a phased programme for bringing to the United Kingdom various members of our permanent staff for further training and for refresher courses. We are grateful to the Electricity Council, the area boards and the various manufacturing companies who provide the facilities.

Power Situation

I should like in this review to include a note of explanation with regard to the future supply of power within the Company's licensed area. In the decade and a half that has elapsed since the end of the war the demand on the system has increased from about 150 MW sent out in 1946 to the present figure of 390 MW. To cater for this growth has entailed constant expansion of the Company's generation, transmission and distribution capacity involving an investment during the period of some £24 million. This expansion has proceeded in accordance with a coordinated plan of development designed to bring additional plant into commission before the load outstripped the capacity of existing plant and included 110 MW of new generating plant at New Cossipore and 60 MW at Mulajore; in addition certain modifications at our Southern Station increased its capacity. These additions, which added some 180 MW of generating capacity at a cost of over £10 million would, it was anticipated, have sufficed to satisfy the demand in the area until the year 1955-56 by which date our plan of development provided for the construction of yet another station adjacent to our existing Southern Station. The arrangements for the design and construction of this station were in an advanced stage when we were informed by the West Bengal Government that they would prefer us instead to take a bulk supply from the Damodar Valley Corporation which it was then considered would have a surplus of power available for export to Calcutta. The Company were naturally prepared to defer to Government's wishes in this regard and, as stockholders will be aware from my reviews of previous years, an agreement was negotiated with the Damodar Valley Corporation providing for an initial supply of 45 MW to be increased from year to year as might be required on the tendering by the Company of appropriate notice. Supply from the Damodar Valley Corporation was connected in April 1957 and, although that Corporation has not thus far been able to supply the Company with all the power it has required, we have been able, by keeping certain of our older and less economic plant in commission to meet all demands made on us without load shedding. It is anticipated that by the end of this year the Damodar Valley Corporation will have brought into service additional plant which will enable them to increase their supply to the Company to 100 MW.

Understanding with D.V.C.

The Company's understanding of the arrangement with the Damodar Valley Corporation has been that the latter would be responsible for meeting all the Company's requirements of power in excess of that provided by its own capacity and, in fact, at the beginning of last year a supplemental agreement was completed with the Damodar Valley Corporation to govern supplies in excess of 100 MW. The Company has, however, now been advised by the West Bengal Government that it is not their policy that the Company's offtake from the Damodar Valley Corporation shall exceed 100 MW and that its import requirements in excess of that figure will be provided through the agency of the West Bengal State Electricity Board, first from the latter's new station at Durgapur and thereafter from a super-station which they propose to build at Bandel on the west bank of the river above Calcutta. The Company has been given to understand that under this arrangement the State Board will be able to afford it a supply of 40 MW by June 1963, rising to 60 MW in June 1964, and that shortly thereafter all the Company's requirements can be met. I need hardly say that the State Board will have the Company's full co-operation in bringing this plan to the earliest possible fruition and in this connection negotiations are already in train for the siting of the necessary supply points, etc.

Meantime, the demand on the Company's system continues to grow at a rate of some 7½ per cent. per annum compound, and it is feared that some restriction of supply to the public may occur before the State Board's supply is fully available. Should any such restriction become necessary it will, needless to say, be kept to the absolute minimum, and will be done under direction of Government acting under the powers conferred on it by the Indian Electricity Act, 1910.

With regard now to any possible expansion of the Company's own generating capacity, Government's policy, as communicated to the Company some years ago, was that, although the Company would not be permitted to increase its capacity, we should be allowed to replace certain obsolete plant in our Old Cossipore Station by the addition of one further 50 MW Set at New Cossipore. It was, however, only this year that we could see our way clear to doing this and, in collaboration with our Consultants, a plan was worked out to put in this machine and at the same time keep 30 MW of plant at the Old Station in commission for peak load operation. On putting this plan to Government, however, we have very recently been advised that, having regard to their own plans, they no longer consider this to be necessary and in consequence we have had to abandon this project.

Company's Endeavour

Throughout this Company's long existence our earnest endeavour has always been to make available the necessary supply of power to run the wheels of industry and transport and meet the ever-increasing domestic requirements of our area; thus contributing towards the prosperity, comfort and happiness of those who dwell and earn their livelihood in the City of Calcutta, its suburbs and in the industrial areas and municipalities which lie adjacent to the city. We have so far accomplished our aim and have at no time had to restrict supply. Having set out the power position in the light of a growing demand, we will continue to travel hopefully and, within the means at our disposal, do all that is possible for those whom we serve.

Tribute to Staff

I desire to express our thanks to the staff in Calcutta. The growth of the Company's operations and the work entailed in the implementation of same bears witness to the interest and zeal taken in the Company's affairs by members of the staff and employees. Mr. Henderson, our Agent in Calcutta, has carried out his responsible duties ably and efficiently. To him and all members of our organisation we express our high appreciation of the sound and loyal services rendered during the year. I also wish to record the Board's appreciation of the able manner in which Mr. Colley has discharged his responsible duties as Secretary.

The reports and accounts were adopted.

The above statement is not a report of the proceedings of the annual general meeting referred to.

INDUSTRIAL INVESTMENT IN U.K.

An upward trend in industrial investment in the United Kingdom was reported by the Chancellor of the Exchequer, Mr. Selwyn Lloyd, when he opened a two-day debate in the House of Commons on 9th November on public investment. He also stated that by September this year there had been a record number of people in employment. Mr. Selwyn Lloyd said that the productive capacity of industry was, for the most part, fully engaged. It was 7 per cent. higher than in 1959. "There is an upward trend in industrial investment," he stated. "Plans for industrial building and orders for plant and machinery were running at a high level through the summer and autumn." The Chancellor said that a forecast supplied to the Board of Trade by private firms suggested that fixed investment by these firms in 1960 was likely to be 20 per cent. higher than in 1959. In manufacturing industries a further rise of 20 per cent. was expected in 1961.

Earlier in his address, the Chancellor observed: "We have a high level of employment. The number of people at work has been increasing steadily, and, by September this year, we reached the record figure of 23,800,000." The level of unemployment in October was only 1¼ per cent. There had been a remarkable degree of price stability since early 1958, and the index of retail prices for September was 110, only one point above its level in the first half of 1958. The Chancellor also reported that purchases in shops had been running at about 4 per cent. above the level of this time last year.

Mr. Selwyn Lloyd said of the air corporations that they had just about doubled their traffic over the last five years. They were ordering and bringing into service new fleets of aircraft, and their expenditure showed large fluctuations based on the incidence of their purchase of aircraft.

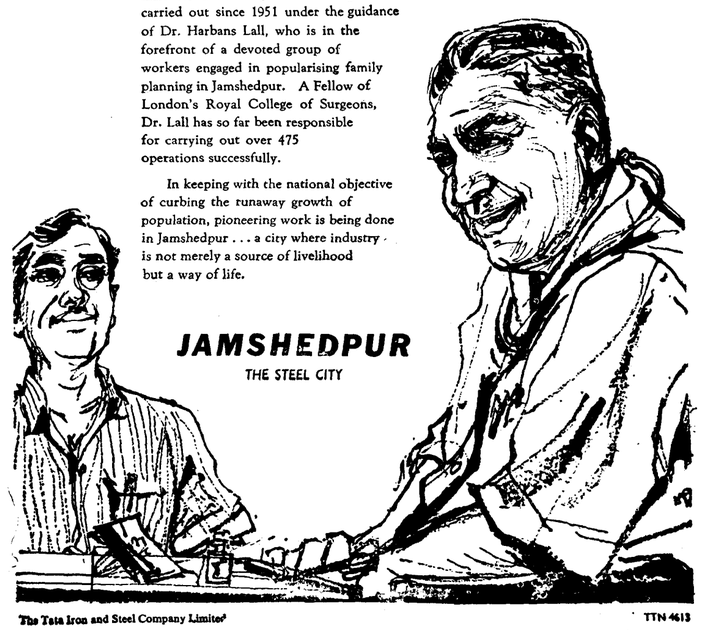
In the course of his speech, Mr. Selwyn Lloyd said that United Kingdom investment abroad amounted, in net terms, to £2,000 million in the 10 years 1950 to 1959. In addition, Government lending overseas had recently grown fast, and this year would amount of £150,000,000.

fewer children . . . happier families

In Jamshedpur, groups of workers' wives gather in the evenings at the seven maternity and child welfare clinics run by Tata Steel. Here, trained advisers tell them about the baneful effects of improvident parentage and distribute contraceptives at cost price to ensure planned parenthood. More such units are being set up. Jamshedpur is the first city in India where, since 1959, oral contraceptive pills are being tested out on a fairly extensive scale.

An important feature of these efforts is male sterilization operations being carried out since 1951 under the guidance of Dr. Harbans Lall, who is in the forefront of a devoted group of workers engaged in popularising family planning in Jamshedpur. A Fellow of London's Royal College of Surgeons, Dr. Lall has so far been responsible for carrying out over 475 operations successfully.

In keeping with the national objective of curbing the runaway growth of population, pioneering work is being done in Jamshedpur . . . a city where industry is not merely a source of livelihood but a way of life.



JAMSHEDPUR
THE STEEL CITY

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ECONOMIC DEVELOPMENT OF AUSTRALIA

CAPITAL INVESTMENT NEARLY £14,000 MILLION IN THIRTEEN YEARS

By C. P. Puzey

DIRECTOR, AUSTRALIAN INDUSTRIES DEVELOPMENT ASSOCIATION

AUSTRALIA now has at least 30 per cent. of its work force engaged in manufacturing activity. Its factories employ 1,000,000 people and produce goods worth more than £4,000,000,000. Until World War I, Australia was chiefly a primary producing country whose manufacturing industries were mainly directed to the processing of indigenous raw materials—including production of wool textiles and blankets, clothing, footwear and leather, a range of processed foodstuffs and so on.

During and after the war, major industrial projects were started—chemicals, motor body production, electrical and communications equipment, and other metal processing industries. In 1915, Australia's first blast furnace was blown in. Initial production was mainly rails and merchant bar for agricultural implements.

The post-war boom of the 1920s saw the continued growth of manufacturing. During the world depression of the early 1930s, however, Australia was again thrown on its own resources, because world prices for primary commodities fell so low that Australia could not find the foreign exchange necessary to import all its needs. Though the pace of development slowed down, important growth continued in the chemical, motor vehicle assembly, construction and excavating equipment and other industries.

Again in World War II, Australia could not import all its needs, as available transport was mainly required to carry troops and essential war supplies. The sound nucleus of manufacturing industry which had been built up by 1939 was added to and matured in this period.

Following the war, Australia's official policy was to build a more balanced economy and the Government gave every encouragement to the growth of manufacturing industry through the Secondary Industries Commission and the Department of Post-war Reconstruction (later the Department of National Development. World shortages of commodities and a declared policy of tariff protection to efficient industries gave further impetus to industrial expansion.

Imports Restricted

In the early 1950s, the prices of raw materials declined throughout the world, causing a temporary setback in Australia. The prices of of wool, other farm products, and minerals fell considerably and seriously reduced the nation's foreign earnings. It became necessary to impose a limit on the quantity of imports which Australia's high living standard demands—including both essential and luxury items. This led to further rapid development of local manufacturing, with beneficial and lasting results to the economy.

State Governments, eager to increase industrial activity, set up departments to assist development. In more recent years, most of the States have sent missions abroad with the aim of attracting foreign investors.

Since 1946-47, Australia's total gross capital investment has been valued at nearly £14,000 million (about Rs. 15,120 crores). Of this total, nearly £7,000 million (about Rs. 7,560 crores) has been private investment, more than £4,000 million (about Rs. 4,320 crores) public authority investment and some £850 million (about Rs. 918 crores), investment from overseas. Approximately £1,600 million has been spent directly by manufacturing industry on new plant, equipment and buildings. The sum of £850 million of overseas investment has included about £330 million of funds earned in Australia and ploughed back into overseas-owned Australian establishments. Although a relatively minor part of total investment, these overseas contributions have brought uncalculated benefits in new techniques and knowledge.

Altogether, nearly 95 per cent. of Australia's post-war development has been financed from within Australia. In the post-war period, the manufacturing work force (apart from self-employed) grew from 775,600 in 1946-47 to 1,037,800 in 1957-58. This does not tell the whole story. The servicing of this larger work force has produced employment opportunities in all tertiary fields, including the cultural, educational and scientific.

In the same period, the net value of factory production rose from £411 million to £1,731 million, and is now some 70 per cent. higher than the net value of all primary production.

A further result is reflected in the replacement of imports. While population increased by 27 per cent. and living standards rose by a somewhat similar percentage, imports have increased, in real terms, by only 9 per cent. between 1949-50 (when world supplies had returned to a reasonably normal level) and 1958-59.

In the post-war period, new products made in Australia have included motor vehicles, tractors, aircraft, jet propulsion engines, diesel-electric locomotives, synthetic fibre yarns and textiles, titanium oxide, carbon black, a range of hand and electric tools, a number of chemicals, aluminium ingot, wires and cables, television apparatus, table knives, and many others.

Growth Industries

The principal growth industries have been iron and steel, motor vehicles and parts, other transport equipment, base metals, oil refining, chemicals and pulp and paper. For instance, usage of steel per person in Australia rose from 341 lbs. in 1939 to 664 lbs. in 1959. Consumption of paper products has almost doubled to reach 145 lbs. per head in 1959; rubber consumption has almost trebled from 6½ lbs. to 18 lbs. per head.

Through public authority expenditure totalling £975 million since 1946-47, power generating capacity is now quite capable of meeting demand, and plans being implemented will continue to cope with growing demand in the foreseeable future. Consumption of electricity per person increased from 677 kw.h. in 1939 to 2,124 kw.h. in 1959. Power used per worker in industry has steadily increased.

Developments in hand or immediately planned include a £30-million expansion in the petroleum refining industry, an annual expenditure of some £25 million on steel making for a number of years, many additional millions to be invested in chemicals and petro-chemicals, pulp and paper, cable making and engineering.

The population increase resulting from a high post-war birth rate and sustained migration has reduced the age structure of Australia which now has one of the youngest populations of Western countries. In the next 10 years, the number of people of marriageable age will increase 50 per cent., indicating a remarkable potential rise in the market for all those goods which go into a home.

Local Market Demand

Australia is rapidly nearing a level of population which will provide a home market sufficient to enable considerable economies in the scale of production. It is anticipated that, overall, local market demand will rise by some 85 per cent. in the next 10 years.

Population will increase by 2.5 million in the next decade, and the work force will increase by 1.25 million. This will call for enormous capital expenditure in both the public and private sectors of the economy. The greater part of the investment will come from internal savings but Australia will still require increased overseas investment and the technical knowledge it will bring to those fields which are underdeveloped.

Australia has a tremendous store of natural resources which can provide the raw materials for a range of manufacturing industries. Many of these form the base of existing established industries. For example, the vast deposits of iron ore make Australia one of the cheapest world producers of basic steel products; our primary products (wool, grain crops, fruit and vegetables, livestock, hides and skins, and so on) are processed in Australian factories to provide consumption goods both for our own population and for export; our forest hardwood timbers have been adapted by special processes to make a range of paper products; valuable mineral deposits—coal, copper, lead, zinc, etc.—in abundance make the metal processing industries amongst Australia's most important, and these in turn provide the materials for a multiplicity of engineering and metal-goods manufacturing concerns. The continuing discovery and extending utilisation of new resources will further expand the prospects for future development.

Exports

Historically, Australia has been principally an exporter of primary produce. However, the Australian manufacturer is steadily increasing secondary industry's contribution to export income. The geographical advantage of being close to the great population centres of the Far East, and the friendships which have been built up in these areas, offer Australia an opportunity to enter these markets with quality products.

In 1957-58 and 1958-59, exports of manufactured and processed products which were directed to every Continent, were valued at £337 million and £334 million, respectively, which are approximately equal to 41 per cent. of total exports.

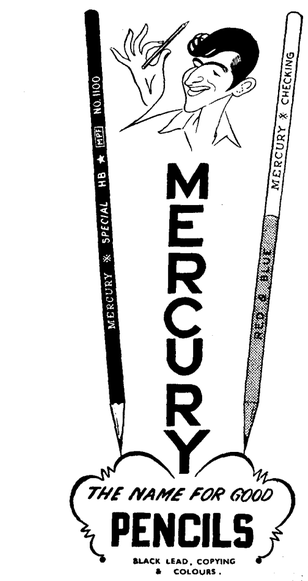
It is anticipated that the percentage of manufactured exports will steadily increase. The Government has called on the manufacturer to develop exports markets for his products and he is responding to this request. But, with relatively little background of manufactured exports in overseas markets, it has been and will continue to be necessary to sell our goods on a high quality basis.

Stress on Quality

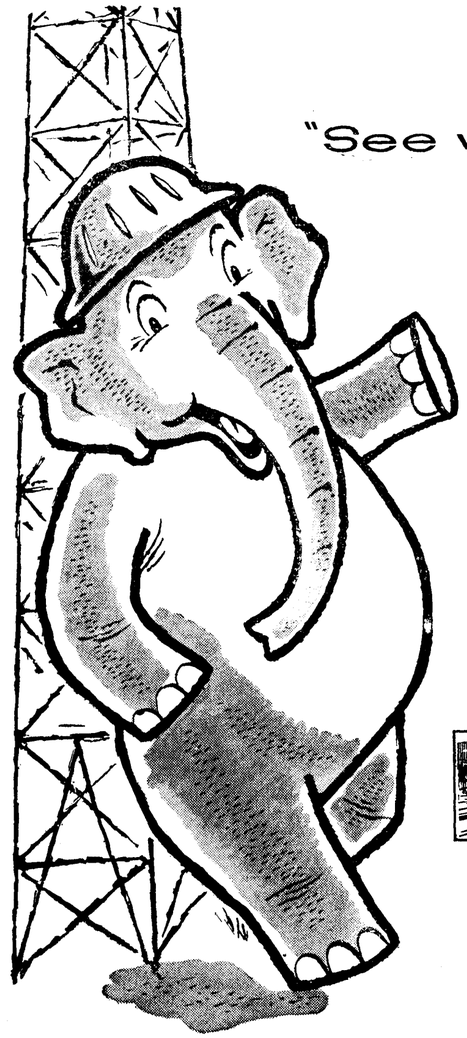
Australia has a high wage structure and high living standards, with the result that the Australian himself demands high quality in the goods he purchases. The Australian workman, skilled in modern techniques, takes a pride in his work. Quality is the objective of local production and this has helped local manufacturers to develop their home market.

Industry is at present somewhat short of technicians and technologists, but steps are being taken to overcome the shortage through the expansion of higher education facilities. Australia has licensing or service agreements with many of the world's most modern producers. In addition, Australia has itself contributed much in production techniques specially adapted to its own particular needs and in the development of ideas.

N.B.—In this article, all currency values are expressed in £ Australian, unless otherwise stated.

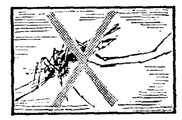


Memoirs of an Elephant—6



"See what I started"

These human beings, I tell you, are strange creatures ; at least they are here in Assam. As you know, one day far back in 1889, I walked straight into the forest and stuck my foot into that



sticky fluid—Oil. Nobody seems to credit me with the "discovery". I remember the first oil well in Digboi was drilled in a clearing in the dense jungle. It was such a black spot that people were afraid to go there (I did not mind at all !). In the 1880s there were virtually no inhabitants for miles around, the heavy smell of oil making it too unpleasant to settle in the area. But today, Digboi is one of the best towns in Assam.

In the early days the people who worked in the area were given a daily dose of quinine to keep away that terrible disease—Malaria. (No quinine for me, even in those days — I'm tough !). Today, things have changed for these human beings : Malaria carrying mosquitoes have ceased to exist in the Digboi area due to control measures.

Wherever these oilmen go they have a habit of changing the face of the place. They push back the jungle, make or improve roads and bridges, all to aid "communications" they say. (I don't like them, they give me sore feet—nothing like the jungle !)

Anyway, I have been seeing them around here for over 70 years now, since I first stepped into that pool of oil. I have been hearing the words "Assam Oil Company", "Oil Exploration know-how", "Accumulated experience", etc. .... These words all seem to go together.

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SEVENTEENTH SESSION OF G.A.T.T.

STRESS ON PROBLEMS OF UNDERDEVELOPED COUNTRIES

A WIDE range of crucial problems confronting international trade have come in for detailed discussion at the seventeenth session of the Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.), which commenced at Geneva on 31st October. This session will last for three weeks and runs concurrently with the 1960-61 Tariff Conference which began at Geneva on 1st September last. The agenda of the session includes a review of progress achieved in two aspects of the G.A.T.T. Programme for Trade Expansion: first, the work of Committee II, which is dealing with the impact of national agricultural policies on international trade and, secondly, the work of Committee III, which is examining the difficulties faced by the less-developed countries in expanding their export trade with the rest of the world. The Contracting Parties have also been concerned with the problem which arises from the fact that a number of countries which no longer face balance-of-payments difficulties still maintain quantitative restrictions on certain of their imports—restrictions which, in these circumstances, are no longer justifiable under the provisions of the G.A.T.T. Besides, there has been detailed examination of the Montevideo Treaty which will establish the Latin American Free Trade Area: and the examination of the Stockholm Convention which established the European Free Trade Association, which was begun at the sixteenth session, has also been resumed.

Chairman's Address

The inaugural address by the Chairman of the Contracting Parties, Mr. E. P. Barbosa Da Silva of Brazil, was delivered, in his absence, by the Acting Chairman, Mr. Toru Haguiwara of Japan. The Chairman warned the members against being complacent over the present "continued high level of economic activity and international trade." He insisted that the members "should regard this situation as presenting us with a particularly favourable opportunity for tackling the various important problems with which we are confronted." He added that "solutions to these problems are the best means of ensuring continuous expansion of international trade which is the contribution to the process of economic growth and development for which the G.A.T.T. has a special responsibility." He was firmly of the view that, in the programme for trade expansion, the G.A.T.T. had "provided a soundly conceived basis for action by the Contracting Parties on a wide front."

The Chairman made a pointed reference to the fact that, despite the generally favourable trading conditions, the principal beneficiaries of the expansion of international trade were the highly industrialised countries and that the trade and export earnings of the less-developed countries did not share the same rate of growth. He reminded the Contracting Parties of the tremendous importance of export earnings to the economic development of the less-developed countries. He, therefore, called upon the Contracting Parties to take effective action to maintain the economic development of less-developed countries not only by giving aid but also by enabling them to receive a larger share of international trade. The G.A.T.T. Committee III has been examining the special problems of less developed countries in the matter of foreign trade. The latest report of the Committee records a number of measures taken by many Contracting Parties, which should expand the export opportunities. The report also indicates the possibilities for further action in this regard.

Tariff Negotiations

Referring to the tariff negotiations, Mr. Silva opined that the prospect of a general round of tariff negotiations was a challenging one. This move, he felt, opened out "a prospect for extending into the larger G.A.T.T. Community the process of tariff reduction and trade liberalisation which is projected on a more accelerated basis in the regional trade groups, particularly in the E.E.C. and the E.F.T.A." "To the extent that this is achieved," he added, "the adjustment in trading patterns and relationships which these regional arrangements precipitate will be greatly eased."

Discussing the implications of the tariff reforms that are being carried out by some of the Contracting Parties, Mr. Silva stated as follows: "These are always difficult questions, since they have a direct impact on tariff concessions embodied in the schedule, and the procedures for the modification of the schedules were not devised for such situations. However, the Contracting Parties have in the past dealt with such problems in a realistic fashion and, in particular, with a full realisation of the relationship between tariff revision and programmes of financial and economic stabilisation. A general tariff revision also affords to Contracting Parties embarking upon it an opportunity to review and modernise other aspects of their customs and trade regulations which may be as burdensome, or more burdensome than, high rates of duties. Thus, in some recent cases, the Contracting Parties have been able to note with satisfaction that the reform of the customs tariff has been accompanied by a substantial alleviation of consular formalities and consequent charges. I am sure that all Contracting Parties are fully alive to the general advantage of keeping these questions under continuous review and including them in the scope of any tariff revision and reform."

It may be added, in passing, that with the accession of Nigeria recently, there are, at present, thirty-eight Contracting Parties to the General Agreement. Besides, one country (Switzerland) has acceded provisionally: five countries (Cambodia, Israel, Portugal, Spain and Tunisia) will negotiate for accession in 1961, in the course of the Tariff Conference; applications for accession by Argentina and Ireland have been considered at this session: Yugoslavia has a form of association with the Contracting Parties and a form of association for Poland has been elaborated and is expected to enter into force shortly.

INDIA'S FOREIGN TRADE

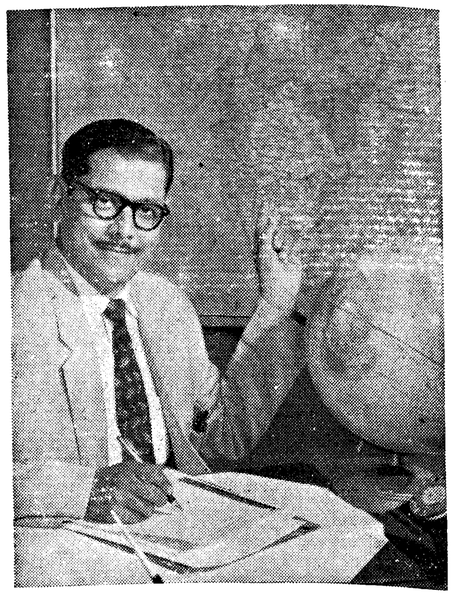
With the publication of official trade figures for the month of September this week, it is now possible to analyse the trend of India's foreign trade during the first three quarters of the current year. Exports during the nine months ended September 1960 were Rs. 31 crores higher at Rs. 463 crores, as compared with those in the corresponding period in 1959. There was a small increase in imports, too. They rose from Rs. 680 crores to Rs. 689 crores. The increase in exports being higher than that in imports. India's adverse balance of trade narrowed down from Rs. 248 crores to Rs. 226 crores.

The following table shows at a glance the trend of trade in the first nine months of 1960, as compared with that in the same period of 1959:

(Value in crores of rupees)

	Imports	Exports (including re-exports)	Balance of trade
1960			
January	62.68	53.06	— 9.62
February	69.12	49.81	— 19.31
March	75.67	53.37	— 22.30
April	82.00	48.58	— 33.42
May	82.77	50.74	— 32.03
June	84.95	48.94	— 36.01
July	73.70	48.54	— 25.16
August	82.73	57.04	— 25.69
September	75.28	53.09	— 22.19
Total ..	688.90	463.17	—225.73
1959			
January	80.24	45.16	— 35.08
February	71.02	42.16	— 28.86
March	73.39	46.95	— 26.44
April	91.84	44.65	— 47.19
May	73.37	44.05	— 29.32
June	81.32	42.92	— 38.40
July	67.48	50.86	— 16.62
August	65.23	57.15	— 8.08
September	75.75	57.89	— 15.86
Total ..	679.64	431.79	—247.85

In the month of September, however, there was a decline in exports, from Rs. 57 crores in August 1960 and Rs. 58 crores in September 1959 to Rs. 53 crores. Imports, too, were lower at Rs. 75 crores, as compared with Rs. 83 crores in the previous month and Rs. 76 crores in the corresponding month of the previous year. The adverse balance of trade at Rs. 22 crores was lower by about Rs. 4 crores, as compared with August, but still higher by about Rs. 6 crores, as compared with September 1959.



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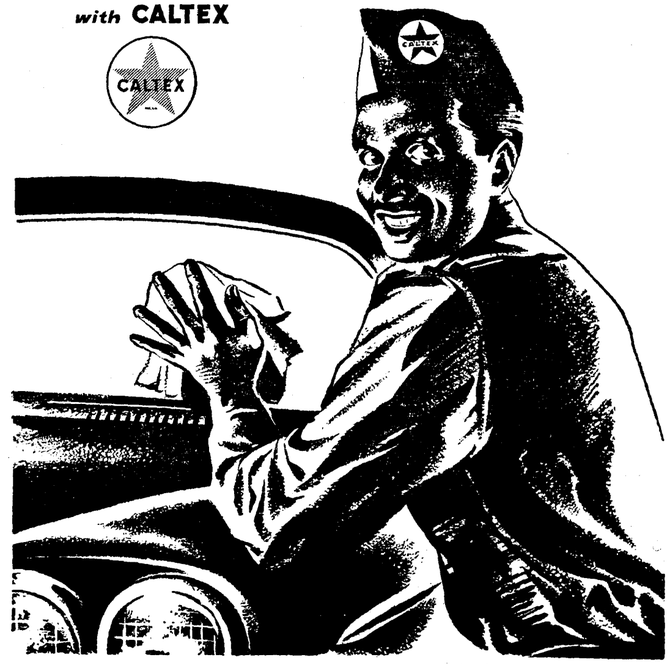

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BOMBAY BURMAH FORGES AHEAD FURTHER

GROSS PROFIT MORE THAN DOUBLES ITSELF IN TWO YEARS

FOR the second year in succession, the earnings of the Bombay Burmah Trading Corporation Ltd. (Secretaries and Treasurers: Messrs. Wallace and Company, Bombay) have recorded an appreciate rise. The gross profit, which had jumped up from Rs. 68.66 lakhs in 1957-58 to Rs. 99.83 lakhs in the following year, has further advanced to Rs. 140.96 lakhs in the year ended 31st May 1960, thus more than doubling itself in two years. This is the highest level touched since 1956-57. The impressive performance during the year under review is mainly attributable to an increase in sale proceeds of timber, tea and manufactured goods, partly offset by declines in receipts from coffee and sundry services, as well as in profit on sale of assets. The larger income from trading is supplemented by substantial dividends from subsidiary companies and trade investments.

The higher gross profit has necessarily meant a larger remuneration to Secretaries and Treasurers and higher tax liability. The burden of Indian income-tax and super-tax, as well as foreign tax, was substantially heavy, but this has been offset to a large extent by the larger double tax relief and the abolition of wealth tax. The provision for depreciation is also lower, but even this lower provision is, according to the Directors, more than what is allowed under the Income-tax Rules. The net profit, after making provision for all these, amounts to Rs. 57.05 lakhs, representing an increase of Rs. 32.60 lakhs over the year. Incidentally, it may be noted, the net profit for the year under review is the highest since 1950-51. Consequent on this encouraging trend, the transfer from the reserves has been substantially reduced and the amount ploughed back has been raised. The distribution to shareholders is also proposed to be stepped up from 19 per cent., free of tax, paid for 1958-59 to 30 per cent., subject to deduction of tax or 21 per cent. net. But even this small increase of 2 per cent. in the net dividend absorbs as much as Rs. 14.71 lakhs on account of the tax deduction at source which the Company is bearing on behalf of the shareholders, as will be evident from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st May			
	1960	1959	1958	1957
Sale proceeds	4,58.85	3,96.79	3,64.67	5,04.08
Other income	61.23	70.43	64.52	66.48
Expenses	3,79.12	3,68.40	3,60.54	3,95.13
Gross profit	1,40.96	98.83	68.66	1,65.45
Remuneration to Secretaries and Treasurers	9.03	4.81	3.03	9.75
Provision for—				
Depreciation	26.68	31.71	34.40	30.36
Taxation	48.20	37.86	9.19	68.87
Net profit	57.05	24.45	22.04	56.47
Transfer from reserves and income relating to previous years	2.05	11.84	22.24	2.04
Transfer to reserves and expenses of previous years ..	18.20	10.70	15.12	22.83
Dividend	40.12 (30%)*	25.41 (19%)	30.49 (24%)†	34.24 (32%)
Carry forward	1.47	0.67	0.50	1.33

* Subject to deduction of tax or a net dividend of 21 per cent.
† Includes a special dividend of 6 per cent. in respect of 1955-56.

Varied Activities

The Company's activities, as readers are well aware, are varied and extend over several countries. The trading conditions in Burma remained restricted during the year under review and there was a falling off in the volume of repair work at the Rangoon Dockyard. The craft construction programme was likewise limited, but in the later months of the year there was an improvement. The working of both the concrete products plant and the asbestos cement plant was encouraging and, despite technical difficulties, production and sales at these two factories are being steadily brought on a satisfactory footing. While production of "made-tea" at Namshan factory was higher, as also sales, prices realised were lower and costs rose further.

In Thailand, forest activity of the Joint Timber Company, Ltd., in which the Bombay Burmah holds 26 per cent. of the equity, was largely confined to felling in small residual areas. The year's working of this Company has been very profitable and a dividend of 100 per cent., less tax, has been declared, as against 45 per cent. less tax for 1958-59. The working permits have expired and negotiations are in progress for renewal. The working of Thai Tapioca Ltd., in which also the Company has a sizable interest, was unprofitable during the year under review. For, despite the increased production of starch and reduction in costs, selling prices were unremunerative.

In Tanganyika, development of the Company's tea estates continues. Up to the end of the year under review, 890 acres have been planted with tea and further planting programme is in hand.

In India, the production of tea recorded a rise from 6.96 million lbs. in 1958-59 to a record level of 7.54 million lbs., thanks to favourable weather conditions. The cost of production of "made-tea" declined from Re. 1.380 to Re. 1.324 per lb. and the average gross return also fell, but by a lesser extent, from Rs. 2.360 to Rs. 2.336 per lb. As forecast last year, the coffee production in the Company's estates declined from 19,901 cwts. to 17,188 cwts., consequent on adverse weather conditions. Cardamom production also fell from 14,936 lbs. to 9,812 lbs. The Company has reduced the acreage under cardamom substantially and attention is being concentrated on selected areas, with a view to increasing crop yields and returns.

At the Wallace Bay (Borneo) branch of the Company, production and purchases of hardwood logs increased substantially, the bulk of these being shipped in log form. Mill production of sawn timber was also higher. Growing efficiency in forest extraction methods, the increased level of production and improved market demand resulted in a very satisfactory year of working. The Company has undertaken a survey of additional forest areas adjacent to the Company's existing concession.

The Company's financial position is as impressive as ever. The paid-up capital of Rs. 1.35 crores is supplemented by reserves and surplus aggregating Rs. 3.48 crores. The borrowings stand reduced from Rs. 52.07 lakhs to Rs. 38.81 lakhs, while other current liabilities and provisions have increased from Rs. 2.26 crores to Rs. 2.62 crores. There has been an addition of Rs. 38.88 lakhs to the fixed assets during the year, on top of Rs. 45.95 lakhs in the previous year, bringing the total gross value thereof to Rs. 5.74 crores. This has, however, been written down to a book value of Rs. 3.07 crores. The other current assets amount to Rs. 4.77 crores, of which investments in subsidiaries, other companies and Government securities account for about Rs. 94 lakhs, book debts for Rs. 1.78 crores, stock-in-trade for Rs. 1.04 crores, cash balances for Rs. 96 lakhs and other assets for Rs. 5 lakhs.

The Rs. 125 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 589 *cum-div.* (final: Rs. 26.50 per share), at which rate, they provide a yield of 4.6 per cent. per annum, free of tax.

HINDUSTAN ALUMINIUM

According to the latest information available, the plant of the Hindustan Aluminium Corporation Ltd. should be commissioned by December 1961, which by the way, is the target date fixed by the Directors of the Corporation for commencement of production. Two things have made this notable result possible. First, the Rihand Dam is now expected to be ready by March 1961, that is, six months ahead of schedule. The reservoir gates were in fact erected as early as in June, 1960, that is, before the monsoon, so that the authorities were able to store the 1960 monsoon waters also. When it is completely filled with water, this reservoir will stretch across an area of 180 sq. miles to earn the distinction of being the largest artificial water reservoir in India. The first turbine in the Hydro Rihand power station is expected to be put into commission by July 1961.

Meanwhile, the Hindustan Aluminium Corporation has recorded satisfactory progress in erecting its 20,000 tons aluminium plant at Pipri, near the Rihand Dam. Work has been going on around the clock and a team of 25 American engineers from Kaisers have joined the Corporation's Indian engineers and officers in putting the job through. About 3,000 workers are now engaged on the work. The site for the factory has already been cleared and the factory building is slowly coming up. Against the background of a hill and forests, the modern residential colony of the Corporation presents a really beautiful spectacle.

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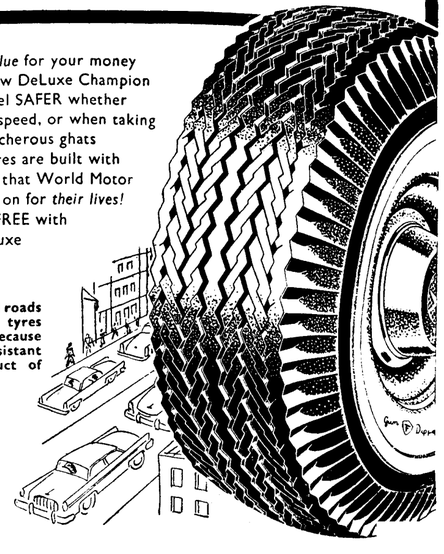

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BEST IN RUBBER

RESULTS OF RUIA GROUP MILLS ENCOURAGING

DAWN AND PHOENIX RAISE NET DIVIDEND

THE working of the three cotton mills under the management of Messrs. Ramnarain Sons Private Ltd., namely, the Bradbury Mills Ltd., the Dawn Mills Company Ltd. and the Phoenix Mills Ltd., during the year ended 31st March 1960, has been very encouraging. The earnings are substantially higher as compared to the previous year, thanks to the high level of prices which prevailed during the year and larger exports of textile goods. Except the Bradbury Mills, the other two have stepped up the dividend to shareholders.

The Bradbury Mills, which had suffered a negligible loss of about Rs. 27,000 in 1958-59, which was itself an improvement over the loss of Rs. 2.54 lakhs in 1957-58, has earned a gross profit of Rs. 8.95 lakhs in the year under review. After providing for agency commission and depreciation (there is no provision for tax liability), the net profit amounts to Rs. 4.23 lakhs, which compares very favourably with the loss of Rs. 6.54 lakhs of the previous year.

The gross profit of the Dawn Mills, which had improved from Rs. 15.35 lakhs in 1957-58 to Rs. 22.06 lakhs in the subsequent year, has further risen to Rs. 32.55 lakhs in the year under review, thus more than doubling itself within a short span of two years. The net profit (after making provisions for agency commission, depreciation and taxation) has gone up to Rs. 13.06 lakhs from Rs. 5.42 lakhs, to which level it had declined slightly in 1958-59 from Rs. 6.19 lakhs for 1957-58.

After a slight decline from Rs. 19.61 lakhs to Rs. 18.75 lakhs in 1958-59, the gross profit of the Phoenix Mills has advanced to Rs. 31.28 lakhs in the year under review. The net profit for the year under review amounts to Rs. 11.39 lakhs, which is more than three times that (Rs. 3.59 lakhs) earned in the previous year and over twice the Rs. 5.58 lakhs for 1957-58.

The Directors of the Bradbury Mills have recommended a dividend of 10 per cent., subject to deduction of tax, which is equivalent to 7 per cent. net and represents a cut from 10 per cent. free of tax paid for the previous year. If the Directors have recommended this cut despite the encouraging trend in profit, it is because the amount available for distribution, after setting aside Rs. 2.03 lakhs to the statutory development rebate reserve, is just enough to cover the proposed dividends on ordinary and preference shares. Obviously, they are not in favour, and rightly so, of running down the reserves for paying a slight increase in dividend. In fact, they had drawn as much as Rs. 17.15 lakhs in the previous two years to wipe out the heavy net losses for those years and to pay moderate dividends, as will be seen from the accompanying table.

The Directors of the Dawn Mills have recommended a dividend of 30 per cent., subject to deduction of tax, which, on a tax-free basis, at 21 per cent., represents only an increase of one per cent. over that paid for 1958-59, although the profit available for distribution after setting aside Rs. 1.13 lakh to the development rebate reserve permits of a larger dividend. The Directors have, however, proposed to carry forward as much as Rs. 3.65 lakhs to the next year, without adding anything to the free reserves.

The dividend on the ordinary shares of the Phoenix Mills is proposed to be stepped up to 15 per cent., subject to deduction of tax, or 10.5 per cent., after being maintained at 10 per cent. for 1958-59 and 1957-58. In this case also, the Directors have not added anything to the reserves, except Rs. 1.73 lakh to the development rebate reserve, but propose to carry forward a sizable sum of Rs. 2.83 lakhs to the next year.

The salient features of the results of the three companies for the last three years are compared in the accompanying table, from which it will be noted that the margin of profit of the Dawn Mills is much higher than in the other two companies. This is evidently due to the fact that the Company has, in recent years, diversified its activities; from a purely spinning mill manufacturing yarns for supply to weaving mills, the Dawn Mills now manufacture sewing thread, embroidery thread, crochet yarn, hosieries of various kinds in cotton, nylon and art silk, upholstery cloth, net cloth, lace cloth, etc., which are of popular appeal and command a good demand. The quality of the articles produced is also considered to be of a high order. The other two companies are manufacturers of yarn and cloth only. The varieties of cloth are, however, being varied and improved to suit the taste of consumers.

All the three Companies are making sizable additions to plant and machinery year after year. Thus, the Bradbury has spent no less than Rs. 7.94 lakhs on additions to fixed assets during the year under review, on top of Rs. 6.53 lakhs in 1958-59, Dawn Rs. 4.06 lakhs (as against Rs. 3.32 lakhs) and Phoenix Rs. 6.67 lakhs (as against Rs. 7.23 lakhs).

The financial positions of all three Companies are satisfactory. The reserves of all of them exceed the paid-up capital. The current liabilities are more than adequately covered by current assets and their fixed assets have been well written down, as will be seen from the following synopses of their latest balance-sheets:

	Bradbury	Dawn	Phoenix
LIABILITIES	Rs.	Rs.	Rs.
Paid-up capital	24,85,000	28,00,000	48,00,000
Reserves and surplus ..	31,40,226	29,77,988	57,68,442
Borrowings	48,07,214	13,202	75,83,729
Current liabilities and provisions	36,37,650	80,89,597	92,18,292
Rs.	1,40,70,090	1,38,80,187	2,73,70,454
ASSETS			
Gross block	86,14,262	97,68,322	1,81,28,534
Less—Depreciation ..	52,94,709	63,68,559	1,22,58,132
Net block	33,19,553	33,99,763	58,70,402
Stock-in-trade, stores and spares	70,45,401	64,10,313	1,51,38 088
Investments	4,17,967	3 80,000	4,83,101
Book debts	32,30,635	35,43,576	57,26,993
Cash balances	56,534	1,46,535	1,51,870
Rs.	1,40,70,090	1,38,80,187	2,73,70,454

The current market values of the ordinary shares of Bradbury and Dawn, each Rs. 50 fully paid-up, and Phoenix (Rs. 100 fully paid-up) are Rs. 118.75, Rs. 135 and Rs. 143 (all *cum-div.*), respectively, at which rate the yields on them are 3.7 per cent., 8.4 per cent. and 8 per cent. per annum (all free of tax), respectively.

TRAVANCORE RAYONS

It is understood that the Travancore Rayons Ltd. is now exploring possibilities of exporting transparent cellulose film (Trayons Trayophane) and Rayon Yarn produced in its factory to the markets of the Far East and later on to the Middle East. A representative of the Company has already left India to make necessary contacts for sale of its products. As such, the Travancore Rayons will not only be a foreign exchange saver by producing these materials in the country, but also a foreign exchange earner. It is expected that the Company will export about 10 per cent. of its production.

The Bombay Burmah Trading Corporation has announced that the tea crop during the five months ended 31st October 1960 amounted to 2,646,892 lbs. (made tea), as compared with 2,191,298 lbs. in the corresponding period of 1959. It says: "The weather for the period was exceptionally favourable and it is not expected that this full increase can be maintained."

(In lakhs of rupees)

	Bradbury			Dawn			Phoenix		
	1959-60	1958-59	1957-58	1959-60	1958-59	1957-58	1959-60	1958-59	1957-58
Sales (gross)	155.80	128.66	148.13	180.23	172.54	150.77	297.48	299.08	290.15
Other income	2.40	0.27	1.25	2.75	0.50	1.32	13.80	11.01	12.37
Cotton consumed	62.79	60.32	62.03	75.04	76.20	71.72	109.24	121 09	122.32
Other expenses	86.47	68.88	89.90	80.22	76.59	65.02	170.76	170.25	160 59
Gross profit (+) or loss (—) ..	+8.95	—0.27	—2.54	+32.55	+22.06	+15.35	+31.28	+18.75	+19 61
Agents' commission	0.52	0.25	0.25	2.90	1.84	1.15	2.64	1.35	1.54
Provision for—									
Depreciation	4.20	3.66	2.75	4.59	5.00	4.76	6.75	7.06	6.49
Taxation	..	..	..	12.00	9.80	3.25	10.50	6.75	6.00
Net profit (+) or loss (—) ..	+4.23	+6.54	—5.54	+13.06	+5.42	+6.19	+11.39	+3.59	+5.88
Transfer to reserves	2.03	2.36	1.01	1.13	0.86	2.98	1.73	2.02	1.25
Transfer from reserves	..	9.00	8.50	..	..	..	..	..	..
Dividends—									
Preference	1.03*	1.03	1.03	3.40	5.60	2.80	7.20	4.80	4.80
Ordinary	1.00 (10%)*	1 00 (10%)	1.50 (15%)	(30%)*	(20%)	(10%)	(15%)*	(10%)	(10%)
Carry forward	0.54	0.47	0.06	3.65	0.12	0.66	2.83	0.36	3.60

* Subject to deduction of tax.

COMPANY MEETINGS AND DIVIDENDS

KARANPURA COLLIERIES LTD. Annual General Meeting, Calcutta, 28th November 1960. Dividend: Rs. 7.50 per ordinary share, subject to deduction of tax, payable on or after 10th December 1960. Transfer books remain closed from 14th to 28th November 1960, both days inclusive.

BROOKE BOND ESTATES INDIA LTD. Annual General Meeting, Calcutta, 29th November 1960. Dividend: 15 per cent. or Re. 1.50 per ordinary share, subject to deduction of tax. Transfer books remain closed from 2nd to 29th November 1960, both days inclusive.

SAPOI TEA CO., LTD. Annual General Meeting, Calcutta, 30th November 1960. Dividend: Rs. 2.00 per share, subject to deduction of tax. Transfer books will remain closed from 21st to 30th November 1960, both days inclusive.

BISHNAUTH TEA CO., LTD. Annual General Meeting, Calcutta, 30th November 1960. Dividend: 13 per cent. or Re. 1.30 per share, subject to deduction of tax. Transfer books will remain closed from 22nd to 30th November 1960, both days inclusive.

CENTRAL INDIA COALFIELDS LTD. Annual General Meeting, Calcutta, 30th November 1960. Transfer books remain closed from 14th to 30th November 1960, both days inclusive.

BRADBURY MILLS LTD. Annual General Meeting Bombay, 5th December 1960. Dividend: Rs. 5.00 per ordinary share, subject to deduction of tax, payable on and from 12th December 1960. Transfer books remain closed from 10th November to 7th December 1960, both days inclusive.

PHOENIX MILLS LTD. Annual General Meeting, Bombay, 6th December 1960. Dividend: Rs. 15.00 per share, subject to deduction of tax, payable on and after 12th December 1960. Transfer books remain closed from 10th November to 7th December 1960, both days inclusive.

AGRA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 6th December 1960. Dividend: 11 per cent. subject to deduction of tax. Transfer books will remain closed from 30th November to 6th December 1960, both days inclusive.

UNITED PROVINCES ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 6th December 1960. Dividend: 11 per cent. subject to deduction of tax. Transfer books will remain closed from 30th November to 6th December 1960, both days inclusive.

DAWN MILLS LTD. Annual General Meeting, Bombay, 7th December 1960. Dividend: Rs. 15.00 per ordinary share, subject to deduction of tax, payable on and from 12th December 1960. Transfer books remain closed from 10th November to 7th December 1960, both days inclusive.

TRACTORS (INDIA) LTD. Annual General Meeting, Calcutta, 7th December 1960. Dividend: Rs. 3.00 per share, subject to deduction of tax. Transfer books will remain closed from 21st November to 7th December 1960, both days inclusive.

BARAREE COKE CO., LTD. Annual General Meeting, Calcutta, 9th December 1960. Transfer books will remain closed from 30th November to 9th December 1960, both days inclusive.

MYSORE CHEMICALS AND FERTILISERS LTD. Annual General Meeting, Mysore, 14th December 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax, payable on and after 11th January 1961. Transfer books will remain closed from 1st to 14th December 1960, both days inclusive.

BLUE MOUNTAIN ESTATES LTD. Annual General Meeting, Madras, 21st December 1960. Dividend: 12½ per cent. or Re. 0.25 per ordinary share, subject to deduction of tax, payable on 22nd December 1960. Transfer books will remain closed from 6th to 21st December 1960, both days inclusive.

WATERFALL ESTATES LTD. Annual General Meeting, Madras, 21st December 1960. Dividend: 12½ per cent. or Re. 0.25 per ordinary share, subject to deduction of tax, payable on 22nd December 1960. Transfer books will remain closed from 1st to 21st December 1960, both days inclusive.

LAXMI STARCH FACTORY LTD. Dividend of Rs. 13.00 per share, subject to deduction of tax, for the year ended 31st March 1960. Transfer books will remain closed from 28th November to 13th December 1960, both days inclusive.

COLOUR-CHEM LTD. Annual General Meeting, Bombay, 2nd December 1960. Dividend: *Nil*. Transfer books remain closed from 18th November to 2nd December 1960, both days inclusive.

INDIAN HUME PIPE CO., LTD. Dividend of Rs. 13.00 per share, subject to deduction of tax, for the year ended 30th June 1960, on the increased capital. Transfer books remain closed from 21st November to 21st December 1960, both days inclusive.

NEW SWADESHI SUGAR MILLS LTD. Dividend of Rs. 29.00 per share, subject to deduction of tax, for the year ended 30th June 1960.

ZANDU PHARMACEUTICALS LTD. Taxable dividend of Rs. 10.00 per ordinary share, for the year ended 31st March 1960. Transfer books will remain closed from 19th to 29th November 1960, both days inclusive.

GILLANDERS ARBUTHNOT AND CO., LTD. Net dividend of 10 per cent. on the ordinary shares, for the year ended 31st March 1960.

BALMER LAWRIE & CO., LTD. Taxable interim dividend of 7 per cent. for the half-year ended 30th June 1960.

SYNOPSES OF COMPANY REPORTS

Alageswar Estates Ltd.

THE directors of the above Company (Managing Agents: Messrs. Ramani and Co. Private Ltd., Rayavaram, Trichy District) submit the audited accounts of the Company for the nine months ended 31st March 1960.

Acreage: The area under tea is 481.11 acres, coffee arabica covers 112.50 acres and coffee robusta 284.50 acres.

Crop: A crop of 2,66,803 pounds of tea was harvested for nine months at a cost of 152.09 cents including excise duty as against an estimate of 4,01,450 lbs. for 12 months at a cost of 162.34 cents. The price realised per pound works out at 214.13 cents. A coffee crop of 53 tons 920 kilograms, was harvested as against an estimate of 70 tons.

The net profit for the year after providing for depreciation Rs. 34,089 (Rs. 37,469) and provision for taxes Rs. 20,000 (Rs. 20,000) amounts to Rs. 46,296 (Rs. 25,248). With the amount brought forward from the previous year of Rs. 7,559 (Rs. 7,311) there is an available sum of Rs. 53,855 (Rs. 52,559 including Rs. 20,000 transferred from general reserve). The directors recommended appropriating the same in the following manner:—

To pay a dividend of 7½ (7½) per cent. for the period of nine months equivalent to 10 per cent. per annum subject to tax, absorbing Rs. 45,000 (Rs. 45,000) and to carry forward to the next year Rs. 8,855 (Rs. 7,559).

The Estates are reported to be in good condition. The accounts are closed with 31st March 1960 and the profit represents only 9 months working. The next accounts and reports will be for 12 months ending with 31st March 1961.

Estimate: The tea crop for the current year is estimated at 4,01,450 pounds at a cost of 153 cents. Coffee crop is estimated at 67 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Gross block	16,68,612
Reserves ...	5,52,435	*Less*—Depreciation ...	4,21,741
Provision for taxation ...	65,272		
Liabilities ...	5,86,303	Net block ...	12,46,871
Profit and loss account (surplus) ...	8,855	Stock-in-trade	42,146
		Stores and tools	69,692
		Book debts ...	2,18,955
		Investments ...	71,275
		Cash	1,63,926
Rs.	18,12,865	Rs.	18,12,865

Asher Textiles Ltd.

The directors of the above Company (Managing Agents: Messrs. Setna and Co., Tirupur) present the audited accounts of the Company for the year ended 30th June 1960.

The year's trading has resulted in a net profit of Rs. 7,12,704 (Rs. 1,14,164) after deducting all working expenses and interest, and providing Rs. 1,75,000 towards bonus to employees of the Company, Rs. 2,48,952 (Rs. 2,63,319) for depreciation and Rs. 85,971 (Rs. 15,000) towards managing agents' remuneration. Out of this profit a sum of Rs. 1,425 (Rs. 20,711) has been spent on charities and donations leaving a balance profit of Rs. 7,11,279 (Rs. 71,916) which is recommended by the directors to be appropriated as hereunder:—

To development rebate reserve Rs. 2,50,000 (*nil*), to general reserve Rs. 58,500 (*nil*), to gratuity reserve Rs. 50,000 (*nil*), to provision for taxes Rs. 2,00,000 (*nil*) and to pay a dividend of 12½ (6 per cent.) per cent. [Rs. 12.50 (Rs. 6.00) per share] to shareholders, subject to deduction of income-tax absorbing Rs. 1,49,825 (Rs. 71,916) leaving to be carried forward to next year Rs. 3,044 (*nil*).

In view of the Company's obligation to pay gratuity to the employees of the Company at the time of their retirement, the directors have thought it advisable to make provision for the same out of the profits of every year. A beginning has been made this year by providing Rs. 50,000 for gratuity reserve.

Due to the failure of cotton crop during the year, scarcity conditions prevailed in respect of Indian Cotton which has adversely affected the mills' spinning programme. The Textile Wage Board recommendation which was implemented during the year by the mills has caused an extra burden on the cost of production. In spite of these facts the directors feel that the profits earned are very satisfactory.

The present installed capacity of the Mills is 24,800 ring spindles, 824 doubling spindles and 3 cone winders of 120 spindles each.

The Central Government have accorded their approval for the re-appointment of Messrs. Setna & Co., the managing agents of the Company for a further term of five years from 16th August 1960 in accordance with the provisions of the Company Law, now in force, in this behalf.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,98,600	Gross block	49,07,709
Reserves ...	4,50,000	*Less*—Depreciation ...	26,15,654
Provision for taxation ...	2,10,788		
Liabilities ...	37,60,566	Net block ...	22,92,055
Profit and loss account (surplus) ...	3,044	Stock-in-trade	27,44,900
		Stores, etc. ...	2,47,534
		Book debts ...	3,11,334
		Investments ...	10,000
		Cash	17,175
Rs.	56,22,998	Rs.	56,22,998

Cochin State Power and Light Corporation Ltd.

The directors of the above Company [Managing Agents: Messrs. Chandrie and Co. (Private) Ltd., Ernakulam, Kerala State] present the audited accounts of the Company for the year ended 31st March 1960.

During the year under review, there was no change in the tariff rates for supply to consumers. 698 new consumers of all classes were added to the list and 593 additional street lights were put up, thus making the number of consumers and street lights in the system as on 31st March 1960, 7,802 and 2,983 respectively, with a connected load of 9526.167 kws. The number of units purchased in bulk during the year stands at 1,04,47,018 as against 91,41,398 units in the previous year and this records an increase of 14.28 per cent.

Energy Sales: The following table indicates at a glance the record of sales of electricity and revenue in the last three years:

Particulars	Year ended 31st March of 1958	1959	1960
Sales in KWHrs. for:			
(a) Public lighting	3,00,501	4,00,728	4,21,968
(b) General purposes	29,76,649	29,34,993	38,63,789
(c) Power purposes	40,21,274	52,69,426	50,51,205
Total No. of units sold ..	72,98,424	86,05,147	93,36,962
Gross revenue .. Rs.	10,03,830	11,51,882	12,63,183

The maximum demand on Company's system during the year was 3,037 kw. as against 2,644.1 kw. in the previous year, showing an increase of 14.86 per cent.

The company's transmission and distribution systems were maintained in good order. Besides, 15.634 miles of high tension mains and 12.089 miles of low tension mains were constructed during the year to cater to the needs of the new consumers. The capacity of the substations has been increased and the aggregate capacity of the distribution transformers is 3,365 KVA. There is much scope for expansion in the licensed area. The Government have not replied to the company's letter relating to the acquisition of our undertaking. Hence, the directors propose to take such steps as are necessary on receipt of the Government's reply.

The net profit of the Company after providing for depreciation as per Electricity (Supply) Act, 1948 Rs. 1,11,303 (Rs. 1,00,382), provision for income-tax and super-tax Rs. 1,12,000 (Rs. 1,30,000), contingencies reserve Rs. 13,596 (Rs. 12,190), development reserve Rs. 31,198 (Rs. 28,955), special reserve under Electricity (Supply) Act 1948 Rs. 14,507 (*nil*) and for staff gratuity reserve Rs. 5,493 (Rs. 4,922) amounts to Rs. 95,586 (Rs. 1,06,522). To this is added the balance brought forward from last year of Rs. 46,675 (Rs. 40,843) making a total of Rs. 1,42,261 (Rs. 1,47,365). To this amount is added refund of income-tax in respect of accounting years 1955-56 and 1956-57 Rs. 28,728 (*nil*), waiver of arrears of subscription by the Employees' State Insurance Corporation Rs. 2,775 (*nil*), excess appropriation of development reserve in respect of accounting years 1957-58 and 1958-59 Rs. 9,604 (*nil*), amount due from the Government of Kerala in respect of share of profit under clause 17 (c) of the licence remitted in excess to the Government Rs. 14.394 (*nil*) and transfer from statutory reserves Rs. 59,668 (*nil*) making a total of Rs. 2,57,429 (Rs. 1,47,365). After deducting from this appropriation to statutory reserves Rs. 6,998 (*nil*), waiver of collection charges on levy of Electricity Duty on H. T. consumers in respect of 1958-59 accounting year Rs. 50 (*nil*) and appropriation towards income-tax and super-tax consequent to revision of I. T. assessments in respect of prior years Rs. 84,297 (*nil*), there is a final available balance of Rs. 1,66,084 (Rs. 1,36,674 after transferring Rs. 3,358 from tariff and dividend control reserve and other adjustments). Out of this balance, the directors recommend a dividend of Re. 1.25 (Re. 0.90 per share free of tax) per share, i.e., a dividend of 12½ (9 per cent. tax-free) per cent. less tax. This will absorb Rs. 1,25,000 (Rs. 90,000) leaving a balance of Rs. 41,084 (Rs. 46,675) to be carried forward to next year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	27,09,446
Reserves ...	7,49,787	*Less*—Depreciation ...	7,91,016
Provision for taxation ...	1,70,927		
Liabilities ...	6,44,219	Net block ...	19,18,430
Profit and loss account (surplus) ...	41,084	Stores and tools	1,88,904
		Book debts ...	3,50,588
		Investments ...	72,106
		Cash	73,429
		Miscellaneous expenditure	2,560
Rs.	26,06,017	Rs.	26,06,017

Karanpura Collieries, Ltd.

The directors of the above Company [Secretaries and Treasurers: Messrs. Bird and Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 29th February 1960.

Raisings and Despatches.—Raisings were 207.846 tons and despatches 210,536 tons as compared with 171.391 tons and 172.923 tons respectively in the previous year.

Transport.—Wagon supplies showed an improvement over the previous year which brought down the stock to a reasonable level.

The profit and loss account after providing for all charges and making provision of Rs. 3,18,104 (Rs. 2,30,028) for taxation and Rs. 1,86,427 (Rs. 1,75,459) for depreciation shows a profit of Rs. 3,69,937 (Rs. 1,94,888). To this amount is added the balance brought forward from the previous year of Rs. 20,442 (Rs. 11,229) making a total of Rs. 3,90,379 (Rs. 2,06,117). From this amount the directors have transferred to statutory development rebate reserve Rs. 35,700 (*nil*) and to siding reserve Rs. 1.50,000 (*nil*) leaving a balance available of Rs. 2,04,679 (Rs. 1,58,117). The directors propose to dispose of this amount as follows:—

By payment of a dividend on the preference shares at the rate of Rs. 4.40 (Rs. 5.50 per share tax-free) per share per annum [being dividend at the stipulated rate of Rs. 5.50 per share *less* income-tax at Company's rate, viz., 20 per cent. thereof] subject to deduction of tax, at source, absorbing Rs. 43,538 (Rs. 37,675), by payment of a dividend on the ordinary shares at the rate of 7½ (5 per cent. tax-free) per cent. per annum subject to deduction of tax, at source, absorbing Rs. 1,50,000 (Rs. 1,00,000) and by carrying forward Rs. 11,141 (Rs. 20,442).

Preference Dividend.—In view of the preference shares (Regulation of Dividend) Bill, 1960 recently introduced in the Lok Sabha, the directors have decided that dividend on preference shares be recommended for payment in the manner stated above in respect of the financial year ended 29th February 1960, and that as soon as practicable after the said preference shares (Regulation of Dividend) Bill has been enacted, steps will be taken for declaration of such additional dividend (if any) on the preference shares in respect of the said year as may be necessary to comply with the provisions thereof.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	29,89,500	Gross block	40,32,438
Reserves ...	5,37,341	*Less*—Depreciation ...	10,76,764
Provision for taxation ...	2,18,906		
Provision for wealth tax	16,327	Net block ...	29,55,674
Liabilities ...	9,54,418	Work-in-progress ...	2,45,551
Profit and loss account (surplus) ...	11,141	Stock	44 035
		Stores, etc. ...	3,02,242
		Book debts ...	11,49,338
		Investments ...	5,085
		Cash	25,708
Rs.	47,27,633	Rs.	47,27,633

Velimalai Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Ooppoottil Kurian and Co. Private Ltd., Kottayam, Kerala State) submit the audited accounts of the Company for the year ended 29th February 1960.

The area under rubber cultivation is 1,019.17 acres. Tea covers 121.34 acres. Twenty-five acres are planted with coconuts. As mentioned in last year's report 40 acres under ordinary rubber on Velimalai Estate were re-planted with budded rubber during the year, under the Rubber Board's subsidy scheme.

A rubber crop of 4,01,452 lbs. was harvested at an estate cost of 94.97 nP per lb. against 4,16,721 lbs. at an estate cost of 92.40 nP per lb. for the previous year. The short fall in the crop was owing to the uprooting of 40 acres for replanting. But this will be more than made up from 1961 as the Company has 35 acres under clonal rubber to come into tapping during that year [now included in the 508.29 acres under mature budded rubber].

The tea crop harvested was 49,305 lbs. at an estate cost of 140.10 nP per lb. against 44,698 lbs. at an estate cost of 145.63 nP per lb. for the previous year.

The net average prices realised were 159.01 nP per lb. for rubber and 168.56 nP per lb. for tea, against 156.03 nP per lb. for rubber and 150.87 nP per lb. for tea for the previous year.

The maximum controlled price for No. 1 sheet remained at 155.75 nP per lb. but the higher prices we realised were made possible by selling a portion of our produce as latex. The capacity of the latex plant is proposed to be increased by installing additional machinery.

The estimate for the current year is for a crop of 4,10,000 lbs. of rubber at an estate cost of 95.63 nP per lb. and 55,000 lbs. of tea at an estate cost of 113.22 nP per lb.

The net profit for the year is Rs. 2.08,871 (Rs. 1,77,781) after allowing for all the charges including depreciation and debenture interest but before providing for taxation. Together with the previous year's balance brought forward of Rs. 6,282 (Rs. 21,001) the amount available for appropriation is Rs. 2,15,153 (Rs. 1,98,782) which the directors propose to appropriate as below:

To reserve for taxation Rs. 75,000 (Rs. 75,000), to transfer to debenture redemption fund Rs. 40,000 (Rs. 40,000), to transfer to preference dividend account Rs. 17,500 (Rs. 17,500) to transfer to equity dividend account [at 12 (10 per cent. tax-free) per cent. taxable which the directors recommend] Rs. 72,000 (Rs. 60,000) and to carry forward Rs. 10,653 (Rs. 6,282).

The expenses of Rs. 15,802 incurred on replanting 40 acres will be more than covered by the subsidy receivable from the Rubber Board which the directors will be crediting to a replanting reserve account. Therefore no provisions for replanting expenses is now being made.

Preference Dividend: The directors are advised that in terms of the Finance Acts of 1959 & 1960 tax has to be deducted at 30 per cent. even from "Tax Free" preference dividend because the tax-free dividend in terms of the original issue implied only the payment of a fixed dividend of 7 per cent. with the additional benefit to the shareholder of refund of tax paid by the Company on its profits. This principle of treating the tax paid by the Company as tax paid by the shareholder has now been abolished and the Company is also required to deduct tax at 30 per cent. from the fixed dividend of 7 per cent. The preference shareholder will now receive a net dividend of 4.9 per cent. after deduction of 30 per cent. from the 7 per cent. dividend. But he could get refund of the 30 per cent. from the income-tax authorities, and whatever tax he may have to bear will also be exempted under the provisions of Section 49B., depending on the agricultural portion of the Company's income. As the Company's income is mostly agricultural, preference shareholders will not therefore have to suffer by the present deduction of tax. Government has now introduced a Bill to regulate dividends on preference shares and when this bill comes into Act the manner as to how the tax has to be deducted from preference dividends will have been clearly defined.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,50,000	Gross block	17,64,801
Debentures ...	3,77,000	*Less*—Depreciation ...	1.23.813
Reserves ...	4,96.000		
Provision for taxation ...	1,73,215	Net block ...	16,40,988
Liabilities ...	2,25,041	Stock-in-trade	1,37,967
Profit and loss account (surplus) ...	10,653	Stores, tools, etc. ...	28,327
		Book debts ...	1,40,809
		Investments ...	1,000
		Cash	1,82,813
Rs.	21,31,909	Rs.	21,31,909

Upper Jumna Valley Electricity Supply Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. Martin Burn Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

In view of the satisfactory working results which have produced excess earnings over the permitted reasonable return as per the Electricity (Supply) Act, 1948, a general reduction in rates in respect of supplies for lighting and fans has been made with retrospective effect from the 1st April 1959. The following schedule indicates the comparative progress that has been made over the past three years:—

Year ended	*Units sold*	*Revenue* Rs.
31st March 1958	16,685,433	27,00,112
31st March 1959	18,715.154	29.74.449
31st March 1960	22,674,747	31,85,131

The reduced rate of Company taxation does not increase the reasonable return out of which distribution of dividends is made by an Electric Supply Company. It is not, therefore, possible for Electric Supply Companies, unlike other Companies, even partially to compensate shareholders for the loss of tax benefits previously enjoyed by them.

The net revenue for the year under review, after providing for taxation, depreciation and all other charges, amounts to Rs. 1,64,633 (Rs. 2,48,062). From this has been deducted a sum of Rs. 80,229 (Rs. 1,36,448) in respect of the following reserve allocations in accordance with the provisions of the Electricity (Supply) Act, 1948: To contingencies reserve Rs. 26,152 (Rs. 23,800), to development reserve Rs. 47,935 (Rs. 33,700), to tariffs and dividends control reserve Rs. 3,071 (Rs. 39,474) and to rebate to consumers Rs. 3,071 (Rs. 39,474). There remains a balance of profits amounting to Rs. 84,403 (Rs.1,11,614) to which is added Rs. 38.509 (Rs. 34,395) brought forward from the previous year making a total of Rs. 1,22,912 (Rs. 1,46,009). After setting aside Rs. 18,714 (Rs. 45,000) to general reserve, there is left a sum of Rs. 1,04,198 (Rs. 1,01,009) available for distribution, and this the directors recommend be disposed of as follows:—

By payment of a dividend at the rate of 13½ (10 per cent. free of tax) per cent. subject to deduction of tax at the prescribed rates in accordance with the provisions of Section 18(3D) of the Indian Income-tax Act, absorbing Rs. 67,500 (Rs. 50,000) and by carrying forward to next year Rs. 36,698 and by carrying forward an additional dividend of Rs. 38,509 after paying an additional dividend of Rs. 0.25 per share, absorbing Rs. 12,500).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Gross block	52,32,335
Reserves ...	11,62,458	*Less*—Depreciation ...	12,25,684
Provision for taxation ...	45,627		
Liabilities ...	43,46,031	Net block ...	40,06,651
Profit and loss account (surplus) ...	36,698	Work-in-progress ...	2,408
		Stores and tools ...	3,70,332
		Book debts ...	6,87,660
		Investments ...	1,56,055
		Cash ...	8,67,708
Rs.	60,90,814	Rs.	60,90,814

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

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....Not merely words
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.....Not only promises

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Notices

THE DAWN MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Annual General Meeting of the shareholders of the Dawn Mills Co. Ltd., will be held on Wednesday, the 7th December 1960, at 4-30 p.m. (S.T.),) at the Registered Office of the Company, State Bank Building, Bank Street, Fort, Bombay, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet as on and Profit and Loss Account for the year ended 31st March 1960.
2. To declare a dividend.
3. To elect a Director in place of Mr. Madanmohan Ramnarain Ruia who retires by rotation but who offers himself for re-election and to consider and, if thought fit, to pass the following resolution as a Special Resolution of which special notice as required by Section 261 of the Companies Act 1956 has been received by the Company.

   "Resolved that Mr. Madanmohan Ramnarain Ruia who retires by rotation from his office as Director and who is a Director of Messrs. Ramnarain Sons Private Ltd. the Managing Agents of the Company, be and he is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."

4. To elect a Director in place of Mr. S. N. Vakil who retires by virtue of Sub-section (2) of Section 280 and hence is deemed to be a Director retiring by rotation and who is also one of the Directors who are actually due to retire by rotation but is eligible for re-election.

   And to consider, and if thought fit to pass, the following Ordinary Resolution of which Special Notice as required by Section 281 of the Companies Act, 1956 has been received by the Company.

   "Resolved that Mr. S. N. Vakil who has attained the age of 65 years and who retires by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

5. To appoint a Director in place of Mr. Lalitkumar M. Khatau who was appointed a Director by the Board of Directors of the Company on 11th January 1960 and who holds this office only upto the date of this annual general meeting but is eligible for election.

   And to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution of which notice as required by Section 257 of the Companies Act 1956 has been received by the Company.

   "Resolved that Mr. Lalitkumar M. Khatau be and is hereby appointed a Director of the Company."

6. To consider and, if thought fit, to pass either with or without modifications, the following Resolution as a Special Resolution.

   "Resolved that the contracts respectively entered into between the Company and Messrs. Indokem Private Ltd., Vinaya Trading Co. Private Ltd., Bradbury Mills Ltd. and Phoenix Mills Ltd. who are associates of Ramnarain Sons Private Ltd., the Managing Agents of the Company, between 1st July 1959 and 31st March 1960 pursuant to approval of the Company granted by the Special Resolutions passed at the Extraordinary General Meeting of the Company held on 4th December 1958 and particulars whereof are entered in the Register of contracts maintained under the provisions of Section 360 of the Companies Act 1956 be and they are hereby ratified and confirmed."

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

The relative explanatory statement concerning the above special business as required by S. 173 of Companies Act 1956 is hereto annexed.

The Share Transfer Books of the Company will be closed from Thursday, the 10th November 1960 to Wednesday the 7th December 1960, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, 11*th October* 1960.

Note: 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

2. The Register of Contracts referred to in Special Resolution No. 6 above is open for inspection of the shareholders at the Registered Office of the Company during office hours.

3. Dividend, if sanctioned, will be payable at the State Bank of India, Bombay, on and from Monday, the 12th December 1960 to those shareholders whose names stand on the Register on 10th November 1960. Intimation of any change of address should be given to the Company immediately.

THE PHOENIX MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-fifth Annual General Meeting of the shareholders of the Phoenix Mills Ltd., will be held on Tuesday the 6th December 1960, at 4-30 p.m. (S.T.), at the Registered Office of the Company, State Bank Building, Bank Street, Fort, Bombay, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet as on and Profit and Loss Account for the year ended 31st March 1960.
2. To declare a dividend.
3. To elect a Director in place of Mr. Madanmohan Ramnarain Ruia who retires by rotation but who offers himself for re-election and to consider and, if thought fit, to pass the following resolution as a Special Resolution of which special notice as required by Section 261 of the Companies Act 1956 has been received by the Company.

   "Resolved that Mr. Madanmohan Ramnarain Ruia who retires by rotation from his office as Director and who is a Director and member of Messrs. Ramnarain Sons Private Ltd. the Managing Agents of the Company, be and he is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."

4. To elect a Director in place of Mr. S. N. Vakil who retires by virtue of Sub-section (2) of Section 280 but is eligible for re-election.

   And to consider, and if thought fit to pass, the following Ordinary Resolution of which Special Notice as required by Section 281 of the Companies Act, 1956 has been received by the Company.

   "Resolved that Mr. S. N. Vakil who has attained the age of 65 years and who retires by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

5. To appoint a Director in place of Mr. Chandrakant M. Khatau who was appointed a Director by the Board of Directors of the Company on 11th January 1960 and who holds this office only upto the date of this annual general meeting but is eligible for election.

   And to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution of which notice as required by Section 257 of the Companies Act 1956 has been received by the Company.

   "Resolved that Mr. Chandrakant M. Khatau be and is hereby appointed a Director of the Company."

6. To consider and, if thought fit, to pass either with or without modifications, the following Resolution as a Special Resolution.

   "Resolved that the contracts respectively entered into between the Company and Messrs. Indokem Private Ltd., Vinaya Trading Co. Private Ltd., Bradbury Mills Ltd., Dawn Mills Co. Ltd., and Shri L. V. Bhave who are associates of Ramnarain Sons Private Ltd., the Managing Agents of the Company, between 1st July 1959 and 31st March 1960 pursuant to approval of the Company granted by the Special Resolutions passed at the Annual General Meeting of the Company held on 22nd September 1959 and particulars whereof are entered in the Register of Contracts maintained under the provisions of Section 360 of the Companies Act 1956 be and they are hereby ratified and confirmed."

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

The relative explanatory statement concerning the above special business as required by Section 173 of the Companies Act 1956 is annexed hereto.

The Share Transfer Books of the Company will be closed from Thursday, the 10th November 1960 to Wednesday the 7th December 1960 both days inclusive.

By Order of the Board,
For RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, 11*th October* 1960.

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

2. The Register of Contracts referred to in special resolution No. 6 above is open for inspection of the shareholders at the Registered Office of the Company during office hours.

3. Dividend, if sanctioned, will be payable at the Bank of India Ltd., Bombay, on and from Monday the 12th December 1960 to those shareholders whose names stand on the Register on 10th November 1960. Intimation of any change of address should be given to the Company immediately.

THE ELLORE ELECTRIC SUPPLY CORPORATION, LIMITED

Registered Office:—
20, 2nd Line Beach, Madras-1

INTERIM DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN THAT THE Directors at their Meeting held on 7th November 1960 at Ellore have declared an INTERIM DIVIDEND for the year 1960-61 at 10 per cent. subject to deduction of tax.

The Share Transfer Books of the Company will remain closed from 25th November 1960 to 29th November 1960, both days inclusive.

The Dividend Warrant will be posted on the 29th November 1960 to those members whose names stand on the Register of Members on the 24th November 1960.

(By Order of the Board),
For CHANDRIE & Co. PRIVATE LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

8th November 1960.

THE BRADBURY MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Annual General Meeting of the shareholders of the Bradbury Mills Ltd. will be held on Monday the 5th December 1960 at 4-30 p.m. (S.T.), at the Registered Office of the Company, State Bank Building, Bank Street, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Balance Sheet as on and Profit and Loss Account for the year ended 31st March 1960.
2. (*a*) To declare a Dividend on Preference Shares for the year ended 31st March 1960 at 7 per cent. per annum, less income-tax.

   (*b*) To declare a Dividend on Ordinary Shares.

3. To elect a Director in place of Mr. R. J. Jeejeebhoy who retires under the provisions of Section 262 of the Companies Act 1956 but being eligible, offers himself for election.
4. To elect a Director in place of Mr. S. N. Vakil who retires by virtue of Sub-section (2) of Section 280 and hence is deemed to be a Director retiring by rotation and who is also one of the Directors who are actually due to retire by rotation, but is eligible for re-election.

   And to consider, and if thought fit, to pass the following Ordinary Resolution of which Special Notice as required by Section 281 of the Companies Act, 1956 has been received by the Company:

   "Resolved that Mr. S. N. Vakil who has attained the age of 65 years and who retires by rotation, be and he is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit prescribed under Section 280 of the Companies Act 1956, shall not apply to him."

5. To consider and if thought fit, to pass either with or without modifications, the following Resolution as a Special Resolution:

   "Resolved that the contracts respectively entered into between the Company and Messrs. Indokem Private Ltd., Dawn Mills Co. Ltd., and Phoenix Mills Ltd., who are associates of Ramnarain Sons Private Ltd., the Managing Agents of the Company, between 1st July 1959 and 31st March 1960 pursuant to approval of the Company granted by the Special Resolutions passed at the Extra Ordinary General Meeting of the Company held on 5th December 1958 and particulars whereof are entered in the Register of Contracts maintained under the provisions of Section 360 of the Companies Act 1956 be and they are hereby ratified and confirmed."

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

The relative explanatory statement concerning the above special business as required by Section 173 of the Companies Act, 1956 is annexed hereto.

The Share Transfer Books of the Company will be closed from Thursday the 10th November 1960 to Wednesday the 7th December 1960, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS PRIVATE LTD.,
RAMNIWAS RAMNARAIN,
Director,
Agents.

BOMBAY, DATED 18*th October* 1960.

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

(2) The Register of contracts referred to in special resolution No. 5 above is open for inspection of the shareholders at the Registered Office of the Company during office hours.

(3) Dividend, if sanctioned, will be payable at the United Commercial Bank Ltd., Bombay, on and from Monday the 12th December 1960 to those shareholders whose names stand on the Register on Thursday the 10th November 1960. Intimation of any change of address should be given to the company immediately.

MYSORE CHEMICAL MANUFACTURES LIMITED

Chikbanavar P.O. (Bangalore Dt.)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Annual General Meeting of the Shareholders of the Mysore Chemical Manufactures Ltd. will be held at the Registered Office of the Company at Chikbanavar P.O., Bangalore District, on Thursday the 15th December 1960, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1960 and the Auditor's report thereon.
2. To declare Dividends on (1) Preference Shares and (2) Ordinary Shares.
3. To elect Directors in place of (1) Sri R. Arunachalam, B.A., B.L. and (2) Sri Behram Doctor, M.S.A.E., Mech.-Engg., who retire by rotation and being eligible offer themselves for re-election.
4. To appoint Auditor/s for the year 1960-61 and fix his/their remuneration.

The Share Transfer Books of the Company will be closed from 2nd to 15th December 1960, both days inclusive.

By Order of the Board,
S. RAMANATHAN,
Managing Director.

BANGALORE, 6*th November* 1960.

The Board of Directors have recommended payment of a Dividend of 6 per cent. on Preference Shares and 20 per cent. on Ordinary Shares for the year, both subject to deduction of tax. The Dividends, when declared, will be made payable on and after 20th December 1960. The Dividend Warrants will be posted to those shareholders whose names stand on the Register as on 2nd December 1960.

Shareholders, whose income is not taxable, are requested to obtain a Certificate from the Income-tax Officer of their respective circle and to send the same to the Company before 10th December 1960; otherwise the applicable income-tax will be deducted.

Shareholders are requested to notify the Company of any change in their address.

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

THE MYSORE COFFEE ESTATES LIMITED

18, Second Cross Road, Shankarapuram, BANGALORE-4.

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Annual General Meeting of the Shareholders of THE MYSORE COFFEE ESTATES LIMITED, will be held on Friday, the 16th December 1960 at 2-30 p.m., at No. 110, Gavipuram Guttahalli (Sakamma's Coffee Works), Bull Temple Road, Basavangudi, Bangalore-19, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st March 1960 with the Auditors' Report thereon.
2. To declare a Dividend.
3. To elect Directors:—
   (*a*) Sri Dharmaprakasa L. S. Venkaji Rao who retires by rotation and being eligible, offers himself for re-election.
   (*b*) Sri Shampur Papanna, one of the Directors also retires by rotation and being eligible offers himself for re-election.

   Sri Shampur Papanna, being 78 years of age at his next birthday on 17th August 1961, a resolution that the age limit prescribed in Section 280 of the Companies Act 1956 shall not apply to him is necessary.

   Special notice to move the undermentioned resolution has been received by the Company from a shareholder for exemption of the age limit in case of Sri Shampur Papanna as required by Section 280 of the Companies Act, 1956:

   "Resolved that Sri Shampur Papanna who has completed 77 years of age be and is hereby re-elected as a Director and that the age limit prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

   (*c*) Sri D. V. Dasappa retires and being eligible offers himself for re-election.
   (*d*) Sri R. Arunachalam, B.A., B.L., retires and being eligible offers himself for re-election.
   (*e*) Sri Behram Doctor, M.S.A.E. (Mech. Engg.), retires and being eligible offers himself for re-election.
4. To appoint Auditors for the year 1960-61 and to fix their remuneration.

Messrs. Sankaran and Raman, Chartered Accountants, Madras, retire and are eligible for re-appointment.

The Share Transfer Books of the Company will be closed from 8th December 1960 to 16th December 1960 (both days inclusive).

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member. Such proxy should be registered with the Company at least 48 hours before the time fixed for the meeting.

By Order of the Board,
K. SRINIVASA IYER,
Secretary.

BANGALORE, DATED 29*th October*, 1960.

N.B.—The Board of Directors have recommended payment of Dividend at 15 per cent. subject to deduction of tax on the paid-up Capital of the Company. The Dividend if sanctioned by the General Body will be made payable at State Bank of Mysore, Bangalore, or its Branches on and after 26th December 1960. The Dividend Warrants will be posted to those shareholders whose names stand on the register as on 8th December 1960.

Shareholders are requested to notify immediately any change in their address for incorporation in the books of the Company.

Shareholders in possession of Income-tax Exemption Certificates should lodge the same immediately with Company.

The Explanatory Statement relating to item 3(b) is being posted to the members individually.

AIR-INDIA LIMITED

(In Voluntary Liquidation)

THE ANNUAL GENERAL MEETING OF this Company will be held in the Board Room, 4th Floor, Bombay House, Bruce Street, Fort, Bombay, on Tuesday, 20th December, 1960, at 4.30 p.m., when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding up for the year ended 30th September, 1960 will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the liquidation.

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

AIR-INDIA LIMITED,
(In Voluntary Liquidation),
By Order of the Liquidators,
K. C. BAKHLE,
A Liquidator.

NEW INDIA ASSURANCE BUILDING,
MAHATMA GANDHI ROAD, FORT,
BOMBAY-1.
19th November, 1960.

To all Shareholders of Air-India Limited (In Voluntary Liquidation) and particularly to:—

Atmaram Shivarao Kalambi, Joseph Theoffilus Almeida, Amrutha Pandu, Miss Candida Dhunbai Backhaus, Bashir Niazi, Alan Joseph Chaves, Chulananda Upali de Silva, Ginigalgodage Peeton De Silva, Mrs. Doulat Khanum, Arthur Horace Sidney Fernandes, Farrokh Erachshaw Shroff, Mrs. Barbara Flatt, Sydney Joseph Fernandes, Gunja Man Singh, Donald Reginald Cavendish Hartley, Karson Narain, Kaikhoshro Pherozeshah Mehta, Mrs. Mary Kostka, Stanislaus Lawrence Maxim Lobo, Mrs. Mariam Ahmed Jaffer, Wilhelm A. E. Molamure, Mir Maqbook Mahmood, M. Nizamuddin, Miss Margaret Mardall, Maneck Ardeshir Sohrab Dalal, Placidus Joseph Leslie Menezes, Natuvilmatam Subramania Raman, John Cecil Trevor Pereira, Anthony Francis Pinto, J. C. K. Peterson, Sanmugam Dharma, Mrs. Savitri Dahyalal Daftary, Samuel Taylor, Jose Vaz, Vasant Nagesh Shirodkar.

AIR-INDIA INTERNATIONAL LIMITED

(In Voluntary Liquidation)

THE ANNUAL GENERAL MEETING OF this Company will be held in the Board Room, 4th Floor, Bombay House, Bruce Street, Fort, Bombay, on Tuesday, 20th December, 1960, at 5 p.m., when in accordance with the provisions of Section 496 of the Companies Act, an account of the acts and dealings of the Liquidators and of the conduct of the winding up for the year ended 30th September, 1960 will be laid before the Meeting together with the prescribed form of statement with respect to the proceedings in and the position of the liquidation.

Also to consider and pass the following resolutions:—

That Shri S. S. Shiralkar be and is hereby appointed Liquidator in the place of Shri R. Narayanaswami resigned.

That Shri K. M. Raha be and is hereby appointed Liquidator in the place of Shri L. C. Jain resigned.

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

AIR-INDIA INTERNATIONAL LTD.,
(In Voluntary Liquidation),
By Order of the Liquidator,
K. C. BAKHLE,
A Liquidator.

NEW INDIA ASSURANCE BUILDING,
MAHATMA GANDHI ROAD, FORT,
BOMBAY-1.
19th November, 1960.

To all the Shareholders of Air-India International Limited (In Voluntary Liquidation) and in particular to:—

Arrokkiam Arulsamy Pillai, Mrs. Annaledchumy Theagarajah, Ahmedkhan Hajee Goolab Khan, Adi Bejan Tata, Bai Laxminarayan Rao, Don Edwin Dewendra, Camilo de Souza, Fahimmuddin Ahmed Noori, Mrs. Alice Fonseca, Galwadau Acharige Charles Hamy, Habib Haji Mohamed Derdiwala, Harendra Chandra Lahiri, Jagadamba Kumari Debi, Jehangir Bejan Tata, Maxim Lobo, Mushtaq Ahmed Dodhy, Kudaliyar Samuel Kanapathipillai Appadurai, Mr. Frederick Vincent Mascarenhas, Miss Nina Jehangir Gorwalla, Mrs. Naja Bejan Tata, Prabhudas Girdhardas Mehta, John Cecil Trevor Pereira, Phiroze Bejan Tata, Rehmankhan Peerkhan, Rameshchandra Ranchodbhai Patel, Jose Estevam Silveira, Santdas Kushiram Kirpalani, Sam Bejan Tata, Sagoon Jayadeo Dhond, Venetexa Srinivasa Sinai Dempo, Mrs. Usha P. Godbole, George Harvey Woodhouse, Dr. Ujagar Singh.

IN THE MATTER OF
MESSRS. RICHARDSON & CRUDDAS LIMITED

NOTICE

BY AN ORDER OF THE CALCUTTA HIGH Court made on the 4th July 1960, leave was given to the undersigned to file with the Registrar of Companies, West Bengal.

1. The audited Balance Sheets and Profit and Loss accounts of the Company with Auditors report thereon and other annexures thereto for the years ending 30th June 1956, 1957, 1958, and 1959, without holding a meeting of the shareholders of the said Company.

2. To keep the Register of shareholders of the said Company as prepared under his superintendence subject to rectification, if any, that may be ordered by a Court of competent jurisdiction.

3. To file with the said Registrar of Companies, West Bengal, a list of the shareholders of the said Company made out under his supervision from the Register of shareholders as aforesaid.

4. To make an additional report in respect of certain shares of the said Company.

Pursuant to the said Order, copies of the audited Balance Sheets and Profit and Loss Accounts, etc., for the years as stated above and a list of shareholders of the said Company made out from the Register of shareholders as aforesaid have been filed with the Registrar of Companies, West Bengal.

The undersigned states for the information of persons holding shares or claiming to hold shares in the said Company that the Register referred to and the list aforesaid are provisional and subject to rectification.

The audited Balance Sheets and Profit and Loss accounts with Auditors' report, etc., for the said years are being printed and printed copies will be available at the Bombay Office of Messrs. Richardson & Cruddas Limited, Byculla Ironworks, Bombay 8, from the 28th November 1960 on payment of Rs. 5.50 nP. Free copies will be mailed to persons whose names are borne on the provisional Register.

Inspection of the Register will be allowed on working days beginning from the 1st December 1960, at the Registered Office of Messrs. Richardson & Cruddas Ltd., Hindusthan Buildings, 4 Chittaranjan Avenue, Calcutta 13, during usual office hours by appointment. Subject to the permission of the Court being obtained arrangement may be made for inspection of the provisional Register at the Bombay Office.

DHIREN MITRA,
Special Officer.

14th November, 1960.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

AT A MEETING OF THE BOARD OF Directors of the above Company held on Wednesday, the 9th November 1960, the following final dividends, subject to tax deduction u/s 18(3D) of the I. T. Act, were recommended to be paid for the year ended 31st March 1960.

On First Cumulative Preference shares—8% per annum,

On Second Cumulative Preference shares—4½% per annum,

On Preferred Ordinary shares—10% per annum,

On "A" and "B" Ordinary shares—Rs. 1.30 nP per share,

subject to declaration of additional Dividends, if any, on the preference and Preferred Ordinary shares, on enactment of the Preference Shares (Regulation of Dividends) Bill 1960.

The Dividends, if declared, will be payable on or after 30th January, 1961, to those Shareholders (or their mandatees) whose names appear in the Company's books on 27th December, 1960, as the Registered Holders of the above shares.

The Share Transfer Registers of the Company will be closed from 6th to 27th December, 1960, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 10*th November* 1960.

TRAVANCORE SUGARS AND CHEMICALS LIMITED

(Concluded from page 913)

and I do appeal to all to see that this state of affairs continues and improves still further, as in the present state of affairs, the sugar industry cannot afford to have any loss due to strikes or any other type of stoppage."

The report and accounts for the year ended 30th April 1960 were unanimously adopted and an interim dividend on the preference share capital of the Company for the year ended 30th April 1960 was declared payable on 8th November 1960 at the rate of 5 per cent. subject to deduction of tax. A dividend on the ordinary share capital of the Company for the year ended 30th April 1960 was declared payable on 8th November 1960 at the rate of 10 per cent. subject to deduction of tax.

The retiring Directors, Mr. M. J. Edwards, Mr. S. Vaidyanatha Iyer and *Rajyasevaniratha* S. Chattanatha Karayalar were re-elected and the retiring Auditors of the Company, Messrs. Lovelock and Lewes, were re-appointed on the same remuneration as for the previous year.

N.B.—*This does not purport to be a report of the proceedings of the general meeting.*

GOODYEAR TYRE AND RUBBER

The corner stone for the new Goodyear Tyre and Rubber Company factory at Ballabgarh in the Punjab was set in place early this week by Mr. Manubhai Shah, Union Minister of Industries. The ceremony was held at the 73-acre site of the new tyre and tube manufacturing factory at Ballabgarh, Punjab, 21 miles south of New Delhi, on the way to Taj Mahal, Agra.

Presided over by Sardar Pratap Singh Kairon, Chief Minister of the Punjab, the ceremony was attended by top-ranking national, State and Municipal officials and members of the press, the Goodyear International executives. Goodyear's construction of a factory in India has been commended by U.S. officials as an 'example of the cordial and friendly commerce that has existed for years between our two countries.' In addressing guests at the ceremony, Mr. R. E. O. Carey, Managing Director of Goodyear Tyre and Rubber Company of India Private Limited stated—'this country's promising future indicates sound economic growth and the decision of Goodyear to locate this factory in India is a tribute to both the Indian Government and the business community which co-operated in bringing about this development.'

The new Goodyear factory, estimated to cost Rs. 6,00,00,000 ($12,000,000) will be equipped with modern tyre manufacturing equipment to produce passenger, truck and farm tyres for replacement and original equipment markets. Ballabgarh Punjab, which offers excellent facilities for industry from the standpoint of water, labour and transportation, was chosen after a careful study of other areas, and by the desire of the Gov... dustrialise the north...

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 16*th November*

Although the traditional busy season is on, conditions in the short-term money market are distinctly more comfortable than they were a week ago. In fact, one could even go so far as to say that they are somewhat easy. In the inter-bank section, there are more lenders than borrowers and the rate for call money has come down from 4½ per cent. to 4¼ per cent. As for the interest rates for short-term deposits, they are standing at the enhanced ceiling levels which came into force with effect from the 14th inst. While details of the changes in the inter-bank agreement are given on page 883 of our last issue, it may be briefly stated here that the rate is 2 per cent. for notice money up to 21 days, 3 per cent. for deposits maturing between 22 and 30 days, 3½ per cent. for one to two months and 3½ per cent. for three to twelve months.

There has been no slackening in the demand for funds from trade and industry. The somewhat easier feeling is chiefly due to the relaxation made by the Reserve Bank in the special deposit system with effect from the 11th inst. This is said to have released to the banks an aggregate sum variously estimated from Rs. 16 crores to Rs. 18 crores.

The details of the relaxation are described in the following Press *communique* issued shortly after our last issue went to press:

"The Reserve Bank of India, in conformity with its policy of operating its credit regulation measures in a flexible manner, has relaxed, with effect from today, i.e., 11th November 1960, the maintenance of additional statutory reserves with the Bank by scheduled banks, with a view to assisting them to meet credit requirements in the ensuing busy season. The features of the relaxation are as follows:

1. The additional reserve requirement will be suspended in respect of increases in liabilities over the level as on 11th November 1960; no further impounding of deposits will, thus, for the time being, take place;

2. With effect from 11th November 1960, the additional reserve requirement will be reduced from the present level of 50 per cent. to 25 per cent. and this reduced requirement will be applied to increases in liabilities taking place since 11th March 1960; the deposits already impounded with the Reserve Bank will, thus, be reduced. The deposits rendered surplus as a result of these modifications will be released to banks."

Since the position is clearly explained in the aforesaid *communique*, there is no need for any detailed elucidation. All that requires to be added is that the Reserve Bank is still retaining half of the special deposits already lodged with it, even though it has kept the operation of the scheme under suspension in the case of fresh deposits which the banks are able to gather since the 11th inst.

The Treasury Bill results reflect the slight improvement in the supply of funds. Thus, there has been a slight rise in the amount offered for the 91-day Treasury Bills for which tenders had been invited for Rs. 2 crores. Thus, the offerings aggregated Rs. 2.24 crores, as against Rs. 2.20 crores in the previous week. The average rate of accepted tenders (for Rs. 2 crores), however, remained unchanged at Rs. 2.565 per cent. per annum, for the fourth week in succession. As regards 91-day intermediate Treasury Bills, the market was able to take up Rs. 31 lakhs, as against nothing in the previous five weeks. Their sales are being continued at the self-same rate of 2.496 per cent. per annum.

An expansion of Rs. 18.92 crores in notes in circulation and of Rs. 72.36 lakhs in notes held in the Banking Department, resulting in an aggregate rise of Rs. 19.64 crores in total notes issued, is disclosed by the Reserve Bank's statement for the week ended 11th November 1960. This addition has been matched by a rise of Rs. 20.03 crores in rupee securities and a fractional fall of Rs. 39 lakhs in rupee coin. Foreign securities held in the Issue Department remain unchanged at Rs. 123.00 crores, but balances held abroad in the Banking Department have gone down by Rs. 16.69 lakhs. Consequently the total foreign assets held by the Bank are slightly lower at Rs. 141.11 crores. The deposits of the Central Government have gone down by Rs. 20.91 crores, while those of other Governments have risen by Rs. 4.65 crores. Deposits of banks are up by Rs. 1.28 crores at Rs. 105.08 crores. Other loans and advances have gone up by Rs. 3.24 crores, of which advances to scheduled banks against usance bills account for Rs. 2.32 crores; these now stand at Rs. 8.14 crores. Reflecting the addition in rupee securities held in the Issue Department, the investments portfolio of the Banking Department is down by Rs. 20.24 crores.

A fall of Rs. 6.10 crores has occurred in demand deposits of scheduled banks in the week ended 4th November 1960. There has also been a decline of Rs. 66 lakhs in time deposits. Of the contraction of Rs. 6.76 crores in total deposits, the share of the State Bank of India is nearly Rs. 4 crores. Borrowings from the Reserve Bank have gone up by Rs. 6 crores to Rs. 22.62 crores. Advances have gone down by Rs. 5.07 crores to Rs. 955.31 crores, but bills purchased and discounted have gone up by Rs. 3.50 crores, resulting in a net fall of Rs. 2.50 crores in bank credit which now stand at Rs. 1,109.61 crores. During the same week, the advances of the State Bank of India showed a minor fall of Rs. 1.94 crores. Investments standing at Rs. 698.97 crores reveal a rise of Rs. 9.42 crores. Almost the whole of this addition is on account of the State Bank of India whose portfolio shows a rise of Rs. 10.42 crores. Total cash balances are also higher by Rs. 7.39 crores at Rs. 151.74 crores. The whole of this accretion is on account of banks other than the State Bank of India.

BULLION EASY

(From Our Own Correspondent)

BOMBAY, 16*th November*

The bullion market ruled easy during the major part of the week under review. Both gold and silver were subjected to selling pressure by bears, thanks to the absence of any marked rise in offtake and heavy contango charges. There was also some stale liquidation by tired bulls. The weakness of raw cotton, too, acted as a damper. Consequently, prices staged a retreat. The downward trend persisted till yesterday, when some recovery was in evidence, following revival of buying by dealers in Delhi and South India. There were also rumours that a bull syndicate had been formed at Calcutta which would insist on delivery in the *Margashir* settlement. But today, the market again developed a sagging tendency, owing to lack of follow-up support. The closing rates were lower than those prevailing a week ago.

The daily average arrivals of gold during the week amounted to 6,500 tolas, which were, of course, lower than those in the previous week, namely, 9,800 tolas. Offtake was higher at 4,600 tolas, as against 3,800 tolas. In the case of silver, daily average arrivals and offtake were both higher at 45 bars and 12 bars, as against 38 bars and 7 bars, respectively. The floating stocks of gold are reported to be around 75,000 tolas, while those of silver are estimated at 800 bars.

In the gold section, *Margashir* (December) settlement encountered selling and receded from Rs. 116.60 to Rs. 115.40 yesterday and, after recovering to Rs. 115.80, finished easy at Rs. 114.60 today. The net loss over the week was Re. 1. Ready gold continued to be quoted at a discount under the forward, though the discount declined by 5 nP to Re. 1.05. The closing rate for the metal today was Rs. 114.55, as against Rs. 115.50 on Wednesday last week, the highest and lowest levels touched in the week being Rs. 115.75 and Rs. 114.30, respectively.

The *Margashir* settlement in silver began the week at Rs. 197.20, as against the previous closing of Rs. 197.65, and moved down to touch a low of Rs. 196.30 on Monday the 14th inst. After recovering to Rs. 197.05 yesterday, it declined to Rs. 196.55 before finishing at Rs. 196.65. Ready silver eased from Rs. 196 to Rs. 194.60 on Monday. Thereafter, it recovered and stood at Rs. 195.50 at one time today. Towards the close, the metal was subdued at Rs. 195.05.

The world price for gold in the London bullion market declined from $36¼-$36⅜ to $35⅞-$36 during the week. The decline followed the "stepping in" of the Bank of England to meet the demand for gold from its own stock and to absorb a fairly large offering of dollars on the foreign exchange market, holding the rate at the year's peak of $2.81.11/16. Ready gold in London rose from 255s. to 256s. 6d. early in the week, but receded subsequently and stood at 253s. 3d. yesterday. But ready and forward silver, however, continued unchanged at 79½d., as also silver in New York at 91.375 cents.

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

	16-11-60 (closing)	High	Low	9-11-60 (closing)
GOLD				
Ready (.99 fine)	Rs. 114.55	Rs. 115.75	Rs. 114.30	Rs. 115.50
Forward:				
*Margashir**	115.60	116.65	115.40	116.60
Sovereign	90.00	90.00	89.75	90.00
SILVER				
Ready (.996 fine)	195.05	195.75	194.60	196.00
Forward:				
Margashir†	196.65	197.45	196.30	197.65
London:	15-11-60			8-11-60
Silver Ready	79½d.	—	—	79½d.
Silver Forward	79½d.	—	—	79½d.
Gold	253s. 3d.	256s. 6d.	253s. 3d.	255s.
New York:				
Silver	91.375 cents	—	—	91.375 cents

* 5th December settlement. † 6th December settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

There has been no worthwhile change in the Gilt-edged market. The selling pressure, which was particularly marked in State loans, has, however, considerably eased following the relaxation in the Reserve Bank's reserve ratio system, as mentioned above.

There was a further weakening of the rupee *vis-a-vis* the U.S. dollar, with the Banks' selling rate for ready T.T. at New York being Rs. 476 per $100, as against Rs. 475.50 a week ago. The Banks' buying rate for ready T.T. has also risen by 50 nP to Rs. 472.50. This trend follows the slight fall in the sterling-dollar cross rate. The spot rate for sterling in the New York market has come down from 281.49-281.52 cents to 281.24-281.27 cents per £. Three months forward has also declined, by 0.19 cent to 280.18-280.21 cents.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 14*th November*

There was no change in the hides and skins market during the week under review. Prices ruled firm. Arrivals of stocks were negligible, as E.I. tanners were not able to get their productions well dried, due to heavy rains for over a week.

Export trading was small. Tanners were quoting 2d. per lb. over importers' ideas for hides and calves and three to six pence for goat skins. Overseas buyers were not following the prices at origin, but the tone was firm. A small volume of business was placed in sheep skins at last prices, with sellers trying to obtain higher levels.

Raw goat skins were weak, while sheep ruled steady.

COTTON FUTURES DECLINE

(From Our Own Correspondent)

BOMBAY, 16*th November*

In contrast to the firmness witnessed last week, the cotton futures market ruled distinctly easy during the week under review. The easiness was due to the following reasons: (1) The reported move of the Indian Cotton Mills' Federation to undertake distribution of cotton requisitioned by the Textile Commissioner on behalf of mills. This move, operators feared, would eliminate the scramble for cotton and bring down the price of cotton as mills would prefer to get cotton from the Federation rather than from traders at not more than the ceiling price, in any case. (2) Mr. Lal Bahadur Shastri's threat to introduce price control and rationing of cloth if prices did not come down unnerved the operators who thought that, in view of this threat, mills would not be prepared to pay higher prices for cotton. (3) Larger arrival of cotton in upcountry centres and the consequent downward trend in prices in the terminal markets. (4) The fresh warning issued by the Forward Markets Commission against illegal trading in cotton.

Last week's rise in price level, as much as Rs. 18.25, was too steep and the market was already in for a technical reaction. The aforesaid factors were, therefore, sufficient to spark off a wave of selling which wiped off the earlier gains. The Jarilla April Contract slumped from the last week-end rate of Rs. 612.25 to Rs. 591.25 (per three quintals) at close yesterday. Opening lower at Rs. 588.50 today, the Contract improved to Rs. 591 on reports of higher turnover in the spot market. The closing was, however, fractionally down at Rs. 590.50. The net loss over the week is Rs. 21.75.

In the spot market, early in the week there was good demand for new crop Khandesh, Berar, etc., at prices slightly above the ceiling. Interest, however, sagged following the decision of the Cotton Mills Federation to distribute requisitioned cotton. Mill buyers deferred purchases in anticipation of a fall in price. Meanwhile, arrivals upcountry became larger and prices receded. Reflecting this, prices in the Bombay market too declined. Today, however, a revival of demand was reported at Sewri. Turnover consequently improved to about 10,000 bales.

Bengal *Deshi* cotton attracted some export interest. Indian price is said to be lower than what is quoted for equivalent Pakistan cotton. Hence the current interest in Indian *Deshi* cotton. However, in view of the absence of quota, not much firm business could be done. The little business put through was on a subject-to-licence basis.

Foreign cotton was neglected. Stray interest was noted for U.S. cotton.

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

Berar 27/32" 875; Khamgoan 915; Moglai ¾" 810; American G.M. 1" staple 1,100.

The Karachi cotton futures market, after having ruled quietly steady during the most part of the week, rallied towards the close. The January and March contracts spurted from the week's opening rates of Rs. 68-10 and Rs. 68-8 to Rs. 70-1 and Rs. 69-7, respectively yesterday. This was due to the emergence of fresh foreign demand. Continental countries and Japan made sizable purchases. Domestic mills too supported the market. Futures values consequently rose sharply.

In the spot market prices of ready cotton hardened. Punjab *Deshi* was quoted at Rs. 91 per maund, as against Rs. 85 last week-end. Sind *Deshi* remained at last week's level of Rs. 81. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few other popular varieties of Pakistan cotton prevailing at Karachi. 4F Punjab Roller 78-6; S.G. 82-6; L.S.S. Punjab Roller 81-6; S.G 85-6; N.T. Roller 85-14; S.G. 90-14; 289F Punjab Roller 91-6; S.G. 95-14.

Cotton futures in Alexandria suffered a setback during the week under review. Speculative selling induced by the brisk progress of pickings and the record crop expected resulted in a fall in prices.

Demand for ready cotton was, however, fairly well maintained. East European countries continued to show interest in available lots. The latest available quotations—in tallaris per lb.—are as under:

Karnak: November 75.30; January 73.05; March 73.35; May 73.30.

Ashmouni: December 67.07; February 63.95; April 63.77.

Quiet conditions prevailed in the Liverpool cotton futures market during the week. A small volume of liquidation and some hedge selling in July position found buyers reserved. The dullness of the market was influenced by the inactivity of the spot section, where spinners were keeping off the market as they had covered most of their winter requirements of cotton. The November estimate of the U.S. Department of Agriculture which placed the U.S. crop this season at 255.000 bales lower, as compared with the previous estimate, and the victory of Senator Kennedy, who had promised higher price support in the U.S. Presidential election, though bullish factors, did not have any marked effect on the Liverpool market. In fact, after a small rise, following the announcement of election results, both the American and American type contracts in Liverpool receded. Sudan cotton contracts, however, ruled steady. The latest available quotations—in pence per lb.—from Liverpool are given below:

American cotton one inch staple contract: December 22.75; March 23.25; May 23.60; July 23.80.

American cotton mixed growth contract: December 23.05; March 23.55; May 23.90; July 24.10.

Sudan: November, January, March 35.75.

Cotton futures in New York scored modest gains during the week. The reduction in crop estimate by 255,000 bales, Kennedy's victory in the Presidential election which indicated higher sup-

port prices for cotton, and adverse crop news prompted buying which pushed cotton futures higher. Towards the close of the week, values tended to recede, thanks to profit-taking.

The November crop report of the Department of Agriculture estimated the 1960-61 U.S. upland crop at 14,298,000 bales (of 500 lbs. each), as against 14,533,000 bales estimated last month and 14,551,000 bales harvested last season. The yield per acre was placed lower at Rs. 442 lbs. as against 450 lbs. a month ago and last season's 462 lbs. The next report will be issued on 8th December.

The following are the latest available quotations from New York, as compared with those a week and three weeks ago:

(In cents per lb.)

	15-11-60	7-11-60	25-10-60
Spot	32.25	32.20	32.25
December	31.71	31.68	31.53
March	32.33	32.25	32.05
May	32.64	32.64	32.40

OILSEEDS: NEW CURBS ON SPECULATION

(From Our Own Correspondent)

BOMBAY, 16*th November*

The Forward Markets Commission did mean business when it warned the trade last week against excessive speculation. For the warning was followed, albeit a b't hastily according to some, by the imposition of more stringent measures to bring the market under control; these measures include the enhancement of special margins on the trading of groundnuts futures and the introduction of special margins on castorseeds futures, for the first time in the new crop contract. In a Press note issued on Sunday, the Commission stated:

"In respect of groundnut at the Bombay Oilseeds and Oils Exchange Ltd., the rates of special margin of Rs. 20 and Rs. 60 payable by longs, whenever the prices of groundnut futures February 1961 delivery rise above Rs. 187 and Rs. 212 per 250 kgs., have been raised to Rs. 40 and Rs. 160 respectively. Further, whenever the prices rule above Rs. 212, the margin payable by the members holding a long position in excess of 1,250 metric tons has been stipulated at Rs. 150 per 250 kgs. During the delivery period, the rate of special margin payable by all longs has been prescribed at Rs. 212 per 250 kgs. whenever the prices rule above that rate, irrespective of the quantum of long position held by them. In addition the free limit of 75 metric tons to members holding a position up to 125 metric tons will not be available during delivery period. Similar restrictions have also been extended to the groundnut transferable Specific Delivery Contracts for December 1960-January 1961 delivery traded in the Exchange. Similar restrictions have been introduced in respect of groundnut and groundnut oil traded in the other recognised associations.

"A special margin of Rs. 20 per 250 kgs. has been introduced for the first time during the current season in castorseed futures contract of May 1961 delivery traded in the Bombay Oilseeds and Oils Exchange whenever its prices rise above Rs. 187 per 250 kgs. and above Rs. 186.50 per candy at Ahmedabad. This rate of special margin will be payable both during the non-delivery period and delivery period. A free limit of 75 metric tons or 300 candies is also permitted to those members holding a total long position not exceeding 125 metric tons or 500 candies.

"In the case of rapeseed and mustard seed, the Commission has introduced a third marginal line in the four recognised associations at Delhi, Agra, Kanpur and Bhatinda in respect of current and new crop deliveries. At Delhi, the third marginal lines for the current crop November 1960 delivery and new crop May 1961 delivery are Rs. 31.50 per B. maund and Rs. 33.50 per 40 kgs. The rates of special margin payable at these levels are Rs. 1,750 per unit of 112½ Bengal maunds and Rs. 1,675 per unit of 4,000 kgs. respectively. For those holding a long position above 100 units in November 1960 and May 1961 deliveries, the rates of special margin payable are Rs. 2,625 and Rs. 2,500 per unit, respectively.

"During the delivery period, however, the rates of margin payable by longs irrespective of the long position held are Rs. 3,500 per unit in the November 1960 delivery and Rs. 3,350 per unit in the May 1961 delivery. The free limits now extended to members are withdrawn during the delivery period."

By and large, the market has ignored the new special margins. For even after the new move, castorseeds were well maintained and the bulls were in no mood to liquidate their stocks. This is understandable to a certain extent in that, owing to the larger export of castor oil this year, stocks held by the trade at present are quite limited. In the ordinary course, prices are not expected to fall until the end of December, when the new crop will make its presence felt in the market. In addition, the margin is now leviable only at Rs. 187, a rate which is well above the current level of prices. So nothing prevents operators from pushing up prices at least upto that limit. In respect of groundnuts, the sentiment has turned rather subdued, partly owing to new curbs and partly to improvement in arrivals. On the whole, these special margins do not generally achieve what is expected of them. They serve simply to drive the small fry out of business, while the more well-to-do class will not mind paying margins, which in the case of castorseeds are less heavier than those on groundnuts.

The undertone of the market was quite steady during the week under review. Groundnuts, after an initial spurt, drifted slightly lower, but the closing prices were somewhat above those in the last week. The initial firmness was the result of rumours that Government would announce a liberal export policy in respect of H.P.S. groundnuts, apart from taking an early decision on the recent tender scheme for the export of groundnut oil. As already mentioned, new arrivals and bullish crop reports, on top of the stricter margins, brought the prices down subsequently. Groundnut February 1961 contract, which had wound-up last week at Rs. 208.75, rallied to Rs. 211.25, before closing today at Rs. 209. Khandesh quality rose by 25 nP to Rs. 43.25, but relapsed to Rs. 43 towards the close. Oil ex-mill closed at Rs. 18.90, as against Rs. 18.75.

Speculators apparently turned their attention away from groundnuts to castorseeds. Although there were no firm overseas business in oil, sustained support was given by upcountry interests. Consequently, prices moved up. Castor May 1961 rose from Rs. 176.87 to Rs. 177.25 by Monday, but drifted lower subsequently to Rs. 177, with a net gain of 13 nP over the week. Ready Madras improved from Rs. 34.31 to Rs. 34.50, but declined later on to Rs. 34.25. Oil Commercial, too, improved from Rs. 14.31 to Rs. 14.75, before closing at Rs. 14.15.

In the linseed section, May 1961 contract put on 9 nP to Rs. 33.59, it had touched Rs. 33.66 earlier. Bold ready gathered 38 nP to Rs. 33. Oil hardened by 19 nP to Rs. 14.50.

Dull conditions prevailed in the cottonseed section, in sympathy with the raw cotton market. February 1961 contract, which had risen from Rs. 89 to Rs. 90, fell to Rs. 87.50 today. In the ready section, Berars, whites and non-whites were quiet at Rs. 20.25 each.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	16-11-1960	8-11-1960	2-10-1960
	Rs.	Rs.	Rs.
Groundnut			
February 1961	209.00	208.75	211.50
Nizam bold	42.00	42.00	44.25
Coromandel ready	42.25	43.00	45.00
Khandesh quality	43.00	43.00	45.00
Oil ex-mill ready*	18.90	18.75	19.50
Railway receipts*	18.65	18.50	19.25
Castorseed			
May 1961	177.00	176.87	175.62
Ready Madras	34.25	34.31	34.25
Ready Kanpur	33.25	33.31	33.10
Oil B.S.S.†	15.05	15.15	15.20
Oil commercial†	14.15	14.31	14.25
Linseed			
May 1961	33.50	33.50	33.69
Bold ready	33.00	32.62	33.00
Oil ready†	14.50	14.37	14.25
Cottonseed			
February 1961	87.50	89.00	90.50
Niger seed	39.00	38.00	39.50
Kardi seed	24.00	24.25	24.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

SPURT IN STAPLE FIBRE YARNS

(From Our Own Correspondent)

BOMBAY, 16*th November*

Barring staple fibre yarns which ruled distinctly firm, the yarn market put on a lethargic appearance during the week under review. Art silk yarns suffered a further setback in prices following fresh offerings by some parties, while buying support was negligible. Operators preferred to await the emergence of a clear picture regarding demand from consuming centres. Cotton yarns continued to be dull in the absence of any encouraging news. The firmness of staple fibre yarns was engendered by hopes of enlarged offtake by powerlooms as a result of the recent decision of the Government to regularise the unregistered looms through the issue of formal permits.

Imports of art silk yarn into Bombay port during the month of October 1960 amounted to 1,432,657 kilograms. During the same month, 80,016 kilograms of synthetic yarn and 15,759 kilograms of cotton yarn were imported. Exports of cotton yarn and cotton sewing thread from Bombay during October were of the order of 227,661 kilograms and 22,993 kilograms, respectively.

Cupressa Bemberg yarn (60 x 1) December contract encountered selling and dropped Rs. 14 to Rs. 2.129. February contract declined by Rs. 19 to Rs. 2.124. Spot cupressa climbed down from Rs. 2,224.44 to Rs. 2,176. Among other imported art silk yarns, 120 Italy fell by Rs. 26.50 to Rs. 1,212.50. 120 Japan receded by Rs. 15.38 to Rs. 1,294.12. 150 Japan lost Rs. 6.63 to Rs. 1,514.56. 150 Italy however, elicited special enquiries and jumped up by Rs. 41.87 to Rs. 1,474.87. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade shed 13 nP to Rs. 12.19. 150 Bt. cones 1st grade were quiet at Rs. 11.41.

In the staple fibre yarn section, 40 x 2 December delivery rallied from Rs. 761 to Rs. 795. February delivery advanced by Rs. 26 to Rs. 795. Spot Centurys firmed up by 34 nP to Rs. 9.03. Kohinoors rose by 26 nP to Rs. 9.22. Citys gained 11 nP to Rs. 8.93.

Cotton yarns, as already stated, were dull. Ten counts were unaltered at Rs. 18.12. Moderns changed hands at Rs. 18.75. Twenty counts Moderns and Gokaks were done at Rs. 23.25 and Rs. 23.12, respectively, same as last week. Business was put through in forty counts Minaxis at Rs. 31.75. Madurai were quoted at Rs. 32. Sixty counts were quiet at Rs. 59.59. Radhakrishnas were enquired at Rs. 51.87. Eighty counts Moderns eased by 50 nP to Rs. 71.50. Mahendras were unchanged at Rs. 70.50 and Finlays at Rs. 79.79.

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

	16-11-1960	9-11-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)		
December	2,129 00	2,143.00
February	2,124 00	2,143 00
60/1 Cupressa Bemberg spot ..	2,176 00	2,224 44
120 Japan (per 100 kg.)	1,294 12	1,309.50
150 Japan (per 100 kg.)	1,514 56	1,521 19
120 Italy (per 100 kg.)	1,212 50	1,239 00
150 Italy (per 100 kg.)	1,474 87	1,433.00
Staple fibre yarn—		
40 x 2 December (per 90.72 kg.)	795 00	761.00
40 x 2 February	795 00	769 00
40 x 2 Century (per kg.)	9 03	8.69
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18 12	18.12
20s Gokak	23 12	23.12
30s Gokak	27 00	27.00
40s Minaxi	31 75	—
60s Finlay	59 59	59.59
80s Modern	71.50	72.00

TEAS FOR EXPORT FIRM

(From Our Own Correspondent)

CALCUTTA, 15*th November*

Teas offered at export auctions held yesterday were firm. There was strong general demand. Operators noted that fresh arrivals of tea from gardens so far in this season had been below the normal quantity and, as a result, exports were lower. Not only the crop in this part of the country has been lower but transport facilities were disrupted for one reason or another in this season, including communal disturbances in Assam and strike by Central Government employees in July. Including the figure for October, which was 100.5 million lbs. or 8.4 million lbs. higher than for October 1959, production so far amounts 459.5 million lbs. which is less than 33.8 million lbs. as compared with the corresponding period last year. Considering that November and December are poor plucking months and that production in these two months do not vary significantly from year to year, it can now be stated that the 1960 North-East Indian crop would be lower by 33.8 million lbs.

Viewed against the background of these figures, the marketing outlook for the remainder of the crop is considered to be fair. Also, the carry-over for the next year would be smaller and it should be correct to say that the new season would begin well.

The increase in U.K. tea stocks to 83 million lbs. in the week ended 9th November from 74 million lbs. in the previous week was attributed to the commencement of arrivals which had been earlier diverted to the Continent, in order to prevent congestion in London docks consequent on the stoppage of work by tally clerks. This was also reflected in the increase in tea offered in the Mincing Lane auctions last week. It is to be expected that the increasing trend in quantity offered would be maintained in the coming weeks in Mincing Lane auctions.

In the internal sales held here last week, dusts on offer amounted to 23,191 packages, prices of which eased, despite good general demand. Medium C.T.Cs gave way by 10 to 20 nP. The best C.T.Cs also registered some losses. However, the plainer orthodox teas were about dearer, while the brighter and smaller Assams eased in line with the general trend. Legg-cut Dooars were also easy. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. dust Rs. 6.20 to Rs. 6.40; medium Assam C.T.C. dust Rs. 5.95 to Rs. 6.10; medium Assam dust Rs. 4.90 to Rs. 5.50; and medium Dooars Rs. 4.70 to Rs. 5.10.

Leaf offerings amounting to 416 packages met with good general demand.

There was strong general demand to offerings amounting to 70,850 packages during yesterday's export sale. Tippy teas were firm, as were leaf grades, while Darjeelings recorded an easing trend. Best C.T.Cs, though irregular, were firm at last rates, buyers showing more attention to fannings grades than brokens. Strong competition was offered to the teas for price and plain B.P.s, prices of which gained. Legg-cut teas maintained the previous rates. In strong competition, black, clean and low medium B.O.Ps recorded small gains in prices, while medium B.O.Ps eased. Orthodox teas were fully steady, but medium B.P.s sagged. The quotations inclusive of excise duty were: best Assam C.T.C. fannings Rs. 6.50 to 7.00; clean black pekoe Rs. 5.30 to 5.70; medium fannings Rs. 5.10 to 5.40; best Assam C.T.C. B.P. Rs. 6.10 to 6.50; plain fannings Rs. 4.90 to 5.10; medium B.P. Rs. 4.65 to 4.85; and plain B.P. Rs. 4.55 to 4.65.

Export quota changed hands at ¼ nP per kilo.

QUALITY TEAS EASY

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

COCHIN, 8*th November*

Just over 550,000 kilograms were offered in Sale No. 43 held today. Quality teas generally showed a slight decline. However, a few brighter invoices from the Nilgiris were on offer. There was strong demand at dearer rates except for high-grown which were easier. Highgrowns came to an irregular market, better sorts often being dearer, but the lesser kinds generally sold at below last prices. Good mediums were sold at fully firm to dearer rates. Coloury medium and low medium brokens advanced by 10 nP-20 nP per kilo, while the poorer sorts in this category sold at around last rates. Similar fannings were very irregular but were generally much dearer. Whole leaf grades were sold at higher prices than last week. Black leaf descriptions sold well, particularly fannings which were often upto 50 nP dearer. C.T.C. and legg-cut types were slightly easier.

	1960 Rs.	1959 Rs.
Low medium	4.45-4.85	4.19-4.41
Medium	4.85-5.15	4.52-5.07
Good medium	5.20-5.60	4.96-5.51
Quality	5.75-8.95	5.51-8.93

The average price realised in Sale No. 43 was Rs. 5.29 per kilo, as against Rs. 5.09 in the previous sale and Rs. 5.27 in the corresponding sale of 1959.

About 240,000 kilograms were offered in Sale No. 'OO' held on Thursday, 10th inst. A useful selection of dusts was on offer. The market opened to a very strong and active demand which eased towards the close of the sale. Prices were generally dearer for all descriptions. Coloury mediums advanced 10 nP to 15 nP, while others were in strong demand and were dearer by up to 25 nP. Milled and residual descriptions were the strongest feature of the sale, and these were much dearer. Highgrowns were in better demand and were irregularly dearer by 10 nP to 20 nP. C.T.C. and legg-cut descriptions met with useful support at around last week's rates.

The average price realised in Dust Sale 'OO' was Rs. 4.67 per kilo, as compared with Rs. 4.55 in the previous sale and Rs. 4.14 in the corresponding sale last year.

Export quota: A 5 per cent. release on the best crop basis was announced by the Government on 5th November. This brings the total released so far this year to 60 per cent. There are sellers at ¼ nP per kilo.

Colombo: Just over 3½ million lbs. were offered. They met with good demand. Best liquoring B.O.Ps again came to a considerably dearer market, but their fannings remained steady. Good medium brokens and fannings were well supported at dearer rates, but the plainer mediums and lowgrown tended to rule easier.

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

"*Sale No.* 44: 500,000 kilograms. General demand good. Plain and low medium dearer by 10 nP to 20 nP. Good medium and highgrowns irregular and easier. Orange pekoes very strong."

SPECIAL MARGINS ON JUTE

(From Our Own Correspondent)

CALCUTTA, 15*th November*

Although foreign buyers of jute goods continued to resist higher levels of prices during the week under review and the volume of business that passed for export was very small, conditions were mixed. Despite rise in stocks of goods with mills as at the end of October, prices rose, thanks to support by local operators, but, over the week-end, an abrupt downtrend set in, following announcement of stringent measures by the East India Jute and Hessian Exchange Ltd. and the Forward Markets Commission in a determined and firm attempt to control excessive speculation and overtrading. It was stated that the maximum prices of Rs. 51 per 100 yards of hessian cloth for standard contract No. 1 and of Rs. 140 per 100 bags of sacking bags for standard contract No. II-B already in force on trading in hedge contracts against November 1960 delivery and prohibition of fresh transactions in these hedge contracts would continue from 15th to 29th November. Offsetting transactions would continue to be allowed. The Forward Markets Commission, in a concerted move to control the situation, announced the imposition of special margins on transferable specific delivery contracts in raw jute for November-December 1960, November 1960 and December 1960 deliveries (Rs. 72.35 per 100 kgs., if the price is above Rs. 116.55), hessian 10 oz. (Rs. 30.50 per 100 metres for price above Rs. 55.77), 7½ oz. hessian (Rs. 24 per 100 metres for price above Rs. 42), B. twills (Rs. 86.50 per 100 bags for price above Rs. 140.00), Australian cornsacks (Rs. 94.50 per 100 bags for price above Rs. 144.50), and heavy cees (Rs. 86.50 per 100 bags for price above Rs. 140) for November and December and January-March deliveries. The special margins would not be payable in respect of raw jute purchased by members of the manufacturers' panel of the Exchange against quotas allocated by the I.J.M.A.

An index of the absence of adequate business in jute goods for export during the week was the availability of shipping space to most destinations. However, ready space for ports in the Indian coasts, Australia and Colombo was difficult to obtain. The fall in business in October has been reflected in the stock of goods with mills as at the end of October, figures in respect of which were released during the week. Overall stocks rose by 800 tons to 78,500 tons. Constructionwise, sacking goods rose by 200 tons and hessian by 900 tons, while miscellaneous goods fell by 400 tons. The fall, although it is small, becomes significant as a result of the fall in output in that month, following reduced number of looms in operation. Overall output fell by as much as 4,900 tons to 84,500 tons. The total availability of goods in the month of October thus amounted to 162,300 tons, stocks at September-end being 77,800 tons. Stocks at the end of October being 84,500 tons, demand in the month was only 77,800 tons. It may be noted that, during the week, discussions were held between the I.J.M.A. and the trade unions on the question of putting into operation the looms sealed recently. The unions thought that, since indigenous jute was adequate, there was no justification for the reduction in production. The I.J.M.A. disputed this view but offered to reduce the looms sealed from 19 to 14 per cent., if the unions agreed to reduce working hours. No agreement was reached, as the unions pointed out that the offer, if accepted, would in practice have the effect of increasing the looms closed to 20.5 per cent. In line with the fall in prices here, New York burlap prices also recorded small declines; in business done with overseas countries. They but trade circles here were alarmed at the fall could not resist the impression that foreign buyers were progressively switching on to substitutes. Since prices of goods in Dundee and Europe have also risen in line with the upward trend in fibre prices in Pakistan, it is stated that foreign consumers are left with the only alternative of changing over to substitutes.

The satisfactory working of the quota system was one of the factors that led to the small decline in fibre prices during the week. Quota-holding mills were operating mostly in the agencies, and they were rejecting contract jute. The result was that prices in the agencies were higher than in Calcutta, a reversal of the position hitherto in evidence. Assam bottoms opened here at Rs. 140.50 for November-December delivery and, after rising to Rs. 142, receded to Rs. 139.25. On balance, daissee bottoms at Rs. 142.25 were lower by more than one point.

The small rise in the stock of jute goods with mills as at the end of October was announced on Tuesday last. Prices were held at previous levels, although business passing with overseas markets was insignificant. Not much note of the rise in stocks was taken, in view of the existing buoyancy. Ready hessian 40" 10 oz. was firm at Rs. 56.50, while B. twills were nominally higher at Rs. 178, as against Rs. 175.50 on the previous day. On the following day, hessian 40" 10 oz. rose to Rs. 57.25, but B. twills were unchanged at Rs. 178. Some uncertainty was felt by sellers, following the change in the by-laws for T.S.D. contracts, and sellers were not inclined to enter into fresh contracts. However, on Thursday, ready as well as forward deliveries jumped up by several points, as local operators turned buyers. B. twills scored to Rs. 183 and hessian 40" 10 oz. to Rs. 58.25. The hardening trend received greater momentum on Friday, B. twills advancing to Rs. 185 and hessian 40" 10 oz. to Rs. 58.75. The announcement of the imposition of special margins for specified jute goods up to March 1961 deliveries by the Forward Markets Commission over the week-end had a sharp reaction on prices on Saturday; November B. twills declined to Rs. 176 and hessian 40" 10 oz. to Rs. 57. The January-March B twills toppled down from Rs. 177.50 to Rs. 167. Yesterday, heavy goods were marked higher, though actual business was limited. Ready B. twills were higher at Rs. 178, but hessian 40" 10 oz. was lower at Rs. 55.75.

SUGAR DECLINES FURTHER

(From Our Own Correspondent)

HAPUR, 14*th November*

Sugar continued to rule depressed, following easy supply position due to the monthly quota release of 200,000 tons for sale by the Government. The Joint Sugar Control Board for U.P. and Bihar has recommended to the Central Government either to have control over sugar all over the country or to lift it altogether. Most of the factories started crushing on the 4th inst., in order to avail themselves of the cane cess remission announced by the U.P. Government. The Simbhauli sugar factory, which has increased its crushing capacity by 500 tons to 2,000 tons daily, is due to start production on the 16th inst. The latest prevailing prices of crystal sugar here were:—Rs. 110 per bag in wholesale and Rs. 1.06 per *seer* in the open market.

Weak conditons continued to prevail in the sugar market at Muzaffarnagar during the week, as the supply position of the commodity remained comfortable and prices ran down by 50 nP to Rs. 1 per bag in the open market to be quoted at Rs. 110 per bag for spot delivery. Stocks allotted against previous monthly quota had not been cleared, as lifting speed remained slow.

Sugar continued quiet around Rs. 111 per bag in the Kanpur market, thanks to satisfactory supply position.

New *khandsari* season has commenced. Although prices for new produce were quoted slightly better than old stocks, prices of old stuff ran down further by about Rs. 1 per maund. Most of the crushers were still in favour of being manufacturing *gur* as *khandsari* manufacture was still uneconomical, due to lesser percentage of sugar in cane and these crushers were purchasing cane at Rs. 1.09 to Rs. 1.19 a maund as against fixed prices of Rs. 1.50 to Rs. 1.62 a maund for deliveries at out-centres and mill gates, respectively. The joint Sugarcane Control Board of U.P. and Bihar has recommended the Centre for enhancement of sugarcane price for 1961-62 season to Rs. 1.75 a maund. Week-end prevailing prices of *khandsari* were:—*galawat* Rs. 18 to Rs. 20; inferior Rs. 28 to Rs. 30; superior Rs. 31 to Rs. 35; crystal Rs. 30 to Rs. 32; *boora* Rs. 32 to Rs. 35; new *khandsari* Rs. 34 to Rs. 36 a maund.

New *gur* arrivals here as well as in *mofussil* centres increased sharply and were about 12,000 maunds here today. Under pressure of arrivals, prices sought lower levels to be quoted at:—*pansera* Rs. 16 to Rs. 16.25; *balti* Rs. 17.25 to Rs. 17.75; *shakker* Rs. 19; old kotha Rs. 12 a maund. Loading facilities were easy, as, due to interchange obligations in railways, *gur* loading has been placed in A class booking. Entire arrivals are being despatched to outside destinations and while *balti* quality is attracting demand from Saurashtra and Gujarat side, *pansera* is being lifted to Punjab and Rajasthan. Old stocks left were poor at about 1,500 maunds.

Gur arrivals also mounted to an average of 10,000 maunds daily in the Muzaffarnagar market where prices suffered a sharp fall. *Pansera* quality was in demand from Bengal, Rajasthan and Punjab, while *Chaku* was in request from Gujarat and Madhya Pradesh. Buyers from east U.P. were also interested and week-end prevailing prices were:—*pansera* Rs. 15 to Rs. 16; *Chaku* Rs. 16 to Rs. 17.50; *khurpa* Rs. 16.25 to Rs. 16.50; *Laddo* Rs. 17 to Rs. 17.50 a maund.

After an early improvement from the last Monday's opening of Rs. 13.43 to Rs. 13.69 in mid-session, *gur jagun* declined in line with the bearish trend in ready prices and was quoted today at Rs. 13.50.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 14*th November*

Quietly steady conditions were witnessed in the foodgrains market during the week under review. The Union Deputy Food Minister, Mr. A. M. Thomas, said that the overall food situation in the country inspired confidence. Increased production, larger imports, comfortable stock position and indicious distribution. The wholesale prices of rice have touched the lowest levels in the past four years, thanks to good overall crop. Another contributing has been the excellent stock position of the Centre, the rice reserves being about 1.5 million tons. Wheat has begun to reach India under the latest P.L. 480 agreement; this is the beginning of the shipment of 17 million tons of foodgrains to India.

Wheat at Hapur ruled almost stationery at Rs. 17 a maund for average quality and upto Rs. 18.25 for better farm produce. Daily arrivals of wheat here were about 150 maunds and supplies locally were augmented further by sales of wheat and wheat flour through fair-price shops.

Rice depressed further. Inferior quality lost about Re. 1 per maund, as new rice was reaching the markets in larger quantities. Rice reserves of about 50,000 maunds on State Government account were being despatched to Gujarat. The latest prevailing prices of rice here were:—*basmati sela* Rs. 29 to Rs. 30; *ramajwayan* Rs. 22; *raimunia* Rs. 23; *mainpuri* Rs. 21; and *gadda* Rs. 18 a maund.

Gram continued to rule steady at Rs. 17 a maund for Punjab quality and old stocks were being lifted at Rs. 16 a maund. The U.P. Government's reserve of about 100,000 maunds of gram had all been exhausted and local stocks with trade were also poor at about 10,000 maunds. *Barley* ruled quiet at Rs. 12.50 to Rs. 13 a maund and *bejhar* continued to be quoted at Rs. 12.25 a maund for inferior quality and Rs. 13 for *moongia* variety. Arrivals of new maize from outside the State were quite good, resulting in the local stock mounting to 17,000 maunds and new *bajra* was also reaching the markets. Seasonal demand was being diverted to these grains, but prices ruled quiet at maize Rs. 12.50 to Rs. 13 and bajra Rs. 13.37 a maund. *Juwar* was quoted slightly higher at Rs. 14 to Rs. 14.50 and *guwar* white at Rs. 13 to Rs. 13.50 a maund.

METAL SUPPLIES BETTER

(From Our Own Correspondent)

CALCUTTA, 15*th November*

Quiet conditions were again in evidence in the metal market during the week under review. The comfortable supply position led to a further recession in prices of base metals, excepting tin. The fall in copper scrap indicated the availability of virgin metal against permits in sufficient quantities. Utensil copper scrap gave way from Rs. 198 to Rs. 195 per cwt. and the berry quality from Rs. 218 to Rs. 210. There was a further rise in the price of electrolytic copper on the London Metal Exchange from £224½ per ton to £227½ to £226½. This rise was attributed to the likelihood of greater inflation following the U.S. Presidential election. Also, there had been no change in the Chuquicamata strike situation. Tin was in good demand here, and a shortage was apprehended. The price steadied around Rs. 565 per cwt., as against the opening of Rs. 564. In London, tin regained to £803 per ton, after sagging from £803 to £799½. Electrolytic zinc here closed lower at Rs. 163.50 per cwt. Earlier, a low of Rs. 158 was touched, after opening at Rs. 163.50. The decline was due to consumers getting permit-metal in adequate quantities. Lead was quiet at Rs. 64.

SURVEY

(*Concluded from page* 895)

having 'developed' their department in size rather than in quality.

"The Director of the C.S.I.R. should devote his time and energy to a really useful job of work. With his suave drawing-room manners and insatiable desire to be for ever moving about from one capital of the civilised world to the other on the pretext of attending conferences, the Director of our scientific research department is not likely to 'direct' many in the right path. To his credit one may be tempted to retort that he is instrumental in starting the co-operative research in the four industries you have referred to. Starting such organisations with the influence Government-sponsors wield these days is one thing but seeing to them doing a worthwhile job is another and there is where the C.S.I.R. has utterly failed.

"We should not be over-hasty in emulating industrially advanced nations. That is where we have failed hitherto. Let us put our industries in order and that itself requires man-power on a colossal scale; research is a necessary adjunct, but, without the personnel, there is no use wasting money on research merely for the sake of pretext. You have suggested that the situation calls for remedy 'through incentives to attract foreign scientists and researchers.' A more puerile suggestion could not have been made—to ask foreigners to come and do research for our benefit!! Money may attract some, no doubt, if that is what you meant by 'incentive' but let us face facts; a more sound suggestion would have been to differ the high-sounding activity of research in industry to a more suitable time in the future. Strengthen, by all means, the existing national laboratories and provide the means to attract to them whatever number of men may be available but research on a wider scale and to a more useful purpose must bide its time."

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 11th Nov., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,61,40,000
(2) Other Governments	14,85,77,000
(b) Banks	105,08,54,000
(c) Others	88,03,13,000
Bills Payable	24,93,13,000
Other Liabilities	35,74,37,000
	Rupees 349,21,34,000

ASSETS	Rs.
Notes	14,50,12,000
Rupee Coin	1,25,000
Subsidiary Coin	7,05,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	19,05,19,000
Balances held abroad*	18,10,30,000
Loans and Advances to Governments†	33,81,24,000
Other Loans and Advances	125,98,80,000
Investments	223,03,60,000
Other Assets	12,73,70,000
Rupees	449,21,34,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 8,14,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,50,12,000	
Notes in circulation	1827,21,66,000	
Total Notes issued	....	1841,71,78,000
Total Liabilities	....	1841,71,78,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		128,89,17,000
Government of India Rupee Securities		1472,05,69,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1841,71,78,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	4th Nov., 1960	28th Oct., 1960	A month ago	A year ago *R*
RESERVE BANK					
Issue Department					
Notes in circulation	173.87	1808.30	1794.18	1810.91	1704.27
Notes held in Banking Department	35.01	13.78	29.18	12.22	10.81
Foreign Securities	59.50	123.01	123.01	123.01	163.01
Rupee Securities	37.39	1452 03	1451.99	1451.74	1301.66
Banking Department					
Deposits of:					
Government of India	14.39	74 52	65.36	55.84	52.85
Other Governments	..	10 20	24.25	11.25	13.92
Balances held abroad	10.06	18.27	19.74	17.79	36.95
SCHEDULED BANKS					
Demand Liabilities	134.36	790 62 (19.55)†	797.20 (20.03)†	700 42 (18.64)†	735.99 (24.40)†
Time Liabilities	102.24	1143 86 (50.54)†	1143.84 (19.86)†	1166 29 (23.70)†	1125.45 (27.75)†
Borrowings from Reserve Bank	..	22 63 (5.82)‡	16.63 (6 54)‡	30.58 (8.31)‡	10.83 (—)‡
Borrowings from State Bank	..	11 21	10.65	15.15	4.12
Cash in India	6.70	47 08	48.69	48.48	46.88
Balances with Reserve Bank	25.17	104 66	95.65	101.67	68.66
Balances with other banks in current account	..	15.19	15.75	15.67	15.19
Money at call and short notice in India	..	30.71	31.30	32.69	34.13
Investments (at book value)	..	698.97	689.54	719.03	701.83
Advances and bills	105.9	1109 61	1111.18	1122.01	934.66
STATE BANK					
Deposits	87.76	579.22	583.17	589.29	571.92
Investments	31.89	355 63	343.21	370.74	396.39
Advances	30.35	214 12	216.06	213.89	161.23
Cash	14.69	25.41	25.43	23.11	26.41

† Borrowings from Banks excluding the Reserve Bank and the State Bank. *R*—Revised Figures.

‡ Borrowing: against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	8.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1945	..	2
Canada †	..	2.45	2.73
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	16th Nov., 1962	3.50	3
El Salvador	April, 1957	8	4
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th Jan., 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1960	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	10th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1960	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1960	5	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1960	4.50	5.50
Portugal	12th Jan., 1944	..	2
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	2
Thailand	1945	..	7
Turkey	6th June, 1958	4.50	6
United Kingdom	27th Oct., 1960	6	5.50
U.S.S.R.	1st July, 1936	8	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	11th Nov., 1960	5	4

* Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 4th Nov., 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL:—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,20,00,000
Borrowings from Other Banking Companies, Agents, etc.		579,21,68,000
Bills Payable		76,25,000
Bills for Collection being Bills receivable as per contra		9,40,55,000
Acceptances, Endorsements and Other Obligations per contra		2,29,34,000
Other Liabilities (including Inter-Office Adjustments)		1,53,90,000
Total	Rs.	16,45,80,000
		622,50,02,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,73,85,000
Balances with other Banks		5,66,03,000
Money at Call and Short Notice		86,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	345,68,25,000	
Other Authorised Investments	9,94,36,000	
		355,62,61,000
ADVANCES: Loans, Cash Credits, Overdrafts, etc.	201,45,73,000	
Bills Discounted and Purchased	12,66,26,000	
		214,11,99,000
Bills Receivable being Bills for Collection as per contra		2,29,34,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,53,90,000
Premises less Depreciation		1,28,50,000
Furniture and Fixtures less Depreciation		1,32,58,000
Other Assets (including Inter-Office Adjustments)		20,05,54,000
Total	Rs.	622,50,02,000

Scheduled Banks*

Statement of Affairs for the week ended 4th Nov., 1960

	Rs
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	19,55,20,000
(ii) Other demand liabilities	771,67,10,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	20,53,82,300
(ii) Other time liabilities	1123,32,66,000
Borrowings in India from the State Bank and/or a notified Bank:	
(i) Demand liabilities	10,60,19,000
(ii) Time liabilities	60,50,000
Borrowings in India from the Reserve Bank of India‡	22,62,69,500
Cash in India	(5,82,35,000) 47,07,03,000
Balances with the Reserve Bank in India	104,66,47,000
Balances with other banks in current account in India	15,18,95,000
Money at call and short notice in India	30,71,19,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	698,96,98,000
Advances in India	955,30,61,000
Inland Bills, purchased and discounted in India	105,21,40,000
Foreign Bills, purchased and discounted in India	49,08,99,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
17th to 20th Aug.*	0.25	—	0.25	—	99.381
23rd August	2.00	2.00	2.00	2.540	99.365
24th to 27th Aug.*	0.01	—	0.01	—	99.381
6th Sept.	2.00	2.00	2.00	2.540	99.365
13th Sept.	2.00	2.00	2.00	2.540	99.365
14th to 17th Sept.*	0.15	—	0.15	—	99.381
20th Sept.	2.00	2.50	2.00	2.540	99.365
27th Sept.	2.00	2.60	2.00	2.540	99.369
28th Sept. to 1st Oct	0.03	—	0.03	—	99.381
4th Oct.	2.00	2.55	2.00	2.553	99.365
11th Oct.	2.00	2.35	2.00	2.560	99.360
18th Oct.	2.00	2.40	2.00	2.560	99.360
25th Oct.	2.00	2.00	2.00	2.565	99.355
1st Nov.	2.00	2.35	2.00	2.565	99.360
2nd to 5th Nov.*	0.27	—	0.27	—	99.376
8th Nov.	2.00	2.20	2.00	2.565	99.360
9th to 12th Nov.*	0.31	—	0.31	—	99.376
15th Nov.,	2.00	2.24	2.00	2.565	99.360
Total amount outstanding	25.07	..	25.07	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 4th Nov., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	8,20,30,000
(b) Provincial Governments	1,50,46,000
(c) Banks	18,48,83,000
(d) Others	110 62,28,000
Bills Payable	56,82,000
Other Liabilities	10,30,85,000
Rupees	157,84,63,000

ASSETS	Rs.
Notes	6,17,85,000
Subsidiary Coin	51,000
Bills Purchased and Discounted:—	62,000
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	28,02,50,000
Loans and Advances to Governments	11,41,00,000
Other Loans and Advances	....
Investments	20,48,84,000
Other Assets	82,06,82,000
	9,06,49,000
Rupees	157,84,63,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,17,85,000	
Notes in circulation	358,97,52,000	
Total Notes issued	....	365,15,37,000
Total Liabilities	....	365,15,37,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	73,51,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin	4,22,16,000	141,19,96,000
Government of Pakistan Securities	213,83,19,000	
Internal bills of exchange and other commercial paper	....	218,05,35,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,85,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,08,000
		365,15,37,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued : 40.20 per cent.

EXCHANGE RATES

		8th November 1960	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	*s.*	1-5 11/32	1-5 11/32
Sellers T. T. D.D. upto six months	*s.*	1-5 11/32	1-5 11/32
Buyers T.T. spot to nine months	*s.*	1-5 1/32	1-5 1/32
Buyers T.T. 10 to 12 months	*s.*	1-5 1/32	1-5 1/32
Bombay on New York—			
Sellers T.T. D.D.	*s.*	1-5 1/32	1-5 1/32
Buyers T.T.	*s.*	475.50	475.50
London on New York	*s.*	472.25	472.00
London on Paris	*s.*	2.8162-2.8164	2.8140-2.8145
London on Berne	*Sw. Fcs.*	18.79½-18.79½	13.781-13.79
New York on London	*s.*	12.1230-12.1810	12.1140-12.1150
	Fcs.	281.340-281.380	281.340-281.380

CLEARING HOUSE RETURNS

Centre	Week ended 11th Nov., 1960 Number of Cheques	Amount Rs.	Week ended 4th Nov., 1960 Number of Cheques	Amount Rs.
Bombay	4,05,704	85,83,99,000	3,83,123	89,76,75,000
Calcutta	1,90,000	77,69,00,000	1,94,000	92,29,00,000
Madras	99,797	12,35,66,800	91,031	12,81,19,884
All Centres—				
1957-58	461,672,000	89,84,80,00,000	..	..
1958-59	445,173,000	97,07,12,00,000	..	..
1959-60	50,064,000	109,86,06,00,000	..	..
June 1960	4,227,000	9,84,02,00,000	..	..
July ,,	4,210,000	9,86,20,00,000	..	..
Aug. ,,	4,377,000	9,96,21,00,000	..	..
Sept. ,,	4,318,000	9,71,59,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	29th Oct., 1960	22nd Oct., 1960	31st Oct., 1959	Sept., 1960*	Sept., 1959*	Percentage of increase (+) or Decrease(—) in Sept., 1960 as compared with Sept., 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	121.6	121.5R	123.3	123.9	126.5	+ 2.8	119.0	115.2
Cereals	192	105 4	105.7R	108.9	108 5	107.8	+ 0.8	104.1	106.8
Pulses	43	94.4	94.7	95.1	94.7	89.9	+ 5.3	93.4	102.9
Fruits and Vegetables	23	117.1	116.1R	117.4	122.2	139.1	—12.1	127.8	117.0R
Milk and Ghee	84	115 0	114.8	119.5	122 2	123.8	+ 8.6	113.3	107.1
Edible Oils	47	151.5	152.9	127.6	148 9	127.6	+16.7	130.4	124.8
Fish, Eggs and Meat	17	127.4	127.8	111.2	126.9	112.1	+13.2	112.0	108.4R
Sugar and *Gur*	48	140.5	135.7	160.9	138.9	143.2	— 3.5	147.0	137.2
Others	50	172.0	173.9	175.9	171.2	168.6	+ 1.6	167.9	151.3
Liquor and Tobacco	21	118.4	119.0R	103.7	104.5	99.7	+ 4.8	99.5	98.4
Tobacco	..	117.5	118.1R	102.4	102.7	98.1	+ 4.7	99.0	98.3
Fuel, Power, Light and Lubricants	39	119.4	120.0	117.0	119.5	116.3	+ 2.8	116.5	115.6
Industrial Raw Materials	155	147.1	147.0R	121.2	132.7	122.6	+19.1	123.7	115.6
Fibres	61	160.7*	158.5*R	109.4	139.5	110.1	+26.7	113.8	108.0
Oilseeds	60	146.2	149.0	130.4	146.9	130.1	+ 7.9	130.6	127.0
Minerals	3	97.9*	97.9*	97.7	98.2	98.8	— 0.1	97.8	106.0
Others	32	126.3*	126.5*	128.2	124.6	122.9	+ 1.4	121.6	109.2
Manufacture	286	125.1	125.0	111.2	122.7	114.4	+11.5	111.9	106.4R
Intermediate Products	41	130.8	130.6	115.2	129.5	116.3	+16.4	114.9	108.3
Finished Products	245	124.2	124.1R	110.6	121.6	109.8	+17.6	111.3	105.2
Textiles	147	128 1	128.0	106.1	123.9	105.5	+15.4	107.8	103.3R
Cotton	..	129.0*	129.0*	115.5*	131.6	114.4	+15.0	113.9	110.3
Jute	..	139.0	138.7	89.2	116.4	89.4	+30.2	90.6	86.1R
Woollen	..	110 1*	110.1*	104.2*	110.1	104.2	+ 5.7	104.2	103.6
Silk and Rayon	..	101.7*	101.7*	91.8*	100 8	92.0	+ 9.6	98.4	98.2
Metal Products	12	146.8	146.8	144.6	146.8	144.4	+ 1.7	144.4	143.1
Chemicals	20	104.8	104.8R	106.6	105.3	103.4	+ 2.8	104.4	104.3
Oil Cakes	10	142.6*	142.2*	150.9	105.3	103.4	+ 5.0	104.8	101.9
Machinery and Transport Equipment	31	111.2	111.2	105.9*	111.2	141.6	— 2.8	143.8	138.0
Others	30	116.4	116.0	113.7	118.9	105.9	+ 5.1	108.4	108.9R
All Commodities	1,000	126.4	126.4R	113.9	125.3	113.7	+ 5.0	114.8	113.0
						117.2	+ 6.9	117.1	112.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised.

* Provisional.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

CROP FORECASTS

Crop	Forecast	(In thousand acres) 1959-60	1958-59	(In thousand tons) 1959-60	1958-59
Cereals—					
Rice	final	81,343	81,437	29,838	30,354
Wheat	final	31,598	31,141	9,734	9,772
Jowar	final	41,602	42,584	7,866	8,714
Bajra	final	26,699	27,999	3,484	3,789
Barley	final	8,229	8,243	2,605	2,672
Maize	final	10,457	10,457	3,615	3,381
Ragi	final	6,211	6,192	1,880	1,877
Small millets	final	12,340	12,417	2,012	2,072
Total cereals	final	218,380	220,470	60,514	62,631
Pulses—					
Gram	final	25,046	24,865	5,390	6,881
Tur	final	5,843	5,931	1,589	1,671
Other Kharif pulses	final	16,075	15,597	1,567	1,559
Rabi pulses†	final	12,788	12,992	2,690	2,761
Total pulses	final	59,752	59,385	11,236	12,872
Total foodgrains		278,132	279,855	71,750	75,503
Oilseeds—					
Groundnut	final	15,305	14,575	4,390	4,812
Rapeseed	final	1,178	1,203	108	112
Sesamum	final	5,510	5,509	392	511
Rape and Mustard	final	7,167	6,021	1,037	1,025
Linseed	final	3,921	3,965	425	447
Total oilseeds	final	33,081	31,263	6,352	6,907
Fibres—					
Cotton‡	final	19,252	19,926	3,835	4,686
Jute A.	final	1,707	1 811	4,545	5,158
Mesta A.	final	706	825	1,098	1,488
Sannhemp	final	813	807	80	81
Other crops—					
Potato	first	706	642	....	2,319†
Sugarcane	final	5,178	4,803	75,038	70,466
Ginger (Dry)	final	87	36	13	12
Pepper (Black)	final	282	220	25	26
Chillies (Dry)	final	1,499	1,471	339	326
Tobacco	final	934	897	281	261

Source: Ministry of Food and Agriculture. § Excluding Tur.

* In thousand bales of 392 lbs. each. † Excluding Gram and Tur.

‡—In thousand bales of 400 lbs. each. R.—Revised.

†Final estimate of 1958-59.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	Jan. to Dec. 1958	1959	Seven months ended July 1959	1960
Exports	570,56	615,78	313,56	342,67
Re-exports	8,40	6,96	3,82	7,16
Total Exports	578,96	622,74	317,38	349,83
Imports	864,18	887,38	509,03	532,39
Overall Balance of Trade	—285,22	—264,64	—191,65	—182,56
Exports—				
Tea	136,54	126,89	45,77	43,13
Jute yarns and manufactures	103,82	110,75	49,95	76,59
Cotton yarns and manufactures	52,63	66,14	31,45	37,87
Metallic ores and metal scrap	30,35	34,42	20,34	21,79
Cotton, raw and waste	21,20	10,37	10,50	6,38
Oils—vegetable, mineral and animal	12,35	17,06	7,62	10,06
Fruits and vegetables	21,16	21,38	12,71	14,39
Tobacco	16,29	13,91	11,34	13,04
Mica	9,34	10,31	5,89	5,45
Wool and other animal hair	9,35	12,22	6,52	5,76
Gums, resins and lac	7,16	7,95	4,57	5,48
Spices	8,83	10,17	4,19	11,01
Hides and skins, raw	7,35	10,95	5,98	6,93
Imports—				
Machinery of all kinds	188,92	196,21	111,87	125,43
Iron and Steel	97,80	84,01	53,35	59,06
Oils—vegetable, mineral and animal	80,28	82,62	36,76	50,03
Chemicals, drugs and medicines	85,28	85,20	48,92	50,52
Electrical goods and apparatus	49,04	50,01	29,45	29,84
Vehicles (excluding aircraft, ships and boats)	52,53	60.10	41,75	30 77
Cotton, raw and waste	30,66	34,76	23,12	45 84
Fruits and vegetables	17,43	16,52	7 13	10.07
Paper, pasteboard, etc.	8,26	9,67	5,42	6 76
Dyes and colours	5,70	6,54	5.10	6,05
Spices	2,84	2,52	1,42	1,35
Woollen and worsted fabrics	30	23	11	16
Cotton fabrics	1,05	1,19	77	48
Rice	44,02	0,12	4,50	9 36
Wheat	102,65	109,86	68,16	25,08

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During October 1960	84.5
	Corresponding month, 1959	87.9
	Four months ended Oct. 1960	354.9
	Corresponding period, 1959	357.0
Stocks	At the end of October 1960	78.5
	At the end of October 1959	72.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1958-1959	854.9
	July-June, 1959-1960	833.5
	Sept 1959	81.1
	Aug., 1960	79.9
	Sept 1960	74.4
For Internal Consumption	July-June, 1958-1959	220.0
	July-June, 1959-1960	248.3
	Sept., 1959	13.4
	Aug. §1960	18.1
	Sept., 1960	19.5
	RAW JUTE	(In 000 bales)
Consumption by Mills	October 1960	490
	Corresponding month, 1959	510
	Four months ended Oct.1960	2 045
	Corresponding period, 1959	2,064
	1957-58	6,184
	1958-59	6,014
	1959-60	6,282

R=Revised

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units Generated†	Total Units Sold
1956-57	715	5,505.8	7,185.5
1957-58	769	9,977.3	8,108.1
1958-59	824	11,176.9	9,011.5
1959-60	815	12,837.0	10,360.7
1960-60	815	15,029.2	12,130.8
April 1959	813	1,177.1	956.9
May ,,	813	1,241.6	999.4
June ,,	813	1,201.5	969.3
July ,,	813	1,251.0	999.2
August ,,	815	1,297.4	1,055.5
September 1960	850	1,252.1	1,025.5
October ,,	850	1,324.4	1,071.0
March ,,	850	1,325.3	1,081.7
April ,,	850	1,387.9	1,119.4
May ,,	850	1,379.8	1,113.9
June ,,	850	1,360.5	1,106.0
July ,,			

* Undertaking railway, military and factory power stations. Chain Power Station being interconnected with the Tata Power System has been excluded. ‡ Including purchases from non-electric stations. Source:—Central Water and Power Commission end of period.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	880	48	146
1956-57	13,586	2,265	1,023	219	108	58	207	24	196	427	30	889	52	180
1957-58	14,314	2,389	1,229	214	105	52	219	25	212	503	39	476	47	194
1958-59	14,366	2,655	1,206	206	93	56	221	23	184	482	36	514	45	118
1959-60	15,292	2,628	1,343	199	84	54	223	24	185	579	51	522	49	181
April 1959	1,289	218	122	23	13	3	18	2	17	48	5	41	1	13
May ,,	2,534	422	262	43	24	6	32	4	33	96	6	82	3	36
June ,,	2,723	618	386	59	32	9	45	6	48	142	11	122	7	38
July ,,	4,035	842	500	72	37	11	58	8	65	196	16	165	13	48
August ,,	6,127	1,070	603	84	42	14	72	9	78	231	28	209	19	59
January 1960	12,477	2,184	1,111	165	70	30	195	20	155	473	62	427	47	103
February ,,	13,847	2,399	1,226	182	77	32	208	22	169	522	72	471	48	119
March ,,	15,292	2,628	1,343	199	84	34	223	24	188	579	81	522	49	181
April ,,	1,350	226	122	22	7	3	13	2	15	51	10	42	1	11
May ,,	2,640	443	254	39	14	5	22	3	31	105	19	87	3	28
June ,,	3,875	667	373	54	22	8	27	5	49	154	27	120	6	38
July ,,	5,011	854	493	67	27	10	37	6	63	194	32	165	12	46
August ,,	6,258	1,102	600	78	32	12	40	7	79	245	40	215	17	60

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

INDUSTRIAL PRODUCTION

Industries.	Unit	1958	1959	February* 1960	March* 1960	April* 1960	May* 1960	June* 1960	June 1959
Major Industries—									
Coal	million tons	45.34	47.03	4.30	4.36	4.38	4.35	—	3.81
Steel (Ingots and Metal for castings)	thousand tons	1,813	2,433	210	272	248	240	—	192
Yarn	million lbs.	1,685	1,722	139	140	137	139	143	136
Cloth	million yds.	4,927	4,925	403	413	408	416	421	405
Cement	million tons	6.07	6.82	0.59	0.66	0.63	0.67	0.63	0.57
Jute	thousand tons	1,000	1,051	87‡K	93 K	93 K	91 K	91 K	83
Paper and paper boards	thousand tons	253	294	28	30	28	29	—	23
Matches§	thousand cases	626	648	54	56	53	55	57	54
Sugar	thousand tons	1,357	2,083	474	444	265	77	3	—
Engineering and Electrical industries—									
Machine tools	Value in lakhs of Rs.	376	438	57	67	22	23	—	35
Electric lamps	millions	30 47

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53 = 100]

Group and Sub-Group	Week ended 5th Nov., 1960 @	29th Oct., 1960	8th Nov., 1960	7th Nov., 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 6	100 8	101 1	101 7
2. Government of India	100 5	100 6	101 0	101 6
3. State Government	102 0	102 1	102 4	102 8
4. Municipal, Port Trust, etc.	100 0	100 0	100 0	99 9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 7	100 7	100 7	102 0
PREFERENCE SHARES—ALL INDIA.				
6. Total	86 2	86 2	86 8	92 8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	169 3	166 1	165 6	157 2
8. *Agriculture and Allied Activities; Total**	163 6	162 5	162 0	162 4
9. Tea Plantations	155 8	155 0	153 8	156 8
10. Coffee Plantations	203 3	201 8	208 1	208 4
11. Rubber Plantations	167 5	168 2	168 0	160 5
12. *Mining and Quarrying: Total*	151 4	149 0	145 4	142 1
13. Coal	114 5	113 0	114 8	110 2
14. Other Mining	176 7	173 1	166 3	164 0
15. *Processing and Manufacturing: Total*	182 4	178 5	178 4	164 7
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	183 7	179 3	178 6	158 1
17. Sugar	191 4	189 3	187 2	189 0
18. Cotton Textiles	148 3	147 1	148 3	133 9
19. Jute Textiles	87 3	89 5	100 9	100 9
20. Silk and Woollen	1053 7	976 0	958 7	706 1
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	191 4	187 3	188 4	180 6
22. Iron and Steel	152 5	149 3	153 9	160 5
23. Transport Equipment	396 6	381 8	377 3	297 0
24. Electrical Machinery	146 0	141 7	136 8	139 1
25. Machinery other than Transport and Electrical	208 3	204 6	202 5	196 1
26. Basic Industrial Chemicals	208 1	205 8	207 9	181 8
27. *Processing and Mfg. (Others): Total**	162 0	160 0	159 0	155 2
28. Cement	144 1	141 3	139 9	133 6
29. Paper	216 9	215 3	213 2	223 2
30. *Other Industries: Total**	108 2	107 2	107 1	114 2
31. Electricity Generation and Supply	82 3	82 0	81 3	89 0
32. Trading	114 3	111 6	109 0	103 7
33. Shipping and Other Transport	104 9	103 7	104 1	123 7
34. Construction	292 5	285 9	295 7	310 8
35. *Financial: Total*	175 1	172 3	170 5	169 7
36. Banks	196 5	192 7	190 3	184 6
37. Insurance	131 3	131 2	131 0	144 2
38. Investment Trusts	89 0	88 9	88 1	99 4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	174 9	170 1	170 1	160 0
40. Calcutta	155 4	153 7	152 3	148 8
41. Madras	186 7	185 4	186 2	174 0
42. Delhi	223 2	218 1	215 3	188 4

Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.'
@ Provisional

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797 500
Do. 31st March, 1958	1,098,300	1,106,800	786,900
Do 31st March, 1959	1,137,500	1,149,900	884,700
Do 31st March, 1960	1,568,400	1,539,700	1,215 100
July 1959	125,900	121,000	98,500
August ,,	128,700	125,500	97,100
Sept. ,,	124,300	117,100	96,400
Oct. ,,	133,200	129,600	104,600
July 1960	105,700	119,300	96,000
August ,,	131,300@	131,600@	104,400@
Sept. ,,	133,300@	138,100@	108,000@
Oct. ,,	145,900@	150, 00@	114,230@
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	959,933	608,305	496,217
Do. 31st March, 1960	1,053,612	827,072	660,696
June 1959	78,795	62,510	49,296
July ,,	97,082	71,441	55,903
August ,,	94,830	68,644	57,556
Sept. ,,	79,615	60,701	49,428
June 1960	89,127	69,140	53,737
July ,,	72,502@	62,062@	40,897@
August ,,	100,162@	79,268@	60,899@
Sept. ,,	100,437@	79,761@	60,063@

@—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,319
1958*	1,524	928,566	7,797,585
1959*	1,523	692,514	5,605,079
April 1959	175	50,509	507,571
May ,,	131	53,755(127)	354,517(127)
June ,,	154	77,758(149)	788,798(149)
July ,,	146	61,098(144)	741,781(144)
April 1960	92	37,770(85)	331,511(85)
May ,,	127	37,675(115)	414,789(115)
June ,,	154	65,783(138)	392,425(138)
July ,,	125	168,407(100)	748,651(100)

† In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.

N.B.—Figures relate to all States and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income In millions)	In terms of rupees (Crores)	*Per capita* Income (Rs.)
Indiat	'59-'60	403.64	..	11,750	291.3
Pakistan	'58-'59	86.80	..	2,084	240
Burma	1958	20.02	Kyats 4,344	436	216
Ceylon	1957	9.1	..	507	557
Japan	1957	90.90	Y. 8,252,000	10,915	1,200
Philippines	1958	23.1	Ps. 9,232	2,209	956
New Zealand	1958	2.28	£ (N.Z.) 962	1,069	4,688
Australia	1958	9.80	£ (A.) 4,625	4,920	5,021
U.K.	1958	51.60	£ 18,230	24,310	4,711
U.S.A.	1959	177.1	$ 403,900	193,064	10,901
Canada	1958	17.00	$ 24,660	12,091	7,112
France	1958	44.08	F. Fr. 17,910,000	17,470	3,926
W. Germany	1958	52.1	Dm. 176,400	20,050	3,848
Italy	1958	48.07	Lr. 13,126,000	10,120	2,078
Norway	1957	3.49	Kr. 23,290	1,560	4,470
Sweden	1958	7.40	Kr. 54,910	5,084	6,870
Netherlands	1958	11.10	Grs. 80,180	3,820	3,440
Denmark	1958	4.50	Kr. 28,250	1,960	4,355
Switzerland	1958	5.10	Sw. Fr. 28,300	3,130	6,137

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

Source: *International Financial Statistics*, February, 1960.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base 1949=(100)	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 ,,	106	363	111	323	95	103	349	109	106	104	102	112	100	114
1954 ,,	101	359	98	294	85	99	327	106	105	91	95	102	98	108
1955 ,,	96	338	87	246	78	96	321	99	99	88	87	98	86	103
1956 ,,	105	353	98	316	89	105	347	111	109	95	96	106	100	114
1957 ,,	111	369	104	339	94	112	364	116	114	99	103	115	107	126
1958 ,,	116	395	110	313	98	120	384	124	113	103	103	123	109	131
1959 ,,	121	412	125	340	98	132	384	133	120	106	98	125	108	148
May 1959	119	406	124	328	95	131	371	131	116	103	96	125	104	138
June ,,	122	413	125	337	97	132	385	134	117	104	99	130	108	140
July ,,	124	418	127	345	97	133	399	134	117	105	98	129	110	141
August ,,	125	420	125	348	98	134	406	134	118	105	102	129	109	142
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February ,,	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March ,,	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April ,,	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May ,,	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June ,,	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July ,,	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August ,,	126†	421	123	359	101	137	410	146	121	109	104†	122	108	148
Sept., ,,		418		364										

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J	Cumulative Time Deposits 10-Year J	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F	10-Year Treasury Savings Deposit Certificates 4% G	15-Year Annuity Certificates G	Total
	Outstandings	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Receipts / Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Receipts / Outstandings	Receipts / Outstandings
1956-57	.. .. ..	2,00 6,01	163,68 ..	.. ..	.. ..	176,97 196,50	25,38	—38,82	44,28				
1957-58	.. .. ..	2,22 4,73	143,45 71,45	..	71,43	179,86 213,91	23,11	—39,73	43,58	585	547	43 1,32	225,88 440,17
1958-59	.. .. ..	1,76 3,80	119,10 87,45	152,78	191,76	234,91	21,02	—40,67	42,57	635	11,68	67 1,87	264,82 590,77
1959-60	.. .. ..	1,54 3,17	99,14 83,09	221,63	201,48	254,94	19,79	—41,29	41,68	10,64	21,76	66 2,90	296,62 667,36
June 1959	9 5	1,65 2,59	114,16 6,02	167,24	15,89	224,23	20,61	—40,86	42,33	42	13,19	3 2,56	22,40 589,70
July ,,	12 7	1,63 3,56	112,40 6,17	172,83	17,23	235,30	20,53	—40,88	42,25	53	13,66	3 2,62	24,06 604,97
August ,,	15 9	1,65 3,51	110,64 6,04	178,11	15,12	237,06	20,44	—40,94	42,19	87	14,19	3 2,64	22,11 610,67
Sept. ,,	19 11	1,63 3,46	109,01 6,37	183,58	15,23	238,86	20,36	—41,01	42,10	1,06	15,16	5 2,67	22,77 617,13
January 1960	37 22	1,54 3,24	102,61 7,18	204,92	15,15	232,92	19,96	—41,27	41,84	1,13	19,77	5 2,81	23,59 630,20
February ,,	43 26	1,52 3,21	101,09 7,57	210,64	16,94	234,25	19,87	—41,27	41,75	1,05	20,79	6 2,86	25,71 636,56
March ,,	51 30	1,54 3,17	99,14 13,09	221,63	29,24	254,94	19,79	—41,29	41,68	98	21,76	6 2,90	43,47 667,36
April ,,	57 34	1,51 3,11	97,35 6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9 2,98	26,16 676,00
May ,,	64 38	1,50 3,07	95,55 6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,06	24,19	5 3,01	24,67 677,25
June ,,	73 42	1,48 3,02	93,84 5,76	235,58	17,35	253,22	19,50	—41,46	41,41	84	25,05	5 3,04	24,13 677,35
July ,,	81 47	1,45 2,98	92,30 5,83	240,30	15,25	255,92	19,44	—41,49	41,32	1,11	26,09	4 3,07	22,36 684,15
August ,,	89 52	1,43 2,91	90,90 6,78	245,82	19,75	261,00	19,38	—41,54	41,21	1,17	27,23	4 3,14	27,02 694,43
Sept. ,,	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	..	..	41,14	1,52			

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from July 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of July 1960 amounts to 9,28 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1965-65	97 55
3 % Loan	1950	30,33,10,000	1964	97 55
2½ % Fg. Loan	1942	1,10,11,78,000	1966-68	95 15
3 % Dev. Loan	1945	1,15,06,83,000	1970-75	88 80
2½ % Loan	1946	57,00,69,000	1961	98 60
2½ % Loan	1946	14,77,48,000	1976	85 50
2½ % Loan	1947	75,86,72,000	1962	97 85
3½ % N. P. Bonds	1953	75,29,00,000	1961	100 05
3½ % N. P. Loan	1954	1,58,17,94,000	1964	99 40
3½ % N. P. Bonds (2nd Series)	1955	1,58,67,92,000	1965	99 30
3½ % Loan	1956	1,07,27,38,000	1962	99 65
3½ % N. P. Bonds	1956	1,03,81,85,000	1967	99 05
3½ % Loan	1956	86,63,53,000	1972	99 00
3½ % N. P. Bonds (4th Series)	1957	56,09,30,000	1967	100 75
4 % Loan	1957	49,17,27,000	1972	100 55
3½ % Loan	1958	58,05,92,000	1963	99 85
3½ % Loan	1958	70,00,00,000	1968	99 00
3½ % Loan N.P.B.	1958	34,33,98,000	1968	100 00
4 % Loan	1958	49,51,44,000	1973	100 45
3½ % Loan	1959	1,37,90,93,000	1969	98 90
4 % Loan	1959	81,09,38,000	1979	99 85
4 % Loan	1960	97,64,00,000	1980	99 85
3½ % Bonds	1960	82,66,00,000	1966	99 30
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,33,000	M.	73 00
3 % Loan	1946	2,48,91,33,000	K.	74 15
STATE LOANS				
4 % Andhra	1955	6,00,16,000	1st Sept. 1967	97 20
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97 15
4½ % Andhra	1958	5,48,81,000	15th July 1970	99 25
4 % Andhra	1958	6,57,72,000	19th Aug. 1971	96 75
4 % Andhra	1959	9,00,00,000	20th Aug. 1969	98 80
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	97 50
3½ % Bombay	1951	2,82,97,000	17th Sept. 1962	99 60
4 % Bombay	1953	5,10,80,000	15th July 1963	99 50
4 % Bombay	1954	4,40,34,000	1st Aug. 1964	99 00
4 % Bombay	1955	9,56,29,000	1st Sept. 1967	99 00
4 % Bombay	1956	7,82,20,000	3rd Sept. 1970	98 00
4 % Bombay	1957	6,57,23,000	16th Sept. 1969	99 50
4½ % Bombay	1958	6,82,21,000	15th July 1970	99 50
4½ % Bombay	1958	4,35,25,000	15th July 1971	99 50
4 % Bombay	1959	6,58,13,000	19th Aug. 1971	97 20
4 % Bihar	1954	1,84,02,000	1st Sept. 1967	97 15
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97 15
4½ % Bihar	1958	2,76,71,000	15th Oct. 1970	99 25
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97 00
4 % Bihar	1959	2,00,00,000	29th Aug. 1969	98 50
4 % Gujarat	1960	6,00,00,000	29th Aug. 1969	98 50
3½ % Howrah Bridge (Kew)	1936-37	1,77,08,700	1956-66	94 50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99 00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	99 00
2½ % Madras	1946	3,81,77,000	1st Sept. 1961	98 60
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	99 45
4 % Madras	1953	10,33,71,000	15th July 1963	99 40
4 % Madras	1954	5,24,81,500	1st Aug. 1964	99 40
4 % Madras	1955	10,47,71,000	1st Sept. 1967	97 20
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97 15
4½ % Madras	1958	5,55,57,000	15th July 1970	99 35
4 % Madras	1959	5,72,72,000	19th Aug. 1971	97 00
4 % Madras	1960	12,00,00,000	29th Aug. 1969	97 00
4 % Maharashtra	1960	10,00,00,000	29th Aug. 1969	99 00
4 % Mysore(*f*)	1933	2,95,85,200	1st Dec. 1953-63	101 60
3 % Mysore(*f*)	1936	5,99,73,000	30th Apr. 1956-61	99 80
4 % Mysore	1954	3,32,47,000	15th July 1963	99 50
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97 25
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97 15
4½ % Mysore	1957	3,34,36,000	16th Sept. 1969	99 35
4½ % Mysore	1958	5,61,91,000	15th July 1970	99 35
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97 00
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	97 00
4 % M.P.	1948	2,02,29,000	15th Sept. 1964	98 70
3½ % M.P.	1951	1,07,18,100	17th Sept. 1963	98 50
4 % M.P.	1953	1,10,18,000	15th July 1963	99 40
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97 20
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97 15
4½ % M.P.	1958	2,21,30,000	15th July 1970	99 25
4 % M.P.	1959	5,27,37,000	19th Aug. 1971	97 00
4 % M.P.	1960	5,00,00,000	29th Aug. 1969	97 00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	99 00
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	99 00
4 % Kerala	1955	3,25,61,000	15th July 1963	99 00
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97 00
4½ % Kerala	1958	3,27,10,000	15th July 1970	99 00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97 00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97 00
3 % U.P.Z.A.	1952	44,93,89,000	15th Sept. 1961-66	48 75Z
3 % U.P.	1946	2,12,62,000	1st Sept. 1961	92 25
3½ % U.P.	1951	1,86,22,000	17th Sept. 1962	97 75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99 25
4 % U.P.	1953	5,58,25,000	15th July 1963	99 40
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	97 00
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97 00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
		BOMBAY		
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
14,77,48,000	4	1908	1968	97 00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1965	D
80,00,000	4	1913	1974	97 00
55,25,000	4	1914	1975	97 00
10,00,000	4	1914	1976	
55,00,000	4	1915*	1960	
61,61,000	4	1915*	1975	
1,41,51,000	4	1922*	1960	
18,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,90,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
90,24,300	4	1914	1974	99 00
70,90,100	4	1915	1975	99 00
50,00,000C	3½†	1921	1981	82 00
68,02,300C	6‡	1921	1981	144 00N
60,00,000	4‡	1931	1991	93 00
60,00,000	3½	1935	1965	99 00
25,00,000	3	1938	1963-68	93 00
50,00,000	3	1945	2005	70 00
50,00,000	3	1945	1975	85 00
50,00,000	3	1946	1976	84 75
50,00,000	2½	1947	2006	74 00
50,00,000	3	1947	1977	79 50
50,00,000C	3	1948	1978	83 75
50,00,000C	3	1950	1980	82 00
50,00,000	3	1951	1981	81 75
1,50,00,000	3½	1953	1961	99 75
50,00,000	4	1953	1983	100 00
50,00,000	4	1954	1984	99 50
90,00,000	4	1955	1985	97 25
77,00,000	4	1956	1986	97 25
50,00,000	4	1957	1987	99 50
1,24,00,000	4‡	1957	1988	99 00
1,30,00,000	4‡	1958	1988	99 00
1,00,00,000	4	1959	1989	99 00
50,00,000	4‡	1959	1989	99 00
1,00,00,000	4	1960	1990	99 25
1,00,00,000	4	1960	1970	99 25

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
		BOMBAY		
Rs.				Rs.
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97 75
20,00,000	4	1906	1966	N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
40,00,000	4	1913	1972	
13,00,000	4	1913	1972	
50,00,000	4	1914	1974	97 50
25,00,000	4	1914	1976	N
40,00,000	5	1919	1978	118 90
66,00,000	5	1920	1955 80	
25,00,000	5	1926	1956 80	115 00N
25,00,000	5	1926	1961 70	98 00N
10,00,000	3	1926	1966	
		STERLING LOANS		
£566,600		1909	1948	£95 50
£338,000		1910	1970	£95 50N
		CALCUTTA		
Rs.				Rs.
50,00,000	4	1934	1964	99 25
35,00,000	3½	1935	1965	96 00
30,00,000	3	1936	1966	91 75
50,00,000	3	1937	1966	96 00
20,00,000	3	1938	1963 68	91 75
80,00,000	4	1952	1962	100 00
75,00,000	4	1956	1968	99 25
65,00,000	4‡	1958	1974	101 00
		1959	1974	99 75

MUNICIPAL LOANS

Rs.				Rs.
		BOMBAY		
20,00,000	4	1913-18	1974	97 00
10,00,000	5	1920	1980	113 00N
8,25,70,000	3½	1947	1977	87 00
2,13,14,500	3½	1947	1977	87 00
1,00,00,000	3	1950	1965	95 00
2,74,30,000	4	1952	1964	99 00
2,00,00,000	3½	1951	1966	98 00
1,30,00,000		1953	1968	96 00
92,19,00,000†	4	1952	1964	99 00
80,87,000†	4	1954	1966	99 00
2,50,00,000		1954	1967	99 00
1,57,50,000	4	1956	1968	99 00
74,70,000	4½	1957	1969	99 00
4,75,00,000	4½	1958	1970	99 25
3,30,00,000	4	1959	1971	99 25
				97 00
Rs.		CALCUTTA		Rs.
10,00,000	5½	1932	1962	100 00
32,91,000	3½	1925	1965	95 00
60,00,000	3	1936	1966	91 00
47,50,000	3	1938	1968	91 00
21,10,000	3½	1942	1972	92 00
16,33,600	3½	1951	1961	99 25
66,88,000	3½	1951	1966	98 50
87,39,000	4	1952	1962	99 75
72,50,000	4½	1954	1979	100 00
2,22,72,000	4½	1955	1980	99 00
73,86,000	4½	1958	1968	100 50
1,67,32,000	4½		1970	—
Rs.		MADRAS		Rs.
15,00,000	3½	1951	1961	107 00N
15,00,000	3½	1952	1962	107 50N

STERLING LOANS

Rs.				Rs.
£892,600	5	1923	1953-83	£61 75
£901,000	5	1924	1954-84	£61 75
£835,100	5½	1932	1962	£91 00
		MADRAS		
Rs.				Rs.
28,48,275	3½	1947	1977	
3,00,000‡	3	1947	1977	A
3,00,000‡	3	1949	1979	
45,00,0000‡	4½	1954	1984	

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½ % U.P.	1958	7,85,59,000	15th July 1970	99 50
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	97 00
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JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	58,51,970	1,17,27,488	45,26,971	25,002	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	11.62	10	0.25	0.25	0.50		3	Y.P.T.
4,00,000	13,76,400	76,66,446	46,26,917	1,71,356	McLeod & Co., Ltd.	456	Alexandra	155.00	100	10.00	10.00	15.00		12	Y.P.T.
80,00,000	2,70,290	1,26,70,290	99,41,083	—1,88,265	McLeod & Co., Ltd.	1,264	Alliance	94.00	100	*Nil*	*Nil*	*Nil*	6.001	6	Y.P.
49,20,700	72,61,000	3,09,77,421	2,26,93,087	2,15,974	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	200.00	100	7.00	10.00	12.50		3	Y.P.
40,00,000	21,83,168	1,36,05,736	76,49,894	34,111	Bird & Co. Private Ltd.	810	Auckland	151.00	100	*Nil*	5.00	20.00	27.00	3	Y.P.T.
20,00,000	34,55,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd. ..	959	Bally	190.00	100	2.00	6.00	10.00	25.00	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Burder (Chairman) ..	1,889	Barnagore	122.00	£5	*Nil*	*Nil*	10sh.	£1-10sh	3	Y.P.
28,00,000	30,71,190	98,01,914	56,63,641	48,528	Andrew Yule & Co., Ltd.	820	Belvedere	142.00	100	2.50	7.50	15.00		3	Y.P.
45,00,000	20,71,745	58,93,993	35,42,993	—5,73,355	Soorajmull Nagarmull	800	Bengal	8.00	10	*Nil*	0.50	13.50		12	Y.P.
81,26,000	2,82,25,130	7,31,86,439	2,26,35,926	93,079	Birla Brothers Private Ltd. ..	1,373	Birla	29.12	10	1.00	1.00			6	Y.P.T.
36,00,000	23,36,695	1,19,41,767	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Budge-Budge	121.00	100	*Nil*	1.00	1.00	1.50	3	Y.P.
7,47,380	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg. ..	8.00	10	*Nil*	5.00	15.00		10	Y.P.
18,00,000	27,51,550	84,60,059	49,11,673	30,163	M.	616	Caledonian	136.00	100	*Nil*	*Nil*			12	Y.P.T.
59,16,400	81,81,976	2,17,74,524	1,17,03,511	1,68,730	James Finlay & Co., Ltd.	600	Champdany	105.00xd	100	*Nil*	15.00	12.00		11	Y.P.
15,95,000	23,19,096	86,22,904	59,62,749	20,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	14.50	10	*Nil*	*Nil*	7.00	10.00	3	Y.
20,15,000	33,42,800	1,09,82,980	59,87,035	2,32,594	McLeod & Co., Ltd.	500	Chitavalsah	13.31	10	*Nil*	5.00	12.50‡		11	Y.P.
14,00,000	9,00,000	61,80,934	67,13,337	—3,11,513	Shree Krishna Investment Co., Ltd.	969	Clive	11.31	10	1.10	1.25	1.50		7	Y.P.T.
81,49,200	13,05,418	1,06,35,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	119.00	10	*Nil*	*Nil*			3	Y.P.
23,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	142.00	100	*Nil*	*Nil*	*Nil*	1.00	3	Y.P.T.
15,00,000	37,20,000	1,07,39,530	70,79,837	93,729	McLeod & Co., Ltd.	500	Empire	15.25	10	*Nil*	0.60	14.00		11	Y.P.
21,00,000	83,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd. ..	318.00	100 Old	10.00	1.00	1.25		7	Y.P.T.
21,00,000								280.00	50 New		10.00	20.00	25.00		
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	23.50	10	1.50	1.50	10.00	12.50		Y.P.T.
34,32,100	....	2,23,71,685	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11.19	10	*Nil*	*Nil*	1.00	2.25	3	Y.P.T.
10,80,000	34,18,681	94,32,505	48,17,024	53,435	M. (Chairman)	607	General Ind. Society Ltd. ..	41.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,394	Gourepore	325.00	100	2.50	4.00	4.00		12	Y.T.
40,00,000	81,69,633	1,33,64,116	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	89.00	100	5.00	20.00	25.00	30.00	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Baijnath Bajoria	720	Hoochly	12.00	10	*Nil*	6.00	6.00	6.00	3	Y.P.
65,62,500	40,01,064	2,24,26,719	1,35,84,809	72,393	Jardine Henderson Ltd.	1,940	Howrah	19.87	10	*Nil*	*Nil*	0.60		3	Y.P.
52,50,000	38,25,000	3,18,43,014	1,77,68,014	1,63,175	Ramdutt Ramkissendas	2,272	Hukumchand	21.00	10	7.50	1.50	1.50	1.25	3	Y.P.T.
87,30,000	20,35,465	1,52,85,168	93,25,868	62,038	M.	790	India	15.06	12.50	0.37	1.50	1.50	2.15	3	Y.P.
24,00,000								140.00	100	*Nil*	5.00	20.00	0.75‡	3	Y.
*B'19,20,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	134.00	100	*Nil*	5.00	20.00		12	Y.P.T.
30,00,000	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kanknarrah	71.50	100	*Nil*	5.00	20.00		12	Y.P.T.
*B'24,00,000								68.00	'B' 100	*Nil*	*Nil*	*Nil*			
28,00,000	49,10,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kelvin	137.00	100	9.00	12.50	14.00‡C		12	Y.P.T.
54,00,000	22,12,630	2,20,09,065	1,32,49,119	10,158	Anderson Wright Ltd.	1,530	Khardah	18.87	10	8.00	8.00	20.00‡		5	Y.P.
50,80,150	42,30,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	152.00	100	*Nil*	8.00	20.00‡		3	Y.P.
24,48,000	10,72,501	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	99.00	100	*Nil*	*Nil*	10.00	20.00	3	Y.P.T.
28,00,000	11,08,592	69,01,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	126.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
81,65,200	28,13,291	2,34,62,530	1,45,89,024	2,82,507	M.	1,294	Mecna	11.25	10	0.50	*Nil*	2.00	15.00	3	Y.P.
29,98,900	34,36,392	1,04,55,185	94,33,205	—11,60,635	M.	315	Naihati	61.00	100	*Nil*	*Nil*	1.00	0.60‡	3	Y.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd. ..	425	Naskarpara	9.00	10	0.25	0.25	*Nil*		3	Y.P.T.
35,00,000	39,51,326	48,49,737	12,31,373	10,604	Andrew Yule & Co., Ltd.	852	National	22.50	10	0.75	1.00	1.00		10	Y.T.
26,25,000	31,71,872	59,70,247	26,86,043	1,38,623	McLeod & Co., Ltd.	316	Nellimarla Jute	11.62	10	0.90	0.75			10	Y.P.
1,28,24,350	1,08,88,695	8,59,25,980	1,28,63,717	1,415	Sahu Jain Ltd.	1,765	New Central	23.37	10		1.00	1.40		7	Y.P.T.
16,79,880	38,39,763	1,11,53,607	77,21,526	27,851	Bird & Co. Private Ltd.	567	Northbrook	29.50	10	*Nil*	1.50	1.50‡C		7	Y.P.
66,79,500	38,53,004	2,30,01,315	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	45.00	50	*Nil*	*Nil*	1.25	3.00	3	Y.P.T.
25,00,000	10,23,000	99,89,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Presidency	5.00	5	0.30	0.37‡	3.00	4.00	3	Y.
20,00,000	42,629	33,00,467	12,00,763	—20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.00	10	*Nil*	*Nil*	0.50		3	Y.T.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6.06	10	*Nil*	*Nil*	*Nil*	*Nil*	7	Y.T.
£600,000	£488,130	£1,483,376	£840,162	£98,943	Thomas Duff & Co. (India) Pvt. Ltd	2,013	Samnaggur	0.50N	£1	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
80,00,000	19,67,300	1,24,50,559	91,65,688	69,510	Bangaria More & Co., Ltd.	911	Shree Ambica	24.50	10	0.50	5%†	10%†		12	Y.P.
14,00,000	12,59,725	72,57,128	52,50,723	45,633	Hindustan Investment Corpn. Ltd.	401	Soorah	19.00	10	1.50	1.50	0.60		3	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	*Nil*	1.50	2.50		3	Y.P.
85,98,600	37,29,990	89,38,439	50,59,464	35,993	Bird & Co. Private Ltd.	1,326	Union	171.00	100	*Nil*	3%†	10%†		12	Y.P.
£400,000	£270,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	10%†	25.00	3	Y.P.T.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	3.62	*Nil*	*Nil*	*Nil*	0.25		12	Y.P.
														5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1956 Rs. nP.	1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	Accounts Closed	Reference
10,98,900	4,16,126	17,25,120	3,38,737	3,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber	16.70	10	2.50	1.75*	1.75	1.50§	3	Y.P.
52,50,000	21,68,071	75,86,425	12,17,718	1,78,799	Kothari & Sons (Ags.) Pvt. Ltd.	1,329	Blue Mountain ..	5.06cdCr	2	0.30	0.25	1.75	0.25	3	Y.P.
5,50,000	6,57,420	15,15,332	3,03,764	109	K. Anantarman, Esq. (Mg. Director)	350	Chandramalai Estates Ltd.	3.00	2	0.30	0.30	0.25		6	Y.
9,25,400	15,58,598	26,32,979	8,15,911	1,38,060	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates J. ..	5.20	2	0.20	0.40	0.24		6	Y.P.
5,65,920	12,80,970	21,63,320	1,64,704	29,120	Matheson Bosanquet & Co. Pvt. Ltd	392	Coonoor Tea	27.25	10	1.75	0.40	0.20	0.30	6	Y.P.
4,80,000	4,76,798	12,48,672	2,12,224	2,980	Srinivas Agencies	441	Coorg Tea H.	5.30	2	1.50	1.00	2.00	1.00‡	3	Y.
6,00,000	4,82,155	12,32,205	3,02,002	3,838,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	1,259	Devashola	20.00	10	2.50	1.75	2.50	6.40	3	Y.
6,74,630	3,83,572	10,91,577	2,29,177	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.50	1.50	1.75	2.50	3	Y.
3,50,000	1,26,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates ..	5.65	5	0.50	1.75	1.75	1.50§	12	Y.
25,00,000	17,77,500	47,06,209	9,26,371	1,765	Parkins Private Ltd.	1,495	Halleybiria	14.87	10	2.50	1.50‡C	0.30	0.40	3	Y.P.
6,00,000	7,62,036	14,82,744	3,33,884	48,223	Peirce, Leslie & Co., Ltd.	460	Kalina Tea	4.35	2	0.20	0.30	0.25	1.25‡C	12	Y.P.T.
16,39,438	18,94,704	32,75,491	8,84,787	28,193	Peirce, Leslie & Co., Ltd.	781	Kil Kotagiri Tea	5.06cd	2	0.40	0.30	0.25	0.30	3	Y.T.
3,45,000	4,30,000	10,59,843	83,720	1,586	Ipe Ommen & Co. Pvt. Ltd. ..	262	Kurchermala Plant. Ltd. ..	8.20	10	0.625	0.75	0.30	0.70	3	Y.T.
5,00,000	70,556	9,28,291	61,372	35,812	Matheson Bosanquet & Co. Pvt. Ltd.	267	Lucky Valley	12.50	10	1.00	1.00	0.625	0.80	10	Y.P.
2,50,000	2,50,000	5,21,313	21,738	17,841	Vanantika & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.60	2	0.18	0.24	1.00	0.30	3	Y.P.
3,00,000	6,23,100	12,48,190	2,88,717	1,418	Rajon Thomas, Esq. (Mg. Director)	524	Miamallay	39.38	25	6.25	4.50	10.00	12.50	12	Y.
26,00,000	21,32,879	79,04,364	13,08,936	5,482	A. V. Thomas & Co. (India) Ltd. ..	1,659	Neelamalai	4.85	5	0.37	0.37	3.75	5.00	3	Y.
12,00,000	6,32,000	28,24,009	5,35,722	150	A. V. Thomas & Co., Ltd.	679	Nellimalay	2.99	2	0.20	0.30	0.37		3	Y.
14,00,250	6,95,346	38,09,377	5,17,266	20,656	Peirce, Leslie & Co., Ltd.	1,423	Nilgiri Tea	7.35	10	0.62	0.75	0.30	0.30	3	Y.P.
23,10,000	9,22,309	32,15,349	3,63,585	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	27.25cd	10	2.00	2.00	0.75	0.20	6	Y.P.
13,53,000	16,46,535	31,58,547	4,72,968	50,402	Mr. P. S. M. Molyneux (Chairman).	579	Parkside	20.75dcdCr	10	1.50	1.75	3.50	2.00	3	Y.P.T.
6,00,000	3,06,284	8,47,697	63,168	64,227	S. Sivaramakrishna Aiyar, Esq. ..	500	Peninsular Plantations Ltd.	21.35	10	2.00	2.50	2.50	2.75	6	Y.
17,00,000	10,41,753	41,24,057	14,46,521	44,631	Aspinwall & Co. (Travancore), Ltd.	1,557	Peermade	22.89	10	3.75	3.50	1.50	2.75	6	Y.
37,94,880	28,17,245	1,10,00,168	34,84,508	80,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.54	2	0.90	0.70	1.62‡	2.25	2	Y.
13,50,000	2,82,500	11,13,472	1,04,534	1,431	A. V. Thomas & Co. (India) Ltd. ..	865	Sheveroy Estates Ltd. ..	1.94	2	0.20	0.15	0.50‡C	0.25	12	Y.P.
9,00,000	12,06,478	27,35,453	7,62,952	3,653	T. Stanes & Co., Ltd.	856	Stanes Amalgamated	15.50	10	1.37‡	1.40‡	0.37	0.125	3	Y.P.
1,25,000	12,000	1,87,528	5,271	559	M.	216	Swinton Estates	3.10cd	2		1.40‡	0.80	0.60	6	Y.
12,50,000	10,70,828	33,56,356	3,03,028	827	Srinivas Agencies	1,070	Talayar Tea	1.78cd	2	0.25	0.20	0.15		6	Y.T.
15,75,000	16,00,500	27,37,310	3,29,820	565	Parkins Private Ltd.	1,214	Tevyford	12.62	10	2.00	1.50‡C	0.12		3	Y.
21,85,280	12,29,830	44,14,672	15,67,621	1,02,000	T. Stanes & Co., Ltd.	1,771	United Nilgiri	21.62	10	2.50	1.77	1.50	1.00‡C	3	Y.
31,50,000	30,78,147	60,31,052	7,77,818	1,17,892	Kothari Mehta & Co. Pvt. Ltd. ..	997	Waterfall	4.90cdCr	2	0.30	0.30	0.25	1.95	12	Y.
1,00,000	53,087	3,26,355	84,299	2,528	Goodall & Co.	93	Woodcote Estates Ltd. ..	1.67		0.06	0.09	0.06	0.25	3	Y.
													Nil	6	Y.P.T.

RUBBER AND OTHERS

										1957	1958	1959	1960		
6,00,000	5,52,435	16,08,612	4,21,741	8,855	Ramani & Co., Pvt. Ltd.	873	Alageswar Estates Ltd. ..	2.35cd	2	0.20	0.20	0.15	0.15z	3	Y.
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. K. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13.25	10	0.40	0.60				
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14.37	10	1.50	1.00	0.75	1.00	3	Y.P.T.
12,07,838	3,25,049	19,29,285	1,97,147	27,812	Associated Planters Private Ltd.	1,204	Angural Estates Ltd.	4.80	2	0.30	0.70	1.50		12	Y.
4,25,000	4,00,000	8,66,375	92,884	25,796	Young India Agencies Pvt. Ltd. ..	554	Badra Coffee Estates Ltd. ..	3.84	2	0.35	0.70	0.50		12	Y.P.
4,00,000	2,55,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore) ..	550	Babubudin Coffee & Produce ..	9.00	5	1.25	1.25	0.35		6	Y.T.
3,00,000	2,35,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd. ..	319	Balmadies Plantations	2.38	2	0.25	0.25	0.625		5	Y.P.
8,66,115	3,85,253	13,50,534	1,83,574	674	T. K. Ommen, Esq. (Mg. Director)	1,195	Ba Be Rubber Estates Ltd. ..	2.95	5	0.25	0.25	0.15	0.15	5	Y.P.
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,003	Cochin Malabar	7.35	3	0.45	0.30	0.25		5	Y.P.
52,50,000	30,58,661	50,61,755	11,30,047	1,28,049	Cons. Coffee Estates (Secretaries).	2,710	Coffee Lands and Industries ..	23.75	10	4.00	2.00	0.25	0.525	3	Y.P.
71,55,000	63,55,504	1,51,58,273	35,93,779	79,071	R. C. Paterson, Esq.	7,016	Consolidated Coffee	23.85	10	4.00	2.00	2.50		3	Y.P.
4,00,000	5,67,423	12,45,809	60,301	3,461	Associated Planters Private Ltd. ..	240	Cottanad Plantations	12.25	10	2.00	2.00	2.50		3	Y.P.
4,08,560	1,75,000	2,71,893	60,407	28,560	Peirce, Leslie & Co., Ltd.	445	Cowcoody Estates (Coffees). ..	5.15cd	2	1.00	1.30	1.50		6	Y.P.
18,00,000	9,86,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	14.35	10	0.75	1.50	0.50		3	Y.P.
1,20,000	49,000	1,54,450	5,148	2,033	Young India Agencies Pvt. Ltd. ..	220	Kadur Coffee Estates Ltd. ..	2.74	2	0.15	0.15	0.50	0.201	6	Y.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kallas Rubber, Co., Ltd. ..	5.15	2	0.60	0.50	0.50	0.15	12	Y.P.
8,00,000	8,36,553	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	11.15xd	10	2.00	1.00‡C	0.50	0.40	5	Y.P.
8,00,000	3,00,000	9,84,654	1,46,547	12,518	Peirce, Leslie & Co., Ltd.	610	Kunnercode Estates Ltd. ..	4.06	2	0.50	0.40‡C	1.25	1.25	2	Y.
13,50,000	4,85,241	25,39,476	4,08,190	9,042	K. T. Thomas Kathanar, Esq. ..	1,663	Malankara Rubber	17.70	10	2.25	0.40	0.40	4	4	Y.P.
3,25,000	2,50,000	7,61,984	10,586	11,686	Associated Planters Pvt. Ltd. ..	906	Mercara Rubber Ltd.	8.85	5	0.75	1.70‡C	1.60	1.50	10	Y.T.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	12.50cd	10	2.00	1.00	1.00		3	Y.
8,35,000	4,13,456	16,31,928	2,76,266	46,475	A. V. George & Co., Ltd.	1,229	Nemmeny Rubber	20.25	10	0.75	1.50	1.00	1.25	6	Y.P.
2,00,000	4,79,543	7,96,900	55,802	3,026	Associated Planters Private Ltd. ..	906	Nilambur Rubber Co.	16.95	10	1.50	1.50	1.50		3	Y.P.
19,45,980	22,85,423	48,92,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates ..	5.05	2	0.60	2.00	1.50		12	Y.P.
6,50,000	5,71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Oscor Estates Ltd.	3.35	2	0.30	0.26	0.30		12	Y.P.T.
10,60,000	2,29,315	21,56,112	5,55,320	72,393	Aspinwall & Co., Ltd.	1,607	Pullangode Rubber	1.95	2	0.10	0.08	0.30		10	Y.P.T.
13,50,000	8,49,874	47,74,372	4,48,809	44,024	A. V. Thomas & Co., Ltd.	2,450	Rajagiri Rubber	20.12	10	0.75	1.00	0.30	0.30	3	Y.
2,30,000	1,65,963	3,50,420	35,171	41,924	Associated Planters Private Ltd. ..	201	Rajendra Coffees Ltd.	14.25	5	1.25	2.00	2.00		3	Y.P.
5,50,170	3,00,000	8,87,753	1,22,319	12,609	Peirce, Leslie & Co., Ltd.	492	Savannalai Estates Ltd. ..	3.55	2	0.30	0.25‡C	0.50		6	Y.P.
12,00,000	1,85,000	18,80,245	1,09,554	10,753	Patco Agencies	1,162	Sanganeshwar Coffee Estates	2.30cd	2			0.30		3	Y.P.
10,00,000	2,48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd. ..	6.08	10	0.60	0.18	0.18	0.12	3	Y.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.90	10	3.00	0.60	0.60		11	Y.
9,15,300	6,75,000	23,57,605	1,88,203	7,572	Peirce, Leslie & Co., Ltd.	2,295	Thirumbadi Rubber Co., Ltd.	1.55	1	0.05	0.10	3.00		3	Y.P.T.
6,00,000	66,742	11,54,891	5,03,490	2,248	Espen Thomas, Esq. (Mg. Director)	1,203	Travancore Rubber	11.50	10	1.50	1.50	0.97		12	Y.P.
41,00,000	15,07,458	86,13,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea ..	9.20	10	0.40	0.50	1.00		12	Y.T.
20,00,000	1,36,000	32,16,659	8,67,958	11,824	P. T. Thomas, Esq. (Mg. Director)	2,359	Tropical Plantations Co. ..	18.62	25	1.00	1.50	0.75		12	Y.
6,00,000	4,90,000	17,68,416	1,27,428	10,653	P. L. J. Joseph, Esq. (Chairman) ..	1,360	Vellimalai Rubber & Co. ..	5.70cd	5	0.62‡	0.50	0.50		12	Y.P.
2,50,000	4,29,600	10,00,702	1,07,392	23,859	A. V. George & Co., Ltd.	458	Udayagiri Rubber Co., Ltd.	17.00	10	0.62‡	0.50	0.50		12	Y.P.
3,80,010	2,91,970	9,65,557	38,718	585	M.	788	Vaikundam Rubber Co., Ltd.	30.40	10	3.50‡	0.75	1.50	0.00	12	Y.
12,00,000	11,90,982

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
30,00,000	....	31,36,135	13,22,885	83,215	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	12.50	10	*Nil*	*Nil*	*Nil*	0·60‡	3	Y.
18,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00		9	Y.P.
55,23,146	15,49,326	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	*Bengal Potteries*	6.80	10	2½	0.25	0.25		9	Y.
10,00,000	98,68,168	81,22,085	38,30,422	33,561	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	39.00	10	1.75	1.75	1.87		12	Y.
14,17,800	4,29,295	27,13,993	13,28,838	4,764	Motichand G. Shaw, Esq. (Chairman)	Bombay Potteries and Tiles Ltd. ..	191.00	100	9.00	10.00	..		3	Y.P.
40,00,000	13,76,524	1,16,02,155	10,26,719	23,88,499	Saraf Mor & Co. Private Ltd. ..	Ferro Alloys Corporation Ltd. ..	195.00	100	*Nil*	*Nil*	..		3	Y.P.
61,37,800	51,705,275	23,271,480	21,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.46	Sh. 2	0.24	0.24	0.36		12	Y.
0,15,00,000 / 7,5,00,000	25,89,686	44,79,153	13,16,190	2,61,727	Bird & Co. Private Ltd...	Karanpura Development	15.12	10	*Nil* / *Nil*	*Nil* / *Nil*	1.50 / 0.50		12	Y.
50,00,000	....	14,32,400	....	—12,618	Khandelwal Industries Private Ltd. ..	Khandelwal Ferro Alloys Ltd. ..	95.00	50	..	*Nil*	0.50		12	Y.P.
30,00,000	33,05,445	1,40,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	1.25	1.25	1.80		12	Y.P.T.
50,00,000	10,01,024	1,16,80,230	59,85,820	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd. ..	10.75	10	*Nil*	*Nil*	*Nil*		3	Y.P.T.
6,00,000	5,26,433	13,40,693	7,63,285	7,276	Mysore Industrial Development Co. ..	Mysore Stoneware Pipes & Potteries	14.15	10	1.00	1.00*	1.00*	1.428	3	Y.
20,00,000	54,00,644	64,43,150	31,99,595	88,340	Bird & Co. Private Ltd.	Orissa Minerals	37.75	10	2.00	2.50	3.60		3	Y.
10,46,870	65,42,410	1,02,16,679	38,58,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	68.00	10	8.00*	8.00*	5.00		11	Y.

CHEMICAL

12,00,000	....	....	....	....	....	Adarsh Chemicals	68.00	50	..	..	..			
35,00,000	51,37,800	1,87,07,072	65,76,431	9,770	Bhallal Amin & Sons (Private) Ltd. ..	Alembic Chemical Works Co.	247.50	100	12.00	12.00	16.00		12	Y.P.
62,00,000 / 1,47,97,000A	96,87,608	5,74,40,416	92,27,839	1,89,901	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India ..	33.30	10	0.80	0.80	0.95		12 / 9	Y.P.
60,00,000	30,78,579	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	433.75	100	*Nil*	*Nil*	12.00		12	Y.P.
29,89,400	24,94,426	1,18,63,272	49,80,005	47,108	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	100.00N	100	20.00*	20.00*	28.00*		12	Y.P.
2,00,00,000	39,08,362	3,56,03,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	493.50	100	8.00	10.00	12.00		12	Y.P.
50,92,900	52,95,445	1,47,57,610	71,39,268	18,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	111.00	100	6.00	6.00	7.00	7.00	12	Y.
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,985	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	346.25	100	..	*Nil*	*Nil*	*Nil*	3	Y.P.T.
13,69,150	26,99,000	77,57,031	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	251.00	50	5.00	6.00	10.00		3	Y.
64,49,032	56,78,075	1,69,27,890	67,30,529	—1,11,025	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	140.00	100	7.50	6.00	4.00(c)		12	Y.
3,46,06,075	14,62,000	5,13,88,503	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	10.65	10	*Nil*	0.40	0.80		3	Y.P.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd. ..	525.00	100	*Nil*	*Nil*	0.60		12	Y.
12,00,000	6,37,883	27,43,796	14,20,459	47,412	Jal H. Mehta	Kemp & Co.	375.00	200	15.00	15.00	20.00	25.00	3	Y.P.
60,00,000	22,36,430	1,43,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd. ..	Mettur Chemicals	13.15	10	0.75	0.87½	0.88	1.25‡	3	Y.
24,81,220	8,99,875	55,35,132	37,41,703	10,884	B. M. Abu Baker, Esq. (Chairman)	Mysore Chemicals and Fertilisers ..	11 25cd	10	0.50	0.50	0.50		3	Y.P.T.
6,00,000	6,34,447	10,12,759	5,77,192	41,137	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	27 50cd	10	2.00	2.00	2.00		3	Y.
40,00,000	20,96,379	58,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	241 25	50	..	*Nil*	2.00		3	Y.P.
15,00,000	13,70,168	21,96,365	14,48,008	75,219	C. A. Buxton	Smith Stanistreet & Co.	16 00	5	1.00	*Nil*	3.00	5.50	3	Y.P.
1,39,95,990 / 1,11,91,270	42,17,119	5,89,52,538	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	17.44xd / 16.12xd	10Old / 10New	0.80	0.75 / 0.525	0.75 / 0.525	0.60	6	Y.P.T.
10,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director).	Travancore Chemical Mfg. Co., Ltd.	16.00	10	0.60	0.70	1.00	1.50	3	Y.P.

ELECTRIC (Bombay State)

8,74,78,395	1,17,08,657	15,23,94,046	4,04,47,092	638	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd. ..	88.80	100	3.25	6.50	6.75	7.00	3	Y.T.
81,28,750	21,63,386	2,30,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd. ..	10.20	10	0.42½	0.85	0.90		3	Y.T.
3,92,76,250	96,81,201	9,66,03,356	2,69,10,919	22,647	Tata Hydro-Electric Agencies Pvt. Ltd.	*Andhra* Valley Power Supply Co. ..	1,022.50	1,000	56.00	60.00*	80.00*	1.00*	3	Y.P.
1,75,00,000	78,52,280	4,06,37,564	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply ..	85.50	100	7.00	7.00	7.50	85.00*	3	Y.P.T.
7,07,920	1,03,967	16,97,285	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd. ..	Broach Electric Supply Development	7.00	10	*Nil*	0.50	0.50	8.00	3	Y.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd. ..	Poona Electric Supply	108.50	100	2.50	7.50	8.00	0.66	3	Y.T.
60,62,500	23,52,407	1,43,50,560	46,79,945	5,210	Killick Industries Ltd.	Surat Electricity	84.00	100	8.75	7.00	7.00	9.50	3	Y.P.T.
2,30,99,575	1,01,57,424	7,01,96,385	1,89,09,836	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply ..	103.25	100	5.52	8.00*	8.00*		3	Y.P.
5,15,35,750	3,60,85,771	17,19,28,967	3,93,66,464	33,359	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,037.50	1,000	56.25	80.00*	80.00*	85.00*	3	Y.P.

West Bengal and Other Centres

19,99,600	51,38,028	13,39,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd. ..	127.00	100	10.00	10.00	10.00			
8,00,000	15,23,375	63,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	12.75xd	10	1.25	1.00	1.00	11.00	3	Y.T.
17,00,000	44,20,478	1,62,58,562	48,70,422	42,307	Martin Burn Ltd.	Benaras Electric Light & Power Co.	14.00	10	1.25	1.00	1.10		3	Y.T.
3,91,360	6,40,074	21,80,353	10,40,385	24,424	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	7 75	8	0 62	0 40			3	Y.T.
£4,262,646	£10,126,073	£33,604,377	£13,302,118	£108,188	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.94xd	£1	8½%	7%	7%	7½%	3	Y.
6,60,090	5,11,491	28,13,024	8,33,390	60,837	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	8 12	10	1.00‡	0.65			3	Y.P.T.
43,20,000	24,38,968	1,02,37,174	38,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	89.00	100	6.50	7.00	7.50	10.00	3	Y.
3,34,540	1,10,642	31,32,200	13,41,851	6,562	Moonna Lall & Sons	Jhansi Electric Supply	9 75N	10	0.86‡	0.62‡	0.62		3	Y.P.
22,49,700	26,82,345	1,04,26,882	38,07,105	30,945	Martin Burn Ltd.	Jubbulpore Electric Supply	13 31	10	0.92	0.92	0.92		3	Y.P.
4,95,000	2,21,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	7 50N	9	1.25‡	0.72			3	Y.
5,82,390	3,35,298	32,18,465	11,47,495	39,061	Octavius Steel & Co., Ltd.	Monuff-ypore Electric Supply	9 75	10	1.25‡	1.00			3	Y.
6,99,850	1,88,973	17,84,092	7,88,164	22,321	G. D. Bhagat, Esq.	Mutira Electric Supply	9 50	10	0.80	0.80			3	Y.
35,10,478	37,51,068	1,82,14,704	51,65,504	1,90,605	Octavius Steel & Co., Ltd.	Patna Electric Supply	9 94	10	1.25‡	0.75			3	Y.
9,10,000	1,98,940	9,80,989	5,10,827	40,589	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	8 87	10	*Nil*	0.50			3	Y.
16,90,000	12,03,852	43,73,245	43,75,524	6,562	Bird & Co. Private Ltd.	Sijua (Dhanbad) Elec. Supply Co. ..	9 50	10	0.94	0.68	0.75		3	Y.
69,99,680	13,06,142	2,06,37,818	67,58,084	3,023	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10 00cd	10	1.28	0.87	0.75		3	Y.
5,00,000	11,62,458	52,32,335	12,25,884	36,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16 25xd	10	1.25	1.25	1.25	0 90‡	3	Y.P.T.
50,01,185	78,57,136	4,08,85,812	1,45,66,727	85,309	Martin Burn Ltd.	U. P. Electric Supply Co.	127 00	100	10.00	10.00	10.00	1.35	3	Y.
4,00,000	9,34,990	40,87,637	11,42,884	2,88,269	Killick Industries Ltd.	Vellore Electric Corporation	12.50cd	10	1.00	1.00	1.00	11.00	3	Y.P.
												1.50	3	Y.

ENGINEERING (Bombay)

38,42,200	49,44,187	75,85,494	60,70,227	28,009	Turner Morrison & Co. Private Ltd. ..	Alcock Ashdown & Co., Ltd.	267.00	100	12.50	12.50	17.00			
19,96,360	2,81,925	20,32,188	7,18,262	2,219	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	85.00	50	3.00	3.00	4.00		12	Y.
45,19,800	25,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	172.00	100	7.00	10.00*	12.00*		12	Y.
40,00,000	4,14,207	62,24,434	21,98,624	57,385	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	113.00	100	6.00	7.00	10.00	18.00*‡	3	Y.
6,00,000	4,15,000	1,66,326	1,22,702	8,214	M. B. Rao, Esq. (General Manager)	Jost's Engineering	89 50	50	5.00	5.00	6.00		6	Y.P.
44,96,250	4,05,653	62,45,798	27,13,547	2,487	Kamani Bros. Private Ltd.	Kamani Engineering Corporation ..	17 36	10	*Nil*	0.50	0.50		3	Y.
90,00,000	27,05,928	78,01,690	28,52,816	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	38 00	10	1.00	1.25	1.25		3	Y.P.
1,22,50,000	42,03,182	1,34,87,555	31,17,630	1,18,287	M.	Mahindra & Mahindra Ltd.	21 12	10	1.75	2.50	1.25	1.80‡	3	Y.P.
11,00,000	3,45,214	19,79,375	24,14,196	1,016	P. Jamnbhunwala, Esq. (Mg. Director)	McKenzies	180.00	100	*Nil*	*Nil*	*Nil*		10	Y.P.
60,15,060	46,30,000	1,21,27,185	40,92,378	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	23.40	10	1.00	1.20	1.00*	1.30	3	Y.P.
22,27,700 / 13,86,150	5,56,616	47,79,386	14,99,037	62,426	J. V. Patel, Esq. (Mg. Director)	*New* Standard Engineering	145 50 / 145 50	(75 New)	..	..	9.00	12.00 / 0.80‡	3	Y.P.
22,50,000	1,34,42,446	8,81,298	1,40,789	1,36,103	Walchand & Co. Private Ltd.	Premier Construction	312 50	80	10.00	12.00	12.00	18.00		
25,00,000	36,28,081	93,40,964	37,60,929	14,893	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	280 50	100	15.00	15.00	17.00		12	Y.P.
17,53,21,325	27,01,22,014	1,67,40,64,801	54,97,16,236	8,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	144 00	75 Old	9.00	8.25	6.80	9.72 ‡	3	Y.P.
7,99,99,200	1,71,91,788	21,41,31,116	9,89,94,464	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	297 00	100	8.00	8.00	9.00		3	Y.P.T.
3,85,00,000	42,26,696	82,84,736	18,74,468	2,26,895	S. K. Handoo, Esq.	Voltas Ltd.	262.00	100	9.00	9.00	13.00†	13.50	3	Y.

West Bengal and Other Centres

6,00,000	34,571	20,51,215	15,01,855	—4,45,520	North Bihar Trading Co. Ltd. ..	Arthur Butler & Co.	12.50	10	*Nil*					
50,00,000	29,49,221	1,55,21,495	39,56,973	3,60,479	M.	Bhartia Electric Steel	10.94	10	1.25	1.25	1.50		10	Y.P.T.
56,59,790	70,94,966	77,38,705	23,87,080	12,70,388	T. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd. ..	32.69	10	3.00	1.25	1.50		12	Y.
12,00,000	32,12,634	79,76,063	44,83,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd. ..	55.00N	10	2.00	2.00‡	3.00		12	Y.
19,86,670	7,04,341	39,97,330	14,03,685	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	7 00	10	0.60	0.60	0.60		12	Y.
30,00,000	41,48,365	98,27,511	48,02,704	1,32,481	McLeod & Co., Ltd.	Br. I. Electric Construction	14 12	10	2.00	2.00	1.00		3	Y.P.
5,00,000	7,72,971	24,63,921	14,48,244	74,493	Balmer Lawrie & Co., Ltd.	Burn & Co.	14 00	10	2.00	2.00	2.50		12	Y.P.T.
84,00,000	2,33,60,602	4,96,65,264	3,04,73,871	1,24,616	Martin Burn Ltd.	Calcutta Steel Co., Ltd.	447.00	100	20.00	20.00	28.50		12	Y.
50,00,000	....	35,75,742	25,83,233	1,03,035	M.	Central India Machinery Mfg. Co. Ltd.	15.69	10	..	..	..	28.50	12	Y.
1,00,00,000	10,45,478	1,75,15,485	10,15,000	40,325	B. L. Makharia, Esq.	Guest, Keen, Williams Ltd.	10 00N	10	*Nil*	*Nil*	*Nil*	0.80	4	Y.P.
2,00,00,000	2,54,07,647	6,74,59,338	2,15,47,390	....	H. M. L. Williams (Mg. Director)	Hoogly Dockinz	2 00	2.00	2.00	2.40			3	Y.P.T.
12,50,000	28,60,000	60,91,576	40,46,109	7,047	Martin Burn Ltd.	Indian Galvanising Co.	105.00	50	5.00	6.00	6.00		12	Y.T.
15,00,000	....	4,76,360	3,01,442	—1,24,616	Balmer Lawrie & Co., Ltd.	Indian Iron and Steel	19.00	10	*Nil*	*Nil*	*Nil*		12	Y.T.
12,44,08,990	18,19,23,782	58,53,99,051	12,25,85,220	10,26,658	Martin Burn Ltd.	Indian Standard Wagon	24.00	10	1.00	.00‡	*Nil*		12	Y.T.
88,98,500	61,33,742	1,23,74,955	72,85,382	48,708	Martin Burn Ltd.		60 00	25	7.50*	5.00	5.00		12	Y.P.
96,00,000 / 79,740	2,50,89,519	2,18,88,229	1,45,68,174	12,96,128	Indra Singh & Sons Private Ltd. ..	Indian Steel and Wire Products ..	39 37 / 17 12	0.10 / O. 1	4.00* / 0.40*	0.40‡ / 0.40‡	0.16‡	7.125	3	Y.
91,12,500	75,99,306	3,71,15,564	1,40,36,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd. J	29 12	10	15.00	12.00	12.00‡			
20,00,000	23,52,813	76,16,494	17,47,998	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	17 50	10	1.25	1.25	1.25	1.715		
1,01,99,000	1,02,40,815	2,77,47,845	84,30,378	68,747	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	20 56	10	*Nil*	0.60	0.858		3	Y.P.T.
24,23,187	10,05,500	48,80,671	20,66,530	17,360	Kirloskar Sons & Co. (Kirloskarwadi).	Kirloskar Oil Engines, Ltd.	27 56	10	0.90	1.00			3	Y.P.
27,64,800	46,74,683	90,13,956	33,28,450	31,233	Bird & Co. Private Ltd.	Kumardhubi Engineering Works ..	6 56	3	0 45	0.60	0.30‡		10	Y.
10,50,000	1,90,990	18,32,345	14,72,111	8,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd. ..	5 00	2	0.40	0.40	0.30‡		3	Y.
25,00,000 / 7,50,000	29,74,007	92,74,177	47,37,764	4,444	Kirloskar Associates	Mysore Kirloskar Ltd.	142.00 / 175.00	100 / 100	6.00	7.50	0.20 / 12.00		11 / 6	Y.P.T.
49,96,000	15,78,502	1,30,32,992	75,25,700	2,50,063	M.	National Iron and Steel Co., Ltd. ..	8 87	10	0.62	0.62	0.75			
40,00,000	30,58,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8 44N	10					6	Y.
6,00,000	11,05,251	31,29,091	21,37,426	17,015	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6 94	4	0.40	0.40	0.25			
1,50,00,000	55,23,079	4,19,73,529	1,96,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	28 05	10	1.50	1.50	2.00	0.35	3	Y.P.
19,92,200	13,07,750	64,82,089	22,23,168	932	Balasundaram & Co.	Textool Co., Ltd.	189.00	100	20.00	12.00	15.00		12	Y.T.
													4	Y.

INSURANCE (x)

18,50,000	46,52,425	1,45,78,387	....	23,040	M. N. Cole, Esq. (Mg. Director) ..	Concord of India	10.50	5	1.00	1.00				
10,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	92 00	50	3.00	3.00	1.00			
5,15,000	1,84,95,246	12,38,65,807	....	....	R. Varadachari, Esq. (Administrator) .	Empire of India Life Assurance ..	258.75	100	..	..	..		12	Y.
24,00,000	71,01,264	1,40,68,200	....	3,62,182	E. K. Srinivasan, Esq. (Mg. Director) .	Hercules Insurance	23 12	10	2.00	2.00	2.00		12	Y.
16,62,240	36,38,254	86,70,140	....	7,71,928†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	41 50	40	3 50	3.75	2.00		12	Y.
18,74,040	3,30,83,259	4,29,34,163	....	6,54,184†	M. J. Rao, Esq. (Administrator) ..	Jupiter General Insurance	7 08	15	*Nil*				12	Y.
20,00,000	63,51,546	1,74,97,783	....	45,112	M. G. Mody, Esq. (General Manager) .	New Great Insurance	20 20	20	2.00	2.00	2.50		12	Y.
1,06,81,590	8,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director) ..	New India Assurance Co., Ltd. ..	54 80 / 55 50	15 / 15New	3.00	3.00	2.50		12	Y.
32,00,000	20,06,696	1,84,55,055	....	8,214	B. K. Setalvad, Esq. (Gen. Manager) .	Ruby General Insurance Co., Ltd. ..	8 00	5	0.62	0.62	4.00 5.70*		12	Y.
5,75,000	67,12,873	1,13,08,489	....	1,88,129	J. D. K. Brown, Esq.	Triton Insurance	142.00	25	11.25	11.25	11.25		12	Y.
15,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager) ..	Vulcan Insurance	17.00	10	1.50	1.50	2.00		12	Y.

§ Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955.
N.B.—All dividends paid since 31st March 1959 are shown as taxable. ‡ On old capital. Z.—Dividend is for fifteen months ended 31st March 1961. X.B.—Rs. Equivalent.
Reserves—For these companies reserves include balances of various funds and under gross block are given the total assets. M.—Managed by the Board of Directors. J—During the year Jay Engineering Works Ltd. sub-divided the ordinary shares of Rs. 100 each into 10 shares of Rs. 10 each.

MISCELLANEOUS COMPANIES—*Continued*

OIL

85,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	British Ceylon Corporation	7.00N	7	0.60	*Nil*	0.60		12	Y.P.
1,00,00,000	1,59,93,634	1,00,77,425	52,21,479	4,47,887	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd. ..	23.50	10	2.00	2.00	2.50	1.00‡	12	Y.P.
70,07,475	49,40,588	2,47,94,315	1,58,70,928	46,303	Tata Industries Private Ltd.	Tata Oil Mills	74.00	25	2.50	2.50	3.25	5.75	3	Y.P.T.
6,00,000	9,39,137	2,55,770	1,73,025	82,687	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd. ..	17.25	10	1.25	1.50	2.20		10	Y.

PAPER

57,43,031	13,87,920	2,66,44,147	2,03,51,666	2,53,280	K. C. Thapar & Bros. Private Ltd. ..	Ballarpur Paper and Straw Board Mills	63.00	25	*Nil*	*Nil*	2.50		6	Y.P.
46,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	94.00	25	3.12	5.50	8.00		12	Y.P.T.
88,20,000	80,25,699	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd. .. .

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1957	1958	1959	1960	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
UNCLASSIFIED (Other Centres)														
62,50,000	2,04,98,139	3,89,98,591	1,10,43,380	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd. ..	18.31	O. 10	0.00	0.90	1.00		3	Y.P.†
80,00,000	39,85,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd. ..	23.05	10	1.25	1.25	1.25	1.80	3	Y.
30,00,000	36,44,175	86,06,360	25,56,851	2,24,565	Turner Morrison & Co. Private Ltd. ..	Ancelo Bros., Ltd. ..	19.02	10	1.80*	1.50	2.00		2	Y.
2,46,78,690	25,63,610	2,20,70,296	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director) ..	Ashok Leyland Ltd. ..	8.80	5	0.30	0.30	0.40		12	Y.
30,00,000	20,24,770	40,25,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd. ..	18.50	10	1.25*	1.25*	1.80		12	Y.
1,18,00,000					H. M. Cox	Associated Battery	36.75	10	1.50	2.00	4.00	1.50‖	8	Y.
30,00,000	35,34,600	1,05,71,381	42,22,343	1,54,774	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India ..	6.75‖	10	0.60	0.60	0.60		3	Y.P.‡
30,01,400	33,06,830	77,88,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman) ..	Balmer Lawrie & Co., Ltd. ..	215.00	100	12.50	20.00	25.00		12	Y.
12,00,000	22,70,218	35,44,373	30,14,273	2,19,095	Balmer Lawrie & Co., Ltd. ..	Benzal Flour Mills Co., Ltd. ..	41.94	10	2.50	2.50	4.50		12	Y.
50,00,000	1,77,308	59,03,167	96,073	—4,55,949	H. R. Sukla, Esq. (Mg. Director) ..	Bharat Commerce & Industries Ltd. ..	18.00	10	*Nil*	*Nil*	*Nil*		12	Y.P.
20,00,000	7,79,721	64,19,086§§		55,032	Lovelock & Lewis	Birla Investment Ltd.	13.25	10	0.50	0.70	1.10		3	Y.P.
45,97,020	55,50,348	1,22,40,277	53,59,733	2,13,538	K. Julian Scott, Esq. (Mg. Director) ..	Britannia Biscuits	38.37	10	1.00	1.20	1.40	2.50	3	Y.P.‡
3,25,00,000	1,58,58,664	1,08,09,000	2,65,54,909	74,445	H. S. Chaturvedi, Esq. (Mg. Director) ..	British India Corporation Ltd. ..	7.24	5	*Nil*	*Nil*	*Nil*		12	Y.P.
1,35,80,000	14,44,223	1,99,82,924§§		2,16,378	Andrew Yule & Co., Ltd. ..	Clive Row Investment	8.37	10	0.75	0.75	0.83‖	0.75	12	Y.
5,60,000	10,00,000	39,64,879	26,56,156	3,266	M.	Delhi Flour Mills, Co., Ltd. ..	16.00N	10	1.00	1.00			12	Y.P.†
3,00,00,000	5,12,37,509	9,62,33,758	3,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	41.25	10	1.62	1.62	2.15		12	Y.P.†
19,91,610	81,24,209	50,50,118	20,03,594	7,299	Mr. K. G. Khanna	Dyer Meakin Breweries	23.25	5	0.60	0.75			12	Y.
51,26,000	57,17,047	1,60,56,711§§		3,52,237	Bird & Co. Private Ltd. ..	Eastern Investment Ltd. ..	135.00	100	9.00	9.00	14.00		3	Y.
14,99,010	3,52,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director) ..	Enfield India Ltd.	15.20	10	*Nil*	*Nil*	0.50		12	Y.P.
48,90,137	77,72,910	95,22,776	52,86,250	4,07,338	Satya Narain Gupta, Esq. (Chairman) ..	Ganesh Flour Mills Co., Ltd. ..	12.50N	12.50	1.50	1.50	1.60		9	Y.P.
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	216.00	100	12.00	15.00	17.00	17.50	3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,551	Gany & Co.	General Papers Ltd.	11.25	10	0.80	1.25	1.25		3	Y.
66,00,000	39,20,000	29,97,548	14,24,655	1,57,026	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd. ..	12.50	10	1.00	1.00	1.00		2	Y.P.
40,00,000	4,73,500	70,95,493	41,39,847	10,40,721	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	24.37N	10	1.50	2.00	2.60		12	Y.P.
30,00,000	15,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	235.00xd	250	5.00				12	Y.
4,96,13,250	19,51,174	5,80,44,564	4,58,82,424	5,18,731	Birla Brothers Private Ltd. ..	Hindustan Motors	19.76	10	*Nil*	*Nil*	0.50		3	Y.
80,00,000	16,64,323	99,48,437	32,07,174	1,31,125	Lalchand Hirachand Private Ltd. ..	Hindustan Pilkington Glass ..	27.19	10	0.60	0.60	1.20		3	Y.
15,16,00,000	9,66,56,893	11,31,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman) ..	Imperial Tobacco Co. of India Ltd. ..	11.25	10	0.70	0.70	0.60	0.80	3	Y.
3,97,47,760	2,01,79,740	9,72,38,273	3,00,11,654	33,42,051	K. C. Mahindra, Esq. (Chairman) ..	Indian Aluminium Co., Ltd. ..	28.81	10	0.60	0.70	1.20		3	Y.
2,35,77,700	2,02,99,048	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	32.37	10	1.50*	1.50*	1.50*	2.25	12	Y.
2,00,00,000	99,92,076	5,28,27,893	2,14,74,994	9,72,883	Amiya Kumar Sen, Esq. (Mg. Director) ..	Indian Oxygen Ltd.	30.12	10	1.00	1.00	1.50		12	Y.P.†
29,88,250	29,950	49,20,112	15,93,066	2,457	Birla Gwalior Private Ltd.	Indian Plastics Ltd.	10.81	10	0.37	*Nil*	*Nil*		3	Y.
8,27,970	6,14,570	17,46,166	10,03,558	97,031	M.	Indian Rubber Manufacturers ..	18.00	10	0.62				3	Y.P.
2,00,00,000	72,02,100	41,08,517	14,59,807	5,40,165	J. D. K. Brown, Esq. (Mg. Director) ..	Jardine Henderson	70.00	100	2.50	2.50	5.00		3	Y.P.
15,00,000	14,50,000	18,54,004	12,14,166	56,593	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd. ..	14.76	10	2.00	2.50	3.00		3	Y.P.
1,45,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director) ..	Martin Burn Ltd.	26.50	10	2.12*	2.12*	2.75		3	Y.P.
40,00,0000	74,10,730	31,01,156	12,70,257	2,42,718	M.	McLeod & Co., ...	200.00xd	O. 100	12.50	12.50	15.00		9	Y.P.
5,00,000D							D.O.10		0.75	0.75	1.00			
1,60,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. of India Ltd. ..	45.25	10	1.75	1.75	1.75	2.50‡C'	12	Y.P.
9,05,000	3,88,838	12,14,622	5,16,829	4,812	N. G. Ayyangar Esq. (Mg. Director) ..	Mysore Electrical Industries Ltd. ..	172.80	100	8.00	11.00	15.00		3	Y.P.
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	26.25cd	10	1.25	1.50	1.60		3	Y.
10,00,000	3,41,884	17,87,071	9,84,534	290	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	13.00cd	10	1.50	2.00	1.25		3	Y.P.
90,00,000	1,37,56,692	1,31,19,135	51,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd. ..	National Insulated Cable Co. ..	30.36	10	2.00	2.00	2.00	2.50‡C'	3	Y.
30,00,000	17,70,000	49,56,249	25,37,459	87,684	Do.	National Pipes & Tubes Co., Ltd. ..	19.25	10	2.00	1.25	1.50		3	Y.P.
40,00,000	28,64,825	82,88,459	26,90,574	26,079	Do.	National Rolling & Steel Ropes ..	18.44	10	1.80	1.00	1.00		3	Y.P.
49,97,056	9,15,876	83,55,393	39,67,359	14,523	K. N. Mookerjee, Esq. (Mg. Director) ..	National Rubber Manufacturers Ltd. ..	16.06	10	1.00	1.00	1.00		6	Y.P.
79,97,000	1,02,10,381	1,36,71,675	75,68,474	7,07,850	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	20.75	10	0.90	1.10	0.85		12	Y.
23,32,100	11,02,391	40,65,244§§		45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd. ..	43.00NR	75	2.50	3.75	6.50		12	Y.P.†
10,00,000	5,52,000	12,55,063	6,20,215	1,61,097	Parry & Co., Ltd.	Parrys Confectionery Ltd.	4.45	1	0.20	0.20	0.20	0.30	3	Y.
2,20,00,000	50,68,956	1,48,74,356	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director) ..	Phillips India Ltd.	28.00	10	0.34	0.50	0.20		3	Y.
62,50,000					Duncan Brothers & Co., Ltd. ..	Phillips Carbon	17.37	5	*Nil*	0.85	1.20		12	Y.
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4.15	5	0.45	0.60			12	Y.
24,89,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman) ..	Radio & Electricals Mfg. Co., Ltd. ..	10 35cd	10	1.30	1.60	0.375		12	Y.
25,00,000 O.							112.50	100	7.50	9.00	1.60		3	Y.
1,72,780 D.	50,000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd. ..	Bajaj Electricals.	57 00	50 New	1.18	2.06	9.00			
2,23,00,000	40,500	66,75,349	30,89,526	2,54,744	M. P. A. Paspatti, Esq. (Mg. Director) ..	Ralhs India Ltd.	125.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
2,50,80,000	2,20,45,000	14,64,58,965	5,52,72,716	3,773	Sahu Jain Ltd.	Rohtas Industries	22 12	10	....	2.00	1.50		3	Y.P.
4,73,200	99,259	31,10,322	9,26,551	28,722	Sathe Food Inds, (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd. ..	100.00N	100	6.00	6.00	1.50		3	Y.P.†
5,13,400							50.00N	100	3.00	3.00	3.00			
70,00,000	38,73,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	25 37	10	1.00	1.00	1.00		3	Y.P.
75,00,000	45,78,890	1,17,50,536	26,07,280	5,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co., Ltd.	24 50	10	1.00	1.00	0.80		9	Y.P.
40,00,000	96,89,310	1,32,79,069	76,26,929	8,41,274	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22 25	10	1.50	1.50	1.80		12	Y.P.
37,90,180	20,65,000	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd. ..	Standard Motor Products	17 10	10	0.75	0.75	0.90	0.601	6	Y.P.
15,00,000	95,24,302	1,18,49,176	28,59,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	12 32N	10	1.25	1.25	1.50		12	Y.P.
32,89,270	12,50,000	12,58,953	8,25,089	10,67,057	M.	Tractors (India) Ltd.	29 00	10	2.00	2.25	3.00		12	Y.
9,98,980	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Cable Glass	7.50	10	*Nil*	0.40	0.60		6	Y.
21,56,300	14,70,739	12,72,077	6,76,530	41,732	E. R. Stanes, Esq. (Mg. Director) ..	T. Stanes & Co., Ltd.	32.55	10	2.00	2.00	2.75		12	Y.
2,49,99,800	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar (Chairman) ..	Tube Investments of India Ltd. ..	305 00cd	100	10.00	10.00	10.00		9	Y.P.
20,58,950	29,686	68,68,938	17,68,888	56,308	The Cotton Agents Private Ltd. ..	Tungabhadra Industries Ltd. ..	9.75	10	*Nil*	*Nil*	*Nil*		7	Y.
3,00,00,000	1,18,35,505	3,85,11,692	96,31,873	43,63,429	J. E. Galloway, Esq. (Mg. Director) ..	Union Carbide India Ltd.	49 50	10	1.40	1.40	1.80		9	Y.P.
5,00,000	12,00,000	36,58,720	29,58,716	27,831	Vittal Mallya, Esq. (Chairman) ..	United Breweries	114.50cdcr	10	20.00	60.00	63.00(a)		12	Y.
5,00,000	6,80,591	8,62,358	5,62,017	9,730	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	34 00N	10	4.00	3.75	5.25		3	Y.
81,29,500	25,59,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director) ..	Western India Plywoods Ltd.	236.50	100	10.00	19.00	10.00	10.00‡C'	3	Y.P.

—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 68,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955. ‖ Investment at cost
—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1960. * Including bonus
United Breweries Ltd.—The dividend for 1959 consists of an interim dividend of Rs. 7.50 per share and a final dividend of Rs. 52.50 per share of which the shareholders will receive Rs. 2.50 in cash and Rs. 50.00 per share by
allotment of five newly created shares of Rs. 10 each. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Income tax. 'C'—On Increased Capital.
—Managed by the Board of Directors.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Ordinary Share 1957	1958	1959	1960	Accounts closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
25,50,000	35,44,700	1,23,77,423	80,99,853	11,999	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	19 25	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	6,14,541	35,95,654	33,74,696	—2,35,349	Jardine Henderson Ltd. ..	Barraree Coke	14 00	10	0.37	0.50	*Nil*		3	Y.
4,49,850	88,000	9,25,102	5,69,530	1,317	Kalyanji Mavji & Co. ..	Bengal Coal	6.00	10	0.90	0.60			3	Y.
1,00,00,000	1,84,79,081	6,98,53,686	4,66,54,445	10,20,411	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	339 00	100	17.50	17.50	25.00		12	Y.
2,25,000	4,90,671	23,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	24 37	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	10,28,249	1,44,83,027	77,59,407	2,120	Sahu Jain Ltd.	Bharat Collieries	4 76	10	0 60	0 60			12	Y.P.
7,15,000	14,93,844	57,66,346	36,78,757	—6,98,032	M.	Bhulanbararee	6.50N	*Nil*	*Nil*	*Nil*	*Nil*		6	Y.P.†
7,50,000	20,33,392	45,36,993	32,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd. ..	Borrea	19.37	10	0.75	0.75	1.00		12	Y.P.
90,92,480	1,77,68,238	4,58,82,424	2,17,98,561	1,10,738	Bird & Co. Private Ltd.	Burrakur	17 56	10	0.37	0.37½	1.30		12	Y.P.
49,97,000	82,960	55,20,477	17,60,531	10,769	Hindustan Investment Corpn. Ltd. ..	Central India	11 22	10	0.50	0.50			12	Y.P.
3,00,000	12,90,590	49,56,445	35,71,353	23,320	M.	Central Kurkend	7 00N	10	0.70	0.50			12	Y.P.†
6,00,000	1,54,873	6,36,341(k)		941	F.W. Heilgers & Co. (Private) Ltd. ..	Churlia	3 00	4	0.20	0.20			3	Y.
16,00,000		57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	8 37	10	*Nil*	*Nil*	0.12		12	Y.
£240,000	£370,709	£1,094,395	£794,405	£9,562	Jardine Henderson Ltd.	East Indian	80 25	£1	1.50	1.00			12	Y.
29,63,750	1,07,01,492	4,76,99,017	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	28 37	10	1.50	1.50	1.25		12	Y.
10,00,000	1,49,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	12 00N	10	*Nil*	*Nil*	0.75		4	Y.
12,00,000	1,27,964	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hindir-Rampur	23 00	50	*Nil*	*Nil*	*Nil*		12	Y.P.†
8,00,000	2,50,000	24,57,886	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	11 00	10	*Nil*	*Nil*		*Nil*	3	Y.
20,00,000	5,87,341	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	185 00	100	*Nil*	5 00			6	Y.P.
5,00,000	21,66,090	56,77,005	40,80,864	1,81,658	Andrew Yule & Co., Ltd.	Katras Jherriah	42 00	10	6 50	6.50	5.00	7.50	12	Y.
11,00,240	68,356	16,86,967	10,94,163	13,871	H. V. Low & Co. (Private) Ltd. ..	Kuardi	7 25N	10	0.75	0.75	1.20	9.50	3	Y.P.
9,00,090	10,25,762	28,39,712	22,94,025	3,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	14 00xdN	10	0.12	*Nil*	*Nil*		1	Y.
7,48,240	2,50,000	13,59,878	10,13,353	17,140	Tantia Brothers Private Ltd.	Nazira	7 50	10	0.75	0.75			6	Y.
17,76,280	23,80,325	1,52,03,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	New Beerbhoom	22 37xd	10	0.50	1.00	1.00		4	Y.
6,00,000	2,88,645	21,58,261	19,79,034	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	13 00	10	0.50	1.50	1.50		12	Y.P.
1,15,000							24.37N	10	1.50	1.50	0.50	0.75	10	Y.P.
1,57,500	3,84,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd.	North West	18 00N	7.50	1.12	1.12	1.50		3	Y.
7,50,000	16,65,465	2,62,588	21,15,005(k)	41,489	P. Prashad, Esq. (Chairman) ..	Ondal	11 00	10	0.50	0.50	1.12	1.00	3	Y.
3,50,000	1,39,015	22,18,119	11,33,398	5,885	Deepchand Kanhailall	Parasea	16.00N	10	0.50	0.50	0.70	0.75‡	3	Y.
15,75,000	22,83,200	79,91,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	18 87	10	2.00	0.50			12	Y.P.
28,99,500	32,78,697	1,47,24,692	1,01,33,389	5,489	B. N. Elias & Co. Private Ltd. ..	Raneegunge	16 00	10	0.75	1.00	1.00	1.00	12	Y.P.†
13,50,000	6,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	21 00	10	1.00	1.00	1.00		3	Y.
£7,50,000	£3,50,940	£18,14,576	£4,23,229	—£5,560	M.	Samla Collieries	7 50N	10	0 90	0.50			12	Y.
39,00,000	2,83,010	22,73,864	7,51,427	2,809	S. D. Sethia & Co. Private Ltd. ..	Selected Saigram Collieries.	130.00	100	9.25	0.50	0.70		12	Y.
2,50,000	60,000	14,29,679	12,57,285	8,302	M.	Searsole	1.00	2.50	0.12	0.12	16.00		12	Y.
2,80,000	10,58,529	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	32.62	7	*Nil*	*Nil*			12	Y.
5,00,000	4,64,965	11,58,600(k)		5,451	F.W. Heilgers & Co. (Private) Ltd. ..	Sendra	8.75	10	0.25	1.75	2.00		12	Y.
69,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,858	Industries (I. F.) Department (Govt. of Andhra Pradesh) ..	Singareni	9 97	10	*Nil*	*Nil*	0.35		12	Y.
17,50,000	8,47,303	41,74,967	19,88,899	19,788	Bird & Co. Private Ltd.	South Karanpara	11 69	10	1.50	0.75	0.75		12	Y.P.
5,00,000	15,46,229	24,85,605(k)		24,861	F. W. Heilgers & Co. (Private) Ltd. ..	Standard	18 00	10	0.75	0.75	0.90		12	Y.P.
3,50,000	2,80,000	19,15,700	14,79,400	1,77,952	Williamson Magor & Co., Ltd. ..	Union	12 00	10	0.37	1.25	1.50		3	Y.
49,98,000	3,56,533	86,93,251	32,75,682	7,982	Hindustan Investment Corpn. Ltd. ..	Western Bengal	7 34	10	0.50	0.75			12	Y.
7,00,000	....	59,74,151	29,16,909	12,586	Macneill & Barry Ltd.	West Jamuria	7.87	10	*Nil*	0.40	0.40	0.60	12	Y.

—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 68,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1955. ‖ Investment at cost
—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1960. * Including bonus
United Breweries Ltd.—The dividend for 1959 consists of an interim dividend of Rs. 7.50 per share and a final dividend of Rs. 52.50 per share of which the shareholders will receive Rs. 2.50 in cash and Rs. 50.00 per share by
allotment of five newly created shares of Rs. 10 each. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Income tax. 'C'—On Increased Capital.
—Managed by the Board of Directors.

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1957	1958	1959	1960	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
15,00,000	1,66,00,000	3,86,012	Allahabad Bank	347.00	100	18.00‖	18.00‖	18.00‖		12	Y.P.
14,40,000				173 50	50	9.00‖	9.00‖	9.00‖			
1,91,000	10,73,220	10,301	Andhra Bank	100.00	100	6.00	6.00	8 02		6,12	R.
40,78,395				85 00	85	5.10	5.10	6 40			
1,00,00,000	1,60,66,625	1,02,801	Bank of Baroda	81.50	100	7.00	6.00	7 00	3.50‖	12	Y.
25,00,000				—	25'B'		1 50	3.50	1.75‖		
2,50,00,000	2,10,00,000	12,47,743	Bank of India	106.00	50	8.00	8.00	8.00	3.75‖	6,12	R.L.Y.
50,00,000'A'				105.00	50'A'	8.00	8.00	8.00	3.75‖		
50,00,000'A'	3,10,00,000	12,47,743	Bank of India	9.00xr	10	0.50	0.06			12	
80,71,820				—	250			‡‡			
67 08 155	13,22,881	27,745	Bharat Nidhi Ltd.	83 00	50	5.00	5.00	7 50		12	Y.P.
35,00,000	56,30,000	42,473	Canara Bank Ltd.	75.00	50	5.00‡	5.00	7 50		12	Y.P.
'A' 5 99,620	18,00,000	14,361	Canara Banking Corporation Ltd.	188.00	100'A'	15.00	5.00‖	20.00‖			
'B' 16,00,000				18 50	10'B'	..	15.00‖	2.00‖		12	Y.
'C' 2,00,000	35,00,471	28,596	Canara Ind. & Bkg. SyndicateLtd.	1 88	1'C'	0.15	..	0 20‖			
2,00,50,000				55 50	25	3.50	0 15‖	4 30		12	R.L.Y.
3,02,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd. ..	60 80	25	3.50	3.50	4 30		12	Y.
A.25,50,000				53 00	50	3.00	3.50	2.52		12	Y.
80,00,000	52,00,000	5,09,301	Devkaran Nanjee Banking Co. ..	14 75	50	*Nil*	*Nil*			12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank ..	15 00	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	2,30,000	5,519	Hindustan Mercantile Bank ..	169 00	100	15 00‖	13 00‖	.00‖		12	Y.
80,50,000		80,143	Indian Bank	147 00

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	100.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sep.	82.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb.	Aug.	110.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July	Apr.	6.40xd	5
East India Distilleries T.F.C. ..	£200,000	1897	7.00	Jan.	July	16.50	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.) ..	5,00,000	1940	7.00	Dec.	..	66.00	100
Partabpore Co. C.	6,00,000	1923	10.00	Oct.	..	12.00	10
Rammuggur Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	78.00	100
Ravalgaon Sugar C.	20,00,000	1942	5.50	Oct.	Apr.	62.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	7.00	Dec.	..	8.40xd	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	121.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	83.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-19	7.00	Apr.	Oct.	91.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	7.50	10
Equitable T.F.C.	4,00,000	1895	6.00	Mar.	Sept.	76.00	100‡
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	58.00	75p.
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	3,00,000	1920	7.00	Jan.	July	11.00	10
Ondal T.F.C.	2,00,000	1896-99	6.00	Apr.	Oct.	80.00xd	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	78.00	100
Bangalore C.T.F.	6,00,000	1854	6.00	Jan.	July	115.00	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	8.50	10
Bowrash 'A' T.F.	8,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.50	50
Buckingham & Carnatic C.T.F. ..	21,50,250	1920	7.50	Jan.	July	125.00	100
Cambodias C.T.F.	1,00,000	1922	7.00	Apr.	..	108.00	100
Central India T.F.	50,00,000	1912	8.00	Apr.	Oct.	235.00	100
Century Spg. & Mfg. Co. T. F. B. C.	1,25,00,000	1946	6.00	Dec.	..	107.25	100
Coimbatore Pioneer C.T.F.	1,00,000	1925	6.50	June	..	78.75	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00xd	100
Elgin 'B' T.F.C.	4,50,000	1942	6.00	July	..	7.00xd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	62.50	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	109.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Dec.	..	75.00	10
Kothari C.T.F.	10,00,000	1937	6.00	Dec.	..	9.30	5
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	10.00N	250
Lakshmi Cotton (Bombay) C.	16,00,000	1896	5.00	..	..	150.00	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	71.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	25.00	50
National Rayon C.	1,74,64,700	1947	5.00	..	..	69.50	100
New Great	8,00,000	113	5.50	Mar.	..	105.00	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	47.75	50
Shree Niwas Cotton T.F.C.B. ..	4,50,000	1944	4.00	..	..	66.00	100
Sholapoor T.F.C.R.	$2,00,000	1943	3.00	..	..	78.25	100
Swadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	84.00	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	Jan.	..	7.80	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	96.75xd	100
Do. (2nd) C.T.F.	1,50,000	1938	8.00	..	..	99.00xd	100
Vishnu C.	15,66,500	1903	7.00	Apr.	..	422.50	500
ELECTRICS							
Andhra Valley Power Supply C. ..	49,34,000	1917	7.00	May	Nov.	1,040.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	....	5.50	..	..	77.00	100
Calcutta Electric T.F.C.	19,00,000	1908-11	5.00(6)	June	Dec.	9.22	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	8.75cd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			8.75cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	108.00	100
Tata Hydro Electric Power C. ..	89,28,000	1907	7.00	May	Nov.	105.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,100.00	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	6.75cd	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C. ..	1,30,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	13,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	107.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	5.00	Dec.	..	91.00	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June	..	112.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	85.00	100
Kamani Engineering C.R.	15,00,000	1945	5.00	July	..	56.00	100
††Kumardhubi Engineering T.F.C. ..	12,00,000	1916	4.00	June	Dec.	85.00N	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	5.00	..	..	93.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May	..	97.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	86.00	100
Premier-Construction (1st) C. ..	10,00,000	....	6.25	..	..	78.00	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	..	..	74.00	100
Do. do. (3rd) C. ..	56,25,000	1947	4.50	..	..	5.24	10
Tata Iron and Steel (1st) C. ..	75,00,000	1908	6.00	Nov.	..	134.00	150
Do. do. (2nd) C. ..	6,93,81,900	1908	7.50	May	..	106.25	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	91.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	90.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	97.00	100
Ascviand C.	10,00,000	1909	5.50	May	Nov.	74.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	88.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	93.50	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	38.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan.	July	88.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	87.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1924	6.50	Jan.	July	45.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	87.00	100
Chitavalsah T.F.C.	5,00,000	1923	7.00	Mar.	Sept.	87.00	100
Clive (1st Pref.) T.F.C.	5,00,000	1909	6.00	May	Nov.	71.00	100
Do. (A) (2nd Pref.) T.F.C. ..	3,00,000	1905	7.00	May	Nov.	80.00	100
Dalhousie T.F.C.	15,00,000	1908-18	7.00	May	Nov.	82.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	90.00	100
Fort Gloster T.F.C.	14,00,000	1890-98	7.00	May	Nov.	116.00	100
Do. (2nd Pref.) T.F.C. ..	7,00,000	1948	5.00	..	..	72.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00xd	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	100.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	78.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00xd	100
Hooghly T.F.C.	11,76,000	1913	10.00	May	Nov.	9.62	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	96.00	100
Do. T.F.C. (j)	17,50,000	1903-4	7.00	May	Nov.	94.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	78.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	89.50	100

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.50	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	80.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	92.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	95.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	93.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	72.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	99.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	67.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	7.00	May	Nov.	82.00	100
New Central T.F.C.R.	$3,00,000	1915	7.00	Jan.	July	91.50	100
Northbrook T.F.C.	15,00,000	1906	5.50	May	Nov.	70.50	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	80.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	100.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	92.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	92.00	100
Victoria C.	£150,000	1896	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverly T.F.C. (i)	7,50,000	1918	5.00	Mar.	Sept.	39.50	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	52.00	60
Calcutta Tramways C.	£250,000	1908	5.00	Apr.	Oct.	8.62	£1
Great Eastern Shipping T.F.R.C.	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C. ..	£244,030	1899	6.00	Mar.	Nov.	69.00	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	..	..	82.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-05	7.00	May	Nov.	37.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	105.00	100
Birpara T.F.C.	1,00,000	1900-02	8.00	Jan.	..	105.00	100
Chooranbhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	109.00	100
Gielle C.	2,00,000	1894	6.50	Jan.	July	99.00	100
Hantapara T.F.C.	50,000	1901	8.00	Sept.	..	80.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Jan.	..	109.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Mar.	..	100.00	100
Moheema T.F.C.	3,20,000	1929	6.00	Dec.	..	95.00	100
New Dooars T.F.C.	2,00,000	1907	6.50	May	Nov.	9.37	10
New Samaabagh T.F.C.	1,00,000	1901	8.00	Jan.	July	105.00	100
†††Okayti T.F.R.C.	50,000	1888	8.00	Nov.	..	91.00	100
Pussimbing T.F.C.	2,65,000	1916	7.00	Dec.	..	84.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	Jan.	..	96.00	100
***Tezpore C.	2,05,000	1903	8.00	May	..	190.00	100
Tirribannah T.F.C.	1,00,000	1922	6.00	Jan.	..	10.25	10
			10.00	May	Nov.	14.00	100
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	2.70	5
Do. R.C.	2,85,570	1944	6.25	..	..	2.70	5
Cochin Malabar C.T.F.	1,18,300	1932	7.00	June	..	6.02	10
Coffee Lands C.T.F.	10,40,600	..	5.00	..	..	80.75	50
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	74.00	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	89.65xd	100
Devon Tea C.T.F.	2,00,000	1926	7.50	July	..	10.80	10
Highland Products C.T.F	3,00,000	..	6.00	July	Jan.	95.00	100
Neelamalai C.T.F.	18,00,000	1942	5.00	Jan.	July	8.93	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	Jan.	July	7.17	10
Pullangode C.T.F.	1,50,000	1942	6.00	Mar.	..	3.77xd	5
Teekoy Rubber C.T.F.	3,00,000	..	6.00	Mar.	Sept.	18.95	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	Mar.	Sept.	7.20xd	10
Waterfalls R.C.T.F.	5,00,000	1942	6.00	June	Dec.	8.40	10
			6.00	Nov.	..	9.50cd	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	..	..	..	..
Do. do. (2nd) T.F.R.C. ..	5,00,000	..	5.00	June	..	91.20	100
Alkali & Chemicals T.F.C.	$1,00,000	1937	5.00	Nov.	..	86.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	5.00	Apr.	..	99.00	100
Andhra Cement C.T.F.	2,48,300	1937	6.00(f)	..	..	99.00	100
Associated Hotels of India C. ..	21,67,000	1916	7.00	Feb.	June	97.00	100
Bengal Chemicals T.F.C.	9,00,000	1932	7.00	June	Sept.	101.80	100
Bengal Paper Mill T.F.C.	2,00,000	1926	7.50	Aug.	..	50.00	100
Do. "A" T.F.C. ..	4,00,000	1928	7.00	Mar.	Sept.	11.94	10
Do. "B" T.F.C. ..	20,00,000	1948	7.00	Mar.	Sept.	51.50	50
Bengal Timber Trading T.F.C. ..	3,00,000	1946	6.00	..	..	104.00	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Aug.	..	65.00	100
British Ceylon Corporation C. ..	17,50,000	1918	6.00	Feb.	Aug.	7.75N	100
British India Corporation T.F.C. ..	31,00,000	1920	6.00	Feb.	Aug.	15.00xd	10
Dalmia Cement (Bharat) C.T.F. ..	21,58,210	1937	8.00	Feb.	..	8.00N	5
Dharangadhra Chemicals T.F.C.R.	31,91,900	1954	6.00(f)	Sept.	..	112.75	100
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	6.00	..	..	8.40xd	10
Dunlop Rubber Co. (1st) T.F.C. ..	30,00,000	1926	5.00	Dec.	..	88.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1926	6.00§	June	Dec.	82.80	100
General Investment Trust (1st) T.F.C.	1,00,000	1938	6.00	Apr.	..	111.50	100
Do. do. (2nd)	1,00,000	..	5.00	Feb.	Aug.	83.00	100
Gillanders Arbuthnot(f) R.C. ..	25,00,000	..	6.00	Feb.	Aug.	50.00xd	100
Hindustan Motors T.F.R.C.	1,60,67,250	1956	5.00	Apr.	Oct.	50.00xd	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	Mar.	..	56.00	100
India Cement C.	29,85,000	1946	6.00	..	..	134.50	100
Indian Aluminium (g) C.R.	40,00,000	1946	7.50	Oct.	..	7.00	10
Indo-Burma Petroleum C.	50,00,000	1946	5.00	June	..	88.50	100
Indian Cable (m) C.	12,87,750	1921	7.00	Jan.	July	60.00	100
India Rubber C. .. .. T.F.C.R.	3,28,000	1923	5.00	May	Nov.	87.00	33
Jardine Henderson C.	50,00,000	1946	5.00	June	Dec.	80.50	10
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.50	Apr.	..	72.00	100
Do. (2nd) T.F.C. ..	10,00,000	..	5.50	Dec.	..	57.00	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	..	5.50	May	..	60.00	100
Martin Burn (k) T.F.C.R.	30,00,000	1918	7.00	May	..	56.00	100
McLeod and Co. (1st) C.	10,00,000	1946	5.00	June	Dec.	63.00N	100
Do. (2nd) T.C. ..	10,00,000	1980	5.00	Apr.	Oct.	91.00	100
Metal Box Co. C.R.	40,00,000	1936	5.00	July	Jan.	50.00	100
Metiur Chemicals (Old) C.T.F. ..	20,00,000	..	6.00	July	Jan.	62.50	100
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	Feb.	Sept.	87.00	100
Mysore Lamps R.C.T.F.	2,50,000	..	6.00	June	..	98.75xdXR	100
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	6.00	Aug.	..	8.40xd	10
Do. do. (New) (q) T.F.C.R. ..	19,98,000	..	5.00	May	..	6.30cd	10
Orient Paper T.F.C.	20,00,000	1936	4.50	Mar.	Sept.	69.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Jan.	..	61.50	100
Rohtas Industries (Old) T.F.C. ..	60,00,000	1936	5.50	Apr.	Oct.	58.00	100
Do. do. (New) T.F.C. ..	85,04,700	..	7.00-9.00	..	..	63.00	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	4.25	Apr.	..	115.00	100
Spencer & Co. "A" C.	23,29,000	1898	10.00	Feb.	Aug.	57.25	100
Do. "B" C.	24,32,000	1922	6.50	Jan.	July	70.00	100
Standard-Vacuum C.	75,00,000	1954	8.50	Jan.	July	8.35	10
Star Paper T.F.C.R.	10,00,000	..	6.00	June	July	11.12	10
Tata Chemicals T.F.C.	29,97,000	..	5.00	Mar.	Dec.	91.50	100
Tata Oil Mills C.	29,88,800	1939	6.00	June	Sept.	74.00	100
Titagur Paper Mills T.F.C.	11,50,000	1946	4.50	July	..	87.00xd	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	8.00	Jan.	June	60.00	100
			4.50	Jan.	July	120.00	100
						79.00	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 month's notice. (j) Redeemable after 28th July 1956 on 6 months' notice. (k) Participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares after any time at Rs. 115 on one month's notice. (n) Redeemable after 20th December 1954. (o) Redeemable at par after 17th June 1954. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (q) Redeemable at on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Partly paid.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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sector, is the most telling point made by him in this context. While the Government rightly took a series of strong measures to handle the general strike by its employees in July last, it was to be logically expected that it would give up its neutral attitude towards strikes in the private sector. The declared policy governing strikes in essential Government services is to ban them. It is also proposed to permit no outsider to be the leader of any trade union in such services and to provide machinery for compulsory arbitration. Mr. Mookerjee's plea for similar protection to the iron and steel industry, which is no less essential in the phase of heavy industrialisation, cannot be easily brushed aside. In an industry consisting of integrated and continuous operational plants (coke oven batteries, blast furnaces, etc.), a strike is bound to cause costly disruption and bring down production. In our view, it should be possible for the Government and the management to prevent, without adopting Draconian measures, the very possibility of a strike in an industry which is already working below capacity because of scarcity of raw materials of appropriate quality.

ROUBLE—AN INTERNATIONAL CURRENCY?

FOLLOWING the Plan which Mr. Krushchev hinted in his "State of the Nation" message in May last to give the Russian rouble the status of an international currency, the Soviet Government announced, on Tuesday the 15th inst., a realignment of its exchange rate with outside currencies. This announcement was made simultaneously with the decision to increase the gold content of the rouble, so that the revaluation of the external value of the rouble has been made to coincide with a reconversion operation by which a heavier rouble, ten times heavier than the old, is put into circulation. These two simultaneous changes have created some confusion in the public mind the world over whether the external value of the rouble has appreciated or depreciated. The following figures will, however, clear this doubt:

> Prior to the change announced on Tuesday last week, the external value of the rouble was 11.2 old roubles to the pound sterling. Under the new ukase, the pound will be equivalent to 2.52 new (heavy) roubles or 25 old roubles.

This clearly shows which way the external value has moved. The new Russian rouble, heavy though it is in gold content, is lighter in relation to the pound and the dollar because of the new parity announced by the ingenious managers of the "Gosbank." In fine, there has been a clear devaluation of the rouble.

What are the implications of this change to the Soviet economy and to the world? The two related measures, namely, (1) the increase in the gold content of the rouble and (2) the depreciation in its external value, should be considered separately in discussing their significance.

To take the first. To some Soviet people, that is, those who must have hoarded Russian roubles, the conversion of old roubles into new ones may mean some trouble. They have to explain to the authorities as to how they came into possession of so many old roubles. The fear of disclosing the hoards has increased purchases of jewellery and other articles of permanent value. Although the people in other communist countries in Europe do not hold Soviet roubles, it is reported that there are some psychological repercussions on the public in these countries, too, as they fear that their Governments may also follow the lead given by the "Gosbank." To the general living standards in Russia, which depend on the real wages and not on the gold content of the currencies, the symbolic change in the accounting medium may mean little, because the tenfold increase in the gold content of the coins will not mean a tenfold increase in the real wage. On balance, the change is only formal and even its propaganda value may not last very long when the people in Russia and elsewhere come to know the realities.

Now, to take up the second reform. From the point of view of the non-communist world, the change in the external value of the rouble would not mean much. Soviet trade with foreign countries is at present carried on in foreign currencies. If India has to purchase machinery from the U.S.S.R., the price is quoted not in terms of roubles but in pounds or dollars. So, even if Russian roubles have become cheaper in terms of pounds and dollars, there will be no commensurate benefit to India. Thus depreciation in the external value of the rouble will have no effect on the competitive standing of Russian exports. The only advantage will be to the permanent foreign residents, such as the employees in Embassies and journalists, who have to spend roubles in Russia. They will get more roubles for the same quantity of their currencies. In the case of tourists, the differential rate which was applied earlier—this stood at 27 old roubles to the pound—has been withdrawn and the uniform rate of 25 roubles per £ will prevail. As a consequence, the costs of holidays in Russia will be higher.

All in all, the aforesaid measures are notable only for the novelty of the change and nothing more. Some are wondering whether they are a prelude to the rouble becoming a freely convertible currency. Such guessing is not based on air. For Russia has huge gold reserves believed to be of the order of $8,000 million, which are much in excess of its foreign monetary obligations and large enough to serve the purposes of a convertible currency. Indeed, Russia holds the distinction of being the second largest gold holding and producing country in the world. It will also be to the benefit of underdeveloped countries such as India, if the rouble is made a convertible currency and Russia gives untied loans, for that will enable them to buy their needs in the cheapest market in the world. But, with all its traditional bias for bilateralism and with no prospect of authoritarianism coming to an end in the foreseeable future, there is no likelihood of Russia adopting the system of multilateral convertibility in its relations with other countries. Convertibility and communism are poles apart.

POWERLOOMS

THE prolonged uncertainty regarding the future of cotton powerlooms has now been removed, with the recent enunciation of a clear-cut policy by the Union Government. The policy imposes a ban on the installation of new powerlooms, except in cases where they are required for the purpose of imparting vocational training in any educational institution or for some other special purpose approved of by the Textile Commissioner. The policy also seeks to regularise the unregistered powerlooms through the issue of formal permits, applications for which are required to be submitted before the end of next month.

The Government's decision not to allow any new powerloom to be installed except for non-business purposes must evidently be a sequel to the representations made by both the mill and handloom sectors. The mill sector has been complaining that the pace of expansion taking place in the powerloom sector is very fast and that it will, if it is not checked in time, hold out a serious threat to the prosperity of the mill industry. As it is, it is pointed out, the powerloom are offering stiff competition to mills, because they, unlike the latter, enjoy the advantages of tax relief, absence of any liability to adhere to labour laws and low cost of production. The output of powerloom cloth is currently estimated at an annual rate of more than 1,000 million yards, as against the figure of 350 to 400 million yards mentioned in official documents. On behalf of the handlooms, fears are expressed that installation of more and more powerlooms will lead to unemployment in the handloom sector.

Not all the objections raised by the mills and the handlooms against the expansion of the powerloom sector are valid. May be, several powerlooms are working surreptitiously, in that they have no licence, and produce cloth by utilising cheap electric power and availing themselves of the benefit of employing modern appliances for weaving but sell such cloth as handloom products, thereby enjoying an unfair advantage over the mills. Whether this advantage is large enough to offset the disadvantages of working on a relatively small-scale is a moot point. But that is not so important as the fact that defiance of law deserves to be condemned. It is chiefly a law and order problem and must be dealt with as such. If one were to go into the circumstances in which such surreptitious practices take place, one would find the existence of corruption in many places. Otherwise, it is difficult to understand how the weavers are able to get electric power and how they are able to get their production accepted as handloom fabrics in order to get the tax benefits.

But all this does not constitute an argument against powerlooms or a case for preventing the growth of this small-scale industry, which has many good points to its credit. To the extent to which its growth is fostered, the problem of unemployment and underemployment in the rural and semi-urban areas can be solved on more gainful lines than will be possible with the help of handlooms. In view of the comparatively low production cost owing to small overhead charges and economies of mechanical production, the powerlooms must be introduced in the handloom sector. It is only by doing so that the productivity of weavers can be stepped up and their meagre earnings raised to a decent level without imposing an undue hardship on consumers. It may even be possible to do away with the handloom cess on mill-made cloth, or the funds that are now being used to subsidise handloom weavers may be made available for more productive investments. The powerloom sector must be viewed as a distinct advance from the handloom industry, representing, as the Kanungo Committee pertinently remarked more than six years ago, the attempt of the *entrepreneur* to get a higher return by increasing the productivity of the tool. If the handloom weavers come out with proposals to install powerlooms, they should be given all possible encouragement and assistance.

THE CHAMBAL PROJECT

THE Chambal, described as a river pregnant with prosperity, is being harnessed by stages for the benefit of two States—Madhya Pradesh and Rajasthan. The first stage of the Project, taken up for execution in 1953, has just been completed, with the commissioning of the Gandhisagar Dam, the power station of 80,000 kw. ultimate capacity and the two main canals—one on the Rajasthan side and the other on the Madhya Pradesh side. The irrigation potential created at the headworks can cover 1.4 million acres when the whole project is completed. The cost of impounding water in the reservoir, with a storage capacity of about 7 million acre feet, is placed at Rs. 20 only per acre foot—perhaps the cheapest unit cost of storage so far in India under the new major irrigation projects. This exceptionally low cost is probably explained by the fact that the length of the Gandhisagar Dam is only 1,685 feet, but that its catchment area is as large as 8,700 square miles because of topographical advantages. This is not the only unique feature of a project which has been planned and executed entirely by Indian engineers and which has utilised all available manpower fully in the stage of construction.

The other special feature of the Project is the high degree of co-operation between the two participating States. Thanks to this co-operation, which has been reflected in the agreements about sharing of costs and benefits as also the transfer of an area connected with the Gandhisagar Dam to Madhya Pradesh, the Chambal Project has come to be known as an outstanding example of inter-State enterprise. This co-operative attitude of the two State Governments has enabled the Chambal Control Board to function smoothly and effectively, even though it has not been clothed with any statutory powers. It goes to the credit of the two State Governments and the Chambal Control Board that no serious disputes and controversies, which usually crop up between two or more States sharing a river, have arisen so far. This is a happy augury for the ultimate successful completion of the Project in its second and third stages—the second stage comprising the Ranapratapsagar Dam, a power station at the dam site and the extension of distributary system of canals and the second stage covering the Kota Dam and power station with an installed capacity of about 45,000 kw.

How neatly and harmoniously the two States have solved the relevant problems should be of interest to some other States which have been openly quarrelling with one another in recent months on riparian questions. First, the two States—Rajasthan and Madhya Pradesh—have agreed to share the irrigation benefits equally between them, though the disposition of irrigable lands in the commanded area of Madhya Pradesh would require more water than for the same area in Rajasthan. Secondly, the two States have also agreed to share the cost of construction of common works in equal proportions. Thirdly, the problems of compensation, resettlement and rehabilitation of people displaced from the submerged area of the reservoir have been amicably solved by the two States. Above all, the question of sharing the cost of operation and maintenance of common works—a question which will soon engage the attention of the Chambal Control Board and the two State Governments concerned—is also expected to be solved in the same co-operative spirit as has been evinced in the solution of more intricate problems.

MARKET GOSSIP

THE winter session of Parliament has commenced with a number of legislations on the anvil which are important to the business community. The Bill on preference dividends has been referred to a Select Committee. A new Bill has been introduced for tightening the restrictions on forward trading in commodity and bullion markets. This is sought to be done by amending the Act that regulates the working of forward markets. The general debate on the Companies (Amendment) Bill, as modified by the Joint Select Committee, has just been finished. The amendment to the Employees' Provident Fund Act, in order to extend it to a larger number of establishments, has been adopted. Business men and their staff will, therefore, have a tough time in the coming months in understanding these pieces of new legislation and trying to fall in line with them. The lawyers and chartered accountants are assured of a bright future for a long time to come and so also those engaged in the manufacture and distribution of paper.

The general debate on the Companies Amendment Bill had an air of unreality about it. The provisions of the Bill were criticised more on political and doctrinaire grounds than on their administrative feasibility. The fear of misuse of the vast additional powers that are being conferred on the Government was uppermost in the minds of those who championed the cause of private enterprise. The leftists did not miss this opportunity to run down the private sector and harp on the need for the State curtailing the power of the management of joint-stock companies. There was strong opposition to the provision which seeks to enable companies to donate unlimited funds to political parties. "Democracy in danger" was the cry of those who criticised this provision. Even the Communist members parroted it, not because they are supporters of democracy, but because they were afraid that the move would lead to the perpetuation of one party (Congress) rule. The most refreshing part of the debate was the reply given by Mr. Lal Bahadur Shastri. His was a dignified and well-reasoned performance, exposing the paper fears and some of the unrealistic assumptions of the rightists and leftists alike.

Rift in Scindia Steam?

Mr. M. R. Masani put up an able defence on behalf of private enterprise. But, unfortunately for him, all is not well with the management of some of the biggest joint-stock companies in this country. There is, for instance, the case of the India United Mills, to which we shall refer presently. Now comes the news that there is, again, a serious rift in the board of directors of the Scindia Steam Navigation Company Ltd., which has already disappointed its shareholders by drastically curtailing the dividend for 1959-60 to a mere 60 nP from Re. 1.30 nP last year, both submject to tax deduction. It is stated that two of the senior-most directors of the Company, namely, Mr. Tulsidas Kilachand and Mr. Lalchand Hirachand, have resigned from the Board. It is further reported that one of the senior executive officers has also left the Company. This is not the first time that such a development has taken place in the history of this leading shipping Company and the Government was compelled, on more than one occasion, to use its good officers to settle the differences among the management, as they were having a deleterious effect on the working of the Company. It had to lend the services of one of its officers to set matters right. Would Mr. Masani say that, in such instances as Scindia Steam and India United Mills, Dr. Erhard's remedy (the law of the market, the law of supply and demand, the laws of the free competitive society and the law of non-interference by the State) should be followed?

Landmark in Corporate Law

The Central Government's directive to the India United Mills Ltd., Bombay, to adopt the principle of proportional representation on the board of directors of the Company is an important landmark in the history of corporate law in this country, in that the Government has invoked, for the first time since the passing of the Companies Act 1956, its powers provided in Section 408 of the Act to force a company to amend its articles of association for the adoption of the principle of proportional representation in terms of Section 265 of the Act. It is likely to have wider implications and pave the way for the extension of this principle to many other units in the private sector where the interests of minority shareholders are not adequately protected or where the affairs of a company are conducted in a manner prejudicial to its larger interests.

The Government's directive is a sequel to the representation made by two shareholders of the Company, Mr. Rameshwar Prasad Bagla and Messrs. Ramkumar Shewchandray and Sons Private Ltd., who between themselves hold not less than one-tenth of the total voting power as required under Section 408 of the Companies Act 1956, for the appointment of two Directors or for an order for the adoption of the principle of proportional representation. The representation followed the success of one of the two groups of members in their struggle for getting control and management of the Company, after the expiry of the old managing agency of Messrs. Agarwal and Co. on 15th August 1960. The managing agency was not renewed in time. The successful group was able to get most of the Directors elected in their favour. After an enquiry, the Government is satisfied that an action on the above lines is necessary to prevent the affairs of the Company being conducted "in a manner which is oppressive to any members of the Company or in a manner prejudicial to the interests of the Company." On the advice of the Company Law Advisory Commission, the Government has now directed the Company to amend its articles of association in the manner provided under Section 265, for the appointment of Directors according to the principle of proportional representation by the single transferable vote. The Government has further directed the appointment of the Directors afresh in pursuance of the article so amended within 90 days of the date of the order, which was made on 15th November 1960. Until such elections are held, the Government has appointed two independent persons, namely, Mr. N. K. Petigara and Mr. S. G. Nivetia, as additional Directors of the Company.

Section 265, which provides for proportional representation, is an important new provision introduced in the Companies Act 1956, after a great deal of discussion by the Joint Select Committee. It provides a compromise between two extreme points of view presented before the Committee. It permits the appointment of not less than two-thirds of the total number of Directors according to the principle of proportional representation whether by the single transferable vote or by a system of cumulative voting or otherwise. The adoption of this method of election is only discretionary and it will be operative only if a company provides for it in its articles. The Directors so elected can hold office for three years.

It may be recalled that, as early as in 1936, Pandit Govind Ballabh Pant, then Deputy Leader of the Congress Assembly Party, sponsored an amendment to the Companies Act 1913 providing for the election of Directors on the principle of proportional representation by means of a single *non-transferable* vote (as against the transferable vote provided under the 1956 Act), but it was defeated.

While Section 265 is only a permissive section, the Government, it may be mentioned in passing, has additional remedy for minority shareholders in case of mismanagement or oppression. Thus, under Section 408, the Government can appoint two members of the Company as Directors to protect the interests of the minority. If, however, an application is made by not less than 200 members of the Company or by members holding not less than one-tenth of the total voting power, the Government may, instead of appointing two Directors of its own accord, direct the Company to (1) amend its articles of association to permit the appointment of Directors by the principle of proportional representation in terms of Section 265, and (2) make fresh appointment of Directors in pursuance of the power so taken within a time fixed by it. It is this less drastic power of not forcing any of its own nominies on the Board that the Government has chosen in the case of the India United Mills and that too after taking the advice of the Advisory Commission as provided in Section 411. This cautious approach should serve to infuse confidence among business men that the Government will not misuse the vast powers it has already assumed and still more power it seeks to take under the Companies (Amendment) Bill. Even if the Government had acted a little more drastically in this case, there would have been no cause for alarm for, after all, it is a well-known fact that the India United Mills had been badly managed for a number of years and deserves better management in the larger interests of the country, in general, the Company's employees and its shareholders, in particular. It, however, remains to be seen whether the remedy now being tried will lead to any sustained improvement in the Company's affairs, for there is no guarantee that its Board of Directors will function unitedly, without indulging in quarrels. A company with a board of directors which is split into two warring groups is in no better position than a ship on the high seas in charge of a mutinous crew.

Dr. Ramaswami on Shipping

For sometime past, Indian shipping companies have been facing adverse circumstances. Despite the general upward trend in security prices, shares of shipping companies have been under strain. This is mainly due to lower dividends announced in 1959 and the reports that the operating results for the current year, too, are unlikely to be any better as a result of the spiral of increasing costs and wages. This phenomenon of depression in the shipping industry is not confined to India alone but is prevalent throughout the world. Shipping being truly an international industry, Indian shipping companies have also been forced to accept lower freight rates, with consequential reduced profits or operating losses.

The causes for the substantial loss sustained by the India Steamship Company Ltd., during the year ended 31st March 1960, were lucidly analysed by its Chairman, Dr. A. Ramaswami Mudaliar, in his speech at the annual general meeting of the Company held at Calcutta and published on page 960 of this issue. The most important reason for the losses of shipping companies is the overall decline in international trade. During the year under review, the liner trade had to suffer aggressive competition from foreign tramps which, scouring the seas for the decreasing volume of trade, offered very low rates to shippers, thus causing diversion of traffic from the usual liner companies. The Indian Steamship felt the competition both in its inward and outward trade and its ships were compelled to call at a greater number of ports than usual to secure cargo and had thus to incur very heavy expenses by way of port dues and other similar charges. But the unfortunate competition is encountered not only from foreign tramps but also from some liner companies who happen to be India Steamship's colleagues in the Conference. Dr. Ramaswami Mudaliar observed that some of these companies are undercutting the freight rates through larger rates of rebate to shippers than permissible under the Conference rules. In his characteristic candour, Dr. Ramaswami Mudaliar blamed some of the "forwarding agents" on the Continent of Europe, who, by illegitimate means, have influenced the direction of the cargo to the ultimate detriment of both the shippers and the lines concerned. As a consequence of these malpractices, even the Central Government has been thwarted in its attempts to conserve foreign exchange.

Dr. Ramaswami Mudaliar was not content with merely drawing attention to the aforesaid unfair practices. He went a little further and put forward some constructive proposals, which would go a long way towards removing the chaotic competition from the shipping industry and help conserve the scarce foreign exchange which the country very badly needs for the completion of its development plans. The scheme put forward by the Chairman of India Steamship aims at allocating the total freight earnings of all the shipping lines of a Conference in certain agreed proportions over a term of years, providing at the same time for the growth and development of the fleets of underdeveloped countries through a well defined and reasonable increase in the rate of allocation. The co-operative approach implied in this scheme has some commendable features and has already won the acceptance of the Scindia Steam, the pioneer of Indian shipping. Dr. Ramaswami Mudaliar is of the view that his scheme would eliminate the unworthy charges of flag discrimination which are often made against Indian liners. The scheme, however, seems to be defective in one important respect. It may mean limiting the rate of growth of Indian shipping to a predetermined level. The anxiety to safeguard profitable operation for the existing tonnage is understandable, but this should not mean surrendering the freedom for growth in keeping with the country's maritime needs. Another possible objection may be that the shippers' freedom of choice of ships will be restricted to a greater extent than is implied in the Conference arrangements.

Dr. Ramaswami Mudaliar was also frank in his appraisal of the role of the State Trading Corporation *vis-a-vis* Indian shipping. He expressed his disappointment at the manner in which its chartering section was functioning. According to him, the criterion of chartering ships to carry the cargo of the State Trading Corporation should not be only the level of freight rate offered. If this is the only test to be applied, the cargo may be given to foreign tramps, resulting in loss of valuable foreign exchange to the country. He, therefore, urged that the question of foreign exchange should be "a formidable corrective to an oversimplified calculation of a low freight charge." There is considerable justification for adopting this criterion. In effect, it only amounts to paying some incentive for stimulating invisible exports. If incentives could be provided to visible exports at the expense of domestic consumers, there is no reason why similar incentives should not be offered to those who are responsible for invisible exports.

In his speech, Dr. Ramaswami Mudaliar also referred to the worsening conditions in some of the Indian ports which are severely handicapping the earning potential of Indian liners. Due to the further deterioration in the drafts in the port of Calcutta, the ships are unable to lift even the decreased cargo. In fairness to those in charge of the Calcutta port and acknowledging the sustained interest evinced by the Transport Ministry, Dr. Ramaswami Mudaliar conceded that some improvements have been effected in recent months. But he thought that the beneficial results from such improvements were being nullified by the attitude of labour at some of the ports. Unauthorised strikes by dock workers and the tugmen's strike in Bombay, for instance, paralysed the work at the ports for many days, with considerable financial loss to shipping companies.

Alluding to the future of Indian shipping, Dr. Ramaswami Mudaliar said that he did not share the belief that "the future is one of unrelieved gloom," notwithstanding the sombre aspects of Indian shipping discussed above. Dr. Ramaswami drew pointed attention to the fact that the shipping industry is subject to violent fluctuations, implying thereby that the present period of depression may be followed by an improvement sooner or later. He also acknowledged that the Government of India was following policies which were helpful to Indian shipping. He even went so far as to observe that the development of shipping in the public sector was a help and not a hindrance to shipping in the private sector, because, in its role as a shipowner, the Government would be in a good position to appreciate the difficulties of shipping companies in the private sector. This is a pertinent inference, but it is a very expensive way of understanding the problems of shipping companies. Governments in other parts of the world have been able to help their shipping companies more effectively and substantially than the Government of India, without necessarily being owners of mercantile marine. There is no reason why the powers-that-be in this country also cannot do so. They can, if they are less doctrinaire and more realistic.

Mahindra's Tractor Project Fails

It is reliably learned that the project of Mahindra and Mahindra to manufacture the 2-D diesel agricultural tractor in collaboration with the well-known British firm of David Brown Industries Ltd. has been completely given up, thanks to the disagreement on the terms of the agreement between the two firms. Even the agreement entered into in 1953 under which Mahindra and Mahindra Ltd. was appointed the sole distributors of David Brown tractors in India is said to have been terminated. On an average, about 400 tractors, each

(*Continued on page 984*)

EQUITIES LISTLESS

NARROW MOVEMENTS IN PRICES

(From Our Own Correspondents)

BOMBAY, *24th November*

IN distinct contrast to the generally cheerful tone which prevailed last week, conditions in the share market during the week under review were listless and fluctuations were confined to a narrow range. Over the week, the changes were small on a wide front. The prospect of fresh curbs on joint-stock companies, as indicated by the Union Government's decision to fix premium on new issues of established concerns, to place a ceiling on promotional expenses of companies at 1.5 per cent. of the estimated cost of a project where corporate enterprises were managed by managing agents and at 2 per cent. in the case of companies managed by a board of directors and to fix a time limit of three months from the date of receipt of application for allotment of shares of new companies, made operators cautious. The Finance Minister's statement on the difficult balance of payments position of the country, envisaging a drastic cut on imports and the actual announcement of cuts on some of the important items, such as machine tools, agricultural tractors, etc., also restrained activity. Mr. Biren Mookerjee's statement to the shareholders of the Indian Iron and Steel Company, Ltd., drawing pointed attention to the difficulties experienced by the steel industry on account of the irregular supplies of raw materials and inadequacy of coking coal was viewed with some concern, in view of its wider implications. Mr. Mookerjee states that, so long as the metallurgical coal supply position remained unchanged, there is no prospect of the Company achieving its target of production, as envisaged under its expansion programme. He has also warned, in this connection, against fixation of retention prices based on theoretical plant capacity and normal working conditions.

There were, however, some exceptions to the general trend, prominent among these being Khataus in the textile section, Voltas, Anil Hardboards and Premier Tyres in the miscellaneous section.

In the steel section, Tata Ordinaries moved between Rs. 144.50 and Rs. 143.25 before closing at the latter level. Indian Irons gave way from Rs. 24 to Rs. 23.64 and closed at Rs. 23.68.

Barring a few scrips, which scored handsome gains over the week, textiles were featureless, but the undertone was steady. Centurys at Rs. 474.50 gained no more than Rs. 2. Bombay Dyeings came up to Rs. 63.90 from Rs. 63.30, before finishing at Rs. 63.50. Kohinoors fluctuated between Rs. 277.50 and Rs. 271.50. Central Indias were dull at Rs. 107. Finlays put on Re. 1.50 to Rs. 336.50. Gokaks attracted attention and appreciated by Rs. 2.50 to Rs. 169.50. Indu Ordinaries were marked up by 84 nP to Rs. 13.04. Khataus provided a bright feature with a marked rise of Rs. 28.75 to Rs. 480, on expectations that the Company would stand to gain from the proposed new project. Mysore Spinnings shot up by Rs. 9 to Rs. 64, while Morarjee Mills declined by Rs. 13 to Rs. 321. New Greats were better at Rs. 192 and Shree Niwas Cottons at Rs. 230. Simplex were a steady feature at Rs. 163. Standards looked up by Rs. 11 to Rs. 1,185.

Cements lacked support in the face of general apathy. Associated Cements were listless at Rs. 146.75. Digvijays were marked down by Rs. 2.50 to Rs. 157.25 and Orissa Cements by 20 nP to Rs. 15.04.

Interest in Belapurs, in the sugar group, was not sustained after the declaration of a handsome dividend. Initially, this scrip slided down from Rs. 402 to Rs. 391, but, towards the close, it again gained ground to Rs. 398. Phaltans were, however, firm with a gain of Rs. 4.50 to Rs. 189 and so also Walchandnagars which put on Rs. 2 to close at Rs. 299.50.

The disappointing dividend of Scindias, which has been cut by more than 50 per cent. from Re. 1.30 for 1958-59 to 60 nP per share (both subject to deduction of tax) for the year ended 30th June 1960, brought the value of this scrip down from Rs. 14.84 to Rs. 13.76. Great Easterns were quiet at Rs. 15.80. Among automobiles, while Hindustan Motors were dull at about Rs. 20.20, Premier Automobiles moved up by Re. 1.50 to Rs. 177.

Tata Engineerings were highly erratic. After an early rise from Rs. 307 to Rs. 313, the scrip reacted to Rs. 299, but rallied to close at Rs. 310. The Company would shortly enter into a contract with the Government for the supply of 325 metre-gauge locomotives to the railways during the third Plan period. Negotiations have been finalised and the agreement is in the final stages of scrutiny. Alcocks were marked down by Rs. 3 to Rs. 252 and Premier Constructions by Rs. 9.50 to Rs. 302. Larsen and Toubros were quiet at Rs. 37.75, while Texmacos were a bright feature with a gain of Re. 1.60 to Rs. 24.16.

Mining shares were steady, Shivrajpurs gaining Rs. 5 to Rs. 73 and Indian Coppers 16 nP to Rs. 4.64.

In the miscellaneous section, Bombay Burmahs were erratic within a narrow range and closed with a net loss of a rupee at Rs. 592, as also National Rayons at Rs. 522. Gwalior Rayons were marked down by a rupee to Rs. 42 and Barodas by Rs. 3 to Rs. 135.50. Tata Oils were quiet at Rs. 73.80 and Tata Chemicals at Rs. 17.32. Voltas were conspicuous with a rise of Rs. 8 to Rs. 271. In the cash group, Anil Hardboards were firm with a rise of Rs. 25 to Rs. 370, following the announcement of a rights issue in the ratio of one ordinary share for every three ordinary shares, and a maiden dividend of 6 per cent. tax-free for the year ended 31st March 1960. Adarsh Chemicals were in good form, recording a rise of Rs. 4 to Rs. 65.50. Colour Chems were steady at Rs. 341.25, while Poly Chems were marked down by Rs. 6.25 to Rs. 237.50 and Indian Dyestuffs by Rs. 6.25 to Rs. 513.75. While Ceat Tyres declined by Rs. 5 to Rs. 230, Premier Tyres hardened by Rs. 7 to Rs. 87. Khandelwals moved down by Rs. 4.50 to Rs. 89.50 and West Coast Papers by Rs. 3.50 to Rs. 194.50. Tractors (India) were a firm feature with a spurt of Rs. 4 to Rs. 33.25.

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Madras Stock Exchange

MADRAS, *23rd November*

In the absence of any fresh encouraging news, the Stock Exchange remained subdued during the week under review, excepting textiles which elicited special support. Operators noted the new measures announced by the Government of India this week for controlling the promotional expenses of joint-stock companies and for ensuring allotment of new companies' shares within a period of three months after the receipt of applications, but they did not have any perceptible effect on the market. The report that the Life Insurance Corporation had lent support to the Calcuta Stock Exchange also failed to enthuse local operators. The tea section ruled weak, despite generally satisfactory advices from auction centres. Coffees and rubbers moved narrowly; today's closing quotations were, of course, slightly lower than those a week ago. Selling pressure was in evidence in the sugar section as well. Lack of fresh enquiries brought down the values of several miscellaneous industrials.

In the tea section, Blue Mountains encountered selling and suffered a setback of 88 nP to Rs. 4.17. Nonsuchs declined by 25 nP to Rs. 27. Periakaramalais eased by 6 nP to Rs. 3.47. Chembras lost 5 nP to Rs. 5.15. Haileyburias were quiet at Rs. 14.75. Parksides at Rs. 29.75 and Peermades at Rs. 22.80. Waterfalls, however, gathered 17 nP to Rs. 5.07. United Nilgiris put on 12 nP to Rs. 21.87, Kil Kotagiris and Neelamalais were higher by 3 nP each at Rs. 5.68 and Rs. 4.91, respectively.

Among coffees, Consolidated Coffees fell by 25 nP to Rs. 23.90. Ouchterlony Valleys shed 5 nP to Rs. 4.95. Balanoors were neglected at Rs. 16.70 and Rajendras at Rs. 14.25. Coffee Lands, however, picked up 15 nP to Rs. 23.90. Cowcoodys rose by 7 nP to Rs. 5.25.

In the rubber group, Midlands gave way from Rs. 12.50 to Rs. 12.30. Thirumbadis lost 5 nP to Rs. 1.50. Cochin Malabars shed one naya paisa to Rs. 7.32. Malankaras changed hands at Rs. 17.70 and Vaikundams at Rs. 30.40. Rajagiris were quiet at Rs. 20.12. The Directors of the Company have announced a final taxable dividend of 10 per cent., making a total of 20 per cent. (equivalent to 14 per cent. tax-free) for the year ended June 1960, as against 20 per cent. tax-free for the previous year.

A feature of trading in the textile section was the rise in the quotation of Metturs from Rs. 370 to Rs. 371. Bangalore Woollens, Coimbatore Spinnings and Cannanores gained a rupee each to Rs. 197, Rs. 45 and Rs. 156, respectively. Maduras were done higher by 50 nP at Rs. 35.20. Loyals gained a like amount to Rs. 36. Buckinghams were fully steady at Rs. 198, Coimbatore Cottons at Rs. 162 and Premiers at Rs. 225.

Notice

BOMBAY SUBURBAN ELECTRIC SUPPLY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN *Ad-interim* Dividend for the half-year ended 30th September, 1960 at the rate of 6 per cent. per annum, i.e., Rs. 3 per Share (subject to deduction of tax) has been declared and made payable at the Chartered Bank, Bombay, on and after 20th December, 1960, to those Shareholders whose names stand on the Register on Saturday the 17th December, 1960, to whom Dividend Warrants will be posted.

For the purpose of this payment the transfer books of the Company will be closed from Friday, 2nd December, 1960, to Wednesday 14th December, 1960, both days inclusive.

Intimation of any change of address should be given to the Share Department of the Company, immediately.

By Order of the Board,

FOR BOMBAY SUBURBAN ELECTRIC SUPPLY, LTD.,
KILLICK INDUSTRIES LIMITED,
A. N. HAKSAR,
Managing Director,
Managing Agents.

KILLICK HOUSE,
HOME STREET, FORT,
BOMBAY-1, *24th November*, 1960.

Among sugars, Travancores receded from Rs. 11.30 to Rs. 11.10. Indias declined by 15 nP to Rs. 12.25. East India Distilleries were quiet at Rs. 44.50, Cauverys at Rs. 143.50 and United Breweries at Rs. 114.50. But Deccans rose by 5 nP to Rs. 15.70.

In the miscellaneous section, chemicals were distinctly easy. F.A.C.Ts dropped 30 nP to Rs. 10.20. Mysore Fertilisers lost 5 nP to Rs. 11.50. Metturs were neglected at Rs. 13.20, as also Mysore Chemicals at Rs. 27.50. Among cements, Indias were quoted today at Rs. 6.40 *cum-div. ex-right*, as against Rs. 7.20 *cum-right* last week. The Company has announced an interim dividend of 6 per cent. taxable (equivalent to 4.2 per cent. tax-free) for the year ending March 1961. Dalmias were lower by 5 nP at Rs. 11.20. Andhras were done at Rs. 10. Orissas, however, scored a gain of 20 nP to Rs. 15. Travancores hardened by 15 nP to Rs. 8.65. Among others, Aluminium Industries eased by 10 nP to Rs. 22.95. Standard Motors lost a like amount to Rs. 17. Indian Steel Rollings were unaltered at Rs. 10.25, Textools at Rs. 190 and Tube Investments at Rs. 305. Western India Plywoods elicited special support and rose by Rs. 3.50 to Rs. 240. Ashok Leylands picked up 3 nP to Rs. 8.83.

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Calcutta Stock Exchange

CALCUTTA, *23rd November*

After an initial recovery under the impact of the Reserve Bank's relaxation of the deposit impounding scheme, conditions, which indicated caution on the part of investors and operators, were in evidence on the Calcutta Stock Exchange during the week under review. This followed the realisation that the relaxation of credit control would not in itself release more funds to stocks and shares. Despite the enlightening views of Mr. Kennedy, which forebode the possibility of increased U.S. aid, anxiety continued to centre around the country's balance of payments position, and Mr. Morarjee Desai's view, forthright and candid though it is, that India should have to depend "wholly" on foreign aid to finance projects in the next few years, added only to increase such anxiety. The country's future depended on the success that would follow "the continuing and difficult quest for foreign exchange to match the external cost of the third Plan projects," and this was taken in market circles to mean that the country's development had not been well planned. The successful working of the scores of new units of industries that are being set up now and the shares of which have gained a quick appreciation in no small measure depends upon the continued availability of foreign exchange for raw material and spares. The anxiety in this regard explained the sharp down-trend in this class of shares. Particular note was taken of Mr. Biren Mookerjee's note of warning to the shareholders of the Indian Iron and Steel Company Ltd. that the full working of the expanded capacity of one million ton ingots depended upon adequate coal supplies of the right type. He was referring to the existing coal shortage and the deterioration in quality. The flexible coal policy, which would now permit the limited expansion of the private sector, led to increased activity in coals, but, in the face of general dullness, prices did not show much improvement. Jutes continued to be in the doldrums.

Jutes were quiet. Howrahs, after being pushed down to Rs. 19.50 from Rs. 19.87, closed higher on balance at Rs. 20.06. New Centrals fell to Rs. 22.06 from Rs. 23.06. Kelvins at Rs. 137 accounted for a loss of one point, and Ganges were unchanged at Rs. 11. Naihatties were quiet at Rs. 61.50 and Chitavalsahs were put through at Rs. 12.94, as against Rs. 13.31 previously.

Engineering shares were better. The encouraging results of I.I.S.Co. continued to gather attention and at one time Indian Irons were as high as Rs. 24.15 before closing firm at Rs. 23.86. Moderate interest in Texmacos pushed up the scrip to Rs. 23.40 from Rs. 22.70 and Braithwaites were better at Rs. 32.25. Britannia Engineerings were firm at Rs. 14.19, while Guest Keen Williams moved down to Rs. 39.50 from Rs. 40.12. Indian Oxygens rose to Rs. 40 from Rs. 39.31.

A striking feature in the miscellaneous industrial section was the steady uptrend in Alkali and Chemicals which, at Rs. 37, recorded the impressive gain of Rs. 3.50. On interested attention, Dharbanga Sugars scored to Rs. 17.12 from Rs. 16.62 previously. Champaran Sugars were fully steady at Rs. 20.06. National Cables were fully firm at Rs. 30.69, as were National Pipes at Rs. 19.50. At Rs. 72.50, a further smart gain was recorded by Ballarpur Papers. Aluminium Corporations moved upto Rs. 18.06 from Rs. 17.82. Balmer Lawries realised Rs. 219, as against Rs. 215 previously. Dunlop Rubbers, after being higher at Rs. 42.94 against opening of Rs. 42, closed firm at Rs. 42.37. Shree Gopal Papers after being firm at Rs. 27 closed quiet at Rs. 26.62. Orient Papers moved up to Rs. 42.20 from Rs. 40.50, but shed the gain partially to Rs. 41.80. Angelo Bros, responding to enquiries moved up to Rs. 19.81 from Rs. 19.62. Likewise Martin Burns realised Rs. 26.67, as against Rs. 26.50 earlier.

Teas lacked attention. Brooke Bonds were put through at Rs. 17.12, as against Rs. 17.25 earlier. Hasimaras were pulled down to Rs. 22.62 from Rs. 23.25, while Dhunseries realised Rs. 16.78, as against Rs. 16.50 previously.

NEWS IN BRIEF

THE Kerala Government is already taking necessary steps to acquire about 100 acres of land required for the second shipyard. It is expected that this work will be completed in about six months' time.

An agreement covering the grant of a DM 125.1 million West German credit to India was signed at Bonn last week by the representatives of the two Governments.

It is proposed to introduce diesel traction for running of through goods train on the Barauni-Amingaon section, which includes the Assam Rail Link, as soon as the necessary diesel locos are available.

The National Development Council will meet at New Delhi on 10th and 11th December to discuss the outlays and targets of the third Plan in the light of the talks held by the States' representatives with the Planning Commission.

A team of experts has been deputed by the Union Government to study the possibilities of starting rubber plantations in the Nicobar islands, in accordance with the suggestion made by the experts of the Goodyear Tyre and Rubber Company of the U.S.

The Mica Export Promotion Council, at its meeting held at Calcutta last week, decided to set up a committee for fixing minimum export prices for mica. Meanwhile, the Central Government has decided to set up a mica research centre at the Central Glass and Ceramic Research Institute, Jadavpur, at an estimated cost of over Rs. 8 lakhs.

The Indian Airlines Corporation proposes to buy four second-hand *Viscounts* to meet the increasing traffic on trunk and some other important routes, as well as to replace the *Skymaster* aircraft. The Government of India has received proposals for the sale of second-hand *Viscounts* from a number of parties in the U.S. and the U.K. These offers are now being considered.

A slot machine, designed to sell 5 nP post cards, has been installed at the General Post Office in Bombay. The machine is designed by the Bombay Telephones Department and delivers a post card on insertion of a 5 nP coin in the slit provided for the purpose. This is the first time that the Indian Posts and Telegraphs Department has introduced the slot machine for sale of post cards.

A team of Russian officials is expected to arrive in India in the middle of December to discuss with the Government the utilisation of the credit of 500 million roubles (Rs. 60 crores) which Russia announced in September last. It will be recalled that this credit is in addition to the 1,500 million roubles that Russia extended initially towards meeting the cost of the third Plan projects and was settled during the visit of the Finance Minister, Mr Morarji Desai, to Moscow last summer.

The present zonal arrangement between Orissa and West Bengal in regard to the movement of foodgrains will continue to be maintained, although food production has improved in both the States, with the consequent decline in prices. This was disclosed by Mr. A. M. Thomas, Union Deputy Minister for Food and Agriculture, in the Lok Sabha last week. He added that about 161,000 tons of rice and 249,000 tons of paddy had been exported from Orissa to West Bengal up to the end of October 1960.

The scheme for the development of Haldia port in West Bengal which has been allotted Rs. 7 crores in the Draft Outline of the third Plan, will be finalised after the experts who are at present conducting technical investigations submit their reports, according to Mr. Raj Bahadur, Minister of State for Transport and Communications. In order to acquire land for the project, the West Bengal Government has already notified an area of 17.62 sq. miles covering 68 villages under the Land Acquisition Act.

A project to lower sub-soil water level in New Delhi is being implemented by the Union Ministry of Works, Housing and Supply. The broad features of the project are sinking of 303 tube-wells for pumping out subsoil water; providing of underground drainage in the Central Vista Lawns, laying of porous concrete drains in the Central Vista, providing sprinkler equipment for economy in the use of unfiltered water for gardening and improvement of surface drainage by the local bodies concerned.

The Government of India has decided to abolish the requirement that tax-clearance certificates should be produced by every Indian national proceeding abroad. It is only when the income-tax authority concerned declares that a clearance person is not likely to return to India that a clearance certificate will be required from him. The new procedure will come into effect from the 1st December 1960. It applies only to Indian nationals. As regards persons of non-Indian domicile, however, the existing procedure will continue to apply.

The second plenary assembly of the International Telegraph and Telephone Consultative Committee will be inaugurated by the Prime Minister Mr. Nehru, on 8th December at New Delhi. The plenary assembly will be in session till 16th December. About 150 delegates from 36 countries, 12 recognised private operating agencies and six international organisations are expected to participate in the plenary assembly—the first to be held anywhere in Asia. India will be represented by a 30-member delegation, led by Mr. R. C. Vaish, Chief Engineer (Development), P. and T., New Delhi.

The President has given assent to the Indian Forest (Gujarat Unification and Amendment) Bill 1960. With slight modifications, the Bill extends the Indian Forest Act 1927 to the whole of Gujarat State and repeals the corresponding laws now in force in some areas of the State. At present the Indian Forest Act is applicable only to the Bombay and Kutch areas of the State. In the Saurashtra area, the Act has been adopted and applied with certain modifications. The present legislation has been promoted to have uniform law throughout the State on the subject.

The Government of India proposes to amend the Workmen's Compensation Act to provide increased rate of compensation. The proposal is to double the quantum of compensation in the case of death and permanent disablement and to replace the system of lump-sum payments with periodic payments to be disbursed through the agency of the Employees' State Insurance Corporation. It is proposed to increase the compensation for temporary disablement by 25 per cent., provided that the amount payable does not exceed the wages for the same period and to increase the wage limits for coverage from Rs. 400 to Rs. 500.

The new phosphoric acid plant of the Fertilisers and Chemicals Travancore Ltd. (F.A.C.T.), Alwaye, Kerala, has been put into commission. The plant has a capacity to produce 25 tons of phosphoric acid a day. The production of phosphoric acid marks the commencement of manufacture at the factory of ammonium phosphate, a balanced fertiliser containing both nitrogen and phosphorus. With the production of phosphoric acid and ammonium phosphate, the F.A.C.T. will be completing its first stage of expansion involving an investment of over Rs. 3 crores. Mr. S. K. Patil, Union Minister for Food and Agriculture, will formally inaugurate the ammonium phosphate production some time next month.

The Union Minister for Industry, Mr. Manubhai Shah, disclosed in the Lok Sabha last week that cheap radio sets priced at Rs. 125 (including all taxes except the local State sales tax) would become available in the market by the end of this year (1960). He added that, as a result of the discussions with the radio manufacturers in May last, it had been decided that production of 50,000 to 60,000 cheap radio sets should be aimed at annually. Every manufacturer would produce cheap radio receivers at least upto 10 per cent. of his production, within the existing foreign exchange allocation. The Minister further said that, for every 5 per cent. additional production of cheap radio sets over 10 per cent., the manufacturers would be given 5 per cent. additional foreign exchange for importing components and raw materials, subject to a maximum additional production of 20 per cent. sets.

With a view to securing maximum efficiency in the administration and working of the Central Excise Department and the rationalisation of its procedures, the Government of India has recently appointed a Central Excise Reorganisation Committee, with Mr. A. K. Chanda as Chairman, to examine the organisation and methods of the Department and to review the Central Excise Act and rules which regulate its work. While the Committee would shortly issue a questionnaire to elicit information relevant to its work, it would, meanwhile, welcome suggestions from those interested for the simplification of procedures of assessment and collection, for the removal of any weaknesses in either, and on any other matter germane to the enquiry. Communications should be addressed to the Secretary, Central Excise Reorganisation Committee, Ministry of Finance, Department of Revenue, Central Revenues Building, Mathura Road, New Delhi-1.

The Union Minister of State in the Ministry of Transport and Communications enumerated in the Lok Sabha last week the important steps taken by the Government to expand Indian shipping. These are: grant of loan assistance to Indian shipping companies for acquisition of ships on easy terms and at concessional rates of interest; setting up of shipping corporations in the public sector to supplement national tonnage; making available to Indian shipping companies ships built at the Hindustan Shipyard Ltd., Visakhapatnam, at subsidised prices; rendering assistance to Indian shipping companies operating in overseas trade to secure admission to various international shipping conferences; release of limited amounts of foreign exchange to companies for acquisition of ships in spite of the existing extremely tight foreign exchange position; allotment of Government owned and controlled cargoes to national ships on preferential basis and securing of foreign credit for acquisition of ships.

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From Abroad

The British House of Commons has passed a Bill authorising the U.K. Government to contribute £20.86 million by way of grant to the World Bank towards financing the scheme for distribution of Indus waters between India and Pakistan.

West German imports amounted to 90 per cent. of exports during the first nine months of 1960, as against 87 per cent. in 1959 and 84 per cent. in 1958. During the first three quarters of 1960, imports rose 21.3 per cent., as against the comparable 1959 period, but exports rose only by 17.7 per cent.

The U.S. Ford Motor Company has offered to buy 46 per cent. of the shares of the British Ford Motor Company. The offer involves $363 million (about £129 million). The U.K. Ford is the second largest motor manufacturer in the U.K. with sales last year exceeding £33 million. It then accounted for about 27 per cent. of total car production, compared with 36 per cent. for the British Motor Corporation and about 13 per cent. for Rootes and the U.S.-owned Vauxhall group.

The United States exports of domestic and foreign merchandise during September totalled $1,628 million, which is about one per cent. higher than the August total of $1,613 million, and about 10 per cent. higher than the September 1959 total. The official estimate of total exports, excluding military shipments, for the first nine months of 1960 is $14,431 million, or a level about 20 per cent. higher than the $11,996 million reported for the corresponding period of 1959.

Coffee imports into West Germany have increased by 56 per cent. since 1955, sizably outpacing the comparable growth of imports (an average of 22 per cent.) of all other major coffee consuming nations of the world, according to Ibero Amerika Bank, Bremen, The Bank said that since the West German coffee tax was heavily cut (from DM 10 to DM 3 per kg.) seven years ago, West German coffee imports had more than doubled. In 1959 the *per capita* consumption of coffee in the country (3.4 kg.) surpassed the pre-war level (3.2 kg.).

Eight out of ten West Germans will forgo a wage increase, provided prices remain unchanged, rather than have wages raised, if this means "certain" price increases. This is the highlight of a recent poll of a representative section of the population of West Germany undertaken to test the public's price and wage consciousness. Only 12 per cent. of the persons polled said that they would prefer a wage increase even if the price level would rise "somewhat." Five per cent. had no opinion. Answers broken down by occupation, social status, age or party affiliation showed no basic departure from this line of thinking.

A plea to the United Nations to launch a world-wide campaign for birth control has been put forward by a group of leading world personalities, including 39 Nobel prize winners, led by Sir Julien Huxley. In a note submitted to Mr. Hammarskjoeld, U.N. Secretary-General, the group has pointed out that two-thirds of the world's present population is undernourished, and stressed that this population continues to increase by some 140,000 a day. In a generation, the world's population will double if there is no change in the current trend.

Following cutbacks in production by the British motor car industry, many component and accessory suppliers to the industry have announced shorter working week. The Alford and Adler (Engineers) of Hemel Hempstead, a component making subsidiary of the Standard Triumph International, is now working on a four-day week. The Cam Gears, manufacturers of steering gears, has followed suit. The Wilmot Breeden which produces door mechanisms, handles, bumpers and other components has reduced the working week of most of its 5,000 workers to between 4 and 4½ days. Nine factories producing dynamos, starter motors and lamps have also been adversely affected. Besides, the Dunlop Rubber Company has decided to go on a four-day week shortly at its plants in Birmingham, Coventry, Liverpool, Manchester and South Wales. The Dunlop Company, however, hopes to retrieve its position partly, thanks mainly to strong demand for giant earthmover and agriculture tyres, etc.

PERSONAL

MR. V. K. Krishna Menon, Union Defence Minister, has returned to New Delhi, after attending the U.N. General Assembly as the leader of the Indian delegation.

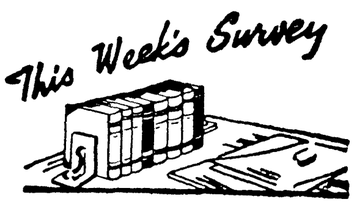
Mr. Sherman Cooper, a former U.S. Ambassador to India, who has been recently re-elected to the American Senate, is scheduled to pay a brief private visit to New Delhi towards the end of this month.

Mr. Vance Brand, Managing Director of the U.S. Development Loan Fund (D.L.F.), arrived in New Delhi on the 24th inst., for an eight-day stay in India. He is holding discussions with the Union Finance Minister and other Government officials.

Mr. A. L. Dias, until recently Secretary to the Home Department, Government of Maharashtra, has assumed his new office as the Chairman of the Bombay Port Trust. He succeeds Mr. V. T. Dehejia, who has been appointed Revenue Secretary to the Government of India.

Mr. Ramdas Kilachand has been elected President of the Bombay Oilseeds and Oil Exchange Ltd. for the current year. Messrs. Chandulal Kasturchand and Gokalchand J. Agrawal have been elected Senior Vice-President and Junior Vice-President, respectively. Messrs. Mangulal Trikamlal and Chandulal Dalsukhbhai Parikh have been co-opted on the Board of Directors of the Exchange.

Mr. V. Shankar, until recently Director General of Posts and Telegraphs, has taken over charge as Special Secretary in the Ministry of Food and Agriculture. He will also be Vice-President of the Indian Council of Agricultural Research in the place of Mr. M. S. Randhawa, who had held the post for five years and has now proceeded on leave. Mr. Shankar will look after the implementation of the "package programme," which will be in operation in seven districts of seven States shortly.



COAL POLICY

SARDAR Swaran Singh, Union Minister for Steel, Mines and Fuel, who not long ago dismissed the World Bank Mission's criticism of India's coal policy as 'uncharitable,' has happily accepted, in effect, the Mission's view that "the overriding need now is to get more coal quickly and other considerations should be subordinated to this purpose." His latest statement in the Lok Sabha, clarifying the Government's policy in regard to coal production, is certainly a welcome concession to the private sector of the coal industry which has been pleading for permission to open up new areas. But, unfortunately, this concession does not go far enough, because it is intended to give *special permission* only to *individual units* to work new areas. Since this will not be a general permission, there is no question of any drastic modification of the Industrial Policy Resolution of 1956 which has reserved the opening up of new areas to the public sector. Actually, the present limited relaxation, whereby the private collieries can work, under special permission, non-contiguous or proximate areas, is in accord with the Industrial Policy Resolution itself. There is, therefore, nothing far-fetched in the Minister's interpretation of the spirit of the Resolution. He said:

"That Resolution stipulates that all new units in the coal industry will be set up by the State. But this does not preclude the expansion of the existing privately owned units or the possibility of the State securing the co operation of private enterprise in the establishment of new units when the national interests so require. The role that has been assigned to the private sector I have just mentioned does not involve a general relaxation of the Industrial Policy Resolution itself. A realistic assessment having been made of the optimum production that can come from existing mines in the private sector, our intention is to give special permission to individual units to work new or non-contiguous areas where the raising of coal from such areas has to be ensured to make up the total production required. This is quite in consonance with what the Industrial Policy Resolution states, namely, that, where the national interests so require, private enterprise may be allowed to expand."

Such a practical adjustment between the two sectors, good in so far as it goes, may still not be sufficient for the purpose of achieving the third Plan's target of coal production to the tune of 97.5 million tons per annum. The Minister's reference to an additional production of 37.5 million tons over the target of 60 million tons in the second Plan does not provide a true measure of the additional effort required, for the estimated shortfall of about 12 million tons in the actual achievement of the second Plan target has not been taken into account here. As this shortfall will have to be made good in the third Plan period, the additional production would have to be of the order of about 50 million tons. If, according to the Working Group on Coal, the public sector comprising the National Coal Development Corporation and the Singareni Collieries is capable of achieving an additional production of only 19 million tons per annum by the end of the third Plan, the private sector must be enabled to achieve an additional production of not less than 31 million tons (50 million tons *minus* 19 million tons) per annum by the end of that Plan. The Working Group's estimate that the private sector can produce an additional 16 million tons only (12 to 13 million tons from the existing workings in the collieries and the rest from areas adjacent to them as well as from non-contiguous or proximate areas) errs on the side of caution, because it cannot possibly take into account, in the absence of appropriate policy changes, the additional production potential that may conceivably result from an upward revision of coal prices and a general permission to all private collieries to open up new areas.

The conditions necessary for enabling the private collieries to achieve a higher additional production target than 16 million tons have been indicated in a leading article entitled "Private Collieries Can Do It" in our issue of 29th October last. It only needs to be added here that Sardar Swaran Singh's proclaimed "adherence to a policy of holding the price line" in regard to coal prices is as unrealistic as his earlier adherence to a rigid policy in regard to expansion in the private sector of the coal industry. The proposed subsidy (from the proceeds of the coal cess fund) to collieries which are handicapped by adverse factors such as presence of gas, very deep workings, difficult geological conditions, excessive accumulation of water, etc., and which, therefore, cannot be worked economically at the existing coal prices, and the raising of the ceiling for slowing subsidy from 75/85 per cent. to 100 per cent., can be no substitutes for a general coal price increase so as to benefit the industry as a whole. Such an increase is called for on the triple ground of higher manufacturing costs, higher replacement costs of mining machinery and equipment and greater need for augmenting internal resources for reinvestment and expansion. The Government is bound to be persuaded, sooner or later, to do the right thing in the interests of greater coal production which, in the main, will have to come from the private sector.

F.I.C.C.I. ON SALES TAX

Ever since the enactment of the Additional Excise Duties Act in December 1957, which levied additional excise duties on cloth, sugar and tobacco in place of the sales tax on these commodities, there is a general feeling that the extension of this Act to cover more commodities would improve the revenues and eliminate the onerous administrative complexities involved in the collection and payment of sales tax. It was in this context that the Committee of States' Chief Ministers and Finance Ministers met last July to consider the replacement, by additional excise duties, of the sales tax on silk fabrics, matches, paper and vegetable products. The Committee, however, failed to come to any unanimous decision on this issue, because of the opposition of certain State Governments which felt that their fiscal autonomy would be jeopardised at a time when more resources were required for financing the third Plan programmes of their respective States. The Federation of Indian Chambers of Commerce and Industry is, however, not satisfied with this outcome and, in a brochure on sales tax published this week, it has urged the Central Government "to persuade the States to agree to the extension of centralisation to cover all the articles on which Central excise is levied at present."

While conceding that the States derive a sizable proportion of their aggregate revenue from sales tax, the Federation maintains that, on a balance of considerations, the advantage is clearly in favour of centralisation. The States will not stand to lose. On the contrary, it is pointed out that revenue collected from additional excise duties in 1959 amounted to Rs. 40 crores which is higher by Rs. 8 crores than the revenues from sales tax on these commodities. While countering the argument that the States would be losing their fiscal autonomy, the brochure indicates that, even today, 51.5 per cent. of the total expenditure of State Governments is in the shape of Central grants, shared taxes, etc. In view of this, the Federation sees no objection in extending centralisation to the remaining excisable commodities. Apart from the improvement in the yield, centralisation would mean, according to it, reduced cost of collection, reduced cost of compliance for the trading community as well as less scope for avoidance of the tax.

While the cogency of the case presented by the Federation in favour of centralisation cannot be denied, it will be too much to expect the States to toe its line. As a compromise and taking into account the extent of political feasibility, the treatment suggested by the Federation may be confined to articles of common consumption. The State Governments will do well to realise that, besides the advantages of centralisation referred to by the Federation, they will be able to better the collection of sales tax from the remaining items, as the sales tax administration can concentrate on fewer articles handled by fewer trading establishments.

If its suggestion of centralisation is unacceptable to the Government, the Federation has made the alternative proposal of drafting a Model Sales Tax Act by the Centre for the guidance of the States. This would bring about uniformity in the definition of certain basic concepts, rationalise the procedure of registration, appeal, revision, etc., and thus remove the existing anomalies. The Federation favours sales tax only at a single point and that at the first point wherever feasible. It has also entered a plea for exempting raw materials and accessories, as, invariably, sales tax is levied on the manufactured articles.

Alluding to inter-State sales taxation, the Federation points out that even after the enactment of the Central Sales Tax (Amendment) Act, the difficulties of the mercantile community have not come to an end. The condition that the selling dealer in an inter-State transaction has to produce a declaration form for becoming eligible for the concession is still vexatious, because the declaration forms cannot be easily obtained. In their absence, the traders have to pay the tax at seven per cent., instead of the concessional rate of one per cent. The Federation has emphasised the urgent need to supply such forms *expeditiously to the traders*. In case of raw materials, the cumulative burden of sales taxation is well known. In order to minimise this burden in case of those raw materials which are important in inter-State trade, the Central sales tax legislation has specified the maximum rate. At present, this category of raw materials includes only coal, cotton and yarn, hides and skins, iron and steel, jute and oilseeds. The Federation would like to include many other raw materials in this category. The illustrative list furnished in the brochure contains cement, coke and coal gas, electric energy, fertilisers, sugarcane and molasses, bamboo, pulp, oilcakes, lac and shellac, iron ore, manganese, mica, gypsum, rubber, raw wool, dyes and chemicals. In the case of all these raw materials, the Federation contends only the maximum rate should be applicable.

In the case of export and import trade, at present only the final transactions, that is, the export-sale and the import-purchase are exempt from sales tax. In order to promote the country's exports, the Federation has suggested that the earlier transactions should also be subject to concessional rates. It has also emphasised the need for taking suitable steps to decrease the sales tax burden on export products by allowing exporters to obtain rebate, on an *ad hoc* basis, of sales tax paid on raw materials and accessories used by them in the manufacture of export articles. In regard to imports, the Federation has suggested a small surcharge on import duty in place of the sales tax.

The Federation has, once again, reiterated its demand for establishing an inter-State Taxation Council consisting of Sales Tax Commissioners of some of the States and the representatives of the Ministry of Finance, Government of India. The Federation is of the view that at least a Central Sales Tax Advisory Committee should be set up forthwith which could act as a medium between the Government and the business community.

It will be seen from the foregoing account of the Federation's case that there is considerable room for legitimate reform in the collection and administration of sales taxation. The object of these suggestions is not to reduce the incidence of taxation and the revenue of the States, but only to facilitate the growth and movement of trade the benefits of which will accrue to all.

PILOT JOINT FARMS

The National Co-operative Farming Advisory Board, recently constituted with Mr. S. K. Dey, Union Minister of Community Development and Co-operation, as Chairman, has just held its first meeting and made some recommendations for implementing the pilot projects programme of co-operative joint farming. The recommendations are that joint farming societies in such projects should be constituted on a voluntary basis, the bulk of their membership be composed of small cultivators or landless agricultural labourers or both, land be pooled for a minimum period of five years and labour-intensive agricultural methods and mixed farming like dairy and poultry keeping be adopted in such societies. Another crucial recommendation is that State financial assistance to the pilot project farming societies should follow the same pattern as has been provided under the general co-operative plan—consisting of State participation in share capital, managerial subsidy, medium and long-term loans and subsidy and construction of godown-*cum*-cattle sheds. The Board has also proposed that the first pilot projects—70, each covering 10 societies—be launched from 1st April, 1961, and that 15 training centres be set up for imparting education and training in co-operative farming.

Most of these proposals are quite appropriate to the phase of implementation. The voluntary character of the programme may well be sustained by two factors, namely, that no special State assistance over and above what is given to co-operatives, in general, will be given to joint farming societies and that the members will have the right to opt out at the end of five years. But there may be some difficulty in securing compact cultivation blocks in a village if the bulk of a society's membership is composed of small cultivators with their scattered holdings and if medium and big landowners in that village cannot be persuaded to pool their lands. There are villages consisting almost entirely of smallholders only and they can be more usefully selected for the pilot projects. Another difficulty may arise where agricultural labourers also are enrolled as members and they expect such returns as may reduce too drastically the dividend the landowning members, whether working or non-working, expect for their lands pooled in the society. This difficulty can be overcome by determining a five-year fair rent in advance as dividend for land. As for labour-intensive methods and mixed farming techniques, they would be feasible propositions where the pooled manpower is large in relation to the small extent of pooled land. At the most, the 700 pilot societies to be constituted in the first year may cover 200,000 acres in all and their working for five years will reveal whether co-operative joint farming can become widely popular in the long run of, say, twenty years.

TELEPHONES IN BOMBAY

It is difficult to think of industrial, trade and banking activity in Bombay City without the telephone service. Business worth crores of rupees is put through every day through this means of communication. Although the telephone department has been rendering much useful service, the difficulties experienced by users of telephone service continue to be not inconsiderable. The hardships include failure of supply to cope with increasing demand, enhanced burden following the recent upward revision in rates, excess billing for calls, frequent breakdown of service, delay in attending to complaints and the like. All these were brought to the attention of Mr. Uma Shankar, General Manager, Telephones, Bombay, by the Committee of the Indian Merchants' Chamber when it met him on Monday this week. The reply which Mr. Uma Shankar gave was not quite heartening. He, however, stated that various measures were being taken to ensure a satisfactory operation of the telephone service, that complaints regarding disturbances and interruptions during trunk calls would be looked into, that he would endeavour to improve the department's public relations work, that steps were being taken to obviate heavy incidence of breakdown (through replacement of overhead lines in congested areas by underground cable), that the position in respect of excess-billing for calls had improved markedly, and that the personnel operating the service attended to their duties properly.

As for new connections, the Bombay Telephones chief could not hold out any prospect of an early improvement in position till the two exchanges at Gamdevi and Fort, which are expected to be ready by 1964, started functioning. On the contrary, he said that the position would continue to be difficult till such time as additional exchanges proposed could be provided. Hitherto, according to him, connections were being given largely from the 18,200 lines equipment installed during the period 1946 to 1956 on the basis of the post-war expansion scheme sanctioned in 1946. The question of offering new connections was linked to the putting up of 13 telephone exchanges in the City, three in Bombay proper and ten in the suburbs. We are now told that a project costing Rs. 12.5 crores has been sanctioned. When these exchanges are ready it will be possible, according to Mr. Uma Shankar, to offer an additional 51,300 connections—31,000 in Bombay proper and 20,000 in the suburbs. But, in the interim period, additional telephones, it is gratifying to be told, will be provided by the utilisation of capacity (10,800 lines) in Mandvi, which is expected to be available by the end of 1961, as well as other additions (1,300 lines) to the exchanges in Bombay and the suburbs. Capacity to the extent of 2,050 lines is being created in the current financial year.

Mr. Uma Shankar could not also give any assurance in regard to supply of additional facilities to telephone users. He explained away this point by reference to the difficulty in procuring adequate supplies of stores from both foreign sources and the workshop in the country. Even so, he stated that, during the period May 1960 to October 1960, as many as 1,351 direct exchange lines had been given and 2,040 extension telephones installed or a total of 3,391 telephones. Similarly, he met the complaint about the incidence of higher rates by merely saying that a revision of rates was effected by the Government based on the economics of running the telephone service. He could have given some details of its economics to carry conviction to the public. One does not want the telephone service to be subsidised; nor does one want it to exist by eating into the capital investment. The telephone service must be run as a public utility commercial enterprise, that is, its profit margin must be sufficient to afford a reasonable return on the capital employed and to retain sufficient funds for replacing its assets. But the question is whether the telephone service is being run efficiently and economically and whether the incidence of telephone bill cannot be brought down through a speedy expansion in the number of connections. It would be interesting to know how the position in Bombay or Calcutta compares with that, say, in London, New York or Tokyo. The authorities will do well to arrange for such a comparative study by inviting a team of experts from any one of these centres. It will help improve the service on right lines and bring down the cost of operations.

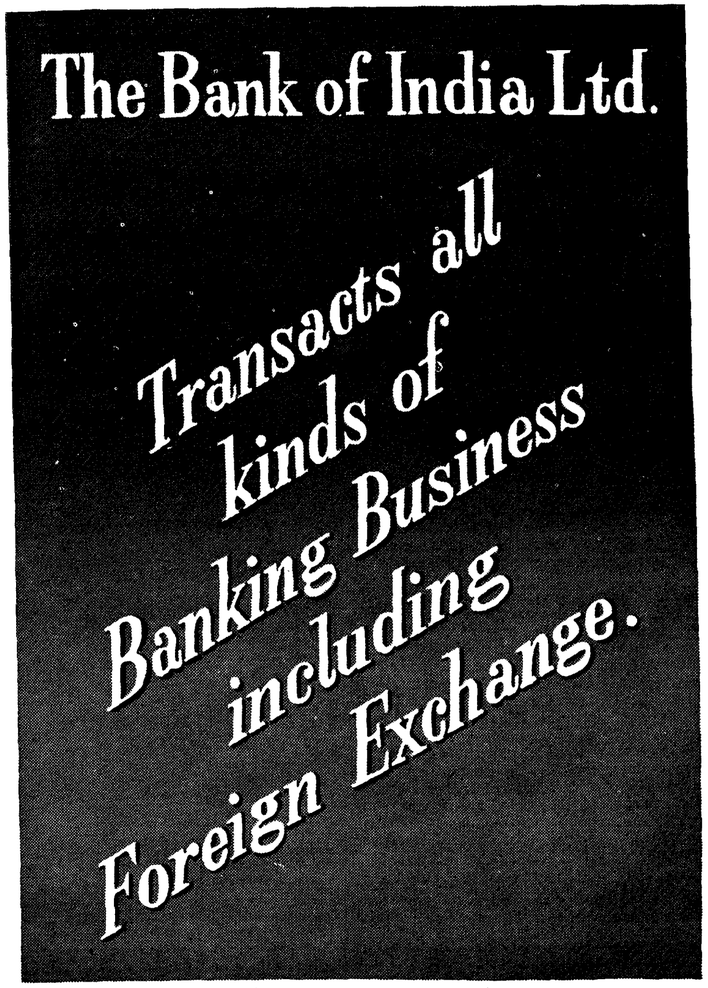
Meanwhile, Mr. Uma Shankar must do something to prevent overlapping of lines which has become a serious defect not only in the Fort area but even in suburbs such as Matunga. Apart from the fact that it does away with secrecy of conversation over the phone, as one's talk is liable to be heard by a third or even a fourth party, it is a great nuisance and not uncommon often leads to a number of unprovoked quarrels between telephone users. Another defect that is urgently in need of attention is the increasing number of wrong calls, which sometimes make the telephone an infliction on the subscriber, instead of an instrument of service.

COLOMBO PLAN

The twelfth annual meeting of the Colombo Plan Consultative Committee was held at Tokyo from 14th to 16th November. The three-day meeting was attended by delegates of 21 member-nations and territories. For the first time, Afghanistan attended the meeting as an observer. The annual report of the Consultative Committee, which was adopted at the meeting, will be released in January next. The annual meeting of the Consultative Committee is a unique occasion for exchange of ideas and experience between the Governments of member-countries in the Colombo Plan region as well as between them and other member-Governments outside it. At this meeting, Ministers and officials concerned with the economic development of the countries of South and South-East Asia, are able to know how problems similar to theirs are being tackled in other countries and thus profit from their practical experience. Member-Governments from outside the Colombo Plan region also get an opportunity to know, at firsthand, the problems of these countries and are better able to see in what particular ways the help they are to extend to these countries can most advantageously be directed.

The Prime Minister of Japan, Mr. Hayato Ikeda, set the tone for the discussions of the Committee in his inaugural address by emphasising that the fundamental spirit of the Colombo Plan lay in mutual aid and that the economic prosperity of the member-countries was interdependent. He admitted that assistance from Japan, the most advanced country in the Colombo Plan region, had not so far been "substantial." But his country, he asserted, had done its utmost to co-operate with these countries and went on to pledge that the policy will be *continued with greater vigour in future*. An observation of Mr. Ikeda, which will be particularly welcomed by the less-developed member-countries, was that, in its new, long-range economic plan, which aimed at doubling national income in ten years and trebling imports and exports in the same period, Japan would lay emphasis "on those products which would not conflict with their (the less-developed partners)

(*Continued on page 984*)



ON THE ARENA

By The Archer

ONE of the legacies which we have inherited from our struggle for independence appears to be the impunity with which a few people, mostly introverts, could join together for destroying anything, from private property to public monuments, provided they can sing the *Ram Dhun* in chorus and chant a few Vedic hymns. The Indore cinema poster ballyhoo indicates that what would normally be classed as an unlawful display of subjective prejudice resulting in defiance of law and order can be turned into a ceremonial act of purification, if the organised effort is labelled as *sarvodhaya* and has been blessed by the approval of Acharya Vinobha Bhave. The underlying assumption appears to be that, as the intentions of the organisers are entirely honourable, their execution may assume the most summary form, irrespective of whether the extension of their methods to other fields may lead to unpredictable repercussions.

The Indore cinema poster was considered indecent, merely because it showed a young man embracing a girl. I shall not consider the *sarvodhaya* workers who took this view as prudish or puritanical; I am content to assume that they belong to the class which believes that tenderness, affection, love or even passionate attachment may not be picturised by more than a distant pat (by a man) on the shoulder (of a woman); it may, of course, be accompanied by the raucous recital of a love song fully laden with erotic imagery. Words don't count, for they take longer to provoke the imagination; the picture can be offensive because it hits the eye. The same cinema poster may pass entirely unnoticed in cities like Bombay, Calcutta, Delhi or Madras, which only indicates that concepts of decency and indecency, as of virtue and sin, are mostly geographical. Perhaps, the ladies and gentlemen of Indore would be able to tone down their subjective prejudices, if they were taken for a tour of the temples of Konarak and Kajuraho, or even of some in Tamilnad, in which the erotic sculptures will shame the best efforts of poster engravers. Or, would they? Who can imagine what they will be up to, if they are suddenly activated to an impulse for purifying the souls of foreign tourists who visit the temples as treasure houses of art? The possibility of wholesale destruction of some of our priceless works of art solely because they are capable of generating erotic impulses in certain sightseers cannot be ruled out if movements of the type set afoot at Indore are not discountenanced, or, shall we say, effectively put down.

It is not my thesis that the poster at Indore is a work of art; I have not seen even a photographic reproduction of it. The news agency that gave publicity to the Indore effort would get credit for objective reporting if they had reproduced it, and left the public in the rest of India to judge the merit of the upsurge, if there was any. However, I expect that the poster, like most of its type, was only a reproduction of a still shot from the whole film which had been passed by the censor. Considering the fact that film censors in India are reportedly very careful to cut out anything that is even remotely suggestive of immoral or indecent behaviour, the poster must have been passed by the censor as a part of the whole picture. It would thus seem that the Indore agitators have taken the law into their own hands to improve on the work of the censor, and the far-reaching implications of such a move are infinite. Some of us who are extroverts (and therefore sinners according to the Indore criterion) in another geographical area are more allergic to men embracing other men in friendship than to boy embracing girl in a natural and biological manifestation of endearment, and may decide upon *satyagraha* at airport and railway station receptions when old men, from dignitaries to *chaprassis*, embrace each other. We may also chant *Ram Dhun* and indulge in *Veda Parayan*. And, when or if we do so, would we be applauded for our (misdirected) efforts to purify society, or would we be marched off to the nearest police *chowki en route* to the lunatic asylum?

In several directions, we have been sowing the wind and reaping the whirlwind, the wind being encouragement of direct action—call it *satyagraha, hartal*, strike, fasting, what you like —and the whirlwind being lawlessness, destruction of property and defiance of the rule of law. The policeman, who is charged with the duty of protecting private rights and property, is reduced to impotence, as soon as a body of people, avowedly intent on making inroads on them, start chanting *Ram Dhun* alongside the *zindabad* of their pet likes and the *murdabad* of their pet dislikes. Is it not time that we sat back and sought a forthright solution to this misdirected application of a potent weapon which stood us in good stead when we had an understanding bureaucracy to rule us, and which is unthinkable under our present democratic Government elected through adult franchise?

By way of a tailpiece, I shall recount the story of what happened to a *Dubash* of the East India Company at Madras, one that I read in one of the old annals, now out of print. Rangiah Chetty, the *Dubash*, was a pious and orthodox man who bought and sold extensively for the Company, and visited Fort St. George every day, dressed in spotless white, with an aggressive *Vaishnavite* caste mark on his forehead, a thickly dubbed U in white, with a red streak in the centre. The soldiers at the gate accosted him one day and asked him what he had on his forehead; replied Rangiah that it was his 'god'. Scoffing at the idea of a painted god on the forehead, the soldiers told Rangiah that they would let him off then, but he should not return the next day with such an ostentatious display of piety, or they would put to test the potency of his god by licking it up. Tucking away the threat at the back of his head, Rangiah came back the next day with an even broader *Namam* (caste mark). Three of the soldiers caught hold of him and, despite his importunities, protests and threats, they swiped the *namam* clean with their tongues and let him go. It took Rangiah a few hours to finish his work in the Fort, and, by the time he returned to the entrance, he found a contingent of privates and subalterns waiting for him, entreating him to intercede with his god to save the lives of the soldiers who had to be taken to hospital with incessant retchings and purgings after they had irreverently lapped up his caste mark. Rangiah sat down, mumbled a series of chants, and handed over a little of a powder which he had in a silver box on his person, one that he said was sacred ash sanctified by prayer. The story ends by saying that the soldiers recovered almost immediately after the powder was administered, and for ever after, they kept to a discreet and respectful distance from Rangiah when he visited the Fort. What Rangiah had done was that he had mixed a sizable dose of croton, a virulent purgative, with his *namam* paste in the morning, apprehending the execution of the lapping up threat, and had also carried its antidote with him in his silver box. The moral is obvious. It is dangerous to attempt direct action to obtain relief from subjective prejudices. Sometimes, as happened in the Rangiah episode, two parties can play at the same game.

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Preference Share Dividends

The Bill intended to retrieve holders of preference shares from the doldrums into which they were pushed by the Finance Act of 1959 is now before Parliament. Only two speakers spoke at the initiation debate and both were members of the Select Committee. It only shows that members of the Lok Sabha are more solicitous of the interests of equity shareholders than of preference shareholders who are mostly the pensioners, chicken-hearted, middle-class investors, widows, orphans, trusts, etc., and, of course, the L.I.C., I.C.I.C.I., and general insurance companies. (I suppose the latter three can be clubbed with widows and pensioners as they seem to be equally helpless.) One would expect that, in line with their policy of encouraging a conservative dividend policy on the part of companies, definite discouragement of the violent operations of bulls and bears on the stock markets, and general solicitude for the middle-class investor who seeks a safe and steady return without need for the eternal vigilance which is the price one pays for collecting hedging profits on the stock exchange, Government would take positive steps (and avow their intention to do so) to restore the position of holders of preference shares to *status quo ante* the Finance Act of 1959. But, unfortunately, Mr. Gopal Reddy's speech, when introducing the Bill, was very lukewarm. According to him, Government felt that the savings arising to companies from the abolition of wealth tax would result in preference dividends being stepped up; that, if more profit was made by a company, its equity shareholders may not be so unreasonable as to deny a share of it to preference shareholders; and that it should not be difficult for companies to get together their equity shareholders to arrange for a fair deal to the preference crowd. The facts of the matter are, and Mr. Gopal Reddy ought to know, (*a*) almost all companies have been extremely legalistic over the interpretation of the Finance Act, their excuse being that they hate to have arguments with the Tax Collecting Authority, (*b*) almost all companies that I know of care two brass buttons for preference shareholders who can only suck their thumbs and bear their losses, (*c*) equity shareholders look upon their preference counterparts as belonging to a lower caste entitled only to the leavings on their plates, and (*d*) in any case, most companies find it impossible to obtain the consent of 75 per cent. of ordinary share holding which is required for alteration of rights under Section 106 of the Companies Act, while, in a number of cases, this consent has to be expressed in writing. Quite a few companies have been in indecent hurry to disburse their preference dividends after deducting the tax without so little as an expression of regret or explanation. The reduced amounts paid are mangy substitutes for the tax-free 6 or 6½ per cent. originally promised. As the old cock crows so crows the young; or if you prefer a more apt Sanskrit proverb, "*Yatha Raja, Thatha Praja.*" If Government has felt no compunction about changing the law in such a way as to cut across existing contracts between companies and shareholders, why should the companies display any anxiety to be more civilised in their dealings, especially towards those who can be neither bulls nor bears, and cannot even whimper in protest? Indeed, why?

IMPORT POLICY FOR TWELVE MORE ITEMS

The import policy for 12 out of the 20 items, which had been held over at the time of the announcement of the half-yearly import policy (October 1960-March 1961) on 1st October last has been announced. For machine tools, the import quota for established importers has been reduced from 30 per cent. general and 30 per cent. soft to 20 per cent. general and 20 per cent. soft. In the case of surgical instruments, apparatus and appliances, while there is no change in the import quota, the concession extended during the last half-year period in the shape of supplementary licences has been withdrawn. For tractors, there will be no import quota for the current half-year. The import quota in respect of complete watches has been halved to 5 per cent. general and 5 per cent. soft. For photographic negatives and printing paper excluding X-ray films, the reduction will be from 33⅓ per cent. general and 33⅓ per cent. soft to 25 per cent. general and 25 per cent. soft. For printing paper, the quota has been reduced from 12½ per cent. to 7½ per cent. and for packing and wrapping paper from 7½ per cent. to 5 per cent. In the case of filter paper, there is no change, as compared with April-September 1960. For paper not otherwise specified, the quota has been maintained as during the last half-year, but the additional licences which were being issued during the last half-year will not be granted now. In respect of giant motor, motor cycle, bicycle tyres and tubes and flaps and solid tyres, the quota will continue to be the same as during the last half-year, that is, 75 per cent. The licences will, however, not be valid for import of bicycle tyres and tubes. For diamond sunset and imported uncut, excluding bort and industrial diamonds, no quota has been granted. The policy for card clothing and card accessories will continue to be the same as before, namely, 66⅔ per cent. general and 66⅔ per cent. soft.

STRICTER CONTROL OVER FORWARD TRADING

An official Bill which seeks to enable the Central Government and the Forward Markets Commission to exercise stricter control over forward trading activities has been introduced in the Lok Sabha. The Bill is designed to amend the Forward Contracts (Regulation) Act of 1952. Among the important provisions in the amending Bill are powers to the Central Government to impose conditions regarding the transferability of specific delivery contracts. One of the objects of conferring this power on the Government is to limit the number of transfers in the case of such contracts. The Bill invests the F.M.C. with certain powers of a civil court, such as summoning and examining persons on oath, on the lines of similar powers conferred on the Tariff Commission. One of the provisions requires all associations to register themselves with the F.M.C. The registration of associations will enable the Commission to have a census of all associations that are now trading in transferable specific delivery contracts in free commodities as well as non-transferable specific delivery contracts in regulated or prohibited commodities and to ascertain the extent to which such associations misuse the non-transferable specific delivery contracts for speculative purposes.

AMERICAN LETTER

KENNEDY'S VICTORY IS NOT A POPULAR MANDATE

TRADE UNIONS LOSING THEIR HOLD

SECRETARY TO GOVERNMENT 28 NOV 1960 PUBLIC GOVERNMENT

From Our Special Correspondent

NEW YORK, 19*th November*

THE Presidential elections in the United States are still somewhat of an enigma. The margin of popularity of Senator John Kennedy over Vice-President Richard Nixon is so thin that it cannot be called by any means "a popular mandate." This means that little change in direction of policy can be expected, economically, socially and politically. So far, Senator Kennedy's appointments have been sound. He was gracious enough to confer with Vice-President Nixon. And the changeover from a Republican to a Democratic President, January next, will be no problem.

Absentee ballots from voters out of towns are still being counted. The run in favour of Mr. Nixon and they thin the lead of Senator Kennedy who will be the next President of the U.S., but without a popular mandate.

There was no real issue in this campaign, as mentioned in previous despatches. Neither Senator Kennedy, nor Vice-President Nixon, were national heroes—a term which was applicable to President Eisenhower as the liberator of Europe. The latter could have won on any ticket and platform, but it was impossible constitutionally-wise, since the President of the U.S. is now confined to two terms of four years each and, at this point, he is one of the oldest Presidents the U.S. has ever had.

The fact that Senator Kennedy had only a narrow margin of victory over Vice-President Nixon will, I think, make the Senator more cautious in changing policies radically. There is uncertainty in the air; it has always been apparent in every Presidential election year.

Boiled down to fundamentals, it amounts to the question of what will the next fellow do? It reflects in the hesitancy of the stock market, in cautious buying by manufacturers and retailers and lagging enthusiasm by the buying public in certain areas.

Business in the U.S. has been good, but there is much talk of another recession or even a depression, according to your own semantics. A depression along the lines of 1929 and the early 1930s is unthinkable. There are too many "built-in" stabilisers, such as social security and State unemployment insurance.

There are also far greater savings now than there were then. There are pension funds and other buffers against starvation and destitution. Unless a national calamity occurs, there is not a chance of a depression in the U.S. which would affect India and the rest of the world.

Trade Unions

As a long-range thought, it may also be mentioned that the influence of trade unions may be diminishing. The latest example was the strike at General Electric Company, where members of the trade unions refused to go along with the recommendations of their leaders. It was a full-fledged defeat for what is popularly known as "labour." There is very little distinction these days between so-called capital and labour.

Most working men in the U.S. own their own homes, they have their automobiles, and, except in distressed areas, which are part of human existence all over the world, they are capitalists as well as labourers.

There is no such thing, for example, as the "labour vote," though the leaders of the unions proclaim obedience to one party or another. In effect, the individual involved pays no attention to it. And, with a few exceptions, the so-called labour leaders seem to have had their day in the U.S. Their days are numbered.

The entire labour movement in the U.S., and elsewhere, was brought upon by the abuses of management, but now the pendulum is swinging the other way, it would seem from all indications. Management is better informed in the U.S. of what it should do or should not do and so is the average member of a trade union.

Thus, a greater understanding is emerging. Labour is beginning to realise that prolonged strikes, even if they produce higher wages, will not make up the loss of income in two or three years.

Management loses through loss of production and the national Treasury loses through loss of taxes, both on the individual and corporate levels. Moreover, every strike and walk-out intensifies management's search in manufacturing industries to eliminate labour by greater use of automation. And automation, in turn, while decreasing employment in manufacturing, as has been quite evident in the U.S., leads to an increase in the service industries, including those which have to automation monsters to keep them in working order.

World Trade

The forty-seventh National Foreign Trade Convention has just concluded here. Among the final declaration was a call for a large and expanding volume of international trade, carried on through private enterprise channels. It was held vitally important in promoting the economic and social progress of all nations.

There is still great concern in the U.S. about the imbalance of international payments and the continual loss of gold and other foreign balances resulting from it.

The convention, of which every important industrial organisation in the U.S. with international connections is a part, urged that Washington make every effort through existing and projected General Trade and Tariff negotiations and "by other appropriate means" to secure a reduction in arbitrary barriers in international trade.

This referred specifically to the elimination of discriminations and other onerous restrictions against exports of U.S. goods and services.

In a final gesture, the convention held private investment constitutes the best and most effective means of promoting industrial and general development. It was an important statement of policy.

The U.S. economy is at an even keel. No violent changes, either up, or down, can be expected until early spring, when the new Administration's policies will have become apparent. In the meantime, all is as well as can be expected under the prevailing circumstances.—*All Rights Reserved.*

U.S. GROSS NATIONAL PRODUCT

Gross national product of the United States for the third quarter this year was at a seasonally annually adjusted rate of $503,500 million, as compared with 505,500 million in the second quarter. The figure for the nine months (total of goods and services produced in the country) is also at the estimated annual rate of $503,500 million. This is $22,500 million, or more than 4.5 per cent. above the corresponding period last year. Measured in constant or real dollars, the rise is about three per cent.

(*Concluded from next column*)

greater drain on the overseas balance of payments. Indeed, the U.K. would be sacrificing its birthright for a mess of pottage.

And there is another aspect to the question; this time on broad industrial lines. Is it wise on the part of the Americans to be exporting $250 million at the present time? The U.S. gold reserves would plunge still lower below the $18,000 million mark, and, in the very week when the American President is taking steps to reduce American spending abroad, it seems odd that this large golden fish should be slipping through his hands. And the American President has need to be concerned, for, in the three quarters of this year, the net excess of American payments over receipts has topped $1,000 million. There seems here a case for the British and American Treasuries to get together and at least hold this deal in suspense until the matter has been debated further. But with both Governments more strongly committed to the sacredness of the rights of industry to look after its own affairs than would be the case in most European and Commonwealth countries, it is unlikely that such a sensible solution would be adopted.—*All Rights Reserved.*

UNWANTED DOLLAR INVESTMENT

LONDON LETTER

(From Our Own Correspondent)

LONDON, 18*th November*

IT is rare that a move in the business world creates as much stir simultaneously in the City as in Parliament, but that is what the American Ford proposal to buy out British minority shareholders has done. There are so many facets to this matter, and so many points of view being hotly debated—and in Parliament, be it noted, not along the Party divisional lines—that it is difficult to see the clear picture. By the time this is read, the Government decision will probably have been taken, but, whatever that may be, the beginnings of future policy regarding dollar investment in British industry will have been laid.

One must begin with the fact that, before the bid was announced, Ford shares in the City were exchanging at under £5 each, and that the bid was to pay over £7 each. Clearly, the American company were taking no chances in regard to making their offer sufficiently attractive to British shareholders. The obvious question is why? The Chancellor hankers after freedom for the inflow of American capital into this country and his interest, as also that of the Treasury, is to accept the $250 million odd that would seem likely to accrue on the exchange. The varying estimates of what this figure should be are the result of differences of view of what proportion of the capital is actually in the hands of British nationals. The parent company owns 54 per cent. and the Chancellor has estimated that 15 per cent. additionally is owned privately by Americans, so that the dollars would not accrue to the full extent of the $365 million of the bid.

Accordingly, the Chancellor has argued that, since the company is already American controlled, it makes little difference if the rest of the capital passes into American ownership. But powerful cudgels have been taken up against this argument. Even in strongly Conservative quarters it is pointed out that, if the deal goes through, over half the investment in the British motor industry will be owned by the two leading American car companies and over 40 per cent. of the British motor industry will be wholly controlled by American companies.

Why should this situation give rise to special concern? It is because the British car industry plays an enormous part through its demands on the steel, engineering and rubber industries, to mention only the most important of the whole British economy. At this very moment, with industry plunging into depression through fear of a recession throughout the economy, and when the reason for the bid is said to be to ensure greater applicability in the use of the American company's productive plant, that would seem to mean only one thing, namely, that the American plant in Germany, inside the Common Market, might at times be more economic to operate at full capacity than the British plant which might be having difficulty in exporting its products into the Continent.

The Chancellor has agreed, therefore, to get certain assurances from the American company on what they would propose to do. But such assurances would in practice be valueless. They could only be given in the most general terms, since an American company could not consent to have its policy in fact controlled by the British Treasury, and good reasons would always be found, if necessary, for sacrificing production in this country to that elsewhere.

This is excellent for international economics, but, at present, Britain is outside the Common Market, outside the American economy and must look to her own narrower interests.

The next interesting argument is on broad economic lines and has been devised by Sir Roy Harrod. He points out that it is not altogether desirable for a highly industrial country like the U.K. to be importing capital. This appears to be a heresy against the British Government's general policy *vis-a-vis* North America; for the Government has been inviting American and Canadian business men to invest in the U.K. In the short run, Sir Roy Harrod says, dollars would accrue to this country, but, in the long run, the payment of dividends would cause a

(*Continued in previous column*)

GOLD AND BALANCE OF PAYMENTS PROBLEMS

U.S. MUST AVOID COST AND PRICE INCREASES

By Per Jacobsson

MANAGING DIRECTOR, INTERNATIONAL MONETARY FUND

[This article has been adapted from Mr. Per Jacobsson's address at a luncheon given by the Committee for Economic Development at Washington on 17th November 1960. In this article, Mr. Jacobsson has dealt with an important international economic problem of the day which has a direct bearing on India's plan for development.—ED.]

ONLY a few years ago, it was, so to say, a standard jargon to speak about the "structural dollar shortage," and, indeed, to imply that European and other countries could hardly ever hope to earn enough dollars to pay for their imports from the United States. There were only a few who dissented, and they generally quoted some words in an article by Lord Keynes which was posthumously published in July 1946. In this article, he gave as his opinion that the high costs and high living in the United States would restore equilibrium in the rest of the world's balance of payments with this country. I have often quoted Keynes' opinion myself—and in a review of a book of mine by Dr. Thomas Balogh he derided me for the "pathetic way" in which I tried to evoke the authority of Keynes. I think I must admit that the attainment of equilibrium took longer than either Keynes—or I—had expected, for peculiar circumstances—such as the excessive and persistent post-war liquidity and also the Suez crisis—delayed the effect of the basic corrective forces, although, in the end, they proved predominant. You know the famous lines of Longfellow: "Though the mills of God grind slowly, yet they grind exceeding small." I would say: "Though the trends of cost act slowly, yet they act exceeding sure."

Influence of Costs

I shall refer several times to the influence of costs on the problems before us, but I would first like to say a few words about recent changes in the balance of payments of this country. In 1957, the year most affected by the Suez crisis, the United States had a balance of payments surplus, but, by the following year, there was a deficit of $3.5 billion and in 1959 one of $3.8 billion.

How was it that there was such a sudden change from 1957 to 1958? It was caused, I think, by two things. Once the difficulties of the Suez crisis were overcome—and they proved less untractable than had generally been feared—European industries, with capacity restored and considerably modernised, were able to deal promptly and efficiently with orders, and were thus able, for the first time since the war, to compete effectively with American industries. This competition made itself felt in foreign markets—in Europe, and elsewhere—and also in the American home market itself. Secondly, the change resulted from the fiscal and monetary policies pursued here in the United States.

In late 1957, after the recession had begun, there emerged a deficit in the Federal budget, which finally reached $12.4 billion for the fiscal year 1958-59, and there was an expansion of credit of very much the same magnitude. In a smaller country, strongly expansionary fiscal and credit policies soon lead to a "spilling-over" of purchasing power, and thus have an adverse effect on the balance of payments. Personally, I hold the belief that this is very much what happened here in the United States. I think the Lord has given no dispensation to the United States from the ordinary credit principles.

No Talk of Creeping Inflation

The American authorities soon realised that doubts were beginning to be expressed about the strength of the dollar, and that fears were spreading in fairly wide quarters. Obviously, steps had to be taken, and the first thing that was done was to alter the fiscal and credit policies, and this was also desirable for internal reasons, as soon as the business trend turned upward in 1959. Indeed, in the fiscal year 1959-60, there was a surplus of over $1 billion in the Federal budget, and over a period of fifteen months, taken as a whole, there was no net increase in the money supply. These changes in policy have had the expected effect, but have been reinforced, to some extent, by the psychological change that has taken place here since the beginning of this year. There no longer seems to be a general expectation of a continued rise in prices, and there has not been any talk in the newspapers for many months, as far as I have seen, even about "creeping" inflation. And business men have shown increased concern about profit margins, which have, in many cases, shrunk even though gross turnover has risen.

What has been the effect on the balance of payments? Exports have risen, helped considerably by the boom in Europe, while imports have remained very much the same. As a result, the export surplus in merchandise trade this year may amount to more than $4 billion, as compared with $1 billion in 1959. Net income from investments and services should come to roughly $2 billion. This total of more than $6 billion would be sufficient to cover fully the present rate of U.S. Government expenditure abroad, including expenditure for military purposes and official foreign assistance of all kinds.

But there remains an overall deficit in the balance of payments which is likely to exceed $3 billion, resulting from private long-term investment abroad and the outflow of short-term funds, mainly to Europe, in response to the interest-rate differential which, until recently, has been about 2 per cent. These movements of funds —and the same is true of Government loans— have as their counterpart the net acquisition of foreign assets—and from this point of view the deficit is, perhaps, less perturbing than a deficit on current account would be. However, an overall deficit of $3 billion per annum can clearly not be allowed to continue for ever. In trying to decide how and when the deficit can be eliminated or even reversed, we have to consider particularly the prospect for capital movements in the years ahead, and that will depend, among other things, upon the prospective supply and demand for capital in the United States and Europe.

Demand for Capital

As far as the demand for capital is concerned, it is useful to remember that we can make some kind of forecasts about population trends, which are important because a growing population requires large investments, not only for houses, hospitals, schools, and services, but also for tools and equipment. The experts tell us that, over the next forty years, the annual increase in population in Western Europe will be at the rate of about 0.7 per cent., while in the United States it will be something like 1.4 per cent., and in the rest of the world, nearly 2 per cent.

Because of these trends, I think it is fair to expect that Europe will have more capital available than the United States, or indeed other continents, after meeting its own needs. It is interesting to remember that, before 1914, France, with a relatively small rate of growth of population, was the main centre for the issue of foreign loans.

It is, therefore, to be expected that there may fairly soon be a tendency for capital to flow from Europe to other continents, including the United States. The capital outflow from Europe may well take many forms: the financing of international trade, repurchase of assets now owned by Americans in Europe, purchase of stock exchange securities, as well as direct investment by Europeans in the United States. There is, of course, the question of timing. How soon will this reversal set in? At present, there is a construction boom in Germany, Great Britain, and in many other European countries, which absorbs much capital, but there are few who think that this boom will go on for many years to come. Once it is over, I think that the movement of capital will begin to change direction and I believe the outflow of funds from the United States will very likely be reversed in the not too distant future.

Need for Caution

I do not say this to promise immediate relief for the U.S. balance of payments, but, if relatively cautious policies are continued in the U.S., the task of eliminating the deficit should not be too difficult or too protracted. This is one of the reasons why I am not pessimistic about the value of the dollar, provided always, of course, that sufficient care is taken.

The present gold stock of the United States is now some $18 billion and short-term foreign liabilities—excluding those due to international institutions, which are a kind apart—have reached about the same figure. From a banking point of view, to have 100 per cent. gold backing for short-term liabilities is a very sound position. But every banker knows how embarrassing would be a loss of confidence, leading to a run on his liquid assets, even though he himself has every confidence that his position is good enough to weather any storm. It is not in the interest of those foreigners who hold short-term dollar assets, on which interest is earned, to exchange them for gold yielding no interest, and, as long as the United States pursues policies which seem to them to ensure that the value of the dollar will be maintained, it will be to their advantage to maintain their dollar holdings.

Rise in Gold Price

The recent flurry on the gold market in London is noteworthy in this connection. For a few days the price of gold rose to over $40 per fine ounce, as compared with the official price of approximately $35. Such an increase was unfortunate, because it could have provoked a psychological chain reaction engendering further distrust in the dollar, especially since it seems that at least a proportion of the buying was done on behalf of American clients. I have tried, on the one hand, to make it clear that official policy will certainly not be determined by the misconceptions of speculators, and, on the other hand, to point out that there is more co-operation between the monetary authorities than is generally known. The price has in fact come down to less than $36, but it is, perhaps, too early to say that all the "heat" is out of the market.

Questions have been asked about the financial role that the International Monetary Fund could play in this context. The U.S. Government has substantial drawing rights in the Fund, some of which it could use well-nigh automatically. But being the owner of so much gold of its own, it has preferred to rely on its own resources—which has been a well justified display of strength.

No Recession

From a more fundamental point of view, the balancing of the Federal budget and the cautious credit policies of the past two years have inspired confidence, and, though the recent outflow of funds on capital account has been partly converted into gold by foreign central banks, there has been little or no reduction in the total amount of dollar balances held by other countries.

But people are naturally asking the question: What will happen if there is a recession in the United States, leading to a deficit in the budget and the pursuit of an easy money policy? As you all know, this question has been asked more pointedly during the recent election campaign, but I can assure you that people were wondering about it long before the summer and autumn of this year. I remember a meeting over a year and a half ago in Paris, when I discussed this question with some knowledgeable friends at that time.

In the present period of some relaxation of business activity, it might perhaps be helpful to repeat what I said in a speech this last September at the Annual Meeting of the Board of Governors of the International Monetary Fund. I then indicated that countries had allowed their policies to be determined predominantly by domestic considerations, and that they should, up to a point, try to take an outflow of short-term funds in their stride. But I added that "predominantly" must clearly be taken to mean that other considerations have not to be forgotten. It would indeed be shortsighted to neglect them, even in relation to the main domestic purpose of sustained expansion. If, in an attempt to raise activity by credit and fiscal policies, inflationary pressures are set up, the resulting cost and price increases and weakness in the external balance may soon create conditions under which economic expansion could not be maintained.

If we now try to apply these general principles to the present American situation, I would say, for my part, that the easing of credit conditions recently undertaken by the Federal Reserve system has been the proper policy. There has been a decline of more than $20 billion in the rate of demand for new credit accommodation this year, as compared with 1959, mainly as a result of the stronger budget position, but also because of the reduction in the growth of inventories. In view of the sharp increase in the surplus of exports over imports of merchandise,

it seems to me that balance of payments considerations ought not to stand in the way of the proper measures which should be taken for internal reasons, especially as the transition from an inflationary psychology to the expectation of more stable prices will ensure greater attention to costs. This later consideration is certainly of crucial importance.

The avoidance of cost and price increases is indeed a vital consideration in the formation of U.S. policy, now and in the near future.

Interest Rates

But, before turning to the question of costs, I would like to say a word about interest rates. A policy of pegging either the long-term or the short-term rate of interest by intervention in the market will, of course, not be attempted. This does not mean that credit policy will have no influence on the rate of interest, but it will be more effective if it is allowed to work with the market forces, rather than against them. It is no use trying "to spit against the wind," as a European central banker told me some years ago in a conversation about his own market.

Costs

Returning to the question of costs and the external balance, I think particular attention must be paid to the fact that, on the world markets, generally prices have ceased to increase, and, indeed, that the prices of some raw materials have even declined. Supplies have caught up with demand for fuels (both oil and coal), raw materials generally, and even for most manufactured products. It is my personal belief that the world price level is largely determined by factors outside the United States, even if for some products U.S. demand is of great importance. The imports of raw materials and foodstuffs of Western European countries are nearly three times as high as U.S. imports of the same products. Most of the international commodity markets are situated outside this country and, as I have already mentioned, European competition in manufactured products has become increasingly strong. Before the war, in 1931, when sterling and a number of other currencies were devalued, world prices followed sterling and not the dollar. The United States is self-sufficient in many fields, and often so self-contained that it cannot be expected that the trend of world market prices will really be determined by prices in the United States.

That being the case, it is evident that an increase in costs and prices here will involve the risk of American industries pricing themselves out of world markets. It would obviously be wrong to say that this has already happened, after the very impressive increase in U.S. exports over the last twelve months. Fortunately for the United States—and the world in general —there are many materials and manufactured products, including complicated types of machinery, that the outside world has to purchase in this country, and will continue to do so in the future. Productivity is high here, but wages are also high. All this means—briefly—that from a balance of payments point of view cost increases should be avoided.

But I would also suggest to you that this is the proper policy from the internal point of view, too. I think that, even if there were no balance of payments problem, every effort should be made to avoid cost increases. Let me again quote Keynes. He was, as everybody knows, anxious to ensure that there should be a sufficient volume of demand. But, while strongly recommending an increase in liquidity to overcome a depression, he also laid particular stress on the need to avoid an increase in money wages, and even went so far as to contemplate, as a temporary measure, somewhat lower *real* wages. Professor Alvin H. Hansen, in his book *A Guide to Keynes*, has explained Keynes' views of the effects of an increase in costs on unemployment:

> "In so far as marginal costs rise as output increases, some part of the increase in demand must be dissipated in higher prices. But if, in addition, money wage rates also rise, employment suffers as a result of the higher wages of the already employed workers."

I think it is important to remember what Keynes' views really were, because they are so often misrepresented, and I am glad to see that such a devoted follower of Keynes as Professor Alvin H. Hansen has stated them so correctly.

If we examine past experiences, we generally find that those countries that have combined cost adjustments with credit expansion have fared better than those that did not, certainly as far as recovery in business activity

(*Continued on page 983*)

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REHABILITATING COTTON MILLS

LABOUR LEADERS' CHARGE OF FRITTERING OF RESOURCES REFUTED

OFF and on, the cotton mill industry comes in for severe criticism at the hands of labour spokesmen who accuse it of great exploitation. In their exuberance to win popularity among workers, these spokesmen allege that the industry is making unduly heavy profits and that it has not cared to pay much attention to the problem of rehabilitation. Only recently, Mr. G. D. Ambekar, a leading labour leader, declared, at a meeting of the Steering Group on wages, that the rehabilitation problem would not have arisen if only the cotton mills had set apart sufficient funds during the boom period. His contentions were as under:

Since 1946, the allowances made by various Tribunals for the cotton mill industry in Bombay comes to Rs. 90 crores whereas the actual amount spent has fallen far short of this figure.

There is no guarantee, even if resources for rehabilitation are made available, that the machinery will get rehabilitated.

Only the pre-war machinery and equipment give rise to the problem of replacement cost.

These allegations have been rebutted by a spokesman of the Indian Cotton Mills Federation who has done some painstaking research into the relevant data. His analysis of the trend of dividends distributed by Bombay mills in pre-war years reveals that, even if a dividend of 6 per cent. is considered reasonable, the dividend payment of pre-war years fell short of it by Rs. 8.76 crores. Actually, the then rates of interest and even the return on Government securities were much higher than what they are at present and, on this basis, a dividend of 6 per cent. for that period must be considered to be less than fair. Apart from the shortfall in dividend, the shareholders lost Rs. 12 crores of their capital in the process of liquidation, reorganisation and reconstruction of mills during the period 1923 to 1939. The total loss to shareholders thus comes to Rs. 20.76 crores. The shareholders could recoup just only a little over half of their losses during the period 1940 to 1958 when the excess payment of dividend came to Rs. 11.49 crores on the basis of 6 per cent. on paid-up capital plus 2 per cent. on free reserves; actually, on that part of reserves which is invested elsewhere and not used as working capital, a higher return in the shape of "extraneous income" is permissible.

Dividend Payments

The following table gives the particulars regarding dividend payment in pre-war years and during the period 1940 to 1958:

Pre-war Period

(In lakhs of rupees)

	1923	1939	Variation over the period 1923 to 1939
Paid-up capital	19,19	12,49	—6,70
Dividend calculated at 6% ..	1,15	75	..
Dividend actually paid	94	45	..
Difference	—21	—30	—8,76

1940 to 1958

	1940	1958	Cumulative total for the period 1940 to 1958
Paid-up capital	12,81	26,51	..
Dividend*	77+nil	1,59+32	30.74
Dividend actually paid ..	52	2,18	42.23
Difference	—25	+27	+11.49
Average cost of living index ..	112	393	..
Dividend* adjusted to cost of living index	86	7,51	93.63
Difference between dividend actually paid and dividend adjusted to cost of living ..	—34	—5,33	—51.40

* Dividend calculated at 6 per cent. on paid-up capital *plus* 2 per cent. on free reserves calculated as paid-up capital. + All reserves. — Gross block.

The adjustment of dividends to rise in cost of living needs a word of explanation. This is simple. Since the wage earners are being compensated for the rise in the cost of living index, there is no reason why the shareholders also should not be compensated similarly. The amounts that should have been distributed during the period 1940 to 1958, merely to maintain the dividends (at the assumed modest rate of 6 per cent. per annum) at the pre-war value of the rupee come to Rs. 93.63 crores, whereas the dividends actually paid amounted to only Rs. 42.23 crores. This means that the shareholders had received Rs. 51.40 crores less than what they should have received. The millowners' spokesman, however, does not contend that the dividend payment must be allowed fully to neutralise the rise in cost of living index. But even if the rise is neutralised to the extent of 50 per cent., the dividend payment falls short by no less than Rs. 26 crores.

Writing Down of Capital

Another pertinent point to be noted here is the progressive writing down of paid-up capital in pre-war years because of depression. As a result of this development, the capital of Rs. 12.81 crores in 1940 was much lower than what it should have been. Then there was the loss of a good deal of capital equipment due to liquidation in the pre-war period. Elucidating this point, the millowners' spokesman observes:

"In 1924, Bombay mills had a paid-up capital of Rs. 19.28 crores, as against an installed spindleage of 34.27 lakhs and loomage of 71,133. In 1940, the paid-up capital went down to Rs. 12.81 crores, as against an installed spindleage of 27.49 lakhs and loomage of 65,177. Even in relation to the reduced equipment of the mills, the paid-up capital of 1940 should have been in the neighbourhood of Rs. 16.50 crores, as against Rs. 12.81 crores (actual). The return should, therefore, be calculated on a capital of this size. In 1958, the industry had a paid-up capital of Rs. 26.51 crores, as against a gross block of Rs. 84.47 crores, which shows that the paid up capital is far too low in relation to the size of the industry.

"Still another factor is the applicability of Section 23A to some 18 companies, out of some 50 companies comprising the Bombay cotton mill industry, and these include mills like Khatau, Shree Ram, Finlay group, Mafatlal group, whose dividend payment is governed by the provisions of the Statute. These are high-dividend paying mills and, but for Section 23A, their dividend distribution would have been much less.

"All this will show that the oft-repeated charge against the industry of having frittered away its resources is totally unfounded.

"Here, I would like to underline the fact that calculation of dividend has been made above at 6 per cent. on paid-up capital and 2 per cent. on reserves, because these rates have been mentioned in the bonus awards. The awards themselves have clarified that the various figures taken by them are notional and the actual disbursement need not follow this notional pattern. Even closely controlled industries like steel, cement and coal are allowed to distribute dividends at rates much higher than these notional rates and, if any industry, including the textile industry, is going to be bound down to dividends at these rates, there will be chaos in the financial structure of industries with disastrous consequences to future industrialisation of the country."

The charge that the cotton mills have not set aside sufficient amounts for rehabilitation is also examined by the aforesaid spokesman. In this connection, the readers' attention is invited to the following table:

(In crores of rupees)

	1958	1946	1939
Paid-up capital	26.51	15.11	12.40
Reserve fund	18.64	14.57	4.52
Equalisation of dividend fund	1.45	1.09	0.27
Insurance fund	0.29	0.39	0.29
Sundry funds	9.08	4.35	0.89
Depreciation fund and written off ..	48.91	25.58	14.15
Total ..	100.48	61.09	32.31
Value of the block (at its original price).	84.47	37.37	33.45

The foregoing table shows that, between 1946 and 1958, the total of paid-up capital and reserves went up by Rs. 39.39 crores and, at the same time, the gross block also increased by Rs. 47.10 crores. The millowners' spokesman is unable to understand how Mr. Ambekar got the figure of Rs. 90 crores as the amount allowed to the industry by Tribunals. Perhaps, it represents, according to him, the total of some hypothetical figures which may include the so-called allowance for depreciation and rehabilitation even to mills incurring losses as a result of which the mills concerned could not avail themselves of these allowances. Proceeding, he asks: "In any case, the mills not having frittered away their profits on payment of dividends, where else could the money have gone, unless payment of bonus is also to be regarded as a frittering away of resources?" "The industry," to quote him again, "has invested in

(*Continued on page 981*)

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RAW COTTON SUPPLY VERY TIGHT

From Our Special Correspondent

MANCHESTER, 15*th November*

MANCHESTER LETTER

A CHANGE in Administration in the United States is a matter of major importance, from both political and economic points of view. The return to power of the Democratic Party is certain to have substantial repercussions which cannot fail to leave their mark on the cotton trade. At the same time, the new leaders will have to settle down before reactions can be expected and, meanwhile, some hesitation must be anticipated among operators dealing in the raw material and finished products.

Arrangements have already been made to cope with future agricultural programmes, which cannot afford to stand still pending the results of elections, so that the effect of the change may be somewhat delayed. Other aspects of the political scene, however, may be revised as new measures are adopted to deal with international affairs. The President-elect has the reputation of being a man of action and, in the present unsettled political arena, the rest of the world can only stand by and wonder how the many problems involved will be tackled by the new regime.

Democratic policy in the United States has invariably followed the system of a more controlled economy, involving rigid clamps on agricultural acreage and financial aid for the farmers. Under the Republican Administration, a similar, though less dogmatic, programme was adopted, although its opponents constantly criticised the effect on the national budget and the burden which it placed on the taxpayer. An expansion of measures designed to hold the economy in check must be forecast, with a consequent continuation of the shackles which still restrict free trading in the raw material.

Tight Supply Position

Quotas establishing a bigger national cotton allotment in the United States for the 1961-62 season will be voted on by farmers next month. On the basis of a rise of nearly 2,400,000 acres planned by the Department of Agriculture, a crop of over 15,500,000 bales would be obtained. It has been officially stated that the increase in acreage has been approved "in order to maintain a desirable supply position."

Meanwhile, in this country, the spot situation has become exceedingly tight. Visible supplies held in Liverpool and Manchester earlier this month had declined to below 140,000 bales, plus nearly 50,000 bales on its way to British ports. Although this tendency is not altogether unusual at this time of the year, when new crop supplies are only just beginning to cross the Atlantic in any quantity, the availability of the raw material is of considerable importance to spinners when order lists are so full and every effort is being made to expedite deliveries.

Sudden strikes at the docks can have a damaging effect on the flow of such commodities, in view of the substantial volume of trade being done direct with suppliers in producing countries, underlining the dangers of trusting to the maintenance of shipments when the mills are so busy. The drop in spot supplies indicates the reluctance of merchants to replace stocks which have moved off rapidly as a result of the recent upsurge in yarn and cloth buying.

Extra Long Staples

A complete transformation has taken place in the extra long-staple cotton market during the past two years. Production is now approaching 2,000,000 bales annually, representing an increase of more than 50 per cent. as compared with the preceding five-year average, according to the International Advisory Committee. As in the case of other varieties of cotton, consumption has risen almost dramatically, so that the larger supplies have been well absorbed and the surplus, which threatened a massive accumulation of stocks in the 1953-59 season, did not materialise. Demand from Communist countries has been an important factor in providing equilibrium between the growth of such cotton and the offtake.

Production last season was held in check by acreage restrictions in Egypt and sharply reduced yields in the Sudan. The tendency towards a surplus was reversed and total disappearance of long-staple supplies exceeded output by a fair margin. The strength of the market resulted in a price rise of as much as 10 cents per lb.

Big changes have lately taken place in the consumption of extra-long staples. From being a highly specialised product, about a quarter of which was used in British mills, supplies are now being dispersed to many different countries. Last season, Lancashire absorbed only about 18 per cent. of these staples, while European use of such cotton widened considerably. India is now challenging Britain as the largest single user and domestic consumption in Egypt has improved from negligible quantities to about 80,000 bales.

Cotton Board Changes

Mr. A. G. B. Burney, who has directed the big reorganisation schemes in the cotton industry, is now relinquishing the post of Director of Reorganisation at the Cotton Board headquarters in Manchester. Mr. Burney, a partner in Binder, Hamlyn and Co., accountants, will be succeeded by Mr. E. R. Thompson, another partner, who will assume responsibility for the administration of the redundancy part of all the reorganisation schemes. Mr. R. Hill has been appointed Director of Re-equipment to take charge of this side of the reorganisation. Announcing this, the Cotton Board paid tribute to Mr. Burney's services in the formulation and introduction of the reorganisation schemes.

Internal appointments also announced by the Board include the promotion of Mr. T. D. F. Powell to the post of Deputy Director-General of the Board with an overall responsibility for reorganisation and re-equipment. Mr. J. H. P. Hadden will succeed him as a Director of the Board's Overseas Trade Department.

Cotton Plan "Courageous"

The big reorganisation scheme now in progress to streamline the Lancashire cotton industry to meet modern conditions is one of the most courageous and radical operations which any industry in any part of the world has ever undergone. Dr. Kurt Dieterich of Bavaria, the newly-elected President of the International Federation of Cotton and Allied Textile Industries, said this in Manchester when he made his first official visit to the city and to the headquarters of the 17-nation International Federation. "Cotton industrialists on the Continent follow with admiration the speed and determination with which the programme is being carried out," he said.

Describing what was happening to the Lancashire industry as "something of a test case," Dr. Dieterich said that the growing industrialisation of underdeveloped areas meant that old-established industries in countries with high standards of living and equally high costs of production were finding themselves in a completely new situation. They were being compelled to make bold and sometimes painful adjustments in order to meet changed conditions. One of the most important tasks of the future was the need to promote the advance of the developing countries whilst safeguarding and maintaining the prosperity of old-established industries elsewhere. The problems involved would be discussed at the next annual meeting of the International Federation to be held in Japan. "We have come to the conclusion that a solution can only be found jointly," he said.

Fibre Consumption

Rivalry for the consumer's purse has resulted in a somewhat smaller share being taken up by textiles as compared with the many other items of equipment on which surplus cash may be spent in areas where living standards are high. Hire purchase, dampened as it may be by the credit squeeze and other restrictionist policies, still encourages the consumption of electrical durable goods, such as washing machines, refrigerators, television sets and, of course, cars. Many other services, holidays and entertainment also compete for the available purchasing power. A factor which is sometimes overlooked in assessing the volume of fibre consumption is the modern use of lighter fabrics in clothing, furnishings and industrial equipment. A long-term trend towards lighter clothing reflects not only the drift of population to the cities, but the development of car heaters and more central heating at home.

Changing styles also emphasise this tendency, including the decline in popularity of double-breasted men's suits, as well as the favour given to two-piece garments. In furnishings, the use of electric blankets has resulted in lighter weight bed linen, as well as fewer coverings. Improvements in fibre quality have enabled industrial yarns, such as tyre cord, to provide a better service, although they weigh less.—*All Rights Reserved.*

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EXTRA LONG-STAPLE COTTON

INDIA LARGEST IMPORTER IN THE WORLD

IN its October 1960 review of the world cotton situation, the International Cotton Advisory Committee, Washington, reports that a complete transformation has taken place in the extra long-staple cotton situation. Production of extra long-staple cotton, that is, cotton of staple length over 1.3/8", is now approaching two million bales annually, an increase of more than 50 per cent., as compared with the preceding five-year average. As in the case of other varieties of cotton, consumption has recorded a spectacular rise, so that supplies have been well absorbed and the surplus, which had threatened a massive accumulation of stocks in the 1958-59 season, did not materialise. Demand from communist countries has been an important factor in bringing about equilibrium between supply of and demand for extra long-staple cotton. This, however, also made for some uncertainty in the demand for these varieties.

It is necessary to view these developments in their proper perspective. To a large extent, extra long-staple cotton is a special group of cotton and, therefore, acreage, consumption, exports, prices, etc., do not necessarily move in sympathy with other staples. Evidence of this is to be found in the decline in production of extra long-staples in 1953-54, while production of other staples showed a marked increase, the apparent failure of the extra long-staple to share in the general expansion of cotton consumption in recent years, lower exports in 1956-57 when trade in other staples was at a maximum and the marked rise in extra long-staple prices in 1956-57 when cotton prices were generally declining. Fundamentally, these divergent movements between extra long-staples and other cottons reflect differences in supply and demand but the influencing factor may be, to some extent, autonomous, by virtue of the greater concentration of production in a relatively small number of countries (mainly Egypt, Sudan, Peru and the U.S.). Experience of past two seasons, namely, 1959-60 and 1958-59, however, shows that, far from being an exclusive group, immune from the influences affecting other cottons and competition from them, extra long-staples display, at times, a fair degree of price elasticity. In the 1958-59 season, for instance, the low price of extra long-staple cotton led to its substitution for shorter staples.

Pattern of Consumption

A notable development of the 1959-60 season is the change that has occurred in the pattern and quantity of consumption of extra long-staple cotton. Britain, which accounted for 23 per cent. of the total free world consumption two years ago, was responsible for only 18 per cent. in 1959-60. But the rate of consumption in Europe, as a whole, increased to over 70 per cent. in the last season, as compared with only 23 per cent. in the previous two years. Consumption in Italy doubled last season. Marked increases were shown by virtually all other countries. India was challenging the U.K. as the largest single consumer of this type of cotton. Consumption in Egypt itself, which was virtually negligible a few years ago, had risen to about 80,000 bales last season. Currently, consumption is running at a still higher rate, namely, 1.25 million bales per annum which is over 50 per cent. higher than the rate two years ago.

Total world exports of extra long-staple cotton reached 1.9 million bales last season. Egyptian exports rose by 38 per cent. over the previous year's. Exports from Sudan, though below the 1958-59 level, were still high in relation to reduced availability.

The following table gives the destination-wise breakdown of exports from the principal producing countries (mentioned above) during the last five years:

(In 1,000 bales of 478 lbs. each)

Countries and regions	1959-60	1958-59	1957-58
U.K.	211	288	167
W. Germany	149	107	54
Italy	126	94	52
France	87	68	76
Total W. Europe (all countries)	730	720	513
India	267	145	115
Japan	57	89	25
U.S.	126	30	103
Total free world	1,204	970	766
U.S.S.R.	208	209	37
China	171	116	62
Total Soviet bloc (all countries)	673	646	330
World Total	1,877	1,616	1,096

It is evident from the above table that India was the largest importer of extra long-staple in 1959-60, its share having been of the order of 267,000 bales which is about double the quantity imported by it in the previous season. In the previous four seasons, this country ranked second, the first position going to the U.K., though in 1959-60 she ousted the U.K. to top the list of importers.

As regards the prospects for the current season, production in 1960-61, according to the Committee's monthly survey, should, given normal conditions, be equal to the last season's total of 1,875,000 bales and probably higher but, with a reduced carryover, supply will be rather less than in either of the last two seasons. Present estimates are that supply will be 2,573,000 bales, comprising a carryover on 1st August 1960 of 622,000 bales and estimated production of 1,951,000 bales, as compared with 2,730,000 bales in 1959-60.

Outlook

Although the Committee does not make any forecast of consumption in the current season, it points out that, if consumption continues at around its present rate (1,250,000 bales per annum), supply and disappearance of extra long-staple cotton should be in equilibrium. Chances on this score, according to the review, would be reasonably bright, provided prices are maintained at competitive levels and the overall economic outlook, particularly in Western Europe, remains favourable.

Unquestionably, a major factor in the improved situation in extra long-staples is the demand from the communist countries; but increased dependence on them could also work the other way round. This has injected an element of uncertainty into the picture. As far as the present season is concerned, it looks as though the demand from these countries would continue to be sizable, thanks to the setback suffered by the crop in the U.S.S.R. and China.

The position of the U.S., though marginal as far as extra long-staple cotton is concerned, is, according to the Committee, fraught with difficulties. Supima prices in the U.S. are still out of parity with competing growths and this situation over a period of time, had led to the development of a surplus situation just as serious, if not more, than that which existed in upland cotton a few years ago. The total supply of extra long-staple cotton in that country is estimated at 300,000 bales while disappearance is put at less than half this quantity. In addition to this, there is the stockpile amounting to over 200,000 bales. So far, the export subsidy (the current rate is 6 cents per lb.) has not been applied to this type of cotton and the annual import quota has remained unchanged at 83,000 bales. Acreage restrictions have been intensified and, consequently, production is equivalent to only about half of domestic consumption and considerably less than imports.

EGYPTIAN COTTON EXPORTS

Exports of cotton from Egypt during the 1959-60 season (August-July) aggregated 1,837,000 bales (500 pounds gross). This was 33 per cent. above the 1,380,000 bales exported in the previous season, and the highest since 1933-34 when 1,867,000 bales were exported, according to the United States Department of Agriculture. Exports of all varieties, except Ashmouni, increased during 1959-60 as compared with 1958-59 with the largest gains in Menoufi and Karnak. In December 1959, Egypt banned exports of lower grades of Ashmouni to assure adequate supplies for domestic use.

The Soviet Union continued to be the largest buyer of Egyptian cotton, with Communist China second. However, the proportion of Egypt's cotton exported to communist countries decreased from 66 per cent. (908,000 bales) of total exports in 1958-59 to 56 per cent. (1,030,000 bales) in 1959-60.

In an effort to prevent re-exports this season, the Egyptian Government announced plans to issue export licences to Egyptian exporters only up to the known capacity of Communist countries to absorb cotton for their own needs. Also, European Common Market countries will be requested to buy cotton directly from Egypt.

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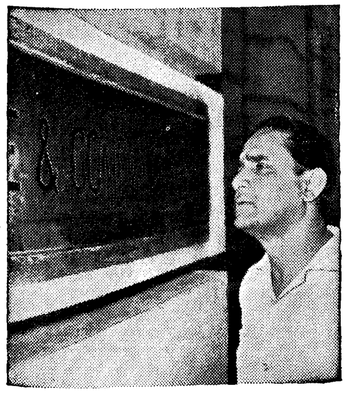

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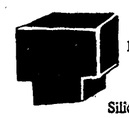

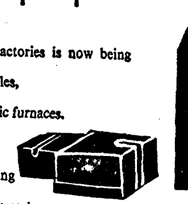

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SUGAR INDUSTRY IN PAKISTAN

PRODUCTION TO BE DOUBLED IN NEXT FIVE YEARS

THE sugar industry in Pakistan has launched upon an ambitious programme of doubling white sugar output from the present annual rate of 150,000 tons to 300,000 tons by 1965. The additional output is proposed to be achieved partly by setting up new mills and partly by expanding some of the existing units. Four new mills, with a daily cane crushing capacity of 1,000-1,200 tons each, will be established in East Pakistan by the Pakistan Industrial Development Corporation, as private capital is unable to do it, and three units, with a capacity of 1,500-2,000 tons each, are earmarked for private enterprise in the Western wing. If these plans are implemented, according to schedule, the two wings will be producing, by 1965, 140,000 tons and 160,000 tons of sugar, respectively, or a total of 300,000 tons.

The production target for sugar fixed to be achieved in 1965, namely, 300,000 tons, falls short of the estimated requirements of about 500,000 tons, taking into account the increase in population and changes in consumption habits in a developing economy. A part of the gap of 200,000 tons thus will be met by increased supplies of *khandsari* sugar, and no provision is made for imports. It is made clear by the Pakistan Planning Commission that "some continued austerity will have to be observed in consumption, mainly because of the high capital and foreign exchange costs involved in adding to capacity."

The total outlay on the development programme for white sugar is put at Rs. 16.6 crores, of which Rs. 14.0 crores will be spent on the starting of new mills and Rs. 2.6 crores on modernisation. The bulk of the outlay—Rs. 10.6 crores—will be privately financed, the balance of Rs. 6.0 crores being the share of the Government. In addition to this amount, about Rs. 2.6 crores will be spent in the private sector on the development of *khandsari* industry. An increased production of 30,000 tons of *khandsari* is to be met from 30 mills each of 100 tons daily cane crushing capacity—20 in East Pakistan and 10 in West Pakistan. Processing of cane into *gur* will remain important. Further, research and development of desi sugar production will be encouraged by the Small Industries Corporation.

Cane Development

In view of the marked expansion envisaged in the production of white sugar, *khandsari* and *gur* thus, great stress is naturally laid on the need for improving conditions in the sphere of sugarcane cultivation. The target for cane output fixed for 1964-65 is 20.80 million tons, which represents a rise of 35 per cent., as compared with the 15.43 million tons harvested in 1959-60. The share of West and East Pakistan in this target is 15.34 million tons and 5.46 million tons, as against 11.59 million tons and 3.84 million tons, respectively, in 1959-60. Out of the net increase of 5.37 million tons, only 12 per cent. will be raised by augmenting the area sown to the crop, the entire balance being achieved through a more intensive system of cane growing. The percentage contribution to increased output to be achieved under this programme is 46 from use of fertilisers, 13 from improved seeds, 12 from plant protection measures, 4 from improved water and drainage, and 13 from adoption of other cultural practices.

There are at present 14 sugar mills in Pakistan—six in the Western wing and eight in the Eastern wing. The aggregate rated production capacity of these mills and the three units under construction is estimated at 196,000 tons.

The *per capita* consumption of white sugar in Pakistan is very low, being just 5 lbs. The daily diet provides only 0.021 ozs. of sugar, equivalent to 195 calories, which is said to be 70 calories or about 25 per cent. less than what is medicaly required (240 to 260 calories) for normal health. If the *per capita* sugar consumption is to be raised to 15 lbs., the sugar industry will have to be expanded more markedly than that envisaged in the second Plan. According to Mr. S. Zaman, Chairman of the Sugar and Power Alcohol Panel, West Pakistan needs 10 new sugar mills of 1,500 tons daily cane crushing capacity and East Pakistan 23 units of 1,000 tons capacity each.

The most pressing problem confronting the sugar industry in Pakistan is the difficulty of procuring enough sugarcane of proper type for a full crush. Drawing attention to this aspect, Mr. Zaman emphasised, in his speech at the first meeting of the Panel sometime last month, that a higher yield per acre and a larger sucrose content would benefit the sugar mills as well as the cultivators. He said:

"A larger cultivation of improved varieties of cane will incidentally release lands for other crops. Alternatively, the acreage now under sugarcane will feed additional sugar mills to augment sugar production. Not only the consumers will benefit but this will also enable the industry to produce sugar cheaper and later to enter the export markets.

"The objective of attaining a higher yield per acre will not be attained, unless provision is made for proper seedcane, ample water for irrigation, suitable manures and fertilisers to meet soil deficiencies, improved agricultural implements, adequate plant protection measures, agricultural credit and agronomical guidance to the cultivators. For providing these essentials, a master plan as conceived in East Pakistan should be prepared for the whole country for development of cane and its scientific cultivation."

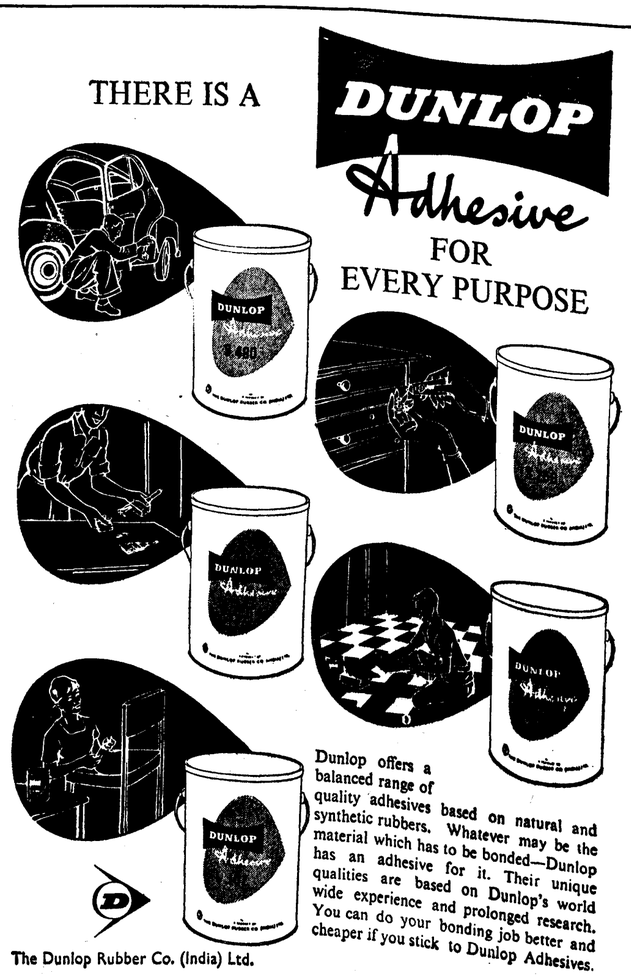
Sugar Prices

Simultaneously with the aforesaid measures, Mr. Zaman urged, steps must be taken to provide adequate transport facilities, greater efficiency in production methods, training of personnel, establishment of a central sugarcane committee to co-ordinate problems on agricultural and technological research, development of by-products of sugar (molasses and bagasse), and manufacture of sugar mill machinery and spare parts. He also wanted fixation of sugar prices on a realistic basis, taking into account allowances for depreciation of plant, machinery, etc., of mills. It may be noted here that the manufacturing cost per maund of sugar ranges from Rs. 6-1-2 to Rs. 11-1-3 in West Pakistan and from Rs. 7-0-6 to Rs. 16-10-9 in East Pakistan. Mr. Zaman said: "Such wide differences indicate that there is a great deal of room for effecting economy by improving efficiency. This matter should receive the immediate attention of millowners."

The incidence of cane cost in sugar manufacturing is said to be higher in Pakistan than in India, being Rs. 19-4-2 to Rs. 19-11-6 per maund of sugar in West Pakistan and Rs. 24-11-2 to Rs. 30-8 in East Pakistan, as against Rs. 14-8 in India, which itself is high as compared with other sugarcane producers in the world such as Cuba, Java and Australia. Alluding to this, Mr. Zaman observed:

"There is, therefore, a great need for us urgently to increase the yield of cane per acre in both the wings of the country. It is not a feasible proposition at this moment to reduce the cane price, as it will hit the cane supply as well as the interests of the cultivators very severely. It will immediately reduce the area under cane. It is hoped that, through the efforts of the newly set up Sugarcane Development Board in East Pakistan and a similar body in West Pakistan, the cane supply per acre will increase to permit a reasonable reduction in the sugarcane price."

The sugar mills in Pakistan are at present allowed a profit of Re. 1-5 per maund without regard to their capital investment. In the opinion of Mr. Zaman, this is one of the most serious deterrents to the expansion of the sugar industry. This is illustrated by reference to an old mill and a new one with a rated capacity of 272,000 maunds. At the rate of Re. 1-5, the total profit comes to Rs. 3.57 lakhs. The capital required for a new mill is over Rs. 2 crores, as against less than Rs. 50 lakhs in the case of the old mill. On this basis, the return on investment will work out to only 1.78 per cent. for the new mill, whereas the old mill will get a return of 7.14 per cent. Mr. Zaman pointed out that nothing could be more detrimental to the expansion of sugar industry and efficiency of the individual mills than the allocation of an *ad hoc* profit-margin which takes no account of the actual capital investment and cost of replacing old assets.



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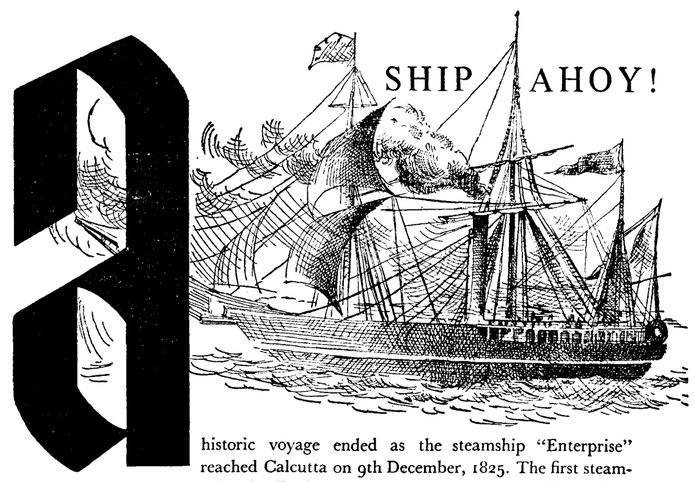

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ANOTHER BUMPER CROP OF COFFEE EXPECTED

OUTLOOK DOES NOT SEEM TO BE PROMISING

THE latest estimate of India's 1960-61 coffee crop made by the Marketing Committee of the Coffee Board is a record output of 52,290 metric tons, comprising 30,885 metric tons of arabica and 21,405 metric tons of robusta. This is more or less in line with the earlier expectations of the Coffee Board announced in April last, namely, that the 1960-61 season's crop would exceed 50,000 metric tons, with a possibility of touching 55,000 metric tons, thanks to the satisfactory blossom showers in all planting districts, except parts of Hassan and North Coorg. If the latest estimated crop were to be realised, it would represent an increase of about 3,000 metric tons over the current season's crop, the receipts of which into the pool upto 31st October 1960 were of the order of 49,160 metric tons. With this increase, the coffee output in India will have maintained the upward trend for the sixth year in succession and will have more than doubled itself in six years, from 25,025 metric tons in 1954-55, to be precise.

The receipts of coffee in the 1959-60 pool up to 31st October 1960, as stated above, amount to 49,160 metric tons, comprising 25,181 metric tons of plantation, 6,667 metric tons of arabica cherry and 17,312 metric tons of robusta. This represents an increase of about 3,000 metric tons over the receipts (46,178 metric tons) on the corresponding date of 1959. The increase is mainly accounted for by plantation varieties which have gone up from 17,819 metric tons to 25,181 metric tons. To a large extent, this has been offset by the decline in arabica cherry from 7,464 metric tons to 6,667 metric tons and a more sizable fall in robusta from 20,895 metric tons to 17,312 metric tons.

Internal Offtake Lower

The trend of internal offtake of coffee is not in consonance with that of production. On the contrary, the internal consumption during the first ten months of 1960 is a shade lower at 24,380 metric tons in the corresponding period of 1959. The quantity sold for export upto 9th November 1960 amounts to 14,127 metric tons, of which plantation accounts for 10,442 metric tons, arabica cherry for 2,124 metric tons and robusta for 1,561 metric tons. Tenders have been invited for an export sale of a further quantity of 1,806 metric tons in the current month, which, if it materialises, will bring the total export sales to 15,933 metric tons, leaving a balance of 4,667 metric tons to be sold for export out of a total allocation of 20,600 metric tons from the 1959-60 crop, as against 2,000 metric tons at the end of November 1959 in the allocation out of the 1958-59 crop of 17,000 metric tons. This brings the total surplus out of the current year's production to over 9,000 metric tons still to be marketed.

Despite the larger production expected in 1960-61, the Marketing Committee has not raised the export allocation out of the next crop. It has earmarked only 20,020 metric tons, comprising 13,699 arabica and 6,321 robusta.

Outlook

The rising trend in internal production, in the context of the predictions that stocks of coffee with producing countries are likely to grow, makes the outlook for Indian coffee not promising. The Food and Agricultural Organisation of the United Nations has forecast that the world output in the next crop year (1960-61) is likely to be substantially less than the 1959-60 record of 4.5 million metric tons, consequent on the fall in Brazilian output to less than 2 million metric tons on account of adverse weather in the last months of 1959. "However, the size of the 1959-60 crop was," it adds, "only in part due to favourable weather and reflects to a greater extent the coming into bearing of large new areas planted with high-yielding strains. Barring very bad weather, this would suggest a continuation of crops between 4.0 and 4.5 million metric tons in the years to come." Commenting further on the outlook for world coffee, the F.A.O. observes in the *State of Food and Agriculture* 1960:

"With ample stocks in importing countries, world imports are not likely to show further gains in 1960. United States imports in the first six months of 1960 were 5 per cent. lower than a year before. However, the limitation of supplies, if economically feasible for producing countries, may effectively stem the price decline in the short run. Although world imports and domestic consumption of coffee will rise in the coming years, it is unlikely that the annual increase will exceed 5 per cent. even at present reduced prices. The proposal has been advanced to extend the International Coffee Agreement for another year and consider, in the meantime, the conclusion of an export agreement for five years, to provide time for producing countries to enact and carry out measures of production control, at present still at the planning stage. Unless such measures are taken, stocks will continue to accumulate in producing countries and could reach twice their present size three to four years from now."

(In thousand metric tons)

	1959 (preliminary)	1958	Increase + or decrease — percentage
Production :*			
North and Central America	575	466	+23
South America	3,155	2,276	+39
Africa	652	593	+10
Asia and Oceania	149	144	+ 3
World total	4,531	3,479	+30
Imports :			
United States	1,395	1,210	+15
Other Western Hemisphere	90	103	—13
Western Europe	864	789	+ 9
Eastern Europe	42	28	+50
Africa	65	58	+12
Asia	33	28	+18
Oceania	12	8	+50
World total	2,501	2,224	+12
Stocks (at the end of the season)† :			
Brazil	2,640	1,440	+83
Colombia	298	250	+10
Ivory Coast	40	25	+60
Total of above	2,978	1,605	+86
U.S.	170	137	..
Europe	..	71	..
Prices :	(U.S. cents per lb.)		
Santos 4	37.0	48.4	—24
Colombian MAMS	45.2	52.3	—14
Native Uganda robusta	23.7	37.6	—22
Ivory Coast robusta courant	27.0	36.5	—26

* Crop years 1959-60 and 1958-59.
† 30th June 1960 and 30th June 1959.

The world production of coffee in 1959-60 amounted to 4.5 million metric tons, representing an increase of over one million metric tons, while the expansion in world imports from 2.2 million metric tons to 2.5 million metric tons was not commensurate with rise in output, so that the stocks with producing countries enlarged from 1.6 million metric tons to nearly 3 million metric tons, as will be noted from the comparative table at the foot of the previous column.

More than 80 per cent. of the increase in world production in 1959-60 was due to the record crop in Brazil, unofficially placed at about 2.5 million metric tons. Large crops were also harvested in Columbia, Mexico, the main African growing regions and India.

There was an increase in world consumption "stimulated by the general reduction in retail prices, relatively low consumer stocks and good economic conditions in the main markets." An encouraging feature of this trend is the rise in imports into Eastern Europe, which, in 1959, took 50 per cent. more coffee than in the previous year. Even so, the imports of these countries are said to be only a little over 40 per cent. of the pre-war total.

The restriction on exports under the International Coffee Agreement has been mainly responsible for the large additions to stocks in the main producing countries, as on 30th June 1960, the three largest producing countries alone accounting for an increase of 1.4 million metric tons. At 3 million metric tons, the stocks with these countries were equivalent to one year's world consumption. The regulation of exports, however, effectively prevented a price slump. Between March and June 1960, coffee prices fluctuated within a range of 5 per cent. Nevertheless, the average prices in 1959 were about 20 per cent. less than in 1958 and were the lowest since 1949. The high quality coffee (milds) was in greater demand and its price was, therefore, relatively better.

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NEW PUBLICATIONS

Protection of Trade Union Funds and Property. By International Labour Office, Geneva. Price: $2.00 or 12 shillings. Pages: 200.

MANAGING the affairs of a trade union has hitherto been considered in this country to be the exclusive concern of the unions. Although the Indian Trade Union Act contains certain provisions requiring the unions to submit returns and prescribing the uses to which trade union funds could be devoted, etc., in practice, trade unions have almost unfettered freedom in running the show. It was only recently that an amendment was made to the Trade Unions Act, empowering Registrars of Trade Unions to inspect the books of account, membership registers, etc., of trade unions. This is not surprising, considering that, even in some Western countries, where the trade union movement has taken firm roots and has a long history, administration of trade union funds and property and their protection against misuse came to be regarded as a subject of public interest and concern only recently. That all was not well with trade union leadership and that sound administration of trade unions could not be taken for granted was abundantly proved by the shocking story of corruption in the U.S. trade unions unfolded before an investigation sub-committee of the U.S. Senate (McClellan Committee) in 1955. But it is also in the United States, a country where trade union funds run into millions of dollars, that there is sufficient awareness of the extent and importance of the problem. Leading trade union organisations like the A.F.L.-C.I.O. themselves have taken firm action to put an end to financial maladministration.

The I.L.O., which has come to be regarded as a sort of an international guardian of the trade union movement, also took cognisance of this problem. A Committee on Freedom of Employers and Workers Organisation, appointed in 1955, reported that the question of reconciling the need to ensure that trade union funds are protected against misuse with the principle of freedom of trade unions from Governmental interference constituted a real problem in a large number of countries and that the methods adopted in law and practice for solving it varied widely from country to country. It felt that international consideration of the question of protecting trade union funds against misuse was desirable and that protective measures were particularly necessary in the early stages of development of trade unions. It also suggested to the Governing Body of the I.L.O. that the Director-General might be asked to prepare an objective study on this question. The publication under notice was prepared in pursuance of this suggestion.

It reviews, in detail, the relevant law and practice in force in various countries. The first chapter deals with the existing international standards. Chapters two to eight are devoted to a study of national law and practice, with particular reference to the following subjects: sources of trade union funds and property, purposes for which trade union funds and property may or may not be used, internal administration of trade union funds and property, voluntary measures to secure or encourage good trade union administration, supervision of trade union financial administration by public authorities, sanctions in respect of unauthorised use of trade union funds and contravention of legislative provisions, disposal of trade union assets on winding-up or dissolution. The conclusions which could be reached from the study are summarised in the last chapter.

The publication, which is objective as well as well-documented, is highly useful for reference purposes. All trade unions in the country, as well as employers' organisations and Government Departments concerned with labour, must make it a point to have a copy of it in their respective offices.

Industrial Finance in India. By Dr. P. C. Jain. Published by Suneja Book Centre, 24/90 Connaught Circus, New Delhi. Pages: 300. Price: Rs. 8.00.

This book is an elaboration of the author's thesis for which a doctorate was conferred on him by the University of Allahabad. It covers the usual ground traversed by books with the same title. One of its principal merits is that it deals with almost every type of agencies and institutions providing finance for industry in India. The reader is thus provided with a picture of industrial finance in its entirety.

Although the treatment is, by and large, descriptive, the incorporation of much useful, up-to-date data into the text and comparative studies of the sources and methods of providing industrial finance in foreign countries make the book interesting and instructive reading.

Among chapters of special interest to students of Indian economics are those dealing with the role of institutional investors in industrial finance, the part played by the Government in financing private industries and financing of industries in the public sector. The chapter reviewing the capital structure and sources of finance of major industries will facilitate a better understanding of the current problems of these industries. But loose statements such as "L.I.C. will be allowed to act as a speculator also" (page 159) and the explanation that follows and sweeping generalisations (e.g., "L.I.C. is more enterprising than insurance companies before nationalisation" (page 160) mar the objectivity of the book.

* * * *

N.B.—The author of the book must not be confused with Prof. P. C. Jain of the Allahabad University who, too, has several publications to his credit.

Practical Cost Accounting for Cotton Mills. By M. S. Srinivasan. Publishers: Popular Book Depot, Lamington Road, Bombay-7. Pages: 166. Price: Rs. 10.00.

Application of scientific costing in the textile industry is in its infancy. At this juncture, when the industry is admittedly in need of major rehabilitation and modernisation, this useful publication has been brought out by the efforts of Mr. M. S. Srinivasan, who has considerable experience in the line.

The principles and assumptions made by the author generally fit in with the current thoughts on the subject. The author has done well to devote a chapter to "Standard Costing" and another to "Quality Control." Without being academic, the author has tried to approach the problem of quality control from a perspective more in tune with Cost Accounting. The chapter on the "Information to Management" should prove a helpful guide on the vital aspect of cost control in relation to the management functions and responsibilities. This lucidly written book gives a good number of useful illustrations and charts.

Written for practical reference and application, this book should be a useful addition to the growing literature on Cost Accounting and to those engaged in textile industry as cost accountants, technicians and managers.—*K.R.A.*

Salient Features of Company Law. By R. K. Dalal, B. Com., F.S.A.A., F.C.A. Published by N. M. Tripathi Private Limited. Pages 294. Price: Rs. 7.00.

The author of this book is a very eminent chartered accountant with considerable experience of the Company Law, old and new, both. In writing the book, he has brought to bear upon the work his mature experience, wide knowledge and deep insight in the subject.

The book is divided into 18 chapters which deal with the complex Company Law in a lucid, concise and authentic manner. The book will prove very valuable to the students of Degree and Diploma examinations and also to business men who seek to acquire a basic knowledge of the Company Law.

The author should be congratulated on taking out a very handy volume and for writing it with so much clarity and accuracy. —*S.V.G.*

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THE allocation of the total freight earnings of all the shipping lines of a Conference in certain proportions over a term of years, providing at the same time for the growth and development of the fleets of underdeveloped countries, through a defined and reasonable increase in the rate of allocation, is now engaging the serious consideration of the Conference lines. Commending this step in the course of his speech at the Annual General Meeting of the India Steamship Company, Ltd., held at Calcutta on 14th November 1960, Dr. A. Ramaswami Mudaliar, Chairman of the Company, said that this would greatly minimise many evil practices now adopted by many companies.

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

"GENTLEMEN,

"The audited accounts and Directors' report for the period ended 31st March 1960, have been in your possession for some time. With your permission, I shall take them as read.

"The Directors' report shows that the freight earned during the year was Rs. 8,38,59,427, as against Rs. 8,04,04,160 in the previous year. The total number of liner voyages during the year was 47.5, compared to 39 voyages in the previous year. Though the freight earned was higher than last year, I regret to state that the net result is a substantial loss to the Company. It is necessary that you should be informed of the reasons for the loss and the steps that are being taken by the Company to remove some at least of the factors that produced this result.

Overseas Trade and Freight Rates

"I had referred last year to the decline in international trade and to its effect on international shipping which is always extremely competitive. During the year under review, the liner trade had to face aggressive competition from tramps which, scouring the seas for decreasing volume of commodities, offered rates of freight which made many shippers divert their custom from their usual liner companies. In spite of the Conferences reducing freights to meet this fierce competition, particularly in commodities which could form bulk cargo, the lines were heavily handicapped. Your Company has felt the effect of this competition both in the outward and inward trade. Your ships had to call at an even greater number of ports than usual, to secure the cargo and had necessarily to incur heavy expenses for port dues and other similar charges.

"The first factor which affected your Company's net earnings and which perhaps was common to many other lines in this trade was the reduced rates of freight. A second and more serious factor which affected your Company was the unhealthy and unfair competition to which it was subject from some of the liner companies which are its colleagues in the main Conferences of which it is a member. It must be recorded, however, unpalatable the fact, that competition by undercutting the freight rates through larger rates of rebate to shippers than permissible by Conference rules, has been freely resorted to by some lines in a desperate attempt to secure the freight at any cost. Other forms of evasion of rules have come to notice and their effect has been equally disastrous.

"The system of entrusting the booking of cargo by shippers to institutions named 'forwarding agents' is a useful and well recognised system and has been of equal help to shippers and shipping companies. But, unfortunately, during the last two years, even this system has come to be misused by some forwarding agents on the Continent of Europe who, by illegitimate means, have influenced the direction of cargo to the ultimate detriment of both the shipper and the lines concerned. It is unnecessary to refer in any detail to the methods adopted by these few forwarding agents and the harmful effects of such practices. In addition to some lines adversely affected by such practices, the Central Government has also been thwarted in its attempts to conserve foreign exchange and the authorities are generally aware of the position.

"Your Company, along with some others, have given most anxious consideration to means whereby these evils can be reduced, if not eliminated. They have realised along with some of their colleagues that the Conference system itself will be seriously jeopardised if these conditions continue. It is unnecessary to dilate on the salutary purpose which the Conference system serves. Contrary to the notions of a few shippers who sometimes feel that it restricts their freedom of choice of ships, it is of at least equal value to shippers as to shipping companies. The suggested solution, which is now engaging the serious consideration of the lines, is the allocation of the total freight earnings of all the shipping lines of a Conference in certain proportions over a term of years, providing at the same time for the growth and development of the fleets of underdeveloped countries, through a defined and reasonable increase in the rate of allocation during the years comprised in the stated term. Your Directors have, after very anxious consideration, put forward proposals in this regard jointly with the sister Indian company, the Scindia Steam Navigation Company Ltd., and are expecting that an arrangement would be agreed upon by all companies, members of the Conference in the India/U.K./Continent trade, very shortly. I do not wish to deny that there are some disadvantages in any practicable arrangement that may be arrived at, but your Directors after weighing both the disadvantages and the advantages have come to this decision. It will eliminate those unworthy charges of Flag discrimination which really reflect on the fair and equitable judgment of those who level such charges. Above all, the evil practices that I have referred to will be greatly minimised. If contrary to expectations an arrangement on the above lines is not arrived at and that very shortly, the Indian lines are prepared to adopt other measures in consultation with their Government to secure their right.

"It should not be imagined that, if a pooling arrangement of freight earnings is adopted, Indian companies can sit back and calmly await the result of the allocation of the pool amount. Your Company cannot relax its efforts to carry a fair amount of freight in either direction and shippers whether in the private sector or in the public sector will, I hope, fully co-operate in developing national shipping by a fair allocation of cargo to Indian shipping companies. I may, in this connection, be permitted to express my concern and disappointment at the manner in which the State Trading Corporation in its chartering section has been functioning. It may be that, owing to the rigidity of financial regulations, it has had to pursue a policy which, at least among Indian shipping companies, has not found a supporter. There are more far-reaching aspects of chartering than the consideration that a cheap freight can be had from an overtonnaged tramp fleet or a distress charter vessel. Foreign exchange earnings for which an intensive drive is being made by the Central Government should be, one would have thought, a formidable corrective to an oversimplified calculation of a low freight charge. I still hope that the Charter Committee will be reconstituted on a broader and firmer basis and its policy better clarified.

Port Delays

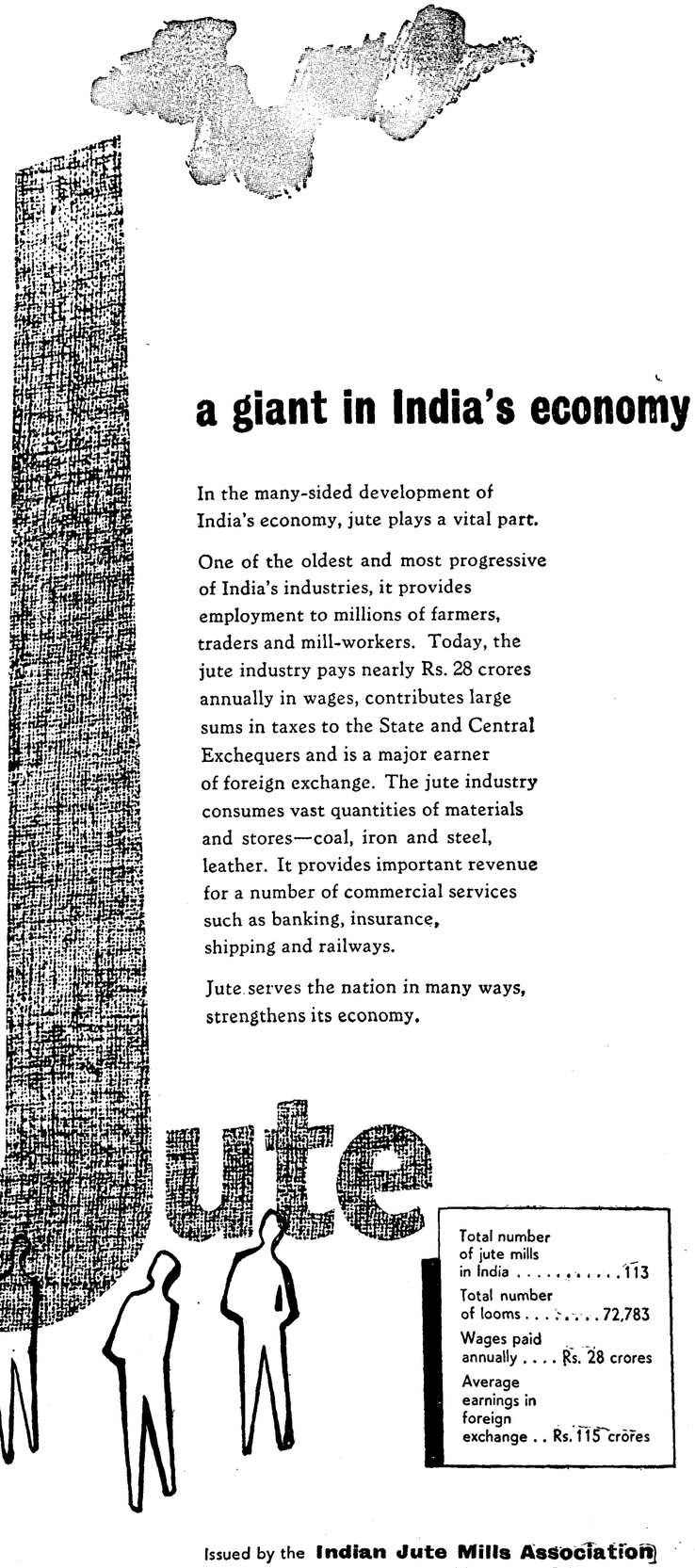
"A severe handicap, particularly to Indian shipping, is the condition of some of the Indian ports and the substantial delay in the turnround of ships both at Indian and foreign ports. I have stated at successive annual meetings that ships earn only when they are voyaging on the high seas and that more time is spent in ports in a year than on the high seas. During the year under review, the drafts in the port of Calcutta showed further deterioration and in many cases ships were unable to lift even the decreased cargo that was offered owing to draft restrictions. I must, however, in fairness to those in charge of the port, state that conditions have considerably improved during the current year and that, thanks to their sustained effort and the interest taken by the Transport Ministry, more permanent improvement is in the offing. While we are thankful for these improvements in the major Indian ports and for the greater awareness which the Government and the port authorities are showing in the modernisation of our ports, we must also express our regret at these beneficial results being nullified by the attitude of labour at some of these ports. Unauthorised strikes by dock labour unions and lightning strikes, such as the strike of tug operators are causing loss and damage to shippers and shipping companies, the extent of which is not properly understood or appreciated. The recent tugmen's strike in Bombay paralysed the work of the port for many days with considerable financial loss to all concerned. But what is not apparent is the adverse effect it has on other ports when the strike is over, by the bunching of ships at these ports and consequential delays in obtaining berthing facilities. It is not in Indian ports alone, but even more in foreign ports and particularly in the U.K. ports of London and Liverpool that this evil of undeclared and unauthorised strikes is manifesting itself all too frequently. Unless remedial measures are adopted, such chaotic conditions will lead to harmful results to all concerned.

The Future

"I have given a faithful picture of conditions that existed during the year. I confess, however, that there may be overtones in the picture presented and that it may lead you to the belief that the future is one of unrelieved gloom. I do not hold to that belief myself. International shipping is notoriously subject to fluctuations, sometimes violent fluctuations. I consider that we have passed through such a period and that it will not be unreasonable to look forward to a less anxious future. Your Company, in particular, is firmly established and rests on a solid basis. The eagerness and enthusiasm which its officers of all ranks and the staff show is unabated. The interest that is taken by the authorities in the development of Indian shipping is gratifying and encouraging. The National Shipping Board, under its Chairman, Mr. G. L. Mehta, continues to take an increasing interest in the development of Indian shipping. The present Minister of Transport, Dr. Subbaroyan, and the Minister of Shipping, Mr. Raj Bahadur, are evincing keen interest in the problems of Indian shipping. Mr. Raj Bahadur has devoted himself to a study and understanding not merely of the major but even of the minor problems of Indian shipping. The Ministry of Transport, through its Secretariat, the Director-General of Shipping and the Senior Deputy Director and other officers, have been in constant touch with Indian shipping companies and have greatly helped them with advice and assistance. The establishment of the Shipping Co-ordination Committee holds out promise of fair treatment to Indian shipping. When the Chartering Section of this Committee is properly organised and broadbased, it should help the development of Indian tramp shipping, so badly needed by the country. Above all, the development of shipping in the public sector, in so far as it is within proper limits, is in my opinion a help and not a hindrance to the development of Indian shipping in the private sector. It will present to the authorities more directly and more vividly the difficulties and handicaps which it suffers from and thereby will increase still further the awareness of problems of Indian shipping by the authorities. I, therefore, take a fairly optimistic view of the future of Indian shipping and of your Company, in particular.

"In spite of the financial results of the year, I feel it my duty to pay a tribute to the devoted services which the officers, both ashore and afloat, and the staff of the Company have rendered during the year. In the face of exceptional difficulties, they have spared no pains to achieve results such as they are. I must also convey the thanks of the Board to the shippers who have extended their continued and firm support to us and to the brokers and forwarding agents who have shown confidence in us and in the standard and quality of our shipping service.

N.B.—*This is not a report of the proceedings at the above annual general meeting.*



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INDIAN IRON AND STEEL COMPANY LIMITED

STATEMENT BY THE CHAIRMAN, MR. BIREN MOOKERJEE

GOVERNMENT'S INDUSTRIAL AND LABOUR POLICIES CRITICISED

THE Annual General Meeting of the Indian Iron and Steel Company Ltd. will be held at 12, Mission Row, Calcutta, at 3 p.m. on Thursday, 15th December 1960. In the course of his annual statement, circulated along with the Directors' report and statement of accounts for the year ended 31st March 1960, Mr. Biren Mookerjee, Chairman of the Company, has subjected the Union Government's industrial and labour policies to a critical examination and clearly shown how the defects therein have slowed down the country's economic growth.

The following is the full text of Mr. Mookerjee's statement:

"The highlight of the year was the improvement recorded in the Company's output of steel, the production of steel ingots, at 827,072 tons, showing an increase of 218,867 tons over the previous year. This position is of course attributable to the enlargement of the steel-making capacity of our plant under the expansion programmes and, while we have still a long way to go to achieve our ultimate target of one million ingot tons, it is heartening to see the planning and labour of the last five years now beginning to bear fruit. On the reverse side of the picture there are, however, no grounds for complacency as regards the production of iron which was, and continues to be, seriously affected by the high ash content of our coke, consequent upon the unsuitable quality of the coal that we are being forced to accept. I will refer to this matter in more detail later, since the position with which not only ourselves but the iron and steel industry of the country as a whole is faced as a result of the inadequacy of supplies of good quality coking coal is of the utmost gravity.

Accounts

"I am compelled to comment again this year on the taxation provisions relating to the allowance of development rebate which require that, as a prerequisite to the grant of such allowance an amount representing 75 per cent. of the rebate shall be charged against profits and set aside to reserve. With company taxation now at the revised rate of 45 per cent. this means that over and above the saving in taxation arising from the allowance, which quite rightly should be set aside to reserve, a dead charge of 30 per cent. of the amount of the rebate is thrown against available profits compared with 23½ per cent. in the previous year. In our own case the excess of the compulsory reserve for the year under review over the actual taxation saving amounts to no less than Rs. 1,03,49,296 and I cannot, on principle, accept without protest a position whereby a charge of this magnitude should be thrown against the profits of a company. In order that the profit and loss account should show the true results of the working for the year the position has, therefore, been compensated by the write-back to profits from the general development reserve of this excess amount of Rs. 1,03,49,296, the effective and logical result being, accordingly, a net accretion to the development reserves of the actual saving in taxation and a consequential net charge against profits of the amount of taxation that would have been payable but for the allowance of development rebate.

"In the profit and loss account this year will be found a new head of expense, namely, 'interest on special advance from the Government of India,' which I should perhaps explain. The special advance totalling Rs. 10,18,26,476 consists of two items of Rs. 10 crores and Rs. 18,26,476 covered by separate agreements with the Government, the Rs. 10 crores having been granted as direct assistance towards finance of the cost of expansion and the Rs. 18,26,476 to meet the commitment charge on the first World Bank loan between the date from which such charge commenced to run and the later date, owing to circumstances beyond the control of the Company or the World Bank, from which the loan actually became effective for withdrawal purposes. In terms of the relative agreements it was provided that the advance should bear no interest prior to 30th June 1958 or such other later date as might be mutually agreed upon and that thereafter, the question of charging interest and the rate of such interest should be decided by Government on the advice of the Tariff Commission. It was further provided that any interest charged should be payable by the Company out of its earnings arising from a special element in the prices of iron and/or steel over and above the normal retention prices. The matter was accordingly in due course referred by the Government to the Tariff Commission who recommended that interest should be charged at the rate of 5 per cent. per annum as from the 1st July 1958, but that recovery of such interest and the allowance of the special element should be postponed until after the 31st March 1960 when decision had been taken as to the retention prices to apply from that date. Acceptance of these recommendations was notified by the Government on 25th November 1959. The Company has protested against the unnecessary complications introduced by deferment of the interest compensating element and, since in terms of the agreements with the Government, all interest chargeable must be compensated, the interest accrued from 1st July 1958 to 31st March 1960, as necessarily provided for in the accounts under review, has been offset by the inclusion under the head 'sales' of the similar amount to arise from the enhancement of the sales retention prices.

Dividend on Preference Shares

"I would take this opportunity to express my sympathy with the preference shareholders in the position in which they have been placed in regard to their dividends by the amendments made to the Income-tax Act by the Finance Acts of 1959 and 1960, for when we have been able to compensate the ordinary shareholders in full for the loss of the previous notional credit on their dividends in respect of income-tax payable by the Company, it should follow in equity that the preference shareholders should also be compensated. Under the provisions of the 1959 Act we were able to increase the preference dividend for the half-year ended 30th September 1959 to such gross amount as after deduction of 30 per cent. thereof represented the amount previously payable without deduction of tax, but with the cancellation of these provisions by the 1960 Act we have had no option in law but to pay the dividends for the half-years ended 31st March 1960 and 30th September 1960 at the rate of 5 per cent. stipulated in the Company's Articles of Association.

"The preference shareholders were advised at the time of payment of the 31st March 1960 dividend that your Directors were considering the legal steps to be taken in an endeavour to effect a fair and reasonable adjustment of the position. In the meantime, however, a Bill entitled The Preference Shares (Regulation of Dividends) Bill has been introduced in the Lok Sabha and is awaiting the consideration of Parliament. If passed into law, the provisions of this Bill in their application to our own preference dividend would mitigate the present most unsatisfactory position to the extent that the rate of preference dividend would be compulsorily increased with retrospective effect. Since legislation is now pending, your Directors accordingly feel that it would be inadvisable for them in the meantime themselves to take any unilateral action lest this should result only in making confusion worse confounded.

Competitive Power of Indian Steel

"I am glad to inform you that over the last price fixation period of five years which ended on 31st March 1960, we have been able to achieve in total a production of saleable steel exceeding by some 13 per cent. the target set us by the Tariff Commission in 1955 and that, despite heavy increases in our works costs, the position remains that under a free economy no foreign steel could undersell us in our own country. Under the present policy of the Government, however, the advantage we enjoy over foreign steel is appropriated by the Government and a further heavy burden by way of surcharge is additionally loaded by the Government on to the selling prices. In this connection not even our retention prices, that is to say the prices which we are allowed to retain as distinct from the much greater prices we are required to charge to the consumers for the further benefit of the revenues of the country, give a true indication of the position, since these retention prices themselves include the incidence of the heavy excise duty levied by the Government of Rs. 40 per ton on ingot steel equivalent to about Rs. 50 per ton of saleable steel. Even if allowance be made for this excise duty, our competitive power is, in fact, greater than the retention prices would indicate for we suffer from a number of disabilities peculiar to our country.

"We are handicapped by the policy of the Government which prevents us not only from reducing the number of superfluous labour but compels us to retain in our employment workmen who are found by experience to be inefficient. We have to employ a large number of men to provide all the necessary health and municipal services which are supplied by the Government or the municipal corporations in other countries. We have also to provide housing accommodation requiring heavy capital expenditure and maintenance costs. We have also to provide at heavy capital and recurring expenditure, buildings for schools, hospitals and social services, to equip them adequately and to secure and pay for the necessary trained staff to run them.

"I explained last year the dangers of the present extremely heavy loading of the price of steel to the consumer by way of surcharge and I would again urge the necessity that the statutory selling prices should be reduced. Steel either directly or through the medium of construction or operational costs enters into the final cost to the consumer of practically every commodity and artificial inflation of this cost is certainly no help towards the solving of the urgent problem of effecting a reduction in the cost of living. The surcharge levied by the Government was intended primarily to rebate the cost of imported steel, so that each category of steel, whether indigenous or imported, should be sold at the same price. With the increase in production of the plants in the private sector and with the three Government steel plants now coming into operation, imports of steel have already fallen considerably and will continue to fall. Maintenance of the surcharge at its present level can, therefore, no longer be justified.

"It is necessary also that selling prices should be reviewed having regard to the necessity of building up an export market for the surplus production there will, in my opinion, undoubtedly be when the three Government plants come into full operation. In this connection it is reported that certain exports of semi-finished steel have already been made by the Government plants and it would be of considerable interest to know the real effective prices at which these exports have proved possible.

Increase in Works Cost

"Owing to variations in the different categories of end product an assessment of the trend of works costs in relation to the production of saleable steel gives a somewhat unreal picture. It is preferable, therefore, to compare works costs in relation to ingot production. This will include also the variations in the works cost of pig iron. At the same time, since the ingot enters into every finished product, its works cost will be distributed in proportion to the quantity of ingot used in the production of each saleable product. If this basis is adopted we are able to obtain a more accurate picture.

"Under normal conditions, that is to say when there are no external causes beyond the control of a manufacturing unit to affect its operations, it is to be expected that the works cost per ingot ton should show inverse variation according to the volume of production. In our own case, however, while the production of ingots increased between 1955-56 and 1959-60 by about 55 per cent., the works cost increased over the same period by nearly 40 per cent. Some explanation of this illogical position is, therefore, required. The main cause is of course the enhancement by the Government of the rate of excise duty on steel ingots from Rs. 4 per ton to Rs. 40 per ton with effect from 16th May 1957. Other causes, some or all of which have operated in our works at different times either separately or simultaneously, as you will have gathered from my previous statements, are (a) continued upward revision of labour costs as a result of the pernicious system of automatic annual increments as opposed to an assigned pay for each particular job and of enforced increases in the rates of wages, allowances and incentive bonus; (b) increase in railway freight rates on raw materials and stores; (c) the sales taxes imposed by the State Governments or excise duties by the Central Government on such indigenous raw materials and stores as are used in the manufacturing processes and the customs duties on imported goods imposed by the Central Government; (d) the increases from time to time in the statutory prices of controlled commodities, such as coal and other raw materials; (e) variation in the quality of stores and raw materials and, in particular, the severe deterioration in the quality of coking coal; and (f) complete, partial or go-slow strikes by labour.

Coal—An Intractable Problem

"There has been for a long time a deplorable shortage in the quantity of coal required by the iron and steel and many other coal consuming industries. A still greater difficulty in maintaining, far from increasing, the production of iron is created by the admitted and ever-growing deterioration in the ash content of available coking coal. Washing the coal before use has, therefore, become an indispensable necessity. There has, however, been virtually no decision yet taken by the Government for the establishment of washeries at the main coal producing centres to meet the needs of the iron and steel industry in the private sector.

"Our works costs and our production alike are seriously affected by the continuous deterioration that has taken place in the quality of coking coal and by its chronic inadequate availability, although paradoxically we are virtually sitting on top of coal. Such is the position that, apart from diversion of outside supplies, there has even been an occasion when coal in transit to Burnpur from the Company's own collieries has been diverted elsewhere. These factors will definitely preclude us from achieving the production envisaged under our expansion programmes until improvement in the quality as well as the quantity of coking coal is effected. To illustrate the conditions under which we are now forced to operate our blast furnaces I have had a chart appended at the end of this statement (not published herewith—Ed.) showing the variation in the ash content of our coke due to the inferior quality of the coal we are being allotted. This chart shows not only the current increase in the ash content over the previous normal but also the present extremely wide day-to-day variation in ash content. Paucity of stocks has made it impossible for us to blend the coal in an attempt to achieve in some measure a consistent even if far too high ash content in our coke and the problem of endeavouring to produce a standard grade of iron under these most unsatisfactory and constantly varying conditions is one that can be better imagined than described.

"Recently as a result of concentration of railway transport on the priority movement of coal against the demands of the steel industry there has been some increase in the volume of coal supplies, although I very much fear that this may be only a temporary phase. So far as we ourselves are concerned, this increase in transport has, however, merely served to emphasise the shortage of good quality metallurgical coal that exists in the country, for all that has happened is that collieries have taken advantage of the position to get rid of accumulations of inferior quality coking coal totally unsuitable for the steel industry. In our own case, an ash content of the ridiculously high figure of 32 per cent. has been recorded in much of these additional supplies. While, therefore, on paper our stocks of so-called coking coal have shown some improvement in tonnage, the added supplies have resulted only in a still further increase in the ash and sulphur content of our coke and an accentuation of operational difficulties to a point of the utmost gravity in relation to the maintenance of production.

Retention Prices

"The last fixation of our steel retention prices expired on 31st March 1960 and the question of the revised prices to apply from that date is now under consideration by the Government. So long as the metallurgical coal position remains unchanged there is, as I have said, no possibility of achieving the production envisaged under our expansion programmes and any fixation of prices by reference to a theoretical plant capacity based on normal working conditions would, accordingly, be entirely erroneous. I have full confidence, however, that the abnormal conditions under which, through force of circumstance, we are now being compelled to operate our plant will be recognised by the Government, so that the new retention prices may be fixed on the basis of working conditions as they actually obtain and not by reference to a theoretical capacity or standard of working that, until the raw materials problem is resolved, is quite incapable of attainment.

"I am afraid that until the further coal washeries scheduled by the Government have been installed, which will probably take a minimum of three years, the position as regards metallurgical coal will remain critical for there will, in fact, be an increasing demand against the already inadequate available supplies as the Government steel plants attain their full production potential. In the case of the jute industry where installed capacity greatly exceeds production, the industry has had to adjust itself to the position by the sealing of looms. It would be a tragedy if the steel industry, to adjust itself to the inadequacy of the supply of suitable coking coal, were to find itself faced with the alternative either of having to seal off blast furnaces or to operate its plants uneconomically and hazardously below the efficient level of their productive capacity.

Coal Production

"Blueprints and fixation of targets of coal production are no substitute for effective and instant action for alleviation of the position with the minimum of delay. The target fixed for the second Five-year Plan of sixty million tons per annum will definitely not be achieved and the still higher target for the third Five-year Plan of ninety-seven million tons annual production has meagre chances of success unless a large number of new collieries are opened up in the private sector and the existing ones substantially expanded wherever possible even at a higher cost. This will necessitate the purchase and installation of foreign mining and handling machinery for which the tentative allocation in the third Five-year Plan of about Rs. 138 crores may prove to be inadequate. It has been reported in the Press that in a statement made in the Lok Sabha it was admitted that there would be a shortfall of some six million tons from the target fixed for the second Five-year Plan, but the matter was dismissed with the remarks that the shortage would be made good in 1961 and that this would, therefore, involve a delay of only a few months. In face of the position with which the country is confronted it has been somewhat disconcerting to note the apparent complacency with which this critical question of coal supplies has until recently been regarded by the Government. I am glad to say, however, that the seriousness of the position appears at last to be realised with the appointment by the Government of a high-powered committee to examine means for the amelioration of the position of the iron and steel industry in regard to the shortage of raw materials, in general, and coking coal, in particular.

"The coal producing and coal consuming interests alike will be further prejudiced by the Government's industrial policy resolution of 1956. Future main development of the coal industry is undertaken by the Government under this resolution to the exclusion of the private sector which has been practically solely responsible for starting, expanding and equipping the industry at great financial risk during the last hundred years or so. A further deterrent to the expansion of the existing private industry has been created by the enactment of the Coal Bearing Areas (Acquisition and Development) Act of 1957. What is, however, of great national importance is that the Government do not seem to have adequately realised that no new collieries can be opened and brought into full operation within less than five years under the most favourable conditions and that during this period all industries, including the iron and steel industry, in particular, are likely to face disaster both in the public and private sectors. I would urge, therefore, that to retrieve so far as possible the desperate position with which the country is faced, the Government should relax all ideological restrictions and permit and encourage the private setor of the coal industry to participate to the fullest extent in the great effort that is called for to meet the crisis. Apart from its vital necessity, such action would also involve the mundane consideration that to the extent to which this participation is allowed the cost to the Government funds of the development of the industry would be reduced.

The Strike of Government Employees

"It is impossible to estimate the total loss to the country by reason of a strike, particularly if it takes the form of such a general strike as the recent one of Government employees, for it hits the national economy at too many points, visible and invisible to permit of any measurement of the damage caused. I can, therefore, give you only the position as it affected our Company.

"An integrated iron and steel works is a complex organisation in which all departments rely on each other, the primary and subsidiary products of one entering into the operations of the others, the whole being designed as a fully balanced plant. The primary basic producing units, that is to say the coke oven batteries and blast furnaces, are continuous operational plants and any disruption of their workingg causes innumerable problems. Blast furnaces have to be damped down involving risk of their loss through sudden or too rapid cooling, while, on the other hand, coke ovens must be maintained at high temperature in order to prevent their collapse even if little or no metallurgical coke is produced in the process. The ensuing loss of blast furnace and coke ovens gas for heating and power purposes affects all other departments.

"As a consequence of the strike, all inward supplies of raw materials ceased from the morning of 12th July 1960. Ground stocks having been reduced to below emergency level owing to the previous inadequacy of transport and supplies, the coke ovens throughput was reduced to 1,800 tons of coal a day from 15th July 1960 against the normal throughput of approximately 6,000 tons. No. 1 blast furnace was damped down from 13th July 1960 and No. 4 blast furnace from 15th July 1960. No. 2 blast furnace which had been re-lined but which, owing to the previous shortage of coal supplies, had already been waiting one month to be brought back, had to continue to remain out of production. The steel melting shop activities were reduced from seven to two furnace operation. Loss of production, an irretrievable loss to the country as well as to ourselves, amounted to some 22,000 tons of iron and 20,000 tons of ingot steel. Despatches of finished steel remained totally suspended from 9th to 19th July 1960, owing to non-allotment of wagons. The strike was called off from 17th July 1960 and from 18th July 1960 the blast furnaces, coke ovens and steel melting furnaces were gradually brought back into production and by 26th July 1960 all plant and equipment was again fully operational. Such in our case was the result of the strike. I am glad to inform you, however, in testimony to the skill with which the position was handled by the works senior executive staff that it has been confirmed by our Consulting Engineers that little, if any, damage has been caused to the plant as a result of the enforced shut down.

Difference in Policy

"The strike of Government employees has given an illuminating indication of the difference between the policy of the Government in respect to the handling of a strike and its treatment of its own employees and its policy in relation to strikes in the private sector. The dismissal of many of its employees, the disciplinary action of various kinds against others and even imprisonment under the Preventive Detention Act were perhaps very necessary, and it is not my purpose to call the Government's action in question for all strikes are anti-social in their effect and cannot be taken as a matter of course, whatever justification their might be from the employees' point of view. The point I wish to make, however, is that no employer in the private sector is allowed in self-defence to adopt any of these or similar courses, but is obliged to stand the consequences of a strike with all that these entail.

"To illustrate the effect a strike even of brief duration can have, I will relate the sad experience we ourselves had in September last year when an illegal one-day strike was brought about by the I.N.T.U.C. Labour Union over the question of profit-sharing bonus. Although in our working for 1958-59 we had fallen short of the estimate computed by the Tariff Commission it was decided by the management as a gesture of goodwill to pay the same profit-sharing bonus of 65 days' wages as for the previous year. Considerable agitation was worked up by the Union leaders that the amount of bonus should be increased and, on the management standing fast on their generous decision, workers were prevented by the Union from taking payment of their bonus, although, in fact, some of the men had already willingly accepted payment, and the illegal one-day lightning strike brought about commencing from midnight. Revenue loss to the Company at retention prices as a result of the direct loss of production for the day amounted to approximately Rs. 15 lakhs, while the cost to the country of making good this loss of production from foreign sources is computed at some Rs. 20 lakhs.

"This, however, is not the full story. An unfortunately severe damage was caused to No. 1

blast furnace by the irresponsible action of the strikers in refusing to co-operate with the management to damp down this furnace in an orderly manner. The furnace was scheduled to be blown out on 25th September for a partial relining from the mantle upwards which work would have taken approximately 30 days to complete. Before a furnace is taken out for relining it is essential that some blast be kept on so that the charge may remain fluid for draining off. Owing to the action of the strikers the charge went cold and about 100 tons of metal and slag solidified inside the furnace necessitating long labour for its removal by blasting with high explosive followed by a complete instead of partial re-lining. As a result, work on the furnace lasted 110 days instead of the contemplated 30 days with a consequential loss of production of some 39,000 tons of pig iron and an additional re-lining cost of some Rs. 13 lakhs. To complete the sad story it has to be added that this furnace was producing against an export order from Japan, the contract for which had to be cancelled in view of inability to supply, with resultant direct loss to the country of foreign exchange to the extent of some £700,000 or Rs. 93 lakhs. In total, the loss caused accordingly amounted to some Rs. 121 lakhs; such is the damage that can be done to a company and to the country by an ill-considered and irresponsibly led strike even of one day's duration.

"I have in previous years emphasised the necessity that the Government should require and instil the utmost sense of responsibility in trades union leadership and it is, accordingly, the more disturbing to me that occurrences such as the above can continue to take place in an industry so vital to the progress of the country. The position becomes all the more difficult for me when I am asked by shareholders to comment on the fact that the leader of the I.N.T.U.C. Union in question is also a Government nominated Director of Hindusthan Steel Limited. I can of course say nothing on this matter for the propriety of such a duality of roles is naturally a subject solely for Governmental policy decision.

"Government have recently decided in the case of all essential Government services, *inter alia*, (*a*) completely to ban strikes, (*b*) to permit no outsider to be the leader of any union, though unions affiliated to the Government-sponsored Indian National Trade Union Congress are led by complete outsiders, and (*c*) to provide machinery for compulsory arbitration. It is difficult for any impartial observer to understand why similar legislative provision should not be made to protect some of the most essential industries, such as the iron and steel industry and the engineering industries, on which practically the whole structure of our national planning is to be built through the establishment of heavy industries of which these are the linchpins.

Disabilities Imposed

"Far, however, from the extension of these provisions to the private sector, as I have pointed out on previous occasions, all kinds of disabilities are imposed upon it in regard to disciplinary action, reduction of redundant labour and payment of heavy compensation to labour when a unit in whole or in part is closed down temporarily or permanently. Though in the more efficient industrial units in the private sector, generally speaking, as in our own works, the workers enjoy more favourable conditions of service, wages, housing and other amenities than those employed by the Government in comparable non-technical departments, we as employers are brought under constant Government criticism as if we were indifferent to the welfare of our labour. Consequently, on almost every occasion when any serious conflict takes place between us and our employees, and the dispute is referred to a Tribunal or for conciliation proceedings, often after a delay which may have already caused us heavy loss, the awards of the Tribunals or the directions or orders of the Government have been generally in favour of labour, increasing their wages, their amenities and other perquisites. The natural consequence of this continuous increase in wages is to accentuate the inflationary effect created by the Government on prices of all essential commodities and particularly of food and other consumer goods. If, for instance, steps were taken by the Government to reduce the cost of living by the provision of more food and consumer goods, a tremendous improvement at much smaller cost than is involved in the establishment of heavy industries could be made in the standard of living of the country at large, which would help also to reduce the excessive burden of taxation and the heavy costs of industrial production.

"I maintain that the first duty of our Government as that of any other country is to adopt prompt and adequate measures to promote the reduction of prices of essential commodities by increasing their production particularly in the private sector. Apart from the incalculable monetary loss, strikes of any kind and high cost of living will slow down the pace of our industrial development and make the cost of implementation of future plans so high as to be beyond our domestic or foreign aid resources. It must be remembered that the common man and woman are the real sinews of national economic and industrial development, and not high taxation, heavy domestic borrowings, foreign aid, deficit finance or unreliable index figures and *ad hoc* statistics. Without securing the complete and wholehearted co-operation of the common man by supplying at reasonable prices his daily needs, particularly of food, clothing, shelter and health services, the optimistic Five-year Plan for the future may remain substantially on paper.

Labour Legislation

"To the already full roll of labour legislation there has recently been added The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 and rules have been framed under this Act requiring every establishment, whether in the public or private sector, to report to the local Exchange vacancies, with some few exceptions, occurring in such establishments from time to time. So far as I am aware, there is no democratic country in the world where the employers have to notify vacancies to the Labour Exchanges, though those in search of employment may have to register their names in the local Exchanges. If the employer is desirous of recruiting any operatives he may apply to the appropriate Labour Exchange and if he is satisfied, select such of them as appear to him to be suitable for the particular jobs. It is true that the rules as promulgated by the Government definitely state that no compulsion will be used by Exchanges to employ any particular person but rules may always be changed and I must confess to some misgiving that these Exchanges should be under the control of the individual State Governments and administered by local officials who cannot fail to be subjected to pressure in varying forms.

"I very much fear that the present requirement for the notification of vacancies may be only the first step towards the prohibition of the filling the vacancies except through the medium of the local Labour Exchanges. I sincerely hope that my fears may be groundless, for the consequences that might follow are disturbing to consider, including as they would the dangers of nepotism, favouritism and corruption and above all of fostering the evil of provincialism, of which there is already alarming manifestation in the country and which, if not checked, threatens in my opinion ultimately to disrupt the Union.

"There has been for some time an agitation sponsored by some trade unions and several of the State Governments to insist on the restriction of jobs to those popularly described as 'sons of the soil.' If this principle is carried to its logical conclusion, it will amount virtually to the negation of the right of the citizen as a member of the Union to seek employment in any part of the Union territory, a right which has been virtually guaranteed to him by the Constitution. Also, it is bound to result in retaliation by some States who may be affected by the principle rigidly applied against them by any other States. The mobility of industrial labour, which is of benefit both to the workers and their employers, will be seriously impaired and cause no small embarrassment to the management of industrial establishments all over the country.

"It is regrettable that in order to confine the available jobs only to the 'sons of the soil,' some States are making the local language the official language. Recent unhappy, tragic and most deplorable occurrences in Assam prove the danger of adopting such a course for achieving an object outside the purpose for which the States have been given the right to localise the State language.

"So far as our Company is concerned, we employ as many 'sons of the soil' as we find suitable for the jobs to be filled, but for the rest impose no restrictions of any kind. This to my mind is the only reasonable course. This is no platform for discussing the merits of the language controversy, either at the Centre or in the States, and all I wish to emphasise as a business man is the adverse effect that any other course will have on the economic development of the country.

Acknowledgments

"In conclusion, I should like to express on behalf of the Directors our appreciation of the services rendered by the General Manager, Mr. J. McCracken, and his executive staff throughout the year. An expansion on the scale undertaken by our Company throws a very great burden and responsibility on all staff additional to the normal cares, troubles and anxieties of management on which there has now been superimposed the constant problem of the operational difficulties caused by the short supply and severe deterioration in quality of raw materials. Our thanks are also due to our Consulting Engineers, The International Construction Company Limited, who have so ably planned and supervised the execution of the expansion. To all it must be a source of the greatest satisfaction to see as a monument to their efforts the fine expanded plant as it stands today in the final stages of its completion. It gives me pleasure to place on record this expression of our thanks."

The above statement is not a report of the proceedings of the annual general meeting.

LLOYDS BANK LIMITED
AND
NATIONAL AND GRINDLAYS BANK LIMITED

It is announced that, as from the 1st January 1961, the business of the branches of Lloyds Bank Limited in India, Pakistan and Burma will be merged with and carried on by National and Grindlays Bank Limited.

The interest of Lloyds Bank Limited in the banking business of the territories concerned will be continued through a substantial shareholding in National and Grindlays Bank Limited and by representation on their Board of Directors.

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The first of five A.E.I. hydro-electric generators which will supply a total of 450 MW. of power to the Punjab and the neighbouring states, Rajasthan and Delhi, has been put on load at Bhakra, on the river Sutlej, some 200 miles north of Delhi. A second machine will begin its trials shortly and is expected to be commissioned in the New Year.

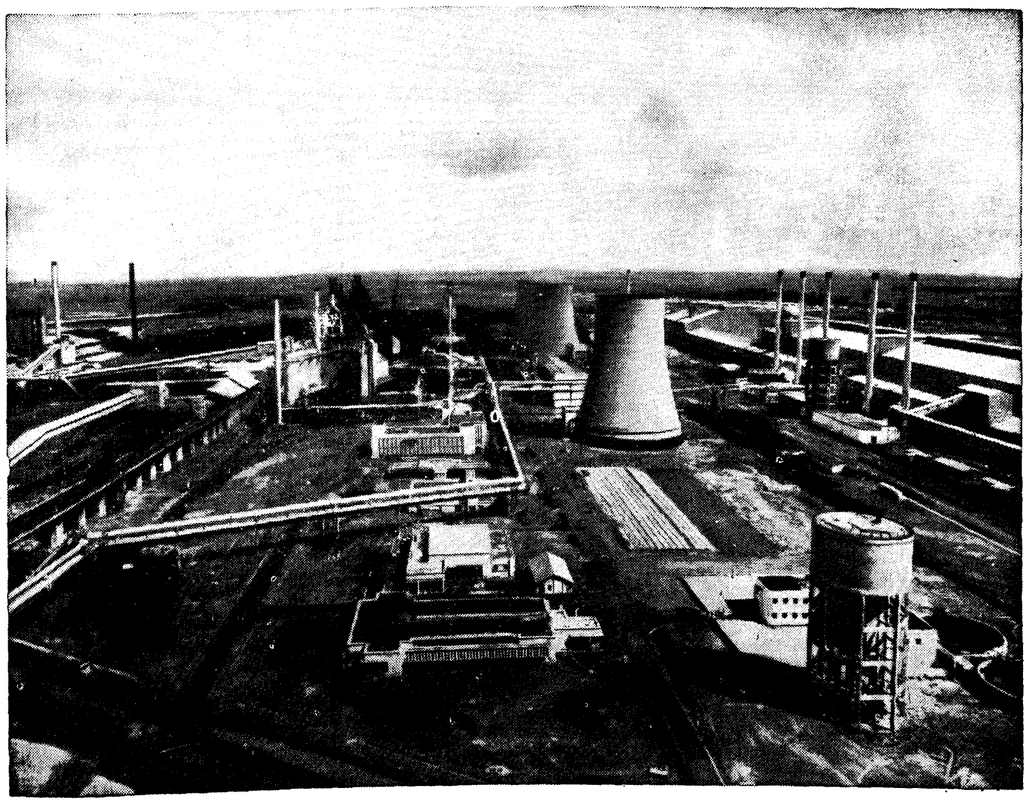
Bhakra Dam, the world's highest straight-gravity dam (740 feet high and 1,700 feet long) is part of the £130 million Bhakra-Nangal project, an ambitious scheme which will eventually have an installed capacity of more than 1 000 MW., as well as irrigating millions of acres of land. Besides the dam at Bhakra, which will store water for two power stations, another dam, at Nangal, supplies water for power stations at Ganguwal and Kotla. Both dams are part of the irrigation system. One of the Bhakra power stations is nearly finished, and delivery of the five generators has been completed. Work has started on the other power station, which is being built on the opposite bank of the river.

The A.E.I. generators ordered by the Punjab Government from A.E.I. (India) Private Ltd. are rated at 100 MVA., 0·9 power factor, 166·7 r.p.m., and supply power at 11 kV, 3 phase, 50 cycles. Closed-circuit ventilation is provided. Protective relays, automatic voltage regulators, and neutral earthing and surge protection equipment were also supplied.

It may be recalled that the proposal to set up the Central Scientific Instruments Organisation at an estimated cost of Rs. 72 lakhs was recently approved by the Governing Body of the Council of Scientific and Industrial Research. The United Nations Special Fund is expected to make an allocation of $850 000 available for the proposed organisation. A specialist team from foreign countries will be invited to render assistance in improving methods of production, standardising processes and designs and producing proto-types of improved designs and of new types of instruments. The C.S.I.O. will carry out a survey of the scientific instruments industry, maintain up-to-date statistics of production centres, their production capacity, types of instruments produced, quality of production, etc., and assess the demand for different varieties of instruments. The organisation is also expected to establish a few units to undertake servicing and repair of scientific instruments and, in addition, a few development units in the factories themselves on an *ad hoc* basis to give a more practical bias to development work among the better organised manufacturing units. These development units will study the problems of manufacturers and assist them in introducing better production techniques.

TOWARDS ACHIEVEMENT

In three brief years a wilderness of swamp and paddy fields has been transformed into the giant steelworks at Durgapur. This remarkable achievement has been made possible by ISCON—a consortium of thirteen leading British firms who are responsible together for the construction of the steelworks. When completed, the steelworks will have capacity for one million ingot tons of steel and a wide range of end products for the industrial markets of India.



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BRITISH COMPANIES WORKING FOR INDIA

HEAVY INDUSTRIES IN THIRD PLAN

ENGINEERING ASSOCIATION SUPPORTS PLANNING COMMISSION

THE Engineering Association of India (Calcutta) has just submitted a memorandum to the Planning Commission on the Draft Outline of the Third Five-year Plan. This memorandum, while it recognises ungrudgingly that "the Draft Outline shows a high degree of insight and intelligent anticipation of the trends of industrial production," has nevertheless considered it necessary to subject the proposals regarding industries, particularly engineering industries, to a measure of constructive criticism. The Association urges at the very outset that, in the interest of speedier development of basic industries—steel, oil, power and machine-building—private enterprise should be encouraged in these fields also, should it come forward with feasible schemes therefore. The view held in some industrial circles that the concentrated effort on the establishment of basic capital and producer goods industries with special emphasis on the machine-building programmes is not fully justified, does not find favour with the Association. Since there will be a considerable time lag between installation of plant capacity in steel and the output materialising on the basis of installed capacity, the Association thinks that all discussions about our having any exportable surplus in steel by 1966 will be merely of academic interest.

Exports

It is here that the memorandum touches specifically on the position of engineering industries. The prospects, it is stated, are that finished steel may not be available to the engineering industries in quantities and categories required by them to keep them fully engaged by 1966. While import of steel in bulk may at first sight appear very attractive from the point of view of stepping up our exports of engineering goods, the Association does not expect any spectacular rise in such exports in the near future, even if we import all the raw materials, including steel, for a gigantic export drive. The Association's view is expressed pointedly in the following arguments:

"To secure a sizable increase in exports, we shall have to plan for a good deal of diversification in products. Have we enough resources in technical know-how, in product design and the skilled manpower to tackle a job like this at short notice? The build-up period is long, and the build-up process is one of trial and error for the uninitiated. Hence discussions on the relative merits of export of steel and articles made of steel also tend to be academic in the present context. That a country as rich as India in iron ore deposits should depend on steel imports is anomalous."

The Association is on the whole satisfied that the priorities regarding basic and heavy industries in the Plan as outlined is the best in the circumstances. At the same time, it is emphasised that, in so far as the development of secondary and consumer goods industries is concerned, efforts should be made to develop such engineering industries as have export potential in preference to others and that, to this extent, priority for such industries should be the highest.

Engineering Industries

The memorandum deals at length with the state of engineering industries in general. A good deal of knowledge, it says, has been gained during the past ten years about the problems in the manufacture of industrial plant and machinery, structural fabrication, railway rolling stock, automobiles, ball and roller bearing, diesel engines, ship-building, electric transformers and motors, electric cables and electric fans, etc. It is now time to take stock of the mistakes made, whether they be in financial estimates, availability of materials for manufacture, defects in the planning and commissioning of plants, estimates of engineering know-how and skilled labour available, or estimate of demand related to plant capacity. The Association itself has been collecting data of idle capacity in engineering industries from time to time, but has not been able to ascertain the real causes for idle capacity in all cases. It is feared that, in the future, when a good deal of new capacity is created, more or less the same mistakes as in the past would be made. The memorandum then proceeds to give some concrete examples and suggests suitable ways of avoiding mistakes in the organisation and working of engineering industries.

The automobile industry, for example, has had to work under the handicap of high capital charges and overheads, because each individual unit has been permitted to work on the basis of self-sufficiency in certain respects. Capital and working costs could have been very low, if there had been centralised services for Forge and Press serving all prodution units. The foreign exchange content of the phased production programmes in this industry could also have been brought down by such means. The Association says it can point to a hundred similar things relating to other engineering industries. In its opinion, it is not unlikely that, if such centralised services are brought into being, a good deal of productive capacity would be released for new items of manufacture without additional capital investment, without additional expenditure of foreign exchange and without additional technical personnel.

The need for such centralised services is emphasised in the case of the machine tools industry also. If this industry is to be developed rapidly, there should be, according to the Engineering Association, a Central Organisation, prepared to undertake design work for a reasonable fee. Other services such as Tool Room, Foundry, Forge, etc. should also be provided. Besides these, this central organisation should also have capacity to make certain intricate parts of machine tools such as unit heads for drilling, milling, grinding, boring and tapping, hydraulic pumps, switchgear and other electrical control items, leadscrews, tracing equipments, turret heads with slides, traverse gear boxes, two-speed machine tool motors, and hardened and ground gears and splined shafts. In the opinion of the Association, if these centralised services are started even on a small-scale, it will give such a fillip to the machine tool industry that the latter will quickly take up the different types and ranges of machine tools in demand. This industry is so vital to our future development that any amount of help for its sake would be worthwhile. The memorandum points out that the types and ranges required are very wide and they are required in different price ranges also. If the centralised services suggested by the Association can be provided, it will be advisable to permit a fairly large number of new concerns to undertake manufacture of machine tools, for only thus can the country hope to cover a fair proportion of its requirements from indigenous sources.

Consortium

As for plant and equipment for various industries, the Association's view is that the present output can be considerably improved by developing the consortium outlook. Although a beginning has been made in this respect, the *modus operandi* has not been perfected. The Association thinks there is no use in bringing a few manufacturers together and calling them a consortium. A consortium, according to the Association, should not rest content with parcelling out orders among its members, and the division of work amongst the constituents should not be on the basis of duplicating work. It is emphasised, in this connection, that each constituent member should attempt making only a particular part of an industrial plant and not the whole plant. So, the relation, *inter se*, should be complementary. Each consortium should also act as a single entity for canvassing orders and supplying fabricated materials, erection, etc., and satisfy the customers exactly in the same manner as an individual firm would be called upon to do. It is only in this way, the Association concludes, that the most economical processes would be employed in executing work and completion of work ensured to the satisfaction of the customers.

The Association's memorandum has also referred to the rehabilitation and modernisation of the textile, jute and sugar industries because this has a direct bearing on the engineering industries. The Draft Outline does not indicate the provision of investment for rehabilitation and modernisation of these three industries. Their modernisation will provide the indigenous engineering industries with ample scope to exploit their plant capacity and skills. The Engineering Association is, therefore, rightly interested in this matter.

It is also equally interested in another matter, namely, the availability of iron and steel. In its estimation, there is some unsatisfied demand for steel and this position will continue both during and at the end of the third Plan period. The question is whether iron and steel would be allowed to be imported, if necessary, to keep up the tempo of development visualised in the Plan. As for alloy, tool and special steels, the Association's estimate of their requirement by 1965-66 is about 250,000—300,000 tons per annum, if the increased requirements of stainless steel and alloy steel in various new industrial and machine tool plants about to be set up are taken into account. The Association has accordingly suggested an upward revision of the third Plan target (200,000 tons per annum by 1965-66) for alloy, tool and special steels. Since the project for alloy, tool and special steel plant in the public sector has not been accorded a high priority in the matter of foreign credits, the Association urges that the private sector should be invited to participate, if necessary by giving incentives, to make up the deficit in alloy, tool and special steels and electric steel sheets. The memorandum says that the Association is aware of a good deal of enthusiasm evinced by private industrialists in this field. Surely, the Planning Commission and the Government must be aware of it. And, the Government has repeatedly stated that, where the private sector is ready to undertake a project, it has no objection to allow that sector to have that project. Here is an instance to prove that it means what it says.

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COMMONWEALTH TELEPHONE CABLE SYSTEM

The ninth annual report of the Commonwealth Telecommunications Board states that plans for a "round the world" system of large-capacity telephone cables to provide for the future needs of the Commonwealth are "being pushed ahead rapidly." The new large-capacity transatlantic cable to be constructed in 1961 by the United Kingdom and Canada will be the first link in an extensive system. Experts from the United Kingdom, Australia, Canada, and New Zealand have devised plans for the next stage—a cable system right across the Pacific Ocean which will link Australia and New Zealand with Canada, and thence, via a microwave system across Canada and the transatlantic cable, with the United Kingdom.

This transpacific cable will be over 8,000 nautical miles long, with more than 300 undersea repeaters, and will have capacity for at least 80 simultaneous telephone conversations. In places, cables and repeaters will be laid at depths of nearly four miles. The design of the cable and repeaters is British. The Governments concerned are ready to go ahead with the project, and it is hoped to complete the laying by 1964.

The report also reveals that the telecommunications facilities of the Commonwealth continue to expand. In 1959, there was a particularly large number of new telephone and Telex services, and their rapid growth continues. The total international telephone traffic originating over the Commonwealth telecommunications system showed an increase of more than 11 per cent. in 1959 over 1958. International Telex traffic recorded an increase of over 18 per cent., though total international telegraph traffic showed a decrease of 1.9 per cent.

International standards concerning several electrical goods were finalised by the International Electrotechnical Commission, which concluded its two-week annual meeting on 18th November at New Delhi. These standards, which will be published as I.E.C. recommendations, relate to a wide range of subjects such as thermal endurance of enamelled wire, insulation resistance of solid insulating materias, unification of sizes and tolerances of round cells, crystal units, rotary wafer switches, toggle switches, connectors, isolators, and earthing switches.

The Delhi meet of the I.E.C. also approved of a large number of draft recommendations for circulation to member bodies for their comments. These drafts cover brushes and brush holders for electrical machinery, capacity of batteries for transistor radio receivers, leakage test, discharge test for batteries used for electronic photoflash apparatus, tests for corrosion, circuit breakers, component classification, post insulators, etc. Besides, the meeting discussed the question of standardising electric motors, switchgear and controlgear, electrical measuring instruments, electric fans, components for electronic equipment, etc. All these subjects were of particular interest to India in the present context of our industrialisation programme when India is emerging from a purchasing to a producing nation. It is claimed that the preparation of international standards for these items would also greatly add to the prospects of our export trade.

Not by Words Alone...

The story is told of St. Francis of Assisi, that he once stepped down into the cloisters of his monastery, and laying his hand on the shoulder of a young monk, said, "Brother, let us go down into the town and preach".

The venerable father and the young monk set out together, conversing as they went. They wandered down the principal streets, and wound their way through alleys and lanes, and even to the outskirts of the town and the village beyond, until they found themselves back at the monastery again.

Then enquired the young monk, "Father, when shall we begin to preach?"

And the father looked kindly down upon his son and said, "My child, we have been preaching; we were preaching while we were walking. We have been seen....looked at; our behaviour has been remarked, and so we have delivered a morning sermon. AH! MY SON, IT IS OF NO USE THAT WE WALK ANYWHERE TO PREACH UNLESS WE PREACH AS WE WALK".

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NEW PRODUCTS AND PROCESSES

Dry Bearings from Bronze

A NEW range of dry bearings made from bronze impregnated with polytetrafluroethylene (p.t.f.e.) has been introduced by Bound Brook Bearings Ltd. of the United Kingdom. This firm first introduced dry bearings in 1958, but the material is said to have been improved since then to such an extent that the bearings made from it have a performance four to five times better than the earlier range at less cost. Known as Polysilp IM, the material consists of a porous bronze matrix produced by powder metallurgy (for strength) with pores at its working surfaces impregnated with p.t.f.e. (for low surface friction over extreme ranges of temperature) mixed with lead additive (for a low rate of wear). The new bearings are particularly recommended for use at high temperature, limited only by the oxidation resistance of bronze and the fact that p.t.f.e. changes chemically at temperatures above 330° C. With a suitable margin of safety, the upper limit of operation is put at about 280° C. Virtually, no lower temperature limit is specified because the bearing properties of cold p.t.f.e. have been found to be maintained down to —200° C. Making allowance for contraction and expansion on the running clearances, the bearings can be operated where temperature fluctuates between extremes. Sizes of Polysilp IM cylindrical bearings are based on B.S. 1131, part 5, 1955, providing 14 internal diameters from 3/16 inch to 2½ inch. Two alternative lengths are generally available for each standard bore. The maximum pressure at which the bearings can work is 4,000 lb./sq. in., a figure determined by the strength of the bronze matrix. While cheaper than the bearings it supersedes, the new range is more expensive than equivalent oil-retaining bearings.

New Device for Sampling Soils

An Australian device for sampling soils could prove useful in countries which are undertaking large agricultural development programmes. The device, which is power-driven and mounted on a motor vehicle, withdraws an undisturbed core of soil from depths of 30 feet or more. It is already said to be greatly aiding the immense task of mapping Australia's soils. The new, power-driven "soil profile core sampler" promises to both speed up this work and increase its accuracy. Samples can be taken from far greater depths than is feasible by traditional methods and an area can be speedily covered because the device is mounted on the back of a Landrover. The core sampler was devised by Mr. C. B. Wells, of the Australian Commonwealth Scientific and Industrial Research Organisation's Division of Soils, and was built by Proline Sales Ltd. of Adelaide, South Australia.

It is hydraulically driven from the power-take-off on a Landrover, and requires only an hour to attach or remove. Samples are removed by a special ejector that eases the tube on the core of soil. This cause little disturbance to the sample—much less than if the soil was pushed out of the tube. The core comes up in one almost unbroken piece without any mixing between soil horizons. There is little compression or disturbance in length, diameter or orientation. Two of these machines have so far been made: one takes a core 3 feet x nearly 2 inches diameter and the other a core 3 feet x nearly 6 inches diameter. Greater depths are sampled in 3 feet increments by adding extension augers. A two-man team can take six 3 feet x 2 inches samples in an hour.

Automatic Dimpling Machine

The advantages of hot dimpling to provide crack-free dimples for flush rivets or fastenings are well known, particularly in the aircraft industry, and to exploit this process as widely as possible a fully automatic machine has been designed, developed and manufactured by a Belfast firm, Short Brothers and Harland Ltd. The fully automatic production machine consists basically of robust castings forming a yoke which supports the male and female dies, the latter being mounted directly on the lower jaw. The upper die, which is movable, is mounted on a hydraulic ram which is operated by an electrically controlled pneumatic/hydraulic system. All control and setting arrangements are built into the main castings and all components are readily accessible for setting or maintenance. The dies are electrically heated, temperatures being controlled by a built-in thermo-couple in conjunction with a specially designed electronic system. This unit also controls the solenoid operated pneumatic valves which function, in accordance with the temperature control, to exert the forming pressure in two stages. The control unit prevents initiation of the operating sequence until the dies are at the correct preset temperature, as indicated by a green light on the panel. The operator then positions the component on the tool by means of a predrilled hole and presses the foot switch. From this point onward the whole cycle is entirely automatic. A unique feature of the design is that a dimple cannot be completed until the metal has been heated to the correct temperature to ensure the desired ductile state.

Smoking Machine for Fish

An automatic smoking machine for curing bacon and fish, invented by a member of a U.K. Government laboratory, has been offered to the National Research Development Corporation in London for manufacture under licence. The new smoke generator is entirely automatic except for the necessity of filling a supply hopper with sawdust. It is also economic and uses only about a quarter of the sawdust required for the old method. The machine is intended to run for long period with minimum attention and extensive tests have shown that it produces kippers, white fish and bacon, of a consistent 'smoky' flavour. The machine uses a principle in which sawdust is supported in a stream of heated air. The air is heated electrically and the temperature so adjusted and controlled that the sawdust particles char without catching fire. In this way, it is possible to make a large amount of dry smoke from a small quantity of sawdust. Sieved and dried sawdust is fed at a controlled rate into the machine and the charred material continuously removed. Simple automatic controls are fitted and the smoke, which is produced at a constant density, is cleaned before passing to the kiln by a cyclone separator fitted in the outlet duct.

Chemical Process for Colouring Metals

A new chemical process which will colour the surfaces of all types of metal in a single treatment is now ready for commercial application in the U.S. The coatings are claimed to be resistant to acids, alkalis, and solvents and to be more economical than colour anodising or painting. The coatings are applied in an aqueous solution at room temperature and can be applied by roller coating, dipping or spraying. The only pre-treatment required is thorough cleaning and rinsing, as for any finishing system. "Curing" time, ranging from 350 to 425 degrees Fahrenheit, can be as little as a few seconds, depending on the amount of heat applied. Two of the coatings available are clear and provide a satin finish. They are claimed to have good corrosion resistance and to be a suitable substitute for organic finishes. The colour coatings can be applied to aluminium, zinc, carbon steel, stainless steel and magnesium and are available in a hard, solvent-resistant grade and a ductible grade. Colours available include red, brown, green, blue, black, grey and bronze.

Checking Weight of Paper During Production

A new system for automatically and continuously checking on the weight of paper during production, which, it is claimed, can be applied to all types of paper, paste-board and cardboard manufacture has been developed in the U.K. The operation of the system, which enables both statistical checking and fully automatic control to be carried out, depends on the use of a special registering system which is synchronised with the speed of the paper machine and stopped photo-electrically if the strip breaks. A series of electro-magnetic computers built into the system calculate numerically any deviations which occur from the required sheet weight. The system enables production performances to be calculated during any time interval for instance in a working shift. At the same time, although initially designed for use in the plastics manufacturing or paper industry, it can also be adapted readily for use of the packaging industries.

Fertiliser from Sawdust

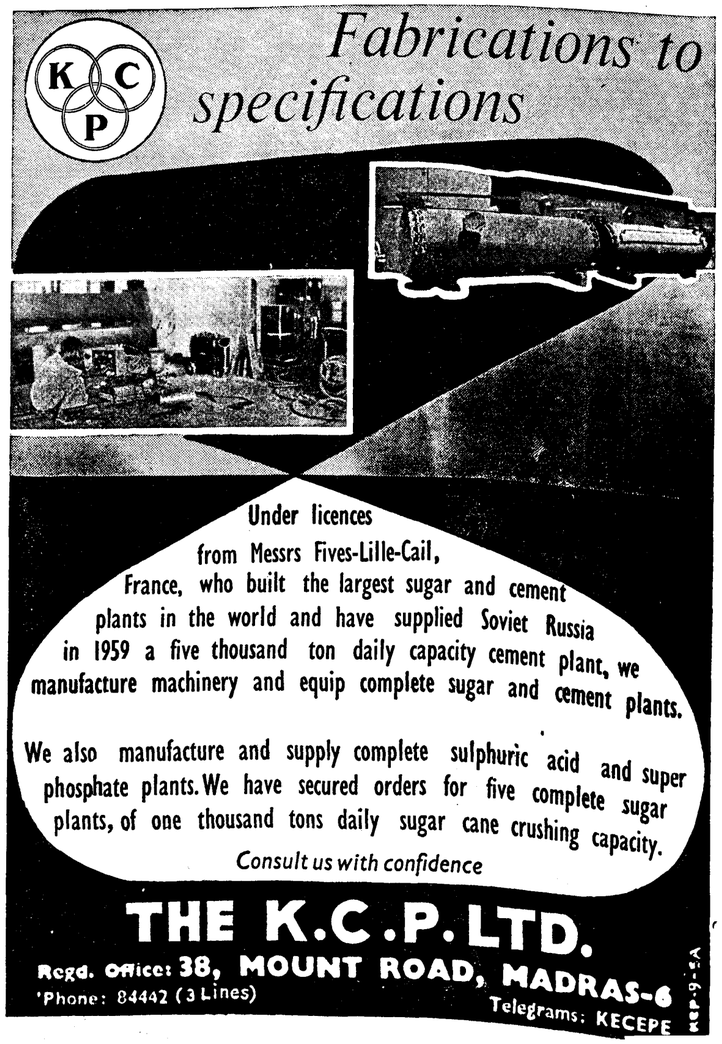
The Australian Commonwealth Scientific and Industrial Research Organisation has been doing research on the profitable use of sawdust as a soil additive. The most important ingredient in sawdust for this purpose is lignin, which acts as a storehouse of soil nutrients. Sawdust also improves the physical structure of soils, loosening heavy soils and improving water-holding properties of the light ones. One of its harmful effects, however, is to reduce the level of soluble nitrogen compounds that serve as plant food. Results of research in Australia show that sawdust is suitable as a mulch for crops, pastures and orchards which demand little nitrogen. It can be mixed with oil when first used for fowlyard or cowshed bedding, where it will acquire the nitrogen to support later growth of micro-organisms.

Meter for Measuring Steel Wire Temperature

A neat inexpensive and compact meter suitable for measuring the temperature of steel wire during its passage through reducing dies has been developed recently by the Adison Electric Company Ltd. The new instrument should make it easier to control the wire drawing operation and to maintain optimum speeds without fear of impairing the properties of wire and lubricant. Specifically designed for rapid manipulation, it is contained within a leather case and the whole assembly weighs less than 6 lb. To obtain a reading the pulleys, which are made from dissimilar metals, are pressed firmly against the moving wire. This completes an electrical circuit which, in turn, moves a needle across a calibrated dial.

New Fire Detector

A new fire detector invented in the U.S. works by sensing ultra-violet rays from an open flame, rather than heat or smoke. It is insensitive to intense illumination from light sources enclosed in glass, which block the rays, but can be set off by the open flame of a candle. The device can also be used as an alarm when a flame which should be present has gone out.



DIFFERENTIAL BONUS FOR L.I.C. POLICYHOLDERS

PLEA FOR PUBLISHING METHOD AND BASIS OF COMPUTATION

By G. S. Diwan

"There should be nothing in the conduct of a Life Insurance Company that the managers should not be prepared, if necessary, to proclaim to all the world and justify."—*Journal of the Institute of Actuaries, London.*

THE Life Insurance Corporation did not start from scratch. It took over the running businesses of as many as 245 insurers, whose financial positions naturally showed wide variations. Broadly speaking, the financial strength or weakness of any commercial concern on any day is indicated by the difference between the values of its liabilities and assets on that day; and it is this difference which determines its profit earning capacity. The distinguishing characteristic of a life insurance concern, however, is that its liabilities are almost wholly contingent, in the sense that the exact time when any of them will have to be met is uncertain; and this feature makes their evaluation, and therefore also the determination of the profit-earning capacity of the insurer, an essentially actuarial problem. Since the assets and the liabilities of the 245 insurers, now merged in the L.I.C., could not, in the very nature of things, be expected to show the same, or nearly equal, profit-earning capacity for the different insurers, the L.I.C. was quite justified in deciding to allot bonuses at different rates (differential bonuses) to with-profit policies, now in force with it, but issued, in pre-nationalisation days, by, and taken over by the L.I.C. from, different insurers (now called units). This it is permitted to do, with Government's prior approval, under Section 49(2) (k) of the Life Insurance Corporation Act.

Fair Distribution of Profits

The scheme of differential bonuses is intended to secure a fair distribution of the divisible profits of the L.I.C. between the policies issued by different units. At the 1957 valuation of the L.I.C., a divisible profit of about Rs. 27.56 crores has emerged and its allocation between approximately 41,70,000 policies is at present held up because of the non-finalisation of the scheme of differential bonuses. A fair and equitable distribution of life insurance profits is not, even under ordinary circumstances, an easy task and it has now been made much more complicated by the manner in which life insurance was nationalised in 1956. The Managing Director of the L.I.C., in his report on the 1957 valuation, remarks as follows: "In actuarial science the search for equity has always been elusive and the problem has not been rendered easier by the fact that it is necessary to deal with as many as 245 insurers varying widely in size and strength. The Corporation has been engaged for a long time in evolving suitable "bonus indices" (i.e., ratios to the Corporation bonus of the various differential bonuses) "for the several units. But owing to the magnitude and the complexity of the task involved, it has not been possible to complete it." Even now the final bonus indices have not yet been evolved; but, in the meantime, some of the 41,70,000 policies are becoming claims by death or maturity and in their case it becomes a matter of urgent necessity to know what bonus is to be paid to them. It would be clearly inconvenient to the claimants under such policies to take the claim money in instalments, which they would be required to do if they were asked to wait until the finalisation of the bonus indices for receiving the reversionary value of their share in the above divisible profit of Rs. 27.56 crores. Therefore, in order to remove any such inconvenience to these claimants, a *provisional* schedule of bonus indices, giving what may be called a *provisional* scheme of differential bonuses, was adopted by the L.I.C. in June 1959. In September 1953, long before the adoption of this provisional scheme, it was reported, on the basis of official information, that "the Corporation has conducted an exhaustive investigation into the profit-earning capacity of the various insurers." This shows that "it is after a detailed examination of the profit-earning capacity of the various units of the Corporation that the provisional scheme of differential bonuses has been arrived at." The Press advertisement of 20th June 1959 about the provisional scheme of differential bonuses stated that the final scheme was expected not to differ materially from the provisional scheme.

Thus in spite of a 'detailed' and 'exhaustive' investigation having been made for months before the adoption of the provisional scheme, and in spite of more than a year having elapsed thereafter, the final scheme has not yet been published. Indeed the present situation is somewhat confusing. One does not know whether any one of the major principles underlying the provisional scheme is being now changed in arriving at the final scheme or whether the position is that the major principles continue unaltered but some refinements in working or some slight changes in minor principles are being adopted. In the former case, the declared expectation that the final results would not be materially different from the provisional results does not seem to be quite justified; and, in the latter case, the period of more than a year elapsed after June 1959 should have ordinarily been more than enough to effect minor changes in the working. If the L.I.C. were to make known to the public the principles on which it is working, not only will the present position be clear but the L.I.C. will also understand the reaction to these principles of the professional and other informed public opinion and, above all, also of the policyholders concerned. It is in the fitness of things that the decision on such a technical matter of public importance as differential bonuses for the L.I.C. should be taken not only after proper consideration of the views of those affected by, but also of those professionally interested in, this question.

Basic Items

The following are the basic items on which information, including the principles adopted in arriving at the bonus indices, should be given.

(i) On what date is the profit-earning capacity of each unit being measured?

(ii) Is a common valuation basis being adopted for evaluating the liabilities of the different units on this day? If so, what is it? If not, what are the principles on which differentiation in the bases is made and what are these different bases for the various units?

(iii) The policies issued by the Corporation after nationalisation form a distinct unit. If the method adopted for measuring the profit-earning capacity of the Corporation as a distinct unit is not the same as under (ii) above, then what is it?

(iv) In valuing the unquoted assets of the units, like land and building property, mortgages, dead stock, etc., if the values assigned to these by the Corporation differ (except in the usual way owing to depreciation, etc.), from those last assigned to them by the previous insurers, then a list of such differences, if any, for the various insurers should be available for reference to the policyholders of the respective insurers. The L.I.C. should also state whether these changes in values were made by it on its own or after consulting independent valuers. A policyholder is entitled to know whether, and if so which, bad investments of his previous insurer, now come to light after nationalisation, are responsible for the reduced differential bonus that he may be getting.

(v) It appears that, though the L.I.C. is calculating the profit-earning capacity of each unit separately, different units, with numerical measures for this capacity within a certain range, are being grouped together and given a single bonus index. In the provisional scheme of differential bonuses there are only six bonus indices for the six such groups into which all the different units are divided. This grouping, which is a process opposite to that implied by differential bonuses, may be necessary for practical reasons in order to reduce to manageable dimensions the numerical work in applying the bonus indices. However, the list of the several different measures of the profit-earning capacity for the various units should also be published, so that it will be possible to know whether the degree to which differentiation and therefore equity are sacrificed for practical reasons bears a reasonable relationship to the degree to which they are achieved.

Information under all the above five items can be immediately given for the provisional scheme and that under the first four of these items can also, presumably, be immediately given for the final scheme. Indeed, it was expected that the L.I.C. would publish a report on the working out of the bonus indices, just as it has published a valuation report; but not only no information is so far available on any of the above five basic items but there is reason to apprehend that no information would probably be given hereafter, even though a request may be made for it. Final bonus indices are, at least in theory, applicable until the last of the pre-nationalisation with-profit policies goes off the books of the L.I.C., which may happen probably some time after 1980. Again they affect the rights under some few millions of life policies. Their determination is therefore a matter of very great importance, affecting, as it does, lakhs of people for varying lengths of time, up to a maximum of probably more than 20 years from now.

Very probably, the L.I.C. feels that if the requisite information about the method whereby bonus indices are being calculated is given, there would be too many representations in the matter; and it would be impracticable to deal with a large number of representations. This is an extremely regrettable attitude on the part of the L.I.C. If the sole purpose of taking such an undemocratic attitude is to avoid considering too many or worthless representations, then surely the L.I.C. could have still given all the information but decided to consider and deal with only such representations as were signed by a minimum number of with-profit policyholders of a unit, say fifty. Under Section 53 (2)(*a*) of the Insurance Act, 1938, a representation to the Court "by not less than fifty policyholders holding policies of life insurance that have been in force for not less than three years and are of the total value of not less than fifty thousand rupees" requesting that the insurance company be wound up had to be considered and dealt with. If such a serious matter as even the liquidation of a company could be examined by a court on the strength of a representation of fifty policyholders, why should not the L.I.C. be prepared to consider and deal with a similar representation urging nothing more serious than just a reconsideration of the differential bonus?

It is also doubtful whether the L.I.C. can, under the present law, refuse to give any information as to how the differential bonuses have been arrived at. Under Section 49 (2)(k) of the Life Insurance Corporation Act, the regulations for classification of policies for differential bonuses have to be published in the *Gazette*. Surely, the regulations for classification are something different from the classification itself and should include the information on the items mentioned above. Again, bonus indices are a published result of a financial investigation; and under Section 13(2) of the Insurance Act, 1938, which applies to the L.I.C., whenever an investigation is made of which the results are made public, the necessary information about the investigation is required to be given in a suitable form, and this information includes that on the above five items.

Position Prior to Nationalisation

It would not be out of place here to consider the position in respect of such a matter as differential bonuses in days prior to the nationalisation of life insurance. If two or more insurers desired to amalgamate their life insurance businesses, then they had, in those days, to conform to the provisions of Sections 35 and 36 of the Insurance Act. The scheme of amalgamation had naturally to specify the method whereby bonuses, to be given after amalgamation to the with-profit policyholders of the two amalgamating units, were to be determined. This method was the item analogous to the scheme of differential bonuses now being devised for the L.I.C. The document stating the whole scheme of amalgamation, including this item corresponding to differential bonuses, together with all relevant material had, under Section 35, to "be kept open for the inspection of the members and the policyholders at the principal and branch offices and chief agencies of the insurers concerned" "during the two months" before the application for amalgamation was made to the controller who was to sanction the scheme, under Section 36, only "after hearing the directors and such

(Continued on page 971)

SOME ASPECTS OF THIRD PLAN

PRIVATE SECTOR MUST BE ALLOWED TO PLAY ITS PART WELL

By S. R. Damani, M.P.

THE draft third Five-year Plan has been approved by Parliament by a majority of votes, unlike the previous two Plans which were passed unanimously. Under the third Plan, outlay is placed at Rs. 10,200 crores which is equivalent to the outlay of the first and second Plans together. The public sector has been allotted Rs. 6,200 crores and the private sector Rs. 4,000 crores which means an increase in investment of 51 per cent. and 29 per cent. in the two sectors, respectively. The following is the breakdown of figures:

(In crores of rupees)

	Public sector plan outlay	Current outlay	Total	Private	Total
1st Plan	1,900	400	1,560	1,800	3,360
2nd Plan	4,600	950	3,650	3,100	6,750
3rd Plan	7,250	1,050	5,000	4,000	10,200

In the public sector, out of Rs. 7,250 crores, a sum of Rs. 3,600 crores is proposed to be spent by the Centre and Rs. 3,650 crores by the States. The most important feature is increased allocations for agriculture and industries. In the case of agriculture and irrigation, the allocation is Rs. 1,675 crores, as against Rs. 980 crores in the second Plan, whereas, under the industry and minerals head, the allocation is placed at Rs. 1,500 crores, as against Rs. 880 crores. Thus, in agriculture and irrigation, the allocation has been increased from 21.3 to 23.1 per cent. and similarly in industries and minerals from 19.1 to 20.7 per cent. Both these are interrelated and allied and their progress is necessary for the country's development.

The Plan is most realistic and not at all ambitious. The size of the Plan is in keeping with the size of the country, the population for which it is meant, and the stage and level at which the completion of the previous two Plans will have placed the country. Had the Plan been less than Rs. 10,000 crores, it would have been unrealistic. Only few months back when some indication was given about the proposed outlay, it was considered to be ambitious, but the sad feeling has now faded out on rethinking.

Considerable value is attached to Planning. Planning, if it is to be really affective, must be a continuous process linking two plans together in an unbreakable thread. The Planning Commission has considered all these pros and cons and has given this draft Outline of the third Plan. Having completed the two Plans and the progress the country has made in the various fields, agriculture and industry, in particular, it was but natural that the tempo of the progress should be maintained. In this regard, for instance, the anticipated increase in employment opportunities to be provided to 10.5 million in urban areas and 3.5 million in rural areas with a backlog of 2 million is modest. Similarly, the target of 5 per cent. increase in national income is also fair. Naturally, therefore, outlay is bound to be commensurate to the anticipated achievements in terms of physical targets.

Annual Plans

There had been appraisal and reappraisal in the case of the second Plan, due to foreign exchange and other difficulties. If the Planning Commission had divided the Plan into annual plans, the same could have been avoided. However, a beginning can be made with the third Plan. The Plan can be split into five annual plans within the overall framework of the third Plan. Annual plans with certain outlays and physical targets to be achieved in different fields in the relevant period with due emphasis on the progressive developmental needs of the regions, districts, States and the country as a whole can be prepared. The States shall also make their own annual plans and distribute the investments among the constituent districts and fix the targets in various fields to be achieved by them, to which the Collector and *Pramukh* of *Zila Parishad* shall be responsible. Such annual plans shall be presented to Parliament and State legislatures along with the budget for discussion. While presenting such annual plans, the extent to which the previous annual plan has been affective and how it is comparable in its achievements with the targets laid down for it together with reasons for variations, if any, must be indicated. The progress can be checked up and, in the light of the experience gained and achievements accomplished, the next annual plan, the framework of which is already ready, can be suitably modified to suit the exigencies of the time when prevailing. This annual planning will accordingly prove to be more effective, as it will go deep into detailed planning and is, therefore, destined to prove successful. This involves considerable flexibility in planning too.

Industrial Sector

The Industrial Policy Resolution of 1956 will continue to govern the expansion of industries during the third Plan, the public and private sectors continuing to be supplementary and complementary to each other. It may be noted that the performance of the industrial sector during the second Plan period has been very satisfactory. It has exceeded even anticipated outlay of Rs. 1,094 crores and the latest estimates indicate investment of Rs. 1,450 crores in the private and public sectors taken together, an increase of 32 per cent. May be, a part of the increased outlay has been due to rise in cost, but it is a fact that this sector has done exceedingly well.

The private sector has played its part very satisfactorily to harness resources of Rs. 3,100 crores during the second Plan and it will be possible to do the job assigned to it under the third Plan and invest Rs. 4,000 crores for the development of industries in the spheres earmarked for it. If no more regulations are placed, if there are no delays in the sanction of schemes, if financial help provided by the Government financial institutions is quickened and if other formalities are simplified, the private sector will be able to perform its part well.

Agricultural Sector

Agriculture is equally important; rather it is the basis of industrial planning. It supplies raw materials, etc., to industries and the majority of population live and thrive on agriculture. It, however, seems that, for agriculture, it is more a problem of organisation than of investment. There is shortage of trained personnel in agricultural technology and the sums are not usefully employed. Blocks are not fully equipped with very efficiently trained people and this sector needs proper guidance. Irrigation facilities, too, have not been availed of. As against anticipated 88 million acres, only 70 million acres have been irrigated. In this respect, the State Governments should help the cultivators by granting advances for constructing field canals, etc., and should take the initiative. The same applies to fertilisers and co-operative farming. The success of our planning and increased agricultural output depends to a large extent on these factors. If our farmers are properly guided and the investment of funds is properly utilised, I do not find any reason as to why the target of 105 million tons of foodgrain and other targets of agricultural production will not be achieved.

Financial Resources

A reference to the financial resources of the third Plan can be made here (the relevant details are given on page 378 of *Commerce* dated 27th August 1960). Promotion of small savings and investment is a must and, if the third Plan is to succeed, there has to be increased domestic saving. It is suggested that it will imply restraint on consumption, but this should not apply to Indian conditions where the *per capita* consumption is already low. It will, therefore, require a positive policy to encourage small saving and its investment in productive activities. The Prize Bond, a good scheme, has collected just Rs. 10 crores. About one-fifth is accounted for by Bombay and Gujarat. I think that insufficient publicity has been the main cause for its poor performance. Wider publicity is needed to make it popular.

The budget estimates for 1960-61 provided for Rs. 95 crores under small savings collections and, on this basis, an average Rs. 110 crores during the next five years appears to be ambitious. Further, the activities of officials to show increased figures on 31st March, which are eventually withdrawn within the next week or so during the ensuing financial year, make a mockery of the scheme. This has been observed by Mr. J. P. Narain, the *Sarvodaya* leader and Mr. Shriman Narayan, Member, Planning Commission. Such activities do not help much but only present rosy statistics to official hierarchy, and are devoid of any authenticity. More remains to be done in rural areas to tap resources through small saving collection and what is necessary is to man the administration with honest and sincere officers to do things in the right way.

In a total outlay of Rs. 7,250 crores, a deficit financing of Rs. 550 crores is definitely moderate, as against Rs. 1,175 crores in the total outlay of Rs. 4,800 crores. The planners have kept the scope for deficit financing very limited. It is conceded that, upto a reasonable level, deficit financing is a stimulating factor and only beyond a limit it becomes inflationary in its impact which give rise to other undesirable trends. As an economic measure, it has been employed by the advanced countries and it has helped in the economic development. However, a vigilant eye should be kept, so that there is a constant and corresponding increase in the production; otherwise, inflationary trend may ensue.

The third Plan provides for the raising of resources through taxation to the tune of Rs. 1,650 crores, out of which one-third, that is, Rs. 550 crores, is to be raised by the States. It may be said that direct taxation has already reached saturation point. The corporation tax of 45 per cent. is already on the higher side and the Government will receive more revenues than it would otherwise have received from this source. The personal taxation of 78 per cent. (earned) and 84 per cent. (unearned), together with expenditure tax, wealth tax, gift tax, etc., hardly leaves any substantial amount for capital formation and reinvestment in profitable channels. Investible income is thus becoming stagnant and extinct and any further burden under direct taxes will be a disincentive measure. Incidentally, the Plan relies on indirect taxation. The Planning Commission says: "As regards income and corporation taxes, further increase in yields will have to be sought mainly through tightening of administration, watch on expense account of companies, and measures to check tax evation. Indirect taxes and increase in the prices of products of public enterprises will, it must be recognised, tend to raise prices and costs, but this is part of the calculated sacrifices that have to be made."

I do think that, while selecting the items for indirect taxation, the Government will have to be careful. It is right that development process benefits all sections of the community and no member of the community should shirk or grudge to shoulder any burden on that account. I am, however, doubtful about the raising of resources to the tune of Rs. 550 crores by the States. Past experience shows that most of the States have hardly presented surplus budgets. Any shortfall on their account will mean more Central aid or grant which, incidentally, means that the Centre will have to find that much additional resources.

The Plan has made two important points. First, it starts with a low level of foreign exchange reserves and, as such, it is considered essential to exercise utmost care and vigilance in respect of imports and in enhancing foreign exchange earnings. The second point is about the level of prices which are more than 20 per cent. as compared with those prevailing at the beginning of the second Plan.

Foreign Exchange

The Plan sets a foreign exchange deficit balance of Rs. 3,200 crores—one-third of the total outlay and equal to the outlay of the first Plan. If the amount of Rs. 500 crores required for repayment of loan and interest thereon and the Rs. 600 crores estimated receipt by way of assistance in rupees under P.L. 480 are taken into account, the country will need foreign exchange of the order of Rs. 2,100 crores for import of machinery and equipment for projects in the Plan, components, intermediate products, etc., for increasing the production of capital goods within the country.

I think it is too early to estimate any foreign aid to India. Things will be clear by the end of the year, when the U.S. Presidential election will be over and something will definitely be known from the friendly countries in the West. However, looking to the sympathetic attitude of foreign countries, India will not be disappointed with due regard to our sincerity of purpose and the gigantic task we have undertaken to improve the standard of living of the masses.

With the loans we obtain and the complexities of its repayment which may continue further, we do not know where the country will land. It is, therefore, advisable if the flow of foreign private capital is accelerated. Atmosphere must be created for such a flow. The Government has allowed foreign collaboration in the private sector and what is required is the creation of a more attractive and healthy atmosphere.

Level of Prices

The level of prices is the basic factor that affects the whole economic life of the country. If we can control the price of food, the basic item which is the backbone of the cost of living index, the other problems will automatically be solved. All other items are related to the prices of food item.

It is an economic principle that prices tend to stabilise at a reasonable level in a perfect market where forces of demand and supply have free role to play. Regulation and control must not become a permanent feature. The only way to have a stabilisation of prices at economic levels is to ensure increased production on all fronts. All other problems would be solved automatically.

Administrative Efficiency

The Plan is modest and what matters is its successful implementation and execution. The success of the Plan will depend mostly on its proper and purposeful execution. This object can be achieved through administrative machinery. The salient features of public administration necessary are integrity, efficiency and public co-operation. It depends upon the administration to utilise the allotted money in proper channels. The Plan itself says that success depends on the efficiency with which it is implemented. There is no difficulty in the Plan, but the difficulty is of its efficient implementation. Our young men should not hesitate to go to villages and work. Our administrative cadre should throw away tendencies of the steel frame. The administrative personnel should feel that they are part and parcel of the public and that they are the servants of the public and not its masters. They should be far away from political pressure and work for the public interest in the national spirit. They should be immune from political influence from within or without. As such, the whole administration should be streamlined, and dishonesty must be punished and virtues encouraged through proper inducements. For the quick execution of work, delays should be avoided and files should move quickly. The whole atmosphere should be surcharged with plan-consciousness and, in order to have more public co-operation, more publicity must be given.

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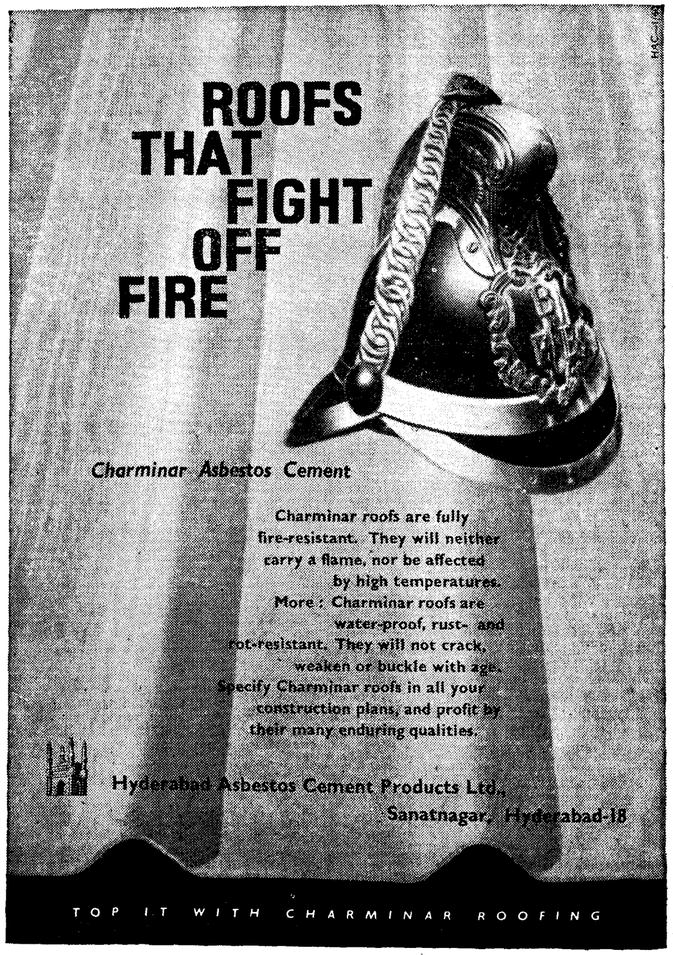

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WORLD AGRICULTURAL TRADE

BOTH VOLUME AND VALUE HIGHER

WORLD trade in agricultural products, which had suffered a distinct setback in 1953 under the impact of 1957-58 recession, staged a smart recovery in 1959. Both the volume and, to a lesser extent, the value of international trade itself registered an improvement. Apart from the revival of general world economic expansion, this trend was assisted by the sustained improvement in production. World production of agricultural products (excluding those of mainland China) rose by 2 per cent. in 1959-60 over the previous year, with Western Europe and the Far East accounting for the largest increase. According to *The State of Food and Agriculture—1960*, brought out by the Food and Agriculture Organisation, of the United Nations (priced at 10s. or $2), the expansion in the volume of exports of agricultural products at 6 per cent. was lower, as compared with those of manufactured goods which registered an increase of 7 per cent. The average unit value of agricultural exports, however, continued to fall, this time by about 3 per cent. Consequently, the total value of agricultural exports rose in 1959 by only 3 per cent.

Tables I and II at the bottom of this page show the trend of production and exports of major commodities during the last two years, as compared with the pre-war period (1934-38) and 1948-52.

Raw Materials

A feature of world trade in 1959 was the remarkable recovery recorded in the exports of agricultural raw materials, which had been worst hit by the 1957-58 recession. The volume of raw material exports went up by 10 per cent. over the previous year, mainly because of heavier shipments of wool and rubber. For the group as a whole, there was practically no change in the average unit values. The F.A.O. Report points out that the commodity group, beverages and tobacco, also showed a marked increase of some 8 per cent. in the volume of exports in 1959, as compared with the year before, and reached a new high level. Increases in the volume of trade in coffee (16 per cent.) and cocoa (14 per cent.), following heavy crops in Latin America and West Africa, offset some decline in exports of tea, wine and tobacco. Prices of cocoa, however, fell back somewhat after the recovery of 1958, while average values of coffee exports continued to decline. In consequence, the value of exports for the whole group was some 7 per cent. lower than in 1958, despite the larger volume of trade.

The exports of food and feedingstuffs generally improved, though there were marked differences between commodities. Thus, while the volume and value of cereal shipments showed no marked change from the level of the last few years, both the volume and value of sugar exports declined further from the 1957 peak; most of the fall occurred in exports from Cuba. On the other hand, exports of edible oils and oilseeds, dairy products, fruit and, to a lesser extent, meat, continued to increase in volume. The value of exports of the first two groups of commodities recovered sharply from the decline in 1958, while that of meat, which had not been reduced by the 1958 recession, continued to rise. Export values of fruit declined slightly in 1959, but, over the past five or six years, fruit and meat are the only major commodity groups for which the value of exports has increased more rapidly than their volume.

A region-wise analysis of trade shows that only three regions, namely, Oceania, the Far East (which includes India, Pakistan, Ceylon, Burma and Malaya) and the Near East, recorded some gain in their earnings from agricultural exports. Export earnings of the Far East region alone rose by 14 per cent. (as against an increase of only 3 per cent. in the volume of exports), thanks mainly to the improvement in export prices, particularly of rubber. The largest increase in export earnings, that is, by as much as 24 per cent., was attained by Oceania (Australia and New Zealand), as a result of larger shipments of wool, meat, dairy products and grains. The volume of agricultural exports from the Near East (Iran, Israel, Turkey and Egypt) rose by 20 per cent. and value by 7 per cent. Shipments of cotton, the major agricultural export of the region, rose by 40 per cent. in volume to a record level in the Near East. All other regions recorded lower agricultural export earnings in 1959.

Over 40 per cent. of the increase in the volume of exports in 1959, says the F.A.O. Report, was directed to Western Europe and over 30 per cent. to North America, where the volume of agricultural imports for the first time exceeded the average for 1948-52, a period when they were influenced by stockpiling operations. The remainder represented increased shipments into the less-developed regions, including shipments under special terms, and, to a smaller extent, larger shipments to Eastern Europe, Russia and Mainland China.

Changes in the volume of imports by regions were not closely reflected by changes in values. For imports into the less-developed regions as a whole rose in volume by 4 per cent., but decreased in value by 2 per cent. As compared with 1957, the volume of imports was almost the same, but the value had fallen by about 10 per cent.

Less-developed Regions

Examining the trends in the pattern of agricultural trade between the industrially developed and less-developed countries, the F.A.O. Report observes as follows:

"In the last decade, imports of agricultural products into the economically less developed regions have increased more quickly than imports into the more developed regions, partly because of shipments under special terms. The recession of 1958 led to some decline in agricultural imports into all the less developed regions except the Near East, where grain production was affected by drought, but the rise was resumed in 1959 in each of these regions except Latin America. In 1959, agricultural imports into the less developed regions as a whole had increased in volume by 55 per cent. over the 1948-52 average, while the comparable figure for the more developed regions was only 28 per cent. Even so, imports into the less developed regions in 1959 amounted to only about one-third of those into the more developed regions.

"In contrast to imports, the volume of agricultural exports has tended to grow more rapidly in the case of the more developed regions. By 1959, the volume of exports of all agricultural products had increased by some 38 per cent. over the 1948-52 average in the more developed regions and by only 29 per cent. in the less developed ones. For food and feedingstuffs, the difference was still more marked, exports of the more developed regions rising by 50 per cent. and those of the less developed by 30 per cent. in the same period. The less developed regions accounted in 1959 for about 56 per cent. of world exports of agricultural products as a whole (excluding exports of Russia, Eastern Europe and Mainland China), but only 38 per cent. of world exports of food and feedingstuffs.

"Thus, exports of agricultural products from the less developed regions, in particular exports of foodstuffs, tend to lag behind those in the more developed regions, while their imports race ahead. In consequence, their net exports of foodstuffs have fallen sharply, while their net exports of agricultural products as a whole have done little more than hold their own, though there was some recovery in 1959. Food and feedingstuffs accounted for about 17 per cent. of the net agricultural exports of the less developed regions as a whole in 1934-38, but only 16 per cent. in 1948-52 and 13 per cent. in 1958-59. This trend reflects the failure of production of foodstuffs in these regions to keep pace with their growing requirements. While the decline in net exports of food has made possible some improvement in nutritional levels, it runs counter to the need of the less developed countries to increase their earnings of foreign exchange."

Prices (average unit values) of agricultural exports as a whole in international trade averaged about 2 per cent. less in 1959 than the year before, almost the whole decline occurring in the beverages and tobacco group. The F.A.O. Report adds that, in the latter part of 1959, prices steadied and even recovered somewhat, but "preliminary indications suggest that the decline was resumed in 1960." Raw materials were an exception, with rubber prices continuing to rise. The Report says that grain prices remained fairly steady in early 1960, and those of beef and mutton continued to rise, but there were sharp falls in prices of dairy products and certain oilseeds. Coffee prices were somewhat firmer, while those of cocoa declined appreciably.

Terms of Trade

With the aforesaid decline in general agricultural prices, the terms of trade of agricultural products (derived from comparison of export unit values for agricultural products with those of manufactured goods) fell to the lowest point since the war. The following table shows the recent trends in the movement of terms of trade, along with export unit values:

TABLE III

(Indices, average 1952-53=100)

Year	All agricultural products	Food, feeding-stuffs	Beverage, tobacco	Agricultural raw materials
1948	98	115	76	86
1951	116	110	98	155
1954	103	97	129	95
1955	97	91	109	98
1956	91	88	97	90
1957	89	87	94	90
1958	83	83	95	76
1959 (prel'minary) ..	81	83	84	75

N.B.—Indices are at current prices deflated by average unit values of manufactured goods.

It is necessary to add here the F.A.O.'s qualification to the above indices, so that readers may be able to view the situation in its proper perspective. The relevant remarks are as follows:

"These generalised estimates of the terms of trade for agricultural products as a whole, or for broad groups of commodities, are of significance in bringing out the general situation for agriculture. They do not necessarily correspond closely with the situation for individual agricultural exporting countries. Price trends for different agricultural products vary rather widely, so that much depends on the composition of the countries' exports. Moreover, while manufactured goods usually represent a large share of the imports of agricultural exporting countries, they are not the only constituent; as noted earlier they include increasingly a proportion of raw materials, and especially foodstuffs. To judge the influence of agricultural price movements on the external payments situation of any individual country, it is, therefore, necessary to take into account the actual composition of both its exports and imports."

A special section in the Report is devoted to the study of the trade of communist countries with the rest of the world. The only defect is that these data generally relate to 1958, presumably because they are "less generally accessible." In 1958, trade with other members of this group accounted for nearly 80 per cent. of the agricultural exports and over 50 per cent. of the agricultural imports of Russia. Imports into this group from the less developed regions have increased sharply, notably of rubber (mainly from the Federation of Malaya) and cotton (mainly from the United Arab Republic). Imports of beverages, spices and other products are also rising, though the total volume of trade remains small. In contrast to the general trend, imports of sugar and oilseeds have been reduced because of greatly increased domestic production.

TABLE I

World Production of Major Commodities

(In million metric tons)

Product'on*	Average 1934-38	Average 1948-52	1958-59	1959-60 (prelim.)
Wheat	95.0	113.6	139.0	135.5
Barley	28.5	36.1	51.6	51.5
Oats	37.5	42.5	43.2	37.5
Maize	94.1	119.6	150.0	166.6
Rice (milled equivalent) ..	70 2	75.0	95.1	99.0
Sugar (centrifugal)	20.0	26.6	39.1	38.8
Vegetable oils	9.2	11.7	15.8	15.2
Animal fats	3.0	4.1	5.1	5.3
Coffee	2.4	2.3	3.5	4.5
Cocoa	0.7	0.8	0.9	1.0
Tea	0.5	0.6	0.8	0.8
Wine	18.0	17.6	21.7	21.9
Tobacco	2.0	2.5	2.7	2.8
Cotton (lint)	5.3	5.8	6.4	7.0
Jute	2.0	2.0	2.4	2.1
Wool (greasy)	1.5	1.6	2.0	2.0
Rubber (natural)	1.0	1.7	2.0	2.1
Milk	193.6	205.2	240.1	242.6
Meat†	26.9	30.5	39.1	39.8
Eggs	5.8	7.5	9.5	9.7

* Excluding Russia, Eastern Europe and Mainland China.

† Beef, veal, mutton and lamb, pork.

TABLE II

World Exports of Major Commodities

(In million metric tons)

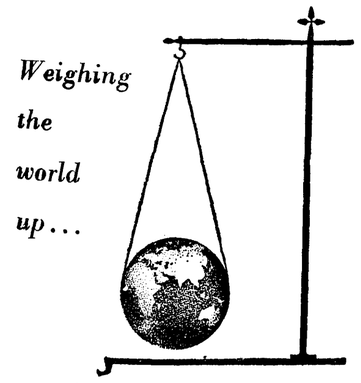
Exports*	Average 1934-38	Average 1948-52	1958	1959 (prelim.)
Wheat	15.4	25.0	27.6	28.7
Barley	1.7	3.2	6.5	6.2
Oats	0.7	1.2	1.5	1.4
Maize	9.8	4.3	8.8	9.6
Rice (milled equivalent) ..	9.7	5.4	5.0	4.8
Sugar (raw equivalent) ..	9.6	10.7	14.3	13.2
Vegetable oils	4.2	3.6	4.8	5.2
Coffee	1.7	1.9	2.2	2.6
Cocoa beans	0.7	0.7	0.7	0.8
Tea	0.4	0.4	0.5	0.5
Wine	1.9	1.6	2.7	2.5
Tobacco	0.5	0.5	0.7	0.6
Cotton (lint)	3.0	3.4	2.6	2.8
Jute	0.8	0.9	0.9	0.9
Wool (actual weight)	1.1	1.1	1.2	1.4
Rubber‡ (natural)	1.0	1.8	2.1	2.3
Meat	1.2	1.0	1.5	1.6
Eggs (in shell)	0.3	0.2	0.4	0.4

* Including exports from the rest of the world to Russia, Eastern Europe and Mainland China, but excluding exports from these countries.

† Excluding the U.S. trade with its territories.

‡ Excluding copra imported into Malaya and Singapore for re-export, but including copra smuggled from Indonesia and North Borneo into Malaya and Singapore.

§ Excluding imports into Malaya and Singapore for re-export, but including rubber smuggled from Indonesia into Malaya and Singapore.



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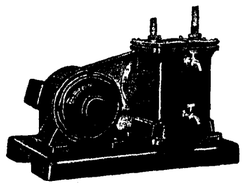

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BROOKE BOND PAYS MORE

GROSS PROFIT, HOWEVER, A SHADE LESS

THE drought of unprecedented severity from the beginning of 1960 up to May, resulting in a slightly lower crop, and a decline in prices were mainly responsible for the small setback in the earnings of the Brooke Bond Estates India Ltd., Calcutta, during the year ended 30th June 1960. The gross profit has come down from Rs. 18.22 lakhs in 1958-59 to Rs. 17.44 lakhs, in contrast to the sizable increase recorded in the previous year from Rs. 11.13 lakhs in 1957-58. The output of tea during the year under review amounted to 3.10 million lbs., as compared with 3.20 million lbs. in 1958-59, and the average price realised, after deducting sale charges and cost of export rights, is Rs. 2.27 per lb., as against Rs. 2.29 per lb. in the previous year.

The results for the year under review would have been worse but for the fact that climatic conditions during the latter half of 1959 were favourable and a satisfactory crop was harvested during this period. The effect of the severe drought in the subsequent months was no doubt widespread, but the Directors are happy to report that no lasting damage to the Company's properties has been done and all areas are recovering satisfactorily. The effect of the drought would appear to be greater on the current year's crop.

Marketing conditions were mixed, the orthodox manufacture having a less favourable year. The better grade teas were in less demand and, as a result, fetched substantially lower prices. Although this was made good, to a large extent, by the better prices fetched by poorer grades, consequent on a temporary shortage of low-priced teas in the world market, the average price realised was a shade lower as stated above.

The net profit, after providing for depreciation and taxation, at Rs. 9.82 lakhs, represents an increase of Rs. 1 lakh. The transfer to the various reserves has been stepped up from Rs. 2.24 lakhs to Rs. 4.27 lakhs, the increase being mainly accounted for by the addition of Rs. 2 lakhs to the general reserve, which had not received anything for some years past. The dividend on ordinary shares is being stepped up from 12.5 per cent., subject to deduction of tax, or 8.75 per cent. net, to 15 per cent., subject to deduction of tax, or 10.5 per cent. net, thus more than making good the cut made last year from 10 per cent. tax-free paid for 1957-58. The larger allocation to the reserves and higher distribution on ordinary shares after meeting the preference dividend liability have, however, meant a dip into the large surplus brought in from the previous year, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale proceeds of tea	77.97	77.49	72.88	87.42
Other income	1.75	1.61	1.73	2.02
Closing stocks of tea	5.92	7.03	6.38	7.20
Estate expenditure	50.38	48.53	48.78	48.34
Other expenditure	11.89	12.33	13.87	17.18
Gross profit	17.44	18.22	11.13	21.80
Provision for—				
Depreciation	2.42	2.38	2.44	2.46
Taxation	5.20	7.02	3.50	7.85
Net profit	9.82	8.82	5.19	11.49
Transfer from reserves	3.15	0.03	3.25	2.65
Bonus in respect of previous years	2.21	0.08	2.76	2.83
To reserves	4.27	2.24	1.89	3.45
Dividends—				
6 per cent. taxable preference	2.10*	2.10*	1.44	1.44
Ordinar	5.25	4.37	3.50	6.12
	(15%)*	(12.5%)*	(10%)	(17.5%)
Carry forward	2.54	4.40	4.30	5.45
Tea output (in million lbs.)	3.10	3.20	3.00	3.44
Average price realised (per lb.)	Rs. 2.27	Rs. 2.29	Rs. 2.10	Rs. 2.12

* Subject to deduction of tax.

In accordance with the agreements reached between the Indian Tea Association and representatives of staff and labour, the dearness allowance of staff was increased by 6 per cent. of the basic pay with retrospective effect from 1st June 1958 and the minimum wage was raised from 1st December 1959 by 20 nP per day in the case of adults and by 10 nP per day for children. The full effect of the latter increase for a year will be felt in the current year.

The uprooting and replanting of tea plants continues in accordance with the Company's programme. The seed 'Bari' on Dering is said to be developing excellently, producing a high quality of seed.

The Company's financial position is quite satisfactory. The paid-up capital of Rs. 70 lakhs is supplemented by reserves and surplus aggregating Rs. 19.80 lakhs. The current liabilities and provisions amounting to Rs. 27.92 lakhs are more than adequately covered by current assets, at Rs. 56.72 lakhs, of which cash balances alone account for Rs. 27.31 lakhs. The gross block of the value of Rs. 94.39 lakhs has been written down to Rs. 60.21 lakhs. Capital expenditure in progress amounts to Rs. 79,469.

The Company has terminated, with mutual consent, the selling agency of Brooke Bond India Private Ltd., which was associated with the former from its inception, first as Managing Agents until 31st May 1956 and latter as selling agents. The termination, which has taken effect from 31st October 1960, has been made without compensation for loss of office or otherwise. This arrangement has been made, with a view to having a wide and direct representation in world markets. The Company is now established in the world markets, where its produce is well known, and the Directors are of the view that greater advantages will arise from direct contact with agents in the various foreign countries to assist in the furtherance of the Company's business by an increase in its exports. It may be of interest to note that over 50 per cent. of the Company's equity shareholding is still held by the Brooke Bond group of companies and there is at present no intention of these companies parting with such interest.

The latest market value of the Company's Rs. 10 fully paid-up ordinary shares is Rs. 16.87 *ex-div.*, at which rate the yield on them is 6.2 per cent. per annum, free of tax.

TRACTORS (INDIA) LTD.

Tractors (India) Ltd., Calcutta, has shown slightly improved results for the year ended 30th June 1960, in refreshing contrast to the sharp setback suffered in the previous year. The turnover was better, thanks to the judicious utilisation of import licences and the extension of service facilities made possible by the installation of automatic plant and machinery at the works. The expansion in turnover was no doubt accompanied by a rise in cost of sales and in other expenses. Nevertheless, the gross profit has gone up by Rs. 1.19 lakhs to Rs. 24.37 lakhs, but it still falls short of the 1957-53 profit by no less than Rs. 6.28 lakhs. The net profit, too, which had shrunk from Rs. 13.95 lakhs to Rs. 11.62 lakhs in 1958-59, has recovered to Rs. 13.05 lakhs in the year under review. The reserves get a little more, at Rs. 2.72 lakhs, as against Rs. 2.50 lakhs a year ago, but the dividend is unchanged at 30 per cent. subject to deduction of tax or 21 per cent. net. The Directors' intention of carrying forward as much as Rs. 14.14 lakhs, which is Rs. 3.47 lakhs more than that brought in, instead of ploughing back something more into the reserves, is not clear.

The progress of the Company since 1956-57 is fully reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1960	1959	1958	1957
Sale proceeds	89.01	86.11	1,48.97	1,73.26
Other income	7.70	5.18	2.57	3.24
Cost of sales	51.74	49.82	98.40	1,32.66
Other expenses	20.61	18.29	22.63	23.51
Gross profit	24.37	23.18	30.65	20.07
Provision for—				
Depreciation	0.69	0.66	1.33	1.41
Taxation	10.63	10.90	15.36	13.75
Net profit	13.05	11.62	13.95	4.91
To reserves	2.72	2.50	10.00	
Dividend	6.87	6.87	5.15	4.58
	(30%)*	(30%)*	(22.5%)	(20%)
Carry forward	14.14	10.67	8.41	9.61

* Subject to deduction of tax.

The Company's negotiations with the Union Government for licensing an indigenous manufacturing programme and certain other proposals for extension of its activities have borne fruit. As a result, the Company, in association with Steel and Co., Ltd. of Sunderland, U.K., has promoted a company by name Coles Cranes of India Private Ltd., which, for the first time, will manufacture mobile cranes in India. The project is said to be already well in hand and the Directors expect the new company to go into production by the third quarter of 1961. The Company (Tractors India Ltd.) has also acquired a substantial interest in Willcox (Buckwell-India) Private Ltd., New Delhi, which holds franchise for lines similar to those handled by it over extensive territories in Northern India. Further, negotiations are in progress with some of the Company's overseas principals for the manufacture of their products in India. The Directors feel that these activities, together with the business in hand and the prospects in view, will go a long way to ensure continued prosperity for the Company.

The Company's paid-up capital as on 30th June 1960 is Rs. 22.89 lakhs and this is supplemented by reserves and surplus aggregating Rs. 30.46 lakhs. The current liabilities and provisions, at Rs. 28.40 lakhs, are covered by a very large margin by current assets at Rs. 75.90 lakhs, of which trade investments account for Rs. 8.44 lakhs, stock-in-trade for Rs. 34.65 lakhs and book debts for Rs. 31.86 lakhs. The gross block of the value of Rs. 14.78 lakhs stands written down to Rs. 5.85 lakhs.

In order to bring the capital structure of the Company in line with its increased activities and commitments, the Company recently issued fresh shares and these were substantially oversubscribed.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted in Bombay at Rs. 29 *cum-div.*, at which rate and on an *ex-div.* basis they provide a yield of 7.8 per cent. per annum, free of tax.

ESSO STANDARD EASTERN

The Standard Oil Company (New Jersey) and Socony Mobil Oil Company Inc., which jointly own the Standard-Vacuum Oil Company, have decided to give up their joint ownership of the Company, but the international petroleum interests of Standard-Vacuum will be divided between them. Jersey Standard and Socony Mobil each owns 50 per cent. of the capital stock of Standard-Vacuum, which is carrying on business either directly or indirectly through affiliates, in some fifty countries and territories in South Asia, including India, South-east Asia, the Far East, Australasia, and parts of Africa. Those interests which Socony Mobil will acquire will be held through Mobil Petroleum Company, Inc., a new wholly owned affiliate. The remaining portion will be held by Jersey Standard through ownership of Standard-Vacuum, the name of which will be changed to Esso Standard Eastern. Standard-Vacuum's present interests in India will be retained by Esso. These interests include Standard-Vacuum's marketing businesses, its stock ownership in Standard-Vacuum Refining Company of India Ltd. and its petroleum exploration activities in India.

The aforesaid decision brings to an end the twenty-seven year old partnership of Jersey Standard and Socony Mobil, two of the world's largest and most highly competitive companies. These two companies, which had independent facilities in the East, formed Standard-Vacuum in 1933. Before the formation of this joint venture, Jersey Standard was engaged in this area primarily in the product on of crude oil and in the refining of petroleum products. Socony Mobil's interests were mainly confined to marketing of finished products. The two companies then felt that they could better serve the interests of the consuming public, as well as their own, through joint ownership of facilities from the well-site to the market place. During the last quarter of a century and over, world conditions have undergone a change and petroleum industry has developed and the two companies accordingly feel now that a realignment of Standard-Vacuum is best. Under the terms of the reorganisation agreement, the two companies will each be in a position to serve separately the consuming public with its petroleum products.

The proposed step will not fundamentally alter relations with employees, customers, dealers, suppliers or others having business dealings with Stanvac. All the existing services and contractual obligations will be continued without interruption.

KOTHARI SUGARS AND CHEMICALS LTD.

Kothari Sugars and Chemicals Ltd. Madras, will shortly enter the capital market with a public issue of equity shares of the value of Rs. 80 lakhs. The Company was incorporated only a few days ago—on 7th November 1960—with an authorised capital of Rs. 5 crores and has been promoted by Messrs. Kothari and Sons, the well-known managing agency firm of Madras.

The object of the Company is to set up a sugar factory in Tiruchirapalli (Madras State) with a crushing capacity of 1,000-1,250 tons per day. The plant and machinery will be of the latest model and will be manufactured by Binny's Engineering Works, Madras, in collaboration with Messrs. Mirrless Watson & Co. Ltd., Glasgow, reputed U.K. sugar machinery manufacturers. The factory is expected to go into production by December 1961.

The present sugar production in the South is 80.000 tons, while consumption is of the order of 135 000 tons per year. There is thus a wide gap to be bridged. The new factory is a step towards this end. As compared to the sugarcane areas in the North, the South is well suited for sugarcane cultivation. Most of the factories in Madras State have a crushing period of 240-270 days which is more than twice as long as the average period of about 100 days in the North. The recovery of sugar is satisfactory, owing to the good climate and soil conditions in this area. Besides these favourable factors, the Southern factories have a freight advantage over those of the North which currently supply the Madras market.

Out of the total capital issue of Rs. 80.00.000, the Industrial Investment Corporation Ltd. of Madras and the Life Insurance Corporation of India have each agreed to subscribe Rs. 15.00.000 of shares. The balance of the issue has been underwritten. The list for public subscription is expected to be opened on 15th December 1960.

The Company will have some of the leading industrialists of India on its Board of Directors, namely, Mr. A. D. Shroff, Mr. B. M. Ghia, Mr. A. M. M. Murugappa Chettiar, Mr. D. C. Kothari, Mr. H. C. Kothari, Mr. J. M. Mehta and Mr. J. R. Mehta of Bombay.

UNITED DYESTUFF INDUSTRIES LTD.

The United Dyestuff Industries Ltd. proposes to issue shortly 50.000 equity shares of Rs. 10 each. Of these, 25,500 shares have already been taken up by the promoters, their friends and the Directors and the balance of 24,500 equities will be offered to the public. The entire equity capital to be issued to the public has been underwritten by the Devkaran Nanjee Banking Company Ltd.

The Company was incorporated in August 1960, with an authorised capital of Rs. 2 crores, with a view to meeting the growing needs of textile mills in Maharashtra and Gujerat in Vat dyes and other allied products along with its various intermediates. The Company has been given a licence to manufacture 168 tons of Vat dyes and other allied products. The total production of Vat dyes in India during 1959 was 325 tons and this is expected to grow to about 1,200 tons by 1961, in view of the growing consumption of Vat dyes by cotton textile mills. Besides, a number of Vat solubilising units are dependent upon import of Vat colours for use as raw materials. The Company's manufacturing programme is such that their products can be converted into Vat soluble dyes and meet the demand of these units also, which are unable to get their requirements on account of foreign exchange difficulties. The outlook for the Company thus appears to be promising and, in the absence of any unforeseen circumstances, the Directors feel that the Company will be in a position to pay a reasonable dividend on the equity capital. The Company is negotiating for foreign technical collaboration and production is expected to commence in 1962.

INCREASE OF CAPITAL BY COMPANIES

One hundred and seventy-four companies were given consent to increase their capital between 1st April 1959 and 31st October 1960, according to the Union Finance Minister, Mr. Morarji Desai. Giving the names of these companies in a list attached to his written reply to a question in the Lok Sabha on the 16th inst., Mr. Desai said 21 companies were given consents during the said period for issue of shares at a premium. A list showing the names of such companies was also attached.

Asked what were the reasons for imposing the condition on some companies that new shares should be issued only at a premium, the Minister said the question whether a particular rights issue should bear a premium was examined on the merits of the case. As regards the criteria for such condition, he said regard was given to the relevant considerations, namely, the intrinsic value of the shares, their quotations in the share market, the dividend record and the prospects of the company, the size of the issue in relation to the existing equity capital, the climate of the share market, etc. The question of premium was settled, in consultation and agreement with the company, with due regard to these considerations, be added.

HINDUSTHAN TWYFORDS LTD.

The offer of 145,100 equity shares of Rs. 10 each of the Hindusthan Twyfords Ltd. has been very well received. The issue is about 74.39 times subscribed. The Company has to deal with approximately 57,000 applications. The Calcutta Stock Exchange Association Ltd. has given its consent to the allotment. All applications up to 1,475 shares will go in the lottery. The lucky applicants of 25 shares each will be allotted 10 shares each, while the other lucky applicants will be allotted 25 shares each. Fixed allotment for applications of 1,500 shares and above are as follows:—

1,500— 2,475	...	...	25 shares each;
2,500— 5,100	...	...	50 shares each;
5,125— 7,475	...	...	75 shares each;
7,500— 9,975	...	...	100 shares each;
10,000—14,975	...	...	125 shares each;
15,000—30,000	...	...	250 shares each;
Over 30,000	...	...	375 shares each.

It is expected that the applicants will be duly informed by the second week of December 1960.

W. BENGAL GOVERNMENT TAKES OVER ORIENTAL GAS

The West Bengal Government has taken over the Oriental Gas Company Ltd., Calcutta, with effect from the 16th inst., immediately after the Calcutta High Court held that the Act authorising the Government to nationalise the Company was a valid piece of legislation. The Company was taken over on behalf of the State Government by Mr. C. K. Ray who has been appointed administrator of the Company.

Earlier in the day, Mr. Justice A. N. Ray of the Calcutta High Court discharged the rule which had been issued by His Lordship on the *ex-parte* application of the Oriental Gas Company, Ltd. and the Calcutta Gas Company (Proprietory) Ltd., on the State of West Bengal and others, granting, at the same time, an *ad interim* injunction restraining the respondents, until the disposal of the rule, from taking over possession of the Oriental Gas Company Ltd., which was scheduled to have been nationalised from Monday, 17th October, under an Act passed by the West Bengal Legislature. The petitioners had contended, *inter alia*, that the State Legislature was not competent to pass any legislation authorising the taking over of the management and control of the Oriental Gas Company Ltd. Further, the Company's undertaking was not an industrial concern and it could not be nationalised. After considering the law and the decided cases applicable to this application, His Lordship held that the Act was a valid piece of legislation and accordingly discharged the rule, holding that the petitioners had no right to apply under Article 226 of the Constitution of India. His Lordship also refused a stay of the operation of this order pending

COMPANY MEETINGS AND DIVIDENDS

TRACTORS (INDIA) LTD. Annual General Meeting, Calcutta, 7th December 1960. Dividend: Rs. 3.00 per share, subject to deduction of tax. Transfer books remain closed from 21st November to 7th December 1960, both days inclusive.

SWINTON ESTATES LTD. Annual General Meeting, Madras, 7th December 1960. Dividend: 12½ per cent. or Re. 0.25 per share, subject to deduction of tax. Transfer books will remain closed from 1st to 7th December 1960, both days inclusive.

ANDERSON WRIGHT LTD. Annual General Meeting, Calcutta, 8th December 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax. Transfer books will remain closed from 1st to 8th December 1960, both days inclusive.

JUBBULPORE ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 10th December 1960. Transfer books will remain closed from 3rd to 10th December 1960, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Annual General Meeting, Calcutta, 10th December 1960. Transfer books will remain closed from 3rd to 10th December 1960, both days inclusive.

MYSORE CHEMICALS AND FERTILISERS LTD. Annual General Meeting, Mysore, 14th December 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax, payable on and after 11th January 1961. Transfer books will remain closed from 1st to 14th December 1960, both days inclusive.

MYSORE CHEMICALS MANUFACTURERS LTD. Annual General Meeting, Bangalore, 15th December 1960. Dividend: 20 per cent. or Re. 2.00 per ordinary share, subject to deduction of tax, payable on and after 20th December 1960. Transfer books will remain closed from 2nd to 15th December 1960, both days inclusive.

INDIAN IRON AND STEEL CO., LTD. Annual General Meeting, Calcutta, 15th December 1960. Dividend: Re. 1.50 per share (being the interim dividend already declared), subject to deduction of tax.

MYSORE COFFEE ESTATES LTD. Annual General Meeting, Bangalore, 16th December 1960. Dividend: 15 per cent. or Re. 0.30 per share, subject to deduction of tax, payable on and after 26th December 1960. Transfer books will remain closed from 8th to 16th December 1960, both days inclusive.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. Annual General Meeting, Balmont, Coonoor, Nilgiris, 17th December 1960. Dividend: 27½ per cent. or Rs. 2.75 per share (includes interim dividend of 7½ per cent. or Re. 0.75 per share, paid in April 1960), subject to deduction of tax. Transfer books will remain closed from 5th to 17th December 1960, both days inclusive.

BLUE MOUNTAIN ESTATES LTD. Annual General Meeting, Madras, 21st December 1960. Dividend: 12½ per cent. or Re. 0.25 per ordinary share, subject to deduction of tax, payable on 22nd December 1960. Transfer books will remain closed from 6th to 21st December 1960, both days inclusive.

WATERFALL ESTATES LTD. Annual General Meeting, Madras, 21st December 1960. Dividend: 12½ per cent. or Re. 0.25 per ordinary share, subject to deduction of tax, payable on 22nd December 1960. Transfer books will remain closed from 1st to 21st December 1960, both days inclusive.

INDIAN HUME PIPE CO., LTD. Annual General Meeting, Bombay, 21st December 1960. Dividend: 13 per cent. or Rs. 13.00 per ordinary share, subject to deduction of tax, on the increased capital of the Company, payable on and from 26th December 1960. Transfer books remain closed from 21st November to 21st December 1960, both days inclusive.

SMITH, STANISTREET AND CO., LTD. Annual General Meeting, Calcutta, 22nd December 1960. Dividend: 25 per cent. or Re. 1.25 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 15th to 22nd December 1960, both days inclusive.

NATIONAL NEWSPRINT AND PAPER MILLS LTD. Annual General Meeting, Nepanagar, 27th December 1960. Dividend: *Nil*. Transfer books will remain closed from 12th to 27th December 1960, both days inclusive.

BELAPUR CO., LTD. Taxable dividend of Rs. 29.00 per share, for the year ended 30th September 1960. Transfer books will remain closed from 22nd to 30th December 1960, both days inclusive.

UNITED BREWERIES LTD. Taxable final dividend of 35 per cent. or Rs. 3.50 per share (making a total of 60 per cent. or Rs. 6.00 per share for the whole year), for the year ended 31st March 1960. Transfer books will remain closed from 19th to 30th December 1960, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Final dividend of 10 per cent. on the preferred ordinary shares and 13 per cent. or Re. 1.30 per share, on 'A' and 'B' ordinary shares, subject to deduction of tax, payable on or after 30th January 1961. Transfer books will remain closed from 6th to 27th December 1960, both days inclusive.

SIRDAR CARBONIC GAS CO., LTD. Ad-interim dividend of Rs. 14.40 per share, subject to deduction of tax, for the half-year ended 30th September 1960, payable on and after 19th December 1960. Transfer books will remain closed from 5th to 17th December 1960, both days inclusive.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Interim dividend of 10 per cent. or Re. 1.00 per share, for the year 1960-61. Transfer books remain closed from 25th to 29th November 1960, both days inclusive.

PANCHURA ESTATES LTD. Dividend of 40 per cent. or Re. 0.40 per share, subject to deduction of tax, for the year ended 30th June 1960.

MALABAR INDUSTRIAL CO., LTD. Taxable dividend of 6 per cent. or Re. 0.60 per share, subject to deduction of tax, for the year ended 29th February 1960. Transfer books were closed from 12th to

Notice

THE NATIONAL NEWSPRINT AND PAPER MILLS LIMITED

NEPANAGAR

NOTICE

THE THIRTEENTH ANNUAL GENERAL Meeting of the Shareholders of the National Newsprint and Paper Mills Limited will be held at Nepanagar on Tuesday the 27th December 1960 at 3.30 p.m. to transact the following business:—

1. To receive and adopt the Directors' Report, the Auditors' Report, the Audited Profit and Loss Account for the period from 1st April 1959 to 31st March 1960 and the Balance Sheet as on the 31st March 1960, together with the comments of the Comptroller and Auditor General of India with the observations of the Board of Directors thereon.
2. To consider and if deemed fit to pass the following as an Ordinary Resolution:—

   "RESOLVED that the strength of the Board of Directors inclusive of the Chairman and the Managing Director be increased from 12 to 14 Directors."
3. To elect a Director in place of Shri Nagendra Bahadur who retires under Article 132 of the Articles of Association and is eligible for re-election.
4. To elect a Director in place of Shri K. L. Ghei who retires under Article 132 of the Articles of Association and is eligible for re-election.
5. To elect a Director in place of Dr. G. P. Kane who retires under Article 132 of the Articles of Association and is eligible for re-election.
6. To elect a Director in place of Shri Ram Singh Bhai Verma, M.P., who retires under Article 132 of the Articles of Association and is eligible for re-election.
7. To transact such other business as may be placed before the meeting by the Managing Director with the permission of the Chair.

By Order of the Board of Directors,

S. L. VISVANADHAN,
Managing Director.

NEPANAGAR, 10*th November*, 1960.

The Share Transfer books of the Company will remain closed from 12th to 27th December 1960 (both days inclusive).

Shareholders desirous of having at the Annual General Meeting any information concerning the Accounts of the Company are requested to send a written requisition to the Managing Director so as to reach him seven (7) days before the meeting.

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

Explanatory Statement of Item 2 as Required by Section 173 of the Companies Act, 1956

2. The present strength of the Board of Directors as approved at the last Annual General Meeting is 12 including Chairman, Managing Director, 4 nominees of Union Government, 4 nominees of Madhya Pradesh Government and 2 Directors representing the shareholders. Both the Union and Madhya Pradesh Governments have desired that an additional Director should be appointed on the Board of Directors of the Company with the joint concurrence of both the Governments. The Board of Directors therefore feel that the strength of the Board of Directors should be increased from 12 to 14 so that one more Director could be co-opted, if necessary. You are requested to accord your sanction to the

SYNOPSES OF COMPANY REPORTS

Agra Electric Supply Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The plant extension scheme to which references were made in the directors' reports for the years ended March, 1958 and 1959, is now nearing completion, and it is expected that the plant will be in commercial operation by December, 1960. While this will help to meet growing demands for a time, the question of meeting future load developments is already under discussion with the State Electricity Board.

The following Schedule indicates the progress that has been made:—

Year Ended	*Units Sold*	*Revenue* Rs.
31st March 1958 ...	36,282,671	42,28.832
31st March 1959 ...	37,191,369	45.96,285
31st March 1960 ...	42,780,392	50,67,189

The reduced rate of Company taxation does not increase the reasonable return out of which distribution of dividends is made by an Electric Supply Company. It is not, therefore, possible for Electric Supply Companies, unlike other Companies, even partially to compensate shareholders for the loss of tax benefits previously enjoyed by them. The trifling concession by way of special appropriation that is likely to be considered by the State Government in this connection will be availed of to the extent permissible. As hereinafter stated, a sum of Rs. 4,345 has been set aside in the accounts to Notional Tax Relief Reserve, to be utilised for capital extensions, subject to the approval of the State Government which is awaited.

The profit after providing for taxation, depreciation and all other charges, amounts to Rs. 5,85,937 (Rs. 8,20,214). From this has been deducted a sum of Rs. 3,66,737 (Rs. 2,95,504) in respect of the following reserve allocations:—

To contingencies reserve Rs. 69,900 (Rs. 66,480), to development reserve Rs. 62,910 (Rs. 92,400) to notional tax relief reserve Rs. 4.345 (*nil*), to reserve for redemption of debentures Rs. 51,500 (*nil*) and to general reserve Rs. 1,78,082. There remains a balance of profits amounting to Rs. 2,19,200 (Rs. 5,24,711 after providing Rs. 68.312 to tariffs and dividends control reserve and Rs. 68,312 for provision for rebate to consumers) to which is added Rs. 48,145 (Rs. 49,394) the balance brought forward from the previous year to make an available balance of Rs. 2,67,345 (Rs. 2,48,105 after placing Rs. 1,03,000 to reserve for redemption of debentures and Rs. 2,23,000 to general reserve). The directors recommend that there be paid for the year ended 31st March, 1960, a dividend at the rate of 11 (10 per cent. tax-free) per cent. subject to deduction of tax at the prescribed rates in accordance with the provisions of Section 18(3D) of the Indian Income Tax Act, leaving a balance to be carried forward of Rs. 47,389 (Rs. 48.145).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,99,600	Gross block	1,39,99,790
Debentures ...	10,00,000	*Less*—Depreciation ...	39,25,042
Reserves ...	51,38,028		
Provision for taxation ...	2,17,602	Net block ...	1,00,74,748
Liabilities ...	1,07,61,809	Work-in-progress ...	30,24,347
Profit and loss account (surplus) ...	47,389	Stores, tools, etc. ...	15,43,416
		Book debts ...	16,28,533
		Investments	5,22,201
		Cash ...	23,43,486
		Miscellaneous expenditure	27,697
Rs.	1,91,64,428	Rs.	1,91,64,428

Bararee Coke Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The profit and loss account, after charging depreciation of Rs. 44,787 (Rs. 35,920) and after crediting adjustments in respect of previous years totalling Rs. 25.048 (Rs. 29,958) [net] shows a balance of loss of Rs. 3,37,393 (Rs. 2,93,456). From this amount has to be deducted transfer from provision for doubtful debts of Rs. 18.860 (*nil*) and dividends forfeited of Rs. 350 (*nil*) leaving a total of Rs. 3,18,183 (Rs. 2,93.456). With the debit balance brought forward from previous year of Rs. 2,35,349 (credit of Rs. 57,344) there is a total debit balance of Rs. 5,53,532 (Rs. 2,35,349 after deducting Rs. 763 being dividends forfeited) to be carried forward to the next account. Manufacture and despatches during the year were as follows:—

	Manufactured Tons	*Despatched* Tons
Coke	36,545	35,232
Tar and pitch	1,862	1,638

During the year extensive over repairs were continued and as at 31st March 1960 24 ovens out of the total of 35 had been either completely or partially reconstructed. Consequent disruption to output however, resulting from the closure of each oven for about 6 to 8 weeks for such repairs, again resulted in a reduced production of coke and by-products. The directors are, however, pleased to report that this programme of reconstruction, decided upon during 1958, is proceeding well within schedule and as has already been stated, should be completed by March 1961. In the meantime, efforts continue to be directed towards further reduction of production and management expenses.

In order to effect additional economies and further eliminate unproductive expenditure, a programme of complete reorganisation of workers and staff was put in hand. A sum of Rs. 66,165 was paid as retrenchment compensation to workers whose services were found to be redundant but this further reduction in the labour force had up to the end of the year covered by the accounts provided only small relief in the overall financial position of the Company.

With the entry into the market of coke oven by-products manufactured by the various steel plants, the demand for the Company's production has diminished. During the year it was necessary to reduce considerably the selling price of coal pitch and sulphuric acid, and during January it was in fact found necessary to close the sulphuric acid plant for complete overhaul and repair so that, on reopening, full-rated capacity production could be obtained in an effort to compete with prevailing market prices.

In their last report the directors stated that the future of the Company was attended by many uncertainties and at the 31st March 1960 these conditions still prevailed. With the reconstruction and overhauling of the coke oven battery and its by-product plants nearing completion, however, the directors are confident that improvement can be expected during the current financial year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12.00,000	Gross block	38.08,529
Reserves* ...	2,96,358	*Less*—Depreciation ...	34,12,329
Provision for taxation ...	4,878		
Liabilities ...	11,13,336	Net block ...	3,96,200
		Stock-in-trade	3,76,520
		Stores, etc.	8,99,820
		Book debts ...	8.86,571
		Investments	7,237
		Cash ...	48,224
Rs.	26,14,572	Rs.	26,14,572

*Reserves are shown after deducting the debit balance of Rs. 5.53,532 in the profit and loss account.

Dishergarh Power Supply Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The accounts show a profit, after charging all expenses, of Rs. 14,63,487 (Rs. 9,51,526). Of this profit provision for taxation requires Rs. 5,69,791 (Rs. 4,40,283) less the amount debited to contingencies reserve in accordance with the provisions of the Electricity (Supply) Act, 1948 Rs. 9,791 (Rs. 12,283) leaving a sum of Rs. 9,03,487 (Rs. 5,23,526). With the balance brought forward from last year of Rs. 3,77,066 (Rs. 8,16,830) there is a total amount available for appropriation of Rs. 12,80,553 (Rs. 13,60.000 including Rs. 20,000 transferred from provision for taxation in respect of previous years). The directors have transferred to contingencies reserve Rs. 25,593 (Rs. 25,290) and to general reserve Rs. 2,50,000 (Rs. 5,00,000). The directors now recommend that the following dividends be paid: At Rs. 5.00 (Rs. 5.00) per share on "A" preference shares absorbing Rs. 80,000 (Rs. 80.000), at Rs. 4.50 (Rs. 4.50) per share on "B" preference shares, absorbing Rs. 54,000 (Rs. 54.000) and at Rs. 10.00 (Rs. 7.50) per share on ordinary shares, absorbing Rs. 4,32,000 (Rs. 3,24,000) leaving a balance to be carried forward of Rs. 4,38,960 (Rs. 3,77,066). The above dividends are subject to deduction of tax.

The presentation of these accounts has been delayed by circumstances arising out of the provisions of the Preference Shares (Regulation of Dividends) Bill, 1960, and the Electricity (Supply) Act, 1948. After careful consideration of the provisions of the Preference Shares (Regulation of Dividends) Bill 1960, the Board have decided that they can recommend to the members of the Company the payment at this stage of only such dividends on the "A" and "B" preference shares as the preference shareholders are entitled to under the Company's Articles of Association and that, as soon as the Preference Shares (Regulation of Dividends) Bill, 1960 becomes law, they will recommend the payment of such further dividends as may become due under the Act. Accordingly, the dividends now recommended on the "A" and "B" shares are at the rates of 5 per cent and 4.5 per cent. respectively, from which income tax at the appropriate rates will be deducted.

It is understood that, as a result of representations made by the Industry, the Central Government has now recommended to the State Governments that Electricity Supply Undertakings may appropriate to reserve the equivalent of the reduction in tax payable by the Company as a result of the 1960 Finance Act. The relevant appropriation, amounting to Rs. 1,08,572 has been made in the accounts for the year ended 31st March, 1960, but this is subject to the approval of the Governments of West Bengal and Bihar to whom the appropriate applications have been submitted.

During the year, 119.28 million units were sold compared with 103.44 million during the previous year, representing an increase of 15.3 per cent. During the past nine years bulk purchases of power from the Damodar Valley Corporation have increased from 3.48 million units during the year ended 31st March, 1952 to 73.91 million units during the year under review.

Owing to the inability of the Damodar Valley Corporation to meet demands, consumers were requested in February, 1960, to restrict temporarily their offtake until the Damodar Valley Corporation's additional thermal generating plant came into operation. This temporary restriction is expected to be withdrawn shortly, but availability of power in the long term continues to cause concern inasmuch as the Corporation has so far been unwilling to enter into fresh commitments covering the period until 1964.

Messrs. Andrew Yule and Company, Limited ceased to act as managing agents of the Company on 15th August, 1960, and their appointment as secretaries and treasurers of the Company for a period of 5 years from that date has been approved by the Central Government. At an extraordinary general meeting of the Company held on 26th July, 1960, the members formally appointed Andrew Yule and Company, Limited as secretaries and treasurers of the Company with effect from 15th August, 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	71,20,000	Gross block	1,02,37,174
Reserves ...	24,38,968	*Less*—Depreciation ...	38.05,104
Provision for taxation ...	3,36,674		
Liabilities ...	23,14,215	Net block ...	64,32,070
Profit and loss account (surplus) ...	4,38,960	*Less*: Consumers' contribution ...	1,11,685
			63,20,385
		Work-in-progress ...	23,686
		Stores and tools ...	9,30,368
		Book debts ...	11.90,509
		Investments	37,64,653
		Cash ...	4,19,216
Rs.	1,26,48,817	Rs.	1,26,48,817

Nagri Farm Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The season's working resulted in a profit on revenue account of Rs. 1,76,542 (Rs. 2,81,178) after providing for depreciation amounting to Rs. 13,419 (Rs. 14,814) and providing Rs. 18,000 (Rs. 14,000) for contingencies. After transferring the above profit, making various adjustments, setting aside Rs. 85,000 (Rs. 1,30,000) for taxation the balance available on profit and loss account amounts to Rs. 2,39,935 (Rs. 2,63,737). From this amount it is proposed to transfer to the building reserve account Rs. 25,000 (Rs. 50,000), to repairs and renewals reserve account Rs. 25,000 (*nil*) and to pay a dividend of 20 (30 per cent. tax-free) per cent. for 1959 absorbing Rs. 59,980 (Rs. 89,970) leaving to be carried forward Rs. 1,29,955 (Rs. 1,23,767).

The following are comparative statistics of sales for **the past three years**:—

	Pounds	Average price per pound
1957	399,478	Rs. 3/01
1958	391,092	Rs. 3/44
1959	405,068	Rs. 3/14

The estimate for 1960 provides for a crop of 424,000 lbs. or 192,350 kg. of tea at a cost of Rs. 2/72 nP per lb. or Rs. 6/00 per kg.

The term of office of Messrs. Williamson Magor & Co., Ltd., as managing agents of the Company expired on 15th August, 1960 in terms of Section 330 of the Companies Act, 1956. The Company in General Meeting held on 24th September 1959, had already approved of the proposal that Messrs. Williamson Magor & Co., Ltd., be reappointed managing agents for a further term of ten years from 15th August 1960, subject to the approval of the Central Government. The Central Government gave its approval to the reappointment but reduced the term of office to five years and prescribed a sliding scale of remuneration. At the General Meeting of the Company held on 13th August 1960, the reappointment with these modifications were confirmed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,99,900	Gross block	7,30,361
Reserves ...	4.43,000	*Less*—Depreciation ...	2,14,761
Provision for taxation ...	1,33,693		
Liabilities ...	2,32,375	Net block ...	5,15,600
Profit and loss account (surplus) ...	1,29,955	Stock-in-trade	1,59,887
		Stores, etc ...	1,29.570
		Book debts ...	1,50,878
		Investments	1,12,319
		Cash ...	1,70,669
Rs.	12,38,923	Rs.	12,38,923

Mysore Chemicals and Fertilisers Ltd.

The directors of the above Company (Chairman: Mr. T. Shamanna, Mysore) present the audited accounts of the Company for the year ended 31st March 1960.

The results of the working of the Company for the year ended 31st March 1960 have shown a welcome change for the better and the production and sales are the highest recorded so far. The Factory worked continuously during the year only with minor interruptions, thereby resulting in improved production in all departments. Sales realisation during the year under review was Rs. 47,55,277 as against Rs. 31,72,594 of the previous year. The manufacture of *fertiliser mixture* was undertaken on a large scale during the year and there has been good demand for this product.

As pointed out previously, the directors still hold the view that the charges levied on the Company for the supply of electrical energy are normally unworkable. However this heavy and abnormal expenditure has been met with great difficulty. But for the increased production and expansion of certain sections, it would not have been possible to do so.

Recognising the urgency of speedy rehabilitation and renovation of the several units in the Factory, the directors took steps to examine this essential question with particular reference to the equipments which have already worked for more than 20 years. While on the one hand action was taken to improve the all-round efficiency of the plant with a view to securing both increased production and better quality, the directors also decided to expand the *Superphosphate plant* by adding suitable equipment which was got manufactured indigenously. The production of *Superphosphate* was thus stepped up to a considerable extent.

The directors have proceeded with further expansion by sanctioning the installation of a new 50 tons *Sulphuric acid plant* and it is expected that this plant would be commissioned for production in about 18 months. It is also decided to install a fully mechanised *Superphosphate plant* of a greater production capacity, mainly with a view to making the existing plant economic. It is hoped that with the installation of these two plants the position of the Company will be strengthened to a considerable extent. These two schemes are proposed to be financed in a manner which will not impose undue strain on the resources of the Company.

The welcome turn in the affairs of the Company referred to above has emboldened the directors to propose a higher rate of dividend, which it is hoped, will be appreciated by all.

The working of the Company for the year ended 31st March 1960 including the balance of Rs. 10.884 (Rs. 17,093) brought forward from the previous year has resulted in a net available surplus of Rs. 3.41,574 (Rs. 1,54,944 including a sum of Rs. 11,000 being provisions in previous years no longer required) after making a provision of Rs. 3,76,137 (Rs. 5.32,295) towards depreciation and development rebate and Rs. 3,60,641 (Rs. 1,80,000 inclusive of wealth tax) towards the payment of income and super tax, which the directors proposed to dispose of as follows:—

To pay a dividend of 10 (5 per cent. tax-free) per cent. subject to tax or at the rate of Re. 1 (Re. 0.50) per share of Rs. 10 absorbing Rs. 2,48,122 (Rs. 1,24,061), to transfer to div dend equalisation fund Rs. 20,000 (*nil*), to transfer to general reserve fund Rs. 47,000 (*nil*), to transfer to employees' retiring gratuity fund Rs. 15.000 (*nil*) and to carry forward Rs. 11,452 (Rs. 10,883 after providing Rs. 20,000 for taxation for previous years).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,81,220	Gross block	55,64,434
Reserves ...	10,04,155	*Less*—Depreciation ...	40,80,625
Provision for taxation ...	8,73,000		
Liabilities ...	15,40,480	Net block ...	14.83,809
Profit and loss account (surplus) ...	11,452	Stock-in-trade	9.48,165
		Stores, etc ...	8.26,797
		Book debts ...	9,27,621
		Investments	3,60,976
		Cash ...	13,62,939
Rs.	59,10,307	Rs.	59,10,307

Swinton Estates Co., Ltd.

The directors of the above Company (Madras), present the audited accounts of the Company for the year ended 31st March 1960.

The extent of the Company's properties remains unchanged as under: 216 acres are fully planted with Arabica coffee. 220 acres under reserve are partially fit for cultivation.

Crop: The coffee crop harvested during the year was 74.610 Tonnes, which is the highest achieved since the inception of the Company.

After meeting all expenses and providing Rs. 2,697 (Rs. 2,697) for depreciation, the year's working resulted in a profit of Rs. 85,141 (Rs. 9,746) to which should be added the balance brought forward from the previous account of Rs. 559 (Rs. 6.563) making available the sum of Rs. 85,700 (Rs. 16,309). From this amount the directors recommend the following appropriations:— To provision for taxation Rs. 42,000 (Rs. 3,000), to write off the entire preliminary expenses outstanding Rs. 20,785 (*nil*), to transfer to general reserve Rs. 3,000 (*nil*), to pay a dividend at 12½ (7½ per cent. tax-free) per cent. less tax, absorbing Rs. 15,625 (Rs. 9,375) and to carry forward a balance of Rs. 4,289 (Rs. 559).

The estates are in good condition and it will be noticed that the policy of intensive cultivation has started yielding results. Hence the programme of intensive manuring was further stepped up during the year and this is reflected in the increased consumption of stores.

Estimate: The 1960-61 crop is estimated at 40 Tonnes.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,25,000	Gross block ...	1,98,241
Debentures ...	75,000	*Less*—Depreciation ...	7,968
Reserves ...	15,000		
Provision for taxation ...	47,038	Net block ...	1,90.273
Liabilities ...	1,01,932	Stores, etc. ...	8,342
Profit and loss account (surplus) ...	4,289	Book debts ...	1,65,077
		Cash ...	4,567
Rs.	3,68.259	Rs.	3,68.259

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

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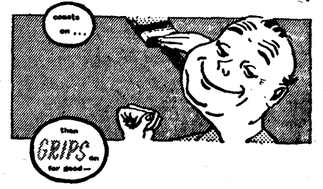

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Notices

MADHYA PRADESH INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighth Annual General Meeting of the Shareholders of Madhya Pradesh Industries Limited, will be held at the Registered Office of the Company at Chola Road, Bhopal, on Thursday the 29th December, 1960, at 12 noon, to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st March, 1960.
2. To declare Dividends.
3. To appoint Directors in place of those retiring by rotation and in this connection to consider and, if, thought fit, to pass the following Resolution as special resolution of which Special Notice as required under Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement is annexed hereto.

   RESOLVED that pursuant to the provisions of Section 261 of the Companies Act, 1956, Shri Lakshmipat Singhania, an associate of the Managing Agents and a Director retiring by rotation be and is hereby re-appointed a Director of the Company.
4. To appoint Auditors and to fix their remuneration.
5. *As Special Business*: To consider and if thought fit, to pass with or without modification, the following as special Resolutions:

   (i) RESOLVED that the contract dated 18th March, 1952 entered into between the Company of the One Part and Bengal and Assam Investors Ltd., of the Other Part, whereby the Company agreed to pay finance commission at 10 per cent. of the annual profits to Bengal and Assam Investors Ltd. (who was until recently, an associate of the Managing Agents) for a period of ten years in consideration of their providing necessary finance for acquisition and working of mines, be and is hereby ratified and the arrangement recorded in the said contract be continued and all payments made thereunder be and are hereby approved and confirmed.

   (ii) RESOLVED that the payments heretofore made by the Company to National Insurance Company Ltd., on account of general insurance premia and for supply of services be and is hereby ratified.

   (iii) RESOLVED further that the Company do from time to time insure with National Insurance Company Ltd., the Company's properties and pay necessary premia therefor, and receive supply of legal and other services which that Company is able to supply and pay in respect thereof such sum or sums of money as may be decided by the National Insurance Company Ltd., who will make allocation of the expenses to be incurred by them for supply of such services among different concerns benefiting therefrom.

The Share Registers and Transfer Books of the Company will remain closed from the 14th to the 29th December 1960, both days inclusive.

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

The 21st November, 1960.

Note:—(1) Dividends as recommended by the Directors, if approved at the Annual General Meeting; including the additional dividend payable to the Preference Shareholders on enactment of Preference Shares (Regulation of Dividends) Bill, will be paid to those Shareholders whose names are on the Company's Registers on the 29th December 1960 or to their mandatees. The payments will be made on or after the 21st January 1961 and of additional dividend after enactment of the Preference Shares (Regulation of Dividends) Bill.

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

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

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the Forty-third Ordinary General Meeting) of the Company will be held at the Registered Office, 12, Mission Row, Calcutta, at 3 p.m., on Thursday the 15th December, 1960, for the following purposes:

1. To receive and adopt the Audited Accounts for the year ended 31st March, 1960, and the Directors' and Auditors' Reports thereon.
2. To confirm as the final dividend for the year ended 31st March, 1960, the interim dividend on the Ordinary Shares declared by the Board on the 9th August, 1960.
3. To appoint Directors in place of those retiring. In this connection notice is hereby given that two special Notices as defined in Section 190 of the Companies Act, 1956, have been received by the Company under Section 281 of that Act to move the following Resolutions at the meeting:

   "That Sir P. P. Ginwala be and is hereby appointed a Director of the Company and that it is hereby declared that the age limit laid down in Section 280 of the Companies Act, 1956, shall not apply to him."

   "That Dr. N. N. Law be and is hereby appointed a Director of the Company and that it is hereby declared that the age limit laid down in Section 280 of the Companies Act, 1956, shall not apply to him."
4. To appoint Auditors and fix their remuneration.

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

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

CALCUTTA, *19th November*, 1960.

Note.—An Explanatory Statement is annexed to the convening notice issued to Members of the Company.

THE EAST INDIAN COAL COMPANY LIMITED

(Incorporated in England with Limited Liability)

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Eighth Annual General Meeting of the Company will be held at the Head Office of the Company, 4, Clive Row, Calcutta, on Friday, the 30th December, 1960, at 11 a.m. for the following purposes:—

1. To receive and consider the Audited Accounts for the year ended 30th April 1960, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of the one retiring.
4. To fix the Auditors' remuneration.
5. (*As special business.*) To consider and if thought fit to pass with or without modification the following Resolution which will be proposed as a SPECIAL RESOLUTION, viz.:—

   "That the Articles of Association of the Company be altered in the manner following:—

   (*a*) *Article* 51. That the words 'twice the nominal amount of the share capital of the Company for the time being issued' be deleted wherever they occur and the following words substituted therefor, viz., 'twice the aggregate amount of the nominal capital of the Company for the time being issued and the reserves including undistributed profits.'

   (*b*) *Article* 108*A*. That the following new article be inserted immediately after Article 108 and numbered 108A:

   'A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.'"

Notice is also given that the Share Transfer Books of the Company will be closed from the 14th December to the 30th December 1960, both days inclusive.

A Member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company.

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

4, CLIVE ROW,
CALCUTTA-1, *17th November*, 1960.

INSURANCE

(Concluded from page 969)

policyholders as apply to be heard and any other persons whom he considers entitled to be heard...." It was thus in those days a statutory right of the policyholders concerned to be in a position to know the full details of, and to be heard on, any such matter as differential bonuses. If now, after nationalisation, the policyholders are denied the right to know the method whereby differential bonuses are being arrived at and to make a representation in the matter, if necessary, it would appear that the rights of ordinary individuals are more restricted under State enterprise than under private enterprise. If it is our aim to achieve a socialistic pattern of economy in our country without curtailing the essential democratic rights of an individual, then surely the denial of the above right is a step taking us away from our aim.

It may be stated here that a letter has been sent, more than six months back, under the signature of some 200 policyholders to the Finance Minister of the Government of India, requesting that Government should first arrange to publish the requisite information about the method adopted in the calculation of bonus indices and then allow some time for the policyholders concerned to make a representation in the matter, if necessary, before according its approval to the scheme. This article is written with a view to bringing the question of giving proper publicity to the method of calculating the differential bonuses before the public and particularly Members of Parliament. In this connection, the following remarks of our Prime Minister, made on 17th August 1948 in the Constituent Assembly (Legislative), are worth quoting: "We, this House, and even more so the Government, live, and ought to live, in the full blaze of publicity. There should be nothing hidden. There are many secrets that the Government have to deal with, of course, and we shall have secrets of that kind, but, otherwise, our activities must be completely public, open to public questioning and open to public condemnation. No democratic system can function otherwise satisfactorily." Surely, this applies as much to a public institution like the L.I.C. as to Government, and the method underlying the differential bonuses for the L.I.C. is certainly not one of the "secrets of that kind."

MONEY EASY

(From Our Own Correspondent)

BOMBAY, *23rd November*

The short-term money market has had another comfortable week. While the demand for bank credit has not shown any notable slackness, the supply position has improved sizably, with the result that banks do not have any difficulty in getting their requirements. There has been a further drop in inter-bank call money rate from 4½ per cent. to 3¾ per cent. among all sections of banks. The rates for term money are, however, unchanged at the ceiling fixed under the inter-bank agreement. House money upto 21 days' notice is being quoted at 2 per cent. and over 21 days at 3 per cent. Deposits for 31 days and over but upto 60 days fetch 3½ per cent., 61 days and over but less than 12 months 3¾ per cent. and for twelve months 3¾ per cent.

The prevailing conditions in short-term money are also reflected in the results of this week's Treasury Bill sales. The total amount offered was again a shade higher at Rs. 2.49 crores, as against an invitation for Rs. 2 crores. The average rate of accepted tenders (discount rate) was lower at 2.564 per cent., as against 2.565 per cent. per annum in the previous week. The sales of Intermediate Treasury Bills were also higher at Rs. 80 lakhs, as against Rs. 31 lakhs in the previous week.

A contraction of Rs. 6.90 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 18th November 1960. Notes held in the Banking Department are, however, higher by Rs. 7.85 crores, so that the total notes issued show a modest rise of Rs. 95 lakhs and this is covered by a corresponding increase in rupee coin. There is no change in foreign securities, but balances held abroad have declined by Rs. 1.48 crores, so that the total foreign assets stand lower at Rs. 139.63 crores. In the Banking Department, deposits of banks have shrunk by Rs. 9.92 crores and loans and advances other than to Governments by Rs. 7.57 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.29 crores. Investments have enlarged by Rs. 11.95 crores, while holdings of Government Treasury Bills show a fall of Rs. 11.48 crores.

For the second week in succession, the demand deposits of Scheduled banks have declined. In the week ended 4th November, they had fallen by Rs. 6 10 crores and this is followed by a further drop of Rs. 7.59 crores in the week ended 11th November 1960. Time deposits have, however, gone up by Rs. 4.87 crores. Of the net fall of Rs. 2.72 crores in total deposits, the State Bank of India accounts for Rs. 1 crore. Inter-bank borrowings are lower by Rs. 1.96 crores, while borrowings from the Reserve Bank are higher by Rs. 2.56 crores. The total bank credit shows a shrinkage of Rs. 56 lakhs, due to the decline of Rs. 1.50 crores on State Bank's account. Investments stand reduced by Rs. 10.81 crores, which is mainly due to the fall of Rs. 10.06 crores in State Bank's portfolio. Cash balances show a shrinkage of Rs. 2.91 crores, despite a rise of Rs. 3.30 crores on State Bank's account. Money at call and short notice is higher by Rs. 1.11 crores.

The Gilt-edged market is ruling distinctly better, with a sizable recovery in many counters, particularly in the State loans section, thanks to the abatement of selling pressure. 3 per cent. 1986 Conversion Loan has gained 20 nP to Rs. 74.35 and 3 per cent. 1970-75 has put on 25 nP to Rs. 89.05. 3 per cent. 1966-68 has hardened by 5 nP to Rs. 95 20 and 3 per cent. 1963-65 and 1964 have each moved up by 15 nP to Rs. 97.70. 3½ per cent. 1964 is 5 nP better at Rs. 99.45, while 3 per cent. 1963 is quiet at Rs. 99.80. 4 per cent. 1972 and 1973 have each shed 5 nP to Rs. 100.45 and Rs. 100.40, respectively. Among State loans, 4½ per cent. issues have been marked up by 10 nP to 50 nP.

The rupee rules steady in terms of the dollar, in consonance with the trend of sterling abroad. Banks' selling rate for U.S. dollar (ready) is unchanged over the week at Rs. 476 per $100 and their buying rate at Rs. 472.50 per $100. In New York, spot sterling is maintained at 281.24-281.27 cents, while three months' forward has advanced from 280.18-280.21 cents to 280.41-280.44 cents.

HIDES FIRM

(From Our Own Correspondent)

MADRAS, *21st November*

The hides market ruled firm in all selections. Arrivals of stocks were held up by the active monsoonish rains. There was equal demand for low grade kips for inland consumption.

There were good enquiries from importers in the U.K. and higher prices were paid for cow hides and buff calf, while cow calf and buff hides ruled unchanged.

Tanned goat skins market was firmer, especially better selection in medium and heavy weights and all grades in lights. Tanned sheep skins middle class was active and prices advanced. Prime and semi-prime tannages were steady.

The next London tanned skins public sales take place on the 28th inst. when 225,000 goat skins and 175,000 sheep skins have been catalogued for sale. The German auctions also commence on the 28th inst. and 94,300 goat skins and 8,300 sheep skins will be offered for sale. The results are awaited with great interest.

BULLION INDECISIVE

(From Our Own Correspondent)

BOMBAY, *23rd November*

The bullion market moved rather indecisively during the week under review. For there were still no signs of revival of buying, though the busy season commenced three weeks ago. The daily average offtake was low, being 5,200 tolas of gold and nine bars of silver, as against 4,600 tolas and 12 bars, respectively, in the previous week. Despite reduced offtake, prices did not suffer a setback. On the contrary, the trend was slightly upward. Some operators were inclined to buy, having been encouraged by the reduced pace of arrivals. The actual daily arrivals during the week were at an average of 5,200 tolas of gold, as against 6,500 tolas last week, and 29 bars of silver, as against 45 bars. Reports regarding a depletion of floating stocks also aided the sentiment of operators. The stocks of gold and silver in the city are estimated at 45,000 tolas and 600 bars, respectively, whereas they were around 75,000 tolas and 800 bars a week ago.

The *Margashir* (December) settlement in gold met with good buying enquiries in the earlier sessions, the quotation advancing from Rs. 115.60 to Rs. 116.15 on Monday. At this level, profit-taking set in and the settlement declined to Rs. 115.90. It eased further to Rs. 115.70 today before finishing at Rs. 115.75. Ready gold was well supported and rallied from Rs. 114.55 to Rs. 115.75 yesterday. After softening to Rs. 115.45 today, it closed at Rs. 115.50. The discount under forward declined from Re. 1.05 on Wednesday last week to 25 nP today.

In the silver section, *Margashir* settlement began the week at Rs. 196.50, as against the previous close of Rs. 196.05, and moved up to touch Rs. 197.30 on Friday the 18th inst. After retreating to Rs. 195.70 today, it recovered and stood at Rs. 195.95 towards the close. Ready silver continued to be quoted at a discount under the forward, though the discount narrowed down from Re. 1.60 to Re. 1.20. The closing rate for the metal today was Rs. 194.75, as against Rs. 195.05 last week-end, the highest and lowest levels touched being Rs. 195.75 (Thursday) and Rs. 194.60 (Monday), respectively.

The world price for gold in the London bullion market was practically unchanged during the week under review, at $35⅛-$35⅞, as against $36¼-$36⅜ a week ago. The gold reserves of the U.S. are believed to have declined below $18,000 million—the lowest level for the past twenty years—in the week ended 23rd November. In the week preceding it, there was a loss of $110 million, bringing the total loss since the beginning of 1960 to $1,450 million. In a bid to curb the rapid outflow of gold and reserves, President Eisenhower issued last week a series of orders to the military services and other Government agencies to curtail overseas spending. Ready gold in London eased from 253s. 3d. to 253s. on Monday, but recovered to the previous level yesterday. There was, however, no change in the quotation for ready and forward silver which both stood at 79½d. Silver in New York also continued unaltered at 91.375 cents.

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

	23-11-60 (closing)	High	Low	16-11-60 (closing)
GOLD				
Ready (.99 fine)	Rs. 115.60	Rs. 115.75	Rs. 114.55	Rs. 114.55
Forward:				
*Margashir**	115 75	116.15	115.40	115.60
Sovereign	90.00	90.12	90.00	90.00
SILVER				
Ready (.996 fine)	194.75	195.85	194.50	195.05
Forward:				
Margashir†	195.95 22-11-60	197.30	195.70	196.65 15-11-60
London:				
Silver Ready	79½d.	—	—	79½d.
Silver Forward	79¼d.	—	—	79¼d.
Gold	253s. 3d.	253s. 3d.	253s.	253s. 3d.
New York:				
Silver	91.375 cents	—	—	91.375 cents

* 5th December settlement. † 6th December settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

TIN SUPPLIES SCARCE

(From Our Own Correspondent)

CALCUTTA, *22nd November*

While a firmer trend was in evidence in tin and electrolytic zinc, copper scrap and lead eased during the week under review. Tin closed firm at Rs. 569 per cwt., after touching Rs. 570, as against the opening of Rs. 564. The supply position was causing anxiety, and so the price of this metal recorded a rise. On the London Metal Exchange, tin opened at £799 a ton and, after being higher at £802, closed at £800½. Demand on London was reported to be fair. Good consumer interest was in evidence in electrolytic zinc. Had it not been for the availability of metal against permits, the price would have hardened further. During the week, the price was firm at Rs. 159 a cwt. Lead eased from Rs. 64 to Rs. 63 a cwt. Demand was fair. Berry quality copper scrap sagged from Rs. 215 to Rs. 209 a cwt., while utensil scrap remained unchanged at Rs. 195 a cwt.

COTTON FUTURES RECOVER

(From Our Own Correspondent)

BOMBAY, *23rd November*

The declining trend of prices witnessed in the cotton futures market last week was arrested during the week under review. Although on the opening day, namely, Thursday, prices receded, they recovered in subsequent sessions. The recovery was due to fresh support by leading spot houses, investment buying and short-covering. The talks, which representatives of the trade had with the Indian Cotton Mills' Federation on Friday, seemed to have cleared the misconception and apprehension about the Federation's resolve to give active support to the Government in requisitioning and distributing cotton. It was agreed by both sides that the need for requisitioning cotton would not arise if the industry as well as the trade behaved properly in the procurement of cotton. This understanding strengthened the view that requisitioning would not be resorted to if prices were below the ceiling and that, so long as prices did not exceed the ceiling, there would not be any undue interference in the marketing of the crop. This confidence was reflected in the higher turnover in the futures market and the firmness of prices. From the opening rate of Rs. 593.00 (per three quintals), the I.C.C. Jarilla April Contract rose, after having declined to Rs. 589 on the same day, to Rs. 605 on Monday. This level attracted profit-taking and the Contract receded to Rs. 604.25 yesterday. Lower advices from upcountry centres and selling by bear operators led to a further fall in prices today. Today's closing rate of Rs. 597 is still Rs. 6.50 higher than last week-end's quotation of Rs. 590.50.

In the spot market, mill demand for new crop was well maintained. Popular varieties like Khandesh, Berar, Moglai, 197/3, etc., received good attention. Prices were well maintained. There was anxiety regarding the Vijay crop. If present trends were to continue, it was feared that the crop would suffer some quantitative setback.

Export demand for Bengal *Deshi* was reported to be good. There were renewed rumours in the market that an export quota for Bengals would be released earlier than expected.

On the import front, although bulk business was absent, stray activity in U.S. cotton continues as mills have to cover the unutilised balance of their allocation before the end of this month. Selected East African and Egyptian growths also found buyers.

Mills in Uttar Pradesh, Bihar, West Bengal and Orissa have welcomed the decision of the Joint Chief Controller of Imports and Exports, Bombay, to give them, in all cases where licences have been issued to them to import U.S. cotton through Bombay and Cochin ports only, the option to have cotton imported through Calcutta port where fumigation facilities are expected to be available from 1st January 1961. But, only cotton arriving after 1st January 1961 will be allowed to be diverted to Calcutta.

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

Berar 875; Khamgaon 897; Moglai ½" 805; American on sample 1,120; B.P. 52 1,324; Busoga 1,305-1,310; B.P. (UNUG) 1,350.

The Karachi cotton futures market suffered a setback during the week under review. Last week's rally seemed to have been too sharp to last. There was, therefore, a technical reaction during the week. Profit-taking and speculative selling added momentum to the downward trend. N.T.R.G. January Contract declined from Rs. 70-1 last week-end to Rs. 69-6. The March Contract receded by six annas to Rs. 69-11.

The spot section, however, continued to rule firm, thanks to good export demand. *Deshi* prices hardened further. Other varieties were also quoted higher. The following are the latest available spot quotations—in rupees per maund of 82 lbs.—from Karachi:

Sind *Deshi* 98-8; Punjab *Deshi* 94; 4F Punjab Roller 78-13; S.G. 82-13; L.S.S. Punjab Roller 81-13; S.G. 85-13; N.T. Roller 86-13; S.G. 91-13; 289F Punjab Roller 92-5; S.G. 96-13.

Further fall in prices was recorded in the Alexandria cotton futures market during the week. Larger arrival of new crop in the wake of slackness of export demand was responsible for the pressure on futures. Both the long-staple Karnak and medium-staple Ashmouni contracts gave way on large-scale selling. Towards the close of the week, however, prices tended to look up; thanks to short-covering. A part of the earlier loss was made up. The week's closing quotations are still much below last week-end rates. The following are the latest available quotations—in tallaris per lb.—from Alexandria, the figures in brackets being last week's closing quotations:

Karnak: November 72.30 (75.30); January 71.25 (73.05); March 72.29 (73.35).

Ashmouni: December 62.15 (64.05); February 63.12 (63.95); April 63.15 (63.77).

Barring the Sudan contracts, which were steady, cotton futures in Liverpool ruled easy during the week. Both the American and American type contracts suffered losses which ranged from 5 to 10 penny points. Lower advices from New York and slow demand from spinners, who have covered most of their winter requirements, induced selling which met only limited absorption. The steadiness of Sudan cotton contracts was due to encouraging advices from Khartoum where higher and higher prices were realised at successive auctions. The latest available quotations—in pence per lb.—from Liverpool are as under:

American cotton one inch staple contract: December 22.05; March 23.20; May 23.50; July 23.75.

American cotton mixed growth contract: December 22.95; March 23.50; May 23.80; July 24.25.

Sudan: November, January, March 35.75.

Trading on the New York Cotton Exchange was featureless. Activity was confined to a small

amount of evening up operations and some hedge selling which, in the absence of buyers, resulted in a fall in prices. The spot market was, however, active, thanks to good spinner demand and export interest.

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

(In cents per lb.)

	22-11-60	15-11-60	7-11-60
Spot	32.30	32.25	32.20
December	31.47	31.71	31.68
March	32.10	32.33	32.25
May	32.51	32.64	32.64

SEEDS STEADY

(From Our Own Correspondent)

BOMBAY, *23rd November*

The details of the new incentive scheme for the promotion of exports of groundnut oil, which has held the trade in suspense for over a month, have been announced, albeit after considerable delay. The Government of India has decided to accept the lowest tender for the export of groundnut oil in return for the import of copra. Under the tender accepted, half a ton of copra will be allowed to be imported for every ton of groundnut oil exported. In addition, three and a half tons of groundnut oilcake will be allowed to be exported for every ton of groundnut oil exported. On the basis of half a ton of copra for the export of one ton of groundnut oil, the total exports of oil would, according to market estimates, be no more than 400 tons. Traders were expecting a quota of at least 1,000 tons of groundnut oil. In effect, the tender scheme, as is now framed, will not help expanding India's exports of oil to any significant extent. It remains to be seen whether the operators, whose tenders have been accepted, will find it at all remunerative to export groundnut oil. On present terms some are of the view that it may even be advantageous to lose the 5 per cent. guarantee money rather than fulfil the export quota that has fallen to their credit. There are, however, some traders who have sold for export in advance and they may be anxious to secure export quotas at a premium. If this possibility materialises, those who have paid guarantee money may be able to get some compensation.

Despite the unencouraging nature of the incentive scheme, the groundnut section continued to be distinctly firm. This was due mainly to the pronounced strength in upcountry centres and the tight supply position. The spot market was quite cheerful. Local crushers and vanaspati manufacturers, too, lent good support. Reports of heavy rains and cyclone in Madras and the consequent damage to groundnut crops at Arcot and elsewhere, tended to encourage some speculative buying. In these conditions groundnut February 1961 contract advanced gradually from Rs. 209 to Rs. 210.50, after an initial decline to Rs. 208.25. Khandesh quality rose from Rs. 43 to Rs. 43.25. Oil ex-mill put on 10 nP to Rs. 19.

Distinctly steady conditions prevailed in the castorseed section as well, despite the absence of any encouraging overseas enquiries from the U.S. and the margins imposed last week. There were reports of continuing pressure of Brazilian supplies of oil in the American market. A section of the operators, however, felt that Brazilian supplies would taper off after December which would, in turn, revive the U.S. interest in Indian castor oil. Castor May 1961 which had closed last week at Rs. 177 rallied to Rs. 181.12 yesterday. It eased, however, to Rs. 180.50 today on profit-taking. Ready Madras rose from Rs. 34.25 to Rs. 35. Oil B.S.S. improved by 40 nP to Rs. 15.45.

The linseed section, too, was well maintained on better upcountry support. May 1961 contract moved up from Rs. 33.59 to Rs. 33.87, after fluctuating between Rs. 33.56 and Rs. 33.94. Bold ready advanced by 62 nP to Rs. 33.62. Linseed oil put on 40 nP to Rs. 14.90.

In the cottonseed section February 1961 contract was marked up by Rs. 2 to Rs. 89.50. Berars, whites and non-whites, however, fell by Re. 1.35 to Rs. 18.90 each.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	23-11-1960	16-11-1960	8-11-1960
Groundnut	Rs.	Rs.	Rs.
February 1961	210 50	209.00	208 75
Nizam bold	42 50	42 00	42 00
Coromandel ready	43 00	42 25	43 00
Khandesh quality	43 25	43 00	43 00
Oil ex-mill ready*	19 00	18 90	18.75
Railway receipts*	18.70	18.65	18.50
Castorseed			
May 1961	180.50	177 00	176.87
Ready Madras	35.00	34 25	34.31
Ready Kanpur	34.00	33 25	33.31
Oil B.S.S.†	15.45	15.05	15 15
Oil commercial†	14.55	14.15	14.31
Linseed			
May 1961	33.87	33.59	33.50
Bold ready	33.62	33 00	32.62
Oil ready†	14.90	14.50	14.37
Cottonseed			
February 1961	89.50	87 50	89.00
Niger seed	38.50	39 00	38.00
Kardi seed	24.00	24.00	24.25

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

YARNS BUOYANT

(From Our Own Correspondent)

BOMBAY, *23rd November*

Buoyant conditions prevailed in the yarn market during the week under review. Art silk yarns were particularly firm. The firmness was due to speculative support lent by some bulls who tried to corner stocks with a view to rigging up prices. In sympathy with art silk yarns and on expectations of better demand from consuming centres, staple fibre yarns also recorded an improvement in prices. Cotton yarns were well favoured following encouraging advices from the cotton market.

Cupressa Bemberg yarn (60×1) December contract forged ahead from Rs. 2,129 to Rs. 2,161. February position picked up Rs. 10 to Rs. 2,134. Spot cupressa spurted from Rs. 2,176 to Rs. 2,231.06. Among imported art silk yarns, 150 Japan advanced by Rs. 28.69 to Rs. 1.543.25 and 120 Japan by Rs. 28.63 to Rs. 1,222.75. 120 Italy improved by Rs. 26.50 to Rs. 1,239. 150 Italy put on Rs. 26.44 to Rs. 1,501.31. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade registered a rise of 12 nP, today's closing rate being Rs. 11.53. 120 Bt. cones 1st grade were done at Rs. 11.98, as against Rs. 12.19 last week.

Staple fibre yarn (40×2) February delivery gained Rs. 2 to Rs. 797. December contract changed hands at Rs. 794, as against Rs. 795. Spot Citys firmed up by 16 nP to Rs. 9.08. Centurys rallied from Rs. 9.02 to Rs. 9.36. Kohinoors hardened by 7 nP to Rs. 9.29.

In the cotton yarn section, ten counts Moderns strengthened by 25 nP to Rs. 19. Podars gathered 7 nP to Rs. 18.19. Twenty counts advanced by 31 nP to Rs. 23.56. Gokaks were fully maintained at Rs. 23.12. Forty counts Maduras climbed up by 75 nP to Rs. 32.75. Sixty counts Finlays were steady at Rs. 59.59. Among eightys, Mahendras spurted by a rupee to Rs. 71.50. Moderns were firm at Rs. 71.50 and Finlays at Rs. 79.79.

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

	23-11-1960	16-11-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)		
December	2,161.00	2,129.00
February	2,134 00	2,124.00
60/1 Cupressa Bembers spot	2,231 06	2,176.00
120 Japan (per 100 kg.)	1,322.75	1,294.12
150 Japan (per 100 kg.)	1,543.25	1,514.56
120 Italy (per 100 kg.)	1,239.00	1,212.50
150 Italy (per 100 kg.)	1,501.31	1,474.87
Staple fibre yarn—		
40×2 December (per 90.72 kg.)	794.00	795.00
40×2 February	797.00	795.00
40×2 Century (per kg.)	9.36	9.03
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.19	18.12
20s Gokak	23.12	23.12
30s Gokak	27.00	27.00
40s Minaxi	31.25	31.75
60s Finlay	59.59	59.59
80s Modern	71.50	71.50

PLAIN TEAS FIRM

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

COCHIN, *15th November*

Sale No. 44: Approximately 500,000 kilograms were offered in Sale No. 44 held on 15th November 1960. Quality showed no noticeable change. Although highgrowns continued to be irregular, there were a number of teas with improved quality. There was good general demand. Plainer and low medium descriptions met with keen competition and were dearer by 10 to 20 nP. Good medium brokens met irregular support and were easier, whilst fannings under this category were quoted firm. Black leaf descriptions were firm and sold at around last week's rates. Highgrowns continued irregular and easier with the exception of a few selected bests which were dearer. There was a strong demand for whole leaf grades, particularly orange pekoes, which advanced considerably over last rates. Legg cut and C.T.C. types sold well at slightly dearer rates.

	1960	1959
	Rs.	Rs.
Low medium	4.60-5.00	4.19-4.41
Medium	5.00-5.30	4.52-5.07
Good medium	5.30-5.60	4.96-5.51
Quality	5.75-8.90	5.51-8.93

The average price realised in Sale No. 44 was Rs. 5.38 per kilo, as against Rs. 5.29 in the previous sale and Rs. 5.42 in the corresponding sale last year.

Dust Sale 'PP': Sale 'PP' held on 17th November 1960 comprised 180,000 kilograms. Quality was well maintained. The market met with a very strong demand and prices were dearer for most descriptions. Medium descriptions were 5 to 10 nP dearer and those with more colour sometimes advanced further. Buyers showed keen interest in milled and residual grades which were dearer by 5 to 10 nP and in some cases more. There was better support for highgrowns, although these are quoted barely steady. C.T.C. and legg cut types continued in demand and sold at around last week's rates.

The average price realised in Dust Sale 'PP' was Rs. 4.77 per kilo, as compared with Rs. 4.67 in the previous sale and Rs. 4.32 in the corresponding sale last year.

Export Quota: The market remains rather quiet with last business being registered at ¼ nP per kilo. At present there are sellers at ¼ nP.

Colombo: A total quantity of 3,660,000 lbs. were offered. The market met with less demand and prices were generally easier. Teas from Dimbula and Dickoya districts declined by 40 to 50 cents. Better liquoring mediums were in useful demand and are quoted steady. Teas from Uva districts also were in less demand and were considerably easier.

London:—North Indian and other growths: 23,912 packages were offered on Monday, of which 19,400 packages were from North India. There was good general demand. Prices were steady for teas up to 5s. per lb., but prices realised for teas above this level were slightly irregular. Plain B.P. is quoted at 3/10½*d*.

Ceylon and South Indians: In Tuesday's sale 27,500 packages were offered and 9,210 packages came from South India. There was good demand and prices were steady for lower descriptions, whilst others were irregular.

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

"*Sale* 45:—461,000 kilograms. Good demand, particularly for good mediums which are 10 to 20 nP dearer. Plain and low medium fully firm. Best liquoring highgrowns much easier following decline in quality. Whole leaf very strong."

QUALITY TEAS IN GOOD DEMAND

(From Our Own Correspondent)

CALCUTTA, *22nd November*

There was good demand for quality teas during the export sales held yesterday. This trend should be attributed to the realisation in market circles that this year's crop would be lower than last year's and that as such the marketing outlook for the remainder of the crop should be considered bright.

It should be noted that prices rose here, despite the fall in demand in Mincing Lane sales and the sagging tendency there. Following the increased quantity on offer in London, interest waned. The increased quantity on offer in London was due to greater arrivals as ships diverted to the Continent had started reaching London docks now that the tally clerks have resumed work. It is a reasonable inference that the increase in London stocks to 90 million lbs. in the week ended 11th November from 83 million lbs. should have also affected sentiment.

Export offerings during yesterday's sales held here amounted to 64,552 packages. Darjeelings met with good demand and the keenest attention was paid to the higher grades. Tippy teas recorded an irregular trend as did leaf grades. The better C.T.Cs were steady, while the poorer C.T.Cs eased by 20 to 30 nP. Best and medium C.T.Cs were shown interest subject to quality. Medium B.Ps and fannings were firm. A few selected medium B.O.Ps hardened, while the poorest lots eased liberally. O.Fs also eased, but teas for price and plain brokens were steady. Legg-cut teas eased by 10 to 20 nP, while the cheaper varieties of the same category hardened. The quotations per 1 kg. inclusive of excise duty were: best Assam C.T.C. fannings Rs. 5.90 to Rs. 6.30, clean black pekoe Rs. 5.30 to Rs. 5.60, medium fannings Rs. 5.00 to Rs. 5.30, medium B.P. Rs. 4.65 to Rs. 4.85, plain fannings Rs. 4.85 to Rs. 5.00, and plain B.P. Rs. 4.55 to Rs. 4.65.

Export quota was offered at ¼ nP per kg. However, there were no buyers.

Prices were easy at the internal auctions held here in the last week. Dusts on offer amounted to 22,928 chests. Best C.T.Cs were difficult to sell at quoted rates, while the medium ones fell by 15 to 20 nP. Demand for the plainer orthodox teas was good and prices for these were steady, but the brighter liquoring Assams eased. Although enquiries were good, legg-cut Dooars shared the general market trend and declined. The quotations per 1 kg., inclusive of excise duty, were: best Assam C.T.C. dust Rs. 6.15 to Rs. 6.30 (nominal), medium Assam C.T.C. dust Rs. 5.80 to Rs. 6.00, medium Assam C.T.C. dust Rs. 4.90 to Rs. 5.40, and medium Dooars dust Rs. 4.70 to Rs. 5.10.

Leaf on offer amounting to 666 packages met with good demand.

JUTE REACTS

(From Our Own Correspondent)

CALCUTTA, *22nd November*

Following the imposition of the heavy special margin deposits by the East India Jute and Hessian Exchange Ltd. under orders from the Forward Markets Commission in respect to futures contracts, full details of which were given in these columns last week, prices of both jute goods and raw jute, for forward and ready deliveries, fell noticeably during the week under review. The declines would have been more marked and striking, had it not been for the report that the Calcutta High Court was being moved for the issue of an injunction against the levy of these special margins. This report, however, did not arrest the declining tendency, but the pace of decline was retarded. Yesterday, the High Court issued a rule calling on the authorities (the Government of India, the F.M. Commission and the E.I.J.H.E.) why the amendment to bye laws of the Exchange as per notifications of 5th and 11th November imposing restrictions on T.S.D. contracts should not be set aside. No *ad-interim* injunction was, however, issued. Overseas buyers of goods continued to remain idle, and it is very likely that no major purchases would be attempted by them until the bottom of the decline is reached. However, a few sales of hessian were put through with the United States, but since the quantity involved in each of these transactions was small these did not influence prices. The fact that mills paid greater attention in covering their quota of fibre from the agencies contributed to higher prices in the agencies. However, prices in both the agencies and Calcutta began to fall, as new crop arrivals recorded a marked increase during the week, and sellers were keen in getting buyers. The increase in arrivals was a fact which provided great confidence to mills and those sellers having to fulfil some low-priced contracts. Against this background, crop estimates are being revised by one and all concerned with the trade and industry and optimism prevails as to the size of the crop being able to meet indigenous demand.

An index of the stringent measures taken by the Forward Markets Commission and the E.I.J. & H. E. Ltd. can be had from the extreme strain to which offices concerned with the futures transactions are put to having regard to the enormous increase in paper work. Even offices, staffed liberally, have been hard put to. All the same, the restrictions have begun to have a salutary effect, and it is to be hoped that the vigil of the authorities would continue with its present seriousness. The only complaint heard against the orders is that some of them are not specific, with the result that inconvenience has been caused. In passing, it should be mentioned that had the authorities acted earlier, that is, even when signs of the brewing crisis appeared, the jute industry could have been saved from the present phase of difficulties which, judging from the present lull in the export market here and reports from overseas markets, has affected the long-term interests of the industry. For evidence is not wanting for the inference that high prices have given a handle for substitutes. Orders from foreign countries in the last two months give the indication that substitutes are being tried and jute goods are put to minimum uses only. During the week, there were reports that the Reserve Bank of India would be asked by the Government of India to restrict bank credit against raw jute and jute goods. The progress of the decline in prices following the imposition of heavy deposit margins would probably explain why these rumours had not turned to actuality so far.

The prospect of mills here importing Pakistani cuttings has receded. Although it was recently stated that further licences would be issued, imports at current prices would be highly uneconomic and would not be resorted to by mills. For obvious reasons, mills have yet to receive Pakistani cuttings, contracts for which had been placed when the price was between Rs. 100 and Rs. 160 per bale. The current ruling price is Rs. 260 a bale. If mills are to use the new quota, stated to total about 450,000 bales, it is pointed out they would consider placing contracts with those sellers who would fulfil the outstanding low-priced contracts.

As stated above, business passing in the goods market was limited. Prospective buyers were watching the decline. Local operators were also naturally hesitant in entering into fresh commitments. On Tuesday last, ready B. twills were nominally quoted at Rs. 173.50 and hessian 40" 10 oz. at Rs. 55.75. The only feature on Wednesday was a small amount of buying in hessian on American interest, but heavy goods continued to be deserted. Meanwhile, news came forth that the new margins would be payable on outstanding contracts too. Local operators at one stage became active, and after wide fluctuations ready B. twills closed firm at Rs. 171.00. Ready hessian 40" 10 oz. was fractionally lower at Rs. 55.25. On Thursday, the decline in prices continued to be in evidence, albeit some activity in hessian on U.S. interest. Ready hessian 40" 10 oz. finished lower at Rs. 55, as did B. twills at Rs. 170. On Friday, fluctuations in prices were sharp following the application in Court praying for injunction on the margin levy. B. twills closed quiet at Rs. 170 and hessian 40" 10 oz. at Rs. 55.25. Over the week-end, prices fell sharply, as overseas buyers were firm in their silent demeanour. B. twills fell to Rs. 166 and hessian 40" 10 oz. to Rs. 54. Holders were caught in selling pressure. Following this declining trend, fractional losses were also reported on New York burlap values. A steadier trend in heavy goods was recorded, following some covering business, and ready B. twills closed slightly higher at Rs. 169. However, ready hessian 40" 10 oz. was unchanged at Rs. 54. In consultation with the West Bengal Government and the trade unions, mills have decided to reduce working hours from 48 to 45 a week, and the percentage of looms sealed from 19 to 12. This will reduce unemployment distress, and, in effect, mean reducing looms sealed from 19 per cent. now to 17 per cent. based on working 48 hours a week. Naturally, it would take some time before the decision is implemented. Meanwhile, a good sign is the improving fibre supply position and the declining price-trend.

Fibre prices also fell. Sellers were keen for business. However, business passing in the Calcutta market was small, as mills were covering against their quotas in their own agencies in the mofussil. Assam bottoms declined to Rs. 124.50, per 100 kg. from Rs. 138, and daissee bottoms to Rs. 130 from Rs. 142, both November-December delivery.

BLACK PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, *23rd November*

Malabar black pepper ruled easy during the week under pressure of new arrivals and lack of foreign inquiries. Ready garbled (old) went down to Rs. 192½ per cwt., while ungarbled (old) was done at Rs. 1,150 and new at Rs. 1,050. December delivery receded from Rs. 225 to Rs. 194, there being very small turnover, owing to various restrictions placed by the major operators on the Cochin Exchange. Whatever little business was done in the forward ring was by way of short covering. There were no advance sales either in overseas or in the forward ring at Cochin. The exporters were, therefore, unwilling to buy except their immediate requirements. Arrivals were not so heavy as was expected earlier, because picking and drying was often interrupted by rain in the area. On the advent of sunshine, arrivals will be heavy which in the present mood of the market is likely to remain unsold, hanging heavy on the market. The present weak trend is attributed to the impending heavy new arrivals which are already overdue. Absence of export business, coupled with financial stringency, has adversely affected the outlook for the commodity. In the meantime, if Singapore comes out in the field either to undersell or to compete with Malabar, there is likely to be a rate war between the two primary suppliers. Then, nobody knows what will be the bottom for pepper for the year 1961.

Spot in New York climbed down from $0.55 to $0.50 under pressure of arrivals and lack of grinders' demand. New York dealers are reported to have bought afloat from India with the named steamers at prices ranging from $0.49 to $0.43½. There seems to be little interest for November shipment. December and January shipments are indicated at $0.40. There being no shortage of supply of pepper in the world market during the year 1961, the psychological effect on consumers in the world at large will be for hand to mouth buying.

Singapore is ruling easy at Str. $255 for white and at Str. $150 for black. The bull syndicate is reported to be trying to push up prices often, but without success, as any advance in prices attracts increased arrivals from Sarawak and Indonesia.

The trade in general is at a loss to know why check prices for Lampong are fixed on the basis of spot price in America when afloats are selling at a discount of as low as 6 cents. If check prices in Indonesia are kept high, no export of Lampong will be possible, as India will be competing, in view of its harvesting season. This means accumulation of stock of Lampong either at Telok Betong or at Singapore which ultimately will prove a disturbing factor for the stabilisation of pepper prices in the world market.

Arrivals in Calicut are reported to have started earlier. As such, there is likely to be a pressure of combined selling on the market by all the important primary centres on the coast.

Ready pepper in Bombay is quoted at Rs. 235 per 50 kilos.

TEXTILES

(Concluded from page 952)

block even more than the increase in its funds. Of course, the industry could do this only by increasing its borrowings for working capital."

The contention that only the pre-war machinery gives rise to the problem of replacement is also disputed. The millowners' representative argues that this is a fallacious contention from whatever angle one looks at it. Plant and machinery become obsolete due to (*a*) changes in machinery design and (*b*) introduction of new processes, etc. He has done well to highlight the rapid strides taking place in evolving new processes and designs in textile machinery. In spinning, for instance, several processes are being dropped and, in winding and warping, the latest machinery has rendered obsolete the so-called high-speed machinery which was in vogue some five or ten years ago. Automatic looms of even ten years ago have become almost antiquated by now. Surely, a cotton mill industry, which has to export over 15 per cent. of its production, cannot hope to compete in the world markets, if it lags behind modern trends, because its products will suffer in both quality and price. The domestic consumer, too, should not be denied the advantages of superior quality and lower cost accruing from modern technology.

The question of allowance for obsolescence has also to be viewed from the angle of production cost. In this connection, the industry's spokesman makes the following interesting observations:

"The advantage with an old machine is its low incidence of depreciation. But it suffers from the disadvantages of lower production, inferior quality, higher proportion of waste and higher labour cost, and progressively increasing bills of repairs and replacement. A new machine suffers from higher capital cost and higher incidence of depreciation. But as against these disadvantages in capital cost, the new machine gives savings in running cost, due to higher production, superior quality, lower waste, lower labour cost, and lower expense of maintenance and repairs. A balance must be struck between these advantages and disadvantages to arrive at an estimate of the useful life of an existing machine, after which, its replacement by a new machine is more economical, provided, of course, the necessary initial finance is available. Japan, which was forced to install new machinery because of war devastation, can produce goods at a lower cost than those countries which continue to use the older machines."

He has also highlighted the fact that not only pre-war textile machinery but also post-war machinery and even the recently installed equipment gives rise to the problem of replacement cost owing to the continuance of the rise in prices. The following table indicates the trend of prices of a few items:

(In rupees)

	1957	1948	1946	1938-39
Blow-room machinery ...	3,09,375	1,30,150	1,01,455	41,486
Carding engines, 38" ...	13,800	8,661	7,782	3,041
" " 40" ...	13,900	10,201	8,096	3,563
Combers	23,975	18,966	16,467	7,033
Inter frames	51,675	25,758	17,621	6,722
Ring spinning frame (warp) ...	41,525	29,593	23,676	9,515
Looms (plain), 36" ...	1,825	..	820	260
" " 44" ...	1,925	..	863	274
" " 50" ...	2,000	..	1,022	310
" " 56" ...	2,150	..	1,094	347

On the basis of the currently prevailing prices of textile machinery and equipment, the industry's needs of rehabilitation over the next five years are estimated at Rs. 180 crores. There is no exaggeration whatever in the warning given by the industry's spokesman that, considering the rise in prices following the large-scale investment in the third and succeeding Plans, it would be suicidal not to make adequate provision for the replacement cost of machinery that is installed even today, a fact which has been stressed in a recent study by the National Council of Applied Economic Research. What is urgently wanted, as this journal has stressed ere now, is that the cotton mill industry must be enabled to earn a profit which will leave sufficient margin to plough back the amounts required to meet at least a part of the cost of replacing its assets and to sustain a level of dividend that will induce confidence among investors in the shares of its units.

Notice

THE ALUMINIUM CORPORATION OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Annual General Meeting of the members of the ALUMINIUM CORPORATION OF INDIA LTD., will be held at the Registered Office of the Company at 7, Council House Street, Calcutta, on Tuesday the 27th December, 1960, at 4.30 p.m., for the following purposes:

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st March, 1960.
2. To declare dividends.
3. To appoint Directors in place of those retiring by rotation and in this connection to consider and, if thought fit, to pass the following resolution in respect of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relevant Explanatory Statement is annexed hereto.

RESOLVED: That pursuant to the provisions of Section 281 of the Companies Act, 1956, Shri D. N. Sen, a Director of the Company, who has attained the age of 71 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is specially declared that the age limit prescribed under Section 280, of the said Act shall not apply to him.

4. To appoint Auditors and to fix their remuneration.

The Registers of Members and Transfer Books of the Company will be closed from the 9th to the 27th December 1960, both days inclusive.

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

CALCUTTA, *the 21st November*, 1960.

Note: (i) Dividends as recommended by the Directors, if approved at the Annual General Meeting, including the additional dividend payable to the Preference shareholders on enactment of Preference Shares (Regulation of Dividends), Bill will be paid to those shareholders whose names are on the Company's Registers as on the 27th December, 1960, or to their Mandatees. The payments will be made on or after the 21st January, 1961 and of additional dividend after enactment of the Preference Shares (Regulation of Dividends) Bill.

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

(iii) An Explanatory Statement is annexed to the convening Notice issued to the members of the Company.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 18th Nov., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	53,68,55,000
(2) Other Governments	23,48,63,000
(b) Banks	55,19,68,000
(c) Others	86,78,86,000
Bills Payable	25,67,60,000
Other Liabilities	29,18,43,000
Rupees	443,98,72,000

ASSETS	Rs.
Notes	22,34,80,000
Rupee Coin	1,67,000
Subsidiary Coin	6,30,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	8,47,50,000
Balances held abroad*	16,61,80,000
Loans and Advances to Governments†	30,23,15,000
Other Loans and Advances	118,12,21,000
Investments	234,98,29,000
Other Assets	12,32,62,000
Rupees	443,98,72,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 6,85,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	22,34,80,000	
Notes in circulation	1820,31,49,000	
Total Notes issued	....	1842,66,38,000
Total Liabilities	....	1842,66,38,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,89,000	
Total of A		240,76,92,000
B. Rupee Coin		129,33,82,000
Government of India Rupee Securities		1472,05,64,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1842,66,38,000

State Bank of India

Statement of Affairs for the week ended 18th Nov., 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		7,20,00,000
Borrowings from Other Banking Companies, Agents, etc.		560,48,88,000
Bills Payable		1,04,50,000
Bills for Collection being Bills receivable as per contra		9,04,01,000
Acceptances, Endorsements and Other Obligations per contra		2,27,77,000
Other Liabilities (including Inter-Office Adjustments)		1,58,11,000
		17,51,93,000
Total .. Rs.		613,77,70,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,08,27,000
Balances with other Banks		2,83,49,000
Money at Call and Short Notice		1,13,33,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	328,45,94,000	
Other Authorised Investments	10,14,37,000	
		338,60,31,000
ADVANCES:		
Loans, Cash Credits, Overdrafts etc.	194,77,46,000	
Bills Discounted and Purchased	14,87,43,000	
		209,64,89,000
Bills Receivable being Bills for Collection as per contra		2,27,77,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,58,11,000
Premises less Depreciation		1,26,68,000
Furniture and Fixtures less Depreciation		1,33,78,000
Other Assets (including Inter-Office Adjustments)		31,01,07,000
Total .. Rs.		613,77,70,000

State Bank of Pakistan

Statement of Affairs for the week ended 11th Nov., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	4,80,46,000
(b) Provincial Governments	98,09,000
(c) Banks	17,96,28,000
(d) Others	111,66,2 ,000
Bills Payable	14,11,000
Other Liabilities	11,15,42,000
Rupees	154,85,58,000

ASSETS	Rs.
Notes	7,92,51,000
Rupee Coin	56,000
Subsidiary Coin	66,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	27,89,12,000
Loans and Advances to Governments	8,67,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	....
Investments	23,60,13,000
Other Assets	77,06,82,000
	9,08,78,000
Rupees	154,85,58,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,92,51,000	
Notes in circulation	362,00,30,000	
Total Notes issued	....	369,98,81,000
Total Liabilities	....	369,98,81,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	73,51,56,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin		141,19,96,000
Government of Pakistan Securities	4,05,60,000	
Internal bills of exchange and other commercial paper	218,83,19,000	
	....	222,88,79,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
		369,98,81,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 39.68 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 11th Nov., 1960

	Rs.
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	21,86,20,000
(ii) Other demand liabilities	763,48,09,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	16,26,44,000
(ii) Other time liabilities	1128,19,44,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	10,20,12,000
(ii) Time liabilities	60,00,000
Borrowings in India from the Reserve Bank of India‡	25,19,24,000
Cash in India	(8,14,50,000)
Balances with the Reserve Bank in India	47,55,80,000
Balances with other banks in current account in India	101,63,42,000
Money at call and short notice in India	14,82,59,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	31,82,24,000
Advances in India	688,16,25,000
Inland Bills, purchased and discounted in India	954,86,10,000
Foreign Bills, purchased and discounted in India	106,59,58,000
	47,58,94,000

* Provisional.

† Excluding borrowings from the Reserve Bank also.

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
6th Sept.	2.00	2.00	2.00	2.540	99.365
13th Sept.	2.00	2.00	2.00	2.540	99.365
14th to 17th Sept.*	0.15	—	0.15	—	99.381
20th Sept.	2.00	2.50	2.00	2.540	99.365
27th Sept.	2.00	2.00	2.00	2.540	99.369
28th Sept. to 1st Oct	0.08	—	0.08	—	99.381
4th Oct.	2.00	2.55	2.00	2.552	99.365
11th Oct.	2.00	2.35	2.00	2.560	99.360
18th Oct.	2.00	2.40	2.00	2.560	99.360
25th Oct.	2.00	2.00	2.00	2.565	99.355
1st Nov.	2.00	2.35	2.00	2.565	99.360
2nd to 5th Nov.*	0.27	—	0.27	—	99.376
8th Nov.	2.00	2.20	2.00	2.565	99.360
9th to 12th Nov.*	0.31	—	0.31	—	99.376
15th Nov.	2.00	2.24	2.00	2.565	99.360
16th to 19th Nov.*	0.80	—	0.80	—	99.376
22nd Nov.,,	2.00	2.49	2.00	2.564	99.360
Total amount outstanding	25.61	..	25.61	..	..

* Intermediate Treasury Bills sold.

EXCHANGE RATES

		22nd November 1960	Previous week
Bombay on London—			
Sellers T. T. D.D. Spot	d.	1-5⅝	1-5⅝
Sellers T. T. D.D. upto six months	d.	1-5⅝	1-5⅝
Buyers T.T. spot to nine months	d.	1-6	1-6
Buyers T.T. 10 to 12 months	d.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	d.	1-6¼	1-6¼
Buyers T.T.	Rs.	475.75	476.00
London on New York	c.	472.50	472.50
London on Paris	Fcs.	2.8126-2.8129	2.8130-2.8140
London on Berne	Sw. Fcs.	13.79½-13.79¾	13.79-13.79¼
New York on London	c.	12.1180-12.1200	12.1250-12.1270
		281.240-281.270	281.250-281.275

CLEARING HOUSE RETURNS

Centre	Week ended 18th Nov., 1960 Number of Cheques	Amount Rs.	Week ended 11th Nov., 1960 Number of Cheques	Amount Rs.
Bombay	3,91,637	1,00,43,95,000	4,05,704	85,83,99,000
Calcutta	2,01,000	88,55,00,000	1,90,000	77,69,00,000
Madras	93,133	12,69,14,892	92,797	12,35,66,800
All Centres—				
1957-58	141,672,000	89,84,80,00,000	..	..
1958-59	145,172,000	97,67,12,50,000	..	..
1959-60	150,064,000	109,88,05,00,000	..	..
June 1960	4,227,000	9,86,03,00,000	..	..
July ,,	4,210,000	9,82,89,00,000	..	..
Aug. ,,	4,377,000	9,96,31,00,000	..	..
Sept. ,,	4,318,000	9,71,59,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	5th Nov., 1960	29th Oct., 1960	7th Nov., 1959	Sept., 1960	Sept., 1959	Percentage of Increase (+) or Decrease (−) in Sept., 1960 as compared with Sept., 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	121.0	121.6	122.1	123.9	120.5	+ 2.8	119.0	115.9
Cereals	192	104.2	105.4	108.7	108.5	107.6	+ 0.8	104.1	106.8
Pulses	43	94.2	94.5R	94.8	94.7	89.9	+ 5.3	98.6	103.0
Fruits and Vegetables	28	118.5	117 0	120.7	122.2	139.1	−12.1	127.8	117.0
Milk and Ghee	84	112.0	115.0	111.0	123.2	115.6	+ 8.5	118.3	107.2
Edible Oils	47	152.9	152.0R	127.7	148.9	127.6	+16.7	130.4	124.9
Fish, Eggs and Meat	17	125.0	126.3R	111.0	126.9	112.1	+13.2	112.0	108.4
Sugar and Gur	48	141.5	140.5	162.4	138.7	148.2	− 6.8	147.0	137.3
Others	50	173.4	172.0	175.1	171.2	168.6	+ 1.5	157.9	134.9
Liquor and Tobacco	21	117.8	118.4	105.4	104.5	99.7	+ 4.8	112.0	108.4
Tobacco	—	116.8	117.5	104.2	102.7	98.1	+ 4.7	97.9	98.8
Fuel, Power, Light and Lubricants	38	119.9	119.9	117.4	118.5	116.3	+ 2.8	116.8	115.8
Industrial Raw Materials	166	149.9	148.9R	121.8	132.7	132.6	+ 0.1	123.7	116.9
Fibres	61	164.9	160.0R	109.8	139.5	110.1	+26.7	113.3	108.0
Oilseeds	60	148.7	146.2	131.5	146.9	136.1	+ 7.9	124.6	127.0
Minerals	2	97.9*	97.9*	96.2	98.2	98.3	− 0.1	97.8	106.0
Others	22	126.8*	126.4*R	128.3	124.6	112.9	+10.3	121.6	109.5
Manufactures	296	125.8	125.1	111.5	122.7	113.0	+ 1.4	112.0	108.4
Intermediate Products	41	131.5	130.8R	115.8	129.5	119.0	+ 8.8	113.8	110.3
Finished Products	249	124.6	124.2	110.8	121.5	111.3	+ 9.1	111.6	108.1
Textiles	147	128.9	128.1	106.4	123.9	108.8	+13.8	113.8	110.3
Cotton	—	129.0*	129.0*	106.4	123.9	108.8	+13.8	113.8	110.3
Jute	—	142.2	139.0	90.0	131.6	114 0	+15.4	111.3	108.1
Woollen	—	110.1*	110.1*	104.2*	110.4	89.4	+23.5	107.5	103.2
Silk and Rayon	—	102.0*	102.0*	92.6*	110.1	104.2	+ 5.7	116.9*	117.6
Metal Products	12	146.8	146.8	144.5	100.8	92.0	+ 9.6	90.6	86.5
Chemicals	20	104.8	104.8	106.8	146.8	144.4	+ 1.7	104.2	105.4
Oil Cakes	10	141.7*	142.5*R	150.0	105.8	103.3	+ 2.4	96.4	93.2
Machinery and Transport Equipment	31	111.3	111.3R	106.1	138.6	141.6	− 2.1	144.4	145.1
Others	30	116.4	116.4	114.1	111.2	115.9	+ 5.0	106.9	106.3
					115.9	113.7	+ 1.9	105.8	103.2
All Commodities	1,000	122.7	122.4	113.5	125.3	117.2	+ 6.9	113.4	113.1
								117.1	113.8

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised.

* Estimated.

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	11th Nov., 1960	4th Nov., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.87	1827.22	1808.30	1808.64	1696.02
Notes held in Banking Department	35.05	14.50	13.78	14.39	19.64
Foreign Securities	59.50	123.01	123.01	123.01	168.01
Rupee Securities	37.39	1472.06	1452.03	1451.84	1301.68
Banking Department					
Deposits of:					
Government of India	14.39	53.61	74.52	52.68	50.44
Other Governments	..	14 86	10 20	43.80	18.85
Balances held abroad	10.06	18 10	18.27	17.84	39.88
SCHEDULED BANKS					
Demand Liabilities	134.36	785.34	790.62	792.37	739.52
		(21.86)†	(19.55)†	(16.57)†	(23.31)†
Time Liabilities	102.24	1144.46	1143.86	1154.24	1133.66
		(16.26)†	(20.54)†	(21.88)†	(28.23)†
Borrowings from Reserve Bank	..	25.19	22.63	30.21	1.65
		(8.15)‡	(5.82)‡	(8.77)‡	(0.16)‡
Borrowings from State Bank	..	10.80	11.21	11.91	3.65
Cash in India	6.70	47.56	47.08	47.50	43.91
Balances with Reserve Bank	25.17	101 63	104.66	107.76	81 17
Balances with other banks in current account in India	..	14 83	15.19	15.99	14.93
Money at call and short notice in India	..	31.82	30.71	30.25	32.59
Investments (at book value)	..	688 16	698.97	707.72	730.91
Advances and bills	105.9	1109 05	1109.61	1116.12	926.96
STATE BANK					
Deposits	87.76	573 21	579.22	590.33	576.11
Investments	61.99	345 67	355.63	360.51	335.01
Advances	30.35	212.62	214.12	216.23	158.63
Cash	14.69	28.71	25.41	27.50	32.96

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	2
Canada †	..	2.45	2.73
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	3	4
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6.50
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1960	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	Feb., 1950	4.50	6.50
Portugal	19th Jan., 1944	4	3
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	3
Thailand	Feb., 1945	..	2
Turkey	6th June, 1954	4.50	7
United Kingdom	27th Oct., 1960	6	5.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	11th Nov., 1960	5	4

Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

BANKING

(*Concluded from page 951*)

was concerned. Costs can, of course, be reduced in many ways, even without reducing money wages. The more attention that is paid to cost and price adjustments, the less need there will be to rely on massive credit expansion as a means of mitigating a business recession, and only in that way can a more lasting remedy be found. For a policy of cost adjustments through rationalisation should make the economy more efficient, and should thus be the policy most likely to improve real wages over a period of time. I have naturally no illusions about the difficulty of pursuing such a policy in actual practice. Such cost adjustments were made, however, in Great Britain and Sweden at the time of devaluation in 1931, and costs were held down in the Netherlands and Switzerland at the time of devaluation in 1936; and I am sure that these countries benefited from the policies they pursued, while those countries in which cost increases continued found it more difficult to reduce unemployment.

I think there can be great merit in studying past experiences in this way and relating them to what one considers is the best theoretical analysis of these matters. Keynes in his *General Theory* dealt with a closed economy, and ignored all balance of payments considerations. This is one reason why I think that it is very opportune to consider his views at the moment, for I have come to the conclusion that the proper policy on costs to be followed here in the United States ought to be very much the same whether internal or external considerations are given the more weight. Indeed, in this country (the U.S.) it is almost more important for industrialists to avoid pricing themselves out of the home market, which is so much larger than the markets provided by the export trades. This is emphasised, once again, by the fact that this country experienced no balance of payments difficulties in the 1930's, but at that time accumulated much gold from abroad as a result of Europeans seeking a safe haven for their funds from dictators and the threat of war. Although the difficulties were thus essentially internal, the measures then taken still failed to cure the evil of unemployment.

Supplementary Steps

Returning, however, to the question of the balance of payments, I would strongly acknowledge that for many countries the adequacy of their gold reserves depends very much on the policies that they pursue. If wrong policies are followed, no amount of reserves would suffice. But, given the proper fiscal and credit and cost policies, there are a number of supplementary steps that could be taken in the United States and abroad which would help to improve the position, and I would mention the following:

(1) It is good that individual firms in the United States should be made more aware of the possibilities of the export trade, and should try energetically to develop that part of their business. When home trade is slackening, there is every inducement to do so, and this inducement seems to have been pretty effective in recent months. More can no doubt be done in this field, however.

(2) The U.S. Government and the International Monetary Fund, and, of course, the G.A.T.T., have for years pressed for the elimination of trade and payments discrimination against dollar goods. Great progress has been made, but continued efforts are required.

(3) The U.S. Government has also favoured a general lowering of tariffs. It is faced with a very tough problem in its relations with the new trading areas, especially in Europe, where it must seek to ensure that U.S. interests are not ignored.

(4) Then, there is the whole problem of U.S. Government expenditure abroad, whether for military purposes or for assistance for the less-developed countries, as set out so clearly in the President's statement on steps to be taken with respect to the balance of payments problem, which was made public on the 16th inst. Other countries which have regained their strength during the post-war years may well be expected to assume a larger share of such expenditure. Discussions with some European countries, especially with Germany, are taking place this very month. I am glad to hear that the loans which will be a part of the increased assistance now planned by Germany will take the form of untied loans.

(5) In the field of international capital transactions, the recent reductions in short-term interest rates in France, Great Britain, and Germany should also be helpful.

Several of the steps I have outlined have already been taken and others are in the offing. They can certainly make a useful contribution, but, as I said before, the fiscal and credit policies pursued (by the U.S.), together with continued attention to costs, will be decisive.

Aid Should Not Be Cut

Perhaps, I should mention certain steps, sometimes hinted at but which in my opinion should not be taken. Although European countries will, as I hope, increase their share of foreign assistance, I do not believe that the U.S. contribution can be substantially curtailed. It seems to me that the many statements made on this subject during the election campaign pointed to continued U.S. concern about further progress in the underdeveloped countries and the importance of continued assistance for that purpose. A greater danger, which should be avoided in any circumstances, would be to increase tariffs. To do so would surely be a double-edged weapon; it would slow up the expansion of world trade, and I need not enlarge upon the dire consequences for the Western world of such a slowing-up. Of course, an increase in tariffs and a reduction in the rate of expansion of world trade would reduce foreign competition in U.S. markets, but I am one of those who believe that such competition is salutary—here as in other countries.

It is, once again, interesting to remember that the increase in U.S. tariffs in the 1930's did not help to combat the depression. Indeed, in those unfortunate years, when other countries, too, raised their tariffs and Great Britain abandoned its free trade policy, we experienced a stagnation of international trade which lasted for a decade, and caused great distress all round the world. I hope you will forgive me for referring so often to what happened in the 1930's. While I believe that many useful lessons can be learned from our experience during that period, I would not like to convey the impression that I think we now are faced with the same problem that we faced then—a world-wide deflation. We might all agree, however, that we are in a rather difficult situation, and that there is great need for co-operation between the financial authorities in the various countries.

In particular, it is essential that there should be close contact between the financial authorities on the two sides of the Atlantic, what we failed to establish in the period between the two wars. The International Monetary Fund has been useful in this context, and it is proposed, as you know, to transform the Organisation for European Economic Co-operation, in which the United States and Canada were associate partners, into the Organisation for Economic Co-operation and Development in which the United States and Canada will be full members. I hope very much that this proposal will be speedily adopted, for I think it is in the best interest of all concerned.

Fortunately, today, the leading industrial countries have nearly all accumulated sufficient, or almost sufficient, reserves, especially taking into account the secondary reserves available to them through access to the International Monetary Fund. In the next few years, I hope we shall be able to consolidate the present exchange structure, and, on this basis, be able to create the conditions for sustained economic growth. Such growth can occur under a variety of conditions, as past experiences teach us. There was, for instance, a period of rapid economic growth in the U.S. from 1873 to 1895, although, at that time, prices were on average slowly falling. In the 1920's, there was another period of growth, but then with stable prices, and, after the Second World War, there has been growth with rising prices. In each of these periods, business attitudes and practices have had to be adjusted to the prevailing trend. Assuming that we may prevent both inflation and deflation, we shall have to adjust our practices to the requirements of a more stable price level, which I am fairly confident that we shall be able to ensure. For my own part, I have no fear that a period of stagnation will result. It is my opinion that the attainment of a satisfactory rate of growth and higher employment and the preservation of a relatively stable price level are fully consistent goals. In view of the great technological developments, and for other reasons, demand for capital all over the world may be expected to be large, and there should be no accumulation of idle savings.

There is work of noble note to be done, and, with the greater insight and the more effective institutions that we now possess, there is every reason to believe that we shall be able to do it.

LLOYDS—NATIONAL AND GRINDLAYS

The agreement for the amalgamation of the business of Lloyds Bank's Eastern branches in India, Pakistan and Burma with that of National and Grindlays Bank Ltd. has been confirmed by the shareholders of the latter Bank and the issue of 1,520,700 shares of 15s. each of National and Grindlays to Lloyds Bank has been approved. This issue represents 25 per cent. of the issued capital of National and Grindlays.

It was originally indicated that National and Grindlays Bank Ltd. would make an issue of shares to Lloyds Bank Ltd. as consideration for the acquisition of Lloyds Bank's Eastern branches and that Lloyds Bank would simultaneously subscribe for additional shares in National and Grindlays Bank Ltd. Instead, Lloyds Bank Ltd. has agreed to make a transfer of additional reserves appropriate to the business of the Eastern branches, and the number of shares to be issued for the business has consequently been increased. The profits of Lloyds Bank's Eastern branches for the year ending 1960 will be retained by Lloyds and its new shares in National and Grindlays will not participate in any dividend for the year ending 31st December 1960.

By the agreement now concluded, Lloyds Bank Ltd. will exchange the direct banking responsibility hitherto exercised through its branches in India, Pakistan and Burma for an indirect, but substantial, interest in the form of its holding in the share capital of National and Grindlays Bank Limited. The acquisition of this shareholding will, in fact, result in the overseas interests of Lloyds Bank being considerably enlarged as, in addition to 32 branches in India, Pakistan and Burma, National and Grindlays Bank already has over 80 branches and sub-branches in Ceylon, Aden, Somalia, the East African territories and the Rhodesias.

National and Grindlays Bank Limited already has a link with the National Provincial Bank Ltd. as a result of the acquisition of Grindlays Bank Ltd. in 1948, and by the recent merger there is now a close connection with Lloyds Bank Ltd. The issued capital and reserves of National and Grindlays Bank Ltd. will amount to over £7¼ million on 1st January 1961, and deposits will be considerably in excess of £200 million, out of which Lloyds Bank's Eastern branches will have provided over £50 million. The substantial increase in resources available to the amalgamated bank will strengthen its position and enable it to play a more purposeful part in financing the expanding economies of the countries in which it operates.

It is the intention of the amalgamated bank to continue each former branch of Lloyds Bank Ltd. with the same staff, under the title of National and Grindlays Bank Ltd., "Lloyds Branch," so that the long established connections of Lloyds Bank in India, Pakistan and Burma will be maintained. In addition, Lloyds Bank Ltd., London, will have representation on the Board of National and Grindlays Bank Ltd.

INDO-COMMERCIAL BANK

The Reserve Bank of India has prepared a draft scheme for the merger of the Indo-Commercial Bank Ltd., Madras, which was recently given a moratorium for a period of two months, from 25th October to 24th December 1960, both days inclusive, under Section 45 of the Banking Companies Act as recently amended, with the Punjab National Bank Ltd. and sent it to the two banks for their comments. The Bank has also invited objections and suggestions, if any, from the creditors and members of both the banks. The scheme, a copy of which was placed on the table of the Lok Sabha by the Deputy Minister of Finance, Mr. B. R. Bhagat, envisages the payment to the depositors of the Indo-Commercial Bank, in the immediate future, of an amount equal to the readily exchangeable value of the assets and such further amounts thereafter as may be realised by the Punjab National Bank.

The broad outline of the scheme is as follows:

The Punjab National Bank will take over the assets of the Indo-Commercial in so far as they are considered good. The Bank will maintain a collection account to realise bad and doubtful debts and to salvage assets as much as possible. To this account will be credited the entire paid-up capital and reserves of the Indo-Commercial and treated as provision for bad and doubtful debts and depreciation on other assets. The uncalled liability in respect of the 'B' shares is proposed to be called up along with arrears of calls, if any. The paid-up capital of the Bank is Rs. 18.75 lakhs, of which the 'A' and 'C' shares of Rs. 100 and Rs. 50 each, respectively, are fully paid-up while the 'B' shares of Rs. 50 each are paid-up to the extent of only Rs. 25 each. This will fetch Rs. 2.50 lakhs.

If, as a result of the realisation of the advances considered doubtful and other assets, there is a balance left in the collection account after all adjustments, any residual claim of the depositors will be satisfied first and the share capital will be repaid to the extent possible. The Punjab National Bank will open corresponding and similar accounts in the names of the depositors of the Indo-Commercial Bank. The depositors can draw up to Rs. 250 in respect of a particular account or the entire amount standing to their credit if such amount is less than Rs. 250, while the others can operate up to the *pro rata* available in respect of each of the accounts.

After valuation of the assets of the Indo-Commercial Bank and scrutiny of the advances by the Punjab National and after considering the suggestions and objections of the depositors and creditors of the banks concerned, the amalgamation scheme will be finalised by the Reserve Bank of India.

MARKET GOSSIP

(*Concluded from page 943*)

costing Rs. 10,000, were being sold annually by Mahindras in India.

A preliminary scheme envisaging the manufacture of David Brown tractors in India was formulated by Mahindras and submitted to the Government for approval as far back as 1954. A detailed programme was submitted in November 1956. The programme received the final approval of the Government in a modified form during 1957-58 and negotiations were conducted with David Brown Industries Ltd. for the large capital required for the import of plant, equipment and tooling. Agreement was reached last year with the foreign firm for its financial participation in a new company, David Brown-Mahindra Tractors Private Ltd. The Government of India also granted the necessary licences for import of capital equipment for the first phase of the 2-D tractor manufacture. To start with, the assembling of tractors imported from the U.K. in C.K.D. (completely knocked down) condition had been contemplated. It was to be followed by the implementation of a plan for progressive manufacture of components in India. It was expected that the Company would be able to make 66 per cent. of the parts in the next four years. A higher percentage of indigenous production was considered feasible in the later stages of the scheme, depending on the development of the local ancillary industries. The licence covered production of 1,250 tractors per annum.

One thought that the tractor manufacturing project of Mahindras was well under implementation. The Company had sent some technicians for training in the works of David Browns in Britain. It had also spent quite a good bit of money in connection with the preliminaries of the project. It is a pity that, at this late stage and after all this effort, the collaboration agreement should have broken down, causing a setback to the growth of tractors industry.

President Eisenhower Acts

The reported failure of the U.S. delegation, led by Treasury Secretary Anderson, to get any immediate help, or any firm promise of it, to ease the U.S. balance of payments position lends added significance to the cut in foreign spending proposed by President Eisenhower in a directive issued on the 16th inst. For efforts to persuade W. Germany to lend a helping hand having failed for the time being, it appears that the U.S. has now to "go it alone," at least till such time as the W. German authorities agree to remove import restrictions on American goods which they have agreed to consider.

The aim of the delegation, which concluded talks with W. German Treasury officials on the 23rd inst., was to persuade W. Germany to (1) assume a greater share of the defence cost of N.A.T.O., (2) supply its legitimate share of economic aid to underdeveloped countries, (3) take measures to equalise interest rates in W. Germany with those prevailing in the U.S., and (4) remove restrictions on imports of certain American agricultural commodities and to liberalise trade generally. Apart from the reaffirmation that W. Germany will provide about DM 3,500 million (Rs. 400 crores) for 1961 for aid to underdeveloped countries and the expression of willingness to consider the question of liberalisation of trade, the U.S. delegation does not appear to have got any assurance of favourable consideration of the other points. No wonder the *communique* issued after the conclusion of the talks was discreetly silent on the specific issues mentioned above.

But even before the West German attitude came to be known, the U.S. gave fresh evidence of its determination to take effective measures to improve its balance of payments position, taking care, at the same time, to see that they do not harm the interests of the developing nations. The strain on the U.S. balance of payments, as reflected in payments deficit which is currently running at the annual rate of about $3,000 million, began to be felt since as early as 1950. As a result of the heavy contributions to the post-war economic reconstruction of Europe, the massive military aid programme, and the generous aid granted to developing nations, the U.S. has been experiencing continuous deficits in its balance of payments. In the last three years alone, the U.S. paid out a total of $10 billion more than what it received. The settlement of the resulting deficits resulted in sizable outflows of gold and increase in the dollar liabilities to other countries, as is evidenced by the decline of about $4.5 billion in Treasury gold stocks since the end of 1957.

Not until 1958, however, did the world begin to take notice of the continuing deficit in the U.S. balance of payments. It was only when the gold reserves began to register sharp losses that the possibility of dollar not being able to maintain its strength began to be talked about. It must, however, be said to the credit of the U.S. Administration that, though it was not late in recognising the problem, it did not resort to any crisis measures that would have had adverse reactions on the other countries of the world. At the same time, it took a series of steps to improve the balance of payments position and to maintain world confidence in the dollar. As a result of this, there has been a significant and heartening improvement in exports during the current year. In 1959, U.S. merchandise trade surplus reached a post-war low of $1 billion, whereas this year it is estimated to reach an annual rate of over $4 billion.

In his directive referred to above, President Eisenhower has outlined the following three-phased programme, covering the fields of international trade, finance and the domestic economy which aims at reducing the deficit in the U.S.'s balance of payments:

"In the field of international trade, the U.S. will (*a*) continue to press other countries urgently, and particularly those that are economically and financially strong, to reduce tariffs, relax quotas, and remove trade restrictions that hamper United States exports, and also urge these countries to reduce or eliminate internal taxes and other measures that have a special impact in curtailing their purchases of United States goods and services; (*b*) take all reasonable means to increase exports, including facilitating the financing of exports where this is needed, to increase our sales both of consumer goods and capital goods.

"In the field of international finance, the U.S. will (*a*) insist that its friends and allies accept their full share of the cost of maintaining the security of the free world; (*b*) insist that the other economically advanced countries of the free world increase their share of the long-term truly developmental type of financing extended to the developing countries; (*c*) urge international institutions to use as fully as possible currencies other than dollar available to them, whenever and wherever possible; (*d*) encourage the other strong countries to permit the borrowing by these institutions and by other borrowers in their capital markets where appropriate; (*e*) continue to review all phases of governmental operations, both at home and abroad, in order to minimise the balance of payments effects of these operations.

"In the field of the domestic economy, the U.S. Government will continue (*a*) to implement fiscal, financial, monetary and debt management policies of the Government and Federal Reserve System designed to avoid inflation in the United States; and (*b*) to recommend to both management and labour that they take all reasonable steps to insure the competitiveness of United States-produced goods in the export market, and actively pursue opportunities in those markets."

While these and other policies are undergoing critical examination, President Eisenhower has thought it appropriate to initiate administrative action to cut U.S. foreign spending by $1,000 million. This is part of the gold-saving programme and is aimed at reducing the outflow of American gold. This is to be achieved by reducing the number of dependents of U.S. soldiers maintained abroad, buying American, instead of foreign, goods for military forces and military assistance programmes and economic aid.

Interpreting the implications of this step, the U.S. Treasury Department officials say that the reduction in overseas spending will not affect the amount of economic, technical and military assistance now being provided by the U.S. The main brunt of the reduction in spending will be borne by the advanced countries where there are large U.S. troop contingents, such as W. Germany, England, France and Japan. And all these countries are in a position to absorb the shock without any adverse effect on their economies.

SURVEY

(*Concluded from page 947*)

products and which would be those required to achieve their industrialisation."

A notable feature of this year's meeting was the suggestion put forward by the Burmese delegate that aid by donor nations should be given on a multilateral rather than bilateral basis. He proposed that donor countries should determine, by prior consultation, the amount of capital aid to be made available in any particular year to the region which in turn could be broken down to enable the recipient countries to know in advance the amount available from each donor country. This suggestion touched off a heated debate. The leader of the British delegation, the Marquess of Lansdowne, opposed changing the bilateral basis of aid, which, according to him, had "worked satisfactorily so far." He averred that the whole concept of the Colombo Plan was based on bilateral aid which rendered it free from strains and stresses which sometimes followed from groupings. Any proposal which tended to go against the bilateral principle would not, in his view, be advantageous to anyone. The Philippine delegate, on the other hand, was in favour of multilateralism. The Ministerial meeting, however, wisely upheld bilateral aid and, consequently, the proposal was dropped without being put to vote.

Less controversial, however, were the two other suggestions made by the Burmese delegate. One was that the Consultative Committee should take up seriously "regional angle and approach" in facilitating the development of the countries of the region. For this purpose, he proposed the establishment of regional centres for specialised training and research. This, the British delegate rightly pointed out, was a thoroughly sound and business-like suggestion. The other proposal was that the annual meeting of the Consultative Committee should include discussion of an agreed theme on the basis of a paper prepared by some appropriate body as, for instance, the E.C.A.F.E. This suggestion is well worth considering. It may be noted here that the International Labour Organisation follows a similar practice. The discussions at the I.L.O.'s annual meetings are based on a report prepared by the Director-General which has as its central theme one of the current problems faced by world labour.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th November, 1960.

	Closing quotations 17-11-1960	High	Low	Closing quotations 24-11-1960
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	173.50	—	—	173.50
Apollo (2)	1.32	1.38	1.34	1.36
Baroda Rayon (100)	138.50	138.50	134.50	135.50
Bombay Dyeing (25)	63.30	63.00	63.00	63.50
Bradbury (50)	118.75	—	—	118.75
Central India (100)	107.50	108.50	106.50	107.00
Century Mills (100)	472.50	476.50	470.00	474.50
Coorla Sp. (100)	133.00	—	—	133.00
Dawn (50)	131.25	131.50	130.50	131.50
Edward Textile (200)	260.00	262.50	260.00	262.50
Elphinstone (50)	61.00	61.00	59.00	59.00
Finlay (100)	335.00	337.00	334.00	336.50
Gokak (100)	167.00	171.00	166.00	169.50
Gold Mohur (100)	251.25	251.25	248.75	251.00
Gwalior Rayon (10)	43.00	43.00	42.00	42.00
Ind. Textl. Ind. (1)	1.88	1.70	1.62	1.68
Ind. Untd. Ord. (10)	12.80	13.12	12.24	13.04
Indian Rayon (50)	61.50	62.00	60.50	62.00
Indore Malwa (100)	120.00	120.00	118.00	119.00
Kohinoor (100)	451.25	510.00	453.75	480.00
Lakshmi (250)	276.00	277.50	271.50	275.25
Mafatlal (100)	501.25	502.00	501.25	502.00
Minerva Mills (100)	790.00	775.00	760.00	775.00
Model Nagpur (250)	84.00	—	—	84.00
Morarji (100)	80.00	—	—	80.00
Mysore (50)	324.00xd	328.00	321.00	321.00
National Rayons (100)	55.00xr	64.00	55.00	64.00
New City (100)	523.00	529.00	516.50	522.00
New Great (100)	144.00	145.00	144.00	145.00
Phoenix (100)	190.00	192.00	190.00	192.00
Podar Mills (100)	143.00	142.50	141.00	142.50
Raymond Woollen (100)	136.00	136.00	134.00	135.00
Sassoon Silk (10)	103.00	106.50	103.00	106.50
sassoon Spg. (10)	10.24	11.00	10.24	11.00
Shrinivas (100)	51.00	—	—	51.00
Simplex (50)	228.00	230.00	224.00	230.00
Standard (100)	162.00	163.50	162.00	163.00
Svadeshi (100)	1,174.00	1,192.00	1,145.00	1,185.00
Swan (100)	231.50	232.50	230.50	233.25
Tata Mill (25)	500.00	500.00	499.00	499.00
Vishnu (10)	40.50	41.00	39.75	40.50
Western India (1 000)	4,500.00	4,500.00	5,075.00	4 075.00
BANKS				
Bank of India (50)	105.50	107.00	105.00	107.00
Do. (New) (50)	107.50	107.50	107.00	107.00
Bank of Baroda (50)	81.50	82.50	81.50	82.50
Central (25)	55.50	56.20	55.50	56.30
Central 'A' (25)	60.50	61.00	60.50	61.00
Dena Bank (50)	53.00	53.00	52.50	53.00
Punjab National (10)	19.24	19.32	19.24	19.28
Union Bank (5)	5.96	5.96	5.82	5.96
United Com. (50)	85.00	86.00	84.00	85.00
ELECTRIC COS.				
Ahmedabad (100)	88.50	88.80	87.50	87.70
Amalgamated (10)	10.20	10.24	10.20	10.24
Andhra Valley (1,000)	1,022.50	1,022.50	1,005.00	1,007.50
Bom. Sub. El. (100)	85.50	85.50	84.20	85.00
Surat (100)	83.70	84.50	83.50	84.00
Tata Hydro (100)	103.25	103.75	103.00	103.50
Tata Power (1,000)	1 037.50	1,037.50	1,027.50	1 030.00
INSURANCE COS.				
British India (10)	12.24	—	—	12.24
Empire of India (100)	268.75	—	—	268.75
Ind. Mercantile (20)	41.50	42.50	41.50	42.50
Jupiter (15)	7.08	—	—	7.08
New India (15)	54.80	54.50	53.90	53.70
Vulcan (10)	17.00	—	—	17.00
STEEL COS.				
Ind. Iron (10)	24.00	24.08	23.64	23.68
Mukand Iron (10)	23.48	23.76	23.00	23.12
Tata Steel Ord. (75)	143.75	144.50	142.75	143.25
SUGAR COS.				
Belapur (50)	402.00	402.00	391.00	398.00
Bhopal (10)	28.05	—	—	28.05
Chandpur (12.50)	33.00	—	—	33.00
Phaltan (50)	184.50	192.00	184.50	189.00
Walchand Ind. (100)	297.50	309.00	297.50	299.50
CEMENT COS.				
Associated Cts. (100)	147.25	147.75	146.25	146.75
Digvijay (100)	159.75	160.00	156.50	157.25
MISCELLANEOUS				
Alcock Ashdown (100)	255.00	255.00	251.00	252.00
Bom. Burmah (125)	592.00	596.00	585.00	592.00
Do. (New) (50)	206.75	208.50	206.25	206.25
Br. B. Petrol (4 sh.)	2.06	2.12	2.04	2.04
Br. I. Corpn. (5)	7.24	7.24	7.08	7.16
Cooper Engg. (100)	172.00	171.25	168.00	170.25
Colour Chem. (100)	340.00	341.25	335.00	341.25
Hind Cycle (100)	101.00	101.00	97.50	97.50
Hindustan Lever (10)	45.50	45.75	45.00	45.50
Hindustan Motors (10)	20.24	20.36	19.92	20.20
I. C. & Invest. Corporation (100)	70.00	—	—	70.00
Indian Dyestuff (100)	520.00	520.00	498.75	513.75
Indian Copper (2 sh.)	4.48	4.66	4.46	4.64
Ind. Inv. Tr. (100)	79.00	—	—	79.00
Kilnicks (100)	102.50	103.50	102.00	103.00
Larsen & Toubro (10)	38.00	38.25	37.25	37.75
Mahindra & Mahindra (10)	21.52	21.52	21.24	21.36
New Central Jute (10)	24.24	—	—	24.24
Polson (100)	152.00	152.00	151.00	151.50
Pre. Automobiles (100)	175.50	178.50	173.00	177.00
Premier Con. (80)	311.50	314.00	300.00	302.00
Scindia (20)	14.48	14.64	13.60	13.76
G. B. Shipping (10)	15.84	15.88	15.72	15.80
Shivrajpur (10)	68.00	75.00	69.00	73.00
Sirpur Paper (10)	18.56	18.72	18.40	18.40
Tata Chemicals (10)	17.40xd	17.40	17.00	17.32
Tata Locomotive (100)	307.00	313.00	299.00	310.00
Tata Oil (25)	74.00	74.80	73.20	73.80
Texmaco (10)	22.56	24.16	22.88	24.16
Voltas (100)	268.00	272.25	262.50	271.00
W. I. Match (100)	272.00	278.00	270.00	272.00
W. Coast Paper (100)	198.00	198.00	192.00	194.50

GOVERNMENT SECURITIES	17-11-1960	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	24-11-1960
	Rs.			Rs
2½% 1961	98.65	—	4.58	98.65
2½% 1962	97.80	—	3.90	97.80
2½% 1963-66	88.50	—	4.17	88.50
3% 1965-68	97.90	—	3.84	97.65
3% 1970-75 1st Dev.	97.60	—	3.84	97.65
3% 1986 Con. Loan	95.15	3.86	3.52	95.00
3½% 1961 N.P. Bonds	88.90	3.92	3.70	95.90
3½% 1964 N.P. Loan	74.15	4.98	3.97	89.10
3½% 1965 N.P. Bonds	100.05	—	4.05*	74.40
3½% 1962	99.50	—	3.45	100.05
3½% 1967 N.P. Bonds	99.80	—	3.66	99.40
3½% 1974	99.65	—	3.64	99.85
3½% 1967 N.P. Bonds	99.00	—	3.48	99.65
3½% 1969 Loan	99.00	—	3.66	99.00
3½% 1968	172.75	—	3.84	99.00
3½% 1963 N.P. Bonds	98.90	—	3.68	100.75
3½% 1968 N.P. Bonds	99.00	—	3.65	98.90
4% 1972 Loan	99.90	—	3.64	99.00
4% 1973 Loan	100.65	—	3.53	99.90
4% 1979 Loans	100.50	—	3.97	100.65
4% 1966 Bonds	100.40	—	3.95	100.50
4% 1980 Loan	99.80	—	4.01	100.40
	99.90	—	3.65	99.80
		—	4.01	99.90

* Current Income. xd—Ex-dividend. X.R.—Ex Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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STRAIT-JACKET FOR COMPANIES—I

THE clause-by-clause discussion of the Companies Amendment Bill in the Lok Sabha, in the course of the second reading of the Bill, which was over on Wednesday, 30th November 1960, has brought little comfort to those who have complained of overlegislation and excessive restriction on the freedom of joint-stock companies to manage their affairs in the light of their own judgment and to expand the scope of their activities in keeping with their ability, administrative and financial alike. Barring some valuable assurances by the Ministers concerned, none of the major amendments proposed by the Opposition has been accepted. The result is that the Government's attempt to take advantage of the opportunity to amend the Companies Act for making this legislation to serve its basic objective of establishing a socialist pattern of society more effectively than hitherto has been a success. Following this amendment, the scope for existing companies to bring more new companies into existence has been severely restricted. An attempt has been made to close the loopholes through which the objective of preventing concentration of economic power in the hands of existing *entrepreneurs* is being defeated. The Bill contains as many as 215 clauses and imposes more paper work on the executives of companies. By assuming more and more powers, the Government has exposed itself to the risk of courting more criticism from the public which will be politically embarrassing. If it fails to exercise them judiciously and efficiently, it will be accused of many omissions and commissions.

The debate in the Lok Sabha on the Bill has brought to light a number of controversial issues of very vital importance to the growth and development of corporate enterprises. The Companies Act, which was passed in 1956 after prolonged and detailed consideration, both inside and outside the legislature, failed to satisfy several people interested in the working of joint-stock companies, chiefly because of various defects such as its inordinate length, the complexity of its structure, the extensive authority that it put in the hands of the Government even in regard to minor matters, and the vagueness and obscurity of many of its material provisions. It was in recognition of the cumbersome and defective structure of the present Companies Act that the Government of India agreed to appoint the Company Law Amendment Committee, under the chairmanship of Mr. A. V. Vishwanatha Sastri, a retired Judge of the Madras High Court, on 15th May 1957, that is, barely a year after the commencement of the Act. The Sastri Committee was asked to suggest proposals for overcoming certain practical difficulties found in the working of the Companies Act and for removing the drafting defects, as well as to consider the changes necessary in its structure for simplifying the Act. Within a short period of six months, the Sastri Committee submitted its thought-provoking report, after taking into account all the diverse opinions expressed before the Committee by the representatives of trade and industry. The report was placed before both the Houses of Parliament in December 1957 and a Bill for amending the Act was introduced in the Lok Sabha on 1st May 1959 and was referred to a Joint Select Committee of both the Houses, consisting of forty-five members, reflecting all shades of business and political opinion. The Committee submitted its report in August last. Now that the second reading of the Bill is over in the Lok Sabha, it will not be long before the amendments are finally placed on the Statute Book. The year 1960 will thus have the distinction of having witnessed the end of the efforts to overhaul the Company Law. It is to be hoped that no other year in the sixties at least will have to undergo this experience.

As the amendment to Company Law is of gargantuan dimensions, it is not possible to comment here on all the changes suggested by the Joint Select Committee. We propose to confine ourselves in this series of two articles—the second one will appear in the next issue—only to those issues which figured prominently in the Lok Sabha debate. These are undoubtedly of great importance to the smooth working of companies.

To take clause No. 70 of the Bill, dealing with the question of special audit, first. This clause has raised a fierce controversy. The majority of the Joint Select Committee was of the view that, "where the Central Government has reason to believe that the affairs of a company are not being managed in accordance with sound business principles or prudent commercial practices or they are being managed in a way likely to cause serious injury or damage to the interests of trade, industry or business to which it pertains or the financial position of the company is such as to endanger its solvency, it should be entitled to order a special audit of the company's accounts, so that a critical appreciation of the company's working and the state of its affairs may be available to the Government." This provision, over and above the statutory audit required under the Companies Act, is altogether an innovation. In the Act now governing the working of the joint-stock companies, there are certain remedies to deal with companies which are not functioning properly or are being mismanaged. Thus, the Government is empowered by the present Companies Act to launch an investigation into the affairs of a company. Besides, minority shareholders can seek relief in Court for oppression and mismanagement under Sections 397 and 398. Section 408 gives powers to Government to appoint directors on the Board, in order to prevent the affairs of the company being conducted in a manner oppressive to the members or prejudicial to the interests of the company. Apart from these remedies under the Company Law, recourse can also be had to the provisions of the Industries (Development and Regulation) Act 1951, under which investigation can be ordered into the affairs of a company. It is, therefore, pertinent to question the Government's insistence on arming itself with one more instrument of control, namely, power to order special audit of companies' accounts. In several dissenting minutes, strong objections have been taken by Mr. M. R. Masani, Mr. Babubhai Chinai, Mr. G. D. Somani and Mr. Dahyabhai V. Patel to this provision and their views deserve to be given due deference. According to them, the provision seeks to overregulate the corporate sector and interfere in matters of corporate administration and policy which should be no concern of the Government. They feel that the theory underlying this clause is that the Company Law Administration and the officials who make it up are better judges of the interests of the shareholders than the shareholders themselves. According to Mr. M. R. Masani, shareholders are all grown-up people to take care of their own interests and there is no need for any additional governmental audit to pry into the affairs of companies. It is also felt by many persons that institution of special audit would bring the members of the auditing profession into disrepute.

While some of the above arguments may be true, there is no gainsaying the fact that there has been a good number of cases of mismanagement of companies, including some large ones, resulting in lower production, loss of employment and absence of any return to shareholders. A point that must be borne in mind, in this connection, is that Section 18 of the Industries

(Development and Regulation) Act can be called into operation by the Government only after the closure of companies. Thus, the provision pertaining to special audit, far from being redundant, would actually supplement the existing powers of the Government for bringing to book managements of companies, the affairs of which are deliberately mismanaged by anti-social elements. Again, instead of bringing the auditing profession into disrepute, the new provision would act as a spur on the statutory auditors, who are now appointed by the companies, to do their work more effectively and conscientiously than at present, because of the fear of the Damocles' sword of special audit. Without casting any aspersions on the auditors as a class, we would like to add here that, in the case of several companies where there have been irregularities, the auditors concerned had not done their duty. There is no reason why honest auditors and honestly managed companies should fight shy of the special audit. The auditors will, perhaps, have no objection to this provision on the ground of it being derogatory to their profession, if it is designated as "special inspection" instead of "special audit." It is not known why the word "audit" was chosen; "inspection" would have been more appropriate. Be that as it may, the provision of special audit would have a salutary effect on the working of the corporate sector. It may well play a major part in weeding out anti-social persons from company managements who only seek to swindle the hard-earned savings of the shareholding and investing classes.

There are some, as, for instance, Mr. Masani, who strongly object to the addition of such sweeping powers as those implied in special audit to the armoury of the State on grounds of principle. It is argued by them that laws of this nature will lead to totalitarian rule. The fear of power being misused by an irresponsible executive is not without foundation. But one has to hope for the best and go by precedents. And the precedents are in favour of the Government of India. Moreover, the solemn assurances given by the Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, in replying to the debate, are there on record and should go some way towards assuaging such fears.

Two more important points were made by Mr. Masani in regard to special audit: (1) before subjecting a company to special audit, the Government must issue a show cause notice to it; and (2) the report of the special auditor should be submitted to the company and its shareholders. Since special audits are to be confined only to companies which are believed to have been badly managed, adoption of these procedures might enable those who have committed fraud to escape punishment. If special inspections are to be effective, they must be conducted with speed and surprise. The banking companies are now being subjected to surprise inspections by the Reserve Bank and none of the fears voiced by Mr. Masani has proved correct in the case of these companies, which, as credit institutions, are more delicate than industrial concerns from the point of view of public confidence. On this point also, Mr. Shastri gave satisfactory assurances. He said that the company involved would be informed of the report, if there were only minor irregularities. But, if it contained major irregularities, it would not be advisable, the Minister felt, to give a copy of the report to the company concerned lest the culprits should try to escape. But as the matter in such cases would be sent to the court, the company would get an opportunity of defending itself in public. If these assurances and intentions of the Government are borne in mind by the Department of Company Law Administration when exercising the new power of instituting special audit, the danger of any *mala fide* actions on the part of officials, as hinted by Mr. Masani, would be greatly minimised.

The clause pertaining to provision of depreciation has also turned out to be a very controversial one. Under the Companies Act, 1956, Section 205 governs the manner and time of payment of the dividend. The Sastri Committee found this section unsatisfactory. The Committee categorically stated that there was no definition of 'profits' in the Indian Companies Act; nor was there any indication of the manner in which profits of companies have to be computed for purposes of declaration of dividend. Sections 349 to 351 provide for the computation of profits only for the purpose of determining the remuneration of managing agents, directors or managers. Section 10 of the Income-tax Act provides for ascertaining the profits of a business during a year for the purpose of assessment to tax, but Section 205 of the Companies Act does not require this method to be followed for determining profits. The Sastri Committee further found that the decisions taken by various company managements as to the funds out of which dividends might be paid were not uniform and suggested the inclusion of the following provision:

> "Dividends may be declared or paid only out of the net profits of the company, after providing an amount of depreciation for that year on the scale prescribed by Section 350(*a*) of the Act or out of the undistributed profits of previous years or out of both."

The Joint Select Committee was, however, of the opinion that even the aforesaid provision in the Bill involved an element of latitude in favour of companies. The majority view in the Committee was that, before declaring dividends for any year, a company must provide not merely depreciation for that year but also all arrears of depreciation of past years. It is easy to see that this insistence may become a source of hardship for struggling companies, especially in the initial years of their operations when their profits would not be large enough to declare dividends after making full provision for all arrears of depreciation. It will be impossible for such companies to pay any dividends for a fairly long period of time. Even a well-established company, which has embarked upon a large scheme of expansion, will find it difficult to pay a dividend until the new project pays its way. This will be particularly true of companies engaged in heavy industries. The non-declaration of dividends will affect the credit of the company in the stock market and shareholders of such companies will stand to lose. It is also feared by some that this will restrict the formation of new companies and expansion of existing ones.

As against this view, some eminent business men, as well as some acknowledged experts in the field of accountancy, have strongly defended the new clause pertaining to the declaration of dividends. Mr. G. P. Kapadia, a leading chartered accountant and a former President of the Indian Merchants Chamber, Bombay, for instance, has stated, in the course of a Press statement, that the recommendation about the provision of depreciation is a healthy one and would check indiscriminate frittering away of the amounts to be set aside for depreciation and rehabilitation by way of dividend distribution. He feels that it will arrest speculative tendency in the shares of new companies or in new capital issues by existing companies for financing their expansion schemes. It is difficult to deny the correctness of these arguments. Profits computed without providing for depreciation in full do not reflect the true financial position of the company concerned. It is precisely for this reason that the Government exercises a certain measure of tax compulsion in regard to provision for development rebate. But, at the same time, exigencies of the situation in regard to certain types of companies have to be borne in mind if their growth prospects are not to be marred. Even today there are companies, which are 10 to 15 years old but still have to provide for depreciation in full. They have, however, just turned the corner and their prospects are good. They have also on hand expansion plans which are vital for the economic development of the country and for executing which they will have to raise additional capital. No harm will accrue to them, if they pay a modest dividend to keep their shareholders, who have had no return for a long time, in good humour and to induce some confidence among investors in their equities. For, in a few years, these companies will be able not only to wipe out all arrears of depreciation but also to build up reserves. There should be a provision in the law to give exemption for such hard cases. This saving proviso, however, must be exercised only in deserving cases, where the prospects for the immediate future are clear.

ROLE OF ROAD TRANSPORT

THE road transport industry has a reliable and sympathetic friend in the Union Ministry of Transport. This is the unmistakable impression produced by the inaugural address of Mr. Raj Bahadur, Minister of State for Transport and Communications, at the All-India Conference of State Transport Commissioners and Controllers which concluded its two-day session in Bombay on Friday last. The helpful approach of the Transport Ministry is distinctly discernible in some of the observations of the Minister. There is, for instance, his remark bitterly regretting the non-implementation of many of the recommendations of the Masani Committee relating to road transport administration—recommendations which had been accepted by the last conference of the State Transport Commissioners. Secondly, there is the admission in the Minister's address that the share of road transport in the third Plan "is, no doubt, very low." But a redeeming feature of the road transport plan, according to the Minister's interpretation, is that, even though the allocation for nationalised road transport has been kept down at Rs. 18 crores only, the Planning Commission has agreed to a target of 60,000 for commercial vehicles (in the private sector) by the end of the third Plan—a target which will bring the road transport industry to the "take-off stage" at which it will be in a position to expand "to any limit."

Mr. Raj Bahadur is convinced that the case for expansion of the road transport industry has been accepted and that, as a consequence, "the expansion and improvement of roads will follow automatically." His criticism that the propaganda of some road transport operators "that there is no serious shortage of transport" might do incalculable harm to the role of road transport in the future economy of the country is wholly appropriate. What is more, Mr. Raj Bahadur's advice to the Transport Commissioners to assemble data on the extent to which the use of road transport is essential for trade and industry is timely, because such data will be useful both to the National Council of Applied Economic Research (which is engaged in an investigation into the relationship between road transport and industrial development) and to the Neogy Committee on Transport Co-ordination (which is expected to recommend a larger role for road transport in the transport economy). While the Minister does not deny that other modes of transport have a potential for expansion, he is convinced that "road transport has an advantage over others, in that technological development can be harnessed more easily for the development of automobiles and, consequently, of road transport than for others." It may be that all this is evidence of a certain realisation by the Government of the truth of the Road Transport Productivity Team's observation that "a contractionist philosophy goes ill with an expansionist economy."

Some of the recommendations of the Bombay Conference are also happily in tune with the emerging expansionist philosophy. Noteworthy in this context is the recommendation that a model scheme for setting up State Transport Finance Corporations or similar agencies be drawn up for implementation by the State Governments. The question of making adequate credit facilities available to the transport operators, it may be recalled, has figured in the Masani Committee's report in a different form, the relevant recommendation of that Committee being that the State Finance Corporations themselves should lend money to operators. The latter recommendation is preferable to the former, because there is no point in multiplying financial institutions; there are already quite a few of them. Another noteworthy recommendation is that an earlier decision on single-point taxation be implemented with expedition. It is gratifying to be told, in this connection, that the Transport Ministry has come out strongly against the double taxation that is being levied in a number of States on motor vehicles plying on inter-State roads, whether on permanent or temporary permits. The southern States, for instance, are now levying an additional tax of one-sixth of normal rates on all vehicles operating on inter-State routes. If single-point taxation on vehicles becomes the rule throughout the country, there can be no gainsaying that it will give a fillip to long-distance road haulage. But another recommendation, namely, that goods transport co-operative societies be formed, with membership restricted to drivers, mechanics, booking clerks and depot managers, does not seem to be a practical one. The Indian Productivity Team on Road Transport Industry in West Germany, U.K. and U.S.A., it may be noted, has recommended only service co-operatives, covering small operators who already own something. Since most drivers and mechanics may not be in a position to contribute to the share capital of co-operative societies, the feasibility of the recommended scheme is doubtful. But, happily, it is to be introduced only on a pilot basis in four States. It would appear that co-operative experimentation will not be confined to the sector of farming. Perhaps such experimenting will not be wholly out of place in the huge laboratory that India is, with its infinite variety. Only, the cost will be heavy. In a country such as India, suffering from scarcity of capital and informed leadership, there should be a limit to the amount of resources that can be devoted to experimentation, even if it be in the field of co-operation.

MARKET GOSSIP

THE share markets are in a subdued mood. Speculative buying is of a modest nature and for a quick profit. It is confined only to some engineering and miscellaneous industrial scrips. The grist for their mill is provided by rumours and reports about expansion schemes and/or issue of new capital. Even in these cases, the bulls invariably try to book their profit as soon as the quotation goes up by a few points. This trend suggests that they are not sure of their ground. Similarly, the bears also seem to be playing only for small stakes. This is understandable, because there are really no tangible developments in their favour. Investors, too, are not obliging them by coming forward to book their profit. The hope of seeing fresh peaks, after the uncertainties about the forthcoming budget are over, is inducing them to stick on to their investments. At the same time, they are reluctant to make fresh purchases, barring some bargain hunting here and there. They feel that yields in most cases are not attractive. The series of new issues in recent weeks have also absorbed a substantial part of investors' reserves. The reluctance of investors to follow the lead given by bulls, coupled with the high cost of credit, is having a restraining effect even over the creeping upward trend in equities, which has been the feature of share markets in recent weeks.

The gilt-edged market is depicting a steady trend. The L.I.C. has changed its mind and been buying a sizable amount of 4 and 4½ per cent. State loans at slightly higher rates than, say, a fortnight ago. This change in its attitude is evidently due to the low rate of 2 per cent. per annum on "house money" repayable on a few days' notice. Before the Reserve Bank fixed this low ceiling on "house money," the L.I.C. could earn as much as 3 per cent. on deposits repayable on seven days' notice. A cut by one-third of its income from this investment must have compelled it to switch over a part of the funds on call deposit to gilt-edged securities offering a yield of more than 4 per cent.

Clearing Rate for T.E.L.Co.

One is unable to understand the basis adopted by the Bombay Stock Exchange authorities in the fixation of clearing rates—*Havala* rates as they are called—for scrips in the forward list. At the last settlement, that is, on Friday 25th November, the clearing rate fixed for National Rayons was Rs. 520, as against Rs. 463 fixed at the settlement on 28th October. The increase in the rate was proportionate to the rise in the closing quotation for the scrip from Rs. 463 to Rs. 523. But, in the case of Telco, the increase in the clearing rate was only from Rs. 270 to Rs. 290, even though the closing rate had advanced from Rs. 269.50 on 28th October to Rs. 315 on 25th November. One would naturally ask: Why such discrimination? As a result of the fixation of *Havala* rates at a much lower level than the actual closing quotations, the bulls are obliged to deposit a heavy margin, Rs. 25 per share of Telco. And so, it is argued by some, the bears may exploit the situation and try to hammer down values. The bears, of course, can succeed in this attempt only if the bulls are financially weak. Otherwise, they will get badly caught.

Prof. Galbraith on Public Enterprise

Harvard economist, Professor John Kenneth Galbraith, who is said to belong to President-elect Kennedy's group of advisers, has always stood high in the esteem of the Government of India, more particularly of Prime Minister Nehru. He has always had something refreshingly new to say, albeit a shade controversial. As early as in 1956, when he visited this country to advise on railway economics, he reported that Indian freights and fares were among the cheapest in the world and could, therefore, be increased. Subsequently, in 1958, he wrote a thought-provoking article on India in the American quarterly, *Foreign Affairs*, in which he made the startling twin observation that this country "is one of the world's least controlled or 'planned' economies" and that what obtains here is "a small socialised sector atop what, no doubt, is the world's greatest example of functioning anarchy." More recently, in 1959, when he returned to India after an absence of three years, he concluded his report on some aspects of the third Plan with these words:

> "In many parts of the world, including India, there is in fact no real alternative to extensive public enterprise. And, while public enterprise is often successful, the record is highly uneven. It is sufficiently imperfect, so that no one concerned with the success of economic development can take it for granted."

Prof. Galbraith is one of the few independent thinkers of our time, who has the happy knack of calling as much disquiet to socialists as to capitalists. Neither those who disapprove of socialism nor those who swear by it can afford to miss the practice wisdom of some of his observations on public enterprise in particular.

Prof. Galbraith, it would appear, stands for what may be called a non-socialist orientation of public enterprise. This should be pretty clear from the following passage in his 1959 report to the Planning Commission:

> "I have assumed that India has made a firm decision in favour of a public sector. But this decision is the beginning, not the end of the discussion. In the old days, the principal enemy of public enterprise was, no doubt, those who disapproved of socialism. Now it is the socialists themselves. For it is socialists who refuse to consider seriously the peculiar requirements of the modern productive enterprise, whether public or private; who decline to give it the autonomy it must have; who destroy it by meticulously passing on its decisions and thus forcing upon it an intolerable and unworkable centralisation; who decline to see that the organisation of public enterprises must keep pace with new conditions and new tasks; who are careless about the standards to which management of the enterprises must be held; and who, on occasion, encourage workers and consumers to appropriate the surplus on which expansion and growth depend and without which there will be stagnation. Above all, it is socialists who are responsible for the paralysing belief that success is a matter of faith, not work."

There cannot be a more damning indictment of the socialists' propensity to muddle in matters germane to public enterprise which need not necessarily or always be associated with a socialist polity. Incidentally, there cannot also be a more fitting background to the theme here, which is "a six-point charter of 'fundamental essentials' for the successful working of public corporations," outlined in Prof. Galbraith's latest report—this time to the Government of Ceylon on that country's plans for economic development.

Each of the six points in the suggested charter which has been published in the *Daily News* of Ceylon is a gem worthy of consideration in India too. The first point is that the corporation's charter of business rules should state basic policies governing labour, price, procurement policy, financial procedures, etc., and that, if the management abides by these rules, its individual actions and decisions should not be subject to question. Secondly, the board of directors should consist of men of general wisdom and competence appointed for fairly long periods; *no active public official should ever serve on this board.* Thirdly, the board of directors should not play a large role in management; it must only serve as a forum for discussing and deciding on larger functions of financial and other policies. Fourthly, the decisive figure in management should be the chief executive officer—chairman, president or managing director—on whom the responsibility for the success of the enterprise should always rest. The selection of this executive is the task—a high responsibility—of the Minister. Once appointed, the executive must have the autonomy and independence necessary to get results. His term of office should not be longer than that needed to show results. If he succeeds, he should be continued in office; if he fails, he must be superseded. Within the framework of rules that exclude favouritism and nepotism, he should have large authority over the promotion and demotion of his staff and subordinate executive. So long as he gets results, he should not be challenged on individual decisions; but, if the results are unsatisfactory, the proper procedure is never to revise and correct his decisions but to replace him. Fifthly, the salaries paid to the executives of public corporations should be higher than in the civil service, as this would, in part, be a reward for the greater gamble involved. And, sixthly, a successful corporation must be assigned new tasks as rapidly as it can absorb them and, perhaps, more rapidly than it thinks it can. This means that it must be continuously concerned with training new executive talent for which there would be new tasks and new opportunities in the wake of success.

Although these six points should generally speak for themselves, they call for some supporting comment. What is most significant about them is that, together, they involve decentralisation to the farthest extent compatible with the safety of public money invested in the State enterprises. If this is also accompanied by participation of private investors in the share capital of such enterprises, it will go a long way towards removing some of the basic objections to State participation in industrialisation raised by the protagonists of private enterprise. The accountability to Parliament should be clearly that of the Minister, for, in the ultimate analysis, the decision to set up a public enterprise is a political decision. Any attempt, in whatever form, to bypass or whittle down this ministerial accountability would only open the door wide for parliamentary interference in the day-to-day administration of public enterprises. As the Minister concerned will claim the credit for himself if the enterprise succeeds and prospers, so also must he take the discredit if it fails and languishes. It is here that his responsibility to select the right man for the job becomes crucial. Since he has the right to replace the chief executive if the latter fails to get results, he would not have to be unduly worried over or be interfering in the day-to-day management of the enterprise.

Such considerations as security of tenure, seniority and the like associated with the civil service cannot be applied to the productive enterprises of the public sector. It would be most salutary if no civil servant is appointed to the board of directors or as the chief executive. The tendency to confuse public enterprises (even where they are not departmentally run) with Government departments would, therefore, need to be curbed. Prof. Galbraith is wholly in the right where he says: "Rightly or wrongly, the civil service is tolerant of the man who does not quite come off, but the standards of public corporations must be much more severe. If a man fails, he must go." But he must have the requisite authority (and thus the opportunity) to get things done successfully. It would be well to remember in this context that a productive enterprise demands prompt decisions and quick action. It is not, as Prof. Galbraith says, a perfect score in every case but a high average that makes the successful business executive who has to run a large productive enterprise which involves the co-ordination of a wider range of technical skills than does a Government department. He will have to perform a vastly more difficult task, if he is in charge of a 'multi-purpose enterprise' which, in the opinion of Prof. Galbraith, is the ideal form of public industrial organisation.

Health of Executives

The health of executives is as much an asset to his employers as are his skill, knowledge and experience. But one is yet to hear anyone saying in this country that this is a question that deserves attention. There are health plans and welfare schemes galore for the lower-grade staff but, barring a few exceptions, the bulk of the employers in this country do not have similar schemes for their executives. May be, since the executives know what is good for their company, they are supposed to know what is good for themselves. But, in Western countries, particularly in the U.S., employers take special care of the health of their executives and also look into the problems that affect it. Even Britain, which India has copied in many respects, is making rapid strides in this direction. British business men and the medical profession in that country have been showing increasing interest in the problem.

Last year, the British Heart and Chest Association organised a unique conference on the health of business executives in which 700 executives from industry, commerce, trade etc., participated and listened to some of Britain's top physicians and surgeons discoursing on the ways and means of keeping good health by those who sit in the board rooms and at executive desks. The Association organised a second conference this year on 24th November. An equally large number of executives from a wide range of industries and occupations, heard from eminent medical men their latest views on how the increasing strain of modern conditions and circumstances on executives' health could be lessened and how to avoid premature failure of their powers through ill-health.

The conference was held in two sessions, one in the morning and the other in the afternoon. The organisers took special care to see that it did not degenerate into a business conference. They invited the participants to relax between the sessions and allowed plenty of time for lunch. The opening session was presided over by Sir Ronald L. Prain, Chairman of the Rhodesian Selection Trust, who said that, in business, "health played a bigger part than any of us really know." It was not, he added, just a question of avoiding particular diseases. "We want to get the maximum out of ourselves. Likewise, we want to understand how to help those for whom we are responsible."

Speaking of the value of health education, Dr. L. G. Norman, Chief Medical Officer of the London Transport, said that health education, unless properly conducted, would create morbid anxiety, a haunting fear that coronary thrombosis, high blood pressure or some other disorder was lurking just round the corner. This observation, in particular, has considerable relevance to India also, what with an increasing number of officers in the public and private sectors being victims of heart attack. Dr. Norman said that there were two schools of thought about the health of executives. One believed that executives were more healthy and the other that they were less healthy than the other employees. The truth, according to him, lay somewhere in between. All evidence so far obtained showed, he disclosed, that executives, as a group, had less total disease than the average of all other groups. "Executives probably form," he said reassuringly, "one of the healthiest groups of men in industry." Dr. Norman was of the view that the executive could, by his own actions, do much to preserve or ruin his own health. The best advice he could give was moderation in all things—food, drinks, smoking, etc., and regular exercise.

Dr. Norman had a word to say about the burden of social activities which have come to form a part of the routine of executives. He was of the view that it was not safe to burden laborious days with constant "nights out." He suggested that executives in an organisation should get together and arrange to share social activities between them.

"What executives expect from the doctor" was the theme of the remarks made by Mr. A. D. Bonham-Carter, a Director of Unilever. Speaking of his own Company's experience, Mr. Bonham-Carter said that Unilever employed 14 full-time and 21 part-time doctors in the U.K. When the scheme was started, no more than a handful of people saw what could be done with advice on questions on environmental hygiene and hazardous processes. It was, however, quickly perceived that the doctor had a constructive contribution to make on such things as overtime and accident prevention and, before long, he was called in on such things as the physical and physiological problems of people whose job had been affected by changing condition. So within three or four years, a new conception of the doctor's role emerged—that of assisting in the maintenance of satisfactory human relations.

Presiding over the afternoon session, Sir Godfrey Ince, Chairman of Cable and Wireless Ltd., and a former Permanent Secretary of the Ministry of Labour, underlined the importance of the problem thus:

> "Managers of high skill with wide knowledge and ripe experience are not so plentiful that we can afford a premature failure of their powers through ill-health or run the risk of the early termination of their lives."

The seven hundred executives who attended the conference must have certainly left the Festival Hall wiser and more health-conscious. And they may be expected to pass on their fresh knowledge to those who work under them, so that there will be a new awareness among all employees of the importance of health.

SHARE MARKET EASY

ALL-ROUND FALL IN VALUES

(From Our Own Correspondents)

BOMBAY, *1st December*

A DISTINCTLY easy trend was in evidence on the Stock Exchange during the week under review. Offerings of scrips were generally large, while buying enthusiasm was somewhat subdued. There was, of course, no serious bearish factor adversely affecting the sentiment of operators. But the reports that the recent purchases by the L.I.C. Investment Committee consisted mainly of gilt-edged securities, instead of shares as was anticipated before, acted as a damper. The persistently rising trend of production costs in industries was also a matter of some concern. The series of clauses in the Companies (Amendment) Bill now on the anvil of Parliament were taken note of, but they did not have any significant effect, because operators preferred to study carefully the implications of the amendments. However, the fact that no change was made in the provision relating to depreciation, which requires a company not to pay dividends until all arrears of depreciation are fully provided, had an adverse effect on the issues of new companies as well as on the equities of concerns like Hindustan Motors having large arrears of depreciation. Towards the close of the week, there was a revival of speculative buying in a few active counters, but, over the week as a whole, the list shows widespread losses, albeit of a modest nature.

Tata Steels began the week quiet at Rs. 143.25 and drifted lower to touch Rs. 141 yesterday. They, however, recovered to Rs. 142.25 before finishing at Rs. 142. The production in the Company's works at Jamshedpur during the month of November amounted to 139,500 metric tons of pig iron, 141,800 tons of steel ingots, 68,600 tons of finished steel and 38,400 tons of semi-finished steel. Indian Irons were well favoured in the earlier sessions, the quotation rising from Rs. 23.68 to Rs. 24.12 on Monday. At higher levels, profit-taking set in and the rate declined to Rs. 23.52 on Wednesday. After moving up to Rs. 24 today, it closed at Rs. 23.84. Mukand Irons suffered a loss of Re. 1.12 over the week, today's closing rate being Rs. 22, as against Rs. 23.12 on Thursday last.

Textiles encountered selling on reports of low offtake of piecegoods for domestic consumption and mounting competition in export markets. Standards were hammered down from Rs. 1,185 to Rs. 1,075. Khataus fell by Rs. 17.50 to Rs. 462.50. Centurys dropped Rs. 14 to Rs. 460.50; they were lower still at Rs. 454 yesterday. Morarjis receded by Rs. 11 to Rs. 310, Kohinoors by Rs. 9 to Rs. 266.25, Svadeshis by Rs. 7.25 to Rs. 226 and Finlays by Rs. 4.50 to Rs. 332. Central Indias eased by Rs. 3 to Rs. 104. Ahmedabad Advances lost Rs. 2.25 to Rs. 171.25. New Greats, Shree Niwas and Simplex shed Rs. 2 each to Rs. 190, Rs. 228 and Rs. 161, respectively. Bombay Dyeings declined from Rs. 63.50 to Rs. 61.90 yesterday, but recovered to Rs. 62.50 today, a loss of Re. 1 over the week. Podars were dull at Rs. 135, as also Tata Mills at Rs. 40.50.

Sugar shares tended to look down. Walchandnagars retreated from Rs. 299.50 to Rs. 290. Belapurs came in for some selling and receded from Rs. 398 to Rs. 386 yesterday. Today, however, they firmed up to Rs. 395 on the publication of encouraging working results. Phaltans retreated by Rs. 2 to Rs. 187.

Cement shares ruled irregular. Associated Cements spurted by Rs. 5 to Rs. 1571.75, following the declaration of a higher dividend of Rs. 12 (net Rs. 8.40), for the year ended 31st July 1960, as against the gross of Rs. 11 (net Rs. 7.70) paid in the previous year. But Digvijays declined by Re. 1.25 to Rs. 156. Orissas were dull at Rs. 15.04.

Activity in the electricity section was restricted. Bombay Suburbans lost a rupee to Rs. 84. Ahmedabad Electrics shed 50 nP to Rs. 87.20. The note of optimism regarding the future struck by the Chairman of the Company at the recent annual meeting had no effect. Andhra Valleys were quiet at Rs. 1,007.50. Tata Powers, however, elicited special support and gained Rs. 5 to Rs. 1,035, Hydros rising by 50 nP to Rs. 104.

In the banking section, Centrals eased by 30 nP to Rs. 56. 'A' shares receding by a rupee to Rs. 60. Barodas were unchanged at Rs. 82.50 and United Commercials at Rs. 85. Bank of Indias gained a rupee to Rs. 108; 'A' shares were done higher by Rs. 2.50 at Rs. 109.50. Punjab Nationals put on 8 nP to Rs. 19.36. Unions gained 4 nP to Rs. 6.

Shippings and automobiles were easy. Among the former, Great Easterns dropped 36 nP to Rs. 15.44. Scindias, after improving from Rs. 13.76 to Rs. 14, declined to Rs. 13.88 today. Among automobiles, Premiers fell by Rs. 6 to Rs. 171. Hindustan Motors shed 48 nP to Rs. 19.72, despite the increased net dividend of 63 nP per share recommended for the year ended March 1960, as against 50 nP distributed for 1958-59.

Engineering shares were subjected to selling. Telcos moved down from Rs. 310 to Rs. 295 yesterday. At this level, some support ensued from bears and bulls and the scrip recovered to Rs. 304.50 today. The closing was a shade easy at Rs. 303. Alcocks receded by Rs. 12 to Rs. 240. Premier Constructions dropped Rs. 3.50 to Rs. 298.50. Larsen and Toubros lost a rupee to Rs. 36.75. Mahindras shed 60 nP to Rs. 20.76.

Among mining company shares, Shivrajpurs eased by Re. 1 to Rs. 72. Indian Coppers suffered by 2 nP to Rs. 4.62.

In the miscellaneous section, National Rayons slumped by Rs. 31 to Rs. 391. Baroda Rayons declined by Rs. 3.25 to Rs. 132.25. Gwalior Rayons shed 50 nP to Rs. 42.50. Bombay Burmahs retreated from Rs. 592 to Rs. 571.50 yesterday. Today, however, they strengthened to Rs. 582. Anil Hardboards fell by Rs. 23.75 to Rs. 346.25, notwithstanding the decision of the Directors to issue new shares at par in the proportion of one share for every three held. Indian Dyestuffs lost Rs. 18.75 to Rs. 495, Colour Chems Rs. 13.75 to Rs. 327.50, Ceat Tyres Rs. 12.50 to Rs. 217.50, Wimcos Rs. 4.50 to Rs. 268, Amar Dyes Rs. 3.75 to Rs. 411.25 and Voltas Rs. 2 to Rs. 269. Killicks eased by Rs. 3.20 and went into a discount to stand at Rs. 99.80. Polychems suffered a loss of Rs. 2.50, today's closing rate being Rs. 235. Asian Cables, however, attracted good attention and forged ahead from Rs. 97 to Rs. 120.

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Calcutta Stock Exchange

CALCUTTA, *30th November*

Despite disheartening news from New Delhi in respect of the economic situation in the country originating from the deepening foreign exchange crisis, which, with the recent import cuts in respect of twelve items, caught news headlines, the Calcutta Stock Exchange accounted for a better performance with a modest rise in prices in several miscellaneous scrips and with a slight gain in speculative stocks during the week under review. This was due to the continued encouraging corporate results and a better realisation of industrial prospects. Although firm promises of foreign aid are a nibble as compared with what is required to carry through the third Plan, much hope is placed on the forthcoming change in U.S. Administration and larger U.S. aid from that country is anticipated. Further, much encouragement is derived from the striking increase during recent months in joint Indo-foreign ventures in the private sector. All these point to the fact that the country is on the eve of impressive strides in industrial development. This reasoning explained this week's gains, not all of which was the work of speculative holders. Genuine investment in the wake of several new issues absorbing much funds testified to the inherent strength of the capital money market. Advices from Bombay, showing a rapid fall in the shares of some newly-floated concerns, were not altogether a surprise, as such a development is a corollary to the Bill that was passed in the Lok Sabha empowering the Government to "freeze" the transfer of shares for three-year periods and to restrict inter-company investment. Against this background only genuine investment could contribute to rises on the Stock Exchange. Although the announcement of the rights issue by the Bengal Coal Company Ltd. at a premium of Rs. 100 in the proportion of one for every five existing shares steadied this counter, there was a keen sense of disappointment, in that the Government is not following a uniform policy with regard to premium for rights issues. The continued demonstration of lack of friendship by China to India and the political dissatisfaction prevailing in this State on the Constitution Amendment Bill to facilitate the proposed transfer of Berubari to Pakistan were factors which, however, imparted caution.

Among coals, for the reason already stated, Bengals were difficult to locate, while Burrakurs after hardening to Rs. 18 from Rs. 17.75 closed at Rs. 17.69. Central Indias dipped to Rs. 11.44 from Rs. 11.62, and Pench Valleys were unchanged at Rs. 18, but Raneegunges sagged to Rs. 16.06 from Rs. 16.25.

Jutes were featureless, and this is explained by the reversal of the declining trend in fibre and goods prices, and by the limited inquiries for goods from abroad. Howrahs were at one time as low as Rs. 19.75 against opening of Rs. 20.06, while Agarparas, on modest support, improved to Rs. 12.06 from Rs. 11.44. At Rs. 136 Kelvins accounted for a rise of one point, and a similar rise was recorded in Belvederes at Rs. 144.

Engineering shares were better all round. Jay Engineerings, despite the news of the imposition of fresh import duties by West Germany on light engineering goods including sewing machines, which is exported to that country by India in large numbers, were better at Rs. 32.44. Indian Irons opened at Rs. 23.84 and, after moving down to Rs. 23.74, reached a high of Rs. 24.13 to close at Rs. 23.68, on profit-taking by bulls. Texmacos moved up to Rs. 24.10 from Rs. 23.90 to close lower on balance at Rs. 23.10. Braithwaites staged an early rise to Rs. 32.25 from Rs. 32.12, and maintained the improvement. At Rs. 14.50, Britannia Engineerings were fractionally higher.

The steady improvement in Indian Oxygens to Rs. 40.81 from Rs. 39.24 and in National Pipes to Rs. 20.75 from Rs. 19.50 highlighted activity in the miscellaneous industrial section. Another strong feature was the rise in India General Navigations to Rs. 70 from Rs. 60.75 previously, although India Steamships, after being higher at Rs. 10.31 against Rs. 10.19 previously, sagged to Rs. 9.75 as prospects were considered as not too bright against the background of the falling trend in freight income as depicted in the annual report. On steady support, National Rollings at Rs. 19.94 touched an all-time high. At Rs. 15 Orissa Cements accounted for a gain of a few nP, and Jayshree Textiles found buyers at the high rate of Rs. 15.37. Karanpura Developments were as high as Rs. 18.19 against Rs. 16.44 earlier in the week.

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Madras Stock Exchange

MADRAS, *30th November*

For the second week in succession, equities on the Stock Exchange ruled easy on account of sustained selling pressure. Operators took note of the various amendments to the Company Law passed by Parliament which seek to extend the scope of executive control over the functioning of companies, including, among other things, provision for special audit, and other restrictions on transfer of shares, voting rights, appointments of sole selling agents and inter-corporate investments, as also official interference with the managements' discretion in making provision for depreciation before declaring dividends. Textiles were distinctly weak, thanks mainly to the decline in the domestic offtake of piecegoods. Teas, coffees and rubbers all lacked support. There was moderate activity in the sugar section but the general undertone remained easy. Selling pressure was in evidence in the miscellaneous section as well.

A feature of trading in the textile section was the fall in the quotation for Lakshmis from Rs. 156 to Rs. 154. Dhanalakshmis were marked down by Rs. 2 to Rs. 223. Cannanores lost a rupee to Rs. 155. Travancore Rayons fell from Rs. 34.40 to Rs. 35.25 before closing at Rs. 35.30. Kotharis dropped 5 nP to Rs. 12. Bangalore Woollens were quiet at Rs. 197, Coimbatore Cottons at Rs. 162, Coimbatore Pioneers at Rs. 347 and Metturs at Rs. 371. Premiers were neglected at Rs. 225 as also South Indias at Rs. 22.95. Buckinghams, however, rose by Rs. 2 to Rs. 200.

In the tea section, Nonsuch Teas suffered a setback of 35 nP to Rs. 26.55 *ex-div.* Haileyburias were lower by 25 nP at Rs. 14.50. Blue Mountains shed 6 nP to Rs. 4.15 *cum-div. ex-right*. Waterfalls and Peermades shed 5 nP each to Rs. 5.02 and Rs. 22.75, respectively. Periakaramalais were unchanged at Rs. 3.47. United Nilgiris, however, scored a gain of Re. 1.44 to Rs. 23.31. Parksides improved from Rs. 29.75 to Rs. 30.50.

Among coffees, Coffee Lands encountered selling and fell by Rs. 3.90 to Rs. 20 *cum-div.*, following the disappointment of operators over the lower dividend of 6 per cent. taxable, proposed for the year ended June 1960, as against 25 per cent. taxable for the previous year. Consolidated Coffees gave way from Rs. 23.90 to Rs. 22.50, before closing at Rs. 22.75 today, the net loss over the week was Re. 1.15. The Company has announced a dividend of 20 per cent., taxable, for the year ended June 1960 which compares unfavourably with 25 per cent., taxable for the previous year. Cowcoodys shed 9 nP to Rs. 5.16. Rajendras were quiet at Rs. 14.25. The Directors of the Company have declared a dividend of 25 per cent., taxable, for the year ended March 1960, (equivalent to 17.5 per cent. tax-free), as against 50 per cent. tax-free for the previous year.

Among rubbers, Midlands eased by 15 nP to Rs. 12.15. Cochin Malabars sagged by 12 nP to Rs. 7.20. T.R. and T.S. were lower by 5 nP at Rs. 9.70. Malankaras changed hands at Rs. 17.70 and Vaikundams at Rs. 30.40. But Kailas hardened by 10 nP to Rs. 5.30, and Thirumbadis by 2 nP to Re. 1.52.

In the miscellaneous section, India Cements eased by 20 nP to Rs. 6.20. While Andhra Cements and Orissas were neglected at Rs. 10 and Rs. 15, Travancores gathered 10 nP to Rs. 8.75. Among chemicals, F.A.C.Ts moved down by 13 nP to Rs. 10.07. Metturs were quiet at Rs. 13.20, as also Mysore Chemicals at Rs. 27.50. Mysore Fertilisers however, hardened by 25 nP to Rs. 11.75. Among others, Ashok Leylands declined by 13 nP to Rs. 8.70. Aluminium Industries were fancied at Rs. 22.95, Indian Steel Rollings at Rs. 10.25, Standard Motors at Rs. 17, Textools at Rs. 190, Tube Investments at Rs. 305 and Western India Plywoods at Rs. 240.

"POWERMASTER" BOILERS

An agreement is understood to have been reached between the Nestler Boiler Manufacturing Company of Bombay and Messrs. Orr and Sembower, Inc. of the U.S. for the manufacture in India of the famous "Powermaster" brand automatic packaged boilers upto 50,000 lbs. of steam per hour at a pressure of 250 lbs. per square inch. The project is a phased one, extending over five to seven years. The details regarding the technical and financial collaboration of the foreign firm were finalised recently when Mr. Fred Klein, President of Messrs. Orr and Sembower, was in India. Mr. Fred Klein and Mr. S. N. Tavaria, Managing Director of the Nestler Boiler Manufacturing Company, held discussions with Mr. Manubhai Shah and the officials of the Union Ministry of Commerce and Industry at New Delhi last week. The sponsors of the project have been assured of the requisite industrial licence to set up the factory. No information is, however, yet available about the capital outlay of the project, rated capacity and location of the plant, as well as on the terms of the collaboration agreement. It is said that the Western Manufacturing Company, which is the sole concessionaire in India for the sale of "Powermaster" boilers, will continue to hold that position under the agreement.

NEWS IN BRIEF

THE total area of land received from various individuals towards the *Bhoodan* movement upto August 1960 amounted to 4,411,191 acres, according to the *Akhil Bharat Sarva Seva Sangh*.

The National Coal Development Corporation has accepted three project reports submitted by Russian experts for the development of Korba coalfields in Madhya Pradesh.

Caltex has informed the Government of India that it is not in a position to surrender its duty protection immediately but will constantly keep this in mind and periodically review the position.

The Wage Board for the Sugar Industry submitted its report to the Government of India on 28th November. The recommendations of the Wage Board, along with the decisions of the Government thereon, will be announced as soon as possible.

A new marshalling yard is being constructed at Bhilai at an approximate expenditure of about Rs. 3.23 crores, comprising a reception yard, a classification yard with a hump, a despatch yard, a loco yard, a steam loco shed and an exchange yard.

The U.S. Export-Import Bank has offered a credit of $4.1 million to India for the purchase of one Boeing 707 Commercial jet airliner for Air-India International. The terms and conditions of the loan are still under consideration.

A Direct Taxes Advisory Committee is proposed to be set up to advise the Government of India on measures to develop and encourage mutual understanding between taxpayers and the Department of Income-tax.

The proposal to inter-connect the various State grids and regional grids in the first instance and evolve an all-India grid system ultimately is being studied by the Central Water and Power Commission (Power Wing) in consultation with the State authorities.

The Oil and Natural Gas Commission has been requested by the Government of Nepal to undertake a survey of certain areas in the western part of that country in collaboration with Nepalese experts. Four Indian experts will shortly go to Nepal in this connection.

The foundation-stone for the first co-operative sugar factory in Orissa, to be put up by the Aska Co-operative Sugar Industries, was laid at Berhampur by Dr. H. K. Mahatab, Chief Minister of the State. The plant is estimated to cost Rs. 135 lakhs. About 2,000 tons of sugarcane is expected to be crushed daily, engaging 600 workers.

The Central Wage Board for the jute industry (Chairman: Mr. L. P. Dave) held its meeting at Calcutta last week. The Board will work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages and determine the categories of employees who should be brought within the scope of the proposed wage fixation.

The Union Deputy Minister for Finance, Mr. B. R. Bhagat, stated in the Lok Sabha last week that the manner in which and the purposes for which the Soviet credit of Rs. 60 crores for the third Plan would be utilised were still being considered by the Government. He added that it was intended to discuss this matter with a Soviet Government delegation due to arrive at New Delhi next month.

The possibilities of exporting isotopes produced in the Indian Atomic Energy Establishment are being explored at present. This was disclosed in the Lok Sabha by Prime Minister Nehru last week. He added that the present production capacity for major istopes was considerably above the present demand in the country and that production in the "Apsara" reactor in the Trombay establishment had far exceeded the original target.

Foreign exchange of about Rs. 5 to Rs. 6 crores will be saved annually as a result of of the establishment of the proposed Heavy Machine Tool Plant in collaboration with Czechoslovakia, according to the Union Minister for Industry, Mr. Manubhai Shah. Negotiations with Czechoslovakia are in progress to settle the terms under which the project report in respect of the plant will be entrusted to them. Twenty-two types of machines are proposed to be produced in this project. The categories will be central lathes, planers, horizontal borers, vertical boring and turning mills, plane-milling machines, grinding machines and radial drilling machines.

The Rajasthan *Kraya Vikraya Sangh*, which is currently engaged in the distribution of seeds, camphor and U.P. rice, has secured the sole right to sell and distribute Russian kerosene in the State. The Indian Oil Company will deliver the supplies to the *Sangh* at six railheads as soon as the *Sangh* has made arrangements available to consumers at about 90 nP per gallon. The sale of diesel and other public sector oil products will, it is learnt, be made through the State Government's departmental machinery. Initially, the *Sangh* hopes to market 300,000 gallons of kerosene through marketing societies and service co-operatives.

A scheme for setting up a pig iron plant, with a capacity of 100,000 tons annually at Chanda in Vidarbha, submitted by Hind Traders, Bombay, has been approved by the Government of India. The total outlay of the plant will be about Rs. 10 crores, including coking plant with its by-product recovery units. The plant, machinery and technical services are expected to be provided by the German Democratic Republic. The sponsors of the project will follow the same process as is in vogue in the G.D.R. which makes about 300,000 tons of pig iron yearly in eleven low shaft furnaces, using coke made from very low-grade coal usually regarded as uncokable. The sponsors claim that this is the first time that they will be setting up low shaft furnaces for producing pig iron, for which there is a great demand in the country.

The Government of India has decided to set up an optical and ophthalmic glass plant at Durgapur, West Bengal, in technical collaboration with the Soviet authorities, by utilising a portion of the 500-million rouble credit from Russia, according to Mr. Manubhai Shah, Union Minister for Industry. A contract, it may be recalled, was entered into with Technoexport, Moscow, in December 1957 for the preparation of the detailed project report for this plant. Subsequently in June 1959 a team of engineers was deputed to Moscow for participation in its preparation. The detailed project report, which envisaged a production of 200 tons of ophthalmic glass and ten tons of optical glass annually, was received in July last year. The plant, which will manufacture 300 tons of ophthalmic glass per year, is expected to go into production by 1963.

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From Abroad

The Pakistan Shell Company, which is now making a search for oil, has found gas-bearing areas at Rasidpur in Sylhet district; but no oil has been discovered so far.

Cost of living in the U.S. reached an all-time high during the month of October 1960, the official index (Base: 1947-49=100) standing at 127.3, a rise of 0.4 per cent., as compared with the previous month.

The British Treasury has given the Ford Motor Company at Detroit permission to take over the complete ownership of its British subsidiary. The parent company, which already owns about 55 per cent. of its subsidiary shares, has made a £128 million bid for the rest.

The British Petroleum and the Shell have agreed in principle to establish jointly a refinery in Nigeria, with a capacity to produce one million tons of crude oil a year. This will be the first refinery in the country to process its crude oil into refined products for the Nigerian market. A new company, called the B.P.-Shell Petroleum Company of Nigeria, will be incorporated to build the refinery which is expected to cost £12 million.

A single power grid has been set up in Uzebekistan linking the Republic's 31 electric stations, with a total capacity of more than one million kw. The output of electricity in Uzebekistan during 1960 is estimated at about 5,700 million kw.h. The annual output of electricity *per capita* will total 700 kw.h. which is said to be several times more than the *per capita* output of electricity in Turkey, Iran and Pakistan.

Prices of some steel products in the U.K. have been reduced and others increased but a greater number of prices remain unchanged, according to an announcement by the Iron and Steel Board. The changes include increases in the maximum prices of high phosphorus foundry iron and of certain kinds of hot finished tubes and non-alloy bright bars, and of reductions in the prices of alloy bars, stainless steel, cold rolled strip, and forging quality billets.

The Ford Motor Company in the U.K. has put all its workers on a four-day week with effect from 28th November. About 18,000 workers in the seven plants of the Company have been affected by this move. Apart from the Suez crisis period, this is the first time since the war that Fords has reduced its working week. Altogether, about 108,000 of the 442,000 workers (nearly 25 per cent.) in the British motor vehicle and accessories industries are on short-time at present.

A research electrical engineering institute has been set up in the Novosibirsk turbo-generator plant (Siberia) in Russia. The Institute will, in close contact with the plant's workers and engineers, conduct research and study problems connected with the designing and building of the most up-to-date large electric machines. These machines will be fully automated. The Institute will continue to work on the designing of 300,000 kw. turbo-generators with water-oil cooling.

The Indonesian Government's supervisory body for nationalised Dutch enterprises has taken over the management of the leading Dutch bank, "Nederlandsche Handel Matschappij," in Djakarta and its branches in the other parts of the country. The take-over is effected under the Finance Ministry regulation of 8th November which required the management of all Dutch banks to be placed under this body. The N.H.M. bank had already been nationalised before, but hitherto its operations in Indonesia were being supervised only by Government's agents. Now the supervisory body will be responsible for the entire management of the bank which is the last nationalised Dutch bank to be so placed. The Government is also expected to change the name of the bank.

West German imports in October were 15.7 per cent. higher than a year ago, while exports rose only 9.5 per cent. For the first ten months of 1960, the export surplus shrank to DM 3,900 million, as against DM 4,300 million in the comparable period last year. West Germany's trade deficit with the U.S. has almost trebled this year. For the first nine months of 1960, imports from the U.S. exceeded export by DM 1,587 million. This compares with an import surplus of DM 584 million for the comparable period last year. In monetary terms, W. German imports from the U.S. rose by 33 per cent. from DM 3,250 million to DM 4,320 million, while exports edged up only about 2 per cent. from DM 2,670 million to DM 2,730 million.

A large textile mill is being built in the Siberian town of Chernogorsk. It will annually manufacture fabrics sufficient for making five million suits. The new mill is one of the 212 enterprises of Soviet textile industry which are now being built or reconstructed. Their construction is under way in Central Asia, Siberia, the Urals, the Transcaucasus and in other areas of the country. Large textile mills have already been built during the past two years in Engels (on the Volga), in Kishinev (Moldavia), Kiev (Ukraine), and in many other cities. The commissioning of the new textile enterprises will provide the Soviet Union with facilities for manufacturing this year some 8,000 million metres of fabrics, that is more than is manufactured by France, Britain and West Germany combined.

The number of persons wholly unemployed in the U.K. (excluding school leavers) rose between 10th October and 14th November by 17,142 to 325,678. The normal seasonal increase is about 15,000. Unemployment expressed as a proportion of the estimated number of employees was 1.6 per cent. in November, as against 1.5 per cent. in October and 2 per cent. in November 1959. The number of vacancies notified to employment exchanges but remaining unfilled in November was 14,758 less than in October. The normal fall between October and November is about 11,000. The latest unemployment figures, it is pointed out in London, show no significant change in the trend. Unemployment is still low and the demand for labour still high, although certain regional pockets of temporary unemployment are now beginning to appear with the recession in the motor industry.

Ways and means to broaden understanding for the economic, political and cultural problems of developing nations are being discussed in Berlin by directors of academies, institutes and other centres in West Germany by organising orientation courses for German technical assistance personnel. The one-week exchange of ideas were sponsored by the German Foundation for Developing Countries which recently said that annually hundreds of Government and thousands of private industry experts and technicians from W. Germany go to work in countries of Asia, Africa and Latin America. All of them, the Foundation added, should understand the problems of their host countries thoroughly before going abroad to avoid misunderstandings and make the best out of the assistance they can offer. To this end, it is planned to increase the number of orientation courses considerably.

Recommendations for increasing world trade and exports from less developed nations are sought under a resolution adopted by the Economic Committee of the United Nations General Assembly last week. Following the vote, a general debate was held on a more controversial proposal backed by 14 member-States requiring the Assembly to approve a resolution for the establishment of a Special U.N. Capital Development Fund. The co-operative part of the approved trade resolution requests that a number of studies and recommendations be made to the Economic and Social Council (Ecosoc) next summer bearing on measures to strengthen and develop world markets and improve trade conditions of less developed nations. The Commission on International Commodity Trade and the Regional economic commissions of the Ecosoc are now engaged in such studies. The resolution wanted the Ecosoc to recommend a continuation of these inquiries into "the causes and obstacles which have resulted in substantial fluctuations, whether in volume or price, or exports of the economically less developed countries as well as ways and means of improving the existing situations." To the four regional economic commissions, the General Assembly should recommend that they elaborate further measures to promote intra-regional trade co-operation. Before submitting their reports to Ecosoc next summer, a preliminary exchange of views on all recommendations would take place between the executive secretaries of the four economic commissions and the chairman of the Commission on International Commodity Trade.

PERSONAL

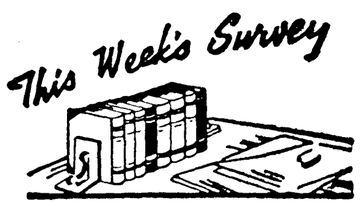
DR. RADHAKRISHNAN, Vice-President of India, has returned to New Delhi after a fortnight's tour of France and the U.S.

Mr. Lalchand Hirachand, Chairman of the Premier Automobiles Ltd., has been elected President of the Maharashtra Chamber of Commerce for the ensuing two years 1960-62.

Mr. V. Shankar, I.C.S., special secretary to the Union Ministry of Food and Agriculture and Vice-President of the Indian Council of Agricultural Research, has been appointed President of the Indian Central Oilseeds Committee.

Mr. Vance Brand, Managing Director of the U.S. Development Loan Fund, is leaving New Delhi for Bangkok today. During his eight-day stay in India, he held discussions with Government representatives and private industrialists.

Dr. Koichi Aki, a distinguished Japanese engineer and water resources expert, has been appointed Director of the Bureau of Flood Control and Water Resources Development of the United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.). He succeeds Dr. Shen Yi, who was Director of the Bureau for eleven years until he was recently appointed Minister of Communications of the Government of Republic of China.



COAL COUNCIL'S DECISIONS

THE Coal Council of India, which met at New Delhi over the week-end, has taken some important decisions on coal production and utilisation. While it has approved the third Plan target of about 97 million tons of coal production per annum, it seems to have forgotten that the additional annual production potential in the end-year of the third Plan will have to be about 50 million tons in the light of the most likely actual production in the last year of the second Plan. Since the public sector may have overestimated its production potentialities in the third Plan even as it did in the second Plan, it is doubtful if it will have an additional annual production potential of about 28 million tons (20 million tons being the third Plan target plus 8 million tons of shortfall in the achievement of the second Plan target). Even if it is supposed that it will have that much additional potential (28 million tons), the private sector will have to contribute 22 million tons as against the 17 million tons which has been laid down as its target of additional annual production under the third Plan. Actually, it would be prudent to proceed on the basis that the private sector will have to produce an additional 30 million tons or so per annum by the end of that Plan. It would appear that there are good prospects for expansion of production to that desirable level, if the report that the World Bank is likely to make its first loans to help the private collieries in India to step up their production is true.

On coal utilisation, the Council has taken two decisions. First, it has asked the Council of Scientific and Industrial Research to appoint a committee to go into the question of feasibility of underground gassification of coal for generation of power and to locate suitable areas where this could be tried out on a commercial scale. And, secondly, it has decided to set up another committee to explore the possibility of utilising middlings from the washeries of coking and non-coking coal and link it up with power production in and around the vicinity of washeries. It is estimated, in this connection, that there would be at least 6 to 7 million tons of middlings from the coking coal washeries and some more quantity from the non-coking coal washeries. If these middlings can be utilised for power generation, it is said, coal washing would become comparatively more economical. The second technical committee, which will consider the question of utilisation of middlings, is also expected to suggest ways and means of expediting the setting up of washeries. Incidentally, the recent decision of the Government of India to set up a Coal Washery Corporation in the public sector, with its headquarters at Dhanbad, and entrust to it the construction of two more new washeries proposed at Kathara and Bhurkunda is to be welcomed for the reason that there are only a few washeries in the private sector. But the Government's lukewarm attitude towards proposals from the private sector for setting up washeries in the event of certain favourable terms being granted, is to be deplored.

THE O.E.C.D.

If everything goes as scheduled, the Organisation for Economic Co-operation and Development—O.E.C.D. for short—will come into being in autumn next, when the present Organisation for European Economic Co-operation will be wound up. The preparatory committee, headed by Herr Thorkil Kristensen, the Secretary-General-designate of the O.E.C.D., which was constituted at the ministerial conference held at Paris in July last to prepare the convention of the new body, has completed its task. Its report has already been sent to the Governments of the twenty member-countries, including the U.S. and Canada. The convention is expected to be signed at the ministerial meeting convened for the 13th and 14th inst. in Paris and will be given effect as soon as it is ratified by fifteen nations. It will be recalled that the recommendation for replacing the eighteen-member O.E.E.C., established in 1948, by a broader international organisation was made in January 1960 by the "four wise men"—Mr. W. Randolph Burgess of the U.S. (Chairman), Mr. Bernard Clappier of France, Sir Paul Gore-Brooth of Britain and M. Xenophon Zolotas of Greece.

No details regarding the convention of the proposed O.E.C.D. are yet available. It is, however, gathered that the operating procedures outlined generally follow those used by the O.E.E.C., so that the decisions of the O.E.C.D. will be unanimous. A member-country can, of course, abstain on any issue, but it cannot block the others from making decisions themselves. Further, no geographical limitations are set on ultimate membership or on participation in the work of the Organisation's committees. Meanwhile, the convention has provided for the participation of non-member countries in the Organisation's work, as, for example, the membership of Japan in the Development Assistance Committee, formed with the object of accelerating the flow of financial and technical assistance to the developing countries. The convention has retained several Acts of the O.E.E.C. but has dropped some others. A few Acts are made applicable only to Europe and not to North America, such as those relating to manpower.

In preparing the convention, the Kristensen Committee is claimed to have succeeded in evolving a compromise formula on one of the issues most debated, namely, co-ordination of the economic policies of the twenty member-nations. Hitherto, the U.S. was somewhat unwilling to accept an obligation to co-ordinate its economic policy with that of other members. It was stated that such an acceptance would be unrealistic and that the Administration would find it hard to defend it before the Congress. Under the compromise formula, the U.S., we are told, has now agreed that the O.E.C.D. members should avoid developments which may endanger the economies of other countries. It has also agreed that the members must co-operate closely and take co-ordinated action where it is appropriate.

It is, indeed, noteworthy that the Kristensen Committee has taken care to see that the O.E.C.D. consultations on economic policy will be concerned not merely with the problems of member-nations but with those of the less developed countries like India as well. Of utmost importance to these countries is the stress specially laid by the Committee on the need for giving them technical assistance, help in expanding their export markets and a steady flow of capital.

AN IRRESPONSIBLE STATEMENT

It is difficult to think of a more irresponsible statement by a Minister than the one made by Mr. K. Chandrasekharan, Kerala's Minister for Revenue and Law, on the question of location of one of the two oil refineries proposed to be established in the public sector. Addressing a P.S.P. meeting at Calicut this week, the Minister, who belongs to the Socialist Party observed that, if the proposed oil refinery for South India were located in Coimbatore (in Madras State), instead of in Kerala State, Kerala would not allow the laying of pipelines from Cochin Harbour to Coimbatore through its territory. According to the Minister, though it had been decided to establish a refinery in Kerala, there were "signs that the neighbouring State of Madras was bringing pressure on the Central Government and the Planning Commission to establish it in Coimbatore." The case for locating the refinery in Kerala, the Minister said, was strong. Manpower, he added, which was one of the most essential requirements for a refinery, was available in plenty in Kerala, more than in any other State. As regards power, another equally essential requirement, he stated that the present scarcity was only a temporary phase. The three thermal stations now planned would meet the needs in the interim period, while, in future, when the hydro-electric projects now under execution were completed, Kerala might even be in a position to supply power to neighbouring States, after fully meeting its needs.

We do not propose to question the validity of the Minister's claim or to sit in judgment over the relative merits or demerits of Cochin and Coimbatore for the location of the proposed refinery. But what we do view with concern and would most strongly condemn is the thinking behind the statement which is fraught with dangerous consequences for the unity and economic solidarity of the country. If every State were to take the stand which the Kerala Minister took, no Central undertaking could be established in any State except in the centrally administered areas. It is not suggested that Kerala's case is weaker than that of Madras. Since both States have put up rival claims, the suitability of both Cochin and Coimbatore should be carefully considered before a final decision is taken. It is true that, among the considerations for deciding the location of an industrial project for which there is competition among the States, the needs of relatively underdeveloped areas should be given a certain amount of priority. But this should be done only if the locational disadvantages are not so overwhelming as to make the project highly uneconomical. In making the final choice, it is these considerations and not political pressure based on parochialism that should be the deciding factors. If one State feels that its claim has not been given proper consideration, it is free to urge for a reconsideration. But to say that, if the refinery were located in Coimbatore, Kerala would assert its territorial supremacy and would not permit the pipelines to be laid through its territory, is the very acme of irresponsibility. It actually amounts to a threat against the Union Government. One can understand such a statement being made by a petty local politician, but not by a worthy person holding the high office of Minister of a State. As the Minister for Law, Mr. Chandrasekharan ought to be aware that industries and communications come under the Union list and no State Government can deny the right of the Central Government to lay a pipeline in any part of India it likes. The Kerala Minister has, perhaps, been encouraged by the weakness shown by the Centre when Assam resorted to similar bullying tactics for securing one of the refineries. But a wrong action can by no means be regarded as a right precedent.

EXPORTS OF MANGANESE ORE

Once again, the Government of India has bungled in framing the export policy for manganese ore. It has failed to make a bold and imaginative approach to the question, which would have arrested the rot that has set in in India's export trade in manganese ore. The Government has decided to allot export quotas for a three-year period beginning from 1st January 1961, the basis for issuing quotas being the same as in 1959-60. The most unwelcome feature of the new policy is that it seeks to maintain, if not extend, the overlordship of the State Trading Corporation. All export transactions of manganese ore will have to be registered with the S.T.C. The exporters will be allowed, under the joint marketing arrangements of the S.T.C., to negotiate, sign and execute contracts and ship the ore, as agents of the S.T.C. in respect of the quantities out of the S.T.C.'s quota placed at their disposal. In addition, all barter transactions will be handled exclusively by the S.T.C.; the export tonnages under such transactions will be procured under the joint marketing arrangements according to the qualities, ports of shipment, schedules of delivery, etc.

It is a well-known fact that the S.T.C. has not been able to deliver the goods in the matter of exports of manganese ore. In fact, exports had fallen from the record of 1.6 million tons touched in 1957 to no more than 900,000 tons in 1959. The inevitable conclusion is that the opportunity offered by the industrial boom abroad has not been utilised to India's advantage. India's traditional buyers, such as the U.S. and the U.K., have turned to other sources of supply, presumably because of the relatively high price of Indian ore. At the same time, the growing competition from Brazil and Chile in the American market and from Russia, Ghana and South Africa in Europe has rendered India's position weak. The pity is that, except for such small mercies as the abolition of export duties and liberalisation of facilities for transporting the ore, the Indian exporters are not given requisite incentives to enable them to compete effectively in world markets. On the contrary, they are weighed down by bureaucratic controls. In Western countries, India's customers of manganese ore are mainly private interests and, therefore, the intrusion of the S.T.C. only reduces the scope for strict business practices. It is true that they deal with the Russian export trade organisation, but there is no reason to believe that bureaucratic set-up under a democratic administration can function as effectively and efficiently as its confrere can under a communist regime. The requirement that all sales contracts negotiated by exporters should be filed with the S.T.C. is strongly resented by the trade, and justifiably so, in view of the fact that the S.T.C. also is competing for securing foreign business.

Like the curate's egg, the new policy is, however, good in part. An encouraging feature is that, for the first time, the Government has laid down the policy for a period of three years. The periodical modifications in India's export policy in the past were a source of uncertainty which on all accounts drove away some of our foreign buyers. The new policy eliminates that handicap. Another helpful feature is the relaxation of restrictions in respect of movement of exportable ore by rail. A section of the trade feels that it would have been helpful had the Government also given an assurance that the export duty on the ore would not be reimposed during the three-year period. There is a lot of merit in this suggestion, because the fear of export duty may make it difficult to negotiate contracts for a long term. But, at the same time, the reluctance of the Government is understandable. It may not want to commit itself on this point, lest the benefit of any possible windfall to manganese exports would go to them entirely. In a case like this, however, the Government should attach greater importance to the present requirements of the country and the ways and means of meeting them than to future probabilities. Today, India has to build up its export trade by all possible means. The Government should, therefore, give every encouragement to exporters. Accordingly, there is no harm in giving an assurance that it would levy no export duty on manganese exports during the next three years. If the export market for this mineral were to improve or even if there were to be a sudden boom, the Government could still get a share in the exporters' bumper profit through income and super-taxation.

HANDLOOMS—POWERLOOMS

The official move to get reliable information regarding production in the handloom and powerloom sectors all over the country, though belated, must be welcomed as a move in the right direction. It will certainly enable the public to assess the real progress made by these two sectors and judge whether the enormous sums of money spent on their development by the Central and State Governments are well spent. It will also indicate the extent to which reliance can be placed on the two sectors to meet the expanding clothing requirements of the country in the coming years. Otherwise, there will be the danger of an irrational allocation of the additional demand for cloth among the mills, the handlooms and the powerlooms. As readers are aware, the reports of the output capacity of the decentralised sector are confusing as well as conflicting. The official estimates of annual production are 1,900 million yards of handloom cloth and 400 million yards of powerloom cloth. The handout on the proposed census of handlooms and powerlooms issued by the Press Information Bureau says:

"The total estimated production of handloom cloth in India is about 1,900 million yards. On the basis of about 2.28 million commercial looms, the per-loom production is about 830 yards per annum. This figure, it may be pointed out, is much smaller than the actual figure already revealed by the surveys going on in Madras State for the past two years. It has been shown that the per-loom production of handloom cloth in Madras is of the order of 1,200 yards, production in the area for 1958-59 and 1959-60 having been estimated at 622 million yards and 532 million yards, respectively. The results of the Madras surveys have confirmed that the estimates so far made of the total country-wide production of handloom cloth (1,900 million yards) are not in any way unrealistic. The census of powerlooms, which has just been completed, indicates that the total number of unauthorised powerlooms producing cotton fabrics is about 18,000. The estimate of 33,000 unauthorised powerlooms mentioned in some quarters may thus be regarded as an overestimate. Government have recently decided to regularise the unregistered powerlooms through the issue of formal permits and, when this process is completed, the total number of powerlooms operating in the country would emerge in precise terms."

The well-informed section of textile interests, however, consider the figure of handloom cloth output to be a gross overestimate and the output of 400 million yards of powerloom cloth an underestimate. The correct levels of production, according to them, are 1,150 million yards of handloom fabrics and an equal quantity of powerloom cloth. Surely, statistically designed surveys on sample basis already begun in six States—they are expected to be initiated in other States shortly—will help one to get a more accurate picture of the position.

PROBLEMS OF PROSPERITY

To a country which is suffering the pangs of poverty, it is not easy to imagine the pains of prosperity. The annual report of the Confederation of German (West) Employers indicates that the problems of overdevelopment are not less difficult to tackle than those of underdevelopment. The present worries of W. Germany, according to the Confederation, are, to a large extent, the result of over-full employment. An idea of the employment position in West Germany can be had from the fact that, while not so long ago, five jobless were chasing one employer, today five employers are chasing one unemployed. This situation has produced high wages, union militancy, increased labour turnover, and slackened work morale. An average increase of about five per cent. in real wages this year has raised the workers' purchasing power by more than 70 per cent. above the 1950 level. Simultaneously, the average work-week has been cut by three hours, thereby putting the Federal Republic in the top group of nations which have raised their real wages and cut their work-week most.

Complete exhaustion of manpower resources could not be offset by increased hirings of foreign workers, which now number about 300,000, mostly from Italy, Greece and Spain. A period of overfull employment such as this naturally shifts the scales of power to the advantage of trade unions which secured one of the biggest round of wage increases this year. It is estimated that the wage increases in 1960 have been of the order of 13 to 15 per cent. (about DM. 11,000 to 12,000 million). As a result, prices are feeling the double stress of rising costs and rising demand, the cost of living index having gone up by 2.5 points above the level a year ago. W. Germany is thus faced, more clearly than ever, with the thorny problem of simultaneous maintenance of full employment, stable prices and free collective bargaining.

From the point of view of India and other underdeveloped countries, it is heartening to note that, in spite of these problems, West German employers are conscious of the development needs of the less developed nations and their obligations and responsibilities to them, as the following quotation from the annual report will testify:

"The problem of the future social order of the developing countries is inescapably linked with their rapid economic and political development. The Western world must co-operate with these nations in the field of social policy just as it aids them economically.... The Confederation, therefore, fosters its contacts with the developing countries and their leaders responsible for social policy. It does so by aiding delegations from developing countries visiting the Federal Republic, handing out information material, advising German employers on aids for their trainees from developing countries, and by assisting programmes to send German instructors abroad. The problems of the developing countries are among today's most important international problems. The Confederation will not fail to shoulder the tasks increasingly facing it in this field."

The underdeveloped countries will surely watch with interest the crystallising of this welcome awareness into concrete aid plans.

INDO-BURMA TRADE

When the Burmese official trade delegation arrived in New Delhi on 10th November at the invitation of the Union Government, one had hoped that, as a result of the talks, the prospects for India's exports to Burma would improve significantly. But the hope has been belied. For the Press note issued by the Ministry of Food and Agriculture does not hold out any such possibility. All that the Press note says is simply this: "As a result of the visit, the members of the delegation have already made some purchases.... The two delegations have agreed that the volume of trade between these two neighbouring countries should be raised to as high a level as practicable and that the question of entering into another long-term trade agreement and also another long-term rice agreement should be considered. The Burmese delegation offered to sell and the Indian delegation agreed to purchase 200,000 tons of rice out of the 1961 crop for the present. The delegation agreed to offer an additional quantity later, if possible."

It is thus evident that the Burmese delegation has not committed itself to taking concrete steps designed to augment imports of Indian goods. And so India may continue to have adverse balance of trade with Burma. During the first eight months of the current calendar year, the adverse balance was the order of Rs. 10.27 crores, as against just Rs. 50 lakhs in the corresponding period of 1959 (and Rs. 55 lakhs in the whole of 1959). The widening of the deficit has been due to the marked increase in imports, mainly rice, from Burma—from Rs. 7.78 crores to Rs. 15.27 crores—while India's exports to that country declined from Rs. 6.44 crores to Rs. 5.00 crores.

The five-year trade agreement entered into between India and Burma in September 1956 has not been of much benefit to India's export trade. The actual exports of goods and commodities to Burma no doubt improved last year—they stood at Rs. 12.62 crores, as against Rs. 7.48 crores in 1953—but they have suffered a setback this year, the annual rate of exports being no more than Rs. 8 crores. It is somewhat surprising that the representatives of the Indian Government who conducted the negotiations with the Burmese delegation did not adequately impress upon the delegation the need for Burma buying more goods from India. That the scope for such purchases is pretty vast will be clearly seen from a look at the schedule A of the Indo-Burmese agreement of 1956 which lists a hundred and one commodities for export from India—textiles, food and agricultural products, chemicals and soaps, engineering and electrical goods, household and building requirements, hardware, scientific instruments, rubber and leather manufactures, handicrafts and cottage industry products, stationery and paper, and a score of miscellaneous items. It would be useful to both the countries if either the Ministry of Commerce and Industry or the Indian Exporters' Association were to investigate the causes for the fall in India's exports to Burma.

FOOD ADULTERATION

Adulteration of foodstuffs is a ubiquitous phenomenon in this country. The culprits at any rate go scot-free thanks mainly to the absence of any effective Government machinery to enforce the laws governing adulteration and the indifference of consumers. The absence of any non-official organs for consumer protection, as in such advanced countries as the U.K. and the U.S., has further aggravated the problem. It is, therefore, not surprising that Mr. D. P. Karmarkar, Union Health Minister, candidly confessed that, though an attempt had been made to provide an All-India Act against adulteration (passed in 1954), the results were not quite satisfactory. Mr. Karmarkar was inaugurating the first seminar on the prevention of food adulteration, organised by the Central Committee for Food Standards at Hyderabad on November. He stressed that the Governments, both at the Centre and the States, and the local bodies should tackle the problem effectively, before the situation deteriorates to such an extent as to force society to "take the law into its hands against adulterators of foodstuffs."

On the question of the use of food colours, Mr. Karmarkar observed that the extensive and increasing use of extraneous agents, such as synthetic colours and flavours, particularly coal-tar colours, though technically justified, had caused great concern to the Government as well as international organisations, namely, the World Health Organisation and Food and Agriculture Organisation. He held the view that such additives had been used sometimes to disguise the employment of faulty processing and handling techniques and to deceive the consumer. The prolonged consumption of these additives, he added, had been proved to give rise to carcinogenic toxic symptons.

Mr. Karmarkar rightly condemned the indiscriminate use of colouring agents in foodstuffs. But he endorsed in the same breath the advisability of the adoption of some colouring agents in vanaspati, as a device to prevent its adulteration with ghee. Does this mean that synthetic additives are not unhygienic or not cancer-producing, if mixed with vanaspati? Adulteration of ghee is, no doubt, an extremely condemnatory practice. But, even before vanaspati was produced, availability of pure ghee was a rare thing, as butter and ghee used to be mixed with many cheap materials, such as white rice flour, vegetable oils and animal fats. In any case, the question of finding a suitable colouring agent which will not have any adverse effect on consumers of vanaspati or make vanaspati less popular has been considered for long and defied a satisfactory solution. One, therefore, fails to understand as to why the Government still insists in pursuing it. In fact, vanaspati is now being mixed with sesame oil (about 5 per cent. in weight) so that its presence in ghee can be detected easily by a simple chemical test by those who want to make sure that they are buying pure ghee. But all such efforts are of a negative character and do not touch the root of the evil. The real solution to adulteration of ghee lies in creating conditions that will lead to an increase in the production of ghee at a lower cost. This means raising the number of milch cattle and increasing their productivity. It will be more rewarding to the country as a whole to find a remedy along these lines than pursuing the barren path of controls and discovering and manufacturing colouring agents for vanaspati.

ON THE ARENA

By The Archer

Strengthening the Structure of Banking

WE are told that there is a fourfold plan in the offing for strengthening the structure of the banking industry. Brief details have appeared in the Press and although I feel strongly tempted to write lengthily on the subject I shall resist the temptation to do so for the very good reason that the sketchy particulars which have been published are not sufficient to be discussed in detail. One of the steps is stated to be amalgamation or reconstruction, with the assurance that it is not proposed to do away with small banks as such, nor to promote a large-scale merger of smaller units with bigger ones. Then, what? In recent times we have witnessed the amalgamation of large overseas banks such as Grindlays with National, and Lloyds with National and Grindlays, so that, while amalgamation is feasible in any strata, it is difficult to envisage the specific manner in which amalgamation will be effected in India so as to 'strengthen' Indian banking, unless the objectives and criteria are clearly indicated. Obviously, the group in which amalgamation will be fostered will consist of units in which "the salt has lost its savour," and it is certainly going to be a very tough job, both for the Reserve Bank and Government, to catch them by their tails and apply mustard paste beneath them. Their employees will not like amalgamation, as it would involve reduction in numbers; equally so, the supervising staff, as it will result in quite a few of them being down-graded or uprooted from their moorings; the Directors will start kicking their heels, as many of them will lose their status and all of them cannot be accommodated; and many constituents will be deeply disappointed, as the pleasure of having a plurality of current or deposit accounts (cheque books in particular) will be denied them, and the possibility of having borrowings from multiple banks (mostly on the same security) will disappear. A scheme in which so many vested interests will be adversely affected is not going to find an easy passage.

Another step will be widening of the equity base, and if this should involve the calling up of additional capital, it would be a safe guess to assume that the response will be extremely tardy, if not negligible, while the requirement to increase reserves will mean either cutting down expenses or lowering dividends or both, and both steps are well-nigh impossible of achievement under existing conditions. The third step will be maintaining a higher liquidity ratio which will, of course, result in restricting advances, ergo less earnings, ergo, again, less to pay as dividends or to plough back. The fourth step is the much talked about scheme of deposit insurance. We do not have the report of the Deputy Governor of the Reserve Bank on this subject and it is premature to assess the merits or demerits of any such scheme on the basis of its working in the U.S.A. However, what is obvious is that the good banks will have to share in the losses created by the bad ones, sinning bankers and foolish depositors will be supported, and, eventually, there will be general satisfaction that everything has been done to make this country safer to live in.

All this savours of curative medicine. The preventive aspects of this problem have not been touched upon either in Press reports or in Press comments. No one has so far laid his finger on the sore spot, which, in my view, is the indiscriminate opening of branches by the smaller banks, barely in their teens, originally started with the object of fulfilling local or regional needs, but later spreading themselves out in far-away localities, ostensibly to gather deposits, but, in reality, to satisfy the vanities and exhibitionistic tendencies of the management. It should be obvious that I am excluding from this reference the expansion of the State Bank of India, which has a statutory obligation to fulfil and is capable of undertaking the responsibilities of a much bigger family of branch offices than it has now. But the smaller banks are like teen-agers, with narrow pelvic developments, and have been saddled with frequent and increasing branch births with corresponding detriment to their post-natal health. The ever-increasing demands by staff by the application of trade union techniques, deterioration in standards and efficiency, paucity of trained personnel, and breathless expansion have cumulatively resulted in making the outlying branches poor props for the prestige of their parent institutions. As far back as April 1954, the "Committee on Finance for the private sector" recommended, on the complaint of a number of banks, that the Reserve Bank should cease to be too liberal in granting licences to banks to open new branches, as overcrowding in undeveloped areas resulted in excessive competition. As far as can be seen from the periodical announcements in the papers of new branches being opened by various banks, the Reserve Bank has been continuing its liberal policy. It should now sit up and exercise more "vigilance and control" on the breeding proclivities of its teen-age wards. A measure of family limitation will be all for the good of the banking industry.

Another direction in which the Reserve Bank might, perhaps, exercise some vigilance is to examine the credentials and equipment of persons who are 'elected' as Directors of banks. I believe that it is not an altogether uncommon feature in many banks for Directors to take special interest in sponsoring and piloting applications for advances to their friends (above the heads of the experienced technical executives who are paid to do the job), and, while their declared intentions were to help in building up the banks' business, they were not entirely unmixed with the desire to build up their friends' businesses also. Some day, it will be an interesting exercise for a senior Reserve Bank executive to undertake an examination of the affairs of a bank in distress and trace the origins and courses of the various cankerous trends that have brought about the crisis in its affairs; such a study might, perhaps, serve as a sample of the entire terrain of banking with its surface cracks and potholes, fissures and quagmires.

The nostalgia for the placid old days when banks were institutions, each with a distinct tradition of its own, and banking was a respectable and honourable profession, seems almost unrealisable; banking has become an industry and bank employees have become 'workers' with a fierce emphasis on the pride of possession and almost obliteration of pride in performance. Controls, regulatory directives, curbs and vigilance from outside agencies have taken the place of what should be inherent in the working of banks, a solicitude for the welfare of depositors and a concept of fair bankers' risk in enlightened self-interest. Alas, there is no alternative to good banking except good banking itself. For, if the salt loseth its savour, wherein shall it be salted?

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Small Savings

The Finance Minister has appealed to people in Surat to contribute generously to the National Small Savings Schemes to "ensure their own economic betterment as well as to hasten the pace of the country's economic development." I am entirely at one with him in asserting that the country's economic development will be greatly benefited if people contribute liberally to the National Small Savings Schemes, and, in fact, to all savings schemes, national or otherwise, small or big. As regards individual economic betterment, may I suggest to the Finance Minister that he might appeal more to the patriotism of people than to their sense of economic well-being when asking them to be generous? Thanks to the wide publicity given by prominent people to the dangerously corrosive effects of inflation and the suggestions made by stock brokers in their periodical bulletins to the need for providing a hedge to the falling value of money, most people who have savings to invest are perpetually pre-occupied with the search for investments which are called "growth equities." Investments in small savings certificates provide yields free of tax, but not any cover for deterioration in the rupee's purchasing power. A man investing Rs. 1,000 today in National Plan certificates will no doubt get Rs. 1,650 after twelve years, but the Rs. 650 is the interest on capital and not any compensation for the likely fall in the value of the rupee at the time of redemption. No one can deny that the rupee has depreciated in value by 30 to 35 per cent. since 1954 and no one can predict that there will not be a further depreciation by 1966. Despite all the steps that Government may take to keep down inflation (between you and me and the lamp-post, no one is very clear in his mind as to what steps should be taken), investors have cause to worry that their savings may become emaciated by inflation, and, indeed, they cannot be blamed for worrying so. What is required, therefore, is a system of index-tied deposits under which investments in Government securities as well as funds on savings accounts are tied to cost of living indices at the time of redemption. Erosion through inflation being a nightmare to most middle-class depositors, the mere promise of adding compounded interest to the principal at the time of repayment does not look to be satisfactory enough to most of them. All of them have been asked to take intelligent and enlightened interest in our development plans, and, as a corollary to their education, they have learnt enough to comprehend not only the good that can come from successful planned development, but also the evil that can result from runaway inflation.

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Bravo, Rajasthan!

Girls' schools in Rajasthan will no longer be obliged to send their students to participate in entertainment programmes arranged by other departments of the State Government. A recommendation on these lines made by a conference of headmistresses of Government and aided schools held at Jaipur recently has found strong favour with the educational authorities, says the Jaipur staff correspondent of a leading newspaper. He adds that the never-ending round of festivities leaves little time for the girls for studies, and that, looking at the matter from another angle, the headmistresses raised the question as to how far it was desirable, from educational or moral viewpoints, to let the girls appear on the stage for the entertainment of other people.

It is interesting to observe, in this instance, that the need to protect school-going children from exploitation (I cannot think of an alternative word) by sponsors of programmes was realised, primarily, by the headmistresses, and *not* by parents, which only goes to show that there are still quite a few people in this world who are not entirely irresponsible or lacking in a sense of proportion. Times without number I have seen large groups of children being marched in the sun, and long distances, too, to provide clapping hands at airports and railway stations for the delectation of V.I.Ps; and, in one instance, I saw some two hundred boys and girls at dusk in an airport, herded together to shout "Jais" to a Chief Minister who was returning after just a day's visit to a neighbouring State for some political mediation. All this may be classed as extra-curricular activity or inculcation of patriotic fervour, but, in the ultimate analysis, it is nothing short of regimentation. I am sure nothing like this is in vogue in other mature democratic countries. I am also sure that nowhere else are parents so utterly dense as not to bother about how their children spend their time at school. For I think that is what happens in most of the small towns in India.

There is a Biblical saying somewhat like this: "Blessed is the man who hath his house full of children, for he shall not be afraid of the enemy at the gate." Perhaps, a parody of it, in the above context, will be: "Blessed is the organiser who hath, in his area, schools full of children; for he shall not despair of a rousing reception for the V.I.P. at the airport."

INFLATION—WHAT REMEDY?

Apropos Archer's comments relating to inflation in this column, a reader writes as follows:—

"*Commerce* of 12th November 1960 carries an article by 'The Archer' with the title 'Inflation—What remedy?' I started reading it with the hope of finding an answer to a serious current malaise, but was sadly disappointed. The writer, perhaps, intended the article to be a humorous skit. For one thing, he only sets forth to do some loud thinking on a 'bunch of Press cuttings.' After referring to some pronouncements, in the order of precedence (!), he refers to the views expressed by Mr. A. D. Shroff and equates those to the views of Rajaji. Then he goes on to quote Mr. Santhanam and calls his views text book maxims and prosaic. He pooh-poohs Mr. Santhanam's advocacy of an increase in agricultural production and economy in Government expenditure. It looks as if, in the opinion of 'The Archer,' textbook maxims

(*Continued on page 994*)

SHADOW OF THE FALLING DOLLAR

(*From Our Own Correspondent*)

LONDON, 26*th November*

LONDON LETTER

THIS has been a disturbed week on the London Stock Exchange, ending with two days of steeply declining prices which have brought the industrial share indices below their end summer trough. The principal reason for this weakness is the really serious slump in the motor car industry with the repercussions which this has already had on other consumer goods industries as a result of reduced purchasing power. If the business world continues the way it has been going the past week, Christmas will not be as gay, commercially, as usual.

So much for the immediate factors. But there is also, overriding all this, the long-term worries over Britain's external trade position, accentuated, above all, by the dollar weakness. At the moment, of course, the U.K. is profiting by this weakness inasmuch as London is the depository of funds of American origin. But the weakness has been so prolonged especially since the U.S. gold reserves dropped below the conventional safety level of $18,000 million, that America is bound to take remedial action that will not benefit the European economy.

Generally, estimates are that the U.S.A. must save up to something of the order of $4,000 million a year. In relation to the total American economy, this will not be difficult. But the necessary measures will nevertheless be unpleasant. For instance, America is spending $2.0 million a year on U.S. forces stationed in this country. She is spending much larger sums in Germany and has already tried, without success, to get the German Government to contribute towards these expenses. The American Treasury Mission, which has just visited London as part of its European tour, is going to make a further attempt to make Germany pay more for the N.A.T.O. forces, though the German Chancellor of the Exchequer has so far prided himself on not having given one penny away. The Germans are inclined to offer advance repayment of their debts to the United States, but that, of course, is a capital repayment and will not do much more than meet the deficiency which will be caused by the American purchase of the Ford Company shares at the moment owned by Britons!

If the American Mission is successful and Germany does agree to contribute, will not the U.K. be asked also to pay something? Objectively, the contribution could be demanded solely from Germany, because Germany's external balance of payments permits her to bear the additional expense. But the argument is not likely to stop there.

An American economy drive on its overseas Government spending will then clearly reduce Britain's dollar income. If the American drive is extended to cut down the enormous American tourist expenditure, Britain is bound to suffer. And, finally, if America decided that she can only save her economy by boosting her export programme, then, in a non-inflationary world, the increased American exports may oust British exports. For these reasons, the dismal shadow of dollar distress falls also across the British economy.

Some interesting data have just been published on the extent of American investment in the U.K. The bulk of such investment is in manufacturing and it seems that, last year, a quarter of such American overseas investment for 1959 came to the U.K. This amounted to some $250 million. Not all of this represents new money coming to the U.K., though the total of such new money was rather more than half the gross investment: the remaining part, rather less than half, consisted of undistributed earnings. Investments in 1960 raise the annual total coming to the U.K. to about $300 million (ignoring, of course, the special Ford deal).

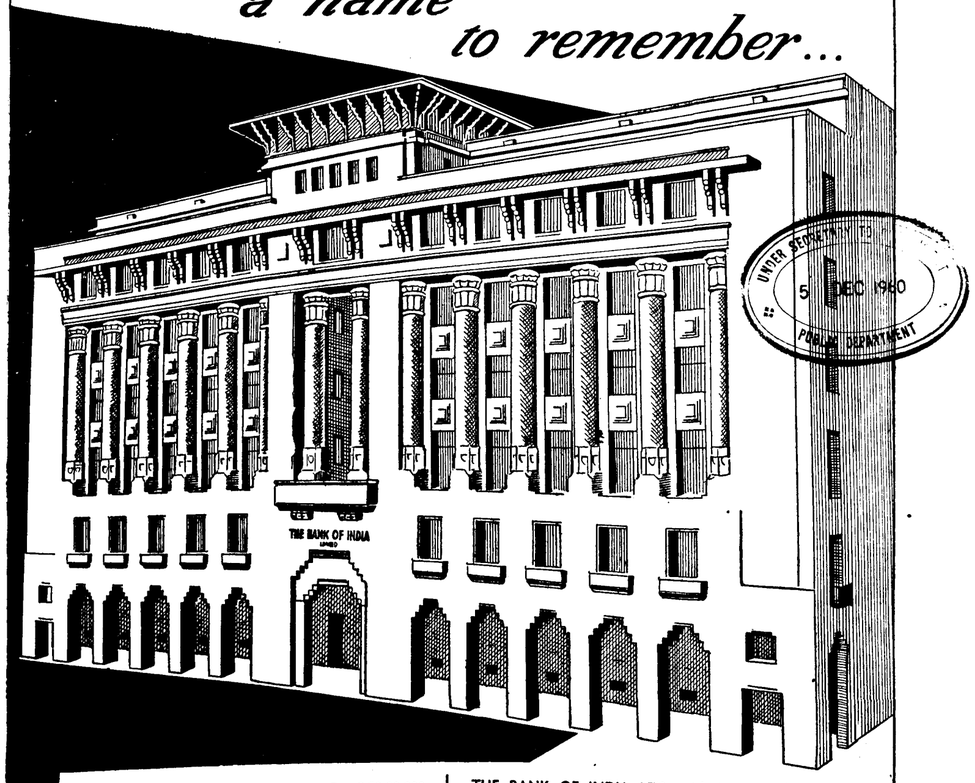
This level of investment could, however, be lowered, if America pursues a restrictive policy in defence of the dollar. Mr. Kennedy does not believe in a restrictive policy. He wants to see increased American investment abroad, increased dollar aid going abroad and somehow he is committed to coupling all this with a sound dollar and an end to the gold drain. If he succeeds in finding some way of realising these two objectives, then the worst effects of American retrenchment may be spared this country.—*All Rights Reserved.*

INDIAN ORDERS FOR BRITISH FIRM

Two orders worth about £472,000 for the installation of steam-generating plant in India have been received by a British firm of marine and electrical engineers and boilermakers, Clarke, Chapman and Co. Ltd., of Gateshead. One of the plants, a specially designed bi-drum boiler unit, can be fired in four ways—by coal, oil, coal and bamboo sawdust, or oil and bamboo sawdust. It will be installed at the new factory of Gwalior Rayon Silk Manufacturing and Weaving Co. in Kerala, which will be producing pulp from bamboo. The waste sawdust will be used as fuel for the power plant.

The other order is for a coal-fired, bi-drum boiler unit for the extension of the Hussainsagar power station in Hyderabad, Andhra Pradesh. Other recent contracts secured by Clarke, Chapman and Co. have included plant for Bhopal and Satna.

a name to remember...



UNDER SECRETARY TO
5 DEC 1960
PUBLIC DEPARTMENT

Capital Authorised	...	Rs. 5,50,00,000
Capital Issued & Subscribed	...	Rs. 5,50,00,000
Capital Paid-up	...	Rs. 3,00,00,000
Reserve Fund	...	Rs. 3,10,00,000

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MORATORIUM TO BANKS

MR. B. R. BHAGAT EXPLAINS OFFICIAL POLICY

THE Government of India has, on the recommendation of the Reserve Bank, granted a moratorium for a period of forty-three days from 27th November 1960 to 8th January 1961, to the Bank of Nagpur Ltd., Nagpur, under Section 45 of the Banking Companies Act, as amended recently. This has been done in the general interests of the depositors and with a view to facilitating the contemplated reconstruction and amalgamation of the Bank with a bigger and powerful unit. The question of reconstructing the Bank and amalgamating it with the Bank of Maharashtra Ltd. is under the active consideration of the Reserve Bank of India. If the proposed amalgamation goes through, it is expected that the depositors of the Bank of Nagpur Ltd. will receive almost immediately credit for the bulk of the deposits against the readily realisable assets. They will receive subsequently such additional sums as may be available from further realisations that may be made by the Bank of Maharashtra Ltd.

This is the fourth instance of a moratorium being granted to a Scheduled bank after the Palai Bank incident, the other three being those of the Indo-Commercial Bank Ltd., Madras, the New Citizen Bank of India Ltd., Bombay, and the Prabhat Bank Ltd., Delhi. As in the case of the Bank of Nagpur, efforts are being made to reconstruct these three banks also and amalgamate them with other banks, the Indo-Commercial with the Punjab National, the New Citizen with Bank of Baroda, and the Prabhat with the National Bank of Lahore.

While the process of reconstruction and amalgamation is the only sound and practical step, in the existing circumstances, to maintain public confidence in the organised banking sector, there seems to be still a certain amount of misapprehension regarding the policy which the Government intends to pursue. The official policy and the manner in which the powers conferred on the Government by the recent amendment to the Banking Companies Act are to be implemented were explained by Mr. B. R. Bhagat, Union Deputy Minister for Finance, in the course of his speech at the opening of the Ajmere Gate Extension branch of the Bank of India Ltd. at New Delhi on Monday this week. He thus observed:

"I would like to point out, if I may, that this (grant of moratorium) does not by itself indicate any change either in our basic approach to the problem or in the condition of the banking system generally. The word moratorium, in the context of today, has a meaning which is entirely different from the one which it used to have in the days when the Government was not concerned with bank failures or when nothing much could be done in any case in regard to defaulting banks. The moratorium orders which have recently been passed in the case of a few banks are neither disturbing nor unjustified. They are merely the means of facilitating the reconstruction or the amalgamation of the institutions concerned.

"The interests of the depositors, or for that matter of the shareholders, have not been and are not intended to be prejudiced to any extent by these proposals for reconstruction or amalgamation. They are, on the other hand, very carefully preserved and safeguarded; and the ability of the institutions concerned to pay the depositors, and in the order of priority thefeafter, the shareholders, is being improved by the provision of better management and by the creation of improved facilities for the realisation of assets, wherever this is necessary.

"I have considered it desirable to explain our current ideas on this subject at some length, as I think that it is very important for the public to understand that the powers which have recently been conferred on the Government, or the manner in which these powers are being used, cannot by themselves be held to imply that there has been any deterioration in the banking system or any cause for anxiety as to the state of health of our banking institutions."

The Deputy Minister availed himself of the opportunity to refer to the dangers of "ill-informed discussion" of matters relating to credit institutions like banks. He was referring to the rumours regarding the "runs or attempted runs" on one or two leading institutions in recent days. Although these "runs" created no major or difficult problem for the institutions concerned, as they were very strong and in a position to tackle the situation as and when it arose, the Minister added, "the fact that the rumours were in circulation and that the known and elementary facts relating to these institutions had to be restated by those in authority, is, I think, somewhat surprising." Condemning this "extremely unsatisfactory state of affairs," the Minister appealed to the enlightened members of the general public "to be careful and restrained in their comment and to ensure, in so far as they are able to do so, that the circulation of ill-founded, unjustifiable rumours is discouraged."

Mr. Bhagat referred at length to the recent criticism about the manner in which the powers of the Government or the Reserve Bank had been used, while the need for the exercise of these powers and for a positive and constructive policy in relation to the banking system as a whole, had not itself been questioned. It had also been admitted, he said, that the status and responsibilities of banking companies had to be entirely different from those of other companies in the private sector. Mr. Bhagat, however, regretted that the recognition of the problems incidental to our economic growth had not always been accompanied by a precise and full understanding of the contribution which the Government and the Reserve Bank, between themselves, had made towards the consolidation and strengthening of the banking system.

Referring to the system of supervision and control which has been built up over a period of more than ten years, the Minister said that the Reserve Bank had been able to eliminate the weaker, ill-managed and unhealthy institutions, numbering over 250, which had no significant contribution to make towards the growth or progress of the country's economy. Mr. Bhagat testified that the Reserve Bank had been able to achieve this with the minimum amount of dislocation either from the point of view of the depositors or from that of the general public as a whole. Proceeding, he observed: "The result is that nearly all the deposits of the banking system, except for a very small and rapidly diminishing percentage, are today with the very sound and well-established banks. These banks are not only able to pay the depositors in full at any time but are also in a position to take a very broad and enlightened view of their special position and responsibilities in the altered circumstances of the present time." These remarks are gratifying and provide a reply to those who every now and then advocate nationalisation of banking.

Mr. Bhagat also justified the "flexible" credit-control policy of the Reserve Bank and said:

"The Reserve Bank has also used during the last four years or so, the powers conferred on it in regard to the control of the overall volume of credit and the loans granted against certain selected commodities. It has done this, I am glad to say, in a manner which has been flexible and restricted to the attainment of the objects in view. The Reserve Bank, like the Central Government itself, has avoided a doctrinaire and unrealistic approach to the question of dear money or cheap money as such. The only test it has adopted is the pragmatic one, namely, whether the policy which is actually being implemented helps our economic growth and development.

"It is in pursuance of a flexible policy, and as a result of a very careful study of the trends in our own capital markets, as compared with those of the rest of the world, that the credit restriction measures imposed earlier this year have recently been liberalised or modified. The criticism that these measures, or any of them, have not been carefully considered, or that they are not suited to the needs of the economy, seems to me to be quite unjustified. It overlooks the obvious fact that no one measure of restriction or liberalisation can be judged in isolation. On the pragmatic test which I have indicated, it is, I think, obvious and it has also been widely accepted that the overall effect of our financial and monetary policies has been quite salutary."

Mr. Bhagat justified the control on banking on two main grounds. First, whatever may be the mode of providing finance for development, either by banks to their constituents or by the Central or other refinancing institutions to the banks themselves, the ultimate responsibility rests, to a large extent, with the Government, and the Central bank. "It is the Government, with the Reserve Bank's help and advice," he added, "which is ultimately responsible for ensuring that the funds which are accruing to the banking system are not misused or diverted for purpose which may not be in the interests of either the depositors or the country." Secondly, banks are no longer mere proprietory concerns; they are mainly trustees acting for the general public. "If they are to extend their functions in this role," the Minister continued, "they must submit to the discipline which planning increasingly imposes on all of us." The system of control which the Government has been enforcing successfully has, according to the Minister, proved to be effective, without being irksome.

The Union Deputy Minister was of the view that the future of commercial banking in India was very bright. For, according to him, banks have considerable opportunities of assuming and discharging certain concrete responsibilities in relation to India's economic developments. He was confident that the major Indian Scheduled banks would take the lead in undertaking these fresh burdens of economic development and in carrying out the objectives which were common to both the Government and other non-official agencies.

The Reserve Bank has no statutory responsibility for control and supervision of the co-operative banks. Disclosing this in reply to a question in the Lok Sabha last week, the Deputy Minister of Finance, Mr. B. R. Bhagat, added, however, that since 1952, the Reserve Bank had been conducting inspection by a voluntary arrangement with the consent of the banks concerned. So far, it had completed two rounds of inspection of all central co-operative banks. Periodical audit of these institutions by the State Governments supplemented by the inspection by the Reserve Bank served to keep a watch over their working.

The Reserve Bank of India is in close and continuous touch with commercial banks and financial institutions in the country and with the Government of India with regard to the monetary and credit system in India, according to the Finance Minister, Mr. Morarji Desai. Replying to a question in the Lok Sabha last week, Mr. Desai said that appropriate measures were taken from time to time to ensure its smooth working. Therefore, he added, the appointment of a commission did not seem to be necessary at the present stage.

ON THE ARENA

(*Concluded from page 992*)

are fit only to be consigned to the waste-paper basket and only the theories of the neo-politicians regarded with any respect. Textbook maxims contain the distilled wisdom of the ages and we disregard them only at our peril. It is a pity that the writer has dealt with such a serious subject so flippantly. I would particularly invite the attention to the following portion of his article:

"I ask, of what use is it for us to consider this example (the example of West Germany) when we keep on calling German post-war recovery as the 'German Miracle.'

"Ludwig Erhard, the architect of West German post-war economic recovery, has written a book with the title *Prosperity Through Competition*, in which he has explained in great detail how the transformation was effected. Those who refuse to learn the lessons of his methods try to decry his achievements by calling them a miracle, and your contributor apparently belongs to that tribe. Mr. Erhard has cried out against his detractors in the following words:

"'Since all the successes which have been achieved as a result of my economic policy can be traced back to the activities of those actively taking part, I do not believe that the idea of a "German Miracle" should be allowed to establish itself. What has taken place in Germany during the past nine years is anything but a miracle. It is the result of the honest efforts of a whole people, who, in keeping with the principles of liberty, were given the opportunity of using personal initiative and human energy. If this German example has any value beyond the frontiers of this country, it can only be that of proving to the world at large the blessings of both personal and economic freedom.'

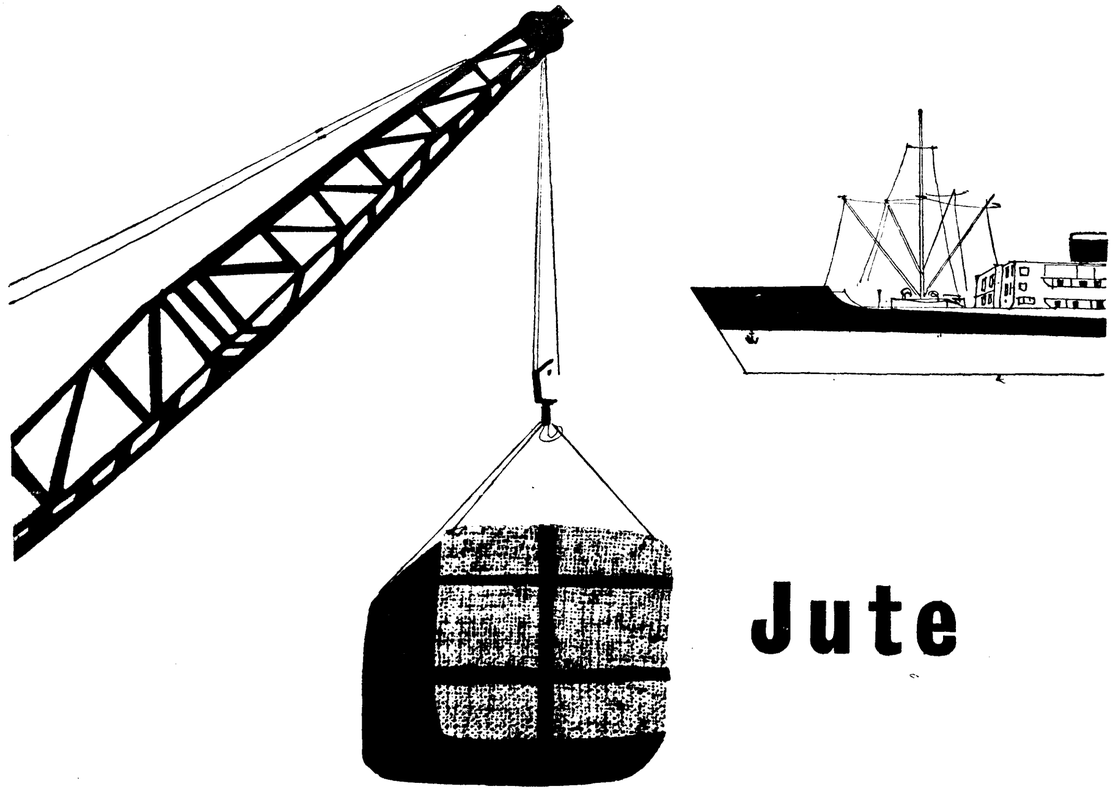
"Writers like your contributor obstruct the lessons of the German achievement benefiting other countries. The whole attitude of your writer is condensed in his closing remarks: 'I am afraid this subject of inflation and high prices is becoming an obsession with most of us and tends to increase our frustration.' The potential mischief in inflation is so great that no patriot can afford to turn away from the subject in despair. It is the duty of every intelligent citizen, especially those technically qualified to deal with this intricate subject, to tell the TRUTH (and nothing but the truth) to the public and to warn them against the disaster that is waiting round the corner, if our rulers do not desist from inflation before it becomes a runaway inflation."

Bangalore. P. H. S. RAO.

• • • •

[The Archer's piece on "Inflation—What Remedy?" was a synopsis, in lighter vein, of a few recent articles and speeches on the subject. Its purpose was mainly to indicate the diversities in approach. When some of the suggested remedies were labelled as textbook solutions, all that was meant was that they were well known and somewhat elementary. There was certainly no suggestion here, even by implication, that they should be consigned to the waste-paper basket.

Dr. Erhard's thesis has been expounded in two books: *Germany's Come-back in the World Market* and *Prosperity Through Competition*. Anybody who has seen things for himself in West Germany will agree that many features in its economic technique can be adopted by India too. Only, we will face obstacles, some economic and some psychological. German recovery should not be called a "miracle," for, when this is done, it ceases to be classed as practicable in our country and is thus an admission of our defeatism. That, probably, was what the Archer had in mind when he wrote in obvious anguish: "Of what use is it to consider this example when we keep on calling it a miracle?" In a way, the Archer appeared to have translated, in a sarcastic vein, a part of Dr. Erhard's declaration which, incidentally, the correspondent himself has quoted. Obviously the cause of the Archer's frustration has been misunderstood.—ED.]



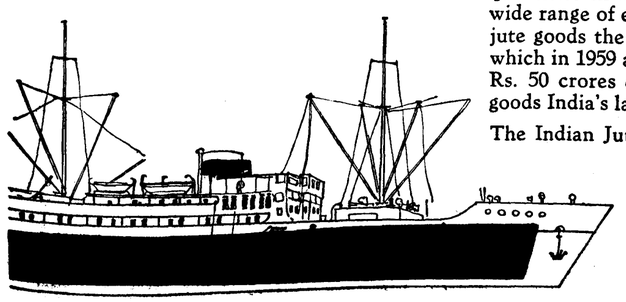
Jute

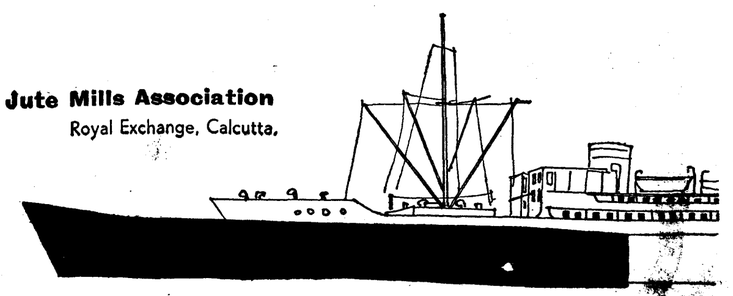
in the forefront of India's export trade

The Indian jute industry is essentially an export industry. Almost 80% of the industry's production—or about 900,000 tons of jute manufactures—is shipped to overseas markets; 55% of the jute goods used as packaging material throughout the world are supplied by India.

But jute no longer serves merely as the humble gunny or hessian bag. Today, jute fabrics are used in large quantities in industrial processes to give a remarkably wide range of end-products. From the massive export of jute goods the country earns valuable foreign exchange, which in 1959 amounted to Rs. 110.8 crores. Out of this, Rs. 50 crores came from the dollar area, making jute goods India's largest dollar-earner by far.

The Indian Jute Mills Association—the organisation of the industry—carries on extensive propaganda in several foreign countries to promote the exports of jute goods, undertakes research at home to widen the applications of this golden fibre.





Issued by the **Indian Jute Mills Association**
Royal Exchange, Calcutta.

IWP IJM 4290

MR. L. B. SHASTRI ON TEXTILE SITUATION

NO RATIONING CONTEMPLATED NOW

THE Press version of Mr. Lal Bahadur Shastri's statement in the Lok Sabha on 14th November created much confusion in the minds of cotton textile interests, in that it gave the impression that the Government was contemplating to reintroduce statutory price controls and rationing of textiles. It is, however, gratifying to be told that the Press version was distorted and that Mr. Shastri did not hold out any such threat. All that he stated, according to the Press note issued by the Indian Cotton Mills Federation, was as follows:

"The revision of cloth and yarn prices recently announced by the industry represents a definite reduction. The new cotton crop will be made available to the mills at reasonable prices. Normally, cotton begins to come into the market by the end of November in fair quantities. The question of introducing controls and rationing of cloth may not arise at all, if adequate supplies of cotton become available and, as a result, the prices of cloth and yarn come down of their own accord. I will review the cloth and yarn price situation towards the end of this year."

After Mr. Shastri's statement was wrongly reported in the daily Press, the Press Information Bureau of the Government of India should have immediately issued a Press note giving the correct version of the statement. It is to be hoped that the Bureau will be a little more alert in future, so that doubts and misconceptions arising from wrong reports of Ministers' statements can be avoided.

That Mr. Shastri is not in favour of controls is evident from his reply to a memorandum submitted by the Bangalore Wholesale Piecegoods Merchants' Association on Saturday last. Mr. Shastri is reported to have said:

"The three wings of the cotton textile industry—mills, wholesalers and retailers—should voluntarily co-operate among themselves in regulating and controlling the prices of cotton textiles. If this is done, I have no doubt that the position will improve. In case they do not do so, the Government will have to consider taking other steps. But I do not like to dilate on these steps, namely, introduction of controls and rationing. This is because I feel that the organisations concerning the industry will themselves take steps and will not force the Government to have measures which they do not like. I do not like these measures, because introduction of controls has its own evils which sometimes are fairly of a serious nature. There may be some advantages, too. However, if there is no way out, the Government will have to adopt such measures."

Mr. Shastri admitted that the position in respect of cotton textile prices had eased considerably following the efforts of the Federation. The rise in prices of cloth, he said, had been arrested, and fine and superfine cloth were being sold at prices below the prescribed levels. But he expressed dissatisfaction with regard to medium and coarse varieties of cloth the prices of which had not come down. In such circumstances, Mr. Shastri added, the plea of wholesalers for the enhancement of the profit margin from 15 to 20 per cent. was "rather embarrassing." Urging efforts to reduce prices, he said: "The shortage of cotton felt sometime back has been removed and imports from the U.S.A. and other countries are expected to flow on a big scale. It is for the mills to see that prices of cotton fabrics come down automatically." Mr. Shastri categorically rejected the plea for higher margin, but expressed his readiness to consider whether any further concession could be made without increasing the commission. And he also assured the trade that he would ask the Textile Commissioner to look into the question of railway freight.

A reference to the penalty of Rs. 500 per powerloom imposed for the registration of unregistered powerlooms in existence in Mysore State was also made by Mr. Shastri. His reply was as follows:

"I do not consider this (the penalty) very high, in view of the fact that 6,000 of such powerlooms have been illegally established since 1956. This has created difficulties for the Government in the matter of yarn supply. It is necessary to legalise the powerlooms by requiring them to be registered by paying the penalty. I will, however, extend the time for such registration by two or three months. I am even prepared to take the amount of Rs. 500 in three or four instalments."

This is, indeed, a generous offer, considering that those who are affected are guilty of having contravened the law. It is in the interest of powerloom owners to avail themselves of this opportunity to attain the legal status. They have a good economic justification to exist, but they will be spoiling their case, if they do not comply with the requirements of law.

INDIA'S FOREIGN TRADE IN WOOL

Exports of raw wool from India during January-June 1960 showed a decline of 4 per cent. as compared with the corresponding period of 1959, the quantity actually shipped being 18.2 million lbs. Shipments to the United Kingdom and the Common Market fell by 11 per cent. and 18 per cent., respectively. Exports to the Soviet Union, however, rose from just 300,000 lbs. to 4.7 million lbs. During the period, internal prices were maintained by strong Russian demand. Other foreign buyers were not prepared to pay prices which were often out of parity with the world level, and so shipments to these countries dropped.

During the first six months, imports of raw wool were 79 per cent. higher than the corresponding period of last year, while those of wool tops (processed wool) declined by 19 per cent. It is believed that this greater import of raw wool results from the more intensive use of wool-combing machinery in the country. Prior to import restrictions, the manufacturers found it more economical to buy tops. Now raw wool, costing comparatively less foreign exchange, is taken whenever possible. Imports of raw wool from Australia more than doubled. Receipts of tops from both Australia and the United Kingdom, the chief sources of Indian imports, fell by 14 per cent. each. This trend is expected to be intensified when newly licensed combing plants come into full commission.

Delegates from the three main wool growing countries of the Commonwealth—Australia, New Zealand and South Africa—met at London recently to discuss new plans to sell more wool throughout the world. The delegates represented a total of more than 175,000 wool growers. They are the Executives of the International Wool Publicity and Research Fund set up 23 years ago by the Commonwealth wool growers. Total capital investment of fine and raw wool sales now amount to more than £450 million a year.

After a week's deliberation, the leaders reached full agreement on a new administrative plan for the International Wool Secretariat. The plan includes fundamental changes in the constitution of the Secretariat, which are designed to make it more flexible and efficient.

towards the Quarter Million mark

INDIAN TUBE is expanding again! A licence has just been granted to instal a second high-speed, continuous weld mill, with a capacity of 90,000 metric tonnes a year, at the Jamshedpur works, taking the total in this category of tubes to 200,000 tonnes.

Adding to this the 30,000 tonnes of seamless, and 20,000 tonnes of electric resistance weld tubes made at Jamshedpur, the total tube capacity will stand at a quarter million tonnes—an impressive advance since the first mill went into operation five years ago. In addition, Indian Tube makes tubular steel poles for which it has a capacity of 150,000 a year.

With all the technical and service facilities already available at Jamshedpur, this latest expansion will, like the others, be speedily completed to provide a substantial increase in output, bridging the present gap between demand and supply.

INDIAN TUBE

THE INDIAN TUBE COMPANY (1953) LTD.
A TATA-STEWARTS AND LLOYDS ENTERPRISE

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COTTON MILLS WORKING EFFICIENTLY

LABOUR FORCE SHRINKS

From Our Special Correspondent

MANCHESTER, *23rd November*

TUCKED away at the bottom of the columns of a few newspapers last week was an item which might have very substantial repercussions for Lancashire textile traders. A message from Hong Kong simply said that China had agreed to supply 5,000 million gallons of water a year indefinitely to the Colony. Shortage of water has long been one of the chief drawbacks to the expansion of the textile finishing trade in Hong Kong. All observers who have visited the Colony have commented on this situation and there have been frequent references to the effect of a drought on the factories which have been growing up in profusion in the Colony during the past few years.

MANCHESTER LETTER

Already there has been a notable change in the type of goods being exported to this country from Hong Kong, mainly as a result of the voluntary agreement to curtail shipments of grey cloth. The garment-making industry has lately provided much bigger supplies for the British market and, now that the threat of a shortage of water seems to have been removed, there is little to impede the progress of finishing works, except perhaps lack of space. At all events, the development bodes no good for the processors of grey cloth in this country, who already have enough troubles of their own, as exemplified by the reorganisation plan, which is not proceeding very smoothly.

Hong Kong millowners have not reacted favourably to the comment recently made in Lancashire that a good deal of the Continental cloth now being imported could have been supplied by the Colony were it not for "unrealistic delivery dates and prices." Local traders persist in their contentions, but advices from Hong Kong deny the allegations. They point out that sales for re-export from the Colony during the second quota year up to the end of October were over 18 million square yards and assert that delivery dates have shortened considerably in recent weeks. Many mills are now said to be quoting facilities for shipping goods in little more than one month, while prices are being maintained at a steady level as a result of the barter arrangement with Indonesia.

Holding the Line

Anybody intimately connected with Lancashire cotton trade affairs at the moment would scarcely subscribe to the view that the industry is standing still. Developments which have taken place even within the past few months have brought an animation which was singularly lacking in similar trading periods some years ago and the major reconstruction, which has taken place as a result of the disposal of so much redundant plant, hardly smacks of inactivity. Yet when figures for production and employment are considered, the situation is very much "as you were." The variations from month to month, particularly when holidays are involved, must be anticipated; during the summer, the seasonal dwindling of output has been much as usual but the mills are now back at full stretch, hampered only by the labour problem, which presents such fundamental difficulties in virtually every district.

In September, average weekly cloth production at 36,650,000 yards reverted to the June level, but the long week-end holidays interfered with a return to the peak figures recorded at the beginning of the year. A similar situation occurred in the spinning branch where yarn output averaged 14,550,000 lbs. per week—about 1,000,000 lbs. lower than the highest point reached in May.

Jobs for All?

For the first nine months of the year, the general level of output is almost identical with the comparable period in 1959. Yarn production amounted to 556,680,000 lbs., as against 558,580,000 lbs. In cloth, the comparison is just as close. The quantity woven in the first nine months of this year was 1,412,710,000 yards, as against 1,411,480,000 yards.

During the twelve months ended September, the labour force on the books of employers in spinning and weaving has fallen by rather more than 14,000, so that the trend of output is mainly the result of more efficient working in the mills and the introduction of shifts. It is very noticeable, however, that, since the end of the scrapping programme in spinning and weaving, which was completed in March, the manpower situation has been practically static. At the end of the first quarter, the labour force was 183,890; at the beginning of October, it was 184,410. Slight variations took place within the different sections in that manpower in spinning has fallen by just over 1,000 in the six months, while in weaving the labour force has increased by 2,000. Small reductions have taken place in the number of employees in doubling and waste spinning.

Deliveries and Orders

Board of Trade statistics covering the textile and clothing industries for the month of September have attracted some attention, particularly as they show that net new orders were running at a distinctly lower level than during the same month last year. It should be recalled, however, that a very big buying movement had then developed on the strength of the response to the reorganisation schemes in spinning and weaving.

The orders held are still 30 per cent. higher than in April 1959, although they are very slightly lower than earlier this year. Deliveries in September were 2 per cent. up on the same month in 1959 and apart from October last year, have not been exceeded since the inauguration of these figures from April 1959.

In contrast, official returns show that manufacturers' sales of made-up clothing in September were higher than at any time this year and were 14 per cent. above the same month in 1959. All sections of the industry shared this increase, but mainly as an outcome of the exceptionally wet weather, deliveries of waterproof garments showed a very pronounced rise, being 57 per cent. above the level recorded a year previously.

Closer Ties

More pooling of resources between the cotton and man-made fibres industries in the U.K. is foreshadowed by the announcement that a joint Cotton and Man-made Fibres Tariff Section is to be established. As the statement says: "The linking of the activities of the Cotton Board and the British Man-made Fibres Federation in this field is a logical development of the close co-operation between the two organisations on tariff matters for many years."

Duplication of effort should be eliminated wherever possible in industries which are so narrowly separated in their ideas and projects. Both organisations have extensive statistical information at their disposal and on topics such as tariffs, much necessary routine work obviously overlaps. The industry as a whole will be served more effectively by the joint study of the latest position as regards changes in customs tariffs, so that traders can obtain the relevant information without switching from one branch to another when different fibres are involved.—*All Rights Reserved.*

TEXTILES IN U.S.

The American cotton industry's preoccupation at the moment with imports seems to be an extension of the same highly complicated situation which faced traders in Britain a few years ago and which has only been temporarily alleviated by the voluntary restrictions on exports, self-imposed by the the leading Commonwealth textile producing countries. The way in which those involved in such negotiations can advocate apparently contradictory doctrines is illustrated by proposals which some politicians in the U.S. are planning to bring forward in the next session of the Congress. One Senator is to urge the establishment of a system of textile import quotas on a country-by country basis, including varying quantities of specific types of textiles. At the same time, the sponsors of this arrangement have put forward a 12-point programme, one of which calls for renewed efforts to eliminate foreign trade barriers against American products.

Commenting on the aforesaid development, Messrs. Frederick W. Tattersall Ltd. of Manchester observe: "Past experience has shown that individual countries are extremely sensitive to this type of behaviour by others; discrimination on any single issue invariably leads to retaliatory measures. Senator Bridges, the protagonist of these ideas, however, seems to be a man unafraid of stepping 'where angels fear to tread.' Not only are his views on the import quota arrangements contradictory, but he invites criticism from other sectors of the American economy by urging the Government to encourage foreign nations to switch their exports to the U.S. away from textiles and into other products 'able to withstand heavy competition from abroad.' Such candour is at least refreshing, if liable to lead to repercussions from elsewhere! America's foreign aid programme has often been under fire from those who have to foot the bill at home. The Senator has called for a special watch to be kept on expenditure liable to result in excessive expansion of foreign textile industries, especially when such expansion is clearly intended to build up textile exports."

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COTTON CROP PROSPECTS ENCOURAGING

ARRIVALS GATHER MOMENTUM

IN no other season, the probable size of the cotton crop had exercised so decisive an influence on the cotton policy of the Government of India as it has done in the current cotton marketing year. The Government's policy has been geared not only to the overall estimated size of the crop but also to its pace of movement. Quotas of indigenous cotton are being issued to mills in instalments according to the volume of arrival of new crop, with a view to discouraging scramble for cotton and preventing cornering of available lots by the more powerful and resourceful mills. Random requisitioning is being resorted to as a check against spurt in raw cotton prices.

Quotas for Indigenous Cotton

That this policy would continue to be pursued till such time as the circumstances warranted a change was confirmed by Mr. W. R. Natu, the Textile Commissioner, in Kanpur last week. Addressing a meeting of the textile millowners of U.P., Mr. Natu said, on the 22nd inst., that the Government hoped that cloth prices would come down when new crop arrived in the market in larger quantities in December and that, under no circumstances, raw cotton prices would be allowed to pierce the ceiling fixed under law for the current season. He pointed out that marginal requisitioning of raw cotton had already resulted in a fall in prices. Mr. Natu also said that the quota already allotted to mills in Northern India (30 per cent. of annual consumption) would not be raised for three months, as the Government wanted cotton prices to come down and to ensure adequate supplies to mills in all textile centres. The Government, he added, would, however, consider the question of issuing additional quotas, if it was found that cotton was moving faster.

Thus, the policy of releasing quotas to mills has come to be hitched entirely to the size and movement of the crop, thanks to the bitter experience of the last season, when, due to the sharp decline in production, prices pierced the ceiling early in the season. Crop outlook this season, on the other hand, is encouraging and it looks as though a crop of 5 million bales expected at the start of the season might materialise.

Crop Development

Weather conditions till the end of September were ideal and at the end of the month hopes of a good crop strengthened. October is a critical period and that month, too, has passed without any major damage to the crop, though dry weather in the Punjab and locusts invasion in the central cotton belt did affect the crop adversely. In the Punjab, crop estimates had to be scaled down slightly. Contrary to the experience of the past two seasons, the trouble with this year's Punjab crop seems to have been too little, rather than too much, moisture. Extremely dry conditions, without any dewfall, prevailed from the middle of August till the end of October. Under these conditions, fruiting of late-sown plants was considerably less than normal. The central belt, consisting of the Oomras, Gujarat and Saurashtra, had mostly dry and sunny weather which hastened the maturing of plants. Although swarms of locusts appeared in various parts of Oomras and Gujarat, the actual damage done appears to have been insignificant. Towards the end of the month, arrivals of 197/3 crop started in Berar and Khandesh regions. This year's 197/3 crop is reported to be very promising.

In the South, there were excessive rains in October. This additional moisture, however, proved beneficial for the growing crops in the Westerns and Comptah regions. The untimely and excessive rain in November is feared to have done damage to the crop. No estimate of the possible destruction is, however, available at present.

New crop arrivals gives an indication of the crop position during the current season. Total arrivals till the end of October aggregated 235,000 bales, comprising 125,000 bales in the Punjab, 100,000 bales in the Oomra region and 10,000 bales in other places, as against 170,000 bales in the corresponding period of the previous season. It is noteworthy that, barring the Punjab, arrivals in all other regions have been very much higher. The movement of the crop gathered momentum in November and, if everything goes well, by the end of December, a sizable portion of the crop would have come to upcountry markets.

REQUISITIONING BENGAL DESHI

In response to representations from mills consuming Bengal *Deshi* cotton that they are not able to procure their requirements within the ceiling prices and at their specific request, limited stocks of Bengal *Deshi* (about 5,000 bales) cotton have already been requisitioned by the Textile Commissioner. Additional stocks will be requisitioned if applications are received from the mills, states a Press note issued by the Textile Commissioner this week.

With a view to ascertaining the actual quantity of Bengal *Deshi* cotton required for the whole season, textile mills and factories engaged in the manufacture of absorbent and surgical cottons have been requested to send to the Textile Commissioner particulars of their requirements, giving information about: (1) stocks and outstanding deliveries of Bengal *Deshi* cotton at the end of the season 1959-60; (2) first quota of Indian cotton granted this year, that is, 1960-61; (3) purchases of Bengal *Deshi* cotton made from this year's quota; (4) total requirements of Bengal *Deshi* cotton during the season 1960-61; (5) additional quota required to complete the season's requirements of Bengal *Deshi* cotton, and (6) the quantity desired to be requisitioned for the consumption of mills, if any.

In the meanwhile, the Government has viewed with concern the rising trend of prices of Bengal *Deshi* cotton in the Punjab. With a view to holding prices below the statutory ceiling, the Textile Commissioner has banned the movement of Bengal *Deshi* cotton from the Punjab, Rajasthan and U.P. to any other place in India without obtaining a permit from him, except in cases where the cotton is intended for delivery directly to a mill. Cotton ginning and pressing factories, the trade and mills have been asked to co-operate in the maintenance of prices within the statutory ceiling, so that imposition of more stringent measures may be avoided.

IMPORT OF FOREIGN COTTON

The Government of India's decision last weekend to start issuing licences for the import of 200,000 bales of cotton (400 lbs. each) of stapling 1.1/16" and above from any area has been received with a sigh of relief by importers and consumers of foreign cotton. The import quota for this quantity was announced as early as July last. Out of the quantity of 200,000 bales, 50,000 bales will be allocated to mills against their retention quota under the export incentive scheme. The balance of 150,000 bales will be distributed to the consumers of foreign cotton. 50,000 bales of cotton of staple length 1.1/16" and above but below 1.3/16" will be distributed to consumers of this type of cotton on the basis of the allocation of such cotton during the last season and the balance of 100,000 bales will be distributed to consumers of foreign cotton of staple length 1.3/16" and above on the basis of allocation of such cottons during the last season. In both cases, for purposes of calculation, the quantity under retention quota and previous expired quotas, if any, will be excluded.

Mills applying for licence to import cotton of staple 1.3/16" and above are required to pay, as usual, to the Indian Cotton Mills' Federation or the Southern India Millowners' Association, a premium at the rate of Rs. 160 per bale. The premium for cotton of staple length 1.1/16" and above but below 1.3/16" is Rs. 120 per bale.

The shipment period in respect of this quota has been staggered, as suggested by the Indian Cotton Mills' Federation. Half the quantity may be shipped before 31st March 1961 while the other half should be shipped only after that date but before 31st May 1961. Applicants have been asked to indicate the quantities they wished to ship before and after 31st March 1961.

While the anouncement has been welcomed by mills, the trade, which had hoped that it would be given a chance to participate in the imports, has been disappointed because it has been left out again.

SUDAN COTTON

The Sudan Gezira Board made good progress in the disposal of its unsold stocks of 1960 crop cotton. By the end of October, the unsold balances of Gezira Sakel and Gezira Lambert were reduced to 5,800 bales and 14,900 bales respectively. The Gezira Board decided to hold 3 auctions weekly, with effect from the beginning of November.

Private growers have already sold out their entire production of 171,000 bales PL cotton. The weather has been generally favourable for the development of the 1961 crop and the young plants have been progressing satisfactorily so far. Provided the weather in November was not too cold, a normal crop may be expected.

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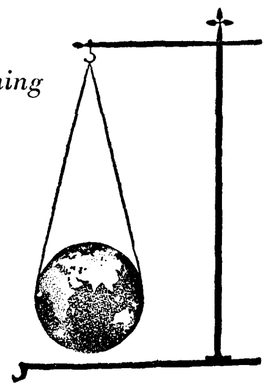

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TRENDS IN WORLD SUGAR

HIGHER OUTPUT MAY OUTSTRIP CONSUMPTION GROWTH IN THE NEXT DECADE

THE world sugar supply position will continue to be quite comfortable during the next decade and prices will not show any hardening tendency. This is the impression that one gets from the latest annual review of the U.N. Food and Agriculture Organisation. It is true that the world consumption of sugar will increase substantially, especially in the low income countries with small *per capita* consumption, in response to both higher real incomes and, perhaps, a decline in the prices of sugar relative to other foods in most countries. But the growth of consumption is expected to be outstripped by the upward trend of production. The F.A.O. says: "Protectionist policies, which aim at saving foreign exchange and at diversifying agriculture, or which have been prompted by various political and social reasons, are stimulating a new wave of expansion in sugar production in many countries and the establishments of new sugar industries in countries which until now depended on imports."

The current sugar season (1st September 1960-31st August 1961) commenced with fairly large carryforward stocks, amounting to 12.0 million metric tons. This quantity, though it is slightly less than the opening stocks of the previous season (1959-60), was markedly higher than that in the season preceding it (1958-59). The large opening stocks of 12.2 million tons in 1959-60, together with the actual output of 48.2 million tons (centrifugal sugar only), give a total available supply of 60.4 million tons, as compared with 58.9 million tons in 1958-59 and 54.2 million tons in 1957-58.

Current Season

No information is yet available as to the trend of world sugar production in the current season, but indications are that it will be higher than in 1959-60. The first estimate of the European beet sugar output released by Messrs. F.O. Licht of Britain places the total production at 20.81 million tons, as against 17.22 million tons in 1959-60. The anticipated rise in output is shared by both Western Europe and Eastern Europe, as is shown below:

(Metric tons—raw value)

	1960-61	1959-60
W. Europe	9,540,600	7,906,723
E. Europe (excluding Russia)	4,167,000	3,216,505
Soviet Russia	7,100,000	6,100,000
Total Europe ...	20,807,600	17,223,228

The world production of centrifugal sugar in 1959-60, as already stated, was of the order of 48.4 million tons (excluding Mainland China), which is slightly less than the record output of 1958-59, but well above the crop of other recent years. The smaller figure mainly reflects the effect of the drought in 1959 on the beet sugar output of Western Europe which fell by 12 per cent. In terms of quantity, the reduction comes to one million tons. There was, however, a substantial expansion in production in North and Central Americas, due largely to higher crops in the U.S., Puerto Rico and Mexico. The slight decline in the sugarcane output in South America was principally the result of adverse weather in Argentina, as well as limitation of output in Brazil because of large stocks and quota reduction under the International Sugar Agreement. Although bad weather caused a fall in production in the Union of South Africa, this was compensated by a record crop in Mauritius. Output was larger in all the major Asian producing countries, except Taiwan which suffered flood damage. In Turkey, production rose by 43 per cent. with increased area and favourable weather. The F.A.O. report attributes the increase in sugar production in India during 1959-60 to "higher domestic prices following the scarcity of centrifugal sugar early in 1959." But the factors actually responsible for the record output of sugar (2.42 million tons) were the bumper cane crop (75.04 million tons) and the Government of India's scheme of incentives in the form of rebate of excise duty and enhanced cane prices.

The following table indicates the trend of world centrifugal sugar production in the past three years as compared with the average output for the seasons 1952-53 to 1956-57:

(In million metric tons)

	1959-60	1958-59	1957-58	1952-53 to 1956-57 (average)
North and Central America ..	13.8	13.3	12.5	11.2
Western Europe	7.2	8.2	7.1	6.6
Asia*	9.7	6.6	6.4	4.9
South America	6.0	6.3	5.2	4.4
Africa	2.6	2.2	2.1	2.0
Oceania†	2.5	2.5	2.2	2.4
Total free world ..	38.8	39.1	35.5	31.4
Eastern Europe and U.S.S.R.‡ ..	9.4	9.5	8.3	6.6
Total world* ..	48.2	48.6	43.8	38.0

* Excluding Mainland China. † Including Hawaii. ‡ Trade figures.

Following the exceptionally good harvests in many sugar importing countries during 1958-59, world trade suffered a distinct setback in 1959. The aggregate world exports amounted to 14.6 million tons, or about a million tons less than in 1958. Exports from Cuba, at 5.0 million tons, were 12 per cent. lower than those a year before. Imports into Western Europe were approximately 5 per cent. below the volume of the previous year.

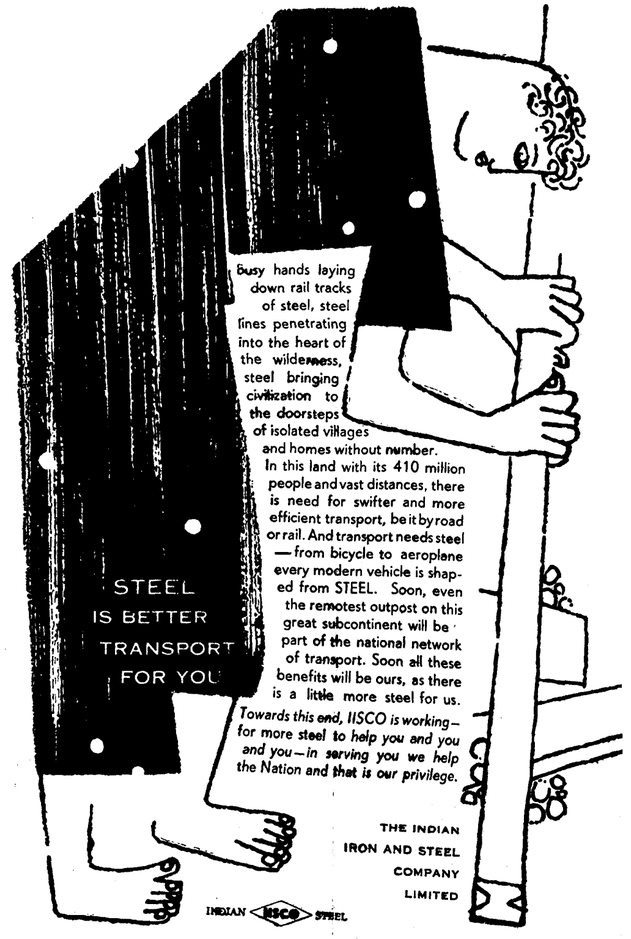
Sugar Prices

With ample supplies in the market and uncertainty in trade quarters regarding Cuba's sugar policy, the world prices fell continuously in the first half of 1959 and stood at as low as 2.55 cents per lb. in July 1959, the lowest level since the war. Subsequently, prices recovered partly in response to the action taken by the International Sugar Council but also because of large U.S.S.R. purchases and the prospect of a smaller European beet crop and the consequent larger import requirements in 1960. By October 1959, the average monthly price had risen to 3.10 cents.

The world sugar price, however, declined again in the following months, in spite of higher imports into Western Europe and substantial sales to the East European countries (which appear as exporters in the International Sugar Agreement). The average price in November 1959—March 1960 was 3.00 cents, as against the minimum price of 3.15 cents stipulated in the Agreement. The Sugar Council met in March-April 1960, and it was agreed not to raise the export quota from the 85 per cent. of basic tonnages decided earlier. This was expected to strengthen the market, as supplies and demand appeared to be closely in balance. But, owing to various factors, including the sale policies of some major producing countries, the rise in prices was only short-lived. These factors, coupled with the prospects of a better crop in Western Europe and other areas, brought about a further decline in prices, particularly in the futures market positions, during June 1960. The world sugar price currently stands at 3.25 cents per lb. in New York and £27 per ton in London.

Indian Sugar Exports

It is against this background that one has to assess the outlook for Indian sugar exports. In view of the wide gap between India and world prices, exports will be possible only at a considerable loss. Considering the necessity of earning foreign exchange, there may, however, be the need for building up an export market for sugar. But the loss on exports must be reduced, say, by selling sugar to the U.S. at a special price which it was paying to Cuba. It may be noted here that, out of the 50,000 tons of sugar released for export on 17th September 1960, about 10,000 tons had been sold up to 15th November—7,000 tons to Malaya and 3,000 tons to Middle East countries. The foreign exchange earned is estimated at Rs. 46 lakhs. But the loss of rupee resources on this transaction is quite considerable.



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TEA STATISTICS FOR 1959 ANALYSED

PRODUCTION AND PRICES HIGHER, BUT EXPORTS LOWER

THE year 1959 was on the whole a satisfactory one for the tea industry in India. Although exports during the year were lower in terms of both quantity and value, thus bringing about a fall in foreign exchange earnings, the prices fetched in both Calcutta and Cochin auctions were higher than in 1958, except for Darjeelings, tippy Assams and a few other quality grades. Producers of common teas were thus able to obtain better prices for their teas than in recent years both in India and London. Disclosing this trend, *Tea Statistics—1959*, the sixth in its series, published by the Statistics Branch of the Tea Board of India, shows that the area under tea, as well as production, recorded an increase over the previous year. The upward trend in production was thus maintained unbroken since 1952, though the pace of increase was less marked than that in 1958.

The estimated production during 1959 was 719.68 million lbs., representing an increase of 2.68 million lbs. over the actual output in 1958, at 717.00 million lbs., which was higher than the 1957 production by no less than 31.80 million lbs. The production during the year under review comprised 564.80 million lbs. from North India and 154.88 million lbs. from South India. As compared with 1958, the production in North India was higher by 9.70 million lbs., while South Indian output was lower by 7.02 million lbs. Of the increase of 9.70 million lbs. in North India, Dooars alone accounted for about 6.5 million lbs. The production in India during the last five years is compared with those of the other countries in the following table, which shows to what extent the African countries have expanded their output of tea.

(In million lbs.)

Countries	1959*	1958	1957	1956	1955
India	719.68	717.00	685.20	680.61	678.37
Pakistan	57.17	56.41	46.43	55.04	52.48
Ceylon	413.13	413.15	397.77	375.58	380.01
Indonesia	96.43	102.65	108.87	94.65	96.99
Kenya	27.87	25.18	22.02	21.27	19.06
Uganda	9.76	8.26	8.02	6.80	6.96
Tanganyika	8.15	6.33	6.13	5.35	4.52
Nyasaland	23.27	23.29	18.09	20.80†	17.50†
China	N.A.	312.00	240.00	265.00	238.00
Japan	N.A.	164.44	159.57	155.07	160.62
Formosa	N.A.	34.75	33.07	29.61	32.36
Argentina	N.A.	N.A.	21.40	23.75	4.04

* Provisional. † Estimated.

The area under production of tea as on 31st March 1959 was 809,555.74 acres, having gone up from 798,849.54 acres at the end of 1956-57 and 803,968.86 acres a year later. On the basis of the output in 1958, the yield per acre works out to 886 lbs., which compares favourably with 852 lbs. in the previous year. A breakdown of the per-acre yield shows that the yield in South India, at 900 lbs., exceeds that (882 lbs.) in North India, as in the previous year, when the South Indian yield at 866 lbs. per acre was in excess of the yield in North India by 18 lbs. Two years ago, the yield in North India was over 100 lbs. more than that in South India. There has been an increase in yield in almost all leading tea producing countries in the world, but the sharpest rise is noted in Pakistan from 606 lbs. to 729 lbs. per acre. In Ceylon, it has improved from 697 lbs. to 721 lbs., in Indonesia from 523 lbs. to 530 lbs. and in East Africa from 642 lbs. to 649 lbs.

The total quantity of tea sold at Calcutta auctions during the season 1959-60 was 320.84 million lbs., which compares a little favourably with 319.87 million lbs. in 1958-59. It, however, falls short of the previous record touched in 1955-56 by 10.98 million lbs. On a calendar year basis, however, the sales in Calcutta showed a slight decline from 330.93 million lbs. in 1958 to 329.88 million lbs. in 1959. The quantity sold in Cochin during 1959 was higher, at 59.05 million lbs., as compared with 54.72 million lbs. in the previous year, and constituted a record in the history of Cochin auctions. At London auctions, 183.97 million lbs. of North Indian tea and 33.83 million lbs. of South Indian tea were sold during 1959, as against 145.13 million lbs. and 38.87 million lbs., respectively, in 1958. The sharp rise in North Indian tea sales lifted the total quantity of Indian tea sold from 183.99 million lbs. to a peak of 217.80 million lbs.

The only other country which substantially increased its sales in London auctions was East Africa, from 33.83 million lbs. to 42.97 million lbs. It may incidentally be noted that the quantity of East African tea sold last year in London was in excess of South Indian tea by 9.14 million lbs. It may also be noted that, in 1952, the first year after the London auctions were reopened, the sales of African tea in London were no more than 13.5 million lbs. or 4.7 per cent. of the total quantity (288.03 million lbs.) offered from all countries. In 1959, they represented as much as 12.1 per cent. of the total of 354.49 million lbs. This gives an idea of the rapid growth of tea in East Africa and its successful competition in the leading international market.

The following table shows the progress of sales of Indian tea for export through the markets in Calcutta, Cochin and London:

(In million lbs.)

Calendar year	Calcutta	Cochin	London
1951	165.89*	17.72	53.57
1955	171.40	24.95	184.98
1956	251.80	30.57	179.60
1957	225.69	38.43	193.73
1958	245.19	36.69	183.99
1959	243.79	41.06	217.80

* For season 1950-51.

The trend of prices fetched at the various auctions during the last four years is fully indicated by the following comparative table:

(In rupees per lb.)

	1959	1958	1957	1956
At Calcutta :				
For export	2.17	2.14	2.23	2.15
For internal consumption—				
Dust	2.00	1.90	1.88	2.00
Leaf	1.59	1.46	1.53	1.24
At Cochin :				
For export	2.19	2.10	1.93	2.22
For internal consumption—				
Dust	1.80	1.56	1.61	1.74
Leaf	1.08	1.02	1.64	1.04
At London :	s. d.	s. d.	s. d.	s. d.
North Indian tea	4 10.07	4 10.92	4 8.57	5 1.05
South Indian tea	3 8.46	3 9.85	3 9.07	4 3.11

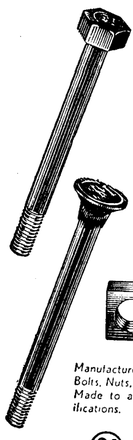
The decline in prices at London in 1959 is accounted for by the fall in prices of quality teas, on the one hand, and the lower export duty prevailing in 1958, on the other. The only two countries which fetched higher prices for their teas were Ceylon and Malaya. Nevertheless, the price of North Indian tea was higher than that fetched by other producers and was as such higher than the average of 4s. 6.59d. for all countries.

The exports of tea from India during 1959 were not encouraging, the quantity having declined from 505.96 million lbs. in 1958 to 472.47 million lbs. and the value thereof from Rs. 136.54 crores to Rs. 126.39 crores. The decline is mainly accounted for by U.K., the exports to which fell from 330.92 million lbs. to 282.57 million lbs. The other countries which took less Indian tea than they did in 1958 were the U.S., Canada, Australia and Iran. Exports to Sudan, Turkey, Iraq, Afghanistan, U.S.S.R., Irish Republic and West Germany, however, showed a marked rise.

The decline of 48.35 million lbs. in exports of Indian tea to the U.K. is a matter of some concern, but it seems to be a part of the general trend. Thus, the total imports into the U.K. from all countries declined by 70.01 million lbs. from 588.28 million lbs. to 518.27 million lbs. The share of India declined from 325.8 million lbs. (55.4 per cent. of the total) to 284.2 million lbs. (54.8 per cent.), that of Ceylon from 160.96 million lbs. (27.4 per cent.) to 137.54 million lbs. (26.5 per cent.), and that of Indonesia from 15.66 million lbs. (2.7 per cent.) to 9.57 million lbs. (1.8 per cent.). The imports from African countries like Nyasaland Tanganyika, Mozambique and Belgian Congo, as well as Formosa, however, recorded substantial increases over 1958.

The estimated internal consumption of tea in India during 1958-59 is 242.98 million lbs. This figure, which is provisional, does not compare favourably with the estimate of 247.96 million lbs. for 1957-58.

According to the estimates prepared by the International Tea Committee, the total world supply of tea during 1959 was 1,513 million lbs., while total absorption was 1,508 million lbs., thus leaving a nominal surplus of 5 million lbs. as against a shortage of the same order in 1958. "It is possible that absorption in the producing countries, particularly India," the Tea Board says, "has been somewhat underestimated by the I.T.C., so that there may not really have been any excess of supply over absorption in India." At any rate, the Tea Board concludes, the world supply and absorption continue to be balanced.



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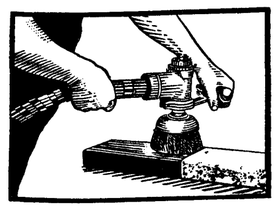
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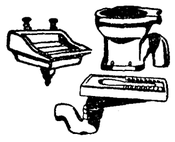
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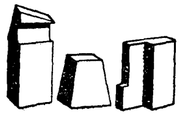
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U.N. CONFERENCE ON NEW SOURCES OF ENERGY

SCOPE FOR APPLICATION IN LESS DEVELOPED COUNTRIES TO BE DISCUSSED

THE Economic and Social Council of the United Nations had adopted, during its thirtieth session, a resolution on new sources of energy—solar energy, wind power and geothermic energy. The resolution was to the effect that a United Nations Conference be held in August 1961, in Italy, to discuss the progress made in the application of these new forms of energy, especially with a view to indicating the possibilities of harnessing them in the less developed countries lacking sufficient conventional energy resources for their economic development. In pursuance of this resolution, preparations are now afoot for this important conference to be held in Rome next year. It is stated that this conference will be devoted solely to the exchange of ideas and experience on new energy sources, focussing attention on applications rather than on scientific principles and basic research. This emphasis will include consideration of how techniques could be brought into wider use, particularly for the benefit of less developed areas. The Conference is also expected to keep constantly in view the practical end-uses of the three energy sources and aim at a better understanding not only of the potentialities and limitations of each but also of the possibilities for their combined use, with one another and with other sources of energy.

It is possible to construct a picture of practical application (present and future) of new energy sources from the "substantial guide lines" provided for prospective contributors of papers to the Conference. To take geothermal energy first. A geothermal field may be found in the natural emission of free steam, or natural occurrence of hot water, or the presence of boron, hydrogen sulphide or other substance normally associated with hydrothermal activity. The bringing of steam or hot water to the surface in production wells raises a number of problems connected with drilling and maintenance of wells. Utilisation of geothermal energy for power generation involves development of simple non-condensing and condensing plants. Recent developments and foreseeable improvements concerning turbines, condensers and compressors are considered in this context. Current experience in the utilisation of geothermal energy for heating purposes and in combined schemes involving power generation, heating and/or by-products is also stated to be considerable.

Wind Power

Recent developments and potential improvements in wind power utilisation are dealt with under three headings, namely, for household and other individual uses, for community purposes (isolated units and units in combination with conventional power sets) and for use in connection with electrical networks. The first category refers to small machines, associated with full battery storage, for electricity supplies to individual households or other isolated premises. Here, actual and potential uses include, for example, domestic amenities (such as for lighting and radio) and small power uses (such as grinding, mixing, and small refrigeration) and special applications such as lighthouses and telecommunication stations. Non-electrical machines, used, for instance, for pumping water, may also form part of new developments. The second category mainly refers to medium-sized machines (or combination of several smaller machines) intended for use by larger establishments, or by communities, when only limited battery storage can be envisaged and when some stand-by plant, of conventional type, might be used. The third category is formed by large machines intended for connection to electrical networks fed by thermal or hydro-power plants when the purpose of the wind power plant is to reduce fuel consumption or to conserve water. Important problems raised here include the choice of the total power capacity of the wind power plants in relation to that of the conventional power plants supplying the network, operating problems relating to the combined wind-power/conventional-power-system and the choice of size and type of the individual power units.

Solar energy is being harnessed for three purposes, namely, mechanical power and electricity generation, heating and cooling. The first purpose is achieved by means of piston engines and turbines and by means of thermo-electric converters. The process of utilising solar energy by direct conversion to electricity, by means of thermo-electric converters, is considered very important in the context of power needs in less developed and isolated areas where electricity is either unavailable or prohibitively expensive. Substantial advances are stated to have been made in the development of thermo-electric materials, solar collectors suitable for this use, thermopile assembly and configuration, storage facilities, etc. Although based on a different principle, thermionic generation is considered a potential method for producing electricity from solar energy. The process of utilising solar energy, by means of photo-electric cells, has also registered some progress, especially in its application in the field of telecommunications. It is noteworthy that increasing attention is being given to new materials suited for use in solar equipment.

Solar Energy

Solar energy is being harnessed for a variety of heating purposes. In the sphere of water heating, design studies, manufacture and installation of solar water heaters are proceeding at a quick pace in a number of countries. The economic value of solar water heating in semi-tropical areas is well established; in temperate climates, it may help diminishing appreciably the use of electricity or of fuels when an alternative exists. Considerable experience have been obtained with solar water heating systems in small- or medium-scale industrial plants. In the sphere of space heating, there is already some experience obtained from several solar-heated buildings. Though space heating in many of the underdeveloped regions is of less importance than space cooling, there are large areas, especially at higher altitudes, where it is needed. As for solar drying, it is nothing new. It has been used for centuries in the drying of agricultural products, almost invariably by the simple process of spreading the material on the ground and directly exposing it to sunshine. Relatively little use, however, has been made of solar-heated air in the drying of materials in more or less conventional drying equipment. Some new developments appear to have taken place primarily in processes and equipment for drying materials by solar-heated gases and liquids.

In the sphere of solar cooking, the most important factors in the development and utilisation of solar cookers are their adaptability to the cooking and eating habits of peoples who might benefit from their use. There are also economic factors such as cost of fuel replaced (measured in units of money or of man-hours for gathering wood), cost and method of financing solar cooker purchase, and the value of the fuel replaced, if used for other purposes (e.g. animal wastes for fertiliser rather than fuel). Furthermore, the technical requirements relating to cooker design and performance, including degree of concentration, thermal output, heat loss output, capacity for cooking (quantity of food, rate of cooking) must be adequately met. Solar cookers are already in use or in broad field testing. Subjects of interest, in this context, are improvements in present designs and materials by which cost reductions can be achieved, possibilities for short-term (few hours) heat storage, integration of cookers with other heating requirements, relationship to cooking utensils and their improvement for solar heat supply, portability of cookers, particularly as related to nomadic living. It is felt that the economic, sociological and statistical data on solar cooker use are of exceptional importance, and that one of the most important purposes of the U.N. Conference will be the exchange of reliable information in this field.

For the utilisation of solar energy, the problem of the storage of heat energy in some form or other is a vital issue, since this source of energy is available for a limited period and only during the day. Two questions immediately arise here: first, the locality or the region, for this will determine the number of hours of sunshine available and its intensity; and, secondly, the end-use of energy, since it will determine whether the storage desired has to be at a comparatively higher or lower temperature. For certain uses, again, the period over which storage is desired may be short as, say, storing during the day and using it at night, while for some other purposes, as, for instance, house heating, the storage period for certain regions may extend over the entire winter months. In this connection, the consideration of the nature of the material and the way it stores energy assumes some importance whether the heat is stored in the form of sensible heat only or as heat of fusion or crystallisation or any other manner.

The cooling purposes for which solar energy is utilised are food preservation by refrigeration and space cooling and dehumidification. It is stated that several research groups are engaged in developing solar refrigerators. Similarly, ice-making machines based on absorption refrigeration have been constructed. But not much is known of developments which have already resulted in some practical application of a commercial or semi-commercial character. As for space cooling and dehumidification, there is already some experience in the matter of absorption refrigeration devices as well as humidification and dehumidification processes.

There are two other lines in which solar energy is being, or can be, utilised. One is the production of fresh water with the help of small- and large-scale distillers. Conversion on a vast scale of sea and brackish water into fresh water at acceptable prices, it is said, would have a great bearing on the economy of many areas. To reach this result, it is necessary to reduce the cost of the equipment in the form of distillers. The other line is high temperature processing in solar furnaces. There is, however, a paucity of industrial applications in this line at present.

STAINLESS STEEL IN THE U.S.

Stainless steel sales in the United States will pass the 1,000,000-ton-a-year mark by 1967, according to market research studies just completed by the International Nickel Company, Inc. (I.N.Co.) The summary of individual studies indicates that in 1967 sales of stainless steel will be of the order of 1,112,000 tons, an increase of 87 per cent. over the 592,000 tons sold in 1957. The 1957 sales, in turn, were 118 per cent. above those of 1947. The projected estimate for 1967 would indicate a quadrupling of stainless steel sales since 1947, when consumption was 273,000 tons.

I.N.Co. undertook the market research studies on stainless steel because this group of alloys—the majority of which contain nickel—is currently the largest single market for nickel. Further, "the research results provide practical comprehensive selling aids for use by stainless steel producers and steel service centres in defining and locating stainless steel markets, in forward sales planning, and in realising the big stainless steel sales potential of the sixties. All the forecasts for 1967," it is said, "are necessarily statistical. No set of projections so derived can make practical allowance for future developments in technology or marketing."

In addition to projecting estimated sales for stainless steel, I.N.Co. studies indicate for 1967: carbon steel sales of about 96,585,000 tons, an increase of 38 per cent. over 1957, and total alloy steel sales of 7,280,000 tons, a gain of 61 per cent. over 1957.

The following table of total United States sales summarises the results of the study:

	1947	1957	1967
	Tons	Tons	Tons
Stainless steel	273,000	592,075	1,112,750
Total alloy steel	3,077,000	4,525,000	7,280,000
Carbon steel	54,515,000	70,110,000	96,585,000

The first individual study—"Appliances, Utensils and Cutlery"—indicates that stainless steel sales in this major field will in 1967 be double those of 1957—76,800 tons as compared with 38,600 tons. The study outlines the economic picture as it affects this field, and sets forth the sales picture for utensils, hollow ware, flat ware, cutlery, small appliances and major appliances—the last including home laundry equipment, dishwashers; stoves, ranges and space heaters; refrigerators and air conditioning equipment.

The second study—"Food Processing Machinery"—shows that 43,000 tons of stainless steel will be required by this field in 1967. This represents an increase of more than 100 per cent. over 1957.

A NEW DESIGN OF OIL CIRCUIT-BREAKER

A new 132-kV circuit-breaker produced by the Switchgear Division of Associated Electrical Industries Ltd. has been designed with special regard to convenience of transport and installation, and orders for the new equipment have already been received from overseas.

The new circuit-breaker, Type LG6C, is of three-tank monobloc design, and has 60 per cent. less oil content than a conventional 132-kV oil circuit-breaker, while retaining all the required clearances under oil. Each phase is contained separately. The rigid one-piece construction provides easy shipping and installation, the circuit-breaker being transported as a fully tested unit complete with mechanism and bushings. This construction also ensures negligible deflection under short-circuit conditions.

NEW PRODUCTS AND PROCESSES

Equipment To Measure Speed of Passing Vehicles

A NETHERLANDS firm has developed what is claimed to be a simple and reliable equipment enabling the speed of passing vehicles to be measured very accurately. It consists of two rubber tubes stretched across the road at a specified, very short interval and connected electrically to an instrument in the checker's hand. This instrument indicates in hundredths of seconds the time required by the front wheels of the vehicle to be checked to cover the distance between the two tubes. By means of a table the speed of the vehicle can be determined from the time read off. Operation of the equipment is only ensured by pushing a button on the instrument so that, when a number of vehicles are passing in file, it is possible to single out one for checking its speed. The instrument only responds to the passing of the front wheels of the selected vehicle across the two tubes, the passing of the rear wheels and wheels of other vehicles being of no effect. The use of an extension cable enables the observer to take up his position at a considerable distance from the measuring point, so that he can himself immediately halt any drivers exceeding the speed limit. The unit operates on a 12-volt car battery. The unit is small but robust and weighs only a few kilograms without the extension cable. The equipment can also be used for other purposes requiring measurement in very short time units, e.g., human reactions. In this case a simple accessory can be supplied as an extra.

Universal Manometer

Manometers commercially available in the market are either mercury or air type. Their functions are not interchangeable and they are not adaptable to wide range of differential pressures. A new device, designed and fabricated at the P.S.G. College of Technology, Coimbatore, under a research scheme sponsored by the Council of Scientific and Industrial Research, combines the features of both air and mercury manometers and can measure static pressure, vacuum pressure and differential pressure. The new device is specially adapted for indicating fluid flow in closed conduits and over a wide range of differential pressures. Such devices are not commercially available in the market. Besides its use as mercury manometer for very low pressure, it can be used for intermediate ranges by using tinted carbon tetrachloride, acetylene tetrabromide or bromoform, in place of mercury, as manometric liquid. Unlike ordinary single column manometers, the readings in this manometer are not affected by any irregularities in the bore of the glass tube.

Mobile Soil Testing Apparatus

British Railways' construction engineers can now take their soil testing apparatus right on to the site. A new mobile laboratory, specially designed for scientific tests of earth samples, is now in use in their North Eastern Region to supplement the main laboratory at York. It has already been successfully used for compaction testing of materials on the sites of the new mechanised marshalling yards in the area. The laboratory is an 11 feet long road trailer fitted with benches and cupboards. Its equipment includes a chemical balance, a 10 kg. balance and a portable 3-ton tri-axial testing machine for testing specimens of clay by compressing on all sides. A light hand-operated drilling rig is used in conjunction with the mobile laboratory for obtaining undisturbed earth samples up to 50 feet below ground. Other items include a water heater, bunsen burners, convector heater and thermostatically controlled oven, all fed by Calor gas. Lighting is maintained by batteries. Before travelling, the chemical balance is dismantled and the 10 kg. balance damped and secured to the wall of the trailer. Two lockers are fitted on the outside of the vehicle for spades, earth augers and associated equipment, and a third contains the Calor gas supply.

Novel High Voltage Relay

The use of electromagnetic relays in monitoring devices on circuits at very high voltages can introduce serious problems with regard to satisfactory insulation. A neat solution to these problems has been devised by an electrical engineer at the Harwell Atomic Energy Research Establishment of the U.K. Atomic Energy Authority. The invention replaces the relay by a beam of light and a photocell. The beam is produced by a neon glow-discharge tube inside a plastic housing which defines the path for the light beam, acts as insulation and excludes external light. The circuit being monitored incorporates the neon tube and is arranged to energise the latter in case of fault conditions. The tube strikes and the light emitted causes the photocell to operate an ordinary low-voltage relay which in turn operates an alarm. In one embodiment, the device operates satisfactorily with as much as 8 kV between the neon tube and the photocell, the low-voltage relay being near to earth potential and thus presenting no insulation problem. For use at still higher voltage where insulation problems require the distance between neon cell and photocell to be increased, a light-guide of glass or methyl methacrylate rod may be inserted to give better light transmission.

Foundry Core Oil

Foundries in India have been faced with the problem of finding a core oil that would yield rapid-hardening accurate cores comparable in strength and other characteristics with those obtained with imported oils. A product recently developed at the National Chemical Laboratory, Poona, from linseed oil using a special polymerisation technique seeks to provide an answer to this problem. The product has the following advantages: It imparts sufficient green strength to the sand core at room temperature in 2-3 hours; the core can, therefore, be taken out of the core box without any deformation and transported safely from the box to the oven for baking. This property is specially desirable in making large cores. It eliminates the need for starch or dextrin generally used as an adjunct to the core oil. It imparts good finish to the mould and minimises machining operations in casting, resulting in higher efficiency of production. Cores made with this oil give castings which shake out and clean easily. This is because the core oil is rendered destructible at high temperatures attained with the heat of the molten metal during pouring. Hammering and cleaning are thus entirely obviated. Sand cores made with the new product bake in a shorter time than those made with double boiled linseed oil. This is a great advantage as more cores can be cycled through a furnace per day with consequent fuel economies.

The new product is cheaper than imported air-hardening oils.

Fibre Glasstop for Convertible Cars

An immensely strong fibreglass hardtop, easy to fit and light in weight, is now available for Hillman Minx, Sunbeam Rapier and Singer Gazelle convertible models from 1956 onwards. The new hardtop, weighing only 43 lbs., gives convertible owners the best of both worlds, for it is designed to be fitted over the folded down soft hood. It also offers greater security from pilferage, good all-round vision and gives a new smart look for winter motoring. The hardtop can be fitted and removed in under two minutes and is secured to the body by four chromium-plated brackets—two at the front and two at the rear. Rubber sealing ensures that no part of the hardtop touches the body of the car direct and this eliminates the possibility of "drumming" at high speed.

Determining Ash Content of Coal

The Netherlands State Mines have designed an apparatus for the rapid, continuous determination of the ash content of coal. The apparatus consists of: (a) A sampling unit which takes a representative sample from the run of coal. (b) A conditioning unit in which the sample is dried and ground. (c) The actual analysis unit. The operation of the analysis unit is based on the difference in the reflection of X-rays between combustible and non-combustible coal constituents. The samples chosen from the run of coal and conditioned are fed continuously to a rotary disc exposed to an X-ray beam. The difference in reflection between the various constituents of the sample and a reference sample is measured photo-electrically and recorded on a strip, and also transmitted to a meter calibrated in per cent. ash. The signal can also be used for automatic control of the coal-washing plant, thereby ensuring a more constant product as regards ash content.

'Drop-in' Petrol Engine

A petrol engine which can be lifted out of a lawn mower and merely dropped into place to power some other garden tool is the latest American effort to extend the use of engines. The exchange of tools is made simpler by fitting the expanding clutch member on the engine into a clutch cup built into each tool. This means the power shaft does not have to be connected. Instead, as the engine starts up, the clutch expands and locks to the mechanism of the tool. The engine, with its own control handle, weighs some 40 pounds. A four-stroke, it produces 3.25 horsepower. It can be fitted into a rotary or sickle-bar mover, a tractor to pull a garden tiller or cultivator, or a vacuum cleaner to clear a lawn of fallen leaves. A heavy wire lock of the cam type holds the engine down to each tool after it is inserted.

Preservation of Sugarcane Molasses

A 1.5 inch supernatant layer of crude diesel oil on molasses has been found to have a preservative action. The method reported by Birla Sugar Research Laboratory, Hargaon, is economical, yet effective. Crude diesel oil is easily available and the quantity required is very small—for a 38 feet diameter tank holding 31,000-35,000 maunds of molasses, only about 1,000 gallons (cost Rs. 1,500) of diesel oil are required. While removing molasses from the tank, a small quantity of it should be left back so that the supernatant layer of oil remains intact for further use.

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NEW PUBLICATIONS

The Commonwealth and Europe. Prepared by the Economist Intelligence Unit, 22, Ryder Street, St. James', London, S. W. 1., September 1960. Pages: 606. Price: Sh. 42, including postage.

THIS painstaking study by the Economist Intelligence Unit has been sponsored by Britain in Europe Ltd., an organisation composed of leading industrialists, bankers and trade unionists interested in economic developments in Europe and their likely effects on British economy. It is complementary to the Unit's earlier study, *Britain and Europe*, which gave the finding "that the prospects for British industry within a single European market would be decidedly favourable." It would appear that British hesitancy in the matter of full-fledged participation in a single market formed by a possible merger of the European Economic Community of the Six and the European Free Trade Association of the Seven (including Britain) has been due to some serious doubts. These doubts have stemmed from Britain's special interests in the Commonwealth. The effect of Britain's integration with the Continent on the Commonwealth trade with the U.K. and other European countries has, therefore, been very much in the mind of the British Government. Since the present study has come to the conclusion that "if the E.E.C. and the E.F.T.A. were to merge, it would be possible to arrange terms that neither violated the principles of the Common Market nor did serious harm to any substantial flows of Commonwealth trade" and that, at the same time, "the Commonwealth's exports, in general, would benefit from faster economic growth in the U.K. and easier access to Continental markets," it may be that, as the Right Hon. Lord Salter, President, Britain in Europe Ltd., has stated, the study may "at least help to remove some of the doubts which have led to British hesitancy in this respect of the past."

The study, based on extensive research and interviews, is purely objective and technical. It provides a complete account of the economics and trade of the Commonwealth countries in the context of European integration. Already, according to the study, the E.E.C.'s imports from the Commonwealth, which in recent years have been in the region of £750 million to £850 million, are tending to increase more rapidly than Commonwealth sales elsewhere. A high proportion of this trade, mainly in raw materials will continue to enter the Common Market duty-free. While the study admits that exporters of manufactures may be hurt in the event of the E.E.C. pursuing a restrictive quota policy against low labour-cost goods from Asia and that exports of cocoa from West Africa and coffee from East Africa may be affected, it also gives the broad finding that the creation of the E.E.C. should in general either improve the chances of increasing exports from individual Commonwealth countries or leave them largely unaffected. As for the E.F.T.A., its creation, according to the study, will have negligible effects on Commonwealth trade other than exports from Canada.

In this context, it would be useful to quote *in extenso* the study's observations on India's fears:

"With its external finances in so precarious a situation, India is understandably nervous about the effect on its trade of current plans for economic integration in Europe. The E.F.T.A. arouses no concern, but it is feared that Indian exports will suffer by the creation of the E.E.C. particularly through competition from French African produce, and that European capital which might have come to India will now go elsewhere. These fears are probably groundless. India can put up a stronger political claim to financial assistance from foreign Governments than almost any other underdeveloped country, and the small inflow of private capital is unlikely to be much influenced by changes in Europe. It appears too that very little of India's existing export trade will be damaged by the common external tariff of the Community, even though over two-fifths of identifiable exports to the E.E.C. will be subject to tariff changes.

"Among the more important of India's exports to the Six, hides and skins, manganese ore, raw wool, coir yarn, and raw cotton will enter duty-free and there are many items in the enormous range of minor Indian exports of raw materials—iron ore, mica, shellac, hemp and a miscellany of vegetable and animal products—which will also continue to do so. Sales of jute and cotton textiles to the Six are very small and are unlikely to be much affected by the change in tariff levels though they could be wiped out by unfavourable quota treatment. Foodstuffs are inevitably more vulnerable. Coffee sales are safeguarded against French African competition by the excellent quality of the Indian product, but some Indian common tea, though not the higher-grade leaf, might be displaced by tea from the Belgian Congo. If, on the other hand, the E.E.C. could be persuaded to reduce internal taxation on tea, the market might grow sufficiently to permit a substantial increase in Indian sales. India's small tobacco exports to the Six are again protected from French African competition by their superior quality, while French Africa does not compete on any significant scale in such items as pepper, cashew nuts, castor and linseed oil. On the whole, then the effect of the E.E.C. on India's trade is likely to be slight.

"The effect of a merger of the U.K. tariff with that of the Six would also be negligible so far as raw material exports to Britain are concerned. The loss of Commonwealth Preference on tea and tobacco would be no great matter since it is shared with India's chief competitors, but a duty fixed at the E.E.C. level on tea imported into Britain would damage India's trade by raising the price of tea and so depressing consumption. It seems unlikely, however, that Britain would in practice be asked to take such a step; the two markets could be kept separate in this instance.

"Manufactures present a more difficult problem. Few Indian goods, other than jute textiles, are sufficiently competitive to maintain their footing in the U.K. market, if they had to sell across a tariff on equal terms with the Chinese and the Japanese and meet duty-free competition from the Continent. If trade were not to be damaged fairly severely by a merger between Britain and the Six, India would have to have a duty-free quota for grey cloth sold to the U.K., and liberal quota treatment on the Continent for jute manufactures to offset the loss of trade with Britain in other goods. U.K. participation in a wider European association on these terms would probably mean that any Indian losses would be neutralised; but the structure of India's exports is such that it is unlikely to secure much positive gain from more rapid economic expansion in Europe. Nor has it much to give in return for European concession; Commonwealth Preference on Indian imports is strictly limited."

The study has also reached the broad conclusion that the system of Commonwealth Preferences is less important to the exporting countries concerned than the guarantee of an adequate market in the U.K. This is in so far as the existing system of Commonwealth trade is concerned, which explains the importance that the Commonwealth attaches to trade with the U.K. But, what will happen when Britain decides, in its own interests, to participate fully in a single European market involving a common external tariff? It is here that the study comes to the wise conclusion that Britain should throw its weight on the side of liberalism and help to secure easier access for Commonwealth manufactures, especially cheap Asian goods, to the European market as a whole. If that happens, it would be a gain outweighing any loss entailed by less easy access to the U.K., in the wake of that country's full-fledged participation in European integration. But the 'if' here is a big one.

Industrial Labour in India. Edited by Messrs. V. B. Singh and A. K. Saran. Published by Asia Publishing House, Bombay. Pages: 528. Price: Rs. 18.50.

This book is a collection of essays on the various aspects of industrial labour in India by well-known scholars both from India and abroad. In planning the volume, the editors had in mind primarily the post-graduate students of labour economics who have for long felt the need for an up-to-date book of this kind. This perhaps explains the academic slant of most of the contributions and the absence of trade unionists among the contributors. Whatever the reasons, the omission of such questions of current interest as workers' participation in management and productivity certainly makes the book less topical than it would otherwise have been. If space was the limiting factor, some chapters included in the volume could easily have been dispensed with without having to alter materially the plan of the book or the relative importance assigned to each subject.

The book is divided into six sections. The first deals with the theories of wages, the methods of wage payment, their social and economic consequences, the relation between wages and national income and wage policy in a planned economy. The second is concerned with various conceptions of social security and the question of reconciling social security measures with development programmes. The concept of, and the trends in, real wages form the subject matter of the third section while the fourth deals with the development of social and labour welfare. The legal machinery for industrial peace as it has evolved in this country and the history and functions of trade unionism with particular reference to India, form the theme of the penultimate section. The last section, devoted to industrial sociology, discusses principles of industrial sociology and psychology, problems of personnel management, industrial fatigue, occupational diseases, accidents, etc.

These essays, scholarly and well-written though they are, do not add up to a general theory or an integrated philosophy of labour; but they do provide a comprehensive survey of the field by experts. No better assessment of the volume is possible than that made by Mr. V. V. Giri (who else is more competent to do that?) in his foreword to the book:

"Its more important merit lies in the fact that an attentive reading will enable both the student and the general reader to acquire a perspective on labour in contemporary society. That this has been achieved to some extent through a collaborative volume is itself significant. In this way, the volume is more than a textbook of labour economics; it is a preliminary attempt towards a unified theory of industrial relations."

It is rarely that the various aspects of industrial labour are so exhaustively and competently dealt with in one volume. Students of labour economics would find this volume an invaluable aid to a more thorough understanding of labour problems.

Directory of Indian Engineering Exporters. Published by the Engineering Export Promotion Council, India Exchange (7th Floor), Calcutta 1. Pages: 271. Price: Rs. 10.

The Engineering Export Promotion Council was established in 1955 with the object of promoting export of engineering goods from India. Since its inception, this Council has been doing yeoman service to Indian exporters. The multifarious activities of the Council include, among others, sending trade delegations to survey foreign markets and assess their potential, participating in trade fairs and exhibitions, opening showrooms in foreign countries and maintaining registers of exporters, etc.

The Directory under review, prepared by the Council, is in its third edition. It covers the same ground as its two predecessors did. It contains a brief review of the engineering industries besides a list of members of the Council, brands and trade marks registered in India and names and addresses of exporters and Government of India's embassies, high commissions, etc. It will serve as a useful reference guide to Indian exporters and foreign importers.

INTERNATIONAL HIGHWAY NETWORK IN ASIA

Highway experts from five South-East Asian countries have just concluded a meeting in Bangkok and have agreed to forge ahead with the United Nations-sponsored project for the establishment of an international highway network in Asia.

The experts attending the zonal meeting were able to reach agreement on several aspects of the international highways plan. For example, in discussing the need for outside aid that the countries of Asia will require to improve their national roads and to establish the missing links within the international network, several suggestions were considered. One proposal calls for an international team of highway experts to be set up to review the present status of the roads, particularly the missing links, and to help mobilise outside assistance.

The meeting also reviewed the progress made by the participating countries in the implementation of the Asian Highway project. It was seen that serious bottlenecks exist in Burma, where missing links in the international network appear outstanding. In Cambodia work is under hand and construction along the proposed international routes is going on. In Laos, large-scale road construction works have not been possible "due to certain unavoidable circumstances." Work on the missing links in the North and South of Thailand, connecting with Burma and Malaya, is proceeding according to plan. In the Republic of Viet-Nam, too, work is proceeding and a great deal of road construction has been undertaken within the continental scheme.

The group, likewise studied the proposed numbering of the international highway network in Asia, and agreed that Highway 1, for example, identified as A1, would run from Saigon to Teheran, through Saraburi (Thailand), Mandalay (Burma), Dacca (East Pakistan), New Delhi (India), Lahore (West Pakistan), and Kabul (Afghanistan). The other main routes of the network would be numbered A2, A3, A4 and A5. Other arterial and secondary routes would follow progressive numbering up to 99.

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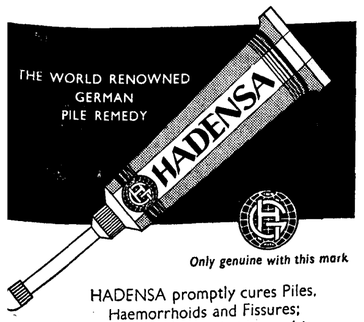

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FIRE PROTECTION AND FIRE INSURANCE

SOME LESSONS FROM BRITISH EXPERIENCE

SOME recent outbreaks of fire in the City and in other parts of the country have again turned the spotlight of public attention on inspection and control of storage of inflammable goods as also the wider question of prevention of fire. Apart from damage to property, the human tragedy, not infrequently involved in outbreaks of fires, makes its prevention an issue which transcends the cold calculations of loss of property and production.

No precise estimate of the loss and damage to property caused by fires in this country is available. But if anyone cared to count the cost, as is done in countries like Britain, it will surely add up to a staggering figure. The incidence of fire, especially industrial fire, is likely to increase, as more and more factories and industries come into being. Unless, therefore, effective action is taken to ensure the provision and maintenance of adequate fire protection in all business establishments and factory premises, the wastage of wealth will inevitably go up.

Insurance companies have a direct stake in prevention of fire, in that they are called upon to indemnify the losses arising out of fire if the property damaged happens to be insured. The experience of Britain in the prevention and fighting of fire and the role played by insurance companies in them offers some lessons which could be learned with profit in this country.

Continuous Inspection

Insurance companies in Britain participate in the battle against fire in four ways. First, insurance surveyors are continually inspecting premises and advising on fire precautions. At the same time, the insurance companies have a differential premium structure which gives strong financial incentive to policyholders to take proper preventive measures. Secondly, insurance companies founded in 1935, the Fire Research Station at Borehamwood and now share its cost with the Government. This station provides much valuable new information about the behaviour of materials when exposed to fire and the best techniques of fire fighting and fire protection in buildings. Thirdly, in order that the community might derive the utmost benefit from this research, the Fire Protection Association was formed by the companies as a national centre to formulate codes of practices for fire protection and to give advice on problems relating to fire in all types of buildings. Fourthly, the companies seek to limit the damage to property once a fire has occurred by setting in motion their salvage corps. They have three salvage corps, one each in London, Liverpool and Glasgow, whose duty it is to attend all outbreaks where salvage work may be practicable.

The sharp increase in fire losses in Britain in the past two years has imparted extra urgency to the question of fire prevention. The cost of direct fire damage in the U.K. jumped up from £24 million in 1953 to £44 million in 1959, the highest ever recorded. If the trend so far witnessed this year were to persist, 1960 may prove to be the worst on record in respect of fire losses. Total direct fire losses during the first eight months of this year aggregated £30 million, £3 million higher than in the corresponding period of last year. The monthly average till the end of August 1960 was £3.77 million, as compared with the monthly average of £3.68 million for the whole of 1959 and £2.01 million for 1958. Apart from the direct loss, there is also the consequential loss which results from reduction of output and interruption of trade and business. It is clear, therefore, that the total loss involved, direct as well as consequential, is higher than what the abovementioned figures indicate. It is for this reason that the British Home Secretary recently described fire as one of the three main enemies of society, the other two being road accidents and crime.

The direct relationship between incidence of fire and the business of insurance companies is evident from the fact that higher fire wastage has cut into the profits of fire insurance, traditionally regarded as the most stable branch of insurance. In 1959, for instance, 17 of the leading British companies, having worldwide business and a combined premium income of £248 million, showed a profit of only 1.85 per cent., as compared with 2.79 per cent. in 1958.

In spite of the advances made in the science of fire protection and the techniques of fire fighting, the fact remains that there are ever so many causes of fire, especially in industrial areas, as to make certainty in the prevention of fire almost impossible. Industrial firms can do much to prevent and minimise the risks of damage by fire if they consult experts on the subject when planning new premises and modify the existing ones.

Comprehensive cover offered by British insurance companies has taken the sting out of the fire losses suffered by individuals and firms. Insurers undertake to indemnify not only the direct loss resulting from fire but also loss of profits arising from interruption of production or business. In Britain, buildings and plants can be insured in two different ways. Either they can be covered for their present value or they can be insured on a reinstatement basis. The former is the ordinary basis of fire insurance. In the latter case, the insurers undertake to meet the cost of reinstating buildings and plant which have been destroyed by fire in a state equal to, but not better than, their condition when new.

L.I.C. TO DO BUSINESS IN U.K.

Replying to a question, Mr. Morarji Desai, Union Minister for Finance, confirmed in the Lok Sabha on 24th November that the scheme to start writing life insurance business in the United Kingdom by the Life Insurance Corporation had been finalised. Outlining the main features of the scheme, Mr. Desai said that both sterling and Indian rupee policies would be issued in the United Kingdom to suit the needs of Indian nationals residing in that country as well as of other Commonwealth citizens. Policies under most of the existing schemes in India would be offered in the U.K. However, joint life assurance and two-year temporary insurance would not be offered. He disclosed that it had been decided to offer slightly reduced rates of premium for people insuring in the U.K. These reduced rates were on a par with what the Corporation offered in British East Africa.

FIRE PREVENTION WEEK

Aroused, perhaps, by the alarming increase in the incidence of fire, Britain is launching a all-out drive to arouse national consciousness t the dangers of fire. A National Fire Prevention Week is to be observed next year. It is being organised jointly by the Fire Protection Association and the Royal Society for the Prevention o Accidents. Government departments, local authorities, fire brigades, insurance offices, industry, commercial establishments, schools and many other organisations are participating in the observance of the week. It will be backed by all the media of public relations and publicity. Exhibitions and displays will show how the public and industry can help fire prevention.

The idea of the Week originated from the comment of Mr. R. A. Butler, the Home Secretary that fire, crime and road accidents were the three major enemies of society. On an average, about 550 people die by fire in Britain every year, in addition to fifty to hundred at work. Fires reported to the Fire Prevention Association during the first quarter of this year resulted in the death of 111 people.

ROAD SAFETY CONGRESS IN BRITAIN

Eight far-reaching road safety proposals affecting all classes of road users were discussed by over 1,000 delegates at this year's National Safety Congress organised by the Royal Society for the Prevention of Accidents held in the third week of October at London. Among the proposals submitted by the R.S.P.A. and discussed at the Congress included introduction in Great Britain of a scheme of awarding black marks to drivers with the withdrawal of licences in cases where drivers received a maximum number of black marks, penalties for parents who allow children to go unaccompanied on busy roads and penalties for unqualified driving instructors, and regulations for pedestrians.

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DR. A. RAMASWAMI MUDALIAR OUTLINES PROGRESS OF EXPANSION SCHEMES

INDUSTRIAL DEVELOPMENT HAMPERED BY CERTAIN FACTORS

ADDRESSING the shareholders of the Tube Investments of India, Ltd. at their Eleventh Annual General Meeting held at Madras on 28th November 1960, Dr. A. Ramaswami Mudaliar, Chairman, said that the year ended 31st July 1960 witnessed the completion of some of the expansion schemes on hand. He indicated that further progress was contemplated, but there were certain adverse factors which had to be removed for the proper industrial development, in general, and the smooth evolution of the productive capacity of the Company in several directions, in particular.

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

"GENTLEMEN,

"I have much pleasure in extending to you a cordial welcome to this the eleventh annual general meeting of the shareholders of Tube Investments of India Limited.

"The Directors' report, the balance-sheet and the audited accounts for the year ended 31st July 1960 have been in your hands for some time and, with your permission, I shall take them as read.

"In my last report, I referred to various expansion schemes which were in progress, both in connection with the cycle factory and the tube factory. The year under review has seen the completion of some of these projects. Your factory now produces bottom bracket axles and bottom brackets, and these are expected to be available to manufacturers by January next. I referred to the chain project in my speech last year. It is our object in establishing the chain project, to produce industrial chains, as well as chains for bicycles. Owing to a change in the foreign collaborators whose technical know-how was specially desired for industrial chain production, the project was a little delayed. We have now secured the association in technical matters of Messrs. American Steel Foundries International, who are associates of Diamond Chain Company of Indianapolis, U.S.A., and a subsidiary of your Company has been formed under the name T. I. Diamond Chain Private Limited. Another subsidiary company, T. I. Miller Private Limited, will shortly be established for the manufacture of lamps for all kinds of automatic vehicles, bicycle dynamo lamps, etc., in collaboration with Messrs. H. Miller & Company Limited of Birmingham.

Saddles Manufacture

"The manufacture of Wright saddles, to which reference was made last year, has been slightly delayed owing to the fact that it has since been decided that the factory should be situated at Ambattur and not at Avadi. The machinery for the purpose has started coming and production will begin during the current year.

"So far as the tube factory is concerned, a second tube mill has been erected and is in operation. The work and preparation for the installation of the cold rolling mill is proceeding and we hope to have it in production during the current financial year.

"All this expansion and the consequent foreign exchange outlay have been made possible by the unhesitating co-operation which Tube Investments of Birmingham has extended to us. The foreign exchange has been obtained partly in the increased equity capital allotted to them and partly in the form of loans. While these developments are in themselves satisfactory and while further progress is anticipated, there are certain factors which I hope will be resolved to enable the smooth evolution of the productive capacity of our work in several directions.

Adequate Power Supply Needed

"One of the most urgent needs in this State for proper industrial development is adequate power supply, a fact which has been frequently brought to the notice of the authorities. The resources from hydro-electric power have virtually been exhausted. Thermal power is stated to be costly as coal is not available within the State itself. The power proposed to be derived from the lignite at Neyveli, is virtually earmarked for industrial development round that area. It is, therefore, of the highest importance that the State Government and the Central Government should explore the possibilities of adding to the power supply in this area, if industrial development adequate to the needs of the population has to be ensured. I look forward partly to the collaboration in this regard of the neighbouring Southern Indian States which may have power supply in excess of their needs; but I look forward even more to the Central authority which, by its planned programme of industrialisation, has taken the responsibility of ensuring for each area, at least a minimum standard of industrialisation and, therefore, of industrial employment, to see that the essential factor in industrialisation, namely, power supply is ensured for this State.

"A second factor which has to some extent affected rapid industrial development is the law that has been enacted regarding development rebate, and how and when it is to be provided for. The present legislation on the subject makes it very difficult for industrial units which desire to expand rapidly, and find their own foreign resources to do so, as the incidence of such a provision seriously impinges on a fair dividend policy which a company wishes to pursue. I still hope that the Finance Minister will reconsider this aspect of the question and provide for a substantial period of time during which the amount of development rebate may be spread over.

Government Policy

"There is a third factor which has caused concern to industrialists and intending industrialists, particularly in areas like the southern region. It has been stated that the policy of the Government is to see that no particular industry is overdeveloped in any particular region. If, for instance, the bicycle industry is developed in West Bengal or Madras, new units for the production of cycles should be licensed elsewhere than in these States. *Prima facie* this looks reasonable, but there is a serious fallacy behind this reasoning. If every industry could be so distributed, equally or proportionately, in every part of the State, such a decision may not be incorrect. But the position that would arise if this were to be followed to any degree will be that the underindustrialised areas are even more at a disadvantage with resultant overprosperity in one area and underemployment and sub-prosperity in another area, for it is quite patent that certain areas can only develop certain kind of industries. The fact is that the total industrial development of an area has to be taken into consideration and not the development and distribution of a particular industry alone. The public projects established by the Central Government have created enough disharmony among the various States and I venture to utter a caution that this disharmony may be aggravated and added to, by the policy of distributing any particular industry to all parts of the country.

"Let me turn now to our own specific problems. As you may have noted from the Directors' report, there was an unfortunate strike in the cycle factory for a period of six weeks, due more to misunderstandings than to lack of sympathy or co-operation on the part of the management. I am, however, glad to state that a five-year agreement has been reached, between the management and the workers, whereby conditions of peace and progress will prevail during the period.

Social Needs Developed

"Your Company, as I pointed out in a previous report, is aware of the part it should play towards society, and especially towards the society around which it is situated. The profits that it earns are not only divided between the Governments and the shareholders but a substantial portion of them has been diverted towards promoting the social needs of the population in the area. The polytechnic established in the area is one of the best in the State. The higher secondary school which has recently been inaugurated and the hospital which is contemplated and the foundation-stone of which will be shortly laid, are evidences of the enlightened policy of the management, a policy in which the British shareholders participate with equal enthusiasm along with the Indian shareholders. I should add that these projects costing several lakhs of rupees have been made possible by a very substantial contribution by the A. M. M. Charities Trust, the trustees of which are also among your Directors. Whatever comment may be made about the private sector and its policy of profit making, I trust that you have sufficient evidence to show that this Company and your shareholders are trying to march with the times and are conscious of the dictates of the times.

"I should only like to say a final word about the excellent and enthusiastic co-operation we have received from all our officers and from our workers both in the administration office and in the factories, during the year under review."

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

BRITISH BID FOR LEAD IN CLOCK INDUSTRY

With meeting competition from the "European Six" as its principal aim, a new company Minipulse Clocks Ltd., has been formed with offices at Clutha House, 10 Storeys Gate, London, S.W. 1. In certain types of clock installations, particularly those required by industry, it has become increasingly obvious that continental manufacturers are producing at prices which are considerably below average British prices. By developing a completely new design of clock and movement ("all-British" stress the makers), Minipulse claim to have placed themselves in a highly competitive position without sacrificing standards of time-keeping or the quality of those materials which tend to make British instruments seem so expensive in comparison with continental types.

The Minipulse system is the subject of patent applications. One of its unique features, possessed by no other clock system, is the movement which operates the slave dials. This is less than 1 inch thick and can be housed within the clock bezel—so avoiding the need for cutting recesses in walls as is the case with normal flush-mounted dials. Prices, "without waging a price war," are keenly competitive, say Minipulse, including design service for turret and bracket clocks where needed.

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SOME ASPECTS OF COMPANY LAW AMENDMENT

OVER-LEGISLATION GALORE—COURTS MAY BE REPLACED BY GOVERNMENT

By A. C. K. Krishnaswami

OUR legislators are at it again. The ink is not yet dry on the new Companies Act, and it is doubtful if even the Administrative Officers appointed to enforce it have fully grasped all its sections. And now we are adding a few hundred sections to a statute already overburdened with provisions. The new Bill legislates for evasions of and loopholes in the new Act. Hard cases make bad law. At this rate, this legislative activity will have to be an annual feature, as, before long, loopholes would be discovered in the amending Act by the ingenious few intent on evading the law.

It is, alas, too true that the law evader is ahead of the law and will always be so. The crook-proof law has yet to be enacted, not only as regards companies but all other subjects.

I submit that, even from 1936, if not from 1913, the law clothed Government with sufficient powers to detect and punish every kind of offence that can be committed. A company law can only consolidate special statutory provisions applying to particular types of corporate activity. Behind it should be, and always was, a general body of law and equity applicable to all companies and holders of offices of trust in them. The advantage of a self-contained company code to the exclusion of the general law is doubtful. Parliament should not lose sight of this aspect of the matter in its anxiety to add to Company Law provisions.

Fraud, breach of trust and theft have been known ever since civilisation dawned. The company mode of organisation presents greater scope for practising these activities than other trust bodies, obviously. But that is no reason why these offences cannot be punished in the same way as prescribed in, say, Section 88 of the Trusts Act.

The company form of activity confers two main advantages—those of limited liability and corporate finance. In theory, the company is an association of persons joined together for trading and commercial purposes; in practice, the association is largely a fiction, and the shareholder is only a person providing finance, with but nominal control on the business, exercised at annual intervals in a purely negative manner. In theory, he can select, appoint and dismiss his "agents," the Directors and Managing Agents; in practice, this right is largely non-existent. All that special legislation should be primarily designed to do is to secure fullest publicity and information to shareholders and the creditors and "find means of making it easier for shareholders to exercise a more effective general control over the management of their companies." Any law in respect of companies should be examined to see if it does that and serves these ends.

The concept of a Welfare State, impinging on company regulation, introduces the need for anti-monopoly provisions, regard for public interest in private commercial enterprises and recognises that, if a company is an association for trade, there is greater association between the management and the workers than between the Directorate and absentee shareholders. But to say this is one thing: to legislate that, even in purely internal matters, the sanction of 100 per cent. of the shareholders, after full disclosure and information, should be endorsed by a secretariat official in order to be effective, is another. There is the danger that the Government may take decisions which are properly the functions of Courts. There is also a danger of the Welfare State concerning itself too much with organisational matters, without the equipment and capacity to make proper decisions.

An Instance

Let us examine one instance. The judges laid down in England the doctrine of *ultra vires*, that no company may undertake anything which is beyond the objects clauses of its memorandum, its charter as it were. Companies subsequently incorporated got over this difficulty by drafting out objects clauses and ancillary powers embracing every type of activity, known and unknown, and which the promoters had not even the remotest idea of engaging in. Thus the interpretation of the law was self-defeating as a direct consequence of trying to do too much. Now the pendulum has swung the other way and companies with specified majorities in general meeting may amend their objects as they please, and it is left to an aggrieved shareholder to take the matter to Courts where justifiable. Indian law has not yet caught up with this provision but it soon will and when it does, I submit, it should properly provide that the objects clauses are matters of internal interest and so do not affect dealings with outsiders, as the Cohen Committee recommended to Parliament unsuccessfully.

It is a sad commentary on our legislative activity that so much time should be spent in listing out all possible people, legitimate and illegitimate, who can be called "relatives" in a bid to end nepotism in companies; that more time should be consumed in adding to and taking away from such lists; and the queer logic that results that, if a relative is not properly appointed to the post of a peon in the company, the Director concerned loses his post and the peon remains; if a person not being a "relative" as defined is paid a large salary as a sinecure and he shares it with the management it will pass muster. I know of a case where such a complaint to a Registrar provoked his reply that he will not interfere as no law was broken. In the same way a man who was once a managing agent needs special sanction to be a selling agent without reference to the fact that selling agencies can be real posts of work and responsibility properly performed or again they may be sinecure posts with parasites occupying them. The principle should always be that a sinecure post should be prohibited and proper appointments even of relatives qualified therefor should be allowed, after full disclosure and sanction by specified majority vote. To impose on such internal matters the need for Government sanction is to perpetuate the evil of conferring powers of decision on those ill-qualified and ill-equipped to exercise them. The results will be uneven to say the least.

I repeat, therefore, that company legislation should not, in its enthusiasm, try to do overmuch but should confine itself to its proper sphere of strengthening the shareholder, protecting public interest to the extent it is necessary in such specialised legislation, and leave the Courts to deal with infractions of the law, general and specialised.

Effective Enforcement

The Company law administration leaves much to be desired. The average Registrar of Companies is a public official, with limited discretion and imagination. At least from 1936 onwards, the Registrar would normally be quick to pounce upon a company which has by oversight filed a routine return a few days late. He would have neither the imaginative capacity, nor the scientific organisation to deal with a false balance-sheet. The result is that prevention of fraud is nowhere in his scheme of things. His duty is confined to a technical interpretation of the less important regulatory sections. A fraud had to grow into large dimensions, shareholders had to be important enough and with time and money to spare, before the matter went before a court. In hundreds of other instances, the companies were either struck off as defunct or liquidated quietly. In the recent famous scandal in which a popular Minister of the Centre had to resign, the companies were to all appearances being well conducted, in strict consonance with the law and with the approval, among others, of the Registrars concerned. Suddenly one fine morning the scandal burst and banner headlines appeared in newspapers. Thereafter, as many as 129 prosecutions were launched against the same company Director.

If today companies are being maladministered and there are quite a few cases, the fault is not that the law has not enough provisions or that the general law is not applicable. The fault is wholly that the enforcement machinery is ineffective and inefficient. I daresay that, if every time a wave of motor accidents happened, the Motor Vehicles Act were amended without strengthening the traffic police, there would be a hue and cry. But, when an analogous situation arises in the sphere of company management Parliament promptly appoints its special committees and sub-committees and rushes through amendments, without strengthening the law enforcement branch.

Statutory Secretary

Elaborate provisions have been tailored to provide for special audits of companies. Apart from the implied slur cast on existing audits by qualified chartered accountants, this provision only aims at detecting fraudulent conduct of business. Would it not be simpler to legislate as in England or as in Scheduled Banks, that every company, with a paid-up capital of Rs. 25 lakhs and over should employ a secretary who is a qualified chartered accountant or "secretary" and vest such officer with defined responsibilities about compliance with the Companies Act like issue of share certificates, answering shareholders' questions, complying with the Act as regards returns, accounts, etc., prohibited transactions, cross-financing, interested contracts and so on. Why not guarantee to him security of service and freedom from undesirable influences by providing an appeal to Central Government in cases of wrongful dismissal or alteration of his terms of service to his disadvantage? Government can publish a panel of persons qualified to be appointed as secretaries, from time to time, make additions or deletions to the list as necessary. Such a system will prevent many frauds before they take place and a scandal, such as referred to earlier, resulting in 129 prosecutions, would hardly be necessary. The auditor with responsibilities to be exercised only periodically will be relieved of much of his responsibility, ensuring at the same time that day-to-day attention would be given, at least in bigger companies, to problems of law enforcement, which the Registrars can exercise at best inefficiently.

Stock Exchanges and Shareholders Associations

Again as Gower observes, "statutory provisions have owed much to the stringent requirements of the various stock exchanges. ... Such regulations have of course no legal force and, until recently, they received no legal recognition. In practice, however, they have been far more potent instruments of production than the legal provisions in the Companies Acts." The reference no doubt is to listing of companies and prospectuses but can with advantage be made to apply to company accounts, and general meetings also, if the Stock Exchange Acts were suitably modified. Government are thinking in terms of shareholders' associations fulfilling this need. But I venture to submit that, unless manned by men of integrity and probity, these will degenerate, in the atmosphere of power without responsibility, into organs of blackmail and private profit and nepotism. A strengthened stock exchange can afford a secretariat which will keep track of company developments like, say, sales or purchases of undertakings, selling agency appointments, schemes of amalgamations, fiduciary responsibility in increasing capital, reserve funds and so on.

Managing Agency

The Managing Agency system has come in for a lot of attention and even more than its fair share of abuse. One hesitates to be seen in a company of advocates for their retention. But, by and large, notwithstanding implied legislative compulsion for its gradual abolition, the system fulfils a real need and deserves to stay, until it can be replaced by something equally useful, if not more so. Regulations have been provided to prevent abuses, though one doubts the advisability of restrictions on the continuity of good managements. One would put up his hands in horror, if it were suggested that every I.A.S., or I.C.S., official should seek re-election and Government confirmation every five years. Yet a managing agent with at least comparable responsibilities is expected to do just that. If the civilian official has freedom from fear or favour in his work, it is owing to his covenant of service. Security of tenure is the best guarantee of proper functioning and it is unwise to instil a sense of insecurity in such posts. This will be the biggest factor encouraging devious and "smash and grab" methods and discouraging a policy of steady consolidation of company business. Be that as it may, I venture the following suggestions for strengthening the system:

(i) Managing agents must be compelled to hold at least 10 per cent. of the issued preference and equity capital in their own name, so that they have a real stake in the company. But the maximum requirement may be limited to Rs. 10 lakhs in the case of any company. It may be ensured that these shares are to be free from pledges or charges, excepting the company's paramount lien on them. If necessary, they may be held jointly in the name of the managing agents and the Registrar of Companies by designation or the scrips may be deposited with the company's bankers for safe custody.

(ii) No managing agency house should be permitted to engage in other business or trade activity or speculation. A broker or a lawyer is subject to such restrictions and a managing agency should be made into a profession or vocation at least as responsible and respectable as these, even if it is more remunerative.

(iii) Wherever the Government approve of a minimum commission to a managing agent, it stands to reason they should also lay down, depending on the circumstances, the maximum commission. The managing agent may take his remuneration, depending on the fortunes of the company at a specified percentage, usually 10 per cent. But, if he wants a guarantee in lean years, he must be prepared to limit his remuneration in the good years to a maximum figure. Otherwise it would be a case of "heads I win tails you lose."

(iv) The managing agent is empowered to appoint two ex-officio Directors, but, usually, they are dummies and he changes them without rhyme or reason. It must be provided that where the ex-officio Directors are other than Directors of the managing agency house, they must hold, in their own name and beneficially, the required qualification shares, so that they have some interest in the company they manage. Their appointment and removal must be with prior approval of the Board of Directors at least.

(v) There have been notable instances where internal quarrel among the partners or Directors of managing agency houses has seriously affected companies. It must be provided that internal dissensions of a serious character would *ipso facto* terminate managing agencies: Internal dissensions in private companies are deemed just and equitable causes for liquidation of the companies. Why not analogous provisions for managing agency houses?

Shareholders' Rights and Control

As the law stands today, the shareholder gets annually the accounts presented in a particular form. On the rare occasions he asks the company for details of any item appearing in the balance-sheet, the company either conveniently forgets to reply, or, if it does, enquires the provisions of law under which the demand is made. Section 237 (b)(iii) impliedly suggests that shareholders should be given information but there is no specific entitlement of a shareholder for getting information even on important matters. Section 237(1) and (5) no doubt enable a Registrar to help where he wants to do so. But Registrars rarely, if ever, exercise this power, and, when they do so, they are so slow that it requires Job's patience and persistence to avail of this facility. Why not insert a simple section to say that a shareholder is entitled to information on his queries on the accounts within 21 days of his demand, unless, meanwhile, the company obtains a ruling from the Registrar that any particular queries need not be answered, on the ground that the information may be used antagonistically to the company or favourably to its competitors. This should be simple enough and fulfil the basic objectives of securing fuller information to shareholders.

The general law should be amended to ensure that *benami* shareholdings in companies is outlawed whatever the law may be in regard to other forms of property. This will end many abuses. And, side by side, it should be enacted that no shareholder should on a poll have a voting power exceeding 10 per cent. of the total votes in a company. This will strengthen shareholders' control, the other basic objective.

The prescription of retiring age of Directors has become a farce. Almost all companies have automatically passed the requisite resolutions for re-electing overaged Directors, and one is struck by the special pleading on behalf of aged men, who have earned the right to rest, to continue their services to company boards. Similar is the case of Directors who are associates of the managing agents. Will it not be worthwhile amending these provisions, so that no associates of managing agents can be other than ex-officio Directors, and no Director above 65 years can be re-elected, whatever the circumstances?

ECONOMICS OF TRACTOR CULTIVATION

EXPERIENCE OF THE PUNJAB

THE Board of Economic Inquiry, Punjab, has just published its report on the economics of tractor cultivation in that State for the year 1956-57. It is seen from this report that there were as many as 4,172 tractors in the State in 1957, as against 858 in 1951. The increase in their number even as compared with a later year, namely, 1956, is as much as 48 per cent. The reasons for this steep increase were sixfold. The first reason was the land reclamation programmes sponsored by the Government (both Central and State) and by individual farmers. Another reason was the shortage of labour due to migration of Muslims to Pakistan. Thirdly, the migration of Muslims had also resulted in a shortage of tenants in some areas; in this situation, some of the landowners had to resort to self-cultivation with the help of tractors. Fourthly, in view of the threatened land reforms, many landowners brought more areas under their direct cultivation with the help of tractors. Another reason was the growing unemployment among the educated young men who took to mechanised farming as a more respectable pursuit than walking behind a bullock-driven plough. And, lastly, the high prices of agricultural commodities tempted the landowners to resort to direct cultivation which in turn resulted in the use of tractors. These six factors together have accounted for the leading position occupied by the Punjab in the matter of tractor cultivation.

Area Cropped

The report is notable for its study of 11 tractor-cultivated and 20 bullock-cultivated holdings, the former covering 821 acres and the latter 424 acres. The irrigated area represents 59 per cent. of the former and 56 per cent. of the latter. Figures of area cropped per worker, per pair of bullocks and per tractor are as under for tractor-cultivated and bullock-cultivated holdings separately:

Tractor-cultivation:

Per permanent worker ...	...	20.4 acres	
Per pair of bullocks	...	53.0	"
Per tractor ...	...	92.2	"

Bullock-cultivation:

Per permanent worker ...	...	10.7	"
Per pair of bullocks	...	17.1	"

The details regarding investment form another important part of the study. In the case of tractor-cultivated holdings, the investment is mostly on tractors and tube-wells. The total investment in the case of tractor-cultivated holdings works out to Rs. 241 per acre, as against an investment of Rs. 118 per acre in the case of bullock-cultivated holdings. The item-wise expenditure in a consolidated form at all the tractor and bullock-cultivated holdings is given in the following table:

Item	Tractor-cultivated holding				Bullock-cultivated holding			
	Number	Total	Per acre	Percentage to total	Number	Total	Per acre	Percentage to total
		Rs.	Rs.			Rs.	Rs.	
Tractor	11	1,26,121	153	63	..	..	..	..
Tractor shed	4	1,850	2	1	..	..	..	..
Bullock	19.12 (pairs)	11,976	14	6	33.73 (pairs)	23,071	54	46
Bullock shed	9	7,684	10	4	12	5,878	14	12
Implements	..	3,452	4	2	..	4,862	11	9
Tube-well	8	36,425	44	18	..	..	..	..
Well and Persian-wheels	7	10,730	14	6	13	16,368	39	33
Total	..	1,98,238	241	100	..	50,179	118	100

The results bearing on the economics of tractor cultivation are the most interesting part of the study. The gross income per average irrigated acre and that per average unirrigated acre in tractor-cultivated holdings are Rs. 302 and Rs. 124, respectively, while the corresponding figures for bullock-cultivated holdings are Rs. 272 and Rs. 169, respectively.

The data regarding the outturn per acre of different crops show that irrigated tractor-cultivated holdings have given better results than irrigated bullock-cultivated holdings. On the other hand, unirrigated bullock-cultivated holdings have shown better results than unirrigated tractor-cultivated holdings. The figures are given in the following table:

(In maunds)

Crops	Irrigated		Unirrigated	
	Tractor-cultivated holdings	Bullock-cultivated holdings	Tractor-cultivated holdings	Bullock-cultivated holdings
Cotton American	6.20	7.45	5.79	0.59
Cotton *Desi*	7.92	9.28	0.88	15.20
Wheat and wheat-gram (grain)	14.79	11.25	9.10	11.61
Bhusa	20.27	15.59	9.95	14.66
Gram and barley (grain)	6.20	9.39	8.52	7.67
Sugarcane (*gur* and *shakar*)	31.78	21.37	18.08	24.06
Maize (grain)	16.34	20.44	5.58	13.64
Toria (grain)	6.00	8.67	0.27	..
Rice (grain)	25.46	16.65	8.03	24.10
Bajra (grain)	10.00	3.69	4.15	1.58

The actual expenditure per acre held has also been computed in the study. The relevant figures are given in the following table:

(In rupees)

Item	Irrigated		Unirrigated	
	Tractor-cultivated	Bullock-cultivated	Tractor-cultivated	Bullock-cultivated
Manual labour	62.2	31.5	25.7	25.1
Bullock labour	22.0	59.8	12.8	31.5
Tractor and power	47.0	..	42.2	..
Implements	1.2	4.1	1.0	2.1
Seed	13.2	13.8	10.0	9.6
Artisan	1.4	3.2	0.8	1.9
Irrigation	18.7	3.7	..	..
Water rates	3.6	5.0	..	..
Manure	7.4	3.6	2.6	3.4
Gross rent	1.8	21.4	6.4	18.2
Land revenue	2.5	2.7	2.0	2.0
Miscellaneous	0.5	1.1	..	0.3
Total	181.5	149.9	104.5	94.1

The actual return per family worker per year and per day has been worked out as Rs. 5,042 and Rs. 13.8 respectively, in the case of tractor-cultivated holdings and Rs. 1,079 and Rs. 3.0 respectively in the case of bullock-cultivated holdings. It is clear from these figures that the actual return per family worker per year and per day is four times for the tractor-cultivated holdings as compared with the bullock-cultivated holdings. This is partly because the area per permanent worker in a tractor-cultivated holding is larger than the area per worker in a bullock-cultivated holding.

Net Income Per Acre

The net income per acre, both actual and on a comparable basis, is presented in a consolidated form in the following table:

(In rupees)

	Actual	*Basis A* Land and capital owned and worker permanent family members	*Basis B* Land owned permanent worker family members and capital borrowed	*Basis C* Land taken on rent, permanent workers, family members and capital borrowed	*Basis D* Land taken on rent all workers hired, and capital borrowed
Irrigated Tractor-cultivated holdings—					
Gross income	302.26	302.26	302.26	302.26	302.26
Expenditure	181.56	142.00	152.90	222.72	280.62
Net income	120.70	160.26	149.36	79.54	21.64
Bullock-cultivated holdings—					
Gross income	272.36	272.36	272.36	272.36	272.36
Expenditure	149.69	109.33	115.59	212.56	303.78
Net income	122.67	163.03	156.79	59.80	—(31.42)
Unirrigated Tractor-cultivated holdings—					
Gross income	124.28	124.28	124.28	124.28	124.28
Expenditure	104.46	78.54	86.37	118.67	149.31
Net income	19.82	45.74	37.91	5.61	—(25.03)
Bullock-cultivated holdings—					
Gross income	169.35	169.35	169.35	169.35	169.35
Expenditure	93.22	56.78	59.22	119.92	170.72
Net income	75.43	112.57	110.13	49.43	—(1.37)

The conclusion of the study is that it does not reveal any clear difference between the income and expenditure per acre of the tractor-cultivated holdings, on the one hand, and bullock-cultivated holdings on the other. The only firm finding given is that there is some economy in the use of manual labour on tractor-cultivated holdings but that the increased expenditure on the other items more than offsets this advantage.

NATIONAL INCOME DATA AND ECONOMIC PROGRESS

SOME FACTS AND FALLACIES

By Prof. V. G. Ramakrishna Aiyar

AT the present time, it has become almost the 'cliche' of everyone to speak of economic growth, national income, the rate of saving, the rate of investment, and so on, without any serious attempt to understand what exactly we mean by these things. According to the old classical view, economic growth should be indicated by increase in *per capita* real income and economic growth must be continuous and must be outstripping the population growth; and the share accruing to each should be in goods and services, irrespective of the way in which prices might behave.

The emphasis today is on what is called the National Income approach. The first thing to be emphasised about National Income is that it is arbitrary and, from the standpoint of scientific precision, an indeterminate figure. Even a great statistician like Kuznets makes a frank admission regarding the limitations of the National Income approach to the study and interpretation of modern economic development. In the words of Kuznets: "The statistician who supposes that he can make a purely objective estimate of National Income, not influenced by preconceptions concerning the 'facts' is deluding himself, for whenever he includes one item or excludes another, he is implicitly accepting some standard of judgment, his own or that of the compiler of the data. There is no escaping this subjective element." Estimates of national income necessarily involve legal and moral considerations. How shall we draw a line between economic activity and economic goods, on the one hand, and active life in general and its stream of satisfaction, on the other? Should washing, shaving and playing for amusement on the musical instrument be treated as economic activity? When judged by the attributes of satisfaction-yielding, scarcity, and disposability, they do not differ from the same activities carried on for money as services to other people (nursing, barbering, giving concerts, etc.).

Snags

And yet statisticians like Kuznets decide to include only items that "are dealt in on the market." This, of course, excludes all do-it-yourself activities (which in total are probably enormous). It excludes all the products of the family economy, including all the activities of housewives, so that we get to such paradoxes as these. When a man marries his cook, the value of her work disappears from the national income accounts. When an opera singer sings professionally, she is considered as adding the equivalent of her salary to the national income. When she sings for charity or for friends, it does not count. How are we to prevent double counting at a hundred points? If we count the income of doctors, should we not deduct it from the income of patients? What is it that we are trying to measure, anyway? Are we trying to measure national income *produced* or national income *paid out* or national income *spent* or national income *consumed*?

Today most laymen (and a large number of statisticians and economists) conveniently assume that all these problems must have been satisfactorily solved, because they read daily in the newspapers official figures showing exactly what the national income, personal income, disposable personal income, and above all, the gross national product (G.N.P.) were not only in the past, but at what annual rate they are currently running. And these figures are presented with great precision, with decimal points. Few laymen are aware that these figures are made up not of definite items which can be lined up and counted, but in large part of *estimates* subject to error.

To take a recent illustration from one of the leading countries, namely, the U.S.A. The President's annual Economic Report of January 1958 boasted, in its opening paragraph, that the nation's G.N.P. or output of goods and services in 1957 totalled 434 billion dollars or 5 per cent. larger than in the preceding year and it was also pointed out that about four-fifths of this increase was accounted for by rising prices, and, therefore, in physical terms, the increase was only about 1 per cent.

This brings us to one of the great problems in estimating national income. For example, when we speak of increase in national income in India as a result of the Five-year Plans, it is measured in rupees which has itself no fixed value. In a period of inflation, all values are falsified. Today, in every country, the most frequently cited overall figure is not that of national income, but of gross national product or G.N.P. We are told that India's national income has increased, namely, 30 per cent. during the last 10 years. The Government of India statisticians get this result by dividing actual rupee totals by an index number of prices for each year. They print, in fact, a separate table of "implicit price deflators" for the gross national product figures for each year, based on an index number of 100 for what they choose as the base year, say, 1939, or 1954, etc.

Though inflation and the changing value of the rupee make comparative overall national income figure quite misleading, is it, in fact, possible to correct the comparison by applying "implicit price deflators"? Yes, only approximately, never accurately. Goods never remain the same for two years in succession either in relative quantities or in comparative quality and no index number can be completely scientific.

Limited Value

There is another factor which distorts and falsifies comparative national income figures and it is the problem of measurability. Larger crops, for instance, have often a smaller total rupee value than smaller crops (hence crop-restriction schemes). Today, the national income figures expressed in a common medium of exchange or "money-of account" does not express any *absolute* total at all, but merely an *internal relationship of marginal values* (time quantities). The problem of translating money-value income into *real*, or heterogeneous physical, income is insoluble, still more so is the problem of translating either into 'psychic' or 'enjoyment' income. In brief, national income estimates have a very limited value, a far more modest value than is now commonly supposed.

We now come to the crux of the whole matter, namely, the danger of adopting national income figures as a basis for policy formulations. It is impossible to arrive at a precise, scientific objective or absolute measurement of the national income in terms of rupees. But the asumption that we can do so has led to dangerous policies. Policy implications, in fact, are already found in the "national income approach." For this means an attempt to deal with economic problems starting from an arbitrarily constructed 'whole' from a 'collective' and not from acting individuals. This 'macro-economic,' as differentiated from the 'micro-economic,' approach raises first of all the question: Why is the *nation* considered the 'collective' to be chosen, and not the State, the municipality, the *panchayat*, etc.? The chief answer to this question is that the choice of the 'collective' is determined mainly by political considerations. This political tendency also explains why these people are always talking about the distribution of national income, and not about the contribution of various individuals and groups of individuals to its coming into existence. Logically, this contribution problem ought to be considered first. Much of the national income discussion is dominated by the Marxian thesis, according to which all goods are 'socially' produced and afterwards individually appropriated.

Love for Big Figures

Though Government statistics publish nowadays estimates of both gross national product and national income, it is the former figure that is much more frequently cited. This is partly because it appears earlier (as a private firm knows its gross income before it knows its net income) and partly because it is the larger figure. National planners love big figures. We are constantly being told that 'we' (i.e., the Government) can easily afford to spend or give away as loans to other States, this or that huge sum because it is after all only such and such a percentage of our gross national product. No one would dream of considering such measuring valid as applied to a private firm.

Large deductions have to be made from the gross national product before we can estimate the national income. This can be illustrated in the case of depreciation charges which is not so much an estimate of past deterioration as a forecast of future probabilities. For example, it is never known when an old machine is going to be made obsolete by a new invention. In a period of monetary inflation, depreciation charges are systematically underestimated because they fail to allow for ever-mounting replacement costs. Another bad practice to which a too liberal reliance on national income figures has led is that of insisting on the urgency of *certain rate of growth* of the national income, no matter what level it has already reached. Thus it is often said that a growth rate of 5 per cent. a year would lead to a bigger growth in 10 years than a 3 per cent. or even 4 per cent. rate. This insistence on achieving or maintaining a *certain rate of growth* is the result of several misconceptions. There is a long-run tendency for industrial growth rates to slow down or retard as the level of production gets higher. There are several explanations for this feature—one has to do with a trick of percentage figures. Another has to do with a physical satiety point in human needs. If only one family in a country has a radio, and the next year 50 families get one, the rate of growth is 5,000 per cent. But once everybody has a radio, the net growth stops; a similar thing happens in regard to houses, motor cars, etc.

Further, as more and more things become plentiful (except rupees), there might be a tendency for the national income figures to reflect this by *falling*, because prices might fall faster than output rose. Another practical danger of the religious use of national income figures is that it can lead to a confusion or reversal of economic cause and effect. The national income of a given year is the total result of all the production and transactions during that year. In this respect, the national income figures are similar to the account books of a private firm. But more and more, in current discussion, one finds the national income treated as a *cause* of production. The national income is thought of as the purchasing power that automatically creates and buys the production. The truth is that national income does not cause national production, but national production causes national income. The national income approach has become one of the important incitements to inflation. For the easiest and surest way to get constantly bigger national income figures is not by increasing output and consumer *satisfactions*, but by constantly shrinking the measuring rod, i.e., by constantly depreciating the rupee.

Poor Record of Keynesians

Finally, it may be pointed out that economic forecasting based on "national income approach" has been a failure. In fact, the Keynesian forecasters have quite a poor record. Note the egregious failure of most Keynesian forecasts after World War II which was very largely due to an unexpected upward jump of the consumption level. Similarly, in 1953, the Keynesian models of mechanical inter-relationships between investment and consumption did not work out. In fact, the national income approach which has received great strength and popularity as a result of the "new economics" associated largely with economists like Keynes, and the consumption function, in particular, has given the mathematicians an ideal concept for building models of national income and making economic forecasts. Thus far, the economic forecasts even in the Western developed countries have been almost uniformly bad and in underdeveloped countries like India, with inadequate and unreliable statistics, the rate of growth of national income, rate of saving and the rate of investment have very limited application and have to be used with great caution by our planners.

In conclusion, at the present time, when India's planned economy and its progress are being shown in terms of national income figures, we cannot afford to forget that efforts to determine national income in monetary terms have merely a limited usefulness for special purposes. Actually, all estimates of national income rest on certain arbitrary (and sometimes false) assumptions. They are not purely objective or strictly determinate. The present fetish made of such estimates leads not only to confusion of economic cause and effect, but to inflationist and totalitarian policies.

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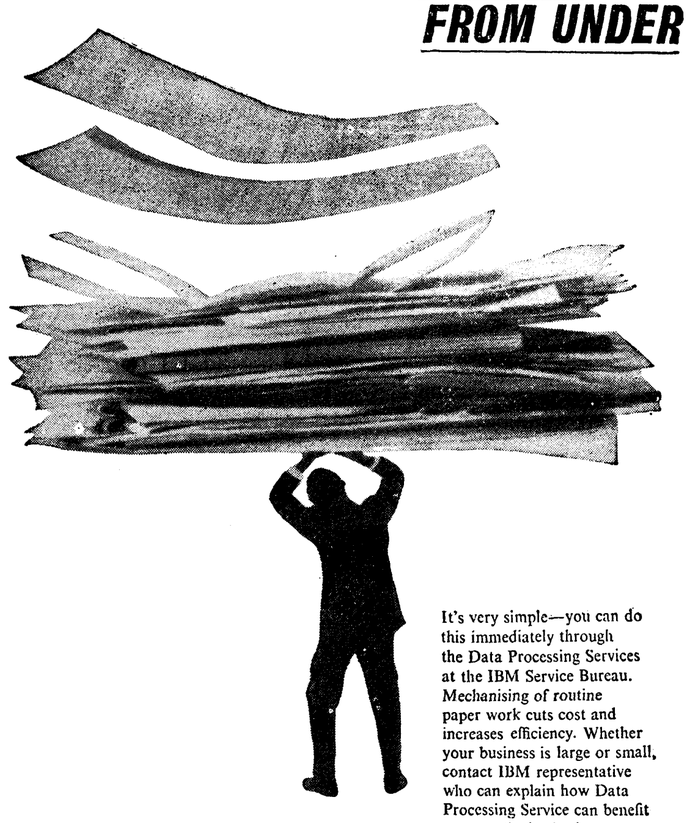

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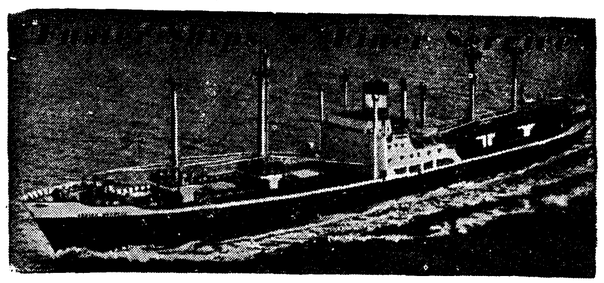

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PROTECTION TO CONTINUE FOR SHEET GLASS

INDUSTRY ENVISAGES RAPID EXPANSION

THE manufacturers of sheet glass will be happy to learn that the Government of India has endorsed the Tariff Commission's recommendation that protection to the industry be continued for a further period of two years from the close of 1960 at the prevailing rate of duty, namely, 70 per cent. *ad valorem*. It is true that this decision is only of theoretical importance, for import of sheet glass of the gauges manufactured in the country are restricted to a negligible quantity and, what is more, these restrictions are not likely to be relaxed in the foreseeable future. In fact, the Development Wing of the Government of India had informed the Commission that protection had lost its significance, in view of the virtual absence of any threat of foreign competition. But, from the point of principle, the continuance of protection has some significance. It suggests that the industry is not yet fully developed, that it is capable of further growth, given protection, and that it deserves to receive this assistance.

Commission's Stand

Disagreeing with the Development Wing, the Tariff Commission observes that "this is not a correct perspective from which the question of continuance of protection should be judged." Elaborating this point, the Commission adds, in its report, as follows:

"While the present position is that import restrictions on balance of payments considerations afford a sheltered market to the indigenous product, it is important that the domestic sheet glass industry should develop along sound lines. From the evidence available to us we have found that, though production of thicker varieties of sheet glass has increased since the last inquiry, it is still confined to one or two producers and that glass of thicker gauges for special uses is not available in adequate quantities and at reasonable prices. The application of sheet glass for building and industrial uses is rapidly increasing and the demand for diversified products is likely to grow. It is, therefore, essential that consumers of all types who have been carrying the burden of protection for over a decade should be in a position to obtain sheet glass of grades required by them at fairly reasonable prices. Reduction in costs of production and therefore prices can be expected only with fuller utilisation of plant capacity and expansion of production. From this point of view, we, therefore, consider that the progress of the industry needs to be carefully watched. All the four producers have requested for continuance of protection. They have pleaded that the domestic industry is still at a considerable disadvantage in the matter of supply of essential raw materials and their prices which are higher than those prevailing in foreign countries. We trust that the position in this regard will improve in the near future. In the meantime, new schemes of expansion and development have been licensed or approved and considerable investment in them is likely to take place in the next two or three years. When these projects go into production, it is reasonable to expect that the domestic requirements of sheet glass would be met at competitive prices This will, however, take about two or three years. We do not, therefore, consider it advisable at this stage to withdraw the protection granted to the sheet glass industry."

Since a few of the schemes of expansion and establishment of new units, with modern equipment and more economical process of manufacture, will be commissioned in 1961, the Commission is of the view that a more realistic assessment of the cost of production will become possible in 1962 than now. Hence its specific suggestion that the period of protection be extended by two more years.

The industry has made considerable progress in recent years not only by expanding production but also by diversifying its range of products. There are, at present, four units manufacturing sheet glass, including the one unit which was commissioned in October 1957, namely, the Indo-Asahi Glass Company Ltd., Bhurkunda. The three other units are (1) the Seraikella Glass Works (Private) Ltd., Kandra, (2) the Hindustan-Pilkington Glass Works Ltd., Asansol, and (3) the U.P. Glass Works Ltd., Bahjoi. The Seraikella Glass Works has already completed a scheme of expansion and is expected to achieve higher output shortly. Besides plain sheet glass, this unit manufactures blue sheet glass and has plans to produce glass of other colours and to polish thick sheet glass for which it has installed the necessary equipment. The other two units have also worked out plans for expansion. Thus, the Hindustan-Pilkington Glass Works and the Indo-Asahi Glass Company have been producing sheet glass of thicker varieties for which the demand in the country is rapidly developing. The industry is at present in a position to meet the bulk of the domestic requirements of sheet glass.

The present annual installed capacity of the industry is estimated by the Commission at 113.80 million square feet, as against 106.60 million sq. feet in 1957, that is, at the time of the last tariff enquiry. The following table shows the break-down figures of the annual capacity of the existing units (on treble shift), as estimated by the Commission, as compared with 1957:

	Capacity (million sq. ft.)	
	1960	1957
Hindustan-Pilkington	30.00	30.00
Seraikella Glass Works	36.00	28.80
Indo-Asahi Glass Co.	36.00	36.00
U.P. Glass Works	11.80	11.80
Total	113.80	106.60

It may be noted here that the estimates of present capacity, prepared by the Development Wing (at 107.56 million sq. ft.) and by the producers (at 138.60 million sq. ft.) do not agree with those of the Commission.

The Commission has pointed out that, in view of the expansion plans of the existing units and the schemes for establishing new ones, the rated capacity of the industry will be raised from 113.80 million sq. ft. to 163 million sq. ft. in 1961 and further to 170.20 million sq. ft. in 1962. When all the other additional schemes are completed, the aggregate rated capacity of the domestic industry will be of the order of 232.20 million sq. ft. It would appear that the present installed capacity will be more than doubled in the course of the next four years. It may be recalled in this connection that sheet glass is one of the forty-nine industries in respect of which licences for setting up fresh capacity will be issued freely, according to an announcement made by Government in April 1960.

Production

The production of sheet glass increased from 46.86 million sq. ft. in 1956 to 79.54 million sq. ft. in 1959, or by 70 per cent. Although the installed capacity remained more or less stationary, there was progressively higher utilisation of capacity, which was about 75 per cent. in 1959. While the bulk of the total output consists of 16 to 18 ounce and 24 ounce sheet glass, a definite shift towards production of thicker gauges has become perceptible in the past three years. The Commission has made particular reference in this connection to the fact that the demand for 3/16" glass, which is used for making safety glass for automobiles, is not being met in full. It has, therefore, urged the industry to step up the production of this type of glasses. The recent trend in the production of sheet glass (in terms of 2.2 mm. thickness) is shown in the following table:

(In million sq. ft.)

	1960 Jan-June	1959	1958	1957
Hindustan-Pilkington	13.19	23.96	21.42	18.44
Seraikella Glass Works	21.32	23.26	30.61	28.57
Indo-Asahi Glass Co.	8.15	19.97	24.22	4.25
U.P. Glass Works	4.02	7.35	5.48	5.41
Total	46.68	79.54	81.73	56.67

The plans for stepping up general industrial and building activities in the country are expected to raise further the demand for glass. The Commission, therefore, considers it reasonable to place the current domestic demand at 100 million sq. ft., as against 55 million sq. ft. in 1957. The rate of annual increase in the next three years is expected to be in the neighbourhood of 15 million sq. ft. over the level of 1960. The demand for sheet glass emanates mainly from (1) building and other constructional activity, (2) automobile industry and railways, and (3) mirror-making, picture frames and furniture manufacture, the demand for all of which goes up as a result of improvement in the standard of living.

The principal raw materials required for the manufacture of sheet glass are sand, soda ash, limestone, sodium sulphate, dolomite, fluorspar and arsenic trioxide. In addition, coal and furnace oil are used as fuel and refractories for lining the furnace. While the quality of the indigenous sand is said to be generally satisfactory, its supply is not properly ensured owing to shortage of wagons for sand. The Commission has suggested that, instead of sand, the sheet glass industry should use ground quartz, if available in the vicinity of their factories, and install the necessary equipment for processing the material.

In respect of soda ash, the industry has been using imported heavy soda ash, in the absence of indigenous production. Following the last tariff enquiry in 1957, the industry was asked to use light soda ash in place of heavy soda ash. The industry has stated that light soda ash adversely affects the quality of sheet glass. The Commission has accepted this contention and recommended that Government should make available heavy soda ash to meet the full requirements of sheet glass industry in the country. Licence has already been granted for the indigenous manufacture of 72,000 tons of heavy soda ash a year. In respect of coal, the Commission has suggested that Government should, after making technical assessment of the requirements of each sheet glass unit, grant necessary facilities for the import of equipment for gas producers as early as possible, so that readjustment of plant capacity to utilise lower grades of coal could be smoothly effected by the industry. Besides, it has urged the Railway Administration to examine the request of the industry for upgrading the transport, classifications of raw materials and take such appropriate steps as may be deemed feasible.

Quality

The consensus of opinion of consumers is that "the quality of indigenous sheet glass has considerably improved and is, by and large, satisfactory." It is further expected to improve when some of the units adopt the new process, called "Pittsburgh system." There were, however, some complaints relating to waviness, uneven thickness and distortion, apart from such defects as bubbles, blisters and uneven thickness.

A comparison of the fair ex-works prices of indigenous sheet glass with the landed cost (ex-duty) of imported products (based on quotations received from Japan, the U.K. and Belgium) has shown that the domestic industry suffers from price disadvantages ranging from 26.39 per cent. for 26 oz. sheet glass to 70.33 per cent. in respect of 3/16" glass *vis-a-vis* the imported product. The weighted average of the duties works out to 59.58 per cent., even without taking into account the freight disadvantage.

In conclusion, it may be pointed out that the industry, which has been enjoying protection since 1949 at a fairly high rate of protective duty, should spare no efforts to consolidate its position in such a way as to dispense with the need for this artificial prop as early as possible. Besides, the industry should, in co-operation with the authorities concerned, rationalise the machinery of distribution to remove periodical shortages of sheet glasses and ensure fair prices.

CUSTOMS ADMINISTRATION IN ASIA

Measures to simplify and liberalise customs and frontier formalities, including a draft code of recommended customs procedures, were adopted by E.C.A.F.E.'s Working Party on Customs Administration, which met at Bangkok recently. Senior customs officials from 23 E.C.A.F.E. member-countries, and observers from the German Federal Republic, the International Civil Aviation Organisation, the Customs Co-operation Council and three non-governmental organisations attended the session. One of the principal tasks of the Working Party was to present the specific recommendations made at its first session last year in the form of a Code of Customs Procedures for adoption by countries of the E.C.A.F.E. region. The Working Party emphasised that the code was not mandatory, nor was it intended to take the place of existing national regulations. It would, however, give a more permanent character to the list of customs procedures already agreed to by a majority of countries of the E.C.A.F.E. region as being desirable in the interests of sound customs administration and to facilitate the flow of international trade. The code covers such subjects as import, export and exchange control procedures; detention and bonding of goods; and customs formalities for business men and tourists.

The Working Party made a number of recommendations regarding the functions of customs brokers and customs clearing agents, and spelled out their general obligations, as well as those of the customs authorities with whom they deal. It suggested that it might be useful if the E.C.A.F.E. secretariat could compile a list of multilateral international conventions and agreements currently in force with respect to the freer movement of goods and passengers, and could circulate the list to member-countries. It also studied the possibilities for co-operation in preventing smuggling and evasion of customs regulations.

The Working Party emphasised the need for basic provisions governing bilateral agreements on transit trade and frontier facilities between countries in the region. Member-governments were urged to attach due importance to the planned training of customs officers, particularly training on the job, and it was suggested that facilities for such training be arranged on a bilateral basis, or under one of the foreign technical assistance programmes. Training should cover not only the specialised aspects of customs administration, but its general role in the economy of the country. Finally, the Working Party examined the suggestion, made by United Nations Headquarters, that consideration should be given to the establishment of a regional training centre for customs administration.

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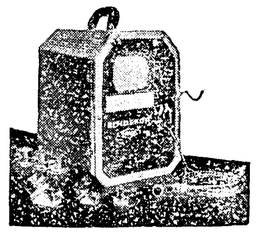

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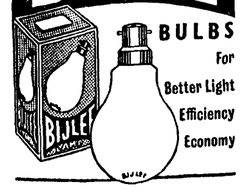

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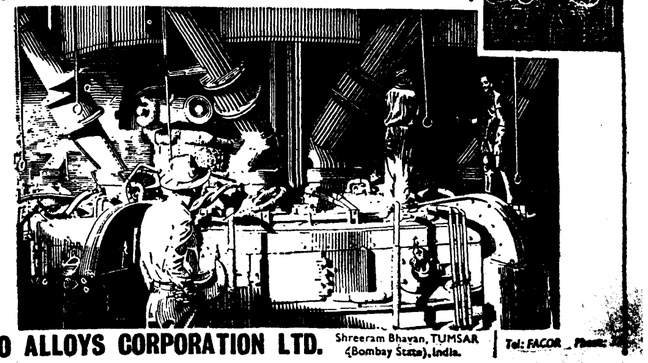

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SHARP RISE IN EARNINGS OF INDIAN IRON

BUT DIVIDEND AGAIN LARGELY MET OUT OF PAST EARNINGS

THE highlight of the results of the Indian Iron and Steel Company Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) for the year ended 31st March 1960 is the increased pace of expansion in production and earnings as compared with that noted in the previous year. The output of steel ingots, for instance, has increased by 218,867 tons or 36 per cent. (to 827,072 tons), which compares very favourably with the rise of 100,625 tons or about 20 per cent. in 1958-59. This is due to the enlargement of the steel-making capacity under the Company's expansion programme. Though there is still considerable leeway to be made up in order to reach the capacity of one million ingot tons, it is comforting to note that the Company's planning and labour during the last five years have now begun to bear fruit, despite many handicaps. Production of saleable steel, too, has improved to the extent of 164,562 tons or 33 per cent., as against 85,509 tons or 20 per cent. in the previous year. The gross profit, which had gone up from Rs. 6.89 crores in 1957-58 to Rs. 7.02 crores in the following year, has shot up to Rs. 8.99 crores, a rise of over Rs. 2 crores or 30 per cent. in two years.

The increased production has, no doubt, been accompanied by a sharp rise of Rs. 4.82 crores in the cost of raw materials, stores and spares consumed and of Rs. 4.16 crores in other expenses; the increase under the former head is much higher than that in the previous year, while the pace of increase in the latter has slowed down. It is evidently the slower pace of increase in "other expenses" that has raised the profit-margin (ratio of gross profit to sales) slightly to 16.1 per cent. from 15.6 per cent., to which level it had dwindled in 1958-59 successively from 26.3 per cent. in 1955-56. Notwithstanding this trend, the increase in cost of production still continues to be high. This is borne out by the further fall in the gross profit per ton of steel produced from Rs. 141 to Rs. 135.7. The increase in production cost under the escalator clause of the Company's agreement with the Government has since been compensated by the increase in steel retention prices of Rs. 4.85 per ton. As in the previous years, this increase has been granted by averaging the incidence over the five-year period ended 31st March 1960. It also covers, according to the Directors, the incidence of the negotiated settlement with the labour union in regard to wages and dearness allowance that was included in the Company's claim last year, but was deferred by the Government for further consideration.

Development Rebate

The net profit, at Rs. 4.97 crores, is higher by Rs. 41 lakhs. The relatively small increase in net profit is mainly due to the larger provision for depreciation, which has been raised from Rs. 2 crores to Rs. 3 crores, consequent on the further large additions to fixed capital expenditure under the expansion programmes. Of this profit, as much as Rs. 4.52 crores or 91 per cent., has been ploughed back into the reserves, including a sum of Rs. 2.59 crores to the development rebate reserve. Though the addition to the development rebate reserve is less than that (Rs. 3.15 crores) set aside a year ago, it has proved to be a much heavier burden on the Company to the extent that its excess over the actual tax remission has gone up from Rs. 98.60 lakhs to Rs. 103.49 lakhs. Commenting on this inequitous position, Mr. Biren Mookerjee, in his annual statement (published in our issue dated 26th November 1960, *vide* pages 962-964) observes:

"I am compelled to comment again this year on the taxation provisions relating to the allowance of development rebate which require that as a prerequisite to the grant of such allowance an amount representing 75 per cent. of the rebate shall be charged against profits and set aside to reserve. With company taxation now at the revised rate of 45 per cent. this means that over and above the saving in taxation arising from the allowance, which quite rightly should be set aside to reserve, a dead charge of 30 per cent. of the amount of the rebate is thrown against available profits compared with 23½ per cent. in the previous year. In our own case, the excess of the compulsory reserve for the year under review over the actual taxation saving amounts to no less than Rs. 1,03,49,296 and I cannot on principle accept without protest a position whereby a charge of this magnitude should be thrown against the profits of a company."

The Directors have, however, written back this excess of compulsory reserve over the actual tax saving from the general development reserve. The effective and logical result of this step is, as Mr. Mookerjee puts it, "a net accretion to the development reserves of the actual saving in taxation and a consequential net charge against profits of the amount of taxation that would have been payable but for the allowance of development rebate."

Position of Dividends

In addition to the amount written back from the general development reserve, the Directors have withdrawn the entire sum of Rs. 42.50 lakhs standing to the credit of steel prices equalisation reserve created only last year and Rs. 13 lakhs from the taxation contingencies reserve. It is only by writing back such large amounts that the Company has been able to increase the dividend to Re. 1.50 per share or 15 per cent., subject to deduction of tax (that is, 10.5 per cent., tax-free) from 10 per cent., free of tax, paid for the previous year, and that, too, on the increased capital of Rs. 12.44 crores following the capitalisation of Rs. 2.07 crores from the share premium account in February 1959. As will be seen from the accompanying table, consequent on the large additions to the reserves, the Company has, as in the previous year, had to meet the bulk of the dividend burden from out of the reserves created out of the past taxed profits. The dividend for the year under review affords compensation in full to the shareholders for the withdrawal of the former notional credit on their dividends in respect of income-tax paid by the Company. So far as the 5 per cent. tax-free preference shares are concerned, the Directors made the interim distribution at the gross amount, which, after deduction of 30 per cent. tax, would represent the amount previously payable free of tax. Consequent on the amendment of the Income-tax Act under the Finance Act 1960, however, the Directors have declared the final distribution, subject to deduction of tax, so that the total net dividend received by preference shareholders would be 4.25 per cent. free of tax.

Results Compared

The salient features of the Company's results for the last four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales (including items used in works)	55,67.85	45,02.31	35,04.53	30,62.96
Other income	73.55	43.67	51.64	42.40
Raw materials, stores and spares consumed	19,52.95	14,71.39	11,53.23	9,95.41
Other expenses	27,89.80	22,72.86	17,13.59	13,44.74
Gross profit	8,98.66	7,01.63	6,89.35	7,65.20
Managing Agency commission	37.22	26.51	27.71	30.90
Provision for—				
Depreciation	3,00.00	2,00.00	1,40.00	1,35.00
Taxation	64.28	18.62	1,61.65	3,19.00
Net profit	4,97.16	4,56.50	3,59.99	2,80.29
Transfer from reserves	1,58.99	2,15.60	1,34.06	47.00
To reserves	4,51.92	5,54.60	3,66.54	2,57.33
Dividends—				
5 per cent. preference	16.39	13.50	13.50	13.50
Ordinary	1,86.61 (15%)	1,03.67 (10%)	1,03.67 (10%)	51.84 (10%)
Carry forward	11.50	10.27	9.94	9.13
Production of—	Tons	Tons	Tons	Tons
Pig iron	1,053,612	959,933	733,945	695,156
Steel ingots	827,072	608,205	507,580	532,915
Saleable steel	662,113	497,551	412,042	443,721
Despatches of—				
Pig iron	875,718	822,328	619,689	573,113
Steel	667,648	506,141	403,978	1 420,477

The increase in "other expenses" is mainly accounted for by the rise of (1) Rs. 1.28 crores in "other manufacturing and miscellaneous expenses," (2) Rs. 1.24 crores in freight and insurance and (3) Rs. 1.03 crores in provision for repairs and renewals, as also by the interest charged on special advance from the Government of India for the period from 1st July 1958 to 31st March 1960 amounting to Rs. 89.10 lakhs. Though this interest, which was fixed at 5 per cent. by the Tariff Commission, is to be compensated by a special element in the increase in retention prices, the Government postponed consideration of the allowance of special element until after 31st March 1960. The Company, however, protested against this postponement and took credit for the corresponding amount of interest in its accounts for the year under review and included it under the head "sales."

All the major items of plant installations scheduled under the Company's 1953 and 1955 expansion programmes have now been commissioned, though, according to the Directors, it will be some time yet before the provision of the many subsidiary facilities required for the full and efficient working of the expanded plant is finally completed. But, as already stated, the Company is not in a position to work to its full capacity due to difficulties in getting adequate supply of the right quality coking coal and other raw material. When this handicap is overcome and assuming that labour, as well as transport, situation is favourable, the production and profits of the Company are bound to look up still further.

Financial Position

The Company's balance-sheet as on 31st March 1960 shows that its main source of finance for its capital expenditure and working capital continues to be borrowings, the total outstandings of which at the end of the year amount to Rs. 34.87 crores, representing an increase of Rs. 2.18 crores over the year. At this level they are not very much short of the total of paid-up capital and reserves at Rs. 36.40 crores. The current liabilities and provisions aggregate Rs. 21.84 crores, as against Rs. 23.37 crores a year before. There has been an addition during the year under review of Rs. 13.93 crores to the fixed assets which, after making allowance for deductions and transfers, stand at Rs. 71.29 crores. These have been written down to Rs. 56.82 crores. The capital work-in-progress is Rs. 3.89 crores. The current assets have declined from Rs. 37.25 crores to Rs. 31.96 crores. Even so, they provide adequate cover against short-term (unsecured) loans and current liabilities.

The current market value of the Company's Rs. 10 fully paid-up ordinary shares is Rs. 23.72 *ex-div.*, at which rate the yield on them is 4.4 per cent. per annum, free of tax.

COLOUR-CHEM MAKES A GOOD START

The twelve months ended 31st March 1960 represent the first year of manufacture for the Colour-Chem Ltd. (Managing Director: Mr. Charanjit Rai, Bombay) after its incorporation in 1957. The production of pigment emulsions was started in May 1959, of binder materials in September 1959 and of pigment powders in March 1960. Since then the production of the various items is proceeding according to schedule. The sales during the year amounted to Rs. 36.94 lakhs, on which the Company has earned a sizable gross profit of Rs. 11.58 lakhs. The Directors have set aside Rs. 4.67 lakhs for depreciation and created a development rebate reserve with an initial allocation of Rs. 6 lakhs, leaving a net surplus of Rs. 91,392, which has been utilised to reduce the accumulated losses (Rs. 1,31,375) brought forward from the previous years to Rs. 39,984. This small deficit is being carried forward and this is likely to be wiped out in the current year.

The Company issued during the year under review 35,000 equity shares of Rs. 100 each for public subscription and they were heavily oversubscribed. This has raised the paid-up capital of the Company to Rs. 1 crore. The reserves amount to Rs. 6 lakhs. The current liabilities and provisions at Rs. 31.96 lakhs are more than adequately covered by current assets amounting to Rs. 34.43 lakhs. The Company has made an addition of Rs. 106.37 lakhs to the fixed assets during the year under review, bringing the total value thereof to Rs. 107.92 lakhs. This has been written down to Rs. 103.10 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 338.75.

T.W.A.'S NET PROFIT DECLINES

Trans World Airlines Inc. earned a net profit after taxes of $6,083,000 in the first nine months of 1960, according to Mr. Warren Lee Pierson, Chairman of the T.W.A. Board of Directors. All except $4,000 of this year's net was earned in the third quarter. This represents a sharp fall from $9,068,000 earned in the corresponding period of 1959. The net earning per share was 91 cents, as against $1.36 in 1959. Total operating revenues for the nine months were $290.16 million over the $263.44 million recorded last year. Greatest passenger revenue gains were in the area of coach travel, which rose from $89.06 million to $101.22 million and international economy which increased from $21.93 million to $37.95 million. This situation reflected passenger appreciation for the greater speed, comfort and reliability of coach travel on jet aircraft.

The new 17-day European economy fare providing jet round trips between Europe and U.S.A. for as low as $350 is expected to generate more of this popular form of air travel in the winter months. This fare can be combined with the India-Europe fares. During the first week of the 17-day excursion plan which began 1st October, a total of 1,085 trans-Atlantic passengers or an average of 15 per flight availed themselves of this new economical form of transportation.

BELAPUR COMPANY EARNS RECORD PROFIT

ENHANCED DIVIDEND FULLY COVERED

THE handsome dividend of 58 per cent. subject to deduction of tax, or 40.6 per cent. on a tax-free basis, for the year ended 30th September 1960, recommended by the Directors of the Belapur Company Ltd. (Managing Agents: W. H. Brady and Company, Ltd., Bombay), two weeks ago, which is the highest to be paid so far in the history of the Company and represents an increase of 11.6 per cent. over that paid for 1958-59, is quite in consonance with the highly encouraging results for the year under review. The quantity of cane crushed during the year was higher than in the previous one, the recovery recorded an improvement and the production of sugar was larger. Although the area harvested was only 121 acres more than in 1958-59, the additional quantity of cane produced was over 26,200 tons. Over and above this, the Company was able to purchase 7,630 tons of cane from local outside cane cultivators.

The aforesaid trend is reflected in a bumper gross profit of Rs. 85.60 lakhs, which represents and increase of Rs. 37.44 lakhs over that for the previous year and is a fresh record in the Company's history. Such a sharp rise is in refreshing contrast to the successive decline in the previous two years from the then record profit of Rs. 77.96 lakhs earned in 1956-57 to Rs. 48.16 lakhs in 1958-59, the lowest level since 1950-51. After providing a larger sum for managing agency commission and taxation and more or less maintaining the provision for depreciation at the previous year's level, the net profit works out to Rs. 54.59 lakhs, an amount which is nearly double that (Rs. 27.86 lakhs) for the previous year. Of this amount, Rs. 13.63 lakhs, which is equal to no less than 25 per cent., has been ploughed back to the reserves, as against a mere Rs. 37,500 added a year ago. The higher dividend, together with the burden of 30 per cent. tax deductible at source which the Company is bearing on behalf of the shareholders, has increased the dividend liability by Rs. 11.28 lakhs to Rs. 40.89 lakhs. Even so, it is fully covered by the profit available, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 30th September			
	1960	1959	1958	1957
Sale proceeds of sugar	1,93.50	2,02.37	2,16.58	1,89.42
Other income	2.91	5.00	4.30	3.58
Closing stocks of sugar	49.87	16.86	34.49	47.68
Excise duty and cane cess	57.98	62.01	69.13	42.94
Other expenses (after adjustment of closing stocks)	53.73	97.80	94.70	72.10
Gross profit	85.60	48.16	57.04	77.96
Managing Agents' commission	8.25	4.50	5.40	7.44
Provision for—				
Depreciation	3.01	3.30	2.77	2.57
Taxation	19.75	12.50	17.25	20.00
Net profit	54.59	27.86	31.02	47.95
Excess provisions written back	..	..	8.27	0.71
Transfer to reserves and other funds	13.63	0.37	11.81	20.80
Dividend	40.89 (D. 58%)†	20.61 (D. 42%)†	28.20 (D. 36%)† *B.* 4%†	25.38 (D.36%)
Carry forward	0.83	0.76	2.88	3.00

† Subject to deduction of tax.

The releases of sugar stocks for sale in the market continued to be regulated by the Government and, since the beginning of the year, a new scheme of distribution control introduced by the State Government has also been in operation. The movement of sugar to consuming centres was slower than in the previous year and the monthly release orders by the Government were not stepped up in proportion to the increase in production. This accounts for the increase in stocks with mills at the end of the year. There was an increase in the minimum price to be paid to cane growers during the year, but a corresponding rise in the maximum *ex-factory* selling price of sugar was allowed and the increased price has been in force since November 1959.

It will be seen from the foregoing analysis of the Company's results so far that the impressive rise in profit is chiefly the result of increase in production of sugar brought about by higher crushing and better recovery. The Company could crush more because, unlike in previous years, it brought a certain amount of outside cane. The fixation of a higher price for sugarcane both in North India and Bombay State has been accompanied by a higher selling price for sugar. The rebate in excise duty as an incentive to increased production has also helped widen the profit margin. A point that must be borne in mind in comparing the results for 1959-60 with those for 1958-59 is that, in the latter year, the Company suffered a loss of a sizable amount on the sugar which it was compelled to export. There was no such debit in the year under review. But it will reappear in the current year as the industry is obliged to export sugar again.

The most important development of the year under review is the acquisition by the Company of a financial interest in the Gangapur Sugar Mills Ltd., a modern sugar factory with a crushing capacity of 1,000 tons of cane per day. This factory is situated about 25 miles from the Company's own factory. When all formalities are completed, the Gangapur Sugar Mills Ltd. will become a subsidiary of the Company (Belapur). The Company owns 25,980 equity shares of Rs. 100 each in the Gangapur Sugar, of which 16,880 shares were transferred to the name of Belapur Company on 11th October 1960 and the balance of 9,100 shares are yet to be transferred. The total cost of this investment is Rs. 29.88 lakhs. Besides this investment, the Belapur Company has also advanced loans aggregating Rs. 23.50 lakhs to the Gangapur Sugar to enable it to pay off some of its debts. The latter will, according to the Directors, require further financial assistance in the near future for capital expenditure on a lift irrigation scheme to enable it to cultivate its 4,000 acres of freehold land. The Gangapur Sugar has made losses during its two years' working, but "strenuous efforts" are being made to put it on a profit-making basis. It is, however, expected that the ultimate objective will not be reached in the next two or three years.

The aforesaid investment and loan are reflected in the sharp fall in the cash resources of the Company from Rs. 84.70 lakhs to Rs. 18.45 lakhs. The investments have gone up from Rs. 24.46 lakhs to Rs. 53.98 lakhs. Stock-in-trade, crop-in-progress, etc. have gone up from Rs. 105.61 lakhs to Rs. 147.36 lakhs and book debts from Rs. 5.06 lakhs to Rs. 33.03 lakhs. The gross block of the value of Rs. 163.93 lakhs has been well written down to Rs. 53.27 lakhs. As against these assets, the current liabilities and provisions amount to no more than Rs. 83.04 lakhs, thus leaving net assets of Rs. 223.35 lakhs, represented by a paid-up capital of Rs. 70.49 lakhs and reserves and surplus of Rs. 152.86 lakhs.

The investors' confidence in the financial strength of the Company and its efficient working is indicated by the substantial premium which the shares of the Company (Rs. 50 fully paid-up) have always commanded in the market. The latest market value at Rs. 398 per share (*cum*-dividend), is nearly eight times the face value. Even at this rate the shares of the Company offer a sizable yield of 5.4 per cent. per annum, free of tax. From all available indications, the prospects for the current year are promising. Assuming no untoward developments take place, it should be possible for the Company to maintain the results at the levels recorded in the year under review.

SYNTHETICS AND CHEMICALS LTD.

The foundation digging operations of the synthetic rubber factory near Bareilly in Uttar Pradesh began on 28th November 1960. The factory will be run by the Synthetics and Chemicals, Ltd. The manufacture of synthetic rubber by this factory will be processed by utilising alcohol obtained from the U.P. sugar mills. The factory is expected to go into production in the middle of 1962.

The setting up of this important basic industry is being made possible through financial aid and know-how promised by the U.S. Government and American private business. The Firestone Tyre and Rubber Co. of the U.S. will contribute 25 per cent. of the capital. The U.S. Government, acting through the Export-Import Bank, has given a loan of 3.92 crores to the Synthetics and Chemicals Ltd., from the sale proceeds of U.S. agricultural commodities supplied to India. Four private American banks will also contribute equal amounts to a loan of $6,000,000 to the Indian Company. Besides, the Firestone Tyre and Rubber Company will make available to the Indian Company $5,625,000 in cash in American and other currencies for the purchase of machinery, equipment and the initial stores. The Indian Company will also be assisted by its American associate—the Firestone Tyre and Rubber Company—with the necessary technical information, know-how, expert advice and supervision in setting up the factory.

In India, especially in Uttar Pradesh, plenty of alcohol is available as a by-product of sugar factories which explains the location of the Indian synthetic rubber factory in the centre of an alcohol producing area. The new factory will need about 14 million gallons of alcohol a year. The Uttar Pradesh sugar factories, currently producing nearly 12.5 million gallons, are expected to be able to meet the synthetic rubber factory's alcohol requirements by the time it goes into production. Initially the new factory will produce 20,000 tons of synthetic rubber annually with a capacity to expand production to 30,000 tons.

COMPANY MEETINGS AND DIVIDENDS

COWCODDY ESTATES LTD. Annual General Meeting, Bunder, Mangalore—South Kanara, Mysore State, 14th December 1960. Dividend: 25 per cent. or Re. 0.50 per share, subject to deduction of tax. (This includes an interim dividend of 10 per cent. Re. 0.20 per share.) Transfer books remain closed from 1st to 14th December 1960, both days inclusive.

T. MANEKLAL MFG. CO., LTD. Annual General Meeting, Bombay, 14th December 1960. Transfer books will remain closed from 7th to 21st December 1960, both days inclusive.

MYSORE CEMENTS LTD. Annual General Meeting, Bangalore, 15th December 1960. Transfer books remain closed from 3rd to 17th December 1960, both days inclusive.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. Annual General Meeting, Belmont, Coonoor, Nilgiris, 17th December 1960. Dividend: 27½ per cent. or Rs. 2.75 per share (includes interim dividend of 7½ per cent. or Re. 0.75 per share, paid in April 1960), subject to deduction of tax. Transfer books will remain closed from 5th to 17th December 1960, both days inclusive.

BENGAL ELECTRIC LAMP WORKS LTD. Annual General Meeting, Calcutta, 17th December 1960. Transfer books remain closed from 3rd to 17th December 1960, both days inclusive.

MYSORE TOBACCO CO., LTD. Annual General Meeting, Bangalore, 17th December 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax, payable on and after 28th December 1960. Transfer books will remain closed from 5th to 17th December 1960, both days inclusive.

INVESTMENT TRUST OF INDIA LTD. Annual General Meeting, Madras, 21st December 1960. Dividend: 5 per cent. or Rs. 5.00 per share, subject to deduction of tax, payable on 22nd December 1960. Transfer books will remain closed from 13th to 21st December 1960, both days inclusive.

TALAYAR TEA CO., LTD. Annual General Meeting, Kottayam, Kerala State, 21st December 1960. Dividend: 8 per cent. or Re. 0.16 per share, subject to deduction of tax, payable on or after 27th December 1960. Transfer books will remain closed from 7th to 21st December 1960, both days inclusive.

HINDUSTAN MOTORS LTD. Annual General Meeting, Calcutta, 21st December 1960. Dividend: Re. 0.90 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 5th to 21st December 1960, both days inclusive.

DARJEELING ROPEWAY CO., LTD. Annual General Meeting, Calcutta, 27th December 1960. Dividend: Re. 0.50 per share, subject to deduction of tax. Transfer books will remain closed from 13th to 27th December 1960, both days inclusive.

ATAL TEA CO. (1943) LTD. Annual General Meeting, Calcutta, 27th December 1960. Dividend: 10 per cent. subject to deduction of tax. Transfer books will remain closed from 13th to 27th December 1960, both days inclusive.

ALUMINIUM CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 27th December 1960. Transfer books will remain closed from 9th to 27th December 1960, both days inclusive.

MADHYA PRADESH INDUSTRIES LTD. Annual General Meeting, Bhopal, 29th December 1960. Transfer books will remain closed from 14th to 29th December 1960, both days inclusive.

EAST INDIAN COAL CO., LTD. Annual General Meeting, Calcutta, 30th December 1960. Transfer books will remain closed from 14th to 30th December 1960, both days inclusive.

ASSOCIATED CEMENT COS. LTD. Annual General Meeting, Bombay, 20th January 1961. Dividend: Rs. 12.00 per share, subject to deduction of tax, payable on and from 2nd February 1961.

BOMBAY SUBURBAN ELECTRIC SUPPLY LTD. Ad-interim dividend of 6 per cent. per annum or Rs. 3.00 per share, subject to deduction of tax, for the half-year ended 30th September 1960, payable on and after 20th December 1960. Transfer books remain closed from 2nd to 14th December 1960, both days inclusive.

CENTRAL PROVINCES RAILWAYS CO., LTD. Final dividend of Rs. 2.00 per share (making a total of Rs. 3.50 per share, for the year), subject to deduction of tax, for the year ended 30th September 1960. Transfer books will remain closed from 16th December 1960 to 6th January 1961, both days inclusive.

INDIA JUTE CO., LTD. Taxable final dividend of Re. 1.00 per share, for the year ended 31st March 1960.

MEGNA MILLS CO., LTD. Taxable final dividend of Re. 0.60 per share, for the year ended 31st March 1960.

MARIKAR MOTORS LTD. Taxable dividend of 18 per cent. or Rs. 9.00 per ordinary share, for the year ended 31st March 1960. Transfer books will remain closed from 15th to 28th December 1960, both days inclusive.

RADIO AND ELECTRICALS MFG. CO., LTD. Taxable final dividend of 11 per cent. (making a total of 23 per cent. for the year), for the year ended 31st March 1960. Transfer books will remain closed from 7th to 19th December 1960, both days inclusive.

STANES AMALGAMATED ESTATES LTD. Taxable final dividend of 12 per cent. (making a total of 17 per cent. for the year), or Re. 1.20 per ordinary share, for the year ended 30th June 1960. Transfer books will remain closed from 15th to 30th December 1960, both days inclusive.

INDIA CEMENTS LTD. Taxable interim dividend of 6 per cent. or Re. 0.60 per ordinary share, for the year ending 31st March 1961. Transfer books will remain closed from 20th to 27th December 1960, both days inclusive.

SYNOPSES OF COMPANY REPORTS

Bijhauth Tea Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The season's working resulted in a profit on revenue account of Rs. 3,58,698 (Rs. 1,96,109) after providing for depreciation amounting to Rs. 2,26,571 (Rs. 1,84,931) writing off development expenditure of Rs. 1,69,419 (Rs. 1,30,108) incurred during the year on tea estates, providing Rs. 2,25,000 (Rs. 2,39,600) for contingencies and Rs. 5,60,000 (Rs. 95,000) for taxation. After transferring the above revenue profit making sundry adjustments and bringing forward the unappropriated balance of Rs. 7,54,179 (Rs. 3,54,184) from last year the balance remaining in profit and loss account amounts to Rs. 11,12,877 (Rs. 5,50,293). From this amount it is proposed to transfer to building reserve Rs. 2,00,000 (*nil*), to repairs and renewals reserve Rs. 1,00,000 (*nil*), to pay a dividend of 13 (*nil*) per cent. for 1959, subject to deduction of tax, absorbing Rs. 4,29,000 (*nil*) and to carry forward Rs. 3,83,877 (Rs. 5,50,293).

The following are comparative statistics of sales for the past three years:—

	Pounds	*Average price per pound*
1957	3 635,385	Rs. 2.58 nP
1958	3,903,729	Rs. 2.44 nP
1959	3,390,440	Rs. 2.75 nP

The revised estimate for 1960 provides for a crop of 13,75,920 kg. or 30,32,800 lbs., a drop of 3 57,540 lbs. on the previous season's crop. This drop is entirely due to the exceptionally severe drought which affected most parts of Assam without precedent in the history of the tea industry in North-East India.

The total working cost per kg. of tea was Rs. 5 28 or Rs. 2.40 (Rs. 2.07) per pound.

The Central Government gave its approval to the reappointment of Messrs. Williamson Magor & Co., Ltd., as managing agents, but reduced the term of office to five years and prescribed a sliding scale of remuneration. At the general meeting of the Company held on 14th August, 1960 the re-appointment of Messrs. Williamson Magor & Co., Ltd., as managing agents of the Company was formally confirmed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33 00.000	Gross block	73.96,221
Reserves ...	18,32,500	*Less*—Depreciation ...	31,20,921
Provision for taxation ...	3,73,429		
Liabilities ...	33,25,288	Net block ...	42,75,300
Profit and loss account (surplus)	3,83,877	Stock-in-trade	33,32,482
		Stores, etc. ...	9.27.411
		Book debts	2.82 006
		Investments	3,31,290
		Cash ...	66,605
Rs.	92,15,094	Rs.	92,15,094

Central India Coalfields Ltd.

The directors of the above Company (Managing Agents: Hindusthan Investment Corporation Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The profit for the year before charging depreciation and taxation amounts to Rs. 16,14,495 (Rs. 9,93,185) from which is deducted provision for income-tax Rs. 4,91,000 (Rs. 3,05,000) and depreciation Rs. 5,04 459 (Rs. 2,67,745) leaving a balance of Rs. 6,19,036 (Rs. 4,20,440). Together with the balance brought forward from last year's account of Rs. 7,059 (Rs. 10,769 and excess provision of wealth tax now written back Rs. 1,551 (*nil*) makes a total of Rs. 6,27,646 (Rs. 4 31,209). Out of this amount the directors have transferred to development reserve Rs. 1,25,344 (Rs. 1,74,300) and to reserve for contingencies Rs. 75,000 (*nil*) leaving a balance of Rs. 4,27,302 (Rs. 2,55 903). The directors recommend payment of dividend at the rate of Re. 0.80 (Re. 0.50 free of tax) per share, subject to tax, absorbing Rs. 3,99,760 (Rs. 2,49,850) leaving a balance to be carried forward to the next year's account of Rs. 27,542 (Rs. 7 059).

Raising and Workings:

	1958-59 tons	1959-60 tons
Raisings	3.16 881	3,74,738
Despatches	3,06,540	3,73,834
Colliery consumption ...	9,167	7,736

Working of the company shows satisfactory improvement during the year. Rs. 1 20 000 of the accumulated depreciation has been written off during the year, and the directors have further transferred Rs. 75,000 to a new account called reserve for contingencies. Difficult mining conditions restricted the output at the Pure Chirimiri and Khas Badjna collieries of the company, while at the Orient colliery, the workings were on the whole satisfactory.

On the basis of the grades fixed for collieries in Madhya Pradesh and Orissa, the Government announced revised prices of coal in these fields from 16th November 1959.

Accounts in brief are as follows:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49 97.000	Gross block	74,82.076
Reserves ...	4,63,729	*Less*—Depreciation ...	25,32,605
Provision for taxation ...	4.94.074		
Liabilities ...	21,81,826	Net block ...	49.49.471
Profit and loss account (surplus) ...	27,542	Stock ...	1.35,223
		Stores, etc. ...	7.53.364
		Book debts ...	20 47.513
		Investments	2,07.841
		Cash ...	70.759
Rs.	81.64.171	Rs.	81.64,171

Cowcoody Estates Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. Peirce Leslie & Co. Ltd., Mangalore) present the audited accounts of the Company for the year ended 30th June 1960.

Acreage.—The total acreage of the properties remains unchanged as follows: Coffee in bearing: arabica 405.38 acres; robusta 28.55 acres; new clearings 11.00 acres; cardamoms 108.51 acres and oranges 52.02 acres. Wet lands cover 50.16 acres and reserve lands 223.63 acres.

After providing for depreciation and all other charges except taxation, the accounts show a profit of Rs. 1,56,167 (Rs. 1,11,152) to which is added the balance brought forward from last year of Rs. 28,530 (Rs. 71,748) and refund of income-tax Rs. 11,983 (*nil*) making a total of Rs. 1,96,710 (Rs. 1,82,900). After deducting from this the interim dividend of 10 (10) per cent. taxable declared on 30th May 1960 amounting to Rs. 40,856 (Rs. 40,856), transfer to taxation reserve of Rs. 41 900 (Rs. 27,200) and transfer to general reserve of Rs. 25,000 (Rs. 25.000) there remains a balance of Rs. 88,954 (Rs. 89,844). The directors recommend payment of a final dividend of 15 (15) per cent. subject to deduction of tax absorbing Rs. 61,284 (Rs. 61,284) leaving a balance to be carried forward of Rs. 27,670 (Rs. 28,560).

Coffee.—The total crop of 99.155 metric tonnes was harvested during the year and delivered to the Coffee Board. This has been valued at Rs. 2.20 per point or Rs. 3,283 per metric tonne. A comparative statement of production and costs for the past three years is given below:

Year	*Crop (metric tonnes)*	*Estate expenditure per metric tonne*	*All in cost per metric tonne*
1957-58 ..	177.805	Rs. 1,330	Rs. 1,850
1958-59 ..	101.457	Rs. 2.370	Rs. 2,750
1959-60 ..	99.155	Rs. 2,395	Rs. 2,883

Final payment on 1957-58 crop has been received making the total for the year Rs. 2.51 per point. This is equivalent to Rs. 3.727 per metric tonne. The 1958-59 crop has been revalued at Rs. 2 45 per point being the figure so far declared by the Coffee Board and this is equivalent to Rs. 3.589 per metric tonne.

The 1960-61 crop has been estimated at 120-122 metric tonnes and the all-in-cost of production at Rs. 2.377 per metric tonne. Capital expenditure for the year is estimated at Rs. 12,600.

Cardamoms.—A crop of 499 lbs. of cardamoms was harvested. Out of this 355 lbs. was sold at Rs. 8.50 per lb. and the balance of 144 lbs. has been valued at Rs. 7 per lb. The 1960-61 cardamom crop is estimated at 700 lbs.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4.08.560	Gross block	3,12,568
Reserves ...	2,00,000	*Less*—Depreciation ...	76,968
Provision for taxation ...	1.40.987		
Liabilities ...	1.31,962	Net block ...	2.35,600
Profit and loss account (surplus)	27,670	Stock ...	1,69 144
		Stores ...	54,361
		Book debts	7,415
		Investments	15.600
		Cash ...	4,27,059
Rs.	9,09,179	Rs.	9,09,179

Indian Hume Pipe Co., Ltd.

The directors of the above Company (Messrs. Walchand and Co. Private Ltd., Bombay) present the audited accounts of the Company for the year ended 30th June 1960.

The net profit for the year after providing Rs. 12,00.000 (Rs. 19,00.000) for taxation is Rs. 11,49.221 (Rs. 17 41.000) to which is added the amount brought forward from the last year of Rs. 84,342 (Rs. 83.338) making a total of Rs. 12,33,563 (Rs. 18,24,342). The directors propose to transfer to debenture redemption reserve Rs. 2,00.000 (Rs. 3 00,000), to rehabilitation reserve Rs. 1,00,000 (Rs. 3,00,000) and to additional provision for taxation Rs. 50,000 (Rs. 5,00,000 to excess profit tax provision) leaving a balance of Rs. 8.83 563 (Rs. 7,24,342). The directors now recommend payment of dividends as follows:—

On 5 per cent. cumulative preference shares, subject to tax Rs. 2.50,000 (Rs. 2,50,000) and on ordinary shares at 13 (13) per cent per annum, subject to tax Rs. 5.62,617 (Rs. 3,90 000) leaving a surplus to be carried forward of Rs. 70,946 (Rs. 84,342). The dividend on ordinary shares, for the year 1960 is on increased capital of Rs. 59,99,900 (Rs. 30.00,000).

During the period under report 2 factories were closed and 4 new factories are opened making the total number of factories to 58 and the working of the factories in general is satisfactory.

The income-tax Assessments of this Company are completed upto the year ended 30th June 1954 i.e., Assessment year 1955-56 and the Company has gone in appeal.

The Company issued ordinary shares of Rs. 30 lakhs at par and the whole issue was fully subscribed.

The Company has recently secured an order for supply of *Steel Penstocks* worth about Rs. 67 lakhs for Sharavathi Hydro-Electric Project in Mysore State. These *Penstocks* will be manufactured at the Company's Factory at Hadapsar near Poona. The Company has also secured an order for supply of 40,000 *Prestressed Concrete Poles* for transmission of Koyna Power, from Maharashtra State Electricity Board. The Company is erecting a new Factory at Karad for manufacture of these poles.

The Company has secured order for supply of Steel Penstocks worth about Rs. 1,32,00,000 for Koyna Hydro Electric Project. By the end of the accounting year although the fabrication of pipes had commenced and a few *Penstock* pipes were erected, the entire job was in a preliminary stage and as such the expenses on these jobs are carried forward.

During the year under report consent from the Central Government has been received approving the re-appointment of Messrs. Walchand and Co. Private Ltd. as managing agents of this Company with effect from 15th August 1960, for a period of 5 years on a remuneration which is fixed on a slab system, other terms remaining the same as approved by the Members, at the extraordinary general meeting of the Company held on 31st August 1959. Necessary managing agency agreement has been executed accordingly.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1 09.99.900	Gross block	2,25,73,362
Debentures ...	29.18.000	*Less*—Depreciation ...	1,37,51.802
Reserves ...	64,82,780		
Provision for taxation ...	8,67,183	Net block ...	88.21.580
Liabilities ...	1,25,51,486	Stock-in-trade	77,30.851
Profit and loss account (surplus) ...	70,946	Stores etc. ...	20,90,258
		Work-in-progress ...	4,49,397
		Expenditure at factories	38.12.621
		Book debts ...	93.81.332
		Investments	15.66.973
		Cash ...	20,17,298
Rs.	3.58,90,300	Rs.	3.58.90.300

Mysore Chemical Manufactures, Ltd.

The directors of the above Company (Managing Director: Mr. S. Ramanathan, Bangalore) present the audited accounts of the Company for the year ended 31st March 1960.

The working of the Company during the year resulted in a net profit of Rs. 2 16,050 (Rs. 1,93,203) after providing Rs. 64,925 (Rs. 74,208) for depreciation, Rs. 3,20,000 (Rs. 3,20,000) for income-tax, super-tax and tax on bonus shares issued, and Rs. 17.741 (Rs. 32,698) for development rebate. Together with the last year's balance brought forward of Rs. 41,137 (Rs. 24,933), the total sum available for distribution is Rs. 2,57,186 (Rs. 2,23,137). The directors recommend to dispose of this amount as follows:—

To payment of dividend of 6 per cent. for the year under report on 20,000 6 per cent. cumulative preference shares subject to deduction of tax, absorbing Rs. 12 000 (Rs. 12,000), to payment of a dividend of 20 (20 per cent. free of tax) per cent. for the year under report on 80,000 ordinary shares subject to deduction of tax, absorbing Rs. 1,60,000 (Rs. 1,20,000) and to carry forward to next year's account Rs. 85,186 (Rs. 41,137 after transferring Rs. 50,000 to dividend equalisation reserve).

Under the new provisions of the Income-tax Act, a compulsory deduction of tax at 30 per cent. able. The directors desired to raise the rate of dividend on the preference shares to cover the deductions of income-tax by placing necessary resolutions before the equity and preference shareholders, but in view of the recent Bill introduced before the Parliament regarding the Preference Share Regulation of Dividends Bill 1960, they are awaiting the legislative provisions and have decided to pay the usual 6 per cent. dividend (deducting income-tax at source. The necessary revision for payment of the additional dividend will be given effect to as soon as the Bill is passed. The amount of the additional increased dividend will be paid to the preference shareholders out of the unappropriated profits carried in the accounts.

During the year a sum of Rs. 2,00,000 was capitalised from the reserve fund and 20,000 equity shares of Rs. 10 each were allotted as bonus shares to the existing equity shareholders in the proportion of one share for every three shares held as per the resolution passed at the extraordinary general meeting of the Company held on 2nd May 1959. These shares rank *pari passu* with the old equity capital. The proposed dividend of 20 per cent. taxable on the enhanced capital should be considered satisfactory.

During the year a total quantity of 3.163 tons of *chemicals* were produced as against 3,085 tons in the previous year. The total sales amounted to Rs. 33,85,208 including *fertilisers*, while the sales for the previous year were only Rs. 30,98,434.

The output of *chemicals* during the year has shown slight increase. The Company could not maintain full production for want of sufficient supplies of *sulphuric acid*.

The Company has secured licence from the Government of India for installing a sulphuric acid plant and the directors intend proceeding with the scheme.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Gross block	11,19,269
Reserves ...	4,52,139	*Less*—Depreciation ...	5,96.880
Provision for taxation ...	3.31.929		
Liabilities ...	19,51,901	Net block ...	5.22.389
Profit and loss account (surplus)	85,186	Stock-in-trade	15.76.938
		Stores. etc. ...	2,00.001
		Other assets	638
		Book debts	13,02.826
		Investments	2,08.403
		Cash ...	10,007
Rs.	38.21.205	Rs.	38.21.205

Mysore Tobacco Co., Ltd.

The directors of the above Company (Chairman: Mr. M. Mallaraj Urs, Bangalore), present the audited accounts of the Company for the twenty-third year ended 31st March 1960.

The net profit for the year amounted to Rs. 75,422 (Rs. 81,112) after providing Rs. 68 037 (Rs. 66,547) towards depreciation and Rs. 61,790 (Rs. 1,13,147) towards taxation. With the amount brought forward of Rs. 200 (Rs. 4,088) of last year and by drawing Rs. 25,000 (Rs. 40.000) from the dividend equalisation fund the directors recommend the following appropriations to be made:—

To declare a dividend of 10 (12½ per cent. free of tax) per cent. subject to taxation. absorbing Rs. 1,00,000 (Rs. 1,25,000) and to carry forward Rs. 622 (Rs. 200).

The Company acquired 1,01,41,935 pounds of green leaf from a planted area of 3,083 acres in the year under report as against 1 12,80,291 pounds obtained from 3,364 acres in the previous year.

The seasonal conditions were adverse to the tobacco crop and there was a general decline in the yield of the crop. The production of tobacco in Gowribidnur area both in quantity and quality was reduced. The tobacco production in the private sector also declined due to greater interest in the cultivation of sugarcane and inadequate water supply in the wells for early planting of tobacco. Keener competition continued from other buyers for purchase of the tobacco. The quantity of cured leaf acquired during the year was 5.99,368 lbs. as against 8,05,421 lbs. in the previous year. The spot disease in Mandya Area continued to reduce the quality of tobacco.

Although it is gratifying to report that the out-turn of top grades in the year was higher than in the previous year, the increase in the cost of production due to the rise in the price paid for the green leaf and cured leaf, the levy of *Octroi* on green and cured tobacco and other operational expenses, were responsible to reduce the margins available to the Company. The directors are therefore actively considering ways and means by which a steady return may be achieved. The processing of tobacco in the Redrying Plant at Whitefield of other agencies is being continued as during previous years.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00.000	Gross block	17,88,367
Reserves ...	3,16,884	*Less*—Depreciation ...	10.32,038
Provision for taxation ...	65.332		
Liabilities ...	6,98,426	Net block ...	7,56,329
Profit and loss account (surplus) ...	622	Stock-in-trade	1,31 321
		Stores. etc. ...	3.90.085
		Book debts ...	5,10,186
		Investments	1,96.255
		Cash ...	97,087
Rs.	20,81 264	Rs.	20,81.264

New Manbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) presented the audited accounts of the Company for the year ended 31st March 1960.

The revenue account shows a gross profit on the working of the year of Rs. 2,14,133 (Rs. 1,69,402). After adding to this the profit on sale of sand lease Rs. 18.080 (*nil*) and profit at Howrah depot Rs. 2,982 (*nil*), there is a total of Rs. 2,35,195 (Rs. 1,64 510 including Rs. 4,108 being refund from railway). From this amount is deducted directors' remuneration of Rs. 2,575 (Rs. 2,055), contribution to superannuation fund Rs. 4,019 (Rs. 12,013), managing agents' remuneration Rs. 23,650 (Rs. 24 100), colliery manager's commission Rs. 9,962 (Rs. 7,397), provision for taxation Rs. 58 (Rs. 1,521), reserve for doubtful debts Rs. 12,000 (*nil*) and development rebate reserve of Rs. 9,792 (Rs. 10.838) leaving a balance of Rs. 1,73 139 (Rs. 55.313 after writing off losses on sale of machinery and investments, bad debts and providing for wealth tax) with the balance brought forward from the previous year of Rs. 97,273 (Rs. 1,34,222) and credit adjustments in respect of previous year of Rs. 8,327 (Rs. 262), less debit adjustments in respect of previous year Rs. 27,136 (Rs. 12,524), there is a credit balance in the profit and loss account of Rs. 2 51,603 (Rs. 1,77,273). Out of this amount directors have transferred Rs. 1,50,000 (Rs. 50,000) to general reserve and they recommend that the balance, namely Rs. 1,01,603 (Rs. 1,27,273) should be disposed of as follows:—

To pay a dividend of 7½ (5 per cent. tax-free) per cent. for the year ended 31st March, 1960. subject to deduction of tax at source, absorbing Rs. 45,000 (Rs. 30.000) and to carry forward Rs. 56,603 (Rs. 97,273).

The raisings and despatches for the year ended 31st March, 1960, amounted to 139,431 tons and 116,109 tons, respectively, as against 129,736 tons and 122,017 tons, respectively, for the previous year.

The second stowing and crushing plant referred to in the last year's report has been delivered and steps are being taken to put this into operation in course of next few months. After the installation of this machine there should be increase in output of selected grade coal for which there is a great demand and it is expected that this will lead to considerable improvement in the working results of the colliery. Although as detailed above raisings during the year improved appreciably as compared to previous year, the total output was less than the estimated figure, due to very heavy and prolonged rains during monsoon period which impeded mining operations for some time. The directors are glad to report that raisings during the six months ended 30th September, 1960, show a satisfactory improvement of position as compared to the same period of 1959.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00.000	Gross block	28,97,827
Reserves ...	2,88,645	*Less*—Depreciation ...	19,79.034
Provision for taxation ...	1.180		
Liabilities ...	11,54,014	Net block	8,75,227
Profit and loss account (surplus)	56,603	Other assets	12 377
		Stock-in-trade	2,10,280
		Stores, etc. ...	3,71,473
		Book debts	5,82 333
		Investments	2,830
		Cash ...	45.822
Rs.	21,00,442	Rs.	21,00,442

Parkside (Neilgherry Hills) Estate Co., Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. Matheson, Bosanquet & Co. Private Ltd., Belmont, Coonoor) present the audited accounts of the Company for the financial year ended 30th June 1960.

The year under review is the most successful the Company has ever had with a record crop of 8,19,500 lbs. of made tea. The average sale price though lower than for the previous season continued to be far above the average auction prices and as a result the season has produced very satisfactory working results.

The gross profit for the year after providing for depreciation amounts to Rs. 9,02,078 (Rs. 7,11,767) from which is to be deducted provision for Central and agricultural income-tax of Rs. 4 30,000 (Rs. 3,20,000) leaving a sum of Rs. 4,72,078 (Rs. 3,91,767). With the balance brought forward from the previous year of Rs. 50,402 (Rs. 5,024) and excess provision for taxation in previous year not required of Rs. 6,818 (Rs. 26,886) there is a total amount available for disposal of Rs. 5.29.298 (Rs. 4.23.677). The interim dividend of 7½ (7½) per cent. already paid on 20th April 1960, absorbed Rs. 1,01.520 (Rs. 1,01,520). The proposed final dividend of 20 (20) per cent. will absorb Rs. 2,70,720 (Rs. 2,70 720). The directors propose to transfer to development rebate reserve Rs. 6,790 (Rs. 1,035), to general reserve Rs. 1,00,000 (*nil*) and to provision for taxation in respect of 1957-58 Rs. 2,857 (*nil*) leaving a balance to be carried forward to next year of Rs. 47,411 (Rs. 50.402).

Bonus Shares: The directors are pleased to recommend the issue of free bonus shares to all the shareholders in the proportion of 1 Bonus share for every 10 shares held.

The total area of the Estate remains unchanged at 649.71 acres out of which 579.40 acres are tea bearing.

Crop: As stated above a record crop of 8,19,500 (6,55,200) lbs. of made tea was secured which is equivalent to 1,414 lbs. per acre, and the harvest is some 77,360 lbs. above the previous record which was gathered two seasons ago. It is indeed fortunate that the Factory and machinery has been modernised in recent years so that the Company was in a position to manufacture teas of a high standard even during peak cropping periods.

While weather conditions have of course been unusually favourable, the tea shows no ill effects from the heavy crop removed indicating that the liberal cultivation policy adopted is on sound lines. It is too early to give an estimate of the probable crop intake for the current season but present indications are that the estimate will be obtained without difficulty.

Estimates for the season 1960-61 provide for 6,50 000 lbs. of made tea to cost 145.08 nP per lb. inclusive of 16.61 nP per lb. for manuring.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,53,600	Gross block	32,40,997
Reserves ...	17,53,325	*Less*—Depreciation ...	5.53.242
Provision for taxation ...	4,43.143		
Liabilities ...	5,70,613	Net block ...	26.87.755
Profit and loss account (surplus) ...	47,411	Stock-in-trade	3,46.453
		Stores, etc. ...	65,619
		Book debts ...	85 504
		Cash ...	9,82,761
Rs.	41,68,092	Rs.	41.68,092

Smith Stanistreet and Co., Ltd.

The directors of the above Company (Chairman: Mr. A. H. Hume, Calcutta) submit the audited accounts of the Company for the year ended 30th June 1960.

The Company continues to establish progressively its products in the market and to maintain its distribution organisation to the satisfaction of its principals. Rationalisation of the Company's own products has continued and promotional activities for the ethical products have given satisfactory results although the full benefit of further increases in the number of field personnel is still to be realised.

During the current year a further rise in sales is anticipated in all directions and the future is looked to with optimism. During the year supplies of raw materials for the Strychnine plant became increasingly available and production and sales have been satisfactory.

After making adequate provision for depreciation, taxation and all other charges and transferring Rs. 50.000 (Rs. 50.000) to general reserve, Rs. 50,000 (Rs. 50,000) for doubtful debts and Rs. 12.500 (*nil*) as a reserve for additional dividend on preference shares, the profit for the year amounted to Rs. 4,48 372 (Rs. 4,34,192). After bringing in the amount of Rs. 75.219 (Rs. 87.459) brought forward from last year the balance at the credit of the profit and loss account is Rs. 5.23.591 (Rs. 5,21,647) which sum the directors recommend should be disposed of as follows:

To payment of dividend on the preference shares at 10 (14.286) per cent. per annum, absorbing Rs. 50,000 (Rs. 71,423) and to dividend on the ordinary shares at 25 (25) per cent. per annum, absorbing Rs. 3.75,000 (Rs. 3,75,000) leaving to be carried forward to the next account Rs. 98,591 (Rs. 75,219).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20.00.000	Gross block	24,40,260
Reserves ...	14,69,737	*Less*—Depreciation ...	15,05.655
Provision for taxation ...	4 02.827		
Liabilities ...	42,84,659	Net block ...	9,34 605
Profit and loss account (surplus) ...	98,591	Work-in progress ...	24.771
		Stock-in-trade	52,03.024
		Book debts ...	13.43.494
		Investments	3,02.000
		Cash ...	4.47.920
Rs.	82.55.814	Rs.	82 55.814

Woodland Estates Ltd.

The directors of the above Company (General Manager: Mr. S. Sivaramakrishna Aiyar, Trivandrum) present the audited accounts of the Company for the year ended 31st March 1960.

Crops	1959-60 pounds	1958-59 pounds
Tea: Braemore and Marigold ...	165,429	2,20 732
Rubber: Braemore	172.234	1,65.983
Lakshmi	66 779	67,574
	239,013	2,33,557

The Estate cost of production for tea was 137.90 (108.28) cents per pound and for rubber was 100.36 (99.84) cents per pound. The average sale price obtained for tea was 178.49 (139.18) cents per lb. Rubber prices were as follows:—RMA Grades and ctgs 153.84 (152.95) cents per lb.; EBC Grades 129.56 (128.97) cents per lb. and for PLC Sole Crepe and ctgs 199.78 (202.07) cents per lb. Sundry Produce fetched Rs. 49,640 (Rs. 42,822).

The net profit after allowing for the usual depreciation and other outgoings, debenture interest and income-tax thereon, amounts to Rs. 1,30,466 (Rs. 1,71 959) of which Rs. 45,000 (Rs. 70,000) has been provided for taxation. With the balance brought forward of Rs. 2.109 (Rs. 5.473) there is a total of Rs. 87,574 (Rs. 1,07,432) out of which the directors have already paid an interim dividend of 10 (dividend of 5 per cent. free of tax for 1959) per cent., subject to tax, on ordinary shares absorbing Rs. 69.500 (Rs. 34,750) and 6¼ per cent. dividend subject to tax on preference shares absorbing Rs. 15.113 (Rs. 15.113). The balance left over is Rs. 2,962 (Rs. 2,109 after transferring Rs. 50.000 to debenture redemption fund and writing off Rs. 5,461 for preliminary expenses) which is proposed to be carried forward.

The tea crop is less by 52.000 odd lbs. compared to last year which is due to the labour troubles. The tea prices realised were better. Rubber prices including Sole crepe was steady. Income from sundry produce was higher due to the increased price for arecanuts. Income from rubber area given out for slaughter tapping was Rs. 10,143. 50 acres have already been replanted with budded rubber. Working of tea fields at Marigold also was not satisfactory and as a result the Estate has been closed down in March 1960.

Pursuant to the resolution passed in the annual general meeting held on 30th December 1958 the Company was looking forward to receive a competitive offer for Lakshmi or Marigold. Lakshmi Estate was sold for Rs. 5 lakhs and the property was handed over to the purchaser on 24th February 1960 in terms of an agreement between the purchaser and the ex-managing director of the Company. The profit earned by the Company by selling the Estate is Rs. 3,85,924 of which a sum of Rs. 2.85,924 has been transferred to debenture redemption fund, leaving the balance Rs. 1,00,000 available for investment. As the above transfer has been made to the debenture redemption fund, the usual transfer of Rs. 50,000 from the profit and loss appropriation account was not made this year. Out of the sale consideration of Lakshmi Estate a sum of Rs. 3.00.000 has been put in fixed deposit in the joint names of the Company and the debenture trustee [earmarked for debentures].

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,30,192	Gross block	13,55.991
Debentures ...	4.10 420	*Less*—Depreciation ...	91,382
Reserves ...	6,33,233		
Provision for taxation ...	85.561	Net block ...	12,64,609
Liabilities ...	1,10,159	Stock-in-trade	39,197
Profit and loss account (surplus)	2.962	Stores, etc. ...	45.284
		Book debts ...	66.834
		Investments ...	1.000
		Cash	7,06,456
		Miscellaneous expenditure	49.147
Rs.	21,72,527	Rs.	21,72,527

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

Notices

THE BELAPUR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-first Annual General Meeting of the Belapur Company Limited, will be held on Thursday, the 29th December, 1960, at 4.30 p.m. (S.T.), at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Bombay, to transact the following business:—

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1960.
2. To declare a Dividend.
3. To elect a Director in place of Mr. Krishnaraj M. D. Thackersey who retires by rotation but offers himself for re-election.
4. To elect a Director in place of Mr. Maneklal Premchand, who has attained the age of 71 years and who retires by rotation but who offers himself for re-election, and to consider and if thought fit to pass the following of which special notice has been received by the Company and is hereby given:

   "That Mr. Maneklal Premchand, who retires by rotation be and is hereby appointed a Director of the Company and that the age limit prescribed by Section 280 of the Companies Act, 1956 shall not apply to him."
5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and if thought fit to pass the following Resolution as a Special Resolution:—

   RESOLVED that pursuant to Section 360 and other applicable provisions (if any) of the Companies Act, 1956 the Company hereby approves and confirms and consents to the arrangement between the Company and W. H. Brady & Company, Limited, (the Managing Agents of the Company) whereby W. H. Brady & Company, Limited, permit the Company to occupy space in the premises belonging to them and known as Brady House, 12/14, Veer Nariman Road, Bombay, for the purpose of the Company's Office together with facilities for the holding of General Meetings and Directors' Meetings, facility to the staff to utilise the lunch room and other facilities and services appertaining to the building in common with the staff of other companies and that for the facility so provided the Company do pay to W. H. Brady & Company, Limited, a monthly rent of Rs. 288.06 plus a varying charge for the consumption of electricity, telephone and other common services not exceeding Rs. 400.00 per month and that the Directors of the Company shall have authority to increase or reduce the monthly rent as well as the said monthly payment if the space and facilities offered by W. H. Brady & Company, Limited, and the taxes and other charges for consumption of electricity and telephone shall hereafter be increased or reduced.
7. To consider and if thought fit to pass the following as a Special Resolution:—

   RESOLVED that the payments made by the Company to W. H. Brady & Company, Limited, for rent and for the services mentioned in the above Resolution No. 6 for the period from 1st April, 1956 to 30th September, 1960 be and the same are hereby confirmed.
8. To consider and if thought fit to pass the following Resolution as a Special Resolution:—

   RESOLVED that subject to the consent of the Central Government being obtained the existing Article 152 of the Company's Articles of Association be deleted and the following Article be substituted for the same as Article 152:—

   "152. The remuneration of every Director inclusive of Ex-Officio Directors, Special Directors (if any) Alternate Directors (if any) and the Debenture Directors (if any) shall be a sum of Rs. 200 for every meeting of the Board or of a Committee consisting wholly or partially of Directors attended by him."

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

By Order of the Board of Directors,
Per pro W. H. BRADY & Co., LTD.,
J. SYMON,
Technical Adviser,
Managing Agents.

BOMBAY, *16th November*, 1960.

Notes: (i) The Transfer Books of the Company will be closed from the 21st day of November, 1960 to the 20th day of December, 1960, both days inclusive, for declaration of dividend.

(ii) The Dividend when declared will be made payable through the Bank of India, Ltd., Fort, Bombay, and will be negotiable at par at all its Indian Branches on and after the 7th February, 1961. The Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on the 20th day of December, 1960.

To the Shareholders of the Belapur Company, Limited and in particular to:—

Mr. William Abel,

M/s. Rajabali Hasom Paroo & Sons Ltd.

ANNEXURE

STATEMENT of material facts and reasons in respect of items of special business in the accompanying Notice dated the 16th November, 1960.

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

Items No. 6 & 7: The Registered Office of the Company is situate in Brady House, 12/14, Veer Nariman Road, Fort, Bombay. The said premises belong to W. H. Brady & Company, Limited, the Managing Agents of the Company and in addition to other tenants the premises contain the offices of W. H. Brady & Company, Limited, as well as of companies managed by them or in which they have an interest. It is convenient for the Company to continue to have its office in the said premises. Looking to the space now used by the staff of the Company in the said premises and the general facilities and services available to the Company and to the staff, a monthly rent of Rs. 288.06 is considered by your Directors to be reasonable and has been agreed to. In addition to this monthly rent, the Company will pay a part of the actual expenses incurred by W. H. Brady & Company, Limited, for charges for electricity, telephone and other services. This charge will be a variable charge but will not exceed Rs. 400.00 per month.

It is believed that the payments to be made for the above purposes by the Company to the Managing Agents do not fall within the provisions of Section 360 of the Companies Act, 1956, but as some doubt has been expressed, it is thought advisable to place the matter before the Company for passing the special resolutions under Section 360 of the Act.

Resolution No. 6 also authorises the Directors to agree to an increase or reduction of the monthly rent in the event of the accommodation and services being increased or reduced.

Resolution No. 7 provides for confirming the payments that have been made to W. H. Brady & Company, Limited, from 1st April, 1956. The payments that have been made for monthly rent are at the rate of Rs. 288.06 per month for the year 1959-60 and the varying payments for consumption of electricity, telephone and other services, of which the totals are as follows:—

	Rent	*Other Payments*	*Total*
For the period from	Rs.	Rs.	Rs.
1-4-1956 to 30-9-1956:	1,500.00	1,560.00	3,060.00
For the year 1956/57	3,000.00	2,931.00	5,931.00
For the year 1957/58	3,132.00	2,978.00	6,110.00
For the year 1958/59	3,411.36	3,147.00	6,558.36
For the year 1959/60	3,456.72	3,594.00	7,050.72
		Rs.	28,710.08

Your Directors, Mr. Neville N. Wadia and Mr. Pallonji S. Mistry, are interested as Directors of W. H. Brady & Company Ltd., and also as Shareholders, and your Director, Sir Jamsetjee Jejeebhoy as a Shareholder.

Mr. Neville N. Wadia and Mr. Pallonji S. Mistry hold 280 and 50 Ordinary Shares respectively of Messrs. W. H. Brady & Co., Ltd., in their own names and Sir Jamsetjee Jejeebhoy holds 94 shares jointly with others.

Item No. 8: The business of the Company has since recently considerably increased and the remuneration of Rs. 100 paid to the Directors for every meeting of the Board or of a Committee wholly or partially of the Directors is inadequate. The Directors propose that their remuneration for attending every meeting of the Board or for attending every meeting of a Committee consisting wholly or partially of Directors should be at least Rs. 200.

Section 310 of the Companies Act 1956 provides that any increase in the remuneration of the Directors shall not have any effect unless approved by the Central Government. The said Special Resolution No. 8 will, therefore, be passed subject to the consent of the Central Government being obtained.

By Order of the Board of Directors,
Per pro W. H. BRADY & Co., LTD.,
J. SYMON,
Technical Adviser,
Managing Agents.

BOMBAY, *16th November*, 1960.

THE INDIA JUTE COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of THE INDIA JUTE COMPANY, LIMITED, will be held at 16, Strand Road, Calcutta-1, the Registered Office of the Company, on Thursday, the 22nd day of December, 1960, at 3-15 O'clock in the afternoon, for the following purposes:—

AGENDA

1. To consider the Profit and Loss Account of the Company for the year ended 31st March, 1960, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 11th December, 1960, to 22nd December, 1960, both days inclusive.

By Order of the Board,
A. D. A. ALEXANDER,
Secretary.

16, STRAND ROAD,
CALCUTTA, *22nd November*, 1960.

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

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

THE MANAGING AGENTS ARE AUTHORISED to announce that the Board of Directors of the above Company have resolved to recommend payment of a Dividend at the rate of Rs. 12 per share (subject to deduction of tax) for the year ended 31st July, 1960.

The said Dividend, when sanctioned at the Annual General Meeting of the Shareholders of the Company to be held on 20th January, 1961, will be made payable on and from 2nd February, 1961, to those Shareholders whose names stood on the Register of Members on 30th November, 1960, to whom or to whose Mandatees dividend warrants will be posted at their registered addresses.

INTIMATION OF ANY CHANGE IN ADDRESS SHOULD BE GIVEN TO THE COMPANY IMMEDIATELY.

For CEMENT AGENCIES (PRIVATE) LTD.,
N. DANDEKER,
Managing Director.

BOMBAY, *25th November*, 1960.

THE MEGNA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of THE MEGNA MILLS COMPANY, LIMITED, will be held at 16, Strand Road, Calcutta-1, the Registered Office of the Company, on Thursday, the 22nd day of December, 1960, at 3 o'clock in the afternoon, for the following purposes:—

AGENDA

1. To consider the Profit and Loss Account of the Company for the year ended 31st March, 1960, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 11th December, 1960, to 22nd December, 1960, both days inclusive.

By Order of the Board,
A. D. A. ALEXANDER,
Secretary.

16, STRAND ROAD,
CALCUTTA, *22nd November*, 1960.

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

THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED

NOTICE

AT A MEETING OF THE BOARD OF Directors of The Central Provinces Railways Company, Limited, held on 24th November, 1960, it was decided to recommend a final Dividend for the year ended 30th September, 1960, at the rate of Rs. 2-00 nP per Share (making Rs. 3-50 nP for the year), subject to deduction of tax, to those Shareholders whose names stand on the Register on Friday the 6th January, 1961.

For the purpose of this payment the Transfer Books of the above Company will be closed from Friday, 16th December, 1960, to Friday the 6th January, 1961, both days inclusive.

By Order of the Board,
For THE CENTRAL PROVINCES RAILWAYS CO., LTD.
KILLICK INDUSTRIES LIMITED,
A. N. HAKSAR,
Managing Director,
Managing Agents.

KILLICK HOUSE,
HOME STREET, FORT,
BOMBAY-1, *24th November*, 1960.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE TITAGHUR PAPER MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3 p.m. on Tuesday, the 27th day of December, 1960, for the following purposes:

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of the retiring Directors, including Sir Asoka K. Roy, who retires by rotation, and, being 74 years of age, is not eligible for re-election unless his appointment is approved by a resolution of the Company in General Meeting, specifically declaring that the age limit shall not apply to him.

And in this connection to consider and, if thought fit, to pass the following resolution, of which special notice as required by Section 281 (2) of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is appended.

To be Proposed as an Ordinary Resolution

"That the restriction as to age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to Sir Asoka K. Roy and that he be and is hereby re-elected as a Director of the Company, whose period of office as such Director would be liable to determination by retirement of Directors by rotation."

4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 6th to 27th December, 1960, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *10th November*, 1960.

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

(b) The Dividends, if declared, will be paid on or after the 30th of January, 1961, to those shareholders so entitled whose names appear in the Company's books on the 27th December, 1960, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

In the special notice given to the Company of the resolution under item No. 3 of the above notice it has been stated that the services of Sir Asoka K. Roy have proved most useful to the Company and as he has considerable experience and personal knowledge of the affairs of the Company, he should continue to remain on the Board of Directors of the Company and that the age limit imposed by Section 280 of the Companies Act, 1956, should not apply to him.

THE MYSORE KIRLOSKAR LIMITED

YANTRAPUR P.O., HARIHAR

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Annual General Meeting of the Company will be held on Monday the 26th December 1960 at 11 a.m. (I.S.T.), at the Registered Office of the Company at Harihar, to transact the usual business and also special business, the details of which have been made known to the shareholders separately by notice sent along with the Balance Sheet and Profit and Loss Account and Directors' Report.

The Share Transfer Books and Membership Register shall remain closed from 19th December 1960 to the 2nd January 1961 (both days inclusive).

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

30th October 1960.

THE INDIA JUTE COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at its Registered Office on Thursday, the 22nd day of December, 1960, at 3.30 o'clock in the afternoon, to consider, and if thought fit, to pass either with or without modification, the following resolution which will be proposed as a special resolution, namely:

"That subject to confirmation by the High Court at Calcutta and to such modification (if any) as that Court may direct the Memorandum of Association of the Company be and is hereby altered by deleting subclause (*y*) of Clause 3 and substituting the following in its place:

To receive money on deposit at interest or otherwise and to lend money either with or without security and generally to such persons and upon such terms and conditions as the Company may think fit."

By Order of the Board,
A. D. A. ALEXANDER,
Secretary.

16, STRAND ROAD,
CALCUTTA, *dated 24th November*, 1960.

Note: 1. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company.

2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, has been sent to all shareholders along with the Notice convening the meeting.

THE MEGNA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at its Registered Office on Thursday, the 22nd day of December, 1960, at 3.10 o'clock in the afternoon, to consider, and if thought fit, to pass either with or without modification, the following resolution which will be proposed as a special resolution, namely:

"That subject to confirmation by the High Court at Calcutta and to such modification (if any) as that Court may direct the Memorandum of Association of the Company be and is hereby altered by deleting subclause (25) of Clause 3 and substituting the following in its place:

To receive money on deposit at interest or otherwise and to lend money either with or without security and generally to such persons and upon such terms and conditions as the Company may think fit."

By Order of the Board,
A. D. A. ALEXANDER,
Secretary.

16, STRAND ROAD,
CALCUTTA, *dated 24th November*, 1960.

Note: 1. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company.

2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, has been sent to all shareholders along with the Notice convening the meeting.

THE NAIHATI JUTE MILLS COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the abovenamed Company will be held at the Registered Office, No. 33, Netaji Subhas Road, Calcutta-1, on Monday the 26th December, 1960, at 3 p.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1960, and to receive the Directors' and Auditors' Report thereon.
2. To appoint Auditors and fix their remuneration.
3. To appoint a Director in place of a retiring Director.

The Share Transfer Registers of the Company will be closed from 13th December, 1960 to 26th December, 1960, both days inclusive.

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

By Order of the Board,
K. C. BHAGAT,
Chairman.

33, NETAJI SUBHAS ROAD,
CALCUTTA, *1st December*, 1960.

AHMEDABAD ELECTRICITY COMPANY, LIMITED

SPEECH OF THE CHAIRMAN, MR. A. N. HAKSAR

ADDITIONAL POWER PLANT OF 30 MW. TO BE INSTALLED

THE Directors of the Ahmedabad Electricity Company Ltd. have decided to purchase an additional power plant of 30 MW. capacity even before the first one of similar capacity is installed. Disclosing this at the Forty-eighth Annual General Meeting of the Company held at Bombay on 29th November 1960, Mr. A. N. Haksar, Chairman of the Company, said that it was the intention of the Company to bring this additional capacity into commission by March 1963. The question of how best the needed resources could be raised would receive the Board's consideration in due course, he added.

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

"GENTLEMEN,

"The forty-eighth annual general meeting of the Company is the first to be held after the inauguration of the State of Gujarat. The new State embraces an area which is both prosperous and progressive and it is certain that the achievements of the past will be more than embellished under the new constitution. It is perhaps not realised today that, in years gone by, your Managing Agents made a substantial contribution to the growth of the region which today is the State of Gujarat. Apart from various industrial enterprises including your own Company, they promoted a number of railway companies which more than anything else, perhaps, led to the opening up and rapid development of the northern part of the old Bombay State. We, today, are as alive as our predecessors to the needs of the new State, and on your behalf, as well as my own, I extend greetings and all best wishes to Gujarat in the years to come. As in the past, your Company will be called upon to play an important part in the development of Gujarat and I am certain that we shall not be found wanting.

"As an example of what I have just referred to, I would like to tell you that on the eve of the birth of the new State your Company was called upon to make available special power facilities to numerous premises, both public and private, in the city of Ahmedabad and its environs. All these calls were fully met and I am pleased to say that the promptness with which the Company responded to the demands has been fully appreciated and recorded by the Gujarat Government.

Expansion Projects

"The area served by your Company has witnessed significant industrial development in recent years, in the wake of a rapid expansion in generating capacity at the Sabarmati power station. With the formation of Gujarat State the pace of development is expected to be stepped up at an even quicker pace. This will be seen from the fact that the Gujarat Electricity Board is now engaged in organising large-scale thermal development at Dhuwaran, near Cambay, comprising three 50 MW. sets with an option for one more similar set. The Board of your Company, following the decision to purchase 30 MW. of plant, has now decided to repeat the order even before the first set is installed. Materials for this first set are now beginning to arrive from the suppliers and the commissioning date is expected to be at the latest, March 1962. The idea of repeating the earlier order is to try and ensure that additional power capacity is brought into commission by March 1963. Sanction for this new expansion has been received from the Gujarat Electricity Board, and it is hoped that Government will release sterling for the new project. It is appreciated by all concerned that a repeat order will bring the quickest relief to the power-starved city of Ahmedabad and Gujarat State as a whole. Efforts are, therefore, under way to obtain the necessary clearance from the exchange and import authorities, so that firm orders can be placed with the overseas suppliers.

"With the completion of these extensions, the Sabarmati power station will have reached its optimum size at the present site. As far as is known at present, the first 50 MW. set at the Dhuwaran thermal station is expected to be commissioned by the end of 1963 or the beginning of 1964. The subsequent sets are expected to be brought into commercial use every 3/6 months thereafter. Further power for Gujarat is expected to be available from the proposed 300 MW. nuclear power station to be installed at Tarapore in Maharashtra. Power from this source may not, however, be available during the third Five-year Plan period. Hydro power resources in Gujarat have large-scale potentialities but by its very nature development of hydro power is time-consuming and, consequently, new power capacity from these sources will not be available until after the third Five-year Plan period.

Growing Demand for Power

"In the immediate years ahead, therefore, power availability both in the North Gujarat and South Gujarat regions will be limited by the plant capacity at Sabarmati power station (217.5 MW), Dhuwaran thermal station (200 MW) and the Utran thermal station of the Gujarat Electricity Board (67.5 MW). These together will make a potential installed capacity of 480 MW. Making due allowance for standby, it has been anticipated that by the end of the third Five-year Plan period, the demand in the combined regions including Saurashtra will outpace the available capacity by at least 30 MW. In the light of experience gained in so many power systems the world over one has been led to expect a much faster rise in demand than planners generally have reckoned with. I predict that this trend will, if anything, be even more marked in Gujarat, in view of the new sense of drive and direction in industrial development following the creation of the new State. There may, therefore, be scope for your Company to expand even further its generating capacity. I am sure I echo your views when I say that the Company for its part is more than ready to take upon itself further obligations in this direction. This, however, would entail the location of additional generating plant at a completely new site, and preliminary thoughts are already being given to this problem.

"Whatever may be the Company's position in Gujarat's scheme of power development, whether it continues to export power for distribution by the Gujarat Electricity Board or whether it will have to import power from the Board for distribution in its own licensed area, there can be no doubt that a large measure of finance will be needed to augment distribution facilities in its area of supply. Certainly, the city of Ahmedabad is a centre of great load density, but the history of power expansion shows that there is no such thing as saturation point and money will be needed in the years to come to satisfy the inevitable growth in demand.

Investment in Electricity Industry

"Speaking of development, it is only appropriate for me to elaborate at this stage on the factors which influence adversely, investment in the electricity supply industry at the present time. Since the application of the financial provisions contained in the Electricity (Supply) Act, 1948, electricity shares have continued to shed their values. The Amendment Act of 1956 brought no improvement. The situation became worse when the Finance Act of 1959 prevented 'grossing up' of dividends as hitherto and, in addition, shareholders had to suffer a deduction of tax at the rate of 30 per cent. from the dividends paid to them. The industry's memorandum submitted to the Ministry of Irrigation and Power following the enactment of the Finance Act, 1959 suggesting that the tax deducted from dividends be permitted as a charge on the consumer of electricity did not find favour with the authorities, and the best which has been achieved so far has been a recommendation by the Government of India to the State Governments requesting the latter to permit undertakings as special appropriation, the tax relief of 6¼ per cent. representing the difference between the old rate of taxation of 51.5 per cent. and the present rate of 45 per cent., being permitted to be ploughed back into the business without deduction from the capital base.

"As your Company has a 'nil' assessment for the financial year 1959-60—for which period the tax relief visualised would apply—there cannot be any tax 'saving,' but nevertheless an opportunity has been taken, pursuant to the recommendation by the Central Government, to represent to the Gujarat Government that in our cases the sanction should be extended to cover notional tax relief. The Government's reaction is still awaited.

Tax Burden

"More recently the Federation of Electricity Undertakings of India has on behalf of the electric supply industry, formulated proposals for consideration of the Central Government which, among other matters, are to include (1) shifting of the tax burden on to the consumer, which, if conceded, would automatically permit the tax at the prescribed rate deducted from dividends payable to the shareholders being reckoned as a charge for determining the clear profit under the Electricity (Supply) Act, and (2) an increase in the standard rate by 1 per cent. on the old capital block and 2 per cent. in respect of new finance. Profitable opportunities are available for equity capital in other sectors of industry, and it is to be hoped that the authorities will recognise that capital always flows towards the enterprise which can offer the best return. While the problem of offering adequate incentive for new capital is paramount in relation to development, the need to restore values in existing equities is equally important. Otherwise, disinvestment in the industry, already evident in loss in share values, will be further accentuated. I believe that it was the intention of those who framed the Electricity (Supply) Act that investors in the industry should receive a net return on their investments. I further believe that the return stipulated at the time was worked out taking into account the fact that it has always been the general practice to gross up dividends in the hands of shareholders. I would, therefore, urge those who are at present engaged in reviewing the financial provisions of the Act to consider this point and frame a reasonable return on investments accordingly. I would also like to point out that in so many other ways does the electric supply industry receive priority in planning and in foreign exchange allocation for example, although unfortunately much of this priority is directed towards the public sector. I hope that the authorities will not overlook the major contribution which the private sector has to make in the field of power development. However more should be known about the liberalisation of the Electricity (Supply) Act within the next few months.

Resources for Expansion

"While at this stage we must suspend judgment on any future financial provisions of the Electricity (Supply) Act, we must face up to the need to raise finance to cover expansion plans. As far as the first 30 MW. extension is concerned, the foreign exchange component has been covered by a loan of $3.9 million (equivalent to Rs. 1.85 crores) which the Company was very fortunate to receive from the Development Loan Fund of the United States. This loan carries interest at 3½ per cent. repayable in fifteen years in semi-annual instalments, the first instalment being repayable three years after the first disbursement. This loan will make it easier to finance the second 30 MW. project and how best the needed resources can be raised will receive your Board's consideration in due course.

"The demand for power on the Company's system has continued to grow, and recently the maximum demand has reached the danger level of 150 MW. With an installed capacity of 157.5 MW, this means that we only have one old 7.5 MW generating set available as standby in case of breakdowns and the greatest ingenuity is needed in order to carry through the programme of routine maintenance. For the present, a measure of control involving the staggering of recesses on a five-group basis has been introduced for the textile mills in Ahmedabad. This load control is expected to bring about a relief of 3 MW. There can be no doubt, however, that until the first 30 MW. set is brought into commission in March 1962, further control measures will be necessary. Furthermore, the demand for power is growing at such a pace that it would be rash to assume that controls will not be necessary after the installation of the first 30 MW set. Much of the capacity of this set has already been mortgaged and by March 1962, overhauls of our hard-worked existing plant may be necessary.

Inadequate Supply of Coal

"I have no doubt that suitable measures will be implemented as circumstances demand, so that the available power supply can be equitably distributed to the best advantage of all concerned. In the meantime, the heavy load carried by the plant installed in the Company's power station speak well of both the type of plant in operation and the skill and hard work of the operating staff in keeping it in good order. The operating difficulties have been further accentuated by the inadequate movement of coal supplies to the Company's power station in recent months. This has been due partly to the diversion of coal to the new steel plants and partly to the recent railway strike. However, I should be failing in my duty if I did not point out the serious consequences that would arise if for any reason there was a further stoppage of vital coal supplies to our power station. The problem is of general application at the present time, and we are in close touch with the authorities to try and ensure that adequate stocks are built up.

"Your Company's agreement with Killick Industries Limited, the Managing Agents, was renewed by the Central Government with effect from 1st April 1960 for a period of five years. May I take this opportunity to stress that your Managing Agents will strive to conduct your affairs even more vigorously than has been the case in the past. We are fully aware of our responsibilities at this critical juncture in your Company's affairs and once again I would ask those people who in recent years have tended to be critical of us to give us a chance to show that we are fully capable of improving upon even the high standards of the past.

Accounts

"The accounts for the year under review reflect a satisfactory position. The proposed final dividend of Rs. 4.50 per share, making 7 per cent. for the year, represents some improvement, albeit small, and a sum of Rs. 1 lakh has been set aside to the equalisation of dividends reserve.

"A reference has been made earlier to the Company's application to the Gujarat Government claiming as a special appropriation under the Electricity (Supply) Act the tax relief of 6¼ per cent. on the notional assessable income. A sum of Rs. 4,71,778 has been set aside on this behalf in the accounts under review, subject to the sanction of the State Government. In view of the fact that it would be a condition of the approval that the money will be ploughed back into the business, it is hoped that the approval will be forthcoming.

"You will also have seen that the note which was appended to the balance-sheet up to 1958-59 concerning the contingent liability for additional income-tax on dividend, is omitted in the balance-sheet under review. This is due to the fact that following the judgment of the Supreme Court on test cases filed by the Income-tax Department, all the appeals filed by this Company covering the six years 1948-49 to 1953-54 have been heard and disposed of in favour of the Company. The sum of Rs. 4,03,922 which was actually paid in respect of 1948-49, subject to appeal, has also been refunded.

"It now remains for me to record our thanks to the Resident General Manager, Mr. K. N. Paulin, and all ranks of the staff for yet another year of successful operations. While on the subject of staff and before closing my speech I would also like to make reference to the fact that our relations with the Union have never been more cordial than at present. This has not been only because of the efforts made by the management but is also due, in no small measure, to the friendly co-operation which we have received from the officials of the Union. I hope that this satisfactory state of affairs may long continue so that the Company and the Union may share their joint responsibilities to our employees, consumers and shareholders."

Note: *This does not purport to be the proceedings of the annual general meeting which can be seen by any shareholder on request.*

AMALGAMATED ELECTRICITY COMPANY LIMITED

CHAIRMAN, MR. N. C. JAVERI, ON PROBLEMS OF ELECTRICITY UNDERTAKINGS

THE problems facing the electricity supply industry have been briefly but critically reviewed by Mr. N. C. Javeri, Chairman of the Amalgamated Electricity Company, Ltd., Bombay. In a statement covering the year 1959-60 (Silver Jubilee year of the Company), circulated to shareholders, Mr. Javeri has observed that rectification of the anomalies in the Electricity (Supply) Act and the Finance Act, 1959, though urgently called for, would not, in itself, be sufficient to help electricity undertakings to find enough finances for expansion programmes. What is required, according to him, is additional incentives to attract new capital for development.

The following is the full text of Mr. Javeri's statement:

"To

"THE MEMBERS,

"The current year of the Company is the silver jubilee year. The Company was incorporated in the year 1936 with a capital of Rs. 12,50,000 and, under it, there were four undertakings. In the year 1951, Ajmer and Jalgaon public limited companies were merged with this Company and four other undertakings were taken over in the same year. The capital of the Company this year is Rs. 1,25,75,000.

"The Company's works have been progressively expanding and the installed capacity, which was 2,000 kw. in 1936, is today about 20,000 kw. The Company served a population of about 1,00,000 in 1936 and today it serves a population of 10,00,000. The consumers served have risen from 4,000 to 72,000 during this period. The revenue of the Company similarly increased from Rs. 5,00,000 to Rs. 95,00,000. The result of the working shows a satisfactory position befitting the Company's jubilee year.

Staff Welfare

"The practical way in which this occasion would have been celebrated is the recommendation of the Board of a bonus of 1 per cent. dividend totalling this year to 10 per cent. Similarly, the Directors have decided to pay this year about Rs. 80,000 as a special allowance to the employees of the Company, so also, at their discretion, until otherwise decided by them, to grant every year, as a measure of staff welfare, about Rs. 6,000 to deserving children of the employees of the Company for the purpose of higher education.

"Yours is a company which has special characteristics in that the nine undertakings owned and operated by the Company are not contiguous to one another. They are in various States, and this aspect alone creates a number of complicated problems which are not normally faced by other undertakings operating in compact areas.

"In almost all the power systems operated by the Company expansion continues apace. Most of the undertakings operated by your Company run on diesel plants and, in spite of progress being made in multi-purpose river valley projects, it looks as if, in almost all these areas, the Company will have to reconcile itself to the possibility of further diesel expansion. We have had considerable difficulties in obtaining import licences for plant needed at Malegaon and Ajmer but due to the good offices of the Central Water and Power Commission firm orders have materialised for these plants.

"By their very character, development of diesel stations beyond optimum sizes would not be economical and I can only hope that, before long, bulk power would be available in these areas. In common with the rest of the power systems, in the country, the undertakings managed by the Company have scope for large-scale expansion. This in turn would call for sizable finance. While in the rest of industry in general there is general recognition that expansion should, by and large, spring from internal resources, the basic character of the Electricity (Supply) Act 1948—under which the electric supply industry now operates—is such that new development must perforce depend on new finance.

Limited Finance

"Speaking of finance, this for the present is circumscribed by the very limited return under the Electricity (Supply) Act. Whereas, until the enactment of the Finance Act, 1959, whereby the old tax pattern was changed involving the abolition of 'grossing up' and deduction of tax at 30 per cent. was made applicable from dividends, undertakings could raise a measure of finance for development, the situation after the enactment of the Finance Act of 1959 has considerably deteriorated. When the scheme inherent in the Finance Act, 1959, was under consideration it was understood that the rates of taxation were based on the assumption that industries by and large distributed only 50 per cent. of their net earnings. It was, therefore, on this basis that 45 per cent. corporate tax and 30 per cent. dividend tax were fixed. However, the situation in the case of the electric supply industry is not on all fours with other industries, and it is, perforce, obliged to distribute all the 100 per cent. of the profit to maintain even the modicum of reasonable return. All efforts so far made to prevail upon Government to permit the tax deduction from dividends as an operating expenditure chargeable to the consumer have not succeeded. With the scheme of the sixth schedule to the Electricity (Supply) Act being one based on all forms of tax, it is only proper that the return of the investor should be really tax-free. I can only hope that, before long, this proposal would be acceptable to the Central Government.

Additional Incentives

"Rectification of this anomaly in the case of the electric supply industry would at best mean restoration of the *status quo* prevailing prior to the Finance Act, 1959. However, with the electric supply industry requiring large blocks of capital for expansion, a restoration of the prior position would not by itself be sufficient and what is additionally required is a further measure of incentive to attract new capital for development. The situation has also been further complicated by the Reserve Bank rate tending to be out of focus, from time to time, with prevailing rates on borrowings. As this type of anomaly is likely to persist, it is only proper that the differential of 2 per cent. over the Bank rate now fixed under the Electricity (Supply) Act for determining the 'clear profit' should be upgraded at least by 1 per cent. There are a number of other improvements which are necessary to streamline electricity legislation and the Federation of Electricity Undertakings of India, of which your Company is an active constituent, is vigorously engaged in this task.

"It has been some months since the Draft Third Five-year Plan has been before the public; subsequently there have been discussions on details of the State Plans. As far as power development is concerned, the Draft Third Plan visualises an investment of Rs. 900 crores. With such large-scale finance being earmarked for State and quasi-State projects, one wonders why Government should be less bold when it comes to creating conditions which would enable the licensees' electric supply undertakings to raise finance for development. The alternatives are either for Government to create such stable conditions or make available to the licensees' electric supply undertakings sufficient loans as part of the outlay on power projects, repayable at the time the undertakings are due for acquisition by the purchasing authority.

Rural Electrification

"Rural electrification has always found exponents and the enthusiasts have tended to advance the cause by overlooking hard economic facts. By their very nature, supplies to rural areas are uneconomic and if the beneficiaries are unable to outlay the finance then presumably somebody else should. Most of your undertakings have semi-rural and rural areas and your Company is doing its best to enlarge the scope of supplies to cover such areas. This task would be rendered easier if the State Governments, who are allotted sufficient finance by the Planning Commission for rural development, take into account the requirements of licensees' undertakings and offer appropriate support. I can only hope that this proposal will be acceptable in the interest of the rural population."

MONEY RATES TEND TO HARDEN

(From Our Own Correspondent)

BOMBAY, *30th November*

After two weeks of comfortable position, conditions in the short-term money market have, once again, turned a little tight this week. Evidently, the funds released by the Reserve Bank of India as a result of the modification of the special deposit system have been used up, though this is not reflected in the bank returns by way of an increase in advances. A slight improvement in demand for bank credit to meet seasonal requirements is also reported. Consequently, there has been a tendency for money rates to harden, particularly for inter-bank transactions. While the common rate for inter-bank call money is still 3½ per cent., some banks are reported to have bid it at 4 per cent. House money upto 21 days' notice is being done at 2 per cent. Deposits for 31 days and over, but upto 60 days fetch 3¼ per cent., for 61 days and over but less than 12 months 3½ per cent. and for twelve months 3¾ per cent.

That the conditions in the short-term money market are still far from difficult as to influence the Treasury Bill results are indicated by the further decline in the discount rate from 2.564 per cent. to 2.540 per cent. per annum. The amount offered was Rs. 2.40 crores and tenders at Rs. 99.365 were accepted in full. The sales of Intermediate Bills were, however, considerably lower at Rs. 3 lakhs.

For the second week in succession, there has been a small contraction in notes in circulation. In the week ended 18th November, the active notes had dropped by Rs. 6.90 crores and this has been followed by a fall of Rs. 9.34 crores in the week ended 25th November 1960. Notes held in the Banking Department are only a shade higher, so that the net decline in total notes issued is of the order of Rs. 9.05 crores. This is covered by a reduction of Rs. 10 crores in rupee securities and an increase of Rs. 95 lakhs in rupee coin. No change is noted in foreign securities, but foreign balances are higher by Rs. 34 lakhs, so that the total foreign assets stand at Rs. 139.97 crores. Deposits of the Central Government have gone up by Rs. 13.66 crores, while those of other Governments are lower by Rs. 13.16 crores. Deposits of banks show a rise of Rs. 3.32 crores. Loans and advances to Governments have risen by Rs. 1.16 crore, while other loans and advances have declined by Rs. 3.92 crores, of which advances to Scheduled banks against usance bills account for Rs. 2.58 crores. Investments are higher by Rs. 9.18 crores, while holdings of Government Treasury Bills are lower by Rs. 2.48 crores.

A net decline of Rs. 6.15 crores in total deposits of banks is disclosed by the Scheduled banks' statement for the week ended 18th November 1960, mainly due to a fall of Rs. 8.72 crores in the State Bank of India's portfolio. Borrowings from the Reserve Bank are also lower by Rs. 7.33 crores and those from the State Bank by Rs. 1.83 crore. Advances show a reduction of Rs. 2.39 crores; this is mainly accounted for by the fall of Rs. 2.97 crores on State Bank's account. Following a decline of Rs. 7.06 crores in the State Bank's portfolio, the investments of banks have gone down by Rs. 7.33 crores. Cash balances have dwindled by no less than Rs. 8.59 crores, of which all but Rs. 1.80 crore is accounted for by banks other than the State Bank of India. Money at call and short notice shows an increase of Rs. 1.13 crore.

The Gilt-edged market continues to be steady. Though there has been no sizable improvement in turnover, the sentiment has gained strength and changes in prices, wherever they have occurred, have been in favour of holders. While 3 per cent. 1986 Conversion Loan has been a little quiet at Rs. 74.30, 3 per cent. 1970-75 has recorded a further smart rise of 35 nP to Rs. 89.40. 3 per cent. 1966-68 has hardened by a further 5 nP to Rs. 95.25 and 2½ per cent. 1961 by 20 nP to Rs. 98.85. 3½ per cent. 1967 has gained 10 nP to Rs. 98.90, 3¾ per cent. 1974 5 nP to Rs. 99.05, and 4 per cent. 1979 and 1980 each 5 nP to Rs. 99.90. Among State loans, scarcity of sellers in 4 per cent. and 4¼ per cent. issues has pushed up values by 10 to 75 nP. 4¼ per cent. issues are all now quoted at par.

The rupee has lost some ground in terms of the U.S. dollar, following the weakness of sterling abroad. Banks' selling rate for U.S T.T. (ready) has thus gone up from Rs. 476 to Rs. 476.50 per $100 and their buying rate from Rs. 472.50 to Rs. 473.25. In New York, spot sterling has declined from 281.24-281.27 cents to 281.00-281.03 cents and three months' forward from 280.41-280.44 cents to 280.20-280.23 cents.

METALS IN GOOD DEMAND

(From Our Own Correspondent)

CALCUTTA, *29th November*

Following greater consumer demand in the context of shortage of supplies, prices in the metal market gained during the week under review. There was enlarged demand for copper scrap, as stocks of virgin copper were down following good releases in recent weeks. Utensil scrap moved up from Rs. 195 to Rs. 198 a cwt. and the berry quality although unchanged at Rs. 209 a cwt., was firm.

Tin, after being higher here at Rs. 570 a cwt., closed firm at Rs. 569. Stocks were limited, but fresh arrivals are on the way. The feature in London was a fair demand on Continental account. The price moved narrowly around £800¼ a ton. Earlier, the price was higher at £801, as against the opening of £800. Electrolytic zinc was in greater demand from bucket galvanisers. The price moved up from Rs. 159 to Rs. 165 a cwt. before closing firm at Rs. 164. In London, the price, after being higher at £88 a ton, as against the opening of £87¼, closed at £86¾. In contrast with the general trend, virgin lead gave way from Rs. 63.50 to Rs. 63 a cwt. in Calcutta, following poor demand.

"POUSH" SETTLEMENT IN BULLION

(From Our Own Correspondent)

BOMBAY, *30th November*

Trading in the *Poush* (January) settlement in both gold and silver commenced on Monday, 28th inst., subject to the special margins on "longs" at the same levels and rates as were imposed by the Government of Maharashtra in respect of the *Margashir* (December) settlement. The rates of margins are Rs. 35 per 10 grams of gold when the closing price of the *Poush* settlement exceeds Rs. 111 per 10 grams and Rs. 600 per bar of 10 kilograms whenever the price rules above Rs. 187 per kilogram. A free limit of 30 kg. of gold and 160 bars of silver is allowed to all members who use the Clearing House and whose net open position does not exceed the aforesaid limits.

Certain amendments to the by-laws of the Bombay Bullion Association Ltd., as effected by the Central Government under Section 12 of the Forward Contracts (Regulation) Act 1952, have been published in the *Gazette of India Extraordinary* dated 24th November 1960. Accordingly, the Board of the Association is now empowered, with the prior approval of the Forward Markets Commission, to permit the members to trade in various settlements in gold and silver, to subject trading in such settlements to a scheme of special margins, and to close down the market in the event of an emergency. The Commission is also empowered to impose special margins and to take other suitable steps which the Board of the Bullion Association is authorised to take in case of emergency under the existing by-laws of the Association.

The starting rates for *Poush* settlement in gold and silver were fixed at Rs. 116.70 and Rs. 198.45, as against the non-margin limit of Rs. 111 and Rs. 187, respectively. Consequently, *ex parte* margins at the rate of Rs. 35 per 10 grams of gold and Rs. 600 per bar of silver became effective on bulls on the very first day. The margins continued today also. At the same time, the bears in gold *Margashir* settlement were required to pay a margin of Rs. 8 per 10 grams, as the rate for transferring commitments from this settlement to the *Poush* settlement was against bulls to the extent of 95 nP. The rate exceeded a rupee and stood at Re. 1.15 today, so that the bears were obliged to pay a higher margin of Rs. 20 under by-law 33D(i)(ii).

The bullion market ruled distinctly firm during the major part of the week under review. Both gold and silver elicited good buying support, while fresh offerings were limited. Operators expected enlarged demand in the coming weeks. Consequently, prices registered an improvement. Today, however, there was some liquidation by bulls in both the metals and the prices suffered a setback. Not only were the earlier losses in gold completely erased but today's closing rates were lower than those at the end of last week. Silver prices, however, were well above the rates prevailing on Wednesday last.

The average daily arrivals of gold were less than those in the previous week, being 6,000 tolas, as against 6,500 tolas, while offtake was slightly better at 3,750 tolas, as against 3,400 tolas. In the case of silver, both arrivals and offtake were lower at 26 bars and 8 bars, as compared with 29 bars and 12 bars, respectively. The floating stocks of gold are estimated at 45,000 tolas and those of silver are reported to be around 600 bars.

In the gold section, *Margashir* settlement advanced from Rs. 115.75 to Rs. 116.05 on 28th November but receded to Rs. 114.95 before finishing at Rs. 115. *Poush* settlement began at Rs. 116.70 and, after moving up to Rs. 117.05, declined to Rs. 116.10 today. The closing was a shade better at Rs. 116.15.

The *Margashir* settlement in silver was well supported, the quotation spurting from Rs. 195.95 to Rs. 197.10 on Monday. After easing to Rs. 196.70, it finished at Rs. 196.75. *Poush* settlement stood at Rs. 198.15 today, which is the same as the starting rate, the highest level touched being Rs. 198.45 on Monday. The rate for transferring commitments from the *Margashir* to *Poush* settlement widened slightly from Re. 1.35 to Re. 1.40 today.

A striking feature of trading in the ready section was that gold, which was quoted at a discount of 25 nP under the *Margashir* settlement last week, commanded a premium of 5 nP today. The closing rate for the metal was Rs. 114.95, as against Rs. 115.50 last week-end, the highest and lowest levels touched being Rs. 116 and Rs. 114.50, respectively.

Ready silver began the week at Rs. 194.45, as against the previous close of Rs. 194.95, and rallied to touch a high of Rs. 196.55 today. Towards the close, however, it was lower at Rs. 196.40.

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

	30-11-60 (closing)	High	Low	23-11-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready .99 fine)	114.95	116.00	114.50	115.50
Forward:				
*Margashir**	115.00	116.05	114.95	115.75
Sovereign	90.00	90.12	90.00	90.00
SILVER				
Ready (.996 fine)	196.40	196.55	194.85	194.75
Forward:				
Margashir† ..	196.75 29-11-60	197.10	195.50	195.95 22-11-60
London:				
Silver Ready	79½d.	—	—	79½d.
Silver Forward	79½d.	—	—	79½d.
Gold	258s. 10d.	258s. 10d.	258s. 8d.	258s. 8d.
New York:				
Silver	91.875 cents	—	—	91.875 cents

* 5th December settlement. † 6th December settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES DOWN AGAIN

(From Our Own Correspondent)

BOMBAY, *30th November*

After a firm start the cotton futures market turned easy on Friday. The easiness gathered momentum in subsequent sessions and persisted till the close of today. The earlier firmness was due to the spurt in Bengal *Deshi* prices in the Punjab, thanks to hectic purchases by exporters and strong rumours of an early release of export quota. The slow movement of new crop in the Punjab also assisted the uptrend. When Government swiftly moved into action and requisitioned stocks at random and also banned the movement of Bengal *Deshi* out of the Punjab, Rajasthan and U.P., except with the permission of the Textile Commissioner, the rise in *Deshi* prices was checked. This had a sobering effect on the future market. Another factor, which influenced the rising trend of prices, was the decision of the Government, announced last week-end, to start issuing licences for the import of 200,000 bales of foreign cotton on a global basis. With the Government determined to hold the price line in cotton at any cost and with the flow of new crop sure to gather momentum in December, operators did not think it wise to sit tight on long positions. The absence of speculative support in the wake of selling prompted by the above considerations led to a sharp decline in price. Reports of damage to the crop in Saurashtra and Gujerat areas were neutralised by the possibility of more Pakistan cotton being imported this season, thanks to cordial trade talks at Karachi between the Indian and Pakistan officials this week.

I.C.C. Moglai Jarilla April 1961 Contract which opened the week on a firm note at Rs. 594.50 (per three quintals), succumbed to selling and receded to Rs. 591.25 on Friday, the Contract declined further to Rs. 587.50 the next day. It however, recovered to Rs. 591.50 on Monday thanks to short covering and scattered speculative support. The market was closed yesterday as a mark of respect to the memory of the late Mr. M. A. Mulky, member of the Forward Markets Commission, whose sudden death was mourned by all sections of the trade. When the market reopened today the Jarilla Contract attracted speculative selling in bulk which resulted in a recession in prices. The Contract declined from the opening rate of Rs. 587 to Rs. 582.75 and finished at that rate.

The spot market, however, put on a better appearance. Mills having unutilised quotas were regular buyers of popular styles such as Khandesh, Berar, CO2 and Moglai Jarilla at ceiling prices. Some of them are even reported to have paid a premium. Export demand for Bengal *Deshi* was brisk early in the week and prices firmed up. Later, however, prices declined due to the above-mentioned reasons. Demand for foreign cotton was largely confined to the U.S. growths and selected East African cotton.

The following are the latest available spot quotations—in rupees per candy of 782 lbs.—from Sewri:

Berar 27/32" 845; Khamgaon 27/32" 855; Moglai 13/16" 845; B.P. (U.N.U.G.) 1,355; American 1" G.M. 1,160.

A mixed trend was witnessed in the Karachi cotton futures market during the week under review. While the January Contract was steady, thanks to the absence of selling and scattered support, the March position succumbed to selling. Easy upcountry advices and lack of fresh demand owing to the high price, led to a decline in price. The March position receded from Rs. 69-1 last week-end to Rs. 68-12. The January Contract, as noted above, remained unchanged at Rs. 69-6.

Weather in the cotton-growing districts has been dry and warm. Consequently, the crop has made rapid progress. In Sind, crop movement has been unusually brisk this year. The bulk of the crop has already arrived. In the Punjab also, crop progress has been satisfactory and pickings are in full swing.

In contrast to the easy trend witnessed during the last two weeks, the Alexandria cotton futures market put on a cheerful appearance during the week under review. The low level of prices was itself sufficient to induce a recovery. Some speculative support based on expectation of revival of demand from continental countries aided the recovery. Both the Karnak and Ashmouni Contracts made handsome gains. Towards the close of the week, however, profit-taking ensued and prices came down. A part of the earlier gains was erased. The week's closing quotations are still higher than the last week-end rates. Karnak November Contract went off the board on 26th November. The last known quotation for it was 72.80 tallaris. The following are the latest available quotations—in tallaris per lb.—from Alexandria.

Karnak: January 71.75; March 72.82; May 73.0. April 63.57.

Ashmouni: December 62.65; February 63.70; April 63.57.

Cotton futures in Liverpool declined further during the week. Both the American and American type contracts receded, thanks to hedge selling and liquidation prompted by the sluggishness of the yarn and piecegoods market. Demand from spinners continued to be feeble. Sudan contracts were fully steady. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: December 22.45; March 23.05; May 23.40; July 23.70.

American cotton mixed growth contract: December 22.75; March 23.35; May 23.70; July 24.25.

Sudan: November, January and March 35.75.

Quiet conditions prevailed in the New York cotton market during the week, with futures values showing a tendency to ease. As the firmness noted immediately after the victory of Senator Kennedy in the Presidential election had lost its momentum, operators began to take a more cautious view of future prospects. The general tendency was to discount legislation which will have any pronounced bullish effect on the market. Improvement in crop prospects in some regions, thanks to better weather of late, also acted as a check on speculative rise in price. Futures values consequently tended to seek lower levels.

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

(In cents per lb.)

	29-11-60	22-11-60	15-11-60
Spot	32.30	32.30	32.25
December	31.31	31.47	31.71
March	32.03	32.10	32.33
May	32.47	32.51	32.64

SEEDS SUBDUED

(From Our Own Correspondent)

BOMBAY, *30th November*

The oilseeds market, which displayed distinctly steady conditions in the earlier part of the week, was in a little subdued mood towards the close. Groundnuts were well maintained initially on bullish crop reports from South India, and castorseeds on expectations of better export enquiries for o l. Vanaspati manufacturers were reluctant to enter into fresh business in groundnut at higher levels which brought down values in this section. The arrivals, too, continued to be large. The protracted absence of the U.S. from the Indian market for castor oil and rumours that Brazil will be able to maintain supplies of oil to the U.S. for some time more dampened the enthusiasm of bulls. There were some enquiries from the U.K., but this did not have any perceptible effect on the market. Cottonseeds and linseed moved both ways, following the pattern set by the other major seeds.

In the groundnut section, February 1961 contract which had wound up last week at Rs. 210.50, fell to Rs. 208 50 today, after fluctuating between Rs. 209.75 and Rs. 210.62. Coromandals closed today 50 nP lower at Rs. 42. Khandesh quality was, however, maintained at Rs. 43. Oil ex-mill lost 25 nP to Rs. 18.75, and railway receipts 35 nP to Rs. 18.35.

Among castorseeds, May 1961 contract closed today lower at Rs. 178.50, as against Rs. 180.50 last week-end. Ready Madras fell initially from Rs. 35 to Rs. 34.75, but later improved to Rs. 34.81; it, however, eased to Rs. 34 75 today. Oil B S.S. declined by 35 nP to Rs. 15.10, after moving both ways between Rs. 15.31 and Rs. 15.37. Oil commercial closed lower at Rs. 14.55.

In the linseed section, May 1961 contract improved initially from Rs. 33.87 to Rs. 33.97, but declined subsequently to close at Rs. 33.69. Bold ready receded by 25 nP to Rs. 33.37. Linseed oil dropped 10 nP to Rs. 14.80.

In the cottonseeds section, February 1961 contract was marked down Re. 1.25 to Rs. 88.25. The spot section, however, improved. Berars, whites and non-whites rose by 10 nP each to Rs. 19 each.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	30-11-1960	23-11-1960	16-11-1960
Groundnut	Rs.	Rs.	Rs.
February 1961	208.50	210.50	209.00
Nizam bold	42.00	42.50	42.00
Coromandel ready ..	43.00	43.00	42.25
Khandesh quality ..	43.25	43.25	43.00
Oil ex-mill ready* ..	18.75	19.00	18.90
Railway receipts* ..	18.35	18.70	18.65
Castorseed			
May 1961	178.50	180.50	177.00
Ready Madras	34.75	35.00	34.25
Ready Kanpur	33.75	34.00	33.25
Oil B.S.S.*	15.10	15.45	15.05
Oil commercial†	14.20	14.55	14.15
Linseed			
May 1961	33.69	33.87	33.59
Bold ready	33.37	33.62	33.00
Oil ready†	14.80	14.90	14.50
Cottonseed			
February 1961	88.25	89.50	87.50
Niger seed	36.25	38.50	39.00
Kardi seed	24.00	24.00	24.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

YARNS QUIET

(From Our Own Correspondent)

BOMBAY, *30th November*

A quiet trend was in evidence in the yarn market during the week under review. Enquiries from consuming centres were subdued, thanks to absence of any encouraging news. Transactions put through were limited, with values moving narrowly. Forward deliveries of Cupressa Bemberg yarn (60 x 1) encountered selling and drifted lower. Operators took note of the slow pace of export business in art silk piecegoods of late. The actual exports during the month of October were put at no more than 2,665,000 yards (Rs. 22.79 lakhs) as against 3,528,000 yards (Rs. 32.36 lakhs) in the previous month. The total value of export for the whole of 1960 was expected to be only Rs. 4 crores, as against the target of Rs. 6 crores.

Cupressa Bemberg yarns (60 x 1) December delivery receded from Rs. 2,161 to Rs. 2,132. February delivery dropped Rs. 29 to Rs. 2,105.

Spot cupressa, however, met with good support and advanced by Rs. 15.46 to Rs. 2,246.50. Among imported art silk yarns, 120 Japan was dull at Rs. 1,322.75, as also 150 Japan at Rs. 1,543.25 and 120 Italy at Rs. 1,239. But 150 Italy rose by Rs. 13.25 to Rs. 1,514.56. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade fell by 40 nP to Rs. 11.13. 120 Bt. cones 1st grade declined by 14 nP to Rs. 11.84.

In the staple fibre yarn section, 40 x 2 February contract came in for selling and shed Rs. 5 to Rs. 792. December position lost Rs. 3 to Rs. 791. Spot Citys, however, recorded a rise of 14 nP to Rs. 9.22. Kohinoors gained 8 nP to Rs. 9.37 and Centurys 6 nP to Rs. 9.42.

Among cotton yarns, 10 counts Moderns were neglected at Rs. 19. Podars declined by 7 nP to Rs. 18.12. Twenty counts Moderns and Gokaks were unchanged at last week's level of Rs. 23.56 and Rs. 23.12, respectively. Thirty counts Gokaks picked up 25 nP to Rs. 27.25. Forty counts Maduras were unchanged at Rs. 32.75 and Radhakrishnas at Rs. 51.87. Sixty counts Finlays changed hands at Rs. 59.59, same as last week. Eighty counts Mahendras moved down from Rs. 71.50 to Rs. 69. Moderns shed 25 nP to Rs. 71.25.

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

	30-11-1960	23-11-1960
Art silk yarn—	Rs.	Rs.
60/1 Cupressa Bemberg (100 kg.)		
December	2,132 00	2,161 00
February	2,105 00	2,134 00
60/1 Cupressa Bemberg spot ..	2,246 50	2,231 96
120 Japan (per 100 kg.)	1,322 75	1,322 75
150 Japan (per 100 kg.)	1,543 25	1,543 25
120 Italy (per 100 kg.)	1,239 00	1,239 00
150 Italy (per 100 kg.)	1,514 56	1,501 31
Staple fibre yarn—		
40 x 2 December (per 90.72 kg.) ..	791 00	794 00
40 x 2 February	792 00	797 00
40 x 2 Century (per kg.)	9.42	9.36
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.12	18.19
20s Gokak	23.12	23.12
30s Gokak	27.25	27.00
40s Madura	32.75	32.75
60s Finlay	59.59	59.59
80s Modern	69.00	71.50

JUTE ADVANCES

(From Our Own Correspondent)

CALCUTTA, *29th November*

This week's rise in prices of jute goods and raw jute has belied earlier expectations that, with last week's fall, values had set in for the much-desired declining phase. Although earlier in the week, the unsealing of 2 per cent. of the looms by the mills from 23rd November, to result in an increase in production by 2,000 tons a month, in accordance with the decision of the Indian Jute Mills Association in concurrence with the Union and West Bengal Governments, passed off unnoticed in the goods market, the business that was attracted by lower levels reversed the declining phase in the goods market. Induced by this encouragement and on reports of a fall in fresh arrivals in the agencies, fibre prices also moved up. The fall in arrivals in the agencies was attributed to growers' preoccupation in harvesting the good crop of paddy and also to their ability to hold on, thanks to their and the middlemen's improved financial position, due to the unexpected high prices of recent weeks. For a time, the improved arrivals of jute mills' stations in October in respect of which figures were released earlier in the week contributed to arrest the uptrend. Also the steps taken by the East India Jute and Hessian Exchange Ltd. and the decision of mills to buy jute on a quota basis were also factors that led to the salutary result.

Arrivals in October amounted to 602,750 bales (544,100 bales from India and 58,650 bales from Pakistan), which were higher by 213,950 bales (197,050 bales from India and 16,900 bales from Pakistan) as compared with the previous month. As compared with October 1959 also, the total receipts were higher by 70,550 bales (26,700 bales from India and 43 850 bales from Pakistan). Adding the figure for October, total arrivals in the current season beginning from July were 1,412,400 bales (1,239,350 bales from India and 173,050 bales from Pakistan), representing a fall of only 121,250 bales, as compared with the corresponding previous period when total arrivals from India amounting to 1,471,900 bales were higher by 232,550 bales, but arrivals from Pakistan amounting to 61,700 bales were less by 111,350 bales. The lower arrivals in the current season are due to late sowing and also to exaggerated ideas of shortage leading to hold-up all along the line from cultivators to the mills. However, the remarkable improvement in October proves that the earlier ideas of shortage were, in fact, exaggerated. The higher arrivals in the current season from Pakistan are due to the increased import quota. By and large, the impression that there would be enough jute to go around is gaining ground, although a possible price rise later in this season is anticipated, in view of the hand-to-mouth position which the mills have been forced to adopt. The estimated raw jute consumption in the July-October period being 2,032,500 bales, total arrivals should have resulted in a fibre stock of 620,100 bales with mills as at the end of October. In the last year, consumption up to October was estimated at 1,988,600 bales which was less by 444,200 bales as compared with arrivals. Considered from this angle also, the performance in this season has been much encouraging, but this should also partly be attributed to the fall in production in mills to tackle the situation caused by high prices, and to increased arrivals from Pakistan.

Meanwhile, available indications are that the quota system which mills have adopted in regard to purchase of fibre is working satisfactorily, inasmuch as no mill buys more jute than is necessary to maintain production at the current rate. Although the quota system is encouraging, much depends upon how the situation is faced when new crop arrivals would cease later in the season and mills would be left to the mercy of stockholders who should have built up moderate stocks in the meantime. If Governmental action is taken even now to create a bufferstock on the lines of the bufferstock for tin in London, much advance should be considered to have been made and prices should be normal at least in the next season. The lower level earlier in the week was due to some "panicky" sales in Cossipore in anticipation of continuation of the falling trend and also to an anxiety to save godown rent in Cossipore, if ready buyers were not found for fresh arrivals. Quota-holding mills thus turned to Cossipore to make their purchases. However, with the improved price trend in goods as the week progressed, fibre prices also gained. Had only the declining trend continued, there was opinion in the market that the market would have attracted much hidden jute. It is to be hoped that prices would once again begin to decline, thus enabling mills to increase production and mitigating the distress to workers from lower pay-packets as a result of the cut in working hours.

On Tuesday last, the price of ready B. twills was unchanged at Rs. 169, while ready hessian 40" 10 oz. was fractionally higher at Rs. 54.50. Business passing in both constructions was restricted. On the following day, however, the Government announced a tender for 10,000 bales of B. twills against December delivery, and the price moved up to Rs. 171.50. In sympathy, hessian 40" 10 oz. hardened to Rs. 55.50. It is questionable if the Government should come out with such a large tender for B. twills. For it was this tender which reversed the declining phase in goods, following an eased fibre market, and fibre prices soon began to move up in line with goods. Foreign buyers continued to buy in small quantities only, and the price trend in both goods and fibre should have benefited, had the Government only delayed purchases or split the quantities into a few tenders at intervals. Advices from the New York burlap market showed that buyers were restricting purchases and continuing to meet their commitments from their own stocks. This was also indicated from the latest stock figures released during the week. U.S. consumption in October fell by 9 million yards to 67 million yards. Nevertheless, stocks at the end of October were fewer by 20 million yards at 232 million yards. Much food for thought is contained in the detailed analysis of consumption for the year, since the average monthly consumption so far amounted to only 71.3 million yards, as against 73.7 million yards in the same period last year.

On Thursday in Calcutta, Australia placed orders for woolpacks against May-August 1961 delivery. There were more inquiries from overseas markets and covering business was brisk. The cumulative result was the price of ready B. twills rose to Rs. 174 and that of hessian 40" 10 oz. to Rs. 56.50. On Friday, sellers became reserved as more and more buyers were inquiring for goods for varying delivery periods. As a result, B. twills hardened further to Rs. 176.50 and 40" 10 oz. hessian to Rs. 57. Business passing over the week-end was small, but the price at Rs. 176 and Rs. 56.50 respectively were fractionally lower. The feature during yesterday was that support to heavy goods for all deliveries was of such a nature that the price of ready B. twills spurted to Rs. 184 and in sympathy hessian 40" 10 oz. closed higher at Rs. 58.50.

With a fall in arrivals and the hardening trend in goods, fibre prices rose. Mills continued to support the market in accordance with the quota system. The quota system, although working satisfactorily, must have encouraged sellers, inasmuch as the mills are authorised to buy on a hand-to-mouth basis only, mills cannot afford to remain without purchasing for long. Herein lies the drawback of the quota system in the absence of a buffer stock. Assam bottoms steadily rose to Rs. 136.50 per 100 kgs. equivalent to Rs. 51 per maund against November/December delivery from Rs. 123.50 or Rs. 46.00 per maund, and daissee bottoms from Rs. 127.25 to Rs. 139.50.

EXPORT TEAS EASY

(From Our Own Correspondent)

CALCUTTA, *29th November*

There was good general demand during the export sales of teas held here yesterday. Prices, however, were easy. The easier conditions in Mincing Lane following the increasing quantity on offer in the last week imparted a cautious tendency here. Although the increased offerings in London were only expected and would continue for a few weeks more, in view of the backlog of arrivals caused by diversion of ships from London to the Continent to get over the situation caused by the recent strike of tally clerks in London docks, it was assumed in trade circles here that the increased quantity on offer at one and the same time had enabled bidders in London to adopt a resilient attitude. In the week ended 18th November, London tea stocks rose by 6 million lbs. to 96½ million lbs.

In Calcutta, arrivals from upcountry continued to show improvement, which, however, was not as marked as expected during the week. The quantity loaded on fast-moving ships destined to the U.K. was satisfactory during the week.

In the internal sales held last week, offerings of dusts amounted to 21,942 packages. A fall in demand was in evidence. C.T.Cs of all descriptions declined by 20 nP. In an irregular tendency, the plainer orthodox teas accounted for an overall loss, and the better teas of this category and Assam orthodoxes recorded a gradual easing tendency. Leaf-cut Dooars also eased, although

irregular. Quotations per 1 kg. (inclusive of excise duty) were: best Assam C.T.C. dust Rs. 6.10 to Rs. 6.30 (nominal); medium Assam C.T.C. dust Rs. 5.70 to Rs. 5.85; medium Assam dust Rs. 4.80 to Rs. 5.20, and medium Dooars dust Rs. 4.70 to Rs. 5.00.

Leaf on offer amounting to 390 packages, of which 36 packages were green teas were lifted at dearer rates.

During yesterday's export sales, as already stated, there was good demand for the offerings amounting to 71,291 chests. Excepting the prices for a few descriptions of teas, all other teas gave way following quality. Despite good demand for best and medium C.T.Cs, prices of these declined by 10 nP to 20 nP depending on quality. The poorer types of this category were often lower by as much as 30 nP. Brokens were in greater demand than fannings. Good support was accorded to leaf grades at last rates. The higher grades in the brighter Darjeelings were about steady, but the poorer Darjeelings eased in an irregular tendency. Tippy teas were well supported. Medium B.O.Ps possessing bright liquors were in good demand, while the poorer types and O.Fs came to an irregular market. Teas for price and plain brokens recorded a small addition to prices, but similar fannings recorded an impressive addition to prices. Another strong feature of the sale was medium B.Ps prices of which rose by 10 nP to 15 nP. The better medium fannings were firm, whereas those with inferior liquors eased by 10 nP to 20 nP. Legg-cut teas were taken at rates lower by 10 nP to 20 nP. The quotations per 1 kg. (inclusive of excise duty) were: best Assam C.T.C. fannings Rs. 6.10 to Rs. 6.60; best Assam C.T.C. B.P. Rs. 5.80 to Rs. 6.20; clean black pekoe Rs. 5.30 to Rs. 5.60; medium fanning Rs. 5.00 to Rs. 5.30; plain fannings Rs. 4.86 to Rs. 5.00; medium B.P. Rs. 4.80 to Rs. 5.00; and plain B.P. Rs. 4.55 to Rs. 4.70.

HIGHGROWN TEAS NEGLECTED

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

COCHIN, 22*nd November*

Sale No. 45: A total of 460,000 kilograms were offered in sale No. 45 held today. Although a few brighter invoices were on offer, quality generally showed a falling away. There was a good demand for all descriptions, except highgrowns which were neglected. Highgrowns received much less enquiry at lower rates and there were many withdrawals. Good medium brokens were a strong feature at firm rates and those with improved quality advanced 10 to 20 nP per kilo. Their fannings were well supported at around last rates. Medium brokens sold well at firm to dearer rates, with fannings often advancing in price. Plain and low medium descriptions sold readily and can be quoted fully firm. Black leaf teas came in for good enquiry at enhanced prices. C.T.C. and legg-cut types sold at around last prices. There was strong enquiry for whole leaf grades at dearer rates with buyers' emphasis on orange pekoes.

	1960	1959
	Rs.	Rs.
Low medium	4.60-5.00	4.52-4.74
Medium	5.00-5.35	4.85-5.07
Good medium	5.35-5.70	4.96-5.40
Quality	5.75-9.25	5.29-9.37

The average price realised in Sale No. 45 was Rs. 5.25 per kilo, as against Rs. 5.38 in the previous sale and Rs. 5.29 in the corresponding sale last year.

Dust Sale 'QQ': Two lakh kilograms were offered in Dust Sale 'QQ' held on 24th inst. There was a very strong demand and prices were generally dearer for all descriptions. Mediums, particularly those with improved quality, were in keen demand and advanced by 5 to 10 nP. Buyers showed keen interest in milled and residual descriptions which were dearer and were the strongest feature of the sale. Highgrowns met useful support and sold at around last week's rates. C.T.C. and legg-cut types are quoted fully firm.

The average price realised in Dust Sale 'QQ' was Rs. 4.84 per kilo, as compared with Rs. 4.77 in the previous sale and Rs. 4.29 in the corresponding sale last year.

Export Quota: There are sellers at ¼ nP per kilo.

Colombo: In this week's sale, there was only a fair demand and prices declined for all descriptions. Dimbulas eased 20 cents, whilst Uvas were 15 to 30 cents easier according to quality. Mediums and lowgrowns were up to 5 cents lower. Fannings came to a weaker market.

London:—North Indian and other growths: In Monday's auctions, there was a good demand, but prices for best Assams were mostly lower, following quality. Coloury Dooars and plain kinds came to a firm market. Plain broken pekoe is quoted at 3/9*d*.

Ceylon and South Indians: Tuesday's sale comprised 25,074 packages, of which 9,234 packages were from South India. Good demand prevailed throughout the sale and there was little change in prices realised from most of the teas.

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

"*Sale* 46:—550.000 kilograms. Market irregular. Plain and low medium brokens barely steady, fannings 10 nP easier. Black leaf medium and good medium brokens stronger and bearer, but similar fannings 15 to 20 nP easier. Highgrown fannings neglected. Brokens upto a rupee below valuation. Whole leaf 20 to 30 nP easier."

SUGAR DEPRESSED

(*From Our Own Correspondent*)

HAPUR, 28*th November*

Sugar prices lay flat during the week at Rs. 110.50 per bag wholesale and at Re. 1.06 per *seer* in the open market. All the factories in west U.P. are working with their full capacity, as cane supplies to them are reported to be adequate. The U.P. is bidding to establish a new record in sugar production. The actual production last season was 12.20 lakh tons, as against the second Plan target of 11.25 lakh tons, and production this year is estimated at 13.57 lakh tons (9.31 lakh tons in west U.P. and 4.26 lakh tons in east U.P.). The area under sugar cultivation in current season is 22.63 lakh acres, as against 19.17 lakh acres in the previous season.

Sugar was quoted lower at Rs. 109 per bag wholesale and at Re. 1.06 per *seer* in the Muzaffarnagar market, thanks to easy supply position, as the entire quotas issued were not being lifted. All the factories in the area were working. Sugar crystal D 29 was quoted at Rs. 112 to Rs. 112.50 per bag in the Kanpur market in the week-end.

While new *khandsari* stayed steady, following good demand, old quality sagged further for want of support and comfortable stock position. The crushers manufacturing *khandsari* were drawing cane at Re. 1.25 per maund and the latest prevailing prices in the Muzaffarnagar market were:—*khandsari* new Rs. 32 to Rs. 36.50; old *galawat* Rs. 16 to Rs. 20; inferior Rs. 23 to Rs. 29; superior Rs. 31 to Rs. 33.50; crystal Rs. 32 to Rs. 34; *boora* Rs. 34 to Rs. 37 a maund.

New *gur*, after an early fall as loading facilities were completely stopped, improved towards the week-end, as the Western and Central Railways covering most of the consuming areas of Gujerat and Saurashtra and M.P. have given higher priority to *gur* loading. *Balti* quality was much in request. Daily arrivals mounted to an average of 70,000 maunds, and, as the entire arrivals were being lifted, there was no stock building as yet. The crushers manufacturing *gur* had reduced their cane purchasing prices to Re. 1.12 per maund, but supplies to them were reported to be inadequate. Prevailing prices were:—*pansera* Rs. 14 to Rs. 14.25; *balti* Rs. 15.25 to Rs. 15.75; *shakker* Rs. 16 a maund.

Gur and *shakker* arrivals mounted to an average of 10,000 to 12,000 maunds daily in the Muzaffarnagar market and, as the loading facilities were not upto requirements, prices ruled depressed to be quoted in the week-end at:—*Pansera* Rs. 13.50 to Rs. 14.12; *Chaku* Rs. 13.50 to Rs. 15; *Khurpaper* Rs. 13.75 to Rs. 14; *ladu* Rs. 14.50 to Rs. 15.50 a maund.

Gur futures ruled both ways during the week. *Fagun* opened at Rs. 13.22 last Monday and after touching the highest and lowest in mid-session at Rs. 13.46 and Rs. 13.20, respectively, was quoted today at Rs. 13.34.

* * * *

The total sugar production in India during the season 1959-60 (November 1959-October 1960) amounted to 2,420,000 tons, as against 1,918,000 tons in 1958-59. The figures exclude 51,000 tons produced prior to November 1960, for the season 1960-61, as against the corresponding figure of 31,000 tons for the last season.

Offtake of sugar from factories during the month of October 1960 was 169,000 tons, as against 172,000 tons in the same month last season. The total despatches in the season 1959-60 were 2,018,000 tons, as against 2,105,000 tons, including about 30,000 tons of sugar despatched by factories for export.

The total closing stocks with factories as on 31st October 1960 were 549,000 tons (excluding 41,000 tons of stocks out of the 1960-61 season's output produced before November 1960) as against 153,000 tons on the same date in the previous season (this also excludes stocks of 20,000 tons produced for 1959-60 season before November 1959).

FOODGRAINS DECLINE

(*From Our Own Correspondent*)

HAPUR, 28*th November*

Quietly easy trend was witnessed in the foodgrains market during the week. Mr. Patil, Union Food and Agriculture Minister, attributed the downward trend at this time of the year to the new agreement between India and the U.S. under which India would receive 17 million tons of wheat and rice in the next four years. Arrivals under the agreement have already began to reach India. Stocks with both the Centre and the State Government were fairly heavy. Besides the heavy imports from the U.S. a new deal for purchase of 200,000 tons of rice from Burma has been finalised. Three States of Madhya Pradesh, Maharashtra and Gujerat have been linked into one food zone, and this is considered to be a step in the direction to make the country one food zone.

Wheat at Hapur recorded a fractional fall during the week to be quoted now at Rs. 16.37 a maund for average quality and upto Rs. 17.50 for farm produce. Daily arrivals of wheat ran down to an average of 50 maunds, but the State Government was selling heavy quantities of wheat flour at lower prices and demand for wheat subsequently declined. Consumer demand shifted further to maize and *bajra*.

The easy trend in rice continued and prices were quoted Re. 1 to Rs. 2 per maund lower than last week at: *sela basmati* Rs. 27 to Rs. 29; *mainpuri* Rs. 23; *gadda* Rs. 17.50; *ramajwayan* Rs. 22; *raimunia* Rs. 23 a maund. The rice supply position was quite easy, as new produce grain was reaching the markets in heavy quantities. The Central Government was expected shortly to make purchases of rice to bolster the falling prices.

Gram ruled quiet at Rs. 16.50 a maund for Punjab produce, while old stocks were being lifted at Rs. 15.50 a maund. Punjab advices recorded a quiet trend and the local gram stocks with trade were running down. Barley was stationary at Rs. 12.50 and *bejhar* was quoted at Rs. 12.25 a maund for inferior quality, while *moongia* superior variety was quoted at Rs. 12.75 a maund. New maize was reaching here in heavy quantities from Bareilly and Rampur side and, despite good consumer demand, prices declined by 37 nP per maund to Rs. 12-Rs. 12.25 a maund. Local maize stock swelled to 25,000 maunds. New *bajra* was quoted at Rs. 14, *juwar* at Rs. 13.50 to Rs. 15 and *guwar* at Rs. 13.62 a maund, following good seasonal demand.

Peas continued to attract good demand. The local stocks were fast running down and were now put at 20 *khatties*, as against 27 *khatties* last week-end, but prices ruled quiet in line with other grain prices. Demand for *arhar* was dormant and prices were quoted 37 nP per maund lower at Rs. 13 a maund. New *urd* and *moong* were almost stationary, as requisite quantity was reaching here from outside. Week-end prevailing prices were:—peas *dara* Rs. 12.50; old Rs. 12; white farm Rs. 14; peas *dal* Rs. 14; *arhar* Rs. 13; *arhar dal* Rs. 17 to Rs. 18; new *urd* Rs. 19; new *moong* Rs. 18.50 to Rs. 19.50; *massor* Rs. 15 to Rs. 17 a maund.

EXPORT BUSINESS IN KIPS PATCHY

(*From Our Own Correspondent*)

MADRAS, 28*th November*

There was no significant change in the tanned hides and skins market during the week under review. Arrivals of stocks from tanneries were small. Export trading was patchy, as importers were not willing to pay increased prices demanded by tanners after each sale.

Inquiries for cow hides and buffalo hides were good, while those for buff-calf were patchy and for cow-calf poor.

In the skins section, trading was small, as tanners were quoting fancy prices, in view of the strength in the raw skins centres.

Notice

GANNON DUNKERLEY AND COMPANY LIMITED

NOTICE

THE 37TH ANNUAL GENERAL MEETING OF the Company will be held at its Registered Office, Chartered Bank Building, Fort, Bombay, on Friday, the 23rd December, 1960 at 4-00 p.m., to transact the following business:—

1. To receive and adopt the Directors' report for the year ended 31st March, 1960 together with the audited statement of accounts for the period.
2. To declare a dividend.
3. To elect a Director in place of Shri J. L. Mehta who retires by rotation but being eligible offers himself for re-election.
4. To appoint a Director in place of Shri Shivnath Kanoria who was appointed a Director by the Board of Directors of the Company on 12th February 1960 and who holds this office only upto the date of the Annual General Meeting but is eligible for election. And to consider and if thought fit, to pass the following resolution as an ordinary resolution of which notice as required by Section 257 of the Companies Act 1956 has been received by the Company.

"Resolved that Shri Shivnath Kanoria be and is hereby appointed a Director of the Company."

5. To appoint Auditors for the financial year ending 31st March, 1961.

You are requested to be present in person or by proxy. The Share Transfer Books of the Company will be closed from 16th December 1960 to 30th December 1960, both days inclusive.

By Order of the Board,

R. MORARKA,
Governing Director.

BOMBAY, *dated 10th November* 1960.

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by this Company at its Registered Office not less than 48 hours before the Meeting.

Explanatory Statement Under Section 173(2) of the Companies Act 1956

Item No. 4: At the invitation of your Board of Directors, Shri Shivnath Kanoria joined the Board on 12th February 1960, but he holds the office only upto this Annual General Meeting. Notice has been received by the Company from a member of the Company, as required by Section 257 of the said Act, of his intention to propose a resolution at the forthcoming Annual General Meeting for election of Shri Shivnath Kanoria as a Director of the Company. The said resolution is recommended for your acceptance in order that the experience of Shri Shivnath Kanoria should be made available to the Company.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 25th Nov., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	67,35,06,000
(2) Other Governments	10,32,27,000
(b) Banks	98,48,32,000
(c) Others	80,75,43,000
Bills Payable	24,91,81,000
Other Liabilities	28,83,94,000
Rupees	449,66,83,000

ASSETS	Rs.
Notes	22,64,78,000
Rupee Coin	2,20,000
Subsidiary Coin	6,91,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	5,99,77,000
Balances held abroad*	10,95,75,000
Loans and Advances to Governments†	31,39,44,000
Other Loans and Advances	114,50,42,000
Investments	244,16,03,000
Other Assets	13,91,53,000
Rupees	449,66,83,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item 'Other Loans and Advances' includes Rs. 4,27,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	22,64,78,000	
Notes in circulation	1810,96,96,000	
Total Notes issued	....	1833,61,74,000
Total Liabilities	....	1833,61,74,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,39,000	
Total of A		240,76,92,000
B. Rupee Coin		130,79,26,000
Government of India Rupee Securities		1462,05,56,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1833,61,74,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	18th Nov., 1960	11th Nov., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1820.31	1827.22	1812.02	1683.84
Notes held in Banking Department	35.05	22.35	14.50	10.45	23.03
Foreign Securities	59.50	123.01	123.01	123.01	103.01
Rupee Securities	37.39	1472.06	1472.06	1451.89	1291.69
Banking Department					
Deposits of:					
Government of India	14.39	55.99	53.61	53.22	49.45
Other Governments		23.49	14.86	32.90	21.67
Balances held abroad	10.06	16.62	18.10	25.89	41.56
SCHEDULED BANKS					
Demand Liabilities	134.36	789.24 (21.15)†	785.84 (21.86)†	785.11 (15.48)†	785.14 (18.32)†
Time Liabilities	102.24	1134.64 (17.21)†	1144.46 (16.20)†	1148.24 (21.05)†	1144.55 (30.49)†
Borrowings from Reserve Bank	..	17.86 (6.80)‡	25.19 (8.15)‡	32.70 (9.43)‡	1.37 (—)‡
Borrowings from State Bank	..	8.97	10.80	12.14	5.32
Cash in India	6.70	46.33	47.56	48.34	43.14
Balances with Reserve Bank	25.17	93.33	101.63	99.06	80.83
Balances with other banks in current account in India	..	15.76	14.83	15.45	14.88
Money at call and short notice in India	..	32.86	31.82	26.60	30.96
Investments (at book value)	..	680.83	688.16	697.00	806.63
Advances and bills	105.9	1106.66	1109.05	1116.29	924.90
STATE BANK					
Deposits	87.76	569.49	573.21	578.88	573.84
Investments	51.99	338.60	345.67	350.06	406.42
Advances	30.35	209.65	212.62	216.21	156.21
Cash	14.69	26.92	28.71	23.32	25.01

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

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	....	2
Canada †	..	2.45	2.72
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	4
El Salvador	April, 1957	5	6
Finland	Mar., 1959	6.50	7
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st April, 1960	4	3
Italy	28th Jan., 1960	4.25	4.75
Japan	8th June, 1958	4	3.50
Kenya	22nd Aug., 1960	7.5	6.935
Malaya	4th June, 1948	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	10th Dec., 1958	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	5	4
Peru	..	6.00	9.50
Philippines	Feb., 1950	4.50	6.50
Portugal	..	..	2
Spain	12th Jan., 1944	4	4½
South Africa	10th Aug., 1960	4	5.75
Sudan	11th April, 1960	6.25	5
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	3
Thailand	Feb., 1945	5	7
Turkey	6th June, 1956	4.50	6
United Kingdom	27th Oct., 1960	6	5.50
U.S.S.R.	1st July, 1936	2	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	11th Nov., 1960	5	4

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 25th Nov., 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		7,20,00,000
Deposits and Other Accounts		571,76,29,000
Borrowings from Other Banking Companies, Agents, etc.		1,36,00,000
Bills Payable		9,03,51,000
Bills for Collection being Bills receivable as per contra		2,14,83,000
Acceptances, Endorsements and Other Obligations per contra		1,55,67,000
Other Liabilities (including Inter-Office Adjustments)		17,85,56,000
Total .. Rs.		616,59,36,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		28,80,77,000
Balances with other Banks		2,74,11,000
Money at Call and Short Notice		1,06,67,000
INVESTMENTS:	Rs.	
Government and other Trustee Securities	333,62,11,000	
Other Authorised Investments	10,14,37,000	
		343,66,48,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	193,17,92,000	
Bills Discounted and Purchased	14,81,02,000	
		207,98,94,000
Bills Receivable being Bills for Collection as per contra		2,14,83,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,55,67,000
Premises less Depreciation		1,27,35,000
Furniture and Fixtures less Depreciation		1,34,05,000
Other Assets (including Inter-Office Adjustments).		26,00,49,000
Total .. Rs.		616,59,36,000

Scheduled Banks*

Statement of Affairs for the week ended 18th Nov., 1960

	Rs
Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified Bank†	21,14,67,000
(ii) Other demand liabilities	768,09,03,000
Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	17,20,97,000
(ii) Other time liabilities	1117,43,12,000
Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,56,56,000
(ii) Time liabilities	40,00,000
Borrowings in India from the Reserve Bank of India‡	17,85,59,000
Cash in India	(-)85,59,000
Balances with the Reserve Bank in India	46,33,27,000
Balances with other banks in current account in India	93,32,76,000
Money at call and short notice in India	15,76,47,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	32,95,60,000
Advances in India	680,83,19,000
Inland Bills, purchased and discounted in India	952,60,11,000
Foreign Bills, purchased and discounted in India	104,98,85,000
	49,09,01,000

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

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
6th Sept.	2.00	2.00	2.00	2.540	99.365
13th Sept.	2.00	2.00	2.00	2.540	99.365
14th to 17th Sept.*	0.15	—	—	—	99.381
20th Sept.	2.00	2.50	2.00	2.540	99.365
27th Sept.	2.00	2.60	2.00	2.540	99.369
28th Sept. to 1st Oct	0.08	—	0.08	—	99.381
4th Oct.	2.00	2.55	2.00	2.552	99.365
11th Oct.	2.00	2.35	2.00	2.560	99.360
18th Oct.	2.00	2.40	2.00	2.560	99.360
25th Oct.	2.00	2.00	2.00	2.565	99.355
1st Nov.	2.00	2.35	2.00	2.565	99.360
2nd to 5th Nov.*	0.27	—	0.27	—	99.376
8th Nov.	2.00	2.20	2.00	2.565	99.360
9th to 12th Nov.*	0.31	—	0.31	—	99.376
15th Nov.	2.00	2.24	2.00	2.565	99.360
16th to 19th Nov.*	0.80	—	0.80	—	99.376
22nd Nov.	2.00	2.49	2.00	2.564	99.360
23rd to 26th Nov.*	0.03	—	0.03	—	99.376
29th Nov.	2.00	2.40	2.00	2.564	99.365
Total amount outstanding	27.64	..	27.64	..	..

* Intermediate Treasury Bills sold.

State Bank of Pakistan

Statement of Affairs for the week ended 18th Nov., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	11,19,78,000
(b) Provincial Governments	1,33,00,000
(c) Banks	17,55,75,000
(d) Others	103,48,02,000
Bills Payable	14,80,000
Other Liabilities	12,75,75,000
Rupees	156,62,13,000

ASSETS	Rs.
Notes	6,55,41,000
Rupee Coin	55,000
Subsidiary Coin	70,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	29,62,15,000
Loans and Advances to Governments	7,81,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	25,15,84,000
Investments	78,32,90,000
Other Assets	9,13,57,000
Rupees	156,62,13,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,55,41,000	
Notes in circulation	363,48,86,000	
Total Notes issued	....	370,04,27,000
Total Liabilities	....	370,04,27,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	73,93,80,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	141,62,20,000
B. Rupee Coin	4,11,06,000	
Government of Pakistan Securities	218,40,95,000	
Internal bills of exchange and other commercial paper	....	222,52,01,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,82,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	370,04,27,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 39.79 per cent.

EXCHANGE RATES

	20th November 1960	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	s. 1-5½	1-5½
Sellers T. T. D.D. upto six months	s. 1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s. 1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	s. 1-5⅛	1-5⅛
Bombay on New York—		
Sellers T.T. D.D.	Rs. 476.50	475.75
Buyers T.T.	Rs. 472.00	472.50
London on New York	s. 2.8124-2.8127	2.8126-2.8129
London on Paris	Fcs. 13.79⅛-13.79⅜	13.79-13.79⅛
London on Berne	Sw. Fcs. 12.1130-12.1150	12.1180-12.1200
New York on London	s. 281.250-281.250	281.240-281.270

CLEARING HOUSE RETURNS

Centre	Week ended 25th Nov., 1960 Number of Cheques	Amount Rs.	Week ended 18th Nov., 1960 Number of Cheques	Amount Rs.
Bombay	3,72,021	93,15,79,000	3,91,637	1,00,43,95,000
Calcutta	1,98,000	79,72,00,000	2,01,000	88,58,00,000
Madras	90,196	13,59,67,389	93,133	12,69,14,892
All Centres—				
1957-58	441,672,000	89,44,80,00,000	..	..
1958-59	445,172,000	97,67,15,00,000	..	..
1959-60	560,064,000	109,58,05,00,000	..	..
June 1960	4,227,000	9,86,02,00,000	..	..
July ,,	4,210,000	9,52,59,00,000	..	..
Aug. ,,	4,377,000	9,96,31,00,000	..	..
Sept. ,,	4,313,000	9,71,59,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	12th Nov., 1960	5th Nov., 1960	14th Nov., 1959	Sept., 1960	Sept., 1959	Percentage of Increase(+) or Decrease(—) in Sept., 1960 as compared with Sept., 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	120.8	121.0	122.5	123.9	120.6	+ 2.8	119.0	116.2
Cereals	199	103.6	104.2	106.0	106.5	107.6	+ 0.8	104.1	106.6
Pulses	48	94.8	94.8R	95.0	94.7	89.9	+ 5.3	93.6	103.9
Fruits and Vegetables	22	109 4	118.5	125.6	122.2	139.1	—12.1	127.8	117.0R
Milk and Ghee	64	115.8	112.0	115.9	123.2	115.6	+ 6.5	113.5	107.5
Edible Oils	47	152.2	152.8R	137.2	148.9	127.6	+16.7	120.4	124.3
Fish, Eggs and Meat	17	123.9	126.4R	112.1	126.9	112.1	+13.2	113.0	108.4R
Sugar and *Gur*	48	139.1	141.5	131.4	138.9	148.2	— 6.3	147.0	137.2
Tobacco	50	174.9	172.7R	178.1	171.2	168.6	+ 1.5	167.9	151.3
Liquor and Tobacco	21	117.8	117.8	105.4	104.5	99.7	+ 4.8	98.5	93.4
Fuel, Power, Light and Lubricants	—	116.8	116.8	104.2	102.7	93.1	+ 4.7	97.9	93.8
Industrial Raw Materials	39	119.9	119.9	117.4	118.5	116.3	+ 2.8	116.5	118.4
Industrial Raw Materials	155	149.2	149.9	122.6	132.7	128.6	+ 13.1	123.7	116.6
Fibres	61	163.6	165.1R	111.4	139.5	110.1	+26.7	113.3	108.0
Oilseeds	60	148.0	148.7	131.4	146.9	136.1	+ 7.9	134.6	127.0
Minerals	8	98.2	97.0R	95.2*	98.2	98.3	— 0.1	97.8	106.9
Others	32	127.2*	126.8*	130.2	124.6	122.9	+ 1.4	121.6	109.2
Manufactures	296	126.0	125.7R	111.7	122.7	110.0	+11.5	111.6	107.4R
Intermediate Products	41	131.4	131.4R	115.6	129.5	111.3	+16.4	113.5	110.3
Finished Products	249	125.1	124.7R	111.0	121.5	109.8	+10.7	111.3	106.1R
Textiles	147	129.6	129.0	106.8	123.9	105.3	+17.6	107.8	103.5R
Cotton	—	129 0*	129.0*	116.3*	131.6	114 0	+15.4	116.9*	117.6R
Jute	—	144.9	142.2	89.8	116 4	89 4	+30 2	90.6	86.5
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	104.2	106.6
Silk and Rayon	—	102.0*	102.0*	92.6*	100.8	92.0	+ 9.6	96.4	93.2
Metal Products	12	146.8	146.8	144.7	146.8	144.4	+ 1.7	144.4	143.1
Chemicals	20	104.8	104.9R	106.5	105.3	102.8	+ 2.4	105.9	104.8
Oil Cakes	31	141.5*	141.7*	149.1	138.6	141.6	— 2.1	138.6	134.0
Machinery and Transport Equipment	31	112 1	112.1R	106.4	111.2	105.9	+ 5.0	106.2	102.9R
Others	50	116.6	116.4	113.8	115.9	113.7	+ 1.9	113.4	113.7
All Commodities	1,000	120.6	120.7	113.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

(1952-53 = 100)

Group and Sub-Group	Week ended 19th Nov., 1960	12th Nov., 1960	22nd Oct., 1960	21st Nov., 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100 6	100 6	100 9	101 6
2. Government of India	100 4	100 5	100 7	101 5
3. State Government	101 7	102 0	102 4	102 8
4. Municipal, Port Trust, etc.	99 7	99 9	100 0	99 9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100 7	100 7	100 7	101 9
PREFERENCE SHARES—ALL INDIA.				
6. Total	86 2	86 3	86 1	92 7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	169 9	169 4	166 5	157 3
8. *Agriculture and Allied Activities, Total**	165 7	165 5	162 3	169 4
9. Tea Plantations	157 4	157 5	154 4	165 6
10. Coffee Plantations	203 1	204 8	204 4	207 6
11. Rubber Plantations	173 5	171 5	167 5	165 0
12. *Mining and Quarrying: Total*	150 2	150 0	149 2	161 9
13. Coal	113 5	114 0	115 1	109 3
14. Other Mining	175 4	174 6	172 5	164 3
15. *Processing and Manufacturing: Total*	182 8	182 2	179 3	164 1
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total†*	183 7	183 8	179 7	167 0
17. Sugar	192 4	191 6	189 0	186 3
18. Cotton Textiles	147 5	148 0	148 3	133 5
19. Jute Textiles	85 1	85 7	87 1	99 8
20. Silk and Woollen	1077 1	10 2 2	979 0	694 5
21. *Processing and Mfg. (Metals Chemicals, etc.): Total**	192 8	190 8	189 2	180 0
22. Iron and Steel	154 5	152 4	148 5	158 9
23. Transport Equipment	403 0	392 4	386 0	298 4
24. Electrical Machinery	142 2	143 3	140 9	136 3
25. Machinery other than Transport and Electrical	208 5	208 0	205 7	197 5
26. Basic Industrial Chemicals	211 4	209 0	206 8	179 8
27. *Processing and Mfg. (Others): Total**	161 6	161 3	160 0	156 3
28. Cement	142 8	143 1	141 0	135 5
29. Paper	218 6	216 9	214 9	225 0
30. *Other Industries: Total**	109 1	108 5	107 3	114 0
31. Electricity Generation and Supply	82 7	82 6	82 0	88 5
32. Trading	117 3	115 6	111 8	106 4
33. Shipping and Other Transport	145 0	144 8	103 6	122 5
34. Construction	206 1	199 2	200 3	207 0
35. *Financial: Total*	177 2	177 0	170 6	169 8
36. Banks	199 3	199 1	190 7	185 0
37. Insurance	132 0	131 6	130 7	143 1
38. Investment Trusts	89 1	89 1	87 7	98 7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	175 8	174 7	171 9	158 9
40. Calcutta	155 7	155 7	152 7	150 1
41. Madras	188 8	187 9	185 4	173 5
42. Delhi	222 1	221 0	218 2	188 5

* Including 'Miscellaneous. † Including 'Edible and Vegetable Oils.
@ Provisional.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March 1957	1,155 500	1,073,600	797 500
Do 31st March 1958	1,107 300	1,107 300	786,900
Do 31st March 1959	1,137 500	1 149 900	884 700
Do 31st March 1960	1,568 400	1,533,700	1,215 100
July 1959	125,000	121,000	98,500
August ,,	128,700	123,5 00	97,100
Sept. ,,	124,300	117 100	93,100
Oct. ,,	135,200	129,600	104,600
July 1960	105,700	118 800	90,000
August ,,	131,300K	131,600K	102,400K
Sept. ,,	133,300K	138,100K	108,000K
Oct. ,,	145,900K	150. 00K	114,230K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do 31st March, 1958	733,945	567,580	410,558
Do. 31st March, 1959	959,933	608.205	498,217
Do. 31st March, 1960	1,053,612	827,072	660,695
June 1959	78,795	62,510	49,296
July ,,	97,082	71 441	55,903
August ,,	94,836	68,644	57,555
Sept. ,,	79,615	60,751	49,422
June 1960	80,127	69,140	53,737
July ,,	75,502K	62,962K	40,897K
August ,,	100,162K	79,269K	60,899K
Sept. ,,	100,437K	79,761K	50,663K

K—Figures in Metric Tons.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Number of man-days lost
1957*	1 630	580,371	6 458,319
1958*	1.624	928 566	7.797 585
1959*	1,523	692,514	5,605.079
April 1959	175	50 509	507,571
May ,,	131	53.755(127)	354,517(127)
June ,,	154	77,758(149)	788,788(149)
July ,,	146	61,098(144)	741,781(144)
April 1960	92	37.770(85)	331,511(85)
May ,,	127	57,675(115)	414,789(115)
June ,,	154	65,783(138)	390,425(138)
July ,,	125	168,407(100)	748,651(100)

† In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.

N.B.—Figures relate to all States and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income In millions	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India	'59-'60	403 64	..	11,750	291 $
Pakistan	'58-'59	86 80	..	2,084	240
Burma	1958	20 02	Kyats 4,344	436	216
Ceylon	1957	9 1	..	507	557
Japan	1958	90 90	Y. 8,252,000	10,915	1,203
Philippines	1958	23 1	Pe. 9,232	2,209	956
New Zealand	1958	2 28	£ (N.Z.) 962	1,069	4,688
Australia	1958	9 80	£ (A.) 4,625	4,920	5,021
U.K.	1958	51 60	£ 18 230	24,310	4,711
U.S.A.	1959	177 1	$ 403,990	193,064	10,901
Canada	1958	17 00	$ 24,660	12,091	7,112
France	1958	44 05	F. Fr. 17,910,000	17,470	3,926
W. Germany	1958	52 17	Dm. 178,400	20,050	3,848
Italy	1958	48 07	Lr. 13,126,000	10,120	2,078
Norway	1957	3 49	Kr. 23,290	1,586	4,470
Sweden	1958	7 40	Kr. 54,910	5,084	6,870
Netherlands	1958	11 10	Grs. 30,180	3,820	3,440
Denmark	1958	4 50	Kr. 28 250	1,960	4,355
Switzerland	1958	5 10	Sw. Fr. 28,300	3.130	6 137

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

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All India (1949 = 100)	Bombay Base June (1934 = 100)	Ahmedabad Base 1949 = (100)	Bhopal Base January (1928 = 100)	Kanpur Base (1949 = 100)	Nagpur Base (1940 = 100)	Rs. cuttа Base (1928 = 100)	Madras City Base (1949 = 100)	Delhi Base (1949 = 100)	Ajmer Base (1949 = 100)	Gauhati Base (1948 = 100)	Jamshedpur Base (1949 = 100)	Jabal pur Base (1949 = 100)	Bangalore Base (1940 = 100)
1952 Average	103	337	104	310	92	101	351	102	108	109	111	112	99	115
1953 ,,	106	363	111	323	95	103	349	109	106	104	102	112	100	114
1954 ,,	101	359	98	294	85	99	327	106	105	91	95	102	98	106
1955 ,,	96	338	87	246	78	96	321	99	99	83	87	98	98	106
1956 ,,	105	353	98	316	89	105	347	111	109	95	96	106	108	114
1957 ,,	111	389	104	339	94	112	364	116	114	99	103	115	107	120
1958 ,,	116	395	110	313	98	120	384	114	118	103	108	123	109	131
1959 ,,	121	412	125	340	98	122	384	133	120	106	98	125	108	140
August 1959	125	420	125	348	98	134	406	134	118	105	102	129	109	142
Sept. ,,	124	422	129	349	97	135	399	134	118	106	102	130	107	143
Oct. ,,	126	427	131	368	98	135	406	137	120	108	101	130	111	143
January 1960	122	422	123	360	96	135	395	137	121	107	99	120	111	144
February ,,	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March ,,	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April ,,	122	421	116	346	97	136	392	138	117	104	103	117	109	145
May ,,	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June ,,	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July ,,	126	423	122	362	101	137	406	145	121	109	102	119	109†	146
August ,,	126†	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. ,,	126†	418	..	364	..	..	..	..	122	108	102	122	108	..
Oct. ,,	..	421	98	..	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Out-standings	Cumulative Time Deposits 10-Year J Out-standings	National Savings Certificates 5-Year A Out-standings	National Savings Certificates 7-Year B Out-standings	National Savings Certificates 12-Year B Out-standings	12-Year National Plan Savings Certificates C Re-ceipts	12-Year National Plan Savings Certificates C Out-standings	Post Office Savings Bank Deposits Re-ceipts	Post Office Savings Bank Deposits Out-standings	10-Year National Plan Certificates D Out-standings	Post Office Cash Certificates, Defence Deposits, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 2½% F Out-standings	10-Year Treasury Savings Deposit Certificates 4% G Re-ceipts	15-Year Annuity Certificates G Re-ceipts	15-Year Annuity Certificates G Out-standings	Total Re-ceipts	Total Out-standings
1956-57	3,00	6,01	162.68	..	..	176.97	196.50	25.38	..	..	38.82	44.38	..	43	1.82	225.88	440.17
1957-58	2.22	4.73	145.45	71.45	71.43	179.80	213.91	23 11	..	..	39.78	43.56	536	547	63	1.87	264.32	560.77
1958-59	1.76	3.80	119.10	87.45	152.78	191.76	284.91	21.02	..	..	40 67	42.57	685	1,08	67	2.41	286.22	690.08
1959-60	1.54	3.17	99.14	83.09	221.63	201.48	254.94	21.79	..	..	41.29	41.68	10.64	21.76	66	2.90	296.62	667.86
June 1959	9	5	1.45	3.59	114.16	6.02	167 24	15.89	224.23	20.61	..	40.86	42.23	42	13.19	3	2.56	22.40	589.76
July ,,	12	7	1.53	3.56	112.40	5.71	172.83	17.23	235.30	20.53	..	40.88	42.25	53	13.66	3	2.62	24.08	604.07
August ,,	15	9	1.65	3.51	110.64	6.04	178 11	15.15	237.06	20.44	..	40.94	42.19	87	14 19	3	2.64	22.11	610.67
Sept. ,,	19	11	1.63	3 46	109.01	6 37	183.58	15.23	238.86	20.36	..	41.01	42 10	1,06	15.16	5	2 67	22,77	617.15
January 1960	37	22	1.54	3.24	102,61	7.18	204.92	15.15	232 92	19 96	..	41.27	41.84	1.13	19.77	5	2.81	23.59	630.34
February ,,	43	26	1.52	3.21	101.09	7.57	210.64	18.04	234 25	19.87	..	41.27	41.75	1.05	20.79	6	2.86	25.71	636.76
March ,,	51	30	1.64	3.17	99 14	13.09	221 63	29.24	254.94	19.79	..	41.29	41.68	1.00	21.76	6	2.90	296.62	667.86
April ,,	57	34	1.51	3.11	97.35	6.47	226.14	17.87	253.58	19.68	..	41.35	41.58	1.63	23.16	9	2.98	26.16	678.00
May ,,	64	38	1.50	3.07	95.55	6.45	231.20	17.00	251.94	19.55	..	41.41	41.50	1.06	24.19	5	3.01	24.67	677.25
June ,,	73	42	1.48	3.02	93 84	5.78	238.58	17.35	253.22	19.50	..	44 46	41.41	84	25.05	5	3.04	24.13	677.25
July ,,	81	47	1.45	2.98	92.30	5.83	240.30	15.25	255.92	19.44	..	41.49	41.32	1.11	26.09	4	3.07	22.36	684.15
August ,,	89	52	1.43	2 91	90,90	6.78	245.82	19 75	261.00	19.38	..	41.54	41.21	1.17	27,23	9	3.14	27.92	694.45
Sept. ,,	..	..	..	..	..	..	..	..	..	..	..	..	41.14	1,52	..	..	..	..	..

Note.—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities, repayments however, include these from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from March 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1957. F—No sales from June 1, 1957. G—Issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. J—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of July 1960 amount to 9.28 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,000	1965-65	97 70
2½ % Loan	1950	30,33,10,000	1964	97 70
3 % Fg. Loan	1943	1,10 11,78,000	1966-68	95 25
3 % Dev Loan	1945	1,15,05,83,000	1970-75	94 50
2½ % Loan	1946	57,60,09,000	1961	98 85
2½ % Loan	1946	14,77,48,000	1976	83 50
2½ % Loan	1947	75,86,72,000	1962	97 85
3½ % N P Bonds	1953	75,29,00,000	1961	100 00
3½ % N. P. Loan	1954	1,58,17,94,000	1964	99 45
3½ % N. P. Bonds (2nd S ries)	1955	1,53,67,92,000	1965	99 30
3½ % Loan	1956	1,07,37,26,000	1962	99 65
3½ % N P Bonds	1956	93,81,93,000	1967	98 90
2½ % Loan	1956	86,63,53,000	1974	99 05
3½ % N F Bonds (4th Series)	1957	56,89,30,000	1967	100 75
4 % Loan	1957	49,17,27,000	1972	100 45
3½ % Loan	1958	58,05,92,000	1963	99 80
3½ % Loan	1958	70,00,00,000	1968	98 85
3½ % Loan N.F.B.	1958	34,33,90,000	1968	100 60
4 % Loan	1958	49,51 44,000	1973	100 40
3½ % Loan	1959	1,37,90,93,000	1968	98 85
3½ % Loan	1959	81,06,38,000	1979	99 90
4 % Loan	1960	97,64,00,000	1980	99 90
3½% Bonds	1960	82,66,00,000	1966	99 30
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,33,000	M.	73 00
3 % Loan	1949	2,48,91,33,000	K.	74 30
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97 15
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97 70
4½% Andhra	1958	5,48 81,000	15th July 1970	100 00
4 % Andhra	1958	6,57,72,000	16th Aug. 1971	98 90
4 % Andhra	1960	9,00,00,000	29th Aug. 1969	97 15
3 % Bombay	1949	5,29,97,000	1st Aug. 1962	97 55
3½% Bombay	1951	2,82,97,000	17th Sept. 1962	99 60
4 % Bombay	1952	5,10,80,000	16th July 1963	99 40
4 % Bombay	1952	2,40,34,000	1st Aug. 1964	99 40
4 % Bombay	1955	9 56,29,000	1st Sept. 1967	99 00
4 % Bombay	1956	7,82,20,000	3rd Sept. 1968	98 60
4½% Bombay	1957	6,57,23,000	16th Sept. 1969	100 00
4½% Bombay	1958	6,58,21,000	15th July 1970	100 00
4½% Bombay	1958	4,36,25,000	16th July 1971	100 00
4 % Bombay	1958	6,58,13,000	19th Aug. 1971	98 25
4 % Bihar	1955	1,4 02,000	1st Sept. 1967	97 40
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97 15
4½% Bihar	1958	2,76,71,000	15th Oct. 1970	100 00
4 % Bihar	1958	3,33,22,000	19th Aug. 1971	97 40
4 % Bihar	1960	3,00,00,000	29th Aug. 1969	97 00
4 % Gujarat	1960	5,00,00,000	29th Aug. 1969	98 50
3½% Hewrah Bridge (New)	1936-37	1,77,98,780	1956-66	94 50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	99 00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	99 00
2½% Madras	1946	3,81,77,000	1st Sept. 1961	98 60
3½% Madras	1951	3,61,49,200	17th Sept. 1962	99 45
4 % Madras	1953	10,35,71,000	15th July 1963	99 10
4 % Madras	1955	8,24,81,200	1st Aug. 1964	99 10
4 % Madras	1956	10,47,17,000	1st Sept. 1967	97 20
4 % Madras	1956	13,33,56,000	3rd Sept. 1968	97 15
4½% Madras	1958	5,55,57,000	15th July 1970	100 00
4 % Madras	1958	5,72,72,000	19th Aug. 1971	97 10
4 % Madras	1960	12,00,00,000	29th Aug. 1969	97 15
4% Maharashtra	1960	10,00,00,000	29th Aug. 1969	99 00
4 % Mysore(J)	1932	2,96,85,200	1st Dec. 1953-63	101 60
3 % Mysore(J)	1933	5,99,75,800	30th Apr. 1965-61	99 30
4 % Mysore	1953	3,33,47,000	15th July 1963	99 10
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97 20
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97 15
4½% Mysore	1957	3,34,36,000	15th Sept. 1969	100 00
4 % Mysore	1958	5,51,61,000	15th July 1970	100 00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97 15
4 % Mysore	1960	4,00,00,000	29th Aug. 1969	97 00
3 % M.P.	1948	3,39,39,000	1st Sept. 1964	98 75
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	98 50
4 % M.P.	1953	1,10,18,000	15th July 1963	99 00
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97 20
4 % M.P.	1956	1,54,42,000	3rd Sept. 1968	97 15
4 % M.P.	1958	2,21,30,000	15th July 1970	100 00
4 % M.P.	1959	5,27 37,000	19th Aug. 1971	97 00
4 % M.P.	1960	5,70,00,000	29th Aug. 1969	97 00
4 % Saurashtra	1955	3,50,81,000	1st Sept. 1967	99 00
4 % Saurashtra	1956	2,66,68,000	3rd Sept. 1968	99 00
4 % Kerala	1953	3,25,61,000	15th July 1963	99 00
4 % Kerala	1955	3,22,98,000	3rd Sept. 1968	97 10
4½% Kerala	1958	3,27,10,000	15th July 1970	100 00
4 % Kerala	1958	4,47,05,000	19th Aug. 1971	97 00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97 00
2½% U.P.Z.A.	1925	44,93,89,000	..	48 75Z
3 % U.P.	1936	1,55,31,000	15th Sept. 1961-66	92 25
2½% U.P.	1946	2,12,62,000	1st Sept. 1961	97 75
3½% U.P.	1951	1,56,22,000	17th Sept. 1962	98 25
4 % U.P.	1953	5,89,14,000	1st Aug. 1964	99 10
4 % U.P.	1955	5,58,25,000	15th July 1963	99 10
4 % U.P.	1956	9 10 71,000	3rd Sept. 1968	97 20
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97 20

PORT TRUST LOANS

Loan	Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY					
	Rs.				Rs.
	36,50,000	4	1904	1984	
	35,00,000	4	1905	1985	
	15,00,000	4	1906	1987	97 00
	44,00,000	4	1907	1988	
	75,00,000	4	1908	1988	
	40,00,000	4	1909	1989	
	50,00,000	4	1910	1971	
	75,00,000	4	1911	1972	
	1,10,00,000	4	1912	1973	
	14,36,876	4	1913*	1960	D
	50,00,000	4	1913	1974	97 00
	50,00,000	4	1914	1975	97 00
	10,00,000	4	1915*	1960	
	55,00,000	4	1915*	1975	
	25,00,000	3½	1922*	1960	
	11,51,000	4	1924*	1960	
	12,50,000	3½	1926*	1960	
	35,00,000	3½	1932*	1959	D
	24,58,000	3½	1932*	1962	
	15,00,000	3½	1936*	1966	
	48,04,000	3½	1936*	1960	
	10,00,000	3½	1938*	1968	
	7,00,000	3½	1941	1971	
CALCUTTA					
	Rs.				Rs.
	99,24,300	4	1914	1974	99 00
	76,50,000	4	1915	1975	99 00
	50,00,000C	3††	1921	1951	92 00
	68,02,200C	6‡	1921	1991	144 00N
	60,00,000	4‡	1931	1991	93 00
	99,00,000	3‡	1935	1985	99 00
	25,00,000	3	1938	1963-68	91 00
	50,00,000	3	1945	2005	74 00
	50,00,000	3	1945	1975	85 00
	50,00,000	3	1946	1976	84 75
	50,00,000	3	1946	2006	74 00
	50,00,000	2‡	1947	1977	79 50
	50,00,000	3	1948	1978	88 75
50,00,000C	50,00,000C	3	1950	1980	92 00
	50,00,000	3	1951	1981	93 00
	1,50,00,000	3‡	1953	1961	99 00
	1,00,00,000	4	1958	1988	99 75
	50,00,000	4	1958	1988	100 00
	77,00,000	4	1959	1989	97 50
	78,00,000C	4	1960	1970	99 00
	1,24,00,000	4‡	1957	1987	97 25
	1,30,00,000	4‡	1958	1988	97 25
	1,00,00,000	4	1959	1989	99 00
	50,00,000	4‡	1959	1989	99 00
	1,00,00,000	4	1960	1970	99 00
	1,00,00,000	4	1960	1970	99 25
STERLING LOANS					
	£892,600	5	1923	1953-83	£61 75
	£901,000	5	1924	1954-84	£61 75
	£385,108	5½	1932	1962	£91 00
MADRAS					
	Rs.				Rs.
	28,48,275	3½	1947	1977	A
	9,88,000H	3	1947	1977	
	3,00,000H	3	1949	1979	
	45,00,000H	4‡	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
80,00,000	4	1901	1961	
60,00,000	4	1902	1962	
50,00,000	4	1903	1963	
30,00,000	4	1904	1964	
50,00,000	4	1905	1965	97 75
30,00,000	4	1906	1966	N
50,00,000	4	1907	1967	
25,00,000	4	1908	1968	
13,00,000	4	1912	1972	
40,00,000	4	1913	1973	
40,00,000	4	1914	1974	97 50
49,00,000	5	1916	1976	N
66,00,000	6	1920	1957-79	118 00
35,00,000	6	1920	1956-80	
25,00,000	6	1926	1956-80	115 00N
10,00,000	8	1927	1961-79	98 00N
			1966	
STERLING LOANS				
£586,600		1909	1968	£95 50
£333,000		1910	1970	£95 50
Rs.				Rs.
66,00,000	4	1934	1964	99 25
50,00,000	3½	1935	1965	99 00
50,00,000	3	1936	1966	91 75
50,00,000	3	1937	1967	91 75
20,00,000	3	1938	1968	91 75
50,00,000	3	1938	1963-68	91 75
1-02,00,000	4	1952	1982	100 00
75,00,000	4	1956	1968	99 50
65,00,000	4½	1958	1988	101 00
	4	1959	1974	99 75

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
26,00,000	4	1918-18	1974	97 00
10,00,000	4			118 00N
8,25,00,000	3½	1920	1980	95 00
1,00,00,000	3½	1947	1977	86 50
1,00,00,000	3½	1947	1979	86 50
2,74,00,000	3½	1950	1990	95 00
1,00,00,000	4	1952	1964	99 00
1,30,00,000	4	1951	1966	99 00
2,92,00,000	3½	1952	1982	91 00
86,87,000	4	1952	1966	99 00
2,50,00,000	4	1954	1969	99 00
1,75,00,000	4	1955	1970	99 00
3,80,00,000	4	1956	1971	97 00
CALCUTTA				
Rs.				Rs.
10,00,000	3½	1922	1962	100 00
33,91,000	3	1935	1965	91 00
99,00,000	3	1936	1966	91 00
47,50,000	3	1937	1967	91 00
21,10,000	3	1938	1968	91 00
16,33,000	3	1938	1968	91 00
66,89,000	3½	1951	1981	93 00
87,36,000	3½	1951	1966	99 50
72,50,000	4	1952	1982	91 00
75,56,000	4½	1958	1988	100 00
1,67,22,000	4½	1958	1978	100 00
Rs.				R

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	68,51,970	1,17,27,488	45,26,971	25,002	B. N. Elias & Co. Private Ltd. ..	879	Acarpara	12 00	10	0 25	0 25	0 50		3	Y.P.
6,00,000	13,76,140	76,66,446	46,26,917	1,71,256	McLeod & Co., Ltd.	456	Alexandra	155 00	100	10 00	10 00	15 00		12	Y.P.
80,00,000	2,70,000	1,26,70,200	99,41,083	—1,88,295	McLeod & Co., Ltd.	1,264	Alliance	91 00	100	Nil	Nil	Nil	6 00‡	5	Y.P.
49,20,000	53,31,000	2,62,00,821	1,74,25,787	22,24,115	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	186 00xd	100	7 00	10 00	12 50	20 00	3	Y.P.
40,00,000	21,82,168	1,36,55,776	76,49,864	34,111	Birla Brothers Private Ltd. ..	819	Auckland	151 00	100	Nil	5 00	20 00	27 00	3	Y.P.
20,00,000	34,55,528	1,16,13,222	77,61,622	28,486	Birla Brothers Private Ltd. ..	959	Bally	188 00	100	Nil	5 00	20 00	27 00	3	Y.P.
£275,000	£807,922	£1,601,226	£1,005,825	—£92,309	Sir John H. Barder (Chairman) ..	1,880	Barnagore	122 00	100	2 00	6 00	10 00	25 00	3	Y.P.
28,00,000	39,71,190	98,60,014	56,63,641	48,528	Andrew Yule & Co., Ltd. ..	820	Belvedere	£5	Nil	Nil	Nil	12 50‡	£1 10sb	3	Y.P.
45,00,000	29,71,745	58,94,991	25,42,933	—5,75,255	Soorajmull Nagarmull	600	Bengal	144 00	100	2 50	7 50	13 50		12	Y.P.
91,26,000	2,82,22,130	7,34,86,439	2,96,25,926	93,079	Birla Brothers Private Ltd. ..	1,373	Birla	8 00	10	Nil	Nil	0 50		6	Y.P.
85,00,000	23,36,605	1,19,81,167	62,42,521	72,34,579	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	28 50	10	1 00	1 00	1 00	1 50	3	Y.P.
7,47,380	4,000	45,18,657	34,32,120	—6,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	121 00	100	Nil	5 00	15 00		10	Y.P.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	8 00‡	10	Nil	Nil			12	Y.P.
50,16,400	81,81,976	2,17,74,524	1,17,03,511	1,68,730	James Finlay & Co., Ltd.	600	Champdany	136 00	100	Nil	Nil	15 00	12 00	11	Y.
15,95,000	23,10,466	88,22,994	59,62,740	20,473	Andrew Yule & Co., Ltd.	1,131	Chevlot	100 00	100	Nil	Nil	Nil	7 00	3	Y.
80,15,000	28,42,860	1,09,82,980	59,87,035	2,33,504	McLeod & Co., Ltd.	500	Chhavalsah	14 25	10	Nil	5 00	12 50‡	10 00	11	Y.P.
24,00,000	9,00,000	81,89,024	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	12 69	10	1 10	1 25	1 50		7	Y.P.
31,49,200	17,05,118	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	11 31	10	Nil	Nil			3	Y.P.
23,00,000	41,99,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	119 00	100	Nil	Nil	Nil	1 00	3	Y.P.
15,00,000	37,20,000	1,07,30,530	70,08,837	93,729	McLeod & Co , Ltd.	500	Empire	141 00	100	Nil	6 00	14 00		11	Y.P.
21,00,000	83,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd. ..	15 25	10	0 75	1 00	1 25		7	Y.P.
21,00,000								{316 00xd	100 Ord	10 00	20 00	20 00	25 00	}	Y.P.
21,00,000	19,81,948	1,32,23,303	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Fort William	275 00xd	50 New	..	..	10 00	12 50		
34,32,100	....	2,23,71,685	1,44,32,102	—8,77,459	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	23 50	10	1 50	1 50	1 50	2 25	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	53,435	M.	607	General Ind. Society Ltd. ..	11 00	10	Nil	Nil	Nil		3	Y.P.
24,00,000	63,55,441	2,55,58,077	1,72,11,662	63,814	Macneill & Barry Ltd.	1,304	Gourepore	41 00	10	60 00**	2 00	4 00	12	12	Y.P.
40,00,000	81,69,633	1,33,64,146	76,47,196	2,85,690	Bangur Bros., Ltd.	1,078	Hastings	89 00	100	2 50	20 00	25 00	30 00	3	Y.P.
16,80,000	21,42,843	72,80,481	53,36,713	40,754	Bajlinath Baijnath	729	Hooghly	85 00	100	6 00	5 00	6 00	6 00	3	Y.P.
65,62,500	40,04,664	2,24,82,710	1,35,81,809	72,382	Jardine Henderson Ltd.	1,940	Howrah	13 00xd	10	Nil	Nil	Nil		3	Y.P.
62,50,000	38,25,000	3,18,43,014	1,77,68,014	1,63,175	Ramdutt Ramkissendas	2,272	Hukumchand	19 75	10	Nil	Nil	1 00	1 25	3	Y.P.
87,50,000	20,35,466	1,52,85,168	93,25,068	62,038	M.	790	India	19 75	7 50	1 50	1 50	1 50	2 15	3	Y.P.
24,00,000								15 37	12 50	0 37	15 62½	1 50	2 25	3	Y.
*B'19,20,000	28,86,635	1,07,87,286	1,32,70,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhatty	{138 00	100	Nil	5 00	20 00	0 75‡	12	Y.P.P.
30,00,000								{135 00	*B' 100	Nil	5 00	20 00		12	
*D'21,00,000	10,09,317	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kankanarah	72 00	100	Nil	5 00	20 00			
28,00,000	49,10,000	1,43,71,155	98,71,113	1,63,564	McLeod & Co , Ltd.	703	Kelvin	69 25	*B' 100	Nil	Nil	Nil		12	Y.P.
54,00,000	22,17,630	2,20,06,065	1,32,49,110	10,158	Anderson Wright Ltd.	1,530	Khardah	136 00	100	9 00	12 50	14 00‡		6	Y.P.
50,50,150	42,30,583	1,09,24,976	1,24,07,816	87,302	F. W. Heilgers & Co. Private Ltd.	1,950	Kinnison	18 75	10	8 00	8 00	20 00‡		3	Y.P.
24,48,000	10,76,201	1,06,86,990	67,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Lansdowne	148 00	100	Nil	5 00	10 00	20 00	3	Y.P.
28,00,000	11,08,502	69,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Lawrence	160 00	100	Nil	Nil	Nil	20 00	3	Y.P.
81,65,200	28,13,291	2,34,62,530	1,45,89,024	2,82,507	M.	1,294	Meena	148 00	100	Nil	Nil	Nil		3	Y.P.
29,98,900	34,36,292	1,04,57,185	64,39,205	—11,60,685	M.	915	Naihati	11 06	10	0 50	1 75	2 00	15 00	3	Y.P.
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd. ..	425	Naskarpara	61 00	100	Nil	1 75	1 00	0 50‡	3	Y.P.
35,00,000	39,51,326	48,49,737	12,31,573	19,004	Andrew Yule & Co., Ltd.	852	National	9 00	10	0 25	0 25	Nil		3	Y.P.
24,22,000	21,71,872	59,70,247	26,86,043	1,38,622	McLeod & Co., Ltd.	316	Nellimarla Jute	23 00	10	0 75	0 75			10	Y.P.
1,28,24,350	1,08,88,005	8,59,29,980	1,28,65,717	1,415	Saxby Jam Ltd.	1,765	New Central	12 00	10	0 75	1 00	1 40		7	Y.P.
16,79,880	38,39,763	1,21,82,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Northbrook	21 69	10	Nil	1 50	1 50		3	Y.P.
66,79,500	38,53,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Nuddea	19 75	10	Nil	Nil	1 25	3 00	3	Y.P.
25,00,000	10,22,000	99,80,884	72,61,540	68,427	McLeod & Co., Ltd.	400	Presidency	123 00	100	Nil	2 50	3 00	4 00	3	Y.P.
20,00,000	42,629	33,96,467	12,66,763	20,526	Hindustan Investment Corpn. Ltd.	305	Rameshwara	5 12	5	0 30	0 37½	0 50		7	Y.P.
49,50,000	14,07,546	1,24,96,816	66,07,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	9 00	10	Nil	Nil	Nil	Nil	3	Y.P.
£60,000	£488,130	£1,484,376	£840,162	£98,843	Thomas Duff & Co. (India) Pvt. Ltd.	913	Samnagore	6 40	10	Nil	Nil	Nil	Nil	3	Y.P.
30,00,000	19,67,200	1,24,50,559	91,65,688	69,519	Hazarisa Mure & Co., Ltd.	911	Shree Ambica	9 50N	£1	Nil	5%†	10%†		12	Y.P.
14,00,000	12,56,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	24 50	10	0 50	0 50	0 60		12	Y.P.
£600,000	£424,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Thakurpukur	19 00	10	1 50	1 50	2 50		12	Y.P.
£5,98,500	£7,29,240	£8,38,439	£6,59,464	£5,993	Bird & Co. Private Ltd.	458	Titaghur	9 50N	£1	Nil	3%†	10%†		12	Y.P.
£400,000	£270,697	£1,282,678	£601,223	£81,176	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	159 00	100	Nil	15 00	20 00‡	25 00	3	Y.P.
2,50,000	6,20,000	82,90,805	44,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	9 50 N	£1	8%†	5%†	10%†		12	Y.P.
								3 50	1	Nil	Nil	0 25		5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
TEA COMPANIES															
10,98,990	4,16,126	17,25,120	8,38,737	3,842	Yoong India Agencies Private Ltd.	579	Balanoor Tea and Rubber ..	16.70	10	1.75*	1.75	1.80§		3	Y.P.
62,50,000	21,68,071	75,86,425	12,17,718	1,78,799	Kothari & Sons (Asia) Pvt. Ltd.	1,329	Blue Mountain	4.15xdXR	2	0.25	0.25	0.25	0.25	6	Y.P.
6,50,000	5,57,240	15 15,332	3,03,764	109	K Anantaraman, Esq (Mg. Director)	350	Chandramalai Estates Ltd. ..	90 00	2	0 30	0 24			6	Y.P.
9,33,400	15,56,598	26,32,979	8,15,911	1,38,960	Peirce, Leslie & Co., Ltd. ..	1,336	Chembra Peak Estates J...	5 13	2	0 40	0 40			6	Y.P.
5,65,920	12,30,970	21,63,320	1,64,704	20,120	Matheson Boxanquet & Co. Pvt. Ltd	392	Coonoor Tea	27 25	10	2 00	0 20	0 30		6	Y.
4,80,000	4,76,798	12,48,672	2,12,224	2,380	Srinivas Agencies	441	Coorg Tea II.	5 40	2	0 00	2 00	1 00‡		3	Y.
6,00,000	4,82,155	12,25,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	343	Devashola (Nilgiri) Tea	30 00	10	1 00	0 40	0 40		3	Y.
6,74,630	3,25,933	10,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	198	Devon Tea	14 37	10	1 75	2 50	2 50		3	Y.
3,50,000	1,96,500	4,00,217	68,595	2,027	Parkina Private Ltd.	108	Emerald Valley Estates ..	5 85	5	0 30	0 37½	1 50§		12	Y.
25,00,000	17,77,500	47,06,209	9,26,071	1,765	Parkins Private Ltd.	1,405	Haileybiuria	14 50	10	1 50*	2 00	13 50		12	Y.
6,90,000	7,65,996	14,87,744	3,33,844	48,283	Birla Brothers Private Ltd. ..	486	Kalasa Tea	4 57	2	0 30	2 00	1 25*C'		12	Y.
16,39,438	18,94,704	39,72,491	4,84,787	28,109	Peirce, Leslie & Co., Ltd. ..	781	Kil Kotagiri Tea	6 55xd	2	0 30	0 30	0 30		3	Y.
3,45,000	5,10,000	11,44,396	98,799	306	Ire Oommen & Co. Pvt. Ltd. ..	800	Kurchermala Plant. Ltd. ..	8 20CR	2	0 30	0 30	0 30		3	Y.
5,00,000	70,556	9 28,291	61,372	35,812	Matheson Boxanquet & Co.Pvt.Ltd.	267	Lucky Valley	14 25	10	0 75	0 625	0 80	Nil	12	Y.
3,50,000	26,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manor Estates Ltd.	2 89	2	0 18	1 00	1 00		12	Y.
3,50,000	6,21,190	12,43,199	2,83,717	1,418	Kapon Thomas, Esq. (Mg. Director)	524	Mlamallay	39 38	25	4 50	3 75	0 10		3	Y.
36,00,000	21,32,870	79,94,364	13,08,936	5,482	A. V. Thomas & Co. (India) Ltd. ..	1,659	Neelamalai	4.90	5	0 37	4 50	5 00		3	Y.
12,00,000	6,36,837	26,24,009	5,35,572	150	A. V. Thomas & Co., Ltd.	679	Nellimattahy	2 77	2	0 40	0 37			3	Y.
14,06,250	6,95,346	38,99,977	8,17,986	20,656	M. T. George & Co., Ltd.	1,423	Nilgiri Tea	7 70	10	0 75	0 30	0 20		6	Y.
23,10,000	9,22,500	32,15,349	3,63,586	35,375	Harrisons & Crosfield Ltd.	836	Nonsuch Tea	26 55xd	10	0 75	0 60			6	Y.
13,53,600	17,53,325	32,40,097	5,53,242	47,411	Mr. P. S. M. Mulyneux (Chairman).	579	Parkside	30 00cdCR	10	2 00	3 50	2 00		6	Y.
6,00,000	3,06,284	8 47,497	63 188	64,227	S. Sivaramakrishna Aiyar, Esq.	500	Peninkar Plantations Ltd	21 35	10	1 50	2 50	2 75	2 75	6	Y.
57,00,000	10,41,753	41 24,057	14,46,521	44,631	Aspinwall & Co (Travancore). Ltd.	1,557	Peermade	22 75	10	2 50	1 50	2 00		2	Y.
17 94 880	28,17,245	1,10,00,168	31,84,508	80,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3 47	2	2 50	1 62½	2 25		2	Y.
13,50,000	2,82,500	11,13,472	1,04,534	1,431	A. V. Thomas & Co. (India) Ltd. ..	865	Sheveroy Estates Ltd.	1 90	2	0 70	0 20‡	0 25		12	Y.
9,00,000	12,06,478	27 35,093	7,62,652	3,650	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	15 62xd	10	0 15	0 15	0 125		6	Y.
1,25,000	15,000	1,98,211	7,908	4,289	M.	216	Swinton Estates	3 30xd	2	1 40V	0 80	0 60		6	Y.
12,50,000	10,87,328	36,51,137	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1 78xd	2	0 30	0 15	0 15	0 25	6	Y.
15,75,000	16,09,500	27,37,319	3,29,820	565	Parkins Private Ltd.	1,214	Tyrsford	12 50	10	1 50*C'	0 12	0 10	0 16	3	Y.
91,92,280	12,39,830	44 14,672	15 67,621	1,02,000	T. Stanes & Co., Ltd.	1,751	United Nilgiri	23 31	10	1 50	1 50	1 50		6	Y.
81,50,000	80,78,147	60,31,052	7,77,818	1,17,892	Kothari Mehta & Co. Pvt. Ltd. ..	997	Waterfall	5 05cdCR	2	0 25	0 25	1 95		3	Y.
1,00,000	53,087	3,26,355	84,299	2,528	Goodall & Co.	93	Woodcote Estates Ltd. ..	1.65		0 09	0 08	0 25		6	Y.
												Nil		6	Y.
RUBBER AND OTHERS										1957	1958	1959	1960		
6,00,000	5,52,435	16,68,612	4,21,741	8,855	Ramani & Co., Pvt. Ltd.	878	Alageswar Estates Ltd. ..	2.35xd	2	0 20	0 20	0 15	0 15z	3	
6,75,000	1,60,527	19,03,351	2,07,284	23,572	K. N. Neelakantan (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd.	13 25	10	0 40	0 50	0 75	1 00	3	
2,50,000	5,78,753	13,39,783	1,24,737	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd.	14 37	10	0 80	1 00	1 50		12	
12,07,838	2,28,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,264	Anapatty Estates Ltd.	82	2	0 80	1 00	1 50	1 00	3	
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd.	554	Badra Coffee Estates Ltd. ..	3 84	2	0 35	0 35	0 50		12	
4,00,000	2,55,748	7,16,760	98,036	8,216	A. V. Thomas & Co. (Mysore)	550	Bababudin Coffee & Produce	9 00	5	0 25	1 25	0 50		6	
8,00,000	2,35,000	4,24 393	50,457	583	Planting Agencies (Private) Ltd.	319	Balmadies Plantations ..	2 36	2	0 25	1 25	0 35		6	
8,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be Ile Rubber Estates Ltd.	3 06	2	0 25	0 25	0 25	0 15	6	
26,91,279	18,10,769	52,46,279	8,16,788	21,604	Peirce, Leslie & Co., Ltd.	7 093	Cochin Malabar	7 15	3	0 25	0 15	0 25		6	
22,50,000	20,58,661	50,61,756	11,30,047	1,28,049	Cons. Coffee Estates (Secretaries).	2 710	Coffee Lands and Industries	20 00cd	10	4 00	0 30'C'	0 45		2	
71,55,000	63,55,504	1,51,68,273	35,93,779	79,971	R. C. Paterson, Esq.	7,016	Consolidated Coffee	22 50cd	10	4 00	2 00	2 50	0 525	2	
4,00,000	5,67,423	10,42,809	69,301	3,461	Associated Planters Private Ltd.	1,249	Cotland Plantations	12 25cd	2	1 75	1 50	2 50		6	
4,08,560	2,00,000	3,12,568	76,968	27,670	Peirce, Leslie & Co., Ltd.	605	Cowcoody Estates (Coffees)	5 16cd	2	1 00	1 50	2 50		6	
18,02,000	9,66,402	31,48,370	6,03,194	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	14 35	10	0 75	1 30	1 50		6	
1,20,000	1,49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd.	220	Kadur Coffee Estates Ltd.	2 74	2	0 15	1 50	0 50	0 50	6	
11,85,700	10,77,705	39,00,510	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kallas Rubber Co., Ltd. ..	5 30	2	0 60	0 15	0 15		12	
8,00,000	8,36,553	17,97,748	3,49,814	1,380	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	11 15xd	10	2 00	1 50	0 15	0 15	5	
4,00,000	3,00,000	9,64,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.	610	Kumergode Estates Ltd. ..	4 95	2	0 50	1 00'C'	0 50	0 40	2	
13,50,000	4,85,241	25,39,478	4,08,190	9,042	K. T. Thomas & Kalianar, Esq.	1,663	Malankara Rubber	17.70	10	2 25	0 40'C'	0 40	1 25	4	
3,25,000	2,50,000	7 61 984	10,586	11,686	Associated Planters Pvt. Ltd.	906	Mercara Rubbers Ltd.	8 85	5	0 75	1 70'C'	1 00		10	
40,50,000	14,21,444	90 79,014	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,683	Midland Rubber	12 15cd	10	2 00	1 00	1 00	1 50	3	
3,35,000	4,13,450	16,31,926	2,76,266	46,475	A. V. George & Co., Ltd.	1,239	Nemmeny Rubber	20 25	10	0 75	1 50	1 00	1 25	6	
2,00,000	4,79,543	7,00,990	55,892	3,026	Associated Planters Private Ltd.	906	Nilambur Rubber Co.	16 95	10	1 50	2 00	1 50		3	
19 45,980	22,83,423	48 02,125	16,06,950	3,088	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates	4 95	2	0 50	2 00	1 50		12	
6,50,000	5,71,464	7,75,530	67,339	42,437	Peirce, Leslie & Co., Ltd.	548	Oseeor Estates Ltd.	3 35	2	0 30	0 20	0 30		12	
16 50,000	2,29,315	21,56,112	5,52,520	72,398	Aspinwall & Co., Ltd.	1,607	Pullangode Rubber	1 90	2	0 10	0 26	0 30		10	
13,50,000	8,49,874	47,74,372	4,48,809	44,924	A. V. Thomas & Co., Ltd.	2,450	Rajadri Rubber	20 12cd	10	2 00	0 08	0 30	0 30	3	
3,00,000	1,65,963	3,50,430	35,171	41,924	Associated Planters Private Ltd.	391	Rajendra Coffees Ltd.	14 25cd	5	1 25	2 00	2 10		3	
5,50 170	3,00,000	8,87,753	1 22,319	12,609	Peirce, Leslie & Co., Ltd.	402	Savamalai Estates Ltd. ..	3 53	2	0 30	2 00	2 50		6	
12 00,000	1,85,000	18,80,245	1,09,554	10,753	Pateo Agencies	1,102	Sangameshwar Coffee Estates	2 33cd	2		0 25'C'	0 30		3	
10 00,000	2 48,373	22,50,508	1,79,424	13,959	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.10	10	0 60	0 18	0 18		11	
2 50 000	2,75,000	6 13,713	47,038	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber ..	28.00	10	3 00	0 60	0 60	0 12	3	
9,15,300	5,75,000	23 57,605	1,88,203	7,572	Peirce, Leslie & Co., Ltd.	2,235	Thirumbadi Rubber Co., Ltd	1 52	1	0 05	0 10	0 07		12	
6,00,000	66,742	11 54,891	5,03,490	2,248	Espen Thomas, Esq. (Mg. Director)	1,203	Travancore Rubber	11 30	10	1 50	1 00	1 00		12	
41 00,000	15,07,458	86 13,006	18,50,697	3,526	Aspinwall & Co. (Travancore) Ltd.	4,671	Travancore Rubber & Tea	9 75	10	0 60	0 50	0 75		12	
20 00 000	1 36,000	32 16,659	8,67,958	11,924	P. T. Thomas, Esq. (Mg. Director)	2,259	Tropical Plantations Co. ..	18 50	25	1 00	1 50	2 00		12	
6,00,000	4,06,000	17,68,416	1,27,428	10,053	P. I. J. Joseph, Esq. (Chairman)	1,360	Vellimalai Rubber & Co. ..	5.70cd	5	0 62½	0 50	2 00		12	
2,20,000	4,20,000	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Udayashri Rubber Co., Ltd.	17.00	10	0 60	0 50	0 50		12	
3,80,010	2,91,970	9 65,557	38,718	685	M.	738	Vaikundam Rubber Co., Ltd.	30 40	10	3 50‡	3 00	1 50	0 60	2	
12 00,000	11,90,982	15,34,580	1,19,640	1,15,433	Peirce, Leslie & Co., Ltd.	1,027	Wartyhully Estates Ltd. ..	3.35	2	0 15	0 00	0 50		12	
6,05,000	6,33,233	13 55,991	91,382	2,962	M.	844	Woodland Estates	7.65	10	1 00	0 50	0 30	1 50‡	12	
													0 30‡	3	
													0 50	3	
													1 00	3	

J—Final dividend of Re. 1.50 is on the increased capital.
* Includes bonus. M.—Managed by Board of Directors. V— Includes 50 nP for 30-6-1954. H—Coorg Tea Co.—Dividends for 1956 to 1957 are on shares of Rs. 5 each. Dividend for 1960 is 40 nP per share taxable.
'C'—On increased Capital. J—Chembra Peak Estates—Dividend for 1960 is 40 nP per share taxable.
‡ Dividend for the year ended 31st March 1960 is Re. 1.50 per share, subject to deduction of tax. Z.—Dividend for nine months ended 31st March 1960.
† Less income-tax. ‡—On old cap

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
80,00,000	....	51,58,138	13,22,836	88,215	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11.87	10	*Nil*	*Nil*	*Nil*	0.60‡		
15,50,000	11,32,441	14,00,884	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.62	10	1.50	3.50	2.00			
55,23,146	15,49,326	1,57,35,785	51,99,981	14,572	Bharat Ram Bharat & Co.	Bengal Potteries	7.00	24	0.25	0.25	0.356			
10,00,000	86,66,168	81,22,085	38,30,422	33,561	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	38.50	10	1.75	1.75	1.87	1.25‡		
14,17,800	4,29,795	27,18,993	13,28,858	4,764	Motichand G. Shaw, Esq. (Chairman)	Bombay Potteries and Tiles Ltd.	188.75	100	9.00	10.00				
40,08,900	13,76,524	1,16,02,155	16,26,719	28,88,499	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	195.00	100	*Nil*	*Nil*				
41,37,300	¤1,705,275	¤3,271,480	¤1,917,571	¤107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.62	Sh. 2	0.24	0.24	0.36			
¤15,00,000 } 7,50,000 }	25,89,686	44,79,153	18,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	18.19	10	*Nil*	*Nil*	*Nil*	0.60‡		
50,00,000	....	14,82,400	....	—12,618	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	26.00N	50	....	....	....	....		
50,00,000	33,05,445	1,10,40,017	59,85,195	39,793	Bird & Co. Private Ltd.	Kumarsbhubi Fireclay and Silica Works	89.00	50	....	*Nil*	*Nil*			
50,00,000	10,01,024	1,16,80,530	59,85,620	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd.	10.12	10	*Nil*	1.25	1.80			
6,00,000	5,25,432	13,40,695	7,62,285	7,276	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	14.15	10	1.00	1.00*	*Nil*			
30,00,000	54,00,644	54,45,150	31,99,595	88,340	Bird & Co. Private Ltd.	Orissa Minerals	71.00	10	2.00	2.50	3.60	1.50‡		
10,46,370	55,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate		10	8.00*	8.00*	5.00			

CHEMICAL

12,00,000	....	....	....	....	....	Adarsh Chemicals	68.00	50	....	....	....	....		
55,00,000	51,37,800	1,87,07,072	66,76,431	9,770	Bhallal Amin & Sons (Private) Ltd.	Alembic Chemical Works Co.	246.25	100	12.00	12.00	16.00			
62,00,000 } 47,97,900A }	96,87,608	5,74,40,416	92,27,839	1,39,961	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	35.69	10	0.80	0.80	0.95			
60,60,000	20,78,579	86,90,417	21,21,588	36,086	Amritlal & Co. Private Ltd.	Amar Dye-Chem. Ltd.	410.00	100	*Nil*	*Nil*	12.00			
20,82,455	24,94,428	1,18,63,272	49,89,066	47,168	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	710.00	100	*Nil*	*Nil*	12.00			
5,00,00,000	39,08,362	3,55,02,722	1,05,49,064	72,046	Lalbhai Sons & Co.	Atul Products Ltd.	458.00	100	20.00*	20.00*	28.00*			
50,92,908	52,95,445	1,47,57,610	71,89,268	13,89,611	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	109.00	100	8.00	10.00	12.00			
1,00,00,000	6,00,000	1,07,91,843	4,82,147	—42,986	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	330.00	100	6.00	6.00	7.00	7.00		
15,00,150	25,99,000	77,21,451	36,10,218	44,349	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	245.50	50	*Nil*	*Nil*	*Nil*	*Nil*		
44,49,982	56,78,075	1,69,27,890	67,30,529	—1,11,026	Sahu Bros. (Saurashtra) Private Ltd.	Dharmendhra Chemicals	142.50	100	5.00	6.00	10.00			
9,45,06,075	14,62,000	5,13,06,593	2,80,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd.	F. A. C. T.	340.00	100	15.00	15.00	20.00	25.00		
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	10.07	10	*Nil*	6.00	4.00(c)			
12,00,000	6,87,883	27,43,795	14,20,459	47,412	Jai H. Mehta	Kemp & Co.	495.00	100	*Nil*	*Nil*	0.60			
60,29,800	22,86,430	1,48,65,801	73,81,045	12,716	Seshasayee Brothers Private Ltd.	Mettur Chemicals	340.00	200	15.00	15.00	20.00	25.00		
24,81,228	10,04,155	55,64,434	40,80,625	11,453	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	13.20	10	0.75	0.87½	0.88	1.25‡		
8,00,000	4,52,189	11,19,269	5,96,880	58,186	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	11.75cd	10	0.50	0.50	0.50	1.00		
40,00,000	20,95,879	68,16,750	11,97,185	27,844	Ramdas Kilachand, Esq. (Chairman)	Polychem. Ltd.	27.50cd	10	2.00	2.00	2.00	2.00		
15,00,000	14,69,737	24,40,260	15,05,655	88,981	C. A. Buxton	Smith Stanistreet & Co.	232.50	50	2.00	2.00	2.00	2.00‡		
1,89,95,990 } 1,11,91,870 }	42,17,119	5,89,52,538	2,05,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	12.50XR 17.08 16.16	5 100Old 10New	1.00 0.80	1.00 0.75	1.00‡ 0.525	1.25 0.60		
10,00,000	1,07,599	18,05,082	6,06,956	72,165	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	16.00	10	0.60	0.70	0.618	1.00		

ELECTRIC (Bombay State)

74,78,395	1,17,08,857	15,28,94,046	4,04,47,092	638	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	87.00	100	3.25	6.50	6.75	7.00		
81,26,750	21,63,366	2,36,72,375	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.24	10	0.42	0.85	0.90	1.00*		
3,02,76,250	96,81,201	9,66,08,356	2,69,10,919	22,547	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,007.50	1,000	56.00	80.00*	80.00*	85.00*		
1,75,00,000	73,52,280	4,06,37,564	98,99,980	1,057	Killick Industries Ltd.	Bombay Suburban Electric Supply	84.00	100	7.00	7.00	7.50	8.00		
7,07,020	1,08,057	16,97,265	6,70,208	1,586	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	7.00	10	0.50	0.50	0.60	0.66		
48,89,000	12,56,818	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	108.50	100	2.50	7.50	8.00	9.50		
60,82,500	22,52,407	1,45,50,560	48,79,945	5,210	Killick Industries Ltd.	Surat Electricity	84.00	100	2.50	7.50	8.00			
3,89,97,475	1,01,37,424	7,01,96,883	1,68,06,886	23,261	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	103.50	100	8.75	7.00	7.00			
5,15,85,750	2,60,85,771	17,16,28,987	3,93,66,464	88,259	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,035.00	1,000	55.25	8.00*	8.00*	8.50*		

West Bengal and Other Centres

99,600	51,88,028	13,39,99,790	39,25,042	47,389	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	127.00	100	10.00	10.00	10.00	11.00		
8,00,000	15,23,875	68,42,780	22,28,800	23,612	Martin Burn Ltd.	Bareilly Electric Supply	12.78xd	10	1.25	1.00	1.00	1.10		
17,00,000	47,68,354	1,71,05,214	47,40,307	45,563	Martin Burn Ltd.	Benaras Electric Light & Power Co.	10.24	10	1.25	1.00	1.00	1.10		
5,91,485	6,92,659	14,98,757	12,04,439	33,320	Octavius Steel & Co., Ltd.	Bijnor Electric Supply	7.75	8	0.62	0.62	0.62	0.66		
44,32,646	¤10,126,973	¤38,604,377	¤13,302,118	¤106,138	Harry Burn, Esq. (Chairman)	Calcutta Electric Supply	14.81	21	0.62	0.70	0.75	0.80		
16,60,000	6,73,784	31,45,751	10,61,553	76,838	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	100.00	100	6.50	7.00	7.50	10.00		
43,30,000	24,38,068	1,02,37,174	38,05,104	4,38,960	Andrew Yule & Co., Ltd.	Dhanbad Power Supply	13.10	10	1.00	0.65	7%	7½		
5,84,640	1,10,642	21,72,208	15,41,951	6,862	Mouna Lall & Sons	Dhanbad Electric Supply	19.97	10	0.80	0.80	0.65	0.75		
22,49,550	27,02,877	1,07,31,716	40,42,273	30,296	Martin Burn Ltd.	Jubbulpore Electric Supply	6.75N	10	0.80	7.00	7.50	10.00		
4,98,000	2,11,374	12,36,011	6,02,138	21,890	Octavius Steel & Co., Ltd.	Mirzapore Electric Supply	13.10	10	0.02	0.02	0.02			
5,82,390	4,52,535	37,40,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Moradabad Electric Supply	1.50N	9	1.22½	0.72	0.93	1.00		
6,99,850	1,85,978	17,44,092	22,821	6,864	G. D. Bhagat, Esq.	Motihari Electric Supply	9.75	10	1.25	1.00				
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	9.50	10	1.25	1.00	1.00	1.25		
9,10,000	2,37,616	12,00,524	5,84,002	5,200	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	6.87	10	0.50	0.75	0.75			
15,50,000	12,03,842	78,73,245	43,75,524	6,982	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn	9.50	10	0.50	0.50	0.62	0.90‡		
5,00,000	11,62,458	62,32,335	12,25,684	36,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	10.20cd	10	1.28	0.87	0.75			
56,01,185	78,57,136	4,08,85,812	1,45,66,727	85,899	Martin Burn Ltd.	U. P. Electric Supply Co.	126.00	100	10.00	1.25	1.25	0.90‡		
4,00,000	9,84,990	40,87,637	11,42,884	2,58,269	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	12.20xd	10	1.00	1.00	10.00	11.00		
											1.00	1.50		

ENGINEERING (Bombay)

39,42,200	42,44,187	75,65,494	60,70,287	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	240.00XR	100	12.50	12.50	17.00			
19,96,350	8,81,026	21,32,188	7,18,292	2,319	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	81.50	50	3.00	3.00	4.00			
45,19,800	25,03,443	93,35,767	46,96,997	75,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	169.50	100	7.00	8.00*	8.00*			
40,00,000	4,14,207	62,24,434	21,98,624	57,385	Dharamshi & Co.	Hindustan Electric Co., Ltd.	105.00	100	7.00	10.00*	13.00*	13.00*‡		
50,00,000	84,82,760	2,25,73,362	1,37,51,802	70,046	Walchand & Co. Private Ltd.	Jardine Illume Pipe Co., Ltd.	82.00	100	6.00	7.00	10.00			
6,00,000	4,15,000	1,58,191	1,29,312	9,288	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	15.52	10	9.00	9.00	10.00			
44,96,250	4,05,658	62,45,798	27,18,547	2,467	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	36.75	10	5.00	5.00	13.00	13.00‡		
80,00,000	27,05,928	78,01,690	28,52,816	56,253	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	20.76	10	*Nil*	*Nil*	0.75	4.00		
1,92,00,000	42,64,182	1,30,17,855	31,17,250	1,12,227	M.	Mahindra & Mahindra Ltd.	130.00	100	1.00	1.25	1.50			
11,00,600	3,45,914	40,22,575	24,15,196	1,016	F. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	22.00	10	1.75	1.25	2.20	1.80‡		
66,15,060	45,80,000	1,21,27,185	40,92,830	3,255	Jeewan Private Ltd.	Mukand Iron & Steel	108.00	10	*Nil*	*Nil*	*Nil*			
22,27,700 } 13,26,150 }	5,86,616	47,79,386	14,99,037	92,426	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	141.00	100	1.00	1.20	1.00*	1.20		
22,50,000	1,34,42,446	8,81,208	1,40,789	1,36,106	Walchand & Co. Private Ltd.	Premier Construction	300.00	20	10.00		9.00	12.00		
25,00,000	36,22,031	93,40,954	37,60,929	14,393	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	280.50	100	18.00	12.00	18.00	0.80		
87,53,81,225	27,01,22,014	1,07,40,64,801	54,97,10,236	8,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	141.75	75 Old	9.50	18.00	17.00			
7,99,99,200	1,71,91,786	21,41,33,116	9,99,94,584	2,24,171	Tata Industries Private Ltd.	Tata Locomotive	267.50	100	8.00	8.25	6.50	9.72‡		
2,85,00,000	42,26,506	62,34,786	16,74,466	2,26,895	S. K. Handoo, Esq.	Voltas Ltd.	267.50	100	9.00	9.00	9.00	18.50		
											18.00†			

West Bengal and Other Centres

6,60,000	84,571	20,51,215	15,01,855	—4,46,520	North Bihar Trading Co., Ltd.	Arthur Butler & Co.	12.50	10	*Nil*					
60,00,000	29,49,221	1,55,21,495	69,56,978	3,60,479	M.	Bhartia Electric Steel	11.06	10	1.25					
58,59,750	70,94,966	77,33,705	12,79,386	2,27,080	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	32.25	10	3.00	1.25	1.50			
12,00,000	32,12,634	79,76,063	44,83,942	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55.00XN	10	2.00	2.25	2.25			
19,38,870	7,04,341	39,97,590	14,03,586	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	7.12	10	0.50	2.00‡	3.00			
40,00,000	41,48,365	98,27,511	48,02,704	1,82,481	McLeod & Co., Ltd.	Britannia Engineering	14.37	10	0.60	0.80	0.60			
5,00,000	7,75,971	24,65,921	14,48,344	74,493	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	39.00	10	2.00	0.60	1.00			
84,00,000	2,88,60,602	4,06,65,264	3,04,75,871	1,34,616	Martin Burn Ltd.	Burn & Co.	445.00	100	20.00	2.00	2.50			
50,00,000	....	35,75,759	95,632	1,08,085	M.	Calcutta Steel Co., Ltd.	15.69	10	....	20.00	28.50	28.50		
1,00,00,000	12,33,028	1,80,66,744	10,15,000	3,17,174	E. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	*Nil*	*Nil*	*Nil*	*Nil*		
9,00,90,990	2,54,07,347	6,74,59,236	2,16,47,990	....	H. M. L. Williams (Mg. Director)	Guest, Keen, Williams Ltd.	107.00	10	2.00	2.00	*Nil*	*Nil*		
12,50,000	23,80,000	60,91,575	40,46,115	7,047	Martin Burn Ltd.	Hooghly Docking	19.00	10	2.00	2.40	2.40			
36,94,590	....	5,76,360	3,01,442	—1,24,516	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	23.80	10	0.00	5.00	6.00			
12,44,68,990	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	88.75	10	1.00	1.00‡	*Nil*			
98,98,500	61,33,742	1,23,74,665	72,65,332	48,708	Martin Burn Ltd.	Indian Standard Wagon	39.75	25	7.50*	5.00	1.00	1.50		
90,00,000 } 79,740 }	2,50,89,519	2,18,88,229	1,45,58,174	12,96,128	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	17.12	0.10 0. 1	4.00* 0.40*	4.00‡ 0.40‡	1.62½ 0.16‡	7.125		
91,12,500	75,99,306	3,71,15,564	1,40,86,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd. J	32.44	10	15.00					
20,00,000	23,52,813	76,16,494	17,47,993	75,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	17.87	10	1.25	12.00	12.00‡	1.715		
1,01,99,000	1,02,40,815	2,77,47,845	84,80,378	68,747	B. P. Singh Roy, Esq. (Chairman)	Jessop & Co.	19.81	10	*Nil*	1.25	1.25			
24,23,187	10,05,800	45,80,671	20,56,330	17,850	Kirloskar Sons & Co. (Kirloskarwadi)	Kirloskar Oil Engines, Ltd.	20.24	10	0.80	0.80	0.858			
27,84,800	46,74,683	90,13,986	32,28,450	81,239	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.50	10	0.90	1.00				
19,50,000	1,90,990	18,32,345	14,72,111	8,513	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India), Ltd.	4.94	2	0.40	0.80	0.80‡			
35,00,000 } 7,40,000 }	29,74,007	92,74,177	47,37,764	4,444	Kirloskar Associates	Mysore Kirloskar Ltd.	142.00 175.00	100 100	6.00	0.40 7.50	0.20 12.00			
49,96,000	15,78,502	1,30,32,992	75,25,700	2,50,063	M.	National Iron and Steel Co., Ltd.	8.87	10	0.62	0.62	0.75			
40,00,000	20,56,944	50,38,480	13,59,471	9,638	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.44N	10						
6,99,000	11,05,231	31,29,021	21,37,426	17,915	Begg, Sutherland & Co. Private Ltd.	Saran Engineering Co.	6.94	4	0.40	0.40	0.25			
1,50,00,000	55,53,079	4,19,72,559	1,90,95,885	37,204	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.90	10	1.50	1.50	2.00	0.85		
19,92,200	13,07,750	64,82,089	22,23,186	932	Balasundaram & Co.	Textool Co., Ltd.	190.00	100	20.00	12.00	15.00			

INSURANCE (x)

18,50,000	46,52,425	1,45,73,887	....	23,040	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.50	5	1.00	1.00	1.00			
10,00,000	1,15,196	28,45,030	....	66,390	M.	Dewkaran Nanjee Insurance	32.00	50	3.00	3.00	1.00			
5,15,900	1,84,95,246	12,38,65,607	....	....	R. Varadachari, Esq. (Administrator)	Empire of India Life Assurance	268.75	100						
24,00,000	71,01,264	1,40,68,520	....	3,62,182	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	23.12	10	2.00	2.00	2.00			
16,92,240	36,38,254	86,70,140	....	7,71,928‡	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	42.50	40	3.50	3.75				
15,74,940	3,80,83,259	4,29,34,168	....	6,54,184‡	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	7.08	15	*Nil*					
20,00,000	63,51,546	1,74,97,763	....	46,112	M. G. Mody, Esq. (General Manager)	New Great Insurance	20.28	20	*Nil*					
1,06,81,590	8,27,40,502	14,89,78,776	....	44,28,397	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	54.50 55.50	25 15New	3.00	2.00 4.00	2.50 5.70*			
22,00,000	20,96,696	1,84,55,055	....	8,214	B. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	8.50	5	0.62	0.62	4.00	5.70*		
5,75,000	67,12,673	1,13,08,489	....	1,88,129	J. D. K. Brown, Esq.	Triton Insurance	143.00	25	11.25	11.25	11.25			
15,99,270	39,15,382	1,02,06,244	....	10,014	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	17.00	10	1.50	1.50	2.00			

• Includes bonus. † Subject to taxation. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. K.R.—Rs. Rs.

N.B.—All dividends paid since 31st March 1950 are shown as taxable. M.—Managed by the Board of Directors. ‡ On old capital. Z.—Dividend is for fifteen months ended 31st March 1957.

x—For these companies reserves include balances of various funds and under gross block are given the total assets. J—During the year Jay Engineering Works Ltd. sub-divided the existing shares of Rs. 100 each into 10 shares of Rs. 10 each.

MISCELLANEOUS COMPANIES—*Continued*

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
....	....	....	....	....	....	British Burma Petroleum Co.	2.08	Sh. 3	*Nil*	2%	*Nil*	8%	3	Y.
£562,500	£212,932	£745,697 §§	....	£1,003	T. Dwarkadas, Esq. (Chairman)	British Ceylon Corporation	7.00N	7	0.60	*Nil*	0.60		12	Y.P.
25,00,000	86,35,342	89,54,376	37,95,442	4,229	Messrs. N. C. Alcock and H. W. Wood (Joint Managing Directors)	Indo-Burma Petroleum Co., Ltd.	22.94xd	10	2.00	2.00	2.50	1.00‡	12	Y.P.
....	....	....	....	....	....	Tata Oil Mills	73.80	25	2.50	2.50	3.25	5.75	3	Y.P.T.
1,00,00,000	1,59,93,684	1,00,77,425	52,21,479	4,47,887	Messrs. A. C. Alcock and H. W. Wood	Tata Industries Private Ltd.	17.25	10	1.25	1.50	2.20	0.70‡	10	Y.
70,07,475	49,40,586	2,47,94,315	1,56,70,926	46,333	Steel Brothers & Co., Ltd.	Tide Water Oil Co. (India) Ltd.								
6,00,000	9,39,137	2,55,770	1,73,025	82,687	Andrew Yule & Co., Ltd.									

PAPER

57,43,031	13,87,920	2,66,44,147	2,03,51,666	2,53,230	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	73.50	25	*Nil*	*Nil*	2.50		6	Y.P.
45,00,000	49,79,629	2,34,13,600	1,67,74,800	1,35,498	M.	Bengal Paper Mills	94.50	25	3.12	5.50	8.00		12	Y.P.T.
38,20,000	80,25,599	2,41,56,489	1,18,77,701	40,465	Andrew Yule & Co., Ltd.	India Paper Pulp	19.75	10	1.40	1.00	1.00	1.50 ‡C	2	Y.
60,78,917	....	1,04,58,352	....	51,963	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.20	7.50	....	....	....	....	3	Y.
25,00,000	37,42,800	1,54,04,003	1,03,95,980	4,22,620	M. D. Shivanandappa, Esq. (Chairman)	Mysore Paper Mills	28.30	10	1.00*	1.00	1.25*	1.50	3	Y.
1,46,82,500	3,21,50,238	10,01,40,260	3,07,78,132	1,36,712	Birla Brothers Private Ltd.	Orient Paper	26.37	10	1.25	1.25	1.78		12	Y.P.T.
1,35,51,420	1,09,54,433	3,40,18,914	1,26,74,532	6,122	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	13.12	Q. 10	0.60	0.60	0.30		9	Y.P.
50,00,000							13.12	A. 10	0.60	0.60	0.30			
A 10,00,000 } 2,15,56,240 }	8,39,123	77,35,854	43,04,384	72,313	Bajoria & Co.	Star Paper Mills	13.12	B. 10	0.50	0.60	0.30			
56,00,000A.	56,23,786	5,27,98,634	1,40,50,912	1,01,113	Birla Brothers Private Ltd.	Sirpur Paper Mills	18.32	A. 10	0.50	0.65	0.65			
50,04,800B.	4,02,35,633	7,26,92,665	4,02,88,475	....	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	33.12	A. 10	2.38*	2.38*	2.50*	1.20‡		
4,87,500P.O.	4,70,475	5,11,72,599	35,807	....	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	33.12	B. 10	2.38*	2.38*	2.50*	1.20‡	3	Y.P.T.
99,98,875							3.87	P.O. 2½	0.24	0.24	0.25*	0.17‡	6	Y.P.
							195.00	100	*Nil*	*Nil*	*Nil*			

SAW MILLS AND TIMBER

18,99,998	22,88,839	32,79,450	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.94	3	*Nil*				9	Y.
39,25,980 } 42,00,000 }	3,46,95,097	5,74,47,341	2,67,52,541	1,47,502

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1957	1958	1959	1960	Accounts Closed
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.	
UNCLASSIFIED (Other Centres)													
62,50,000	2,04,96,139	3,89,98,591	1,10,43,380	52,162	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd. ..	18.12	O. 10	0.00	0.90	1.00		3
80,00,000	39,83,750	1,38,71,849	55,51,233	1,52,818	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd. ..	23.00	10	1.25	1.25	1.25		3
80,00,000	36,44,175	85,06,360	25,56,851	2,24,865	Turner Morrison & Co. Private Ltd. ..	Angelo Bros. Ltd.	19.75	10	1.80*	1.80	2.00	1.80	3
2,46,75,590	25,63,810	2,20,70,295	60,76,913	29,076	A. E. L. Collins, Esq. (Mg. Director) ..	Ashok Leyland Ltd.	8.75	5	0.80	0.30	0.40		12
30,00,000	20,24,770	40,23,468	21,84,354	1,97,051	Mr. A. Hydari and Mr. S. Gothberg ..	Assam Match Co., Ltd. ..	18.50	10	1.25*	1.25*	1.80		12
1,18,00,000	..	..	..	..	H. M Cox.	Associated Battery	36.62	10	1.50	2.40	4.00	1.50‡	8
30,00,000	35,34,600	1,05,71,381	42,22,843	1,54,774	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India ..	6.75N	10	0.60	0.60			3
80,01,400	33,08,830	77,88,003	41,34,215	5,14,649	A. T. Montgomery, Esq. (Chairman) ..	Balmer Lawrie & Co., Ltd. ..	220.00	100	12.50	20.00	25.00	7.00‡	12
12,00,000	22,70,218	35,44,373	30,14,273	2,19,995	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	41.50	10	2.50	2.50	4.50	1.50‡	12
50,00,000	1,77,393	52,93,167	96,073	—4,55,649	H. R. Sugla, Esq. (Mg. Director) ..	Bharat Commerce & Industries Ltd. ..	18.94	10	*Nil*	*Nil*	*Nil*		12
20,00,000	7,79,721	64,10,0365‡‡	..	55,032	Lovelock & Lewis	Birds Investment Ltd.	13.31	10	0.50	0.70	1.10		9
45,97,020	35,56,348	1,22,49,277	53,50,733	2,13,638	K. Julian Scott, Esq. (Mg. Director) ..	Britannia Biscuits	39.00	10	1.00	1.00	1.20	2.50	3
5,25,00,000	1,58,58,664	1,08,99,000	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director) ..	British India Corporation Ltd. ..	7.00	5	*Nil*	*Nil*	*Nil*		12
1,58,80,000	14,44,223	1,90,82,9245‡‡	..	2,16,378	Andrew Yule & Co., Ltd. ..	Clive Row Investment	8.25	10	0.75	0.75	0.83H	0.75	12
5,60,000	10,00,063	39,61,879	26,56,156	3,265	M.	Delhi Flour Mills, Co., Ltd. ..	16.00N	10	1.00	1.00			12
3,00,00,000	5,12,37,509	9,62,35,788	8,45,33,270	24,03,447	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	42.62	10	1.00	1.00			12
19,91,610	81,24,269	59,59,116	20,91,994	7,929	Mr. K. G. Khanna	Dyer Meakin Breweries	23.25	5	0.60	0.75	2.15		12
51,26,004	87,17,047	1,60,56,7115‡‡	..	3,52,237	Bird & Co. Private Ltd. ..	Eastern Investment Ltd. ..	156.50	100	9.00	9.00			12
14,99,000	3,22,644	48,26,791	7,18,280	1,810	S. Sankaran, Esq. (Mg. Director) ..	Enfield India Ltd.	15.50	10	*Nil*	*Nil*	4.50	1.50‡	12
48,80,137	77,72,310	95,23,776	52,36,250	4,07,328	Satya Narain Gupta, Esq. (Chairman) ..	Ganesh Flour Mills Co., Ltd. ..	12.50N	12.50	1.50	*Nil*	14.00		12
14,00,000	14,48,121	37,98,175	22,68,486	70,652	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	50.00	100	1.50	*Nil*	0.50		12
7,50,000	4,20,000	11,21,095	4,03,231	5,631	Geary & Co.	General Papers Ltd.	216.00	100	12.00	15.00	17.00	17.50	3
65,00,000	36,24,200	30,57,755	15,91,567	1,71,222	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd. ..	11.33	10	0.80	1.25	1.25		3
40,00,000	4,75,500	70,95,493	41,30,847	10,40,721	D. S. Barron, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	13.00	10	1.00	1.00	1.00	1.00	3
30,00,000	15,67,354	84,04,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	24.75N	10	1.50	2.00	2.00		12
4,96,13,275	19,61,450	7,56,35,215	3,53,25,1	3,265	Birla Brothers Private Ltd. ..	Hindustan Motors	235.00xd	250	5.00				3
80,00,000	16,64,523	99,48,437	33,67,174	1,31,125	Lalukdar Law & Co. Private Ltd. ..	Hindusthan Pilkington Glass ..	19.80	10	*Nil*	*Nil*	0.50	0.90	3
15,16,00,000	9,64,76,893	11,31,66,117	2,88,76,995	24,77,765	Mr. F. A. Collett (Chairman) ..	Imperial Tobacco Co. of India Ltd. ..	27.06	10	0.60	0.60	0.70		12
3,97,67,760	2,01,79,740	9,72,38,272	3,00,11,654	33,42,053	K. C. Mahindra, Esq. (Chairman) ..	Indian Aluminium Co., Ltd. ..	11.37	10	0.70	0.70	0.60	0.80	3
2,85,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,64,364	B. J. Woodley, Esq. (Mg. Director) ..	Indian Cables	30.06	10	0.60	0.70	1.20		12
2,00,00,000	99,92,076	5,26,27,893	2,14,74,994	9,72,583	Amiya Kumar Sen, Esq. (Mg. Director) ..	Indian Oxygen Ltd.	32.87	10	1.50*	1.50*	1.50*	2.25	3
29,88,250	29,950	49,26,112	15,93,066	2,437	Birla Gwalior Private Ltd. ..	Indian Plastics Ltd.	40.75	10	1.00	1.00	1.50		12
8,27,970	6,14,570	17,48,109	10,03,558	97,033	M.	Indian Rubber Manufacturers ..	11.00	10	1.00	1.00	1.50		9
2,00,00,000	73,10,723	42,66,214	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director) ..	Jardine Henderson	18.00	10	0.37	*Nil*	*Nil*		3
15,00,000	14,50,000	18,54,904	12,14,196	56,593	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd. ..	70.50	100	0.62				3
1,49,82,750	1,13,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director) ..	Martin Burn Ltd.	14.62	10	2.50	2.50	5.00	7.00	3
40,00,0000. }	74,10,750	31,01,156	12,70,257	2,42,718.	M.	McLeod & Co., ...	14.62	10	2.00	3.50	2.00		3
5,00,0000. }							26.50	10	2.12*	2.12*	2.75		9
1,50,00,000	1,64,75,151	3,36,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. of India Ltd. ..	210.00	O. 100	12.50	12.50	15.00		
9,00,000	3,88,838	12,14,829	5,16,829	4,812	N. G. Ayyangar Esq. (Mg. Director) ..	Mysore Electrical Industries Ltd. ..	——	D.O.10	0.75	0.75	1.00	12	
6,56,250	6,92,500	11,29,680	5,97,362	8,849	Mr. J. L. D'Sa (Chairman) ..	Mysore Lamp Works	44.62	10	1.75	1.75	1.75		
10,00,000	3,16,884	17,88,367	10,32,038	622	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	172.80	100	8.00	11.00	15.00	2.50‡	3
90,00,000	1,37,56,092	1,31,10,135	31,35,368	86,389	Associated Ind. Dev. Co. (Pvt.) Ltd. ..	National Insulated Cable Co. ..	26.25cd	10	1.25	1.50	1.50		3
30,00,000	17,70,000	49,56,240	25,37,459	87,684	Do.	National Pipes & Tubes Co., Ltd. ..	12.75cd	10	1.50	1.50	1.60		3
40,00,000	30,14,000	82,22,477	35,76,949	1,31,135	Do.	National Rolling & Steel Rogas ..	29.18xd	10	2.00	2.25	2.50	1.00	3
49,97,064	9,15,876	83,55,363	33,67,559	14,623	K. N. Mookerjee, Esq. (Mg. Director) ..	National Rubber Manufacturers Ltd. ..	20.62	10	2.00	2.00	2.00	2.50‡	3
79,97,000	1,02,10,381	1,38,71,675	75,68,474	7,07,860	B. N. Elias & Co. Private Ltd. ..	National Tobacco Co.	19.37xd	10	0.60	1.25	1.50		9
23,32,100	11,02,391	40,65,2445‡‡	..	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd. ..	18.06	10	1.00	1.00	1.00	1.30	6
10,00,000	5,52,000	12,55,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parrys Confectionery Ltd.	20.75	10	0.90	1.10	1.85		12
2,30,00,000	50,08,956	1,48,74,355	48,82,803	47,214	P. C. Vink, Esq. (Mg. Director) ..	Phillips India Ltd.	48.00	75	2.50	3.75	6.50		12
62,50,000	..	..	..	..	Duncan Brothers & Co., Ltd. ..	Phillips Carbon	4.60	1	0.20	0.25	0.30		12
15,00,000	1,09,431	8,39,731	2,90,134	2,558	A. V. Raghava Rao, Esq. (Mg. Director) ..	Radio & Electricals Ltd.	28.87	10	0.34	0.85	1.20		12
24,89,344	2,28,127	33,81,124	18,21,778	42,739	T. Shamanna, Esq. (Chairman) ..	Radio & Electricals Mfg. Co., Ltd. ..	17.00	5					12
25,00,000 D. }	50,000	15,32,491	4,45,426	14,470	Jamnalal Sons Private Ltd.	Bajaj Electricals.	4.15	5	0.45	0.375	..		12
1,72,780 D. }							10.35cd	10	1.30	1.60	1.80		3
2,25,00,000	40,500	66,75,349	30,89,526	2,54,744	M. P. A. Pasputi, Esq. (Mg. Director) ..	Ralli India Ltd.	115.50	100	7.50	9.00	5.00		3
2,50,80,000	2,20,45,000	14,54,58,965	5,52,72,716	3,773	Sahu Jain Ltd.	Rohtas Industries	57.00	50 New	1.50	2.06	——		3
4,73,200 }							124.25	100	*Nil*	*Nil*	*Nil*		3
5,13,400 }	99,259	31,10,322	9,26,551	28,722	Sathe Food Inds. (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd. ..	21.62	10	..	2.00	1.50		5
70,00,000	38,78,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	100.00N	100	6.00	8.00	6.00		12
75,00,000	45,78,899	1,17,50,536	26,07,280	9,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co., Ltd.	60.00N	100	3.00	3.00	3.00		3
40,00,000	96,89,310	1,32,79,069	76,26,929	8,41,274	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20.24	10	0.60	0.60	0.80		9
37,90,180	20,65,000	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd. ..	Standard Motor Products	22.65	10	1.00	1.00	1.50		12
15,00,000	95,24,802	1,18,49,116	28,52,132	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	17.00	10	0.75	1.50	1.80	0.60‡	6
23,89,275	16,32,808	14,78,482	8,03,694	14,13,847	M. N. Dalal, Esq. (Chairman) ..	Tractors (India) Ltd.	33.25	10	1.25	1.25	0.90		12
9,98,980	24,035	16,75,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	4.60	10	0.50	0.50	1.50		12
11,56,800	14,70,739	12,72,077	6,76,530	41,732	E. H. Stanes, Esq. (Mg. Director) ..	T. Stanes & Co., Ltd.	7.50	10	2.00	2.25	3.00	3.00	6
2,49,99,600	1,10,58,485	2,57,49,568	46,49,251	41,074	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd. ..	32.55	10	2.00	2.00	2.75		9
30,58,950	29,686	68,68,938	17,68,838	56,308	The Cotton Agents Private Ltd. ..	Tungabhadra Industries Ltd. ..	305.00cd	100	10.00	10.00	16.00		7
2,00,00,000	1,15,55,505	3,85,11,692	95,31,873	48,63,429	J. R. Galloway, Esq. (Mg. Director) ..	Union Carbide India Ltd.	9.75	10	*Nil*	*Nil*	*Nil*		3
8,00,000	12,00,000	30,88,720	29,98,716	27,881	Vital Mallya, Esq. (Chairman) ..	United Breweries	48.37	10	1.40	1.40	1.80	0.75‡	12
5,00,000	6,80,591	8,62,358	5,62,017	9,730	Shaw Wallace & Co., Ltd. ..	United Flour Mills Ltd.	114.50cd	10	20.00	60.00	63.00(a)		3
31,29,500	25,59,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director) ..	Western India Plywoods Ltd.	34.00N	10	4.00	9.75	5.25	10.00'C'	3
							240.00	100	10.00	19.00	10.00		3

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Ordinary Share 1957	1958	1959	1960	Accounts closed
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.	
25,50,000	35,44,700	1,23,77,423	80,99,853	11,999	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	19.50xd	10	1.25	1.25	1.50	1.00	3
12,00,000	2,96,358	88,08,529	34,12,329	—5,53,532	Jardine Henderson Ltd. ..	Barraree Coke	14.00	10	0.37	0.50	*Nil*	*Nil*	3
4,42,850	88,000	9,25,102	5,69,330	1,317	Kalyanji Mavji & Co. ..	Bengal-Bhatdee	6.00	10	0.90	0.80			3
1,00,00,000	1,84,79,081	6,26,55,852	4,08,54,445	10,20,411	Andrew Yule & Co., Ltd. ..	Bengal Coal	340.00xd	100	17.50	17.50	25.00	10.00‡	12
2,25,000	4,90,671	23,57,602	21,45,467	—24,902	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	25.12	10	*Nil*	*Nil*	*Nil*		12
40,00,000	61,200	1,47,06,411	80,25,554	2,25,971	Sahu Jain Ltd. ..	Bharat Collieries	4.75	10	0.60	0.60	*Nil*		3
7,15,000	14,93,344	57,66,346	36,78,757	—6,96,032	M.	Bhulanbararee	6.50N	10	0.75	1.00	1.00		12
7,50,000	20,32,392	45,36,925	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd. ..	Borrea	19.87	10	*Nil*	*Nil*	*Nil*		6
99,92,480	1,77,68,238	4,58,82,424	2,17,98,561	1,10,738	Bird & Co. Private Ltd.	Burrakur	17.69	10	0.75	*Nil*	1.00		12
49,97,000	4,63,720	74,82,076	25,32,605	27,542	Hindustan Investment Corpn. Ltd. ..	Central India	11.44	10	0.37	0.87½	1.50		12
3,00,000	12,90,290	49,55,445	33,71,353	23,320	M.	Central Kurkend	7.00N	10	0.50	0.50	1.80		12
6,00,000	1,54,873	6,56,841(k)	..	941	F.W. Heilgers & Co. (Private) Ltd. ..	Churlia	2.87	4	0.20	0.50	0.50	0.80	3
16,00,000	..	57,45,962	32,76,326	—28,095	Macneill & Barry Ltd.	Dhemo Main	7.87	10	*Nil*	0.20			3
£240,000	£370,709	£1,094,895	£794,405	£9,562	Jardine Henderson Ltd.	East Indian	30.06	£1	*Nil*	*Nil*	0.12		12
29,83,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	26.50	10	1.50	1.00			12
10,00,000	1,40,469	14,24,422	4,83,296	45,369	Bhatter's Agency Ltd.	Ghusick and Muslia	15.12	10	1.50	1.50	1.25		4
12,00,000	1,27,984	43,44,376	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	23.00	10	*Nil*	*Nil*	0.75		12
5,00,000	2,50,000	24,57,855	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	11.00	10	*Nil*	*Nil*	*Nil*		3
20,00,000	5,37,341	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	175.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6
5,00,000	21,66,090	56,77,095	40,80,864	1,31,658	Andrew Yule & Co., Ltd.	Katras Jherriah	42.00	10	5.00	5.00			12
11,00,240	68,358	16,86,967	10,04,163	13,871	H. V. Low & Co. (Private) Ltd. ..	Kuardi	8.12	10	0.50	0.50	5.00	7.50	3
9,00,000	10,22,762	28,39,715	22,94,928	3,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	14.00xdN	10	0.75	0.75	*Nil*	9.50	1
7,48,240	2,50,000	13,59,878	10,13,353	17,140	Tantia Brothers Private Ltd. ..	Nazira	7.50	10	0.12	1.00	0.75		6
17,76,230	23,80,325	1,52,03,775	1,01,37,915	81,185	Andrew Yule & Co., Ltd.	New Beerbhoom	22.37xd	10	0.75	1.00	1.00		4
6,00,000	2,88,645	28,54,261	19,79,034	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	13.00xd	10	0.50	0.75	1.00	0.60‡	12
1,15,000 }	3,84,524	13,00,275	9,40,919	46,866	Andrew Yule & Co., Ltd. ..	North West	24.87N	10	0.50	0.50	1.50	0.75	3
1,57,500 }							18.00N	10	1.50	1.50	1.50	0.75‡	10
7,50,000	16,65,465	2,62,538	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman) ..	Ondal	7.50	10	1.12	1.50	1.80		3
8,34,000	1,39,215	29,18,119	11,33,398	3,885	Deepchand Kishenlal	Parasea	11.00	10	0.50	1.12	1.12	1.00‡	3
15,75,000	22,83,200	76,81,726	47,81,408	14,547	Shaw Wallace & Co., Ltd. Department	Pench Valley	16.00N	10	0.50	0.50	0.70	0.75‡	3
28,99,500	32,78,697	1,47,24,692	1,01,33,389	5,489	B. N. Elias & Co. Private Ltd. ..	Raneegunge	18.00	10	2.00	0.50			12
13,50,000	8,38,385	42,17,417	32,31,916	24,549	Shaw Wallace & Co., Ltd.	Rewa	16.25	10	0.75	2.00	1.00	1.00	12
37,50,000	36,62,940	1,08,14,576	34,23,229	—6,560	M.	Samla Collieries	21.00	10	1.00	1.00	1.00		12
13,00,000	2,83,010	22,73,984	7,51,427	2,609	S. D. Sethia & Co. Private Ltd. ..	Selected Saigram Collieries. ..	7.50N	10	0.90	1.00			3
2,50,000	60,000	14,29,679	12,57,285	8,302	M.	Searsole	121.00	100	9.25	0.80	0.70		9
2,50,000	10,53,329	30,26,230	20,57,054	45,862	Andrew Yule & Co., Ltd.	Seebpore	13.00	2.50	0.12	12.50	16.00		12
5,00,000	4,54,975	11,88,809(k)	..	5,451	F. W. Heilgers & Co. (Private) Ltd.	Sendra	32.00xd	7	*Nil*	*Nil*			12
63,21,450	1,24,58,755	7,11,84,167	3,19,11,631	90,558	Industries (L. F.) Department (Govt. of Andhra Pradesh)	Singareni	8.75	10	1.75	1.75	3.00	1.00	1
17,50,000	8,47,303	41,74,967	19,33,899	19,788	Bird & Co., Private Ltd.	South Karanpara	9.97	10	1.25	*Nil*	0.85		12
8,00,000	15,46,229	24,83,605(k)	..	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	11.44	10	1.50	0.75	0.75		12
2,50,000	2,81,000	20,49,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director) ..	Union	12.75	10	1.00	0.75	0.90		12
49,98,000	3,56,533	66,95,251	32,75,882	7,982	Hindustan Investment Corpn. Ltd. ..	Western Bengal	13.00	10	0.37	1.25	1.50		3
7,00,000	....	59,74,151	29,16,909	12,536	Macneill & Barry Ltd.	West Jamuria	7.50	10	0.50	0.25	*Nil*		12
							7.00	10	*Nil*	*Nil*	0.40	0.60	12

§.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1956.‖ Investment at cost. * Included in (k) Investments. 'C'—On increased Capital.

M.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.

(a) United Breweries Ltd.—The dividend for 1959 consists of an interim dividend of Rs. 7.50 per share and a final dividend of Rs. 55.50 per share of which the shareholders will receive Rs. 2.50 in cash and Rs. 80.00 per share the allotment of five newly created shares of Rs. 10 each. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable.

M.—Managed by the Board of Directors.

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1957	1958	1959	1960	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
16,00,000 }	1,08,00,000	3,36,942	Allahabad Bank	347.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
14,50,000 }				173.50	50	9.00‡	9.00‡	9.00‡			
1,01,000 }	19,73,220	10,301	Andhra Bank	100.00	100	6.00	6.00	8.00‡		6,12	H.
40,78,300 }				85.25	85	5.10	5.10	6.40			
1,00,00,000 }	1,60,06,625	1,02,801	Bank of Baroda	82.00	50	7.00	6.00	7.00	3.50‡	12	Y.
25,00,000 }				——	25'B'		1.50	3.50	1.75‡		
2,50,00,000 }				108.00	50	8.00	8.00	8.00	3.75‡	6,12	R.L.Y.
50,00,000'A' }	3,10,00,000	12,47,743	Bank of India	100.50	50'A'	8.00	8.00	8.00	3.75‡		
50,00,000'A' }				9.00xr	10	0.50	0.60	‡‡	..	12	
80,71,820 }	13,22,881	27,745	Bharat Nidhi Ltd. ..	——	250	..	..	..	..	12	Y.P.
67,08,155 }				89.00	50	5.00	5.00	7.50		12	Y.P.
36,00,000 }	56,30,000	42,473	Canara Bank Ltd.	72.00	50	5.00‡	5.00	7.50		12	Y.P.
12,47,775 }	18,00,000	14,361	Canara Banking Corporation Ltd.	188.00	100 'A'	15.00	5.00‡	20.00‡		12	Y.
'A' 5,99,620 }				18.50	10 'B'		15.00	2.00‡			
'B' 16,00,000 }	35,00,471	28,596	Canara Ind. & Bkg. Syndicate Ltd.	1.88	1 'C'	0.15	..	0.20‡		12	R.L.Y.
'C' 2,00,000 }				56.00	25	3.50	0.15‡	4.30		12	
2,62,50,000 }	4,07,63,265	18,82,560	Central Bank of India Ltd. ..	69.50	25	3.50	3.50	4.30		12	Y.
A.52,50,000 }				53.00	50	3.00	3.50	2.52		12	Y.
50,00,000 }	52,00,000	5,60,301	Devkaran Nanjee Banking Co. ..	15.50	50	*Nil*	*Nil*	*Nil*		12	Y.
1,25,00,000 }	10,00,000	20,695	Hindustan Commercial Bank ..	15.00	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000 }	2,30,000	5,519	Hindustan Merchantile Bank ..	170.00	100	15.00‡	13.00‡	12.00		12	Y.
60,00,000 }				145.25	80	12.00‡	10.40‡	15.00‡		6, 12	R.L.Y.
22,40,000 }	84,01,884	80,143	Indian Bank	175.00	100	10.00	10.00	12.00		12	
74,53,000	50,36,660	1,76,012	Indian Overseas Bank	33.00	25	1.87	2.50	14.75		12	Y.
15,00,000	12,00,000	28,839	Pandyan Bank Ltd.	19.36	10	1.50	2.00	2.00	1.00‡	12	Y.
1,25,00,000	1,47,50,000	3,18,830	Punjab National Bank—K	305.00	100	16.00	16.00	20.00		12	Y.
5,62,50,000	7,20,00,000	55,87,499	State Bank India	5.96	5	0.44	0.44	0.57		12	Y.
60,00,000	47,00,000	97,247	Union Bank of India	85.00	50	3.75	3.75	5.30		12	Y.
2,00,00,000	1,75,00,000	1,04,096	United Commercial Bank	5.00	10	0.30	0.30	0.43		12	R.L.Y.
2,68,43,647	83,70,000	1,81,565	United Bank of India								

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

| | | | | | | | | | | |
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PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	100.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1927	6.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sep.	83.00	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb.	Aug.	112.00	100
Deccan Sugar & Abkhar 'A' T.F.C. ..	7,00,000	1920	7.00	July	Apr.	6.33	5
East India Distilleries T.F.C. ..	£300,000	1897	7.00	Jan.	July	16.80	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	..	62.00	100
Partabpore Co. C.	6,00,000	1925	10.00	Oct.	..	12.00	10
Ramnugger Cane T.F.C.	6,00,000	1923-36	6.00	Aug.	..	78.00	100
Ravalgaon Sugar C.	20,00,000	1948	5.50	Oct.	Apr.	62.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	80.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	8.40	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	121.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct.	Apr.	79.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	89.00	100
Do. (2nd) C.	4,50,000	1946	6.00			7.50	10
Equitable T.F.	4,00,000	1905	6.00	Mar.	Sept.	75.00	100‡
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	57.00	75p.
††Khas Kajora C.	1,93,000	1931	5.00	Mar.	Sept.	7.50	10
New Beerbhoom T.F.C.	10,00,000	1920	6.00	July	..	11.00	10
Ondal T.F.C.	2,00,000	1896-99	6.00	Apr.	Oct.	80.00	100
COTTON							
Ahmedabad Advance T.F.C.§ ..	10,00,000	1939	5.00	Apr.	Oct.	78.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	115.00	100
Basanti Cotton T.F.	5,00,000	1928	6.25	Nov.	..	5.50	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.50	50
Buckingham & Carnatic C.T.F. ..	21,50,200	1920	7.50	Jan.	July	125.00	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr.	..	108.00	100
Central India T.F.	50,00,000	1912	8.00	Apr.	Oct.	375.00	485
Century Spg. & Mfg. Co. T. F. B. C.	1,25,00,000	1946	6.00	Dec.	..	108.00	100
Coimbatore Pioneer C.T.F. ..	1,00,000	1935	6.50	June	..	78.75	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00cd	100
Elgin 'B' T.F.C.	4,50,000	1942	6.00	July	..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	62.50	100
Kesoram T.F.C.	20,00,000	1919	7.00	June	Dec.	103.00xd	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	75.00	10
Kothari C.T.F.	15,00,000	1927	6.00	..	..	9.30	5
Kothari 'B' (Pref.) T.F.C. ..	6,00,000		6.00	..	..	10.00N	250
Lakshmi Cotton (Bombay) C. ..	16,00,000	1896	6.00	..	..	150.00	100
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	71.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	25.00	50
National Rayon C.	1,74,64,700	1947	5.00	..	..	69.70	100
New Great	8,00,000	1913	5.50	Mar.	..	105.00	200
Podar Mills T.F.C.	10,00,000	1943	4.00	Feb.	..	65.00	100
Rajalakshmi C.T.F.	2,00,000	1932	6.50	Apr.	..	47.75	50
Shree Niwas Cotton T.F.C.R. ..	4,80,000	1944	4.00	..	..	66.00	100
Sholapoor T.F.C.R.	32,00,000	1948	3.00	..	..	78.25	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June	..	68.00xd	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.80	10
Vasanta (1st) C.T.F.	5,00,000	1931	6.50	Apr.	Oct.	96.75	100
Do. (2nd) C.T.F.	5,00,000	1932	6.00	..	..	99.00	100
Vishnu C.	15,66,500	1908	7.00	Apr.	..	422.50	500
ELECTRICS							
Andhra Valley Power Supply C. ..	49,34,000	1917	7.00	May	Nov.	1,040.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	..	5.50	..	..	77.00	100
Calcutta Electric T.F.C.	10,00,000	1909-11	5.00(t)	June	Dec.	9.10xd	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	8.55cd	10
Do. (2nd) C.T.F.	5,00,000	1940	5.50			8.75cd	10
Surat Electric Co. C.T.F.	5,00,000	1928	6.50	Apr.	..	108.50	100
Tata Hydro Electric Power C. ..	89,28,000	1907	7.00	May	Nov.	105.75	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,102.75	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	6.75cd	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C. .	1,30,000	1919	7.00	Mar.	..	11.00	10
Burn & Co. Ltd. (1st) T.F.C. ..	15,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C. ..	15,00,000	1902	6.00	Feb.	Aug.	107.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,93,5,400	1950	5.00	Dec.	..	91.00	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June	..	112.00	100
Jessop T.F.C.	20,00,000	1941	6.00	May	Nov.	83.50xd	100
Kanani Engineering C.R.	15,00,000	1945	5.00	July	..	56.00	100
††Kumardhubi Engineering T.F.C. ..	12,00,000	1915	4.00	June	Dec.	84.00N	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	5.00	..	..	93.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May	..	97.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	86.00	100
Premier-Construction (1st) C. ..	10,00,000	..	6.25	..	..	78.00	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	..	..	74.00	100
Do. do. (3rd) C. ..	56,25,000	1947	4.50	..	..	5.24	10
Tata Iron and Steel (1st) C. ..	75,00,000	1908	6.00	Nov.	..	134.25	150
Do. do. (2nd) C. ..	6,98,81,900	1908	7.50	May	..	108.50	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	64.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	92.00xd	100
Auckland C.	10,00,000	1909	5.50	May	Nov.	70.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	60.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	94.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	36.00	£5
Belvedere T.F.C.	7,00,000	1908	7.00	Jan.	July	89.00	100
Birla C.	23,64,200	1919	7.50	June	Dec.	87.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	89.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	48.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	85.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	87.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	87.00	100
Clive (1st Pref.) T.F.C.	5,00,000	1900	6.00	May	Nov.	70.00	100
Do. (A) (2nd Pref.) T.F.C. ..	5,00,000	1905	7.00	May	Nov.	80.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	88.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	88.00	100
Fort Gloster T.F.C.	14,00,000	1890-98	7.00	May	Nov.	110.00	100
Do. (2nd Pref.) T.F.C. ..	7,00,000	1948	5.00	..	..	75.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	110.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	100.00	100
Gouripore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	78.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.C.	11,76,000	1913	10.00	May	Nov.	9.75xd	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	94.00	100
Do. T.F.C. (f)	17,50,000	1903-6	7.00	May	Nov.	92.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	84.50	100
Kamarhatty T.F.C.	16,00,000	1896-04	6.00	Feb.	Aug.	74.00	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	88.00	100

All preference shares are taxable unless otherwise stated.

•••These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

JUTE—*Continued*

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	90.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	78.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	88.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	89.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	87.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	60.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	99.00	100
Do. (2nd) (j) T.F.C.R. ..	10,00,000	1945	4.50	June	Dec.	67.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	80.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	92.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	71.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	81.00	100
Samnagar C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Scorah T.F.C.	10,00,000	1920	7.00	Feb.	Aug.	98.00	100
Shree Ambica T.F.C.	11,70,000	1927	7.50	Mar.	Sept.	93.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	88.00	100
Victoria C.	£150,000	1898	7.00	Aug.	Aug.	Sh. 21.50	£1
Waverly T.F.C. (f)	7,50,000	1918	5.00	Mar.	Sept.	37.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	52.00	50
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	8.00	£1
Great Eastern Shipping T.F.R.C. ..	25,00,000	1948	5.50	Dec.	..	91.00	100
Indian General Nav. & Rly. C. ..	£244,030	1899	6.00	Mar.	Nov.	78.00	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1922	5.00	..	..	82.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-06	7.00	May	Nov.	32.50	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	100.00	100
Birpara T.F.C.	1,00,000	1900-03	8.00	Jan.	..	103.00	100
Choonabhutti T.F.C.	2,00,000	1914	6.50	Jan.	July	103.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	100.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	75.00	100
Hasimara T.F.C.	3,00,000	1904	8.00	Jan.	..	103.00	100
Kingsley Goalghat T.F.	2,40,000	1897	7.00	Mar.	..	100.00	100
Moheema T.F.C.	3,20,000	1899	6.00	Dec.	..	85.00	100
New Dooars T.F.C.	2,00,000	1907	6.00	May	Nov.	9.37	10
New Samanbagh T.F.C.	1,00,000	1903	8.00	Jan.	July	105.00	100
†††Okayti T.F.R.C.	50,000	1888	7.00	Nov.	..	91.00	100
Pussimbing T.F.C.	2,05,000	1918	7.00	Dec.	..	84.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	Jan.	..	90.00	100
****Tarrapore C.	2,05,000	1922	8.00	May	..	98.00	100
Tirribannah T.F.C.	1,00,000	1922	8.00	Jan.	..	10.50	10
			10.00	May	Nov.	14.00	100
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	2.70	5
Do. R.C.	2,55,570	1944	6.25	..	..	6.02	10
Cochin Malabar C.T.F.	1,13,300	1922	7.00	June	..	50.75	100
Coffee Lands C.T.F.	10,40,500	..	5.00	..	..	75.00	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	89.65	100
Cottanad C.T.F.R.	1,00,000	1927	7.50	Nov.	..	10.80cd	10
Devon Tea C.T.F.	2,00,000	1926	7.50	July	..	96.00	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	8.03	10
Neelamalai C.T.F.	18,00,000	1948	5.00	Jan.	July	7.17	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.77	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	7.20xd	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	9.15	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	Jan.	Dec.	9.25cd	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..		
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	91.20	100
Do. do. (2nd) T.F.R.C. ..	5,00,000	..	5.00	June	..	86.00	100
Alkali & Chemicals T.F.C.	21,00,000	1937	5.00	Apr.	..	99.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	6.00(f)			97.00	100
Andhra Cement C.T.F.	2,48,800	1937	6.00	Feb.	June	101.80	100
Assated Hotels of India C.	21,67,000	1918	7.00	Mar.	Sept.	52.00	100
Bengal Chemicals T.F.C.	9,00,000	1928	7.50	Aug.	..	12.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	51.00	50
Do. "A" T.F.C.	4,00,000	1928	7.00	Mar.	Sept.	104.00	100
Do. "B" T.R.C.	20,00,000	1948	6.00	..	..	65.00	100
Bengal Timber Trading T.F.C. ..	3,00,000	1896	8.00	Aug.	..	15.00	10
Britannia Biscuit T.F.C.	15,450	1921	6.00	Feb.	Aug.	7.75N	100
British Ceylon Corporation C. ..	17,50,000	1918	6.00	Feb.	Aug.	15.00	10
British India Corporation T.F.C.	31,00,000	1920	8.00	Feb.	Aug.	8.00N	5
Dalmia Cement (Bharat) C.T.F. ..	61,58,210	1927	6.00(f)	Sept.	..	114.00	100
Dhrangadhra Chemicals T.F.C.R. ..	21,91,900	1956	6.00			8.40xd	10
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	5.00	Dec.	..	88.50	100
Dunlop Rubber Co. (1st) T.F.C. ..	30,00,000	1926	6.00§	June	Dec.	81.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1926	6.00	Apr.	..	111.50	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	6.00	Apr.	Oct.	84.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	59.00	100
Gillanders Arbuthnot(f) R.C. ..	25,00,000	..	5.00	Feb.	Aug.	59.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	1958	5.00	Apr.	Oct.	50.00	100
Humayan Properties T.F.C.	12,00,000	1932	6.00	Mar.	..	54.00	100
India Cement C.	29,58,000	1946	6.00	..	..	100.00	100
Indian Aluminium (g) C.R.	40,00,000	1946	7.50	Oct.	..	6.50	10
Indo-Burma Petroleum C.	50,00,000	1921	6.00	June	..	88.50cd	100
Indian Cable (m) C.	12,87,750	1922	6.00	Jan.	July	69.00	100
India Rubber Mfrs. (n) T.F.C.R. ..	8,28,000	..	6.00	Jan.	Dec.	87.00	100
Jardine Henderson C.	50,00,000	1946	5.00	Apr.	..	80.00xd	100
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.50	Dec.	..	68.00	100
Do. do. (2nd) T.F.C. ..	10,00,000	..	6.00	May	..	57.00	100
Kumardhubi Fireclay & Silica C.R. ..	2,00,000	1915	4.00	May	..	57.00	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	7.00	June	Dec.	54.00	100
McLeod and Co. (1st) C.	10,00,000	1920	5.00	Apr.	Oct.	68.00N	100
Do. (2nd) F.C.	40,00,000	1938	5.00	Apr.	Oct.	86.00xd	100
Metal Box Co. C.R.	30,00,000	..	5.00	July	Jan.	50.00	100
Metjur Chemicals (Old) C.T.F. ..	20,00,000	1903-18	6.00	..	..	62.00	100
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	Feb.	Sept.	87.00	100
Mysore Lamps R.C.T.F.	2,50,000	..	6.00	June	..	98.75	100
National Tobacco (Old) (p) T.F.C.R. ..	25,00,000	..	4.00	Aug.	..	8.40cd	10
Do. (New) (q) T.F.C.R. ..	19,98,000	..	5.00	Mar.	..	6.30cd	10
Orient Paper T.F.C.R.	20,00,000	1926	6.50	Mar.	Sept.	70.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Jan.	..	62.00	100
Rohtas Industries (Old) T.F.C. ..	20,00,000	1926	5.50	Apr.	Oct.	80.00xd	100
Do. (New) T.F.C.	85,04,700	..	7.00-9.00	Apr.	..	61.00xd	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	4.25	Apr.	..	115.00	100
Spencer & Co. "A" C.	23,20,000	1898	10.00	Apr.	..	57.00	100
Do. "B" C.	56,80,000	1922	6.50	Feb.	Aug.	70.00	50
Standard-Vacuum C.	75,00,000	1955	8.50	Jan.	July	8.80	10
Star Paper T.F.C.R.	10,00,000	..	6.00	Jan.	July	11.12	10
Tata Chemicals T.F.C.	59,97,000	..	5.00	June	Dec.	91.50	100
Tata Oil Mills C.	29,88,800	1948	5.00	Mar.	Sept.	74.00	100
Titaghur Paper Mills T.F.C.	11,50,000	1899	6.00	June	..	85.50	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	8.00	July	..	60.00	100
			4.50	Jan.	June	115.00	100
				Jan.	July	79.00	100

C—Cumulative, R—Redeemable, T.F.—Tax-free, R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 22nd July 1955 on 6 months' notice. (k) Participating up to 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Bank pari passu with ordinary shares of par after 17th June 1956. (n) Redeemable at par after 1st January 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable after 20th December 1954. (q) Redeemable at par after 1st October 1950 on 3 months' notice. (r) Redeemable at par on 3 months' notice. (s) Redeemable at par after the date of issue at a premium of Rs. 10 per share on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. pp—Fully paid.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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RAILWAY DIVIDEND TO EXCHEQUER

THE recommendations of the 1960 Railway Convention Committee are disappointing, in that the rate of contribution by the Railways to the rev

public utility concern, are making indirectly sizable contributions to General Revenues by way of concessions in tariff rates to the P. & T. and Defence Departments and to the national economy by charging comparatively low tariff rates on the haulage of coal, foodgrains, industrial raw materials, etc. There is nothing *prima facie* wrong in this view, because, while at the *existing* level of fares and freights gross receipts are expected to go up from Rs. 464.5 crores in 1960-61 (Budget) to Rs. 611.2 crores in 1965-66 (Estimate), working expenses will also go up from Rs. 329.8 crores in the former year to Rs. 423.4 crores in the latter. If the rate of dividend is fixed at 4½ per cent., the gross surplus available to the Railways, after paying dividend to the General Revenues, will be as in the following table in the next five years:

(In Rs. crores)

Head	1961-62	1962-63	1963-64	1964-65	1965-66
Gross surplus	65.2	67.2	65.6	65.2	75.5
Minus Appropriation to Depreciation Reserve as recommended	65.0	67.0	70.0	73.0	75.0
Net surplus	0.2	0.2	—4.4	—7.8	0.5
Average annual contribution to Development Fund*	23.0	23.0	23.0	23.0	23.0
Net surplus if dividend is 4¼%	4.0	4.3	0.1	—2.9	5.8

* This would be necessary from the final net surplus in order to enable the Railways to fulfil its third Plan objectives.

It will also be seen from the above table that the position will be pretty grim in respect of the net surplus necessary for contribution to the Development Fund, even if the rate of dividend is only 4.25 per cent. and not 4.5 per cent. While the Committee has recommended the continuance of the facility of providing temporary loans from General Revenues to finance the Railway Development Fund during the next five years, it has necessarily had to refrain from recommending an increase in fares and freights to meet the situation. It is obvious that a reasonable remedy will have to be devised to meet the situation. Such a remedy could conceivably consist of two major elements. First, the rate of dividend to the General Revenues may be not less than 4.5 per cent. for reasons mentioned earlier. Second, since this would mean a net revenue deficit of Rs. 11.3 crores for the entire third Plan period and since the projects to be financed from the Development Fund are as important as projects financed from capital, a total sum of Rs. 126.3 crores (Rs. 23 crores × 5 *plus* the appropriate amount to cover the deficit) would have to be found partly by judiciously increasing passenger fares and rationalising the freight rates and partly by achieving economies in working expenses through greater operational efficiency in all lines like turnround of wagons, performance of engines, fuel consumption, etc. Actually, the net surplus that would need to be produced during the entire third Plan period may have to be at least Rs. 150 crores, if the States are not to be deprived of the additional yields from the passenger tax from year to year.

It is here that the Convention Committee's recommendation that the passenger tax at the existing rate be merged with passenger fare from 1st April 1961, and the State Governments be paid a fixed amount based on the average of the collections for the years 1958-59 and 1959-60, seems to be inappropriate. This recommendation has also specified that this fixed amount in the nature of a subvention payable by the Railways to the States may be Rs. 12.5 crores per annum during the quinquennium 1961-66. This is not a reasonable proposition, because the passenger tax has been levied solely for the purpose of making some resources available to the States and the secular increase in its yield should, therefore, go only to their benefit. And this is all the more unreasonable because the States are being called upon to raise as much as Rs. 550 crores by way of additional tax revenue during the third Plan, which is a rather tall order. The State Governments have thus good reason to grouse at the recommendations of the Committee. To raise the rate of dividend payable to the General Revenues to 4.25 per cent. and then to merge the passenger tax in the fare would be like taking away with one hand what is given by the other. By far the best course would have been to keep the passenger tax as a separate element as hitherto and make the entire proceeds, whatever they be, available to the States from year to year.

STRAIT-JACKET FOR COMPANIES—II

IN our last issue, we commented at some length on two of the controversial issues arising from the amendment to Company Law now before Parliament. We propose to continue the discussion this week by referring to two more issues, namely, inter-corporate investment, and restrictions on transfer of shares in certain specified circumstances, leaving the regulation over the appointment of selling agents and donations to political parties to be covered next week. The main object of Government wanting to interfere with the functioning of the corporate sector in the first three respects is to check concentration of economic power. And the Government has tried to justify this course further by saying that the interests of shareholders of companies require to be protected against company managements which are greedy of both power and money alike.

The present Act contains a stringent provision aimed at restricting inter-corporate investment. Thus, Section 372 of the Act regulates the purchase by a corporate enterprise of the shares of other companies. Under this section, the investing company is entitled to invest in the shares or debentures of any other body corporate in the same group only upto ten per cent. of the subscribed capital of the "investee" company, subject to the limitation that aggregate investment made by the "investing" company in all other companies in the same group does not exceed 20 per cent. of the subscribed capital of the investing company. This restriction tends to inhibit the growth of new companies with the help of existing companies. It is common knowledge that, while sponsoring new enterprises, it becomes necessary for the *entrepreneur* to take up a substantial block of shares in such enterprises, in order to inspire confidence in the investing public and to ensure the success of the new issue. No individual is rich enough to perform this function alone. He, therefore, takes the help of companies that are under his management by investing a part of their funds in the capital of new enterprise. From this point of view, the existing limit of ten per cent. has been found inadequate. Section 372(3), however, allows this limit to be exceeded, if the investing company sanctions, by a resolution, such investment and the Central Government approves of it. But this is a very cumbersome procedure. This point was recognised by the authors of the amending Bill. They have proposed certain substantial changes which are in the nature of concessions to investing companies.

The Select Committee, for instance, has excluded investments in debentures and in right shares for the purpose of calculating the specified percentage, as these investments do not *normally mean* acquisition of a greater degree of control over the "investee" company. Again, the 20 per cent. ceiling on the aggregate holdings of investing company as a proportion of its subscribed capital has been raised to 30 per cent. Welcome as these concessions are, they do not go far enough. Individual savings are greatly restricted, owing to high level of taxation and increase in cost of living. The growth of industries in the private sector depends, therefore, on the availability of corporate savings. In the economic development of many foreign countries, internal resources of companies have played a significant role and there is no reason why undue restrictions should be placed on the play of this natural force in this country. The force of this argument is conceded in the income-tax law, under which companies are given a rebate on the tax payable by them on dividends earned from investments in approved industries. There is, however, a clear need to distinguish investments by the corporate sector for promoting new industries from those directed merely to secure monopoly control which Mr. Nityanand Kanungo picturesquely described as "cannibalism." Even here, not all cases of absorption will deserve the odium implied in the use of this word. If certain corporate mergers are clearly in the larger and long-term interests of the country, as they may well be, they need not be decried. In fine, while conceding that the State does require powers to prevent monopolies that are harmful to the public, it is better to deal with the problem in a more democratic manner than through the instrument of Company Law administered by bureaucracy. Meanwhile, all that one can hope is that, where inter-corporate investments are clearly for the purpose of establishing new industries, the Company Law Administration would be liberal in sanctioning limits in excess of the ceilings.

Another much criticised amendment to the Companies Act is that clause (Clause 79) of the Bill which seeks to vest enormous power in the hands of the Government to restrict, as well as prohibit, transfer of shares and debentures in certain extraordinary cases. The object of this provision is to protect managements of companies, which are well run and in a sound financial position, against attempts made by persons possessing or commanding immense resources to snatch the controlling interest. The representatives of managements, in their memoranda to the Sastri Committee, were very critical of the relevant restrictive provisions, while the representatives of shareholders pressed for their tightening up. The Sastri Committee held that, in view of the wide prevalance of *benami* system among particular sections of the mercantile community, the need for these provisions is greater in India than elsewhere. "Affluent speculators," the Committee added, "manage to corner shares of public companies, with a view to ousting the established management, however efficient or satisfactory it might have been, to commit depredations on reserves and manage or mismanage the company's affairs with a view to their personal gain or to compel the management to purchase peace by buying their newly acquired shares at unreasonably high prices." The evil effects of these speculative manœuvres were vividly pointed out to the Sastri Committee at Calcutta. The Committee was, therefore, of the view that Sections 247 to 250, which are intended to prevent the aforesaid speculative manœuvres and are modelled on the corresponding provisions of the English Act, were essential. The Committee's suggestion was that Section 250 might be amended so as to confer power on the Central Government in a case, where, owing to a change in the ownership of shares, a change in the managing agency or in the directorate of a company is likely to take place, which, if permitted, would, in its opinion, be prejudicial to the public interests, to direct by an order that, for a specified period, say, three years, the voting rights shall not be exercised by the transferees of those shares. In keeping with these suggestions, Clause 79 of the Amending Bill seeks to widen the scope of Section 250 (1) of the existing Act so as to enable the Central Government to impose restrictions on transfer of shares in cases of the type mentioned above, even though there may not be any investigation under Sections 247, 248 or 249 of the Act. The power provided under this section can enable the Government to prevent the buyer of shares either in his name or through *benamis* from enjoying, for a maximum period of three years, the fruits, as well as the rights, of his ownership. The aggrieved party, however, will continue to have the privilege of challenging the Government's order in a court of law. It is urged by the opponents of this provision that these powers are too wide and are likely to be exercised arbitrarily. Expecially the retroactive aspect of the provision which will enable the Government to divest ownership of shares that are *already transferred* is criticised more strongly. It is further felt that the measure would encourage minority control of company managements to the detriment of the majority.

The powers that are now sought to be conferred are, of course, of a sweeping nature. But it is equally true that there have been quite a few cases of snatching of controlling interests by "affluent speculators" and that some of these have proved to be injurious to public interest. The Government could do nothing in such cases, as it had no power to avert the disaster before it was too late. In view of this development, this journal cannot share the views of those critics who think that this provision is unnecessary or that it is too drastic. It may appear to be drastic, but that cannot be helped, if all the loopholes are to be effectively plugged. Neither the ordinary small investor nor the big genuine investor need be worried because of this section of the law. Further, the Minister for Commerce has given the assurance that the clause would not come in the way of genuine amalgamation of companies or acquisition of controlling interest in a company with the willing consent of the party concerned. The restraint implied in this assurance, coupled with the judicial remedy provided for in the Section, is sufficient to remove the fear that the Government will interfere with normal changes in the management of companies. At the same time, the very existence of this power will tend to deter cornering of shares by anti-social elements.

MARKET GOSSIP

Preference Dividends

THE changes made by the Select Committee in the Bill pertaining to preference dividends give only partial relief. In the absence of the full text of the Committee's report, one's comment has necessarily to be brief and tentative. It is, however, clear from the reports published in the daily Press that, though both the tax-free and taxable preference shareholders will get a little more than that contemplated in the original Bill, they will still be substantially worse off as compared with what they were getting before the abolition of grossing. Under the original Bill, a tax-free preference share was entitled to an increase of 25 per cent. of the rate of dividend and the taxable preference share to a rise of 7 per cent. The Select Committee has raised these percentages to 30 and 11, respectively. The loss works out to nearly 11 per cent. in the case of tax-free preference shares and a little over 11 per cent. in the case of taxable preference shares. The rationale behind these changes is not clear. It would appear that the Committee has tried to see that the extent of loss to both the classes of preference shares is almost equal. But what is involved here is a question of principle affecting property rights. This injustice could have been avoided, if the Committee had listened to the suggestion made by the interested institutional investors that the boards of directors of companies should be vested with the necessary powers to raise the rates of preference dividends to the extent required so as to ensure that the preference shareholders obtained the same net dividend as before. This solution would be in keeping with the original intention of the Finance Minister, namely, that preference shareholders should not suffer in any way as a result of the change in the system of corporate taxation. The whole trouble arose because of the legal interpretation that an increase in the rates of preference dividend could be effected only through the adoption of a special resolution which needs a 75 per cent. majority, a requirement that cannot be easily fulfilled. This difficulty could have been overcome, if the aforesaid simple solution had been adopted. If directors of companies can decide the terms of secured loans, no harm will be done to companies by enabling them to do justice to preference shareholders.

The Government's unhelpful attitude in this matter will make preference shares unpopular with investors. Many companies will prefer to borrow from banks and other institutional investors rather than issue preference shares or they may raise the bulk of the capital required in the form of equities. Such an arrangement will be found disadvantageous to companies in times of slump and low profit-margins.

Lok Sabha's Time Wasted

With a persistence worthy of a better cause, certain political parties are desperately trying to force the hands of the Government of India to nationalise general insurance. Last February, Mr. Bhupesh Gupta (Communist) moved a resolution in the Rajya Sabha urging nationalisation of general insurance, which was rightly rejected after a heated debate in which Mr. Babubhai Chinai, a leading industrialist, exposed the hollowness of the plea for nationalisation. Obviously, neither reason and logic nor cold economic facts can convince the comrades who are still labouring under the illusion that nationalisation will usher in the millennium. In the current session of Parliament, the Communists again brought before the Lok Sabha another motion having the same objective. It was moved by Mr. T. B. Vital Rao. The resolution was rejected by the House this time also.

It is difficult to see what changes have taken place in the insurance trade, in the general economic situation in the country or in the political climate to warrant the tabling of another motion within ten months after the rejection of the earlier one. On the other hand, whatever developments that took place in the interval, have only served to reduce the private sector in general insurance as well as its margins of profits. The Government has grabbed an additional 25 per cent. of the "pool business," bringing its total share to 75 per cent., leaving only the balance to private companies. With effect from 1st January 1960, a new insurance company was established in the public sector, by converting Indian Guarantee, a subsidiary of L.I.C., into a purely reinsurance company, to transact reinsurance business in competition with the India Reinsurance Corporation, an organisation jointly owned by private companies. The reduction in fire insurance premium, with effect from 1st January 1960, would surely cut into the profits of fire insurance, the only business which not only pays for itself but also subsidises other uneconomic portfolios.

It is true that there are malpractices in the general insurance trade, as there are in every other field, but they are not so chronic or widespread as not to lend themselves to curative treatment. Insurers themselves are aware of this and have addressed themselves to the task of solving it by concerted action. Moreover, the Government has sufficient powers to check malpractices, and can arm itself with more, if found necessary. But the most important point to be noted in this connection is that some of the so-called malpractices, cheating, for instance, are the result of defective controls designed to protect primarily uneconomic rents. Thus, the Government itself is in a way responsible for creating a situation in which competition for more business and investments in sound industrial equities happen to be classified as malpractices.

The closure of some companies and the amalgamation of some others have helped a section of politicians to fish in the troubled waters of insurance. In one case at least, the closure was brought about by purely extraneous factors and, in others, it was due to economic reasons. Amalgamation, which is a world-wide phenomenon in insurance—in India only five units have amalgamated so far—has also been found necessary in the interest of economic working and financial viability.

The mover of the resolution stated that the Government should nationalise general insurance both in its own interest and in the interest of the public. He could not convince anybody as to how nationalisation would serve these interests. The puerile plea that the Government would get an appreciable amount of money to finance its development plans is entirely unfounded. The profit margin of general insurance is, perhaps, the lowest that can be earned from any service industry in the country and there are many companies that are not in a position to declare any dividend, let alone a fair return on capital, because there is hardly any surplus money in the business. If the Hon'ble Member wanted general insurance to be nationalised for raising money for the Plan, he was surely barking up the wrong tree.

In fine, general insurance, as it is, does not fulfil even a single test to qualify it for nationalisation. And, as Mr. B. R. Bhagat, Deputy Minister for Finance, observed while rightly turning down the plea for nationalisation, "it is not advisable for the Government to go on nationalising one industry after another."

Small Car—A Luxury That Can Wait

The problems of the automobile industry, with particular reference to the Government's proposal to establish a unit in the public sector for manufacturing a low-cost car, recently came in for discussion in the Rajya Sabha. Mr. Manubhai Shah, Union Minister for Industry, whose imaginative handling of his portfolio has done considerable good to the industrial progress of the country, was on solid ground when he refused to run down the automobile industry. On the contrary, he was ungrudging in his tribute to the industry for its good performance. He also refuted the criticism that the industry was over-centralised. In fact, he said, all the six or seven units were not manufacturing all the items but were producing only such items as could be produced scientifically and technically under their supervision, leaving the rest of the ancillary products to small units of which there were already 120 or 130 all over the country. And these small units alone had produced in the last year Rs. 2 crores worth of ancillary products. But much more remains to be done in this line. Mr. Shah's reference to the plan for half-a-dozen "functional industrial estates" suitable for the manufacture of ancillary components is encouraging. As every automobile has got about 4,000 to 5,000 parts and components, the proposal to group them on a scientific and technical basis and create 50 or 100 small units in each of the estates for manufacturing them strikes one as realistic.

But the Minister's idea that an integrated approach would be adopted from the beginning to the manufacture of a low-cost car in the public sector was not clear on the point whether the proposed unit would be highly centralised, itself manufacturing all or most components. Mr. Shah seemed to be excessively optimistic when he said that within 2½ to 3 years steps could be taken to establish the main shops for manufacturing and assembling the normal basic model, as also to manufacture the components connected with this car. Whether 90 per cent. or 95 per cent. of all the parts and components could be manufactured, either on a centralised or a decentralised basis, within 2½ years or so, is a moot question. It would appear that the Minister has given a very rash promise.

The difficulties in the way of establishing a unit to manufacture a low-cost car at an ex-factory price of Rs. 5,000 (costing the ultimate consumer anything between Rs. 6,000 and Rs. 6,500) do not seem to have been fully recognised. First, the deadline for commencement of production is not practical. Second, it will have to secure the best possible foreign technical collaboration which cannot be arranged at short notice; any hasty deal in this connection may ultimately mean a lot of waste. Third, a production target of 20,000 cars, going up to 50,000 "in the shortest possible time," is palpably low by foreign mass production standards. If mass production on a far larger scale is thought of, capital investment will have to be much more than the contemplated Rs. 10 to Rs. 12 crores; that will mean that this project will further eat into the resources required for higher-priority projects. If mass production on a far larger scale is not considered desirable because the size of the "lower middle class market" is an unknown factor, the "low-cost" may turn out not so low as all that. The experience of private automobile units to date is that, with a relatively small level of production, as Mr. Shah himself has bemoaned, "year after year, in spite of all our care, prices go up." Will the experience of the proposed public sector unit be any different?

If the price of the 'janata car'—this is an anticipatory christening here—goes up, how will the aspirations of the "lower middle class," now so assiduously kindled, be satisfied? Mr. Shah has waxed eloquent on the widely felt need among the "lower middle class" for a cheap car. Yet, the need may be "felt" in a negative way by this class which always grumbles at the rich and casts envious eyes on the rolling limousines. But is it a need which this class has the capacity to satisfy? What is this "lower middle class," anyway? Does it cover all those who have monthly incomes of more than Rs. 1,000 and less than Rs. 2,000? If it does not, is it to be expected that an urban middle class family getting less than Rs. 1,000 per month will have the wherewithal to invest Rs. 6,500 (?) in the car and to incur a recurring monthly expenditure of, possibly, Rs. 150 on fuel and maintenance and still more where a driver is employed? Even if all the stated requirements—sturdiness of the car, low cost of operation and maintenance, etc.—are fulfilled, there is every reason to believe that the burden on a middle class family in terms of depreciation and operational and maintenance costs will be far too heavy.

There are also other problems that will crop up—problems relating to modifications in the road system, parking space in the congested middle class localities, traffic congestion on roads, etc. But these are only theoretical possibilities based on the dubious assumption that the low-cost car will command a big market. If it does command a market, it may probably be due to the rich people wanting to have more than one car. Then, there is the important question of oil for which the country has to depend primarily on imports. Thus, the conclusion is irresistible that the small-car project is a luxury which the country cannot afford at the present time when both foreign exchange and rupee resources have to be husbanded for more essential purposes. In any case, it is a luxury which the middle class man cannot afford in the current context of urban living costs. The existing city transport services, if they are rendered more efficient, can more easily and cheaply meet his needs. If commercial concerns can maintain their own buses or station wagons for the use of their staff, the situation may be further eased.

World Sugar

The member-countries of the International Sugar Agreement have been asked by the Sugar Council to limit their sugar exports to the "free" market next year to 85 per cent. of the basic tonnages laid down in the Agreement, as against 105 per cent. applicable for 1960. The Council took a decision to this effect at Mexico on Thursday the 1st inst., after deliberating for three days. It is, of course, stated that the quotas may be revised from the beginning of the second quarter of 1961, if the statistical situation appears to warrant it. The cut in export quotas is justified on the following grounds:

There would be a surplus of sugar on the free market amounting to about a million metric tons, if quotas were left at the basic level. Free market demand next year is expected to reach approximately 6.38 million tons, which is only slightly larger than the basic export quota. But the countries outside the Agreement are likely to export 600,000 tons and other permissible exports outside the Agreement quotas may total 435,000 tons. The "structural changes" which have occurred in the sugar market may be intensified next year. (The changes are understood to refer to the cancellation of Cuba's sugar quota with the U.S. and the corresponding increase in U.S. imports from other countries.)

The Sugar Council has thus not taken any specific decision bearing on the U.S. sugar imports. This is, perhaps, because it does not yet know clearly the countries from which the U.S. intends to purchase sugar, nor is it in a position to say whether the U.S. has decided not to buy any Cuban sugar at all. All that the Council has done is to constitute a special committee to watch the situation and to announce that it will hold another full session as soon as the factors affecting the sugar market in 1961 become clearer. This session, according to London observers, may well decide on some distribution of free market quotas to balance changes in the source of supply for the U.S. market.

Meanwhile, some countries, including India which is still not a member of the Sugar Agreement, are hoping to secure a share in the U.S. market, besides the usual quotas in the world market allotted to them by the Sugar Council. This hope has already given an impetus to boost production in certain countries. To the extent production rises, the surplus of sugar hanging on the world market will be more uncomfortable. If some countries are unable to secure any high-price quota in the U.S. and, therefore, are forced to sell at the unattractive prices offered in the free market, they will naturally complain bitterly. The Mexico meeting of the Sugar Council has not given the answer to these problems. Here is what the London *Financial Times* says on the subject:

"The International Sugar Agreement is not designed to limit production but only exports and, so far, since the leading exporters are prepared to limit their own production, this has worked satisfactorily. The trouble now is, however, that countries which used to be major importers of sugar are starting to produce their own, thus upsetting the export market and the international price of sugar in a way which the Council is powerless to control."

It is to these problems that the Sugar Council will have to address itself at the next meeting. If it fails to find a solution to these problems which is satisfactory to both the exporting and importing countries, the Sugar Agreement may, once again, run into serious difficulties.

Reserve Bank Vindicated

The judgment of the Kerala High Court on the application filed by the Reserve Bank of India for permission to wind up the Palai Central Bank under Section 38 of the Banking Companies Act did not receive as much publicity in the local Press as did the news of the Bank's crash and the debate on it in Parliament. Since the case involved interpretation of the powers vested in the

(Continued on page 1078)

EQUITIES EASY AGAIN

TEXTILES, HOWEVER, LOOK UP

(From Our Own Correspondents)

BOMBAY, *8th December*

THE share market continued to rule easy during the major part of the week under review, barring textiles which were somewhat well favoured and tended to move up. Fresh investment support was lacking, despite encouraging reports about the implementation of expansion and development schemes by certain industrial concerns. Buyers were reserved, thanks to persistently strained Sino-Indian relations. Even the Union Finance Minister's statement discounting the possibility of an upward revision in the Bank rate failed to have any significant effect. Consequently, equities continued their downward march. Some of them, of course, attracted support at lower levels, but the actual recovery in values was not marked enough to make up for the earlier losses.

In the steel section, Tata Ordinaries receded from Rs. 142 to Rs. 140 on Tuesday and, after recovering to Rs. 142.25 yesterday, declined again to touch Rs. 141.25 today. The Investment Committee of the Life Insurance Corporation was reported to have bought 2,500 shares of Tata Steels. Indian Irons eased from Rs. 23.84 to Rs. 23.52; at one time on Tuesday, they were lower still at Rs. 23.44. Mukand Irons suffered a loss of 24 nP, today's closing rate being Rs. 21.76.

Textiles, as stated at the outset, met with some support induced by hopes of increase in production as a result of comfortable raw cotton supplies. Operators noted the Government of India's announcement regarding the terms of reference of the Tariff Commission on the issue of prices and generally expected that the industry would receive a fair deal at the hands of the Commission. Kohinoors rallied from Rs. 266.25 to Rs. 278 today before finishing at Rs. 274.50, a rise of Rs. 8.25 over the week. Morarjees firmed up by Rs. 8 to Rs. 318. Gokaks advanced by Rs. 3 to Rs. 173. Khataus picked up Rs. 2.50 to Rs. 465. Svadeshis hardened by Re. 1.50 to Rs. 227.50, Indores by Re. 1 to Rs. 123 and Centurys by 50 nP to Rs. 461. Bombay Dyeings began the week at Rs. 62.40, as against the previous close of Rs. 62.50, and improved to Rs. 62.90 today. Towards the close, they were a shade quiet at Rs. 62.70. Central Indias were fully maintained at Rs. 104, as also Simplex at Rs. 161 and Shree Niwas at Rs. 228. Standards, however, declined by Rs. 3 to Rs. 1.072. Finlays lost Rs. 2 to Rs. 330. Tata Mills softened by 50 nP to Rs. 40.

Sugar shares lacked support. Belapurs moved down from Rs. 395 to Rs. 386.50 today before finishing at Rs. 387, a decline of Rs. 8 over the week. Walchandnagars shed a rupee to Rs. 289. Bhopals lost 5 nP to Rs. 28. But Phaltans evoked special enquiries on proximity of dividend and rose by Rs. 2 to Rs. 189.

Cement shares encountered selling induced by the recent statement of the Minister for Commerce and Industry that cement prices could not be raised from the present levels. Digvijays were marked down by Rs. 4 to Rs. 152. Associated Cements retreated from Rs. 151.75 to Rs. 150.75. Sone Valleys shed 8 nP to Rs. 5.04 and Jaipur Udyogs 4 nP to Rs. 11.72. Orissas were neglected at Rs. 15.04.

Electricity shares ruled irregular. Tata Hydros eased by Re. 1.50 to Rs. 102.50, while Powers gained Re. 1.25 to Rs. 1,036.25. Ahmedabad Electrics shed 20 nP to Rs. 87. Andhra Valleys strengthened by Rs. 7.50 to Rs. 1,015. Bombay Suburbans gathered a rupee to Rs. 85.

Among bank shares, Central Banks receded by Re. 1.50 to Rs. 54.50, 'A' shares declining by 80 nP to Rs. 59.20. Barodas were quiet at Rs. 82.50, Punjab Nationals at Rs. 19.36, United Commercials at Rs. 85 and Denas at Rs. 53. Bank of Indias hardened by 50 nP to Rs. 108.50, 'A' shares rising from Rs. 109.50 to Rs. 111.

Shippings were steady, Scindias gaining 8 nP to Rs. 13.96 and Great Easterns 4 nP to Rs. 15.48. In the automobiles group, Premiers put on a rupee to Rs. 172. Hindustan Motors were better at Rs. 19.80, as against Rs. 19.72.

Engineering shares were quiet. Telcos slipped down from Rs. 303 to Rs. 295 yesterday, but recovered to Rs. 306 today. They, however, finished easy at Rs. 302.75 on reports that imports of spare parts might be curtailed. Alcocks were unchanged at Rs. 240, as also Larsen and Toubros at Rs. 36.75. Cooper Engineerings declined by Rs. 2.50 to Rs. 168. Mahindras eased by 40 nP to Rs. 20.36. Premier Constructions, however, improved by Rs. 2 to Rs. 300.50 on special support.

In the mining group, Shivrajpurs came in for selling and dropped 50 nP to Rs. 71.50. Indian Coppers shed 8 nP to Rs. 4.54.

A striking feature of trading in the miscellaneous section was the setback suffered by the shares of dyes and chemical companies on fears of a reduction in import quotas for raw materials. Indian Dyestuffs slumped by Rs. 35 to Rs. 460. Amar Dyes fell by Rs. 26.25 to Rs. 386. Colour-Chems receded by Rs. 17.50 to Rs. 310, notwithstanding the note of optimism regarding the outlook for the Company held out by its Chairman at the annual meeting. Adarsh Chemicals declined by Rs. 4.50 to Rs. 60. Alembics were quiet at Rs. 232.50 *ex-right*. Among other industrials, National Rayons, which had gone up from Rs. 491 last week-end to Rs. 507 yesterday, retreated to Rs. 497.50 today. Bombay Burmahs eased from Rs. 582 to Rs. 578 on Tuesday, even though the Chairman of the Company gave a favourable assessment of the current and prospective performance in his speech at the annual meeting. They, however, recovered subsequently and touched Rs. 588 today before closing at Rs. 585. B.B. Petrols fell by Rs. 10.75 to Rs. 195.50, Anil Hardboards by Rs. 7.50 to Rs. 338.75, Asian Cables by Rs. 5 to Rs. 115, Baroda Rayons by Rs. 3.25 to Rs. 29 and Greaves Cottons by Rs. 2 to Rs. 155. Gwalior Rayons shed 25 nP to Rs. 42.25. Voltas and Hindustan Levers eased by a like amount each to Rs. 268.75 and Rs. 44.75, respectively. Wimcos, however, gathered Rs. 2 to Rs. 270, Ceat Tyres picked up Re. 1.25 to Rs. 218.75. Tata Oils hardened by Re. 1.50 to Rs. 75.

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Madras Stock Exchange

MADRAS, *7th December*

Several counters on the Stock Exchange were subjected to selling pressure during the week under review. Textiles ruled distinctly easy, following reports of new restrictions imposed in Ceylon on imports of sarongs and sarong cloths of cotton, artificial silk, rayon and synthetic fibres. The operators also noted the terms of reference of the Tariff Commission regarding fixation of fair prices for textile goods. Tea shares were subdued as operators preferred to await the award of the Central Wage Board for the tea plantation industry (Chairman: Mr. L. P. Dave), the constitution of which was announced this week. Coffees and rubbers were also subdued, except a few shares which elicited special support. There was some selling pressure in sugar scrips, too, induced mainly by the publication of the Wage Board's recommendations. Miscellaneous industrials were also depressed.

Among textiles, South Indias came in for selling and fell by Rs. 4 to Rs. 156. Buckinghams lost Re. 1.50 to Rs. 198.50. Travancore Rayons declined by Re. 1.05 to Rs. 34.25. Metturs were marked down by a rupee to Rs. 370. Coimbatore Spinnings dropped 50 nP to Rs. 45. Maduras eased by 35 nP to Rs. 34.90. Kotharis shed 10 nP to Rs. 12.10. Bangalore Woollens were dull at Rs. 197, Coimbatore Cottons at Rs. 162, Coimbatore Pioneers at Rs. 347, Cannanores at Rs. 155, Dhanalakshmis at Rs. 223, Premiers at Rs. 225 and Lakshmis at Rs. 152. But Radhakrishnas hardened by 25 nP to Rs. 29.25.

In the tea section, Haileyburias receded by 25 nP to Rs. 14.25. Neelamalais decreased by 15 nP at Rs. 4.74 and Peermades by 10 nP at Rs. 22.65. Chembras shed 3 nP to Rs. 5.10. Blue Mountains eased by 5 nP to Rs. 4.06 before closing at Rs. 4.10. Periakaramalais declined initially from Rs. 3.47 to Rs. 3.45, but recovered to Rs. 3.46 today. Nonsuch Teas were neglected at Rs. 26.55, Parksides at Rs. 30.50 and United Nilgiris at Rs. 23.31. Waterfalls, however, rose by 18 nP to Rs. 5.20. Kil Kotagiris put on 5 nP to Rs. 6.60.

Coffees tended to look down. Coffee Lands retreated by 68 nP to Rs. 19.32. Rajendras suffered a loss of 25 nP, today's closing rate being Rs. 14. Ouchterlony Valleys receded from Rs. 4.95 to Rs. 4.80. Balanoors and Cowcoodys were quiet at Rs. 16.70 and Rs. 5.16, respectively. Consolidated Coffees declined from Rs. 22.75 to Rs. 22.30 initially, but staged a smart rally subsequently and touched Rs. 23.12 today.

In the rubber group, Cochin Malabars fell by 20 nP to Rs. 7. T.R. and Ts drifted lower by 15 nP to Rs. 9.55. Kailas dropped 5 nP to Rs. 5.25. Thirumbadis shed a naya paisa to Re. 1.51. Teekoys and and Be Bes were neglected, the former at Rs. 6.10 and the latter at Rs. 3.06. Both these companies have passed over the dividend for the year ended March 1960. The dividends (tax-free) paid in 1960 in the previous year, it will be recalled, were 6 per cent. in the case of Teekoy and 5 per cent. in respect of Be Bc. Malankaras changed hands at Rs. 17.70. But Vaikundams and Midlands made handsome gains, the quotations improving by 35 nP each to Rs. 30.75 and Rs. 12.50, respectively.

In the sugar section, East India Distilleries receded by Re. 1.50 to Rs. 42.75. Deccans moved down from Rs. 15.85 to Rs. 15.75. They were lower still at Rs. 15.65 earlier. Cauverys were quiet at Rs. 144, as also Indias at Rs. 12.25, Mysores at Rs. 60.50, Travancores at Rs. 10.85 and United Breweries at Rs. 114.50.

Among cements, in the miscellaneous section, Indias declined by 33 nP to Rs. 5.87, and Orissas by 15 nP to Rs. 14.85. Dalmias were unaltered at Rs. 11.25, Andhras at Rs. 10 and Travancores at Rs. 8.75. Among chemicals, F.A.C.Ts sagged by 17 nP to Rs. 9.90. Metturs lost 10 nP to Rs. 13.10. Mysore Chemicals were dull at Rs. 27.50. Mysore Fertilisers, however, rose by 5 nP to Rs. 11.90. Among others, Ashok Leylands wound up the week at Rs. 8.10 *ex-right*, as against Rs. 8.70 *cum-right* last week. India Steel Rollings moved down from Rs. 10.25 to Rs. 10.15. Aluminium Industries closed lower by 5 nP at Rs. 22.90, after fluctuating between Rs. 22.85 and Rs. 23.15. Textools were unchanged at Rs. 190. The Directors of the Company have declared a dividend of 15 per cent., taxable, for the year ended April 1960, as against 12 per cent. last year. The share of Seshasayee Papers, lately included in the list of the Stock Exchange, were quoted at Rs. 5.

Notice

THE DEHRI-ROHTAS LIGHT RAILWAY COMPANY, LIMITED

NOTICE

THE ANNUAL GENERAL MEETING OF THE Shareholders of the Company will be held on Friday, the 30th December, 1960, at 12-30 p.m., at the Registered Office of the Company at Dalmianagar, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31st March, 1960.
2. To declare a dividend.
3. To elect a Director in place of Shri S. K. Bagla who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. Lovelock & Lewes, retiring Auditors, being eligible, offer themselves for re-appointment.

The Share Transfer Books of the Company will remain closed from 20th December, 1960 to 30th December, 1960, both days inclusive.

N.B.—A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

By Order of the Board,
For SAHU JAIN LTD.,
A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, *5th December*, 1960.

KOTHARI SUGARS AND CHEMICALS

The list for public subscription of the equity shares of the Kothari Sugars and Chemicals Ltd., a reference to which was made in *Commerce* dated 26th November 1960 (*vide* page 974), will open on Thursday the 15th inst. The details of the announcement appear on page 1063 of this issue. It will be seen therefrom that 400,000 equity shares of Rs. 10 each are being offered to the public, Rs. 5 per share being payable on application and the balance as and when called; applications must be for a minimum of 100 shares and in multiples of 100 shares.

The public offer of Rs. 40 lakhs represents half the total issued capital of Rs. 80 lakhs. The other half comprises subscriptions made by the following:

Directors of the Company and their friends —Rs. 12 lakhs (120,000 shares).

Madras Industrial Investment Corporation* —Rs. 13 lakhs (130,000 shares).

Life Insurance Corporation of India—Rs. 15 lakhs (150,000 shares).

The issued capital of Rs. 80 lakhs will meet 50 per cent. of the total outlay of Rs. 1.60 crore required to reach the stage of production. Of the remaining portion, Rs. 35 lakhs will be secured by way of a loan from the Industrial Credit and Investment Corporation at 6½ per cent. interest and an equal amount from the Bank of India Ltd. at a rate of interest 2 per cent. above the Bank rate subject to a minimum of 6½ per cent. The balance of Rs. 10 lakhs or such amount as is required to cover the increase, if any, in the actual cost over the estimated cost of plant and machinery and working capital, is proposed to be borrowed from banks and other sources.

It is noteworthy that the Company does not propose to issue any preference shares. Evidently, the promoters have realised that a preference issue, if it is to be successful, will cost the Company more than secured loans from banks.

The prospects for the new venture appear to be bright. The sugar manufactured by the Company will have an assured market. The factory is to be located in an area (Tiruchirapalli District, South India) which is well suited for growing sugarcane. It will be equipped with the latest type of plant and machinery for which orders have been placed with Binny's Engineering, Madras. And the Company has an influential Board of Directors, presided over by Mr. A. D. Shroff, a leading industrialist of India, who needs no introduction to our readers.

*The Corporation has also agreed to make an open application for a further 20,000 shares which will rank for allotment on par with other applications received from the public.

NEWS IN BRIEF

THE Government of India has decided to extend the benefit of compulsory provident fund under the Employees' Provident Funds Act to three more industries, namely, rice milling, *dal* milling and flour milling, with effect from the 31st inst.

The number of non-company wealth-tax assessees in India, with net wealth of over a crore of rupees, was 28 as on 31st March 1960. This was disclosed by Mr. B. Gopala Reddy, Union Minister for Revenue and Civil Expenditure, in the Lok Sabha last week.

A committee has been appointed by the Government of India to examine the question of quality control on goods exported from India and to recommend measures for ensuring good quality of exports. Mr. Lal C. Verman, Director of the Indian Standards Institution, is the Chairman of the Committee.

In a bid to check black marketing in fertilisers, the Government of India is understood to have decided to ban all inter-State movements of fertilisers and to authorise the State Governments to impose similar restrictions on inter-district movements, if necessary. This move is a sequel to complaints that supplies allocated to one State are being resold in another.

The Government of India has accepted the Tariff Commission's recommendation not to continue protection to the plywood and tea-chests industry after the 31st of this month. If, however, import control is substantially relaxed in future and imports of foreign plywood constitute a threat to the industry, domestic producers may apply for reconsideration of their case.

It is too early to make any assessment of production capacity of Jawalamukhi or its zone of supply, according to Sardar Swaran Singh. Drilling in Jawalamukhi well No. 2 is in progress and nothing important has yet been observed. In Jawalamukhi well No. 1, two horizons (that is 919-923 and 879-890 metres) have indicated a possible production of about 600,000 cubic feet per day, but the commercial potentialities have not yet been assessed or estimated. In Cambay and Ankleshwar, gas is associated with oil. No separate commercial potentialities of gas have so far been assessed.

Construction work on the 54,000-kw. Sholayar hydro-electric project in Kerala, estimated to cost Rs. 4.32 crores, was inaugurated last week by the State's Chief Minister. This project is the second in the chain of power schemes proposed to be established on the Chalakudy river, the first being Peringalkuthu project. A special feature of project is that the controlled water let out from the Sholayar power house will again be utilised in the existing Peringalkuthu power station, increasing its firm power output from the present 8,000 kw. to 23,000 kw. without any additional cost.

About 15,000 acres of forest land in Kerala will be cleared for rubber cultivation early next year. Under the scheme, for which the Central Government proposes to give substantial aid, the State Government will undertake rubber cultivation in about 4,000 acres, the balance of 11,000 acres being distributed to private parties. Of the balance, 5,000 acres will be allotted to the landless poor and educated unemployed with an annual income less than Rs. 3,600, the individual allotment being restricted to seven acres. A few ten-acre plots will be auctioned to small holders. The joint-stock companies will be assigned units of 300-500 acres out of a total of 2,000 acres set apart for them.

In order to encourage collieries to improve the quality of coal supply to steel plants, it has been decided that they may be paid an extra sum over and above the existing controlled prices for each grade, depending on the extent to which the ash content is less than the maximum prescribed for a particular grade. This was stated by Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, in the Lok Sabha last week. The steps to be taken in cases where the ash content of the coal supplied is consistently above the maximum prescribed for the grade are under consideration. Any apparent increase in the coal bill of steel plants will be more than offset by the advantages accruing from the improved quality of coal supplied to them.

The Central Board of Irrigation and Power, at its annual session held at New Delhi last week, recommended for consideration by the Government immediate steps to be taken to make an overall assessment of the country's water resources in co-operation with the Survey of India, the Geological Survey of India and the Indian Meteorological Department. It was also stated at the session that collection of correct data and sustained research were the basic requirements for future planning. The Board further recommended the setting up of pilot projects to increase the efficiency of manual labour, as the methods employed at present could be further improved. The other recommendations made by the Board emphasised the need for manufacture of scientific instruments for research work and electrical equipment for power houses within the country.

Details of the progress made in the indigenous manufacture of industrial machinery were given in the Lok Sabha last week by the Minister for Industry, Mr. Manubhai Shah. According to his review, the second Plan production target in respect of sugar machinery has been more than fulfilled. As against a target of Rs. 2.5 crores worth of sugar machinery for the Plan, the 1960 level of production is estimated at about Rs. 3 to 4 crores. For cement machinery, a target of Rs. 2 crores had been fixed. There are at present six firms registered or licensed under the Industries' Act for the manufacture of cement machinery and parts. Of these, three firms are licensed to produce complete cement plants with a total turnover of Rs. 4 crores annually. It is expected that, when these three units go into full production (by the end of 1962), much of the country's demand for cement machinery will be met. The estimated production in 1960-61 is Rs. 65 lakhs. The value of agricultural machinery produced has increased from Rs. 35 lakhs in 1956-57 to Rs. 83 lakhs in 1958-59. No target has been indicated for this industry under the second Plan.

* * * *

From Abroad

The United Arab Republic has nationalised a Belgian-owned bank and some other concerns belonging to Belgians.

The U.S. Export-Import Bank has decided to lend $30 million to Chile to assist in a five-year railway rehabilitation programme. The credit will cover orders for U.S. manufactures.

The terms of the new agreement between Pakistan and the U.K. on avoidance of double taxation have been initialled. The draft is now awaiting the approval of the Governments of the two countries.

A Pakistan delegation, headed by Mr. Z. A. Bhutto, Minister for Fuel, Power and Natural Resources, is scheduled to leave Karachi on the 10th inst. for Moscow to negotiate on Soviet assistance in the exploration of oil in Pakistan.

A plea for the introduction of plastic coins, which are "easy to carry, probably durable and very cheap to make," has been put forward by the Deputy Master and Comptroller of the British Royal Mint, in his annual report for 1959 to the Treasury.

Sudan has signed the Articles of Agreement of the International Finance Corporation to become its 60th member-country. Its capital subscription to the Corporation is $111 million, bringing the total subscribed capital of the Corporation to $96.617 million.

Communist China will give Cuba a five-year interest-free loan of 240 million roubles (about $216 million), under an Economic Co-operation Agreement signed at Peking last week. A trade protocol has also been signed for 1961, under which China will buy one million tons of Cuban sugar and other commodities.

PERSONAL

LORD Rochdale, Chairman of the U.K. Cotton Board, has arrived in Bombay on a short visit.

Mr. P. A. Menon, Ambassador of India to Argentina, has been appointed Ambassador to West Germany. He will assume charge of the new assignment next month.

Mr. G. L. Mehta has resigned from the chairmanship of the Hindusthan Shipyard. He will, however, continue to be the Chairman of the National Shipping Board.

Mr. Lala Ram Sharan Singh, at present Chief Commissioner, Pondicherry, has been appointed the first Ambassador of India to Poland. He will take up his new post in March 1961.

Mr. A. K. Chanda, until recently Comptroller and Auditor General of India, has been appointed Chairman of the third Finance Commission, *vice* Mr. G. L. Mehta who expressed a desire to be relieved of this responsibility on grounds of health.

The Shell International Petroleum of the U.K. has secured a new concession for offshore oil exploration from the Kuwait Government, against severe competition from other oil companies. The concession is based on the traditional 50 : 50 partnership principle. But it is learned that the Kuwait Government has been given an option to participate in the exploration and production of the Company, on the understanding that it can sell its oil to Shell, if it so wishes, at "reasonable" prices.

The World Bank has announced the grant of a loan equivalent to $25 million to Norway for assisting further in financing the Tokke hydro-electric development scheme. Ten commercial banks in the U.S. are participating in the loan, without the World Bank's guarantee, to the extent of $1,231.000 representing the entire first three maturities and part of the fourth maturity which fall due between 15th November 1964 and 15th May 1966. The loan is for a term of 25 years and bears interest at the rate of 5¾ per cent. annually, including the 1 per cent. commission which is allocated to the Bank's Special Reserve. Amortisation will begin on 15th November 1964. Including the latest loan, the Bank has made five loans aggregating $120 million to Norway. Two of the earlier loans were also for electric power expansion, and two were for general development purposes.

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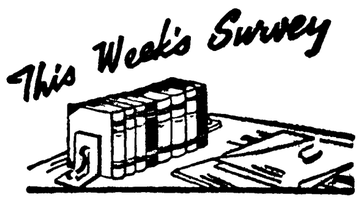


D.L.F. LOANS TO INDIA

TO the impressive record of financial assistance received by India from the U.S. Development Loan Fund has now been added six more loans, together amounting to Rs. 54.30 crores ($114.1 million). All the agreements covering the new loans were signed this week, five at New Delhi and one at Washington. The biggest of these loans (Rs. 23.80 crores or $50 million) is given to the railways for procuring electric and diesel locomotives and centralised traffic control equipment. This is the third loan to the railways from the D.L.F., bringing the total of credits so far granted to Rs. 54.74 crores ($115 million). A loan of Rs. 11.90 crores ($25 million) is given to private industries for the import of capital equipment in the fields of metallurgy, electrical installations, machine tools, earthmoving equipment, chemicals, etc. Another loan of an equal amount covers purchase abroad of steel and steel products needed by private and public enterprises. This is the third loan bringing the total to Rs. 28.56 crores ($60 million). The remaining three loans are for the following projects:

Industrial Finance Corporation: Rs. 4.76 crores ($10 million) for making available medium and long-term credits to private industries in India.

Barapani Hydro-electric Power Project: Rs. 1.19 crore ($2.5 million) for the construction of a concrete dam across the Umiam river and erection of a power house of 27,000 kilowatts capacity. In addition to this, a loan of Rs. 6.2 crores will be made out of the P.L. 480 funds to meet rupee costs.

Kanpur Thermal Electric Power Plant: Rs. 76 lakhs ($1.6 million) for the extension of capacity by 15,000 kilowatts. A loan of Rs. 95 lakhs will also be given from the P.L. 480 funds to meet local currency costs.

It may be noted here that the last two projects will be financed in their entirety by the U.S. A notable feature of all the six loans is that they are repayable in rupees. What is more, the amounts repaid will not be transferred back to the U.S., either in cash or in goods, but will be kept within the country to be used in such manner as is mutually agreed upon. The loans will thus not be a charge against India's balance of payments at any time. A number of other D.L.F. loan agreements are being drafted and these are expected to be signed soon. Reassuring is the statement of Mr. Vance Brand, Managing Director of the Fund, who signed all the agreements excepting the I.F.C. loan at New Delhi, that the Fund "maintains an abiding interest in the private sector of business and in the co-operative efforts of American and Indian private business interests."

PAPER INDUSTRY

Two major factors—the spread of literacy and educational facilities and the rising tempo of industrialisation and business activity—have invested the paper industry with some basic importance. Its progress to date is heartening. According to the latest available figures, production of paper and paperboard has reached the level of 29,500 tons as of June 1960. The monthly average production during the first half of the current calendar year works out to 28,790 tons, as against the total installed capacity of 29,820 tons per month during the same period. The corresponding figures for the previous half-year period (July-December, 1959) were 27,520 tons and 26,750 tons, respectively. It would appear from these figures that the steady expansion of production has been due to a corresponding growth in the installed capacity of the industry and a more or less full utilisation of that capacity. Since the installed capacity in the second half of the current year is stated to be 33,350 tons per month, it may be that production in this period will have reached a monthly average of about 32,000 tons. From the monthly production and capacity figures for 1960, it could be broadly figured out that the output target of 350,000 tons set for the industry for 1960-61 will have been exceeded and the capacity target of 410,000 tons set for that year will have been fully reached. This trend of achievement of the second Plan targets for the paper industry augurs well for the achievement of its third Plan targets of 700,000 tons for output and 820,000 tons for capacity. But it would be preferable to have a target capacity of 900,000 tons, as suggested by the Indian Paper Mills' Association and reiterated in Mr. H. P. Singh's presidential address at the eighteenth annual general meeting of the Association this week at Calcutta, so that there can be absolute certainty of reaching the output target of 700,000 tons under the third Plan.

Mr. Singh's view, which is based on experience, is that installed capacity should exceed anticipated production by a margin of 20 to 25 per cent. Although currently the margin is less than 15 per cent., a higher margin may be necessary for the reason that paper industry is yet to be enabled to equip itself for expanding production through modernisation of plant and machinery. As the Government has not conceded a rehabilitation allowance as an element in the fair ex-works prices of paper, the industry's difficulties in the way of modernisation of equipment can be easily imagined. The cost of replacing worn-out and obsolete machinery and plant has gone up and the depreciation allowances, for income-tax purposes, are quite inadequate. Such allowances are based on the original cost of equipment and bear no relation to the greatly increased cost of replacement. If, as Mr. Singh has pointed out, the industry is forced to meet the cost of rehabilitation out of the already meagre return of 12 per cent. on capital employed, it will have less money for paying reasonable dividends to shareholders and for building up reserves for expansion. In such a situation the prospects for attracting equity capital to the industry for expansion purposes will be poor. It would appear that paper industry has a good case either for a separate rehabilitation allowance or for a higher return on capital employed. Otherwise, with obsolete plant and machinery, the industry will be producing much less than its installed capacity warrants or will be manufacturing more of coarser varieties of paper as it seems to be doing now. The present lower margin of about 10 per cent. by which installed capacity exceeds production is probably due to this factor of manufacture of coarser and thicker varieties of paper and is, therefore, not a true index of the state of plant and machinery in the older paper mills.

Some other requirements of paper industry would also need to be sympathetically considered by the powers-that-be. Firstly, the large-scale section of paper industry can be given larger allocations of foreign exchange for installing new capacity, if it is true that very few small mills of the capacity of 5 to 10 tons per day, which have been licensed so far to the tune of 200,000 tons aggregate capacity, are likely to come up. Secondly, the contingency allowance of 5 per cent., it is said, does not compensate for the cost increases which have occurred since the officially fixed prices came into effect at the beginning of this year. These cost increases are on account of railway freight, surcharge on raw materials, increase in the price of waste paper, chemicals, etc. If something is not done about them, they will only eat into the already inadequate return of 12 per cent. on capital employed allowed in the prevailing schedule of prices. And, thirdly, but not lastly, the industry's case for long-term leases of forest areas supplying bamboo or other wood is unassailable and has been supported by the Planning Commission as well as by some committees appointed by the Government. Only, the State Governments have yet to be persuaded to ensure for the industry long-term supplies of forest raw materials at reasonable and stable prices.

THIRD FINANCE COMMISSION

Under the provisions of the Indian Constitution, the President is enjoined to appoint quinquennially a Finance Commission to recommend on two specific matters, namely, (1) the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them and the allocation between the States of respective shares of such proceeds, and (2) the principles which should govern the grant-in-aid of the revenue of the States out of the Consolidated Fund of India.

As the period to which the recommendations of the Second Finance Commission applied comes to an end on 31st March 1962, the third Finance Commission would be set up, according to the announcement made in the Lok Sabha on the 2nd instant, by about the middle of this month. It will be headed by Mr. Ashok Kumar Chanda who was until recently the Controller and Auditor-General of India. In addition to its work pertaining to clauses A and B of Article 280(3) of the Constitution, the Third Finance Commission has been asked, according to the terms of reference announced this week, to make recommendations in regard to the grant-in-aid of revenues to be given to the States in need of such assistance. While recommending such grants, the Commission is instructed to take into consideration the requirements of the States under the third Five-year Plan and the efforts made by the States to raise additional revenue from their own resources. The Commission is also enjoined to determine the principles of distribution of estate duty on non-agricultural property, net proceeds from the tax on railway fares and the revenue from additional excise duties on cloth, sugar and tobacco levied by the Central Government, replacing the sales tax on these commodities.

It is noteworthy that the recommendations of the Third Finance Commission would apply only to a four-year period (1962-63 to 1965-66) instead of five years, as was the case with the two previous Commissions. This change suggests that the Government of India has at last realised the necessity for co-ordinating the work of the Finance and Planning Commissions. The position so far was highly anomalous, because the Five-year Plan period did not coincide with the quinquennium to which the recommendations of the Finance Commissions applied. This entailed avoidable duplication in the work of estimating the resources of the States, their committed expenditures pertaining to the Five-year Plans and the additional resources to be raised by the respective States. The result was that forecasts made by the Planning Commission had to be recast by the Finance Commission and no integrated view of States' finances, taking into account their developmental and general requirements, could be taken by the authorities. The Santhanam Commission, that is, the Second Commission, had focussed attention on the need to co-ordinate the work of the two Commissions. The Santhanam Commission had found that the forecast of financial resources and expenditure agreed to between the States and the Planning Commission at the time of formulating the second Five-year Plan, showed overestimation of the yield from existing sources of revenue. At the same time, the committed expenditure was not only an underestimate but there was also a misunderstanding of the scope of the term "committed expenditure." It was also found, as a result of scrutiny of the States' forecasts, that the contribution from existing revenues were actually not available and further that, in some States, the committed expenditure itself would have absorbed a part of the resources which they were expected to raise for financing the Plan through additional taxation. One possible reason for this phenomenon may be that, with a view to appropriating a sizable share of the total Plan for itself, an individual State deliberately overestimated its ability to finance the Plan, when submitting forecasts of its resource to the Planning Commission. But, when dealing with the Finance Commission, it took care to adopt a more realistic assessment of its financial resources, so that it could secure more resources through the good offices of this Commission.

Now that the Government has removed this defect by confining the period to be covered by the Third Finance Commission to four years, that is, upto the fiscal year ending 31st March 1966, the successor to the Commission now appointed, that is, the Fourth Finance Commission, would be able to work in unison with the Planning Commission, provided it is appointed in time, and the necessity of making two separate assessments of the needs of the States would be eliminated at the time of the fourth Five-year Plan. So far as the Chanda Commission is concerned, it will also have to revise the estimates of the States' resources and requirements as was done by its two predecessors. Its task, however, will be less heavy, in that it will not be confronted with the problems arising from reorganisation of States which fell to the lot of the previous Commissions.

To turn to the prospects of the States at the hands of the Chanda Commission. It would be useful to recall here that the scheme of devolution recommended by the Second Finance Commission was very generous and was found to be satisfying to most States. It provided for a transfer of Rs. 140 crores, on an average, annually for the five years ending on 31st March 1962, as against only Rs. 93 crores under the Neogy (the First) Commission. In addition, the States stood to gain on account of the share of the tax on railway fares and the share of the increase from additional Central excise duties. Further, the States also benefited from the Santhanam Commission's recommendations consolidating the large number of Central loans

to the States into four categories and rationalising their rates of interest so as to range between 2½ and 3 per cent. The formula for distributing the income-tax, namely, 90 per cent. to be divided on population basis and 10 per cent. on collection basis with an increase in the States' overall share from 55 per cent. to 60 per cent., was quite satisfying to most States. It is to be seen whether the Chanda Commission will suggest any important modifications in these percentages or in the principles governing the grants-in-aid recommended by the Neogy Commission, which were found "unexceptional" by the Santhanam Commission. There is no mention whatever in the terms of reference of the question of interest rates on the loans given by the Centre to the States. Since the award of the Santhanam Commission, the rates of interest have gone up and it is only but fair that the States should be asked to pay rates of interest on its borrowings from the Centre that will be in consonance with prevailing rates.

ECONOMY IN EXPENDITURE

If committees and commissions were any remedy, the disproportionate rise in civil and administrative expenditure of both the Central and State Governments would have come to a halt long ago. For, in the post-war period, as many as seven committees had gone into the reorganisation of administration, with a view to effecting economy in expenditure. In spite of all these committees, and their excellent recommendations, the fact remains that administrative expenses are steadily mounting up year after year, indicating that Parkinson was not, after all, wrong when he said that paper work multiplied in proportion to the increase in the number of people employed on it. It is true that planning and expansion of Governmental activities would inevitably result in an increase in expenditure, but what is causing concern is not the increase incidental to the execution of plans or discharge of other Government functions, but the rise in expenditure which is out of all proportion to the increase in work or the benefit accruing from it.

The non-official resolutions, urging the appointment of a commission to examine the questions of increase in civil expenditure and to suggest measures for economy, moved by Mr. Jugal Kishore, a Congress member, in the Rajya Sabha on the 2nd inst., should serve to focus, once again, the attention of the Government and the public on this vital question. Although the resolution was withdrawn at the instance of Mr. B. Gopala Reddi, Union Minister for Revenue and Civil Expenditure, the very fact that it evoked a wide measure of support from all sections of the House shows that Parliament is anxious to ensure that the unproductive expenditures are kept down to a minimum. It is true, as the Minister pointed out, that, since so many committees had already gone into the question and made various suggestions, many of which were accepted and were being implemented, no useful purpose would be served by yet another commission or committee. But this does not mean that the Government could take its own sweet time and go about the job leisurely. A time limit should be set for the Government to show the results of the efforts now being made to prune expenses.

An indication of the extent to which the rise in non-Plan expenditure had swallowed up the revenues raised by additional taxation was given by the Planning Commission in its *Appraisal and Prospects for the Second Plan*, issued in May 1958. It was pointed out therein that, despite new tax measures adopted in the second Plan period, the tax effort had not provided enough resources for the Plan as a large part of it had been absorbed by other demands. The Estimates Committee (Chairman: Mr. H. C. Dasappa) examined the growth of non-Plan expenditure and suggested in its ninety-second report, various economy measures. The Committee noted that, in the sphere of civilians employed by the Central Government, there had been a rise of 60 per cent. in the strength of the "administrative and executive" category since 1951 and an increase of as much as 78 per cent. in the clerical staff. The Committee also felt that the increase in the strength of Joint Secretaries, Deputy Secretaries and Under Secretaries was unduly high and that overstaffing in Government offices arose because staff requirements were often estimated and sanctioned on the basis of conjecture in the absence of analysis of the methods of work. The Committee reiterated the recommendation of an earlier Estimates Committee that scales of work should be laid down for each job on scientific and business principles and that the staff strength should be fixed in the light of such standards.

It is not in expenditure on staff alone that there is room for economy. Mr. Gopala Reddi revealed that expenditure on staff accounted for only 20 per cent. whereas that on buildings, plants and stores represented 80 per cent. of the total expenditure. The Planning Commission, it is said, has set up 27 panels for scrutinising estimates and effecting all possible economies. Two special units have also been formed to study workloads, with a view to reducing the number of employees. All these steps are in the right direction, but to what extent they will lead to economy in expenditure remains to be seen.

The Minister's assertion that the question of economy is continuously under review by the various agencies of the Government and the Planning Commission provokes one to ask: what has come of all these reviews and scrutiny? Two Five-year Plans have almost been completed and the third is about to be initiated. The Government certainly cannot plead that it has not had time to attend to this all-important question. The fact of the matter is that the Government has yet to show evidence that it is actively practising the austerity and economy which it preaches to the citizens.

MR. RUSSI MODY ON THIRD PLAN

Will the third Five-year Plan, due to commence on 1st April next, be implemented successfully? This is a question which is rather difficult to answer, for there are a score of factors which cannot be sized up at present with any degree of accuracy. The first and foremost is the availability of adequate finance—internal and external. But even if sufficient financial resources are found and applied to the task, the targets set in the Plan may not be achieved, if there is blind adherence to ideological considerations, muddle-headed and bureaucratic administration, persistent suspicion of the motives of private enterprise, and excessive zeal of Ministers to make themselves indispensable by trying to take on more responsibilities in the sphere of production than their capacity to cope with them. This aspect was well brought out by Mr. Russi Mody, President of the Indian Chamber of Commerce, Calcutta, at a meeting of the Chamber held on the 1st inst. Mr. Mody very aptly put it when he said that it was only through a more realistic approach, greater administrative efficiency and a genuine desire to enlist the co-operation of all sectors in the economy that the Plan targets could be fully achieved and even exceeded.

Of vital importance to the success of the Plan is the need for taking quick and effective policy decisions by the powers-that-be. This need is clearly brought out by the experience of the past few years. How else is one to explain the lack of decisive action in the manufacture of aircraft and cars, setting up of petroleum refineries and fertiliser factories, and installation of coal washeries? Firm decisions on these would have, as Mr. Russi Mody said, saved the country several crores of rupees. Lack of foresight in planning coal production is another instance. Alluding to this defect, Mr. Russi Mody observed: "It leaves me speechless to think that, in this age of planning, vast new steel plants and other industrial projects requiring the use of coal were planned and executed without first making sure that the necessary coal production of the requisite quality would be forthcoming and the carrying capacity of the railways would be adequate. The various and vigorous measures now being contemplated by both the Steel, Mines and Fuel Ministry and the Railway Ministry are to be welcomed, but the effort has come too late and crores of rupees worth of steel production capacity lies idle.

The Indian Chamber of Commerce President also made a brief reference to the Company Law Bill which seeks to impose several new restrictions on managements with the object of checking malpractices and evasions. He did not, of course, deny the existence of black sheep among company managements, as in other walks of life. Only, he sought to emphasise that the enormous elaboration of formalities had imposed a severe strain on well-managed companies in fully complying with the provisions of the law, without at the same time deterring the less reputable managements the omissions of which went unnoticed. Mr. Russi Mody was wholy in the right where he pleaded for "more efficient administration of the Company Law to bring refractory managements to book rather than this misguided zeal for proliferating procedures which penalised the law-abiding majority for the sins of the few." He characterised as "most objectionable" the additional safeguards now sought to be introduced to protect the shareholders and the community. His reason was that the new powers meant an enlargement of bureaucratic authority over companies, leading to delay and possible harassment. There can, however, be two opinions on this aspect of the amendment to Company Law. There have been quite a few instances of serious irregularity in company managements which could not be remedied by the intervention of shareholders alone.

SUGAR EXPORTS AND CONTROLS

The observations made by Mr. S. K. Patil, Union Minister for Food and Agriculture, during question hour in the Rajya Sabha on 29th November and at a meeting of the Bombay Sugar Merchants Association, held on Saturday the 3rd inst., indicate the determination of the authorities to build up an export market for sugar. Sugar exports, Mr. Patil declared, had become imperative for augmenting the country's foreign exchange resources. India, we are told, has approached the U.S. for an annual quota of 500,000 tons. But, before India can export sugar to the U.S., it must become a member of the International Sugar Agreement. Efforts are, therefore, being made to secure the membership, Mr. Patil did not disclose as to how the exports would be effected—whether the task would be left to private channels of trade or to the State Trading Corporation, as is feared by some in the industry.

While the need for sugar exports may be urgent, the quota of 500,000 tons asked for by India is too large and one wonders whether such a large quota will not cut into the supply available for domestic consumption which is bound to rise considerably in the coming years. It is to be hoped that the quota mentioned by Mr. Patil is only the maximum, the actual export of sugar to the U.S. being determined every year according to the size of domestic production. Otherwise, the consumer will find it difficult to satisfy his requirements of sugar fully at a reasonable price. The difficulty will be all the greater, if, in any season, production suffers a decline owing to a setback to the cane crop.

Whatever may be the quantity of sugar sold to the U.S., there will be a not inconsiderable loss of rupee resources, arising from the full remission of excise duty and cane cess. The loss works out to as much as Rs. 342 per ton of sugar. Even after excluding taxes, the cost of Indian sugar amounts to about Rs. 800 per ton, as against the world price of Rs. 450. In other words, the loss on exports will be of the order of Rs. 350 per ton, besides the loss by way of excise duty and cane cess amounting to Rs. 342 per ton. The loss of Rs. 350 per ton can be met, to a considerable extent, if, as Mr. Patil stated, the U.S. pays for Indian sugar, as it pays for the sugar bought from other countries, 60 per cent. more than the world market price. Mr. Patil disclosed that India has initiated steps, with the co-operation of certain other sugar exporting countries, for persuading the International Sugar Conference to raise the world prices of sugar. It remains to be seen whether they will succeed and, if they do, whether the U.S. will still pay a special price which will be 60 per cent. higher than the enhanced world price. India's move to get the world price itself raised is, however, quite pertinent. There is a lot of "closed market" arrangements in world sugar trade which are based on political considerations. The subject needs some careful study at expert level.

Assuming Mr. Patil succeeds in getting the world price of sugar raised, it is to be hoped that it would not breed more complacency among the State Governments in tackling the question of raising the yield of sugar per acre. As readers are aware, the progress made by the principal sugarcane growing States in this direction is extremely disappointing. There is no denying the fact that the real solution to the problem of sugar export lies in stepping up the yield of sugar per acre from the present low level of 1.4 ton to at least 3.0 to 3.5 tons. Mr. Patil no doubt gave evidence that he was fully aware of the problem, but did not indicate as to how it could or should be tackled, excepting his casual remark that the sugar mills which have their own cane plantations must address themselves to this task. There may still be room for raising the yield per acre even in plantations owned and cultivated by sugar mills. But it is sugarcane raised by individual farmers that is poor in quality and it is they who account for the major portion of cane from this country. The problem has, therefore, to be tackled at the level of individual cane growers. It is true

(*Continued on page 1076*)

ON THE ARENA

By The Archer

Need Suavity be Scarce?

ABOUT a fortnight ago I took a cutting of a brief Press report of a speech by Rajaji under the auspices of The Forum of Free Enterprise in which he was stated to have observed that India was exploiting the cold war situation to borrow money from the West and that her neutrality had become a means of blackmailing the West. I was interested in the cutting not so much because it contained anything very different from Rajaji's oft-publicised views on foreign aid, but that the harsh epithet used by him was even more vitriolic than his norms in recent times. The cutting vanished into the limbo of forgotten material during a period of ten days, but I had to dig it up hastily after I read the speech of Mr. B. K. Nehru on 28th November in the U.N. General Assembly's Economic Committee advocating the establishment of a U.N. Capital Development Fund, to ask myself if Rajaji's harshness (not, perhaps, the particular epithet) was not, after all, justified in the context of the crude bludgeoning indulged in by Mr. B. K. Nehru and the devious historical analysis employed by him. The graceful dignity and suavity which should characterise the delicate role of a roving economic ambassador was nowhere in evidence during Mr. B. K. Nehru's performance, and the most that could be said in his defence is that he was, perhaps, briefed to (meaning, in diplomatic parlance, made to) raise the arguments which he did in his speech.

Mr. B. K. Nehru asked for the promotion of two ideas: first, the setting up of a Capital Development Fund, and, secondly, that all economically advanced States should ensure, as a matter of continuing national policy, that the total annual net outflow of funds from their own countries for promoting economic development of underdeveloped States is increased and maintained at a level not below approximately one per cent. of national income. He urged the vital consideration, on behalf of the poorer countries, that outflow of such funds be so arranged as not to bear heavily on the future balance of payments positions of the less developed countries. Directing his remarks to the richer countries, Mr. B. K. Nehru is reported to have assured them that the resolution was neither dangerous nor radical nor visionary nor impractical. Asserting his credentials to sponsor the proposal, he declared: "I have been for the most part of my life a treasury official myself and am consequently imbued with the moderation and conservatism which is the hallmark of all treasuries." The fact that this portion of his speech has been included in the cabled despatch with inverted commas may be a pointer to the respect with which it was received, or even to its irrelevance; for it is possible to contend that the reactions of a treasury official from an underdeveloped country which is an applicant for massive assistance need not be a guide to his counter-parts from richer countries which are faced with intriguing problems arising out of the very affluence which they enjoy. No argument acquires an aura of validity merely by the superior qualifications or past experience of the person that makes it, especially when it is placed before a body of persons not all of whom can claim similar credentials; the very manner in which it is padded may defeat the purpose for which it is made.

I am being critical, not because of the somewhat pontific self-assurance with which Mr. B. K. Nehru comforted his audience, but the subsequent historical arguments which he propounded, urging greater efforts from developed countries towards the underdeveloped ones. One was that contribution to the Capital Development Fund should be considered as payment by the Western countries for salvaging their consciences for their colonial exploitation on the gains from which they had built their prosperity in the past. To use his words: "It is true and undeniable that possession of colonies has been of immense material benefit to the colonial powers. Many historians have held that the industrial revolution in the United Kingdom and subsequently in the Continent of Europe could not have been financed, had it not been for the rape of Bengal. The part played by the inflow of gold from South Africa into Europe is even better known."

Another point made by Mr. B. K. Nehru was reiteration of the Soviet argument that countries which had colonies and had exploited them should not be equated with countries which developed as a result of their own efforts. In the position that he was occupying and at the forum from which he was addressing it was obviously unwise for him to emphasise the Soviet contention, and, of course, it was also historically untrue. If the point that was made sought to throw the spotlight on the iniquities perpetrated on the victims of colonial exploitation, it was meaningless to separate the perpetrators into two castes, the lower of which consisted of those who maintained a dynastic continuity, and the higher consisted of those who had severed the dynastic line through fortuitous upheavals. On this reasoning, the U.K. might disclaim all liability and responsibility for the sins of the East India Company. It might be convenient for Soviet Russia to deny any accumulated inheritance from Colonial loots, but Russian colonialism was very much in existence in the Czarist regime, and, if Czarist Russia failed to expand economically from its proceeds, it was because it lacked the initiative and regimentation which Soviet Russia subsequently developed. Historically, therefore, the Russia of pre-revolution days was not innocent of colonial exploitation.

The third point made by Mr. B. K. Nehru was that the International Development Association did not have universality of membership and had weighted voting, so that it necessarily reflected the ideology, philosophy and even the theology of the group in control. It was, indeed, unfortunate that Mr. B. K. Nehru raised this point, for, in the context of the assistance that we have already received, it is purely academic. Two out of the three public sector steel plants which we have in our country owe their existence to the Governments and *entrepreneurs* of countries which belong to the ideological, philosophical and theological group to which oblique reference has been made.

There are already large sections of people in our country who believe that (*a*) we are *entitled* to unlimited foreign assistance, (*b*) that the underdevelopment from which we suffer is solely due to our having been subjected to economic exploitation in the past, and (*c*) that foreign money should come pouring into our coffers as expiation for the sins of omission and commission of which the givers or their tribe have been guilty in the past. Apart from the fact that speeches like that of Mr. B. K. Nehru are likely to deaden our sensitivity and retard our progress, they are bound to result in stiffening the mental attitudes of peoples who are disposed to be friendly and helpful out of a newly awakened sense of social responsibility but will not appreciate being reminded of the fact that their forefathers had been sinners and that, therefore, they should not only give more than ever, but also declare at every stage, the rottenness of their pedigree.

Before an international forum it is more easy to be clever and forthright than it is to be serene and suave. A speech may be taut as a drum, but, if it makes the listener purple as a beet, it negatives its purpose. Would our representatives at international gatherings bear this in mind?

• • • •

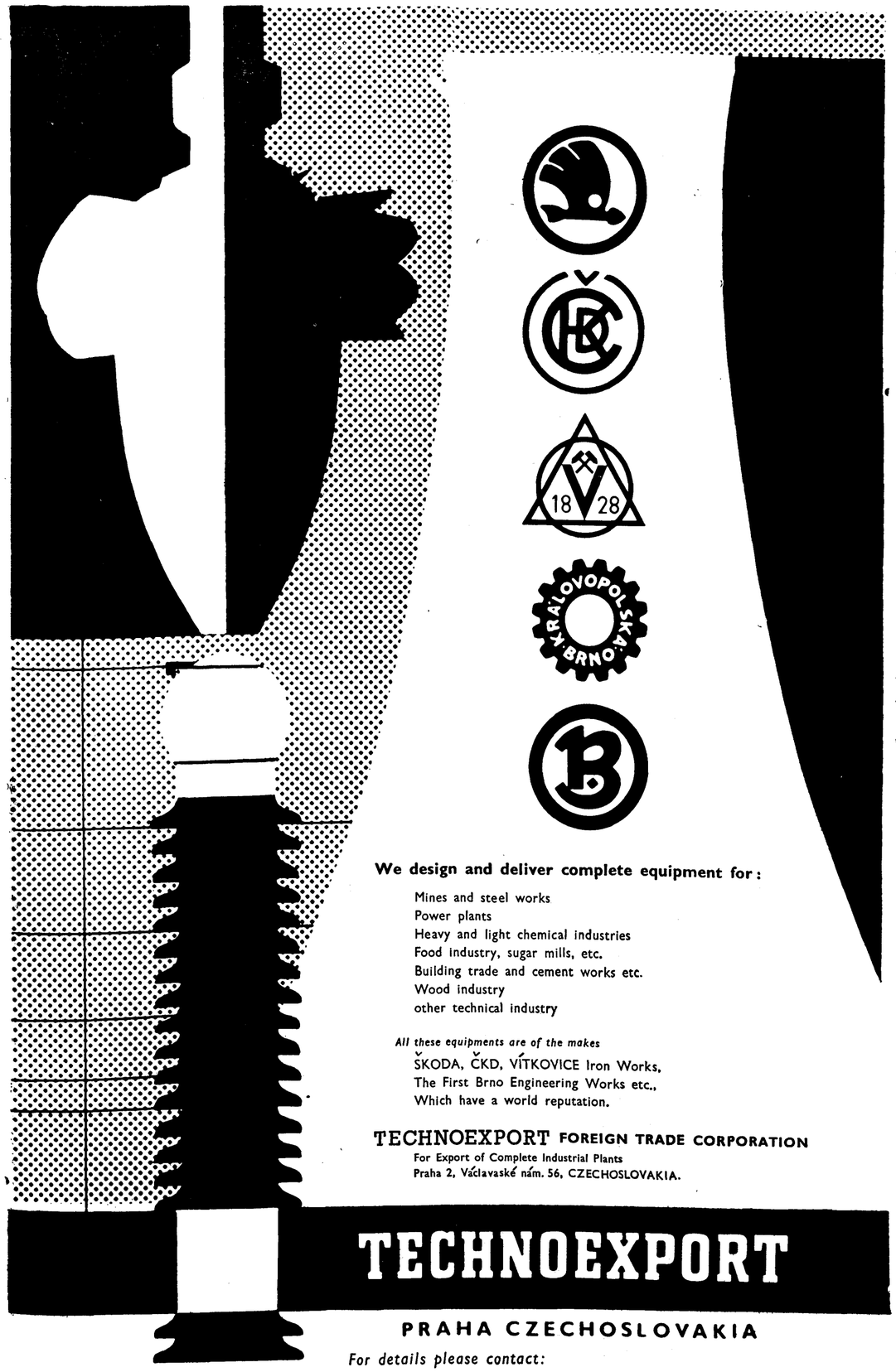
Third Plan Allocations

Allocations to States for the third Plan have been finalised on the basis of a formula under which the Plan expenditure will be staggered, beginning with roughly twelve per cent. of the total Plan budget in the first year and ending with about twenty-five per cent. in 1965-66. No State appears to have been given all that it required, and two at least, as far as I know, namely, Maharashtra and Bengal, have had their claims drastically scaled down. The original Plan of Rs. 497 crores for Maharashtra was conceded only to the extent of Rs. 360 crores, while, in the case of Bengal, the original figure of Rs. 341 crores was reduced to Rs. 250 crores. Madras State presented a Plan for Rs. 397 crores and procured an allotment of only Rs. 292 crores, but the Madras State Ministers have proclaimed that they are satisfied, although they would have been happier if the figure had been raised to Rs. 300 crores. All this is very intriguing. Either the State targets had been drawn up in a very haphazard manner without careful appraisal of the priorities and objectives, or the Planning Commission has just come down with a heavy hand owing to paucity of resources. In either case, there is lack of co-ordination between the Commission and the States, and it is hard to believe that a system cannot be devised under which States' Plans will, in the first instance, be drawn in consultation with the Commission. That it would be eminently satisfactory to avoid drastic cuts and changes in the final stages, as also the resultant heart-burns, protests and recriminations which get publicised in the several States, does not seem to be realised by the Planning Commission. Or, is it that it does realise, and yet would let things happen this way so that its superior status in the scheme of things may be recognised all over the country? If the Commission is as knowledgeable in the art of maintaining an even political climate in the country as it is, professedly, in the art of maintaining planned development, it should direct its efforts to avoid rivalries among States, and loss of face to their cabinets of ministers. Loss of face arises when ministers' efforts to secure maximum benefits for their people are defeated and the defeats are publicised. Could this not be avoided by co-ordinated action *in camera* at the formative stages, so that agreed solutions may be presented at the end?

The aftermath of these powwows between State Chief Ministers and the Commission is that the former have declared their intentions to adhere to their original targets and raise internal resources to make up the shortfall. As the maintenance of *izzat* is the *sine qua non* of political survival, this attitude is quite understandable. But what I am perturbed about is that the fervour to raise resources may lead State Governments to adopt measures which might inhibit industrial development, for the sources from which revenues can be collected by States are indeed limited. For instance, electric power may be surcharged, as happened in the past, especially where hydel energy was originally available at comparatively low rates, and the very attraction that those areas had for establishment of industries may rapidly vanish. Transport might be asked to bear a heavier burden than at present, with corresponding increases in the costs of production of most commodities. The rates for leases of forests or for exploitation of mineral resources may also be enhanced, resulting in increases in the prices of basic raw materials. In fact, practically every step that may be taken by States to augment their resources might result in queering the pitch for established industries, and their competitive strength as envisaged in original estimates may rapidly disappear. This is one aspect of the matter which should engage the attention not only of the Planning Commission but also of the several ministries at the Centre which are engaged in ensuring the country's even development. It is all very well to allocate certain fields to States in which they are free to raise resources, but, if past tendencies in certain States are any indication of future propensities, it is not unlikely that they may do damage to overall development in their eagerness to get the utmost out of the reserved fields. It is not enough that targets are fixed for the country's overall Plan and for the share of the States therein; it would also be necessary to ensure that the methods employed by States to maximise the collection of resources are wisely set within a permissible pattern which would create no impingement on the country's industrial and economic development.

LEIPZIG FAIR

The Leipzig International Autumn Fair, held from 4th to 11th September last, is claimed to have been a great success. In all, 6,853 exhibitors from 47 countries took part in the Fair, including both the communist and non-communist countries. The overall turnover of business done at the Fair through the East German foreign trade organisation rose, as compared with the 1959 Autumn Fair, by 25 per cent. to 2,735 million marks. Of this, the communist countries accounted for 1,558 million marks and other countries for 1,177 million marks. According to the organisers, the increase in the size and comprehensive character of the exhibits of consumer goods, including durable consumer goods of all kinds, from the socialist countries, was reflected in the increased interest shown in the Fair by businessmen and industrialists, professional and trade associations and official circles in all parts of the world. Numerous Government and commercial delegations attended the Fair, as well as leading figures from all walks of life in both socialist and non-socialist countries. Particularly significant was the presence of a number of representatives of newly independent and economically less developed States in Asia, Africa and South America. In 1961, the Spring Fair will be held from 5th to 14th March next and Autumn Fair from 3rd to 10th September.



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AMERICAN LETTER

CONFUSION OVER ECONOMIC TRENDS

MR. ANDERSON'S EFFORTS HAVE ONLY BROUGHT DOWN THE PRESTIGE OF DOLLAR

From Our Special Correspondent

NEW YORK, *3rd December*

THERE is a good deal of confusion in this country. There is an air of uncertainty. Unlike the predictions of the "glorious 1960s" at the beginning of the year, there are doubts now. Predictions of a recession are rampant.

This is quite difficult to explain, because it is emotional rather than rational. Steel production has edged up a bit to about 53 per cent. of capacity, but it is, obviously, disappointing. There are no strong expansionary forces, with exceptions, of course.

As yet, nobody knows what the economic and political course of the new Administration is going to be. Some appointments have been made which appear to be good on the surface. Others are doubtful.

Actions will count, not speculation over what the appointees with their known background will do, or might do, that is where the uncertainty comes in. This is reflected chiefly in a slackening of spending for capital goods and equipment. It is a reflection of people who control corporate purse strings, rightly, or wrongly.

All this is quite nebulous, against the background of an inherently sound economy. The construction industry is showing renewed strength. The electrical machinery industry has increased bookings and the total output of mines and factories has held up well. Office and store machinery orders have been good, too.

American economists are worried by "the soft spots." New orders for industrial machinery, generally, have been dropping. Backlogs have been shrinking. There is little prospect of a rise in steel production unless a war breaks out.

The gross national product is still formidable at $503,500 million a year during the third quarter. This was a slight decline from the $505,000 million in the second quarter of the year. A further decline to about $502,000 million may be expected, on an annual basis, for the last three months of 1960. But this is no national calamity.

Two Major Problems

There are two other major problems which appear troublesome to analysts—the outflow of gold from the U.S. and unemployment.

U.S. gold stocks, not so long ago, above $25,000 million, are now quite near $18,000 million. Government measures to stem the outflow of gold have had little effect, so far, despite valiant efforts.

The imbalance of trade cannot be stopped by negotiation. Russia, at this point, has about $9,000 million of gold and West Germany about $6,000 million. In my opinion, the visits of Treasury Secretary Anderson to European countries, trying to relieve the dollar drain, were foolhardy ventures. They have only helped to lessen the value of the dollar, instead of improving it.

The competitive position of the U.S. in world markets cannot be changed by monetary exchange agreements. The roots are based on such conditions as costs, including wages, inflation, capital investments, if possible, and other factors. In the last few years, the U.S. has been losing, rather than gaining.

St. Lawrence Seaway

The St. Lawrence Seaway has finished its first year of operation. The waterway was opened, officially, this year by President Eisenhower and Queen Elizabeth II. The traffic was considerable and both the U.S. and Canada have benefited.

Yet, many bottlenecks have to be overcome. Port facilities in such places as Chicago are inadequate for taking care of incoming cargoes. This means delay for shipowners and unexpected costs.

Perhaps, this year's performance of the Seaway was not an accurate gauge of normal performance. Generally speaking, the Great Lakes' shipping lanes are dependent a good deal on iron ore shipments originating from the Mesabi range and other places in this geographical area.

As stated above, the steel business was rather poor and, thus, the iron ore consumption was quite low. This had national and international implications. However, in the long run, the St. Lawrence Seaway is bound to be, and to become, an important artery of international trade from all parts of the world.

Agricultural Production

Agricultural production in the U.S. this year, again, reached records. The total volume of crops as reported from Washington was at 122 per cent. of the 1947-49 average. The previous record of 118 per cent. was set in 1958 and 1959.

The agricultural surplus problem has long been a very important political issue in the U.S. Despite conflicting claims, no spokesman of the two major parties here know what to do about it. The farmers, although decreasing in numbers, owing to mechanisation, are still an important element in the U.S. economic and political life.

Foreign Trade Convention

The forty-seventh National Foreign Trade Convention concluded its meetings here the other day. It is an important gathering of all segments of U.S. business with world-wide interests. As such, the convention, usually, commands the attention of authorities in Washington.

One of the final resolutions was devoted to world trade. It was suggested that a large and expanding volume of international commerce, carried on through private enterprise, is vitally important for promoting the economic and social problems of all nations. This, of course, is a platitude, but it is meant sincerely.

As regards the U.S., a high level of international trade was held to be especially important as a means of enabling this country to increase its exports and, thus, to reduce sharply the deficit in its balance of payments, in order to meet its commitments abroad and to maintain an inflow of needed imports.

The convention urged also that Washington should make every effort to secure a reduction in arbitrary barriers to international trade. A good deal of attention was paid to the negotiations under the auspices of G.A.T.T. (General Agreement on Trade and Tariffs).

There was, as well, a fairly general agreement that greater facilities should be provided to the Bureau of Foreign Commerce, U.S. Department of Commerce, and to the U.S. Foreign Services to strengthen their trade promotion services, particularly in the fields of commodity, economic and intelligence reports.

It was a sane and down-to-earth convention, devoid of nationalism and pettiness. There was frequent mention of India as the emerging leader of the Orient, politically, economically and otherwise.—*All Rights Reserved.*

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LONDON LETTER

GOLD INFLOW SLOWING DOWN

HALF OF U.K.'S RESERVES REFLECT ARRIVAL OF NON-STERLING FUNDS

From Our Own Correspondent

LONDON, *3rd December*

IN the last week of November, the American Treasury lost $76 million of gold, bringing the total decline in American gold stocks for the year to $1,546 million. But the rate of outflow is clearly slowing down rapidly and, as a result of various subtle interventions in the London gold market, the price of gold at the daily fixings has now fallen below $35.50 per oz. Normalcy is slowly returning.

In the month of November, the British gold stocks rose by £10 million and when it is appreciated that, during that month, the country was coping with an adverse trade balance, it is clear that, in spite of the reduced rate of inflow of foreign money, these funds are at least more than sufficient to meet Britain's current trade deficit.

But £10 million is not after all very much gold. It represents a good deal less than half the loss of the American gold reserves in the last week of November. If this outflow of gold were to be substantially reversed, what would be the effect on the British gold and dollar reserves? It is encouraging to note that the gold acquisition of November was made, in spite of a further one half per cent. reduction in the Bank rate at the end of October. On the other hand, the British authorities may ultimately accept the thesis that internal trade recovery will depend upon some further relaxation of credit restrictions and, if that happens, London might no longer have competitive interest rate advantages to offer to foreign short-term investors.

Sterling Liabilities

The total British gold stock is now £1,131 million, the highest since September 1959. To what extent are these stocks committed against sterling liabilities? The Treasury analysis is that, in the third quarter of 1960, foreign short-term funds flowed into this country as follows:

From Western Europe	...	£143 million
From the United States	...	£42 million
From other sources ...	...	£41 million

representing a total net inflow from non-sterling sources of £226 million. But, while non-sterling areas were sending funds into London in this manner, the sterling areas were drawing down their balances and, in the third quarter, this drawing down was as high as £154 million, so that the net inflow of foreign funds in the third quarter was no more than £72 million, that is, so far as the banking system reckons sterling liabilities.

The net inflow in the third quarter was only slightly higher than the figure of £63 million for the first half-year. This £63 million was made up of a net inflow from non-sterling countries of £137 million and a net outflow to sterling areas countries, that is, a drawing down of balances by such countries of £30 million, thus a reduction in the sterling holdings of the International Monetary Fund of £44 million. For the nine months to the end of September, therefore, the sterling area and the International Associations drew down their sterling balances by £228 million while, over the same period, the non-sterling area countries increased their sterling balances by no less than £363 million giving a net increase in sterling liabilities of £135 million.

Not Formidable

Such an increase is by no means formidable and the British gold and dollar reserves will be well able to cope with a substantial drawing down of the non-sterling area balances, especially since it could easily happen that, at the same time as such balances were being drawn down, the sterling area would reverse its present trend and build up balances.

But there is every reason to suppose that the sterling balance figures by no means represent the whole of London's short-term of liabilities for the third quarter of this year, the National Institute of Economic and Social Research has made estimates of the amount of foreign investments here, including such diverse sources of investment as the new facilities which the City of London offers to foreign banks to invest in domestic issues such as those of local authorities. Taking into account all the various ways in which funds may be held here, the Institute concludes that, in the third quarter, the increase in foreign funds here was no less than £350 million, that is, about more than half as much again as the official figures of non-sterling balances. If the same ratio were to apply to the inflow of foreign funds in the first half of this year, then we must conclude, taking account also of the inflow during the months of October and November, that this year non-sterling funds must have come into this country at a rate in excess of £600 million, or rather more than half the total of British reserves.

But one must not be alarmist about such figures, large as they are. All sorts of influences can play upon the movement of foreign funds, and, if a really serious drain should for any reason take place, then that is the proper time for the I.M.F. to come to the rescue of the Bank of England and make new advances. It is after all far better that a country such as this should have a high turnover of funds, and invest long even when it borrows short, than play the same game as Western Germany is indulging in, and that is absorbing funds without investing them overseas sufficiently.—*All Rights Reserved.*

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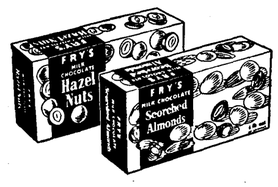

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PATTERN OF TEXTILES CONSUMPTION

FINDINGS OF MARKET RESEARCH IN U.P.

THE cloth consuming capacity of India will expand to a significant extent in the next few years, what with the continued growth of population and the rising living standards of the masses. The cotton mill industry can, therefore, count on a persistently high level of demand for the products it manufactures. But it cannot afford to develop a complacent attitude on this score. Indeed, the industry will have to bend its energies to manufacture fabrics of high quality according to consumers' taste and at an economic cost. In such a task, both the State and the workers should, of course, lend their unstinted support and co-operation. Viewed thus, there is no exaggeration in the statement made by the Marketing Research Corporation of India Ltd., in its report on the pattern of cotton textiles and competing fabrics in Uttar Pradesh (1959), submitted to the Cotton Textiles Fund Committee, that indications in the pattern of preference are clear that the mills will need to fight harder to earn this share of the town and city markets by concentrating on those fabrics for which mill-made cloth is still in demand as well as on finer varieties which will compete with artificial silk and handloom goods. The chances of recurring crises, the Corporation warns, constitute a potential threat to the development of India's largest industry, if both production and sales policy are not adjusted to the hard facts of the declining elasticity of demand in the towns and the rising demand for alternative fabrics.

It is clear that the cotton mill industry should keep itself constantly abreast of the changes in demand for textiles from time to time. For this purpose, there is, as Mr. R. G. Saraiya, Chairman of the Cotton Textiles Fund Committee, rightly emphasises in his foreword to the report, the need for carrying out market research not only on the volume of demand for cotton textiles but also on the varieties in demand, the channels of distribution, the inroads, if any, made on the demand for cotton textiles by other competing fabrics and other relevant trends which will enable the industry to market its products to better advantage.

In its report, the Marketing Research Corporation traces the relation between the income and consumption pattern of fabrics, the consumption pattern of mill-made cloth as effected by alternative and competing fabrics, and the changing preferences and structure of demand for cotton cloth. In the first place, an attempt has been made to measure at the time of the survey the pattern of *per capita* expenditure by income groups in villages, towns and cities and to illustrate how the processes of urbanisation have assisted or obstructed the demand for cloth. While income is the dominant component, it has been demonstrated that it is by no means uniformly favourable. The findings of the survey reveal two striking features. They are:

1. The peak consumption of cloth in terms of rupees appears, paradoxically, in a low income group, where there is a massive rural production, but there is an almost equally massive demand in the rural group with a household income of Rs. 101-Rs. 105 and Rs. 151-Rs. 200 per month, as well as Rs. 201-Rs. 300 per month. Higher income is offset by a smaller population so that the paradoxical result is reached that the highest sales are actually recorded in some of the lowest income groups.

2. The village is the most hopeful place for increased cotton textile consumption. A larger percentage of current expenditure will be expended on cotton cloth in the village than either in towns or cities.

Out of the total expenditure incurred by the population, the percentage share of cotton cloth is 9.5 in villages, 8.1 in towns and 11.0 in cities, the corresponding figures for expenditure on non-cotton cloth being 0.6, 1.8 and 3.0, respectively. It is stated that the pressures on cloth demand reflect themselves in a changing elasticity of demand relating to income. In the case of villages, the rate of decline of elasticity is very small, because the percentage capacity of almost every group to absorb cloth is practically unaffected by income alone. The position is, however, different in cities and towns. Table I shows that there is a dramatic fall in terms of the marginal propensity to consume cotton fabrics as one moves from the lowest income group in household income to the highest group.

The survey has established the point that the marginal propensity to consume cotton fabrics declines steadily in both percentage and absolute terms. Thus, in the lowest income bracket in cities, a rise of Rs. 10 in income will lead to an increase of Rs. 2.33 in expenditure on cotton fabrics, whereas a rise of Rs. 10 at the highest level will involve an increase of only 18 nP. Put in a different term, a 10 per cent. advance in the lowest income bracket in cities will lead to a spurt of 14.35 per cent. in the demand for cotton fabrics, but, at the highest income group, the demand will rise by only 2.93 per cent. The steady upward movement of income is thus by no means uniquely favourable to cloth consumption. The rapidly falling elasticity of demand or otherwise of the marginal propensity to consume with rising income offsets the higher capacity of purchasing power and a remarkable levelling off in the process of consumption takes place in both towns and cities. This does not seem to prevail with anything like measurable force in villages and, therefore, it may be deemed to be a major consequence of urbanisation.

Since the rural areas have an element of absorption in relation to towns (this refers to the rate of rise and not to absolute rise at each income level) and because the villages are so much more numerous and dominant in population than the towns, the future markets for cotton fabrics, it is pointed out, obviously depend more on village than on town consumption. The peak consumption of cotton fabrics is in the low income group (Rs. 51-Rs. 100 per month) where there is a massive rural population, though there is an almost equally massive demand in the rural groups of Rs. 101-Rs. 150, Rs. 151-Rs. 200 and Rs. 201-Rs. 300. Higher sales are actually recorded in some of the lowest income groups. This is a fact that must be duly taken note of in formulating the advertisement and sales policy for cotton textiles. An idea of the pattern of cotton fabrics consumption (all groups) can be had from Table II.

The structure of demand for cotton fabrics is the resultant of a number of pressures connected with income but by no means finally determined by it. The largest of the pressures inside the given income arises from the character of the demand for food, but there are other items such as expenditure on certain non-food items and durables which compete with the demand for cloth in such a manner that the latter must be reckoned by no means as urgent a necessity as current opinion often assumes. To quote the report: "... In addition to the normal tendency of demand to fall with rising income because of what the economists call decline in 'marginal utility' in isolation, there is at work in the Indian economy at the present time a rising pressure which arises from the fact that the order of urgency of practically every group of commodities led by food is higher than that of cloth in terms of the rate of rise of expenditure from the lowest to the highest income groups, particularly in towns and cities."

Even inside the cloth expenditure figures, there are said to be pressures which, as income increases, continue to grow more than the demand for cloth itself. The most important of these appear to be artificial silk and handloom cloth, the rate of increase in demand for which, particularly for artificial silk that has made an entrance into the village, are markedly significant.

The village, according to the report, is the most hopeful place for increased cotton textile consumption. This is attributed largely to the very low decline of elasticity in the village, for, as income rises, the vast population at village level uses cotton fabrics without regard to the finer qualities which artificial silk and some handloom goods provide. Further, a larger percentage of current expenditure will be expended on cotton cloth in villages than in either towns or cities. There is also the tremendous population bulge at some of the lowest income groups that are not yet seriously touched by other fabrics. The Marketing Research Corporation has accordingly urged the setting up of a more elaborate rural field organisation than at present for gathering and analysing data with a capacity to project demand and to adjust supply to demand in a more scientific and co-ordinated manner. And it rightly observes that organisational adjustment (in the cotton textile industry) can be productive of results on a scale not hitherto achieved, if the information pertaining to demand in each income group is analysed by type, area and volume.

TABLE I

Demand for Cotton Fabrics

Monthly household income (Rs.)	Cities		Towns	
	Marginal propensity* to consume cotton fabrics	Elasticity of demand for cotton fabrics	Marginal propensity to consume cotton fabrics	Elasticity of demand for cotton fabrics
50	0.223	1.435	0.253	2.178
100	0.116	0.695	0.126	0.902
150	0.078	0.546	0.084	0.639
200	0.058	0.466	0.063	0.528
250	0.047	0.416	0.051	0.473
350	0.033	0.368	0.036	0.408
450	0.026	0.337	0.028	0.370
550	0.021	0.308	0.023	0.341
650	0.018	0.293	0.019	0.326

* This is a measure of additional expenditure incurred on an item of consumption consequent on a small increment in the income of the household. Thus, a value of 0.23 for marginal propensity to consume of an item at a certain income level signifies that an additional expenditure on that item will be incurred to the extent of 23 nP. where the income of the household moves up by one rupee.

TABLE II

Cloth Consumption Pattern

	Cities	Towns	Villages
Population (thousands)	13,371	5,456	54,390
Per capita monthly expenditure on cotton fabrics (Rs.)	39.51	25.60	19.40
Total monthly expenditure on cotton fabrics (Rs. lakhs)	110.0	116.5	870.5
Total annual expenditure on cotton fabrics (Rs. lakhs)	1,332.0	1,398.0	10,554.0
Aggregate average annual expenditure (Rs.)	360.60	302.89	202.88
Of which, percentage share of:			
Cotton cloth	11.0	8.1	9.5
Non-cotton cloth	3.0	1.8	0.6
Food	59.2	52.2	71.0
Other than food	18.4	34.2	13.7
Durables	8.4	3.7	5.2
Aggregate average annual expenditure on cloth (Rs.)	50.32	29.88	20.59
Of which, percentage share of:			
Cotton cloth	78.6	82.2	93.7
Artificial silk	9.3	4.5	1.0
Pure silk	1.2	0.6	0.4
Woollens	10.9	12.7	4.9

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FINANCES OF BIGGER TEXTILE GROUPS

BETTER PROFITS AND HIGHER DIVIDENDS

From Our Special Correspondent

MANCHESTER, 29*th November*

COMPANY news takes on a seasonal pattern and several of the bigger textile groups in Lancashire report progress of one sort or another about this time of the year. In consequence, it is possible to assess the recent trends and get some guide as to future developments, according to the information provided by the accounts available.

MANCHESTER LETTER

Commentators on cotton trade affairs have lately been unanimous in their assumption that financial results now being declared should underline the very prosperous period which the trade is passing through. Admittedly, the orders secured in the middle of last year were at barely economic margins, but the buying phase which developed twelve months ago and the succeeding pressure for supplies enabled most producers to increase their earning capacity to a marked degree. Now the results can be seen, in the shape of formidable profits and even stronger balance-sheets.

Probably the biggest revival in terms of figures has been achieved by Joshua Hoyle and Sons, whose meagre profit of below £4,000 in the previous year soared to practically £150,000. As a result, the Directors are able to make a dividend payment of 15 per cent for the year on the reorganised capital, against 5 per cent. Another big mill combine, whose fortunes have not been subject to such wide variations in the past as have some of its competitors, is Barber Textile Corporation. The latest returns show a net profit more than doubled at £194,000 and the dividend stepped up from 10 to 15 per cent.

Profits and Dividends

Also recording a substantial turnround, of virtually equal merit with Joshua Hoyle's results, is Combined English Mills, whose net loss of over £250,000 last year has been switched to a profit of just over £400,000, enabling the dividend to be raised from 2½ per cent to 6 per cent. The Belgrave Mills group has effectively raised its profit from £13,000 to nearly £65,000, with the dividend up from 12½ per cent to 15 per cent.

Among some of the smaller spinning firms, the trend is just as noticeable. The net profits of Bury Ring Mill have been more than doubled at over £35,000 and the dividend increased from 17½ per cent to 25 per cent. Werneth Spinning has recorded net earnings of £78,000, as against less than £30,000 and, in this case, the dividend is doubled at 12½ per cent. The Lancashire and Yorkshire Tulketh Group, whose interests range well into the West Riding with worsted and woollen cloth manufacture, has indicated that its trading profit for the past six months at £223,000 is practically as much as the comparable earnings in the previous twelve months. This flourishing concern is steadily expanding.

So much for the factual accounts published already this month; even more indicative of future trading possibilities are a number of promising interim statements which emphasise the optimistic mood now so prevalent in many board rooms. The Directors of Crosses and Heatons, for example, have returned to the interim paying list and have described the prospects as encouraging. J. and P. Coats doubled their interim at 5 per cent, and among other companies whose "half-time" distributions have been increased are Carrington and Dewhurst, Robert Pickles, Hayeshaw, Royton Textile Corporation and Hindley Bros.

Boardman, Marden, Ltd., the once predominantly spinning and weaving firm, whose activities are now almost exclusively devoted to drapery and merchanting, have increased their interim from 7½ per cent to 9 per cent. After clearing off substantial arrears of preference dividend, the old-established firm of Richard Haworth and Company has announced its first ordinary dividend payment since 1954.

Heartening News Ahead?

In the face of this accumulating evidence, it would be hard to convince the outsider that the industry is still beset with innumerable problems, ranging from shortage of manpower at local level to a rising flood of imports of foreign goods which shows no sign of being cut down. On the basis of current order lists, which have been built up at distinctly remunerative prices, there should be some very heartening news for shareholders in textile companies for months to come.

The cynics may ask: "How long will it last?" Any reply must depend as much on outside influences as on the efficiency of the trade itself. Reorganisation and the present re-equipment programmes will undoubtedly assist managements to make further progress, but the quantity of supplies arriving from abroad, coupled with possible curtailment of purchasing power at home, are factors which cannot be ignored. The outlook, although not without its fundamental difficulties, seems reasonably well assured for most of 1961, but beyond that few prophets would hazard a guess.

Unions To Merge?

The trade unions in the Lancashire cotton industry are to meet next month to decide how they can achieve closer integration.

The Legislative Council of the United Textile Factory Workers' Association, meeting in Manchester, decided to summon a meeting on 19th December of the executives of the two big spinning unions, the Cardroom Workers' Amalgamation and the Operative Spinners' Amalgamation, together with the Central Board of the Northern Counties Textile Trades' Federation, which represents eight unions on the weaving side of the industry. But union spokesmen emphasised that the meeting did not indicate any plans to telescope the unions into one organisation.

Re-equipment Guess-work

Lancashire mills contemplating re-equipment will have to do some "risky guess-work about the future" in the next 12 months, Mr. Geoffrey S. Willcocks, Chairman of the Household Textiles Association, said in Manchester last week. The answer to the question "will re-equipment pay?" depended very largely on what happened about textile imports, he told the annual meeting of the Association, which represent 300 firms. It depended also on how intensively new equipment could be worked and whether or not the industry could attract and retain the labour force it needed.

On top of the capital cost of new machinery, there were the extra wages to be paid, especially to night-shift workers. And to make mechanisation pay, it was necessary to show really substantial improvements in productivity and quality of output. Mr. Willcocks said that he foresaw more mergers, re-groupings and concentration, resulting in a more compact, high wage, highly productive industry. There was no room for inefficient management or uncooperative units.

Yarn Exports Dip

Very little can be said in favour of the overseas returns for October. Exports of cotton cloth from the United Kingdom seem to have settled down at a level of around 25 million yards a month, although this average is somewhat below the comparable figures a year ago. At the end of ten months, the total was 270,688,000 square yards, as against 283,411,000 square yards in 1959.

Last month's cotton yarn shipments, at 1,448,000 lbs., were the lowest for many years, barring war-time exigencies, and their value was only £570,000. In comparison, shipments in several months of 1951 reached more than £3 million and the total for that year exceeded £30 million, whereas in the first ten months of 1960 earnings have reached only £7,250,000.

Despite the relatively poor showing of exports by volume this year as compared with 1959, the total earnings from shipments of cotton yarns and manufactured goods are a little higher. In the first ten months of 1960, their value amounted to £52,197,000, as against £51,832,000 in the same period last year.

On the other hand, the relentless rise in imports has continued. In October, the cost of purchases of foreign yarn and cloth exceeded £6 million, bringing the total for the ten months to nearly £54,500,000—practically £20 million more than in the same period last year. Imports of foreign grey cloth to the end of last month reached 490,510,000 square yards, as against 363,047,000 square yards in 1959, while finished fabric arrivals were 104,408,000 square yards, as against 58,710,000 square yards. Cotton yarn imports have now practically doubled in size as compared with last year, being 32,156,200 lbs., as against 16,821,500 lbs.

Grey cloth import returns for the ten months show India still well in the lead, having sent 194,249,000 square yards, a rise of 54,000 square yards. Hong Kong's share has fallen from 111,487,000 square yards to 85,727,000 square yards, but Pakistan has supplied 33,384,000 square yards, as against 22,558,000 square yards. Undesignated foreign countries, mainly in Europe, are a major influence in the situation, having increased their shipments to the United Kingdom from 17,200,000 square yards to 92,157,000 square yards so far this year.—*All Rights Reserved.*

5th–14th MARCH 1961

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CONSUMPTION AND EXPORT OF COTTON

ANOTHER FAVOURABLE YEAR ANTICIPATED

RECORD consumption, coupled with large stock-building, resulted in a sharp increase in the volume of international trade in cotton during the 1959-60 season which ended on 31st July 1960. In the current season (1960-61), however, consumption may not be as high as in the past year and demand for stocking purposes also will not be as great. Nevertheless, the export outlook is still encouraging. While it would be overoptimistic to expect the current season's exports to reach the 1959-60 level of 15.5 million bales, knowledgeable observers predict another good year for cotton exports.

Current expectation is that the overall level of consumption would remain high, though it might be less than in the previous season. In the U.S., although there are signs that consumption may temporarily have reached a peak and may show a slight decline from the last season's level of 9 million bales to 8.75 million bales, the longer term outlook is regarded as promising. Recent studies have shown that, though the failure of cotton consumption in the U.S. to show any sustained progress, in the contest of a continuous rise in incomes, would seem to indicate that the demand for cotton does not increase in proportion to the rise in income, in certain sections of the U.S. cotton industry, namely, manufacture of clothing and other household fabrics, the rate of increase has outstripped the rise in incomes and cotton has generally gained from its competitors in this sphere.

Fibre Consumption

In the free world outside the U.S., especially in underdeveloped countries, growing populations with rising standards of living will call for an increasing volume of fibre, especially apparel fibre, the consumption of which is restricted at present owing to low purchasing power.

In fact, the less developed countries will, it is said, account in future for the major part of the increase in consumption of cotton. Recent trends already point to this conclusion. The Food and Agriculture Organisation of the U.N.O., for instance, points out, in its latest (1960) report, *The State of Food and Agriculture*, that, while technical factors affecting fibre utilisation tend to limit the expansion of consumption in the more developed countries, expansion in the more densely populated, less developed areas has more than offset this and might continue to do so. This is evident from the following table:

	Cotton			Total apparel fibre*		
	Average 1952-54	Average 1956-58	Average annual change	Average 1952-54	Average 1956-58	Average annual change
	Kilograms *per capita*		%	Kilograms *per capita*		%
North America ..	11.2	10.0	—2.1	16.3	15.1	—1.9
Western Europe ..	4.1	4.7	+3.5	7.4	8.7	+4.1
Eastern Europe ..	4.6	5.2	+3.1	6.2	7.6	+5.2
Oceania	4.0	4.3	+1.8	7.5	8.0	+1.6
Latin America ..	2.9	3.3	+3.3	3.9	4.4	+3.1
Near East ..	2.0	2.2	+2.4	2.7	3.0	+2.7
Far East	1.9	2.2	+3.7	2.2	2.6	+4.3
Africa	1.2	1.1	—2.2	1.7	1.9	+2.8
World ..	3.1	3.4	+2.3	4.3	4.8	+2.8

Source: F.A.O. Commodity Bulletin.
* Cotton, wool and other man-made fibres.

According to the F.A.O., if the cost of cotton and its manufacture remain at competitive levels and the products are available on equal terms to consumers, cotton is more likely to share *pari passu* in the expansion of total fibre consumption.

U.S. Cotton Stocks

To revert to exports of cotton. The only feature missing from the current season's export potential is the one million bales imported by net importing countries last year over and above their consumption requirements to rebuild depleted stocks. The upsurge in consumption last season more than offset the increase in supply so that the season ended with a lower carryover stock of 15.4 million bales, comprising 7.4 million in the U.S. and 8 million bales in the rest of the free world. Stocks in U.S. on 1st August last have more than usual significance for international trade in the present season. By the beginning of the current season, stocks of American type cotton in most other producing countries had been whittled down to minimum levels and, until the new crop becomes available in volume, the major part of the world supply available for export is in the U.S. The following table gives the staple length-wise breakdown of stocks on 1st August as compared with those a year and two years back:

(In running bales of 500 lbs.)

Staple length	1960	1959	1958
13/16" and below	6,203	49,921	123,859
7/8"	53,018	511,559	608,001
29/32"	132,226	979,151	822,842
15/16"	640,933	1,438,464	1,212,440
31/32"	598,432	742,265	944,663
1"	732,880	876,898	1,373,636
1-1/32"	1,546,173	1,535,498	1,713,406
1-1/16"	2,829,369	1,971,099	1,281,170
1-3/32"	589,523	375,526	307,313
1-1/8"	176,563	165,315	133,914
1-5/32" and above ..	87,193	72,794	70,709
Total (all staples) ..	7,392,513	8,718,490	8,592,043

Source: International Cotton Advisory Committee, Washington.

The composition of stocks has revealed some startling changes. The average grade was unusually high with an index of 97.9 (middling white=100) for upland cotton. The carryover also contained the largest proportion of strict middling and higher grade since 1948 and the largest proportion of middling cotton in the past five years. As regards staple, the average staple was the longest since 1951. Two-thirds was in the staple length range 1-1/31" to 1-3/32", the largest proportion since 1949. Cotton stapling 1-1/16", which India imports in large quantities, alone accounted for 38 per cent. of total stocks.

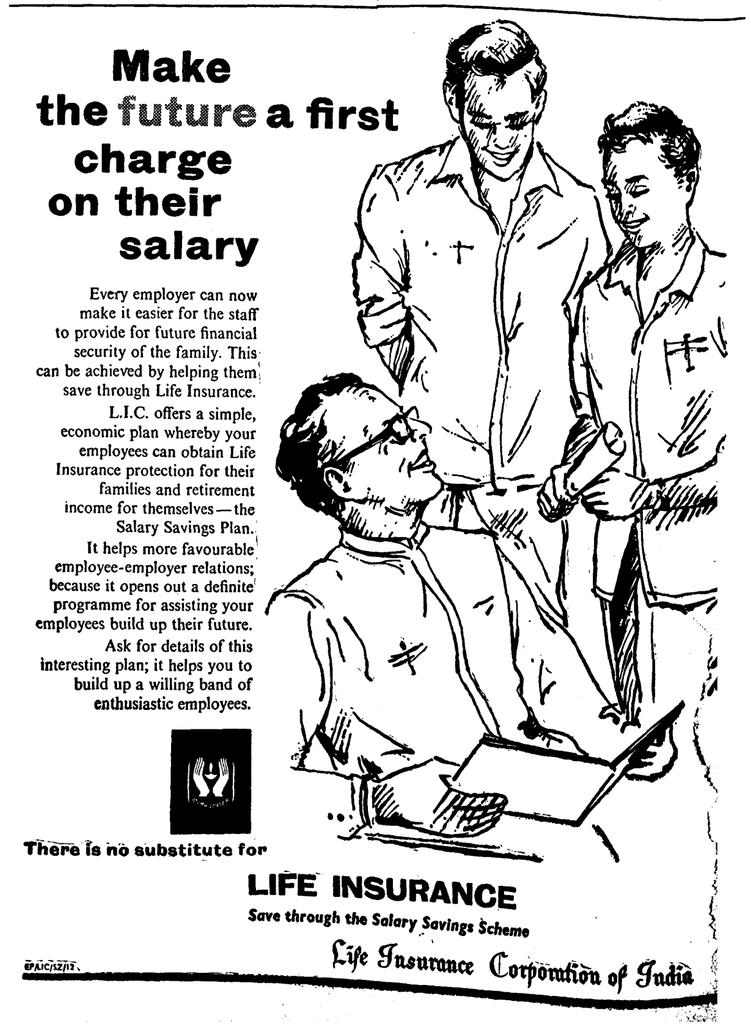
The increase in consumption has been accompanied by a marked expansion in the volume of international trade in cotton. U.S. exports in 1959-60, estimated at 7.2 million bales, were over 2½ times the quantity exported in 1958-59 and only 400,000 bales below the record post-war shipment of 7.6 million bales in 1955-56. While this was accomplished with the aid of an export subsidy in kind of 8 cents per pound (reduced to 6 cents with effect from the beginning of the current season), the quantity exported under special programmes did not show a commensurate rise. In fact, cotton which moved under special programmes in 1959-60 was, in fact, the lowest for several years. This is illustrated by the table below:

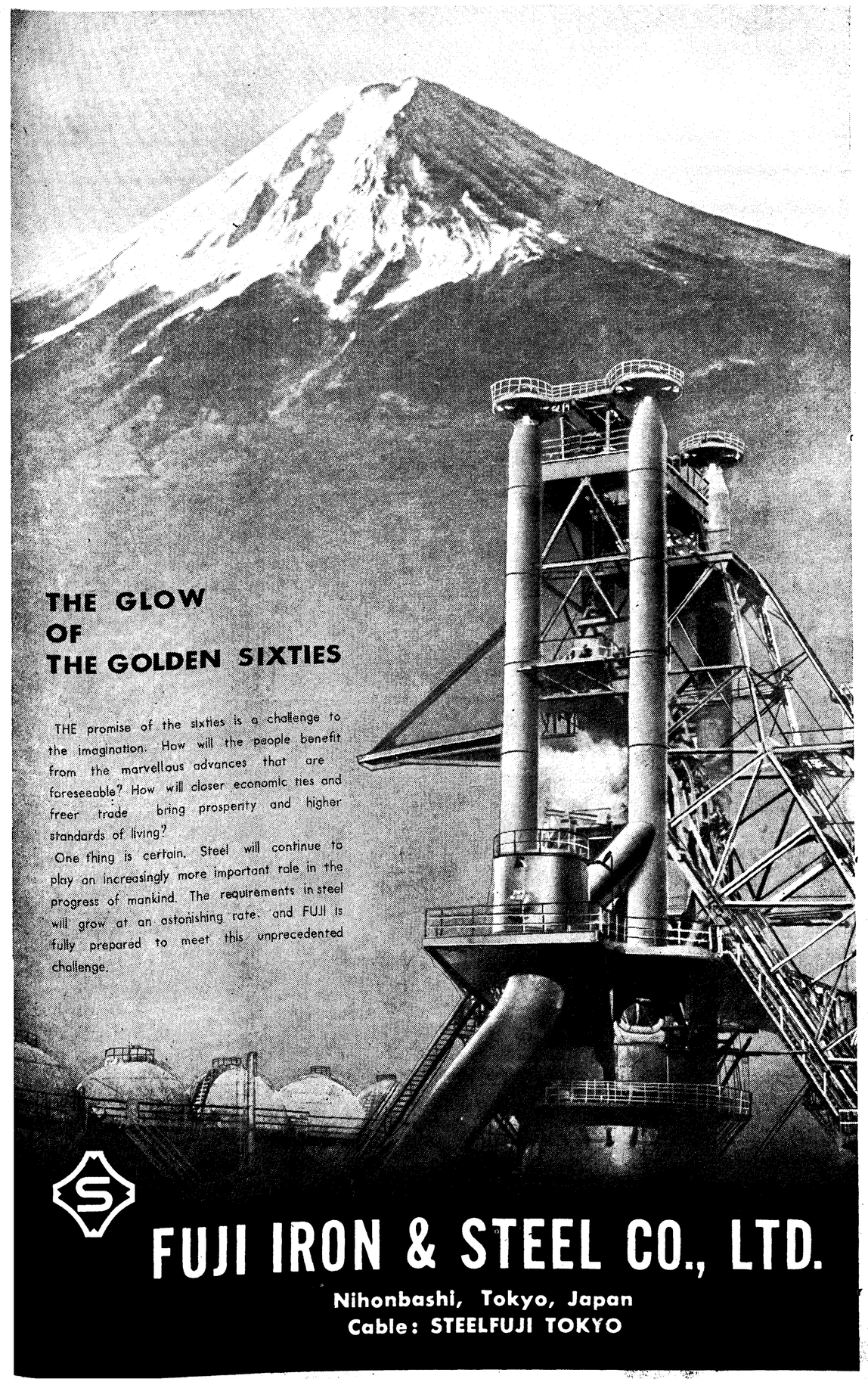
(In 1,000 bales of 478 lbs. each)

Programmes	1959-60	1958-59	1957-58
Public Law 480—			
Title I	705	639	863
Title II	10	7	26
I. C. A.	355	729	662
Barter	117	375	465
Total ..	1,187	1,750	2,016
Ex-Imp. Bank Loans ..	257	519	727
Grand Total ..	1,444	2,269	2,743
Total U.S. exports ..	7,183	2,789	5,717

Source: International Cotton Advisory Committee, Washington.

It will be seen that shipments under the I.C.A. programme, barter and by Export-Import Bank loans, were all down in 1959-60 by comparison with previous years. Of course, cotton exported under P.L. 480 showed a significant increase, mainly as a result of heavier shipments to India to cover the shortfall in production in this country. Cotton moving under special financing programmes is expected to be larger in the current season. The heavy registrations under the payment-in-kind export subsidy programme and the competitive price of U.S. cotton *vis-a-vis* other growths are expected to make total exports from the U.S. to be at a high level in the present season also. The Department of Agriculture expects that total exports will reach 6.5 million bales which, though 703,000 bales less than the quantity shipped last season, would still be the third highest on record.





INTERNATIONAL SUGAR SITUATION

PROSPECTS OF EXPORT FROM INDIA EXAMINED

By Narendra Wadhwana

INTERNATIONAL TRADING COMPANY, CALUTTA

WE are about to enter 1961 and the international sugar situation is rather unusual. In order that the developments may be clearly appreciated, an attempt is made here to present a few thoughts on the subject, with particular reference to India's plans to sell sugar abroad.

The crop of the 1960-61 season would be an all-time high record. If the estimates now made by various authorities prove to be accurate, the world crop this season will be larger by 4,000,000 tons or roughly by about 8 per cent. larger than 1959-60 crop. The following table shows the world sugar production during the last five years and the estimate for 1960-61:

(In thousand metric tons—raw value)

Crop year	Production	Absolute	Percentage variation
1955-56 ..	39,901	+1,422	+ 3.70
1956-57 ..	42,270	+2,369	+ 5.94
1957-58 ..	45,973	+3,703	+ 8.76
1958-59 ..	50,862	+4,889	+10.63
1959-60 ..	50,205	— 657	— 1.29
1960-61* ..	54,250	+4,045	+ 8.06

* Estimated.

During 1961, the usual average annual increase of 5 per cent. in the world consumption of sugar should result. On this basis, the consumption during the crop year 1960-61 can be estimated at 51,000,000 tons. The increase in consumption during the last five years has ranged between 3.21 per cent. (estimate) for 1959-60 and 5.74 per cent. in 1957-58. The average yearly increase for the past ten years was 5.11 per cent. The table below gives the world consumption figures for the past five years, along with the estimate for 1960-61:

(In thousand metric tons—raw value)

Crop year	Consumption	Increase or decrease over previous year		*Per capita* consumption (in lbs. raw value)
		Absolute	Percentage	
1955-56 ..	40,129	+1,757	+4.58	32.12
1956-57 ..	42,400	+2,271	+5.66	33.38
1957-58 ..	44,833	+2,433	+5.74	34.63
1958-59 ..	47,194	+2,361	+5.27	35.82
1959-60 ..	48,708	+1,514	+3.21	36.22
1960-61* .	51,143	+2,435	+5.00	37.40

*Estimated.

Stock Position

The world stocks should also see a substantial increase on the basis of the above production and consumption figures. The world stocks should rise by over 3,000,000 tons. The statistics for the last five years plus this year's estimates are:

(In thousand metric tons—raw value)

Crop year	Production	Consumption	Indicated yearly increase or decrease in world stocks
1955-56 ..	39,901	40,129	— 228
1956-57 ..	42,270	42,400	— 130
1957-58 ..	45,973	44,833	+ 1,140
1958-59 ..	50,862	47,194	+ 3,668
1959-60 ..	50,205	48,708	+ 1,497
1960-61* ..	54,250	51,100	+ 3,150

* Estimated.

Analysing the world production figures, one would not fail to notice that the current year's European beet crop will be the largest ever. Messrs. F. O. Licht of the U.K. have estimated the crop at 20,836,600 metric tons, as against the last year's crop of 17,252,228 metric tons. This shows an overall increase of 3,584,372 metric tons. A clearer picture can be had from the production estimates of European beet crop during the last six years given at the bottom of the page. The pressure of large European beet crop is already being felt in the world. Recent sales by Poland to Ireland and Lebanon, by Russia to Ceylon of Russian and Czech whites, sales by Bulgaria and Roumania are instances of this pressure. The offering of Polish beet raws against the recent Morocco tender at a low parity of about 2.76 cents. Cuban equivalent would amply substantiate this statement. Indian sugar has been facing direct competition from these sources in the Red Sea and Middle Eastern countries. Of course, the competition does not cause a direct problem in Malayan market, owing to the preferential import duty, but the pressure is felt all the same by way of lower prices.

Cuban Situation

Cuba's position is most unenviable. Its production and carryover figures for the last five years are:

(In metric tons—raw value)

Calendar year	*Production*	*Carryover*
1955	4,527,621	1,620,283
1956	4,740,414	637,525
1957	5,671,915	680,684
1958	5,778,550	542,342
1959	5,964,114	1,222,033
1960	5,845,293	

What is the amount of carryover Cuba would be left with at the end of 1960 is still a point on which it is difficult to make any estimate. If it is able to sell all its world export quota and ship all the sugar sold to Russia and China, it should have a carryover of 500,000 tons. But there does not appear to be a possibility of it being able to do either of the two. Thus, Cuba will be left with a large carryover at the end of 1960.

There have been quite a number of reports about the size of the next Cuban crop. Some of the members of the Castro regime have unofficially stated that they are able to produce during 1961 a crop of 7,000,000 Spanish long tons. Weather conditions there have been very favourable. But then there are several points against a good crop. The chief one is that most of the millowners, top officials and experienced technicians have already left Cuba, and this may make the production rather difficult and, therefore, the total crop may be rather small. The general impression is, however, that this factor may not influence the size of the crop as much as the cost of it. Some people believe that the crop may not be affected by the inexperience of the people in charge, but the cost would definitely be high. And so responsible opinion is inclined to place the Cuban crop around 5,500,000 metric tons.

Whatever be the size of the Cuban crop, the marketing of the same would cause a great problem to the Cuban Government. Having lost a lucrative market of 3,200,000 short tons in the United States, it will be forced to find an outlet for this quantity of sugar elsewhere. Russia, China, other communist countries and United Arab Republic are the only people who would be interested in buying Cuban sugar next year. As regards Russia, the question is that it already has a commitment for one million tons and it has itself an increased crop of another million tons. In view of this, can it take more Cuban sugar for its own consumption? This is rather unlikely. (It may buy the entire crop and then resell in world market—this question is being discussed later). China, with its immense population and low *per capita* consumption can buy a substantially large quantity; but the question arises as to how it can pay for the sugar. Other communist countries and the United Arab Republic would have at best limited demand for its sugar.

Cuba's sales to non-communist countries may be limited to a great extent by the fear that the buyers have about the litigation with the expropriated owners of the Cuban sugar mills. A suit has already been instituted in London. The other expropriated owners are threatening to take similar action. This factor will greatly influence the buying of Cuban sugar by other non-communist buyers who will prefer to buy sugar from other origins rather than face the possibility of litigation. Another important factor which concerns Cuba relates to its export quota under the International Sugar Agreement. Will it be able to obtain a proportionately larger quota, in view of the loss of the U.S. Market and, if not, will it adhere to the Agreement? This is another question which cannot be answered at this stage.

Russian Sugar

Russia, as already said above, will have a large crop during the coming year. It will have a million tons more than last year. Besides, it is already committed to take from Cuba during the next year a million tons of sugar. Russia has a basic export quota of 200,000 tons under the International Sugar Agreement. Although it has been selling some sugar abroad, it has also been buying some from abroad and generally its exports have been offset by its imports.

As has been rumoured since some time past, if Russia were to take over the entire Cuban crop, it is not probable that it would consume the whole lot itself. It will resell the sugar in the world market either itself or through some of its satellite friends. Thus, in any case, the pressure of Cuban sugar would remain on the world markets all the same. And the resale policy of Russia being most unpredictable, it will simply add to the uncertainties of 1961.

International Sugar Council

The Council is already in its annual session at Mexico City wherein it will have to decide the provisional export quota for 1961. The task of the Council has been made more difficult in the absence of an announcement from the United States as regards its sources of supplies during 1961. On the other hand, the Cuban negotiations with Russia and China have not yet resulted in anything concrete, and this will add to the difficulty of the Council. The problem that the Council has to solve is this: In view of the loss of U.S. market by Cuba and the availability of the U.S. market to other producing countries, would the latter be willing to give up some of their export quotas so that Cuba could have more? The International Sugar Agreement will come up for review during the next year and how the "structural" changes in the demand and

(*Continued on page 1076*)

Sugar Production in Europe

(In metric tons—raw value)

	1960-61	1959-60	1958-59	1957-58	1956-57	1955-56
Western Europe						
W. Germany	1,810,000	1,419,471	1,916,257	1,583,848	1,157,046	1,297,162
Austria	255,000	302,339	296,251	284,231	215,288	214,080
France	2,200,000	1,077,812	1,600,000	1,572,221	1,402,222	1,631,339
Belgium	475,000	218,843	465,442	383,779	326,841	379,153
Netherlands	620,000	510,890	583,849	395,600	357,462	426,289
Denmark	308,000	252,000	400,000	367,000	344,679	274,700
Sweden	306,000	284,800	268,900	331,070	281,816	231,893
Italy	950,000	1,390,000	1,140,844	839,382	971,750	1,182,000
Spain—						
Beet	594,000	528,028	447,432	332,634	400,447	322,312
Cane	29,000	29,000	28,919	29,259	26,002	33,164
Yugoslavia	290,000	274,051	187,374	261,400	165,275	129,914
Switzerland	36,600	42,574	37,164	38,667	33,770	33,444
Great Britain	850,000	872,960	815,665	625,616	780,962	703,231
Ireland	128,000	141,977	113,546	119,440	98,133	98,133
Finland	58,000	47,718	39,016	32,029	32,212	24,988
Turkey	660,000	543,260	388,248	356,111	307,286	283,003
Total W. Europe ..	9,569,600	7,935,723	8,728,907	7,552,287	6,901,191	7,264,865
Eastern Europe						
E. Germany	900,000	633,105	933,000	852,222	487,333	712,817
Czechoslovakia	1,025,000	733,000	946,000	977,643	657,575	729,770
Hungary	413,000	391,900	299,200	275,656	266,524	293,641
Poland	1,275,000	995,000	1,216,700	1,178,442	862,000	1,089,444
Albania	14,000	13,500	13,000	13,000	10,000	13,000
Roumania	360,000	285,000	186,436	213,876	171,839	155,808
Bulgaria	180,000	165,000	130,200	149,539	118,870	70,009
Russia	7,100,000	6,100,000	6,333,000	5,333,000	4,778,000	3,799,000
Total E. Europe ..	11,267,000	9,316,505	10,057,536	8,993,278	7,352,141	6,863,489
Total Europe ..	20,836,600	17,252,228	18,786,443	16,545,565	14,253,332	14,128,354

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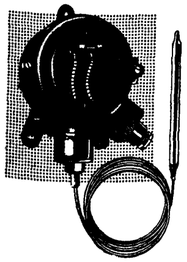

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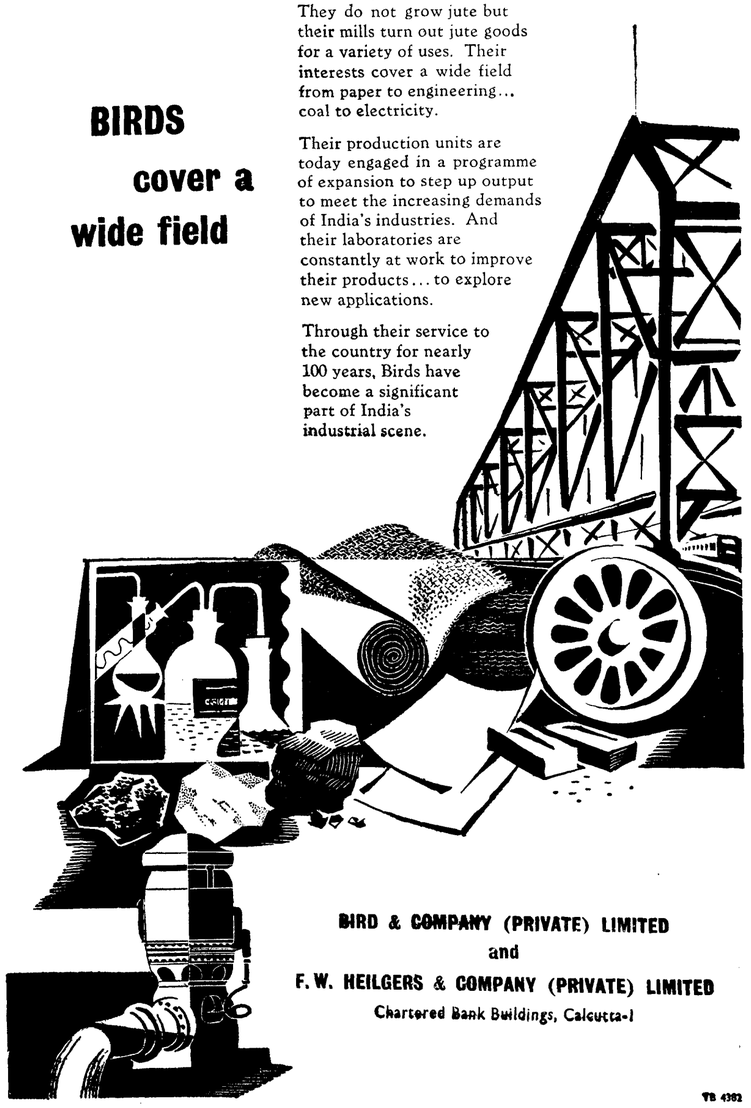

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RUBBER—ACHILLES' HEEL OF MALAYAN ECONOMY

INDIAN SETTLERS' IMPORTANCE DIMINISHING

(By A Correspondent who was lately in Malaya)

WHATEVER the historical hindsight about the consequences of restricting Indian nationals to emigrate to Malaya, the position of Malayan citizens of Indian origin is that of a minority in a country where the majority is not a decisive one of local origin. The Chinese population has almost reached parity with the Malays in number and its industry and energy have given it an edge in the economic balance. With 80 per cent. of the population divided almost equally into Chinese and Malays, the 20 per cent. Indians hold a political balance of decisive importance the use of which might be the most impolitic thing to do in Malaya today.

The Indian *immigre* points to the Georgian public buildings, the well-paved roadways and bridges in Singapore and the millions of acres of rubber trees and oil palms in the mainland and claims that it was Indian hands which built the buildings and planted the plants. In the saying of this, there is an element of suppressed pathos. It seemed to convey the impression that Indians in Malaya generally feel that they have no right to the things they helped to create or to the country which has been their home for all their working life. Many Indians who have been in the country for thirty, forty or more years feel they should return to their native lands and a number of basic Indian qualities play a part in the make-up of this attitude. Whether the political inconsequence of the Malay Indians is not a powerful factor in the development of this attitude is now almost beyond question. Malayan *merdeka* has introduced a new factor, in that the restrictions on immigration, citizenship rights and rights to non-labouring class employments provide for a wastage by repatriation and death which cannot be made good by the birth rate. The civil service has been thrown open to Malay Indians and Chinese, but at the rate of one to every four Malays. As for private industrial employment, the scope for Indians is much smaller, as there are few Indian undertakings of big size. The Chinese-owned industries would naturally favour compatriots and British-owned industries now recognise the political value of recruiting Malayans to the better posts. With the three races meeting together on a common land, which offers great scope for development and economic growth, the prospect of a racial and social mix up should be considered a logical process. But the Indian social and communal insularity is proof against it.

The Chinese have come to occupy a predominant position with their numerical parity with Malays, with their energy and industry and the stranglehold they have on trade and small business. The Chinese make excellent settlers and the large majority of them are as politically indifferent as they are economically active. Their politics are furthered by small professional groups, the ubiquitous secret societies and by methods of early Chinese education in the schools. The Communist terrorist activities spanning 12-post-war years were largely led and manned by the Chinese, a good many of them of recent Chinese origin. The magnetic pull of a powerful China to the north may allure a section of the race-conscious Chinese, but there is an almost equal pull in the opposite direction from the Chinese who have acquired wealth or professional status or stake in the country. They stand to gain nothing and may lose all by the spread of Red Chinese influence but, like all human beings, the Chinese, individually, would not like to be found too vocal against Communist Chinese power. It is too risky and is not relevant to business.

The Chinese as a rule are non-political as the Indians are a-political. They are settlers and the bounds of their community are clearly marked by family ties. With a triangular political balance in Malaya, there is certainly a greater awareness of the Chinese identity, but, left to themselves, they would rather tend their small vegetable plots, do such trades as are possible and live as well as they can. They are not inclined to join together to fight an evil just as much as they will not to further a good cause. This leaves them open to easy domination by any organised body and hence the disproportionate influence of secret societies.

There are many who wonder: what is the role of the British in Malayan affairs and to what extent do they influence or control Malayan policy and the Government apparatus? With a majority of the population of non-Malayan origin, it is to be expected that the real Malays would lean heavily on the British arm. This natural tendency to seek protection was not weakened by the Chinese Communist terrorists who sought to gain control over Malaya by insurrection and violence from 1948 to 1960.

Against the threat of being reduced to a political minority in a multi-racial society such as Malaya has, the Malays are becoming politically conscious and active. This is well illustrated by the registration figures on the voters' list made at the time of the first election to the Federal Legislature in 1955. As much as 84 per cent. of the registered voters were Malays, as against 11 per cent. Chinese and 5 per cent. Indians. When *merdeka* came in 1957, the Malays had two crucial problems to face. One was the position of Singapore, with its 80 per cent. Chinese population, which if allied with one Federation, would have decisively tilted the balance in favour of a Chinese majority. The other was a continuing emergency arising from the Communist terrorist activities. To keep out Singapore and yet have the benefit of its trade organisations and port facilities and to maintain Malayan prosperity and fight the Communists, Malaya needed the experienced and not unwilling hands of the British. With their consummate skill for adoption, the British changed from rulers to advisers and servants. It must be said to their eternal credit that, towards the end of their direct rule, they did all they could to encourage the creation of a non-communal political consciousness, a common culture, and educational system and a cohesive national awareness and approach.

A general election was held in 1956 in which the Alliance party under the leadership of Tungku Abdul Rehman won a decisive victory. It repeated this performance in 1960 with a slightly reduced majority. The Alliance has Malayan-Chinese and Indian support, but it is still chary of admitting Singapore to the Federation and the short regime of Mr. George Marshall, his peculiar brand of anti-colonialism notwithstanding, did nothing to assuage the Malayan fear of an intemperate and immoderate Singapore tail wagging the Malayan body. For a time before the P.A.P. settled down to quieter business and political nerves, the fears were such that many leading business houses were openly talking of shifting to the mainland. It is still too early to say how much of P.A.P.'s remarkable moderation and devotion to orderly government are the result of the sobering effect of responsibility in office and how much to political expediency. Singapore is a British creation and it is they who turned a sparsely populated tropical swamp, which the Sultan of Johore did not want, into one of the finest cities in the East, a modern port and naval base and a great world emporium for the

(*Continued on page* 1065)

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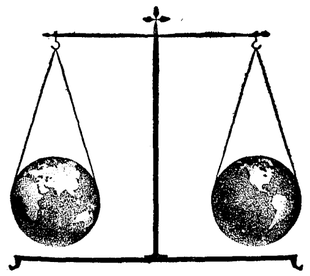

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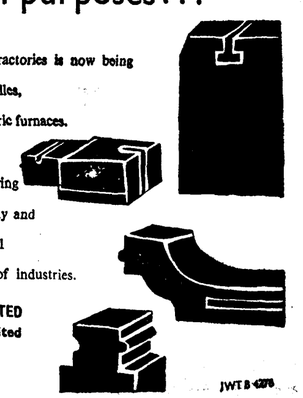

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THE INDUSTRIAL FRONT IN ORISSA

PLENTY OF SCOPE FOR PRIVATE SECTOR

By G. N. Das

THE State of Orissa, with its 13 districts, covers an area of 60,000 square miles. It has a population of nearly 15 millions, which exceeds that of Australia and some of the countries of Europe, America and the Middle East. Its natural resources are far more than those of many countries represented in the United Nations. Yet millions of its inhabitants live under conditions of "abject poverty and incredible squalor." In recent years, however, progress has been made in the economic field and the State has been able to make a break-through from stagnation to development. Let us briefly review the achievements in the sphere of industries during the last two years.

Large and Medium Industries

India's iron ore deposits, having an iron content of over 60 per cent., are estimated at 6,000 million tons, the amount of ore with a lesser iron content being unknown. These are mainly concentrated in the Orissa-Bihar belt which contains more than 3,000 million tons of iron ore with an iron content of over 60 per cent. If we include ores with an iron content of less than 60 per cent., the reserves would amount to at least 20,000 million tons. The ore-bearing layers extend over an area about 60 km. long and 20 km. broad and the main seams are more than 300 metres thick. Accordingly, plans were made in 1953 for building the first steel plant in the public sector at Rourkela in the Sundargarh district of Orissa as a combined Indo-German industrial venture. Since then, its construction has made good progress and red-hot molten iron swirled out from its first blast furnace in February 1959. It is scheduled to be completed by the end of the second Plan period on 31st March 1961. It is designed to produce only flat products like plates, sheets, strips and tin plates, and will consist of three blast furnaces, three coke oven batteries, a complete by-product plant, a power plant, a steel melting shop, rolling mills, etc. It will have a fertiliser works, scheduled to be completed by 1962, which, according to Dr. Karl Winnacker, a distinguished German chemical engineer, may well fertilise half of the cultivated land in Orissa. Rourkela is the first steel factory in India to use the L.D. (Linz-Donawitz) process which ensures "lower capital and operating costs, higher rate of production and saving in space and ancillary equipment" and is superior to open-hearth steels in many technological aspects. Its present capacity is 1,000,000 tons of ingot steel per year, but it can be expanded to produce 2,000,000 tons, without a wholesale change of layout. There is little doubt that the area bids fair to become the Ruhr of India. It took the U.S.A. 20 years to raise steel production from less than one million tons to 4.5 million tons and the U.S.S.R. could only treble its output between 1930 and 1948. India, on the other hand, has planned to increase its production of steel by more than four times, that is, from 1.7 million tons to 6 million tons, between 1947 and 1962, and to this gigantic task Rourkela is bound to make an important contribution.

In the private sector, a Rs. 3.88-crore plant for the manufacture of refractory bricks, a vital necessity for steel mills in the country, has been inaugurated at Belpahar in the Sambalpur district. Another result of Indo-German co-operation, the factory starts with a capacity of 67,000 tons of refractory bricks and 10,000 tons of mortar. In addition, a paper mill with an annual capacity of 12,000 tons of paper of all grades has been set up at Chowdwar in the Cuttack district and a low shaft furnace for the production of pig iron and ferro-alloys at Barbil in the Keonjhar district. Among the large-scale industries established earlier, mention may be made of a paper mill at Brijrajnagar (Sambalpur district); a spinning and weaving mill in Mayurbhanj district; a sugar mill at Rayaghada (Koraput district): a ferro-manganese plant each at Joda (Keonjhar district) and Rayaghada; a refractory plant at Rajgangpur (Sundargarh district); a textile mill; a tube factory; two aluminium factories; and several manufacturing units near Cuttack, like a rolling mill, a glass factory, a textile mill and a refrigerator manufacturing plant. This is a creditable achievement, considering the fact that, prior to 1949-50, there was hardly any large industry in the State.

Licences have also been granted by the Government for: (1) the manufacture of steel billets in a tube factory at Chowdwar; (2) the production of manganese dioxide with an installed capacity of 1,200 tons per year at Dhenkanal; (3) the setting up of a co-operative sugar mill at Aska in the Ganjam district; (4) the expansion of the installed capacity of an aluminium factory at Hirakud in the Sambalpur district from 10,000 tons of aluminium ingots per year to 20,000 tons; (5) the manufacture of several industrial machines at Hirakud; (6) the making of fire-bricks and potteries at Jharsuguda in the Sambalpur district; (7) the establishment of a co-operative spinning mill with a capacity of 12,000 spindles at Bargarh in the same district; (8) the construction of a paper mill at Singhapur in the Koraput district with an annual capacity of 18,000 tons; (9) the expansion of a ferro-manganese plant at Rayaghada in the same district so as to have an installed capacity of 24,000 tons per annum; (10) the enlargement of a sugar factory—also at Rayaghada—to reach the production target of 24,000 tons a year; and (11) the establishment of a refractory plant at Lapanga in the Sambalpur district.

Village and Small-scale Industries

Industrial estates, where factory buildings with power and other facilities are made available to small-scale industrialists on rent, are springing up at Cuttack (with an annexe at nearby Jagatpur), Kendrapara (Cuttack district), Jharsuguda (Sambalpur district), Berhampur (Ganjam district) and Rourkela. Steps are being taken to complete the construction of these estates during 1960-61.

Under the pilot project scheme, limited liability companies, to which both the State Government and private *entrepreneurs* contribute share capital, are being set up to manufacture articles for which materials are locally available or which are likely to command a local market, like phenyle, ink, furniture, collapsible gates and shutters, storage batteries, drugs, etc. So far, 37 companies have been started under the project, of which 12 have already gone into production. Investment on this head by the end of the second Plan is expected to be between Rs. 53 and Rs. 55 lakhs.

In the field of leather industry, two State-owned tanneries, a demonstration shoe factory, a testing and research station and a training-*cum*-production centre are at work and a provision of Rs. 5.42 lakhs has been made for these during 1960-61.

Financial assistance is given to small-scale industries under the State Aid to Industries Act at low rates of interest. The amount so provided may run to Rs. 27.72 lakhs by the end of the second Plan. The Orissa State Financial Corporation also gives aid to medium- and small-scale industries and had sanctioned Rs. 32,65,000 by way of loans till the end of March 1960. In addition, facilities exist for the hire purchase of machineries and for financial assistance from the State Bank of India.

The Subsidised Industrial Housing Scheme provides financial aid to private employers for giving housing facilities to industrial labour. Till recently, 529 houses had been built under this arrangement. About 1,700 industrial tenements are proposed to be set up by private employers during 1960-61.

Six local productivity councils are being set up in the industrial areas of the State in order to launch a productivity drive. Of these the one at Cuttack is already at work.

The development of handloom industry is going forward largely through the instrumentality of co-operative societies. Production of handloom cloth in the co-operative sector, which was 6,000,000 yards in 1955-56, is now 33,000,000 yards. An important feature of this industry is the introduction of powerlooms together with the establishment of powerloom weavers' co-operatives. It is proposed to start eight powerloom units by the end of the second Plan period, each having 100 looms. Government have also established eight cottage dyeing units as well as a calendering plant in Cuttack to process the fabrics of weavers and improve their finish.

With regard to sericulture, two stations, one for tassar seeds and the other for eri seeds, have been supplying the needs of rearers who are also given better appliances free of charge, thanks to financial aid from the Central Silk Board. There is also a research centre for sericulture.

Similarly, with assistance from the Government of India, 26 projects for improving various handicrafts, like the making of horn, ivory and filigree objects, cane and bamboo articles, essence and perfumes, durries, stone carvings, toys and the like have been taken in hand. Artisans have thus been enabled to better their economic condition and villagers, especially women, have been provided with part-time work.

Instead of giving subsidies to artisans individually, Government have set up nine common service centres in villages where they are given opportunities to handle modern equipment and adopt the latest manufacturing processes. They are located in areas where there is a maximum concentration of artisans. The trades covered are blacksmithy, carpentry, tailoring, horn work, filigree craft and leather work. In addition, a ceramic industries centre has been founded at Cuttack, a tile-making centre is being added to the pottery development centre at Jharsuguda, tile-making centres are being established at Balasore, Kendrapara and Jajpur (Cuttack district), and a training centre for making roofing tiles with power-driven machines is being put up at Jharsuguda.

The Orissa Khadi and Village Industries Board is attending to the growth of khadi and village industries. It has set up an organisation at Bhubaneswar for making ambar charkas, oil *ghanies*, beehives and other articles. The manufacture of coir products is receiving the attention of six co-operative societies in Puri, Cuttack and Ganjam districts which receive loans and grants from Government.

Mineral Development

To all intents and purposes, the organised exploitation of the vast mineral resources of Orissa dates only from 1956-57. The net output of minerals which stood at Rs. 4.52 crores in 1950-51 is expected to increase to Rs. 8.98 crores by 1960-61. Revenue from mines amounted to Rs. 46 lakhs during 1959-60. Six survey parties are carrying on prospecting operations under the Directorate of Mines and about a tenth of the State may have been surveyed by the beginning of the third Plan period. In the dense forests of Keonjhar the National Mineral Development Corporation has been undertaking its first major project for extracting two million tons of iron ore per year from the Kiriburu hill for export to Japan from 1964.

Power

Electricity is essential for industrial progress. Orissa had only 4,620 kw. of power in 1951. In the first Plan period, it rose by 16,285 kw. By the end of the second Plan, an increase of 184,725 kw. is expected, ensuring a total installed capacity of 205,630 kw. Stage II of the Hirakud Dam Project, which will be finalised by the beginning of the third Plan, will ensure an additional 147,000 kw. Under the rural electrification scheme, 93 villages have been electrified by 1959-60 and about 38 more may be given the same benefit during the current official year. The per capita consumption of electricity, which stood at 0.30 kw.hr., as against the all-India average of 13.25 kw.hr. at the commencement of the first Plan, is expected to go up to 2.17 kw.hr. at the end of the second Plan.

Technical Education

Regarding technical education, an engineering college and a mining school were established during the second Plan period. There are three engineering schools under Government management and two managed by private bodies. In addition, there are five Industrial Training Institutes, a vocational training centre as well as a training-*cum*-production centre to impart instruction in the maintenance of modern equipments. There are 12 industrial schools, of which half were modernised during the current Plan period. An evening class to improve the theoretical knowledge of industrial workers in their respective trades has been started at Chowdwar.

Industrial Production

The existing industrial units in the State continue to make good progress. In 1959, the production of paper registered an increase of 7 per cent. over the figures of the preceding year and the extraction of iron ore, chromite, china clay, fire-clay, white clay, coal, dolomite, mica and limestone was marked by an improvement ranging from 9 to 44 per cent. The production of cloth also increased to a small extent. Unfortunately, however, cement production decreased by 29 per cent. because of labour troubles. There was also a reduction in yarn production by 9 per cent., in the extraction of graphite by 7.5 per cent., in that of kaolin by 28.9 per cent. and in that of manganese by 12.5 per cent. due to unfavourable trends in the world market.

On the whole, while much has been achieved a great deal still remains to be done to make Orissa rich and prosperous and spread the blessings of the Welfare State among its people. The Governor, Mr. Y. N. Sukthankar, struck the right note when he told the Orissa Legislative Assembly on 17th February 1960: "It may be that, in the various fields of activities, progress is not even—in some, it may be more and in others it may be less. Having done two Plans, we should now know both how to do things and also how not to do them."

Third Plan

The Chief Minister, Dr. H. Mahtab, said in the Orissa Assembly on 10th November 1960 that, by the end of the second Plan period, the State would have incurred about 95 per cent. of its target expenditure, the shortfall being due to non-availability of technical personnel and foreign exchange. Orissa's draft third Plan, as announced on 9th October 1960, provided for a total outlay of Rs. 182.21 crores, but the Planning Commission reduced it subsequently by Rs. 22 crores. It gives top priority to agricultural production. For industries and minerals, the present outlay proposed under three major heads is as follows: large and medium industries, Rs. 55 lakhs; village and small-scale industries, Rs. 5.10 crores; and mineral development, Rs. 1.53 crores. A provision of Rs. 43.62 crores has been made for power development.

With regard to large and medium industries, it is the aim of the State Government to help *entrepreneurs* by giving them lease of Government lands, acquiring private lands, supplying electricity and water, developing suitable areas required for factory units, giving loans from the funds of the State Financial Corporation, obtaining individual licences, importing capital goods and securing finance from institutional agencies in suitable cases. In addition, large investments will be made for more and better roads, increased power generation, expansion of technical education and training of a large number of skilled workers.

Suitable land in five large areas in backward parts of the State will be developed and leased out in the main to medium industrial units. Regarding small-scale industries, more industrial estates will be set up. Raw material depots, a co-operative spinning mill and a co-operative sugar factory are also proposed. For the development of the immense mineral resources of the State, there are schemes to construct railway lines and a ropeway in the Sukinda mining belt in the Cuttack district. Further, the Orissa Mining Corporation will be allotted more areas for exploitation, so that it may increase its annual production of about 1 to 2 lakh tons, as at present, to 1,000,000 tons as well as supply iron ore for the steel factories and for export *via* the newly developing port at Paradip.

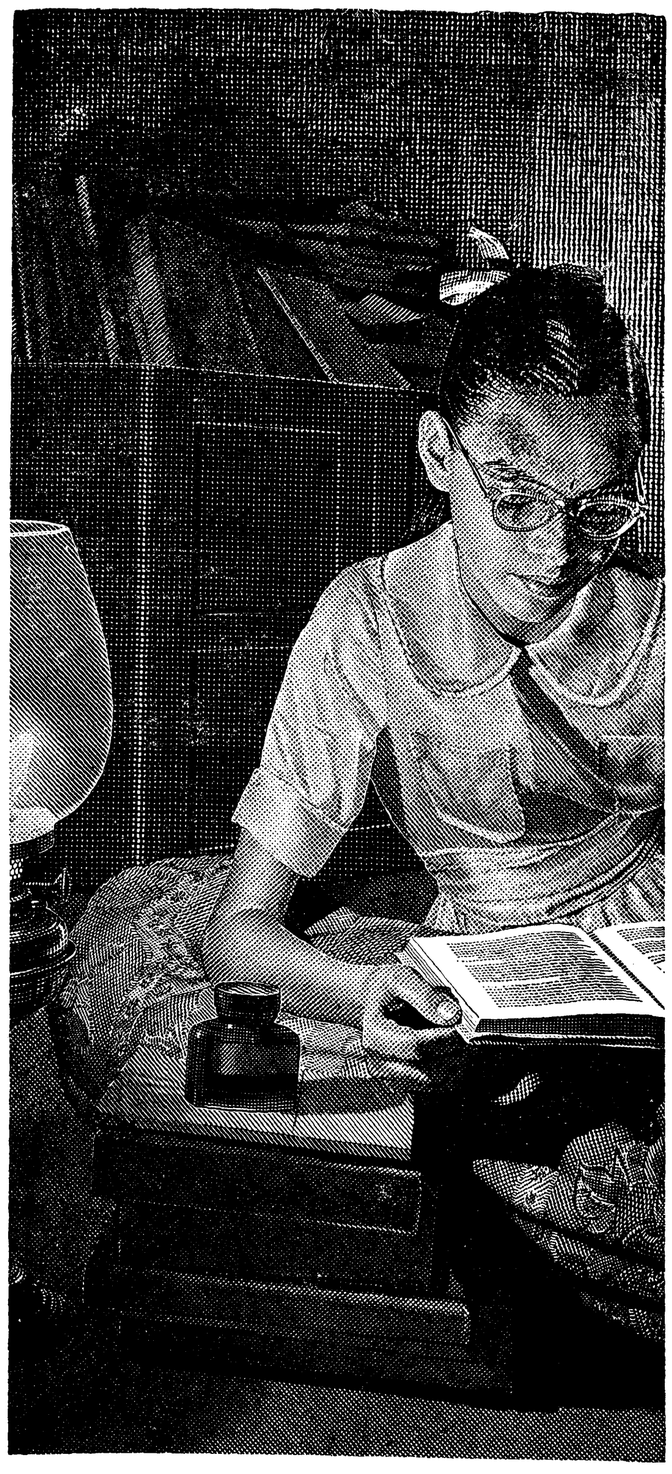
A large portion of the Plan outlay is earmarked for the development of power resources. It provides for both continuing and new schemes. As stated in the Draft Outline: "After completion of all the continuing schemes, the total installed capacity will be of the order of 3,15,130 kw., with a firm capacity of 2,52,000 kw. against the expected maximum demand of 5,76,500 kw. by 1965-66. This leaves a net deficit of 3,24,500 kw. of power demand on the basis of 0.8 load factor which it should be the aim of the third Plan to make up, as, otherwise, industrial development of Orissa will suffer a serious setback and many prospective industries will drift away from this to adjoining States." It has, therefore, been proposed to set up a thermal station at Talcher (Dhenkanal district), with an installed capacity of 240 MW. to serve the industries in the north and north-west of the State, and a hydro-electric plant on the Balimela river in the Koraput district, with an installed capacity of 240 MW., to meet the demands from the medium and heavy industries in the southern region.

As regards technical education, it is proposed to increase the intake capacity of the existing engineering college, engineering schools and institutions for craftsmen training,

(*Continued on page 1069*)

N.B.—The latest official and other authoritative publications available in November 1960 and information on certain items personally obtained from the Government of Orissa have been used in the preparation of this article.

The comforts of life are spreading



Rising standards of living are finding their way into the remotest village and are coming within the reach of people with quite modest means. Consider Kerosine, for instance, which by bringing illumination to the humblest home is playing a part in this welcome development. By the end of the Third Plan, Burmah-Shell estimates that demand for Kerosine will be around 2.9 million tons, or well over 800 million gallons a year. There can be no question that the first priority should be exploration and the production of indigenous crude oil; the second priority must be to expand refining capacity in India. Oil is essential to economic growth and Burmah-Shell believes that

for tomorrow's needs we must act today

NEW PRODUCTS AND PROCESSES

Water Soluble Polymer

A NEW group of water soluble polymers, or plastic compounds, which can be used for a wide variety of different purposes, has been developed. The basic material of the polymers consists of a white free-flowing powder which can be turned into a solution very readily by mixing it with cold water. The solution thus produced is clear, holds colour readily without its degrading under different types of physical conditions and has a constant unchanging viscosity. Films of the new materials can be produced by means of extrusion, or casting processes, directly from water solutions. These films possess the advantage that their adhesive qualities can be activated either by heat or by the application of moisture. They are, therefore, expected to be especially useful in adhesives applications. At the same time, the compounds are expected to find applications as thickeners, binders, protective compounds—in the form of colloids—and stabilisers for emulsions. Films made from the compounds are thermoplastic in type and have considerable strength. They are expected to be especially useful in paper-making and textile production. The investigation of further applications for the new compounds is proceeding.

Sun Turbine

An apparatus described as a sun turbine has been developed in Russia. Its operation depends on the use of a special metal alloy which becomes non-magnetic when comparatively small increases in temperatures, such as those created by exposure to the rays of the sun, occur. It consists of a rotor designed as a system of rings mounted on a shaft. These rings are made of the special alloy and the movement of the turbine is brought about by the fact that this alloy becomes non-magnetic when heated. As the rings of the rotor rotate between the poles of the permanent magnet, the path which is just between the poles is exposed to the sun's rays and, therefore, become heated and non-magnetic. At the same time, the cold portion of the rings is attracted by the magnet and this produces the force which causes the turbine to rotate. The device, which is in a prototype stage, is now being developed for practical use and is expected to find applications as a power source in remote areas where reasonable quantities of sunlight are encountered, as well as in the Arctic and in Antarctica. The turbine can be used, it is claimed, either to generate electricity which can then be stored, or to undertake physical work such as pumping water up to a header tank from which it can be released to produce power via a further turbine at the desired intervals.

Automatic Hot-house

The Soviet Union's first automatic hot-house is being built on a state farm near Moscow. It has been designed by the Leningrad Agrophysics Institute. The vegetables in the hot-house will be grown in pebbles rather than in usual soil. The space between the pebbles will be filled with a nutritional solution containing all the ingredients necessary for the plants to develop normally. The hot-house will be equipped with a special conditioner to maintain the desired air humidity. Another device—an atomiser—will break up the water supplied into the hot-house into a fog. But the heart of the hot-house will be a central command post. This will be a switchboard, the size of a domestic frig. It will carry all the instruments to monitor the growth of the vegetables, to control the supply of nutritional substances, and to do the watering. Automatic hot-houses will be built in the Soviet Union on a large scale in the nearest future. This, it is claimed will substantially cut the cost of vegetable-growing.

A New Process for the Manufacture of Vinegar

The origin of vinegar goes back to the remotest antiquity, and the methods used to manufacture this product have changed very little down through the centuries. Now, a Swiss firm has perfected an automatic system of submerged acetification known as "Acetomatic", which possesses distinct advantages over previous methods. The production of vinegar by the "Acetomatic" system does away with wood shavings which become charged with "mothers" of vinegar; consequently manufacture is much more hygienic. In addition, this production process is approximately ten times as fast as the traditional methods, the output 10 per cent. higher, the space required ten times less. The plant can be fitted with special devices making the whole process completely automatic. Most of the apparatuses and gear necessary for the erection of the "Acetomatic" plant can be bought locally and installed by the customer's own staff.

Tile-cutter

A unique, time-saving device is now being manufactured by a British firm, J.A. Cannings Ltd. It is a glazed tile-cutter which, it is claimed, saves both time and labour costs. In fact, it is claimed that it is possible to save the cost of the device on one job. Made entirely of sheet metal, with a locking device on the guide setter, it is possible to keep the guide in one position for repetition cutting. The tile is placed, face downwards, on the cutting table, and simply pushed over a special cutter wheel, which scores a mark on the surface of the tile, and a clean break is then obtained by pressing it across the edge of the angle on the guide setter. The cutter wheel, which has an extremely long life, is easily replaceable, and it is possible to cut six-inch and four-inch tiles up to half an inch thick, at a rate, depending upon the operator, of about 12 per minute. The cutter is extremely robust, and is **rustproof**.

Film-processing Equipment

A U.K. firm displayed a unique rapid film processing equipment at the Industrial Photographic and Television Exhibition held at the Albert Hall, London, in November. Basically the equipment owes much to the original military equipment which was designed to U.K. Air Ministry specification to provide a large bright screen display of radar images photographed from a cathode ray tube. Present day developments of that equipment cover all sizes of film in general use and find application in scientific, industrial, commercial and entertainment fields. The first public demonstration of rapid colour processing was given by the makers (Kelvin Hughes) at the last Farnborough Air Show and Exhibition. On that occasion colour processing of characters on a cathode ray tube was achieved in 25 seconds and projected on to a large screen for daylight viewing.

Industrial Uses for Ionites

The manufacture of ionites on an industrial scale in the Soviet Union opens broad vistas for their use in many sections of the economy. Thus, for example, thanks to ionites, many Soviet jewellery factories, mints and copper electrolysis plants have reduced losses of precious metals in flush water to the smallest minimum. Ionites are being successfully used in hydrometallurgy for extracting copper, nickel, cobalt and other non-ferrous metals from waste water. Ionites in a chemist's hands are a means for rapid and accurate analysis; in a technologist's hands they are a tool for producing substances of such purity which they could never have dreamed of before, notably, rare elements used in electronics, vacuum techniques, glassmaking, semi-conductors, photoelectric cells and refractory alloys.

New Use for Felt

Until a few weeks ago, felt, manufactured from high quality wool, was used only for processes where its softness and durability made it pre-eminent, notably for hats, shoes and underoverings for carpets. U.K. scientists have now found a new use for it—to produce crash helmets. By hardening and chemically treating felt, they have succeeded in producing a strong, light and flexible material. Altogether, 20 separate manufacturing processes go into the production of the new helmets from the initial washing and "carding" of high quality wool into hoods weighing eight ounces to the final inspection, packaging and despatch. Because of the high safety standards required—each helmet has to pass the vigorous British Standards Institution test before its seal of approval can be attached—the processes take up to four days in all to complete.

New Non-aqueous Foams

A series of new non-aqueous foams for use in aerosols and other forms of industrial and domestic equipment of a similar type, whose foam density can be varied at will, has been developed in Britain. At the same time, the stability of the new foams can likewise be varied over a very wide range with extreme precision, as also can their "wettability." The new foams, which are also denser and in general more stable than foams which are made with water, are expected to be especially useful in the production of pharmaceutical products and in the cosmetics industry. Tests carried out with the new materials are said to have shown that their performance is better than that of comparable water-containing foams.

Safer Navigation

An ingenious device, tipping the scales at 7 kg., has been developed in the Soviet Union to prevent ships at sea from colliding with one another. This is an electronic attachment to a marine radar. Should ships approach on head courses in a fog, the device will automatically switch on to record the radar's data about the approach speed, as well as the bearing and speed of the ship on which it is installed. Then the electric computer built into the attachment will momentarily process the data to indicate on its dial what turn should be made to avoid the collision.

New Plastic

The name "F.A.T." has been given to a new plastic evolved by the Ferghana Polymer Laboratory, the Uzbek Plastics Research Institute, Central Asia. Products made of "F.A.T." easily withstand temperatures over 400° C. The new plastic will find a broad field of application in electrical and mechanical engineering as a substitute for bronze, nickel and brass. The valuable polymer can be obtained from ginnery wastes and cotton-seed husk. Currently, the Laboratory is carrying on studies into the useful properties of F.A.T.

New Weed Killer

Uzbek (U.S.S.R.) scientists have synthetised a new weed killer for use on cotton fields. The chemical is introduced into the soil and kills almost all weeds without doing any harm to the cotton crop. Another advantage of this weed killer is that no weeds appear the next year. It also does a good job in cleaning irrigation canals.

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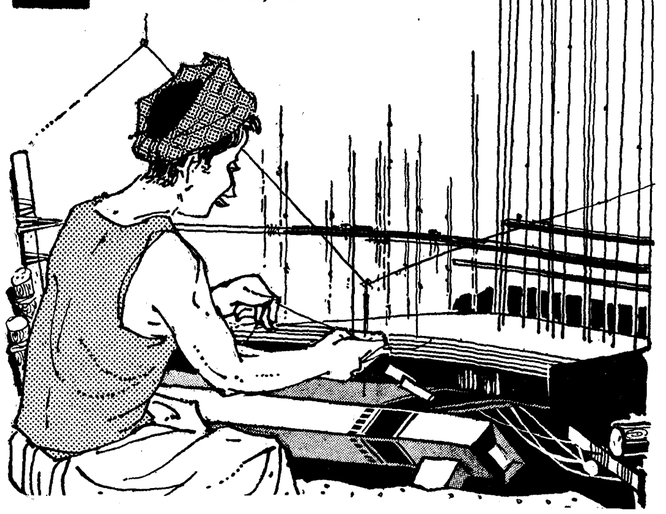

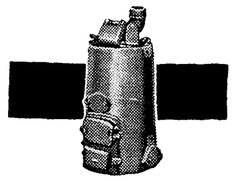

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WORLD STEEL MARKET OF THE SEVENTIES

RESULTS OF A U.N. PROJECTION STUDY

A REMARKABLE projection study of the world steel market of the nineteen-seventies is contained in a recent survey produced by the United Nations Steel Committee in Geneva. This survey, in the words of the *Steel Review*. (The British Iron and Steel Federation Quarterly) of October 1960, which has succinctly presented its results, "is absorbing both in its scope and in the originality of its methods." Its major prediction is that, in the period 1972-75, world steel consumption would be of the order of 625 million metric tons, if no wars or severe depressions occur in the interval, as compared with 300 million tons produced in 1959, the best year hitherto. Here it is validly assumed that the world forecast for production must be the same as that for consumption, for the only difference at world level between consumption and production represented by the movement of stocks can be disregarded in the long term.

The methods used in this projection exercise are so interesting that they can be usefully described at the outset. First in the methodology of the study is the deduction of a law of growth of world steel consumption from the late nineteenth century until the present day. This law is that "the *rate of increase* of steel consumption tends to diminish, the higher the absolute level of consumption that is reached." In other words, as the world, and its individual countries, become economically more advanced, their need for steel grows at a slower pace. This is because, at the outset of economic development, huge construction projects are all heavy consumers of steel. As a country's economy matures, it proceeds to the manufacture of machinery, durable consumer goods, etc., which require a small unit weight of steel; as these industries become more efficient, they waste less of steel they use, and so further reduce demand. There is also the natural tendency to switch to newer materials. Here it is estimated that the main competing materials, if they develop at the fastest rate ever attained by steel itself, would not capture more than 8-9 per cent. of total steel consumption in 1972. Taking this factor also into consideration, the authors have expressed this law as a mathematical formula and used it in turn to draw a curve of theoretical growth of consumption. The theoretical curve has been super-imposed on the real historical curve of consumption. It is seen from this combined graph that the fit of the theoretical with the actual curve is very close over the whole period, except where development is interrupted by wars or severe economic depressions. Since the formula for the rate of growth appears, therefore, to be reasonably sound for all periods of undisturbed growth, the theoretical curve is accordingly projected forward to 1972-75, and a figure for consumption—some 625 million tons—at that date predicted.

As for consumption of steel in each individual country, the law of growth that has been discovered is applied in a different way. This is done by plotting the rate of increase in the steel consumption of every country between 1950 and 1957 on a graph in relation to the country's actual level of consumption in 1950 and thereby producing a pattern which could be resolved mathematically into two lines of average increase, one for fast-moving and one for slower-moving countries. These two lines thus represent the average increase rates by countries from 1950 to 1957 for a world consumption of 297 million tons in 1957. It is necessary only to shift the lines until they correspond with a world consumption of 625 million tons, and a series of future increase rates is produced. By means of this, individual consumption in 1972-75 is calculated for the main countries and areas. These data are presented in Table 1.

The world forecast for production (628.2 million metric tons) in Table 2 is about the same as that for consumption (630.7 million metric tons). And the method followed for the prediction of country totals (Table 2) is also the same as that for consumption. But it is possibly less impressive than when applied to consumption. The demand for steel is the result of a variety of largely independent forces acting through the economy, and it is admissible to resolve these into a theoretical trend for projection into the future. But steel production is the outcome of deliberate decisions taken by a relatively small number of people. A much greater amount of empirical judgment has, therefore, been used in the case of production forecast than in the case of consumption forecast. On the other hand, it is true that even decisions on production are influenced by factors like the supply of money, and a check of this nature is applied to the forecast by an evaluation of the proportion of national gross capital formation that the installation of new plant would represent. On the whole, the forecast can probably be taken as a fair statement of how steel capacity will expand if decisions in the future are taken in the same way and in response to the same factors as in the past. So far as India is concerned, the U.N. study suggests that production will have to expand to 26 million tons by 1972-75, as against the present rate of production of 2.6 million tons per annum. This will mean that the country will have registered an average annual *per capita* increase of 19.1 per cent. which will be the highest rate for any country.

When a comparison of the production figures in Table 2 is made with the consumption figures in Table 1, it will be found that net exports of three million tons are ascribed to the United Kingdom. Further, Germany is credited with net exports of only one million tons, although this excludes the Saar. The only European country assumed to change from a net importer to a net exporter is Sweden which is credited with net exports of half a million tons. The traditional importing areas will be less dependent than formerly on outside supplies; owing to the rapid growth in their consumption, their imports will, however, grow in absolute terms. Nonetheless, it should be noted that the entire increase will be provided by the Middle East and the Far East. The absolute level of Latin American imports will remain stationary.

The study also contains forecasts regarding the two main steel-making raw materials, namely, pig iron and scrap. With an assumed world production of steel more than double today's total, a very large growth in the supply of these raw materials has also to be presupposed. It is assumed that scrap supplies for the world as a whole will always be consumed to the full, no matter in what quantity they arise, even as they have always been fully used in the past. The forecast shows that domestic supply of scrap in 1972-75 will be nearly 290 million tons for the world as a whole. Although such abundant scrap resources are prophesied for 1972-75, they will not, in view of the high level of production, constitute a higher proportion of raw materials used. The pig-iron to scrap ratio will thus remain virtually unchanged. The world will, therefore, remain as dependent on iron ore resources as before. But, if the basic axiom of the study, namely, the diminishing rate of expansion of steel consumption, is fully borne out, there will come a time, albeit in the distant future well beyond 1972-75, when steel production will level out and then begin to fall. The study shows that at that distant point, the entire raw material requirements of the industry will be available from scrap.

TABLE 1

World Consumption Forecast

Main country and area	Actual consumption in 1957 (Million metric tons)	Consumption forecast for 1972-75 (Million metric tons)
North America :		
U.S.A.	97.2	145.0
Canada	6.7	12.8
Area Total	103.9	157.8
Latin America :		
Brazil	1.9	6.5
Area Total	8.2	22.3
Western Europe :		
U.K.	19.1	32.0
West Germany	21.1	36.0
France	12.1	25.0
Belgium-Luxemburg	2.9	5.2
Italy	6.7	10.0
Saar	0.8	1.0
Sweden	3.1	5.0
Area Total	78.8	151.5
Africa :		
South Africa	2.2	5.0
Area Total	3.9	9.0
Middle East (Area Total)	1.6	5.2
Eastern Europe :		
U.S.S.R.	49.3	113.0
Czechoslovakia	4.8	10.7
Poland	4.9	11.5
Area Total	67.0	150.8
Far East :		
India	3.6	28.0
Japan	12.6	35.0
Area Total	20.0	73.3
China (Area Total)	10.0	53.0
Oceania :		
Australia	3.1	7.0
Area Total	3.5	7.8
World Total	296.9	630.7

TABLE 2

World Production Forecast

Main country and area	Production forecast for 1972-75 (Million metric tons)	Average annual increase (*per capita*) 1957-75 (Per cent.)
North America :		
U.S.A.	147.5	1.6
Canada	12.0	5.2
Area Total	159.5	1.8
Latin America		
Brazil	7.0	9.1
Area Total	18.7	10.8
Western Europe :		
U.K.	35.0	3.0
West Germany	37.0	2.2
France	28.5	4.5
Belgium	9.0	1.8
Luxemburg	4.0	0.3
Italy	16.0	5.8
Saar	4.0	0.4
Sweden	5.5	4.8
Area Total	161.2	3.5
Africa :		
South Africa	6.5	6.9
Area Total	7.5	7.4
Middle East (Area Total)	2.3	19.0
Eastern Europe (excluding Russia) :		
Czechoslovakia	13.0	4.9
Poland	13.0	5.9
Area Total	35.7	5.3
U.S.S.R. (Area Total)	117.0	4.5
Far East (excluding China) :		
India	26.0	19.1
Japan	36.5	6.2
Area Total	65.0	9.1
China (Area Total)	52.0	15.0
Oceania :		
Australia	9.0	6.6
Area Total	9.3	6.3
World Total	628.2	..

NUCLEAR POWER FROM NEW U.K. STATION

Britain's latest and the world's most economical nuclear power station is to be built at Sizewell, Suffolk, for the Central Electricity Generating Board. Supplying 580 megawatts of electricity to the national Grid distribution system, the station will have the highest output and be the most compact of the seven commercial atomic stations now on order in the United Kingdom. Work will begin in April on the site, and the station is expected to be in operation in 1966. The novel features embodied in the design, together with the evolution of new civil engineering techniques, have combined to make considerable economies in the overall cost of the station. This should enable power to be generated at a figure well below the national average and the cheapest in the world so far from a nuclear power station.

When the £55,000,000 contract is completed, it will bring the total power from Britain's nuclear plants to 3,000 megawatts. This is over 10 per cent. of Britain's present total generating capacity, and a further step towards the goal of 5,000 megawatts by 1968. Like previous stations, it will have two gas-cooled graphite-moderated reactors. Designers have succeeded in evolving a plant which will produce nearly four times as much electrical power as the two earlier pioneer stations together, and this from a layout occupying only about one-third of the other stations' area.

I.B.M. OPENS NEW PROFESSIONAL SCHOOL

A computer system for one of the world's largest accounting tasks—that of the Internal Revenue Service—was described at the recent opening, at New York, of a new type of school to teach the science of data processing systems design and operation. The school is International Business Machines Corporation's Systems Research Institute. It is the first industry-sponsored graduate school to educate people for advanced professional work in data processing systems engineering. Data processing systems engineers are broad-gauged computer experts whose job it is to help business, industry, science and Government make the best use of changing data processing equipment and techniques.

The Internal Revenue Service is one example of a large data processing system calling for imaginative systems of engineering skills. The I.R.S. system involves a large computing centre to be established in Martinsburg, West Virginia, with smaller computers in regional areas. It will handle all forms of Federal taxes and cross check such data as individual income-tax returns, W2 forms, corporate income-tax statements, dividend payment notices, and interest payment notices. I.B.M. expects to invest about $2 million annually to train eventually up to 300 people a year at the Institute. Approximately 5,000 people now participate in the Company's systems work. Within five years, it expects this force to be doubled. I.B.M., it is recalled, was the first corporation to set up its own schools to train people to use data processing machines. The Company's educational system has grown to include today 25 education centres with over 200,000 students annually.

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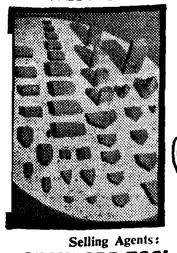

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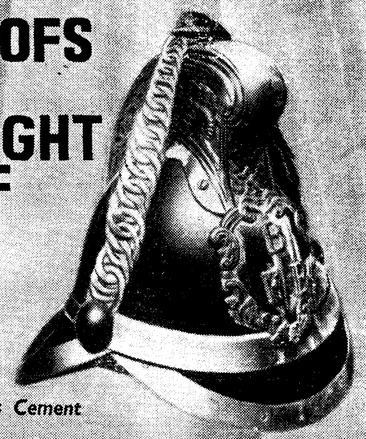

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REINSURANCE BUSINESS IN INDIA

NATURE AND SCOPE—NEED FOR FRESH THOUGHT

By "Insurer"

THE most interesting study of *laissez faire* in India is provided by the reinsurance companies. Although the public sector now has a small share in reinsurance business, it has no significant effect on the methods of business. Reinsurance in India is hardly subject to any control or regulation and so the pattern shown is very diverse and one finds all manner of companies wanting to do reinsurance business.

Reinsurance of a sort has always been transacted in India, by all insurance companies. Facultative reinsurance, where individual risks are offered and accepted on merits by reinsurers, has been transacted both by life and general insurance companies, and societies as a necessary part of business. Again, it has always been necessary to have automatic treaty arrangements to offload the excess of any risk over and above the individual retention capacity of any insurance company. This is the only method by which any insurance company can accept a risk which may be too big to be absorbed by itself. It would be generally true to say that most of the facultative risks have been placed inside the country all these years, while there is a marked tendency to place the treaty reinsurances abroad. This has been necessary not only because competitors like to avoid dealing with one another, but also because, in the event of a large catastrophic loss, companies with similar portfolios are likely to be hit very hard simultaneously not only in their direct business but also in their reinsurance business.

New Factors in the Field

Two new developments have recently become more apparent in the field of reinsurance in India.

First, there is a growth of pure reinsurance companies which do not do any direct business with clients and deal only with insurance companies. This is the result partly of Government policy. The Government is vitally interested in stopping the drain of foreign exchange caused by most of the general insurance business of Indian insurance companies being reinsured abroad. The composition of insurance institutions in India has been unbalanced, as there has hardly been any reinsurance sector all these years. Till recently general insurance in this country was dominated by British insurers, who were not interested in fostering a reinsurance market in India at a sacrifice to the reinsurance market and the vested interests of brokerage houses in London.

The second factor which has contributed to the growth of reinsurance business is, ironically enough, the slow effectiveness of Governmental regulation of insurance. But, before we come to this point, it is necessary to make a reference to the following peculiarities of the Indian insurance market:

(*a*) In India, there are nearly two hundred insurance companies competing for a limited and almost constant volume of business.

(*b*) There is an oligopolistic tendency, in that the first ten biggest Indian companies go on growing. This is at the expense not only of the smaller companies but also the foreign companies, mostly British, who are steadily losing ground.

(*c*) India is the only country in the world where the expenses of insurance companies are limited by law. As these expenses are made a fixed proportion of the gross direct premium income, companies of an uneconomic size have to exist by writing undesirable business. Another way to get more direct business is to pay a higher price for business. This is done by various types of rebates to the assured which are illegal and yet are an accepted factor in the strange calculus of the cost of procuration. As the intermediary also has to subsist, he gets a higher commission than is allowed by law. This takes the form of bogus claims, salaries, travelling, entertaining and other expenses, etc. All these make for uneconomic operations.

Mushroom Growth

These peculiarities of the insurance market have given rise to a mushroom growth of reinsurance companies. These are companies which have found it difficult to exist as direct business writing companies, in view of the restrictive nature of insurance laws in India. There is no law limiting the expenses or commission payments of reinsurance companies. Thus, a reinsurance company has all the legal means of evading all the difficulties of harsh laws. It is possible for a reinsurance company to give illegal rebates to the original assured by adjustments in the reinsurance commission which is customarily high. Reinsurance brokerages are subject to negotiation, can be paid in different currencies and are possible to be shared. The Controller of Insurance files the forms of returns if and when sent by insurance companies and publishes some results as and when ready. But he does not seem to notice some disturbing trends in his reports, unlike the Reserve Bank whose studies of banking operations and inspections have to be up-to-date and effective.

Reinsurance business is more risky than normal insurance business, because the profitability is low and the catastrophic hazard is greater. To encourage reinsurance widely is to let fools rush in where angels fear to tread.

Two Important Goals

It is necessary to impress on all reinsurance companies the following two goals of policy under the present state of the Indian economy:

(i) Reinsurance companies in India have not yet been able to get a proper reciprocity of business for their cessions abroad. Another factor which aggravates the foreign exchange position is the customary exchange of profitable Indian business for unprofitable business abroad. This sounds as silly as it is true.

(ii) There is no point in starting a reinsurance company in this country, if it is to retrocede abroad a substantial amount of its business, like individual companies do at present. The only way out of this impasse is to make sure that all companies operating in India—whether Indian or foreign—are made to place all their reinsurances abroad through Indian reinsurance companies and brokers whose head offices pay taxes in India. At present, profits on reinsurances placed abroad are not taxed in India. Again, these reinsurance companies must be forced to retrocede a progressively higher proportion of their business inside India in rupees so as to conserve some foreign exchange and, at the same time, help stabilise the experience of different companies of India. Each company has its own quality and geographic source of business and its business will be subject to fluctuations, unless an averaging factor is introduced.

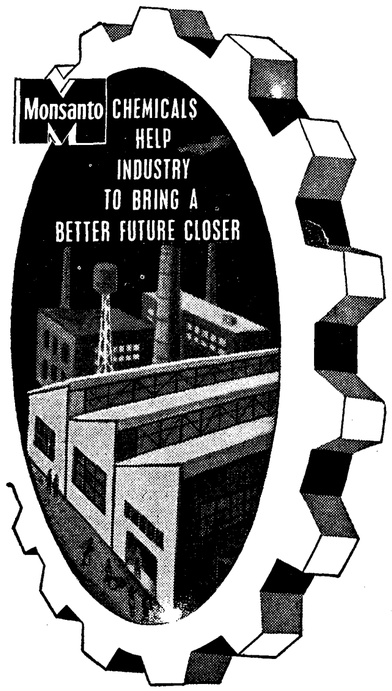
The ideal form a reinsurance company can take today is by technical collaboration with a foreign professional reinsurer. To maintain any semblance of efficiency, the Government should be associated only at the directorial level. The necessary calibre of staff would be readily available from the hard core of educated people who run insurance companies, in spite of the technical incompetency of managers of insurance companies who hold their positions because they are successful salesmen. All this is necessary only for the general insurance sector. The Life Insurance Corporation now has sufficient resources and experience not to place any reinsurance outside its own organisation.

EXPORT CREDIT INSURANCE

An offshoot of the new export-consciousness among some Western countries is the demand by exporters for credit insurance for periods exceeding the five years fixed by the International Union of Credit Insurers (Berne Union). British exporters, in particular, have been pleading with the Export Credit Guarantee Department that their foreign competitors somehow manage to get credit cover for longer periods for capital goods and that British exporters too should be given the same terms if they were to compete in foreign markets successfully. Partly in response to this plea and partly as a measure of export promotion, Mr. Reginald Maudling, President of the British Board of Trade, recently announced that the lending practices of the E.C.G.D. would be extended to enable a British exporter "to match terms offered by a foreign competitor with the backing of an export credit guarantee institution or equivalent official support." Britain, he made it clear, would not take the initiative in lengthening the terms of credit and thereby touch off a credit race. But he said, by implication, that, if other countries were to provide longer-term credit. Britain might have to do something to strengthen the position of British exporters.

Canadian exporters of capital goods, too, have now been offered more liberal export credit insurance under a new scheme announced on 25th November. The scheme involves the setting up of a new export financing organisation as a joint venture of Canadian banks which will handle

(*Continued on page* 1073)



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THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

A copy of the Prospectus has been duly filed with the Registrar of Companies, Madras State, for registration. Consent of the Central Government, has been obtained to this issue. A licence has been obtained from the Central Government for the establishment of this new Industrial Undertaking. The Madras Stock Exchange Limited has agreed to grant an official quotation for the Shares of the Company and permission to deal in them on the Company complying with the usual and necessary formalities after the closure of the subscription list.

The subscription list will open at the commencement of the Banking hours on Thursday the 15th December 1960 and will close at the close of the Banking hours on Thursday the 22nd December, 1960.

KOTHARI SUGARS & CHEMICALS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

AUTHORISED CAPITAL:
50,00,000 Equity Shares of Rs. 10 each .. .. .. Rs. 5,00,00,000

ISSUED CAPITAL:
8,00,000 Equity Shares of Rs. 10 each .. .. .. Rs. 80,00,000

SUBSCRIBED CAPITAL:
2,50,000 Equity Shares of Rs. 10 each .. .. .. Rs. 25,00,000

PAID-UP CAPITAL:
At the rate of Rs. 5 per share on
2,50,000 Equity Shares of Rs. 10 each .. .. .. Rs. 12,50,000

Out of the above issue, the signatories to the Memorandum, the Directors of the Company and their friends have subscribed among themselves for 1,20,000 Equity Shares of Rs. 10 each to the aggregate value of Rs. 12,00,000. The Madras Industrial Investment Corporation Limited have underwritten 1,50,000 shares out of which they have subscribed for 1,30,000 Equity Shares of Rs. 10 each to the aggregate value of Rs. 13,00,000 and have also agreed to make an open application for a further 20,000 Equity Shares of Rs. 10 each which will rank for allotment on a par with other applications received from the public, making in all Rs. 15,00,000. Out of the balance of Rs. 55,00,000 the Life Insurance Corporation of India have underwritten and have agreed to subscribe and will be allotted 1,50,000 Equity Shares of Rs. 10 each to the aggregate value of Rs. 15,00,000.

The Balance offered for public subscription by the prospectus :

4,00,000 Equity Shares of Rs. 10 each .. .. .. Rs. 40,00,000
On Application .. .. Rs. 5 per share.
On Allotment .. .. Rs. nil.

The balance of Rs. 5 per share is payable as and when called.

The entire issue (other than the shares allotted to the Directors and their friends) of 6,80,000 shares of the face value of Rs. 68,00,000 has been underwritten.

No shares are issued for consideration other than cash.

BOARD OF DIRECTORS

1. MR. A. D. SHROFF, "Bombay House," 24, Bruce Street, Fort, Bombay (*Chairman*).
2. MR. D. C. KOTHARI, "Kothari House," Kothari Road, Nungambakkam, Madras-31.
3. MR. A. M. M. MURUGAPPA CHETTIAR, "Chamundeswari Bagh," Santhome High Road, Madras-4.
4. MR. JAGMOHANDAS M. MEHTA, "St. Vincents," 13, Ridge Road, Malabar Hills, Bombay.
5. MR. JAYANTILAL R. MEHTA, 75, Warden Road, Bombay-26.
6. MR. BHUPATI RAI M. GHIA, 18, Carmichael Road, Bombay.
7. MR. H. C. KOTHARI, "Kothari Bagh," 4-A-A, Nungambakkam High Road, Nungambakkam, Madras-6.

MANAGING AGENTS

M/s. KOTHARI & SONS (INDUSTRIES) PRIVATE LTD., "Oriental Buildings," Armenian Street, Madras-1.

BANKERS

THE STATE BANK OF INDIA, 1st Line Beach, Madras-1.
THE EASTERN BANK LTD., "Oriental Buildings," Armenian Street, Madras-1.
THE BANK OF INDIA LTD., Mahatma Gandhi Road, Fort, Bombay.
THE BANK OF BARODA LTD., 12, Apollo Street, Bombay.
THE INDIAN OVERSEAS BANK LTD., Esplanade, Madras-1.
DEVKARAN NANJEE BANKING COMPANY LTD., 17, Horniman Circle, Bombay-1.

UNDERWRITERS

THE INVESTMENT CORPORATION OF INDIA LIMITED, "Ewart House," Bruce Street, Bombay.
THE LIFE INSURANCE CORPORATION OF INDIA, Jeevan Kendra, Jamshedji Tata Road, Bombay-1.
THE MADRAS INDUSTRIAL INVESTMENT CORPORATION LIMITED, 38, Whites Road, Royapettah, Madras-14.
THE BANK OF BARODA LTD., 12, Apollo Street, Bombay.

BROKERS

Bombay

M/s. DHIRAJLAL MAGANLAL PURSHOTAMDAS, "Stock Exchange Buildings," Apollo Street, Bombay-1.
M/s. BATLIVALA & KARANI, Union Bank Buildings, Dalal Street, Fort, Bombay-1.
M/s. DEVKARAN NANJEE & CO., "Devkaran Nanjee Buildings" Horniman Circle, Bombay-1.
M/s. HARKISONDASS LUKHMIDASS, Share Bazaar, 5, Hamam Street, Bombay-1.
M/s. LEWIS & JONES, "Bank of Baroda Buildings," Apollo Street, Bombay-1.

Calcutta

M/s. PLACE, SIDDONS & GOUGH PRIVATE LIMITED, 6, Lyons Range, Calcutta.
M/s. G. M. PYNE, Allahabad Bank Buildings, 17, India Exchange Place, Calcutta-1.

Madras

M/s. PATERSON & CO., 22, Errabalu Chetty Street, Madras-1.
M/s. CHITRA & CO., 322/323, Linghi Chetty Street, Madras-1.
M/s. MACONOCHIE & CO., Mercantile Bank Buildings, Madras-1.
M/s. DALAL & CO., National Insurance Building, Madras-1.
M/s. SWASTIK & CO., Safaiya Chambers, 7, Second Line Beach, Madras-1.
M/s. SOMAYAJULU & CO., 337, Thambu Chetty Street, Madras-1.
M/s. KOTHARI & SONS, "Oriental Buildings," Armenian Street, Madras-1.

Delhi

M/s. HARBANS SINGH MEHTA & CO., 33, Regal Building, Parliament Street, New Delhi.
M/s. RAJ PAUL CHADHA & CO., Delite Cinema Building, Asaf Ali Road, New Delhi.

AUDITORS

M/s. M. K. DANDEKER & CO., 16, Moore Street, Madras.

LEGAL ADVISERS

M/s. R. NARASIMHACHARIAR & N. VARADARAJAN (Advocates), "Sarnath," 4, Dr. Rangachari Road, Madras-4.

REGISTERED OFFICE

"ORIENTAL BUILDINGS," ARMENIAN STREET, MADRAS-1.

OBJECTS OF THE COMPANY

The Company has been incorporated on 7th November, 1960 for the several purposes set out in the Memorandum of Association, in particular to carry on the business of sugar manufacturers in all its branches.

PROSPECTS

The Company has been promoted by M/s. Kothari & Sons, Madras. The Promoters obtained a licence for this Company from the Government of India for the establishment of a Sugar Factory by this Company in Lalgudi Taluq of the Tiruchirapalli District, Madras State for the manufacture of sugar with a crushing capacity of 1,250 tons of sugarcane per day.

It is proposed to establish a factory for the manufacture of sugar in the Lalgudi Taluq in Tiruchirapalli District, Madras State with an initial crushing capacity of 1,000 tons per day which could be increased later on to 1,500 tons crushing capacity per day.

TAX BENEFITS

The Company will enjoy the special benefits under the Indian Income-tax Act, 1922 as regards development rebate and depreciation; in addition, as a new Industrial undertaking, it will enjoy exemption from Income-tax for profits upto 6 per cent. on the Capital employed for the first five years of the Company's operation.

Shareholders of the Company would also be exempt from Wealth-tax on their holdings for a period of five years under Clause XX of Subsection (1) of Section 5 of the Wealth-tax Act and may also be exempt from tax on such dividend paid from the Company's profit exempted from tax under Section 15C of the Indian Income-tax Act.

PLANT AND MACHINERY

It is proposed to enter into an agreement with M/s. Binny's Engineering Works (Private) Ltd., for the supply of the plant and machinery. They have agreed to import the necessary foreign components and to manufacture and supply the plant before the end of 1961. It is, therefore, expected that the factory will commence production early in 1962.

CAPITAL OUTLAY

In respect of this issue, the minimum subscription on which the Directors will proceed to allot is Rs. 15 lakhs being 1,50,000 Equity Shares of Rs. 10 each.

The capital required to reach the stage of production is estimated as follows:

		Rs.
(*a*)	Land and Buildings	31,00,000
(*b*)	Plant and Machinery (Including spares)	1,05,00,000
(*c*)	Preliminary Expenses	4,00,000
(*d*)	Pre-operative Expenses ...	4,00,000
(*e*)	Working Capital	16,00,000
	Total	1,60,00,000

The Industrial Credit and Investment Corporation of India Ltd., and The Bank of India Ltd., have agreed to give a loan of Rs. 35 lakhs each, i.e., Rs. 70 lakhs secured by a mortgage over the land, factory, plant and machinery and other fixed assets. The loan by The Bank of India Ltd., will carry interest at the rate of 2 per cent. over the Bank Rate subject to a minimum of 6½ per cent. while the loan from the Industrial Credit and Investment Corporation of India Ltd., will carry interest at 6½ per cent. The balance required will be borrowed from Banks and other sources.

MANAGING AGENTS

Subject to the approval of the Government of India, the Company will be under the management of M/s. Kothari & Sons (Industries) Private Limited. Articles 137 and 138 of the Company's Articles of Association provide for the appointment of M/s. Kothari & Sons (Industries) Private Limited as Managing Agents of the Company on the prescribed scale of commission subject to a minimum of Rs. 50,000 per annum.

UNDERWRITING

The Underwriters will each be paid an underwriting commission of 2½ per cent. on the face value of all the shares underwritten by them respectively besides brokerage of 1 per cent. on shares allotted on application bearing their rubber stamp.

BROKERAGE

Brokerage at the rate of 1 per cent. will be paid on all allotments made in respect of applications bearing the stamp of a Bank or a recognised Broker. Brokerage on the same basis is payable to the Underwriters in addition to the underwriting Commission on all allotments in respect of applications made or procured by them and bearing their rubber stamp.

Copies of the Prospectus and application forms may be obtained from the Company, the Underwriters, Bankers and Brokers set out above.

EXPANDING EXPORTS FROM UNDERDEVELOPED COUNTRIES

LIVELY DISCUSSION AT G.A.T.T. SESSION

THE highlight of the seventeenth session of the Contracting Parties to the General Agreement on Tariffs and Trade, held at Geneva last month, was a lively discussion on the problems confronting developing countries in the sphere of world trade. Although no new ground was covered, the representatives of the developing countries spared no effort to impress upon the industrially advanced countries the compelling urgency to remove the remaining obstacles in the way of free flow of trade placed by the latter on exportable commodities of the former group. Problems of less developed countries assumed particular importance in this session owing to three significant factors. First, joint note submitted by 19 of the less developed countries (including India, Burma, Ceylon, Pakistan, Malaya, Indonesia, Ghana, Tunisia, Turkey and Uruguay) on the question helped to enliven the deliberations in an informed way. Secondly, the G.A.T.T. Committee III, which is making a detailed study of the special commercial problems of these countries, presented its fourth progress report to the session. This report virtually confirms the existence of discriminatory measures detrimental to the interests of less developed countries. Lastly, the latest G.A.T.T. annual report, *The International Trade* 1959 (*vide* page 890, *Commerce* dated 19th November 1960), which usually forms the major background document for the session, has emphasised in unmistakable terms the imperative need for offering larger facilities to these countries by removing the remaining import restrictions in the developed countries.

Joint Note

The joint note submitted by 19 underdeveloped countries reflects their anxiety to secure larger export earnings to finance their plans for development. The note seeks to emphasise that, if the attitude of advanced countries does not change, the less developed countries will be compelled to find resources for their economic development by means of quantitative restrictions, monopoly practices and subsidies, which will be against the basic objectives of the G.A.T.T. It makes no bones about the fact that the choice is between "either to encourage less-developed countries to transform into economies based on diversified and rational international division of labour and a free and expanding exchange of goods and services, or to compel them to develop into more or less closed systems, with a self-sufficient continental type of economy based on a restricted and limited mutually balancing trading system."

The signatories of the note hold the view that high tariffs, restrictive fiscal levies and import quotas in some of the developed countries inhibit the entry into them of primary products, such as tea, coffee, cocoa, raw cotton and tobacco as well as such manufactured goods as cotton and jute products and sewing machines, for which less developed countries are seeking larger outlets in overseas markets. The imposition of regulations by State or other monopolies, surplus disposal activities and subsidies, too, according to the note, restrict the actual and potential markets for tobacco, vegetable oils and some other products of less-developed countries. The note further contends that industrialised countries should not ask the less-developed countries to give reciprocal and equivalent concessions in the tariff negotiations now going on at Geneva under the auspices of the G.A.T.T. It is not clear from available reports whether the developed countries are demanding any *quid pro quo* from the underdeveloped countries for giving up their restrictive practices or whether the reciprocal concessions are for other reliefs demanded by the developing countries. There is no justification for the former, because the request of underdeveloped countries is for the removal of unjust practices which is long overdue. As for the second, the developed countries will do well to realise that the developing countries are having balance of payments difficulties arising from their large developmental expenditure. Reciprocal concessions will be relevant only between countries which are of equal economic strength. The underdeveloped countries must first be given a chance to raise their living standards and then they must be asked to reciprocate the concessions shown to them. This means that the developed countries should wait at least for a decade.

The report of the G.A.T.T. Committee III, which reviews the progress made by individual Contracting Parties in removing obstacles to trade in the "first" list of commodities, is of considerable interest to less-developed countries. The commodities concerned include cocoa, coffee, copper, cotton textiles, jute manufactures, lead, oilseeds and vegetable seeds, raw cotton, tea, timber and tobacco. The types of obstacles to trade, according to the report, fall within three broad categories, namely, quantitative restrictions on imports, customs tariffs and internal revenue and fiscal charges. The report also describes the preliminary work of the Committee in examining the obstacles facing the exports of the "second" list of products, including light engineering goods (bicycles, sewing machines, electric fans, small diesel engines and electric motors), finished leather, leather footwear, iron ore, aluminium, alumina, bauxite, and sports goods. In this connection, the Committee has stressed the urgency with which less-developed countries view the need to diversify their economies and expand their exports of goods in the second list. It may be recalled here that the Committee III was established (as also the other two committees, the first one concerned with the arrangement for a general round of multilateral tariff negotiations now in progress at Geneva and the second one dealing with agriculturist policies, including protectionism) as a result of a resolution passed at the thirteenth G.A.T.T. session in November 1958, which sought to carry out a co-ordinated programme of trade expansion.

Presenting the report at the plenary session, Baron C. H. von Platen, the Acting Chairman of Committee III, pointed out that the exportable products of the less-developed countries could be divided into (*a*) products for which there is an "already existing surplus capacity" (examples are coffee, possibly jute, some tropical timber, some vegetable oils), (*b*) goods with a "latent surplus capacity," that is, goods which could be made available within a short time and with but little extra effort (examples are cocoa, tea, sports goods, finished leather footwear) and (*c*) products involving "long-term expansion plans," that is, calling for simultaneous solution of complex questions, such as manufacturing skill, marketing methods, investments, etc. (examples are light engineering goods, aluminium). Baron von Platen stressed that nothing should delay the diminution, as soon as possible, of the present degree of protectionism which prevents the less-developed countries from developing their exports to the industrialised countries and their intra-trade. Regarding the work of Committee III, he observed that too little time had elapsed to make a fair assessment; nevertheless, he had been much impressed by the obvious wish of all parties to understand problems which fundamentally are of mutual concern, and to co-operate. In conclusion, Baron von Platen said that the lowering of protective barriers sometimes called for the solution of delicate and intricate tax questions, that most industrialised countries could well afford to increase their imports from the less-developed countries and that it would be in the long-term interest of all members if the industrialised countries would make every effort to overcome existing difficulties in order to implement the recommendations of Committee III.

Slow Progress

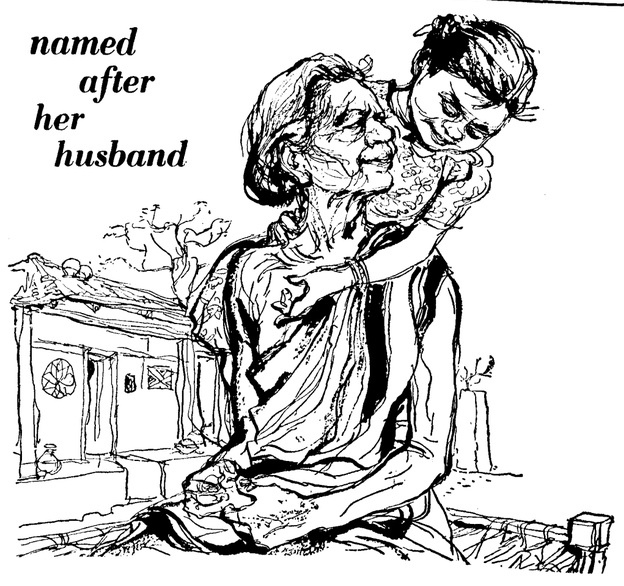
In the discussion which followed, while the delegates generally welcomed the report, those representing less-developed countries expressed disappointment at the slowness with which its recommendations were being implemented by the industrialised countries. While Committee III had helped to identify such obstacles as high tariffs, restrictive fiscal charges and import quotas which inhibit the entry into industrialised countries of primary products, there was, in the view of the less-developed countries, no real justification for the use of these protective and fiscal devices by the industrialised countries, in the context of the increase in national incomes and industrial activity. Although they had relaxed some quota restrictions in recent months, the benefits accruing to less-developed countries had been insignificant and there had been little or no action specifically directed towards improving the access of exports from the less-developed countries to the markets of the industrialised countries. It was pointed out that, over the last two years during which Committee III has been in existence, the export earnings of the less-developed countries had, by and large, continued to stagnate; they had not kept pace with the rate of growth in trade achieved by the industrialised countries. Attention was drawn, in particular, to the use by industrialised countries of fiscal levies or internal taxes which, it was stated, had actually been increased on products such as tobacco, tea and coffee in certain countries. The less-developed countries felt that conditions are now very favourable for the industrialised countries to reduce fiscal charges on primary and tropical products such as tea, coffee, cocoa and tobacco. They regretted that the progress which most industrialised countries have made towards liberalisation of imports has not extended to any real freeing of markets for imports from the less-developed countries and that restrictions continue to be maintained on items like cotton textiles, jute goods and other simple manufactures. In conclusion, the less-developed countries emphasised that "time is the most important consideration in regard to their economic development." What matters is not only the expansion of their trade and an increase in their export earnings, "but even more so, the rate of such expansion and increase, and the extent to which progress in this field induces investment from abroad."

Delegates representing the industrialised countries conceded that the difficulties faced by the less-developed countries required immediate and sympathetic attention. They, however, did not indicate the possibility of any major change in the existing policy. It is significant that no decision on the question was taken at this session. This is rather disappointing, because the translation of developed countries' verbal sympathy for underdeveloped countries into positive actions is overdue. Unless the industrial powers do something effective for buying more goods from the less industrialised countries and primary producers, the faith of the latter group of nations in the efficacy of G.A.T.T. will begin to diminish. Indeed, already a considerable section of public opinion in these countries have begun to wonder whether the G.A.T.T. will at all be able to form world trade on the lines envisaged in the Havana Charter.

Market Disruption

Another problem which came in for discussion at the latest session was the issue of what is called "market disruption," caused by sudden influx of imports. It was pointed out that sharp increase in imports over a brief period of time and a narrow range of products could have serious economic, political and social repercussions in the importing countries. The problem was to find the means to alleviate the adverse effects of such "abrupt invasions of established markets" while continuing to provide steadily enlarged opportunities for trade. On the basis of the proposals submitted by a working party on this question, the Contracting Parties have now agreed to certain procedures for considering the problem of "market disruption." In order to solve this problem consistent with the basic aims of the G.A.T.T. and to establish requisite procedures which will facilitate negotiations among Contracting Parties, it has been decided to maintain the Working Party on Avoidance of Market Disruption as a permanent Committee of the Contracting Parties. It has also been agreed that situations, which have been described as "market disruption," generally contain the following characteristics in combination: (1) A sharp and substantial increase or potential increase of imports of particular products from particular sources, (2) these products are offered at prices which are substantially below those prevailing for similar goods of comparable quality in the market of the importing country, (3) there is serious damage to domestic producers or threat thereof, and (4) the price differentials referred to in (2) above do not arise from governmental intervention in the fixing or formation of prices or from dumping practices.

Solutions to the problem of market disruption have so far been sought unilaterally or through bilateral arrangement. This has tended to cause difficulties in other markets and create problems for other Contracting Parties. The Governments of the affected countries have also been resorting to "exceptional measures" to safeguard their interests. In some cases, importing countries have taken or maintained discriminatory measures either outside the framework of the provisions of the G.A.T.T. or contrary to its provisions. In some other cases, exporting countries have tried to correct the situation by taking measures to limit or control the export of the products giving rise to the situation. It is to be hoped that the establishment of the new machinery for consultations will lead to solutions which are mutually helpful to both the exporting and importing countries.



Last year, 61-year old Lakshmi Hansda retired from the Jamshedpur Steel Works which she and her late husband, Sitaram Hansda, joined as a young Adivasi couple shortly after the first steel ingot was cast in 1912. The family connection with the Steel Works is maintained through two of her three sons who work there.

Lakshmi and her family—sons, daughters and grandchildren—live in the same area in Jamshedpur where she first set up her home on arrival from a Ho village in Seraikella nearly 50 years ago. That once-desolate spot is now a busy, bustling Adivasi community, with clean huts, roads, water supply and a primary school and is named Sitaramdera in memory of Lakshmi's husband.

Like men and women from other parts of India, Adivasis have found a happy home in Jamshedpur, where industry is not merely a source of livelihood but a way of life.

JAMSHEDPUR

THE STEEL CITY

The Tata Iron and Steel Company Limited

WTTN 4085

RUBBER—ACHILLES HEEL OF MALAYA

(*Concluded from page* 1054)

goods of all countries. To frighten the businessmen, the skilled traders and others who give value to Singapore and make them run to the Malayan mainland is foolish. But the politicians of Singapore did the damage which now makes Malaya more reluctant than even before to include Singapore in the Federal set-up. It may be a very long time before this fear is overcome in the Malayan mind.

Malaya's economic Achilles' heel is, of course, her heavy dependence on one single crop: rubber. But the last few years have been kind to Malaya and rubber has brought much prosperity to the country so as to provide her with a strong currency and enough resources to enable the development of Malayan economy. It is the view of some of the close observers of recent Malayan economy that she is probably making the mistake of economic profligacy by squandering too much on non-productive organisations and institutions, on fashionable buildings and lavish import of consumer goods and on embellishing social services. The sense of well-being and prosperity fostered by the Government might suddenly vanish, if rubber were to have a few bad years, a prospect which nobody seems to take too seriously at present. A drive for industrialisation is, of course, under way and the Government offers great scope for the participation of foreign technical skill and capital.

A remarkable feature of the Malayan scene is the serenity and equableness of its political character which contrasts so starkly against the Communist upheaval with which the country had to grapple for 12 years and all the problems of which are not yet solved. Is there a simmering volcano below the taproots of the rubber trees? How much of the present calm and confident state is due to an orderly Government, peace and prosperity or in the easy and pleasant Malayan character which is so well exemplified by Tungku Abdul Rehman himself? The future will provide the answer. But it can be confidently stated that, in Tungku Abdul Rehman, and for a newly free nation, Malaya has a leader and statesman who minds his country's business with no wish to parade on the international stage, and goes about it quietly and with remarkable ability.

STEEL

manufacture

[redacted] at

MUKAND

In 1940, Mukand employed 694 men; in June 1960—2,187. Over the past seven years, production figures have soared—18,234 tons in 1952/53; 49,787 tons in 1959/60. This increase is a reflection of a good management of finances:—

	1957/58	1958/59	1959/60
	(Rs. in lacs)		
Capital	51	51	71
Depreciation provided up to date	32	36	41
Profits retained in business to date	25	35	45
Profit for the year	19	30	32
Dividend for the year	5	5	8

Mukand manufacture high-grade steel products—bars, rods and castings. Presently an expansion programme is under way. It will cope with the growing influx of big orders—like the one placed by the Railways with Mukand on 16th July 1960 for 4,035 sets of Centre Buffer Couplers valued at 84 lacs.

Mukand provides India's new and growing industries with the quality steel components they must have.

MUKAND | STEEL STRENGTHENS THE NATION

OUTLOOK FOR BOMBAY BURMAH

CHAIRMAN'S OBSERVATIONS FAIRLY OPTIMISTIC

THE Chairman of the Bombay Burmah Trading Corporation Ltd., Mr. Pratapsinh Mathuradas, visualises an encouraging trend regarding the current and prospective performance of the Company. Presiding over the ninety-seventh annual meeting of the Company held on the 2nd inst., Mr. Mathuradas pointed out that the progress of the Company's tea estates in India was very satisfactory. Helped by the favourable weather conditions, tea crop during 1959-60 exceeds the previous year's record crop, the increase being from 6,959,132 lbs. to 7,536,327 lbs., with the overall average yield per acre now approaching 1,200 lbs. The Chairman, however, stated that, despite the satisfactory increase in yield, the rise in labour costs and other charges in the plantation industry provided a disquieting picture and efforts would have to be made to halt these mounting costs.

Discussing the prospects for the current year, Mr. Mathuradas indicated that the tea crop on the estates was running at a level appreciably higher than that in the past year and, if favourable weather conditions continued during the remaining part of the year, this year's harvest might compare well with that obtained in 1959-60. Although the demand for Indian tea in London—the world's main tea market—had declined a little, there were signs of recovery and quality teas were expected to sell well. In the Cochin market, too, sales were somewhat restricted, but that market also was expected to strengthen, with increased demand from export buyers. Local sales had been most encouraging and the Company was giving special attention to the allocation between internal and export markets, so as to secure the best advantage. He concluded that overall tea prospects for the year "are reasonably encouraging, thanks to the increased consumption in India which is helping to stabilise prices, as well as increase in the world demand after an uncertain start." The tea estates of the Company, situated in Tanganyika, were also showing encouraging progress.

Alluding to the Company's coffee plantations in India, Mr. Mathuradas admitted that the year was one of the mixed fortunes. Crop prospects for the current year were also uncertain. Crop indications were on the whole rather more favourable than last year, but much would depend on weather conditions over the next two months. There were also signs of disease over a wide range of coffee estates in South India, including the Company's gardens. The trend of future coffee prices too was not bright, and the world excess of coffee supplies would continue to exercise a depressing effect for which the only remedy, visualised by the Chairman, was increasing reliance on potential markets within India.

Referring to the Company's timber selling business, Mr. Mathuradas stated that, though the timber selling prices, which remained at a very high level in the months of June and July of the current year, recorded a general fall thereafter, the average for the year would not be far from that of 1959-60. In this case, much would depend on the ability of the Japanese market—which is by far the largest buyer of Borneo timber—to absorb the increasing production now coming forward. Meanwhile, the Company was also making efforts to develop other markets and the general prospects were encouraging. Profitable timber working in North Borneo depended, he said, on the maintenance of a very high volume of extraction and sales. With this in view, the Company's branches, namely, the Wallace Bay Branch and the North Borneo Timbers Ltd., were currently engaged in forest surveys in order to secure extensions in the extraction areas available to them and ample sources for future supplies.

Outlining the Company's plans for expanding its activities, the Chairman stated that, consequent on the closure of the Company's teak working in Burma and Thailand, it had become necessary to reallocate resources. In doing this, a balance was being struck between development within India and overseas, as well as between short-term ventures, offering quicker yields and longer term schemes taking a long gestation period. In the choice of alternatives, the Company's specialised experience in the timber and plantation industries was being given sufficient attention. The broad future movements in commodity markets, stability of conditions in different areas and cost trends were also influencing the selection of lines of development. "While much still depends to be done, a point has now been reached," Mr. Mathuradas added, "when your Company can start to reap the benefits of past developments."

Turning to the Company's business pertaining to the manufacture of marine craft, the Chairman of the Bombay Burmah pointed out that, despite a marked increase in turnover from some Rs. 20 lakhs to Rs. 30 lakhs during the year, no margin of profit was earned on the year's working during 1959-60. The long-term prospects in this line were, however, encouraging. In Burma, a number of new boat building orders were received and the current year's results would reflect this improvement. As regards the Company's asbestos cement and concrete pipe factories in Rangoon, the prospects were stated to be reassuring. High level of production and an increase in offtake of these goods are anticipated in future years.

The Chairman also briefly referred to the opening up of cocoa on Quoin estate in North Borneo as well as to the investment of the Company to the tune of Rs. 7 lakhs in a first class rubber estate in Java, of approximately 5,000 acres complete with factory and line installations, and said that these operations of the Company would serve to offset any marked fluctuations in timber income. The earning position of the rubber business was also reported to be basically sound.

It will be seen from the foregoing account of Mr. Mathuradas's speech that investors can take a fairly optimistic view of the outlook for the Company. In all the main branches of the Company's business, namely, tea, timber and marine craft, the position is sound. Further, the management is not resting on the oars of past efforts. On the contrary, it is planning for diversifying its activities. What is more, it has sufficient resources to branch out on new lines of production.

While replying to the shareholders' questions, Mr. Pratapsinh Mathuradas stated that the Company was thinking in terms of extending its activities in India. But, in view of the numerous formalities, technical and otherwise, which had to be undergone, he was not in a position to say the exact nature of the schemes the Company would undertake. He agreed, in principle, with the shareholders' plea that the dividend be stabilised at 30 per cent. but he did not commit himself to the suggestion of some shareholders that the Company should commemorate its centenary, due shortly, by making a gift to shareholders in the form of a bonus issue of shares at the time of the forthcoming centenary celebrations of the Company.

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Overnight
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Depart Madras IC .... 6.00 p.m.
Arrive Bombay IC .... 8.50 p.m.
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FOR JET SPEED AND COMFORT

BRITISH OVERSEAS AIRWAYS CORPORATION
IN ASSOCIATION WITH AIR-INDIA AND QANTAS

HINDUSTAN MOTOR FARES WELL

MOVE TO DIVERSIFY COMPANY'S ACTIVITIES

THE financial results of the Hindustan Motors Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) for the year ended 31st March 1960 show a remarkable improvement over those for the previous year, with the result that the Directors have been able to recommend a slightly higher dividend for that year as compared with the previous one. The dividend declared last year amounted to 50 nP per share of Rs. 10 whereas this year, the shareholder will get a net of 63 nP per share or a gross of 90 nP. This excellent working of the Company has also reflected itself in the prices of the ordinary shares of the Company which are currently being quoted at Rs. 19.76, as against Rs. 14.92 a year ago. A few months earlier, this scrip was quoted as high as Rs. 23.64 and just before the dividend announcement they were very nearly Rs. 20.50. These high levels were the result of speculative buying and the general boom in the market. The speculators were rather disappointed that the gross dividend was not even Re. 1 per share, but they had allowed their expectations to run riot. The subsequent reaction cannot therefore be regarded as a true reflection of genuine investors' appreciation of the Company's results for 1959-60.

In the last accounting year, the turnover of the Company was sizably lower as compared with that in the year 1957-58, due to lower output of cars and trucks, consequent on the inadequate and irregular supply of imported components. These difficulties continued to handicap the production programme only in the first quarter of the year under review, when the regular production of cars and trucks was disturbed for lack of imported components. In the subsequent months, however, thanks to a liberal quota of foreign exchange allotted to the Company by the Central Government, production of cars and trucks showed a distinct improvement, though it still remained below plant capacity. The sales proceeds increased by two and a half times over the previous year and the gross profits have jumped up, from Rs. 126.87 lakhs for 1958-59 to Rs. 253.85 lakhs for the year under review. This represents almost an increase of 100 per cent. and is on top of a rise of Rs. 43.33 lakhs or 52 per cent. recorded in the previous year.

A large part of the expansion in profit has gone to swell the coffers of the Government. Thus, the provision for taxation absorbs Rs. 70.15 lakhs (including Rs. 2.15 lakhs for sales tax in respect of previous years). The depreciation account has received a slightly smaller amount, Rs. 51.80 lakhs, as against Rs. 69.63 lakhs in the preceding year. The net profit after these essential charges has risen from Rs. 42.98 lakhs to Rs. 109.10 lakhs. A sum of Rs. 30 lakhs has been set aside for development rebate reserve, which is nearly four times the amount devoted last year for this purpose. The Company has still arrears of initial depreciation and development rebate to the tune of Rs. 84 lakhs, but it has met all new depreciation and development rebate.

The following comparative table shows the Company's working results for the past four years:

(Value : In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sales	21,77.26	8,69.08	10,45.66	10,02.62
Other income	11.67	20.52	6.98	7.25
Closing stocks	57.59	92.90	76.32	1,68.16
Raw materials, stores and spares consumed	16,37.50	6,08.59	7,02.15	8,60.08
Other expenses	2,62.26	1,70.72	1,75.11	1,67.09
Gross profit	2,53.85	1,26.87	83.54	46.62
Managing Agents' remuneration	18.74	2.13	..	..
Provision for—				
Depreciation	51.80	69.63	63.60	30.00
Taxation	70.16*	4.25†	6.97	..
Discarded machinery written off	14.05	7.87	..	..
Net profit	1,09.10	42.98	12.97	16.62
To reserves	30.00	8.10	1.41	..
Preference share issue expenses	..	..	..	6.69
Adjustment of income-tax for	..	..	..	1.40
Dividends—				
Preference	26.00	14.28	10.10	6.75
Ordinary	44.65	24.81	..	..
		@9%‡	@5%	
Carry forward	3.63	5.19	9.39	7.93

* Includes Rs. 2.16 lakhs for sales tax for previous years.
† For wealth tax only.
‡ Subject to tax deduction at 30 per cent.

In their report to the shareholders, the Directors have given a succinct account of the ceaseless efforts they have been making to get the Government's permission for fully utilising the Company's productive capacity. It shows that, if only the Government had been a little more imaginative, the Company's progress in 1959-60 would have been even more impressive, with additional benefits to the Government and the country alike. The Directors say that efforts are being made to increase the indigenous components for the Ambassador car and the Bedford truck, so that the Company will become less dependent on imported parts. The Company has submitted its expansion proposals for cars and trucks to the Government and has requested import licences for completion of this expansion programme.

Some idea of this programme can be had from the following quotation from the Directors' report:

"The *Ad Hoc* Committee on the Automobile Industry appointed by the Government made a detailed study of the existing conditions and progress made by the industry and submitted its report to the Government. The Committee has recorded that 'the Hindusthan Ambassador is undoubtedly the leader in this field.' 'Today on the assessment made by us, the indigenous content is a little over 70 per cent. They have in fact made all the components which an automobile manufacturer normally produces.' 'The further progress in increasing the indigenous content of the Hindusthan Ambassador will depend mainly on the development of ancillary industries and Hindustan Motors themselves have a relatively small contribution to make.'

"As regards trucks, the Committee has noted that commercial transport vehicles should be looked upon as capital goods of the road transport industry as it provides continuous widespread employment with benefit both to the consumer and producer. With similar expenditure few other industries can do so. The Committee recommended that 'of the chassis manufacturers, the claim of Hindustan Motors for being allowed to make the Bedford diesel engine is the stronger for the reason that the Bedford engine has a considerable commonality of parts as between diesel and petrol versions and for the latter Hindustan Motors have already got Government's permission. Furthermore, the Bedford engine is designed for the Bedford chassis.' Bedford trucks have been well received by the public and the demand for them is satisfactory. It is expected that these trucks will become more popular with the introduction of Bedford diesel engine. Permission for the manufacture and capital goods licence for it, is still awaited from Government. We hope Government will now take a final decision and allow us the necessary licence. Manufacture of chassis frame has already been completed. Arrangements have also been completed for the manufacture of rear axle and the gear box, which are being deleted from imports.

"The Committee has considered various estimates of the likely demand for vehicles by the end of the third Five-year Plan amounting to about 60,000 commercial vehicles and 40,000 cars and recommended that the industry's capacity should be increased to take care of this, and added that, in order that the expansion programme for commercial vehicles, is completed as quickly as possible, Government should ask the manufacturers to submit their expansion proposals immediately and that there should be no limit on each individual company's expansion. The Committee considered that the import of capital goods for the automobile industry should receive a higher priority in allocation of foreign exchange. Accordingly, your company has submitted its expansion proposals for cars and trucks to the Government and has requested for import licence for capital goods. The Government decision announced by their resolution dated 6th September 1960 has been published. However, we now await its actual implementation to ensure expansion of the industry which is so vital in national interest."

Another development of interest having a bearing on the future prospects for the Company is the four agreements which it has entered into with established manufacturers in foreign countries with a view to diversifying its activities. These agreements are:

(1) With Universal Marion S.A. Switzerland, and the Marion Power Shovel Company, a division of the Universal Marion Corporation of U.S. for the manufacture and sale of 93 M Crawler mounted diesel powered excavators and components thereof in India,

(2) With Caterpillar Tractor Company of U.S.A. for the manufacture and sale of bulldozers and scrapers in India,

(3) M.A.N. Nuremberg, for the manufacture and sale of crane engineering products of M.A.N. design in India, and

(4) With Athey Products Corporation, Chicago, for the manufacture and sale of Athey Dumpers in India.

The Company has received the development licence for the aforesaid items and arrangements have been made to manufacture these after receipt of licence for raw materials, capital goods, etc.

During the year under review, the Company made a capital expenditure of Rs. 183.73 lakhs bringing the total of block account as at the end of the year to Rs. 736.56 lakhs. The depreciation provided on this amounts to Rs. 325.48 lakhs so that the net value of assets stands at Rs. 411.08 lakhs. The other assets aggregate to Rs. 752.34 lakhs, out of which stock in trade accounts for Rs. 337.00 lakhs and cash balance for Rs. 257.98 lakhs. As against this, current liabilities and provisions came to Rs. 290.70 lakhs, leaving net assets of Rs. 872.72 lakhs, represented by a paid-up capital of Rs. 819.57 lakhs, and reserves and surplus of Rs. 53.15 lakhs.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 19.76 *cum-div.* On an *ex-div.* basis, the yield on the share works out at 3.3 per cent. per annum, free of tax.

COMPANY MEETINGS AND DIVIDENDS

HINDUSTAN MOTORS LTD. Annual General Meeting, Calcutta, 21st December 1960. Dividend: Re. 0.90 per ordinary share, subject to deduction of tax. Transfer books remain closed from 9th to 21st December 1960, both days inclusive.

SIJUA (JHERIAH) ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Calcutta, 22nd December 1960. Dividend: Re. 1.00 per share, subject to deduction of tax, payable on or after 22nd January 1961. Transfer books will remain closed from 12th to 22nd December 1960, both days inclusive.

ANIL HARDBOARDS LTD. Annual General Meeting, Bombay, 22nd December 1960. Dividend: Rs. 6.00 per ordinary share (exempt from tax—to be paid out of the Company's 15-C profit reserve), payable on and after 15th March 1961. Transfer books remain closed from 2nd to 23rd December 1960, both days inclusive.

INDIA JUTE CO., LTD. Annual General Meeting, Calcutta, 22nd December 1960. Dividend: Re. 1.00 per share, final, subject to deduct on of tax. Transfer books will remain closed from 11th to 22nd December 1960, both days inclusive.

MEGNA MILLS CO., LTD. (Jute Co.) Annual General Meeting, Calcutta, 22nd December 1960. Dividend: Re. 0.60 per share, final, subject to deduction of tax. Transfer books will remain closed from 11th to 22nd December 1960, both days inclusive.

GILLANDERS ARBUTHNOT AND CO., LTD. Annual General Meeting, Calcutta, 23rd December 1960. Dividend: Re. 1.00 per share, subject to deduction of tax. Transfer books remain closed from 9th to 23rd December 1960, both days inclusive.

GANNON DUNKERLEY AND CO., LTD. Annual General Meeting, Bombay, 23rd December 1960. Dividend: 10 per cent. or Rs. 10.00 per share, subject to deduction of tax. Transfer books will remain closed from 16th to 30th December 1960, both days inclusive.

RAJAGIRI RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Alleppey, Kerala State, 26th December 1960. Dividend: 20 per cent. or Rs. 2.00 per share (includes interim dividend of Re. 1.00 per share), subject to deduction of tax. Transfer books will remain closed from 19th to 26th December 1960, both days inclusive.

NAIHATI JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 26th December 1960. Dividend: *Nil*. Transfer books will remain closed from 13th to 26th December 1960, both days inclusive.

MYSORE KIRLOSKAR LTD. Annual General Meeting, Harihar, 26th December 1960. Dividend: Rs. 8.40 (net) per share, on old and new ordinary shares, payable on and after 1st February 1961. Transfer books will remain closed from 19th December 1960 to 2nd January 1961, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Annual General Meeting, Calcutta, 27th December 1960. Dividend: Re. 1.30 per share, final, on 'A' and 'B' ordinary shares and Re. 0.125 per share, final, on preferred ordinary shares, subject to deduction of tax, payable on or after 30th January 1961. Transfer books remain closed from 6th to 27th December 1960, both days inclusive.

ALUMINIUM CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 27th December 1960. Dividend: 12 per cent. or Re. 1.20 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 9th to 27th December 1960, both days inclusive.

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, 28th December 1960. Rs. 2.00 per share, subject to deduction of tax (being the interim dividend already paid).

BALLARPUR PAPER AND STRAW BOARD MILLS LTD. Annual General Meeting, Ballarpur, District Chanda, Maharashtra, 28th December 1960. Dividend: 14.30 per cent. on ordinary shares, subject to deduction of tax. Transfer books will remain closed from 19th to 28th December 1960, both days inclusive.

GREAT EASTERN SHIPPING CO., LTD. Annual General Meeting, Bombay, 29th December 1960. Dividend: 10 per cent. or Re. 1.00 per ordinary share of Rs. 10 paid up and Re. 0.50 per ordinary share of Rs. 5 paid-up, subject to deduction of tax, payable on and after 20th March 1961. Transfer books remain closed from 5th to 29th December 1960, both days inclusive.

BELAPUR CO., LTD. Annual General Meeting, Bombay, 29th December 1960. Dividend: Rs. 29.00 per share, subject to deduction of tax, payable on and after 7th February 1961. Transfer books remain closed from 21st November to 20th December 1960, both days inclusive.

SYNOPSES OF COMPANY REPORTS

Anderson Wright Ltd.

THE directors of the above Company (Chairman: Mr. B. P. Kedia, Calcutta) present the audited accounts of the Company for the year ended 31st December 1959.

The Company's profit for the year is Rs. 7,14,215 (Rs. 1,18,756) to which is added the amount brought forward from the previous year of Rs. 6,145 (Rs. 7,803) making a total of Rs. 7,20,360 (Rs. 1,26,559). After deducting provis on for taxation of Rs. 3,01,383 (Rs. 55,414) the amount available for disposal is Rs. 4,18,977 (Rs. 96,145 including Rs. 25,000 transferred from general reserve). This amount the directors recommend should be dealt with as follows:

In payment of dividends subject to deduction of income-tax on preference shares at 4½ per cent. per annum, absorbing Rs. 90,000 (Rs. 90,000) on ordinary shares at 10 per cent per annum, absorbing Rs. 2,00,000 (*nil*), to be transferred to preference dividend suspense account Rs. 22,500 (*nil*), to be transferred to debenture redemption reserve Rs. 50,000 (*nil*), to be transferred to general reserve Rs. 25,000 (*nil*) and to be carried forward Rs. 31,477 (Rs. 6,145).

The Preference Shares (Regulation of Dividends) Bill which seeks to adjust the unhappy situation created by the Finance Acts 1959 and 1960 in relation to d vidend on preference shares is, at present, before the Parliament. In view of the retrospective provisions of the proposed legislation, the directors have set apart Rs. 22,500 representing 25 per cent. of the year's preference dividend, which they may be called upon to declare as additional dividend to the preference shareholders if and when the Bill becomes law.

The directors report that inspite of adverse trading conditions which prevailed during the period under review, the Company's achievements as reflected in the accounts have been satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Gross block*	42,79,039
Debentures ...	10,00,000	*Less*—Depreciation ...	56,113
Reserves ...	15,22,500		
Provision for taxation ...	2,01,956	Net block ...	42,22,926
Liabilities ...	70,02,857	Book debts ...	43,36,270
Profit and loss account (surplus) ...	31,477	Investments	51,89,309
		Cash ...	10,285
Rs.	1,37,58,790	Rs.	1,37,58,790

*Gross block includes an amount of Rs. 41,94,400 being share in the firm of Anderson Wright & Co. at cost.

Jubbulpore Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

In the report for the year ended 31st March 1959 mention was made that as from 1st April 1959 the Madhya Pradesh Electricity Board had declared Jubbulpore Power Station as a controlled station under the provisions of the Electricity (Supply) Act, 1948. The provisions of the First Schedule to the said Act accordingly became applicable to the Undertaking as from 1st April 1959, and the accounts for the year ended 31st March 1960 have been prepared in accordance with the provisions laid down therein.

A comparative schedule of sales and revenue for the past three years is as under:—

Year Ended	*Unit sold*	*Revenue*
		Rs.
31st March 1958	32,108 866	35,87,927
31st March 1959	33,191,190	35,24,601
31st March 1960	29,088,170	33,43,871

The reduced rate of Company taxation does not increase the reasonable return out of which distribution of dividends is made by an Electric Supply Company. It is not, therefore, possible for Electric Supply Companies, unlike other Companies, even partially to compensate shareholders for the loss of tax benefits previously enjoyed by them. The trifling concession by way of special appropriation that is likely to be considered by the State Government in this connection will be availed of to the extent permissible.

As the clear profit for the year under review falls short of the reasonable return calculated under the Electricity (Supply) Act, 1948, a sum of Rs. 30,922 representing the shortfall has been transferred from the balance at credit of the tariffs and dividends control reserve to the profit and loss account in accordance with the provisions of Sub-Clause (2) of Clause II of the Sixth Schedule to the Act.

The profit, after providing for taxation, depreciation and all other charges, amounts to Rs. 3,66 095 (Rs. 4,14,526). From this has been deducted a sum of Rs. 1,41,789 (Rs. 2,06,047) in respect of the following reserve allocations:—To contingencies reserve Rs. 53,649 (Rs. 52,096), to development reserve Rs. 33,140 (Rs. 15,953) and to general reserve Rs. 55 000 (Rs. 1,10,000). There remains a balance of profits amounting to Rs. 2,24,306 (Rs. 2,08,478 after transferring Rs. 13,999 to tariffs and dividends control reserve and Rs. 13,999 to rebate to consumers) to which is added Rs. 30,945 (Rs. 29,425) being the balance brought forward from the previous year to make an available balance of Rs. 2,55,251 (Rs. 2 37,904). The directors recommend that there be paid for the year ended 31st March 1960, a dividend at the rate of 10 (8 per cent. tax-free) per cent. subject to deduction of tax at the prescribed rates in accordance with the provisions of Section 18(3D) of the Indian Income Tax Act, leaving a balance to be carried forward of Rs. 30,296 (Rs. 30,945 after making an additional payment of Re. 0.12 per share, free of tax absorbing Rs. 30,945).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,49,700	Gross block	1,07,31,716
Reserves ...	27,02,877	*Less*—Depreciation ...	40,42 273
Provision for taxation ...	53,879		
Liabilities ...	40,56,715	Net block ...	66,89,443
Profit and loss account (surplus)	30,296	Work-in-progress ...	3,82,967
		Stores, etc. ...	6,25,773
		Book debts ...	7,91,653
		Investments	2,84 038
		Cash	3,19,593
Rs.	90,93,467	Rs.	90,93,467

Benares Electric Light and Power Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

To cope with load development pending the State Electricity Board's decision as to whether or not additional generating plant is to be installed at the power station, arrangements have been made with the State Government to take over from them on hire eleven oil engine sets of 250 kw. each. These has been installed and are in commission.

The following schedule indicates the progress that has been made:—

Year ended	*Units sold*	*Revenue*
		Rs.
31st March 1958	36,063,750	44,14,417
31st March 1959	38,909,655	48,11,800
31st March 1960	43,254,359	51,18,851

The reduced rate of Company taxation does not increase the reasonable return out of which distribution of dividends is made by an Electric Supply Company. It is not, therefore, possible for Electric Supply Companies, unlike other companies, even partially to compensate shareholders for the loss of tax benefits previously enjoyed by them. The trifling concession by way of special appropriation that is likely to be considered by the State Government in this connection will be availed of to the extent permissible. As hereinafter stated, a sum of Rs. 6,615 has been set aside in the accounts to national tax relief reserve, to be utilised for capital extensions, subject to the approval of the State Government which is awaited.

The profit, after providing for taxation, depreciation and all other charges, amounts to Rs. 6,41,627 (Rs. 6,80,801). From this has been deducted a sum of Rs. 4,51,372 (Rs. 5,09,785) in respect of the following reserve allocations:— To contingencies reserve Rs. 85,454 (Rs. 81,233), to development reserve Rs. 91,435 (Rs. 1,13,920), to tariffs and dividends control reserve Rs. 27,634 (Rs. 28,916), to rebate to consumers Rs. 27,634 (Rs. 28,916), to national tax relief reserve Rs. 6.615 (*nil*), to reserve for redemption of debentures Rs. 87,600 (Rs. 1,16,800) and to general reserve Rs. 1,25,000 (Rs. 1,40,000). There remains a balance of profits amounting to Rs. 1,90,256 (Rs. 1,71,016) to which is added Rs. 42,307 (Rs. 41,291) being the balance brought forward from the previous year to make an available balance of Rs. 2,32,563 (Rs. 2,12,307).

The directors recommend that there be paid for the year ended 31st March 1960, a dividend at the rate of 11 (10 per cent. tax-free) per cent. subject to deduction of tax at the prescribed rates in accordance with the provisions of Section 18(3D) of the Indian Income-tax Act, leaving a balance to be carried forward of Rs. 45,563 (Rs. 42,307).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,00,000	Gross block	1,71,05,214
Debentures ...	12,00,000	*Less*—Depreciation ...	47,49,307
Reserves ...	47,66,354		
Provision for taxation ...	50,482	Net block ...	1,23,55,907
Liabilities ...	95,45,835	Work in-progress ...	34
Profit and loss account (surplus) ...	45,563	Stores, etc. ...	12.70.597
		Book debts ...	12,02,678
		Investments	5.24.554
		Cash ...	19,18,853
		Miscellaneous expenditure	35,611
Rs.	1,73,08.234	Rs.	1,73,08.234

Bengal Luxmi Cotton Mills Ltd.

The directors of the above Company (Managing Director: Mr. D. N. Bhattacherjee, Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The Company had suffered loss during the year under report amounting to Rs. 88.149 (Rs. 8.35.310) which is of course much less than the last year's amount of loss. There has been a provision of Rs. 69,500 (Rs. 37,000) as development rebate reserve and a transfer of Rs. 19.142 (*nil*) to general reserve which represents dividends forfeited and shown at the credit of the profit and loss account for the year. Besides, after further adjustment of Rs. 28 (*nil*) being sales-tax provided in excess during the previous years and Rs. 1.68,477 being balance at debit brought forward from the last year's account, the profit and loss account of the Company shows at the end of the year a net debit balance of Rs. 3,26,098 (Rs. 1.68.477) against reserves of Rs. 2.44.733 (Rs. 1.56.980), not available for the purposes of distribution. The directors, therefore, regret being not in a position to declare any dividend on the ordinary as also the preference shares.

The prices of Cotton during the year were abnormally high due to short supply on account of partial failure of crops. The prices of stores, dyes and chemicals were also higher. Besides, the full impact of higher wages under the Tribunal Award of 1953 had come up. The prices of cloth, though not very satisfactory during the earlier part of the year, improved and became remunerative since November, 1959. Inspite of the higher costs of production as aforesaid, the Company could make profits but unfortunately due to labour strikes the Mill remained closed for two months. Though the Factory re-opened on the 18th January 1960, the full units could not be worked till the end of the financial year. This naturally had seriously affected the working of the Company resulting in a loss as aforesaid.

The directors are glad to inform that the labour position has since improved a great deal and the Mill is now working satisfactorily. Further, the Company has got the sanction of a loan of Rs. 30.8 lahks from The National Industrial Development Corporation Limited, for modernising its plant and machinery. Some of the new machines have already arrived and more are expected to come before the end of the current year. With the working of these new units the directors hope to reduce the cost of production and show better results in the current year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,35,450	Gross block	89,51,451
Reserves ...	2,44,733	*Less*—Depreciation ...	62,49,897
Liabilities ...	50,33,993		
		Net block ...	27,01,554
		Stock ...	24,24,889
		Stores, etc. ...	6,15,817
		Investments	20,124
		Book debts ...	7,04,187
		Cash ...	21,507
		Profit and loss account (deficit) ...	3,26,098
Rs.	68,14,176	Rs.	68,14,176

Gillanders Arbuthnot and Co., Ltd.

The directors of the above Company (Managing Director and Chairman: Mr. P. E. G. W. Parish, Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The profit for the year before providing for income-tax and super tax amounts to Rs. 26,10,322 compared with Rs. 23,07,024 for the previous year. After making the relative tax provisions and other necessary adjustments, and taking into account the credit balance brought forward from the preceding year, the amount available for disposal is Rs. 16,24,794 (Rs. 12,52,026), arrived at as follows: The profit and loss account shows a balance of profit of Rs. 26,10,322 (Rs. 23,07,024) to which has to be added the balance brought forward from the previous year of Rs. 1,57,026 (Rs. 1,46,370) making a total of Rs. 27,67,348 (Rs. 24,53,394). The provision required for taxation is Rs. 11,53,841 (Rs. 12,01,368) leaving a balance of Rs. 16,13,507 (Rs. 12,52,026). After deducting therefrom transfer to development rebate reserve of Rs. 4,200 (Rs. 20,000) and initial contribution to approved superannuation fund Rs. 6,84,513 (*nil*) there is left a balance of Rs. 9,24,794 (Rs. 12,32,026). With the transfer from superannuation fund (reserve) of Rs. 7,00,000 (*nil*) the amount available for disposal comes to Rs. 16,24,794 (Rs. 12.32.026). Of this balance the following amounts have been utilised in paying in full the dividends for the year ended 31st March 1960, on the preference share capital. on 1st October 1959 Rs. 62,500 (Rs. 62,500) and on 1st April 1960 Rs. 62,500 (Rs. 62,500). The directors now recommend that the remaining balance of Rs. 14.99,794 (Rs. 11,07,026) should be disposed of as follows:—

By payment of a net (tax-free) dividend for the year on the 6,50.000 ordinary shares of Rs. 10 each at the rate of 10 (10) per cent. (subject to the deduction of additional tax for non-resident shareholders) absorbing Rs. 6.50.000 (Rs. 6,50.000), to provide for tax payable on behalf of the shareholders at 30 per cent. Rs. 2.78.572 (*nil*) to transfer to general reserve Rs. 3,00.000 (Rs. 2.00,000) and to transfer to contingencies reserve Rs. 1.00.000 (Rs. 1.00.000) leaving to be carried forward to the next year Rs. 1,71,222 (Rs. 1,57,026).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	90,00.000	Gross block	30,57,755
Reserves ...	36,24,200	*Less*—Depreciation ...	15,91,667
Provision for taxation ...	40,39.001		
Liabilities ...	2,30,12,837	Net block ...	14,66.088
Profit and loss account (surplus) ...	1,71,222	Goodwill ...	18,00.000
		Stock-in-trade	31,13.310
		Stores, etc. ...	2,12.554
		Book debts ...	1,89,89,157
		Investments	1,15,59.471
		Cash ...	27,06,680
Rs.	3,98,47.260	Rs.	3,98,47,260

Anil Hardboards Ltd.

The directors of the above Company (Managing Agents: Jolly Industrial Agencies Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March 1960.

The year's working after providing Rs. 9,93,5[illegible] (*nil*) for depreciation and Rs. 91.017 (Rs. 11,30 00 for development rebate, resulted in a profit Rs. 10.11,603 (Rs. 54,549). Adding thereto a su of Rs. 4,351 (debit of Rs. 50,198) brought forwa from the preceding year, the amount available Rs. 10,15,954 (Rs. 4,351) out of which, after appropr[illegible]

ating Rs. 2,49.851 (*nil*) being the unadjusted depreciation and Rs. 3,76,243 (*nil*) being the development rebate of the preceding year, the amount available is Rs. 3,89,860 (*nil*). The directors have set aside therefrom Rs. 3,74,894 to 15-C profit reserve, leaving Rs. 14,966 (Rs. 4,351) which the directors recommend for appropriation as under:—

To provision for taxation Rs. 14,000 (*nil*) and balance to be carried forward Rs. 966 (Rs. 4,351). The directors recommend that out of the 15-C profit reserve, following dividend be declared:— 8 (*nil*) per cent. on preference shares absorbing Rs. 1,58,400 (*nil*) and 6 (*nil*) per cent. on equity shares absorbing Rs. 1,80,000 (*nil*) leaving a balance of Rs. 36,494 (Rs. 4,351) in the 15-C profit reserve which may be carried forward.

During the year, the factory worked to its full capacity. The Company has made every effort to popularise the hardboard again, which, due to the import restrictions from 1951 had lost the consumers' market. The directors inform that the Company has been enlisted with the Director General of Supplies and Disposals New Delhi and has secured a substantial contract for supply of hardboards to the Railways. It is hoped that, in the near future, other Government Departments will follow suit and that the demand from various Government Departments will increase considerably, in addition to the general demand which is already on the increase.

The import licence, for establishment of an Insulation Board Mill has been duly received, and orders had already been placed for required machinery. The necessary foreign exchange required for import of machinery has been obtained from the International Bank for Reconstruction and Development through the Industrial Credit and Investment Corporation of India Ltd., on a long term loan. The machinery is expected to reach India by March 1961 and the directors expect the Insulation Board Mill to function by 1961. The construction of factory building has already commenced and is coming up according to schedule.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Gross block	80,65,990
Reserves ...	16,33,754	*Less*—Depreciation ...	12,43,589
Provision for taxation ...	14.000		
Liabilities ...	48,65,938	Net block ...	68,22,401
Profit and loss account (surplus)	966	Stock-in-trade	27,71,850
		Stores, etc. ...	2,33,455
		Book debts ...	3,17,716
		Cash ...	1,61,564
		Miscellaneous expenditure	2,07,672
Rs.	1,05,14,658	Rs.	1,05,14,658

Jardine Henderson, Ltd.

The directors of the above Company (Secretary: Mr. D. Fordwood, Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The profit and loss account shows a balance of profit of Rs. 27,02,566 (Rs. 27,50,714) to which has to be added unclaimed dividends forfeited, less paid Rs. 7,033 (Rs. 2,168), profit on realisation of investments and assets (net) Rs. 5,353 (*nil*) and the balance brought forward from the previous year of Rs. 5,40,165 (Rs. 4,92,742), making a total of Rs. 32,55,117 (Rs. 32,45,624). Out of this amount the directors have provided for taxation Rs. 9,50,000 (Rs. 11,30,000), transferred to development rebate reserve Rs. 8,623 (*nil*) and transferred to general reserve account Rs. 1,00,000 (Rs. 2,50,000) leaving a balance available for disposal of Rs. 21,96,494 (Rs. 17,28,540 after deducting Rs. 46,963 being loss on realisation of investments and Rs. 90,121 being adjustment in respect of directors' remuneration for the previous year). The directors declared an interim dividend in respect of the year ended 31st March 1960 on the preference shares at the rate of 2½ (2½) per cent., which dividend was paid on the 5th October 1959 absorbing Rs. 1,37,500 (Rs. 94,188) and a second interim dividend at the rate of 2½ (2½) per cent., which dividend was paid on the 6th May 1960 absorbing Rs. 1,37,500 (Rs. 94,187). The directors now recommend the payment of a dividend on the ordinary shares of the Company at the rate of 7 (5 per cent. tax-free) per cent. subject to deduction of income-tax and super-tax at the appropriate prescribed rates absorbing Rs. 14,00,000 (Rs. 10,00,000), leaving a balance at the credit of profit and loss account of Rs. 5,21,494 (Rs. 5,40,165) to be carried forward to the next account.

The improved working of the jute mill companies under the Company's management produced the anticipated increase in managing agency commission during the year. Conditions in the jute mill industry, however, since the date of the last report have given rise to anxiety on account of the shortage of raw jute which became evident at the end of 1959 and which will unfortunately recur in the present season. While this has rendered profitable operation of the mills extremely difficult, every effort is being made further to increase the working efficiency of the mill units. Nevertheless, it is already clear that the Company's earnings from the management of the mills must show a decline in the current year.

Earnings from the tea companies under the Company's management are slightly less than for the previous year. The drought conditions which prevailed in all districts during the early part of this year have caused a large drop in crop in nearly all estates which it is unlikely can be made good before the end of the season. Earnings from this source are, therefore, expected to be further reduced for the current year.

Reorganisation and preparatory work in connection with the expansion programme continued to dislocate the working of the collieries belonging to the coal Company under the Company's management and earnings from this source diminished; a substantial improvement is, however, foreseen during the current year. The working of the coke Company was unsatisfactory and, as a result of losses sustained, some time must elapse before the anticipated benefits from the renovation of plant and rationalisation of production methods are reflected in increased commissions and dividends from this source.

As anticipated in the last report of the directors, there was a setback in the profits from the Company's trading activities during the year but earnings from the shipping agencies again showed a satisfactory increase. Active steps are being taken to restore, as far as possible, the Company's trading income but in the nature of the commodities mainly dealt in, fluctuations in profits from year to year are to some extent unavoidable.

The Company's main stake in the engineering industry is represented by its investment in Braithwaite & Co. (India) Ltd. and despite production difficulties, due to shortage of steel supplies, that Company's profits were well maintained for 1959. Early in 1960 Braithwaite & Co. (India) Ltd. took over control of the Angus Engineering Works in the Hooghly District and plans for a substantial expansion and diversification of that Company's activities are developing satisfactorily.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,00,000	Gross block	42,66,244
Reserves ...	73,10,723	*Less*—Depreciation ...	15,92,103
Provision for taxation ...	10,91,182		
Liabilities ...	5,18,54,897	Net block ...	26,74,141
Profit and loss account (surplus)	5,21,494	Work-in-progress ...	1,31,378
		Goodwill ...	25,00,000
		Book debts	3,14,14,856
		Investments	4,89,90,046
		Cash ...	67,875
Rs.	8,57,78,296	Rs.	8,57,78.296

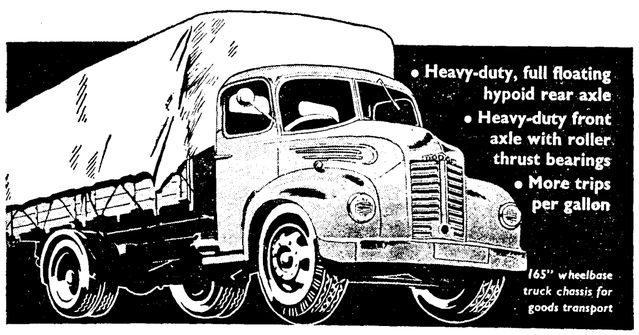
N.B.—Figures within brackets relate to the corresponding period of the previous year.

THE INDUSTRIAL FRONT IN ORISSA

(*Concluded from page 1057*)

as well as establish a new engineering college and a regional college at Rourkela.

The National Council of Applied Economic Research, New Delhi, is carrying out a techno-economic survey of Orissa to assess industrial possibilities in different areas and prepare project reports of various industries. Its report may be ready towards the end of 1960. According to its preliminary findings, Orissa's *per capita* income in 1951 was Rs. 190, as against the all-India figure of Rs. 248. It is expected that the *per capita* income in 1961 will be Rs. 237, as compared with Rs. 312 in India as a whole, the annual rate of growth in either case being about the same, namely, 2.5 per cent. It is, therefore, necessary that Orissa's rate of growth should be much higher than the all-India average, and for this three lines of action are called for, namely, a large investment in agriculture, a more intensive industrial development and greater stress on power generation and the improvement of transport, health, technical education and the like. The National Council has, therefore, recommended an investment outlay of Rs. 13,750 millions between 1960-71, so that the State income may be raised from Rs. 3,839 million in 1960-61 to Rs. 8,872 million in 1970-71 at an average rate of 13.1 per cent. per annum, and the *per capita* income from Rs. 237 to Rs. 444 at 9 per cent. per year. These rates of growth greatly exceed those expected for India as a whole during the third and fourth Plan periods, but would increase the *per capita* income of the State to a level with the rest of the country.



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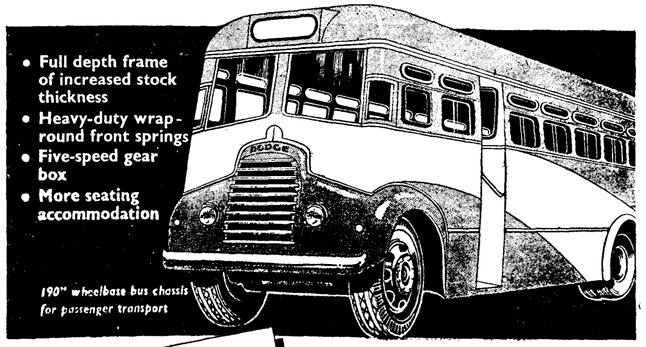

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Notices

ROHTAS INDUSTRIES LIMITED

NOTICE

THE TWENTY-SEVENTH ANNUAL GENERAL Meeting of the Shareholders of Rohtas Industries Ltd. will be held at the Registered Office of the Company at Dalmianagar on Wednesday, the 28th December, 1960, at 11 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31st March, 1960.
2. To declare dividends on Preference Shares and to confirm as final dividend the interim dividend on Ordinary Shares declared by the Board on 15th September, 1960.
3. To elect a Director in place of Shri B. N. Chaturvedi, who retires by rotation but, being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. K. N. Gutgutia & Co., being eligible, offer themselves for re-appointment.

As a special business

5. To pass the following resolution which is proposed as an Ordinary Resolution with or without modification:—

"RESOLVED that the appointment of Messrs. Ashoka Marketing Ltd., Calcutta as sole selling agents of the Company for the sale of Paper and Boards of all varieties, except Vulcanised Fibre Board, for the whole of India, on the terms and conditions enumerated in the Agreement, submitted to this meeting and approved by the Board of Directors of the Company, be and is hereby approved and confirmed."

By Order of the Board,

For SAHU JAIN LTD.,

A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, *28th November*, 1960.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

EXPLANATORY NOTE

Messrs. Ashoka Marketing Ltd. have been the Sole Selling Agents of the Company for sale of Paper and Boards of all varieties, except Vulcanised Fibre Boards, in India, except the States of Bombay and Saurashtra. The last agreement between the Company and Messrs. Ashoka Marketing Ltd. was for period upto 31st October, 1960. It has been considered expedient that the Company continues to avail of the sales organisation of Messrs. Ashoka Marketing Ltd. The Board of Directors have reappointed Messrs. Ashoka Marketing Ltd. as the Company's Sole Selling Agents for the whole of India for a period of five years from 1st November, 1960 for sale and distribution of Paper and Board of all varieties, except Vulcanised Fibre Boards, manufactured by the Company on terms and conditions contained in the relevant agreement. A copy of this agreement is available for inspection of the members on all working days during business hours at the Registered Office of the Company and the same will be placed before the shareholders at the above meeting. The appointment of Sole Selling Agents requires approval of the Industrial Finance Corporation of India in terms of the Mortgage Debenture Trust Deed executed by the Company in favour of the said Corporation. Industrial Finance Corporation of India have been pleased to accord their requisite approval to the said appointment. Approval of the shareholders is sought under Section 294 of the Companies Act, 1956.

The Managing Agents and the Directors of the Company have no interest in the said appointment or agreement.

SONE VALLEY PORTLAND CEMENT COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of Sone Valley Portland Cement Company Limited will be held on Friday, the 30th December 1960, at 11 a.m., at the Registered Office of the Company at 11, Clive Row, Calcutta, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1959.
2. To elect a Director in place of Shri A. K. Jain who retires by rotation, but being eligible, offers himself for re-election.
3. To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. Lovelock and Lewes, Chartered Accountants, being eligible, offer themselves for re-appointment.

As Special Business

To consider and if thought fit, to pass with or without modification following Resolution which will be proposed as a Special Resolution:

RESOLVED that The Articles of Association of the Company be altered in the following manner:—

(i) At the end of Article 19 the following proviso be added:—

"Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, descrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised."

(ii) In Article 43 the words "both of the transferor and" be deleted and be substituted by the word "of".

(iii) At the end of Article 68 the following proviso be added:—

"Provided that Debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting."

(iv) In Article 169 the word "three" be deleted and substituted by the word "six".

Share Transfer Books and Register of Members of the Company will remain closed from the 21st to 30th December 1960, both days inclusive.

By Order of the Board,

For SONE VALLEY PORTLAND CEMENT CO., LTD.,

SAHUJAIN SERVICES PRIVATE LTD.,

S. SRIKRISHNA AYYAR,
Director,
Secretaries.

CALCUTTA, *1st December*, 1960.

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

EXPLANATORY NOTE TO SPECIAL BUSINESS

The Shares of your Company have been listed on the official quotation list of the Bombay Stock Exchange. The alterations in the Articles proposed as above are in compliance with the listing requirements of the said Stock Exchange. The consent of the Shareholders is therefore sought for the above alteration.

The Directors have no interest in the proposed alterations of the Articles of Association.

THE JAIPUR UDYOG LIMITED

NOTICE

THE ANNUAL GENERAL MEETING OF THE Company will be held at the Registered Office of the Company at Sawai Madhopur on Friday, the 30th December, 1960 at 4 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Statements of Accounts for the year ended 31st March, 1960.
2. To declare dividends on Preference and Ordinary shares.
3. To elect a Director in place of Shri C. L. Jaipuria who retires by rotation but, being eligible, offers himself for re-election.
4. To elect a Director in place of Shri A. K. Roy who retires by rotation but, being eligible, offers himself for re-election.
5. To elect a Director in place of Shri C. L. Jhunjhunwala who retires under Clause 118 of the Company's Articles of Association but, being eligible, offers himself for re-election.
6. To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, M/s. R. D. Joshi & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

The Share Transfer Books of the Company will remain closed from Monday, the 19th December, 1960 to Friday, the 30th December, 1960, both days inclusive.

By Order of the Board,

For THE JAIPUR UDYOG LIMITED,

M. L. RATHI,
Secretary.

SAWAI MADHOPUR,
Dated 28th November, 1960.

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

(b) The dividends declared will be payable to those shareholders whose names stood on the Register of Members on Friday, the 30th December, 1960 or their mandatees.

ASHOKA CEMENT LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the registered office of the Company at Dalmianagar on Friday the 30th December 1960 at 11-30 a.m. to transact the following business:—

(1) To receive and adopt the Directors' report and audited accounts of the Company for the financial year ended 31st March 1960.

(2) To declare dividend.

(3) To elect a Director in place of Shri B. D. Goenka, who retires by rotation but being eligible offers himself for re-election.

(4) To appoint Auditors for the current year and fix their remuneration. The retiring Auditors, Messrs. N. C. Jain & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

As Special Business

(5) To consider if thought fit and pass with or without modification the following resolution, which will be proposed as a special resolution.

Resolved that Clause 113A (C) of the Articles of Association of the Company be amended by inserting the following proviso after the word "Provided Further" in the 11th line of the said clause "THAT THE AFORESAID LIMIT MAY BE ALTERED OR VARIED WITH THE CONSENT OF THE TRUSTEES PROVIDED LASTLY."

Explanatory Statement

The Clause 113A (C) was incorporated in the Articles of Association of the Company in pursuance of an agreement executed by the Company in favour of Industrial Finance Corporation of India. The amendment proposed is required to bring the clause in line with the clause in the Debenture Trust Deed. The Directors have no interest in the proposed amendment except as shareholders of the Company.

The Share Transfer Books of the Company will remain closed from 20th December 1960 to 30th December 1960, both days inclusive.

By Order of the Board,

For SAHUJAIN SERVICES PRIVATE LTD.,

(S. SRIKRISHNA AYYAR),
Director,
Secretaries.

CALCUTTA, *2nd December*, 1960.

N.B.—A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

MONEY IN GOOD DEMAND

(From Our Own Correspondent)

BOMBAY, *7th December*

The demand for money this week was greater than in the past week and, with no perceptible improvement in the supply of funds, the banks were keen borrowers in the inter-bank section. The day-to-day call money rate, therefore, went up to 4 per cent. The other short-term interest rates, however, remained unchanged at the levels mentioned here last week, thanks to the ceiling under the inter-bank agreement. Even Treasury Bill results also were exactly the same as in the past week. Not only the average rate of 91-days' Bills sold by weekly tenders was the same at 2.540 per cent. per annum, but even the amount offered was so at Rs. 2.40 crores, as against an invitation for Rs. 2 crores. Sales of intermediate Bills, however, fetched a sizable amount of Rs. 70 lakhs, as against a mere Rs. 3 lakhs in the previous week. Sales of both types of Treasury Bills are being continued.

The most important feature of the Reserve Bank's statement for the week ended 2nd December is a rise of Rs. 11.79 crores in foreign assets, taking up their total to Rs. 151.76 crores. The improvement has occurred in balances held abroad by the Banking Department. The foreign assets with the Issue Department remain unaltered at Rs. 123 crores. Notes in circulation have gone up by Rs. 17.14 crores and so also notes held in the Banking Department by Rs. 1.35 crores. The resultant increase of Rs. 18.49 crores in total issues is balanced by a rise of Rs. 20 crores in rupee securities and a fall of Rs. 1.51 crores in rupee coin. Deposits of banks with the Reserve Bank have shrunk by Rs. 8.70 crores and so also the Central Government's balances by Rs. 6.65 crores. The funds of other Governments disclose a small increase of Rs. 1.40 crores. These variations have taken place, despite an increase of Rs. 4.18 crores in loans and advances to Governments and of Rs. 6.65 crores in other loans and advances, of which Rs. 4.06 crores represent addition to advances to Scheduled banks against usance bills.

The format of Scheduled banks' statement has been changed, with effect from the one covering the week ended 25th November 1960. The change is for the better, in that the statement has been made more informative. Both demand and time deposits reveal a rise of Rs. 3.29 crores and Rs. 6.56 crores, respectively, or a total of Rs. 9.85 crores. Of this, the share of the State Bank is approximately Rs. 2.27 crores. Borrowings from banks have risen by Rs. 5.46 crores under demand nature and Rs. 92 lakhs under timing nature, but borrowings from the Reserve Bank are down by Rs. 5.56 crores. The total of advances and bills purchased and discounted reveal a fall of Rs. 10 crores, of which the share of the State Bank is Rs. 1.66 crores. Investments are higher by Rs. 4.03 crores, the whole of this rise being on account of the State Bank whose portfolio is up by Rs. 5 crores. Although the State Bank's cash balances have gone up by Rs. 4.63 crores, the position of scheduled banks as a whole shows a fall of Rs. 3.40 crores. But money at call and short notice reveals a rise of Rs. 6.66 crores, the whole of which has occurred in banks other than the State Bank.

The gilt-edged market continues to be steady, with no significant variations in values.

The pound sterling in New York, after recording a slight improvement to cross 281 cents per £ during mid-week, is a shade lower at 280.91-280.94 cents for spot and 280.18-280.21 for three months forward. Over the week, the spot rate shows no change, though the forward rate is a little better by 0.07 cent. The rupee-dollar rate is unchanged at Rs. 476.50-Rs. 473.25 per $100.

YARNS IRREGULAR

(From Our Own Correspondent)

BOMBAY, *7th December*

There was a sharp rise in the quotations for forward deliveries of Cupressa Bemberg yarn (60 x 1) during the week under review. The rise followed hectic purchases made by certain parties on fears that the floating stocks in the market might be depleted considerably. But spot yarn was not influenced by such fears. In fact, it showed a distinctly hardening trend. Imported and indigenous art silk yarns moved rather indecisively, as operators preferred to await the Government of India's reaction to the reported plea for liberal import quotas to established importers put forward by the Yarn Merchants Association and Exchange Ltd. Staple fibre yarns ruled dull in the absence of any fresh development. Business put through was small, with values moving narrowly. Other yarns tended to look down, as there was still no sign of revival of demand from handlooms and powerlooms.

Cupressa Bemberg yarn (60 x 2) December delivery forged ahead from Rs. 2,132 to Rs. 2,192. February position firmed up by Rs. 41 to Rs. 2,146. Spot Cupressa stood at Rs. 2,204.62 today, as against Rs. 2,246.50 on Wednesday last. Among imported art silk yarns, 150 Japan was quiet at Rs. 1,543.25. 120 Japan declined from Rs. 1,322.75 to Rs. 1,309.50. 120 Italy dropped Rs. 13.25 to Rs. 1,225.75. 150 Italy, however, met with special support and strengthened from Rs. 1,514.56 to Rs. 1,530. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade shed 2 nP to Rs. 11.11, while 120 Bt. cones 1st grade gathered 13 nP to Rs. 11.97.

Staple fibre yarn (40 x 2) December contract encountered selling and fell by Rs. 15 to Rs. 786. But February delivery picked up a rupee to Rs. 793. Spot Kohinoors gained 11 nP to Rs. 9.48. Citys were quiet at Rs. 9.22 and Centurys at Rs. 9.42.

In the cotton yarn section, ten counts Podars declined by 12 nP to Rs. 18. Gokaks were neg-

(Continued in next column)

BULLION EASY

(From Our Own Correspondent)

BOMBAY, *7th December*

The firm trend noted in the bullion market last week abated during the week under review. In fact, the market ruled easy, excepting yesterday when there was some recovery. The easiness was due to lack of follow-up support, increase in carry-over charges, and unloading by a few operators on reports of heavy arrivals and bearish advices from Calcutta. Consequently, prices of both gold and silver tended to move down.

The average daily arrivals of gold were larger than those in the previous weeks, being 8,000 tolas, as against 6,000 tolas. Offtake was also slightly better at 4,000 tolas, as against 3,750 tolas. In the case of silver, both arrivals and offtake were lower at 23 bars and 6 bars, as compared with 76 bars and 8 bars, respectively. The floating stocks of gold are reported to be around 100,000 tolas and those of silver are estimated at 700 bars.

The *Poush* (January) settlement in gold encountered selling and receded in the course of the week from Rs. 116.15 to Rs. 115.65 today. *Margashir* settlement ran off the board at Rs. 114.60 on Tuesday the 5th inst., as against Rs. 115 on Wednesday last week. The rate for transferring commitments from *Margashir* to *Poush* settlement continued to be against bulls, the actual rate widening from Re. 1.15 to Re. 1.25, so that the margin of Rs. 20 per 10 grams payable by bears persisted.

Ready gold began the week at Rs. 115.70, as against the previous close of Rs. 115.50, and declined steadily to touch Rs. 114.50 today.

In the silver section, *Margashir* settlement eased from Rs. 196.75 to Rs. 196.10 yesterday at which rate it ran out. *Poush* settlement was quoted today at Rs. 196.80, a drop of Rs. 2 as compared with the last week's closing rate. The *badli* payable by bulls for getting their commitments transferred from the *Margashir* to the *Poush* settlement stood higher at Re. 1.80 yesterday, that a week ago being Re. 1.40. As the *badli* rate was more than Re. 1.50 since Friday the 2nd inst., the bears were obliged to pay a margin of Rs. 300 per bar.

Ready silver continued to be quoted at a discount under the *Poush* settlement, the actual discount today being Re. 1.80, as against Re. 1.75 on Wednesday last week. The closing rate for the metal today was Rs. 195, as against Rs. 196.40 a week ago, the highest and lowest levels touched being Rs. 196.65 (Friday) and Rs. 195 (today), respectively.

The world price for gold in the London bullion market declined from $35.60-$35.80 last week to $35.40-$35.55 this week, owing to slackness in demand and some sales by private operators. Following this decline and on account of the firmness of the pound sterling *vis-a-vis* the dollar, ready gold in London fell from 253s. 10d. to 252s. on Monday the 5th inst. Yesterday, however, it recovered to 252s. 6d. Both ready and forward silver continued unchanged at 79¼d., as also silver in New York at 91.375 cents.

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

	7-12-60 (closing)	High	Low	30-11-60 (closing)
GOLD				
Ready (.99 fine)	Rs. 114.50	Rs. 115.05	Rs. 114.40	Rs. 114.95
Forward:				
*Poush**	115.65	116.15	115.65	115.00
Sovereign	90.00	—	—	90.00
SILVER				
Ready (.995 fine)	195.00	196.65	195.00	196.40
Forward:				
Poush†	196.80 6-12-60	198.45	96.80	196.75 29-11-60
London:				
Silver Ready	79¼d.	—	—	79¼d.
Silver Forward	79¼d.	—	—	79¼d.
Gold	252s. 6d.	253s. 6d.	252s. 0d.	253s. 10d.
New York				
Silver	91.375 cents	—	—	91.375 cents

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

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

(Concluded from previous column)

lected at Rs. 19. Twenty counts Moderns softened by 6 nP to Rs. 23.50. Gokaks were unaltered at Rs. 23.12. Forty counts Maduras receded from Rs. 32.75 to Rs. 32.12. Minaxis were done at Rs. 31.12. Sixty counts Finlays were dull at Rs. 59.50. Eighty counts Moderns elicited good enquiries and advanced by 45 nP to Rs. 70.70. Mahendras were also well fancied, the rate rising by 69 nP to Rs. 69.69.

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

	7-12-1960	30-11-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.)		
December	2,192.00	2,132.00
February	2,146.00	2,105.00
60/1 Cupressa Bemberg spot	2,204.62	2,246.50
120 Japan (per 100 kg.)	1,309.50	1,322.75
150 Japan (per 100 kg.)	1,543.25	1,543.25
120 Italy (per 100 kg.)	1,225.75	1,239.00
150 Italy (per 100 kg.)	1,530.00	1,514.56
Staple fibre yarn—		
40 x 2 December (per 90.72 kg.)	786.00	791.00
40 x 2 February	793.00	792.00
40 x 2 Century (per kg.)	9.42	9.42
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.00	18.12
20s Gokak	23.12	23.12
30s Gokak	27.25	27.25
40s Madura	32.12	32.75
60s Finlay	59.50	59.50
80s Modern	70.70	71.25

COTTON FUTURES STEADY AT CLOSE

(From Our Own Correspondent)

BOMBAY, *7th December*

The downward trend of cotton futures witnessed last week was arrested during the week under review and the market staged a smart recovery. This was due partly to technical factors and partly to fresh buying influenced by the revival of mill demand for ready cotton. The bearish interpretation of the Textile Commissioner's statement at Ahmedabad that the estimated crop of five million bales and import of 600,000 bales of foreign cotton would meet the requirements of the mill industry and that, if they did not, the Government would allow more imports of cotton, coupled with reports of beneficial showers in certain cotton tracts, touched off some speculative selling which depressed cotton futures on Monday. This recession was, however, short-lived. Smaller arrival of new crop in terminal markets and higher upcountry advices induced fresh buying subsequently with the result that prices again edged forward. Renewed activity in the spot market where mills made sizable purchases of new crop in anticipation of the second instalment of the Indian cotton quota, also helped sentiment. Monday's losses were more than made up in yesterday's and today's trading.

I.C.C. Moglai Jarilla April 1961 opened the week on a firm note at Rs. 585.50 (per three quintals), as against the previous day's closing of Rs. 582.75 and after rising to Rs. 591.25 on Saturday, declined to Rs. 587.50 on Monday. It recovered to Rs. 594.50 yesterday. Commencing today's session at Rs. 595, the Contract put on Rs. 2.25 before finishing at Rs. 595. The net gain over the week is Rs. 12.25.

Demand for ready cotton was well maintained, as already stated. Early in the week, spinners bought sizable quantities of new crop Khandesh, Berar, which fetched ceiling and near ceiling prices. Southern and Bombay mills evinced special interest in CO2 at prices ranging from Rs. 1,275 to Rs. 1,300. Towards the close of the week, rumours that the second instalment of quota for Indian cotton would be issued to mills shortly and reports of reduced arrivals in terminal markets, touched off fresh buying by mills. Prices tended to rise.

Interest in foreign cotton was subdued. There was moderate demand for U.S. cotton at unchanged prices. Selected East African growths were in demand. But the rise in quotation by Rs. 20-25 per candy, following the news of Chinese demand for East African cotton, made buyers reserved. B.P. 52 was done at Rs. 1,335 to Rs. 1,340. B.P. (UNUG) at Rs. 1,375 and Busoga at Rs. 1,320. Stray buying was reported in Syrian cotton at Rs. 1,165 per candy.

Importers have represented to the Government of India that shipment period for U.S. cotton to be imported under P.L. 480 against purchase authorisation No. 39-47, which is due to expire at the end of this month, should be extended suitably so as to give them sufficient time to arrange for shipments. The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri:

Berar Fine 880; Khandesh 890; CO2 1,280-1,290; Khamgaon (Cambodia) 1,035.

Easy conditions prevailed in the Karachi cotton futures market during the week under review. Pressure of selling induced by the increasing volume of new crop arrivals and small export demand depressed both the March and January Contracts. Reports of the possibility of India importing more Pakistan cotton failed to induce a recovery. N.T.R.G. January declined from Rs. 69-6 last week-end to Rs. 68-15. The March position receded by two annas to Rs. 68.-12. Spot prices too were a shade easy.

Cotton futures in the Alexandria market ruled steady during the week. Activity was restricted, thanks to the paucity of demand from overseas buyers who preferred to watch the trend of new crop prices. Domestic spinner demand too was slack. Values, however, held steady, due to the absence of sellers. The supply position of the longer staple cotton is said to be very tight and if demand is maintained at last season's level, it is feared that there will be shortage of supplies later in the season. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: January 72.00; March 73.40; May 73.95.

Ashmouni: December 62.45; February 62.80; April 63.85.

Barring the December contracts of both the American and American type contracts, which attracted some support, the Liverpool cotton futures market was subdued during the week. Lack of activity in the ready section, where spinner demand continued to be small, and the weakness of the London Stock Exchange were reflected in the futures market which was lethargic. Values declined on scattered selling which found buyers reserved. The near months, as noted above, received support from local operators. Sudan cotton contracts in Liverpool continued to rule steady. The latest available quotations—in pence per lb.—from Liverpool are as under:

American cotton one inch staple contract: December 22.75; March 23.00; May 23.35; July 23.65.

American cotton mixed growth contract: December 23.05; March 23.30; May 23.65; July 24.25.

Sudan: January, March, May 37.75.

Cotton futures in the New York cotton market made handsome gains during the week. A fair amount of short-covering, some fresh buying in current crop months and Commission House support for distant March and May positions resulted in a smart rally in prices. The operators were anxiously awaiting the December crop report of the Department of Agriculture. The mid-November parity price of 38.37 cents, announced by the

Bureau of Agricultural Economics, was the same as the mid-October parity.

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

(In cents per lb.)

	5-12-60	29-11-60	22-11-60
Spot	32.30	32.30	32.30
December	31.62	31.31	31.47
March	32.32	32.03	32.10
May	32.72	32.47	32.51

BASE METALS RISE

(From Our Own Correspondent)

CALCUTTA, *6th December*

Base metals ruled steady during the week under review. This was due not to any precise circumstance arising from domestic consideration but to higher advices from overseas markets. For instance, on the London Metal Exchange, electrolytic copper opened this week at £229¾ a ton and hardened to close at £231¼. This followed good demand on London, reinforced by bear-covering. The loss in production in the Chuquicamta mines in Chile as a result of six weeks' strike, which ended a couple of weeks ago, engendered firmness in London as well as New York. Although production was resumed a couple of weeks ago, normal flow of the metal to Europe would not commence before January. In New York, the price hardened from 28.15 cents to 28.32 cents a lb. Copper scrap prices ruled steady here, though demand was dull. Utensil scrap hardened from Rs. 198 to Rs. 200 a cwt. and the berry scrap from Rs. 209 to Rs. 212 a cwt. Local demand for tin was greater than availability and, as a result, the price closed higher on balance at Rs. 574, as against the opening of Rs. 570.50. At one time, the quotation was high as Rs. 577 which incidentally is the highest level touched so far during the year. On the other hand, in London, the price eased from £800 to £799 a ton. The rate was even lower at £798½ earlier. Reduction in the London price was attributed to poor demand from overseas. Electrolytic zinc met with subdued demand and the price gave way from Rs. 162.50 to Rs. 161 a cwt. Virgin lead continued to be neglected, the rate being quiet at Rs. 63 a cwt.

SEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *7th December*

Once again the Forward Markets Commission has warned the oilseeds trade against "rampant" speculation. A similar warning, it may be recalled, had been given a month ago, followed by stringent measures of control. In a Press note issued on Monday this week, the F.M.C. has made it clear that it will not hesitate to take "drastic" action, if anti-social activities in the castorseed markets and evasion of special margins in respect of groundnut contracts do not cease forthwith. In particular, the Commission regrets that speculation in castorseed futures is rampant, May 1961 delivery being currently quoted at "levels for which there is hardly any justification." It has come to the notice of the Commission that in Bombay and Saurashtra illegal trading is being carried on in groundnut oil in terms of wagons and tins in the guise of non-transferable specific delivery contracts. The warning, however, fell on deaf ears. For it only touched off, paradoxically enough, a fresh wave of buying.

It would appear that the rise in prices would have gone up further but for another discouraging development relating to freight rate for oilcakes. The Karmahom Conference has announced an increase in freight rates for oilcakes and meals from 85*s.* to 100*s.* per ton with effect from February next. It was only in October last that the Conference reduced it from 100*s.* to 85*s.* This has been a very disappointing development in so far as exporters are concerned, especially those who have already transacted business for the period February and March on the basis of prevailing freight rates. Already, the overseas demand for groundnut meal has tended to be weak. Whatever may be the case for the revision of freight rates, traders feel that periodical changes in freight rates will adversely affect India's exports.

Another development of interest to the trade is the decision of the Government of India to allow export of H.P.S. groundnuts in shell by all shippers, including established shippers and co-operative societies, to the U.K. and the Netherlands against the quota of 2,000 tons already released. This measure would appear to have not had any perceptible effect on the market. The operators have also noted reports suggesting the possibility of import quotas for betelnuts and cloves against exports of groundnut oil. The import policy for these items for October-March period has still not been announced. Apparently the Government wants to take advantage of the high profit margin accruing to importers of betelnuts and cloves by making them contribute something towards export promotion.

The sentiment in the oilseeds market ruled distinctly firm during the week under review, thanks mainly to sustained speculative buying. Groundnut futures moved up, despite pressure of larger arrivals and none-too-encouraging performance on the export front. Spot groundnuts also were well maintained. February 1961 contract rose steadily from Rs. 208.50 to Rs. 210.62. Nizam bold declined initially from Rs. 42 to Rs. 41.37, but recovered subsequently to Rs. 42. Oils, however, were weak, with ex-mill being quoted lower by 25 nP at Rs. 18.50 and railway receipts by 5 nP to Rs. 18.30.

Cheerful conditions prevailed in the castorseeds section. Except for some moderate business enquiries from Communist countries, the export front for castor oil remained dull. A section of the trade felt at any rate that, in view of Brazil's commitments to Russia for the supply of castor oil, its competition in the American market for castor oil would be only limited significance to India's exports. Castorseed May 1961 contract, which had wound up at Rs. 178.50 last week, rallied to Rs. 179.25, before closing to Rs. 177.50 on Monday. It once again rose to close at Rs. 177.87 yesterday and improved further to Rs. 178.62 to-day.

In sympathy with the trend in other major seeds, linseed was also well supported. May 1961 delivery improved by 12 nP to Rs. 33.81, after fluctuating between Rs. 33.69 and Rs. 33.84. Bold ready put on 38 nP to Rs. 33.75. Linseed oil scored a gain of 10 nP to Rs. 14.90.

Active conditions were in evidence in the cottonseed section as well. February 1961 contract closed higher at Rs. 89.75 today, as against Rs. 88.25 last week-end. Berar, whites and non-whites, all gathered 56 nP to Rs. 19.56.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	7-12-1960	30-11-1960	23-11-1960
	Rs.	Rs.	Rs.
Groundnut			
February 1961	210.62	208.50	210.50
Nizam bold	42.00	42.00	42.50
Coromandel ready	43.00	43.00	43.00
Khandesh quality	43.00	43.25	43.25
Oil ex-mill ready*	18.50	18.75	19.00
Railway receipts*	18.30	18.35	18.70
Castorseed			
May 1961	178.62	178.50	180.50
Ready Madras	34.12	34.75	35.00
Ready Kanpur	33.25	33.75	34.00
Oil B.S.S.†	15.20	15.10	15.45
Oil commercial†	14.30	14.20	14.55
Linseed			
May 1961	33.81	33.69	33.87
Bold ready	33.75	33.37	33.62
Oil ready†	14.90	14.80	14.90
Cottonseed			
February 1961	89.75	88.25	89.50
Niger seed	36.25	36.25	38.50
Kardi seed	24.00	24.00	24.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms

PLAINER TEAS WELL MAINTAINED

(From Our Own Correspondent)

CALCUTTA, *6th December*

While plainer teas were well maintained, the common teas found bidders only at declining rates at the export auctions held yesterday. Although tea arrivals in Calcutta during the week registered a small improvement, exports were not as encouraging in volume as expected.

Dusts on offer in the internal sales held yesterday amounted to 28,902 packages. Good demand was in evidence at declining prices, which were attributed to a deterioration in quality. The best C.T.Cs were in better demand, while the medium teas belonging to this category eased by 20 nP. Legg-cut teas were shown less attention and, though the trend for orthodox teas was irregular, prices were lower on balance. The quotations per 1 kg. (inclusive of excise duty), were: best Assam C.T.C. dust Rs. 6.10 to Rs. 6.40 (nominal); medium Assam C.T.C. dust Rs. 5.60 to Rs. 5.75; medium Assam dust Rs. 4.80 to Rs. 5.10; and medium Dooars dust Rs. 4.65 to Rs. 5.00.

Good demand was in evidence to leaf on offer amounting to 627 chests.

During the export sales held yesterday, offerings amounting to 73,293 chests met with only fair general demand. Prices as a consequence, eased on a broad front. There was good support for the brighter B.O.Ps and O.Fs, but the balance of this category eased by 20 to 30 nP. Plain B.Ps and teas per price gave way by 10 nP. Similarly fannings also eased, but, thanks to the irregular trend, the quantum of decline was lower. Legg-cut teas declined by 20 nP. The very few selected lines, among C.T.Cs, were about firm, while the remainder of the category gave way by 20 to 30 nP. In line with the general trend, leaf grades also declined, though the trend was irregular. Tippy teas were also irregular. Among Darjeelings, the brighter grades were firm, but the poorer grades were lower. The quotations per 1 kg. (inclusive of excise duty) were: Best Assam C.T.C. fannings Rs. 5.90 to Rs. 6.30; Best Assam C.T.C. B.P. Rs. 5.60 to Rs. 6.00; clean Black pekoe Rs. 5.30 to Rs 5.30; medium fannings Rs. 4.90 to Rs. 5.20; Plain fannings Rs. 4.80 to Rs. 4.90; medium B. P. Rs. 4.70 to Rs. 4.90; and Plain B.P. Rs. 4.50 to Rs. 4.65.

QUALITY TEAS DECLINE

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

COCHIN, *29th November*

Sale No. 46 was held on Tuesday, 29th November 1960, at which 550,000 kilograms of tea were offered. Quality continued to show a general decline. The market met an irregular demand. Plain and low medium brokens met fair enquiry and were barely steady whilst similar fannings met with less support and were easier by 10 nP. Medium and good medium brokens, particularly those with black leaf appearance, were in strong demand at dearer rates but corresponding fannings sold at 15 to 20 nP below last. There was fair enquiry for highgrown brokens although these sold up to a rupee below valuation whilst fannings were neglected and a number of them were withdrawn from the sale. There was less support for whole leaf grade which declined by 20 to 30 nP. C.T.C. and legg-cut types also shared in the downward trend of the market and declined by 20 to 30 nP. A small selection of tippy teas met with fair support.

	1960	1959
	Rs.	Rs.
Low medium	4.60-4.95	4.52-4.74
Medium	4.95-5.35	4.85-5.0
Good medium	5.35-5.75	4.96-5.4
Quality	5.75-8.65	5.29-9.3

The average price realised in Sale No. 46 was Rs. 5.28 per kilo, as against Rs. 5.25 in the previous sale and Rs. 5.25 in the corresponding sale last year.

Dust Sale 'RR': 175,000 kilograms were offered in Sale 'RR' held on Thursday, 1st December 1960. There was a good general demand. Highgrowns came to an irregular market with the poorer sorts advancing in price. Mediums received keen competition at around last prices whilst the cleanly sorted descriptions were about firm. Residuals were a strong feature at dearer rates. C.T.C. and legg-cut sorts were firm.

The average price realised in Dust Sale 'RR' was Rs. 4.85 per kilo as compared with Rs. 4.77 in the previous sale and Rs. 4.29 in the corresponding sale last year.

Export Quota: The market remains unchanged with large sellers at ¼ nP per kilo with no ready buyers.

Colombo: Just under 6 million pounds were offered this week and met with a strong general demand but at lower rates with the exception of best liquoring Dimbula brokens which were dearer; other highgrowns came to a lower market at 10/20 cents below last rates. Medium descriptions eased 15/25 cents whilst lowgrowns and plainest descriptions declined 5/15 cents.

London: North Indian and other growths: In Monday's auction, there was more general demand and prices were firm for all descriptions. Plain broken pekoe is quoted at 3*s.* 9*d.*

Ceylon and South Indians: Tuesday's sale comprised 25,270 packages and 8,111 packages were offered from South India. There was good general demand with the exception of best liquoring teas which were irregular. Others sold at firm to dearer rates.

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

"*Sale* 47: 462,000 kilograms. Fair demand. Highgrowns irregularly 50 nP easier. Good medium and medium brokens steady. Similar fannings 20 nP to 30 nP easier. Plain and low medium about steady. Black leaf types considerably easier."

EMERGENCY CLEARING IN JUTE

(From Our Own Correspondent)

CALCUTTA, 6th *December*

Following the emergency clearing on Wednesday last in respect of outstanding futures contracts and the consequent closure of all outstanding contracts as at 8.30 a.m. on that day, in accordance with the decision of the Board of the East India Jute and Hessian Exchange Ltd., raw jute and jute goods eased in the ready market. Subsequently, a reaction to higher levels set in and, since it was not marked, the closing levels for the week under review were well lower on balance. Foreign buyers continued to support the market on a hand-to-mouth basis only and this week's shipments continued to be poor, despite the free availability of shipping space to most destinations. It was announced during the week that freight on gunnies to Australian main ports has been increased by 15*s.* as from 1st January 1961. According to an announcement by Nedlloyds, their rates to Ciudad Trujillo (Dominican Republic) with transhipment at New Orleans have been increased with effect from 8th January. Fibre arrivals during the week did not show any improvement and it was feared that the decline in prices affected the pace of movement. The news that the visiting Chinese trade delegation in Dacca placed an order for 1,500 bales of gunnies with Pakistan mills was noted here, although, the quantity being small, this was not considered as diminishing Chinese interest in the Calcutta market.

The Chinese delegation in Pakistan also bought 15,000 bales of raw jute. Nevertheless, Pakistan price did not harden. For other overseas interests continued to buy in small quantities only. It was, however, reported that prices in the interior were well maintained. Cultivators and middlemen were encouraged to hold on to their stocks by lower estimates of the crop. Prices in Pakistan had moved up to such high levels that there were suggestions that Indian jute was being smuggled to Pakistan markets. One redeeming feature in Pakistan is the glut in supplies of cuttings, stocks of which are also adequate with mills there. The recent reduction in the E.P.C. rate by £4 a ton is a pointer in this regard. The fears of a shortage in crop were reinforced by the keen activity by Dundee buyers who, in the first fortnight of November, lifted as much as 30,360 bales out of the total sales to foreign countries amounting to 116,636 bales. The next highest buyers were Egypt and the United States. A point to be noted is that, although wet jute is finding ready buyers in the Narayanganj market, balers are disinclined to sell at the declining rates. For they believe that prices are bound to move up and that, if they now dispose of their stocks at lower rates, they would incur losses, inasmuch as cultivators in the interior are in no mood to discount rates. In fact, the continued support by buyers on behalf of Dundee, Australia and France is taken as proof that these buyers also apprehend that there will be a shortfall in production. The market trend in Pakistan is of significance, since, in India also, market conditions have become similar. For this week's fall in prices in fibre in Calcutta has not been accompanied by a similar decline in the interior. And that is proof of the improved financial stability among cultivators and middlemen. To this extent, the quota system of buying by mills has not solved the problem of rising prices for fibre, although it initially led to a decline.

The rates for the emergency clearing referred to above were Rs. 151.50 per 100 bags for B. twills and Rs. 53 for 100 yards of hessian cloth, both November 1960 contracts, and Rs. 44.50 per maund for raw jute for December 1960 contract. The maximum prices in force were Rs. 140, Rs. 51 and Rs. 43.50, respectively. With these clearings, arrangements for tendering alternative varieties in regard to hessian and sacking hedge against November 1960 contracts together with premium and discounts have been cancelled. The prevalent maximum price for raw jute contract against December 1960 contract has also been withdrawn.

Following news on Tuesday last of the above clearing arrangements, there was selling pressure and prices eased. Ready B. twills declined from Rs. 184 to Rs. 180 and ready hessian 40" 10 oz. from Rs. 58.50 to Rs. 58. At lower levels, however, foreign inquiries did not broaden. Prices showed no change on Wednesday. On the following day, some business was reported in woolpacks with Australian buyers for delivery varying from January and June. B. twills gave way to Rs. 179 and hessian 40" 10 oz. to Rs. 57. At this stage, reports of an easing trend were also received from the New York burlap market, where spot hessian fell by 5 cents per yard. The fall was attributed to the emergency clearing in Calcutta. U.S. buyers here showed no inclination of increasing their activity. In ordinary circumstances, the low level of goods in stock with mills should have resulted in greater business from abroad. The lack of such inquiries showed that foreign buyers were content to restrict their activity on a hand-to-mouth basis only, leading to apprehensions that substitutes were gaining more rapidly than earlier thought of. On Friday, rates eased further on account of accumulated selling pressure and lack of adequate inquiries from abroad should have nerved holders. B. twills were pushed down to Rs. 176.50 and hessian 40" 10 oz. to Rs. 56.50. Towards the close of the week, the undertone was easy, with B. twills quoting at Rs. 177 and hessian 40" 10 oz. at Rs. 56. Following some buying interest yesterday, ready B. twills hardened to Rs. 181 and hessian 40" 10 oz. to Rs. 57.00.

In the absence of receipt of their quota, mills showed no interest in the raw jute market. This, coupled with the fall in goods prices, imparted an easier tendency in fibre, despite lower arrivals from *mofussil* centres. Daissee bottoms eased to Rs. 138.00 per 100 kg. or Rs. 51.50 per maund Dec.-Jan. from Rs. 140.50 or Rs. 52.50 a maund. Assam bottoms opened at Rs. 135.25 (Rs. 50.50 per maund) and eased to Rs. 132.50 (Rs. 49.00 per maund).

SUGAR HARDENS

(From Our Own Correspondent)

HAPUR, *5th December*

Sugar recorded a hardening trend towards the week-end at Rs. 112 per bag in wholesale in the open market on reports that the Government of India was anxious to arrange for exports soon. It was indicated that India was in a position to export 350,000 tons of sugar to the U.S. after meeting internal requirements, but such exports would be possible only early next year when India would become a member of the International Sugar Agreement. Meanwhile, it was reported that all the factories in west U.P. were crushing to their full capacity, as cane supplies were satisfactory. In view of the easy supply position evidenced by not lifting a major part of monthly quota releases, trade circles were again clamouring for removal of control on sugar. It was further reported that there was heavy accumulation of stocks of sugar in the South, due to increased releases, with the result that deficit areas had now become surplus.

Sugar displayed an easy trend in the Muzaffarnagar market during the week, owing to lack of demand, coupled with comfortable supply position and prices were quoted around Rs. 110 per bag wholesale in the open market. Stocks allotted for October and November were not lifted. All the factories were attracting cane and production was being done with maximum capacity.

Sugar ruled quiet at Rs. 111 to Rs. 111.25 per bag in Kanpur, thanks to satisfactory supply position.

Old *khandsari* declined further by Re. 1 to Rs. 2 per maund on slack demand, while new *khandsari* improved by 50 to 75 nP a maund due to keen demand from east U.P., Punjab and Rajasthan. The latest prevailing prices in the Muzaffarnagar market were: new Rs. 32 to Rs. 37; old *galawat* Rs. 17 to Rs. 20; inferior Rs. 27 to Rs. 30; superior Rs. 30 to Rs. 32.50 a maund.

Gur declined sharply and the fall was more perceptible in *balti* quality, as demand from the consuming areas of the South was slack. It was being met from the producing areas of the South itself where prices too had declined. Loading facilities in the later part of the week were poor, as *gur* loading was again degraded to E class booking. Daily arrivals were about 7,000 maunds which were lifted at lower prices and, consequently, no accumulation of stocks has taken place. Most of the crushers are now lying idle for want of cane supplies, as the cultivator is not willing to supply cane at Re. 1 per maund and crushers are unable to pay more compatible with prevailing *gur* prices. Week-end prices were: *pansera* Rs. 13.25 to Rs. 13.50, *balti* Rs. 13.75 to Rs. 14.12; *shakker* Rs. 15 per maund. Prevailing prices last Monday were: *pansera* Rs. 13.75 to Rs. 14; *balti* Rs. 15.25 to Rs. 15.50 and *shakker* Rs. 16 a maund.

Gur was depressed in the Muzaffarnagar market also, where daily arrivals of *gur* and *shakker* were about 10,000 maunds daily and prevailing prices were: *—chaku* Rs. 13.25 to Rs. 15; *pansera* Rs. 14; *khurpapar* Rs. 13.74 to Rs. 14; *laddo* Rs. 14.25 to Rs. 15 a maund.

Gur futures moved both ways during the week, but the trend was bullish on brisk speculative support. *Fagan* opened at Rs. 13.28 last Monday, touched the highest of the week at Rs. 13.52 on Wednesday, and was quoted at Rs. 13.41 today.

FOODGRAINS RECEDE FURTHER

(From Our Own Correspondent)

HAPUR, *5th December*

Quietly downward trend continued in the foodgrains market during the week under review, thanks to good supply position. The Union Food Minister, Mr. S. K. Patil, stated this week that, in the present circumstances, State trading in foodgrains had become unnecessary, but it would not be abandoned, as it was a good weapon to be kept in hand for use when necessary. Wheat at Hapur recorded a fractional fall to be quoted on Monday at Rs. 16.12 a maund for *dara* quality, while superior farm produce was done at Rs. 17.37. In the smaller markets of West U.P., wheat was lower at Rs. 16 a maund. It was stated that wheat was taken to east U.P. for being stealthily exported to Bihar. Daily arrivals of wheat here were small at an average of 50 to 75 maunds, but demand was also slack, as it was met from U.P. Government's sales of wheat flour. Sowings of *rabi* grains was now over and first germination reported indicated that, due to good moisture in soil, germination was quite satisfactory.

Rice continued to rule quietly depressed, due to easy supply position, following heavy arrivals of new produce in the markets. Week-end quotations here were:—*sela basmati* Rs. 27 to Rs. 29; *mainpuri* Rs. 20.50; *ramajwayan* Rs. 22; *raimunia* Rs. 23; *gadda* Rs. 17.50 a maund.

Gram remained stationary at Rs. 16.50 for better Punjab stuff and Rs. 15.75 a maund for old stocks. Barley continued unchanged at Rs. 12.50 and *bejhar* at Rs. 12.25 to Rs. 12.75 a maund according to quality. Consumer demand for these coarse grains was slack, as it was diverted to maize and *bajra* due to winter season. Maize was reaching here in heavy quantity from Rampur and Bareilly side and, despite good seasonal offtake, prices ruled quiet at Rs. 12 to Rs. 12.25 a maund and local stocks were put at 25,000 maunds. *Guwar* attracted better demand at Rs. 13.50 and *juwar* was stationary at Rs. 14 a maund. New *bajra* arrivals were meagre and were being lifted at Rs. 14.25 a maund.

Peas and *arhar* registered a fractional fall in prices, as demand was dormant and stockists were anxious sellers. Peas stock continued at 20 *khatties* and that of *arhar* at 17 *khatties*, the corresponding figures last year being 38 *khatties* and 25 *khatties*, respectively, when peas *dara* was quoted at Rs. 10 and *arhar* at Rs. 16.50. The prevailing prices now were:—peas *dara* Rs. 12.25; farm white quality Rs. 13.75; old Rs. 11.50; peas *dal* Rs. 13.75; *arhar* Rs. 12.75; *arhar dal* Rs. 16 to Rs. 17 a maund. Total arrivals of peas upto date during the current season here were put at 109,500 maunds, as against 126,000 maunds in the corresponding period last year, and that of *arhar* at 22,100 maunds, as against 28,300 maunds. New *urd* was quoted at Rs. 19; *moong* at Rs. 18 to Rs. 19.50 and *massor* at Rs. 15 to Rs. 17.

LINSEED SUPPLIES SCARCE

(Messrs. A. Bradley and Co.)

CALCUTTA, *5th December*

There was very little activity in the linseed market during the week. Towards the close, there was slight weakening in prices, but supplies were still very scarce. Very few crushers who are working on a restricted scale and are unable to cover their crushing costs were operating. With sellers of seeds reserved and buyers for oil pausing, business was negligible. The oilcake market ruled dull, with only small local business passing daily at prevailing rates. Ready was done at Rs. 27.25 per maund.

HIDES ARRIVALS LARGE

(From Our Own Correspondent)

MADRAS, *5th December*

Arrivals of tanned hides and calves were larger, while clearance was slow, because U.K. importers were not prepared to follow the prices quoted at origin. Inland demand for low grade cow hides was moderate, and tanners were likely to take lower prices in all selection. Inquiries for calf skins were patchy. U.S. buyers were not willing to pay Madras prices.

Tanned goat was firm, as also sheep. Export trading was small, on account of stiff prices quoted by the E.I. tanners.

At the tanned skins London public auctions, tanned goat skins realised very poor prices where sold, and sheep skins were unquotable.

At the German auctions, 50 per cent. of the tanned goat stocks on offer were sold at 3*d.* to 6*d.* below c.i.f. levels, while buyers did not show any interest in sheep.

Shipments during November were: 2,462 bales tanned cow hides, 183 cow calf, 49 buff hides, 250 buff calf, 420 goat and 403 sheep to the U.K. ports; 42 cow calf, 54 buff calf, 612 goat and 371 sheep to the Continental ports; 78 buff hides, 163 buff calf, 352 goat and 11 sheep to the U.S.A.; and 32 bales tanned sheep to Japan.

(*Concluded from page 1062*)

credits for a period not exceeding five years. These will be insured by the Export Credit Insurance Corporation, a Government undertaking. Through the medium of the new export financing organisation, the Government proposes to arrange guarantees and put up credit for approved capital exports requiring more than five years' credit. Canadian authorities claim that this is possible within the terms of the Berne Union, although they have not explained how. In offering credit insurance for periods exceeding five years, Canada may not be doing anything which other countries have not done. But it lends substance to the long-standing complaint of Britain that its competitors are circumventing the Berne Union agreement to offer credit terms for periods exceeding five years. It is now clear that the five-year limit fixed by the Berne Union bears no relation to the requirements of both exporters and importers. It will, therefore, be better to have the limit revised upwards, so that the temptation for the surreptitious violation of the agreement, which, after all, is a gentlemen's agreement, will be eliminated.

Notices

THE CONSOLIDATED COFFEE ESTATES (1943) LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Annual General Meeting of the Company will be held at the Registered Office of the Company, Pollibetta, at 10-30 a.m. on Friday the 30th December 1960, for the purposes stated below:

1. To receive and consider the Balance Sheet and Profit and Loss Account for the year ended 30th June 1960.
2. To receive and consider the Report of the Directors on the working of the year ended 30th June 1960.
3. To declare a Dividend.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other competent business which may be brought before the meeting.

The Ordinary Share Transfer Books of the Company will be closed from 16th December 1960 to 30th December 1960, both days inclusive.

By Order of the Board,

For THE CONSOLIDATED COFFEE ESTATES (1943) LTD.,

A. J. AUSTEN,
Secretary.

POLLIBETTA, *23rd November* 1960.

(*P.S.*—The Board of Directors recommend a Dividend of 20 per cent, subject to deduction of tax on the Ordinary Shares.)

Note 1: The Dividend when declared will be made payable on or after Tuesday the 10th January 1961.

Note 2: Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself.

STATE BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the State Bank of India will be closed for transfer of shares from Monday, the 2nd January 1961 to Saturday, the 21st January 1961, both days inclusive.

S. P. PURI,
Managing Director.

STATE BANK OF INDIA,
BOMBAY, *the 16th November* 1960.
25th Krtk. 1882 (*Saka*).

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 2nd Dec., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	60,71,23,000
(2) Other Governments	11,71,26,000
(b) Banks	89,78,46,000
(c) Others	91,16,32,000
Bills Payable	26,88,62,000
Other Liabilities	29,53,49,000
Rupees	439,79,38,000

ASSETS	Rs.
Notes	23,99,75,000
Rupee Coin	3,07,000
Subsidiary Coin	7,15,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	10,92,21,000
Balances held abroad*	28,75,03,000
Loans and Advances to Governments†	35,57,73,000
Other Loans and Advances	121,14,99,000
Investments	203,98,50,000
Other Assets	16,00,95,000
Rupees	439,79,38,000

* Includes Cash and Short-term Securities.

† Includes Temporary Overdrafts to State Governments.

The item 'Other Loans and Advances' includes Rs. 4,06,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	23,99,75,000	
Notes in circulation	1828,11,07,000	
Total Notes issued	....	1852,10,82,000
Total Liabilities	....	1852,10,82,000

ASSETS	Rs.	Rs
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	123,00,39,000	
Total of A	....	240,76,92,000
B. Rupee Coin	....	129,28,33,000
Government of India Rupee Securities	....	1482,05,57,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1852,10,82,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	25th Nov., 1960	18th Nov., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.87	1810.97	1820.31	1794.18	1679.21
Notes held in Banking Department	35.05	22.65	22.35	29.18	28.56
Foreign Securities	59.50	123.01	123.01	123.01	163.01
Rupee Securities	37.89	1462.06	1472.06	1451.99	1291.69
Banking Department					
Deposits of:					
Government of India	14.39	67.35	55.99	65.36	49.46
Other Governments	....	10.32	23.49	24.25	27.21
Balances held abroad	10.06	16.96	16.62	19.74	41.13
SCHEDULED BANKS					
Demand Liabilities	134.36	797.99 (26.61)†	789.24 (21.15)†	797.20 (20.03)†	737.67 (20.53)†
Time Liabilities	102.24	1142.12 (18.13)†	1134.61 (17.21)†	1143.84 (19.86)†	1148.17 (30.46)†
Borrowings from Reserve Bank	..	12.29 (4.27)‡	17.86 (6.86)‡	16.63 (6.54)‡	1.56 (—)‡
Borrowings from State Bank	..	8.71	8.97	10.65	4.56
Cash in India	6.70	45.62	46.33	48.69	42.70
Balances with Reserve Bank	25.17	90.63	93.33	95.65	76.81
Balances with other banks in current account in India	..	16.48	15.76	15.75	15.79
Money at call and short notice in India	..	39 61	32.96	31.30	34.85
Investments (at book value)	..	684 86	680 83	680.54	812.81
Advances and bills	105.9	1104 65	1106.66	1111.18	922.95
STATE BANK					
Deposits	87.76	571 76	549.49	553.17	579.93
Investments	51.99	343 66	338.60	345 21	405.59
Advances	30.35	207 99	209.65	214.06	154.56
Cash	14.69	31.55	26.92	25.43	31.92

† Borrowings from Banks excluding the Reserve Bank and the State Bank. R—Revised Figures.

‡ Borrowings against usance bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	5.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	....	3
Canada †	....	2.45	2.73
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Equador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	April, 1957	6	4
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
India	16th May, 1957	3.50	4
Indonesia	1st June, 1946	3	4
Ireland	28th Jan., 1960	4.25	4.75
Italy	7th June, 1958	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1948	3	4
Peru	Nov., 1959	6.00	6.50
Philippines	Feb., 1959	4.50	6.50
Portugal	12th May, 1960	4	3
South Africa	10th Aug., 1960	4	4½
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	3
Thailand	Feb., 1945	....	7
Turkey	6th June, 1956	4.50	6
United Kingdom	27th Oct., 1960	5	5.50
U.S.S.R.	1st July, 1936	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	11th Nov., 1960	3	4

Scheduled Banks*

Statement of Affairs for the week ended 25th Nov., 1960

		(Thousands)
(i)	Demand Liabilities in India:	
(a)	Demand Deposits—	
	(1) From banks	43,77,48
	(2) From others	685,35,49
(b)	Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	26,61,26
(c)	Other demand liabilities	42,25,38
(ii)	Time Liabilities in India:	
(a)	Time Deposits—	
	(1) From banks	14,34,16
	(2) From others	1090,48,42
(b)	Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	18,12,80
(c)	Other time liabilities	19,16,65
(iii)	Borrowings in India from the State Bank of India and/or notified banks:	
(a)	Demand liabilities	6,09,34
(b)	Time liabilities	2,61,64
(iv)	Borrowings in India from the Reserve Bank of India (A)	12,29,40 (4,27,00)
(v)	Cash in India	45,61,86
(vi)	Balances with the Reserve Bank in India	90,63,33
(vii)	Balances with Other Banks in Current Account in India	16,48,39
(viii)	Money at call and short notices in India	39,61,25
(ix)	Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	684,86,01
(x)	(a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	945,09,85
	(b) Due from Banks in India	8,08,49
(xi)	Inland Bills purchased and discounted in India.	102,53,83
(xii)	Foreign Bills purchased and discounted in India.	48,02,68
(xiii)	Total of Items (x), (xi) and (xii)	1104,04,85

Notes:—

* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.

(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 25th Nov., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	9,22,81,000
(b) Provincial Governments	3,90,13,000
(c) Banks	18,05,95,000
(d) Others	108,24,45,000
Bills Payable	15,71,000
Other Liabilities	11,44,92,000
Rupees	159,18,97,000

ASSETS	Rs.
Notes	8,36,81,000
Rupee Coin	48,000
Subsidiary Coin	62,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	31,26,32,000
Loans and Advances to Governments	8,44,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	26,56,73,000
Investments	75,32,90,000
Other Assets	9,21,11,000
Rupees	159,18,97,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	8,36,81,000	
Notes in circulation	364,67,01,000	
Total Notes issued	....	373,03,82,000
Total Liabilities	....	373,03,82,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,66,79,000	
Silver Bullion	....	
Foreign Securities	73,93,80,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin	4,10,61,000	141,62,20,000
Government of Pakistan Securities	221,40,95,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan—		225,51,56,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
		373,03,82,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 39.47 per cent.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent	Rate of allotment in full Rs
1960					
13th Sept.	2.00	2.00	2.00	2.540	99.365
14th to 17th Sept.*	0.15	—	0.15	—	99.381
20th Sept.	2.00	2.50	2.00	2.540	99.365
27th Sept.	2.00	2.00	2.00	2.540	99.369
28th Sept. to 1st Oct.	0.08	—	0.08	—	99.381
4th Oct.	2.00	2.55	2.00	2.552	99.365
11th Oct.	2.00	2.35	2.00	2.560	99.360
18th Oct.	2.00	2.40	2.00	2.560	99.360
25th Oct.	2.00	2.00	2.00	2.565	99.355
1st Nov.	2.00	2.35	2.00	2.565	99.360
2nd to 5th Nov.*	0.27	—	0.27	—	99.376
8th Nov.	2.00	2.20	2.00	2.565	99.360
9th to 12th Nov.*	0.31	—	0.31	—	99.376
15th Nov.	2.00	2.24	2.00	2.565	99.360
16th to 19th Nov.*	0.80	—	0.80	—	99.376
22nd Nov.	2.00	2.49	2.00	2.564	99.360
23rd to 26th Nov.*	0.03	—	0.03	—	99.376
29th Nov.	2.00	2.40	2.00	2.564	99.365
30th Nov. to 3rd Dec.*	0.70	—	0.70	—	99.381
6th Dec.,	2.00	2.40	2.00	2.540	99.365
Total amount outstanding	28.34	..	28.34	..	..

* Intermediate Treasury Bills sold.

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	1,108,300	786,900
Do 31st March, 1959	1,157,900	1,149,900	884,700
Do 31st March, 1960	1,568,400	1,533,700	1,215,100
August 1959	128,700	125,500	97,100
Sept. "	124,300	117,100	93,100
Oct. "	133,200	129,600	104,600
Nov. "	128,900	129,000	104,000
August 1960	131,300K	131,600K	102,400K
Sept. "	133,300K	138,100K	108,000K
Oct. "	145,900K	150,00K	114,230K
Nov. "	139,500K	141,800K	107,000K
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	695,156	532,315	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	950,933	693,205	499,217
Do. 31st March, 1960	1,053,612	827,072	660,695
Sept. 1959	79,615	60,701	49,428
Oct. "	79,539	67,901	48,868
Nov. "	77,380	71,112	55,610
July 1960	72,536R	62,092R	46,894R
August "	100,162K	79,288K	60,899K
Sept. "	100,437K	79,761K	5 1,663K
Oct. "	99,004K	74,399K	58,804K
Nov. "	106,406K	76,619K	59,380K

K—Figures in Metric Tons.

CLEARING HOUSE RETURNS

Centre	Week ended 2nd Dec., 1960 Number of Cheques	Amount Rs.	Week ended 25th Nov., 1960 Number of Cheques	Amount Rs.
Bombay	3,84,217	97,71,45,000	3,72,621	93,15,79,000
Calcutta	92,445	12,93,17,614	1,98,000	79,72,00,000
Madras			90,196	13,59,67,889
All Centres—				
1957-58	41,472,000	89,54,80,00,000	..	..
1958-59	45,172,000	97,67,12,00,000	..	..
1959-60	50,064,000	109,88,05,00,000	..	..
June 1960	4,227,000	9,56,02,00,000	..	..
July "	4,210,000	9,52,59,00,000	..	..
Aug. "	4,377,000	9,90,31,00,000	..	..
Sept. "	4,313,000	9,71,59,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	19th Nov., 1960	12th Nov., 1960	21st Nov., 1959	Sept. 1960	Sept., 1959	Percentage of Increase (+) or Decrease (−) in Sept. 1960 as compared with Sept., 1959	Financial Year Average 1959-60	1958-59
Food Articles	504	119.7	120.8	121.0	123.9	120 5	+ 2.8	119.6	116.2
Cereals	192	103.1	103 6	105.6	108 5	107.6	+ 0 8	104.1	106.6
Pulses	43	93 9	94 3	93.8	94 7	89 9	+ 5 3	93.6	103.9
Fruits and Vegetables	23	110 9	109.4	125 2	122 2	130 1	−12 1	127.8	117.0
Milk and Ghee	84	112 5	111 7R	109 2	123 2	113 6	+ 8 5	119.8	107.8
Edible Oils	47	153 5	152 2	128 3	148 9	127 6	+16.7	130.4	124.3
Fish, Eggs and Meat	48	131 9	139 1	161.7	138 9	112 1	+13 2	112.0	105.4
Sugar and *Gur*	50	170 1	174 9	178 5*	171 2	168 6	+ 6 3	147.0	127.3
Liquor and Tobacco	11	116 2	116 8	102.9	104 1	98 7	+ 4 8	98 5	95.4
Tobacco	11	116 2	116 8	102.9	102 7	98 1	+ 4 7	97.9	93.5
Fuel, Power, Light and Lubricants	105	146.8	147.9R	117.3	119 5	118 3	+ 1 0	116.8	115.2
Industrial Raw Materials	61	156 2	160 5R	122 5	138 7	122.6	+ 1 3	122.7	117.6
Fibres	20	149 5	148 0	130 6	139 5	110.1	+26 7	113.3	108.0
Oilseeds	2	99 2*	98 2	95 2	146 9	138 1	+ 7 9	134.6	127.0
Minerals	32	127 3*	126 9	129 2	98 2	98 1	+ 0 1	97.8	106.2
Others	296	125.2	126.0	131.8	124 6	122 9	+ 1 4	121.6	106.2
Manufactures	249	131.2	131.4	111.7	122 7	110.9	+ 1 5	111.6	108.4
Intermediate Products	249	124.2	125.1	116 4	129 5	111 3	+16 4	113 8	110.3
Finished Products	147	127.9	129.0	110 9	121 5	109.8	+ 10 7	111 3	109.2
Textiles	—	129 0*	129 0*	106.9	123 9	105 2	+ 17 8	107.8	108.3
Cotton	—	133 9	144.9	89.5	116 4	89 4	+30 2	90.6	96.5
Jute	—	110.1*	110.1*	94.2*	110 1	104 2	+ 5 7	104.2	106.6
Woollen	—	101 5*	102.0*	98 6*	100 8	92 0	+ 9 6	98.4	93.2
Silk and Rayon	15	146.8	146.8	144.7	144 8	144.4	+ 0 3	144.4	142.2
Metal Products	20	104 7	104 8	108.8	105 3	103.4	+ 1 7	104.4	103.2
Chemicals	10	142 0*	141 5*	147.5	138 6	141 6	− 2 8	108 9	105.2
Oil Cakes	31	112.1	112 1	106.4	111 2	105.9	+ 5 0	106.2	103.7
Machinery and Transport Equipment	30	116.6	116.6	113.6	113.9	113.9	+ 0 0	113.4	112.7
Others	—	..	..	..	..	..	..	..	..
All Commodities	1,000	125.5	126.4R	116.1	122.3	117.2	+ 9 9	117.1	112.5

MISCELLANEOUS STATISTICAL INFORMATION—*Contd.*

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base 1934=100	Ahmedabad Base 1949=100	Shola-pur Base January 1928=100	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jam-shedpur Base (1949=100)	Jabal-pur Base (1949=100)	Ban-galore Base (1949=100)
53 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
54 "	106	363	111	323	95	103	349	106	106	104	102	112	106	114
55 "	101	359	98	294	86	99	327	106	105	91	95	102	98	106
56 "	96	338	87	246	78	96	321	99	99	83	87	98	88	103
57 "	105	353	98	316	89	105	347	111	109	95	96	106	106	114
58 "	111	369	104	333	94	112	364	116	114	99	103	115	107	126
59 "	116	395	110	313	98	120	384	124	113	103	103	123	109	131
	121	412	125	340	98	132	384	133	120	106	98	125	108	140
August 1959	125	426	125	348	98	134	406	134	118	105	102	129	109	142
Sept. "	124	422	129	349	97	135	399	134	118	106	102	130	107	143
Oct. "	126	427	131	363	98	135	406	137	120	108	101	130	111	143
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February "	122	423	119	355	98	136	389	139	122	107	97	118	109	144
March "	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April "	122	421	116	346	97	135	392	138	117	104	103	117	109	145
May "	123	421	120	344	98	135	396	140	116	104	105	117	109	145
June "	124	422	121	360	98	135	399	143	117	107	107	119	109	146
July "	126	423	122	362	101	137	406	145	121	109	108	119	108†	146
August "	126†	421	123	364	..	..	..	..	122	108	102	122	108	148
Sept. "	126†	418	..	365	..	..	..	..	..	..	..	..	..	..
Oct. "	..	421	..	365	..	..	..	..	..	..	..	..	..	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J	Cumulative Time Deposits 10-Year J	National Savings Certificates 5-Year A	National Savings Certificates 7-Year B	National Savings Certificates 12-Year B	12-Year National Plan Savings Certificates C	Post Office Savings Bank Deposits	10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 2½% F	10-Year Treasury Savings Deposit Certificates 4% G	15-Year Annuity Certificates G	Total	
	Outstandings	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Outstandings	Outstandings	Outstandings	Receipts	Outstandings	Receipts	Outstandings Index B
1956-57	..	..	8.00	6.01	163.68	..	176.97	196.50	25.38	−38.82	44.28	..	225.88	440.17
1957-58	..	..	2.22	4.73	143.45	71.45	179.86	213.91	23.11	−39.73	43.58	547	63 1.87	264.32
1958-59	..	..	1.76	3.80	119.10	87.45	152.78	191.76	284.91	20.42	40.67	635	11.68	67 2.41
1959-60	..	..	1.54	3.17	99.14	83.09	221.63	201.48	254.04	19.79	−41.29	41.68	10.64	21.76
June 1959	9	5	1.65	3.59	114.16	6.03	167.24	15.89	224.23	20.61	−40.86	42.38	42	13.19
July "	12	7	1.63	3.56	112.40	6.17	172.83	17.23	235.30	20.53	−40.88	42.25	53	13.56
August "	15	9	1.65	3.51	110.64	6.04	178.11	15.12	237.06	20.34	−40.94	42.19	87	14.19
Sept. "	19	11	1.63	3.46	109.01	6.37	183.56	15.23	238.86	20.30	−41.01	42.10	1.06	15.16
January 1960	37	22	1.54	3.24	102.61	7.18	204.92	15.15	252.92	19 96	−41.27	41.84	1.13	19.77
February "	43	26	1.52	3.21	101.09	7.57	210.54	16.94	254.25	19.87	−41.27	41.75	1.05	20.79
March "	51	30	1.54	3.17	99.14	13.09	221.63	29.24	254.04	19.79	−41.29	41.68	98	21.76
April "	57	34	1.51	3.11	97.35	6.47	226.14	17.87	253.58	19.68	−41.35	41.58	1.63	23.16
May "	64	38	1.50	3.07	95.55	6.35	231.20	17.00	251.94	19.55	−41.41	41.50	1.06	24.19
June "	73	42	1.48	3.02	93.84	5.76	235.58	17.35	253.22	19.50	−44.46	41.41	84	25.05
July "	81	47	1.45	2.98	92.30	5.83	240.30	15.25	255.92	19.44	−41.49	41.32	1.11	26.09
August "	89	52	1.43	2.91	90.90	6.78	245.82	19.75	261.00	19.38	−41.54	41.21	1.17	27.23
Sept. "	..	..	..	..	..	..	..	..	..	..	..	41.14	1.52	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. I—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of July 1960 amount to Rs.28 lakhs of rupees.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
2½% Loan	1938-39	116,17,46,000	1963-65	97.65
2½% Loan	1950	80,33,10,000	1964	97.65
2½% Fg. Loan	1943	1,10,11,78,000	1966-68	95 30
2½% Dev. Loan	1945	1,15,05,83,000	1970-75	89 75
2½% Loan	1946	67,00,69,000	1961	99.00
2½% Loan	1946	14,77,48,000	1976	83 50
2½% Loan	1947	1,26,72,72,000	1962	97 85
2½% N. F. Bonds	1953	75,29,00,000	1961	100 05
2½% N. F. Loan	1954	1,58,17,94,000	1964	99.40
2½% N. F. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99 80
2½% Loan	1956	1,07,27,36,000	1962	99 65
2½% N. F. Bonds	1956	93,81,83,000	1967	99 90
2½% N. F. Bonds (4th Series)	1956	86,63,53,000	1974	99.05
2½% Loan	1957	56,99,30,000	1967	100.75
2½% Loan	1957	49,17,27,000	1972	100 45
2½% Loan	1958	58,05,92,000	1963	99 80
2½% Loan	1958	70,00,00,000	1968	98 85
2½% Loan N.P.B.	1958	84,33,90,000	1973	100 40
2½% Loan	1958	49,51,44,000	1978	98 80
2½% Loan	1959	1,37,90,93,000	1969	99 90
2½% Loan	1959	81,06,38,000	1979	99 90
2½% Loan	1960	97,64,00,000	1980	99.90
2½% Loan	1960	62,66,00,000	1966	99.30
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,03,33,000	M.	73 00
3% Loan	1946	2,48,91,33,000	K.	74.20
STATE LOANS				
4% Andhra	1955	5,00,16,000	1st Sept. 1967	97 20
4% Andhra	1956	6,56,15,000	3rd Sept. 1970	100 00
4% Andhra	1958	8,48,81,000	15th July 1970	96 90
4% Andhra	1959	10,07,72,000	19th Aug 1971	96 90
4% Andhra	1960	9,00,00,000	29th Aug. 1969	97 15
4% Bombay	1949	5,29,97,000	1st Aug. 1962	97 65
4% Bombay	1951	2,82,97,000	17th Sept. 1962	99.00
4% Bombay	1953	5,19,89,000	15th July 1963	99 40
4% Bombay	1954	8,40,34,000	1st Aug. 1964	99.40
4% Bombay	1955	9,56,29,000	1st Sept. 1967	99 00
4% Bombay	1956	12,20,20,000	3rd Sept. 1970	98 60
4% Bombay	1957	6,57,21,000	16th Sept. 1969	100 00
4% Bombay	1958	6,58,21,000	15th July 1970	100 00
4% Bombay	1958	4,35,35,000	19th July 1971	100.00
4% Bombay	1959	8,15,15,000	19th Aug. 1971	98 25
4% Bihar	1955	1,64,02,000	1st Sept. 1967	97 15
4% Bihar	1956	2,13,41,000	3rd Sept. 1968	97 15
4% Bihar	1958	2,78,71,000	15th July 1970	100 00
4% Bihar	1959	3,33,24,000	19th Aug. 1971	97.00
4% Bihar	1960	3,00,00,000	29th Aug. 1969	98.50
4% Gujarat	1960	5,00,00,000	29th Aug. 1969	98.50
4% Kerala (New)	1936-37	1,77,08,700	1956-66	94.50
4% Hyderabad	1955	2,12,46,000	1st Sept. 1967	99 00
4% Hyderabad	1958	2,18,02,000	3rd Sept. 1968	99 00
4% Madras	1948	3,81,17,000	1st Sept. 1961	98.60
4% Madras	1951	3,01,49,300	17th Sept. 1962	99 45
4% Madras	1953	10,33,71,000	15th July 1963	99 20
4% Madras	1955	8,24,81,200	1st Aug. 1964	99 20
4% Madras	1956	10,47,17,000	1st Sept. 1967	97 20
4% Madras	1958	13,33,56,000	3rd Sept. 1968	97 15
4% Madras	1958	8,56,57,900	15th July 1970	97 10
4% Madras	1959	12,72,72,000	19th Aug. 1971	97 15
4% Madras	1960	12,00,00,000	29th Aug. 1969	97.00
4% Maharashtra	1960	10,00,00,000	29th Aug. 1969	97.00
4% Mysore	1932	2,95,88,200	1st Dec. 1953-83	101.60
4% Mysore	1933

MARKET GOSSIP

(Concluded from page 1039)

Reserve Bank by the Banking Companies Act and the rights of individual banking companies vis-a-vis the Reserve Bank, the judgment has significance transcending the confines of this particular case.

The Palai Bank sought the dismissal of the application on two grounds. First, that Section 38 (3) (b) (iii) of the Banking Companies Act was void under Article 31 of the Constitution, because it offended Articles 14 and 19 (1) (f) and (g), and, secondly, that, in bringing the said application before the Court, the Reserve Bank had acted *mala fide*. It was argued before the Court by counsel for Palai Bank, Mr. K. M. Munshi, that the petition had been made by the Reserve Bank purely on its own subjective satisfaction and discretion without the right of appeal or redress by a judicial review for the banking company. The Palai Bank, he contended, had not been given an opportunity to make representation in respect of the ground alleged for the relevant action being taken by the Reserve Bank.

It was contended on behalf of the Reserve Bank by Mr. K. V. Suryanarayana Iyer, Advocate-General of Kerala, that the allegation that the exercise of power by the Reserve Bank under Section 38 (3) (b) (iii) of the Banking Companies Act was untenable. He argued that the Reserve Bank was not called upon to issue notice to the Palai Bank before taking the relevant action, because it would defeat the very object of the statute giving the Reserve Bank the discretionary power in such circumstances. The orders or directions of the Reserve Bank, he submitted, were not meant to end the Palai Bank or throttle it but were intended only to help it to survive.

The Advocate-General detailed the facts and circumstances which led the Reserve Bank to take the action it did. From the inspection and scrutiny of working of the Palai Bank over a period of the last nine years, the Reserve Bank had found that the affairs of the Bank were conducted in a manner prejudicial to the interests of the depositors. This conclusion was reached after careful consideration of the explanations offered by the Bank from time to time. Many defects were noticed in the affairs of the Palai Bank which arose from the unsound policies and methods of operation followed by it. The Bank had lost not only its entire paid-up capital but also its reserves and deposits. A new situation arose by way of a run on the Bank after the publication, for the first time, of the balance-sheet of the Bank on 23rd June 1960, which had shown a big loss of Rs. 16 lakhs. The Reserve Bank decided to take action only when it was informed of the seriousness of the situation (arising out of the run) by the General Manager of the Palai Bank himself.

His Lordship, Mr. Justice P. T. Raman Nair, in his judgment delivered on the 5th inst., said that the several opportunities given by the Reserve Bank to the Palai Bank ever since 1952 to explain its difficulties and to remedy the state of affairs in the conduct of its business would show that the Reserve Bank, far from having acted *mala fide* or in haste or ill-considered manner, had doubtless been fully alive to the great responsibility placed on it in the interests of the monetary structure of the country and acted with a degree of care and responsibility which had drawn to it adverse criticism from those who did not share such responsibility.

Commenting on the complaint that the impugned provision of the Banking Companies Act vested an authority like the Reserve Bank with the power for bringing a banking company into liquidation in the exercise of its own discretion without any safeguards inherent in the judicial process, His Lordship observed that, once a position envisaged in the Reserve Bank's petition had been reached and once a state of affairs had come about, whereunder a company should not continue any longer if the purpose of the statute should be served, it seemed to him clear that the judicial process, with its opportunity for hearing, enquiry and concomitant judicial review at several stages and the loss of time, which all this involved, would practically negative the purpose in view.

His Lordship maintained that the Reserve Bank was the one authority, which, with its expert knowledge and all the information necessary, might be trusted, because of its high position, to act effectively and impartially. It could also be expected to be in a position to take prompt and effective action. If the statute (Banking Companies Act) had thought it fit to repose in such a body the confidence that, in the light of the principal guidance given by the statute, the Reserve Bank, in its subjective satisfaction, would act properly and without bias, he did not think that it would, in viewing the circumstances for acting, differentiate between banks placed in similar circumstances or between one bank and another.

A banking company, the continuance of which was prejudicial to the interests of depositors, His Lordship observed, must be made to stop and wound up. Therefore, the law which provided for this could not be assailed on grounds of fundamental rights enshrined in Article 19 of the Constitution. A corporate body like the Palai Bank, His Lordship held, enjoyed the same fundamental rights under Article 19 of the Constitution as were allowed to a natural citizen. But it could scarcely be urged, His Lordship averred, that the very statute to which the company owed its existence could offend Article 19 of the Constitution. A corporate personality like the Palai Bank, which was the creature of the Banking Companies Act, could not look to Article 19 for enlarging the scope of its rights, which the very law that brought it into existence thought it fit to restrict. His Lordship, therefore, rejected the contention on behalf of the Palai Bank and ordered its winding-up as sought by the Reserve Bank. Thus the Reserve Bank has emerged from the judicial ordeal with flying colours.

SURVEY

(Concluded from page 1043)

that the State Governments have miserably failed. Mr. Patil must go at them and see that they rectify the defect within a specified period. If he is really serious about raising the per-acre yield of sugar, he must unhesitatingly accept the urgency of replacing the present irrational system of paying for cane which ignores quality considerations.

Be that as it may, in the course of his speech at the meeting of the Bombay Sugar Merchants Association, Mr. Patil endorsed the plea for abolition of distribution controls on sugar put forward by the Association's President, Mr. Parsram Parumal. Actually, he said that the country had a surplus of more than 500,000 tons of sugar and that the Centre was prepared to offer as much sugar as the States required. He, however, made it clear that the initiative for the abolition of restrictions on distribution remained with the State Governments. These statements of Mr. Patil run counter to what Mr. A. M. Thomas said in Parliament a few weeks ago. The latter had observed in effect that, as the Government had decided to export a sizable quantity of sugar, the controls on sugar distribution could not be relaxed. Apparently, Mr. Patil, in his anxiety to be pleasant to his hosts, tried to pass on the blame to State Governments. Surely, the latter were not responsible for the reintroduction of controls. They were forced to resort to this unpleasant step by the exigencies of the situation. They would certainly be happy to withdraw the controls, if Mr. Patil could assure them that he would *always* supply as much sugar as they want and would not ask them to reimpose controls again. Is Mr. Patil in a position to give such an assurance? We have our doubts. Anyway, there can be no complete freedom for sugar trade, if (*a*) large quantities of sugar are to be exported for earning foreign exchange and (*b*) a sizable quantity of sugar is to be kept as a buffer stock. The only factor that can win this freedom is a still larger increase in production than the one now envisaged.

PROBLEM OF PRICES

The vital need for holding the price line of consumer goods during the third Plan period was stressed by Mr. Kumararajah M. A. M. Muthiah Chettiar of Chettinad, in his address at the fiftieth annual general meeting of the Southern India Chamber of Commerce at Madras last week. He asserted that it would be self-defeating to allow prices to "run away" at a time when large projects were under way which required harnessing of manpower. He, however, considered it unwise to oversimplify the problem of holding prices down or of freezing them. He attributed the present increase in price to the expansion of money supply through deficit spending. To quote him: "On the one side, Government continues to increase the money supply as part of finding Plan resources, and, on the other side, is trying to erect barrages against the advancing tide of prices. One is the cause and the other is the effect and so long as money supply continues to flow at a particular pace, all efforts to stem the tide of prices through physical controls would only make life harder for the poor man by the flight of goods from legitimate markets and by the creation of scarcities." Mr. Chettiar, therefore, urged the Government to go deeper and examine the limits to which it could undertake deficit financing to aid Plan efforts. But he did not dilate on the issue. Nor did he suggest any new measures to tackle it. He thus merely confined himself to the relatively easy task of stating the problem.

Explaining the causes for the rise in prices of manufactures, in particular, Mr. Chettiar pointed out that the industry in the private sector in the recent past had to battle against a wide range of forces, such as high and continuously increasing wages, high cost of replacement of plant and machinery, higher rates of electric energy, coal, furnace oil and other fuels, higher excise duties and direct taxes as well as higher cost of borrowed money. He stressed the fact that, while there was a general increase in the table of component costs, it was not possible for any industrialist to keep the price of the end-product alone at a low level, "but still this is what the Government expects the industrialists to do." This is also what the Tariff Commission expects him to do, as a reward for protective tariffs extended by them. Mr. Chettiar endeavoured to bring out the anomaly in this expectation by pointing out that "no industrialist can merrily continue to exploit the consumer and still expect to stay in business." "The great equity factor in the private sector," he went on to add "is competition and this is the most wholesome force in favour of minimum margins of profit." These observations imply that the Government must encourage healthy competition by creating conditions for increased production, especially of consumer goods. But what is to be done if the country cannot afford this remedy, as it will require more investments? The answer is that there is scope for adopting this remedy in a number of industries and trade. Where there is no scope, application of a certain amount of controls is inevitable.

SUGAR

(Concluded from page 1052)

supply position will be adjusted remains to be seen.

Such, then, is the International situation in sugar. How does this affect India is a question which will have to be examined now. India ended its last sugar season with a carryover of about 550,000 tons. Production during the current season is estimated anywhere between 2,600,000 tons and 2,700,000 tons. Therefore, the total availability of sugar in India next year will be over 3,200,000 tons. Consumption during the last season was just a little more than 2,000,000 tons. Conceding that consumption next year will increase, the estimated offtake will be 2,200,000 tons. There will thus be an excess of about a million tons of sugar in India at the end of the current season, if no sugar is exported from India during 1961. Allowing for a carryover of 500,000 tons for the next season, there will still be left 500,000 tons for export during 1961. The question, therefore, arises: Can India hope to sell this quantity during 1961 in a market which has been described above?

As is quite well known, the question of India being able to sell to the United States entirely depends on the Sugar Act of the U.S. The present Act expires on 31st March 1961 and it, therefore, appears that the Congress will first extend the same beyond that date, when the Congress meets in January, and then re-write the Sugar Act conveniently during the year.

Meanwhile, India can probably sell some sugar under what is known as the "non-quota sugar purchase authorisation programme." But the prerequisite of being able to sell to the U.S. is the membership of the International Sugar Agreement. India's entry into the Agreement will mean restriction of exports to other world markets to the quota under the Agreement. Again, there is no certainty that, once India sells under the "non-quota" programme, it will have a permanent access to the U.S. market. In this connection, Mr. Lawrence Mayers, Director of Sugar Division of the U.S. Department of Agriculture, has cautioned the new suppliers to the United States that changed circumstances may some day mean the readmission of Cuban sugars into the U.S. and hence the closure of that market to new suppliers. Significant, in this connection is a Washington report published in the *New York Times* that "diplomats have been calling to warn that, if the United States makes purchases from markets other than Cuba on a short term basis, it could do long-term damage to sugar producers and to the United States relations with Latin America." Thus, any great reliance on the American market at this stage will hardly be justified.

The question of marketing about 500,000 tons of sugar during 1961 to markets other than the United States should, therefore, be considered. While it cannot be said that it is absolutely impossible to market this quantity, there should be no mistake about the fact that the task would be quite a difficult one. The capacity of natural markets to take white sugar is limited and, there again, India cannot completely oust all its competitors who have been on those markets for a number of years in the past. Some of our neighbouring markets like Ceylon and South Viet Nam are large buyers of raw sugar. But India is unable to offer any raw sugar. It may be usefully examined whether any raw sugar can be produced during the current season, especially for export purposes.

Besides, the question of repercussions of export losses on the internal price structure of sugar will have to be examined. Any large-scale export of the magnitude of about half a million tons of sugar will have to be compensated by way of a higher internal price. An increase in the price of sugar for home consumption will tend to reduce its consumption locally, perhaps to the advantage of *gur* and *khandsari*. This is a problem which will have to be examined.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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REGIMENTATION OF FORWARD MARKETS

ONE more legislation designed to regulate the activities of business men has been revised by the Lok Sabha, with a view to making it more stringent. The statute under reference is the Forward Contracts (Regulation) Act, 1952 and the business men affected are those who operate in forward markets either as jobbers and brokers or as producers and consumers of commodities in order to insure themselves against future uncertainties. This legislation was recently made applicable to the bullion market also and its amendment, therefore, concerns those who have dealings in gold and silver as well. The operators in commodity and bullion futures regard the changes made in the parent Act as too drastic to permit them to function smoothly and effectively and they gave expression to their sorrow over the further curtailment of their freedom to do business by staging a quiet *hartal* for as many as three days, when they refrained from transacting any business. Is their contention right? If the amending Bill contains drastic provisions, is there any justification for them? In other words, has the Government acted without any provocation? It is to these questions we propose to address ourselves in this article.

There are some in this country who question the utility of futures trading to a controlled and planned economy and they are not confined to the Communist Party, though only its spokesmen in Parliament advocated abolition of futures markets when the Bill came up for discussion. This is undoubtedly a highly controversial question. The argument (voiced in the Lok Sabha by Mr. A. P. Jain, the erstwhile Union Minister for Food and Agriculture) that, so long as India is a mixed economy with private enterprise playing an important role, there is need for futures markets is not sufficient. In fact, it is only a minor rationale. More important, however, is the question whether conditions for the smooth functioning of futures markets are favourable. The first requisite is the availability of sufficient supply of commodities. The second one is the existence of sufficient freedom for the interplay of market forces. The third one is the extent of interest taken by producers and consumers of commodities in hedging facilities provided by the commodity exchanges.

The list can be easily expanded, but the three mentioned here are enough for the limited purpose we have in view. Neither the prevailing conditions nor those that one can foresee for the near future, say, next five years, fulfil these requisites. The demand for almost all commodities in which futures trading is allowed is more than the available supply. Exports and imports are strictly regulated. No futures trading is allowed in a manufactured article like cloth, while this facility is provided for jute textiles. Both cotton and cloth made out of it are subject to price controls which look like staying for a long time to come. Foodgrains and sugar have not been enjoying the "benefits" of a hedge contract, but they are none the worse for it. So is the case with soft beverages such as tea and coffee that are grown in India. None will be the loser if futures trading in bullion is done away with. None of the futures markets in this country is a foreign exchange earner, as their counterparts in London and some of the Continental cities are. There are many large-scale consumers who have not felt the need for the hedging facilities provided by the commodity exchanges. There are many small-scale manufacturers who do not know the technique of hedging and are unable to withstand the impact of fluctuations in prices caused by the speculators. For both of them, a hedge market is more of a nuisance than of any help. In fine, there is an overwhelming case for reducing the scope for futures trading and discouraging the growth of a parasitical class by either abolishing or suspending futures trading in some of the commodities the position of which is such that they are easy targets for speculators.

The Congress Party has, however, taken the stand that a well-organised and neatly conducted futures market has a useful role to play even in the type of planned economy which it has imposed on the country. For some reason or other, it has a soft corner for forward markets. May be, the Party has found it difficult to resist the argument that abolition or suspension of futures market will only aggravate the problem of unemployment amongst a highly diligent section of middle class. The futures markets have helped many a middle class trader to blossom into rich industrialists. It is also not incorrect to say that the Congress Party gets solid support from those who are in charge of these futures markets in terms of both money and men. If futures markets are thus to be had, then the least that requires to be done is to regiment them in such a way that they do not lend themselves to be exploited by speculators, who are either rich or unscrupulous, or both, taking advantage of conditions flowing from the forced development of the economy such as inflation, a progressively rising demand for goods, shortage of supplies, and isolation of domestic markets from world markets through restrictions on imports and exports. Imposition of margins, however stiff they may be, does not adversely affect the rich operators or those who are unscrupulous and well versed in the art of evading rules and regulations. It is only the operators with modest resources and respect for law that are handicapped. In such a situation, the utility of futures markets to those desiring to have genuine hedging facilities is diminished further. The point of diminishing utility for them moves down still further when the terms of a hedge contract are so adjusted as to place a severe handicap on buyers, as is the case with contracts in many of the commodity exchanges at present.

The Forward Contracts (Regulation) Act of 1952 provides sufficient powers to the Government to regulate futures trading and it must be said to the credit of the Forward Markets Commission that, in the face of heavy odds, it has endeavoured to exercise these powers to the maximum extent possible to keep excessive speculation under check. But the existing Act has been found wanting in certain respects to regiment futures markets to the extent necessary for preventing them from overdoing things to the point where their extermination will become inevitable, despite the readiness of the Government to keep them alive. The scheme of the existing Act is such that, if it is to be effective, the governing bodies of the exchanges have to be alert and ready to take punitive measures against those members who are contravening even the spirit of the regulations. Such co-operation has not always been spontaneous. The Forward Markets Commission has had to resort to persuasion and, in some cases, even threats. Secondly, the present Act does not provide for the prevention of misuse of transferable specific delivery contracts and the situation is such that even non-transferable specific delivery contracts are being used for speculative purposes. Thirdly, there has been

widespread kerb trading which is outside the control of the market authorities and has been distorting the price structure. Fourthly, the Commission has been finding it difficult to launch legal action against the operators evading controls, as establishment of documentary proofs of illegal trading to the full satisfaction of courts is next to impossible, thanks to the ingenuity and deftness of operators to hide evidence or to destroy it where it is available. And, fifthly, unauthorised forward markets have sprung up in many parts of the country. They are said to number anything between 100 and 200 and non-coverage of transferable and non-transferable delivery contracts by the Act has helped them to indulge in futures trading for all practical purposes. Besides accentuating fluctuations in prices of commodities, these markets have been ruining a number of innocent people financially by whetting the natural human appetite for quick and easy profit.

Some of the aforesaid serious drawbacks in the present situation are doubtless the result of the efforts made by the Commission to check speculation under the existing Act. When attempts are made to restrain speculators from exploiting the opportunities offered by the prevailing economic conditions to the maximum extent possible, they try to reach their goals in other ways and through other means. It will, therefore, be no exaggeration to say that the need for amending the present Act has arisen because of the absence of even the minimum prerequisites for ensuring the smooth working of futures markets. It is a case of evil breeding more evil, another version of the operation of Parkinson's law.

The amending Bill, if it is to serve the purpose the Government has in view, has necessarily to be a far-reaching measure. And far-reaching, indeed, it is. The Bill provides for a considerable increase in the powers of the Commission and an expansion in its size. Under the existing Act, the Commission can consist of only three members. The Bill provides for four and widens the field from which the Government can select them. Even this may be found insufficient, if the enormous amount of work and responsibility that are being entrusted to the Commission are to be efficiently discharged. For the first time, the Commission is being vested with powers of direct control over every member of the recognised associations instead of through their boards of directors as at present. When the Bill goes on the Statute Book, the Commission can, among other things, (1) suspend a member of the recognised association, (2) call upon a member or members to supply any information, and (3) inspect the books of accounts of members. If these powers are exercised, the governing bodies of the so-called "self-managed" associations will be reduced to the status of Government agencies. Time and again, the Government has repeated that the primary responsibility for regulation will be on the recognised associations themselves and that it will step in only when any association fails to act against excessive speculation and illegal trading or acts in a manner prejudicial to public interest. The vesting of power in the hands of the Commission, which runs contrary to this assurance, implies that the Government has found it necessary from experience. One can reasonably assume that the intention of the Government is to use this extraordinary power only if the governing bodies do not conscientiously discharge their responsibilities in letter and spirit alike.

In an attempt to kill "kerb trading" and trading by members outside their recognised associations, the Bill provides for declaring such business as illegal, instead of merely void as at present. But the adoption of this solution to prevent options has not proved efficacious and there is no reason to believe that it will be successful when applied to kerb trading. The code of honour among those who do such business is even higher than that adopted and respected by thieves. The standard of business morals among this section of trading community is of such a high order that even a contract orally made and not reduced to writing is rarely repudiated. It is, therefore, extremely doubtful whether this measure can be effectively enforced. But the most ludicrous part of this restriction is the one which seeks to make publication of quotations of kerb trading, etc., a penal offence. This journal fails to see the relevance of this prohibition. Committing murder is a heinous crime, but reporting of that event by newspapers is not. Is kerb trading worse than murder? The existence of kerb trading is widely known because of the extensive publicity given to it. Kerb trading takes place not because an account of it is publicised in papers or through radio but because of the desire among operators to do that business. Publication of kerb quotations is the result and not the cause of kerb trading. It is hard to understand how prevention of such publication will cure the malady. Here is a perfect example of confusion over cause and effect. It is a pity that this confusion has been carried to such an extent as to infringe the freedom of the Press which is sacred. The extremely ridiculous nature of this clause in the Bill will be easily realised if it is remembered that reporting of the happenings in the kerb market is sought to be placed on a par with publishing a seditious account.

The Bill gives the Commission the powers of a civil court in respect of summoning witnesses, examining them on oath, etc., and the proceedings before the Commission will be construed as a judicial proceeding for certain purposes, including contempt. The saving grace here is that the Commission will have no powers of conviction: it has to refer the cases to the proper judiciary. Further, the penal provisions of the Act have been severely tightened. The punishment prescribed is imprisonment or a fine of not less than Rs. 1,000 for the first offence and both imprisonment and fine for subsequent offences. The burden of proof is also sought to be thrown largely on the accused and the courts are empowered to forfeit any gains through illegal transactions. All this is regarded by some as very drastic, especially as it amounts to putting these offences on par with gambling and smuggling. But a deterrent punishment is essential, if the objectives of this regulation are to be fulfilled. The speculators' respect for law is very low in this country and there need be no sympathy for those who merrily indulge in illegal trading without any qualms.

Another important clause in the Bill is the one requiring all markets providing forward trading facilities (including non-transferable specific delivery contracts), whether they deal in commodities brought within the purview of the Act or not and irrespective of the nature of their business, to register themselves with the Commission. "Registration" here is only another name for "recognition," except that Government control will be very little or nominal. In other words, the difference between "recognition" and "registration"—apart from the extent of control exercised over them—is one of degree, a "registered association" being permitted to deal in all types of forward contracts in "free" commodities and in the non-transferable contracts, unless specifically prohibited, and the "recognised association" being permitted to trade only in commodities that are brought under Section 15 of the Act.

The scheme of regulation contemplated in the original Act, it may be noted, is generally to exclude the non-transferable specific delivery contracts from its purview even in regulated commodities and to impose such regulation only where otherwise it is likely to defeat the purposes of regulation. In fact, the Expert Committee, headed by Mr. A. D. Shroff, which considered the original Bill, had observed that to bring such contracts within the purview of the Act "would cause serious inconvenience to trade and make normal trading practically impossible." But conditions have radically changed since then and, with the increasing resort to non-transferable specific delivery contracts for purposes of evading regulation, it has been clearly found necessary to bring them within the purview of the Act in several commodities, particularly in oilseeds and cotton in the city of Bombay and in jute and jute goods in Calcutta. The proposed provision appears to be a compromise between bringing them fully under the collar of regulation and leaving them entirely free. But it is a poor compromise. For, under the Bill, the conduct of business in forward contracts by an unregistered association will be an offence, while its members will be free to conduct business in such contracts among themselves as individuals. This apparently conflicting provision is the result of the belief that, without the medium of an association, the misuse of non-transferable contracts or camouflaged forward trading in regulated commodities under the guise of free commodities will be impossible. But this belief is very much open to question. Even without the inconvenient facade of an association, members can still enter into chain contracts, and settle differences mutually, very much in the manner of *havalas*. One also wonders to what extent registration of such associations and even calling for returns from them will mend matters, for the main problem, namely, non-reporting, or suppression, of business through mutual understanding, which is largely responsible for the present-day state of affairs, will continue to exist even thereafter.

Yet another important provision in the Bill is the amendment to the definition of transferable specific delivery contracts, empowering the Central Government to impose restrictions relating to their transferability by the issue of notifications. This gives a long hand to the Government, in that it can try to prevent the misuse of this machinery of forward trading even in free commodities without bringing them within the regulatory scheme of the Act. But what is surprising about this approach is that, even after all that has happened, the Government should continue to delude itself into thinking that it is necessary to make a distinction between transferable specific delivery contracts and hedge contracts. Whatever be the theoretical distinction between them, it is now widely established that, because of the rigorous restrictions placed on trading in the hedge contract proper, speculators have been successfully using the medium of transferable specific delivery contracts to serve their ends. The Forward Markets Commission has ample evidence of this practice which has been rampant particularly in oilseeds in Bombay and jute and jute manufactures in Calcutta.

The most objectionable feature of the Bill is the provision which enables the Commission to amend the by-laws of a futures contract with retrospective effect and without even adequate notice to the public and to vary the terms of the contract even during its currency. Although it is true that such action was upheld by the High Court in a recent case in Bombay, it will be extremely undesirable to effect any changes in the fundamental conditions of the futures contract when it is current. Such a practice is against all canons of futures trading. In the event of unforeseen developments which make the working of the contract injurious to public interest, the best thing to do would be to close out the contract rather than vary its terms. The existence of this objectionable proviso in the amending legislation virtually reduces the hedge contract to the status of wagering contract and makes it an unreliable form of insurance.

Our Next Issue

With this year, "Commerce" completes 50 years and crosses an important landmark in its career. We propose to commemorate this event by publishing a Golden Jubilee Number. It will be integrated with our 1960 Annual Number and consist of well over 250 pages of our usual size. There will be some 50 special articles of a comprehensive nature on a variety of topical subjects by eminent contributors. As the writers are too numerous, it is not possible to publish their names here. To choose only a few and name them may be regarded as invidious selection by the other contributors. The subjects covered include the various aspects of the third Plan, industrial policy, monetary policy, foreign aid, administration, stock exchanges, banking, corporate finance, trade grouping in Europe, inequality of incomes, agriculture, road transport, railways, shipping, aircraft industry, etc. In addition, there will also be our customary annual review of all the aspects of Indian economy, major industries and the principal markets.

The Number will be free to subscribers and will be published in the first week of January 1961. A limited number of copies will also be available for sale at Rs. 10 per copy.

There will be no regular issue of "Commerce" in the weeks ending 24th and 31st December 1960, in view of our preoccupation with the aforesaid Number and of the Christmas holidays. Our next regular issue will be dated 7th January 1961.

We take this opportunity of wishing all our readers a Merry Christmas and a Happy and Prosperous New Year. EDITOR

MARKET GOSSIP

THE share markets are having a few jitters. It looks as though the fear which this journal had entertained for some months now about the impact of foreign exchange shortage on imports of pulp required by rayon fibre producers will soon materialise. There have been reports this week that there will be a cut of 10 per cent. in the import quotas for pulp. The position, according to our information, is that the producers' raw material requirements are covered up to 31st March 1961 and it is only the quota for the following half-year that may have to bear a reduction. Nevertheless, market sentiment has suffered a setback and all rayon shares have sustained a sharp fall. The possibility of a similar cut in the raw materials required by the newly established chemical units also has told on the shares of chemical companies which were a rage with operators not long ago. In sympathy with chemical shares, tyres and plastics also have been drooping.

Some of the reported statements of Mr. Morarji Desai about raising funds for the third Plan through indirect taxation and issue of new shares at a premium have also upset the operators. It is not clear to what extent these reports are correct. Did the Finance Minister speak, for instance, about the new issues of existing companies or did he refer to the issues of new companies as well? Enquiries made in reliable quarters reveal that he did not refer to the latter at all and that he made no categorical statements even about the issue of fresh capital by the existing companies. The issue is, however, coming up for discussion with a delegation of industrialists in a few days. The Federation of Indian Chambers of Commerce has sought an interview with the Government for ascertaining the norms and principles adopted by the latter for determining the quantum of premium. The Federation has done well to approach the Government for a clarification on this question, because the policy pursued by the authorities is distressingly erratic and none can make out the considerations that influence them in deciding the premium. Recently, in the case of Bengal Coal and G.K.W., the Government insisted on the companies collecting a heavy premium, while it allowed Rohtas Industries and Larsen and Toubro to raise additional capital at par. Now, Mysore Paper has announced that it would like to issue new shares at par, but will it succeed in getting the permission of the Controller of Capital Issues?

There is nothing new in the reported statement of Mr. Morarji Desai about indirect taxation. It is all there in the draft report of the third Plan. The speculators are simply trying to exploit the change in the mood of the market.

What is really worrying the serious-minded operators at present is the prospect of an increase in the burden of direct taxation. Their fear is that, after all the criticisms made in Parliament on the donations to political parties by joint-stock companies, the Government might not refrain from imposing more direct taxes, lest it should be accused of trying to please the "money bags" in order to collect funds for the General Elections in 1962. Would it not, they ask, prefer to enhance the direct taxation in the forthcoming budget at least to disprove the charges made on the floors of both the Houses not only by the Opposition but also by some leading Congress men?

Maharashtra Gives Shocks to Sugar Companies

The spurt in the shares of Deccan sugar companies, following the bumper dividend of Belapur Company, has proved to be a short-lived affair. On the contrary, there has been a substantial fall in their values this week. This is not due to any sudden feeling that other sugar companies in Maharashtra will not be able to match the preference of the Belapur Company. Belapurs themselves have lost the major part of their recent gains. The real reason seems to be the fear that the Deccan sugar companies will be in for some harsh treatment in the legislation which the Maharashtra Government is drafting for introducing ceiling on agricultural landholdings. It is reliably learned that this fear is not without firm foundation. The intention of the Maharashtra Government seems to be to subject the farm lands (both cultivated and in reserve for expansion) belonging to joint-stock sugar companies to the ceiling legislation. The fact that this move runs counter to the latest directive given by the Planning Commission to all State Governments as well as to the changes effected by the President in the Kerala Land Reform Bill drafted and adopted by the Communist regime has not deterred the Maharashtra Government. When we heard the news, we could not believe it, for, in Mr. Y. B. Chavan, Maharashtra has an able and a very sensible Chief Minister. Even now, it is hard to believe that he would be a party to the reported legislation which would place the President of India in an embarrassing position. But we are told that the news is true, that Mr. Chavan has won the blessings of Prime Minister Nehru for the Bill and that he has obtained special clearance for it from the Planning Commission. It is to be hoped that, even if the news is true, Mr. Chavan will reconsider the matter before it is too late and exempt the sugarcane plantations and efficiently managed farms from the ceiling. The joint-stock sugar companies in the Deccan have brought prosperity to Maharashtra by raising sugarcane on scientific lines and producing the highest rate of sugar per acre in India. Their achievements compare favourably even with those of sugar producers in Java and Hawaii and they have set an excellent example to the other States in this country. To subject them to land ceiling is to place a penalty on efficiency and enterprise.

Novelty in Import Policy

The import policy for the current licensing period (October 1960-March 1961) in respect of six more items, namely, betel-nuts, cloves, mace, cassia and cinnamon, dates and nutmegs, announced this week, has come as a disappointment to the trade, for the quota has been slashed by 50 per cent., as compared with the previous half-year. A novel feature introduced this time is the link arrangement with exports of certain other commodities, which are in no way related to those that are to be imported, either as a raw material or in any other capacity. The fact that importers of the above-mentioned spices and dates have been getting a substantial profit margin, as much as 400 per cent. in some cases, seems to have been an eyesore to the Government. Obviously, the latter does not want the importers to reap the benefit of higher prices within the country without their sharing a part of the burden of export promotion. In accordance with this new policy, import quota for spices and dates will be given subject to the condition that they will export against this some groundnut oil, tapioca flour, etc., the domestic prices of which are well above those in the world market. More or less a similar scheme, it may be recalled, was introduced in October last under which tenders were invited for the export of groundnut oil against imports of copra and palm oil. This was designed to be not only as an incentive to export promotion of groundnut oil but also as replacement of one type of fat by another. Ultimately, however, it was found that exports of groundnut oil under the tender scheme would not exceed a bare 400 tons. But the new scheme is an improvement on its predecessor in that no tender has been invited and the proportion of import entitlement against exports has been clearly specified.

Apart from the merits of this new scheme, one wonders why the Government waited so long to announce the scheme. Already, two and a half months have elapsed since the new licensing period began on 1st October last. The trade was held in suspense for a pretty long time which only created confusion and uncertainty in the market quite detrimental to the interests of consumers.

According to the new scheme, the import of four items, namely, betel-nuts, cloves, mace as well as cassia and cinnamon will not be permitted, unless importers undertake to export a specified amount of groundnut oil and tapioca within six months of the imports, either direct or through an Export Council or Association or through an established exporter. *Ad hoc* licences for the import of betel-nuts will be issued to established importers for a value equal to their entitlement at 2½ per cent. of half of their best year's imports, and for cloves, mace and cassia and cinnamon 5 per cent. each. Against imports of every 7.5 cwts. of betel-nuts and 2.5 cwts. each of cloves and also cassia and cinnamon, one ton of groundnut oil or 8 tons of tapioca flour should be exported. In respect of mace, 2.5 cwts. of imports will be allowed against exports of two tons of groundnut oil or 16 tons of tapioca flour.

For the import of dates, established importers will be given *ad hoc* licences for a value equal to their entitlement at 20 per cent. of half of their best year's imports on condition that the licensee will within six months of the date of importation of dates effect export of tinned fruits, biscuits and confectionery, syrups and juices, pickles, molasses, cigarettes and *bidis*, etc., up to a value of 50 per cent. of the imports. In all these cases, licensees will be required to give a bond duly supported with bank guarantee for an amount equal to the c.i.f. value of imports for fulfilment of the export obligation. With regard to nutmegs, the quota for established importers will be 5 per cent. The last date for receipt of applications by the licensing authorities will be 31st January 1961.

Traders of these items have not yet been able to assess fully the implications of the scheme, which, on any account, is quite novel. The smaller quota has fallen short of the anticipation of trade. The consumers of these items, no doubt, seem to be in for trouble, since prices of these commodities have already spurted on the announcement of the new policy, anticipating shortage of supply. The reaction of traditional groundnut oil exporters is one of complete dissatisfaction and the Board of the local Oilseeds and Oils Exchange has taken up the issue with the Government. In a communication addressed to the Ministry of Commerce and Industry, it has urged immediate reconsideration of the scheme. The note points out that the Government's policy of linking imports of half a dozen items, such as betel-nuts and cloves, to the export of groundnut oil and tapioca flour will accelerate the rise in the prices of groundnuts and groundnut oil. It adds that the Government should not blame the trade for the rise in prices resulting from export promotion measures and that, if the Government still wishes to force exports of groundnut oil, through the incentive scheme just announced, the benefit should directly go to exporters of groundnut oil and to importers of the aforesaid commodities.

The grievance of oil exporters is understandable. For, even though the total export of groundnut oil under the new scheme is not likely to exceed 5,000 tons, it will adversely affect their business. The quantity of groundnut oil available for export is already limited and competition for it from the importers of the commodities mentioned above will only make their position worse. It may be that the latter may share a part of their gain by asking the established exporters of groundnut oil to do the export on their account. But this is only a case of something better than nothing. Further, the world market for groundnut oil being a very competitive field, the Government cannot expect the new-comers to deliver the goods. Another argument against the scheme is that no proper agency has so far been set up by the Government or the trade to co-ordinate imports and exports. This will add to the hardships of the business men concerned. There is also considerable force in the argument that prices of groundnut oil may go up still further on account of the new scheme. Only last week, the Forward Markets Commission had administered a strict warning against speculation. But the latest policy of the Government is such that it will lead to a further rise in prices. This situation will create crucial difficulties for domestic consumers of oil, including the *vanaspati* industry. The inevitable conclusion is that there is absolutely no case for exports of groundnut oil, when domestic production of groundnuts falls short of consumption requirements within the country. A section of the trade is of the view that the Government should try to arrange for import of some soyabean oil, either under a barter arrangement or under P.L. 480, to relieve the scarcity of supply in oils and fats in the country.

I. M. F. Supports the Dollar

Efforts are being kept up to strengthen the position of the U.S. dollar. Britain has reduced its Bank rate further from 5½ per cent. to 5 per cent., with effect from the 7th inst. It remains to be seen whether W. Germany also will oblige by cutting down its Bank rate again from 4 per cent., to which level it was lowered from 5 per cent. on 10th November 1960. The International Monetary Fund, too, has taken a step which, though not deliberately meant for supporting the dollar, will surely have that effect. It has sold to the U.S. $300 million worth of gold from its stocks.

It is common knowledge that the Fund has in its possession large gold holdings which were substantially raised, thanks mainly to the increase in the quotas of member-countries effected in 1959. The abundant exchange reserves which some of the West European countries are having today owing to their buoyant balance of payments position imply that there are not likely to be many calls of a sizable nature on the resources of the I.M.F. in the foreseeable future. The provision under which member-countries, whose gold reserves have increased after the credit extended to them by the Fund, have an obligation to repay a part of their loans in gold has also accounted for the rise in the gold holdings of the I.M.F. But, like any other financial institution, the I.M.F. cannot hold in its vaults excessive liquid reserves which would yield no income. It is, therefore, a sound policy of the I.M.F. to invest a part of its funds in interest-bearing securities repayable in gold. Only the U.S. Government loans are eligible for this purpose, because, when securities are sold to the I.M.F., the American Government provides a guarantee to repay in gold.

Before the present purchase of $300 million worth of short-term Treasury securities, the I.M.F. had sold gold to the U.S. twice since 1956. The Fund's motive at that time, of course, was of earning some additional income to cover its rising expenses. The object of the present move is not officially explained by the Fund. But foreign observers feel that it is meant to relieve the pressure on the gold holdings of the U.S. and to impart confidence among holders of dollars. There is also some justification for the Fund in rendering this timely assistance to the dollar. After all, when France had to repay its obligation to the Fund, it had to make a part of that payment in gold. And it obtained this gold from the U.S. by converting a part of its dollar reserves, instead of drawing down its own gold reserves.

It is important to note here that the aforesaid investment of the I.M.F. in U.S. Treasury stocks is not a part of the assistance which the U.S., as a member of the Fund, can claim. It can, for instance, draw its rights in foreign currencies. Wisely, the U.S. is desisting from falling back on this support, because such an action will only add to the uneasiness of foreigners holding dollar balances and encourage them to withdraw their funds.

As a result of the purchase of dollar securities by the I.M.F., the U.S. gold reserves have increased by $267 million in the week ended 7th December 1960 to $18.177 million. The difference between this addition and the I.M.F. contribution, namely, $33 million, represents the gold drain during the week. This brings the net decline so far during the current year to $1.279 million. Given the continuance of the flow of gold to other countries, the transfer of I.M.F. gold to the U.S., would keep the American reserves beyond the $18.000-million barrier only for a few weeks and, as the scope for repetition of such transfer from the I.M.F. is not very great, other remedies will have to be thought of. One solution will be a further increase in U.S. exports. The latest indications are that these are continuing to expand at a substantial rate. Another will be reducing further the disparity between the European and U.S. interest rates on short-term funds and increasing the flow of untied long-term capital exports from West European countries. The first measure could prevent the flight of hot money from the U.S., while the second would relieve the pressure on U.S. balance of payments.

EQUITIES FALL FURTHER

OFFERINGS LARGE, SUPPORT POOR

(From Our Own Correspondents)

BOMBAY, 15*th December*

THE easy trend noted on the Stock Exchange in the past two weeks gathered fresh momentum during the week under review, with most equities continuing to march downward. Offerings of scrips were generally very large, while investment support was at a low ebb. The sentiment of operators was adversely affected by the reported statement of the Union Finance Minister at a meeting of the Informal Consultative Committee of Parliament that the country must be in for a period of increased taxation and that it was the Government's policy to insist on a premium being charged when established companies raised fresh capital or started new ventures. The persistently rising trend of production costs in industries also acted as a damper. The setback to equity values would, indeed, have been more marked but for some enquiries from the L.I.C. Investment Committee and normal carry-forward charges in the last settlement. The bulls, of course, were obliged to pay more, but this was due to the fact that the current settlement is for a longer period in view of the Christmas holidays.

Preference shares continued to lack support. Operators were somewhat dissatisfied with the hurried Lok Sabha passage of the Bill to regulate dividends on preference shares as modified by the Select Committee. As was pointed out by us in our Market Gossip columns last week, the tax-free and taxable preference shareholders, though they will get a little more than that contemplated in the original Bill, will still be substantially worse off as compared with what they were getting before the abolition of grossing. Some of the leading preference shares suffered a decline during the week under review, Tata Powers by Rs. 3.75 to Rs. 1.100, Rohtas 'B' by Rs. 2.50 to Rs. 58. Tata Chemicals by Rs. 2 to Rs. 84 *ex-div.*, Tata Steel second Preference 'A' by Re. 1 to Rs. 102 and Hindustan Motors by 25 nP to Rs. 184.75

Steel shares drifted lower, despite reported purchases of Tata Steels by the L.I.C. and purchase of a large parcel (believed to be 15,000 shares) of Indian Irons by a leading broker. Tata Steels receded a rupee, from Rs. 141.25 to Rs. 139.50 today, before finishing at Rs. 140.25. Indian Irons dropped 16 nP to Rs. 23.36. Mukand Irons retreated from Rs. 21.76 to Rs. 19.48. Towards the close, they were better at Rs. 20.

In the textile section, Standards were hammered down from Rs. 1,072 to Rs. 992; at one time today, they were lower still at Rs. 965, which compares with a peak of Rs. 2.065 touched on 25th July 1960. Khataus fell by Rs. 17.50 to Rs. 447.50 and Centurys by Rs. 11 to Rs. 450. Kohinoors declined by Rs. 8 to Rs. 266.50. Minervas eased by a like amount to Rs. 64. Finlays lost Rs. 7 to Rs. 323, Svadeshis Rs. 4.50 to Rs. 223, Central Indias Rs. 4 to Rs. 100, Podars Rs. 3 to Rs. 131, Elphinstones Re. 1.50 to Rs. 58 and Simplex Re. 1 to Rs. 160. Bombay Dyeings decreased from Rs. 62.70 to Rs. 60.70 today before finishing at Rs. 61.10. Gokaks were done at Rs. 169, as against Rs. 173 last week-end.

Sugar shares encountered selling by knowledgeable sources. It is reported that the contemplated Land Ceiling Bill of the Maharashtra Government will adversely affect the working of Deccan sugar companies, having their own plantations. Belapurs moved down from Rs. 387 to Rs. 365 today but closed higher at Rs. 370, the net loss over the week being Rs. 17. Walchandnagars slipped down by Rs. 11.50 to Rs. 278.50. Phaltans receded by Rs. 11 to Rs. 178.

Cement shares also came in for selling. Digvijays dropped Rs. 5 to Rs. 147. Associated Cements eased by Re. 1.75 to Rs. 149. Bagalkots shed 16 nP to Rs. 8.20. Sone Valleys eased by a like amount to Rs. 4.88. Orissas and Ashokas lost 8 nP each to Rs. 14.96 and Rs. 9.28, respectively.

Bank shares tended to recede. Operators noted reports that the Reserve Bank had asked the banks to consider seriously the question of strengthening their capital base. Bank of Indias receded by Rs. 2.50 to Rs. 106, 'A' shares remaining quiet at Rs. 111. Barodas, Centrals, United Commercials and Denas shed 50 nP each to Rs. 82, Rs. 54, Rs. 84.50 and Rs. 52.50, respectively.

Shippings and automobiles drifted downward. Among the former, Great Easterns eased by 28 nP to Rs. 15.20. Scindias shed 20 nP to Rs. 14.16. India Steamships receded from Rs. 9.50 to Rs. 9.28 *ex-div.* Among automobiles, Premiers fell by Rs. 6.50 to Rs. 165.50. Hindustan Motors lost 16 nP to Rs. 19.64.

Almost all the leading counters in the engineering section suffered losses. Premier Constructions slumped by Rs. 15 to Rs. 285.50. Alcock Ashdowns were marked down by Rs. 13 to Rs. 227. Telcos fell by Rs. 11.25 to Rs. 291.50, notwithstanding reports that the Company had received the official sanction for its proposal to put up a forging plant. Cooper Engineerings declined by Rs. 4.40 to Rs. 154.50, Larsen and Toubros by Re. 1.75 to Rs. 35 and Mahindras by 58 nP to Rs. 19.48.

Selling pressure was pronounced in the miscellaneous section. In particular, dyes and chemicals were depressed. Indian Dyestuffs climbed down by Rs. 57.50 to Rs. 402.50. Amar Dyes slumped by Rs. 35 to Rs. 350 and Colour-Chems by Rs. 28.75 to Rs. 292.50. Adarsh Chemicals fell by Rs. 9 to Rs. 51. Alembics declined by Rs. 2.50 to Rs. 230. Among others, Bombay Burmahs receded by Rs. 27 to Rs. 558. Rayon shares were subjected to selling on rumours regarding a cut of 15 per cent. in the import quota for rayon pulp. National Rayons lost Rs. 23.50 to Rs. 474, South India Viscose Rs. 18 to Rs. 138, Barodas Rs. 13 to Rs. 116, Indian Rayons by Rs. 6 to Rs. 52 and Gwaliors Rs. 4.25 to Rs. 38. Ceat Tyres retreated by Rs. 28.75 to Rs. 190. West Coast Papers by Rs. 12 to Rs. 177.50 and Khandelwals by Rs. 11 to Rs. 75. Wimcos eased by Rs. 7 to Rs. 263. Voltas shed Rs. 6.75 to Rs. 262. Tata Oils eased by Re. 1.50 to Rs. 73.50. Hindustan Levers lost 75 nP to Rs. 44. Killicks were dull at Rs. 100.

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Madras Stock Exchange

MADRAS, 14*th December*

With the exception of a few rubber and coffee shares, which tended to move up on special support, the Stock Exchange ruled easy during the week under review, despite some purchases of leading scrips by the Life Insurance Corporation. Textiles encountered selling, as operators were much concerned over the continuously rising prices of raw cotton and stores. Teas also encountered selling on reports that Russia was lately turning away from the Indian tea market and was purchasing more from Ceylon. Sugars, cements and chemicals and other miscellaneous industrials were all dull.

Among textiles, South Indias fell by Rs. 5 to Rs. 151. Lakshmis receded from Rs. 152 to Rs. 150. Metturs lost a rupee to Rs. 369. Buckinghams declined by 50 nP to Rs. 198. Kotharis were lower by 30 nP at Rs. 11.80. Maduras initially moved down from Rs. 34.90 to Rs. 34.70, but recovered to close at Rs. 34.80. Travancore Rayons after improving from Rs. 34.25 to Rs. 34.50, closed at Rs. 34.25. Bangalore Woollens put on a rupee to Rs. 198.

In the tea section, Haileyburias and Twyfords receded by 25 nP each to Rs. 14 and Rs. 12.25 respectively. Peermades and Kil Kotagiris softened by 15 nP each, the former to Rs. 22.50 and the latter to Rs. 5.45. Periakaramalais shed 6 nP to Rs. 3.40. Nonsuchs lost a like amount to Rs. 26.40 Chembras, however, scored a gain of 52 nP to Rs. 5.62, following the issue of bonus shares by the Company at the rate of 1 : 2.

Rubbers put on a cheerful appearance. Midlands rose by 37 nP to Rs. 11.72 and Malankaras by 20 nP to Rs. 17.90. Vaikundams were higher by 25 nP at Rs. 31. Cochin Malabars picked up 3 nP to Rs. 7.03. Travancore Rubbers, however, were marked down by 40 nP at Rs. 10.90. T.R. and T's dropped 5 nP to Rs. 9.50.

Among coffees, Coffee Lands moved up by 18 nP to Rs. 19.50. Consolidated Coffees gathered 18 nP to Rs. 19.50, mainly on technical considerations. The other coffee shares were firm.

In the sugar section, East India Distilleries lost 25 nP to Rs. 42.50. Travancores eased by 15 nP to Rs. 10.70. Deccans moved down from Rs. 15.75 to Rs. 15.65. But Cauverys spurted by Rs. 2 to Rs. 146.

Among miscellaneous industrials, Tube Investments suffered a setback of Rs. 7 to Rs. 291. Andhra Cements sagged by 10 nP to Rs. 9.90. Orissas were lower by 5 nP at Rs. 14.80 and Indias by 1 nP at Rs. 5.88. Mettur Chemicals receded by 10 nP to Rs. 13 and F.A.C.Ts by 4 nP to Rs. 9.86. Aluminium Industries were lower by 5 nP at Rs. 22.85. Western India Plywoods, however, staged an impressive rally by Rs. 6 to Rs. 246. Textools strengthened by Rs. 3 to Rs. 193.

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NEWS IN BRIEF

THE Bill, which seeks to introduce metric system of weights and measures in postal transactions, was passed by the Lok Sabha last week.

The Government of Maharashtra has constituted a Cotton Committee, consisting of officials and non-officials, to review from time to time cotton extension work done in the State for achieving the targets laid down for cotton production.

A needle-producing firm in West Germany, Rheinnadel Gruppe, has submitted to the Government of India a proposal to set up a needle manufacturing plant in India. The proposed plant, it is said, will give employment to about 250 persons.

A Roumanian mission is currently discussing with the officials of the Union Ministry of Commerce and Industry details regarding the supply of Indian iron ore on a long-term basis in return for oil rigs and petroleum products.

The Indian delegation which went to Japan to negotiate the price of iron ore to be supplied next year, has returned to New Delhi without reaching an agreement. The Indian delegation insisted on fixing the price at the 1957 level of 84*s.* a ton, as against 80*s.* in 1959 and 1958. The Japanese interests, however, were said to have opposed the rise.

It is proposed to observe an "India Plan Week" in all the State capitals from 14th to 22nd January, under the auspices of the Union Ministry of Information and Broadcasting. The objectives of the week are to mark the completion of ten years of planning as well as to show the achievements attained so far and the prospects for the third Plan.

Mud *volcanoes oozing* a mixture of oil and inflammable gas are found in several parts of the Andamans. A geological party carried out preliminary work during the 1959-60 field season to examine the possibility of oil exploration in those areas. The work is being continued during the 1960-61 field season. It is, however, considered too early to assess the results of the investigations.

The National Chemical Laboratory, Poona, has invented a colour for *vanaspati* which can prevent its use as an adulterant with ghee. Disclosing this in the Lok Sabha, Dr. M. M. Dass, Union Deputy Minister for Scientific Research and Cultural Affairs, added that the new colour satisfied "nearly" all the tests; the test for chronic toxicity was now being carried out in the National Drug Research Institute at Lucknow.

A team of Soviet officials will visit India shortly to discuss the allocation of the latest Soviet credit of Rs. 60 crores for the third Plan. The projects tentatively selected by the Government of India for financing out of this loan are oil refinery in Gujerat, oil and mineral drilling equipment, ball and roller-bearing plant, heavy compressors and pumps project, basic refractories project, and certain power schemes and coal washeries.

The proposal submitted by Tatas for setting up an alloy and steel plant during the third Plan period has been approved by the Government of India. The plant is expected to be located near the present steelworks at Jamshedpur. It is reported that negotiations for collaboration with a U.S. special steelworks plant are being held now. Another alloy and special steel plant will be set up in the public sector at Durgapur during the third Plan period.

Licences for setting up two pig iron plants, one in the Chanda district of Maharashtra and the other in Keonjhar district of Orissa, with an annual capacity of 94,000 tons and 72,000 tons, respectively, have been granted to private parties by the Government of India. The grant of these licences follows the revised policy of Government which seeks to permit the private sector to establish pig iron plants with a capacity upto 100,000 tons. The previous ceiling was no more than 15,000 tons.

India's first electric locomotive will roll out of the Chittaranjan railway works by the middle of 1961, according to Mr. Shah Nawaz Khan, Union Deputy Minister for Railways. It is proposed to manufacture four D.C. electric locomotives during the third Plan. It is also proposed to manufacture A.C. locomotives by the middle of 1963 at Chittaranjan. Global tenders have been received for the manufacture of A.C. locomotives and are under scrutiny. The estimated cost of the electric locomotives to be manufactured at Chittaranjan is Rs. 10 lakhs each.

The three steel plants at Rourkela, Bhilai and Durgapur produced upto October this year 1,556,525 tons of pig iron, including pig iron for steel-making, and 550,073 tons of semi-finished and finished steel. Of this, 913,769 tons of pig iron and 268,097 tons of semi-finished steel have been sold locally, either direct from the steel works or through controlled and registered stockists. A total of 104,497 tons of pig iron, slabs, ingots and billets was exported to seven countries, namely, Japan, Pakistan, the U.K., the U.S., West Germany, Holland and Italy.

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From Abroad

World oil production touched a record level in September last, with the average daily production amounting to 21.27 million barrels, according to the latest issue of the *Oil and Gas Journal*. This is 10 per cent. higher than that in September 1959.

The sterling area's central gold and convertible currency reserves rose by £10 million during November and stood at £1,131 million on the 30th of that month. The reserve level in November was the highest since September 1959, when it was £1,173 million.

Japan and the Philippines have signed a treaty of "amity, commerce and navigation" with mutual most-favoured nation treatment. The treaty, concluded after ten months of negotiations, is said to be the first such treaty Japan has concluded with a neighbouring country in South-East Asia after the last world war.

The International Monetary Fund has sold $300 million worth of gold to the U.S. The dollars obtained are to be invested in short-term Treasury securities. With the purchase of this gold, the total U.S. stocks of gold, which had been declining in recent months due to foreign purchases, now stand above 18,000 million dollars. It is the third time since 1956 that the Fund has sold gold to the U.S.

The British Colonial Development Corporation and the Government of Kenya propose to launch a £960,000-scheme to promote tea growing by African small holders in the Central, Nijauza and Rift Valley provinces of Kenya. The scheme provides for grant of financial assistance for a period of over eight years, with a view to extending the area under tea by 9,000 acres.

The Government of Ceylon is contemplating to establish a State-owned Corporation to import and distribute petrol and other petroleum products. The Government will buy oil from the cheapest source, irrespective of whether they are communist countries or not. Initially, the oil imported by the Corporation will be distributed to Government departments and the nationalised Ceylon Transport Board.

A new organisation, called the National Hygiene Council, which will inspect food shops, restaurants and cafes, has been launched in Britain. The Council's inspectors will award a seal of approval—a lion superimposed on a cleansing flame—to premises which reach specified minimum standards of hygiene. Formation of the Council has followed discussions between M.Ps and leading food manufacturers.

People in the U.K. spent an average of 29*s.* 3*d.* a week each on food in 1959, 3*s.* 7*d.* more than in 1955, according to the British National Food Survey. The Survey indicated that there was a 4 per cent. rise in the total amount of food consumed in the period, most of it being of the "convenient" type—food such as frozen peas, cooked and canned meat and dehydrated food.

The U.N. General Assembly's Economic Committee passed last week two resolutions of vital importance to the underdeveloped countries. One of the resolutions, drafted jointly by Pakistan and Indonesia, calls for a study of the feasibility of establishing international credit insurance organisations to help promote flow of investment capital to underdeveloped countries. It also calls for a report on the extension of existing national credit insurance institutions. The other resolutions call for increased international aid to underdeveloped countries to reach as soon as possible one per cent. of the combined national revenue of economically advanced nations. The resolution proposes that a major part of this aid be directed through the U.N. and its specialised agencies in a manner which will not weigh heavily on the balance of payments of underdeveloped countries. The Economic Committee has also endorsed a nine-nation move, led by India, to raise the combined target for the U.N. Special Fund and expanded programme of technical assistance from $100 million to $150 million.

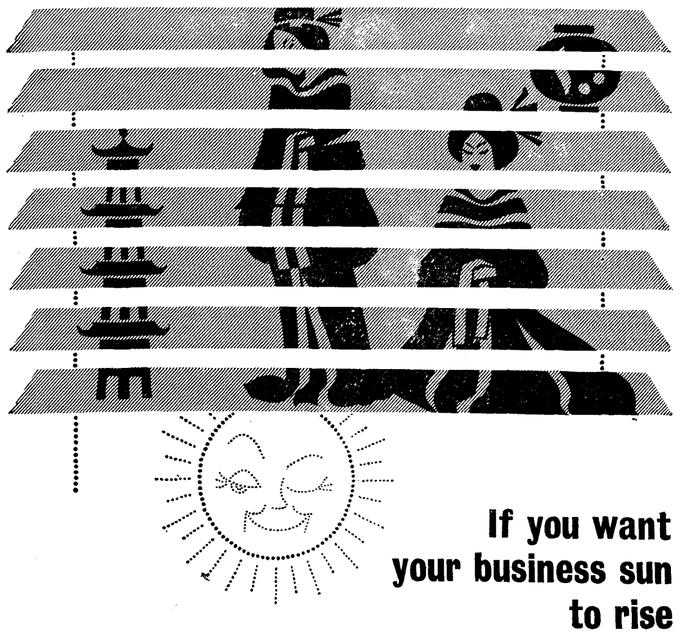
PERSONAL

MR. B. K. Choudhuri, a former Judge of the Madhya Pradesh High Court, has been appointed Member of the Industrial Court of Maharashtra State.

Mr. Mirza Rashid Ali Baig, at present Chief of Protocol and Joint Secretary in the Ministry of External Affairs, has been appointed Ambassador of India to Iran. He is expected to assume charge of the new assignment in April 1961.

Mr. Enrico Mattei, President of the Italian State-owned oil company, the Ente Nizionale Idrocarbari, has arrived in India for consultations with Government on the question of collaboration in oil exploration in the country.

Mr. H. L. Muschamp, Managing Director of Muschamp Textile Machinery Ltd., Ashton-under-Lyne, Lancashire, will shortly leave on a market survey of the United Arab Republic, Cyprus, Israel, Iran, India, Pakistan, Iraq, Turkey and Greece. In India, Mr. Muschamp will visit Bombay and Delhi. The Indian section of his tour will last from 22nd January to 7th February 1961.



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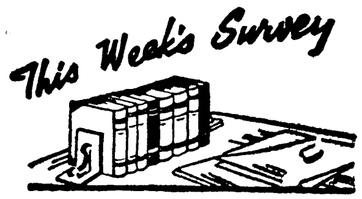

TEXTILE RESEARCH

PRESIDENT Dr. Rajendra Prasad certainly struck a note of realism when he stated, while declaring open the Textile Research Institute at Bombay on Friday the 9th inst., that the major role in the matter of cloth supply undoubtedly belonged to the mill industry. For the mill industry, in view of all the advantages of large-scale manufacture, can produce cloth more efficiently and at less cost as compared with the decentralised sector. This aspect deserves to be specially stressed in the context of the steadily expanding propensity for consumption of cloth in the country. If the mill industry is not enabled from now onwards to meet such demand because of the preference shown by the powers-that-be for handlooms and Ambar Charka, there is bound to be a virtual cloth famine in the not too distant future. It is to be hoped that the Planning Commission will bear this point in mind when it formulates the programme of development for cotton textiles in the third Plan period.

Assuming that the mill sector will be given the bulk of the share in the additional market for textiles, a great responsibility will devolve on the mills, namely, that of adjusting the nature and quality of cloth according to the changing needs and trends. Dr. Prasad did well to make particular mention of this aspect, as well as of the growing competition in world textile markets from other producing countries. He pertinently remarked: "... the challenge which these conditions pose should be met squarely and there is no other way of doing so except by conducting research." Viewed thus and considering that research, since it entails quite a bit of expenditure, cannot be undertaken by individual mills, the joint venture of the Bombay millowners to set up a special body for research work is, indeed, commendable.

The Textile Research Institute in Bombay is one of four such institutes which the Cotton Textiles Fund Committee, constituted by the Government of India in 1944 for administering the funds raised by the levy of export duty on yarn and cloth, had decided to establish. The Committee agreed to share the recurring and non-recurring expenditure of the institutes on a 50—50 basis. The Millowners' Association, Bombay, formulated a scheme for the establishment of the Bombay Textile Research Association and the foundation-stone of the Institute at Ghatkopar was laid in April 1957 by Mr. Y. B. Chavan, Chief Minister of Maharashtra. The present membership of the Association is 36 mill companies, of which 28 are from Bombay City.

The Institute, we are told, will undertake research in the entire field of textile technology, including engineering, operational methods, marketing and human relations. Such research will not, however, be of any avail, if its results are not made use of effectively by the mills. The President very aptly put it when he averred: "The only precaution that will have to be taken is that the results of these researches are properly collated and communicated to all the manufacturers, big and small, so that they are implemented quickly and in their entirety." It is, indeed, gratifying to be assured by Mr. Krishnaraj M. D. Thackersey, Chairman of the Association's Governing Council, that it is the desire and determination of the Association to see that the development work carried out in the Research Institute will materially help the textile industry not only to maintain its present level of prosperity but also to enable it to achieve further progress and prosperity.

IKE-KENNEDY JOINT STATEMENT

It is generally unusual for the outgoing and incoming Presidents of the United States to confer in an atmosphere of cordiality and friendliness, because the election campaign almost always becomes a smearing affair. This time, however, the outgoing President was not made the target of electioneering fusillades by the Democratic Party and Senator Kennedy, in particular, was very careful in not hurting the feelings of Mr. Eisenhower whom he holds in high esteem. Mr. Eisenhower, too, was very dignified and restrained in his speech on the eve of the election defending the policies and actions of his regime. On the 6th inst., therefore, the two leaders met in Washington in a very friendly spirit and discussed various problems of the American Administration affecting peace, security and freedom in the world. Apart from the profound political significance of their joint *communique* declaring that "the American nation does not covet the territory of any people nor does it seek to dominate or control any other nation," the Eisenhower-Kennedy statement has a very vital bearing on the economic problems of poorer nations throughout the free world.

In the context of the present balance of payments difficulties, which have caused some significant changes in the U.S. external financial policies, doubts have been expressed in highly knowledgeable financial circles the world over, whether the new administration would continue to undertake the programme of massive economic aid and technical assistance to underdeveloped countries. The joint statement, issued after the meeting between the two leaders wherein the problems regarding the balance of payments and the position of dollar were specifically discussed, derives its abiding significance from the fact that both the retiring President and the President-elect have reiterated that "the American people and their Government have consistently sought to protect freedom and *have tried to help people throughout the world to better their standards of living.*" The statement further adds that *"these national objectives will be vigorously pursued by the incoming Administration."* These categorical words are encouraging and should set at naught any doubts that, in view of the strain through which the dollar is passing, the U.S. may not be able to help underdeveloped countries to the extent it did in the past.

DOUBLE TAXATION ON MOTOR VEHICLES

If it is true that the Governments of Madras and Maharashtra have expressed their inability to implement the principle of single-point taxation on motor transport, it is to be deeply regretted. It may be recalled that this question recently came up before the Bombay Conference of State Transport Commissioners and Controllers (*vide* leading article entitled "Role of Road Transport" in our issue of 3rd December 1960), This Conference, while reiterating an earlier decision favouring single-point taxation on motor vehicles throughout the country, agreed that a correct assessment of the flow of traffic between the reciprocating States in the case of motor vehicles plying on inter-State routes be made and thereafter a suitable machinery be devised to find a solution to the difficulties explained by the Governments of Madras and Maharashtra. It was rightly felt at the Conference that levy of double taxation, even on temporary permits, was discriminatory.

It would appear that these two States are the chief sinners as of today. Although they have both accepted the principle of single-point taxation as recommended by the Masani Committee on Road Transport, they are yet to implement it in practice by abolishing the additional tax they are levying. In Madras, the position is that an additional tax of one-sixth of normal rates is levied on all vehicles operating on inter-State routes on the ground that inter-State operation of transport is more profitable and should, therefore, be taxed at a higher rate. Although the neighbouring States in the South do not share the Madras Government's view, they too have been forced to levy the additional tax as a result of reciprocal arrangements with Madras. So the principal sinner, in so far as the additional tax on vehicles plying on temporary or permanent permits is concerned, is Madras. It is this State Government that has to be persuaded to fall in line.

In Maharashtra, the additional tax is justified on the ground that temporary permits should not be treated on a par with permanent permits. This State Government is of the view that some additional tax on motor vehicles plying on temporary permits is justified. What this means in practice is that the Government refuses to issue to a lorry a temporary permit for entering its State until the vehicle tax, already paid to the home State, is paid in this State also. Since the Maharashtra Government has, or will have, reciprocal arrangements with neighbouring States, these States are or will be forced to levy the additional tax on vehicles plying on temporary permits, if not on those plying on permanent permits. So the principal sinner in this regard is Maharashtra which, too, like Madras, would have to be persuaded to fall in line. These two States, for two different reasons, have sought to justify their additional taxes, forgetting that their obstinacy has led to the spectacle of all States agreeing to the single-point taxation on paper but many of them not being able to implement it in practice and that this double taxation is another factor which discourages through traffic on inter-State routes. Already a motor vehicle in India, on an average, pays by way of all taxes and duties nearly Rs. 3,000—a figure which could come down to some extent in the event of double taxation being eliminated throughout the country. The Governments of Madras and Maharashtra, it is to be hoped, will reconsider their stand in the interests of road transport which is most likely to be assigned a bigger role following the generally expected recommendations of the Neogy Committee on Transport Co-ordination.

WORLD BUSINESS MEN MEET

The central purpose of the International Business Men's Conference, held at Karachi last week, was to explore the possibilities for greater foreign private investment in underdeveloped countries. Business men in the newly independent countries of Asia and Africa were anxious to attract private capital from the advanced countries of the West obviously for two reasons. For one thing, they were fully alive to the need for playing their role in industrialisation in the conditions of their countries' poverty and backwardness—a role which they had necessarily to perform if public enterprise was not to be unduly expanded. For another, they were not confident of bringing about, single-handed, an industrial revolution in their countries without the aid of advanced technical know-how which foreign capital would bring with it. But, strangely, they were not wholly in a position to scotch fears of expropriation and the like, for not all the underdeveloped countries were free from political risks and consequent business anxieties. If, of all the countries in Asia and Africa, India had much to offer by way of "potentialities, climate, facilities and incentives" for foreign capital—which, incidentally, were neatly described in a *Guide for Foreign Investors* issued by the Federation of Indian Chambers of Commerce and Industry at the Karachi Conference—it was more an exception than the rule.

It was, therefore, wholly appropriate and necessary that the 500 and odd business men from 32 countries who had assembled at the Karachi Conference, held under the auspices of the International Chamber of Commerce for the first time in Asia, declared their "great concern at arbitrary and discriminatory acts of expropriation which harmed the interests of developing countries and investors." And they were right in urging that "nationalisation, if applied at all, should be non-discriminatory and accompanied by effective and adequate compensation." The Conference's plea that all investments, old or new, should be treated on an equal footing and nothing should be done to deter existing investors from expanding was particularly necessary, because potential investors, "who inevitably assessed a country by reference to its treatment of existing foreign enterprise," would be otherwise discouraged. At the same time, it was a sound piece of advice when the Conference urged the old-established enterprises to adjust themselves to changing political and social conditions, if they wished to prosper or even survive. An organic part of this advice was the wholesome emphasis, placed by the Conference, on the importance of the transfer of technical and managerial skill to nationals and on the training and development of "a class of able managers."

All these principles could well form part of an international investment code. Actually, when the Karachi Conference said some such thing it referred to past attempts to have an international treaty containing rules about nationalisation, compulsory arbitration, etc., and to current proposals for the provision of guarantees or insurance facilities to cover non-commercial risks particularly in the international context. If the Governments of underdeveloped countries were to observe, of their own accord, the principles regarding nationlisation, compensation, repatriation and the like, all would be well and there would be no need for an international treaty as such. The next best course would be to constitute an international investment guarantee institution with a membership roughly the same as that of the World Bank. Almost at the same time as the Karachi Conference was discussing this proposal, by a coincidence, as it were, the U.N. Economic Committee had passed a Pakistani-Indonesian draft resolution "calling for a study of the feasibility of establishing international credit insurance organisations to help promote the flow of investment capital to underdeveloped countries." There is, however, something ironical about this resolution, in that the sponsoring countries themselves are guilty of unfair treatment to foreign investors. Indonesia, for instance, has seized the properties and businesses of foreign investors in a manner which is nothing short of expropriation, while Pakistan has been following a policy of unfair discrimination against Indian investors, as this journal had occasion to point out earlier. Anyway, the Karachi Conference took no definite decision on the identical proposal, because it had to be further studied by the International Chamber of Commerce. Although the Conference took no concrete step, it had amply served its purpose by contributing sufficient thought for shaping business and, possibly, political opinion in favour of a suitable climate for the flow of private capital from the industrial West to underdeveloped areas.

The Karachi Conference had also other notable achievements to its credit. Its discussions, for instance, revealed a general consensus of opinion in favour of reductions in the World Bank's rates of interest and commission. It redounded to the credit of the Indian National Committee of the International Chamber of Commerce that its memorandum on international loans and export credits provided the basis for the relevant discussions at the Conference. Although the World Bank's rates did not compare unfavourably with interest rates charged by private international agencies, it was urged that the rates could be revised now in terms of the Bank's charter which provided that it could do so after the expiry of 10 years. There was nothing new in this plea which had been advanced on more than one occasion in the past. Nor was there anything new in the consistent refusal of the World Bank to entertain it. On this occasion, the representative of the Bank declared emphatically that it was not possible to reduce the rates, because it had to build up reserves continuously and thereby provide a cushion against defaults. The criticism against the International Finance Corporation was also similarly refuted by its Vice-President who said that it had been launched as an experimental measure and, therefore, much of the criticism arose from a misunderstanding of its real functions.

Another consensus of opinion which emerged at the Conference was that foreign agencies should continue to encourage private enterprise, preferably joint ventures with national industrialists. Equally notable was the Conference's opinion that the formation of an Asian Common Market was not to be seriously thought of for the present. This was not surprising, for the impact of the European Common Market and the European Free Trade Association on the economies of Asian countries was by no means clear yet and the political and cultural diversities of Asia were too formidable to permit of anything like integration in the economic sphere. The idea, originally sponsored by the Philippine delegation at the E.C.A.F.E. Conference in March last, had obviously not become sufficiently popular to gain wider support. It could not have been otherwise in the political, as well as economic, conditions of Asia.

I.M.C. PRESIDENT'S SPEECH

In his presidential address at the third quarterly general meeting of the Indian Merchants' Chamber held on the 8th inst. Mr. Pratapsinh Mathuradas dwelt on some of the economic problems confronting the country. One of them was the controversy over the role of the private sector in India's economic development. Mr. Pratapsinh regretted that the Prime Minister had, once again, revived the controversy and had unnecessarily condemned the private sector by stating that "the private sector had neither the capacity nor the mental approach to undertake the industrialisation of India, a task that could only be achieved by planned activity in the public sector." The President of the Indian Merchants' Chamber rightly observed that such statements, emanating from men in authority such as the Prime Minister of the country, were bound to create a sense of frustration and disappointment among the business community. By way of reply to the Prime Minister's unjustified attack on the ability of the private sector to deliver the goods, he drew attention to the fact that the private sector, both in the pre-Plan period and in the period of the two Five-year Plans, had made a significant contribution to the industrial development of the country, in spite of its being hamstrung by all sorts of restrictions. This was borne out, the speaker very pertinently recalled, by the progress reports of the Planning Commission, which clearly testified to the fact that the industries in the private sector had fulfilled, and in some cases more than fulfilled, the targets of investments and production laid down in the Plans. Defining the appropriate function of the public sector, Mr. Pratapsinh declared that it should act only as a catalytic agent. His statement that the public sector could never possess the qualities of initiative, enterprise and the inherent dynamism of the private sector constitutes an implied warning to the country that, if this sector were to bite much more than it could chew, there would be an enormous waste of resources and delay in delivering the goods.

Like all business men Mr. Pratapsinh also wished that this ugly controversy would be ended and hoped a healthier atmosphere would be created for the smooth and effective functioning of the private sector in attaining the objective of rapid economic development of the country. Experience so far, however, shows that this wish can never be fulfilled. The issue stems from ideological considerations that weigh with the Government in deciding priorities for industrial projects and their place in the public or the private sector. It is, therefore, bound to crop up from time to time, depending upon the political exigencies. It is a phenomenon that will not cease to exist in the present political set-up in the country. Accordingly, business men must decide either to ignore the statements of politicians when they are made or to keep on replying to them in suitable terms,

(*Continued on page* 1122)

ON INDIA'S FARMS

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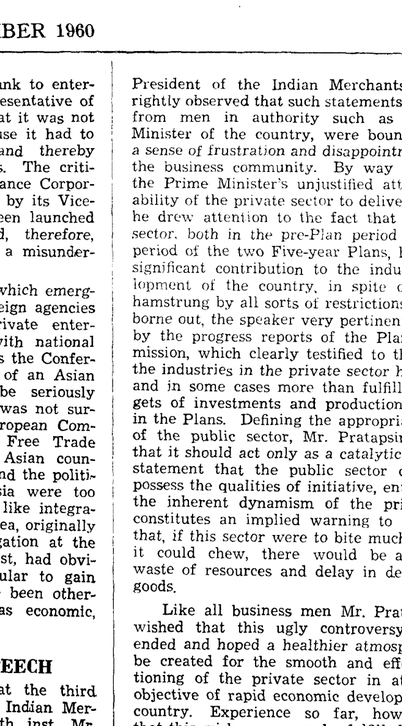

ON THE ARENA

By The Archer

University Education

WHEN a well-informed foreigner, who is a specialist in a particular field, holds a Press conference and throws out certain suggestions for correcting imbalances in our social systems or attitudes, he expects that, if our approaches to problems are as dynamic as we claim them to be, some notice will be taken of the suggestions at least by way of discussion in the Press, or that people most vitally concerned will initiate them to bring out their merits or demerits, as the case may be. It is disappointing to discover that the observations of Sir Alexander Todd, a Nobel Laureate, at a Press conference in Bombay, on the attitude to university education in India, appear to have attracted no further attention than the issue of a summarised report by the P.T.I.

Sir Alexander was of the view that providing opportunities for every one does not and should not mean that each and every student passing the matriculation examination should be admitted to a university, and that, if this happens, it will destroy the high standard of university education and prove disastrous to the country. In his view, universities are necessarily meant to produce top class people, who would, in turn, undertake the responsibilities of the nation, and it is dangerous to fill them with sheer numbers. Secondary education need not, necessarily, be correlated to university education. Steps should be taken to provide more technical education as distinct from university education, as the country's survival depends on the provision of first class scientific and technological education to the people. Bifurcation of students for specialised courses should take place after they attain the age of eighteen. By that age, the students should have attained some common background of both scientific subjects and humanities which are essential for everyone in his future career.

Sir Alexander also suggested that junior colleges should be established for students between the ages of fifteen and eighteen as a solution to their mass enrolment to universities; he added that such colleges existed in America and Japan and enabled students to select their future courses. I do not propose to examine this suggestion now, as, apart from the fact that there are many facets to this problem that have to be gone over, we have to bear in mind that what has been found suitable for America and Japan may not be equally so in our country, owing to the wide disparity in the respective levels of social and economic development. I shall content myself with a total agreement with Sir Alexander that university education in India has registered considerable quantitative development, but not qualitative, the increase in numbers of our universities and of students passing through them does not indicate a progressive increase in standards, and the time has arrived for us to pause and reorient our basic objectives and approaches to suit the increasing and altered needs of the country.

For the majority of our teen-agers, the purpose of acquiring a university degree such as B.A., B.Sc. or B.A. (Hons.) is only to obtain a basic qualification for securing a job. Those who opt for a medical course or engineering course have a definiteness of purpose, namely, choosing a profession; but those working for a basic degree have none; they go through a painful process, hoping for eventual deliverance from impecuniosity. If they work for a class or distinction, it is invariably to qualify for the relative preferment which employers offer. Even the students who work for a Law Degree are not clear in their minds that they would eventually enrol themselves as lawyers; many of them admit that they are marking time and hope that the acquisition of a double degree would give them a better competitive position. Not infrequently, youngsters who have procured degrees in geology or agriculture unashamedly apply for careers in banks and business houses even against stipulations calling for persons who have specialised in economics or commerce, and succeed too; which only goes to show that employers also believe that the theory that a university degree implies specialised knowledge is just a myth.

Even in the matter of standards, universities in India do not maintain any kind of uniformity, and there is an ever-increasing tendency to simplify courses and lower requirements. I am not sure that the Union Public Services Commission has a research section which collects and examines all the data required to assess the respective merits of apparently equivalent degrees in the different universities in the country and can equate them properly; in the absence of such examination, candidates for appointments are likely to be wrongly judged by the application of faulty yardsticks. I can cite quite a few instances to prove that this might happen. Till a few years ago, degrees in science were offered by some universities as M.Sc. and by others as B.A. (Hons.), B.Sc. (Hons.), or M.A. The courses were identical in content and examinations analogous in standard. Yet, the M.Sc. was given preference, because there was much in the name. In one university, again, there are four different categories of M.Sc: by research only, by research and examination, by examination only (with the degree awarded in all three cases after two years of work and study), and by examination after one year's work to a student who has procured the Honours degree. All these four categories are assessed uniformly, although their equipment and attainments are divergent.

The importance attached to university degrees and the complacence with which most of us have reconciled ourselves to lowered standards is even more forcibly brought out in in our evaluation of degrees obtained from foreign universities. Even experienced academicians fail to take note of the distinction between a doctorate obtained after passing an examination and one obtained after research and submission of a thesis. French and German degrees are mostly awarded after passing examinations, not so the British or Indian, and yet the superiority of the latter over the former is not taken into account when selections are made. But the case relating to American degrees is indeed comic, if all that I have heard about the facile way in which an Indian student can procure a university degree in U.S.A. in under a year, even without having obtained a basic degree in India, is correct. I am informed that a degree of M.S. (Master of Science) can be obtained after ten months of academic work with a certificate that the student has covered ten or even twelve subjects; he is awarded credits in all of them. Although it should be obvious to everyone that he cannot claim specialised knowledge in any of them, he still obtains greater recognition in India than a Master of Science of an Indian university who has put in two years of specialised study because—well, has he not been through a foreign university?

And, while on the subject of foreign education, I might refer to the distressing news agency report from Germany that, during the past two years, two Indian students committed suicide and another twelve became mentally ill—six of them critically—as a result of not faring well in examinations; some of them *had to be given* pass marks to enable them to return home with degrees. It is stated that the calibre of many students going to West Germany in recent times for education has been low, that Indian educational authorities have exercised no selective controls over their sojourn—many of them had been refused admission in Indian universities because of poor scholastic records. (An angry sceptic with whom I discussed this point has no doubt that this assessment must be correct from the numerous advertisements that appear in the papers announcing the arrivals and departures of students, accompanied by their photographs—instances of immodest exhibitionism, as he calls them.) The indiscriminate permission granted to several Indian students for proceeding overseas for studies (not necessarily for specialising) has resulted in avoidable drain on our foreign exchange. Some students get as much as DM 700 per month, but the allowances vary widely and therefore much heart-burning is reported to exist among them with allegations against Government of partiality to students with high connections. Perhaps as a result of this, or, may be, due to general indiscipline, some of the unruly elements among Indian students are reported to have been discourteous to Mr. Morarji Desai when he addressed the Indian community in Bonn during his last visit.

All that I have written on this subject sums up to this: that a drastic revision in our thinking on the subject of university education is needed urgently, and that, while, in accordance with the spirit of our time, emphasis has been laid on increasing the available facilities and opportunities, there is, at the same time, no evidence of awareness of the objectives and methods which should be pursued by our universities to suit the country's requirements. There is colossal waste of human endeavour in putting a young man through four or five years of expensive university education to secure a clerkship in a post office, a bank, a commercial firm or a Government office. It takes him years to stop leaning on his university degree for preferment and start competing for promotions; the eradication of his superiority complex brings about, first disillusionment and later, frustration. It is tragic that university graduates should be reduced to the position of realising the futility of their study of sciences or humanities when they are put through the paces in the careers that they have chosen, but that is exactly what happens in a majority of cases when the struggle for survival in pedestrian avocations becomes one continuous and constant obsession.

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U.S. Delegation to Bonn

I see a comic side to the outcome of the U.S. Treasury Mission, consisting of Mr. Robert Anderson and Mr. Douglas Dillon, to West Germany to find ways and means of strengthening America's balance of payments position. Mr. Adenauer was tough and Dr. Erhard was sarcastic; but the Federation of German Taxpayers were indeed clever, which is better than both. It is reported that they wrote to the American delegation asking for confirmation of President Eisenhower's 1957 promise that a satisfactory solution could be found to the question of return of sequestered German property in America, involving about two thousand million marks. The moral of this is that there is great safety in debiting "Debts due" to a "Past Due Bill Account" and keeping an eye on them; this is what wisely administered banks do to ensure periodical review of even apparently irrecoverable outstandings. One can never tell when prosperity may return to a bad debtor, or when it might become necessary to twist his tail if he displays signs of impertinence during the period of his indebtedness.

The joint *communique* issued on 23rd November seems to have welcomed West Germany's decision to make available between three billion and four billion marks in 1961 towards assisting developing countries. But Americans are believed to be afraid that German industrialists may borrow the amount from the American market and lend it to the Federal Government at a comparatively high rate, thus not only making the American balance of payments position still worse, but also making a neat profit in the process. Apparently no agreement has been reached on equalising the interest rates in Germany with those available in the U.S. This only shows that the Germans can, indeed, be very clever. There is an Indian proverb which says that, if you wish to make an offering to a *Vigneswara* made out of jaggery, you may pinch a tiny portion of its body for the purpose. I am almost sure that German financiers are acquainted with this proverb.

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Tailpiece

The latest method of assessing the I.Qs of candidates applying for jobs is to ask a question, suggest three possible answers, and ask for the candidate's choice of the correct answer. One such poser was: Who is called the Father of the Nation—Mahatma Gandhi, Srimathi Indira Gandhi, Srimathi Vijayalakshmi Pandit?

A *few* candidates did choose Mahatma Gandhi.

Notice

THE CENTRAL INDIA SPINNING, WVG. AND MFG. COMPANY, LTD.

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Friday, the 30th December 1960, to Thursday, the 12th January 1961, both days inclusive.

By Order of the Board of Directors,

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Secretaries and Treasurers,
T. V. BADDELEY,
Director.

BOMBAY, 13*th December* 1960.

PROBLEM OF INTEREST RATES

(From Our Own Correspondent)

LONDON, *9th December*

LONDON LET·TER

FOR the second time within six weeks, the Bank of England has cut its discount rate in an endeavour to help the American authorities cope with their gold outflow. There is no domestic reason on the part of either the Bank or the Treasury in this country for the cut, because the Government has reiterated this week their refusal to amend their economic policy. They believe a policy of continued restriction is right at the moment. They argue that unemployment is still at a low level and regard the collapse throughout the motor car industry, even though it involves wide sectors of British engineering and steel, as nothing more than local. The fact that labour has not yet begun to shift from the idle plants into the other sectors of capital goods industries indicates to the Government that the pressure has not yet been sufficiently severe.

They point to the number of unfilled vacancies on the books of the Ministry of Labour. They point, above all, to the pressure from one union after another for increased wages, and the implied dangers for higher costs throughout industry, and in particular for the export industry.

This mid-week, the Economic Secretary to the Treasury threw out as broad a hint as possible to the employers of firms in forthcoming wage negotiations. He said, "The country cannot yet afford increases of the size now being claimed so quickly after the last increase."

The general level of industrial output has remained stationary, taking into account the seasonal changes since the spring of this year, and this is regarded by the Government as paramount evidence that wage increases can only be paid for by increased costs which the falling trend of exports cannot afford. Thus, in spite of the facts that wage difficulties of unemployed and short-time workers are now building up, that the losses in the hire-purchase companies is estimated as £10 million since January, and that this reflects a collapse in demand for many consumer goods industries, the Government remains convinced that retrenchment and cost-cutting is still the formula for the British economy.

Restrictions on hire purchase are likely to be reduced in the New Year, but this does not mean that the Government wishes to relax; it means that the Government is convinced that the slackness in the consumer goods industries and the unfortunate experience in hire purchase will oblige the credit companies to keep a tight hold themselves on any facilities they offer to the public.

The reduction in the Bank rate is thus directed towards the country's external position, but whether it will have much effect is doubtful, since the fall in American interest rates means there is still a 2 per cent. difference between London and New York short-term interest rates, after allowing for the cost of covering a switch of funds in the forward exchange market. If the switch back of funds is to be ignored and a long-term short rate investment made, London will offer a 1 per cent. advantage to the American investor.

The inflow of dollar fund has, it is well known, more than counteracted Britain's adverse trade balance. It is now revealed that, at the end of November, Britain's official gold and dollar holdings totalled $3,167 million or £1,130 million. In addition, it was estimated that, in the middle of 1960, private dollar holdings amounted to over $1,200 million, this being double the figure of eighteen months previously. This figure has been increased by a substantial percentage in the last few months, and it is these private dollar holdings which would take the first brunt of a reversal of the general movement of liquid funds. But Britain has now gone as far along the road to help the Federal Reserve system as she can without going counter to the Government's own view and the needs of the domestic economy. The rest is up to the U.S. Monetary Authorities, and these should now appreciate that they must take some steps to make good their total lack of any sort of exchange control mechanism.—*All Rights Reserved.*

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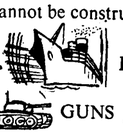
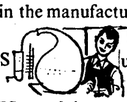
FOOD is obtained with the aid of potash, phosphates and nitrogenous fertilizers, none of which can be produced in adequate quantities without Refractories. CLOTHING cannot be produced in sufficient quantities if Refractories are not available for the power plant. Power plants using Refractories provide your home with heat for COOKING, LIGHT for comfort, and power for essential domestic appliances. It would be impossible to construct FURNACES to extract metal from ORES or to operate Rail Road LOCOMOTIVES. There will not be high octane AVIATION spirit nor LUBRICANTS as suitable furnaces cannot be constructed. STEEL plates cannot be produced for building SHIPS.  It will be impossible to make LORRIES TANKS GUNS SHELLS Invasion BARGES BATTLESHIPS even ALUMINIUM and MAGNESIUM used in the manufacture of AEROPLANES cannot be produced CHEMICALS  used in explosives cannot be manufactured. The large POWERPLANTS supplying power, heat and light cannot operate.

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WHITHER U.S. DOLLAR?

DEVALUATION IS NO REMEDY

By Dr. Anwar Iqbal Qureshi

Economic and Business Consultant, Karachi

DURING the past few weeks, a bewildering amount of literature has appeared regarding the future of the dollar. Since October last, a large outflow of gold started from the United States to the U.K. and Germany, as a result of speculative dealings in the free gold market of London. The situation was further aggravated by comparatively attractive rates of interest in the latter countries. The price of gold, at one time, reached $41 per ounce compared to its official price of $35 per ounce. Though the speculative spiral has come down from its peak, the price of gold is still above the parity. All this has caused a good deal of alarm and has released various disruptive forces which tend to threaten world monetary stability. The large outflow of gold to the markets of Western Europe has come as a shock not only to many Americans but also to outsiders who had become accustomed to regard the American dollar as a rock of stability.

A question is repeatedly being asked as to what is going to be the future of the dollar. The foreign stakes in the stability of the dollar are very high, as about $20 billion have been invested by foreigners in various reserves and dollar funds. Will the Federal Reserve Board be able to maintain the free convertibility of the dollar at the existing parity? It may be observed that the Federal Reserve Board is committed to buy and sell gold at the rate of $34.9125 and $35.0875 per ounce, respectively. However, its dealings are strictly confined to the Central Banks.

If the situation is reviewed dispassionately and all the factors are taken into consideration with cold analysis, one is led to believe that the present situation has been very much exaggerated and there appears no possibility in the near future about either the devaluation of the dollar or imposition of any restrictions on its convertibility.

Interest Rate Remedy

The United States is, indeed, facing a difficult situation. The deficit in its external balance of payments has been running in the neighbourhood of $4 billion a year, at a time when there has been a recession in the United States economy and it cannot be said, with any degree of confidence, if this has yet touched the bottom. There are already over four million people unemployed. In a situation like this, the main difficulty is that the steps, which may be taken to prevent the flow of gold and restore the disparity in the balance of payments equilibrium, may adversely affect the receding economy of the country and thus perpetuate a depression. To illustrate, it may be pointed out that the dominant reason for the outflow of gold from the United States is the attractive interest rates in the United Kingdom and Germany. Until the recent reduction, the bank rate in England was 6 per cent. and in West Germany 5 per cent. These have now been reduced to 5½ per cent.* and 4 per cent., respectively. The rate of interest in the United States is only 3 per cent. If the United States interest rate was considerably raised, much of the attraction for the outflow of gold would disappear. Gold worth about 2 billion dollars is estimated to be flowing out because of this. But the very step of raising the U.S. interest rate would seriously affect the economy of the United States, causing a lot of unemployment, which step can hardly be taken by any popular Government. The memory in the public mind of the last depression has still not died down when the Federal Reserve Board sharply raised its rate of interest from 1½ per cent. to 3½ per cent. and the Board was blamed for intensifying the crisis. The Stock Exchange boom burst in November 1929, and eventually unemployment figure reached 12 million. It has, therefore, to be realised that it is extremely difficult for the Federal Reserve Board to raise its interest rate to stop the outflow of gold.

Exchange Restrictions

Other countries have tried to check the outflow of gold by adopting exchange restrictions. This course is clearly unthinkable in a country like the United States, as the dollar is the international reserve currency. Any restriction of its free movement and any doubt about its spontaneous convertibility will seriously undermine the public confidence and will do irreparable harm. Moreover, it is doubtful whether such a step would be acceptable to the people of the United States, who believe in economic freedom; and will not surrender this right unless there is a grave emergency, which certainly is far from the case at present.

It may, however, be stressed that confidence begets confidence; and the present situation has been worsened by some doubts regarding the ability of the United States to withstand this drain. It is, therefore, most essential that this confidence should be re-established by combined action of the Central Banks of the world and further backed by the International Monetary Fund. If international co-operation means anything, it is high time that it should be put into practice. It is in the larger interest of foreign Central Banks to extend sincere and wholehearted co-operation to the authorities of the United States. It is in their own interest to maintain the stability of the dollar and to see that the United States Government is not forced to restrict the outflow of gold in a manner which may seriously affect the capacity of these European countries to earn dollars. This would cause serious unemployment in certain sectors of the European economy which will have far-reaching repercussions.

It will be very harmful to the world economy if the United States was forced to resort to its traditional policy of raising the tariff walls against the import of foreign goods. To give one example, it should be noted that a number of European countries have been selling small cars to America, in which Germany has taken the lead, followed by France. This is only possible due to a 10 per cent. import duty on the import of foreign cars in the U.S.A. and there are no quantitative restrictions on the numbers of cars to be imported. On the other hand, the import duty of foreign cars is 30 per cent. in Britain and France and 45 per cent. in Italy. The U.S. tourist at present spend about $1.6 billion, and if this flow is drastically curtailed, it will severely affect the economy of many European countries. The European countries should remember that the post-war loans and aid funds to them from the United States amounted to $36 billion. It was this generous flow of funds which has leased a new life to Europe. Such a phenomenon has been unprecedented in world history. I am glad to note that some of the important European central banks are realising the gravity of the present situation and have started extending their co-operation in certain important directions.

A Way Out

The U.S., at present is facing burdensome surplus of many agricultural products which are artificially protected in many European countries. If a part of these could be sold at world prices, it would help the consumers in European countries. The present export of 800 million dollars worth of cotton and foodstuffs to Western Europe can easily be doubled. The core of the U.S. economy is absolutely sound, and, barring some fields, the prices of United States goods are fairly competitive. It may also be mentioned that, while other countries had been trying to promote the growth of their exports by various types of programmes of export promotion, tax rebates, etc., the U.S. exports since 1950 have increased by one-third without any such props.

Fears have been expressed in certain quarters that this drain on its balance of payments may affect the U.S. foreign aid policies. One may, however, point out that any such step would hardly improve the U.S. balance of payments.

It is quite possible that, if the U.S.A. was more pressed and the present drain continued unabated, it may restrict some of its private investments abroad which are being incurred at the yearly rate of $3 billion. This will adversely affect Europe and Canada, who have taken a lion's share of these investments. In Canada alone, the total U.S. private investments are around $16 million. The worst fear is that, if the present drain continues, which is unlikely if economic forces are allowed their free play, as observed by Per Jacobsson of the International Monetary Fund in a recent interview, the dormant forces of isolationism may raise their head, which would be very lamentable indeed. The strength of these forces should not be under-estimated. The feelings are growing in the United States, and these are corroborated by facts, that the resources in the United States are not keeping pace with its foreign commitments. The defence programme, especially the nuclear weapons, where the missiles cost more than their weight in gold, has skied the bill to $40 billion per year. On the other hand, some of the European countries, it is felt, are not playing their part in sharing the growing burden of global defence, aid and development.

Devaluation

It has been suggested in certain quarters that the remedy lies in devaluing the dollar. In my view, this suggestion is very unsound. It should be noted that the dollar, at its present par value, is not overvalued; and, by and large, the American prices, keeping quality in view, are quite competitive. If the American dollar is devalued, many other countries will not like to be outplaced in foreign markets and will have to devalue their currencies. This will set an all-round chain of devaluation and will benefit no one except the gold-producing countries. The U.S. Government has very definitely ruled out any idea of devaluation.

In short: the core of the U.S. economy is inherently sound. The Gross National Product has doubled since 1948 and her *per capita* income is still the highest in the world. Her export and internal prices are, by and large, competitive. The surplus balance of visible trade is in her favour to the tune of $4 billion. As such, the U.S. dollar is not overvalued; and devaluation as a remedy is ruled out. Moreover, the cure is worse than the disease as it will release disruptive forces which will adversely affect the world economy as a whole.

The U.S. private investment abroad, at present, is at the rate of $3 billion a year. Furthermore, her tourists spend every year the colossal sum of $1.6 billion in other countries. If, in the matter of arresting the drain on the U.S. balance of payments, no mutual action is taken by other Governments through equitably shouldering the responsibility of global defence and economic aid, thereby forcing the U.S. to resort to restrictive policy, the economy of the European countries will be seriously affected.

*Reduced to 5 per cent. since this article was prepared.

BANKS IN LIQUIDATION

Fifty-one banks have gone into liquidation since 1st January 1957. Giving a list of them in a written reply to a question in the Lok Sabha on 29th November 1960, the Finance Minister, Mr. Morarji Desai said the total paid-up capital of these banks as on the date of liquidation amounted to approximately Rs. 109.76 lakhs. Mr. Desai said that of the 51 banks, the total deposits of 33 banks in respect of which returns had been received by the Reserve Bank, amounted to approximately Rs. 379.21 lakhs as on the dates of liquidation. As most of these banks were in the process of being wound-up and payments were being or would be made to depositors from time to time as and when assets were realised, he added, it was not possible to evaluate the extent of financial loss sustained by the depositors till these banks had been finally dissolved.

Notices

SYNTHETICS AND CHEMICALS LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AT THE meeting of the Board of Directors of the Company held on 14th November 1960, the Directors have resolved that the first call of Rs. 25 per share be made upon the equity share making each share paid up to the extent of Rs. 75 and that the amount of the call be payable to the bankers of the Company at their branches mentioned in the call notice on or before 30th December 1960. Please note that any amount unpaid on the above date will be charged interest at 9 per cent. per annum from the above date till the date of payment. The call notices have been posted to the shareholders.

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IWT (JM 429)

MORE ON EXTRA LONG-STAPLE COTTON

PRICES MORE THAN HALVED IN NINE YEARS

A BRIEF reference was made in one of our earlier issues (*vide Commerce* dated 26th November 1960, page 954) to the extra long-staple cotton situation during the 1959-60 season and the outlook for the present season. Fuller information now available from the latest (October) monthly review of the International Cotton Advisory Committee, Washington, gives a clearer picture of the remarkable transformation that has taken place in the extra long-staple cotton situation during the past two seasons.

By virtue of its premier position as the free world's largest importer and the second largest consumer of extra long-staple cotton, India has a direct interest in the shifts and changes that occur in the trend of production, prices and export of extra long-staple cotton. Last year, shipments of this type of cotton having a staple length of 1⅛" and above to India aggregated 267,000 bales of 478 lbs. each, the largest quantity imported by any country. Consumption of extra long-staple cotton by Indian mills amounted to 200,000 bales which was the second largest quantity consumed by any country in the world.

Despite acreage restriction in Egypt, production of extra long-staple cotton during the last season was near the 2-million-bale level (1.87 million bales, to be precise) which, though 116,000 bales lower than in the previous season, represented an increase of more than 50 per cent. over the preceding five-year average. Consumption, on the other hand, rose at the same rate as in 1958-59. Exports last season were heavier than in the previous year. Prices ruled firm throughout most part of the season and showed a rise of 7 to 9 cents per lb. except for U.S. growths, the price of which declined by 1.07 cents per lb. The tendency for accumulation of surplus stocks, so typical of previous years, was reversed and disappearance exceeded production by a wide margin.

The following table indicates the supply and distribution of extra long-staple cotton during the past four years:

(In '000 bales of 478 lbs. each)

Item	1960-61*	1959-60*	1958-59	1957-58
Stocks	622	855	607	697
Production	1,951	1,875	1,991	1,257
Total	2,573	2,730	2,688	1,954
Domestic consumption	N.A.	163	149	97
Exports	N.A.	1,934	1,658	1,139
Total	..	2,097	1,807	1,236

* Preliminary. N.A.—Not available.

These developments, especially the increase in consumption, says the Committee in its review mentioned above, have important implications for the future. The increase in consumption during the last season has been fairly widespread. The United Kingdom, though still the largest single consumer, has declined in relative importance. India, for example, is now consuming almost as much extra long-staple cotton as Britain. Consumption in Italy has doubled over the last two years and the rate of increase in the Continental countries has been much higher than the average for the world as a whole.

Consumption is currently running at the rate of 1.25 million bales per annum which indicates that, if exports to Communist countries were maintained at last year's level, disappearance will be of the order of 2 million bales, as compared with 1.2 million bales in 1957-58. This improvement in disappearance is particularly significant for two reasons. First, the increase in consumption has coincided with a marked increase in production in the last two years and has consequently prevented an inordinate build-up in carryover stocks which otherwise would have occurred. Secondly, it has had a perceptible effect on prices which are now 50 per cent. above the low levels reached in March 1959.

The role of consumption in the fortunes of extra long-staple cotton will be even more important in future than it has been in the past. The expansion of acreage under extra long-staple cotton in recent years, in spite of declining prices, indicates that production is, to some extent, immune to changes in demand or price. It is all the more important, therefore, that the existing rate of consumption should be maintained to preserve equilibrium between supply and demand in future. The following table gives trend of consumption of extra long-staple cotton during the four seasons ended 1959-60:

(In '000 bales of 478 lbs. each)

Country	1959-60*	1958-59	1957-58	1956-57
United Kingdom	230	212	187	232
Italy	125	90	60	67
Switzerland	49	39	37	39
Spain	40	20	25	25
Other W. Europe	330	284	195	211
Total	774	645	504	574
India	200	136	119	137
Other Asia	60	45	25	40
United States	124	109	98	111
Egypt (U.A.R.)	80	75	45	22
Others	30	25	9	6
Total	1,268	1,035	800	890

* Preliminary.

The revival of trade in extra long-staple cotton over the last two years, according to the Committee's review, has been nothing short of sensational. Exports in 1958-59 rose by over half a million bales. To this another 300,000 bales were added last season, bringing total exports in 1959-60 to 1.93 million bales, or nearly double the 1956-57 exports. In fact, more cotton was exported in 1959-60 than was produced during the season which is said to be a rare occurrence in recent cotton history.

Of equal significance to the overall expansion in trade in extra long-staples is the fact that, whereas in 1958-59 the major part of the increment to trade went to the Communist countries, virtually the entire increase last season stemmed from increased demand by the rest of the world. In fact, exports to Communist countries last season were only slightly higher than in 1958-59, in view of the increase in total trade, the share going to these countries declined to 35 per cent., as against 39 per cent. in 1958-59. Nevertheless, such trade, varying in quantity between 600,000 bales and 700,000 bales per annum, is still of vital importance, either directly or indirectly, to the economies of producing countries.

Prices of extra long-staple cotton in 1959-60 recovered from the low level reached in the previous season, although they were much below the 1956-57 peak. The following table indicates the trend of prices of extra long-staple cotton:

(In cents per pound)

Season	C.I.F. Liverpool (Dudley Windel)			El Paso/Phoenix average
	Egyptian Karnak F.G.	Sudan Sakel G.S.S.	Peruvian Pima No. 1	U.S.A. Grade 2 1⅛"
1951-52	105.04	88.63	72.34	105.01
1952-53	55.51	48.16	46.74	93.25
1953-54	55.06	..	47.56	71.79
1954-55	60.05	53.54	50.95	64.43
1955-56	64.65	54.41	53.49	59.36
1956-57	72.11	69.33	63.61	67.20
1957-58	49.57	48.51	49.19	64.40
1958-59	35.70	34.59	35.76	58.14
1959-60	44.77	41.63	43.73	57.07

It is noteworthy that the 1959-60 prices were less than half of what they were in 1951-52, except in the case of U.S. cotton. In the latter case, Supima prices are still out of parity with those of competing growths. This trend over a period of time has led to the development of a surplus situation in this variety just as serious, if not more, as that which existed in the upland types a few years ago. Supply of extra long-staple in the U.S., comprising carryover *plus* production *plus* the import quota (83,000 bales a year) now aggregates over 300,000 bales, while the estimated disappearance is only less than half this quantity. On top of this, is the stockpile, amounting to over 200,000 bales.

As far as the outlook for the present season is concerned, supply is estimated to be 2.57 million bales made up of an anticipated crop of 1.95 million bales and stocks of 622,000 bales, as compared with 2.73 million bales in 1959-60 comprising a crop of 1.87 million bales and a carryover of 855,000 bales. Acreage in the 1960-61 season is expected to be equal to the record reached in 1958-59. Acreage in Egypt, however, is significantly lower than what it was two years ago while there has been a corresponding increase in Sudan. The increase in importance of Sudan as a producer of extra long-staple based on acreage data has, nevertheless, been offset by the marked rise in yields in Egypt over the past five years and, in terms of actual production, therefore, the relative position of Egypt is very much the same, with its output still over half the free world total. This situation could, however, be changed, if the declining trend of yield in Sudan were reversed. If the crop in Sudan were normal this season, total free world production could easily match last season's 1.87 million bales. Since carryover at the beginning of the season is 233,000 bales lower than at the start of the previous season, supply this season, as noted above, will be less than in either of the last two seasons. The key factor in the outlook for 1960-61, however, will be consumption both in the free world and the Communist countries. If consumption continues at its present level, supply and demand would be more or less in equilibrium. The chances on this score, the Committee feels, are reasonably bright, provided prices are maintained at competitive levels and assuming that the overall economic outlook, in Western Europe particularly, remains favourable.

On a long-range view, however, the review concludes, it must be recognised that the production potential for extra long-staple is at present high. The expansion of acreage in times of falling prices would seem to indicate that production is, to some extent, immune to changes in demand or price. On the other hand, consumption has proved itself capable of wide fluctuations in a relatively short space of time. This and the present dependence on Communist countries for outlets for extra long-staple are unstable elements in the future of these cottons.

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TARIFF COMMISSION'S ENQUIRY INTO TEXTILE PRICES

At last, the Government of India has announced the terms of reference to the Tariff Commission about the fixation of fair prices for cotton textiles. The Commission has been asked to conduct a "full enquiry" into the following aspects:

1. Cost of production in respect of the various representative types of cloth and yarn.

2. Capital structure, investments, and fair return thereon, bearing in mind the need for continuous rehabilitation and modernisation.

3. Fair ex-mill prices of cloth and yarn.

4. Methods for effecting suitable adjustments from time to time in the fair ex-mill prices, so as to allow for major fluctuations in the prices of raw cotton and other elements of production cost.

5. Distribution cost for cloth and yarn in the country with reference to all relevant factors, including the present pattern of sales adopted by the different units of the industry.

6. Reasonable basis for determining the fair retail prices of cloth and yarn.

Justifying the reference of the question of textile prices to the Tariff Commission, the Government says:

"The question of fair prices which should be charged by the cotton textile industry to the trade and the prices which the trade should, in turn, charge to the consumers has assumed considerable importance in recent period. The prices of cotton textiles were under complete control (in regard to prices, distribution, etc.) during the war and post-war periods until the lifting of such controls in the middle of 1953. Thereafter, the prices were governed by the normal conditions of supply and demand till the end of 1955. During the first half of 1956, the prices shot up to high levels and Government had to step in by resorting to an increase in excise duty to remedy the situation. In the latter half of 1957 and in 1958, the industry was faced with a different problem of accumulation of stocks and particularly marginal units were reported to be experiencing difficulties. A committee was appointed to enquire into the problems and suggest remedial measures. On the basis of their interim recommendations, a readjustment of the rates of excise duty was done which improved the position.

"For over a year now, the price of cotton textiles has been increasing, causing undue hardship to the consumers. Even after taking into consideration the difficulties faced by the industry in securing essential raw materials like cotton and other factors affecting the manufacturing costs, it has become clear that the prices were unaccountably high requiring immediate measures to bring down and hold the price line.

"The warning issued by the Indian Cotton Mills' Federation as early as January 1960 at the suggestion of the Government proposing certain measures to bring down the prices, had only a transitory effect and that the prices had started going up again to further high levels. The extent of the increase has not, however, been uniform in the several units of the industry, as each unit adopted its own pattern of price fixation.

"It has been contended that a large slice of this increase was legitimate on account of the increase in the cotton prices and in the wages on account of award of the Wage Board. The mills have also claimed that they should be allowed to charge extra margins to recoup their past losses. Broadly, the industry, through the Indian Cotton Mills' Federation, have urged that, as compared with the basic period August 1959, that is, just before the commencement of the cotton season 1959-60, there is a legitimate case for increase in prices of coarse cloth by 25 per cent., lower medium cloth by 22 per cent., higher medium cloth by 18 per cent., fine cloth by 11½ per cent. and superfine cloth by 9 per cent. The impact of this increase on the consumers is one of great hardship to the general public and also to the large number of persons employed in the handloom industry. Under these circumstances, the Government consider that several aspects affecting the production of cotton textiles and its prices should be referred to the Tariff Commission for a full enquiry and report."

In an earlier issue (*vide* page 889, *Commerce* dated 19th November 1960), we had contended that there was really no need for a Tariff Commission enquiry into cotton textile prices. It is true that prices began rising since August 1959 and touched very high levels in the first few months of 1960. But the rise was due not so much to the tendency among mills or traders to rig up prices but to the steeply enhanced cost of production and rising pressure of demand. A large part of the rise could have been avoided if only the Government had allowed the industry to expand its production capacity and arranged for adequate imports of foreign cotton in good time. It will be recalled that the 1959-60 cotton season witnessed a sharp setback to the crop. The lapse on the part of the Government, was serious and, in order to cover itself against public criticism, its spokesmen have been warning the textile interests time and again and urging them to reduce prices. The mills have themselves voluntarily cut the prices of cloth and yarn. The effect of the cut is already being felt and one can expect a further improvement in the situation, what with the encouraging prospects of rise in output of mills, following the comfortable raw cotton supply position. The Government could have certainly waited for some more time, instead of hastily referring the question of prices to the Tariff Commission. Apparently, the Government, however, has reasons to feel that there is no scope for any significant increase in the production of mill-made cloth goods and that the supply of such goods will fall short of demand. Such a deduction is a logical inference of its present policy of not allowing the mill sector to expand to any sizable extent and reserving all future growth in demand for handlooms. The Government would have carried conviction, if it had mentioned this as the main reason for putting the cotton mill industry once again into the strait-jacket of controls.

PROTECTION TO COTTON TEXTILE MACHINERY TO CONTINUE

The Government of India has accepted the recommendation of the Tariff Commission to extend the protection to the cotton textile machinery industry in respect of the complete ring frames, spindles, spinning rings, fluted rollers, and automatic looms for a further period of three years ending 31st December 1963 at the existing rate of protective duty of 10 per cent. *ad valorem*. The Government has taken note of the following two other recommendations:

The Textile Commissioner, whose organisation has assessed the raw material requirements of the individual units, should endeavour to ensure regular and adequate supplies of essential raw materials to the cotton textile machinery industry.

An Inspectorate in the Textile Commissioner's Organisation with adequate staff should be set up as early as possible.

Steps, it is said, will be taken to implement these as far as possible. The Government has also taken note of the other two recommendations and says that they will be implemented to the extent possible. One, the policy regarding imports of automatic looms should be so regulated as to permit maximum utilisation of the indigenous capacity. Two, in future agreements for technical collaboration with foreign firms, the restrictive clause which precludes the Indian manufacturers from exporting their goods outside India should be avoided as far as possible.

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REORGANISING COTTON MARKET

COMMITTEE OF ENQUIRY SET UP TO RECOMMEND MEASURES

From Our Special Correspondent

MANCHESTER, *6th December*

MANCHESTER LETTER

FROM small beginnings, all sorts of big developments can follow. The posing of an apparently innocent question about Government aid for the cotton industry when the Prime Minister was at Harrogate only two years ago, has brought in its train big consequences for Lancashire. Following the promise of State assistance, the physical size of the spinning and weaving trades has been slashed by half, the finishers are contemplating similar measures and, throughout Lancashire, "reorganisation" has spread like a prairie fire.

Old-established barriers are being broken down at every turn. The gap at organisational level is already narrowing, judging from the attempts being made to merge employers' associations in both spinning and weaving, while the amalgamation of cotton and man-made fibres in research is an accepted fact. Now the "wind of change" has reached even Liverpool, whose raw cotton "kings" have often in the past appeared to take little more than an abstract interest in the affairs of the rest of the trade.

Raw Cotton Probe

A reorganisation committee headed by Lord Forster, of Harraby, has been set up by the Liverpool Cotton Association to consider how an active raw cotton market can best be maintained in Liverpool in present and anticipated conditions. The Committee will consist of four members of the Association, including two former presidents, and will consider the constitution, financial structure and organisation of the Association; collate evidence from all those connected with the trade; and recommend to the Board what changes should be made. The Committee will also report on the services rendered to the industry by the Association and its members and the extent to which they might be improved.

The Association resumed trading in cotton futures in 1954, but the two-price system imposed in the U.S. in 1955 to subsidise American farmers has created difficulties for cotton exchanges all over the world. Earlier this year, trading in the Liverpool "ring" was switched to a smaller room in order to save an annual rental of £3,000. Colonel Palmer, President of the Association, disclosed that the running of the futures market, provision of committees, and statistical and other services had lost the Association about £17,000 annually over the last two years, but these deficits had been covered by investments and rents from the Exchange building.

The impression gained when the probe was announced is that the Association is anxious to join in the general mood of integration which is so prevalent throughout the cotton and allied trades today. Rightly or wrongly, the former attitude of Merseyside men has frequently antagonised their colleagues in Manchester and the mill towns, but a change of atmosphere is now apparent.

Change of Tune

A significant comment which underlines this break with tradition was made by a leading official of the Association, who was urging the collaboration of the Press and other sections of the trade. He said: "We have got to dress our shop window." Such a remark would have been surprising even a few years ago, but, in the light of the recent transformation in Lancashire, it merely serves to emphasise how each branch now recognises its dependence on the other involved in the chain of production, from the raw material to the finished article.

The Committee hopes to start its investigations early next month and, if all goes well, should be in a position to submit its recommendations at least by March. It is safe to say that spinners, in particular, will not be slow to offer advice on the way in which raw cotton affairs can be managed and constructive ideas should provide the basis for an improved service from Liverpool.

Whatever action is taken, however, futures trading in any commodity is nowadays far too much at the mercy of Governments in producing countries. As Col. W. R. Palmer, President of the Liverpool Cotton Association, said: "The prospects of the futures market being revitalised are mainly dependent on the United States reverting to a one-price system." Democratic party policies in America generally tend towards stricter controls, involving more interference with markets. On this basis, the outlook for Liverpool would not appear to be encouraging, but any measures adopted to create more favourable trading conditions, supplement existing services and improve the efficiency of the raw cotton supply system can only be to the benefit of the Lancashire cotton trade as a whole.

New Industries in Mills

One in every three of the Lancashire cotton mills closed down under the £30-million Reorganisation Scheme for the industry now houses new industries. The estimate was given by the Lancashire and Merseyside Industrial Development Association when it announced that yet another mill, the Hartford Mill at Oldham, had been bought for use as a mail order warehouse. A spokesman for the Association said that 100 of the 300 mills which ceased to produce cotton textiles as a result of the Reorganisation Scheme had now been put to new uses. "This is quite an achievement considering that the scheme only closed eight months ago," he said.

The Company which has purchased the Hartford Mill is the International Import and Export Company, an associate of Littlewoods Mail Order Stores. They will move in early in the new year and will ultimately provide jobs for 400 men and women. The Littlewood group already occupies several former mills in the Manchester area.

Imports: The Opening Gambit

It was surely no coincidence that, within a few hours of the arrival of Lord Rochdale in Hong Kong last week, a lengthy statement was issued on behalf of the local spinning and weaving association, putting up a verbal barrage to prevent new discussions from starting on the renewal of the voluntary arrangements to curtail Hong Kong's exports to the United Kingdom. In vain, the Chairman of the Cotton Board attempted to explain that he was on an "entirely private" visit. Rumours of his tour, which includes not only Hong Kong but India and Pakistan, were circulating at the time of the Harrogate conference and, in view of the speculation surrounding the import situation, it would be idle to pretend that such a journey would be made without the prospect of at least tentative approaches being put forward to test the feeling of those Eastern interests directly involved.

Although it is true that more than a year has yet to elapse before the present Hong Kong agreement expires, the months have a habit of slipping by. Everyone in the Lancashire trade knows quite well how much depends on events which must take place before the end of 1961. At the moment, distributors are finding little difficulty in disposing of practically all the cloth they can import, whether from Hong Kong, India, Pakistan or European manufacturing centres.

Developments within the past few weeks in other sections of the home market, however, have shown how swiftly the trading atmosphere can alter. Domestic producers would be severely harassed by soaring imports at a time when demand suddenly diminished, particularly after the intense pressure for supplies which has now been evident for more than a year.

Lord Rochdale's reply to the Hong Kong outburst contained some interesting information about the destination of many of the recent imports into this country. Supplies received from non-Commonwealth countries during 1959 were invariably re-exported, he declared, and, as the ceilings did not apply to such goods, Hong Kong had full opportunity to compete for this trade. Even during the current year, some 50 per cent. of the increased imports from outside the Commonwealth have been re-exported, leaving Hong Kong on exactly equal terms with every other country.—*All Rights Reserved.*

U.S. COTTON EXPORTS

The Agriculture Department expects United States cotton exports to reach 6.5 million bales during the 1960-61 season, 700,000 bales less than the preceding year. This relatively high level of exports, which would be the third greatest since 1933, is attributed to the large financing of cotton exports by the U.S. Government, heavy registrations under the payment-in-k'nd programme, and the strong competitive position for prices of U.S. cotton in world markets.

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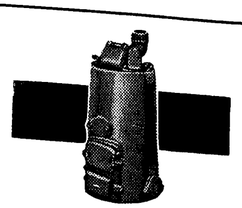

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The venerable father and the young monk set out together, conversing as they went. They wandered down the principal streets, and wound their way through alleys and lanes, and even to the outskirts of the town and the village beyond, until they found themselves back at the monastery again.

Then enquired the young monk, "Father, when shall we begin to preach?"

And the father looked kindly down upon his son and said, "My child, we have been preaching; we were preaching while we were walking. We have been seen....looked at; our behaviour has been remarked, and so we have delivered a morning sermon. AH! MY SON, IT IS OF NO USE THAT WE WALK ANYWHERE TO PREACH UNLESS WE PREACH AS WE WALK".

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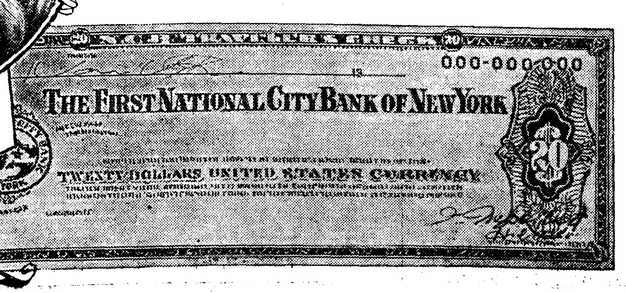

SUGAR INDUSTRY WAGE BOARD AWARD

ADDITIONAL BURDEN ESTIMATED AT RS. TWO CRORES PER ANNUM

ON the basis of the present labour complement of about 190,000 in 170 sugar mills, the wage bill of the industry as a whole will rise by more than Rs. 2 crores annually, when the award given by the Central Wage Board for Sugar Industry is implemented. The report of the Board was placed on the table of the Rajya Sabha on Wednesday the 7th inst., by Mr. Abid Ali, Union Deputy Minister for Labour. The Board, it will be recalled, was appointed nearly three years ago—on 26th December 1957—with Mr. B. Prasad, ex-Judge of the Allahabad High Court, as Chairman. The members of the Committee were: Mr. Gulabchand Hirachand and Mr. R. P. Nevatia (employers' representatives); Mr. Kashinath Pande, M.P., and Mr. Gangadhar J. Ogale (workers' representatives); and Dr. P. S. Lokanathan and Mr. H. C. Dasappa, M.P. (independent members).

The Board submitted its interim report towards the end of 1958, under which the monthly wage of a sugar mill worker was raised, with effect from 1st January 1959, by Rs. 3 in the case of workers getting less than a monthly wage of Rs. 100 and Rs. 9 in respect of those drawing between Rs. 301 and Rs. 500. The final report was submitted to Government sometime last month. Only a summary of the report of the Board has been published. The Government of India's decision thereon is yet to be known. The Board has stated that its recommendations should be effective from 1st November 1960 and that both joint-stock and co-operative mills are bound by them.

Wage Scales for Operatives

For the purpose of wage fixation, the country is divided into four regions: North, Central, Maharashtra and South—each region having eight basic wage scales for operatives, six for clerks and four for supervisory employees receiving up to Rs. 500 per month. The basic wage scales for operatives are as follows:

Operatives	Basic Wage Scales	
	For Central, North and South Regions	For Maharashtra Region
	Rs.	Rs.
Unskilled	60-1-65	60-1-65
Semi-skilled, B ..	65-1.50-74	66-2-86
" A ..	68-2-90	73-3.50-108
Skilled, C ..	75-3-96	80-4-120
" B ..	90-4-110-E.B.-5-135	95-5-120-E.B.-5-145
" A ..	105-6-135-E.B.-7-170	115-7-150-E.B.-7-185
Highly skilled, B ..	135-7-170-E.B.-9-215	150-9-195-E.B.-9-240
" " A ..	180-8-220-E.B.-10-270	180-10-230-E.B.-10-280

It will be seen from the aforesaid figures that the basic wage structure is common to Central, Northern and Southern mills, with allowance made for differing paying capacity of the industry in different regions in the graduated dearness allowance rates. A departure is, however, made in the case of Maharashtra region. Explaining the reason for this, the Board says: "...otherwise, the amount of graduated dearness allowance would have to come to form an unduly large proportion of the total wages, while the Board's view was that the bulk of the total wages should consist of the basic wage." Although the total minimum wages necessarily vary from region to region depending on the regional paying capacities of the industry, the Board considers it desirable to have uniform minimum basic wages in the sugar industry throughout the country, as the same has several advantages. It has accordingly recommended a basic minimum monthly wage of Rs. 60 in the grade Rs. 60—1—65. Some deductions are, however, allowed in the following special cases.

Element of house rent in the emoluments of sugar workers at the minimum wage level should be to the extent of Rs. 5 for standard housing accommodation.

Where food articles are distributed at subsidised rates, or where fuel is supplied at concessional rates, or free to a certain extent, the sugar mills will be entitled to make adjustment of concession against wages, if the workers opt for the continuance of the supply of these articles from the side of mills.

Dearness Allowance

Since the total minimum wages fixed by the Board has been conceived in reference to 123 points of cost of living index, the difference between the total wages prescribed for an occupation and its basic wage, it is pointed out, will represent the element of dearness allowance in the respective regions for 23 points of index over 1949 base (100). The scheme of dearness allowance (D.A.) as formulated by the Board provides for (a) graduated rates of D.A. and D.A. rates linked to cost of living index. Regional differences in graduated D.A. rates have been devised to adjust the wage structure to the regional differences in the paying capacity of the industry and, in the same region, D.A. will vary from one class of occupations to another, depending upon the scales of wages. For rises over 123 points of the all-India average consumer price index numbers for working class or falls below this level, the D.A. is to be adjusted at the rate of 55 nP per point of cost of living index in the case of operatives upto skilled 'B' grade and clerks drawing basic wage upto Rs. 100 per month, while, for supervisory and technical employees of not less than skilled 'A' grade and for clerks drawing basic pay of over Rs. 100, the rate recommended is 65 nP per point. While for rises over 123 points of cost of living index or falls below this level, adjustments in dearness amount shall not be made for less than 10 whole points, when once there has been a rise or fall by 10 or more whole points, adjustments should be made for every point of the rise or fall. Once an adjustment has been made, further adjustment shall be made for further rise or fall of ten or more whole points, provided, first, that for a fall of the average cost of living index below 123 points, no reduction from the graduated flat rate D.A. shall in the first instance, be made unless the fall exceeds 15 points and, secondly, that at no stage the deduction shall go to the extent of curtailing the basic wage in the scale.

Retaining Allowance

The Wage Board has recommended that the supervisory, clerical, highly skilled and skilled workmen employed on seasonal basis be paid retaining allowance at 50 per cent. and the semi-skilled season workmen at 25 per cent. of their monthly basic pay and dearness allowance.

Gratuity

A detailed gratuity scheme covering all permanent and seasonal workmen (with the exception of apprentices) employed in, or in connection with, the sugar mills has been framed by the Board. The scheme, *inter alia*, provides for the general superannuation age of 58 years, lays down other conditions governing payment of gratuity and fixes the rates of gratuity to be applicable in the case of permanent and seasonal workers separately for different periods of service. In factories where basic wage and dearness allowance were paid separately, the gratuity for period of service prior to 1st November 1960 will be calculable on basic pay immediately preceding the date of application of the new wage structure subject to a minimum of Rs. 30. But, in factories where consolidated wage system prevailed, such calculation will be made on the notional monthly basic pay (as shown in the schedule). For the period of service from the date of implementation of the recommended wage structure, the gratuity will be calculable on the basic wage as may be payable in respective cases when the gratuity claim becomes due.

Bonus

The Wage Board has also evolved a bonus formula for the Northern and Central regions which, for the calculation of net profit, rests on the regional cost schedule (given by the Tariff Commission in 1959) as adjusted to the duration of season and sugar recovery percentage attained by individual mills. It is recommended that, in the North and Central region, 22 per cent. of profits after tax, calculable in the manner prescribed will be paid by mills as bonus to their employees, provided that, in case of factories having daily (24 hours) cane crush of less than 1,000 tons as the season's average, the bonus at 20 per cent. of such profits will be paid. Saving in taxation according to clause

(*Continued on page 1112*)

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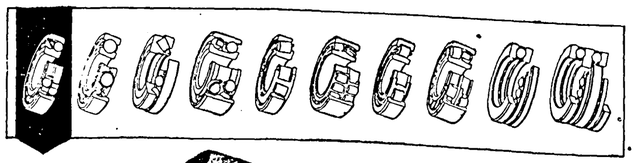

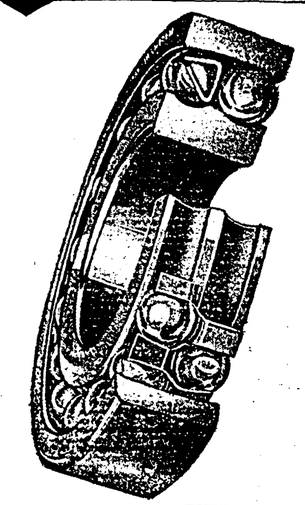

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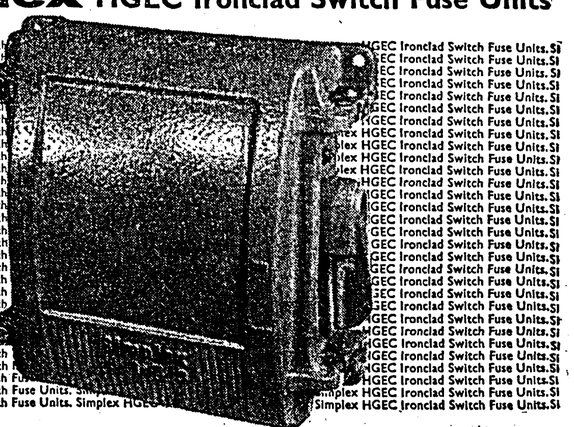

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TARIFF COMMISSION ON RUBBER PRICES

MANY DRAWBACKS IN ITS RECOMMENDATIONS

By An Esteemed Correspondent

THE disturbing fact that, within another short nine years—the time it takes for a rubber plant to come to yield, if it is planted today—India may have to pay in foreign exchange for about 50,000 tons of raw rubber requires that we take a second look at the Tariff Commission's Report on its enquiry into the price of rubber. Looking at the terms of reference issued to the Commission by the Government, one cannot but wonder whether the Government was more concerned with the routine disposal of a claim for a revision of price of a controlled commodity or with the introduction of a price scheme which aimed at achieving self-sufficiency in a critical raw material.

The price of rubber has been controlled in India since September 1940 and there is a background of two decades of price control from which experience the Government should have drawn when making this reference to the Tariff Commission. The price of rubber has alternated between control and protection during the past 20 years, more often and for long duration as control when world prices were higher. Anyone who looks at the Government's price policy over a sufficiently long time cannot but appreciate the wisdom of those who demanded at the Rubber Conference in 1946 that the Government give up all controls, protective or otherwise, over rubber. The increase in the output of rubber in countries where neither protection nor control existed has been far greater than anything we have achieved in India.

A Lacuna

It was a pronounced lacuna in the terms of reference to the Tariff Commission that there was no explicit direction to it to approach its enquiry from the point of view of achieving self-sufficiency in the production of rubber within the shortest possible time. The Commission may, indeed, have assumed that this purpose was to be kept in view, but a marked feature of its approach was that of a cost accountant's and not that of a provider of economic stimuli and checks for developments in the desired direction.

In the fixing of the price for Indian rubber, it is generally claimed that it has no relevance to the world price of the commodity, but almost every discussion of the subject proceeds from it, from the growers' point of view if the prices abroad are higher, and from the manufacturers' point of view if they are lower. The accompanying graph shows Indian and world price trends during the past 15 years.

There were other external considerations in fixing commodity prices in 1960. The year saw the launching of the great anti-inflation drive and the general climate of opinion, not to speak of the obsessive Government concern, was against price rises. The Commission was, therefore, probably more conscious of the need to hold down the price level than to fix its eyes on achieving a vastly larger production level. With a fine jugglery of structural elements, the Commission contrived to give the impression that something has been done for the grower, without increasing the net price receivable by him and the manufacturer has been left with the satisfaction that he has got away with a much smaller increase for his rubber supply cost than he had feared for some time.

The critical grower is however likely to find cause for complaints at several points in the latest report of the Tariff Commission, the full text of which is now available. The Commission, for the purpose of costing, selected 16 units, of which 14, with a total acreage of 14,770 acres, represented large estates owned by companies and two small holdings representing 140 acres. Small holdings account for 57 per cent. of the total acreage under rubber and a selection of 140 acres to represent them was wholly inadequate. Even these two units had to be ignored, as the Commission could not obtain authentic figures from them. The remaining 14 units which supplied the data, on which the costing was done, were, if at all representative, of the very large units or of the minority units of the industry. To apply the result of this costing to the whole industry was, on the face of it, inappropriate and the result could not fail to be assailed by the producers, even if it is admitted that their accredited associations provided the list of estates for the costing. The Commission cannot, of course, get behind this excuse, for it is responsible to get at the relevant facts irrespective of any organisation or agency in the same manner as the Commission is entitled to reject a list or data which it considers unrepresentative or capable of distorting the true picture. The error of selection was compounded when the Commission rejected the demand for weightage for small growers and threw out the weightage element given in the price structure these last nine years, first by the Tariff Board in 1951 and then by the Tariff Commission in 1953.

The report states that the average yield of small growers was 181 pounds per acre and of the large growers 419 pounds. The weightage given for small growers in the previous enquiries was based on this glaring difference between the yields on which costing is done. The reason given for rejecting this claim seems to be inadequate and, at least on one point, deserving of protest. The Commission observes that, if such a weightage is given in the price structure, the efficient grower who produces more per acre stands to earn more. This seems to be a case of cutting the small grower's nose to spite the large grower's face!

A Serious Error

The Commission found that the overall average yield for tapped acreage in 1958 was 314 pounds, nearly 100 pounds less than the one assumed by the previous Commission for the period its price would be in force. There is nothing wrong with having an optimistic view about prospective yields. The error is of consequence when that expectation forms the basis of a whole series of calculations for fixing the fair price and provisions for various obligations.

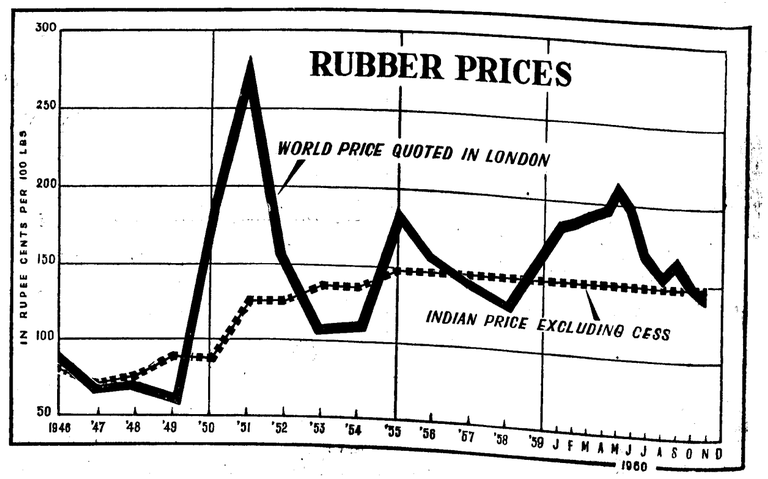
Among the 12 units selected for costing, representing 14,770 acres, nine units had yields exceeding the industry's average of 314 pounds and three were below it. The Commission, by applying the average rate of yield of the larger units to the whole industry, created an unreal figure on which the various elements in the structure had to be built up. In providing for certain items, the Commission used the yield figure of 460 pounds per acre. For instance, the depreciation element has been calculated for a return of Rs. 1,400 in 30 years and the figure of Rs. 9 per 100 pounds is arrived at on a yield basis of 460 pounds per acre. The Commission deserves credit for having introduced an innovation by making rubber trees eligible for a depreciation provision, but it made the provision unreal for about 80 per cent. of the present stand. For an estate with a yield of 460 pounds, the rate of Rs. 9 per 100 pounds would allow Rs. 41.40 per acre, but fields with 180 pounds as almost 60 per cent. of the acreage normally obtain, the same depreciation element would yield only Rs. 16.20 per acre. The small grower producing less from each acre which stands most in need of replacement receives the lowest yield of the depreciation element.

There were three distinct failings on the part of the growers in the course of this enquiry. They, particularly the small growers, failed to produce reliable evidence of their cost of production, a failure which reveals the whole weakness of industrial organisation in rubber. The growers in presenting their case seem to have failed to carry conviction that enough was done to rehabilitate for which an element was provided in the previous costing. Therefore, the growers' plea for not finding the rehabilitation element was rejected and then the Commission wisely provided for a fund being created for more liberal subsidies. This may be hard on the progressive units, where large-scale replanting has already taken place with little, if any, assistance. They will produce more rubber from their acres and so contribute more to the fund from which they will receive less in return. On the other hand, those who neglected their fields and whose trees are nearly non-productive will receive a bounty from the fund. With a little effort, the Board could have worked out a scheme to prevent the fund operating in the manner of a reward for past neglect. The growers also seem to have failed to make out a case which needed making out even more before the Government of India, that rubber does not lend itself to exploitation at maximum efficiency in small-holding units. The Commission, on its own, has dealt with this particular feature but very cursorily, although it is a vital factor in the speedy achievement of self-sufficiency in rubber.

A Disturbing Trend

The enquiry brings out certain interesting details of the financial position of rubber companies. The report says that, analysing the record of 28 companies, it was found that, in a three-year interval, working capital for the companies covered declined from Rs. 42.37 lakhs to Rs. 15.85 lakhs, reserves from Rs. 114.92 lakhs to Rs. 86.87 lakhs, net worth from Rs. 320.81 lakhs to Rs. 311.88 lakhs and profits from Rs. 68.44 lakhs to Rs. 54.65 lakhs, although the value of assets used in business, the value of fixed capital, borrowings and proceeds of sales—all had increased during the period. At the same time, provision for taxation increased from 41.2 per cent. of profits to 53.9 per cent. and net profits after taxation, on the capital employed, dropped from 10.4 per cent. to 6.5 per cent. On paid-up capital, it was down from 17.7 to 12.6 per cent. Dividends dropped from 14.8 to 9.6 per cent. on paid-up capital. These figures should have helped the Commission to find the reason why rubber has not been an industry capable of attracting fresh capital investment for about 15 years. Most of the new planting, the Commission should have realised, is represented by small holdings brought into being under the compulsive influence of the land reforms measures. It was not reward from rubber, but fear of alienation of non-rubber land, which induced a flight into rubber cultivation.

Rubber the world over, except in India, is likely to be in abundant supply in the coming years. Whatever the niceties of yield figures and costing, the Tariff Commission may have found it difficult to ignore the overall economic indicators relating to prices or provide for a price which increased the handicap of the manufactured products in the export trade. The growers have two strong counter-arguments against this. For one, the price of rubber has moved the least among agricultural commodities or raw materials in 20 years, a fact which is difficult to be challenged easily. For the other, they can well ask the question: Is it better in national interest to pay an attractive price which will stimulate a sizable effort or to face a sizable shortage, growing each year as the manufacturing capacity expands, and pay for our supply with increasing drain on our foreign exchange resources?



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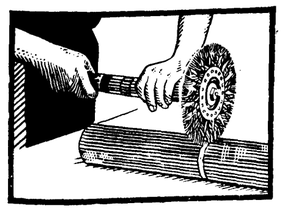

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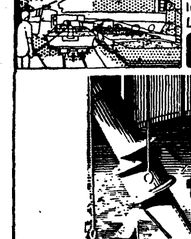

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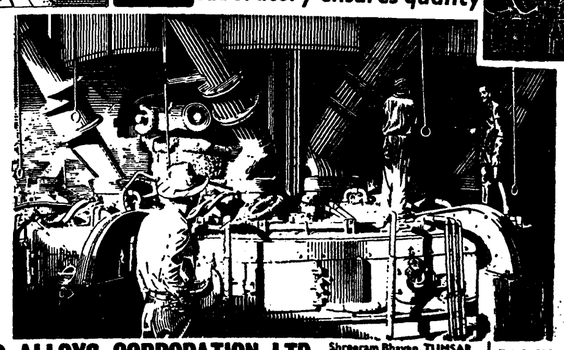

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PROTECTION TO BALL BEARINGS

CONTINUANCE FOR ANOTHER TWO YEARS ORDERED

THE Government of India has given its consent to the recommendations of the Tariff Commission that protection to the ball bearings industry be continued for a further period of two years ending 31st December 1962, at the existing rate of duty, namely, 95 per cent. *ad valorem* and that parts of ball bearings and adapter ball bearings upto 2" bore diameter also be liable to the same rate of protective duty. The Government resolution containing this acceptance also states that the Government will implement, to the extent possible, the Commission's recommendation for expediting the formulation of standard specifications for ball bearings. It also draws the attention of the industry to the recommendations of the Commission that the duty-free imports of tubes cannot be supported, that the records of costs be improved to facilitate the determination of costs with accuracy and that suitable measures be adopted to make after-sales service more effective.

The Tariff Commission's report, on which the Government has passed the above resolution, is interesting for the facts and figures it has assembled regarding this important industry. Ball bearings are an essential industrial component and are widely used in electric fans, electric motors, pumps, machine tools, cotton textile machinery (ring frames and carding engines), automobiles, cycle rickshaws, chaff cutters, etc. For 1960-61, the domestic demand for ball bearings is estimated at 4.5 million, composed of 1.8 million for electric fans, 0.4 million for cotton textile machinery, 0.6 million for automobiles, 0.2 million for electric motors, 0.2 million for pumps and the balance for other industries and for replacement purposes. The future demand is variously estimated, but the Commission has accepted the estimate (11.7 million) of the Development Wing which proceeds on the basis of the production targets laid down in the third Plan for different industries. On this estimate of 11.7 million pieces (both for original equipment and replacement) for the year 1965-66, the demand for the year 1963 is placed at 8.5 million to 9 million pieces. This estimate of demand for 1963 may well be compared with the Commission's estimate of the likely double-shift capacity of the industry in 1962, namely, 6 million pieces. Here, the Commission has given the finding that, if the actual consumption turns out to be as estimated, the present shortage must continue for a considerable time in future, unless fresh capacity is developed.

At present, production in the National Engineering Industries is increasing steadily; as against 1.7 million bearings in 1959, the estimate for 1960 is 2.5 million. In small-scale units in the Punjab, production is about 250,000 bearings as of 1959.

Current and prospective capacities on a double-shift basis may be usefully given in this connection. How much expansion has taken place in capacity since 1957 may also be seen from the following figures:

(In thousands)

	1957	1960	1962
Large scale:			
National Engineering Industries ..	1,020	1,800	3,000
Indian S.K.F. Manufacturing Co., Ltd. ..	..	..	1,500
Pioneer Bearings	..	..	840
Small scale:			
Dhirajlal & Co.	25		25
Total ..	1,020	1,825	5,365

If the capacity of small-scale units in the Punjab is added, the figure for 1962 will be 6.4 million. Other prospective producers who may add to the estimated capacity in 1962 are stated to be Maklashankar P. Joshi & Co. and the Investment Corporation of India Ltd. But it is not known whether there will be sufficient capacity by 1963 for meeting fully the domestic demand of 8.5 million to 9 million pieces. Otherwise, there will be need for some imports in future also as in the past. Incidentally, it may be noted here that imports of ball bearings were of the total value of Rs. 48 lakhs in 1959 and Rs. 18 lakhs in the first quarter of 1960.

There is also reference in the Tariff Commission's report to the raw material requirements of the industry. The principal raw materials for the manufacture of ball bearings and components are: H.C.1 steel bars and tubes, H.C.1 steel wires, M.S. bars, plates and tubes, M.S. wire and brass strips or rods. Of these, H.C.1 steel bars, tubes and wire are mainly imported. A small quantity of bars is, however, rolled from steel billets purchased from Metal and Steel Factory, Ichhapur; this accounted, in terms of value, for about 13 per cent. of supplies in 1959. The other items of raw materials mentioned above are available indigenously. The Commission has found that the overall economy in the use of tubes is such that it results in a lower cost of production even after payment of a higher price and import duty on tubes. After duly weighing all circumstances, including the relative quality of the ball bearings and the high protective duty thereon, the Commission has come to the conclusion that the case for duty-free imports of tubes cannot be supported any longer.

The Commission has estimated the cost of production and fair ex-works prices of indigenous ball bearings. Since the only large-scale company in the field is the National Engineering Industries, Ltd., Jaipur, managed by Birlas, its task has been comparatively easy. The cost examination for 1959-60 has provided the basis for the Commission's estimates of fair ex-works prices of a few representative sizes of ball bearings below 1" bore diameter, between 1" and 2" diameter and adapter ball bearings. These estimates for 38 bearing sizes range from Rs. 2.08 to Rs. 31.13 per piece. In working out the fair ex-works prices, the Commission has provided for depreciation at normal income-tax rates and for a return of 12 per cent. on capital employed. The difference between fair ex-works price and landed cost ex-duty as a percentage of c.i.f. is, on an average, 104 per cent. for ball bearings upto 1" bore, 136 per cent. for ball bearings above 1" and upto 2" bore and 141 per cent. for adapter ball bearings upto 2" bore diameter.

The high cost of ball bearings in the country is due to several causes, among which are counted some special features of the situation such as the type of raw materials available and the age and type of the machinery in use. Also, working of three shifts with the consequent unavailability of surplus capacity does not permit sufficient respite for preventive maintenance and overhaul, etc.

As for the quantum of protection, the Commission has determined it by working out the fair ex-works price on the basis of the actual cost of production during the costed period. This is a departure from the Commission's usual practice of estimating the future costs for the period for which protection is to be recommended. In this particular case, the Commission has found it difficult to estimate the future costs with reasonable accuracy due to various causes. The quantum of duty to protect the domestic industry is recommended to be maintained at the present rate of 95 per cent. *ad valorem*, although the difference between fair ex-works price and landed cost exduty as a percentage of c.i.f. would appear to indicate the need for a larger quantum of protection. The Commission has not considered it necessary to increase the present duty of 95 per cent. *ad valorem* in view of the severe restrictions on imports. It has not also favoured continuance of protection for a longer period than two years, because substantial reduction in costs is expected to be achieved when the expansion programme of the only Company in the field now is completed.

PROTECTION TO POWER AND DISTRIBUTION TRANSFORMER INDUSTRY

The Tariff Commission has recommended that protection to the power and distribution transformer industry be continued at the existing rate of duty, i.e., 10 per cent. *ad valorem*, for a further period of three years ending 31st December 1963 and that the protective duty be made applicable to power and distribution transformers upto 10,000 kVA and 132 kV on the H.T. side, and parts of such transformers, not otherwise specified. These recommendations have just been accepted by the Government of India. The Government resolution on the Commission's report states that Government has also accepted the recommendation regarding the continuance of the present practice of assessing transformer oil imported with transformers to duty at the same rate as is applicable to transformer oil imported separately and that steps will be taken to implement it in due course.

Government has also taken note of the recommendations of the Commission for thorough scrutiny of applications for import of transformers upto 10,000 kVA and 132 kV on the H.T. side, classification of imported power and distribution transformers by voltage, etc. The resolution states that steps will be taken to implement them as far as possible.

RETURNS FROM IRRIGATION PROJECTS

It was officially disclosed in the Lok Sabha last week that the Planning Commission had suggested to the State Governments to adopt some suitable measures for improving financial returns from the irrigation projects. Although the value of crops produced as a result of irrigation had increased and the maintenance costs of projects had also gone up, there had been no commensurate increase in the water rates. In the opinion of the Planning Commission, the rates required upward revision. At the same time, the existing water rates would have to be reviewed with a view to bringing about greater uniformity in them as between different regions or irrigation systems in individual States. Another suggestion made by the Commission was that, in those States where water rates were optional, there should be a compulsory water cess leviable on the entire area for which irrigation facilities were provided, irrespective of whether water was taken by cultivators or not.

AGRICULTURAL MACHINERY

Mr. Manubhai Shah, Minister for Industry, told the Lok Sabha recently that the second Plan target for power-driven pumps and diesel engines had already been achieved and these two industries had well developed with indigenous content of 85 to 95 per cent. As for agricultural tractors, their production had just commenced.

The Minister further observed that there were at present 63 units, with a production capacity of 1.4 lakhs of power-driven pumps. The production of such pumps in 1959 had amounted to 85,067 and in 1960 (upto September) 72,900. In the case of diesel engines, the number of units was 26 with a production capacity of 53,455 annually. In 1959, production had amounted to 30,335 diesel engines and in 1960 (upto September) 30,790 diesel engines. Four units with an annual capacity of 10 000 agricultural tractors had been licensed and one unit had gone into production in September this year.

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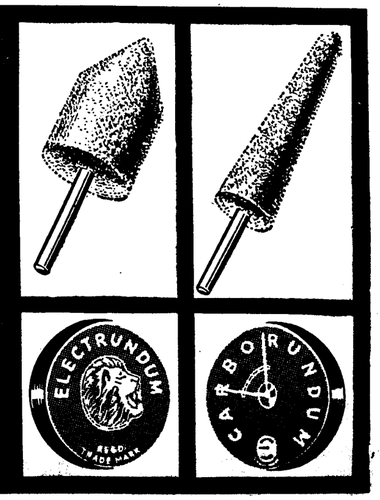

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NEW PRODUCTS AND PROCESSES

New Welding Aid

THE English Electric Company Ltd. recently produced a new meter for measuring the electrical conditions in an A.C. welding arc. It consists of a watthour meter, an ammeter, a voltmeter and a protective relay, all housed in a single compact case, so that the user can see at a glance the arc voltage, the current and the total energy consumed. The meter is suitable for any manufacturing process in addition to welding, where energy consumption over short periods must be measured. The watthour meter has a pointer which moves over a 4 inch. (10.16 cm.) dial, one revolution being equivalent to 100 watthours at 100/5 amps. For other ratios a multiplying constant must be used. The voltmeter and ammeter are of the 4 inch square moving iron type and are both scaled 0-120. The relay gives protection against overcurrent resulting from an incorrect current/transformer ratio. A four range current transformer for stepping down from 100, 300, 500 or 1,000 amps to 5 amps can also be supplied.

English Electric also recently announced the new THERMEES electrode for applying a rapid and concentrated heat to metal workpieces before welding, bending or straightening. This electrode can be used on any standard metal and in any position, thus providing a means whereby heat can be applied to an exact spot in relatively inaccessible places without the use of a special flame or heating equipment. The Thermees is handled like a normal electrode and can be used on A.C. or D.C. welding plant. An A.C. supply should have an open circuit voltage of 80 to 85 volts for the best results.

Shot-blasting Technique

Aggregate exposure on new concrete surfaces by grinding, bush hammering and acid etching has always been complicated by the necessity to complete the process during the relatively short period between setting and hardening. By using a Vacu-Blast "Medium" closed circuit shot-blasting unit, it has now been found possible to expose a 6-week old concrete wall at the rate of 4 sq. yds. an hour, while a limestone wall, made of a 4-2-1 mix, was scoured to a depth of 1/8 in. at the rate of 1 sq. ft. per minute. The Vacu-Blast principle involves automatic recovery of the abrasive by a pressure/vacuum system inside the gun-head, the abrasive and the broken down mortar being returned through the vacuum line to the unit, where the former is cleaned for re-circulation while the latter is transferred to a dust collector. The gun of the "Medium" unit can be used at a height of 15 ft. and a horizontal distance of 40 ft. from the machine. For the rubber and plastics industries, the manufacturers have developed a new unit, known as the Dry Honer, which will clean intricate moulds in a matter of seconds. In this equipment, the operation takes place in a totally enclosed glove cabinet, the cleaning media being 40/80 micron glass beads. These are continuously re-circulated, any below a certain size being automatically transferred to the dust section. The entire process is completely dry. No liquids or solvents are used at any stage. An ordinary 3-in. diameter mould can be cleaned in this way in 30 seconds, but will suffer no damage even if exposed to the abrasive for a full hour. Larger moulds for motor tyres, poly-urethane foam upholstery or cushions are cleaned in situ with a Vacu-Blast "Major" machine, using special hoods placed between the mould halves.

Aid for Oil Search

The research laboratories of a big oil company here are using a new X-ray and computer procedure to "fingerprint" rock specimens and speed the discovery of oil. Newly devised analytical equipment, which operates unattended, employs an X-ray machine and a computer which "memorises" the characteristics of 35 commonly observed minerals. The computer, through an elaborate mathematical programme, absorbs and digests the punched card data for a set of unknown samples, identifies the constituent minerals, calculates their approximate percentage occurrence and correlates and prints a complete analysis of the important minerals contained in the rock samples. When drilling an oil well, thousands of rock "cores" or fragments are recovered and knowing the composition of these "cores" is important to geologists. Normally a staff of trained analysts could determine the mineral composition of only a few core fragments a day. With the new equipment a detailed analysis of rock samples at the rate of 150 or so per day is said to be possible, nearly 50 times faster than previous methods.

Oxygen Profiling System

The "Hancoline" oxygen profiling machine, made by a British firm, Hancock and Co. has been provided with an electronic device whereby all or any of its four, six or eight burners can be made to "sense" the height of a plate being cut and remain at a constant distance above it throughout the operation. The new unit is controlled through a portable switch box and connected to probe rings fitted to each nozzle as well as to a small fractional horse-power motor geared to each burner. The switch box controls all the burners. When a burner is switched to "automatic", variations in capacity between its probe ring and the plate beneath are transmitted electronically to the motor, causing it to raise or lower the burner according to any undulations in the plate. The equipment can also be used for bevelling up to 45°, either by angling the whole burner assembly (in which case the burner moves up and down in the line of the cut) or by angling the burner only. It is intended for use with a 220-250 v., 50 cycles, single phase A.C. supply.

Electronically-controlled Conveyor

An electronically-controlled overhead conveyor which opens up entirely new possibilities in the realm of mechanical handling has been developed by a U.K. firm. The system has a standard overhead conveyor—without any of the special mechanical attachments—controlled through an electronic console. The system can be adapted to deal with virtually any number of pick-up points and delivery stations. A typical system now in the course of manufacture for a plastic plant in the U.K. involves 30 machines, each of which must be fed with any one of 70 different raw materials. On long continuous runs, some machines use the same material for several weeks whilst others change their material feed every few hours. The flexibility of this particular system is such that feed variations of this nature can be carried out in less than two minutes by a single operator at a central control console.

Calcium Silicate Insulation

A new type of calcium silicate insulation, known as "Paratemp" has been specially developed for the chemical, petroleum and similar industries by the Chemical and Insulating Company Ltd., a member of the Darlington Chemicals Group. Paratemp has a uniformly low thermal conductivity between 200°F. (93.3°C.) and 1,400°F. (760°C.). It has a compressive strength, at 5 per cent. deformation, of 70 p.s.i. (5 kg./cm.2), a modulus of rupture of 60 p.s.i. (4.2 kg./cm.2) and a density of about 12 lbs./cu.ft. (192 kg./m.3). The material is chemically inert and retains most of its strength even after long exposure to its limiting temperature; it is undamaged by wetting and dries without deformation or loss of thermal efficiency. Linear shrinkage after heating for twenty-four hours at 1,200°F. (650°C.) is 1 per cent.—2 per cent. with a 12 per cent. loss of weight.

New Type of Refrigerator

An entirely new type of refrigerator has been demonstrated in Stockholm by A. B. Electrolux. It has no moving parts, will last indefinitely and needs no servicing. The model being shown is small—capacity less than three-quarters of a cubic foot—and is intended for campers, yachtsmen and car owners. The only source of power needed is a car battery, from which the refrigerator takes between 25 and 30 watts, which is considerably less than the power consumption of the lighting system of an ordinary family car. The principle is that when two dissimilar metals are joined at each end and a current is made to pass in one direction round the circuit, then one junction is warmed and the other cooled. This phenomena has been known in physics for more than a century.

Oil and Gas Engines

On the basis of existing types of four-stroke diesel engines for stationary work an engine works at Amsterdam (Holland) has developed an engine which is adapted for operation on liquid fuels only and may also work on combustible gas into which a small quantity of liquid diesel fuel is injected. Combustion is initiated by injecting through the conventional, unaltered, diesel injection system a small quantity of diesel fuel, which is less than 15 per cent. of the quantity required for high-speed diesel engines (47-140 h.p.) operating at full load and less than 10 per cent. for heavy-duty engines (150-500 h.p.). Unlike the conventional gas engines the new engines have the high diesel compression ratio of about 1:14, so that they also have a high efficiency when operating on gas. The compressed air-gas mixtures is kept lean to prevent detonation, the temperatures of pistons, valves, etc. thus differing little from those in diesel-engine operation. The lean air-gas mixture can only be ignited by injection of a small quantity of liquid fuel. The engine can also be fully used as a diesel engine with the same injection system. To prevent too great a difference between total specific gas plus liquid fuel consumption at low loads and the economical diesel engine the air intake is throttled, thereby preventing the gas-air mixture from becoming so lean that it burns too slowly or not at all. These engines are started up like conventional diesel engines. Gas is supplied when the normal operational temperature has been reached.

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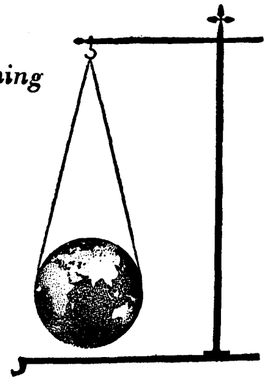

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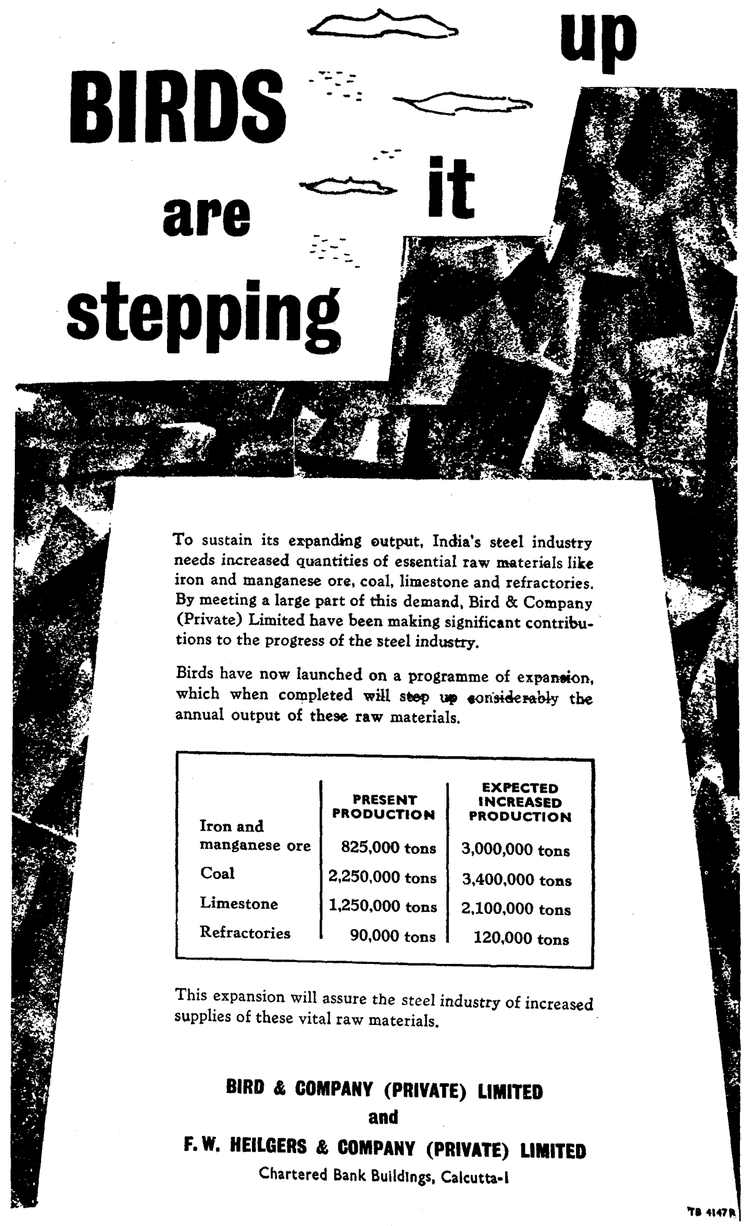

To sustain its expanding output, India's steel industry needs increased quantities of essential raw materials like iron and manganese ore, coal, limestone and refractories. By meeting a large part of this demand, Bird & Company (Private) Limited have been making significant contributions to the progress of the steel industry.

Birds have now launched on a programme of expansion, which when completed will step up considerably the annual output of these raw materials.

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Coal	2,250,000 tons	3,400,000 tons
Limestone	1,250,000 tons	2,100,000 tons
Refractories	90,000 tons	120,000 tons

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MARKETING OF OIL IN EUROPE

SEVERE PRICE COMPETITION—NO PROSPECT OF RISE IN PRICES

UNDERSTANDABLY, the Governments of the world's main oil-exporting countries, now setting up the new Organisation of Petroleum Exporting Countries (O.P.E.C.), are concerned that prices of crude oil (and therefore the producers' profit upon which their oil revenues are based) should be maintained at a satisfactory level. Until the present excess of productive and refining capacity appeared, with the consequent pressure upon crude oil prices, the good level of profits earned was accepted as part of the order of things. But the drop in Middle East crude prices in February 1959, the round of cuts in August last, and fears of further cuts, have now led the exporting countries to join together to attempt to halt the effects of market forces.

This attempt, through O.P.E.C., rests on the assumption that it is the major oil integrated concerns who themselves determine the value of petroleum products and therefore of crude oil. This is by no means so. Each company is subject to the many competitive factors that pervade the industry, above all to those obtaining in the marketing areas where the products made from crude oil are consumed. The value of Middle East oil is not established in the Middle East, but at the gasoline pump and the oil consuming factory. And with so many seeking to serve the consumer, so as to gain, or retain, trade, heavy pressure upon prices is inevitable. Faced with the consequences of today's extremely keen competition, some of the oil producing countries themselves might, of course, now wish that the oil industry was not so highly competitive as they themselves have helped to make it. But today's realities have to be faced.

Being the largest oil-importing region in the world, oil marketing conditions in Europe have a great influence in determining what is the ultimate market worth of crude oil. It is, therefore, useful to survey briefly the chief factors that enter into the highly competitive oil marketing now being experienced there. Public opinion in most European countries, as in the U.S., insists, for good reasons, that oil distribution should be competitively run. Cartels are regarded as anathema, and moreover as the current investigation by the U.K. Monopolies Commission shows, even sensible arrangements in regard to service stations can be subject to enquiry to ensure there is no undesirable restraint of trade.

Many More Marketers

The extraordinarily rapid increase in European oil demand in recent years, with the prospect of further expansion in an area regarded as politically safe for investment, has encouraged the entry, often at considerable initial expense, of oil distributing concerns already established elsewhere. Also, new local traders and brokers have been enticed into oil distribution, sometimes because their coal business is being badly hit by oil, and sometimes by specially favourable occasional offers of oil deals on an *ad hoc* basis, which, thanks to the availability of hired storage, they can handle without the need to incur large-scale investment.

Examples of important new ventures in the field of marketing in recent years are the establishment of new sales organisations by both C.F.P. and Petrofina in several European countries, the start of full-scale marketing by B.P. in Italy and in Finland, and by Mobil in the Netherlands, and the new oil marketing interests of the local co-operative organisation in the Netherlands. The process is by no means ended. The Italian State concern E.N.I., having, by its aggressive sales activities and large imports of Russian oil, forced down prices drastically in the Italian market, is now determined to establish itself as a marketer in other countries, notably Southern Germany, Switzerland and Austria. In France, a new State-controlled company—U.I.P.—has entered the market, so that products from crude purchased by French State-owned concerns shall have some direct retail outlets. In Denmark, Tidewater is building a refinery in order to start large-scale distribution in the Scandinavian area, while in Germany, already overrun by small oil concerns of various kinds, the new refining and distributing concern Frisia, associated with the Swiss cut-price trader, Herr Duttweiler, has recently completed its 1.4 million tons refinery at the seaport of Emden. It uses Kuwait Neutral Zone crude obtained from American Independent, and intends to export to other countries if opportunity offers. Two U.S. companies which have found oil in Libya have both taken the first steps towards marketing in the European area—Continental Oil by acquiring a distributing organisation in Germany, and Ohio by undertaking to build a refinery in Northern Spain, the products of which will be sold by Campsa so displacing oil from existing suppliers. Cities Service and the German oil marketing concern, B.V. Aral, have each recently acquired a distribution network in Italy and it is known that Standard of Indiana is also contemplating entering Italy and possibly other European markets.

Responsibilities of Bigness

The entry of new marketers and/or refiners compels already established concerns to do all they can to maintain their share of the market. As it is usually only by cutting prices (or giving inducements that have that effect) that a newcomer can get trade in already very well-served markets, lower returns all round is the usual result. Many European refiners already have refining capacity which they find difficult to utilise to the full without having recourse to price-cutting to capture business, and yet, under the spur of competition, hardly a month passes without the announcement of further refinery projects in one European country or another. Also, the present low rates of tanker freights often make it worthwhile to ship odd lots of low-priced excess products, say, from Italian refineries to Northern Europe and so make a quick marginal profit.

Indeed, much of the present pressure upon market prices results from the activities of aggressive operators with no responsibility for exploration, production, research, and all the other long-term complex activities that eventually bring petroleum products to our doors. By bargaining, seizing an opportunity, and selecting the trade they will do, they may capture, or threaten to capture, outlets which established concerns are unwilling to lose. The smaller trader with little investment, no responsibility for country-wide distribution or for assured supplies for the future, can cut prices as occasion demands, whereas the integrated company has always to bear in mind that it has to earn most of the funds needed to expand so as to cope with the world's rising demands. Logically enough, the consumer tends to look only at cash outgoings today.

Competitive Retailing

These different approaches and attitudes naturally give rise to price competition, and they extend to the retail as well as to the wholesale markets. Throughout Europe, there are comparatively few oil company-owned and company-operated gasoline retailing points. In some countries, there are none. On the other hand, there are large numbers of retailers who own their sites, and are either completely independent or have only a contractual supply link with one or other of the oil companies; even where such a link exists, they are usually free to fix their own profit margins, although in the interests of price stability the wholesaler usually indicates a desirable retail price. However, contrary to the tendency in recent years, there is now a trend in a number of countries for oil companies to own, and then lease, service stations under contracts designed to maintain price stability. But this can be no more than an influence in that direction. Indeed, with the availability of low-priced petroleum products from European refineries and with an

(*Continued on page* 1112)

saving the city's water supply

On 1st October 1959, as rain and cyclone lashed Jamshedpur, a small group of Tata Steel workers hurried to a reservoir adjoining the Subarnarekha to save the city of Jamshedpur from a major disaster.

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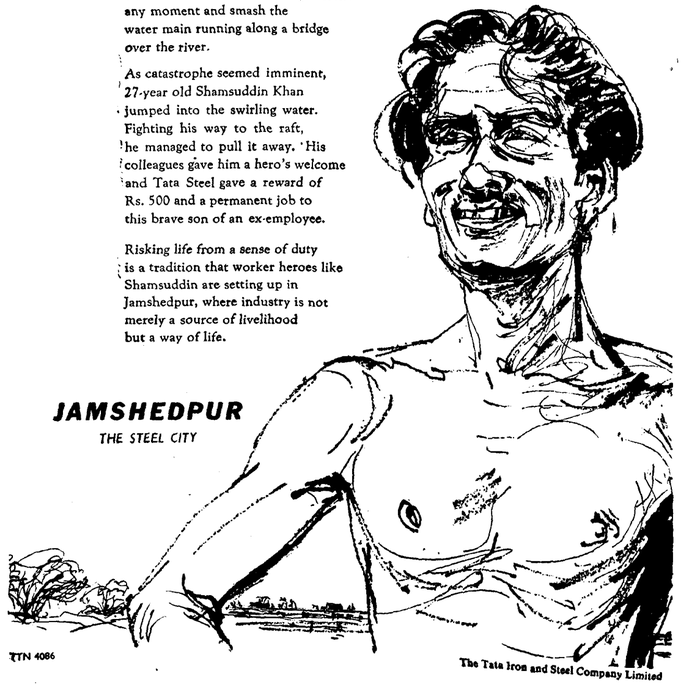
As catastrophe seemed imminent, 27-year old Shamsuddin Khan jumped into the swirling water. Fighting his way to the raft, he managed to pull it away. His colleagues gave him a hero's welcome and Tata Steel gave a reward of Rs. 500 and a permanent job to this brave son of an ex-employee.

Risking life from a sense of duty is a tradition that worker heroes like Shamsuddin are setting up in Jamshedpur, where industry is not merely a source of livelihood but a way of life.



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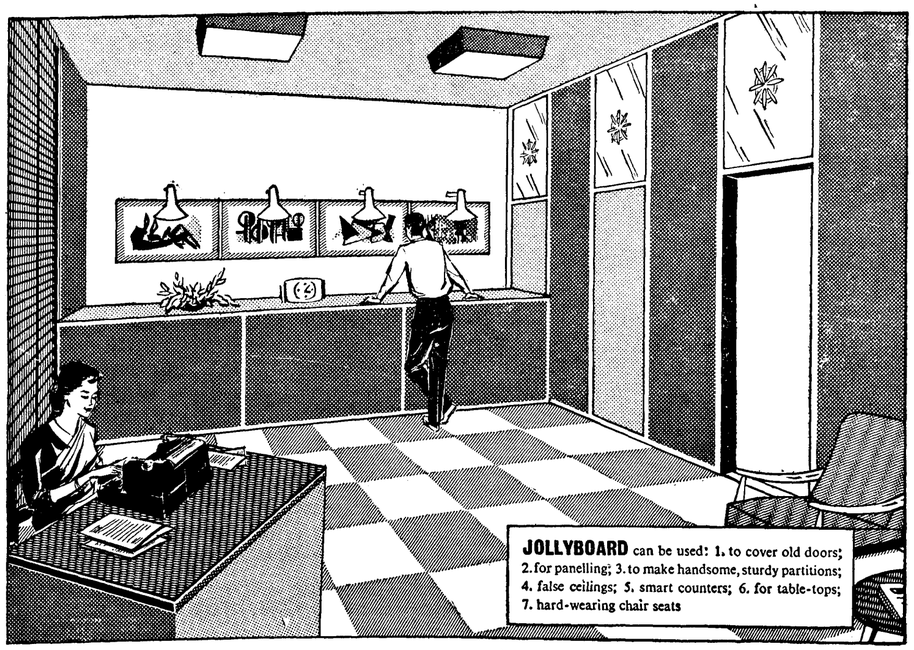

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DEVELOPMENT OF EXPORT MARKETS

SPECIAL INCENTIVE SCHEMES AND BARTER DEALS HAVE ONLY LIMITED VALUE

By Chinoobhai C. Javeri

SUCCESSFUL implementation of the third Five-year Plan will depend upon the valuable foreign exchange our country can earn through exports. On this subject, much has been said and written. A plethora of schemes have been framed and introduced: efforts have not been spared to explore and capture new markets: despite these, the results have belied our expectation. In a controlled economy such as ours, Government's assistance and co-operation are indispensable for our export drive to bear substantial fruit. No doubt, the Government does assist but often when it acts, it acts either late or half-heartedly. Consequently, the full benefit of the remedies adopted is not derived and exports suffer a set-back. Sometimes, the Government might be justified in turning down recommendations of the trade and industry and in delaying to take decisions. Whatever the justification, in these days, unless we move fast and keep abreast of the times, go at the very root of the problem, eradicate the causes of our basic weakness and follow a bold, radical, progressive policy, it is futile to hope for a significant rise in our exports.

Diversification

It is in the field of manufactured goods that exports could be highly diversified. The wider the range of goods, the greater the scope for diversifying exports and increasing turnover. In view of the rapid industrialisation of the country, concentrated efforts should be made to export more and more of manufactured goods by reducing or even forgoing consumption at home. No doubt, quite a number of items could be exported at random in a small way. That, however, is not the point. Basically, the production of those items whose exports could be sustained, in the future, in competition with other countries should be progressively developed. We should export from our strength than from weakness. But the basic weakness in the export of our manufactured goods is twofold: price and quality.

Generally speaking, prices of Indian goods are comparatively high, with the result that we are unable to compete with other countries in the same field. Other things being equal, buyers prefer to buy their requirements from a cheaper source. What accounts for high prices of our goods is the high cost of production due largely to manufacturers being obliged to use in their manufacture costly indigenous raw materials, accessories, and components, which are further loaded with various imposts.

The other basic weakness in our manufactured goods is the quality which is not equal to the international standard. It is this drawback which restricts their sales, spoils reputation and lowers their value. To enhance the value and increase the marketability of our manufactured goods, the quality has to be improved by increasing the efficiency of labour at all stages of production and instilling in labour a sense of personal initiative and discipline, born or patriotism and responsibility.

The industries have also to be rationalised, and the machinery modernised, where outmoded. Unless this is done, neither the quality could be improved and the efficiency increased nor the prices brought down.

Incentives

Special incentives are one of the methods of equalising the price disparity of a commodity in export. Their main aim is to neutralise the disadvantages under which industries are suffering and thereby make goods competitive in the world markets. Today, prices of most of our manufactured goods are unworkable in export markets. Even the traditional items, hitherto competitive, are difficult to sell in the teeth of foreign competition. Incentives have, therefore, become more of a routine than an expediency.

But, as incentives are increased, there is a tendency for domestic prices to go up, neutralising their advantage. Further, incentives, then, become necessary. Thus, the race between rising prices and higher incentives continues until further incentives are impossible.

Though justifiable as a price-corrective measure, special export incentive schemes should be used with extreme caution and discretion. When exports are achieved with the help of disproportionate incentives, the manufacturers tend to lean more and more on them and the disparity between the cost of production and the international price goes on widening, with the result that the basic objective of producing goods at competitive prices will not be achieved. The only right and rational course for combating the spiral of rising price is to increase and rationalise production.

Hurdles and Handicaps

The road to diversification of our exports is obstructed by many hurdles and handicaps. Even with incentives, prices of almost all our products are unworkable in export to withstand competition. New ideas and methods have, therefore, to be explored and ventured forth for boosting exports.

To some extent, barter, euphemistically called the linking business, could help in promoting exports of those items whose prices, even with incentives, cannot stand upto foreign competition. The negotiation and operation of this type of deal requires shrewd business acumen and intelligent grasp of its intricacies; otherwise, it could land us into difficulties with our regular exports and the country might suffer heavy losses, if unreasonably high prices are paid for goods imported in exchange for exports under the deal. There should be a definite and clear-cut policy of the Government that goods allowed to import under such a deal are essential and in short supply, while the Indian goods exported in exchange are non-traditional and difficult to export. This type of business, since it lacks an element of competition, is not salutary. However, like the use of potent drugs in sickness, it may be tried in the last resort.

Such deals could be further developed into a middleman's triangle trade. Goods of country "A" may be bought and then sold to country "B" where they are in demand and with which we may have adverse trade balance. To country "A", our non-traditional items may be sold in exchange for goods purchased from it. But, as this type of trade is complicated and risky, it requires vast experience, intimate and expert knowledge of different markets and sound judgment of price fluctuations and adjustments. As such, it could be best handled by people well established in the trade.

The State Trading Corporation has been negotiating such types of deals and also acting as an intermediary in transacting business with countries accepting payment in Indian rupees. Some of the deals have been severely criticised as not being sound, justifiable and beneficial in the national interest. The S.T.C. is handicapped for lack of experienced personnel well conversant with the intricacies of the trade.

The European Common Market—a new phase in our foreign trade—is a factor to reckon with. It shows a distinct trend towards economic co-operation and integration in Europe. The idea of forming a similar economic integration in Asia and Africa was mooted, but it seemed impracticable under the existing conditions. Nevertheless, it would be worthwhile to examine further the prospects of our entering into arrangements on the lines of Free Trade Association with some selected Asian and African countries.

Another notable feature among the countries of the world is the growing tendency to achieve self-sufficiency. Many European industrial countries have been having agricultural protectionism and are finding substitutes for the imports.

There is another significant development. A number of countries in Africa have become independent, and many more are likely to become so in the near future. Most of these countries are potential markets for our goods. It is, therefore, an opportune time to market Indian goods in these territories and get a foothold before our competitors invade them. For this purpose, a detailed study of these markets should be undertaken forthwith, concluding trade agreements wherever warranted.

The aforesaid changes have offered an opportunity and a challenge which must be accepted in all seriousness. They call for fresh thinking and reorientation in our export policy.

Export Industries

Apart from pursuing these schemes, more positive and constructive methods will have to be adopted for stepping up exports, so that the annual average exports can exceed the target of Rs. 690 crores outlined in the draft third Plan. So far, our efforts have been focussed on exporting traditional goods and other commodities in which we have a surplus. But there is no scope for further expansion of export in the traditional lines. On the other hand, our need for foreign exchange will increase and continue to remain so for a long period in order to repay the loans and interests thereon as and when they fall due. It is high time that organised and systematic efforts were directed and concentrated on building up export industries for manufacturing goods which are in demand and saleable in foreign markets. A selection of such industries should be listed and a definite policy laid down for providing them with the required facilities and assistance by way of encouragement and inducement.

In the final analysis, the capacity to compete in the world markets has to be built up painstakingly by means of enlightened and realistic economic and taxation policy that will give fillip to production and ensure greater efficiency in terms of lower cost and better quality production.

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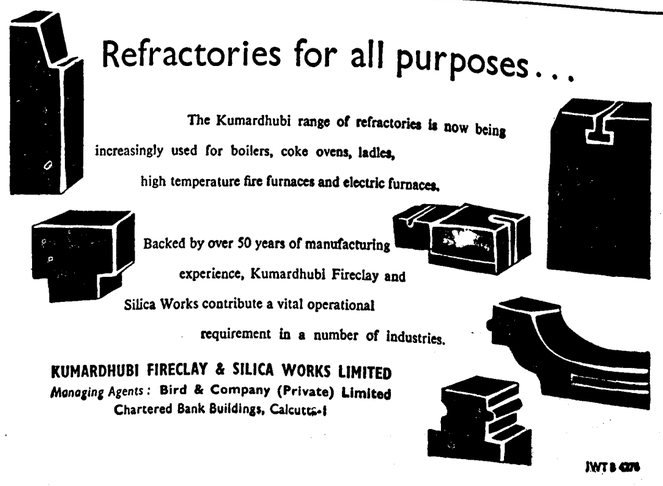

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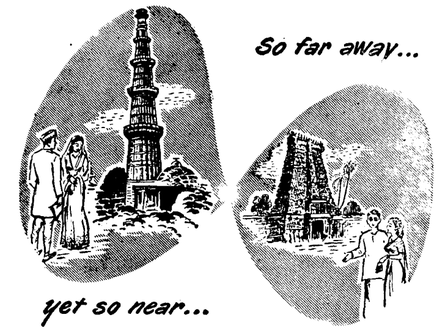

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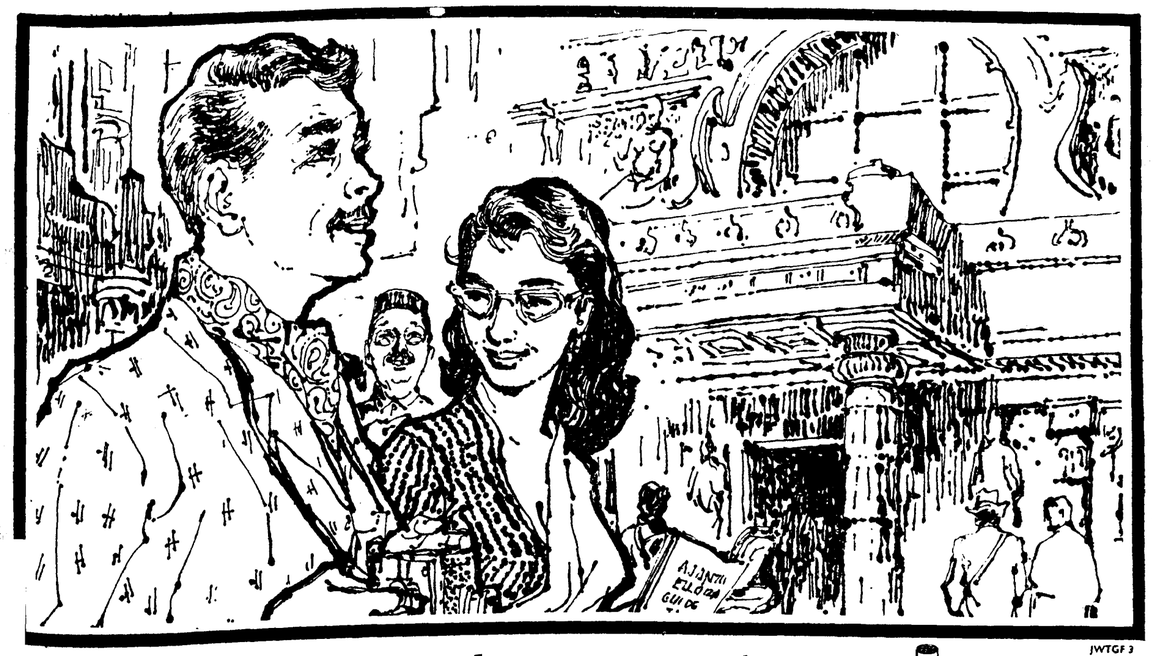

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IMPORTANCE OF WORK STUDY

GREAT GAINS CAN BE ACHIEVED WITH LESS INPUT

(Contributed)

WORK study is the systematic, objective and critical examination of the application of human activity in an undertaking in order to effect an improvement. It is, primarily, a service to management in the achievement of higher productivity.

$$\text{Productivity} = \frac{\text{Goods and services}}{\text{Materials, Equipment, Human Activity}}$$

Goods and services are produced from some complex of materials and equipment by the application of human activity. The productivity of an undertaking is the ratio of goods and services produced to resources used.

There are, of course, many ways of improving that ratio. Research paves the way for the development of new and improved basic processes, materials and equipment; and obviously the most significant improvements in productivity and standards of living have come in that way.

Study of customer requirements, the design and specifications of products and elimination of unnecessary variety in products is another important way of increasing productivity. Both those ways require time and capital to achieve results.

In the meantime, productivity must be improved to provide the reserves necessary for further major changes. The only way open is to make better use of existing resources, to produce the same quantity of goods and services from a smaller input by improved deployment and utilisation of those resources. This can be done by improving:

(*a*) methods of operating and maintaining equipment;

(*b*) layout, to avoid unnecessary movement of materials;

(*c*) planning of associated activities;

(*d*) utilisation of manpower.

It can be done by increasing the effectiveness of work done by all concerned. Achievement of these improvements is the duty of operational management. Work study is a management technique developed for that purpose.

An essential part of work study is quantitative measurement of human work: to answer the question "how much work is there in this or that task?" Then, given that an average rate of doing work, which varies according to the ability of the worker and the way his activities are planned and controlled, the question "how long should this or that task take?" can also be answered. The work contents of highly repetitive activities can economically be measured more accurately than those of infrequently repetitive tasks. Different work measurement techniques are used.

Clearly the time required to do something at a given activity rate depends on the equipment used, the method of working and the layout of the workplace. These must be defined more or less precisely according to the repetitiveness of the activity and the need for precise data. Since men are not machines, working time must include time to recover from the immediately fatiguing effects of the activity. The various factors which cause need for relaxation are taken into account systematically.

Work measurement is a special, data-collecting technique. It is not work study, but an essential part of most studies of human activity in industry.

Sir Ewart Smith, a past Deputy Chairman of Imperial Chemical Industries Ltd., one of the British delegates to the International Science Congress held in Bombay early this year, refers to work study as an attitude of mind rather than a technology. It requires a determination to disclose facts and to challenge them ruthlessly in the endeavour to create improvement by change. That systematic, objective and critical examination demands clean, honest answers to a series of questions related to the activity under investigation. The series is designed to eliminate unnecessary or wasteful activity, to combine activities which could then be done more effectively and to simplify those remaining activities which are necessary. The questions are:

What is achieved by the activity?
Is it necessary? Why is it necessary?
What causes it to be necessary?
Could the cause be eliminated?
What else could be achieved?
What should be achieved?
When is it done?
When else could it be done?
When should it be done?
How is it done?
How else could it be done?
How should it be done?
Where is it done?
Where else could it be done?
Where should it be done?
Who does it?
Who else could do it?
Who should do it?

The questions are simple to ask but often difficult to answer and the study usually requires a team effort. In dealing with complex problems, it may be necessary to resolve a number of conflicting requirements. "What should," "When should," "How should," "Where should" and "Who should," taken separately, may lead to different solutions and the best overall solution may require a great deal of thought and hard work.

Whatever the problem, a logical procedure is followed. Thus, define the problem as regards objective, scope and restrictions; collect and record all relevant data; consider all possible alternatives; and develop the best, practical solution, in relation to the objective.

Work study was started round about the time the cave man first sent his young son to gather flints; while he sat at home making spear heads and so saved himself from doing something a less experienced man could do equally well.

However, it could not really be said that the cave man used a systematic, objective and critical procedure for arriving at his conclusion. It is difficult to say when that kind of approach to the application of human activity first began to seem important. Certainly, one of the people who realised clearly that much could be done in that way was Fredrick Taylor. He started to develop what he called "scientific management" in 1880 in the U.S.A. His work and the work of other pioneers were the early steps in the development of work study as it is now. Gilbreth pioneered the detailed study of methods of working which he called Motion Study. His wife, now very old and mother of 12 children, still takes an active interest in the work her husband started.

For many years after 1880, it was of interest in only a few places. Gradually, however, the importance to management both of data provided by work measurement and of work study as a whole became recognised. Progressive industrial undertakings encouraged the development of work study units to provide a specialist service to their managements. Consultants in work study began to establish themselves.

Between the two world wars, a number of managements used the results of work study in a somewhat ruthless manner and, when that happened, bitterness between workers and management was generated. Other undertakings who had always emphasised the need for maintaining healthy employee relationships used work study sensibly and with understanding.

In the U.K., the I.C.I. was one of a few undertakings which started to use work measurement as a basis for financial incentive schemes from about 1925. After the second World War, when most industrial countries faced the problem of repairing the ravages of war and when they were short of capital, materials and skilled manpower, I.C.I. decided to develop work study as fast and as far as possible as one way of overcoming the difficulties. The Company was large enough to devote considerable effort in that direction. Also, it had a diversity of products and processes and could experiment with different techniques in a wide range of industries.

Early post-war efforts were concentrated mainly in extending the applicability of work measurement, particularly in the two fields of continuous process work and plant maintenance. The main objective at that time was to develop financial incentive schemes based on work measurement data.

It soon became evident that even more important gains in productivity could be achieved by study of methods, layout and planning. The need to combine the efforts of work study specialists and people specialising in the technical complexities of process and maintenance work was felt. Concurrently, the study of office activities was developing along similar lines.

I.C.I's experience was described to many British industrialists in two conferences on work study. One was arranged by the Association of British Chemical Manufacturers in 1953; the other by the British Institute of Management in 1954. The papers were published and those for the latter conference are still available from the B.I.M.

Many studies carried out in the works had shown that changes in methods of working, layout and so on would increase productivity; but they could not be put into effect because of the cost of modifying complex plant. Those responsible for the design of new projects quickly began to realise that high productivity could and should be built into the new plants while the work was still on the drawing boards. Work study practitioners, or young design engineers who had been given training in work study, were brought into the design teams.

Very substantial savings in capital expenditure resulted.

Work Study in India

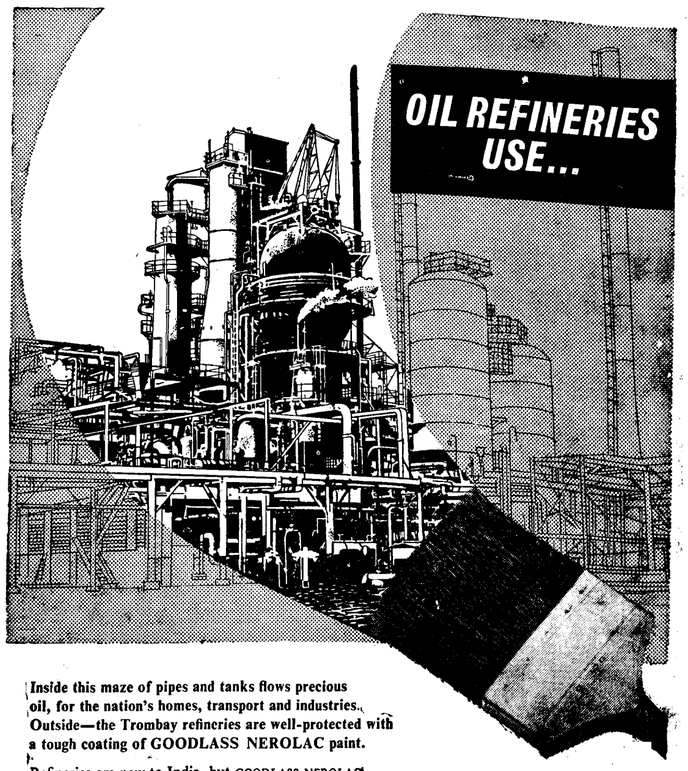
India in her drive for higher standards of living faces:

(*a*) a shortage of basic necessities;
(*b*) a shortage of industrial materials;
(*c*) a shortage of capital reserves; and
(*d*) a shortage of skilled industrial manpower at all levels.

Throughout the country, the need is for greater production. All responsible members of Government, unions and managements know that the only immediate way to achieve that greater production, in face of the shortages which exist, is to maximise productivity—to make better uses of existing resources—materials, equipment and manpower. In that way not only can more consumer goods be made available but also reserves necessary for the creation of further industries can be found, at least in part.

In passing, there is some discussion nowadays about sharing the gains of higher productivity between customer, employee and shareholder. The immediate aims must be to keep prices down and to build up new industries or expand existing ones. Of course, the employee must benefit to some extent. But only in so far as he is willing to work more effectively. With so many living at or below the subsistence level, each increase in earnings—salaries or wages—should be dependent on willingness to accomplish greater workloads and to work more effectively. While the country is spending so much on new projects, which for some time absorb capital without producing, there must be some inflation. That, within reason, should be borne by the employed sections of the community.

In fine, the conditions of industry in India today are precisely those in which management elsewhere have found work study of greatest use. Good work study, properly applied and properly understood by those directly concerned, cannot fail to help in India.



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DEVELOPMENT PATTERN OF RAILWAYS

EXPERIENCE OF BRITAIN HAS SOME LESSONS FOR INDIA

By B. V. Vagh

EXECUTIVE VICE-PRESIDENT, I.R.T.D.A.

IN a paper on the Statistics of the Transport of Goods by Roads presented to the Royal Statistical Society, London, in January 1960 (pages 90 to 92, *British Road Federation Bulletin* No. 278 for April 1960), Mr. K. F. Glover gives the following traffic statistics (inland goods transport) in Great Britain for the 20 years from 1938 to 1958 with an estimate for 1959:

(In thousand million ton-miles)

	Road	Rail	Total
1938	8 to 10	16.3	24 to 26
1951	18.0	23.0	41.0
1952	18.3	22.4	40.7
1953	18.7	22.8	41.5
1954	19.5	22.1	41.6
1955	21.0	21.4	42.4
1956	21.0	21.5	42.5
1957	20.8	20.9	41.7
1958	23.1	18.4	41.5
1959 (estimated)	24.6	17.7	42.3

It is interesting to note from this table that the railways' share of total inland goods traffic, which was about 65 per cent. in 1938, fell to about 44 per cent. in 1958 and is estimated at about 42 per cent. in 1959. Between 1951 and 1958, the total goods traffic of the country averaged about 41.6 thousand million ton-miles, as against about 25 thousand million ton-miles in 1938, that is, an increase of about 16.6 thousand million ton-miles. During the same period, the railways' average was about 21.5 thousand million ton-miles, as against about 16.3 thousand million ton-miles in 1938, while the average of road transport was about 20.05 thousand million ton-miles, as against about 9.00 thousand million ton-miles in 1938. That is, out of an increase of about 16.6 thousand million ton-miles in the total traffic between 1938 and 1958, the railways' share was about 5.2 thousand million ton-miles (21.5-16.3) and the share of road transport was about 11.0 thousand million ton-miles (20.0-9.0). In other words, during this period, out of the additional traffic generated in the country, about two-thirds have been going by road and about one-third by the railways. The public's preference for road transport for the additional traffic generated is thus clear.

A third fact which this table reveals is that the railways' 1959 traffic is expected to be practically about the same as in 1938 (17.7 thousand million ton-miles, as against 16.3 thousand million ton-miles). This is significant, since it shows that, in an expanding economy, the railways remain practically stagnant after a certain period and that, thereafter, all additional traffic goes by road.

Experience in Our Country

In the light of this experience in other developed countries, the conclusion seems inevitable that the aim of our Planning Commission should be to make progressively less allotments for the development of rail transport in this country and more for road transport. Instead, our Planning Commission has been making more allotments for rail transport than for roads and has raised the goods traffic capacity of the railways from about 92 million tons in 1950-51 to 114 million tons in 1955-56, 162 million tons in 1960-61 and proposes to raise it to about 235 million tons in 1965-66. This is against the experience in other countries and requires to be looked into.

The composition of the 1958 rail goods traffic in Great Britain was as follows:

	(Million ton-miles)
(i) Coal and coke	8,927
(ii) Minerals	4,268
(iii) Merchandise and livestock ...	5,231
Total ...	18,426

(Source: *British Transport Commission's Report for* 1958, Volume II, pages 190 and 191.)

This means that, out of about 18,000 million ton-miles of rail traffic in 1958, about 13,000 million ton-miles, that is, over 72 per cent. consisted of coal, coke and minerals. This fact, together with the one referred to early, shows that a time has come for the Planning Commission to take stock of things and slow down their programme of the development of the railways from the third Plan onwards, limiting it initially to carry about one-third of the extra traffic generated by each Plan and confining the bulk of the total rail traffic to the carriage of coal, coke and minerals.

In spite of the fact that the railways had a large allotment in the second Plan and that a good deal of it was for carrying coal and raw materials for the steel plants, the steel plants at Rourkela and Bhilai had to remain idle for some time. Also the Tata Iron and Steel Company have complained in their 1959-60 report about inadequate and irregular deliveries by the railways. These facts suggest that the railways have been asking for and the Planning Commission has been granting them far more than the railways can cope with. This is not a healthy sign. The picture may have been different had the extra rail capacity been confined mostly to the estimated additional quantities of coal and raw materials.

It is interesting to note, in this connection, that the measures reported to be under consideration to relieve the bottleneck in the transport of coal and raw materials for the steel plants are the pressing into service of overaged rolling stock and increasing the production of wagons. Both are unsatisfactory. The former will slow down deliveries and may force stockpiling; the latter will take some time to materialise. Industrial plants are generally stationed as close to the source of supplies of raw materials as may be possible. If this be so, one wonders why it is necessary to lay down rail tracks at over three times the cost of a road per mile for carrying these raw materials with steam locomotion at a speed of around eight miles per hour, instead of developing roads in the neighbourhood of these plants at about one-third the cost of rail tracks per mile and carrying materials at around 20 miles per hour. Either there is some flow in this economics or the Planning Commission has not thought of it.

Provision in Third Plan

The Road Wing of the Ministry of Transport has estimated that the capital invested in our roads up to 1958-59 was about Rs. 500 crores. For all this investment, our surfaced roads carried in 1957-58 by commercial vehicles only 0.113 million ton-miles per mile, including passenger traffic. The capital invested in rail tracks is about Rs. 600 crores. For it the railways carried in 1957-58, 1.395 million ton-miles per mile, including also passenger traffic. There is something to think about this state of affairs, since, according to two surveys carried out recently by the National Council of Applied Economic Research, New Delhi, the contribution of road transport to the general revenues is much bigger than that of the railways and that its employment potential also is higher. These facts suggest that, from the point of view of our national economy, there should be a greater emphasis on the development of road transport.

It is a great pity that, in spite of experience in other countries and in spite of facts disclosed by independent authorities in our own, the Planning Commission's allotment for roads in the third Plan is practically the same as during the second, that is, Rs. 250 crores, and its target of automobile production, other than scooters, etc., in that Plan is only about one and a half times of what was originally planned for the second Plan (100,000, as against 65,000). Even now, it is not late for the Planning Commission to set matters right. Let us hope that the Neogy Committee paves the way for this.

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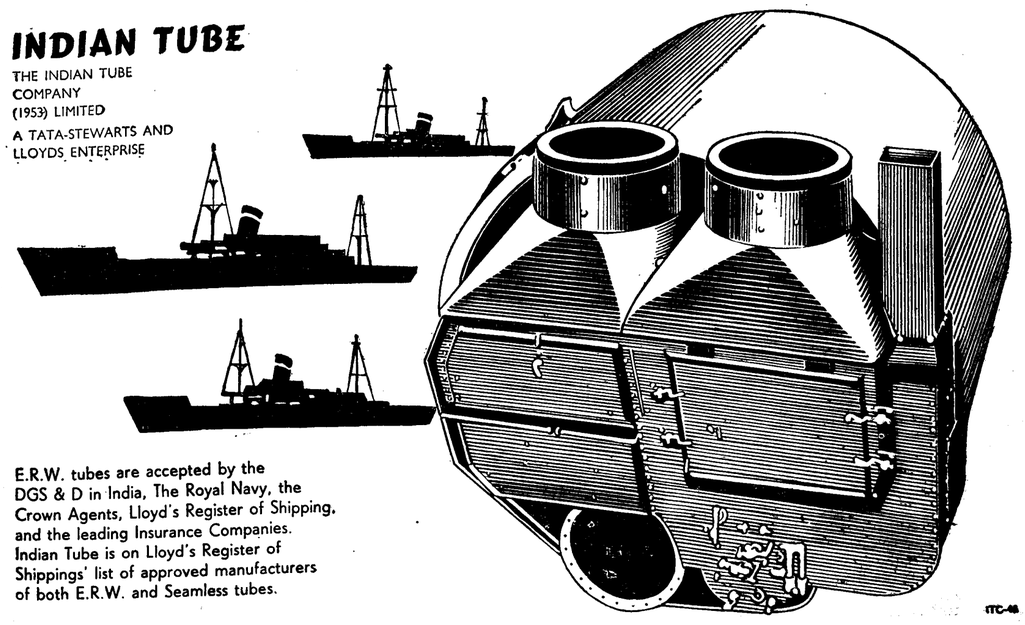

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BANK OF MAHARASHTRA CELEBRATES SILVER JUBILEE

PROUD RECORD OF BANKING SERVICE TO A NEGLECTED REGION

By S. V. Kale

EDITOR, *ARTHA*, POONA

THE Bank of Maharashtra Ltd., Poona, will celebrate its Silver Jubilee on 18th December 1960, under the presidentship of Shri Yeshavantrao Chavan, Chief Minister of Maharashtra. In this article, an attempt is made to bring out the special features of the Bank, which has made a significant contribution not only to trade and industry but also to sound banking.

"The inauguration of the Bank of Maharashtra is a happy augury for the bright future of banking in these parts of our country.

"The promoters of the Bank humbly aspire to play their part in the work that lies ahead —that of developing organised banking on modern lines, so as to satisfy the requirements of changing economic conditions, a necessity more urgently and insistently demanded in Maharashtra than anywhere else. They propose steadily to build up a banking machinery that will utilise the financial resources of Marathi-speaking districts for the benefit of their trade and industries and for the promotion of the economic welfare of their people.

"I am sure that, in course of time, the Bank of Maharashtra will occupy its appointed place in the banking structure of this country."

Prophecy Comes True

These prophetic words of the founder-Chairman, the late Professor V. G. Kale, uttered at the inaugural ceremony of the Bank on 6th February 1936, have come true and the Bank now occupies the position of the premier banking institution of the Marathi-speaking people. With owned funds of about half a crore of rupees, deposits of more than Rs. 15 crores, and with 52 offices, the Bank has attained the status of a big-sized bank. The expectations of the founders have been more than realised and their dream has become a reality. The inauguration of the State of Maharashtra has given further impetus to the activities of the Bank, opening up greater opportunities for the service of the people. The Directors, under the chairmanship of Shri V. P. Varde, have been alive to this extended scope and the Board has chalked out an expansion programme worthy of the Bank's achievements. The consent of the Controller of Capital Issues has been obtained to raise the paid-up capital to Rs. 40 lakhs and new shares are being offered to the present shareholders in the proportion of one new share to four shares held by them.

The Bank of Maharashtra owes its existence and development to the public-spirited effort on the part of several distinguished and farsighted men in the public life of Maharashtra. Against the dark and discouraging background of bank failures in the past, it was, indeed, a bold idea, efficiently executed, worthy of its sponsors. There were practically no large business or industrial undertakings, as big banks catered to the needs of the large concerns only. The small units were completely neglected by them. The Bank of Maharashtra was established precisely to satisfy the needs of these neglected small units of trade and industry.

Mahratta Chamber Takes the Initiative

The then newly established Mahratta Chamber of Commerce and Industries convened an Industrial and Commercial Conference in Poona in February 1935. This conference adopted a resolution asking the Chamber to formulate a scheme for the starting of a commercial bank for Maharashtra. The Chamber made the necessary preliminary preparation and its Honorary Secretaries, Shri A. R. Bhat and the late Shri G. D. Apte, along with other members, took a leading part in doing everything necessary to bring about its establishment. Amongst the Directors who took the initiative in promoting the Bank, apart from the founder-Chairman, the late Professor Kale, special mention must be made of Shri D. K. Sathe, who later became the Chairman, Shri V. P. Varde, who has been at the helm of affairs since 1954 and is chiefly responsible for the Bank's later development, and Shri B. M. Gupte, who has taken active interest since the inception of the Bank. It may be stated here that, long before the establishment of the Bank of Maharashtra was thought of, Shri Varde had such a bank in his mind; he had even made an effort to get support for his idea.

Opened by Sorabji Pochkhanwala

The Bank of Maharashtra Ltd. was registered on 16th September 1935. It received the commencement certificate on 13th January 1936 and was formally inaugurated on 8th February 1936 by the late Sir Sorabji Pochkhanwala, the eminent Managing Director of the Central Bank of India Ltd.

The first Board of Directors was as under:—

1. Prof. V. G. Kale (*Chairman*)
2. Shri D. K. Sathe (*Vice-Chairman*)
3. Shri B. M. Gupte
4. Shri N. G. Pawar (who later became Vice-Chairman in 1943)
5. Shri T. V. Ranade
6. Shri V. P. Varde (who later became Chairman in 1954)
7. Shri M. R. Joshi
8. Shri S. G. Marathe (who later became Vice-Chairman)
9. Shri R. C. Sohoni
10. Shri F. D. Pudumjee (co-opted later in the year)

Shri Shantanurao Kirloskar was co-opted a Director in 1946, and his mature advice on industrial finance was available to the Board till 1955, when he was appointed to the local Board of the newly formed State Bank of India.

The present Board is as under:—

1. Shri V. P. Varde (*Chairman*)
2. Shri D. K. Sathe
3. Shri B. M. Gupte
4. Shri F. D. Pudumjee
5. Shri M. V. Shah
6. Shri M. B. Jambhekar
7. Shri M. S. Parkhe
8. Shri J. K. Rege
9. Shri V. S. Shirgaonkar
10. Shri R. B. Banthia

Shri C. V. Joag, B. Com., F.I.B. (London), is the Manager of the Bank since 1943 and has just been appointed as the General Manager.

Steady Progress

From small beginnings, the Bank has made steady progress and has now come to occupy a leading place in the banking field of the Marathi-speaking public. The credit for this success goes to the sound foundations laid by the founder-Chairman, the late Prof. V. G. Kale, and the traditions of safety and security followed by his successor, Shri V. P. Varde and his co-Directors. The following statement shows the progress of the Bank in different aspects:

Comparative Statement of Progress

1940-59

Year	Branches	Paid-up capital	Deposits	Advances	Investments
		Rs.	Rs.	Rs.	Rs.
1940 ..	2	1,81,000	27,52,000	13,05,000	11,46,000
1945 ..	9	12,50,000	1,20,75,000	60,19,000	60,47,000
1950 ..	18	16,00,000	2,30,74,000	1,25,19,000	90,04,000
1955 ..	29	16,00,000	5,06,31,000	2,33,66,000	2,38,44,000
1957 ..	38	22,94,000	7,85,53,000	3,78,76,000	2,54,85,000
1959 ..	51	31,68,000	13,25,56,000	5,06,97,000	6,52,64,000

Return on Share Capital

Year	Rate	
1937 to 1939	3½% p.a.	Tax-free.
1940 to 1941	4 ½% ,,	,,
1942 to 1943	4½% ,,	,,
1944	4½% ,, and Bonus 4%	,,
1945 to 1955	5 % ,,	,,
1956 and 1957	6 % ,,	,,
1958	6½% ,,	,,
1959 (Proposed)	9 % ,,	Taxable.

The Bank has opened branches in all parts of Maharashtra. After the integration of the Marathwada districts with Bombay State, the Bank opened seven branches in that area, bringing the total number of offices to 52. The Bank has plans to open more branches in unrepresented areas. Safe deposit arrangements are available at 12 branches.

The Bank was included in the second schedule in 1944. In 1946, the Bank started a subsidiary company—the Maharashtra Executor and Trustee Company P. Ltd.—to undertake executor and trustee business. In 1953, the new spacious building of the Bank was opened. In 1955, the Bank received its licence under the Banking Companies Act. In 1954, the Bank took over certain assets and liabilities of the Banthia Bank Ltd. and thus six new branches of the Bank started functioning. In 1959, the shares of the Bank were listed on the Bombay Stock Exchange in the cash list. In 1960, the Bombay State Financial Corporation included in their list of Agents this Bank for accepting and processing applications for small and medium-sized industrial units. Very recently, the Bank received licence to deal in foreign exchange in all currencies.

The Bank of Maharashtra was founded with the avowed object of bringing about the economic regeneration of the backward parts of Maharashtra. Naturally, the Directors have always kept before them this objective, which is now adopted as a part of major policy by the Reserve Bank of India. A large number of industries, small and medium scale, have been established and nourished by the Bank's liberal policy towards them, with gratifying results. The Bank is now embarking on its well considered plan of providing medium term finance for the purchase of land, machinery, buildings, etc. It is now acknowledged that well-equipped banks, having large resources, should not confine themselves to the provision of working capital only, but that they must participate in the financing of small-scale industries also. The Bank of Maharashtra can claim to have adopted this policy right from its inception.

An Able General Manager

Such finance requires careful handling and that in turn calls for a very efficient and trained staff. The Bank of Maharashtra has in its General Manager, Shri C. V. Joag, a very able, experienced and trained banker; and he is assisted by a specially trained staff. The Bank makes full use of the training facilities provided by the Reserve Bank and in addition runs its own Training School for its employees. Its officers are encouraged to get management training.

The splendid success of the Bank is due to the very encouraging response received by it from the public, and the sincerity and loyalty of its officers and staff. With this glorious history behind it, the Bank is bound to progress from strength to strength, and make a more effective contribution to the economic development of the country. The public of Maharashtra feel very proud of this Bank—a symbol of a patriotic effort, attaining its objective by following the co-operative ideal. The Bank of Maharashtra is a Peoples' Bank, in the real sense of the term. We wish it a glorious future in keeping with its lofty traditions.

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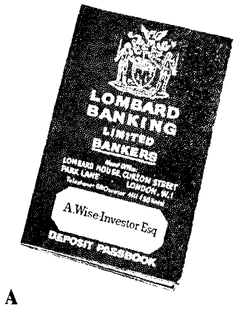

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PLYWOOD INDUSTRY TO BE DEPROTECTED

NEED FOR IMPROVING SUPPLY OF TIMBER STRESSED

THE plywood industry plays not an insignificant role in the nation's economy, providing as it does basic materials for packing tea, a commodity consumed all over the country, and, above all, India's major foreign exchange earner. Plywood is also used in the manufacture of furniture and as lining material in aircraft and houses. The industry has made satisfactory progress in recent years, attaining notable improvement in working efficiency and in the quality of its products, thanks mainly to the tariff protection which it has been enjoying for the last twelve years. It has now a virtually sheltered market, on account of severe restriction imposed on imports. Apparently, the industry therefore no longer needs any shield of protection against foreign competition. The Tariff Commission, which undertook a fresh enquiry early this year into the question of continuance of protection to the industry, recommended its withdrawal from the 1st of next month onwards, when the current term of protection comes to an end.

The present scheme of protection covers (1) plywood, including plywood panels and tea-chests, and (2) battens for tea-chests. The Government of India has now announced its decision to accept the Commission's recommendations. If, however, the import control is substantially relaxed in future and imports of foreign plywood constitute a threat to the industry, the domestic producers' case for protection may be reconsidered. It would appear that the Government has not yet taken a decision regarding the revenue duty to be imposed on these items.

Present Position

There are at present 72 factories engaged in the manufacture of plywood and included in the list of the Development Wing. Out of these, 38 units are authorised to manufacture both tea-chest plywood and commercial plywood, 31 tea-chest plywood exclusively and three commercial plywood only. The industry is concentrated mainly in three States, namely, West Bengal, Assam and Kerala, which account for 36, 16 and 13 units, respectively. Mysore has five factories and Bihar and U.P. one each. Most of the larger units are located in Assam and Kerala. Since the last tariff enquiry in 1957, no new unit has been permitted to be established for the manufacture of tea-chest and commercial plywood on the mainland of India, since it was found that the existing units could cater to the domestic demand in full. Three new units have, however, been licensed for Andamans. A few existing units in the mainland have also been allowed to expand. The annual assessed capacity (on single shift) is 148.71 million sq. ft. as of September 1960, according to the Development Wing. This is expected to go up to 154.71 million sq. ft. by the end of this year and further to 205.29 million sq. ft. by the end of 1962. An additional capacity of 56.58 million square feet has now been sanctioned, the bulk of it being in the commercial plywood sector.

The production of commercial plywood, which had been about 33 million sq. ft. in 1957, rose to 37 million sq. ft. in 1958 and jumped up to 58 million sq. ft. in 1959. It is expected to touch 60 million sq. ft. in 1960. As regards tea-chest plywood, there was a fall in output from about 95 million sq. ft. in 1957 to about 87 million sq. ft. in 1958, but it improved to 97 million sq. ft. in 1959. In terms of standard tea-chest (19″×19″×24″ equivalent to 17.68 sq. ft.), the output was 5.373 million sets in 1957, 4.907 million sets in 1958 and 5.479 million sets in 1959. The following table shows the trend of production (State-wise) during 1957 and 1959:

(In million sq. ft.)

	Plywood for tea chests		Commercial plywood	
	1959	1957	1959	1957
West Bengal—				
(a) North Bengal ..	13.94	11.86	1.94	0.01
(b) Calcutta ..	27.42	29.77	7.12	3.04
Assam	37.06	33.62	8.03	1.78
Kerala	17.08	18.18	17.63	14.86
Mysore	0.89	1.07	11.28	11.44
Bihar	0.48	0.49	..	..
U.P.	..	..	11.20	1.43
Total ..	96.87	94.99	58.10	32.56

Apart from registering an increase in production, the industry has also diversified its output by undertaking the manufacture of decorative plywood, marine plywood and medium strength aircraft plywood. The last two items are, however, manufactured only against firm orders.

Domestic Demand

The domestic demand for tea-chests is variously estimated, from 5 to 7.07 million sets for 1960, and from 5.20 to 7.34 million sets for 1962. The Commission has estimated the current demand for standard chests (19″×19″×24″) at 6.39 million sets. This is expected to go up to 6.48 million sets in 1960, 6.67 million sets in 1961 and 6.90 million in 1962. The Commission has worked out these figures on the assumption that tea production will be of the order of about 730 million lbs. in 1960, 750 million lbs. in 1961 and 775 million lbs. in 1962. About 15 per cent. of the tea output every year, it is estimated, will consist of dust, which will be packed in smaller tea-chests (16″×16″×18″) and another 30 million lbs. of tea will be sold in gunny bags in the internal market.

The demand for commercial plywoods is expected to touch 60 million sq. ft. in 1960. This is expected to go up by 10 million sq. ft. every year, as a result of the rising tempo in building, furniture and other industries consuming commercial plywood.

Raw Materials

The most important raw material required by the industry is timber. The nature of difficulties faced by the industry in securing timber varies from region to region. In Kerala, the production of softwood from departmental forests is much below the annual requirements of such industries as matchwood, plywood, saw mills and packing case. The State Government has, therefore, introduced a system of rationing timber among the various manufactures. The Commission has, however, pointed out instances of certain coupes in Wynaad division, containing valuable species of softwood, being auctioned out in public. Since Kerala is not self-sufficient in softwood and its plywood industry has to acquire at a higher price an appreciable part of its timber requirements from Mysore, the Commission has expressed the view that it is desirable that all valuable species in the entire State should be conserved and rationed out to selected industries. In Mysore, the supply of fresh and suitable timber from local forests is satisfactory. In Assam, the supply of timber is said to have become inadequate, with the expansion of plywood industry in the State. The State Government is, therefore, said to have entered into an arrangement with the N.E.F.A. administration for getting 300,000 c.ft. of timber per annum. In order to meet the timber requirements of plywood industry in the North Bengal area, the Commission has suggested that the Bengal Government also should try to make arrangements for the supply of at least 1,000 tons of plywood logs from N.E.F.A., until good forest roads connecting the inaccessible areas are built and adequate supplies from North Bengal forests are ensured to the local industry. The factories in the neighbourhood of Calcutta are experiencing considerable difficulties. The supply of plywood logs is not only inadequate but also irregular. Most of the units, the Commission says, work intermittently for want of logs. Long distances and transport difficulties rule out the possibility of bringing adequate supplies from N.E.F.A. or other parts of India. These factories naturally depend on Andaman timber, but the price of the latter is said to be on the high side. In this connection, the Commission has advised the Union Ministry of Food and Agriculture to reconsider the prices of Andaman ply logs as supplied to the Calcutta units.

Drawing attention to the need for conserving the available timber resources and removing wastages of timber, the Commission has observed as follows:

"Considerable wastages take place for lack of prophylactic treatment of logs immediately after

(Continued on page 1118)

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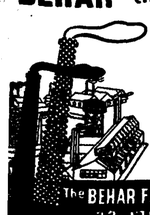

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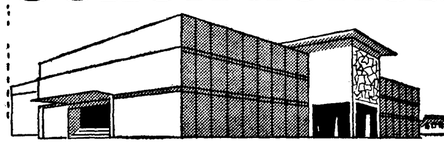

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MARKETING OF OIL IN EUROPE

(*Concluded from page 1100*)

increasing number of competing oil importers, wholesalers and retail dealers are now in a relatively strong position to secure favourable terms for long-term contracts, also credit or other benefits. For example, in Switzerland the gasoline retailers' trade association, Autogewerbeverband, was able, last year, successfully to press for large reductions in ex-pump prices of gasoline without similar reductions in the retailers' profits.

A service station is usually a profitable venture and its gasoline retailing is an indispensable function which can be very rewarding if the volume handled is sufficiently large. In general, siting is the most important element in determining the volume of trade a service station will do. There is therefore strong competition between retailers and/or oil companies to secure good sites, notably in countries, e.g., the Netherlands, where new good sites are relatively scarce, or where the planning authorities strictly control the location of stations. A costly site makes selling competition sharper as it is necessary to get a big throughput in order to justify the capital outlay.

Impact of Russian Oil

Competition in Europe is further sharpened, and the relative position of the larger companies weakened, by the rising volume of oil sold by Communist countries. Although small in comparison with the imports from customary sources, oil deliveries from Eastern Europe, invariably at low prices, have a disturbing influence on the market out of proportion to their actual volume. Russian exports to European countries outside the Soviet Bloc are expected to reach this year about 15 million metric tons—roughly half of it crude and most of the balance black oils—as compared with 10¾ million tons in 1959 and about six million tons in 1958; in addition, some 2,000,000 tons or so of products annually arrive from satellite countries. The largest Russian oil deliveries go to Italy, where E.N.I. is the main purchaser, followed by Finland where, by Government action, they constitute most of the oil imports. In Sweden, Germany, France and many of the smaller countries, the inflow of substantial quantities of Soviet Bloc black oils is made possible by the presence of small importers seeking to capture trade from the established marketers by offering lower prices. Some European countries are also importing Italian refined low-priced products based on Russian crude, in addition to their direct oil purchases in Eastern Europe.

The U.K. has hitherto had less varied competition than most other large European markets, but there is now increasing cut-price competition from independent gasoline dealers who obtain supplies from German refineries. A full-scale sales organisation is being gradually set up by C.F.P., and there is a possibility that E.N.I. and Tidewater will do likewise. The Russians, who disposed of their former oil distribution organisation in the U.K. after World War II, are seriously considering re-establishing it, as they are otherwise unlikely to gain much of a foothold in this, Europe's largest, market. The forms and the strength of market competition in Europe vary from country to country, but, in general, the trend is towards a much greater number of wholesalers and retailers, such as has long existed in the U.S.

Prices and Costs

In these conditions, price lists and official fixing of prices often mean little. The authorities in France, Italy and Norway still fix maximum prices for major petroleum products —excepting fuel oil in Norway. The Norwegian maximum prices, being artificially low, are generally accepted as selling prices in that country, but in France and Italy competition drives distributors frequently to sell at prices below the official maxima. In Italy, in particular, actual black oil prices bear no relationship to the very much higher maximum prices fixed by the Government which, incidentally, are the basis for calculating fuel taxes. In Italy, the Government recently used persuasion and pressure to enforce a substantial "voluntary" reduction of the retail gasoline price, but the State-owned A.G.I.P. now sells two cents lower than the official price.

In addition to the pressures from inside the oil industry, black oils in Europe have to stand the growing competition of natural gas in some areas, also to withstand the measures taken to protect the coal industry. In Germany and Belgium, substantial punitive taxes have been imposed on fuel oil, and, though these have failed to engender any large-scale reconversion to coal, they have diminished the return which can be obtained for black oils.

Given the extent and variety of the oil distribution business in Europe, and the expected continued pressure of supplies, no diminution of selling competition can be expected. Indeed, if the present rate of expansion were to slow down, selling competition would become even sharper.

There are, however, two underlying factors that tend, over a period, to correct this situation to some extent. One is that the very process that reduces selling prices itself tends to stimulate the volume of demand and to act as a defence against possible inroads made by other sources of energy supply. The other is the high capital cost of setting up in the oil distribution business in a substantial way. The limiting factor in the multiplication of outlets and facilities undoubtedly is finance and, as soon as a small distributor starts expanding, he comes up against this problem; it is not without significance that, so far, the Soviet Union has relied on importers who will finance the distribution facilities needed to sell Russian oil and has been unwilling to make large capital investments.

The small concern that concentrates its selling activities at or near refineries or import terminals will often have some local advantage over the widely established distributor who assumes responsibility for regular supplies throughout the country. But, in the last resort, it is a battle of overall costs—the total cost of the oil and the cost of the services that bring it from the well to the refinery and to the consumer. With the economy drives which all major oil companies have already had, the costs of distribution have probably already been pared down to their minimum, and the selling pressures can henceforth only be directed at the price level of the oil. With oil available in abundance for years ahead, and with so many competitors selling it, the price it can command is likely to fall. That is a commonplace of every market place which, unless circumstances change, oil cannot escape. Eventually, the complicated cycle of adjustment will pursue its course and the situation should adjust itself. Meanwhile, however, the oil producing countries must pin their hopes for higher revenues upon bigger demand rather than upon higher prices.—*By special arrangement with Petroleum Press Service.*

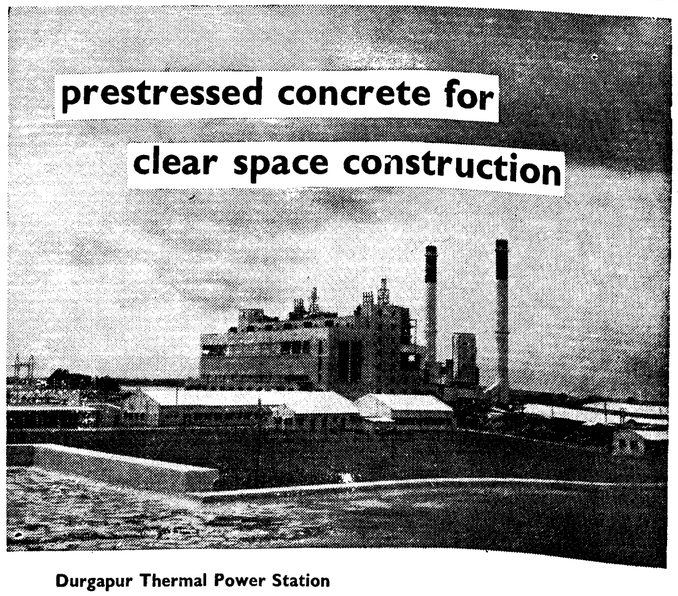
SUGAR

(*Concluded from page 1092*)

VII of the formula on the amount distributable as bonus will be further distributed in the same proportion being relief under the Income-tax Act, but it could be done only once. The bonus will be subject to a ceiling of three months' consolidated wages. In view of the fact that the practice of settling bonus claims unit-wise by collective bargaining in the broad framework of the full bench Labour Appellate Tribunal formula has on the whole worked satisfactorily in Maharashtra and Southern regions, the Board, besides taking note of the fact that the Government has already announced its intention of appointing a Bonus Commission, does not feel it necessary to evolve a fresh bonus formula for the sugar industry of these regions. In respect of Maharashtra and Southern regions, the Board wants the continuance of the present practice of settling bonus claims by negotiations in the background of the full bench Labour Appellate Tribunal formula as recently interpreted by the Supreme Court.

As a safeguard against any reduction in existing wages, the Board has stressed that in no case should the existing wages come to be reduced in consequence of deduction for any of the amenities, for example, housing and fuel, which was being enjoyed free or at concessional rates in the past. The Board has also stressed that its recommendations constitute a composite scheme and must be implemented as such. Besides, it has made it clear that its award must not be revised at least for five years.

The Wage Board has laid special emphasis on the need for the early institution of studies for assessing fair workloads and actual manpower requirements of sugar mills. It considers it important that such studies should be preceded by a reasonably specific programme of implementation drawn in consultation with the organisations of the interests concerned.



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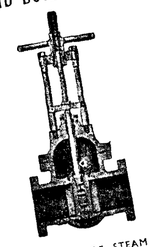

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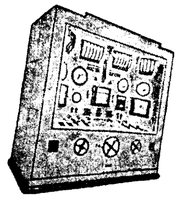

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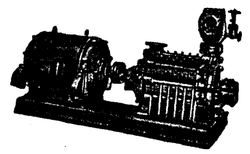

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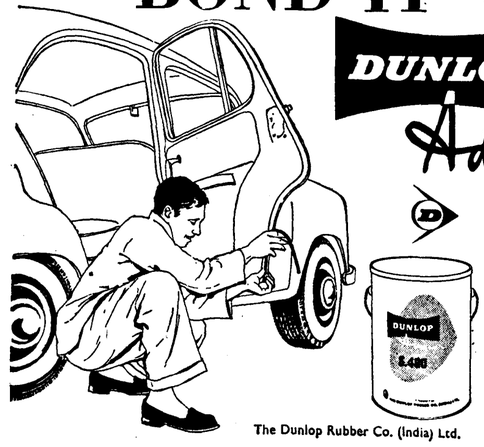

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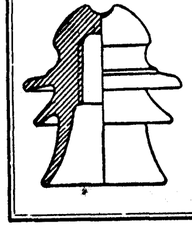
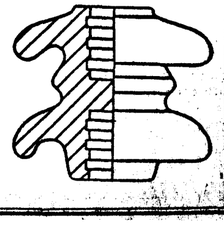


HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

ORIENT TEXTILE ENGINEERS LIMITED
24, Netaji Subhas Road
CALCUTTA-1



SALES OF TITAGHUR PAPER IMPROVE

PROFIT, HOWEVER, DECLINES DUE TO CUT IN PRICES—NET DIVIDEND SMALLER

HOW the paper industry is today caught between continuously rising trend of production cost, on the one side, and reduction in the selling prices of paper, on the other, is amply illustrated by the working results of the Titaghur Paper Mills Company Ltd. (Managing Agents: Messrs. F. W. Heilgers and Company Private Ltd., Calcutta), for the year ended 31st March 1960. Although the output of paper in the Company's factory rose by only 804 tons to 53,120 tons during the year as compared with the previous year, the cost of raw materials, stores, etc., consumed increased by as much as Rs. 32.06 lakhs to Rs. 341.54 lakhs, power and fuel by Rs. 6.21 lakhs to Rs. 91.03 lakhs, other expenses by Rs. 30.67 lakhs to Rs. 307.07 lakhs, and payment of excise duty by Rs. 3.56 lakhs to Rs. 127.96 lakhs. The increases under all these heads have neutralised the improvement of Rs. 43.74 lakhs to Rs. 986.18 lakhs in the Company's sales proceeds, so that the gross profit of the Company for 1959-60 stands appreciably lower at Rs. 124.59 lakhs, as against Rs. 149.77 lakhs for the year preceding it.

Despite the shrinkage in gross profit and the larger provision of Rs. 32.46 lakhs (as against Rs. 29.06 lakhs in 1958-59) for depreciation, the net profit has gone up by Rs. 9.41 lakhs to Rs. 55.42 lakhs. The rise must be attributed largely to the lesser provision for taxation, namely, Rs. 27.09 lakhs (as against Rs. 62.56 lakhs in 1958-59) as a result of the development rebate allowance on No. 3 Mill. The net profit of Rs. 55.42 lakhs, together with the sum of Rs. 1 lakh received from the Trustees on winding-up in part of the Indian Workers' Pension Fund and the amount of Rs. 1.01 lakh brought in from the previous year's account, gives a total of Rs. 57.43 lakhs available for distribution, a rise of Rs. 10 lakhs as compared with the previous year. Notwithstanding the larger sum available, the Directors of the Company have not proposed any increase in the dividend on ordinary shares. On the contrary, the Directors have subjected to tax the dividends (interim and final) declared for the year 1959-60, namely, Rs. 2.50 per share, whereas, in the previous year, the dividends were without any deduction for income-tax payable by the Company. Consequently, the net return that the ordinary shareholder will get for the year under review is substantially lower at Re. 1.75 per share, as against Rs. 2.50. Apparently, the Directors are not certain about the future prospects for the Company. Here is what the Chairman of the Company, Sir Walter Michelmore, says on the issue of dividend in his statement to the shareholders:

"In view of the future prospects, your Directors have felt it advisable to recommend that the dividend remain at the same rate as for the previous year, though, as shareholders are aware, that dividend is now subject to deduction of tax. I should also like to explain to the holders of second preference and preferred ordinary shares that it is proposed to pay their dividends for the year at the rates specified in the Articles of Association for one reason only, that the Preference Shares (Regulation of Dividends) Bill, 1960, has not been passed at the time of the closure of these accounts. The dividends for the half year to 30th September 1959 were grossed up in accordance with our interpretation of the law as it existed at the time of payment and, therefore, the dividends for the half year to 31st March 1960 have been adjusted so as to pay in aggregate the same as in previous years but, of course, subject to deduction of tax. I can assure the holders of all preference shares and preferred ordinary shares that, when the Bill is passed into law and its effect studied, such additional dividend as is due will be promptly paid."

The salient features of the Company's results for the past four years are given in the comparative table in the previous column.

It will be seen from the table that, of the net profit of Rs. 55.42 lakhs, a considerably large amount—almost Rs. 25 lakhs—has been ploughed back to the statutory development rebate reserve, as against just Rs. 9.13 lakhs (in addition to Rs. 7.00 lakhs transferred to reserve for new mill project). This is, perhaps, considered necessary to implement the next stage of the Company's renovation programme. Alluding to this, the Chairman observes:

"The prospect of increasing competition and the slow but steady rise in cost of production has prompted your Directors to plan the next stage in the renovation programme. Considerable economies in cost of fuel and chemicals have been achieved at No. 1 Mill, which is now a well-balanced unit, and it is proposed to concentrate on No. 2 Mill. It is proposed to install a large water-tube boiler to replace certain old and inefficient Lancashire boilers and thus increase the production of steam and economise in coal. With the increased steam, the soda recovery plant will work more effectively and is to be supplemented to increase its efficiency further. The cost of caustic soda and bleach is high at No. 2 Mill and considerable benefit will be felt from the installation of an electrolytic bleach plant on the lines of that at No. 1 Mill. These renovations will cost about Rs. 30 lakhs and should reduce the cost of production at No. 2 Mill by about Rs. 40 per ton. The opportunity has been taken to acquire a second water-tube boiler which it is intended to install at No. 3 Mill in preparation for further expansion there in the future.... Your Company is concerned in a further interesting development, the manufacture of paper and pulp making plant and chemical equipment. A company has been formed, named Bertrams-Scott Private Ltd., in which three well-known U.K. concerns, James Bertram and Son Ltd., Bertrams Ltd. and Ernest Scott and Company Ltd., are collaborating with the Birds-Heilgers and Yule Groups. Your Directors have agreed to provide land and buildings at Titaghur against shares in this Company. The venture is well advanced and the new Company is in a position to deal with enquiries for 50-ton paper-making units and all types of paper-making plant."

The fixed capital expenditure incurred by the Company during 1959-60 in pursuance of its renovation and expansion scheme aggregated as much as Rs. 2.51 crores, bringing the total value of the block account to over Rs. 9.00 crores, on which the depreciation provided up to the end of March 1960 was Rs. 4.35 crores, leaving the net book value of the fixed assets at Rs. 4.65 crores. The value of the block account includes Rs. 10 lakhs added on capital reorganisation in August 1937 and Rs. 76.30 lakhs added on revaluation of assets during the half-year ended September 1948. The latter amount was, however, set apart last year as revaluation of fixed assets reserve for being utilised specifically for the purpose of making adjustments in the future value of the fixed assets. In the earlier balance-sheet, it will be recalled, the Auditors had made qualifications on the amount by which fixed assets were written up on revaluation in 1948. In order to remove the cause of these qualifications and to bring the fixed assets of the Company back to their actual written-down value on their original cost, the Directors have authorised the writing down of the assets by a sum of Rs. 76.30 lakhs by debiting the reserve for revaluation of fixed assets account in the year under review in the same proportion as the assets were written up in 1948.

Besides the net block account noted above, the Company's capital work-in-progress as at 31st March 1960 amount to Rs. 31.13 lakhs. The current assets aggregate Rs. 531.77 lakhs. As against these assets, there are loans and current liabilities to the tune of Rs. 531.24 lakhs. The paid-up capital of Rs. 142.92 lakhs is supplemented by reserves and surplus of Rs. 353.88 lakhs.

The Rs. 10 fully paid-up 'A' ordinary shares of the Company are being currently quoted at Rs. 36.70 *ex-div.* At this rate and on the basis of the latest dividend, the yield on the shares is 4.8 per cent. per annum, free of tax.

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Sale proceeds	9,86 18	9,42.44	8,10.43	7,03.92
Other income	3.30	3.38	7.00	4.77
Excess provision for depreciation in previous years written back	0.17	Nil	Nil	Nil
Closing stocks of finished paper and goods in process	14.27	11.76	12.76	16.50
Raw materials, stores, etc., consumed	3,41.54	3,09 48	2,64 62	2,18.83
Power and fuel	91 03	84.82	78.07	60.51
Excise duty	1,27 96	1,24 40	1,11 02	65 20
Other expenses	3,07 07	2,76 40	2,42 87	2,27 34
Gross profit	1,24 59	1,49 77	1,16 19	1,21 13
Managing Agents' commission	9 62	12 14	9 08	9 81
Provision for—				
Depreciation	32.46	29 06	24 62	24 15
Taxation	27 09	62 56	48 05	46 06
Net profit	55 42	46 01	34 43	41.11
To reserve and other funds	24.90	16.12	15.21	29.25
Dividends—				
Preference and preferred ordinary	2.03*	2 03	2.03	2 03
Ordinary	28.01* (D. 25%)	28 01 (D.17½% +B. 7½%)	26 07 (D.17½% +B. 6⅔%)	26 61 (D.17½% +B. 6⅔%)
Carry forward	2.49	1.01	1.17	0.92

* Subject to deduction of tax.

GANNON DUNKERLEY'S RESULTS EXCELLENT

DIVIDEND RAISED—OUTLOOK GOOD

THE stringent import restrictions, imposed in recent years on balance-of-payments considerations, have virtually upset the apple-cart of established business in the country. But this has not been the fate of Gannon Dunkerley and Company Ltd. (Chairman: Mr. Morarka, Bombay), which until recently was a predominantly trading concern. The credit for this goes to the management which had the foresight to realise that the Company's future lay in entering the manufacturing field and depending upon Indian manufactures. Hence it took steps to diversify its business in such a way that the Company could withstand the impact of import restrictions without suffering any major setback. The outcome is clearly reflected in the Company's results for the year ended March 1960. The Directors have recommended a higher dividend of 10 per cent., taxable, for the year 1959-60 (equivalent to 7 per cent. tax-free), which compares favourably with 6 per cent., tax-free, for the previous three years. The gross profit has substantially improved, that is, from no more than Rs. 7.35 lakhs for 1958-59 to Rs. 12.27 lakhs for 1959-60. The provision for depreciation has been nearly doubled, from Rs. 1.26 lakhs to Rs. 2.35 lakhs. Because of higher profit, the provision for taxation is also substantially higher at Rs. 3.50 lakhs, as against Rs. 2.20 lakhs. (The taxation figure, it may be noted here, has been arrived at after taking into consideration the benefit of tax abatement under Section 15(C) which the Company will receive on the income of the engineering workshop manufacturing L.P. cylinders). These essential provisions leave a net profit of as much as Rs. 6.38 lakhs, representing an increase of 64 per cent. over the previous year's figure of Rs. 3.89 lakhs.

The proposed dividend absorbs Rs. 3.60 lakhs, as compared with Rs. 2.16 lakhs distributed last year. The amount ploughed back at Rs. 1.63 lakhs is, however, about Rs. 50,000 less than the additions made out of the profit for 1958-59. The transfers to reserves include Rs. 59,606 to development rebate, Rs. 83,000 to dividend reserve, and Rs. 15,000 to general reserve. If the reserves have been strengthened on a smaller scale, it is evidently because the Directors have found it necessary to write off Rs. 1,36,956 by way of deferred revenue expenditure. Another point to be noted is that, whereas last year they had to withdraw Rs. 55,000 from the dividend reserve, there was no such depletion this year.

The following comparative table shows at a glance the trend of results:

(In lakhs of rupees)

	For the year ended 31st March			
	1960	1959	1958	1957
Gross income	1,87.15	1,61.48	1,85.50	1,50.98
Closing stock	62.55	56.30	53.97	39.20
Expenses	1,80.28	1,65.44	2,02.13	1,07.13
Gross profit	12.27	7.35	8.25	5.92
Provision for—Depreciation	2.35	1.26	0.01	0.87
Taxation	3.50	2.20	4.75	3.50
Net profit	6.38	3.89	2.59	1.55
Transfer to reserves	1.63	2.66	1.10	..
,, from reserves	..	0.55	..	..
Dividend	3.60 (10%)*	2.16 (6%)	2.16 (6%)	2.16 (6%)
Carry forward	0.10	0.05	0.30	0.96

* Taxable.

During the year under review, 81.79 per cent. of the Company's income was from trading, contracts and manufacturing activities, while indenting accounted for 15.98 per cent. Of the outgo, employees' remuneration accounted for 44.69 per cent., other establishment expenses for 26.07 per cent., Directors' remuneration 1.85 per cent., dividends 8.04 per cent., taxation for 7.82 per cent., depreciation and development rebate for 6.57 per cent. and reserves and surplus for 4.96 per cent.

Explaining the trend of business during the year, the Directors observe as follows:

"You will observe that the working results of this year show a considerable improvement over the previous year. The turnover in the General Department has improved due to switching over to the marketing of products made in India. The indent business has shown a fall, due to the difficult foreign exchange position of the country and the stringent import restrictions. The Civil and Mechanical Engineering Departments have maintained the turnover and continue to have a reasonable volume of contracts still to be completed.

"The Engineering Workshop for the manufacture of liquefied petroleum cylinders (commissioned in December 1958) has been on production throughout the year and its results are fully reflected in the improved earnings of the Company. The hope of your Directors in this respect has fully materialised.

"The position with our Trading Departments continues to be difficult in view of the present import policy of the country, and the difficulties of obtaining necessary foreign exchange. Competition is growing in the Civil and Mechanical Engineering sphere."

As for the current and prospective plans for expansion, the quotation below from the Directors' report will give one a clear idea:

"A subsidiary, Gannon Dunkerley (Orissa) Private Ltd., was incorporated at Cuttack on 24th March 1960 for purposes of putting up a small workshop for structural and mechanical engineering. This is a wholly-owned subsidiary of the Company. Two other subsidiaries, Gannon Electrolytics Private Ltd. and Gannon Norton Metal and Diamond Dies Private Ltd., have since been registered in Bombay for undertaking the manufacture of electrolytic capacitors for the radio industry and diamond and tungsten carbide and other metal dies for the wire drawing industries. The latter factory is being established in collaboration with Messrs. Wire Drawing Dies (Manchester) Ltd. of Manchester, England, who have agreed to contribute the plant and machinery required for the shares to be allotted to them. Both these factories are expected to go into production before the close of this financial year.

"The Company has also received an industrial licence for setting up a wire drawing unit at Indore, with a capacity of 3,900 tons per annum, particularly high tensile steel wire. Preliminary steps towards the formation of the new company, obtaining of import licence, acquisition of land and buildings have been initiated.

"With all these expansion activities, the Directors look forward to a confident future and hope to maintain and improve the progress achieved in years to come."

The Company's balance-sheet as at the end of March 1960 shows that the reserve position has improved from Rs. 5.70 lakhs (including the development rebate reserve of Rs. 3.05 lakhs) to Rs. 7.37 lakhs (including development reserve of Rs. 3.64 lakhs). While this trend is quite gratifying, there is still need for further strengthening of the reserves, when viewed against the background of the subscribed capital of the Company standing at as much as Rs. 36 lakhs. Borrowings and liabilities aggregate Rs. 79.79 lakhs, which are more than adequately covered by current assets (including work in progress Rs. 50.06 lakhs) amounting to Rs. 93.70 lakhs. The capital expenditure incurred by the Company during the year under review was Rs. 3.15 lakhs, as against Rs. 19.16 lakhs in 1958-59. The gross block is shown at Rs. 40.31 lakhs, against which the depreciation provided so far is Rs. 10.67 lakhs.

LEYLAND MOTORS AND STANDARDS MAY MERGE

Leyland Motors, one of the largest producers of commercial vehicles with important Indian interests, and Standard-Triumph International, the Coventry motor firm making T.R. sports cars, Vanguards and other models, may merge as a result of an offer by Leylands which the Directors of Standards have approved. Leylands is making a share exchange offer worth about £18 million (at current market prices). Leylands, which makes a wide range of vehicles, including heavy lorries, coaches, trolley buses and fire engines, will continue to produce the Standards range of cars.

The news of this move, it is stated in London, has not come as a surprise, for Standards, as one of the smaller groups, has been particularly affected by recent difficulties in the industry. In the year ended August 1960, the firm produced 139,000 vehicles. It had embarked on a £11 million project on Merseyside, and had also just completed a £2 million car assembly building at Coventry which is just in the proving stages. Not long ago, it opened an assembly plant near Brussels, Belgium.

Leylands' main plant is in Lancashire, but the firm has a factory near Glasgow. There has been a considerable expansion in recent years, particularly in the development of engines for industrial, marine and railway use. Altogether, the firm produces about £60,000,000 worth of vehicles annually, of which about two-thirds are exported all over the world. It also has subsidiaries in many parts of the Commonwealth, including India, where its plant is one of the largest of its kind. Sir Henry Spurrier, Chairman of Leylands, in a statement, says that his Company will continue to prosper and expand only if its range of products is comprehensive and equal to those of its most powerful competitors, particularly overseas. The purchase of Standards, according to him, offers great development possibilities. And he adds: "An extension of the use of Diesel engines in the lighter range of vehicles will have a high priority in future plans. There is need to diversify still further both firms' production."

PROFIT-SHARING PLANS IN U.S. INDUSTRY

About 30,000 profit-sharing plans are in operation in the United States, according to an estimate by the Council of Profit-sharing Industries, Chicago. The Council—an association of companies having such plans—says that the 30,000 profit-sharing plans compare with 34,097 pension and annuity plans, but a greater number of employees are covered under pension plans. The 2,641 profit-sharing plans adopted in the first six-month period and 69 per cent. more than in the 1959 period. These new profit-sharing plans cover 115,544 employees, as compared with 66,721 covered by new plans approved in the first half of 1959. According to B. L. Metzger, Director of the Profit-Sharing Research Foundation, while many of the biggest and most successful profit-sharing plans began before 1940, it was not until the last 20 years that these plans had their most pronounced rise.

The *New York Times* has reported that profit-sharing plans are used by both small and large companies, and several of the oldest are to be found in some of the nation's biggest corporations. Profit-sharing has a particular appeal for small companies, because it can serve not only as a motivating force in employee efficiency but also as a highly successful way for a business to establish a retirement plan without obligating a company with fixed charges that would have to be borne under a pension plan.

U.K. ENGINEERING COMPANY FORMS INDIAN SUBSIDIARY

A well-known British engineering firm which has had close links with India for many years is forming a new subsidiary with administrative headquarters at Calcutta. Head, Wrightson & Co. Ltd., of Thornaby-on-Tees, County Durham, has announced the registration of Head, Wrightson India Ltd., which will act as contracting company for the supply—as far as possible from Indian sources—of various types of plant to the designs of the parent company. As a wholly owned subsidiary, the new organisation will make the fullest use of the manufacturing facilities in India for the class of work concerned in both the public and private fields. The Chairman of Head, Wrightson India Ltd. will be Mr. Peter Wrightson. Mr. Vaughan Pendred has been appointed Managing Director. The formation of the company, said a spokesman of the firm, is the first step in strengthening Head, Wrightson's participation in India's development. As a further measure, it is hoped to incorporate a rupee company within the next three years.

Head, Wrightson has been responsible for supplying much of the specialist equipment used in Indian basic industries today. It is at present playing a large part in the Durgapur steelworks project and is supplying all the ironmaking plant together with much of the ancillary equipment.

INDO-U.S. VENTURE TO MANUFACTURE AUTOMOTIVE SHOCK ABSORBERS

An Indo-U.S. venture in the field of automotive ancillary products has been established to produce tubular shock absorbers for all types of vehicles in a new plant under construction in Mulund, Bombay. The new Company, Gabriel India Private Ltd., is scheduled to commence production in the second quarter of 1961 with an initial output of 120,000 automotive shock absorbers a year. Its planned outlay of Rs. 19 lakhs will be equally shared by the Gabriel Company of Cleveland, Ohio, the largest independent manufacturer of automotive shock absorbers in the world, and Anand Automobiles, the largest truck body manufacturer in India. Gabriel India will serve both producers of original equipment and the replacement market in India and, in due course, is expected to serve foreign markets as well.

In addition to the capital investment, the new Company brings to India other benefits such as Gabriel product designs and engineering developments in a field in which the Company is a leading world supplier; technical know-how in a field in which its manufacturing technology is particularly advanced; foreign exchange savings exceeding Rs. 6 lakhs in the first year and substantially more in subsequent years; and training of key Indian personnel in the U.S. in various phases of automotive component manufacturing techniques.

Replying to a question in the House of Commons on the 6th inst., Britain's Chancellor of the Exchequer, Mr. Selwyn Lloyd, stated that he had been in touch with the U.S. Secretary of the Treasury, Mr. Robert Anderson, about the Ford Motor Company transaction concerning the British Ford Company, and, "with his agreement, I am able to state that the United States Treasury has no intention of intervening in this transaction." The Chancellor replied to a further questioner who asked whether he would give an assurance that his permission for the sale of the Ford Motor Company would remain contingent upon full payment being made in dollars. Mr. Selwyn Lloyd said: "The Ford offer to the shareholders has been made in sterling, but it is an exchange control requirement that external sterling must be used for payment. External sterling can only be acquired by the sale across the official exchange of an acceptable currency such as dollars. There is, of course, nothing to prevent the purchaser from using any external balances which he already has at his disposal."

(*Concluded from next column*)

Re. 1.00 per share, subject to deduction of tax. Transfer books will remain closed from 14th to 30th December 1960, both days inclusive.

INDIAN STEEL AND WIRE PRODUCTS LTD. Annual General Meeting, Calcutta, 30th December 1960. Transfer books will remain closed from 15th to 30th December 1960, both days inclusive.

KARAIKAL ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Tiruchirapalli, 30th December 1960. Dividend: 10 per cent. or Re. 1.00 per share, subject to deduction of tax. Transfer books will remain closed from 22nd to 30th December 1960, both days inclusive.

SHANGRILA FOOD PRODUCTS LTD. Annual General Meeting, Calcutta, 30th December 1960. Dividend: Nil. Transfer books will remain closed from 19th December 1960 to 2nd January 1961, both days inclusive.

COMPANY MEETINGS AND DIVIDENDS

KURCHERMALA PLANTATIONS LTD. Annual General Meeting, Vyaittiri, Wynaad, 19th December 1960. Dividend: *Nil*. Transfer books will remain closed from 16th to 19th December 1960, both days inclusive.

TENTULIA KHAS COLLIERIES LTD. Annual General Meeting, Calcutta, 19th December 1960. Transfer books remain closed from 10th to 19th December 1960, both days inclusive.

INVESTMENT TRUST OF INDIA LTD. Annual General Meeting, Madras, 21st December 1960. Dividend: Rs. 5.00 per share, subject to deduction of tax, payable on 22nd December 1960. Transfer books will remain closed from 13th to 21st December 1960, both days inclusive.

BENGAL LUXMI COTTON MILLS LTD. Annual General Meeting, Calcutta, 21st December 1960. Dividend: *Nil*. Transfer books remain closed from 8th to 21st December 1960, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 22nd December 1960. Dividend: Rs. 7.00 per share, subject to deduction of tax. Transfer books remain closed from 1st to 22nd December 1960, both days inclusive.

SARUGAON TEA CO., LTD. Annual General Meeting, Calcutta, 27th December 1960. Dividend: Rs. 4.00 per share, subject to deduction of tax. Transfer books will remain closed from 24th to 27th December 1960, both days inclusive.

GANGES MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 29th December 1960. Dividend: 10 per cent. or Re. 1.00 per ordinary share, subject to deduction of tax, payable on or after 27th January 1961. Transfer books remain closed from 15th to 29th December 1960, both days inclusive.

KHARDAH CO., LTD. Annual General Meeting, Calcutta, 29th December 1960. Dividend: 20 per cent. or Rs. 2.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 14th to 29th December 1960, both days inclusive.

MADHYA PRADESH INDUSTRIES LTD. Annual General Meeting, Bhopal, 29th December 1960. Dividend: Re. 1.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 14th to 29th December 1960, both days inclusive.

BISRA STONE LIME CO., LTD. Annual General Meeting, Calcutta, 30th December 1960. Dividend: Rs. 3.00 per share (includes interim dividend of Re. 1.25 per share), subject to deduction of tax. Transfer books remain closed from 16th to 30th December 1960, both days inclusive.

INDIAN PLASTICS LTD. Annual General Meeting, Bombay, 30th December 1960. Dividend: *Nil*. Transfer books will remain closed from 19th December 1960 to 2nd January 1961, both days inclusive.

RAJENDRA COFFEES LTD. Annual General Meeting, Balehonnur, Mysore State, 30th December 1960. Dividend: 25 per cent. or Re. 1.25 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 23rd to 30th December 1960, both days inclusive.

SUTLEJ COTTON MILLS LTD. Annual General Meeting, The Mall, Amritsar, 30th December 1960. Dividend: Rs. 8.57 per share, subject to deduction of tax, payable on or after 30th December 1960. Transfer books remain closed from 15th to 30th December 1960, both days inclusive.

AGARPARA CO., LTD. Annual General Meeting, Calcutta, 30th December 1960. Dividend: 10 per cent. or Re. 1.00 per ordinary share, subject to deduction of tax. Transfer books remain closed from 12th to 30th December 1960, both days inclusive.

JAIPUR UDYOG LTD. Annual General Meeting, Sawai Madhopur, Rajasthan, 30th December 1960. Dividend: 6 per cent. or Re. 0.60 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 19th to 30th December 1960, both days inclusive.

DEHRI-ROHTAS LIGHT RAILWAY CO., LTD. Annual General Meeting, Dalmianagar, Bihar, 30th December 1960. Dividend: 3 per cent. or Re. 0.30 per share, subject to deduction of tax. Transfer books will remain closed from 20th to 30th December 1960, both days inclusive.

SONE VALLEY PORTLAND CEMENT CO., LTD. Annual General Meeting, Calcutta, 30th December 1960. Dividend: *Nil*. Transfer books will remain closed from 21st to 30th December 1960, both days inclusive.

ASHOKA CEMENT CO., LTD. Annual General Meeting, Dalmianagar, Bihar, 30th December 1960. Dividend: 7 per cent. or Re. 0.70 per share, subject to deduction of tax. Transfer books will remain closed from 20th to 30th December 1960, both days inclusive.

CONSOLIDATED COFFEE ESTATES (1943) LTD. Annual General Meeting, Pollibetta, 30th December 1960. Dividend: 20 per cent. or Rs. 2.00 per share, subject to deduction of tax, payable on or after 10th January 1961. Transfer books remain closed from 16th to 30th December 1960, both days inclusive.

MIRZAPUR ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Mirzapur, 30th December 1960. Transfer books will remain closed from 23rd to 30th December 1960, both days inclusive.

EAST INDIAN COAL CO., LTD. Annual General Meeting, Calcutta, 30th December 1960. Dividend:

(*Continued in previous column*)

PROFITS OF ROHTAS INDUSTRIES LOWER

EFFECT OF UNREALISTIC PRICE CONTROLS

THE extent to which higher raw material cost, enhanced operating expenses and unremunerative ex-factory prices fixed for cement, paper and sugar have cut into the profit-margin of Rohtas Industries Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta), is clearly reflected in the accounts of the Company for the year ended 31st March 1960. In spite of higher output in all the three main lines of production of the Company, namely, paper and paper boards, cement and sugar, and a larger turnover of Rs. 17.64 crores, as against Rs. 15.11 crores in the previous year, the gross profit has declined from Rs. 2.89 crores for the year ended 31st March 1959 to Rs. 2.60 crores for the year under review.

In keeping with this fall in profit, the Managing Agents' remuneration is lower at Rs. 13.20 lakhs, as against Rs. 15.50 lakhs for the previous year. Provision for depreciation has been reduced from Rs. 86.06 lakhs to Rs. 76.03 lakhs and so also that for taxation by Rs. 3 lakhs to Rs. 52 lakhs. In spite of these reduced allocations, the net profit works out to only Rs. 1.19 crores, as compared with Rs. 1.33 crores for the previous year. Both gross and net profits are, however, better than those for 1957-58. But this is no matter for solace, for the higher capacity brought about by more investment since then has fetched little or no return. As we shall presently show, the chief cause for this unsatisfactory state of affairs is the unrealistic manner in which the Tariff Commission and the Government have fixed the ex-factory prices for the products mentioned above.

Dividend Kept Up

The net dividend to ordinary shareholders has, however, been maintained, though the amount required is substantially more than last year in view of the tax deduction at source, which is being met by the Company. The Directors had already declared an interim dividend on ordinary shares at 20 per cent., or Rs. 2 per share of Rs. 10 paid-up, subject to deduction of tax, and had made it clear that no further dividend would be recommended for the year. Since under Section 15C of the Income-tax Act, a portion of the income for the assessment year 1960-61 (out of which the dividend is paid) would be exempt from income-tax, deduction of tax at the rate of 50 nP per share [instead of 60 nP per share which would have been the case but for relief under Section 15(C)] has been made under Section 18(3D), thereby leaving the net return to shareholders unaffected at Re. 1.50 per share.

Lower net profit and a larger amount for maintaining the net dividend have meant smaller additions to reserves. The amount of profit conserved this year is thus no more than Rs. 29.10 lakhs, as against Rs. 64.05 lakhs in the past year, as will be seen from the following comparative table:

(In lakhs of rupees)

	Year ended March 1960	Year ended March 1959	17 months ended March 1958
Sale proceeds	17,64.05	15,10.74	14,89.63
Other incomes	28.57	31.05	41.64
Stocks	2,20.43	2,33.56	1,80.65
Raw materials, stores and spares consumed	8,04.48	6,76.47	7,06.60
Royalty, cess and duties	2,70.62	2,40.48	2,08.60
Other expenses	7,00.17	3,88.00	..
Gross profit	2,60.00	2,89.75	1,05.91
Managing Agency remuneration	13.20	15.50	7.34
Depreciation	76.03	86.06	83.31
Taxation	52.00	55.00	10.00
Net profit	1,18.77	1,33.19	95.26
Transfer from reserves	..	1.50	54.72
To reserves	20.10	64.05	96.27
,, bonus to employees	30.94	28.50	..
Dividends—			
Preference	6.68	5.41	7.67
Ordinary	50.16 (15%)*	37.62 (15% p.a.)	45.60 (14.1% p.a.)
Carry forward	1.93	0.04	0.93

* Dividend per share of Rs. 10 each is Rs. 2, less deduction of tax at 50 nP., leaving a net dividend of Re. 1.50 per share.

Directors' Explanation

Explaining the reasons for higher expenses and lower profits of the Company, the Directors point out, in their report to the shareholders, that the price fixed by the Government for cement, paper and sugar is unremunerative, as adequate allowance has not been made for increases in the various elements of cost of production. The Tariff Commission has been asked to examine the cost of production of cement for the purpose of determining the fair ex-works price payable to producers as from 1st July 1961 only and not earlier. Representation has been made to the Government to examine the present position of the industry and recommend the required relief for the period prior to 1st July 1961 also.

The new paper prices recommended by the Tariff Commission and accepted by the Government, which came into effect from 1st January 1960, has reduced the profit margin on paper and paper boards and affected the total profits of the Company for the year. The story is no different in regard to the Company's sugar factory. In spite of the fact that the Company availed itself of the incentive allowed by the Government for increased production and crushed more sugarcane, the financial results of this branch did not show a corresponding improvement, as the ex-factory price of sugar for mills in South Bihar was not properly readjusted to make allowance for the peculiar difficulties of that region. The Company's excellent physical performance in 1959-60 can be clearly seen from the following comparative figures:

(In tons)

	1959-60	1958-59
Paper and boards	53,170	47,130
Cement	300,646	276,157
Clinker	264,427	270,416
Asbestos cement	9,781	10,449
Caustic soda	5,582	4,992
Vanaspati	10,260	8,876
Sugar (in maunds)	416,305	388,254

The Company, it may be noted, is the single largest producer of papers and boards in India.

Another factor that adversely affected the Company's fortunes was transport bottleneck and the supply of lower quality of coal.

Besides expanding the present capacity of the Company's paper unit at Dalmianagar by 36,000 tons per annum, the Company proposes to install a newsprint plant at a new site, for which technical collaboration has been secured from the U.S. The raw material for this plant will be bagasse. It has also undertaken manufacture of small-scale pulp and paper plants, with the help of a reputed Japanese manufacturing concern. Both these new projects will give new dimensions to Rohtas Industries and make it one of the industrial giants of this country.

Capital Raised

The Company spent Rs. 35.62 lakhs on additions to fixed assets during the year, as compared with Rs. 71.20 lakhs in the previous year, bringing the gross value of the block account to Rs. 14.76 crores. Depreciation so far provided amounts to Rs. 6.19 crores, so that the net block at the end of the year stands at Rs. 8.57 crores. The other assets amount to Rs. 7.89 crores, of which cash balances account for Rs. 10.14 lakhs. On the liabilities side, the Company has a loan liability of the order of Rs. 6.24 crores, made up of Rs. 2.17 crores of debentures, Rs. 3.83 crores of secured bank loans and other loans Rs. 24 lakhs. Other liabilities and provisions amount to Rs. 4.16 crores. The net assets, therefore, work out to Rs. 6.07 crores, comprising a paid-up capital of Rs. 3.56 crores and reserves and surplus of Rs. 2.51 crores.

Since the close of the financial year, the authorised capital of the Company has been increased from Rs. 5 to Rs. 15 crores. The subscribed capital has been increased by issuing 2,508,000 ordinary shares of Rs. 10 each at par to the existing shareholders in the proportion of one ordinary share for each existing share held. As a result, the paid-up capital has been raised to Rs. 606.37 lakhs, of which the equity capital accounts for Rs. 501.60 lakhs. These right shares rank *pari passu* in all respects with existing ordinary shares except that they do not participate in the dividends declared till the forthcoming annual general meeting.

SYNOPSES OF COMPANY REPORTS

Dehri-Rohtas Light Railway Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The gross earnings for the year amounted to Rs. 42,99,047 (Rs. 39,29,709). After deducting working expenses amounting to Rs. 19,33,054 (Rs. 17,44,672) the surplus available is Rs. 23,65,993 (Rs. 21,85,037). After deducting interest, depreciation, employees' bonus, managing agents' and directors' commission, etc., of Rs. 6,00,061 (Rs. 5,62,701) there is left a net profit of Rs. 17,65,932 (Rs. 16,22,336). Out of this provision for development rebate takes Rs. 25,000 (Rs. 16,000) and taxation Rs. 7,85,000 (Rs. 8,45,000) leaving a balance of Rs. 9,55,932 (Rs. 7,61,336). With the balance brought forward from last year of Rs. 4,085 (Rs. 2,749) there is a total of Rs. 9,60,017 (Rs. 7,64,085). Out of this amount the directors have transferred to general reserve Rs. 8,10 000 (Rs. 2,50,000) leaving a balance available for appropriation of Rs. 1,50,017 (Rs. 5,14,085). A further dividend in respect of the year ended 31st March 1959 at the rate of 17 per cent., without deduction of income-tax absorbing a sum of Rs. 5,10,000 out of the general reserve was declared at the extraordinary general meeting of the shareholders held on 31st March 1960 and the payment of the same has been made. While recommending the said dividend the directors had mentioned that they did not propose to recommend payment of any dividend in respect of the year ended 31st March 1960. Since then the directors have reviewed the position and have decided to recommended a dividend of 3 per cent. (A total dividend of 34 per cent. of which 17 per cent. was paid out of profits for 1959 and 17 per cent. as additional dividend from the general reserve. These dividends are free of tax) subject to deduction of tax, out of the profits of the year under report payable to the shareholders as on the 30th day of December 1960. This absorbs a sum of Rs. 90,000 (Rs. 10,20,000) leaving a sum of Rs. 60,017 (Rs. 4,085) to be carried forward to next year.

In order to cope with the increasing traffic, rolling stock has been further strengthened. During the year under report, 4 tank locomotives, 3 passenger coaches, 1 brake van, 4 four-wheeler open trucks and one tank wagon were added. Since then 16 wagons have also been constructed in the Company's workshop and put on the line. The Company's workshop can take up building up of further wagons as may be required. Some of the flag stations are being converted into full-fledged stations with train crossing facilities. Points and crossings are also being replaced so as to have smoother curves for permitting faster movement. The working of this Company continues to be satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	30,02,600	Gross block	88,11,462
Debentures	15,00,000	*Less*—Depreciation	35,52,505
Reserves	12,52,000		52,58,957
Provision for taxation	17,21,420	Net block	5,56,251
Liabilities	22,90,388	Stores, etc	17,75,158
Profit and loss account (surplus)	60,017	Book debts	15,05,361
		Investments	7,30,698
		Cash	98,26,425
Rs.	98,26,425	Rs.	98,26,425

Investment Trust of India Ltd.

The directors of the above Company (Managing Agents: Messrs. Kothari Mehta and Co. Private Ltd., Madras) present the audited accounts of the Company for the year ended 30th September 1960.

The result of the Company's working for the year under review is a profit of Rs. 46,253 (Rs. 54,019) to which is added the balance brought from last year of Rs. 7,644 (Rs. 3,625) making a total of Rs. 53,897 (Rs. 57,644). From this amount the directors recommend payment of a dividend at 5 (5) per cent. on the ordinary shares, absorbing Rs. 50,000 (Rs. 50,000) leaving a balance of Rs. 3,897 (Rs. 7,644) to be carried forward to next year.

The share market was fairly steady during the year under review. The total market value of the investments held by the Company as on 30th September 1960 was about 30 per cent. higher than the book value. No provision for taxes has been made as the provision already made will be sufficient to cover the income-tax payable.

Investments in ordinary shares amount to 92 per cent. of the total investment and preference shares and debentures amount to 8 per cent. and industry-wise, investments of the Company are 28 per cent. in textiles, 35 per cent. in plantations and 37 per cent. in banking, sugar, engineering and other shares.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	10,00,000	Investments	12,12,231
Reserves	2,61,027	Book debts	6,602
Provision for taxation	23,863	Cash	1,36,722
Liabilities	66,768		
Profit and loss account (surplus)	3,897		
Rs.	13,55,555	Rs.	13,55,555

Khardah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Anderson Wright Ltd. Calcutta) submit the audited accounts of the Company for the year ended 31st March 1960.

The revenue account after deduction of all working charges, shows a profit of Rs. 30,40,945 (Rs. 19,61,545) to which is added the amount brought forward from last year of Rs. 10,158 (Rs. 45,833) making a total of Rs. 30,51,103 (Rs. 25,40,753 including Rs. 5,33,375 transferred from general reserve). After providing for depreciation Rs. 5,99,308 (Rs. 5,51,222), for development rebate reserve Rs. 49,890 (Rs. 4,06,264) and for income-tax Rs. 10,80,000 (Rs. 4,39,109 including Rs. 47,000 for wealth tax) the amount available for disposal is Rs. 13,21,905 (Rs. 11,44,158). This amount the directors recommend should be dealt with as follows:—

In payment of dividends for the year ended 31st March 1960, subject to deduction of income-tax:—On preference shares at 6 per cent. per annum, absorbing Rs. 54,000 (Rs. 54,000), on ordinary shares at 20 per cent. per annum, absorbing Rs. 10,80,000 (Rs. 10,80,000). The directors further propose to transfer to preference dividend suspense account Rs. 13,500 (*nil*) and to general reserve Rs. 1,00,000 (*nil*) leaving a balance to be carried forward of Rs. 74,405 (Rs. 10,158).

The Preference Shares (Regulation of Dividends) Bill which seeks to adjust the unhappy situation created by the Finance Acts 1959 and 1960 in relation to dividend on preference shares is at present, before the Parliament. In view of the retrospective provisions of the proposed legislation, the directors have set apart Rs. 13,500 representing 25 per cent. of the year's preference dividend, which they may be called upon to declare as additional dividend to the preference shareholders if and when the Bill becomes law.

The profit for the year under review shows a substantial increase over the previous year. This was mainly due to judicious jute purchases and satisfactory working of the Mills.

With the approach of the new jute purchasing season, there was general apprehension of a smaller crop in this country. There was also delay in the issue of import licences for jute from Pakistan, where also the panic of an acute shortage of crop flared the prices up by nearly 30 per cent. in the course of a few days. In trying to ensure adequate supply of raw material for the Industry's needs, the Indian Jute Mills' Association agreed on a voluntary sealing of 5 per cent. of the looms from 17th October and a further 5 per cent. from 24th October 1960 bringing the total sealing up to 19 per cent.

Against this background there was hectic buying by the manufacturers, traders and speculators which pushed the prices of jute and jute goods to staggering heights. In order to curb speculative activities, the East India Jute and Hessian Exchange Ltd. banned trading in futures. They also enforced registration of transferable specific delivery contracts in raw jute and certain constructions of jute goods. At this stage the Government intervened to impose prohibitive margins and take other restrictive measures in respect of transactions in T. S. D. Contracts including transactions made before such imposition. The unprecedented steps taken by the Government would appear to indicate that they did not seriously consider the possibility of any shortage of raw jute. It is interesting to note, however, that in spite of the sharp rise, the prices of jute and jute goods in India are still cheapest in the world.

The directors fully share the Government's concern in this unfortunate crisis, and they are also of the opinion that any wild speculative fluctuation in prices of jute and jute goods is not only detrimental to the Industry but does a great damage to the export trade. They, however, feel that the measures adopted by the Government are more penal than corrective for the long term interest of the Industry. The consequences of any step which purports to impose retrospective effects on contracts and commitments already made by manufacturing Mills may leave a permanent scar on the Industry as a whole.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	63,00,000	Gross block	2,16,94,951
Reserves	23,62,520	*Less*—Depreciation	1,32,38,732
Preference dividend suspense account	13,500	Net block	84,56,219
Provision for taxation	10,86,095	Stock	98,50,726
Liabilities	1,36,67,908	Stores	15,86,947
Profit and loss account (surplus)	74,405	Book debts	29,59,472
		Investments	4,94,483
		Cash	1,56,581
Rs.	2,35,04,428	Rs.	2,35,04,428

Rajagiri Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey, Kerala State) present the audited accounts of the Company for the year ended 30th June 1960.

The total estimated crop for the year under report was 6,00,000 lbs. rubber from Rajagiri and 7,80,000 lbs. from Shaliacary (total 13,80,000 lbs.) to be produced at an average cost of 83 nP per lb. The actual crop harvested was 14,81,630 (14,34,881) lbs., viz., 6,45,400 lbs. on Rajagiri and 8,36,230 lbs. on Shaliacary at an average estate cost of 84 nP per lb. The average sale price realised remained unchanged at Re. 1.50 per lb.

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The directors after full consideration of the matter again, have declared preference dividend for the year 1959-60 at the rate of 6 per cent. subject to deduction of tax under Section 18(3)(*d*), as this is the only proper procedure. It is also pointed out that even according to the Bill now before the Lok Sabha in this connection, the additional payment for a Company with predominantly agricultural income like this Company, will be nominal and could be paid from available surplus, as and when the Bill is finally passed.

The net profit for the year after usual provisions amounted to Rs. 7,79,721 (Rs. 8,29,860). After providing Rs. 4,00,000 (Rs. 4,20,000) for taxation and after adjusting Rs. 1,35,600 (Rs. 1,35,600) towards the dividend of 6 per cent. on preference shares for the year and the 10 per cent. interim dividend of Rs. 1,35,000 (*nil*), there is a balance of Rs. 1,09,121 (Rs. 2,74,260). This together with the amount brought forward of Rs. 44,924 (Rs. 40,664) comes to Rs. 1,54,045 (Rs. 3,14,924) which the directors recommend be disposed of as under:—

To payment of a final dividend on equity shares of 10 (20) per cent. subject to deduction of tax, making 20 per cent. for the year absorbing Rs. 1,35,000 (Rs. 2,70,000) and to carry forward Rs. 19 045 (Rs. 44,924).

A total crop of 15,00,000 lbs. rubber—6,50,000 from Rajagiri and 8,50,000 lbs. from Shaliacary—is estimated to be harvested during 1960-61 season, at an average cost of 81 nP per lb. The capital expenditure is estimated to be Rs. 1,97,729.

In accordance with the provisions of the Companies Act, 1956, Messrs. A. V. Thomas & Co., Ltd., have been re-appointed managing agents of the Company for five years from 15th August 1960.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,10,000	Gross block	48,91,065
Reserves ...	8,37,644	*Less*—Depreciation ...	4,79,542
Provision for taxation ...	8,27,929		
Liabilities ...	6,86,438	Net block ...	44,11,523
		Work-in-progress ...	85,151
Profit and loss account (surplus) ...	19,045	Stock-in-trade	2,73,964
		Stores, etc. ...	78,535
		Book debts ...	83,779
		Cash ...	10,48,104
Rs.	59,81,056	Rs.	59,81,056

Jaipur Udyog Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1960.

The year's working subject to outgoing of interest etc., shows a surplus of Rs. 1,04,74,344 (Rs. 78,23,048) from out of this amount is deducted interest Rs. 27 34,805 (Rs. 26,08,750), write offs etc., Rs. 39,463 (Rs. 9,337), debenture issue expenses Rs. 1,20,098 (*nil*), depreciation Rs. 38,21,911 (Rs. 30.00 000) and development rebate reserve Rs. 17,07,000 (Rs. 22,00,000) leaving a balance of Rs. 20,51,067 (Rs. 4,961). With the balance brought forward from last year of Rs. 98,237 (Rs. 93,276) there is a total of Rs. 21.49,304 (Rs. 98,237). This amount the directors recommend for appropriation as under: To transfer to general reserve Rs. 3,55,000 (*nil*) and to payment of dividends to the shareholders of the Company as on 30th December 1960 as follows:—On 75,000 3 per cent. cumulative preference shares for the year 1958-59 Rs. 2.25,000; for the year 1959-60 Rs. 2,25,000 and on 20,00,000 ordinary shares of Rs. 10 each at 6 (*nil*) per cent. subject to tax for the year 1959-60 Rs. 12,00 000 (*nil*). This leaves a balance to be carried forward of Rs. 1,44,304 (Rs. 98,237).

In accordance with Section 18 (3F) of the Income-tax Act for ascertaining the quantum of tax to be deducted from dividend under Sub-Section (3D) of the said Section, the assessing Income-tax Officer has provisionally determined a sum of Rs. 8,41,488 as the exempted portion of the Company's profits in terms of Section 15C of the Indian Income-tax Act. In view of the same deduction of tax at source would be made to the extent of 10.62 nP per ordinary share leaving a cash dividend of 49.38 nP on ordinary shares payable by the Company to the resident shareholders. It is recommended that payment to shareholders be made upto the nearest naya paise, ignoring fraction thereon.

Cement and clinker production increased by nearly 2 lakh tons in the report year. With this improvement in production, the increase in profits would have been larger but for the higher cost particularly on account of substantial rise in the freight on limestone, the incidence of which is very high in the case of this Company. A breakdown in a *Turbine* affected production in the current year which would otherwise have been substantially higher than in the report year. A new *Turbine* of 4,200 kw. is being installed as a standby till the expected power supply from Chambal is available.

The Company has been experiencing acute difficulty about proper quality of coal. The position has deteriorated with the Government's revised grade-wise allocation of coal under which the grade and size of coal for cement industry has been considerably lowered. This creates difficulties in working and hampers production due to lower power generation on account of unsuitable quality of coal. This has also resulted in increased consumption of coal and consequent increase in production costs. The directors hope the Government and the Tariff Commission would take notice of this position.

The Central Wage Board for the Cement Industry while recommending substantial increase in wages with effect from 1st January 1960 came to the conclusion that the industry had no capacity to pay the higher wages recommended. The Government accepted the recommendations but gave specific assurance that they would correspondingly increase the ex-works price payable to cement producers covering the additional burden. Had not Government given this assurance it would not have been possible for your Company to implement the resolution of Government, which has caused substantial increase in wages both in the Works and in the Quarries. The liability on this account for January-March 1960 has not been provided in the accounts as the amount is to be compensated by the Government.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,75,00,000	Gross block	7,98,62,040
Debentures	50,000	*Less*—Depreciation ...	1,92,20 939
Reserves ...	49,62,184		
Provision for wealth tax	22,624	Net block ...	6,06,41,101
Liabilities ...	4,95,70,523	Work under construction	29,12,448
Profit and loss account (surplus)	1.44.304	Stock-in-trade	50,51,728
		Stores, etc ...	80 24,833
		Book debts ...	53,88,763
		Investments	59,616
		Cash ...	1,71,146
Rs.	8,22,49,635	Rs.	8,22,49,635

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

COMMERCE AND INDUSTRY

(*Concluded from page* 1110)

felling. Such wastages have assumed serious proportions in Kerala and Andamans. The matter is under consideration by the Wood Preservation Branch of the Forest Research Institute, Dehra Dun. The representative of the Institute stated that experiments were being carried on possible methods of improving the keeping quality of logs without driage and that it would take some time before final results would be known. Meanwhile no prophylactic treatment is being given to ply logs nor are their butt ends painted with the result that considerable wastages occur. As stated earlier, there is general shortage of timber in the country and the plywood industry in Calcutta is suffering from acute and chronic shortages of its raw material. In the circumstances, some interim measures should be taken promptly to prevent wastages due to heart rot, fungus attacks, etc., pending the formulation of long-term measures by the Forest Research Institute. We not only reiterate our earlier recommendation that satisfactory arrangement for prompt prophylactic treatment of timber after felling should be made in all cases where there is an interval between the felling of logs and their delivery to the mill site, but also urge that, until the Forest Research Institute announces the results of its investigations in this behalf, the Andaman and the Kerala Forest Departments should at least apply bituminous paint to the butt ends to prevent heart rot, etc.

"The representatives of the State Governments explained that adequate steps were being taken to ensure that regeneration takes place at the same rate as the felling of timber. But a contrary view was expressed by representatives of the industry who stated that, since contracts for the working of coupes are granted to contractors who have no interest in the long-term development of forests, considerable denudation is taking place and the State Governments working plans for regeneration of forests do not take account of the need for making good such accelerated wastages. Nor is any effort made towards artificial regeneration of industrial species of timber. They urged that areas which have potentialities as sources for the supply of species of timber suitable for plywood manufacture should be conserved for the ultimate requirements of the industry more particularly in areas which are in the operational zones of existing units or of units which have been licensed. They also urged that where long-term leases have been given by the Forest Department the lessees should be compelled by suitable amendment of their leases to do replanting on a scale approved by the Forest Department. We commend these suggestions for careful consideration by the State Governments concerned."

The price of plywoods for tea-chests compare somewhat satisfactorily with that of the imported product. Plywoods for tea-chest need an import duty of only 7 per cent. to equate the ex-duty landed cost of imported product with the fair ex-works price of indigenous product. Consequently, the Commission is of the view that, *prima facie*, the quantum of protection needed by plywood for tea-chests is nominal. Even if allowance is made for the higher cost of timber in respect of Calcutta units, the quantum of disadvantage, according to the Commission, will not exceed 14 per cent. In this connection, the Commission has stated that there is already a tendency for shifting units engaged in the manufacture of such plywood from North Bengal and Calcutta to Assam in order to take advantage of timber availability and proximity to tea gardens.

The quantum of disadvantage suffered by the commercial plywood industry is 32.28 per cent. *ad valorem*. But the Commission has pointed out that protection to commercial plywood sector has all along been given as incidental to that granted to plywood for tea-chests. According to the Commission, what the industry badly needs at present is not tariff protection but abundant and regular supplies of good plywood logs and additional equipments for making the best use of corner-pieces of wood, broken veneers, etc., which are being wasted at present as fuel.

Notices

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(*Incorporated in England*)

NOTICE IS HEREBY GIVEN THAT THE Preference Share Transfer Books will be closed from the 17th to the 31st December, 1960 (both days inclusive), for the preparation of Dividend Warrants in respect of the Final Dividend of 2½ per cent. less Income-tax payable on the 31st December, 1960, on account of the profits for the year ending 31st December, 1960.

By Order of the Board,
R. W. TURNBULL,
Agent.

P4, Mission Row Extension,
Calcutta-1.
Dated 8th December, 1960.

TATA LOCOMOTIVE AND ENGINEERING COMPANY

TENDERS ARE INVITED FOR THE purchase of used Machine Tools, Plant and Transport, Covmac Forging Machine, Cold Flanging Press, Sawing Machine, Hollow Block Making Machines, Fiat Car and Spares for chase side Shovels and Mechanical Sweeper Collector.

Copies of tender with details can be had from the Stores Controller, Telco Ltd., Jamshedpur 4, on request.

Last date of submission of Tender: 17th January 1961 at 2-30 p.m.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(*Incorporated in India*)

THE BOARD OF DIRECTORS HAVE sanctioned payment of an interim dividend of 4 per cent. on the Ordinary shares for the year ending 31st December, 1960, subject to deduction of income-tax. The dividend will be paid to those members whose names are on the Company's Register as on 5th January 1961, or their Mandatees.

The transfer books of the Company will remain closed from 30th December, 1960 to 5th January, 1961, inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE) LTD.,
Managing Agents.

Alleppey, *8th December*, 1960.

BURN AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of dividends on the 6 per cent. and 7 per cent. Cumulative Preference Shares in the Company for the half-year ending 31st December, 1960. Payment will be made on or after the 10th January, 1961, to those Preference Shareholders whose names appear on the Company's respective Preference Registers on the 30th December, 1960, or to their mandatees.

The Preference Share Registers and Transfer Books of the Company will be closed from the 24th December to the 30th December, 1960, both days inclusive.

By Order of the Board,
Martin Burn Ltd.,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, Mission Row,
Calcutta, *12th December*, 1960.

STRINGENCY IN MONEY

(*From Our Own Correspondent*)

Bombay, *14th December*

Keen stringency has come to prevail in the short-term money market. The pressure of seasonal demand for funds is quite acute and some banks have found it necessary to borrow from the Reserve Bank even at penal Bank rates. The inter-bank day-to-day call money rate has advanced from 4 per cent. to 4½ per cent. per annum and it may soon touch even 5 per cent. There is no other indicator to reflect the prevailing scarcity of floating funds in the market, as the short-term deposit rates are all pegged under inter-bank agreement.

The sale of 91-day Treasury Bills through weekly tenders evoked applications amounting to Rs. 2.25 crores, as against Rs. 2.40 crores in the past week, the amount invited remaining unchanged at Rs. 2 crores. The average rate of accepted tenders was a little higher at 2.548 per cent. per annum, as compared with 2.540 per cent. per annum last week. There was no response for intermediate Treasury Bills which had fetched Rs. 70 lakhs in the past week. These features of Treasury Bill results are in consonance with the prevailing tight money conditions.

The strong seasonal demand for money is borne out by an increase of Rs. 34.61 crores in notes in circulation disclosed by the Reserve Bank's statement for the week ended 9th December 1960. Since there has been a contraction of Rs. 11.83 crores in notes held in the Banking Department, the total notes issued have gone up by only Rs. 22.78 crores. For the first time since the week ended 12th August 1960, foreign securities in the Issue Department have gone up by Rs. 5 crores to Rs. 128 crores. This increase has been effected by drawing down the balances held abroad by Rs. 4.14 crores. It may be recalled that last week this item had staged a rise of Rs. 11.79 crores. The net change in foreign assets over the week is a rise of Rs. 86 lakhs, the total thereof being Rs. 152.62 crores. Deposits of the Central Government have gone down by Rs. 9.88 crores to Rs. 50.83 crores, but those of other Governments have gone up by Rs. 1.53 crores. Deposits of banks have also risen by Rs. 3.44 crores to stand at Rs. 93.22 crores. Loans and advances to Governments have risen by Rs. 4.82 crores and so also other loans and advances by Rs. 3.47 crores. There has been a slight fall of Rs. 7 lakhs in advances to Scheduled banks against usance bills.

The statement of affairs of Scheduled banks for the week ended 2nd December 1960 discloses a contraction of Rs. 5.41 crores in total deposits, of which Rs. 4.96 crores are the share of time deposits. There has been a fall of Rs. 2.50 crores in inter-bank borrowings, but borrowings from the Reserve Bank show a rise of Rs. 7.78 crores to Rs. 20.07 crores. There is no significant change in borrowings from the State Bank. Advances and bills purchased, which together constitute bank credit, have increased by Rs. 13.50 crores. While investments are a shade higher by Rs. 1.24 crores, total cash and money at call have declined by Rs. 5.60 crores and Rs. 2.29 crores, respectively.

The statement of the State Bank of India for the aforesaid week (2nd December 1960) shows hardly any change in deposits. Advances are higher by Rs. 5.97 crores and so also investments by Rs. 1.98 crores. These increases have been met by reducing cash to the tune of Rs. 7.72 crores.

With the short-term money market getting tight as mentioned above, there is some selling pressure in the gilt-edged market, but there has been no noteworthy decline in values. On comparing the list of prices of Central Government loans as of today with that a week ago, one finds that there is a fall of 5 nP in 3½ per cent. 1964 and 3½ per cent. 1961. 3 per cent. 1963-65 shows a loss of 10 nP. Only the 3 per cent. Conversion loan is fractionally higher at Rs. 74.05. Among the State loans, a slight rise of 5 nP is noted in the 4½ per cent. issues of Maharashtra, West Bengal, Madras and U.P. This is probably due to buying for provident funds. There is no change in the Reserve Bank's open market policy; nor is the L.I.C. known to have bought any sizable parcels of securities this week.

In the foreign exchange market, there has been a slight weakening of the rupee in terms of U.S. dollar. The banks' selling rate in ready T.T. has been revised upwards from Rs. 476.50 to Rs. 477 per 100 dollars. There buying rate for ready T.T. is also higher by 25 nP at Rs. 473.50. These variations merely reflect the slight decline in the sterling dollar rate. In the New York market, the value of spot sterling has declined over the week from 280.990-281.020 to 280.680-280.710 cents per £. There has been a perceptible fall in three months forward, the closing rate at 280.030-280.060 cents per £ showing a loss of 0.2 cent.

TIN AND ZINC RISE

(*From Our Own Correspondent*)

Calcutta, *13th December*

Mainly due to shortage of supplies, tin and electrolytic zinc recorded a small addition during the week under review. Advices from foreign markets were also firm. On the London Metal Exchange, electrolytic copper opened at £233¾ a ton and hardened to £234½, but closed at £233 on account of profit-taking. 'Berry' quality scrap was firm here at Rs. 212 a cwt., as also utensil scrap at Rs. 200 a cwt. Both these were difficult to be located. Virgin metal, however, was available against permits. Electrolytic zinc opened at Rs. 162.50 and closed higher on balance at Rs. 163, after touching Rs. 164.50 earlier in the week. The metal was in good demand and offerings were limited. In London, the price closed lower at £85½ a ton, as against the opening of £86½. Tin opened here at Rs. 570 and closed higher at Rs. 576. Demand on London was poor, but the price was earlier steady at £799, thanks to the good statistical position of the metal. The closing rate stood at £797. Lead was quoted here at Rs. 63 a cwt. Good offtake was reported, but this did not affect the comfortable supply position.

BULLION EASY AGAIN

(*From Our Own Correspondent*)

Bombay, *14th December*

This week's review of the bullion market covers only three sessions, since the market was unofficially closed for three days (Saturday, Monday and Tuesday), with operators refraining from transacting any business as a mark of protest against the Forward Contracts (Regulation) Amendment Bill passed by the Lok Sabha on Friday the 9th inst. The Bill, it may be noted here, seeks to empower the Central Government and the Forward Markets Commission to impose conditions regarding the transferability of specific delivery contracts, prescribes a minimum penalty of a fine of Rs. 1,000 for any offence under the Act, provides for compulsory sentence of imprisonment for a second or a subsequent offence of a serious nature, and gives powers to suspend members from a recognised association. It also enables a recognised association to declare as illegal certain kinds of transactions entered into in contravention of its by-laws such as kerb trading.

During the three days on which the bullion market was open (Thursday, Friday and today), a distinctly easy trend was in evidence, thanks to liquidation by certain interests and poor enquiries. There were also reports suggesting heavy arrivals. Consequently, both gold and silver suffered a setback. The actual total arrivals on the two days were 18,000 tolas of gold and 26 bars of silver, while the offtake was of the order of 7,000 tolas and 14 bars, respectively. The floating stocks of gold in the city are estimated at 100,000 tolas and those of silver are reported to be around 700 bars.

Gold weighing 52,220 tolas valued at Rs. 68,53,330 approximately was seized as smuggled by the Customs, Land Customs and Central Excise Authorities during the period 1st August to 31st October 1960. This information was given by the Union Finance Minister in the Rajya Sabha on the 8th inst.

In a written reply to a question in the Rajya Sabha on the 6th inst. whether the Government was negotiating with the Government of Mysore for taking over the Kolar Gold Mines and, if so, what progress had been made in this respect, the Finance Minister said that the question was still under consideration and that it was difficult at this stage to indicate precisely when a final decision would be taken. The Minister stated that gold-bearing ore was now extracted from three mines in the Kolar District, namely, Mysore, Champion and Nundydroog. The average annual extraction of gold from these mines was 156,388 ounces. After allowing for interest at 5 per cent. of the estimated capital outlay, the State Government had obtained a profit of Rs. 27.49 lakhs from these mines during the period 29th November 1956 to 31st March 1960.

In the gold section, *Poush* (January) settlement moved down from Rs. 115.65 to Rs. 114.70 (nominal) on the 10th inst. and, after recovering to Rs. 115 today, finished lower at Rs. 114.90. The net loss over the week was 75 nP.

Ready gold continued to be quoted at a discount under the forward, though the actual discount declined from Re. 1.15 on Wednesday last week to 70 nP today. The closing rate for the metal was Rs. 114.20, as against Rs. 114.50, the highest and lowest levels touched being Rs. 114.40 and Rs. 113.50, respectively.

The *Poush* settlement in silver encountered selling and receded from Rs. 196.80 to Rs. 195.95 today. Ready silver began the week at Rs. 195.15, as against the previous close of Rs. 195, and drifted lower to touch Rs. 194 today. Towards the close, it was a shade better at Rs. 194.15. The discount under the forward was Re. 1.80, same as a week ago.

The world price for gold in the London bullion market, which had declined from $35.60-$35.80 to $35.40-$35.55 last week, recovered slightly during the week under review, the latest available quotation being $35.64. Ready gold advanced from 252*s.* 6*d.* to 254*s.* yesterday, owing to the easiness of the pound sterling *vis-a-vis* the dollar. Ready and forward silver, however, continued unchanged at 79½*d.*, as also silver in New York at 91.375 cents.

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

	14-12-60 (closing)	High	Low	7-12-60 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	114.20	114.40	113.50	114.50
Forward:				
*Poush**	114.90	115.70	114.80	115.65
Sovereign	90.00	—	—	90.00
SILVER				
Ready (.996 fine)	194.15	195.60	194.00	195.00
Forward:				
Poush†	195.95 13-12-60	197.40	195.80	196.80 6-12-60
London				
Silver Ready	79½*d.*	—	—	79½*d.*
Silver Forward	79½*d.*	—	—	79½*d.*
Gold	254*s.*	254*s.*	252*s.* 7*d.*	252*s.* 6*d.*
New York				
Silver	91.375 cents	—	—	91.375 cents

* 2nd January settlement. † 3rd January settlement.
N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES ADVANCE

(*From Our Own Correspondent*)

Bombay, *14th December*

The cotton futures market had, as was the case with other main commodity markets in the City, a short week of only three trading days. Though the market was officially open on all days, traders did not transact business for three days, namely, Saturday, Monday and Tuesday, as a protest against the Forward Contracts (Regulation) Amendment Bill, approved by the Lok Sabha on Friday, which, they said, conferred arbitrary powers on the Forward Markets Commission. The Board of East India Cotton Association, at its meeting held yesterday, decided to depute its President, Mr. Madanmohan R. Ruia and Mr. Ramdas Kiachand, to represent to the Government its views on certain provisions of the Bill.

The market ruled distinctly firm on the first two days of the week prior to the observance of the *hartal*. This was due to fresh buying induced by the announcement, late on Thursday, of the long-awaited export quota for 50,000 bales of Bengal *Deshi* of "superfine and above" and renewed rumours (which have not so far proved correct) of the possibility of immediate release of the second instalment of Indian cotton quota to mills. The Jarilla April Contract, which commenced the week on a subdued note, firmed up from Rs. 594.50 (per three quintals) to Rs. 603 on Friday. When futures trading was resumed today, the Contract attracted short covering and speculative buying touched off by reports of reduced arrivals of new crop in upcountry markets and the consequent hardening of ready prices both in the spot and terminal markets. From the opening level of Rs. 602, the Jarilla April Contract rallied to Rs. 609.25 today before finishing the session fractionally lower at Rs. 609. The net gain over the week is Rs. 14.

Demand for ready cotton was well maintained. Berar and Khandesh were favourites and mills from all regions showed keen interest in them. Staple varieties such as Co2, 0394, L.147 also attracted attention. Although demand was good mills showed reluctance to pay high prices for long staples presumably because they were expecting to get deliveries of U.S. cotton shortly which, if utilised soon, would reduce carrying costs.

Spinners showed little interest in foreign growths except perhaps East African cotton which attracted some needy mills. The general tendency was to defer purchases till East African prices, which had gone up of late, thanks to Chinese demand, come down.

Exporters have welcomed the export quota of 50,000 bales of Bengal *Deshi*. But they are disappointed that the quantity had fallen short of expectations. Business already concluded, subject to licence, is said to be in excess of this quantity. A part of it will, therefore, have to be cancelled. There is also another reason for them to worry. This is the stipulation, which is an entirely novel feature of this year's quota, that every intending exporter shall have sold and delivered to a cotton textile mill or a factory manufacturing absorbent cotton, a quantity equal to that proposed to be exported. Shippers feel that this restriction will hamper exports. For an exporter, who is a specialist in his line, is now forced to assume the role of a supplier of cotton to mills. The object of this restriction presumably is to enable mills to get their requirements of Bengal *Deshi* at the controlled price. But the unnecessary saddling of shippers with additional burdens, which this stipulation involves, is cited as evidence of the Government's indifference to the interest or convenience of the trade.

They are, however, happy that export licences will be issued this time on the basis of shipping bills instead of registration of sales as previously. This, it is said, will do away with false registrations of sales and encourage only genuine business.

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

CO2 1,250-1,270 according to type; Khamagaon 901; Berar 27/32" December delivery 855; B.P. 52 1,353; B.P. (U.N.U.G.) 1,370.

The Karachi cotton futures market ruled firm during the week under review. Good domestic mill buying and renewed export demand by Japan and Continental countries resulted in hardening of prices. N.T.R.G. January met with good support and rose from Rs. 68-15 last week-end to Rs. 75-2. The March position too came in for active trading. Its quotation improved from Rs. 68-12 to Rs. 73-4. The rise in price of both the Contracts would have been more but for the restraining influence of new crop arrivals which are gathering momentum.

The spot section too reported livelier trading. *Deshi* prices were particularly firm, thanks to good foreign demand. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 103; Punjab *Deshi* 4F Punjab Roller 86-1; S.G. 91-11; N.T. Roller 87-11; S.G. 93-11; 289F Punjab Roller 94-3; S.G. 98-11.

Listless conditions prevailed in the Alexandria cotton futures market during the week. Turnover was small and price fluctuations narrow. Operators were marking time. A revival of demand from foreign buyers was anticipated. The dullness of the spot section affected sentiment in the futures market. Both the long-staple Karnak and medium-staple Ashmouni Contracts declined in slow dealings. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: January 71.30; March 72.95; May 73.60.

Ashmouni: December 61.85; February 62.62; April 63.20.

The Ministry of Agriculture, in its second estimate, has put the 1960-61 cotton crop at 10,672,000

cantars as against the October estimate of 10,735,000 cantars and last year's production of 9,964,600 cantars.

The staple length-wise break-down is as under:

(In thousand cantars)

Over 1⅜″	5,009
Over 1¼″	2,451
Over 1⅛″	3,026
Total	10,486
Scarto	186
Grand total ...	10,672

Cotton futures values in Liverpool receded during the week. The higher U.S. crop forecast by the Department of Agriculture and the slow offtake in the spot market induced selling. However, occasional short-covering by local traders and some Commission House buying based on expectations of a revival of spinner demand lent support to a declining market. Sudan cotton contracts at Liverpool too eased, thanks to selling. The latest available quotations—in pence per lb.—are as under, the figures in brackets being the last week's closing rates:

American cotton one inch staple contract: December 22.70 (22.75); March 23.00 (23.00).

Sudan: January, March, May 35.25 (35.75).

An important development of the week in the New York cotton futures was the publication by the Department of Agriculture, on the 8th inst., of the final estimate of the 1960-61 U.S. crop. The Department put production at 14.31 million bales, as against 14.29 million bales a month ago and last season's output of 14.55 million bales. The yield per acre was estimated at 448 lbs., 6 lbs. higher than the previous estimate, but 14 lbs. below the 1959-60 yield.

Cotton futures in New York declined on the publication of the crop report as the estimate was above trade expectations. It, however, recovered, thanks to lack of offerings and Commission House support prompted by the good offtake of ready cotton by domestic mills and export demand. Net change in futures prices over the week was negligible.

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

(In cents per lb.)

	13-12-60	5-12-60	29-11-60
Spot	32.25	32.30	32.30
December	—	31.62	31.31
March	32.40	32.32	32.03
May	32.85	32.72	32.47

BLACK PEPPER SUBDUED

(Messrs. Parekh and Co.)

BOMBAY, 14*th December*

Malabar black pepper ruled subdued with undertone unhealthy during the week, in view of poor foreign demand and under pressure of new arrivals at important terminal centres such as Cochin and Alleppey. Daily arrivals there averaged more than 300 candies and those at Calicut are at present in the neighbourhood of 50 candies and are likely to increase from January. The present downward trend is not likely to be checked unless there is continuous support from exporters. In the beginning of the season, no exporter can lend support unless there are advance sales or he sells only at buyers' price.

New York, after buying a sizable quantity at every decline from $0.45 to $0.42, has revised its buying limit down to $0.40. At this price, too, the U.S. dealers do not seem to evince as good an interest as was earlier expected. Their indication is now $0.39. If the present buying policy of New York is any criterion, it seems that most of the dealers have adopted a policy of hand-to-mouth buying, which does not augur well, particularly at a time when there is pressure of crop movements. Marketmen attribute this to the present surplus position of pepper in the world market. Small merchants in the villages who collect pepper from growers in the interior seem to be resisting to sell below Rs. 1,000, as they lose in most of their purchases when brought down the next day for sales to exporters at the primary markets, since the market is declining. It remains to be seen whether such resistance can be maintained when there will be competition in selling from Tellicherry area early in January.

The market in Singapore seems to have lost former activities, as the big speculators are inactive. White lost during the fortnight to Str. $171/2, and black to Str. $71/2. There appears more selling pressure on London market, the prices having established a new low level of 53¾d. and 35½d. for white and black, respectively.

Indonesia is at present maintaining its check prices at higher levels. As such, no sizable export for Singapore is reported. One of the analysts terms such an attitude of the Indonesian export authorities as dangerous, because no one knows when the check prices for export will be revised downward, as, at present, the export is impossible on the basis of current check prices which are mostly based on the quotations supplied by the news agencies which have proved in many cases unreliable.

The future of the market is uncertain and there is likelihood of the market going down still further, though slowly, unless there are some speculative manœuvres or some aggressive buyings from the consuming countries like the U.S.A. and Russia.

The U.S.S.R. and other East European countries are at present out of the market, their indication being lower than the sellers' idea. Everybody is awaiting a new development, as market is lacking in incentive. Knowledgeable source estimate the new crop. Malabar black at 25,000 tons.

Ungarbled at Alleppey was down from Rs. 390 to Rs. 345 per quintal. Garbled at Cochin moved down from Rs. 399 to Rs. 355, while, in December delivery, the highest and the lowest were Rs. 413 and Rs. 362 per quintal, respectively. January moved down from Rs. 419 to Rs. 372. Calicut sold at Rs. 345, the highest being Rs. 400. The present nominal quotation for Calicut pepper is Rs. 350.

Ready pepper in Bombay is nominally quoted at Rs. 195 per 50 kilos.

BEMBERG YARN SHOOTS UP

(From Our Own Correspondent)

BOMBAY, 14*th December*

Cupressa bemberg yarn (60 x 2) scaled dizzy heights during the week under review, thanks to manipulations by certain bull operators who tried to corner supplies on fears of a marked depletion of floating stocks. The fears stemmed from the continued restrictions on imports. Imported art silk yarns, however, ruled dull, the general tendency of prices being downward. Staple fibre yarns were listless, as there was no fresh encouraging development. Consuming centres were making purchases only on a hand-to-mouth basis and values moved narrowly. Cotton yarns ruled easy, due to expectations of an improvement in supply position following higher output in mills as a result of encouraging raw cotton supplies to mills.

Imports of art silk yarn into Bombay Port during the month of November 1960 amounted to 1,376,528 kilograms. In the same month, 64,075 kilograms of staple fibre yarn and 8,523 kilograms of cotton yarn were also imported. Exports of cotton yarn from Bombay Port aggregated 362,579 kilograms and those of cotton sewing thread were of the order of 23,990 kilograms.

Cupressa bemberg yarn (60 x 2) December delivery forged ahead from Rs. 2,192 to Rs. 2,335. February delivery climbed up from Rs. 2,146 to Rs. 2,245. Spot Cupressa spurted by Rs. 13.19 to Rs. 2,217.81. Among imported art silk yarn, 120 Japan declined from Rs. 1,309.50 to Rs. 1,294.12 and 120 Italy from Rs. 1,225.75 to Rs. 1,212.50. 150 Japan was neglected at Rs. 1,543.25, as also 150 Japan at Rs. 1,530. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade lost 2 nP to Rs. 11.11, while 120 Bt. cones 1st grade gathered 13 nP to Rs. 11.97.

Staple fibre yarn (40 x 2) December settlement came in for selling and dropped Rs. 5 to Rs. 786. But February settlement gained a rupee to Rs. 793. Spot Citys and Centurys were quiet at Rs. 9.22 and Rs. 9.42, respectively, while Kohinoors met with special support and improved by 11 nP to Rs. 9.48.

In the cotton yarn section, ten counts Moderns were dull at Rs. 19. But Podars put on 12 nP to Rs. 18. Twenty counts Moderns shed 6 nP to Rs. 23.50. Gokaks were done at Rs. 23.12, same as last week. Forty counts Maduras receded by 12 nP to Rs. 32. Minaxis lost a like amount to Rs. 31.12. Sixty counts Finlays changed hands at Rs. 59.59, same as last week. Radhakrishnas fell by 50 nP to Rs. 41.50. Eighty counts Moderns retreated from Rs. 70.70 to Rs. 70. Finlays and Mahendras were dull, the former at Rs. 79.79 and the latter at Rs. 69.69.

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

	14-12-1960	7-12-1960
	Rs.	Rs.
Art silk yarn—		
60/1 Cupressa Bemberg (100 kg.) December	2,335.00	2,192.00
February	2,245.00	2,146.00
60/1 Cupressa Bemberg spot	2,217.81	2,204.62
120 Japan (per 100 kg.)	1,294.12	1,309.50
150 Japan (per 100 kg.)	1,543.25	1,543.25
120 Italy (per 100 kg.)	1,212.50	1,225.75
150 Italy (per 100 kg.)	1,530.00	1,530.00
Staple fibre yarn—		
40 x 2 December (per 90.72 kg.)	781.00	786.00
40 x 2 February	792.00	793.00
40 x 2 Century (per kg.)	9.42	9.42
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	18.12	18.00
20s Gokak	23.12	23.12
40s Madura	32.00	32.12
60s Finlay	59.59	59.59
80s Modern	70.00	70.70

SEEDS RALLY

(From Our Own Correspondent)

BOMBAY, 14*th December*

Firm conditions prevailed in the oilseeds market during the week under review. The firmness was engendered by hectic purchases by buils who ignored all official warnings against speculation in commodity exchanges. Traders appear to have been concerned over the adoption of the Forward Contracts (Regulation) Amendment Bill by the Lok Sabha. As a mark of protest, they abstained from transacting business on Monday as well as yesterday. At its meeting today, the Board of the Exchange was understood to have decided to make a strong representation to the Central Government to reconsider the new amendments.

Yet another step has been taken by the authorities to control the trend of trading in the oilseeds market. By a notification issued yesterday under Section 12 of the Forwards Contracts (Regulation) Act 1952, the Central Government has amended the by-laws of the associations recognised in respect of groundnut, groundnut oil, rapeseed and mustard seed so as to provide for powers being taken by the Board of Directors of the Associations and the Forward Markets Commission to take the following steps when they consider it expedient to do so: (*a*) to fix limits on the volume of trading and on the total open position controlled by members, (*b*) to withhold outward payment of clearing dues to members for a specified period; and (*c*) to make the maximum or the minimum price when fixed to be applicable to the rate for settlement of contracts on the due date.

Despite these measures, the rising trend of prices persisted, thanks to two other developments in the sphere of exports of groundnut oil and H.P.S. kernel. One, the import policy for spices, such as betelnuts and cloves (discussed elsewhere in this issue) announced this week, seeks to link their imports with exports of groundnut oil. Shippers are, of course, much perturbed over this scheme and urged the Government to revise the policy in such a way as to give incentives to groundnut oil exporters. Two, the Government has released quota of 20,000 tons of H.P.S. groundnut kernels for export by all shippers against registration of contract in the form of cable offer and cable acceptance during the year 1961. The traders welcomed this measure. It may however, be noted that a substantial part of the quota already released still remains unutilised.

The groundnut section was distinctly cheerful mainly on account of the above-mentioned developments relating to export trade. There were larger arrivals, but they were well absorbed. *Vanaspati* manufacturers and crushers extended good support. Groundnut February 1961 contract which had wound up last week at Rs. 210.62, picked up strength and touched Rs. 212.12 today. Khandesh quality rose by 75 nP to Rs. 42.75. Oil ex-mill put on 30 nP to Rs. 18.80 today.

Castorseeds, too, moved up on sizable buli buying. Although the U.S. continued to be absent from the Indian market for castor oil, there were enquiries from the U.K. and some countries of the Communist bloc. Castorseed May 1961 contract spurted from Rs. 178.62 to Rs. 181.50. Ready Madras scored a gain by 88 nP to Rs. 35. Oil B.S.S. and Commercial were higher by 30 nP each at Rs. 15.50 and Rs. 14.60, respectively.

In sympathy with other major oilseeds, linseed put on a cheerful appearance. May 1961 contract closed higher at Rs. 34.31 today, as against Rs. 33.82. Bold ready hardened by 50 nP to Rs. 34.25. Linseed oil rose from Rs. 14.90 to Rs. 15.05.

Similarly, cottonseeds displayed a distinctly steady trend. February 1961 contract strengthened Rs. 3.25 to Rs. 93. In the spot section, Berars, whites and non-whites, all improved by 19 nP to Rs. 19.75.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	14-12-1960	7-12-1960	30-11-1960
Groundnut			
	Rs.	Rs.	Rs.
February 1961	212.12	210.62	208.50
Nizam bold	42.00	42.00	42.00
Coromandel ready	42.75	43.00	43.00
Khandesh quality	43.50	43.00	43.25
Oil ex-mill ready*	18.80	18.50	18.75
Railway receipts*	18.65	18.30	18.35
Castorseed			
May 1961	181.50	178.62	178.50
Ready Madras	35.00	34.12	34.75
Ready Kanpur	33.87	33.25	33.75
Oil B.S.S.†	15.50	15.20	15.10
Oil commercial†	14.60	14.30	14.20
Linseed			
May 1961	34.31	33.81	33.69
Bold ready	34.25	33.75	33.87
Oil ready†	15.05	14.90	14.80
Cottonseed			
February 1961	93.00	89.75	88.25
Niger seed	35.75	36.25	36.25
Kardi seed	24.00	24.00	24.00

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

TEAS IN GOOD DEMAND

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

COCHIN, 6*th December*

Sale No. 47:—A smaller quantity aggregating 460,000 kilograms was offered in Sale No. 47 held on Tuesday, 6th December 1960. Although a few brighter invoices were seen from the Nilgiris, quality generally continued to show a decline. There was a good demand with an irregular and slightly easier tendency in evidence. Highgrown brokens were irregular and generally lower with the exception of a few which realised enhanced prices following improved quality. Their fannings were lower and a weak feature, often proving difficult of sale. Good medium and medium brokens came in for fair support at irregularly lower rates. Their fannings generally declined 20 nP to 30 nP per kilo. Plain and low medium brokens were barely steady but similar fannings often ruled dearer. C.T.C. and legg-cut type teas sold well at last rates. Whole leaf grades came to a firm market. Black leaf teas ruled much easier.

	1960	1959
	Rs.	Rs.
Low medium	4.60-4.95	4.52-4.74
Medium	4.95-5.25	4.74-4.96
Good medium	5.25-5.60	4.96-5.29
Quality	5.60-8.30	5.51-9.04

The average price realised in Sale No. 47 was Rs. 5.14 per kilo as against Rs. 5.28 in the previous sale and Rs. 5.14 in the corresponding sale last year.

Dust Sale 'SS':—Offerings in Sale 'SS' amounted to 212,000 kilograms. A useful selection of dust was on offer. The market opened to a strong demand which continued throughout the sale. Plainer, medium and good mediums came to a strong enquiry and sold at full firm rates. Highgrowns met with good support at slightly easier rates than last. C.T.C. and legg-cut types sold well but tended a little easier.

The average price realised in Sale 'SS' was Rs. 4.83 per kilo as compared with Rs. 4.85 in the previous sale and Rs. 4.25 in the corresponding sale last year.

Export Quota:—There are sellers at ¼ nP per kilo.

Colombo:—Just under 5¼ million lbs. were offered and met with a strong general demand but at rates which were lower following quality. Highgrowns and plainest descriptions were 5 cents easier. More interest was shown in fannings grades.

London: North Indian and other growths:—In Monday's sale, there was a stronger and more general demand and where prices showed any change, they were firm to dearer. Plain broken pekoe remains at 3/9*d.*

Ceylon and South Indians:—On Tuesday 24,374 packages were offered and of this quantity 7,115 packages came from South India. There was a good general demand. Lowgrowns and low mediums were in keen demand and were much dearer. The best liquoring teas met better support than last week at firm rates.

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

"*Sale No.* 48:—660,000 kilograms. Less general demand. Plain and low medium barely steady. Medium and good medium 20 nP to 30 nP easier. Best liquoring very irregular and considerably easier."

EXPORT TEAS IRREGULAR

(From Our Own Correspondent)

CALCUTTA, 13*th December*

Fair demand for tea was noted at the export auctions held yesterday. During the week, more tea was shipped to the United Kingdom. In November, the North Indian production amounted to 54.06 million lbs., representing a small fall of 740,000 lbs. as compared with November 1959. In the first eleven months of this year, production amounted to 513.36 million lbs. or less by 34.56 million lbs. It is also interesting to compare shipment figures. Shipments so far have been only 182.81 million lbs, representing a decline of 30.27 million lbs. as compared with the corresponding figure for the last season. This shortfall is commensurate with the fall in production.

Yesterday's offerings aggregated 73,604 packages. The trend was irregular, and a decline in prices was recorded in a few categories. Prices of medium B.O.Ps and O.Fs declined by 10 to 20 nP, and medium B.Ps and fannings by 5 nP. Legg-cut Dooars were firm at about last rates as were teas for price and plain brokens, some of the cleaner types scoring to higher rates. Good support was accorded to a few selected lines of the very best C.T.Cs and their prices rose. However, the balance of this category sagged by 20 to 40 nP, and the poorer and the more fibrous varieties were difficult to sell. Tippy teas in line with the general market trend eased, although the offerings were only limited. Among Darjeelings, the brighter lots received more inquiries, but the rest, composed of the poorer types, eased. The quotations per 1 kg. (inclusive of excise duty) were: best Assam C.T.C. fannings Rs. 5.80 to Rs. 6.30; best Assam C.T.C. B.P. Rs. 5.50 to Rs. 5.90; clean black pekoe Rs. 5.30 to Rs. 5.45; best Assam C.T.C. B.P. Rs. 5.50 to Rs. 5.90; medium fannings Rs. 4.90 to Rs. 5.20; plain fannings Rs. 4.80 to Rs. 4.95; medium B.P. Rs. 4.70 to Rs. 4.90; and plain B.P Rs. 4.50 to Rs. 4.65.

At the internal sales held on Wednesday last, offerings of dusts amounted to 23,900 chests. Prices eased and there was a good general demand. C.T.Cs including the best teas declined by 15 nP, and orthodox teas by 10 to 15 nP. The quotations per 1 kg. (inclusive of excise duty) were: best Assam C.T.C. dust Rs. 6.00 to Rs. 6.30 (nominal); medium Assam C.T.C. dust Rs. 5.50 to 5.65; medium Assam dust Rs. 4.75 to Rs. 5.00; and medium Dooars Rs. 4.60 to Rs. 4.90. Leaf on offer amounting to 557 chests met with a strong market.

RAW JUTE DECLINES

(From Our Own Correspondent)

CALCUTTA, 13*th December*

A small fall in the prices of fibre on limited interest shown by mills was the feature in the jute markets during the week under review. Prices of goods also declined, as interest shown by foreign buyers continued to be poor, and as a result of which shipping space for most destinations was freely available. During the week, a reduction in the freight on gunnies for East African ports was announced by the Bank Line Ltd. Yet another factor which led to pushing down prices of goods was the announcement of figures relating to goods in stock with mills at the end of November. For, despite decreased production the total of stocks at 82,100 tons increased by 3,700 tons. At 43,100 tons, the largest increase was shown in sacking by 3,600 tons. Miscellaneous goods at 8,900 tons accounted for a small increase of 500 tons, while the fact that hessian at 30,100 tons fell by 400 tons explained the comparatively less decline in hessian prices. The lack of good activity in the New York burlap market was due not only to the need to keep new year inventories as low as possible but also to the reluctance of primary consumers to support the market at the present high levels. The continued lack of U.S. interest has caused anxiety. In spite of low stocks, U.S. buying is not taking place in substantial quantities. It was, therefore, feared that recent reports of a shift to substitutes had not been without foundation.

The policy of extension of installed capacity in Pakistan announcing the increase of 1,000 in the number of looms in the near future was noted here. Reports coming from overseas countries suggested that this year's spurt in prices of goods had caused disappointment. Although the fears of a shift to substitutes may have been exaggerated, the fact remains that prices during recent weeks have been maintained at high levels as a result of local speculation.

The increased holding power among cultivators is having disastrous consequences for the jute goods industry. This was revealed by the fact that, while rates in Calcutta fell slightly, fibre prices upcountry were steady. It is now known that fibre arrivals in mills' stations in November had not been so bad as earlier expected, though they were below the arrivals in November 1959. Although there are firm indications, judging from reports coming from mofussil centres, that the crop would fall shorter than requirements, it is estimated that since sowing was delayed by six to eight weeks fibre arrivals should show some improvement in the latter part of the season and that there would be no difficulty in meeting the demand of mills for the reduced turnover as at present. It is also expected that thanks to the present high prices, area sown would increase in the next season. In the Pakistani market, buyers could not be found to be active at higher levels. However, sellers were not discounting.

On Tuesday last, with very little interest being shown in goods, prices fell. Ready B. twills at Rs. 178 accounted for a loss of Rs. 3 and ready hessian 40″ 10 oz. at Rs. 56.25 of Re. 1.75. On the following day, prices were maintained at the above levels. Although overseas buyers were silent, local operators bought heavy goods. Subsequently, Australia bought 2,000 bales of woolpacks against shipment in February. This was on Thursday, when the increased stock figures of mills were announced. This pushed down B. twills to Rs. 176 and hessian 40″ 10 oz. to Rs. 55.25. On Friday, the easing trend continued and B. twills were quoted at Rs. 175 and hessian 40″ 10 oz. at Rs. 55.25. Over the week-end, with little business passing, a further drop in prices was reported. B. twills moved down to Rs. 174 and hessian 40″ 10 oz. to Rs. 54.75. Yesterday, prices moved narrowly with ready B. twills around Rs. 175 and ready hessian 40″ 10 oz. at Rs. 54.00.

The issuance of quotas enabled mills to show more interest in the fibre market. The delay had earlier been interpreted as an indication of a possible abolition of the quota system. Mills bought fairly against their quotas. This led Assam bottoms to rise to Rs. 135.50 per 100 kg. equivalent to Rs. 50 per maund from Rs. 132.50 or Rs. 49.50 per maund, and daisee bottoms to Rs. 139 or Rs. 52 per maund from Rs. 138 or Rs. 51.50 per maund, both against Dec.-Jan. delivery. Mills soon withdrew and only scattered deals were put through, whereupon Assam bottoms declined to Rs. 131.25 (Rs. 49 per maund) and daisee bottoms to Rs. 138 or Rs. 51.50 per maund.

WHEAT FIRM, RICE QUIET

(From Our Own Correspondent)

HAPUR, 12*th December*

Quiet to steady conditions were witnessed in the foodgrains market during the week under review. While arrivals of *kharif* grains were satisfactory and the pressure of arrivals was being felt in the markets *rabi* grains arrivals receded further. The progress of *rabi* crops sown last month was reported to be satisfactory, but, it was felt that rains were needed in unirrigated areas. Wheat at Hapur recorded modest gains during the week to be quoted at Rs. 16.75 a maund for average quality and upto Rs. 18 for better farm produce. Daily arrivals of wheat in the local market were small at an average of 50 maunds, but sales of wheat flour by State Government at Rs. 17 a maund and consequent slack demand for wheat has checked the rising trend in wheat prices. Lean months are still to follow, but no rise in wheat prices is anticipated, due to heavy stocks with both the State and Central Governments and flow of regular heavy imports from the U.S.

Rice continued quiet at almost unchanged price levels, with *mainpuri* coarse quality continuing to drift lower, thanks to easy supply position with arrivals of new crop in the markets.

Gram recorded fractional gains, due to fast dwindling local stock position and steady advices from Punjab. Barley was almost stationary and *bejhar* also continued featureless. New maize was reaching here in heavy quantities from Rampur side and, despite brisk consumer demand, maize ruled quiet and local stock was heavy at about 25,000 maunds. New *bajra* arrivals were not upto requirements and prices tended to rise on good seasonal demand. *Juwar* and *guwar* continued dull and featureless. The week-end prevailing prices were: rice *sela basmati* Rs. 27 to Rs. 29; *ramajwayan* Rs. 22; *raimunia* Rs. 23; *mainpuri* Rs. 20; *gadda* Rs. 17.75; gram Punjab Rs. 16.75; old Rs. 16; barley Rs. 12.50; *bejhar* Rs. 12.25 to Rs. 12.75; maize Rs. 12.25 to Rs. 12.75; *bajra* Rs. 15; *guwar* Rs. 13.50; *juwar* Rs. 13.24 to Rs. 14.37.

Among pulses, peas and *arhar* sought higher levels, due to good demand in the face of falling local stock position. Peas was in demand from east U.P. and Madras side and local peas stock ran down to 10 *khatties* and that of *arhar* to 17 *khatties*. Other pulses ruled quiet and week-end prevailing prices (in rupees per maund) were: peas *dara* 13; farm white 14; old 12.25; peas *dal* 14.50; *arhar* 13; *arhar dal* 17 to 18; new *urd* 19; new *moong* 18.50 to 19.50; and *massoor* 14 to 17.

SUGAR HARDENS

(From Our Own Correspondent)

HAPUR, 12*th December*

Sugar recorded a slightly hardening trend, the quotation towards the week-end standing at Rs. 112 per bag in wholesale in the open market, as against the controlled price of Rs. 108.50 per bag. Early export prospects acted as the main bullish factor. The Union Food Minister turned down the oft-repeated demand for an increase in cane price. He urged the cultivators to increase the per-acre yield of cane and then voluntarily agree to reduce its price which would automatically reduce the price of sugar and enable the country to enter international markets with competitive prices. The question of early decontrol of sugar was also ruled out. Factories in west U.P. are crushing with their maximum capacity and cane supply to them is reported to be adequate.

Sugar ruled steady in the Muzaffarnagar market, though the supply position was quite comfortable. Stocks of sugar were lying in bulk against allotments made in previous months. The latest prevailing prices were: Rs. 110 to Rs. 110.25 per bag in the open market.

Crystal sugar was quoted at Rs. 112 per bag in the Kanpur market in the week-end.

New *khandsari*, which ruled steady earlier on Punjab and east U.P. support, declined later, as demand was slack at higher rates. The supply of cane to crushers manufacturing *khandsari* also declined, as the price paid by them was Re. 1.12 to Re. 1.25 per maund, as against Re. 1.62 paid by factories. Stocks of old *khandsari* were about 10,000 maunds in Muzaffarnagar, where the latest prevailing prices were: new *khandsari* Rs. 32 to Rs. 37.50; old inferior Rs. 28 to Rs. 29.50; superior Rs. 30 to Rs. 32; *galawat* Rs. 16 to Rs. 20 a maund.

After an early fall to Rs. 13 a maund for *pansera* and Rs. 14 for *balti* quality, *gur* improved fractionally towards the week-end on revival of better loading facilities, as *gur* loading was uplifted to B class. Daily arrivals were poor at an average of 4,000 maunds and most of the crushers were now idle, as they could not afford to pay more than a rupee per maund for cane at prevailing *gur* prices and the cultivator was not supplying cane at this price. The prevailing prices on Monday were:—*pansera* Rs. 13.25 to Rs. 13.62; *balti* Rs. 14.37 to Rs. 14.75; *shakker* Rs. 15 a maund.

After an early decline, *gur* improved slightly in the Muzaffarnagar market, thanks to better loading facilities. Daily arrivals were about 10,000 maunds and latest prices were:—*pansera* Rs. 13.75; *khurpapar* Rs. 14; *laddo* Rs. 14.22; *chaku* Rs. 13 to Rs. 15 a maund.

Gur fagun also tended to rise on bull support influenced by better ready prices. *Fagun* opened at Rs. 13.41 last Monday and was quoted today at the best level of session at Rs. 13.66.

* * * *

The Reserve Bank of India has directed scheduled banks to relax the margin requirement in respect of advances against sugar. In a communication to all scheduled banks sent on the 9th inst., the Bank points out that there had been a significant rise in sugar output in 1959-60 and that the prospects of sugar production in 1960-61 appears to be as good as in the previous year. The stock position is also comfortable and sugar prices have in recent months shown stability. In view of this and in conformity with the Reserve Bank policy of operating its selective credit controls in a flexible way, the Bank has decided to elax the margin requirement in respect of advances against sugar and reduced it from 45 per cent. to 25 per cent. The following is a full text of the relevant directive sent by the Reserve Bank to all scheduled banks:

"In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949 and in supersession of the directive contained in its circular letter No. DBO.Sch.4768/C-218-58 dated 18th July 1958, the Reserve Bank of India hereby directs that every scheduled bank shall, with immediate effect, maintain in respect of each credit limit and advance against the security of sugar a margin of not less than 25 per cent. on the value of the stocks where such a limit or advance has been granted, whether before or after the date of receipt of this directive, to (a) parties other than those manufacturing sugar, and (b) to parties manufacturing sugar in respect of such stocks as have left the factory or mills' premises and on which excise duty has been paid."

KIPS WEAK

(From Our Own Correspondent)

MADRAS, 12*th December*

Export trading in kips was poor and the market was weak during the week under review. Middle class tannages of goat and sheep were firm and exporters were active in the local market.

Owing to competitive buying in the raw goat skin centres by E.I. tanners, prices advanced sharply. The tanners in turn were quoting high prices for superior tannages, which importers were not willing to support. It was reported that American leather was making headway into the Continental markets at cheaper prices.

The Union Minister for Industry, Mr. Manubhai Shah, disclosed in the Lok Sabha last week that it was proposed to set up a separate company for implementing the four new drug projects to be established with Soviet collaboration. Mr. Shah added that there was no proposal to integrate Hindustan Antibiotics Limited, Pimpri, with the new company. He explained that, since the penicillin factory at Pimpri was a separate company and the collaboration in this case was with the U.N.I.C.E.F. and W.H.O. for penicillin manufacture and with a firm in the U.S. for streptomycin production, this would have to be kept as a separate company. According to him, the technical and administrative problems of the drug projects with Soviet collaboration and Hindustan Antibiotics at Pimpri and the Organic Intermediates Plant at Panvel (Maharashtra) with German collaboration would be somewhat of a common nature, and so a Co-ordinating Committee of the Chairman and Managing Directors of these companies was proposed to be set up for discussing common problems. The four drug projects being undertaken with Soviet collaboration are the Antibiotics Unit at Rishikesh, Synthetic Drugs Unit at Sanatnagar, Hyderabad, Surgical Instruments and Medical Appliances Unit at Madras and phyto-chemical unit at Munnar, Kerala State. The total capital investment on these four projects, excluding investment on land, township and working capital would be about Rs. 28 crores.

TITAGHUR PAPER MILLS COMPANY, LIMITED

STATEMENT BY CHAIRMAN, SIR WALTER MICHELMORE

SUPPLY OF PAPER LIKELY TO EXCEED DEMAND

THE prospect of increasing competition and the slow but steady rise in cost of production in the next five years are forecast by Sir Walter Michelmore, Chairman of the Titaghur Paper Mills Company Ltd., in his latest annual statement issued to the shareholders of the Company. Sir Walter Michelmore admits that it is difficult to predict whether there will be a buyers' or sellers' market in paper during the third Plan period, but he feels that healthy competition will increase and it is by no means impossible that there will be an excess of supply over demand by 1965. He characterises as completely out of date the cost of production on which the Tariff Commission based its findings and warns that, so long as the present selling price structure exists, enhanced costs of certain raw materials and coal and 5 per cent. surcharge on railway freight cannot but have an adverse effect on the results of the Company's operations.

The following is the full text of Sir Walter Michelmore's statement:

"Once again, I take this opportunity of reviewing the state of the Company's affairs and elaborating a little on the Directors' report and accounts. You will observe that this year these accounts have been presented in a more modern and graphic form and I hope that shareholders will find them of interest.

"The results for the year ended 31st March 1960, as I forecast, are not so favourable as those of the previous year, though there has been a considerable saving in tax due mainly to the development rebate allowance on No. 3 Mill. It will be noticed that the addition to the compulsory development reserve amounts to nearly Rs. 25 lakhs.

"In view of the future prospects, your Directors have felt it advisable to recommend that the dividend remains at the same rate as for the previous year, though, as shareholders are aware, that dividend is now subject to deduction of tax. I should also like to explain to the holders of second preference and preferred ordinary shares that it is proposed to pay their dividends for the year at the rates specified in the Articles of Association for one reason only that the Preference Shares (Regulation of Dividends) Bill, 1960, has not been passed at the time of the closure of these accounts. The dividends for the half-year to 30th September 1959 were grossed up in accordance with our interpretation of the law as it existed at the time of payment and, therefore, the dividends for the half-year to 31st March 1960 have been adjusted so as to pay in aggregate the same as in previous years but, of course, subject to deduction of tax. I can assure the holders of all preference shares and preferred ordinary shares that, when the Bill is passed into law and its effect studied, such additional dividend as is due will be promptly paid.

Cost of Production Rises

"The paper industry has been passing through a period of re-adjustment following the cut in selling prices effective from 1st January 1960. I am pleased to say that, though severe, the fall in income may not be as great as first anticipated but, nevertheless, costs of certain raw materials and coal have increased and a surcharge of 5 per cent. was imposed on railway freights from 1st April 1960. The cost of production on which the Tariff Commission based their findings is now completely out of date and, so long as the present selling price structure exists, these factors cannot but have an adverse effect on the results of your Company's operations.

"Despite a less prosperous outlook in the immediate future, the paper industry is forging ahead and the licensed capacity by the end of the third Plan period will, if all schemes reach completion, amount to 960,242 tons per annum and is made up as follows:

	Tons
Present licensed capacity	400,000
Substantial expansion of existing units	136,880
New major units	225,800
New small units	197,562
	960,242

Competition

"It is pleasing to note that, even now, there is less imbalance between demand and supply of paper and, in general, I feel that consumers are able to buy their requirements at prices in consonance with mills' official selling prices. It is difficult to forecast whether there will be a buyers' or sellers' market during the third Plan period, but I feel myself that healthy competition will increase, and it is by no means impossible that there will be an excess of supply over demand by 1965. The licensing of as many as 74 small units is an interesting development and will undoubtedly result in a wider distribution of paper and reduction in transport charges. These units and, in fact, any new unit, will not have an easy time in the initial stages of development and a comprehensive training scheme for technicians is very necessary. Your Company has already undertaken training of a large body of apprentices in all branches which will no doubt be of benefit not only to these Mills but to the industry as a whole.

"The prospect of increasing competition and the slow but steady rise in cost of production has prompted your Directors to plan the next stage in the renovation programme. Considerable economies in cost of fuel and chemicals have been achieved at No. 1 Mill, which is now a well-balanced unit, and it is proposed to concentrate on No. 2 Mill. It is proposed to install a large water tube boiler to replace certain old and inefficient Lancashire boilers and thus increase the production of steam and economise in coal. With the increased steam, the soda recovery plant will work more effectively and is to be supplemented to increase its efficiency further. The cost of caustic soda and bleach is high at No. 2 Mill and considerable benefit will be felt from the installation of an electrolytic bleach plant on the lines of that at No. 1 Mill. These renovations will cost about Rs. 30 lakhs and should reduce the cost of production at No. 2 Mill by about Rs. 40 per ton. The opportunity has been taken to acquire a second water tube boiler which it is intended to install at No. 3 Mill in preparation for further expansion there in the future.

"Your No. 3 Mill in Orissa commenced production on 12th March 1960, and one machine is in operation producing about 13 tons of paper per day. The second machine has been in operation at No. 2 Mill for some time and will, in the near future, be transferred to Orissa.

Not So Satisfactory

"The operation of this mill in the first few months cannot be considered as satisfactory and it has, in fact, been working at a loss. This has been mainly due to the necessity of training local people unused to working in an industrial establishment and to interruptions caused by shortages of certain commodities. There was a short strike in July and the severe floods in August and September resulted in complete disruption of communications and it was necessary to fly down essential stores in specially chartered aeroplanes. The supply of coal to No. 3 Mill from the Talcher field has been a source of considerable anxiety and has been most irregular. Conditions have improved recently and, it is hoped, supplies will be adequate in future. The problem of disposal of effluent in the clear waters of the Mahanadi has also been a big problem, but a considerable degree of success has been achieved through the measures adopted and, though these were costly to install and fairly expensive to run, I feel that the amenities of the district will suffer no damage.

"Though we have had our difficulties at No. 3 Mill, the mills in West Bengal have run satisfactorily both in the year under review and in the current year to date. Stocks of bamboo at the mills have been considerably reduced and, though adequate supplies exist at our depots, the problem of rail transport is very real and we have been unable to build up an adequate stockpile, despite the assistance we have received from the railways who have had to contend with manifold difficulties. As I have already mentioned, the cost of production continues to rise and, though economies have been achieved in several directions, much has yet to be done. To assist us in our efforts an eminent firm of business consultants, Messrs. Urwick, Orr and Partners, have been called in to give advice on reorganisation of the costing system and their report will be available shortly.

Paper Making Plant

"Your Company is concerned in a further interesting development, the manufacture of paper and pulp making plant and chemical equipment. A company has been formed, named Bertrams-Scott Private Ltd. in which three well-known U.K. concerns, James Bertram and Son Ltd., Bertrams Ltd. and Ernest Scott & Co. Ltd., are collaborating with the Birds/Heilgers and Yule Groups. Your Directors have agreed to provide land and buildings at Titaghur against shares in this Company. The venture is well advanced and the new Company is in a position to deal with enquiries for 50-ton paper-making units and all types of paper-making plant.

"It has been a trying year for staff both at the mills and head office and continuous endeavour will still be required. I wish to thank them on your behalf and am sure that they will continue to give of their best in the years that lie ahead."

The above statement is not a report of the proceedings of the annual general meeting, which will be held on 27th December 1960.

CALCUTTA, *1st December* 1960.

SURVEY

(*Concluded from page* 1083)

without being doctrinaire. Since their case will go by default if they adopt the former course, they have no alternative but to join issue every time it is raised.

A major part of Mr. Pratapsinh's speech was devoted to the present trends in agricultural production and prices which are already well known. Looking into the future, the President of the Indian Merchants' Chamber more or less agreed with Mr. S. K. Patil, Union Minister for Food and Agriculture, that the major problem regarding food prices in the months to come would be one of arresting the downward trend rather than the upward movement. This seems to be an overoptimistic view. But granting, for argument's sake, that the plans for an increase in agricultural production succeed in good time, it cannot be denied that, in a country, with more than 70 per cent. population depending on agriculture, any substantial fall in agricultural prices would lead to discontentment and frustration. It would also result in a widening of the gap between urban and rural living standards. Further, as Mr. Pratapsinh felt, a fall in agricultural prices would cause a distortion of the pattern of production due to a shift in cultivation from food crops to commercial crops, thus adversely affecting food production. A sharp fall in agricultural prices, if and when it materialises, would call for a systematic and continuous study. But such a situation is a long way off. There is no need to be unduly preoccupied with it now, lest it should stand in the way of bringing down the ruling prices to more reasonable levels. Even the prices of foodgrains are still much higher than they need be. It may, however, be added in passing, that, if food prices tend to go down to uneconomic levels, the situation can be readily utilised by the authorities for stepping the magnitude of investment efforts in certain directions, such as programmes of road construction and improving rural sanitation which do not require other expensive co-operant factors but which can create sufficient employment, if undertaken on a large scale. Through such programmes, it should be possible to create much needed amenities for the rural population as well as to support agricultural prices through a wider diffusion of purchasing power.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 9th Dec., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	50,82,01,000
(2) Other Governments	13,24,26,000
(b) Banks	93,22,38,000
(c) Others	90,06,95,000
Bills Payable	21,21,95,000
Other Liabilities	20,24,19,000
Rupees	431,82,64,000

ASSETS	Rs.
Notes	12,16,30,000
Rupee Coin	2,02,000
Subsidiary Coin	7,39,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	19,07,25,000
Balances held abroad*	24,61,23,000
Loans and Advances to Governments†	40,39,74,000
Other Loans and Advances	124,92,01,000
Investments	193,85,84,000
Other Assets	16,10,86,000
Rupees	431,82,64,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item 'Other Loans and Advances' includes Rs. 3,99,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,16,30,000	
Notes in circulation	1862,72,20,000	
Total Notes issued	....	1874,88,50,000
Total Liabilities	....	1874,88,50,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	117,76,03,000	
(b) Held outside India	....	
Foreign Securities	128,00,89,000	
Total of A		245,76,92,000
B. Rupee Coin		127,06,01,000
Government of India Rupee Securities		1502,05,57,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1874,88,50,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept., 1939 (pre-war)	2nd Dec., 1960	25th Nov., 1960	A month ago	A year ago R
RESERVE BANK					
Issue Department					
Notes in circulation	173.37	1828.11	1810.07	1808.30	1710.26
Notes held in Banking Department	85.05	23.99	22.65	13.78	15.20
Foreign Securities	59.50	123.01	123.01	123.01	103.01
Rupee Securities	37.39	1482.06	1462.06	1452.03	1311.69
Banking Department					
Deposits of:					
Government of India	14.39	60.71	67.35	74.52	52.89
Other Governments	..	11.71	10.32	10.20	14.06
Balances held abroad	10.06	28.75	16.96	18.27	41.21
SCHEDULED BANKS					
Demand Liabilities	134.36	816.49 (24.89)†	797.99 (26.61)†	790.62 (19.55)†	722.81 (16.11)†
Time Liabilities	102.24	1136.36 (17.33)†	1142.12 (18.13)†	1143.86 (20.54)†	1,150.05 (29.84)†
Borrowings from Reserve Bank	..	20.08 (4.06)‡	12.29 (4.27)‡	22.63 (6.82)‡	6.74 (0.12)‡
Borrowings from State Bank	..	8.04	8.71	11.21	7.87
Cash in India	6.70	44.76	45.62	47.08	43.10
Balances with Reserve Bank	25.17	85.89	90.63	104.66	75.25
Balances with other banks in current account in India	..	15.70	16.48	15.19	13.44
Money at call and short notice in India	..	37.32	39.01	30.71	30.58
Investments (at book value)	..	680.10	684.86	698.97	810.41
Advances and bills	105.9	1120.98	1104.65	1109.61	935.74
STATE BANK					
Deposits	87.76	571.86	571.76	579.22	576.83
Investments	51.99	345.64	343.66	355.63	406.21
Advances	30.35	213.96	207.99	214.12	159.20
Cash	14.69	23.83	31.55	25.41	29.38

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

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	3rd Aug., 1960	4	5
Bolivia	30th Sept., 1959	5	6
Burma	Feb., 1948	..	3
Canada †	..	2.45	2.73
Ceylon	..	..	4
Chile	13th Aug., 1960	2.50	4
China	Feb., 1957	4.50	6
Denmark	25th Jan., 1960	5	5.50
Ecuador	8th May, 1948	7	10
Egypt	15th Nov., 1952	3.50	3
El Salvador	Jan., 1960	4	5.50
Finland	Mar., 1959	6.50	6
France	6th Oct., 1960	4	3.50
Greece	May, 1956	9	10
Holland	16th May, 1957	3.50	4
Indonesia	1st April, 1946	4	3
Ireland	July, 1960	4.75	5.50
Italy	7th June, 1956	4	3.50
Japan	23rd Aug., 1960	7.3	6.935
Mexico	4th June, 1942	4	4.50
Netherlands	16th Nov., 1959	2.75	3.50
New Zealand	19th Oct., 1959	7	6
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	8.00	9.50
Philippines	Sept., 1960	6	5.75
Portugal	†2th Jan., 1944	..	2
South Africa	10th Aug., 1960	4.00	4.50
Spain	11th April, 1960	6.25	5.75
Sweden	15th Jan., 1960	4.50	5
Switzerland	26th Feb., 1959	2.50	3
Thailand	Feb., 1945	..	7
Turkey	6th June, 1956	4.50	6
United Kingdom	8th Dec. 1960	5.50	5
U.S.S.R.	1st July, 1956	3	4
U.S.A.	11th Aug., 1960	3.50	3
West Germany	11th Nov., 1960	5	4

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding

State Bank of India

Statement of Affairs for the week ended 9th Dec., 1960

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		7,20,00,000
Deposits and Other Accounts		577,83,16,000
Borrowings from Other Banking Companies, Agents, etc.		1,62,00,000
Bills Payable		7,67,89,000
Bills for Collection being Bills receivable as per contra		1,97,07,000
Acceptances, Endorsements and Other Obligations per contra		1,55,49,000
Other Liabilities (including Inter-Office Adjustments)		18,71,68,000
Total .. Rs.		622,19,79,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		24,33,35,000
Balances with other Banks		2,69,35,000
Money at Call and Short Notice		86,67,000
INVESTMENTS: Rs.		
Government and other Trustee Securities .. 325,16,86,000		
Other Authorised Investments .. 10,19,75,000		335,36,61,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc. .. 202,76,55,000		
Bills Discounted and Purchased .. 16,10,94,000		218,87,40,000
Bills Receivable being Bills for Collection as per contra		1,97,07,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		1,55,49,000
Premises less Depreciation		1,24,15,000
Furniture and Fixtures less Depreciation		1,22,57,000
Other Assets (including Inter-Office Adjustments).		33,47,01,000
Total .. Rs.		622,19,79,000

Scheduled Banks*

Statement of Affairs for the week ended 2nd Dec., 1960

	Rs. (Thousands)
(I) Demand Liabilities in India:	
(a) Demand Deposits—	
(1) From banks	45,79,38
(2) From others	679,59,69
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	24,88,78
(c) Other demand liabilities	45,54,62
(II) Time Liabilities in India:	
(a) Time Deposits—	
(1) From banks	15,81,55
(2) From others	1082,68,36
(b) Borrowings from banks (other than from the Reserve Bank of India, the State Bank of India, the Refinance Corporation for Industry (Private) Ltd. and/or notified banks)	17,33,29
(c) Other time liabilities	20,53,42
(III) Borrowings in India from the State Bank of India and/or notified banks:	
(a) Demand liabilities	6,97,76
(b) Time liabilities	1,95,85
(IV) Borrowings in India from the Reserve Bank of India (A)	20,07,97 (4,06,00)
(V) Cash in India	44,76,25
(VI) Balances with the Reserve Bank in India	85,88,79
(VII) Balances with Other Banks in Current Account in India	15,69,93
(VIII) Money at call and short notice in India	37,32,20
(IX) Investments (at book value) in India in Central and State Government securities including Treasury Bills, Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations	686,10,36
[(X) (a) Loans, Cash Credits and Overdrafts in India (excluding due from Banks)	956,46,16
(b) Due from Banks in India	10,90,55
(XI) Inland Bills purchased and discounted in India.	106,25,42
(XII) Foreign Bills purchased and discounted in India.	47,36,35
(XIII) Total of Items (X), (XI) and (XII)	1120,98,48

Notes:—
* Provisional figures incorporated in respect of such banks as have not been able to submit final returns.
(A)—The figures in brackets represent borrowings from the Reserve Bank against usance bills and/or promissory notes.

State Bank of Pakistan

Statement of Affairs for the week ended 25th Nov., 1960

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,15,00,000
Deposits:—	
(a) Central Government	9,22,81,000
(b) Provincial Governments	3,90,13,000
(c) Banks	18,05,95,000
(d) Others	108,24,45,000
Bills Payable	15,71,000
Other Liabilities	11,44,92,000
Rupees	159,18,97,000

ASSETS	Rs.
Notes	8,36,81,000
Rupee Coin	48,000
Subsidiary Coin	62,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	31,26,32,000
Loans and Advances to Governments	8,44,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	26,56,73,000
Investments	75,32,90,000
Other Assets	9,21,11,000
Rupees	159,18,97,000

*Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,36,81,000	
Notes in circulation	364,67,01,000	
Total Notes issued	....	373,03,82,000
Total Liabilities	....	373,03,82,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	24,56,79,000	
Silver Bullion	....	
Foreign Securities	73,93,80,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,61,000	
B. Rupee Coin	4,10,61,000	141,62,20,000
Government of Pakistan Securities	221,40,95,000	
Internal bills of exchange and other commercial paper	....	225,51,56,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,65,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	373,03,82,000

Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 39.47 per cent.

EXCHANGE RATES

		13th December 1960	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 31/32	1-5 31/32
Sellers T. T. D.D. upto six months	s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	s.	1-6 1/32	1-6 1/32
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477.00	476.25
Buyers T.T.	Rs.	473.50	473.00
London on New York	s.	2.8068-2.8071	2.8092-2.8093
London on Paris	Fcs.	13.771-13.772	13.771-13.772
London on Berne	Sw. Fcs.	12.1125-12.1150	12.0940-12.0960
New York on London	s.	280.880-280.710	280.910-280.940

CLEARING HOUSE RETURNS

Centre	Week ended 9th Dec., 1960		Week ended 2nd Dec., 1960	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,99,775	86,50,68,000	3,84,217	97,74,45,000
Calcutta	2,02,000	79,97,00,000	2,05,000	89,75,60,000
Madras	99,728	12,29,80,041	92,445	12,93,17,614
All Centres—				
1957-58	41,672,000	89,54,80,00,000	..	..
1958-59	45,172,000	97,97,13,00,000	..	..
1959-60	50,064,000	109,88,05,00,000	..	..
July 1960	4,210,000	952,59,00,000	..	..
Aug. "	4,377,000	996,31,00,000	..	..
Sept. "	4,313,000	971,59,00,000	..	..
Oct. "	4,707,000	1042,18,00,000	..	..

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	19th Nov., 1960	12th Nov., 1960	21st Nov., 1959	Oct., 1960	Oct., 1959	Percentage of increase (+) or Decrease (—) in Oct., 1960 as compared with Oct., 1960	Financial Year Average 1959-60	Financial Year Average 1958-59
Food Articles	504	119.7	120.8	121.0	121.8	123.8	+ 1.6	118.8	115.2
Cereals	192	103.1	103.0	105.6	106.3	109.5	— 2.9	104.1	106.8
Pulses	23	93.9	94.8	93.8	94.6	94.3	+ 0.3	93.6	103.0
Fruits and Vegetables	84	110.9	109.4	122.2	119.7	126.7	—10.3	127.8	117.0R
Milk and Ghee	84	112.8	115.7R	109.2	117.5	119.5	— 1.7	118.7	107.2
Edible Oils	47	153.5	152.2	128.3	153.1	129.6	+18.1	130.4	124.3
Fish, Eggs and Meat	17	125.5	122.5R	109.3	126.0	111.8	+12.7	112.0	106.4R
Sugar and Gur	48	131.9	139.1	161.7	155.1	159.1	—14.1	147.0	137.2
Others	50	176.1	174.9	178.5*	170.6	174.3	— 2.2	167.9	161.3
Liquor and Tobacco	21	117.8	117.8	104.1	113.5	101.4	+11.9	99.5	95.4
Tobacco	..	116.2	116.8	102.9	112.2	99.9	+12.3	97.9	93.8
Fuel, Power, Light and Lubricants	39	120.1	120.0R	117.3	119.9	117.0	+ 2.5	119.8	115.4
Industrial Raw Materials	155	146.8	147.9R	122.5	146.6	122.6	+19.6	123.7	118.6
Fibres	61	156.2	160.5R	111.8	157.5	109.2	+44.2	113.3	106.0
Oilseeds	60	149.5	149.9	140.3	148.3	135.4	+ 9.5	134.6	127.0
Minerals	2	98.2*	98.2	95.2	98.0	98.1	— 0.1	97.8	106.8
Others	32	127.3*	127.2*	129.9	125.8	125.6	+ 0.2	121.6	109.2
Manufacture	292	126.2	126.0	111.7	124.7	111.1	+12.2	111.6	106.4R
Intermediate Products	41	131.5	131.4	118.4	130.2	114.4	+13.8	113.8	110.2
Finished Products	149	124.2	125.1	110.9	123.2	110.6	+11.4	111.9	105.7R
Textiles	147	127.9	129.6	106.9	127.4	106.1	+20.1	111.3	106.1R
Cotton	—	129.0*	129.0*	110.8*	130.4	115.1	+13.3	116.9*	111.6R
Jute	—	138.3	144.9	89.5	130.3	90.0	+61.4	90.6	88.5
Woollen	—	110.1*	110.1*	104.2*	110.1	104.2	+ 5.7	104.2	105.5
Silk and Rayon	—	101.5*	102.0*	93.6*	101.5	91.8	+10.6	96.4*	99.1
Metal Products	12	146.8	146.8	144.7	146.8	144.6	+ 1.5	144.4	143.1
Chemicals	20	104.7	104.8	106.3	105.0	107.3	— 2.1	106.9	106.8
Oil Cakes	10	142.0*	141.5*	147.5	141.1	149.3	— 1.5	149.8	136.0
Machinery and Transport Equipment	31	112.1	112.1	106.4	112.1	105.9	+ 5.9	106.2	106.9R
Others	30	116.6	116.6	113.6	116.1	113.8	+ 2.0	113.6	113.7
All Commodities	1,000	125.5	126.4R	113.1	126.2	119.3	+ 5.8	117.1	109.9

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 3rd Dec., 1960	26th Nov., 1960	5th Nov., 1960	5th Dec., 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	100·6	100·6	100·6	101·6
2. Government of India	100·6	100·4	100·5	101·5
3. State Government	101·5	101·7	102·0	102·7
4. Municipal, Port Trust, etc.	99·7	99·7	100·0	99·9
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	100·7	100·7	100·7	101·7
PREFERENCE SHARES—ALL INDIA.				
6. Total	85·8	86·2	86·2	91·7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	169·0	169·9	169·3	155·5
8. *Agriculture and Allied Activities; Total**	164·7	165·8	163·6	168·7
9. Tea Plantations	157·4	157·6	155·8	164·3
10. Coffee Plantations	194·6	202·9	203·3	207·2
11. Rubber Plantations	173·5	174·2	167·5	166·9
12. *Mining and Quarrying: Total*	152·0	151·7	151·4	143·0
13. Coal	112·0	113·1	114·5	105·9
14. Other Mining	179·1	178·2	176·7	168·5
15. *Processing and Manufacturing: Total*	181·2	182·5	182·4	161·8
16 *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	181·6	183·3	183·6	155·0
17. Sugar	192·4	193·9	191·4	184·2
18. Cotton Textiles	146·5	147·8	148·2	131·5
19. Jute Textiles	84·5	84·5	87·1	96·2
20. Silk and Woollen	1040·0	1062·8	1053·7	602·6
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	191·3	192·5	191·4	178·6
22. Iron and Steel	153·3	153·9	152·5	155·8
23. Transport Equipment	395·8	402·6	396·6	311·1
24. Electrical Machinery	139·4	139·2	140·0	129·2
25. Machinery other than Transport and Electrical	207·2	208·6	208·3	195·5
26. Basic Industrial Chemicals	211·3	211·7	208·1	178·7
27. *Processing and Mfg. (Others): Total**	161·3	161·6	162·0	151·5
28. Cement	142·0	142·4	144·1	132·5
29. Paper	210·9	210·9	210·9	214·3
30. *Other Industries: Total**	109·4	109·8	108·2	112·4
31. Electricity Generation and Supply	82·1	82·3	82·3	87·7
32. Trading	119·2	118·3	114·3	104·0
33. Shipping and Other Transport	104·8	105·1	104·9	121·5
34. Construction	288·8	294·1	292·5	302·1
35. *Financial: Total*	178·8	178·6	175·1	168·0
36. Banks	200·2	200·5	196·5	184·2
37. Insurance	137·0	134·6	131·3	137·9
38. Investment Trusts	89·3	88·8	89·0	96·3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	173·6	175·5	174·9	157·3
40. Calcutta	156·4	156·2	155·4	147·5
41. Madras	187·7	188·7	186·6	173·6
42. Delhi	222·2	223·3	223·2	191·9

* Including 'Miscellaneous.' † Including 'Edible and Vegetable Oils.

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes†	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,429,319
1958*	1,524	928,566	7,797,585
1959*	1,523	692,514	5,605,079
May 1959	131	53,755(127)	354,517(127)
June "	154	77,758(140)	788,708(149)
July "	146	61,068(144)	711,781(144)
Aug., "	141	63,716(130)	396,789(130)
May 1960	127	87,675(115)	414,789(115)
June "	154	65,783(138)	390,425(138)
July "	125	68,407(100)	748,651(100)
Aug., "	50	16,993(46)	69,951(47)

† In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.

N.B.—Figures relate to all States and centrally administered areas as after reorganisation.

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'59-'60	403·64	..	11,750	291·3
Pakistan	'58-'59	86·80	..	2,084	240
Burma	1958	20·02	Kyats 4,844	436	216
Ceylon	1959	9·6	..	537	559
Japan	1957	90·90	Y. 8,252,000	10,911	1,200
Philippines	1959	24·7	Ps. 9·768	2 337	946
New Zealand	1959	2 33	£(N.Z.) 1,045	1,392	5 974
Australia	1959	10·00	£(A.) 4,930	5,380	5,380
U.K.	1959	51·09	£ 18,930	25,040	4,863
U.S.A.	1959	177 1	$ 403 900	193,084	10 901
Canada	1959	17·04	$ 26,800	13,078	7,516
France	1958	44 04	F. Fr. 17,010,000	17,170	3,926
W. Germany	1958	52.1	Dm. 176,400	20,050	3,848
Italy	1958	48 07	Lr. 13,126,000	10,120	2,078
Norway	1958	3·05	Kr. 22,490	1,499	4,282
Sweden	1958	7 49	Kr. 34,910	5,044	6,870
Netherlands	1959	11 03	Grs. 31,860	4,033	3,569
Denmark	1958	4·50	Kr. 28 250	1,960	4,355
Switzerland	1958	5·10	Sw. Fr. 28,300	3,130	6,137

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

Source: *International Financial Statistics*, November, 1960.

† Provisional—Based on "quick" estimates (at 1948-49 prices); prepared by the Central Statistical Organisation.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1960					
20th Sept.	2·00	2 50	2·00	2 540	99 365
27th Sept.	2·00	2·00	2·00	2 540	99 369
28th Sept. to 1st Oct	0·08	..	0·08	..	99 381
4th Oct.	2·00	2 55	2·00	2 552	99 365
11th Oct.	2·00	2 35	2·00	2 560	99 360
18th Oct.	2·00	2 40	2·00	2 560	99 360
25th Oct.	2·00	2·00	2·00	2 565	99 355
1st Nov.	2·00	2 35	2·00	2 565	99 360
2nd to 5th Nov.*	0·27	—	0·27	—	99 376
8th Nov.	2·00	2 20	2·00	2 565	99 360
9th to 12th Nov.*	0 31	—	0 31	—	99 376
15th Nov.	2·00	2·24	2·00	2 565	99 360
16th to 19th Nov.*	0·80	—	0·80	—	99 376
22nd Nov.	2·00	2·49	2·00	2 564	99 360
23rd to 26th Nov.*	0·03	—	0·03	—	99 376
29th Nov.	2·00	2 40	2·00	2 564	99 365
30th Nov. to 3rd Dec.*	0 70	—	0 70	—	99 381
6th Dec.	2·00	2 40	2 00	2 540	99 385
13 h Dec.	2·00	2 25	2·00	2 548	99 360
Total amount out-					

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India (1949=100)	Bombay Base June (1934=100)	Ahmedabad Base 1949=100	Sholapur Base January (1928=100)	Kanpur Base (1949=100)	Nagpur Base (1949=100)	Calcutta Base August (1939=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Almer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jabalpur Base (1949=100)	Bangalore Base (1949=100)
1952 Average	103	337	104	310	92	101	351	102	108	108	111	112	99	115
1953 "	106	363	111	323	95	103	349	102	106	104	102	112	100	114
1954 "	101	359	93	294	85	99	327	106	105	91	95	102	98	106
1955 "	96	338	87	246	78	96	321	99	99	83	87	98	88	108
1956 "	105	353	98	316	89	105	347	111	109	95	96	106	100	114
1957 "	111	369	104	339	94	112	364	116	114	99	103	115	107	126
1958 "	116	395	110	313	98	120	384	124	113	103	108	123	109	131
1959 "	121	412	125	340	98	132	384	133	120	106	98	125	108	140
August 1959	125	420	125	348	98	134	406	134	118	105	102	129	109	142
Sept. "	124	422	129	349	97	135	399	134	118	104	102	130	107	143
Oct. "	126	427	131	368	98	135	406	137	120	108	101	130	111	143
January 1960	122	422	123	360	96	135	385	137	121	107	99	120	111	144
February "	122	418	119	355	98	136	389	139	122	107	97	118	109	144
March "	121	414	116	339	97	135	392	138	119	104	100	119	109	145
April "	122	421	116	346	97	136	393	138	117	104	103	117	109	145
May "	123	421	120	344	96	135	396	140	116	104	105	117	109	145
June "	124	422	121	360	96	135	399	143	117	107	107	119	109	146
July "	126	423	122	362	101	137	406	145	121	109	108	119	109†	146
August "	126	421	123	359	101	137	410	146	121	109	102	122	108	148
Sept. "	125	418	122	364	101†	138		146	122	108	102	122	108	..
Oct. "	125†	421	..	365	..	..		..	122	..	105	119	108	..

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year Month	Cumulative Time Deposits 5-Year J Out-standings	Cumulative Time Deposits 10-Year J Out-standings	National Savings Certificates 5-Year A Out-standings	National Savings Certificates 7-Year B Out-standings	National Savings Certificates 12-Year B Out-standings	12-Year National Plan Savings Certificates C Receipts	12-Year National Plan Savings Certificates C Out-standings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Out-standings	10-Year National Plan Certificates D Out-standings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	10-Year Treasury Savings Deposit Certificates 3½% F Out-standings	10-Year Treasury Savings Deposit Certificates 4% G Receipts	10-Year Treasury Savings Deposit Certificates 4% G Out-standings	15-Year Annuity Certificates G Receipts	15-Year Annuity Certificates G Out-standings	Total Receipts	Total Out-standings
1956-57	..	..	3,00	6,01	163,68	..	..	176,97	196,50	25,38	—38,82	44,28	..	..	43	1,32	225,88	440,17
1957-58	..	..	2,22	4,73	143,45	71,46	71,46	179,88	213,91	23,11	—39,73	43,58	588	547	63	1,87	257,13	589,77
1958-59	..	..	1,76	3,80	112,97	145,92	217,38	191,76	241,91	21,02	—40,67	42,57	635	11,68	67	2,41	286,28	590,08
1959-60	..	..	1,54	3,17	99,14	83,09	221,63	209,48	254,94	19,79	—41,29	41,68	10,84	21,76	66	2,90	296,62	667,36
July 1959	12	7	1,63	3,56	112,40	6,17	172,83	17,23	235,30	20,53	—40,88	42,25	53	13,66	8	2,62	24,06	604,97
August "	15	9	1,65	3,51	110,64	6,04	178,11	15,12	237,06	20,44	—40,94	42,19	87	14,16	3	2,64	22,11	610,67
Sept. "	19	11	1,63	3,46	109,01	6,37	183,58	15,23	233,86	20,36	—41,01	42,10	1,06	15,16	3	2,67	22,21	617,13
Oct. "	..	..	1,61	3,40	107,53	5,66	188,36	14,31	239,21	20,28	—41,07	42,04	1,09	16,15	5	2 71	21,17	621,65
January 1960	37	22	1,54	3,24	102,81	7,18	204,92	15,15	232,92	19,96	—41,27	41,84	1,13	19,77	5	2,81	23,59	630,20
February "	47	26	1,52	3,21	101,09	7,57	210,64	16,94	234,25	19,87	—41,27	41,76	1,05	20,78	6	2,86	25,71	636,66
March "	51	30	1,54	3,17	99,14	13,09	221,63	29,24	254,94	19,79	—41,29	41,68	96	21,76	6	2,90	43,47	667,36
April "	57	34	1,51	3,11	97,35	6,47	226,14	17,87	253,58	19,68	—41,35	41,58	1,63	23,16	9	2,98	26,16	676,00
May "	64	38	1,50	3,07	95,55	6,45	231,20	17,00	251,94	19,55	—41,41	41,50	1,05	24,19	5	3,01	24,67	67,253
June "	73	42	1,48	3,02	93,84	5,78	235,58	17,35	255,22	19,50	—44 46	41,41	84	25,03	5	3,04	24,13	677,35
July "	81	47	1,45	2,98	92,30	5,83	240,30	15,23	255,92	19,44	—41 49	41,32	1,11	26,09	4	3,07	22,36	684,15
August "	89	52	1,43	2,91	90,90	6,78	245,82	19,78	261,00	19,38	—41 54	41,21	1,17	27,23	9	3,14	27,92	694,48
Sept. "	98	57	1,41	2,84	89,45	7,16	251,77	18,70	265,34	19,28	—41,60	41,14	1,32	28,71	6	3,18	27,64	704,67
October "	..	..	..	..	..	..	..	..	..	..	..	41,00	1,42	30,27	5	3,22	..	..

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—Issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 11 marked 'E' are not included. I—Commenced from 2nd Jan., 1959. K.—Five year prize bonds were issued from 1st April 1960 and the total outstandings at the end of August 1960 amount to 9.53 lakhs of rupees.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3 % Loan	1938-39	116,17,46,000	1963-65	97 55
3 % Loan	1950	30,33,10,000	1964	97·65
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	95 30
3 % Dev. Loan	1945	1,15,05,83,000	1970-75	89 75
2½ % Loan	1946	57,00,69,000	1961	99.00
2½ % Loan	1946	14,77,48,000	1976	83 50
2½ % Loan	1947	75,86,72,000	1962	97 85
3 % N. P. Bonds	1953	75,29,00,000	1961	100 00
3½ % N. P. Loan	1954	1,58,17,94,000	1964	99.35
3½ % N. P. Bonds (2nd Series)	1955	1,53,67,92,000	1965	99 30
3½ % Loan	1956	1,07,27,36,000	1962	99 65
3½ % N. P. Bonds	1956	93,81,83,000	1967	98 90
3½ % Loan	1956	86,63,53,000	1974	99·05
3½ % N. P. Bonds (4th Series)	1957	56,99,30,000	1967	100·75
4 % Loan	1957	49,17,27,000	1972	100·45
3½ % Loan	1958	58,05,92,000	1963	99 80
3½ % Loan	1958	70,00,00,000	1968	98 85
3½ % Loan N.P.B.	1958	34,33,90,000	1968	100 60
4 % Loan	1958	101,51,44,000	1973	100·40
4½ % Loan	1959	1,37,90,93,000	1969	98 80
4 % Loan	1959	81,06,38,000	1979	99 90
4 % Loan	1960	97,64,00,000	1980	99 90
3½ % Bonds	1960	92,66,00,000	1966	99 30

NON-TERMINABLE LOANS

3 % Loan	1896-97	8,03,33,000	M.	73 00
2½ % Loan	1946	2,46,91,33,000	K.	74·05

STATE LOANS

4 % Andhra	1955	5,00,16,000	1st Sept.	1967	97 20
4 % Andhra	1956	6,56,15,000	3rd Sept.	1968	97 15
4½ % Andhra	1958	5,48,81,000	15th July	1968	96 90
4 % Andhra	1959	6,57,72,000	19th Aug.	1971	96 90
4 % Andhra	1960	9,00,00,000	29th Aug.	1969	97 10
3 % Bombay	1949	5,29,97,000	1st Aug.	1962	97 55
3½ % Bombay	1951	5,87,37,000	17th Sept.	1962	99 00
4 % Bombay	1953	5,10,80,000	15th July	1963	99 40
4 % Bombay	1952	3,40,34,000	1st Sept.	1964	99 40
4 % Bombay	1955	9,56,29,000	1st Sept.	1967	99 60
4 % Bombay	1956	7,82,20,500	15th Sept.	1968	99 60
4 % Bombay	1957	6,57,23,000	16th Sept.	1969	100·10
4½ % Bombay	1958	6,58,21,000	15th July	1970	100·10
4½ % Bombay	1958	4,35,25,000	15th July	1970	97·10
4 % Bombay	1959	6,56,13,000	1st Sept.	1971	97 15
4 % Bihar	1955	1,54,02,000	1st Sept.	1967	97 15
4 % Bihar	1956	2,13,41,000	3rd Sept.	1968	97 15
4 % Bihar	1957	2,71,10,000	16th Sept.	1969	100·10
4½ % Bihar	1958	3,33,22,000	19th Aug.	1971	97·00
4 % Bihar	1960	3,00,00,000	29th Aug.	1969	97·00
4 % Gujarat	1960	5,00,00,000	29th Aug.	1969	98·50
3½ % Howrah Bridge (New)	1936-37	1,77,08,700	1956-66		94·50
4 % Hyderabad	1955	2,12,46,000	1st Sept.	1967	99 00
4 % Hyderabad	1956	2,18,02,300	3rd Sept.	1968	99 00
4 % Madras	1951	8,81,77,000	1st Sept.	1961	98·60
3½ % Madras	1951	3,01,49,300	17th Sept.	1962	99 45
4 % Madras	1953	10,33,71,000	15th July	1963	99 20
4 % Madras	1952	8,24,81,200	1st Aug.	1964	99·10
4 % Madras	1955	10,47,17,000	1st Sept.	1967	97 20
4 % Madras	1956	13,83,56,000	3rd Sept.	1968	97 15
4 % Madras	1957	5,55,57,000	15th July	1969	100·05
4½ % Madras	1958	5,72,72,000	19th Aug.	1971	97 10
4 % Madras	1960	12,00,00,000	29th Aug.	1969	97·10
4 % Maharashtra	1960	10,00,00,000	29th Aug.	1969	98 00
4 % Mysore(f)	1933	2,95,85,200	1st Dec.	1953-63	101·60
4 % Mysore(f)	1936	5,99,73,000	30th Apr.	1956-61	99 80
4 % Mysore(f)	1953	3,33,47,000	15th July	1963	99 10
4 % Mysore	1955	3,54,94,000	1st Sept.	1967	97 20
4 % Mysore	1956	4,11,11,000	3rd Sept.	1968	97 15
4 % Mysore	1957	3,34,36,000	16th Sept.	1969	100 00
4 % Mysore	1958	5,51,61,000	15th July	1970	100·00
4½ % Mysore	1958	5,43,46,000	19th Aug.	1971	97 10
4 % Mysore	1960	8,00,00,000	29th Aug.	1969	97·00
4 % Mysore	1948	2,03,29,000	15th Sept.	1964	95·70
3½ % M.P.	1951	1,02,18,100	17th Sept.	1962	98 50
4 % M.P.	1953	1,10,18,000	15th July	1963	99 00
4 % M.P.	1955	1,53,12,000	1st Sept.	1967	97 20
4 % M.P.	1956	1,58,42,000	3rd Sept.	1968	97 15
4½ % M.P.	1958	2,21,30,000	15th July	1970	100·00
4 % M.P.	1959	3,27,37,000	19th Aug.	1971	97 10
4 % M.P.	1960	5,00,00,000	29th Aug.	1969	97·00
4 % Saurashtra	1955	3,50,81,000	1st Sept.	1967	99 00
4 % Saurashtra	1956	2,66,68,000	3rd Sept.	1968	99 00
4 % Kerala	1955	2,25,61,000	15th July	1963	99 00
4 % Kerala	1956	2,22,08,000	3rd Sept.	1968	97·00
4½ % Kerala	1958	3,27,10,000	15th July	1970	100·00
4 % Kerala	1959	4,05,05,000	19th Aug.	1971	97 10
4 % Kerala	1960	4,00,00,000	29th Aug.	1969	97·00
4 % U.P.Z.A.	1952	44,93,89,000			48·75‡
3 % U.P.	1936	1,55,31,000	15th Sept.	1961-66	97 25
2½ % U.P.	1946	2,12,12,62,000	1st Sept.	1961	97 75
4 % U.P.	1951	1,56,22,000	17th Sept.	1962	99 25
4 % U.P.	1953	5,89,14,000	1st Aug.	1964	99 10
4 % U.P.	1955	5,58,25,000	15th July	1963	99 20
4 % U.P.	1955	9,10,71,000	1st Sept.	1967	97 20
4 % U.P.	1956	8,48,26,000	3rd Sept.	1968	97·20

PORT TRUST LOANS

BOMBAY

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
Rs.				
85,50,000	4	1904	1944	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97.00
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	97.00
88,25,000	4	1914	1976	97.00
10,00,000	4	1914	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1925*	1960	
18,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1960	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,90,000	3½	1941	1971	

CALCUTTA

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
Rs.				
90,24,300	4	1914	1974	99.00
76,90,100	4	1915	1975	99.00
50,00,000	3½†	1921	1981	82.00
68,00,000	4	1921	1981	144·00N
42,00,000	4½	1931	1991	99.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1946	1976	84.75
50,00,000	3	1946	2006	74.00
50,00,000	2½	1947	1977	79.50
50,00,000	3	1948	1978	83.75
50,00,000‡	3	1950	1980	82.00
50,00,000	3	1951	1981	81.75
50,00,000	3½	1953	1961	99.75
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
50,00,000	4	1954	1984	97.25
77,00,000	4	1956	1986	97.25
78,00,00000	4	1956	1986	97.25
1,24,00,000	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1989	99.00
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	99.25

STERLING LOANS

Rs.				Rs.
£892,600	5	1923	1953-83	£61·75
£901,000	5	1924	1954-84	£61·75
£835,100	5½	1932	1962	£91.00

MADRAS

Rs.				Rs.
28,48,275	3½	1947	1977	
9,86,000‡	3	1947	1977	A
8,00,000‡	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.		BOMBAY		Rs.
30,00,000	4	1961	1961	
30,00,000	4	1962	1962	
60,00,000	4	1963	1963	
50,00,000	4	1964	1964	
30,00,000	4	1965	1965	97·75
20,00,000	4	1967	1967	N
15,00,000	4	1968	1968	
28,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97·50
25,00,000	4	1916	1976	N
40,00,000	4	1919	1957-79	118·00
66,00,000	6	1920	1960-80	
25,00,000	5	1926	1956-86	115·00N
25,00,000	5	1927	1961-70	98·00N
10,00,000	3	1936	1966	

STERLING LOANS

Rs.				Rs.
£566,600	4	1902	1968	£95·50
£388,000	3	1910	1976	£95·50

CALCUTTA

Rs.				Rs.
50,00,000	4	1934	1964	99 25
35,00,000	3½	1935	1965	96·00
80,00,000	3	1936	1966	91 75
50,00,000	3	1937	1967	90 00
20,00,000	3	1938	1963-68	91·75
30,00,000	3	1952	1962	100·00
1,05,00,000	4	1956	1968	99 25
75,00,000	4½	1958	1988	101 00
65,00,000	4½	1959	1974	99·75

MUNICIPAL LOANS

BOMBAY

Rs.				Rs.
20,00,000	4	1913-18	1974	97.00
10,00,000	5	1920	1980	113·00N
3,25,00,000	3½	1947	1977	86·50
2,13,14,500	4	1947	1977	96·50
4,00,00,000	3½	1950	1965	95·00
2,00,00,000	4	1952	1964	99·00
2,00,34,000	3½	1951	1966	93 00
1,30,00,000	4	1953	1963	98·00
92,19,00,000†	4	1952	1964	99 00
1,00,00,000	4	1954	1966	99 00
2,50,00,000	4	1954	1967	99 00
1,57,50,000	4	1956	1967	99 00
1,00,00,000	4½	1957	1969	99·25
4,75,00,000	4½	1958	1978	99 25
3,30,00,000	4½	1959	1971	97.00

CALCUTTA

Rs.				Rs.
10,00,000	3½	1932	1962	100.00
33,91,000	3½	1925	1965	95.00
68,00,000	3	1936	1966

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
60,00,000	64,31,070	1,47,43,249	50,81,902	36,065	B. N. Elias & Co. Private Ltd. ..	879	Agarpara	12.00	10	0.25	0.25	0.50	1.00	3	Y.P.T.
6,00,000	13,76,400	76,66,446	46,28,917	1,71,356	McLeod & Co., Ltd.	1,264	Alliance	92.00	100	10.00	10.00	15.00	..	12	Y.P.T.
80,00,000	2,79,300	1,26,70,290	99,41,083	—1,88,265	McLeod & Co., Ltd.	2,561	Anglo-India	182.00	100	7.00	10.00	12.50	20.00	3	Y.P.
49,20,700	85,41,000	2,63,00,624	1,74,73,587	2,26,168	Duncan Brothers & Co., Ltd. ..	2,861	Auckland	143.00	100	Nil	5.00	20.00	27.00	3	Y.P.T.
40,00,000	21,83,168	1,36,05,726	76,43,994	24,111	Bird & Co. Private Ltd.	810	Bally	184.00	100	6.00	6.00	10.00	25.00	3	Y.P.
40,00,000	34,53,528	1,46,13,222	77,61,622	28,486	Birla Brothers Private Ltd. ..	959	Barnagore	120.50	£5	Nil	Nil	10ah.	£1.10ah	3	Y.P.
£275,000	£803,923	£1,601,226	£1,065,825	—£92,399	Sir John H. Border (Chairman) ..	1,889	Belvedere	140.00	100	2.50	7.50	13.50	..	12	Y.P.
£3,90,000	£0,71,190	£0,81,914	£0,55,641	£6,528	Andrew Yule & Co., Ltd.	520	Bengal	8.00	10	Nil	0.50	..	..	12	Y.P.T.
45,00,000	29,71,745	85,94,991	52,42,933	—5,73,255	Soora/mull Nagarmull	600	Birla	28.50	10	1.00	1.00	1.00	1.50	3	Y.P.T.
91,26,000	£2,22,5,130	7,34,86,489	2,26,35,926	93,079	Birla Brothers Private Ltd. ..	1,873	Budge-Budge	121.00	100	Nil	5.00	15.00	1.50	3	Y.P.
35,00,000	23,36,695	1,19,81,167	72,84,779	62,431	Andrew Yule & Co., Ltd.	991	Caledonian	128.00	100	Nil	5.00	15.00	..	10	Y.P.
7,47,350	6,000	45,18,687	34,32,170	—5,20,965	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil	..	..	12	Y.P.T.
18,00,000	27,51,530	84,60,059	49,11,673	30,163	M.	616	Caledonian	128.00	100	Nil	15.00	12.00	..	11	Y.P.
59,16,400	81,81,976	2,17,74,524	1,17,03,511	1,85,730	James Finlay & Co., Ltd.	600	Champdany	103.00	100	Nil	Nil	7.00	10.00	3	Y.
15,05,000	23,19,095	86,22,904	59,62,749	29,473	Andrew Yule & Co., Ltd.	1,131	Cheviot	14.25	10	Nil	5.00	12.50‡	..	11	Y.P.
20,15,000	28,42,800	1,09,82,980	59,87,035	2,33,594	McLeod & Co., Ltd.	500	Chitavalah	12.35	10	1.10	1.25	1.50	..	7	Y.P.T.
24,00,000	9,00,000	81,89,934	67,13,337	—3,11,813	Shree Krishna Investment Co., Ltd.	969	Clive	11.12	10	Nil	Nil	..	..	3	Y.P.T.
31,49,200	13,05,418	1,06,95,075	64,82,315	18,142	Bird & Co. Private Ltd.	766	Dalhousie	113.00	100	Nil	Nil	Nil	1.00	3	Y.P.T.
23,00,000	41,39,373	1,02,74,184	54,61,668	18,524	Andrew Yule & Co., Ltd.	779	Delta	142.00	100	Nil	6.00	14.00	..	11	Y.P.
15,00,000	37,20,000	1,07,39,530	70,03,837	93,729	McLeod & Co., Ltd.	500	Empire	15.25	10	0.75	1.00	1.25	..	7	Y.P.T.
21,00,000	83,65,324	3,41,69,981	1,69,04,491	72,060	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster Industries Ltd. ..	{316.00 / 280.00	100 Old / 50 New	10.00	20.00	25.00 / 10.00	25.00 / 12.50	}	Y.P.T.
21,00,000							Fort William	23.25	10	1.50	1.50	1.50	2.25	3	Y.P.T.
21,00,000	19,81,948	1,32,23,393	76,17,723	1,94,899	Bangur Bros., Ltd.	1,014	Ganges Manufacturing Co., Ltd. ..	Lakshmipat Singhania, Esq. (Chairman)		1,709		10.75	10	Nil	Nil	Nil	1.00	3	Y.P.
84,32,100	5,16,898	2,24,66,716	1,48,00,382	56,359	Gourepore Agencies Ltd.	607	General Ind. Society Ltd. ..	41.00	10	2.00	2.00	4.00	..	3	Y.P.
10,80,000	34,18,681	94,32,505	48,17,924	63,425	M.	1,394	Gouripore	325.00	100	20.00	20.00	25.00	30.00	3	Y.P.
24,00,000	63,55,441	2,53,58,077	1,72,11,662	53,814	Macneill & Barry Ltd.	1,078	Hastings	89.00	100	5.00	5.00	10.00	6.00	3	Y.P.
40,00,000	61,59,633	1,33,64,140	70,47,906	2,85,690	Bangur Bros., Ltd.	1,078	Hooghly	13.00xd	10	Nil	Nil	0.60	..	3	Y.P.
16,80,000	21,42,845	72,60,481	53,26,713	49,754	Balmadh Bajoria	720	Howrah	20.12	10	Nil	Nil	1.00	1.25	3	Y.P.
65,62,500	40,04,064	2,24,82,710	1,35,84,809	72,382	Jardine Henderson Ltd.	1,940	Hukumchand	18 75	7.50	1.50	1.50	1.00	1.25	3	Y.P.T.
32,50,000	38,25,000	2,18,42,014	1,77,68,014	1,63,178	Ramdutt Ramkissendas	2,272	India	15.37	12.50	9.37	15.62‡	1.24	2.15	3	Y.
57,30,000	21,78,965	1,74,80,629	1,00,24,642	4,94,235	M.	790	Kamarhatty	{135.00 / 133.00	100 / 'B' 100	5.00	10.00	20.00	1.75	3	Y.P.T.
24,00,000	28,86,835	1,97,87,286	1,32,79,559	2,65,628	Jardine Henderson Ltd.	1,797	Kamarhaty	{74.50 / 69.25	100 / 'B' 100	5.00	10.00	20.00	..	12	Y.P.T.
*B'19,20,000							Kankmarah	187 00	100	9.00	12 50	14.00°C	..	12	Y.P.T.
$0,00,000	10,09,817	1,76,28,517	1,12,70,060	—13,68,526	Jardine Henderson Ltd.	1,527	Kelvin	74.50	100	Nil	Nil	Nil	..	3	Y.
*B'24,00,000							Khardah	19.50	10	0.80	0.80	2.00	2.00	5	Y.P.
28,00,000	49,19,000	1,43,71,155	98,71,113	1,63,584	McLeod & Co., Ltd.	703	Kinnison	143.00	100	Nil	5.00	10.00	20.00	3	Y.P.T.
64,00,000	23,62,520	2,16,94,051	1,32,38,732	74,405	Anderson Wright Ltd.	1,530	Lansdowne	100.00	100	Nil	Nil	Nil	..	3	Y.P.
59,80,150	42,3 ,583	1,99,43,494	1,24,97,816	87,502	F. W. Heilgers & Co. Private Ltd.	1,250	Lawrence	114.00	100	Nil	Nil	2.00	15.00	3	Y.P.
24,48,000	10,76,201	1,05,86,990	87,13,279	—2,02,024	Bird & Co. Private Ltd.	931	Magma	11.00	10	0.50	1.75	1.00	1.20	3	Y.
28,00,000	11,08,502	89,04,728	41,03,722	10,530	Bird & Co. Private Ltd.	840	Naihati	61.00	100	Nil	Nil	2.00	15.00	3	Y.P.
81,65,200	34,63,931	2,70,91,429	1,55 68,005	55,999	M.	1,294	Naskarpara	9.00	10	0.25	0.25	..	..	10	Y.P.T.
20,98,900	34,36,392	1,64,53,185	94,33,205	—11,60,535	M.	1,015	National	22.31	10	0.75	0.75	..	..	10	Y.P.
30,00,000	13,14,376	86,84,253	52,57,490	4,929	Howrah Trg. Co. Private Ltd. ..	425	Nellimarla Jute Mfg. Co.	12.00	10	0.90	1.00	1.40	..	7	Y.P.T.
35,00,000	39,51,326	43,49,737	12,31,373	19,604	Andrew Yule & Co., Ltd.	852	New Central	21 31	10	1.00	1.00	1.50	2.00	3	Y.P.
12,00,000	1,25,000	18,80,245	12,38,043	1,88,467	McLeod & Co., Ltd.	316	Northbrook	20.25	10	Nil	Nil	1.25	..	3	Y.P.T.
26,25,000	31,71,872	59,70,247	26,86,048	1,45,461	Sahu Jain Ltd.	1,765	Nuddea	45.50	50	Nil	2.50	3.00	4.00	3	Y.
1,22,24,350	1,98,88,995	8,59,23,867	1,28,05,717	1,415	Sahu Jain Ltd.	1,765	Presidency	4.94	5	0.80	0.80	0.37½	0.50	3	Y.
16,79,880	38,39,763	1,21,83,607	71,21,536	27,631	Bird & Co. Private Ltd.	567	Rameshwara	9 00	10	Nil	Nil	Nil	Nil	7	Y.T.
66,79,500	38,58,004	2,30,01,345	1,21,85,728	49,497	Macneill & Barry Ltd.	1,092	Reliance	6 31	10	Nil	Nil	Nil	Nil	3	Y.P.
21,00,000	10,23,002	99,89,888	72,61,540	68,437	McLeod & Co., Ltd.	400	Residency	4.94	5	0.80	0.80	0.37½	0.50	3	Y.T.
20,00,000	42,629	33,96,467	12,06,763	20,626	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9 00	10	Nil	Nil	Nil	Nil	7	Y.T.
49,50,000	14,07,546	1,24,96,816	66,97,870	—31,44,473	Jardine Henderson Ltd.	1,276	Reliance	6 31	10	Nil	Nil	Nil	Nil	3	Y.P.
£600,000	£468,130	£1,481,376	£940,102	£96,843	Thomas Duff & Co.(India) Pvt. Ltd	2,013	Samnaggur	9.50N	£1	5%†	10%†	10%†	..	3	Y.P.T.
30,00,000	19,67,300	1,24,50,559	91,65,668	69,510	Bagaria More & Co., Ltd.	911	Shree Ambica	21.00	10	0.50	0.50	0.50	..	12	Y.P.
14,00,000	12,59,725	72,57,128	52,50,728	63,633	Hindustan Investment Corpn. Ltd.	401	Soorah	19 00	10	1.50	1.50	2.50	..	12	Y.P.
£600,000	£421,784	£1,270,961	£733,019	£48,317	Thomas Duff & Co. (India) Pvt. Ltd	1,794	Titaghur	9.50N	£1	Nil	8%†	10%†	..	12	Y.P.
£8,38,500	£7,29,990	£9,38,439	£0,59,464	£5,993	Bird & Co. Private Ltd.	1,326	Union	155 00	100	Nil	15 00	20 00	..	12	Y.P.
£400,000	£279,697	£1,282,678	£601,723	£81,176	Thomas Duff & Co. (India) Pvt. Ltd	1,331	Victoria	9.50N	£1	3%†	5%†	Nil	25.00	3	Y.P.T.
2,50,000	6,20,000	82,90,805	46,48,712	1,03,603	McLeod & Co., Ltd.	447	Waverley	3.06	1	Nil	Nil	0.25	..	12	Y.P.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
TEA COMPANIES															
10,96,990	4,16,128	17,25,120	8,38,787	2,842	Young India Agencies Private Ltd.	579	Balanoor Tea and Rubber ..	16.70	10	1.75*	1.75	1.50	..	3	Y.P.
52,50,000	29,41,207	79,09,776	13,65,987	2,83,908	Kothari & Sons (Agra.) Pvt. Ltd. ..	1,329	Blue Mountain	4.32ctXR	10	0.25	0.25	0.25	0.25	6	Y.
5,00,000	5,57,420	15 15,332	3,03,764	109	K. Anantaraman, Esq. (Mg. Director)	350	Chandramalai Estates Ltd. ..	8.08	2	0.80	0.24	..	..	6	Y.
9,33,400	15,86,598	26,32,979	8,15,911	1,38,960	Peirce, Leslie & Co., Ltd.	1,336	Chembra Peak Estates	5.57	2	0.40	0.20	..	..	6	Y.P.
5,65,920	12,80,970	21,63,370	1,64,704	29,120	Harrison Rosanquet & Co. Pvt. Ltd	892	Coonoor Tea	27.25	10	2.00	2.00	0.30	0.40	6	Y.
4,80,000	4,76,798	12,48,672	2,12,224	2,580	Srinivas Agencies	441	Coorg Tea	5.40	2	0.40	0.40	0.40	..	6	Y.
6,00,000	4,82,155	12,23,902	3,38,531	1,259	R. A. Jenkins, Esq. (Mg. Director)	844	Devashola .. (Nilgiri) Tea	80.00	10	1.75	2.50	2.50	0.40	3	Y.P.
6,74,620	2,25,933	9,81,247	2,29,577	4,312	Young India Agencies Private Ltd.	465	Devon Tea	14.37	10	1.75	1.75	1.50	1.50	3	Y.P.
3,50,000	1,76,500	4,04,217	65,265	2,027	Parkins Private Ltd.	198	Emerald Valley Estates ..	5 60	5	0.50	0.50	..	..	3	Y.P.
25,00,000	17,77,500	47,06,209	9,26,271	1,765	Parkins Private Ltd.	1,495	Halleybura	14.00	10	1.50*C	2.00	0.40	..	12	Y.
6,00,000	7,65,006	14,37,744	4,33,548	48,253	Andrew Yule & Co., Ltd.	466	Kalaa Tea	4.55	2	0.30	0.25	0.30	1.25*C	6	Y.P.T.
16,39,438	19,94,704	32,75,491	4,84,787	28,103	Peirce, Leslie & Co., Ltd.	781	Kil Kotagiri Tea	5.45	2	0.30	0.30	0.30	..	3	Y.T.
3,45,000	5,10,000	11,44,396	98,799	806	Ipe Gommen & Co. Pvt. Ltd. ..	1,873	Kurchermala Plant. Ltd. ..	8 20CR	10	0.75	0.65	0.70	..	10	Y.P.
5,00,000	70,558	4,98,291	61,372	85,810	Mathoon Rosanquet & Co. Pvt. Ltd.	267	Lucky Hill	14.00	10	1.00	1.00	0.80	Nil	3	Y.P.
3,50,000	20,500	3,21,318	21,726	17,845	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2 65	10	1.00	1.00	1.00	..	12	Y.
3,00,000	6,21,190	12,48,190	2,88,717	1,418	Eapen Thomas, Esq. (Mg. Director)	524	Mlamalay	39.88	25	4.50	3.75	5.00	..	3	Y.
36,00,000	21,32,879	79,94,954	18,08,924	5,482	A. V. Thomas & Co. (India) Ltd. ..	1,659	Neelamalai	4.75	5	0.37	0.37	..	..	3	Y.P.
12,00,000	6,36,837	26,24,009	5,85,572	150	A. V. Thomas & Co., Ltd.	679	Nellamuthy	2 70	5	0.40	0.30	..	..	6	Y.P.
14,06,250	6,95,346	38,09,977	5,17,286	20,656	A. V. George & Co., Ltd.	1,423	Nilgiri Tea	8.20	10	0.75	0.80	0.20	..	6	Y.P.
23,10,000	9,22,309	38,12,548	8,65,385	55,376	Macneill & Barry Ltd.	836	Nonsuch Tea	24.40	10	2.00	2.50	..	..	3	Y.P.
13,53,600	17,53,325	32,40,997	5,53,242	47,411	Mr. P. S. M. Molyneux (Chairman)	579	Parkside	30.75ed	10	1.75	1.75	2.00	..	6	Y.
6,00,000	3,06,284	8,47,692	63,188	64,227	S. Sivaramakrishna Aiyar, Esq. ..	500	Peninsular Plantations Ltd.	21 35	10	2.50	2.50	2.75	2.75	6	Y.
57,00,000	10,41,753	41,24,957	14,45,521	44,631	Inglewall & Co. (Travancore), Ltd.	1,557	Peermade	22.50	10	2.50	2.50	2.00	..	6	Y.
17,94,880	28,17,545	1,10,00,188	54,84,598	80,253	Peirce, Leslie & Co., Ltd.	3,483	Periakaramalai	3.41	2	0.20	0.20	0.25	..	12	Y.P.
13,50,000	2,82,500	11,13,472	1,04,534	1,431	A. V. Thomas & Co. (India) Ltd...	865	Sheverov Estates Ltd.	1.88	2	0.15	0.20*C	0.25	..	12	Y.P.
9,00,000	12,06,478	27,35,093	7,62,655	3,656	T. Stanes & Co., Ltd.	680	Stanes Amalgamated	21.37	10	1.40	0.15	0.125	..	6	Y.T.
1,25,000	15,000	7,999	1,981	4,239	M.	216	Swinton Estates	3 30cd	2	1.40V	0.80	0.60	..	6	Y.T.
12,50,000	10,87,328	36,51,137	3,53,187	997	Srinivas Agencies	1,787	Talayar Tea	1.78cd	2	..	0.15	0.15	0.25	3	Y.
15,75,000	16,00,500	27,57,319	3,29,320	555	Parkins Private Ltd.	1,514	Tevaford	12.50	10	1.50*C	1.50	1.00*C	0.16	3	Y.T.
44,14,672	12,29,810	64,16,021	12,67,921	1,00,001	P. Stanes & Co., Ltd.	1,771	United Nilgiri	23 31	10	1.75	1.50	1.00*C	..	12	Y.
31,50,000	32,96,030	63,68,910	8,97,362	1,94,353	Kothari Mehta & Co. Pvt. Ltd. ..	997	Waterfall	5.25edCR	10	1.00	1.00	1.25	..	12	Y.
1,00,000	53,087	3,26,855	84,299	2,523	Goodall & Co.	93	Woodcote Estates Ltd.	1.67	2	0.25	0.25	0.25	0.25	6	Y.P.
0.09	0.06	Nil	6	Y.P.T.											
RUBBER AND OTHERS															
6,00,000	5,52,435	16,66,612	4,21,741	8,855	Ramani & Co., Pvt. Ltd.	878	Alagewar Estates Ltd.	2.33	2	0.20	0.20	0.15	0.15x	3	Y.
6,75,000	1,60,527	19,03,351	2,97,284	23,572	K. N. Neelakantan, Esq. (Mg. Director)	2,082	Amalgamated Coffee Estates Ltd. ..	18.25	10	0.40	0.60	0.75	1.00	3	Y.P.T.
2,50,000	5,78,753	13,39,783	1,24,787	30,922	A. V. George & Co., Ltd.	629	Anandam Rubber Co., Ltd. ..	14.37	10	1.50	1.00	1.50	..	12	Y.P.
12,07,832	2,28,040	19,28,285	1,92,147	27,812	Associated Planters Private Ltd.	1,264	Anaparai Estates Ltd.	4.82	2	0.80	0.70	0.50	..	12	Y.P.
4,25,000	4,00,000	8,56,375	92,884	25,796	Young India Agencies Pvt. Ltd. ..	554	Badra Coffee Estates Ltd. ..	3.84	2	0.85	0.70	0.50	..	3	Y.T.
4,00,000	2,65,748	7,16,760	98,936	8,216	A. V. Thomas & Co. (Mysore) ..	550	Balasundrin Coffee & Produce ..	9 00	5	1.25	1.25	0.85	..	6	Y.T.
3,00,000	2,25,000	4,24,393	50,457	583	Planting Agencies (Private) Ltd...	319	Balmadies Plantations	2.36	5	1.25	1.25	0.625	..	6	Y.P.
8,66,115	3,36,253	13,50,384	13,674	674	T. K. Oommen, Esq. (Mg. Director)	1,135	Be lie Rubber Estates Ltd. ..	2 90	5	0.25	0.25	0.15	0.15	6	Y.
26,91,279	18,00,000	52,49,279	8,16,788	21,669	Peirce, Leslie & Co., Ltd.	7,092	Cochin Malabar	6 97	3	0.45	0.45	0.25	..	3	Y.P.
22,50,000	31,10,963	53,64,309	13,19,304	92,379	Cons. Coffee Estates (Secretaries).	2 799	Coffee Lands and Industries ..	19 50cd	10	4.00	3.00	0.30*C	..	3	Y.P.
71,55,000	60,64,294	1,58,60,000	40,89,751	60,720	C. I. Machia Esq. (Mg. Director) ..	8,189	Consolidated Coffee	23 25cd	10	4.00	2.00	2.50	0.525	2	Y.
6,00,000	5,32,423	13,68,760	74,623	1,482	Associated Planters Private Ltd...	1,439	Cotiandal Plantations	12.25cd	10	2.00	2.00	2.50	0.60	2	Y.
4,08,560	2,00,000	3,12,568	76,068	27,670	Peirce, Leslie & Co., Ltd.	505	Cowcoody Estates (Coffees) ..	5 16cd	10	1.75	1.50	2.50	2.00	6	Y.
18,00,000	9,86,402	31,48,370	6,93,094	24,694	A. V. Thomas & Co., Ltd.	886	Highland Produce	14.85	10	1.00	1.30	0.50	0.50	3	Y.
1,20,000	49,000	1,64,450	5,148	2,033	Young India Agencies Pvt. Ltd...	220	Kadur Coffee Estates Ltd... ..	2.74	2	0.75	1.50	1.50	..	6	Y.
11,85,700	10,77,705	30,90,516	2,88,458	27,122	A. V. George & Co., Ltd.	1,529	Kallas Rubber, Co., Ltd.	5.20	2	0.15	0.15	0.15	0.15	12	Y.P.
8,00,000	8,56,553	17,97,748	3,49,814	1,330	A. V. Thomas & Co., Ltd.	1,858	Kalpetta Estates	12.00	10	0.60	0.50	0.50	0.40	5	Y.
4,00,000	3,00,000	9,04,554	1,45,547	12,518	Peirce, Leslie & Co., Ltd.	610	Kumergode Estates Ltd.	5 10	2	2.00	1.00'C	1.25	1.25	4	Y.P.
13,50,000	4,85,241	23,39,474	4,08,190	9,942	Associated Planters Pvt. Ltd. ..	1,663	Malamalai Estates	17.70	10	0.50	0.40'C	0.40	..	3	Y.P.
3,25,000	2,50,000	7,61,984	10,586	11,686	Associated Planters Pvt. Ltd. ..	906	Mercara Rubbers Ltd.	8.85	10	2.25	1.70'C	1.00	1.50	3	Y.
40,50,000	14,21,444	90,79,614	11,84,844	66,364	A. V. Thomas & Co., Ltd.	4,883	Midland Rubber	11.72xd	10	2.00	1.75	1.00	..	3	Y.P.
8,33,000	4,13,450	16,31,926	2 76 266	46,425	A. V. George & Co., Ltd.	1,229	Neinemey Rubber	20.25	10	1.00	1.00'C	1.00	1.25	3	Y.P.
2,00,000	4,79,543	7,99,900	55,892	3,026	Associated Planters Private Ltd...	906	Nilambur Rubber Co.	16.95	10	1.00	1.50	1.00	..	12	Y.P.T.
19,45,980	22,63,423	48,95,125	16,66,950	3,088	Peirce, Leslie & Co., Ltd.	4,395	Ouchterlony Valley Estates ..	4.80	2	0.60	2.00	1.50	..	12	Y.P.T.
6,50,000	5,71,464	7,75,530	67,539	42,437	Peirce, Leslie & Co., Ltd.	546	Oseor Estates Ltd.	8.35	10	0.50	0.50	0.30	..	10	Y.P.T.
19,50,000	2,29,515	5,62,579	1,05,210	72,398	Anglwall & Co., Ltd.	1,507	Pullangode Rubber	1.85	2	0.30	0.20	0.30	0.30	3	Y.
13,50,000	8,37,644	48,91,065	4,79,542	19,045	A. V. Thomas & Co., Ltd.	2,988	Rajagiri Rubber	20.25cd	10	0.10	0.08	0.10	..	3	Y.
2,00,862	1,14,063	8,70,345	43,569	774	Associated Planters Private Ltd...	492	Rajendra Coffee Ltd.	14 00cd	10	2.00	2.00	2.00	..	3	Y.P.T.
5,50,170	3,00,000	8,87,758	1,22,319	12,609	P. Peirce, Leslie & Co., Ltd.	492	Savamalai Estates Ltd.	3 65	2	1.25	2.00	2.00	1.25	3	Y.P.T.
12,00,000	1,25,000	18,80,245	1,09,654	10,753	Patco Agencies	1,162	Sanzameshwar Coffee Estates	2.25xd	2	0.30	0.25*C	0.30	1.25	3	Y.P.T.
10,00,000	2,48 373	22,50 508	1,79,424	13,959	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd. ..	6.10	10	..	0.18	0.18	0.12	3	Y.P.T.
2,50,000	2,75,000	6,13,713	47,038	28,430	A. V. George & Co., Ltd.	467	Thamarapally Rubber	28.00	10	0.60	0.60	0.60	..	3	Y.P.T.
9,16,300	5,75,000	23,57,605	1,38,203	7,672	Peirce, Leslie & Co., Ltd.	2,235	Thirumbadi Rubber Co., Ltd	1.51	1	3.00	3.00	3.00	..	12	Y.P.T.
5,00,000	66,742	11,54,891	5,03,490	2,248	Eapen Thomas, Esq. (Mg. Director)	1,203	Travancore Rubber & Tea ..	11.30	10	1.50	1.00	0.75	..	12	Y.P.T.
41,00,000	15,07,458	86,13,066	18,50,697	8,526	Aspinwall & Co. (Travancore) Ltd.	4,071	Tropical Plantations Co.	9.55	10	1.00	1.00	1.00	..	12	Y.P.
20,00,000	1,26,000	32,16,659	5,67,988	11,924	P. T. Thomas, Esq. (Mg. Director)	2,359	Velimalai Rubber & Co.	18 50	25	1.00	0.75	0.75	..	12	Y.P.
6,00,000	4,96,000	17,68,416	1,27,428	10,653	P. I. J. Joseph, Esq. (Chairman) ..	1,360	Vidyagiri Rubber Co., Ltd. ..	6.38xd	5	0 62½	0.50	2.00	..	12	Y.P.
2,20,000	4,29,600	10,00,702	1,07,202	23,830	A. V. George & Co., Ltd.	458	Valkundam Rubber Co., Ltd. ..	17.00	10	0.50	0.75	0.50	0.60	3	Y.P.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
50,00,000	....	31,58,138	13,22,836	83,215	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	11.75	10	*Nil*	*Nil*	*Nil*	0.60	3	Y.
16,50,000	11,32,441	14,00,854	7,95,406	6,159	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	21.52	10	1.50	3.50	2.00	....	9	Y.
55,23,146	18,49,826	1,57,35,785	51,99,681	14,572	Bharat Ram Bhagat & Co.	Bengal Potteries	7.25	10	0.25	0.25	0.25	....	9	Y.P.
10,00,000	35,69,030	77,31,751	41,17,891	25,599	Bird & Co. Private Ltd. ..	Biara Stone Lime Co.	30.00	10	1.75	1.75	1.87	3.00	12	Y.
14,17,800	4,39,795	27,16,993	12,28,638	4,764	Motilchand G. Shaw, Esq. (Chairman) ..	Bombay Potteries and Tiles Ltd.	188.00	100	9.00	10.00	....		9	Y.
60,00,000	19,76,524	1,16,02,155	10,26,719	23,88,499	Saraf Mor & Co. Private Ltd. ..	Ferro Alloys Corporation Ltd. ..	195.00	100	*Nil*	*Nil*	....		9	Y.P.
41,71,800	61,709,275	£9,271,460	£1,917,571	£107,121	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.50	Sh. 2	0.24	0.36	*Nil*		12	Y.P.
0,15,00,000	25,89,666	44,79,158	18,16,190	2,61,727	Bird & Co. Private Ltd.	Karanpura Development	21.12	10	*Nil*	*Nil*	1.50		12	Y.
50,00,000				—12,618	Khandelwal Industries Private Ltd. ..	Khandelwal Ferro Alloys Ltd. ..	81.00	50	*Nil*	*Nil*	0.50		12	Y.
50,00,000	39,05,445	1,10,40,017	59,65,195	59,703	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	26.00N	10	....	*Nil*	*Nil*		12	Y.P.
40,00,000	19,01,024	1,16,80,580	59,85,020	—19,64,240	Eastern Smelting & Refining Co. P. Ltd.	Metal Corporation of India Ltd. ..	10.12	10	*Nil*	....	1.25		12	Y.P.T.
5,00,000	5,56,455	18,40,698	7,68,255	7,276	Mysore Industrial Development Co. ..	Mysore Stoneware Pipes & Potteries ..	14.15	10	1.00	1.00	*Nil*		3	Y.P.T.
20,00,000	54,00,644	64,42,180	31,99,598	88,340	Bird & Co. Private Ltd.	Orissa Minerals	40.00	10	2.00	2.50	3.50	1.50‖	3	Y.
10,46,870	65,42,410	1,02,15,679	38,53,590	4,756	Killick Industries Ltd.	Shivrajpur Syndicate	71.00	10	5.00*	8.00*	5.00		6	Y.
													11	Y.

CHEMICAL

12,00,000						Adarsh Chemicals	58.00	50						
20,00,000	81,87,800	1,87,07,072	65,76,431	9,770	Bhalla Amin & Sons (Private) Ltd.	Alembic Chemical Works Co. ..	233.00XR	100	12.00	12.00	16.00		12	Y.P.
63,00,000					Imperial Chemical Industries (India)									
47,97,000A	96,87,608	5,74,40,416	92,27,839	1,39,901	Private Ltd.	Alkali and Chem. Corpn. of India ..	34.75	10	0.80	0.80	0.95		12	Y.P.
60,00,000	30,78,678	86,90,417	21,21,588	35,088	Amritlal & Co. Private Ltd. ..	Amar Dye-Chem. Ltd.	360.00	100	*Nil*	*Nil*	12.00		9	Y.P.
29,89,400	34,94,429	1,18,57,772	49,89,008	47,103	Kasturbhai Lalbhai & Co. ..	Amit Starch Products Ltd. ..	707.50	100	20.00*	20.00*	28.00*		12	Y.P.
3,00,00,000	99,08,362	3,56,02,722	1,05,40,064	72,946	Lalbhai Sons & Co.	Atul Products Ltd.	443.00	100	8.00	10.00	12.00		12	Y.P.
30,92,900	32,95,445	1,47,57,610	71,89,268	15,89,511	Dr. B. N. Ghose (Managing Director) ..	Bengal Chemical and Phar.	109.00	100	6.00	6.00	12.00		12	Y.
1,00,00,000	6,00,000	1,07,91,843	4,62,147	—42,988	Ramniwas R. Ruia, Esq. (Chairman) ..	Colour-Chem Ltd.	800.00	100	....	6.00	7.00	7.00	3	Y.
13,69,150	25,99,000	77,57,081	36,19,218	44,349	Dharamsi Morarji & Co. ..	Dharamsi Morarji Chemical Co., Ltd. ..	245.50	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
64,49,032	66,78,078	1,59,27,890	67,30,029	—1,11,028	Sahu Bros. (Saurashtra) Private Ltd. ..	Dhrangadhra Chemicals	123.00XR	100	5.00	6.00	10.00		12	Y.
2,46,06,075	14,63,000	3,13,68,598	2,20,28,297	19,58,917	Seshasayee Bros. (Trav.) Private Ltd. ..	F. A. C. Co.	0.90	10	*Nil*	0.40	0.60		3	Y.
1,50,00,000	23,35,000	51,41,000	15,22,000	10,072	Mafatlal Gagalbhai & Sons ..	Indian Dyestuffs Industries Ltd. ..	415.00	100	*Nil*	6.00	8.00		3	Y.P.
12,00,000	6,37,883	27,45,795	14,20,459	47,412	Jai H. Mehta	Kemp & Co.	340.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
40,00,000	22,56,480	1,48,65,801	78,81,048	12,718	Seshasayee Brothers Private Ltd. ..	Metlur Chemicals	13.00	10	0.75	1.50	2.00	25.00	3	Y.P.
24,81,220	10,04,155	55,64,434	40,80,625	11,452	T. Shanmuna, Esq. (Chairman) ..	Mysore Chemicals and Fertilisers ..	11.00cd	10	0.75	0.874	0.88	1.25'C'	3	Y.P.T.
8,00,000	4,52,180	11,10,269	5,98,880	85,186	S. Ramanathan, Esq. (Mg. Director) ..	Mysore Chemical Mfg.	27.50cd	10	2.00	2.50	2.50	1.00	3	Y.
40,00,000	20,96,879	58,16,750	11,97,185	87,844	Ramdas Kilachand, Esq. (Chairman) ..	Polychem, Ltd.	207.50	50	....	*Nil*	3.00	2.00'C'	3	Y.P.
19,80,000	14,69,737	24,40,260	15,05,655	98,591	C. A. Buxton	Smith Stanistreet & Co.	13.00XR	5	1.00	0.80'C'	1.25	4.50	3	Y.P.
1,89,95,990							16.69	10Old	0.80	0.75	1.25	1.25	6	Y.P.
1,11,91,270	42,17,119	5,89,52,588	2,06,73,886	14,509	Tata Industries Private Ltd.	Tata Chemicals	15.92xd	10New	0.80	0.75	0.825	0.60	6	Y.P.
10,00,000							16.00	10	0.60	0.03	0.818	0.60		
79,740	1,07,899	18,05,082	6,06,958	72,165	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd. ..				0.70	1.00	1.50	3	Y.P.T.
91,12,500	75,99,306	3,71,15,564	1,40,56,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd. ..	32.12	10	1.50	1.20	1.20	1.715	3	Y.P.T.
20,00,000	23,52,818	76,16,494	17,47,902	73,109	J. K. Industries Private Ltd. ..	J. K. Steel Ltd.	17.25	10	1.25	1.25	1.25		3	Y.P.
1,01,99,000	1,07,40,818	2,77,47,845	84,30,378	43,747	B. P. Singh Roy, Esq. (Chairman) ..	Jessop & Co.	19.87	10	*Nil*	0.60	0.80		3	Y.P.
24,23,187	10,05,500	48,80,671	20,56,630	17,860	Kirloskar Sons & Co. (Kirloskarwadi) ..	Kirloskar Oil Engines, Ltd.	20.52	10	*Nil*	0.60	0.888		3	Y.P.
27,64,800	46,74,583	90,13,988	33,28,450	81,283	Bird & Co. Private Ltd.	Kumardhubi Engineering Works ..	6.19	5	0.45	0.60	1.00		3	Y.P.
10,50,000	1,90,990	16,52,345	14,72,111	8,818	Marshalls (Direction) Private Ltd. ..	Marshall Sons & Co. (India), Ltd. ..	4.60	5	0.45	0.60	0.80'C'		3	Y.
28,00,000							142.00	100	0.40	0.40	0.20		11	Y.P.T.
7,60,000	29,74,007	92,74,177	47,37,764	4,444	Kirloskar Associates	Mysore Kirloskar Ltd.	178.00	100	6.00	7.50	12.00	6.50		Y.
49,98,000	13,28,430	1,37,17,076	81,10,264	—1,08,083	M.	National Iron and Steel Co., Ltd. ..	6.00	5	....	....	6.00		6	Y.
40,00,000	80,56,944	80,38,680	18,59,471	9,638	S. B. Ind. Development Co., Ltd. ..	Richardson & Cruddas Ltd.	8.44N	10	0.62	0.62	0.75	*Nil*	3	Y.
40,00,000	11,05,251	31,29,091	21,87,426	17,915	Begg, Sutherland & Co. Private Ltd. ..	Saran Engineering Co.	6.94	4	0.40	0.40	0.50		3	Y.P.T.
6,00,000	15,25,379	4,19,76,529	1,95,95,855	87,204	Birla Brothers Private Ltd. ..	Textile Machinery Corporation, Ltd. ..	22.25	10	1.50	1.50	2.00	0.85	3	Y.P.
1,80,00,000	19,07,750	64,82,089	22,23,168	932	Balasundaram & Co.	Taxtool Co., Ltd.	191.00	100	10.00	12.00	15.00		12	Y.P.T.
19,92,200													4	Y.

ELECTRIC (Bombay State)

74,78,895	1,17,08,657	15,23,94,046	4,04,47,092	638	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd. ..	84 50xd	100	5.25	6.50	6.75	7.00		
81,28,750	21,63,966	2,36,72,976	59,65,971	15,69,279	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd. ..	10 04xd	10	0.42	0.85	0.90	1.00*	3	Y.T.
3,02,75,250	69,81,201	9,66,08,856	2,69,10,919	22,347	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co. ..	1,002.50	1,000	55.00	60.00*	60.00*	1.00*	3	Y.P.
1,74,00,000	73,52,280	4,08,37,864	98,99,329	1,957	Killick Industries Ltd.	Bombay Suburban Electric Supply ..	85.00	100	7.00	7.00	7.50	8.00	3	Y.P.T.
7,07,020	1,08,967	16,97,265	8,70,208	1,686	Rajputana Textiles (Agencies) Ltd. ..	Broach Electric Supply Development ..	7.00	10	1.00	1.00	1.00	1.00	3	Y.P.T.
48,89,000	12,56,818	1,57,75,704	61,59,009	8,547	Rajputana Textiles (Agencies) Ltd. ..	Poona Electric Supply	108 50	100	2.50	3.00	0.60	0.65	3	Y.
60,82,800	23,82,407	1,48,50,860	46,79,945	8,210	Killick Industries Ltd.	Surat Electricity	84.30	100	6.75	7.50	8.00	9.50	3	Y.P.T.
2,39,99,878	1,01,57,424	7,01,96,385	1,89,09,858	25,281	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply ..	102 00	100	5.25	6.00	7.00	7.00	3	Y.P.T.
5,16,86,750	2,60,65,771	17,16,28,067	3,98,66,464	32,859	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,031.25	1,000	55.25	60.00*	60.00*	8.50*	3	Y.P.
												85.00*	3	Y.P.

West Bengal and Other Centres

99,600	51,38,028	13,39,99,790	39,25,042	47,389	Martin Burn Ltd.F	Agra Electric Supply Co., Ltd. ..	120.00xd	100	10.00	10.00	10.00	11.00	3	Y.T.
6,00,000	15,28,375	63,42,780	22,28,800	28,612	Martin Burn Ltd.	Bareilly Electric Supply	12.50	10	1.00	1.00	1.00	1.10	3	Y.T.
17,00,000	17,66,354	1,71,05,214	47,49,307	46,563	Martin Burn Ltd.	Benares Electric Light & Power Co. ..	14.00	10	1.25	1.00	1.00	1.10	3	Y.T.
5,91,455	2,64,557	14,77,767	12,04,439	29,820	Martin Burn Ltd.	Bhagalpur Electric Supply	12.12xd	8	0.62	0.40	0.40	*Nil*	3	Y.T.
44,22,646	10,12,978	33,04,377	13,30,118	108,188	Harry Burn, Esq. (Chairman) ..	Calcutta Electric Supply	14.75	51	0.75	0.75	0.75	0.75	3	Y.
6,60,000	6,73,784	31,45,761	10,61,553	26,838	Octavius Steel & Co., Ltd. ..	Cuttack Electric Supply	7.75xd	10	0.87½	7%	7%	7½%	3	Y.
49,20,000	24,88,988	1,02,37,174	33,05,104	4,95,990	Andrew Yule & Co., Ltd. ..	Dhanbad Electric Supply	93.00xd	100	5.00	5.00	5.55	0.75	3	Y.P.T.
5,84,640	1,24,635	34,43,088	14,37,084	2,947	Moonna Lall & Sons	Jhansi Electric Supply	6.75N	9	0.50	0.50	0.50	0.50	3	Y.
23,49,550	27,02,877	1,07,31,716	40,42,273	20,296	Martin Burn Ltd.	Jubbulpore Electric Supply	13.00	10	0.46C	0.62½	0.62	0.70	3	Y.P.
4,84,000	2,31,174	12,56,031	8,03,238	21,890	Octavius Steel & Co., Ltd. ..	Mirzapore Electric Supply	7.50N	9	0.40	0.50	0.50	0.95	3	Y.
5,82,300	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd. ..	Monghyr Electric Supply	10.50xd	10	1.22Z	0.72	....	1.00	3	Y.
6,99,880	1,93,978	17,84,092	7,88,164	22,821	G. D. Bhagat, Esq.	Muttra Electric Supply	9.50	10	1.25Z	1.00	1.00	1.25	3	Y.
25,07,350	40,46,800	1,41,04,880	56,09,270	75,727	Octavius Steel & Co., Ltd. ..	Patna Electric Supply	10.37	10	0.90	0.80	....		3	Y.
9,10,000	2,37,616	12,60,624	5,84,092	5,200	Octavius Steel & Co., Ltd. ..	Shahjahanpur Electric Supply	6.44xd	10	1.25Z	0.75	0.75	....	3	Y.
19,80,000	13,87,254	78,27,858	44,06,906	2,037	Bird & Co. Private Ltd.	Sitapur Electric Supply	9.50	10	*Nil*	0.80	0.80	0.80	3	Y.
69,99,660	18,06,145	67,58,084	2,06,37,816	9,023	Seshasayee Bros. Private Ltd. ..	South Madras Electric Supply Corpn.	10.12xd	10	0.94	0.75	0.75	0 625	3	Y.
5,00,000	11,62,458	52,32,385	12,25,584	36,698	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply ..	16.25	10	1.28	0.87	0.75	1.00	3	Y.
56,01,185	78,57,186	4,08,85,812	1,45,66,727	85,899	Martin Burn Ltd.	U. P. Electric Supply Co.	110.00xd	100	1.25	1.25	1.25	0 40 G'	3	Y.P.T.
4,00,000	9,34,990	40,87,637	11,42,884	2,88,269	Chandrie & Co. Private Ltd.	Vallore Electric Corporation	12.75	10	1.00	1.00	10.00	11 00	3	Y.
												1.50	3	Y.

ENGINEERING (Bombay)

38,48,200	49,44,167	75,55,494	40,70,247	28,009	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	232.00XR	100	12.50	12.50	17.00		12	Y.
19,98,580	2,81,926	20,32,188	7,18,262	2,819	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	31.00	10	2.00	2.00	4.00		12	Y.
48,19,800	25,03,443	83,35,767	46,96,997	76,742	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	157.00xd	100	7.00	8.00	10.00*	18.00*	12	Y.
40,00,000	4,16,937	1,03,84,494	37,37,355	1,00,000	Dharamsi Morarji & Co. ..	Hindustan Electric Co., Ltd.	107.00	100	6.00	6.00	10.00*	18.00*	12	Y.
53,99,900	34,62,780	2,25,73,362	1,37,51,802	70,945	Walchand & Co. Private Ltd.	Indian Home Pipe Co., Ltd.	170.00	100	6.00	6.00	10.00	15.00*'C'	6	Y.
6,00,000	4,15,000	1,68,191	1,29,312	3,288	T. V. Baddeley, Esq. (Chairman) ..	Jost's Engineering	70.00	100	9.00	9.00	13.00	13.00'C'	6	Y.P.
44,98,250	4,05,683	62,46,798	32,18,347	8,447	Kamani Brothers Private Ltd. ..	Kamani Engineering Corporation ..	15.36	10	5.00	5.00	5.00	4.00	6	Y.P.T.
80,00,000	27,05,628	78,01,000	25,52,818	55,253	L. & T. (Management) Private Ltd. ..	Larsen & Toubro Ltd.	35.25	10	*Nil*	0.50	0.778		9	Y.
1,82,00,000	42,62,182	1,34,87,855	31,17,680	1,16,227	M.	Mahindra & Mahindra Ltd.	19.60	10	1.00	1.25	1.25		3	Y.
11,00,000	3,45,914	40,22,575	24,12,198	2,016	F. Jhunjhunwala, Esq. (Mg. Director) ..	McKenzies	130.00	100	1.75	2.20	1.25	1.80'C'	3	Y.
40,13,000	45,80,000	1,21,27,166	40,92,878	3,253	Jeewan Private Ltd.	Mukand Iron & Steel	130.00	100	*Nil*	*Nil*	0.75		10	Y.P.
22,27,700	6,89,618	47,79,386	14,99,087	92,426	J. V. Patel, Esq. (Mg. Director) ..	New Standard Engineering	108.00	10	1.00	1.20	1.20	1.20	7	Y.
13,86,150							125.00	(75 New)	....	....	9.00	12.00	8	Y.P.
22,50,000	1,84,42,446	8,81,298	1,40,739	1,86,103	Walchand & Co. Private Ltd.	Premier Construction	230.50	50	10.00	12.00	16.00	0.80	9	Y.P.
25,00,000	26,28,031	93,40,964	37,60,929	14,893	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd. ..	280.50	100	10.00	12.00	18.00		12	Y.
97,53,21,825	27,01,22,014	1,07,40,84,801	54,97,16,236	8,46,767	Tata Industries Private Ltd.	Tata Iron and Steel	741.00	75 Old	18.00	18.00	17.00		12	Y.P.
1,99,99,200	1,71,81,766	21,85,35,118	9,38,84,584	2,54,171	Tata Industries Private Ltd.	Tata Locomotive	204.50	100	8.00	8.00	8.00		12	Y.P.
2,55,00,000	42,26,696	82,34,738	18,74,488	2,26,895	S. K. Handoo, Esq.	Voltas Ltd.	263.00	100	9.00	9.00	9.00	12.50	3	Y.P.T.
													3	Y.

West Bengal and Other Centres

6,00,000	24,971	20,51,215	15,01,855	—4,46,520	North Bihar Trading Co. Ltd. ..	Arthur Butler & Co.	12.00	10	*Nil*					
50,00,000	29,49,221	1,55,21,495	99,55,978	2,60,479	M.	Bharitia Enos. Ltd.	11.18	10	1.25	1.25	1.50		12	Y.
56,59,790	70,94,966	77,38,705	12,79,588	2,27,080	Y. S. Tayal, Esq. (Secretary) ..	Braithwaite & Co. (India) Ltd.	35.00	10	2.00	2.00	2.25		12	Y.P.T.
12,00,000	32,12,634	79,76,063	44,83,042	1,72,548	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	55.00N	10	2.00	2.00	2.25		12	Y.
19,85,270	7,04,341	49,97,580	14,03,485	32,998	Lalbhai Sons & Co., Ltd.	Britannia Building and Iron	5.50	10	0.50	2.00'D'	3.00		12	Y.
40,00,000	41,48,565	98,27,511	48,02,704	1,82,481	McLeod & Co., Ltd.	Britannia Engineering	15.50	10	0.50	0.60	0.80		12	Y.
5,00,000	7,72,971	24,65,021	14,46,244	74,493	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	39.00	10	2.00	2.00	2.00		12	Y.
84,00,000	2,33,60,502	4,66,65,264	3,04,72,971	1,34,618	Martin Burn Ltd.	Burn & Co.	445.00	100	20.00	20.00	2.80		12	Y.P.T.
30,00,000		55,75,759	25,632	1,03,035	M.	Calcutta Steel Co., Ltd.	15.27	10		20.00	25.80	25 80	3	Y.
1,00,00,000	12,33,028	1,89,66,744	10,15,000	3,17,174	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	10.00N	10	*Nil*	*Nil*	*Nil*	0 80	3	Y.
40,00,000	25,000	1,05,80,500	9,91,658	—3,47,543	J. Daimia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.00	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
9,00,00,000	2,84,07,647	6,74,66,438	2,15,47,893	....	H. M. L. Williams (Mg. Director) ..	Guest, Keen, Williams Ltd.	38.25xd	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.T.
12,50,000	29,60,076	90,81,575	40,46,109	7,047	Martin Burn Ltd.	Hooghly Docking	107 00	50	2.00	2.00	2.50		9	Y.
36,94,580	....	5,76,860	3,01,442	—1,24,816	Balmer Lawrie & Co., Ltd.	Indian Galvanising Co.	20 25	10	0.00	5.00	6.00		12	Y.T.
12,44,06,990	21,14,27,025	71,57,58,772	14,60,01,060	11,49,767	Martin Burn Ltd.	Indian Iron and Steel	23 48	10	*Nil*	*Nil*	*Nil*		12	Y.P.
88,98,500	61,33,742	1,23,74,955	72,86,332	48,703	Martin Burn Ltd.	Indian Standard Wagon	89.50	10	1.00	1.00'C'	1.00		12	Y.P.
96,00,000	2,50,89,519	2,18,68,229	1,45,68,174	12,96,128	Indra Singh & Sons Private Ltd. ..	Indian Steel and Wire Products ..	89.50	0.10	7.50*	5.00	6.00	1.50	3	Y.P.
79,740							17.12	O. 1	0.40	0.40	0.40	7.125	3	Y.P.
91,12,500	75,99,306	3,71,15,564	1,40,56,750	6,322	Madan Mohanlall Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd. ..	32.12	10	1.50	1.20	1.20	1.715	3	Y.P.T.
20,00,000	23,52,818	76,16,494	17,47,902	73,109	J. K. Industries Private Ltd.	J. K. Steel Ltd.	17.25	10	1.25	1.25	1.25		3	Y.P.
1,01,99,000	1,07,40,818	2,77,47,845	84,30,378	43,747	B. P. Singh Roy, Esq. (Chairman) ..	Jessop & Co.	19.87	10	*Nil*	0.60	0.80		3	Y.P.
24,23,187	10,05,500	48,80,671	20,56,630	17,860	Kirloskar Sons & Co. (Kirloskarwadi) ..	Kirloskar Oil Engines, Ltd.	20.52	10	*Nil*	0.60	0.888		3	Y.P.
27,64,800	46,74,583	90,13,988	33,28,450	81,283	Bird & Co. Private Ltd.	Kumardhubi Engineering Works ..	6.19	5	0.45	0.60	1.00		3	Y.P.
10,50,000	1,90,990	16,52,345	14,72,111	8,818	Marshalls (Direction) Private Ltd. ..	Marshall Sons & Co. (India), Ltd. ..	4.60	5	0.45	0.60	0.80'C'		3	Y.
28,00,000							142.00	100	0.40	0.40	0.20		11	Y.P.T.
7,60,000	29,74,007	92,74,177	47,37,764	4,444	Kirloskar Associates	Mysore Kirloskar Ltd.	178.00	100	6.00	7.50	12.00	6.50		Y.
49,98,000	13,28,430	1,37,17,076	81,10,264	—1,08,083	M.	National Iron and Steel Co., Ltd. ..	6.00	5	....	....	6.00		6	Y.
40,00,000	80,56,944	80,38,680	18,59,471	9,638	S. B. Ind. Development Co., Ltd. ..	Richardson & Cruddas Ltd.	8.44N	10	0.62	0.62	0.75	*Nil*	3	Y.
40,00,000	11,05,251	31,29,091	21,87,426	17,915	Begg, Sutherland & Co. Private Ltd. ..	Saran Engineering Co.	6.94	4	0.40	0.40	0.50		3	Y.P.T.
6,00,000	15,25,379	4,19,76,529	1,95,95,855	87,204	Birla Brothers Private Ltd. ..	Textile Machinery Corporation, Ltd. ..	22.25	10	1.50	1.50	2.00	0.85	3	Y.P.
1,80,00,000	19,07,750	64,82,089	22,23,168	932	Balasundaram & Co.	Taxtool Co., Ltd.	191.00	100	10.00	12.00	15.00		12	Y.P.T.
19,92,200													4	Y.

INSURANCE (x)

13,50,000	46,52,425	1,45,73,387	....	23,040	N. M. Cole, Esq. (Mg. Director) ..	Concord of India	10.50	5	1.00	1.00	1.00		12	Y.
10,00,000	11,65,196	28,43,030	....	66,990	M.	Devkaran Nanjee Insurance	32.00	50	3.00	3.00			12	Y.
5,15,000	1,84,05,246	12,28,65,607	....	....	R. Varadachari, Esq. (Administrator) ..	Empire of India Life Assurance ..	258.75	100			1.00		12	Y.
5,15,000	71,01,254	1,40,68,520	....	3,62,182	E. K. Srinivasan, Esq. (Mg. Director) ..	Hercules Insurance	23.12	10	2.00	2.00

MISCELLANEOUS COMPANIES—*Continued.*

UNCLASSIFIED *(Other Centres)*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts Closed	Reference
62,50,000	2,03,52,405	3,95,14,452	1,19,43,890	1,13,745	J. K. Industries Private Ltd. ..	Aluminium Corporation of India Ltd. ..	17.81	O. 10	0.90	0.90	1.00	1.20	3	Y.F.T.
60,00,000	29,85,759	1,36,71,849	55,51,233	1,52,815	Seshasayee Bros. (Trav.) Pvt. Ltd. ..	Aluminium Industries Ltd.	22.85	10	1.25	1.25	1.25	1.80	3	Y.
30,00,000	36,44,178	85,06,360	25,66,851	2,24,865	Turner Morrison & Co. Private Ltd. ..	Anzelo Bros., Ltd.	21.62	10	1.80*	1.80	2.00		3	Y.
2,46,78,690	26,65,610	2,20,70,296	60,76,913	20,076	A. E. L. Collins, Esq. (Mg. Director) ..	Ashok Leyland Ltd.	8.15	5	0.80	0.80	0.40		12	Y.
30,00,000	20,24,770	40,31,468	21,84,354	1,97,091	Mr. A. Ardalan and Mr. S. Goldberg ..	Assam Match Co., Ltd.	18.50	10	1.25*	1.25*	1.80		12	Y.
1,18,00,000	..	..	..	..	H. M Cox.	Associated Battery	36.25	10	1.50	2.40	4.00	1.50†	3	Y.
30,00,000	86,84,600	1,05,71,381	42,22,843	1,54,774	Oberoi Hotels (India) Private Ltd. ..	Associated Hotels of India ..	6.75N	10	0.60	0.60			3	Y.F.T.
80,01,400	23,06,830	77,88,003	41,34,216	5,14,649	A. T. Montgomery, Esq. (Chairman) ..	Balmer Lawrie & Co., Ltd. ..	223.00	100	12.50	20.00	25.00	7.00†	12	Y.
12,00,000	22,70,218	85,44,875	30,14,278	2,19,995	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	42.37	10	2.50	2.50	4.00	1.50†	12	Y.
50,00,000	1,77,808	89,03,167	96,073	—4,66,649	H. R. Sugla, Esq. (Mg. Director) ..	Bharat Commerce & Industries Ltd. ..	18.50	10	Nil	Nil	Nil		12	Y.F.
20,00,000	7,79,721	64,19,0654‖	..	65,032	Lovelock & Lewis	Birds Investment Ltd.	13.25	10	0.80	0.70	1.10		9	Y.F.
45,97,020	55,50,348	1,22,49,277	53,89,733	2,13,638	K. Julian Scott, Esq. (Mg. Director) ..	Britannia Biscuits	36.75	10	3.00	1.70	1.40	2.50	3	Y.F.T.
3,23,00,000	1,68,58,664	1,03,09,000	2,65,54,909	74,442	H. S. Chaturvedi, Esq. (Mg. Director) ..	British India Corporation Ltd. ..	6.92	5	Nil	Nil	Nil		12	Y.F.
1,85,80,000	14,44,223	1,90,82,9244‖	..	2,16,378	Andrew Yule & Co., Ltd.	Clive Row Investment	8.50	10	0.75	0.75	0.85H	0.75	12	Y.
6,00,000	10,00,000	10,64,879	26,56,156	9,266	M.	Delhi Flour Mills, Co., Ltd. ..	15.00N	10	1.00	1.00			3	Y.
9,00,00,000	5,12,37,609	9,62,33,758	3,45,33,270	24,05,447	John Luckham, Esq. (Mg. Director) ..	Dunlop Rubber Co. (India) Ltd. ..	42.12	10	1.62	1.62	2.15		10	Y.F.T.
19,91,610	81,24,269	50,69,116	20,91,994	7,929	Mr. K. G. Khanna	Dyer Meakin Breweries	27.90	5	0.60	0.75			3	Y.F.
51,20,000	57,17,047	1,60,56,711‖‖	..	5,52,237	Bird & Co. Private Ltd.	Eastern Investment Ltd.	130.50	100	9.00	9.00	14.00		12	Y.F.
14,99,000	3,62,644	48,20,791	7,18,280	4,810	S. Sankaran, Esq. (Mg. Director) ..	Enfield India Ltd.	15.75	10	Nil	Nil	0.50		12	Y.F.
49,90,137	77,72,310	95,23,776	52,36,250	4,07,358	Satya Narain Gupta, Esq. (Chairman) ..	Ganesh Flour Mills Co. Ltd. ..	16.00	12.50	1.50	1.50	1.50		9	Y.F.
14,00,000	14,48,131	42,08,175	22,69,456	70,652	Macneill & Barry Ltd.	Gangee Rope Co., Ltd.	216.00	100	12.50	15.00	17.00	17.50	3	Y.
7,50,000	4,20,000	1,21,085	43,631	5,851	Gany & Co.	General Papers Ltd.	11.35	10	0.80	1.25	1.25		9	Y.F.
48,00,000	86,24,200	80,57,755	15,91,667	1,71,222	P. E. G. Woodbine Parish, Esq. ..	Gillanders Arbuthnot & Co., Ltd. ..	13.31	10	1.00	1.00	1.00	1.00	3	Y.F.
40,00,000	4,73,500	93,35,493	31,89,847	10,40,721	D. S. Barwe, Esq. (Chairman) ..	Godfrey Phillips India Ltd. ..	21.75N	10	1.50	2.00	2.50		12	Y.F.
90,00,000	18,67,354	84,64,988	38,51,718	59,181	B. P. R. Syndicate	Great Eastern Hotel	235.00	250	5.00				12	Y.
4,00,13,275	49,51,450	7,36,66,187	3,25,48,234	3,63,247	Birla Brothers Private Ltd. ..	Hindustan Motors	19.80	10	Nil	Nil	0.50	0.90	3	Y.F.
50,00,000	16,45,523	1,06,45,177	83,07,174	181,175	Hindustan Piano Co. Private Ltd. ..	Hindustan Pilkington Glass ..	23.25	10	0.60	0.60	1.20		10	Y.F.
15,16,00,000	9 84,76,803	11,31,66,117	2,83,76,995	24,77,765	Mr. F. A. Collett (Chairman) ..	Imperial Tobacco Co. of India Ltd.	11.44	10	0.70	0.70	0.80	0.80	3	Y.
2,97,67,760	2,01,79,740	9,72,38,273	3,90,11,654	83,42,051	K. C. Mahindra, Esq. (Chairman) ..	Indian Aluminium Co., Ltd. ..	29.56	10	0.60	0.70	1.20		12	Y.
2,84,77,700	2,02,99,648	2,95,48,176	1,37,19,570	45,84,364	B. J. Wadia, Esq. (Mg. Director) ..	Indian Cables Co., Ltd.	32.25	10	1.50*	1.80*	1.80*	2.25	3	Y.F.T.
2,00,00,000	99,92,078	5,66,27,893	2,14,74,904	8,72,583	Amiya Kumar Sen, Esq. (Mg. Director) ..	Indian Oxygen Ltd.	40.50	10	1.00	1.00	1.50		9	Y.F.T.
29,88,250	70,550	51,02,092	17,57,026	33,618	M.	Indian Plastics Ltd.	9.87	10	0.37	Nil	Nil		9	Y.
8,27,970	6,14,570	17,46,166	10,03,858	97,031	M.	Indian Rubber Manufacturers ..	18.00	10	0.62				9	Y.F.
2,00,00,000	73,10,723	42,66,214	15,92,103	5,21,494	J. D. K. Brown, Esq. (Mg. Director) ..	Jardine Henderson	21.00	100	2.50	2.50	5.00	7.00	3	Y.F.
15,00,000	14,50,000	18,54,004	12,14,166	56,593	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd. ..	14.76	10	2.00	3.50	2.00		3	Y.F.
1,48,82,750	1,18,19,046	69,07,246	16,26,428	2,54,784	T. Leslie Martin, Esq. (Mg. Director) ..	Martin Burn Ltd.	26.50	10	2.12*	2.12*	2.75		9	Y.F.
40,00,000O. }	74,10,730	31,01,156	12,70,257	2,45,718	M.	McLeod & Co., ...	{212.00	O. 100	12.50	12.50	15.00		3	Y.
8,00,000D. }							—	D.O.10	0.75	0.75	1.00		12	Y.P.
1,60,00,000	1,64,75,151	8,35,31,784	1,25,74,063	23,96,994	K. C. Mahindra, Esq. (Chairman) ..	Metal Box Co. of India Ltd. ..	44.87	10	1.75	1.75	1.75	2.50‡	3	Y.
9,06,000	3,88,838	12,14,822	5,16,529	4,812	N. G. Ayyangar Esq. (Mg. Director) ..	Mysore Electrical Industries Ltd.	172.50	100	8.00	11.00	18.00		3	Y.P.
6,66,250	6,92,600	11,29,680	5,97,362	3,849	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	21.85‡d	10	1.25	1.50	1.60		3	Y.P.
10,00,000	5,16,884	17,88,367	10,32,033	622	M. Mallaraj Urs. (Mg. Director) ..	Mysore Tobacco	12.75‡d	10	1.50	1.25	1.25	1.00	3	Y.
60,00,000	1,37,56,592	1,31,19,135	51,35,388	60,339	Associated Ind. Dev. Co. (Pvt.) Ltd. ..	National Insulated Cable Co. ..	28.56	10	2.00	2.00	3.00	2.50‡	3	Y.
80,00,000	17,70,000	49,56,249	23,37,459	87,684	Do.	National Pipes & Tubes Co., Ltd. ..	20.87	10	2.00	2.50	3.00		3	Y.F.
40,00,000	30,19,000	83,22,477	35,76,940	1,31,135	Do.	National Rolling & Steel Rolling ..	18.56	10	0.60	1.00	1.00	1.30	9	Y.F.
49,97,064	9,16,876	83,55,363	33,67,859	14,523	K. N. Mookerjee, Esq. (Mg. Director) ..	National Rubber Manufacturers Ltd.	16.00	10	1.00	0.60‡C	0.85		3	Y.
79,97,000	1,02,10,881	1,36,71,675	75,68,474	7,07,850	B. N. Elliot & Co. Private Ltd. ..	National Tobacco Co.	20.87	10	0.90	1.10	1.80		12	Y.
23,32,100	11,02,391	40,65,2444‖	..	45,497	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	48.00	75	2.50	3.75	6.80		12	Y.F.T.
10,00,000	5,52,000	12,65,063	6,00,215	1,51,607	Parry & Co., Ltd.	Parry Confectionery Ltd. ..	4.95	1	0.20	0.20	0.20	0.80	12	Y.
2,20,00,000	50,68,956	1,48,74,355	45,82,803	47,214	P. C. Vinz, Esq. (Mg. Director) ..	Phillips India Ltd.	20.37	10	0.84	0.85	1.10		12	Y.
42,50,000	..	..	..	..	Duncan Brothers & Co., Ltd. ..	Phillips Carbon	17.12	5	..	..	..		12	Y.
15,00,000	1,09,431	8,59,781	2,90,184	2,553	A. V. Raghava Rao, Esq. (Mg. Director)	Radio & Electricals Ltd.	4.15	5	0.45	0.375	..		12	Y.
24,89,314	2,28,127	34,61,124	16,21,778	48,739	T. Shanmuga Raj, Esq. (Chairman) ..	Radio & Electricals Mfg. Co., Ltd.	19.50‡d	10	1.80	1.80	1.80		3	Y.
25,00,000 }	1,50,000	17,32,985	5,64,037	6,664	Jamnalal Sons Private Ltd.	Bajaj Electricals.	{115.50	100	7.50	8.00	8.00	8.10	3	Y.F.
6,25,000 }							67.00	50 New	1.18	2.06	—	2.70	3	Y.F.
2,25,00,000	24,00,000	56,76,349	30,89,626	2,54,744	M. P. A. Pasputi, Esq. (Mg. Director) ..	Rallis India Ltd.	123.00	100	Nil	Nil	Nil		12	Y.P.
2,50,80,000	2,49,55,000	14,76,38,074	6,18,05,237	1,93,085	Sahu Jain Ltd.	Rohtas Industries	21.19	10	2.00	1.50	2.00	2.00	3	Y.P.
4,73,200 }	99,259	81,10,822	9,26,851	28,722	Sathe Food Inds. (Private) Ltd. ..	Sathe Biscuit and Chocolate Co., Ltd.	{100.00N	100	6.00	6.00	6.00		3	Y.F.T.
5,13,400 }							60.00N	100	3.00	3.00	3.00			
60,00,000	38,78,198	2,58,69,675	52,19,131	1,60,686	M.	Sen-Raleigh Industries	25.37	10	0.60	0.80	0.80		9	Y.F.
75,00,000	45,78,890	1,17,80,536	26,07,280	8,14,701	S. M. Smith, Esq. (Chairman) ..	Shaw Wallace & Co., Ltd. ..	23.81	10	1.00	1.00	1.00		12	Y.F.
40,00,000	96,89,810	1,32,79,059	76,28,929	8,41,276	N. W. Stephens, Esq.	Shaw Wallace & Co., Ltd. ..	22.65	10	1.50	1.50	1.80		12	Y.F.
67,90,180	20,65,050	1,17,02,171	30,48,561	3,869	Standard Motor Co. (India) Pvt. Ltd. ..	Standard Motor Products	17.00	10	0.75	0.75	0.80	0.40‡	12	Y.
16,00,000	95,24,802	1,18,49,116	28,52,152	53,431	J. K. Agents Private Ltd.	Straw Products Ltd. S	12.32N	10	1.25	1.50	1.50		12	Y.F.
22,89,270	16,32,008	14,78,453	8,03,694	14,13,847	M. N. Dalal, Esq. (Chairman) ..	Tractors (India) Ltd.	33.50	10	2.00	2.25	3.00	3.00	12	Y.F.
2,99,880	24,035	14,78,093	6,66,618	12,418	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	7.50	10	Nil	0.40	0.40		6	Y.
11,56,800	14,70,789	13,72,077	6,76,550	41,732	E. H. Stanes, Esq. (Mg. Director) ..	T. Stanes & Co., Ltd.	32.65	10	2.00	2.00	2.75		9	Y.F.
2,49,99,600	1,10,88,485	2,57,49,365	46,49,251	41,074	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd. ..	805.00d	100	10.00	10.00	10.00		7	Y.
80,58,950	29,686	68,68,958	17,66,838	56,308	The Cotton Agents Private Ltd. ..	Tungabhadra Industries Ltd. ..	9.75	10	Nil	Nil	Nil		3	Y.
2,00,00,000	1,19,35,508	2,85,11,692	95,31,873	43,63,429	J. R. Galloway, Esq. (Mg. Director) ..	Union Carbide India Ltd.	45.50	10	1.40	1.40	1.80	0.75‡	9	Y.T.
5,00,000	15,00,000	36,58,720	29,58,715	27,831	Vital Mills, Esq. (Chairman) ..	United Breweries	114.50‡cr	10	20.00	60.00	62.00(a)		12	Y.
5,00,000	6,80,591	8,62,858	5,62,017	9,780	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	34.00N	10	4.00	3.75	5.25		3	Y.
81,29,500	25,89,264	98,81,836	25,54,513	5,401	A. K. Kaderkutty, Esq. (Mg. Director) ..	Western India Plywoods Ltd.	246.00	100	10.00	10.00	10.00	10.00‡C	3	Y.F.

‡—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December, 1953. ‖‖ Investment at cost.
M.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 87 nP for the year ended 31st March 1956. * Includes bonus.
(a) United Breweries Ltd.—The dividend for 1959 consists of an interim dividend of Re. 7.50 per share and a final dividend of Re. 52.50 per share of which the shareholders will receive Rs. 2.50 in cash and Rs. 50.00 per share by the allotment of five newly created shares of Rs. 10 each. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable.
M.—Managed by the Board of Directors. (k) Investments. 'C'—On increased Capital.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Ordinary Share 1957 Rs. nP.	1958 Rs. nP.	1959 Rs. nP.	1960 Rs. nP.	Accounts closed	Reference
25,50,000	35,44,700	1,23,77,423	80,09,853	11,099	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20.50	10	1.25	1.25	1.50	1.00	3	Y.
12,00,000	2,06,358	88,08,529	31,12,329	—5,53,532	Jardine Henderson Ltd.	Barraree Coke	12.04	10	1.00	0.80	Nil	Nil	3	Y.
4,49,350	88,000	9,25,102	5,89,520	1,317	Kajranji Mawji & Co.	Bengal-Ishatdee	6.00	10	0.37	0.50			3	Y.
1,00,00,000	1,64,72,081	6,98,53,888	4,68,54,445	10,20,311	Andrew Yule & Co., Ltd.	Bengal Coal	322.00xR	100	17.50	17.50	25.00	10.00‡	12	Y.
2,25,000	4,90,671	23,67,602	21,45,467	—24,902	Andrew Yule & Co., Ltd.	Bengal-Nagpur	25.00	10	Nil	Nil	Nil		10	Y.
40,00,000	61,200	1,47,68,411	80,25,554	2,25,071	Sahu Jain Ltd.	Bharat Collieries	4.25	10	Nil	Nil	Nil		12	Y.
7,16,000	14,93,844	57,66,346	30,78,757	—6,06,032	M.	Bhulanbararee	0.50	O. 50	0.60	Nil			3	Y.F.T.
7,50,000	20,32,392	45,36,903	28,95,396	19,830	F. W. Heilgers & Co. (Private) Ltd.	Borrea	20.12	10	Nil	Nil			6	Y.F.
60,92,480	1,77,68,238	4,58,82,454	2,17,98,661	1,10,738	Bird & Co. Private Ltd.	Burrakur	18.37	10	0.75	0.75	1.00		12	Y.F.
49,97,000	4,63,729	74,39,010	25,32,005	27,582	Hindustan Investment Corpn. Ltd.	Central India	11.50	10	0.75	0.875	1.30	0.50‡	3	Y.F.
3,00,000	12,90,690	49,66,445	33,71,853	23,320	M.	Central Kurkend	7.00	10	0.50	0.50	0.50	0.80	3	Y.F.
6,00,000	1,54,873	6,30,841(k)	..	941	F.W. Heilgers & Co. (Private) Ltd.	Churlia	3.00	10	0.70	0.50	0.50		3	Y.F.
18,00,000	..	87,45,982	32,76,326	—28,095	Macneill & Barry Ltd.	Dharma Main	7.00	10	0.70	0.70			12	Y.F.
6240,000	£3,52,000	£1,124,710	£512,000	£7,000	Jardine Henderson Ltd.	East Indian	31.19	10	Nil	Nil	0.12		12	Y.F.
29,85,760	1,07,01,492	4,76,99,617	3,33,28,971	1,20,288	Macneill & Barry Ltd.	Equitable	27.37	41	1.50	1.00	1.25	1.00	12	Y.F.
10,00,000	1,40,469	14,24,422	4,83,296	45,389	Bhatter's Agency Ltd.	Ghusick and Muslia	12.00N	10	1.50	1.50	0.75		12	Y.F.
12,00,000	1,27,054	43,44,576	27,68,441	—1,87,129	Killick Industries Ltd.	Hingir-Rampur	23.00	10	Nil	Nil			12	Y.F.
8,00,000	2,50,000	24,57,868	19,66,774	163	Macneill & Barry Ltd.	Hurriladih	11.00	50	Nil	Nil	Nil	Nil	3	Y.F.
20,00,000	5,37,341	40,32,438	10,76,764	11,141	Bird & Co. Private Ltd.	Karanpura Collieries	200.00	100	Nil	Nil			12	Y.F.
5,00,000	21,66,000	56,77,095	40,80,864	1,81,658	Andrew Yule & Co., Ltd.	Katras Jherriah	42.62	10	Nil	5.00	5.00		12	Y.F.
11,00,240	68,356	16,86,067	10,94,163	13,871	H. V. Low & Co. (Private) Ltd. ..	Kuardi	6.50	10	6.50	6.50	6.50	7.50	3	Y.
9,00,080	10,22,762	28,59,712	22,94,028	8,568	H. V. Low & Co. (Private) Ltd. ..	Lakurka	15.00N	10	Nil	Nil		9.50	1	Y.
7,48,240	12,50,878	20,15,353	17,14,010	17,140	Tinplate Brothers Private Ltd. ..	Nazira	7.50	10	0.12	1.00			4	Y.
17,76,250	23,80,325	1,62,03,776	1,01,37,916	81,185	Andrew Yule & Co., Ltd.	New Beerbhoom	23.37	10	0.75	1.00	1.00		12	Y.
6,00,000	2,88,645	28,54,261	19,79,034	56,603	Octavius Steel & Co., Ltd.	New Manbhoom	13.00	10	0.75	1.00	1.50	0.60	10	Y.
1,16,000 }	3,84,525	12,06,398	9,60,464	23,053	Andrew Yule & Co., Ltd.	North West	24.87N	10	1.50	1.50	0.50	0.75	9	Y.
1,57,500 }							18.00N	7.50	1.50	1.50	1.50	2.00	3	Y.
7,50,000	16,65,465	2,62,638	21,15,095(k)	41,489	P. Prashad, Esq. (Chairman) ..	Ondal	11.00	10	1.12	1.12	1.12	1.50	12	Y.
8,34,000	1,89,916	29,18,119	11,33,398	3,855	Perpetual Khanduli	Palasea	16.00N	10	0.50	0.50	0.70		12	Y.F.
15,75,000	22,83,200	76,01,776	47,81,408	14,547	Shaw Wallace & Co., Ltd.	Pench Valley	19.12	10	0.50	0.50			12	Y.F.
25,99,500	34,89,802	1,52,74,203	1,05,98,171	8,664	M.	Ranegunge	16.12	10	2.00	2.00	1.00	1.00	3	Y.F.
18,50,000	6,38,345	45,17,417	32,31,916	24,649	Shaw Wallace & Co., Ltd.	Rewa	20.50‡d	10	0.75	1.00	1.00	1.50	3	Y.
37,50,000	36,62,940	1,06,14,676	34,23,229	—6,560	M.	Samla Collieries	7.50N	10	1.00	1.00	1.00	0.75‡	12	Y.F.
18,00,000	2,83,010	22,73,864	7,51,427	2,608	S. D. Sethia & Co. Private Ltd. ..	Selected Satgram Collieries ..	121.00	100	0.90	0.80	0.70		12	Y.F.
2,50,000	60,000	14,29,670	12,37,585	8,393	M.	Seorapore	1.00	100	0.25	12.50	16.00		12	Y.F.
2,50,000	10,53,829	30,26,230	20,57,054	46,862	Andrew Yule & Co., Ltd.	Seshpore	32.00	10	0.12	Nil			1	Y.
5,00,000	4,54,665	11,88,809(k)	..	5,451	F. W. Heilgers & Co. (Private) Ltd	Sendra	8.75	7	1.75	1.75	1.00	1.00‡	12	Y.F.
63,31,450	1,24,58,755	7,11,84,167	8,19,11,631	90,858	Industries (L. P.) Department (Govt. of Andhra Pradesh)	Singareni	10	10	0.25	Nil	0.85		12	Y.
17,50,000	8,47,803	41,74,967	19,53,699	19,788	Bird & Co. Private Ltd.	South Karanpara	9.75	10	1.50	0.75	0.75		12	Y.
8,00,000	15,46,229	24,83,605(k)	..	24,861	F. W. Heilgers & Co. (Private) Ltd.	Standard	10.50	10	0.75	0.75	0.80		6	Y.
5,00,000	2,81,000	20,40,970	15,40,057	28,484	B. M. Varma, Esq. (Mg. Director) ..	Union	12.75	10	1.50	1.25	1.50		12	Y.
3,50,000	3,56,533	86,93,251	32,75,682	7,982	Hindustan Investment Corpn. Ltd.	Western Bengal	12.00	10	0.37	0.25	Nil		12	Y.
49,98,000	..	59,74,151	29,16,909	12,536	Macneill & Barry Ltd.	West Jamuria	7.37	10	0.50	0.40	0.40	0.60	3	Y.
7,00,000	..	..	..	..	.. ..	.. ..	7.87	10	Nil	Nil			12	Y.F.

‡—Includes bonus. ‖‖ Investment at cost.
(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100 per cent. after 15 years. ‡ Any debenture outstanding on 1-6-1968 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 60 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1963 on six months' notice. † Option to repay at par on six months' notice, on or after 1st January 1961. T—Taxable. T.F.—Tax-free.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1957 Rs. nP	1958 Rs. nP	1959 Rs. nP	1960 Rs. nP	Accounts Closed	Reference
16,00,000 }	1,03,00,000	3,36,012	Allahabad Bank	{347.00	100	18.00‡	18.00‡	18.00‡		} 12	Y.P.
14,40,000 }				173.50	50	9.00‡	9.00‡	9.00‡			
1,01,000	19,73,220	10,301	Andhra Bank	100.00	100	6.00	6.00	8.02		} 6,12	H.
40,78,300				85.25	85	5.10	5.10	6.40			
1,00,00,000	1,60,00,625	1,02,801	Bank of Baroda	82.00	50	7.00	6.00	7.00	3.50‡	12	Y.
25,00,000				—	25'B'	..	1.50	3.50	1.75‡		
2,50,00,000	3,10,00,000	12,47,743	Bank of India	107.50	50	8.00	8.00	8.00	3.75‡	} 6,12	R.L.Y.
60,00,000 A'				110.00	50'A'	8.00	8.00	8.00	3.75‡		
80,71,820	13,22,881	27,745	Bharat Nidhi Ltd.	8.75	10	0.50	0.60	..	‡11	.. 12	
67,08,155 }				—	250	..	..	..	..		
30,00,000	56,30,000	42,473	Canara Bank Ltd.	85.00	50	5.00	5.00	7.50		12	Y.P.
12,47,775	18,00,000	14,361	Canara Banking Corporation Ltd.	75.00	50	5.00‡	5.00	7.50		12	Y.P.
'A' 6,99,020 }	35,00,471	28,596	Canara Ind. & Bkg. Syndicate Ltd.	{188.00	100 'A'	15.00	5.00‡	20.00‡		} 12	Y.
'B' 14,00,000 }				18.50	10 'B'	..	15.00	2.00‡			
'C' 2,00,000 }				1.88	1 'C'	0.15	..	0.20‡			
2,62,50,000	4,07,63,265	18,82,560	Central Bank of India Ltd. ..	54.00	25	3.50	0.15‡	4.30		12	R.L.Y.
Δ 2,62,50,000 }				58.50	25	3.50	2.50	4.30			
50,00,000	62,00,000	5,69,301	Devkaran Nanjee Banking Co. ..	62.50	50	3.00	3.50	2.82		12	Y.
1,25,00,000	10,00,000	29,695	Hindustan Commercial Bank ..	15.00	50	Nil	Nil			12	Y.
50,00,000	2,30,000	5,519	Hindustan Merchantile Bank ..	16.00	50	Nil	Nil	Nil		12	Y.
60,00,000 }	84,01,884	80,143	Indian Bank	{170.50	100	15.00‡	12.00	12

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	100.00	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00	100
Bhopal Sugar T.F.C.	12,50,000	1937	6.00	April ..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1878	6.00	Mar. Sept.	81.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb. Aug.	112.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July Apr.	6.33	5
East India Distilleries T.F.C.	£200,000	1897	7.00	Jan. July	16.80	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec. ..	62.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec. ..	62.00	100
Partabpore Co. C.	6,00,000	1922	10.00	Oct. ..	12.00	10
Ramnagar Cane T.F.C.	4,00,000	1933-36	6.00	Aug. ..	78.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct. Apr.	62.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	8.40	10
Upper Ganges T.F.C.	15,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.C.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	9,50,000	....	10.00	April May	120.50	100
COAL						
Borrea T.F.C.	14,00,000	1896-97	6.50	Oct. Apr.	79.00	100
Burrakur (1st) T.F.C.	22,92,800	1901-19	7.00	Apr. Oct.	93.00	100
Do. (2nd) C.	4,50,000	1946	6.00	.. ..	7.10xd	10
Equitable T.F.	4,00,000	1895	6.00	Mar. Sept.	75.00	100‡
Karanpura Collieries C.	9,89,500	1946	5.50	.. ..	67.00	75‡
Upper Ganges T.F.C.	15,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.C.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	9,50,000	....	10.00	April May	120.50	100
COTTON						
Ahmedabad Advance T.F.C.†	10,00,000	1939	5.50	Apr. Oct.	78.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan. July	115.00	100
Basanti Cotton T.F.	8,00,000	1928	6.25	Nov. ..	8.50	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb. Aug.	160.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb. Aug.	70.00	100
Bradbury T.F.	14,75,000	1919	7.00	June Dec.	53.50	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan. July	125.00	100
Cambodias C.T.F.	1,00,000	1928	7.00	Apr. ..	108.00	100
Central India T.F.	50,00,000	1912	5.00	Apr. Oct.	875.00	495
Century Spg. & Mfg. Co. T.F. R. C.	1,25,00,000	1888	6.00	Dec. ..	108.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1888	6.50	June ..	78.75	100
Elgin T.F.C.	11,00,000	1912	8.00	May ..	112.00cd	100
Elgin 'B' T.F.C.	4,80,000	1943	5.00	July ..	7.00cd	10
Elphinstone C.	25,00,000	1919	7.00	May Nov.	53.00	100
Kesoram T.F.C.	20,00,000	1919	7.00	June Dec.	103.00xd	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov. ..	75.00	10
Kothari C.T.F.	18,00,000	1937	6.00	Dec. ..	9.80	5
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	.. ..	10.00N	150
Lakshmi Cotton (Bombay) C.	14,00,000	1896	5.00	.. ..	150.00	100
Morarjee Goculdas Spg. & Wvg.T.F.C.	17,25,000	1947	4.50	Jan. ..	67.00	100
Mysore Spg. C.	7,48,050	1944	4.50	.. ..	23.52	50
National Rayon C.	1,74,64,700	1947	5.00	.. ..	70.50	100
New Great	8,00,000	1918	5.50	Mar. ..	105.00	200
Podar Mills T.F.C.	10,00,000	1942	6.00	Feb. ..	65.00	100
Rajlakshmi C.T.F.	7,00,000	1932	6.50	Apr. ..	47.73	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	6.00	.. ..	66.00	100
Sholapoor T.F.C.R.	22,00,000	1942	5.00	.. ..	78.25	100
Svadeshi T.F.C.	15,00,000	1918	5.00	Apr. Oct.	84.50	100
Swadeshi (Kanpur) T.F.C.	35,00,000	1927	6.00	June ..	68.00xd	100
Travancore Rayon C.T.F.	50,00,000	....	6.00	May ..	7.80	10
Vasanta (1st) C.T.F.	8,00,000	1931	6.50	Apr. Oct.	96.75	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	99.00	100
Vishnu C.	15,66,500	1903	7.00	Apr. ..	422.50	500
ELECTRICS						
Andhra Valley Power Supply C.	49,84,000	1917	7.00	May Nov.	1,010.00	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	.. ..	77.00	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00(t)	June Dec.	9.10	£1
Poona Electric C.	4,00,000	1936	7.00	June Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept. Dec.	8.55cd	10
Do. (2nd) C.T.F.	8,00,000	1940	5.50	.. ..	8.75cd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr. ..	108.50	100
Tata Hydro Electric Power C.	89,28,000	1907	7.50	May Nov.	105.75	100
Tata Power T.C.	86,97,000	1918	7.50	May Nov.	1,103.75	1,000
Vellore C.	1,25,000	1923	6.00	Dec. ..	6.75cd	10
ENGINEERING						
Arthur Butler (Muzaffarpore) T.F.C.	1,80,000	1919	7.00	Mar. ..	11.00	10
Burn & Co. Ltd. (1st) T.F.C.	13,00,000	1896-99	7.00	Feb. Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb. Aug.	107.00	101
Indian Iron and Steel Co., Ltd. T.F.C.	2,69,95,400	1950	6.00	Dec. ..	112.00	100
Indian Standard Wagon T.F.C.	19,50,500	1918	7.00	June ..	83.50xd	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	56.00	100
Kamani Engineering C.R.	15,00,000	1946	5.00	July ..	84.00N	100
†††Kamarhatti Engineering T.F.C.	12,00,000	1916	5.00	June Dec.	93.00	100
Larsen and Toubro Ltd. T.F.R.	12,00,000	1946-47-51	5.00	.. ..	97.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1946	6.00	May ..	86.00	100
McKenzies (1st) T.F.C.	5,50,000	1907	6.50	.. ..	78.00	100
Premier Construction (1st) C.	10,00,000	....	6.25	.. ..	73.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	.. ..	6.16	10
Do. do. (3rd) C.	50,25,000	1947	6.00	.. ..	134.00	150
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov. ..	103.50	100
Do. do. (2nd) C.	6,98,81,900	1908	7.50	May ..		
JUTE						
Agarpara T.F.C.	10,00,000	1927	7.00	Jan. July	90.00	100
Alexandra T.F.C.	9,00,000	1908	7.00	Feb. Aug.	85.00	100
Alliance T.F.C.	15,00,000	1898	6.00	Mar. Sept.	61.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	70.00	100
Anglo-India T.F.C.	40,00,000	1909	5.50	May Nov.	70.00	100
Do. (2nd) (i) C.	15,00,000	1945	4.50	June Dec.	60.00	100
Baily T.F.C.	20,00,000	1918	7.00	Apr. Oct.	94.00	100
Barnagore C.	12,00,000	1898	5.00	May Nov.	36.00	£5
Belvedere T.F.C.	7,00,000	1906	7.00	Jan. July	89.00	100
Birla C.	23,64,200	1919	7.50	June Dec.	87.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	89.00	100
Calcutta T.F.C.	8,00,000	1854	6.50	Jan. July	44.50	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	85.00	100
Champdani T.F.C.	10,00,000	1919	7.00	June Dec.	87.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	87.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May Nov.	70.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May Nov.	80.00	100
Dalhousie T.F.C.	15,00,000	1905-18	7.00	May Nov.	88.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	88.00	100
Fort Gloster T.F.C.	14,00,000	1890-98	7.00	May Nov.	110.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	.. ..	75.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	110.00	100
Ganges T.F.C.	5,00,000	1918	8.00	June Dec.	100.00	100
Gourepore T.F.C.	26,50,000	1896-04	6.00	May Nov.	77.50	100
Hastings T.F.C.	25,00,000	1936	6.00	Mar. Sept.	82.00	100
Hooghly T.F.C.	11,75,000	1918	10.00	May Nov.	9.50	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	94.00	100
Do. T.F.C. (i)	17,50,000	1903-6	7.00	May Nov.	92.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	84.50	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb. Aug.	74.00	100
Kankarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	88.00	100

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*						
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	90.00	100
Khardah T.F.C.	9,00,000	1895-99	6.00	May Nov.	73.00	100
Kinnison T.F.C.	15,00,000	1909-13	6.00	May Nov.	88.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	89.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	87.00	100
Do. (B) T.F.C.	10,00,000	....	7.00	May Nov.	87.00	100
Naihati T.F.C.	7,50,000	1905	5.50	Dec. ..	60.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	7.00	May Nov.	93.00	100
National T.F.C.	5,00,000	1917	4.50	June Dec.	67.00	100
Nellimarla T.F.C.	5,00,000	1939	7.00	May Nov.	88.00	100
New Central T.F.C.R.	32,00,000	1915	6.00	Apr. Oct.	80.00	100
Northbrook T.F.C.	15,00,000	1900	7.00	Jan. July	92.00	100
Reliance T.F.C.	20,00,000	1906-12	5.50	May Nov.	71.00	100
Sagmuggur C.	4,50,000	1901	7.00	May Nov.	81.00	100
Soorah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	Sh. 21.50N	£1
Shree Ambica T.F.C.	11,70,000	1929	7.00	Feb. Aug.	98.00	100
Titaghur C.	£150,000	1927	7.50	Mar. Sept.	93.00	100
Union T.F.C.	£150,000	1897	6.00	Feb. Aug.	Sh. 21.50	£1
Victoria C.	£150,000	1901-02	7.00	May Nov.	88.00	100
Waverley T.F.C. (l)	£150,000	1898	6.00	Feb. Aug.	Sh. 21.50	£1
	7,50,000	1913	5.00	Mar. Sept.	37.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov. ..	52.00	60
Calcutta Tramways C.	£250,000	1904	5.00	Apr. Oct.	8.00	£1
Great Eastern Shipping T.F.R.C.	£5,00,000	1948	5.50	Dec. ..	91.00	100
Indian General Nav. & Rly. C.	£244,000	1899	6.00	Mar. Nov.	78.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	.. ..	82.00	100
TEA						
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May Nov.	32.50	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan. July	100.00	100
Birpara T.F.C.	1,00,000	1900-03	8.00	Jan. ..	103.00	100
Chowabhutti T.F.C.	2,00,000	1914	6.50	Jan. July	100.00	100
Glelle C.	2,00,000	1894	6.00	Mar. ..	75.00	100
Hantapara T.F.C.	60,000	1901	8.00	Jan. ..	103.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar. ..	100.00	100
Kingsley Golaghat T.F.	2,40,000	1897	6.00	Dec. ..	85.00	100
Mohcoma T.F.C.	8,20,000	1929	6.00	May Nov.	0.37	10
New Dooars T.F.C.	2,00,000	1907	6.50	Jan. July	105.00	100
New Samanbarh T.F.C.	1,00,000	1908	8.00	Nov. ..	91.00	100
†††Okayli T.F.R.C.	50,000	1888	7.00	Dec. ..	84.00	100
Pussimbing T.F.C.	2,05,000	1910	7.00	Jan. ..	90.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May ..	68.00	100
Terai Tea T.F.C.	2,02,000	1932	8.00	Jan. ..	14.00	10
Tirribannah T.F.C.	1,00,000	1922	10.00	May Nov.		
PLANTING						
Be Be Rubber C.	1,43,005	1914	6.25	.. ..	2.70	5
Do. H.C.	2,85,570	1914	6.25	.. ..	6.02	10
Cochin Malabar C.T.F.	1,13,400	1932	5.00	June ..	50.25	50
Coonoor Tea C.	10,40,600	....	5.00	.. ..	75.00	100
Cottanad C.T.F.R.	1,50,000	1926	6.00	Apr. ..	89.65	100
Devon Tea C.T.F.	1,00,000	1937	5.00	Nov. ..	10.80cd	10
Highland Produce C.T.F.	2,00,000	1936	7.50	July ..	95.00	100
Neelamalai C.T.F.	3,00,000	....	6.00	July Jan.	8.03	10
Nilgiri Tea C.T.F.	18,00,000	1943	6.00	July Jan.	7.17	10
Pullangode C.T.F.	2,81,250	1942	6.50	July ..	3.77	5
Teckoy Rubber C.T.F.	1,50,000	1943	6.00	Mar. ..	8.05	10
T. R. & T. Co. C.T.F.	6,00,000	....	6.00	Sept. ..	7.20xd	10
Waterfalls R.C.T.F.	5,00,000	1933	6.00	June Dec.	9.15	10
			6.00	Nov. ..	9.25cd	10
MISCELLANEOUS						
Alembic Chemicals (1st)	5,00,000	..	6.25	June ..	91.20	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June ..	86.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr. ..	97.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	6.00(X)	.. ..	97.00	100
Andhra Cement C.T.F.	2,43,800	1937	6.00	Feb. June	101.80	100
Associated Hotels of India C.	21,07,000	1946	6.00	Mar. Sept.	62.00	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug. ..	12.50	10
Bengal Paper Mill T.F.C.	2,92,000	1903	7.00	Mar. Sept.	51.00	50
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar. Sept.	51.00	50
Do. "B" T.F.C.	20,00,000	1943	6.00	.. ..	65.00	100
Bengal Timber Trading T.F.C.	3,00,000	1898	8.00	Aug. ..	7.75N	100
Britannia India Ltd. T.F.C.	15,450	1918	8.00	Feb. Aug.	15.00	10
British Ceylon Corporation C.	17,50,000	1918	8.00	Feb. Aug.	8.00N	10
British India Corporation T.F.C.	61,00,000	1920	8.00	Feb. ..	118.00	100
Dalmia Cement (Bharat) C.T.F.	61,58,210	1937	6.00(X)	.. ..	7.00	10
Dhrangadhra Chemicals T.F.C.R.	31,91,900	1936	6.00	.. ..	80.00	100
Shree Digvijay Cement T.F.R.C.	70,91,875	1944	6.00	Dec. ..	81.00	100
Dunlop Rubber Co. (1st) T.F.C.	30,00,000	1926	6.00	June Dec.	11.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	6.00	Apr. ..	64.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	6.00	Feb. Aug.	80.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb. Aug.	80.00	100
Gillanders Arbuthnot(f) R.C.	25,00,000	..	6.00	Feb. Aug.	80.00	100
Hindustan Motors T.F.R.C.	1,60,67,250	..	6.00	Apr. Oct.	84.00	100
Humayun Properties T.F.C.	12,00,000	1956	6.00	Mar. ..	191.00	100
India Cement C.	29,85,000	1923	6.00	.. ..	6.50	10
Indian Aluminium (g) C.R.	60,00,000	1946	7.50	Oct. ..	88.50cd	100
Indo-Burma Petroleum C.	50,00,000	1945	5.00	June ..	87.00	100
Indian Cable (m) C.	12,87,750	1921	7.00	Jan. July	87.00	100
India Rubber Mfrs. (n) T.F.C.R.	5,24,000	1923	6.00	June Dec.	30.00xd	10
Jardine Henderson C.	50,00,000	..	5.00	Apr. ..	83.00	100
Kettewell and Bullen (1st) C.	20,00,000	1946	5.50	Dec. ..	87.00	100
Do. do. (2nd) T.F.C.	10,00,000	..	5.50	May ..	87.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	..	4.00	May ..	84.00	100
Martin Burn (k) T.F.C.R.	30,00,000	1915	7.00	June Dec.	63.00N	100
McLeod and Co. (1st) C.	10,00,000	1946	5.00	Apr. Oct.	86.00xd	100
Do. (2nd) F.C.	10,00,000	1930	5.00	Apr. Oct.	86.00xd	100
Metal Box Co. C.R.	40,00,000	1936	5.00	July Jan.	50.00	100
Mettur Chemicals (Old) C.T.F.	30,00,000	..	5.00	July Jan.	62.00	100
Mysore Chemicals Mfrs. C.T.F.	20,00,000	1903-18	6.00	.. ..	87.00	100
Mysore Lamps R.C.T.F.	2,00,000	1930	6.00	Feb. Sept.	98.75	100
National Tobacco (Old)(p) T.F.C.R.	2,50,000	..	6.00	June ..	8.40xd	10
Do. do. (New) (q) T.F.C.R.	25,00,000	..	4.00	Aug. ..	6.30xd	10
Orient Paper T.F.C.R.	19,95,000	..	4.50	Mar. Sept.	70.00	100
Do. (2nd) (r) C.R.	20,00,000	1938	4.50	Mar. Sept.	62.00	100
Rohtas Industries (Old) T.F.C.	60,00,000	..	5.50	Jan. ..	80.00xd	100
Do. do. (New) T.F.C.	25,00,000	..	5.50	Apr. Oct.	61.00xd	100
†Smith Stanistreet & Co. T.F.	85,04,700	1936	7.00–9.00	Apr. ..	116.00	100
Spencer & Co. "A" C.	5,00,000	1920	6.25	Apr. ..	57.00	100
Do. "B" C.	25,20,000	1898	10.00	Apr. ..	70.00	50
Standard-Vacuum C.	38,80,000	1922	6.50	Jan. July	9.90	10
Star Paper T.F.C.R.	75,00,000	1955	8.50	Jan. July	10.45	10
Tata Chemicals T.F.C.	10,00,000	..	5.00	Mar. Sept.	74.00	100
Tata Oil Mills C.	59,97,000	..	5.00	June ..	84.00xd	100
Titagur Paper Mills T.F.C.	29,88,800	1946	4.50	July ..	67.00	100
Do. do. (2nd) T.F.C.	11,50,000	1899	8.00	Jan. June	118.00	100
	15,00,000	1934	4.50	Jan. July	70.00	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent. (of which only 5 per cent. cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent. of the 10 per cent. dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

Capita and dividend unconditionally guaranted by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Remeemable after 28th July 1953 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares as to dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st January 1954. (s) Redeemable at 10 9 per cent. (t) Free of Income-tax upto 6 nA in the £. (u) Redeemable at par on 3 months' notice. (v) Redeemable on various dates. (w) Redeemable any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (y) Redeemable paid.

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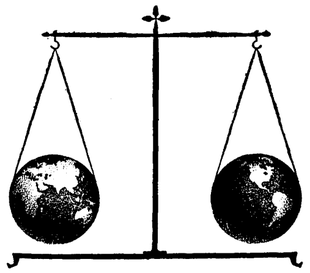

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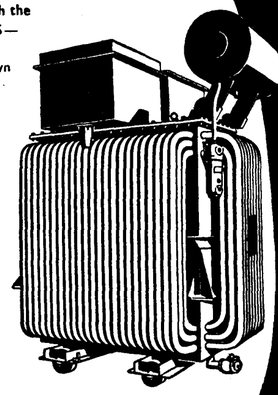

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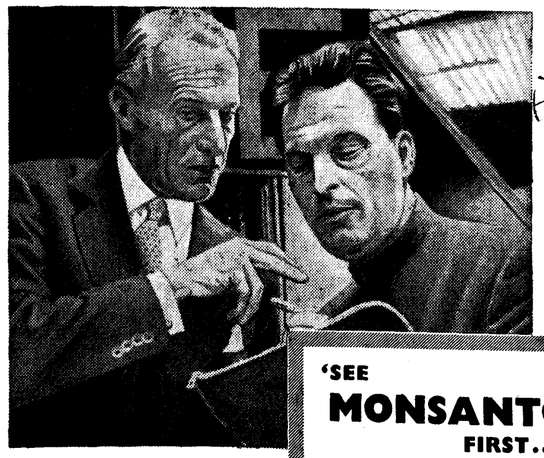

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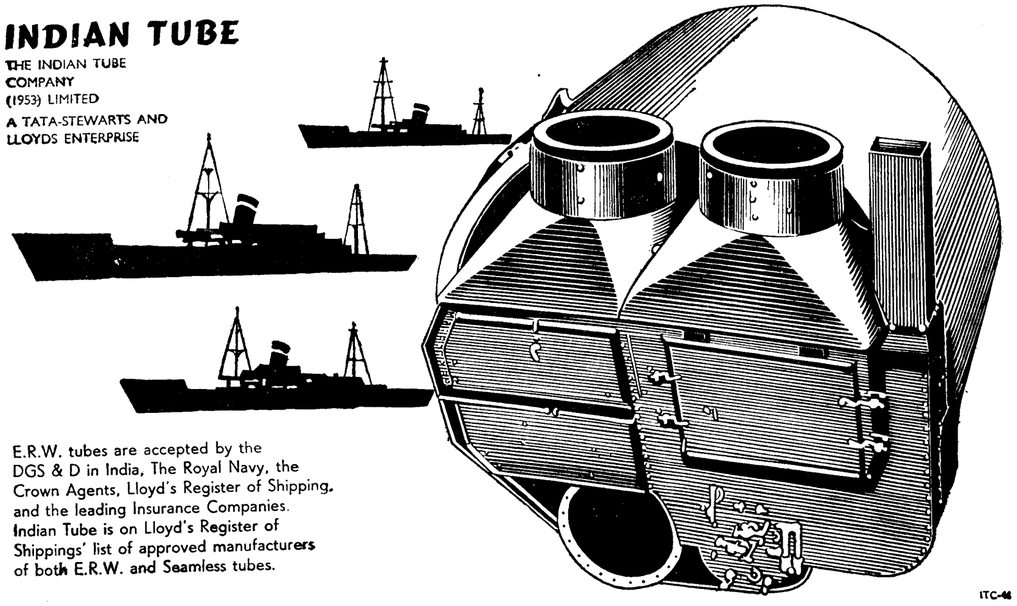

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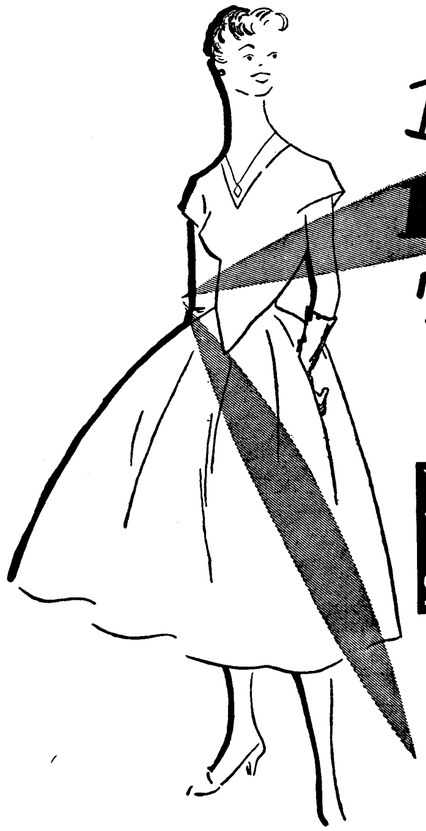

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